

FY 2018-2019

# Village of Kildeer

## Illinois

### Annual Budget

May 1, 2018-April 30, 2019



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Village of Kildeer  
Illinois**

For the Fiscal Year Beginning

**May 1, 2017**

*Christopher P. Morill*

Executive Director

# ELECTED OFFICIALS

FY 2018-2019



Nandia Black, President



William Johnson, Trustee



Keith Kovanda, Trustee



Ralph Liberatore, Trustee



Les Sokolowski, Trustee



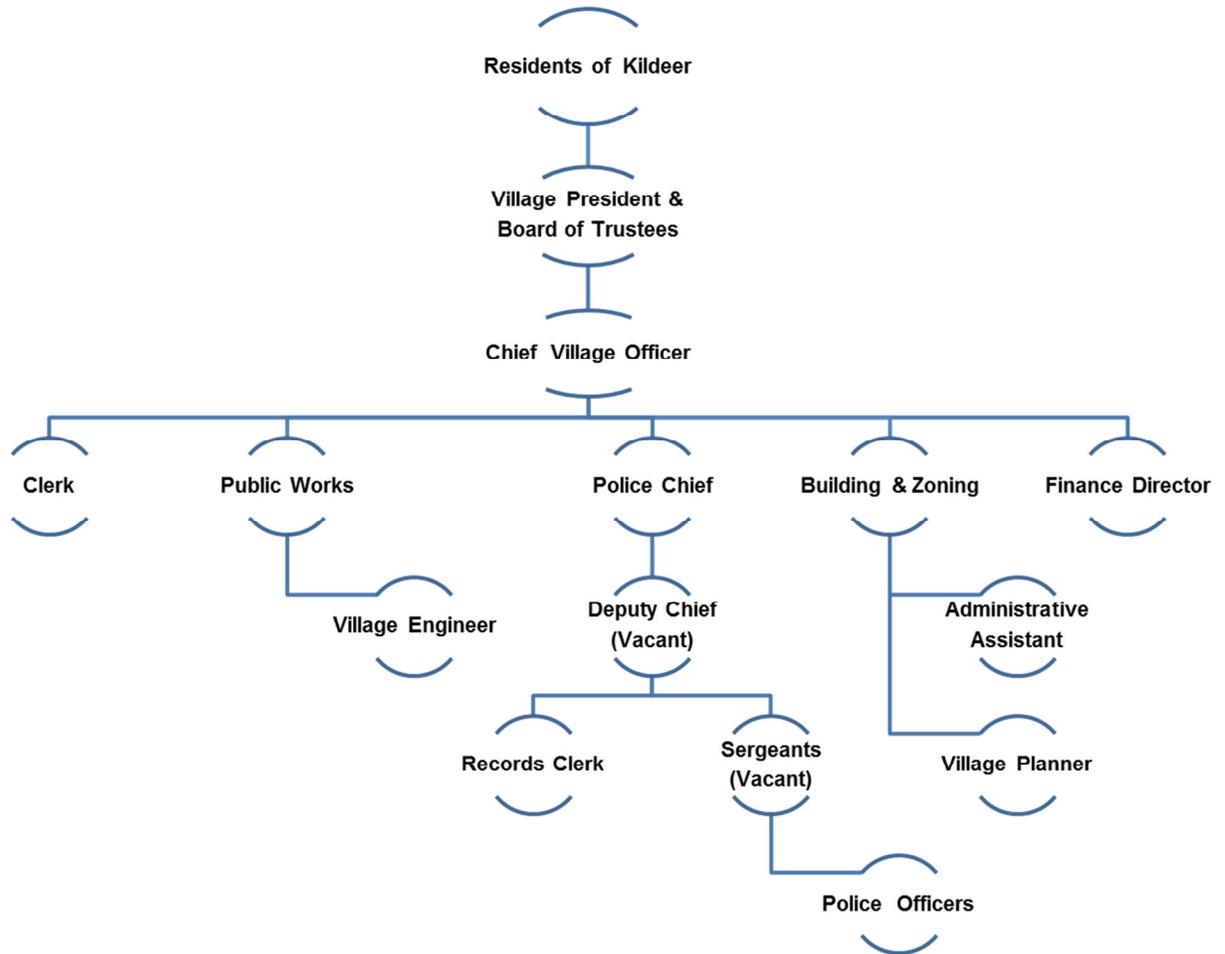
Barb Stavropoulos, Trustee



Basel Tarabein, Trustee

# ORGANIZATIONAL CHART

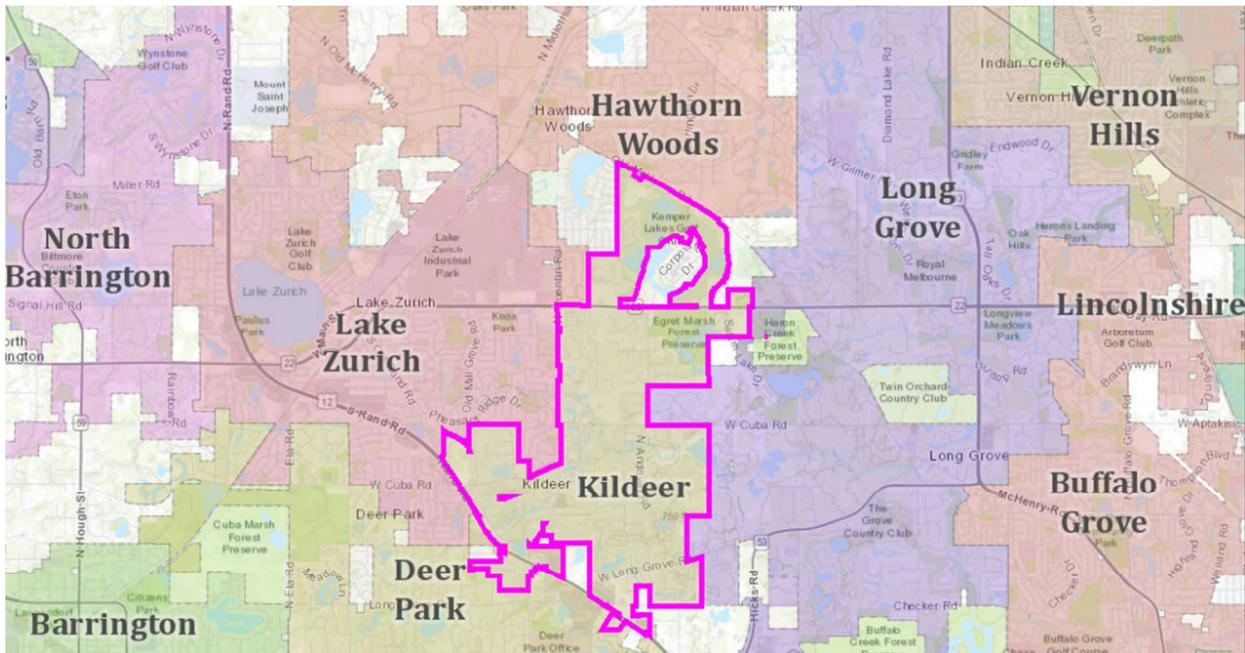
FY 2018-2019



# VILLAGE PROFILE

FY 2018-2019

The Village of Kildeer became an Illinois municipal corporation in March 1958. At that time there were only 163 residents living in 2 subdivisions (Long Grove Valley, and Boschome Farms). There are now over 4,000 residents living in over 30 subdivisions. The jurisdictional boundary of the Village includes about 4.6 square miles in which there over over 32 miles of paved roads.



As described by Moody's Investment Service in its upgrade to its highest rating:

Moody's Investors Service has upgraded to Aaa from Aa1 the issuer rating for the Village of Kildeer, IL and assigned a stable outlook. The Aaa rating reflects the village's large economic base with a strong demographic profile; healthy financial operations with substantial reserves and a modest debt burden. While pension liabilities are above average compared with operations, solid contributions are affordable within the village's budget. The limited tax debt certificates are rated on parity given the village's pledge to use any available funds to pay debt service as a first budget obligation.

## Credit Strengths

- » Large tax base with strong demographic profile
- » Healthy financial position with significant reserves

## Credit Challenges

- » Substantial reliance on economically sensitive sales tax revenues coupled with limitations on revenue raising flexibility as a non home-rule community
- » Above average pension liabilities relative to operations

The stable outlook reflects our expectation the village will maintain strong reserves supported by conservative management and a wealthy tax base. While the village's pension liabilities are above average compared with operations and the police pension fund has a relatively low funded ratio, the village has incorporated sound contribution practices into its operating budget while maintaining strong liquidity.

## Key Indicators

Exhibit 1

Kildeer (Village of) IL	2013	2014	2015	2016	2017
<b>Economy/Tax Base</b>					
Total Full Value (\$000)	\$3,030,931	\$3,118,673	\$2,281,354	\$2,359,273	\$2,430,360
Population	3,935	3,917	3,938	3,968	3,968
Full Value Per Capita	\$770,249	\$796,189	\$579,318	\$594,575	\$612,490
Median Family Income (% of US Median)	245.9%	235.2%	234.7%	234.7%	234.7%
<b>Finances</b>					
Operating Revenue (\$000)	\$3,871	\$4,377	\$4,516	\$4,191	\$4,571
Fund Balance (\$000)	\$2,787	\$3,742	\$4,348	\$4,717	\$5,187
Cash Balance (\$000)	\$3,299	\$4,786	\$4,255	\$4,403	\$5,025
Fund Balance as a % of Revenues	72.0%	85.5%	96.3%	112.6%	113.5%
Cash Balance as a % of Revenues	85.2%	109.3%	94.2%	105.1%	109.9%
<b>Debt/Pensions</b>					
Net Direct Debt (\$000)	\$1,885	\$1,810	\$1,735	\$1,655	\$1,575
3-Year Average of Moody's ANFL (\$000)	\$4,382	\$4,922	\$7,010	\$9,367	\$11,418
Net Direct Debt / Operating Revenues (x)	0.5x	0.4x	0.4x	0.4x	0.3x
Net Direct Debt / Full Value (%)	0.1%	0.1%	0.1%	0.1%	0.1%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	1.1x	1.1x	1.6x	2.2x	2.5x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	0.1%	0.2%	0.3%	0.4%	0.5%

Source: Audited financial statements, US Census, Moody's Investors Service

Kildeer's tax base will remain healthy due to the city's very affluent residential base and location within the Chicago metropolitan region. The village's \$2.5 billion property tax base is 89% residential and characterized by large estates with a high median home value of nearly \$600,000. Property valuations have returned to growth of 3%-4% in the past two years after a substantial rise and fall between 2006 and 2015 generated by the national housing crisis. While the village covers only 4.6 square miles, management reports that open space remains available for new development. Construction on a new subdivision containing 31 homes is expected to begin in 2018, and proposals for building another 94 homes are awaiting village approval.

The village also hosts a modest commercial sector with four retail shopping centers. The most recently constructed shopping center opened in 2017 and is

anchored by Nordstrom Rack and DSW. Village management expects additional stores to open in the coming year and reports that vacancy rates across all the shopping centers is very low. Despite commercial property comprising only 11% of the property tax base, sales taxes generated by the shopping centers account for a substantial portion of village revenues. The risk associated with reliance on the retail sales is partially mitigated by strong performance of the village's retail sector, a high median family income that is 235% of the national median and conservative financial management practices.

The village's reserves will remain strong given sound financial operations and a very limited scope of services provided. The village closed fiscal 2017 with an operating surplus across its operating funds (General Fund and Motor Fuel Tax Fund) of \$472,000 and an available operating fund balance of \$5.2 million or 113% of revenues. Reserves have steadily increased by nearly \$3 million since 2012, aided by a new 0.5% voter approved sales tax in 2012. The village's limited service offerings, which consist of police and road maintenance, have also helped to constrain growth in expenditures. Management intends to maintain reserves at 100% of operating revenues in order to mitigate its reliance on economically sensitive sales taxes, which accounted for 41% of revenues in fiscal 2017.

Village officials prepared a balanced budget for fiscal 2018. As of September 30, revenues were tracking well above budget and expenditures were below budget. Management does not expect any major changes to expenditures for the coming fiscal 2019 but projects that sales tax revenues will increase as additional retail stores are slated to open. Going forward, management intends to allocate its annual surpluses to funding its police pension plan.

The village's 2017 net cash in its operating funds was \$5.0 million, or 110% of operating revenues.

We expect leverage to remain manageable given an absence of future borrowing plans and solid pension contribution practices. The village's debt burden remains modest at 0.1% of full value, or 0.3 times operating revenue. Total fixed costs inclusive of retirement contributions and debt service comprise 19% of revenues. Officials do not currently have plans to issue any additional debt.

Kildeer's pension burden is low compared to the tax base but above average relative to operations. The village's fiscal 2017 three-year average adjusted net pension liability (ANPL), our measure of a local government's pension burden, is \$11.4 million and equivalent to 0.5% of full value or 2.5x the estimated operating revenues.

All of the village's debt is fixed rate. Amortization is above average with 73% of principal retired within ten years.

Village employees participate in either the police pension plan (a single employer defined benefit pension plan) or the Illinois Municipal Retirement Fund (IMRF) (a multiple employer agent plan). The unfunded liability of the police pension plan grew substantially in recent years due to updated mortality assumptions and weak investment returns. Furthermore, new accounting standards resulted in increased reporting of both assets and liabilities of the village's account with the IMRF. The police pension plan currently has a low funded ratio, but contribution practices are solid. Fiscal 2017 contributions to pension plans are estimated to be 108% of our "tread water" indicator across all plans. The "tread water" indicator measures the annual employer contribution required to prevent reported net pension liabilities from growing, under plan assumptions. After accounting for employee contributions, annual government contributions that tread water equal the sum of employer service cost and interest on reported net pension liabilities at the start of the fiscal year. Favorably, the village's annual contributions have been sufficient to tread water even at a relatively low assumed rate of return in the police pension plan of 6.25%. Assuming a lower rate of return on assets requires the village to contribute greater amounts from its annual operating levy in order to meet the actuarial target of 100% funded no later than 2040. The funded ratio of the police pension plan is a weak 34%, but this is mitigated by the fact that the plan is affordable to the village even on a PAYGO basis. The village's contributions exceeded the benefits paid to retirees in fiscal 2016, and we expect this trend to continue given that the projected growth in benefit payments of \$390,000 over the next ten years is less than the village's history of average annual operating surpluses. Management intends to allocate surplus revenues to the police pension plan going forward, with the express goal of reaching 100% funding as soon as possible. Annual operating surpluses have ranged from \$358,000 to \$1.0 million over the past five years.

Illinois cities have an institutional framework score of "A," or moderate. Revenue predictability is moderate, with varying dependence on property, sales, and state-distributed income taxes. Revenue-raising ability is also moderate but varies. Home rule entities have substantial revenue-raising authority. Non-home rule entities are subject to tax rate limitations, and total operating tax yield for nonhome rule entities subject to the Property Extension Limitation Law (PTELL) is capped at the lesser of 5% or CPI growth, plus new construction. Expenditures are moderately predictable but cities have limited ability to reduce them given costs for pension benefits that enjoy strong constitutional protections.

As a non-home rule village, Kildeer's annual property tax increases are capped to PTELL and any new taxes must be approved by voters. Despite this limitation,

we expect the village's substantial reserves and wealthy base will provide ample tools to weather any unexpected financial pressures.

The village's outstanding debt certificates are secured by its general obligation limited tax pledge to make timely payments of debt service from any and all lawfully available funds of the village. The certificates do not benefit from a dedicated levy. The 2017 General Obligation (Alternate Revenue Source) Refunding Bonds are legally binding and are payable from sales taxes and ad valorem taxes levied against all taxable property in the village without limitation as to rate or amount.

Proceeds of the current issuance will be used to refund certain outstanding maturities of the General Obligation Limited Tax Debt Certificates, Series 2011 for expected interest savings. The debt certificates funded construction of the village hall.

The Village of Kildeer is located in Lake County in northeastern Illinois, approximately 30 miles northwest of downtown Chicago. The village has a population of 3,968 according to the 2010 census.

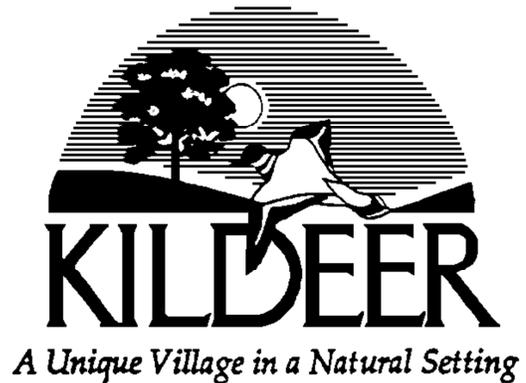
The financial position of the Village is strong and the Annual Budget for FY 19 (Budget) reflects the commitment by the Village President and the Board of Trustees to maintain the Village's infrastructure, fund it's Police Pension, and ensure that Kildeer is a desired place to live.

TO: President Nandia Black  
Trustee William Johnson  
Trustee Keith Kovanda  
Trustee Ralph Liberatore  
Trustee Les Sokolowski  
Trustee Barbara Stavropoulos  
Trustee Basel Tarabein

From: Chief Village Officer Michael Talbett

Date: April 17, 2018

Re: Budget Transmittal Memo  
Fiscal Year 2018-19



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I am pleased to present the Budget for the fiscal year May 1, 2018 through April 30, 2019 (FY 19).

This Budget is crafted in the spirit of past budgets that were approved by this Village Board. Each fund within the Budget was evaluated to project whether programmed expenditures can be met with reasonably anticipated revenues. Fiscally conservative assumptions were incorporated into the revenue projections to comply with the Board's philosophy of not spending money the Village does not have. The General Fund Budget is balanced so that revenues equal expenses.

This Budget reflects a continued commitment to the following:

- maintaining predictable levels of service;
- maintaining sufficient reserves to meet the Village's operating needs;
- planning for the development of the Village; and
- meeting long-term financial goals.

## Budget Summary

The Budget serves as a planning and policy device. It identifies the sources of revenue that the Village will receive during FY 19 and the projected amount from each revenue source. The Budget also sets out the expenses that the Village expects to incur during that same period.

The proposed Expense Budget for FY 19 is \$4,950,000, a 6% increase over FY 18. Increased expenses are offset by projected increases in sales tax revenue. New stores and restaurants opening in the Kildeer Village Square Shopping Center on Rand Road supports a belief that funding will be available to meet future expenses.

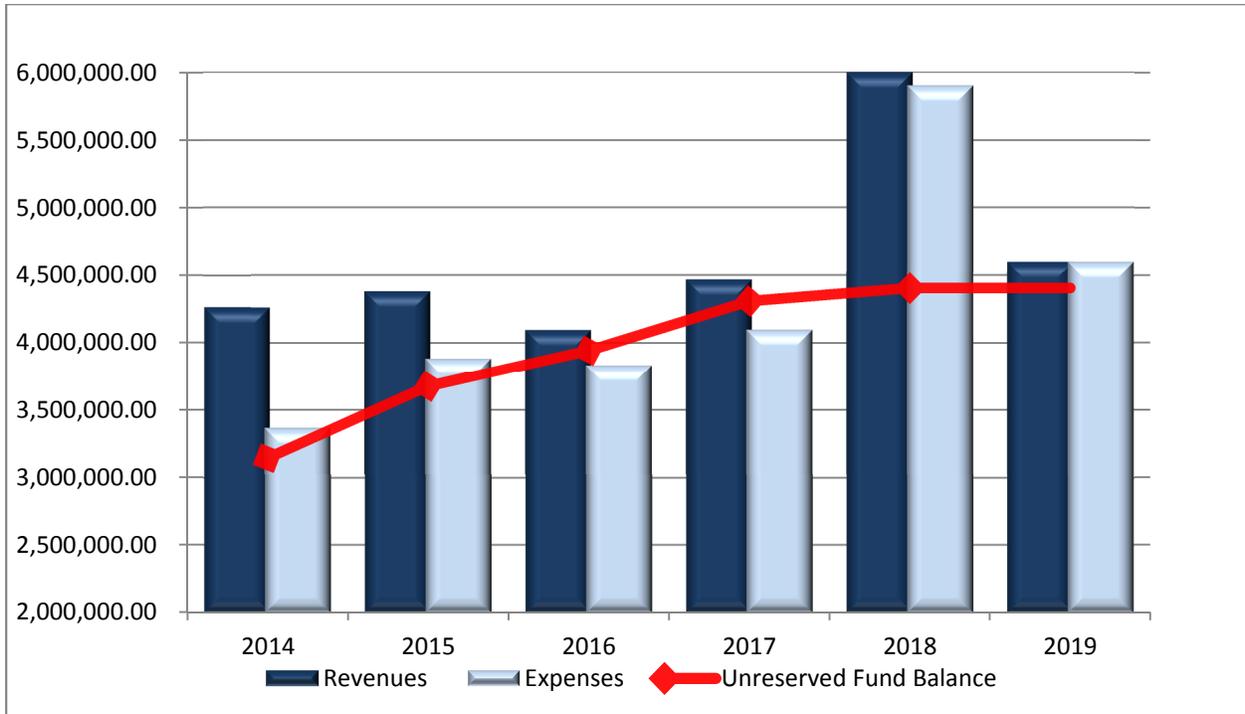
A summary of Expense Budget totals is provided in the table below.

Fund Type	FY 2018	FY 2019	Difference	
	Budget	Budget	\$	%
General Fund	4,400,000	4,600,000	200,000	5%
MFT Fund	250,000	350,000	100,000	40%
Capital Projects	-	-	-	0%
Totals	4,650,000	4,950,000	300,000	6%

Expense Budget Summary

General Fund expenses increase in FY 19 by 5% due to a sales tax rebate agreement for the Kildeer Village Square Shopping Center, the purchase of a new squad car and general increases associated with inflation. Increases in MFT expenses represent carryover from FY 18 that will allow for a more robust road program in FY 19.

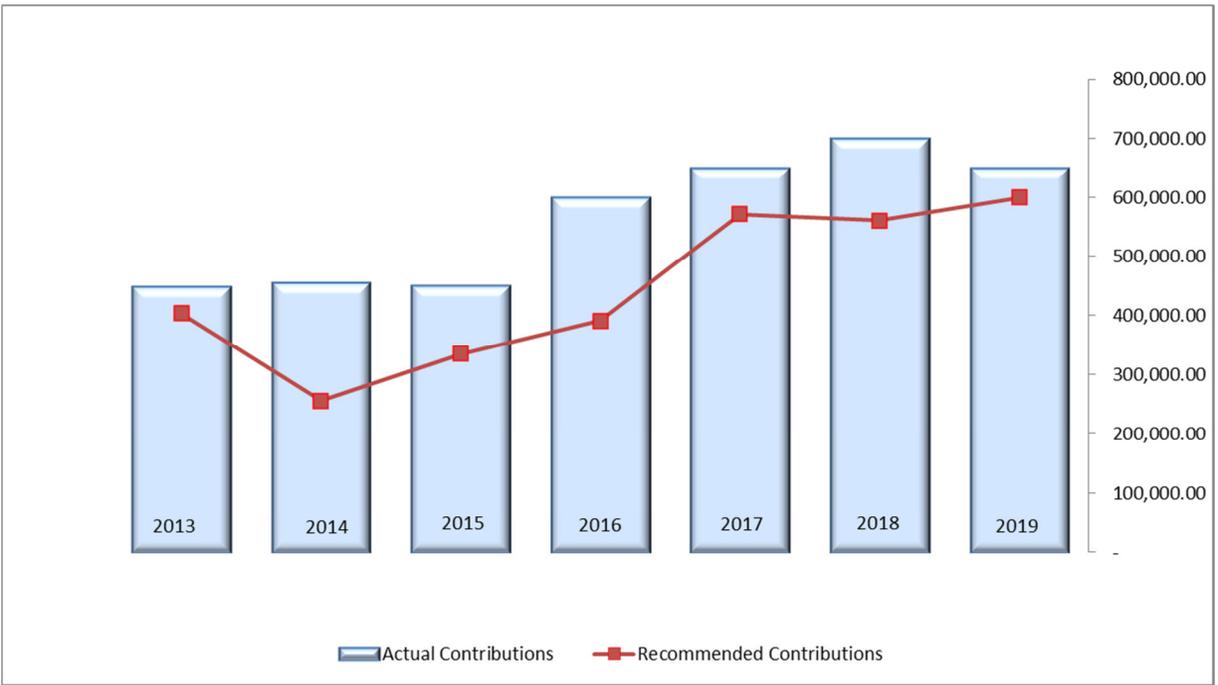
Revenues are closely monitored during the fiscal year so that adjustments can be made to expenses. During FY 14 - FY 18 adjustments were made that kept actual expenses below revenues and the result, as shown in the figure below, was steady growth in the Village's reserves. The General Fund Budget for FY 19 is balanced as indicated by the equal height of the bars representing revenues and expenses. (Note, in FY 18 the Village refinanced its debt certificates causing a spike in revenue and a corresponding spike in expenses when the debt certificates were repaid.)



General Fund Reserves

In FY 18 the Village achieved its goal of growing the reserve to equal a year's worth of operating expenses. In FY 19 only a slight increase in the Village's General Fund reserve is projected to keep pace with the growth in annual expenses and, as shown in the table above, there is a general flattening of reserves between FYs 18 and 19.

There is constant pressure to increase expenditures from the General Fund due to road maintenance needs, the imposition of unfunded mandates by state government and an escalating obligation to fund the police pension. Now that the Village Board's initial goal of increasing the General Fund reserves is achieved, attention shifts to the new goal of fully funding the Police Pension Fund. The Village's policy of budgeting to fund the Police Pension in amounts that exceed the actuarial recommendation by the Police Pension Board continues in FY 19.



Annual Contributions to the Police Pension Fund

### Opportunities for FY 19

Continued careful management of the Village's finances is needed to keep revenues equal to or greater than expenses so that the Village Board's goals in the areas of police pension funding and road maintenance can be met. To improve the fiscal condition of the Village the following opportunities will be pursued:

- Expand efforts to retain retail businesses and attract new ones;
- Develop methods to generate revenue from non-retail business uses;
- Continue to control overtime expenses by the use of 12 hour shifts for Police Officers;
- Continue preventative maintenance program for roads to minimize unanticipated repairs;
- Expand the use of shared services with other governmental bodies;
- Continue participation in cooperative road salt purchasing opportunities;
- Increase contributions to the police pension fund; and
- Follow Government Financing Officers Association criteria for budgeting.

## Long Term Concerns

The following long term concerns impact future budgets and require attention:

### Police Pension

The police pension was established by voter referendum in 2007 and now has more retirees than active officers contributing to the pension fund. Currently, the fund has about 40% of the money it needs to meet future obligations. The State of Illinois mandated that police pensions be fully funded by 2040. The Village's pension contribution is currently being made with money from the General Fund which is also the source of money for infrastructure maintenance and other improvements. With competition for Village resources growing, it is more difficult to find sufficient revenue to maintain existing operations and make larger than required contributions to the police pension fund. To relieve pressure on the General Fund, it would be preferable to establish a dedicated revenue stream for the police pension such as establishing a separate levy on property tax. Under present economic conditions, however, the probability of passing a referendum to create a police pension levy seems low. The police pension issue should be revisited when economic conditions improve.

### Sales Tax Revenue

Since the national economic recession of 2008 there is a general downward trend in sales tax receipts in municipalities all across Lake County. In 2012 the Village was able to buck the downward trend by increasing the sales tax rate from 1% to 1.5%. In 2017 the Village was again able to buck the trend when a new shopping center was added. There are a few businesses in the new shopping center that are not yet open and sales from those stores will add to the tax base in FY 19. However, unless the general downward sales tax trend is reversed, Kildeer's sales tax revenue from existing businesses may also start to decline. In addition, for the first time since shopping centers were built in Kildeer, there is a significant amount of unleased tenant space in one of the shopping centers after two large stores closed in FY 18. While the growth in sales tax from the new shopping center more than offsets the loss of tax revenue from the other shopping center, fluctuations in the largest source of Village revenue is of concern. Although there is still developable land in the Village along the Rand Road commercial corridor providing the potential for new retail businesses to come to the Village, no new shopping centers are proposed.

### Transportation

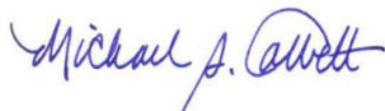
Lake County is preparing to widen Quentin Road north of White Pine Road to Rt. 22. The Village's portion of the cost of the improvement is estimated to be between \$3,000 and \$14,000 depending on the availability of grant funding for the total project. Construction is scheduled to start in 2018 and be completed in 2019 and this one time (non-recurring) expense is incorporated into the Budget.

Within the next five years it is anticipated that improvements to Route 22 east of Quentin Road will be started by the Illinois Dept. of Transportation. Part of that project includes a sidewalk/bike path that will be connected with Egret's Marsh and Herron Creek Forest Preserves. The Village's cost of its portion of the sidewalk/bike path project, including the partial cost of the traffic light replacement for the realigned Rt. 22 and S. Krueger Road intersection, is estimated to be \$140,000. This road improvement project is also a one time (non-recurring) expense that must be incorporated into a future Village budget. The Rt. 22 project will complete a regional network of paths that connect Kildeer with Citizen's Park in Barrington and Cuba Marsh in the Lake Zurich/Deer Park area to the southwest and Herron Creek Forest Preserve in Long Grove on the northeast.

In all, the Budget is a reflection of sound fiscal planning that enables the Village to take advantage of opportunities and puts the Village in a good position to achieve its goals.

I would like to express my appreciation to the Village President and all of the Board Members for their input during the preparation of the Budget. Finance Director Annette Zborowski deserves special recognition for her expertise and for devoting so much time and effort to this project so that it is accurate and relatively easy to understand. Chief Steve Balinski's insightful input insured that Kildeer residents will receive the best possible police protection.

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael A. Albett". The signature is written in a cursive style with a large, stylized initial "M".

## Values

The Village of Kildeer aligns its financial plan with the following core values that are the foundation on which Village staff performs work and interacts with others:

**Strategy:** Ongoing operations and future services are defined by strategies that reflect the high-level service requirements, expectations, and demographics of the community. The core strategy is to focus on fiscally-prudent and high-quality services to residents and businesses.

**Efficiency:** The Village strives to deliver products and services in the most cost effective manner, seeking to minimize time and resources obligated to core services and to lower the cost of service delivery through competition, collaboration and innovation.

**Technology:** The Village uses technology as a means to provide better and more efficient services to residents, businesses and staff.

**Culture:** Village staff continuously monitors numerous conditions and evaluates performance as part of an ongoing effort to improve efficiency, react to changes and make adjustments as needed to keep within budgetary targets.

## Strategic Priorities

The Village's mission is to provide only core services. Core services include law enforcement, transportation infrastructure, and public health and safety.

The following strategic priorities determine how resources are expended within the Village and provide a framework for decision making:

### *Priority #1 Public Safety*

Continue to Allocate the Necessary Resources for the Maintenance of the Public's Safety through a Well-Trained and Dedicated Staff.

In order to provide the resources to maintain public safety, staff shall continually:

- 1) emphasize and focus on public safety, emergency planning, and homeland security as a priority in our daily operations;
- 2) assess the allocation of resources as the number of residents increases; and
- 3) assess the allocation of resources as the number of businesses in the Village increase or decrease.

*Priority #2 Infrastructure*

Evaluate, Plan, and Implement Important Capital Improvement Projects in Order to Maintain the Village's Infrastructure and Uphold a High Quality of Life for Residents and a Robust Business Environment.

In order to manage the Village's infrastructure, staff shall continually:

- 1) provide adequate infrastructure throughout the Village to ensure safe roadways, right of ways, and functional storm water systems;
- 2) develop and implement multi-year capital improvement plans;
- 3) maintain a reserve so that emergency repairs can be done when needed.

*Priority #3 Economic Development*

Continue to Promote and Foster Economic Development

In order to promote and foster economic development, staff shall continually:

- 1) strive to increase sales tax revenues which provide over fifty percent of the Village's revenue and is critical for the welfare of residents and businesses; and
- 2) allocate the necessary resources to support the development of Rand Road, the Village's commercial corridor.

*Priority #4 Customer Service*

Maintain and / or Enhance Customer Service and Resident's Satisfaction

In order to provide the most efficient and effective service to residents, staff shall continually:

- 1) evaluate operations in terms of efficiency;
- 2) evaluate operations to ensure that resident expectations are met;
- 3) train front-line staff to provide pro-active customer service;
- 4) evaluate employee roles and responsibilities;
- 5) promote employee satisfaction and development; and
- 6) implement effective internal and external communication.

*Priority #5 Fiscal Management*

Assess All Viable Options to Maintain or Increase the Village's Revenue Base

In order to manage the Village's financial position, staff shall continually:

- 1) explore grants, operational efficiencies, and actively search for additional economic development opportunities;
- 2) obtain additional dedicated revenue sources for funding capital projects;
- 3) evaluate projects and personnel functions to find opportunities for cost savings;

- 4) diversify revenue sources, align fee structures to adequately reflect service demands, reduce the Village's reliance on property and State-shared taxes, have a long term perspective; and
- 5) maintain or improve the Village's favorable bond rating.

The Budget is the vehicle for implementing the financial and operational plans of the Village. The Budget is created through a collaborative process that involves Village staff, elected officials, residents and the public. The Budget is a reflection of the goals and policies that the Village wants to accomplish. Once established, the Budget serves as the guide to facilitate decisions made throughout the fiscal year regarding financial and operational plans.

## **Basis of Budgeting**

The Village of Kildeer accounts for all funds and adopts a budget based on generally accepted accounting principles (GAAP). The Village uses fund accounting designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The cash basis of accounting is used for budget purposes.

The Budget process begins in October when the Finance Director meets with other Village staff to project fund balances for the remainder of the fiscal year. Budget requests for the next fiscal year are also submitted for consideration at this time.

In November the Chief Village Officer and the Finance Director estimate the funds needed for the next fiscal year. This estimate is determined by comparing the projected fund balances to the budget requests and the anticipated revenues from sales and property taxes which are the major sources of Village revenue. It is necessary to estimate the funding needed for the next fiscal year by December because that is the deadline for the Village Board to approve the property tax levy and file it with the Lake County Clerk.

The property tax levy represents the amount of money the Village seeks to receive from the property taxes on real estate within the Village. State law requires that the Village publish a notice in the newspaper, at Village Hall and on the Village website that there will be a Truth and Taxation Hearing where the public is afforded an opportunity to comment on the proposed levy. Following the Truth in Taxation Hearing the Village Board can approve the proposed levy.

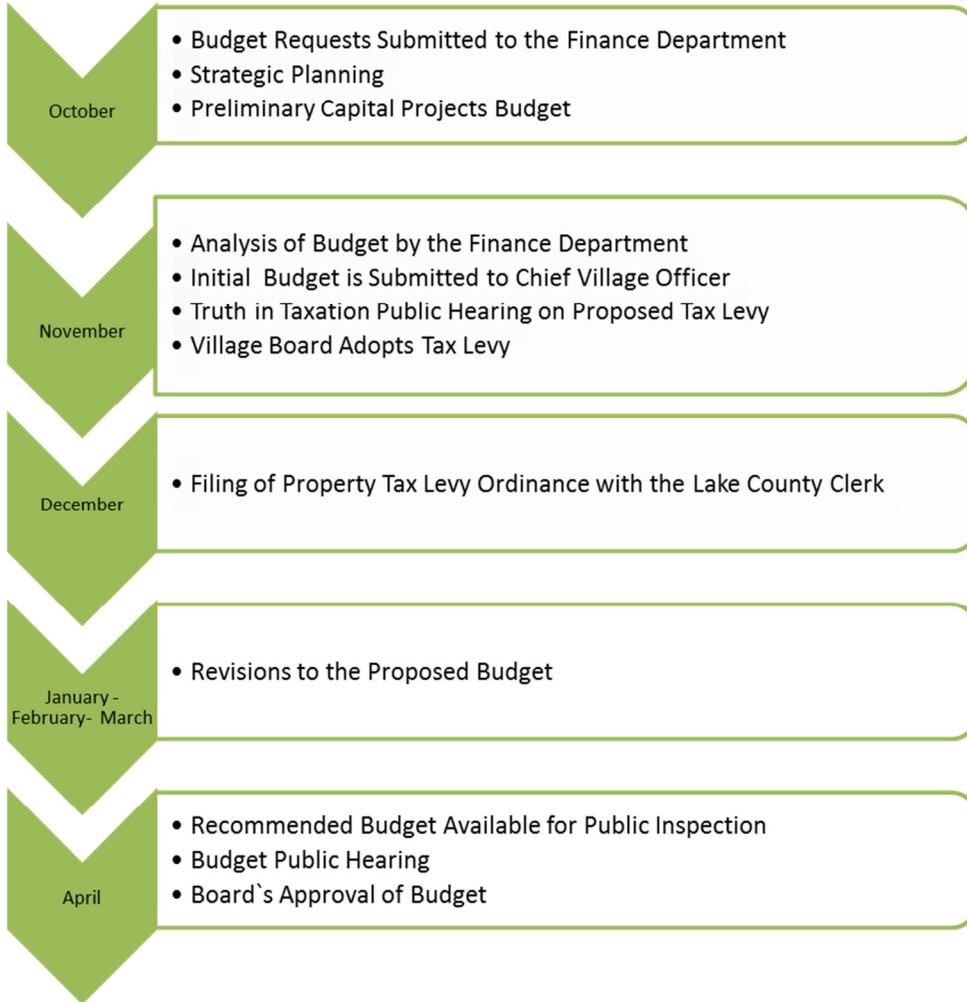
The next step in the Budget process occurs in the period January through March when Village staff reviews and refines the budget requests with the latest information about expected revenues in the next fiscal year. From these meetings a proposed Budget is prepared by the Chief Village Officer for presentation to the Village Board.

Following discussion with the Village Board the tentative Budget is further refined and a recommended budget is prepared for possible adoption at the Village Board meeting in April. A final budget must be approved by May 1<sup>st</sup>.

The legal level of budgetary control is at the fund level. Transfers of money between accounts within an accounting fund can be approved by the Chief Village Officer as long as those transfers do not change the total expenditure amount for the respective accounting fund. Changes to the total authorized expenditures in an accounting fund require an amendment to the budget in the form of an ordinance which must be approved by a two-thirds vote of the members of the Village Board.

# CALENDAR

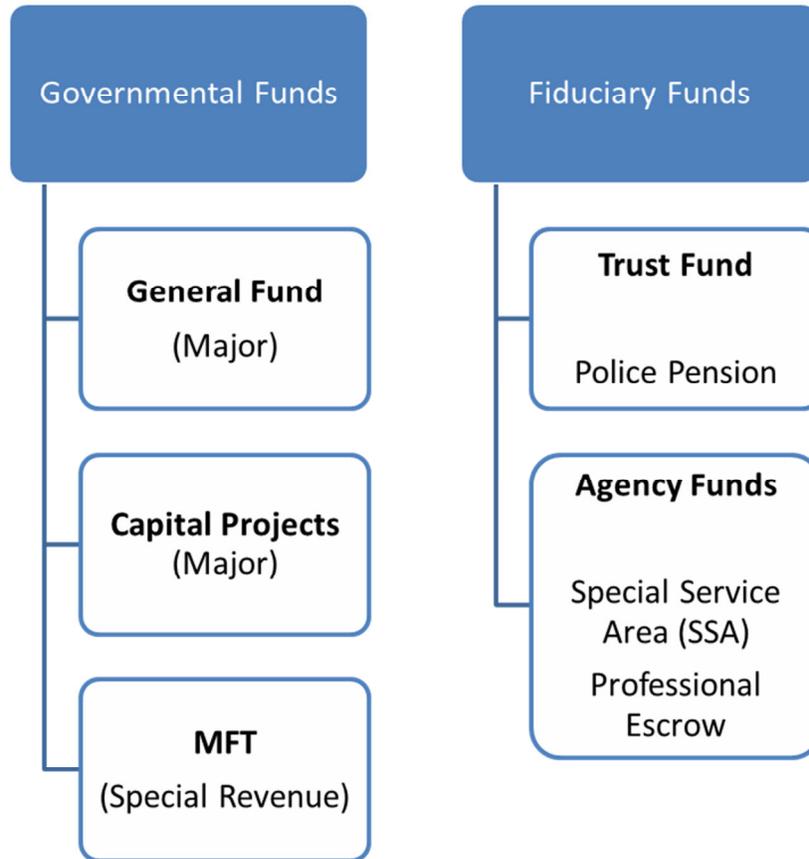
FY 2018-2019



# FUND STRUCTURE

FY 2018-2019

Village funds are organized into two broad categories, Governmental Funds and Fiduciary Funds.



Fund Organization

Governmental Funds include revenues and expenses for the operation of the Village. Revenues from such sources as retail sales and real estate taxes are in this category along with expenses for plowing snow, paving roads, and paying other bills. The individual funds included in this category are the General Fund, the Capital Projects Fund, and the Motor Fuel Tax (“MFT”) Fund.

The General Fund is considered to be a Major Fund and it is the largest of the funds. The General Fund accounts for the revenues and expenses needed to support the Police Department, Public Works Department and the overall administration of Village affairs.

The Capital Projects Fund is also a Major Fund and consists of money to be used for the purchase of large pieces of equipment or to complete public projects such as road extensions or other major infrastructure improvements.

The MFT Fund is a Special Revenue Fund which consists of revenue collected by the State from a tax collected on the sale of gasoline. The Village receives a portion of the tax which is distributed to the Village on a per capita basis. The MFT funds can only be spent for specified purposes that are identified in state law.

Fiduciary Funds include money held by the Village for non-operational purposes such as the Police Pension (“Trust Fund”), the repayment of loans (“Special Service Area” or “SSA”), and completion bond holdings (“Professional Escrow”). Fiduciary Fund revenues are merely retained by the Village until they can be expensed out for an intended purpose.

Technically, the Village of Kildeer does not prepare a budget for its Fiduciary Funds. Revenues and expenses for the Police Pension are managed by an independent board and the Village merely serves as a conduit through which funds flow. The Village of Kildeer does, however, contribute to the Police Pension Fund and the money for that contribution is included in the Budget as an expense under the Police Department.

**Fund Structure**

In accordance with the practices of the Government Finance Officers Association (“GFOA”) the Village of Kildeer accounts for all funds based on generally accepted accounting principles. The modified accrual basis of accounting is applied to the Governmental Funds which means revenues are recognized when they are “measurable and available” and expenses are recorded when the liability is incurred. A full accrual basis of accounting is applied to the Village’s Fiduciary Funds which means that the revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Descriptions of the funds within the Governmental and Fiduciary categories are as follows:

Type	Fund Name	Description
Governmental	General Fund	The Village’s chief operating fund. Accounts for all financial resources except those required to be accounted for in another fund.
Governmental Special Revenue	Motor Fuel Tax	Accounts for the State shared gasoline taxes. State law requires the MFT to be used only for the Village street programs.
Governmental	Capital Projects	Accounts for the acquisition or construction of major capital facilities.
Fiduciary	Escrow	Accounts for completion bonds posted by developers.
Fiduciary	SSA Fund	Accounts for the collection of real estate taxes and payments of long term debt in a special service area.
Fiduciary	Police Pension	Accounts for the accumulation of resources to be used for the retirement annuity payments to sworn Police Officers.

These recommended financial policies have been formulated to insure the continued financial health of the Village. The objectives of these policies are to assist the Village Board and Village Management Staff (Chief Village Officer, Finance Director and Police Chief) in making budgetary decisions based upon sound financial principals. These policies are not intended to be comprehensive or exhaustive. They are intended to establish a solid foundation for the financial management of the Village. Village Management Staff shall work within the context of these policies while continuing to explore lawful, creative and insightful financial recommendations to present to the Corporate Authorities of the Village for their consideration and possible implementation. The cornerstone of these policies and future financial recommendations shall be maintaining comprehensive and sound fiscal management of all Village economic resources.

## Budget Policy

The Chief Village Officer shall submit an annual budget to the Village Board which is within the Village's ability to pay. The annual budget shall provide for the following:

1. Management shall prepare a draft of the annual budget for review by the public not less than 10 days prior to the day of the public hearing. The recommended budget shall be submitted to the Village Board prior to the end of each fiscal year.
2. The annual budget shall effectively communicate meaningful and understandable information to the Village residents, Village Board, Village employees, and other readers.
3. The annual budget shall be monitored on a monthly basis. A list of disbursements and a budget summary report (Treasurer's Report) shall be prepared and presented to the Village Board each month.
4. The annual budget shall allow for the implementation of as many of the Village Board's goals and objectives as financially possible.
5. The annual budget shall provide for the adequate funding of the Illinois Municipal Retirement Fund and the Police Pension Fund. An independent actuary shall be used to determine the annual Village contributions to the Police Pension Fund and determine if this pension fund will meet the State mandate to achieve 90% funding by the year 2040.
6. The annual budget shall provide funding for the adequate maintenance of Village Hall, municipal equipment and infrastructure.

7. The annual budget shall set aside adequate funding (pay-as-you-go funding) for the replacement of major equipment and major infrastructure projects that are not financed under the public works budget in the General Fund (routine maintenance). Annual funding (depreciation funding) for these replacements will eliminate major expenditure jumps in the annual budget when these acquisitions are made.
8. During the budget process, the Village will assess the need for contingency funds to be included in the budget to fund unanticipated expenditures that might arise.
9. The annual budget shall finance current operating expenditures, excluding major capital expenditures, with current revenues. The use of reserve funds to finance current operating expenditures shall be carefully considered and avoided if possible.
10. Use of the General Fund unassigned fund balance reserve shall be limited to nonrecurring operating or capital expenditures. This unassigned fund balance reserve will be calculated by comparing the difference between unassigned fund balance and current annual budget operating expenses.

The annual budget submitted to the Village Board shall, whenever possible, include a balanced budget in which estimated current revenues equal estimated current expenditures. In the event that a submitted budget is not balanced, a detailed explanation for the reason why expenditures are higher than revenues must be provided.

### **Reserve and Fund Balance Policy**

The purpose of this policy is to enhance long-term financial planning and to mitigate the risks associated with changes in revenues due to economic and local market conditions. These policies also aim to assist in the allocation of sufficient monies for the purchase of capital equipment and construction of capital improvements, and unanticipated expenditures that may occur.

#### 1. Definitions:

- a. Fund Balance - The difference between assets and liabilities in a Governmental Fund.
- b. Nonspendable Fund Balance - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- c. Restricted Fund Balance - Amounts that can be spent only for specific purposes because of Village, State, or Federal laws, or externally imposed conditions by grantors or creditors.

- d. Committed Fund Balance - Amounts that can be used only for specific purposes as identified in a Village Board Ordinance. These amounts cannot be used for any other purpose unless the Village Board takes formal action to remove or change the restraint.
  - e. Assigned Fund Balance - Amounts the Village intends to use for a specific purpose as determined by the Chief Village Officer.
  - f. Unassigned Fund Balance - Amounts not included in other spendable classifications.
2. The policies listed below refer to the fund balance or cash reserve level at the end of the fiscal year on April 30th. The Finance Director monitors these reserve levels and informs the Chief Village Officer of significant changes that occur and the potential effect on funding future operations.
- a. Policies for Key Funds
    - i. General Fund - The Village will strive to maintain a minimum unassigned fund balance level of 90% of annual operating expenditures. Any amount of unassigned fund balance over 100% of annual operating expenditures will be transferred either to the Capital Projects Fund or the Kildeer Police Pension at the end of each fiscal year.
    - ii. Motor Fuel Tax Fund (MFT) - The Village will strive to maintain a minimum restricted fund balance in the Motor Fuel Tax Fund equal to 100% of annual MFT allotments. This level is necessary to provide for the payment of expenditures related to the Village's MFT maintenance program.
    - iii. Capital Projects Fund - The Village will strive to maintain an assigned fund balance equal to the amount identified in the Village's purchase and replacement of capital equipment plan and major infrastructure projects. The fund balance is necessary to provide sufficient monies for the replacement of major capital equipment in accordance with the annual replacement schedule.
  - b. General Guiding Statement - This policy may be amended from time-to-time according to the wishes of the Village Board. The Village will spend money in the following order:
    - i. Non-spendable (if funds become spendable)
    - ii. Restricted
    - iii. Committed
    - iv. Assigned
    - v. Unassigned

## **Revenue and Expenditure Policy**

1. Revenues - The Village desires to maintain a diversified and stable revenue base to reduce the impacts of fluctuations in any one revenue source. The revenue mix combines elastic and inelastic revenue sources to minimize the effects of an economic downturn. The Village also incorporates the following principles related to revenues as it furthers its financial planning and fulfills its fiscal responsibilities:
  - a. The Village prefers to keep its property tax rate as low as possible and the following components should be followed in priority order each year when establishing the property tax levy:
    - i. Levy for general obligation bond principal and interest less abatements.
    - ii. Levy to support General Fund operations including Police, Public Works and Administration. The annual increase for this component should not exceed the consumer price index or 105%, whichever is lower.
  - b. The Chief Village Officer shall impose spending limits if, in his/her judgment, revenues will be below original estimates. Village Management Staff shall review and monitor expenditures on a monthly basis to assure control of spending within available revenues. Monthly financial reports will be prepared and presented to the Village Board.
  - c. Ongoing transfers will be made from the General Fund to the Capital Projects Fund on an annual basis to help plan for the purchasing of large capital equipment needs and infrastructure projects.
2. Expenditures - The Village will strive to adhere to the following policies:
  - a. The Village will consistently budget the minimum level of expenditures which will provide for the public well-being and safety of the residents and the businesses.
  - b. Expenditures will be within the confines of generated revenue. Fund balances will not be used to pay for operating expenditures except in the case of emergencies and after careful consideration.

## **Accounting, Auditing, and Financial Reporting Policy**

1. The Village shall have an annual audit conducted on its financial records by a qualified, independent public accounting firm. The Village shall request proposals from qualified independent accounting firms to conduct the annual audit of its financial statements every six years by the use of a request for proposal (RFP) process. In accordance with Government Finance Officers Association's (GFOA's) Best Practice guidelines the current auditors can be included in the RFP process, however it is recommended changing the members of the audit team if the same firm came in with the best proposal.
2. The annual audit shall be conducted on an annual basis to be completed and filed within six months after the end of each fiscal year.
3. Each year the Village shall submit its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.
4. Each year the Village shall submit its Budget Report to the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award Program.
5. The Village's financial statements shall be prepared according to generally-accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).
6. The Kildeer Police Pension Fund provides the Village with a report from an independent actuary. The Village may contract with an independent actuary to determine the Village's annual contribution to the Police Pension Fund.

## **Debt Policy**

1. The Village shall only incur debt for capital assets and/or capital projects. It has been the Village's practice not to incur debt for operating expenditures.
2. Although pay-as-you-go financing is the preferred method to finance capital projects, the Village shall explore all options in financing its capital improvement program, including grants, developer contributions, pay-as-you-go financing, and long-term debt paid by user charges or paid by Village-wide taxes.
3. The term of debt issued for capital improvement projects shall not exceed the project's useful life and generally will not exceed 20 years.

4. Whenever possible, the Village shall market its debt through a competitive bid process.

### **Capital Projects Fund**

1. The Village established the Capital Projects Fund (CPF) to encourage departments to set aside funds each year for the purchase of new equipment and for the eventual replacement of existing equipment. Use of the CPF is intended to avoid significant fluctuations in the operating budget from one year to the next. The remainder of this policy is intended to provide guidance as to how the CPF will operate.
2. Requests for new equipment shall be made as part of the annual operating budget and must be approved by the Village Board before acquisition. Only those items which individually have a replacement cost of more than \$ 10,000 or groups of similar equipment (e.g. personal computers, bullet proof vests, etc.) which, in the aggregate, exceed \$10,000 shall be included in the CPF. Departments shall include individual items or groups of items with a value of less than \$ 10,000 in their annual operating budget. The cost of items associated with new vehicles such as vehicle markings, light bars, radios and similar equipment shall be included in the replacement cost of the vehicle. The replacement cost and useful life for each vehicle or technology related equipment will be evaluated by the individual departments on an annual basis. This re-evaluation may change the annual amounts that programs contribute for the replacement of each item. The Department Head, in consultation with the Chief Village Officer and the Finance Director shall determine when a vehicle or equipment is due for replacement. Final capital asset replacement decisions using CPF monies will be discussed and approved by the Village Board as part of the annual budget process. When CPF equipment is sold, the proceeds of the sale shall be credited to the CPF Fund.

### **Fixed Asset Policy**

1. The Village shall maintain fixed asset records to comply with governmental financial reporting standards, to provide a basis for determining appropriate insurable values, and to establish responsibility for property control.
2. Fixed assets shall include land, infrastructure, buildings, machinery, equipment, and vehicles with a life expectancy of more than one year, subject to the capitalization threshold below.
3. Infrastructure shall include roads (including curbs and gutters), bike paths, culverts and rights of way. These projects shall be accounted for separately within the Capital Projects Fund.
4. Road projects shall be capitalized when the cost exceeds the capitalization threshold

and the work materially extends the life of the street. Patching and pot hole filling is considered maintenance and is not capitalized.

5. The capitalization threshold or minimum value of an asset at the time of acquisition is established at \$5,000 on a per unit basis for machinery, equipment and vehicles, \$50,000 for buildings and improvements, \$100,000 for land and infrastructure, and \$1 for land and right of way.
6. Responsibility for control of assets rests with the operating department wherein the asset is located. The Finance Director shall ensure that control over fixed assets is maintained by establishing a fixed asset inventory that is updated annually and documents all additions and deletions to the fixed asset records. Operating departments shall report the disposal or relocation of a fixed asset promptly to the Finance Director or designee. Assets acquired during the year shall be recorded as an expenditure against the appropriate capital expenditure account, which shall be used for financial reporting purposes.
7. Assets shall be recorded in the fixed asset inventory by using an appropriate description and by recording serial numbers where applicable.
8. All assets will be depreciated using the straight-line method of depreciation over the useful life of the asset. The Village will take a half year of depreciation in the year the asset is placed in service.
9. The Finance Director will assign useful lives to each asset according to the guidelines below:

Type of Asset	Useful Life
Buildings	50 Years
Equipment	5 Years
Vehicles	5 Years
Infrastructure	25-40 Years
Land	Not Depreciated

**Investment Policy**

1. Scope. This investment policy applies to the investment activities of the Village. All financial assets of the Village, including the General Fund, Motor Fuel Fund, Capital Project Fund, Trust and Agency Funds and other funds that may be created from time to time, shall be administered in accordance with the provisions of this Policy.
2. Pooling of Funds. Except for cash in certain restricted and special funds, the Village will consider consolidation of cash balances from all funds to maximize investment

earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

3. General Objectives. The primary objectives, in priority order, of investment activities shall be safety, liquidity and yield:
  - a. Safety. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
  - b. Credit Risk. The Village will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
    - i. Limiting investments to the safest types of securities;
    - ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Village will do business; and
    - iii. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
  - c. Interest Rate Risk. The Village will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:
    - i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
    - ii. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.
  - d. Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.
  - e. Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities should not be sold prior to maturity.

f. Standards of Care:

- i. Prudence. The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from exceptions are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
- ii. Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.
- iii. Responsibility for the Investment Program/Delegation of Authority. The establishment of investment policies is the responsibility of the Village Board. Management and administrative responsibility for the investment program of the Village is hereby delegated to the Chief Village Officer who shall act in accordance with internal controls for the operation of the investment program consistent with this investment policy. Procedures include references to safekeeping, investment accounting, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Village Officer. The Finance Director will be responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinate officials. The Finance Director may from time to time amend the procedures in a manner not inconsistent with this Policy or with State law.

g. Safekeeping and Custody:

- i. Financial Institutions. It shall be the policy of the Village to select financial institutions on the following basis:
  - 1) Security. The Village will not maintain funds in any financial institution that is not a member of the FDIC system. Furthermore, the Village will

not maintain funds in any financial institution not willing to post, or not capable of posting, required collateral for funds in excess of the FDIC insurable limits.

- 2) Size. The Village will not maintain deposits in any financial institution in which the Village funds on deposit will exceed 25% of the institution's capital stock and surplus.
- 3) Internal Controls. The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

ii. Accordingly, the Finance Director shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

1) Suitable and Authorized Investments:

- a) Investment Types. Consistent with the GFOA Policy Statements and State Statutes Concerning Investment Practices, the following investments will be permitted by this policy and are defined by state law where applicable:
  - i) U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value;
  - ii) Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances and commercial paper, rated in the highest tier (e.g., A-1, P-1, D-1, F-1 or higher) by a nationally recognized rating agency;
  - iii) Investment-grade obligations of state and local governments and public authorities;
  - iv) Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and
  - v) Any other investment allowed by Illinois Compiled Statutes.

- b) Collateralization. It is the policy of the Village to require that funds on deposit in excess of FDIC limits be secured by some form of collateral. The Village will accept any of the following assets as collateral:
  - i) U.S. Government Securities;
  - ii) Obligations of Federal Agencies;
  - iii) Obligations of Federal Instrumentalities;
  - iv) Obligations of the State of Illinois; and
  - v) General Obligation Municipal Bonds rated "A" or better.
  - vi) The amount of collateral provided will not be less than 110 percent of the fair market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured will be reviewed monthly, and additional collateral will be requested when the ratio declines below the level required and collateral will be released if the market value exceeds the required level. Collateral agreements will preclude the release of the pledged assets without an authorized signature from an appropriate Village official.

h. Investment Parameters:

- i. Maximum Maturities. To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest operating funds in securities maturing more than three (3) years from the date of purchase or in accordance with state and local statutes and ordinances.
- ii. Reporting Methods. The Finance Director will prepare an investment schedule monthly. This report should be provided to the legislative body. The report will indicate:
  - 1) Listing of investments by maturity date; and
  - 2) Interest rate of each investment.
- i. Amendment. This Investment Policy shall be reviewed on an annual basis. Any changes must be recommended by the Chief Village Officer or the Finance Director and ultimately approved by the Village Board.

# REVENUE SUMMARY

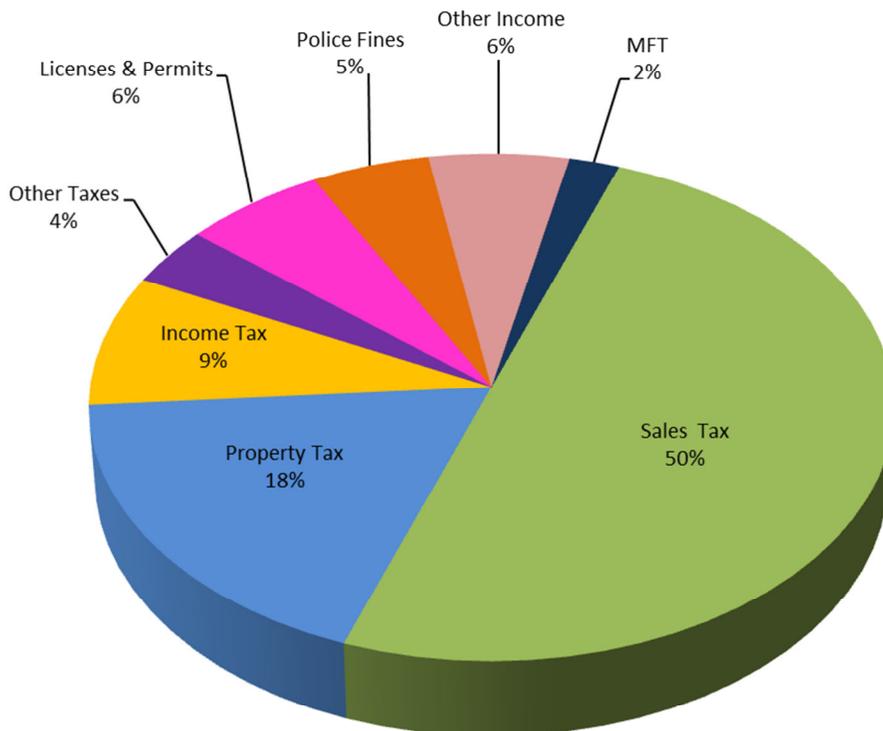
FY 2018-2019

The Revenue Budget includes three separate governmental funds, each with a defined purpose.

**General Fund.** This fund is for the operation of the following departments: General Government, Police, and Public Works. Primary revenue sources for the General Fund are sales tax, property tax, income tax, use tax, telecommunications tax, franchise fees, building permit fees, license fees, police fines and other miscellaneous fees.

**Motor Fuel Tax Fund.** The State of Illinois generates revenues through a tax on fuel sales which is distributed to municipalities on a per capita basis. The Village's use of Motor Fuel Tax is restricted by the State for specific purposes including the maintenance of Village streets.

**Capital Improvement Fund.** This fund is used for any major project requiring the expenditure of public funds over and above operating expenditures for the construction, reconstruction, or replacement of physical assets within the Village.



FY 19 Village Wide Revenues - Budget

The proposed FY 19 Revenue Budget for all governmental funds is \$4,703,000, a \$303,000 increase from the FY 18 budget. The higher revenue budget is attributed mostly to increased sales tax expected from new stores and restaurants opening in the Kildeer Village Square Shopping Center. All other revenue sources are projected to be similar to previous fiscal year levels.

<b>By Fund</b>	<b>FY 2018 Budget</b>	<b>FY 2019 Budget</b>
General	4,400,000	4,600,000
MFT	100,000	103,000
Capital Projects	-	-
<b>Totals</b>	<b>4,500,000</b>	<b>4,703,000</b>

The Board of Trustees recognizes the importance of sales tax revenue in the Village’s Budget. Maintaining a healthy stream of sales tax revenue avoids the need to increase property taxes to meet expenses. The Village Board and the Chief Village Officer actively seek to facilitate retail business in the Village.

Starting in FY 15 sales tax revenues began to exhibit a slight decrease not just in Kildeer, but in all of the surrounding communities. The overall general decline in sales tax receipts is continuing and revenues in Kildeer were expected to be lower but for the addition of a new shopping center and the revenue from the stores which offset the downward trend in sales tax from existing stores.

In addition to commercial development the Village Board approved 31 single family homes within the Kemper Lakes Golf Course called the Preserves. Litigation between the developer and an adjoining land owner has delayed the start of the project. Once the matter is resolved the project can begin and new building permit revenues may be generated in FY 19.

Two other residential developments adjacent to the golf course are also proposed. The developments called Wentworth and Westbury will be on two separate parcels and will add a total of 94 units to the Village.

In FY 15 there was a relatively large decrease in revenue when ownership of the Village’s sewer system was transferred to Lake County. Because of that transfer Charges for Services declined in FY 15 with a pronounced drop in FY 16. Sewer improvements needed to be done prior to the transfer of the sewer system to Lake County and those costs are reflected in the Capital Contributions reported in FY 15.

Revenues from licenses and permits include fees from business licenses and building permits. Yearly revenues from businesses are nearly constant (approximately \$90,000 per year), but

building permit fees vary due to spikes in activity such as the number of new residential and commercial projects in any one year. In FY 17 building permit revenue reached \$578,752 which incorporates the fees from construction of a new shopping center.

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Budget
<b>By Revenue Type</b>						
Property Tax	737,848	758,261	778,003	804,073	824,471	862,302
Sales Tax	2,032,314	1,988,456	1,886,793	1,879,136	2,285,000	2,350,000
Income Tax	386,666	388,605	422,880	375,074	400,000	395,000
Other Taxes	188,882	218,962	216,448	188,161	180,379	175,390
Motor Fuel Tax	116,105	133,532	101,497	100,575	102,519	100,000
Intergovernmental	9,772	150,316	3,506	56,208	10,579	5,000
License & Permits	320,041	408,565	282,967	649,098	373,000	285,000
Charges for Service	904,780	771,000	118,723	111,508	105,268	106,500
Fines & Forfeitures	85,601	97,378	194,466	223,359	230,373	215,000
Interest Income	2,103	4,042	7,896	16,239	45,884	33,000
Miscellaneous	341,034	183,667	183,955	168,541	173,909	175,808
Transfers In	-	-	100,000	135,000	100,000	-
Bond Proceeds	-	-	-	-	1,380,000	-
Capital Contributions	-	499,878	-	-	-	-
<b>Total Revenues</b>	<b>5,125,146</b>	<b>5,602,662</b>	<b>4,297,134</b>	<b>4,706,972</b>	<b>6,211,382</b>	<b>4,703,000</b>
<b>By Fund</b>						
General	4,261,014	4,382,611	4,094,860	4,468,132	6,000,890	4,600,000
MFT	116,153	133,583	102,050	103,334	109,575	103,000
Capital Projects	7,698	278	100,224	135,506	100,917	-
Sewer Fund	740,281	1,086,190	-	-	-	-
<b>Total Revenues</b>	<b>5,125,146</b>	<b>5,602,662</b>	<b>4,297,134</b>	<b>4,706,972</b>	<b>6,211,382</b>	<b>4,703,000</b>

### Summary of Revenue Sources

# EXPENSE SUMMARY

FY 2018-2019

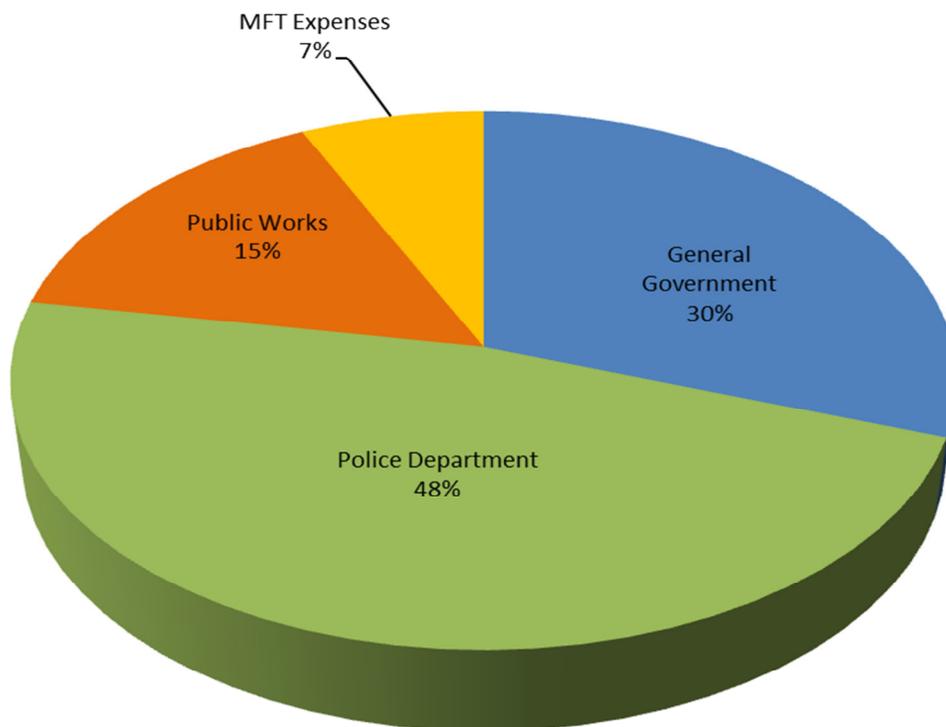
As with revenues, expenses are reported for three governmental funds.

**General Fund.** In accordance with the Village’s financial and budget policies, the proposed \$4,600,000 expenditure budget for the General Fund is in balance with revenues. Due to concerns regarding the impact on Village revenues from external economic factors, expense projections for FY 19 are conservative.

**Motor Fuel Tax (MFT) Fund.** The Village’s practice is to accumulate MFT funds until they are sufficient to be used for a project. The Village budgeted \$350,000 for road projects in FY 19.

**Capital Projects Fund.** In FY 19 the Village does not anticipate the need to purchase any large pieces of equipment or need to have any other major infrastructure improvements financed from this fund.

Village wide expenses by type and the percentage of each are shown in the figure below.



### FY 19 Village Wide Expenses - Budget

The extent of change over time by type of expense and for individual funds are included in the table below.

By Fund	FY 2018 Budget	FY 2019 Budget
General	4,400,000	4,600,000
MFT	250,000	350,000
Capital Projects	-	-
Totals	4,650,000	4,950,000

The proposed FY 19 Budget Expenditure for all governmental funds is \$4,950,000, which is a \$300,000 increase over FY 18. The higher budgeted amount is attributed to increased expenses in the MFT Fund and in the General Fund. The MFT increase is due to a carryover of unspent funds from FY 18 that will result in a more robust road program in FY 19. The General Fund increase is due to a sales tax rebate for Kildeer Village Square and a modest increase in Police Department expenses due to the purchase of a squad car and increases in contractual services.

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Budget
<b>By Expense Type</b>						
General Government	809,689	1,040,234	967,690	1,082,589	1,305,029	1,315,500
Police Department	1,735,320	1,673,596	1,877,429	2,003,429	2,164,391	2,315,600
Public Works	641,111	971,937	1,251,176	654,174	798,151	1,100,000
Sewer Operations	1,311,146	724,369	-	-	-	-
Capital Outlay	31,618	92,268	6,237	64,490	45,000	64,400
Debt Service	161,406	159,156	161,906	159,506	1,490,746	154,500
Transfers Out	-	-	100,000	135,000	100,000	-
Sewer Transfer	-	10,628,333	-	-	-	-
Total Expenses	4,690,290	15,289,893	4,364,438	4,099,188	5,903,317	4,950,000
<b>By Fund</b>						
General	3,372,144	3,883,982	3,832,950	4,099,188	5,903,317	4,600,000
MFT	-	53,209	-	-	-	350,000
Capital Projects	7,000	-	531,488	-	-	-
Sewer Fund	1,311,146	11,352,702	-	-	-	-
Total Expenses	4,690,290	15,289,893	4,364,438	4,099,188	5,903,317	4,950,000

The “**Fund Balance**” is defined as the difference between assets and liabilities in a Governmental Fund.

The Village follows the Governmental Accounting Standards Board (GASB) Statement Number 54 which requires the Village to maintain the following five categories of fund balances:

- **Non-Spendable** – Funds in this category represent amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact. For the Village of Kildeer, the non-spendable balance represents pre-paid funds for liability insurance premiums.
- **Restricted** – Funds in this category represent amounts restricted by laws, regulations, contracts, or commitments imposed by external organizations such as creditors, grantors, contributors, the Federal Government or the State of Illinois. For example, MFT funds can only be used for specified purposes identified by the State and are therefore “Restricted.”
- **Committed** – Funds in this category represent amounts held for specific purposes through formal action of the Board of Trustees usually by passage of an Ordinance or Resolution. The Village Board established a sinking fund for the maintenance of Village Hall and one year of debt service payments that are classified as “Committed.”
- **Assigned** – Funds in this category represent amounts assigned for a specific purpose by the governing body itself or an official with authority – less formal than a commitment by the Village Board. Capital Projects are examples of funds that are “Assigned.”
- **Unassigned** – Funds within the General Fund that are not included in other categories are “Unassigned.” The “Unassigned” funds form the basis for the Village’s reserves and can be spent for operations.

The following schedule includes beginning and ending fund balances for all Governmental Funds Combined.

**VILLAGE OF KILDEER, ILLINOIS**

**All Governmental Funds Combined**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

	FY 17	FY 18	FY 19
	Actual	Estimate	Budget
<b>Revenues</b>			
Taxes	\$ 3,246,444	3,689,850	3,782,692
Intergovernmental	156,783	113,098	105,000
Charges for Services	111,508	105,268	106,500
Licenses and Permits	649,098	373,000	285,000
Fines and Forfeits	223,359	230,373	215,000
Interest	16,239	45,884	33,000
Miscellaneous	168,541	173,909	175,808
Transfers In	135,000	100,000	-
Bond Preceeds	-	1,380,000	-
Total Revenues	<u>4,706,972</u>	<u>6,211,382</u>	<u>4,703,000</u>
<b>Expenditures</b>			
General Government	1,082,589	1,405,029	1,315,500
Public Safety	2,003,429	2,164,391	2,315,600
Public Works and Transportation	654,174	798,151	1,100,000
Capital Outlay	64,490	45,000	64,400
Principal Retirement	80,000	1,414,040	105,000
Interest and Fiscal Charges	79,506	76,706	49,500
Transfers Out	135,000	-	-
Total Expenditures	<u>4,099,188</u>	<u>5,903,317</u>	<u>4,950,000</u>
Net Change in Fund Balance	<u>607,784</u>	<u>308,065</u>	<u>(247,000)</u>
Fund Balance - Beginning	<u>5,446,025</u>	<u>6,053,809</u>	<u>6,361,874</u>
Fund Balance - Ending	<u>6,053,809</u>	<u>6,361,874</u>	<u>6,114,874</u>
% Change in Fund Balance	11%	5%	-4%

Fund balance detail for All Governmental Funds Combined are shown in the table below. Total fund balances in FY 19 are budgeted to decrease by 4% due to changes in the Restricted category. Changes in the Restricted category take place in the MFT Fund due to fluctuations in the cost for infrastructure improvements from year to year.

**Fund Balance Detail - All Governmental Funds Combined**

	FY 17	FY 18	FY 19
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ 55,085	55,085	55,085
Restricted	618,735	728,310	481,310
Committed	260,173	260,173	260,173
Assigned	811,476	912,393	912,393
Unassigned	4,308,340	4,405,913	4,405,913
Total Fund Balance	6,053,809	6,361,874	6,114,874

The following schedule includes beginning and ending fund balances for the General Fund.

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

	FY 17	FY 18	FY 19
	Actual	Estimate	Budget
<b>Revenues</b>			
Taxes	\$ 3,246,444	3,689,850	3,782,692
Intergovernmental	56,208	10,579	5,000
Charges for Services	111,508	105,268	106,500
Licenses and Permits	649,098	373,000	285,000
Fines and Forfeits	223,359	230,373	215,000
Interest	12,974	37,911	30,000
Miscellaneous	168,541	173,909	175,808
Transfers In	-	1,380,000	-
Bond Proceeds			
<b>Total Revenues</b>	<b>4,468,132</b>	<b>6,000,890</b>	<b>4,600,000</b>
<b>Expenditures</b>			
General Government	1,082,589	1,405,029	1,315,500
Public Safety	2,003,429	2,164,391	2,315,600
Public Works and Transportation	654,174	798,151	750,000
Capital Outlay	64,490	45,000	64,400
Principal Retirement	80,000	1,414,040	105,000
Interest and Fiscal Charges	79,506	76,706	49,500
Transfers Out	135,000	-	-
<b>Total Expenditures</b>	<b>4,099,188</b>	<b>5,903,317</b>	<b>4,600,000</b>
<b>Net Change in Fund Balance</b>	<b>368,944</b>	<b>97,573</b>	<b>-</b>
<b>Fund Balance - Beginning</b>	<b>4,254,654</b>	<b>4,623,598</b>	<b>4,721,171</b>
<b>Fund Balance - Ending</b>	<b>4,623,598</b>	<b>4,721,171</b>	<b>4,721,171</b>
<b>% Change in Fund Balance</b>	<b>9%</b>	<b>2%</b>	<b>0%</b>

In the table below, actual fund balances are shown for FY 17 and projected fund balances are shown for FY 18 and FY 19 where there is a slight increase or leveling off in fund balances. The Village’s goal is to maintain current levels and avoid a decrease in fund balances.

**Fund Balance Detail - General Fund**

	FY 17	FY 18	FY 19
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ 55,085	55,085	55,085
Restricted	-	-	-
Committed	260,173	260,173	260,173
Assigned	-	-	-
Unassigned	4,308,340	4,405,913	4,405,913
			-
Total Fund Balance	4,623,598	4,721,171	4,721,171

The following schedule includes beginning and ending fund balances for the MFT Fund.

**VILLAGE OF KILDEER, ILLINOIS**

**Motor Fuel Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

	FY 17	FY 18	FY 19
	Actual	Estimate	Budget
<b>Revenues</b>			
Taxes	\$ -	-	-
Intergovernmental	100,575	102,519	100,000
Charges for Services	-	-	-
Licenses and Permits	-	-	-
Fines and Forfeits	-	-	-
Interest	2,759	7,056	3,000
Miscellaneous	-	-	-
Transfers In	-	-	-
Total Revenues	<u>103,334</u>	<u>109,575</u>	<u>103,000</u>
<b>Expenditures</b>			
General Government	-	-	-
Public Safety	-	-	-
Public Works and Transportation	-	-	350,000
Capital Outlay	-	-	-
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Transfers Out	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>350,000</u>
Net Change in Fund Balance	<u>103,334</u>	<u>109,575</u>	<u>(247,000)</u>
Fund Balance - Beginning	<u>515,401</u>	<u>618,735</u>	<u>728,310</u>
Fund Balance - Ending	<u>618,735</u>	<u>728,310</u>	<u>481,310</u>
% Change in Fund Balance	20%	18%	-34%

The MFT Fund is a restricted fund. Fund balances between FY 17 and FY 18 are growing because money in this fund was allowed to accumulate so that it can be used in FY 19 for specific improvement projects. In anticipation of a road project in FY 19, the fund balance reflects a decrease of 34%. The pattern of accumulation and spending in alternate years is expected to be repeated in the years ahead.

**Fund Balance Detail - Motor Fuel Fund**

	FY 17	FY 18	FY 19
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ -	-	-
Restricted	618,735	728,310	481,310
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balance	618,735	728,310	481,310

The following schedule includes beginning and ending fund balances for the Capital Projects Fund.

**VILLAGE OF KILDEER, ILLINOIS**

**Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

	FY 17	FY 18	FY 19
	Actual	Estimate	Budget
<b>Revenues</b>			
Taxes	\$ -	-	-
Intergovernmental	-	-	-
Charges for Services	-	-	-
Licenses and Permits	-	-	-
Fines and Forfeits	-	-	-
Interest	506	917	-
Miscellaneous	-	-	-
Transfers In	135,000	100,000	-
<b>Total Revenues</b>	<b>135,506</b>	<b>100,917</b>	<b>-</b>
<b>Expenditures</b>			
General Government	-	-	-
Public Safety	-	-	-
Public Works and Transportation	-	-	-
Capital Outlay	-	-	-
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Transfers Out	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>135,506</b>	<b>100,917</b>	<b>-</b>
Fund Balance - Beginning	<u>675,970</u>	<u>811,476</u>	<u>912,393</u>
Fund Balance - Ending	<u>811,476</u>	<u>912,393</u>	<u>912,393</u>
% Change in Fund Balance	20%	12%	0%

The Capital Projects Fund is related to the maintenance of Village Hall, major equipment purchases, and emergency road repairs.

**Fund Balance Detail - Capital Projects Fund**

	FY 17	FY 18	FY 19
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ -	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	811,476	912,393	912,393
Unassigned	-	-	-
<b>Total Fund Balance</b>	<b>811,476</b>	<b>912,393</b>	<b>912,393</b>

The GFOA recommends that general-purpose governments like the Village of Kildeer maintain an unrestricted fund balance in the General Fund of no less than two months of regular general fund operating expenditures. The GFOA cautions that each government should take into account its own unique circumstances when determining the appropriate amount in the unrestricted general fund balance to be held in reserve by the Village.

For those municipalities where the primary source of revenue is property tax, which is a relatively stable and dependable revenue source, a two month reserve of unrestricted funds in the General Fund is appropriate to maintain operations. In Kildeer, however, over fifty percent of revenue in the General Fund is from sales tax and the Village’s share of state income tax (Local Government Distributive Fund or LGDF), which are less stable revenue sources than property tax. Because sales tax and LGDF receipts fluctuate between times of economic recession and recovery and are susceptible to disruption from natural and manmade disasters, it is appropriate to have a larger reserve of unrestricted funds so that the Village can continue to function during a period of less than expected sales and income tax receipts. The Village’s policy is to maintain approximately 90% of operating expenses as an unrestricted fund balance. No minimum balance is established for the Motor Fuel Tax Fund or Capital Projects. Those fund balances may be drawn upon to fulfill their purposes when needed and do not serve as a fund balance reserve that can be used to pay for operating costs.

# REVENUE HIGHLIGHTS

FY 2018-2019

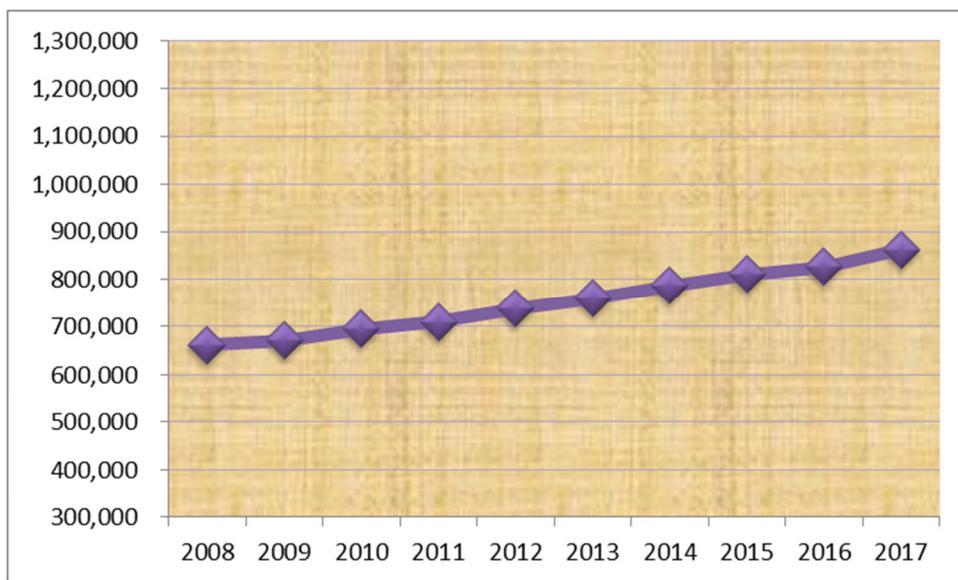
## Real Estate Tax

In FY 19 the Village of Kildeer anticipates receiving real estate tax revenue of \$862,302. The revenue that the Village receives from real estate taxes represents about 19% of the General Fund revenue used to operate the Village.

The amount of real estate tax revenue from the Village's portion of a resident's tax bill is a function of the total value of property in the Village (equalized assessed value or "EAV") and the tax rate. The tax rate is determined by the tax levy, which is the amount of money the Village estimates that it will need from real estate taxes, divided by the EAV. Property taxes are paid one year in arrears so that the taxes due are based on values from the year before.

Kildeer is a non-home rule community where the amount of revenue that can be raised from the real estate tax levy each year is limited by state law. Any percentage increase over the previous year's levy amount must be equal to or less than either the Consumer Price Index ("CPI") or 105% of the previous year's levy, whichever amount is less. New property is exempted from the CPI or 105% limitation. The CPI for calendar year 2017 is 2.1%.

The Village's receipt of property taxes has steadily increased over time, as demonstrated in the chart of Property Tax Receipts below.



Property Tax Receipts

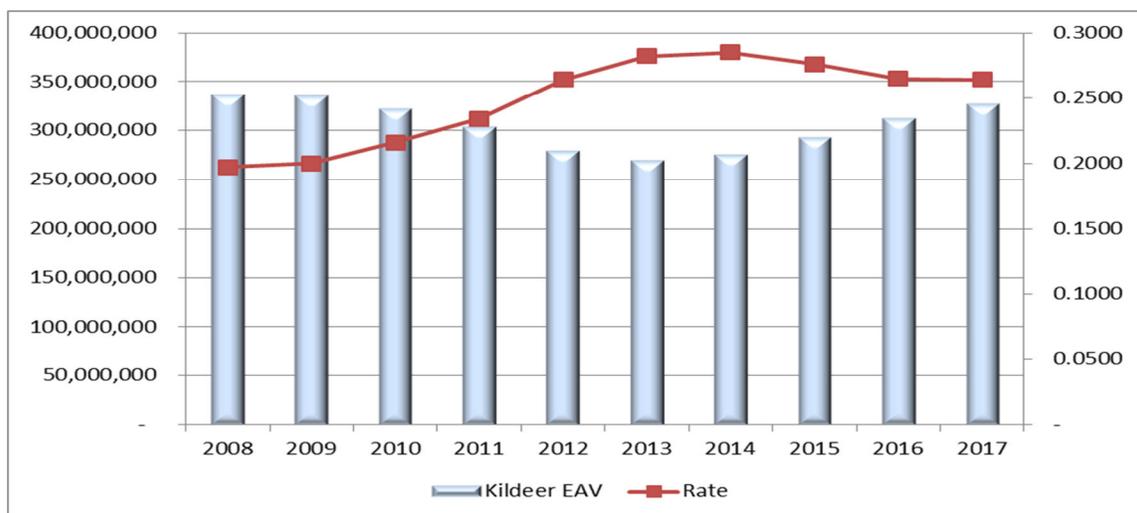
The Illinois property tax system is designed to provide relatively stable revenues for municipalities. There is an inverse relationship between assessed value and the tax rate which means that property tax does not decrease when assessed values drop. When the assessed value of individual property decreases, for example, the tax rate increases and vice versa.

As shown in the Tax Rate Changes table below, Village-wide property tax revenue (Amount) steadily increased since FY 08 even though equalized assessed valuation (EAV) declined during that period of general economic recession. The increase in property tax revenue was due to both the rate increases and the fact that new construction in the Village added to the EAV during those years.

Levy Year	Amount	Tax Rate	EAV
2008	670,797	0.1970	335,810,238
2009	670,797	0.2000	335,398,586
2010	694,822	0.2160	321,676,990
2011	709,300	0.2340	303,119,519
2012	738,518	0.2640	279,741,780
2013	759,691	0.2820	269,394,063
2014	785,638	0.2852	275,431,568
2015	809,309	0.2762	293,038,018
2016	826,131	0.2650	311,804,197
2017	862,303	0.2641	326,528,360

Tax Rate Changes

The EAV changes annually due to variations in fair market value of real estate, improvements to existing property and annexations or de-annexations. The nature and kind of changes to property in the Village, such as renovations and new construction, are tracked using the building permit system. Building permits are forwarded to the Township Assessor who changes assessed values (up or down) to insure that amounts levied by taxing bodies are collected fairly. New construction, renovations and annexations increase EAV, while during times of economic recession the assessed value of existing property, in general, decreases. The EAV for Kildeer in calendar year 2017 was \$326,528,360.

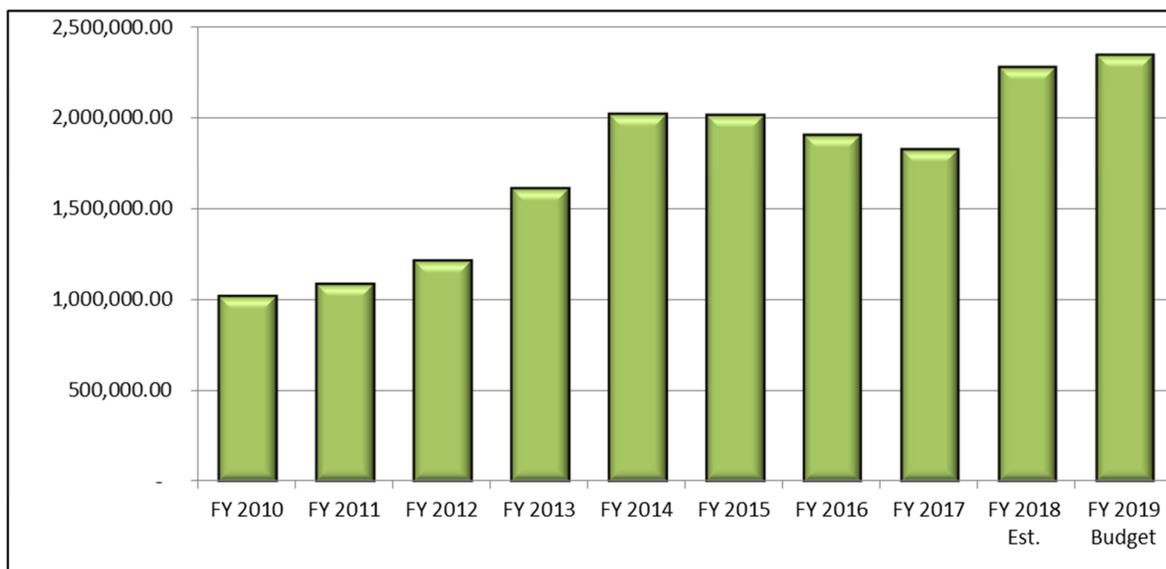


## Municipal Sales Tax

A retail sales tax equal to 1.5% of the sales price is collected on the sale of all tangible personal property sold by businesses located in the Village. The tax is collected by the State of Illinois and remitted to the Village approximately three months after the sale was actually made. Sales tax revenue is extremely elastic and is subject to increases or decreases as a result of local economic conditions, which in turn is influenced by regional and national economic trends.

Prior to FY 10 there was an economic recession and sales tax revenue was decreasing. That downward trend in sales tax receipts was offset by a successful referendum in 2012 in which residents voted to increase the Village's portion of the state sales tax from 1% to 1.5%. The impact of the new sales tax is shown in the graph below starting in FY 13.

Starting in FY 15 the growth in sales tax stalled followed by a reduction in sales tax receipts. Other municipalities in Lake County also experienced this downward trend that is projected to continue in FY 19. Kildeer's sales tax receipts rebounded in FY 18, however, due to the addition of new stores in the Kildeer Village Square Shopping Center. The shopping center will be filled in FY 19 and without new stores sales tax projections beyond FY 19 will be flat or slightly downward, depending on economic conditions.

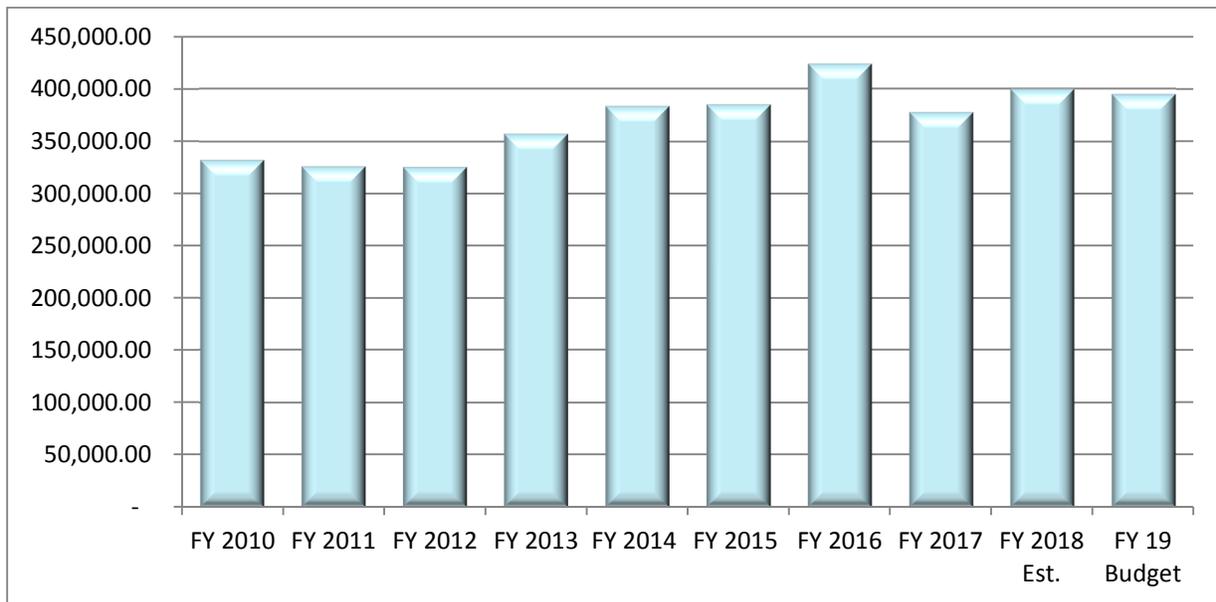


Sales Tax Receipts

The Village of Kildeer anticipates receiving sales tax revenue of \$2,350,000 in FY 19. This source of revenue represents 51% of the revenue in the General Fund needed to operate the Village.

## Income Tax

The State of Illinois assesses a tax on the annual income of residents and businesses in the State. Income tax is paid by individuals and businesses in April of each year. The Village's portion of income tax is known as the Local Government Distributive Fund ("LGDF") and it is collected by the State and shared with municipalities on a per capita basis. Like sales tax, income tax receipts are very sensitive to economic events and revenue from this source varies on an annual basis. Income tax receipts from FY 10 to FY 19 are shown below.



Income Tax Receipts

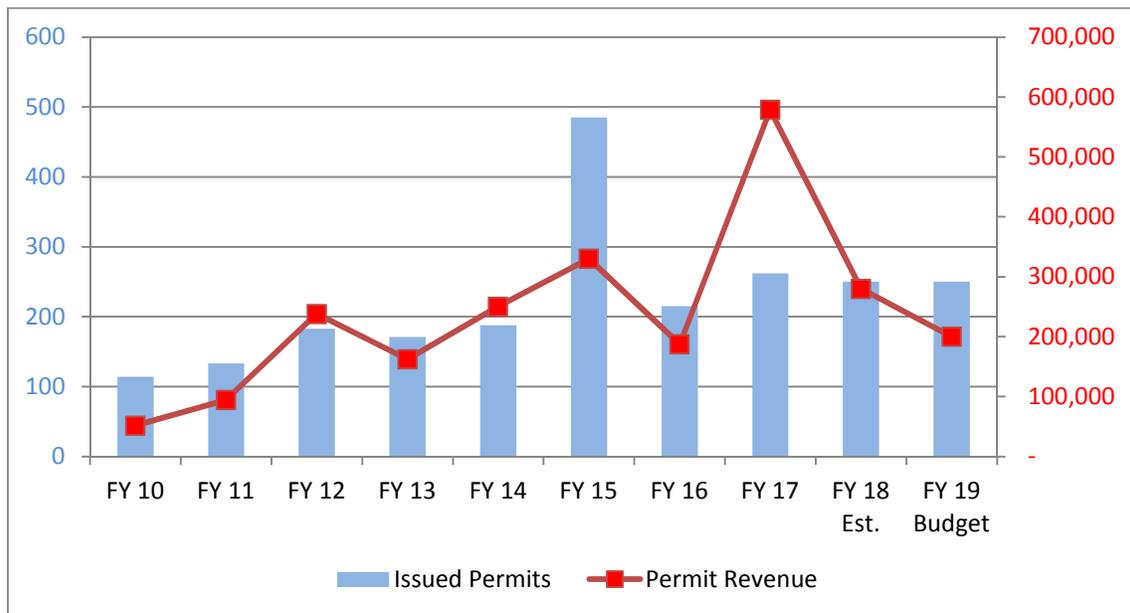
There is a very significant difference between State of Illinois revenues and expenses. State leaders are searching for additional revenue sources and it is often mentioned that all or a portion of the LGDF payments could be eliminated. In FY 18 the state imposed a new 2% collection fee on LGDF payments to municipalities. In the event that LGDF revenues are further changed, some Village expenses will have to be delayed or eliminated altogether in order to keep its budget in balance.

## Licenses and Permits

The Village is authorized by the State of Illinois to regulate certain activities within its corporate boundaries. The Village regulates business activities in connection with liquor, food and construction. Regulated activities require a permit or license for which the Village charges a fee to cover the cost of providing services.

As illustrated in the Permit graphs below, revenue from permits varies significantly on an annual basis. These variations are largely caused by changes in development activities in the Village. For example, a hailstorm in 2014 resulted in over 200 roof replacement permits in FY 15 leading to a spike in building permit revenue. Similarly, in FY 17 construction of the Kildeer Village Square shopping center caused a spike in building permit revenue.

Permit revenue accounts for \$200,000 or 4% of the FY 19 budget of the General Fund.



Unlike permit revenue, business license revenue does not vary much from year to year. While individual businesses may open or close, the total number of businesses in the Village does not change very much and as shown in the graph representing license fees. Annual revenue from this category averages \$90,000 or 2% of the FY 19 budget of the General Fund.

# EXPENSE EVALUATIONS

FY 2018-2019

## Personnel Costs

The Village of Kildeer’s mission is to provide high value services to its residents. Providing residents with municipal services is largely dependent on the number and quality of the staff employed by the organization. Personnel costs represent 52% of the Village’s total operating General Fund Budget.

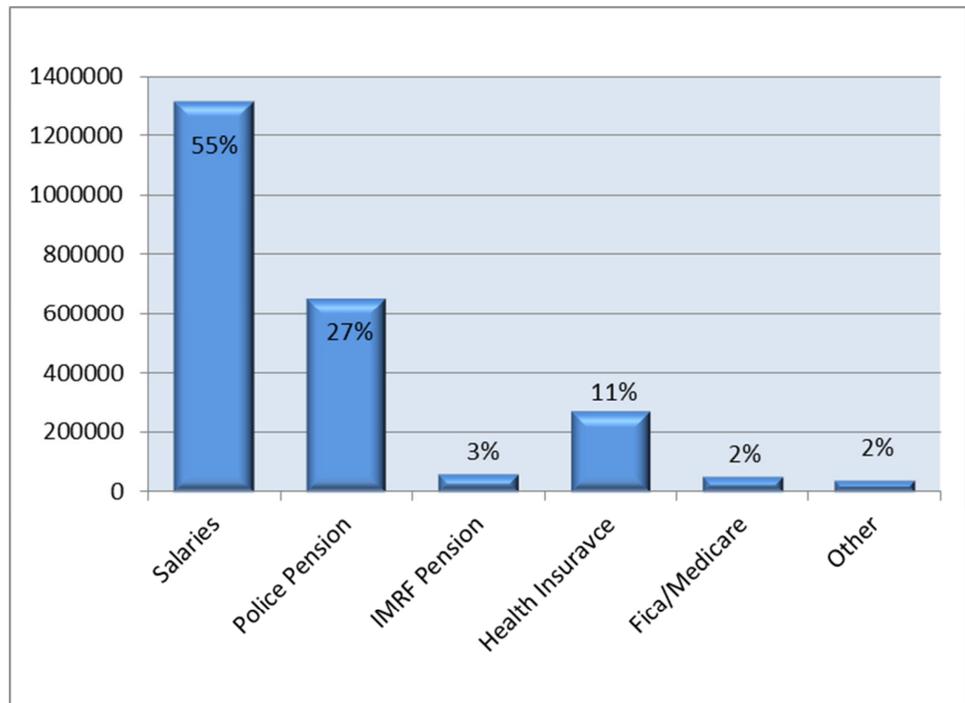
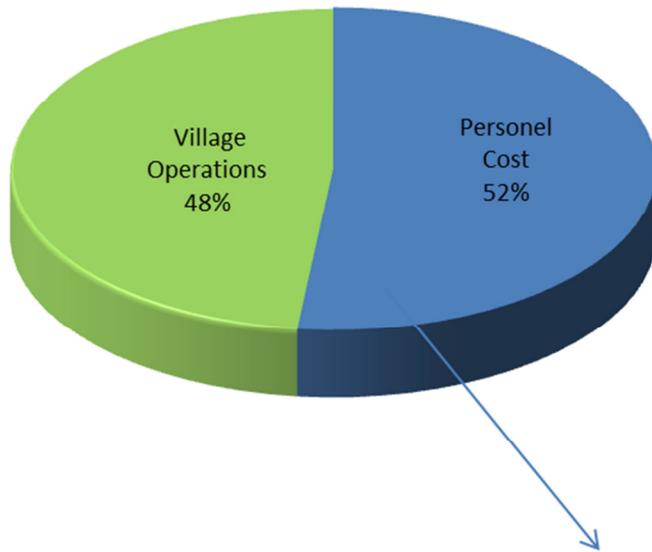
The growth of the Village since its incorporation in 1958 was accompanied by an increase in the nature and extent of its municipal government and the services it offers. A Police Department was established and it grew from a part-time to a full-time force. A Village Administrator was hired to maintain the Village’s infrastructure and preserve the Village’s uniqueness in a natural setting and a Finance Director was added in 2010 to manage Village’s funds.

The Village is governed by an elected Village President and six Trustees who all serve as citizen volunteers without salary. These officials are supported by a small professional staff consisting of a Chief Village Officer, Finance Director, Chief of Police and Administrative Assistant. In FY 18 the Village’s entire full-time staff consisted of 12 people, 9 of which were engaged in law enforcement activities. The Village’s full-time workforce for FY 19 is unchanged.

	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Budget 2019	Difference 2018 v. 2019
<b>General Government</b>								
Chief Village Officer	1	1	1	1	1	1	1	-
Administrative Assistant ( PT)	1	-	-	-	-	1	-	(1)
Administrative Assistant (FT)	-	-	-	-	-	-	1	1
Finance Director	1	1	1	1	1	1	1	-
Director of Building Permits	-	1	1	1	1	1	-	(1)
<b>Police Department</b>								
Police Chief	1	1	1	1	1	1	1	-
Police Records Clerk	1	1	1	1	1	1	1	-
Police Officers- FT	6	6	6	6	7	7	7	-
Police Officers- PT	-	2	5	5	6	6	6	-
Community Service Officer - PT	-	1	1	1	1	1	1	-
<b>Total Full Time</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>-</b>
<b>Total Part Time</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>(1)</b>

Village Staff

Village-wide personnel costs in FY 19 are projected to be \$2,381,665. The largest portion of these costs are salaries which represent 55% (\$1,314,501) of total personnel costs. The second largest expense is the Village's contribution to the Police Pension Fund which is 27% (\$650,000) of total personnel costs.

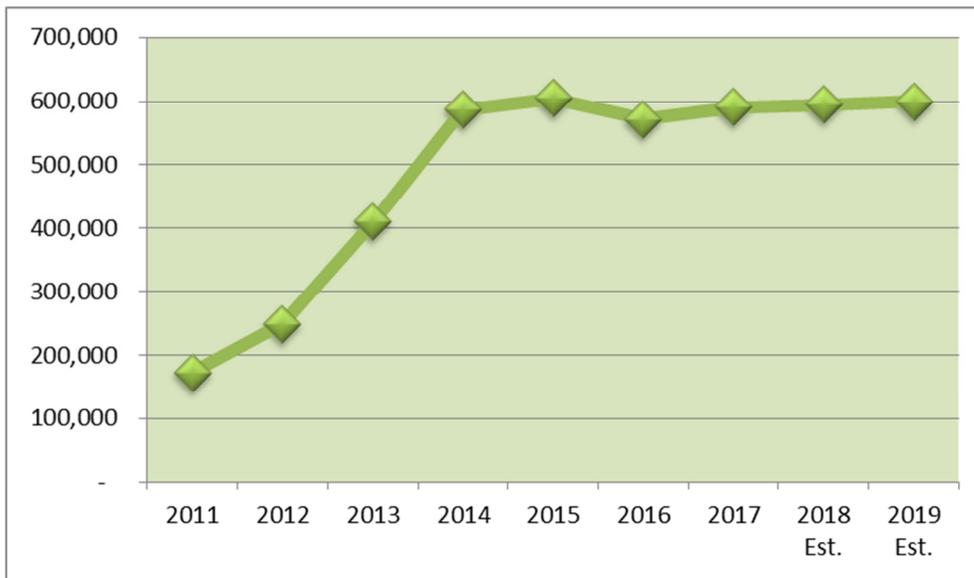


**Percentage of Personnel Costs Relative to General Fund**

## Police Pension

Kildeer residents voted to establish a Police Pension Fund in 2007. The Police Pension Fund accumulates financial resources and holds them in trust for Village Police Officers and their beneficiaries. Presently there are seven full-time patrol officers who each contribute 9.91% of their salary to the Police Pension Fund. Twelve officers now draw pension benefits.

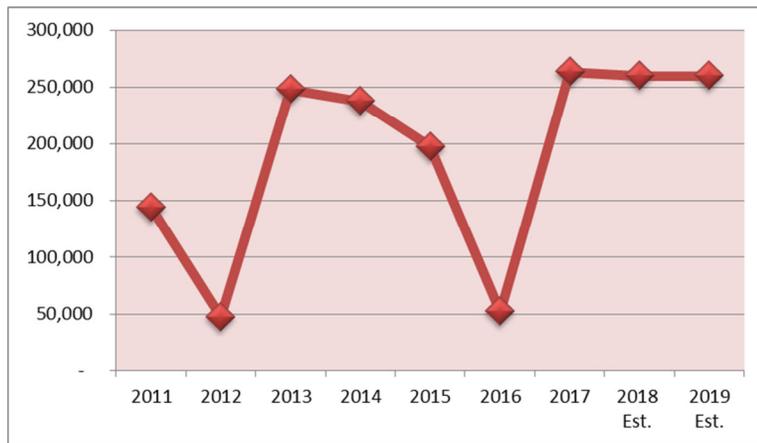
Police Pension Fund expenses increased by over \$420,000 in the period between FY 11 and FY 18. At the end of FY 17 the Police Pension Fund was only 37.77% funded and the FY 18 expected funding ratio is 40%.



Police Pension Expenses

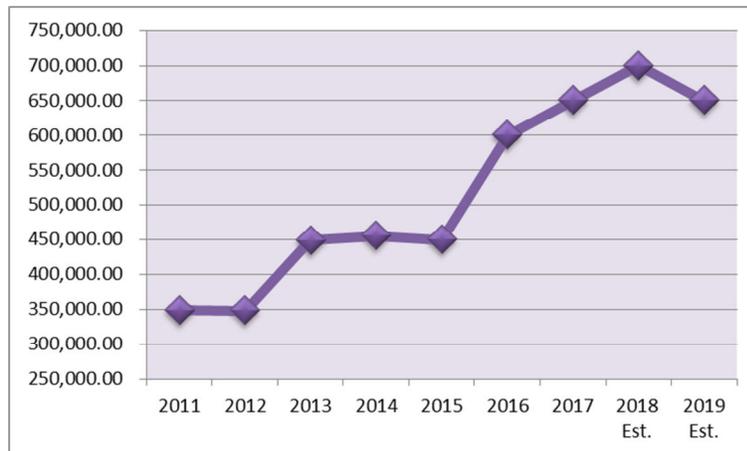
The Police Pension is funded by a combination of three sources: investment income, contributions by active police officers and the Village. An actuarial valuation is prepared annually to determine the amount of funding needed to meet the Pension Fund's obligations. The Village is responsible to provide the balance of the needed funds after taking into account investment income and officer contributions.

Investment income for the Pension Fund has not grown at the same rate as expenses. Annual returns from FY 11 to FY 18 fluctuated between \$50,000 and \$260,000.



Police Pension Investment Income

As expected, in an environment where expenses are growing, police officer contributions are steady and investment income is less than the assumed rate of return, the Village's contributions must increase.

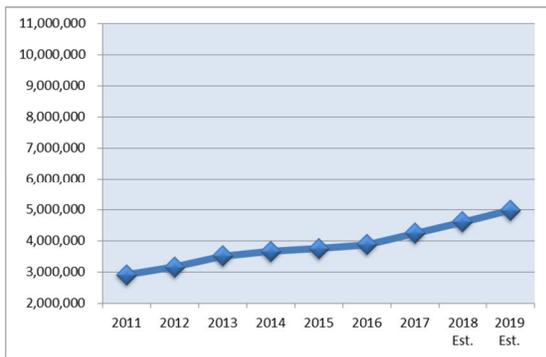


Village Contributions to the Police Pension

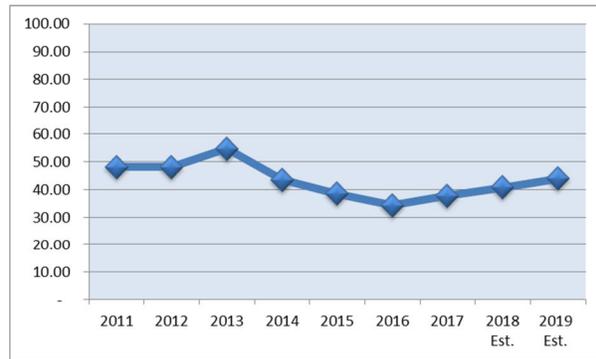
Police Pension Fund obligations significantly impact the General Fund Balance. The Village's contribution in FY 12 was \$348,500. In FY 17 the amount was \$650,000, an increase of 87% within a five year period. The Police Pension Fund is required by Illinois Statute to be 90% funded by FY 40. The state mandate is incorporated into the actuarial projections used by the Police Pension Board when a funding request is made to the Village Board. As pension expenses grow and additional beneficiaries are added, greater contributions are needed. In addition, the life expectancy of pension beneficiaries was recently increased by five years. This change negatively impacted the Police Pension's funding ratio lowering it from 38.53% to 34.40% in FY 16. The funding ratio in FY 18 is expected to increase to 40%.

In the most recent actuarial report it is estimated that \$11,000,000 is needed to meet the future pension obligations. With police salary contributions steady and investments below the assumed rate, in order for the Police Pension Fund balance to grow and attain the ninety percent mandate, it will be necessary to increase Village contributions for the foreseeable future.

A stated goal of the Village Board is to be in compliance with the 90% fund balance requirement as soon as possible which will require that large portions of money in the General Fund be diverted to the Police Pension Fund for many years. Meeting the Police Pension funding goal will exert pressure on the General Fund and intensify competition for money among the various core functions of the Village.



Police Pension Fund Balance

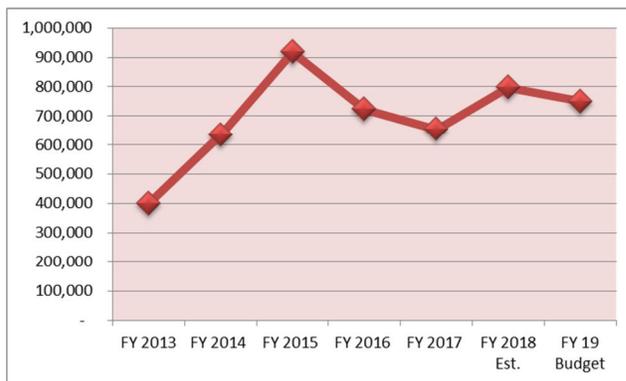


Funding Ratio Percentage

## Public Works

There are over 32 miles of roads in the Village. Maintaining the roads includes the cost of snow and ice removal as well as patching, grinding, overlay and reconstruction of existing pavement. Road maintenance also includes the right-of-way where there are various types of stormwater drainage controls such as cross-culverts and gutters. Vegetation trimming in the right-of-way is also included in the public works budget.

In response to the Village Board's emphasis on delivering quality service to residents, public works expenditures have increased steadily. In FY 12 the Village Engineer conducted a pavement evaluation and prepared a long term pavement program and rehabilitation plan. The cost of implementing the plan, however, was greater than the budget could support and a voter referendum to increase sales tax was conducted with the additional revenue to fund infrastructure improvements. The initiative was successful and funding for public works has increased.



Public Works Expenditures

FY 2013	400,732
FY 2014	634,111
FY 2015	918,728
FY 2016	723,438
FY 2017	654,174
FY 2018 Est.	798,151
FY 19 Budget	750,000

Lake County will widen Quentin Road north of White Pine Road to Rt. 22 starting in 2018. The Village's portion of the cost of the project is estimated to be between \$12,000 and \$56,000 depending on the availability of grant funding. This expense is incorporated into the FY 19 budget.

Another street widening project that will require future Village funds is along Route 22 east of Quentin Road. The Village's portion of the cost for this project is estimated at \$140,000. The Rt. 22 project is part of the Illinois Dept. of Transportation's Five Year Plan, but the year in which construction may start is not known.

## Long Term Debt

The Village is a non-home rule municipality. As a non-home rule municipality, the Village is limited in the amount of debt it can incur. That limit is 8.625% of the community's equalized assessed valuation or \$26M. General Obligation debt is paid from General Fund revenues. The Village's existing debt is just \$1.6M.

Assessed Valuation - 2017	<u>\$ 326,528,360</u>
Legal Debt Limit = 8.625% of Assessed Value	<u>28,163,071</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>(1,650,000)</u>
Legal Debt Margin	<u>26,513,071</u>

In 2002 the Village issued debt certificates to raise money to build the Village Hall. In 2011 the debt was refinanced and the Village issued General Obligation Refunding Limited Debt Certificates. In FY 18 the Village again refinanced its debt by issuing Alternative Revenue Bonds and the Village abated that portion of the property tax that could have been used to repay its debt. The schedule of payments is listed below:

### General Obligation Refunding Limited Debt Certificates of 2011

Date of Issue	January 18, 2011
Date of Maturity	February 1, 2031
Authorized Issue	\$2,220,000
Denomination of Bonds	\$5,000
Interest Rate	3.00% - 5.375%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	Amalgamated Bank of Chicago, Chicago IL

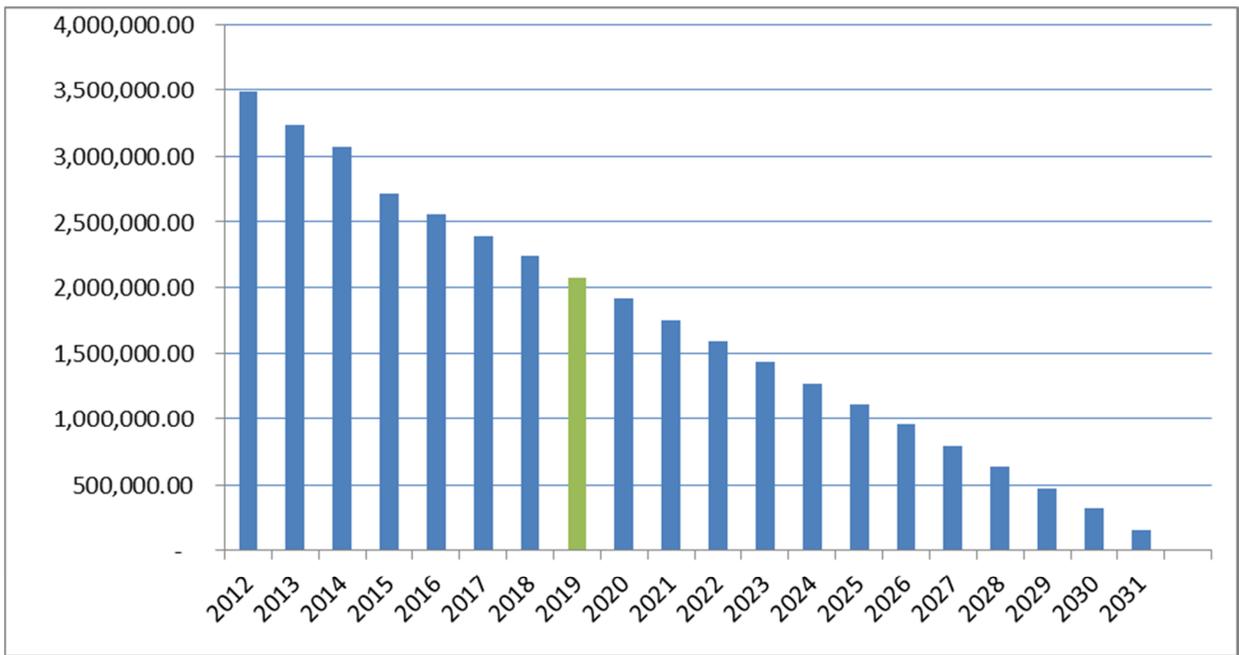
Fiscal Year Ending April 30	<u>Governmental Activities</u>		
	<u>General Obligation</u>		
	<u>Bonds</u>		
	Principal	Interest	Totals
2019	85,000	11,475	96,475
2020	90,000	7,863	97,863
2021	95,000	4,038	99,038
Total	<u>270,000</u>	<u>23,375</u>	<u>293,375</u>

Alternative Revenue Bonds 2017

Date of Issue	December 19, 2017
Date of Maturity	February 1, 2031
Authorized Issue	\$1,380,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% - 2.85%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	Amalgamated Bank of Chicago, Chicago IL

Fiscal Year Ending April 30	Governmental Activities		
	Alternate Revenue Bonds		
	Principal	Interest	Totals
2019	20,000	37,663	57,663
2020	20,000	34,100	54,100
2021	20,000	33,700	53,700
2022	120,000	33,300	153,300
2023	120,000	30,900	150,900
2024	120,000	28,500	148,500
2025	125,000	25,800	150,800
2026	135,000	22,988	157,988
2027	135,000	19,545	154,545
2028	135,000	16,103	151,103
2029	140,000	12,255	152,255
2030	145,000	8,265	153,265
2031	145,000	4,133	149,133
<b>Total</b>	<b>1,380,000</b>	<b>307,250</b>	<b>1,687,250</b>

The Village's financial health improved by reducing the amount of its debt service costs. A chart displaying the Village's remaining debt is shown below.

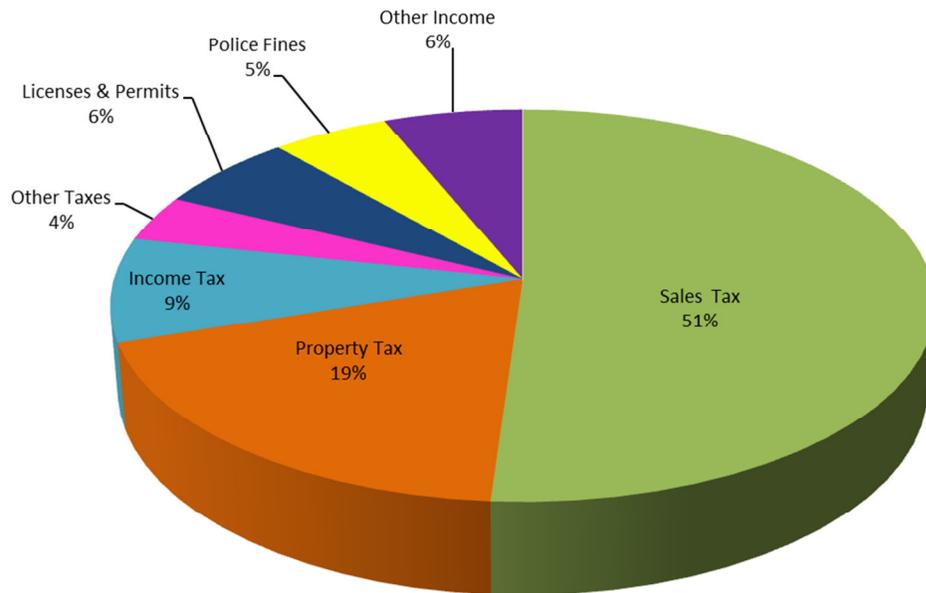


Long Term Debt/ Principle & Interest

# REVENUES GENERAL FUND

FY 2018-2019

The General Fund is used to account for the resources and activities associated with the day-to-day operations of the Village. The General Fund receives the majority of Village revenues and utilizes these resources to fund expenditures traditionally associated with municipal government, including general administration, police protection, street maintenance, building and zoning code enforcement, as well as planning and economic development.



FY 19 – General Fund Revenues

Revenue Type	FY 2018	FY 2018	Difference	
	Budget	Budget	\$	%
Sales Tax	2,200,000	2,350,000	150,000	7%
Property Tax	826,131	862,302	36,171	4%
Income Tax	380,000	395,000	15,000	4%
Other Taxes	190,273	175,390	(14,883)	-8%
Licenses & Permits	285,000	290,000	5,000	2%
Police Fines	225,500	241,200	15,700	7%
Other Income	293,096	286,108	(6,988)	-2%
	<u>4,400,000</u>	<u>4,600,000</u>	<u>200,000</u>	<u>5%</u>

Revenues FY 18-19

A 5% increase in FY 19 revenues over those in FY 18 are due to projected increases in sales tax that will be generated in connection with the new businesses yet to open in the Kildeer Village Square Shopping Center. Even though there is an overall increase in revenues, not all revenue sources increased. Local telecommunication tax revenues are trending down.

VILLAGE OF KILDEER  
DETAILED BUDGET REPORT

FUND: General Fund

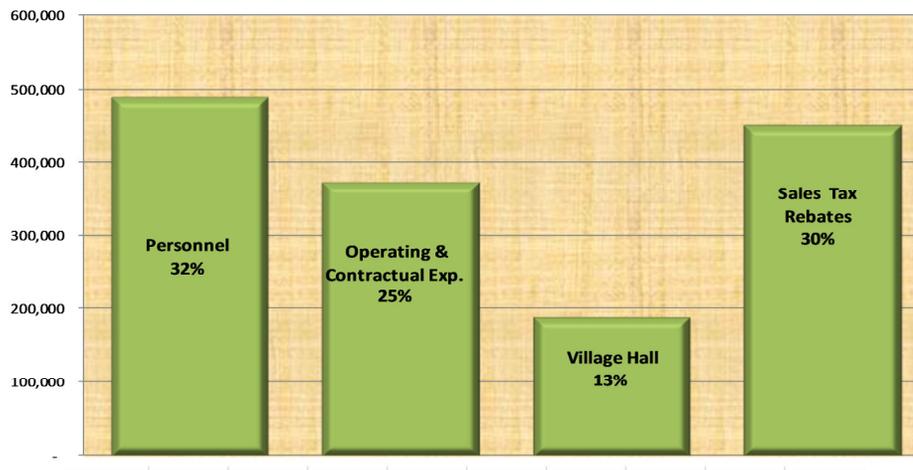
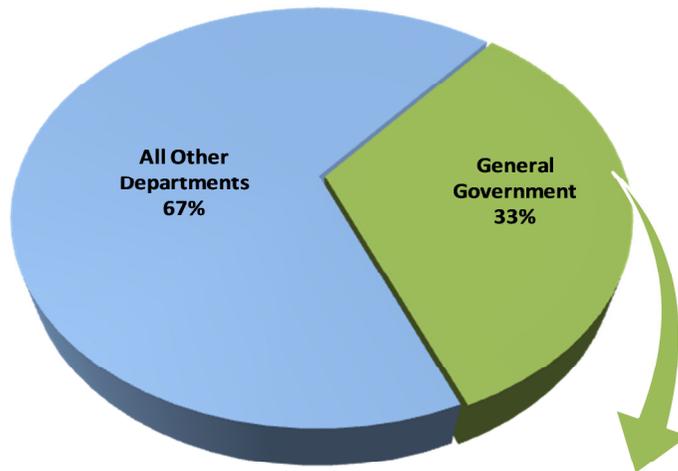
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2016-- ACTUAL	--2017-- ACTUAL	----- 2018 ----- BUDGETED	----- 2018 ----- 10 MO. ACTUAL	----- 2018 ----- PROJECTED	--2019-- REQUESTED BUDGET
<b>REVENUES</b>							
10-10-3010	Property Tax	778,002	804,073	826,131	824,471	824,471	862,302
10-10-3020	Replacement Tax	1,375	1,370	1,000	798	958	1,000
10-10-3030	Road and Bridge Tax	3,950	4,182	4,273	4,247	4,247	4,390
10-10-3040	Sales Tax	1,886,793	1,879,135	2,200,000	1,804,121	2,285,000	2,350,000
10-10-3050	State Income Tax	422,879	375,074	380,000	364,676	400,000	395,000
10-10-3060	State Use Tax	92,071	97,663	90,000	82,678	99,214	95,000
10-10-3070	Telecommunications Tax	119,050	84,943	95,000	63,300	75,960	75,000
10-10-3100	Licenses and Fees	95,677	70,346	85,000	92,905	93,000	90,000
10-10-3105	Franchise Fees	96,723	98,753	90,000	73,973	88,768	90,000
10-10-3210	Building Permits	187,290	578,752	200,000	218,265	280,000	200,000
10-10-3340	Books and Copies	1,097	957	1,000	788	945	1,000
10-10-3380	Filing Fees	0	0	0	0	0	0
10-10-3410	Revenue Sharing	126,586	123,979	140,000	101,022	120,000	120,000
10-10-3420	Impoundment Fees	14,500	7,500	10,000	7,000	8,400	10,000
10-10-3425	Impoundment Fees - DUI	7,500	5,254	6,500	4,500	5,400	6,500
10-10-3440	Sewer Administration	0	0	0	0	0	0
10-10-3450	Population Impact Fees	0	0	0	0	0	0
10-10-3600	Restricted Drug Seizure	3,818	231	0	1,350	1,350	0
10-10-3630	Police Fines	46,133	38,241	44,000	27,611	33,133	35,000
10-10-3640	Code Violations	29,795	26,425	25,000	27,293	32,752	30,000
10-10-3650	Restricted DUI	4,200	2,450	3,000	2,761	3,000	3,000
10-10-3660	Police Equipment Resale	5,673	1,123	0	4,123	4,123	5,000
10-10-3670	Red Light Enforcement	110,518	156,011	140,000	137,074	164,488	150,000
10-10-3675	Hireback Income	2,505	1,470	2,500	1,505	1,806	2,000
10-10-3676	Alcohol Awareness Revenue	0	0	0	659	659	0
10-10-3680	Restricted Traffic Rebate	6,026	4,560	4,000	3,380	4,056	4,000
10-10-3686	Restricted E-Citation	376	274	300	192	230	200
10-10-3687	Restricted CERT	950	200	0	250	300	0
10-10-3690	Grants	3,505	56,208	5,000	10,579	10,579	5,000
10-10-3720	Interest Income	7,119	12,973	10,000	31,592	37,911	30,000
10-10-3950	Expired Completion Bonds	12,000	500	0	2,000	4,000	0
10-10-3960	Refunds & Reimbursements	25,225	28,029	30,000	24,141	28,970	30,000
10-10-3970	Proceeds from Bonds	0	0	0	1,380,000	1,380,000	0
10-10-3980	Proceeds from Capital Lease	0	0	0	0	0	0
10-10-3990	Misc Income	3,524	7,456	7,296	5,975	7,170	5,608
10-10-3999	Interfund Operating Transfer	0	0	0	0	0	0
<b>TOTAL REVENUES:</b>		<b>4,094,860</b>	<b>4,468,132</b>	<b>4,400,000</b>	<b>5,303,229</b>	<b>6,000,890</b>	<b>4,600,000</b>

# GENERAL GOVERNMENT GENERAL FUND

FY 2018-2019



*General Government expenses make up 33% of the Village's General Fund budget. Within the General Government category personnel account for 32% of the expenses followed by operating and contractals (25%), Village Hall (13%) and sales tax rebates to developers (30%).*



General Government functions include the administration of the Village’s affairs by the Chief Village Officer, Finance Director, and an Administrative Assistant.

### General Government Personnel Summary

	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Budget 2019	Change
<b>General Government</b>								
Chief Village Officer	1	1	1	1	1	1	1	-
Administrative Assistant ( PT)	1	-	-	-	-	1	-	(1)
Administrative Assistant (FT)	-	-	-	-	-	-	1	1
Finance Director	1	1	1	1	1	1	1	-
Director of Building Permits	-	1	1	1	1	1	-	(1)
<b>Total Full Time</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-</b>
<b>Total Part Time</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(1)</b>

The Chief Village Officer provides leadership, management, and oversight of all of the Village departments and advises the Village President and Board of Trustees on policies and procedures. The Chief Village Officer executes policy set by the Village Board and oversees the day to day operations of the Village.

The Finance Director provides the Village with financial and analytical support as well as accounting for all financial transactions. That includes its bank accounts and investment activities, payroll, accounts payable, and billing for services provided. The Finance Director also performs human resource services.

The Administrative Assistant processes commercial and residential construction permits and files forms in connection with safety inspections, zoning issues and code compliance matters. The Administrative Assistant also serves as the first point of contact for Village matters.

The General Government category also includes the maintenance of Village Hall and payments for sales tax incentives (rebates) granted for the development of facilities that provide significant value to the Village.

The largest change in the General Government category between FY 18 and FY 19 is found in sales tax rebates. Payments under a sales tax rebate agreement for the Kildeer Village Square Shopping Center began in 2018. As total sales from the shopping center increase so do the total payments under the rebate agreement.

Expense Type	FY 2018	FY 2019	Difference	
	Budget	Budget	\$	%
Personnel	475,763	487,554	11,791	2%
Operating & Contractual Exp.	355,495	372,946	17,451	5%
Village Hall	193,742	189,500	(4,242)	0%
Sales Tax Rebates	350,000	450,000	100,000	29%
Totals	1,375,000	1,500,000	125,000	9%

FY 18-19 Budget – General Government

FY 18 ACCOMPLISHMENTS

The accomplishments under the General Government Department for FY 18, organized by the priorities identified in the Strategic Plan, are as follows:

**Priority #3 Economic Development:**

- Completed construction of a new shopping center known as Kildeer Village Square
- Completed construction of Outlot 3 at Kildeer Village Square
- Amended the Special Use PUD for the Quentin Collection to allow for additional uses in the shopping center to attract new tenants
- Approved eight new businesses
- Expanded the number of Special Uses in the Business District

**Priority #4 Customer Service:**

- Implemented use of credit card to pay for traffic and local ordinance violations
- Installed prescription drug drop-off collection box in Village Hall
- Digitized all FY 18 Village Board Minutes, Resolutions and Ordinances
- Digitized all FY 18 building files for the convenience of residents
- Negotiated a waste collection contract with lower rates

**Priority #5 Fiscal Management:**

- Awarded the FY 17 Certificate of Achievement for Financial Reporting by the Government Finance Officers Association (GFOA)
- Awarded the FY 18 Distinguished Budget Presentation Award by the GFOA
- Refinanced Village debt
- Attained Moody's Aaa bond rating (Highest possible rating)
- Reduced premium for workers compensation
- Maintained the FY 18 general fund reserves at 12 months

- Increased FY 18 budgeted contribution to Kildeer Police Pension by \$50,000
- Restructured health insurance plans for employees which reduced premiums

**FY 19 OBJECTIVES**

The objectives under the General Government Department for FY 19, organized by the priorities identified in the Strategic Plan, are as follows:

**Priority #3 Economic Development:**

- Complete Comprehensive Plan Update
- Work with Kemper Lakes Golf Course to host 2018 LPGA major event
- Continue to promote growth of retail sales in commercial areas
- Monitor land use and zoning changes along Rand Road
- Facilitate the approval of new residential subdivisions

**Priority #4 Customer Service:**

- Consider acceptance of credit card payments at Village Hall
- Provide digital copies of records to residents upon request

**Priority #5 Fiscal Management:**

- Apply for the GFOA Certificate of Achievement for Excellence in Financial Reporting
- Apply for the GFOA Distinguished Budget Presentation Award
- Review health insurance options and select the most cost effective plans
- Incorporate health care reform mandates into the Village benefit programs
- Increase contributions to Kildeer Police Pension fund
- Promote public awareness of the need for a dedicated levy for the Police Pension Fund
- Maintain Moody’s Aaa bond rating

Performance Measures Service Indicators	2013	2014	2015	2016	2017
<b>Licenses</b>					
Business	50	56	62	63	61
Liquor	11	13	12	13	13
<b>Permits</b>					
Residential- New Construction	8	30	31	9	5
Residential- Remodeling	127	130	434	184	203
Commercial- New Construction	2	3	-	3	8
Commercial- Remodeling	38	25	21	19	46
Total Issued Permits	175	188	486	215	262

VILLAGE OF KILDEER  
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2016-- ACTUAL	--2017-- ACTUAL	----- BUDGETED	2018 10 MO. ACTUAL	----- PROJECTED	--2019-- REQUESTED BUDGET
<b>General Government</b>							
10-10-4010	FT Salaries - Administration	316,018	327,637	334,771	296,402	347,196	352,594
10-10-4050	PT Salaries - Administration	0	2,975	15,470	8,838	8,838	0
10-10-4080	Health Benefits	60,771	62,715	60,342	46,965	57,143	63,665
10-10-4090	FICA/Medicare	19,665	19,909	26,953	17,646	21,519	27,292
10-10-4095	Unemployment Insurance	1,547	1,260	1,684	490	1,589	240
10-10-4096	Worker's Comp Insurance	997	961	1,721	802	802	1,784
10-10-4110	Retirement - IMRF	29,605	30,918	30,844	29,235	34,722	37,817
10-10-4160	Longevity	2,440	2,661	2,778	2,848	2,848	2,962
10-10-4170	Training	3,143	2,628	5,000	1,921	2,306	5,000
10-10-4220	Travel and Lodging	1,851	1,352	3,500	957	1,149	3,500
10-10-4520	Clerk & Collector Stipends	1,200	1,200	1,200	1,000	1,200	1,200
10-10-4525	Zoning Administration	0	88	3,000	165	1,160	3,000
10-10-4530	Audit	16,545	17,000	17,500	17,415	17,415	17,500
10-10-4550	Building Inspections	60,866	222,302	100,000	97,383	116,859	100,000
10-10-4570	Engineering	30,576	38,076	45,000	30,302	40,000	45,000
10-10-4580	Financial Services	3,133	2,579	5,000	1,510	3,000	5,000
10-10-4590	IT Support	15,642	14,451	17,420	14,483	17,380	17,420
10-10-4610	Legal	10,083	11,753	15,000	8,568	10,282	15,000
10-10-4660	Permit Review	34,537	55,138	35,000	27,603	33,123	35,000
10-10-4680	Planning	403	429	2,000	418	501	2,000
10-10-4710	Other Professional Fees	5,286	5,432	5,000	4,407	6,289	7,000
10-10-5010	Alarm and Video	360	360	400	387	387	400
10-10-5030	Codification	1,543	1,412	2,000	650	1,500	3,000
10-10-5040	Copy Services	170	140	1,000	98	118	1,000
10-10-5050	Datacom Services	10,942	9,469	10,000	7,054	9,464	10,000
10-10-5070	Dues and Subscriptions	10,858	7,220	8,500	6,684	8,500	8,500
10-10-5080	Equipment Contracts	8,964	9,806	10,000	16,206	16,950	12,000
10-10-5110	General Insurance	16,724	18,391	17,000	14,699	14,699	15,000
10-10-5210	Misc. Contract Services	20,206	17,326	12,440	8,058	12,500	12,500
10-10-6060	Natural Gas	2,529	2,846	3,000	1,532	2,839	3,000
10-10-6080	Postage and Shipping	734	674	1,500	603	724	1,500
10-10-6100	Supplies	5,372	6,676	7,000	7,284	9,741	10,000
10-10-6120	Water and Sewer	535	535	360	513	616	540
10-10-7020	Community Events	158	5,859	1,000	1,037	1,244	1,000
10-10-7100	Map Drawing	0	0	0	0	0	0
10-10-7130	Newsletter	650	0	0	0	0	0
10-10-7230	Tax Rebates	142,946	137,597	350,000	99,450	400,000	450,000
10-10-7510	Building Maintenance	108,580	26,230	27,036	32,052	38,462	30,000
10-10-7530	Equipment Maintenance	0	83	1,000	308	370	1,000
10-10-7540	Building/Grounds Maintenance	11,532	13,891	5,000	3,801	7,500	5,000
10-10-7810	Non-Capital Equipment	4,624	1,684	1,438	1,902	2,282	7,500

VILLAGE OF KILDEER  
 DETAILED BUDGET REPORT

FUND: General Fund

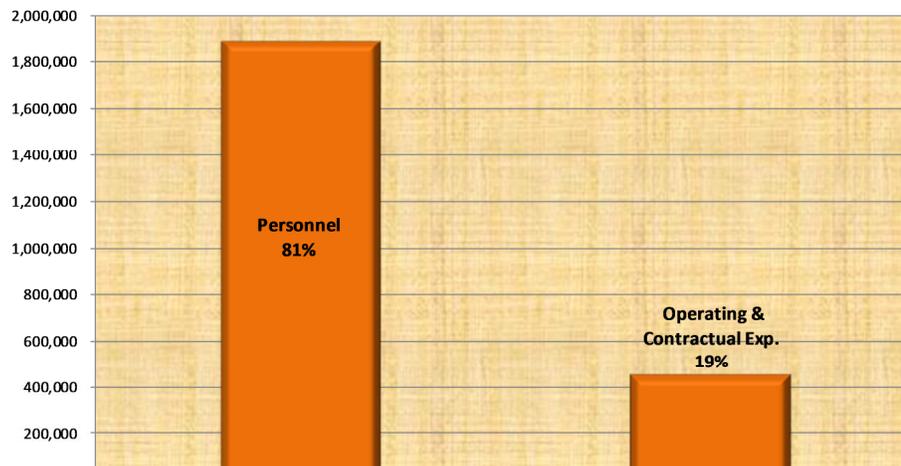
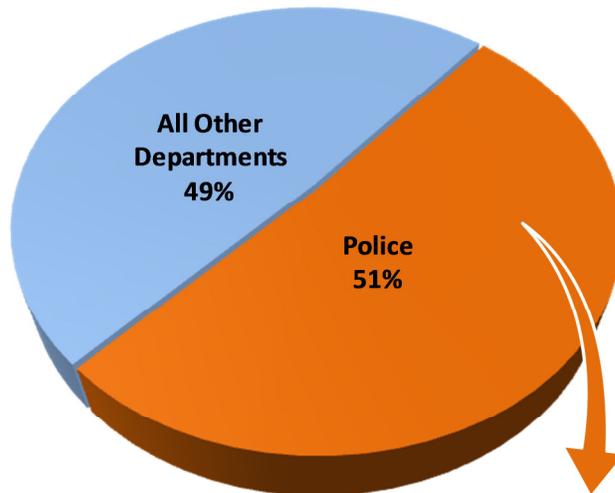
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2016-- ACTUAL	--2017-- ACTUAL	----- BUDGETED	2018 10 MO. ACTUAL	----- PROJECTED	--2019-- REQUESTED BUDGET
<b>EXPENSES</b>							
10-10-7820	Capital Equipment	6,237	30,578	25,340	26,168	45,000	30,000
10-10-8010	Principal Payments - Mortgage	80,000	80,000	85,000	1,414,040	1,414,040	105,000
10-10-8020	Interest Payments	81,906	79,506	76,706	76,706	76,706	49,500
10-10-8030	Refunds	99	0	0	0	0	0
10-10-8040	Bond Issue Exp	0	0	0	50,959	50,959	0
10-10-9010	Other Expenses	2,091	908	97	711	853	586
10-10-9050	Contingency	0	0	0	0	0	0
10-10-9999	Interfund Operating Transfer	100,000	135,000	0	0	100,000	0
TOTAL General Government		1,232,068	1,407,655	1,375,000	2,380,260	2,940,775	1,500,000

# POLICE DEPARTMENT GENERAL FUND

FY 2018-2019



*Police Department expenses make up 51% of the Village's General Fund budget. Within the police category personnel account for 81% and the remaining 19% are due to operations and contractals.*



The Village of Kildeer provides law enforcement service to residents and businesses twenty-four hours per day. The department is run by the Chief of Police who oversees the department which is currently staffed with full time and part time sworn personnel.

### Police Department Personnel Summary

	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Budget 2019	Change
<b>Police Department</b>								
Police Chief	1	1	1	1	1	1	1	-
Police Records Clerk	1	1	1	1	1	1	1	-
Police Officers- FT	6	6	6	6	7	7	7	-
Police Officers- PT	-	2	5	5	6	6	6	-
Community Service Officer (PT)	-	1	1	1	1	1	1	-
								-
<b>Total Full Time</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>-</b>
<b>Total Part Time</b>	<b>-</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>-</b>

The mission of the Kildeer Police Department is to engage in community policing strategies that protect the lives, rights and quality of life of all residents and visitors.

Kildeer Police Officers serve with honor, integrity and dedication.

The largest changes in the Police category between FY 18 and FY 19 are found in operating and contractual expenses as well as personnel costs. In FY 19 there are higher costs for dispatch service and the purchase of a new squad car. Also, legal costs in FY 19 include renegotiation of the union contract. Higher officer salaries are mandated by the union contract.

Expense Type	FY 2016	FY 2017	Difference	
	Budget	Budget	\$	%
Personnel	1,854,467	1,894,113	39,646	2%
Operating & Contractual Exp.	420,533	455,887	35,354	8%
<b>Totals</b>	<b>2,275,000</b>	<b>2,350,000</b>	<b>75,000</b>	<b>3%</b>

### FY 18-19 Budget - Police Department

### FY 18 ACCOMPLISHMENTS

The accomplishments under the Police Department for FY 18, organized by the priorities identified in the Strategic Plan, are as follows:

**Priority #1 Public Safety:**

- Renewed dispatch and vehicle maintenance intergovernmental agreements with the Village of Lake Zurich
- Implemented Community Policing
  - School bus safety program
  - Greeted new business operators to review crime prevention strategies with them
  - Stopped by businesses to discuss community policing issues or needs
  - Participated in block parties and assisted other agencies in community events
  - Conducted a car show to raise funds for Illinois Special Olympics
- Implemented Quick-Et program
- Traffic Safety
  - Received a State grant to enhance DUI enforcement
  - Participated in state programs involving distracted driving and speed enforcement
- Use of Force
  - Implemented a policy to provide an annual and semi-annual review of use of force issues
  - Implemented a policy to review any weapon or taser discharge
  - Implemented procedures to incorporate policy updates
  - Conducted active shooter training exercise

**FY 19 OBJECTIVES**

The objectives under the Police Department for FY 19, organized by the priorities identified in the Strategic Plan, are as follows:

**Priority #1 Public Safety:**

- E-Citation program
- Hire one new full time police patrolman
- Hire two part time police patrolmen
- Maintain and enhance customer service and citizen satisfaction
- Utilize community-policing standard when assigning officers to dedicated areas/businesses
- Update policy manual (Lexipol)
- Provide ongoing training to current employees regarding policies and practices
- Increase involvement with NAMI Mental Health program
- Increase involvement with local schools regarding emergency response
- Identify career development paths for all employees.

<b>Performance Measures Service Indicators</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Calls for Service	17,041	18,191	21,010	19,915	20,679
Total arrests	43	65	76	97	75
Traffic Citations	1,159	773	961	714	571
Ordinance Enforcement	137	139	433	558	476
House Watch	216	223	295	201	225

VILLAGE OF KILDEER  
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2016-- ACTUAL	--2017-- ACTUAL	----- BUDGETED	2018 10 MO. ACTUAL	----- PROJECTED	--2019-- REQUESTED BUDGET
<b>Kildeer Police EXPENSES</b>							
10-20-4010	Salaries - FT Sworn	556,670	611,273	747,605	601,282	721,539	780,655
10-20-4020	Salaries - PT Sworn	32,630	36,706	56,400	31,624	42,949	64,236
10-20-4030	Salaries - Overtime Sworn	43,590	38,850	35,000	29,812	35,774	35,000
10-20-4040	Special Detail	910	2,800	1,000	1,899	2,279	3,000
10-20-4050	Salary - FT Civilian	77,461	63,964	65,028	50,665	60,798	67,704
10-20-4060	Overtime - Civilian	0	0	0	557	668	0
10-20-4080	Health Benefits	171,693	143,553	207,974	155,510	186,613	206,306
10-20-4090	FICA/Medicare	16,799	16,840	20,724	15,290	18,348	22,068
10-20-4095	Unemployment Insurance	6,447	5,208	6,045	1,501	1,801	1,280
10-20-4096	Worker's Comp Insurance	32,574	32,056	40,854	24,199	26,800	35,375
10-20-4100	Retirement - Pension	600,000	650,000	650,000	541,668	700,000	650,000
10-20-4110	Retirement - IMRF	16,807	17,304	18,828	14,134	16,960	21,339
10-20-4160	Longevity	6,538	7,598	6,009	6,009	6,009	10,150
10-20-4170	Training	3,400	2,892	4,750	1,348	2,618	5,250
10-20-4180	Recruitment	0	298	1,500	0	0	1,000
10-20-4210	Uniforms	6,033	9,779	9,275	7,051	8,461	10,200
10-20-4220	Travel and Lodging	106	1,323	1,100	1,104	1,325	1,200
10-20-4510	Admin Adjudication	2,252	2,337	3,060	2,040	2,448	3,060
10-20-4640	Legal - Prosecution	18,000	24,000	24,000	20,000	24,000	24,000
10-20-4650	Personnel & Legal	21,261	24,956	60,000	6,990	10,388	60,000
10-20-5020	Animal Control	45	35	400	65	78	300
10-20-5040	Copy Services	595	1,280	750	914	1,096	875
10-20-5060	Dispatch Services	74,244	86,998	72,000	53,186	70,915	80,150
10-20-5070	Dues and Subscriptions	19,725	23,571	20,000	22,243	23,692	22,500
10-20-5080	Equipment Contracts	7,348	5,415	29,904	11,119	13,343	28,520
10-20-5100	Forensic Srv & Investigation	101	517	650	69	83	575
10-20-5110	General Insurance	49,515	45,070	55,000	45,619	45,619	46,000
10-20-5210	Misc. Contract Services	7,021	11,979	4,250	3,594	4,313	4,050
10-20-5220	Storage Rental	2,540	2,616	1,616	2,180	2,616	2,616
10-20-5290	Wireless Communications	2,618	2,541	2,580	2,201	2,641	2,640
10-20-6040	Fuel	14,091	14,379	18,000	11,571	14,886	16,000
10-20-6080	Postage and Shipping	704	456	800	450	540	750
10-20-6090	Printing and Forms	243	1,417	1,500	877	1,053	1,400
10-20-6100	Supplies	2,166	3,028	2,500	2,335	2,802	2,500
10-20-7110	Firearms and Defense	2,771	7,197	3,500	53	64	3,600
10-20-7120	Police Grant Exp	0	0	0	0	0	0
10-20-7150	Community Relations Program	59	665	700	438	525	875
10-20-7530	Equipment Maintenance	246	137	500	1,144	2,373	400
10-20-7710	Telecom Maintenance	2,153	3,899	3,900	4,678	4,613	3,960
10-20-7730	Vehicle Maint.	13,653	10,522	10,000	7,426	12,000	10,000

VILLAGE OF KILDEER  
 DETAILED BUDGET REPORT

FUND: General Fund

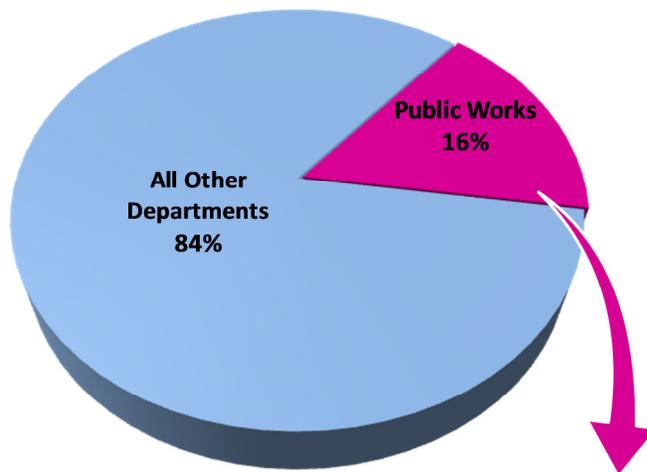
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2016-- ACTUAL	--2017-- ACTUAL	----- BUDGETED	2018 10 MO. ACTUAL	----- PROJECTED	--2019-- REQUESTED BUDGET
<b>Kildeer Police</b>							
<b>EXPENSES</b>							
10-20-7740	Repairs - Accident	0	0	0	0	0	0
10-20-7810	Non-Capital Equipment	11,678	8,135	7,680	9,542	11,451	7,135
10-20-7820	Capital Equipment	0	0	0	537	644	34,400
10-20-7830	DUI Expenses	350	8,373	0	100	100	0
10-20-7835	Alcohol Awareness Exp.	0	0	0	100	100	0
10-20-7870	Restrict Drug Seizure Exp	1,520	0	1,000	70	70	0
10-20-7871	Asset Seizure Exp.	0	0	0	340	340	0
10-20-7880	Restrict Traffic Rebate Ex	0	25,850	0	425	425	0
10-20-7881	CERT Expenses	1,109	9,480	1,000	0	0	1,000
10-20-7885	Red Light Enforcement Exp	49,252	71,227	77,000	60,414	76,497	77,000
10-20-7890	Collection Agency Fees	167	556	500	1,115	1,338	500
10-20-9010	Other Expenses	359	279	118	330	396	431
10-20-9050	Contingency	0	0	0	0	0	0
<b>TOTAL Kildeer Police</b>		<b>1,877,444</b>	<b>2,037,359</b>	<b>2,275,000</b>	<b>1,755,818</b>	<b>2,164,391</b>	<b>2,350,000</b>

# PUBLIC WORKS DEPARTMENT GENERAL FUND

FY 2018-2019



*Public Works Department expenses make up 16% of the Village's General Fund budget. Within the public works category road improvements account for 60% followed by snow and ice removal, 22%, and other expenses, 18%.*



The Public Works Department is responsible for the maintenance and upkeep of Village streets, as well as seasonal activities such as snowplowing, salting and right-of-way maintenance. The Village contracts with governmental agencies and private companies for the performance of all public works services.

There is no budgetary changes between FY 18 and FY 19.

Expense Type	FY 2018	FY 2019	Difference	
	Budget	Budget	\$	%
Road Improvements	450,000	450,000	-	0%
Snow & Ice Control	169,000	165,000	(4,000)	-2%
Other Expenses	131,000	135,000	4,000	3%
Totals	750,000	750,000	-	0%

FY 18-19 Budget – Public Works Expenses

**FY 18 ACCOMPLISHMENTS**

The accomplishments under the Public Works Department for FY 18, organized by the priorities identified in the Strategic Plan, are as follows:

**Priority #2 Infrastructure:**

- Completed FY 18 road program
- Completed emergency generator repair
- Continued vegetation trim back project in Village’s right-of-way
- Continued project to refurbish Village street signs
- Continued landscape maintenance of Lot 102 (Village owned lot on W. Cuba Road)

## FY 19 OBJECTIVES

The objectives under the Public Works Department for FY 19, organized by the priorities identified in the Strategic Plan, are as follows:

### **Priority #2 Infrastructure:**

- Participate in joint bid program for road work with Long Grove and Ela Township
- Continue to develop a realistic and achievable plan to fund the road and drainage projects

<b>Performance Measures Service Indicators</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Snow removal (hours )	665	1,269	646	499	512
Salt Usage (tons)	735	850	415	575	520
Paving ( miles)	1	1	1	1	1

VILLAGE OF KILDEER  
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2016-- ACTUAL	--2017-- ACTUAL	----- BUDGETED	2018 10 MO. ACTUAL	----- PROJECTED	--2019-- REQUESTED BUDGET
<b>Public Works</b>							
<b>EXPENSES</b>							
10-40-4650	Outside Consulting	3,366	0	1,000	0	0	0
10-40-5150	JULIE	1,671	1,002	1,500	1,137	1,364	1,500
10-40-6030	Electricity - Street Lighting	2,681	2,783	2,500	2,447	2,936	3,000
10-40-7140	Mosquito Abatement	10,300	10,506	13,000	10,726	10,726	13,000
10-40-7170	Road Improvements	438,326	377,976	450,000	493,462	520,000	450,000
10-40-7200	Snow & Ice Control	140,111	146,579	169,000	105,324	160,000	165,000
10-40-7230	Street Cleaning	0	0	0	0	0	0
10-40-7570	ROW Maintenance	76,270	67,131	80,000	73,634	88,361	87,000
10-40-7630	Signal Maintenance	22,099	15,346	15,000	8,704	12,445	12,500
10-40-7650	Storm Sewer Line Maint	24,074	30,928	15,000	0	0	15,000
10-40-7680	Street Signs and Safety	3,987	1,901	3,000	1,720	2,064	3,000
10-40-7820	Capital Equipment	0	0	0	0	0	0
10-40-9010	Other Expenses	553	22	0	212	255	0
<b>TOTAL Public Works</b>		<b>723,438</b>	<b>654,174</b>	<b>750,000</b>	<b>697,366</b>	<b>798,151</b>	<b>750,000</b>

# MOTOR FUEL TAX FUND

FY 2018-2019

The Motor Fuel Tax (MFT) Fund is utilized to fund maintenance and construction expenses for roadway and sidewalk improvements within public right of ways. Other applicable uses for MFT funds are as follows:

- Electric usage charges for operation of public street lighting systems.
- Purchase of maintenance materials (road salt and hot-mix asphalt) for use by the Public Works Department.
- Payment for bonds issued to fund construction expenses for prior public improvement projects.
- Payment for engineering consultant services for the design and construction inspection of public roadway improvement projects, including sidewalk replacement, roadway reconstruction and bridge replacement projects.

The Village’s practice for the Motor Fuel Tax Fund (MFT) has been to accumulate funds until there is enough to support a project. Due to the accumulation of funds from prior budgets, the estimated starting FY 19 MFT fund balance is \$728,310 which is sufficient to support the budgeted expenditures.

MFT Fund		FY 2018 Budget	FY 2019 Budget	Difference	
				\$	%
Revenues	Revenues	100,000	103,000	3,000	3.0%
Expenses	Expenses	250,000	350,000	100,000	40%

## FY 18-19 Budget- MFT

	FY 2017	Projected FY 2018	Budget FY 2019
Beginning Fund Balance	515,401	618,735	728,310
Revenues	103,334	109,575	103,000
Expenses	-	-	350,000
Ending Fund Balance	618,735	728,310	481,310

## Fund Balance – MFT

VILLAGE OF KILDEER  
 DETAILED BUDGET REPORT

FUND: Motor Fuel Tax

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2016-- ACTUAL	--2017-- ACTUAL	----- BUDGETED	2018 10 MO. ACTUAL	----- PROJECTED	--2019-- REQUESTED BUDGET
<b>REVENUES</b>							
20-10-3080	Motor Fuel Tax	101,497	100,574	99,000	85,432	102,519	100,000
20-10-3720	Interest Income	553	2,760	1,000	5,880	7,056	3,000
<b>TOTAL REVENUES:</b>		<b>102,050</b>	<b>103,334</b>	<b>100,000</b>	<b>91,312</b>	<b>109,575</b>	<b>103,000</b>
<b>EXPENSES</b>							
20-10-7160	MFT Road Improvements	0	0	250,000	0	0	350,000
20-10-9050	Contingency	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>			<b>0 0</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>350,000</b>
<b>TOTAL FUND REVENUES</b>		<b>102,050</b>	<b>103,334</b>	<b>100,000</b>	<b>91,312</b>	<b>109,575</b>	<b>103,000</b>
<b>TOTAL FUND EXPENSES</b>		<b>0</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>350,000</b>
<b>FUND SURPLUS (DEFICIT)</b>		<b>102,050</b>	<b>103,334</b>	<b>(150,000)</b>	<b>91,312</b>	<b>109,575</b>	<b>(247,000)</b>

The Capital Project Fund is utilized by the Village to accumulate resources and incur expenditures for infrastructure maintenance and improvements as well as capital vehicle and equipment purchases.

## **Fund Information**

The Capital Project Fund is a governmental fund type; this means a modified accrual basis of accounting is used to account for the revenues, expenditures, transfers, and changes in fund balance that occur in a fiscal year. Governmental Accounting Standards Board (GASB) Statement Number 54 requires the Village to classify the Fund Balances of the Capital Project Fund into the following categories:

- Non-Spendable – Amounts that cannot be liquidated into cash available for immediate spending because they are not in a spendable form or they are legally or contractually required to be maintained intact.
- Restricted – Amounts restricted by laws, regulations, contracts, or commitments imposed by external organizations such as creditors, grantors, contributors, the Federal Government, or the State of Illinois.
- Committed – Amounts committed for specific purposes through formal action of the Board of Trustees –usually by passage of an Ordinance or Resolution.
- Assigned – Amounts assigned for a specific purpose by the governing body itself or an official with authority – less formal than a commitment by the Village Board.

Under GASB 54 reporting requirements, Capital Improvement Funds are not allowed to have Unassigned Fund Balances unless there is a negative Fund Balance. In FY 19, the Capital Project Fund will have an estimated Assigned Fund Balance of \$912,393 for future vehicle and equipment purchases and infrastructure improvement projects.

## **Minimum Fund Balances**

No minimum Fund Balance has been established for the Capital Project Fund. The nature of the Capital Project Fund is to accumulate resources for future capital expenditures and then expend

those resources when appropriate. The Fund will have large surpluses or deficits from year to year and the Fund Balance will fluctuate drastically in some years as the Fund accumulates and expends resources.

The Assigned Fund Balance in the Capital Project Fund is a reservation of money for the future purchase of vehicles and equipment. This portion of the Fund Balance was established to ensure that resources will be available in the future to purchase replacements for vehicles and equipment currently in use. The Village maintains detailed lists of vehicles and equipment including the purchase date, an expected useful life, an expected replacement cost, and the amount needed to be reserved to replace the equipment in the future. The Village’s goal is to accumulate resources in an Assigned Fund Balance in the Capital Fund that is at least 50% of the replacement value of all of the Village’s vehicles and equipment. Operating transfers from the General Fund to the Assigned Fund Balance in the Capital Project Fund are anticipated to begin in FY 19.

No capital fund projects are budgeted in FY 18.

Capital Projects Fund		FY 2018	FY 2019	Difference	
		Budget	Budget	\$	%
Revenues	Revenues	-	-	-	0%
Expenses	Expenses	-	-	-	0%

#### FY 18-19 Budget- Capital Projects

	FY 2017	Projected FY 2018	Budget FY 2019
Beginning Fund Balance	675,970	811,476	912,393
Revenues	506	917	-
Transfers In	135,000	100,000	-
Expenses	-	-	-
Ending Fund Balance	811,476	912,393	912,393

#### Fund Balance – Capital Projects

VILLAGE OF KILDEER  
 DETAILED BUDGET REPORT

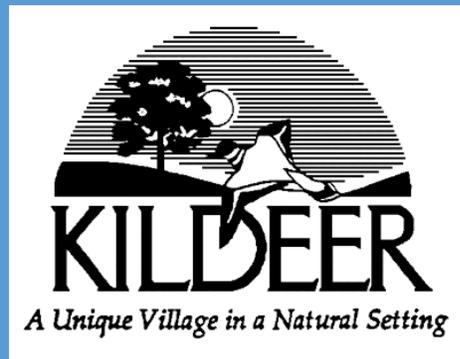
FUND: Capital Projects

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2016-- ACTUAL	--2017-- ACTUAL	----- BUDGETED	2018 10 MO. ACTUAL	----- PROJECTED	--2019-- REQUESTED BUDGET
<b>REVENUES</b>							
30-10-3720	Interest Income	224	506	0	764	917	0
30-10-3974	Proceeds- Quentin Rd Impr.	0	0	0	0	0	0
30-10-3975	Proceeds-Bike Path	0	0	0	0	0	0
30-10-3999	Interfund Operating Transfer	100,000	135,000	0	0	100,000	0
<b>TOTAL REVENUES:</b>		<b>100,224</b>	<b>135,506</b>	<b>0</b>	<b>764</b>	<b>100,917</b>	<b>0</b>
<b>EXPENSES</b>							
30-10-4610	Legal	3,750	0	0	0	0	0
30-10-7574	Quentin Rd Improvements	0	0	0	0	0	0
30-10-7575	Bike Path Expense	0	0	0	0	0	0
30-10-7820	Capital Equipment	0	0	0	0	0	0
30-10-9999	Interfund Operating Transfer	527,738	0	0	0	0	0
<b>TOTAL EXPENSES</b>			<b>531,488</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUND REVENUES</b>		<b>100,224</b>	<b>135,506</b>	<b>0</b>	<b>764</b>	<b>100,917</b>	<b>0</b>
<b>TOTAL FUND EXPENSES</b>		<b>531,488</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND SURPLUS (DEFICIT)</b>		<b>(431,264)</b>	<b>135,506</b>	<b>0</b>	<b>764</b>	<b>100,917</b>	<b>0</b>

APPENDIX I  
CAPITAL IMPROVEMENT PLAN

FY 2018-2019

# Village of Kildeer Capital Improvement Plan For Fiscal Years 2019-2023



# Village of Kildeer Capital Improvement Plan FY 2019-2023

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## Summary

The Capital Improvement Program (CIP) is a comprehensive, five-year plan of capital projects and purchases of capital equipment that will support the continued growth and development of the Village. The CIP is used by the Village to determine future infrastructure requirements and equipment purchases to maintain Village Hall and the service levels provided to residents.

The Village identifies capital projects as those which:

- Cost \$5,000 or more;
- Have an expected useful life of five or more years; and
- Become, or preserve, an asset of the Village

The Village uses the CIP as an avenue of communication with the public. Through the CIP document, residents and businesses are provided with an accurate and concise view of the Village's long term direction for capital investment and the Village's need for stable revenue sources to fund large multi-year capital projects.

Critical to the selection of the CIP projects are the criteria by which projects are assessed and evaluated. The evaluation criteria guide the review and ranking committee in their selection of the projects to be funded.

The evaluation criteria areas are as follows:

- Public Health and Safety
- Support Stated Community Goals
- Fiscal Impact
- Service Level Impact
- Legal Ramifications

## Financing the Capital Improvement Program

Over the years, the Village of Kildeer has financed a substantial portion of capital improvements through operating revenue and use of cash reserves. The "pay-as-you-go" financing method has been the preferred method for funding CIP projects in the past. Revenues deemed one-time in nature, such as large commercial and residential permitting fees are dedicated towards one-time capital projects. The following options may be considered when analyzing potential funding sources for CIP projects:

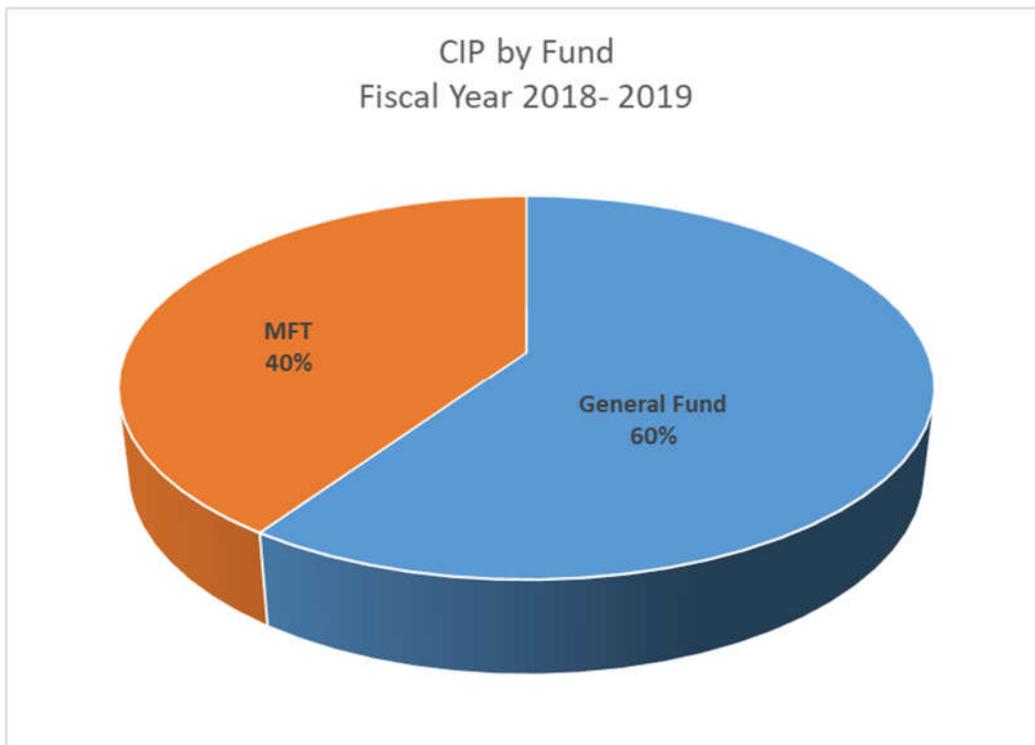
- Pay-as-you-go financing
- Bonds
- Loans
- Lease-purchase agreements
- Development impact fee ordinances
- Federal and state grants

# Village of Kildeer Capital Improvement Plan FY 2019-2023

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The Capital Improvement plan is funded by General Fund, MFT Fund and Capital Projects Fund. The Village currently has a reserve of \$912,393 in its Capital Projects Fund. In addition, there is a committed sinking fund of \$100,000 for the maintenance of Village Hall contained within the General Fund. One of the Village's goals is to annually transfer money from the General Fund to the Capital Improvement Fund so that there are sufficient reserves to meet planned and unplanned capital needs.

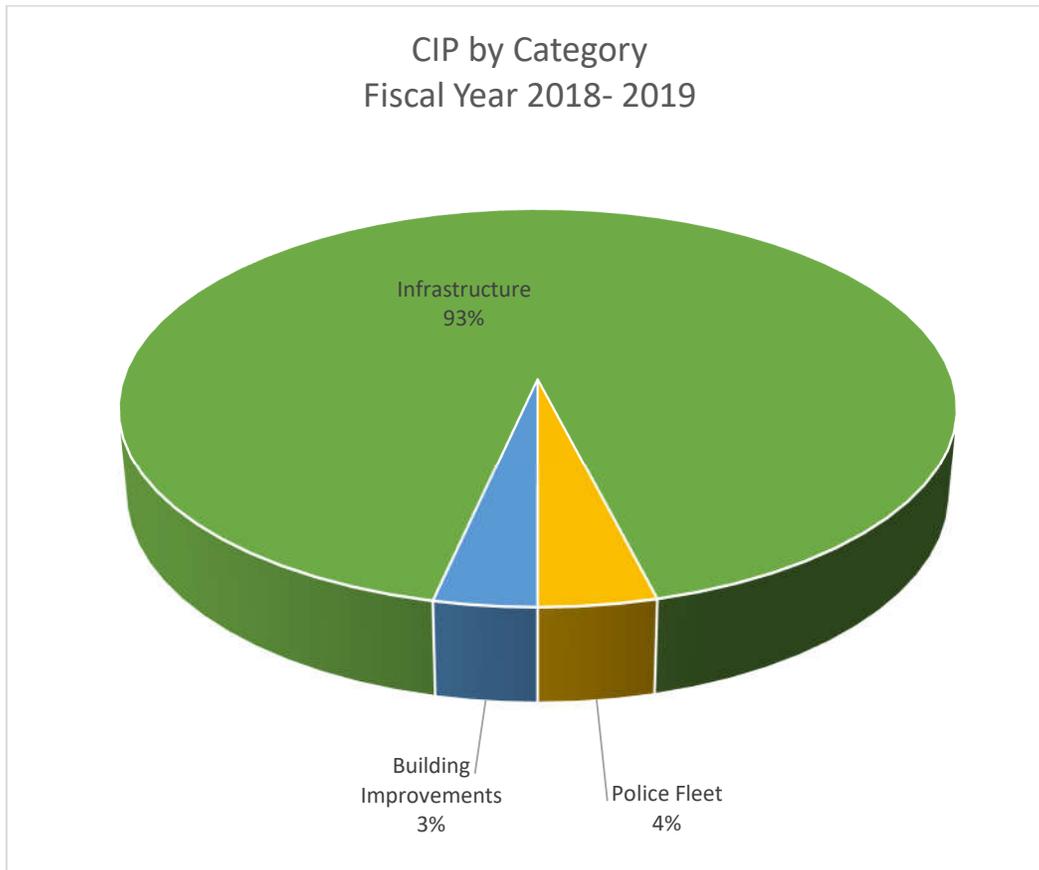
Funding for the FY 18/19 CIP totals \$864,400 and is derived from two sources as depicted in the chart below:



# Village of Kildeer Capital Improvement Plan FY 2019-2023

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The amount allocated for CIP projects in the FY 18/19 budget is \$864,400. The graph below shows the allocations by category. The projects included in the FY 18/19 CIP reflect the needs of the Village based on established goals.



## Impact on the Operating Budget

The Village of Kildeer’s operating budget is directly affected by the CIP. When certain types of capital projects are developed and completed, they also have ongoing financial impacts on the Village’s operating budget. For example, if the Village were to buy a new squad car, the operating budget for the Police Department would increase to include maintenance and replacement of this asset.

## Village of Kildeer Capital Improvement Plan FY 2019-2023

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In the FY 2019-2023 CIP, individual projects include estimated impacts on future operating budgets, if it is possible to identify the cost at this time in the project's lifecycle. These costs are estimates provided by the finance department and the professionals that are responsible for the completion of the project. The Village carefully considers these operating costs when deciding which projects will move forward in the CIP, as it is not sustainable for the Village to fund concurrently several large-scale projects that have significant operating budget impacts. Emphasis is placed on the desire for self-sustaining projects with neutral operating impacts.

# Village of Kildeer Capital Improvement Plan FY 2019-2023

## Summary of 5 Year Plan by Funding Source

Fund	2019	2020	2021	2022	2023	Total
General Fund	514,400.00	537,000.00	490,000.00	562,000.00	538,000.00	2,641,400.00
MFT	350,000.00	-	250,000.00	-	250,000.00	850,000.00
Capital Projects	-	-	33,500.00	133,500.00	30,000.00	197,000.00
Total	864,400.00	537,000.00	773,500.00	695,500.00	818,000.00	3,688,400.00

Fund Description	Project Description	Cost	2019	2020	2021	2022	2023	Total
General Fund	Village Hall Roof	45,000					45,000	45,000
General Fund	Parking Lot Reseal and Restripe	5,000					5,000	5,000
General Fund	Tuckpoint Village Hall Masonry	8,000					8,000	8,000
General Fund	Village Hall Maintenance		30,000	30,000	30,000	30,000	30,000	150,000
General Fund	Village Hall Generator	90,000	-	-	-	-	-	-
General Fund	Phone System	15,000						-
General Fund	Computers/ Server	25,340	-	-	-	-	-	-
General Fund	Livescan	10,000			10,000			10,000
General Fund	Breathalyzer	7,000		7,000				7,000
General Fund	Street Improvements		450,000	500,000	450,000	500,000	450,000	2,350,000
MFT	Street Improvements		350,000	-	250,000	-	250,000	850,000
Capital Projects	HVAC System	40,000	-	-	-	-	-	-
Capital Projects	Driveway Boiler	20,000	-	-	-	-	-	-
Capital Projects	Keyless Entry	40,000	-	-	-	-	-	-
Capital Projects	Financial Software	100,000				100,000		100,000
GF/Capital Projects	Police Radios	50,000	-	-	-		-	-
GF/Capital Projects	2013 Ford Taurus # 93	33,500	34,400			-		34,400
GF/Capital Projects	2013 Ford Taurus # 99	32,000				32,000		32,000
GF/Capital Projects	2014 Ford Explorer # 91	33,500			33,500			33,500
GF/Capital Projects	2015 Ford Explorer #92	33,500				33,500		33,500
GF/Capital Projects	2016 Ford Utility #90	30,000					30,000	30,000
GF/Capital Projects	2017 Ford Explorer #94	33,500	-	-	-	-	-	-
	<b>Totals</b>		<b>864,400</b>	<b>537,000</b>	<b>773,500</b>	<b>695,500</b>	<b>818,000</b>	<b>3,688,400</b>

# Village of Kildeer Capital Improvement Plan FY 2019-2023

## CPI –Project Descriptions

PROJECT TITLE: Village Hall Roof

PROJECT JUSTIFICATION: Original roof installed in 2002 and repaired in 2016. Life expectancy will be exceeded in 2023 and a new roof required.



Project	Village Hall Roof					
Department	General Government					
Cost	\$ 45,000					
Funding Source (s)	General Fund					
Project Description		2019	2020	2021	2022	2023
Village Hall Roof						45,000

# Village of Kildeer Capital Improvement Plan FY 2019-2023

**PROJECT TITLE:** Parking Lot Reseal and Restripe

**PROJECT JUSTIFICATION:** Regular maintenance item last performed in 2016. Life expectancy will be exceeded in 2023 and the parking lot will have to be resealed and restriped.



Project	Parking Lot Reseal and Restripe					
Department	General Government					
Cost	\$ 5,000					
Funding Source (s)	General Fund					
Project Description		2019	2020	2021	2022	2023
Parking Lot Reseal and Restripe						5,000

# Village of Kildeer Capital Improvement Plan FY 2019-2023

PROJECT TITLE: Tuckpoint Village Hall  
Masonry

PROJECT JUSTIFICATION: Regular maintenance item last performed in 2016. Life expectancy will be exceeded in 2023 and tuck-pointing of the masonry will need to be done.

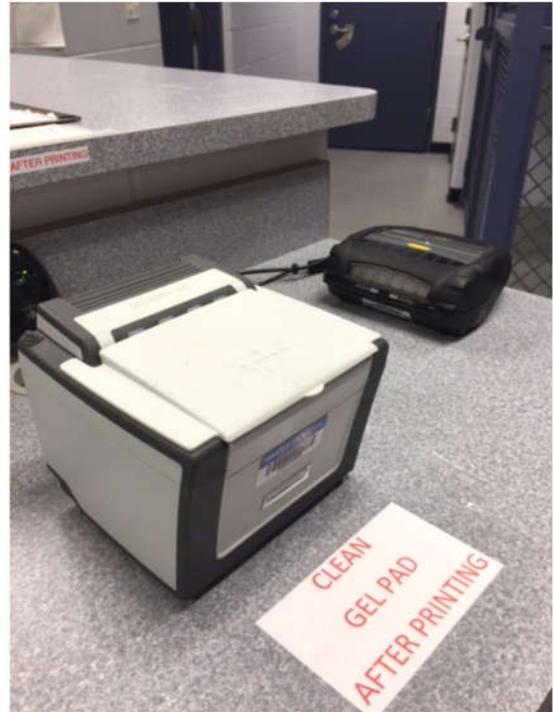


Project	Tuckpoint Village Hall Masonry					
Department	General Government					
Cost	\$ 8,000					
Funding Source (s)	General Fund					
Project Description		2019	2020	2021	2022	2023
Tuckpoint Village Hall Masonry						8,000

# Village of Kildeer Capital Improvement Plan FY 2019-2023

PROJECT TITLE: Live scan

PROJECT JUSTIFICATION: Equipment installed in 2015 and software support expected to end in 2021 and new live scan equipment will need to be purchased.

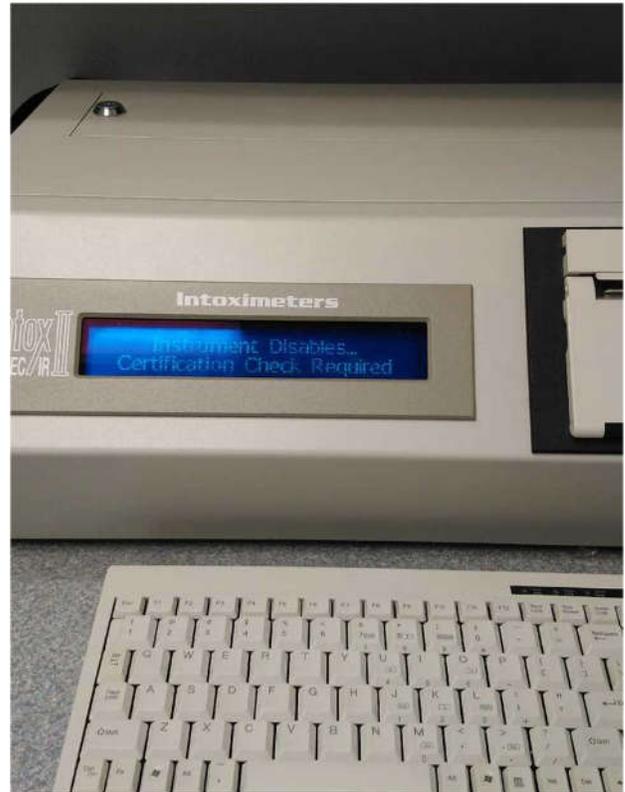


Project	Livescan					
Department	Police Department					
Cost	\$ 10,000					
Funding Source (s)	General Fund					
Project Description		2019	2020	2021	2022	2023
Livescan				10,000		

# Village of Kildeer Capital Improvement Plan FY 2019-2023

PROJECT TITLE: Breathalyzer

PROJECT JUSTIFICATION: Equipment installed in 2014 and software support expected to end in 2020 and new breathalyzer will need to be purchased.



Project	Breathalyzer					
Department	Police Department					
Cost	\$ 7,000					
Funding Source (s)	General Fund					
Project Description		2019	2020	2021	2022	2023
Breathalyzer			7,000			

# Village of Kildeer Capital Improvement Plan FY 2019-2023

PROJECT TITLE: 2018 Ford Utility  
(Squad #93)

PROJECT JUSTIFICATION: Purchased in 2013 and life expectancy will be exceeded in 2019 and a replacement squad car will need to be purchased.

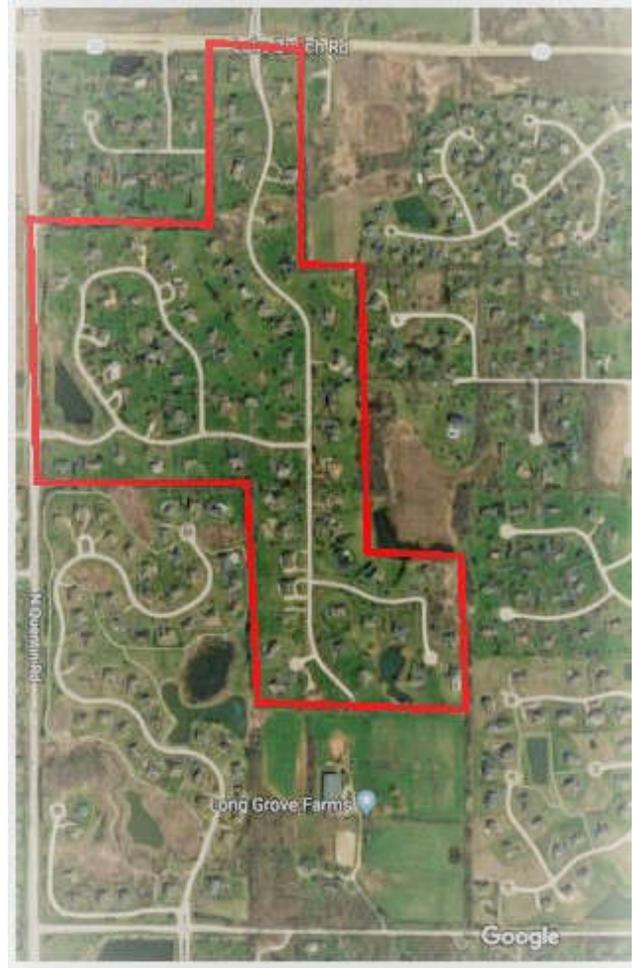


Project	Squad # 93					
Department	Police Department					
Cost	\$ 34,400					
Funding Source (s)	General Fund/ Capital Projects					
Project Description		2019	2020	2021	2022	2023
Squad # 93		34,400				

# Village of Kildeer Capital Improvement Plan FY 2019-2023

PROJECT TITLE: Road Program/ Storm Sewers

PROJECT JUSTIFICATION: Annual program for infrastructure maintenance and replacement when needed.

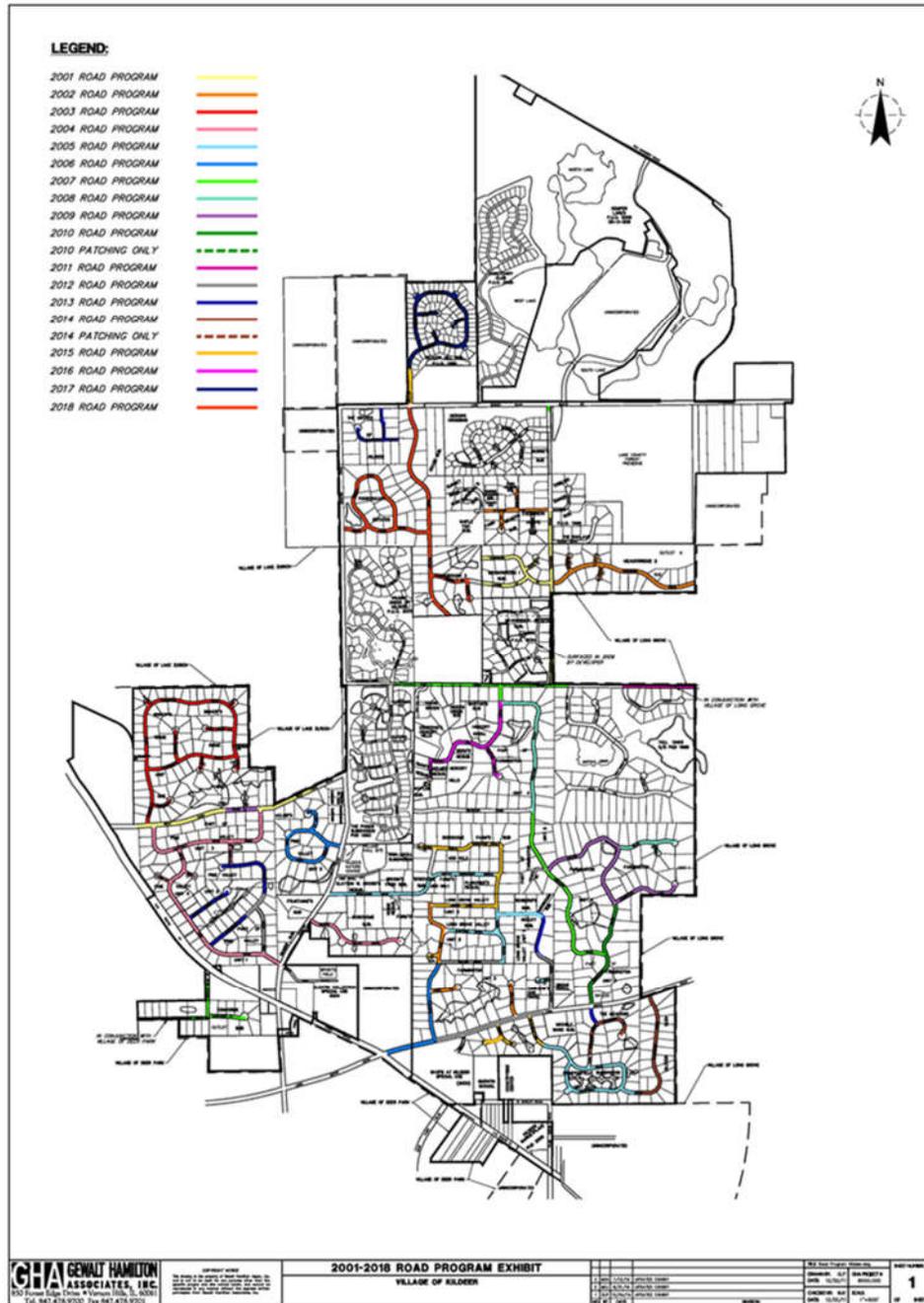


Project	Road Program/ Storm Sewers					
Department	Public Works					
Cost	Various					
Funding Source (s)	General Fund					
Project Description		2019	2020	2021	2022	2023
Road Program/ Storm Sewers		450,000	500,000	450,000	500,000	450,000

Project	Road Program/ Storm Sewers					
Department	Motor Fuel Fund					
Cost	Various					
Funding Source (s)	Motor Fuel Tax Fund					
Project Description		2019	2020	2021	2022	2023
Road Program/ Storm Sewers		350,000	-	250,000	-	250,000

# Village of Kildeer Capital Improvement Plan FY 2019-2023

The following map identifies the location of road projects completed since 2001. The goal of the road program is to achieve cost efficiencies by establishing a sequence in which one subdivision is resurfaced each year until all subdivisions are done. The process is then to be repeated so that all Village roads are maintained on a regular basis.



# APPENDIX II FIVE YEAR FINANCIAL FORECAST

FY 2018-2019

## VILLAGE OF KILDEER, ILLINOIS

### General Fund - Long Term Financial Planning

#### Analysis of Projected Statements of Revenues, Expenditures, Transfers, and Changes in Fund Balance

	FY 19	FY 20	FY 21	FY 22	FY 23
	Budget	Projection	Projection	Projection	Projection
<b>Revenues</b>					
Taxes	3,782,692	3,998,343	4,040,000	4,100,000	4,160,861
Intergovernmental	5,000	5,000	5,000	5,000	5,000
Charges for Services	106,500	105,000	105,000	105,000	105,000
Licenses and Permits	285,000	300,000	270,000	288,804	290,000
Fines and Forfeits	215,000	200,000	200,000	200,000	200,000
Interest	30,000	10,100	10,201	10,303	10,406
Miscellaneous	175,808	150,000	154,006	160,441	155,166
Transfers In	-				
Total Revenues	4,600,000	4,768,443	4,784,207	4,869,548	4,926,433
<b>Expenditures</b>					
General Government	1,315,500	1,349,288	1,370,250	1,390,000	1,400,000
Public Safety	2,315,600	2,330,192	2,371,219	2,414,248	2,462,533
Public Works and Transportation	750,000	800,000	750,000	800,000	800,000
Capital Outlay	64,400	37,000	40,000	62,000	88,000
Principal Retirement	105,000	110,000	115,000	120,000	120,000
Interest and Fiscal Charges	49,500	41,963	37,738	33,300	30,900
Transfers Out	-	100,000	100,000	50,000	25,000
Total Expenditures	4,600,000	4,768,443	4,784,207	4,869,548	4,926,433
Net Change in Fund Balance	-	-	-	-	-
Fund Balance - Beginning	4,721,171	4,721,171	4,721,171	4,721,171	4,721,171
Fund Balance - Ending	4,721,171	4,721,171	4,721,171	4,721,171	4,721,171
% Change in Fund Balance	0%	0%	0%	0%	0%

VILLAGE OF KILDEER, ILLINOIS

MFT Fund - Long Term Financial Planning

Analysis of Projected Statements of Revenues, Expenditures, Transfers, and Changes in Fund Balance

	FY 19	FY 20	FY 21	FY 22	FY 23
	Budget	Projection	Projection	Projection	Projection
<b>Revenues</b>					
Taxes	-				
Intergovernmental	100,000	102,000	103,000	105,060	107,161
Charges for Services	-				
Licenses and Permits	-				
Fines and Forfeits	-				
Interest	3,000	1,000	758	1,000	781
Miscellaneous	-				
Transfers In	-				
<b>Total Revenues</b>	<b>103,000</b>	<b>103,000</b>	<b>103,758</b>	<b>106,060</b>	<b>107,942</b>
<b>Expenditures</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works and Transportation	350,000	-	250,000	-	250,000
Capital Outlay	-	-	-	-	-
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Expenditures</b>	<b>350,000</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>
<b>Net Change in Fund Balance</b>	<b>(247,000)</b>	<b>103,000</b>	<b>(146,242)</b>	<b>106,060</b>	<b>(142,058)</b>
Fund Balance - Beginning	728,310	481,310	584,310	438,068	544,128
Fund Balance - Ending	481,310	584,310	438,068	544,128	402,070
<b>% Change in Fund Balance</b>	<b>-34%</b>	<b>21%</b>	<b>-25%</b>	<b>24%</b>	<b>-26%</b>

VILLAGE OF KILDEER, ILLINOIS

Capital Projects - Long Term Financial Planning

Analysis of Projected Statements of Revenues, Expenditures, Transfers, and Changes in Fund Balance

	FY 19	FY 20	FY 21	FY 22	FY 23
	Budget	Projection	Projection	Projection	Projection
<b>Revenues</b>					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Interest	-	500	505	510	515
Miscellaneous	-	-	-	-	-
Transfers In	-	100,000	100,000	50,000	25,000
<b>Total Revenues</b>	<b>-</b>	<b>100,500</b>	<b>100,505</b>	<b>50,510</b>	<b>25,515</b>
<b>Expenditures</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works and Transportation	-	-	-	-	-
Capital Outlay	-	-	33,500	133,500	30,000
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>33,500</b>	<b>133,500</b>	<b>30,000</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>100,500</b>	<b>67,005</b>	<b>(82,990)</b>	<b>(4,485)</b>
Fund Balance - Beginning	912,393	912,393	1,012,893	1,079,898	996,908
Fund Balance - Ending	912,393	1,012,893	1,079,898	996,908	992,423
% Change in Fund Balance	0%	11%	7%	-8%	0%

# APPENDIX III PERFORMANCE MEASURES

FY 2018-2019

The financial Goals established by the Village President and Board of Trustees are as follows:

- 1) Accumulate General Fund Reserves of 90% or more of annual expenses;

	2014	2015	2016	2017	2018 EST.
Unassigned Fund Balance	3,149,137	3,674,708	3,941,711	4,308,340	4,405,913
% of annual expenses	93%	95%	106%	105%	96%

- 2) Fully fund the Police Pension by 2040; and

	2014	2015	2016	2017	2018 EST.
Assets	3,660,990	3,744,463	3,869,446	4,241,461	4,606,961
Liabilities	8,409,304	9,717,553	3,869,446	11,249,006	11,249,006
Funded Ratio	44%	39%	100%	38%	41%

- 3) Sweep any funds in excess of the amounts for Goals 1 and 2, above, into the Capital Improvements Fund.

	2014	2015	2016	2017	2018 EST.
Assigned Fund Balance	1,106,956	1,107,234	675,970	811,476	912,393
% Difference		0%	-39%	20%	12%

# APPENDIX IV GLOSSARY

FY 2018-2019

**ACCOUNTING SYSTEM** - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of the Village or any of its funds, fund types, balanced account groups, or organizational units.

**ACCRUAL BASIS** - A method of accounting under which revenues are recognized or recorded in the accounting period in which they are earned versus received; while expenses are recognized or recorded in the accounting period in which the related liability is incurred versus paid.

**ACTUARIAL EVALUATION** - A method of determining the amount of money that needs to be set aside each year to pay for post-employment benefits of current employees. Assumptions are made regarding factors such as future wage adjustments, age and tenure of employees in the plan and interest earnings.

**ASSESSED VALUE** - A dollar amount set upon real estate or other property by a government as a basis for levying taxes. Assessed Value is the basis for determining property tax.

**BALANCED BUDGET** - A budget where estimated current revenues equal estimated current expenditures.

**BASIS OF ACCOUNTING** - A reference to the accounting method used to record and recognize revenues and expenditures or expenses.

**BOND** - A written promise to pay a specified sum of money, called principal, at a specified maturity date, along with a promise to pay periodic interest at a specified percentage of the outstanding principal.

**BUDGET** - A financial plan of operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing those expenditures. Used without modifier, the term usually indicates a financial plan for a single fiscal year.

**CAPITAL ASSETS** - Assets of significant value and having a useful life of at least two (2) years. Capital assets are also sometimes referred to as fixed assets. In respect to the Village, significant value means a per unit cost of \$5,000 or greater.

**CAPITAL PROJECTS FUND** - A fund used to account for the financial resources to be used for the acquisition or construction of major capital facilities and equipment, other than those financed by Proprietary Fund types.

**CASH BASIS** - A method of accounting under which transactions are recognized only when cash is received or disbursed.

**CHART OF ACCOUNTS** - A classification system used to organize accounting records.

**COMMODITIES** - A consumable item used in the operation of the Village. Examples include office supplies, maintenance supplies, gasoline, chemicals, electricity, etc.

**CONTRACTUAL SERVICES** - Services rendered to the Village by private firms, individuals, or other government agencies. Contractual services are obtained by an express or implied contract.

**DEBT** - An obligation to pay resulting from the borrowing of money or from the purchase of goods and services.

**DEBT SERVICE** - The payment of principal and interest on general obligation bonds, revenue bonds, or other bonded debt.

**DEFICIT** - The excess of expenditures or expenses and other financing uses over revenues and other financing sources.

**DEFICIT BUDGET** - A budget in which current estimated expenditures are greater than current estimated revenues.

**DEPARTMENT** - A major organizational unit of the Village which has management responsibility for one or more Divisions and/or Subdivisions.

**DISBURSEMENT** - The actual payment for goods and services; an outlay of cash.

**EXPENDITURES** - Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

**EXPENSES** - Outflows or other "using- up" of assets or incidences of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

**EQUALIZED ASSESSED VALUATION (EAV)** - The value of property resulting from the multiplication of the assessed value by an equalization factor to value property.

**FINANCIAL RESOURCES** - Cash and other assets that, in the normal course of operations, will become cash.

**FISCAL YEAR** - A twelve-month period running from May 1st to April 30th and designated by the calendar year in which it ends.

**FUND** - An independent fiscal and accounting entity with a self-balancing set of accounts segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**FUND ACCOUNTING** - A method of accounting used by governmental entities whereby resources are allocated to and accounted for in separate Funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**FUND BALANCE** - The equity of Governmental Fund types. Fund balance is not the equivalent to cash but is the difference between fund assets and fund liabilities. There are five (5) classifications of fund balance as follows:

1. Non-spendable – indicates that this portion of fund balance cannot be spent, either now or in the future, because of the form of the asset (e.g. – inventories) or a permanent legal restriction (e.g. – principal of an endowment).
2. Restricted – indicates that there are constraints on spending that are legally enforceable by outside parties or imposed by law or enabling legislation.
3. Committed – indicates that there are constraints on spending that the government imposes upon itself through formal action taken by the highest level of decision-making authority prior to the close of the fiscal year.
4. Assigned – indicates the intent for spending of certain resources that are neither restricted nor committed, for a purpose set by the governing body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board.
5. Unassigned – represents the residual for the General Fund; indicates that there are no restrictions for spending.

**FUND TYPE** - A reference to one of seven categories in which all individual funds must be classified.

**GENERAL FUND** - The largest operating fund of the Village. It accounts for most of the financial resources of the government, including sales tax, property taxes, licenses, fines, and permits. This fund houses most of the Village's departmental expenditures, including General Government, Police Department, Public Works, and Building Department.

**GENERAL LEDGER** - A record containing the accounts necessary to reflect the financial position and the operation of the Village.

**GENERAL OBLIGATION BONDS** - Bonds for the payment of which the full faith and credit of the Village is pledged.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** - Uniform minimum standards utilized in financial accounting and reporting, encompassing the conventions, rules and procedures that define accepted accounting principles.

**GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)** - An authoritative accounting and financial reporting standard setting body for state and local governments.

**GOVERNMENTAL FUNDS** - Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities - except those accounted for in Proprietary Funds and Fiduciary Funds. Under current GAAP, there are five governmental fund types: general, special revenue, debt service, capital projects and permanent funds.

**GRANT** - A contribution of cash or other asset by a government or other organization to support a particular purpose or activity.

**INFRASTRUCTURE** - The basic installations and facilities on which the continuance and growth of the Village depend. Examples include sewer and water systems, roadways, communication systems, public buildings, etc.

**INVESTMENTS** - The commitment of temporarily idle cash in order to gain profit or interest, as by purchasing notes, bonds or other securities. The term does not include fixed assets used in Village operations.

**LEVY** - The imposition and collection of a tax.

**LINE ITEM** - A set of numbers which, in accordance with an overall system for classifying activity, indicates the fund, department, division, subdivision and account to which that activity is recorded.

**LIQUIDITY** - The ability to meet demands for payment on a timely basis.

**LONG-TERM DEBT** - Obligations with a maturity beyond one year.

**MEASURABLE** - A term that means the amount of a transaction can be determined.

**MODIFIED ACCRUAL BASIS** - A method of accounting in which revenues are recognized or recorded when they are susceptible to accrual or in other words "measurable" and "available." "Measurable" means the amount can be determined. "Available" means collectible within the current accounting period or sixty (60) days beyond that period. Expenditures are recognized or recorded when the related liability is incurred. All Governmental funds and Agency funds are accounted for using the modified accrual basis of accounting.

**MOTOR FUEL TAX (MFT)** - Revenue distributed by the State on a per capita basis as a percentage based on the collection of gasoline tax.

**NON-HOME RULE COMMUNITY** - Any municipality that is not a Home Rule Community. Community that is less than 25,000 residents and subject to many limitations.

**OPERATING EXPENDITURES** - Expenditures relating specifically to operations of the Village.

**OPERATING REVENUES** - Revenues relating specifically to the operations of the Village.

**PER CAPITA** - Distribution of funds based on the number of residents in the Village.

**PROPERTY TAX LEVY** - The total amount of funds to be raised by general property taxes.

**STATE SHARED REVENUES** - Revenues which are collected by the State of Illinois and are distributed on a per capita basis.

**TAX LEVY** - The total amount of funds to be raised by general property taxes for operating and debt service purpose.