

FISCAL YEAR 2018 TENTATIVE BUDGET

Prepared by:
Finance Department



Village of Steger
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VILLAGE OF STEGER

FISCAL YEAR 2018 TENTATIVE BUDGET

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VILLAGE OF STEGER

FISCAL YEAR 2018 TENTATIVE BUDGET

Introduction

Principal Officials

Transmittal Letter



TENTATIVE ANNUAL BUDGET

VILLAGE OF STEGER, ILLINOIS

FOR THE FISCAL YEAR
JANUARY 1, 2018 – DECEMBER 31, 2018

PRINCIPAL OFFICIALS

KENNETH A. PETERSON JR.
MAYOR

JOSEPH M. ZAGONE JR.
CLERK

RYAN A. BUXTON	TRUSTEE
WILLIAM J. JOYCE	TRUSTEE
ERNIE LOPEZ JR.	TRUSTEE
TIM PERCHINSKI	TRUSTEE
MICHAEL SAREK	TRUSTEE
LEONARD SKREZYNA JR.	TRUSTEE

VILLAGE OF STEGER

TO: Mayor Kenneth A. Peterson
Board of Trustees

RE: Budget Transmittal Letter – Fiscal Year 2018

DATE: November 27, 2017

This transmittal letter summarizes the tentative budget for the various funds of the Village of Steger for the fiscal year that begins January 1, 2018 and ends December 31, 2018.

This budget document was prepared with two major objectives in mind. First, to provide citizens and others interested in the Village's finances complete and understandable information regarding the budget. The second is to develop an annual fiscal plan that will assist Village leaders in making better decisions and enhance financial accountability. The tentative budget is available for public review upon request at the Village's Finance Department.

The Village of Steger is moving toward compliance with many of the Government Finance Officers Association's (GFOA) guidelines for financial presentation and continues its efforts to improve communication and presentations to its residents. The guidelines set forth by GFOA will ultimately allow the Village to meet both of the objectives previously mentioned.

As a financial plan, the budget document describes all funds subject to appropriation in the fund structure overview section. In addition, all summaries of all major revenues and expenditures are provided in summary tables. Finally, the summary section includes information showing the projected changes in fund balances for all appropriated funds (excluding the fiduciary funds).

General Fund

Revenues. Budgeted revenues within the General Fund are \$4,208,600, a decrease of \$890,034 (17.5%) from the prior year's budget. The decrease is a result of reducing public safety grants by \$1 million dollars that were budgeted in 2017. The Village did not receive these amounts in 2017 and does not expect to receive them in 2018. The General fund budget for property tax revenue has been increased by \$100,000. The increase in property tax revenue is a result of shifting the 2017 tax levy to allow more property tax dollars to go into the General Fund. The 2017 property tax levy reduced the amounts for IMRF and Social Security due to the fact that the Water and Sewer Fund will begin to pay their share of these expenses from the revenues received from its customers. Property tax receipts are budgeted at \$1,025,300 for 2018 and they constitute 24.4% of General Fund revenue.

A major source of intergovernmental revenue is state income taxes, which make up 21.9% of fund revenues, are budgeted at \$920,000.

Expenditures. The total General Fund expenditure budget is \$4,202,015, a decrease of \$2,442,442 (36.8%) from the prior year's budget. The 2018 budget was prepared more in line with historical amounts from previous audits.

Overall, budgeted General Fund revenues of \$4,208,600 exceed budgeted expenditures of \$4,202,015 by \$6,585.

Enterprise Funds

The Water and Sewer Fund is an Enterprise Fund indicating that revenues derived from the operation of the utility should fully fund operations. Rates charged to residents are used to pay for all costs associated with providing water, processing wastewater, and to pay for the repair and maintenance of existing infrastructure.

In November 2017, the board increased water rates from \$2.42 a cubic foot to \$4.26 a cubic foot. This will result in an estimated increase in water revenue by approximately \$375,000 per year. In 2017 the Water & Sewer Fund will begin to pay their share of IMRF, Social Security, Insurance and Audit expenditures from the revenues received by customers. This will alleviate the General Fund of approximately \$275,000 per year in expenditures that it has previously paid on behalf of the Water and Sewer fund.

The spending request for the Enterprise funds is \$1,249,326 and is funded by operating revenues of \$1,197,000.

VILLAGE OF STEGER

FISCAL YEAR 2018 TENTATIVE BUDGET

Financial

Fund Structure and Budget Overview

Budgeted Revenue 2018- All Funds

Budgeted Revenue 2017 vs 2018- All Funds

Budgeted Expenses 2018- All Funds

Budgeted Expenses 2017 vs 2018- All Funds

Budgeted Revenue by Source 2017 vs 2018- General Fund

Budgeted Revenue by Source 2018- General Fund

Budgeted Expenses by Department 2017 vs 2018- General Fund

Schedule of Anticipated Fund Balances 2018- All Funds



Fund Structure and Budget Overview

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that compromise its assets, liabilities, reserves, fund equity, revenues and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

The Village's governmental funds are as follows:

General Fund – This fund is 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. The General Fund is a major fund.

Special Revenue Funds – These funds are used for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Village maintains two major special revenue funds. The Motor Fuel Tax Fund accounts for the motor fuel tax allotments from the State and the spending of these funds on street improvements in the Village. The Liability Insurance Fund accounts for resources restricted for Village insurance coverage and the costs associated with maintaining coverage. The Village also maintains six nonmajor special revenue funds.

Debt Service Fund – This fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Trust Funds). The Village maintains six nonmajor capital projects funds.

The Village's proprietary funds include the following:

Enterprise Fund – This fund accounts for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund. The Water and Sewer Fund accounts for the provision of water and sewer services to the residents of the Village.

The Village's fiduciary funds include the following:

Police Pension Fund – This fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

Agency Fund – This fund, the Booster Club Fund, accounts for assets held by the Village on behalf of others.

Basis of Accounting and Budgeting – The Village of Steger presents governmental funds on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

The Village prepares its budget on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end for which the appropriations were adopted. The Village, each year prior to March 30 of the fiscal year, must file and pass the appropriation for the fiscal year ended December 31. This appropriation can be amended by a two-thirds vote of the board of trustees.

Budget Summary

Revenue Budget 2018

All Funds

	<u>Total Revenue</u>	<u>Transfers In</u>	<u>Net Revenue</u>
<u>General Fund</u>	\$ 4,208,600	\$ -	\$ 4,208,600
<u>Special Revenue Funds</u>			
Liability Insurance Fund	850,400	225,000	1,075,400
Motor Fuel Tax Fund	245,400	-	245,400
I.M.R.F. AND FICA Fund	205,000	45,000	250,000
Playground/Recreation Fund	93,000	120,000	213,000
Road & Bridge Fund	243,000	75,000	318,000
D.A.R.E. Fund	8,000	-	8,000
E.S.D.A. Fund	1,670	35,000	36,670
Auditing Fund	26,000	6,000	32,000
Total Special Revenue Funds	<u>1,672,470</u>	<u>506,000</u>	<u>2,178,470</u>
<u>Capital Projects Funds</u>			
Capital Projects Fund	2,750,000	-	2,750,000
TIF 1 (Will TIF 1) Fund	120,000	-	120,000
TIF 2 (Cook TIF 1) Fund	3,500	-	3,500
TIF 3 (Cook TIF 2) Fund	70,000	-	70,000
TIF 4 (Will TIF 2) Fund	105,000	-	105,000
TIF 5 (Will TIF 3) Fund	20,000	-	20,000
Total Capital Projects Funds	<u>3,068,500</u>	<u>-</u>	<u>3,068,500</u>
<u>Debt Service Fund</u>	62,000	315,164	377,164
<u>Water & Sewer Fund</u>	1,197,000	-	1,197,000
Total All Funds	<u><u>\$ 10,208,570</u></u>	<u><u>\$ 821,164</u></u>	<u><u>\$ 11,029,734</u></u>

Budget Summary

Revenue Budget	All Funds			
	2017	2018	Difference	Percent Change
<u>General Fund</u>	\$ 5,098,634	\$ 4,208,600	\$ (890,034)	-17.5%
<u>Special Revenue Funds</u>				
Liability Insurance Fund	905,000	1,075,400	170,400	18.8%
Motor Fuel Tax Fund	230,200	245,400	15,200	6.6%
I.M.R.F. AND FICA Fund	286,000	250,000	(36,000)	-12.6%
Playground/Recreation Fund	208,592	213,000	4,408	2.1%
Road & Bridge Fund	350,420	318,000	(32,420)	-9.3%
D.A.R.E. Fund	12,000	8,000	(4,000)	-33.3%
E.S.D.A. Fund	2,000	36,670	34,670	1733.5%
Auditing Fund	27,999	32,000	4,001	14.3%
Total Special Revenue Funds	<u>2,022,211</u>	<u>2,178,470</u>	<u>156,259</u>	<u>7.7%</u>
<u>Capital Projects Funds</u>				
Capital Projects Fund	-	2,750,000	2,750,000	100.0%
TIF 1 (Will TIF 1) Fund	120,000	120,000	-	0.0%
TIF 2 (Cook TIF 1) Fund	1,000	3,500	2,500	250.0%
TIF 3 (Cook TIF 2) Fund	69,000	70,000	1,000	1.4%
TIF 4 (Will TIF 2) Fund	100,000	105,000	5,000	5.0%
TIF 5 (Will TIF 3) Fund	-	20,000	20,000	100.0%
Total Capital Projects Funds	<u>290,000</u>	<u>3,068,500</u>	<u>2,778,500</u>	<u>958.1%</u>
<u>Debt Service Fund</u>	69,568	377,164	307,596	442.2%
<u>Water & Sewer Fund</u>	991,000	1,197,000	206,000	20.8%
Total All Funds	<u>\$ 8,471,413</u>	<u>\$ 11,029,734</u>	<u>\$ 2,558,321</u>	<u>30.2%</u>

Budget Summary

<u>Expense Budget 2018</u>	<u>All Funds</u>		
	<u>Total Expenses</u>	<u>Transfers Out</u>	<u>Net Expenses</u>
<u>General Fund</u>	\$ 3,712,015	\$ 490,000	\$ 4,202,015
<u>Special Revenue Funds</u>			
Liability Insurance Fund	1,090,000	-	1,090,000
Motor Fuel Tax Fund	245,000	-	245,000
I.M.R.F. AND FICA Fund	240,000	-	240,000
Playground/Recreation Fund	211,200	-	211,200
Road & Bridge Fund	314,915	10,164	325,079
D.A.R.E. Fund	7,900	-	7,900
E.S.D.A. Fund	36,930	-	36,930
Auditing Fund	31,000	-	31,000
Total Special Revenue Funds	<u>2,176,945</u>	<u>10,164</u>	<u>2,187,109</u>
<u>Capital Projects Funds</u>			
Capital Projects Fund	2,850,000	-	2,850,000
TIF 1 (Will TIF 1) Fund	117,000	-	117,000
TIF 2 (Cook TIF 1) Fund	500	-	500
TIF 3 (Cook TIF 2) Fund	67,000	-	67,000
TIF 4 (Will TIF 2) Fund	80,000	45,000	125,000
TIF 5 (Will TIF 3) Fund	-	-	-
Total Capital Projects Funds	<u>3,114,500</u>	<u>45,000</u>	<u>3,159,500</u>
<u>Debt Service Fund</u>	382,960	-	382,960
<u>Water & Sewer Fund</u>	973,326	276,000	1,249,326
Total All Funds	<u>\$ 10,359,746</u>	<u>\$ 821,164</u>	<u>\$ 11,180,910</u>

Budget Summary

<u>Expense Budget</u>	<u>All Funds</u>			
	<u>2017</u>	<u>2018</u>	<u>Difference</u>	<u>Percent Change</u>
<u>General Fund</u>	\$ 6,644,457	\$ 4,202,015	\$ (2,442,442)	-36.8%
<u>Special Revenue Funds</u>				
Liability Insurance Fund	1,172,560	1,090,000	(82,560)	-7.0%
Motor Fuel Tax Fund	465,000	245,000	(220,000)	-47.3%
I.M.R.F. and FICA Fund	290,000	240,000	(50,000)	-17.2%
Playground/Recreation Fund	436,231	211,200	(225,031)	-51.6%
Road & Bridge Fund	1,173,215	325,079	(848,136)	-72.3%
D.A.R.E. Fund	16,200	7,900	(8,300)	-51.2%
E.S.D.A. Fund	57,080	36,930	(20,150)	-35.3%
Auditing Fund	40,000	31,000	(9,000)	-22.5%
Total Special Revenue Funds	<u>3,650,286</u>	<u>2,187,109</u>	<u>(1,463,177)</u>	<u>-40.1%</u>
<u>Capital Projects Funds</u>				
Capital Projects Fund	615,000	2,850,000	2,235,000	363.4%
TIF 1 (Will TIF 1) Fund	121,500	117,000	(4,500)	-3.7%
TIF 2 (Cook TIF 1) Fund	51,500	500	(51,000)	-99.0%
TIF 3 (Cook TIF 2) Fund	91,500	67,000	(24,500)	-26.8%
TIF 4 (Will TIF 2) Fund	101,500	125,000	23,500	23.2%
TIF 5 (Will TIF 3) Fund	-	-	-	0.0%
Total Capital Projects Funds	<u>981,000</u>	<u>3,159,500</u>	<u>2,178,500</u>	<u>222.1%</u>
<u>Debt Service Fund</u>	33,220	382,960	349,740	1052.8%
<u>Water & Sewer Fund</u>	1,437,120	1,249,326	(187,794)	-13.1%
Total All Funds	<u>\$ 12,746,083</u>	<u>\$ 11,180,910</u>	<u>\$ (1,565,173)</u>	<u>-12.3%</u>

Budget Summary

Revenue by Source	General Fund		
	2017	2018	Difference
<u>Taxes</u>			
Property Taxes	\$ 1,024,800	\$ 1,025,300	\$ 500
Total Taxes	1,024,800	1,025,300	500
<u>Other Taxes</u>			
Cable Franchise	120,000	125,000	5,000
Pull-Tab & Bingo Tax	1,500	1,000	(500)
Telecommunications Tax	180,000	190,000	10,000
Utility Tax- Gas	80,000	90,000	10,000
Utility Tax- Electric	160,000	210,000	50,000
Total Other Taxes	541,500	616,000	74,500
<u>State Shared Revenue</u>			
Personal Property Replacement Tax	22,000	30,000	8,000
Sales Tax	520,000	515,000	(5,000)
Illinois State Income Tax	900,000	920,000	20,000
Local Use Tax	165,000	240,000	75,000
Video Gaming Tax	75,000	100,000	25,000
Total State Shared Revenue	1,682,000	1,805,000	123,000
<u>Grant Revenue</u>			
Fire Grant Revenue	900,000	-	(900,000)
Police Grant Revenue	101,100	1,100	(100,000)
Total Grant Revenue	1,001,100	1,100	(1,000,000)
<u>Licenses & Permits</u>			
Building Permit	45,000	45,000	-
Building Inspection	16,000	18,000	2,000
Electrical Inspection	2,000	1,500	(500)
Plumbing Inspection	1,200	1,000	(200)
Reoccupancy Permit	25,000	25,000	-
Electric Permit	2,000	1,500	(500)
Plumbing Permit	2,000	2,000	-
General Business License	18,000	19,000	1,000
General Business License App.	800	800	-
Liquor License	10,300	12,000	1,700
Dog License	2,000	2,000	-
Garage Sale Permit	500	600	100
Claim/Reimbursements	50	-	(50)
General Contractors License	9,500	10,500	1,000
Sub-Contractors License	16,000	15,000	(1,000)
Swimming Pool Permit	100	100	-
Sign Inspection	250	250	-
Sign Permit	2,000	2,000	-
Wrecking/Demolition Permit	500	500	-
Other Permits	100	500	400
Total Licenses & Permits	153,300	157,250	3,950

Budget Summary

<u>Revenue by Source</u>	<u>General Fund</u>		
	<u>2017</u>	<u>2018</u>	<u>Difference</u>
<u>Fines and Forfeitures</u>			
C-Ticket Revenue	45,000	50,000	5,000
C-Ticket Collection Services	6,000	5,000	(1,000)
C-Ticket Debt Recovery	20,000	40,000	20,000
Adjudication Revenue	15,000	15,000	-
Other Police Fines	25,700	45,000	19,300
Adjudication Collection Services	1,000	500	(500)
Total Fines and Forfeitures	112,700	155,500	42,800
<u>Charges for Services</u>			
Bus Shelter Ad Revenue	2,000	1,800	(200)
Rental Income- Village Property	60,084	62,000	1,916
Grass & Lien Fees	4,000	-	(4,000)
Ambulance Fees	175,000	215,000	40,000
Steger Days	-	36,000	36,000
2% Fire Revenue	23,000	-	(23,000)
911 Revenue	3,300	3,300	-
Other Police Fees	52,950	44,550	(8,400)
Total Charges for Services	320,334	362,650	42,316
<u>Miscellaneous</u>			
NSF Fees	100	-	(100)
Miller Wood Taxes	7,000	-	(7,000)
Bank Loan Proceeds	253,000	-	(253,000)
Doantion- St. James	-	50,000	-
All Other Income	2,500	35,500	33,000
Total Miscellaneous	262,600	85,500	(177,100)
<u>Investment Income</u>			
	300	300	-
Total	\$ 5,098,634	\$ 4,208,600	\$ (890,034)

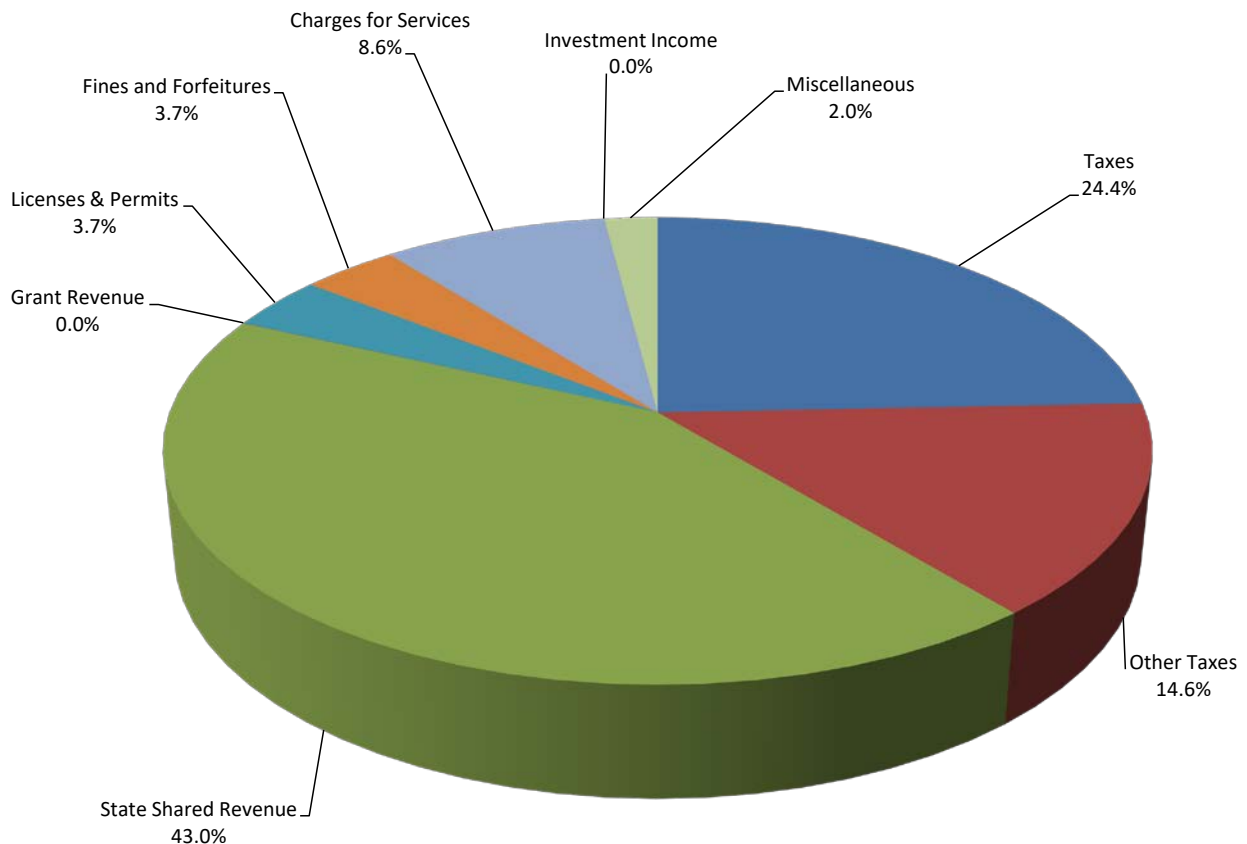
Budget Summary

Summary of Revenue & Other Financing Sources

General Fund

Source	2017	2018	Dollar Change	Percent Change
Taxes	\$ 1,024,800	\$ 1,025,300	\$ 500	0.0%
Other Taxes	541,500	616,000	74,500	13.8%
State Shared Revenue	1,682,000	1,805,000	123,000	7.3%
Grant Revenue	1,001,100	1,100	(1,000,000)	-99.9%
Licenses & Permits	153,300	157,250	3,950	2.6%
Fines and Forfeitures	112,700	155,500	42,800	38.0%
Charges for Services	320,334	362,650	42,316	13.2%
Investment Income	300	300	-	0.0%
Miscellaneous	262,600	85,500	(177,100)	-67.4%
Total	\$5,098,634	\$ 4,208,600	\$ (890,034)	-17.5%

2018 Budget Revenue by Source

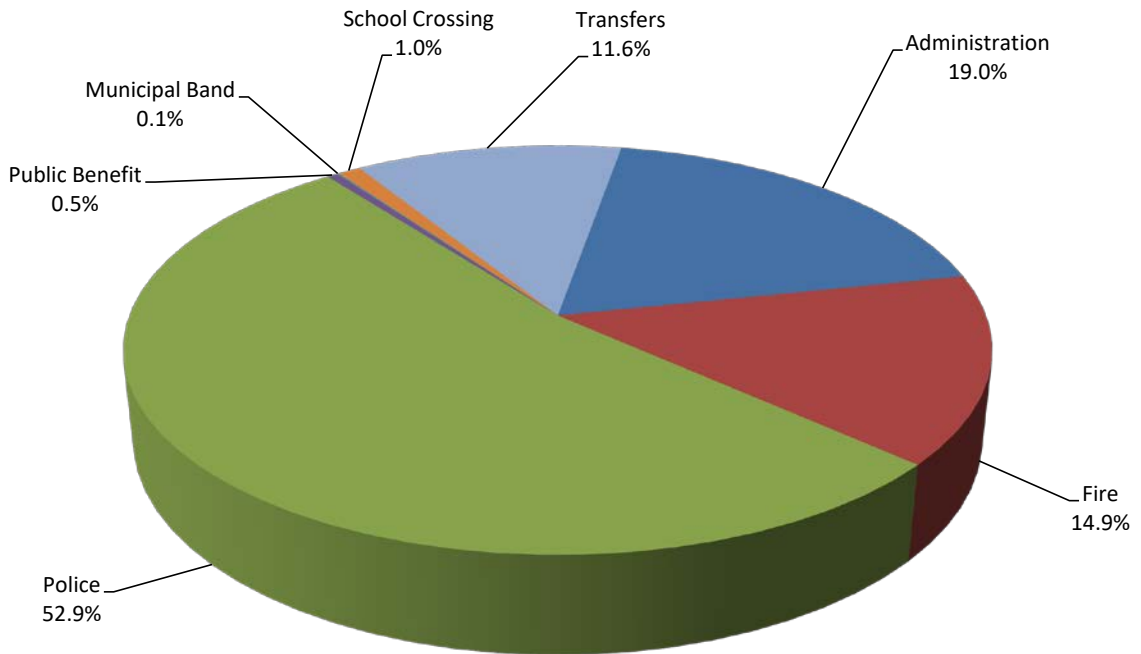


Budget Summary

General Fund Expenses by Department

	<u>2017</u>	<u>2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>
General Fund				
Administration	\$ 1,972,607	\$ 796,565	\$ (1,176,042)	-59.6%
Fire	1,837,996	625,150	(1,212,846)	-66.0%
Police	2,529,704	2,225,000	(304,704)	-12.0%
Public Benefit	283,000	20,000	(263,000)	-92.9%
Municipal Band	3,300	3,300	-	0.0%
School Crossing	17,850	42,000	24,150	135.3%
Transfers	-	490,000	490,000	100.0%
Total General Fund	<u>\$ 6,644,457</u>	<u>\$ 4,202,015</u>	<u>\$ (2,442,442)</u>	<u>-36.8%</u>

2018 Budget Expenses by Department



Budget Summary

Schedule of Anticipated Fund Balances (Excluding Fiduciary Funds)

	Estimated Beginning Balance 1/1/2018	Budgeted Revenue	Budgeted Expenses	Excess/ (Deficit)	Estimated Ending Balance 12/31/2018
General Fund	\$ 889,781	\$ 4,208,600	\$ 4,202,015	\$ 6,585	\$ 896,366
Special Revenue Funds	574,452	2,178,470	2,187,109	(8,639)	565,813
Capital Projects Funds	858,287	3,068,500	3,159,500	(91,000)	767,287
Debt Service Fund	99,124	377,164	382,960	(5,796)	93,328
Water & Sewer Fund	<u>3,918,531</u>	<u>1,197,000</u>	<u>1,249,326</u>	<u>(52,326)</u>	<u>3,866,205</u>
	<u>\$ 6,340,175</u>	<u>\$ 11,029,734</u>	<u>\$ 11,180,910</u>	<u>\$ (151,176)</u>	<u>\$ 6,188,999</u>

VILLAGE OF STEGER

FISCAL YEAR 2018 TENTATIVE BUDGET

Appendix A

Detailed Budget Report

