



FOX LAKE
COMMUNITY GARDEN



VILLAGE OF FOX LAKE 2016-2017 FISCAL YEAR BUDGET



Village of Fox Lake

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Section 1

Transmittal Letter

Stephanie L. Hannon – Finance Director



**MANAGEMENT'S LETTER TO THE
CORPORATE AUTHORITIES OF
THE VILLAGE OF FOX LAKE, ILLINOIS**

April 12, 2016

Dear Mayor Schmit and Board of Trustees:

It is a pleasure to submit to the Village Board the proposed budget for the Village of Fox Lake for the Fiscal Year ending April 30, 2017. Primarily due to the strategic initiatives undertaken in the prior year, the Village will enter the Fiscal Year 2016-2017 with a surplus in its operating budget. While the Village's revenue profile remains stagnant in the current economy, a continued relatively strong financial position permits the Village to maintain predictable levels of service. The proposed budget reflects a continued commitment to maintaining sufficient reserves to cover the Village's operating needs, meet long-term financial goals and plan for the growth and development of the Village.

The Village has benefited from a history of sound financial planning and current initiatives focus more specifically on organizational efficiency, maintaining a stable tax environment, rehabilitating infrastructure and stimulating new development and redevelopment. The Village is making progress in many areas; such as, positioning itself to move forward with establishing long-term planning for infrastructure in the Water and Sewer fund, the Northwest Regional Reclamation Facility, and the establishment of a maintenance program for roads. The area that is still of concern is the need to fund deteriorating roads without acquiring additional debt, since a referendum failed requesting residents for taxes to maintain roads. The Village Board and staff have worked diligently to provide for a balanced tax structure with no new taxes proposed and appropriate public safety, infrastructure and general services.

The 2016-2017 budget documents follow a different format than previous years. The document was streamlined to provide the same information in a more condensed format. The new format allows the reader to go from a more summarized format to as much detail as desired. It begins with this transmittal letter, which explains the layout of the budget document, as well as an overview of the budget process and the financial impact of the budget.

The Financial Summaries section allows the reader to view the total budget, at a glance, both in chart form and graph form. Other information provided in this section includes Fund Balance Summaries, graphs and financial summaries of General Fund Revenues and Expenses, historical information on staffing levels, and Debt Service Schedules.

The remainder of the report is broken down into functions (revenues and general government, public safety, parks and recreation, community development, motor pool, and public works/streets expenditures) for the General Fund and then separate tabs for all other funds. Within each tab, the goal has been to try to provide budget notes (or highlight) and a Summarized Financial Report for the respective section, followed by the detailed budgets for each account.

ECONOMIC AND POLITICAL CLIMATE

The Village is experiencing a slow rebound from the 2008 recession. At the national level, the unemployment rate has dropped from 6.3 percent to 6.0 percent year-over-year. While the unemployment rate has declined significantly, the year-over-year labor force participation rates have actually declined slightly, indicating weakened interest in sustained job searches for the unemployed or underemployed.

At the state level, a financial and political meltdown associated with the State of Illinois' unfunded and growing liabilities continues to affect statewide economic growth and resulting revenue streams. As a result, the state legislature passed an income tax hike in 2011 increasing the personal tax rate from 3.0 to 5.0 percent, which includes a partial sunset provision to reduce the rate to 3.75 percent on January 1, 2015. The state has been unable to effectively reduce its current and future liabilities in spite of the additional revenue raised (estimated to be around \$30 billion) from the increase. The Village is concerned with the State of Illinois attempts to reduce the amount of State funds distributed to local governments. As such, the Village has taken a conservative budget approach to its reliance on state shared revenues. Improving organizational efficiency, becoming innovative with methods of service delivery and pursuing grant funding opportunities are factors that will be used to assist the Village with navigating the slow-to-recover economy. Moderate revenue growth combined with strict expenditure management should allow the Village to continue to deliver essential services at their current levels. However, in order to fund future infrastructure improvements, capital expenditures, and major programs or purchases, it will be necessary to seek new revenue sources and analyze current Village fees and rates. Monitoring trends in the private sector and being responsive to changes in the market will also be needed for the Village to withstand any relapse in the economy.

Budget Process

This year's budget process continues the evolution of many of the 2015-2016 initiatives including in-depth analysis of organizational processes, personnel, services and long term liability management. The budget process started early with development of a preliminary budget for the General fund. The General fund provides the majority of the Village's services, such as public safety; building and zoning; engineering; public works; streets, drainage, building and vehicle maintenance recording and reporting requirements; financial services; and general administration. When preparing the General fund's preliminary budget, staff was provided with the following guidelines:

- Review the current year's budget and adjust estimated year-ends for any changes.
- Review revenue streams for changes. Adjust per capita revenue streams to reflect the 2010 population census data.
- Reflect salaries and wages with 1-10% salary increases.
- Include legal and regulatory requirements.
- Maintain operations at status quo (no additional additions or cuts in services or staffing levels).

The FY2016-2017 preliminary budget for the General fund reflected net income of \$145,040. The Village Board completed an in-depth review of the General fund preliminary budget during its March 8th, 2016 Budget Workshop, March 30th and April 12th, 2016 Board meeting. Changes

discussed during the budget workshops and meetings have been incorporated within this budget document. These revisions include the funding of the 4th of July fireworks, reduction to the street lighting replacement program, stagger the hiring of new police officers, and keeping the vehicle sticker fees at prior years fees.

Budget Summary – All Funds

The 2016-2017 Budget (All Funds) includes \$27,771,261 in total revenues and other sources (includes police pension tax levy amounts in the general fund and police pension fund) If Police Pension fund tax levy is only included in the General Fund the amount would be \$27,281,561) and \$31,908,874 in total expenditures and other uses, resulting in a projected net deficit for 2016-2017 of \$4,627,223. Detail regarding each fund's projected net fund income (loss) for the year is available in the Executive Overview section on the Fund Balance Projections by Fund schedule. (see page 50)

A review of the Fund Balance Schedule (All Funds) shows that several funds are projecting a net loss for Fiscal Year 2016-2017. For most funds, the net losses represent the use of accumulated reserves for capital improvements, debt reduction, or infrastructure assessments. Net losses (including capital expenditures) are projected in Motor Fuel Tax (\$211,004), Water and Sewer Fund of (\$784,449), 911 Fund of (\$548,500) and Northwest Regional Water Reclamation Facility \$(2,872,388). All other funds reflect net income for the year.

General Fund:

The General Fund is projecting net income of \$145,040. General fund revenues are project to total \$13,296,455. This is a decrease of \$163,779 in revenue generated by a one-time externality fee adjustment. General fund expenses are budgeted at \$13,151,415. The decrease relates to road program construction being on hold due to lack of available funds for capital improvements. The Villages net income reflects intergovernmental taxes, local taxes, grant revenue, fines & fees, licensing, public safety revenue, and other general revenue. There were no fee increases; however, the Village did create a Places for Eating tax in FY2015-16 which increased local taxes by \$395,000. The largest factor affecting the General fund continues to be its reliance on economically-driven revenue streams to support its basic Village services. This has been an ongoing concern that has been exacerbated by the economic downturn. From FY2008 to FY2014 and in FY2016-17, the Village eliminated all capital and non-essential expenses in order to align expenses with revenues.

For the 2016-2017 Fiscal year, no significant service modifications are anticipated. The Village will continue its efforts to deploy new technologies that permit the conducting of Village business via the web, acceptance of credit/debit forms of payment and automation of processes. The purpose of these initiatives is three-fold: 1) to improve the services available to residents and those conducting business with the Village, 2) to reduce dual entry and streamline processes, thereby reducing costs, and 3) to improve internal controls over the Village's numerous financial transactions. The new financial software has been a major thrust of technology enhancement, with a new general ledger system, accounts payable, cash receipting, and utility billing modules which were implemented in February 2015. Also, integration of the new payroll and general ledger systems has streamlined the entire payroll recording process. The Village launched a new website in April 2015. The new website has an improved look with a

better layout and a cleaner interface with a variety of new, innovative features which will make navigation easier. The Village will be continually adding more forms which will allow for more efficient government.

All other Funds:

The projected deficit of \$211,004 in the Motor Fuel Tax Fund will be funded with accumulated reserves from prior years' revenues. The fund revenues are projected at \$273,996 and based upon the Illinois Municipal League estimates. Expenditures are budgeted at \$485,000 as the Village continues to provide infrastructure improvements to its roads and snow and ice control.

The TIF Fund has a surplus of \$13,519 which will be used to spur economic development in the area. TIF revenues are projected at \$36,327 or flat to prior years since improvements have not been made to the area.

The projected revenue of \$7,078 in the Commuter Parking fund reflects the unfunded expenses and service charges associated with the Metra parking lots. Revenues are budgeted at \$120,000 which is flat to prior years. Expenses related to the Commuter parking lots are \$112,922. At current utilization levels and rates, the parking lot does have enough revenue to pay its operating costs; however, not enough for future repairs and improvements. The Village will be reviewing its options as it relates to the Metra parking lot management.

The Water and Sewer fund reflects a projected net income of \$3,418,864 excluding capital improvements. If capital improvements are included, the Village will experience a deficit of \$784,449. The operating budget reflects projected revenues to total \$7,106,897. This is a \$2,104,060 increase from the prior year due the receipt of an IEPA loan for construction of the North Water tower. The Water/Sewer fund expenditures are anticipated to be \$7,891,346 (which includes capital improvements) which is \$826,112 lower than the prior year. The Water/Sewer fund continues to issue debt and make infrastructure improvements. The Village commissioned a water rate study which indicated that the current rate structure did not adequately bill customers to cover expenses and maintain adequate reserves. The Village increased water rates in FY2014-15 and in FY2016-17 to bring the fees more in line with actual costs and anticipates increases based upon inflation in the future. The Village Board plans to gradually increase fees to reach the appropriate rates. Therefore, the Village will have a projected (net) deficit for several more years until the rates cover expenses and proper reserves. Therefore, the loss is due to increases in depreciation and inadequate billing for reserves and infrastructure.

The Northwest Regional Reclamation Facility Fund reflects a projected loss of \$1,851,888 excluding capital improvements. If capital improvements are included, the fund will experience a deficit of \$2,872,388). The operating budget reflects projected revenues to total \$4,969,500. Revenues are projected to remain flat for miscellaneous income, tap-on fees, and remedial waste fees. Operating expenses are budgeted at \$6,821,388. This decrease of \$302,613 reflects lower engineering costs related to a facility review and additional expenses related to running the facility due to inflation increase offset by lower externality fee related to a one-time adjustment. The budgeted Capital expenditures are lower than the prior year by \$682,250 as the capital budget will be assessed after the facility review is performed by the engineering firm.

The 911 Fund reflects balanced budget. Revenues and expenditures are projected at \$1,088,282 which reflects no significant change from the prior year projections. Expenditures including capital expenditures are \$1,636,782. The 911 center is currently funded by the Police Department and any deficit to the fund is currently being absorbed by the General Fund. The Village will be reviewing all contracts and utilizing a pricing model to evaluate and provide contract pricing. The 911 Fund is projecting capital improvements of \$135,000 for a NC911 compliant phone system and \$413,500 for installation and equipment for a STAR Com 21 Police System.

Pension Fund reflects an increase in fund value of \$113,092. The increase illustrates the net amount of the Village's and employees' contributions and increase in investment values less the expenses related to pension costs and payments made to officers.

The development of an annual budget is both a monumental and rewarding task, reflecting the contributions of the entire organization. This year's preparation of the budget has been a team effort and I cannot overemphasize my gratitude to the entire Village staff for their diligence and perseverance in improving this important financial tool. Many thanks City Administrator Anne Marrin, Assistant Village Administrator Tara Semenchuk, Accounting Manager Laura Rudkin, Interim Police Russ Laine, Interim Deputy Chief Jimmy Lee, Community Development Director, Donovan Day, Motor Pool Supervisor, Luke Catullo, FoxComm E911 Manager, Annette Wolf, Parks & Recreation Coordinator Amy Serafin, Public Works/Streets Supervisor, Dan Miller, Water & Sewer Supervisor Rocky Horvath, and Northwest Regional Water Reclamation Facility Director Ryan Kelly for their contribution in creating this budget document and for their cooperation, responsiveness and ability to get the job done. Finally, the Village Board deserves sincere appreciation for their stewardship over Village finances and planning for the Village's future.

Sincerely,

Stephanie L. Hannon
Finance Director

Section 2

Organization & Services

GFOA Budget Award FY2015-16

Village of Fox Lake Map

List of Principal Officers

Organizational Chart

Village Commissions, Committees, and Board

Community Profile

Community Characteristics

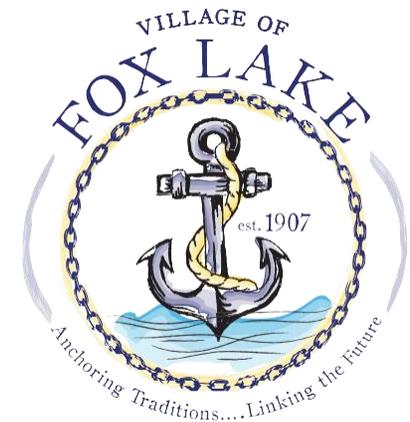
Budget Process and Structure

Budget Process

Budget Timetable

Basis for Budgeting and Fund Structure

Account Numbers





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Village of Fox Lake

Illinois

For the Fiscal Year Beginning

May 1, 2015

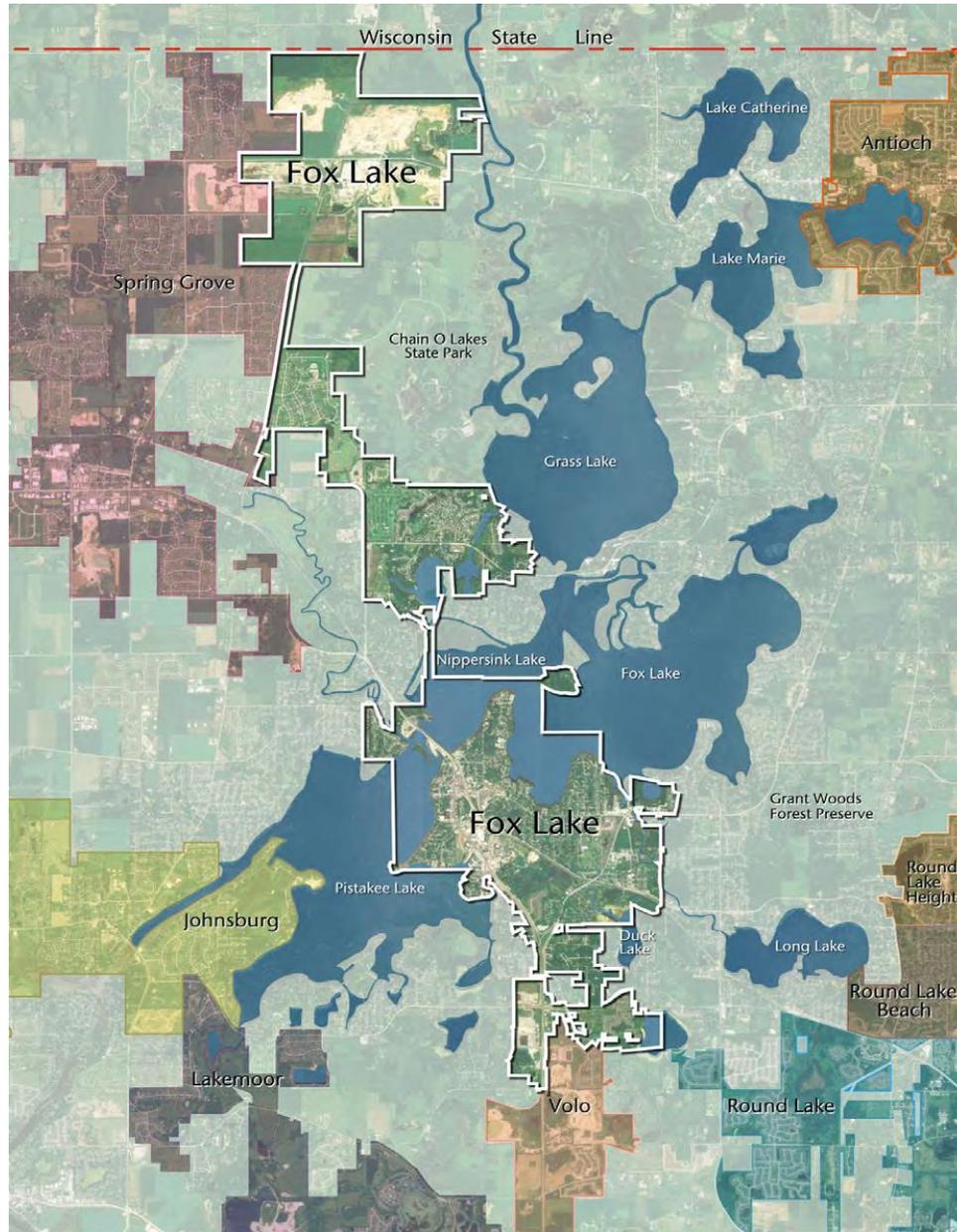
A handwritten signature in black ink, reading "Jeffrey R. Snow".

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Award to the City of Prospect Heights, Illinois for the Annual Budget beginning May 1, 2015. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

VILLAGE OF FOX LAKE AREA MAP



VILLAGE ORGANIZATION

Officers and Officials

Mayor

Donny Schmit

Village Board of Trustees

Jeff Jensen

Bernie Konwent

Nancy Koske

Brian Marr

Greg Murrey

Ron Stochl

Village Clerk

Niki Warden

Village Administrator

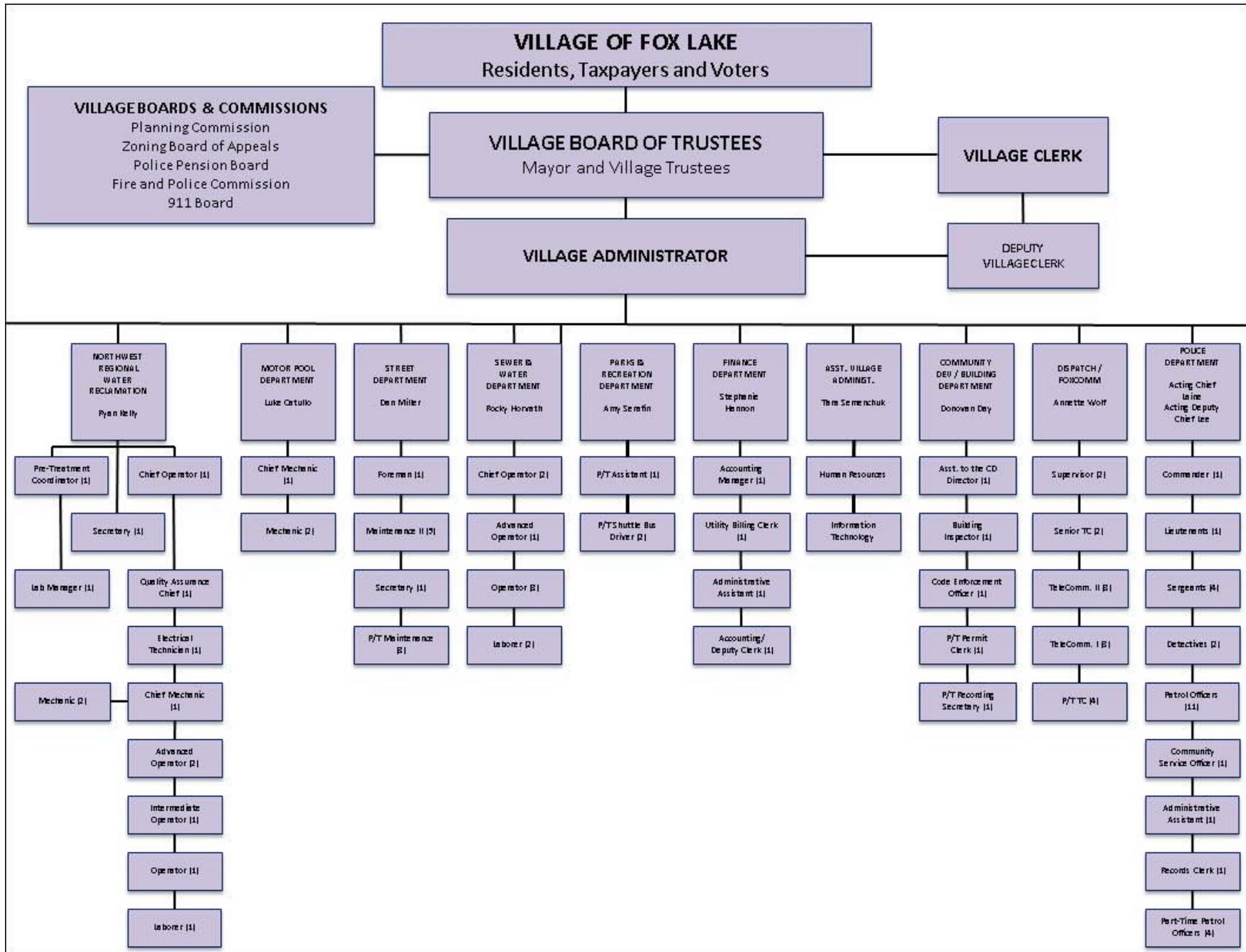
Anne E. Marrin

Village Treasurer/Finance Director

Stephanie L. Hannon

Village Attorney

Howard Teegan



Village Commissions, Committees and Boards

Village Commissions, Committees and Boards are approved by the Village's Corporate Authorities. Appointments are made by the Mayor, with the concurrence of the Board of Trustees.

911 Emergency Telephone System Board (ETSB)

Members of the emergency telephone system committee, also referred to as the 911 Committee, shall have the responsibility of the following:

- Planning a 9-1-1 system
- Coordinating and supervising the implementation, upgrading, or maintenance of the system and establishing equipment specifications and coding systems
- Receiving monies from the surcharge imposed under section 15.3 of the act for deposit into the emergency telephone system fund
- Authorizing all disbursements from the fund
- Hiring any staff necessary for the implementation or upgrade of the system
- Participating in a regional pilot project to implement next generation 9-1-1, as defined in the act

The 911 Committee meets on the first Monday during the months of March, June, September and December.

Police and Fire Commission

The Board of Fire and Police Commissioners shall appoint all members of the Fire and Police Departments of the Village, except the Chief of Police and the Chief of the Fire Department, which appointments shall be made by the Village President and Board of Trustees. The Chief of Police and the Chief of the Fire Department shall not be subject to this Chapter, nor to the rules made by the Board of Fire and Police Commissioners pursuant to the authority hereinafter granted. All appointments made by the Board of Fire and Police Commissioners shall be from the rank next below that to which the appointment shall be made, other than that of the lowest rank. The Board of Fire and Police Commissioners meets on the first Tuesday during the months of August through May.

Plan Commission

The Plan Commission reviews and makes recommendations to the Village Board regarding zoning changes, variations and subdivisions of land. The Plan Commission meets on the first Wednesday and the third Tuesday of every month.

Police Pension Board

The Police Pension Fund is created by Illinois state statutes to control and manage the pension fund of the Fox Lake Police Department. The five member board's duties include investing funds, enforcing contributions, keeping records of the board's meetings and other duties related to managing the Police Pension Fund. The Police Pension Board meets on a quarterly basis.

Zoning Board of Appeals

The Zoning Board of Appeals has the authority to hear and decide any requests for variation or conduct any hearing as specifically authorized pursuant to Section 9-1-6-3 of the Village zoning ordinance. The Zoning Board of Appeals meets on the second Wednesday and fourth Thursday of each month.

Community Profile

The Village of Fox Lake is a well-known resort and recreational community, located approximately 55 miles northwest of Chicago and is located in Lake County and McHenry County. Centrally located in the “Chain O’ Lakes,” Fox Lake offers its residents and visitors a rich history, natural beauty and unique business opportunities. The Illinois Fox River Chain of Lakes is the busiest inland recreational waterway per acre in the entire United States. With a population of 10,579 residents, the community encompasses 9.94 square miles, of which 1.82 square miles (or 18.3%) is water. Pace suburban bus services Fox Lake for commuting in and around the community. The Village is well connected to the Chicago and Milwaukee region by road and by Metra rail, making it an attractive residential and business location.

The Village is served by Lotus Elementary School, Big Hollow School District 38, Stanton Middle School Fox Lake School District 114, and Grant Community High School District 124. Fox Lake has one public library, a Fire Protection District, seven (7) parks with over 22 acres of open space and a contemporary regional water reclamation facility. Numerous opportunities for cultural and entertainment activities through the Village’s Parks and Recreation Department are available for residents and visitors.

A View of the Past...

The Village of Fox Lake was incorporated in 1907. Known for its recreational attraction, the Village has been referred to the “Heart of Nature” and identified as “Far from the City’s sweat and toil, but only 90 minutes away is a healthful, pleasurable and restful resort.” That reputation continues today, but is growing beyond just its recreational attractiveness.

A Vision of the Future...

Today, Fox Lake remains a haven for water sports enthusiasts; the community boasts over 7,100 acres of water, 15 lakes and 45 miles of river. At the same time, the Village is looking into the future and exploring business and economic development opportunities. The Village’s leaders have taken a progressive approach toward planning for the Village’s future. In 2012, a new Comprehensive Development Plan was implemented. The new Comprehensive Plan will help shape and guide the type and quality of development opportunities in the Village. Grants from the Chicago Metropolitan Agency for Planning (CMAP) and the Regional Transportation Authority (RTA) have recently been awarded to the Village for improvements to the downtown area and expanding bikeways and greenways. The Village is also looking at redevelopment opportunities aimed at the downtown, diversifying area businesses and infrastructure improvements to its roadways. The community and its leaders are focused on preserving the Village’s rich heritage, while implementing plans that will attract visitors to explore Fox Lake’s recreational opportunities and improve the quality of life for the residents.

COMMUNITY CHARACTERISTICS

The following statistical data and graphs provide a demographic profile of the Village of Fox Lake. Notable changes from the 2000 to the 2010 Census are highlighted below. Unless otherwise noted, the source of data is the 2010 United States Census.

Population

- In 2000, Fox Lake's population was 9,178. As of the 2010 United States Census, the population grew to 10,579 residents, which represents a 13% increase.
- Those individuals with at least a high school degree represented 91.8% of the population

Housing Information

- In 2000, there were a total of 4,652 total housing units. In 2010, that number grew by 970, or 17.2%, to a total of 5,622 total housing units.
- There were 4,046 households in 2000. In 2010, there were a reported 4,770 households in the Village. This represents a 15% increase.
- In 2010, the median housing value was listed at \$137,600.
- In 2010, the median household income was \$54,521.

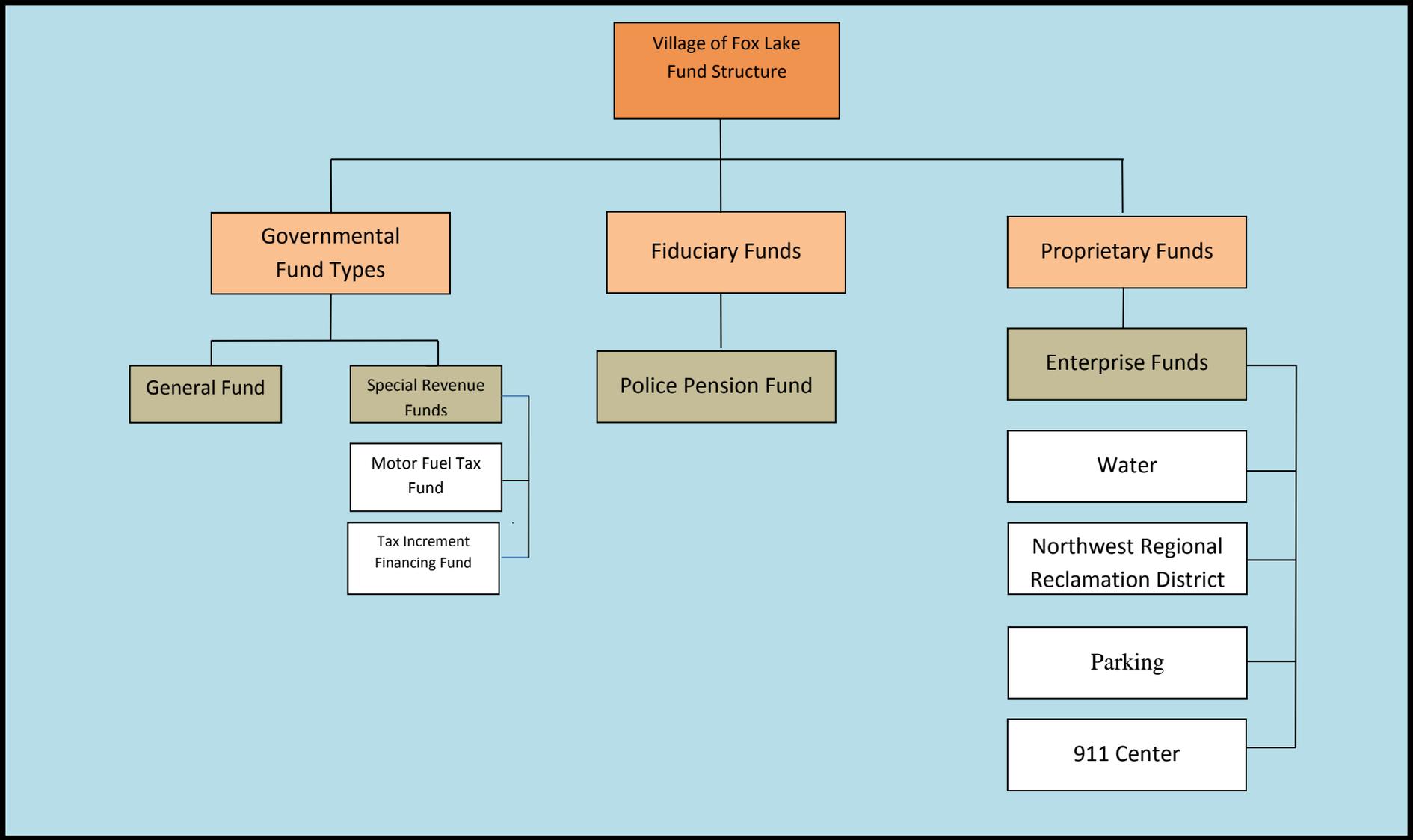
Age Distribution

- The median age in the Village in 2010 was 40.9 years. In 2000, the median age was 37.
- In the 4,046 households that were reported in 2010, 25.8% had children under the age of 18 living with them, 25.1% had individuals aged 65 or over living with them and 41.3% were married couples living together. The average household size was 2.21 and the average family size was 2.91.

Racial Composition

- The racial makeup of the Village in 2010 was 92.8% White, 1.0% Black or African American, 0.3% American Indian or Alaska Native, 1.0% Asian, 0.01% Native Hawaiian or Other Pacific Islander, 2.8% Some Other Race and 2.1% Two or More Races. Hispanic or Latino of any race was 8.9% of the population.

**Village of Fox Lake
Fund Structure
April 30, 2016**



Department Fund Relationship Structure

Fund Type	Fund	Department	Department Summary Page	Total Expenditures
General	General	Total		\$13,151,415
		Administration	57-63	\$1,268,885
		Motor Pool	64-66	\$547,438
		Garbage	67	\$919,103
		Public Safety	68-72	\$5,229,830
		Parks & Recreation	73-76	\$354,851
		Insurance	77	\$392,249
		Fire Department	77	\$1,523,470
		Streets/Public Works	78-81	\$1,085,369
		Community Development	82-84	\$565,393
		Grant Expense	85	\$300
		Debt Service	85	\$520,207
		Capital Expenses	86	\$749,250
Special Revenue				
	Motor Fuel Tax	Public works	87-88	\$485,000
	Tax Increment Financing District	Administration	89-90	\$22,808
Enterprise Funds		Total		\$16,934,438
	Parking	Building & Development & Public Works	91-92	\$112,922
	Water	Public Works	93-98	\$507,808
	NW Regional Reclamation District	Public Works	99-106	\$7,841,888
	911 Center	Dispatch	107-110	\$1,636,782
Fiduciary Fund	Police pension	Non-Departmental	111	\$766,712
			Total Funds	\$31,908,874

Budget Process and Structure

Budget Process

The Village of Fox Lake's Annual Operating Budget serves as the primary tool to accomplish the objectives and policies as set forth by the Village Board of Trustees. The budget process for the Village of Fox Lake involves the citizens, Mayor and Village Board, Village Administrator, Village Treasurer/Finance Director, Assistant Village Administrator, Department Directors, Managers and many other stakeholders throughout the community. Each person plays a critical role in the development of the budget for the upcoming fiscal year.

The goal of the budget process is to present a balanced budget to the Village Board of Trustees for review and adoption. A balanced budget is a budget in which revenues meet or exceed expenditures and cash reserves or fund balance is not considered a revenue source. The Village operates on a fiscal year basis beginning May 1st and ending April 30th of each year. The Finance Director/Treasurer presents the annual budget to the Mayor and Village Board for review and adoption prior to the beginning of each fiscal year.

Budget Preparation

Preparation of the annual budget typically begins in December with the establishment of a budget calendar by the Finance Director and Village Administrator. The Finance Director provides each department with budget worksheets, preliminary budget estimates and specific directives for developing their budgets.

The Department Directors review their programs and services, initial budget requests and submit them to the Finance Director. The Finance Director then consolidates all requests to analyze the budget as a whole. After an initial analysis, meetings are set up by the Department Directors, Finance Director, and Village Administrator. They review major operational changes, discuss objectives and review capital project requests. An effort is made to combine requests across departments and to discuss how to more efficiently accomplish departmental goals. Any unjustified items are eliminated from the budget at this time.

Over the next month, the Finance Department works to compile the budget document. In addition to developing budget summaries for each department which outline requests, the Finance Director reviews and updates other sections of the document. Before the first public hearing, the proposed budget is made available to the public in hardcopy format at the Village Hall. After the public meetings, the budget may be further revised and passed without further public inspection, notice or hearing. The final budget is typically approved in April.

Once the budget has been approved, the Village Administrator and Finance Director continue to monitor the Village's rate of revenue collections and expenditures to assure a healthy financial condition. If revenue projections drop below staff's original estimate, the Village Administrator will direct staff to reduce expenditures. Budget transfers within a fund may be authorized by the Finance Director who is the authorized budget officer. If a circumstance arises in which budget changes must be considered, the Village Board may approve a change by Ordinance. These budget amendments are usually necessary if anticipated expenditures are expected to exceed the total amount budgeted at the fund level, due to changing priorities or unexpected occurrences.

Budget Time Table

January 31, 2016	FY2016-17 Proposed Budget Worksheets distributed to staff
February 12, 2016	Completed General fund budget worksheets due to Finance
February 12 – February 29, 2016	Finance enters staff's FY2016-17 budgets in General fund and Prepares report of preliminary budget for Village Board
February 29, 2016	6:30 pm Village Board Meeting FY2016-17 General Fund preliminary budget provided to Village Board Public Hearing Notice Sent to paper for publication
March 8, 2016	12:30 p.m. FY2016-17 Budget Workshop
March 9, 2016	Public Hearing Notice appears in Journal & Topics Fiscal Year 2016-17 Proposed Budget available to public
March 9 – March 21, 2016	Meetings with staff to review each department's proposed budgets
March 9 – March 21, 2016	Finance prepares budget narrative, tables, schedules
March 22, 2016	FY2016-17 Proposed Budget document distributed to Board/Staff 6:20 pm Public Hearing Fiscal Year 2016-17 Proposed Budget 6:30 pm. Regular Village Board Meeting Fiscal Year 2016-17 Proposed Budget (1 st Reading)
March 30, 2016	1:00 p.m. 2nd Fiscal Year 2016-17 Budget Workshop Meeting
April 12, 2016 and June 14, 2016 (CIP)	6:30 pm. Regular Village Board Meeting Fiscal Year 2016-17 Proposed Budget (2nd Reading)
April 29, 2016	Deadline for adopting Fiscal Year 2016-17 Budget
May 24, 2016	Filing Deadline with Lake and McHenry County Clerk Certified copy of Fiscal Year 2016-17 Budget
June 28, 2016	Budget Bound and Distributed to Board and Staff

Basis for Budgeting and Fund Structure

Basis for Budgeting

The Village of Fox Lake accounts for all funds and adopts a budget based on generally accepted accounting principles (GAAP). A fund is a separate accounting entity with a set of self-balancing accounting that records assets, liabilities, fund equity, revenues, and expenses or expenditures. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

Fund Structure

The Village may use the following fund types:

General Funds: use the modified accrual basis of accounting whereby revenues are recognized when they are “measurable and available” and expenditures are recorded when the related fund liability is incurred. The majority of the Village’s business is accounted for in the General Fund.

Special Revenue Funds: use the modified accrual basis of accounting. Special Revenue Funds are required to account for the use of revenue earmarked by law for a particular purpose. State and federal fuel tax revenues require special revenue funds, because federal and state laws restrict these taxes to transportation uses. The Special Revenue Funds include: Motor Fuel Tax and TIF fund

Capital Projects Funds: use the modified accrual basis of accounting. Capital project funds are used to account for the construction or acquisition of fixed assets, such as buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project. Fixed assets acquired and long-term debts incurred by a capital project are assigned to the government's General Fixed Assets and Long-Term Debts. The Village does not have a Capital Project Fund.

Debt Service Funds: use the modified accrual basis of accounting. Debt service funds are used to account for money that will be used to pay the interest and principal of long-term debts. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service fund to account for their repayment. The debts of special assessment and proprietary funds are serviced within those funds, rather than by a separate debt service fund. The Village currently does not have a Debt Fund.

Special Assessment Funds: use the modified accrual basis of accounting. Special assessment funds account for public infrastructure improvements financed by special levies against property holders. The Village does not have a Special Assessment Fund.

Basis for Budgeting and Fund Structure (Continued)

Proprietary Funds: use the full accrual basis of accounting. Under the full accrual basis, revenues are recorded at the time liabilities are incurred. Proprietary funds are used to account for business-type activities and include enterprise funds. Enterprise funds are used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise.

The Village currently maintains one type of proprietary fund – an enterprise fund. Enterprise funds are used to report the business-type activities the Village engages in and charge fees designed to recover the cost of providing services. The Village maintains a Water/Sewer Fund, NW Region Reclamation Facility Fund and Commuter Parking Fund which are included in this category.

Fiduciary Funds: are accounted for on a full accrual basis. Fiduciary funds are used to account for resources held in trust by the government for the benefit of individuals or other entities and that cannot be used to support the Village's own programs. Financial statements may further distinguish fiduciary funds as either trust or agency funds.

The Village acts as a fiduciary for the Police Pension Funds a Trust Fund. The fund is supported by employee and Village contributions and is established as single employer funds. The fund is managed by a pension board and is not available to support the Village's programs. Non-police personnel are covered by the Illinois Municipal Retirement Fund (IMRF), a multi-employer, defined benefit plan. The Village sends the employer and employee contributions directly to IMRF.

Agency funds are monies held on someone else's behalf with the funds eventually being distributed to the rightful owner. The Village has not established an Escrow Fund to account for road and bond escrows. The Village has chosen to include the escrow as a liability in the General Fund due to the relatively small dollar amounts maintained. The Village requires a cash bond in like amount of building permit fee to be posted for the project. After final approval of construction and/or a Certificate of Occupancy is issued, the bond posted shall be refunded.

Account Numbers

The account numbers used by the Village of Fox Lake identify the type of account, the department making the expenditure, the general category to be charged and the type of purchase. Account numbers appear as follows:

01-340-5700

The first two digits indicate the fund

01	GENERAL FUND
12	TIF FUND
15	MOTOR FUEL FUND
50	COMMUTER PARKING FUND
51	WATER FUND
52	NW REGIONAL RECLAMATION FACILITY
72	POLICE PENSION FUND
91	911 FUND

The second three digits indicate the department

000	BALANCE SHEET
100	REVENUES
105	LOCAL TAXES
110	INTERGOVERNMENTAL REVENUES
115	GRANTS REVENUE
120	LICENSES & FEES
125	FRANCHISE FEES
130	BUILDING REVENUE & FEES
140	PUBLIC SAFETY FINES & FEES
145	PUBLIC SAFETY SPECIAL REVENUE
155	REIMBURSABLE INCOME
165	GARBAGE REVENUES
170	OTHER REVENUES
180	TOTAL FEES
195	SERVICE CHARGES
200	OTHER FINANCING SOURCES
300	EXPENSES
311	ADMINISTRATION
314	MOTOR POOL
318	GARBAGE
321	PUBLIC SAFETY
325	POLICE & FIRE COMMISSION
327	PARKS & RECREATION
328	INSURANCE
330	FIRE DEPARTMENT
341	STREETS
354	BUILDING & DEVELOPMENT
400	DEBT SERVICE
500	CAPITAL OUTLAY GENERAL
600	OTHER FINANCING USES

The third four digits indicate category to be charged

4000-4099	SALARIES
4100-4199	INSURANCE BENEFITS
4200-4299	PENSION BENEFITS
4300-4399	OTHER BENEFITS
5000-5099	MAINTENANCE SERVICES
5100-5199	PROFESSIONAL SERVICES
5200-5299	COMMUNICATIONS
5300-5399	PROFESSIONAL DEVELOPMENT
5400-5499	SERVICE CHARGES AND FEES
5500-5599	OTHER CONTRACTUAL SERVICES
5600-5649	MAINTENANCE SUPPLIES
5700-5799	GENERAL SUPPLIES
5800-5849	GRANT EXPENSES
5900-5949	GRANT EXPENSE
5950-5999	OTHER EXPENDITURES
6000-6099	DEBT SERVICE
7000-7099	CAPITAL OUTLAY
8000-8099	OTHER FINANCING USES

Section 3

Executive Overview

Budget in Brief

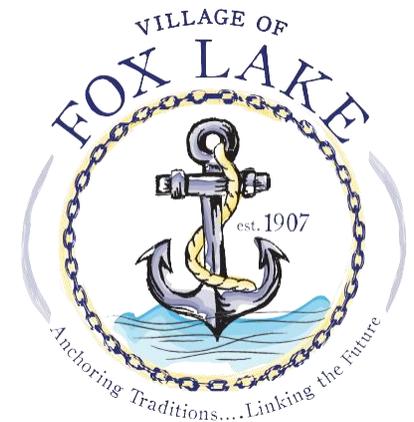
Strategic Planning

Revenue Trends and Projections

Expenditure Trends and Projections

Debt Position

Fund Balance Projections by Fund



Executive Overview

Budget in Brief

The Village of Fox Lake embraces a fiscally conservative and forward looking approach to budgeting for the operations of municipal government. The basis for developing the overall budget relies upon the initial forecast of anticipated revenues derived from taxes, fees, licenses, intergovernmental revenues, fines, investment proceeds and interfund transfers. The following table depicts total revenues for all funds for the years ending 2014 to 2017.

Revenues by Category

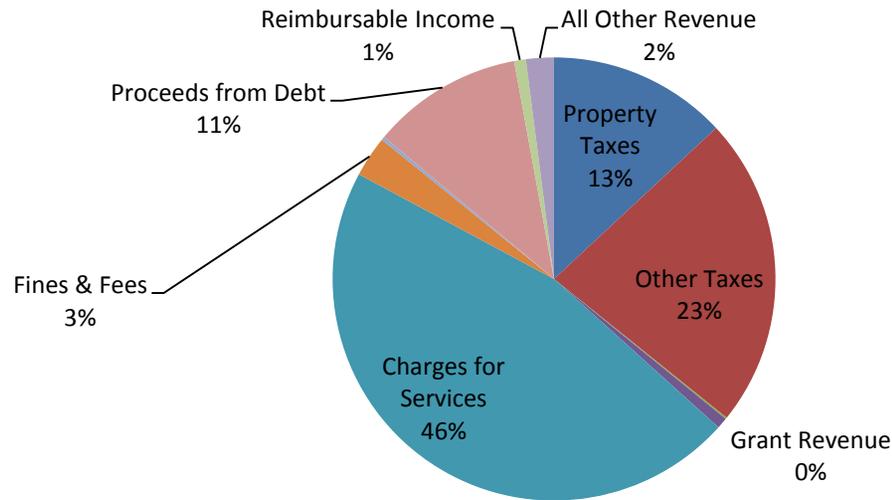
The total revenues budget for fiscal year 2016-2017 is \$27,281,651.

Account Category	Actuals 2013-2014	Actuals 2014-2015	Budget 2015-2016	Budget 2016-2017
Property Taxes	\$3,418,174	\$3,482,170	\$3,525,327	\$3,549,750
Other Local Taxes	1,358,693	1,434,678	1,734,788	1,743,053
Intergovernmental Taxes	4,280,053	4,331,501	4,448,499	4,422,243
Grant Revenue	210,788	287,035	63,000	126,000
Vehicle Stickers	96,779	121,074	75,000	156,000
Licenses	68,491	64,113	61,100	61,400
Franchise Fees	130,923	137,225	130,000	130,000
Building & Zoning Fees	126,159	114,844	186,700	170,000
Public Safety Revenues	303,376	291,099	472,122	380,800
Parks Programs	101,744	106,272	91,860	81,700
Interfund Service Charges	948,690	1,355,009	1,326,768	1,366,571
Reimbursable Income	231,369	261,012	213,937	232,708
Garbage Revenues	872,394	930,375	918,800	945,860
Other Revenues	375,054	423,337	520,515	336,693
Parking Revenues	130,191	128,629	120,000	120,000
Water Revenues	3,164,502	4,032,647	3,981,316	4,010,897
NW Region Revenues	5,185,667	5,213,024	4,965,000	4,969,500
Police Pension	1,336,430	1,385,941	406,261	390,194
911 Revenues	396,115	947,737	1,042,500	1,088,282
Proceeds from Debt	-	2,042,963	1,021,521	3,000,000
Interfund Transfers	91,027	193,312	-	-
Grand Total - All Fund Revenue	\$22,826,620	\$27,283,996	\$25,305,014	\$27,281,651

Summary of Revenues by Source – All Funds

The chart below summarizes total revenues by source including transfers. The other taxes classification incorporates state shared taxes including: income, sales, motor fuel taxes, and local taxes including: use tax, telecom tax, utility taxes, places for eating tax, rental car tax, and hotel tax. Charges for services includes: service charges, water & sewer billing, NW Region Reclamation Facility fees, Metra station parking fees, 911 contract fees, and garbage fees collected on behalf of Waste Management. Other category includes: pension contribution made by sworn officers, and interest revenue.

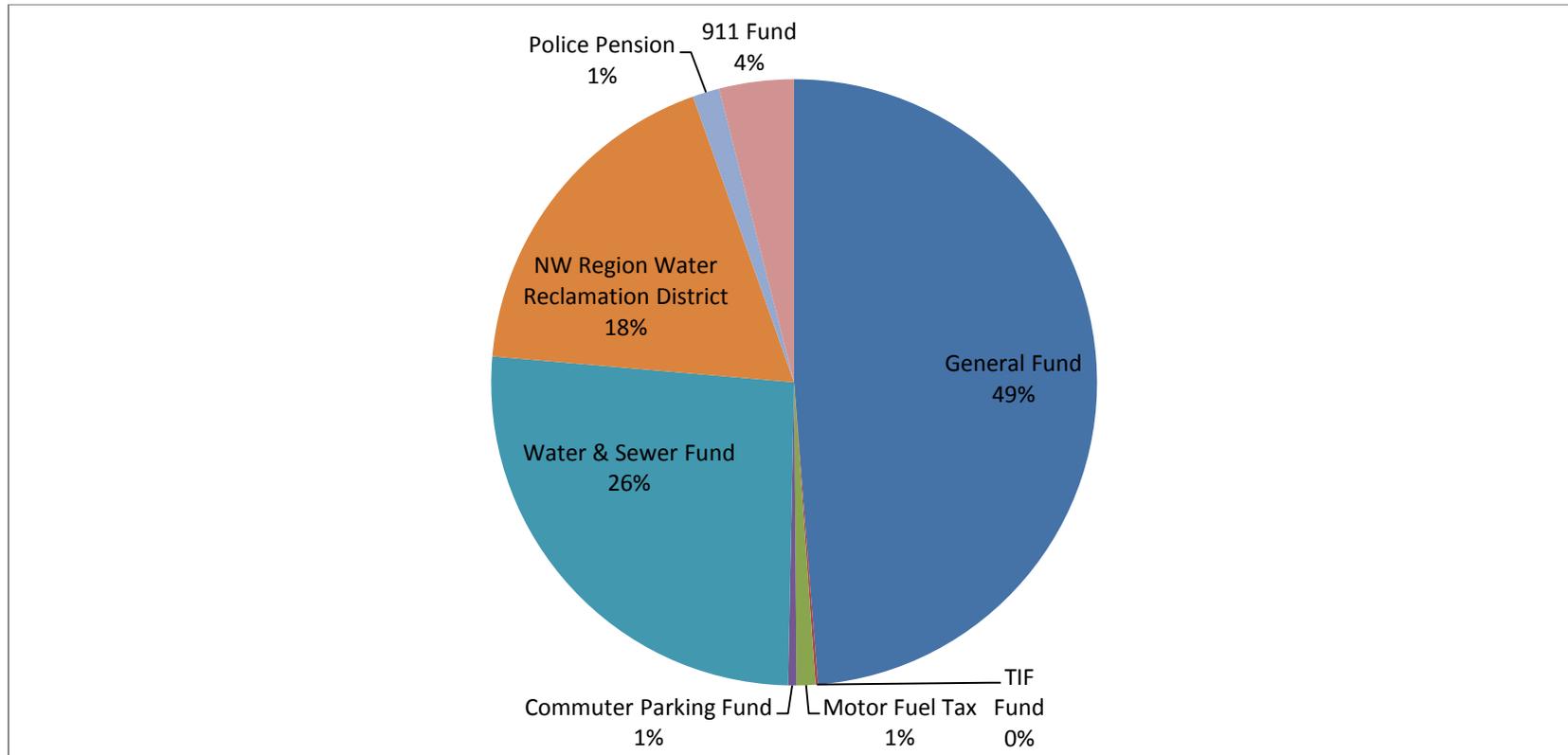
<u>Description</u>	<u>General Fund</u>	<u>MFT</u>	<u>TIF</u>	<u>Commuter Parking Fund</u>	<u>Water/Sewer Fund</u>	<u>NW Region Reclamation Facility</u>	<u>Police Pension Fund</u>	<u>911 Fund</u>	<u>All Funds</u>
Property Taxes	\$3,513,423		\$36,327						\$3,549,750
Other Taxes	5,891,300	273,996							\$6,165,296
Grant Revenue	30,000				96,000				\$126,000
Licensing/Stickers	217,400								\$217,400
Charges for Services	2,377,331			120,000	3,992,297	\$4,957,500		\$1,088,282	\$12,535,410
Fines & Fees	812,393								\$812,393
Police Safety Rev	65,200								\$65,200
Proceeds from Debt	-				\$3,000,000				\$3,000,000
Operating Transfers	232,708								\$232,708
All Other Revenue	156,700				18,600	12,000	390,194		\$577,494
Total Revenue	\$13,296,455	\$273,996	\$36,327	\$120,000	\$7,106,897	\$4,969,500	\$390,194	\$1,088,282	\$27,281,651



Summary of Revenue by Fund

	Actuals 2013-2014	Actuals 2014-2015	Actuals 3-31-16 YTD	Amended Budget 2015-2016	Budget 2016-2017	Increase/ (Decrease)
General Fund	\$ 12,150,305	\$ 14,992,235	\$ 11,133,874	\$ 13,460,234	\$ 13,296,455	\$ (163,779)
TIF Fund	37,506	36,489	37,781	36,327	36,327	-
Motor Fuel Tax	418,098	447,671	214,201	271,855	273,996	2,141
Commuter Parking Fund	134,284	130,883	110,216	120,000	120,000	-
Water & Sewer Fund	3,164,502	4,130,016	4,353,257	5,002,837	7,106,897	125,581
NW Regional Water Reclamation Facility	5,189,379	5,213,024	2,880,160	4,965,000	4,969,500	4,500
Police Pension (1)	1,336,430	1,385,941	-632,458	406,261	390,194	(50,146)
911 Fund	396,115	947,737	327,114	1,042,500	1,088,282	45,782
Total Funds	\$ 22,826,620	\$ 27,283,996	\$ 18,424,146	\$ 25,305,014	\$ 27,281,651	\$ (35,921)

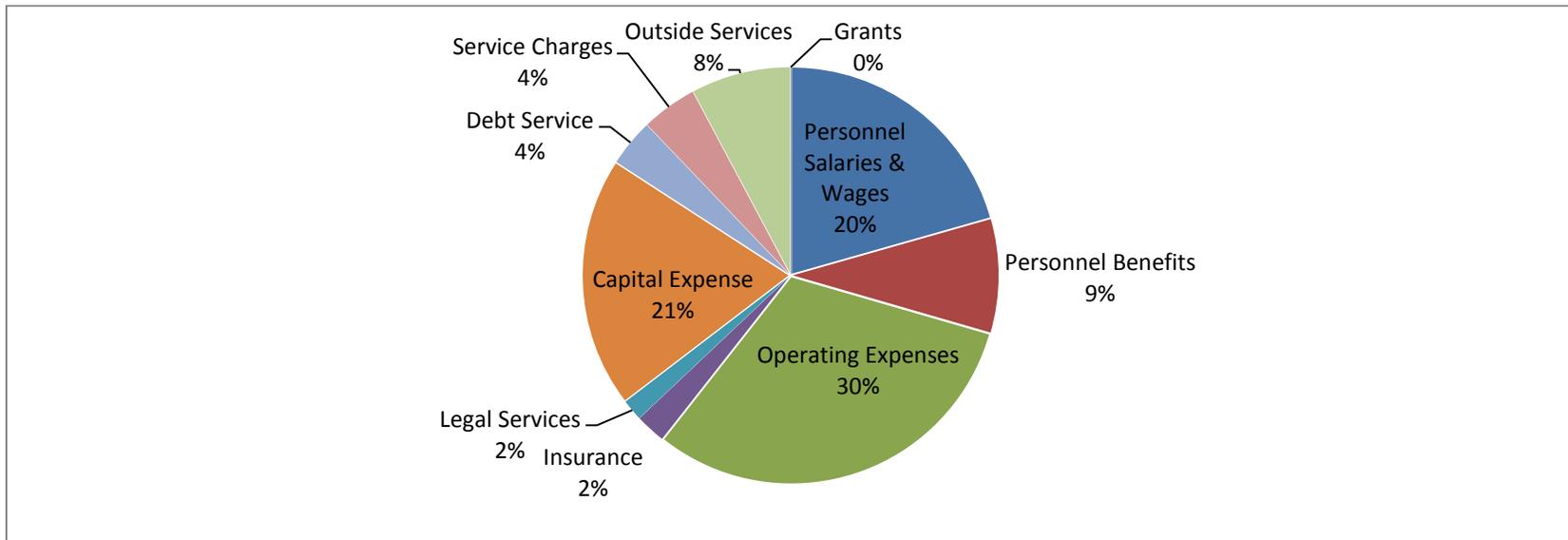
(1) Excludes property tax revenues, they are included in General Fund Revenues.



Summary of Expenditures by Category – All Funds

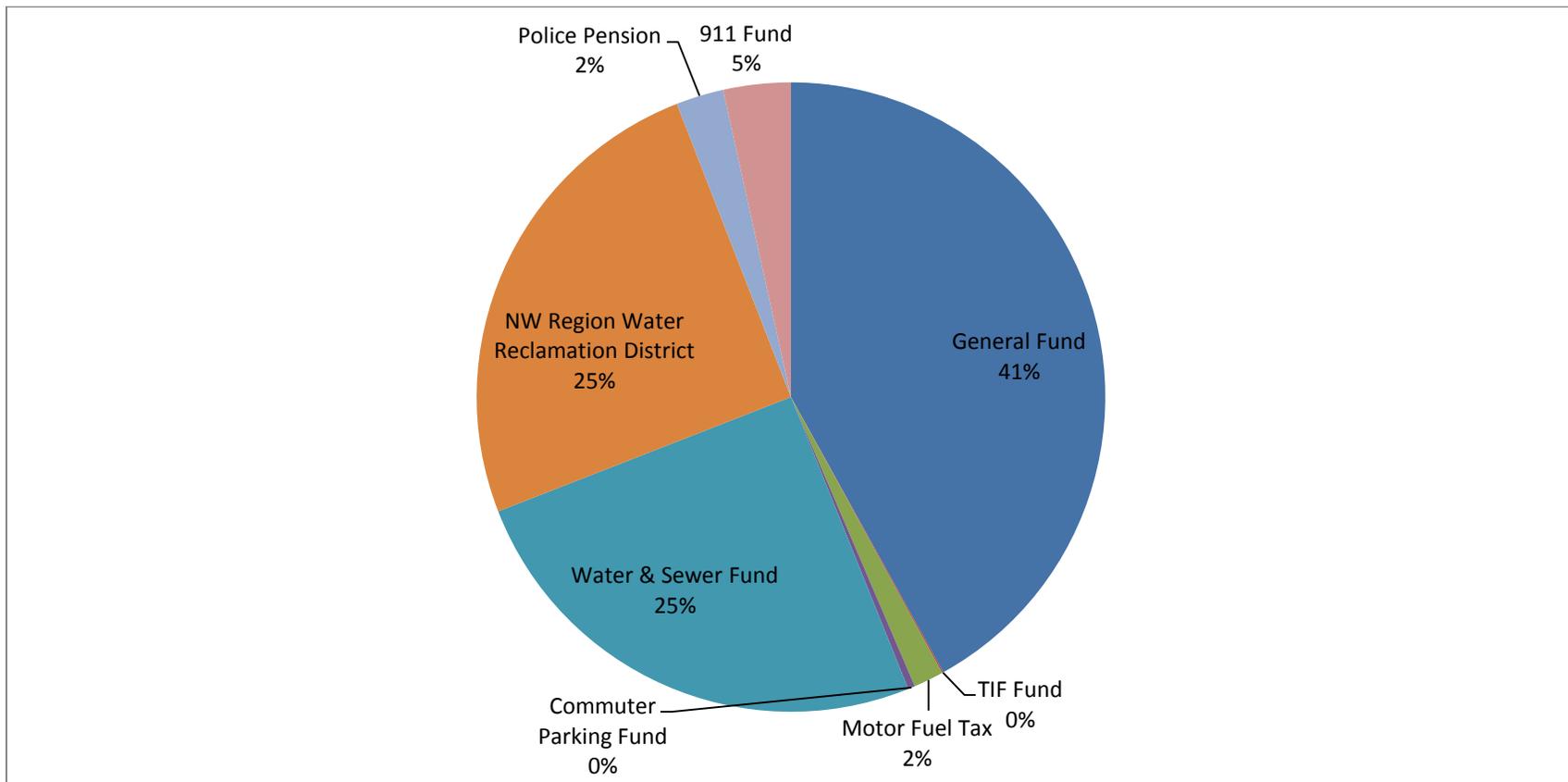
The development of projected expenses relies upon the forecasting of categorical expenditure in the areas of personnel salaries and benefits, operating expenses, insurance and liability expenses, legal expenses, capital equipment and improvement expense, and interfund transfers. As a service provider, the majority of the Village’s budget (30 percent) is allocated to personnel salaries and benefits. Thus a great deal of effort is expended in managing collective bargaining activities, wage compensation programs and employee benefits as a core cost containment strategy. The following table depicts total expenses by category for all funds for the Fiscal Years ending 2014 to 2017 (proposed)

	Actuals 2013-2014	Actuals 2014-2015	Actuals 3-31-16 YTD	Amended Budget 2015-2016	Budget 2016-2017	Increase/ (Decrease)
Personnel Salaries & Wages	\$ 5,875,295	\$ 6,152,449	\$ 5,434,289	\$ 6,227,074	\$ 6,459,692	\$ 232,618
Personnel Benefits	2,279,792	2,499,990	2,200,101	2,644,593	2,783,765	139,172
Operating Expenses	8,080,626	8,086,166	4,321,448	9,595,341	9,762,018	166,677
Insurance	362,564	516,944	619,937	614,660	740,829	126,169
Legal Services	248,550	255,776	250,585	491,000	520,000	29,000
Capital Expense	348,972	1,839,087	3,042,562	5,075,803	6,671,563	1,595,760
Debt Service	632,401	807,031	1,104,688	1,404,468	1,161,564	(242,904)
Service Charges	948,690	1,355,229	1,223,487	1,326,768	1,366,571	39,803
Fire & Garbage	2,169,947	2,413,139	2,205,924	2,402,362	2,442,573	40,211
Grants	-	68,992	-	-	300	300
Total Expenses	\$ 20,946,837	\$ 23,994,802	\$ 20,403,021	\$ 29,782,069	\$ 31,908,874	\$ 2,126,805



Summary of Expenditures – All Funds

	Actuals 2013-2014	Actuals 2014-2015	Actuals 3-31-16 YTD	Amended Budget 2015-2016	Budget 2016-2017	Increase/ (Decrease)
General Fund	\$ 10,436,712	\$ 12,555,996	\$ 10,511,865	\$ 13,566,453	\$ 13,151,415	\$ (415,038)
TIF Fund	2,100	11,514	5,702	22,808	22,808	-
Motor Fuel Tax	283,876	409,531	120,915	376,631	485,000	108,369
Commuter Parking Fund	197,040	272,907	65,807	108,789	112,922	4,133
Water & Sewer Fund	2,584,243	3,031,652	4,249,530	7,065,234	7,891,346	826,112
NW Regional Water Reclamation Facility	5,981,777	6,175,491	4,057,671	6,946,191	7,841,888	907,497
Police Pension	471,560	527,109	557,879	630,769	766,712	135,943
911 Fund	989,530	1,010,602	833,652	1,065,194	1,636,782	571,588
Total Funds	\$ 20,946,837	\$ 23,994,802	\$ 20,403,021	\$ 29,782,069	\$ 31,908,874	\$ 2,126,805



Summary of Expenditures by Fund and Category

The chart below provides expenditure summary for all 7 Village funds and the Pension Fund and further divides those fund totals into expenditures by category. The total budget for all Village Expenditures in FY2016-17 is \$31,908,874. The total is 7.2 percent higher than the FY2016-17 budget and 33 percent high than actual amounts spent in FY2014-15. 41 percent of all expenditures support the General Fund. The General Fund is the main operating fund of the Village and accounts for critical core services such as police, motor pool, and public works (street department).

	Salaries & Benefits	Operating Expenses	Legal Services	Capital Expense	Debt Service	Service Charges	Fire & Garbage	Insurance	Total
General Fund	\$6,025,177	\$2,536,960	485,000	\$749,250	\$520,207		\$2,442,573	\$392,249	\$13,151,415
TIF Fund		22,808							\$22,808
Motor Fuel Tax		335,000		150,000					\$485,000
Commuter Parking Fund	28,020	60,675	0			23,147		1,080	\$112,922
Water & Sewer Fund	769,519	1,721,633	10,000	4,203,313	634,658	464,724		87,500	\$7,891,346
NW Regional Water Reclamation Facility	1,602,137	4,067,551	20,500	1,020,500		878,700		252,500	\$7,841,888
Police Pension		762,212	4,500						\$766,712
911 Fund	818,604	250,479	5,000	548,500	6,700			7,500	\$1,636,782
Total Funds	\$9,243,456	\$9,757,318	\$525,000	\$6,671,563	\$1,161,564	\$1,366,571	\$2,442,573	\$740,829	\$31,908,874

Personnel and Benefits

The Village of Fox Lake relies upon a lean and efficient professional staff to accomplish the mission, vision and strategic goals of the operation. The Village has historically maintained a highly competitive total workforce compared to other municipalities in the region. The Village's employee count per 1,000 population has remained flat. The Village feels with the current full-time headcount levels are sufficient to maintain Village services at appropriate levels,

The following table depicts total employees by department as of April 30th 2014 to April 30th 2017.

Department	Actual Year-End FY2013-2014		Actual Year-End FY2014-2015		Actual FY2015-2016		Budgeted FY2016-2017	
	FT	PT	FT	PT	FT	PT	FT	PT
Administration	7	1	5.5	1	4.75	1	4.75	1
Motor Pool	3	1	4		4		4	
Public Safety	29	5	28.5	6	24.5	3	30.5	7
Parks & Recreation	1	1	1	1	1	3	1	3
Public Works/Streets	10	0	10	2	9	2	9	2
Community Development	3	0	3	1	3	1	4	1
Commuter Parking	0	0	.5		.5		.5	
Water & Sewer	9	0	10		9.75		9.75	
NW Regional Reclamation Facility	19	0	17.5		17.5		18.5	
911 Center	12	3	11	3	9	4	10	4
Total	93	11	91	15	83	14	92	18
Full and Part-Time Grand Total	104		106 (1)		97 (2)		110 (3)	

Note:

- (1) Increase from FY2013-14 to FY2014-15 was related to the increase in Public Works, Community Development and Public Safety part-time employees and one additional Water Sewer Employee offset by a decrease in full time employees in Administration and the 911 Center.
- (2) Decrease from FY2014-15 to FY2015-16 was related to the loss of 4 full-time and 3 part-time Police Officers, one 911 center operator, one full-time public works employee, and one administrative staff position.
- (3) Increase from FY2015-16 to FY2016-17 is related to fully staffing the police department, increasing part-time police officers to assist in the reduction of overtime expenses, and increasing the NW Regional Reclamation Staff to full levels.

Strategic Planning

It is proposed for FY 2016-17 that the Village further develop its strategic planning process. The Village strives to align its financial plan with its core values.

Core Values

The core values of the Village of Fox Lake are centered on a matrix of one-word descriptors. These words represent the values we hold; and which form the foundation on which we perform work and conduct ourselves.

Strategy: Ongoing operations and future services are defined in terms of short, intermediate, and long-term strategies that reflect the high-level service requirements, expectations, and demographics of the community. Our core strategy focuses on fiscally-prudent, high-quality and differentiated services to residents.

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

Culture: The Village maintains a culture of service, loyalty, and dedication to our competencies through adherence to a series of performance metrics and accountability.

Technology: The Villages' priority is to launch technology as a means to provide better and more efficient services to our internal and external customers. We evaluate and implement the newest technology as an ongoing effort to improve efficiency and enhance communications.

Strategic Priorities

Five strategic priorities drive how resources are expended within the Village of Fox Lake. These priorities provide a framework for decision making. While the Vision and Mission statements are the “how” of what we do – the strategic priorities are the “what.”

Service Optimization - Based on needs and expectations of the community and prioritization of core services, provide optimal service by supporting an adaptive and efficient workforce.

Organization Culture - Create and maintain an environment that engages and empowers all employees in the mission of the Village and encourages the development of human capital and resources.

Revenue Growth - Maintain a positive financial position with a long term perspective by diversifying revenue sources, aligning fee structures to adequately reflect service demands, reducing the Village's reliance on property and state shared taxes, and ensuring revenues adequately fund services and infrastructure needs.

Economic Development - Maintain and enhance the quality of life in the community through ongoing assessment, public and private partnerships, and by leveraging resources to meet community objectives. Create an inviting environment for doing business in the community through targeted communication and marketing methods, consistent with the needs and values of the village.

Infrastructure Sustainability - Assess and maintain reliable high quality infrastructure which includes Village buildings, streets, utilities (including water, sanitary sewer and drainage systems), information assets, vehicle fleet, and other assets necessary for maintaining service levels. Plan for the financial resources necessary to maintain current infrastructure, upgrade for efficiency or enhanced capabilities, and plan for the future infrastructure needs of the community.

Department	Mission	Objectives	Programs
Administration	Provide for a comprehensive approach to the delivery of services, development of the community and advancing the interest of the Village in a diverse and inclusive environment.	Access and implement changes in process work flows staffing and operations to provide for greatest efficiency in delivering services at expected levels.	Develop strategies to maintain a highly qualified, motivated, innovative, skilled and well trained workforce within a competitive environment
Parks & Recreation	The mission of the Parks and Recreation Department is to enhance the quality of life for residents. We strive to attract residents and members of surrounding communities by providing safe events and programs that promote a sense of community through cultural, educational and recreational activities for all generations to enjoy.	Prioritize quality in our programs and accountability in our fiscal management to provide excellent and affordable recreation that invites everyone to come out and play. Continue to build on our existing partnerships with organizations in the community while fostering new relationships as well.	Provide professionalism, communication and team work to serve as the foundation for park programs the community is seeking.
Community Development	Improve public awareness of services offered by the Community Development Department, as well as, quality of services to protect life and property.	Improve project completion and reporting. Code upgrade and adoption.	Integrate inspection to deliver comprehensive services to residents and businesses.
Finance	Develop and enhance existing long term financing strategies that support the Village's infrastructure, operations and enterprise functions.	Improve and strengthen internal controls.	Automate processes and provide for web based services to residents and businesses, improve internal controls and reporting functions.
Technology	Drive down the costs of IT by sharing service providers, making joint purchases, and sharing infrastructure.	Responsible for the maintenance of local and wide area networks that facilitate interdepartmental communication among Village offices and facilities.	Complete a fiscally constrained Technology Plan including customer service metrics, training and application platforms.
Motor Pool	Provide preventive maintenance and repair for all Village vehicles and equipment in a timely, cost effective professional manor.	Work with department directors to maintain vehicles and equipment in a safe and dependable condition.	To operate a service facility and fueling center, maintain a Preventive Maintenance program, provide service and repair for outside agencies and continue training for mechanics.
Public Works Streets Grounds & Forestry Building Maintenance	Maintain and enhance the Village's core infrastructure including streets, buildings, forestry and grounds with adequate levels of service for each asset category.	Develop and explore opportunities to minimize the use of resources, both labor and capital where adequate levels of service can be maintained. Seek multi-agency cooperation where economies of scale may be realized.	Maintain a highly trained workforce with diverse skill sets, providing flexibility in times of need and adaptability to changing infrastructure conditions.

Police	Provide high quality patrol, investigation and records management services to residents and businesses and at an adequate level of service.	Cultivate a talent pool of new and existing employees with diverse backgrounds and experiences, encourage innovation and new perspectives. Provide leadership development opportunities.	Deploy communications and reporting systems that meet applicable requirements, provide stable communications infrastructure, and assist operational activities.
Water & Sewer	To provide safe, reliable, and economical sewer and water services to the residents of the Village of Fox Lake.	Maintain system in accordance with the guidelines and regulations established by all state and federal agencies including the Illinois Environmental Protection Agency.	Operate and maintain all aspects of the Village of Fox Lake's sewer and water systems. Including 3 water towers, 1 reservoir, 1 wastewater treatment plant, 6 wells, 24 lift stations, 45 miles of water main, 35 miles of sewer main, 750 hydrants, and 1120 manholes. Programs include hydrant maintenance, sewer televising, sewer system cleaning, valve maintenance, water and sewer repairs, water meter reading and installations, compliance sampling of the sewer and water systems, overseeing and implementing capital projects, root cutting, and providing excellent customer service.
NW Region Water Reclamation District	The mission of the NWRWRF is to manage and operate safe, cost-efficient, and environmentally sound services for the benefit of the Village of Fox Lake and Northwest Lake County.	We are committed to protecting and preserving the environment by maintaining regulatory compliance and educating the public.	Our Pretreatment Program controls and/or limits levels of certain pollutants in wastewater discharged to the sewer system to prevent interference with the operation of the NWRWRF and to prevent the introduction of pollutants that could pass through the wastewater treatment plant untreated and into the Fox River.
911 Center	Provides professional emergency dispatch services and public safety communication support to the residents of Fox Lake, as well as to five (5) additional outside agencies.	Strive to meet standards established by the National Academy of Medical Emergency Dispatching (NAOMED), in conjunction with the Northern Illinois Medical Center Emergency Medical System (EMS) Coordinator and the Condell Medical Emergency Medical System (EMS) Coordinator.	Pursue additional clients for the 911 center services, plan to reduce or eliminate overtime, costs on contracts and agreement service, explore consolidation of 911 center programs, equipment services, and operations,.

Revenue Trend and Projection

As a part of the development of both long-term financial forecasting and the corresponding annual budget, the Village continually reviews external and internal factors that impact, or may impact, the collection of revenue. Evaluating the impact of the national economy (macro) influences the local economy (micro) is an important step in the process.

The national economy affects both state and local economies, although this impact varies by jurisdiction and may actually have an inverse effect on a community. Some of the economic indicators the Village uses in financial analysis include; inflation, employment, housing starts, vehicle sales, interest rates, and manufacturing activity.

Inflation – As inflation goes up, the cost of goods sold go up, increasing retail sales tax revenue. As prices rise, so will business income tax receipts. Conversely, the Village will have to pay more for goods and services.

Employment – Retail and vehicle sales tend to have inverse relationships with the unemployment rate. Sales tend to move in the opposite direction of the unemployment rate. Chronic unemployment often spills over into the residential real estate market resulting in lost real estate transfer tax revenue.

Housing starts - This indicator provides a sense of the overall demand for housing, which can be indicative of local housing activity. Data maintained by local realtor groups is useful in projecting the future of market recoveries.

Vehicle sales – sales and use tax revenues tend to fall with vehicle sales, which are heavily dependent upon both employment and interest rates. However, if increases in new vehicles are expected to reduce the value of used vehicles, the sales and use tax base can actually decline if the depreciation of used vehicles is not equally offset by the value of new vehicles.

Interest rates – Interest rate impact the Village's revenues in several ways. First, investment income will be affected by interest rates. Second, the availability and cost of capital directly affects business expansion and retail purchases. As credit is extended and/or rates are lowered, revolving purchases may increase, thereby increasing development plans and retail sales and, by extension, sales tax and business licenses revenues.

Manufacturing activity – If a Village has a large manufacturing sector, the ISM (Institute of Supply Management Index) becomes a significant factor in revenue analysis and forecasting. Manufacturers respond to the demand for their products by increasing production, building up inventories to meet the demand. The increased production often requires new workers which lowers unemployment figures and can stimulate the local economy.

Property Taxes

There are several components to the property tax levy: the Police Pension, Ambulance, Audit Tax, Corporate, Fire Protection, IMRF, Police Protection/System, Social Security, and Tort Judgement/Liability Insurance.

Police Pension

The tax levy for the Police pensions are based upon an independent actuarial analysis of fund cost as well as an amount to provide funds necessary to amortize a portion of the unfunded actuarial liability. The Village utilized the actuarial report for the Police Pension requirements. The FY2016-2017 amounts reflect a change with respect to actuarial assumptions related to mortality rates, disability rates, turnover rates, and retirement rates based upon the Illinois Department of Insurance 2012 published rates. The estimated actuary valuation results for 5/1/16 utilizing an interest rate of 7.54% of return on investment was \$706,057. The Village based upon the actuarial recommended contribution. Note: the Village is a non-home rule community; therefore, tax levies for Pension funds are limited by law commonly called "tax caps," the Property Tax Extension Limitation Law (PTELL). The law does not cap either individual property tax bills or individual property tax assessments. The PTELL allows a taxing district to receive a limited inflationary increase in tax extensions on existing property, plus an additional amount for new construction, and voter-approved rate increases. The limitation slows the growth of property tax revenues to taxing districts when property values and assessments are increasing faster than the rate of inflation. As a whole, property owners have some protection from tax bills that increase only because the market value of their property is rising rapidly. Payments for bonds issued without voter approval are subject to strict limitations. If a taxing district determines that it needs more money than is allowed under the PTELL, it can ask the voters to approve an increase."

Utility Use Taxes

The Village of Fox Lake levies three utility taxes for electricity, natural gas, and telecommunications.

Electricity Tax

The amount levied for electricity is the maximum allowed by state statute and is based on a sliding scale that net approximately \$0.05 per kilowatt hour. Revenue is budgeted to be \$424,725 for FY2016-2017. Since electricity use tax is based on unit pricing, there is no fluctuation due to commodity pricing. Absent any increase in households or commercial buildings within the village, this revenue source has little room for future growth. Weather conditions are the primary reason for changes in revenue, but the movement for more efficient building technologies and appliances will be a constant pressure downward on the collection of this revenue. The amount has been projected flat based upon trends by the IL Department of Revenue.

Natural Gas Tax

Utility taxes for natural gas are levied at a rate of 5% of gross receipts and budgeted at \$91,217 for FY2016-2017. The natural gas tax is based upon gross receipts; therefore, price and demand both play a role in the amount of the tax. From FY2008 to FY2016, the utility taxes have trended downward due to an increase in residential and commercial property vacancy rates due to the economic recession, unusually warm weather and credits by large taxpayers for overpayments made in prior years. The Village is projecting taxes to level off and remain flat.

Telecommunications Tax

The tax levied at six percent on all types of telecommunication except for digital subscriber lines (DSL) purchased, used, or sold by a provider of internet service (effective July 1, 2008). The exemption of DSL service has had a significant negative impact on collections. Combined with the economic decisions to consolidate, or eliminate additional phone lines, revenue is down 50% from the peak in FY2006-2007. Voice over Internet Protocol (VoIP) phone services such as those provided by Xfinity/Comcast and Vonage are subject to taxation. Telecom receipts are expected to decline as consumers continue to switch from landline telecommunications services to cellular phones and data plans, the latter of which are preempted from state taxation by federal law. Decline expected to plateau, but not before further decline in revenues. Decline projected at 3%. The Village imposes a 13% telecommunication tax on its residents.

Hotel/Motel Taxes

The Hotel/Motel Tax also called the Hotel Operators' Occupancy Tax. The tax is collected by the hotel's owner, operator, or manager from their guests. For the purposes of the tax, a hotel is considered to be any building in which members of the public rent sleeping accommodations. The tax covers hotels, motels, and bed and breakfasts, as well as condominiums, apartments, and houses rented for less than 30 consecutive days. Hotel/Motel tax does not apply to hospitals, sanitariums, nursing homes, student dormitories operated by colleges and universities, or condominiums, apartments, and houses leased for more than 30 consecutive days. The Village imposes a 5% tax and is responsible for collecting the local hotel/motel taxes from the hotels.

Road & Bridge Taxes

The Road and Bridge Tax is levied at one-half of the tax collected on property lying within a municipality. Streets and alleys that are under the care of the municipality must be turned over to the municipality to be included in the tax base. This revenue must be used for the improvement of roads or streets. If a municipality does not appropriate this tax revenue for the improvement of roads or streets within one year from the date of receipt, then the non-appropriated portion of the tax revenue is to be returned to the Road District Treasurer. The tax has been budgeted to remain the same as the prior year's forecast.

Rental Car Taxes

The rental car tax is a tax paid by the consumer on the rental of a passenger car for a period of less than 30 days. The rental company reports the tax to the Department of Revenue. The rental car tax is in addition to the retail sales tax. The rate consists of the following: State Rate 5%, Village of Fox Lake Rate 1%, and Metropolitan Pier & Exposition Authority 6% for a total rate of 12%. The total tax has been budgeted to remain flat.

Places for Eating Taxes

The Places for Eating tax was approved by the Village Board in April 2015 on food and beverages prepared for immediate consumption. The tax is 1.5% and is payable directly to the Village. The tax only applies to those businesses that prepare food and provide a place for customers to dine in. The 2015-2016 Budget was the first year of this new tax. The FY2016-17 Budget amount is based upon most current six month actual food/beverage sales tax revenue annualized.

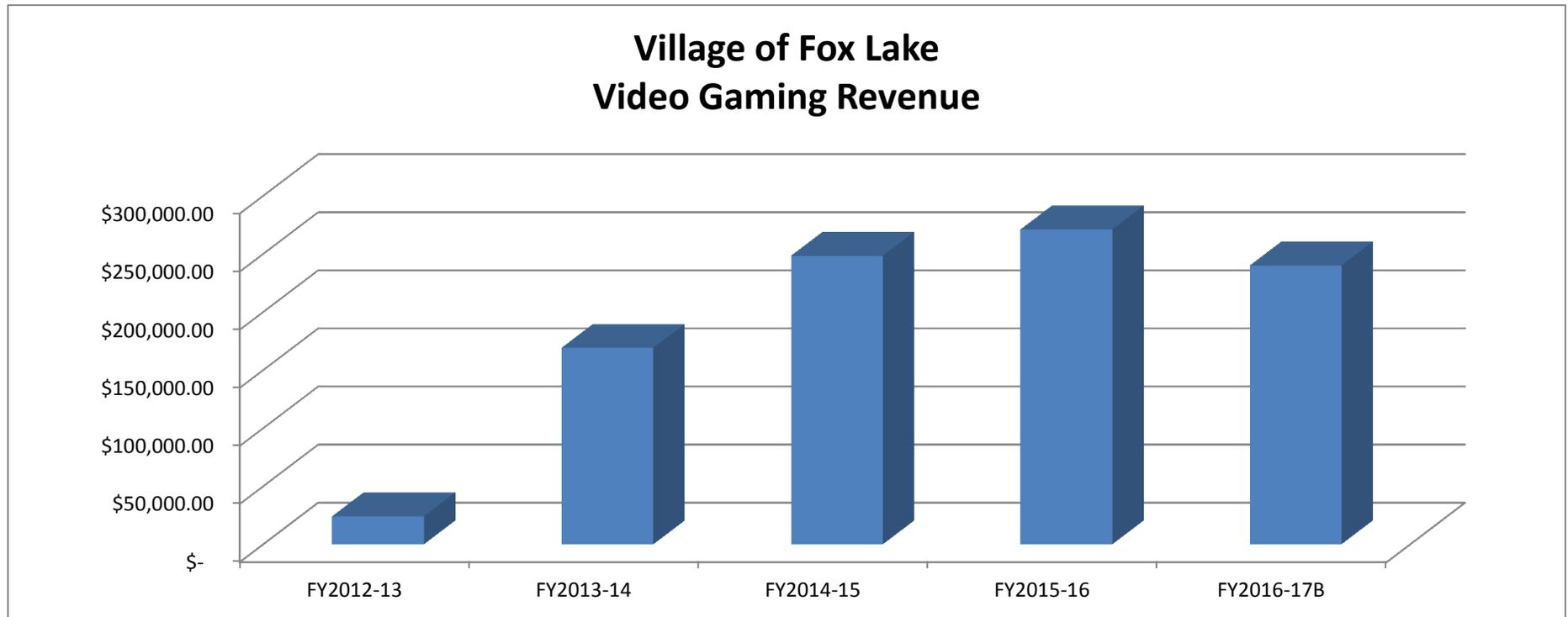
Video Gaming Tax

On July 13, 2009 Governor Pat Quinn signed the Illinois Video Gaming Act making video gaming terminals legal in Illinois. The Act allows for video gaming terminals to be placed in certain liquor establishments, truck stops and fraternal/veterans clubs throughout the state.

The Illinois Gaming Board (the IGB or Board) has the responsibility of implementing and regulating video gaming in Illinois. Initially, the Board established several administrative rules and guidelines for all businesses that apply for the required gaming license. The rules will provide guidance on matters such as, but not limited to, standards, testing requirements, application procedures and violation hearings.

The Village of Fox Lake Board approved the installation of video gaming machines within permissible establishments as allowed by the Video Gaming Act on June 13, 2012. Jurisdiction over video gaming oversight is with the State of Illinois Gaming Board.

Since the passage the Village's gaming ordinance, there are now 22 establishments that are licensed under the Act. From the beginning of operations by the first establishment approved in October 2012 to date, the Village has received \$712,696.90 in gaming tax. We are projecting \$240,000 in income for FY2016-17. The gaming tax has provided the Village with a revenue source not directly imposed on its residents and will help to balance our overall budget.



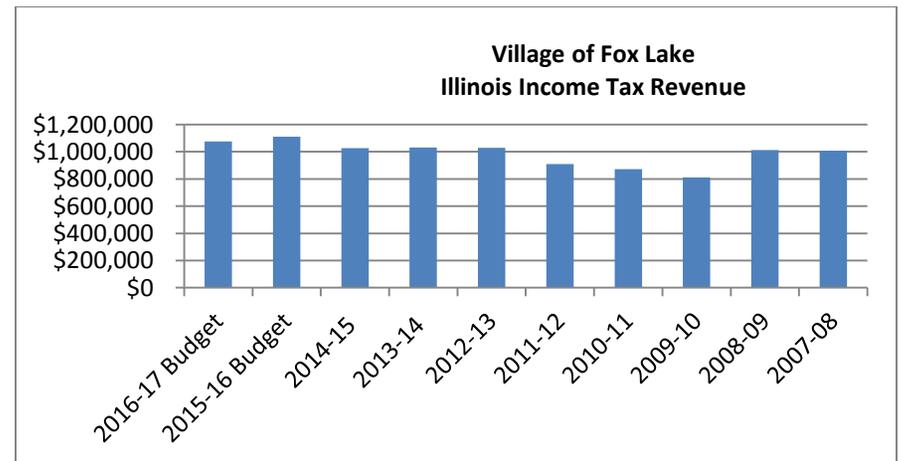
Illinois Income Tax

Illinois Income Tax is imposed on every individual, corporation, trust and estate earning or receiving income in the state. The tax is a flat five percent of income for individuals and seven percent for corporations. The Village receives a pro rata allocation of Income Tax from the State of Illinois based on six percent of net personal and corporate taxes. The five percent income tax was rollbacked to 3.75 percent on January 1, 2015. Regardless of the change, it is anticipated that the change will not impact municipal collections, although there is a perennial concern that the Illinois legislature will reduce the amount remitted to municipalities to address state budget deficits.

Income taxes are allocated on a per capita basis to municipalities. The 2010 Census Population and Housing Occupancy Status information was released last year and reflects the Village at a population rate of 10,579 which is a 120 decrease from the 2000 Census of 10,699. Based upon data provided by the Illinois Municipal League (IML), the tax is projected at \$102.00 per capita or \$1,074,774.

Unemployment in the state of Illinois is beginning to recover to pre-recessionary levels. The state unemployment rate is 6.5 percent (March 2016) compared to 6.0 percent one year ago. Sectors still adding jobs include professional and business services, education, healthcare and trade, transportation and utilities. Government has lost the most jobs since January, 2010. Historical Illinois Income Tax is reflected below:

Fiscal Year	Revenues	Per Capita	% inc/(dec)
2016-17 Budget	\$ 1,074,774	\$ 102.00	
2015-16 Budget	\$ 1,110,795	\$ 105.42	8.2%
2014-15	\$ 1,026,163	\$ 97.00	-4%
2013-14	\$ 1,030,884	\$ 97.45	.3%
2012-13	\$ 1,027,830	\$ 97.16	11.2%
2011-12	\$ 909,022	\$ 85.93	3.6%
2010-11	\$ 871,117	\$ 81.42	7.3%
2009-10	\$ 811,980	\$ 75.89	-19.8%
2008-09	\$ 1,011,791	\$ 94.57	.4%
2007-08	\$ 1,008,020	\$ 94.22	15.6%



Use Tax

The Village receives a share of the total collections of the State use tax that is extended to items purchased outside of Illinois. The State distributes this tax to the municipalities on a per capita basis. The Use tax is based upon an estimate of \$18.34 per capita. History of local use taxes is presented below:

(1) Fiscal year 2011-12 and prior are based upon the 2000 census figures of 10,699.

Fiscal Year	Revenues	Per Capita	% inc/(dec)
2016-17 Budget	\$ 247,620.00	\$ 23.50	5.9%
2015-16 Budget	\$ 233,921.00	\$ 22.20	7.2%
2014-15	\$ 218,194.00	\$ 17.49	17.6%
2013-14	\$ 185,604.00	\$ 17.54	11.0%
2012-13	\$ 167,196.00	\$ 15.80	-10.3%
2011-12 (1)	\$ 151,609.00	\$ 14.33	-0.8%
2010-11	\$ 152,832.00	\$ 14.45	-21.5%
2009-10	\$ 127,233.00	\$ 11.89	-16.4%
2008-09	\$ 152,245.03	\$ 14.23	-0.8%
2007-08	\$ 151,011.00	\$ 14.11	13.1%

Personal Property Replacement Tax

Replacement taxes are revenues collected by the state of Illinois and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away. These taxes resulted when the new Illinois Constitution directed the legislature to abolish business personal property taxes and replace the revenue lost by local government units and school districts. In 1979, a law was enacted to provide for statewide taxes to replace the monies lost to local governments. Corporations, partnerships, trusts, S corporations and public utilities pay these taxes. The rates are as follows: Corporations pay a 2.5 percent tax on income, partnerships, trusts, and S corporations pay a 1.5 percent tax on income, public utilities pay a 0.8 percent tax on invested capital.

The proceeds from these taxes are placed into the Personal Property Replacement Tax Fund to be distributed to local taxing districts. The total collections are divided into two portions. One portion (51.65 percent) goes to Cook County. The other portion (48.35 percent) goes to downstate counties. The Cook County portion is then distributed to the taxing districts in Cook County on the basis of each district's share of personal property tax collections for the 1976 year. This percentage is called the district's "allocation factor." The Village receives portions from the State, Grant Township, and Antioch Township.

Motor Fuel Tax

The Motor Fuel Tax is imposed on the privilege of operating motor vehicles on public highways and recreational watercraft on waterways in Illinois. It is paid by distributors and suppliers who collect the tax from their customers. The FY2016-17 budgeted MFT proceeds of \$273,996 based upon amounts estimated by the Illinois Municipal League. This revenue is distributed on a per capita basis. The amount is estimated at \$25.90 per capita. The amount is approximately \$2,141 higher than prior years due to the increase in the per capita rate offset by the elimination of the Jobs Now program funding.

Elevated fuel costs, alternative energy, high unemployment numbers, and technological advancement that allow for more employees to telecommute, will continue to impact growth in this revenue. These revenues are used to fund the annual street maintenance program for Nippersink, salt purchases, electricity charges, and the CDBG, TARP, TIP and STP grant matching road projects.

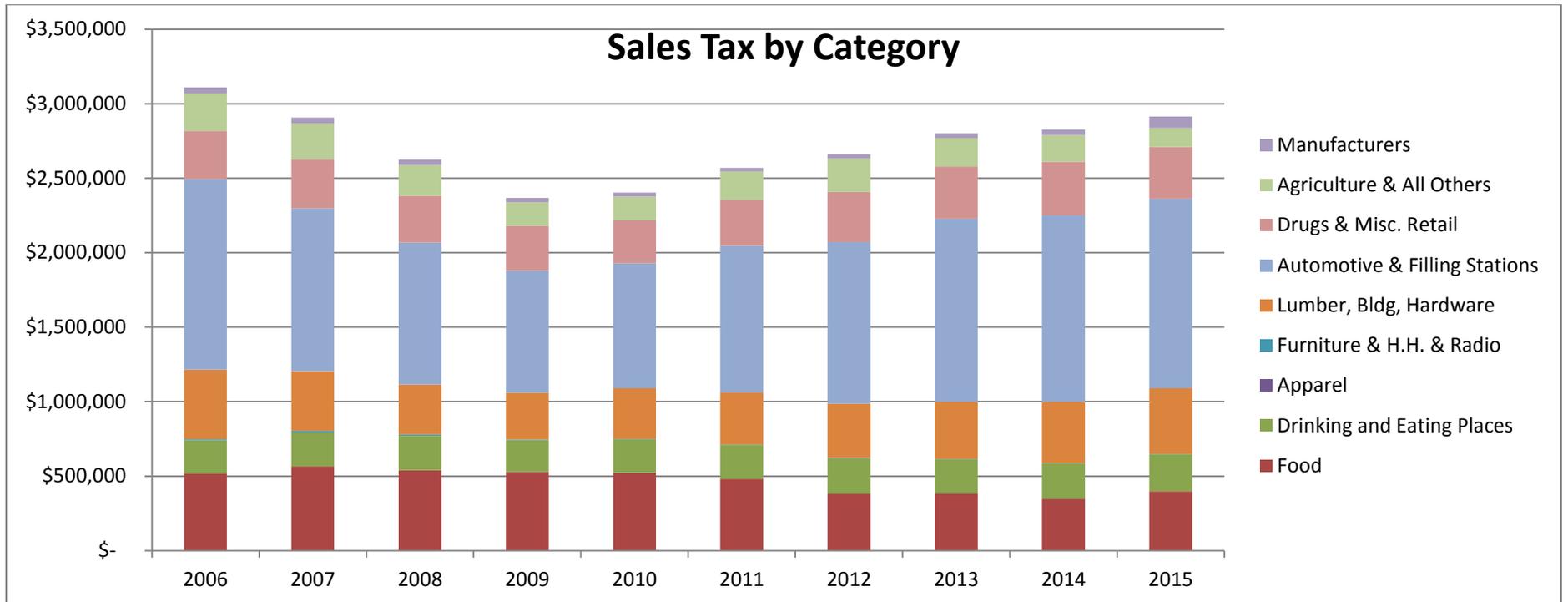
Sales Tax

The Village receives one cent (\$0.01) for each dollar of retail sales. The largest sales tax generators are Drug and Miscellaneous retailers (Walgreens) whose sales are not heavily influenced by economic conditions. The impact of the recession continues to affect all retailers as revenues are down 9.2% from the pre-recessionary peak in 2006. Largely contributing to the precipitous decline was the loss of Dominick's Grocery Store. The following chart summarizes sales tax collections over the last ten years. The FY2015-2016 sales tax revenues are projected to increase by 2.26% based upon the COGFA projection.

The Village's Sales tax rate are collected by the State of Illinois and divided among the taxing districts as follows: State Tax: 6.25%, Regional Transportation Authority.75%, and Village Municipal Tax 1% (included in the State Rate) for a total Sales Tax Rate of 7.0%.

Sales Tax Collections

Sales Tax	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Food	\$519,654	\$565,622	\$540,466	\$527,192	\$522,189	\$481,014	\$381,078	\$383,077	\$347,674	\$397,093
Drinking & Eating Places	221,537	227,460	229,205	215,499	223,768	228,608	239,470	228,940	239,173	249,525
Furniture & H.H. & Radio	8,318	11,112	9,516	3,375	2,474	2,308	3,554	2,940	1,473	3,258
Lumber, Bldg, Hardware	465,976	400,436	336,271	313,370	341,702	349,903	362,996	384,466	411,442	440,941
Automotive & Filling Stations	1,278,789	1,093,991	952,671	819,569	838,954	985,218	1,084,031	1,229,127	1,250,317	1,271,559
Drugs & Misc. Retail	322,873	327,670	314,369	302,174	288,182	306,314	335,845	349,119	359,823	346,635
Agriculture & All Others	251,362	241,420	205,603	157,073	159,155	192,115	225,447	192,005	178,934	127,280
Manufacturers	41,247	38,355	36,180	28,910	27,180	24,721	28,381	31,006	37,414	76,935
Total	\$3,111,762	\$2,908,073	\$2,626,290	\$2,369,172	\$2,405,614	\$2,572,212	\$2,662,815	\$2,800,680	\$2,826,252	\$2,913,227



Franchise Fees

The Village receives a Cable Franchise Fees from the Cable from Comcast. The Cable franchise fees are projected to remain flat from year to year. The fees are 5% of the semi-annual gross revenues.

Vehicle Stickers & Licenses

Vehicle stickers and dog licenses were budgeted based upon the most recent data. In FY2014-15 the Village began a vehicle sticker enforcement program realizing \$80,200 in revenues. The revenue collected was 100% due to the enforcement program. In FY2014-15, the Village had placed a moratorium on the sale of vehicle stickers a waiting the result of the non-home rules sales tax referendum. The referendum failed and the Village chose to continue with the sale of stickers to maintain current revenue levels. The Village has planned for a 30% increase in vehicle sticker sales from the FY2013-14 levels anticipating resident's compliance with the Village vehicle sticker requirement.

Business and Liquor licenses have been budgeted to remain flat with no planned increase in fees or business growth.

Building & Zoning Revenue & Fees

A significant percentage of this revenue should be considered as non-recurring and is reliant upon the economic conditions. Total building revenue and fees are estimated to be \$170,000 which is a slight decrease compared to the prior year forecast. A slow but anticipated economic turn-around is projected. The Community Development department is working on new fee schedules which should increase the revenue stream related to building; including permit fees, public hearing fees, certificate of occupancy fees, and building re-inspection fees; however, that increase will not be recognized until FY2017-18.

Impact fees are fees collected from developers. The fees collected are used to pay for the purchase of land. In FY2015-16 the Village budgeted \$67,000 for impact fees from Bright Oaks, Cal Atlantic and Reva Bay. However, for FY2016-17 the Village is estimating a \$17,000 decrease in revenues as Country Club Hills townhomes and several other developments will be building less homes.

Park Fees

The Parks & Recreation department sponsors classes, events and programs such as the Egg Hunt, Polar Plunge, Celebrate Fox Lake, Cardboard Boat Race, Concert by the Lake, 5K Walk/Run, Holiday Events, Santa's House, Turkey Dinner, Fall Festival, Senior Events, Venetian Night, Classes for Lakefront, Plays, Sports Program, Movie Night and the Dance Program. Fees for these programs are projected to bring in \$81,700 which is \$10,200 lower than the prior year due to the loss of the Spring Dance program.

Garbage Fees

The Village has a contract with Waste Management who supplies the refuse pick up in the Village. The Village collects garbage fees from the residents bi-monthly through their utility bills and pays Waste Management on a monthly basis. The Village's current contract with Waste Management is for a period of (7) years, effective in 2011. The contract includes an annual 3% increase in user fees for collection and disposal services.

Fees

The Village receives several fees: Cell Tower rental income of \$98,987, 911 center rent for use of the Police Department facilities, and an externality fee which is received from the NW Region to be used for beautification and improvements. The externality fee is based upon 4.5% of NW Region Water Reclamation revenues. The Village will be losing \$24,400 based the loss of 2.25% of Round Lake Beach revenues per the agreement with Lake County.

Public Safety Fines and Fees

Public Safety Fines and Fees are anticipated to be less than the prior year by \$87,800. The vehicle sticker enforcement program provided the Village with one time revenues in FY2015-16. These revenues will not be realized in FY2016-17 as more residents are projected to be in compliance. The Village applied to be a part of the State's Debt Recovery program. The Village plans to be fully implemented in the system by the end of this fiscal year and begin collection efforts in FY2017/18.

Police Special Revenue

Police Special Revenue includes revenue from: reimbursement by Grant Community High School for a School Resource Officer (SRO) who is a sworn law enforcement officer who is responsible for providing security and crime prevention services in the High School, and Charitable Games Tax - \$1,700 related to a tax which is imposed on the net proceeds of charitable games. Annual license fees are imposed on suppliers and providers of such games. Operators must pay a license fee every two years.

Reimbursable Income

Reimbursable income is comprised of: Professional Engineering and Attorney Fees Reimbursement which includes reimbursement from developers for the Village's out-of-pocket costs for engineering and legal services; Public Safety reimbursement related to billable special detail, Motor Pool reimbursable which includes labor and expenses the Motor Pool department performs for outside agencies; Fire Department reimbursable costs are expenses which are paid for by the Village and charged to the Fire Department such as Motor Pool labor and expenses, fuel usage, and utilities for Village owned facilities which the Fire Department uses.

Interfund Service Charges

The General Fund provides a variety of services that support the activities and projects of other funds. In order to recognize the cost of those services in the appropriate fund, and to reimburse the General Fund, these schedules have been developed. The schedules demonstrate and track the methodology for cost allocation, and provide a basis for future continuity in the application of cost transfers. The Interfund charges are based upon direct costs which are costs that provide measurable, direct benefits to particular programs plus indirect expenses based upon an indirect cost rate.

Indirect costs are those costs that cannot be directly charged to a particular program, but are attributed to services, which are necessary to operate the program. Such services include, but are not limited to, accounting, budgeting, payroll preparation, personnel management, and purchasing. The Village outsources this function to the Maximus firm. A report is provided annually to the Village so costs may be properly charged to the enterprise funds.

The allocation of indirect costs to programs is important because general management costs are necessary for any program to exist. For instance, all programs will use the business office at one time or another for services such as contracts, purchasing, payroll checks, and personnel management. By using the maximus report, indirect costs are efficiently recovered and shared with the Enterprise Funds.

Investment Revenue

The Village's investments are guided by two investment policies related to the Police Pension Fund and All Other Village Funds. Total revenue is expected to be \$20,600 for non-Pension funds. The Village funds are invested in money market accounts with expected yields of 0.10% to 0.35%. Due to the Village's current increased cash position, alternative investments are being investigated to increase the yield. In order to be conservative as it relates to Police Pension fund revenues, the Village chose not to project investment revenue returns. The Pension fund is the only Village fund that purchases equity investments.

Police Pension Revenues

The Village maintains a police pension trust fund mandated by Illinois Compiled Statutes for sworn police officers. All other full-time Village employees are covered by the Illinois Municipal Retirement Fund (IMRF).

Revenues estimates for the Police Pension Funds are calculated by an independent actuary. The Village estimated revenues are conservative with no revenues budgeted versus the actuarial estimate of 9%. The actual FY2015-2016 investment return as of March 31, 2016 was a positive \$956,570. The property tax levy for FY2016-17 was increased by .7% (rate of inflation) as limited by the Property Tax Extension Limitation Law (PTELL). The Village will contribute \$216,448 based upon actuarial recommended funding level.

Sale of Village Property

The Village anticipates selling three public works, two police, and one Building & Zoning vehicle.

Commuter Parking Fees

The Parking Fund was established as an enterprise fund to track the revenues and expenses associated with operating and maintaining the Metra parking facilities located along Milwaukee District/North Line railroad tracks.

The Parking Fund derives its revenues in this fund from daily fees and permits issued for use of the 450 parking spaces located within the lots. Historically, the Village has experienced an occupancy rate of 71%. The Village attributes this underutilization due to lower gas prices.

The Village's daily fee of \$1.50 or monthly fee of \$30 is comparable to nearby communities.

Water & Sewer Fees

Total fees budgeted for the sale of water for FY2016-2017 is \$ \$3,867,707. The water fund accounts for the provision of the potable water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, depreciation expense, financing, and billing and collections.

All customers share equally in the cost of operation, depreciation and debt service. In addition, the customer pays for water consumed at a fixed rate per 1,000 gallons. Monies for the Water Fund are generated by the sale of water to the Village's current base of 3,795 water customers or 4,875 units and 4,400 sewer customers or 5,509 units.

Water Rates:

1. Metered Consumer: For each user of water service that is individually metered, there shall be charged a rate computed as follows: A fixed cost charge of forty two dollars and ninety-seven cents (\$42.97) per two (2) month period, plus a usage charge of three dollars and nineteen cents (\$3.19) per one thousand (1,000) gallons per two (2) month period.

2. Nonmetered Consumer: For each user of water service that is not individually metered, there shall be charged a rate computed as follows: A fixed cost charge of forty two dollars and ninety-seven cents (\$42.97) per two (2) month period, plus a usage charge of three dollars and nineteen cents (\$3.19) per one thousand (1,000) gallons based on an assumed average usage of eight thousand (8,000) gallons per two (2) month period.

3. Multiple-Dwelling Single Metered Consumers: For multiple-dwelling unit developments that are not individually metered but have a single meter, there shall be charged a rate computed as follows: A fixed cost charge for each individual dwelling unit of forty two dollars and ninety-seven cents (\$42.97) per two (2) month period, plus a usage charge of three dollars and nineteen cents (\$3.19) per one thousand (1,000) gallons.

Local Sewer Rates:

Local Sewer User Service Charges: The local sewer user service charge shall be determined by the amount of revenue funds required to operate and maintain the local sewer system; to provide funds for the replacement of components parts for each fiscal year; a debt service charge; and a surcharge.

Local Sewer Service Fee: A fixed cost charge of forty two dollars and ninety-seven cents (\$42.97) per two (2) month period, plus a usage charge of:

a. For nonmetered sewer users, eighty nine cents (\$0.89) per one thousand (1,000) gallons discharged based on an assumed bimonthly discharge of fifteen thousand (15,000) gallons. Usage exceeding fifteen thousand (15,000) gallons in a two (2) month cycle shall be billed at eighty nine cents (\$0.89) per one thousand (1,000) gallons. None of this fee shall be allocated to the NWRWRF.

b. For metered sewer users, eighty nine cents (\$0.89) per one thousand (1,000) gallons discharged in a two (2) month cycle based on water meter usage or sewer meter usage if applicable.

c. Outside Village Limits: The sewer user service charges for all users outside the corporate limits of the village shall include a surcharge of fifty percent (50%) of the debt service charges for users within the corporate limits of the village.

The water sales budget reflects projected consumption of 190.3 million gallons at the above listed rate and sewer usage of 218.1 million gallons. The delivery charges, infrastructure maintenance budget, and debt service budget reflects 4,875 water units and 5,509 sewer units at the above stated rates.

NW Regional Water Reclamation Fees

The regional sewer treatment user service charges is determined by the amount of revenue funds required to operate and maintain the NWRWRF; to provide funds for the replacement of component parts; to provide funds for contingencies which may arise regarding operation of the NWRWRF; to provide for payment of any debt service; and a general fund transfer to compensate the village for certain externality costs incurred by the village through operation of a regional treatment plant. The Village has 3,028 users of the system. There are two components of the fee: the basic user charge and I & I surcharges detailed below.

Regional Sewer Service Fees entail:

a. Basic User Charge: A basic user charge of thirty three dollars fifty cents (\$33.50) per two (2) month period per residential customer equivalent, with a minimum bimonthly charge of thirty three dollars fifty cents (\$33.50), plus two dollars twenty three cents (\$2.23) per one thousand (1,000) gallons (or part thereof) over fifteen thousand (15,000) gallons used per two (2) month period.

b. I & I Surcharge: An inflow/infiltration surcharge of three dollars (\$3.00) per two (2) month period beginning with the sewer user period which starts on January 1, 2014.

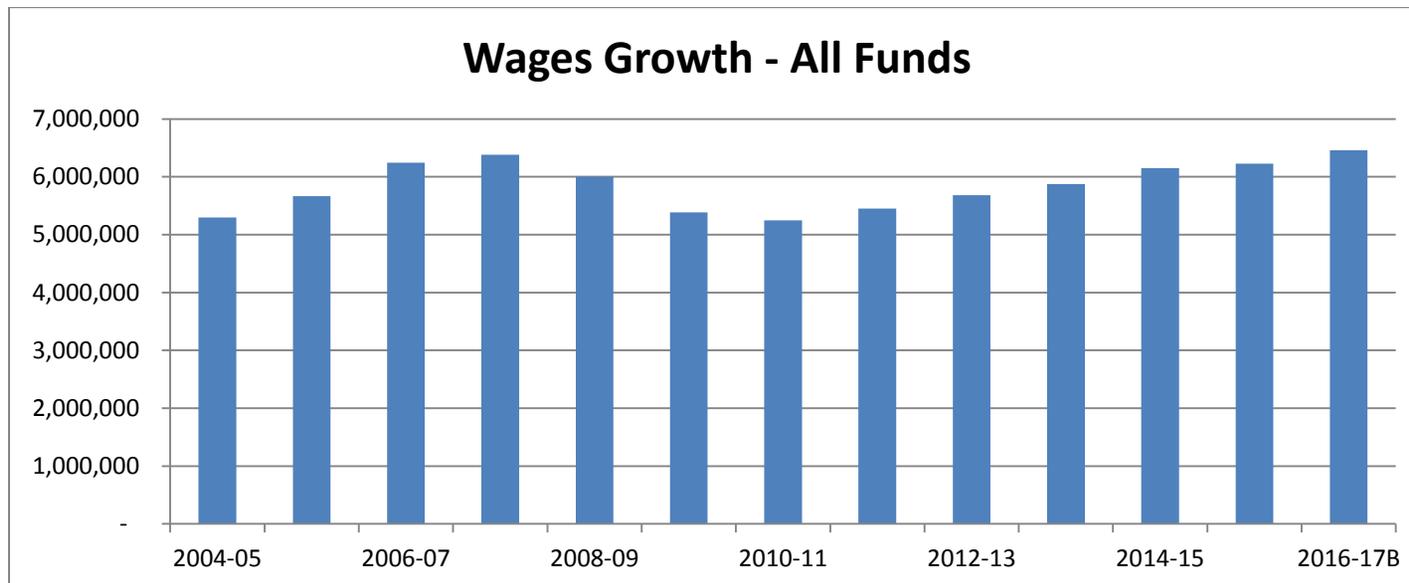
Expenditure Trends and Projections

Personnel Services

The primary purpose of the Village of Fox Lake is to provide high quality services to the residents and those employed within its boundaries. To accomplish that purpose in FY2016-2017, 21 percent of all Village expenditures are allocated to salaries and wages.

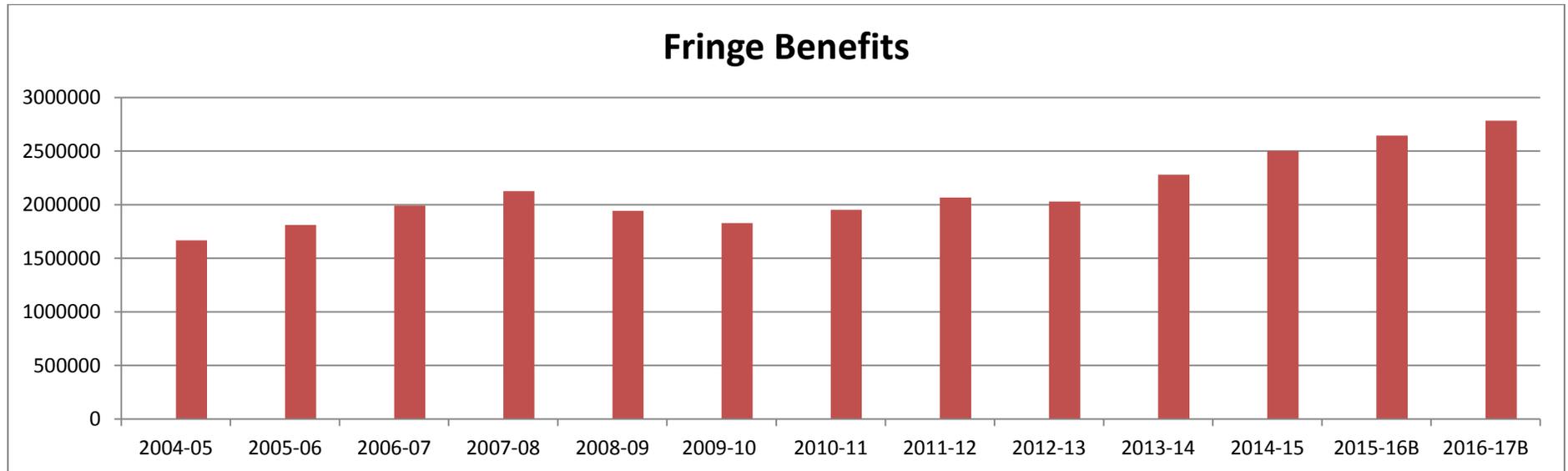
The Village's pay ranges are evaluated each year to establish both internal and external equity within the market and to ensure fair competitive wages. The recession has been a catalyst in reevaluating the Village's pay plan to better adapt to a stagnant economy.

The Village has three unionized labor groups subject to collective bargaining agreements: Illinois Fraternal Order of Police Labor Council, Fox Lake Fraternal Order of Police Lodge No. 90 representing the police officers and effective through April 30, 2016, AFSCME Council 31 representing the Treatment Plant and Sewer and Water and effective through April 30, 2017, and the Illinois Fraternal Order of Police Labor Council for Telecommunicators representing 911 telecommunicators and effective through April 30, 2017. The Village has budgeted salary increases of 1% to 10% based upon merit and union contracts effective May 1.



Personnel Benefits

The Village has been proactive in trying to contain medical costs. The Village’s Medical plans for CY 2014 and CY2016 have experienced between 5% and 6% increases. All employees who chose to elect medical benefits contribute 20 percent of the medical benefits and receive one of the following: single - \$2,250, family - \$4,250, and employee/child or spouse - \$4,500 for reimbursement of their deductible.



Capital Projects

Capital projects and expenses are those that typically exceed \$20,000. Each year, all proposed capital expenditures are assessed in terms of reliability, performance and forecast maintenance experience. The Village then develops a plan to maintain the asset, extending its service life or placing a new asset into service. The Village of Fox Lake prepared its first five year Capital Improvement Plan in FY2014-15.

The Village has included a total of \$4,242,813 in the FY2016-2017 budget for improvements to be completed this fiscal year. The capital improvements related to the general fund are road improvements to Sayton Road which will be paid for utilizing externality fee reserves. The capital improvements related to the Water Department are to build the North Water Tower and pump station, make improvements to Sayton Road Water Main, Lakewood and Glen Water Main, replace valves at Grand Avenue, raise the Washington Tower, and replace sanitary sewer linings. Capital Improvements related to the NW Regional Water Reclamation Facility are for excess flow property demolition and development and prairie material site remediation.

Other Operating Expenditures

In general, when prices cannot be accurately determined or specific quantities identified, an incremental analysis is performed comparing the estimated actual expense for FY2015-16 along with expenditure trend information. A reasonable estimation of expenditure is developed for FY2016-2017 and included within the line item budget.

Debt Service Expenditures

The Village currently has seven bond issues outstanding as of May 1, 2016. The Village has six General Obligation Bonds (Series 2003A, 2006, 2007, 2011B, 2014A, 2014B) and one Waterworks & Sewerage System Revenue Bonds, IEPA Junior Lien Series. Bond descriptions and amortization schedules are listed within the Debt Profile of this section.

Capital Equipment

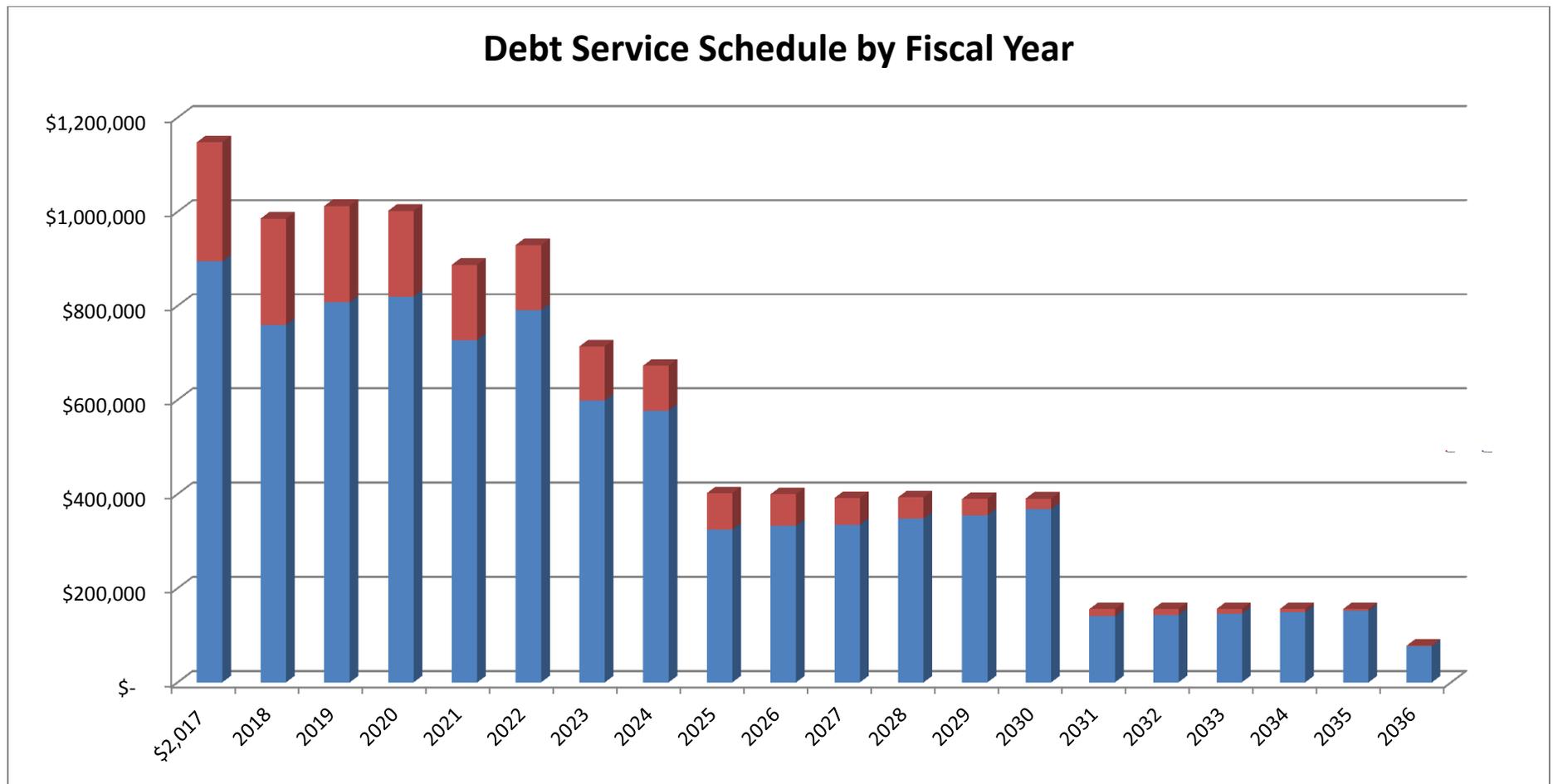
The Village plans to maintain a capital reserve account for the purchase of capital equipment. The reserve will provide a funding mechanism for eventual replacement of assets. Vehicles are scheduled for replacement based on their anticipated life at purchase. Ultimate replacement decisions are based upon age, mileage and physical conditions. The Village aggressively recovers the salvage value of the retired asset through auctions. The Village anticipates purchasing 35 Starcom radios and three police vehicles, a front endloader, a small dump truck, and a pickup truck for the streets department, a Ford Focus for the Community Development Department, a F350 with utility box, snow plow, lawn mower for the Water/Sewer Department and acquiring a UV control panel, poly pump replacement, RAS pump design, van, box truck and process blower for the NW Regional Water Reclamation Facility.

Enterprise Fund Expenses

The Commuter Parking Fund, Water & Sewer Fund, and NW Regional Water Reclamation Facility Fund are considered enterprise funds. Rate structures and user fees should be set at levels that are sufficient to pay related expenses. Property tax subsidies are not used to balance enterprise fund operations. In FY2016-2017, there are no anticipated advances to any Enterprise Funds.

Debt Position

From time-to-time, the Village may use the issuance of long-term debt to further the Village’s Capital Improvement Program. Long-term debt is used only for capital projects that cannot be financed from current revenue sources. The Village accounts for repayment of long term debt in several accounts: The General Fund for the G.O. Debt Certificates, Series 2003A, Series 2006, Series 2007, Series 2011B and Water Fund for the G.O. Debt Certificates, Series 2011B, Series 2014A, and Series 2014B and a Waterworks & Sewerage System Revenue Bond - IEPA Junior Lien. Total debt outstanding as of April 30, 2017 is \$8,842,972 in principal and \$1,728,715 in interest for a total of \$10,571,688. Below is a chart depicting the future principal and interest payment of all debt. The current debt limitation for the Village is \$22,227,698 which is significantly in excess of the Village’s outstanding general obligation debt.



Debt Service Schedules

Fiscal Year Ending	Bond, Series 2003A Issue Date: June 30, 2003 Date of Maturity: June 30, 2019 Amount of Contract: \$1,300,000 Interest Rate: 4.375% Interest Payable: 06/30 Principal Payable: Annually on 06/30 Payable to: Lakeland BMO Harris Funding Source: General Fund			G.O. Debt Certificate, Series 2006 Issue Date: May 15, 2006 Date of Maturity: May 15, 2016 Amount of Contract: \$249,000 Interest Rate: 4.40% Interest Payable: 05/15 and 11/15 Principal Payable: Annually on 5/15 Payable to: 5th 3rd Bank Funding Source: General Fund - Streets			G.O. Debt Certificates, Series 2007 Issue Date: December 3, 2007 Date of Maturity: January 1, 2023 Amount of Contract: \$212,000 Interest Rate: 4.4% Interest Payable: 05/15 Principal Payable: Annually on 05/15 Payable to: BMO Harris Funding Source: General Fund - Parks		
	Principal	Interest	Total P&I	Principal	Interest	Total P&I	Principal	Interest	Total P&I
April 30th 2017	\$101,273	\$19,260	\$120,534	\$16,700	\$367	\$17,067	\$15,000	\$5,104	\$20,104
2018	105,818	14,715	120,534				15,000	4,444	19,444
2019	110,512	10,022	120,534				16,000	3,784	19,784
2020	115,414	5,120	120,534				16,000	3,080	19,080
2021							17,000	2,376	19,376
2022							18,000	1,628	19,628
2023							19,000	836	19,836
2024									
2025									
2026									
2027									
2028									
2029									
2030									
2031									
2032									
2033									
2034									
2035									
2036									
TOTAL	\$433,018	\$49,117	\$482,135	\$16,700	\$367	\$17,067	\$116,000	\$21,252	\$137,252

Debt Service Schedules (continued)

Fiscal Year Ending	G.O. Debt Certificates, Series 2011B Issue Date: November 15, 2011 Date of Maturity: November 1, 2023 Amount of Contract: \$3,640,000 Interest Rate: 2.5% - 4.5% Interest Payable: 5/1 & 11/1 Principal Payable: Annually on 11/1 Payable to: UMB Bank Funding Source: General Fund 46.65%, Water 36.85%, Parks 15.07%, 911 1.43%			G.O. Debt Certificates, Series 2014A Issue Date: June 3, 2014 Date of Maturity: May 1, 2016 Amount of Contract: \$550,000 Interest Rate: .75% - 1.05% Interest Payable: 5/1 & 11/1 Principal Payable: Annually on 5/1 Payable to: UMB Bank Funding Source: Water & Sewer Fund			G.O. Debt Certificates, Series 2014B Issue Date: June 3, 2014 Date of Maturity: May 1, 2029 Amount of Contract: \$3,180,000 Interest Rate: 2.0% - 4.0% Interest Payable: 5/1 & 11/1 Principal Payable: Annually on 5/1 Payable to: UMB Bank Funding Source: General Fund 63% & Water/Sewer 37%		
	Principal	Interest	Total P&I	Principal	Interest	Total P&I	Principal	Interest	Total P&I
2017	\$385,000	\$83,500	468,500	\$270,000	\$1,418	\$271,418		\$93,950	\$93,950
2018	250,000	68,100	318,100				280,000	91,150	371,150
2019	260,000	60,600	320,600				310,000	85,250	395,250
2020	265,000	52,150	317,150				310,000	79,050	389,050
2021	275,000	44,200	319,200				320,000	72,750	392,750
2022	285,000	34,575	319,575				370,000	64,000	434,000
2023	300,000	21,750	321,750				160,000	56,050	216,050
2024	300,000	10,500	310,500				155,000	51,325	206,325
2025							200,000	46,000	246,000
2026							205,000	38,900	243,900
2027							205,000	30,700	235,700
2028							215,000	22,300	237,300
2029							220,000	13,600	233,600
2030							230,000	4,600	234,600
2031									
2032									
2033									
2034									
20									
TOTAL	\$2,320,000	\$375,375	\$2,695,375	\$550,000	\$7,112	\$557,112	\$3,180,000	\$749,625	\$3,929,625

Debt Service Schedules (continued)

Fiscal Year Ending	Waterworks & Sewerage System Revenue Bonds, IEPA Junior Lien Series Issue Date: November 15, 2014 Date of Maturity: November 25, 2035 Amount of Contract: \$2,608,507.43 Interest Rate: 1.995% Interest Payable: 04/25 and 10/25 Principal Payable: Annually on 4/25 & 10/25 Payable to: Illinois Environmental Protection Agency Funding Source: Water & Sewer			VILLAGE OF FOX LAKE ALL ISSUES – COMBINED TOTAL DEBT		
	Principal	Interest	Total P&I	Principal	Interest	Total P&I
2017	\$106,345	\$49,492	\$155,837	\$894,318	\$253,091	\$1,147,409
2018	108,477	47,360	155,837	759,295	225,769	985,064
2019	110,652	45,185	155,837	807,164	204,840	1,012,004
2020	112,870	42,966	155,837	819,285	182,366	1,001,650
2021	115,133	40,703	155,837	727,133	160,029	887,163
2022	117,442	38,395	155,837	790,442	138,598	929,040
2023	119,796	36,040	155,837	598,796	114,676	713,473
2024	122,198	33,639	155,837	577,198	95,464	672,662
2025	124,648	31,189	155,837	324,648	77,189	401,837
2026	127,147	28,689	155,837	332,147	67,589	399,737
2027	129,697	26,140	155,837	334,697	56,840	391,537
2028	132,297	23,540	155,837	347,297	45,840	393,137
2029	134,949	20,887	155,837	354,949	34,487	389,437
2030	137,655	18,182	155,837	367,655	22,782	390,437
2031	140,415	15,422	155,837	140,415	15,422	155,837
2032	143,230	12,606	155,837	143,230	12,606	155,837
2033	146,102	9,735	155,837	146,102	9,735	155,837
2034	149,031	6,805	155,837	149,031	6,805	155,837
2035	152,019	3,817	155,837	152,019	3,817	155,837
2036	77,149	769		77,149	769	77,918
TOTAL	\$2,507,254	\$531,562	\$2,960,898	\$8,842,972	\$1,728,715	\$10,571,688

Fund Balance Projections by Fund

The fund balance is the fund equity of governmental funds. Changes in fund balances are the result of the difference of revenues and expenditures. Fund balances increase when revenues exceed expenditures and decrease when expenditures exceed revenues.

The Village of Fox Lake uses cash and investments as a proxy for fund equity in the enterprise funds. The following table depicts the proposed revenues and expenditures by fund for the FY 2016-17 Budget, with surplus (deficit) shown for each fund.

Fund	Estimated Balance 4/30/16	FY2016-2017 Revenue	FY2016-2016 Expenditures	Excess of Revenue over Expenditures	Fund Balance 4/30/16	Reserve/Assigned/Restricted Funds
General Fund	\$7,496,845	\$ 13,296,455	\$ 13,151,415	\$ 145,040	\$7,641,885	\$7,641,885
Special Revenue Funds						
TIF Fund	284,705	36,327	22,808	13,519	298,224	298,224
MFT Fund	766,286	273,996	485,000	(211,004)	555,282	555,282
Enterprise Funds						
Commuter Parking Fund	(58,358)	120,000	112,922	7,078	(51,280)	(51,280)
Water & Sewer Fund	(2,228,349)	7,106,897	7,891,346	(784,449)	(3,012,798)	(3,012,798)
NW Regional Reclamation Facility	7,071,718	4,969,500	7,841,888	(2,872,388)	4,199,330	4,199,330
911 Fund	(107,600)	1,088,282	1,636,782	(548,500)	(\$656,100)	(\$656,100)
Fiduciary Fund						
Police Pension (1)	14,381,086	879,804	766,712	113,092	14,494,178	14,494,178
Total Funds	\$ 27,606,333	\$ 27,771,261	\$ 31,908,874	(\$4,137,613)	\$ 23,468,720	\$ 23,468,720

(1) Police Pension revenues include the tax levy. All other schedules exclude the amount from revenue since it is already recorded in the General Fund. Therefore, to reflect the proper Fund Balance it is included in the report.

Section 4

General Fund Summary and Detail

General Fund

Administration

Motor Pool

Garbage

Public Safety

Police & Fire Commission

Parks & Recreation

Insurance

Fire Department

Public Works/Streets

Community Development

Grants

Debt Service

Capital Outlay



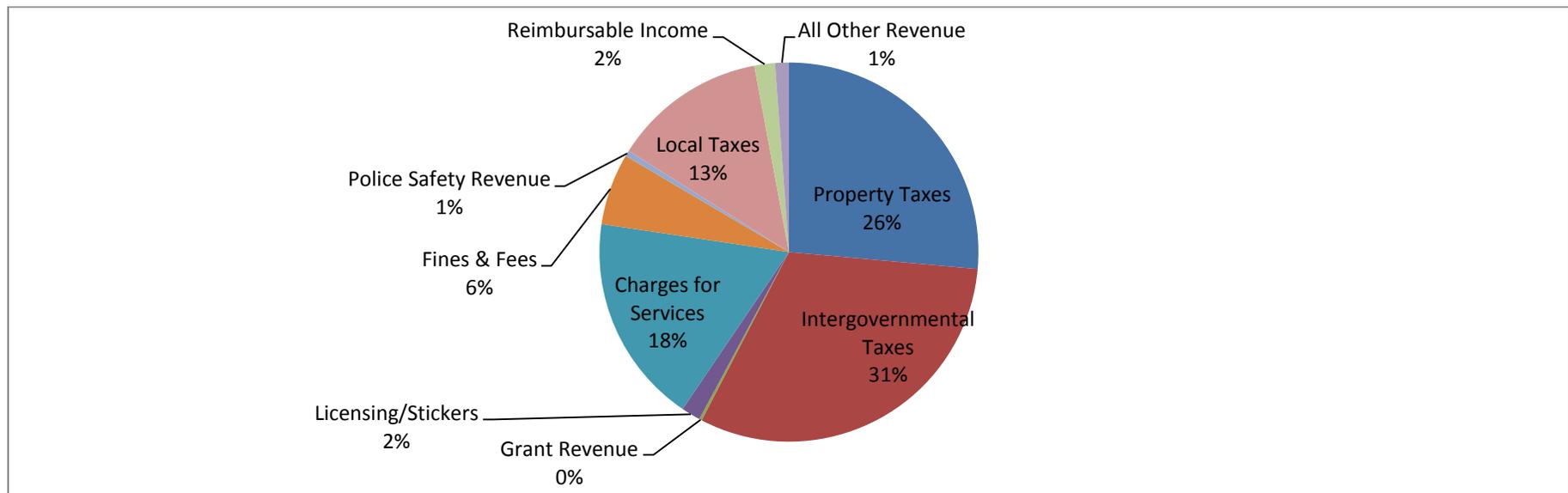
General Fund Summary and Detail

General Fund

The Village of Fox Lake is a non-home rule municipality which levies taxes in two communities, Lake and McHenry Counties. The General Fund Revenue Budget for FY2016-2017 is \$13,296,455 representing a decrease from the prior year. The Village derives the majority (31%) of its revenue in the General fund from Intergovernmental Taxes, Property Taxes (26%), Charges for Services (18%), and Local Taxes (13%). Intergovernmental taxes include Sales tax, Income tax, and Personal Property Replacement tax. Local Taxes include the, utility taxes (telephone, electricity, and natural gas), auto rental tax, Road & Bridge tax, hotel tax, use tax, video gaming, and Places for Eating Tax. Real Estate Taxes include the Ambulance, Audit, Corporate, Fire Protection, Police Pension, IMRF, Police Protection/System, Social Security, and Tort Judgement/Liability Insurance. Aside from taxes, the Village obtains funding for its general operations by charging for services provided to the public, for licenses and permits, for special police details, and by charging other funds in the Village for internal services provided by administration, finance, community development, parks, motor pool, and streets staff. In addition, the Village receives, to a lesser degree, funding from police fines and forfeits.

The Village’s ability to increase its revenues in the General fund is limited since the majority of its revenues are linked either to its population or its ability to develop new sales-generating businesses; however, some opportunities do exist. The Village does have the following potential developments opportunities: Sayles property (TIF), Bright Oaks (104 units), Route 12 and 134 (13 acres), and Theelan property north of the Village with mixed use of business and residential.

For more detailed description on revenues and assumptions refer to Section 4 Executive Overview.



General Fund Revenues

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-105-3000	REAL ESTATE TAXES	\$1,764,816	\$1,795,000	\$1,807,565	Prior year actuals plus .7% for CPI adjustment
01-105-3001	REAL ESTATE TAXES - IMRF	126,214	128,000	128,896	Prior year actuals plus .7% for CPI adjustment
01-105-3002	REAL ESTATE TAXES - INSURANCE	350,267	356,000	358,492	Prior year actuals plus .7% for CPI adjustment
01-105-3004	REAL ESTATE TAXES - FIRE	1,204,547	1,210,000	1,218,470	Prior year actuals plus .7% for CPI adjustment
01-105-3010	UTILITY - ELECTRIC TAX	433,330	424,725	424,725	Based upon a \$.07572 kilowatt - pricing is anticipated to remain flat
01-105-3011	UTILITY - NATURAL GAS TAX	140,334	91,217	91,217	Warmer weather in FY2015-16 reflects lower revenues - conservative budget amount with reflect prior year budget
01-105-3012	UTILITY- TELEPHONE TAX	223,311	212,145	205,781	Telecom receipts are continuing to decline as consumers continue to switch from landline telecommunications services to cellular phones and data plans, the latter of which are preempted from state taxation by federal law. Decline expected to plateau but not before further decline in revenues. Decline projected at 3%.
01-105-3015	USE TAX	218,194	233,921	247,620	IML forecast at a 23.50 per capita
01-105-3020	HOTEL/MOTEL TAXES	5,089	4,750	4,750	Trending based upon prior year - potential new hotel revenues not anticipated until FY2017-18
01-105-3030	ROAD & BRIDGE TAXES	127,254	133,000	133,931	Prior year actuals plus .7% for CPI adjustment
01-105-3040	RENTAL CAR TAXES	25	30	30	Trending based upon prior year
01-105-3050	PLACES FOR EATING TAX	-	395,000	395,000	Based upon most current 6 month actuals food/beverage sales tax revenue at a rate of 1.5% tax rate
01-105-3060	VIDEO GAMING PROCEEDS	287,141	240,000	240,000	Average revenue \$20,000 per month - amount expected to remain flat for next year.
	Total Local Taxes	\$4,880,522	\$5,223,788	\$5,256,476	
01-110-3100	INCOME TAXES	\$1,036,050	\$1,110,795	\$1,074,774	IML projection \$102 per capita of 10,537
01-110-3101,2,3	PERSONAL PROPERTY REPLACE TAX	70,200	65,849	64,472	IML projection is a 2.09% decline
01-110-3110	SALES TAXES	2,955,585	3,000,000	3,009,000	Commission on Gov't Forecasting & Accountability (COGFA) projecting a 0.3% increase
	Total Intergovernmental Taxes	\$ 4,061,835	\$ 4,176,644	\$ 4,148,247	

General Fund Revenues (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-115-3215	GRANT - PARKS	\$ -	\$ -	\$ -	None anticipated
01-115-3200	GRANT - REVENUE	8,662	63,000	30,000	Lake County CDBG fascade grant
	Total Grant Revenue	\$ 8,662	\$ 63,000	\$ 30,000	
01-120-3300	VEHICLE STICKERS	\$121,074	\$75,000	\$156,000	7,800 stickers at an average of \$20 per sticker
01-120-3340	LICENSES - ANIMALS	1,135	700	1,000	Prior year actuals
01-120-3341	LICENSES - LIQUOR	38,500	36,400	36,400	No increase in number of licenses or amount of fees; therefore, forecasted to remain flat
01-120-3342	LICENSES - BUSINESS	24,478	24,000	24,000	No increase in number of licenses or amount of fees; therefore, forecasted to remain flat
	Total Licenses	\$185,187	\$136,100	\$217,400	
01-125-3350	CABLE FRANCHISE FEES	\$137,225	130,000	130,000	Based upon prior year actuals
	Total Franchise Fees	\$ 137,225	\$ 130,000	\$ 130,000	
01-130-3400	BUILDING PERMITS	\$103,746	\$115,000	\$115,000	Current trends
01-130-3403	IMPACT FEES	4,000	67,000	50,000	Country Club Hills Townhome development
01-130-3402	ZONING PERMITS	2,500	1,500	5,000	Combined with public hearing fees
01-130-3401	ZONING/PUBLIC HEARING FEES	4,598	3,200	-	Moved to zoning permits
	TOTAL COMMUNITY DEV FEES	\$114,844	\$186,700	\$170,000	
01-135-3450	PROGRAM FEES	\$103,915	\$90,200	\$80,000	Less due loss of spring dance program, lower overall trend in programs
01-135-3451	PROGRAM FEES-CENTENIAL	-	-	-	All fees will be included in program fee line - account eliminated
01-135-3460	DONATIONS - PARKS	2,035	100	100	One donation anticipated
01-135-3470	PACE FEES	322	1,560	1,600	\$20 per week
	TOTAL PARK FEES	\$106,272	\$91,860	\$81,700	
01-140-3500	COURT FINES	\$211,781	\$168,000	\$168,000	Averaging: Redflex and Court Fines averaging \$10,000 each per month
01-140-3501	COURT FINES-DUI	12,095	13,200	13,200	Averaging: \$300 per month
01-140-3505	ORDINANCE & PARKING FINES	50,118	48,000	48,000	Averaging: \$6,000 per month - FY2015-16 includes sticker enforcement
	Total Public Safety Fines & Fees	\$273,993	\$229,200	\$229,200	

General Fund Revenues (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-145-3510	FORFEITURES - DRUG SEIZURE	\$1,296	\$ -	\$ -	None anticipated
01-145-3515	POLICE REVENUE - SRO	48,897	63,499	60,000	Amount billed to schools
01-145-3520	POLICE REVENUE - GAMING TAX	1,989	1,723	1,700	Same as prior year budget
01-145-3525	POLICE REVENUE - REPORTS	1,860	3,500	3,500	Averaging: \$150 per month
	TOTAL PUBLIC SAFETY SPECIAL REV	\$54,042	\$68,722	\$65,200	
01-155-3600	ENGINEERING REIMBURSABLE FEES	\$10,279	\$30,000	\$25,000	LUST fund reimbursement -70% of expenses - \$3,000 & Building & Zoning Eng \$22,000
01-155-3605	ATTORNEY REIMBURSABLE FEES	6,695	4,200	5,000	Building & Zoning related attorney costs
01-155-3610	MOTOR POOL REIMBURSABLE EXP	126,934	85,000	123,800	Amount to be reimbursed from Fire Department(s) - Lake Villa, Lindenhurst, Fox Lake & Enterprise Funds
01-155-3615	FIRE DEPT REIMBURSABLE EXP	78,887	65,000	72,000	Utilities, Fuel Charges, supplies - Avg \$6,000/mth
01-155-3625	INSURANCE REIMBURSABLES	34,130	16,861	-	Insurance payment for repairs & claims - none projected
01-155-3630	PUBLIC SAFETY REIMBURSABLE EXP	3,526	2,000	2,000	Special Detail
01-155-3650	EMPL/ELECTED OFFICAL REIMB	561	10,876	500	Amt received for reimbursement of exp paid by Village
01-155-3654	BUILDING/ZONING REIMBURSABLE	-	-	4,408	Amt received for reimbursement of exp paid by Village
	TOTAL REIMBURSABLE INCOME	\$261,012	\$213,937	\$232,708	
01-165-3815	GARBAGE FEES	\$904,181	\$902,000	\$929,060	Garbage fee increase of 3%
01-165-3816	GARBAGES PENALTIES	17,422	16,800	16,800	Garbage penalties average \$1,400/mth – same prior yr
01-165-3817	RECYCLING REBATE	8,060	-	-	Recycling market has experiences major losses, Lake County will no longer offer electronic recycling services
01-165-3680	LANDSCAPE STICKERS	713	-	-	Ace Hardware will be selling the sticker
	TOTAL GARBAGE FEES	\$930,375	\$918,800	\$945,860	
01-170-3700	INTEREST INCOME	\$3,398	\$6,000	\$6,000	Anticipated return this FY at .2%
01-170-3715	DONATIONS	700	-	-	None anticipated
01-170-3716	SHOP WITH A COP	-	23,267	-	None anticipated
01-170-3720	SALE-FIXED ASSETS	21,398	10,000	16,200	Sale of 3 public works, 2 police, and 1 Building & Zoning vehicle
01-170-3710	MAYOR'S RUN	606	4,400	4,500	Based upon prior year
01-170-3726	MAPS	1	-	-	None anticipated - budgeting conservatively
01-170-3750	MISCELLANEOUS INCOME	20,323	7,200	-	None anticipated - budgeting conservatively
	TOTAL OTHER REVENUES	\$46,426	\$50,867	\$26,700	

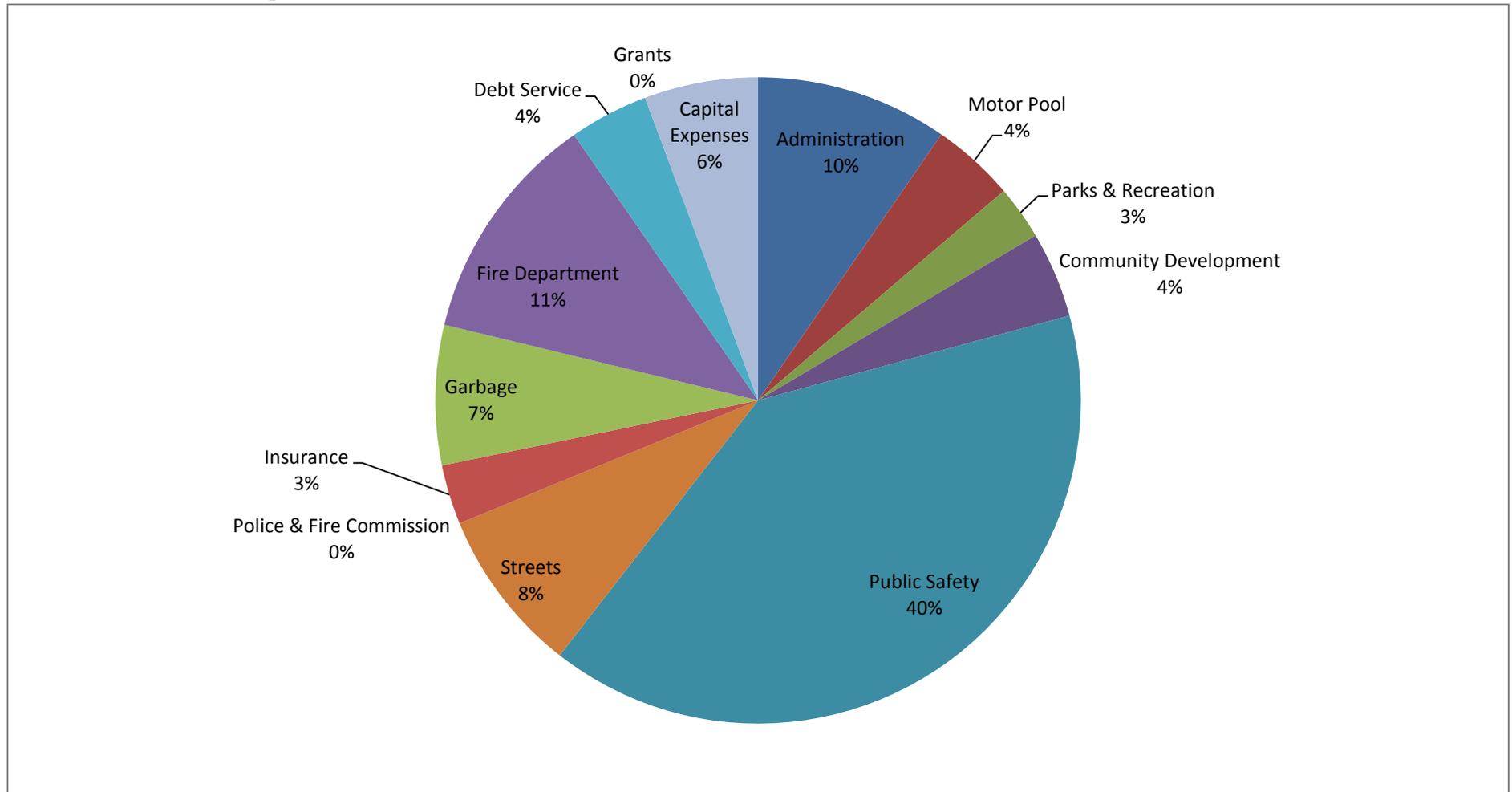
General Fund Revenues (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-180-3800	RENTAL INCOME	\$99,173	\$98,987	\$98,987	Cell Tower Revenue - 30 Earnest, Verizon, \$1,850 for 12 mths, 216 Washington - \$3,205.05 for 12 mths, 104 Honing: At&T \$1,368.79 for 12 mths plus American Tower \$1,825.05 for 12 mths
01-180-3801	RENTAL INCOME-GUN RANGE	1,600	400	400	Rental of Range
01-180-3802	RENTAL INCOME - 911 CENTER	11,400	11,400	11,400	Rent to be paid for 911 center use of building
01-180-3803	EXTERNALITY FEE	256,693	351,861	199,206	NW Region revenue \$4,969,500 @ 4.5% per agreement less \$1,085,410 *2.25 Round Lake Beach
01-180-3804	ALARM ROYALTY FEES	7,800	7,000	-	Contract for Royalties cancelled
	TOTAL FEES	\$376,666	\$469,648	\$309,993	
01-195-3850	SERVICE CHARGES - COMMUTER	\$176,908	\$22,473	23,147	Prior year plus 3%
01-195-3851	SERVICE CHARGES - WATER	459,794	451,188	464,724	Prior year plus 3%
01-195-3852	SERVICE CHARGES - NW REGION	718,307	853,107	878,700	Prior year plus 3%
01-195-3860	SERVICE CHARGES	-	-	-	Separated by enterprise fund
	TOTAL SERVICE CHARGES	\$1,355,009	\$1,326,768	\$1,366,571	
01-200-3900	PROCEEDS FROM DEBT ISSUED	\$2,003,400	\$ -	\$ -	None anticipated
01-200-3901	PREMIUM ON DEBT ISSUED	39,563	-	-	None anticipated
01-200-3990	INTERFUND TRANSFER IN	193,312			
	TOTAL BONDS & TRANSFERS OUT	\$2,236,276	\$ -	\$ -	
	General Fund Total Revenues	\$14,992,235	\$13,460,234	\$13,296,455	

General Fund Expenditures

The General Fund Expenditures for FY2016-2017 total \$13,151,415 which represents a \$415,038 decrease from the prior fiscal year budget. The decrease reflects less Capital Improvements which were implemented in FY2015-16 with the Road Program. The General Fund budget includes expenses for the following departments: Village Board & Commissions, Administration, Public Safety, Motor Pool, Streets, Community Development, Parks and Recreation, Garbage, Insurance, and Building and Zoning. The expenditures also include capital expenses, debt expense, public safety special revenue expenses, reimbursable expenses, refunds and rebates, and grant expense.

Below is a breakdown of expenses:



Administration

The Administration Department in the Village of Fox Lake is responsible for all of the day-to-day activities in the Village, as well as overseeing personnel administration and treasury management. The Administration Department includes elected officials and appointed staff members.

The objective of the Village Board is to assure the community efficient and economical government service, and to establish policy and enact ordinances that protect the health, safety and welfare of the Village residents. The Mayor, Board of Trustees and Village Clerk are part-time elected officials. They are elected to staggered, four (4) year terms. The Board establishes the vision and direction for the Village, and coordinates through the Village Administrator.

Village Administrator

The Village Administrator is the chief administrative officer of the Village and is directly responsible for planning, organizing and directing the day-to-day operations of Village. The Village Administrator ensures that all laws and ordinances governing the Village of Fox Lake are faithfully enforced.

The Village Administrator provides general management, staff leadership, and administrative review and oversight to all Village departments. The Village Administrator's work includes:

- Recommendations to the Village Board on municipal ordinances and regulations;
- Implementation of policies established by the Village Board;
- Supervision, coordination and evaluation of all departmental activities and responsibilities, including the budgeting process;
- Analysis and policy recommendations concerning land use and development proposals, zoning and development regulations and transportation issues;
- Participation in activities of community organization, other governmental agencies and the private sector to represent the Village;
- Staff support to designated standing and adhoc commissions and committees;
- Coordination of communications with the community, including residents, businesses and other organizations, concerning Village programs and policies;
- Human resource function which is structured to provide support to all Village departments, including but not limited to recruitment, selection, training, promotion and retention of quality employees; compensation and benefit program administration; employee labor relations; collective bargaining negotiation and management of current labor agreements; policy administration and interpretation, and employee recognition program.

Village Treasurer/Finance Director

The Finance Department is established to provide the Village with a wide range of financial, analytical, and administrative tasks.

- Control of Village's financial operations including accounting, banking, billing and collections, and treasury management;
- Development of an annual budget, working with the Village administrator and other Village department heads and with the approval of the Village Board;
- Preparation of the Comprehensive Annual Financial Report (CAFR);
- Assurance that the Village's financial systems meet GASB, GAAP and other appropriate standards;
- Assistant in the development, maintenance and audit of the accounting systems;
- Oversee investment portfolios of the Village.

Assistant to the Village Administrator

The Assistant to the Village Administrator is responsible for payroll, general services, and human resources function.

Network Administrator

The Network Administrator provides management of the Village's Information Technology program. The Network Administrator is responsible for the infrastructure of the Village's Information Technology platform and provides a review and oversight of all Village information system needs including, but not limited to; 1) intra-department computer and telephone support; 2) planning, evaluating and maintaining the Village's hardware, software and network choice acquisitions; 3) project technology management; and 4) guaranteeing the integrity and security of the overall system and its data, including all local and wide area networks, from internal and external conditions.

Accounting Manager

The Accounting Manager is responsible for the general bookkeeping and accounting of the Village.

The Deputy Clerk

The Village Clerk's Office employs a Deputy Village Clerk, who is responsible for direct administrative support for the Mayor and the Village Board of Trustees. The Deputy Village Clerk provides operational support to the Village Clerk through coordination and maintenance of all official records, contracts, ordinances, resolutions and minutes of Village proceedings, licensing transactions, Freedom of Information Act (FOIA) requests, and Open Meetings Act (OMA) compliance.

Administrative Assistant

The Administrative Assistant is responsible for cash receipting responsibilities.

Utility Billing Clerk

The Utility Billing Clerk provides accurate utility billing information; processes and maintains accounting transactions; receives, accesses utility billing paperwork and mainframe computer database for customer billing records for Garbage, the Water/Sewer Department, and NW Regional Water Reclamation Facility.

Account Clerk

The Account Clerk provides analysis and services to the Water/Sewer Department and the Finance Department.

Legal

The Village Attorney provides legal service and advice to the Village's staff, Board, Commissions, Committees, and Boards on a variety of legal matters pertaining to Village operations. The Village Attorney attends Village Board meetings and is available for staff conferences as needed. Additional funds are budgeted for legal costs incurred by specific research, ordinance preparation, contracts and litigation. The Village also receives legal service from the Village Prosecutor to represent the Village's interest in court and a Labor Attorney to represent the Village in union negotiations and other labor issues.

Budget Analysis

The Administration Department FY2016-2017 budget is \$52,978 lower than the prior year budget. The decrease in expenses is due to the elimination of the IT employee and outsourcing of the responsibilities, as well as, the elimination of an administrative assistant position.

Administration Budget

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-311-4000	WAGES	\$475,474	\$ 559,297	\$ 464,865	IT will be outsourced
01-311-4010	OVERTIME	1,797	1,800	1,800	Flat
01-311-4001	WAGES - ELECTED OFFICIALS	50,600	48,600	48,600	Same as prior year - no increase anticipated
01-311-4002	WAGES - PART-TIME	3,847	-	-	None anticipated
01-311-4100	HEALTH INSURANCE	67,751	85,317	71,701	Anticipated 10% increase in health benefits projected
01-311-4110	LIFE INSURANCE	466	452	316	Elimination of water/administration position
01-311-4120	UNEMPLOYMENT INSURANCE	896	-	-	Village as of 1/1/15 is self-insured cost has been eliminated
01-311-4200	SOCIAL SECURITY & MEDICARE	38,169	42,128	34,660	6.2% for Social Security and 1.45% for Medicare
01-311-4220	IMRF	50,780	57,887	48,353	IMRF Calendar Year 2016 - 10.37% to IMRF CY 2017-11.5%
01-311-5000	BUILDING MAINTENANCE	20,073	18,375	20,000	HVAC maintenance & repairs \$2,300, Janitorial services \$14,400, shampoo carpets \$400, alarm tests APR \$300, fire alarm test \$350, pest control \$625
01-311-5100	PROFESSIONAL SERVICES	33,354	65,000	125,000	Civic Maintenance, Misc services \$3,500, branding \$5,000, MSP Solutions \$60,000 for IT outsourcing
01-311-5101	AUDIT SERVICES	-	8,264	9,504	Audit Firm fee
01-311-5102	ACCOUNTING SERVICES	25,353	-	-	Accounting Services (none anticipated), Audit and payroll fees moved to their own line item
01-311-5103	PAYROLL SERVICE FEES	4,846	9,450	9,734	Pro-Data expenses
01-311-5110	ENGINEERING SERVICES	1,388	-	-	None anticipated
01-311-5120	LEGAL SERVICES	67,611	165,000	150,000	Lawsuits, Ordinances, contracts, resolutions, meeting attendance, annexations, plats of Easements \$40,000, Labor attorney admin \$25,000 (\$10,000 - Litigation updates and review)
01-311-5121	LABOR ATTORNEY	-	50,000	95,000	Union negotiations

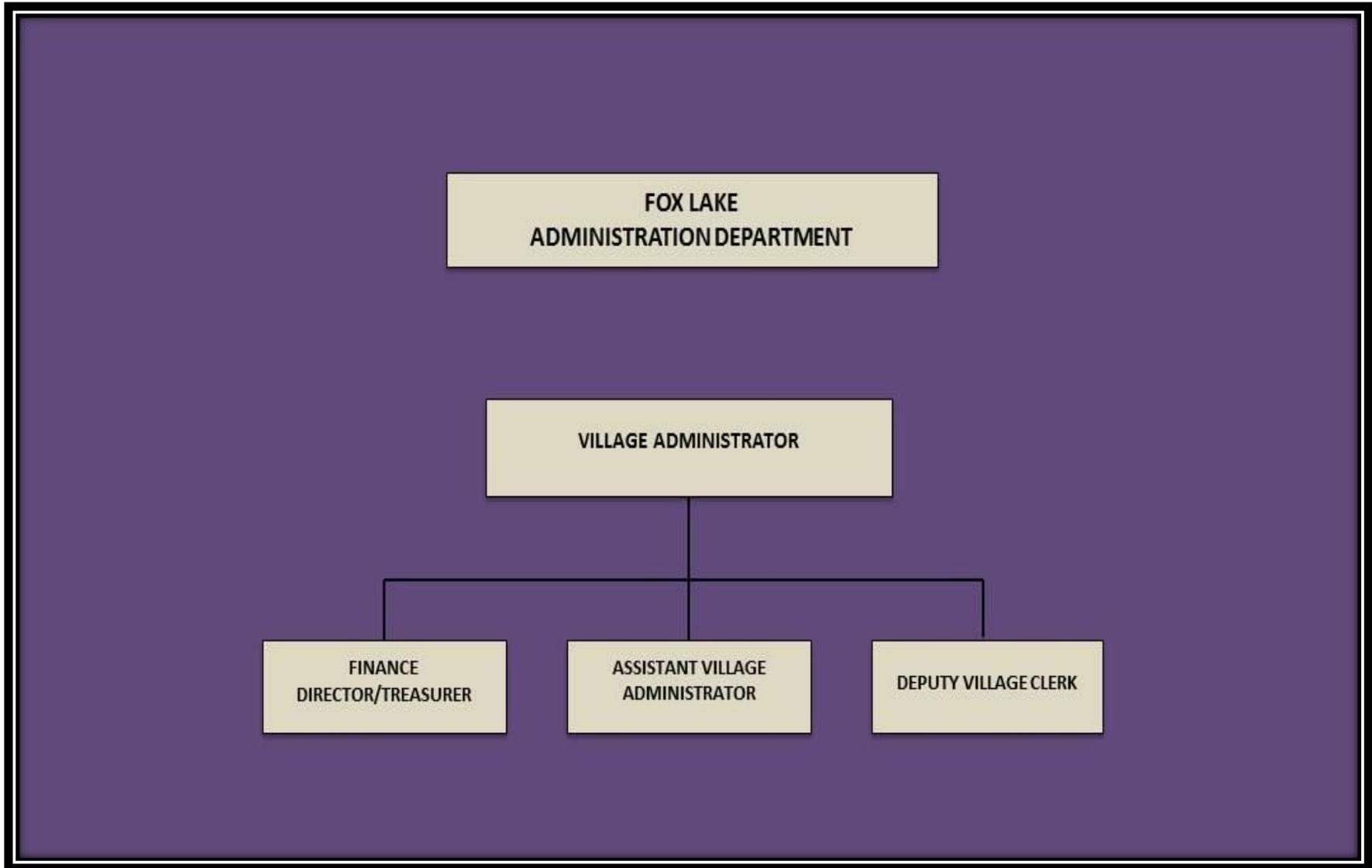
Administration Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-311-5160	TECHNOLOGY	27,557	45,679	45,000	Trend Micro Antivirus \$950, AppRiver Spam Filter \$900, Barracuda Archiver support/replacement \$2,500, website support/hosting \$3,050, Internet T1 Backup/E-mail \$5,300, PTPT1 VH to PD Phone \$3,000, ID supplies Badges etc, \$200, Technology supplies \$750, Technology upgrades \$2,000, equip repairs \$2,000, telcom repairs/programming \$2,000, NAS storage- redundancy \$6,000, Computer replacement (2), IT & Mayor \$2,400, UPS 2 server 2 pc \$6,300, printer replacement, access control software \$2,629
01-311-5200	POSTAGE	14,571	14,600	20,600	General \$12,000, newsletter \$5,600, RedFlex collections - \$3,000
01-311-5220	PHOTOCOPY	6,085	6,200	6,200	New Copier rental \$3,300, maintenance \$1,250, postage machine \$1,650
01-311-5221	PRINTING	19,474	21,700	21,700	TMA \$2,500, Sticker printing \$3,000, general \$500, stationary \$2,000, newsletter \$12,000, business plaques \$500, 2nd notice letter \$1,200
01-311-5223	RECORDING FEES	3,784	5,000	5,000	Annexations, plats, easements, new employee and liquor license background checks (Plats of surveys and recording documents - easements, purchase of property)
01-311-5224	PUBLISHING	6,885	7,000	7,000	Codifying \$6,000, host fee \$500, misc \$500
01-311-5310	MEMBERSHIPS	12,394	13,135	13,135	IML \$1,000, LCML \$1,200, SHRM \$180, MuniClerks \$70, Intl Clerks \$135, ICMCA \$40, ICMA (2) \$1,500, ILCMA \$400, IAMMA \$50, Metro Mgrs (2) \$30, GFOA \$200, IGFOA \$200, IPELRA \$205, public salary.com \$310, \$5,000 for NW Municipal Conference and \$2,115 Lake County Partners, CMap \$1,000 and IAPPO \$45
01-311-5320	TRAVEL	3,314	3,200	3,200	Front desk \$500, business meetings \$500, Village Admin \$500, technology miles \$100, IML \$1,000, AVA
01-311-5330	TRAINING	3,367	8,150	7,650	Trustees \$450*7 = \$3,150, Village Administrator \$2,000, AVA \$1,000, Finance \$1,500
01-311-5340	TUITION REIMBURSEMENT	1,491	1,500	1,500	\$500/semester allowance

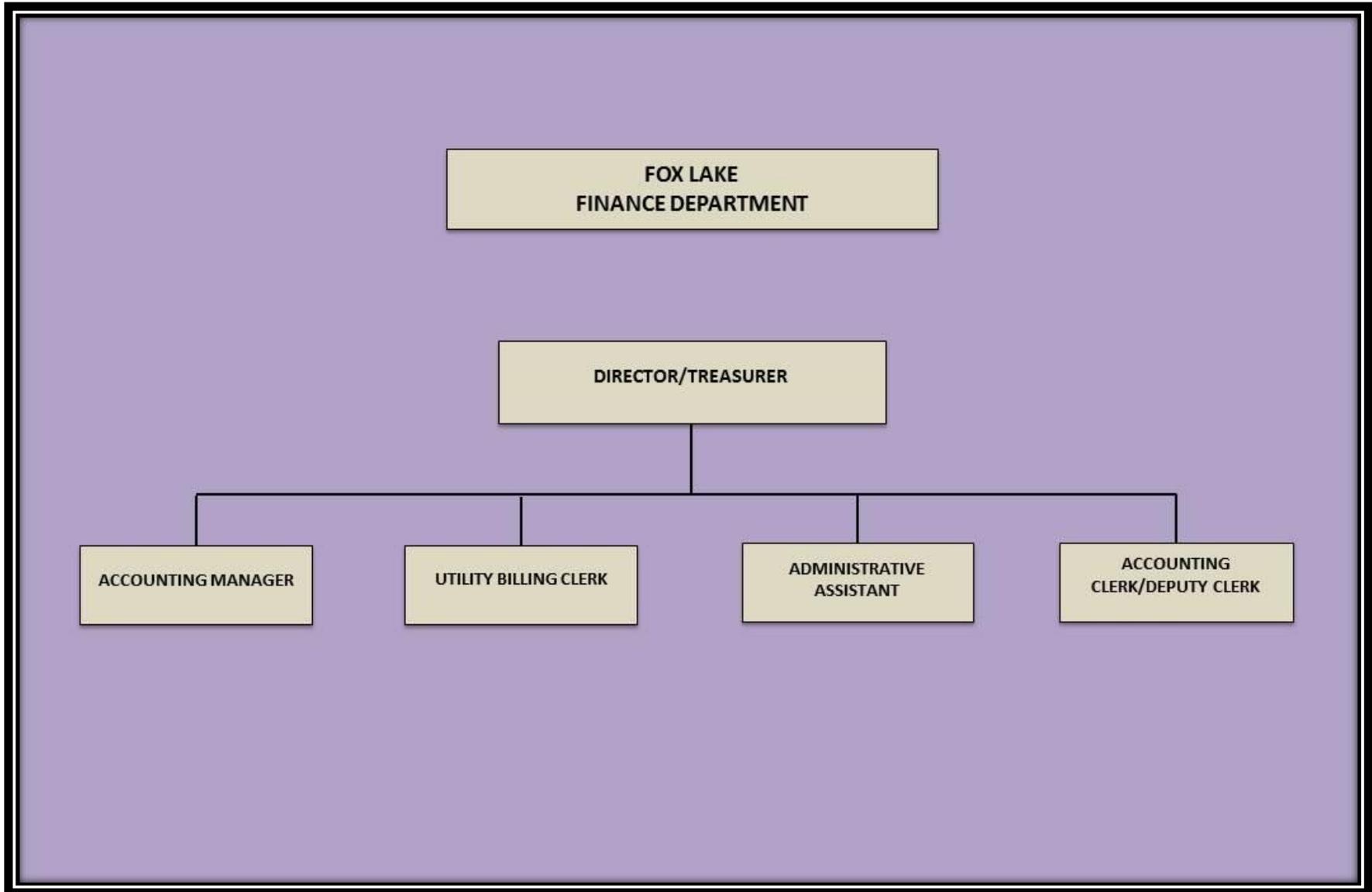
Administration Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-311-5410	UTILITIES	10,072	11,000	11,000	CIMCO \$8,000, Tech Phone \$600, Village administrator \$800, sewer & water, NICOR the City uses all its therms by April another cold winter amount budgeted to remain same as last year
01-311-5430	CREDIT CARD & BANK CHARGES	636	7,200	7,200	Allocation of credit card fees - \$600/month
01-311-5450	PROPERTY TAXES	5,321	4,500	-	None anticipated
01-311-5515	TAXI PROGRAM	1,970	-	-	None anticipated
01-311-5525	BUSINESS INCENTIVES	11,905	25,500	7,500	Ace Hardware \$7,500
01-311-5600	BUILDING MAINT SUPPLIES	1,209	1,500	1,500	Light bulbs & filters
01-311-5700	OFFICE SUPPLIES	2,463	4,800	4,800	General supplies \$400/month
01-311-5710	OPERATING SUPPLIES	5,970	6,000	6,000	Toner, water cooler rental
01-311-5751	FUEL	649	700	440	200 gallons \$2.20/gallon - more than anticipated usage of car
01-311-5780	SOFTWARE	8,162	8,000	8,000	New Accounting Software - Contract over 3 years and less than anticipated
01-311-5950	SPECIAL EVENTS	10,623	5,500	2,500	Community sponsors \$1,000, general \$1,500
01-311-5951	EMPLOYEE RECOGNITION	930	2,000	2,000	Flowers, plaques, luncheon, dinner, holiday party for City employees
01-311-5970	REFUNDS	-	1,500	1,500	Incorrect Payment/Double payments
01-311-5999	MISCELLANEOUS EXPENSE	344	1,000	1,000	One-time expenses
	Total Administration Expenses	\$1,001,582	\$1,316,934	\$1,263,956	

VILLAGE OF FOX LAKE, ILLINOIS
Organizational Chart – Administration Department
April 30, 2016



VILLAGE OF FOX LAKE, ILLINOIS
Organizational Chart – Finance Department
April 30, 2016



Motor Pool Expenses

The Motor Pool Department is an integral internal service department in the Village organization. With a staff comprised of one (1) supervisor and three (3) full-time mechanics, the department is responsible for ensuring the maintenance and repair of the Village of Fox Lake's vehicle fleet is in safe, operable condition and readily accessible. The Motor Pool Department also serves as additional vehicle maintenance resource to other area municipalities, performing contractual service for the Fox Lake Fire Protection District, Lake Villa Volunteer Fire, Lindenhurst Park District, and recently, the Lake Villa Public Works Department. The Motor Pool Department oversees all vehicle purchases to ensure they are aligned with the Village's Vehicle Replacement Program and industry specifications. Staff members in the Motor Pool Department continually work to improve their training and certifications in order to perform repairs and maintenance to Village vehicles as efficiently and cost-effectively as possible.

Budget Analysis

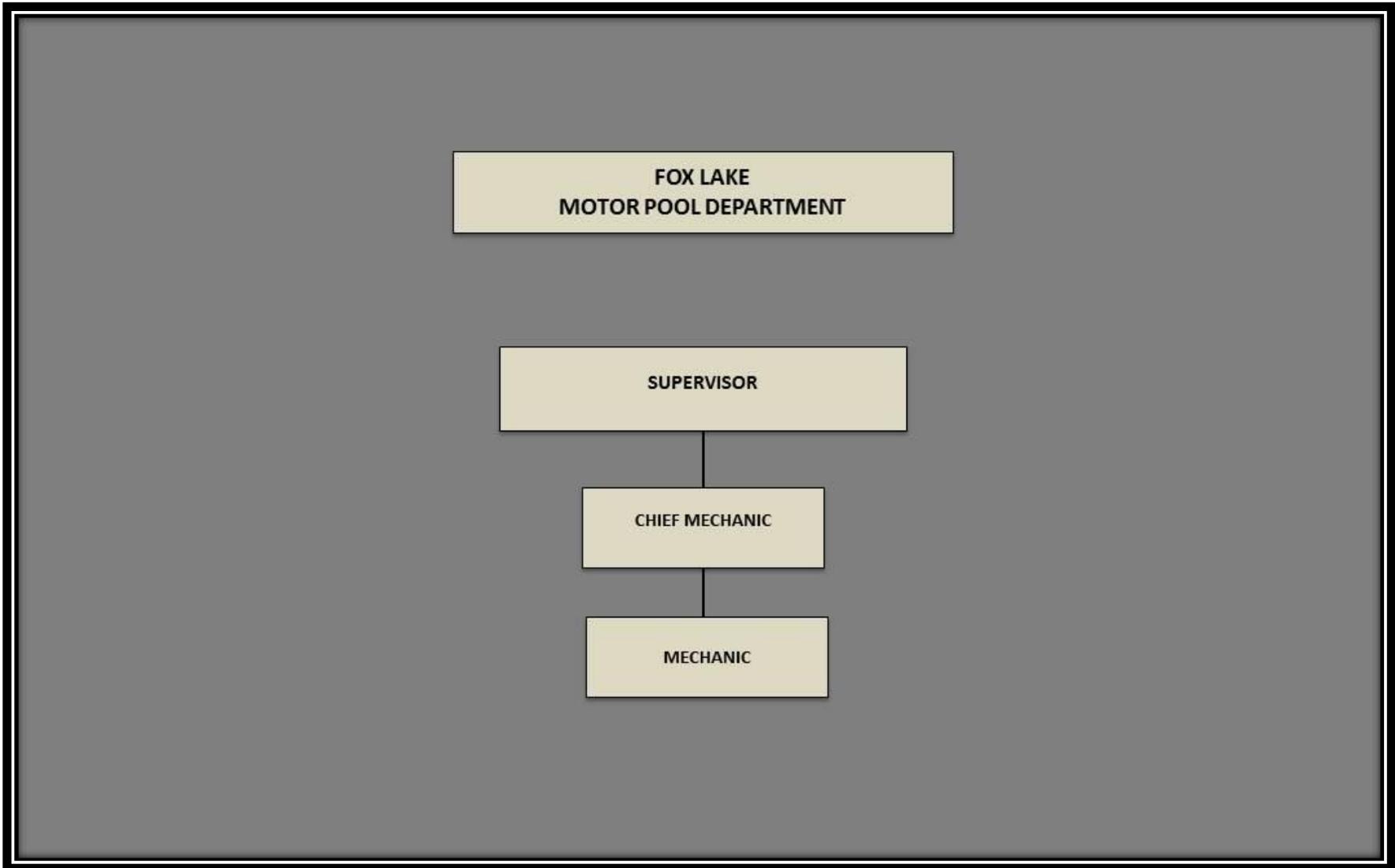
The Motor Pool Department FY2016-2017 budget is \$43,568 higher than the prior year budget. The increase in expenses is due change in health insurance for an employee and the purchase of a portable gentry crane, hoist and trolley..

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-314-4000	WAGES	\$225,825	\$236,219	\$242,059	Lower due to Sick time payout changing from 80 to 40 hours
01-314-4002	WAGES - PART-TIME	5,411	-	-	None anticipated
01-314-4010	OVERTIME	1,031	2,500	2,500	Less due to mild winter
01-314-4100	HEALTH INSURANCE	40,928	46,738	69,274	One employee from part-time to full-time and has insurance
01-314-4110	LIFE INSURANCE	268	268	268	Prior year budget
01-314-4120	UNEMPLOYMENT INSURANCE	173	-	-	Village as of 1/1/15 is self-insured cost has been eliminated
01-314-4200	SOCIAL SECURITY & MEDICARE	17,155	18,062	18,509	Salary increases
01-314-4220	IMRF	25,138	25,907	24,975	IMRF Calendar Year 2016 - 10.37% to IMRF CY 2017 - 11.5%
01-314-5000	BUILDING MAINTENANCE	3,302	2,500	2,500	Overhead door repair \$1,200, misc \$500, plumbing inspection \$300, fire extinguisher inspections \$500
01-314-5100	PROFESSIONAL SERVICES	718	800	800	Bids/contract preparation & review
01-314-5112	MOTOR POOL REIMBURSABLE EXP	7,475	7,500	7,820	Billable to outside vendors (Lake Villa and Lindenhurst Park District) - new account for recording of expenses
01-314-5160	TECHNOLOGY	1,835	6,195	1,000	CFA Program maintenance support \$1,700, CFA License CAL/TAL \$1,295, Training \$900, Cabling/Hardware \$250, Equipment Repairs \$500, Microsoft office \$250, Computer replacement shop \$900, Monitor \$250, UPS cable \$150
01-314-5310	MEMBERSHIPS	-	500	500	American Public Works Association \$425, Chicago Metro APWA \$15, Municipal Fleet Mgr Assoc \$60

Motor Pool Continued (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-314-5330	TRAINING	1,010	1,300	2,000	Municipal Fleet Mgr's Assoc Ford Training \$600, ASE testing \$150, EVT testing \$100, misc \$150, Spartan Fire training Conference \$1,000
01-314-5410	UTILITIES	991	900	900	Cell Phone \$34.21/mth \$411, Office \$40/mth \$480
01-314-5600	BUILDING MAINTENANCE SUPPLIES	2,879	2,050	1,750	sump pump 450, furnace 300, other \$1,000
01-314-5700	OFFICE SUPPLIES	665	700	700	Toner \$500, other \$200
01-314-5710	OPERATING SUPPLIES	134,798	138,491	144,935	Shop rag service \$15.30/52 wks = \$796, Lubricants - oil \$8,100, chemicals \$4,950, fittings electrical wire hardware \$8,000, welding tank rental \$75.78/mth \$909, welding supplies \$1,500, parts & outside services \$111,432, anti-freeze disposal \$1,500, parts cleaning tank service \$350/4 = \$1,400, Bucket Truck Inspection \$1,200, fuel system repairs \$1,500 tire disposal \$1,200, safety equipment \$1,500, hand soap \$676, floor soap \$670, hand towel service \$540, water & misc \$500
01-314-5730	SMALL TOOLS	6,810	8,040	21,866	Air tools repair, jack repair, replace broken tools - Hand tools \$2,350, specialty tools \$1,500, Mitchell repair service \$2,400, Sefac Lift Inspection \$1,300, car lift inspection (2) \$490, portable gantry crane, hoist & trolley 13,826
01-314-5740	UNIFORMS	2,267	3,000	2,898	\$33.43/wk \$1,738, replacement uniforms 100, T-shirts (20) @ \$10.50 - \$210, safety shoes 3@ 150- 450, safety equipment 400
01-314-5751	FUEL	1,913	2,000	1,984	882 gallons @ 2.25avg.
01-314-5951	EMPLOYEE RECOGNITION	87	200	200	End of winter recognition - holiday party in admin
TOTAL MOTOR POOL EXPENSES		\$480,680	\$503,870	\$547,438	

VILLAGE OF FOX LAKE, ILLINOIS
Organizational Chart – Motor Pool Department
April 30, 2016



Garbage

The Village bills residents for garbage collection and disposal services within the Village’s corporate boundaries, using a volume-based approach to reduce overall pricing. Revenue for this fund comes from a user fee that is charged to residents. Currently, the user fee is included on resident’s bi-monthly utility bills.

The Village’s current contract with Waste Disposal is for a period of seven (7) years, effective in 2011. The contract includes an annual 3% increase in user fees for collection and disposal services.

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-318-5200	POSTAGE	\$1,447	\$1,000	\$1,000	Postcards - expenses less than prior year
01-318-5420	GARBAGE DISPOSAL	874,105	891,362	918,103	Contract increase 3%
01-318-5970	REFUNDS	-	-	-	None anticipated
	TOTAL GARBAGE	\$875,552	\$892,362	\$919,103	

Public Safety

The Police Department delivers a variety of local law enforcement services to the community. Police services include matters concerning crime, traffic, order maintenance, ordinance enforcement and emergency assistance.

Mission Statement

The mission of the Fox Lake Police Department is to provide the highest quality professional police services with fairness, honesty, integrity and pride. The department is always striving to improve services through education, diligence and problem solving.

Values

The Fox Lake Police Department, which exists to protect and serve the community, must always be guided by the principle that every individual has dignity and worth. In all we do, we must show respect for the citizens we serve and for the men and women of the Fox Lake Police Department recognizing and encouraging their individual needs, aspirations, and capabilities.

The mission and goals of the Fox Lake Police Department shall be carried out in alignment with the following values:

- Service Orientation: Provide supportive, professional service to the community by promoting human rights, mutual respect, and courtesy.
- Partnership: Work in partnership with the community, Village Board and other Departments, Service Agencies, and Criminal Justice systems.
- Empowerment: Encourage decision making at the most effective level and promote citizen responsibility and involvement.
- Problem Solving: Use problem-solving methods to reduce the incidence and fear of crime and to improve management and operational approaches.
- Accountability: Promote responsibility among Police management, employees, the community, the Village Board and other agencies, for public safety resources, strategies and outcomes.

History

The Fox Lake Police Department was established on April 13, 1907. The Police Department employs 25 sworn officers, 7 part-time officers, one Community Service Officers and a professional, administrative support staff. The Fox Lake Police Department is committed to raising the quality of life in the community and works very closely with the public in providing a wide range of programs and information. The Department's Officers provide a full range of law enforcement services.

The Department is divided into three basic divisions:

- Operations includes the uniformed patrol and traffic branch
- Support Services includes Records, Youth Services, Evidence & Property Control and Crime Prevention
- Investigations includes Detectives

Budget Analysis

The Public Safety Department's FY2016-2017 budget is forecasted to increase from the projected FY2015-2016 budget by \$240,379. The Police department added five new sworn police officers.

Public Safety Budget

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-321-4000	WAGES - ADMINISTRATION	\$2,190,398	\$489,189	\$543,257	5 new employees
01-321-4002	WAGES - PART-TIME	36,848	75,850	129,666	5 new employees
01-321-4003	WAGES - SWORN OFFICERS	-	1,627,957	1,753,248	Village as of 1/1/15 is self-insured cost has been eliminated
01-321-4011	OVERTIME	105,364	141,037	135,000	5 new officers
01-321-4100	HEALTH INSURANCE	403,015	433,000	502,079	IMRF Calendar Year 2016 - 10.37% to IMRF CY 2017 - 11.5%
01-321-4110	LIFE INSURANCE	1,838	1,789	1,982	Prior year tax levy plus .07%
01-321-4120	UNEMPLOYMENT INSURANCE	864	-	-	Actuarial Estimate
01-321-4200	SOCIAL SECURITY & MEDICARE	41,267	47,596	65,060	Janitorial Supplies \$14,000, Water \$1,000, Misc \$2,000 HVAC Maintenance \$3,500, Generator Maint \$2,000, Elevator main/inspection \$3,000, Fire Alarm Testing \$1,000, Press Test Elevator \$1,000, Fire Extinguisher testing \$500, cross connection insp \$625, jail cell main \$2,000, furnace filters & light bulbs \$1,000, Range Cleaning \$5,000, Police Lot Fencing \$32,000, Storage/Evidence Building \$3,000
01-321-4220	IMRF	18,223	13,485	12,103	LEADS Comm \$9,000, Cameras \$1,500, Radars \$2,400, Calibration CO2 \$1,000, squad computers \$3,000, copier lease \$3,000, , Bicycle repair main \$500, Beast system \$1,200, Identity Kit System \$600, Lexis Nexis \$800, Taser Repair \$1,500, misc repairs \$3,000, Detective Hard Drives \$500, & radios portable \$1,200, Video Cameras \$300, digital squad cameras 5 @\$250,
01-321-4230	POLICE PENSION - TAXES	484,444	486,206	489,609	Squad Car Washing and parts
01-321-4231	POLICE PENSION - VILLAGE PORTI	200,000	200,000	216,448	5 new employees
01-321-5000	BUILDING MAINTENANCE	19,183	37,275	71,625	5 new employees
01-321-5010	EQUIPMENT MAINTENANCE	18,220	26,000	30,750	Village as of 1/1/15 is self-insured cost has been eliminated
01-321-5020	VEHICLE MAINTENANCE	4,595	6,647	4,000	5 new officers

Public Safety Budget (continued)

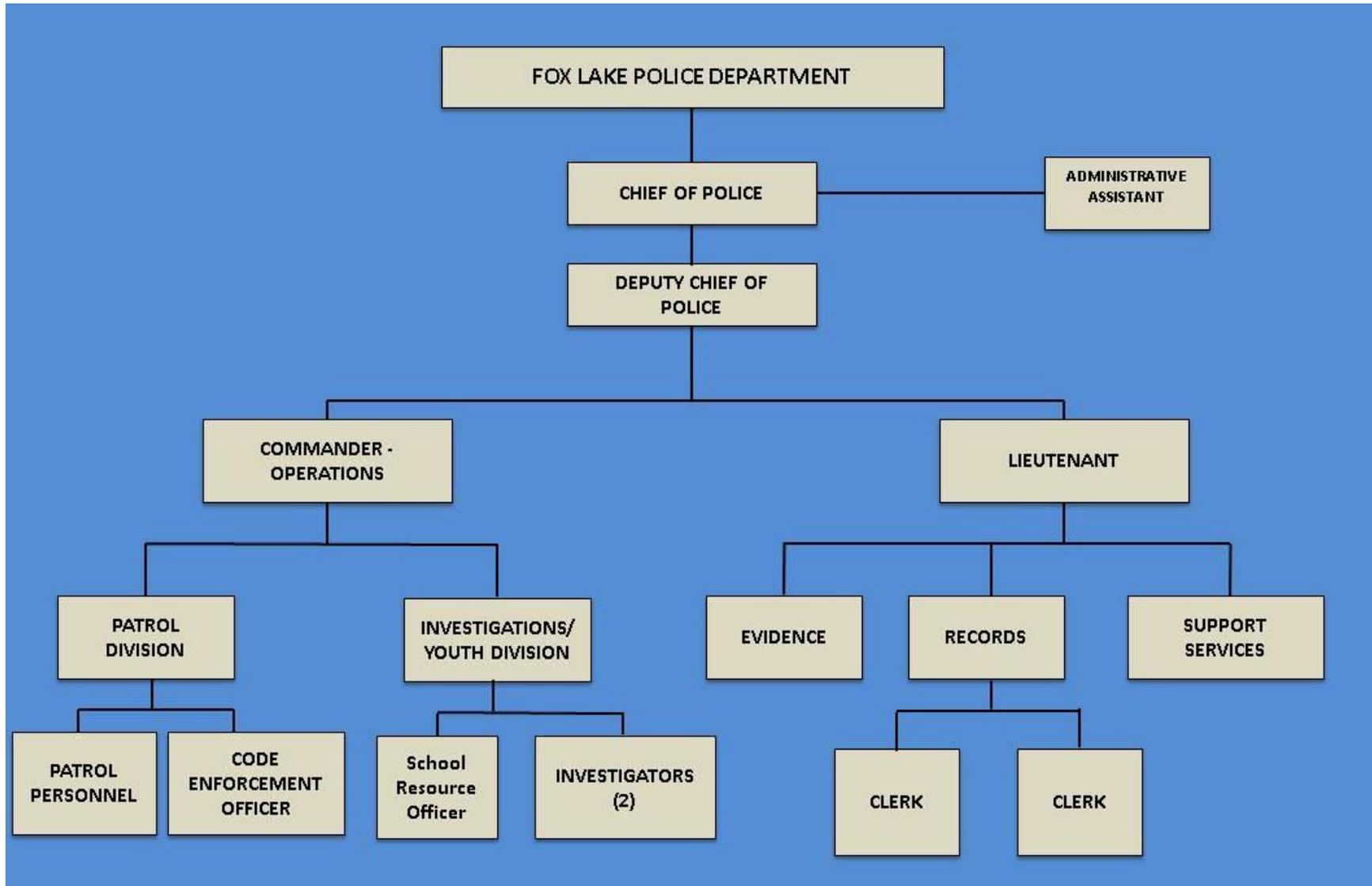
General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-321-5100	PROFESSIONAL SERVICES	46,170	250,000	126,050	Range main \$3,500, Crime Lab \$14,000, Northwest Radio Repeaters \$17,000, S, MCAT \$250, MEG \$14,000, Crime stoppers \$500, Medical Record Copies \$1,500, Lie Detector Service \$2,500, Misc Services \$2,500, Job posting \$500, physical exams \$5,000, Psychological Exams \$5,000, Public Relations - \$50,000, LUST tank removal & remediation \$9,800 @ 70% reimbursement estimated contract amount
01-321-5120	LEGAL SERVICES	136,131	235,000	235,000	Prosecution, Labor Attorney, Admin Adjudication, Union negotiations
01-321-5135	DISPATCHING	530,366	660,000	604,782	Police portion of 911 dispatch fees and deficit in fund
01-321-5140	PRISONER MEALS	254	-	500	Prisoner meals
01-321-5141	ANIMAL CARE & CONTROL	1,295	1,500	1,500	Animal Control - less animals to send to the shelter
01-321-5160	TECHNOLOGY	29,454	77,650	56,195	SAP Crystal Reports \$295, LapTop Computer \$5,000, Repairs \$5,000, Video Surveillance Camera \$5,000, Verizon Cards \$9,600, Comcast \$2,400, Upgrades \$2,000, Data Storage \$3,500, Tri-Tech Software Support \$2,900, Mobile Squad Cameras \$20,000
01-321-5200	POSTAGE	1,164	1,500	500	Mail & Shipping
01-321-5220	PHOTOCOPY	-	-	-	None anticipated
01-321-5221	PRINTING	1,462	6,100	3,000	Printing \$2,500 citations, Hearing supplies \$500
01-321-5224	PUBLISHING	1,641	2,200	2,280	Int'l Chief of Police, IL Police Chiefs, Lake County Chiefs, LSRO Officer, Critical Reach, State LESO, Property & Evidence, Illinois Fire and Police Commissioners Association dues
01-321-5310	MEMBERSHIPS	67	300	600	Police Academy
01-321-5320	TRAVEL	11,292	22,400	33,000	NEMRT training, Police Academy, Taser Certification, Lead, Homicide, Evidence, Custodian, Staff and Command and OIC training.
01-321-5330	TRAINING	17,111	20,700	20,000	Landlines, cells, pagers, new phones, miscellaneous supplies, water/sewer
01-321-5410	UTILITIES	-	-	38,500	Body Worn Cameras rental, storage and uplink
01-321-5700	OFFICE SUPPLIES	3,052	5,500	6,900	Admin adjudication, supplies, beast printers

Public Safety Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-321-5710	OPERATING SUPPLIES	22,132	31,000	53,195	Ammunition \$1,400, Flares \$500, Holster & Gun Belts \$1,500, Spotlights - Building \$350, Fingerprinting supplies \$1,500, Investigation Supplies \$3,000, Taser Cartridges \$2,500, OC Reliapon Spray \$600, Body Armor \$12,000, Pepperball Training Supplies \$500, misc supplies \$6,000, 35 mm camera \$1,500, 50 Nikon lens \$220, Malite upgrade \$1,625, Security cameras \$20,000
01-321-5720	COMMUNITY RELATIONS	3,184	3,000	2,000	Various programs
01-321-5740	UNIFORMS	-	5,570	6,000	Gifts for needy children
01-321-5721	SHOP WITH A COP	13,173	9,000	15,000	replacement and new hires
01-321-5751	FUEL	67,426	60,000	60,500	27,500 gallons @\$2.20/gal regular - lower gas prices
01-321-5951	EMPLOYEE RECOGNITION	1,393	1,500	1,500	Gifts and Dinner
01-321-5980	DUI EXPENSE	8,401	2,000	2,000	Lab Testing
01-321-5981	DRUG SEIZURE EXPENSE	7,751	8,500	2,000	Undercover Expense
01-321-5983	NARCOTICS EXPENSE	-	-	2,000	Investigation Expense
01-321-5984	SEIZED ASSET EXPENSE	-	-	2,000	Sent to State
Total Public Safety		\$4,427,177	\$4,989,451	\$5,229,830	



VILLAGE OF FOX LAKE, ILLINOIS
Organizational Chart – Public Safety Department
April 30, 2016



Parks and Recreation Department

The Parks and Recreation Department in the Village of Fox Lake spearheads special events, cultural programs and recreational activities for residents of the community. In addition to creating engaging activities and events for the residents of Fox Lake, the Parks and Recreation Department is continuously reaching beyond the Village’s border and exploring alternative venues to entice members of other communities to visit and enjoy Fox Lake. The Parks and Recreation Department strives to provide quality recreation and leisure opportunities in an entertaining and informative environment.

The Village is proud of its network of park and recreational facilities in the community. Educational and physically stimulating playground equipment for children, as well as picnic tables and park benches, have been installed in select locations. Numerous acres of open space allow for outdoor activities and leisure opportunities. Some parks include specialized facilities, equipment and aquatic features.

The Parks and Recreation department consists of a full-time Coordinator and part time assistant. With assistance from the Street Department, the Parks and Recreation Department maintains the following facilities and parks.

- Lakefront Park and Building - designated fishing area, pavilion and 22 benches along the shoreline of Nippersink Lake
- Community Center
- Veteran’s Memorial Park - two (2) picnic pavilions, skate park and outdoor grilling area
- Eagle Point Park
- King’s Island Park
- Millennium Park - gazebo adorned with personalized bricks and connecting trails to a community bike path
- Round Hill Park

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-327-4000	WAGES	\$41,485	\$50,000	\$51,250	One full-time
01-327-4002	WAGES - PART-TIME	15,435	21,800	22,150	Pace program drivers salary & part-time assistants
01-327-4010	OVERTIME	4,311	-	-	Full-time employee moved from non-exempt to exempt
01-327-4100	HEALTH INSURANCE	1,573	1,500	1,500	Same as prior year
01-327-4110	LIFE INSURANCE	68	67	67	Same as prior year
01-327-4120	UNEMPLOYMENT INSURANCE	273	-	-	Village as of 1/1/15 is self-insured cost has been eliminated
01-327-4200	SOCIAL SECURITY & MEDICARE	4,591	5,493	5,615	Additional overtime and part-time hours
01-327-4220	IMRF	5,061	5,437	5,669	IMRF Calendar Year 2016 - 10.37% to IMRF CY 2017 - 11.5%

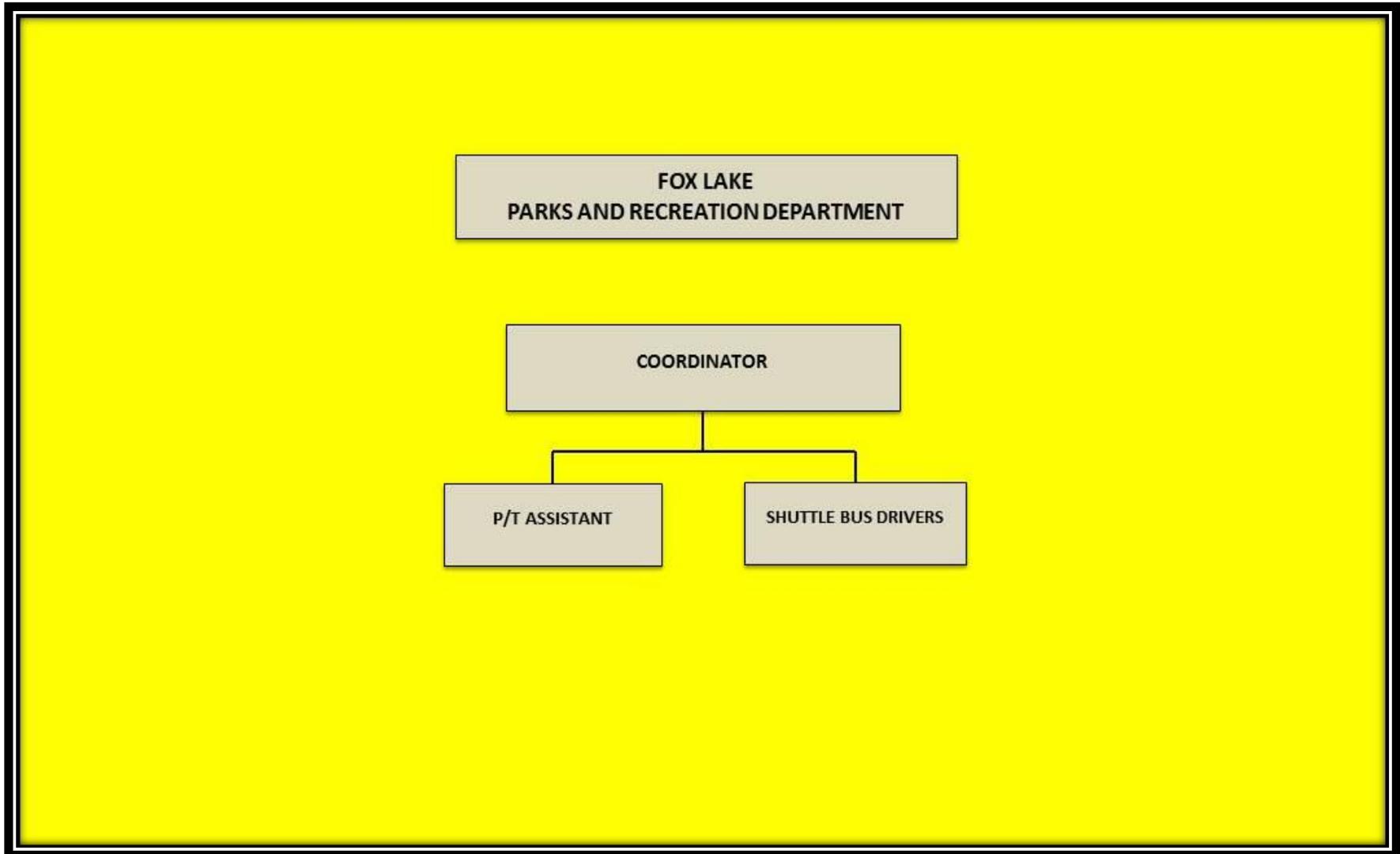
Parks & Recreation (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-327-5000	BUILDING MAINTENANCE	17,740	13,650	15,650	HVAC (2 bldgs Community Center, Lakefront Park) \$650, Fire Alarm \$300, Janitorial (Mars) \$6,500, Roof & Plumbing \$1,200, Landscape restoration \$1,000, Park Equip, Nets, Signage, \$2,500 Misc Repairs, \$2,000
01-327-5010	EQUIPMENT MAINTENANCE	-	818	-	None anticipated
01-327-5100	PROFESSIONAL SERVICES	2,302	27,150	31,400	\$2,200/month Ripple Consulting (\$26,400) & Program Designer (\$5,000)
01-327-5120	LEGAL SERVICES	1,482	-	-	None anticipated
01-327-5160	TECHNOLOGY	321	100	1,000	Possible repairs and any needed computer equipment or programs
01-327-5200	POSTAGE	2,066	2,200	4,000	Mailings for theater trips, senior trips, 2 program guide brochure, misc. mailings
01-327-5221	PRINTING	5,072	5,200	7,250	Banners, Event cards shared with chamber/township & Volunteer Fire Dept, Seasonal catalog (2) \$3,100 each
01-327-5222	ADVERTISING	4,658	4,517	5,500	Shaw Media \$3,887 (13 ads @\$299), iStock Photo \$600 misc. advertising opportunity \$1,000
01-327-5310	MEMBERSHIPS	772	1,179	1,500	Illinois Parks & Rec Memberships for Dept. Fox Lake Chamber of Commerce and Industry \$110, NPRA \$200, Lake County Health Dept Food Service \$450, Water permit (2) buildings \$175
01-327-5320	TRAVEL	968	940	1,500	IPRA Annual Conference, PT help mileage
01-327-5330	TRAINING	400	950	1,500	IPRA Conference, NPRA Webinars & misc. training opportunities
01-327-5340	TUITION	-	-	500	1 Class at \$500
01-327-5410	UTILITIES	9,404	8,200	7,000	Community Center Bldg Water/Sewer- \$2,000, Gas, Electricity - Nicor \$4,000 - Comcast \$1,600, Cell phones \$600, CIMCO 4 lines \$1,500 actual costs @\$750/line, Water park building \$500

Parks & Recreation (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-327-5516	PACE PROGRAM - RENTAL FEE	1,523	1,500	1,800	\$150/mth \$1,800 Supplies & rental of \$1,000
01-327-5545	PROGRAMS	-	105,000	132,450	Egg Hunt \$1,350, Polar Plunge \$250, Cardboard Boat Race \$4,000, Concert by the Lake \$4,500, 5K Walk/Run \$8,000, T-Shirts \$1,000, Holiday Events \$11,300, Santa's House \$300, Turkey Dinner \$5,250, Fall Festival \$5,000, Senior Events \$10,000, Classes for Lakefront \$10,000, Other programs/plays \$15,000, Expo Fee \$1,000, Sports Program \$7,000, Movie Night \$1,500, Dance Program \$7,000, Boat Show \$20,000, Celebrate Fox Lake \$20,000,
01-327-5600	BUILDING MAINTENANCE SUPPLIES	5,576	10,800	6,000	Paint, Salt, Toilet Paper, light bulbs, filters \$5,000, possible misc repairs \$1,000
01-327-5700	OFFICE SUPPLIES	1,846	4,000	4,000	Folders, pens, paper & replacement tables& chairs
01-327-5710	OPERATING SUPPLIES	103,776	500	500	Moved to programs - \$500 for items not related to programs
01-327-5751	FUEL	285	1,500	1,650	Shuttle van
01-327-5950	SPECIAL EVENTS	-	10,000	43,000	4th of July \$30,000 and Venetian Night \$13,000 each Fireworks
01-327-5951	EMPLOYEE RECOGNITION	96	100	100	Employee appreciation
01-327-5970	REFUNDS	195	2,000	2,300	Fees returned for cancelled events or classes or residents dropping out of classes
TOTAL PARKS AND RECREATION		\$231,279	\$284,601	\$354,851	

VILLAGE OF FOX LAKE, ILLINOIS
Organizational Chart – Park & Recreation Department
April 30, 2016



Insurance

The Insurance Department denotes funding for the cost of liability and workers compensation coverage through a combination of insurance companies, which specialize and offer the best coverage at affordable rates. The Village collects taxes through the levy to pay for insurance expenses. The insurance coverage is through ICRMT – Illinois Counties Risk Management Trust.

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-328-5500	LIABILITY & WORKERS COMP INS	\$201,613	\$193,799	\$242,249	Increased claims
01-328-5501	INSURANCE DEDUCTIBLE EXPENSE	69,810	141,961	150,000	Increased claims
	TOTAL INSURANCE DEPARTMENT	\$271,423	\$335,760	\$392,249	

Fire Department

The Fire Department denotes funding for the cost related to the Fire Department. The Village of Fox Lake does not have a Fire Department within the Village organization; rather, it is serviced by the Fox Lake Fire Protection District. The Village collects Fire Protection and Ambulance tax revenues through the Tax Levy which it uses to pay the Fire Department for their services. The Fox Lake Fire Protection District is contracted through the Village to provide timely fire, rescue and advanced life support ambulance services to Village residents. Along with the residents of Fox Lake, the Fire Protection District provides emergency services to surrounding communities. In addition to emergency response, the Fox Lake Fire Protection District provides a Fire Prevention Bureau that includes safety and fire prevention services such as public education and first aid/CPR training.

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-330-5000	BUILDING MAINTENANCE	\$794	\$-	\$-	None originally budgeted – exp related to Fire House building
01-330-5450	REAL ESTATE TAX DISTRIBUTION	1,236,841	1,210,000	1,218,470	Actual collections of Real Estate Taxes for Fire and Ambulance collected by Village.
01-330-5530	FIRE DEPARTMENT CONTRIBUTION	215,457	235,000	210,000	Agreement extended 1 more year due to passage of referendum
01-330-5113	FIRE DEPT BILLABLE EXPENSES	84,495	65,000	95,000	Expense billed and reimbursed by fire dept - utilities, gas, etc. Average: \$6,000/mth lower due to milder winter and utility expense \$30,000 Motor Pool parts
	TOTAL FIRE DEPARTMENT	\$1,537,588	\$1,510,000	\$1,523,470	

Public Works/Streets

The Village of Fox Lake Public Works/Streets department is for a comprehensive and diverse range of responsibilities in the Village. One of the major responsibilities is the repair and maintenance of approximately 60 miles of roadways, easements and sidewalks within the Village's corporate boundaries. This also includes repairs to curb and gutter, parkway tree maintenance, pavement marking and crack sealing, storm sewer maintenance and repairs to Village signs and streetlights. Snow and ice control during the winter months is another major responsibility of the Street Department.

There are twelve (12) staff members and twelve (12) vehicles that are available during a winter weather emergency to ensure safe driving conditions. Another key component of the Streets Department is their assistance during Village special events and community festivals.

Building Maintenance

The Public Works/Streets department provides a clean, healthy, safe and efficient working environment in each facility for Village employees and in public areas and meeting places utilized by the public and the various committees and commission of the Village's government structure. The department provides predictive, preventative and emergency maintenance on all building systems including the Village Hall, Streets Building, Motor Pool Building, Police Department, Community Center, Lakefront Park, and Parking Structures – Metra Station. The department also oversees maintenance and operation of the street lighting system in order to aid pedestrian and vehicular traffic along major streets and throughout the community at intersections and crosswalks after dark.

Streets, Drainage, and Water/Sanitary Sewer

The Public Works/Streets department oversees the maintenance of streets, curb, gutters, and storm sewers so as to insure that they are smooth, clean, safe, and structurally sound for vehicular travel in a variety of weather conditions. Whenever street conditions are unsafe, it is necessary to take measures that will ensure continuous safe vehicle travel through the community. The department also provides for safe and efficient vehicular traffic movement through the use of traffic control devices, movement markings, and signage to inform operator of motor vehicles and pedestrians of conditions and regulation so as to minimize traffic accidents while accommodating smooth and reasonably rapid traffic movements. During a winter weather advisory, equipment is readied and loaded with road salt and liquid de-icer. Typically, the Village Police Department notifies the Street Department when road conditions require snow and ice control.

The Public Works/Streets department provides for the preventative maintenance annual cleaning and inspection of the Village storm sewer and drainage system in compliance with the NPDES program

Forestry and Grounds

The Public Works department provides for maintenance and care of parkway trees, as well as, maintenance of the six (6) parks in the Village, including mowing and repairs to playground equipment. Several tasks are performed to insure the vitality of parkway trees and nursery stock including spraying to arrest or prevent disease; trimming to shape and improve aesthetics; tree removal in the event of storm damage, disease, or insect infestation (the conformation of the Emerald Ash Borer in Fox Lake); and tree replacement of those trees that will have to be removed.

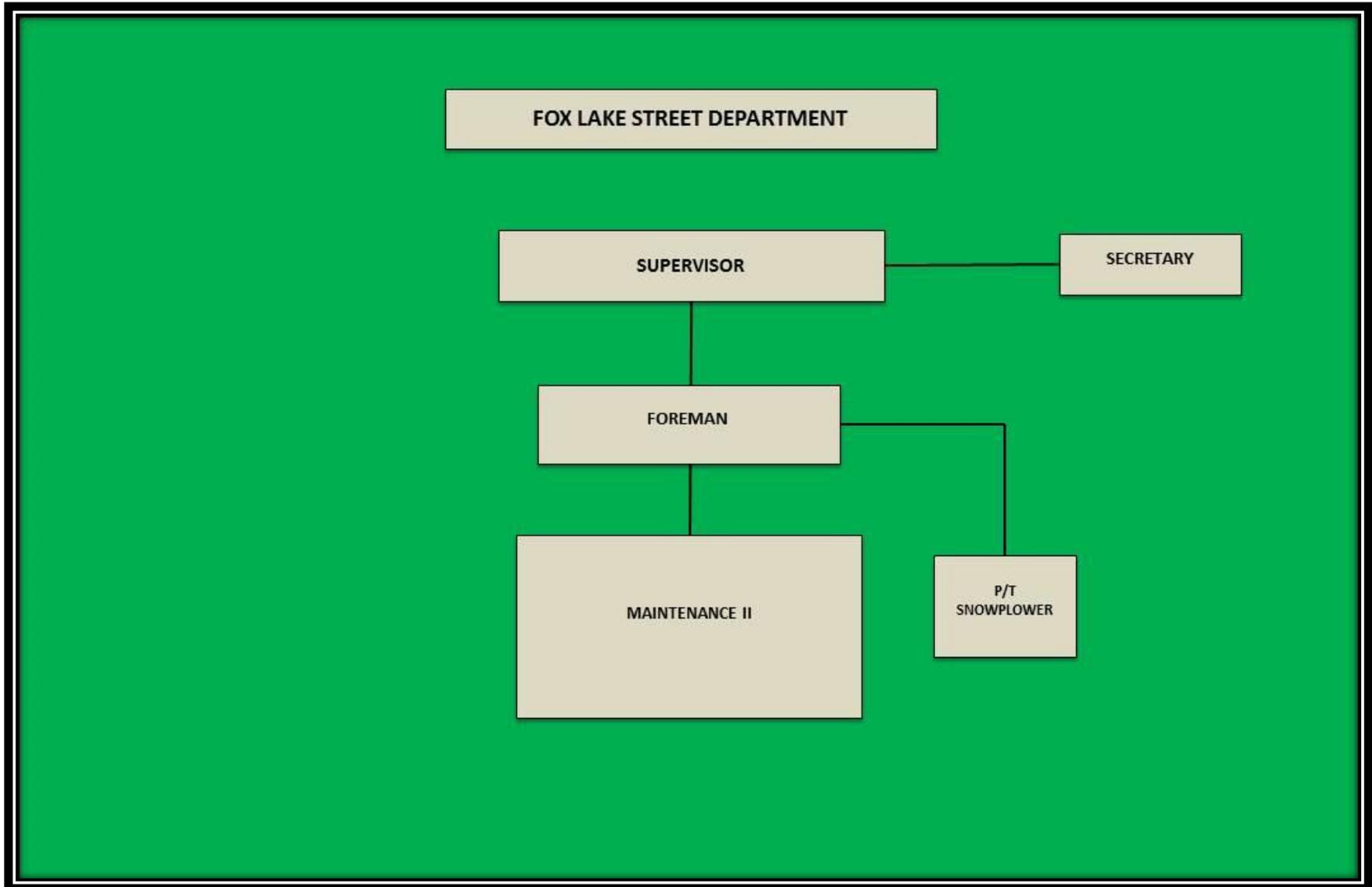
Public Works/Streets Budget

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-341-4000	WAGES	\$484,763	\$483,197	\$465,278	One less employee for a portion of the year
01-341-4002	WAGES - PART-TIME	7,533	6,000	16,500	Less snow in FY2015-16 required less part-timers
01-341-4010	OVERTIME	11,971	25,000	25,000	No change
01-341-4100	HEALTH INSURANCE	117,049	115,291	101,495	One less employee for a portion of the year
01-341-4110	LIFE INSURANCE	659	648	603	One less employee for a portion of the year
01-341-4120	UNEMPLOYMENT INSURANCE	203	-	-	Village is self-insured cost has been eliminated
01-341-4200	SOCIAL SECURITY & MEDICARE	35,966	39,712	36,873	Lower due to Sick time payout changing from 80 to 40 hours & less overtime
01-341-4220	IMRF	52,398	51,633	50,630	IMRF Calendar Year 2016 - 10.37% to IMRF CY 2017-11.5%
01-341-5740	UNIFORMS	4,223	6,912	5,180	Uniforms, t-shirts, safety equipment upgrade to safety attire \$768 for 9 employees
01-341-5000	BUILDING MAINTENANCE	4,053	15,000	40,000	HVAC, fire extinguishers, water doors, first aid, floor mats, towels, plumbing, electrical, overhead doors \$15,000, Roof Street Dept \$30,000
01-341-5010	EQUIPMENT MAINTENANCE	1,909	2,200	650	Copier
01-341-5030	STREET MAINTENANCE	12,948	20,000	31,500	trump/tree removal \$6,000, debris removal (appliances, etc.) \$18,000, contractual work curb/street \$10,000, LED streetlight replacement (Cambridge Subdivision) \$7,500 - Debris removal more than prior year due to regulatory testing, Beautification \$10,000
01-341-5040	PARKS MAINTENANCE	1,215	-	-	None anticipated
01-341-5100	PROFESSIONAL SERVICES	12,599	20,760	20,800	Contractual snowplowing for subdivisions \$19,000, Lake County Stormwater management permits \$440 (4)
01-341-5110	ENGINEERING SERVICES	22,712	41,000	40,000	Stormwater NPDES permit \$1,000, Bridge inspections \$5,000 (3 bridges), General engineering \$35,000
01-341-5120	LEGAL SERVICES	3,673	-	-	Moved to admin
01-341-5160	TECHNOLOGY	1,291	1,750	1,000	Repairs \$600, switch \$75, PC replacement \$900, UPS cable \$150
01-341-5200	POSTAGE	0	12	100	Permits, special mailings
01-341-5310	MEMBERSHIPS	25	650	650	APWA - \$150, IPW Man - \$500

Public Works/Streets Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-341-5330	TRAINING	404	1,000	1,800	ROW herbicide certification and mosquito larvacide training & testing, Flagger training
01-341-5410	UTILITIES	10,642	10,500	10,500	Water/Sewer, Nicor and Electric, Osmosis system, telephone
01-341-5413	ELECTRICITY CHARGES	100,406	84,000	90,000	Street lighting - Municipal Streets - Trending at \$8,000 per month and replaced with LED lighting
01-341-5510	RENTALS	-	750	3,500	Emergency equipment: i.e. trencher, generator, chipper, pumps, barricades
01-341-5600	BUILDING MAINTENANCE SUPPLIES	6,117	80,000	35,500	In House repairs to street dept building \$7,000, all other building exterior repairs \$5,000, park maintenance \$1,300, Lighting replacement program \$25,000
01-341-5610	EQUIPMENT MAINTENANCE SUPPLIES	1,778	2,000	5,000	Mowers, snow blowers
01-341-5700	OFFICE SUPPLIES	357	800	1,000	Files, calendars, pens
01-341-5710	OPERATING SUPPLIES	35,351	41,000	41,000	Signs, posts, hardware, dirt, sand gravel, striping paint, storm sewer supplies, grass seed/fertilizer, mosquito control (briquettes), herbicides/pesticides, mulch landscaping parks, playgrounds, village buildings plus storm sewer supplies
01-341-5712	SIGN PROGRAM	-	4,000	2,500	Federal mandate for street replacement program
01-341-5713	STONE & CONCRETE	-	5,000	10,000	Sidewalk replacement program: Grand Avenue & other areas
01-341-5730	SMALL TOOLS	3,218	6,000	6,000	Saws, rakes, shovels, chainsaw replacement - current trend lower
01-341-5751	FUEL	37,408	35,000	41,560	3,679 gallons \$2.25/gal reg - 13,311 gallons \$2.5/gal diesel
01-341-5750	CHEMICALS	1,064	4,000	-	Herbicides/pesticides general usage moved to operating supplies
01-341-5951	EMPLOYEE RECOGNITION	290	500	750	\$500 winter operations
TOTAL PUBLIC WORKS/STREETS		\$972,467	\$1,104,315	\$1,085,369	

VILLAGE OF FOX LAKE, ILLINOIS
Organizational Chart – Public Works/Streets Department
April 30, 2016



Community Development Department

The mission of the Community Development Departments is to protect the life safety and welfare of the public. To achieve this mission, the department functions to secure safety to life and property from hazard or incidents regarding the design, erection, repair, demolition and occupancy of buildings, structures and property improvements. The department also works on economic development strategies to encourage new businesses and families to move to Fox Lake, as well as to assist and support existing businesses.

The Community Development Department is responsible for implementing and enforcing current applicable codes and ordinances within the Village of Fox Lake. Building permits are required for new construction, as well as for specific scopes of work to alter or repair existing structures or property. The department oversees the construction process at various stages through building inspections to confirm the scope of work is being done per current codes and ordinances.

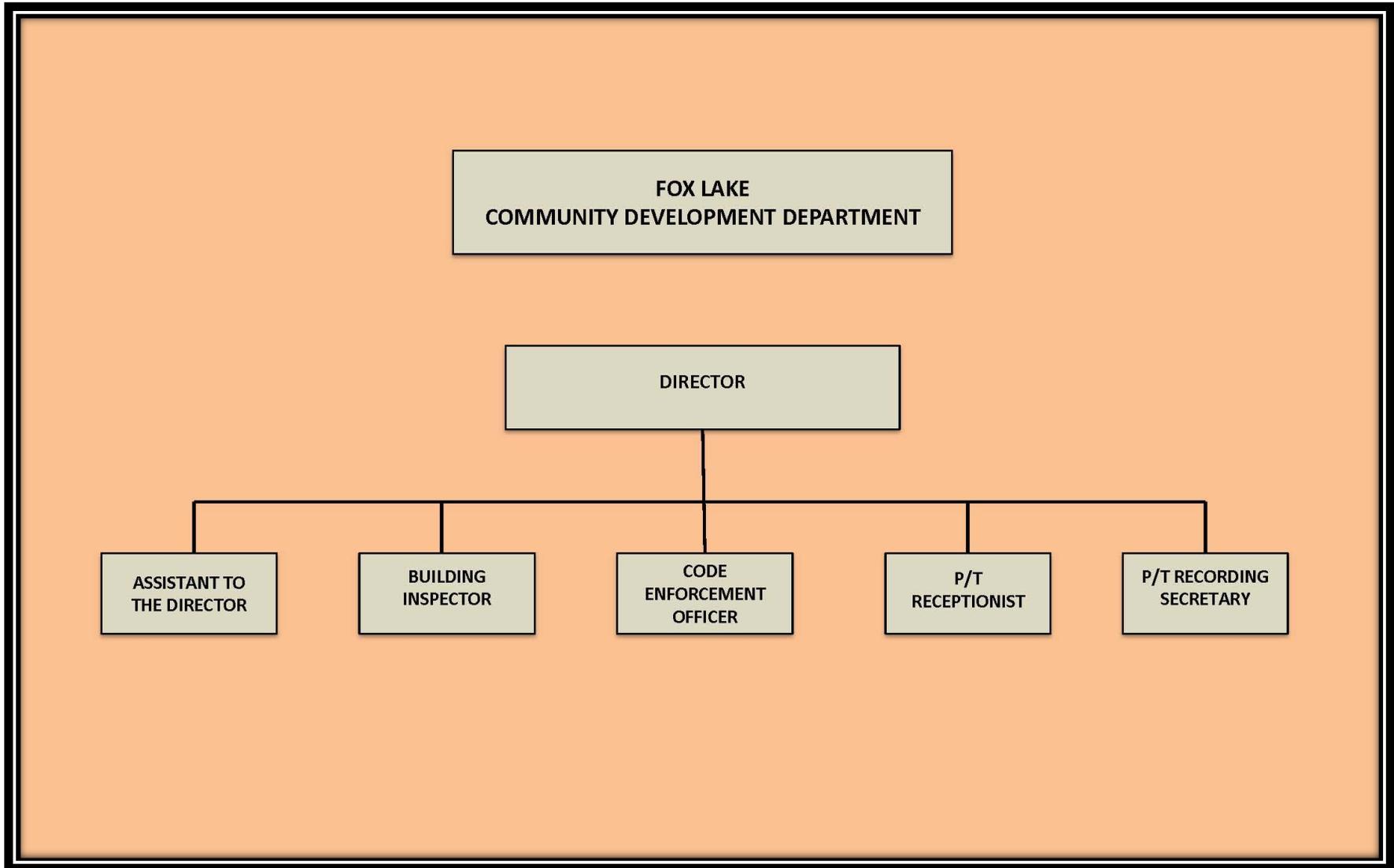
The Community Development Department is comprised of the Building Commissioner, Assistant to the Director, Building Inspector, Code Enforcement/Inspector and a part-time Permit Clerk.

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-354-4000	WAGES	\$121,572	\$170,773	\$212,507	2 new employees - full year pay
01-354-4010	OVERTIME	-	-	-	None anticipated
01-354-4002	WAGES - PART-TIME	15,576	34,380	34,780	Includes one part-time employee in Community Development and \$22,768 for Plan Commission & PBZA
01-354-4100	HEALTH INSURANCE	32,732	63,746	76,846	Two new employees
01-354-4110	LIFE INSURANCE	168	223	268	Two new employees
01-354-4120	UNEMPLOYMENT INSURANCE	449	-	-	Village as of 1/1/15 is self-insured cost has been eliminated
01-354-4200	SOCIAL SECURITY & MEDICARE	9,552	14,288	18,917	Two new employees
01-354-4220	IMRF	13,358	18,386	22,896	IMRF Calendar Year 2016 - 10.37% to IMRF CY 2017 - 11.5%
01-354-5010	EQUIPMENT MAINTENANCE	3,739	1,677	1,500	Repairs as needed
01-354-5100	PROFESSIONAL SERVICES	60,965	32,908	48,000	plumbing insp \$15,000 (49 weeks, \$59/inspection/day), nuisance abatement \$2,000, CAV list compliance work \$31,000
01-354-5110	ENGINEERING SERVICES	6,323	10,000	10,000	Field inspections, plan reviews \$7,500, Floodplain violations CAV list elevation certificates \$3,000 non-reimbursable
01-354-5111	BILLABLE ENGINEERING FEES	11,337	22,000	22,000	Reclassification of engineering expense to reimbursable

Community Development Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-354-5114	BILLABLE BUILDING & ZONING EXP	156	2,000	4,408	Reimbursable legal notices, Bi-annual elevator insp \$43/elevator \$1,892, reinsp \$516,
01-354-5120	LEGAL SERVICES	6,897	-	-	Moved to Administration
01-354-5125	BILLABLE ATTORNEY FEES	9,308	5,000	5,000	Attorney expenses reimbursed by developer
01-354-5160	TECHNOLOGY	3,416	17,940	5,000	BS&A Support \$2,440, Offline Data Storage (25%) \$1,500, Computer upgrades
01-354-5200	POSTAGE	702	750	1,250	Fed ex, UPS, plan comm & building & zoning hearings \$1,500, Certified Citations \$500
01-354-5221	PRINTING	935	2,000	2,500	Prior year trend
01-354-5224	PUBLISHING	1,737	1,000	1,500	Legal notices and public meeting notices
01-354-5310	MEMBERSHIPS	1,540	1,910	2,000	ABCI Dues \$120, ICC dues \$75, IEPA/NPDES Permit \$1,000, ICSC \$100, Recorder of Deeds Online Access Subscription \$540, IACE-\$25.00
01-354-5320	TRAVEL	143	250	500	Mileage, parking, meals
01-354-5330	TRAINING	1,180	2,000	3,000	Seminars: Plan commission \$400, Zoning Board \$300, IML \$195,admin user \$250, ICC permit technician (2) \$360, Civic Leadership Academy Zoning Code Enforcement \$380, Lake Cty Stormwater mgmt, FEMA, mapping-arc-gis \$1,134
01-354-5410	UTILITIES	808	1,500	2,520	Cell phones \$70/mthx3
01-354-5700	OFFICE SUPPLIES	1,348	2,500	2,500	Forms, pens, folders
01-354-5710	OPERATING SUPPLIES	1,159	-	-	Moved to Office supplies
01-354-5712	SIGNS	-	10,000	15,000	Village signage and banners
01-354-5720	COMMUNITY PROGRAMS	15,565	30,000	70,000	Façade Improvement program plus \$30,000 for matching grant funds & Community Garden \$10,000
01-354-5740	UNIFORMS	385	250	250	shirts
01-354-5751	FUEL	1,600	1,500	2,000	575 gallons - \$2.25/ gal regular Reduced Fuel/Oil amount by \$2,000
01-354-5951	EMPLOYEE RECOGNITION	87	100	150	Dinner
01-354-5970	REFUNDS	-	35	100	Current trend
	TOTAL COMMUNITY DEV DEPT	\$322,737	\$447,116	\$565,393	

VILLAGE OF FOX LAKE, ILLINOIS
Organizational Chart – Community Development
April 30, 2016



Grant Expense

The Village received an Illinois Park and Recreational Facility Construction Grant. Expenses related to the grant will be expensed to a dedicated account

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-370-5810	PARK GRANT EXPENSE	\$ 68,992	\$ -	\$ -	Illinois Park and Recreational Facility Construction Grant dollars to pay for the improvements at the Lakefront Park plus Village match of 20%. Grant currently on hold by State of IL
01-370-5811	POLICE TOBACCO EXPENSE	-	-	300	Cigarette purchases
Total Reimbursable Expenses		\$ 68,992	\$ -	\$ 300	

Debt Service

The Village may use the issuance of long-term debt to further the Village’s Capital Improvement Projects. Long-term debt is used only for capital projects that cannot be financed from current revenue sources. The following debt serve relates to Series 2003, Series 2006, Series 2007, Series 2011B and Series 2014B Debt Certificates in the amount of \$2,450,000 issued for the purpose of funding various capital projects.

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-400-6000	PRINCIPAL PAYMENT	\$326,147	\$330,594	\$280,876	2003 Installment Note \$101,273 & 2011B Debt Certificate \$179,602.50
01-400-6010	INTEREST EXPENSE	133,616	152,685	117,401	2003 Installment Note \$19,260 & 2011B Debt Certificate \$38,952.75 & 2014B Debt Certificate \$59,188.50
01-441-6000	PRINCIPAL PAYMENT	16,700	16,700	16,700	G.O. Debt Certificate, Series 2006
01-441-6010	INTEREST EXPENSE	1,820	1,102	367	G.O. Debt Certificate, Series 2006
01-441-6020	BOND ISSUANCE COSTS	39,563	-	-	Cost of Road Construction Debt Certificate 2014B
01-427-6000	PRINCIPAL PAYMENT	88,367	89,350	73,020	G.O. Debt Certificates, Series 2007 & G.O. Debt Certificates, Series 2011B
01-427-6010	INTEREST EXPENSE	22,833	21,317	31,843	G.O. Debt Certificates, Series 2007 & G.O. Debt Certificates, Series 2011B
TOTAL DEBT EXPENSE		\$629,046	\$611,748	\$520,207	

Capital Outlay

The Village's operational needs for capital expenditures must be weighed against the ability of the Village to finance these projects. Capital improvement projects represent the equipment and infrastructure resources that all municipalities need to provide resident and business services and generally provide future benefits with long service lives. Capital expenditures are costs that create future benefits. A capital expenditure is incurred when the Village spends money to buy fixed assets or add value to an existing fixed asset. The Village capitalizes all equipment purchases over \$20,000. Additional detail is located in the Capital Improvement Plan detail in Section 8.

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
01-511-7010	LAND	\$194,632	\$ -	\$ -	No purchases anticipated
01-511-7030	EQUIPMENT	-	62,000	-	Generator for Village Hall
01-514-7011	LAND IMPROVEMENTS	40,673	40,000	-	None anticipated
01-521-7020	BUILDING	22,895	-	-	None anticipated
01-521-7030	EQUIPMENT	-	-	175,000	Star com Radios 30 Full Time and 5 part-time officers
01-521-7040	VEHICLES	127,444	-	105,000	3 new police vehicles
01-541-7081	ROAD IMPROVEMENT - NW REGION	38,360	400,000	200,000	Sayton Road in NW Region - externality fees used to pay expense
01-541-7030	EQUIPMENT	44,612	-	145,000	Front endloader
01-541-7040	VEHICLES	-	228,000	108,000	A small dump truck \$40,000 and a pickup truck \$68,000
01-541-7080	ROAD CONSTRUCTION	1,259,766	832,965	-	Based upon current budget constraints - None anticipated
01-554-7040	VEHICLES	-	-	16,250	Ford Focus Building Department
TOTAL CAPITAL EXPENSE		\$1,728,382	\$1,562,965	\$749,250	

Total General Fund Revenues, Expenditures and Net Income

The Village of Fox Lake General Fund Net Income for FY2016-2017 is anticipated to have net income of \$145,040..

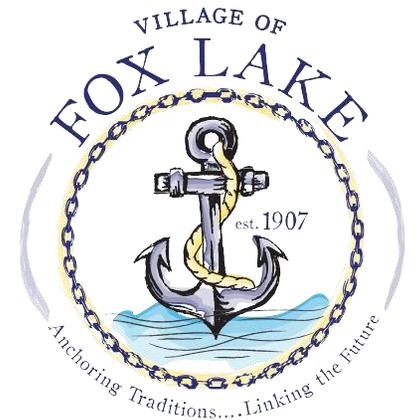
	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017
Total General Fund Revenues	\$14,992,235	\$13,460,234	\$13,296,455
Total General Fund Expenses	12,555,996	13,566,453	13,151,415
Net Income	\$2,436,240	\$(106,219)	\$145,040

Section 5

Special Revenue Funds

Motor Fuel Tax

TIF



Special Revenue Accounts

Special Revenue accounts are used to account for general government financial resources that are restricted by law or contractual agreement to specific purposes other than debt service or major capital projects. The funds exist as long as the government has resources dedicated to specific purposes.

TIF Fund

The Tax Increment Financing (TIF) Fund was created as a method of public financing for development in the Village. It is a tool used to secure future gains in taxes in order to finance infrastructure improvements, which will in turn, create conditions for future gains. Subsequently, infrastructure improvements can lead to an increase in the value of property and potentially, present new investment opportunities in the Village.

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
12-100-3000	REAL ESTATE TAXES	\$ 36,326	\$36,327	\$36,327	Flat - Development anticipated in next fiscal year
12-100-3700	INTEREST INCOME	163	-	-	None anticipated
	Total Revenues	\$ 36,489	\$36,327	\$36,327	
12-300-5100	PROFESSIONAL SERVICES	\$ 11,514	\$22,808	\$22,808	Attorney expenses related to develop \$20,000 and audit fees \$2,808
	Total Expenses	\$ 11,514	\$22,808	\$22,808	
	Total TIF Fund	\$ 24,975	\$13,519	\$13,519	

TIF Boundary Map

The proposed TIF is generally south of Illinois Route 12 and Satyon Road within the Village of Fox Lake.



Motor Fuel Tax Fund

The State of Illinois distributes taxes paid by consumers at the gas pump to municipalities on a per capita basis. The use of these funds is restricted to the following purposes:

- Pavement Repair and Maintenance
- Construction of Roads
- Snow & Ice Removal
- Traffic Control Devices and School Crossing Signals
- Utility Adjustments
- Street lighting
- Traffic Signal Maintenance
- Parkway Maintenance
- Bicycle Signs and Markings
- Engineering Services
- Off-Street Parking Facilities
- Retirement of Indebtedness
- Payment of Principal and Interest on Road Bonds
- Miscellaneous Expenses in Connection with Bond Issue
- Salt Storage Facilities
- Storm Sewers
- Sidewalks and Curb Ramps
- Wages or Salaries and Benefits
- Equipment Operating Costs
- Tree Trimming and Tree Removal
- Workers' Compensation Insurance Premiums
- Improvements Railroad Signal Protection and Crossing Work

The Village has experienced stagnation and then a decline in this revenue stream, which directly correlates to the change in statewide sales of gasoline. Logical reasons for this decline include the use of more fuel-efficient vehicles, increased use of carpooling, increased use of public transportation, and a decline in discretionary travel for recreation and shopping.

The proposed budget for FY2016-2017 was developed assuming a slight decrease in the per capita rate from to \$25.70 to \$25.90 based upon the Illinois Municipal League projections; a population of 10,579 (2010 Census); and no additional revenue from the High Growth Cities fund of \$10,400 and from the Jobs Now Program. The decrease in revenues reflects these changes.

Motor Fuel Tax Fund (continued)

Below is historical information on the Village's motor fuel tax receipts.

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Rate Per Capita</u>
FY2008-2009	\$ 288,305 *	26.10
FY2009-2010	\$ 270,011 *	24.43
FY2010-2011	\$ 270,665 *	24.53
FY2011-2012	\$ 316,313 *	28.80
FY2012-2013	\$ 306,581 *	27.68
FY2013-2014	\$ 318,035 *	27.66
FY2014-2015	\$ 269,666	24.30
FY2015-2016 (B)	\$ 271,855	25.70
FY2016-2017 (B)	\$ 273,996	25.90

*Includes Job Now & High Growth Cities receipts

<u>General Ledger #</u>	<u>General Ledger Account Description</u>	<u>Actuals 2014-2015</u>	<u>Amended Budget 2015-2016</u>	<u>Budget 2016-2017</u>	<u>Description</u>
15-100-3130	MOTOR FUEL TAX	\$269,666	\$271,855	\$273,996	IML projection \$25.9 which is higher than the prior year amount of \$25.7 per capita of 10,579
15-100-3200	GRANT REVENUE	92,924	-	-	None anticipated
15-100-3220	STATE GRANTS	85,000	-	-	None anticipated
15-100-3700	INTEREST INCOME	81	-	-	None anticipated
	Total Revenue	\$447,671	\$271,855	\$273,996	
15-300-5110	ENGINEERING SERVICES	\$3,941	\$100,000	\$100,000	Grand Ave
15-300-5100	PROFESSIONAL SERVICES	121,790	21,631	30,000	Road Striping, \$5,000 - Bridge Repairs - \$15,000 thermoplastic \$12,000 and audit \$1,631
15-300-5413	ELECTRICITY CHARGES	53,158	35,000	30,000	Shared intersections with IDOT & LCDOT
15-300-5710	OPERATING SUPPLIES	119,938	120,000	175,000	Snow & Ice Control Materials - Rock Salt and De-Icing Liquid and asphalt resurfacing - \$40,000
15-500-7080	ROAD CONSTRUCTION	110,705	100,000	150,000	CDBG matching road project and other grant matching
	Total Expenses	\$409,531	\$376,631	\$485,000	
	Total Motor Fuel Tax	\$38,140	\$(104,776)	\$(211,004)	

Section 6

Enterprise Funds

Commuter Parking Fund

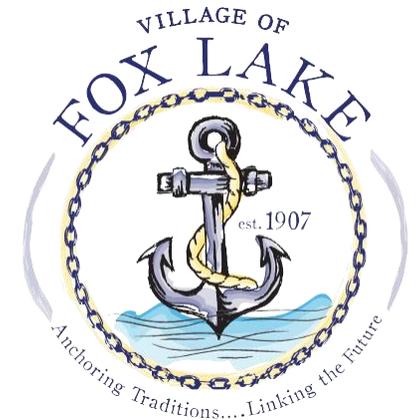
Water & Sewer Fund

Northwest Regional Water Reclamation Facility

Dispatch – 911 Department

Fiduciary Funds

Police Pension



Enterprise Funds

Commuter Parking Fund

The Parking Fund was established as an enterprise fund to track the revenues and expenses associated with operating and maintaining the Metra parking lots.

The Commuter Parking Fund is designed to account for all revenue and expenses related to the operation of the Metra commuter parking facilities located along the Milwaukee District/North Line railroad tracks. The parking lots include over 450 daily parking spaces. The Village of Fox Lake is responsible for repairs and maintenance, as well as capital improvement projects, to the commuter parking lot. This includes pavement repairs, pay machine maintenance, snow removal and infrastructure upgrades

Expenses recorded in the Commuter Parking Fund include supplies, pavement repairs, maintenance, snow removal, infrastructure upgrades, insurance, depreciation, utilities, and reimbursement to the General Fund for staffing (accounting, public works, pay box collections, etc).

The Commuter Parking Fund is unable to support its related costs of operation. The Commuter Parking Fund is budgeted at a deficit for the year of \$93,330. The Village cannot continue to subsidize this operation or future large-scale maintenance; therefore, the Village will continue working with Metra to review fees and expenses.

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
50-100-3505	ORDINANCE & PARKING FINES	\$2,254	\$-	\$-	Revenue should be included in General Fund - moved to ordinance fines
50-100-3820	PARKING FEES	128,621	120,000	120,000	Averaging \$10,400/mth
50-100-3700	INTEREST INCOME	8	-	-	None anticipated
50-100-3750	MISCELLANEOUS INCOME	-	-	-	None anticipated
	Total Revenues	\$130,883	\$120,000	\$120,000	
50-300-4000	WAGES	\$12,892	\$22,471	\$23,033	Including one-half of an officer assigned to commuter parking
50-300-4002	WAGES - PART-TIME	5	-	-	2 summer help
50-300-4100	HEALTH INSURANCE	75	750	750	No change
50-300-4120	UNEMPLOYMENT INSURANCE	22	-	-	Village as of 1/1/15 is self-insured cost has been eliminated
50-300-4200	SOCIAL SECURITY & MEDICARE	747	1,719	1,762	Salary increase
50-300-4220	IMRF	839	2,372	2,475	IMRF Calendar Year 2016 - 10.37% to IMRF CY 2017 - 11.5%
50-300-5010	EQUIPMENT MAINTENANCE	150	1,000	2,000	Refurbish pay boxes

Commuter Parking Fund (Continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
50-300-5104	PROF SERVICES - SNOW REMOVAL	8,175	15,000	18,000	RFP for pricing - Parking lots
50-300-5040	PARKS & GROUNDS MAINTENANCE	27,588	23,000	20,000	Crack Fill/Seal Coating 4 lots (\$8,000), Metra/Nippersink Blvd Hill \$5,000 , \$10,000 for mowing/landscaping
50-300-5102	ACCOUNTING SERVICES	2,829	1,568	1,725	Audit
50-300-5120	LEGAL SERVICES	-	1,000	-	New Metra contract
50-300-5100	PROFESSIONAL SERVICES	1,286	-	-	None anticipated
50-300-5200	POSTAGE	252	500	50	Mailing of passes
50-300-5221	PRINTING	2,870	3,000	500	Printing of passes
50-300-5320	TRAVEL	237	-	-	None anticipated
50-300-5410	UTILITIES	5,620	5,000	6,000	Com-Ed and NiCor trending \$500 per month
50-300-5500	LIABILITY & WORKERS COMP	21,365	900	1,080	Anticipated increase due to claims
50-300-5700	OFFICE SUPPLIES	-	-	-	None anticipated
50-300-5710	OPERATING SUPPLIES	1,666	3,000	3,000	\$500 per lot for salt
50-300-5401	SERVICE CHARGE - GENERAL FUND	176,908	22,473	23,147	Maximus cost allocation of general fund expenses
50-300-8000	DEPRECIATION	9,382	5,036	9,400	Bases upon depreciable properties - land not depreciable
	Total Expenses	\$272,907	\$ 108,789	\$ 112,922	
	Total Parking Fund	\$ (142,024)	\$ 11,211	\$ 7,078	

Water/Sewer Fund

The Water/Sewer Fund accounts for the provision of potable water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, depreciation expense, financing, and billing and collection.

The Village of Fox Lake's Sewer and Water system has been in operation since 1928. Today, the Water Systems supply between 500,000 to 1,000,000 gallons of potable water per day for over 5,000 Village customers. The Village operates the Tall Oaks Wastewater Treatment Plant, as well as the Village's sewage collection system that flows to the Northwest Regional Water Reclamation Facility.

In the South System, the Village operates and maintains 4 wells, 2 water towers, and 18 lift stations. In the North System (formerly referred to as "Leisure Tech"), the Village operates and maintains 2 wells, 1 reservoir, 6 lift stations and 1 sewage treatment plant.

The Sewer and Water Department has a current staffing level of nine (9) personnel for both the South and North System. Staff members attend numerous training sessions every year in order to stay abreast of current regulations and maintain their IEPA licensing. The Water and Sewer Department provides 24-hour call service for all customers and is committed to providing safe, reliable and economical sewer and water services. Fox Lake residents are the department's highest priority and staff takes pride in their commitment to customer service.

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
51-100-3830	WATER SALES	\$ 3,825,131	\$3,762,361	\$3,867,707	2.8% Rate Increase May 1st 2016
51-100-3625	INSURANCE REIMBURSABLE	-	78,714	-	None anticipated
51-100-3200	GRANT REVENUE	97,369	-	96,000	CDBG Grant Lakewood Water Main Project
51-100-3700	INTEREST INCOME	3,303	2,500	2,600	Bond and Note Payable payments reducing cash balance
51-100-3701	REALIZED GAINS & LOSS	(8,291)	-	-	None anticipated
51-100-3720	SALE-FIXED ASSETS	893	2,000	1,000	sale of scrap & surplus dept equip
51-100-3750	MISCELLANEOUS INCOME	24,149	16,000	16,000	Current trend, last years budget
51-100-3831	WATER METER SALES	16,862	5,120	7,590	20 New Residential(Country Club Hills)3 Highland Avenue
51-100-3840	TAP-ON-FEES	74,781	56,000	56,000	20 (Country Club Hills)/ 3 Highland Avenue
51-100-3841	REMEDIAL WASTE	19,831	8,621	10,000	Trending like prior year
51-100-3845	PENALTIES	75,989	50,000	50,000	Conservative estimate
	Revenue from Operations	\$ 4,130,016	\$3,981,316	\$4,106,897	
51-200-3900	PROCEEDS FROM IEPA LOAN	\$ -	\$1,021,521	\$ -	IEPA loan reimbursement of the Holiday Park Tower
51-200-3902	NEW IEPA LOAN	-	-	3,000,000	New IEPA loan for North Tower
	OTHER FINANCING SOURCES	\$ -	\$1,021,521	\$3,000,000	Flat
	Total Revenue	\$4,130,016	\$5,002,837	\$7,106,897	

Water/Sewer Fund Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
51-300-4000	WAGES	\$535,588	\$507,035	\$514,026	Admin shared employee - less hours in water
51-300-4002	WAGES - PART-TIME	776	-	-	None anticipated
51-300-4010	OVERTIME	32,027	32,000	28,641	Trending close to prior year actuals
51-300-4100	HEALTH INSURANCE	111,929	132,847	130,225	Change in employee coverage and higher insurance rates
51-300-4110	LIFE INSURANCE	649	677	650	Admin shared employee - less hours in water
51-300-4120	UNEMPLOYMENT INSURANCE	1,081	-	-	Village as of 1/1/15 is self-insured cost has been eliminated
51-300-4200	SOCIAL SECURITY & MEDICARE	38,908	40,893	41,171	Admin shared employee - less hours in water
51-300-4220	IMRF	54,377	53,416	54,806	IMRF Calendar Year 2016 - 10.37% to IMRF CY 2017 - 11.5%
51-300-5000	BUILDING MAINTENANCE	12,813	65,000	23,000	HVAC yearly inspection \$2,000, repairs \$2,000, backflow preventers \$1,000, Holiday Park Roof \$10,000, Seal Coat and Repave Tall Oaks \$8,000
51-300-5010	EQUIPMENT MAINTENANCE	25,517	43,500	38,700	Repair pumps/controls\$35,000 , calibration of scales \$1,000, calibration of chlorine gas detectors \$1,200 MEG Alert Menards Lift \$1,500
51-300-5021	VEHICLE MAINTENANCE - MP	32,275	36,000	36,000	Maintenance & Repairs: 1995 Chevy van, 2002 Ford F-350 (2), 2001 Ford explorer, 2005 Vactor and 2010 Ford F-450,2014 F150,2014 Ford Van, Mini Excavator, Ford F350(x3)
51-300-5050	UTILITY SYSTEM MAINTENANCE	179,971	275,000	205,560	Emergency System repairs \$150,000, water meter testing & calibration \$6,000 annual, water leak survey \$10,000 annual, Restoration Materials \$10,000, Paving and Patching \$13,000, Bulk Materials \$4,000, Equipment Rentals \$2,000, Root Removal \$10,560
51-300-5100	PROFESSIONAL SERVICES	57,423	40,550	28,700	IEPA Permit Tall Oaks \$8,000, Lien Fees \$4,000 , Fire Extinguisher service \$300, Metra Easements \$3,200, misc \$500, Fulcrum \$700, GIS ELA Program \$6,000 recurring expense, BSI Cross Connection \$600, Calibrate Lab Meter HACH \$1,000, JULIE Fee \$2,500, Sensus \$1,900
51-300-5102	ACCOUNTING SERVICES	14,692	7,500	10,280	Allocation of audit
51-300-5105	JULIE	1,826	-	-	Moved to 51-300-5100
51-300-5110	ENGINEERING SERVICES	133,447	175,000	105,000	General Engineering Costs (\$60,000), CDBG Grants(\$5,000), GIS Services \$40,000

Water/Sewer Fund Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
51-300-5115	OUTSIDE LAB TESTING	16,765	30,488	31,251	NWRWRF Lab \$19426.17, sludge handling \$3,000, sludge testing \$2,300, IEPA, State & Federal, public water monitoring requirements North/South Systems-\$3945, Admin contract lab \$580, sample contingency \$2,000
51-300-5120	LEGAL SERVICES	13,303	10,000	10,000	Billing related issues/IEPA Loan Documents
51-300-5150	PHYSICAL EXAMS	450	1,800	1,675	Tetanus Shots \$300/Fit Testing(Respirator)\$350/Titer Test-\$225/Hearing Test-\$400, drug testing 400
51-300-5160	TECHNOLOGY	35,827	18,790	4,496	anti-virus \$106, spam \$140, equip repairs \$1000, Antenna PM \$550, Backup Data Storage \$1,200 misc \$1500
51-300-5200	POSTAGE	11,624	15,800	12,150	\$10,900 Sewer and Water Billing, shipping \$1,000, Certified Mailings \$250
51-300-5221	PRINTING	3,525	5,130	3,405	Postcards\$730-Letterhead \$325, regular envelopes \$150, hang tags \$600, delinquency notices \$450, shipping labels \$50, business cards \$100, Misc \$1,000
51-300-5224	PUBLISHING	6,055	7,250	3,500	job posting, bids, system maintenance
51-300-5310	MEMBERSHIPS	929	1,170	1,090	AWWA \$400, CSWEA \$150, FVOA \$50, WEF \$140, North Suburban Labs \$150, APWA \$200
51-300-5320	TRAVEL	-	-		
51-300-5330	TRAINING	2,814	5,200	2,500	Seminars & Workshops \$1,400, \$300 safety manuals & videos, Tuition Reimbursement \$800
51-300-5401	SERVICE CHARGE - GENERAL FUND	460,014	451,188	464,724	Maximus report allocation of general fund expenses
51-300-5410	UTILITIES	178,931	162,950	162,200	Verizon-9 Cell Phones 2 I-pads \$6,000 per year \$2600 Comcast Phone(Tall Oaks Internet) Electric \$124,000 Com Ed-\$500 Nicor-\$12,000-OMNI Site Alarms \$6,900 (WILL BE CANCELLED WHEN NEW SCADA SYSTEM IS INSTALLED) Fox Lake Utility Bill \$1,200. Dynegy increase 10% - \$9,000
51-300-5430	CREDIT CARD & BANK CHARGES	4,075	15,000	20,000	Bond handling fee & Credit Card fees
51-300-5500	LIABILITY & WORKERS COMP INS	82,137	70,000	87,500	Allocation based upon Work's Comp audit and actual equipment/building assets

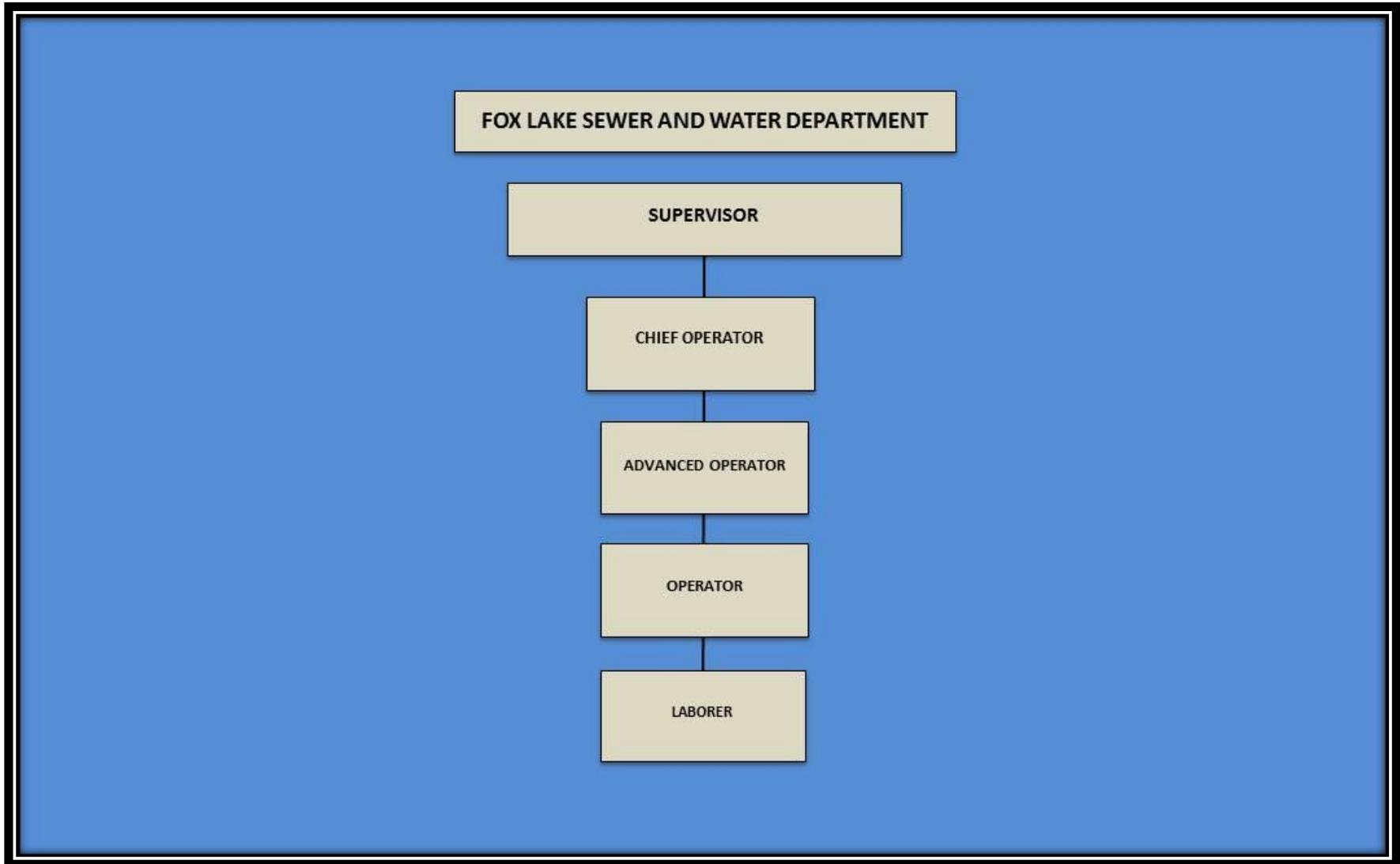
Water/Sewer Fund Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
51-300-5600	BUILDING MAINTENANCE SUPPLIES	33,976	30,000	30,500	Cleaning supplies \$1500, Electrical Parts \$5,000,Lubricants-\$1,000, Locks-\$1000 paint/supplies \$2500, paper products \$1,200, Locate Supplies \$1500, Construction Materials\$2500, Landscaping Supplies \$1000, Plumbing Parts \$3,000, Soap/Disinfectant \$800, Sump Pumps \$800, Signage \$500, Weed Killer \$1200, Fasteners-\$1,000,Misc \$3500, Cylinder Rental Fees \$100, Batteries \$400, Light Bulbs Fixtures \$3,000
51-300-5610	EQUIPMENT MAINTENANCE SUPPLIES	1,559	7,500	5,000	Pumps, saws mowers, air compressor, Jet/vac, portable emergency generator \$4,000
51-300-5620	VEHICLE PARTS	6,138	7,900	6,500	Vehicles \$500, Vactor - nozzles, hoses, tubing \$6,000 Sewer Camera Parts-\$2000
51-300-5630	UTILITY SYSTEM MAIN SUPPLIES	9,875	8,000	6,000	IEPA required field testing CL2 \$1100, Fluoride \$2500, Phosphate \$350, Iron \$400, Standards \$500, Contingency \$1150
51-300-5640	WATER METERS	61,006	84,050	44,950	(Water meters((\$200 Each Average including misc parts)50 Manual Read Change-outs/25 Routine Maintenance/25 New Construction) Total \$20,000)(MXU Transmitters-75 Meter Change-outs 40 Routine Maintenance \$130 each)Total \$14,950 Misc-Meter Wire Gaskets Fittings \$10,000
51-300-5650	FIRE HYDRANTS	5,183	-		Pumps, saws mowers, air compressor, Jet/vac, portable emergency generator \$4,000
51-300-5700	OFFICE SUPPLIES	1,585	2,525	1,650	Water/sewer office- Printer Cartridges-\$350/Paper \$250/Charts-\$250/Misc-\$800
51-300-5710	OPERATING SUPPLIES	27,991	58,000	52,000	System supplies, clamps, sleeves, couplings, b-boxes, valve boxes, water & sewer pipe, manhole and valve box risers \$39,000, \$3,000 chemical feed equipment, Hydrant Parts \$10,000
51-300-5730	SMALL TOOLS	7,438	13,200	7,900	Tyvek Suits-\$500/Rubber Gloves\$500/System Tools \$1500/Small tools \$2000/\$3000 Safety Equipment First Aid Supplies \$400
51-300-5740	UNIFORMS	8,662	13,185	9,975	Uniform rental (x8) per wk \$2,900, Supervisor uniforms \$500, Boots Safety Toe \$1,575, shirts, coats, coveralls \$4,000 Damage Expense-\$1,000

Water/Sewer Fund Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
51-300-5750	CHEMICALS	30,336	36,830	32,250	5,200 lbs CL2 \$2,200, 7,100lbs Fluoride \$3,600, 4,000 lbs Poly \$4,200, 120 lbs Hypochlorite \$250, Sewer: 1900 lbs Cl2 \$900, 4,400 gallons FERRIC \$7,700, 5000 lbs BI sulfate \$1,500, Drytec Granular 500 lbs \$900, delivery charges \$2,000,contingency 1,500, enzymes for lift station grease \$9,000
51-300-5751	FUEL	23,475	25,000	25,800	Gas - Regular: 100 gallons small equipment, 4,000 gallons vehicles @ \$3.00/gallon - Diesel 4,000 vehicles, 500 generators @\$3.00/gallon
51-300-5752	LAB SUPPLIES	67	-	-	None anticipated
51-300-5780	SOFTWARE	10,602	10,000	10,000	New Accounting System - to be funded over a 3 year period
51-300-5951	EMPLOYEE RECOGNITION	241	300	300	Lunches
51-300-5970	REFUNDS	-	5,000	5,000	Current trends
51-300-8000	DEPRECIATION	564,755	695,193	788,600	Last yrs actuals plus current assets based upon 45 yr useful life
51-300-8020	AMORTIZATION EXPENSE	12,552	5,689	5,700	Bond issuance costs amortized over 15 years
	Total Water Fund Expenses	\$2,855,190	\$3,206,556	\$3,053,375	
51-400-6000	PRINCIPAL PAYMENT	\$-	\$614,440	\$518,217	Principal Bonds: 2011B, 2014A, 2014B & IEPA Junior Lien Bond
51-400-6010	INTEREST EXPENSE	91,120	169,650	116,441	Interest payment on Bonds
51-400-6020	BOND ISSUANCE COSTS	85,342	-	-	None anticipated
	TOTAL DEBT	\$176,462	\$784,090	\$634,658	
51-500-7020	BUILDING	\$ -	\$720,588	3,113,313	North Water tower and Booster Station(\$3,000,000) (Carry over engineering costs North Tower from 15-16 \$113,313)
51-500-7040	VEHICLES	-	149,000	105,000	F350 with utility box(x2) \$40,000, Snow Plow (\$7,000),Equip new trucks \$10,000, New Lawn Mower Tall Oaks \$7,000
51-500-7050	WATER & SEWER SYSTEM	-	2,205,000	985,000	Sayton Road Water Main (\$210,000) Lakewood and Glen Water Main Phase #3 (\$470,000) Valve Replacement Grand Avenue (\$100,000) (Raise Washington Tower Engineering (\$85,000), sanitary sewer lining (\$120,000)
	CAPITAL IMPROVEMENTS	\$ -	\$3,074,588	\$4,203,313	
51-600-8000	CAPITAL EXP CLASSIFIED ASSET	-	(3,074,588)	\$(4,203,313)	None anticipated
	Water Fund Net Income (Loss)	\$1,098,364	\$1,012,191	\$3,418,864	

VILLAGE OF FOX LAKE, ILLINOIS
Organizational Chart – Water & Sewer
April 30, 2016



NW Regional Water Reclamation Facility

The Northwest Regional Water Reclamation Facility (NWRWRF) is owned and operated by the Village of Fox Lake. The NWRWRF is a regional wastewater treatment facility serving the communities of Fox Lake, Hainesville, Lakes Region Sanitary District, NW Lake County, Lake Villa, Round Lake, Round Lake Beach, Round Lake Heights, Round Lake Park and Volo.

A combination of physical, chemical and biological processes are utilized by the facility to remove impurities from the wastewater and achieve a required degree of treatment prior to discharge to protect the water quality in the Fox River Water Shed. The NWRWRF was originally designed to treat an average of 9.0 million gallons per day (mgd), with a design maximum flow of 22.5 mgd. Driven by capacity and regulatory demands, the facility has undergone expansion work and can now treat 12.0 mgd, with a design maximum of 30 mgd.

The NWRWRF is managed by a team of professional, skilled staff members who work together under the leadership of one (1) supervisor and two (2) chief operators to ensure wastewater is properly treated and discharged, while meeting IEPA requirements and providing a safe work environment.

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
52-100-3505	FINES	\$188	\$ -	\$ -	None anticipated
52-100-3700	INTEREST INCOME	15,453	12,000	12,000	Lower fund balances
52-100-3701	REALIZED GAINS & LOSS	(28,005)	-	-	None anticipated
52-100-3750	MISCELLANEOUS INCOME	25,305	10,000	-	None anticipated
52-100-3835	SEWER CHARGES	728,411	720,000	720,000	Averaging: \$60,000/mth
52-100-3836	SEWER SURCHARGES	28,638	12,000	12,000	Industrial Users - current trend
52-100-3837	COUNTY SEWER CHARGES	3,874,849	4,020,000	4,020,000	\$335,000 x 12 months per agreement
52-100-3840	TAP-ON-FEES	525,780	150,000	165,000	Connection to sewer system-current trend lower than budgeted
52-100-3841	REMEDIAL WASTE	23,393	25,500	25,000	Average of last two years
52-100-3845	PENALTIES	19,012	15,500	15,500	Averaging: \$1,400/mth
REVENUES		\$5,213,024	\$4,965,000	\$4,969,500	

Northwest Regional Water Reclamation Facility Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
52-300-4000	WAGES	\$987,810	\$907,291	\$965,311	New electrical technicians and 2.5% increase per union contract
52-300-4002	WAGES - PART-TIME	-	-	-	None anticipated
52-300-4010	OVERTIME	26,261	36,000	36,000	Down .5 operator and overtime covers their time
52-300-4100	HEALTH INSURANCE	214,478	234,663	243,600	Different employees and coverage
52-300-4110	LIFE INSURANCE	1,081	1,072	1,106	No change
52-300-4120	UNEMPLOYMENT INSURANCE	813	-	-	Village as of 1/1/15 is self-insured cost has been eliminated
52-300-4200	SOCIAL SECURITY & MEDICARE	70,056	71,502	75,941	SCADA/Automation Specialist not hired/laborer hired to replace Intermediate Operator
52-300-4220	IMRF	101,136	93,855	102,088	IMRF Calendar Year 2016 - 10.37% to IMRF CY 2017-11.5%
52-300-5000	BUILDING MAINTENANCE	31,427	51,650	155,350	Janitorial \$9,400, rags and towels \$1,600, Concrete Repairs \$20,000, Concrete Crack Filling \$20,000, HVAC repairs \$4,000, security gate \$2,000, fire extinguishers \$750, carpet cleaning \$400, boiler service \$2,000, Coping Caulking services \$10,000, door/window services \$1,800, Hydrant repairs \$2,800, weed control \$1,800, bio process diagnostics \$1,500, landscaping \$6,500, roof maintenance \$5,000, SCADA service \$10,000, Bldg 77 Boiler Pipe/Misc. Sandblasting \$4,000, Bldg 10 hvac control replacement \$8,200, Bldg 60 ventilation system \$10,000
52-300-5010	EQUIPMENT MAINTENANCE	156,538	46,120	57,160	Copier \$3,030, carbon media (prep skid) \$5,000, Washer \$2,370, seal rebuild/replace Moyno, Wmco, Hayward Gordon \$16,000, vfd repair/replacement \$6,000, Elec Motor Repairs \$5,000, Screw Pump Motor Rebuild \$3,000, sump pump \$950, spectrophometer maintenance \$810, generator switch gear \$7,000, lab DI water system \$750, lab maint \$1,000, hoist inspection \$850, washer parts #790 \$1,500, UPS batteries \$600, filter cartridges Millipore \$2,350, press vice \$700, cogent service \$2,500, prep skid service \$2,500, Hammer drill \$1,800,

Northwest Regional Water Reclamation Facility Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
52-300-5021	VEHICLE MAINTENANCE - MP	12,266	12,000	12,000	Money allocated to motor pool to perform preventative maintenance to and repair NWRWRF Vehicles
52-300-5100	PROFESSIONAL SERVICES	71,827	214,112	214,100	Odor control service contract \$146,000, Maximus report \$10,500, NPDES \$50,000, Air emissions \$200, Sludge permit \$2,500, S&W filing fees \$4,400, boiler permit \$500
52-300-5102	ACCOUNTING SERVICES	12,154	4,550	5,233	Allocation of accounting, audit
52-300-5110	ENGINEERING SERVICES	99,523	145,000	100,000	General engineering \$50,000, Maintenance Projects \$25,000 Permit Reviews, studies \$25,000
52-300-5115	OUTSIDE LAB TESTING	5,672	9,000	11,000	ERA testing \$2,000, Sludge \$6,100, outside testing \$2,700 , Blackstone lab service \$200
52-300-5120	LEGAL SERVICES	14,449	20,000	20,000	Based upon prior year
52-300-5130	SLUDGE REMOVAL	103,609	110,000	100,350	Sludge hauling - 7,500 cubic yards @\$13.38 /Cuyd
52-300-5150	PHYSICAL EXAMS	141	300	300	Vaccines and physicals
52-300-5160	TECHNOLOGY	15,118	20,500	18,550	Antivirus \$200; Apriver \$250, Allmax wastewater operating software \$5,800, DVR replacement \$600, offline data storage 50% of \$3,000, equipment repairs \$1,750, LCD monitor \$1,200, Monitor mount/cable \$200, misc technology upgrades \$1,000, telecom repairs/programming \$1,000, computer replacement \$2,000, UPS \$300, monitor replacement \$300, Toughbook for OPS (SCADA)\$2,000, Lab Microsoft Access License \$100, Mechanics Scanner \$350
52-300-5200	POSTAGE	5,869	6,000	6,000	General \$1,000, Utility billing \$10,300, lab shipping \$825, pre-treatment postage \$250, instrument shipping \$500, equipment ship/freight \$1,125
52-300-5221	PRINTING	3,903	4,110	4,055	Utility billing \$1,955, job ads \$500, public notices \$200, bids \$600, po's letterhead, business cards, envelopes \$850
52-300-5224	PUBLISHING	20	500	680	Manuals and references
52-300-5310	MEMBERSHIPS	5,336	6,555	6,600	WEF \$400, FVOA \$200, CHMM \$425, ILWA \$5,000, AWWA \$265, FET \$85, MWAA \$120, IAWPCO \$50, notary \$55
52-300-5320	TRAVEL	17	500	1,400	WEFTEC \$1,400

Northwest Regional Water Reclamation Facility Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
52-300-5330	TRAINING	1,766	3,000	1,950	Utility billing clerk \$150, ops seminars \$550, midwest analysis \$120, lab seminars \$150, mechanics training \$500, electricians training \$250, secretary \$225, various courses
52-300-5340	TUITION REIMBURSEMENT	-	460	-	None anticipated
52-300-5401	SERVICE CHARGE – GF	718,307	853,107	878,700	Maximus report allocation of general fund expenses
52-300-5410	UTILITIES	573,678	405,000	432,000	Mid-American Energy Electricity \$328,500 (6 million* .05127/ kwh+10%), NICOR \$2,700/mth \$32,200, Village of Fox Lake water \$2,430/bi mthly \$22,600, Mobile \$650/month \$7,800, Phone \$1050/month \$12,600, SCADA wireless \$90/mth \$1080, WIN 911 equipment alarm dialer \$220. Dynegey - increase 10% or \$27,000
52-300-5420	GARBAGE DISPOSAL	-	1,000	1,000	chemical waste
52-300-5500	LIABILITY & WORKERS COMP INS	140,825	202,000	252,500	Workers Comp - based upon audit, Liability based upon actual building & equipment values
52-300-5510	RENTALS	580	1,000	1,200	General \$1,200
52-300-5540	EXTERNALITY FEE	256,693	351,861	199,206	Based upon agreement - prior year one-time adjustment
52-300-5600	BUILDING MAINTENANCE SUPPLIES	153,130	199,700	278,000	Bldg 10 \$4,950, Bldg 12 \$1400, Bldg 14 \$400, Bldg 38 \$2700, Bldg 20 \$17,700 (\$8,500 influent flow meter), Bldg 22 \$1,700, Bldg 25 \$1,200, Bldg 30 \$9,500, Bldg 31 \$2000, Bldg 35, 36 \$34,700 (\$32,000 grinder), Bldg 40 \$33,600 (\$25,000 air pipe leak), Bldg 45 \$3,300, Bldg 48 \$6,200, Bldg 50 \$10,600, Bldg 55 \$2,750, Bldg 60 \$600, Bldg 65 \$90,800 (\$80,000 UV bulbs/sleeves), Bldg 66 \$500, Bldg 70 \$12,250, Bldg 72 \$950, Bldg 75 \$30,400 (\$16,000 Primary digester 1 grinder project), Bldg 79 \$4,200
52-300-5610	EQUIPMENT MAINTENANCE SUPPLIES	20,718	40,550	27,550	Pressure gauges \$500, Paint \$2,500, paint supplies \$1,500, plumbing supplies \$2,500, electrical supplies \$2,000, light bulb replacement \$1000, oil \$4,000, grease \$3,800, steel stock \$2,000, rubber \$800, belts \$3,000, air filters \$3,000, replacement door hardware \$600, hardware \$500, SS anchors \$300, Core Plastic \$500, Hitch Pin Kit \$100, Clevis Pin Kit \$100

Northwest Regional Water Reclamation Facility Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
52-300-5620	VEHICLE PARTS	1,132	1,240	4,400	General \$1,000, Fork Lift tires and support rods \$2,800, small engine parts \$300, tires \$300
52-300-5700	OFFICE SUPPLIES	2,138	3,605	3,525	Paper, paper clips, pens, pencils staples, folders, hanging folders, loos-leaf notebooks, report folders, tap scissors, hi-liters, markers, computer supplies \$1,500, print cartridges \$1,500, water billing office supplies \$575
52-300-5710	OPERATING SUPPLIES	11,627	18,920	18,245	General supplies \$5,000, welding/torch gas \$1,000, mulch/top soil \$1,400, All Hoses & Fittings \$1,500, drinking water \$1,200, mechanics consumables \$2,000, office furniture (mechanics chair) \$225, Janitorial Supplies including paper products \$4,220, sampler parts \$200
52-300-5711	SAFETY SUPPLIES	2,645	7,550	3,200	Videos/Books \$250, First Aid Supplies \$300, Safety Glasses \$150, face shields \$200, dust masks \$300, work gloves \$400, arc flash \$200, Nitrile gloves \$1,500, \$600, \$2,000, Arc flash glove service \$100,
52-300-5730	SMALL TOOLS	14,849	6,000	7,700	Electrician Tools \$500, Operator Tools \$300, Mechanics Tools \$1,400, ShopVac \$100, Dado Saw Blade set \$100, Weed Whips (2) \$600, Bottoming taps \$400, Lab Incubator (70%) \$3,500, Welding Gun \$800
52-300-5740	UNIFORMS	8,762	15,000	15,000	\$1,650 per employee (coats, boots, t-shirts, rain gear, winter gear, sweat shirts, coveralls)
52-300-5750	CHEMICALS	298,515	330,000	352,632	Acid-Muriatic \$200, Calcium Hypochlorite \$5,800, Calcium Hypochlorite Tabs\$ 21,420, Deodorant Blocks \$1,250, Sulfuric Acid \$3,100, UV Algaecide \$500, Ferric Chloride \$100,800, Micro Nutrients \$8,500, Lime Dry \$2,500, Lime Liquid \$2,000, Polymer \$140,877, Salt (Softeners) \$4,450, Salt (Ice Melts) \$785, Sodium Hypochlorite \$50,500, Fertilizer sticks \$250, Weed Killer nonselective \$300, 50-r Caustic Cleaner \$2,400, Hydrex 4921 Filter Cleaner \$3,750, Siloxane Media Bldg #79 \$6,000
52-300-5751	FUEL	10,856	15,450	20,450	Generator Fuel \$10,000, Fork Lift Fuel \$450, Vehicles \$10,000 (includes pretreatment vehicles)

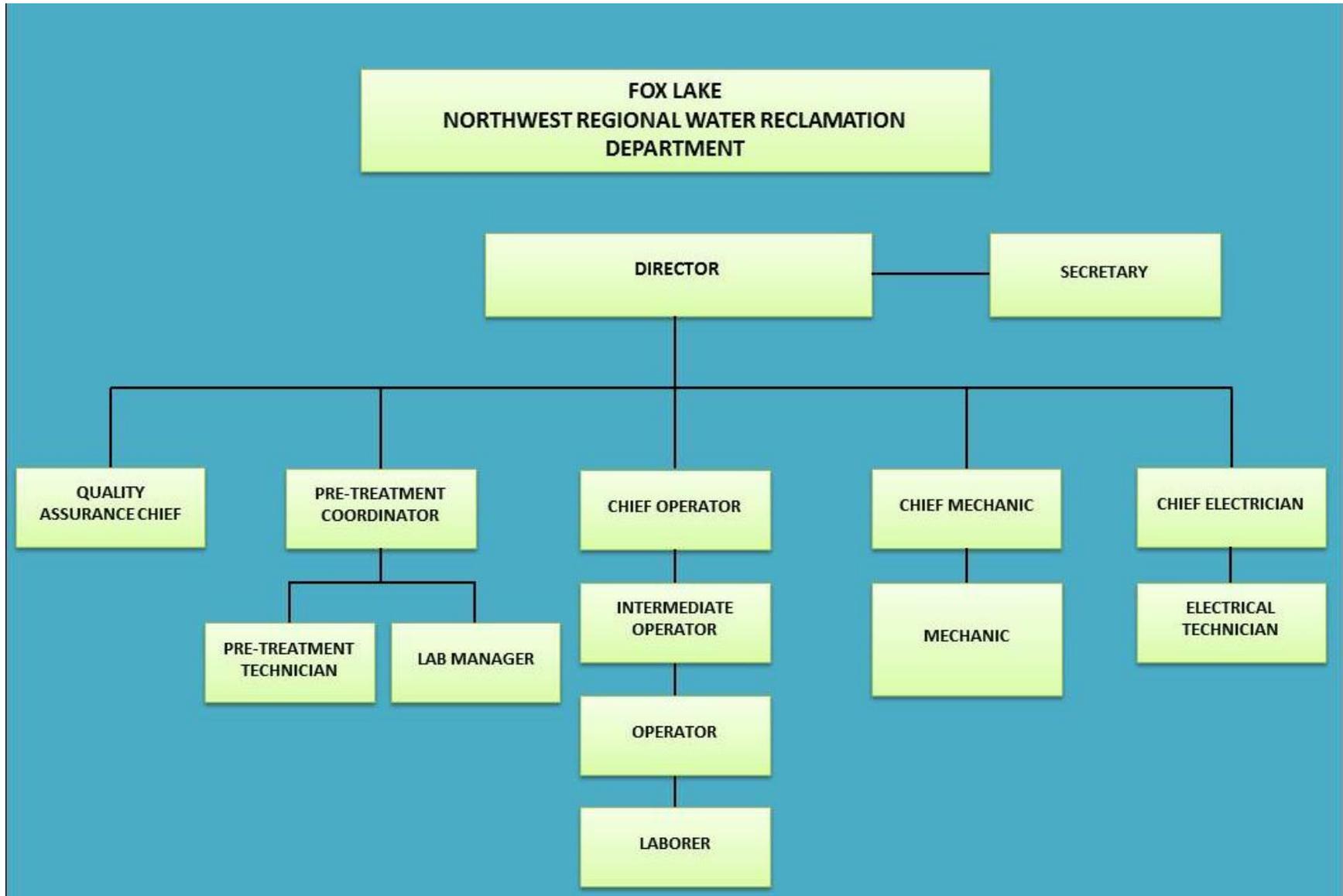
Northwest Regional Water Reclamation Facility Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
52-300-5752	LAB SUPPLIES	18,771	28,050	27,415	Equipment: Meters, probes, glass, plastic bottles, balance \$2,000, Consumables: filter paper \$1,000, solutions & soaps \$315, DO membranes \$450, Electrodes, Lab kits \$22,500, Pipette \$600
52-300-5780	SOFTWARE	10,603	10,000	10,000	New Accounting Software less than budgeted and to be paid over 3 years
52-300-5951	EMPLOYEE RECOGNITION	492	700	700	Cards, flowers, lunches
52-300-5970	REFUNDS	5,395	-	-	None anticipated
52-300-8000	DEPRECIATION	1,803,639	1,919,146	1,944,146	Depreciation based upon 15 to 45 year useful lives
	SUB-TOTAL EXPENSES	\$5,994,623	\$6,408,619	\$6,616,342	
52-310-4000	WAGES	\$110,859	\$116,436	\$119,346	Per contract
52-310-4010	OVERTIME	788	1,000	2,500	Prior year estimate
52-310-4100	HEALTH INSURANCE	26,098	33,872	34,371	Projected 10% increase
52-310-4110	LIFE INSURANCE	116	134	134	No increase anticipated
52-310-4120	UNEMPLOYMENT INSURANCE	21	-	-	Village as of 1/1/15 is self-insured
52-310-4200	SOCIAL SECURITY & MEDICARE	7,554	8,984	9,321	
52-310-4220	IMRF	11,184	11,746	12,418	IMRF Calendar Year 2016 - 10.37% to IMRF CY 2017-11.5%
52-310-5021	VEHICLE MAINTENANCE - MP	2,940	2,500	2,500	Van maintenance
52-310-5100	PROFESSIONAL SERVICES	(14)	850	850	Sample Repair \$500, H2S Meter Service Plan \$350
52-310-5110	ENGINEERING SERVICES	-	500	500	General
52-310-5115	OUTSIDE LAB TESTING	15,692	13,900	13,760	SIU's \$5,000, FOG monitoring \$1,500, 110 Pollutants \$1,000, 1/4 INF & EFF \$5000, Eff LL HG \$1,260
52-310-5120	LEGAL SERVICES	-	500	500	General
52-310-5150	PHYSICALS/SHOTS	-	55	-	
52-310-5160	TECHNOLOGY	329	410	410	Spam protection \$50, Anti-Virus \$60, Equip repairs \$300
52-310-5320	TRAVEL	375	-	-	None anticipated
52-310-5330	TRAINING	1,179	2,350	2,350	Pretreatment Conference \$600, Seminars/Classes \$400, Annual pre-treatment Conference - Hotel \$600, Airfare \$600, Meals \$150

Northwest Regional Water Reclamation Facility Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
52-310-5410	UTILITIES	950	870	870	Cell Phones (2)
52-310-5700	OFFICE SUPPLIES	283	460	460	Toner \$160, Supplies \$160
52-310-5710	OPERATING SUPPLIES	1,064	4,525	4,525	Small tools \$100, Batteries \$500, Sampler Supplies \$500, Oda Logger purchase \$1,500, Glassware \$50, Test Kit Refills & H2S supplies \$250, H2S sensors (ODA Logger) \$750
52-310-5711	SAFETY SUPPLIES	-	230	230	Safety glasses \$30, Gloves \$50, Bump Gas \$150
52-310-5740	UNIFORMS	1,451	-	-	moved to 52-300-5740
52-310-5751	FUEL	-	-	-	moved to 52-300-5751
	TOTAL	\$180,868	\$199,322	\$205,046	
52-500-7010	LAND	\$ -	\$-	\$-	Right of Way land acquisition - Actual payment
52-500-7011	LAND IMPROVEMENTS	-	182,250	105,000	Excess flow Property Demolition and Development & Prairie Material Site Remediation
52-500-7020	BUILDING	-	-	-	
52-500-7021	BUILDING IMPROVEMENTS	-	129,000	779,500	Process Blowers \$700,000, UV control panel \$52,000, Poly Pump Replacement #75 \$27,500
52-500-7030	EQUIPMENT	-	-	50,000	RAS Pump Design \$50,000
52-500-7040	VEHICLES	-	27,000	86,000	Pretreatment Van \$33,000 and Box Truck w/crane \$48,000
52-500-7050	INFRASTRUCTURE IMPROVEMENTS	-	-	-	
	TOTAL CAPITAL EXPENSES	\$ -	\$338,250	\$1,020,500	
52-600-8000	CAPITAL EXP CLASSIFIED ASSET	-	\$(1,020,500)	(1,020,500)	
	NW REGION INCOME/(LOSS)	\$(962,467)	\$(1,981,191)	\$(1,851,888)	

VILLAGE OF FOX LAKE, ILLINOIS
Organizational Chart – Northwest Regional Water Reclamation District
April 30, 2016



FOX LAKE DISPATCH - 911 DEPARTMENT

The Village of Fox Lake’s emergency dispatch department is officially named the “FoxComm E911 Center.” FoxComm E911 provides professional emergency dispatch services and public safety communication support to the residents of Fox Lake, as well as to five (5) additional outside agencies; Fox Lake Fire Protection District, Grayslake Fire Protection District, Lake Villa Fire Protection District, Lake Villa Police and Lindenhurst Police.

FoxComm E911 delivers a high-level of professional dispatch services, using a coordinated team approach and an emphasis on time sensitive response. The department is supervised by one (1) Manager’s, who is responsible for overseeing all communication services and ensuring that the department’s operations, systems, recordings and records are held in accordance with the Federal Communications Commission’s (FCC) procedures ad requirements. FoxComm E911 operates on a 24-hour a day, 12-hour shift schedule. Two (2) LEAD Telecommunicators assist the FoxComm E911 Manager with supervising eight (8) full-time Telecommunicators and three (3) part-time Telecommunicators.

In addition to public safety communication and support services, FoxComm E911 continuously strives to meet standards established by the National Academy of Medical Emergency Dispatching (NAOMED), in conjunction with the Northern Illinois Medical Center Emergency Medical System (EMS) Coordinator and the Condell Medical Emergency Medical System (EMS) Coordinator.

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
91-100-3700	INTEREST INCOME	\$17	\$-	\$-	None anticipated
91-100-3750	MISCELLANEOUS INCOME	709	-	-	None anticipated
91-100-3810	VOIP SURCHARGE	26,864	25,500	25,500	Averaging \$2,125 per month
91-100-3811	WIRELESS SURCHARGE	94,223	72,000	72,000	Averaging \$7,000 per month
91-100-3812	CONTRACTUAL 911 SERVICES	295,558	300,000	386,000	Adjustment based upon current contract values - new contract
91-100-3813	INTERNAL 911 FEES	530,366	645,000	604,782	911 Center Expenses not covered by external contracts
	Sub-Total Revenues	\$947,737	\$1,042,500	\$1,088,282	
91-200-3901	BOND PREMIUM	186	-	-	Amortization of Premium
	TOTAL REVENUE	\$947,923	\$1,042,500	\$1,088,282	

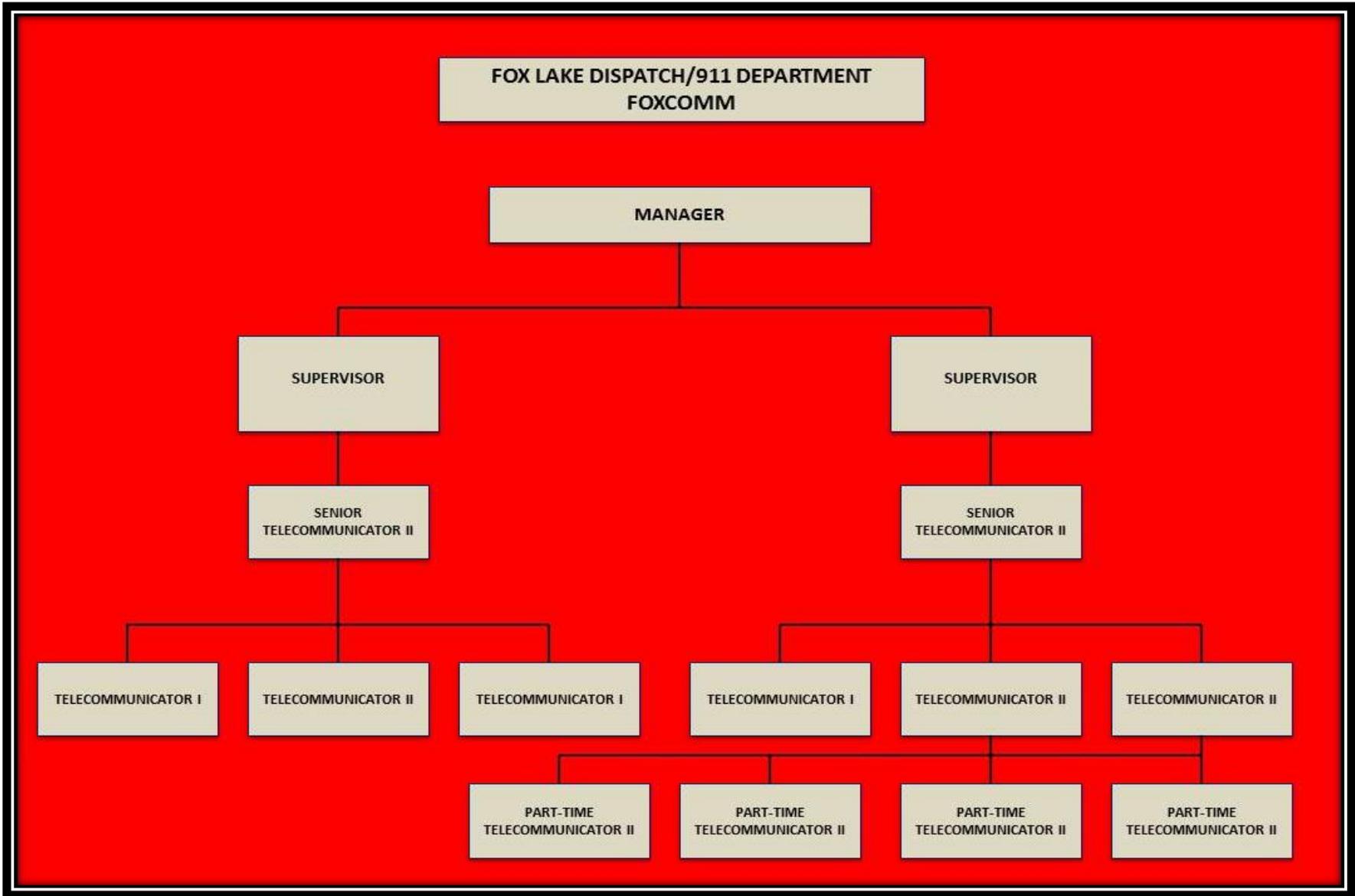
FOX LAKE DISPATCH - 911 DEPARTMENT (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
91-300-4000	WAGES	\$523,537	\$475,937	\$488,017	Cost of Living adjustments
91-300-4002	WAGES - PART-TIME	34,374	73,305	71,957	Based upon current union contract
91-300-4010	OVERTIME	84,244	78,000	62,400	8 shifts being picked up full timer
91-300-4100	HEALTH INSURANCE	81,499	72,277	87,546	Based upon current employee elections plus 10% inc in Dec
91-300-4110	LIFE INSURANCE	698	670	625	Based upon current rates
91-300-4120	UNEMPLOYMENT INSURANCE	1,606	-	-	The Village is self-insured
91-300-4200	SOCIAL SECURITY & MEDICARE	44,536	46,636	46,424	6.2% for Social Security and 1.45% for Medicare
91-300-4220	IMRF	64,749	60,943	61,635	IMRF Calendar Year 2015 - 10.68% to IMRF CY 2016 - 12%
91-300-5000	BUILDING MAINTENANCE	1,470	950	700	Light bulbs, filters budgeted at \$300, actuals \$600, carpet shampoo \$150, other \$500: Hinckley Water \$600 moved to office supplies
91-300-5011	RADIO LEASE/MAINTENANCE	24,435	36,850	1,500	Goodman Plumbing \$400, Allied H&A \$1,100 - Radicom will be eliminated due to new system (\$30,000)
91-300-5012	VOICE DATA LOGGING LEASE	2,958	3,000	46,000	New System - ZETRON Nexlog IP Logging Recorder
91-300-5013	UPS POWER MAINTENANCE	-	3,639	3,749	Eaton Corporation - maintenance contract 3%
91-300-5014	CAD LEASE/MAINTENANCE	17,578	20,680	20,400	Yearly ETSB Access \$6,000, ETSB Seat License \$3,000, EMD Software \$4,000, ETSB CAD Phone lines \$6,000, interface Maint \$1,400
91-300-5015	MICROWAVE/BROADBAND CONNECT	550	1,000	-	None Anticipated
91-300-5100	PROFESSIONAL SERVICES	1,705	23,517	3,100	Drug Testing \$600 and audit \$2,500
91-300-5106	REPAIRS	2,256	3,000	3,000	Equipment repairs
91-300-5120	LEGAL SERVICES	1,543	5,000	5,000	Agency contract review
91-300-5160	TECHNOLOGY	11,003	16,110	12,930	Anti-Virus \$150, Spam Filter \$180, Computer (2)-\$2,400, 4 monitors 32" LED - \$1,200, Offline data storage 50% - \$1,500, Comcast Internet 25% \$1,500, Tele changes & repairs \$1,000 NAS storage/redundancy 50% - \$3,000, Printer replacement Dispatch laser \$1,000, Tablet with 4g card - \$1,000
91-300-5200	POSTAGE	555	1,000	500	Mailings - Lake County States Attorney requests and FOIA
91-300-5224	PUBLISHING	219	300	400	911 Public Ed \$300 Contribution to NEIL911 Group for fairs
91-300-5310	MEMBERSHIPS	218	4,450	4,450	APCO (3 members) \$330, NENA (3 members) \$330, 9-1-1 Magazine \$100, NaoMed center \$600, IPELRA \$190, accreditation EMD \$2,250 plus re-cert \$650

FOX LAKE DISPATCH - 911 DEPARTMENT (continued)

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
91-300-5320	TRAVEL	5,123	4,400	8,450	APCO Conference Hotel \$1,300, IAEMD Conference Hotel \$1,500, Meals \$750, Air, Car Etc \$3,500 CPE Travel \$2,400
91-300-5330	TRAINING	4,959	7,150	11,700	APCO Con Ed \$1,000, EMD Con ED \$1,800, Power Phone \$500, APCO P33 \$500, APCO Conference \$1,000, EMD Conference \$1,200, IDPH Licenses \$450, NEMERT \$600, APCO RPL D. Little \$1,000 AW CPE Program \$3,500 Hosted training \$150
91-300-5410	UTILITIES	19,393	14,000	2,450	Water/Sewer - \$1,507 Mackie System \$700
91-300-5411	911 SYSTEM PROVIDER CHARGES	12,404	16,800	-	Now paid for via ISP per legislation
91-300-5412	ADMINISTRATIVE PHONE LINES	7,703	12,000	13,200	Comcast Phone (CimCo) \$1,100/mth
91-300-5414	ADMIN WIRELESS PHONES	1,227	1,800	1,700	Verizon \$100/mth, wireless card \$500
91-300-5415	TELEPHONE	15,815	5,700	700	Long Distance AT&T
91-300-5500	LIABILITY & WORKERS COMP INS	1,194	6,000	7,500	Workers Comp - based upon audit, Liability based upon actual building & equipment values
91-300-5510	RENTALS	11,400	11,400	11,400	Rent paid by 911 center to general fund for 1,750 square feet @ \$6.50/sq ft or \$950/mth
91-300-5610	EQUIPMENT MAINTENANCE SUPPLIES	1,033	1,250	-	Moved to Office Supplies
91-300-5700	OFFICE SUPPLIES	5,094	5,800	5,100	Cleaning supplies \$800, Staples \$4,000, Misc \$300
91-300-5710	OPERATING SUPPLIES	224	1,200	2,050	CD/DVD \$300, Data Storage Hard Drive \$500, Medical Supplies \$150, Misc \$100, Headset Replacement \$1,000
91-300-5740	UNIFORMS	470	900	900	15 Fleece jackets and 15 polos
91-300-5951	EMPLOYEE RECOGNITION	1,079	900	1,100	Staff meetings \$300, TC Week \$500, Empl Appreciation \$300
91-300-8000	DEPRECIATION	22,228	40,000	95,000	Based upon current equipment
91-400-6000	PRINCIPAL PAYMENT	-	7,150	5,506	Debt Certificate Series 2011B
91-400-6010	INTEREST EXPENSE	1,522	1,480	1,194	Debt Certificate Series 2011B
	Total Expenses	\$1,010,602	\$1,065,194	\$1,088,282	
91-500-7030	EQUIPMENT	-	-	548,500	\$135,000 - NG911 Compliant Phone System through Lake County ETSB Co-op, \$413,500 - Installation and Equipment of STAR Com 21 Police System
91-600-8000	CAPITAL EXP CLASSIFIED ASSET	-	-	(548,500)	
	Total 911 Center	\$(62,679)	\$(22,694)	\$(0)	

VILLAGE OF FOX LAKE, ILLINOIS
Organizational Chart – Dispatch - 911 Department
April 30, 2016



Police Pension Fund

The Police Pension Fund provides retirement, disability and survivor benefits for all sworn police personnel. The defined benefit plan is in conformance with Illinois State Statutes under the oversight of the Illinois Division of Insurance. Standards have been established regarding investment returns and salary increases in order to actuarially determine annual employer contribution levels.

Revenues:

- The Village has budgeted for a contribution amount of \$706,057 based upon actuarial assumptions. Approximately 69.34% or \$489,609 of the Village’s contribution will be funded by police pension property tax receipts, with the balance provided by other General Fund revenues.
- Police officers contribute 9.91% of their base wage.
- Interest earnings/investment returns were budgeted conservatively with no returns anticipated.

Expenses

- The disability expenses reflects the prior year number of officers that have claimed and been approved for disability. There are currently three officers receiving disability; of which two are duty-related and one is non-duty related.
- The pension payments are for the Village’s 11 retirees from the police department, one surviving spouse and three on disability.

General Ledger #	General Ledger Account Description	Actuals 2014-2015	Amended Budget 2015-2016	Budget 2016-2017	Description
72-100-3007	PROPERTY TAXES	\$484,444	\$523,689	\$489,609	Based upon prior year plus .07%
72-100-3826	CITY CONTRIBUTION	200,000	200,000	216,448	Based upon actuarial estimates
72-100-3700	INTEREST INCOME	353,750	-	-	Conservative Budgeting
72-100-3701	REALIZED GAINS & LOSS	641,419	-	-	Conservative Budgeting
72-100-3825	MEMBER CONTRIBUTIONS	190,771	206,261	173,747	Sworn officer wages at 9.91%
	Total Revenues	\$1,870,385	\$929,950	\$879,804	
72-300-4020	WAGES - RETIRED	\$ 353,941	\$444,000	\$576,576	11 members @ average of \$4,368/mth
72-300-4024	WAGES - SURVIVING SPOUSE	33,993	34,800	35,016	1 member @ \$2,918
72-300-4025	WAGES - DISABILITY	96,300	99,144	101,520	3 members @ average of \$2,820/mth
72-300-5100	PROFESSIONAL SERVICES	12,717	20,225	21,000	Investment advisor fees, Secretarial, accounting, actuarial services and new accounting firm fees
72-300-5120	LEGAL SERVICES	2,923	4,500	4,500	Projected same as last year
72-300-5310	MEMBERSHIPS	258	3,500	3,500	Illinois State Treasurer \$2,300, IPPFA \$795
72-300-5320	TRAVEL	-	100	100	Northern Illinois Conference – Travel
72-300-5330	TRAINING	2,659	2,500	2,500	Northern Illinois Conference – Registration, hotel
72-300-5535	INVESTMENT EXPENSE	22,022	22,000	22,000	Investment firms fees
72-300-5999	MISCELLANEOUS EXPENSE	2,296	-	-	None anticipated
	Total Expenses	\$ 527,109	\$630,769	\$766,712	
	Total Police Pension	\$1,002,716	\$934,622	\$1,002,569	

Section 7

Capital Improvement Plan

Introduction

Community Development

Public Works/Streets

Public Safety

Parks & Recreation

Water & Sewer

Northwest Regional Reclamation Facility

Dispatch - 911



Capital Improvement Plan 2016/2017 – 2020/2021

INTRODUCTION

Like most communities, the Village of Fox Lake does not have sufficient funds to accomplish all of the infrastructure and public improvement projects required by a growing community. The Village of Fox Lake is faced with the universal dilemma of attempting to meet the needs of its residents for improved public services and facilities with limited revenues, coupled with the continued increase of costs for providing these same requested services and facilities. This situation is further compounded by the non-Home Rule status of the Village where there are no property taxes.

In an effort to meet this challenge, the Village of Fox Lake has developed an objective and uniform method of establishing project priorities and identifying the amount and source of funds available to undertake these capital projects. The Village is also charged with the responsibility of insuring that the public funds are spent wisely and efficiently. A Capital Improvement Program (CIP) is the process best suited to assist the Mayor and Village Board in accomplishing this objective.

Among the primary responsibilities of municipal officials is to preserve, maintain, and improve the Village's inventory of buildings, streets, parks, and water and sewer facilities. Capital Improvement Planning is recognized as a practical financial management tool and a necessary planning practice. Maintenance and upkeep of facilities today may prevent emergency and major replacement costs tomorrow.

Equally important, communities that are seeking to attract business investment to guarantee a balanced and stable economic base recognize that a carefully-planned infrastructure program is critical to this effort. In conjunction with the Fox Lake Comprehensive Plan Update, Water Master Plan, Sewer Master Plan, Lake Front Park Plan, Metra/Train Station Plan and Stormsewer Master Plan the CIP brings all these together and promotes new investment in locations that can accommodate development with quality systems and services.

As presented, the FY2016/2017 – FY2020/2021 CIP attempts to balance the competing needs of maintaining existing facilities (i.e., what we have) with expanded and/or new facilities to meet present and future needs (i.e., what we need). This process also aids in distinguishing a "want" from a "need".

WHAT ARE CAPITAL IMPROVEMENTS?

Capital Improvements are, basically, public improvements that meet a set of pre-determined criteria. They represent projects involving the expenditure of public funds, over and above annual operating expenses, for the purchase, construction, or replacement of physical facilities of a community. Examples include:

- Streets/Roads/Sidewalks
- Public Buildings and Facilities
- Water Treatment/Pump House
- Parks
- Water & Sanitary Sewer Systems

Capital Improvement Plan 2016/2017 – 2020/2021 (Continued)

WHAT ARE THE GENERAL CHARACTERISTICS OF CAPITAL IMPROVEMENTS?

1. They are large in scope.
2. They have a substantial price tag.
3. They have long-term usefulness and permanence (10-30 years).
4. They involve expenditures of a non-recurring nature (The routine maintenance of a facility once in place becomes part of the annual operating budget).
5. They usually provide a governmental facility for public service.
6. They add substantially to the value of the Village's fixed assets.

Although some characteristics are common in communities, the actual types of projects included in the CIP vary from place to place. For example, The Village of Fox Lake has chosen to include major replacement projects. The Village has chosen to follow its Capital Asset Policy and include assets that follow the policy threshold.

1. Road & Bridges	\$200,000
2. Land	\$ 50,000
3. Buildings & Improvements	\$ 50,000
4. Machinery & Equipment	\$ 20,000
5. Vehicles	\$ 20,000
6. Water & Sewer mains	\$ 50,000
7. Sidewalks/Paths	\$ 50,000

This is common practice in smaller municipalities with a limited budget. Any projects below this amount will be incorporated into the departmental budgets as part of our Annual Budget Review and Workshop.

WHAT IS CAPITAL IMPROVEMENT PLANNING?

Capital improvement planning is the multi-year preparation, scheduling and updating of a list of proposed projects and related equipment to be built or purchased by the Village within a specified period. It covers the entire gamut of public facility and service requirements. The program lists all future projects, the project type and the amount requested to be appropriated and expended in that year. Also included is an explanation of why the project is needed and the proposed funding sources.

Capital Improvement Plan 2016/2017 – 2020/2021 (Continued)

THE CAPITAL BUDGET YEAR

The first year of scheduled projects is referred to as the “capital budget year” and includes those projects recommended to be funded in the upcoming fiscal year. The CIP does not in and of itself, raise money for capital projects. Instead, these projects will subsequently be included in the Fiscal Year 2014-2015 Budget submitted to the Board for their review and approval.

PROGRAMMING PERIOD

The Capital Improvement Budget is a multi-year short and long range plan for the physical development and links the Village’s Comprehensive Plan as well as other planning documents with the annual budget. It provides a mechanism for:

- Estimating capital requirements
- Proposing revenue sources for existing and needed projects
- Planning, scheduling and implementing projects
- Coordinating the activities for various department project schedules
- Monitoring and evaluating the progress of the capital projects

The CIP is a five year plan for project funding and is considered most suitable. Two or three years is too little time for effective planning, programing and funding as the processes take a large amount of time and coordination. In contrast, any time over five years is too long and may skew the numbers and accuracy of projections to the point of becoming obsolete or meaningless. The CIP is not static and should be reviewed and updated each year in conjunction with the budget process to reflect changing priorities, unexpected events, unforeseen opportunities, cost changes and alternate funding sources.

CIP PROCESS

During the month of December the Village Administrator meets with the Departments Heads to conduct a review of requests for projects. The projects are then prioritized according to their perceived economic and operational value. The months of December and January are dedicated to the development of the Capital Budget document. Goals and policy recommendations, detailed project descriptions and 5-year budget estimates are developed for each of the categories. The budget estimates are then allocated to the appropriate funding source-General Fund, Water/Sewer Fund, NW Water Reclamation Facility, MFT Fund etc. The CIP document is then given to the Village Board for their review and consideration and discussed at greater length at the CIP Budget Workshop Meeting.

The entire CIP process ensures that the projects reflect community-wide goals and identified the resources available. It requires the collective overview of projects as opposed to singularly to determine their value to the community. This type of advanced programming can help avoid mistakes that can be costly and duplications. The projects in the CIP are prioritized in part, on the basis of the greatest benefit to the greatest number of Village residents as opposed to usually narrower department objectives.

Capital Improvement Plan 2016/2017 – 2020/2021 (Continued)

Coordination of capital projects can reduce scheduling problems and overlapping projects. For example, it can prevent paving a street one year just to tear it up two years later to install a sewer. The CIP grants the opportunity to plan the location, timing and financing of improvements and reduces the frequency of unplanned and unbudgeted expenditures that can endanger the financial well-being of the Village. Lastly, the CIP has a positive impact on the Village's credit rating and makes the community more attractive to business and industry. It also improves the Village's chances of obtaining grant funds through documentation of projects as officially identified community needs.

CIP REVENUE

CIP revenues are dependent on and susceptible to unforeseen and external factors over which the Village has no control. In earlier year 2008-2010, the recession and economic factors presented the Village with great budgetary challenges in revenue and limited the ability to address any capital needs. The current down trend in housing development and business has given the Village a significant increase in foreclosures and vacant businesses.

CIP funds typically invest their cash balances until needed by applicable projects. The short-term interest rates continue to be adversely influenced by the Federal Reserve Rate and offer minimal rates of return at this point.

The CIP process will prove to be a vital planning tool for the Village generating substantial benefits by prioritization and completing projects using the Village's limited resources, without the need to use other financial bases such as bonds.

As with the Village's operating budget, CIP expenditures are delayed until the associated revenues are available or their receipt is imminent. It is in part for this reason (i.e. the failure to receive pledged or anticipated funds) that some projects will be unable to be completed in their entirety. However, there may be instances when delinquent funds will arrive and the project can be completed the following fiscal year when funds become available. There may be external factors, such as state and federal approval processes (i.e. grants), that may delay a project.

Existing fund balances consisting of revenues carried over from the previous year combined with current year revenues will provide the necessary funding for the Village's comprehensive FY 2015-16 Capital Improvement Program. It is important to remember that some of these funds are specifically earmarked by state statute (I.e. grant funds, MFT funds etc.), or other regulations that restrict their use to a defined purpose (i.e. bond proceeds).

Capital Improvement Plan 2016/2017 – 2020/2021 (Continued)

The Village of Fox Lake detailed Capital Improvement Plan by department are detailed below:

ADMINISTRATION			Assigned Reserve Amount						
Project Type	Est Replacement Cost	Expensed in FY2016/17	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total	Description
Beginning Assigned Balance Administration			\$66,000	\$32,000	\$98,000	\$164,000	\$105,000	\$171,000	
IT Improvements	\$350,000		\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$140,000	Phone system/servers/aging computers/cameras
Equipment	\$62,000	\$100,000	\$100,000						
Land Purchases	\$ -		\$-	\$-	\$-			\$-	Due to Budget constraints removed
Parking Lot Repairs (avg 20 yr life)	\$120,000		\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$30,000	Over 20 years
Building Improvements (avg 50 yr life)	\$3,000,000		\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000	Over 50 years
Expensed			\$(100,000)			\$(125,000)		\$(287,000)	Generator
TOTAL	\$3,395,000	\$100,000	\$(34,000)	\$66,000	\$66,000	\$(59,000)	\$66,000	\$43,000	

COMMUNITY DEVELOPMENT			Assigned Reserve Amount						
Project Type	Est Replacement Cost	Expensed in FY2016/17	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total	Description
Beginning Assigned Balance Community Development			\$3,250	\$ -	\$13,000	\$26,000	\$6,500	\$19,500	
Vehicle - Replacement/upgrade	\$65,000	\$16,250	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$81,250	
Expense			(16,250)		\$ -	\$(32,500)			2 new cars
TOTAL	\$ 65,000	\$16,250	\$(3,250)	\$13,000	\$13,000	\$(19,500)	\$13,000	\$81,250	

Capital Improvement Plan 2016/2017 – 2020/2021 (Continued)

Public Works/Streets/Motor Pool

Assigned Reserve Amount

Project Type	Est Replace- ment Cost	Expensed in FY2016/17	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2010-21	Total	Description
Beginning Assigned Balance Public Works/Streets/Motor Pool			\$1,412,035	\$3,544,535	\$4,689,749	\$5,767,964	\$6,823,178	\$8,876,392	
Tree Replacement Program	\$200,000		\$50,000	\$50,000	\$50,000	\$50,000	\$-	\$250,000	
Road Repair/Maintenance	\$30,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	12,000,000	
Dump Truck/Pick-up Truck	\$68,000	\$108,000						68,000	
5 Yard Dump Truck	\$160,000			167,000				167,000	
Endloader	\$145,000	\$145,000	175,000						
Vehicle Replacement Program -	\$1,418,000		170,000	170,000	170,000	130,000	130,000	940,000	Average 10 year life
Stormsewer Replacement	\$2,000,000		40,000	40,000	40,000	40,000	40,000	240,000	Average 50 year life
Utility-Street Lighting/Repair/Replacement	\$200,000	\$25,000	40,000	40,000	40,000	40,000	-	200,000	
Bridge Improvements	\$250,000		12,500	12,500	12,500	12,500	12,500	62,500	
Equipment Replacement	\$570,000		123,000	40,714	40,714	40,714	40,714	430,857	Average 14 year life
Expensed Tree Program			-	(50,000)	(50,000)	(50,000)		(150,000)	
Expensed Roads		\$200,000	(200,000)	(1,000,000)	(1,000,000)	(1,000,000)		(4,032,965)	
Expensed Vehicles - (1 every year)			(108,000)	(170,000)	(170,000)	(130,000)	(130,000)	(936,000)	A plow/dump truck/yr & pick-up truck (2 dump trucks 2017)
Expensed Lighting			(25,000)	(40,000)	(40,000)	(40,000)	(40,000)	(225,000)	
Expensed Equipment – 1 every yr			(145,000)	(165,000)	(15,000)	(38,000)		(313,000)	End loader 2017, chipper 2018, roadside mower 2018
TOTAL	\$33,991,000	\$478,000	\$2,132,500	\$1,145,214	\$1,078,214	\$1,055,214	\$2,053,214	\$8,701,392	-

Capital Improvement Plan 2016/2017 – 2020/2021 (Continued)

PUBLIC SAFETY			Assigned Reserve Amount						
Project Type	Est Replace-ment Cost	Expensed in FY2016/17	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total	Description
Beginning Assigned			\$145,000	\$10,000	\$87,500	\$165,000	\$242,500	\$320,000	
Building Improvement	\$3,000,000		\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$360,000	
Equipment	\$175,000	\$175,000		\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	Starcom radios
Vehicles - 2 per year replacements/with Light Bars	\$85,000/yr	\$105,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$510,000	
Expensed			\$(280,000)	\$(85,000)	\$(85,000)	\$(85,000)	\$(85,000)	\$(620,000)	
TOTAL PUBLIC SAFETY	\$3,260,000	\$280,000	\$(135,000)	\$77,500	\$77,500	\$77,500	\$77,500	\$267,500	

PARKS & RECREATION			Assigned Reserve Amount						
Project Type	Est Replace-ment Cost	Expensed in FY2016/17	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total	Description
Beginning Assigned Balance Parks & Recreation			\$80,000	\$160,000	\$240,000	\$320,000	\$350,000	\$410,000	
Building Improvement	\$ 3,000,000	\$ 886,600	\$60,000	\$960,000	\$60,000	\$60,000	\$60,000	\$1,260,000	
Playground Equipment	\$ 100,000	\$ -	\$20,000	\$20,000	\$20,000	\$20,000	\$-	\$100,000	
Expensed			\$-	\$(900,000)	\$-	\$(50,000)	\$-	\$(950,000)	Building Remodeling - Park Grant & New Playground Equipment
TOTAL Parks & Recreation	\$ 3,100,000	\$ 886,600	\$80,000	\$80,000	\$80,000	\$30,000	\$60,000	\$410,000	

Water & Sewer Department

Assigned Reserve Amount

Project Type	Est Replace- ment Cost	Expensed in FY2016/17	Assigned Reserve Amount					Total	Description
			FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21		
Beginning Assigned Balance Water/Sewer			\$2,112,529	\$2,485,195	\$4,152,015	\$5,623,465	\$5,712,788	\$5,802,111	
Towers	\$3,000,000	\$3,000,000	\$3,113,313					\$6,113,313	In 2016
Repaint/Raise Washington Tower	\$1,400,000		\$466,667	\$466,667				\$1,400,000	In 2018
Replace Tall Oaks Street	\$150,000							\$150,000	In 2016
Interconnect North and South System	\$250,000			\$8,000,000				\$8,250,000	In 2017
Abandon Tall Oaks Flow to NWRWRF	\$9,400,000			\$9,400,000				\$9,400,000	In 2017
Rebuild Main Lift Station	\$600,000				\$600,000			\$600,000	In 2017
Rebuild Lippincott Lift Station	\$238,703			\$238,703				\$238,703	In 2017
Install Standby Generator Well #5	\$240,000		\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$240,000	In 2020
Rebuild Wildwood Lift Station	\$260,000		\$52,000	\$52,000	\$52,000	\$52,000	\$52,000	\$260,000	In 2020
Install Auxiliary Generators at All Sites (x10) 20 yrs	\$309,000			\$15,450	\$15,450	\$15,450	\$15,450	\$61,800	In 20 years
Additional Equipment Storage IN 10 yrs	\$660,000		\$66,000	\$66,000	\$66,000	\$66,000	\$66,000	\$330,000	In 10 years
Upsize 4" and 6" water mains (50 yr life)	\$28,000,000		\$560,000	\$560,000	\$560,000	\$560,000	\$560,000	\$3,140,000	Over 50 years
Rehab Wells	\$900,000		\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$450,000	Over 10 years
Sewer Main Lining	\$500,000		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000	
New Vehicles and Equipment	\$1,000,000	\$105,000	\$80,000	\$80,000	\$190,000	\$80,000	\$80,000	\$579,000	Average 12.5 year life
Grant Revenue				\$(8,700,000)					Grant - Army Corp, Fox Water Shed, Federal Grants - Clean Water, State Grants if available
Expense - Water System			\$(4,098,313)	\$(8,700,000)		\$(872,127)	\$(872,127)	\$(16,596,028)	Interconnect N & S System & Abandon Tall Oaks Flow to NWRWRF
Expense - Trucks & Equipment			\$(105,000)	\$(50,000)	\$(250,000)	\$(50,000)	\$(50,000)	\$(604,000)	\$250,000 Scada & New Trucks
TOTAL WATER/SEWER DEPARTMENT	\$46,907,703	\$3,105,000	\$372,667	\$1,666,820	\$1,471,450	\$89,323	\$89,323	\$(17,200,028)	

Capital Improvement Plan 2016/2017 – 2020/2021 (Continued)

Northwest Regional Water Reclamation Facility					Assigned Reserve Amount				
Project Type	Est Replace-ment Cost	Expensed in FY2016/17	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total	Description
Beginning Assigned Balance NW Region			\$6,071,857	\$12,316,214	\$18,481,071	\$15,312,929	\$19,244,786	\$23,176,643	
Infrastructure (avg 28 year life)	\$18,000,000		\$642,857	\$642,857	\$642,857	\$642,857	\$642,857	\$3,214,286	Over 28 years
Equipment & Vehicles (avg 12.5 yr life)	\$5,800,000		\$464,000	\$464,000	\$464,000	\$464,000	\$464,000	\$2,320,000	Over 12.5 years
Building Improvements - (avg 16 yrs)	\$10,000,000	\$779,500	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$3,125,000	Over 16 years
Land Improvements	\$525,000	\$105,000						\$525,000	In 2016
Sidestream Treatment	\$4,000,000		\$1,000,000	\$1,000,000	\$1,000,000			\$4,000,000	In 2019
RAS Chlorination / RAS Pump Upsizing	\$620,000								In 2017
W3 Water Filtration	\$1,000,000		\$333,000	\$333,000				\$1,000,000	In 2018
Sludge Dewatering / Storage Barn	\$6,000,000		\$2,000,000	\$2,000,000	\$2,000,000			\$6,000,000	In 2019
Outfall Pipe Rehab/Replacement	\$22,000,000		\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$11,000,000	over 10 years (In 2025)
Expense - Infrastructure			\$-	\$(1,000,000)				\$(1,000,000)	
Expense - Equipment & Vehicles			\$(136,000)	\$(100,000)	\$(100,000)			\$(363,000)	Two vehicles/year
Expense - Building Improvement			\$(779,500)		\$(10,000,000)			\$(10,908,500)	Ammonia Monitor \$28,000, UV control panel \$52,000, Poly Pump Replacement #75 \$27,500, Process Blowers \$460,000
Expense - Land Improvements			\$(105,000)					\$(287,000)	Excess flow Property Development
TOTAL NW REGION	\$67,945,000	\$1,020,500	\$6,244,357	\$6,164,857	\$(3,168,143)	\$3,931,857	\$3,931,857	\$18,625,786	

Dispatch – 911 Department					Assigned Reserve Amount				
Project Type	Est Replace-ment Cost	Expensed in FY2016/17	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total	Description
Beginning Assigned Balance			\$56,000	\$56,000	\$112,000	\$168,000	\$224,000	\$280,000	
Expansion of Facility	\$700,000	\$548,500			\$500,000				
Equipment - (avg 12.5 life)			\$548,500	\$56,000	\$56,000	\$56,000	\$56,000	\$1,377,000	Over 12.5 year life
Expensed			\$(548,500)	\$-	\$(500,000)	\$-		\$(1,048,500)	New equip purchase/Expansion
TOTAL 911 CENTER	\$700,000	\$548,500	\$ 56,000	\$ 56,000	\$ 56,000	\$(144,000)	\$ 56,000	\$ 80,000	

Section 8

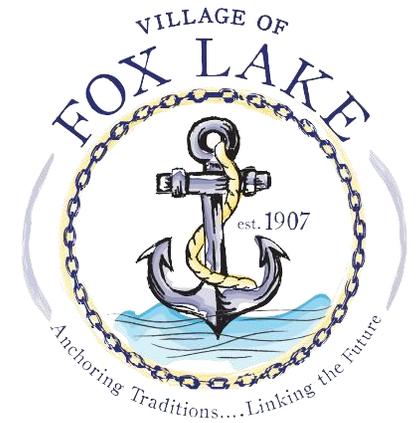
Supplemental Information

Financial Policy

Investment Policy

General Fund Reserve Policy

Glossary



Financial Policies

CAPITAL BUDGET POLICY (Revised March 2014)

CASH MANAGEMENT

In order to properly manage the funds of the Village and the commingled cash accounts that the Village maintains, it is necessary that from time to time interfund loans and transfers may be needed to cover negative cash balances. The Village Treasurer is authorized to make such interfund loans and transfers as necessary in order to eliminate negative cash balances. Such loans and transfers shall be recorded on the books and records of the Village and shall be audited as part of the annual Village audit.

COLLECTION

The Village will take an aggressive approach in pursuing all revenues due for services provided, and ensure that fines and permits due the Village are collected in a reasonable fashion. This policy will hold true for revenues generated in operating, enterprise, and special revenue funds.

DEBT MANAGEMENT

The Village will confine long-term borrowing to capital improvements and moral obligations, and the use of short-term debt for tax anticipation purposes only.

The Village will follow a policy of full disclosure on every financial report and bond prospectus.

The Village will take advantage of every opportunity to refinance current debt in order to save tax dollars needed to support debt payments.

ENTERPRISE FUNDS

Northwest Regional Treatment Plant, Local Water and Sewer, and Commuter Parking funds will be self-supporting from all operations and capital outlay.

However, grant funding will be secured where appropriate. These funds will retain an adequate operating fund balance. All operating and capital improvement expenditures will be evaluated separately reflecting the condition of each individual enterprise fund. It is the policy of the Village to maintain the capital structure of these enterprise funds at the most efficient levels in order to reflect their best use.

FIXED ASSETS

A fixed asset inventory is herein established to insure compliance with government financial reporting standards and to safeguard Village assets.

Fixed assets shall include land, buildings, machinery, and equipment and be capitalized in accordance to the Village of Fox Lake Fixed Asset Policy.

FUND BALANCE

The Village will establish an adequate fund balance to pay for expenses caused by unforeseen emergencies or for shortfalls caused by revenue declines.

- GENERAL FUND BALANCE (Established February, 2014)

CAPITAL BUDGET POLICY (Continued)

LEVEL OF SERVICE

The operating budget will be compiled in a manner to maintain the existing level of service to the community. Increases or decreases in service levels will be prioritized by the Village Board at budget sessions or during the fiscal year as required. This will also reflect current staffing levels.

OPERATING BUDGET

The Village will maintain a budgetary control system to ensure adherence to the budget and will prepare regular reports comparing actual revenues and expenditures to budget.

PROPERTY TAX

In accordance with Chapter 24, Section 8-3-1 of the Illinois Revised Statutes, the Village is authorized to levy a property tax for corporate purposes. The Village levies property taxes for:

- Corporate
- IMRF
- Social Security
- Audit Tax
- Police Protection
- Fire Protection
- Ambulance Service
- Garbage Disposal
- Police Pension
- Liability Insurance

The Village is required to stay within the 5% cap required by statute.

RISK MANAGEMENT AND LOSS CONTROL

The Village is committed to provide a safe work environment, manage all risks in an appropriate manner and conduct loss control measures to insure that liability and workers compensation losses are kept at manageable level.

VEHICLE REPLACEMENTS

Village vehicles and equipment will be replaced according to an established schedule. The schedule will be reviewed annually at budget sessions or as necessary during the fiscal year.

General Fund Reserve Policy

The Village of Fox Lake believes that sound financial management requires sufficient funds be maintained by the Village for unanticipated expenditures and revenue shortfalls during the course of the fiscal year. Generally, fund balances should be maintained at levels that provide adequate cushioning in the event of economic downturns, emergencies or unanticipated revenue shortfalls. Low fund balances will permanently reduce investment income and have a negative impact on the Village's credit ranking. Excessive fund balances may reflect stockpiling by management or a lack of financial planning.

The General Fund's Fund Balance is the accumulated difference between assets and liabilities. A sufficient fund balance allows the Village to meet its contractual obligations, mitigate negative revenue implications of federal or state budget actions, mitigate economic downturns, fund disaster or emergency costs, provide funds for cash flow timing discrepancies and fund non-recurring expenses identified as necessary by the Village Board of Trustees.

The Governmental Accounting Standards Board (GASB) issued Statement Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions" effective for periods after June 15, 2010. The objective of this Statement was to enhance the usefulness of fund balance information by providing clearer fund balance classification that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes limitations on the purpose for which the Fund Balance can be used.

- I. ***Non-spendable Fund Balance.*** This portion of the fund balance is inherently non-spendable. An example of these funds include assets that cannot be spent due to their form (inventories of supplies) or because they must remain intact pursuant to legal or contractual requirements (the principle of an endowment).
- II. ***Restricted Fund Balance.*** A restricted fund balance reflects resources that are subject to externally enforceable limitations on use. These limitations are typically imposed by parties altogether outside of the Village, such as creditors, grantors, contributors or through laws and regulations. Limitations can also be imposed when revenue being raised for a particular purpose (i.e., a gas tax imposed for road repair and construction) pursuant to enabling legislation.
- III. ***Committed Fund Balance.*** This portion of the fund balance encompasses limitations imposed on the Village by itself (i.e., the Village Board through a resolution). Committed fund balances are often used with "stabilization funds" or rainy day funds. In addition, the limitations imposed by the Village Board can only be removed by the Village Board.
- IV. ***Assigned Fund Balance.*** Assigned fund balances are used to describe the portion of the fund balance that is intended for a particular use. Assigned fund balances can be imposed by the Village Board, a finance committee or an official designated for that purpose. As a practical matter, existing resources that are expected to be used in connection with open contracts and purchase orders would be classified in this category. Assigned fund balances may be used to offset a gap in the budget stemming from a decline in revenue.
- V. ***Unassigned Fund Balance.*** The final component of a fund balance is its unassigned fund balance. This is the net balance after consideration of the other four portions. It is often identified as a surplus or a deficit.

General Fund Reserve Policy (Continued)

The last three components (committed, assigned and unassigned) together comprise the unrestricted fund balance. The unrestricted fund balance is typically the Village's "reserves."

It shall be the policy of the Village of Fox Lake that the General Fund's unrestricted fund balance will be maintained in an amount at least 33%, but no more than 50%, of the annual General Fund Operating Budget, including the annual debt service. This amount approximates between four (4) to six (6) months of working capital. The objective of this reserve level is to ensure adequate funds are set aside in a planned and consistent manner and that these monies are not spent for regular Village expenditures or used to reduce property taxes.

Annually, the Village Board of Trustees will propose funding for the General Fund reserve levels through the budget process to maintain the balance at the amount authorized. If expenditures reduce the unrestricted fund balance below the minimum amount authorized, the Village Board will, as part of its review and approval, adopt a plan to restore the funds to the prescribed level. If revenues exceed the unrestricted reserve fund balance above the maximum amount authorized, the surplus revenue will be used to meet the following purposes, as determined by the Village Board:

- Transfer to Capital Improvement Program Fund Balance
- Cash Payments for Capital Improvement Program Projects
- Pension Funds
- Retirement or Refinancing of Existing Debt

Capital Improvement Program and Budget Policy

The Village of Fox Lake believes that sound financial management requires sufficient funds be maintained by the Village for unanticipated expenditures and The Village of Fox Lake has a significant investment in its streets, facilities, parks, natural areas, infrastructure and other capital improvements. The Village Board has demonstrated a firm commitment to investing in Village capital projects. The guidelines set forth in this policy establish and maintain capital asset parameters that comply with governmental financial reporting standards, provide for adequate stewardship over Village resources and encourage planning for future growth and infrastructure repair. The Capital Improvement Program (CIP) is a multi-year financial plan for the construction or acquisition of capital assets. The CIP not only identifies future capital needs, but it estimates the capital costs to be incurred to complete each project and acquisition, the funding sources for each project and the impact that each project will have on the operating budgets.

I. DEFINITIONS

For purposes of this policy, the Village of Fox Lake will use the following definitions:

Capital Asset – Any expenditure that results in the acquisition of or addition to a capital asset, which is held or used for more than **three (3) years** and cost at least **\$20,000**. Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles and infrastructure.

Capital Budget - A capital budget, which is often contained within a CIP, is the annual appropriations for capital projects and acquisitions, which are approved by the Village Board.

Capital Improvement Program – the Village Board’s approved financial plan of capital projects for a period of five years. The CIP identifies capital project and acquisition needs; provides cost or expenditure estimates for those needs; identifies probable sources of financing; evaluates, prioritizes, and schedules projects and acquisitions; and forecasts the likely impact of projects and acquisitions on the operating budget.

Infrastructure Assets – long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets and that are normally stationary in nature and cost at least **\$50,000**. These include roads, sidewalks, bike paths, bridges, buildings, drainage systems, water systems, sewer systems, etc.

Useful Life – the period over which a capital or infrastructure asset has utility to the Village in performing the function for which it was purchased.

Capital Improvement Program and Budget Policy (Continued)

II. CAPITALIZATION THRESHOLD

The capitalization threshold, or minimum value of an asset at the time of acquisition, is established at \$50,000 for infrastructure assets and \$20,000 for capital assets. The capitalization threshold is established to clarify what capital expenditures belong in the capital budget.

III. GENERAL POLICIES

The Village shall maintain a Five-Year Capital Improvements Program and capital improvements will be made in accordance with that plan. The program shall be updated annually through the budget process.

The corresponding year of the Capital Improvement Program will be incorporated into the annual operating budget as the Capital Budget. Each year, the Village Board will develop a capital budget that lists and describes the capital expenditures to be undertaken by the Village during the coming fiscal year.

The CIP will be arranged to indicate order of priority of each capital project and to state for each project the following:

- a) A description of each proposed project and the estimated total cost of the project
- b) The proposed method of financing, indicating the amount proposed to be financed by direct budgetary appropriation or duly established reserved funds, the amount estimated to be received from the federal or state government and the amount to be financed by the issuance of debt obligations showing the proposed type or types of obligations, together with the period of probable usefulness for which they are proposed to be issued.
- c) An estimate of the effect, if any, upon operating costs of the Village

As part of the development of the Capital Improvements Program, the condition of Village infrastructure will be evaluated to appropriately prioritize and schedule maintenance and replacement.

Capital Improvement Program and Budget Policy (Continued)

VI. PRIORITY CRITERIA

Capital projects and/or assets will receive a higher priority if they meet some or most of the following criteria:

- The project or asset meets a policy goal or fulfills a strategic objective of the Village Board
- The project or asset is required under a state or federal mandate, law or regulation.
- The project or asset will mitigate or eliminate a known safety hazard.
- The project or asset will maintain and improve the delivery of public services to the majority of the population.
- The project or asset will improve the quality of existing infrastructure.
- State or federal grant funds are available to assist in funding project or asset.

VII. IMPROVEMENT, REPAIR AND MAINTENANCE EXPENSES

Routine repair and maintenance costs will be expensed as incurred and will not be capitalized. Street resurfacing, patching, etc. is considered maintenance and will not be capitalized. Repairs of water and sewer assets will not be capitalized unless the repairs materially extend the life of the original asset.

VIII. FUNDING SOURCES

All Village capital improvements will be constructed and expenditures incurred for the purpose as approved by the Village Board, with funds rolled over from year to year until a project is deemed complete. The Village will use a variety of different sources to fund capital projects and assets, with an emphasis on the “pay-as-you-go” philosophy. Funding for operating and maintenance costs for approved capital projects and assets must be identified at the time capital improvements are approved.

Investment Policy

WHEREAS, the Corporate Authorities believe it is necessary and expedient to adopt an Investment Policy for the Village of Fox Lake;

NOW, THEREFORE, be it resolved by the President and the Board of Trustees of the Village of Fox Lake, Lake and McHenry Counties, Illinois, as follows:

SECTION I: The following is adopted as the Village of Fox Lake Investment Policy:

“GLOSSARY OF TERMS

Accrued Interest – The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency: A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U. S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit Government guarantee. An example of a Federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).
Amortization: The process of paying the principal amount of an issue of bonds by periodic payments either directly to bondholders or to a sinking fund for the benefit of bondholders.

Arbitrage: Usually refers to the difference between the interest paid on the tax-exempt securities and the interest earned by investing the proceeds in higher yielding taxable securities. Internal Revenue Service regulations govern arbitrage (reference I.R.S. Reg. 1.103-13 through 1.103-15).

Arbitrage Bonds: Bonds which are deemed by the I.R.S. to violate federal arbitrage regulations. The interest on such bonds becomes taxable and the bondholders must include this interest as part of gross income for federal income tax purposes (I.R.S. Reg. 1.103-13 through 1.103-15).

Asked: The price at which securities are offered.

Assessed Value: An annual determination of the just or fair market value of property for purposes of ad valorem taxation.

Average Life: The average length of time that issues of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Basis Point: 1/100 of one percent.

Bid: The indicated price at which a buyer is willing to purchase a security or commodity. **Bond -** Written evidence of the issuer's obligation to repay a specified principal amount on a date certain, together with interest at a stated rate, or according to a formula for determining that rate.

Investment Policy (continued)

Bond Anticipation Notes (BANS) - Short-term interest bearing notes issued by a government in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position (take ownership of securities). In the money market, brokers are active in markets in which banks buy and sell money in interdealer markets.

Callable Bond: A bond which permits or requires the issuer to redeem the obligation before the stated maturity date at a specified price, the call price, usually at or above par value.

Cash Sale/Purchase: A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate.

Collateralization: Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security. Also, refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank.

Comprehensive Annual Financial Report (CAFR): The official annual report for the Village of Fox Lake. In addition to a combined, combining (assembling of data for all funds within a type), and individual balance sheet, the following are also presented as appropriate on a combined, combining, and individual basis: (1) statement of revenues, expenditures, and changes in fund balance (all funds); (2) statement of revenues, expenditures, and changes in fund balances, budget and actual (for government fund types); (3) statement of revenues, expenses, and changes in retained earnings (for proprietary funds); and (4) statement of changes in financial position (for proprietary funds).

Convexity: A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon:

1. The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.
2. A certificate attached to a bond evidencing interest due on a payment date.

Coupon Rate: The annual rate of interest payable on a coupon bond (a bearer bond or bond registered as to principal only, carrying coupons evidencing future interest payments), expressed as a percentage of the principal amount.

Investment Policy (continued)

Credit Risk: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return): A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling securities from an inventory on hand.

Debenture: A bond secured only by the general credit of the issuer. When the Village issues bonds of this they are termed General Obligation (G.O).

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

Derivative Security: Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Discount: The amount by which the par value of a security exceeds the price paid for the security.

Discount Securities: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value: e.g. U.S. Treasury Bills, Zero Coupon Bonds.

Diversification – A process of investing assets among a range of security types by sector, maturity, and quality rating. The purpose of diversification is to minimize risk from default or market fluctuations.

Duration: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed income security. This calculation is based on three variables; term to maturity, coupon rate and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Enterprise Funds: Funds that are financed and operated in a manner similar to private business in that goods and services provided are financed primarily through user charges.

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals; e.g. S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

Investment Policy (continued)

Federal Deposit Insurance Corporation: A Federal Agency that insures deposits and retirement accounts in member accounts for up to \$250,000, protecting depositors in the event of bank failure.

Federal Funds (Fed Funds): Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend to Fed Funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the

Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate: Interest rate charged by one institution lending federal funds to the other.

Federal Home Loan Bank: FHLB system now primarily focuses on increasing the amount of loanable funds available for affordable housing and community development projects. It continues to have a material impact on housing and development financing, offering funds to member institutions at rates that are usually lower than commercially competitive prices.

Federal National Mortgage Association: FNMA, commonly known as Fannie Mae, is a government-sponsored enterprise that is the largest purchaser and guarantor of home mortgages in the country. Headquartered in Washington, D.C., Fannie Mae buys mortgages from such lenders as banks and savings and loans, packages them, and resells them on the open market, thus creating fluidity and lessening lenders' risk. Fannie Mae's creation of this secondary mortgage market enables low- and middle-income individuals and families to obtain mortgages and purchase homes. The corporation was founded (1938) by the federal government to buy and sell mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration (now the Veterans Affairs Dept.).

Federal Reserve System: The seven-member Board of Governors of the Federal Reserve System determines the reserve requirements of the member banks within statutory limits, reviews and determines the discount rates established by the 12 Federal Reserve banks, with each one serving member banks in its own district. This system, supervised by the Federal Reserve Board, has broad regulatory powers over the money supply and the credit structure.

Government National Mortgage Association: (GNMA), or Ginnie Mae, which is administered by the Dept. of Housing and Urban Development and helps to finance public housing. Fannie Mae's corporate credibility was damaged by revelations (2004) that it manipulated its earnings from 1998 to 2004, in part to maximize bonus payments to its corporate executives. Problems in the housing and mortgage industry that began in 2007 led in 2008 to increasing losses at and concern about a possible bankruptcy of Fannie Mae and especially Freddie Mac (the Federal Home Loan Mortgage Corporation), and resulted in a federal takeover of the two mortgage guarantors.

Government Securities: An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market.

Investment Policy (continued)

Interest Rate: See “Coupon Rate.”

Interest Rate Risk: The risk associated with declines or rises in interest rates which cause an investment in a fixed – income security to increase or decrease in value.

Liquidity: An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP): An investment by local governments in which their money is pooled as a method for managing local funds.

Market-to-Market: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk: The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value: Current market price of a security.

Maturity: The date upon which the principal of a municipal bond becomes due and payable to bondholders.

Net Asset Value: The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund’s assets which includes securities, cash, and any accrued earnings, subtracting this from the fund’s liabilities, and dividing this total by the number of shares outstanding.

Net Interest Cost (NIC): The traditional method of calculating bids for new issues of municipal securities. The total dollar amount of interest over the life of the bonds is adjusted by the amount of premium or discount bid, and then reduced to an average annual rate. The other method is known as the true interest cost (see "true interest cost").

Par Value or Face Amount: In the case of bonds, the amount of principal which must be paid at maturity.

Principal: The face amount or par value of a bond or issue of bonds payable on stated dates of maturity.

Prudent Person Rule: An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Investment Policy (continued)

Ratings: Evaluations of the credit quality of notes and bonds, usually made by independent rating services, which generally measure the probability of the timely repayment of principal and interest on municipal bonds.

Repurchase Agreement (RP or REPO): An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and terms of the agreement are structures to compensate him. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money; this is, increasing bank reserves.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SEC RULE 15C3-1: See definition of Uniform Net Capital Rule in this subsection.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission: Federal agency created by the securities exchange act of 1934 to administer that act and the securities act of 1933, formerly carried out by the federal trade commission. The SEC supervises the exchange of securities so as to protect investors against malpractice.

Short-Term Debt: Short-term debt is defined as any debt incurred whose final maturity is three years or less.

Swap: Trading one asset for another.

Term Bonds: Bonds coming due in a single maturity.

Total Return: The sum of all investment income plus changes in the capital value of the portfolio.

Treasury Bills: A short-term obligation of the U.S. Treasury having a maturity period of one year or less and sold at a discount from face value. The return to the investor who holds it to maturity is the difference between the price paid and the face value at maturity.

Treasury Bond: A long-term obligation of the U.S. Treasury having a maturity period of more than ten years and paying interest semiannually.

Treasury Notes: An intermediate-term obligation of the U.S. Treasury having a maturity period of one to ten years and paying interest semiannually.

Uniform Net Capital Rule (Net Capital Rule and Net Capital Ratio): Securities and Exchange Commission requirement that member firms as well as non-member broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Investment Policy (continued)

Volatility: A degree of fluctuation in the price and valuation of securities.

Weighted Average Maturity (WAM): – The average maturity of all the securities that comprise a portfolio.

Yield: The current rate of return on an investment security generally expressed as a percentage of the security's current price. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security, (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield to Maturity: The rate of return to the investor earned from payments of principal and interest, with interest compounded semiannually and assuming that interest paid is reinvested at the same rate.

Zero Coupon Bond: A bond which pays no interest, but is issued at a deep discount from par, appreciating to its full value at maturity.

VILLAGE OF FOX LAKE INVESTMENT POLICY

I. POLICY

The intent of the Investment Policy of the Village of Fox Lake is to define the policies for maximizing the efficiency of the Village's Cash Management System and for prudent investment of the Village's Funds, and to provide guidelines for suitable investments.

The ultimate goal is to enhance the economic status of the Village while protecting its funds.

The Village's Cash Management System is designed to monitor and forecast expenditures and revenues accurately, thus enabling the Village Administrator and Finance Director/Treasurer to invest funds to the fullest extent possible. The Village Administrator and Finance Director/Treasurer shall attempt to obtain the highest investment return using authorized instruments that meet the criteria established for safety and liquidity while meeting the Village's daily cash flow demands in conformance with the Municipal Code.

The investment policies and practices of the Village Administrator and Finance Director/Treasurer for the Village of Fox Lake are based upon Federal, State, and Local law and prudent money management. The Policy has been prepared in accordance with the Public Funds Investment Act (30 ILCS 235 / 2.5). The primary goals of these policies are:

1. To assure compliance with all Federal, State and Local laws governing the investment of monies under the control of the Village Administrator and Finance Director/Treasurer.
2. To protect the principal monies entrusted to these Offices, and
3. To generate the maximum amount of investment income within the parameters of this Investment Policy and the guidelines for suitable investments.

All participants in the Village's investment process shall act responsibly as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

II. SCOPE

This investment policy applies to the investment of available assets of all Village funds under the direct management of the Village's Administrator and Finance Director/Treasurer.

The policy for the Illinois Municipal Retirement Fund (IMRF) and the Police Pension Fund will be as determined by the appropriate Boards of Administration and not covered by this Policy.

Funds set aside to decrease Village debt in conjunction with an advance refunding agreement will be invested in accordance with appropriate bond documents.

Investment Policy (continued)

Should bond covenants be more restrictive than this policy, funds will be invested in full compliance with those restrictions.

Funds held by the County Treasurer during tax collection periods shall be governed by the County's investment policies to the extent that they do not conflict with this policy and should be invested by the County Treasurer for the benefit of the Village of Fox Lake as stipulated by the Village in accordance with 55 ILCS 5/3-11006.

All investments of the Village of Fox Lake must be made in compliance with Federal and State law and in accordance with applicable legal interpretations. Investment of any tax exempt borrowing proceeds and of any debt service funds must comply with the 1986 Tax Reform Act if the act applies to the debt issued.

III. PRUDENCE

Investments shall be made with judgment and care-under circumstances then prevailing-that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. OBJECTIVE

The primary objective in the investment of Village funds under control of the Village Administrator and Finance Director/Treasurer is to ensure the safety of principal, while managing liquidity requirements of debt service and other financial obligations of the Village and providing the highest investment return using authorized investment instruments.

The primary objectives of the Village of Fox Lake investment activities are as follows:

Legality: The Village's investments will be in compliance with all statutes governing the investment of public funds.

Safety: Investments of the Village will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that the Village Administrator and Finance Director/Treasurer prudently manage market interest rate and credit risk.

Liquidity: The Village's investments will remain sufficiently liquid to enable the Village to meet all operating requirements that might be reasonably anticipated.

Investment Policy (continued)

Return on Investments/Yield: The Village's investment portfolio shall be designed to obtain the highest available return, taking into account the Village Administrator and

Finance Director/Treasurer investment risk constraints and cash flow needs. The Village Administrator and Finance Director/Treasurer shall seek to obtain the highest available return using authorized investments.

V. ETHICS AND CONFLICT OF INTEREST

It is the policy of the Village that no person acting on behalf of the investment function shall, in any manner, have any interest, either directly or indirectly, in any investments in which the Village is authorized to invest, or receive in any manner, compensation of any kind, from any investments from the sellers, sponsors, or managers of such investments. All persons authorized to trade on behalf of the Village must refrain from personal business activity that could potentially conflict with proper execution of this Investment Policy or impair their ability to make impartial decisions.

Investment advisors and money managers must adhere to a minimum level of standards consistent with the Association for Investment Management and Research Code of Ethics. If a more stringent regulation applies under an advisor's or manager's certification standard, then this policy dictates as the ethical benchmark.

VI. DELEGATION OF AUTHORITY

Management responsibility for the investment program is hereby delegated to the Village Administrator and Finance Director/Treasurer who shall establish written procedures for the operation of the investment program consistent with this investment policy and approved by the Village Board. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Village Administrator and Finance Director/Treasurer and approved by the Village Board. The Finance Director/Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Village Administrator and Finance Director/Treasurer will maintain a list of financial institutions authorized to provide investment services in the Village. The selection process for inclusion on this list will be detailed in the written administrative procedures for investments. No public deposits shall be made except in municipal depositories approved by the Village Board.

Depositories: The Village shall allow only regularly organized state or national banks insured by the Federal Deposit Insurance Corporation ("FDIC") and federal and state savings and loan associations insured by Savings Association Insurance Fund of the FDIC to be designed as possible municipal depositories. Depository institutions should be economically viable and have practices that would not impair the safety of investments.

Investment Policy (continued)

Broker/Dealer: The Village Administrator and Finance Director shall evaluate interested broker/dealers on the basis of criteria set by the Village Administrator and Finance Director, including the firm's prior experience, financial stability, and other requirements deemed necessary. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer/Finance Director with the following: audited financial statements, proof of National Association of Security Dealers certification, and proof of State registration. An annual review of the financial condition and registrations of qualified bidders will be conducted by the Finance Director/Treasurer.

Authorized Advisors/Money Managers: This policy requires that investment advisors possess the following qualifications:

1. Minimum five (5) years' continuous service for municipal clients.
2. Minimum three (3) years' municipal clients as current references.
3. Minimum licensing and certification as accepted in the industry for the service engaged.

VIII. AUTHORIZED INVESTMENTS

The Village of Fox Lake is empowered to invest in certain types of securities as detailed in the Public Funds Act 30 ILCS 235. Among the authorized investments are:

1. Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
2. U.S. agency and instrumental obligations which are limited to the following issuers:
 - a. Federal Home Loan Bank (FHLB)
 - b. Federal Home Loan Mortgage Corporation (FHLMC)
 - c. Federal Farm Credit Bank (FFCB)
 - d. Government National Mortgage Association (GNMA)
 - e. Federal Agricultural Mortgage Corporation (FarmerMac)
 - f. Tennessee Valley Authority (TVA)
 - g. Federal National Mortgage Association (FNMA)
 - h. Any other agency created by an Act of Congress

Investment Policy (continued)

3. Institutional size depository investments such as interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, including bankers' acceptance and bank notes.
 - a. The instruments or issuers shall have short-term ratings in one of the highest 2 classifications without regard to gradation by at least two rating agencies, one of which must be Standard and Poor's ("S&P") or Moody's, and long-term rating in one of the highest 3 classifications without regard to gradation by at least two rating agencies, one of which must be S&P or Moody's.
 - b. Investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation. Any amount of the deposit in excess of the federal deposit insurance shall be either: (1) fully collateralized at least 110% percent by: (i) marketable U.S. government securities marked to market at least monthly; (ii) bonds, notes, or other securities constituting the direct and
4. general obligation of any agency or instrumentality of the United States; or (iii) bonds, notes or other securities constituting a direct and general obligation of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois or of any other state, or of any political subdivision or agency of the State of Illinois or any other state which are rated in either the AAA or AA rating categories by at least two accredited ratings agencies and maintaining such rating during the term of such investments; or (2) secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment;
5. Short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase in either the AAA or AA rating categories by at least 2 standard rating services and which mature not later than 180 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than 5% of the public agency's funds may be invested in short term obligations of corporations; or
6. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in paragraph (1) or (2) of this subsection and to agreements to repurchase such obligations and that such fund has a short-term rating of "AAAm" by S&P or Aaa by Moody's.
7. Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district. The bonds shall be registered in the name of the Village or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by at least two accredited rating agencies of nationally recognized expertise in rating bonds of states and their political subdivisions.
8. Bond funds registered under the Investment Company Act of 1940, as amended from time to time, provided that the portfolio is limited to bonds, notes, treasury bills, or other securities which are guaranteed by the United States government or agreements to repurchase these same types of obligations, and qualified U.S. agencies under 30 ILCS 235 et. seq.
9. Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act with a short-term rating of "AAAm" by S&P.
10. Repurchase agreements pursuant to the Investment Act. The securities, unless registered or inscribed in the name of the Village, shall be purchased through banks or trust companies authorized to do business in the State of Illinois. The term "repurchase agreements" as used herein shall include flexible repurchase agreements that permit the Village to withdraw funds as needed and master repurchase agreements that permit the deposit, withdrawal and redeposit of funds over time.

Investment Policy (continued)

The securities described in clauses (1) and (2) above, or any other securities that the Village is authorized to acquire under law, may be acquired pursuant to agreements entered into between the Village and suppliers of such securities under which agreements suppliers agree to sell to the Village specified securities on specific dates at specific prices, all as established at the time of execution and delivery of any such agreements and as set forth in such agreements.

IX. INVESTMENT RESTRICTIONS

The Village Administrator and Finance Director/Treasurer will not utilize investment of leveraged transactions, financial forwards, futures, hedged investments, index amortizing notes, dual index notes, de-leveraged bonds, range bonds, inverse floaters, interest only, principal only bonds and any other financial derivative. The Village Administrator and Finance Director/Treasurer is not authorized, without the approval of the Village Board, to (i) invest in financial agreements whose returns are linked to or derived from the performance of some underlying asset such as bonds, currencies or commodities products, or (ii) borrow against or otherwise obligate Village investments.

X. COLLATERALIZATION

In order to protect the Village public funds deposits, collateralization shall be required on all deposits, certificates of deposits, investments and repurchase agreements. So as to anticipate market changes and provide an adequate level of security for all funds, the collateralization level will be at least 110% of market value of principal and accrued interest. Collateral is required as security for any amount in excess of the federal deposit insurance limit. Collateral is limited to government or approved securities or surety bonds issued by top-rated insurers and Letters of Credit issued by the Federal Home Loan Bank equal to 110% of the amount of funds deposited that exceed the coverage limits provided by the FDIC.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The bank will provide the Village a copy of the Board minutes that approved the collateralization. Each time collateral is changed it must be approved by the Village. The change must be recorded in the next Bank Board Minutes and a copy of the minutes must be furnished to the Village.

XI. SAFEKEEPING AND CUSTODY

To protect against potential fraud, embezzlement, or losses caused by collapse of individual securities dealers, all investment securities purchased by the Village, including collateral on repurchase agreements, shall be held by the Village or in safekeeping by the Village's custodian bank or a third party bank trust department, acting as agent for the Village under the terms of a custody or trustee agreement executed by the bank and by the Village. The primary agent shall issue a safekeeping receipt to the Village listing the specific instrument, rate, maturity, and other pertinent information.

All securities transactions conducted by the custodian on behalf of the Village are to be on a delivery-versus payment (DVP) only basis.

Investment officials shall be bonded to protect the Village against loss due to possible embezzlement and malfeasance.

Investment Policy (continued)

XII. DIVERSIFICATION

A variety of financial instruments and maturities, properly balanced, will help to ensure liquidity and reduce risk or interest rate volatility and loss of principal. Diversifying investments and maturities will avoid incurring unreasonable risks in the investment portfolio regarding specific security types, issuers or individual financial institutions.

XIII. MATURITIES

To the extent possible, the Village will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the Village may collateralize its repurchase agreements using longer-dated investment.

Reserve or Capital Improvement Project monies may be invested in securities not to exceed three (3) years. The maturity of such investments is made to coincide as nearly as possible with the expected use of the funds.

XIV. RISK MANAGEMENT

1. Market Risk, Credit Risk, and Liquidity Risk, are typically associated with fixed income portfolio management. Their definition and the techniques used to control, evaluate and manage them are also discussed below:
2. Market Risk - the risk that the value of a security will rise or decline as a result of changes in market conditions.
 - a. Control Technique - the Village Administrator and Finance Director/Treasurer shall provide for market to market valuations on a monthly basis.
3. Credit Risk - the risk that an issuer will default in the payment of interest and/or principal on a security.
 - a. Control Technique - the Village Administrator and Finance Director/Treasurer will limit investments to the safest types of securities, pre-qualify the financial institutions, broker/dealers, intermediaries and advisers with which the Village will do business, and diversify the investment portfolio so that potential losses on individual securities will be minimized. The Finance Director shall provide ongoing evaluation and monitoring of creditworthiness of all counterparties.
4. Liquidity Risk - the risk that an asset cannot be converted quickly and easily into cash.
 - a. Control Technique - the Village Administrator and Finance Director shall create and maintain cash flow forecasts and will select securities and maturities that meet cash flow needs and provide for diversification within the portfolio to ensure compliance with established policy limits.

In addition to the aforementioned control techniques, any investment manager who is retained to manage assets on behalf of the Village is also required to participate in the risk management process and adhere to the Village's Investment Policy.

Investment Policy (continued)

XV. INTERNAL CONTROLS

The Village Administrator and Finance Director/Treasurer, as the Chief Investment Officer, shall maintain a system of internal controls and written operational procedures that shall be documented. The Village is subject to annual independent review of its internal controls by an independent accounting firm. This review will provide assurance that policies and procedures are being complied with. Such review also may result in recommendations to change operating procedures to improve internal control. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees or officers of the Village.

In addition, the Village's Investment Officer has established a system of internal controls to ensure that staff positions and functional duties are adequately segregated for separation of duties between investment and accounting operations.

XVI. PERFORMANCE STANDARDS

The Village's investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the Village's investment risk constraints and cash flow needs.

The Village's Finance Director will utilize the average three-month Treasury Bill return or other appropriate benchmarks to determine whether average yields are being achieved.

XVII. ACCOUNTING

All investment transactions shall be recorded in the various Village Funds in accordance with generally accepted accounting principles as promulgated by the Government Accounting Standards Board.

XVIII. REPORTING

The Village's Finance Director shall submit quarterly an investment report to the Village Board that summarizes recent market conditions, economic developments and anticipated investment conditions. The report shall summarize the investment strategies employed in the most recent quarter, description of the portfolio in terms of investment securities, maturities, risk characteristics and other features. The report shall explain the quarter's total investment return and compare the return with target rate of return projections and budgetary expectations.

XIX. CORRECTION OF NONCOMPLIANCE

In the event of changes in market, the Investment Act or other applicable law, current holdings could fail to meet the guidelines of this policy. Whenever that occurs, the Village's Finance Director will immediately notify the Village Administrator, and appropriate action will be taken.

Investment Policy (continued)

XX. INVESTMENT POLICY ADOPTION

The Village's investment policy shall be adopted by ordinance of the Village Board. The policy shall be reviewed annually by the investment officer and any modifications made thereto must be approved by the Village Board.

This policy supersedes all prior investment policies.

GLOSSARY

The Annual Budget contains terminology unique to public finance and budgeting. This glossary was prepared to assist the reader of this document in the understanding of some of these terms.

- **Accountability** – The condition, quality, fact or instance of being obliged to reckon or report for actions or outcomes.
- **Accrual Basis of Accounting** – A method of accounting that recognizes financial transactions when they occur regardless of the time the intake of cash.
- **Activity** – A specific service performed by a component unit of a governmental organization that is responsible for a function such as police is an activity of the public safety function.
- **Agency Fund** – A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.
- **Annexation** – The incorporation of land into an existing city with a resulting change in the boundaries of that city.
- **Appropriation** – A specific amount of money authorized by city Council to make expenditures and incur obligations for specific purposes, frequently used interchangeably with “expenditures.”
- **Assessed Value** – A valuation set upon real estate or other property by the Township Property Appraiser as a basis for levying taxes.
- **Asset Allocation** – The process to determine which types of investments are to be included in the composition of an overall investment portfolio.
- **Audit** – A systematic collection of sufficient, competent evidential matter needed to attest to the fairness of the presentation of the City’s financial statements. The audit tests the City’s accounting system to determine whether the internal accounting controls are both available and being used.
- **Available Fund Balance** – The portion of fund balance collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.
- **Balance Sheet** – That portion of the City’s financial statement that discloses the assets, liabilities, reserves and balances of a specific governmental fund as of a specific date.
- **Basis of Accounting** – A term used when revenues, expenditures, expenses, transfers, assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on the cash, modified accrual or the accrual method.
- **Basis of Budgeting** – A method used to determine the recognition of Revenues and Expenditures for the budgetary process.
- **Bond** – A written promise to pay a specified sum of money, called face value or principal, at a specified date in the future, called maturity date, together with periodic interest at a specified rate.
- **Bond Refinancing** – The payoff and re-issuance of bonds, to obtain better interest rates and or bond conditions.
- **Budget** – A comprehensive financial plan of operations which attempts to allocate limited revenues among competing expenditure requirements for a given time period.
- **Budgetary Control** – The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.
- **Budget Revision** – A change to the adopted budget as authorized by the City Council.
- **Business-type Activities** – One of two classes of activities reported on government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

Glossary (continued)

- **Capital Budget** – The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.
- **Capital Equipment** – Equipment with a value in excess of \$20,000 and an expected life of more than five years such as automobiles, data processing equipment and furniture.
- **Capital Improvements** – Charges for the acquisition at the delivered price including transportation costs of equipment, land, buildings, or improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of \$25,000 and a useful life expectancy of at least two years.
- **Capital Improvements Projects** – An undertaking that has a specific objective, can be easily distinguishable from other work being performed, has a definite beginning and end, does not occur annually, and has a total cost in excess of \$100,000.
- **Capital Outlay** – Expenditures that result in the acquisition of or addition to fixed assets.
- **Capital Projects Fund** – Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).
- **Cash Basis of Accounting** – Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.
- **Cash Management** – The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the balance of the highest interest and return, liquidity and minimal risk with these temporary cash balances.
- **Charges for Service** – User charges for services provided by the City to those specifically benefiting from those services.
- **Commodities** – Items which, after use, are consumed or show material change in, or an appreciable impairment, of their physical condition, and which generally have limited value and characterized by rapid depreciation.
- **Comprehensive Plan** – An official public document adopted by a local government as a policy guide to decisions about the physical development of the community. It is general long-range physical plan.
- **Constituent** – One represented politically or in business; a voter; client.
- **Debt** – A financial obligation resulting from the borrowing of money. Debts of government include bonds, notes, and land contracts.
- **Debt Ratio** – Ratios that provide a measure of assessing debt load and ability to repay debt, which play a part in the determination of credit ratings. They are used to evaluate the City's debt position over time and against its own standards and policies.
- **Debt Service** – The payment of principal and interest on borrowed funds.
- **Debt Service Funds** – Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- **Deficit** – The excess of expenditures or expenses over revenues or income during a single accounting period.
- **Department** – An organizational unit responsible for carrying out a major governmental function, such as Finance or Public Works.
- **Depreciation** – The decrease in value of physical assets due to use and the passage of time.
- **Encumbrance** – The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Glossary (continued)

- **Enterprise Fund** – Used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the costs of providing goods or services are financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- **Equalized Assessed Value** – The value of property resulting from the multiplication of the assessed value by an equalization factor to make all property in Illinois equal one-third of its market value.
- **Equalization Factor** – A factor determined by the State which when applied to the counties’ assessed value will cause all property to equal one-third of its market value.
- **Expenditures** – Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental transfers.
- **Expenses** – Charges incurred, whether paid or unpaid, resulting from the delivery of goods or services.
- **Façade** – The front, visible part, or most conspicuous component of a building. St. Charles has implemented a façade improvement program for its downtown businesses, in an effort to revitalize the area.
- **Fiduciary Funds** – Funds that are used when a government holds or manages financial resources in an agent or fiduciary capacity.
- **Fiscal Policies** – The City’s policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.
- **Fiscal Year (FY)** – Any consecutive twelve-month period designated as the budget year. The City’s budget year begins May 1, and ends April 30 of the following calendar year.
- **Fixed Assets** – Assets of long-term character which are intended to continue to be held or used. Examples of fixed assets include items such as land, buildings, machinery, furniture, and other equipment.
- **Franchise Fee** – A fee paid by public service businesses for use of City streets, alleys and property in providing their services to the citizens of a community. Services requiring franchises include telephone, natural gas and cable television.
- **Full Time Equivalent (FTE)** – A standardized unit of measure used to determine the equivalent number of full-time employees. It is calculated by dividing the total hours actually worked or planned for a job class (regular and overtime) by a standard number of hours a full-time employee would work for the job class.
- **Fund** – Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, residual equities, revenues, and expenditures, or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulation, restrictions, or limitations.
- **Fund Balance** – The fund equity of governmental funds. Changes in fund balances are the result of the difference of revenues to expenditures. Fund balances increase when revenues exceed expenditures and decrease when expenditures exceed revenues.
- **Generally Accepted Accounting Principles** – Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a

Glossary (continued)

- standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).
- **General Fund** – The general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **General Obligation Bonds** – Those bonds that are backed by the “full faith and credit” of a municipality. The taxing power of local government is pledged in the covenant of one of these bond issues.
- **Goal** – A long-range desirable development attained by objectives designed to implement a strategy.
- **Governmental Fund Types** – Funds that account for a government’s “governmental-type” activities. These funds are the general fund, special revenue funds, debt services funds and capital project funds.
- **Grant** – Contributions of gifts of cash or other assets from another government to be used for a specified purpose, activity, or facility. Grants may be classified as either categorical or block, depending on the amount of discretion allowed the grantee.
- **Improvements** – The necessary changes to a parcel(s) of land that is required for its future development. These often include modifications of the roadways, water and sewer mains, and the parcels capacity for electricity.
- **IMRF** – Illinois Municipal Retirement Fund. Retirement system established for municipal employees of the state.
- **Income** – A term used in proprietary fund type accounting to represent: (1) revenues; or (2) the excess of revenues over expenses.
- **Infrastructure** – The permanent foundation or essential elements of a municipality. Roadways are a component of a local government’s infrastructure.
- **Interfund Transfer** – Payment from one fund to another fund primarily for work or services provided.
- **Intergovernmental Revenues** – Revenues from other governments in the form of grants, entitlement, shared revenues, or payments in lieu of taxes.
- **Investment** – The placing of money, capital, or other resources to gain in a profit, as in interest.
- **LEADS** – Law Enforcement Agency Data System in a system used as a nationwide tool to track criminal activity, such as warrants for arrest and missing persons.
- **Levy** – (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments or service charges imposed by the City.
- **Liability** – Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.
- **Line Item** – A specific item or group of similar items defined by detail in a unique account in the financial records. Revenue and expenditure justifications are reviewed, anticipated and appropriated at this level.
- **Liquidity** – The amount of cash and easily sold securities a local government has at one time.
- **Millage** – The tax rate on real property based on \$1.00 per \$1,000 of assessed property value.
- **Mobile Data Terminals (MDT)** – Mobile Data Terminals are terminals that will allow police officers instant access from the squad cars to the National Crime Information Center. This will allow the officer to immediately check on stolen property or check a warrant.
- **Modified Accrual Accounting** – A basis of accounting in which revenues are recorded when collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period, and expenditures are recognized when the related liability is incurred. Governmental fund types utilize this basis of accounting.

Glossary (continued)

- **MFT** – Motor Fuel Tax is a tax on fuel consumption. Distribution of the tax collected is based on population. There are also state-funded programs for street resurfacing, curb and gutter work and storm sewer work.
- **Net Income** – Proprietary fund excess of operating revenues, non-operating revenues, and operating transfers-in over operating expenses, non-operating expenses, and operating transfers-out.
- **Non-Operating Expenditures** – The costs of government services which are not directly attributable to a specific City program or operation. Examples include debt obligations and contributions to Human Service organizations.
- **Non-Home Rule Municipality**
- **Objective** – Something to be accomplished in specific, well-defined, and measurable terms and is achievable within a specific time frame.
- **Operating Budget** – A financial plan that presents proposed expenditures for the fiscal year and estimates of revenue to finance them.
- **Portfolio** – A compilation of investments held by an entity.
- **Privatization** – The transfer of services from the public sector to the private sector in an attempt to save tax dollars. This has been done to varying degrees and levels of success across the country.
- **Private Sector** – Business owned and operated by private individuals, as opposed to government-owned operations.
- **Public Sector** – The policies and procedures as conducted by local governments, states and the federal government. The majority of these activities are financed through tax levies.
- **Program** – An organized set of related work activities within a Bureau of a department, which are directed toward a common purpose or goal and represent a well-defined use of City resources. Each City department usually is responsible for a number of related service programs.
- **Property Tax** – A tax levied on the assessed value of real property (also known as “ad valorem taxes”).
- **Proprietary Fund Types** – The classification used to account for the City’s ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds.) All assets, liabilities, equities, revenues, expenses and transfers relating to the government’s business and quasi-business activities are accounted for through proprietary funds. The Generally Accepted Accounting Principles used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position. However, where the Governmental Accounting Standards Board has issued pronouncements applicable to those entities and activities, they should be guided by these pronouncements.
- **Referendum** – The submission of a proposed public measure or law, which has been passed upon by legislature or convention, to a vote of the people for ratification or rejection.
- **Revenue Bonds** – Bonds whose principal and interest are payable exclusively from earnings of a specific, defined activity or facility which can be public, quasi-public, or private.
- **Retained Earnings** – An equity account reflecting the accumulated earnings of the City’s proprietary funds.
- **Revenues** – Funds that the government receives as income. It includes such items as tax receipts, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.
- **SCADA** – Supervisory Control and Data Acquisition. Computer controlled system operation and information in regards to the City’s electrical and water system.

Glossary (continued)

- **Special Revenue Funds** – Funds used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- **Tax Levy** – The total amount to be raised by general property taxes for operating and debt service purposes.
- **Tax Rate** – The amount of tax levied for each \$100 of assessed valuation.
- **Tax Increment Finance District (TIF)** – A special district established to revitalize a degenerating parcel of land/building funded through incremental property taxes.
- **Trust and Agency Funds** – Funds used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.
- **User Fees** – A fee charged for receipt of public service to the party who benefits from the service.
- **Yield** – The yield on a fixed-income security is its current rate until maturity, based on its face value, its current market price and any interest coupons.