

VILLAGE OF



GURNEE

COMMUNITY OF OPPORTUNITY

MULTI-YEAR FINANCIAL FORECAST

FISCAL YEARS 2020 – 2024

Presented on December 17, 2018

Kristina M. Kovarik – Mayor
Patrick Muetz - Administrator
Andy Harris - Clerk

Jeanne Balmes – Trustee
Greg Garner – Trustee
Thomas Hood – Trustee
Cheryl Ross - Trustee
Karen Thorstenson – Trustee
Michael Jacobs – Trustee

This Page Left Blank Intentionally

Elected Officials & Staff

Elected Officials

Kristina M. Kovarik – Mayor

Andy Harris – Village Clerk

Jeanne Balmes – Trustee

Greg Garner – Trustee

Thomas Hood – Trustee

Karen Thorstenson – Trustee

Cheryl Ross – Trustee

Michael Jacobs – Trustee

Executive Staff

Patrick Muetz – Village Administrator

Kevin Woodside – Police Chief

John Kavanagh – Fire Chief

Tom Rigwood – Public Works Director

David Ziegler – Director of Community Development/Assistant Village Administrator/Village Engineer

Ellen Dean – Economic Development Director

Brian Gosnell – Finance Director

Christine Palmieri – Human Resources Director

Chris Velkover – Information Systems Director

This Page Left Blank Intentionally

CONTENTS

Elected Officials & Staff.....	iii
Section I: Overview	8
Purpose & Objective.....	8
Financial Policies	8
Strategic Initiatives.....	9
Financial Planning & Reporting Process.....	10
Forecast Structure.....	11
Key Decision Points	12
Threats and Opportunities to Financial Sustainability.....	13
Updates to the Forecast.....	15
Section II: General Fund (110)	18
Major Revenues	18
Major Expenditures.....	41
Forecast of Revenues, Expenses & Changes in Fund Balance	51
Section III: Water & Sewer Fund (221 & 223).....	62
Major Revenues	62
Major Expenditures.....	64
Forecast of Revenues, Expenses & Changes in Fund Balance	66
Section IV: Other Funds	70
Motor Fuel Tax Fund (122).....	70
Forecast of Revenues, Expenses & Changes in Fund Balance	71
Capital Improvement Fund (131).....	72
Forecast of Revenues, Expenses & Changes in Fund Balance	73
Section V: Capital Funding & Fund Balances	76
FY2020 Ending Fund Balance Impact	76
Section VI: Conclusions & Recommendations	78
Section VII: Appendix.....	80

This Page Left Blank Intentionally



SECTION I - OVERVIEW

Section I: Overview

Purpose & Objective

The Village prepares a Multi-Year Financial Forecast (MYFF) to identify current and future financial trends and develop solutions or strategies to guide financial and programmatic policy decisions. The Village does not levy a property tax, relying largely on economically sensitive revenues to fund operations and capital. As such, it is important to analyze the Village's financial condition based on past, current and projected economic conditions. Long-term financial planning is identified in the Village's strategic plan as a priority for the Village. The MYFF is intended to be a constantly changing document that is updated annually. It is not intended to be an absolute prediction of future financial results.

The primary objectives of the MYFF are;

- Ensure financial sustainability to meet service and capital needs
- Identify structural deficits or weaknesses
- Identify resources available for operating and capital expenditures
- Initiate discussion on policy or operational changes prior to the Annual Budget process
- Assist in the development of short and intermediate range goals & objectives for operating departments

Financial Policies

The Village maintains several policies to guide financial decision making and operations of the Finance Division. Financial Policies consist of the following;

- Accounts Receivable Policy
- Debt Policy
- Fiscal Contingency Plan
- Fixed Asset Policy
- Fraud Prevention Policy
- Fund Balance Policy – General Corporate Fund
- Identity Theft Policy
- Investment Policy
- Pension Funding Policy
- Purchasing Policy
- Social Security Number Protection Policy

The Fund Balance Policy is of particular relevance to the MYFF as it sets the parameters for the minimum fund balance and actions to be taken should the balance fall below the minimum. The Village has set the minimum fund balance in the General Fund at 35% of General Fund expenditures, not including transfers. Should the balance fall below 35%, the Village Board will be notified and steps to bring the balance into compliance with the policy will be undertaken. The policy also calls for the assignment of a portion of fund balance to cover annual debt service payments. The Financial Policies can be found as an appendix to the Annual Budget document.

Strategic Initiatives

In 2015, the Village Board updated the Strategic Plan. Several community focus groups and workshops with the Village Board and Staff were held to assist in the update. As a result of the workshops, the Village developed 5 Key Performance Areas and Critical Initiatives to be achieved over the next 1-5 years.

1. EXCEPTIONAL VILLAGE SERVICES AND STAFF
 - a. INITIATIVE #1: Improve communication opportunities with stakeholders.
 - b. INITIATIVE #2: Develop a plan for workforce and succession planning.
 - c. INITIATIVE #3: Refine performance measures to improve village service delivery.
 - d. INITIATIVE #4: Improve Business Processes Village-wide.
 - e. INITIATIVE #5: Update the Fire Department's Reporting and Record Keeping Systems.
2. FISCAL SUSTAINABILITY
 - a. INITIATIVE #1: Develop a plan for economic development that connects existing businesses with the Village, attracts new businesses and fills vacant store fronts.
 - b. INITIATIVE #2: Update the Village financial policies.
 - c. INITIATIVE #3: Develop a multi-year financial plan with contingency scenarios.
 - d. INITIATIVE #4: Continue to conservatively fund pension liabilities.
3. WELL-MAINTAINED INFRASTRUCTURE
 - a. INITIATIVE #1: Redevelopment of East Grand.
 - b. INITIATIVE #2: Provide solutions for improved pedestrian and bicyclist movement throughout the community.
 - c. INITIATIVE #3: Improve efforts to mitigate flooding and provide storm water management.
 - d. INITIATIVE #4: Enhance Multi-Year Capital Plan to identify other key needs and opportunities for funding opportunities.
 - e. INITIATIVE #5: Develop a Parkway Program as the standard for Public Works parkway operations.
 - f. INITIATIVE #6: Explore opportunities for partnerships to provide enhanced communications via public Wi-Fi/open data/fiber infrastructure.
4. SAFE AND LIVABLE COMMUNITY
 - a. INITIATIVE #1: Identify ways to increase public safety presence in retail districts to improve the sense of security.
 - b. INITIATIVE #2: Update the Village Comprehensive Land Use and Subdivision plans.
 - c. INITIATIVE #3: Research Opportunities for Shared Public Safety Communications Dispatch Services.
 - d. INITIATIVE #4: Research opportunities to implement electronic citation technology.
 - e. INITIATIVE #5: Research and implement a body worn camera program within the patrol division of the Police Department.
5. HIGH QUALITY LIFESTYLE
 - a. INITIATIVE #1: Improve Public Transportation opportunities.
 - b. INITIATIVE #2: Attract and Retain Boutique and Small Business Stores/Restaurants.
 - c. INITIATIVE #3: Build Welton Plaza.
 - d. INITIATIVE #4: Encourage private sector investment and deployment of Gigabit speed Internet Services for Village Residents and Businesses.

Financial Planning & Reporting Process

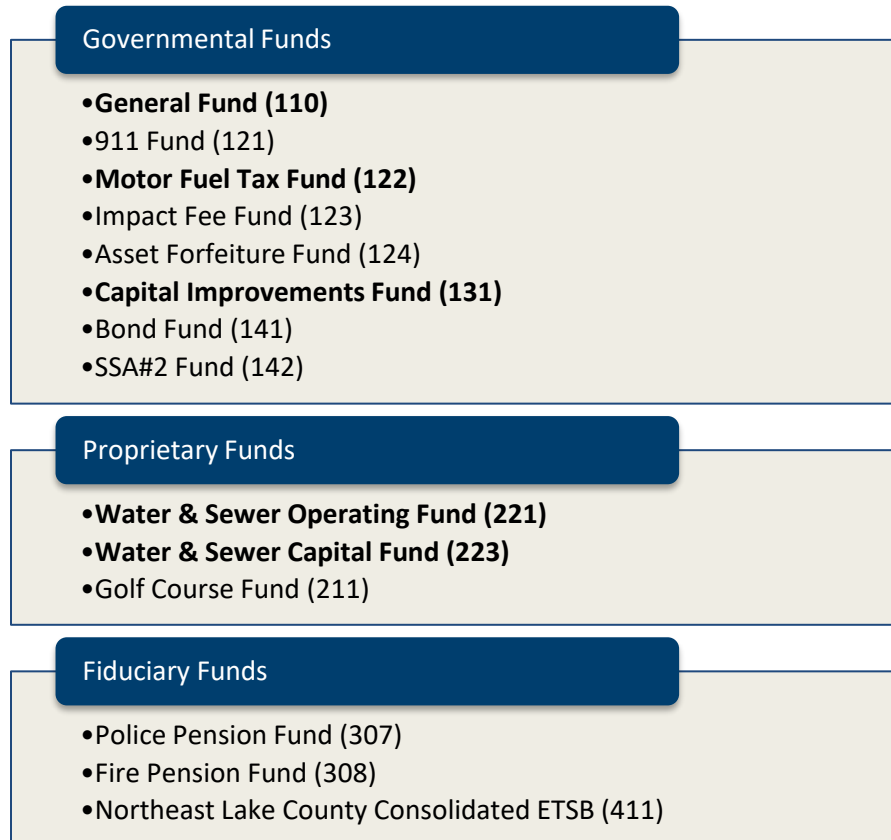
The Village has implemented a comprehensive approach to financial planning & reporting. The process spans a full year starting in October with the long-range plans that culminate in the Annual Budget. Following approval of the Annual Budget, the Finance Director reports the financial status of the current budget year to the Village Board at the end of every fiscal quarter. Following the close of the fiscal year, the Village is required to have an annual financial audit and publish audited financial statements by October 31st.

The MYFF is the first step in the process and determines available funding for the Multi-Year Capital Plan as well as identifies any structural deficiencies that may require policy or operational changes prior to preparation of the Annual Budget. The graphic below depicts the process and timeline.



Forecast Structure

The MYFF provides 5-years of historical actual information, the current fiscal year estimate and a 5-year projection. The focus of the MYFF is to provide a funding target for the capital plan and identify deficiencies in operating funds, therefore only the major operating and capital funds are included in the forecast. The Village's fund structure is identified in the graphic below. Funds included in the MYFF are in bold.



For each fund, the MYFF includes a Revenue and Expenditure statement and a projection of changes in fund balance. Major revenue and expenditure forecasts and assumptions are included in the General Fund and Water & Sewer Operating fund sections.

Key Decision Points

Prior Years

During the previous MYFF discussion, the Village Board provided direction on several key decision points including the future use of funds from expiring debt service, a long-term water rate structure, and a strategy to address water & sewer infrastructure funding.

Expiring Debt Service

Series 2012 General Obligation Bonds expired in December of 2015. The annual debt service was approximately \$415,000, split between the General Fund (\$250,000) and Water & Sewer Fund (\$165,000). Staff recommended and the Village Board concurred to capture 100% of the expiring debt service for capital improvements either within the operating budget or from available surplus at the end of the preceding year. The expiring debt service in the Water & Sewer Operating Fund is included in the annual infrastructure program and transferred to the Water & Sewer Capital Fund annually.

Series 2009 General Obligation Bonds expired in December of 2017. The annual debt service was approximately \$850,000 transferred from the General Fund to the Bond Fund. Staff recommended and the Village Board concurred to capture 50% or \$425,000 for capital improvements either within the operating budget or from available surplus at the end of the preceding year starting in FY2019. With the closure of KeyLime Cove and the associated revenue impact, the transfer to surplus did not occur in FY2019, however staff anticipates the ability to transfer the expiring debt in future years either from surplus if available at year-end, or budgeted in the operating year.

Long-Term Water Rate Structure

In 2011 the Village commissioned an engineering firm to perform water rate study after years of no increase and looming infrastructure costs. The study found the Village's rate was far below surrounding communities and relied on one-time revenues for development to support the water and sewer operations rather than rates. With a slowdown in development and less opportunity available, the Village put in place a rate structure that over time would begin to provide funding for infrastructure improvements. The rate plan expired in FY2016, and a new long-term plan was recommended that included annual increases of 5% in FY2017, followed by 3% annually on May 1 through FY2021. This rate structure is projected to provide sufficient capital and infrastructure funding by FY2021. However, capital and infrastructure funding needed to be addressed immediately to keep pace with the road replacement program until FY2021.

Water & Sewer Infrastructure Funding

To address the near-term infrastructure funding gap, staff proposed and the Village Board concurred on a hybrid model of using fund balance and a portion of the home rule sales tax dedicated to capital. The Water & Sewer Operating Fund Balance will be intentionally drawn

down by \$450,000 annually through FY2021. In addition, a \$300,000 transfer from either General Fund Surplus or the Capital Improvement fund budget will be made to the Water & Sewer Capital Fund. Operating surpluses in the Water & Sewer Operating Fund will be used to offset the \$300,000 transfer. In FY2017, the transfer was reduced to \$200,000 due to positive operating surpluses in the Water & Sewer Fund. In FY2018 and FY2019 no transfer was made to the Water & Sewer Fund as adequate surplus was available or is anticipated.

In FY2018 the Village approved a 20-year IEPA Loan to fund the Knowles Rd. Water Tower Project. The project will increase the Village's storage capacity and add much needed pressure on the West side of the Village. The total project is anticipated to be approximately \$6.5 million. The Village Board directed staff to utilize \$1.5 million of fund balance and make additional annual payments of \$200 thousand. The initial \$1.5 million and additional payments have been built into the Water & Sewer Fund model.

Threats and Opportunities to Financial Sustainability

Threats

Following several years of speculation, the State of Illinois formally implemented a 10% reduction in the local share of income tax and a 1.5% administrative fee on home rule sales tax collections in FY2019. Combined, this results in an approximately \$435,000 reduction in the Village's ability to fund capital programs.

Sales tax accounts for approximately 45% of General Fund revenues and 85% of general government capital spending (Fund 131). Sales tax receipts over the last two fiscal years have decreased slightly at 0.90% and 0.06% respectively. Online shopping has shifted consumer habits when it comes to how consumers use brick and mortar retail. Consumers are more willing to window shop at brick and mortar and make a purchase online at a discount retailer. While consumers still visit commercial areas, spending habits revolve more around entertainment and eating options and less around physical goods from stores. The Village recognizes the shifting retail landscape and will closely monitor the impact of changing consumer habits and the taxability of goods and services within the Village.

Personnel costs including salary and benefits outpace historical growth in major revenues. Over the last 5 fiscal years, major revenues grew an average of 1.1% annually. Over that same time period personnel costs increased an average of 4.9%. With opportunities for new growth limited, and the absence of a property tax, the Village may need to rely on increases in other revenue sources to continue operations long-term at current staffing levels.

Opportunities

Following a State mandate to consolidate 911 centers, the Village brought on dispatch partners and consolidated Emergency Telephone Systems Boards with the City of Zion. The Village continues to seek partners to create efficiencies operating the 911 center.

The Village worked with the Urban Land Institute to study a revitalization plan for the East Grand commercial corridor. The plan identified several steps the Village can take to assist in the revitalization. A revitalized corridor could add to the Village's sales tax base. The Village added streetscaping in FY2018 and FY2019, and will continue to work with merchants to enhance the corridor.

Approximately 20% of the current personnel are eligible for retirement in the next five years. This period provides an opportunity for the Village to assess services and service delivery for efficiencies. Through assessing vacant positions, adjustments can be made with minimal staff disruption or impact to employee morale. Personnel turnover accounts for approximately 2.5% savings annually and contributes to surpluses at the end of the year.

Great Wolf Lodge opened in June of 2018. Adding this amenity to the Village provides an opportunity for business to co-promote. Great Wolf Lodge is already working with community partners on mutual marketing opportunities.

In 2018, the Supreme Court ruled in South Dakota vs. Wayfair Inc. e-commerce sites must collect sales tax regardless of whether they have a physical presence in the State. This tax is being collected via the State Use Tax which is shared with municipalities based on population. The ruling does not require e-commerce sites to collect any home rule imposed sales taxes. Future legislation regulating e-commerce is needed to extend to home rule taxes.

As a result of actions by the State of Illinois that reduce Income and Sales Tax distributions, the Village increased the Amusement Tax from 3% to 4% and the Hotel Tax from 5% to 6% effective May 1, 2018. Neither of these revenue streams have been increased in a number of years. By adjusting these revenue sources, the Village continues to not levy a property tax.

The Village's largest Amusement Taxpayer, Six Flags Great America, announced an extension of the operating season through the end of December and the addition of Holiday in the Park. The event is modeled after the popular Fright Fest held around Halloween and should bring additional visitors to the area in the months of November and December.

Updates to the Forecast

Throughout the current fiscal year items that were not predicted in the previous iteration of the MYFF have occurred. Below is a listing of items that have a significant impact on the modeling and have been added in the current version.

110 - General Fund

- The Fire Department applied for and received a personnel grant to offset the costs of hiring additional firefighters. The terms of the grant include hiring six (6) firefighters by March of 2019, with total costs offset by a 75% grant in years 1 and 2, and 35% in year 3. Following year 3 the Village is responsible for 100% of the personnel costs.
- Effective May 1, 2018 the Village adjusted the Hotel and Amusement taxes. The hotel tax rate increased from 5% to 6%, and the amusement tax from 3% to 5%.
- In FY2019 the Village and Six Flags negotiated a rebate agreement to fund hardscaping and security improvements to the Park. The 7-year or \$4 million rebate is structured so the Village will receive a base amount in each year with Six Flags receiving any additional revenue generated.

221 – Water & Sewer Operating Fund

- Based on feedback from the Village Board, the debt service model for the IEPA Loan used to fund the Knowles Road Water Tower includes an upfront payment of \$1.5 million and an additional \$200 thousand in debt service annually.
- As noted previously, the Village is utilizing a low interest IEPA loan as the primary funding source for the construction of the Knowles Road Water Tower. The previous forecast model predicted the timing of the project to start earlier than it did and therefore the FY2019 variance is reflective of actual work anticipated to be completed with the majority of the costs shifting out by one fiscal year.

This Page Left Blank Intentionally



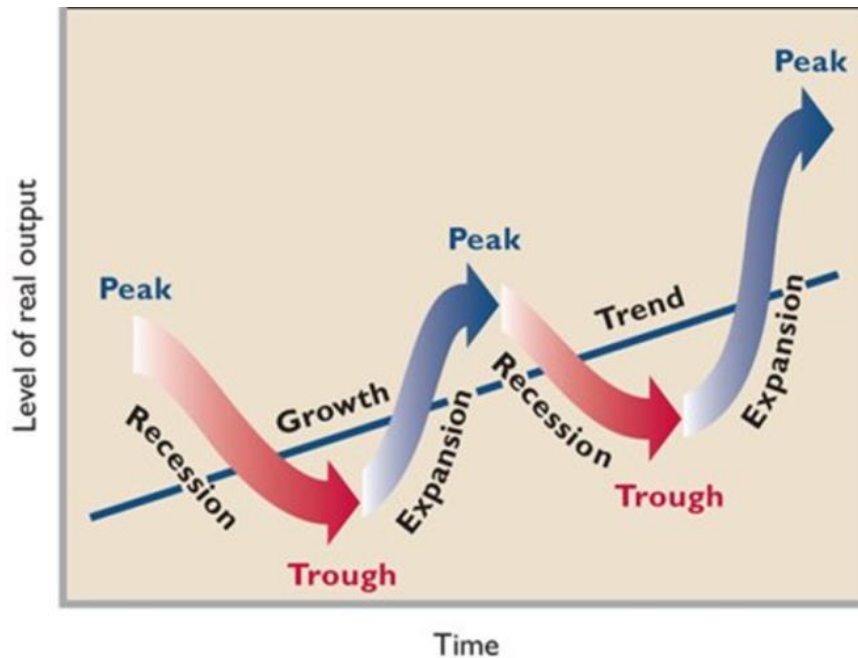
SECTION II – GENERAL FUND

Section II: General Fund (110)

Major Revenues

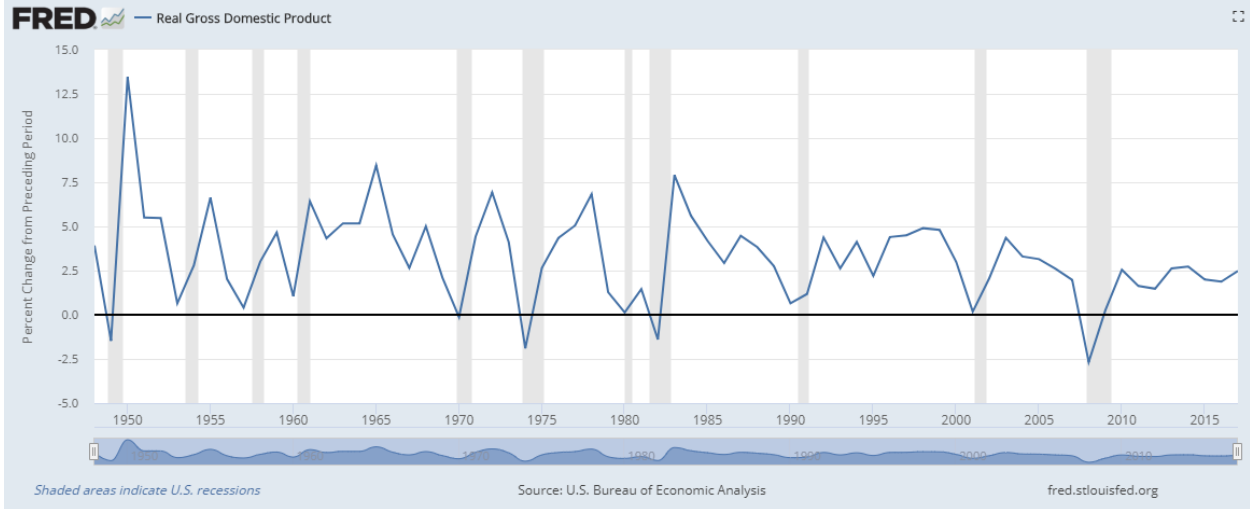
Major Revenue Modeling

Economically sensitive revenue sources, primarily those in the General Fund, are projected using 3 different models; baseline, expansion and contraction. The models are intended to show potential outcomes of economic changes on a broader scale reflective of the impact of past recessions on Village revenue sources. The revenue models follow changes from past business cycles or economic cycles. Economic cycles are defined by www.investopedia.com as *“The natural fluctuation of the economy between periods of expansion (growth) and contraction (recession). Factors such as gross domestic product (GDP), interest rates, levels of employment and consumer spending can help to determine the current stage of the economic cycle.”* The graphic below depicts the fluctuation in the economy over time.

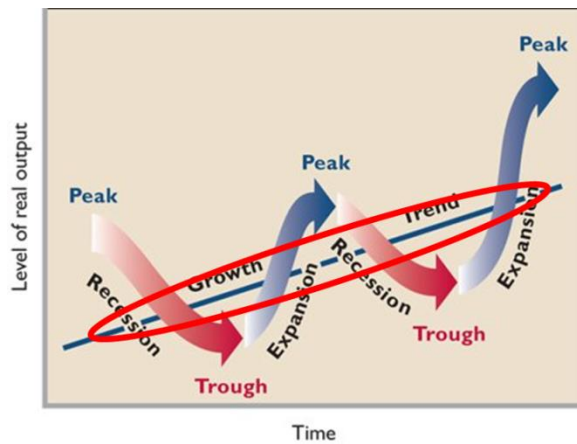


Source: www.harpercollege.edu

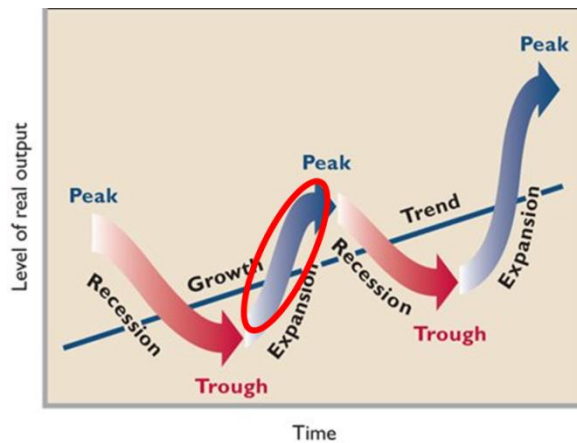
Economic cycles have been tracked by the National Bureau of Economic Research since 1940. This agency determines the official start and end of recessions retrospectively. Since 1945 there have been 11 business cycles with an average expansion period of about 60 months and an average recession of about 11 months. In the 3 cycles since 1990, the average expansion period has grown to about 85 months. The current expansion period began in June 2009. The graphic on the following page shows the economic cycles since 1940. Recessionary periods are shown as grey bars.



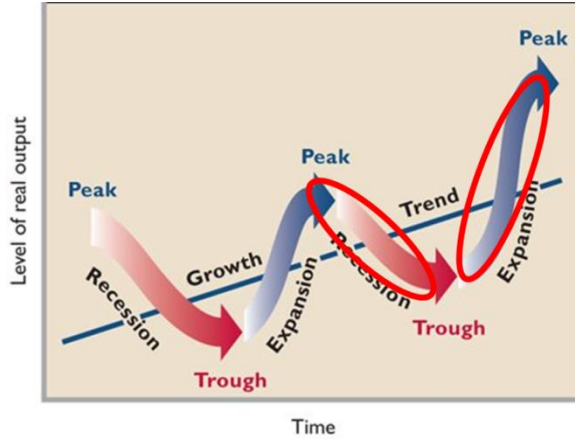
The change in economic cycles and the historical impact of past cycles on major revenues is the basis for the three models of major revenues.



Baseline Model - This model assumes revenues continue to grow at an average historical rate. This model discounts any fluctuations in the economy and is intended to project average long-term growth along the trend line highlighted in the graphic to the left.



Expansion Model - This model assumes the economy and major revenues will continue to grow at the rate of the last expansion period. This model is intended to show expansion continuing at the current rate and capture the point of the economic cycle highlighted in the graphic to the left.



Contraction Model - This model assumes a recession in the next fiscal year. Revenue impacts are projected to be consistent with the 2001 recession, and in some cases the 2008 recession is also taken into account. The point in the economic cycle captured in this model is highlighted in the graphic to the left.

Sales Taxes

Sales taxes in the General Fund consists of the 1% municipal rate and 50% of the 1% home rule sales tax. The other 50% of the 1% home rule sales tax is recorded directly in the Capital Improvement Fund (131), as it is dedicated to capital and infrastructure per Village ordinance.

Sales tax projections assume;

- No change in the existing business mix
- No change in the collection or payment methods currently in place
- Impact of the 1.5% State collection fee on Home Rule Sales Tax

Projections are based on historical trend data and economic cycle data information from the National Bureau of Economic Research (NBER).

Baseline Model Projection

The baseline model captures a long-term historical trend to forecast future years. The MYFF takes into account a 15 year history of sales tax. For purposes of projecting sales tax, the impact of the 2008 recession was discounted as this was a historic recession and not indicative of a typical recession. The average year to year change over the last 15 years has been 0.9% for municipal state shared sales tax and 0.6% for home rule sales tax. Discounting the 2008 recession, the baseline projection assumes a continued 1.0% annual increase throughout the forecast period.

Expansion Model Projection

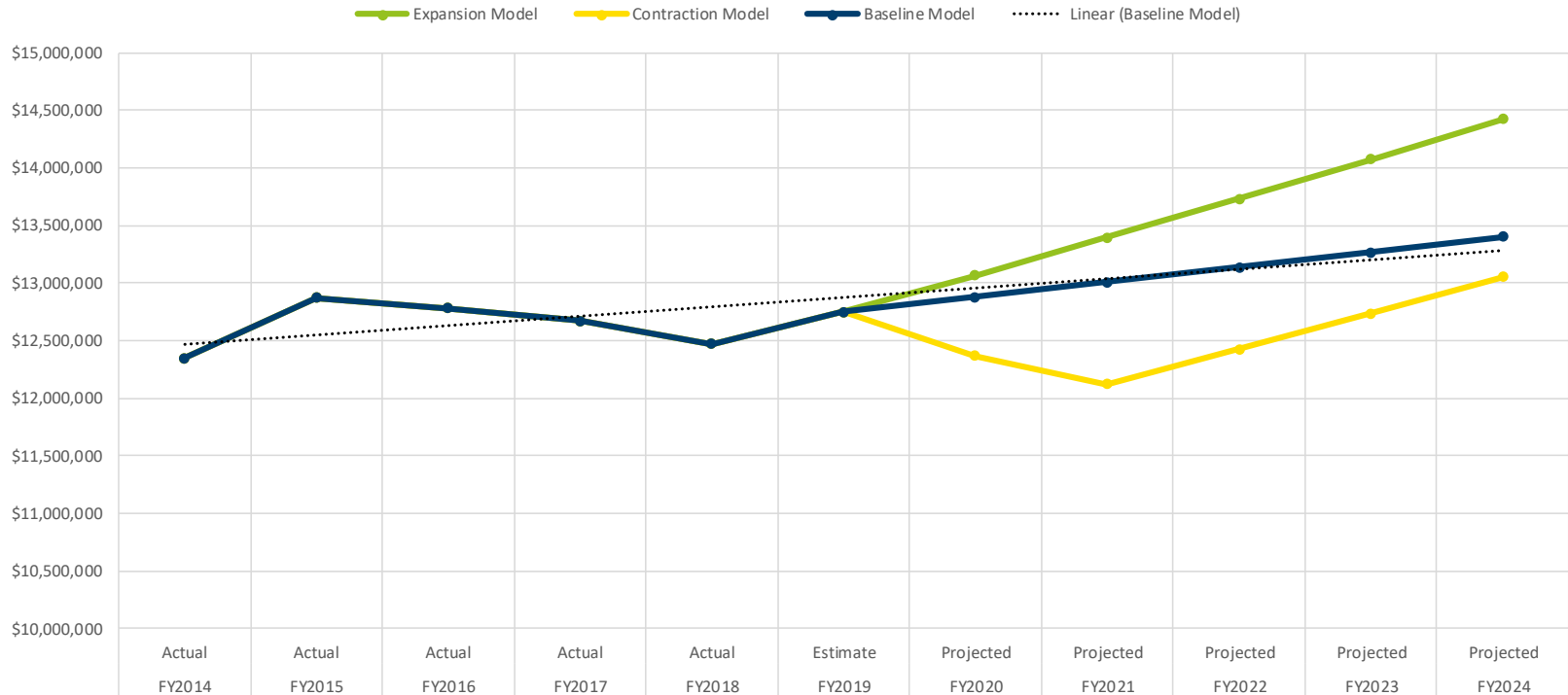
The expansion model captures the trend over the last 9 years of expansion. According the NBER, the current expansion period began in 2009, and the economy is still considered to be in an expansion period. The average year to year change over the last 9 years has been 1.7% for municipal state shared sales tax and 1.4% for home rule sales tax. Discounting the 2008 recession, the baseline projection assumes a continued 2.5% annual increase throughout the forecast period.

Contraction Model Projection

The contraction model assumes a recession in the subsequent fiscal year. According to the NBER, the average recession period since 1940 lasts approximately 1 year. The model uses the impact of the 2001 and 2008 recessions. Discounting the 2008 recession by approximately 50%, the Contraction Model assumes a drop of 3.0% and 2.0% followed by expansion of 2.5% for the remainder of the forecast period.

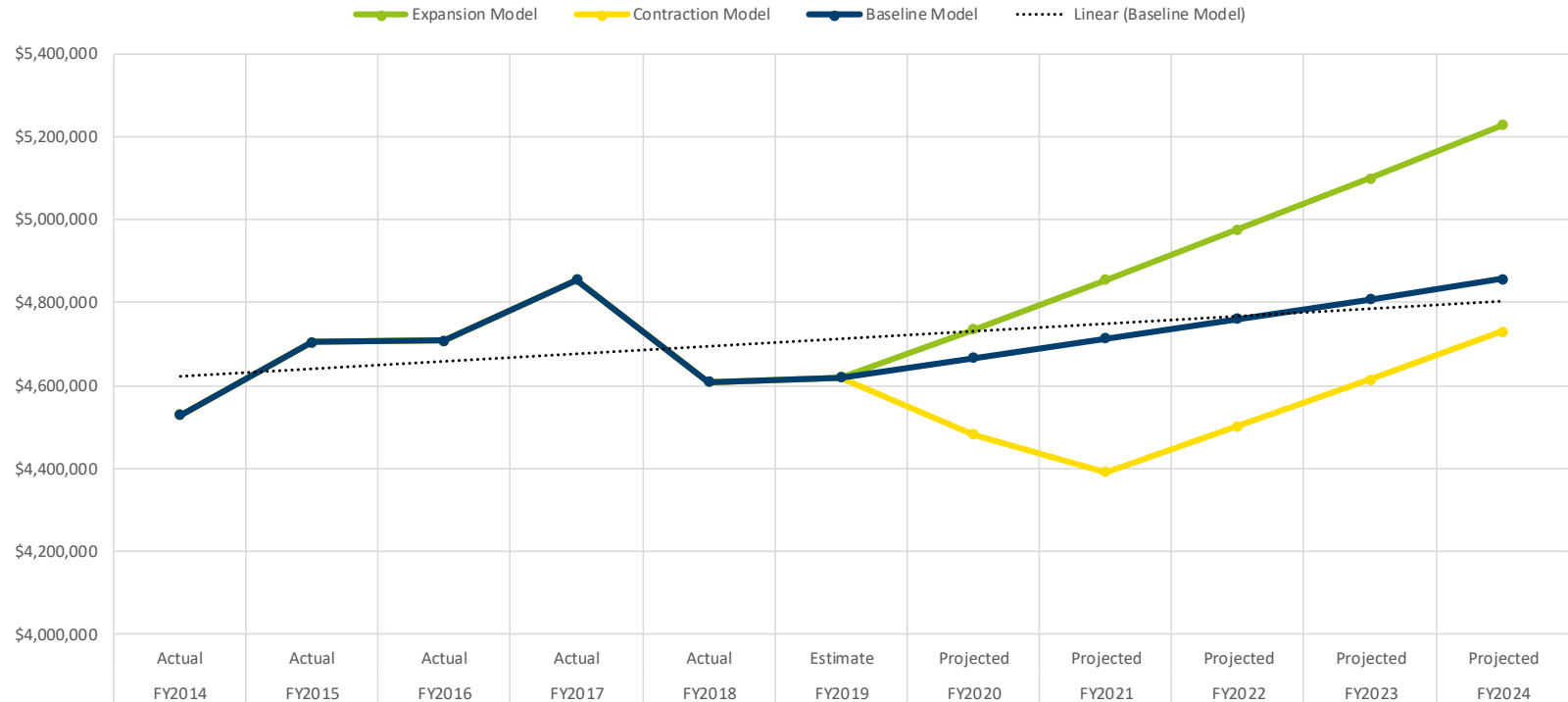
Municipal Sales Tax (State Shared 1%)

11010100 331301	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Sales Tax - 11010100-331301											
Change vs. Prior Year											
Baseline Model	-0.1%	4.2%	-0.7%	-0.9%	-1.6%	2.2%	1.0%	1.0%	1.0%	1.0%	1.0%
Expansion Model	-0.1%	4.2%	-0.7%	-0.9%	-1.6%	2.2%	2.5%	2.5%	2.5%	2.5%	2.5%
Contraction Model	-0.1%	4.2%	-0.7%	-0.9%	-1.6%	2.2%	-3.0%	-2.0%	2.5%	2.5%	2.5%
Revenue											
Baseline Model	\$12,350,825	\$12,871,206	\$12,782,378	\$12,670,212	\$12,473,443	\$12,750,000	\$12,877,500	\$13,006,275	\$13,136,338	\$13,267,701	\$13,400,378
Expansion Model	\$12,350,825	\$12,871,206	\$12,782,378	\$12,670,212	\$12,473,443	\$12,750,000	\$13,068,750	\$13,395,469	\$13,730,355	\$14,073,614	\$14,425,455
Contraction Model	\$12,350,825	\$12,871,206	\$12,782,378	\$12,670,212	\$12,473,443	\$12,750,000	\$12,367,500	\$12,120,150	\$12,423,154	\$12,733,733	\$13,052,076



Home Rule Sales Tax (50% in General Fund)

11010100 331303	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Home Rule Sales Tax - 11010100-331303											
Change vs. Prior Year											
Baseline Model	-0.2%	3.9%	0.1%	3.1%	-5.1%	0.2%	1.0%	1.0%	1.0%	1.0%	1.0%
Expansion Model	-0.2%	3.9%	0.1%	3.1%	-5.1%	0.2%	2.5%	2.5%	2.5%	2.5%	2.5%
Contraction Model	-0.2%	3.9%	0.1%	3.1%	-5.1%	0.2%	-3.0%	-2.0%	2.5%	2.5%	2.5%
Revenue											
Baseline Model	\$4,529,230	\$4,703,954	\$4,708,776	\$4,855,331	\$4,608,966	\$4,620,000	\$4,666,200	\$4,712,862	\$4,759,991	\$4,807,591	\$4,855,666
Expansion Model	\$4,529,230	\$4,703,954	\$4,708,776	\$4,855,331	\$4,608,966	\$4,620,000	\$4,735,500	\$4,853,888	\$4,975,235	\$5,099,616	\$5,227,106
Contraction Model	\$4,529,230	\$4,703,954	\$4,708,776	\$4,855,331	\$4,608,966	\$4,620,000	\$4,481,400	\$4,391,772	\$4,501,566	\$4,614,105	\$4,729,458



Income Tax

Income taxes are collected and distributed by the IL Department of Revenue (IDOR). Currently individuals pay 3.75% and corporations pay 5.25%. Municipalities receive approximately 8.00% of all income tax collected from individuals, trusts and estates, and 9.14% of net collections from corporations (35ILCS 5/901 b).

Income tax projections assume;

- No change in the funding formula or distribution methodology by IDOR
- No change in population
- Impact of the 10% reduction starting in FY2018
- FY2018 included two backlogged payments causing a one-time spike in revenues on a cash basis

Baseline Model Projection

The Baseline Model captures the long-term trend in income tax. The MYFF takes into account a 15 year history of collections. The average annual increase from FY2003 – FY2017 was 4.3%. Based on historical data, the baseline model assumes a 3.0% annual increase throughout the forecast period.

Expansion Model Projection

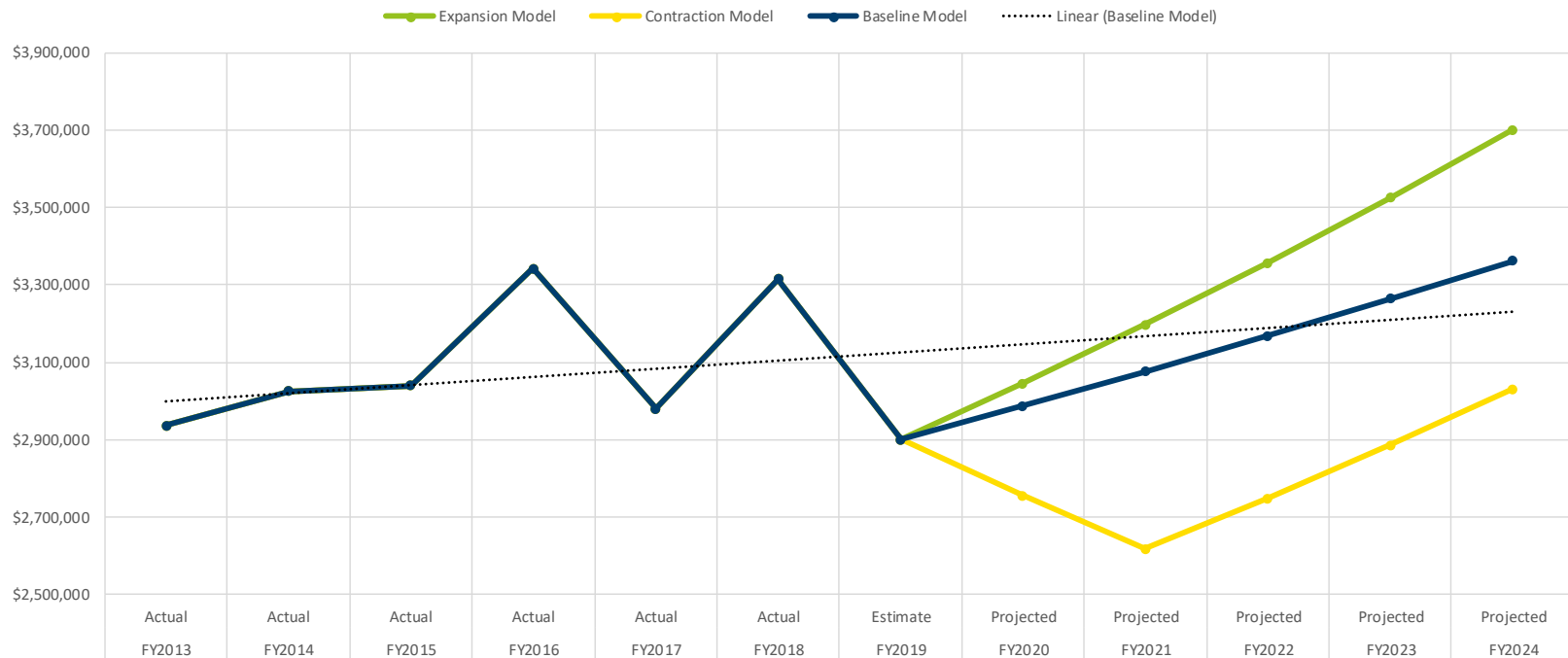
The Expansion Model captures the trend over the last 5 years of expansion, discounted by the 10% reduction by the State. The average annual change in collections from FY2013 – FY2018 was 6.9%. The expansion model assumes an increase of 5.0% annually throughout the forecast period.

Contraction Model Projection

The Contraction Model assumes a recession in FY2020. Historically income tax has declined for 2 fiscal years following a recession. The impact of the 2008 recession was discounted 50.0%, due to the historical nature of the recession. For the 2 preceding fiscal years after the 2008 recessions, income taxed averaged a 7.6% decline. The contraction model assumes a 5.0% drop in FY2020-21 followed by an increase of 5.0% thereafter.

Income Tax

11010100 333501	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Income Tax - 11010100-333501												
Change vs. Prior Year												
Baseline Model	9.9%	3.1%	0.4%	10.0%	-10.8%	11.3%	-12.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Expansion Model	9.9%	3.1%	0.4%	10.0%	-10.8%	11.3%	-12.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Contraction Model	9.9%	3.1%	0.4%	10.0%	-10.8%	11.3%	-12.5%	-5.0%	-5.0%	5.0%	5.0%	5.0%
Revenue												
Baseline Model	\$2,935,719	\$3,026,073	\$3,038,914	\$3,341,623	\$2,979,684	\$3,314,934	\$2,900,000	\$2,987,000	\$3,076,610	\$3,168,908	\$3,263,976	\$3,361,895
Expansion Model	\$2,935,719	\$3,026,073	\$3,038,914	\$3,341,623	\$2,979,684	\$3,314,934	\$2,900,000	\$3,045,000	\$3,197,250	\$3,357,113	\$3,524,968	\$3,701,217
Contraction Model	\$2,935,719	\$3,026,073	\$3,038,914	\$3,341,623	\$2,979,684	\$3,314,934	\$2,900,000	\$2,755,000	\$2,617,250	\$2,748,113	\$2,885,518	\$3,029,794



Amusement Park Tax

Amusement Park Taxes are administered locally and consist of 4.00% of gross receipts for the Six Flags theme park. The Village also collects amusement tax from other entities, but the dollar amounts are significant to Major Revenues. Collections can vary greatly year to year based on new attractions, promotions and weather. In FY2019 the Village increased the Amusement Tax from 3.0% to 4.0%. Starting in December 2018, the Park will host Holiday in the Park events to attract visitors through Christmas.

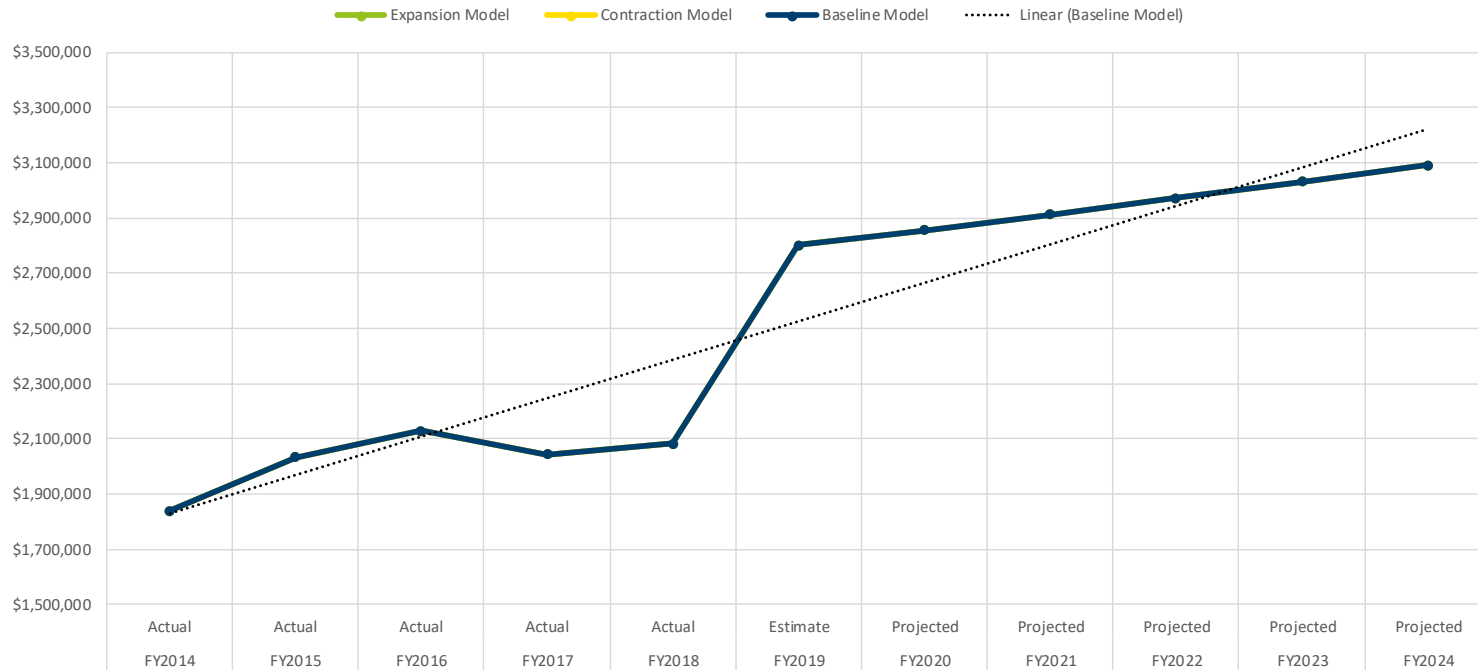
In FY2019 the Village and Six Flags negotiated a rebate agreement to fund hardscaping and security improvements to the Park. The 7-year or \$4 million rebate is structured so the Village will receive a base amount in each year with Six Flags receiving any additional revenue generated. All revenue models reflect the Village's annual base amount.

Amusement Park Tax projections assume;

- No change in the Rebate Agreement with Six Flags
- 2% annual escalator on Village Base

Amusement Tax

11010100 331601	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Amusement Park Tax - 11010100-331601											
Change vs. Prior Year											
Baseline Model	-2.9%	10.6%	4.7%	-3.9%	1.8%	34.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Expansion Model	-2.9%	10.6%	4.7%	-3.9%	1.8%	34.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Contraction Model	-2.9%	10.6%	4.7%	-3.9%	1.8%	34.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Revenue											
Baseline Model	\$1,838,707	\$2,033,077	\$2,128,257	\$2,044,704	\$2,082,331	\$2,800,000	\$2,856,000	\$2,913,120	\$2,971,382	\$3,030,810	\$3,091,426
Expansion Model	\$1,838,707	\$2,033,077	\$2,128,257	\$2,044,704	\$2,082,331	\$2,800,000	\$2,856,000	\$2,913,120	\$2,971,382	\$3,030,810	\$3,091,426
Contraction Model	\$1,838,707	\$2,033,077	\$2,128,257	\$2,044,704	\$2,082,331	\$2,800,000	\$2,856,000	\$2,913,120	\$2,971,382	\$3,030,810	\$3,091,426



Food & Beverage Tax

The Food & Beverage tax is locally administered and consists of a 1.00% tax on food and beverages prepared for immediate consumption. The tax was put in place with an effective date of July 1, 2006. The MYFF assumes;

- No change in the amount of the tax
- No change in the current business mix

Baseline Model

The Baseline Model captures a long term average rate of change. Over the last 5 fiscal years, the food and beverage tax has averaged increases of 3.5% annually. The baseline model assumes a 3.5% annual increase throughout the forecast period.

Expansion Model

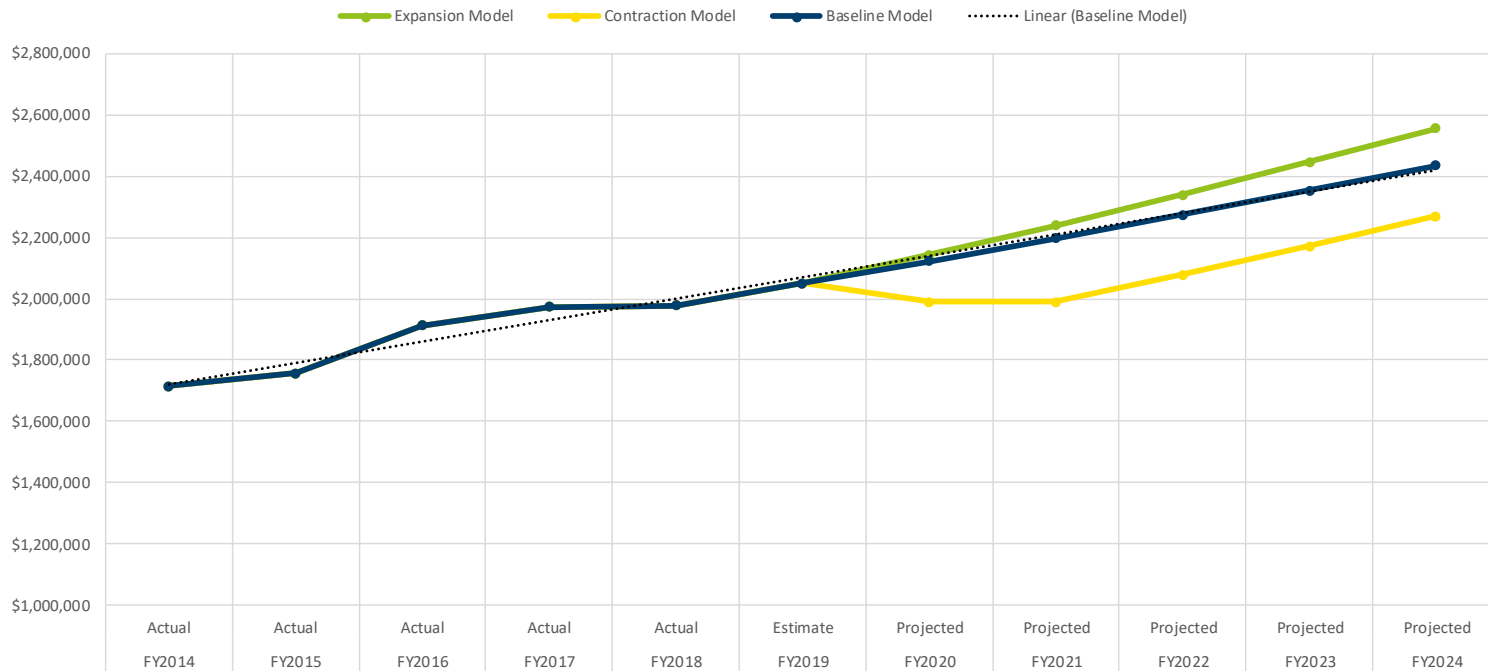
The Expansion Model captures the average growth rate over the last 7 fiscal years. From FY2012 – FY2018, food and beverage collections increased an average of 4.2% annually. The expansion model assumes this trend continues with a 4.5% increase throughout the forecast period.

Contraction Model

The Contraction Model captures a recession impact in FY2020 followed by a period of expansion. Following the 2008 recession, tax collections declined 3.3% in FY2010, and remained flat in FY2011. The forecast assumes a drop of 3.0% in FY2020, 0.0% in FY2021 followed by increases of 4.5% for the remainder of the forecast.

Food & Beverage Tax

11010100 331609	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Food & Beverage Tax - 11010100-331609											
Change vs. Prior Year											
Baseline Model	2.9%	2.5%	8.8%	3.2%	0.2%	3.6%	3.5%	3.5%	3.5%	3.5%	3.5%
Expansion Model	2.9%	2.5%	8.8%	3.2%	0.2%	3.6%	4.5%	4.5%	4.5%	4.5%	4.5%
Contraction Model	2.9%	2.5%	8.8%	3.2%	0.2%	3.6%	-3.0%	0.0%	4.5%	4.5%	4.5%
Revenue											
Baseline Model	\$1,714,837	\$1,757,538	\$1,913,075	\$1,973,981	\$1,978,589	\$2,050,000	\$2,121,750	\$2,196,011	\$2,272,872	\$2,352,422	\$2,434,757
Expansion Model	\$1,714,837	\$1,757,538	\$1,913,075	\$1,973,981	\$1,978,589	\$2,050,000	\$2,142,250	\$2,238,651	\$2,339,391	\$2,444,663	\$2,554,673
Contraction Model	\$1,714,837	\$1,757,538	\$1,913,075	\$1,973,981	\$1,978,589	\$2,050,000	\$1,988,500	\$1,988,500	\$2,077,983	\$2,171,492	\$2,269,209



Hotel Tax

Hotel Tax is locally administered and is 6.0% of the room rate on stays less than 30 consecutive days. KeyLime Cove was opened in 2008 and re-opened in 2018 as Great Wolf Lodge causing a significant spike in hotel tax collections once re-opened, and a significant drop in FY2018 during the remodeling. The forecast for hotel taxes assumes

- 6.0% rate throughout the forecast period with no change in collection methods
- No change in existing business mix

Baseline Model

The Baseline Model captures a long term rate of change in collections. Between FY2014 and FY2017, collections have average an increase of 2.6% annually. The baseline model assumes an annual increase of 3.00% throughout the forecast period following the opening of Great Wolf Lodge in FY2019.

Expansion Model

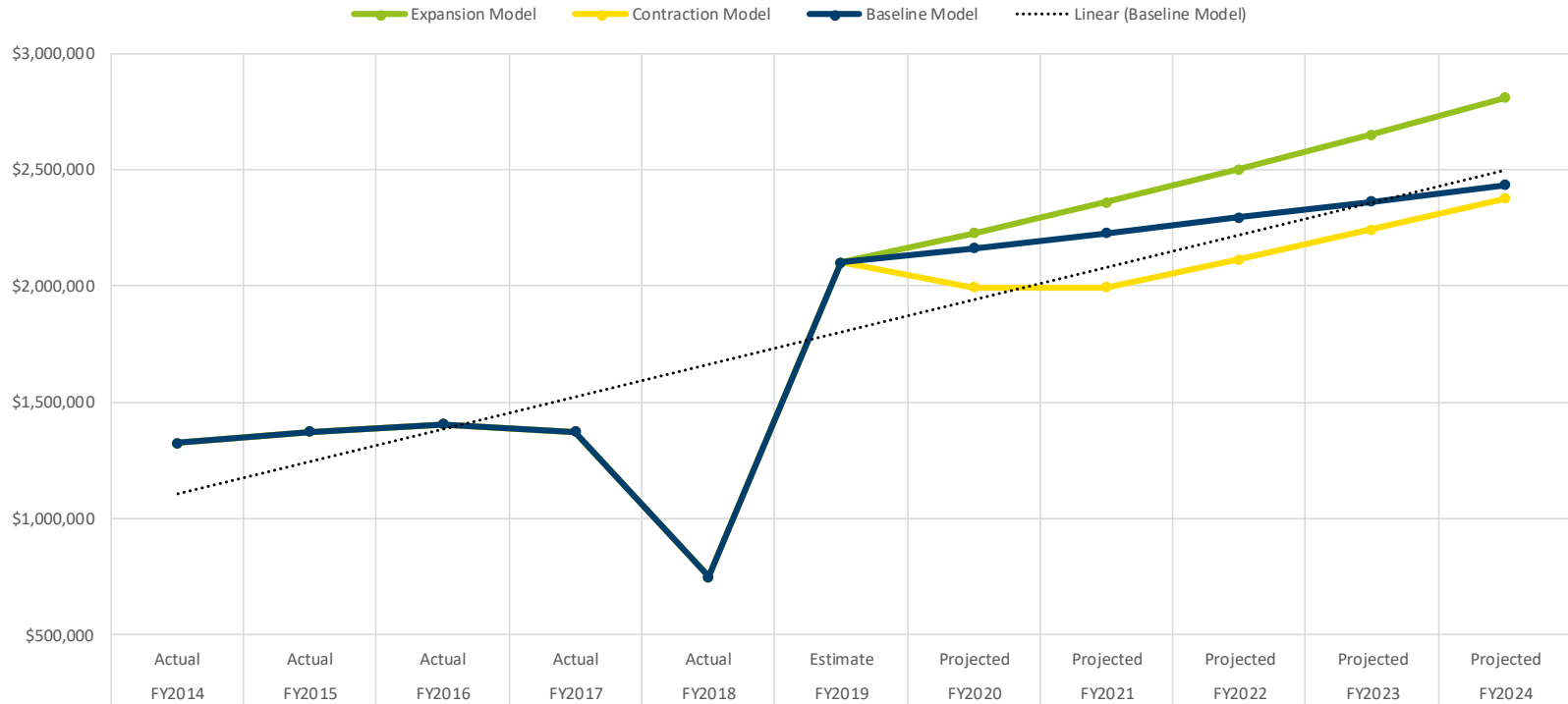
The Expansion Model captures the rate of change over the 5 fiscal years immediately following a recession to reflect a period of economic expansion. Between FY2011 and FY2015, the average annual increase in collections was 5.1%. The expansion model assumes a 6.0% annual increase throughout the forecast period.

Contraction Model

The Contraction Model captures the impact of a recession in FY2020 followed by a period of expansion. Following the 2001 recession, collections dipped for 3 consecutive years by an average of 5.5% annually. The 2008 recession was followed by a 41.21% increase in FY2009 due to the opening of KeyLime Cove, a 15.55% drop in FY2010, and remained relatively flat for FY2011 and 2012. The contraction model assumes a 5.0% drop in FY2020, a 0.0% FY2021 followed by annual increases of 6.0% for the remainder of the forecast period.

Hotel Tax

11010100 331607	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Hotel Tax - 11010100-331601											
Change vs. Prior Year											
Baseline Model	6.8%	3.6%	2.3%	-2.3%	-45.5%	180.4%	3.0%	3.0%	3.0%	3.0%	3.0%
Expansion Model	6.8%	3.6%	2.3%	-2.3%	-45.5%	180.4%	6.0%	6.0%	6.0%	6.0%	6.0%
Contraction Model	6.8%	3.6%	2.3%	-2.3%	-45.5%	180.4%	-5.0%	0.0%	6.0%	6.0%	6.0%
Revenue											
Baseline Model	\$1,325,770	\$1,373,701	\$1,405,978	\$1,373,208	\$748,888	\$2,100,000	\$2,163,000	\$2,227,890	\$2,294,727	\$2,363,569	\$2,434,476
Expansion Model	\$1,325,770	\$1,373,701	\$1,405,978	\$1,373,208	\$748,888	\$2,100,000	\$2,226,000	\$2,359,560	\$2,501,134	\$2,651,202	\$2,810,274
Contraction Model	\$1,325,770	\$1,373,701	\$1,405,978	\$1,373,208	\$748,888	\$2,100,000	\$1,995,000	\$1,995,000	\$2,114,700	\$2,241,582	\$2,376,077



Telecommunications Tax

Prior to FY2011, the telecommunications tax was a 1.00% charge on the gross charge paid to providers for the originating or receiving telecommunications in Gurnee. The rate was raised to 6.00% effective January 1, 2011. The tax is collected by service providers and remitted to the Village. This tax has seen significant annual decreases since FY2012, as cellular plans and modes of communication have changed to non-taxable formats. Based on a recent seminar attended by industry experts, without legislative changes to the Internet Tax Freedom Act by Congress, the tax is predicted to be essentially eliminated by 2025. The forecast assumes;

- No change in legislation pertaining to the taxability of cellular data plans
- No change in the rate

Baseline Model

The Baseline Model is intended to capture long-term historical rates of change in collections. However, due to known changes with the telecommunications tax as a result of changing consumer behavior, the historical data prior to FY2014 is irrelevant. Over the last 5 fiscal years, collections have averaged a 5.6% decline annually. It is expected this trend will continue throughout the forecast period. The baseline model assumes a 8.0% annual decrease in collections.

Expansion Model

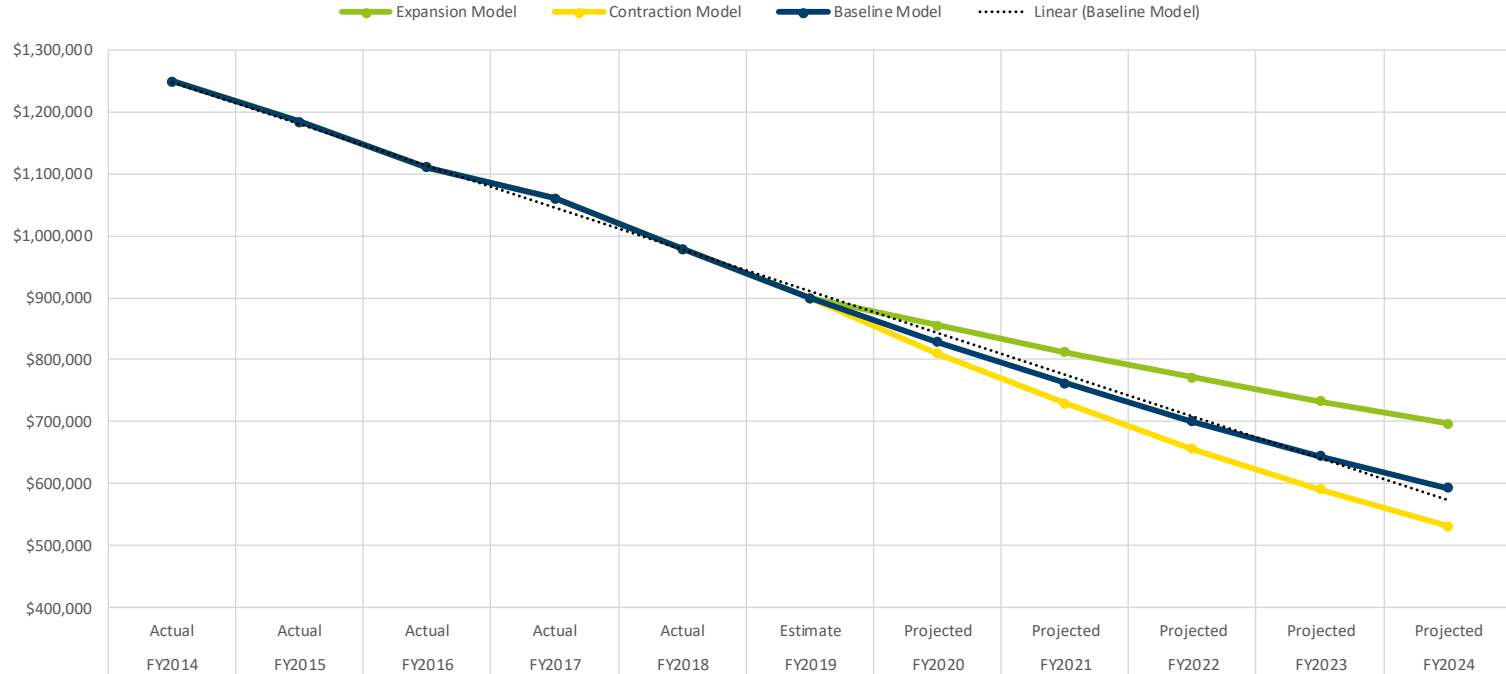
The Expansion Model is intended to capture the rate of change over the last 5 years of economic expansion. With the decline in collections expected to continue, the expansion model assumes the annual decreases will lessen to 5.0% annually over the forecast period.

Contraction Model

The Contraction Model is intended to capture the impact of a recession in FY2019 followed by expansion. For purposes of projecting telecommunications tax, the contraction model assumes a 10.0% annual decrease.

Telecommunications Tax

11010100 331801	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Telecommunications Tax - 11010100-331801											
Change vs. Prior Year											
Baseline Model	-4.5%	-5.2%	-6.2%	-4.6%	-7.7%	-8.0%	-8.0%	-8.0%	-8.0%	-8.0%	-8.0%
Expansion Model	-4.5%	-5.2%	-6.2%	-4.6%	-7.7%	-8.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%
Contraction Model	-4.5%	-5.2%	-6.2%	-4.6%	-7.7%	-8.0%	-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Revenue											
Baseline Model	\$1,248,801	\$1,183,941	\$1,110,500	\$1,059,725	\$978,374	\$900,000	\$828,000	\$761,760	\$700,819	\$644,754	\$593,173
Expansion Model	\$1,248,801	\$1,183,941	\$1,110,500	\$1,059,725	\$978,374	\$900,000	\$855,000	\$812,250	\$771,638	\$733,056	\$696,403
Contraction Model	\$1,248,801	\$1,183,941	\$1,110,500	\$1,059,725	\$978,374	\$900,000	\$810,000	\$729,000	\$656,100	\$590,490	\$531,441



Use Tax

Use taxes are collected on purchases out of state for goods for use in Illinois. Consistent with sales tax, Use Taxes are 6.25% of the selling price. Use taxes are collected by individuals and online retailers. Unless an online retailer has a physical nexus or presence in Illinois, they are not required to collect sales taxes due to the interstate commerce laws. Some online retailers such as Amazon voluntarily collect and remit the tax. Use taxes are collected and administered by the state, with 1.00% of the proceeds being remitted to local governments based on population. The forecast assumes;

- No change in the rate or existing statutes governing Use Tax
- No change in the Village population
- Continued voluntary remittance by online retailers

Baseline Model

The Baseline Model captures the long-term historical trend of collections. Between FY2003 and FY2018, collections have increased an average of 7.3% annually. It is anticipated voluntary compliance by online retailers will increase. The baseline model projects use tax collections to increase by 5.0% annually throughout the forecast period.

Expansion Model

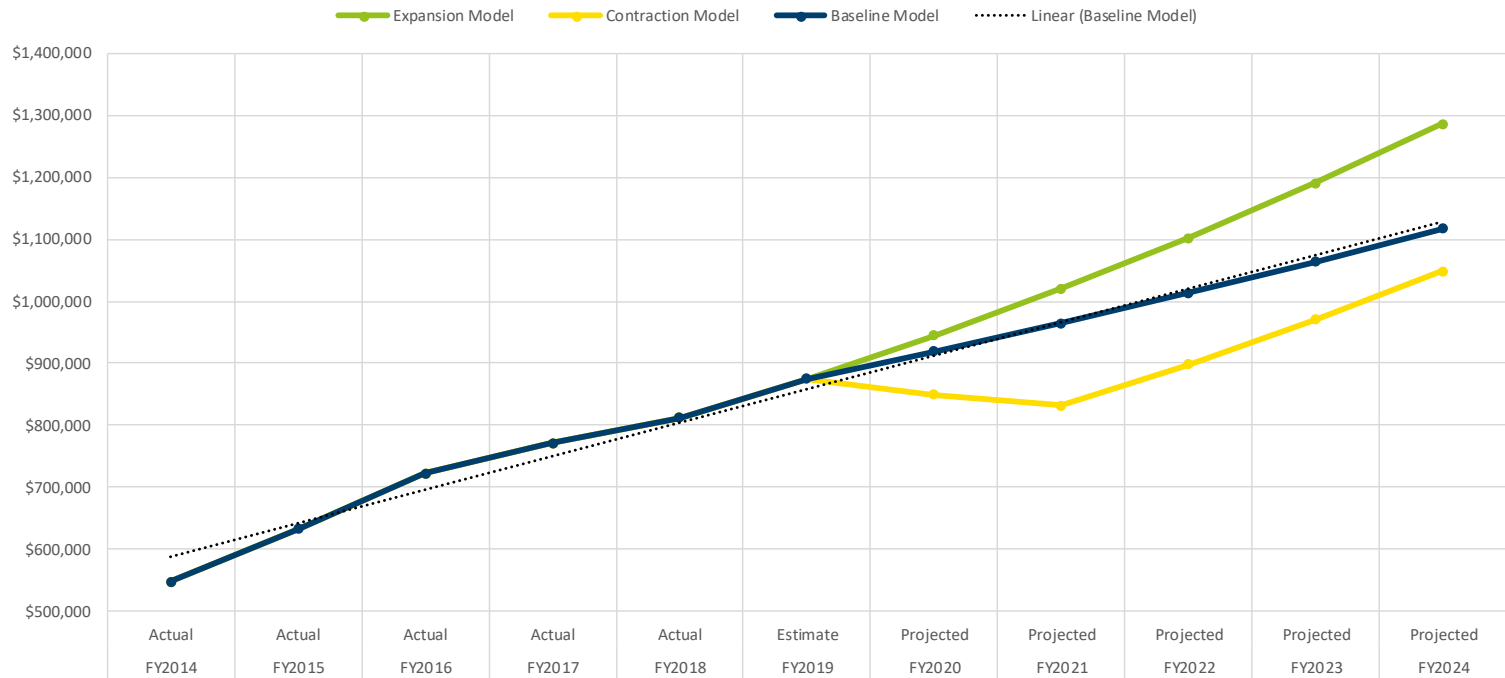
The Expansion Model captures the trend of the most recent 5 years of economic expansion. Between FY2014 and FY2018, use tax collections have increased an average of 10.4% annually. Given the anticipated increased compliance from online retailers and individuals, the expansion model projects collections to increase 8.0% annually throughout the forecast period.

Contraction Model

The Contraction Model captures the impact of a recession in the next fiscal year followed by a period of expansion. Following the 2008 recession collections dipped for 2 fiscal years by an average of 7.2%. On average, following the last two recessionary periods collections declined by 6.9% for two fiscal cycles. The baseline model projects a decline of 3.0% in FY2020, 2.0% in FY2021, followed by an expansion of 8.0% for the remainder of the forecast period.

Use Tax

11010100 331302	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Use Tax - 11010100-331302											
Change vs. Prior Year											
Baseline Model	10.4%	15.4%	14.3%	6.8%	5.2%	7.8%	5.0%	5.0%	5.0%	5.0%	5.0%
Expansion Model	10.4%	15.4%	14.3%	6.8%	5.2%	7.8%	8.0%	8.0%	8.0%	8.0%	8.0%
Contraction Model	10.4%	15.4%	14.3%	6.8%	5.2%	7.8%	-3.0%	-2.0%	8.0%	8.0%	8.0%
Revenue											
Baseline Model	\$547,996	\$632,300	\$722,414	\$771,624	\$811,829	\$875,000	\$918,750	\$964,688	\$1,012,922	\$1,063,568	\$1,116,746
Expansion Model	\$547,996	\$632,300	\$722,414	\$771,624	\$811,829	\$875,000	\$945,000	\$1,020,600	\$1,102,248	\$1,190,428	\$1,285,662
Contraction Model	\$547,996	\$632,300	\$722,414	\$771,624	\$811,829	\$875,000	\$848,750	\$831,775	\$898,317	\$970,182	\$1,047,797



Building Permits

Building permit fees are collected by the Village for a variety of work on existing and new construction. When examining building permits collections, there is a baseline of activity that is less impacted by economic conditions. This activity tends to be residential permits for smaller work such as a deck or fence permit. Larger scale projects that are commercial or new construction seem to fluctuate more with economic conditions. Additionally, 1 large commercial project could greatly skew collections in any given year. The MYFF assumes;

- No change in the existing fee structure

Baseline Model

The Baseline Model captures the average long-term growth pattern of collections. Between FY2004 and FY2018, collections averaged an increase of 8.5% annually. Based on this growth pattern and known projects slated for the next fiscal year, the forecast assumes an annual increase of 5.0%.

Expansion Model

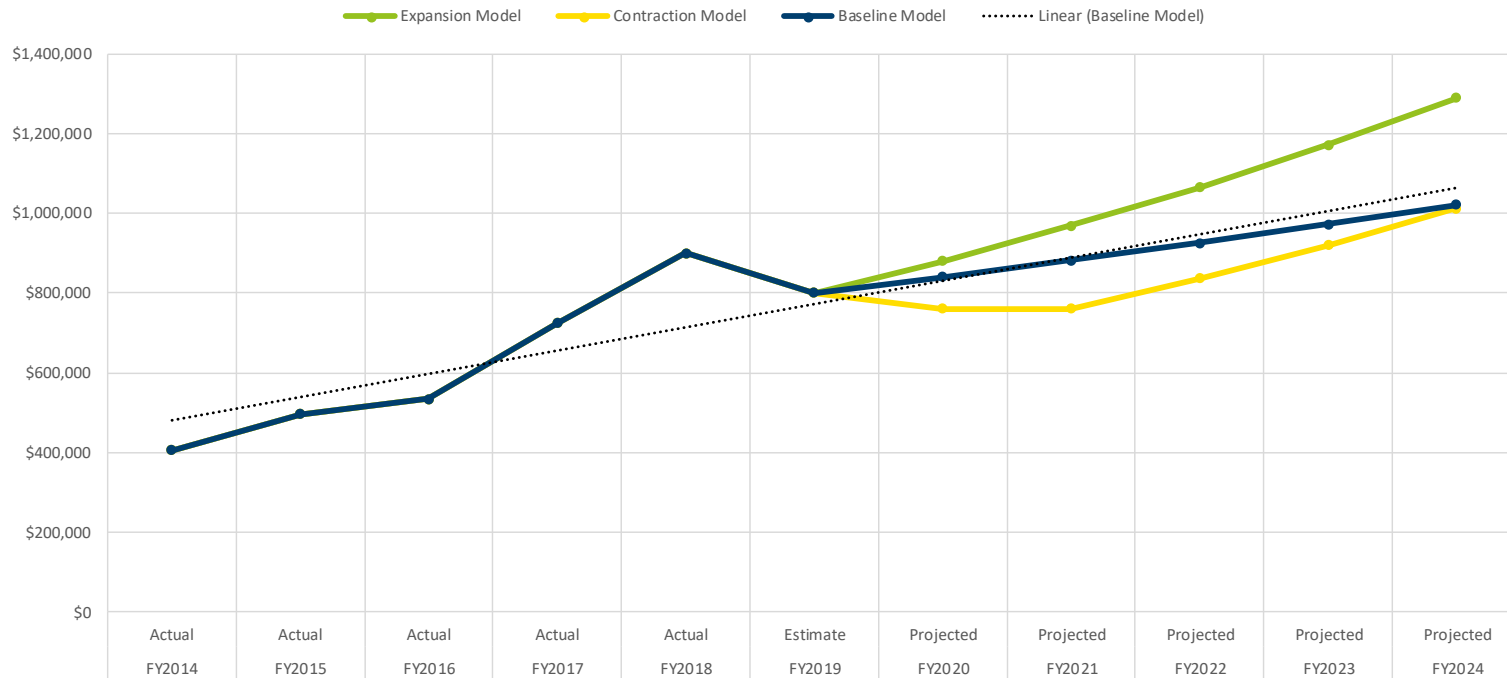
The Expansion Model captures growth during periods of economic expansion. Between FY2014 and FY2018, collections increased an average of 11.6% annually. The forecast assumes annual growth of 10.0% throughout the forecast period.

Contraction Model

The Contraction Model captures the impact of an economic recession in FY2020, followed by a period of economic expansion. Following the 2001 recession, collections averaged an annual increase of 3.60% for fiscal years 2002 and 2003. The 2008 recession had a drastically different impact on collections, falling by an average 38.74% annually for fiscal years 2008 through 2010. The contraction model assumes a 5.0% drop in collections for FY2020, 0.0% increase in FY2021, followed by an increase of 10.0% annually for the remainder of the forecast period.

Building Permits

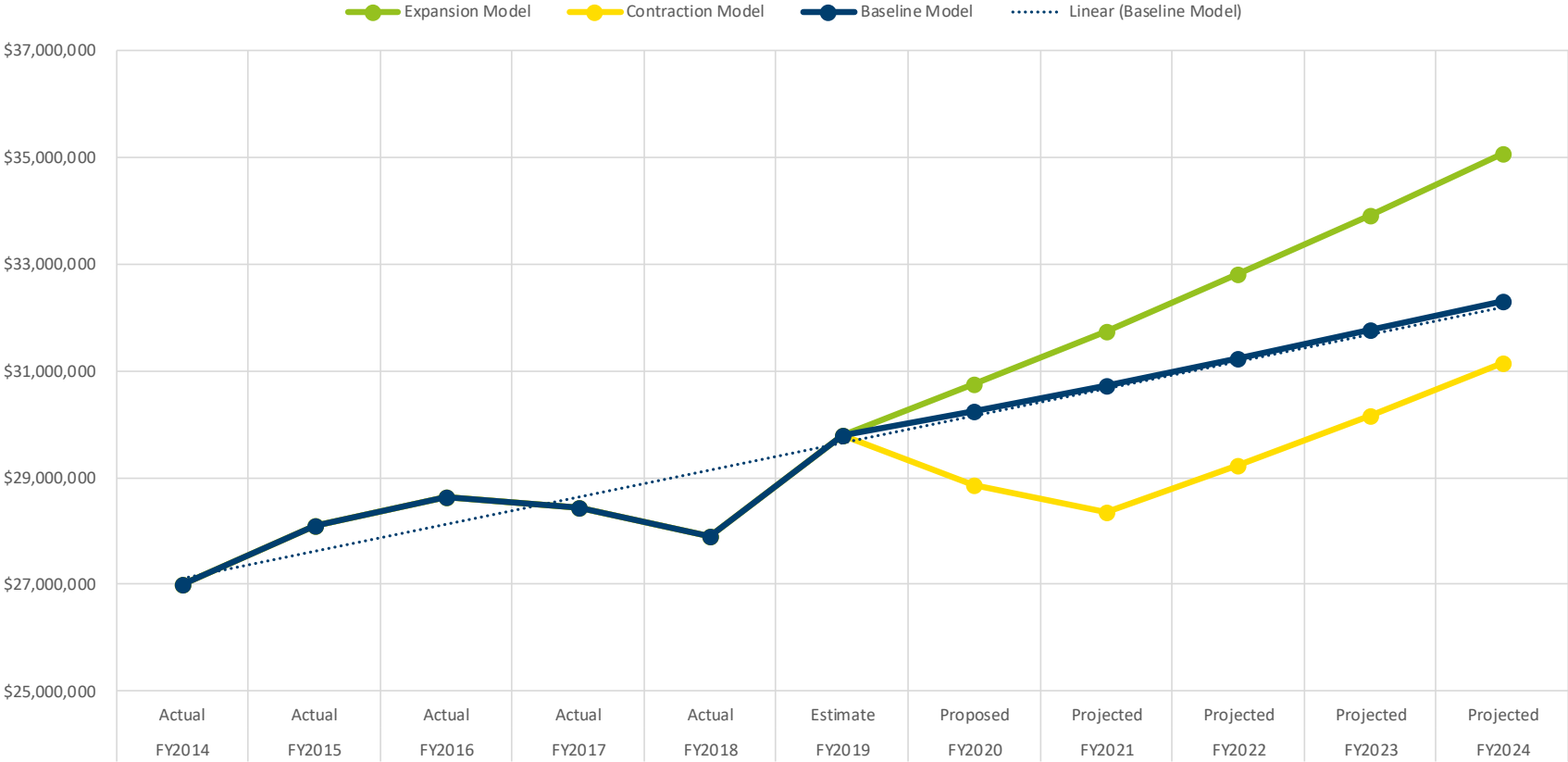
11020100 332201	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Building Permits - 11020100-332201											
Change vs. Prior Year											
Baseline Model	-31.9%	22.4%	7.9%	35.4%	24.2%	-11.1%	5.0%	5.0%	5.0%	5.0%	5.0%
Expansion Model	-31.9%	22.4%	7.9%	35.4%	24.2%	-11.1%	10.0%	10.0%	10.0%	10.0%	10.0%
Contraction Model	-31.9%	22.4%	7.9%	35.4%	24.2%	-11.1%	-5.0%	0.0%	10.0%	10.0%	10.0%
Revenue											
Baseline Model	\$405,010	\$495,728	\$534,735	\$724,256	\$899,695	\$800,000	\$840,000	\$882,000	\$926,100	\$972,405	\$1,021,025
Expansion Model	\$405,010	\$495,728	\$534,735	\$724,256	\$899,695	\$800,000	\$880,000	\$968,000	\$1,064,800	\$1,171,280	\$1,288,408
Contraction Model	\$405,010	\$495,728	\$534,735	\$724,256	\$899,695	\$800,000	\$760,000	\$760,000	\$836,000	\$919,600	\$1,011,560



Major Revenues Summary

Major Revenues	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Estimate	FY2020 Proposed	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Baseline Model	\$26,987,249	\$28,090,359	\$28,647,735	\$28,452,725	\$27,897,050	\$29,795,000	\$30,258,200	\$30,741,216	\$31,244,058	\$31,766,794	\$32,309,543
% Change vs. Prior Year	-0.21%	4.09%	1.98%	-0.68%	-1.95%	6.80%	1.55%	1.60%	1.64%	1.67%	1.71%
331301 SALES TAX	\$12,350,825	\$12,871,206	\$12,782,378	\$12,670,212	\$12,473,443	\$12,750,000	\$12,877,500	\$13,006,275	\$13,136,338	\$13,267,701	\$13,400,378
331302 LOCAL USE TAX	\$547,996	\$632,300	\$722,414	\$771,624	\$811,829	\$875,000	\$918,750	\$964,688	\$1,012,922	\$1,063,568	\$1,116,746
331303 HOME RULE SALES TAX	\$4,529,230	\$4,703,954	\$4,708,776	\$4,855,331	\$4,608,966	\$4,620,000	\$4,666,200	\$4,712,862	\$4,759,991	\$4,807,591	\$4,855,666
331601 AMUSEMENT PARK	\$1,838,707	\$2,033,077	\$2,128,257	\$2,044,704	\$2,082,331	\$2,800,000	\$2,856,000	\$2,913,120	\$2,971,382	\$3,030,810	\$3,091,426
331607 HOTEL TAX	\$1,325,770	\$1,373,701	\$1,405,978	\$1,373,208	\$748,888	\$2,100,000	\$2,163,000	\$2,227,890	\$2,294,727	\$2,363,569	\$2,434,476
331609 FOOD & BEVERAGE TAX	\$1,714,837	\$1,757,538	\$1,913,075	\$1,973,981	\$1,978,589	\$2,050,000	\$2,121,750	\$2,196,011	\$2,272,872	\$2,352,422	\$2,434,757
331801 TELECOM MAINTENANCE FEE	\$1,248,801	\$1,183,941	\$1,110,500	\$1,059,725	\$978,374	\$900,000	\$828,000	\$761,760	\$700,819	\$644,754	\$593,173
333501 STATE INCOME TAX	\$3,026,073	\$3,038,914	\$3,341,623	\$2,979,684	\$3,314,934	\$2,900,000	\$2,987,000	\$3,076,610	\$3,168,908	\$3,263,976	\$3,361,895
332201 GENERAL BUILDING PERMITS	\$405,010	\$495,728	\$534,735	\$724,256	\$899,695	\$800,000	\$840,000	\$882,000	\$926,100	\$972,405	\$1,021,025
Expansion Model	\$26,987,249	\$28,090,359	\$28,647,735	\$28,452,725	\$27,897,050	\$29,795,000	\$30,753,500	\$31,758,788	\$32,813,294	\$33,919,636	\$35,080,622
% Change vs. Prior Year	-0.21%	4.09%	1.98%	-0.68%	-1.95%	6.80%	3.22%	3.27%	3.32%	3.37%	3.42%
331301 SALES TAX	\$12,350,825	\$12,871,206	\$12,782,378	\$12,670,212	\$12,473,443	\$12,750,000	\$13,068,750	\$13,395,469	\$13,730,355	\$14,073,614	\$14,425,455
331302 LOCAL USE TAX	\$547,996	\$632,300	\$722,414	\$771,624	\$811,829	\$875,000	\$945,000	\$1,020,600	\$1,102,248	\$1,190,428	\$1,285,662
331303 HOME RULE SALES TAX	\$4,529,230	\$4,703,954	\$4,708,776	\$4,855,331	\$4,608,966	\$4,620,000	\$4,735,500	\$4,853,888	\$4,975,235	\$5,099,616	\$5,227,106
331601 AMUSEMENT PARK	\$1,838,707	\$2,033,077	\$2,128,257	\$2,044,704	\$2,082,331	\$2,800,000	\$2,856,000	\$2,913,120	\$2,971,382	\$3,030,810	\$3,091,425
331607 HOTEL TAX	\$1,325,770	\$1,373,701	\$1,405,978	\$1,373,208	\$748,888	\$2,100,000	\$2,226,000	\$2,359,560	\$2,501,134	\$2,651,202	\$2,810,274
331609 FOOD & BEVERAGE TAX	\$1,714,837	\$1,757,538	\$1,913,075	\$1,973,981	\$1,978,589	\$2,050,000	\$2,142,250	\$2,238,651	\$2,339,391	\$2,444,663	\$2,554,673
331801 TELECOM MAINTENANCE FEE	\$1,248,801	\$1,183,941	\$1,110,500	\$1,059,725	\$978,374	\$900,000	\$855,000	\$812,250	\$771,638	\$733,056	\$696,403
333501 STATE INCOME TAX	\$3,026,073	\$3,038,914	\$3,341,623	\$2,979,684	\$3,314,934	\$2,900,000	\$3,045,000	\$3,197,250	\$3,357,113	\$3,524,968	\$3,701,217
332201 GENERAL BUILDING PERMITS	\$405,010	\$495,728	\$534,735	\$724,256	\$899,695	\$800,000	\$880,000	\$968,000	\$1,064,800	\$1,171,280	\$1,288,408
Contraction Model	\$26,987,249	\$28,090,359	\$28,647,735	\$28,452,725	\$27,897,050	\$29,795,000	\$28,862,150	\$28,346,567	\$29,227,314	\$30,157,512	\$31,138,838
% Change vs. Prior Year	-0.21%	4.09%	1.98%	-0.68%	-1.95%	6.80%	-3.13%	-1.79%	3.11%	3.18%	3.25%
331301 SALES TAX	\$12,350,825	\$12,871,206	\$12,782,378	\$12,670,212	\$12,473,443	\$12,750,000	\$12,367,500	\$12,120,150	\$12,423,154	\$12,733,733	\$13,052,076
331302 LOCAL USE TAX	\$547,996	\$632,300	\$722,414	\$771,624	\$811,829	\$875,000	\$848,750	\$831,775	\$898,317	\$970,182	\$1,047,797
331303 HOME RULE SALES TAX	\$4,529,230	\$4,703,954	\$4,708,776	\$4,855,331	\$4,608,966	\$4,620,000	\$4,481,400	\$4,391,772	\$4,501,566	\$4,614,105	\$4,729,458
331601 AMUSEMENT PARK	\$1,838,707	\$2,033,077	\$2,128,257	\$2,044,704	\$2,082,331	\$2,800,000	\$2,856,000	\$2,913,120	\$2,971,382	\$3,030,810	\$3,091,426
331607 HOTEL TAX	\$1,325,770	\$1,373,701	\$1,405,978	\$1,373,208	\$748,888	\$2,100,000	\$1,995,000	\$1,995,000	\$2,114,700	\$2,241,582	\$2,376,077
331609 FOOD & BEVERAGE TAX	\$1,714,837	\$1,757,538	\$1,913,075	\$1,973,981	\$1,978,589	\$2,050,000	\$1,988,500	\$1,988,500	\$2,077,983	\$2,171,492	\$2,269,209
331801 TELECOM MAINTENANCE FEE	\$1,248,801	\$1,183,941	\$1,110,500	\$1,059,725	\$978,374	\$900,000	\$810,000	\$729,000	\$656,100	\$590,490	\$531,441
333501 STATE INCOME TAX	\$3,026,073	\$3,038,914	\$3,341,623	\$2,979,684	\$3,314,934	\$2,900,000	\$2,755,000	\$2,617,250	\$2,748,113	\$2,885,518	\$3,029,794
332201 GENERAL BUILDING PERMITS	\$405,010	\$495,728	\$534,735	\$724,256	\$899,695	\$800,000	\$760,000	\$760,000	\$836,000	\$919,600	\$1,011,560

Major Revenue Summary



Other Revenues

Other non-major revenues are grouped by categories including; taxes, licenses & permits, intergovernmental revenue, charges for service, fines & forfeitures, investments & contributions, and other sources. Non-major revenues account for approximately 25.00% of General Fund revenues. Between FY2014 and FY2018, non-major revenues increased an average of 2.9% annually. If contractual Charges for Service are removed, non-major revenues increased a total of 0.5%. The forecast includes all current contractual increases with all other revenues remaining flat for the remainder of the forecast.

110 - General Fund	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	Actual	Actual	Actual	Actual	Actual	Budget	Estimate	Proposed	Projected	Projected	Projected	Projected
All Other Revenues By Category	\$9,849,688	\$9,944,436	\$10,758,945	\$10,571,004	\$10,828,376	\$12,078,846	\$12,196,476	\$12,706,666	\$12,842,576	\$12,674,926	\$12,513,546	\$12,625,026
% Change vs. Prior Year	4.84%	0.96%	8.19%	-1.75%	2.43%	11.55%	12.63%	4.18%	1.07%	-1.31%	-1.27%	0.89%
31 Taxes	\$1,866,554	\$2,084,327	\$2,198,713	\$2,113,293	\$1,798,539	\$2,396,623	\$2,440,953	\$2,436,623	\$2,436,623	\$2,436,623	\$2,436,623	\$2,436,623
32 Licenses & Permits	\$401,617	\$419,137	\$440,963	\$491,664	\$449,776	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750
33 Intergovernmental	\$456,526	\$235,591	\$113,896	\$171,589	\$154,149	\$158,100	\$158,100	\$661,625	\$694,025	\$420,275	\$150,100	\$150,100
34 Charges for Services	\$5,191,584	\$5,226,178	\$5,545,709	\$6,053,535	\$6,213,627	\$6,505,120	\$6,578,420	\$6,589,415	\$6,692,925	\$6,799,025	\$6,907,820	\$7,019,300
35 Fines & Forfeitures	\$1,820,325	\$1,837,912	\$2,028,886	\$1,642,039	\$1,988,198	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500
36 Invests & Contribs	\$54,773	\$68,006	\$118,747	\$78,383	\$193,722	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753
39 Other Sources	\$58,308	\$73,285	\$312,031	\$20,500	\$30,365	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000

Major Expenditures

Major expenditures comprise approximately 75.00% of all General Fund expenditures. Major expenditures are largely personnel related costs with the addition of insurance and debt service. These expenditures are forecast using only one model as costs are more predictable and can be controlled, for the most part, by the Village. As a service organization, personnel costs make up the majority of the Village's operating budget.

Salaries

Full-time salaries account for 44.5% of the FY2019 General Fund budget. The Village has approved contracts with six bargaining units: three Police units, one Fire unit, one Public Works unit and one Administrative unit. The Forecast assumes;

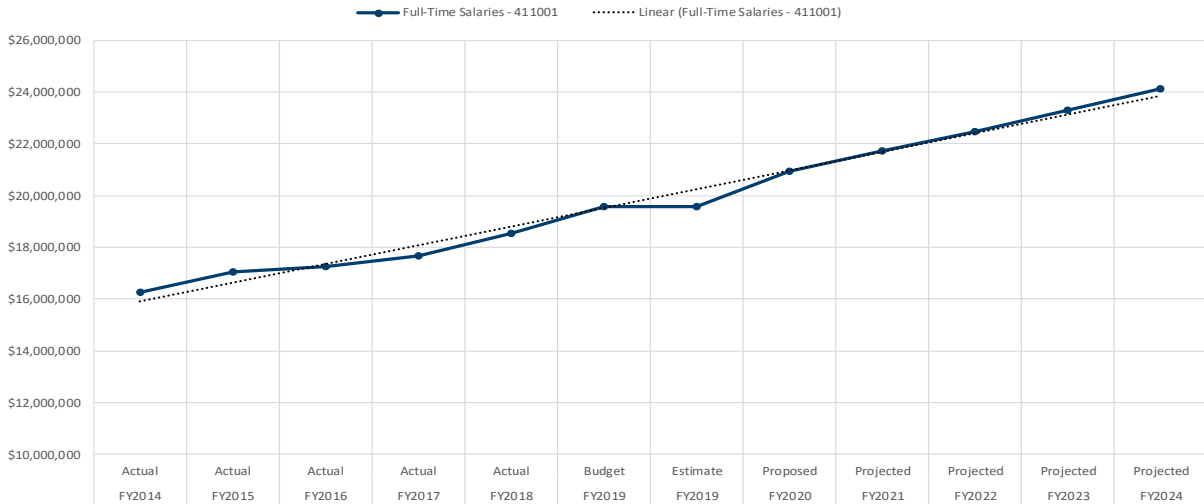
- Addition of Six (6) firefighters in FY2020
- No other changes in current staffing levels
- All positions are filled year-round
- No changes in step increases
- The most recent bargaining unit cost of living applied to all units throughout the forecast period

Staff turnover accounts for an approximately 2.0% savings in salaries annually. This savings is a significant source of General Fund surpluses that is primarily transferred to the Capital Improvement Fund at year end to fund the Village's capital improvement program. This is an important conservative budgeting practice to retain as it provides a contingency in the event of an unanticipated interruption in economically sensitive General Fund revenues.

Between FY2014 and FY2018, salaries increased an average of 3.2% annually. This includes the addition of six firefighter/paramedics in the FY2016 budget, three Police Department personnel in FY2017, and six communications positions in FY2018. Salaries are projected to increase an average of 3.5% annually throughout the forecast period.

Full-Time Salaries

411001	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budget	FY2019 Estimate	FY2020 Proposed	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Full-Time Salaries - 411001												
% Change	2.5%	4.8%	1.3%	2.5%	4.9%	5.5%	5.5%	7.0%	3.6%	3.6%	3.6%	3.6%
11010100	4.6%	2.4%	9.5%	6.5%	1.1%	3.4%	3.4%	3.5%	3.5%	3.5%	3.5%	3.5%
11010200	2.5%	3.1%	3.3%	-1.8%	12.9%	-1.6%	-1.6%	3.5%	3.5%	3.5%	3.5%	3.5%
11020100	-7.0%	-1.0%	-3.8%	-4.6%	21.3%	2.1%	2.1%	3.5%	3.5%	3.5%	3.5%	3.5%
11020200	2.2%	0.2%	8.6%	9.9%	5.2%	-0.5%	-0.5%	3.5%	3.5%	3.5%	3.5%	3.5%
11040100	4.1%	3.3%	-0.6%	1.3%	4.9%	6.3%	6.3%	3.5%	3.5%	3.5%	3.5%	3.5%
11040200	5.8%	0.2%	10.2%	8.7%	28.2%	18.1%	18.1%	3.5%	3.5%	3.5%	3.5%	3.5%
11050100	1.1%	9.1%	4.0%	2.4%	-2.2%	4.0%	4.0%	15.8%	3.8%	3.8%	3.8%	3.9%
11075100	5.3%	5.6%	-0.6%	4.1%	6.6%	3.1%	3.1%	3.5%	3.5%	3.5%	3.5%	3.5%
11075200	-7.6%	11.8%	-8.6%	1.7%	11.8%	3.8%	3.8%	3.5%	3.5%	3.5%	3.5%	3.5%
22175500	3.6%	3.5%	-11.2%	3.6%	7.3%	7.3%	7.3%	3.5%	3.5%	3.5%	3.5%	3.5%
Expense	\$16,251,572	\$17,028,809	\$17,248,637	\$17,682,946	\$18,555,252	\$19,584,359	\$19,584,359	\$20,952,225	\$21,704,891	\$22,485,863	\$23,296,245	\$24,137,270
11010100	\$698,856	\$715,451	\$783,152	\$833,889	\$842,663	\$871,650	\$871,650	\$902,200	\$933,777	\$966,459	\$1,000,285	\$1,035,295
11010200	\$347,188	\$358,029	\$369,883	\$363,284	\$409,978	\$403,235	\$403,235	\$417,400	\$432,009	\$447,129	\$462,779	\$478,976
11020100	\$719,056	\$711,949	\$684,756	\$652,956	\$792,286	\$809,050	\$809,050	\$837,400	\$866,709	\$897,044	\$928,440	\$960,936
11020200	\$516,739	\$517,628	\$562,285	\$617,695	\$649,849	\$646,655	\$646,655	\$669,300	\$692,726	\$716,971	\$742,065	\$768,037
11040100	\$6,360,493	\$6,571,644	\$6,532,191	\$6,614,841	\$6,937,019	\$7,374,535	\$7,374,535	\$7,632,700	\$7,899,845	\$8,176,339	\$8,462,511	\$8,758,699
11040200	\$839,309	\$841,199	\$926,817	\$1,007,231	\$1,290,944	\$1,524,861	\$1,524,861	\$1,578,300	\$1,633,541	\$1,690,714	\$1,749,889	\$1,811,136
11050100	\$4,692,675	\$5,120,289	\$5,324,109	\$5,452,316	\$5,330,859	\$5,544,535	\$5,544,535	\$6,420,625	\$6,664,685	\$6,919,250	\$7,184,800	\$7,461,925
11075100	\$993,215	\$1,049,266	\$1,042,790	\$1,086,037	\$1,157,818	\$1,193,314	\$1,193,314	\$1,235,100	\$1,278,329	\$1,323,070	\$1,369,377	\$1,417,306
11075200	\$257,878	\$288,290	\$263,361	\$267,937	\$299,496	\$310,957	\$310,957	\$321,900	\$333,167	\$344,827	\$356,896	\$369,388
22175500	\$826,163	\$855,065	\$759,291	\$786,761	\$844,341	\$905,567	\$905,567	\$937,300	\$970,106	\$1,004,059	\$1,039,201	\$1,075,573



Property, Liability & Workers Compensation Insurance

The Village participates in the Municipal Insurance Cooperative Agency (MICA) pool for Liability, Property and Workers Compensation insurance. Premiums are based on a 4-year average of actual experience, combined with changes in exposure and payroll, and general market conditions. Pooled insurance allows the Village a low deductible, but higher premium plan that provides less volatility in annual costs. The forecast assumes;

- Continued participation in MICA
- No change in coverages, limits or deductibles
- No change in existing insured property

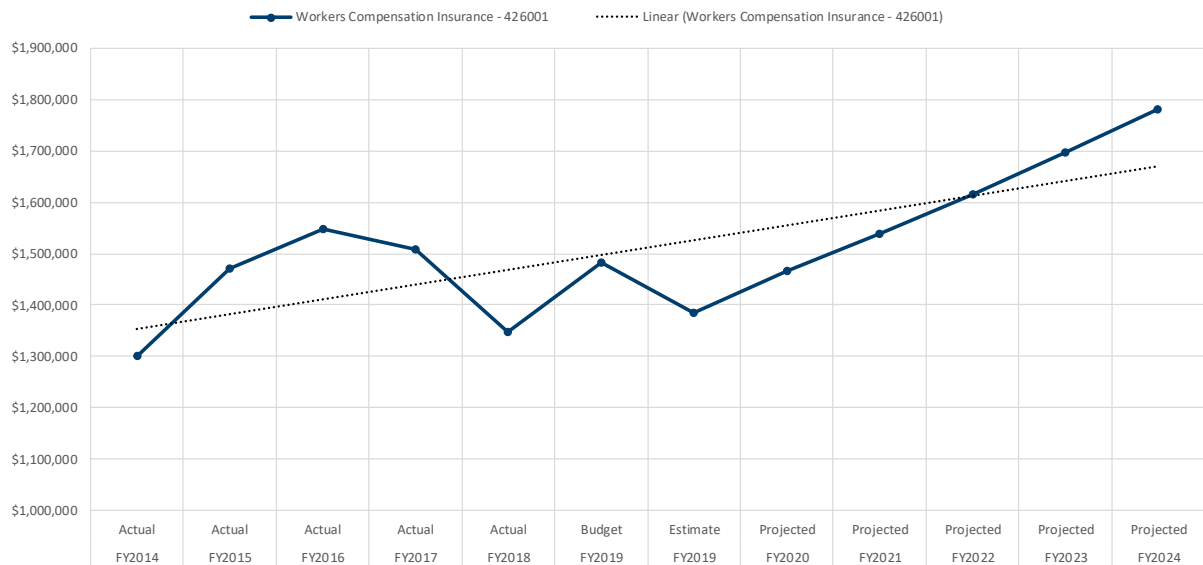
On the workers compensation side the Village had a relatively good premium year in FY2018 due to a poor experience year falling off of the funding formula used by MICA to determine premiums. Workers compensation premiums have increased an average of 3.3% between FY2014 and FY2018. The forecast projects a 5.00% increase annually throughout the remainder of the forecast period.

On the liability and property side, between FY2014 and FY2018, premiums have increased an average of 2.2% annually. The forecast assumes an annual increase of 3.00% throughout the forecast period.

Premiums are charged directly to departmental budgets based on experience within the department. This allocation method makes departments directly accountable for their claims experience.

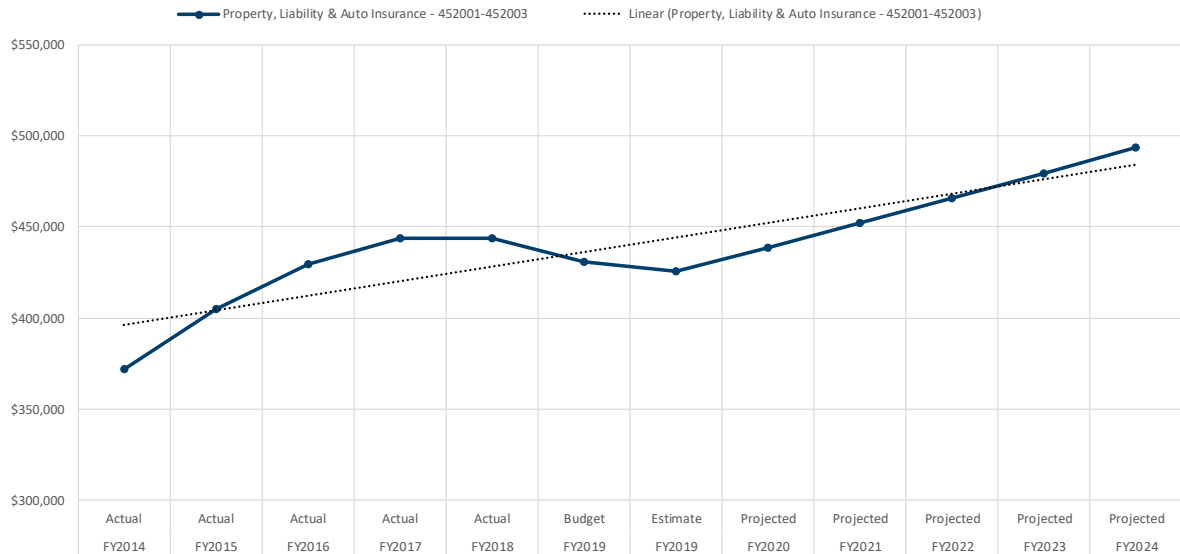
Workers Compensation Insurance

426001	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budget	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Workers Compensation Insurance - 426001												
% Change	11.6%	13.1%	5.2%	-2.6%	-10.6%	10.0%	2.7%	5.9%	5.0%	5.0%	5.0%	5.0%
11010100	-13.8%	2.9%	-7.0%	-2.7%	1.6%	-3.0%	-4.8%	5.0%	5.0%	5.0%	5.0%	5.0%
11010200	-15.5%	0.0%	-7.0%	-6.2%	0.8%	-3.0%	-4.8%	5.0%	5.0%	5.0%	5.0%	5.0%
11020100	15.9%	2.9%	-7.0%	-1.8%	1.6%	-3.0%	-4.8%	5.0%	5.0%	5.0%	5.0%	5.0%
11020200	15.9%	2.9%	-7.0%	-1.8%	1.6%	-3.0%	-4.8%	5.0%	5.0%	5.0%	5.0%	5.0%
11040100	11.3%	6.1%	6.9%	-0.6%	-3.4%	1.8%	-0.7%	5.0%	5.0%	5.0%	5.0%	5.0%
11040200	11.3%	25.4%	-15.4%	-5.5%	1.7%	-3.0%	-4.8%	5.0%	5.0%	5.0%	5.0%	5.0%
11050100	11.4%	18.1%	3.6%	-2.7%	-8.9%	7.9%	-2.2%	6.1%	5.0%	5.0%	5.0%	5.0%
11075100	11.3%	16.6%	7.5%	-4.7%	-23.8%	29.0%	16.7%	6.8%	5.0%	5.0%	5.0%	5.0%
11075200	11.3%	0.0%	-7.0%	45.3%	-40.3%	64.5%	-9.2%	39.2%	5.0%	5.0%	5.0%	5.0%
22175500	14.9%	12.9%	7.8%	-5.0%	-12.9%	12.9%	9.4%	5.0%	5.0%	5.0%	5.0%	5.0%
Expense	\$1,300,900	\$1,470,845	\$1,546,785	\$1,507,210	\$1,347,163	\$1,482,117	\$1,383,675	\$1,465,322	\$1,538,588	\$1,615,518	\$1,696,293	\$1,781,108
11010100	\$9,990	\$10,280	\$9,562	\$9,300	\$9,445	\$9,159	\$8,995	\$9,445	\$9,917	\$10,413	\$10,934	\$11,480
11010200	\$8,000	\$8,000	\$7,441	\$6,980	\$7,037	\$6,824	\$6,702	\$7,037	\$7,389	\$7,758	\$8,146	\$8,554
11020100	\$14,845	\$15,280	\$14,213	\$13,950	\$14,173	\$13,743	\$13,496	\$14,172	\$14,881	\$15,625	\$16,406	\$17,226
11020200	\$14,845	\$15,280	\$14,213	\$13,950	\$14,173	\$13,743	\$13,496	\$14,172	\$14,881	\$15,625	\$16,406	\$17,226
11040100	\$350,510	\$371,940	\$397,574	\$395,320	\$381,872	\$388,733	\$379,293	\$398,258	\$418,171	\$439,079	\$461,033	\$484,085
11040200	\$12,980	\$16,280	\$13,776	\$13,020	\$13,247	\$12,845	\$12,614	\$13,246	\$13,908	\$14,604	\$15,334	\$16,101
11050100	\$441,390	\$521,364	\$540,173	\$525,550	\$479,015	\$516,784	\$468,421	\$497,012	\$521,863	\$547,956	\$575,354	\$604,121
11075100	\$214,200	\$249,721	\$268,448	\$255,800	\$195,033	\$251,524	\$227,552	\$242,966	\$255,114	\$267,870	\$281,264	\$295,327
11075200	\$12,980	\$12,980	\$12,074	\$17,540	\$10,478	\$17,238	\$9,518	\$13,246	\$13,908	\$14,604	\$15,334	\$16,101
22175500	\$221,160	\$249,720	\$269,312	\$255,800	\$222,689	\$251,524	\$243,588	\$255,768	\$268,556	\$281,984	\$296,083	\$310,888



Property, Liability & Auto Insurance

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	Actual	Actual	Actual	Actual	Actual	Budget	Estimate	Projected	Projected	Projected	Projected	Projected
Property, Liability & Auto Insurance - 452001-452003												
% Change	-7.2%	9.0%	6.0%	3.3%	0.1%	-2.9%	-4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
11010100	-1.7%	-10.5%	-7.0%	-8.4%	1.5%	-3.0%	-4.8%	3.0%	3.0%	3.0%	3.0%	3.0%
11010200	-17.2%	-10.8%	7.4%	-13.4%	-0.3%	-3.0%	-4.8%	3.0%	3.0%	3.0%	3.0%	3.0%
11020100	2.0%	7.2%	-7.0%	-0.8%	1.8%	-3.0%	-4.8%	3.0%	3.0%	3.0%	3.0%	3.0%
11020200	1.6%	7.2%	-7.0%	-0.8%	1.8%	-3.0%	-4.8%	3.0%	3.0%	3.0%	3.0%	3.0%
11040100	-3.4%	8.8%	-7.0%	0.8%	1.4%	-3.0%	-4.8%	3.0%	3.0%	3.0%	3.0%	3.0%
11040200	-0.7%	0.5%	-7.0%	-7.4%	1.3%	-3.0%	-4.8%	3.0%	3.0%	3.0%	3.0%	3.0%
11050100	-9.0%	17.0%	46.2%	13.4%	1.5%	-3.0%	-4.8%	3.0%	3.0%	3.0%	3.0%	3.0%
11075100	-19.4%	23.2%	33.4%	6.5%	1.5%	-3.0%	-4.8%	3.0%	3.0%	3.0%	3.0%	3.0%
11075200	9.7%	1.3%	17.6%	3.9%	3.3%	-1.5%	22.1%	3.0%	3.0%	3.0%	3.0%	3.0%
11075300	-22.5%	-7.9%	-7.0%	12.2%	-0.5%	3.7%	1.8%	3.0%	3.0%	3.0%	3.0%	3.0%
22175500	-14.4%	11.8%	14.4%	5.1%	-7.4%	-3.0%	-4.8%	3.0%	3.0%	3.0%	3.0%	3.0%
Expense	\$371,665	\$405,229	\$429,377	\$443,575	\$443,806	\$430,964	\$425,937	\$438,726	\$451,888	\$465,444	\$479,408	\$493,790
11010100	\$25,587	\$22,910	\$21,310	\$19,530	\$19,821	\$19,220	\$18,875	\$19,442	\$20,025	\$20,626	\$21,245	\$21,882
11010200	\$1,457	\$1,300	\$1,397	\$1,210	\$1,207	\$1,170	\$1,149	\$1,184	\$1,220	\$1,256	\$1,294	\$1,333
11020100	\$8,455	\$9,060	\$8,427	\$8,360	\$8,515	\$8,256	\$8,108	\$8,352	\$8,603	\$8,861	\$9,126	\$9,400
11020200	\$8,455	\$9,060	\$8,427	\$8,360	\$8,515	\$8,256	\$8,108	\$8,352	\$8,603	\$8,861	\$9,126	\$9,400
11040100	\$178,729	\$194,410	\$180,835	\$182,310	\$184,937	\$179,322	\$176,103	\$181,387	\$186,829	\$192,433	\$198,206	\$204,153
11040200	\$12,887	\$12,950	\$12,046	\$11,160	\$11,302	\$10,959	\$10,762	\$11,086	\$11,419	\$11,761	\$12,114	\$12,477
11050100	\$32,119	\$37,590	\$54,973	\$62,320	\$63,251	\$61,332	\$60,231	\$62,040	\$63,901	\$65,818	\$67,793	\$69,827
11075100	\$35,075	\$43,212	\$57,634	\$61,390	\$62,320	\$60,429	\$59,344	\$61,125	\$62,959	\$64,848	\$66,793	\$68,797
11075200	\$8,347	\$8,455	\$9,943	\$10,328	\$10,666	\$10,503	\$13,024	\$13,416	\$13,818	\$14,233	\$14,660	\$15,100
11075300	\$7,260	\$6,690	\$6,222	\$6,980	\$6,944	\$7,200	\$7,071	\$7,283	\$7,501	\$7,727	\$7,958	\$8,197
22175500	\$53,295	\$59,592	\$68,163	\$71,627	\$66,329	\$64,317	\$63,162	\$65,059	\$67,011	\$69,021	\$71,092	\$73,224



Health Insurance

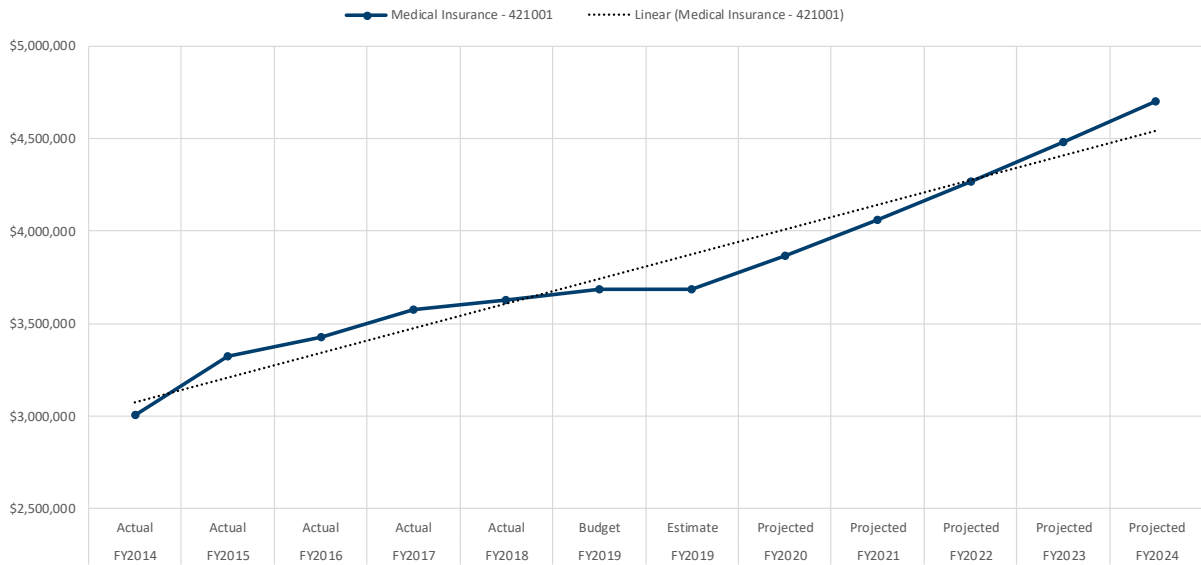
The Village is self-insured for employee medical insurance that covers all employees with the exception of those covered under the Local 150 bargaining agreement. Local 150 employees are covered under a union sponsored plan. The Village plan is administered by Blue Cross/Blue Shield of Illinois and has an excess policy for catastrophic claims. The forecast assumes;

- No Change in employee share of 12.00%
- No change in plan design, benefits
- Continued self-insured setup

Between FY2014 and FY2018, health insurance expenditures increased an average of 8.0% annually. FY2019 expenditures are anticipated to increase 1.6% over the previous year based on the renewal. The forecast assumes an annual increase of 5.00% annually thereafter throughout the forecast period. The assumption is lower than the historical average because the Village anticipates the uncertainty surrounding the implementation of the Affordable Care Act and making minor plan adjustments to keep costs contained.

Medical Insurance

421001	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budget	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Medical Insurance - 421001												
% Change	20.5%	10.6%	3.0%	4.3%	1.5%	1.6%	1.6%	5.0%	5.0%	5.0%	5.0%	5.0%
11010100	37.2%	13.6%	-6.4%	-7.0%	15.8%	-5.1%	-5.1%	5.0%	5.0%	5.0%	5.0%	5.0%
11010200	13.7%	7.1%	46.1%	11.5%	-31.1%	1.9%	1.9%	5.0%	5.0%	5.0%	5.0%	5.0%
11020100	-5.5%	14.3%	13.8%	20.0%	-11.0%	2.9%	2.9%	5.0%	5.0%	5.0%	5.0%	5.0%
11020200	8.3%	7.4%	16.8%	17.2%	-10.4%	-0.3%	-0.3%	5.0%	5.0%	5.0%	5.0%	5.0%
11040100	26.0%	8.5%	-0.7%	-1.7%	9.8%	4.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%
11040200	15.6%	17.7%	3.6%	-0.7%	38.4%	3.4%	3.4%	5.0%	5.0%	5.0%	5.0%	5.0%
11050100	27.4%	12.2%	-2.5%	-0.2%	3.9%	-1.6%	-1.6%	5.0%	5.0%	5.0%	5.0%	5.0%
11075100	14.6%	3.4%	10.2%	20.7%	-15.6%	3.3%	3.3%	5.0%	5.0%	5.0%	5.0%	5.0%
11075200	13.5%	24.1%	-1.3%	23.6%	-1.4%	2.2%	2.2%	5.1%	5.0%	5.0%	5.0%	5.0%
22175500	2.4%	13.5%	18.6%	14.0%	-21.3%	0.7%	0.7%	5.0%	5.0%	5.0%	5.0%	5.0%
Expense	\$3,006,132	\$3,324,160	\$3,424,017	\$3,572,392	\$3,626,566	\$3,684,655	\$3,684,655	\$3,869,400	\$4,062,870	\$4,266,014	\$4,479,314	\$4,703,280
11010100	\$120,536	\$136,893	\$128,125	\$119,126	\$137,928	\$130,852	\$130,852	\$137,400	\$144,270	\$151,484	\$159,058	\$167,011
11010200	\$54,495	\$58,346	\$85,233	\$95,029	\$65,485	\$66,733	\$66,733	\$70,100	\$73,605	\$77,285	\$81,150	\$85,207
11020100	\$117,041	\$133,830	\$152,271	\$182,739	\$162,667	\$167,394	\$167,394	\$175,800	\$184,590	\$193,820	\$203,510	\$213,686
11020200	\$97,504	\$104,760	\$122,366	\$143,462	\$128,559	\$128,148	\$128,148	\$134,600	\$141,330	\$148,397	\$155,816	\$163,607
11040100	\$1,105,717	\$1,199,506	\$1,191,267	\$1,171,530	\$1,286,056	\$1,337,377	\$1,337,377	\$1,404,300	\$1,474,515	\$1,548,241	\$1,625,653	\$1,706,935
11040200	\$162,817	\$191,666	\$198,518	\$197,111	\$272,813	\$282,207	\$282,207	\$296,400	\$311,220	\$326,781	\$343,120	\$360,276
11050100	\$817,344	\$916,861	\$893,579	\$891,913	\$927,025	\$912,111	\$912,111	\$957,800	\$1,005,690	\$1,055,975	\$1,108,773	\$1,164,212
11075100	\$263,329	\$272,382	\$300,143	\$362,313	\$305,707	\$315,835	\$315,835	\$331,700	\$348,285	\$365,699	\$383,984	\$403,183
11075200	\$61,130	\$75,892	\$74,926	\$92,598	\$91,325	\$93,336	\$93,336	\$98,100	\$103,005	\$108,155	\$113,563	\$119,241
22175500	\$206,219	\$234,024	\$277,587	\$316,571	\$249,001	\$250,662	\$250,662	\$263,200	\$276,360	\$290,178	\$304,687	\$319,921



Pensions

Village employees participate in one of three different pension plans per state statute. Police employees are covered under Article 3 pension plans (40 ILCS 5/3). Fire employees are covered under Article 4 pension plans (40 ILCS 5/4). All non-police or fire employees are covered under the Illinois Municipal Retirement Fund (IMRF) (40 ILCS 5/7). To participate in IMRF, new employees must be expected to work over 1,000 hours annually.

Funding for the Police and Fire Pension Funds is determined by an independent actuary and paid annually in December from revenues in the General Fund. The independent actuary forecasts payments for the next five fiscal years.

The forecast assumes;

- No change in employee levels
- No change in benefits or plan design
- No change in actuarial assumptions used to calculate ARC
- The most conservative funding assumption model for police and fire pension funds

Police

Since FY2014, police pension required contributions have increased an average of 13.2% annually. The Village contracted with a new actuary to dig deeper into the assumptions and continue to fund conservatively. Based on feedback from the actuary the assumed increase should flatten out barring adding personnel or continued low returns. The forecast assumes a 5.00% increase in FY2021 – FY2024. The increase for FY2020 is known at 4.9%.

Fire

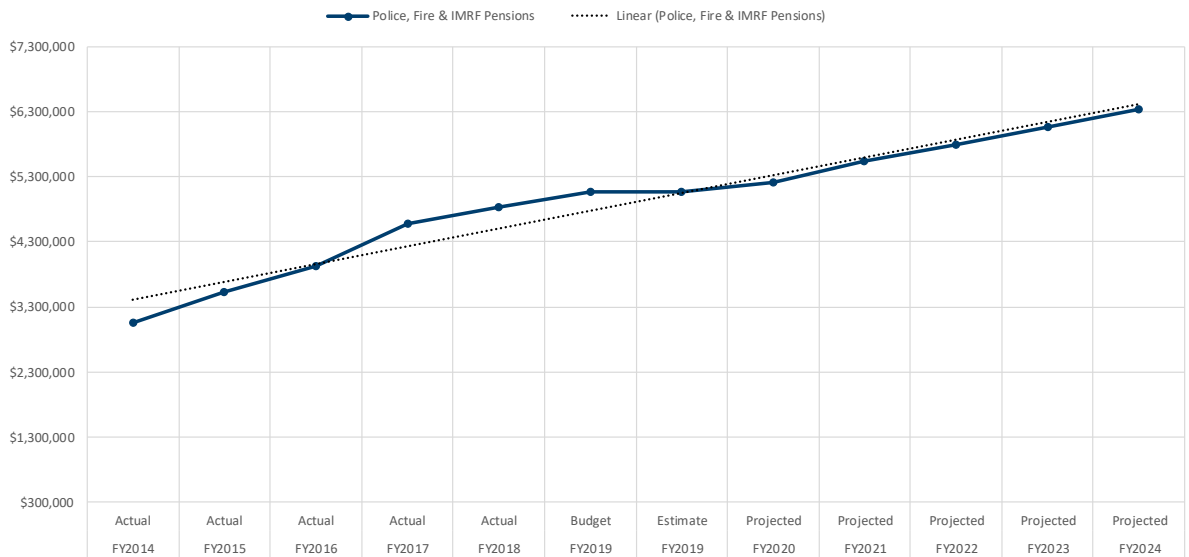
Since FY2014, fire pension required contributions have increased an average of 10.8% annually. The impacts to the Fire pension are similar to the police pension. The assumptions are the same and the FY2020 known change is a decrease of 2.2%. However, the Village will voluntarily increase the contribution by 3.3% as an effort to conservatively fund pension obligations.

IMRF

Since FY2014, IMRF costs have increased an average of 5.4% annually. The increase is due in part to lower than expected returns in the IMRF portfolio increasing the employer share and changes to positions. The employer rate is projected to remain flat throughout the forecast period. The forecast assumes costs will increase an average of 3.0% for the forecast period as a result of general salary increases.

Police, Fire & IMRF Pensions

	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budget	FY2019 Estimate	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Police, Fire & IMRF Pensions												
% Change	3.4%	15.4%	11.7%	16.2%	5.7%	4.7%	4.7%	3.1%	6.1%	4.6%	4.6%	4.6%
11010100	7.8%	4.3%	6.8%	7.5%	0.4%	3.1%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%
11010200	10.6%	-1.6%	5.1%	3.0%	0.3%	2.5%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%
11020100	-3.2%	-3.0%	-6.1%	-2.3%	18.9%	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%
11020200	5.7%	-1.3%	8.7%	11.6%	1.2%	3.4%	3.4%	3.0%	3.0%	3.0%	3.0%	3.0%
11040100	5.0%	19.9%	11.1%	20.9%	9.3%	3.7%	3.7%	3.0%	6.9%	4.9%	4.9%	4.9%
11040200	7.5%	-0.4%	5.1%	18.4%	34.7%	7.6%	7.6%	3.0%	3.0%	3.0%	3.0%	3.0%
11050100	-1.4%	21.6%	17.1%	15.3%	1.5%	4.5%	4.5%	3.2%	6.7%	5.0%	5.0%	5.0%
11075100	12.7%	-3.3%	-1.5%	9.3%	-1.3%	11.8%	11.8%	3.0%	3.0%	3.0%	3.0%	3.0%
11075200	3.0%	7.6%	41.2%	-30.3%	13.6%	-8.0%	-8.0%	3.0%	3.0%	3.0%	3.0%	3.0%
22175500	16.3%	-7.4%	-5.1%	14.2%	-22.0%	28.4%	28.4%	3.0%	3.0%	3.0%	3.0%	3.0%
Expense	\$3,051,101	\$3,521,374	\$3,934,589	\$4,572,554	\$4,831,423	\$5,059,825	\$5,059,825	\$5,215,018	\$5,535,128	\$5,789,780	\$6,056,503	\$6,335,878
11010100	\$86,152	\$89,822	\$95,950	\$103,176	\$103,615	\$106,790	\$106,790	\$109,994	\$113,294	\$116,693	\$120,193	\$123,799
11010200	\$50,020	\$49,216	\$51,719	\$53,274	\$53,417	\$54,756	\$54,756	\$56,399	\$58,091	\$59,834	\$61,629	\$63,478
11020100	\$89,904	\$87,243	\$81,902	\$80,056	\$95,190	\$98,550	\$98,550	\$101,507	\$104,552	\$107,689	\$110,919	\$114,247
11020200	\$64,506	\$63,664	\$69,208	\$77,256	\$78,212	\$80,881	\$80,881	\$83,308	\$85,807	\$88,381	\$91,033	\$93,764
11040100	\$1,282,668	\$1,537,305	\$1,708,039	\$2,065,856	\$2,257,476	\$2,339,927	\$2,339,927	\$2,408,992	\$2,574,256	\$2,700,156	\$2,832,267	\$2,970,896
11040200	\$114,149	\$113,696	\$119,538	\$141,579	\$190,739	\$205,278	\$205,278	\$211,437	\$217,780	\$224,314	\$231,043	\$237,974
11050100	\$1,056,398	\$1,284,540	\$1,504,707	\$1,735,622	\$1,761,450	\$1,840,263	\$1,840,263	\$1,899,998	\$2,027,663	\$2,128,419	\$2,234,195	\$2,345,239
11075100	\$146,856	\$142,023	\$139,875	\$152,861	\$150,921	\$168,686	\$168,686	\$173,747	\$178,959	\$184,328	\$189,858	\$195,554
11075200	\$35,524	\$38,215	\$53,952	\$37,620	\$42,739	\$39,337	\$39,337	\$40,518	\$41,734	\$42,986	\$44,275	\$45,603
22175500	\$124,925	\$115,651	\$109,700	\$125,255	\$97,664	\$125,357	\$125,357	\$129,118	\$132,992	\$136,981	\$141,091	\$145,323



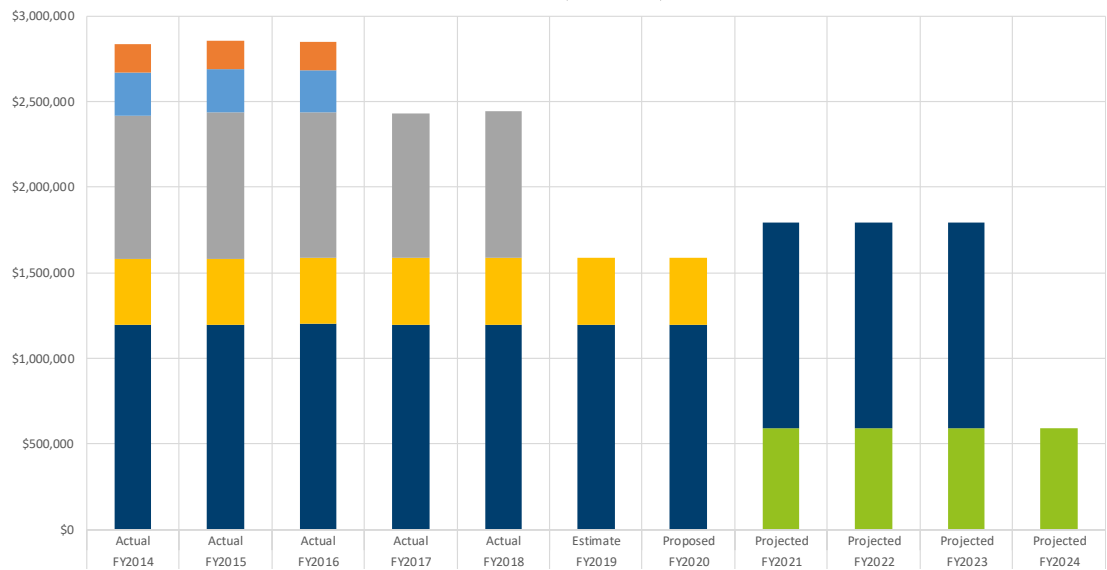
Debt Service

The Village has 1 outstanding general obligation bond issues (Series 2011). Annual debt service is transferred from the General Fund to the Bond Fund. The Village also contributes 75% of the debt service for the Park District bonds used to build the Hunt Club Park Aquatic Center. The General Fund forecast assumes;

- No new debt or refinancing
- 100% of the debt service expiring in FY2016 (Series 2012) is utilized for capital
- 50% of the debt service expiring in FY2018 (Series 2009) is utilized for capital
- \$7 million IEPA loan beginning in FY2020

The following schedule depicts the debt service for the outstanding G.O. issues.

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	Actual	Actual	Actual	Actual	Actual	Estimate	Proposed	Projected	Projected	Projected	Projected
Debt Service											
Expense	\$2,833,278	\$2,856,175	\$2,849,015	\$2,431,585	\$2,442,616	\$1,588,138	\$1,588,813	\$1,792,650	\$1,795,400	\$1,791,000	\$595,000
110 Series 2012 (60%)	\$248,460	\$249,660	\$247,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
221 Series 2012 (40%)	\$165,640	\$166,440	\$165,240	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
110 Series 2009	\$838,475	\$856,875	\$849,075	\$845,825	\$856,975	\$0	\$0	\$0	\$0	\$0	\$0
110 Series 2001 (Park District)	\$383,353	\$385,350	\$386,490	\$386,910	\$386,291	\$388,688	\$389,813	\$0	\$0	\$0	\$0
110 Series 2011	\$1,197,350	\$1,197,850	\$1,200,350	\$1,198,850	\$1,199,350	\$1,199,450	\$1,199,000	\$1,197,650	\$1,200,400	\$1,196,000	\$0
221 IEPA Anticipated Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$595,000	\$595,000	\$595,000	\$595,000



Other Expenditures

Similar to non-major revenues, non-major General Fund expenditures are grouped by category including; Salaries & Wages, Employee Benefits, Professional & Technical Services, Contractual Services, Other Contracted Services, Supplies, Debt Service and Other Financing Uses. The forecast assumes these expenditures increase by 2.5% annually with the following major exceptions;

- Great Wolf Lodge Recapture Agreement based on projections
- Six Flags rebate based on actual assumptions
- Contractual Services increase at 2.5% annually in the absence of a contractual amount
- Key Decision Points as outlined in Section I

Forecast of Revenues, Expenses & Changes in Fund Balance

The following charts show the revenues, expenditures and change in fund balance for the three different revenue models. Historically conservative budgeting practices and staff turnover have led to surpluses of approximately \$1 million. Therefore, there is cause for concern in the model once the annual deficit is greater than \$1 million.

Baseline Model

110 - General Fund	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Baseline Model	Actual	Actual	Actual	Actual	Actual	Budget	Estimate	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance - 5/1	\$23,017,519	\$22,140,618	\$23,652,875	\$24,919,358	\$26,016,884	\$26,041,423	\$26,041,423	\$27,158,587	\$27,533,238	\$27,367,376	\$26,251,867	\$23,908,609
Revenues Over/(Under) Expenses	(\$876,900)	\$1,512,257	\$1,266,484	\$1,097,525	\$24,539	\$39,556	\$1,117,164	\$374,651	(\$165,863)	(\$1,115,509)	(\$2,343,257)	(\$2,148,827)
Ending Fund Balance - 4/30	\$22,140,618	\$23,652,875	\$24,919,358	\$26,016,884	\$26,041,423	\$26,080,978	\$27,158,587	\$27,533,238	\$27,367,376	\$26,251,867	\$23,908,609	\$21,759,782
Ending Fund Balance as a % of Expenditures	58.7%	64.3%	65.5%	68.9%	67.2%	61.7%	66.4%	64.6%	62.6%	58.3%	51.3%	46.2%
Revenues	\$36,872,069	\$38,280,796	\$39,295,288	\$38,841,538	\$38,793,021	\$42,313,846	\$41,991,476	\$42,964,866	\$43,583,792	\$43,918,985	\$44,280,341	\$44,934,568
% Change vs. Prior Year	2.73%	3.82%	2.65%	-1.15%	-0.12%	9.08%	8.24%	2.32%	1.44%	0.77%	0.82%	1.48%
30 Major Revenues	\$27,022,380	\$28,336,359	\$28,536,344	\$28,270,533	\$27,964,645	\$30,235,000	\$29,795,000	\$30,258,200	\$30,741,216	\$31,244,059	\$31,766,795	\$32,309,542
% Change vs. Prior Year	1.98%	4.86%	0.71%	-0.93%	-1.08%	8.12%	6.55%	1.55%	1.60%	1.64%	1.67%	1.71%
110 331301 SALES TAX	\$16,941,664	\$17,648,918	\$17,490,747	\$17,479,892	\$17,110,840	\$12,220,000	\$12,750,000	\$12,877,500	\$13,006,275	\$13,136,338	\$13,267,701	\$13,400,378
110 331302 LOCAL USE TAX	\$547,996	\$632,300	\$722,414	\$771,624	\$768,614	\$820,000	\$875,000	\$918,750	\$964,688	\$1,012,922	\$1,063,568	\$1,116,746
110 331303 HOME RULE SALES TAX	\$0	\$0	\$0	\$0	\$0	\$4,620,000	\$4,620,000	\$4,666,200	\$4,712,862	\$4,759,991	\$4,807,591	\$4,855,666
110 331601 AMUSEMENT PARK	\$1,838,707	\$2,033,077	\$2,188,326	\$2,040,273	\$2,662,373	\$2,800,000	\$2,800,000	\$2,856,000	\$2,913,120	\$2,971,382	\$3,030,810	\$3,091,426
110 331607 HOTEL TAX	\$1,344,824	\$1,377,287	\$1,393,659	\$1,278,938	\$755,511	\$3,100,000	\$2,100,000	\$2,163,000	\$2,227,890	\$2,294,727	\$2,363,569	\$2,434,476
110 331609 FOOD & BEVERAGE TAX	\$1,724,068	\$1,768,844	\$1,928,664	\$1,965,227	\$1,976,418	\$2,050,000	\$2,050,000	\$2,121,750	\$2,196,011	\$2,272,872	\$2,352,422	\$2,434,757
110 331801 TELECOM MAINTENANCE FEE	\$1,236,717	\$1,170,582	\$1,105,658	\$1,046,704	\$962,279	\$925,000	\$900,000	\$828,000	\$761,760	\$700,819	\$644,753	\$593,173
110 333501 STATE INCOME TAX	\$2,983,395	\$3,209,624	\$3,172,141	\$2,963,620	\$2,829,015	\$2,900,000	\$2,900,000	\$2,987,000	\$3,076,610	\$3,168,908	\$3,263,976	\$3,361,895
110 332201 GENERAL BUILDING PERMITS	\$405,010	\$495,728	\$534,735	\$724,256	\$899,595	\$800,000	\$800,000	\$840,000	\$882,000	\$926,100	\$972,405	\$1,021,025
All Other Revenues By Category	\$9,849,688	\$9,944,436	\$10,758,945	\$10,571,004	\$10,828,376	\$12,078,846	\$12,196,476	\$12,706,666	\$12,842,576	\$12,674,926	\$12,513,546	\$12,625,026
% Change vs. Prior Year	4.84%	0.96%	8.19%	-1.75%	2.43%	11.55%	12.63%	4.18%	1.07%	-1.31%	-1.27%	0.89%
31 Taxes	\$1,866,554	\$2,084,327	\$2,198,713	\$2,113,293	\$1,798,539	\$2,396,623	\$2,440,953	\$2,436,623	\$2,436,623	\$2,436,623	\$2,436,623	\$2,436,623
32 Licenses & Permits	\$401,617	\$419,137	\$440,963	\$491,664	\$449,776	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750
33 Intergovernmental	\$456,526	\$235,591	\$113,896	\$171,589	\$154,149	\$158,100	\$158,100	\$661,625	\$694,025	\$420,275	\$150,100	\$150,100
34 Charges for Services	\$5,191,584	\$5,226,178	\$5,545,709	\$6,053,535	\$6,213,627	\$6,505,120	\$6,578,420	\$6,589,415	\$6,692,925	\$6,799,025	\$6,907,820	\$7,019,300
35 Fines & Forfeitures	\$1,820,325	\$1,837,912	\$2,028,886	\$1,642,039	\$1,988,198	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500
36 Invests & Contribs	\$54,773	\$68,006	\$118,747	\$78,383	\$193,722	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753
39 Other Sources	\$58,308	\$73,285	\$312,031	\$20,500	\$30,365	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000

Expenses	\$37,748,969	\$36,768,539	\$38,028,804	\$37,744,012	\$38,768,483	\$42,274,291	\$40,874,312	\$42,590,215	\$43,749,655	\$45,034,494	\$46,623,599	\$47,083,396
% Change vs. Prior Year	6.15%	-2.60%	3.43%	-0.75%	2.71%	9.04%	5.43%	4.20%	2.72%	2.94%	3.53%	0.99%
40 Major Expenses	\$25,669,860	\$27,379,253	\$28,210,149	\$29,038,938	\$29,772,453	\$32,404,231	\$30,793,933	\$32,655,759	\$33,552,733	\$34,817,581	\$36,128,439	\$36,303,273
% Change vs. Prior Year	9.66%	6.66%	3.03%	2.94%	2.53%	8.84%	3.43%	6.05%	2.75%	3.77%	3.76%	0.48%
110 411001 SALARIES-REGULAR	\$15,425,410	\$16,173,744	\$16,489,345	\$16,896,185	\$17,710,912	\$18,678,792	\$18,678,792	\$20,014,925	\$20,734,786	\$21,481,804	\$22,257,043	\$23,061,697
110 421001 MEDICAL INSURANCE	\$2,799,913	\$3,090,137	\$3,146,429	\$3,255,822	\$3,377,565	\$3,433,993	\$3,433,993	\$3,606,200	\$3,786,510	\$3,975,836	\$4,174,627	\$4,383,359
110 423001 IL MUNIC RETIREMENT FUND	\$753,058	\$748,979	\$762,959	\$801,866	\$857,793	\$916,377	\$916,377	\$943,873	\$972,189	\$1,001,355	\$1,031,396	\$1,062,337
110 423002 POLICE PENSION CONTRIB	\$1,163,598	\$1,416,990	\$1,590,485	\$1,945,216	\$2,137,886	\$2,207,368	\$2,207,368	\$2,272,456	\$2,433,624	\$2,555,305	\$2,683,070	\$2,817,224
110 423003 FIRE PENSION CONTRIBUTION	\$1,009,521	\$1,239,754	\$1,471,445	\$1,700,217	\$1,738,081	\$1,810,723	\$1,810,723	\$1,869,571	\$1,996,323	\$2,096,139	\$2,200,946	\$2,310,993
110 426001 WORKERS COMP INSURANCE	\$1,079,740	\$1,221,125	\$1,277,473	\$1,251,410	\$1,124,474	\$1,230,593	\$1,140,087	\$1,209,554	\$1,270,032	\$1,333,533	\$1,400,210	\$1,470,220
110 452001 LIABILITY INSURANCE	\$240,221	\$253,907	\$248,447	\$244,038	\$247,646	\$240,289	\$238,685	\$245,852	\$253,228	\$260,824	\$268,649	\$276,709
110 452002 AUTO INSURANCE	\$34,590	\$51,610	\$75,449	\$89,310	\$90,755	\$88,000	\$86,420	\$89,014	\$91,684	\$94,435	\$97,268	\$100,186
110 452003 PROPERTY INSURANCE	\$43,560	\$40,120	\$37,318	\$38,600	\$39,076	\$38,358	\$37,669	\$38,801	\$39,965	\$41,164	\$42,399	\$43,671
110 452004 AUTO INSURANCE	\$1,700	\$5,815	\$1,600	\$1,600	\$5,650	\$1,600	\$5,680	\$1,700	\$1,743	\$1,786	\$1,831	\$1,876
110 491006 PARK AQUATIC CENTER AGRMT	\$383,353	\$385,350	\$386,490	\$386,910	\$386,291	\$388,688	\$388,688	\$389,813	\$0	\$0	\$0	\$0
110 493019 KEY LIME COVE RECAPTURE	\$450,363	\$447,338	\$425,424	\$382,189	\$0	\$2,170,000	\$650,000	\$775,000	\$775,000	\$775,000	\$775,000	\$775,000
110 493021 TRANS 2004 GO REFUNDING	\$249,009	\$249,660	\$247,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
110 493024 TRANS 2009 GO REFUNDING	\$838,475	\$856,875	\$849,075	\$846,275	\$856,975	\$0	\$0	\$0	\$0	\$0	\$0	\$0
110 493025 TFR TO DS FOR SERIES 2011	\$1,197,350	\$1,197,850	\$1,200,350	\$1,199,300	\$1,199,350	\$1,199,450	\$1,199,450	\$1,199,000	\$1,197,650	\$1,200,400	\$1,196,000	\$0
All Other Expenses by Category	\$8,679,109	\$7,789,286	\$9,018,655	\$7,755,074	\$8,996,030	\$9,670,060	\$9,880,379	\$8,959,456	\$9,221,922	\$9,541,913	\$9,820,159	\$10,105,123
% Change vs. Prior Year	-8.08%	-10.25%	15.78%	-14.01%	16.00%	7.49%	9.83%	-9.32%	2.93%	3.47%	2.92%	2.90%
41 Salaries & Wages	\$2,964,214	\$2,318,814	\$2,202,156	\$2,321,362	\$2,781,029	\$2,453,100	\$2,644,600	\$2,533,237	\$2,618,215	\$2,706,167	\$2,797,197	\$2,891,414
42 Employee Benefits	\$1,105,420	\$1,113,518	\$1,130,102	\$1,153,661	\$1,163,484	\$1,287,308	\$1,284,217	\$1,327,568	\$1,373,991	\$1,422,114	\$1,472,003	\$1,523,726
43 Prof & Tech Services	\$1,082,910	\$947,168	\$866,465	\$920,988	\$1,173,008	\$1,439,146	\$1,439,146	\$1,475,131	\$1,512,009	\$1,549,810	\$1,588,555	\$1,628,269
44 Contractual Services	\$1,532,528	\$1,586,088	\$1,379,273	\$1,431,007	\$1,537,541	\$1,757,251	\$1,758,511	\$1,707,370	\$1,750,495	\$1,794,257	\$1,839,114	\$1,885,092
45 Other Cont. Services	\$592,976	\$616,998	\$667,554	\$579,805	\$722,504	\$748,869	\$748,869	\$746,700	\$763,993	\$781,717	\$799,885	\$818,507
46 Supplies	\$1,522,492	\$1,294,325	\$1,298,636	\$1,242,727	\$1,303,811	\$1,369,936	\$1,369,936	\$1,347,500	\$1,381,188	\$1,415,717	\$1,451,110	\$1,487,388
47 Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48 Debt Service	\$0	\$0	\$93,096	\$93,086	\$93,086	\$0	\$650	\$0	\$0	\$0	\$0	\$0
49 Other Financing Uses	(\$121,432)	(\$87,625)	\$1,381,374	\$12,438	\$221,567	\$614,450	\$634,450	(\$178,050)	(\$177,968)	(\$127,870)	(\$127,705)	(\$129,273)
Key Decision Points	\$3,400,000	\$1,600,000	\$800,000	\$950,000	\$0	\$200,000	\$200,000	\$975,000	\$975,000	\$675,000	\$675,000	\$675,000
Transfer to 131 - Capital Improvement Fund	25.46%	-52.94%	-50.00%	18.75%	-100.00%	0.00%	0.00%	387.50%	0.00%	-30.77%	0.00%	0.00%
Series 2012 Debt Service (100%)	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Series 2009 Debt Service (50%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000
Year-End Surplus	\$3,400,000	\$1,600,000	\$500,000	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to 223 - Water & Sewer Capital Improvement Fund												
Year-End Surplus	\$0	\$0	\$300,000	\$200,000	\$0	\$0	\$0	\$300,000	\$300,000	\$0	\$0	\$0

Expansion Model

110 - General Fund	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Expansion Model	Actual	Actual	Actual	Actual	Actual	Budget	Estimate	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance - 5/1	\$23,017,519	\$22,140,618	\$23,652,875	\$24,919,358	\$26,016,884	\$26,041,423	\$26,041,423	\$27,158,587	\$28,028,538	\$28,880,249	\$29,333,977	\$29,143,562
Revenues Over/(Under) Expenses	(\$876,900)	\$1,512,257	\$1,266,484	\$1,097,525	\$24,539	\$39,556	\$1,117,164	\$869,951	\$851,710	\$453,728	(\$190,414)	\$622,254
Ending Fund Balance - 4/30	\$22,140,618	\$23,652,875	\$24,919,358	\$26,016,884	\$26,041,423	\$26,080,978	\$27,158,587	\$28,028,538	\$28,880,249	\$29,333,977	\$29,143,562	\$29,765,816
Ending Fund Balance as a % of Expenditures	58.7%	64.3%	65.5%	68.9%	67.2%	61.7%	66.4%	65.8%	66.0%	65.1%	62.5%	63.2%
Revenues	\$36,872,069	\$38,280,796	\$39,295,288	\$38,841,538	\$38,793,021	\$42,313,846	\$41,991,476	\$43,460,166	\$44,601,365	\$45,488,222	\$46,433,184	\$47,705,649
% Change vs. Prior Year	2.73%	3.82%	2.65%	-1.15%	-0.12%	9.08%	8.24%	3.50%	2.63%	1.99%	2.08%	2.74%
30 Major Revenues	\$27,022,380	\$28,336,359	\$28,536,344	\$28,270,533	\$27,964,645	\$30,235,000	\$29,795,000	\$30,753,500	\$31,758,789	\$32,813,296	\$33,919,638	\$35,080,623
% Change vs. Prior Year	1.98%	4.86%	0.71%	-0.93%	-1.08%	8.12%	6.55%	3.22%	3.27%	3.32%	3.37%	3.42%
110 331301 SALES TAX	\$16,941,664	\$17,648,918	\$17,490,747	\$17,479,892	\$17,110,840	\$12,220,000	\$12,750,000	\$13,068,750	\$13,395,470	\$13,730,355	\$14,073,615	\$14,425,455
110 331302 LOCAL USE TAX	\$547,996	\$632,300	\$722,414	\$771,624	\$768,614	\$820,000	\$875,000	\$945,000	\$1,020,600	\$1,102,248	\$1,190,428	\$1,285,662
110 331303 HOME RULE SALES TAX	\$0	\$0	\$0	\$0	\$0	\$4,620,000	\$4,620,000	\$4,735,500	\$4,853,888	\$4,975,235	\$5,099,616	\$5,227,106
110 331601 AMUSEMENT PARK	\$1,838,707	\$2,033,077	\$2,188,326	\$2,040,273	\$2,662,373	\$2,800,000	\$2,800,000	\$2,856,000	\$2,913,120	\$2,971,382	\$3,030,810	\$3,091,425
110 331607 HOTEL TAX	\$1,344,824	\$1,377,287	\$1,393,659	\$1,278,938	\$755,511	\$3,100,000	\$2,100,000	\$2,226,000	\$2,359,560	\$2,501,134	\$2,651,202	\$2,810,274
110 331609 FOOD & BEVERAGE TAX	\$1,724,068	\$1,768,844	\$1,928,664	\$1,965,227	\$1,976,418	\$2,050,000	\$2,050,000	\$2,142,250	\$2,238,651	\$2,339,391	\$2,444,663	\$2,554,673
110 331801 TELECOM MAINTENANCE FEE	\$1,236,717	\$1,170,582	\$1,105,658	\$1,046,704	\$962,279	\$925,000	\$900,000	\$855,000	\$812,250	\$771,638	\$733,056	\$696,403
110 333501 STATE INCOME TAX	\$2,983,395	\$3,209,624	\$3,172,141	\$2,963,620	\$2,829,015	\$2,900,000	\$2,900,000	\$3,045,000	\$3,197,250	\$3,357,113	\$3,524,968	\$3,701,217
110 332201 GENERAL BUILDING PERMITS	\$405,010	\$495,728	\$534,735	\$724,256	\$899,595	\$800,000	\$800,000	\$880,000	\$968,000	\$1,064,800	\$1,171,280	\$1,288,408
All Other Revenues By Category	\$9,849,688	\$9,944,436	\$10,758,945	\$10,571,004	\$10,828,376	\$12,078,846	\$12,196,476	\$12,706,666	\$12,842,576	\$12,674,926	\$12,513,546	\$12,625,026
% Change vs. Prior Year	4.84%	0.96%	8.19%	-1.75%	2.43%	11.55%	12.63%	4.18%	1.07%	-1.31%	-1.27%	0.89%
31 Taxes	\$1,866,554	\$2,084,327	\$2,198,713	\$2,113,293	\$1,798,539	\$2,396,623	\$2,440,953	\$2,436,623	\$2,436,623	\$2,436,623	\$2,436,623	\$2,436,623
32 Licenses & Permits	\$401,617	\$419,137	\$440,963	\$491,664	\$449,776	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750
33 Intergovernmental	\$456,526	\$235,591	\$113,896	\$171,589	\$154,149	\$158,100	\$158,100	\$661,625	\$694,025	\$420,275	\$150,100	\$150,100
34 Charges for Services	\$5,191,584	\$5,226,178	\$5,545,709	\$6,053,535	\$6,213,627	\$6,505,120	\$6,578,420	\$6,589,415	\$6,692,925	\$6,799,025	\$6,907,820	\$7,019,300
35 Fines & Forfeitures	\$1,820,325	\$1,837,912	\$2,028,886	\$1,642,039	\$1,988,198	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500
36 Invests & Contribs	\$54,773	\$68,006	\$118,747	\$78,383	\$193,722	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753
39 Other Sources	\$58,308	\$73,285	\$312,031	\$20,500	\$30,365	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000

Expenses	\$37,748,969	\$36,768,539	\$38,028,804	\$37,744,012	\$38,768,483	\$42,274,291	\$40,874,312	\$42,590,215	\$43,749,655	\$45,034,494	\$46,623,599	\$47,083,396
% Change vs. Prior Year	6.15%	-2.60%	3.43%	-0.75%	2.71%	9.04%	5.43%	4.20%	2.72%	2.94%	3.53%	0.99%
40 Major Expenses	\$25,669,860	\$27,379,253	\$28,210,149	\$29,038,938	\$29,772,453	\$32,404,231	\$30,793,933	\$32,655,759	\$33,552,733	\$34,817,581	\$36,128,439	\$36,303,273
% Change vs. Prior Year	9.66%	6.66%	3.03%	2.94%	2.53%	8.84%	3.43%	6.05%	2.75%	3.77%	3.76%	0.48%
110 411001 SALARIES-REGULAR	\$15,425,410	\$16,173,744	\$16,489,345	\$16,896,185	\$17,710,912	\$18,678,792	\$18,678,792	\$20,014,925	\$20,734,786	\$21,481,804	\$22,257,043	\$23,061,697
110 421001 MEDICAL INSURANCE	\$2,799,913	\$3,090,137	\$3,146,429	\$3,255,822	\$3,377,565	\$3,433,993	\$3,433,993	\$3,606,200	\$3,786,510	\$3,975,836	\$4,174,627	\$4,383,359
110 423001 IL MUNIC RETIREMENT FUND	\$753,058	\$748,979	\$762,959	\$801,866	\$857,793	\$916,377	\$916,377	\$943,873	\$972,189	\$1,001,355	\$1,031,396	\$1,062,337
110 423002 POLICE PENSION CONTRIB	\$1,163,598	\$1,416,990	\$1,590,485	\$1,945,216	\$2,137,886	\$2,207,368	\$2,207,368	\$2,272,456	\$2,433,624	\$2,555,305	\$2,683,070	\$2,817,224
110 423003 FIRE PENSION CONTRIBUTION	\$1,009,521	\$1,239,754	\$1,471,445	\$1,700,217	\$1,738,081	\$1,810,723	\$1,810,723	\$1,869,571	\$1,996,323	\$2,096,139	\$2,200,946	\$2,310,993
110 426001 WORKERS COMP INSURANCE	\$1,079,740	\$1,221,125	\$1,277,473	\$1,251,410	\$1,124,474	\$1,230,593	\$1,140,087	\$1,209,554	\$1,270,032	\$1,333,533	\$1,400,210	\$1,470,220
110 452001 LIABILITY INSURANCE	\$240,221	\$253,907	\$248,447	\$244,038	\$247,646	\$240,289	\$238,685	\$245,852	\$253,228	\$260,824	\$268,649	\$276,709
110 452002 AUTO INSURANCE	\$34,590	\$51,610	\$75,449	\$89,310	\$90,755	\$88,000	\$86,420	\$89,014	\$91,684	\$94,435	\$97,268	\$100,186
110 452003 PROPERTY INSURANCE	\$43,560	\$40,120	\$37,318	\$38,600	\$39,076	\$38,358	\$37,669	\$38,801	\$39,965	\$41,164	\$42,399	\$43,671
110 452004 AUTO INSURANCE	\$1,700	\$5,815	\$1,600	\$1,600	\$5,650	\$1,600	\$5,680	\$1,700	\$1,743	\$1,786	\$1,831	\$1,876
110 491006 PARK AQUATIC CENTER AGRMT	\$383,353	\$385,350	\$386,490	\$386,910	\$386,291	\$388,688	\$388,688	\$389,813	\$0	\$0	\$0	\$0
110 493019 KEY LIME COVE RECAPTURE	\$450,363	\$447,338	\$425,424	\$382,189	\$0	\$2,170,000	\$650,000	\$775,000	\$775,000	\$775,000	\$775,000	\$775,000
110 493021 TRANS 2004 GO REFUNDING	\$249,009	\$249,660	\$247,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
110 493024 TRANS 2009 GO REFUNDING	\$838,475	\$856,875	\$849,075	\$846,275	\$856,975	\$0	\$0	\$0	\$0	\$0	\$0	\$0
110 493025 TFR TO DS FOR SERIES 2011	\$1,197,350	\$1,197,850	\$1,200,350	\$1,199,300	\$1,199,350	\$1,199,450	\$1,199,450	\$1,199,000	\$1,197,650	\$1,200,400	\$1,196,000	\$0
All Other Expenses by Category	\$8,679,109	\$7,789,286	\$9,018,655	\$7,755,074	\$8,996,030	\$9,670,060	\$9,880,379	\$8,959,456	\$9,221,922	\$9,541,913	\$9,820,159	\$10,105,123
% Change vs. Prior Year	-8.08%	-10.25%	15.78%	-14.01%	16.00%	7.49%	9.83%	-9.32%	2.93%	3.47%	2.92%	2.90%
41 Salaries & Wages	\$2,964,214	\$2,318,814	\$2,202,156	\$2,321,362	\$2,781,029	\$2,453,100	\$2,644,600	\$2,533,237	\$2,618,215	\$2,706,167	\$2,797,197	\$2,891,414
42 Employee Benefits	\$1,105,420	\$1,113,518	\$1,130,102	\$1,153,661	\$1,163,484	\$1,287,308	\$1,284,217	\$1,327,568	\$1,373,991	\$1,422,114	\$1,472,003	\$1,523,726
43 Prof & Tech Services	\$1,082,910	\$947,168	\$866,465	\$920,988	\$1,173,008	\$1,439,146	\$1,439,146	\$1,475,131	\$1,512,009	\$1,549,810	\$1,588,555	\$1,628,269
44 Contractual Services	\$1,532,528	\$1,586,088	\$1,379,273	\$1,431,007	\$1,537,541	\$1,757,251	\$1,758,511	\$1,707,370	\$1,750,495	\$1,794,257	\$1,839,114	\$1,885,092
45 Other Cont. Services	\$592,976	\$616,998	\$667,554	\$579,805	\$722,504	\$748,869	\$748,869	\$746,700	\$763,993	\$781,717	\$799,885	\$818,507
46 Supplies	\$1,522,492	\$1,294,325	\$1,298,636	\$1,242,727	\$1,303,811	\$1,369,936	\$1,369,936	\$1,347,500	\$1,381,188	\$1,415,717	\$1,451,110	\$1,487,388
47 Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48 Debt Service	\$0	\$0	\$93,096	\$93,086	\$93,086	\$0	\$650	\$0	\$0	\$0	\$0	\$0
49 Other Financing Uses	(\$121,432)	(\$87,625)	\$1,381,374	\$12,438	\$221,567	\$614,450	\$634,450	(\$178,050)	(\$177,968)	(\$127,870)	(\$127,705)	(\$129,273)
Key Decision Points	\$3,400,000	\$1,600,000	\$800,000	\$950,000	\$0	\$200,000	\$200,000	\$975,000	\$975,000	\$675,000	\$675,000	\$675,000
Transfer to 131 - Capital Improvement Fund	25.46%	-52.94%	-50.00%	18.75%	-100.00%	0.00%	0.00%	387.50%	0.00%	-30.77%	0.00%	0.00%
Series 2012 Debt Service (100%)	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Series 2009 Debt Service (50%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000
Year-End Surplus	\$3,400,000	\$1,600,000	\$500,000	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to 223 - Water & Sewer Capital Improvement Fund												
Year-End Surplus	\$0	\$0	\$300,000	\$200,000	\$0	\$0	\$0	\$300,000	\$300,000	\$0	\$0	\$0

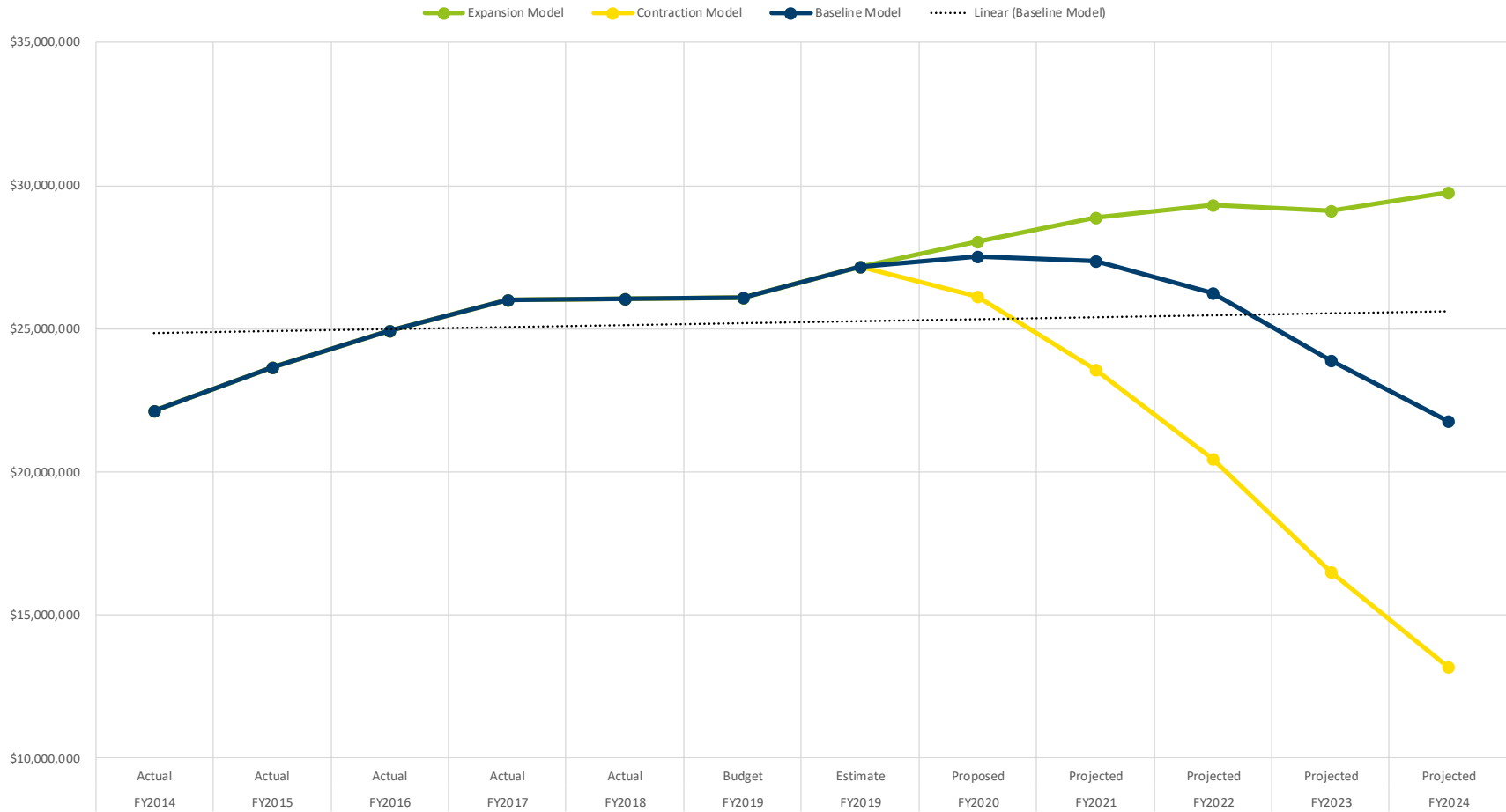
Contraction Model

110 - General Fund	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Contraction Model	Actual	Actual	Actual	Actual	Actual	Budget	Estimate	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance - 5/1	\$23,017,519	\$22,140,618	\$23,652,875	\$24,919,358	\$26,016,884	\$26,041,423	\$26,041,423	\$27,158,587	\$26,137,188	\$23,576,677	\$20,444,425	\$16,491,886
Revenues Over/(Under) Expenses	(\$876,900)	\$1,512,257	\$1,266,484	\$1,097,525	\$24,539	\$39,556	\$1,117,164	(\$1,021,399)	(\$2,560,512)	(\$3,132,252)	(\$3,952,538)	(\$3,319,532)
Ending Fund Balance - 4/30	\$22,140,618	\$23,652,875	\$24,919,358	\$26,016,884	\$26,041,423	\$26,080,978	\$27,158,587	\$26,137,188	\$23,576,677	\$20,444,425	\$16,491,886	\$13,172,354
Ending Fund Balance as a % of Expenditures	58.7%	64.3%	65.5%	68.9%	67.2%	61.7%	66.4%	61.4%	53.9%	45.4%	35.4%	28.0%
Revenues	\$36,872,069	\$38,280,796	\$39,295,288	\$38,841,538	\$38,793,021	\$42,313,846	\$41,991,476	\$41,568,816	\$41,189,143	\$41,902,242	\$42,671,060	\$43,763,863
% Change vs. Prior Year	2.73%	3.82%	2.65%	-1.15%	-0.12%	9.08%	8.24%	-1.01%	-0.91%	1.73%	1.83%	2.56%
30 Major Revenues	\$27,022,380	\$28,336,359	\$28,536,344	\$28,270,533	\$27,964,645	\$30,235,000	\$29,795,000	\$28,862,150	\$28,346,567	\$29,227,316	\$30,157,514	\$31,138,837
% Change vs. Prior Year	1.98%	4.86%	0.71%	-0.93%	-1.08%	8.12%	6.55%	-3.13%	-1.79%	3.11%	3.18%	3.25%
110 331301 SALES TAX	\$16,941,664	\$17,648,918	\$17,490,747	\$17,479,892	\$17,110,840	\$12,220,000	\$12,750,000	\$12,367,500	\$12,120,150	\$12,423,155	\$12,733,735	\$13,052,075
110 331302 LOCAL USE TAX	\$547,996	\$632,300	\$722,414	\$771,624	\$768,614	\$820,000	\$875,000	\$848,750	\$831,775	\$898,317	\$970,182	\$1,047,797
110 331303 HOME RULE SALES TAX	\$0	\$0	\$0	\$0	\$0	\$4,620,000	\$4,620,000	\$4,481,400	\$4,391,772	\$4,501,566	\$4,614,105	\$4,729,458
110 331601 AMUSEMENT PARK	\$1,838,707	\$2,033,077	\$2,188,326	\$2,040,273	\$2,662,373	\$2,800,000	\$2,800,000	\$2,856,000	\$2,913,120	\$2,971,382	\$3,030,810	\$3,091,426
110 331607 HOTEL TAX	\$1,344,824	\$1,377,287	\$1,393,659	\$1,278,938	\$755,511	\$3,100,000	\$2,100,000	\$1,995,000	\$1,995,000	\$2,114,700	\$2,241,582	\$2,376,077
110 331609 FOOD & BEVERAGE TAX	\$1,724,068	\$1,768,844	\$1,928,664	\$1,965,227	\$1,976,418	\$2,050,000	\$2,050,000	\$1,988,500	\$1,988,500	\$2,077,983	\$2,171,492	\$2,269,209
110 331801 TELECOM MAINTENANCE FEE	\$1,236,717	\$1,170,582	\$1,105,658	\$1,046,704	\$962,279	\$925,000	\$900,000	\$810,000	\$729,000	\$656,100	\$590,490	\$531,441
110 333501 STATE INCOME TAX	\$2,983,395	\$3,209,624	\$3,172,141	\$2,963,620	\$2,829,015	\$2,900,000	\$2,900,000	\$2,755,000	\$2,617,250	\$2,748,113	\$2,885,518	\$3,029,794
110 332201 GENERAL BUILDING PERMITS	\$405,010	\$495,728	\$534,735	\$724,256	\$899,595	\$800,000	\$800,000	\$760,000	\$760,000	\$836,000	\$919,600	\$1,011,560
All Other Revenues By Category	\$9,849,688	\$9,944,436	\$10,758,945	\$10,571,004	\$10,828,376	\$12,078,846	\$12,196,476	\$12,706,666	\$12,842,576	\$12,674,926	\$12,513,546	\$12,625,026
% Change vs. Prior Year	4.84%	0.96%	8.19%	-1.75%	2.43%	11.55%	12.63%	4.18%	1.07%	-1.31%	-1.27%	0.89%
31 Taxes	\$1,866,554	\$2,084,327	\$2,198,713	\$2,113,293	\$1,798,539	\$2,396,623	\$2,440,953	\$2,436,623	\$2,436,623	\$2,436,623	\$2,436,623	\$2,436,623
32 Licenses & Permits	\$401,617	\$419,137	\$440,963	\$491,664	\$449,776	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750	\$475,750
33 Intergovernmental	\$456,526	\$235,591	\$113,896	\$171,589	\$154,149	\$158,100	\$158,100	\$661,625	\$694,025	\$420,275	\$150,100	\$150,100
34 Charges for Services	\$5,191,584	\$5,226,178	\$5,545,709	\$6,053,535	\$6,213,627	\$6,505,120	\$6,578,420	\$6,589,415	\$6,692,925	\$6,799,025	\$6,907,820	\$7,019,300
35 Fines & Forfeitures	\$1,820,325	\$1,837,912	\$2,028,886	\$1,642,039	\$1,988,198	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500	\$2,209,500
36 Invests & Contribs	\$54,773	\$68,006	\$118,747	\$78,383	\$193,722	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753	\$313,753
39 Other Sources	\$58,308	\$73,285	\$312,031	\$20,500	\$30,365	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000

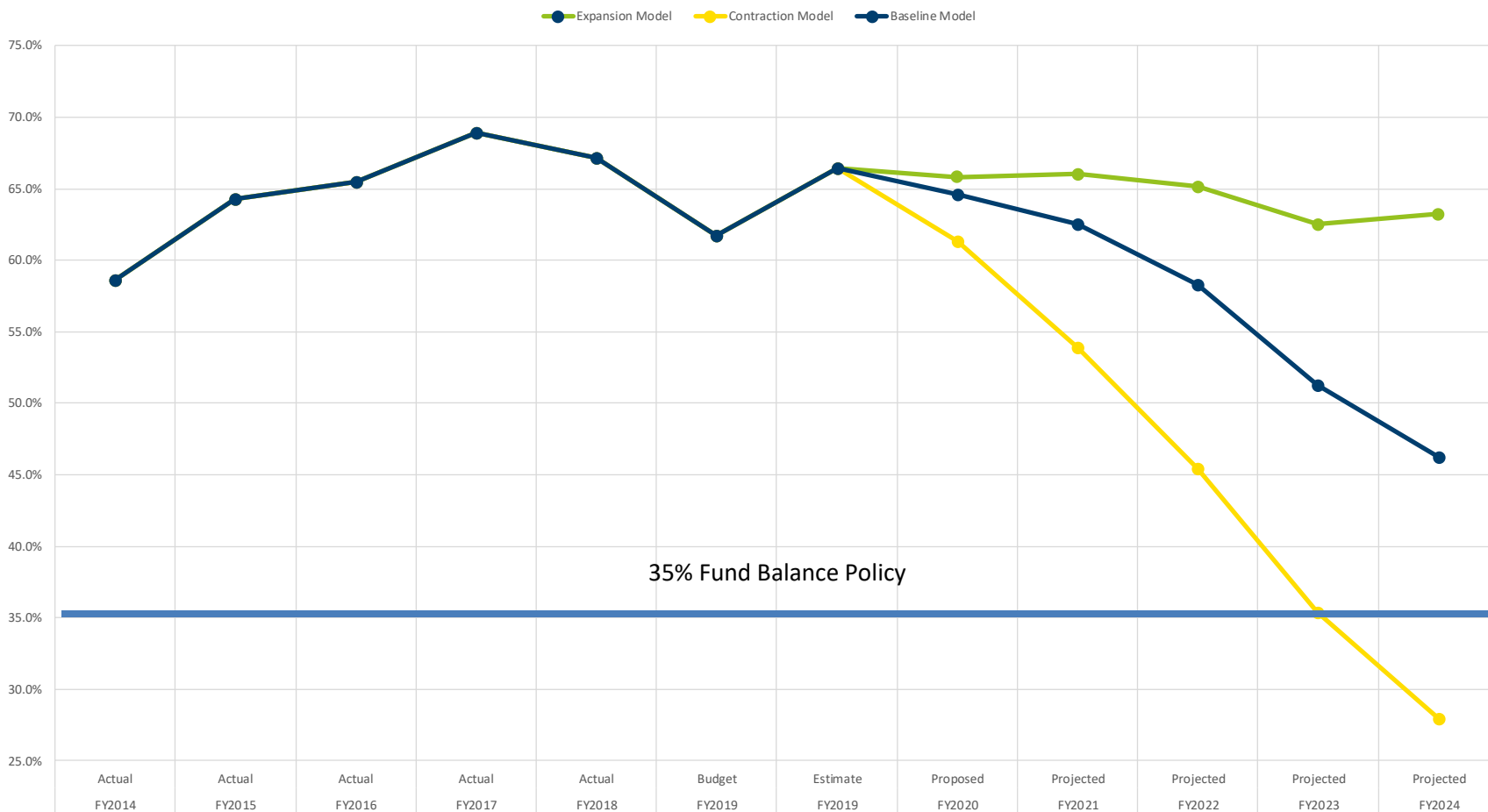
Expenses	\$37,748,969	\$36,768,539	\$38,028,804	\$37,744,012	\$38,768,483	\$42,274,291	\$40,874,312	\$42,590,215	\$43,749,655	\$45,034,494	\$46,623,599	\$47,083,396
% Change vs. Prior Year	6.15%	-2.60%	3.43%	-0.75%	2.71%	9.04%	5.43%	4.20%	2.72%	2.94%	3.53%	0.99%
40 Major Expenses	\$25,669,860	\$27,379,253	\$28,210,149	\$29,038,938	\$29,772,453	\$32,404,231	\$30,793,933	\$32,655,759	\$33,552,733	\$34,817,581	\$36,128,439	\$36,303,273
% Change vs. Prior Year	9.66%	6.66%	3.03%	2.94%	2.53%	8.84%	3.43%	6.05%	2.75%	3.77%	3.76%	0.48%
110 411001 SALARIES-REGULAR	\$15,425,410	\$16,173,744	\$16,489,345	\$16,896,185	\$17,710,912	\$18,678,792	\$18,678,792	\$20,014,925	\$20,734,786	\$21,481,804	\$22,257,043	\$23,061,697
110 421001 MEDICAL INSURANCE	\$2,799,913	\$3,090,137	\$3,146,429	\$3,255,822	\$3,377,565	\$3,433,993	\$3,433,993	\$3,606,200	\$3,786,510	\$3,975,836	\$4,174,627	\$4,383,359
110 423001 IL MUNIC RETIREMENT FUND	\$753,058	\$748,979	\$762,959	\$801,866	\$857,793	\$916,377	\$916,377	\$943,873	\$972,189	\$1,001,355	\$1,031,396	\$1,062,337
110 423002 POLICE PENSION CONTRIB	\$1,163,598	\$1,416,990	\$1,590,485	\$1,945,216	\$2,137,886	\$2,207,368	\$2,207,368	\$2,272,456	\$2,433,624	\$2,555,305	\$2,683,070	\$2,817,224
110 423003 FIRE PENSION CONTRIBUTION	\$1,009,521	\$1,239,754	\$1,471,445	\$1,700,217	\$1,738,081	\$1,810,723	\$1,810,723	\$1,869,571	\$1,996,323	\$2,096,139	\$2,200,946	\$2,310,993
110 426001 WORKERS COMP INSURANCE	\$1,079,740	\$1,221,125	\$1,277,473	\$1,251,410	\$1,124,474	\$1,230,593	\$1,140,087	\$1,209,554	\$1,270,032	\$1,333,533	\$1,400,210	\$1,470,220
110 452001 LIABILITY INSURANCE	\$240,221	\$253,907	\$248,447	\$244,038	\$247,646	\$240,289	\$238,685	\$245,852	\$253,228	\$260,824	\$268,649	\$276,709
110 452002 AUTO INSURANCE	\$34,590	\$51,610	\$75,449	\$89,310	\$90,755	\$88,000	\$86,420	\$89,014	\$91,684	\$94,435	\$97,268	\$100,186
110 452003 PROPERTY INSURANCE	\$43,560	\$40,120	\$37,318	\$38,600	\$39,076	\$38,358	\$37,669	\$38,801	\$39,965	\$41,164	\$42,399	\$43,671
110 452004 AUTO INSURANCE	\$1,700	\$5,815	\$1,600	\$1,600	\$5,650	\$1,600	\$5,680	\$1,700	\$1,743	\$1,786	\$1,831	\$1,876
110 491006 PARK AQUATIC CENTER AGRMT	\$383,353	\$385,350	\$386,490	\$386,910	\$386,291	\$388,688	\$388,688	\$389,813	\$0	\$0	\$0	\$0
110 493019 KEY LIME COVE RECAPTURE	\$450,363	\$447,338	\$425,424	\$382,189	\$0	\$2,170,000	\$650,000	\$775,000	\$775,000	\$775,000	\$775,000	\$775,000
110 493021 TRANS 2004 GO REFUNDING	\$249,009	\$249,660	\$247,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
110 493024 TRANS 2009 GO REFUNDING	\$838,475	\$856,875	\$849,075	\$846,275	\$856,975	\$0	\$0	\$0	\$0	\$0	\$0	\$0
110 493025 TFR TO DS FOR SERIES 2011	\$1,197,350	\$1,197,850	\$1,200,350	\$1,199,300	\$1,199,350	\$1,199,450	\$1,199,450	\$1,199,000	\$1,197,650	\$1,200,400	\$1,196,000	\$0
All Other Expenses by Category	\$8,679,109	\$7,789,286	\$9,018,655	\$7,755,074	\$8,996,030	\$9,670,060	\$9,880,379	\$8,959,456	\$9,221,922	\$9,541,913	\$9,820,159	\$10,105,123
% Change vs. Prior Year	-8.08%	-10.25%	15.78%	-14.01%	16.00%	7.49%	9.83%	-9.32%	2.93%	3.47%	2.92%	2.90%
41 Salaries & Wages	\$2,964,214	\$2,318,814	\$2,202,156	\$2,321,362	\$2,781,029	\$2,453,100	\$2,644,600	\$2,533,237	\$2,618,215	\$2,706,167	\$2,797,197	\$2,891,414
42 Employee Benefits	\$1,105,420	\$1,113,518	\$1,130,102	\$1,153,661	\$1,163,484	\$1,287,308	\$1,284,217	\$1,327,568	\$1,373,991	\$1,422,114	\$1,472,003	\$1,523,726
43 Prof & Tech Services	\$1,082,910	\$947,168	\$866,465	\$920,988	\$1,173,008	\$1,439,146	\$1,439,146	\$1,475,131	\$1,512,009	\$1,549,810	\$1,588,555	\$1,628,269
44 Contractual Services	\$1,532,528	\$1,586,088	\$1,379,273	\$1,431,007	\$1,537,541	\$1,757,251	\$1,758,511	\$1,707,370	\$1,750,495	\$1,794,257	\$1,839,114	\$1,885,092
45 Other Cont. Services	\$592,976	\$616,998	\$667,554	\$579,805	\$722,504	\$748,869	\$748,869	\$746,700	\$763,993	\$781,717	\$799,885	\$818,507
46 Supplies	\$1,522,492	\$1,294,325	\$1,298,636	\$1,242,727	\$1,303,811	\$1,369,936	\$1,369,936	\$1,347,500	\$1,381,188	\$1,415,717	\$1,451,110	\$1,487,388
47 Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48 Debt Service	\$0	\$0	\$93,096	\$93,086	\$93,086	\$0	\$650	\$0	\$0	\$0	\$0	\$0
49 Other Financing Uses	(\$121,432)	(\$87,625)	\$1,381,374	\$12,438	\$221,567	\$614,450	\$634,450	(\$178,050)	(\$177,968)	(\$127,870)	(\$127,705)	(\$129,273)
Key Decision Points	\$3,400,000	\$1,600,000	\$800,000	\$950,000	\$0	\$200,000	\$200,000	\$975,000	\$975,000	\$675,000	\$675,000	\$675,000
Transfer to 131 - Capital Improvement Fund	25.46%	-52.94%	-50.00%	18.75%	-100.00%	0.00%	0.00%	387.50%	0.00%	-30.77%	0.00%	0.00%
Series 2012 Debt Service (100%)	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Series 2009 Debt Service (50%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000
Year-End Surplus	\$3,400,000	\$1,600,000	\$500,000	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to 223 - Water & Sewer Capital Improvement Fund												
Year-End Surplus	\$0	\$0	\$300,000	\$200,000	\$0	\$0	\$0	\$300,000	\$300,000	\$0	\$0	\$0

110 – General Fund – Ending Fund Balance

General Fund - Fund Balance (All 3 Models)



General Fund - Fund Balance % (All 3 Models)



This Page Left Blank Intentionally



SECTION III – WATER & SEWER FUND

Section III: Water & Sewer Fund (221 & 223)

Major Revenues

Major revenues in the Water & Sewer Fund consist of the fixed and variable rates for water and sewer service. In 2010 the Village hired Baxter & Woodman to perform a rate study and provide recommendations on a future rate model. The study noted;

- The Village historically relied on one-time revenues from growth to fund operations and capital as opposed to water rates.
- The changing economic environment caused by the recession and the Village nearing build-out necessitated a change to the rate structure.
- The rates in 2010 did not reflect the full cost of providing the service.
- Annual Capital funding should be near \$2.9 million annually to maintain the Water & Sewer System.

Based on these recommendations the Village implemented bi-monthly billing and a rate structure that included a fixed rate, intended to cover 25.00% of overhead costs, and a variable rate for both water and sewer operations. The Village also adopted a rate increase schedule for the next 5 fiscal years that included smaller annual increases every October 1 and continuing to pass-through any increase or decrease in the CLCJAWA rate effective May 1 every year.

The results of the rate structure allowed the Village to increase the balance in the water and sewer fund from \$3.2 million to \$5 million over the 5-year period. However, the rate increases intended to start funding capital replacement were largely consumed by increasing operating costs and lower water consumption. The Village was able to invest approximately \$750 thousand in capital over the time frame, well short of the amount recommended from the study of \$2.9 million.

In FY2016, the Village updated its water rate model to include a combined Village and CLCJAWA rate that increased each May 1. The combined rate model and a projected decrease in the CLCJAWA rate due to the expiration of debt service, provided sufficient capital funding starting in FY2021. The approved rate model includes;

- Implementing a combined rate for water with annual increases of 5.00% in FY2017 and 3.00% in FY2018 through FY2021 effective on May 1.
- Increasing the Water fixed rate by 3.00% annually on May 1 in FY2017 – FY2021.
- Increasing the Sewer variable and fixed rate by 3.00% annually on May 1 in FY2017 – FY2021.
- Capturing the CLCJAWA decreases anticipated in FY2019 and FY2021 for capital.

This rate structure combined with a planned draw-down of Water & Sewer fund balance by \$450 thousand annually in FY2017-FY2020 and an additional \$300 thousand in either the home rule sales tax in the capital improvements fund or expiring debt service from the General Fund (Offset by operating surpluses in the Water & Sewer Fund) will provide approximately \$10 million in capital funding for infrastructure replacement over the next five fiscal years.

In FY2018 the Village approved a 20-year IEPA Loan to fund the Knowles Rd. Water Tower Project. The project will increase the Village's storage capacity and add much needed pressure on the West side of the Village. The total project is anticipated to be approximately \$6.5 million. The Village Board directed staff to utilize \$1.5 million of fund balance and make additional annual payments of \$200 thousand. The initial \$1.5 million and additional payments have been built into the Water & Sewer Fund model.

Other Revenues

Similar to the General Fund, other revenues are grouped by category. However in the Water & Sewer Fund, other revenues are largely development related and therefore are not increased annually. Other revenues include penalties, and charges for meters and use of hydrants.

Major Expenditures

Major expenditures in the Water & Sewer fund are forecasted similar to those of the General Fund. Major Expenditures in the Water & Sewer Fund include;

- Full-time salaries
- Illinois Municipal Retirement Fund pension
- Health Insurance
- Property, Liability and Workers Compensation insurance

Water & Sewer portions of Major Expenditures are depicted in the graphics in the General Fund Section, and therefore not repeated in this section.

Salaries

Salaries in the Water & Sewer Fund increased an average of 1.4% between FY2014 and FY2018. This is largely due to a staff turnover and a reduction of 0.5 FTE in FY2017. Similar to the General Fund, savings from staff turnover is a significant source of surpluses in the fund. The forecast for full-time salaries assumes;

- Full-time positions remain 13.35 throughout the forecast
- All positions are filled year-round
- The most recent bargained cost of living applied throughout the forecast

Pensions – IMRF

Employees in the Water & Sewer Fund participate in the Illinois Municipal Retirement Fund. Between FY2014 and FY2018, IMRF expenses remained relatively flat due to changes in personnel and greater utilization of part-time workers. The forecast assumes an average increase of 3.0% annually throughout the forecast period as the employer rate is projected to remain flat. IMRF projections assume;

- No change in employee levels
- No change in benefits or plan design
- No change in actuarial assumptions used to calculate ARC

Health Insurance

Between FY2014 and FY2018, health insurance costs increased an average of 5.4% annually. The Forecast assumes an increase of 5.0% annually throughout the forecast period. The projections assume;

- Increase in employee share to 12% of premium
- No change in plan design, benefits
- Continued self-insured setup for Local 150 plan

Property, Liability & Workers Compensation Insurance

The Village participates in the Municipal Insurance Cooperative Agency (MICA) pool for Liability, Property and Workers Compensation insurance. Premiums are based on a 4-year average of actual experience, combined with changes in exposure and payroll, and general market conditions. Pooled insurance allows the Village a low deductible, but higher premium plan that provides less volatility in annual costs. The forecast assumes;

- Continued participation in MICA
- No change in coverages, limits or deductibles
- No change in existing insured property

Workers compensation premiums have increased an average of 3.5% between FY2014 and FY2018. The forecast projects a 5.0% annual increase throughout the forecast period.

On the liability and property side, between FY2014 and FY2018, premiums have increased an average of 1.9% annually. The forecast assumes an annual increase of 3.0% throughout the forecast period.

Premiums are charged directly to departmental budgets based on experience within the department. This allocation method makes departments directly accountable for their claims experience.

Debt Service

The Water & Sewer Fund was responsible for 40% of the debt service on Series 2012 which expired in FY2016. The Forecast projects an annual debt service of \$595 thousand throughout the forecast period for the financing of the proposed Knowles Rd. water tower which includes an additional \$200 thousand annually. The forecast also assumes an initial \$1.5 million to reduce the overall IEPA loan balance from the Water & Sewer Fund balance.

Other Expenditures

Non-major Water & Sewer Fund expenditures are grouped by category including; Salaries & Wages, Employee Benefits, Personnel Expense, Professional Services, Contractual, Insurance, Commodities, utilities, Repairs & Maintenance, Minor Capital and Other Financing Uses. The forecast assumes these expenditures increase by 2.5% annually with the following exceptions;

- Major Capital expenditures includes the purchase of vehicles identified in the Multi-Year Capital Plan.
- Contractual includes the anticipated payments for water tower maintenance per the contract with Utility Services Inc.

Forecast of Revenues, Expenses & Changes in Fund Balance

221 - Water & Sewer Operating Fund	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
223 - Water & Sewer Capital Fund	Actual	Actual	Actual	Actual	Actual	Budget	Estimate	Proposed	Projected	Projected	Projected	Projected
Beginning Unrestricted Net Assets - 5/1	\$4,632,780	\$4,363,410	\$4,987,679	\$4,723,922	\$5,554,062	\$4,837,722	\$4,837,722	\$5,311,847	\$4,601,148	\$3,115,535	\$3,351,428	\$3,474,654
Revenues Over/(Under) Expenses	(\$1,196,866)	(\$329,828)	\$234,711	\$803,756	\$683,435	(\$389,886)	\$474,125	(\$710,699)	(\$1,485,613)	\$235,893	\$123,226	\$32,328
Net (Increase)/Decrease in Capital Assets	\$927,496	\$954,097	(\$498,468)	\$26,384	(\$1,399,775)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Unrestricted Net Assets - 5/1	\$4,363,410	\$4,987,679	\$4,723,922	\$5,554,062	\$4,837,722	\$4,447,836	\$5,311,847	\$4,601,148	\$3,115,535	\$3,351,428	\$3,474,654	\$3,506,982
Ending Fund Balance as a % of Expenditures	48.3%	60.7%	58.0%	54.5%	46.4%	29.1%	52.0%	30.0%	27.7%	36.3%	37.4%	37.2%
Revenues - 221 & 223	\$7,842,066	\$7,883,994	\$8,373,929	\$10,996,090	\$11,115,885	\$14,885,000	\$10,680,885	\$14,648,046	\$9,746,443	\$9,456,199	\$9,411,714	\$9,454,077
% Change vs. Prior Year	1.16%	0.53%	6.21%	31.31%	1.09%	33.91%	-3.91%	37.14%	-33.46%	-2.98%	-0.47%	0.45%
30 Major Revenues	\$7,428,943	\$7,415,334	\$7,617,545	\$8,769,560	\$8,452,647	\$8,730,000	\$8,883,005	\$9,167,230	\$9,154,675	\$9,160,222	\$9,111,423	\$9,149,363
% Change vs. Prior Year	1.85%	-0.18%	2.73%	15.12%	-3.61%	3.28%	5.09%	3.20%	-0.14%	0.06%	-0.53%	0.42%
221 334402 CUSTOMER SALES-SEWER	\$1,776,414	\$1,802,740	\$1,623,537	\$2,385,285	\$1,917,170	\$2,030,000	\$2,040,066	\$2,108,664	\$2,105,776	\$2,107,052	\$2,095,827	\$2,104,554
221 334801 CUSTOMER SALES-WATER	\$5,652,529	\$5,612,594	\$5,994,009	\$6,384,274	\$6,535,477	\$6,700,000	\$6,842,939	\$7,058,566	\$7,048,899	\$7,053,170	\$7,015,596	\$7,044,809
221 - All Other Revenues By Category	\$407,123	\$467,904	\$434,167	\$408,631	\$258,480	\$424,000	\$435,880	\$286,406	\$168,358	\$172,567	\$176,881	\$181,304
% Change vs. Prior Year	-8.13%	14.93%	-7.21%	-5.88%	-36.74%	64.04%	68.63%	-34.29%	-41.22%	2.50%	2.50%	2.50%
32 Licenses & Permits	\$31,150	\$123,963	\$119,970	\$146,140	(\$25,760)	\$0	\$12,880	\$0	\$0	\$0	\$0	\$0
34 Charges for Services	\$263,857	\$261,998	\$233,363	\$165,013	\$179,501	\$298,000	\$307,000	\$164,252	\$168,358	\$172,567	\$176,881	\$181,304
35 Fines & Forfeitures	\$82,482	\$80,093	\$73,218	\$88,967	\$102,484	\$80,000	\$80,000	\$91,192	\$0	\$0	\$0	\$0
36 Invests & Contribs	\$2,510	\$1,395	\$7,617	(\$1,540)	\$2,105	\$46,000	\$36,000	\$30,962	\$0	\$0	\$0	\$0
39 Other Sources	\$27,124	\$455	\$0	\$10,050	\$150	\$0	\$0	\$0	\$0	\$0	\$0	\$0
223 - All Other Revenues By Category	\$6,000	\$756	\$322,216	\$1,817,900	\$2,404,757	\$5,731,000	\$1,362,000	\$5,194,410	\$423,410	\$123,410	\$123,410	\$123,410
% Change vs. Prior Year	-60.18%	-87.40%	42521.19%	464.19%	32.28%	138.32%	-43.36%	281.38%	-91.85%	-70.85%	0.00%	0.00%
32 Licenses & Permits	\$6,000	\$756	\$22,216	\$120,400	\$227,707	\$160,000	\$187,000	\$123,410	\$123,410	\$123,410	\$123,410	\$123,410
39 Other Sources	\$0	\$0	\$300,000	\$1,697,500	\$2,177,050	\$5,571,000	\$1,175,000	\$5,071,000	\$300,000	\$0	\$0	\$0

Expenses	\$9,038,931	\$8,213,821	\$8,139,218	\$10,192,334	\$10,432,450	\$15,274,886	\$10,206,760	\$15,358,745	\$11,232,056	\$9,220,307	\$9,288,489	\$9,421,748
% Change vs. Prior Year	10.72%	-9.13%	-0.91%	25.22%	2.36%	46.42%	-2.16%	50.48%	-26.87%	-17.91%	0.74%	1.43%
40 Major Expenses	\$4,955,174	\$4,912,099	\$4,936,743	\$5,208,583	\$4,956,743	\$5,287,747	\$5,263,336	\$5,380,445	\$4,600,024	\$4,100,224	\$4,184,154	\$4,266,930
% Change vs. Prior Year	-2.30%	-0.87%	0.50%	5.51%	-4.84%	6.68%	6.19%	2.22%	-14.50%	-10.87%	2.05%	1.98%
221 411001 SALARIES-REGULAR	\$826,163	\$855,065	\$759,291	\$786,761	\$844,341	\$905,567	\$905,567	\$937,300	\$970,106	\$1,004,059	\$1,039,201	\$1,075,573
221 421001 MEDICAL INSURANCE	\$206,219	\$234,024	\$277,587	\$316,571	\$249,001	\$250,662	\$250,662	\$263,200	\$276,360	\$290,178	\$304,687	\$319,921
221 423001 IL MUNIC RETIREMENT FUND	\$124,925	\$115,651	\$109,700	\$125,255	\$97,664	\$125,357	\$125,357	\$129,118	\$132,992	\$136,981	\$141,091	\$145,323
221 426001 WORKERS COMP INSURANCE	\$221,160	\$249,720	\$269,312	\$255,800	\$222,689	\$251,524	\$243,588	\$255,768	\$268,556	\$281,984	\$296,083	\$310,888
221 452001 LIABILITY INSURANCE	\$15,615	\$19,942	\$18,549	\$15,810	\$14,641	\$14,197	\$13,942	\$14,361	\$14,792	\$15,236	\$15,693	\$16,163
221 452002 AUTO INSURANCE	\$8,650	\$12,900	\$24,732	\$32,560	\$30,153	\$29,238	\$28,713	\$29,575	\$30,462	\$31,376	\$32,317	\$33,287
221 452003 PROPERTY INSURANCE	\$29,030	\$26,750	\$24,882	\$23,257	\$21,535	\$20,882	\$20,507	\$21,123	\$21,757	\$22,409	\$23,082	\$23,774
221 441108 WATER PURCHASE CLCJAWA	\$3,523,413	\$3,398,047	\$3,452,690	\$3,652,570	\$3,476,720	\$3,690,320	\$3,675,000	\$3,730,000	\$2,885,000	\$2,318,000	\$2,332,000	\$2,342,000
221 - All Other Expenses by Category	\$3,566,227	\$3,210,356	\$3,178,749	\$4,521,414	\$5,218,844	\$4,256,139	\$1,817,849	\$1,875,550	\$4,017,032	\$2,565,083	\$2,614,335	\$2,664,818
% Change vs. Prior Year	17.39%	-9.98%	-0.98%	42.24%	15.43%	-18.45%	-65.17%	3.17%	114.18%	-36.14%	1.92%	1.93%
41 Salaries & Wages	\$196,646	\$126,734	\$125,736	\$177,076	\$149,195	\$177,450	\$184,666	\$182,700	\$186,755	\$191,424	\$196,209	\$201,115
42 Employee Benefits	\$94,549	\$89,005	\$84,143	\$88,678	\$91,347	\$91,573	\$96,205	\$94,700	\$96,965	\$99,389	\$101,874	\$104,421
43 Prof & Tech Services	\$29,198	\$15,795	\$15,411	\$10,272	\$9,973	\$19,660	\$19,660	\$20,153	\$20,657	\$21,173	\$21,703	\$22,245
44 Contractual Services	\$957,448	\$724,244	\$718,117	\$641,771	\$610,614	\$532,503	\$486,590	\$542,697	\$556,473	\$570,384	\$584,644	\$599,260
45 Other Cont. Services	\$51,027	\$45,117	\$42,439	\$47,699	\$50,549	\$59,870	\$59,898	\$57,200	\$58,630	\$60,096	\$61,598	\$63,138
46 Supplies	\$249,069	\$245,702	\$220,739	\$227,747	\$303,977	\$644,133	\$330,830	\$302,400	\$309,960	\$317,709	\$325,652	\$333,793
47 Capital	\$1,156,496	\$1,171,726	\$1,180,696	\$1,206,471	\$1,186,140	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48 Debt Service	\$165,640	\$166,440	\$151,470	\$0	\$0	\$500,750	\$0	\$0	\$2,095,000	\$595,000	\$595,000	\$595,000
49 Other Financing Uses	\$666,154	\$625,593	\$640,000	\$2,121,700	\$2,817,050	\$2,230,200	\$640,000	\$675,700	\$692,593	\$709,907	\$727,655	\$745,846
223 - All Other Expenses by Category	\$517,531	\$91,366	\$23,725	\$462,336	\$256,863	\$5,731,000	\$3,125,575	\$8,102,750	\$2,615,000	\$2,555,000	\$2,490,000	\$2,490,000
% Change vs. Prior Year	861.89%	-82.35%	-74.03%	1848.70%	-44.44%	2131.15%	1116.82%	159.24%	-67.73%	-2.29%	-2.54%	0.00%
47 Capital	\$517,531	\$91,366	\$23,725	\$462,336	\$256,863	\$5,731,000	\$3,125,575	\$8,102,750	\$2,615,000	\$2,555,000	\$2,490,000	\$2,490,000

This Page Left Blank Intentionally



SECTION IV – OTHER FUNDS

Section IV: Other Funds

Other Funds included in the forecast have either an operating or capital impact. For these funds a simple pro-forma income statement is shown for reference.

Motor Fuel Tax Fund (122)

The Motor Fuel Tax Fund accounts for revenues and expenditures related to restricted motor fuel tax proceeds. Proceeds are collected by the State and a portion is distributed to municipalities based on population. The Village utilizes MFT funds for its road resurfacing program. The forecast includes;

- Flat MFT revenue growth throughout the forecast period
- No assumed capital funds from a state capital bill
- Funds continue to be utilized for road resurfacing every other year
- A targeted fund balance of \$250 thousand

Forecast of Revenues, Expenses & Changes in Fund Balance

122 - Motor Fuel Tax Fund	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	Actual	Actual	Actual	Actual	Actual	Budget	Estimate	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance - 5/1	\$798,117	\$760,323	\$842,576	\$241,093	\$142,143	\$127,019	\$127,019	\$1,012,119	\$187,119	\$1,037,119	\$212,119	\$1,062,119
Revenues Over/(Under) Expenses	(\$37,794)	\$82,253	(\$601,483)	(\$98,949)	(\$15,125)	\$885,000	\$885,100	(\$825,000)	\$850,000	(\$825,000)	\$850,000	(\$825,000)
Ending Fund Balance - 4/30	\$760,323	\$842,576	\$241,093	\$142,143	\$127,019	\$1,012,019	\$1,012,119	\$187,119	\$1,037,119	\$212,119	\$1,062,119	\$237,119
Ending Fund Balance as a % of Expenditures	78.1%	87.0%	16.8%	15.4%	15.0%	0.0%	0.0%	11.2%	#DIV/0!	12.7%	#DIV/0!	14.2%
Revenues	\$935,288	\$1,050,908	\$829,842	\$826,051	\$832,354	\$885,000	\$885,100	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000
% Change vs. Prior Year	2.56%	12.36%	-21.04%	-0.46%	0.76%	6.33%	6.34%	-3.97%	0.00%	0.00%	0.00%	0.00%
Revenues By Category	\$935,288	\$1,050,908	\$829,842	\$826,051	\$832,354	\$885,000	\$885,100	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000
% Change vs. Prior Year	2.56%	12.36%	-21.04%	-0.46%	0.76%	6.33%	6.34%	-3.97%	0.00%	0.00%	0.00%	0.00%
30 Major Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31 Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Licenses & Permits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Intergovernmental	\$935,169	\$1,050,780	\$828,704	\$817,822	\$821,067	\$875,000	\$875,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000
34 Charges for Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Fines & Forfeitures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Invests & Contribs	\$118	\$128	\$1,138	\$8,229	\$11,286	\$10,000	\$10,100	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
39 Other Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenses	\$973,081	\$968,656	\$1,431,325	\$925,000	\$847,478	\$0	\$0	\$1,675,000	\$0	\$1,675,000	\$0	\$1,675,000
% Change vs. Prior Year	-42.73%	-0.45%	47.76%	-35.37%	-8.38%	-100.00%	-100.00%	0.00%	-100.00%	0.00%	-100.00%	0.00%
Expenses by category	\$973,081	\$968,656	\$1,431,325	\$925,000	\$847,478	\$0	\$0	\$1,675,000	\$0	\$1,675,000	\$0	\$1,675,000
% Change vs. Prior Year	-42.73%	-0.45%	47.76%	-35.37%	-8.38%	-100.00%	-100.00%	0.00%	-100.00%	0.00%	-100.00%	0.00%
41 Salaries & Wages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42 Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43 Prof & Tech Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
44 Contractual Services	\$973,081	\$968,656	\$1,431,325	\$925,000	\$847,478	\$0	\$0	\$1,675,000	\$0	\$1,675,000	\$0	\$1,675,000
45 Other Cont. Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
46 Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47 Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49 Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Capital Improvement Fund (131)

The Capital Improvement fund accounts for activity related to General Government (non-Water & Sewer) capital and infrastructure. This includes transportation system and storm sewer infrastructure as well as vehicles and equipment and buildings. Effective January 1, 2015 the Village instituted an additional 0.50% home rule sales tax dedicated to capital. This tax is the main funding source along with transfers from General Fund surpluses and the Impact Fee Fund. The Home Rule Sales Tax is projected using the Baseline Model which is an increase of 1.0% annually throughout the forecast period. The forecast includes;

- Transfer of \$100,000 annually from the Impact Fee Fund for storm water management
- Assumes a General Fund surplus transfer of at least \$675,000 annually
- Assumes funding for Fire Station #3 from source other than Fund Balance

Forecast of Revenues, Expenses & Changes in Fund Balance

131 - Capital Improvement Fund	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	Actual	Actual	Actual	Actual	Actual	Budget	Estimate	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance - 5/1	\$4,307,311	\$5,893,894	\$4,684,358	\$3,488,439	\$2,673,955	\$1,430,331	\$1,430,331	\$540,843	\$444,916	\$545,778	\$948,269	\$741,360
Revenues Over/(Under) Expenses	\$1,586,583	(\$1,209,536)	(\$1,195,919)	(\$814,484)	(\$1,243,624)	(\$646,470)	(\$889,488)	(\$95,927)	\$100,862	\$402,491	(\$206,909)	\$362,666
Ending Fund Balance - 4/30	\$5,893,894	\$4,684,358	\$3,488,439	\$2,673,955	\$1,430,331	\$783,861	\$540,843	\$444,916	\$545,778	\$948,269	\$741,360	\$1,104,026
Ending Fund Balance as a % of Expenditures	198.6%	117.2%	50.0%	35.4%	23.4%	13.1%	8.7%	6.9%	6.1%	11.1%	12.3%	20.8%
Revenues	\$4,553,800	\$2,787,345	\$5,774,437	\$6,742,044	\$4,861,308	\$5,355,000	\$5,348,158	\$6,372,223	\$9,097,862	\$8,944,991	\$5,832,591	\$5,680,666
% Change vs. Prior Year	64.95%	-38.79%	107.17%	16.76%	-27.90%	10.16%	10.01%	19.15%	42.77%	-1.68%	-34.79%	-2.60%
Revenues By Category	\$4,553,800	\$2,787,345	\$5,774,437	\$6,742,044	\$4,861,308	\$5,355,000	\$5,348,158	\$6,372,223	\$9,097,862	\$8,944,991	\$5,832,591	\$5,680,666
% Change vs. Prior Year	64.95%	-38.79%	107.17%	16.76%	-27.90%	10.16%	10.01%	19.15%	42.77%	-1.68%	-34.79%	-2.60%
30 Major Revenues	\$0	\$956,990	\$4,725,680	\$4,843,962	\$4,601,816	\$4,650,000	\$4,620,000	\$4,666,200	\$4,712,862	\$4,759,991	\$4,807,591	\$4,855,666
31 Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Licenses & Permits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Intergovernmental	\$579,183	\$229,469	\$140,000	\$386,364	\$0	\$100,000	\$65,000	\$396,023	\$0	\$0	\$0	\$0
34 Charges for Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Fines & Forfeitures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Invests & Contribs	\$15,117	\$886	\$243,064	\$499,770	\$7,865	\$5,000	\$13,000	\$510,000	\$3,385,000	\$3,385,000	\$25,000	\$25,000
39 Other Sources	\$3,959,500	\$1,600,000	\$665,693	\$1,011,948	\$251,627	\$600,000	\$650,158	\$800,000	\$1,000,000	\$800,000	\$1,000,000	\$800,000
Expenses	\$2,967,217	\$3,996,881	\$6,970,356	\$7,556,528	\$6,104,932	\$6,001,470	\$6,237,646	\$6,468,150	\$8,997,000	\$8,542,500	\$6,039,500	\$5,318,000
% Change vs. Prior Year	115.97%	34.70%	74.39%	8.41%	-19.21%	-1.69%	2.17%	3.70%	39.10%	-5.05%	-29.30%	-11.95%
Expenses by Category	\$2,967,217	\$3,996,881	\$6,970,356	\$7,556,528	\$6,104,932	\$6,001,470	\$6,237,646	\$6,468,150	\$8,997,000	\$8,542,500	\$6,039,500	\$5,318,000
% Change vs. Prior Year	115.97%	34.70%	74.39%	8.41%	-19.21%	-1.69%	2.17%	3.70%	39.10%	-5.05%	-29.30%	-11.95%
41 Salaries & Wages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42 Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43 Prof & Tech Services	\$148,123	\$229,811	\$495,448	\$443,210	\$548,137	\$200,000	\$150,000	\$150,000	\$200,000	\$200,000	\$200,000	\$200,000
44 Contractual Services	\$1,298,258	\$2,020,235	\$4,509,254	\$3,507,221	\$3,337,619	\$2,675,000	\$3,320,105	\$2,250,000	\$3,150,000	\$2,150,000	\$3,150,000	\$3,150,000
45 Other Cont. Services	\$1,356	\$922	\$8,331	\$81	\$2,770	\$3,000	\$8,686	\$0	\$0	\$0	\$0	\$0
46 Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47 Capital	\$1,519,479	\$1,745,913	\$1,957,323	\$3,606,016	\$2,216,406	\$3,123,470	\$2,758,855	\$4,068,150	\$5,647,000	\$6,192,500	\$2,689,500	\$1,968,000
48 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49 Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

This Page Left Blank Intentionally



SECTION V – CAPITAL FUNDING

Section V: Capital Funding & Fund Balances

Funding for the Village’s Multi-Year Capital Plan comes from revenue sources in 3 funds; Motor Fuel Tax Fund, Capital Improvement Fund, and the Water & Sewer Capital Fund. The capital funding summary below is the amount available in each fund for capital. The Multi-Year Capital Plan allocates available funding to specific projects or intent. The current Multi-Year Capital Plan allocates resources through FY2024. The MYFF confirms the resources allocated continue to be available over that time period.

Capital Funding by Fund	FY2019 Budget	FY2019 Estimate	FY2020 Proposed	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Funding by Fund	\$11,808,220	\$9,473,076	\$16,355,900	\$11,712,000	\$12,822,500	\$8,579,500	\$9,533,000
% Change vs. Prior Year			72.66%	-28.39%	9.48%	-33.09%	11.11%
122 - Motor Fuel Tax Fund	\$0	\$0	\$1,675,000	\$0	\$1,675,000	\$0	\$1,675,000
131 - Capital Improvement Fund	\$6,077,220	\$6,347,501	\$6,578,150	\$9,097,000	\$8,592,500	\$6,089,500	\$5,368,000
223 - Water & Sewer Capital Improvement Fund	\$5,731,000	\$3,125,575	\$8,102,750	\$2,615,000	\$2,555,000	\$2,490,000	\$2,490,000

FY2020 Ending Fund Balance Impact

Fund	Audited Fund Balance May 1, 2018	Estiamted Revenues FY2019	Estimated Expenditures FY2019	Estimated Surplus/(Defecit) FY2019	Projected Fund Balance May 1, 2019	Proposed Revenues FY2020	Proposed Expenditures FY2020	Proposed Surplus/(Defecit) FY2020	Projected Ending Fund 4/30/2020
110 - General Fund - Baseline	\$26,041,423	\$41,991,476	(\$40,874,312)	\$1,117,164	\$27,158,587	\$42,964,866	(\$42,590,215)	\$374,651	\$27,533,238
110 - General Fund - Expansion	\$26,041,423	\$41,991,476	(\$40,874,312)	\$1,117,164	\$27,158,587	\$43,460,166	(\$42,590,215)	\$869,951	\$28,028,538
110 - General Fund - Contraction	\$26,041,423	\$41,991,476	(\$40,874,312)	\$1,117,164	\$27,158,587	\$41,568,816	(\$42,590,215)	(\$1,021,399)	\$26,137,188
122 - MFT Fund	\$127,019	\$885,100	\$0	\$885,100	\$1,012,119	\$850,000	(\$1,675,000)	(\$825,000)	\$187,119
131 - Capital Improvement Fund	\$1,430,331	\$5,348,158	(\$6,237,646)	(\$889,488)	\$540,843	\$6,372,223	(\$6,468,150)	(\$95,927)	\$444,916
221 - Water & Sewer Fund	\$4,837,722	\$10,680,885	(\$10,206,760)	\$474,125	\$5,311,847	\$14,648,046	(\$15,358,745)	(\$710,699)	\$4,601,148



SECTION VI – CONCLUSIONS & RECOMMENDATIONS

Section VI: Conclusions & Recommendations

Conclusions

Over the long term, personnel costs outpace revenue growth. Opportunities for new growth are limited as the Village becomes built-out. Absent revenue enhancements or new growth, the Village must balance the deficit through expenditure reductions. The Baseline Model shows the Village in a structural deficit in excess of historical surpluses in FY2023 based on the assumptions noted. The good news is the Village has time to make strategic and managed adjustments. As a service organization, the vast majority of expenditures are personnel related. It is important the Village identify the proper staffing level based on long-term service needs and not short-term spikes in activity or project related work. Opportunities to reduce staffing levels through the addition of technology, collaborating with other governments, privatizing non-customer centric functions, internal consolidation and process efficiency should be considered prior to filling vacant positions.

Recommendations

While the Village is in a good position to maintain operations should a recession happen, there are things that can be done to enhance the financial sustainability of the Village.

Diversifying Revenue Sources – As the base for traditional sales tax changes and likely erodes, the Village will need to shift to other taxes to fill the void, such as amusement, hotel and resort. The Village increased amusement and hotel tax to 4% and 6% respectively in FY2019.

Diversifying Fund Setup – Adding funds for volatile expenditures such as risk management or health insurance can help add a layer of redundancy to protect General Fund balances. In the event of a recession, the fund balance in these funds that built up over time can be tapped to relieve the pressure on the General Fund. Staff will be proposing the addition of a health insurance fund in FY2020.

Update Fund Balance Targets – Currently the Village has a fund balance policy for the General Fund. The Village should update the policy to include target balances for major funds.

Privatization – Adding private contractors allows the Village to react swiftly to reduce expenditures in a recession. A contractor's hours or work can be reduced or eliminated quickly versus the process to reduce employee count. Work can be brought back in-house and internal projects delayed in the short term. This ensures the Village can make a long-term commitment to its workforce even in the face of a recession.

Segregating On-Time Revenues – The Village often receives one-time revenues from new growth such as building permits or connection fees. These revenues should be segregated to capital functions and not relied on for operations.

Full-Cost Recovery – The Village annually reviews fees and charges for service. Future considerations should be to ensure we are recovering the full cost of delivering the service. The Village should implement processes to be able to track costs of delivering an individual service.



SECTION VII – APPENDIX

Section VII: Appendix



The Village of Gurnee

Fund Balance Policy - General Corporate Fund

Kristina M. Kovarik, Mayor
Andy Harris, Clerk

Jeanne Balmes
Greg Garner
Michael Jacobs

Kirk Morris
Cheryl Ross
Hank Schwarz

Trustees

James Hayner
Village Administrator

Diane Lembesis
Finance Director

Adopted by the Village Board
November 2, 1998

Amended
March 7, 2011

Village of Gurnee

Fund Balance Policy

STATEMENT OF PURPOSE

The purpose of this policy is to establish procedures governing the Fund Balance. The Village's original Fund Balance policy was adopted on November 2, 1998. The policy was amended on March 7, 2011 to be compliant with Governmental Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

I. SCOPE

Sufficient fund balance helps provide the Village of Gurnee with operational stability, helps the Village meet needs caused by unforeseen events, and helps stakeholders identify the Village's credit worthiness. This policy defines the minimum amount of unassigned fund balance for the Village.

II. DEFINITIONS

Fund Balance: the difference between assets and liabilities in a Governmental Fund.

Non-Spendable Fund Balance: the portion of a Governmental Fund's net assets that are not available to be spent. Examples of non-spendable funds include prepaid assets or endowment principal.

Restricted Fund Balance: the portion of a Governmental Fund's fund balance that is subject to external enforceable legal purpose restrictions as to what the fund balance can be spent on.

Committed Fund Balance: the portion of a Governmental Fund's fund balance that is limited with self-imposed constraints or limitations that have been placed at the highest level of decision making authority.

Assigned Fund Balance: the portion of a Governmental Fund's fund balance to denote management's intended use of resources.

Unassigned Fund Balance: available expendable financial resources in a governmental fund that are not the object of tentative management plan (i.e., assigned). Positive unassigned fund balance can only be reported in the general fund.

Note: In non-governmental funds (e.g., golf), management may decide to assign funds for a specific purpose. This may be done as an internal budgeting procedure rather than as a formal accounting entry.

III. POLICY

A. It is the policy of the Village of Gurnee to maintain unassigned fund balance in the General Fund to fund operations for a period of at least four months ("Cash Flow Commitment"). The goal is to have a Cash Flow commitment in the General Fund that is adjusted annually with the adoption of the annual budget and is calculated as 35% of General Fund expenditures (not including transfers to fund capital projects).

B. It is also the policy of the Village of Gurnee to assign a portion of Fund Balance in the amount of debt service payments for general obligations, alternate revenue source, and governmental debt for the following year. These funds may be assigned in either the General Fund or the Debt Service Fund ("Debt Service Assignment").

C. Unassigned fund balance will be reviewed annually during the budget process.

Should the unassigned fund balance for the General Fund balance drop below 35%, the Village board will be notified. Reductions will be resolved by either implementing a new, recurring revenue source or reducing expenditures.

Balances in excess of the recommended Cash Flow Commitment may be transferred to the Capital Improvements Fund to support future capital projects.

The levels of other required restrictions, commitments and assignments will fluctuate depending on activity.

D. This policy may be amended from time to time as determined by the Board of Trustees.

E. The Village will spend the most restricted dollars before less restricted, in the following order:

- 1) Restricted,
- 2) Committed,
- 3) Assigned,
- 4) Unassigned.

F. The Village Administrator and Director of Finance will recommend to the Village Trustees if a portion of fund balance should be assigned.