



VILLAGE OF BANNOCKBURN



2022-23 -FISCAL YEAR BUDGET



Village of Bannockburn

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**Village of Bannockburn
Illinois**

For the Fiscal Year Beginning

May 01, 2021

Christopher P. Morill

Executive Director

SECTION 1



Transmittal Letter

Kimberly Trausch – Assistant Finance Director



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

April 30, 2022

Dear President Rothing and Board of Trustees:

It is a pleasure to submit to the Village Board the proposed budget for the Village of Bannockburn for the Fiscal Year ending April 30, 2023. Primarily due to the strategic initiatives and cost cutting measures implemented to cover the lost revenues due to the COVID-19 pandemic, the Village will enter the Fiscal Year 2022-23 with a surplus in its operating budget. While the Village's revenue profile is expected to improve after the economy impact that COVID-19 has had on the Village's revenues, 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's foremost commitment is to serve its residents and businesses.

The Village has benefited from a history of sound financial planning. Current initiatives focus on organizational and operational efficiency, financial sustainability of the community through liability management and spending controls, maintenance of a stable tax environment, rehabilitation of infrastructure, stimulation of new development, encouragement of redevelopment, and innovation as a means to deliver the highest-value services at the lowest cost to our resident and business consumers. The Village is making progress in many areas; such as, positioning itself to move forward by establishing long-term planning for infrastructure in the Water and Sewer fund and the establishment of a maintenance program for roads. The Village Board and staff have worked diligently to provide for a balanced tax structure with a reduction in real estate taxes, no new taxes proposed and providing appropriate public safety, infrastructure and general services.

The FY2022-23 budget document follows the same format from last year. The document was completely restructured in design, context, organization, and structure to provide a better flow of information through a more logical sequence in Fiscal Year 2018-19. 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, Capital Expenditure Budget and Debt Service Schedules.

The remainder of the report is broken down into functions (revenues and general government, public safety, community development and public works 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

As a part of the development of both long-term financial forecasting and the corresponding annual budget, the Village continually reviews external and internal functions that impact, or may impact, the Village's financial position. Evaluating the impact of the national economy (macro) on the local economy (micro) is an important step in the process, understanding that local government's experience with inflation indices can differ greatly from a national average.

National factors affecting the Village include (i) Government stimuli creating growing government debt, (ii) economy experiencing strong growth, (iii) rapidly falling unemployment, (iv) high inflation, (v) rapidly rising money supply, (vi) growing government debt, and (vii) central bank intervention.

The US economic outlook as reflected by Focus Economics is "*A second estimate confirmed that the economy contracted in Q1, driven by lower private inventory investment and defense spending, and a negative contribution from net exports. However, the economy's underlying strength remained intact, with private consumption and fixed investment gaining steam. Turning to Q2, GDP is likely rebounding and is set to grow above 3.0% in quarter-on-quarter SAAR terms, as the contributions from net exports, government spending and inventories improve. Moreover, consumer spending has so far remained robust in the face of elevated price pressures—as shown by brisk retail sales growth in April—thanks to strong employment gains, the fading impact of the pandemic and households running down savings. That said, widespread labor shortages are constraining business activity, and PMI data suggests the manufacturing sector lost some steam at the outset of Q2.*"

The US economic growth as reflected by Focus Economics is "*Growth will slow in 2022 from 2021, on tighter financial conditions. That said, the buoyant labor market will support private consumption, investment should stay fairly healthy as firms look to boost productive capacity, and the Ukraine war will support the energy sector. Possible new Covid-19 variants, an intensification of the war and tensions with China are risks. FocusEconomics panelists see GDP growing 2.8% in 2022, which is down 0.4 percentage points from the previous month's forecast. In 2023, our panel sees the economy expanding 2.0%.*"

With respect to workforce, at the national level, the unemployment rate was at 3.6% in April, 2022 which was 2.4 percentage points lower than in April 2021 and similar to before the pandemic. It has gradually declined since it peaked at 14.7% in April 2020 as workers were let go from their jobs in response to the pandemic. The April 2020 rate was the highest unemployment rate in the series' history, with the only comparable result occurring during the Great Depression in 1933, before official data collection began, when the unemployment rate struck roughly 25%. The economy continues to rebound from COVID-19 and the major layoffs in March and April of 2020. Job seekers have had the upper hand in recent months because there are two available jobs for every unemployed person. Because there are so few unemployed people, employers are having to compete even harder to attract employees and get staffed up.

The Federal Open Market Committee (FOMC) estimates it (unemployment rate) will remain stable at 3.5 to 3.6% through 2024. Since 2005, the unemployment rate in Bannockburn, Illinois has ranged from 2.4% in May 1999 to 6.4% in May 2021.

For the 2020-2030 industry projection period, The Bureau of Labor Statistics (BLS) publishes an occupational outlook each year that goes into great detail about each industry and occupation. Overall, the BLS expects total employment to increase by 11.9 million jobs between 2020 and 2030. The increase reflects an annual growth of 0.7% which is higher than recent projections.

Employment in the leisure and hospitality sector is projected to increase the fastest, largely driven by recovery growth, while healthcare and social assistance sector is projected to add the most jobs.

On the other hand, manufacturing and retail industries will continue shedding jobs, while e-commerce continues to grow. That same shift could increase jobs in transportation and warehousing. Other declines will occur in the postal service, agriculture, and some information-related industries. The retail sector is projected to lose over 586,800 jobs over the 2020-2030 decade.

Occupations with the greatest growth potential over the 10-year period include: Healthcare Occupations 52%, Motion Pictures Entertainment 33 to 70%, Solar/Wind Turbine 52 to 68%, Restaurant Cooks 49%, Exercise Trainers 39%, and Statisticians 35%. Information obtained from the BLS forecast.

According to the Real Estate Institute, the local housing market is on fire. *"With COVID-19 inspiring people to re-evaluate what they want in a home, and often this deciding factor was access to a dedicated work from home space – not the couch or the dining room table. With so many folks now working remotely, studios and one-bedrooms in the city quickly lost their appeal. Chicago is experiencing a mass exodus of Chicagoans leaving for the suburbs – heating up the market."* The median list price per square foot in Bannockburn is \$260, which is higher than the Chicago Metro average of \$242. The median price of homes currently listed in Bannockburn is \$966,285 per the Zillow home index up from \$815,129 the same time last year.

According to the Congressional Budget Office (CBO), *"The 2020–2021 coronavirus pandemic caused severe economic disruptions last year as households, governments, and businesses adopted a variety of mandatory and voluntary measures— collectively referred to here as social distancing—to limit in-person interactions that could spread the virus. The impact was focused on particular sectors of the economy, such as travel and hospitality, and job losses were concentrated among lower-wage workers."*

Over the course of the coming year, vaccination is expected to greatly reduce the number of new cases of COVID-19, the disease caused by the coronavirus. As a result, the extent of social distancing is expected to decline. In its new economic forecast, which covers the period from 2021 to 2031, the Congressional Budget Office therefore projects that the economic expansion that began in mid-2020 will continue. Specifically, real (inflation-adjusted) gross domestic product (GDP) is projected to return to its pre-pandemic level in mid-2021 and to surpass its potential (that is, its maximum sustainable) level in early 2025. In CBO's projections, the unemployment rate gradually declines through 2026, and the number of people employed returns to its pre-pandemic level in 2024."

The Village continues to be concerned with potential additional State of Illinois attempts to reduce the amount of State funds distributed to local governments especially with the current financial condition and lost revenues related to the government shutdowns. As such, the Village has taken a conservative budget approach to its reliance on State shared revenues and a smaller projected financial impact of the COVID 19 on the Village's financial condition in this coming fiscal year. 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 uncertain economy. Moderate revenue growth in areas other than sales tax revenues combined with strict expenditure management should allow the Village to continue to deliver essential services at their current levels. In order to fund future infrastructure improvements, capital expenditures, and major programs or purchases, the Village will investigate 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 the current economic conditions.

Budget Process

This year's budget process involved an in-depth analysis of organizational processes, personnel, services and long-term asset and liability management. The first step in the process included the 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.
- Reflect salaries and wages increases of 3.0% and merit increases when appropriate.
- Include legal and regulatory requirements.
- Maintain operations at status quo (no additional additions or cuts in services or staffing levels).

The Fiscal Year 2022-2023 preliminary budget for the General Fund reflected a balanced budget. The Village Board completed an in-depth review of the General Fund, Motor Fuel Tax (MFT), Special Service Areas (SSA's), Water and Sewer funds preliminary budgets during its public hearing on March 14, 2022 with minor changes. The General Fund net income of \$21,132 reduced from \$40,489 due to the addition of the new Village Board room chairs, the GIS Update and service charges. The Water Fund net income of \$68,090 reduced from \$68,213 due to service charges. The Sewer Fund net loss of (\$27,426) reduced from (\$27,407) also due to service charges. The FY2022-23 budget was approved at the April 11, 2022 Village Board Meeting.

Strategic Planning

The Village completed a strategic planning initiative which included the establishment of a mission statement, core values, overarching goals, and departmental programs. The FY2022-23 budget was based upon the Village Board's direction as set forth in the following Mission Statement:

"The Village of Bannockburn will serve its residents, businesses and visitors through leadership, partnership, and the provision of providing community focused, quality services, programs and facilities in the most cost effective and efficient manner while preserving the Village's history and tradition and making it a better place to live and work."

The following core values, as defined by the Village Board, have guided the development of the budget as a function of the Village's vision and mission to serve our **C.I.T.I.Z.E.N.S.** through: Community, Innovation, Tradition, Integrity, Zoning & Economic Development, Efficiency & Excellence, Natural Settings, Service & Safety. A more detailed analysis of the strategic initiatives can be found in Section 3: Executive Overview. The core values and overarching goals have established the Village's strategic theme and provided the framework for the Village's 2022-23 departmental programs.

The Village's priority focus areas, as established by the Village Board, are to Preserve Village Character, Ensure Operational Excellence, Ensure Excellence in Governance, Foster an Engaged Community and Strengthen Partnerships, Promote Economic Development, and Promote the Village of Bannockburn. Within these priority areas, a number of initiatives have been identified to grow local economic activity, to prepare the current and future Village Boards for the challenges ahead and to continue the Village's longstanding tradition of sound fiscal management. A summary of Bannockburn's Strategic Plan, including objectives that are the source of many of the goals referenced in each department's budget, follow this letter. The Village has included, as part of the current FY2022-23 budget, a strategic planning and goal development workshop to be conducted by the Northern Illinois University Center for Government Studies in an effort to adopt and update the current strategic plan.

Budget Summary – All Funds

The Village's General Fund and Water Fund are projected to have a surplus, Special Service Area Funds are anticipated to have a balanced budget, the Sewer Fund is projected to have a deficit, and the Motor Fuel Tax Fund will also have a deficit as reserves will be utilized to fund the Telegraph Road resurfacing project. The Sewer Fund remains in a precarious financial position for the next few years. Any significant unanticipated repairs will deplete the working cash and reserve balances. The 2022-2023 Budget (All Funds) is projecting a net deficit of \$119,044 due to the Sewer Funds depreciation expenses exceeding revenue projections and reserve funds being utilized to pay for the Telegraph Road resurfacing project. The Village has budgeted \$5,723,354 in total revenues and other sources for all funds, \$5,842,398 in total expenditures, and enterprise fund capitalized assets and principal payments of \$221,562 which are excluded from the total expenditures when calculating the projected surplus for 2022-2023. 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 pages 64-65*).

A review of the Fund Balance Schedule (All Funds) shows that net loss is projected for Fiscal Year 2022-23 in the Sewer Fund of (\$27,426) and MFT Fund of (\$180,839). The net loss represents the use of accumulated reserves for capital improvements related to the resurfacing of Telegraph Road and complete removal and redesign of the Telegraph path, debt reduction, or infrastructure assessments. The total Telegraph Road and Path resurfacing project is budgeted at \$1,122,400 of which \$897,764 will be received from Federal Funding from the Surface Transportation Funds (STP) through the approval of Lake County Council of Mayors and the remaining \$224,636 will be funded from Motor Fuel Tax funding reserves.

General Fund:

The General Fund is projected to have a surplus of \$21,132. General Fund revenues are projected to total \$4,184,202. The budget reflects a \$234,120 increase in revenue from the prior year due to the reduction in the abatement of the tax levy, increase in sales, food & beverage and hotel tax revenue with the next stage of COVID-19 recovery and an increase in building permit and reforestation fees off-set by lower income tax due to the impact of the lower 2020 census numbers. The General Fund expenses are budgeted at \$4,163,071. The budget reflects a \$250,878 increase in expenditures which are related to the administrative police training costs related to attend in person training and conferences, building code updates, open space seed and bank improvements, Phase I engineering for Wilmot Road, tree plantings, new Village entry signage, and the return of community events offset by lower telecommunications, use tax and income tax revenues due to 33% census population decrease. The Village capital expenditures include the purchase of a new squad car and additional phase I engineering expenses related to the Wilmot Road project. The Wilmot Road project is not slated for construction until FY2027-28 and funding will come from federal grant STP funds (80%), and reserve motor fuel tax and general fund monies will be used to fund the remaining 20% of the project. The Village's net income reflects intergovernmental taxes, local taxes, fines & fees, licensing/permits, public safety revenue, and other general revenue. The Fiscal Year 2022-23 budget reflects full year sale tax revenues for all Village's businesses. The largest factor affecting the General Fund continues to be its reliance on economically-driven revenue streams to support its basic Village services.

For the 2022-2023 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 for police fines and utility billing payments. 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, payroll, accounts payable, account receivable, and cash receipting modules, which were implemented in May 2016, and a new utility billing module was implemented in July 2018, and a new building department module implemented in September 2021. The building module has been integrated with the Village's current financial software and has streamlined the permit and inspection processes. Also, integration of the new payroll and general ledger systems has streamlined the entire recording process. The Village launched a new and improved website in July, 2020 with better layouts and cleaner interfaces with a variety of new, innovative features to make navigation easier.

All other Funds:

The projected MFT fund balance reserves of \$180,839 will be used to pay the Village's 20 percent portion of the Telegraph Road and Path resurfacing project. The fund revenues are projected at \$59,161 based upon the Illinois Municipal League estimates. Expenditures are budgeted at \$240,000 to cover 20% of a \$1.12 million Telegraph Road resurfacing project. The Village is projected to receive Surface Transportation Program ("STP") program funds to cover the remaining 80% of the project. The Village received confirmation from the Illinois Department of Transportation that Telegraph Road Project funding was approved and is scheduled for the November 18, 2022 letting. The Village has a reserve balance of \$242,082 as of April 30, 2022 in the MFT Fund account. The fund balance will be utilized to pay for infrastructure improvements to Telegraph Road in FY2022-23.

The Village has two tax levying SSA's, #16 and #17, which were established to pay for sanitary sewer system construction, maintenance and debt payments. The debt payments are to repay General Fund advances for sanitary sewer system construction. Currently, the tax levied on SSA #16 and SSA #17 cover the debt payments and are zero based budgeted.

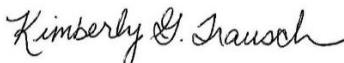
The Water Fund reflects a projected surplus of \$68,090 excluding capital improvements and debt payments. The Water Fund excess funds will be placed and used to fund future capital improvements to its water lines, reservoir, and pumps. The operating budget reflects projected revenues to total \$1,109,176. The revenue increase relates to a 5% increase in water rates to cover the water rate increase of 7% the Village will receive from the City of Highland Park offset by lower interest income projections. The Water Fund operating expenditures are anticipated to be \$1,041,086, which excludes capital improvements and principal debt payments. The amount is \$49,943 higher than the previous year and is related to the 7% increase in water rates charge by the City of Highland Park to the Village of Bannockburn. The Water Fund has budgeted \$100,000 for replacement of one water pump. The Village has three pumps and will be budgeting \$100,000 each year to replace the pumps as needed. The Village has over \$2 million in reserves to cover capital expenditure which is estimated to be far more than needed for improvements in the next ten years.

The Sewer Fund reflects a projected loss of \$27,426 excluding capital improvements and debt payments. The Sewer Fund loss is related to revenues generated by the fund not being enough to cover future capital costs as reflected in the depreciation expense amount. The operating budget reflects projected revenues that total \$349,817. Revenues are projected to increase by \$31,638 due to a 10% increase in sewer rate charges. Operating expenses are budgeted at \$377,243. This increase of \$22,230 reflects higher estimated maintenance and repair costs than FY2021-22. The costs include fixing leaks on the public sanitary sewer system for \$10,000, sanitary televising & scanning in the amount of \$6,000, and increase in depreciation expense related to major repairs. The Village has budgeted for Capital expenditures of \$85,000 for capital improvements to do wet well hatches at the Lift Station. The costs will be absorbed by current sewer user fees and reserve balances.

The cash flow generated by the current rate structure for both the Water and Sewer funds will continue to support minor system repairs. Any significant capital improvements that address large sections of main and/or replacement of lift stations will likely require another source of funding, which may be generated by IEPA loans, bonds, tax levy or grant funding; however, none are anticipated in the next ten years.

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 to Village Manager Stephanie Hannon and Police Chief Walt Trillhaase 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,



Kimberly G. Trausch
Assistant Finance Director

SECTION 2



Organization & Services

Village of Bannockburn Map

List of Principal Officers

Organizational Chart

Village Commissions, Committees, and Board

Community Profile

Community Characteristics

Budget Process and Structure

Budget Process

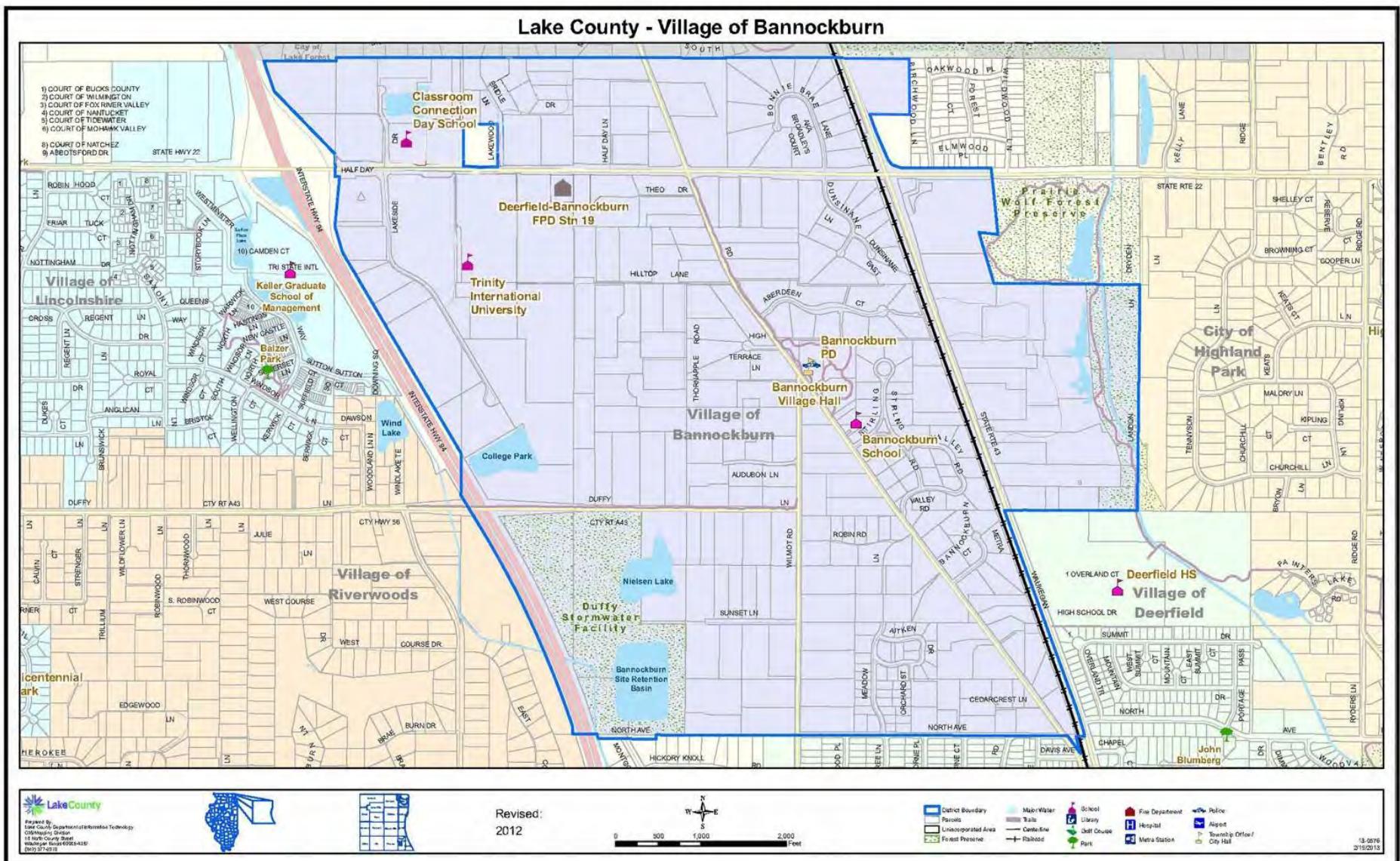
Budget Timetable

Basis for Budgeting and Fund Structure

Account Numbers



Village of Bannockburn



VILLAGE ORGANIZATION

List of Principal Officers and Officials

President

Frank “Bud” Rothing

Village Board of Trustees/Commissioners

James Boyle – Police

David Korer – Building

Louise Feeney – Water & Sewer

Mary Herrmann - Community Development

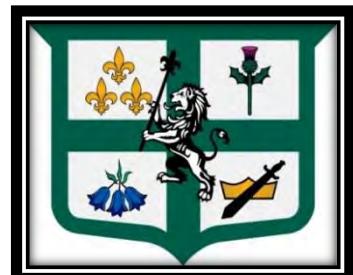
Kerry Martin – Roads & Right-of-Way Jason Turner - Finance

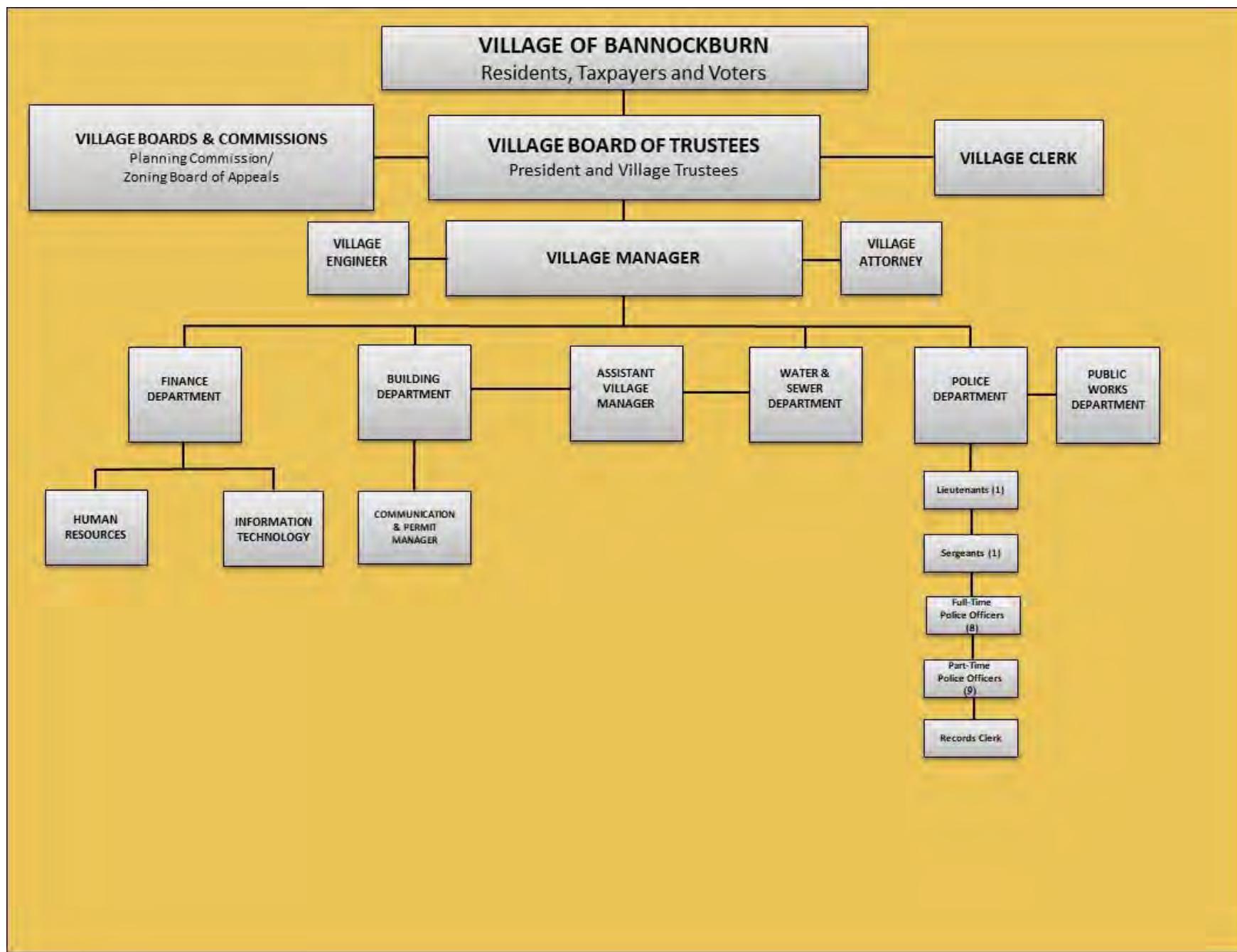
Village Clerk

Kass Sigal

Village Manager

Stephanie Hannon





Village Commissions, Committees and Boards

Village Board

The Village of Bannockburn consists as a Board of six trustees, a Village President, and a salaried full-time village manager that helps monitor and guide the administration and services for the Village of Bannockburn. The six trustees are residents of Bannockburn and are elected to staggered four-year terms. Each trustee is given the responsibility for a department of government activities. The Village's President and clerk are elected to two-year terms. Other Village Commissions, Committees and Boards are approved by the Village's Corporate Authorities. Appointments are made by the Village President, with the concurrence of the Board of Trustees. Village Board meetings are held the second Monday of each month.

Architectural Review Commission (ARC)

The Architectural Review Commission consists of five members. Members of the Architectural Review Commission serve for a term of two years and until their respective successors have been appointed and qualified for office. Members may be reappointed and serve without compensation. The Village President designates appointees as Chairperson. The Building Commissioner designates a Staff Secretary of the Architectural Review Commission, who attends all meetings, keeps minutes, shows the vote of each member, and maintains permanent records of all Architectural Review Commission meetings, hearings and proceedings and all correspondence of the Architectural Review Commission.

Architectural Review Commission has the jurisdiction and authority to hear, review, and decide applications for architectural review approval related to architectural design and materials of proposed buildings and structures that requires a Level II review and such other matters as directed by the Board of Trustees. The Architectural Review Commission meets the third Tuesday of the month unless otherwise approved.

Plan Commission and Zoning Board of Appeals (PCZBA)

From its beginning, in 1929, the Village of Bannockburn has acted to assure sound planning, zoning, and land development within the community. Within months after its incorporation, Bannockburn's Village Board created a zoning commission to develop zoning regulations for the Village, and such regulations were adopted in 1930. The first amendment to the zoning code was in 1946, at which time the Village prohibited construction on any lot that did not meet the minimum lot size of 160,000 or 80,000 square feet (requirements for the "A" and "B" zoning districts, respectively), unless such lot had been previously recorded. Today, the Village relies on its PCZBA to administer the Village's zoning and planning regulations. The Village President and Board of Trustees have appointed members of the Plan Commission to serve concurrently on the ZBA, which were combined on September 12, 2005.

The PCZBA consists of seven members, each appointed by the Village President, with the advice and consent of the Board of Trustees. Members are Village residents and serve for five year terms or until their respective successors have been appointed and qualified for office. Members may be reappointed and serve without compensation. The Village President designates appointees as Chairperson. The Building Commissioner designates a Staff Secretary of the PCZBA, who attends all meeting, keeps minutes, shows the vote of each member, and maintains permanent records of all PCZBA meetings, hearings and proceedings and all correspondence of the commission.

The PCZBA meets on the first Monday of every month unless otherwise approved. The PCZBA will review and make recommendations to the Village Board regarding zoning changes, variations and subdivisions of land.

Community Profile

The Village of Bannockburn is one of the most beautiful and safest communities within the greater Chicago metropolitan area by combining the best features of country and urban living. It is a hidden gem conveniently located only 26 miles from downtown Chicago and nestled next to the well-known North Shore communities of Lake Forest and Highland Park. According to the 2010 census, Bannockburn has a total area of 2.043 square miles (5.29 km²), of which 2.02 square miles (or 98.87%) is land and 0.023 square miles (or 1.13%) is water.

The Village is a refreshing community of “country estates,” natural landscapes and open spaces. Bannockburn has just over 250 homes, most of which sit on generous multi-acre lots, many of which are suitable for stabling horses. The Village has been able to maintain its special identity and character only through a tenacious adherence to sound land-planning principles throughout the many years that have passed since its founder, William Aitken, formulated a master plan for the community. Aitken, an architect/builder and a native of Bannockburn, Scotland, set out nearly a century ago to create a village of “country estates.” While other communities have undergone major changes in character, Bannockburn has maintained much of the unique character envisioned by its founder.

Although the ex-urban or “estate” character of the Village has been preserved, current residents enjoy top-ranked public schools, easy access to highways and rail transportation, the cultural benefits of a hometown university, and upscale shopping and dining in Bannockburn’s commercial areas. These areas are clustered away from the Village’s homes, maintaining the peaceful, quiet nature of this community that residents cherish—one in which children can walk to school and neighbors gladly pick up their neighbor’s mail while they are on vacation. At the same time, its large home sites afford the privacy and “elbow room” that is so hard to find in such a convenient close-in location. Just minutes away are larger shopping districts and highly rated eateries in Deerfield, Northbrook, Riverwoods, Lincolnshire, and Highwood, as well as Lake Forest and Highland Park.

The result of the Village’s vigorous commitment to maintaining its “country estate” character has been a community that benefits not only its own residents but also the residents of the entire region, as Bannockburn, along with a handful of other communities, supplies a rural atmosphere of natural landscapes and open space that provides a much needed contrast to the surrounding metropolitan area. The people of Bannockburn wish to maintain throughout the twenty-first century the character of their Village that their predecessors have actively preserved since the days of William Aitken.

There are two educational institutions in the Village of Bannockburn – Bannockburn School and Trinity International University. Deerfield High School is conveniently located adjacent to the Village (the school is situated on land previously in the Village’s jurisdiction). These schools prepare Bannockburn children for a successful, bright future. The Village’s elementary and middle school, the Bannockburn School, is a very special top-rated kindergarten through 8th grade school where the student-to-teacher ratio is 9.6:1. 100% of the Bannockburn School teachers have a minimum of a master's degree, some of whom have National Board Certification. The District serves approximately 150 students. Bannockburn School has been recognized as having top state-wide academic test scores. Bannockburn School on September 26, 2019 became one of 25 schools in Illinois and 362 nationwide named National Blue Ribbon Schools by the United States Department of Education, it has also received the Academic Excellence Award from the Illinois State Board of Education, the School Search Bright A+ Award and the School Search Bright Apple Award.

Bannockburn is a financially stable community. The Village's financial strength is due partly by (i) the Village controlling its costs by contracting out for a majority of its services, (ii) the Village minimizing the need for full time staff personnel, (iii) some services being provided through intergovernmental cooperation, and (iv) invaluable services being provided by public stewards (Bannockburn residents). The Village services for fire protection is provided by the Deerfield-Bannockburn Fire Protection District, library services by Trinity International University through free Courtesy Patron library cards to Bannockburn residents to check out books, DVD's, CD Music and Video Movies, public works by outside contractors for road, open space, and other maintenance type work, police dispatch service through the Village of Deerfield, building inspection and planning review services through the City of Lake Forest Community Development Department, and water billing services through the Village of Lincolnshire.

A View of the Past...

The first settlers to the area where Bannockburn stands today arrived in 1835 from County Meath, Ireland. Michael Meehan built a log cabin near what is now the northwest corner of Hilltop Lane and Telegraph Road and gradually acquired a total of 283 acres. William Aitken is credited with bringing modern real estate development to the Village. He was born in Scotland and used the name of Scottish villages and cities to name "Bannockburn", subdivisions, and streets. He created a master plan covering 110 acres where he intended to build "country estates" for people who wanted that genteel style of living. The first Aitken homes were built in 1924 and by 1929, when application was made to incorporate the area, there were 30 families in the community – on Meadow Lane, Robin Road, Aitken Drive, Telegraph Road, Stirling Road, and Valley Road and in the Wilmot Road/Sunset Lane area. The Village of Bannockburn has gradually expanded its boundaries to its current 1,318 acres. The Tri-State Tollway was built through the Village in the 1950s, encouraging growth. In the late 1960s, Bannockburn's citizens approved the construction of the first of several business parks along the Village's northern edge. It created its first commercial zone in 1984 along Illinois Route 22. Bannockburn's municipal services expanded slowly in an effort to limit taxes. In the 1970's, the Village established a police department and built a Village Hall in 1992.

Early residents were very active in developing and shaping the community that they loved, serving as trustees on the Village Board, organizing the Bannockburn School, creating zoning ordinances that formed the basis of our current zoning codes, and organizing a garden club and numerous charitable activities.

A Vision of the Future...

Today, Bannockburn remains an "environmentally sensitive community" of country estates and residences with an overriding goal of preserving its unique community character and to maintain health and safety while preserving the useful life of the pavement, providing availability of potable water, continuing the collection and treatment of sewage, maintaining its existing land use patterns of low intensity development on large lots, as well as its existing policies of encouraging tree preservation and reforestation, and expanding the bike and pedestrian pathway and trail system throughout the Village. 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 2014, a new Comprehensive Plan was implemented to guide future Village efforts to continue its tradition of sound and appropriate planning, zoning, and development for decades to come. In addition, this 2014 Comprehensive Plan re-emphasizes the Village's traditional planning goals to ensure that they are understood. The Village has budgeted a strategic planning and goal development workshop conducted by Northern Illinois University Center for Government Studies which will include updating the Village of Bannockburn Comprehensive and Strategic Plan. The Village continues to seek grants for infrastructure

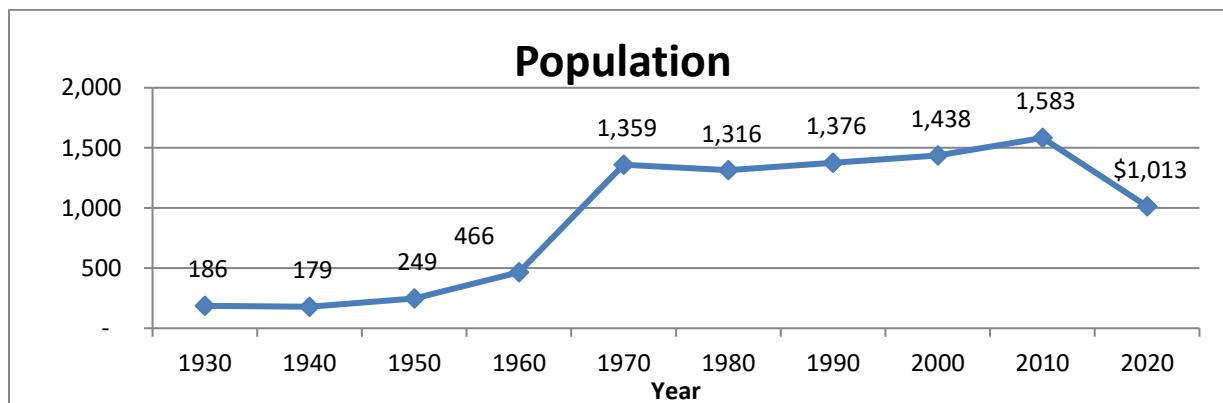
improvements to the roads and expanding bikeways and greenways. The community and its leaders are focused on preserving the Village's rich heritage, while implementing plans that will attract visitors to explore Bannockburn's opportunities and improve the quality of life for the residents.

COMMUNITY CHARACTERISTICS

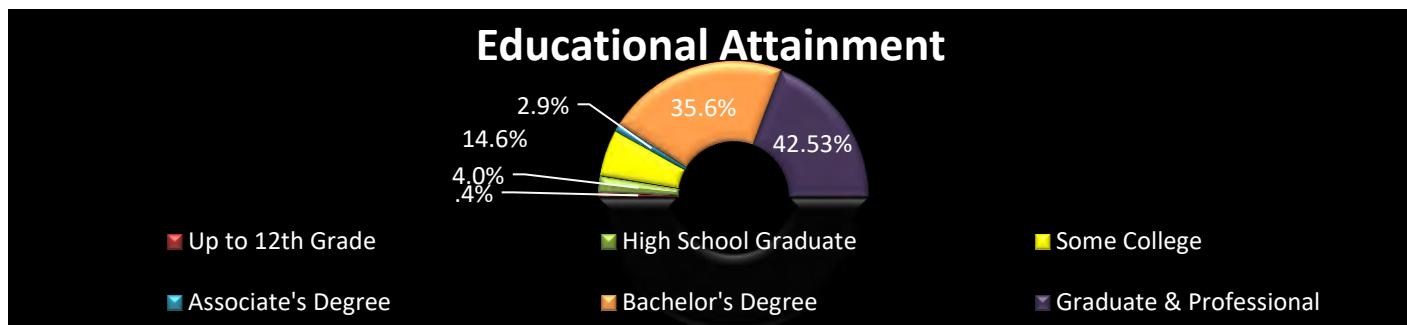
The following statistical data and graphs provide a demographic profile of the Village of Bannockburn. Notable changes from the 2000 to the 2010 and to the 2020 Census are highlighted below. Unless otherwise noted, the source of data is the 2000, 2010, 2020 United States Census, and American Fact Finder US Census Bureau.

Population

- In 2000, Bannockburn's population was 1,429. As of the 2010 United States Census, the population grew to 1,583 residents, which represents a 10.78% increase. In 2020, the population dropped to 1,013 residents due to the pandemic, and students attending classes remotely at Trinity International University which represents a 36% decrease from 2010.



- Those individuals with at least a high school degree represented 99.6%, bachelor's degree or higher 78%, graduate or professional degree 42.5% of the population.



Housing Information

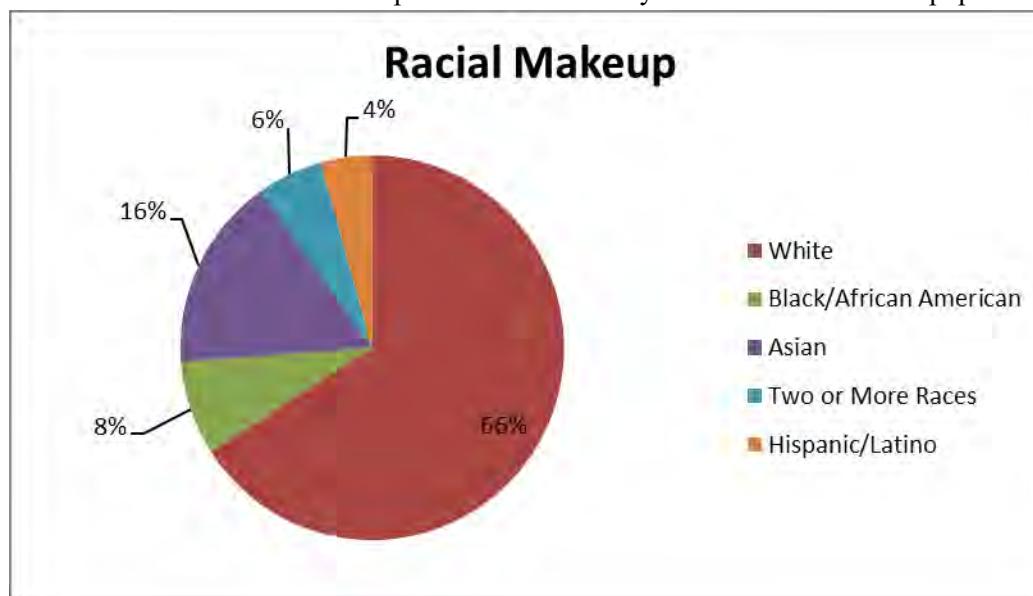
- In 2000, there were a total of 259 total housing units. According to the 2016-20 American Community Survey 5-Year Estimates, there are 249 housing units estimated in 2020 which reflects a 10 household decrease from 2000 levels.
- In 2020, the median housing value was listed at \$983,700.
- In 2020, the median household income was \$115,833.

Age Distribution

- The median age in the Village in 2020 was 24.6, 2010 was 23.9 years and in 2000, the median age was 21.7.
- In the 249 households that were reported in 2020, 12% had children under the age of 18 living with them, 17% of householders were aged 65 or over and 71% were aged 18 to 64 years old. The average household size was 2.6 and the average family size was 2.9.

Racial Composition

- The racial makeup of the Village in 2020 was 65.84% White, 8.09% Black or African American, .30% American Indian or Alaska Native, 16.58% Asian, 0.59% Some Other Race and 4.15% Two or More Races. Hispanic or Latino of any race was 4.44% of the population.



VILLAGE GOVERNMENT

Home Rule Authority

The Village of Bannockburn is a Home Rule Unit by virtue of the provisions of the Constitution of the State of Illinois of 1970 by referendum in April 2006. The 1970 Illinois Constitution provides a very broad definition of home rule powers: "Except as limited by this Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; to license; to tax; and to incur debt." (Art. VII; Sec.6a).

Home rule status has given communities greater authority and latitude to make their own decisions versus non-home rule municipalities. Home rule shifts much of the responsibility for local government from the state legislature to the local community. The home rule authority provides communities flexibility to enact taxes, to issue bonds without referendum, regulate local activities, alter their government structure, and seek innovative solutions to local problems.

The legislature has been supportive of home rule powers; however, the General Assembly has limited certain powers. Communities may not tax income, earnings, and/or occupations, or license for revenue unless authorized to do so by the General Assembly; define or punish for felonies; or incur debt payable from property taxes that matures more than 40 years from the date of issuance. Furthermore, the General Assembly may restrict or pre-empt home rule powers by three-fifths majority vote of the legislature.

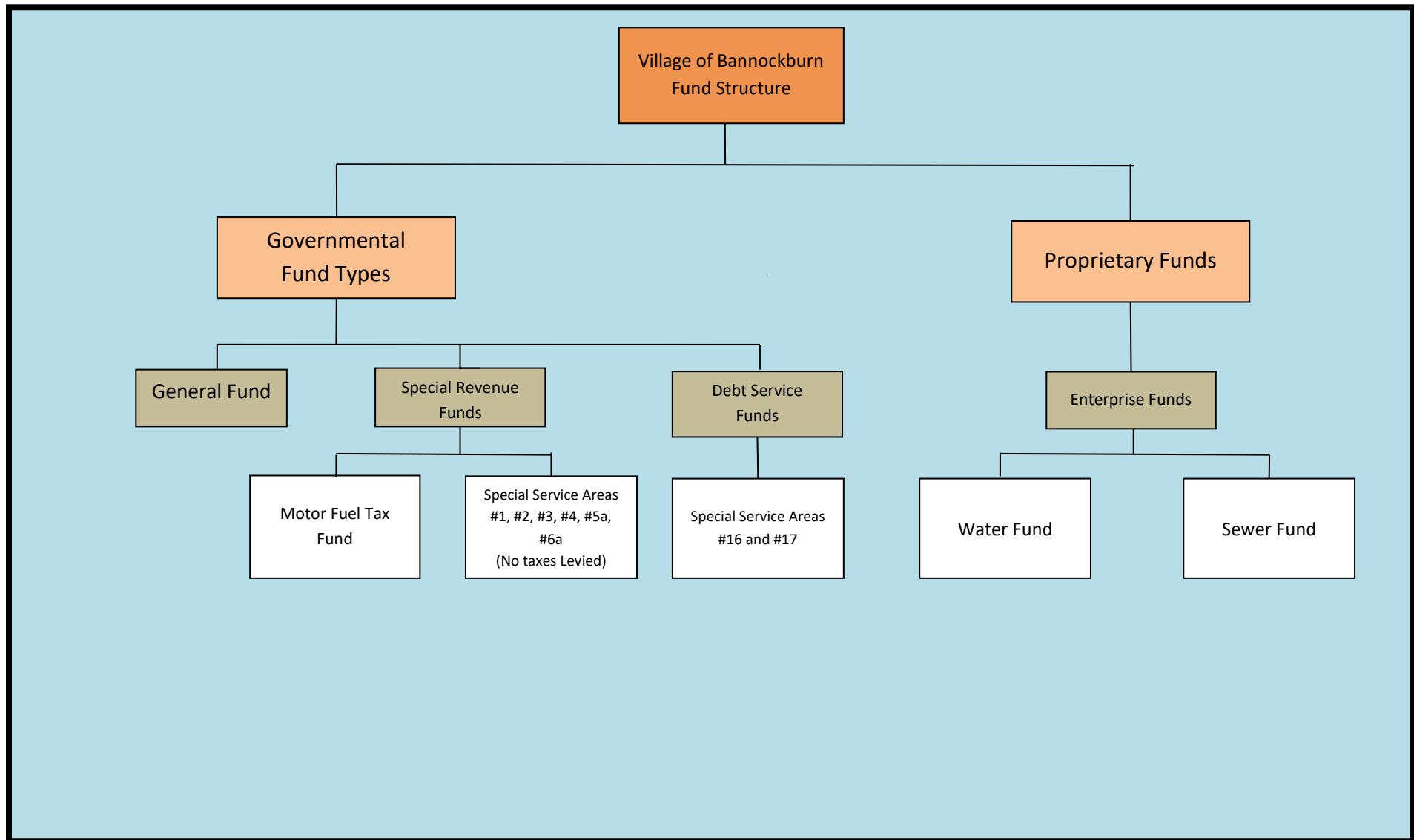
Equalized Assessed Value

The equalized assessed value, or EAV, is the result of applying the state equalization factor to the assessed value of a parcel of property. Tax bills are calculated by multiplying the EAV (after any deductions for homesteads) by the tax rate.

Below are the Lake County total EAV of property by year within the Village.



Village of Bannockburn
Fund Structure
April 30, 2023



Department Fund Relationship Structure

Fund Type	Fund	Department	Department Summary Page	Total Expenditures
General	General	Total		\$4,163,071
		Administration	73-79	1,052,057
		Police	80-84	1,833,522
		Building & Development	85-87	348,000
		Public Works	88-90	487,820
		Community Development	91	32,075
		Insurance	92	56,200
		Debt Service	92	200,225
		Capital Expenses	93	153,172
Special Revenue				
	Motor Fuel Tax	Streets/Public Works	95-96	\$240,000
Debt Service				\$20,999
	SSA #16	Debt Service	101-102	2,530
	SSA #17	Debt Service	103104	18,469
Enterprise Funds (1)		Total		\$1,724,891
	Water	Public Works	109-112	1,258,746
	Sewer	Public Works		466,144
			Total Funds	\$6,148,960

(1) Includes principal payments and capital expenditures

Budget Process and Structure

Budget Process

The Village of Bannockburn'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 Bannockburn involves the citizens, Village President, Village Board, Village Manager, Assistant Village Manager, Assistant Finance Director, Police Chief, Village Engineer 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 Assistant Finance Director presents the annual budget to the President 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 Assistant Finance Director and Village Manager. The Assistant Finance Director provides each department with budget worksheets, preliminary budget estimates and specific directives for developing their budgets.

The responsible department manager reviews their programs and services, initial budget requests and submits them to the Assistant Finance Director. The Assistant Finance Director then consolidates all requests to analyze the budget as a whole. After an initial analysis, meetings are set up by the Police Chief, Assistant Finance Director, Village Manager, Assistant Village Manager and Village Engineer. 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 Village Manager 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 hearing, 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 Manager and Assistant 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 Manager will direct staff to reduce expenditures. Budget transfers within a fund may be authorized by the Assistant 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

February 7, 2022	FY2022-23 Discuss and determine Strategic Goals
February 7, 2022	Discuss Board Ranking and Prioritization of Capital and Other Budget Items
February 9, 2022	Completed budget worksheets due to Finance
February 10 - 17, 2022	Finance prepares report of preliminary budget for Staff and Board Review
February 18 - 25, 2022	Meetings with staff/consultants to review each department's proposed budget. Finance prepares budget narrative, tables, and schedules
February 24, 2022	Public Hearing Notice appears in Publications Fiscal Year 2022-23 Proposed Budget available to public
March 7, 2022	FY2022-23 Preliminary budget provided to Village Board
March 14, 2022	6:50 pm Public Hearing Fiscal Year 2022-23 Proposed Budget
	Regular Village Board Meeting Fiscal Year 2022-23 Proposed Budget (1 st Presentation)
April 11, 2022	7:00 pm Regular Village Board Meeting Adopt Fiscal Year 2022-23 Budget (Final Presentation)
April 30, 2022	Deadline for adopting Fiscal Year 2022-23 Budget
May 10, 2022	Filing Deadline with Lake County Clerk Certified copy of Fiscal Year 2022-23 Budget and estimate of revenues
July 8, 2022	Submission due to GFOA for Distinguished Budget Presentation Award
July 12, 2022	Adopted Fiscal Year 2022-23 Budget bound and distributed to Council/Staff

Basis for Budgeting and Fund Structure

Basis for Budgeting

The Village of Bannockburn 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. Funds are budgeted on the same basis of accounting as the audited financial statements.

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 Fund includes the Motor Fuel Tax 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 Debt Funds include: Special Service Area #16 and Special Service Area #17.

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 Fund and Sewer 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.

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 escrows for reimbursement of professional services related to permits or escrows established for road bonds. 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 all expenses are reimbursed, 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 Bannockburn 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

101	GENERAL FUND
205	MOTOR FUEL FUND
221	SPECIAL SERVICE AREA #1
222	SPECIAL SERVICE AREA #2
236	SPECIAL SERVICE AREA #16
237	SPECIAL SERVICE AREA #17
510	WATER FUND
550	SEWER 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
135	DONATIONS
140	PUBLIC SAFETY FINES & FEES
145	PUBLIC SAFETY SPECIAL REVENUE
155	REIMBURSABLE INCOME
160	INTEREST INCOME
165	COMMUNITY DEVELOPMENT REVENUE
170	OTHER REVENUES
195	SERVICE CHARGES
200	OTHER FINANCING SOURCES
300	EXPENSES
310	ADMINISTRATION
320	POLICE
330	BUILDING & DEVELOPMENT
340	PUBLIC WORKS
350	COMMUNITY DEVELOPMENT
360	INSURANCE
400	DEBT SERVICE
500	CAPITAL OUTLAY GENERAL
510	BUILDING
520	POLICE VEHICLES
540	INFRASTRUCTURE
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
5800-5899	GRANT EXPENSES
5900-5999	OTHER EXPENDITURES
6000-6099	DEBT SERVICE
7000-7099	CAPITAL OUTLAY
8000-8099	OTHER FINANCING USES

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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 Bannockburn 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 2021 to 2023.

Revenues by Category

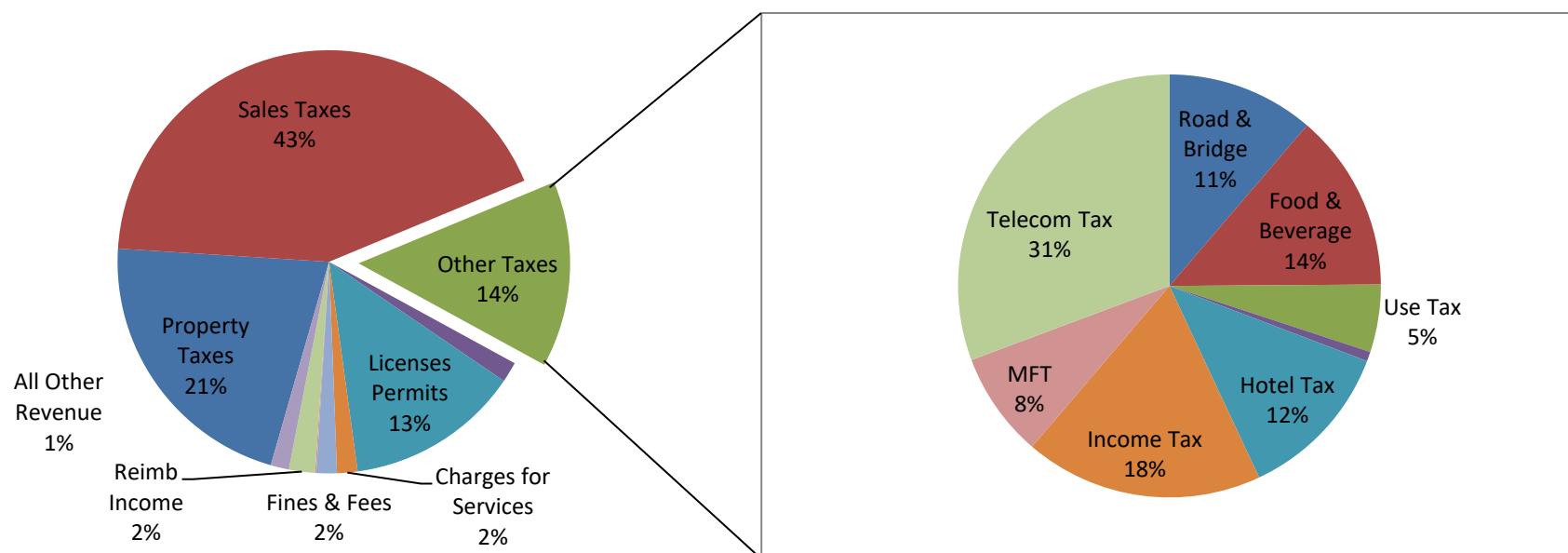
The total revenues budget for Fiscal Year 2022-2023 is \$5,723,354.

<u>Account Category</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>
	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
Property Taxes	\$ 712,172	\$ 887,397	\$ 922,700
Other Local Taxes	436,831	465,333	458,941
Intergovernmental Taxes	2,076,093	2,031,091	1,983,519
Grant Revenue	69,701	45,276	65,450
License & Fees	46,478	76,315	35,765
Franchise Fees	21,323	24,400	22,650
Building & Zoning Fees	613,101	162,500	521,500
Public Safety Revenues	71,311	69,885	69,125
Donations	6,325	5,000	2,500
Interfund Service Charges	53,058	75,596	65,494
Reimbursable Income	178,935	75,459	83,550
Other Revenues	59,741	146,330	33,169
Water Revenues	1,012,567	1,078,636	1,109,176
Sewer Revenues	287,919	318,179	349,817
Grand Total - All Fund Revenue	\$ 5,645,555	\$ 5,461,397	\$ 5,723,354

Summary of Revenues by Source – All Funds

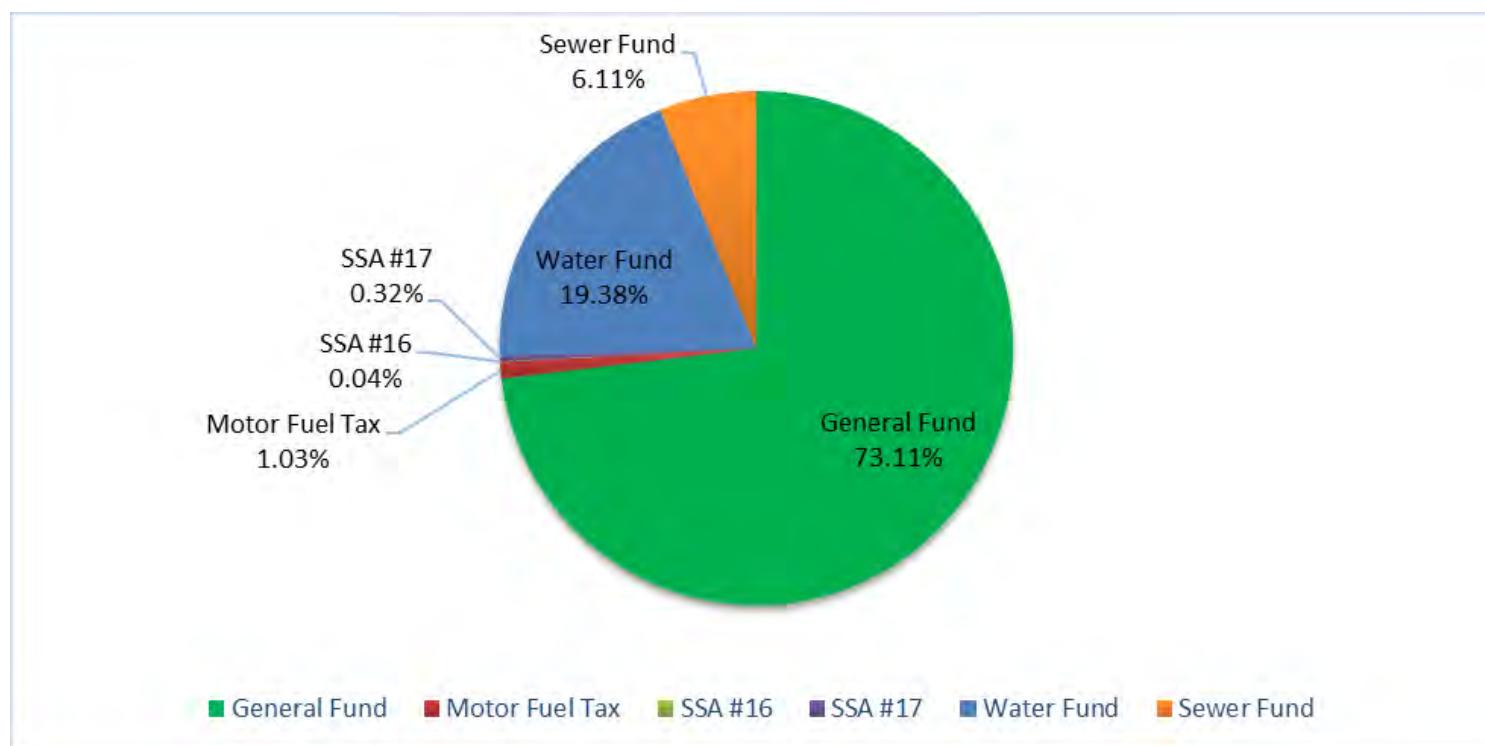
The chart below summarizes total revenues by source including transfers budgeted for FY2022-23. The other taxes classification incorporates state shared taxes including: income and motor fuel taxes, and local taxes including: use tax, PPRT, cannabis, telecom tax, food and beverage tax and hotel tax. Charges for services includes: service charges and water & sewer billing. Other category includes: franchise fees, donations, sale of assets, and interest revenue.

<u>Description</u>	<u>General Fund</u>	<u>MFT Fund</u>	<u>SSA #16 Fund</u>	<u>SSA #17 Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>All Funds</u>
Property Taxes	\$901,702		\$2,529	\$18,469			\$922,700
Sales Taxes	1,788,400						1,788,400
Other Taxes	594,936	59,123					654,059
Grant Revenue	65,450						65,450
Licenses/Permits	557,265						557,265
Charges for Services	65,494				1,101,756	348,017	1,515,266
Fines & Fees	65,025				5,000	1,800	71,825
Police Safety Rev	4,100						4,100
Reimbursable Income	83,550						83,550
All Other Revenue	58,281	38			2,420	-	60,739
Total Revenue	\$4,184,202	\$59,161	\$2,529	\$18,469	\$1,109,176	\$349,817	\$5,723,354



Summary of Revenue by Fund

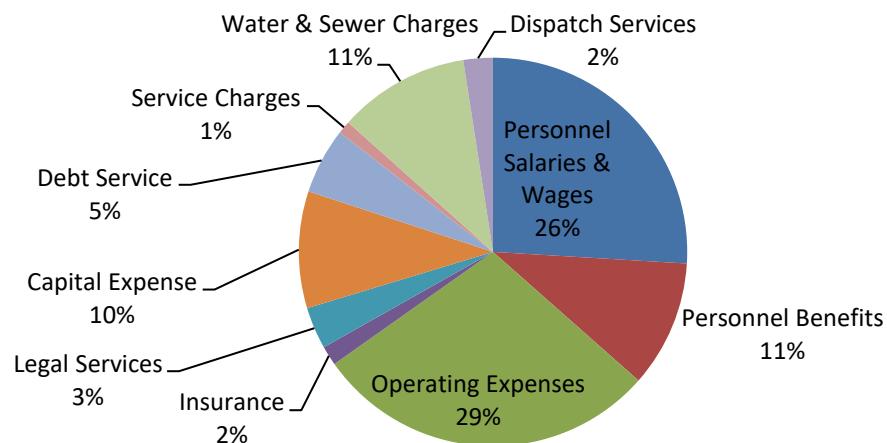
	Actuals 2020-2021	Actuals 3-31-22 YTD	Budget 2021-2022	Budget 2022-2023	Increase/ (Decrease)
General Fund	\$4,180,447	\$2,940,415	\$3,950,083	\$4,184,202	\$234,120
Motor Fuel Tax	108,973	66,256	90,394	59,161	(31,233)
SSA #16	37,179	5,637	5,637	2,529	(3,107)
SSA #17	18,471	18,471	18,469	18,469	-
Water Fund	1,012,567	806,060	1,078,636	1,109,176	30,540
Sewer Fund	287,919	245,843	318,179	349,817	31,638
Total Funds	\$5,645,555	\$4,082,682	\$5,461,397	\$5,723,354	\$261,957



Summary of Expenditures by Category – All Funds

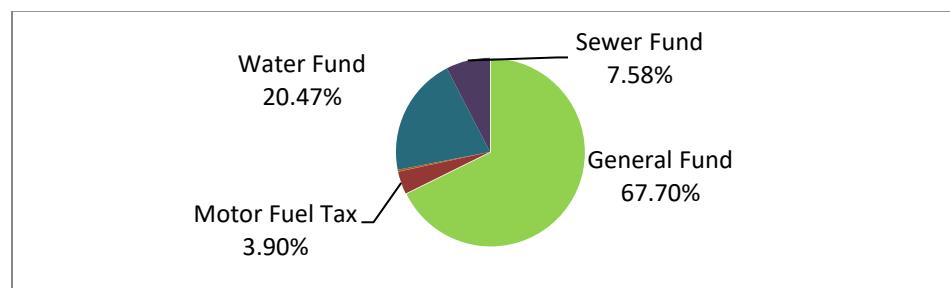
The development of projected expenses relies upon the forecasting of categorical expenditure in the areas of personnel salaries and benefits, operating expenses, insurance and liability expenses, legal expenses, capital equipment and improvement expense, debt service and interfund transfers. As a service provider, a significant portion of the Village's budget (36.52 percent) is allocated to personnel salaries and benefits. Thus, a great deal of effort is expended in managing 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 2021 to 2023 (proposed).

	Actuals 2020-2021	Actuals 3-31-22 YTD	Budget 2021-2022	Budget 2022-2023	Increase/ (Decrease)
Personnel Salaries & Wages	\$1,437,133	\$1,263,519	\$1,533,496	\$1,595,810	\$62,314
Personnel Benefits	514,025	451,574	610,373	649,644	39,270
Operating Expenses	1,436,971	790,480	1,688,757	1,764,049	142,892
Insurance	78,075	97,566	91,793	99,972	8,179
Legal Services	229,943	100,322	173,500	214,500	41,000
Capital Expense	67,740	74,213	442,300	598,172	155,872
Debt Service	225,841	316,352	340,489	338,412	(2,077)
Service Charges	53,058	-	75,596	65,494	(10,102)
Water & Sewer Charges	575,936	394,440	635,639	671,908	36,269
Dispatch Services	137,892	96,872	151,000	151,000	-
Total Expenses	\$4,756,614	\$3,585,338	\$5,742,943	\$6,148,960	\$473,617



Summary of Expenditures – All Funds

	Actuals 2020-2021	Actuals 3-31-22 YTD	Budget 2021-2022	Budget 2022-2023	Increase/ (Decrease)
General Fund	\$3,559,070	\$2,893,725	\$3,912,192	\$4,163,071	\$250,878
Motor Fuel Tax	44,923	-	240,020	240,000	(20)
SSA #16	2,141	-	5,637	2,530	(3,107)
SSA #17	8,185	-	18,469	18,469	-
Water Fund	838,705	523,853	1,207,710	1,258,746	51,036
Sewer Fund	303,591	167,759	358,914	466,144	107,230
Total Funds	\$4,756,614	\$3,585,338	\$5,742,943	\$6,148,960	\$406,017

**Summary of Expenditures by Fund and Category**

The chart below provides expenditure summary for all 6 Village funds and further divides those fund totals into expenditures by category. The total budget for all Village Expenditures in FY2022-23 is \$6,148,960. Total expenditures are 7.07 percent higher than the FY2021-22 budget and 29.27 percent higher than actual amounts spent in FY2020-21 (excluding bond refinancing payment). The General Fund expenditures comprise 67.70 percent of all Village expenditures. The General Fund is the main operating fund of the Village and accounts for critical core services such as police, building & development, and public works.

	Salaries & Benefits	Operating Expenses	Legal Services	Capital Expense	Debt Service	Service Charges	Insurance	External Charges for Services	Total
General Fund	\$2,252,204	\$1,140,270	\$210,000	\$153,172	\$200,225		\$56,200	\$151,000	\$4,163,071
Motor Fuel Tax	-			240,000					240,000
SSA #16	-				2,530				2,530
SSA #17	-				18,469				18,469
Water Fund	472,299	2,000	120,000	113,286	56,920	34,141	460,100	460,100	1,258,746
Sewer Fund	144,730	2,500	85,000	3,902	8,573	9,631	211,808	211,808	466,144
Total Funds	\$2,252,204	\$1,757,299	\$214,500	\$598,172	\$338,412	\$65,494	\$99,972	\$822,908	\$6,148,960

Summary of Revenues and Expenditures by Fund and Category

<u>Description</u>	<u>General Fund</u>	<u>MFT Fund</u>	<u>SSA #16 Fund</u>	<u>SSA #17 Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>All Funds</u>
Property Taxes	\$901,702		\$2,529	\$18,469			\$922,700
Sales Taxes	1,788,400						1,788,400
Other Taxes	594,936	59,123					654,059
Grant Revenue	65,450						65,450
Licenses/Permits	557,265						557,265
Charges for Services	65,494			1,101,756	348,017		1,515,266
Fines & Fees	65,025			5,000	1,800		71,825
Police Safety Rev	4,100						4,100
Reimbursable Income	83,550						83,550
All Other Revenue	58,281	38		2,420	-		60,739
Total Revenue	\$4,184,202	\$59,161	\$2,529	\$18,469	\$1,109,176	\$349,817	\$5,723,354
 Personnel Salaries & Benefits	 \$2,252,204	 \$-	 \$-	 \$-	 \$-	 \$-	 \$2,252,204
Operating Expenses	1,140,270	-	-	-	472,299	144,730	1,757,299
Insurance	56,200	-	-	-	34,141	9,631	99,972
Legal Services	210,000	-	-	-	2,000	2,500	214,500
Capital Expense	153,172	240,000	-	-	120,000	85,000	598,172
Debt Service	200,225	-	2,530	18,469	113,286	3,902	338,412
Service Charges	-	-	-	-	56,920	8,573	65,494
External Charge for Services	151,000	-	-	-	460,100	211,808	822,908
Total Expenses	\$4,163,071	\$240,000	\$2,530	\$18,469	\$1,258,746	\$466,144	\$6,148,960
 Less: Capital Asset & Debt Principal Payments Enterprise Funds	 -	 -	 -	 -	 (217,660)	 (88,902)	 (306,562)
 Net Incr(Dec) Fund Balance	 \$21,132	 \$(180,839)	 \$0.00	 \$0.00	 \$68,090	 \$(27,426)	 \$(119,044)

Personnel and Benefits

The Village of Bannockburn relies upon a lean and efficient professional staff to accomplish the mission, vision and strategic goals of the Village's operations. 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 30, 2020 to April 30, 2023.

Department	Actual Year-End FY2019-2020		Actual Year-End FY2020-2021		Actual Year-End FY2021-2022		Budgeted FY2022-2023	
	<u>FT</u>	<u>PT</u>	<u>FT</u>	<u>PT</u>	<u>FT</u>	<u>PT</u>	<u>FT</u>	<u>PT</u>
Administration	4	0	4	0	4	0	4	0
Police	7	12	8	11	8	12	8	12
Total	11	12	12	11	12	12	12	12
Full and Part-Time Grand Total	23 (1)		23 (1)		24 (2)		24 (3)	

Note:

- (1) An increase in one full-time police officer from FY2019-20 to FY2020-21 was related to increasing the number of officers on the midnight-shift from one to two officers. The police officer on the midnight shift retired with the Village's canine officer leaving a void in the mid-night shift. Also, part-time officers were moved from part-time to full-time to replace officers that retired and the part-time officer position was not replaced resulting in a reduction in one part-time officer.
- (2) One additional part-time police personnel was added to provide coverage for personal, holiday, sick and vacation time off relief for full-time officers.
- (3) No change is anticipated in staffing levels from FY2021-22 to FY2022-23.

Strategic Planning

The Village strives to continually develop its strategic planning process and align its financial plan with its core values.

Mission Statement

- The Village of Bannockburn will serve its residents, businesses and visitors through leadership, partnership, and the provision of providing community focused, quality services, programs and facilities in the most cost effective and efficient manner while preserving the Village's history and tradition and making it a better place to live and work.

Core Values

The core values of the Village of Bannockburn 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.

- **Community** – We foster an engaged community and strong partnerships through communication and participation amongst all constituencies.
- **Innovation** – We develop creative solutions and share leading practices that enhance the value of services provided to our residents.
- **Tradition** – We value our history and wish to preserve our character.
- **Integrity** – We conduct ourselves at all times in a manner that is ethical, legal, accountable and professional with the highest degree of honesty, transparency, respect and fairness.
- **Zoning & Economic Development** – We encourage diverse employment opportunities through networking and collaboration and ensure that development is consistent with community character.
- **Efficiency and Excellence** – We recognize the strength in team work to harness our energy, creativity and resources when designing and implementing programs and services.
- **Natural Settings** – We value our natural open space through our commitment to responsible stewardship of the environment.
- **Service and Safety** – We use education, prevention, and enforcement methods to protect life and property in the community, and maintain our infrastructure and facilities to provide a safe environment in which to live, learn, work, shop, and play.

C.I.T.I.Z.E.N.S

Overarching Goals



1. Preserve Village Character; Adapt and Encourage Progress

Strategic Actions:

- Define and articulate character
- Research trends and embrace future possibilities
- Develop strategies and tactics

2. Ensure Operational Excellence

Strategic Actions:

- Strategically plan and effectively execute quality services
- Recognize legislative and financial responsibilities
- Encourage responsive and proactive staff and services
- Enhance collaboration between school systems and Boards
- Ensure transparency
- Ensure public safety

3. Ensure Excellence in Governance

Strategic Actions:

- Incorporate overarching vision into policy decision making
- Conduct big picture planning
- Recognize and review legislative and financial responsibilities
- Review and continue to improve existing organizational structures, protocols and processes
- Review and identify roles and responsibilities of Commissioners
- Facilitate collaborative work among Commissioners and staff to create policy decisions and make recommendations to the Board
- Formalize training for Board members
- Monitor performance and results
- Ensure transparency

4. *Foster an Engaged Community and Strengthen Partnerships*

Strategic Actions:

- Increase communication and participation among all constituencies
- Residents
- Businesses
- Educational institutions
- Other partners and agencies

5. *Promote Economic Development*

Strategic Actions:

- Ensure that development is consistent with community character as described in the Comprehensive Plan
- Encourage networking and collaboration

6. *Promote the Village of Bannockburn*

Strategic Actions:

- Ensure “value added perception” for businesses and residents within the Village
- Continue to strengthen the Village brand

Performance Measurement

The use of performance measures in local government is driven by increased government accountability, greater interest in performance related information to assist in program evaluation and resource allocation decision, and the effort to make government more results-oriented.

Performance measurement allows policymakers, managers, and citizens to evaluate the quality and effectiveness of government services. Performance measures include inputs (resources used), outputs (program activities), efficiency measures (ratio of inputs to outputs), and outcomes (the actual results of programs and services). Measurers are a tool to help understand, manage and improve.

Good performance measures, as detailed in GASB, Performance Reporting for Government, are:

- Specific measures are well-defined and focused. A specific goal has a much greater chance of being accomplished than a general goal. To set a specific goal, one must answer the six “W” questions: Who, what, where, when, which, and why.
- Relevant measures matter to the intended audience and clearly relate to the activity being measured. Logic models are a way of establishing relevant measures.
- Understandable measures are clear, concise, and easy for a non-specialist to comprehend. This applies to terms used in titles and descriptions, and technical aspects of the measure such as the scale used in charts or selection of performance targets.
- Timely measures have information available frequently enough to have value in making decisions and assessing accountability.
- Comparable measures have enough data to tell if performance is getting better, getting worse or staying about the same. They also provide the reader with a frame of reference or context to tell if current performance meets or exceeds expectations.
- Reliable measures have data that is verifiable, free from bias, and an accurate representation of what it is intended to be.
- Cost effective measures justify the time and effort to collect, record, display, and analyze the data given the measure’s value. Another aspect of cost-effectiveness is feasibility. For instance, an ideal metric may require data collection, the scope and scale of which is far beyond its potential usefulness.
- Time bound measures have set deadlines. A goal should be grounded within a time frame. Without a time frame, there’s no sense of urgency.
- Useful measures help people doing the work understand what is happening with their business process, and how to get better results for customers.
- Influence relates to the ability of the Village to influence a measure. Some measures are important enough to society that we want to track them, even though the Village’s influence on them may be difficult to discern. These are often called indicators. For budget development, the Village is most interested in measures that the Village can affect.
- Significant measures are those that are most important to representing performance.
- Feasible data is on hand or the Village can reasonably expect to collect it.

Administration

Mission Statement: Provide support to all operating departments, deliver high quality municipal services to internal and external customers to facilitate the Village's mission of making the Village a better place to live, learn, work, shop, and play as it applies to management, safety, development, Village character, and sense of community, retain and develop employees, and advance the Village strategic priorities in a fiscally responsible manner.

Overarching Goals/Strategic Actions	Objective	Program	Performance Metric	Timeline	Status
<p>Overarching Goal: Ensure Excellence in Governance & Operational Excellence</p> <p>* Strategic Action: Review and continue to improve existing organizational structures, protocols and processes & Strategically plan and effectively execute quality services</p>	Establish a financially solvent multi-year replacement and upgrade program for computers and software	Establish a multi-year replacement and upgrade program based on current technology assets	Create and implement a multi-year replacement program within capital improvement fund	Implement program and include in Capital Improvement Budget by Quarter 4 each fiscal year and continue upgrading computers on a 3 to 5- year rotational basis	<u>Continual</u> The Village replaced 8 computers in FY2019, 2 laptops and 8 I-pads in FY2020 and 2 laptops in FY2021 and 1 anticipated in FY2023
<p>Overarching Goal: Ensure Operational Excellence</p> <p>* Strategic Action: Strategically plan and effectively execute quality services</p>	Build well-rounded teams of individuals who are able to assist each other in multiple ways and function in a team environment to improve productivity, quality, and customer service	Identify tasks performed for various jobs and designate ones that can be successfully performed by other staff members	Develop a cross-training matrix with names and responsibilities, provide leadership and FEMA training, and establish succession training	Evaluate each year by Quarter 3 Finance	Cross-training process in the Building & Zoning Department complete & additional cross training to continue in the Finance & Water Depts
<p>Overarching Goal: Promote the Village of Bannockburn</p> <p>* Strategic Action: Continue to strengthen the Village brand</p>	Strengthen the Village website and newsletter to establish the Village of Bannockburn brand	Incorporate the new Village Mission Statement, Overarching Goals, and Strategic Actions into the Village of Bannockburn Brand	Redesign and implement new website and continue updates and improvements	Monthly Review and Daily Updates	Website designer was hired, new platform determined new Website launched in July 2020. Maintenance and information updated daily.

Administration (Continued)

Overarching Goals/Strategic Actions	Objective	Program	Performance Metric	Timeline	Status
<p>Overarching Goal: Ensure Excellence in Governance & Operational Excellence *</p> <p>Strategic Action: Recognize and review legislative and financial responsibilities</p>	<p>Provide government leaders and citizens, through a disciplined approach and an independent and objective manner, reliable information to improve efficiency, effectiveness, and to maintain compliance with applicable laws</p>	<p>Provide relevant information, notices, and budget analysis about legislative process, state law, and state government policies to the Village Board & citizens on an on-going basis by reading legislative bulletins, attend meetings, interact & stay connected with State representatives</p>	<p>Monitor and report high quality, objective research and analysis on a weekly basis to the Village Board on a variety of policy and budget issues</p>	<p>The Manager's Report provides weekly reporting</p>	<p>The Village updated the Personnel Manual to comply with changing regulations. The process will continue and staff will review the manual quarterly.</p>
<p>Overarching Goal: Ensure Operational Excellence *</p> <p>Strategic Action: Encourage responsive and proactive staff and services</p>	<p>Reduce healthcare costs and increase productivity, plus improve engagement and overall well-being</p>	<p>Employee Assistance Program</p>	<p>Implement a voluntary, confidential program that helps employees (including management) work through various life challenges that may adversely affect job performance, health, and personal well-being to optimize an organization's success.</p>	<p>Quarter 4 April 2023</p>	<p>The program began January 2021 and will continue.</p>

Finance

Mission Statement: Promote strong financial practices by providing timely, accurate, clear and complete information to Village decision makers and citizens, and to ensure compliance with applicable accounting laws and procedures.

Overarching Goals/Strategic Actions	Objective	Program	Performance Metric	Timeline	Status
<p>Overarching Goal: Ensure Excellence in Governance & Operational Excellence *</p> <p>Strategic Action: Review and continue to improve existing organizational structures, protocols and processes & strategically plan and effectively execute quality services</p>	<p>Ensure all the financial operations and transactions of the Village which includes accounts payable, payroll, cash management, grant administration, internal audit, purchasing, utility systems billings and collections are adequately managed and accounted for in accordance with GAAP, GASB and all other laws</p>	<p>Automate processes and expand web-based services to residents and businesses, improve internal controls and reporting functions</p>	<p>Review number of residents that pay by mail versus online or auto-pay for water/sewer billing and police fines and advertise the program</p>	<p>The Village would like to increase the number of credit card payments by 5% in FY2022-23.</p>	<p>The Village increased the automatic payments by 7.45% from FY2020-21 and will continue to encourage automatic payments</p>
<p>Overarching Goal: Ensure Excellence in Governance & Operational Excellence *</p> <p>Strategic Action: Review and continue to improve existing organizational structures, protocols and processes & strategically plan and effectively execute quality services</p>	<p>Provide an easy-to-set up workflow that allows defined conditional, parallel, and sequential approval flows depending on the organizational and accounting rules</p>	<p>Streamline and automate accounts payable processes by removing manual tasks and providing better visibility and control over important financial data and reducing paper</p>	<p>Analyze and document number of invoices approved through the accounting software program</p>	<p>Achieve 100% system invoice approvals by Village Manager and all invoice copies attached to the transaction information in the BS&A system by April 30, 2022</p>	<p>Implementation of the program began on May 1, 2021 and will be on-going. All invoices from FY2021-22 have the support attached in the BS&A system</p>
<p>Overarching Goal: Ensure Excellence in Governance & Operational Excellence *</p> <p>Strategic Action: Review and continue to improve existing organizational structures, protocols and processes & Ensure transparency & conduct big picture planning</p>	<p>Go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports and budget book that evidence the spirit of transparency and full disclosure and to ensure that users of their financial statements have the information they need</p>	<p>Prepare a Budget Book and the Comprehensive Annual Financial Report (CAFR)</p>	<p>Provide continual process improvement by implementing, updating and reviewing the Village's policies, procedures, internal controls, and strategic initiative</p>	<p>Achieve the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for FY2022-23 & the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) for FY2021-22</p>	<p>The Village received its 4th consecutive GFOA Budget Award for the FY2021-22 Budget</p>

Police

Mission Statement: Committed to providing the highest quality police services in partnership with the community to residents, visitors and businesses through dedicated efforts and innovative programs. This mission is performed with dedication and professionalism while being fair and impartial and ensuring a safe place to work, live, learn, shop and play.

Overarching Goals/Strategic Action	Objective	Program	Performance Metric	Timeline	Status
Overarching Goal: Ensure Operational Excellence * Strategic Action: Strategically plan and effectively execute quality services & Conduct big picture planning	Ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage individual advancement	Identify Key/Critical Personnel, Conduct Position Analysis, and Continue Developing Succession Plans	Identify and evaluate each officer taking account performance, strengths, abilities & potential.	Continue annual assessments of key talent by December 31 of each year	Hired and will, continue to hire highly trained, qualified part-time officers to fill future full-time openings
Overarching Goal: Ensure Excellence in Governance & Operational Excellence * Strategic Action: Review and continue to improve existing organizational structures, protocols and processes & Ensure public safety	Increase public safety by maintaining an aggressive program to deter, detect, and arrest DUI violators	Continue routine patrols, task force operations, aggressive enforcement strategies, public awareness, and active public awareness, and active support of DUI laws.	Implementation of aggressive marked and DUI patrols	Implemented in Quarter 1 (July 2020) & Continuing this Fiscal Year	Implemented and continue to implement "Impaired Driving Enforcement Program as budget allows.
Overarching Goal: Ensure Operational Excellence * Strategic Action: Strategically plan and effectively execute quality services	To produce a highly trained and positively motivated police officer capable of meeting or exceeding standards of performance required by the Bannockburn Police Department	Provide continued education and training in federal and state law, evidence handling, prisoner transport, handcuffing, defensive tactics, firearms, driving, and customer service	Ensure 100% of Village police officers are compliant with accreditation requirements & Illinois Law Enforcement Training Standards Board (ILETSB)	All training requirements completed by Quarter 3 (December 2022)	Continue to meet State requirement for training. Maintain ILEAP Accreditation
Overarching Goal: Foster an Engaged Community and Strengthen Partnerships * Strategic Action: Enhance collaboration between school system and Boards	Enhance public outreach from the Police Department	Work with Bannockburn Schools, District 113, & Trinity Int'l University to promote safety and drug prevention programs	Conduct annual meetings with students from each school and establish assigned police officer by school	Continue program in FY2022-23	Events conducted and continue to conduct lock down drills at elementary school and college.
Overarching Goal: Ensure Excellence in Governance & Operational Excellence * Strategic Action: Conduct big picture planning & Strategically plan and effectively execute quality services	Incorporate, review, and analyze revolving needs of internal stakeholders	Review technology needs and communication equipment for 911 Dispatch Services, report writing, record keeping and plan for the future	Develop needs assessment and outline needs within CIP replacement program	Quarter 4 (April 2023)	Ongoing. Continue to use and update Starcom Radio System

Building, Zoning and Economic Development

Mission Statement: To preserve the Village's community character and natural resources, build a better community; enhance quality of life; and respond to community needs through the implementation of the adopted Comprehensive Plan, Village Code, and Building Codes while providing professional, friendly and quality customer service to the community.

Overarching Goals/Strategic Actions	Objective	Program	Performance Metric	Timeline	Status
<p>Overarching Goal: Ensure Excellence in Governance & Operational Excellence * Strategic Action: Review and continue to improve existing organizational structures, protocols and processes & strategically plan and effectively execute quality services</p>	Continually evaluate methods to make departmental services and processes for residents and businesses more efficient and user friendly	Identify where additional efficiencies in the Village's application review process can be made to applications, forms, documents, and the website	Streamline current zoning, architectural and building permit applications, forms, guidelines and website links that will provide clear, concise and user-friendly processes and tools including modifying forms to pdf fillable forms	Quarter 2 (October 31, 2022)	In conjunction with the new website launch all applications and guidelines are in the process of being updated and streamlined.
<p>Overarching Goal: Ensure Excellence in Governance & Operational Excellence * Strategic Action: Review and continue to improve existing organizational structures, protocols and processes & strategically plan and effectively execute quality services</p>	Utilize and integrate technology to increase operational efficiencies for staff	Streamline and simplify processes associated with staff permit reviews, Village approvals, permit issuance from initial application through final approval	Investigate several building and zoning software programs to determine the best, most efficient and cost-effective program that would increase operation efficiencies	Quarter 2 (October 2022)	BS&A software vendor was contracted and implementation began in FY2021-22
<p>Overarching Goal: Preserve Village Character; Adapt and Encourage Progress & Ensure Operational Excellence * Strategic Action: Research trends and embrace future possibilities, Define and articulate character, and Develop strategies & tactics</p>	Assist, direct and encourage quality development in accordance with adopted policies, codes, and laws which enhance the Village, protect the environment and make the Village a better place to live	To improve the standard of living through the creation of jobs, the support of innovation and new ideas, and the creation of an overall better quality of life by attracting new firms, fostering the growth of small business and retaining existing businesses	Continue utilizing the tools of web-based business profiles, maintaining business and building site inventories, supporting the DBR chamber of commerce, networking and visiting businesses which will build locally driven strategies that will create economic opportunities and improve the social, civic and environment of the Village	On-going and evolving process	Staff has been meeting with key community leaders and continues to seek ways to improve and create economic opportunities

Community Development

Mission Statement: Enhance the lives of its citizens and visitors within available resources, provide and facilitate safe, events, programs and facilities while preserving and enhancing natural resources, and promoting a sense of community through cultural, educational and recreational activities for all generations to enjoy.

Overarching Goals/Strategic Actions	Objective	Program	Performance Metric	Timeline	Status
<p>Overarching Goal: Foster an Engaged Community and Strengthen Partnerships *</p> <p>Strategic Action: Increase communication and participation among all constituencies</p>	Continue a high level of inclusive and family oriented programs	Provide leisure programs and events that are especially designed to meet the physical, mental, cultural, and/or social needs of our residents and visitors to our community while enhancing overall quality of life	Offer at least 4 programs	Quarter 3 (January 2023)	The Village currently hosts: Wine & Cheese, Haunted Trails, Bannockburn Day, and a Hayride.
<p>Overarching Goal: Ensure Excellence in Governance, Operational Excellence, & Promote Economic Development *</p> <p>Strategic Action: Strategically plan and effectively execute quality services, Conduct big picture planning & Ensure that development is consistent with community character as described in the comprehensive plan</p>	Utilize the Village's Comprehensive Plan as a guide for programs, facility development, and customer service delivery while adhering to the Village's strategic goals	Perform strategic and long range planning functions for recreation facilities, open space and Village's pathway system as part of a comprehensive plan review and update	Identify a plan for dedication of public use easements or rights-of-way as off-street trail segments that will contribute to an interconnected system of both on- and off-street non-motorized improvements	Quarter 4 (April 2023)	The Village continuously seeks land for public use, ways to fund the purchase, and community involvement in the process
<p>Overarching Goal: Foster an Engaged Community and Strengthen Partnerships, Ensure Operational Excellence & Promote Economic Development *</p> <p>Strategic Action: Increase communication and participation with businesses and other agencies, Strategically plan and effectively execute quality services & Encourage networking and collaboration</p>	Identify a long-term vision, setting organization priorities and shaping the Village's Strategic direction by providing a scanning analysis of the governing and community environment	Conducting a strategic planning workshop with the Village's elected officials, residents and the leadership team.	Facilitating a process to establish clear priorities and trackable short & long-term strategic goals	Quarter 3 (January 2023)	The Village Budget includes a strategic planning program to be conducted NIU

Public Works - Roads, Parks, and Buildings

Mission Statement: To operate and maintain existing public infrastructure; plan and construct capital improvements; and protect public health, safety and transportation.

Overarching Goals/Strategic Actions	Objective	Program	Performance Metric	Timeline	Status
<p>Overarching Goal: Ensure Operational Excellence & Foster an Engaged Community and Strengthen Partnerships *</p> <p>Strategic Action: Strategically plan and effectively execute quality services & Increase participation among all constituencies</p>	Work to make the Village of Bannockburn clean, safe and attractive	Form public & private partnerships with volunteers, residents, community based organizations and village contractors, to focus on beautification efforts through landscaping, painting, repair and restoration of public spaces	Coordinate efforts of volunteers, village staff, community groups to provide environmental programs such as the rain garden and beautification projects to affect public improvements	Quarter 4 (April 2023)	Village has budgeted \$20,000 in tree planting, \$50,000 USFWL grant & \$50,000 from Village budget for seed & bank improvements
<p>Overarching Goal: Ensure Operational Excellence & Ensure Excellence in Governance *</p> <p>Strategic Action: Strategically plan and effectively execute quality services & Conduct big picture planning</p>	Provide sustainable, safe, and properly maintained roadways	Review and revise completed report of structural health of all Village streets and develop a comprehensive replacement program	Review current engineering report, re-review structural health of Village streets for prioritization. Develop and implement a comprehensive replacement program	Quarter 4 (March 2023)	STP funding for Wilmot Rd has been applied for and is incorporated into the FY2022-23 budget Pavement patching and pavement marking program have been established
<p>Overarching Goal: Ensure Operational Excellence *</p> <p>Strategic Action: Strategically plan and effectively execute quality services & ensure public safety</p>	Maintain existing pathways in a structurally safe and serviceable condition	Establish a Pathway Maintenance Program to correct structural defects and deficiencies	Continue relationship with Village contractors to monitor pathway conditions	Quarter 4 (April 2023)	The pathway is continually being reviewed by the Village Engineer

Public Works - Local Water and Sewer Division

Mission Statement: To operate and maintain existing public infrastructure; plan and construct capital improvements; and protect public health and safety, water quality, and natural resources to assure the community is provided with safe, sustainable, and financially sound systems for potable water distribution, wastewater collection, and surface water management.

Overarching Goals/Strategic Actions	Objective	Program	Performance Metric	Timeline	Status
Overarching Goal: Ensure Excellence in Governance & Operational Excellence * Strategic Action: Review and continue to improve existing organizational structures, protocols and processes, Ensure public safety, Monitor performance & results	Maintain Drinking Water Quality and Insure System Reliability	To maintain a robust leak detection and cross connection program to facilitate appropriate actions to prevent adverse impacts to infrastructure, the environment, and public safety.	Work with engineering on leak detection and cross connection programs through the transfer compliance program. Perform water meter calibration on meters greater than 2" in size to ensure proper water metering	Quarter 3 (December 2022)	Continue to work with Village Engineer to determine programs and ideas to detect leaks and cross connections. Calibrate all meters greater than 2" in size
Overarching Goal: Ensure Excellence in Governance & Operational Excellence * Strategic Action: Review and continue to improve existing organizational structures, protocols and processes, Encourage responsive, proactive staff and services, Monitor performance & results	Provide residents on well and septic the costs and options for connections	Evaluation of current SSA's for water and sewer and the establishment of potential new SSA's which will provide options for connection	Maintain records of all properties on well and/or septic and determine connection options	Quarter 4 (April 2023)	Current list of properties on well and septic has been prepared with evaluation and calculations to be conducted.
Overarching Goal: Ensure Excellence in Governance & Operational Excellence * Strategic Action: Review and continue to improve existing organizational structures, protocols and processes, Encourage responsive, proactive staff and services, Monitor performance & results	Create the most efficient operation which allows a system that tracks water production and distribution which maintains the lowest possible water rates	Implement the Water Meter Maintenance/Replacement Program which will replace current older water meters that have outlived their useful life and/or when maintenance is no longer viable. This program helps increase the efficiency of the water meter reading process and ensure accurate billing for our customers	Maintain documentation on location, age, and date of calibration of all water meters in the Village in the new BS&A software program & continue to sign-up residents for leak alerts through the Beacon Eye-on-Water software. Goal is 50% of users on Eye-on-Water Alerts	Complete by Quarter 4 (April 2023)	Documentation spreadsheet was completed and will continue to be updated as changes occur. Currently 42% of residents on Eye-on-Water alerts.
Overarching Goal: Ensure Excellence in Governance & Operational Excellence * Strategic Action: Review and continue to improve existing organizational structures, protocols and processes & Strategically plan & effectively execute quality services	Reduce and control inflow and infiltration (I&I) into the sanitary sewer system through ongoing management of the sewer system	Conduct flow monitoring to assist with prioritizing repair and rehabilitation efforts within the Village of Bannockburn, and quantifying the success of such efforts.	Improve I&I measurement by utilizing targeted infiltration reduction methodologies (service lateral repair, manhole repair, abandoned lateral elimination, mainline repair/replacement)	Quarter 4 (April 2023)	Continue to work with Engineering to maintain I&I targeted infiltration goals.

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.

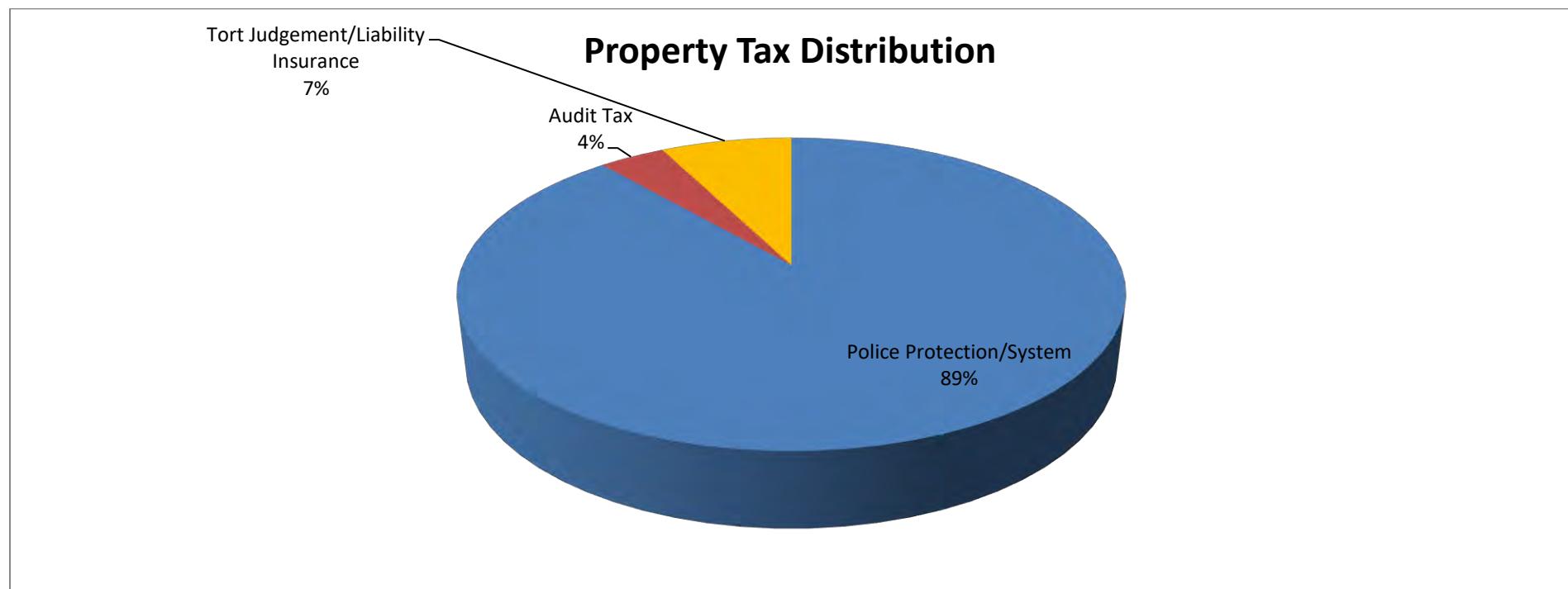
Interest rates – Interest rates impact the Village's revenues in several ways. First, investment income will be affected by interest rates. Second, the availability and cost of capital directly affects business expansion and retail purchases. As credit is extended and/or rates are lowered, revolving 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 Protection/System, Audit Tax, Corporate Tax and Tort Judgement/Liability Insurance. Property taxes (net of Road and Bridge taxes and the Corporate Tax abatement of \$146,968) are anticipated to be approximately \$818,759 and will be levied in 2022. This is referred to as the 2021 property tax levy, payable in 2022. Property taxes account for approximately 16 percent of all budgeted revenues. The total levy is anticipated to increase by 3.88% over the property taxes extended in 2021.

The four components of the Village's tax are used as follows: Corporate Tax Levy is applied to General Corporate Fund purposes and has been abated this fiscal year, Audit Tax to cover outside financial audits, Tort Judgement/Liability Insurance tax will pay for the Village's Liability insurance payments and the Police Protection/System helps to support the Police department expenses.



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. Such tax has been budgeted to increase by the Lake County calculated CPI factor of 3.88%.

Utility Use Taxes

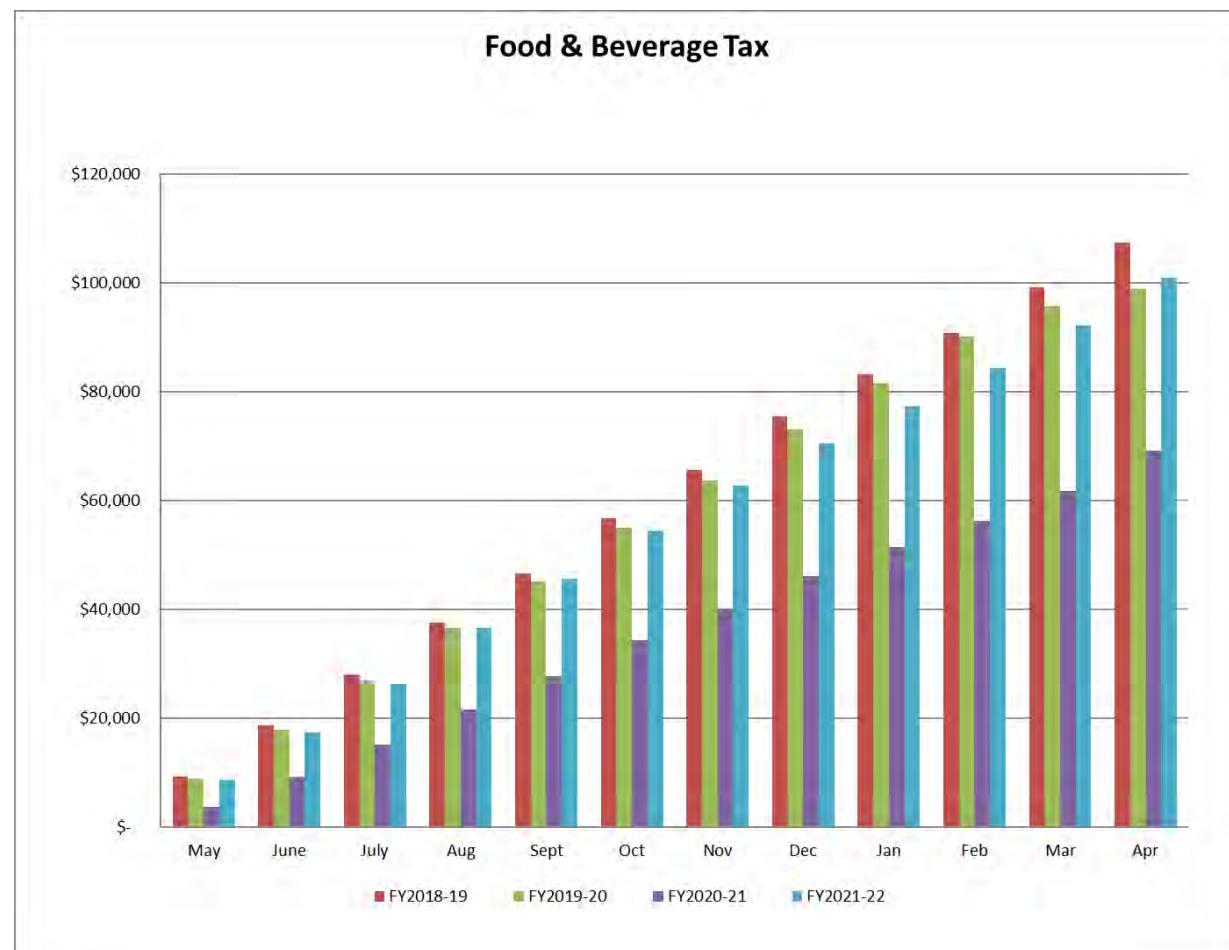
The Village of Bannockburn levies one utility tax for telecommunications.

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 January 1, 2019). The six percent rate is an increase from the 4% the Village had implemented on July 1, 2003. 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. The total loss projected in the Telecommunication Tax of 5% is related to the long-term downward trend in landline phone service use offset by forecasted rate increases. The Village imposes a 13% telecommunication tax on its residents, which includes a 7% State of Illinois portion.

Food & Beverage Taxes

The Food & Beverage tax was approved by the Village Board in January 2017 and took effect on April 1, 2017 on food and beverages prepared for immediate consumption. The term “prepared for immediate consumption” shall mean food or alcoholic liquor prepared for or made readily available for consumption on-premises (even if not actually consumed on-premises because it is made available for carry-out, drive-through, delivery, or similar service), and requiring no further action at the time of sale to allow a purchaser to consume the food or alcoholic beverage. The food and beverage tax shall not apply to: (a) meals provided to patients or residents of healthcare facilities, nursing homes, or other such institutions incidental to other services where no separate consideration is charged for meals; (b) food dispensed from vending machines; or (c) food sold under the authority of public school systems. The tax is 1.0% and is payable directly to the Village. The FY2022-23 Budget amount is based upon one full year of actual food/beverage sales tax revenue annualized. The Food & Beverage tax revenue is anticipated to increase by 5% as the amounts are projected to return to pre-COVID levels plus additional revenue from Yianni's Opa.



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 the data provided by Illinois Municipal League for FY2023 estimated at \$37.50 per capita or \$37,988. The Village's census data for 2020 has decreased by 36% resulting in lower use tax revenues.

Historical Use Tax Fiscal Year	Revenues	Per Capita	% inc/(dec)
2022-23 B	\$37,988	\$37.50	7.34%
2021-22 B	\$55,302	\$34.93	-21.78%
2020-21	\$70,697	\$44.66	24.95%
2019-20	\$56,579	\$35.74	15.53%
2018-19	\$48,973	\$30.94	16.99%
2017-18	\$41,862	\$26.44	7.44%
2016-17	\$38,962	\$24.61	6.07%
2015-16	\$36,731	\$23.20	12.50%
2014-15	\$32,650	\$20.63	17.56%
2013-14	\$27,773	\$17.54	9.28%

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 their net Illinois 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 (PPRT) 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 1978 year. This percentage is called the district's "allocation factor." The Village receives PPRT portions from the State and Vernon Township.

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 an establishment that is designed for and offers lodging accommodations to the general public for transient guests; that is commonly known as a hotel or motel in the community in which it is located; and that provides customary hotel services such as maid service, furnishing and laundering of linens, telephone services, desk services, and the use and upkeep of furniture. 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. The hotel sector has been hit hard by the loss of revenue related to COVID-19 pandemic. The hotel/motel tax revenue is anticipated to rebound to slightly lower revenues levels than pre-covid FY2019-20 amounts and a 26% increase from last FY2021-22 projections.

Illinois Income Tax

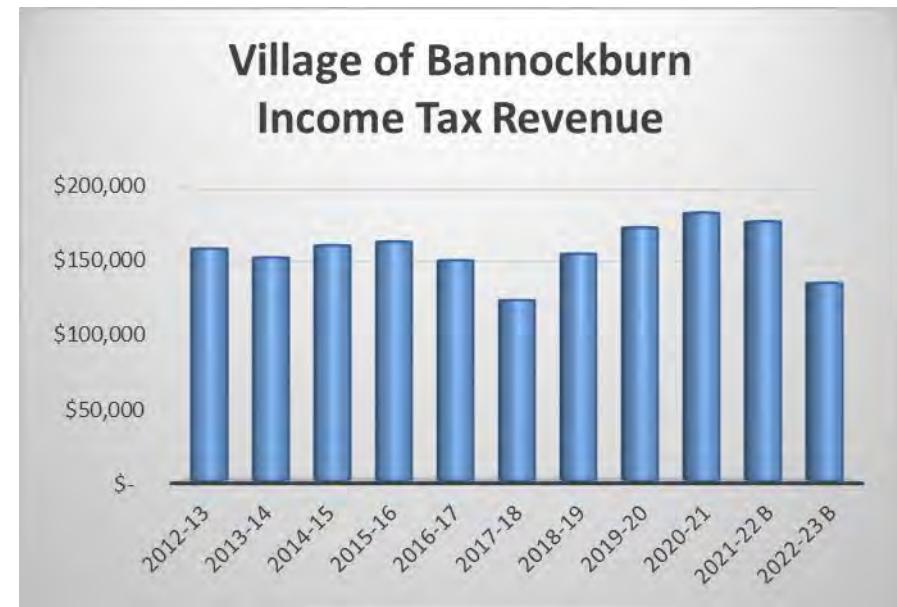
Illinois Income Tax is imposed on every individual, corporation, trust and estate earning or receiving income in the state. In July 2017, the tax was increased to a flat 4.95 percent of income for individuals, trusts and estates and 5.25 percent for corporations. The Village receives a pro rata allocation of Income Tax from the State of Illinois 6.06 percent of net personal taxes and 6.85 percent of corporate taxes.

Income taxes are allocated on a per capita basis to municipalities. The 2020 Census Population and Housing Occupancy Status reflects the Village at a population rate of 1,013, which is a 570 population decrease from the 2010 Census of 1,583. The decrease in population occurred when the Trinity International University students were not able to live on-campus and had to stay home during the COVID-19 restrictions and therefore were not counted in the 2020 census. Based upon data provided by the Illinois Municipal League (IML), the tax is projected at \$132.30 per capita or \$134,020 or a loss projection of \$41,535 from the prior year.

The economic recovery related to COVID has been reflected in the FY2022-23 budget figures. The economic turn and lower unemployment projections have provided for the per capita rate of income tax for FY2022-23 to increase by 19.3%; however, the Village 36% decrease in lower census figures has negatively impacted the Village's income tax revenue.

Historical Illinois Income Tax is reflected below:

Fiscal Year	Revenues	Per Capita	% inc/(dec)
2022-23 B	\$134,020	\$132.30	19.30%
2021-22 B	\$175,555	\$110.90	-3.26%
2020-21	\$181,471	\$114.64	5.77%
2019-20	\$171,572	\$108.38	11.63%
2018-19	\$153,692	\$97.09	25.63%
2017-18	\$122,332	\$77.28	-18.04%
2016-17	\$149,258	\$94.29	-7.82%
2015-16	\$161,920	\$102.29	1.53%
2014-15	\$159,481	\$100.75	5.50%
2013-14	\$151,173	\$95.50	-3.82%
2012-13	\$157,170	\$99.29	20.88%

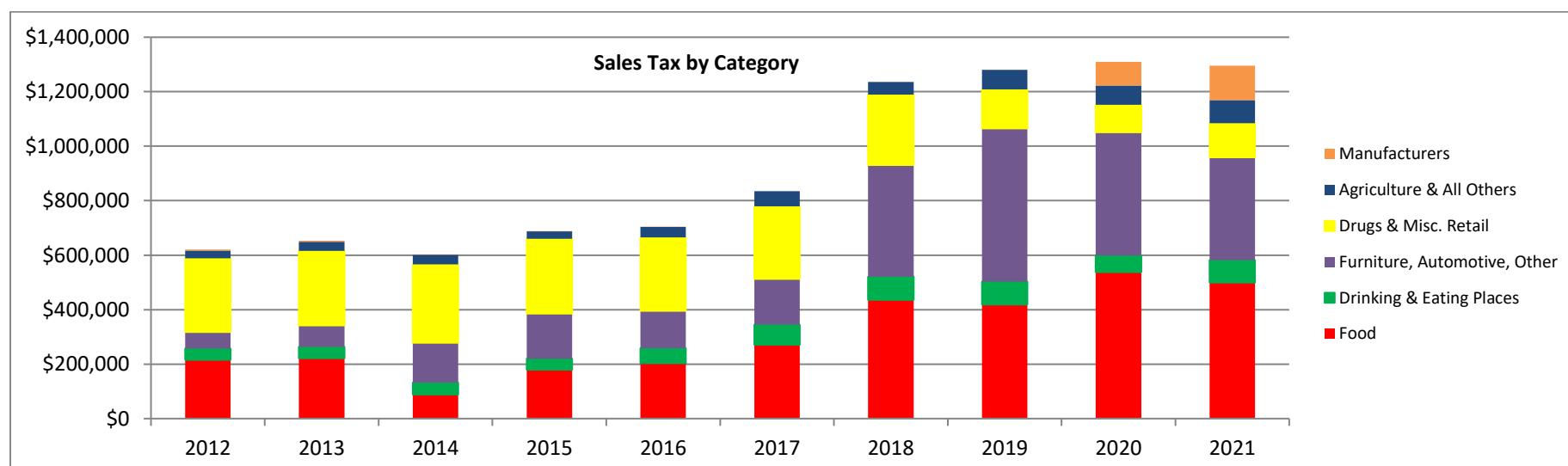


Sales Tax

The Village receives one cent (\$0.01) for each dollar of retail sales. The largest sales tax generators are food, furniture, and Drug Retail. The following chart summarizes sales tax collections over the last ten years. The FY2022-23 sales tax revenues are projected to increase by 1.4% compared to the FY2021-22 budget, which projected lost sales tax revenues related to the COVID 19 pandemic. The Village's Sales taxes are collected by the State of Illinois and divided among the taxing districts as follows: State Tax: 6.25%, Regional Transportation Authority .75%, Village Municipal Tax 1% (included in the State Rate) and home rule tax of .5% for a total Sales Tax Rate of 7.5%.

State Sales Tax Collections

Sales Tax	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Food	\$215,528	\$221,489	\$88,687	\$179,041	\$203,270	\$271,258	\$435,943	\$418,873	\$537,548	\$499,284
Drinking & Eating Places	41,159	41,529	43,562	41,016	54,940	73,867	85,093	84,168	61,341	81,542
Furniture, Automotive, Other	61,453	78,622	146,226	165,317	136,983	167,058	409,368	562,366	451,843	378,368
Automotive & Filling Stations	-	-	66,329	49,570	75,778	157,861	79,748	127,811	55,951	60,945
Drugs & Misc. Retail	269,949	274,065	287,673	274,474	270,400	267,374	258,839	143,098	101,002	125,059
Agriculture & All Others	28,278	33,486	34,941	27,595	37,776	54,935	46,681	72,137	71,223	85,339
Manufacturers	4,185	3,335	1,925	117	484	-	-	-	86,283	125,912
Total	\$620,552	\$652,527	\$669,342	\$737,129	\$779,632	\$992,353	\$1,315,672	\$1,408,453	\$1,365,190	\$1,356,449



Home Rule Sales Tax

In January 2008, the Village assessed a one-half cent (\$0.005) local option sales tax. Home rule sales tax applies to the same transactions as the base sales tax except in the following transactions, food for human consumption off the premises where sold (groceries), prescription and non-prescription medicines and tangible personal property that is titled with an agency of the State of Illinois. Performance of this revenue tends to mirror performance of the above referenced municipal sales tax, except for those excluded retail classes. The COGFA (Commission on Government Forecasting and Accounting) forecasts a 1.4% increase with the next stage of COVID recovery.

Home Rule Sales Tax	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Food	\$31,596	\$33,510	\$9,735	\$19,966	\$23,416	\$33,375	\$52,937	\$49,413	\$58,950	\$55,440
Drinking & Eating Places	19,479	19,612	20,551	19,248	26,095	35,372	40,881	40,405	29,643	39,662
Furniture & H.H. & Radio	29,672	38,261	26,209	79,714	67,485	82,522	157,436	180,824	225,881	188,988
Automotive & Filling Stations	30,775	0	29,268	22,908	24,299	24,075	28,374	25,924	15,662	23,684
Drugs & Misc. Retail	102,067	103,237	105,025	98,655	93,986	92,567	91,058	33,589	14,902	25,295
Agriculture & All Others	14,105	16,468	17,439	13,765	17,358	23,042	18,626	131,512	23,440	32,291
Manufacturers	147	45	54	53	240	-	-	-	43,113	62,920
Total	\$227,841	\$211,133	\$208,280	\$254,308	\$252,878	\$290,952	\$389,312	\$461,667	\$411,592	\$428,282

Grants

The Village currently has budgeted for the receipt of four grants Department of Justice DOJ, Highway Safety Grant, Illinois Public Risk Fund (IPRF) and U.S. Fish & Wildlife.

- IPRF: The grant program provides governmental entities and public agency members with funding for safety inspired products that will assist in reducing injuries and/or illness.
- Highway Safety Grant: The grant funding is dedicated to increasing high visibility enforcement of traffic safety laws. Enforcement efforts are designed to reduce fatalities and serious injuries on some of the deadliest times of the year for vehicle travel. This includes the following holidays: Thanksgiving; Christmas; New Years; St. Patrick's Day; Memorial Day; Independence Day; and Labor Day. The Village is paid for overtime hours and the enforcement emphasizes impaired driving, occupant protection, illegal use of an electronic device, and/or speeding.
- DOJ Grant: The Bulletproof Vest Partnership (BVP) created by the Bulletproof Vest Partnership Grant Act of 1998 is a unique U.S. Department of Justice (DOJ) initiative designed to provide a critical resource to state and local law enforcement. The purchase of a bullet proof vest is funded 50% by the municipality and 50% by the DOJ. The Village anticipates purchasing one vest at \$900 each and receiving \$450 or 50% of the costs from the DOJ.
- U.S. Fish & Wildlife Grant: Established in 2000, the U.S. Fish and Wildlife grants provide money to states, territories and commonwealths to address wildlife conservation needs such as research, surveys and species and habitat management. The grant is funded 50% or \$50,000 by the Village and 50% or \$50,000 by the USFWL. This will provide seed and bank improvements to the open space area in the Village.

Franchise Fees

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

Licenses and Fees

Dog licenses were budgeted based upon the most recent data. Residents have two options available for purchase: a one-year or a three-year license.

1. One-year license: neutered/spayed dog – \$10.00 or non-neutered/not spayed dog – \$20.
2. Three-year license: neutered/spayed dog – \$30.00 or non-neutered/not spayed dog – \$60.

Business and Liquor licenses have been budgeted to remain flat with no planned increase in fees or business growth. Park facility rental fee is based upon one rental of the Village's shelter at \$100 per rental. Transfer compliance fees were budgeted to be lower than current actual levels. The fee is \$100 per residential transfer and \$.10 per square foot of non-residential property sold. The reduction is due to lower forecasted commercial real transfers.

Building & Zoning Revenue & Fees

A significant percentage of this revenue is considered non-recurring and is reliant upon the economic conditions. Total building revenue and fees are estimated to be \$275,000 which is based upon 2019-20 actuals and work at three large remodeling projects at commercial facilities. There was a hold on a major development project originally anticipated for FY2021-22; and therefore, the project was not included in the FY2021-22 budget. In order to be conservative, the budget amount was based upon FY2019-20 actuals.

Donations

The Village has \$2,500 budgeted for donations to Drug Abuse Resistance Education (DARE). During traffic court proceedings, defendants may be given the option to make a donation to DARE in lieu of fines and fees.

Public Safety Fines and Fees

Public Safety Fines and Fees are anticipated to increase to pre-COVID levels and the collection amounts on outstanding tickets are anticipated to level off this fiscal year.

Police Special Revenue

Seizure and Forfeitures are anticipated at \$4,000 for revenues received from drug seizures where the Village will share with the State confiscated cash or property and administrative tow fees are also included in this line item at a fine of \$500 per tow. The tow fee was increase from \$300 to \$500 in FY2020-21 and therefore, reflected in the current year budget amounts. The budget from year to year is projected to remain flat.

Reimbursable Income

Reimbursable income is comprised of: Professional Engineering, Arborist, and Attorney Fees. Reimbursement from developers for the Village's out-of-pocket costs for engineering, tree and legal services of \$75,000 and Police reimbursement related to billable special detail for traffic control is \$575.

Road Repair Reimbursables

Based upon Ordinance 93-37 requiring 2800 Lakeside to pay an annual road repair fee. The \$6,775 will be paid through 2024 and will be increased in 2025 by the average of 2020-2024 CPI rates.

Sale of Village Property

The Village anticipates selling one police vehicle for \$6,000.

Investment Revenue

The Village's investments are guided by an investment policy. Total revenue is expected to be \$20,000 for non-Enterprise funds. The Village funds are invested in money market accounts and short-term certificates of deposit with expected yields of .25%. Due to the Village's current increased cash position, alternative investments are being investigated to increase the yield. The terms will be staggered to take advantage of better interest rates on longer term investments, while concurrently investing in short term ventures that yield a competitive term and make funds available as the Village needs them based on the cash flow analysis completed by the finance department.

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, 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 will allocate indirect costs based upon the activity based costing model utilizing revenues, number of employees, number of transactions, equalized assessed values, and number of departments as allocation bases. In general terms, an indirect cost rate is the percentage of an organization's indirect costs to its direct costs and is a standardized method of charging individual programs for their share of indirect costs.

Certain costs are excluded from the calculation of the indirect costs because they require relatively minimal administrative support compared to the amount of dollars spent. These costs will distort the indirect cost process and are excluded from the calculation of the indirect cost rate. The following costs have been excluded from the calculation: refunds and incentives, electricity charges included in the street department, capital outlay which includes expenditures for items such as the acquisition of land, improvements to sites, construction or purchase of new buildings, major expansions, and capitalized equipment and other financing uses such as

transfers out, debt service, and transfers between funds. Service Charges are allocated to the Water Fund and are estimated at \$56,920. The Sewer Fund service charges are budgeted at \$8,573. The service charges will cover administrative time plus associated overhead expenses.

Motor Fuel Tax

The Motor Fuel Tax (MFT) 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 Village receives 1.25 percent of taxes assessed on gasoline and diesel and is then distributed on a per capita basis. The amount is estimated at \$23.50 per capita. In June 2019, state legislators passed an additional 0.19 cent tax on motor fuel and 0.24 per gallon on diesel which is earmarked for the Transportation Renewal Fund (TRF). Municipalities will get 49.1% of the TRF on a per capita basis. The Illinois Municipal League estimated the TRF to generate about \$17.70 per capita. The FY2022-23 budgeted MFT proceeds of \$41,736 are based upon amounts estimated by the Illinois Municipal League. MFT funds are anticipated to decrease by \$13,845 from prior budgeted amounts as the amounts are based upon census numbers. The Village's census figures have decreased by 36% resulting in the loss of MFT revenues.

The Village will also receive Rebuild Illinois Bond Fund grant amounts in six installments over three years. The Village has budgeted \$17,388 for the third year and one installment.

These revenues are used to fund the annual street maintenance program and Surface Transportation Program (STP) grant matching road projects. Street maintenance is a high priority for the Village as noted in the Capital Improvement Plan (CIP), detailed in Section 7 of this document. It is assumed that alternative energy options, availability and improvement of public transportation, and environmental awareness have slowed the growth of MFT revenues in recent years. It is becoming more common for employers to provide more flexible work schedules and telecommuting to attract talented employees as technology and traditional work environments evolve. These changes will continue to impact growth in this revenue.

Water Fees

Total fees budgeted for the sale of water for FY2022-23 is \$1,101,756. 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. Water rates are budgeted to increase by 5% on January 1, 2023.

All customers share equally in the cost of operation, depreciation and debt service. The Village of Bannockburn bills on a quarterly basis and the water rates are on a "tiered basis" (to help encourage water conservation). The total minimum per quarter for water rates shall in no event be less than \$291.31.

0 – 20,000 cubic feet – \$7.28/100 cubic feet
20,001-80,000 cubic feet – \$7.58/100 cubic feet
over 80,000 cubic feet – \$7.77/100 cubic feet

Invoices are mailed in January, April, July, and October. Payments are due 30 days after the invoice date. Check, cash or on-line payments received after the end of business on the due date will receive a 10% late penalty. If the due date falls on a weekend, payment is due no later than the close of business on the next business day. Late payment penalties are budgeted at \$5,000.

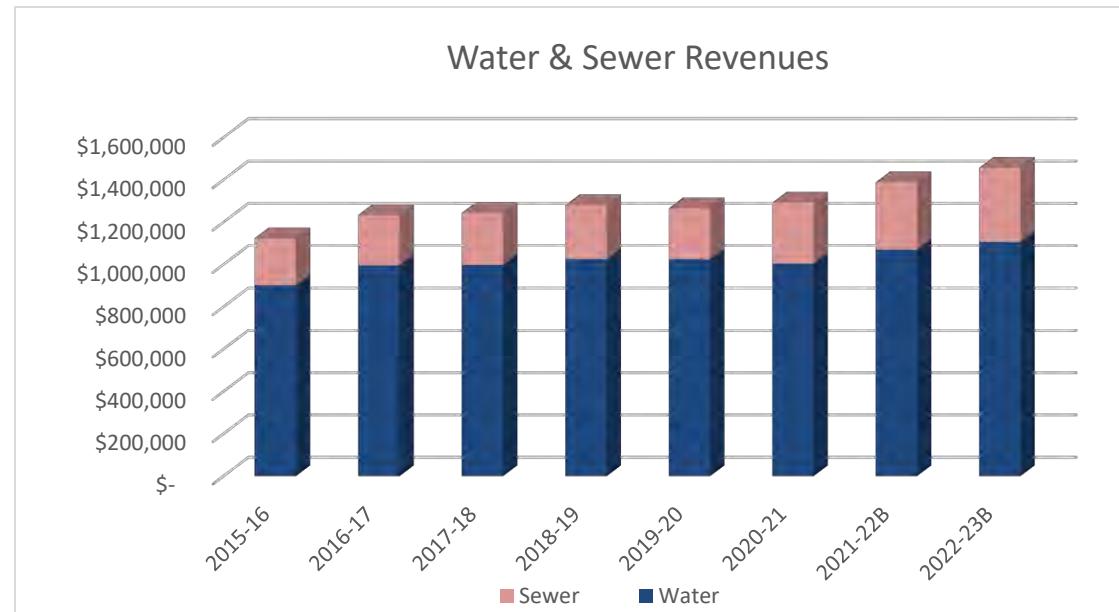
Any customer that has incurred three (3) late payments within a two (2) year period may be required to pay to the Village a security deposit in the amount of the highest quarterly bill incurred within the last two years for the continuation of water services. The Village of Bannockburn reserves the right to discontinue service for non-payment of bill(s). A termination fee, a reconnection fee, and the total amount due including penalty (and deposit if required) must be paid before service will be resumed.

Sanitary Sewer Fees

Total fees budgeted for the sanitary sewer user fees for FY2022-23 is \$348,017. Sewer user fees are budgeted to increase by 10% on January 1, 2023 to cover current operating expenses. The Village of Bannockburn bills on a quarterly basis. There are two sanitary sewer districts located in the Village of Bannockburn.

Village of Deerfield Sanitary Sewer District (Residential)

The Village of Bannockburn will bill at a rate of \$6.19 per 100 cubic feet. The minimum per quarter for residents in the Village of Deerfield Sanitary Sewer District will be \$254.02 (\$251.22 minimum fee per quarter + \$2.80 administrative service charge). Sewage fees are calculated based on water meter readings for that quarter. Where such readings are not available, or where the meter has not functioned properly, said fee shall be calculated based on the water meter readings of such Customer for the same quarter of the preceding year, or on a minimum charge of the base rate, whichever of the two shall be greater.



North Shore Water Reclamation District (NSWRD) Residential/Commercial Users

Residents in the North Shore Water Reclamation District will be invoiced by the Village of Bannockburn and by the North Shore Water Reclamation District.

The Village of Bannockburn will charge a fee of \$1.84 per 100 cubic feet for the maintenance and use of the Village of Bannockburn owned pipes. The minimum per quarter for residents in the North Shore Water Reclamation District will be \$73.69.

Sewage fees are calculated based on water meter readings for that quarter. Where such readings are not available, or where the meter has not functioned properly, said fee shall be calculated based on the water meter readings of such Customer for the same quarter of the preceding year, or on a minimum charge of the base rate, whichever of the two shall be greater.

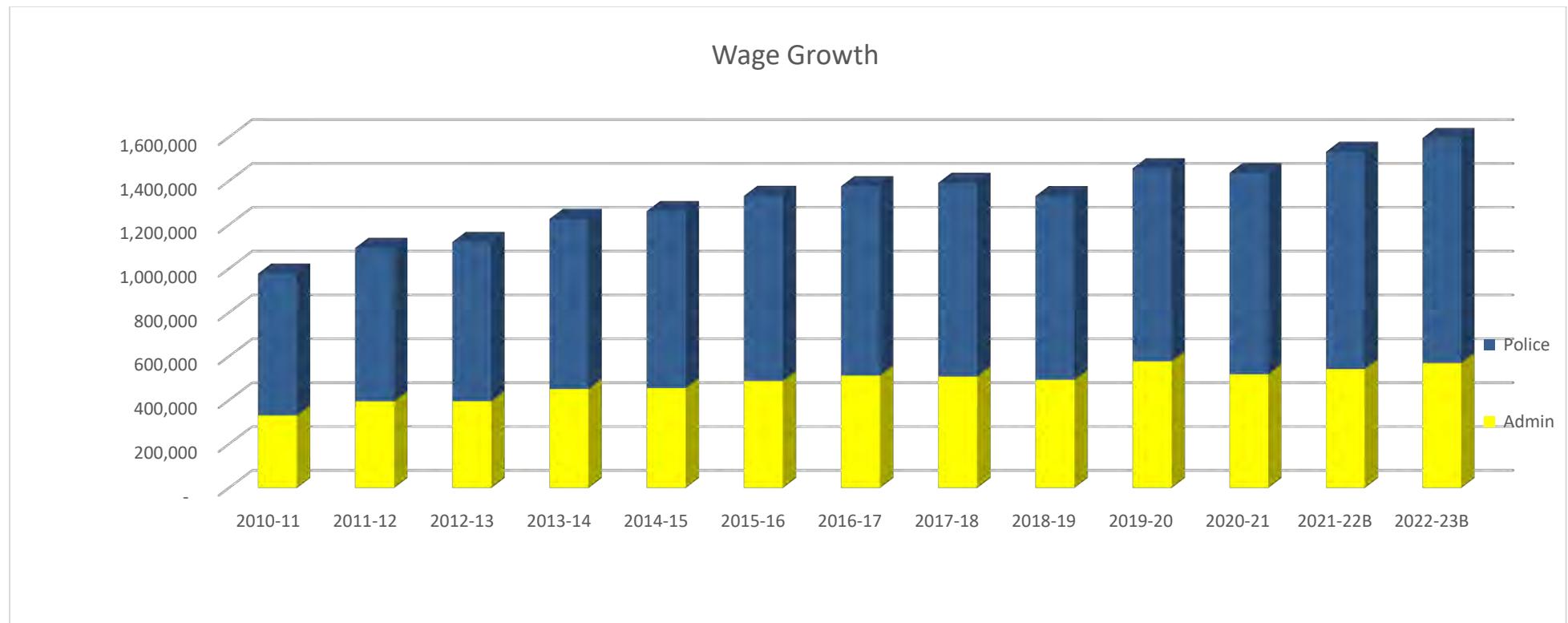
Expenditure Trends and Projections

Personnel Services

The primary purpose of the Village of Bannockburn is to provide high quality services to the residents and those employed within its boundaries. To accomplish that purpose in FY2022-23, 38.33 percent of all Village expenditures are allocated to salaries and wages.

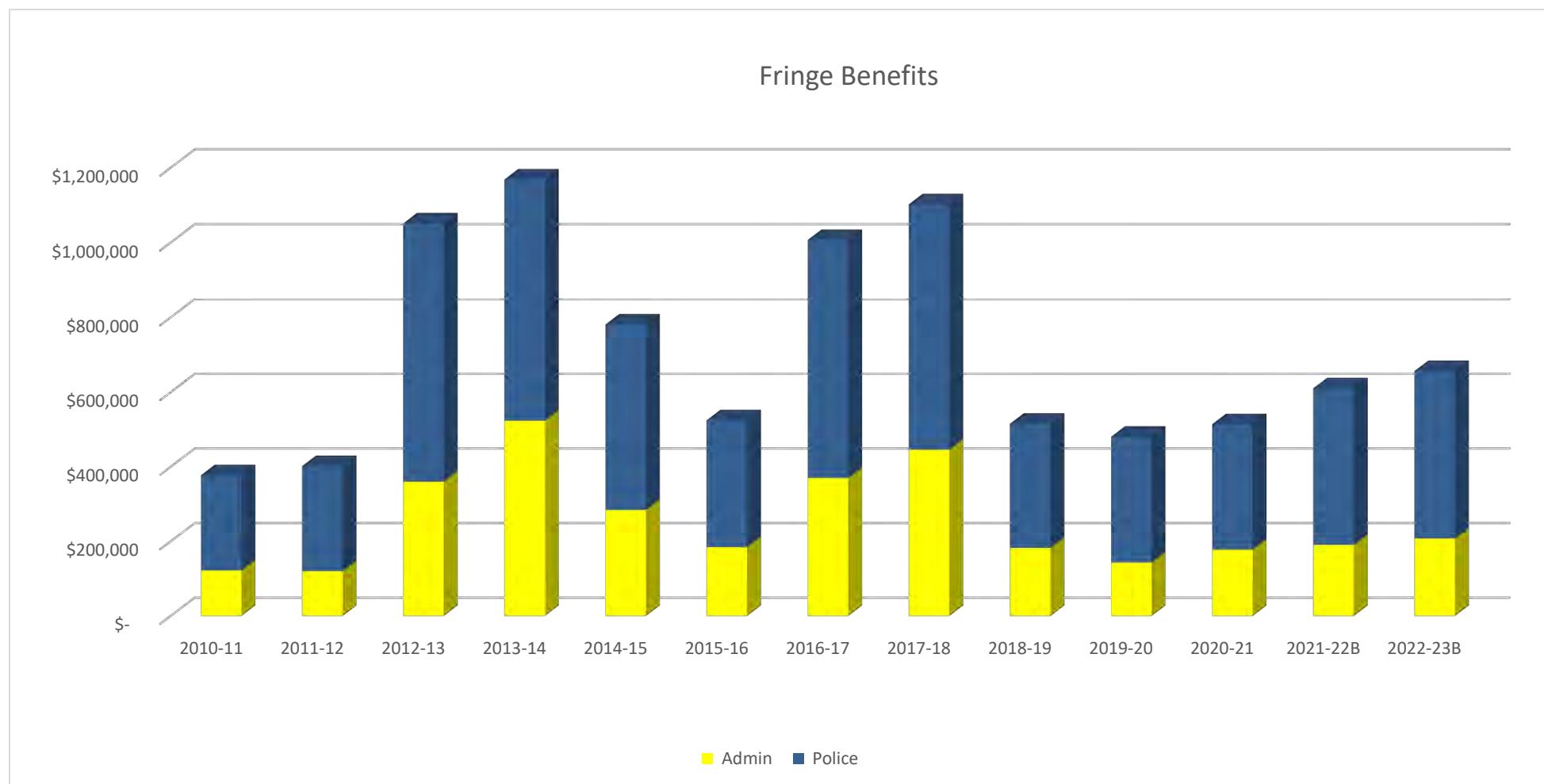
The Village's pay ranges are evaluated each year to establish both internal and external equity within the market and to ensure fair competitive wages. The recession has been a catalyst in reevaluating the Village's pay plan to better adapt to a stagnant economy.

The Village has budgeted salary increases based upon merit effective January 1, 2023.



Personnel Benefits

Personnel benefits include car allowance, tuition reimbursement, medical, dental, life insurance and Illinois Municipal Retirement Fund (IMRF) pension payments. The Village has been proactive in trying to contain medical costs. The Village fully funds the employee's portion of medical and dental premiums. All employees who choose to elect medical benefits contribute a 10 percent medical premium participation cost share (contribution) for dependents. The Village elected membership in the IMRF, an agent multiple-employer public employee retirement system, effective May 1, 2003. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The Village Board, in order to increase funding levels and lower the annual employer contribution percentage, approved voluntary payments to IMRF totaling \$574,000 in FY2012-2013, \$500,000 in each FY2013-14, FY2016-17, and FY2017-18.



Capital Projects and Equipment

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. Annually, the Village of Bannockburn prepares a five-year Capital Improvement Plan, which is included in section 7 of this book.

The Village has included a total of \$598,172 in the FY2022-23 budget for improvements to be completed this fiscal year. The capital improvements related to the General Fund are police vehicle purchase of new squad car (\$50,000) to keep the Village's fleet running smoothly and efficiently, and engineering expenses related to the Phase I Wilmot Road improvement of (\$103,172). The Village is anticipating paying for the resurfacing of Telegraph Road in FY2022-23 in the amount of \$240,000 or 20% of the \$1.2 million dollar project. The Village has applied for Surface Transportation Program (STP) funding and hopes to receive approval to start the project in January 2023. The Village received confirmation from IDOT the funding was approved and is slated for the November 2022 letting. The savings to be achieved by the grant funding is forecast to be slightly under \$1 million. The capital improvements related to the Water Fund are for the engineering for Half Day Road water main improvements (\$20,000) and a pump replacement (\$100,000). The water main engineering is being prepared in anticipation and to capture the synergy related to combining the road replacement program with the water line replacement program. The savings by combining the two projects is over \$750,000 to the Village. The Village anticipates one water pump replacement for the next three years to keep the water supply to our residents safe and consistent in the amount of \$100,000. The capital improvements related to the Sewer Fund are for Lift Station work and wet well hatches. The Village currently has general fund cash reserves totaling \$6,130,298 of which \$2,114,354 will and can be used for capital improvements. Also, the Village anticipates the use of STP and other grant funds to cover any funding requirements needed in the next five years related to road reconstruction, pathway construction, and stormwater drainage improvements.

The pay-as-you-go funding is provided by the Operating Budget, over the course of the next five years, future capital infrastructure projects within the Village will not require issuing debt; however, it will require securing funding from outside entities such as state and federal grants and developer contributions in order to complete all projects identified in the Village's infrastructure master plans illustrated in Section 7.

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 FY2022-23 along with expenditure trend information. A reasonable estimation of expenditure is developed for FY2022-23 and included within the line item budget.

Debt Service Expenditures

The FY2022-23 debt service includes the 2019 Refunding Debt Certificates, two inter-fund advances due from SSA #16 and SSA #17 to the General Fund, and three Illinois Environmental Protection Agency (IEPA) loans of which two are Drinking Water State Revolving Fund (SRF) Loans and one is a Clean Water SRF loan outstanding as of May 1, 2022. Bond descriptions and amortization schedules are listed within the Debt Profile of this section. No new debt is planned to be issued this fiscal year. The Taxable Recovery Zone GO Bonds will be retired on January 1, 2030 and the Village does not anticipate issuing any General Fund Bonds until January 1, 2030 to pay for Road Improvements itemized in the Capital Improvement Budget detailed in Section 7.

Enterprise Fund Expenses

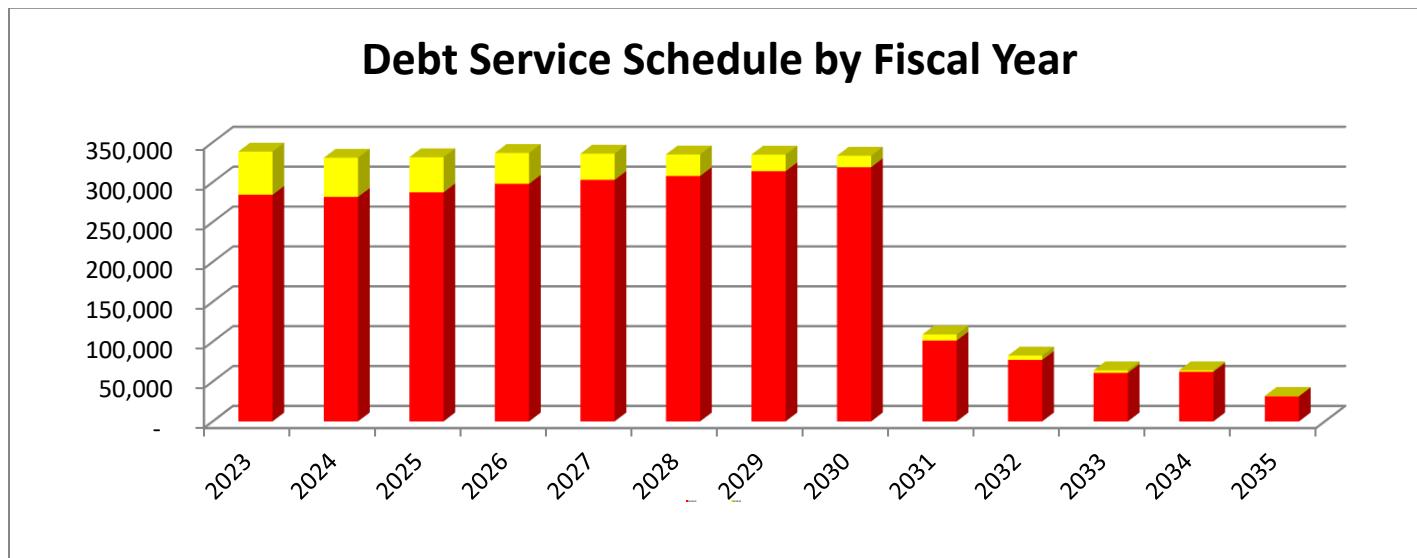
The Water Fund and Sewer Fund are considered enterprise funds. Rate structures and user fees should be set at levels that are sufficient to pay related expenses. Property tax subsidies are not used to balance enterprise fund operations. In FY2022-23, there are no anticipated advances to any Enterprise Funds. As noted in the Capital Improvement Program Budget in Section 7, the Village anticipates capital expenditures with potential debt issuance to occur in FY2024-25 for Water Main

replacements in conjunction with road and pathway improvements on Hilltop Lane and Half Day Road in the amount of \$2,000,000. The Village will seek IEPA loans to assist in funding the project.

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: In the General Fund, the Village has 2019 Refunding Debt Certificates; in SSA#16 and #17 debt is for inter-fund advances due to the General Fund; and in the Water Fund and Sewer Fund, funded through the Illinois Environmental Protection Agency (IEPA), the Village was awarded grants and loans for water and sanitary sewer capital projects. The award was comprised of 25% American Recovery and Reinvestment Act (ARRA) grant, 25% ARRA loan, and 50% IEPA loan. At project completion, the Water Fund had \$948,621 in loans and the Sewer Fund had \$75,419 in loans, payable at zero percent over 20-years. Additional long-term funding for designated watermain construction projects, completed in fiscal 2014, totaling \$1,023,232, was secured from the IEPA at 2.295% for 20-years. Total debt outstanding as of April 30, 2023 is \$2,728,032 in principal and \$299,289 in interest for a total of \$3,027,321. Below is a chart depicting the future principal and interest payments of all debt.

The Village's debt limitation is unencumbered. As a home rule government, under Illinois law, the Village no longer has a legal debt limit of 8.625% of the Village's Equalized Assessed Valuation. The Village's EAV for 2021 was \$162,680,538. Debt which pledges an alternate revenue source is not subject to the debt limitation calculation. Therefore, none of the Village's existing debt is subject to the debt limitation. The Village's bond rating is "AAA" from Standard & Poor's.



Debt Service Schedules

Fiscal Year Ending	Debt Refinancing – Road Improvements Issue Date: December 30, 2019 Date of Maturity: January 1, 2030 Amount of Contract: \$1,765,000 Interest Rate: 1.7 - 2.4% Interest Payable: 01/1 and 7/1 Principal Payable: Annually on 1/1 Payable to: Northbrook Bank and Trust NA Funding Source: General Fund	Interfund Advances – Sanitary Sewer Extension Issue Date: May 15, 2006 Date of Maturity: April 30, 2022 Amount of Contract: \$385,900 Interest Rate: 5.0% Interest Payable: 05/15 and 11/15 Principal Payable: Annually on 5/15 Payable to: Village of Bannockburn Funding Source: SSA #16	Interfund Advances - Sanitary Sewer Ext Issue Date: May 15, 2006 Date of Maturity: April 30, 2032 Amount of Contract: \$224,357 Interest Rate: 5.0% Interest Payable: 05/15 and 11/15 Principal Payable: Annually on 5/15 Payable to: Village of Bannockburn Funding Source: SSA #17							
	April 30th	Principal Interest Total P&I	Principal Interest Total P&I							
2023	\$169,000	\$ 31,225	\$200,225	\$2,409	\$120	\$2,530	\$11,338	\$ 7,130	\$18,469	
2024	167,000	28,014	195,014				11,905	6,564	18,469	
2025	171,000	24,674	195,674				12,500	5,968	18,469	
2026	180,000	21,083	201,083				13,125	5,343	18,469	
2027	183,000	17,213	200,213				13,782	4,687	18,469	
2028	186,000	13,187	199,187				14,471	3,998	18,469	
2029	190,000	9,002	199,002				15,194	3,274	18,469	
2030	193,000	4,632	197,632				15,954	2,515	18,469	
2031							16,752	1,717	18,469	
2032							17,589	879	18,469	
2033										
2034										
2035										
TOTAL	\$ 1,439,000	\$ 149,030	\$1,588,030		\$ 2,409	\$ 120	\$ 2,530	\$142,610	\$42,076	\$184,686

Debt Service Schedules (continued)

Fiscal Year Ending	Illinois Environmental Protection Agency (IEPA) Drinking Water SRF Loan Stirling/Valley/Telegraph Water Project #L173208 Issue Date: December 10, 2010 Date of Maturity: June 10, 2030 Amount of Contract: \$948,621 Original Amount - \$1,272,832 less \$324,211 forgiven Interest Rate: 0.00% Interest Payable: N/A Principal Payable: Semi-Annually on 06/10 & 12/10 Payable to: IL Environmental Protection Agency	Illinois Environmental Protection Agency (IEPA) Drinking Water SRF Loan Waukegan/Cedarcrest Water Project #L174693 Issue Date: August 1, 2014 Date of Maturity: August 1, 2034 Amount of Contract: \$1,023,232.32 Interest Rate: 2.295% Interest Payable: 02/01 & 08/01 Principal Payable: Semi-Annually on 02/01 & 08/01 Payable to: IL Environmental Protection Agency	Illinois Environmental Protection Agency (IEPA) Clean Water SRF Loan Telegraph Sanitary Sewer Project #L173279 Issue Date: January 5, 2011 Date of Maturity: July 5, 2030 Amount of Contract: \$102,103 Interest Rate: 0.00% Interest Payable: N/A Principal Payable: Semi-Annually on 01/05 & 07/05 Payable to: IL Environmental Protection Agency
	Funding Source: Water Fund	Funding Source: Water Fund	Funding Source: Sewer Fund
April 30th	Principal	Interest	Total P&I
2023	\$ 49,169	-	\$ 49,169
2024	49,169	-	49,169
2025	49,169	-	49,169
2026	49,169	-	49,169
2027	49,169	-	49,169
2028	49,169	-	49,169
2029	49,169	-	49,169
2030	49,169	-	49,169
2031	24,584	-	24,584
2032			59,509
2033			60,882
2034			62,287
2035			31,579
TOTAL	\$417,933	\$417,933	\$692,913
			\$108,063
			\$800,976
			\$33,167
			-
			\$33,167

Debt Service Schedules (continued)

Fiscal Year Ending	Village of Bannockburn All Issues – Combined Totals		
	Principal	Interest	Total P&I
April 30th			
2023	\$ 284,278	\$ 54,101	\$ 338,379
2024	281,554	49,085	330,639
2025	287,294	44,005	331,299
2026	298,090	38,619	336,708
2027	302,944	32,894	335,838
2028	307,858	26,954	334,812
2029	313,836	20,792	334,627
2030	318,878	14,379	333,257
2031	101,453	7,637	109,090
2032	77,098	5,457	82,555
2033	60,882	3,204	64,086
2034	62,287	1,799	64,086
2035	31,579	362	31,941
TOTAL	\$ 2,728,032	\$ 299,289	\$ 3,027,321

General Fund Balances and Projections

The General Fund is used to account for the resources and activities associated with the core services and day-to-day operations of the Village. The General Fund receives the majority of Village revenues and utilizes these resources to fund expenditures traditionally associated with government, including general administration, police, street maintenance, snow and ice removal, community events, building and zoning enforcement and planning and economic development. The main sources of revenue for the General Fund are General Sales Tax, Property Taxes and State Shared Income Tax. The three sources make up 67.49% of the FY2022-23 General Fund revenue budget.

Fund Balance Policy

The Village of Bannockburn Board of Trustees adopted a policy that requires the General Fund year-end unrestricted fund balance be maintained in an amount at least 25% for emergency reserves and 75% for operating reserves of the annual General Fund Operating Budget, including the annual debt service. The amount approximates three months of working capital for emergencies and nine months of working capital as an operating reserve. 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. The budget process takes a look at the next three years with a goal of sustaining this policy. The General Fund Balance at the end of FY2022-23 is projected to be \$6,168,187 or 151% of the total General Fund Expenditures for FY2022-23. The FY2022-23 Unassigned Fund Balance is \$2,021,127 or 50% of total General Fund operating expenditures. Based upon the Village's new Fund Balance Policy requiring the Village to maintain an upper limit of 75% of the Village's General Fund operating budget including debt service and excluding capital expenditures as operating reserves, the Village is in compliance with the Fund Balance Policy and has funds available for future capital improvements.

	Actuals FY2019-20	Actuals FY2020-21	Budget FY2021-22	Budget FY2022-23	Projected FY2023-24	Projected FY2024-25
Beginning Fund Balance	\$4,675,539	\$ 5,508,920	\$6,130,297	\$ 6,168,187	\$ 6,189,319	\$ 6,101,535
General Fund Revenues	4,436,563	4,292,015	3,950,083	4,184,202	4,120,380	4,223,330
Less: General Fund Expenditures	3,566,289	3,561,264	3,912,192	4,163,071	4,208,164	4,310,263
Annual Operating Surplus/(Deficit)	870,274	730,751	37,891	21,132	(87,784)	(86,933)
Less: Non-Spendable	228,453	170,122	160,000	120,000	110,000	100,000
Committed Emergency Reserve	969,412	959,196	966,946	1,040,768	1,030,095	1,033,807
Assigned	2,921,984	2,886,626	2,962,562	3,007,424	3,040,000	3,113,757
Total Ending Unassigned Fund Balance	1,389,071	2,114,352	2,078,679	2,021,127	1,921,440	1,767,038
Capital Expenditures/Debt Service	82,628	67,236	82,300	153,172	176,913	194,605
Expenditure less Capital Outlay and Financing	3,483,661	3,494,028	3,630,697	4,009,899	3,831,026	3,920,644
Required Operating Reserve % of Annual Operating Budget FY2019 forward 75%	152%	171%	165%	151%	156%	151%

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 Bannockburn 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 2022-23 Budget, with surplus (deficit) shown for each fund.

Fund	Fund Balance 4/30/21	Estimated Fund Balance 4/30/22	FY2022-2023 Revenue	FY2022-2023 Expenditures	Excess of Revenue over Expenditures	Fund Balance 4/30/23	Reserve/ Assigned/ Restricted Funds
General Fund	\$6,130,297	\$ 6,168,187	\$4,184,202	\$4,163,071	\$21,132	\$6,189,319	\$4,163,071
Special Revenue Funds							
MFT Fund	144,124	(5,502)	59,161	240,000	(180,839)	(186,341)	(186,341)
SSA #16	(7,777)	(2,409)	2,529	2,530	(0)	(0)	-
SSA #17	(147,581)	(136,783)	18,469	18,469	-	(125,445)	-
Enterprise Funds							
Water Fund (1)	2,597,037	2,684,530	1,109,176	1,041,086	68,090	2,752,620	2,752,620
Sewer Fund (1)	140,477	103,643	349,817	377,243	(27,426)	76,217	-
Total Funds	\$8,856,576	\$8,811,666	\$5,723,354	\$5,842,398	\$(119,044)	\$8,706,370	\$6,729,350

(1) Expenditure amounts exclude capital asset expenses and debt principal payments

SECTION 4



General Fund Summary and Detail

General Fund

Administration

Police

Building & Development

Public Works

Community Development

Insurance

Debt Service

Capital Outlay



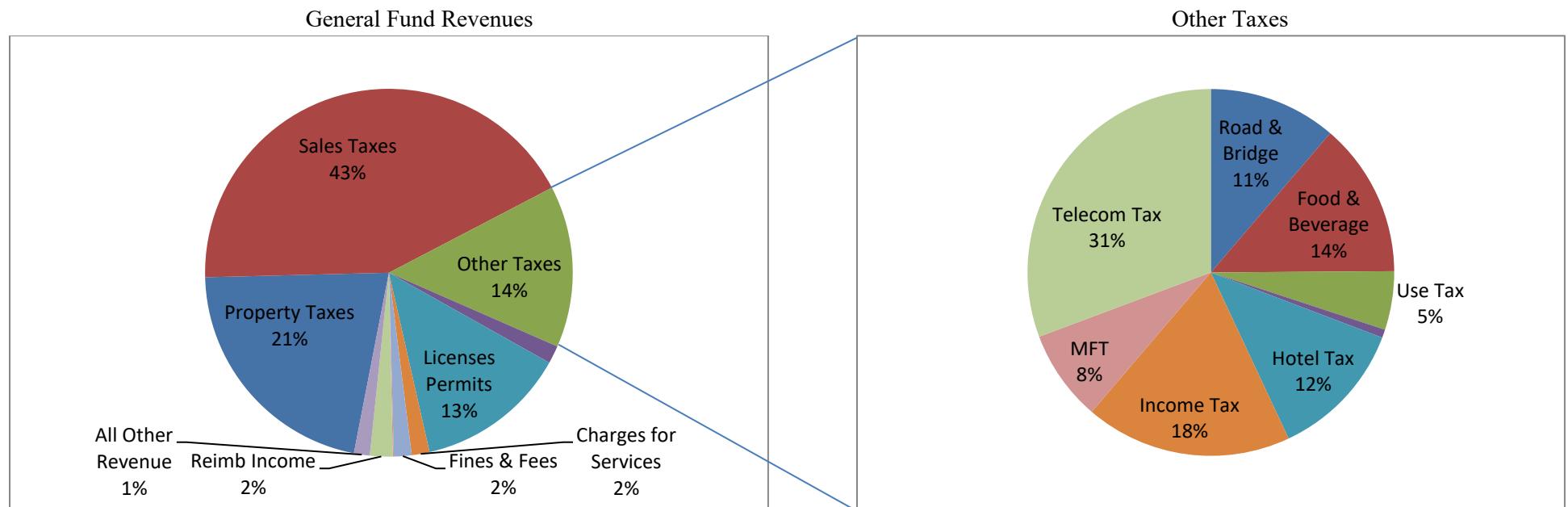
General Fund Summary and Detail

General Fund

The Village of Bannockburn is a home rule municipality, which levies taxes in Lake County. The General Fund Revenue Budget for FY2022-23 is \$4,184,202 representing an increase from the prior year. The Village derives a significant portion (43%) of its revenue in the General Fund from Sales Tax, Property Taxes (21%) and other Intergovernmental Taxes (14%). Other taxes include Income Tax, Personal Property Replacement Tax, Road & Bridge Tax, Hotel Tax, Use Tax, Food & Beverage Tax, and the Utility Tax for telephone; the Village does not impose the electricity or natural gas tax on its residents. Real Estate Taxes include the Audit, Police Protection/System 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, and police 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.

For more detailed description on revenues and assumptions refer to Section 3 Executive Overview.



General Fund Revenues

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-105-3000	REAL ESTATE TAX - CORPORATE	\$(528)	(185)	-	General Government taxes abated
101-105-3001	REAL ESTATE TAX - POLICE	497,248	694,267	726,610	Tax Levy Amount
101-105-3002	REAL ESTATE TAX - AUDIT	28,064	29,721	30,798	Tax Levy Amount
101-105-3003	REAL ESTATE TAX - INSURANCE	55,913	59,205	61,351	Tax Levy Amount
101-105-3010	ROAD & BRIDGE TAX	75,825	80,283	82,943	Tax Levy Amount
101-105-3020	TELECOMMUNICATIONS TAX	257,432	237,500	225,625	The long-term downward trend in telecom tax is anticipated to continue due to the loss of landline phone service mobile providers no longer charging for roaming and long distance & the increased popularity of prepaid services.
101-105-3030	FOOD & BEVERAGE TAX	70,987	95,000	100,000	Amount projected to return to pre-COVID levels plus additional revenue from Yianni's Opa
101-105-3040	USE TAX	70,697	55,302	37,988	Illinois Municipal League "IML" forecast at a \$37.50 per capita. Increase in on-line sales
101-105-3041	PERSONAL PROPERTY TAX	6,012	6,326	5,328	IML is projecting an 11% decrease from 2021 actuals due to lower corporate income related to fuel prices, supply chain disruptions, robust consumer demand and tight labor market
101-105-3050	HOTEL TAX	31,704	71,204	90,000	Projected based upon current year revenue trend and TIU activities returning to pre-COVID levels
Total Local Taxes		\$1,093,354	\$1,328,624	\$1,360,643	
101-110-3100	SALES TAX	\$1,372,999	\$1,352,588	\$1,371,524	CGFA Forecasts as 1.4% increase with the next stage of COVID recovery
101-110-3101	SALES TAX - HOME RULE	411,121	\$411,121	416,876	CGFA Forecasts as 1.4% increase with the next stage of COVID recovery
101-110-3110	STATE INCOME TAX	181,471	175,555	134,020	IML projection \$132.30 per capita of 1,013. The impact of lower census # is offset by a higher per capital \$ amount related to improved labor market, corporate income tax, higher estimated tax payments.
101-110-3115	CANNIBAS EXCISE TAX	1,662	1,472	1,975	\$1.95 per capital per IML - (8% of deposits) will go to local governments, through LGDF, fund must be used for crime prevention programs, training and drug interdiction efforts.
Total Intergovernmental Taxes		\$1,967,252	\$1,940,735	\$1,924,395	

General Fund Revenues (continued)

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-115-3205	GRANT - RTA	\$632	\$-	\$-	Grant was for 2 years and has been completed
101-115-3210	GRANT - VEST DOJ	840	856	450	1 vest to be purchased
101-115-3211	GRANT - HWY SAFETY	2,201	16,600	12,000	Extra patrols during holidays average of last 2 years
101-115-3215	GRANT - PHLEBOTOMY	-	6,793	-	None anticipated
101-115-3220	GRANT - IPRF	2,473	7,027	3,000	Insurance grant for safety equipment
101-115-3225	GRANT - OPENLANDS	-	10,000	-	None anticipated
101-115-3226	GRANT - USFWL	-	-	50,000	US Fish & Wildlife Grant Seed and Bank Improvements
101-115-3250	GRANT - CARES ACT	63,555			None anticipated
101-115-3251	GRANT - FEMA COVID	-	4,000	-	None anticipated
GRANT REVENUE		\$69,701	\$45,276	\$65,450	
101-120-3300	LICENSES - DOG	\$1,090	\$500	\$500	Implementation of 3-year license last 2020; less 1-year tags will be sold
101-120-3310	LICENSES - BUSINESS	15,943	15,665	15,665	212 license avg cost \$50/licensor, restaurants @ \$5 per seat/1,152 seats, vending machines 36@\$20/machine
101-120-3320	LICENSES - LIQUOR	15,573	18,500	18,500	11 licenses liquor licenses
101-120-3340	PARK FACILITY RENTAL FEE	-	650	100	Shelter rental \$100
101-120-3350	TRANSFER COMPLIANCE FEE	13,873	41,000	1,000	\$100 residential fee/#\$.10/sq ft non-residential. Less commercial transfers anticipated.
TOTAL LICENSES & FEES		\$46,478	\$76,315	\$35,765	
101-125-3360	AMERITECH FRANCHISE	\$2,401	\$1,900	\$1,900	Based upon prior year estimates
101-125-3361	PEG/VIDEO FRANCHISE	194	250	250	Based upon prior year estimates
101-125-3362	CABLE FRANCHISE FEES	18,729	22,250	20,500	Based upon average of last 2 years
FRANCHISE FEES		\$21,323	\$24,400	\$22,650	
101-130-3400	BUILDING PERMITS	\$557,803	\$150,000	\$275,000	Based upon 2019-20 actual and work at Champro, Bannockburn Green, Opus Allegro
101-130-3405	BLDG & ZONING FINES	3,500	1,000	-	None anticipated
101-130-3410	APPLICATION FEES - ARC	16,048	10,000	5,000	Based upon 2019-20 actuals less ARC projects due to cost of labor/supplies
101-130-3420	APPLICATION FEES - ZBA	1,250	1,500	1,500	Prior year budget
101-130-3431	DEMOLITION FEE - R&B	-	-	-	None anticipated
101-130-3440	REFORESTATION FEE	34,500	-	240,000	\$150/inch for 1,600 inches for Allegro Property
TOTAL BUILDING & ZONING FEES		\$613,101	\$162,500	\$521,500	

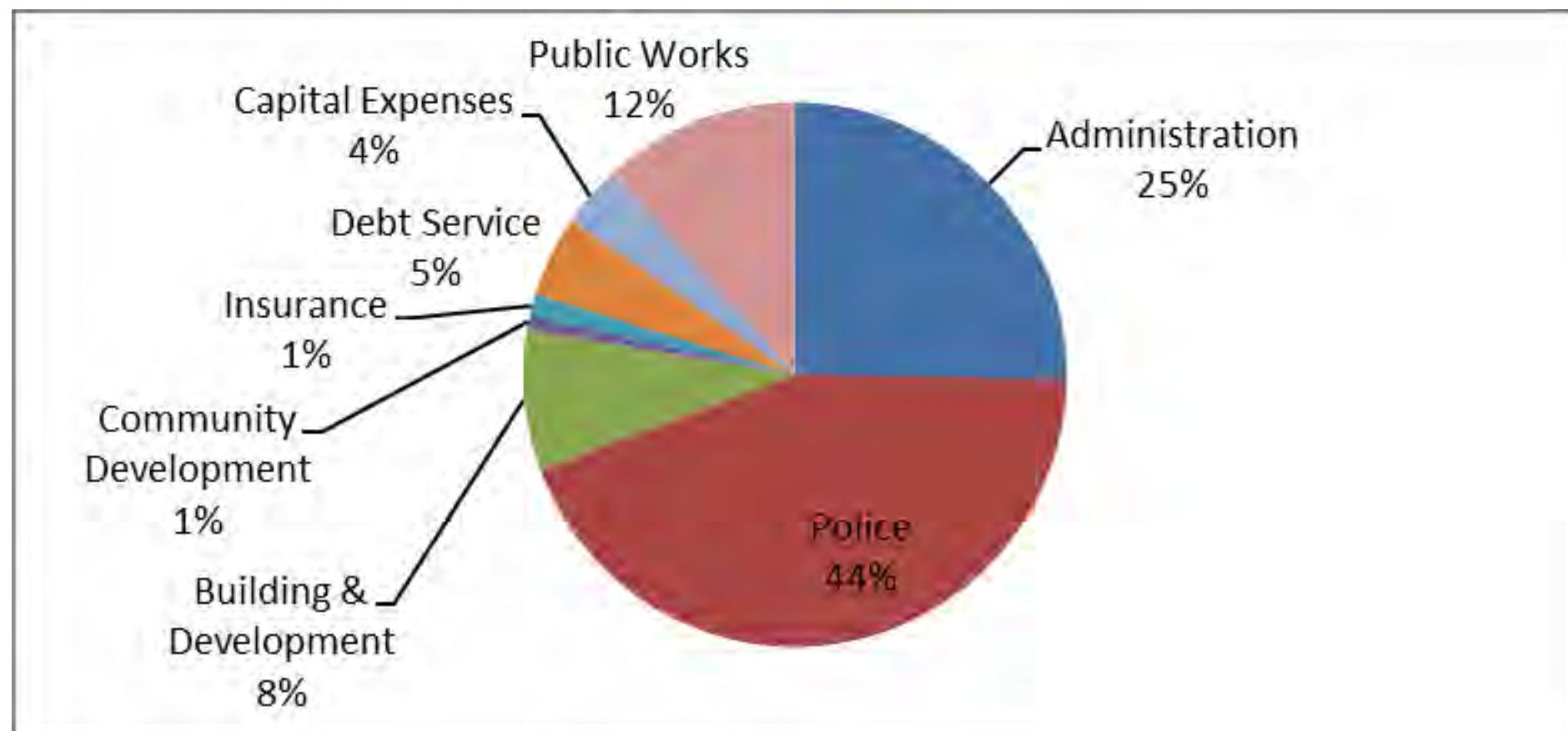
General Fund Revenues (continued)

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-135-3450	DONATIONS - DARE	\$2,325	\$2,500	\$2,500	Funding through court fines & other donations
101-135-3465	DONATIONS - POLICE	4,000	2,500	-	None anticipated
	DONATIONS	\$6,325	\$5,000	\$2,500	
101-140-3500	TRAFFIC FINES	\$48,711	\$48,000	\$48,000	Based upon current years actuals
101-140-3505	COURT FINES - DUI	334	1,000	1,000	Prior year actuals
101-140-3510	PARKING & COMPLIANCE TICKETS	13,493	16,000	16,000	Based upon current years actuals
101-140-3520	ALARM FINES	25	385	25	Conservative based upon prior amounts
	POLICE FINES & FEES	\$62,564	\$65,385	\$65,025	
101-145-3550	SEIZURE/FORFEITURE	\$2,700	\$4,000	\$4,000	Car seizures \$500/car
101-145-3555	ABANDONED PROPERTY	6,047	500	100	Evidence property left and unclaimed
	POLICE SPECIAL REVENUE	\$8,747	\$4,500	\$4,100	
101-155-3602	INSURANCE REFUND/REIMBURSEMENT	\$10,500	\$3,038	\$-	None anticipated
101-155-3610	BUILDING & ZONING REIMBURSABLES	166,167	40,000	75,000	Engineering and attorney fees, public notices, postages.
101-155-3611	ROAD REPAIR REIMBURSABLES	-	26,164	6,775	Based upon Ordinance 93-37 requiring 2800 Lakeside to pay an annual road repair fee.
101-155-3620	SPECIAL DETAIL	-	4,257	575	Traffic Control Special Events
101-155-3692	SSA REIMBURSABLES	2,267	2,000	1,200	\$100/qtr for 3 properties
	REIMBURSABLE EXP REVENUE	\$178,935	\$75,459	\$83,550	
101-160-3640	INVESTMENT INCOME	\$-	\$-	\$-	None anticipated - IRMA remaining pool funds
101-160-3650	INTEREST INCOME	39,680	24,000	20,000	Est rate return @ .25% on current cash balance + c.c rebate
101-160-3660	INTEREST-SSA & RECAPTURE	10,325	7,670	7,131	Interest payment SSA #17 \$7,670.40
	INTEREST INCOME	\$50,006	\$31,670	\$27,131	
101-170-3760	SALES OF ASSETS	\$300	\$6,500	\$6,000	Sale of squad car
101-170-3770	MISCELLANEOUS INCOME	193	-	-	None anticipated
101-170-3771	MISCELLANEOUS INCOME - POLICE	9,111	500	-	None anticipated
101-170-3775	MISCELLANEOUS INCOME - ARPA	-	102,472	-	Potential Second Installment Summer 2022
	TOTAL OTHER REVENUES	\$9,604	\$114,622	\$6,000	
101-195-3850	SERVICE CHARGES - WATER	\$47,752	\$66,208	\$56,920	Based upon administrative hours plus overhead costs.
101-195-3851	SERVICE CHARGES - SEWER	5,306	9,388	8,573	Based upon administrative hours plus overhead costs.
	TOTAL SERVICE CHARGES	\$53,058	\$75,596	\$65,494	
	General Fund Total Revenues	\$4,180,447	\$3,950,083	\$4,184,202	

General Fund Expenditures

The General Fund Expenditures for FY2022-2023 total \$4,163,071 which represents a \$250,878 increase from the prior fiscal year budget. The increase reflects higher expenses in the following areas: Administration, Police, Community Events, and Insurance expenses. The General Fund budget includes expenses for the following departments: Village Board & Commissions, Administration, Police, Build and Development, Public Works, Community Development, and Insurance. The expenditures also include capital and interest payments.

Below is a breakdown of expenses:



Administration

The Administration Department in the Village of Bannockburn is responsible for all 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 has efficient and economical government services, to establish policy and enact ordinances that protect the health, safety and welfare of the Village residents. The Village President, Board of Trustees and Village Clerk are part-time elected officials. Trustees are elected to staggered, four (4) year terms. The Village's President and clerk are elected to two-year terms. The Board establishes the vision and direction for the Village, and coordinates through the Village Manager.

Village Manager

The Village Manager is the chief administrative and financial officer of the Village. The Village Manager supervises and coordinates the work of all departments and is directly responsible for planning, organizing and directing the day-to-day operations of Village. The Village Manager ensures that all policies, directives, laws and ordinances adopted by the Village of Bannockburn are faithfully administered and enforced.

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

- Acting as business manager for the Village under the direction of the President and Board of Trustees;
- Attending, preparing agenda and noticing all meetings of the Village Board;
- Keeping the Village Board apprised and informed on the conditions and needs of the Village and recommending to the Board for adoption of any such measures the Village Manager may deem necessary or expedient in the operation of the Village;
- Making recommendations to the Village Board on municipal ordinances and regulations;
- Preparing and submitting to the Village Board, as of the end of the fiscal year, a complete report on the finances and the administrative activities of the Village for the preceding year;
- Implementing policies established by the Village Board;
- Supervising, coordinating and evaluating all departmental activities and responsibilities, including the budgeting process;
- Analyzing and making policy recommendations concerning land use and development proposals, zoning and development regulations and transportation issues;
- Participating 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;
- Coordinating communications with the community, including residents, businesses and other organizations, concerning Village programs and policies;
- Conducting the 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; management of current labor agreements; policy administration and interpretation, and employee recognition program.

Assistant Finance Director

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

- Overseeing all areas of fiscal management of the Village's financial operations including accounting, banking, billing and collections, purchasing, personnel, benefits, taxes, assets, licensing, revenue, IT and treasury management;
- Developing the annual budget, working with the Village Manager and other Village department heads and with the approval of the Village Board;
- Preparing the Comprehensive Annual Financial Report (CAFR);
- Assuring that the Village's financial systems meet Government Accounting Standard Board (GASB), Generally Accepted Accounting Principles (GAAP) and other appropriate standards;
- Assisting in the development, maintenance and audit of the accounting systems;
- Managing the investment portfolio of the Village.

Assistant Village Manager

The Assistant Village Manager is responsible for general services, building and zoning, water and sewer department, communication and special projects. The following are the functions performed:

- Interpretation and enforcement of all Village Building & Zoning Codes;
- Working with Village Forester on Village's removal of dead, diseased and dying trees, and maintaining a tree inventory of Village trees;
- Assisting in the planning process for future economic development and growth;
- Managing the Village communications through the website and assisting with IT general issues;
- Coordinating Village sponsored events;
- Overseeing water billing, water meter inventory, water audit, reduced pressure zone backflow prevention devices (RPZ), and backflow tracking and inventory;
- Assisting with FOIA processing and maintaining Village files including ordinances and resolutions;
- Serving as staff support to various commissions.

Communication and Permit Manager

The Village's Communication and Permit Manager provides support to the Administrative, Police and Building Department staff. The responsibilities include:

- Facilitating the building permit process from receipt of application until permit is closed out by reviewing all plans submitted for permit for completeness and issuing permits and certificates of occupancy;
- Handling of phone calls and visitor questions by providing "white glove" customer service to visitors and callers to the Village;
- Providing support at Board and Commission meetings, including all meeting minutes and meeting preparation;
- Assisting with special events as needed; Preparing the monthly ByLine Newsletter
- Handling FOIA requests;
- Maintaining a positive working relationship with the staff at Lake Forest, Fire Marshall, Village Engineers, Village Forester and Public Works;
- Covering the office for vacations, conferences, and emergencies.

Outsourced Services

The Village of Bannockburn, being a small community, has strategically chosen, as a means of controlling operating cost and hiring the most qualified professionals, to utilize outside resources to perform its information technology (IT), utility billing, legal, engineering and public works functions.

➤ **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.

➤ **Utility Billing**

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 the Water/Sewer 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.

➤ **Engineering**

The Village Engineer conducts special studies and reports on a variety of subjects and activities as a basis for recommendations to the Village Manager and Village Board of Trustees; prepares engineering studies, project designs, preliminary and final construction cost estimates, engineering drawings and project specifications; serves as project manager for federally funded grant projects; makes recommendations and oversees special construction or maintenance projects, and provides construction administration & oversight for capital improvement projects.

➤ **Public Works**

The Village hires several contractors to perform the duties of a Public Works Department. The duties include maintenance to public buildings (Village Hall and Shelter), infrastructure (roads, paths, water mains, sanitary sewer, stormwater management) and public space (rain gardens, open space, green space and trees).

Budget Analysis

The Administration Department FY2022-2023 budget is \$1,767 lower than the prior year budget. The decrease in expenses is related to the completion of the Village Hall remodel which was completed in FY2021-22.

Administration Budget

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-310-4000	WAGES - FULL TIME	\$513,743	\$535,062	\$561,411	3% increase
101-310-4005	WAGES - PART TIME	-	3,000	4,000	250 hours @\$16.25/hour
101-310-4010	WAGES - OVERTIME	498	-	-	None anticipated
101-310-4015	OTHER PAYROLL - BONUS	4,000	4,000	4,000	Board approved bonus per employee
101-310-4020	SICK PAYROLL	709	3,982	4,603	2 employees 80 hours cashing in sick
101-310-4025	VACATION PAYROLL	37,064	20,358	21,593	Full-time employees cashing in 2 weeks
101-310-4100	MEDICAL, DENTAL & LIFE	47,803	52,666	54,918	Current actual rates plus 10% effective 1/1/20
101-310-4110	HRA FUNDING	13,446	31,275	31,275	Employer portion of deductible contribution based upon 75% of balance
101-310-4200	SOCIAL SECURITY & MEDICARE	32,923	36,287	37,923	Social Security @6.2% up to \$142,800 Medicare @1.45% of salary
101-310-4210	IMRF EXPENSE	43,175	45,447	50,365	IMRF based upon rate of 7.77% to 12/31/2022 and 10% for CY2022
101-310-4220	UNEMPLOYMENT	424	369	344	\$12,740 @0.675% for 4 employees rate increase from .625% to .675%
101-310-4310	TUITION PAYROLL	-	-	6,750	Asst Finance Director MBA Classes 3 @\$4,000 each less \$5,250 expense line item
101-310-4320	AUTO ALLOWANCE	2,250	-	-	None anticipated
TOTAL ADMIN PERSONNEL COST		\$696,034	\$732,446	\$777,182	

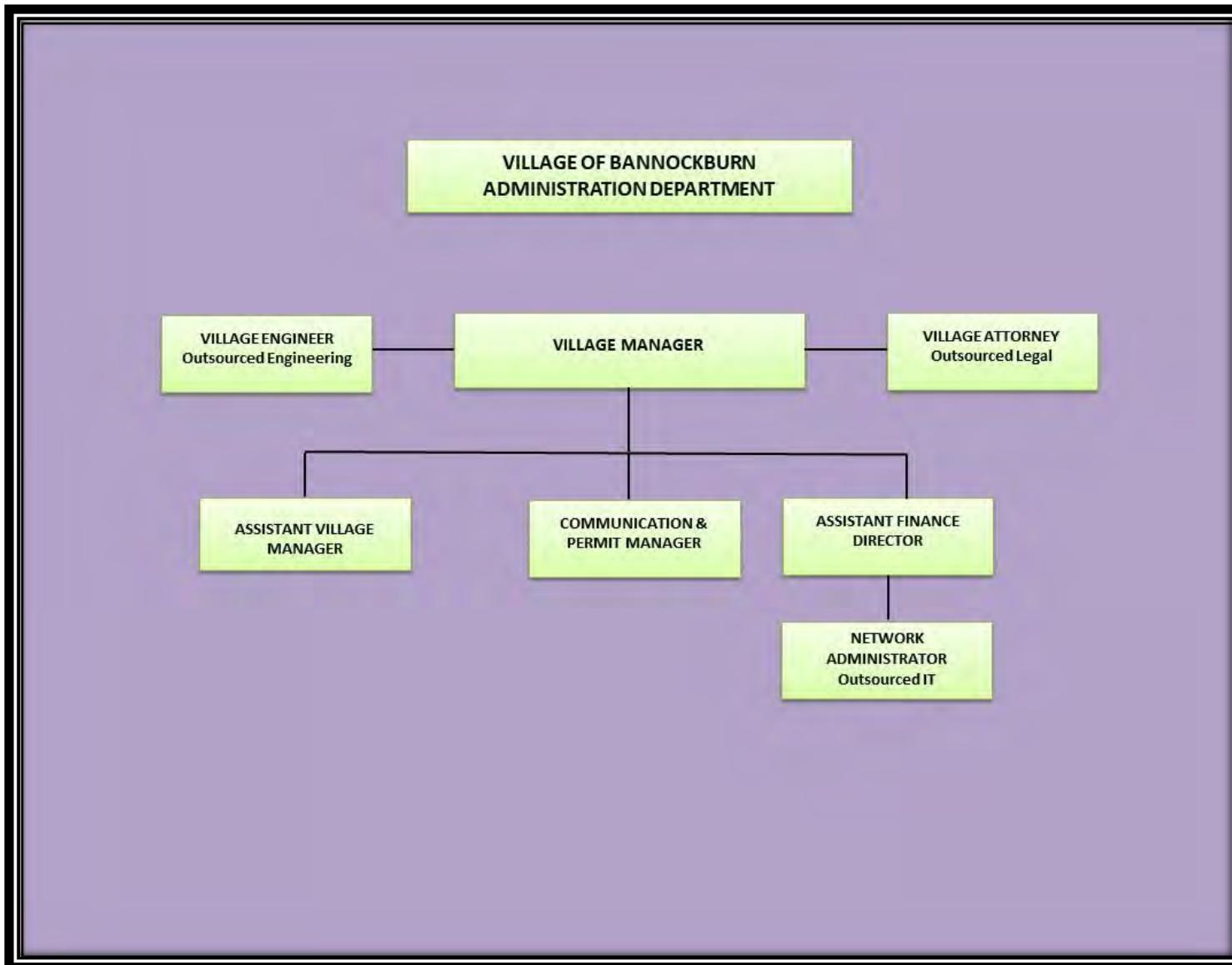
Administration Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-310-5000	MAINTENANCE - BUILDING	\$32,195	\$83,095	\$23,100	Generator Maintenance \$5,000, Tuck Pointing \$5,000, Bannockburn Public Works Gen Bld - \$5,000, Air Cond & Main \$5,000, Extermination \$700, fire extinguisher insp \$400, bulbs, filters, etc. \$2,000
101-310-5001	CLEANING SERVICE	7,621	9,100	9,100	\$675/mth -Cleaning service and supplies \$1,000
101-310-5105	AUDIT	19,944	24,737	25,000	
101-310-5108	CORONAVIRUS	4,882	-	-	None Anticipated
101-310-5120	LEGAL	67,160	75,000	75,000	Anticipated to be same as FY2021-22
101-310-5130	ALARM	3,711	3,000	3,000	Burglar alarm monitoring and maintenance
101-310-5160	COMPUTER NETWORK	18,007	22,500	22,500	\$965/mth online back-up & server management plus 1.5 to 3 hours per month for laptop & desktop computer issues
101-310-5161	WEB SITE	14,058	3,500	3,500	Mthly updates \$250 for ADA compliance & security software fee plus other as needed \$500
101-310-5162	INTERNET	8,844	9,725	9,725	Comcast cable cost - \$100/mth, phone cable \$499/mth & domain costs \$200
101-310-5200	POSTAGE, FREIGHT, SHIPPING	548	1,500	1,500	Vendor Bill Mailing, licenses, questionnaires
101-310-5220	PHOTOCOPY	1,974	2,400	2,400	Copier maintenance, toner
101-310-5221	PRINTING	1,364	2,500	2,500	Business cards, letterhead, dog tags, decals, marketing materials
101-310-5224	LEGAL PUBLICATIONS	209	500	500	Public notices, treasurer's report
101-310-5310	DUES - MEMBERSHIP	13,536	15,000	15,000	NW Municipal Conf \$5,421, SWALCO \$350, CityTech \$165, Local Gov't News \$860, CMAP \$60, Metro Mayors Caucus \$130, IML \$250, Lake Cty Trans Alli \$250, TMA of Lake Cty \$250, Lake Cty Partners \$500, Lake Cty Muni League \$775, IGFOA \$150, GFOA \$250, Municipal Clerks IL \$110, ILCMA dues \$1,000, Int'l City/Cty Mgmt Assn \$1,600, Municipal Clerks of Lake Cty \$40, Amer Planning Assn \$460
101-310-5330	TRAINING & CONFERENCES	(23)	15,000	15,000	APA IL, GFOA, ILCMA , ICMA, NW Municipal Conf, Lunches, mileage & airfare

Administration Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-310-5331	TRAINING & CONFERENCES - BOARD	58	23,500	26,000	ILCMA, Lake County Municipal League, luncheons, legislative brunches, events attended by board and clerk, elected official training, strategic planning workshop \$16,000 .
101-320-5340	TUITION REIMBURSEMENT	7,527	-	5,250	None Anticipated
101-310-5410	UTILITIES	4,743	6,000	6,000	Water \$5,000 and Gas \$1,000
101-310-5411	TELEPHONE	2,730	2,820	3,300	Cell Phone \$125, phone system \$330/qtr
101-310-5430	BANK FEES	4,385	4,200	4,200	Checking account banking fees, positive pay, avg \$350/mth
101-310-5450	PROPERTY TAXES	128	200	200	West Skokie drainage tax
101-310-5452	PROPERTY TAXES - OPEN SPACE	562	600	600	West Skokie drainage tax
101-310-5700	OFFICE SUPPLIES	9,721	10,000	13,500	Paper, envelopes, stationary, coffee, check printing, folders, pens, water, apparel
101-310-5730	SMALL EQUIPMENT	1,115	1,000	2,000	Tent Bannockburn Days
101-310-5955	AWARDS AND RECOGNITION	17,003	4,500	5,000	Holiday Dinner, awards, plaques, gifts, team building last yr included VM supplemental payment
101-310-5999	MISCELLANEOUS	25	1,000	1,000	Other categorized expenses - water, tags, meeting exp moved to other line items
OPERATING EXPENSES		\$242,027	\$321,377	\$274,875	
	TOTAL ADMINISTRATION EXPENSES	\$938,060	\$1,053,823	\$1,052,057	
	FULL TIME EQUIVALENT STAFFING	4	4	4	

VILLAGE OF BANNOCKBURN, ILLINOIS
Organizational Chart – Administration Department
April 30, 2022



Police Department

The Police Department delivers a variety of local law enforcement services to the community. Police services include crime prevention and suppression, victim support and assistance, infrastructure protection, community education and awareness, emergency preparedness, and traffic safety.

Mission Statement

The mission of the Bannockburn Police Department is to provide the highest quality police services in partnership with the community to residents, visitors and businesses through dedicated efforts and innovative programs. This mission is performed with dedication and professionalism while being fair and impartial and ensuring a safe place to work, live, learn, shop and play.

Values

The Bannockburn Police Department bases its policing practices on the principles of service to the community, ethics and professionalism.

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

- **Partnership:** Work in partnership with residents, businesses, the Village Board and other Departments, Service Agencies, and Criminal Justice systems.
- **Organization and Operations:** Provide supportive, high quality professional service to the community through teamwork, creativity and continual self-improvement.
- **Leadership:** Create a trusting environment where everyone leads by example and is willing to go beyond traditional expectations.
- **Integrity:** Commit to the highest ethical standards by upholding our position of trust through honesty and accountability.
- **Crime Prevention:** Use problem-solving methods to reduce the incidence and fear of crime and to improve management and operational approaches.
- **Empowerment:** Encourage decision making at the most effective level and promote citizen responsibility and involvement.

History

The Bannockburn Police Department was established on November 18, 1968. The Bannockburn Police Department employs ten sworn officers, nine part-time officers and one part-time professional, administrative support staff. The Bannockburn 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 Bannockburn Police Department's Officers provide a full range of law enforcement services.

A listing of a few of the programs and services the Bannockburn Police Department provides is as follows: Community Safety Day where safety information, goodies, and child seats are distributed and installed in cars, as well as, a smoke trailer is present which provides a simulation exercise on what happens during a fire; Trinity International University (TIU) Training Day where the Village's training officer conducts active shooter situation training on the TIU campus for Village and surrounding police departments; "Give Where You Live" campaign to help homeless people; and the Drug Abuse Resistance Education (DARE) program that seeks to prevent use of controlled drugs, gangs, and violence. The Village has supported the DARE program since 2001 and graduates 20 or more students from the 5th grade class of Bannockburn Elementary School each year.

Budget Analysis

The Bannockburn Police Department's FY2022-2023 budget is forecasted to increase from the projected FY2021-2022 budget by \$71,623. The increases are based upon increases in salaries and related fringe benefits and additional hours for training.

Police Budget

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-320-4000	WAGES - FULL TIME	\$776,134	\$849,434	\$874,799	New officer hired @ salaries lower than retired officers plus 3% salary increase
101-320-4005	WAGES - PART TIME	104,313	105,000	114,600	Total 3200 hours and includes 240 extra hours for Staff in Command Training
101-320-4010	WAGES - OVER TIME	31,445	28,500	28,500	Same as prior year's budget to cover other officer time off, extra time for police stops, taskforce call out, court time.
101-320-4015	OTHER PAYROLL - BONUS	7,000	8,500	8,500	\$1,000 per full-time officer, \$500 part-time clerk
101-320-4020	SICK PAYROLL	199	8,923	9,280	2 officers @80 hours
101-320-4025	VACATION PAYROLL	18,701	16,284	16,823	8 officers @40 hours lower since prior year included vacation payout for retiring police officer
101-320-4100	MEDICAL, DENTAL & LIFE	139,800	161,692	179,932	Actual cost per emp/Village ins changed to high deductible-lower premiums
101-320-4110	HRA FUNDING	34,767	83,400	83,400	Employer portion of deductible contribution based upon 75% of balance
101-320-4115	MEDICAL, DENTAL SUPPLEMENTAL PYMT	1,800	150	150	Retired officers' supplemental payment
101-320-4200	SOCIAL SECURITY & MEDICARE	70,767	76,294	78,960	Social Security @6.2% up to \$128,400 Medicare @1.45% of salary
101-320-4210	IMRF EXPENSE	62,101	68,776	73,842	IMRF based upon rate of 7.77% to 12/31/2022 and 10% for CY2022
101-320-4220	UNEMPLOYMENT	1,365	1,723	1,485	\$12,740 @0.675% for 4 employees rate increase from .625% to .675%
101-320-4300	TUITION PAYROLL	6,731	2,747	4,750	Amount over \$5,250 per employee per IRS rules
TOTAL POLICE PERSONNEL COSTS		\$1,255,125	\$1,411,423	\$1,475,022	
FULL-TIME EQUIVALENT STAFFING		9	9	9	

Police Budget (continued)

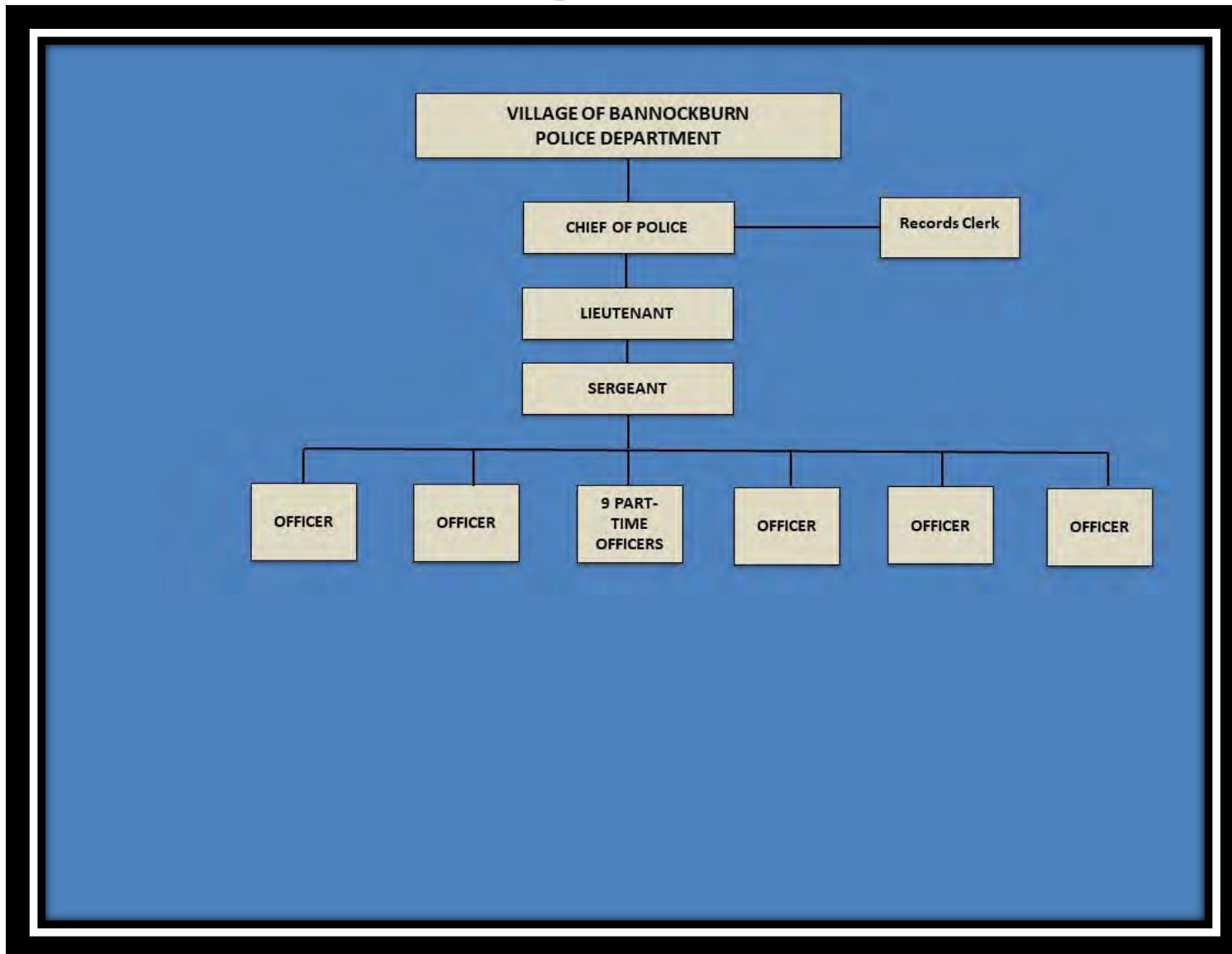
General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-320-5020	MAINTENANCE - VEHICLE	\$13,450	\$19,000	\$19,000	Oil changes-\$1,000, repairs: breaks, new tires, gen maint - \$17,500, car washes - \$500
101-320-5101	CANINE SERVICES	4,225	-	-	None needed
101-320-5102	ANIMAL CONTROL	-	100	100	Animals sent to shelter & supplies
101-320-5106	APPLICANT TESTING	3,608	2,600	1,300	Employment & service testing of new officers - \$650 each (2) Estimated
101-320-5120	LEGAL	9,582	4,000	4,000	Village attorney - compliance issues non-ticket items
101-320-5121	PROSECUTOR	12,408	15,000	15,000	Prosecution and Adjudication \$500 retainer, \$1,200 avg monthly
101-320-5135	VILLAGE OF DEERFIELD DISPATCH	137,892	151,000	151,000	Dispatching annual fee - increase proposed plus radio network dues remaining contracted amount will be paid from JTSB
101-320-5136	EMERGENCY SERVICES	25	550	550	Siren service \$250, emergency council dues \$100, training \$200
101-320-5200	POSTAGE, FREIGHT, SHIPPING	695	1,500	1,500	Postage letters, documents, purchases
101-320-5221	PRINTING	5,170	6,200	6,200	Ticket printing \$2,000 & color copier \$350/mth
101-320-5310	DUES - MEMBERSHIP	34,541	35,000	37,500	Blackboard \$1,400, Critical Reach \$145, IL Assn Chiefs \$110, MCAT \$250, Range practice \$300, Major Crimes dues \$500, Lake County State's Attorney's forensic lab dues \$1,995, Int'l Assn Chiefs of Police \$300, Lexipol \$3,025, Lake County Chiefs of Police \$230, IL Emergency Svcs Mgmt Assn - \$65, MCAT drone program \$500, IL Tactical Officer Dues \$80, MEG annual assessment \$4,000, Lake Cty Major Crime Task Force \$1,550, Axon enterprise/evidence.com annual fee of \$5,000, NIPAS member Assessment & \$2,000 equipment, NE Regional Crime Annual Dues \$5,500
101-320-5330	TRAINING & CONFERENCES	6,997	10,000	18,500	Legal review \$2,000, taser \$1,000, tactical \$2,000, leadership \$2,000, Conferences \$7,000, Staff & Command Training \$4,500
101-320-5340	TUITION REIMBURSEMENT	9,944	8,075	5,250	Sergeant completing degree
101-320-5411	TELEPHONE	4,777	5,000	5,000	Phone system
101-320-5700	OFFICE SUPPLIES	1,528	2,000	2,000	Paper, laser cartridges, business cards, envelopes, memo pad, coffee

Police Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-320-5710	OPERATING SUPPLIES	6,408	4,000	6,000	Taser cartridges
101-320-5715	CANINE SUPPLIES	246	-	-	None needed
101-320-5721	FUEL - SQUADS	16,322	25,000	25,000	Cost per gal expected to remain the same as FY2021-22 amounts
101-320-5730	SMALL EQUIPMENT	20,897	30,000	36,000	\$14,000 body camera maintenance agreement new agreement 10% increase budgeted, \$4,000 - Taser Agreement Year (3 of 5 Year agreement) & replacement items
101-320-5740	UNIFORMS - FULL TIME STAFF	5,451	6,000	6,000	Uniform allowance 8 officers @\$600 plus task forces uniform
101-320-5741	UNIFORMS - PART TIME STAFF	4,767	3,500	2,000	Uniforms as needed
101-320-5742	UNIFORMS - MISCELLANEOUS	1,530	2,000	2,000	Combined with Full & Part-time line items
101-320-5745	AMMUNITION	2,409	3,000	3,000	Ammunition - new vendor lower cost
101-320-5747	ESDA SUPPLIES	-	500	500	ESDA materials, ID's, other supplies
101-320-5748	PHLEBOTOMY GRANT SUPPLIES	-	4,801	-	Phlebotomy Supplies
101-320-5950	COMMUNITY DONATIONS	250	250	2,000	Post prom, Heroes Night
101-320-5955	AWARDS AND RECOGNITION	8,157	4,300	2,000	Luncheons, gift cards
101-320-5960	DARE PROGRAM	205	2,000	2,000	
101-320-5961	COMMUNITY POLICE EVENTS	165	4,100	4,100	Tent, supplies, ID kits, face painter, promo items. Nat Night Out, Police Expo
101-320-5999	MISCELLANEOUS	775	1,000	1,000	Other items as needed
TOTAL OPERATIONS COSTS		\$312,423	\$350,476	\$358,500	
TOTAL PUBLIC SAFETY		\$1,567,547	\$1,761,899	\$1,833,522	



VILLAGE OF BANNOCKBURN, ILLINOIS
Organizational Chart – Police Department
April 30, 2022



Building and Development Department

The mission of the Building and Development Department is to preserve the Village's community character and natural resources, build a better community; enhance quality of life; and respond to community needs through the implementation of the adopted Comprehensive Master Plan, Village Code, and Building Codes while providing professional, friendly and quality customer service to the community.

The Building and Development Department is responsible for implementing and enforcing current applicable codes and ordinances within the Village of Bannockburn. 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 Village outsources its inspection process and has an intergovernmental agreement with the Village of Lake Forest to perform the inspections.

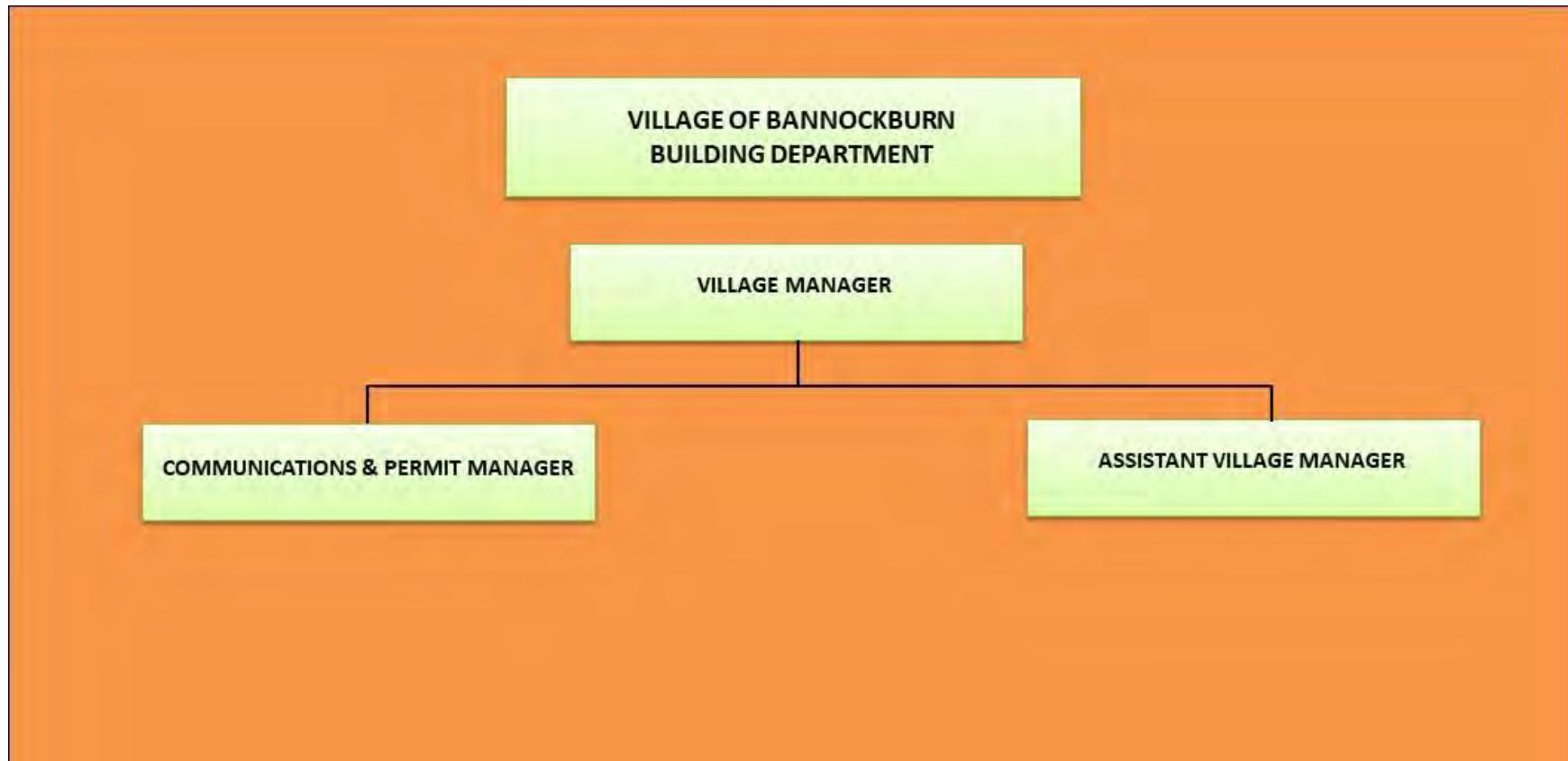
Budget Analysis

The Building & Development Department's FY2022-2023 budget is forecasted to increase from the projected FY2021-2022 budget by \$58,000. The increase in expenses is attributable to an increase in legal and compliance services and reimbursable expenses due to work at Champro, Bannockburn Green, and Opus Allegro.

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-330-5112	REIMBURSABLE - ENGINEERING	\$38,876	\$30,000	\$40,000	Average of past 2 years and subdivision at 22 and Telegraph
101-330-5120	LEGAL & COMPLIANCE SERVICES	30,449	40,000	66,000	Code enforcement issues \$10,000 & Comprehensive Plan Review, Building Code Updates, land use & zoning reviews \$40,000 and \$16,000 GIS Mapping Update
101-330-5122	REIMBURSABLE - LEGAL	109,552	35,000	50,000	Legal reimbursable expenses from applicant
101-330-5125	CODE REVISIONS	3,152	10,000	10,000	Zoning code revisions and updates
101-330-5132	REIMBURSABLE - OTHER	130,764	120,000	120,000	copying, intergovernmental agreements - average of last 2 years
101-330-5150	BUILDING INSPECTIONS	30,321	45,000	50,000	City of Lake Forest plan reviews, permitting, arc fees less permits expected
101-330-5172	REIMBURSABLE - ARBORIST	8,960	10,000	12,000	Landscape plan reviews, forester tree reviews, two year average plus Allegro/Opus tree removal review
TOTAL BUILDING & DEVELOPMENT DEPT		\$352,074	\$290,000	\$348,000	

VILLAGE OF BANNOCKBURN, ILLINOIS
Organizational Chart – Building Development

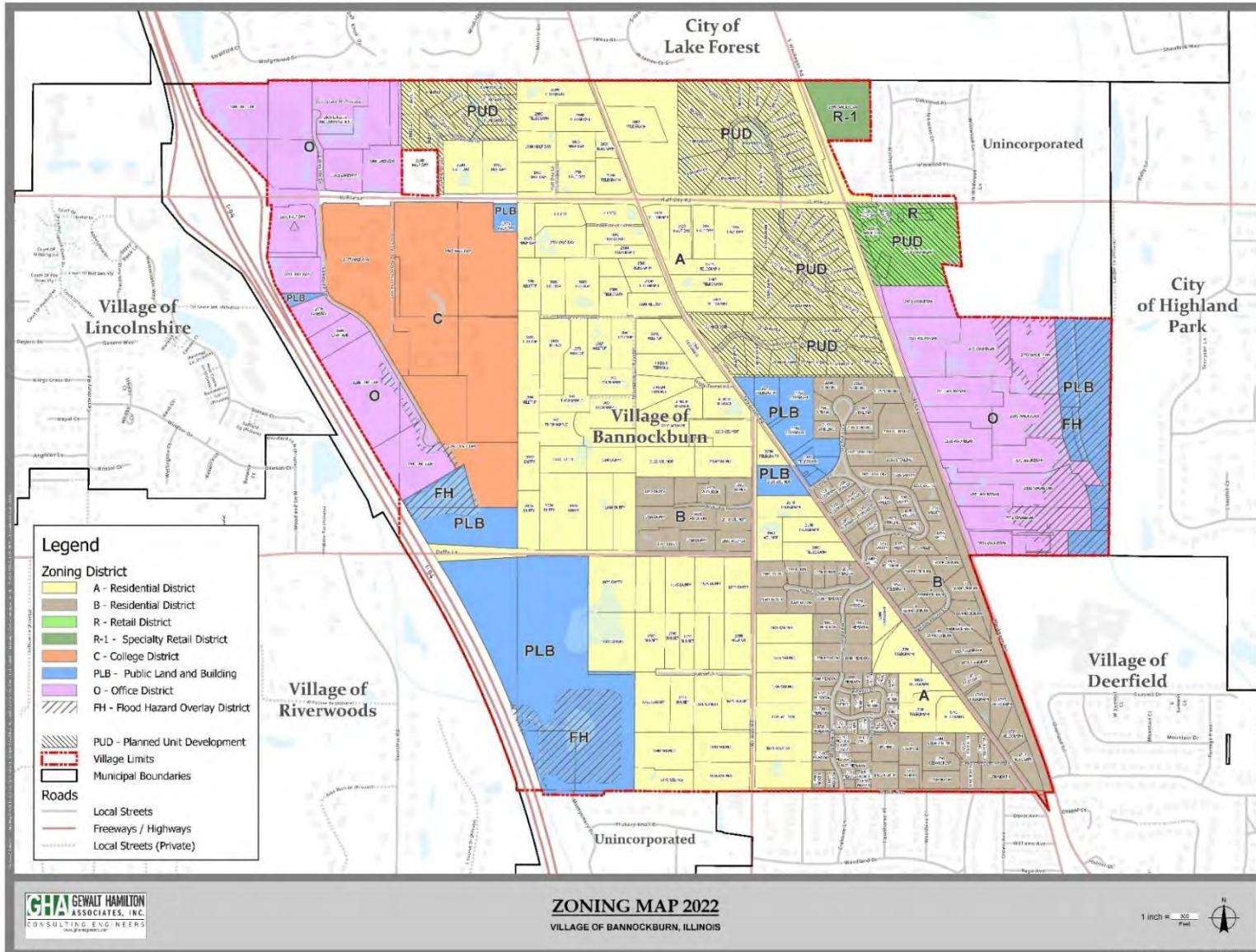
April 30, 2022



VILLAGE OF BANNOCKBURN, ILLINOIS

Zoning Map

April 30, 2022



Public Works

The Village of Bannockburn's Public Works department utilizes outside resources to perform a comprehensive and diverse range of responsibilities in the Village. One of the major responsibilities is the repair and maintenance of roadways, easements, pathways, and sidewalks within the Village's corporate boundaries. This also includes repairs to ditch areas, parkway tree maintenance, pavement marking and crack sealing, storm sewer maintenance, and repairs to Village signs. Snow and ice control during the winter months is another major responsibility of the Public Works Department. Another key component of the Public Works Department is their assistance during Village special events.

The Village hires several contractors to perform the duties of a public works department. The contractors' other duties also include maintenance to public buildings (Village Hall and Shelter) and public space (rain gardens, open space, green space and trees).

The Public Works Department's FY2022-2023 budget is forecasted to increase from the projected FY2021-2022 budget by \$44,820. The increase in expenses is attributable to work being performed in the Village's open space as required by a "319 Grant", storm sewer and drainage ditch maintenance and tree planting.

Building Maintenance

The Public Works 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 and Shelter. The department also oversees maintenance and operation of the street lighting system 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 Department oversees the maintenance of streets, drainage ditches, and storm sewers to ensure 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 by using 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. Typically, the Village Police Department notifies the Public Works Department when road conditions require snow and ice control.

The Public Works Department provides for the preventative maintenance annual cleaning and inspection of the Village storm sewer and drainage system in compliance with the National Pollutant Discharge Elimination System (NPDES) program.

Forestry and Grounds

The Public Works Department provides for maintenance and care of parkway trees, as well as, maintenance of the open space and rain gardens, including mowing and repairs to playground equipment. Several tasks are performed to ensure 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; and replacement of those trees.

Public Works Budget

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-340-5002	MAINTENANCE - SHELTER	\$824	\$3,000	\$3,000	Cleaning services- \$850, shelter maintenance, floors, insect treatment
101-340-5033	MAINTENANCE – RTE 22 & RTE 43	43,250	35,000	35,000	Landscaping services medians
101-340-5040	MAINTENANCE – LAWN	25,724	35,000	35,000	Village Hall, right way, Stirling Circle
101-340-5041	MAINTENANCE - SPRINKLER SYSTEM	2,370	4,000	4,500	Winterizing, start up, maintenance of irrigation system, 2 RPZ installs
101-340-5045	MAINTENANCE – PATH/OPEN SPACE	8,912	10,000	10,000	Path and open space other than Waukegan and Lakeside Drive - 319 Grant
101-340-5046	MAINTENANCE - PARKS	-	-	-	Moved to Maintenance - Park Building
101-340-5047	MAINTENANCE - RAIN GARDEN	13,312	2,500	2,500	Landscape services, maintenance, watering, planting
101-340-5048	VILLAGE BEAUTIFICATION SERVICES	1,184	2,000	10,000	Village entry signage - design, construct, install, maintenance
101-340-5049	MAINTENANCE - CORNERS & BEDS	10,787	30,000	30,000	Plants, soil, mulch, landscape services. Corners and bed beautification projects.
101-340-5170	ARBOR/FORESTRY SERVICES	6,575	10,000	10,000	Tree analysis not reimbursable
101-340-5171	LANDSCAPE CONSULTANT	-	-	-	None anticipated
101-340-5175	TREE REMOVAL SERVICE	10,710	27,500	27,500	Major work completed, as needed tree removal
101-340-5178	NATIONAL ARBOR DAY	580	500	1,000	Planting of tree, National Arbor Day Foundation dues
101-340-5712	TREE PLANTING	468	2,500	20,000	New tree planting
101-340-5714	GARDEN CLUB PROJECTS SUPPLIES	273	1,000	1,200	Daffodils and other Garden Club projects
	TREES, PATHS, PARKS, LANDSCAPING	\$124,969	\$163,000	\$189,700	
	ENGINEERING SERVICES	\$15,862	\$16,000	\$17,120	Based upon prior year and 7% fee increase
101-340-5113	ENGINEERING SERVICES – PATH	-	2,000	2,000	All items in capital plan - minor projected included in this line item, crack sealing
101-340-5116	ENGINEERING SERVICES - ROADS	10,525	20,000	20,000	Road maintenance oversight, joint bidding, crack sealing and pavement marking
101-340-5117	ENGINEERING - STORM SEWER	6,590	15,500	15,500	Emergency projects as needed
	ENGINEERING	\$32,977	\$53,500	\$54,620	

Public Works Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-340-5030	MAINTENANCE - ROAD	\$28,215	\$50,000	\$40,000	\$10,000 patching, \$10,000 pavement markings, \$10,000 crack filling and other maintenance \$10,000
101-340-5034	MAINTENANCE - STORM/DITCH	27,112	35,000	40,000	Other maintenance public works contract, ditch maintenance \$10,000 and storm sewer cleaning and repairs \$20,000. Cleaning and repairs include inlet vacuum cleaning and storm sewer repairs include jet rodding; removing blockages in the storm sewers \$10,000
101-340-5035	MAINTENANCE - 319 GRANT	28,808	21,000	42,400	USFWL Grant for seed and bank improvements
101-340-5036	MAINTENANCE - SIDEWALKS	-	-	-	None needed
101-340-5060	SNOW PLOWING - ROADS	94,300	70,000	70,000	Based upon prior year estimate
101-340-5061	SNOW PLOWING - VH	12,570	10,000	10,000	Based upon prior year estimate
101-340-5062	SNOW PLOWING - PATHS	11,785	10,000	10,000	Based upon prior year estimate
101-340-5107	JULIE MARKING SERVICE	695	1,000	1,000	Utility location service cost
101-340-5711	SALT	16,339	23,000	23,000	Salt purchases same as prior year
101-340-5415	STREET LIGHTING	4,558	3,600	3,600	Current - \$300/month last year repairs were included
101-340-5410	UTILITIES	6,894	2,400	3,000	Utility water/sewer bills @ \$200/mth - Water leak in prior year
101-340-5999	MISCELLANEOUS	248	500	500	Public Works uniforms - last year included bond fees/none anticipated
	OTHER SERVICES	\$231,524	\$226,500	\$243,500	
	TOTAL PUBLIC WORKS DEPT	\$389,470	\$443,000	\$487,820	

Community Development Department

The Community Development Department in the Village of Bannockburn spearheads special events for residents of the community. In addition to creating engaging activities and events for the residents of Bannockburn, the Community Development Department strives to provide quality leisure opportunities in an entertaining and informative environment.

The Village is proud of its open space and shelter facility. Educational and physically stimulating playground equipment for children, as well as picnic tables and park benches, have been installed in that location. Numerous acres of open space allow for outdoor activities and leisure opportunities.

The Community Development Department's FY2022-2023 budget is forecasted to increase from the projected FY2021-2022 budget by \$2,100. The increase in expenses is attributable to the Village's Bannockburn Day event being well attended last year as well as the Parade being cancelled for past two fiscal years.

General Ledger #	General Ledger Acct Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-350-5515	BOOK CLUB	\$-	\$175	\$175	Annual meeting gifts
101-350-5520	BANNOCKBURN DAYS	-	18,000	20,000	Face painter, bands, pony rides, tents, tables, chairs, grills, food, labor, insect control, ice cream truck, t-shirts
101-350-5525	CHAMBER EVENTS	-	4,000	4,000	Contribution
101-350-5535	WINE WALK	-	-	1,000	Notifications, promo items
101-350-5540	PARADE	-	-	1,600	Candy \$100, bagpipers \$1,500
101-350-5545	HAUNTED TRAILS	-	1,300	1,300	Decorations, treats
101-350-5546	HAYRIDE	-	1,000	1,000	Hayride, decorations
101-350-5555	SHUTTLE BUG	601	-	-	Shuttle Bug pass through grant less 2 months - ends 2/28/20
101-350-5761	HOLIDAY TREE LIGHTING	4,296	4,500	2,000	Holiday lights & Wreaths - Purchase of LED lights for reuse last year
101-350-5999	MISCELLANEOUS	-	1,000	1,000	New resident welcome gifts
	TOTAL COMMUNITY DEVELOPMENT	\$4,897	\$29,975	\$32,075	

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 IPRF – Illinois Public Risk Fund.

The Insurance expenses for the FY2022-2023 budget are forecasted to increase from the projected FY2021-2022 budget by \$4,200. The increase in expenses is attributable to a net projected inflationary premium adjustment.

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-360-5500	LIABILITY INSURANCE - PREMIUM	41,751	42,000	46,200	Based upon prior year plus 10% - allocations to water and sewer based upon capital asset values
101-360-5501	LIABILITY INSURANCE - DEDUCTIBLE	-	10,000	10,000	Estimated for conservancy purposes
	TOTAL INSURANCE DEPARTMENT	\$41,751	\$52,000	\$56,200	

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 service relates to the Village issued 2019 Refunding Debt Certificate's interest and principal repayment. The debt term is for 10-years. The new debt was used to refinance the Village's General Obligation 2010 Recovery Zone Bonds initially used to pay for roadway capital projects.

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
01-400-6000	PRINCIPAL PAYMENT	\$161,000	\$165,000	\$169,000	G.O. Bonds, Series 2010 refinanced w/2019 Refunding Debt Certificates
01-400-6010	INTEREST EXPENSE	37,035	34,195	31,225	G.O. Bonds, Series 2010 refinanced w/2019 Refunding Debt Certificates
	TOTAL DEBT EXPENSE	\$198,035	\$199,195	\$200,225	

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 capital improvements related to the General Fund are 1) police vehicle purchase of new squad car (i.e. Ford Explorer plus required equipment, lights, and sirens) (\$50,000) to keep the Village's fleet running smoothly and efficiently and replacement recommendations are based on a combination of factors including age, mileage, and the overall condition of vehicle's engine and systems and 2) engineering expenses related to the Phase I Wilmot Road improvement of (\$103,172). The Wilmot Road improvements include: milling and resurfacing of the existing pavement without widening, shoulders will be widened and or restored to required widths and will be constructed as a mix of HMA and aggregate shoulders, an 8-ft off road multi-use pathway is proposed through the corridor connecting the existing HMA sidewalk network along Telegraph Road with the existing network at North Avenue, roadside ditches and drainage will be modified as needed to accommodate the improvements, speed limit and parking restrictions will remain. The project is slated for the FY2025-26 letting and estimated to cost \$1,350,000. STP funds have been applied for and currently being evaluated. The Village capitalizes all equipment purchases over \$20,000. Additional information is located in the Capital Improvement Program detail in Section 7.

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
101-510-5020	BUILDING	\$-	\$-	\$-	None anticipated
101-520-7040	VEHICLES - POLICE	48,365	42,300	50,000	New squad car more because it is marked
101-540-7061	PATHWAYS	-	-	-	None anticipated
101-540-7080	ROAD CONSTRUCTION	18,871	40,000	103,172	Phase I Engineering Wilmot Road
TOTAL CAPITAL PROJECTS		\$67,236	\$82,300	\$153,172	

Total General Fund Revenues, Expenditures and Net Income

The Village of Bannockburn General Fund Net Income for FY2022-2023 is anticipated to have net income of \$21,132.

	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023
Total General Fund Revenues	\$4,180,447	\$3,950,083	\$4,184,202
Total General Fund Expenses	(3,559,070)	(3,912,192)	(4,163,071)
Net Income	\$621,377	\$37,891	\$21,132

Long-Range Financial Plan for General Fund Revenues, Expenditures and Net Income

The Village of Bannockburn General Fund Revenues and grant funds are anticipated to cover operating and capital expenditures for FY2022-2023 through Fiscal Year 2026-27. The Village does not anticipate any debt issuance to fund capital projects for the next five years.

Fund (in \$ Thousands)	Actual FY2020-21	Projected FY2021-22	Projected FY2022-23	Projected FY2023-24	Projected FY2024-25	Projected FY2025-26	Projected FY2026-27
Property Taxes	\$656.5	\$863.3	\$901.7	\$919.7	\$938.1	\$956.9	\$976.0
Sales Taxes	1,784.1	1,763.7	1,788.4	1,784.1	1,855.5	1,929.7	2,006.9
Other Taxes	620.0	642.4	594.9	620.0	620.0	620.0	620.0
Grant Revenue	69.7	45.3	65.5	65.5	65.5	65.5	65.5
Licenses/Permits	656.1	237.8	557.3	446.9	455.9	465.0	474.3
Charges for Services	53.1	75.6	65.5	67.5	68.8	70.2	71.6
Fines & Fees	66.1	66.4	65.0	67.0	67.0	67.0	67.0
Police Safety Rev	8.7	8.5	4.5	4.6	4.6	4.6	4.6
Reimbursable Income	178.9	75.5	83.6	86.1	87.8	89.5	91.3
Debt Refinancing	-	-	-	-	-	-	-
All Other Revenue	87.3	171.7	57.9	59.0	60.2	61.4	62.7
Total Revenues	\$4,180.4	\$3,950.1	\$4,184.2	\$4,120.4	\$4,223.3	\$4,329.8	\$4,439.8
					-	-	-
Personnel Wages & Benefits		\$2,143.9	\$2,252.2	\$2,319.8	\$2,389.4	\$2,461.0	\$2,534.9
Operating Expenses	893.1	1,105.8	1,119.3	1,130.5	1,141.8	1,153.2	1,164.7
Insurance	41.8	52.0	56.2	59.0	62.0	65.1	68.3
Legal Services	119.6	134.0	160.0	137.9	139.2	142.7	146.3
Capital Expense	67.2	82.3	153.2	160.8	176.9	194.6	214.1
Debt Service	198.0	199.2	200.2	200.2	195.0	195.7	195.7
Reimbursable Services	288.2	195.0	222.0	200.0	206.0	212.2	218.5
Total Expenses	\$3,559.1	\$3,912.2	\$4,163.1	\$4,208.2	\$4,310.3	\$4,424.5	\$4,542.5
Net Inc/(Dec)	621.4	37.9	21	(87.8)	(86.9)	(94.7)	(102.7)
Beginning Fund Balance	\$5,508.9	\$6,130.3	\$6,168.2	\$6,189.3	\$6,101.5	\$6,014.6	\$5,919.9
Ending Fund Balance	\$6,130.3	\$6,168.2	\$6,189.3	\$6,101.5	\$6,014.6	\$5,919.9	\$5,817.2

SECTION 5



Special Revenue Funds

Motor Fuel Tax

Special Service Area #16

Special Service Area #17

Maps of Special Service Area #1, #2, #3, #4, #5a & #6a



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.

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 and electric cars, increased use of public transportation, more people working from home and a decline in discretionary travel for recreation and shopping.

The proposed budget for FY2022-2023 was developed assuming a slight increase in the per capita rate from \$23.00 to \$23.50 based upon the Illinois Municipal League projections; and a decrease in population of 1,013 (2020 Census); and no additional revenue from the High Growth Cities fund and from the Jobs Now Program. In June 2019, state legislators passed an additional 0.19 cent tax on motor fuel and 0.24 per gallon on diesel, which is earmarked for the Transportation Renewal Fund (TRF). Municipalities will get 49.1% of the TRF on a per capita basis. The Illinois Municipal League estimated the TRF to generate about \$17.70 per capita. The Village's Capital Road Program for FY2022-23 includes the resurfacing of the Telegraph Road and the Pathway System. The program is being 80% funded by Surface Transportation Funds which is a Federal-aid Highway Program funds distributed and managed by Lake County Illinois.

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>	<u>TRF Rate/Capita</u>
FY2013-2014	\$ 45,286 *	27.66	
FY2014-2015	\$ 51,341 *	24.30	
FY2015-2016	\$ 40,491	26.56	
FY2016-2017	\$ 40,124	25.35	
FY2017-2018	\$ 40,419	25.53	
FY2018-2019	\$ 40,184	25.38	
FY2019-2020	\$ 58,415	24.94	
FY2020-2021	\$ 56,678	20.69	14.79
FY2021-2022(B)	\$ 55,581	23.00	16.90
FY2022-2023(B)	\$ 41,736	23.50	17.70

*Includes Job Now & High Growth Cities receipts

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
205-100-3130	MOTOR FUEL TAX	\$56,678	\$55,581	\$41,736	\$23.50 per capita per IML MFT - \$17.70 Transportation Renewal Fund (TRF). Lower due to 2020 census
205-100-3131	REBUILD IL BOND FUND	52,163	34,775	17,388	Rebuild Illinois Grants 6 total installments over 3 years. This is the 3rd year and 1 installment
205-100-3650	INTEREST INCOME	132	38	38	Anticipated rate of return @.25% on current cash balance plus credit card rebate
205-100-3770	MISCELLANEOUS INCOME	-	-	-	None anticipated
	Total Revenue	\$108,973	\$90,394	\$59,161	
205-300-5032	SHOULDER MAINTENANCE	\$44,419	\$-	\$-	None anticipated
205-300-5110	ENGINEERING SERVICES	-	-	-	None anticipated
205-300-5430	BANK FEES	-	20	-	None anticipated
205-500-7081	ROAD CONSTRUCTION	504	240,000	240,000	Telegraph Road 20% of \$1,200,000 project
	Total Expenses	\$44,923	\$240,020	\$240,000	
	Total Motor Fuel Tax	\$64,050	\$(149,626)	\$(180,839)	

Special Service Areas (SSA)

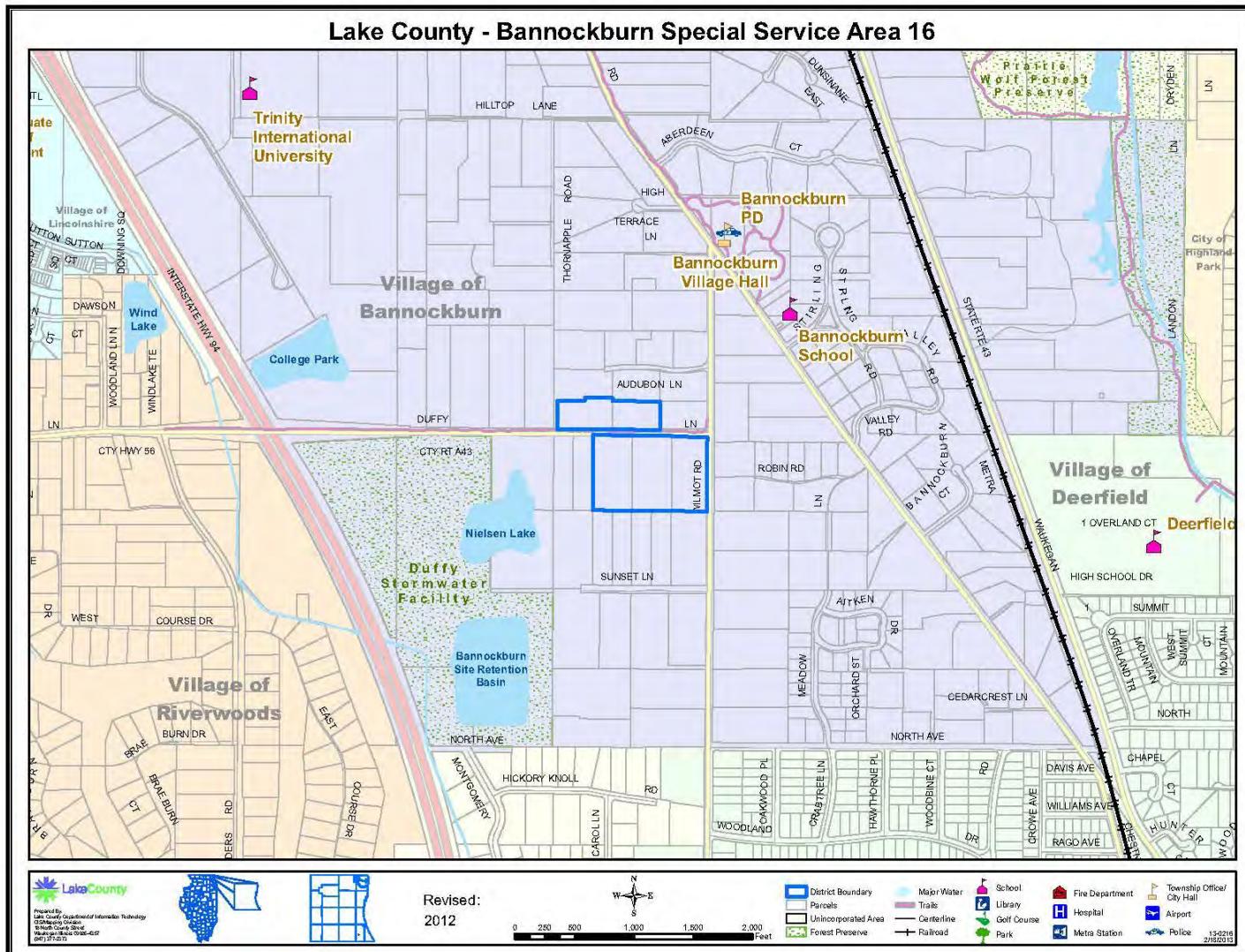
SSA #16

Special Service Area #16 - The Corporate authorities of the Village, on December 13, 2004, felt it was in the best interest of the Village of Bannockburn to create a SSA for the construction and installation of new sanitary sewers main extensions and appurtenant facilities to provide sanitary sewer and potable water service to the territory within the SSA area. The SSA was created so the Village could provide more adequate, efficient, and appropriate water service and sanitary sewer services to the area and it could be developed according to the Master Plan and zoning policies of the Village. Taxes were levied on the properties to cover the costs and expenses of constructing and installing improvements including engineering, administrative, legal, publication, financing, and recording costs within the SSA. The costs are financed through a special tax roll in lieu of an ad valorem tax. Five homes within the SSA #16 are paying \$111.29 for water improvements and \$394.58 for sewer improvements for a total of \$505.87 annually each. The Village is currently levying the special tax roll taxes, as authorized; however, the Village is not levying to pay for the annual maintenance and repair of the water main facilities and sanitary sewer main facilities within SSA #16. The Village may impose a tax on all taxable property within SSA #16, provided that such tax does not exceed one percent (1%) of the assessed valuation of SSA #16, which is in addition to the \$7,435.69 annually through a special tax roll. The assessed valuation of SSA #16 as of 2021 is \$1,981,459. The maximum levy would be \$19,814,590. The Village has not levied for the SSA#16 tax in FY2022-23 to cover any additional general maintenance of the water or sanitary sewer system. The special tax roll levy is to be collected for the tax years between and including years 2006 and 2023.

Every property owner that seeks to be added to the Special Service Area would be required to pay annexation, recapture, legal, interest, engineering, and other costs as needed, included, and detailed in the establishing Ordinance No. 2005-04.

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
236-100-3000	REAL ESTATE TAX	\$37,179	\$5,637	\$2,529	Residual Funding Amount
	TOTAL REVENUES	\$37,179	\$5,637	\$2,529	
236-400-6000	PRINCIPAL PAYMENT	\$-	\$5,368	\$2,409	Residual Funding Amount
236-400-6010	INTEREST EXPENSE	2,141	269	120	Residual Funding Amount
	TOTAL EXPENDITURES	\$2,141	\$5,637	\$2,530	
	TOTAL SSA #16	\$35,038	\$(0)	\$(0)	

VILLAGE OF BANNOCKBURN, ILLINOIS
SSA #16 Map
April 30, 2022



Special Service Areas (SSA) (continued)

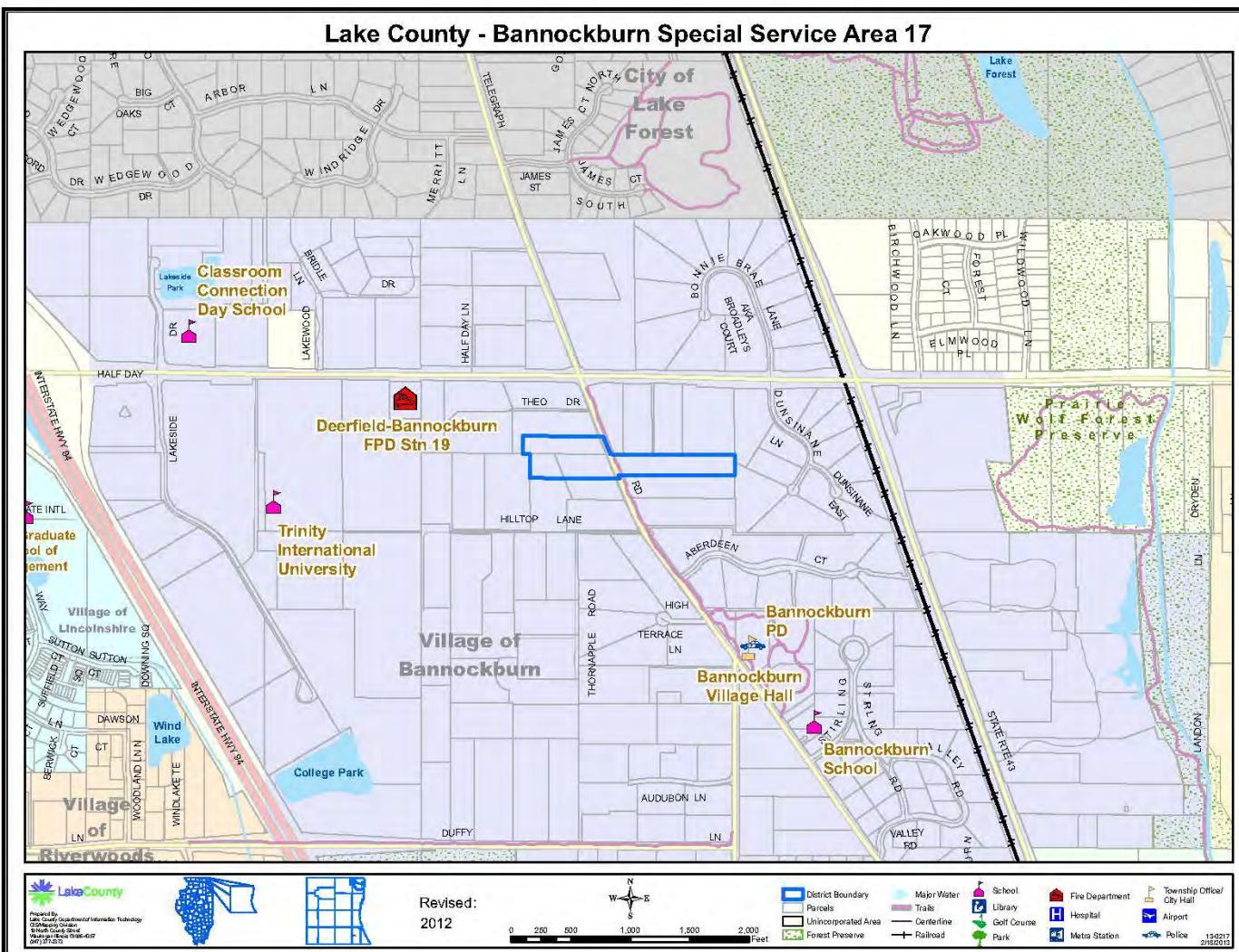
SSA #17

Special Service Area #17 - The Corporate authorities of the Village, on February 14, 2011, felt it was in the best interest of the Village of Bannockburn to create a SSA for the construction and installation of new sanitary sewers main extensions and appurtenant facilities to provide sanitary sewer to the territory within the SSA area. The SSA was created so the Village could provide more adequate, efficient, and appropriate sanitary sewer services to the area. It was developed according to the Master Plan and zoning policies of the Village. Taxes were levied on the properties to cover the costs and expenses of constructing and installing improvements, including without limitation, connection fees, recapture fees, engineering, administrative, legal, publication, financing, and recording costs within the SSA. The costs are financed through a special tax roll in lieu of an ad valorem tax. Three homes within SSA #17 are paying \$6,157 each for sewer improvements annually. The Village is currently levying the special tax roll taxes, as authorized; however, the Village is not levying to pay for the annual maintenance and repair of the water main facilities and sanitary sewer main facilities within SSA #17. The Village may impose a tax on all taxable property within SSA #17, provided that such tax does not exceed one percent (1%) of the assessed valuation of SSA #17, which is in addition to the \$6,157 annually through a special tax roll. The assessed valuation of SSA #17 as of 2021 is \$957,266. The maximum levy would be \$9,572,660 and the Village has not levied for the SSA#17 tax in FY2021-22 to cover any additional general maintenance of the water or sanitary sewer system. The special tax roll levy is to be collected for the tax years between and including years 2012 and 2031.

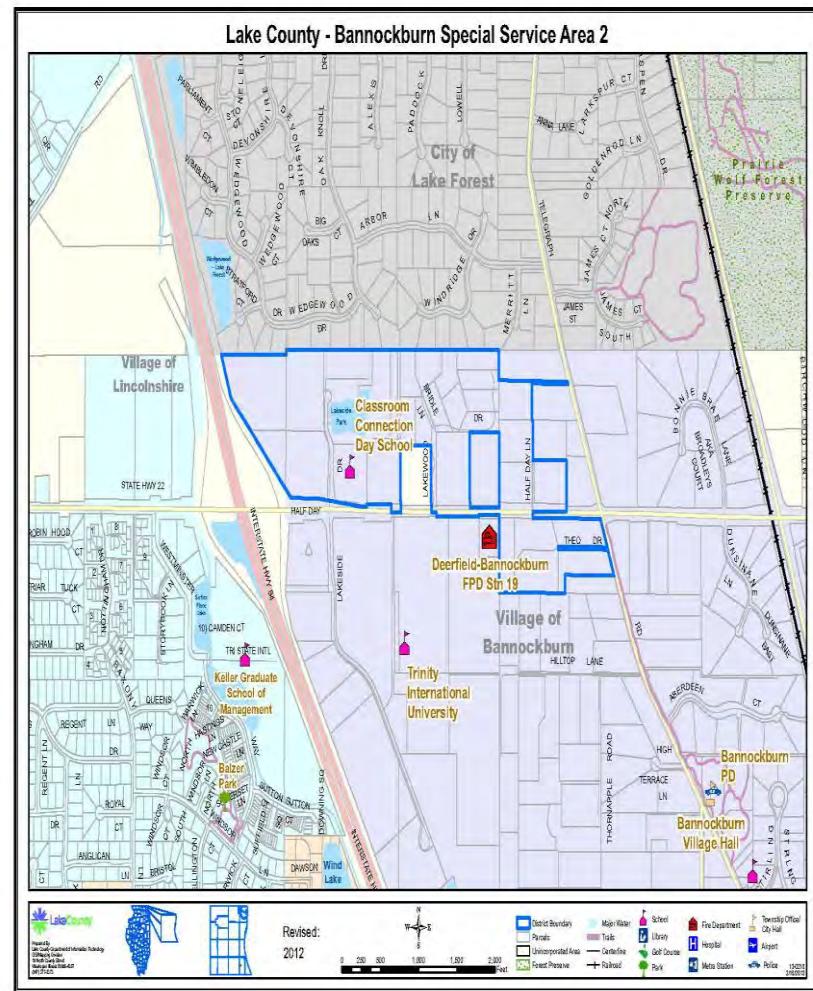
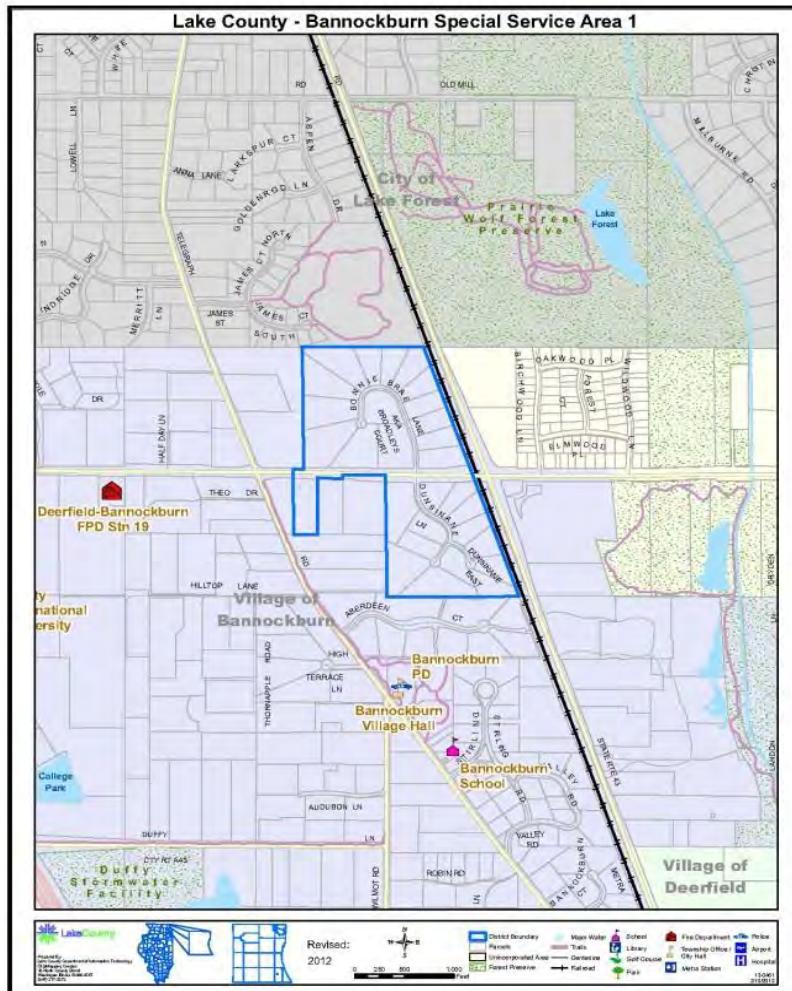
Every property owner that seeks to be added to the Special Service Area would be required to pay annexation, recapture, legal, interest, engineering, and other costs as needed, included, and detailed in the establishing Ordinance No. 2011-19.

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
237-100-3000	REAL ESTATE TAX	\$18,471	\$18,469	\$18,469	Per Tax Levy
	TOTAL REVENUES	\$18,471	\$18,469	\$18,469	
237-300-5999	MISCELLANEOUS	\$-	\$-	\$-	
237-400-6000	PRINCIPAL PAYMENT	-	10,798	11,338	Based upon interest & principal schedule
237-400-6010	INTEREST EXPENSE	8,185	7,670	7,130	Based upon interest & principal schedule
	TOTAL EXPENDITURES	\$8,185	\$18,469	\$18,469	
	TOTAL SSA #17	\$10,286	\$-	\$-	

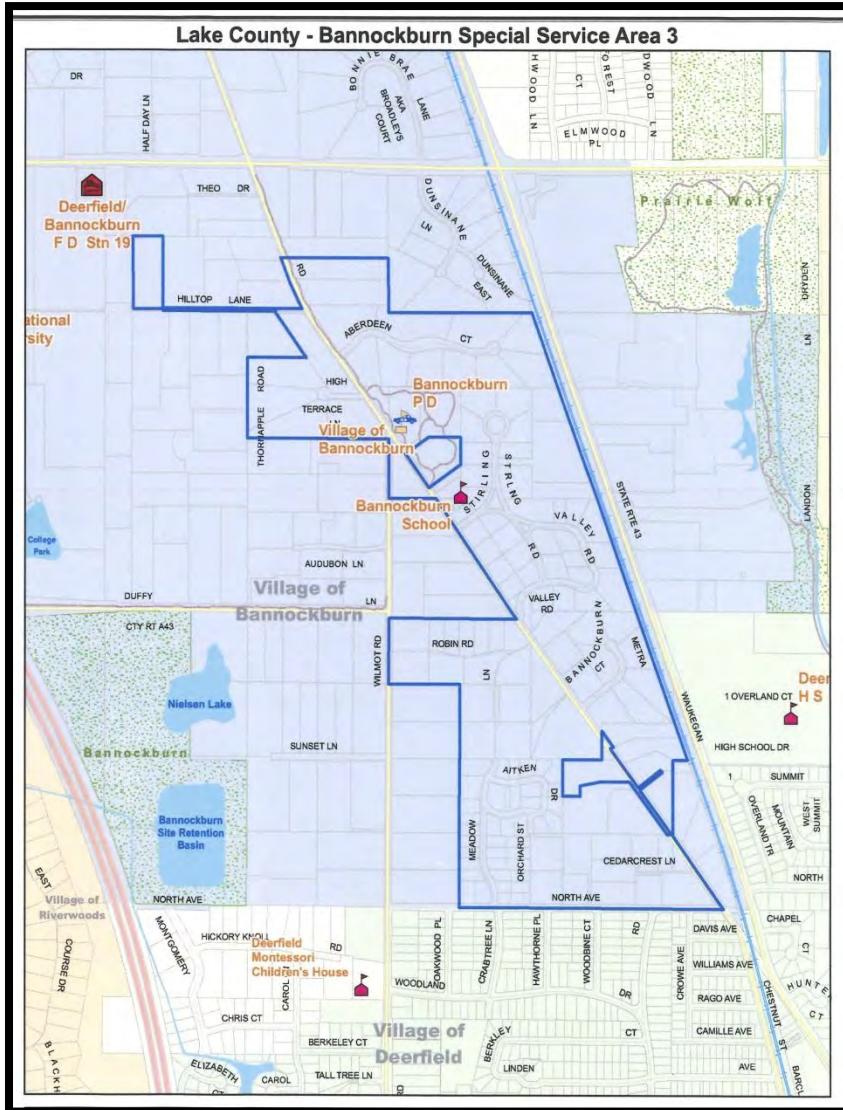
VILLAGE OF BANNOCKBURN, ILLINOIS
SSA #17 Map
April 30, 2022



VILLAGE OF BANNOCKBURN, ILLINOIS
Active SSA's with No Current Tax Levy Imposed Map #1 #2, #3, #4, #5a, & #6a
April 30, 2022

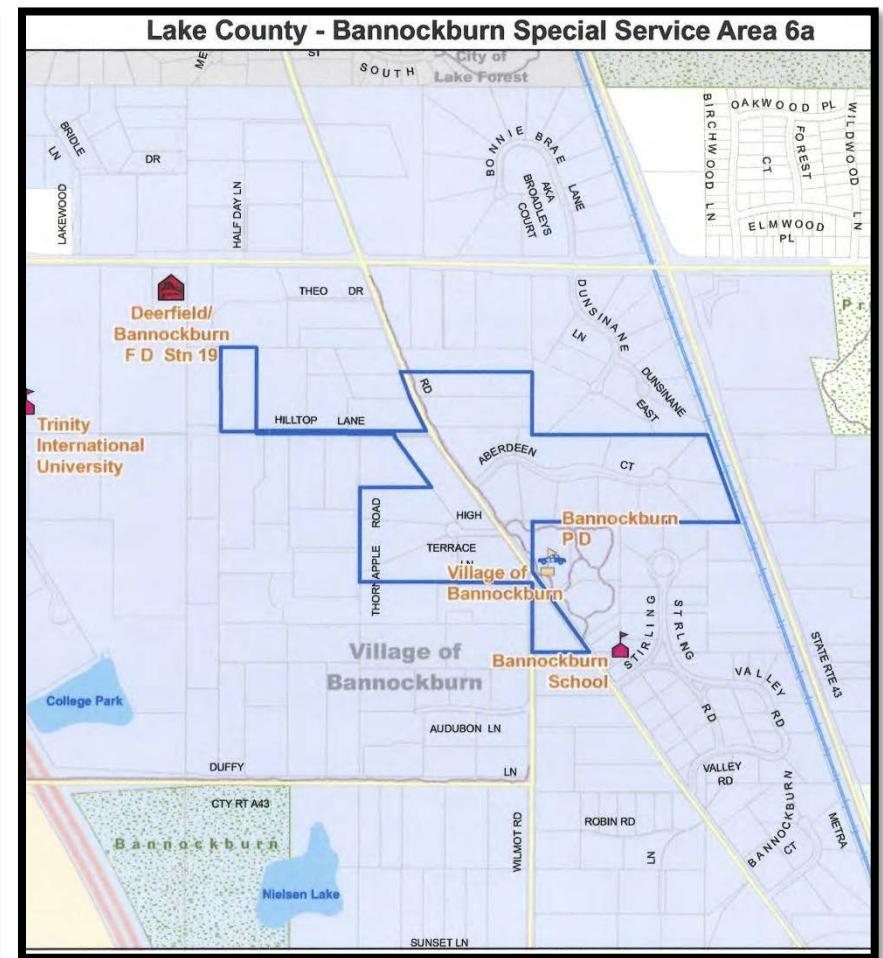


VILLAGE OF BANNOCKBURN, ILLINOIS
Active SSA's with No Current Tax Levy Imposed Map #3, #4, #5a, & #6a
April 30, 2022



VILLAGE OF BANNOCKBURN, ILLINOIS

Active SSA's with No Current Tax Levy Imposed Map #3, #4, #5a, & #6a
April 30, 2022



SECTION 6



Enterprise Funds

Water Fund

Sewer Fund



Enterprise Funds

Water Fund

The Water 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.

Over the last 20 years, the Village of Bannockburn has extended its water system to serve additional residential areas west of Wilmot Road and to add to the current water system serving residential areas east of Wilmot Road, as well as many of the non-residential areas along Waukegan Road, Half Day Road, and at the Tollway interchange. In 2005, a major change occurred to the Village's water distribution system with the construction of a water storage facility on a site located just east of the Tollway and south of Half Day Road. An interconnection with a Village of Lincolnshire water transmission main, which passes near the site, allows the storage facility to be filled from the existing City of Highland Park supply. Timing of the improvement was linked to the development of property in the Village's TIF District. The water storage facility provides improved water pressure and help limits any existing or future restrictions on water usage.

In 2012, the Village added a watermain interconnection to supply water to the Del Mar Woods residents. In 2013, the Village further improved its water system by adding fire hydrants along Cedarcrest Lane and looping the watermain on Telegraph Road to Orchard Lane (see below). Primarily, the water supply is obtained from the City of Highland Park. A secondary and emergency water source is available from the City of Lake Forest, which is located on north Telegraph Road. A few houses along North Avenue and Cedarcrest Lane receive water service from the Village of Deerfield. All other areas of the Village are served by the Village of Bannockburn's water system. The Village has budgeted \$120,000 for Capital Improvements in the Water fund which include \$20,000 for engineering on Half Day Road watermain replacement and \$100,000 for replacement of a water pump in the water reservoir, if needed. All CIP funding will be coming from Water Fund Reserves balance of \$2,752,620 as of April 30, 2023.

The Water Department is managed by an outside contractor who provides 24-hour call service for all customers. The Village of Bannockburn is committed to providing safe, reliable and economical water services. Bannockburn residents are the Village's highest priority and staff takes pride in their commitment to customer service.

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
510-100-3640	INTEREST INCOME	\$8,578	\$8,500	\$2,420	Water & Sewer established bank account & related interest income .11%
510-100-3700	MISCELLANEOUS INCOME	-	4,242	-	None anticipated - prior year includes water meter purchase
510-100-3830	USER FEES WATER	1,003,365	1,049,291	1,101,756	A 5% increase proposed for FY2021-22 to cover the 11.7% increase by the Village of Highland Park.
510-100-3840	RECAPTURE/CONNECTION FEES	-	11,603	-	None anticipated
510-100-3845	PENALTIES	624	5,000	5,000	Last year's budget
	Total Revenue	\$1,012,567	\$1,078,636	\$1,109,176	

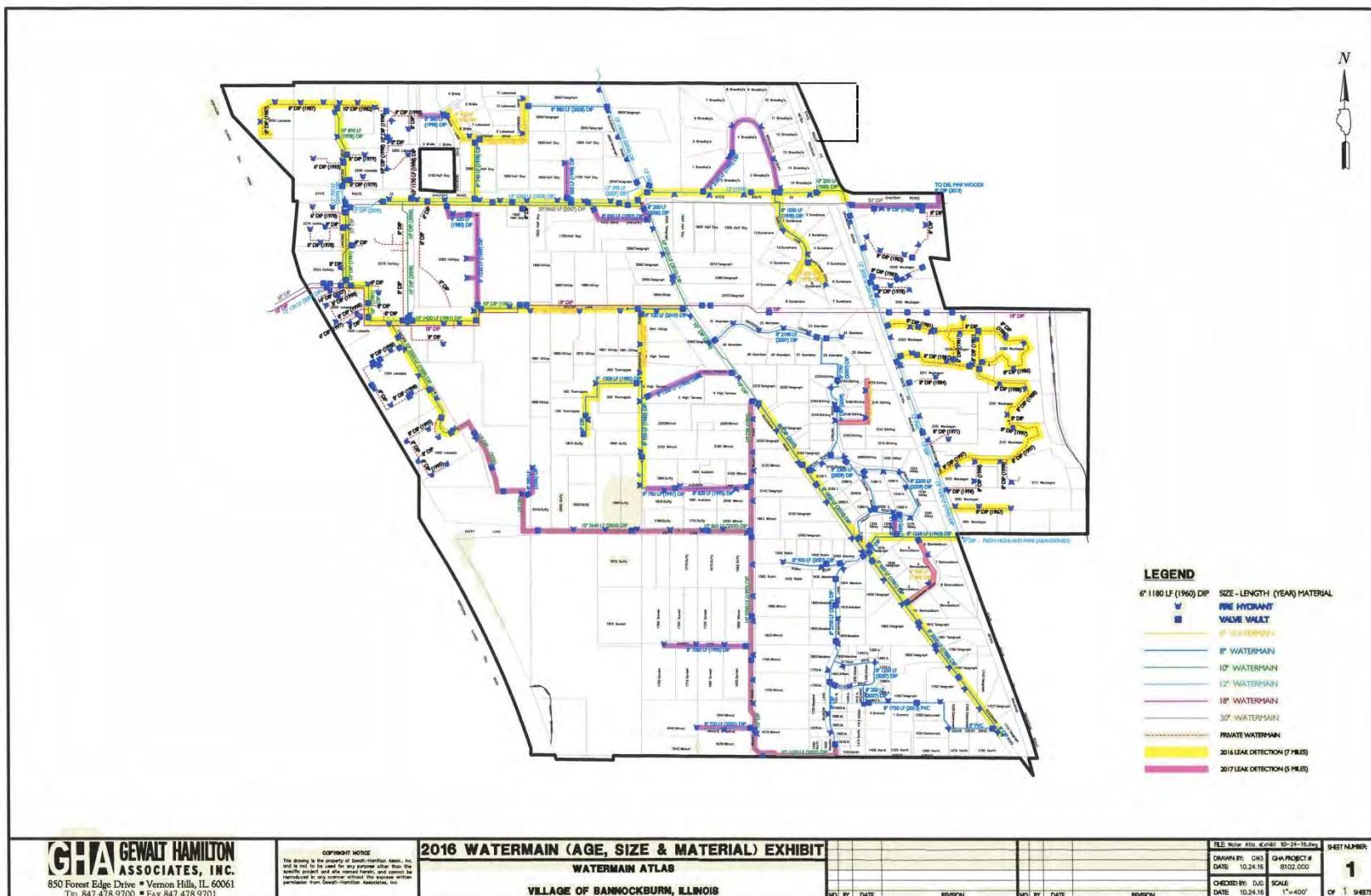
Water Fund Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
510-300-5011	METER INSTALLATION	\$-	\$6,000	\$6,000	Installation/maintenance of meters as needed \$6,000
510-300-5050	MAINTENANCE - UTILITY SYSTEM	37,220	20,000	45,000	Hydrant painting - \$6,000, Pumps, Controls, Valve and Motor repairs - \$18,000, hydrant flushing \$5,000, Interior Video Inspection \$6,000, Calibration \$10,000
510-300-5052	WATER MAIN BREAK REPAIRS	-	30,000	30,000	Water line repairs based upon 6 repairs
510-300-5105	AUDIT	4,448	4,000	4,000	Allocation of audit based upon 25% # of funds & 75% expenditures
510-300-5110	ENGINEERING SERVICES	7,671	10,000	10,000	General engineering - estimated based upon historical needs
510-300-5120	LEGAL	-	2,000	2,000	Water easement and ordinance reviews
510-300-5140	UTILITY BILLING CLERK	803	1,500	1,500	Shared services with Lincolnshire
510-300-5141	LAB ANALYSIS	690	750	750	Chloroform & IEPA testing
510-300-5142	WATER AUDIT	3,828	5,000	5,000	Required annual report prepared by engineer
510-300-5143	BILLING SYSTEM SERVICES	6,465	8,600	8,600	Software annual charge, remote read maintenance
510-300-5401	SERVICE CHARGES	47,752	66,208	56,920	Based upon administrative time plus overhead expense
510-300-5413	WATER PURCHASE	376,286	430,000	460,100	City of Highland Park CPI 7% increase for prior year is anticipate to occur this year
510-300-5414	ELECTRICITY	594	1,000	1,000	Based upon current cost trend
510-300-5430	BANK FEES	3,270	4,500	5,000	Credit card payment fees based upon amounts charged less fees paid by customers. Anticipate more residents signing up.
510-300-5500	LIABILITY INSURANCE - PREMIUM	27,947	31,037	34,141	Based upon equipment and capital asset values. Last year's amount increased by 10%
510-300-5640	WATER METERS	2,645	6,000	6,000	Commercial meters \$2,500-\$5,000 each depending on size, residential \$600/each one of each budgeted
510-300-5710	OPERATING SUPPLIES	2,018	3,000	3,000	Envelopes, stamps, mailings, newsletter
510-300-8070	DEPRECIATION - WATER MAINS	267,114	278,189	278,189	Based upon current depreciation schedule plus new capital assets
	TOTAL OPERATING EXPENSES	\$788,750	\$907,784	\$957,200	

Water Fund Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
510-310-5051	MAINTENANCE - RESERVOIR	\$1,554	\$25,800	\$25,800	Valve repairs \$5,000, annual alarm \$800, pump maintenance \$20,000
510-310-5110	ENGINEERING - RESERVOIR	736	2,000	2,000	General engineering - estimated based upon historical needs
510-310-5111	RESERVOIR OPERATOR	13,080	17,340	17,760	Swanson water \$1,155/mth plus \$75/hour estimated 1 hour per week
510-310-5411	TELEPHONE - RESERVOIR	9,151	8,400	9,600	Connection to Highland Park - \$800/mth
510-310-5410	UTILITIES - RESERVOIR	7,953	12,100	12,100	Electric charges -\$925/mth plus diesel \$1,000
510-310-5999	MISCELLANEOUS – RESERVOIR	-	1,000	1,000	Uncategorized expense as needed
TOTAL RESERVOIR		\$32,473	\$66,640	\$68,260	
510-400-6000	PRINCIPAL S-V-T WATER IEPA	\$-	\$49,200	\$49,200	IEPA loan to fund Stirling Valley & Telegraph Roads project-interest forgiven
510-400-6001	PRINCIPAL PAYMENT	(525.25)	47,367	48,460	IEPA loan to fund Waukegan & Cedar Crest Roads project
510-400-6011	INTEREST EXPENSE	18,006	16,719	15,626	IEPA loan to fund Waukegan & Cedar Crest Roads project
TOTAL DEBT		\$17,481	\$113,286	\$113,286	
510-510-7030	EQUIPMENT	\$-	\$-	\$-	None anticipated
510-510-7070	WATER SYSTEM INFRASTRUCTURE	-	20,000	20,000	Engineering Half Day Road water main improvements
510-510-7075	RESERVOIR	-	100,000	100,000	Pump replacement if needed useful life 10 years - 3 pumps purchased in 2008 recommend budgeting for one
TOTAL CAPITAL OUTLAY		\$-	\$120,000	\$120,000	
510-600-8000	CAPITAL EXP CLASSIFIED ASSET	-	(120,000)	(120,000)	Asset recorded in balance sheet
510-700-8000	DEBT PRINCIPAL CLASS LIABILITY	-	(96,567)	(97,660)	Principal recorded in balance sheet as an offset to loan balance
TOTAL EXPENDITURES		\$801,633	\$991,143	\$1,041,086	
WATER FUND NET INCOME (LOSS)		\$256,137	\$87,493	\$68,090	

VILLAGE OF BANNOCKBURN, ILLINOIS
Watermain Atlas
April 30, 2022



Sanitary Sewer Fund

The Village of Deerfield provides the Village of Bannockburn with wastewater treatment and operates and maintains the Village of Bannockburn's detention basin. The Village of Bannockburn owns and maintains the sanitary sewer lines. There are two sanitary sewer districts located in the Village of Bannockburn: North Shore Water Reclamation District (NSWRD) and Lake County Sewage System District (LCSSD). Residents in the NSWRD are invoiced by the Village of Bannockburn and a charge is included on their property tax bill from the NSWRD. As of 2014, residents in the LCSSD are billed by Lake County and do not receive an invoice for sewer from the Village of Bannockburn.

Most of the houses located in Bannockburn's "B" Residence zoning district and all of its non-residential areas are now served by sanitary sewers (see Map on page 112). The Village has extended sanitary sewer service along much of Telegraph Road for public health reasons, because septic systems in these areas have ceased to be effective. In 2011, the Village further extended sanitary sewer service along a northern portion of Telegraph Road. In 2003, the Village extended sanitary sewer service to residential areas located along Thornapple Lane, Hilltop Lane and Wilmot Road. The extension of water and sewer to these areas of the Village has typically been at the expense of the residents served.

The need for public water and sewer facilities is dependent on the capabilities of the natural environment as well as the characteristics of the man-made environment. The soils in Bannockburn are generally ill suited for septic, and new septic systems may not be permitted for public health reasons. Urbanization and changing technology produce additional demand for these facilities that should be provided in the most efficient and economical manner, while minimizing adverse environmental effects. The Village's Master Comprehensive Plan (Plan) is to provide such utilities as economically as possible and only as needed to protect and promote Village public health and safety and not to foster additional growth. According to the Plan, such utilities should be extended only to properties in approved special service areas, those properties should also be subject to development and zoning restrictions and controls similar to those in place where water or sanitary sewer service currently exist.

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
550-100-3650	INTEREST INCOME	\$-	\$-	\$-	Water & Sewer established bank account & related interest income. Amounts will be allocated based upon balance and estimated based upon a 2% return
550-100-3770	MISCELLANEOUS INCOME	-	-	-	None anticipated
550-100-3835	USER FEES SEWER	287,617	316,379	348,017	Increase of 10% to assist in covering current operating expenses
550-100-3840	RECAPTURE/CONNECTION FEES	-	-	-	Do due the uncertainty of the connections for Wilmot/Duffy properties, to be conservative no amount has been budgeted
550-100-3845	PENALTIES	302	1,800	1,800	Based upon 2022 budget
TOTAL REVENUES		\$287,919	\$318,179	\$349,817	

Sanitary Sewer Budget (continued)

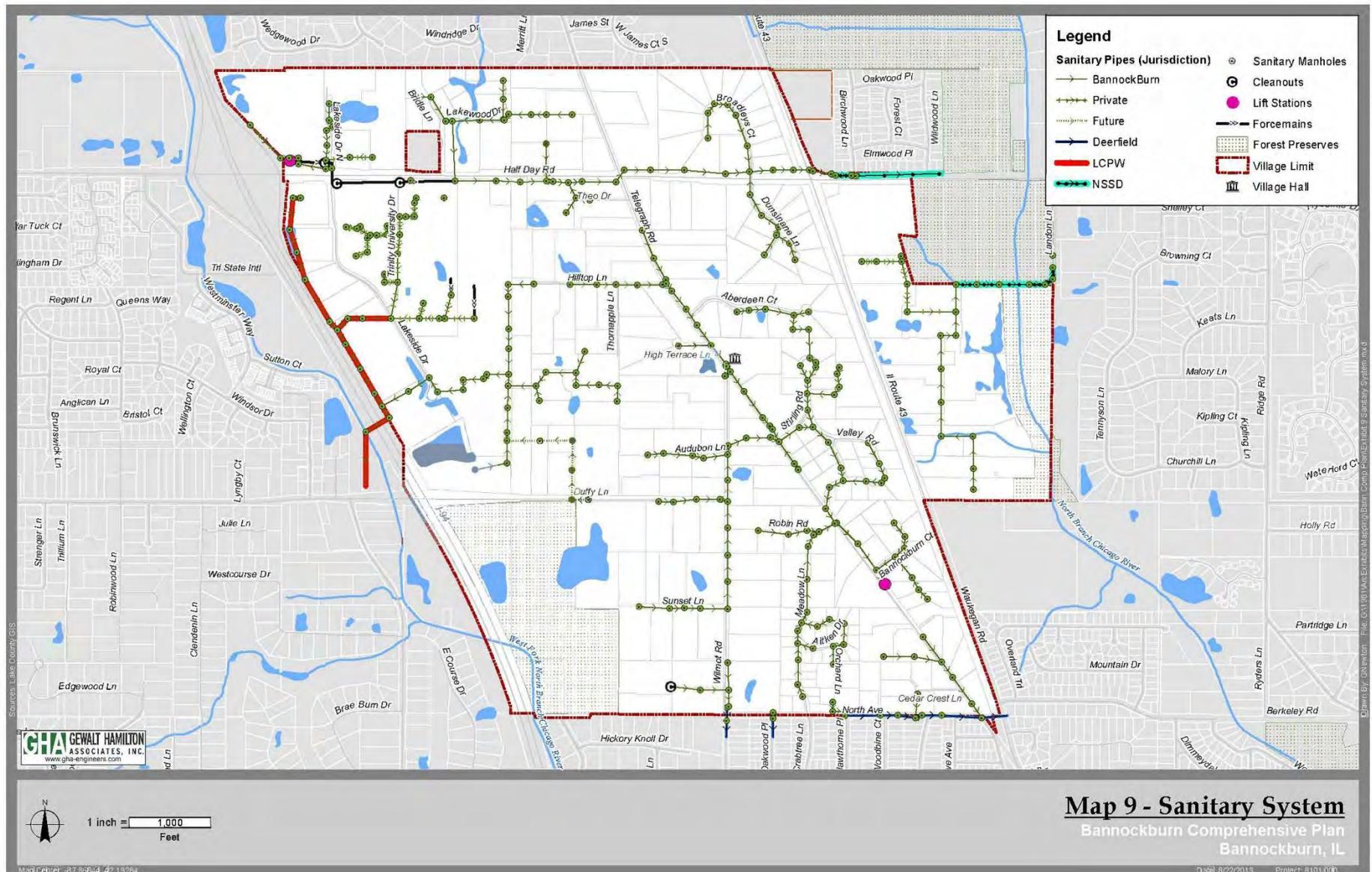
General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
550-300-5050	MAINTENANCE - UTILITY SYSTEM	\$8,089	\$33,500	\$41,000	\$10,000 is reserved for fixing leaks on the public sanitary sewer system, lift station maintenance bi-monthly check \$2,500, maintenance \$10,000, \$6,000 sanitary televising & scanning
550-300-5105	AUDIT	2,441	2,300	2,300	Allocation of audit based upon 25% # of funds & 75% expenditures
550-300-5110	ENGINEERING SERVICES	8,089	14,000	14,000	General engineering cost as needed oversight of sanitary sewer inspections
550-300-5120	LEGAL	793	2,500	2,500	Code revisions
550-300-5401	SERVICE CHARGES	5,306	9,388	8,573	Based upon administrative time plus overhead expense
550-300-5410	ELECTRICITY	2,977	4,000	4,000	Electric, gas charges, cell phone charges
550-300-5416	SEWER CHARGES - DEERFIELD	199,649	205,639	211,808	Last year's actuals plus 3% increase
550-300-5500	LIABILITY INSURANCE - PREMIUM	8,377	8,756	9,631	Based upon equipment and capital asset values & 10% increase
550-300-5999	MISCELLANEOUS	-	500	500	Other services as needed
550-300-8000	DEPRECIATION - SEWER MAINS	67,870	74,430	82,930	Based upon current depreciation schedule plus new capital assets
	TOTAL OPERATING EXPENSES	\$303,591	\$355,013	\$377,243	

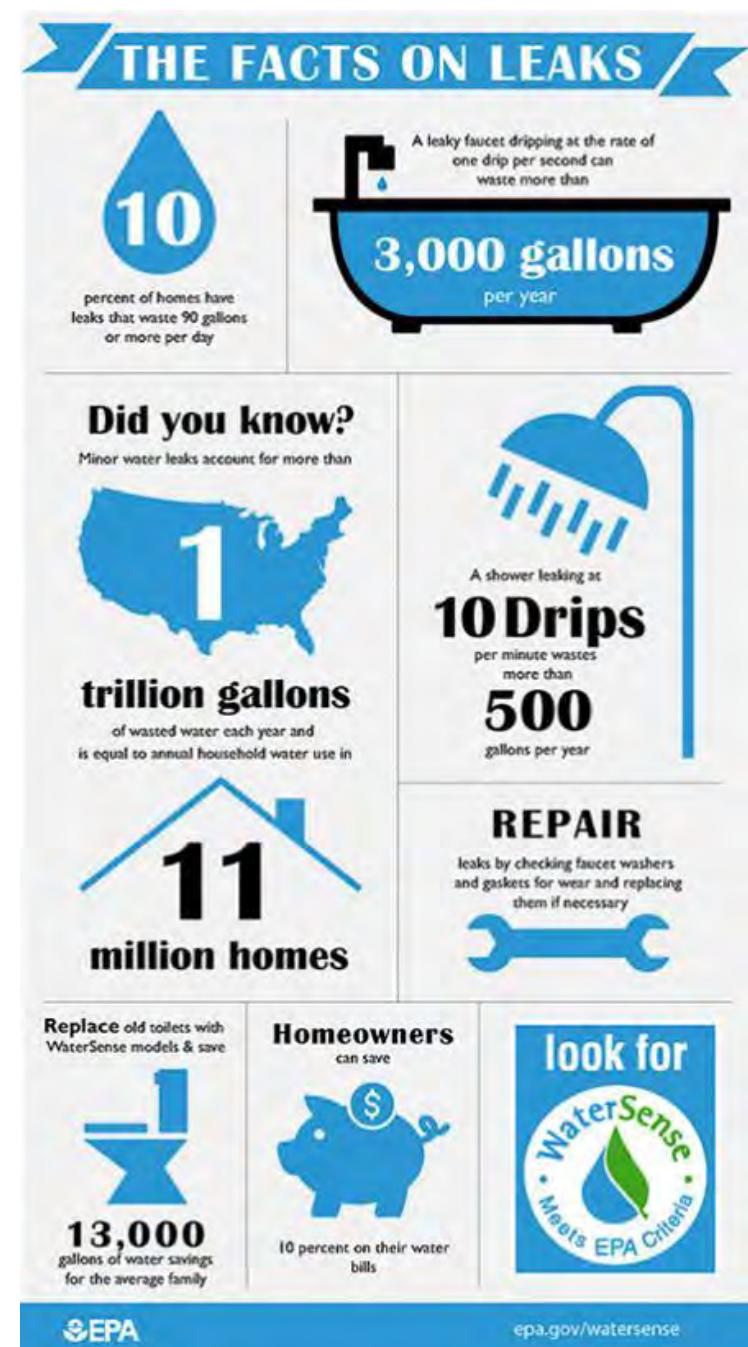
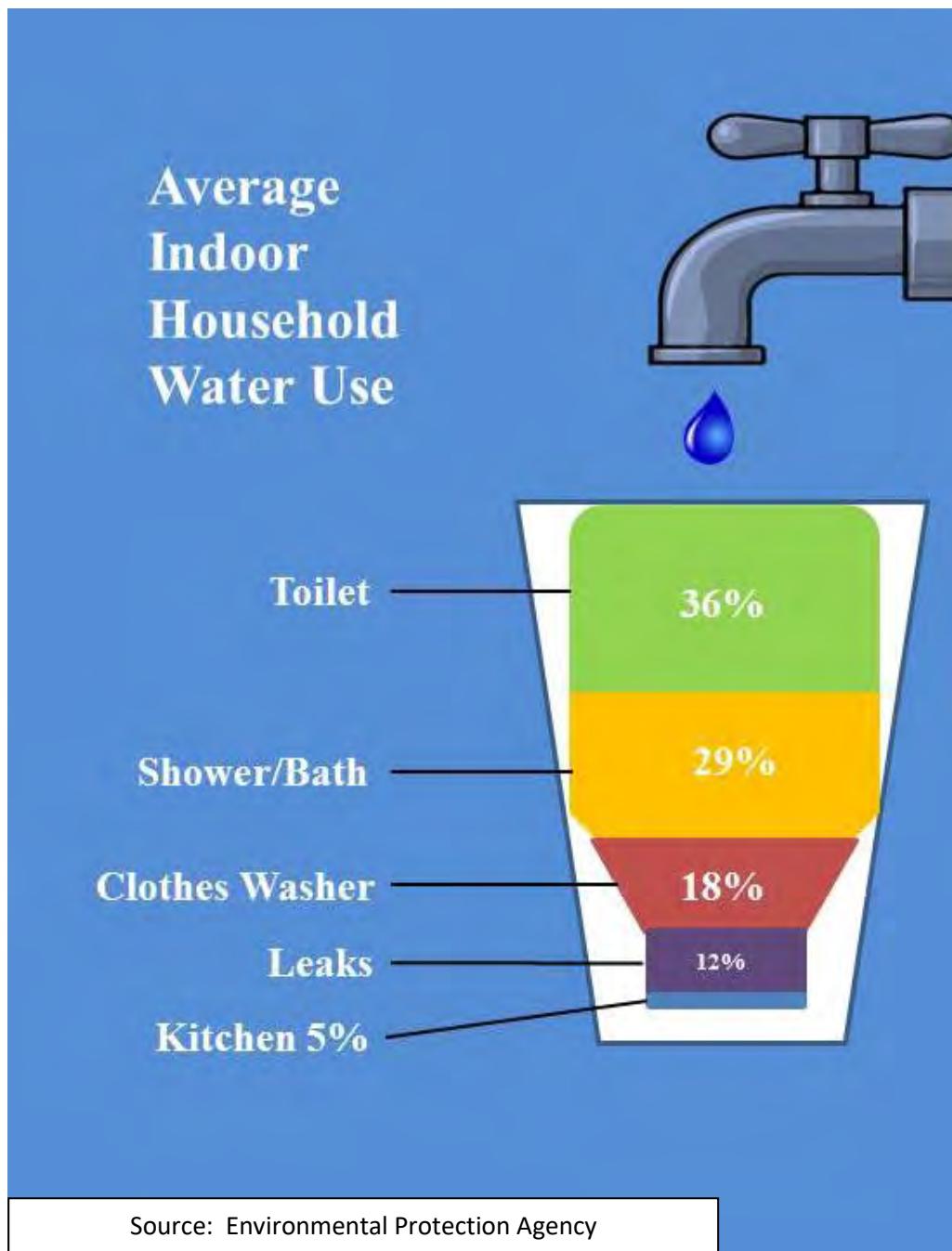
Sanitary Sewer Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2020-2021	Budget 2021-2022	Budget 2022-2023	Description
550-400-6000	PRINICPAL PAYMENT – IEPA	\$-	\$3,902	\$3,902	IEPA loan #L173279 Water Pollution Control - Telegraph Road pump station
	TOTAL DEBT SERVICE	\$-	\$3,902	\$3,902	
550-500-7030	EQUIPMENT	\$-	\$-	\$85,000	Wet well hatches - Lift Station Work
	CAPITAL IMPROVEMENTS	\$-	\$-	\$85,000	
550-600-8000	CAPITAL EXP CLASSIFIED ASSET	\$-	-	(85,000)	Wet well hatches - Lift Station Work
550-700-8000	DEBT PRINCIPAL CLASS LIABILITY	-	(3,902)	(3,902)	Principal recorded in balance sheet as an offset to loan balance
	TOTAL EXPENDITURES	\$303,591	\$355,013	\$377,243	
	SEWER FUND NET INCOME (LOSS)	\$(15,672)	\$(36,834)	\$(27,426)	

The Village has budgeted \$85,000 for Capital Improvements in the Sewer fund which include \$85,000 for replacement of wet well hatches in the Lift Station. All CIP funding will be coming from Sewer Fund Reserves balance of \$103,643 as of April 30, 2022.

VILLAGE OF BANNOCKBURN, ILLINOIS
Map Sanitary System
April 30, 2022





SECTION 7



Capital Improvement Program

Introduction

Administration

Police

Community Development

Public Works

Water & Sewer



Capital Improvement Program 2022/2023 – 2026/2027

INTRODUCTION

The Village of Bannockburn's Capital Improvement Program (CIP) includes capital expenditures and projects projected to be expensed or have funds assigned so improvements may be made in future periods. The Village's Capital Program Mission is: With community input, Bannockburn will plan for sustainable infrastructure improvements that strengthen economic viability and quality of life, providing fiscal stewardship of public funds and balancing construction with the ability to effectively maintain and operate our current assets in a cost-effective and safe manner.

Summary of items included in the 5 Year CIP 2022/2023 – 2026/2027:

General Fund	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	Description/Funding
Administration	\$ -	\$ -	\$ -	\$ -	\$ -	None Anticipated
Police	50,000	50,000	50,000	50,000	50,000	1 New Squad Car – General Fund Reserves
Community Development	-	-	-	-	-	None Anticipated
Public Works						
Roads & Pathways	1,303,172			-	2,025,000	2022-23 Telegraph Road Resurfacing & Path System. 2025-26 Duffy Lane, Wilmot Road North & South. MFT & STP Funds
Total General Fund	\$1,353,172	\$50,000	\$50,000	\$50,000	\$2,075,000	
Water/Sewer Funds						
Expense Water Mains						
Half Day Road	-	-	-	-	1,822,250	In Conjunction with Road & Pathway - IDOT schedule. Water Fund Reserves
Expense – Lift Station	85,000	-	-	-	-	Replace Wet Well Hatches in the Lift Station – Sewer Fund Reserves
Expense – Water Main Eng	20,000	-	-	-	-	Engineering Water Main - Water Fund Reserves
Expense – Water Pumps	100,000	100,000	100,000	-	-	Replace Component Parts for 3 pumps- Water Fund Reserves
Total Water & Sewer	\$ 205,000	\$ 100,000	\$ 100,000	-	\$1,822,250	
Total Capital Expenditures	\$1,558,172	\$150,000	\$150,000	\$50,000	\$2,897,250	

Capital Improvement Program 2022/2023 - 2026/2027 (continued)

The current Capital Improvement Program (CIP) value is \$55,515,046 of which \$14,850,336 is for General Services and \$40,664,710 is for Public Utilities. The current 5-year plan calls for \$4,805,422 for general services in which reserves, general fund revenues, federal and state grant funding and MFT funds are anticipated and projected to cover the cost of the projects while maintaining and complying with the Village's current GASB 54 Fund Reserve Policy with no debt to be issued.

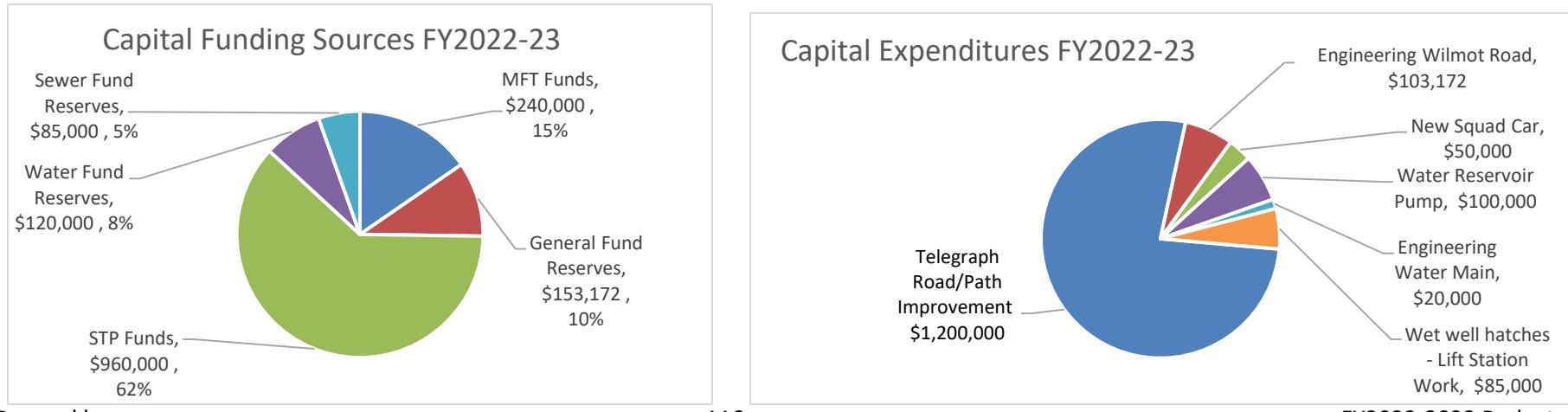
Like most communities, the Village of Bannockburn does not have sufficient funds to accomplish all of the infrastructure and public improvement projects required by a growing community. The Village of Bannockburn is faced with the universal dilemma of attempting to meet the needs of its residents for improved public services and facilities with limited revenues, coupled with the continued increase of costs for providing these same requested services and facilities.

In an effort to meet this challenge, the Village of Bannockburn 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 CIP is the process best suited to assist the Village President and Village Board in accomplishing this objective.

Funding for the capital program is appropriated annually, but projects are traditionally completed over multiple fiscal years. Carry-forward contingencies are budgeted for projects that remain open at fiscal year-end and for approved projects that have not yet incurred expenditures.

During the annual budget cycle, the Village prepares a five-year infrastructure/capital improvements program (CIP) budget. The CIP shown in this budget document identifies needs and funding sources for FY 2022/23 through FY 2026/27. The Adopted FY 2022/23 CIP is funded with revenues, federal funds and fund balances. The funding sources for future year CIP requests are identified in the five-year plan, but will be reevaluated and confirmed prior to projects moving forward.

The Village's Adopted CIP budget for FY 2022/23 totals \$1.558 million. The total amount is new expenditures for capital projects and will be funded by various sources illustrated below: New Squad Car & Engineering Wilmot Road – General Fund, Telegraph Rd/Path Improvement – STP & MFT Funds, Wet Well Hatches – Sewer Fund Reserves and Engineering Water Main & Reservoir Pumps – Water Fund Reserves.



Capital Improvement Program 2022/2023 - 2026/2027 (continued)

The Village Board adopts the five-year CIP on the same date as final adoption of the annual operating budget. Capital projects are scheduled throughout the five-year plan; however, only those projects scheduled during the first year of the CIP or those being carried forward are financed and adopted as part of the annual budget. Details of the CIP are presented in the following section along with funding sources. The capital budget process determines which major projects will be financed and constructed. Capital projects are those with high monetary value (typically more than \$50,000) and add to the capital assets or infrastructure of the Village. These projects are long-term in nature (more than one year) and are funded using a wide range of strategies which can also include long-term financing.

The CIP provides funding mechanisms in order to accomplish its goals. To accomplish its goals, the Village will seek grant funding to cover the cost of FAU routes at 80% grant funding to the Village's 20% match which currently is being funded by Motor Fuel Tax and Cash Reserves for road improvements anticipated in FY2029/30. Currently, the Village General Fund has Debt Certificates; however, no bonds have been issued or are anticipated with over \$6 million in reserves to cover future capital expenditures for Road Improvements.

Some of 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. CIP 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 Bannockburn Comprehensive Master Plan, the CIP brings and promotes new investment in locations that can accommodate development with quality systems and services.

As presented, the FY2022/2023 – FY2026/2027 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/Pathways
- Public Buildings and Facilities
- Parks
- Water & Sanitary Sewer Systems

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
5. They usually provide a governmental facility for public service.
6. They add substantially to the value of the Village's fixed assets.

Capital Improvement Program 2022/2023 - 2026/2027 (continued)

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 Bannockburn 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	\$ 50,000
2. Land & Land Improvements	\$ 50,000
3. Buildings & Improvements	\$ 50,000
4. Water & Sewer Mains	\$ 50,000
5. Sidewalks/Paths	\$ 50,000
6. Machinery & Equipment	\$ 20,000
7. Vehicles	\$ 20,000

Any projects below this amount will be incorporated into the departmental budgets as part of our Annual Budget Review.

WHAT IS CIP PLANNING?

CIP 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.

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 2022-2023 Budget submitted to the Board for their review and approval.

PROGRAMMING PERIOD

The CIP 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

Capital Improvement Program 2022/2023 - 2026/2027 (continued)

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, programming 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 Manager meets with the Department 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 or MFT Fund. The CIP document is then given to the Village Board for their review and consideration and discussed at greater length at Village Board 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 create 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. As illustrated on pages 120-122, projects are prioritized and ranked from A-C based upon need and funding.

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 years 2008-2010, the recession and economic factors presented themselves. The Village, having sound financial practices, was able to weather the recession due to the establishment of strong reserves and was able to benefit from the lower cost of goods and services to complete infrastructure improvements and to take advantage of the reduction in the federal funds rate reflected in lower interest rates on bonds making borrowing inexpensive. The Village also benefited from zero interest loans with 25% forgiveness for Clean Water and Drinking Water State Revolving Fund (SRF) Loans and stimulus funding available for road projects. The Village had the opportunity to use fiscal policy through additional government spending to assist in the stimulation of the economy during the recession.

CIP funds cash balances are typically invested until needed by applicable projects. The current interest rate environment is forecasting a continuing slow rise in interest rates in 2022/23, as the economy moves on from the Great Recession and the Federal Reserve implements more normal policies.

Capital Improvement Program 2022/2023 - 2026/2027(continued)

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 allowing the limitation of 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 FY2022-23 CIP. 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).

The Village of Bannockburn detailed Capital Improvement Program by department are detailed below:

ADMINISTRATION	Anticipated Replacement Cost	Priority Ranking	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	Total	Description
Beginning Assigned Balance Public Safety										
Building Improvements-Village Hall Built 1992	\$ 1,352,800	A	\$ 27,056	\$ 27,056	\$ 27,056	\$ 27,056	\$ 27,056	\$ 27,056	\$ 243,504	No major improvements anticipated in next 5 yrs
Expensed			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL ADMINISTRATION	\$ 1,352,800		\$ 27,056							

POLICE DEPARTMENT	Anticipated Replacement Cost	Priority Ranking	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	Total	Description
Beginning Assigned Balance Public Safety										
Vehicles	\$ 50,000	A	\$ 42,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 388,632	
Expensed			\$ (42,300)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (387,564)	1 new vehicles per year
TOTAL PUBLIC SAFETY	\$ 50,000		\$ (300)	\$ -						

COMMUNITY DEVELOPMENT	Anticipated Replacement Cost	Priority Ranking	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	Total	Description
Beginning Assigned Balance Comm Dev										
Building Improvements-Shelter - Built 200	\$ 750,000	C	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 120,000	No major improvements anticipated in next 5 yrs
Playground Equipment	\$ 100,000	B	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 80,000	Replacement 2028
Expensed			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
COMMUNITY DEVELOPMENT	\$ 850,000		\$ 25,000	\$ 200,000						

Capital Improvement Program 2022/2023 – 2026/2027 (continued)

PUBLIC WORKS	Anticipated Replacement Cost	Priority Ranking							Total	Description
			FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27		
Beginning Assigned Public Works			\$ 5,292,898	\$ 5,847,338	\$ 5,098,606	\$ 5,653,046	\$ 6,207,486	\$ 6,761,926		
Audubon Lane	\$ -		-	-	-				-	Private Road
Cedarcrest Lane	\$ -		-	-	-				-	Private Road
Hilltop Lane	\$ -		-	-	-				-	Private Road
Theo Drive	\$ -		-	-	-				-	Private Road
Thornapple Lane	\$ -		-	-	-				-	Private Road
Duffy Lane - Pathway	\$ 250,046	A	8,335	8,335	8,335	8,335	8,335	8,335	66,679	2029 Replacement
Wilmot Road (North) - Pathway	\$ 242,710	A	10,113	10,113	10,113	10,113	10,113	10,113	80,903	2027 Installation
Wilmot Road (South) - Pathway	\$ 424,743	A	17,698	17,698	17,698	17,698	17,698	17,698	141,581	2027 Installation
Telegraph Road - South	\$ 823,241	A	54,883	54,883	54,883	54,883	54,883	54,883	439,062	2023 Overlay - FAU Route 80% Grant/20% Village Funding
Telegraph Road - North	\$ 548,827	A	36,588	36,588	36,588	36,588	36,588	36,588	292,708	2023 Overlay - FAU Route 80% Grant/20% Village Funding
Telegraph Road - Pathway	\$ 493,944	A	30,872	30,872	30,872	30,872	30,872	30,872	246,972	2023 Replacement
Bannockburn Court	\$ 382,269	B	14,703	14,703	14,703	14,703	14,703	14,703	117,621	2027 Overlay
Wilmot Road - Road	\$ 497,557	B	33,170	33,170	33,170	33,170	33,170	33,170	265,363	2027 Overlay - 80% Grant/20% Village Funding
Aiken Drive	\$ 160,128	B	8,006	8,006	8,006	8,006	8,006	8,006	64,051	2028 Overlay
Meadow Lane	\$ 408,327	B	20,416	20,416	20,416	20,416	20,416	20,416	163,331	2028 Overlay
Orchard Lane	\$ 39,416	B	1,971	1,971	1,971	1,971	1,971	1,971	15,766	2028 Overlay
Robin Road	\$ 120,096	B	6,005	6,005	6,005	6,005	6,005	6,005	48,038	2028 Overlay
Duffy Lane - Road	\$ 646,672	B	43,111	43,111	43,111	43,111	43,111	43,111	344,892	2029 Overlay/Widening 80% Grant/20% Village
South Lakeside Drive - Pathway	\$ 83,753	C	3,102	3,102	3,102	3,102	3,102	3,102	24,816	2030 Replacement
Stirling Road	\$ 348,971	C	17,449	17,449	17,449	17,449	17,449	17,449	139,588	2030 Overlay
Valley Road	\$ 266,487	C	13,324	13,324	13,324	13,324	13,324	13,324	106,595	2030 Overlay
Aberdeen Court	\$ 261,468	C	13,073	13,073	13,073	13,073	13,073	13,073	104,587	2032 Overlay
Half Day Road - Pathway	\$ 913,831	C	45,692	45,692	45,692	45,692	45,692	45,692	365,532	2032 Replacement - Road IDOT (Potential IDOT Funding)
North Lakeside Drive - Road	\$ 751,721	C	37,586	37,586	37,586	37,586	37,586	37,586	300,688	2032 Reconstruction/Concrete
South Lakeside Drive - Road	\$ 418,349	C	19,921	19,921	19,921	19,921	19,921	19,921	159,371	2032 Overlay
High Terrace	\$ 53,078	C	2,654	2,654	2,654	2,654	2,654	2,654	21,231	2033 Overlay
Sunset Lane	\$ 139,330	C	6,966	6,966	6,966	6,966	6,966	6,966	55,732	2033 Overlay
Waukegan Road - Sidewalk	\$ 334,392	C	11,146	11,146	11,146	11,146	11,146	11,146	89,171	2033 Replacement (Potential IDOT funding)
Dunsinane Lane	\$ 175,091	C	8,755	8,755	8,755	8,755	8,755	8,755	70,036	2034 Overlay
Bridle Lane	\$ 136,706	C	6,835	6,835	6,835	6,835	6,835	6,835	54,682	2035 Overlay
Lakewood Drive	\$ 191,388	C	9,569	9,569	9,569	9,569	9,569	9,569	76,555	2035 Overlay
North Avenue - Road	\$ 455,914	C	30,394	30,394	30,394	30,394	30,394	30,394	243,154	2041 Overlay 80% Grant/20% Village Funding
North Lakeside Drive - Sidewalk	\$ 90,551	C	2,921	2,921	2,921	2,921	2,921	2,921	23,368	2043 Asphalt
Stormwater Drainage	\$ 2,938,529	C	39,180	39,180	39,180	39,180	39,180	39,180	313,443	75 Year Service Life
Expensed - Roads			-	(1,303,172)	-	-	-	-	(1,303,172)	Telegraph South & North
Expensed - Pathways			-	\$ -					(2,025,000)	Duffy Lane, Telegraph, Wilmot North & South Pathways
Expensed - Sidewalks			-	-	-				-	
Expensed - Drainage									-	
TOTAL PUBLIC WORKS	\$12,597,536		\$ 554,440	\$ (748,732)	\$ 554,440	\$ 554,440	\$ 554,440	\$ 554,440	\$ (1,470,560)	\$ 1,107,348

Capital Improvement Program 2022/2023 – 2026/2027 (continued)

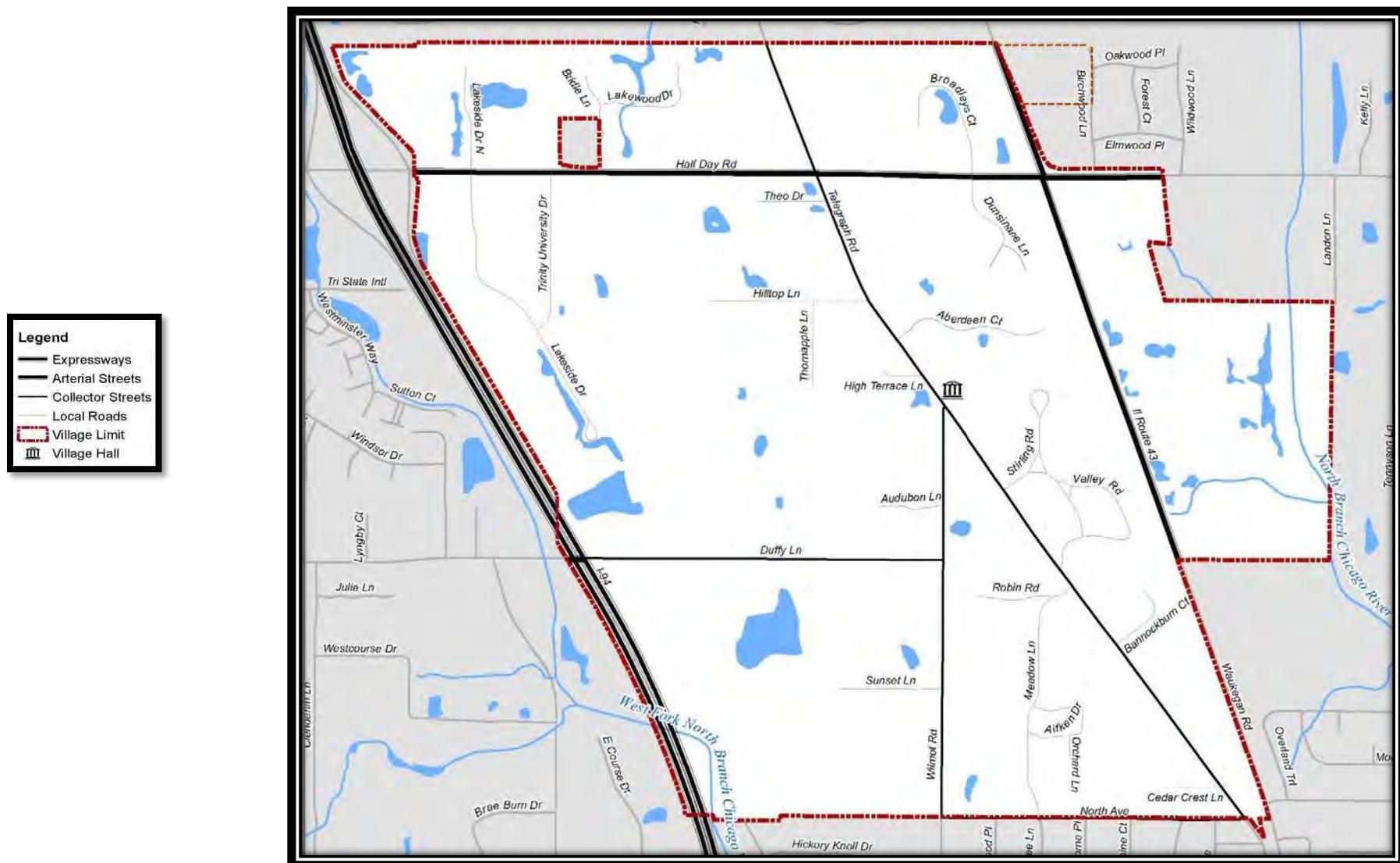
TOTAL GENERAL FUND CAPITAL IMPROVEMENT BUDGET

TOTAL GENERAL FUND	Anticipated Replacement Cost	Priority Ranking	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	Total	Description
Total Expensed			\$ (42,300)	\$ (1,353,172)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (2,075,000)		
Funding Sources										
MFT Funds			\$ (240,000)	\$ -	\$ -	\$ -	\$ (214,056)	\$ (454,056)	MFT Funds Available for Capital Projects	
General Fund			\$ (103,172)				\$ (190,944)	\$ (294,116)	General Fund Village Funding	
Federal/State Grant Funding			(960,000)				(1,620,000)	\$ (2,580,000)	80% Grant on North Ave, Duffy Lane, Telegraph Roa	

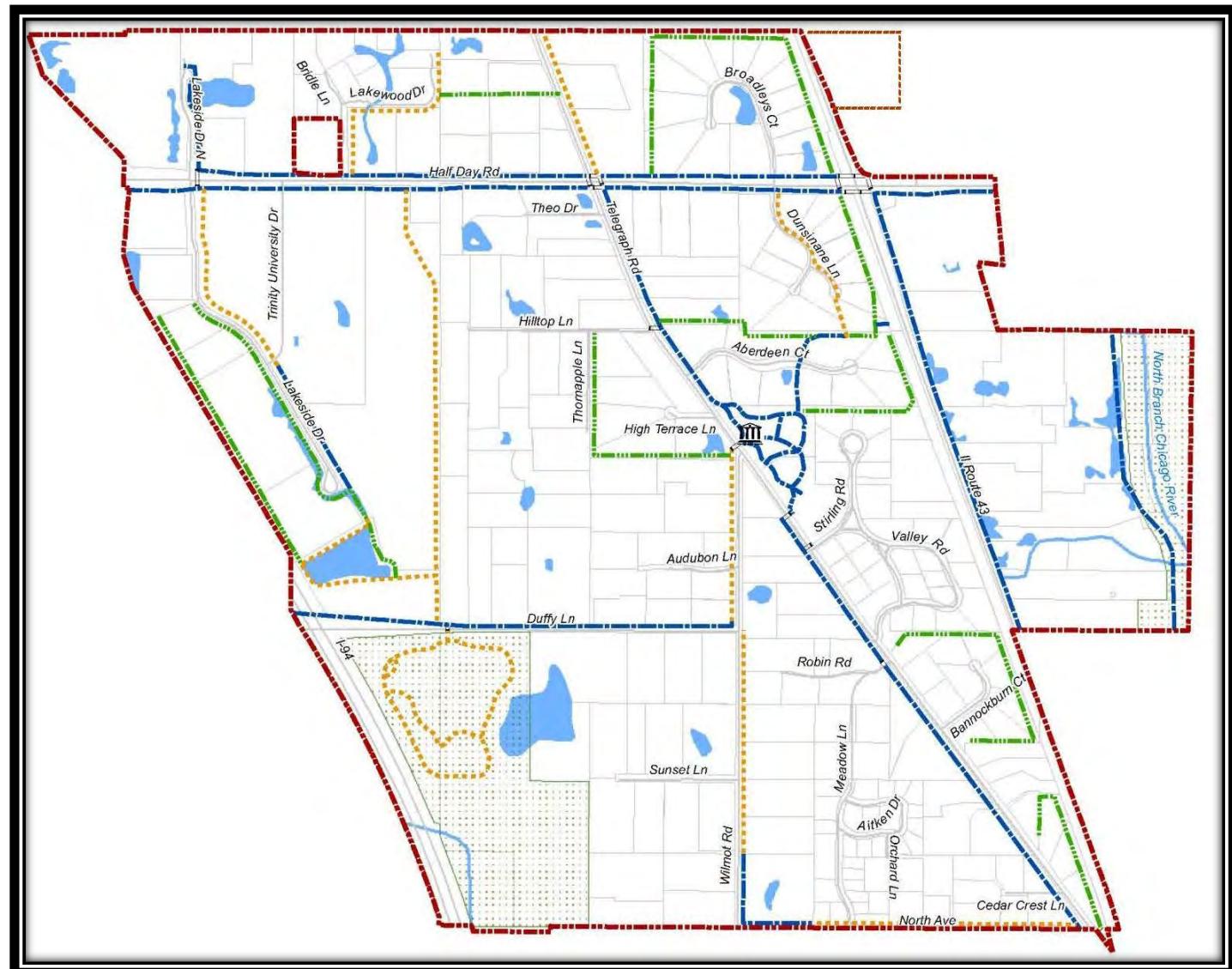
WATER & SEWER FUND CAPITAL IMPROVEMENTS BUDGET

WATER & SEWER	Anticipated Replacement Cost	Priority Ranking	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	Total	Description
Beginning Assigned Balance Water			\$ 2,245,374	\$ 2,823,227	\$ 3,216,081	\$ 3,693,935	\$ 4,171,788	\$ 4,749,642		
Water Pumps	\$ 152,250	A	\$ 12,688	\$ 12,688	\$ 12,688	\$ 12,688	\$ 12,688	\$ 12,688	101,500	Replacement ComponentsThree pumps - 12 year life
Water Main Infrastructure	\$ 32,010,008	A,B,C	\$ 426,800	\$ 426,800	\$ 426,800	\$ 426,800	\$ 426,800	\$ 426,800	3,414,401	40-75 Year Service Life - First Replacement FY2027
Sanitary Sewer Infrastructure	\$ 8,352,452	A,B,C	\$ 111,366	\$ 111,366	\$ 111,366	\$ 111,366	\$ 111,366	\$ 111,366	890,928	75 Year Service Life - First Replacement FY2034-35
SCADA System	\$ 80,000	A	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	64,000	10 year life
Meter Heads	\$ 70,000	A	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	56,000	10 year life
Lift Station		A	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	96,000	25 year life
Expense Water Mains										
Half Day Road								\$ (1,822,250)	(1,822,250)	In Conjunction with Road & Pathway - IDOT schedule
Expense - Water Pumps			\$ -	\$ (100,000)	\$ (100,000)	\$ (100,000)			(300,000)	Replace Component Parts for 3 pumps
Expense Lift Station				\$ (85,000)						Repair wet well hatches
TOTAL WATER & SEWER EXPENSES	\$ 0		\$ 185,000	\$ 100,000	\$ 100,000	\$ 0	\$ 1,822,250	\$ 2,207,250		
Capital Costs			\$ 185,000	\$ 100,000	\$ 100,000	\$ 0	\$ 1,822,250			
Funding Sewer Reserves			\$ 85,000							
Funding from Water Reserves			\$ 100,000	\$ 100,000	\$ 100,000	\$ 0	\$ 1,822,250			
Key:										
Priority Ranking "A" to be expensed in next 5 years										
Priority Ranking "B" to be expensed in next 5- 10 years										
Priority Ranking "C" to be expensed in next 10-75 years										

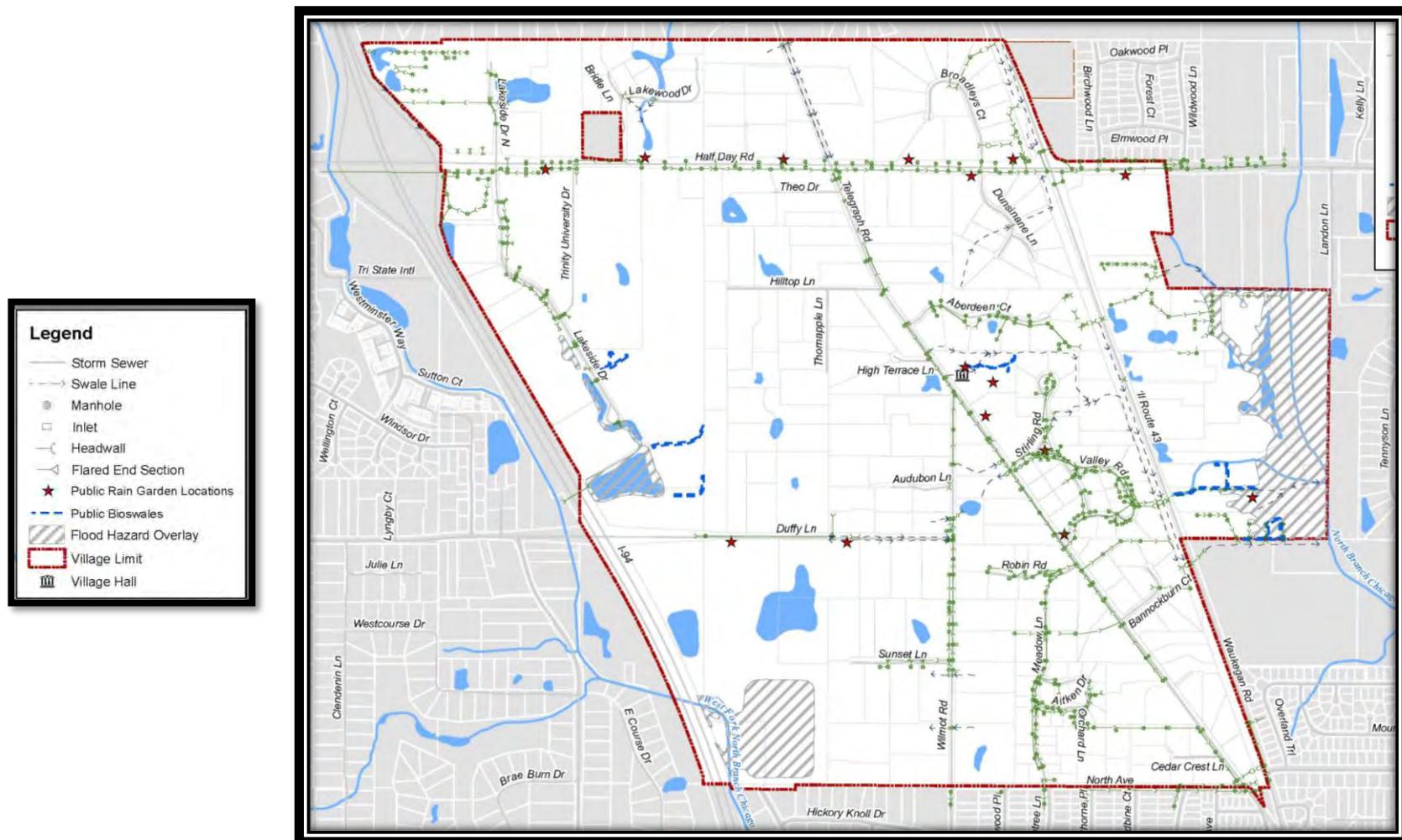
VILLAGE OF BANNOCKBURN, ILLINOIS
Map Roadway System
April 30, 2022



VILLAGE OF BANNOCKBURN, ILLINOIS
Map Pathway System
April 30, 2022



VILLAGE OF BANNOCKBURN, ILLINOIS
Storm Sewer System
April 30, 2022



SECTION 8



Supplemental Information

Financial Policy

Capital Improvement Program and Budget Policy

Investment Policy

Purchasing Policy

General Fund Reserve Policy

Glossary



Financial Policy

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 Assistant Finance Director, Village Manager, Trustee/Finance Commissioner are 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. They 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

Water and Sewer 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 to reflect 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 Bannockburn Capital Improvement and Budget 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 based upon the Fund Reserve Policy (Revised March 12, 2018)

FINANCIAL 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
- Audit Tax
- Police Protection
- Liability Insurance

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 a 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.

Capital Improvement Program and Budget Policy

The Village of Bannockburn 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 Bannockburn will use the following definitions:

Buildings - Permanent structures erected above ground, together with fixtures attached to and forming a permanent part of the building, for the purpose of sheltering persons or personal property. The cost of buildings includes all labor, materials, and professional services required to construct the building, and any other costs to put the building into its intended use.

Building Improvements - Major repairs, renovations, or additions made to a building that increase the future service potential of the building and benefit future periods. The buildings and the improvements become one and are inseparable. Examples of building improvements include major repairs, renovations, or additions such as an addition of a new wing or a new air conditioning system.

Capital Expenditure - 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 budget 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.

Capital Improvement Program and Budget Policy (Continued)

Depreciable Land Improvements - Improvements made to land that have determinable estimated useful lives and deteriorate with use or passage of time. These improvements are built or installed to enhance or facilitate the use of the land for a particular purpose. Depreciable land improvements may include walking paths and trails, fences and gates, landscaping, sprinkler systems, and fountains. These are unlike non-depreciable land improvements and land since the useful life of the improvement is determinable.

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. Although these assets are long-lived, useful lives are assigned to these assets and they are depreciated.

Land - An inexhaustible asset that has an unlimited life and therefore is not depreciated.

Land improvements - Betterments, improvements, and site preparations that ready land for its intended use. Like the land itself, these improvements are inexhaustible and therefore not depreciated. Some examples of land improvements would be excavation, filling, grading, demolition of existing buildings, and removal or relocation of other property (telephone or power lines).

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.

II. CAPITALIZATION THRESHOLD

The capitalization threshold, or minimum value of an asset at the time of acquisition, is established as follows:

<u>Asset Class</u>	<u>Threshold</u>
1. Roads	\$ 50,000
2. Land & Land Improvements	\$ 50,000
3. Buildings & Improvements	\$ 50,000
4. Water & Sewer mains	\$ 50,000
5. Sidewalks/Paths	\$ 50,000
6. Machinery & Equipment	\$ 20,000
7. Vehicles	\$ 20,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The Village has chosen, as is allowable under GAAP, to only report infrastructure on a prospective basis. The capitalization threshold is established to clarify what capital expenditures belong in the capital budget.

Capital Improvement Program and Budget Policy (Continued)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

III. METHOD OF DEPRECIATION

For simplicity and consistency, the straight-line depreciation method (cost divided by useful life) will be used for depreciation of all depreciable capital assets. In addition, it will be assumed that the capital assets will have no salvage value. A full year of depreciation will be taken in the year assets are placed in service or disposed of. Regardless of the actual date an asset is placed into service, the asset is treated as being placed into service at the beginning of the fiscal year, allowing a full year's depreciation in the year of acquisition. Regardless of the actual date an asset is disposed of, the asset is treated as being disposed of at the end of the fiscal year, allowing a full year's depreciation in the year of disposal.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. The range of estimated useful lives by type of asset is as follows:

<u>Assets</u>	<u>Years</u>
1) Buildings and Improvements	40
2) Sidewalks, Paths	20
3) Infrastructure - Roads	40
4) Storm & Sanitary Sewers	75
5) Machinery and Equipment	5-10
6) Vehicles	5
7) Infrastructure – Water Mains/Hydrants	40
8) Land Improvements	10-20

Capital Improvement Program and Budget Policy (Continued)

IV. GENERAL POLICIES

The Village shall maintain a Five-Year CIP 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 CIP 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 CIP, the condition of Village infrastructure will be evaluated to appropriately prioritize and schedule maintenance and replacement.

V. 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.

Capital Improvement Program and Budget Policy (Continued)

VI. 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.

VII. 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 – Effective April 12, 2021

§28-1. Investment Policy

A. GLOSSARY OF TERMS

- (1) Accrued Interest:** The accumulated interest due on a bond as of the last interest payment made by the issuer.
- (2) 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).
- (3) 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.
- (4) 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 (I.R.S.) regulations govern arbitrage (reference I.R.S. Reg. 1.103-13 through 1.103-15).
- (5) 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).
- (6) Asked:** The price at which securities are offered.
- (7) Assessed Value:** An annual determination of the just or fair market value of property for purposes of ad valorem taxation.
- (8) 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.
- (9) 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 issue.

Investment Policy (Continued)

- (10) Basis Point:** 1/100 of one percent.
- (11) 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.
- (12) 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.
- (13) 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.
- (14) 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.
- (15) Cash Sale/Purchase:** A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.
- (16) Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate.
- (17) 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.
- (18) 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.
- (19) Comprehensive Annual Financial Report (CAFR):** The official annual report for the Village of Bannockburn. 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).
- (20) 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.

Investment Policy (Continued)

(21) Coupon:

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

(22) 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.

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

(24) 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.

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

(26) 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.).

(27) 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.

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

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

(30) 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.

(31) 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.

(32) 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.

Investment Policy (Continued)

- (33) **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.
- (34) **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.
- (35) **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.
- (36) **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.
- (37) **Federal Funds Rate:** Interest rate charged by one institution lending federal funds to the other.
- (38) **Federal Home Loan Bank (FHLB):** The 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.
- (39) **Federal National Mortgage Association (FNMA):** 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.).
- (40) **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.

Investment Policy (Continued)

- (41) **Government National Mortgage Association (GNMA):** 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.
- (42) **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.
- (43) **Interest Rate:** See "Coupon Rate."
- (44) **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.
- (45) **Liquidity:** An asset that can be converted easily and quickly into cash.
- (46) **Local Government Investment Pool (LGIP):** An investment by local governments in which their money is pooled as a method for managing local funds.
- (47) **Market-to-Market:** The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.
- (48) **Market Risk:** The risk that the value of a security will rise or decline as a result of changes in market conditions.
- (49) **Market Value:** Current market price of a security.
- (50) **Maturity:** The date upon which the principal of a municipal bond becomes due and payable to bondholders.
- (51) **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.
- (52) **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.

Investment Policy (Continued)

- (53) Par Value or Face Amount:** In the case of bonds, the amount of principal which must be paid at maturity.
- (54) Principal:** The face amount or par value of a bond or issue of bonds payable on stated dates of maturity.
- (55) Prudent Person Rule:** An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.
- (56) 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.
- (57) 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.
- (58) 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.
- (59) SEC RULE 15C3-1:** See definition of Uniform Net Capital Rule in this subsection.
- (60) Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.
- (61) Securities and Exchange Commission (SEC):** 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.
- (62) Short-Term Debt:** Short-term debt is defined as any debt incurred whose final maturity is three years or less.
- (63) Swap:** Trading one asset for another.
- (64) Term Bonds:** Bonds coming due in a single maturity.
- (65) Total Return:** The sum of all investment income plus changes in the capital value of the portfolio.

Investment Policy (Continued)

- (66) **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.
- (67) **Treasury Bond:** A long-term obligation of the U.S. Treasury having a maturity period of more than ten years and paying interest semiannually.
- (68) **Treasury Notes:** An intermediate-term obligation of the U.S. Treasury having a maturity period of one to ten years and paying interest semiannually.
- (69) **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.
- (70) **Volatility:** A degree of fluctuation in the price and valuation of securities.
- (71) **Weighted Average Maturity (WAM):** The average maturity of all the securities that comprise a portfolio.
- (72) **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.
- (73) **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.
- (74) **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.

Investment Policy (Continued)

B. POLICY

The intent of the Investment Policy of the Village of Bannockburn 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 Board (through the Village Manager, Finance Commissioner, and Assistant Finance Director) to invest funds to the fullest extent possible. The Village Manager, Finance Commissioner, and Assistant Finance Director 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 of Bannockburn 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;
2. To protect the principal monies of the Village; 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 [including without limitation the Village Manager, Finance Commissioner, and Assistant Finance Director the "Investment Officials")] 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.

C. SCOPE

This investment policy applies to the investment of available assets of all Village funds under the direct management of the Village Board of Trustees and Investment Officials.

Investment Policy (Continued)

The policy for the Illinois Municipal Retirement Fund (IMRF) 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.

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 Bannockburn as stipulated by the Village in accordance with 55 ILCS 5/3-11006.

All investments of the Village of Bannockburn must be made in compliance with applicable 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.

D. 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 Officials 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.

The Board recognizes that material, relevant, and decision-useful sustainability factors have been or are regularly considered by the Board, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors include, but are not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing Act. (40 ILCS 5/1-113.6 and 1-113.17)

Investment Policy (Continued)

E. OBJECTIVE

The primary objective in the investment of Village funds under control of the Village Board of Trustees and Investment Officials 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 Bannockburn 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 Investment Officials prudently manages 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.

Return on Investments/Yield: The Village's investment portfolio shall be designed to obtain the highest available return, taking into account the Village's investment risk constraints and cash flow needs. The Investment Officials shall seek to obtain the highest available return using authorized investments.

F. 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, than this policy dictates as the ethical benchmark.

Investment Policy (Continued)

G. DELEGATION OF AUTHORITY

Management responsibility for the investment program is hereby delegated to the Investment Officials who shall establish written procedures for the operation of the investment program consistent with this investment policy and approved by the Village Board (the “Investment Procedures”). 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 Investment Officials and approved by the Village Board. The Finance Commissioner shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officials.

H. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Village’s Investment Officials 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 has allowed 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.

Broker/Dealer: The Village’s Investment Officials shall evaluate interested broker/dealers on the basis of criteria set by the Village’s Investment Officials, 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 Assistant Finance Director with the following: audited financial statements, proof of National Association of Security Dealers certification, proof of State registration. An annual review of the financial condition and registrations of qualified bidders will be conducted by the Assistant Finance Director.

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.

Investment Policy (Continued)

I. AUTHORIZED INVESTMENTS

The Village of Bannockburn 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
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 105% percent by: (i) marketable U.S. government securities marked to market at least monthly; (ii) bonds, notes, or other securities constituting the direct and 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, Village, 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.

Investment Policy (Continued)

4. 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.
5. 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.
6. Interest bearing bonds of any county, township, Village, 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.
7. 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.
8. Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act with a short-term rating of "AAA" by S&P.
9. 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.
10. 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.

J. INVESTMENT RESTRICTIONS

The Village's Investment Officials 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 Investment Officials are 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.

Investment Policy (Continued)

K. COLLATERALIZATION

In order to protect the Village's 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 105% 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.

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.

L. 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.

M. 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. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the Village's total investment portfolio will be instead in a single security type or with a single financial institution.

Investment Policy (Continued)

N. 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.

O. RISK MANAGEMENT

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:

- Market Risk - the risk that the value of a security will rise or decline as a result of changes in market conditions.
Control Technique - the Village's Investment Officials shall provide for market to market valuations on a monthly basis.
- Credit Risk - the risk that an issuer will default in the payment of interest and/or principal on a security.
Control Technique - the Village's Investment Officials 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 Assistant Finance Director shall provide ongoing evaluation and monitoring of creditworthiness of all counterparties.
- Liquidity Risk - the risk that an asset cannot be converted quickly and easily into cash.
Control Technique - the Village's Investment Officials 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)

P. INTERNAL CONTROLS

The Village's Investment Officials 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 Officials have 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.

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

R. 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.

S. REPORTING

The Village's Assistant 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.

Investment Policy (Continued)

T. 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 Assistant Finance Director will immediately notify the Village Manager, and appropriate action will be taken.

U. INVESTMENT POLICY ADOPTION

The Village's Investment Policy as adopted by ordinance of the Village Board shall be reviewed annually by the Village's Investment Officials and any recommended modifications thereto must be approved by the Village Board.

This policy supersedes all prior investment policies.

Purchasing Policy – Effective April 12, 2021

The following definitions shall apply throughout this policy document:

"Bid": Written response to a request for bid from the Village.

"Change Order": A change to a contract, made after it has been approved by the Village that alters the term of the contract, the contract price, or the obligations of the parties.

"Construction": The building, altering, repairing, improving, or demolishing of any public improvement.

"Contract": An agreement, either oral or written, regardless of what it may be called, to procure construction, repair and maintenance projects, supplies or services.

"Contract Price": The approved price for any contract, and shall be gross of (including) the value of any trade-in of Village property.

"Employee" means an employee, officer, or official of the Village of Bannockburn

"Local Vendor": A vendor or supplier located within the corporate limits of the Village.

"LPA": Local Public Agency

"Necessary Expenditures" means all reasonable expenditures or losses required of the employee in the discharge of employment duties and that inure to the primary benefit of Village of Bannockburn, subject to the provisions of this Policy.

"PO": Purchase Order.

"Purchase Order": A written order signed and issued by the Village Manager or the Assistant Finance Director directing a business to provide goods, services, construction or professional services on behalf of the Village.

"Procurement": The buying, purchasing, renting, leasing, or otherwise acquiring of any construction, repair and maintenance projects, supplies or services.

"Professional Services": Services which due to their nature or complexity require a high degree of professional skill.

"Public Improvement": Any public building or structure or other improvement of any kind on public property or easement or other rights of the Village in land, including without limitation water mains, sanitary sewers, storm sewers, bridges, roads, streets, street lighting, sidewalks, parkways, parking lots, parks and recreation areas.

"Purchasing Agent": The Village Manager of the Village of Bannockburn or designee. In this Directive, the Purchasing Agent may also be referred to as the Village Manager who is authorized to approve all purchases.

"Request for Bid": Village created list of specifications for the purchase of products or services.

"Request for Proposal (RFP)": Village created document that requests proposal from qualified vendors to provide a service to the Village.

"Request for Statement of Qualifications (RFQ)": Village created document that requests a submittal of qualifications from potential vendors to provide a service to the Village.

"Services": The furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports that are merely incidental to the required performance. Services shall not include services performed pursuant to employment agreements or collective bargaining agreements.

"Supplies": All property, including but not limited to, equipment, materials, and printing, but excluding any interest in real estate.

"User Department": Department purchasing material or service.

"Village": Village of Bannockburn.

Purchasing Policy (Continued)

Please note, throughout this policy, references to the Village Manager, Assistant Finance Director, and Department Directors shall also include their designated representatives except when quoting State Statutes or Public Acts.

A. Introduction and Objectives

The Village of Bannockburn Purchasing Policy is intended to provide an effective and efficient means for purchasing materials, equipment, and services. The policy is also intended to ensure that Village purchases comply with established legal requirements as prescribed by Illinois State Statute and the Village of Bannockburn Code of Ordinances.

The objectives of the Village's Purchasing Policy include:

- To ensure that materials, equipment, and services are purchased for the lowest prices without sacrificing quality and performance;
- To provide adequate control and documentation of Village expenditures and financial commitments;
- To obtain high quality goods and equipment as required by Village departments and to ensure these items are available at the place and time needed;
- To provide a standardized system of purchasing for use by all Village departments.

B. Conflicting Provisions

In the event of any conflict between any provisions of this policy and any applicable provisions in a State of Illinois Statute or Village Ordinance, the following shall apply: The provisions in any applicable State of Illinois Statute shall prevail in any conflict with any Village Ordinance that pertains to purchasing and the provisions of any Village Ordinance shall prevail in any conflict with any provision in this policy.

C. Authority to Purchase

The Village Code designates the Village Manager as the purchasing agent for the Village (Village Code, Chapter 20, Article IX Section 38J). The Assistant Finance Director has been designated by the Village Manager with the responsibility for developing and administering Village purchasing policies and procedures.

Purchasing Policy (Continued)

As the purchasing agent for the Village, the Village Manager is authorized to "make purchases of materials, supplies, and equipment without prior authorization of the Board, provided that 1) such funds are provided in the annual budget appropriation, and 2) no such purchase shall exceed the amount of \$25,000 in aggregate.

In addition, in connection with purchases over \$25,000, the Village Manager shall be required to receive competitive bids, bid waiver approved by the Village Board, or purchase through the State Purchasing, Joint or Other Cooperative Purchasing Arrangements. If competitive bids are required, the Village Manager shall present such bids to the Board for approval or rejection. The Village Manager shall make recommendations to the President and the Board with respect to all such bids. The Village Manager may issue rules and regulations governing requisitions and the transaction of the purchasing procedures between the Village Manager and the employees of the Village.

In accordance with Illinois State Statute (50 ILCS 510), when engaging the services of an engineering, surveying, or architectural firm that does not have an established satisfactory relationship with the Village, the Village will conduct a Request For Statement of Qualification (RFQ) process unless the fees for the service to be provided are less than \$25,000 or unless the Village Board determined by resolution that an emergency exists.

The Village Manager is also authorized to approve any change order to a Village contract which is less than \$25,000. A change order that exceeds these limits must have a written determination by the Corporate Authorities. Such communication shall include a statement that the circumstances necessitating the change in performance were not within the scope of the signed contract and the contract change is in the best interest of the Village and authorized by law. This written determination shall be preserved in the contract's permanent file which shall be open to the public for inspection in accordance with Illinois State Statute (720 ILCS 5/33E-9). All change orders at completion of the contract shall be ratified and approved by the Village Board.

D. Equal Opportunity/Non-Discrimination

It is the policy of the Village of Bannockburn that all potential vendors have an equal opportunity to submit quotes, bids, or RFPs and to compete on an equal basis for Village business. The Village desires to provide equal opportunity for all potential contractors or sub-contractors without regard to race, religion, creed, color, sex, national origin, age, handicap unrelated to ability to perform the job, or protected veteran's status. The Village also seeks to utilize minority and women owned business enterprises (MBE/WBE) in its purchasing. MBE/WBE firms are encouraged to submit proposals to provide goods and services to the Village. The Village also encourages the use of sub-contractors who are minority or women owned business enterprises.

Purchasing Policy (Continued)

The Village is an Equal Opportunity Employer. The Village encourages contractors and subcontractors to take affirmative action in providing for Equal Employment Opportunity without regard to race, religion, creed, color, sex, national origin, age, handicap unrelated to ability to perform the job or protected veteran's status.

E. Abuse of Purchasing Authority

Employees of the Village who are given authority to purchase on behalf of the Village must exercise this responsibility with the utmost measure of fairness and integrity and solely to service the residents of Bannockburn. Purchases by employees should be in the best interest of the Village and not for the personal gain of the employee, either directly (e.g., purchase for the employee's personal use) or indirectly in a manner that creates a conflict of interest (e.g., a family member doing Village business).

If a more advantageous transaction or arrangement is not reasonably possible without resulting in a conflict of interest, the Village Board shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Village of Bannockburn's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Employees are required to only exercise the purchasing authority granted to them by the Village Manager and their Department Director. Employees must follow the procedures established in this policy document to ensure purchases are being made in a manner that complies with applicable Illinois State Statute and the Village of Bannockburn Municipal Code.

Employees who abuse their purchasing authority are subject to immediate disciplinary actions, up to and including termination of employment and prosecution by law enforcement.

F. Purchasing Policies

Sections G through K describe the Village's purchasing policies which apply to all purchases of materials, equipment, and services. There are several types of purchases made by Village staff and the parameters regarding the authorization for making those purchases are defined in Sections G through K.

Purchasing Policy (Continued)

G. Purchase Not Requiring a Purchase Order (Less Than \$5,000)

Purchases of goods, equipment, or services that cost less than \$5,000 may be authorized by Village Department Director with prior approval of the Village Manager, but without the processing of a Purchase Order. Whenever feasible, it is recommended that contracts be presented to the Village Board for approval.

Department Directors are responsible for ensuring that proper purchasing procedures are followed, as detailed below:

- 1) *Obtain Prices* – Purchases of goods and services that cost less than \$5,000 should be made only after three telephone quotations have been obtained and documented. If three quotes cannot be obtained, the purchasing employee must be prepared to provide an explanation. Purchases are to be made from the supplier(s) offering the lowest price assuming equal quality, delivery and performance.

H. Contracts, Credit Accounts, and Blanket Purchase Orders

A second type of purchase made by the Village is the result of a relationship that has been established with a vendor. A relationship can be established by contract, establishment of credit account, or the issuance of a blanket purchase order. Service contracts can be authorized in several different ways, including:

- 1) *Contracts Approved by the Corporate Authorities* – contracts are generally approved by the Corporate Authorities by resolution.
- 2) *Credit Accounts* – These accounts are often established by Village departments with vendors with whom the Village conducts regular business.

For these types of purchases, the user department will usually receive an invoice directly from the vendor. When this happens, the user department should stamp the invoice with a purchase stamp provided by the Finance Department and complete the information required by the purchase stamp.

Purchasing Policy (Continued)

I. Purchases Requiring a Purchase Order (Greater than \$5,000, Less than \$25,000)

Purchases in excess of five thousand dollars (\$5,000) but less than twenty-five thousand dollars (\$25,000) need to be approved by the Village Manager and the Department Director prior to placing an order for the good or service. Whenever feasible, it is recommended that contracts be presented to the Village Board for approval.

The purchasing cycle for materials, equipment, and services requiring a purchase order includes:

- 1) *Preliminary Approval* – Preliminary approval for a purchase greater than \$5,000 but less than \$25,000 should be obtained from the Village Manager. The Village Manager will inform the Assistant Finance Director of his/her preliminary approval.
- 2) *Obtain Prices* – Once the preliminary approval has been obtained, three (3) written price quotations should be obtained. Purchases are to be made from the supplier(s) offering the lowest price assuming equal quality, delivery and performance. The record of the proposals obtained will be kept by the Village Manager. Whenever feasible, it is recommended that contracts be presented to the Village Board for approval.
- 3) *Requisition for Purchase Order* – Once a vendor has been selected, Department Directors or their designated representatives should complete a requisition for purchase order. All purchase order requisitions need to be approved by the Department Director and the Village Manager. Once approved, the Finance Department will produce the purchase order and forward a copy to the initiating department and vendor as appropriate. The Village Manager shall have the authority to waive the purchase order requirement for goods or services.
- 4) *Ordering* – Once the purchase order has been issued, the Department Director or his/her designated representative(s) are authorized to proceed with the purchase.
- 5) *Receiving* – User departments are responsible for receiving and inspecting items to ensure that the items are received in the proper quantities and in satisfactory condition (please see receiving on Page 176).
- 6) *Paying* – Once the good or service has been received, the user department should attach a copy of the purchase order, attach the invoice, and submit the documentation to the Finance Department for payment.

Purchasing Policy (Continued)

J. Purchases Requiring a Competitive Bidding Process (Purchase of goods, services, and public works projects in excess of \$25,000)

The competitive bid procedure for work or other public improvements over \$25,000 is required except as provided in Section L or waived by a two-thirds vote of the Village Board then holding office (65 ILCS 5/8-9-1).:

- 1) The Department Director or designee initiates the formal bid process through a written memorandum to the Village Manager describing the project to be bid, cost estimates, amount budgeted and time schedule for both the bidding and completion of the project.
- 2) Detailed specifications are prepared. These specifications should be submitted to the Finance Department for review.
- 3) Once the specifications are prepared a "Notice of Call for Bids" will be published in at least one newspaper of general circulation in the Village, indicating the date, time and location of the bid opening. The notice shall be published at least ten (10) days prior to the time designated for the opening of bids. A "Qualified Bidders List" is prepared and bid packages or a notice indicating availability of bid specifications is mailed to qualified contractors.
- 4) Sealed bids and bid deposits (if required) are received. A public bid opening is held immediately following the time that bids are required to be received. Bids received after the published date and time, by which bids were to be submitted, unless extended through written addendum, shall be rejected and returned unopened to the contractor submitting said bid. A member of the initiating department and a recording secretary shall open the bids. Bids shall be read aloud and recorded on a recap sheet which is made available to the public.
- 5) Qualified bids are tabulated and analyzed by the department and a written recommendation is made to the Village Manager. The recommendation for award shall be based on the lowest, responsible bidder meeting all specifications.

The contract shall be awarded within the time specified in the bidding documents or, if no time is specified, within a reasonable time, by written notice to the lowest responsible bidder whose bid is judged to be the best bid and most favorable to the interests of the Village. In determining the lowest responsible bidder, the Village shall consider the following factors in addition to price, as applicable:

- i. The compliance of the bid, including required plans and specifications, with bidding and contract requirements;
- ii. The ability, capacity, and skill of the bidder to perform the contract;

Purchasing Policy (Continued)

- iii. Whether the bidder has the requisite facilities, plant, capital, financial resources, organization, and staffing to enable the bidder to perform the contract successfully and promptly, within the time specified, without delay or interference;
- iv. The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- v. The quality of the bidder's performance of previous contracts or services;
- vi. The previous and existing compliance by the bidder with other contracts and the laws or ordinances relating to said contracts;
- vii. Where relevant, the ability of the bidder to provide future maintenance and service;
- viii. The conditions placed on the bid by the bidder; and
- ix. Any other factor that the Village may legally consider in determining the bid that is in the Village's best interest.

Accepting Single Bid Received. When only one bid is submitted, that fact alone shall not prevent the Village from accepting that bid.

- 6) Once the bid has been awarded, the user department should follow the purchase order process with the exception of obtaining prices, for ordering and payment.

K. Purchases Requiring an RFP and Qualification Based Selection Procedures

Based upon a recommendation by the Village Manager or designated Village employee for purchases or services over \$25,000, an RFP (Request for Proposals) or RFQ (Request for Statement of Qualifications) process will be followed for products or services which requires a high degree of professional skill where the ability or fitness of the individual plays an important part in the selection process. The process is similar to a competitive bid with the difference being that the contract can be awarded according to criteria besides price. The procedures for an RFP/RFQ are generally described below:

- 1) Detailed specification, scope of work, and projected time frame are determined. These specifications should be submitted to the Finance Department for review and integration into the Village's RFP/RFQ document.
- 2) Once the specifications are prepared, a "Request for Proposals" ("RFP") or "Request for Statement of Qualifications" ("RFQ") will be solicited.
- 3) A public opening of the proposals is held immediately following the time that proposals are required to be received. Proposals received after the published date and time which proposals were to be submitted, unless extended through written addendum, shall be rejected and returned unopened to

Purchasing Policy (Continued)

the vendor. A member of the initiating department and a recording secretary shall open the proposals. Proposals shall be read aloud and recorded on a recap sheet which is made available to the public.

- 4) Proposals are tabulated and analyzed by the department according to the criteria to be used to award the contract included in the RFP/RFQ.
- 5) A shortlist of firms is determined; and if required, interviews are conducted.
- 6) The short-listed firms shall be provisionally ranked by the reviewer or review committee.
- 7) The reviewer or review committee shall negotiate pricing with the top-ranked firm. Upon satisfactory negotiation, a recommendation shall be presented to the Village Manager. If negotiations with the top-ranked firm fail to result in a satisfactory pricing arrangement, negotiations with the top-ranked firm shall terminate upon notice, and negotiations with the next highest ranked firm shall commence.
- 8) Based on these analyses and upon satisfactory negotiations of price, a written recommendation is made to the Village Manager. The recommendation for award shall be made to the Village Board based on the proposal that most closely meets the Village's needs according to the criteria specified in the RFP/RFQ.
- 9) Once the RFP/RFQ has been approved by the Village Board, the contract shall be awarded and the user department should follow the purchase order process with the exception of obtaining prices, for ordering and payment.

L. Exceptions to Requirements

Except when otherwise directed by the Village Manager, the Village Board, Federal Grant or State Grant, procedures outlined in sections J through K (Competitive Bid, RFP or RFQ Procedures) will not apply in the following circumstances, regardless of the amount of the expenditure:

- 1) Specially Authorized Waiver. Contracts for construction, repair and maintenance projects, supplies and services authorized by two-thirds of the members of the Village Board may be awarded without engaging in Competitive Bidding, RFP or RFQ Procedures.

Purchasing Policy (Continued)

- 2) Emergency Purchases. Emergency purchases are unforeseen purchases that include an immediate threat to public health or safety, an emergency arising from unforeseen causes which necessitates the immediate delivery of items or services, and the prevention of delays in work or construction schedules. If the emergency purchase is over two thousand, five hundred dollars (\$2,500) but less than or equal to twenty five thousand dollars (\$25,000), the Department Director or designated representative may call and create an emergency purchase order number. If it is not possible to get the emergency purchase order number prior to the ordering of the purchase, the department in all cases should request the number and complete the requisition within two (2) working days from commencement of work or the ordering of the purchase. Documentation including an explanation of the emergency must also be submitted within two (2) working days from commencement of work or the ordering of the purchase. Emergency purchases over two thousand, five hundred (\$2,500) but less than or equal to twenty five thousand dollars (\$25,000) must be approved by the Village Manager or his/her designee prior to the purchase. In the event of an emergency, if the corporate authorities of the Village are unable to hold a meeting to authorize appropriate expenditures to respond to the emergency, the Village Manager or his/her designee is authorized to approve expenditures over \$25,000. Thereafter, all emergency procurements involving expenditures of \$25,000 or more and all contracts must be presented to the Village Board for ratification at the next schedule Village Board meeting. All emergency purchases must be thoroughly documented.
- 3) Sole Source Purchases. Contracts for construction, repair and maintenance projects, supplies and services that are produced or provided by only one supplier or vendor may be awarded without engaging in Competitive Bidding. Procurements of \$25,000 or more and whenever feasible, it is recommended that contracts be presented to the Village Board for approval.
 - i. For this exception to apply, the following steps must be followed:
 - a. The Department Head or Village Manager, depending on the level of expenditure, shall specify such supplier's or vendor's make or brand in an invitation to bid, and shall attempt to obtain competitive bids from authorized dealers or distributors of such supplier or vendor and, if possible, directly from such supplier or vendor and the contract for the construction, repair and maintenance projects, supplies and services shall be awarded to the lowest responsible bidder.
 - b. If the Department Head or Village Manager determines that there is only one supplier or vendor of the construction, repair and maintenance projects, supplies and services the Village requires, the Department Head or Village Manager is authorized to negotiate and to recommend to the Village Manager or Village Board, as applicable, a contract with such supplier to purchase the construction, repair and maintenance projects, supplies and services at prices or on terms most advantageous to the Village.
 - ii. In such a case, the Department Head or Village Manager shall make a written determination that such supplier is the sole source for such construction, repair and maintenance projects, supplies and services.

Purchasing Policy (Continued)

- 4) Special Village Requirements Purchases. Contracts for construction, repair and maintenance projects, supplies and services that are produced or provided by only one supplier or vendor meeting special Village requirements may be awarded without engaging in Competitive Bidding, RFP or RFQ Procurements of \$25,000 or more and whenever feasible, it is recommended that contracts be presented to the Village Board for approval. For this exception to apply, the following steps must be followed:
 - i. If the Department Head or Village Manager determines that there is only one supplier or vendor that can provide the construction, repair and maintenance projects, supplies and services within the special parameters required by the Village or pursuant to an overall plan for procurement to achieve improved public service or long term operational efficiencies for the Village, the Department Head or Village Manager is authorized to negotiate and to recommend to the Village Manager or Village Board, as applicable, a contract with such supplier to purchase the construction, repair and maintenance projects, supplies and services at prices or on terms most advantageous to the Village.
 - ii. In such a case, the Department Head or Village Manager shall make a written determination of the basis for the special Village parameters or overall plan for procurement to achieve improved public service or long term operational efficiencies for the Village and that such supplier is the sole source for such construction, repair and maintenance projects, supplies and services.
- 5) Government Joint Purchases. Contracts for joint purchasing of construction, repair and maintenance projects, supplies and services with one or more governmental units shall conform to the requirements of applicable law, such as, without limitation, the Governmental Joint Purchasing Act, 30 ILCS 525/0.01 et seq., and the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., or be approved pursuant to the Village's home rule powers. Qualified joint purchasing contracts may include without limitation procurements made through the Northwest Municipal Conference, the Illinois Park and Recreation Association Cooperative Purchasing Program, the State of Illinois Department of Central Management Services, National Intergovernmental Purchasing Alliance (National IPA) National Joint Powers Alliance (NJPA) and the Federal General Services Administration.

It is the policy of the Village to enter into cooperative purchasing agreements when:

- i. Savings will result
- ii. Quality, availability, or service will not be sacrificed
- iii. The Village will be separately billed for its purchases
- iv. Ordered items will be delivered directly to the Village (unless otherwise agreed to)

Purchasing Policy (Continued)

Nothing shall prevent the Village from seeking quotes and bids and making purchases from vendors who can provide lower prices than those available through joint purchasing programs for equivalent or better items. Department Directors shall have the authority to analyze the desirability of cooperative purchasing arrangements and to make recommendations to the Village Manager. Department Directors should research cooperative purchasing arrangements to ensure that competitive prices have been obtained. The Village Board encourages cooperative purchasing but maintains the right to reject any or all such agreements. Whenever feasible, it is recommended that contracts be presented to the Village Board for approval.

- 6) Matching Funds. Where a condition of a grant or loan of funds to the Village requires the Village to provide Village funds as matching funds or for other purposes related to the grant or loan, the full amount of the grant or loan contract must be approved by the Village Board.
- 7) Procurements for Resale. Contracts for procurements of supplies for the purpose of resale (t-shirts, golf balls, etc.) may be awarded without engaging in Competitive Bidding, RFP or RFQ Procedures.
- 8) Trade or Professional Organizations, Lobbying Groups and Governmental Services. Membership in trade or professional organizations, lobbying groups and governmental services (e.g., the Northern Illinois Regional Crime Lab) are not subject to the Competitive Bidding, RFP or RFQ Procedures. Whenever feasible, it is recommended that contracts be presented to the Village Board for approval and invoices explicitly noted on the Bill Submit List.
- 9) Private/Public/Educational. Membership in private, public or educational groups are not subject to the Competitive Bidding, RFP or RFQ Procedures.
- 10) Existing Relationship. If the Village already has a satisfactory existing relationship with a firm providing the services or the vendor has been approved by the Village Board during the annual approval of the vendor listing. New or amended contracts will require Village Board approval.

Purchasing Policy (Continued)

M. Payments

The payment process is the responsibility of the user department and the Finance Department. The user department is responsible for ensuring and verifying receipt of the goods or services, verifying the correct amounts were invoiced to the Village, providing the proper coding of the invoice for payment, and ensuring that all appropriate approvals were obtained prior to submitting the invoice to the Finance Department for payment. The Finance Department is responsible for ensuring appropriate approvals were obtained, the invoice is coded correctly, and sufficient budgeted funds are available. The Assistant Finance Director shall only disburse Village funds for vouchers, bills, or purchase orders that have been properly approved by the Village Board. All Warrants must be signed by the Village Manager (65 ILCS 5/8-1-8). User departments should realize the payment of invoices can only be completed through a Village Board meeting and submit invoices to the Finance Department in a timely manner to get the invoice on the Warrant for the next Village Board meeting. The Assistant Finance Director may issue funds prior to formal approval by the Village Board for authorized pre-issues including payroll and 125 plan employee reimbursements and for any other services authorized by the Village Board.

N. Payment by Check

There are two ways to request a payment by check. The first method of paying by check is to use a payment stamp on an invoice received from a vendor. The information included in the payment stamp should be completed to the fullest extent possible.

The second method of paying by check is through a check request form. This form should be used to process a payment when the invoice or documentation is not self-explanatory and additional information would expedite processing. Examples of an appropriate use of a check requisition include:

- 1) Payment for approved contracts or purchase orders;
- 2) Advance payment for conference registration;
- 3) Mail-order items for which no invoice is available so the ad or brochure is attached to the check request;
- 4) Membership dues for professional organizations (clarify where the payment is to be sent);
- 5) Refunds - No invoice is available, but the background information can be attached to the check request and the name and address can be clarified; and
- 6) A very small receipt that could easily get lost if not attached to a check request.

The Check Request form shall include as much descriptive information as possible including dates, times, places and descriptions of products or services.

Purchasing Policy (Continued)

O. Special Vendor Bill Checks

There are certain situations where it may be necessary for the Village to process and issue a check to a vendor before it is approved by the Village Board through the regular Bill Submit List process. Resolution No. 2018-36, “Authorizing the Assistant Finance Director to Pay Certain Vendors Prior to Submitting the Bills to the Village Board of Trustees” provides a list of pre-approved vendors that provide services or goods to the Village on a regular basis have a billing cycle that will come due each year after the Village Board meetings in March, July, August and December, as well as those months where there is a fifth Monday. Also, only with the Village Finance Commissioner’s and Village Manager’s approval, other situations which would necessitate the issuance of a check are those instances where critical Village services may be interrupted, or unforeseen circumstances where a vendor will require payment before goods or services will be delivered or received. A check may also be issued when the Village Board has approved a contract, which as part of that contract, includes a provision requiring a down payment before commencing the production and/or procurement of such goods or services. In order to avoid late fees, to meet debt service payment requirements, to maintain good payment history, and to facilitate emergency services a check may be issued. In such instances, a check that is issued will be included on the next Bill Submit List for ratification of approval by the Village Board.

P. Payment by Village Credit Card

The Credit Card may be used only for purchases in accordance with the purchasing procedures and limits established by the Village. Charges must not be split to avoid exceeding the individual transaction limit of the card. The Credit Card must NEVER be used for cash advances, standard merchant category exclusions (liquor stores, jewelry, etc.), or for personal use. The following procedures should be followed when using the Credit Card:

- 1) Administration of Program – The Assistant Finance Director will be responsible for administering the Credit Card program. The Assistant Finance Director is responsible for reviewing all charges for appropriateness and recommending the revocation of cards and/or disciplinary actions for the abuse of the Credit Card. The Assistant Finance Director will refer cases of abuse to the Village Manager or the Village Board as appropriate.
- 2) Positions Authorized to Use a Village Credit Card – Credit Cards will not be issued to or be used by elected officials. The following Village employees are authorized to use a Village Credit Card:
 - i. Police Chief
 - a. Lieutenants and Sergeants
 - ii. Village Manager
 - iii. Assistant to the Village Manager
 - iv. Assistant Finance Director

Purchasing Policy (Continued)

- 3) Approved Cardholder – The Police Chief and Village Manager are the only approved cardholder whose name is embossed on the card; however, others as listed in item #2 above are authorized to use the card.
- 4) Safekeeping – The approved cardholder is responsible for keeping the Credit Card issued to them safe. Cardholders are encouraged to keep their cards in a locked drawer or cabinet in a Village facility
- 5) Types of Purchases – The Credit Card allows the Village to prohibit purchases from certain types of vendors. If a cardholder attempts to purchase something from a vendor that has been prohibited by the Credit Card, the attempted charge will be denied. The cardholder should contact the Finance Department to unblock the vendor if purchasing from that vendor is necessary for Village operations.
- 6) Documentation and Billing – the Cardholder is responsible for providing all sales invoices/register receipts and collecting them from the user. The amount charged must match the sales invoice/register receipt exactly. The cardholder is responsible for completing an expense report or check request form provided by the Finance Department. The following documentation must be submitted to the Police Chief immediately after purchase who will provide the information to the Finance Department:
 - i. Original copy of each receipt for each transaction (keep a copy for your records); and
 - ii. Printed expense report signed by the Department Director or Village Manager.
- 7) Sales Tax Exemption – Purchases made with the Credit Card are sales tax exempt. The cardholder and/or its user are responsible for ensuring tax has not been charged. In the event a vendor charges unallowable sales tax, the cardholder must immediately contact the vendor and request a credit to the card in the amount of the tax. A copy of the credit invoice is also required and must be attached to the statement showing the credited amount. The cardholder or user will have one month to resolve the issue. At the discretion of the Assistant Finance Director exceptions may be made; however, if an exemption is not granted, the card will be revoked or the user not allowed to use the card in the future if the issue is not resolved within the next month, or if there are reoccurrences of sales tax being charged.
- 8) Late Statements and Missing Receipts – If a statement is received by the Finance Department and receipts are missing, the cardholder or user will have one month to resolve the issue. At the discretion of the Assistant Finance Director, the card will be revoked or the user will not be allowed to use the card in the future if the issue is not resolved within the next month, or if there are reoccurrences of late statements or missing receipts. The Assistant Finance Director may also refer the matter to the Village Manager or Village Board for disciplinary action if late statements or missing receipts reoccur on a regular basis.

Purchasing Policy (Continued)

- 9) Credit for Returns or Errors – If an item is returned, a credit must be received and documentation must be submitted with the monthly statement.
- 10) Disputed Charges – If a dispute is discovered with a charge on the card, the cardholder is responsible for contacting the vendor and having them issue a credit to the card. If the disputed charge is not resolved by the vendor, the cardholder is responsible for contacting the bank to dispute the charge and receive further instructions.
- 11) Lost or Stolen Card – It is the cardholder's, users, and the Assistant Finance Director's responsibility to document the phone number to call in the case of a lost or stolen card. If a Credit Card is lost or stolen the cardholder must immediately notify the bank that issued the Credit Card (open 24 hours a day). Also, immediately notify the Finance Department.
- 12) Changes in Employment – If a cardholder ends his/her employment with the Village, the Credit Card must be returned to the Finance Department. The cardholder is responsible for providing all outstanding receipts and related documents to their supervisor prior to ending employment.
- 13) Questions – If you have any questions about how to make purchases with the credit card or regarding payment of charges, please contact the Assistant Finance Director.
- 14) Education – New cards shall be approved by the Village Manager and distributed by the Finance Department. New cardholders are required to meet with the Assistant Finance Director to discuss proper use of the card and billing procedures. Cards will be distributed when the educational session has been completed.

Q. Payment by Petty Cash

Small dollar purchases, under \$25.00, may be made from established petty cash funds. The Assistant Finance Director shall establish procedures for purchases that may be reimbursed from the petty cash fund.

Purchasing Policy (Continued)

R. Governmental Prompt Payment Act

Payments shall be made in accordance with the Illinois Local Government Prompt Payment Act (50 ILCS 505). Public Act #84-731, (50 ILCS 505/1-6) "Prompt Payment Act" states that the appropriate local government official or agency receiving goods or services must approve or disapprove a bill from a vendor, within thirty days after receipt of the bill or receipt of goods or services, whichever is later. If quality assurance testing of goods by the Village is necessary before the approval or disapproval of a bill and such testing cannot be completed within thirty days after receipt of the goods, approval or disapproval of the bill must be made immediately upon completion of the testing or within sixty days after receipt of the goods, whichever occurs first. A written notice shall be mailed to the vendor immediately if a bill is disapproved. Any bill approved for payment shall be paid within 30 days after the date of approval to avoid incurrence of interest. If the local government official or agency whose approval is required for any bill fails to approve or disapprove that bill within the period provided for approval the penalty for late payment of that bill shall be computed from the date 60 days after the receipt of that bill or the date 60 days after the goods or services are received, whichever is later. The time periods specified as they pertain to goods or services, are superseded by any greater time periods agreed to by the local government agency and the vendor or contractor.

S. Sales Tax Exemption

The Village of Bannockburn is exempt from paying all local and State Sales taxes. When reviewing and approving invoices, Department Directors and/or their designees shall verify that the vendor has excluded any sales taxes from the amount due from the Village. The Finance Department will provide the necessary information regarding the Village's State Sales Exemption Certificate to any vendor upon request.

T. Employee Reimbursements

The Finance Department will process a reimbursement to an employee for goods and services, purchased by the employee with the employee's money on behalf of the Village, when the Department Director submits the paid receipt and appropriate expense reimbursement form with his or her approval.

Purchasing Policy (Continued)

U. Other Purchasing Guidelines

1) Fiscal Year End Requirements

The Village's fiscal year begins on May 1 and ends April 30. To charge an expense to the current fiscal year, goods and services must be incurred no later than April 30. Therefore, requisitions for purchase orders should be initiated at least three (3) weeks prior to April 30th to allow ample time for the purchase order to be approved and issued, and for the goods or services to be ordered by the Village before April 30. Requisitions for purchase orders for goods which are made-to-order or which take a long time to procure may need to be initiated several weeks or even months prior to April 30th. Department Directors should be aware of the amount of time necessary to receive Village Board approval to procure goods and services so they may be ordered before the end of the fiscal year. Goods and services ordered by the Village after April 30th will be charged to the budget for the new fiscal year and the user department available budget in the new fiscal year will be reduced.

If a budgeted item is not ordered during the fiscal year, the amount budgeted for that item will not carry forward to the next fiscal year. If it is anticipated that certain budgeted items will not be ordered during the fiscal year, the Department Director will need to request funding as part of the budget process for the upcoming fiscal year for that item or service. It is the responsibility of each department to request that the budget for certain items be carried over to the next fiscal year, subject to approval as part of the budget process. It is also incumbent on the department to notify any vendor who may not deliver or invoice a product or service before the end of the fiscal year that the funds will have to re-appropriated in the following fiscal year. The vendor should also be notified that there is always a chance that the Village Board will choose not to appropriate monies for a good or service that was ordered in the prior fiscal year. If this occurs, the Village does not have an obligation to accept those goods or services.

2) Purchasing from Bannockburn Vendors

The Village encourages purchasing from vendors within the Village of Bannockburn to support local businesses. If equal quality, service and delivery are provided, and the pricing is competitive, additional consideration shall be given to the purchase of such goods or services from local businesses. This section is not applicable to projects which are subject to the public bidding requirement.

Purchasing Policy (Continued)

3) Shipping & Freight

All bid prices and price quotations shall be Freight on Board (F.O.B.) Village of Bannockburn with delivery to a point or points within the Village. It is the policy of the Village to avoid paying shipping charges whenever possible. If the Village is to pay shipping charges, they must be included at the time the invoice is received by the Village. Department Director or their designees, when obtaining price quotations, should inquire into applicable shipping charges. Any shipping charges to be paid by the Village will be regarded as part of the price quotation when selecting the successful vendor. Unless otherwise stated, all formal bid proposals shall include freight and delivery charges, if any.

4) Receiving & Inspection

Department Directors (or their designated representatives) are responsible for receiving and inspecting all deliveries to their departments to ensure that items received conform to the specifications and quantities that were ordered. All deliveries should be thoroughly inspected to ensure that materials are received in satisfactory condition. If an unsatisfactory item is accepted by a department, the department is responsible for that item. If the item cannot be used for its intended purpose then the department will have to request budgetary authority to purchase a new item. The department may attempt to negotiate with the vendor to obtain a replacement that will fulfill the originally intended purpose. However, the replacement cannot obligate the Village to spend further monies without the pre-authorization of the Assistant Finance Director. Inspecting the quantity and quality of items ordered before they are accepted is a critical component of the purchasing process. The Village has the right to reject any substandard item before it is accepted by a Village staff member; after acceptance the Village may be obligated for payment even if the item is not satisfactory. Each department should check the items received against the receiving slip, and forward the receiving slip along with the invoice to the Finance Department once the invoice has been properly approved.

V. Travel Policy

It is a policy of the Village of Bannockburn to reimburse employees for all necessary expenditures or losses incurred by the employee within the employee's scope of employment and directly related to services performed for the Village of Bannockburn. The Village of Bannockburn is not responsible for losses due to an employee's own negligence, losses due to normal wear or losses due to theft unless the theft was a result of Village of Bannockburn's negligence.

Travel can play an important role in accomplishing the Village's mission to provide superior and responsive governmental services to the residents of Bannockburn. It is the policy of the Village of Bannockburn to reimburse officials and employees for authorized expenses incurred by them in the performance of their duties. Rates may be revised by the Village Manager from time to time to reflect current pricing.

Purchasing Policy (Continued)

The Village's elected officials shall follow the approved reimbursement policy Resolution No. 2013-R-29 "Resolution Acknowledging Procedures for Reimbursement of Village Related Expenses Incurred by Village Officials".

Employees, when conducting business on behalf of the Village, are expected to use good quality services and accommodations appropriate for the business to be conducted. Good judgment and ethical practices on the part of each traveler remain the most important factors in controlling travel expenses.

Control of travel authorization is the responsibility of each Department Director. Travel authorization is a two-part process including: 1) approval of all travel in advance; and 2) expense reporting following completion of the trip. All travel for Village-related business must be approved in advance by the employee's Department Director; the Village Manager in the case of Department Directors; or the Village President in the case of the Village Manager, within the constraints of the annual budget.

All claims for the reimbursement of travel expenses shall be submitted on authorized reimbursement forms within 30 calendar days after travel has been completed. Abuse of the travel regulations, including falsifying expense reports to reflect costs not incurred by the employee, may be subject to disciplinary action, up to and including termination of employment. Travel authorization and travel reimbursement forms may be obtained from the Finance Department and shall be itemized in accordance with the following regulations. Approval of travel expense reports is more than a formality. It indicates that expenses submitted have been reviewed and have been found to comply with Village regulations and union contracts regarding travel and authorized business expenses. The policies detailed here apply to all funds under Village control and are superseded only in those instances where funding agencies apply specific and more restrictive rules and rates.

- 1) *Travel Authorization* - It is Village policy that all travel requiring an overnight stay must be approved in advance by the employee's Department Director and the Village Manager. This applies to all travel of this nature even in instances where the travel has been budgeted or a travel advance is not requested. Requests for travel authorization shall be submitted using the Village's travel authorization form.
- 2) *Travel Arrangements* - Village employees should arrange travel using the least expensive means possible. Employees should use good judgment when determining logical routes for arriving at the intended destination. Travel outside the State requires the approval of the Village Manager prior to such travel. Requests shall be made in writing with approval or disapproval based on necessity.
- 3) *Air Travel* - Employees are required to request flights according to approximate arrival and departure time, rather than by specific carrier or flight number, in order to obtain the lowest available fare with logical routing for all trips. In general, lowest available fare is defined as the least costly fare available at the time of ticketing, and may include one stopover or connecting flight. (This is not intended to limit travelers who may wish to arrange

Purchasing Policy (Continues)

air fare using more than one stopover or connecting flight as savings and time permits.) In order to take advantage of available discounted fares, travelers are requested to make reasonable adjustments in their travel plans. Employees should make air travel arrangements as far in advance as possible to take advantage of special fare savings. Travelers should be aware that some discounts have travel restrictions and cancellation penalties, and therefore good business judgment should be exercised. All air travel at Village expense must be by coach. First Class travel is not permitted.

- 4) *Ground Transportation* - It is expected that employees use the most effective ground transportation available, considering cost, time, availability and scheduling. Ground transportation, which includes bus, train, taxi or airport shuttle services, is limited to travel between airport, hotel, and conference center or between the Village and the destination at which the official Village business will be conducted. Ground transportation could include the cost of a rental vehicle.
 - i. Taxi and Airport Transportation – Whenever practical, airport or hotel ground transportation should be the preferred method of transportation to hotels or meeting sites. Taxis may be used as necessary taking into consideration the cost of other means of transportation. A receipt is required for reimbursement of these expenses.
 - ii. Rental Passenger Automobiles – Rental automobiles may be used as necessary but must be approved in advance by the Department Director. Rental vehicle costs shall be identified as part of the documentation submitted prior to the travel, as well as the reason for retaining such transportation. Receipts are required for reimbursement of all expenses related to rental automobile use.
 - iii. Personal Vehicles – Direct travel by personal vehicle at the rate authorized year-to-year by the Internal Revenue Service or at an amount equivalent to round trip airfare, whichever is less. Visit www.irs.gov to obtain the current rate. If the employee departs from their home to the official destination, the Village will not reimburse the employee for the equivalent miles between the employee's home and where they normally report to work. The mileage reimbursement allowance covers all automobile related costs; gasoline, insurance, maintenance etc. Employees using personal vehicles on Village business must have adequate automobile coverages in effect in compliance with Village policy.
 - iv. Other - Toll charges and parking fees, when supported by receipts, are reimbursable in addition to mileage allowance.
- 5) *Meals* - The per diem allowance for meals including taxes and tips while on Village business shall not exceed the Internal Revenue Service (IRS) standard allowance for the locality, as found in Publication 1542 of the IRS. If the location traveled to, is not included in the IRS list, the standard meal allowance for the nearest Municipality shall apply. Meal expenses exceeding the standard allowance are the responsibility of the employee. The Village Manager may approve greater amounts on a case-by-case basis in situations where these amounts do not adequately cover the actual cost of meals. Tips and gratuities are not to exceed 15% of expenses actually incurred.

Purchasing Policy (Continued)

When traveling on Village business, employees should select restaurants which are reasonably priced for the locality. In addition, employees shall be aware that the Village will not pay for alcoholic beverages consumed with meals and that receipts are required for meals purchased during the course of the business trip. Per diem allowances for partial days traveled shall be based on the per meal allowances outlined below. These allowances shall also apply to employees attending in-state seminars and conferences not requiring an overnight stay. In either event, employees will not receive a per diem allowance but will be reimbursed for meals not included in the registration costs. The following limits shall apply to meals purchased while conducting Village business:

- i. Breakfast – Breakfast will be allowed whenever the incurred travel begins earlier than a normal breakfast (or concludes following breakfast) and no meal is served at the seminar or conference. The per diem meal allowance for breakfast shall be \$10.
 - ii. Lunch – Lunch will be reimbursed provided that the trip begins before the lunch hour (or concludes following the normal lunch hour) and lunch is not included as part of the conference or seminar. The per diem meal allowance for lunch shall be \$20.
 - iii. Dinner – Dinner will be reimbursed when the employee is away from the Village for the evening meal or does not return until after the normal dinner hour and no meal was provided as part of the conference or seminar. The per diem meal allowance for dinner shall be the balance of the IRS per diem allowance for the locality. For example, if the per diem allowance for the locality is \$63, the allowance for dinner shall be \$33.00 (calculated as \$63 minus \$10 for breakfast and \$20 for lunch).
- 6) *Hotels* – Employees are expected to use reasonably priced lodging. When making reservations or registering, the employee shall ask for and use the single room rate, or government/conference rate, whichever is less. Lodging expenses are reimbursable only when it is impractical to commute as determined by the Department Director or Village Manager. Otherwise, good judgment should be used in selecting hotels which provide comfortable lodging at reasonable prices. Accompaniment by an Immediate Family Member - The Village will not reimburse employees for travel costs of immediate family members traveling with employees on official Village business. Should a family member accompany the employee for personal reasons, only those costs related to the employee's travel may be reimbursed.
- 7) *Combined Business/Personal Travel* – Whenever an employee, for his/her convenience, travels by an indirect route or interrupts Village travel for personal travel, the additional expenses related to the personal travel are the responsibility of the employee.
- 8) *Special Events* - Fees for special events are reimbursable only when the event is directly related to the conference or for public or professional relations and otherwise approved in advance by the Department Director or Village Manager.

Purchasing Policy (Continued)

- 9) *Non-Allowable Expenses* – The Village's policy is to reimburse its employees for all reasonable and necessary expenses incurred while transacting the affairs of the Village. However, there are specific types of expenses which are considered personal, and are therefore not reimbursable. These include but are not limited to:
- i. Cleaning, pressing, and laundry;
 - ii. Personal entertainment including movies, videos or pay per view services in a hotel room;
 - iii. Airline and other trip insurance;
 - iv. Beautician, barber, manicurist and shoe shine;
 - v. Personal telephone calls except to report changes in schedule, or to talk with family members once per day (15 minute per day maximum);
 - vi. Repairs on personal automobiles damaged while on company business, if covered by insurance;
 - vii. Traffic violations and court costs;
 - viii. Membership fees in airline clubs;
 - ix. Home internet service;
 - x. Personal cell phone & internet services except for pre-approved required international charges;
 - xi. Alcoholic beverages.
- 10) Approved Forms of Payment - Payments will not be made unless a travel expense report has been approved by the Finance Department. Employees that have Village issued credit cards may use them to pay for travel related expenses. However, employees shall still be responsible for obtaining receipts and submitting a complete expense reimbursement form to the Finance Department when the travel has been completed.
- i. Advances - Travel advances may be issued to employees to cover travel expenses that cannot be paid in advance by the Village. The advance will be established at an amount that is reasonable. All travel advances are issued and maintained subject to timely reporting of all travel expenses. A travel advance will be issued upon receipt of a completed travel expense report containing the following information:
 - a. Name, title and department of employee receiving the travel advance;
 - b. Account number the expenses will be charged;
 - c. Purpose of the trip;
 - d. Destination;
 - e. Beginning and ending dates of the trip; and
 - f. Estimate of all expenses including transportation, lodging, meals, registration and miscellaneous expenses including items paid directly.

Purchasing Policy (Continued)

Advance requests require the signature of the applicable Department Director and the Assistant Finance Director. Travel advance forms must be completed and submitted to the Finance Department at least thirty (30) days before the date needed. Employees are responsible for ensuring that the completed travel advance form is received by the Finance Department prior to the accounts payable deadline for the date the funds will be needed. Travel advances must be settled within five (5) days after completion of the travel. A travel advance will not be issued if any prior advance is outstanding. Completed travel advance forms are to be forwarded to the Finance Department with all receipts attached. Any unused travel advance money must accompany this form.

- ii. Expense Reporting - The expense form should be filled out in accordance with the instructions noted on the form. Travelers should provide as much detailed information of all expenses on the statement as possible including the cost of registration, books, meals, hotel, airfare, etc. regardless of whether it was paid directly to a vendor (e.g. registration fees) or by credit card (e.g. hotel bill). Original receipts must be included except when it is impractical to do so or when specifically exempted by this policy (e.g. cost of public transportation, tips, parking meters, etc.). For payment involving the use of personal vehicles, the expense reimbursement form shall show in the space provided, the dates and times of travel, the points of departure and destination, the mode of transportation and the cost of transportation secured.

The expense report shall be submitted to the Finance Department within 30 days following completion of the trip. Questions regarding any aspect of this policy shall be directed to the Assistant Finance Director or their designee.

W. Surplus Property Policy

Village "personal property" is declared surplus when it is no longer necessary, practical, or economical to be retained by the Village. Department Directors are responsible for identifying surplus furniture and equipment in their departments. Before the surplus property can be sold or otherwise disposed of, a list of items with descriptions must be submitted to the Village Board for their approval to declare the items surplus. The corporate authorities shall declare personal property surplus by ordinance, which ordinance shall also direct the manner of disposing such property.

Purchasing Policy (Continued)

X. Qualifications-Based Selection (QBS) Written Policy and Procedure

The Village of Bannockburn receives federal funds, which may be used to fund the engineering and design related consultant services. Our written policies and procedures as describe herein for QBS will meet the requirements of 23 CFR 172 and the Brooks Act.

- 1) Initial Administration - The Village of Bannockburn's QBS policy and procedures assigns responsibilities to the Village Manager, Village President and Board of Trustees within the Village of Bannockburn's organization for the procurement, management, and administration for consultant services.
- 2) Written Policies and Procedures - The Village of Bannockburn intends that these adopted QBS written policies and procedures substantially follow Section 5-5 of the *BLRS Manual* and specifically Section 5-5.06(e), therefore; approval from IDOT is not required.
- 3) Project Description - The Village of Bannockburn will use the following five items when developing the project description and may include additional items when unique circumstances exist:
 - i. Describe in general terms the need, purpose, and objective of the project;
 - ii. Identify the various project components;
 - iii. Establish the desired timetable for the effort;
 - iv. Identify any expected problems; and
 - v. Determine the total project budget.
- 4) Public Notice - The Village of Bannockburn will post an announcement on our website, <http://www.bannockburn.org/>, and/or publish an ad in a newspaper with appropriate circulation. The item will be advertised for at least 14 days prior to the acceptance of proposals, and at least twice in the newspaper and/or on continuous display on our website.
- 5) Conflict of Interest - The Village of Bannockburn requires consultants to submit a disclosure statement with their procedures. The Village of Bannockburn requires the use of the IDOT BDE DISC 2 Template as their conflict of interest form.
- 6) Suspension and Debarment - The Village of Bannockburn will use SAM Exclusions, IDOT's CPO's website and the three other state CPO's websites to verify suspensions and debarments actions to ensure the eligibility of firms short listed and selected for projects.

Purchasing Policy (Continued)

- 7) Evaluation Factors - The Village of Bannockburn allows the Village Manager to set the evaluation factors for each project, but must include a minimum of five criterion and stay within the established weighting range. The maximum of DBE and local presence combined will not be more than 10% on projects where federal funds are used. Project specific evaluation factors will be included at a minimum in the Request for Proposals.
 - i. Criteria and weighting per the Village of Bannockburn's QBS Procedures:
 - a. Technical Approach (10- 30%)
 - b. Firm Experience (10- 30%)
 - c. Specialized Expertise (10 - 30%)
 - d. Staff Capabilities (Prime/Sub) (10 - 30%)
 - e. Work Load Capacity (10- 30%)
 - f. Past Performance (10- 30%)
 - g. Local Presence*
 - h. Participation of Qualified and Certified DBE Sub-consultants*
 - Note: * The combined total of these two items cannot exceed 10%
 - ii. Price and cost related items, including cost proposals; direct salaries/wage rates; indirect costs (overhead), and other direct costs shall not be used as a factor in the evaluation, ranking and selection. Any sealed cost proposals submitted in response to the announcement will be returned to sender unopened.

Purchasing Policy (Continued)

- 8) Selection - The Village of Bannockburn requires a three-person selection committee. Typically, the selection committee members include the Village Manager, a Village Board member and one other appointed member. The selection committee members must certify that they do not have a conflict of interest. Selection committee members are chosen by the Village Manager for each project. The Village of Bannockburn requires each member of the selection committee to provide an independent score for each proposal using the form below prior to the selection committee meeting.

Criteria	Weighting	Points	Firm 1	Firm 2	FirmX
Criterion 1					
Criterion 2...					
Criterion X					
Total	100%				

The selection committee members' scores are averaged for a committee score which is used to establish a short list of three firms. The committee score is adjusted by the committee based on group discussion and information gained from presentations and interviews to develop a final ranking. If there are other firms within 10% of the minimum score, the Village Manager or the selection committee may choose to expand the short list to include more than three firms.

- 9) Independent Estimate - The Village of Bannockburn will prepare an independent in-house estimate for the project prior to contract negotiation. The estimate is used in the negotiation.
- 10) Contract Negotiation - The Village of Bannockburn's Village Manager shall negotiate with firms, keep the Village Board apprised of all contract negotiations and seek their approval of all negotiated contracts. The Village Manager may delegate this responsibility to staff members. If a contract cannot be negotiated with the selected consultant, the Village Manager shall attempt to negotiate a contract with the second-ranked consultant. If this negotiation also fails, the LPA shall recommence the QBS process.
- 11) Acceptable Costs - The Village of Bannockburn requires the Village Manager, Appointed Elected Official or Assistant Finance Director to review the contract costs and the indirect cost rates to assure they are compliant with Federal cost principles prior to submission to IDOT.
- 12) Invoice Processing - The Village of Bannockburn requires the Village Manager and Appointed Elected Official assigned to any project using federal funds to review and approve all invoices prior to payment and submission to IDOT for reimbursement.

Purchasing Policy (Continued)

- 13) Project Administration - The Village of Bannockburn requires the assigned Project Manager to monitor work on the project in accordance with the contract and to file reports with the Village Manager and Appointed Elected Official. The Village of Bannockburn procedures require an evaluation of the consultant's work at the end of each project. These reports are maintained in The Village of Bannockburn's consultant information database. The Village of Bannockburn follows IDOT's requirements and the required submission of BLRS Form 05613 to the IDOT district at contract close-out along with the final invoice.
- Y. "Notwithstanding the terms of this policy, under appropriate circumstances, purchasing activities that vary from the strict terms of this policy may be approved or ratified (i) by the Village Manager for purchases under \$25,000, or (ii) by the Village Board for purchases of \$25,000 or more."

Fund Reserve Policy – Effective March 12, 2018

PURPOSE

The Board of Trustees (the “Village Board”) of the Village of Bannockburn (the “Village”) 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 rating. Excessive fund balances may reflect stockpiling by management or a lack of financial planning.

The Fund Balance Policy is created 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. The Village has created this fund balance policy to provide a reserve for the following funds: General Fund, Water Fund and Sewer Fund. The Fund Balance Policy follows generally accepted accounting principles (GAAP) and has been developed to:

- Ensure stable service delivery
- Provide reserves to meet unanticipated nonemergency expenditures
- Smooth the effects of annual changes in tax rates and/or structure
- Provide sufficient cash flow for financial needs
- Demonstrate financial stability and to preserve the Village’s bond rating.

RATIONALE

The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It also is intended to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget.

The Fund Balance Policy should be established based upon a long-term perspective recognizing that stated thresholds are considered minimum balances. The main objective of establishing and maintaining a Fund Balance Policy is for the Village to be in a strong fiscal position that will allow for better position to weather negative economic trends.

Fund Reserve Policy (Continued)

POLICY STATEMENT

The fund balance is the difference between assets and liabilities reported in a governmental fund. Fund balance measures the net current financial resources available to finance expenditures of future periods. A sufficient fund balance allows the Village to meet its contractual obligations, mitigate negative revenue implications of federal or state budget actions, mitigate the effects of 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 ("Statement"), "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. Fund balance reporting will be in accordance with the authoritative pronouncements and may include the following categories:

- I. ***Non-spendable Fund Balance.*** The portion of a Governmental Fund's net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions. An example of these funds include assets that cannot be spent due to their form (inventory, prepaid items, and long term receivables) or funds that legally or contractually must be maintained intact (endowment principal).
- II. ***Restricted Fund Balance.*** A Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation. Special revenue funds are by definition restricted or committed for those specified purposes. Additionally, this would include, but not limited to, bond capital project funds and debt service funds. 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.*** The Committed Fund Balance consists of funds that are set aside for a specific purpose by the Village Board as the Village's ultimate decision-making authority. The Village Board commits fund balances by passing an ordinance or resolution. The same formal action must be taken to remove or change the limitations placed on the funds. 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.

Fund Reserve Policy (Continued)

- 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. Assigned funds cannot cause a deficit in the unassigned fund balance.
- 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 above referenced categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The last three categories (committed, assigned and unassigned), noted above, together comprise the *Unrestricted Fund Balance*. The Unrestricted Fund Balance is typically the Village's "reserves."

RESPONSIBILITY

It is the responsibility of the Assistant Finance Director to report all non-spendable and restricted funds appropriately on the Village's Financial Statements.

CLASSIFYING FUND BALANCE AMOUNTS

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last; unless the Village Board has provided otherwise in its commitment or assignment actions.

AUTHORITY TO COMMIT FUNDS

The Village Board has the authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance requires the passage of an ordinance or resolution. The passage of an ordinance or resolution must take place prior to April 30th of the applicable fiscal year. If the actual amount of the commitment is not available by April 30th, the ordinance or resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

Fund Reserve Policy (Continued)

AUTHORITY TO ASSIGN FUNDS

Upon passage of the Fund Balance Policy, direction is given to the Village's Manager or Assistant Finance Director to assign funds for specific purposes. Any funds set aside as Assigned Fund Balance must be reported to the Village Board at their next regular meeting. The governing board has the authority to remove or change the assignment of the funds with a simple majority vote.

The Village Board has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as Assigned Fund Balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment.

Unassigned Fund Balance dropping below the minimum level will require the approval of 2/3 vote of the Village Board.

TARGET FUND BALANCE POLICIES

UNASSIGNED FUND BALANCE

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned Fund Balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue shortfalls.

Unassigned Fund Balance may be accessed in the event of unexpected expenditures up to the minimum established level upon approval of a budget revision by the Village Board.

In the event of projected revenue shortfalls, it is the responsibility of the Assistant Finance Director to report the projections to the Village Board on a quarterly basis and shall be recorded in the minutes.

Any budget revision that will result in the Unassigned Fund Balance dropping below the minimum level will require the approval of 2/3 vote of the Village Board.

Fund Reserve Policy (Continued)

EMERGENCY RESERVE

Maintaining an Emergency Reserve is a necessity for sound financial management and fiscal accountability. The Village Board has the authority to establish an Emergency Reserve that will be a Committed Fund Balance. An Emergency Reserve is established for the purpose of providing funds for an urgent event that affects the health and safety residents (e.g. floods, fires, storm damage, etc.). The minimum level for the Emergency Reserve is 25% of General Fund operating budget which includes the annual debt service and excludes capital expenditures. The recognition of an urgent event must be established by the Village Board or their designee (e.g. Village Manager). If established by the governing board's designee, the specific urgent event must be reported to the Village Board at their next meeting. A budget revision must be approved by the Village Board. In the event that the balance drops below the established minimum level, the Village Board will develop a plan to replenish the Emergency Reserve balance to the established minimum level within two years.

OPERATING RESERVE

The Village will maintain an additional General Fund "Operating Reserve" with an upper goal of an additional 75% of the annual General Fund Operating Budget which includes the annual debt service and excludes capital expenditures. This amount approximates 9 months of working capital. The Operating Reserve is intended to be a reserve for unexpected events whose impact exceeds \$500,000 such as failure of the State to remit revenues to the Village, unexpected mandates, unexpected loss of State Shared revenues, continuance of critical Village services due to unanticipated events, or to offset the unexpected loss of a significant funding source for the remainder of the fiscal year.

Any use of the Operating Reserve funds must be approved by the Village Board and include a repayment plan that projects to restore the Operating Reserve to the 75% level within two fiscal years following the fiscal year in which the event occurred.

ENTERPRISE WATER OPERATING RESERVE

The Village of Bannockburn's Enterprise Operating Reserve working capital will be maintained to provide the Village with a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing. The cash reserve balance (working capital) goal for the water enterprise operating funds will be at least 75% of the actual operating expenditures for the fiscal year.

Fund Reserve Policy (Continued)

ENTERPRISE WATER OPERATING RESERVE

The Village will maintain a “Debt Stabilization Reserve” with an upper goal of approximately one hundred 100% of the maximum annual average debt service payment, principal and interest, for the current year. The Debt Stabilization Reserve is intended to provide additional security to insure the Village’s ability to meet debt service obligations. In the event the Debt Stabilization Reserve is used, the Village shall strive to restore the fund to the defined level within the next three fiscal years following the fiscal year in which the fund was used.

WATER ASSET MAINTENANCE RESERVE

The Village will maintain an additional “Asset Maintenance Reserve” with an upper goal equal to two percent 2.5% of the enterprise fund infrastructure assets. The Asset Maintenance Reserve may be used to provide funding for the repair and maintenance of critical infrastructure. In the event the Asset Maintenance Reserve is used, the Village shall strive to restore the fund to the defined level within the next three fiscal years following the fiscal year in which the fund was used.

SEWER FUND RESERVE

The Village’s goal for the sewer fund is to remain self-sufficient. A reserve cash balance policy is recommended to ensure positive cash flow for operations. The minimum goal is to maintain a positive fund reserve balance and work towards 30 days of operating expenditures, excluding capital and debt service.

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.
- **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.
- **Annexation** – The incorporation of land into an existing village with a resulting change in the boundaries of that village.
- **Appropriation** – A specific amount of money authorized by Village Board 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 Village’s financial statements. The audit tests the Village’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.
- **Balanced Budget** – A situation in the budgeting process where total expected revenues are equal to total planned spending.
- **Balance Sheet** – That portion of the Village’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.

Glossary (continued)

- **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 Village Board.
- **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.
- **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 Expenditures** - Money spent to acquire or maintain fixed assets, such as land, buildings, road, paths, and equipment.
- **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 Improvement 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 \$50,000.
- **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 Village 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 Village's debt position over time and against its own standards and policies.

Glossary (continued)

- **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.
- **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.
- **Fiduciary Funds** – Funds that are used when a government holds or manages financial resources in an agent or fiduciary capacity.
- **Fiscal Policies** – The Village'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 Village'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 Village streets, alleys and property in providing their services to the citizens of a community. Services requiring franchises include telephone, natural gas and cable television.

Glossary (continued)

- **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 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 Village. 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.

Glossary (continued)

- **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 Village.
- **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.
- **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.
- **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 Village program or operation. Examples include debt obligations and contributions to Human Service organizations.
- **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 Village resources. Each Village 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”).

Glossary (continued)

- **Proprietary Fund Types** – The classification used to account for the Village'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 Village'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 Village's electrical and water system.
- **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 Village 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.