

VILLAGE OF PEOTONE, ILLINOIS



ANNUAL BUDGET | FISCAL YEAR 2026

GENERAL INFORMATION

Reader’s Guide 4
 Officers and Officials 6
 History of Peotone 7
 Community Profile and Demographics 8
 Strategic Vision 11
 Village Organizational Chart 12

INTRODUCTION

Budget Message..... 13
 Budget Process and Schedule 16
 Financial Policies 17
 Financial Structure 22

BUDGET SUMMARY & FINANCIAL OVERVIEW

Fund Balance Analysis and Changes in Fund Balance 25
 Revenue and Expenditure Summaries 28
 Revenue and Expenditure Trends..... 30
 Personnel Summary..... 35
 Capital Improvement Program 38
 Long-Term and Other Debt..... 42
 Long Term Financial Forecast 44

GENERAL FUND

General Fund Summary 46
 General Fund Revenues 49
 Revenues by Source – General Fund 50
 General Fund Expenditures 55
 Administration 56
 Police..... 61
 Community Development..... 68
 Public Works 73
 Central Services 79

SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund 81
 Downtown Business District Fund83
 TIF 1 and TIF 2 Funds..... 85



CAPITAL PROJECT FUNDS

Capital Improvements Fund 88

APPENDIX

Total Compensation by Position 90
Principal Taxpayers 91
Employment by Industry..... 92
Municipal Comparisons 93
Acronyms 95
Glossary..... 97

The FY2026 Budget document describes the financial resources available to the Village used to provide services to the community. In addition, the budget document serves as a goal setting and policy document and includes the Village's goals, policies, and procedures approved by the Village Board as part of the budget approval process.

This document is organized in a format that provides several levels of financial and operational information about the Village's Fiscal Year 2026 Budget. Immediately preceding the sections described below is an introduction to the Village's governing body, the history of the Village, a community profile, and demographic information. Also included is a description of the Village's strategic priorities and a Village-wide organizational chart.

Introduction

The Introduction section contains the Budget Message from the Village Administrator, providing a broad overview of the FY2026 Budget, assumptions and trends considered when compiling the budget, FY2025 highlights, and FY2026 major initiatives reflected in the budget. Also included in this section is a description of the Village's budget process and timeline, as well as a summary of the Village's financial policies. A description of the Village's financial structure, which is based on generally accepted accounting principles, is also presented in this section.

Budget Summary & Financial Overview

The Budget Summary & Financial Overview section provides an analysis of fund balance in each of the Village's funds. Revenue and expenditure summaries and trends are reflected in this section to provide information regarding the Village's funding sources and how those sources are spent. A personnel summary is included providing information related to positions and total employee compensation.

Summary and detailed information related to the Village's multi-year capital improvement program, the Village's general obligation and other debt, and the Village's long term financial forecast is also included in this section.

General Fund

The General Fund section provides a detailed analysis of the Village's main operating fund. General Fund revenues are described in detail and comparisons to prior years are presented when applicable. This section also contains information related to each operating department, including the following departments:

- ✓ Administration
- ✓ Community Development
- ✓ Public Works
- ✓ Central Services
- ✓ Police

Information presented for each department includes the department's mission statement and objectives, an organizational chart, FY2025 highlights and accomplishments, FY2026 strategic goals, performance measures, and a summary of departmental expenditures by type with a comparison to prior years.

Other Funds

This section contains a summary description and a detailed revenue and expenditure budget schedule for each of the Village's budgeted funds, other than the General Fund, including the following:

- ✓ Motor Fuel Tax (Special Revenue)
- ✓ Downtown Business District (Special Revenue)
- ✓ TIF 1 (Special Revenue)
- ✓ TIF 2 (Special Revenue)
- ✓ Capital Improvements (Capital Project)

Appendix

The appendix contains a schedule of position salaries by department, as well as supplementary information related to the principal property taxpayers located within the Village, employment by industry and a variety of statistics comparing the Village of Peotone to other municipalities of like size and demographics. Also included is a description of the acronyms utilized throughout this document and a glossary to assist readers with understanding the terms listed in this document.

On-Line Access

To access the Fiscal Year 2026 budget on-line, visit the Village's website at [Document Center - Financial Reports](#).

The Village of Peotone is governed by elected officials including the Mayor and six Trustees. The Mayor and Trustees are elected at large to a four-year term; the Village Clerk is appointed. Elected and appointed officials as of April 1, 2025 are listed below.

Elected Officials

Dr. Peter March - Mayor

Term Expires May 2025

Trustees

Gary Hudson

Term Expires May 2027

Shelley Marevka

Term Expires May 2025

Jackie Richards

Term Expires May 2025

Todd Sandburg

Term Expires May 2027

Julie Sluis

Term Expires May 2027

Nicholas Strba

Term Expires May 2025



Executive Staff*

Nick Palmer, Village Administrator

Stacey Hartwell, Village Clerk

David DeMik, Chief of Police

Robert Hennke, Public Works Manager

*The Treasurer position is contracted and therefore not reflected as Executive Staff.

The Village of Peotone was established in 1856 and is known for its peaceful, rural and historic charm that has withstood the test of time. Peotone is located in Will County along Interstate 57 and IL Route 50, 45 miles southwest of Chicago, 100 miles northeast of Champaign/Urbana, and 170 miles east of the Quad Cities in Illinois and Iowa.

With an active railroad running through town, its closeness in proximity to Interstate Highway 57 and Downtown Chicago, Peotone is an ideal location for business and residential growth.

The Village's current estimated population is 4,187. Many current residents were born and raised in the Village, upholding its safe and family oriented community values, while appreciating and protecting its scenic, natural land.

The Village takes pride in its history and the Village's Historical Society works to preserve and celebrate that history. The Peotone Windmill, established 1872, is one of the rare German Style Windmills still standing in America today. The Historical Society hosts an Open Mill regularly and an annual Mill-fest to celebrate the Village's history. The annual fest gathers the whole town for a unique experience with historic booths, vendors, and contests.



Peotone's unique name is derived from the Potawatomi language meaning "come here."



Since 1904, Peotone has been the home of the annual Will County Fair. The Will County Fair gathers an attendance of over 70,000 people on an annual basis. Fair participants can enjoy contests from baking to livestock, a demolition derby, vendors, live music and performances, games, rides and so much more.

Recent improvements to the Village's downtown business district, including the replacement of aging infrastructure, new lighting, benches, planters and event space, enhanced the area that contains local shops that are personable and always friendly, beautiful historic buildings and homes in a peaceful, rural community. The Village of Peotone's historic charm, matched with its up and coming business district, makes it a unique and wonderful place to live.

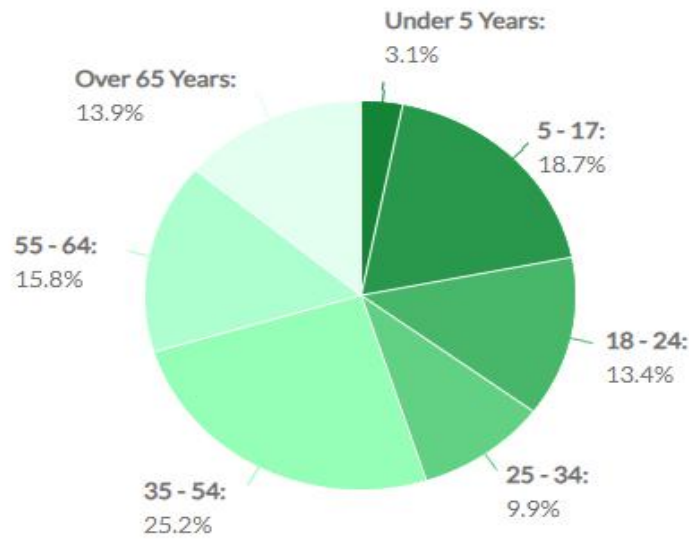
Community Profile and Demographics



Total Population

4,187

Age



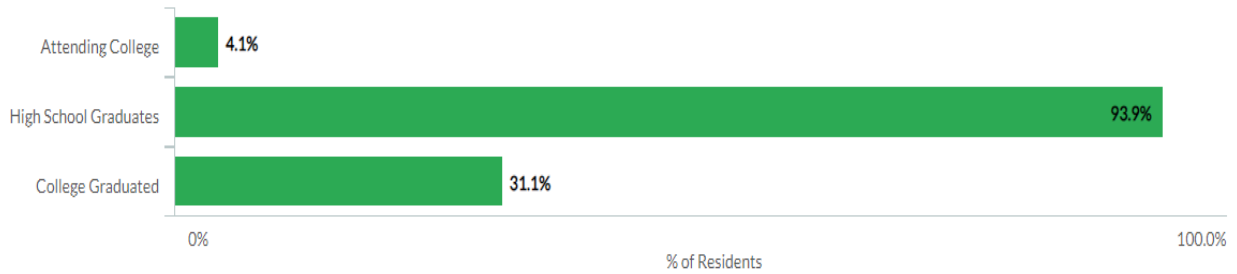
Per capita Income



Median household income



EDUCATIONAL ATTAINMENT OF ADULTS i

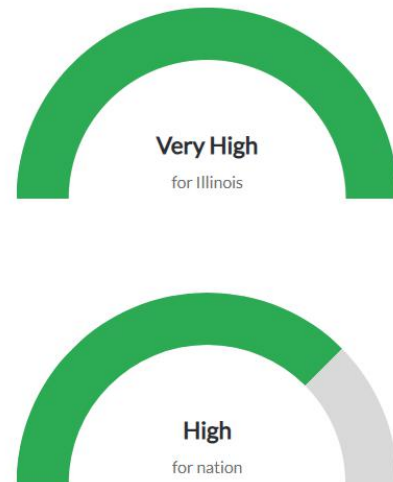
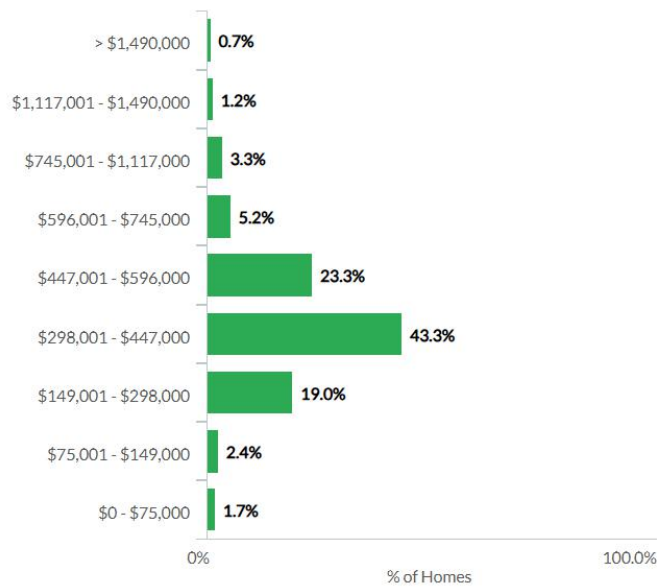


PEOTONE CUSD 207 U SCHOOL DISTRICT DETAILS

PEOTONE CUSD 207 U SCHOOL DISTRICT
212 W Wilson St
Peotone, IL 60468

1,293 Students enrolled in District
5 Schools in District
12 Students Per Classroom (State average is 13)

Peotone, IL Home Prices



Median Home Value
\$387,085

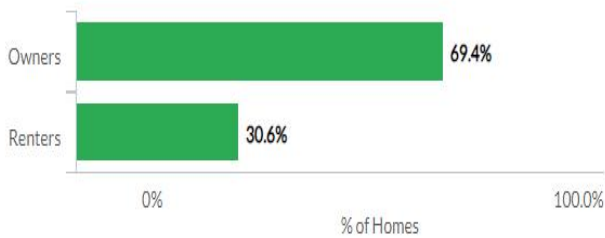
Community Profile and Demographics



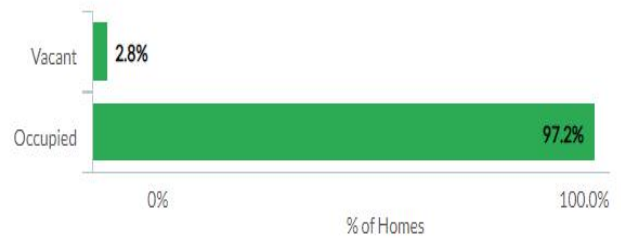
Number of Homes And Apartments:

1,547

Homeownership Rate



Vacancy Rate

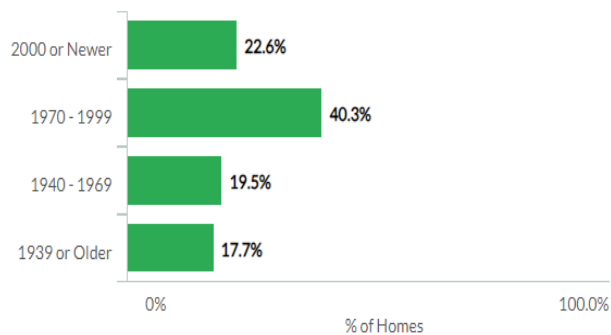


Average Market Rent:

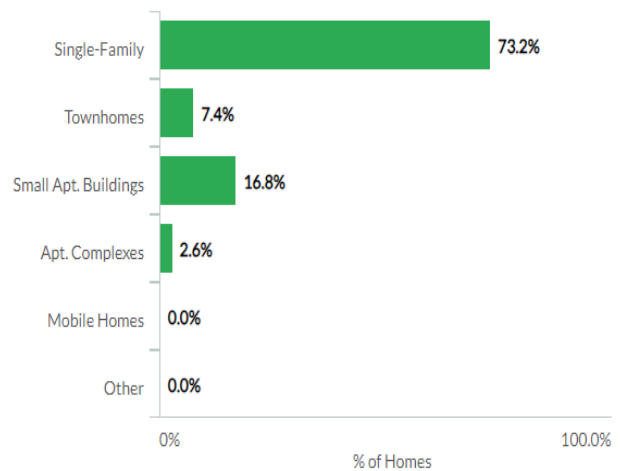
\$1,729 / per month

HOUSING MARKET DETAILS i

Age of Homes



Types of Homes



The Village Board developed a strategic vision that guides decision making and promotes the continuing development of its community. The vision was developed by surveying Board members on their short and long-term priorities for the Village; these priorities were discussed and distilled down into a strategic vision shown below. The FY2026 budget is based on this strategic vision and Village staff compiled specific goals and objectives that will assist the Board in adhering to its vision. Department goals and objectives can be found within the operating department narratives included in this document.

Village of Peotone Strategic Vision

Accessible & Engaged

- Provide effective and efficient services to our residents, continuously improve service levels, engage and support staff, and provide accessible community engagement.

Financially-Viable Future

- Act as a responsible and transparent steward of public dollars, create a strong financial structure through financial planning with diverse sources of revenue.

Enterprising Infrastructure Management

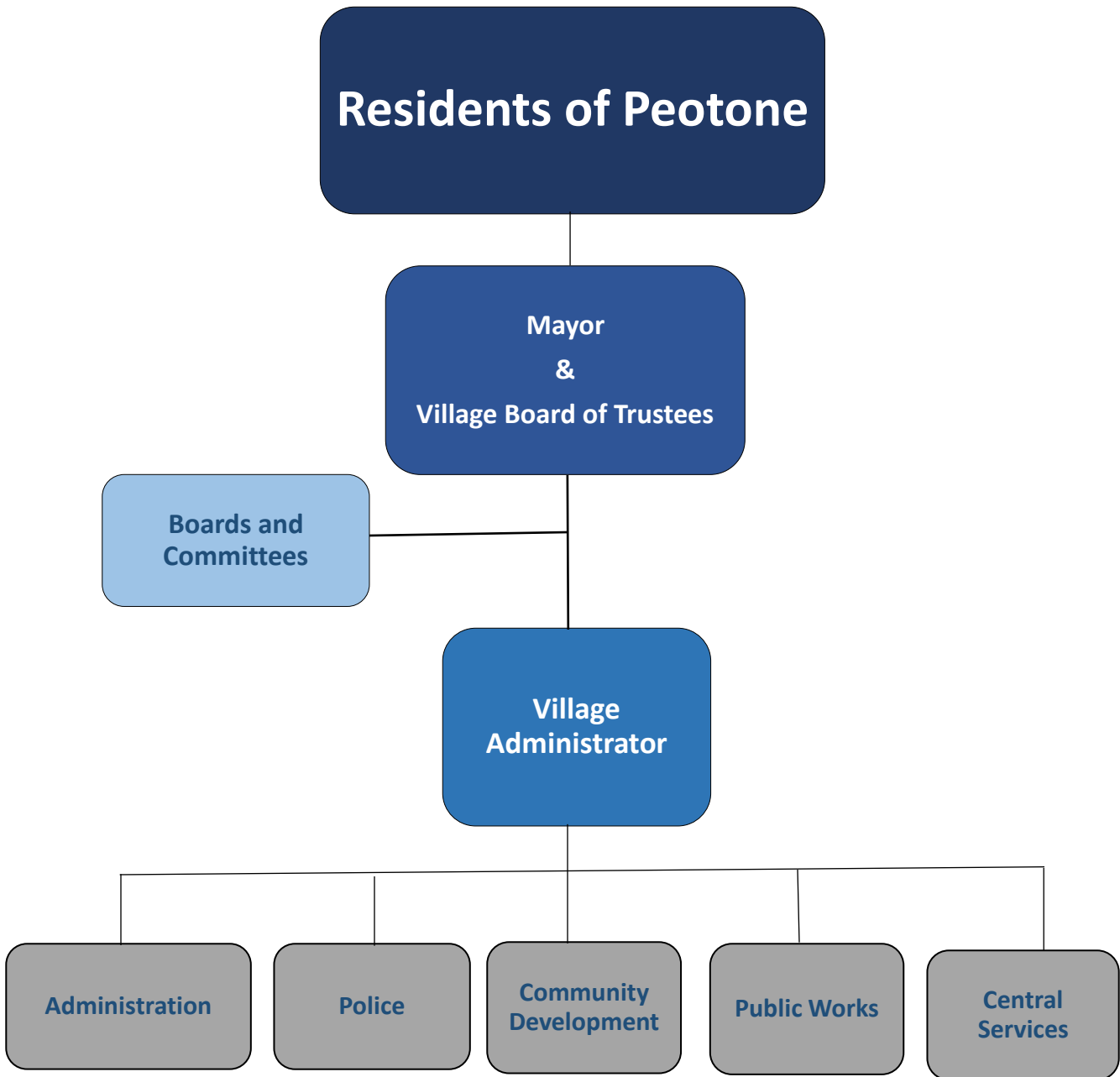
- Regularly assess the condition of Village infrastructure, identify capital maintenance and improvement needs, secure funding sources to meet the needs of the community.

Community-Focused Development

- Maintain strong neighborhood character and create complementary value for the community through focused residential and commercial development.

Secure and Flourishing Neighborhoods

- Proactively protect the safety and well being of Village residents and commercial entities by minimizing the impacts of criminal activity on the community.



Legend:

Elected Officials

Appointed Members

Village Staff



March 24, 2025

Honorable Mayor March and Board of Trustees:

We are pleased to present the Fiscal Year 2026 Budget (effective April 1, 2025 – March 31, 2026). This document is an important tool for sound fiscal management, provides a policy that sets the financial course of the Village for the next year and defines the services the Village provides to the community.

The Village of Peotone Board of Trustees has established a commitment to exceptional service through ongoing discussions, resolutions and policies. The FY2026 budget provides the community with a high level of essential municipal services, including the safety of its residents, development and redevelopment of the Village, and funding for the improvement of the Village’s infrastructure and municipal facilities. The Village boasts significant operating flexibility, a diversified revenue structure and well-funded reserves in the General Fund.

Fiscal Year 2025 Review

FY2025 projected revenues, across all funds, amount to \$6,943,791, net of interfund transfers. This amount includes one-time ARPA revenues reflected in the Capital Improvement Fund of \$4,599 and DCEO grant revenues reflected in the Business Development District Fund in the amount of \$2,242,962. Additional ARPA revenues are included in the FY2026 budget.

After reducing the FY2025 budget and projected amounts by these one-time revenue sources, projected revenues for FY2025 are approximately \$73,000 more than the FY2025 budget, partially due to the following:

- ✓ Projected Interest Income in the General Fund amounted to approximately 167% of the amount budgeted or approximately \$156,000 more than budgeted due to a shift in the Village’s investment philosophy
- ✓ State Income Tax revenues exceeded the amount budgeted by approximately \$35,000
- ✓ Above mentioned increases are partially offset by the discontinuance of the Village’s vehicle sticker program, as well as less than budgeted revenues from building permits and inspections
- ✓ Motor Fuel Tax revenues in the Motor Fuel Tax Fund exceeded the amount budgeted by approximately \$7,400
- ✓ Incremental property taxes in the TIF 1 Fund exceeded the amount budgeted by approximately \$29,000

FY2025 projected expenditures, across all funds, amount to \$8,111,867, net of interfund transfers. Projected employee-related expenditures amount to \$2,573,434, or approximately 60% of total projected expenditures, net of capital outlay and interfund transfers.

FY2025 projected expenditures include capital outlay of approximately \$3.83 million and include spending on projects such as stormwater management, road and sidewalk improvements, and vehicle and equipment purchases. Approximately \$3.3 million of the total is attributable to the Downtown Streetscape project within the Village’s Business Development District Fund.



Major Accomplishments

- ✓ **Downtown Streetscape Projects.** The goal of this project was to refresh and improve the look of Peotone’s downtown area, while replacing the aging infrastructure of Village streets and sidewalks. The project also sought to enhance the pedestrian and motorist experience in a more attractive and walkable business district. New lighting, benches, planters, and event space are also planned that will further beautify the downtown area and attract new visitors to patronize downtown businesses. This investment in Peotone’s downtown aims to encourage new investment and to attract new businesses to fill any vacant space. (Strategic Priority: Enterprising Infrastructure Management, Secure and Flourishing Neighborhoods).
- ✓ **88th Avenue & Wilmington Peotone Road Improvements.** As part of the Travel Center development project, the Village funded the engineering and construction of improvements to 88th Avenue, the intersection of 88th Avenue and Wilmington Peotone Road, turn lanes onto I-57 on Wilmington Peotone Road and widening of the I-57 ramps. Funding of these improvements was provided by the proceeds of General Obligation (Alternative Revenue) Bonds, Series 2022 issued in December 2022. This project largely wrapped up in FY2025 with a few minor items to be completed in FY2026. (Strategic Priorities: Financially Viable Future and Enterprising Infrastructure Management).
- ✓ **Sidewalk Installations and Improvements –** Continued maintenance on sidewalks throughout the Village on defective and aging sidewalks. (Strategic Priority: Enterprising Infrastructure Management, Secure and Flourishing Neighborhoods).
- ✓ **Parkway Tree Planting.** Continued the Village’s commitment to green spaces by planting an additional twenty parkway trees. (Strategic Priority: Secure and Flourishing Neighborhoods).
- ✓ **Continued Increase in Funding Status of Village of Peotone Police Pension Fund.** As of April 1, 2020, the funding status of the Police Pension Fund was 22.3% when comparing the actuarial value of assets to the actuarial liability. As of April 1, 2023, the funding status had increased to 46.9% and as of April 1, 2024, the funding status further increased to 52.74%. These increases reflect the Village Board’s continued commitment to make contributions to the fund at or above the actuarially determined recommended contribution. (Strategic Priorities: Financially Viable Future)

Fiscal Year 2026 Overview

Below is a summary, by fund, of the Village’s FY2026 Budget, including interfund transfers.

	Projected Fund Balance FY2025	Budgeted Revenues	Budgeted Expenditures	Projected Fund Balance FY2026
General Operating				
General Fund	\$ 11,034,601	\$ 4,449,976	\$ 4,356,210	11,128,367
Special Revenue				
Motor Fuel Tax Fund	251,384	184,837	167,400	268,821
Business Development District Fund	238,566	346,646	382,250	202,962
TIF 1 Fund	141,474	56,546	65,250	132,770
TIF 2 Fund	251,227	181,889	207,112	226,004
Capital Projects				
Capital Improvement Fund	198,325	1,015,872	1,097,400	116,797
TOTAL ALL FUNDS	\$ 12,115,577	\$ 6,235,766	\$ 6,275,622	\$ 12,075,721



FY2026 budgeted revenues are estimated at \$5,768,366, net of interfund transfers. Consistent with prior years, the Village took a conservative approach when estimating the various FY2026 revenue sources. The FY2026 Budget includes Hotel Tax, reflected in the General and Business Development District Funds, as the first hotel in the Village is expected to open in early 2025. FY2026 revenues within the General Fund are slightly higher than FY2025 projected. Various revenue sources, such as Sales, Income and Video Gaming taxes increased, offset by slight decreases in Utility and Use Taxes.

In addition, due to growth in the Village's equalized assessed valuation (EAV), the FY2026 budget reflects an increase in property tax revenues reflected in the General Fund of approximately \$31,000. Based on this EAV growth, the Village anticipates that the rate per \$100 of EAV will remain consistent or slightly decrease as compared to the prior year, meaning the amount reflected on a homeowner's tax bill that is paid to the Village may not increase.

The FY2026 budget reflects ARPA revenues within the Capital Improvements Fund, in the amount of approximately \$848,372, that will be utilized to fund a major stormwater management project.

An increase of approximately \$42,000 in Sales Tax within the Business Development District Fund is estimated for FY2026 as the newly constructed travel center, which lies within the boundaries of the business development district, is open and fully operational and additional out lots will be opened in the future.

Total FY2026 budgeted expenditures for all funds amounts to \$5,808,222, net of interfund transfers. Costs related to personnel are the largest expenditure category, at approximately 47% of total budgeted expenditures.

Major capital projects included in the FY2026 Budget include the items listed below. Additional information on these projects is reflected in the Capital Improvement Program section of this document.

- ✓ Conrad Street Storm Sewer – Engineering and Construction - \$880,000
- ✓ East Crawford Street – Engineering and Paving - \$167,400

Closing Comments

The FY2026 Budget was developed to be consistent with current Village policies and provides for a balance between providing exceptional services to our residents and remaining fiscally responsible with ample financial reserves. Moving forward, the Village will continue to review its organizational structure and operations to identify opportunities for improvement to provide services to residents and businesses effectively and efficiently.

While primary responsibility for preparation of the budget document and Budget Ordinance lies with the Village's core budget team, including the Mayor, myself and the Village's Financial Consultant, we would like to thank the Village Board for the responsible manner in which they conduct the fiscal affairs of the Village. We would also like to thank a larger group of talented individuals who also contributed significantly to the successful creation of this budget, including the Administrative Oversight Committee, Public Works Manager Robert Hennke, and Police Chief David DeMik.

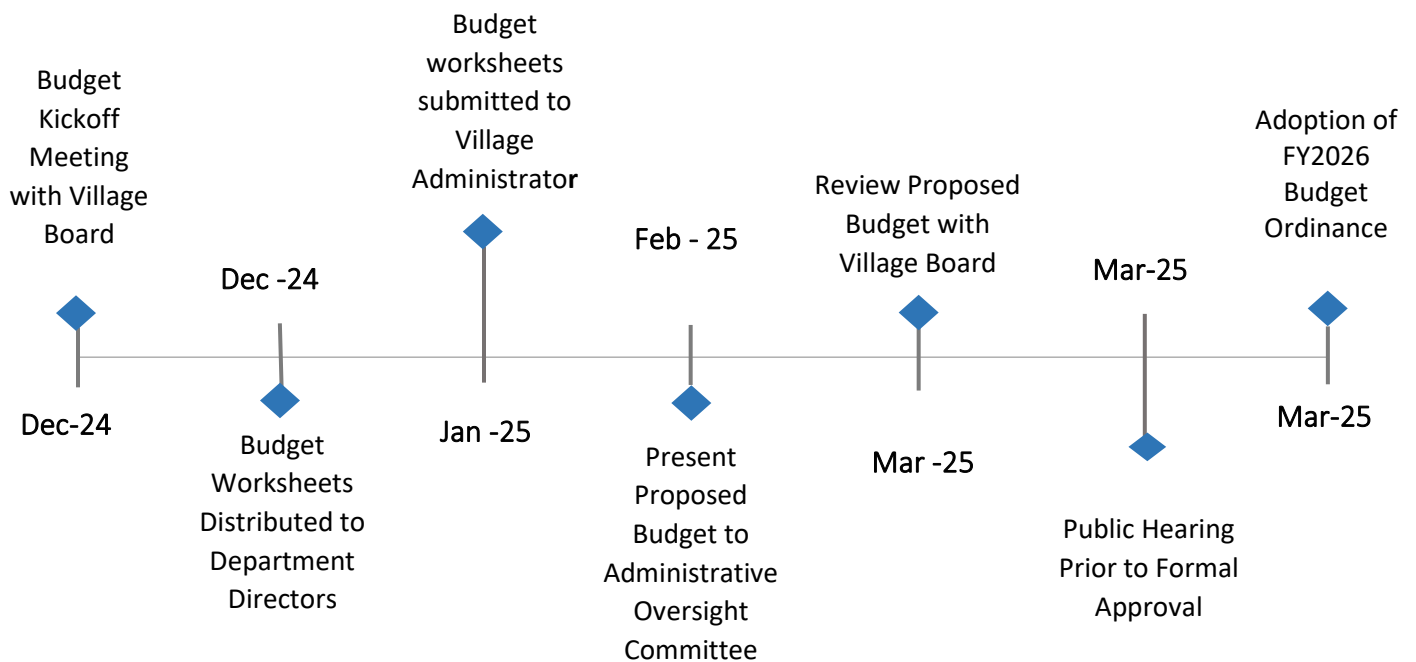
Sincerely,

Nick Palmer
Village Administrator

Budget Guidelines and Schedule

The Village’s annual budget is prepared in a manner that meets the overall strategic goals of the Village Board. The Village’s FY2026 Budget includes the provision of quality services to its residents and businesses and the maintenance and improvement of its infrastructure and other capital assets, while maintaining adequate reserves in order to remain a fiscally sound community. In April 2022, the Board approved a fund balance policy for its General Fund. This policy defines a minimum fund balance that the Village must maintain in its General Fund; the FY2026 Budget is formulated to meet the requirements of this policy. The Village makes every effort to draft an operating budget that does not exceed the operating revenues available within the budget year. The Village Administrator and Treasurer work with the department heads throughout the budget process to ensure a financially sound proposed budget is prepared.

Below is a timeline of the FY2026 budget process. Prior to formal approval of the budget and in accordance with statutory requirements, a public hearing is held. The tentative budget is made available and may be inspected by the public at the Village Hall prior to the public hearing. The hearing is open to the public and any person desiring to appear and provide comments on the proposed budget will be heard. The budget is legally enacted by approval of a Budget Ordinance by the Village Board. Post-adoption amendments to the approved budget that are necessary due to unforeseen or unplanned expenditures are brought to the Board for approval on an as needed basis.



Budgetary Policies and Basis of Presentation

Annual budgets are adopted for the Village's general, special revenue, and capital project funds. The Village does not prepare or report on the budget for the Peotone Police Pension Fund. The budget is prepared on the cash basis of accounting and may differ from the Village's annual audited financial statements, which are on the accrual/modified accrual basis of accounting. The cash basis of accounting recognizes revenues and expenses at the time the cash is received or dispersed, whereas the accrual basis of accounting recognizes income when revenue is earned and expenses when liabilities are incurred, regardless of cash flow. An example of a significant difference in the basis is related to the market value of financial investments. In accordance with generally accepted accounting principles (GAAP), the Village will record changes in market value on applicable Village and police pension fund investments in its financial statements; however, changes in market values are not included in the budget.

Expenditures may not legally exceed the budgeted amounts at the fund level. The Village Administrator has the authority to amend the budget within an individual fund. Budget appropriations lapse at year-end, therefore expenditures not substantially incurred by the end of the fiscal year end (March 31) must be appropriated in the next fiscal year budget. Once the budget is adopted, the Village Board can amend it by ordinance. Amendments are presented at the end of each quarter, if necessary.

The following are significant financial policies of the Village currently approved by the Village Board.

Other Financial Policies

The Village continuously reviews its established Board approved financial policies and periodically recommends new policies or changes to existing policies for approval by the Village Board. A capital asset policy was drafted and approved by the Village Board in September 2023. In addition, the Village is updating its investment policy and will bring the updated policy to the Board for formal approval.

General Fund Balance Policy

In the context of financial reporting the term "Fund Balance", sometimes referred to as "reserves", is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). A fund balance policy establishes a minimum level of available funds required to provide financial stability, cash flow for operations, and the assurance that the Village will be able to respond to emergencies with fiscal strength. More detailed financial reporting as it relates to fund balances and the increased disclosures will aid the user of the financial statements in understanding the availability of resources. It is essential to maintain adequate levels of funding to mitigate current/future risks (e.g., revenue shortfalls and anticipated expenditures) and are crucial in long-term financial planning. Credit rating agencies carefully monitor levels of unassigned General Fund balance to evaluate the Village's continued creditworthiness.

The overall goal of the General Fund policy is to support long-term financial strategies, where fiscal sustainability is the highest priority, while also building funds for future growth. The purpose of the policy is to establish guidelines in providing for an unrestricted fund (reserve) balance in the Village's General Fund. Policy considerations include the following:

- ✓ The General Fund is the primary operating fund of the Village. The fund balance in this fund is intended to serve as a measure of the financial resources available to the Village at a given point in time.
- ✓ An adequate fund balance may ensure that the Village can mitigate current and future revenue shortfalls and/or unanticipated expenditures.

- ✓ Fund balance is an important consideration in long-term financial planning. In addition, credit rating agencies utilize fund balance levels to evaluate a government's continued creditworthiness.

The policy states that fund balance shall be designated for the purposes and amounts as follows.

- ✓ Minimum Contingency Balance - to provide available funding in the case of emergencies or extreme contingencies; this balance shall be set at 25% of the ensuing year's General Fund expenditure budget, net of budgeted capital projects and one-time significant items.
- ✓ Target Additional Balance - to maintain a fund balance of approximately 5% above the Minimum Contingency Balance of the ensuing year's General Fund expenditure budget, net of budgeted capital projects and one-time significant items.
- ✓ Unrestricted Fund Balance – all fund balance above and beyond those balances reserved in the Minimum Contingency Balance and the Target Additional Balance.
- ✓ The Target Additional Balance shall be permitted to be used to fund one-time capital projects or achieve specific objectives by approval of the Board but shall not otherwise be used on an annual basis to fund recurring operating expenditures. The Target Additional Balance shall provide a buffer between the Village's Unrestricted Fund Balance and the Minimum Contingency Balance.
- ✓ The Minimum Contingency Balance, as well as the Target Additional Balance, will be considered as part of the annual budget process and an analysis, based on the proposed budget and to include prior year's fund balance, shall be presented to the Village Board prior to approval of the annual budget.
- ✓ Shortages from the requirements of this policy shall be built up to policy levels within two fiscal years. Shortage is defined as having less than the total of the Minimum Contingency Balance and the Target Additional Balance at fiscal year-end. Shortage may also be defined as a projection at the time of budget preparation that would indicate the policy requirements will not be met at the current fiscal year end.
- ✓ Any Unrestricted Fund Balance may be included in the subsequent year's budget, if necessary, to cover budgeted expenditures that exceed budgeted revenues.
- ✓ Use of the General Fund's Minimum Contingency Balance or Target Additional Balance is prohibited as a funding source for recurring operating expenditures.

The Village's FY2025 budget, as approved, adheres to this policy.

Capital Asset Planning and Reporting Policy

The Village's Capital Asset Planning and Reporting policy provides a framework for capital planning and financial reporting in conformance with best practices, ensures good stewardship over Village resources and provides for annual capital plans that are consistent with the Village's overall organizational goals.

The primary objectives of the policy are to allow the Village to continuously provide its constituents with optimal public spaces, buildings and infrastructure, to provide guidelines for the development of a multi-year capital improvement plan and to ensure compliance with accounting and financial reporting guidelines.

The policy states that each department shall be responsible for control of capital assets located within their department and/or if maintenance of the asset is performed within or by the department.

All purchased or constructed capital assets shall be recorded at historical cost that includes purchase and/or construction costs and any other reasonable and necessary costs incurred to place the asset in its intended location and use. Land that is donated or contributed shall be recorded at the land cash value per acre as of the date of donation or contribution, as published by the Village.

Assets are capitalized at the time of acquisition. Capital assets with an original cost (or other established value) of \$10,000 or more shall be capitalized and recorded on the Village's government-wide financial statements. When determining if an expenditure related to an existing capital asset should be capitalized, the Village must determine whether the expenditure will materially add to the value of the asset or extend its useful life for at least one more year. Leased tangible, non-financial assets shall be capitalized except when the maximum possible contract term (including options to extend) is twelve months or less or when the underlying asset transfers ownership at the end of the lease term and the contract does not contain termination options. Information technology agreements which grant the Village the right to use another party's software for a specified time period are considered intangible assets. These agreement shall be capitalized except when the maximum possible contract term (including options to extend) is twelve months or less.

Capital assets will be classified as Land, Buildings and Improvements, Vehicles, Transportation Network, Equipment and Construction in Progress.

Depreciation and amortization expense on all assets shall be computed on a monthly basis, from the month of acquisition, using the straight-line method of depreciation, over the estimated useful life of the asset, ranging from 5 – 50 years.

The Village shall develop and maintain a rolling 5 – 10 year Capital Improvement Plan for the acquisition, development, improvement and maintenance of the Village's existing and newly acquired/constructed capital assets. This plan will be reviewed and updated as part of the annual budget process.

Capital assets and related depreciation shall be reflected in the Village's financial statements in accordance with applicable accounting standards.

Disposal of capital assets shall be authorized by the Board of Trustees.

Debt Management Policy

The Village's Debt Management Policy provides comprehensive guidelines for debt management and capital planning, and provides guidance related to the issuance of appropriate financing. It is the objective of the policy to enhance the Village's reputation for managing its debt in a conservative and prudent manner and to help ensure the Village's credit worthiness.

While the use of bond counsel and financial advisors is encouraged, the primary responsibility for developing financing recommendations rests with Village Administrator. The responsibilities of the Village Administrator shall be to:

- Maintain the best possible credit rating for each general obligation or other debt financing issuance.
- Take all practical precautions to avoid any financial decisions that will negatively impact current credit ratings on existing or future debt issues.
- Consider careful market timing to minimize debt interest cost.
- Determine the amortization schedule that will best fit within the overall debt structure of the Village's debt and related tax levy at the time the new debt is issued.

The Village's Bond Counsel will issue an opinion as to the legality and tax-exempt status of all obligations. Bond Counsel is also responsible for the preparation of the ordinance authorizing the issuance of obligations and other

related documents required for the bond closing. Bond Counsel will review and respond to any tax objections raised related to bond issues they have prepared.

If determined necessary, the Village shall seek advice of a Financial Advisor on the structuring of the bonds to be issued, on available financing options to consider and how the choices will impact future debt issuances. The Financial Advisor will also coordinate and execute the bond sales and closings, including distribution of Official Statements, and will coordinate the bond rating process when necessary.

The laws of the State of Illinois establish the Village's power and authority to contract debt, borrow money and issue bonds for public improvement projects and the Village shall comply with these laws throughout any debt issuance. Under these provisions, the Village may issue debt to pay for the cost of acquiring, constructing, reconstructing, improving, extending, and equipping such projects, or to refund bonds. As provided in Illinois Compiled Statutes, the Village shall, at no time, become indebted in any manner, or for any purpose, in a total amount exceeding 8.625% of the value of taxable property within the Village.

Long-term obligations will not be used for operating purposes, and the life of the obligations will not exceed the useful life of the projects financed. The Capital Improvement Program prepared by the Village, and updated as part of the annual budget process, will outline the needs for the issuance of the debt.

The Village shall design financing schedules and repayment of debt to take best advantage of market conditions and, as practical, to recapture or maximize its credit capacity for future use and to moderate the impact to the taxpayer. When feasible and economical, debt obligations should be issued by competitive sale rather than negotiated sale.

The Village will be mindful of the potential benefits of bank qualification and will strive to limit its annual debt issuance to less than \$10 million when possible.

The Village will strive to issue debt as exempt, general obligation debt to minimize interest costs. On an annual basis, the Village will determine if alternative revenues are available to fund the annual debt service costs, thereby allowing the Village to abate any related property tax levy, if advisable.

The Village shall prepare the appropriate disclosures as required by the Securities and Exchange Commission, the federal government, the State of Illinois, rating agencies, underwriters, investors, agencies, taxpayers and other appropriate entities and persons to ensure compliance with applicable laws and regulations.

The Village shall consider refunding outstanding debt when legally permissible and financially advantageous, with a target net present value savings of approximately 2.0%.

The Village acknowledges its ongoing fiduciary responsibilities to actively manage the proceeds of debt issued for public purposes in a manner that is consistent with Illinois State Statutes that govern the investment of public funds. The management of public funds shall enable the Village to respond to changes in markets or changes in payment or construction schedules to optimize returns, ensure liquidity and minimize risk.

The Village will strive to maintain and/or to improve its bond rating.

The Village's policy is to minimize the cost of arbitrage rebate and yield restrictions while strictly complying with the law. The Village will contract with an arbitrage rebate service provider to maintain a system for computing and tracking any arbitrage rebate liability.

Investment Policy

As required by State Statute, formal investment policies are in place for both Village and Police Pension investments that provide guidelines for the prudent investment of funds in compliance with state statutes. In FY2026, the Village will draft an updated Investment Policy for the Village's investments and the policy will be brought to the Board for approval. It is the responsibility of the Peotone Police Pension Board to update the pension fund's investment policy.

The current Village policy addresses safety, liquidity, and return on investment and requires a periodic review of the investment portfolios. Investments must be made with judgement and care which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable preservation of their capital, as well as the income to be derived.

The policy addresses ethics and conflicts of interest. The Finance Director/Treasurer and any other investment officers of the Village, as well as Village employees in policy-making positions, shall refrain from personal business activity that could conflict, or give the appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

No person acting as Finance Director/Treasurer or other financial officer for the Village, or who is employed in any similar capacity by or for the Village, may (1) have any interest, directly or indirectly, in any investments in which the Village is authorized to invest, (2) have any interest, directly or indirectly, in the sellers, sponsors, or managers of those investments or (3) receive, in any manner, compensation of any kind from any investments in which the Village is authorized to invest.

Authorized and suitable investment, as well as investment restrictions, listed in the policies are as per Illinois State Statute. Collateral at 110 % is required on any deposits with a single institution that exceeds \$250,000.

The Village's investment portfolio shall be diversified to eliminate the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer or a specific class of securities. All security transactions entered into by the Village shall be conducted on a deliver-versus-payment or receipt-vs-payment basis. Securities shall be held by a safekeeping agent designated by the Village and evidenced by safekeeping receipts.

Police Pension Funding Policy

The Village Board's established policy is to annually contribute 100% of the actuarially determined recommended contribution to the Police Pension Fund. A portion of the funding is derived from the annual property tax levy, with the remainder coming from general revenues of the Village. The FY2026 budget reflects a levy for 50% of recommended contribution, with the other 50% being funded by general revenues of the Village.

Basis of Presentation and Measurement Focus

The finances of the Village are organized and operated on the basis of “funds”, independent fiscal and accounting entities with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and demonstrates compliance with finance-related legal and contractual provisions. The Village prepares a budget for six funds which are reflected as governmental funds in its financial statements. The Village’s enterprise funds were closed in FY2022 and the Village has no other proprietary funds as its Vehicle Service Fund, which was closed in FY2024, was classified as a governmental fund. In addition, the budget for the Police Pension Fund, a fiduciary fund, is not included in the Village’s formally approved budget ordinance.

Governmental Funds

Governmental funds are used to account for the Village’s general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting, where 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 fiscal year-end. The Village recognizes property taxes when they become both measurable and available. For all other government fund revenues, a one-year availability period is used for revenue recognition. 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. Governmental funds include the following fund types:

- ✓ *General Fund*: primary operating fund, accounting for all financial resources, except those required to be accounted for in another fund
- ✓ *Special Revenue Funds*: account for revenue sources that are restricted to expenditures for a specific purpose (not including expendable trusts or major capital projects)
- ✓ *Debt Service Funds*: account for the servicing of general obligation long-term debt not being financed by proprietary or nonexpendable trust funds, including accounting for property taxes levied for the payment of principal and interest on all general obligation debt, as well as the payment of these obligations
- ✓ *Capital Projects Funds*: account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds

Proprietary Funds

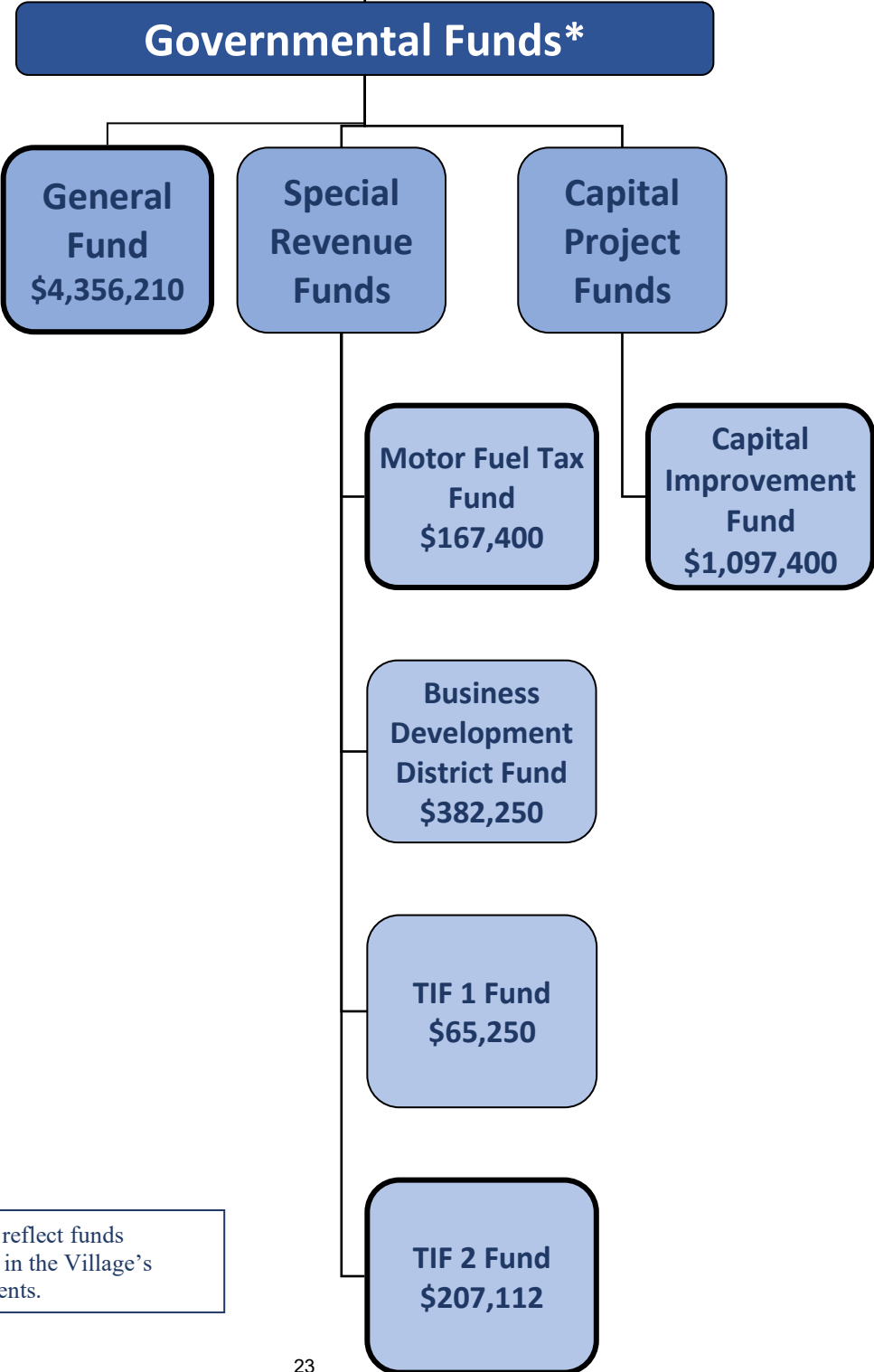
Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund types:

- ✓ *Enterprise Funds*: account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability
- ✓ *Internal Service Funds*: account for operations that provide services to other departments or agencies of the Village, or to other governments, on a cost-reimbursement basis

Fiduciary Funds

Fiduciary funds account for assets held by the Village in a trustee capacity or as an agent on behalf of others and use the same measurement focus and basis of accounting as proprietary funds.

**FY2026 Budgeted Expenditures
\$6,275,622**



*Funds with bold border reflect funds classified as major funds in the Village’s FY2024 financial statements.

Major Governmental Funds

Governmental funds are classified as either major or non-major funds. Major governmental funds reflect those funds that have revenues, expenditures, assets, or liabilities of that fund that are at least 10 percent of the corresponding totals, excluding extraordinary items, for all governmental funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. The Village can report any fund that does not meet these requirements as a major fund if this presentation better reflects the purpose and financial condition of that fund. The Village has three major governmental funds, as follows:

- ✓ *General Fund (always classified as major)* - accounts for most of the Village’s day-to-day operations
- ✓ *Motor Fuel Tax Fund* - accounts for the Village’s share of State imposed taxes on gasoline and the subsequent sending of these revenues
- ✓ *TIF 2 Fund* – accounts for the incremental tax and other revenues generated within the boundaries of the TIF district and TIF eligible expenditures made for the betterment of the TIF district
- ✓ *Capital Improvements Fund* - accounts for public improvements and large multi-year projects that are funded by a variety of sources

Non-Major Governmental Funds

The Village has four funds which do not meet the major fund classification requirements listed above and are therefore classified as non-major funds, as follows:

- ✓ *Business Development District Fund*: accounts for the receipt and subsequent spending of the Village’s 1% business district tax
- ✓ *TIF 1 Fund* - accounts for the incremental tax and other revenues generated within the boundaries of the TIF district and TIF eligible expenditures made for the betterment of the TIF district

The following chart summarizes the relationship between operating departments and fund spending.

Operating Departments					
Fund	Administration	Police	Community Development	Public Works	Central Services
General	X	X	X	X	X
Motor Fuel Tax				X	
Business Development District	X				
TIF 1	X				
TIF 2	X				
Capital Improvement	X	X		X	

Fund Balance Analysis & Changes in Fund Balance

Fund Balance Analysis

In governmental funds, the difference between the assets and liabilities is reported as fund balance. The Village's governmental funds balance sheet included in its audited annual financial statements may reflect fund balance categorized as follows:

Non-spendable – portion of fund balance that is not available to be spent, either short-term or long-term, in either form or through legal restrictions

Restricted – portion of fund balance that is subject to external enforceable legal restrictions

Committed – portion of fund balance where the constraint on the spending of fund balance is self-imposed by formal action of the highest level of decision-making authority

Assigned – portion of fund balance constrained by the Village's intent to use fund balance for a specific purpose

Unassigned – available expendable resources that are not the object of management plans, i.e., assignments.

Changes in Fund Balance

General Fund – Projected fund balance at the end of FY2026 is forecasted at approximately \$11.13 million, or 257% of annual recurring operating expenditures, and reflects an increase of \$93,766 when compared to the projected fund balance at the end of FY2025. While the FY2026 budget reflects operating expenditures that exceed operating revenues, a \$300,000 transfer from the Business Development District Fund provides for a slight increase in fund balance. This transfer is the partial repayment of the amount the General Fund contributed to the downtown development project completed in FY2025.

Motor Fuel Tax Fund – Fund balance in the Motor Fuel Tax Fund reflects an increase of approximately \$17,000 when comparing FY2026 to FY2025. This is due to revenues exceeding the amount that will be expended on MFT eligible projects in FY2026. In FY2026, MFT funds will be utilized to fund the East Crawford Street Paving project.

Business Development District Fund – The Village's Business Development District Fund receives funding from a 1% business district sales tax enacted by the Village, as well as a 1% hotel/motel tax applicable to any future hotel built within the District. The Village's first hotel is expected to open in early FY2026, resulting in hotel tax revenues of approximately \$7,500. Fund balance at the end of FY2026 is approximately \$36,000 less than FY2025 ending fund balance due in part to the transfer to the General Fund noted above.

TIF 1 Fund – Projected fund balance at the end of FY2026 is estimated at \$132,770. This amount reflects estimated incremental tax revenues of approximately \$57,000, offset by spending of \$65,250 for the purpose of providing funding for the Village's downtown façade improvement program, as well as improvements to Village Hall.

TIF 2 Fund – The projected FY2026 ending fund balance is approximately \$25,000 less than the FY2025 estimated fund balance. Incremental revenues are estimated to increase to approximately \$182,000; the majority of the expenditure budget is the payment on principal and interest due on the outstanding bonds.

Capital Improvement Fund – The Village's Capital Improvement Fund receives funding through interfund transfers from the General and Motor Fuel Tax Funds, as well as periodic developer donations, and State and Federal funding awarded for specific projects. Fund balance in this fund fluctuates depending on the timing of the receipt and subsequent expenditure of funds. Estimated fund balance at the end of FY2026 amounts to \$116,797. Any remaining fund balance at the end of a fiscal year is utilized to fund future capital projects.

A detailed view of fund balance for each of the Village's budgeted funds can be found on the following pages.



Village of Peotone
Fiscal Year 2026 Budget
Fund Balance Analysis

	Projected Fund Balance FY2025	Budgeted Revenues	Budgeted Expenditures	Projected Fund Balance FY2026
General Operating				
General Fund	\$ 11,034,601	\$ 4,449,976	\$ 4,356,210	11,128,367
Special Revenue				
Motor Fuel Tax Fund	251,384	184,837	167,400	268,821
Business Development District Fund	238,566	346,646	382,250	202,962
TIF 1 Fund	141,474	56,546	65,250	132,770
TIF 2 Fund	251,227	181,889	207,112	226,004
Capital Projects				
Capital Improvement Fund	198,325	1,015,872	1,097,400	116,797
TOTAL ALL FUNDS	\$ 12,115,577	\$ 6,235,766	\$ 6,275,622	\$ 12,075,721



Village of Peotone
Fiscal Year 2026 Budget
Changes in Fund Balance

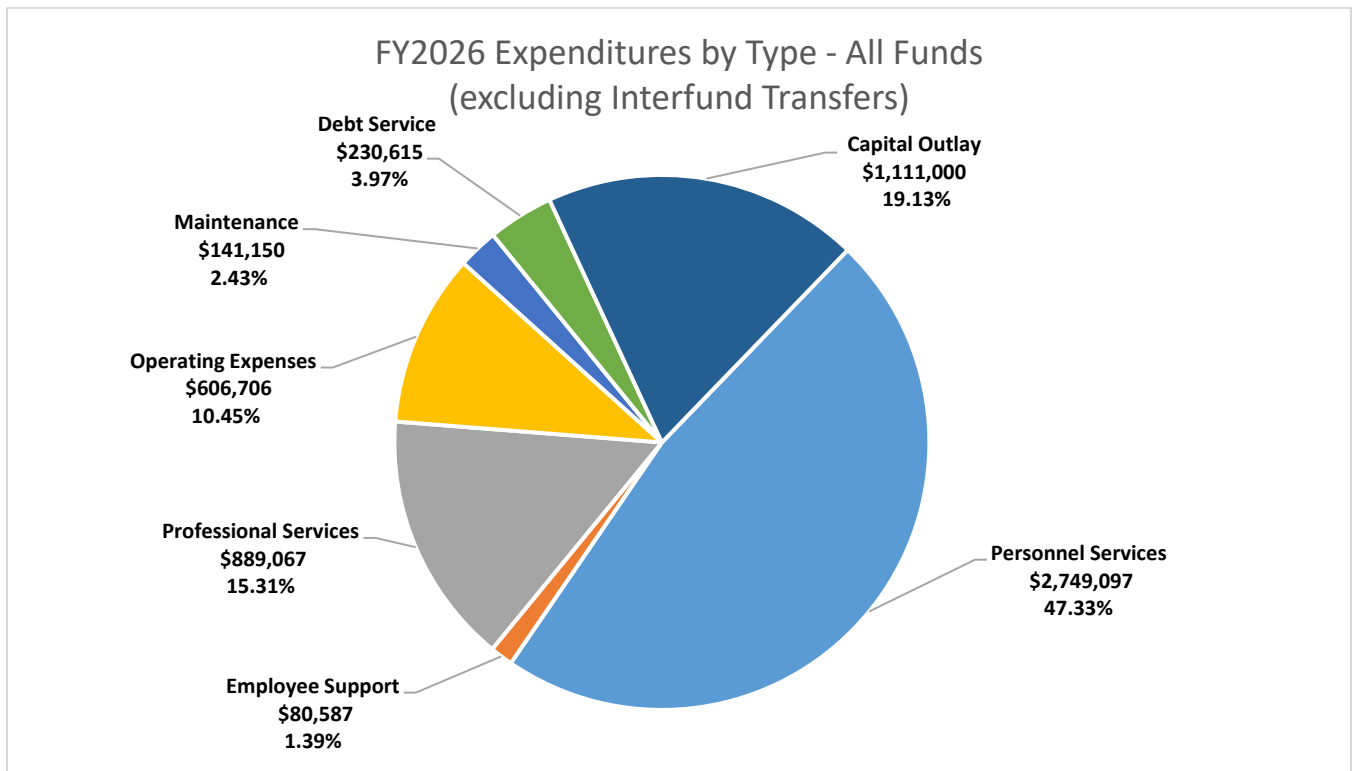
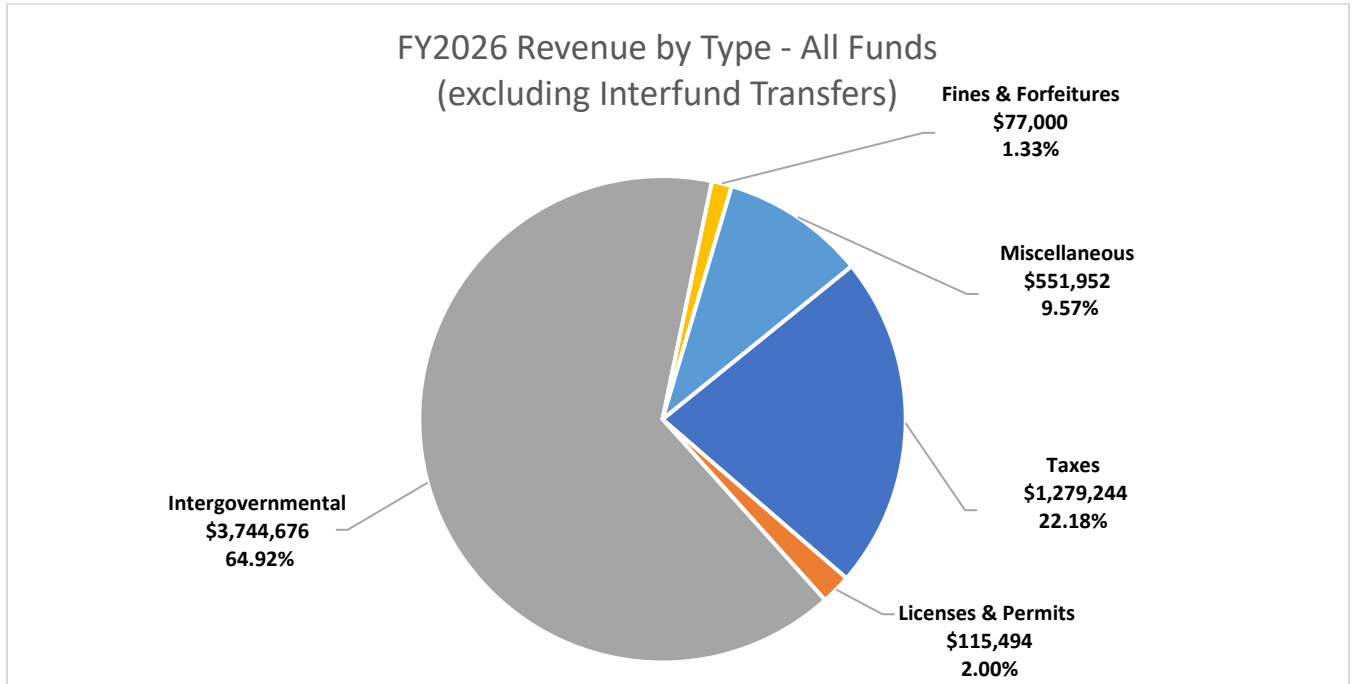
	Audited Fund Balance FY2023	Audited Fund Balance FY2024	Projected Fund Balance FY2025	Projected Fund Balance FY2026
General Operating				
General Fund	\$ 11,506,787	\$ 11,782,880	\$ 11,034,601	\$ 11,128,367
<i>Special Revenue</i>				
Motor Fuel Tax Fund	413,516	170,695	251,384	268,821
Business Development District Fund	505,990	376,550	238,566	202,962
TIF 1 Fund	63,489	88,778	141,474	132,770
TIF 2 Fund	3,047,985	616,030	251,227	226,004
Capital Projects				
Capital Improvement Fund	404,977	248,720	198,325	116,797
Internal Service				
Vehicle Service Fund	35,976			
TOTAL ALL FUNDS	\$ 15,978,722	\$ 13,283,655	\$ 12,115,577	\$ 12,075,721



Summary of Revenues, Expenditures and Changes in Fund Balance - All Funds

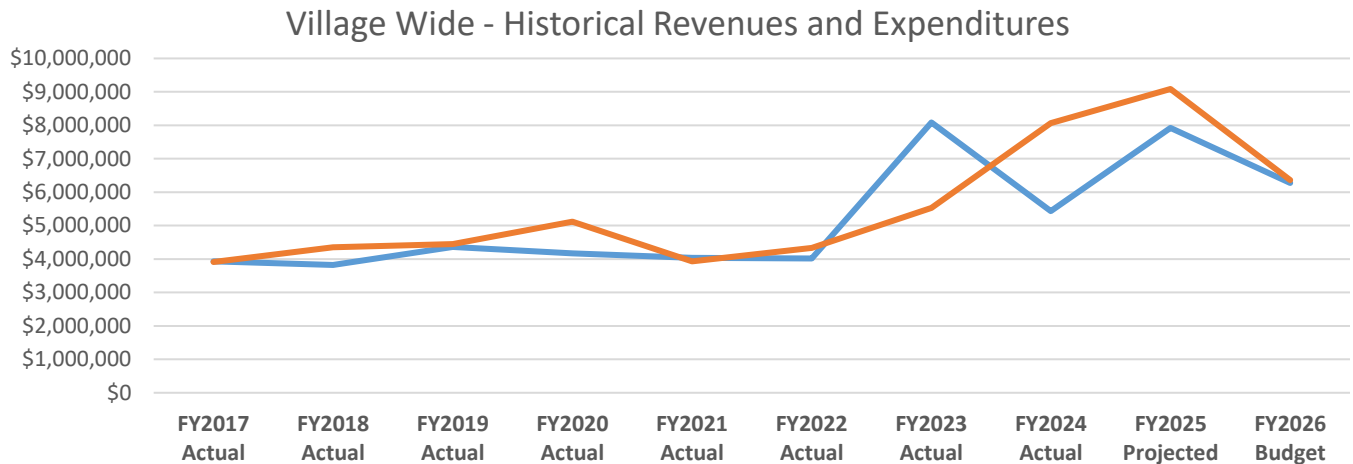
	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Revenues					
Taxes	\$ 990,614	\$ 972,507	\$ 1,054,024	\$ 1,060,856	\$ 1,279,244
Licenses and Permits	254,733	215,972	235,182	118,284	115,494
Intergovernmental	3,333,879	2,873,201	5,994,959	5,052,460	3,744,676
Fines And Forfeitures	88,150	146,132	87,526	74,233	77,000
Miscellaneous Revenues	361,793	755,584	446,758	637,958	551,952
Total Revenues	5,029,169	4,963,397	7,818,449	6,943,791	5,768,366
Expenditures					
Personnel Services	2,408,760	2,453,908	2,646,278	2,573,434	2,749,097
Employee Support	58,828	48,445	84,920	62,121	80,587
Professional Services	962,781	1,667,238	1,160,681	865,651	889,067
Operating Expenses	496,692	346,212	572,380	459,954	606,706
Maintenance	854,289	158,576	189,515	132,031	141,150
Debt Service	42,753	182,811	190,615	190,615	230,615
Capital Outlay	647,058	3,176,072	4,611,279	3,828,062	1,111,000
Total Expenditures	\$ 5,471,161	\$ 8,033,263	\$ 9,455,668	\$ 8,111,867	\$ 5,808,222
Excess (Deficiency) of					
Revenues Over Expenses:	\$ (441,992)	\$ (3,069,867)	\$ (1,637,219)	\$ (1,168,076)	\$ (39,856)
Other Financing Sources (Uses)					
Transfers In		472,427	1,065,000	974,028	467,400
Transfers Out		(35,986)	(1,065,000)	(974,028)	(467,400)
Bond Proceeds	3,055,000				
Bond Issuance Costs	(54,950)				
Total Other Financing Sources (Uses)	\$ 3,000,050	\$ 436,441	\$ -	\$ -	\$ -
Net Income (Loss)	2,558,058	(2,633,425)	(1,637,219)	(1,168,076)	(39,856)
Beginning Fund Balance	13,420,662	15,917,078	13,283,653	13,283,653	12,115,577
Ending Fund Balance	\$ 15,978,720	\$ 13,283,653	\$ 11,646,434	\$ 12,115,577	\$ 12,075,721

Total FY2026 revenues for all budgeted Village funds amount to \$6,235,766 (including Interfund Transfers) and total FY2026 expenditures for all budgeted Village funds amount to \$6,275,622 (including Interfund Transfers). Total revenues and total expenditures include interfund transfers between funds in the total amount of \$467,400. Below is a summary of FY2026 revenues and expenditures by type, net of Interfund Transfers.



Village Wide Revenues and Expenditures

Total FY2026 revenues for all budgeted Village funds amount to \$6,235,766 and total FY2026 expenditures for all budgeted Village funds amount to \$6,275,622, including interfund transfers. Below is a historical trend of total Village-wide revenues and expenditures, shown over the last ten years.

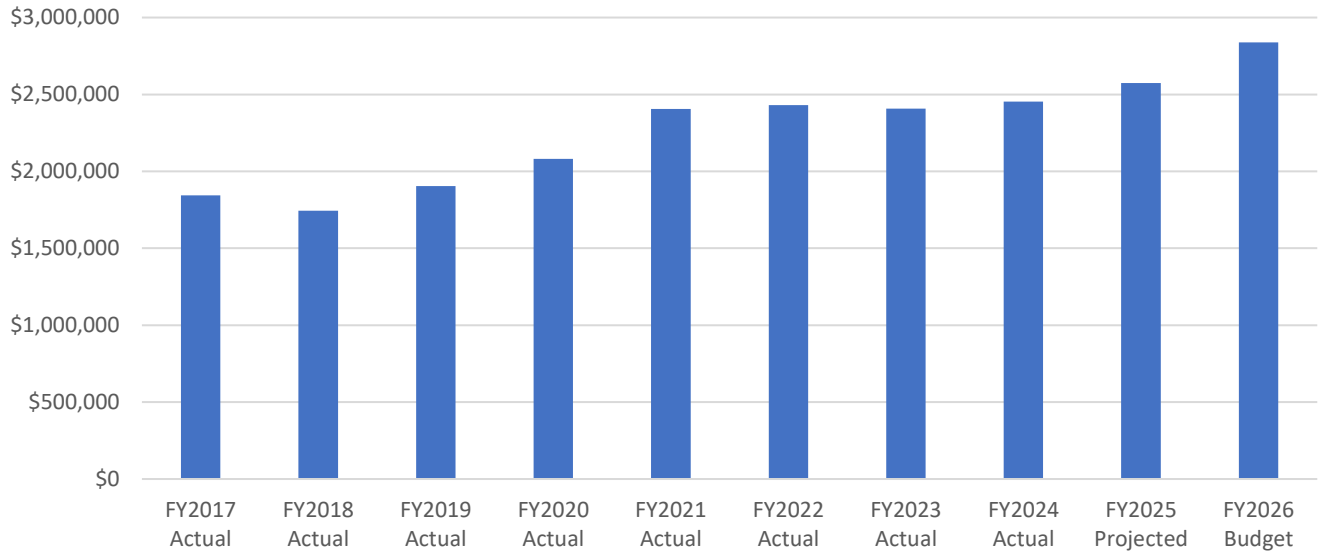


The increase in total revenues and expenditures when comparing FY2024 Actual and FY2025 Projected is mostly due to significant spending in the Business Development Fund on the Downtown Streetscape project, the receipt of grant proceeds related to this project and an interfund transfer from the General Fund to the Business Development District Fund, in the amount of \$875,000, to fund a portion of the project.

The decrease in revenues when comparing FY2025 Projected to FY2026 Budget is mostly related to the one-time receipt of grant proceeds in FY2025. The decrease in expenditures when comparing FY2025 to FY2026 reflects significantly less spending on capital projects in FY2026; FY2025 projected capital outlay amounts to approximately \$3.8 million, FY2026 budgeted capital outlay amounts to approximately \$1.1 million.

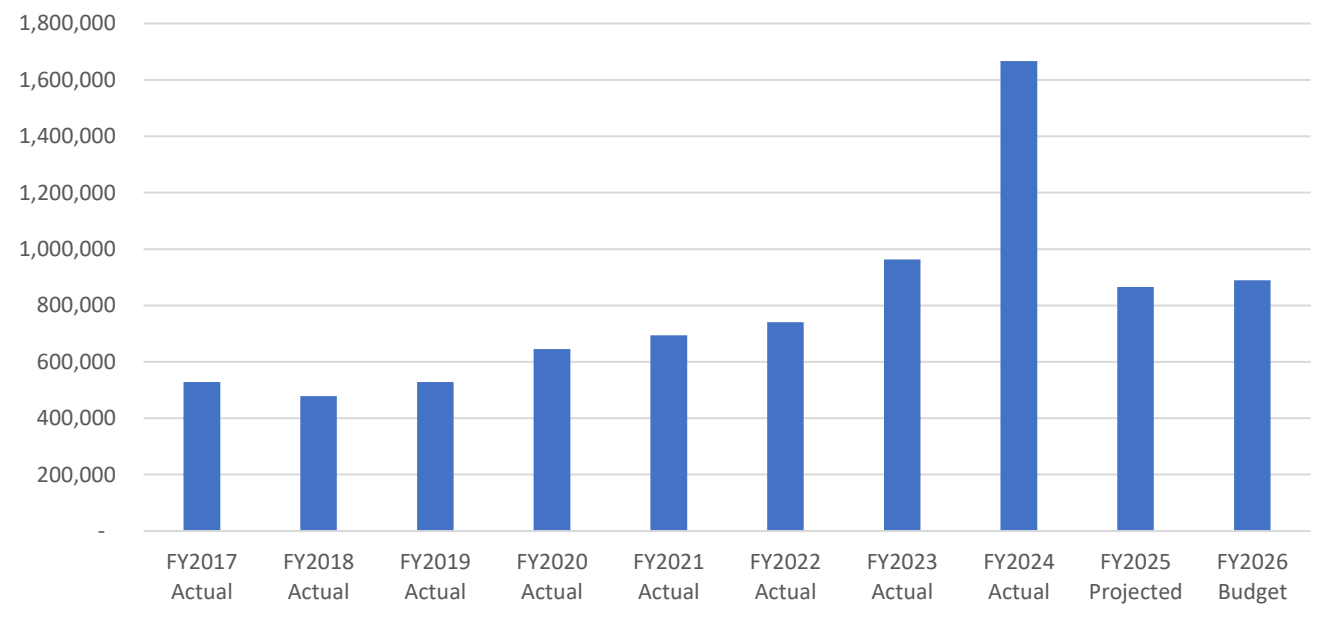
Below is a history of the Village’s personnel expenditures for the last ten years. This expenditure category has grown approximately 54% since FY2017, for an average annual increase of approximately 5.4%. The increase when comparing FY2025 Projected to FY2026 Budget is partially due to the addition of a full-time Clerical Support position that replaced a part-time position, as well as annual COLA and merit increases, when applicable. In addition, the Village’s IMRF rate increased from .78% to 3.43% and the recommended contribution to the Police Pension Fund increased from \$372,036 to \$435,589.

Village Wide Personnel Expenditures



Below is a history of the Village’s expenditures in the Professional Services category for the last ten years. The FY2025 budget amounts to \$889,067. This expenditure fluctuates each year based on maintenance and new construction projects included in the annual budget, as well as the consulting needs of the Village. The FY2026 Budget includes capital project related engineering fees of approximately \$102,400.

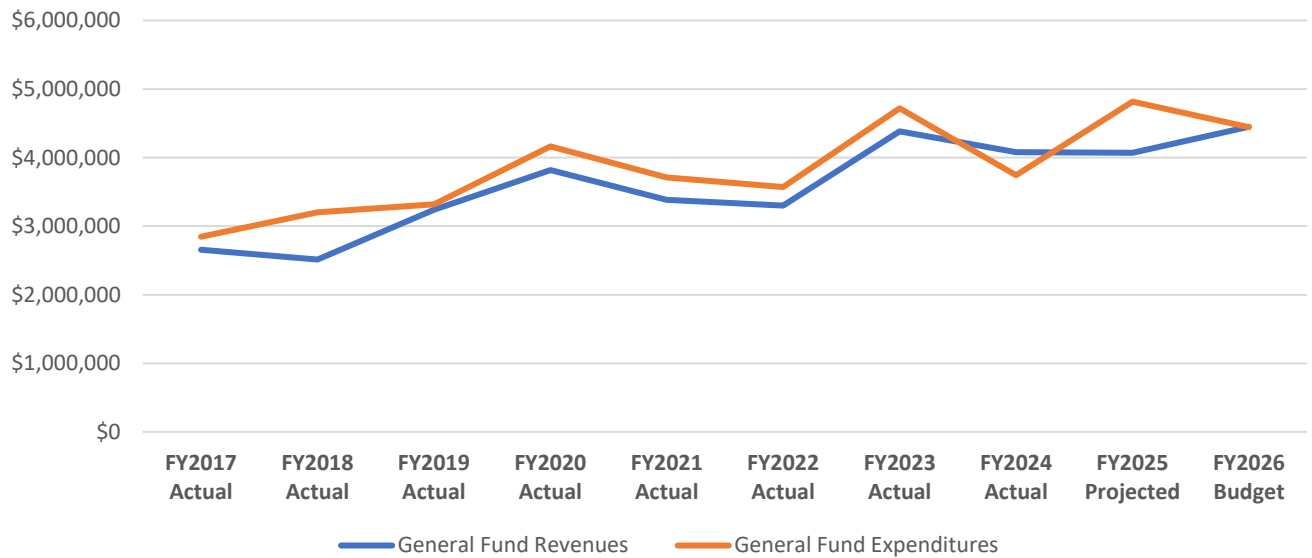
Village Wide Professional Services Expenditures



General Fund Revenues and Expenditures

Total FY2026 revenues for the General Fund amount to \$4,449,976 and total FY2026 expenditures for the General Fund amount to \$4,356,210, including interfund transfers. Below is a historical trend of total General fund revenues and expenditures shown over the last ten years.

General Fund - Historical Revenues and Expenditures



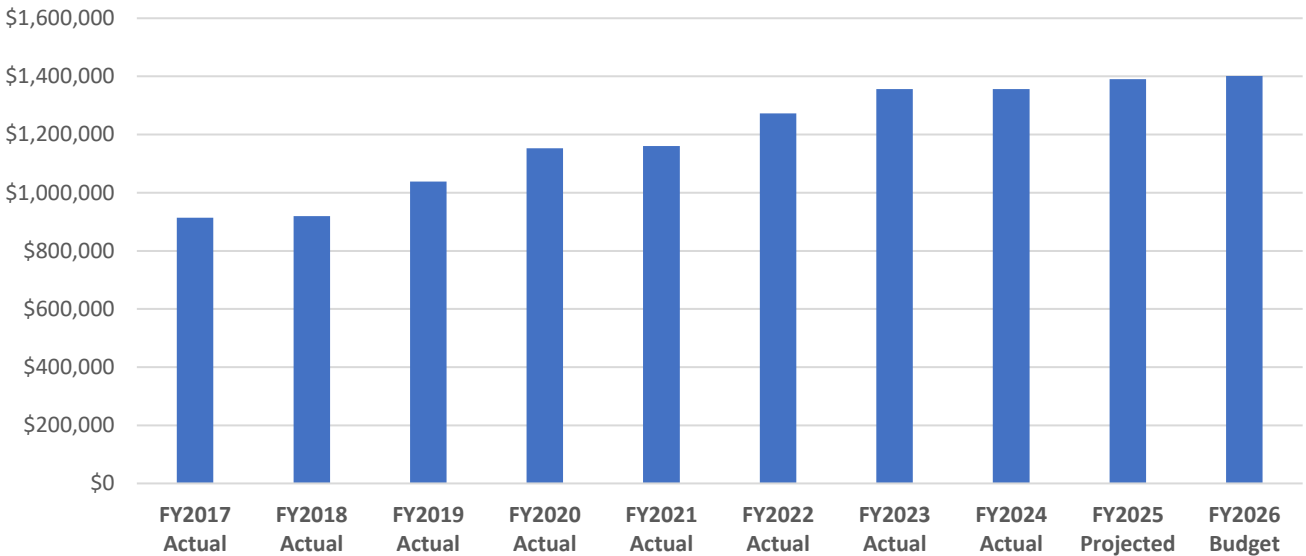
The slight decrease between FY2024 actual and FY2025 is mostly due to the one-time transfer of remaining fund balance from the Village’s Vehicle & Equipment Fund, which was closed in FY2024.

FY2026 budgeted revenues increased as compared to FY2025 projected revenues due to a transfer from the Business Development District Fund to the General Fund, as well as increases in Property, Hotel/Motel and Sales Taxes, as well as Travel Center Revenues. The transfer from the Business Development District Fund is to partially repay the General Fund for providing partial funding for the Downtown Streetscape project. These noted increases are partially offset by decreases in Interest Income and Use Tax.

General Fund Revenues

Sales, Use and Cannabis Tax revenue, combined, represent the largest source of General Fund revenue. For purposes of this analysis, these revenues are reported as one amount as prior to FY2024 as these revenues were combined in a single GL account and not identified individually. Below are the historical combined revenues from these three sources for the last ten years.

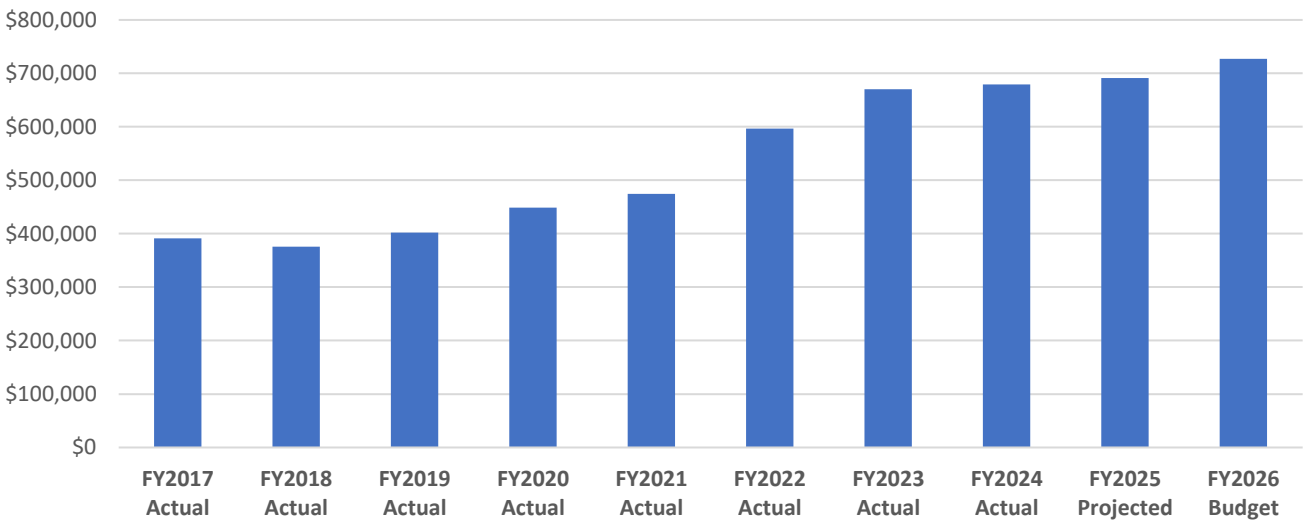
Municipal Sales Tax
(including Sales, Use and Cannabis Tax)



These revenues sources have grown approximately 53.4% when comparing FY2017 Actual to FY2026 Budget. Approximately 65% of the Village’s Municipal Sales Tax collections are derived from the three auto dealerships located within the Village.

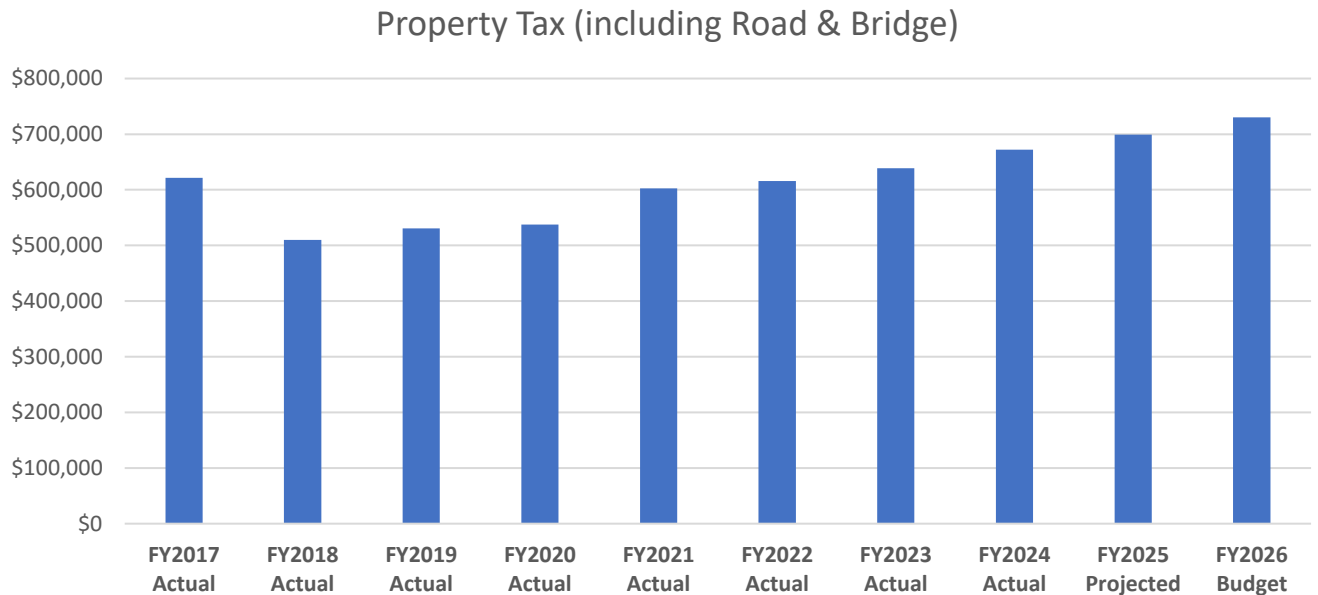
While State action could affect this revenue source, Income Tax revenue over the last ten years has shown to be a stable, steadily increasing source of revenue for the Village. This revenue is distributed to the Village on a per capita basis. The chart below shows the historical income tax revenues collected since FY2015.

Income Tax



The FY2025 projected amount of \$691,347 is based on a combination of actual revenues received and IML published per capita rates as of November 2024. The FY2026 budget includes \$727,059 of income tax revenues.

The chart below shows the historical property tax (including Road & Bridge) revenues recorded in the General Fund since FY2017.



The Village’s property tax levy fluctuates each year based on growth in the Village’s EAV, as well as changes in the recommended contribution to the Police Pension Fund. Approximately 32% of the 2024 tax levy (collected in FY2026) is allocated to funding the recommended contribution to the Police Pension Fund. The Village strives to minimize its reliance on property taxes while maintaining a consistent level of service to its residents.

The total cost of compensation for the Village’s personnel represents the largest component of the Village’s recurring operating expenditure budget. The FY2026 Budget reflects a total personnel count of 22 full-time and 7 part-time employees (positions).

The Village’s full-time employee population consists of both union and non-union employees (positions), as shown below. The Village’ union employees are members of one of two bargaining units, including the following:

- ✓ International Brotherhood of Teamsters Local 700 – Sworn Police personnel – 10 members
- ✓ International Union of Operating Engineers Local 399 –Public Works – 4 members

Sworn Personnel - The current sworn personnel contract, effective April 1, 2024 and, expiring on March 31, 2027, provides for a 3.0% rate increase on April 1, 2025 and 2026. Officers not at the top of their salary range are also eligible for a merit increase on their anniversary dates that averages 3.0%.

Full-Time Public Works Personnel - The current full-time public works personnel contract, effective April 1, 2022, expires on March 31, 2027. This contract provides for a 4.5% hourly rate increase on April 1, 2022, a \$1.00 hourly rate increase on April 1, 2023, a \$.95 hourly rate increase on April 1, 2024 and 2025 and a 4.0% hourly rate increase on April 1, 2026.

Non-Union Personnel – The FY2026 compensation budget reflects hourly rate/salary increases of 3.0% for all full-time and part-time non-union personnel.

Total full-time and part-time positions reflected in the FY2026 budget, as well full-time equivalent allocations, by department are reflected below, along with a comparison to FY2024 actual and FY2025 projected.

Department	FY2024 Actual			FY 2025 Projected			FY2026 Budget		
	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE
Administration	2.00	1.00	3.50	3.00	1.00	3.50	3.00	1.00	3.00
Police	12.00	5.00	12.50	13.00	6.00	13.50	13.00	6.00	13.50
Community Development	1.00	-	-	1.00	-	1.00	-	-	-
Public Works	4.00	1.00	4.50	5.00	-	5.00	5.00	-	5.00
Total Personnel	19.00	7.00	20.50	22.00	7.00	23.00	21.00	7.00	21.50

Personnel Budget

The FY2026 budget includes total employee compensation costs (Personnel Services and Employee Support expenditure categories) in the amount of \$2,746,696. All personnel-related costs are reflected in the expenditure budget of the General Fund. Total compensation costs include salaries (including overtime and add pays such as longevity and education), the Village’s contribution to IMRF, Social Security, Medicare and the Police Pension Fund, the Village’s share of health, dental, vision and life insurance premium costs and uniforms, dues and subscriptions, recruitment costs and training and travel costs.

When compiling the annual personnel budget, the Village uses a streamlined total compensation model that serves as a strategic budgeting tool for salaries and benefits.

Personnel Changes

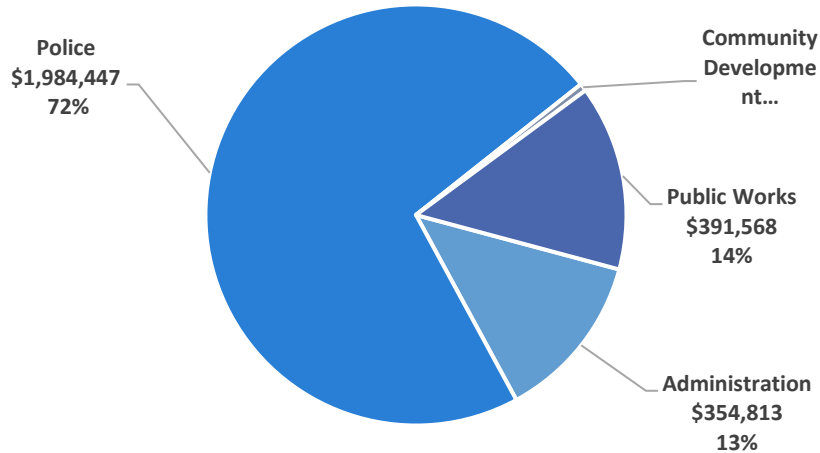
The FY2026 budget reflects the following personnel changes.

- ✓ The full-time Building & Zoning Coordinator, as well as the part-time Permit Technician and Code Enforcement positions were eliminated from the Community Development department. One of the part-time Clerical Support positions is now allocated between the Administration and Community Development departments.
- ✓ One of the part-time Clerical Support positions was converted to full-time. This position is eligible for medical and IMRF benefits.

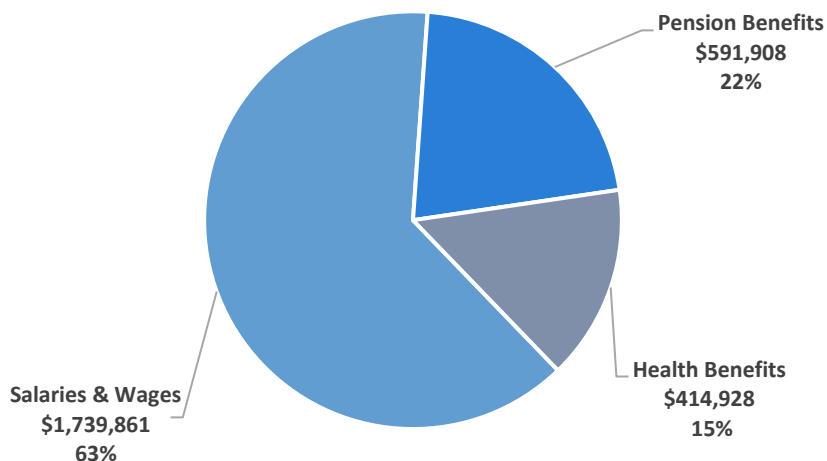
Personnel Costs – Total Compensation

Total personnel cost of compensation, by department and by type, is reflected below.

FY2025 Total Compensation by Department



FY2026 Salaries and Benefits by Type



In addition to the salary adjustment amounts noted above, the FY2026 Budget reflects the following personnel assumptions:

- ✓ 3.6% assumed increase in health, 1.8% increase in dental and a 2.0% increase in vision insurance premiums as of the Village’s July 1, 2025 renewal date
- ✓ Illinois Municipal Retirement Fund (IMRF) contribution rate for non-public safety employees of 3.43 % as of January 1, 2025 and an assumed rate effective January 1, 2026 of 3.60%
- ✓ Police Pension contributions assumed at \$435,589, based on results of the April 30, 2024 actuarial valuation, funded by property taxes, as well as general revenues of the Village

PPO Medical benefits for employees and retirees are provided through the Village’s participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). The IPBC is a cooperative entity established to jointly administer personnel benefit programs offered by its members to their employees and retirees. The Village pays the full premium for health, dental, vision and life insurance for all active employees. Retirees who remain on the Village’s plan are required to cover the full costs of any benefits they choose to enroll in.

A schedule of total wages, including salaries, overtime and add pays by department, can be found below. Total compensation by position for each department can be found in the Appendix section of this document.

Department	FY 2023 Actual	FY2024 Actual	FY2025 Budget	FY 2025 Projected	FY2026 Budget
Administration	\$ 206,084		\$ 226,464		\$ 257,699
Police	886,377		1,098,259		1,177,319
Community Development	4,832		120,558		14,740
Public Works	228,615		260,534		290,103
Total	\$ 1,325,908	\$ -	\$ 1,705,815	\$ -	\$ 1,739,861



Based on best practices, in September 2023, the Village Board approved a Capital Asset Planning and Reporting Policy. This policy provides a framework for capital planning and financial reporting in conformance with best practices, ensures good stewardship over Village resources and provides for annual capital plans that are consistent with the Village's overall organization goals.

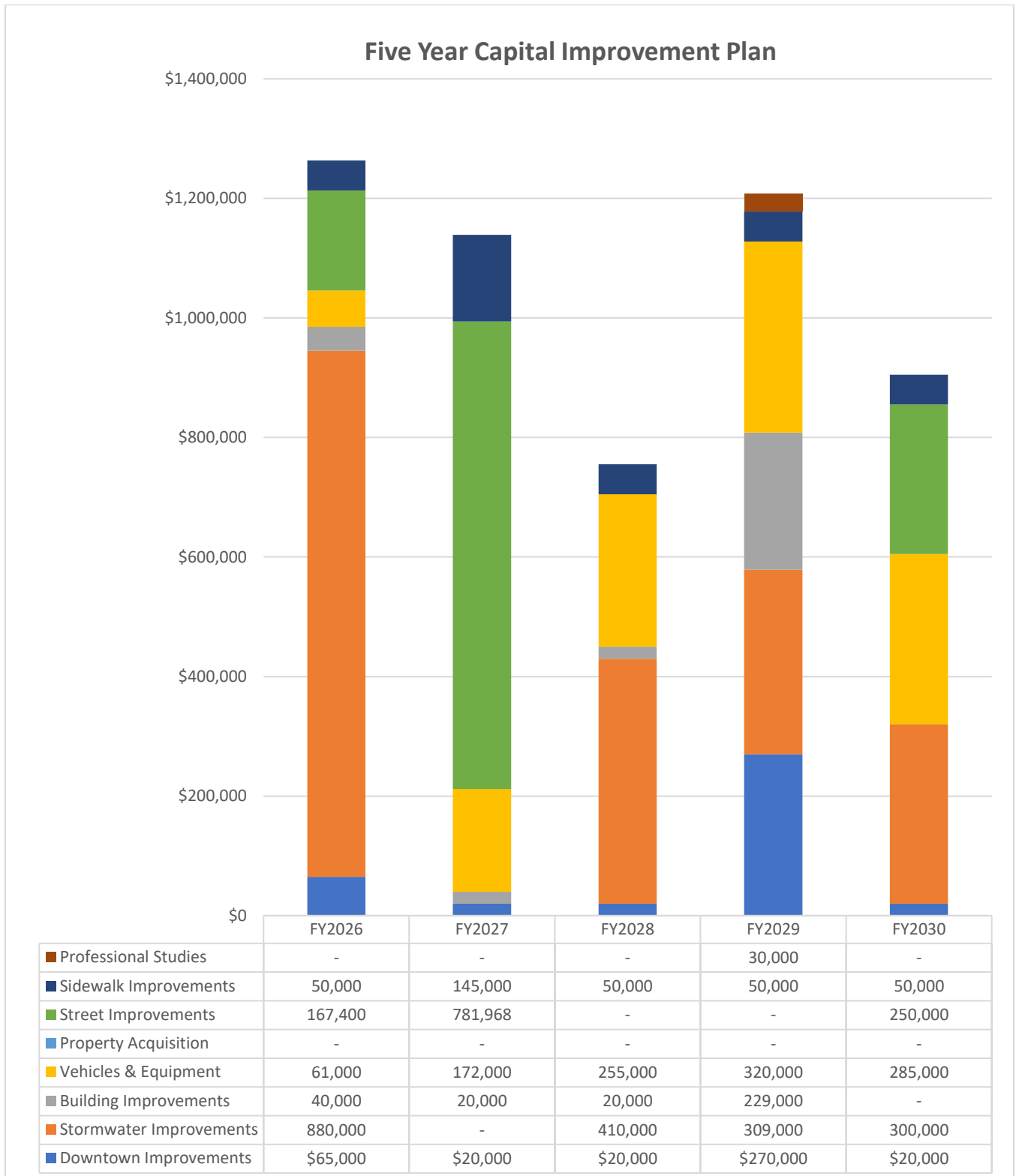
The Village's current five-year Capital Improvement Plan (CIP) identifies capital projects that support the Village's strategic goals and include projects such as the purchase, construction and/or improvement of land, buildings, streets, vehicles, machinery, and equipment. To be included in the CIP, the project must have a monetary value of \$10,000 or more and have a useful life of at least one year. The annual capital budget is derived from the multi-year CIP and authorizes and provides the basis for control of the expenditures related to the plan.

Each year, as part of the overall budget process, the department heads and Village Administrator meet to review and evaluate the projects identified for the upcoming budget year, as well as future years. Projects for the upcoming budget year are prioritized based on the Village's overall goals, department priorities and anticipated funding. The updated CIP, based on the consensus of staff, is presented to the Village Board for review and tentative approval. Proposed funding sources for the upcoming budget year are also presented to the Village Board. The Board may choose to add, delete, modify and/or move projects to another budget year. The tentatively approved CIP is then added to the annual budget that is brought to the Board for formal approval.

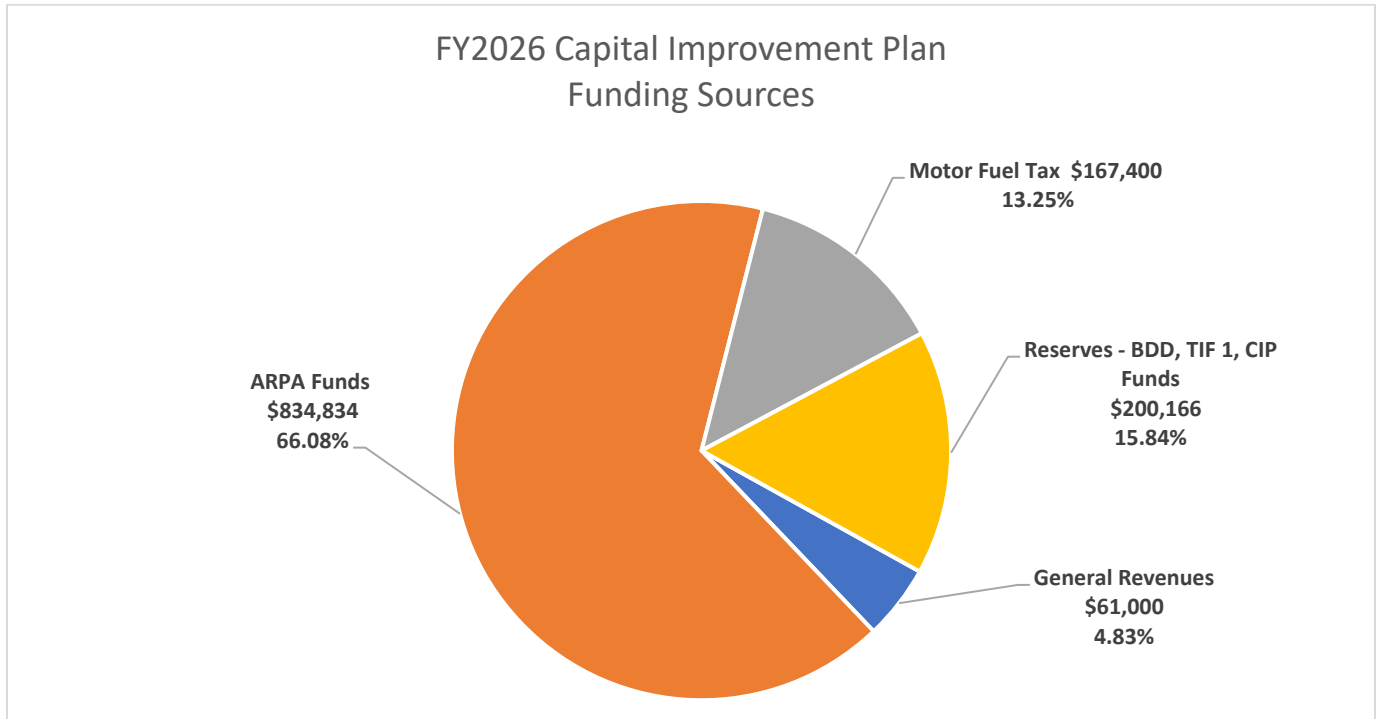
Potential funding sources for the CIP include, but are not limited to, general obligation and alternative revenue bond proceeds, debt certificates and lease proceeds, federal and state grant funding, motor fuel tax proceeds, developer donations, and pay-as-you-go contributions from the Village's operating funds. Operating funds that may contribute to the annual capital budget include the General and Motor Fuel Tax Fund.

The Village's FY2026 capital improvement program amounts to \$1,263,400 reflecting projects budgeted in the General, Capital Improvement, Business Development District and TIF 1 Funds. While the majority of capital projects are reflected in Capital Outlay line items within the FY2025 budget, various studies and engineering costs for road improvements, in the amount of \$152,400, are classified in the Other Professional Consulting Services and Engineering Services line items.

A summary of the Village's FY2026 CIP, as well as funding sources, is provided below. Immediately following is a summary of the larger budgeted projects, as well as the Village's detailed five (5) year CIP.



The chart below displays the funding sources for the Village’s FY2026 capital improvement projects, along with a description of the larger capital projects included in the FY2026 budget.



Conrad Street Storm Sewer Engineering and Construction - \$880,000

This stormwater relief project involves storm sewer improvements at the Conrad/North intersection, minor improvements at the Conrad/Crawford intersection, and a receiving relief upgrade from 15” to 30”, doubling capacity. Design engineering is complete, and the Village engineer is working with the various utilities to address any conflicts.

East Crawford Engineering and Paving - \$112,500

Due to the significant street reconstruction that will occur in the downtown area, the FY2026 street improvement program is limited and will only consist of resurfacing East Crawford Street.

Each of the projects noted above may have an effect on future operating budgets of the Public Works Department reflected in the General Fund as maintenance and repairs may be required over time. In addition, there will be an annual cost related to the planters within the downtown district.

**Village of Peotone
Fiscal Year 2026 Budget
Five Year Capital Improvement Plan**

Description	FY2026	FY2027	FY2028	FY2029	FY2030
General Fund					
Squad Car and Equipment		70,000	70,000	70,000	70,000
Truck w/Spreader & Plow				250,000	215,000
Brush Chipper		102,000			
Front Loader			185,000		
Pickup Truck	61,000				
Replacement Generator at Village Hall				30,000	
<i>Total General Fund</i>	<i>61,000</i>	<i>172,000</i>	<i>255,000</i>	<i>350,000</i>	<i>285,000</i>
Capital Improvements Fund					
Storm Sewer Conrad Street CE	70,000				
Storm Sewer Conrad Street Construction	810,000				
Sidewalk Improvements WP Road Meadow to Rathje DE		13,268			
Sidewalk Improvements WP Road Meadow to Rathje CE		18,000			
Sidewalk Improvements WP Road Meadow to Rathje		95,000			
Annual Sidewalk Program	50,000	50,000	50,000	50,000	50,000
Village Hall Building Improvements					
Salt Dome (500 Ton)				189,000	
Paving E Crawford CE	32,400				
Paving E Crawford Construction	135,000				
Storm Sewer Royal Lane				289,000	
Storm Sewer West Main			410,000		
Paving Gull Landings Paving		453,200			
Hauert Street Storm Sewer					300,000
Reconstruction West Street South					250,000
Paving South Street Route 50 to South 2nd Engineering		47,500			
Paving South Street Route 50 to South 2nd		250,000			
Storm Water Study				20,000	
<i>Total Capital Improvements Fund</i>	<i>1,097,400</i>	<i>926,968</i>	<i>460,000</i>	<i>548,000</i>	<i>600,000</i>
Business Development District Fund					
Façade Improvement Program Downtown	25,000	10,000	10,000	10,000	10,000
Directional Signs	15,000				
Railroad Street Parking Lot Improvements				250,000	
<i>Total Business Development District Fund</i>	<i>40,000</i>	<i>10,000</i>	<i>10,000</i>	<i>260,000</i>	<i>10,000</i>
TIF 1 FUND					
Façade Improvement Program	25,000	10,000	10,000	10,000	10,000
Village Hall Remodel	40,000	20,000	20,000	10,000	
<i>Total TIF 1 Fund</i>	<i>65,000</i>	<i>30,000</i>	<i>30,000</i>	<i>20,000</i>	<i>10,000</i>
TIF 2 FUND					
TIF Expansion				30,000	
<i>Total TIF 2 Fund</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>30,000</i>	<i>-</i>
Total Capital Improvement Plan	\$ 1,263,400	\$ 1,138,968	\$ 755,000	\$ 1,208,000	\$ 905,000

General obligation bonds are issued for general government activities, are direct obligations, and pledge the full faith and credit of the Village towards their repayment. Periodically, the Village may issue long-term general obligation debt to provide funds for the acquisition and construction of major capital improvements. Best practices indicate that long-term debt should only be issued to fund projects or improvements that have a useful life beyond the term of the applicable debt.

In addition to the issuance of general obligation bonds, the Village may, from time to time, take advantage of other legally available debt instruments to fund the purchase or construction of long-term capital assets or shorter-term vehicles and equipment.

General Obligation Bonds

As of April 1, 2025, the Village’s long-term general obligation debt consisted of General Obligation Bonds (Alternative Revenue Source), Series 2022 in the principal amount of \$3,055,000. The bonds carry an annual coupon rate of 4.84%, with a maturity date of December 1, 2042. The bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity at the option of the Village. The purpose of the issuance was to finance improvements to the Interstate 57 interchange within the Village’s TIF District 2. No rating was required at the time of issuance; therefore, the Village does not have an official bond rating at this time.



Below is a debt service schedule for the Series 2022 general obligation bonds, including principal and interest payments.

Fiscal Year	Total Debt Service	Fiscal Year	Total Debt Service
FY2024	\$140,058	FY2025	\$147,862
FY2026	187,862	FY2027	235,926
FY2028	241,570	FY2029	241,730
FY2030	246,648	FY2031	251,082
FY2032	255,032	FY2033	258,498
FY2034	261,480	FY2035	268,978
FY2036	270,750	FY2037	277,038
FY2038	282,600	FY2039	287,436
FY2040	291,546	FY2041	294,930
FY2042	302,588	FY2043	309,278



Legal Debt Margin and Debt Per Capita

Based on Illinois Compiled Statutes, as well as the Village's non-home rule status, the legal debt limit for the Village is 8.625% of Equalized Assessed Valuation (EAV). Based on the Village's 2023 EAV of \$116,780,720, the Village's legal debt limit is \$10,072,337. The Village's FY2026 Budget does not include the issuance of any general obligation debt.

Capital Leases

In October 2019, the Village entered into a lease agreement for the acquisition of a street sweeper. The lease agreement reflects annual payments of \$42,753 and the lease matures on December 31, 2025. The final lease payments is reflected in the FY2026 budget.

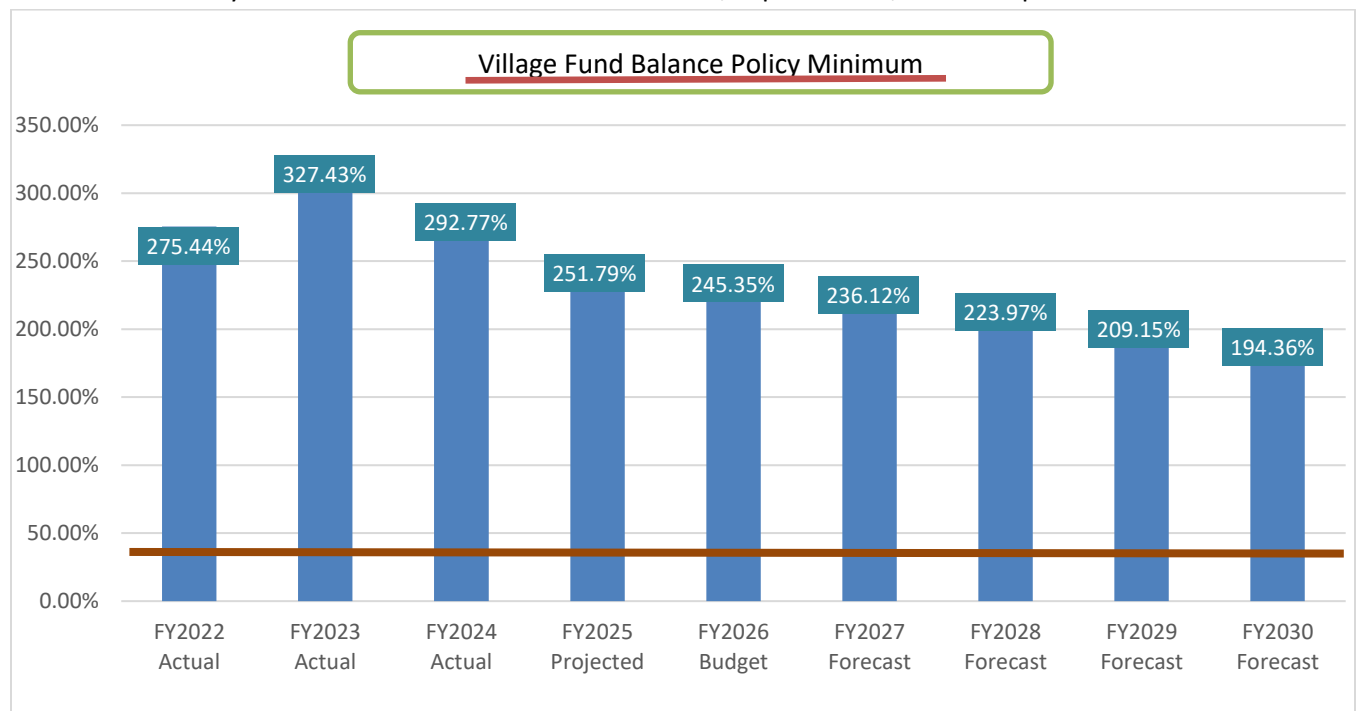
General Fund

In 2018, Aqua America Inc. (“Aqua”) purchased the Village’s water and wastewater assets and became responsible for billing the Village’s 3,000+ water customers, as well as for the operation, maintenance of and improvements to the system. Sale proceeds, in the amount of approximately \$12,000,000, were recorded in the Village’s General Fund. The majority of the proceeds are still on hand, with a projected fund balance at the end of FY2025 of approximately \$11.0 million, or approximately 252% of annual recurring operating expenditures within the General Fund. The Board’s goal is to maintain a significant portion of this balance in the General Fund by issuing annual balanced budgets and only drawing on fund balance for one-time capital projects or unplanned, emergency purchases. Future spending will be carefully considered and new revenue sources may be considered if needed.

When forecasting future fund balance in the General Fund, the following were made.

- ✓ FY2026 reflects Hotel/Motel Tax revenues as the Village’s first hotel is scheduled to open in late spring 2025.
- ✓ Existing revenues are forecasted to grow by 2.5% each year
- ✓ Operating expenditures are forecasted to grow by 3.0% each year
- ✓ Annual General Fund capital outlay is capped at \$50,000 beginning in FY2027
- ✓ Annual transfers to the Capital Improvement Fund are capped at \$50,000 beginning in FY2027
- ✓ FY2026 thru FY2029 reflects transfers in from the Business Development District Fund for the repayment of an interfund loan included in the FY2025 budget

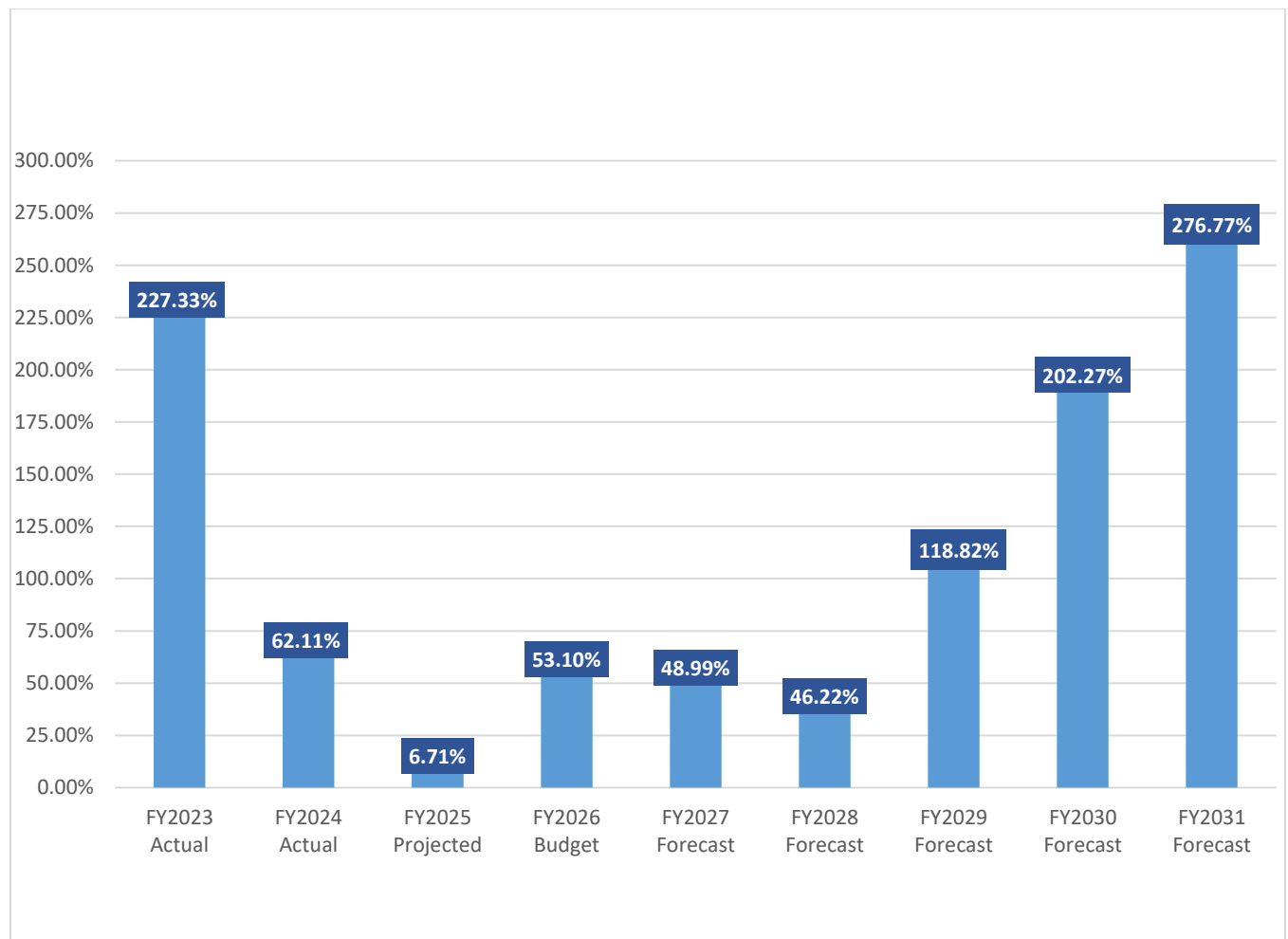
Based on the noted assumptions, below is the Village’s long-term fund balance forecast for the General Fund, reflecting on two years of audited results, one year of projected results, the current budget year, and projections for five additional years and includes a forecast of revenues, expenditures, and anticipated fund balance.



Business Development District Fund

The Business Development District Fund is funded by a 1% Business District Tax and a 1% Hotel/Motel Tax. The revenues generated by these taxes can only be utilized within the district for eligible projects. As reflected in the FY2025 projected revenues of the fund, \$875,000 was transferred from the Village’s General Fund to the Business Development District Fund to provide partial funding for the Downtown Streetscape project. It is the intent of the Village to reimburse the General Fund with future tax revenues received by the fund. Below is a long-term forecast of fund balance within the Business Development District Fund based on the following assumptions.

- ✓ Business District Tax and Hotel/Motel tax revenues will increase 2.5% per year
- ✓ No other revenues, other than interest income, will be generated by the fund in future years
- ✓ Estimates Professional Services of \$25,000 per year
- ✓ Capital Outlay of \$100,000 for FY2027 and 2028, \$150,000 for FY2029 and \$200,000 for FY2030 and FY2031
- ✓ Transfers to the General Fund of \$300,000 in FY2026, \$250,000 in FY2027 and 2028, \$75,000 in FY2029





**Village of Peotone
Fiscal Year 2026 Budget
General Fund Summary**

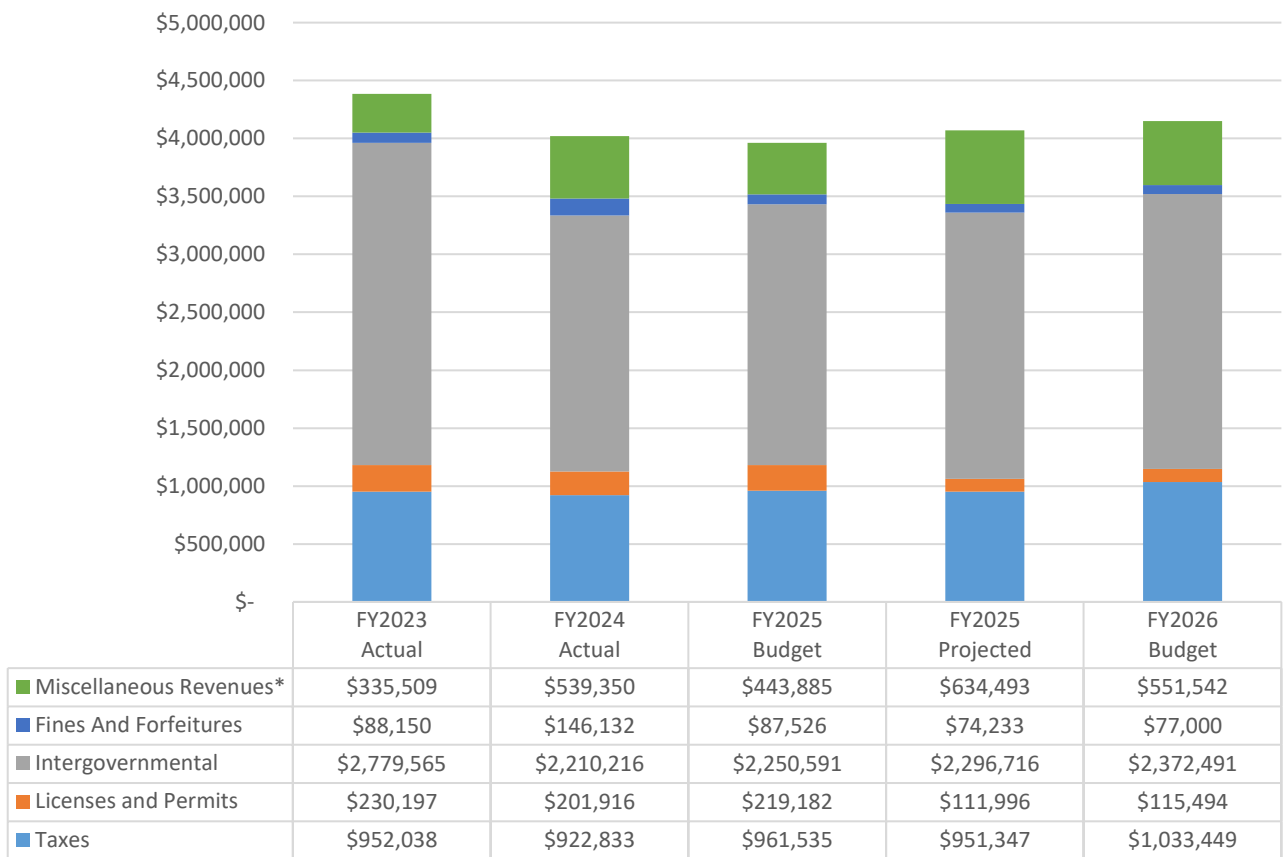
	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Revenues					
Taxes	\$ 952,038	\$ 922,833	\$ 961,535	\$ 951,347	\$ 1,033,449
Licenses & Permits	230,197	201,916	219,182	111,996	115,494
Intergovernmental	2,779,565	2,210,216	2,250,591	2,296,716	2,372,491
Fines & Forfeitures	88,150	146,132	87,526	74,233	77,000
Miscellaneous Revenues	335,509	539,350	443,885	634,493	551,542
Total Revenues	\$ 4,385,459	\$ 4,020,448	\$ 3,962,719	\$ 4,068,785	\$ 4,149,976
Expenditures					
Personnel Services	2,408,760	2,453,908	2,646,278	2,573,434	2,749,097
Employee Support	58,828	48,445	84,920	62,121	80,587
Professional Services	612,464	564,667	765,681	513,896	704,917
Operating Expenses	493,476	344,981	572,380	459,954	576,706
Maintenance	539,004	143,886	189,515	116,911	141,150
Debt Service	42,753	42,753	42,753	42,753	42,753
Capital Outlay	563,858	144,151	153,000	172,995	61,000
Total Expenditures	\$ 4,719,142	\$ 3,742,791	\$ 4,454,527	\$ 3,942,064	\$ 4,356,210
Excess (Deficiency) of					
Revenues Over Expenditures	\$ (333,683)	\$ 277,657	\$ (491,808)	\$ 126,721	\$ (206,234)
Other Financing Sources (Uses)					
Transfers In		60,077			300,000
Transfers Out			(975,000)	(875,000)	
Total Other Financing Sources (Uses)	\$ -	\$ 60,077	\$ (975,000)	\$ (875,000)	\$ 300,000
Net Change in Fund Balance	(333,683)	337,735	(1,466,808)	(748,279)	93,766
Beginning Fund Balance	11,840,470	11,445,145	11,782,880	11,782,880	11,034,601
Ending Fund Balance	\$ 11,506,787	\$ 11,782,880	\$ 10,316,072	\$ 11,034,601	\$ 11,128,367

The General Fund is the primary operating fund of the Village that accounts for all financial activity that is not required to be accounted for in a separate fund. The General Fund reflects the activity of the administrative and operating departments of the Village including Administration (including the Village Board), Police, Community Development, Public Works and Central Services.

Village resources recorded in the General Fund are those that are defined as general purpose in nature, such as sales tax and other general revenues.

Total FY2026 General Fund revenues amount to \$4,149,976, net of interfund transfers. Below is a breakdown of General Fund revenues by type for FY2023 through FY2026.

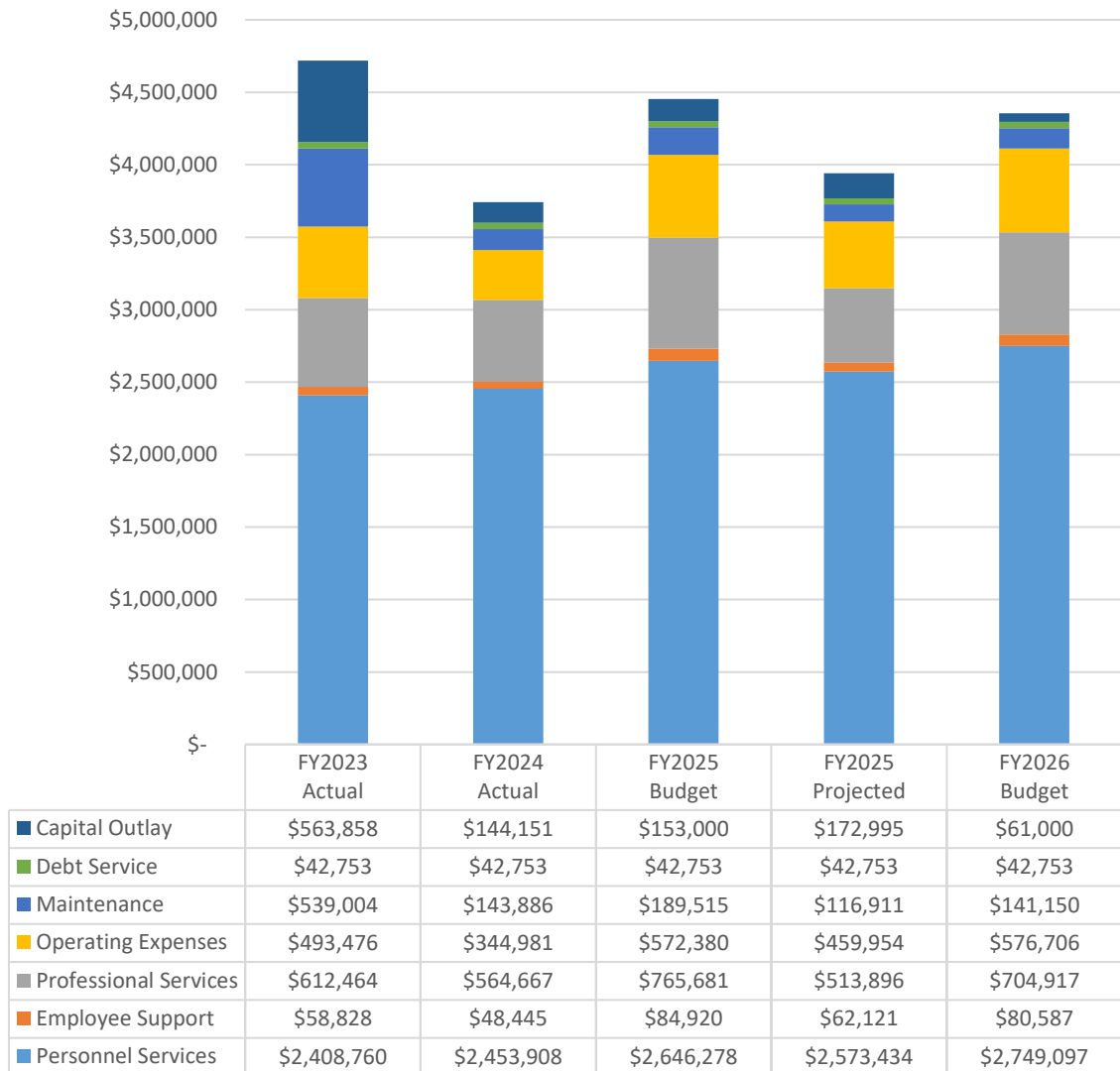
General Fund Revenues by Type



*Includes Interest Income

Total FY2026 General Fund expenditures, net of transfers to other funds, amount to \$4,356,210. Below is a breakdown of General Fund expenditures by type for FY2023 through FY2026.

General Fund Expenditures by Type



A consolidated summary of General Fund revenues, expenditures, and changes in fund balance for FY2023 – FY2026 can be found on the following page.



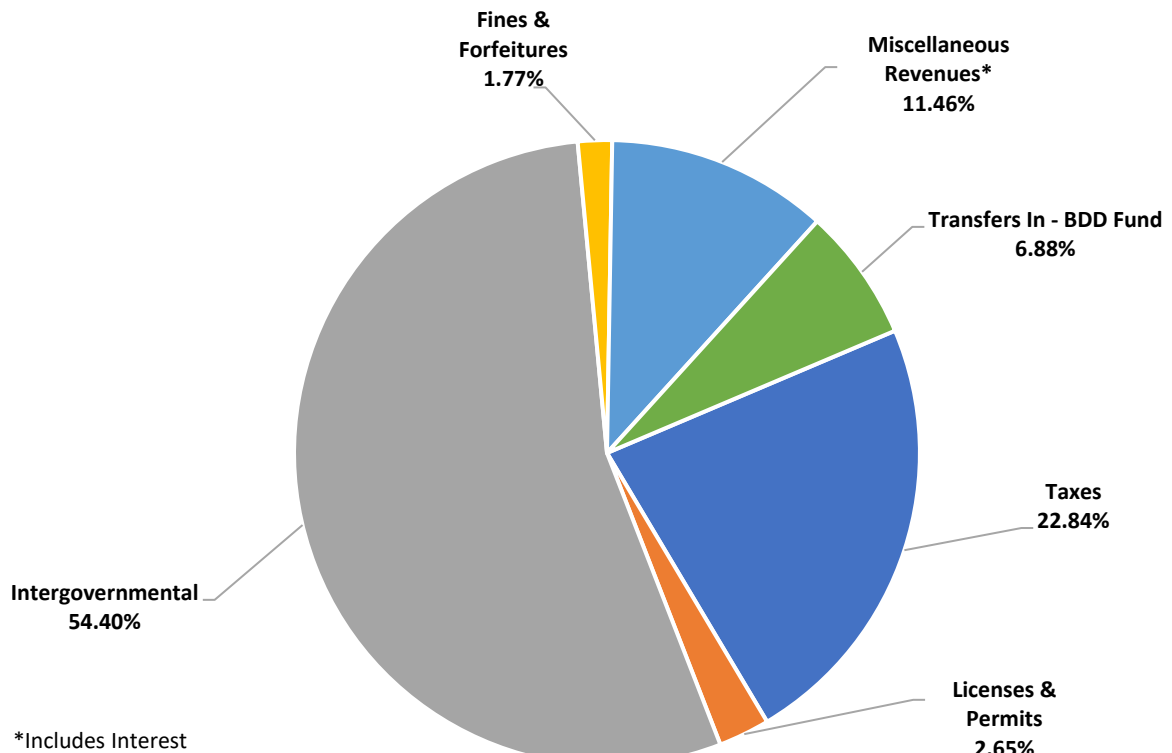
Village of Peotone
Fiscal Year 2026 Budget
General Fund Revenues

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
<i>Taxes</i>					
Property Tax	\$ 590,740	\$ 622,828	\$ 650,562	\$ 650,562	\$ 681,327
Road and Bridge Tax	47,883	49,133	49,373	48,581	48,998
Hotel/Motel Tax					37,500
Utility Tax Electric	313,415	124,184	130,000	135,635	138,624
Utility Tax Gas		78,531	87,000	61,634	66,707
Utility Tax Telecomm		36,403	33,600	35,840	34,605
Utility Tax Water		11,754	11,000	19,095	25,688
Total Taxes	\$ 952,038	\$ 922,833	\$ 961,535	\$ 951,347	\$ 1,033,449
<i>Licenses, Permits & Inspections</i>					
Liquor License	22,563	19,149	20,787	21,348	25,287
Contractor License	14,000	13,100	13,250	12,750	13,250
Business Registrations	15,305	13,195	17,725	2,475	2,475
Video Gaming Terminals				18,250	18,500
Dog License	950	965	920	605	620
Vehicle License	71,150	71,210	70,000	4,400	500
Building Permits	82,904	62,983	69,000	21,650	22,733
Inspection Fee	20,080	18,354	25,000	28,218	29,629
Other Permits	3,245	2,960	2,500	2,300	2,500
Total Licenses, Permits & Inspections	\$ 230,197	\$ 201,916	\$ 219,182	\$ 111,996	\$ 115,494
<i>Intergovernmental</i>					
Personal Property Replacement Tax	95,809	72,516	66,935	47,311	39,916
Retailers Occupation Tax	1,356,431	1,193,872	1,222,609	1,224,825	1,283,193
Auto Rental Tax					
Use Tax		156,719	176,479	158,739	111,504
Cannabis Tax		6,025	6,713	6,441	6,713
State Income Tax	670,549	679,415	656,791	691,347	727,059
Video Gaming Tax	93,441	94,149	121,064	103,733	179,106
Grant Funds	563,334	7,520		64,320	25,000
Total Intergovernmental	\$ 2,779,565	\$ 2,210,216	\$ 2,250,591	\$ 2,296,716	\$ 2,372,491
<i>Fines & Forfeitures</i>					
Circuit Clerk Fines	29,976	28,219	30,526	28,295	29,000
Other Fines	17,535	67,251	50,000	45,938	48,000
Police Forfeiture Revenue	47				
P/T Police Collections	40,592	50,663	7,000		
Total Fines & Forfeitures	\$ 88,150	\$ 146,132	\$ 87,526	\$ 74,233	\$ 77,000
<i>Miscellaneous Revenues</i>					
Interest Income	97,847	375,428	231,326	386,949	325,000
Reimbursements	6,226	3,251			
Resouce Officer Reimbursement	26,168	2,848	42,800	52,154	55,858
Cable & Water Franchise Fees	130,559	107,594	101,759	101,018	95,100
Travel Center Revenues		6,167	30,000	51,962	51,584
Christmas in the Village	6,650	10,100	10,000	10,410	10,000
Donations					
Miscellaneous Income	68,059	33,963	28,000	32,000	14,000
Total Miscellaneous Revenues	\$ 335,509	\$ 539,350	\$ 443,885	\$ 634,493	\$ 551,542
<i>Other Financing Sources</i>					
Transfer Income		60,077			300,000
Total Other	\$ -	\$ 60,077	\$ -	\$ -	\$ 300,000
Total General Fund Revenues	\$ 4,385,459	\$ 4,080,525	\$ 3,962,719	\$ 4,068,785	\$ 4,449,976

Revenues by Source – General Fund

Total FY2026 revenues for the Village’s General Fund amount to \$4,449,976, or approximately 71.4% of the Village’s total FY2026 revenues. FY2026 General Fund revenues include an interfund transfer from the Business Development District Fund. The following is a summary of the major revenue sources of the General Fund for FY2026.

FY2026 Revenues by Source - General Fund



Intergovernmental	Taxes	Miscellaneous Revenues*
\$2,372,491	\$995,949	\$499,958
Transfers In – BDD Fund	Licenses & Permits	Fines & Forfeitures
\$300,000	\$115,494	77,000

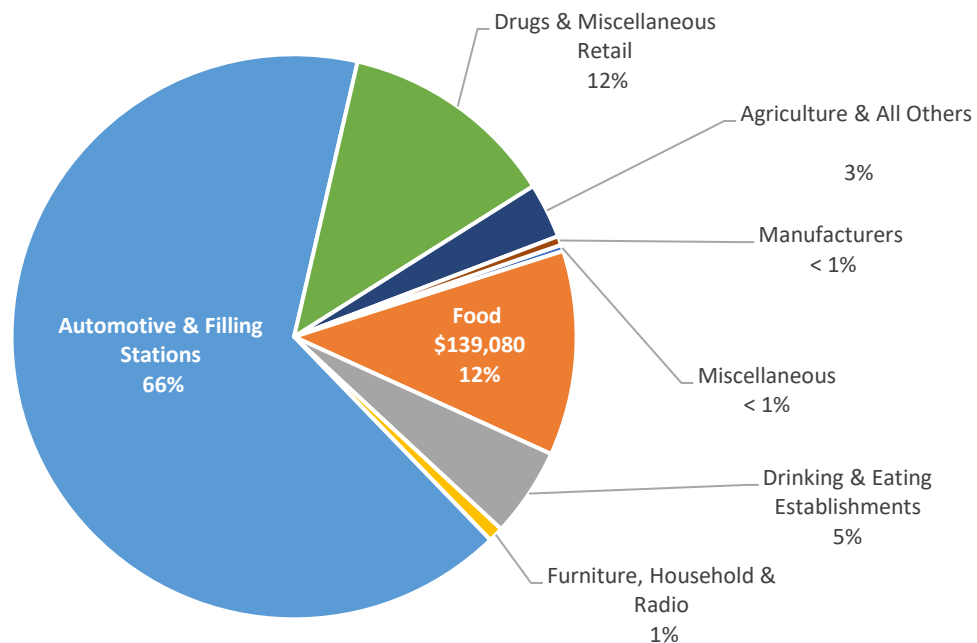
FY2026 General Fund revenues, by line item, can be found on the previous page, along with a comparison to FY2023 and FY2024 actuals and budget and projection amounts for FY2025.

Sales, Use and Cannabis Tax

Sales, Use and Cannabis tax combined is the largest revenue source for the Village, representing approximately 31.49% of total FY2026 General Fund revenues. The Village’s sales tax revenue consists of a 1% sales tax received

from the State of Illinois, while Use and Cannabis taxes are distributed on a per capita basis. Each of these taxes are received monthly, generally lagging two to three months behind the State’s collection month.

Below is a snapshot of sales tax collections by Standard Industrial Classification (SIC Code) for the twelve (12) months ending September 2024 (the most current information available). As shown, almost two thirds of the total sales taxes received on an annual basis are generated from the car dealerships within the Village’s boundaries. Due to the small amount of sales tax received, the categories of General Merchandise, Apparel, Furniture and Household and Radio, Lumber, Building, Hardware and Manufacturers have been combined into the category of Miscellaneous.



Based on current trends, FY2026 Sales, Use and Cannabis Taxes are estimated at \$1,283,193, \$111,504 and \$6,713, respectively. The combined total of \$1,401,410 amounts to an increase of less than 1% as compared to FY2025 Projected. Sales and Cannabis Tax each reflect slight increases, while a decrease is projected for Use Tax due to the change in state law related to online purchases.

Income Tax

The Village receives income tax from the State of Illinois on a per capita basis through the Local Government Distributive Fund (LGDF). For budgetary purposes, the Village projects income tax revenues utilizing assumptions provided by the Illinois Municipal League (IML). IML projects estimated income tax collections based on economic projections that historically have been consistent with actual receipts.

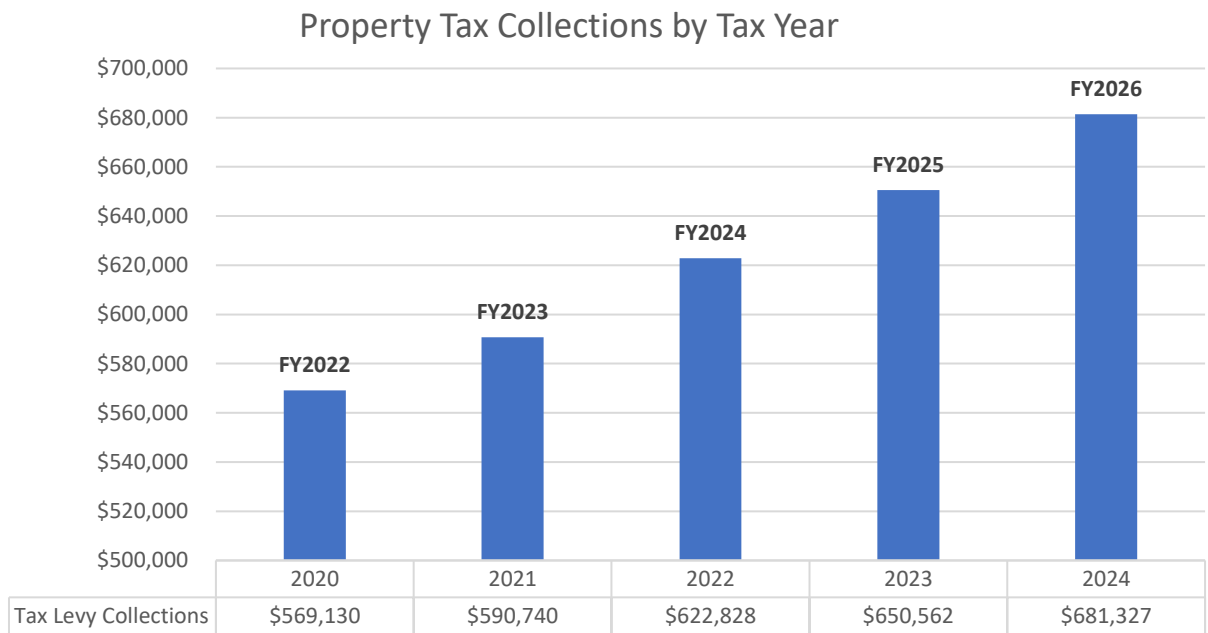
The Village estimates its per capita revenues on the 2020 Certified Census population of 4,150. The Village’s FY2026 income tax revenue estimate is based on an average per capita amount of \$175 and the FY2025 projections is based on an average per capita of \$167.

Property Tax

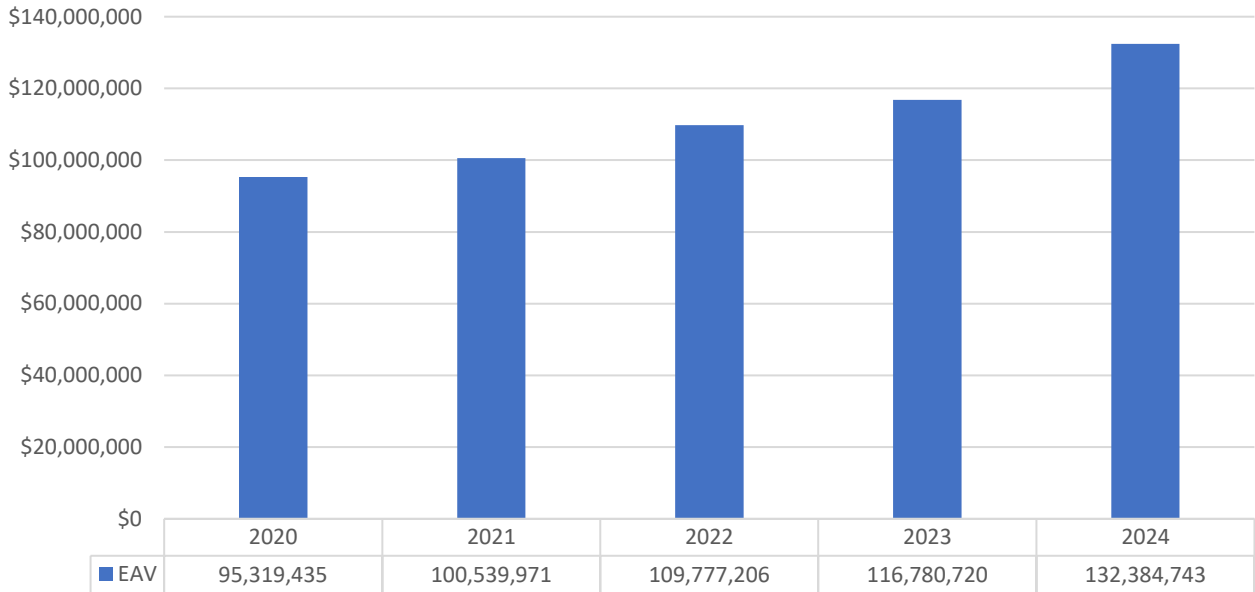
The Village of Peotone is a non-home rule municipality subject to the limitations imposed by the Illinois Property Tax Extension Law (PTELL). The Village levies property taxes for the purposes of general corporate, audit, IMRF, Social Security, tort/liability insurance, police protection, Medicare, and police pension. On average, the annual property tax levy has increased approximately 4.15% per year over the last five years, within the allowable limits provided by PTELL.

For tax levy year 2023, collected in FY2025, the Village’s tax rate equaled \$.5585; for tax levy year 2024 which will be collected by the Village in FY2026, the tax rate is estimated at \$.5147. On average, for every \$100 of assessed valuation, the Village will receive approximately \$.515. For a resident whose tax bill reflected a total tax rate of \$.5577, approximately 9% of the resident’s total tax bill is allocated to the Village.

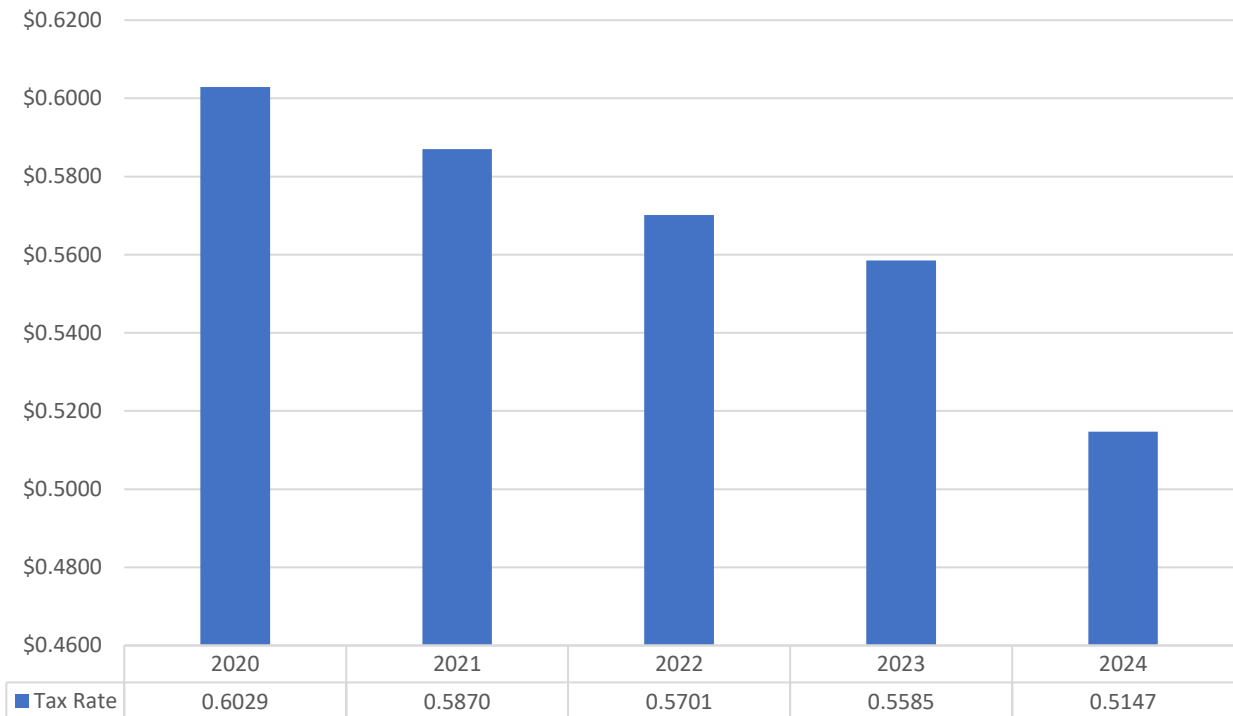
The total 2024 property tax levy, to be collected in FY2026, is approximately \$31,000 higher than the 2023 property tax levy; the total tax levy for tax year 2024 (collected in FY2026) amounts to \$681,327. On an annual basis, actual collections may vary from the amount of the approved levy. Below is a history of the Village’s actual property tax collections for FY2022, FY2023 and FY2024, projected collections for FY2025 and the FY2026 property tax budget, as well as the history of the Village’s EAV and property tax rate over five fiscal years.



Village EAV by Tax Year



Village Property Tax Rate

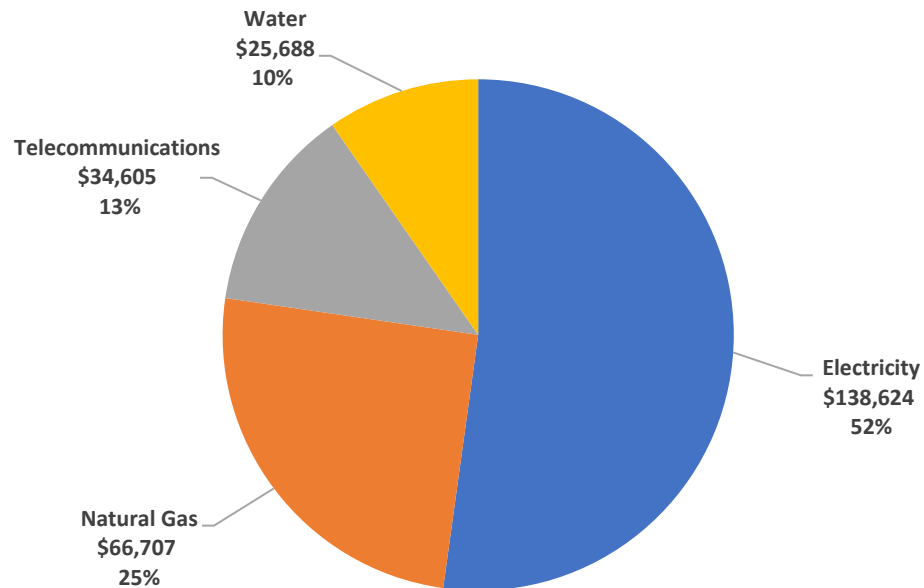


Note: A two-year lag exists between levy year and collection fiscal year.

Utility Taxes

Utility taxes, in the total amount of \$261,600, represent approximately 6.6% of total FY2025 General Fund revenues. The Village has four utility taxes – electricity, gas, telecommunications and water. Electricity Tax is assessed at a variable rate of 0.282 – 0.574 cents, depending on the number of kWh used. Natural Gas Tax is assessed at a rate of 5.0% of gross charges. Telecommunications Tax is assessed at a rate of 6% of gross charges and Water Tax is assessed at a rate of 3% of gross receipts. Each of these taxes is based on usage; therefore, revenue will fluctuate with weather conditions, new technologies and consumer demand. The Village anticipates an increase in Water Utility Tax as the service provider significantly increase rate in late 2024. The breakdown of Utility Tax revenues is reflected below.

FY2026 Utility Tax by Type



Licenses & Permits

The FY2026 Budget reflects \$115,494 in revenue from various permit and license fees, including building permits, contractor licenses, liquor licenses, business registrations, vehicle and dog licenses, inspections and other miscellaneous charges. This amounts to approximately 2.6% of total General Fund revenues. The FY2026 budget is significantly less than prior year as the Village has discontinued its vehicle sticker program.

Miscellaneous Revenues

The Village classifies interest income, franchise fees, reimbursements and miscellaneous receipts as Miscellaneous Revenues. The total amount categorized in Miscellaneous Revenue in the FY2026 budget is \$551,542, or 12.4% of total General Fund revenues. The two largest components are Interest Income in the amount of \$325,000 and Franchise Fees in the amount of \$95,100.



Village of Peotone
Fiscal Year 2026 Budget
General Fund - Expenditures - All Departments

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Administration					
Personnel Services	\$ 277,164	\$ 290,748	\$ 294,939	\$ 329,641	\$ 355,153
Employee Support	16,791	26,403	23,150	20,299	27,660
Professional Services	217,420	222,850	236,481	210,536	214,225
Operating Expenses	203,934	67,010	147,750	110,206	155,500
Maintenance	12,118	9,705	3,000	8,394	750
Capital Outlay		13,335	18,000	13,352	
Total Administration	\$ 727,427	\$ 630,050	\$ 723,320	\$ 692,428	\$ 753,288
Police					
Personnel Services	1,768,452	1,759,736	1,837,477	1,851,286	1,985,908
Employee Support	33,060	18,026	40,220	37,555	35,327
Professional Services	167,316	166,923	184,500	134,247	194,688
Operating Expenses	133,334	132,673	81,675	45,386	82,078
Maintenance	46,628	41,591	44,515	39,202	51,900
Capital Outlay	114,635	129,658	70,000	76,999	
Total Police	\$ 2,263,423	\$ 2,248,607	\$ 2,258,387	\$ 2,184,676	\$ 2,349,901
Community Development					
Personnel Services	\$ 4,832	\$ 68,136	\$ 141,235	\$ 47,852	\$ 15,946
Employee Support	6,000	1,384	13,500	1,729	8,750
Professional Services	125,019	124,183	261,900	61,554	170,000
Operating Expenses	8,570	8,390	16,800	1,524	8,000
Maintenance	1,950	1,303	2,000	320	
Capital Outlay	436,499				
Total Community Development	\$ 582,870	\$ 203,396	\$ 435,435	\$ 112,979	\$ 202,696
Public Works					
Personnel Services	\$ 358,312	\$ 335,289	\$ 372,627	\$ 344,654	\$ 392,090
Employee Support	2,977	2,632	8,050	2,539	8,850
Professional Services	102,710	50,711	69,000	24,329	45,000
Operating Expenses	147,637	136,907	136,900	114,142	130,100
Maintenance	478,308	91,288	140,000	68,995	88,500
Debt Service	42,753	42,753	42,753	42,753	42,753
Capital Outlay	12,724	1,158	65,000	82,644	61,000
Total Public Works	\$ 1,145,421	\$ 660,738	\$ 834,330	\$ 680,056	\$ 768,293
Central Services					
Professional Services			13,800	83,231	81,004
Operating Expenses			189,255	188,694	201,028
Total Central Services	\$ -	\$ -	\$ 203,055	\$ 271,925	\$ 282,032
Other Financing Uses					
Transfer Out BDD Fund			975,000	875,000	
Total General Fund Expenditures	\$ 4,719,142	\$ 3,742,791	\$ 5,429,527	\$ 4,817,064	\$ 4,356,210

Mission and Objectives

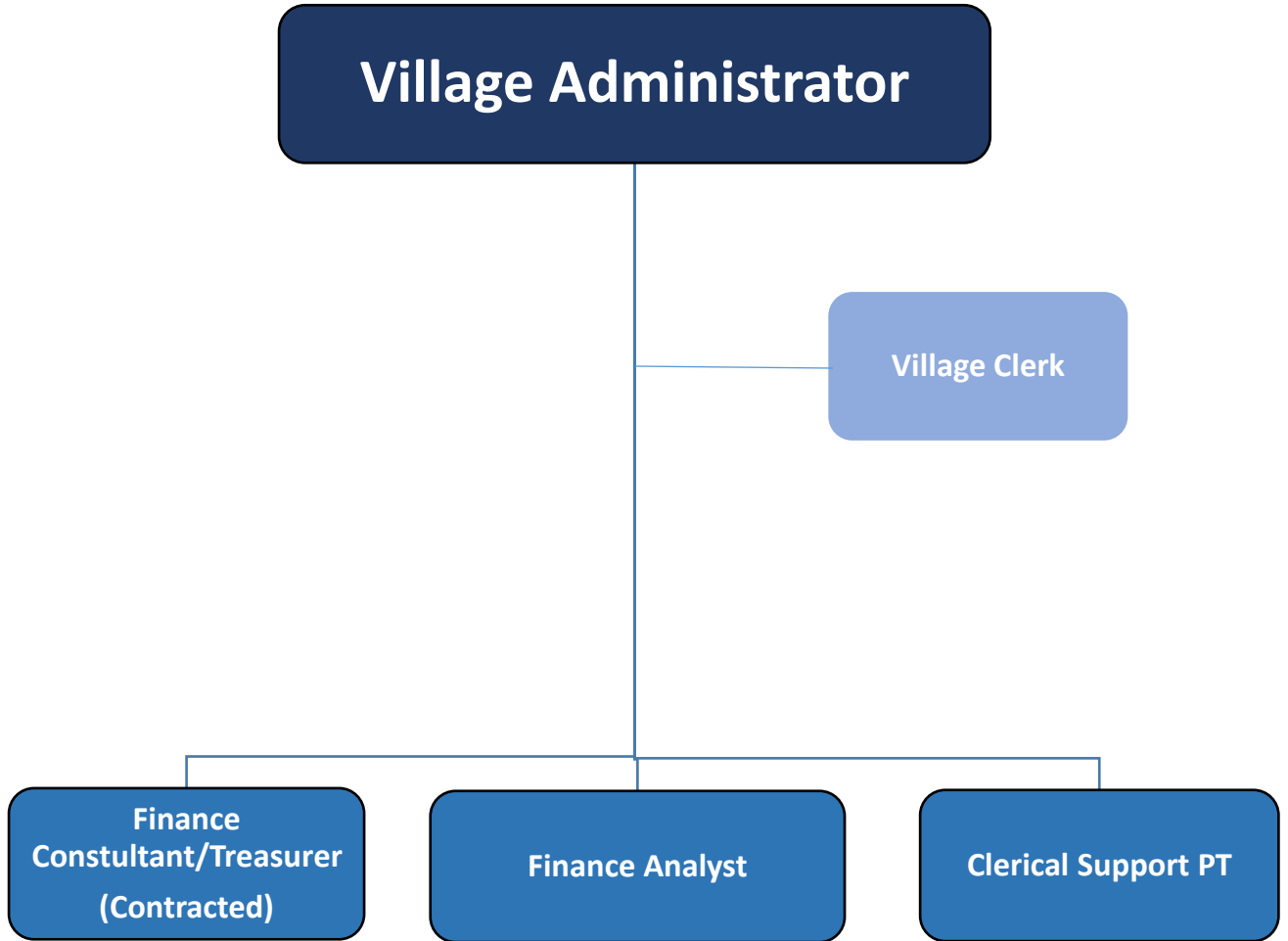
The Administration Department is responsible for providing direction on the administration of policies and programs established by the Mayor and Board of Trustees. The Village Administrator, Village Clerk, Finance Consultant/Treasurer (contracted), and other staff within the department serve as the primary points of contact for many Village services.

The Village Administrator supervises the Administration department and also oversees communication, interagency coordination, and economic development outreach. Currently, the Village Administrator is also the liaison between Board Committees and the Village's Planning and Zoning Commission.

This department is the operations department for the Village and includes the functions of Finance, Human Resources, Information Technology, and Risk Management.

The department also includes the many functions of the Village Clerk, including creation and publication of agendas, public notices and hearings. The Clerk is also responsible for maintenance of Village records and responding to Freedom of Information Act (FOIA) requests.





FY2025 Highlights and Accomplishments

✓ **Improving Communication:** The Village has expanded the information available on its website, including one stop access to the Board agendas and minutes, board packets, and videos of full board meetings. The Village also publishes a regular e-newsletter to subscribers.

✓ **Fiscal Reviews:** Staff continues the review of existing vendor contracts to find greater efficiencies and streamline various business processes. This has included improvements in the permitting and code enforcement process and elimination of the annual vehicle sticker program.

✓ **Fiscal Policy:** Police Pension Fund’s actuarially determined funded status continues to grow to 52.74% from a low of 22.3% in 2020 due to dedication from the Village Board to fully fund and transfer to state pool of investments.

✓ **Budget Award:** The Village received the Government Finance Officer Association’s (GFOA) budget award for the second year in a row. Continued improvements to the budget process and resulting document demonstrates transparency, as well as a more comprehensive planning guide for the Village from year to year.

✓ **Downtown Streetscape completed:** The construction in downtown Peotone was completed in FY2025. This project was largely funded by a \$2.5 million State of Illinois grant with the remainder coming from the Business Development District (BDD) Fund. The goal of this project was to improve downtown infrastructure, support existing businesses, and attract new businesses to Peotone.



FY2026 Goals, Objectives and Performance Measures

Below are Administration goals and objectives that are reflected in the FY2026 Budget.

Strategic Vision					
FY2026 Department Goals	Accessible & Engaged	Financially Viable Future	Enterprising Infrastructure Management	Community Focused Development	Secure & Flourishing Neighborhoods
Community Development Process Training	X			X	X
Review & Update Procurement policies		X			
Update Comprehensive Plan	X			X	X

Review and Implement Recommendations in Facility Assessment/Space Needs Study	X		X		
Identify Revenue Enhancements & Expenditure Efficiencies		X	X	X	

Below are performance measures for the Administration Department reflecting the attainment of the department's prior year goals.

Performance Measures						
Village Strategic Vision: Accessible & Engaged						
		FY2020	FY2021	FY2022	FY2023	FY2024
Output	FOIA Requests	38	25	44	80	77
Output	FOIA Extensions	0	0	0	0	0
Output	Agendas	58	56	54	41	TBD
Village Board Strategic Vision: Community Focused Development						
		FY2020	FY2021	FY2022	FY2023	FY2024
Output	Liquor Licenses	12	13	13	18	18
Output	Video Gaming Licenses					10

Below are Full Time Equivalents (FTE's), including positions charged to the Administration Department:

	FY2022	FY2023	FY2024	FY2025	FY2026
Full Time Equivalents (FTE's)	3.0	3.0	4.0	3.0	4.0

Below is a summary of Administration expenditures by type.

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Personnel Services	\$ 277,164	\$ 290,748	\$ 294,939	\$ 329,641	\$ 355,153
Employee Support	16,791	26,403	23,150	20,299	27,660
Professional Services	217,420	222,850	236,481	210,536	214,225
Operating Expenses	203,937	67,010	147,750	110,206	155,500
Maintenance	12,118	9,705	3,000	8,394	750
Capital Outlay	-	13,335	18,000	13,352	-
Total - Administration	\$ 727,427	\$ 630,050	\$ 723,320	\$ 692,428	\$ 753,288



Village of Peotone
Fiscal Year 2026 Budget

General Fund - Administration - Expenditures

	FY2023	FY2024	FY2025	FY2025	FY2026
	Actual	Actual	Amended Budget	Projected	Budget
<i>Personnel Services</i>					
Salaries	\$ 205,991	\$ 221,975	\$ 226,464	\$ 255,026	\$ 257,699
Overtime	92				
Social Security	15,563	16,971	17,327	19,313	19,718
IMRF	3,967	1,399	1,299	1,424	8,001
Unemployment Tax	95	373	219	451	340
Employee Insurance	51,455	50,030	49,630	53,426	69,395
<i>Employee Support</i>					
Travel	2,058	2,612	7,000	18	8,000
Training	3,591	5,520	3,600	8,316	5,000
Dues/Subscriptions	11,143	18,271	12,550	11,965	14,660
<i>Professional Services</i>					
Legal Services	62,667	50,646	30,000	34,150	40,000
Audit Services	13,500	13,300	18,000	21,475	22,000
Investment Management Fees	3,576	16,085	16,481	5,880	9,225
Engineering	11,310	14,451	25,000	31,241	25,000
Other Professional Services	126,367	128,367	147,000	117,790	118,000
<i>Operating Expenses</i>					
General Insurance	22,970	26,179			
Telephone/Fax	8,286	7,995			
Utilities	23				
Rental			750		
Postage	1,797	2,913	4,000	1,238	5,000
Printing/Publishing	7,939	5,150	26,500	10,435	19,000
Public Education & Government Service		3,706			
Supplies Equipment			5,000		5,000
Community Relations	1,445	1,278	1,500	908	1,000
Office Supplies	7,104	6,264	5,500	2,677	5,000
Other Supplies	196	3,687	2,500	3,313	2,500
Sundry Expense	2,121	1,191	1,000	253	1,000
Christmas in the Village	11,012	8,649	10,000	8,882	10,000
Sales Tax/Property Tax Rebates	141,041		91,000	82,500	107,000
<i>Maintenance</i>					
Building Maintenance	6,925				
Equipment Maintenance	5,193	9,705	3,000	8,394	750
<i>Capital Outlay</i>					
Building Improvements				11,102	
Vehicles & Equipment		13,335	18,000	2,250	
Total Expenditures -					
General Fund - Administration	\$ 727,427	\$ 630,050	\$ 723,320	\$ 692,428	\$ 753,288

Mission and Objectives

Mission Statement:

The Peotone Police Department is a dedicated law enforcement agency serving the Village of Peotone, Illinois. Our primary purpose is to protect the safety, rights, and property of all community members through proactive policing and responsive service. We will work to maintain peace, prevent crime, and enforce the laws of our state and village with fairness and integrity. The department is committed to fostering trust and cooperation within the community while upholding the highest standards of professionalism and ethical conduct in every aspect of law enforcement. Through these efforts, we aim to create a secure and welcoming environment for all residents and visitors.



Operational Approach:

The Department operates on a team-based concept, with an emphasis on residential patrol balanced with traffic enforcement, to ensure safety throughout the Village. Officers are encouraged to exit their squad cars and conduct regular checks on businesses, fostering opportunities for face-to-face interactions with residents and visitors to the Village of Peotone.

Organizational Structure:

The Police Department is structured into four divisions:

Patrol Division: The Patrol Division provides continuous protection and service across the entire Village. Officers in this division are highly trained and hold specialties including:

- ✓ Field Training Officer (FTO)
- ✓ Evidence Technician
- ✓ Truck Enforcement Officer
- ✓ Juvenile Officer
- ✓ Crisis Intervention Specialist
- ✓ School Resource Services



Beginning in 2025, the Patrol Division’s Day Shift will incorporate truck enforcement responsibilities, with instruction provided by a Sergeant.

Investigations Division: The Investigations Division is tasked with investigating criminal cases and significant incidents. Detectives collect information and intelligence on criminal matters to aid in crime prevention and resolution. Officers assigned to Investigations from the Patrol Division undergo extensive training in:

- ✓ Evidence collection
- ✓ Interview and interrogation techniques
- ✓ Lead homicide investigations
- ✓ Juvenile law

Detectives also actively participate in the Will/Grundy Major Crimes Task Force.

Records Division: The Records Division is responsible for:

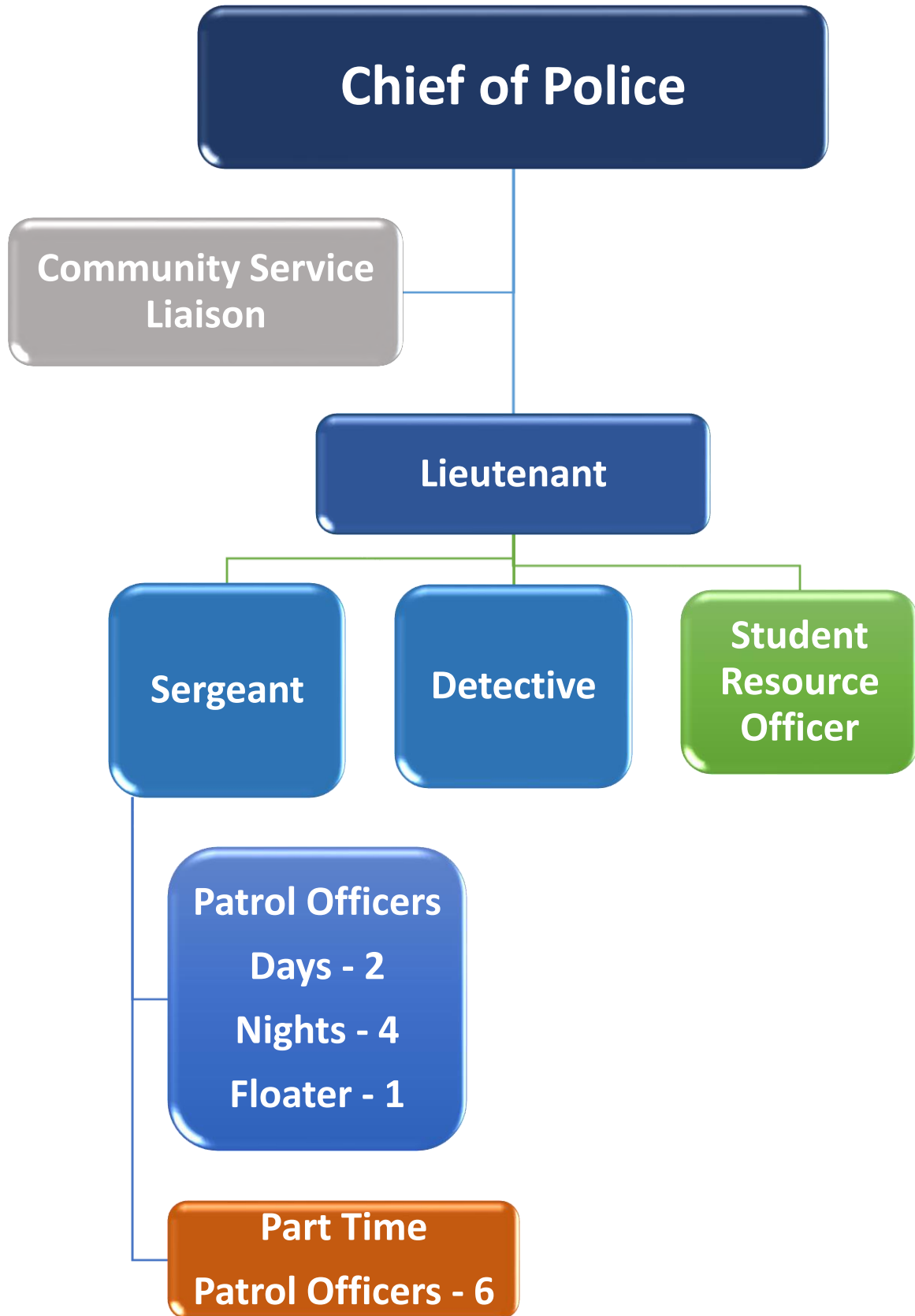
- ✓ Processing and organizing police reports
- ✓ Maintaining accurate and current files for incidents, traffic enforcement, accidents, and other related matters
- ✓ Preparing documentation for hearings and court proceedings

Community Policing/School Resource Officer (SRO) Division: The School Resource Officer (SRO) delivers the Gang Resistance Education and Training (GREAT) program in local schools. This division serves as the primary liaison with local businesses, community groups, and residents, focusing on providing crime prevention education and building community relationships.

Police FY2025 Highlights and Accomplishments

- ✓ *Patrol Division Expansion:* The Police Department successfully increased the number of officers within the Police Department and on patrol, enhancing coverage and response times throughout the Village.
- ✓ *Rank Structure Restructuring:* To ensure better compliance and improve the overall efficiency of law enforcement operations, the Peotone Police Department restructured its rank hierarchy. This restructuring aims to provide clearer chains of command, enhance supervision, and distribute responsibilities more effectively among personnel.
- ✓ *License Plate Recognition (LPR) Camera Program:* The Police Department deployed six (6) Flock Public Safety LPR cameras. These cameras have been instrumental in monitoring known criminals entering the town and assisting detectives in solving crimes efficiently.
- ✓ *Community Engagement Initiatives:* The department conducted several successful community forums and neighborhood walk-throughs, fostering stronger relationships with residents and improving communication between the police and the community. Officers also initiated routine business walk-throughs during operating hours and enhanced foot patrols around business perimeters after hours, ensuring safety and deterring criminal activity.

- ✓ *Officer Training Enhancements:* Officers received specialized training in crisis intervention, de-escalation techniques, and advanced evidence collection methods, contributing to higher standards of professionalism and service delivery.



✓

FY2026 Goals, Objectives and Performance Measures

Below are Police goals and objectives that are reflected in the F2026 budget.

Strategic Vision					
FY2026 Department Goals	Accessible & Engaged	Financially Viable Future	Enterprising Infrastructure Management	Community Focused Development	Secure & Flourishing Neighborhoods
Expansion of LPR Cameras northside of the Village	✓		✓		✓
Address Traffic and Truck Enforcement Issues	✓			✓	✓
Safe T Act Mandated Training Scenarios	✓				
SRO Contract Renewal	✓	✓			✓
Taser Upgrades (Grant)		✓	✓		✓
Community Outreach Meetings	✓	✓		✓	✓
Review and Assess Current Ordinances	✓	✓	✓	✓	✓
Fleet Upgrade and Expansion		✓	✓		
Special Olympics and Cop on Top Events	✓				

Below are Police performance measures that reflect the attainment of the department’s prior year goals.

Performance Measures						
Village Strategic Vision: Accessible & Engaged						
		FY2020	FY2021	FY2022	FY2023	FY2024
Output	Average Response Time (min)	2	2	2	1.6	n/a
Output	Emergency Calls for Service	1882	1854	1796	1851	1626
Output	Total Police Involved Incidents	7,150	5,470	6,094	9201	6833
Output	Officer Complaints	0	0	0	0	1
Village Strategic Vision: Secure & Flourishing Neighborhoods						
		FY2020	FY2021	FY2022	FY2023	FY2024
Output	Index Crimes	21	12	16	15	8
Output	Citations Issued	245	273	272	388	820
Output	Felony/Misdemeanor Arrests	33	37	25	30	33

Below are the Full Time Equivalents (FTEs) for the Police Department:

	FY2022	FY2023	FY2024	FY2025	FY2026
Full Time Equivalents (FTE's)	11.5	12.5	12.5	12.5	13.5

Below is a summary of Police expenditures by type.

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Personnel Services	\$1,768,452	\$1,759,736	\$1,837,477	\$1,851,286	\$1,985,908
Employee Support	33,060	18,026	40,220	37,555	35,327
Professional Services	167,316	166,923	184,500	134,247	194,688
Operating Expenses	133,334	132,673	81,675	45,386	82,078
Maintenance	46,628	41,591	44,515	39,202	51,900
Capital Outlay	114,635	129,658	70,000	76,999	-
Total - Police	\$2,263,423	\$2,248,607	\$2,258,387	\$2,184,676	\$2,349,901



Village of Peotone
Fiscal Year 2026 Budget
General Fund - Police - Expenditures

	FY2023	FY2024	FY2025	FY2025	FY2026
	Actual	Actual	Amended Budget	Projected	Budget
<i>Personnel Services</i>					
Salaries	\$ 821,949	\$ 890,911	\$ 1,008,929	\$ 1,074,843	\$ 1,091,219
Straight Overtime	971	842			
Overtime	63,457	79,043	89,330	61,905	86,100
Social Security	67,039	73,808	84,019	85,981	90,061
IMRF	1,377	1,277	1,267	1,328	5,839
Unemployment Tax	410	2,275	876	2,126	1,461
Employee Insurance	221,248	236,639	281,020	253,068	275,639
Police Pension	592,001	474,941	372,036	372,036	435,589
<i>Employee Support</i>					
Travel		3,137	4,750	2,121	4,500
Training	12,598	5,612	12,400	12,795	7,875
Dues/Subscriptions	7,899	4,237	8,320	4,843	9,452
Uniforms/Uniform Maintenance	12,563	5,041	14,750	17,795	13,500
<i>Professional Services</i>					
Legal Services	21,000	18,298	20,400	23,318	23,200
Other Professional Services	146,056	148,290	161,600	110,929	168,488
Animal Control	260	335	2,500		3,000
<i>Operating Expenses</i>					
General Insurance	65,814	76,756			
Telephone/Fax	12,083	10,741			
Utilities	404				
Rental	600	600	650	600	500
Postage	1,814	1,162	1,900	419	1,500
Printing/Publishing	873	2,070	1,425	1,791	1,700
Supplies Equipment			7,500	5,573	10,735
Community Relations			5,000	1,383	4,000
Office Supplies	3,837	1,744	5,500	1,987	5,198
Other Supplies	6,310	8,775	8,000	1,208	11,545
Special Investigations			500		500
Food/Prisoners	(114)	918	200		400
Gas & Oil	41,265	28,298	50,000	32,210	45,000
Sundry Expense	447	1,610	1,000	216	1,000
<i>Maintenance</i>					
Building Maintenance	8,983	190			
Equipment Maintenance	37,645	41,401	44,515	31,040	41,900
Vehicle Maintenance				8,162	10,000
<i>Capital Outlay</i>					
Equipment	114,635	129,658	70,000	76,999	
Total Expenditures -					
General Fund - Police	\$ 2,263,423	\$ 2,248,607	\$ 2,258,387	\$ 2,184,676	\$ 2,349,901

Mission and Objectives

Planned growth that follows best practices is vital to the development and maintenance of a healthy and thriving community. Due to a staff reorganization in FY 2025, the Village Administrator currently leads the Community Development Department and is the liaison to the Planning and Zoning Commission. The Village Administrator also coordinates agendas and public hearings for the commission.

Operations of the Community Development Department include business and residential subdivision development, inspections, code enforcement, building and zoning projects and permitting, with an outside consulting firm that assists the Village with this critical work.



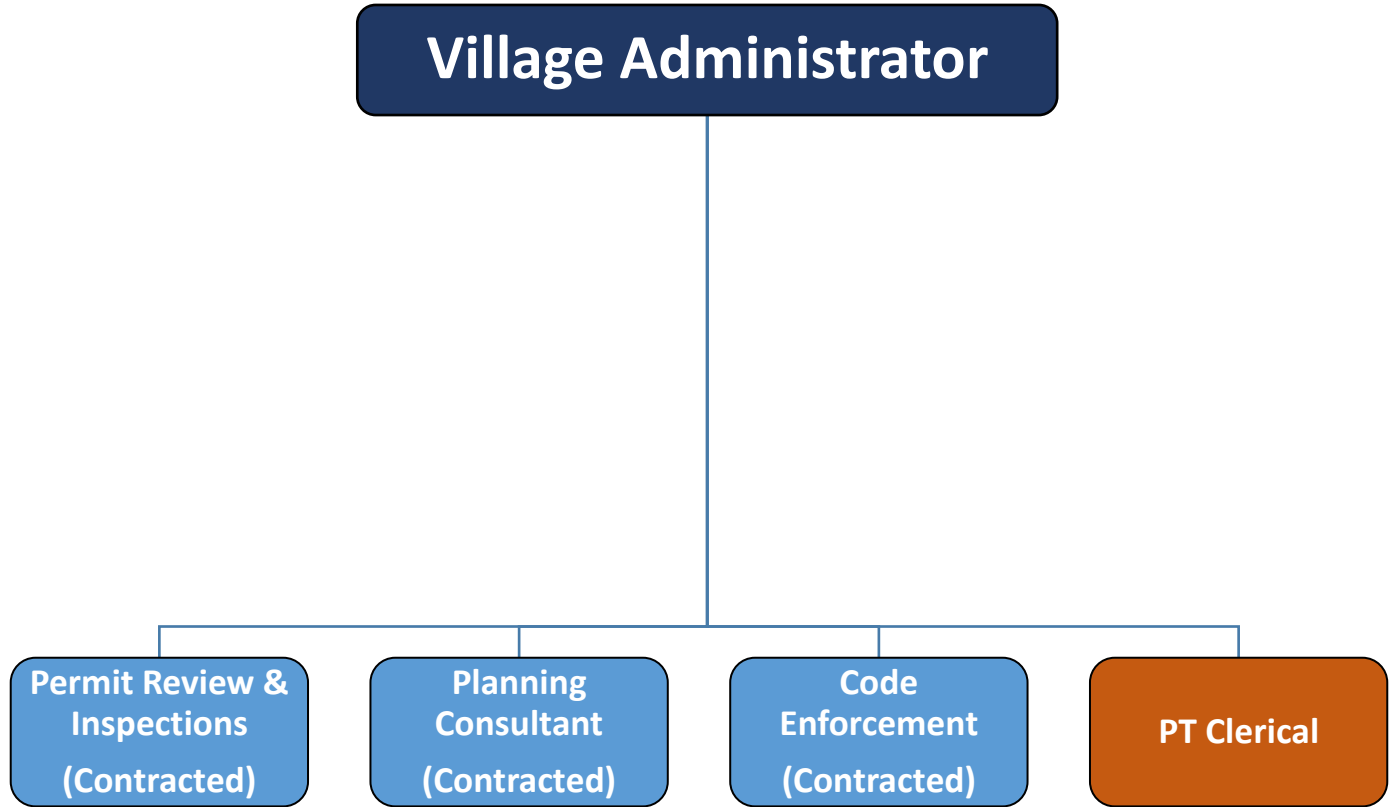
Customer Service - Bring your new project or idea to a to the Village for prompt feedback and advice.

Building Permitting/Safety – Plan review and permitting ensures that new homes, new businesses, and changes made to existing structures are safe and built according to code.

Code Enforcement - Code Enforcement works with property owners and businesses to address property maintenance issues on private property.

Planning and Zoning - Planning and zoning creates long term plans for the Village, while ensuring that the Village is designed to support our community needs today and in the future.

Historical District - The department aims to enhance the Village’s historical district, which encompasses the downtown area.



FY2025 Highlights and Accomplishments

- ✓ **Downtown Streetscape Project** – This has refreshed and improved the look of Peotone’s downtown area, while replacing the aging infrastructure of Village streets and sidewalks. It has enhanced the pedestrian and motorist experience in a more attractive and walkable business district. This investment in Peotone’s downtown aims to encourage new investment and to attract new businesses to fill any vacant space
- ✓ **Peotone Travel Center** - This 22-acre development at I-57 and Wilmington Peotone Road boasts a two-story convenience store with a truck lounge and three restaurants, over 180 overnight parking spaces, a three-story hotel, and stand-alone restaurant pad. The Travel Center opened in December 2023 and activity is progressively increasing each month. The hotel is projected to open in the spring of 2025.



Below are Community Development goals and objectives that are reflected in the FY2026 Budget.

Strategic Vision					
FY2026 Department Goals	Accessible & Engaged	Financially Viable Future	Enterprising Infrastructure Management	Community Focused Development	Secure & Flourishing Neighborhoods
Improved Training for Administrative Staff	✓			✓	
Streamline Permitting Process		✓			✓
Improve Communication on Village Code Building Requirements	✓			✓	
Update Village Code			✓		
Implement an Overlay District in Downtown Area					✓
Launch Façade Improvement Program		✓	✓		

General Fund – Community Development

Below are performance measures for Community Development reflecting the attainment of the department's prior year goals.

Performance Measures						
Village Strategic Vision: Accessible & Engaged						
		FY2020	FY2021	FY2022	FY2023	FY2024
Output	Zoning Cases (SUP, Variance etc.)	4	5	4	4	2
Output	Building Permits Issued	437	230	148	213	223
Village Board Strategic Vision: Community Focused Development						
		FY2020	FY2021	FY2022	FY2023	FY2024
Output	New Businesses	0	3	1	6	4

Below are the Full Time Equivalents charged to the Community Development Department:

	FY2022	FY2023	FY2024	FY2025	FY2026
Full Time Equivalents (FTE's)	-	-	1	2	.5

Below is a summary of Community Development expenditures by type.

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Personnel Services	\$4,832	\$ 68,136	\$141,235	\$ 47,852	\$15,946
Employee Support	6,000	1,384	13,500	1,729	8,750
Professional Services	125,019	124,183	261,900	61,554	170,000
Operating Expenses	8,570	8,390	16,800	1,524	8,000
Maintenance	1,950	1,303	2,000	320	-
Capital Outlay	436,499	-	-	-	-
Total – Community Development	\$ 582,870	\$ 203,396	\$ 435,435	\$ 112,979	\$ 202,696



General Fund - Community Development - Expenditures

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
<i>Personnel Services</i>					
Salaries	\$ 4,832	\$ 55,286	\$ 120,558	\$ 37,998	\$ 14,740
Social Security		3,955	9,223	2,887	1,128
IMRF		422	952	9	
Unemployment Tax		94	219	130	78
Employee Insurance		8,378	10,283	6,828	
<i>Employee Support</i>					
Travel	1,000	290	2,000	699	1,000
Training		994	2,000	887	5,000
Dues/Subscriptions	5,000	100	9,500	143	2,750
<i>Professional Services</i>					
Legal Services	20,565	10,968	72,400	10,725	40,000
Engineering Services	14,420	2,803			
Other Professional Services	90,034	110,412	189,500	50,829	130,000
Operating Expenses					
General Insurance	1,818	2,339			
Telephone/Fax	681				
Postage	42	9	1,300	47	1,500
Printing/Publishing	2,529	4,774	3,500	1,156	4,500
Supplies Equipment			5,000		1,000
Office Supplies		126	3,000	95	
Other Supplies	3,500	1,142	3,000	227	
Gas & Oil			1,000		1,000
<i>Maintenance</i>					
Building Maintenance				17	
Equipment Maintenance	1,950	1,303	2,000	303	
<i>Capital Outlay</i>					
Improvements Other than Buildings	436,499				
Total Expenditures - General Fund - Community Development					
	\$ 582,870	\$ 203,396	\$ 435,435	\$ 112,979	\$ 202,696

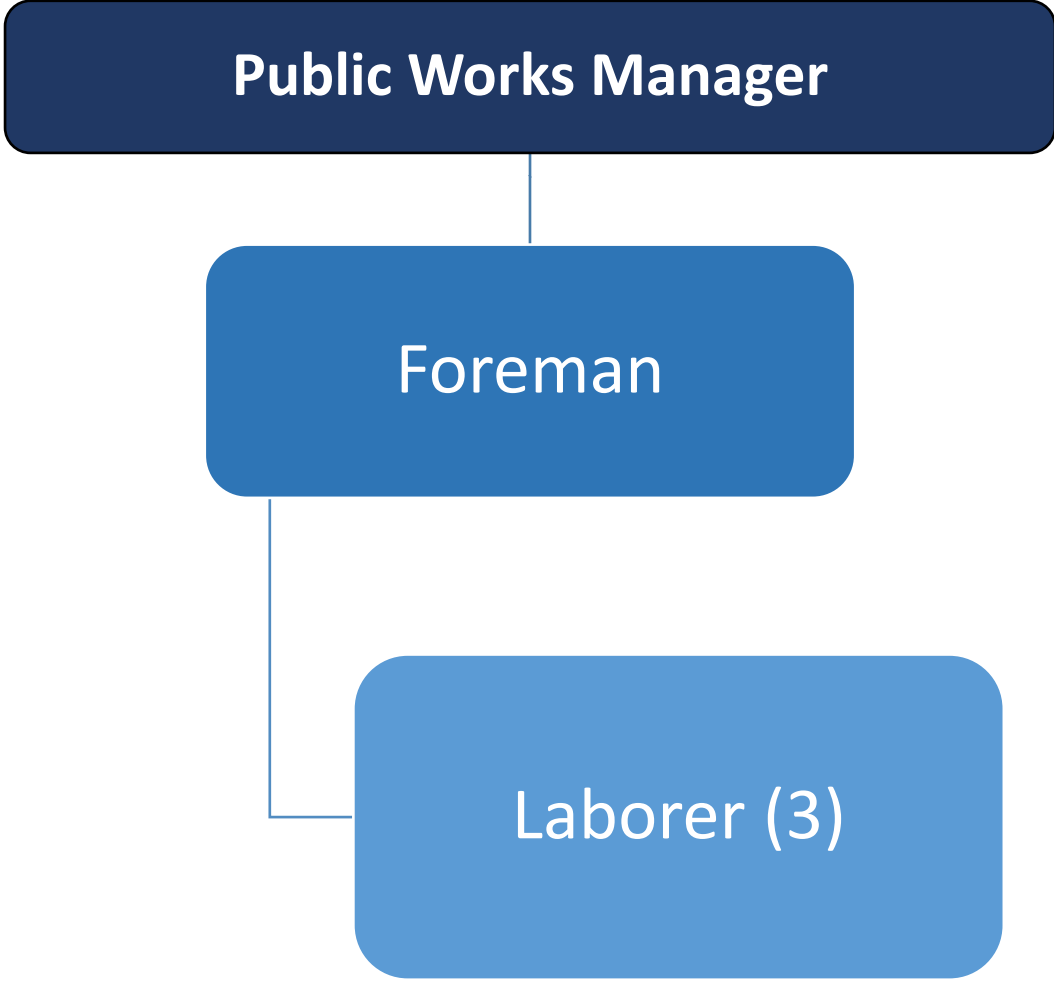
Mission and Objectives

The Department of Public Works is comprised of a highly dedicated staff who serve the community through routine maintenance projects. The department's role consists of landscaping enhancement, street, equipment and facility maintenance, and stormwater management. The Department is committed to its mission of making the Village of Peotone a nice place to live.

This department accomplishes its mission through the following divisions that preside over the maintenance and improvement functions of the Village:



- ✓ **Residential Services:** The Department of Public Works runs a Village-wide weekly branch pick-up service for all residents. The department is responsive to residents regarding any land or street maintenance. Public Works also oversees the Village's mosquito abatement program.
- ✓ **Safety:** The Public Works Department is responsible for keeping the Village clean and safe. The department routinely carries out street sweeping responsibilities. In addition, the department is responsible for preventative and emergency maintenance of Village owned buildings, removal of snow and ice, and maintenance of all streets and sidewalks.
- ✓ **Building & Street Maintenance:** The department maintains three Village owned buildings and is responsible for approximately 22 miles of streets, including the maintenance of street signs, downtown streetlights, storm sewers, and snow removal.
- ✓ **Landscape Improvement:** Public Works is responsible for the planting and maintenance of trees on Village rights-of-way, as well as the trees, plants, and grass on all Village-owned properties, cutting grass, and enhancing the downtown business district with beautiful hanging flowers. The department is also responsible for the annual brush-chipping program for the removal of diseased trees, storm damage mitigation and monitoring public trees for infestations, as well as the annual leaf collection program.



Public Works FY2025 Highlights and Accomplishments

- ✓ **Tree City USA Award:** Public Works has planted 70 new trees in Village parkways, earning the Tree City USA Arbor Day Foundation and Growth Awards.
- ✓ **GIS Mapping:** Public Works has continued its initiative of GIS mapping to develop a database of different inventories and/or operations within the Village, such as trees and signs.
- ✓ **Repairs & Improvements:** Sidewalk improvements were made in various areas of the village. The Public Works Department also completed the resurfacing of W Crawford St.
- ✓ **Residential Branch and Leaf Pick-Up Service:** The Public Works Department continues to provide the robust weekly branch pick-up service for the community. New requirements were implemented for branch size and location on the parkway.



FY2026 Goals, Objectives and Performance Measures

Below are Public Works goals and objectives that are reflected in the FY2026 budget.

Strategic Vision					
FY2026 Department Goals	Accessible & Engaged	Financially Viable Future	Enterprising Infrastructure Management	Community Focused Development	Secure & Flourishing Neighborhoods
MFT Resurfacing Program	✓		✓	✓	✓
Sidewalk Replacement Program		✓	✓	✓	✓
Annual Tree Planting Program			✓	✓	✓
Downtown Beatification (Flowers)				✓	✓

Below are Public Works performance measures that reflect the attainment of the department’s prior year goals.

Performance Measures						
Village Strategic Vision: Accessible & Engaged						
		FY2020	FY2021	FY2022	FY2023	FY2024
Output	Parkway trees trimmed	24	23	44	34	54
Output	Snow Plowing Events	11	9	12	9	7

Output	Response Time % (48 hours)	100%	100%	100%	100%	100%
Output	JULIE locate requests	65	77	80	94	88
Output	Citizen Requests for Service	14	19	22	21	19
Village Strategic Vision: Secure & Healthy Neighborhoods						
		FY2020	FY2021	FY2022	FY2023	FY2024
Output	Parkway trees removed	13	11	13	11	10
Output	Number of parkway trees planted	63	56	107	75	70

Below are the Full Time Equivalents (FTEs) charged to the Public Works Department:

	FY2022	FY2023	FY2024	FY2025	FY2026
Full Time Equivalents (FTE's)	4.5	4.5	4.5	4.5	5.0

Below is a summary of Public Works expenditures by type.

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Personnel Services	\$ 358,312	\$ 335,289	\$ 372,627	\$ 344,654	\$392,090
Employee Support	2,977	2,632	8,050	2,539	8,850
Professional Services	102,710	50,711	69,000	24,329	45,000
Operating Expenses	147,637	136,907	136,900	114,142	130,100
Maintenance	478,308	91,288	140,000	68,995	88,500
Debt Service	42,753	42,753	42,753	42,753	42,753
Capital Outlay	12,724	1,158	65,000	82,644	61,000
Total – Public Works	\$ 1,145,421	\$ 660,738	\$ 834,330	\$ 680,056	\$ 768,293



General Fund - Public Works - Expenditures

	FY2023	FY2024	FY2025	FY2025	FY2026
	Actual	Actual	Amended Budget	Projected	Budget
<i>Personnel Services</i>					
Salaries	\$ 220,083	\$ 226,569	\$ 240,534	\$ 253,442	\$ 270,103
Overtime	8,532	5,460	20,000	2,031	20,000
Social Security	17,538	17,347	19,931	19,270	22,192
IMRF	5,310	1,832	1,900	1,817	9,380
Unemployment Tax	107	666	365	528	522
Employee Insurance	106,742	83,416	89,897	67,566	69,893
<i>Employee Support</i>					
Travel		39	1,000		1,500
Training	60		1,500	181	1,500
Dues/Subscriptions	558	940	1,550	704	1,850
Uniforms/Uniform Maintenance	2,359	1,652	4,000	1,654	4,000
<i>Professional Services</i>					
Legal Services	155		4,000		
Engineering	37,905	(1,726)	20,000	3,353	
Other Professional Services	64,650	52,437	45,000	20,976	45,000
<i>Operating Expenses</i>					
General Insurance	44,409	33,532			
Telephone/Fax	11,114	13,247			
Utilities	214	89			
Street Lighting	63,998	61,688	70,000	67,205	70,000
Rental	600	1,650	2,000	2,014	2,000
Printing/Publishing	880	270	500	580	500
Supplies Equipment			5,000	5,732	2,500
Other Supplies	9,407	5,960	34,000	11,554	25,500
Gas & Oil	12,725	16,627	20,000	20,899	25,000
Sundry Expense	790	345	800	1,558	
Drainage District Assessment	3,500	3,500	4,600	4,600	4,600
<i>Maintenance</i>					
Street Light Maintenance	3,641	2,730	5,000		5,000
Building Maintenance	6,120	39,996	53,000	8,477	8,500
Equipment Maintenance	20,353	9,126	10,000	31,410	15,000
Street Maintenance	324,637	33,119	40,000	18,811	25,000
Sidewalk Maintenance	122,100		10,000	3,167	10,000
Vehicle Maintenance			10,000	2,676	15,000
Snow/Leaf Removal	1,334	6,277	10,000	4,453	8,000
Ground Upkeep	123	40	2,000		2,000
<i>Debt Service</i>					
Interest Expense	7,388		3,124	3,124	1,592
Debt Retirement	35,365	42,753	39,629	39,629	41,161
<i>Capital Outlay</i>					
Buildings & Permanent Improvements				225	
Improvements Other than Buildings		328			
Equipment	12,724	830	65,000	82,419	61,000



General Fund - Public Works - Expenditures

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Total Expenditures - General Fund - Public Works	\$ 1,145,421	\$ 660,738	\$ 834,330	\$ 680,056	\$ 768,293

The Central Services Department, established in FY2025, reflects activities and programs related to all departments within the fund. The primary expenditure in this fund represents Village insurance premiums and outsourced IT services, as well as other shared costs such as equipment maintenance and telephone service.

Below is a summary of Central Services expenditures by type.

	FY2022 Actual	FY2023 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Professional Services	-	-	13,800	83,231	81,004
Operating Expenses	-	-	189,255	188,694	201,028
Total - Central Services	\$ -	\$ -	\$ 203,055	\$ 271,925	\$ 282,032



Village of Peotone
Fiscal Year 2026 Budget

General Fund - Central Services - Expenditures

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
<i>Professional Services</i>					
Equipment Maintenance			9,000		9,004
Other Professional Services			4,800	83,231	72,000
<i>Operating Expenses</i>					
General Insurance			156,643	154,886	162,530
Telephone/Fax			32,612	33,808	35,498
Other Supplies					3,000
Total Expenditures -					
General Fund - Central Services	\$ -	\$ -	\$ 203,055	\$ 271,925	\$ 282,032

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Professional Services			13,800	83,231	81,004
Operating Expenses			189,255	188,694	201,028
Total Expenditures -					
General Fund - Central Services	\$ -	\$ -	\$ 203,055	\$ 271,925	\$ 282,032

The Motor Fuel Tax (MFT) Fund accounts for the Village's share of the State imposed tax on gasoline. In July 2019, the State increased the MFT rate from \$0.19 per gallon to \$0.38 per gallon. This rate may be adjusted annually based on changes in the Consumer Price Index. The original per gallon amount of \$0.19 will continue to be distributed to units of local government based on the existing per capita formula. Receipts from the additional \$0.19 per gallon are deposited into the State's Transportation Renewal Fund (TRF), with the additional diesel fuel rate completely dedicated to the State of Illinois. In total, units of local government will receive approximately 15.7% of the revenue generated from the additional \$0.19 per gallon.

MFT revenues are restricted for use in road maintenance and improvement programs authorized by the State and the Illinois Department of Transportation (IDOT). The Village generally transfers MFT funds to the Capital Improvements Fund to provide a recurring funding source for the annual Road Program.

For budgetary purposes, the Village uses MFT revenue estimates provided by the Illinois Municipal League (IML). The FY2026 budget for motor fuel tax amounts to \$184,737 and is based on a total per capital rate of \$44.51 (MFT - \$21.91, TRF - \$22.60). This is a decrease of approximately \$4,390, or 2.3%, when compared to FY2025 projections.

Rebuild Illinois Funds

In 2019, the Illinois Department of Transportation (IDOT) was authorized to implement a \$1.5 billion grant program using proceeds from general obligation bonds authorized in the Rebuild Illinois Capital Program to provide municipalities with funds for infrastructure improvements. Funding will be allotted to municipalities based on the regular per capita MFT formula. IDOT awarded and disbursed funds twice each year over a three-year period, with exact dates varying depending on the timing of bond sales. The use of these funds is restricted to bondable capital improvements and are generally limited to new construction, although major reconstruction projects may be considered. The Village's total allocation was \$272,974. These revenues were utilized in FY2024 to partially fund the Mill Trace Paving project.

The FY2026 Motor Fuel Tax Fund budget can be found on the following page.



**Village of Peotone
Fiscal Year 2026 Budget
Motor Fuel Tax Fund**

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Revenues					
<i>Intergovernmental</i>					
Motor Fuel Tax	\$ 167,829	\$ 182,086	\$ 181,760	\$ 189,127	\$ 184,737
Grant Funds	19,324	360		2,730	
Miscellaneous Revenues					
Reimbursements		1,583		2,878	
Interest Income	207	190	190	103	100
Total Revenues	\$ 187,361	\$ 184,218	\$ 181,950	\$ 194,837	\$ 184,837
Expenditures					
<i>Professional Services</i>					
Engineering	118,431	412,350			
<i>Maintenance</i>					
Street Maintenance	315,286	14,689		15,120	
<i>Capital Improvements</i>					
Acquisitions					
Total Expenditures	\$ 433,717	\$ 427,039	\$ -	\$ 15,120	\$ -
Excess (Deficiency) of					
Revenues Over Expenditures	\$ (246,356)	\$ (242,821)	\$ 181,950	\$ 179,717	\$ 184,837
Other Financing Sources (Uses)					
Transfers Out			(90,000)	(99,028)	(167,400)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ (90,000)	\$ (99,028)	\$ (167,400)
Net Income (Loss)	(246,356)	(242,821)	91,950	80,689	17,437
Beginning Fund Balance	659,872	413,516	170,695	170,695	251,384
Ending Fund Balance	\$ 413,516	\$ 170,695	\$ 262,645	\$ 251,384	\$ 268,821

In late 2019, the Village of Peotone approved a plan to designate a Business District and to impose a Business District Tax pursuant to the Illinois Business District Development and Redevelopment Law. The purpose of the Business District is to strengthen the tax base, assure opportunities for development or redevelopment, and to attract sound and stable commercial growth. The Business District area covers the majority of the footprint of the Village boundaries.

The revenue generated by the District includes a Business District Tax of 1% of the selling price of tangible personal property with the Business District, as well as a 1% Hotel/Motel Tax assessed on room rentals of hotels/motels within the boundaries of the district. The revenues generated by the Business District Tax and Hotel/Motel Tax can only be used within the Business District in support of redevelopment goals. The District is set to expire in 23 years. Eligible projects for the Business District Fund include:

- ✓ Creation of studies or plans
- ✓ Acquisition of property
- ✓ Clearing and grading of land
- ✓ Demolition of existing buildings
- ✓ Installation or repair of infrastructure
- ✓ Renovation of existing buildings or construction of new buildings
- ✓ The ability to borrow money against revenue from the district
- ✓ Reimbursement of cost related to the implementation of the Plan

During FY2024, the Peotone Travel Center, a significant private development at the intersection of I-57 and Wilmington Peotone Road, was completed and open for business. It is anticipated that the travel center will generate additional Business District taxes that will be utilized to fund further development within the business district. Future development of additional out lots, which will include a hotel, will also increase Business District and Hotel/Motel taxes.

The FY2026 Business District Fund budget can be found on the following page.



Village of Peotone
Fiscal Year 2026 Budget
Business Development District Fund

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Revenues					
<i>Taxes</i>					
Hotel/Motel Tax	\$	\$	\$	\$	\$ 7,500
<i>Intergovernmental</i>					
Retailer's Occupation Tax	\$ 305,923	\$ 276,412	\$ 367,876	\$ 297,733	\$ 339,076
Grant Funds	61,237	153,872	2,290,340	2,242,962	
<i>Miscellaneous Revenues</i>					
Interest Income	113	87	100	92	70
Miscellaneous Revenues		46,460			
Total Revenues	\$ 367,273	\$ 476,831	\$ 2,658,316	\$ 2,540,787	\$ 346,646
Expenditures					
<i>Professional Services</i>					
Legal Fees	4,939	596	10,000	1,000	2,000
Accounting Services	\$ 500	\$ 500	\$ 750	\$ 250	\$ 250
Engineering	127,573	213,500	250,000	203,523	5,000
Other Professional Services	78,225	69,451	20,000	5,500	30,000
<i>Operating Expenses</i>					
Other Supplies					30,000
Sundry Expense	\$ 3,216	\$ 1,232	\$	\$	\$
<i>Capital Outlay</i>					
Improvements other than Buildings		320,993	3,468,279	3,343,498	15,000
Acquisitions	8,127		50,000		
Total Expenditures	\$ 222,581	\$ 606,271	\$ 3,799,029	\$ 3,553,771	\$ 82,250
Excess (Deficiency) of					
Revenues Over Expenditures	144,692	(129,440)	(1,140,713)	(1,012,984)	264,396
Transfers In from General Fund			875,000	875,000	
Transfer to General Fund					(300,000)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 875,000	\$ 875,000	\$ (300,000)
Net Income (Loss)	144,692	(129,440)	(265,713)	(137,984)	(35,604)
Beginning Fund Balance	361,298	505,990	376,550	376,550	238,566
Ending Fund Balance	\$ 505,990	\$ 376,550	\$ 110,837	\$ 238,566	\$ 202,962

In 2019 and 2020 respectively, the Village Board approved ordinances adopting tax increment financing within the areas designated as the TIF 1 and TIF 2 Redevelopment Areas. Based upon adoption of these ordinances, the Village established the TIF 1 and TIF 2 Funds within which all revenues and expenditures related to TIF activities are recorded. Currently, revenues recorded in these funds include incremental property taxes and interest income. In addition, bond proceeds were recorded in the TIF 2 Fund in FY2023 to fund a significant road project within the redevelopment area.

With the completion of the Peotone Travel Center in FY2024, and planned development of various out lots, incremental tax revenues will continue to increase in the coming years.

The FY2026 TIF 1 and TIF2 Fund budgets can be found on the following pages.



Village of Peotone
Fiscal Year 2026 Budget
TIF 1 Fund

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Revenues					
<i>Taxes</i>					
Property Taxes	\$ 22,843	\$ 34,218	\$ 30,715	\$ 59,899	\$ 56,506
<i>Miscellaneous Revenues</i>					
Interest Income	\$ 24	\$ 33	\$ 33	\$ 47	\$ 40
Total Revenues	\$ 22,867	\$ 34,251	\$ 30,748	\$ 59,946	\$ 56,546
Expenditures					
<i>Professional Services</i>					
Legal Fees		223			
Accounting Services	250	250		250	250
Engineering					
Other Professional Services	\$ 7,578	\$ 8,489	\$ 30,000	\$ 7,000	\$ 25,000
<i>Capital Outlay</i>					
Building Improvements	\$	\$	\$ 50,000	\$	\$ 40,000
Total Expenditures	\$ 7,828	\$ 8,962	\$ 80,000	\$ 7,250	\$ 65,250
Excess (Deficiency) of Revenues Over Expenditures	15,039	25,289	(49,252)	52,696	(8,704)
Other Financing Sources (Uses)					
<i>Transfers In</i>					
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	15,039	25,289	(49,252)	52,696	(8,704)
Beginning Fund Balance	48,450	63,489	88,778	88,778	141,474
Ending Fund Balance	\$ 63,489	\$ 88,778	\$ 39,526	\$ 141,474	\$ 132,770



Village of Peotone
Fiscal Year 2026 Budget
TIF 2 Fund

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Revenues					
<i>Taxes</i>					
Property Taxes	\$ 15,733	\$ 15,457	\$ 61,774	\$ 49,610	\$ 181,789
<i>Miscellaneous Revenues</i>					
Reimbursements		130,000			
Interest Income	25,738	31,687	2,400	180	100
Total Revenues	\$ 41,471	\$ 177,144	\$ 64,174	\$ 49,790	\$ 181,889
Expenditures					
<i>Professional Services</i>					
Legal Fees	638	17,146	10,000	11,000	12,000
Accounting Services	250	250	750	250	250
Investment Management Services		2,997	1,000		
Engineering	5,565	211,845		12,982	
Other Professional Services	6,369	6,050		7,500	7,000
<i>Debt Service</i>					
Bond Principal					40,000
Interest Expense		140,058	147,862	147,862	147,862
<i>Capital Outlay</i>					
Improvements to Streets		2,230,753		235,000	
Total Expenditures	\$ 12,821	\$ 2,609,099	\$ 159,612	\$ 414,594	\$ 207,112
Excess (Deficiency) of Revenues Over Expenditures	28,650	(2,431,955)	(95,438)	(364,804)	(25,223)
Other Financing Sources (Uses)					
Transfers In			100,000		
Bond Proceeds	3,055,000				
Bond Issuance Costs	(54,950)				
Total Other Financing Sources (Uses)	\$ 3,000,050	\$ -	\$ 100,000	\$ -	\$ -
Net Income (Loss)	3,028,700	(2,431,955)	4,562	(364,804)	(25,223)
Beginning Fund Balance	19,285	3,047,985	616,030	616,030	251,227
Ending Fund Balance	\$ 3,047,985	\$ 616,030	\$ 620,592	\$ 251,227	\$ 226,004



The Capital Improvements Fund accounts for revenue and expenditures related to the Village’s annual road improvement program, as well as other right of way, street, sidewalk/pathway and facility improvements and the purchase (or lease) of machinery and equipment. The main revenue sources of this fund include federal and state funding, transfers from the Motor Fuel Tax and General Funds, as well as developer donations. Details of the Village’s FY2026 Capital Improvement Program can be found in the Capital Improvement Planning section of this document.

The FY2026 Capital Improvements Fund budget can be found on the following page.



Village of Peotone
Fiscal Year 2026 Budget
Capital Improvements Fund

	FY2023 Actual	FY2024 Actual	FY2025 Amended Budget	FY2025 Projected	FY2026 Budget
Revenues					
<i>Licenses, Permits & Inspections</i>					
Building Permit Development Fees Admin	\$ 14,548	\$ 6,536	\$ 8,000	\$ 2,220	\$
Building Permit Development Fees Police	9,988	7,520	8,000	4,068	
<i>Intergovernmental</i>					
Grants		50,256	904,392	23,193	848,372
<i>Miscellaneous Revenues</i>					
Interest Income	167	133	150	165	100
Miscellaneous Revenues		6,050			
Total Revenues	\$ 24,703	\$ 70,494	\$ 920,542	\$ 29,646	\$ 848,472
Expenditures					
<i>Professional Services</i>					
Engineering		158,925	72,500	102,500	102,400
Other Professional Services	\$	\$	\$	\$	\$
<i>Capital Outlay</i>					
Improvements Admin	20,134				
Improvements Police	15,134				
Improvements to Streets		480,176	890,000	76,568	995,000
Total Expenditures	\$ 35,268	\$ 639,101	\$ 962,500	\$ 179,068	\$ 1,097,400
Excess (Deficiency) of					
Revenues Over Expenditures	(10,565)	(568,607)	(41,958)	(149,423)	(248,928)
Other Financing Sources (Uses)					
Transfers In		412,350	90,000	99,028	167,400
Total Other Financing Sources (Uses)	\$ -	\$ 412,350	\$ 90,000	\$ 99,028	\$ 167,400
Net Income (Loss)	(10,565)	(156,257)	48,042	(50,395)	(81,528)
Beginning Fund Balance	415,542	404,977	248,720	248,720	198,325
Ending Fund Balance	\$ 404,977	\$ 248,720	\$ 296,762	\$ 198,325	\$ 116,797

**VILLAGE OF PEOTONE
TOTAL COMPENSATION BY POSITION
FISCAL YEAR 2026**

Title	Budget	Estimated	Budget
	FY2025	Actual FY2025	FY2026
Administration Department			
Village Administrator	141,618	154,930	172,915
Village Clerk	86,296	85,151	89,220
Clerical Support FT		4,691	63,273
Clerical Support PT	22,153	23,027	
Clerical Support PT	20,537	22,969	5,289
Police Department			
Police Chief	141,549	143,853	149,074
Lieutenant		133,155	195,549
Sergeant	172,955	129,892	180,771
Community Support Liaison	60,464	62,403	66,845
Patrol Officer	102,403	88,551	118,858
Patrol Officer	132,054	114,318	143,698
Patrol Officer	159,993	128,283	169,441
Patrol Officer	125,488	61,157	126,767
Patrol Officer	122,000	42,588	115,513
Patrol Officer	135,979	108,349	154,948
Patrol Officer	123,687	108,097	138,726
Patrol Officer	133,281	109,362	140,234
Patrol Officer	109,914	87,060	130,579
Patrol Officer PT	53,828	44,527	60,758
Community Development Department			
Building & Zoning Coordinator	65,000	66,504	
Permit Technician PT	27,500		
Code Enforcement PT	25,724		
Clerical Support PT			15,868
Public Works Department			
Public Works Manager	118,913	117,476	123,643
General Laborer FT	94,198	95,861	97,774
General Laborer FT	43,871	45,422	47,152
General Laborer FT	51,363	52,783	54,547
General Laborer FT		3,700	46,424
General Laborer PT	22,339	19,904	



Village of Peotone, Illinois
Fiscal Year 2026 Budget
Tax Year 2023 Principal Property Tax Payers

Tax Payer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Chicago Title Land Trust Co.	1,114,219	1	0.95%
Bult James Pearl	\$844,511	2	0.72%
Peotone Ind Properties LLC	\$827,367	3	0.71%
Bhagwati Properties One LLC	\$740,636	4	0.63%
Double Black Diamond LLC	\$579,382	5	0.50%
Peotone Kotara Partners LLC	\$540,856	6	0.46%
Macs Convenience Stores LLC	\$501,635	7	0.43%
Dralle David L Gregory	\$352,342	8	0.30%
WIM FMB Portfolio Owner LLC	\$320,534	9	0.27%
Cleveland Steel Container	\$317,451	10	0.27%
Riverside Medical Center	\$315,706		0.27%
	<u>\$6,454,639</u>		<u>5.53%</u>

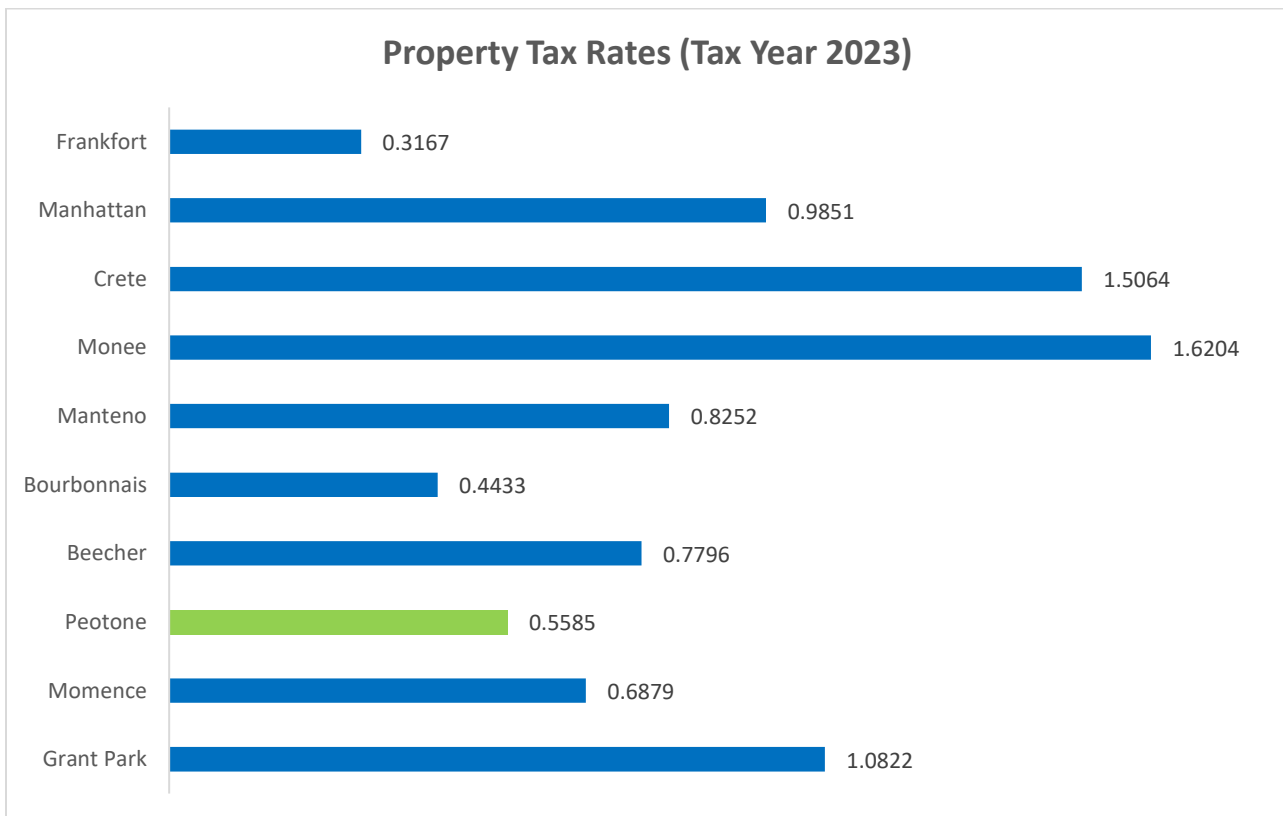
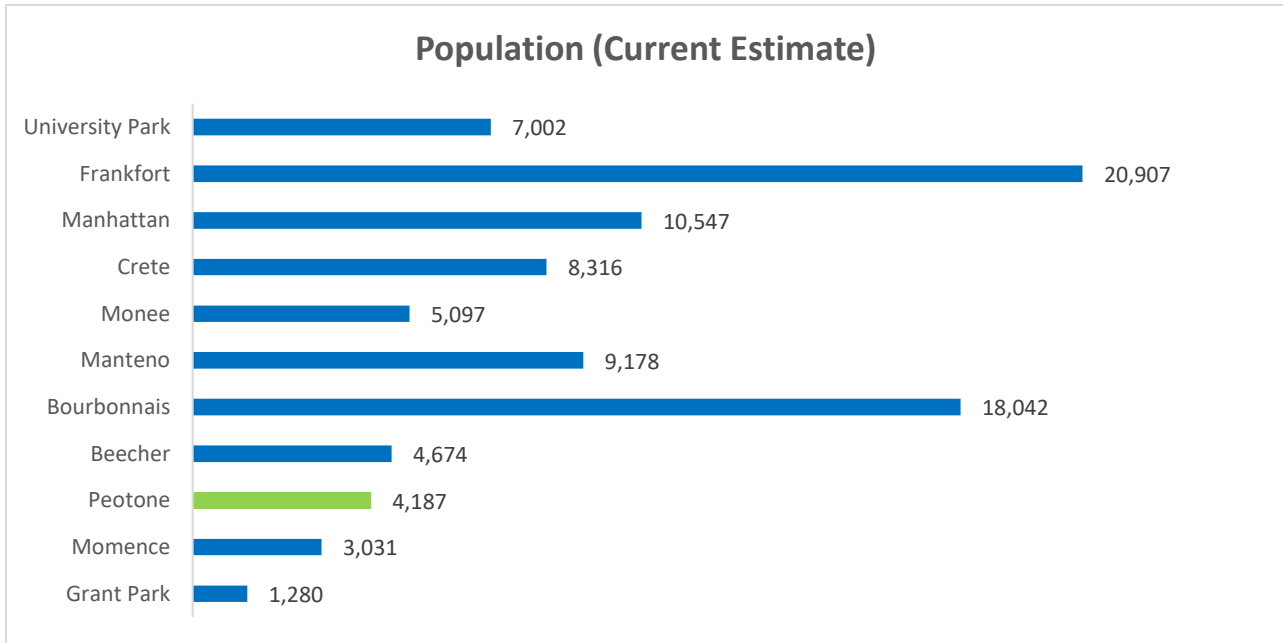
Data Source: Will County Clerk's Office (Most current available data)

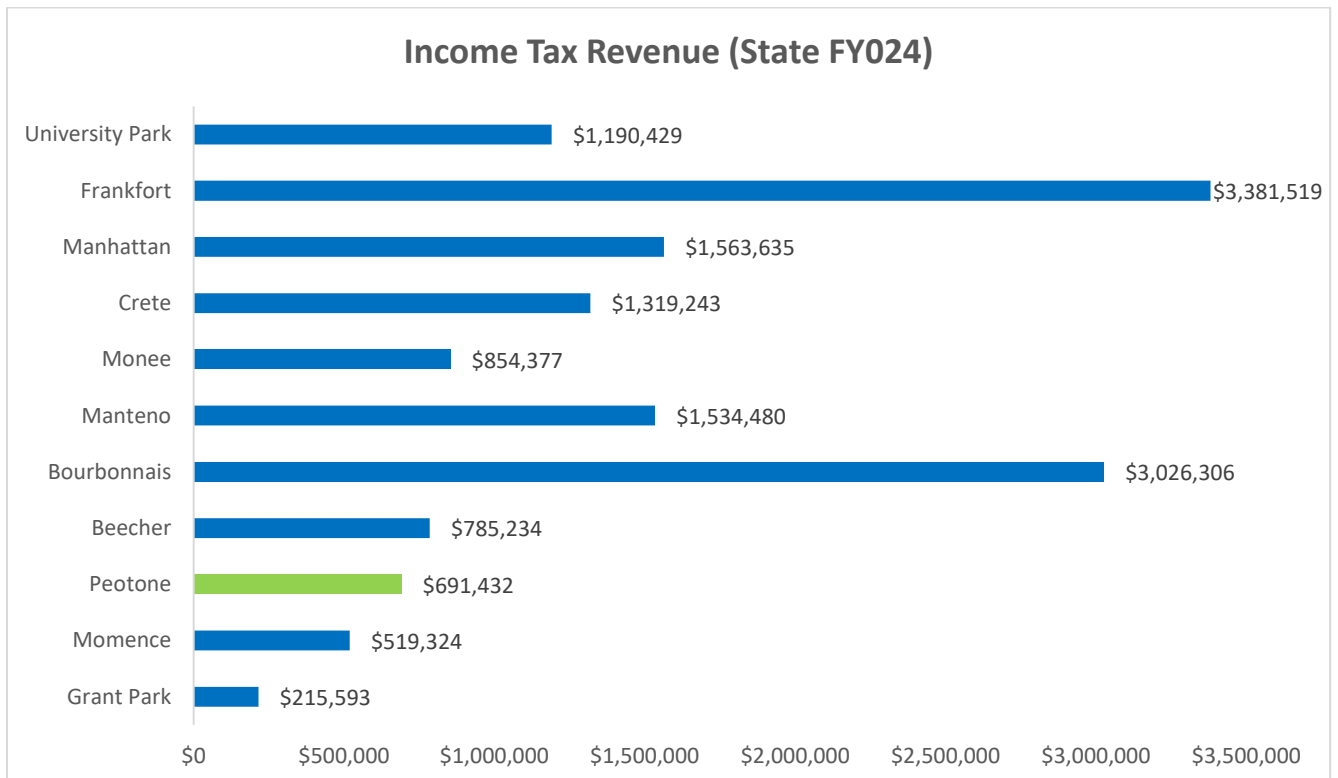
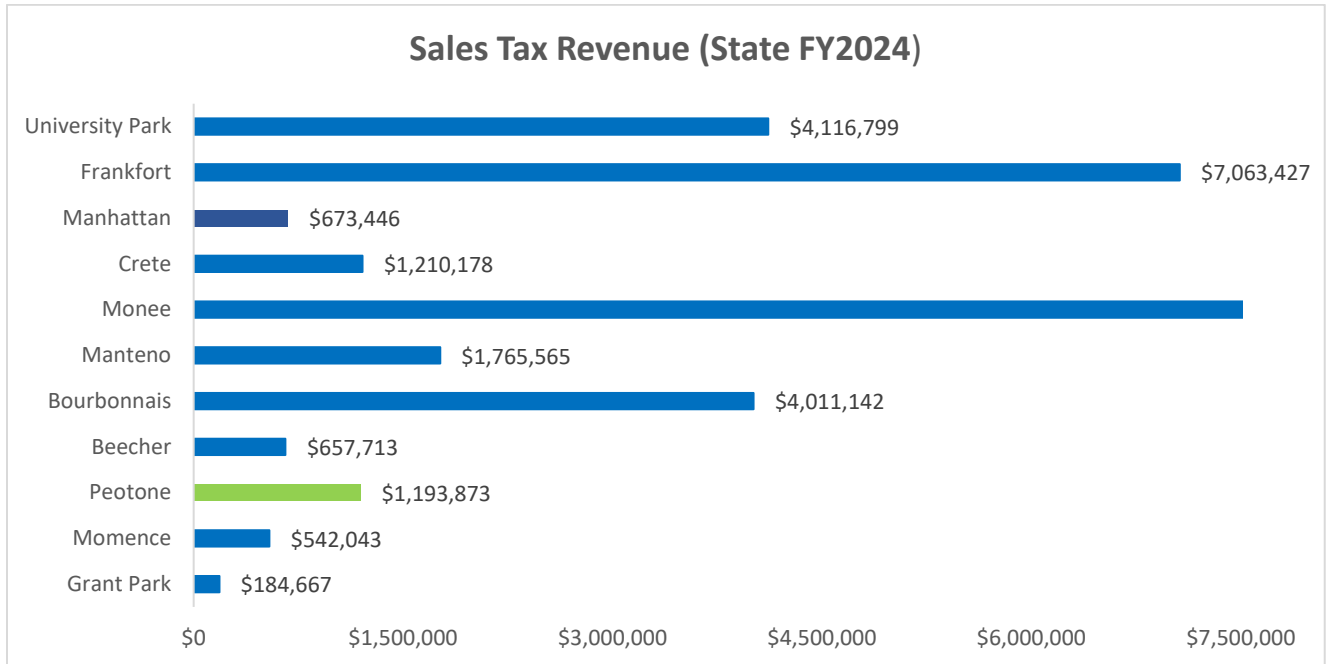


Village of Peotone, Illinois
 Fiscal Year 2026 Budget
Employment by Industry

Occupation	Percent of Population
Health Care & Social Assistance	13.30%
Educational Services	12.40%
Retail Trade	11.40%
Accommodation & Food Services	7.21%
Arts, Entertainment & Recreation	4.48%
Manufacturing	10.10%
Transportation & Warehousing	4.97%
Utilities	1.24%
Professional, Scientific & Technical Services	5.06%
Construction	6.90%
Public Administration	5.60%
Administrative, Support & Waste Management Services	2.64%
Other Services, Except Public Administration	4.61%
Real Estate & Rental & Leasing	1.39%
Finance & Insurance	1.39%
Wholesale Trade	5.11%
Information	2.20%
	100.00%

Source: DataUSA





ARPA: American Rescue Plan Act. This act was signed into law to provide for COVID-19 related relief, as well as economic stimulus.

CALEA: The Commission on Accreditation for Law Enforcement Officers. Credentialing authority through the joint efforts of law enforcement's major executive associations. The CALEA Accreditation program seals are reserved for use by those public safety agencies that have demonstrated compliance with CALEA Standards and have been awarded CALEA Accreditation by the Commission.

CARES Act: Coronavirus Aid, Relief, and Economic Security Act. This act was created by the Treasury Department to provide payments to State and Local governments navigating the impact of the COVID-19 pandemic.

CIP: Capital Improvement Plan. A five-year plan that projects proposed capital expenditures.

CPI: Consumer Price Index

DCEO: Department of Commerce and Economic Opportunity

EAV: Equalized assessed valuation. 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.

FEMA: Federal Emergency Management Agency

FICA: Federal Insurance Contribution Act. FICA tax is a tax levied in equal amounts on employees and employers to fund old-age, survivors, and disability claims. This tax is composed of two elements: 6.2% Social Security tax and 1.45% Medicare tax.

FY: Fiscal Year. Declared twelve-month accounting period designated April 1 – March 31.

GAAP: Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and reporting. The primary authoritative body on the application of G.A.A.P. to state and local governments is the Governmental Accounting Standards Board.

GFOA: Government Finance Officers' Association. An organization representing municipal finance officers and other individuals and organizations associated with public finance.

GASB: Governmental Accounting Standards Board. The oversight board responsible for establishing financial reporting requirements for governmental and public agencies.

IDOT: Illinois Department of Transportation. The Department responsible for planning, construction, and maintenance of Illinois' transportation network which encompasses, highways and bridges, airports, public transit, rail freight and rail passenger systems.

IML: Illinois Municipal League. Established in 1914, the League offers membership to any city, village, or incorporated town in the state of Illinois and provides a common meeting ground, provides a formal voice for municipalities, promotes competence and integrity in government, and offers programs that provide knowledge, experience, and assistance for municipal officials.

IMRF: Illinois Municipal Retirement Fund. Established in 1941, a program that provides employees of local governments and school districts in Illinois with a sound and efficient system for payment of retirement disability, and death benefits.

IPBC: Intergovernmental Personnel Benefit Cooperative. IPBC is a cooperative entity established to jointly administer some or all the personnel benefit programs offered by its members to their employees and retirees. The Village's HMO Medical benefits for employees and retirees are provided through this entity.

IRMA: Intergovernmental Risk Management Agency. A member-owned self-governed risk pool providing insurance coverage, claims administration, litigation management, and risk management services to assist members in preventing losses and reducing their overall cost of risk, at substantial savings to public entities.

LGDF: Local Government Distributive Fund. Illinois municipalities and counties receive a percentage of total state income tax revenues through this fund on a per capita basis.

LPR: License Plate Recognition. A system which provides real time alerts to patrol officers.

MFT: Motor Fuel Tax; a revenue collected on a per capita basis. Since October 1, 1977, Illinois has imposed a motor fuel use tax on fuel used by interstate commercial motor vehicles. The Illinois Department of Revenue collects funds annually to help, in part, build and maintain roads and highways. Programs such as railroad crossing protection, boating safety, and vehicle emission testing also benefit from motor fuel taxes.

OPEB: Other Post-Employment Benefits. The Village's defined benefit OPEB plan, provides for all permanent full-time general and public safety employees of the Village. The plan provides eligible retirees coverage; however, they pay 100% of the premium cost. Coverage ends when the retiree stops paying for it.

PT: Part Time. An employee who is employed in a position that requires the performance of duty for less than one thousand hours per year. An employee who is hired for a specific position with no specific date upon which employment ends.

PPE: Personal Protective Equipment

RMS: Records Management System

TIF: Tax Increment Financing. A financial tool used by local governments to fund economic development.

A

Abatement: A complete or partial cancellation of a levy imposed by a government. Abatements usually apply to tax levies, special assessments, and service charges.

Accrual Basis of Accounting: Revenues are recognized in the accounting period they are earned and become measurable. Expenses are recognized in the accounting period in which the liability is incurred.

Appropriation: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited to the time it may be expended. The appropriation provides the legal authorization for corporate authorities (municipalities) to expend funds.

Assets: Property that has a monetary value.

Assessed Valuation: A judgment of the worth of real estate or other property by the County Assessor as a basis for levying taxes.

Audit: An examination that reports on the accuracy of the annual financial report prepared by the Village; usually prepared by a private firm retained by the Village.

B

Balanced Budget: The budget is balanced when the sum of estimated revenues and appropriated fund balances is equal to expenditures.

Bond: A written promise to pay a specified sum of money at a fixed time in the future, carrying interest at a fixed rate, usually payable periodically.

Bonded Debt: A portion of money owed (indebtedness) represented by outstanding bonds.

Budget: A one-year financial document embodying an estimate of proposed expenditures for a given period and the proposed means of financing them with available revenues and resources. This is the actual working document for Village operations.

Budget Adjustment/Amendment: A procedure for the Village Board to revise the budget after it has been approved.

Budget Document: The instrument used to present a comprehensive financial plan of operations of the Village.

C

Capital Assets: Assets of significant value with a useful life of several years. Capital assets are also known as fixed assets. Tangible or intangible assets such as land, easements, buildings, vehicles, equipment, machinery, infrastructure, and improvements to any of these items used in the operation of the Village.

Capital Budget: A plan of proposed capital outlays and the means of financing them for the current fiscal period.

Capital Outlay/Expenditure: Expenditures that result in the acquisition of or addition to fixed assets such as the purchase of equipment, machinery, land, and buildings.

Capital Projects: A specific identifiable improvement or purpose for which expenditures are proposed within the capital budget or capital improvement program. Examples include new roads, watermain improvements, buildings, and large-scale remodeling projects.

Cash Management: The management of cash necessary to pay for government services while investing temporary cash excesses 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 to achieve the highest interest and return available for temporary cash balances.

Chart of Accounts: The classification system used by the Village to organize the accounting for various funds.

Commodities: Budgetary class of consumable items used by Village departments such as office supplies, replacement parts for equipment, and gasoline.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Contractual Services: Services rendered to Village departments and agencies by private firms, individuals, or other government agencies.

D

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

Debt Service Fund: A fund established to account for the accumulation of resources for, and the payment of, bonds and general long-term debt principal and interest according to a predetermined schedule.

Deficit: The excess of expenditures over revenues during an accounting period.

Depreciation: The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Department: A major administrative organizational unit of the Village, which indicates overall management responsibility for one or more activities, for example, the Public Works or Police Department. Also, a budgetary unit of division used to separate expenditures by Village operating departments.

E

Encumbrance: The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures.

Enterprise Fund: A separate fund used to account for services supported primarily by service charges, for example, water and sewer funds. Enterprise funds are used to account for operations that are financed and operated in a manner like private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the public on a continuing basis are financed or recovered through user fees. Enterprise funds are also used to account for operations 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 Valuation: The Board of Review, on a county basis, reviews the assessed valuation of all townships and may assign multipliers to make assessed valuations from township to township equal. If necessary, the State will then assign multipliers for counties in order that all property will be assessed at 33 1/3 % of market value.

Estimated Actual: The amount projected to be spent or collected during the current Fiscal Year.

Estimated Revenue: The amount projected to be collected during the Fiscal Year.

Expenditures: The outflow of funds paid or to be paid for an asset obtained or goods and services obtained, regardless of when the expense is actually paid. An encumbrance is not an expenditure, rather, it reserves funds to be expended.

F

Fiduciary Fund: Funds that are used when a government holds or manages financial resources in an agent or fiduciary capacity such as the Police Pension Fund.

Fiscal Year: A designated twelve-month period designated by the calendar year in which it ends for budgeting and record keeping purposes. The Village's Fiscal Year begins May 1st and ends April 30th.

Fixed Assets: Assets of a long-term character (held more than one year) which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment. See also *Capital Assets*.

Full Accrual Accounting: A method of accounting that requires income and expenditures to be accounted for as and when they are earned or incurred, not when the money is received or paid.

Full Faith and Credit: A pledge of the general taxing power of a government to repay debt obligation (typically used in reference to bonds).

Full-time Equivalent: The ratio of total number of paid hours during a period (full-time or part-time) by the number of working hours in that year.

Fund: A budgetary and accounting entity that is segregated from other funds for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. A fund is the largest budgetary unit and is used to account for significant projects

Fund Accounting: The organization of Village accounts on the basis of funds and account groups, each of which are considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund Balance: The excess of a fund's assets over its liabilities and reserves, which is held in reserve for future emergency spending.

Fund Type: In governmental accounting, all funds are classified into eight generic fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

G

General Fund: The fund that is available for any legal authorized purposes and which is typically used to account for all revenue and all activities except those required to be in accounted for in another fund.

General Obligation Bonds: Bonds that finance a variety of public projects such as streets, buildings, and improvements. Repayment of the bonds is typically from property taxes. The Village pledges to repay this municipal bond and the bond is backed with the full faith and credit of the Village.

Governmental Fund: Funds which are used to account for activities that are primarily supported by taxes, grants and similar revenue sources including the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

Grant: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

I

IMRF Pension Fund: The Illinois Municipal Retirement Fund provides retirement benefits for all retired non-sworn City employees and their beneficiaries.

Incremental Property Tax: the difference between the amount of property tax revenue generated before TIF designation and the amount of property tax revenue generated after designation.

Intergovernmental Revenues: Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

Internal Service Fund: A fund used to account for the financing of goods and services provided by one department or agency to other departments or agencies of a government on a cost reimbursement basis.

Investment: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals, or base payments.

L

Levy: (Verb) To impose taxes, special assessments, or service charges for the support of government activities. (Noun) The total amount of taxes, special assessments or services charges imposed by a government.

Line-Item Budget: A budget format that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Long-Term Debt: Bonded debt and other long-term debt obligations, such as benefit accruals, due beyond one year.

M

Major Fund: A fund in which revenues, expenditures, assets, or liabilities of that fund are at least 10 percent of the corresponding totals, excluding extraordinary items, for all governmental funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. These funds include the General Fund and the Capital Improvements Fund.

Modified Accrual Accounting: A method of accounting that requires income and expenditures to be accounted for when available and measurable and expenditures are recorded when the liability is incurred.

M

Non-Major Fund: Funds that do not meet the criteria of a major fund and account for assets held by the Village as an agent for individuals, private organizations, and other governments. These funds include the Hotel/Motel Tax Fund, Motor Fuel Tax Fund, Downtown Business District Fund and the Storm Water Management Fund.

O

Operating Budget: The portion of the budget that pertains to daily operations that provide basic government services; presents proposed expenditures for the fiscal year and the revenues to fund them. See also *General Fund*.

Ordinance: A formal legislative enactment by the governing board of a municipality.

Outlays: Checks issued, interest accrued on the public debt, or other payments made, offset by refunds and reimbursements.

P

Pension Trust Fund: A trust fund used to account for public employee retirement systems.

Performance Measures: Objective and/or quantitative indicators used to show the amount of work accomplished, the efficiency with which tasks are completed and the effectiveness of a department or program.

Property Tax: Taxes levied on real property according to the property's valuation and the tax rate.

Proprietary Fund: A fund which is used to account for activities that involve business-like interactions either within the Village or outside the Village. These activities are similar to what would be found in the private sector, and reporting resembles what would be used by a private business.

R

Rating: The credit worthiness of a municipality as evaluated by independent agencies.

Retained Earnings: An equity account reflecting the accumulated earnings of the Village's enterprise funds.

Reserve: An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and, is, therefore, not available for general appropriation.

Revenues: Funds that the Village receives as income from an outside source. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.

Risk Management: An organized attempt to protect a government's assets against accidental loss in the most economical method.

S

Special Assessment Funds: A fund used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

Special Revenue Fund: A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

Surplus: An excess of the assets of a fund over its liabilities and reserves.

T

Tax Levy: The total amount to be raised by general property taxes for operating and debt service purposes specified in the Tax Levy Ordinance.

Tax Levy Ordinance: The annual ordinance that identifies the amount of property taxes to be levied.

Tax Rate: The amount of tax levied for each \$100 of equalized assessed valuations. The tax rate multiplied by the equalized assessed valuation equals the tax levy.

TIF District: A value capture revenue tool that uses taxes on future gains in real estate values to pay for new infrastructure improvements. TIFs are authorized by state law in nearly all 50 states and begin with the designation of a geographic area as a TIF District.

Transfers In/Out: A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

U

User Fees: Fees that are levied by the municipality on users of a service. User fees are designed to place the cost of a municipal service or program on the beneficiaries (users) of that service. For example, water rates are user fees charged to users of Lake Michigan Water.