VILLAGE OF

PEOTONE

FY2027 BUDGET BOOK

APRIL 1, 2026 TO MARCH 31, 2027

COMMUNITY | GROWTH | SERVICE | FISCAL RESPONSIBILITY

BUILDING TODAY FOR A STRONGER TOMORROW

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The FY2027 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 2027 Budget. Immediately preceding the sections described below is an introduction to the Village's governing body, the history and profile of the Village, and demographic information. Also included in this 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 FY2027 Budget, assumptions and trends considered when compiling the budget, FY2026 highlights, and FY2027 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, FY2026 highlights and accomplishments, FY2027 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 2027 budget on-line, visit the Village's website at Public Info - Financial Reports.

The Village of Peotone is governed by elected officials, including a Mayor and six Trustees. The Mayor and Trustees are elected at large for a four-year term; the Village Clerk is appointed. Elected and appointed officials, as of April 1, 2026, are listed below.

Elected Officials

Chris Vieaux - Mayor
Term Expires May 2029

Trustees

Gary Hudson
Term Expires May 2027

Pat Bowden
Term Expires May 2029

Jackie Richards
Term Expires May 2029

Todd Sandburg
Term Expires May 2027

Julie Sluis
Term Expires May 2027

Nicholas Strba
Term Expires May 2029

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 4,266. 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.

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

The Village takes pride in its history and the Village's Historial 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 hsitory. The annual fest gathers the whole town for a unique experience with historic booths, vendors, and contests.

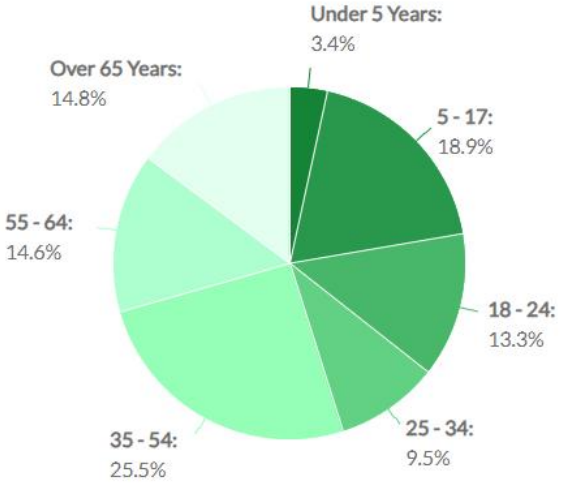
Since 1904, Peotone has been the home of the annual Will County Fair. The Will County Fair gathers an attendance of over 70,000 people on an annual basis. Fair participants can enjoy contests from baking to livestock, a demolition derby, vendors, live music and performaces, games, rides and so much more.

Following the recent improvements to the Vilage's downtown business district, including the replacement of aging infrastructure, new lighting, benches, planters and event space, the Village completed work on a downtown overlay district that seeks to preserve the history of Peotone, while encouraging new businss developments. The Village also launched a façade improvement program in 2026 that will further enhance the charm of the downtown area.

Total Population

4,228

Age



Per capita Income

Median household income

Source: Neighborhood Scout

PEOTONE CUSD 207 U SCHOOL DISTRICT SCHOOL QUALITY RATINGS

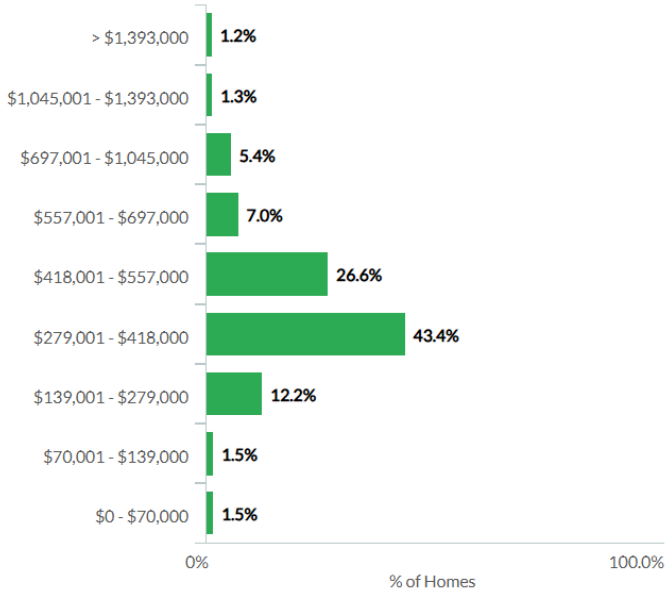
District Quality Compared to Illinois	District Quality Compared to U.S.
6 (10 is best)	7 (10 is best)
Better than 55.0% of all IL school districts.	Better than 63.3% of all U.S. school districts.

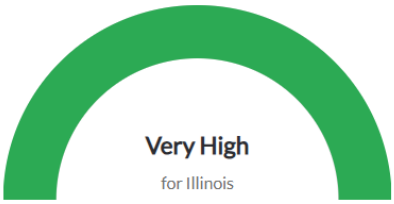
PEOTONE CUSD 207 U SCHOOL DISTRICT DETAILS

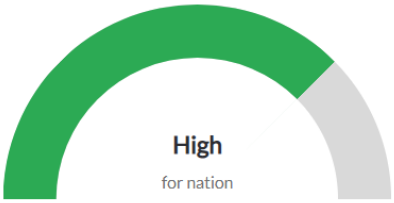
PEOTONE CUSD 207 U SCHOOL DISTRICT
212 W Wilson St
Peotone, IL 60468

1,296 Students enrolled in District
5 Schools in District
12 Students Per Classroom (State average is 13)

Peotone, IL Home Prices







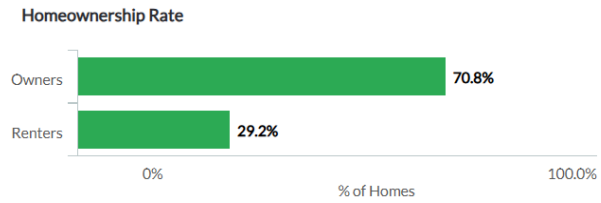
Source: Neighborhood Scout

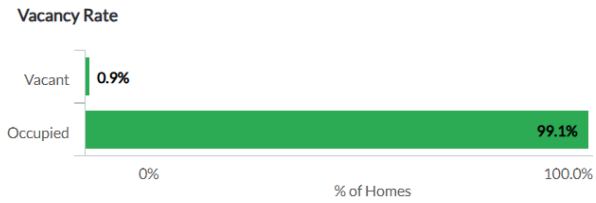
Median Home Value

$388,101

Number of Homes And Apartments:

1,607

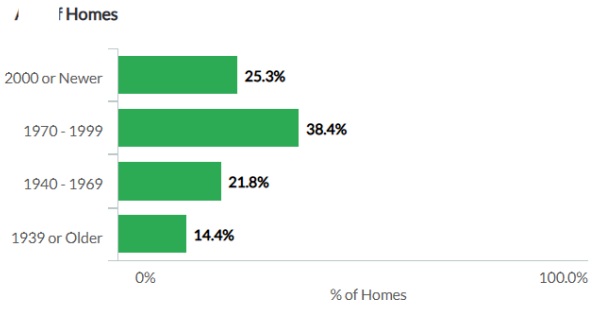


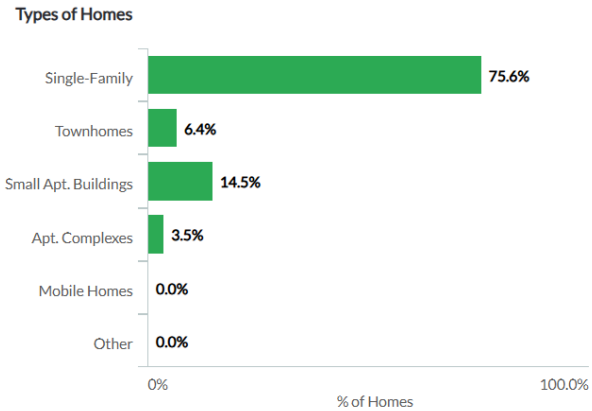


Average Market Rent:

$1,867 / per month

HOUSING MARKET DETAILS





Source: Neighborhood Scout

The Village Board's current strategic vision guides decision making and promotes the continuing development of its community. The FY2027 budget, and the identified goals and objectives, 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. The FY2027 budget includes funding to update the Village's current strategic vision and to outline goals and objectives that will help the Village Board realize this vision.

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.

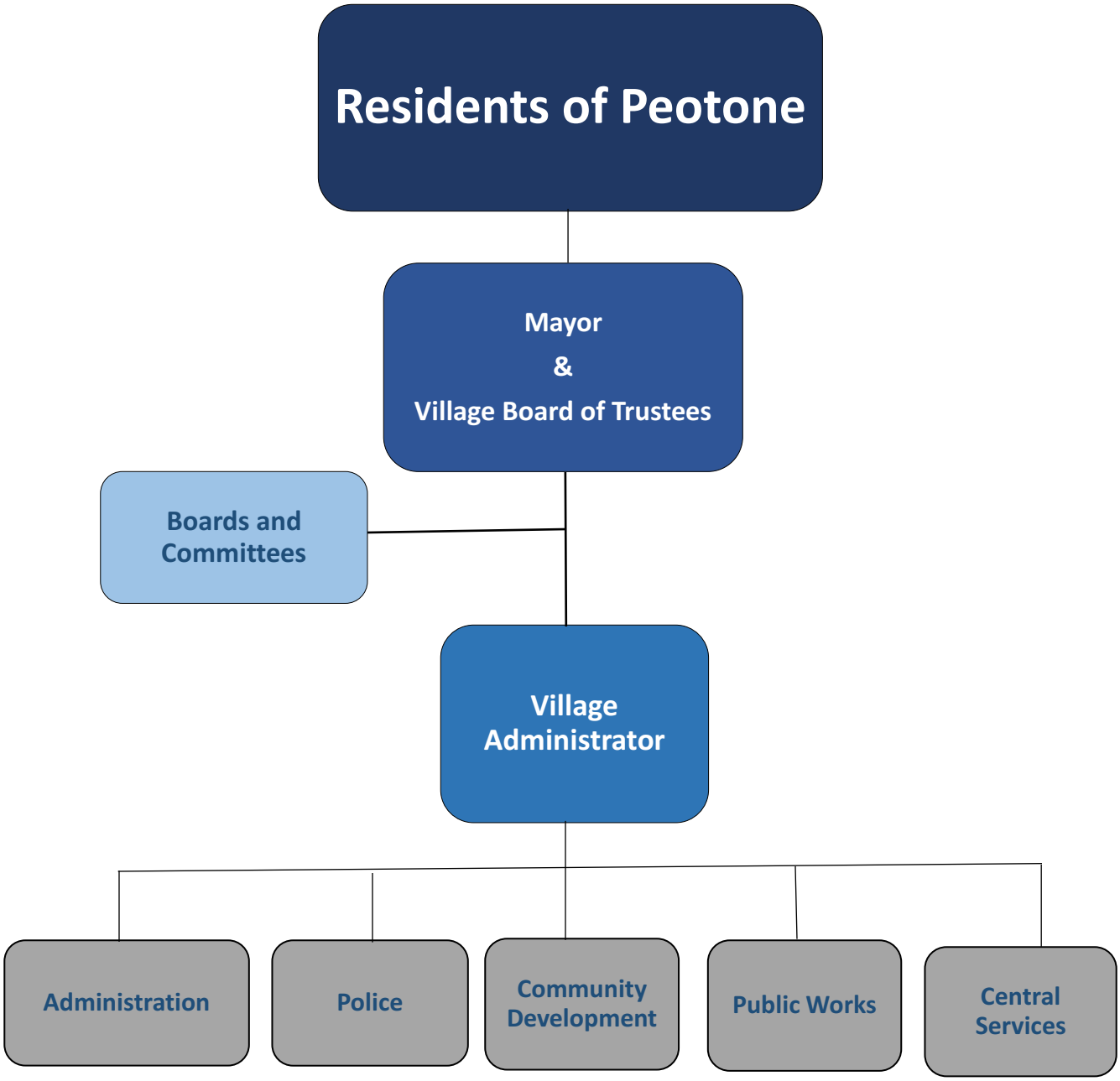
Community-Focused Development

- 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.

Village Organizational Chart



Legend:

Elected Officials | Appointed Members | Village Staff

VILLAGE OF
PEOTONE

March 23, 2026

Honorable Mayor Vieux and Board of Trustees:

We are pleased to present the Fiscal Year 2027 Budget (effective April 1, 2026 – March 31, 2027). 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 for the community.

The Village of Peotone Board of Trustees has established a commitment to exceptional service through ongoing discussions, resolutions and policies. The FY2027 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 2026 Review

FY2026 projected revenues, across all funds, amount to $6,105,621, net of interfund transfers. This amount includes one-time ARPA revenues reflected in the Capital Improvement Fund of $919,834 related to the Conrad Street Storm Sewer Project.

After reducing the FY2026 budget and projected amounts by these one-time revenue sources, projected revenues for FY2026 are approximately $337,000 more than the FY2026 budget, partially due to the following:

- ✓ Projected Interest Income in the General Fund amounted to approximately 129% of the amount budgeted or approximately $94,000 more than budgeted due to a continued shift in the Village's investment philosophy
- ✓ Sales Tax revenues in the General Fund exceeded the amount budgeted by approximately $139,000
- ✓ Water Franchise Fees amount to approximately $22,000 more than budgeted
- ✓ Motor Fuel Tax revenues in the Motor Fuel Tax Fund exceeded the amount budgeted by approximately $6,800
- ✓ Police Services reimbursements exceeded the amount budgeted by approximately $8,100

FY2026 projected expenditures, across all funds, amount to $5,775,773, net of interfund transfers. Projected employee-related expenditures amount to $2,910,019, or approximately 60% of total projected expenditures, net of capital outlay and interfund transfers.

FY2026 projected expenditures include capital outlay of approximately $1.26 million and include spending on projects such as stormwater management, road and sidewalk improvements, and vehicle and equipment purchases.

Major Accomplishments

- ✓ **Downtown Progress Continues:** Following completion of the downtown Streetscape project, the Village has continued its efforts to revitalize and improve the historic downtown Peotone area. The Village approved a Downtown Overlay District which seeks to protect the historic character of the downtown area, while also encouraging new business development and attracting additional visitors to Peotone. This Overlay District

will work in conjunction with the approved Façade Improvement program which offers matching dollars for property owners to improve the exterior of buildings within the downtown TIF district. This program seeks to improve the overall look of the downtown area through this public-private partnership. More good things are ahead for downtown Peotone! (Strategic Priority: *Enterprising Infrastructure Management, Secure and Flourishing Neighborhoods*).

✓ **Conrad Storm Sewer Improvements.** Funded by American Rescue Plan Act (ARPA) dollars, the Village improved the storm sewer along Conrad Avenue. This project also included some curb and gutter replacements and repaving of the target areas on Conrad. *(*Strategic Priorities: *Financially Viable Future and Enterprising Infrastructure Management).*

✓ **Sidewalk Installations and Improvements –** The Village continued maintenance on defective and aging sidewalks throughout the Village. This is an ongoing priority for the Village and will continue in the FY2027 budget and future years. (Strategic Priority: *Enterprising Infrastructure Management, Secure and Flourishing Neighborhoods*).

✓ **Parkway Tree Planting.** The Village continued its 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, 2025, the funding status had increased to 55.31%. 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 2027 Overview

Below is a summary, by fund, of the Village's FY2027 Budget, including interfund transfers.

	Projected Fund Balance FY2026	Budgeted Revenues	Budgeted Expenditures	Projected Fund Balance FY2027
General Operating				
General Fund	$ 11,530,907	$ 4,692,824	$ 4,840,626	11,383,105
Special Revenue				
Motor Fuel Tax Fund	242,471	189,623	356,000	76,094
Business Development District Fund	266,577	367,903	395,700	238,780
TIF 1 Fund	195,338	58,436	62,250	191,524
TIF 2 Fund	216,707	316,194	264,176	268,725
Capital Projects				
Capital Improvement Fund	141,278	441,580	524,600	58,258
TOTAL ALL FUNDS	**$ 12,593,277**	**$ 6,066,560**	**$ 6,443,352**	**$ 12,216,485**

FY2026 budgeted revenues are estimated at $5,325,060, net of interfund transfers. Consistent with prior years, the Village took a conservative approach when estimating the various FY2027 revenue sources. FY2027 revenues within the General Fund are lower than FY2026 due to the inclusion of one-time grant revenues in FY2026. 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 FY2027 budget reflects an increase in property tax revenues reflected in the General Fund of approximately $40,000. 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.

An increase of approximately $10,000 in Sales Tax within the Business Development District Fund is estimated for FY2027, along with a slight increase in Hotel/Motel Tax due to the newly opened hotel within the district.

Total FY2026 budgeted expenditures for all funds amounts to $5,701,852, net of interfund transfers. Costs related to personnel are the largest expenditure category, at approximately 51.9% of total budgeted expenditures.

Major capital projects included in the FY2027 Budget include the items listed below. Additional information on these projects is reflected in the Capital Improvement Program section of this document.

✓ South Street Paving – Engineering and Construction - $474,600
✓ Vehicle Purchases - $215,000

Closing Comments

The FY2027 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.

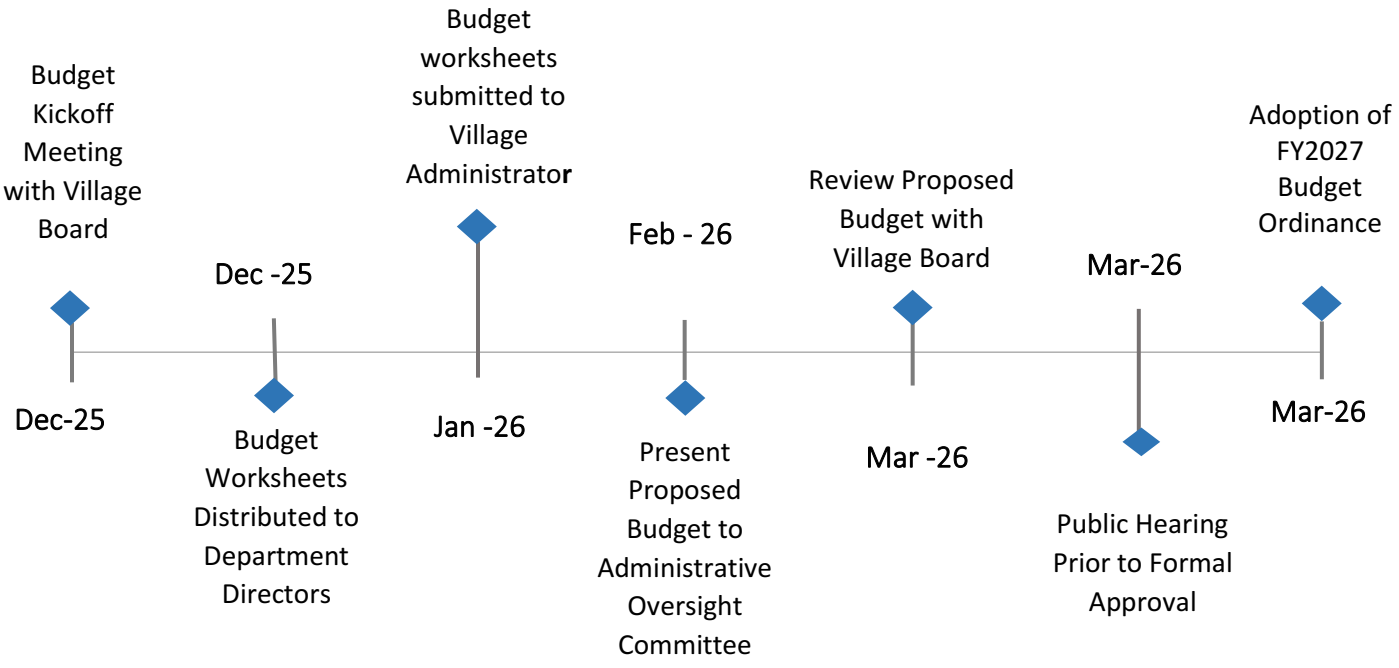
Sincerely,

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 FY2027 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. The Village's fund balance policy for its General Fund defines a minimum fund balance that the Village must maintained when approving subsequent budgets; the FY2027 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 FY2027 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 through the Board approval process. 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 polices 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 statues. The Village updated its Investment Policy for the Village's investments and the policy was approved by the Board in December 2025. 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 FY2027 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 does not currently have any proprietary funds. 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

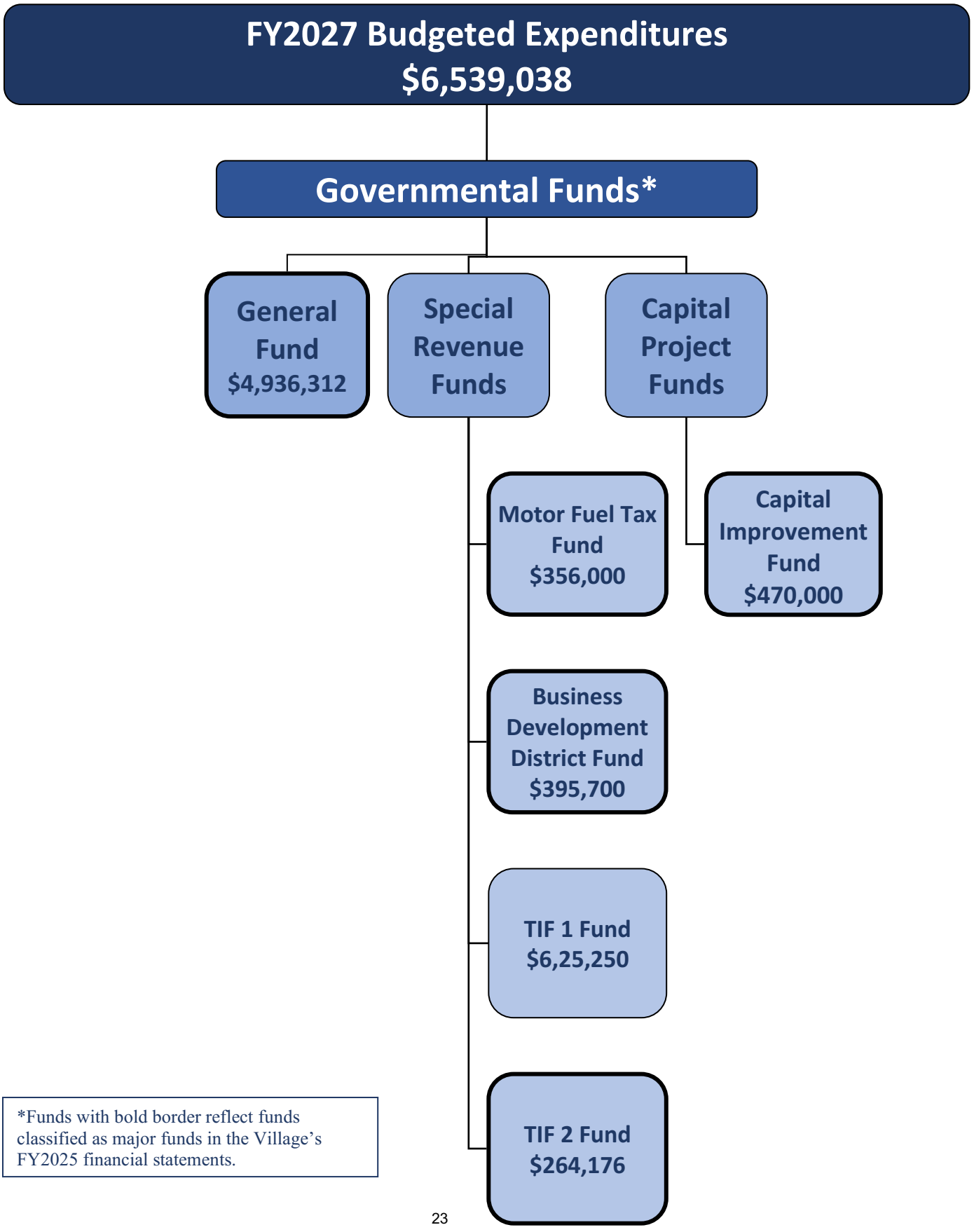
Proprietary Funds

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.



*Funds with bold border reflect funds classified as major funds in the Village's FY2025 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 five 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
- ✓ *Business Development District Fund*: accounts for the receipt and subsequent spending of the Village's 1% business district tax
- ✓ *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 one fund which do not meet the major fund classification requirements listed above and are therefore classified as non-major funds, as follows:

- ✓ *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

In governmental funds, the difference between 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 FY2027 is forecasted at approximately $11.69 million, or 259% of annual recurring operating expenditures, and reflects a net operating loss of approximately $432,000. This net operating loss is partially offset by a $300,000 transfer from the Business Development District Fund, resulting in a decrease in fund balance of approximately $243,000 when compared to the FY2026 ending fund balance. This transfer is the partial repayment of the amount the General Fund contributed to the downtown project completed in FY2025. The remaining amount of $275,000 will be reflected in the Village's FY2028 budget.

Motor Fuel Tax Fund – Fund balance in the Motor Fuel Tax Fund reflects a decrease of approximately $166,000 when comparing FY2027 to FY2026. This is due to a planned drawdown on fund balance to fund road improvement projects budgeted in the Capital Improvement Fund.

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. Fund balance at the end of FY2027 is approximately $239,000, as compared to $267,000 at the end of FY2026. As noted above, expenditures of this fund include a $300,000 transfer to the General Fund, as well as $70,000 for the installation of speakers in the Village's downtown.

TIF 1 Fund – Projected fund balance at the end of FY2027 is estimated at approximately $133,000. This amount reflects estimated incremental tax revenues of approximately $58,000, offset by spending of $62,250 for the Village's downtown façade improvement program, as well as improvements to Village Hall.

TIF 2 Fund –The projected FY2027 ending fund balance is estimated at approximately $268,000. Incremental revenues are estimated to increase to approximately $316,000 based upon the value of the completed truck stop within the TIF area; 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 FY2027 amounts to $58,000. 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.

	Projected Fund Balance FY2026	Budgeted Revenues	Budgeted Expenditures	Projected Fund Balance FY2027
General Operating				
General Fund	$ 11,530,907	$ 4,692,824	$ 4,840,626	11,383,105
Special Revenue				
Motor Fuel Tax Fund	242,471	189,623	356,000	76,094
Business Development District Fund	266,577	367,903	395,700	238,780
TIF 1 Fund	195,338	58,436	62,250	191,524
TIF 2 Fund	216,707	316,194	264,176	268,725
Capital Projects				
Capital Improvement Fund	141,278	441,580	524,600	58,258
TOTAL ALL FUNDS	**$ 12,593,277**	**$ 6,066,560**	**$ 6,443,352**	**$ 12,216,485**

	Audited Fund Balance FY2024	Audited Fund Balance FY2025	Projected Fund Balance FY2026	Projected Fund Balance FY2027
General Operating				
General Fund	$ 11,797,493	$ 11,911,104	$ 11,530,907	$ 11,383,105
Special Revenue				
Motor Fuel Tax Fund	170,695	235,239	242,471	76,094
Business Development District Fund	376,550	(655,409)	266,577	238,780
TIF 1 Fund	88,779	141,710	195,338	191,524
TIF 2 Fund	656,179	382,045	216,707	268,725
Capital Projects				
Capital Improvement Fund	248,720	248,741	141,278	58,258
TOTAL ALL FUNDS	**$ 13,338,417**	**$ 12,263,431**	**$ 12,593,277**	**$ 12,216,485**

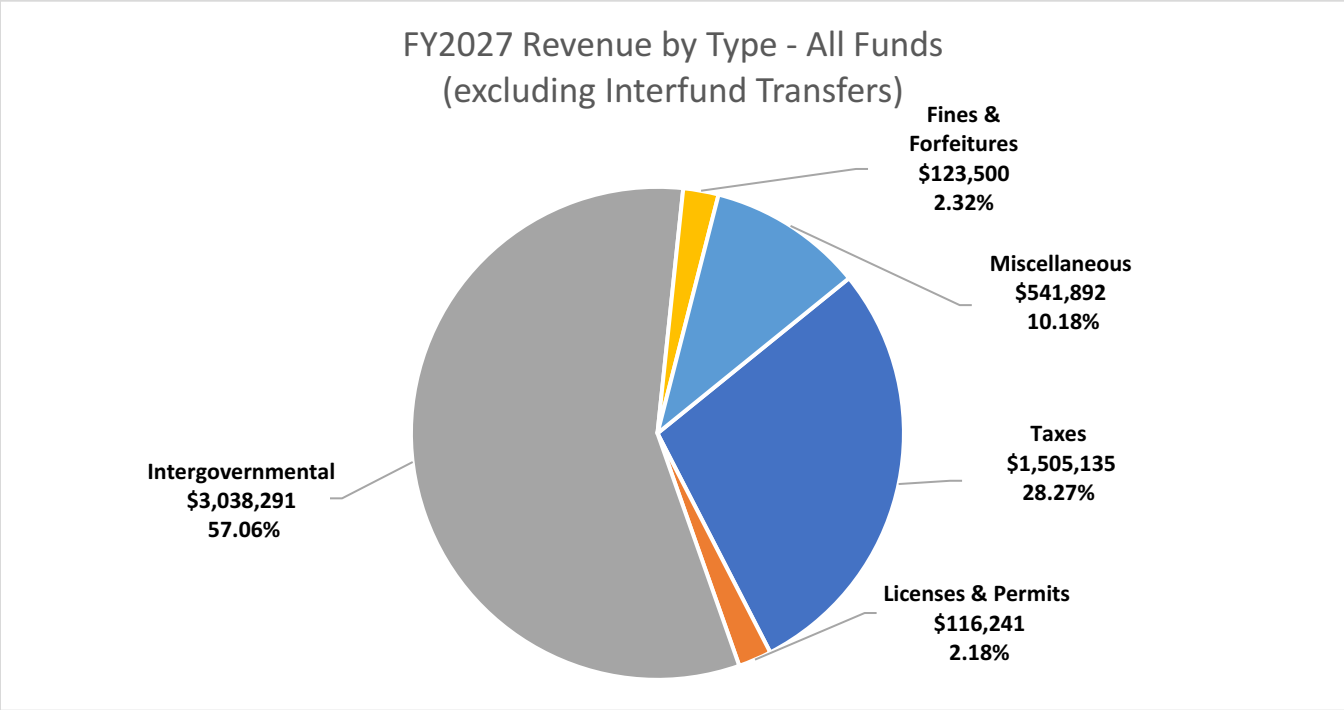
Summary of Revenues, Expenditures and Changes in Fund Balance - All Funds

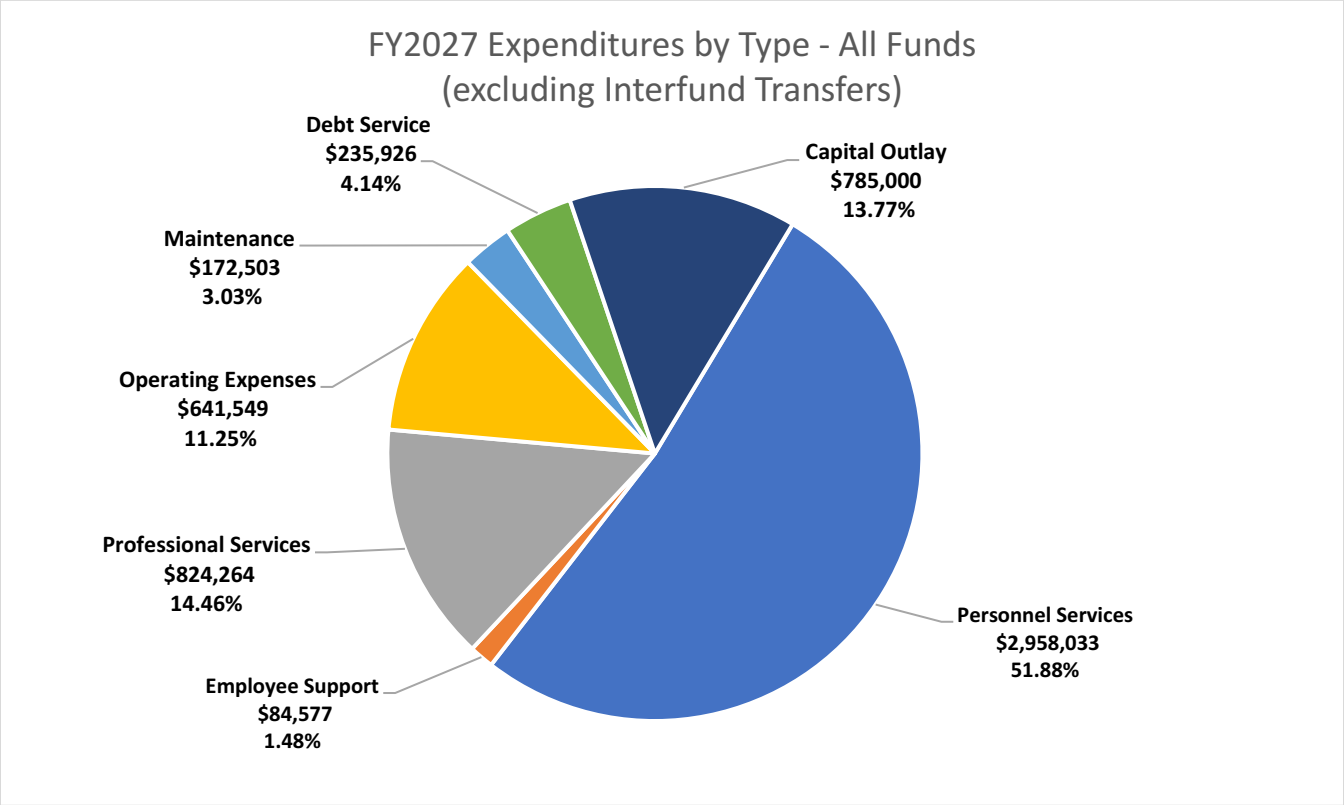
	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Revenues					
Taxes	$ 972,507	$ 1,074,727	$ 1,279,244	$ 1,308,726	$ 1,505,135
Licenses and Permits	215,972	98,246	115,494	144,388	116,241
Intergovernmental	2,873,201	5,126,307	3,744,676	3,907,806	3,038,291
Fines And Forfeitures	146,132	106,274	77,000	118,950	123,500
Miscellaneous Revenues	795,721	616,802	551,952	625,750	541,892
Total Revenues	**5,003,534**	**7,022,356**	**5,768,366**	**6,105,621**	**5,325,060**
Expenditures					
Personnel Services	2,453,908	2,532,156	2,749,097	2,910,019	2,958,033
Employee Support	48,325	68,548	80,587	44,958	84,577
Professional Services	1,243,737	899,467	889,067	702,890	824,264
Operating Expenses	342,871	529,464	606,706	480,788	641,549
Maintenance	158,576	245,666	141,150	146,235	172,503
Debt Service	182,811	190,615	230,615	230,615	235,926
Capital Outlay	3,176,072	3,631,427	1,111,000	1,260,270	785,000
Total Expenditures	**$ 7,606,300**	**$ 8,097,342**	**$ 5,808,222**	**$ 5,775,773**	**$ 5,701,852**
Excess (Deficiency) of Revenues Over Expenses:	**$ (2,602,766)**	**$ (1,074,986)**	**$ (39,856)**	**$ 329,848**	**$ (376,792)**
Transfers In	472,427	99,028	467,400	1,342,400	741,500
Transfers Out	(412,350)	(99,028)	(467,400)	(1,342,400)	(741,500)
Bond Proceeds	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Other Financing Sources (Uses)	**$ 60,077**	**$ -**	**$ -**	**$ -**	**$ -**
Net Income (Loss)	**(2,542,689)**	**(1,074,986)**	**(39,856)**	**329,848**	**(376,792)**
Beginning Fund Balance	15,881,104	13,338,415	12,263,429	12,263,429	12,593,277
Ending Fund Balance	**$ 13,338,415**	**$ 12,263,429**	**$ 12,223,573**	**$ 12,593,277**	**$ 12,216,485**

Revenue and Expenditure Summary - by Fund

	FY2027 Budgeted Revenues	FY2027 Budgeted Expenditures	Variance
General			
General Fund	$ 4,692,824	$ 4,840,626	$ (147,802)
Special Revenue			
Motor Fuel Tax Fund	189,623	356,000	(166,377)
Business Development District Fund	367,903	395,700	(27,797)
TIF 1 Fund	58,436	62,250	(3,814)
TIF 2 Fund	316,194	264,176	52,018
Capital Projects			
Capital Improvement Fund	441,580	524,600	(83,020)
TOTAL ALL FUNDS	**$ 6,066,560**	**$ 6,443,352**	**$ (376,792)**

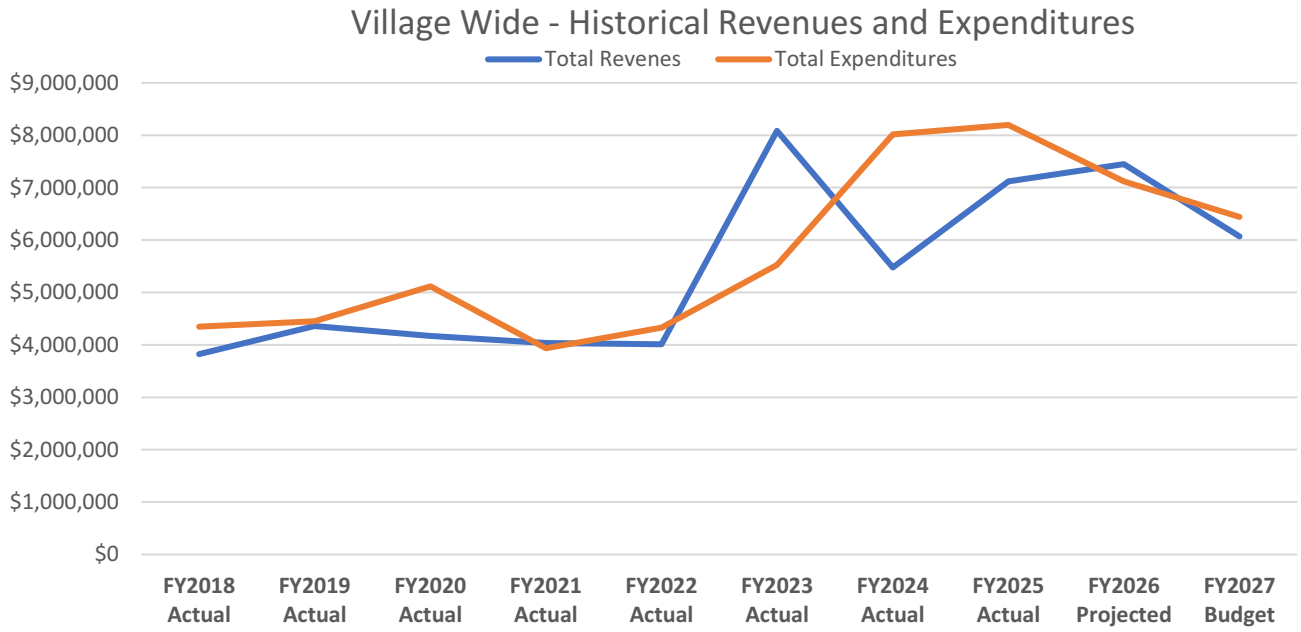
Total FY2027 revenues for all budgeted Village funds amount to $6,066,560 (including Interfund Transfers) and total FY2027 expenditures for all budgeted Village funds amount to $6,443,352 (including Interfund Transfers). Total revenues and total expenditures include interfund transfers between funds in the total amount of $741,500. 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 $6,066,560 and total FY2026 expenditures for all budgeted Village funds amount to $6,443,352, including interfund transfers. Below is a historical trend of total Village-wide revenues and expenditures, shown over the last ten years.

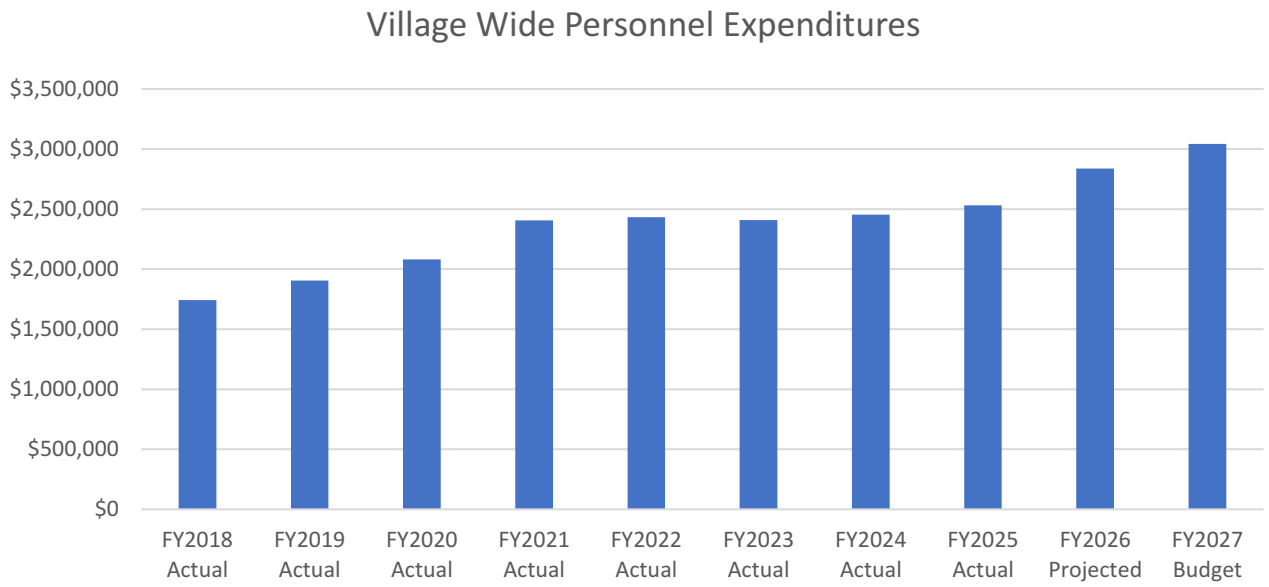


The increase in total revenues in FY2023 is due to the receipt of bond proceeds for the I-57 Interchange Project; the expenditures for this project occurred in FY2023 and FY2024. The increase in revenues in FY2025 is due to the receipt of grant proceeds related to the downtown redevelopment project; the expenditures for this project occurred in FY2024 and FY2025.

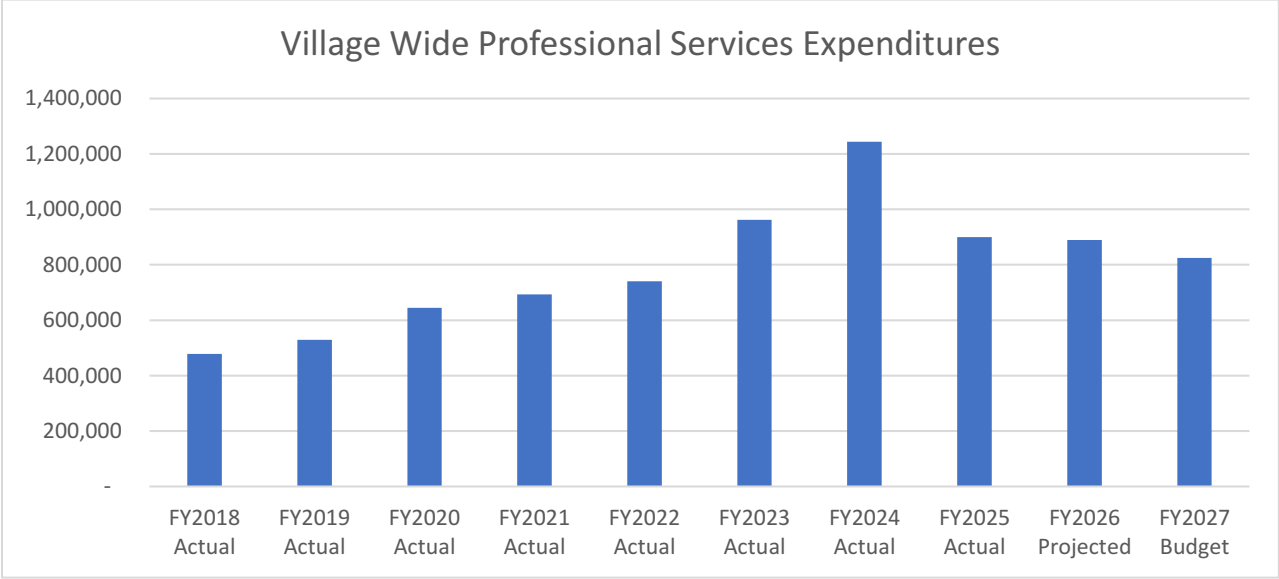
FY2026 projected revenues reflect a one-time APRA grant from Will County, in the amount of approximately $920,000 that provided funding for the Conrad Street Storm Sewer Project. The expenditures for this project occurred in FY2026.

Total revenues and total expenditures are relatively flat when comparing FY2026 Projected to FY2027 Budget as the FY2027 budget reflects significantly less spending on capital projects and no significant external fund sources.

Below is a history of the Village's personnel expenditures for the last ten years. This expenditure category has grown approximately 75% since FY2018, for an average annual increase of approximately 7.5%. The increase when comparing FY2026 Projected to FY2027 Budget is due to annual COLA and merit increases, when applicable. In addition, the Village's IMRF rate increased from 3.43% to 5.20% and the recommended contribution to the Police Pension Fund increased from $435,589 to $505,938.

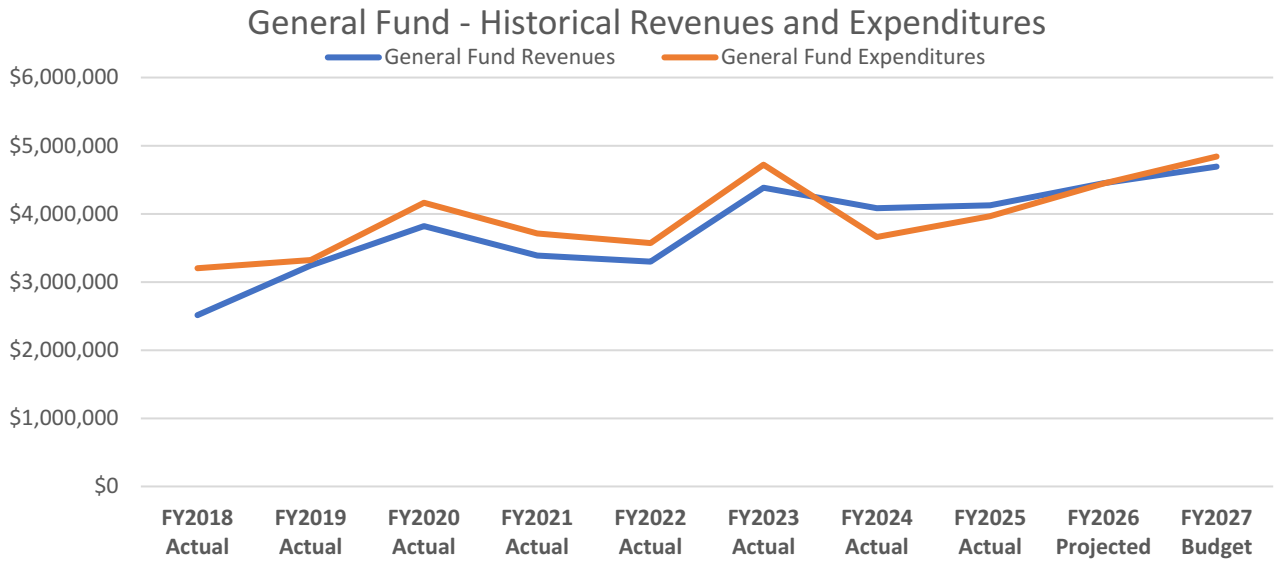


Below is a history of the Village's expenditures in the Professional Services category for the last ten years. The FY2025 budget amounts to $889,067. This expenditure fluctuates each year based on maintenance and new construction projects included in the annual budget, as well as the consulting needs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



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.

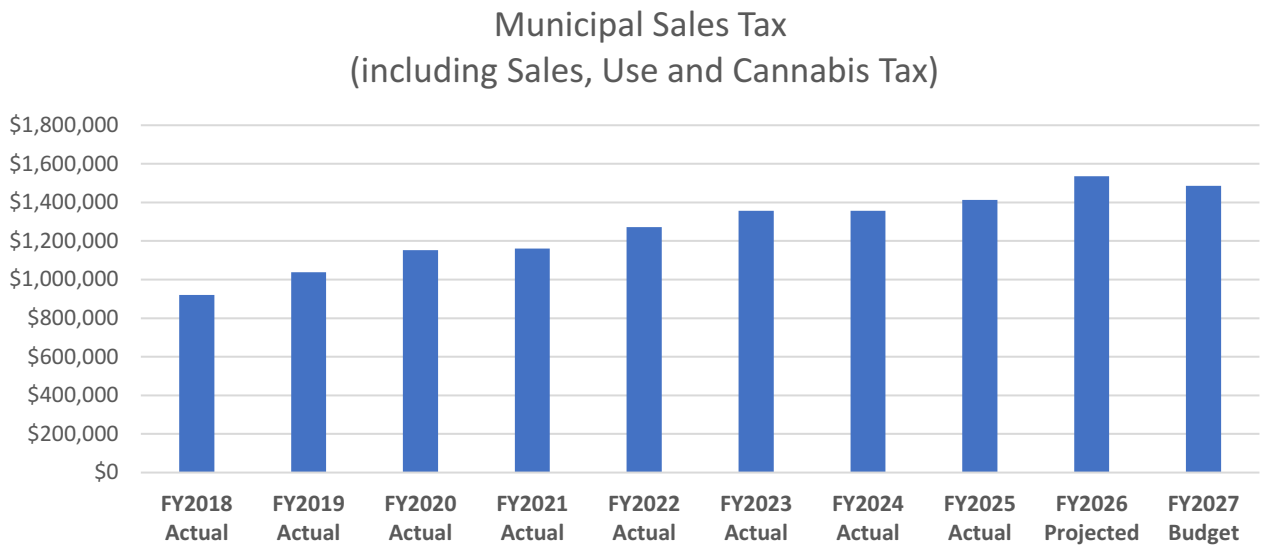


FY2026 projected revenues increased as compared to FY2025 actual revenues due to a transfer from the Business Development District Fund to the General Fund, as well as increases in Property, Hotel/Motel, Sales Tax and Water Franchise Fees. The transfer from the Business Development District Fund is to 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.

FY2026 projected expenditures reflect a transfer to the Business Development fund to partially fund the downtown redevelopment project. FY2027 expenditures include a transfer to the Capital Improvements Fund to provide funding for street improvement projects.

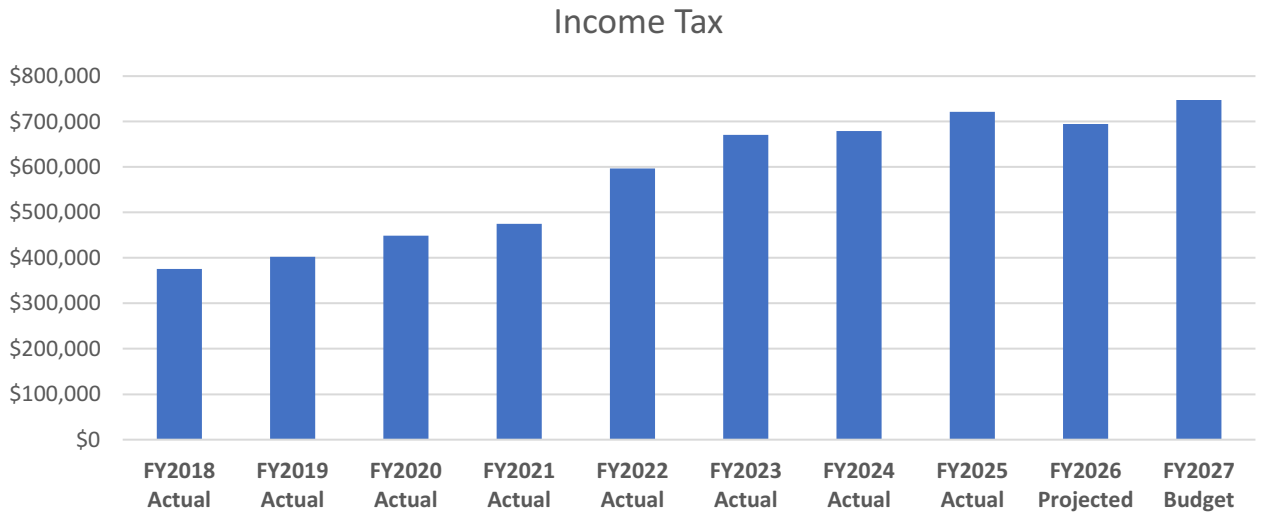
General Fund Revenues

Sales, Use and Cannabis Tax revenue, combined, represent the largest source of General Fund revenue. Below are the historical combined revenues from these three sources for the last ten years.



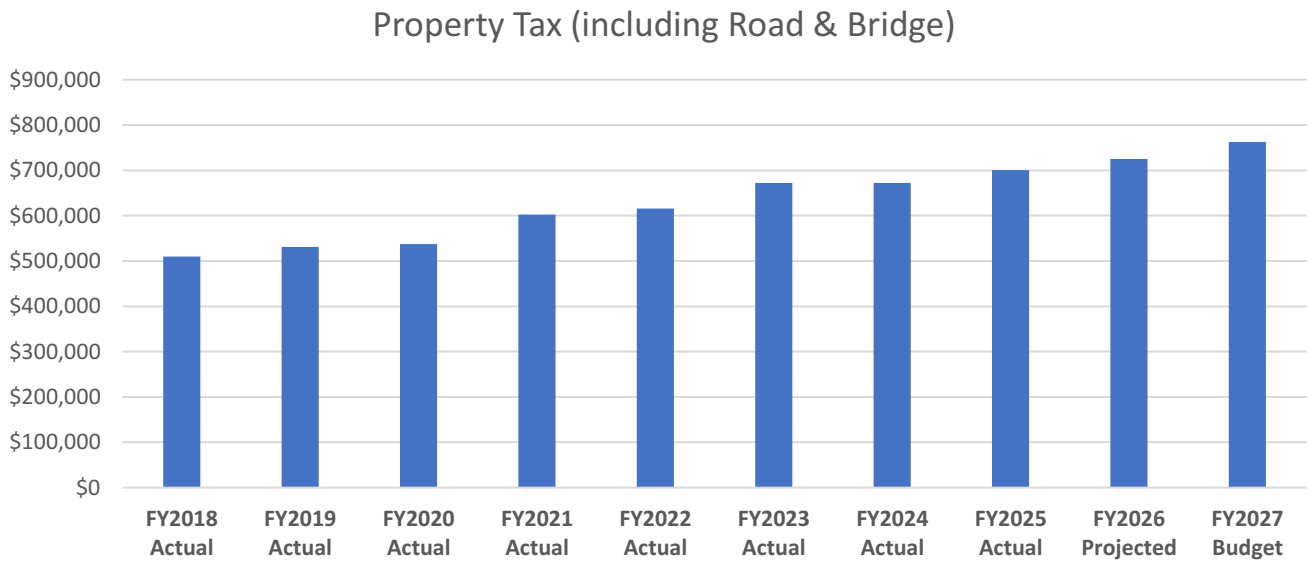
These revenues sources have grown approximately 61% when comparing FY2018 Actual to FY2027 Budget. Approximately 65% of the Village's Municipal Sales Tax collections are derived from the three auto dealerships located within the Village.

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 FY2018.



The FY2026 projected amount of $694,908 is based on a combination of actual revenues received and IML published per capita rates as of November 2025. The FY2027 budget includes $747,840 of income tax revenues.

The chart below shows the historical property tax (including Road & Bridge) revenues recorded in the General Fund since FY2018.



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 35.3% of the 2025 tax levy (collected in FY2027) 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 FY2027 Budget reflects a total personnel count of 21 full-time and 6 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 – 9 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 FY2027 budget, as well full-time equivalent allocations, by department are reflected below, along with a comparison to FY2024 actual and FY2025 projected.

Department	FY2025 Actual			FY 2026 Projected			FY2027 Budget		
	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE
Administration	3.00	1.00	3.50	3.00	1.00	3.50	3.00	1.00	3.50
Police	13.00	6.00	13.50	13.00	5.00	13.50	13.00	5.00	13.50
Community Development	1.00	-	1.00	-	-	-	-	-	-
Public Works	5.00	-	5.00	5.00	-	5.00	5.00	-	5.00
Total Personnel	**22.00**	**7.00**	**23.00**	**21.00**	**6.00**	**22.00**	**21.00**	**6.00**	**22.00**

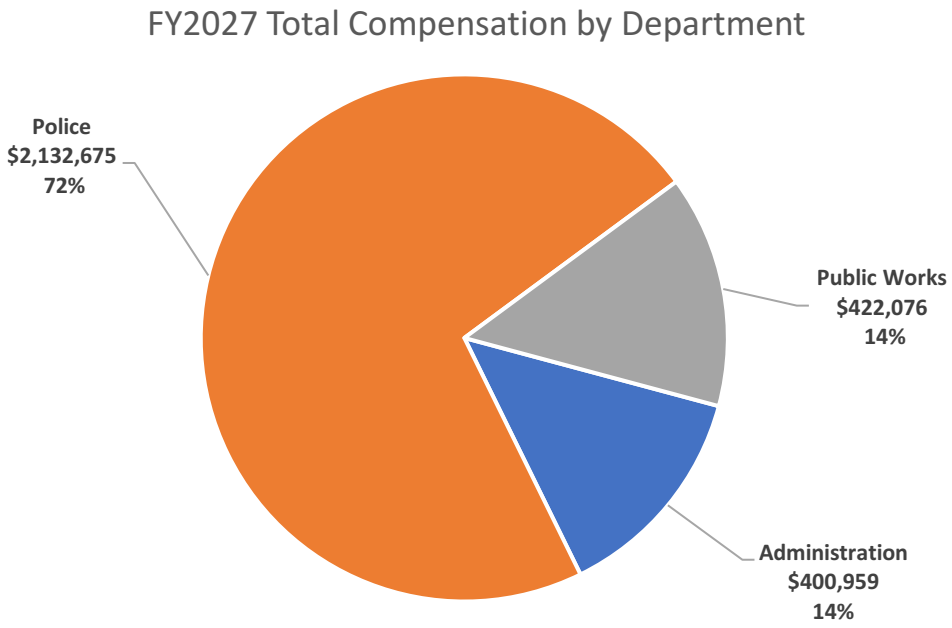
Personnel Budget

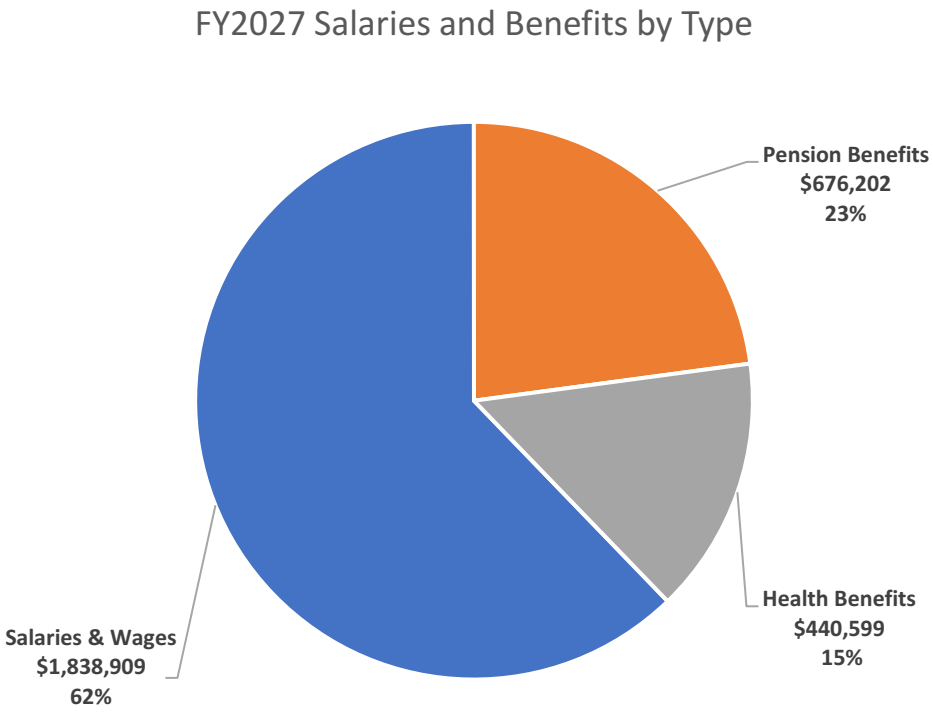
The FY2027 budget includes total employee compensation costs (Personnel Services and Employee Support expenditure categories) in the amount of $3,042,610. All personnel-related costs are reflected in the expenditure budget of the General Fund. Total compensation costs include salaries (including overtime 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. No changes in personnel are reflected in the FY2027 budget.

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 Costs – Total Compensation

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





In addition to the salary adjustment amounts noted above, the FY2027 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, 2026 renewal date
- ✓ Illinois Municipal Retirement Fund (IMRF) contribution rate for non-public safety employees of 5.20 % as of January 1, 2026
- ✓ Police Pension contributions assumed at $505,938, based on results of the March 31, 2025 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; public safety retirees with more than 25 years of service at retirement shall pay 50% of the full cost of benefits.

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.

VILLAGE OF PEOTONE
EMPLOYEE SALARIES BY DEPARTMENT
FISCAL YEAR 2027

Department	FY 2024 Actual	FY2025 Actual	FY2026 Budget	FY 2026 Projected	FY2027 Budget
Administration	$ 221,975	$ 244,248	$ 226,464	$ 266,761	$ 295,865
Police	890,911	1,047,749	1,098,259	1,139,615	1,237,778
Community Development	55,286	35,678	14,740	16,356	-
Public Works	226,569	259,989	260,534	265,952	305,267
Total	**$ 1,394,741**	**$1,587,664**	**$ 1,599,997**	**$1,688,684**	**$ 1,838,909**

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.

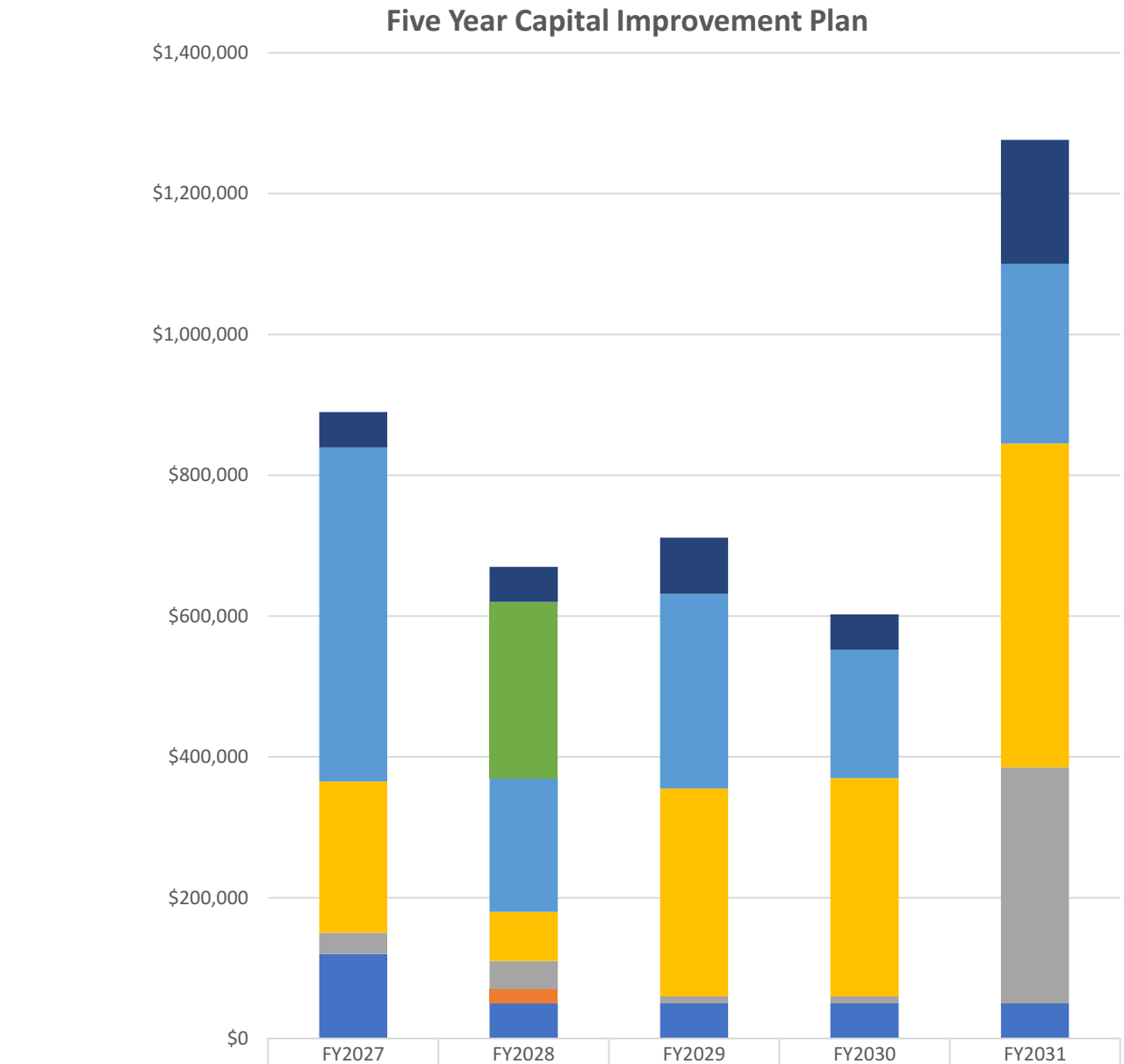
The Village's current five-year Capital Improvement Plan (CIP) identifies capital projects that support the Village's strategic goals and include projects such as the purchase, construction and/or improvement of land, buildings, streets, vehicles, machinery, and equipment. To be included in the CIP, 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.

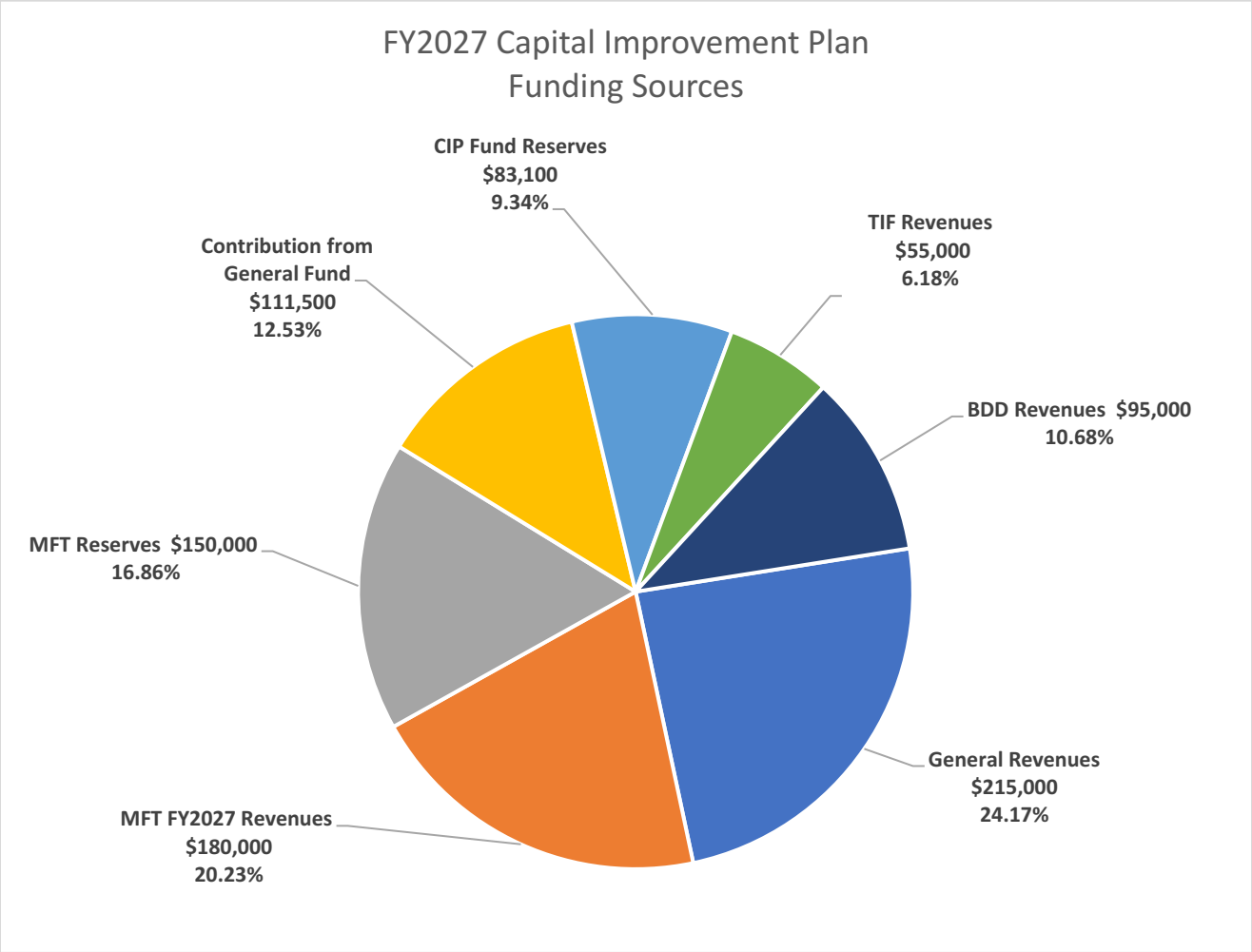
The Village's FY2027 capital improvement program amounts to $889,600 reflecting projects budgeted in the General, Capital Improvement, Business Development District and TIF 1 Funds. While the majority of capital projects are reflected in Capital Outlay line items within the FY2025 budget, commercial building façade improvements, as well as various studies and engineering costs for road improvements, in the amount of $104,600, are classified in the Other Professional Consulting Services and Engineering Services line items.

A summary of the Village's FY2027 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.



	FY2027	FY2028	FY2029	FY2030	FY2031
Sidewalk Improvements	$50,000	$50,000	$80,000	$50,000	$176,268
Parking Lot Improvements	$-	$250,000	$-	$-	$-
Street Improvements	$474,600	$190,000	$276,413	$182,280	$255,000
Vehicles & Equipment	$215,000	$70,000	$295,000	$310,000	$460,000
Building Improvements	$30,000	$40,000	$10,000	$10,000	$335,000
Stormwater Improvements	$-	$20,000	$-	$-	$-
Downtown Improvements	$120,000	$50,000	$50,000	$50,000	$50,000

The chart below displays the funding sources for the Village's FY2027 capital improvement projects, along with a description of the larger capital projects included in the FY2027 budget.



South Street Engineering and Paving - $474,600

The largest capital project included in the FY2027 budget is the paving project on South Street, one of the main roads in a residential section of the Village. The total cost of this project includes $54,600 for engineering and $420,000 for construction. This project 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.

Other capital purchases included in the FY2027 budget include the purchase of two police vehicles ($140,000), the purchase of a pickup truck for public works ($75,000), and the installation of speakers in the downtown area of the Village ($70,000). Each of these purchases may require maintenance and repairs in the future. Vehicle repair and maintenance costs would be reflected in the General Fund; maintenance of the outdoor speakers would be reflected in the Business District Fund.

Description	FY2027	FY2028	FY2029	FY2030	FY2031
General Fund					
Squad Car and Equipment	140,000	70,000	70,000	70,000	70,000
Truck w/Spreader & Plow (oldest plow truck - 1995)	-	-	225,000	240,000	-
Brush Chipper	-	-	-	-	140,000
Front Loader	-	-	-	-	250,000
Pickup Truck (net add of one truck; not a replacement)	75,000	-	-	-	-
Replacement Generator at Village Hall	-	30,000	-	-	-
Total General Fund	***215,000***	***100,000***	***295,000***	***310,000***	***460,000***
Capital Improvements Fund					
Annual Sidewalk Program	50,000	50,000	50,000	50,000	50,000
Paving - E. South Street Route 50 to South 2nd - Engineering	37,700	-	-	-	-
Paving - South Street Route 50 to South 2nd - Construction	290,000	-	-	-	-
Paving -- S 4th Street -- South Street to Corning - Engineering	16,900	-	-	-	-
Paving -- S 4th Street -- South Street to Corning - Construction	130,000	-	-	-	-
Paving - E. Main Street - Village Hall to IL 50 - Engineering	-	35,000	-	-	-
Paving - E. Main Street - Village Hall to IL 50 - Construction	-	155,000	-	-	-
Paving - Gull Landings -- Gull View Drive - Engineering	-	-	40,163	-	-
Paving - Gull Landings -- Gull View Drive - Construction	-	-	236,250		-
Paving - Meadow Lane - Engineering	-	-	-	35,280	-
Paving - Meadow Lane - Construction	-	-	-	147,000	-
West Street reconstruction - Wilmington-Peotone to Corning	-	-	-	400,00	255,000
Storm Water Study	-	20,000	-	-	-
Storm Sewer - Royal Lane	-	-	-	-	1,300,000
Hauert Street Storm Sewer	-	-	-	-	1,650,000
West Main Street Storm Sewer	-	-	-	-	1,100,000
Salt Dome (500 Ton)	-	-	-	-	325,000
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
Total Capital Improvements Fund	***524,600***	***260,000***	***326,413***	***232,280***	***4,806,268***
Business Development District Fund					
Façade Improvement Program - Downtown	25,000	25,000	25,000	25,000	25,000
Speakers in Downtown	70,000	-	-	-	-
Railroad Street Parking Lot Improvements	-	250,000	-	-	-
Total Business Development District Fund	***95,000***	***275,000***	***25,000***	***25,000***	***25,000***
TIF 1 FUND					
Façade Improvement Program	25,000	25,000	25,000	25,000	25,000
Village Hall Remodel & Maintenance	30,000	10,000	10,000	10,000	10,000
Total TIF 1 Fund	***55,000***	***35,000***	***35,000***	***35,000***	***35,000***
TIF 2 FUND					
TIF Expansion	-	-	30,000	-	-
Total TIF 2 Fund	***-***	***-***	***30,000***	***-***	***-***
Total Capital Improvement Plan	**$ 889,600**	**$ 670,000**	**$ 711,413**	**$ 602,280**	**$ 5,326,268**

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 the debt service schedule for the Series 2022 general obligation bonds from FY2027 to maturity, including principal and interest payments.

Fiscal Year	Total Debt Service	Fiscal Year	Total Debt Service
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 $128,205,235, the Village's legal debt limit is $11,057,702. The Village's FY2027 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 payment was reflected in the FY2026 budget.

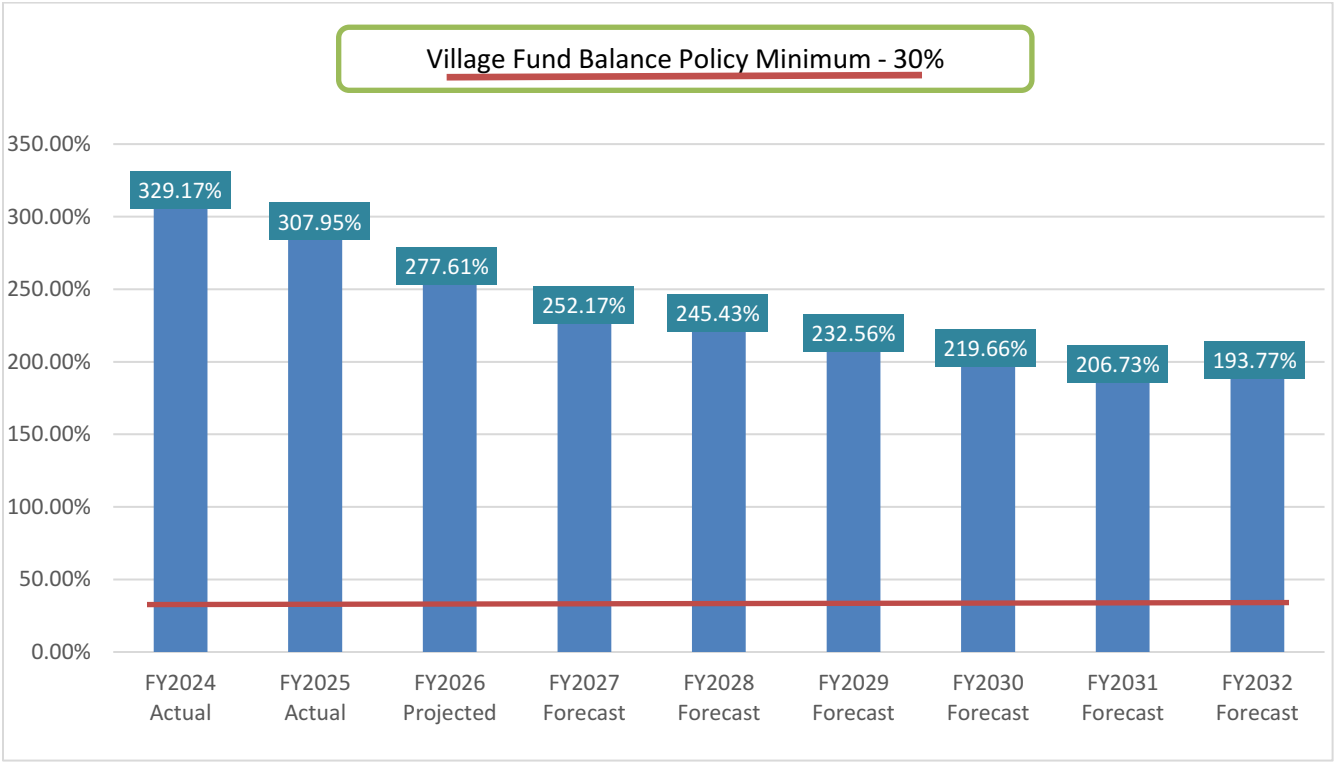
General Fund

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 FY2027 of approximately $11.4 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 assumptions 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 FY2028
- ✓ Annual transfers to the Capital Improvement Fund are capped at $50,000 beginning in FY2028
- ✓ FY2026 thru FY2028 reflects transfers in from the Business Development District Fund for the repayment of an interfund loan included in the FY2026 projected

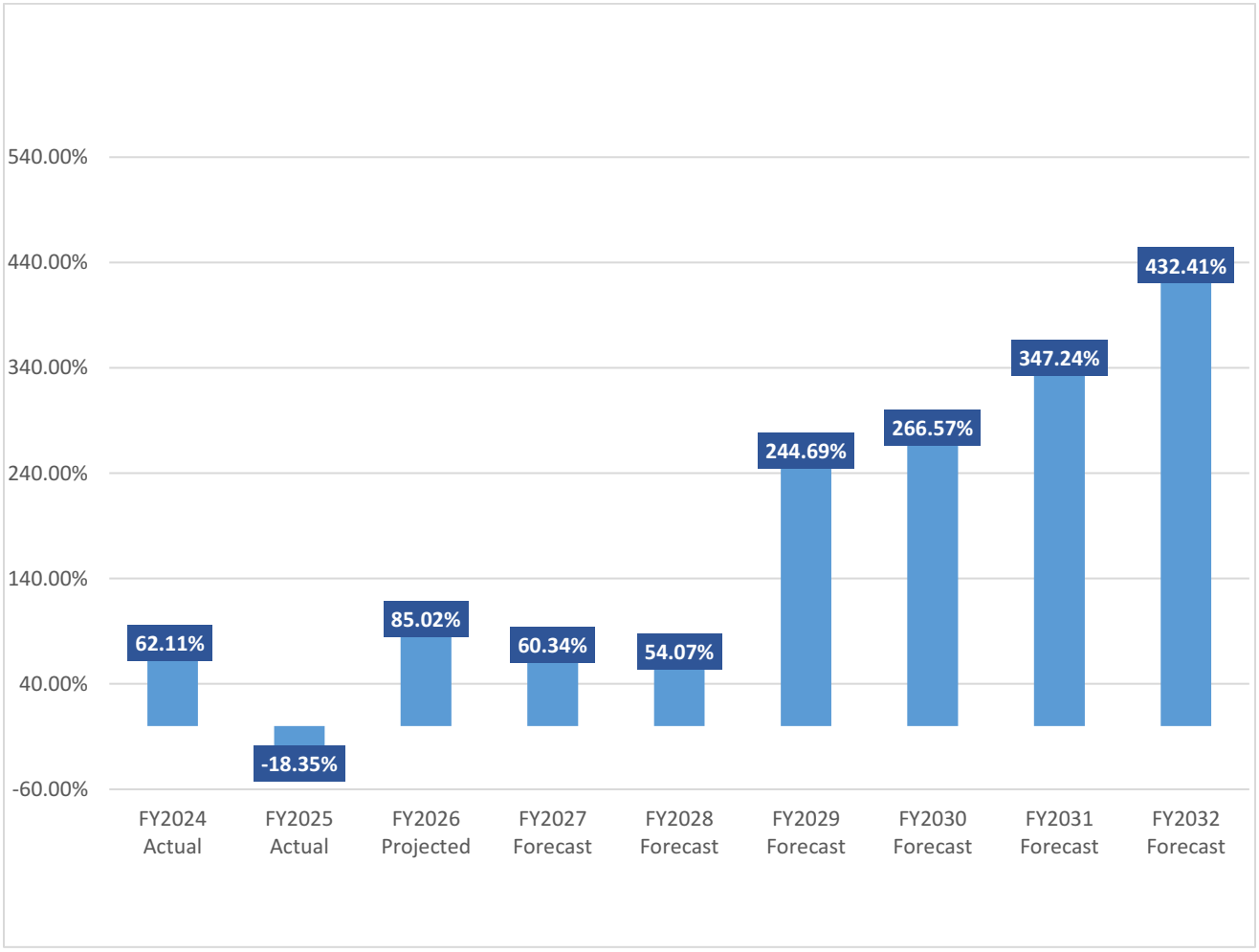
Based on the noted assumptions, below is the Village's long-term fund balance forecast for the General Fund, reflecting on two years of audited results, one year of projected results, the current budget year, and projections for five additional years and includes a forecast of revenues, expenditures, 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 FY2026 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. The expenditure took place in FY2025, creating a negative fund balance at the end of FY2025. The General Fund will be reimbursed, utilizing tax revenues of the fund, beginning in FY2026. 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 and FY2032
- ✓ Transfers to the General Fund of $300,000 in FY2026, $300,000 in FY2027 and $275,000 in 2028

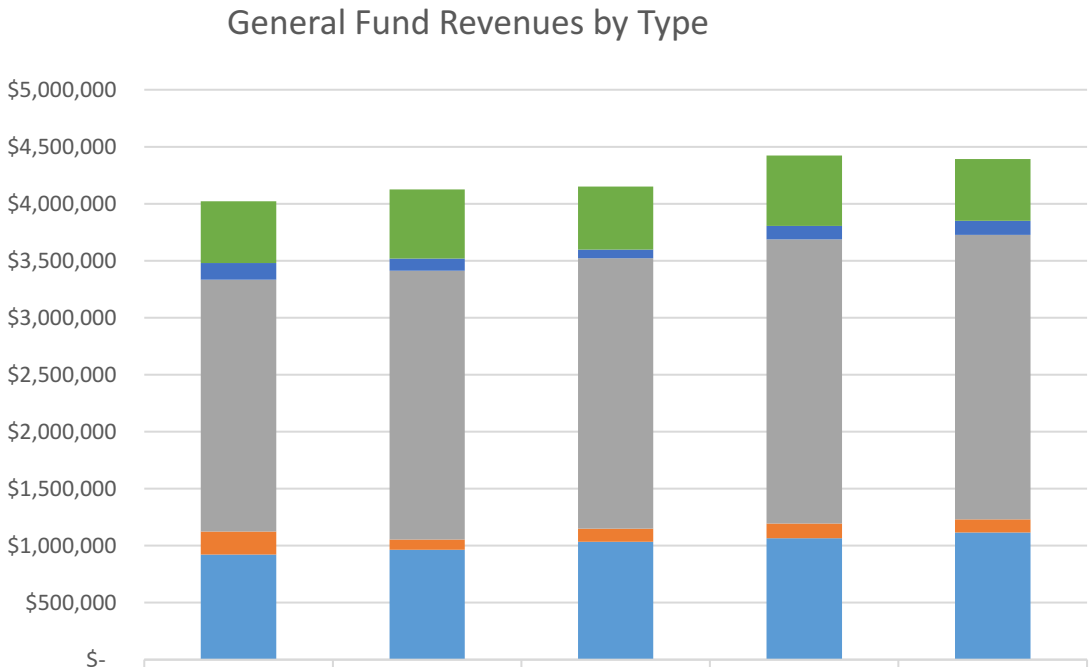


	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Revenues					
Taxes	$ 922,833	$ 965,032	$ 1,033,449	$ 1,065,679	$ 1,114,932
Licenses & Permits	201,916	89,862	115,494	127,620	116,241
Intergovernmental	2,210,216	2,357,819	2,372,491	2,492,816	2,496,906
Fines & Forfeitures	146,132	106,274	77,000	118,950	123,500
Miscellaneous Revenues	539,350	606,135	551,542	617,737	541,245
Total Revenues	**$ 4,020,448**	**$ 4,125,122**	**$ 4,149,976**	**$ 4,422,802**	**$ 4,392,824**
Expenditures					
Personnel Services	2,453,908	2,532,156	2,749,097	2,910,019	2,958,033
Employee Support	48,325	68,548	80,587	44,958	84,577
Professional Services	553,515	562,315	704,917	551,517	733,464
Operating Expenses	341,639	522,568	576,706	480,788	591,549
Maintenance	143,886	139,468	141,150	123,533	146,503
Debt Service	42,753	42,753	42,753	42,753	-
Capital Outlay	144,151	143,703	61,000	74,431	215,000
Total Expenditures	**$ 3,728,178**	**$ 4,011,511**	**$ 4,356,210**	**$ 4,227,998**	**$ 4,729,126**
Excess (Deficiency) of Revenues Over Expenditures	**$ 292,270**	**$ 113,611**	**$ (206,234)**	**$ 194,803**	**$ (336,302)**
Transfers In	60,077	-	300,000	300,000	300,000
Transfers Out	-	-	-	(875,000)	(111,500)
Total Other Financing Sources (Uses)	**$ 60,077**	**$ -**	**$ 300,000**	**$ (575,000)**	**$ 188,500**
Net Change in Fund Balance	**352,348**	**113,611**	**93,766**	**(380,197)**	**(147,802)**
Beginning Fund Balance	11,445,145	11,797,493	11,911,104	11,911,104	11,530,907
Ending Fund Balance	**$ 11,797,493**	**$ 11,911,104**	**$ 12,004,870**	**$ 11,530,907**	**$ 11,383,105**

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.

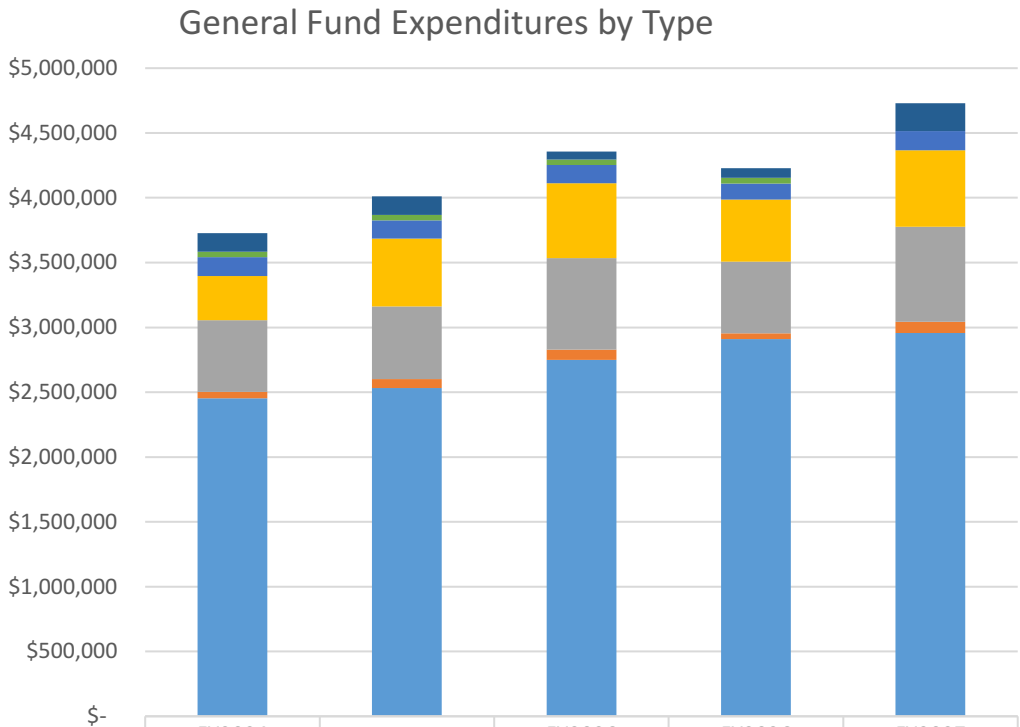
Total FY2027 General Fund revenues amount to $4,392,824, net of interfund transfers. Below is a breakdown of General Fund revenues by type for FY2024 through FY2027.



	FY2024 Actual	FY2025 Actual	FY2026 Budget	FY2026 Projected	FY2027 Budget
Miscellaneous Revenues*	$539,350	$606,135	$551,542	$617,737	$541,245
Fines And Forfeitures	$146,132	$106,274	$77,000	$118,950	$123,500
Intergovernmental	$2,210,216	$2,357,819	$2,372,491	$2,492,816	$2,496,906
Licenses and Permits	$201,916	$89,862	$115,494	$127,620	$116,241
Taxes	$922,833	$965,032	$1,033,449	$1,065,679	$1,114,932

*Includes Interest

Total FY2027 General Fund expenditures, net of transfers to other funds, amount to $4,729,126. Below is a breakdown of General Fund expenditures by type for FY2024 through FY2027.



	FY2024 Actual	FY2025 Actual	FY2026 Budget	FY2026 Projected	FY2027 Budget
Capital Outlay	$144,151	$143,703	$61,000	$74,431	$215,000
Debt Service	$42,753	$42,753	$42,753	$42,753	$-
Maintenance	$143,886	$139,468	$141,150	$123,533	$146,503
Operating Expenses	$341,639	$522,568	$576,706	$480,788	$591,549
Professional Services	$553,515	$562,315	$704,917	$551,517	$733,464
Employee Support	$48,325	$68,548	$80,587	$44,958	$84,577
Personnel Services	$2,453,908	$2,532,156	$2,749,097	$2,910,019	$2,958,033

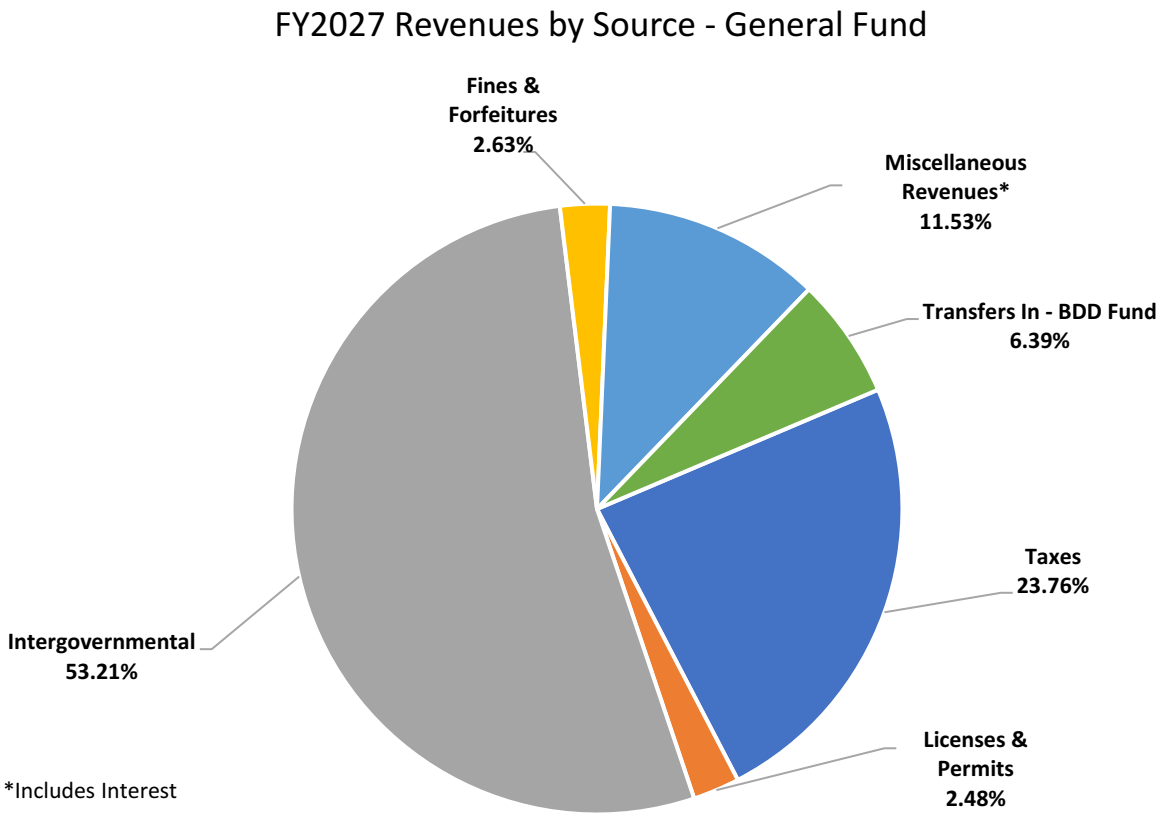
A consolidated summary of General Fund revenues, expenditures, and changes in fund balance for FY2024 – FY2027 can be found on the following page.

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Taxes					
Property Tax	$ 622,828	$ 651,791	$ 681,327	$ 675,801	$ 715,751
Road and Bridge Tax	49,133	48,915	48,998	48,998	46,973
Hotel/Motel Tax	-	-	37,500	52,663	64,488
Utility Tax - Electric	124,184	132,494	138,624	129,920	128,866
Utility Tax - Gas	78,531	73,875	66,707	82,299	78,235
Utility Tax - Telecomm	36,403	34,460	34,605	32,811	31,324
Utility Tax - Water	11,754	23,497	25,688	43,187	49,295
Total Taxes	**$ 922,833**	**$ 965,032**	**$ 1,033,449**	**$ 1,065,679**	**$ 1,114,932**
Licenses, Permits & Inspections					
Liquor License	19,149	14,560	25,287	27,568	19,753
Contractor License	13,100	13,550	13,250	14,400	15,950
Business Registrations	13,195	2,050	2,475	3,215	2,275
Video Gaming Terminals	-	11,250	18,500	23,000	18,500
Dog License	965	825	620	900	900
Vehicle License	71,210	4,345	500	1,375	-
Building Permits	62,983	18,274	22,733	24,805	25,549
Inspection Fee	18,354	23,892	29,629	29,917	30,814
Other Permits	2,960	1,115	2,500	2,440	2,500
Total Licenses, Permits & Inspections	**$ 201,916**	**$ 89,862**	**$ 115,494**	**$ 127,620**	**$ 116,241**
Intergovernmental					
Personal Property Replacement Tax	72,516	42,535	39,916	37,648	39,078
Retailers Occupation Tax	1,193,872	1,288,176	1,283,193	1,421,759	1,457,303
Auto Rental Tax	-	-	-	-	-
Use Tax	156,719	117,956	111,504	108,213	22,317
Cannabis Tax	6,025	6,436	6,713	6,217	6,630
State Income Tax	679,415	721,287	727,059	694,908	747,840
Video Gaming Tax	94,149	149,466	179,106	193,866	197,744
Grant Funds	7,520	31,962	25,000	30,205	25,994
Total Intergovernmental	**$ 2,210,216**	**$ 2,357,819**	**$ 2,372,491**	**$ 2,492,816**	**$ 2,496,906**
Fines & Forfeitures					
Circuit Clerk Fines	28,219	13,958	29,000	19,163	20,500
Other Fines	67,251	42,770	48,000	35,741	48,000
Police Forfeiture Revenue	-	-	-	-	-
P/T Police Collections	50,663	49,547	-	64,046	55,000
Total Fines & Forfeitures	**$ 146,132**	**$ 106,274**	**$ 77,000**	**$ 118,950**	**$ 123,500**
Miscellaneous Revenues					
Interest Income	375,428	447,448	325,000	419,295	342,694
Reimbursements	3,251	(3,251)	-	-	-
Resouce Officer Reimbursement	2,848	-	55,858	-	-
Cable & Water Franchise Fees	107,594	61,472	95,100	117,061	118,752
Travel Center Revenues	6,167	50,317	51,584	56,951	59,799
Christmas in the Village	10,100	10,410	10,000	12,850	10,000
Donations	-	400	-	2,500	-
Miscellaneous Income	33,963	39,339	14,000	9,079	10,000
Total Miscellaneous Revenues	**$ 539,350**	**$ 606,135**	**$ 551,542**	**$ 617,737**	**$ 541,245**

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Other Financing Sources					
Transfer Income	60,077	-	300,000	300,000	300,000
Total Other	**$ 60,077**	**$ -**	**$ 300,000**	**$ 300,000**	**$ 300,000**
Total General Fund Revenues	**$ 4,080,525**	**$ 4,125,122**	**$ 4,449,976**	**$ 4,722,802**	**$ 4,692,824**

Revenues by Source – General Fund

Total FY2027 revenues for the Village's General Fund, including interfund transfers, amount to $4,692,824, or approximately 77.4% of the Village's total FY2027 revenues. FY2027 General Fund revenues include an interfund transfer from the Business Development District Fund in the amount of $300,000. The following is a summary of the major revenue sources of the General Fund for FY2027.



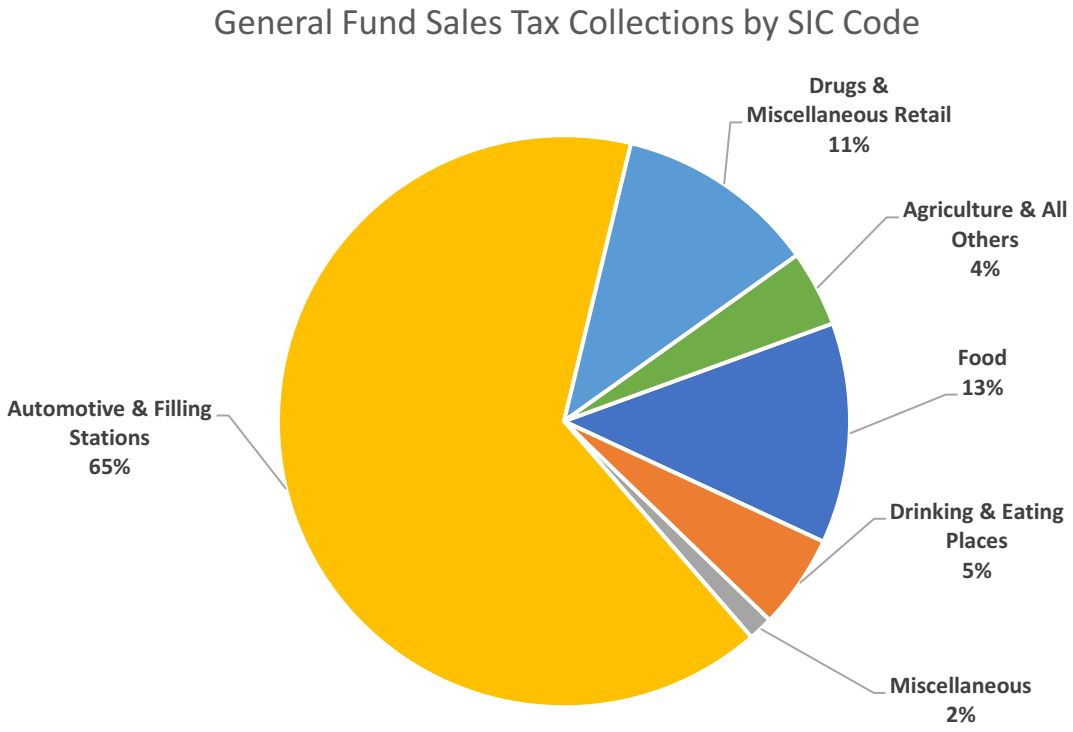
Intergovernmental	Taxes	Miscellaneous Revenues*
$2,496,906	$1,114,932	$541,245
Transfers In – BDD Fund	**Licenses & Permits**	**Fines & Forfeitures**
$300,000	$116,241	$123,500

FY2027 General Fund revenues, by line item, can be found on the previous page, along with a comparison to FY2024 and FY2025 actuals and budget and projection amounts for FY2026.

Sales, Use and Cannabis Tax

Sales, Use and Cannabis tax combined is the largest revenue source for the Village, representing approximately 31.67% of total FY2027 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 2025 (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, FY2027 Sales, Use and Cannabis Taxes are estimated at $1,457,303, $22,317 and $6,630, respectively. The combined total of $1,486,250 amounts to a decrease of approximately 3.25% as compared to FY2026 Projected due to an anticipated reduction in Use Tax collections. 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.

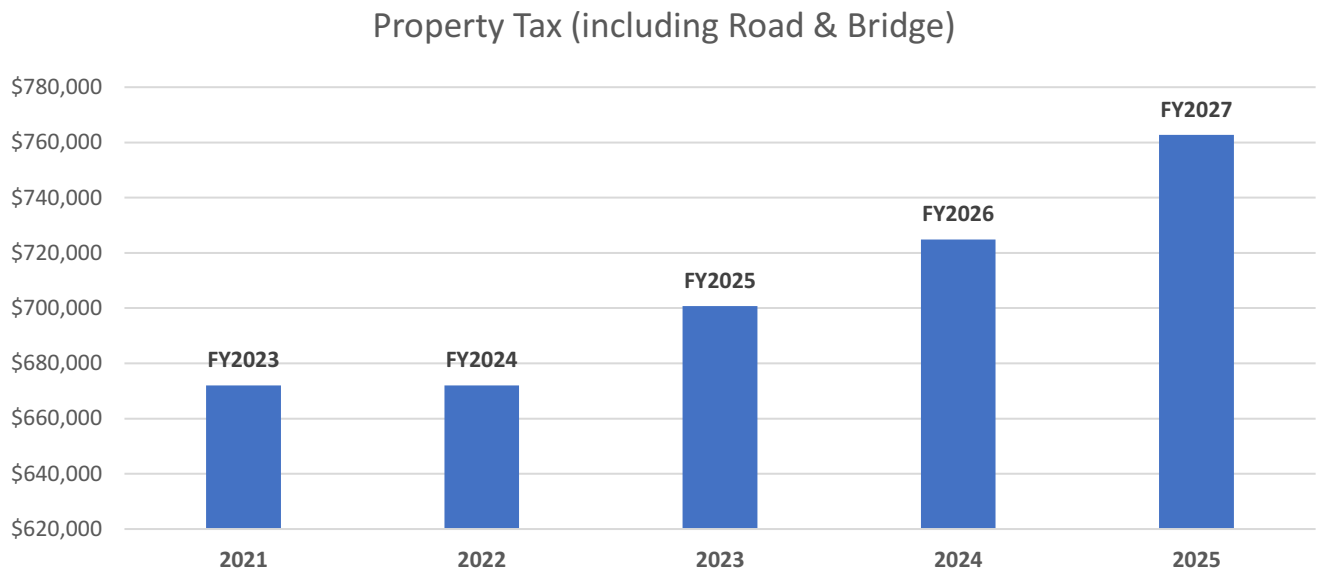
The Village estimates its per capita revenues on the 2020 Certified Census population of 4,150. The Village's FY2027 income tax revenue estimate is based on an average per capita amount of $180 and the FY2026 projections is based on an average per capita of $167.

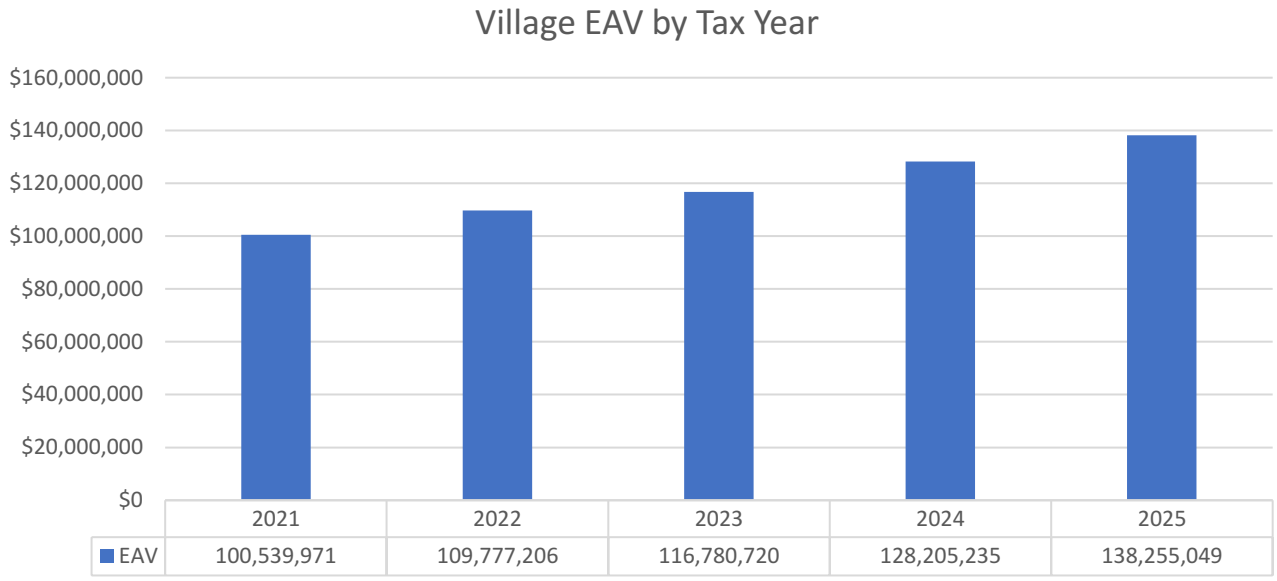
Property Tax

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 4.26% per year over the last five years, within the allowable limits provided by PTELL.

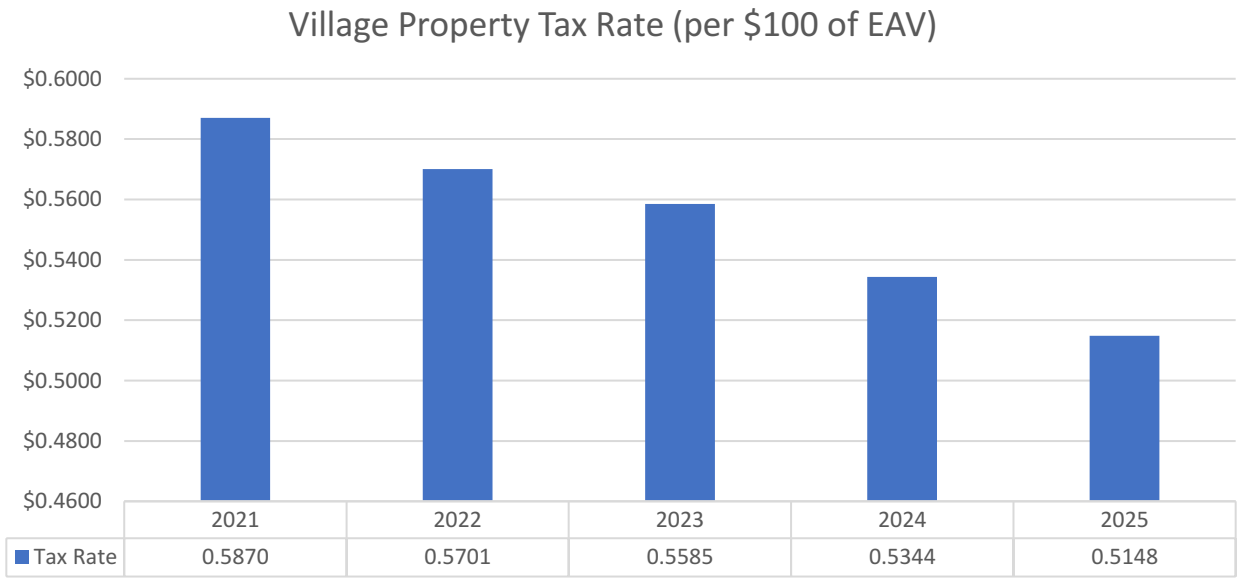
For tax levy year 2024, collected in FY2026, the Village's tax rate equaled $.5585; for tax levy year 2024 which will be collected by the Village in FY2026, the tax rate is estimated at $.534. On average, for every $100 of assessed valuation, the Village will receives approximately $.534. For a resident whose tax bill reflected a total tax rate of $6.1239, approximately 8.7% of the resident's total tax bill is allocated to the Village.

The total 2025 property tax levy, to be collected in FY2027, is approximately $34,000 higher than the 2024 property tax levy; the total tax levy for tax year 2025 (collected in FY2027) amounts to $715,751. 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.





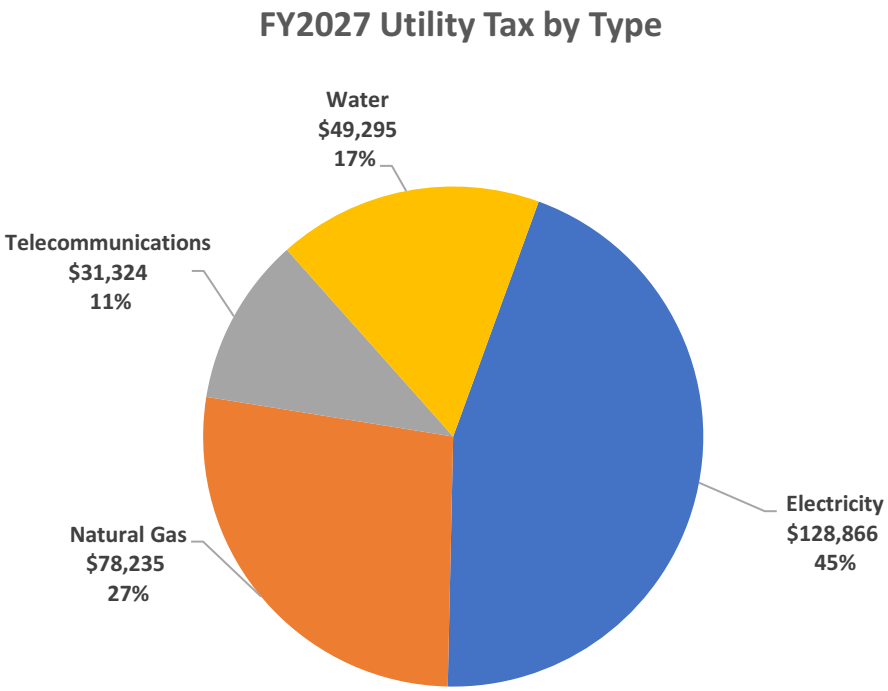
Note: A two-year lag exists between levy year and collection fiscal year.



Utility Taxes

Utility taxes, in the total amount of $287,720, represent approximately 6.13% of total FY2027 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

continued increases in Water Utility Tax as the service provider adjusts user rates. The breakdown of Utility Tax revenues is reflected below.



Licenses & Permits

The FY2027 Budget reflects $116,241 in revenue from various permit and license fees, including building permits, contractor licenses, liquor licenses, business registrations, dog licenses, inspections and other miscellaneous charges. This amounts to approximately 2.48% of total General Fund revenues.

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 FY2027 budget is $541,245, or 11.53% of total General Fund revenues. The two largest components are Interest Income in the amount of $342,694 and Franchise Fees in the amount of $118,752.

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Administration					
Personnel Services	$ 290,748	$ 324,963	$ 355,153	$ 370,667	$ 378,727
Employee Support	26,403	25,293	27,660	24,842	28,600
Professional Services	222,850	226,313	214,225	175,948	272,100
Operating Expenses	67,010	132,887	155,500	111,019	142,500
Maintenance	9,705	8,431	750	6,164	6,492
Capital Outlay	13,335	2,250	-	15,500	-
Total Administration	**$ 630,050**	**$ 720,137**	**$ 753,288**	**$ 704,139**	**$ 828,419**
Police					
Personnel Services	1,759,736	1,803,393	1,985,908	2,104,414	2,134,136
Employee Support	18,026	37,439	35,327	17,137	39,477
Professional Services	166,923	156,007	194,688	145,523	173,916
Operating Expenses	132,673	57,985	82,078	54,579	87,988
Maintenance	41,591	58,648	51,900	52,656	44,011
Capital Outlay	129,658	67,759	-	-	140,000
Total Police	**$ 2,248,607**	**$ 2,181,230**	**$ 2,349,901**	**$ 2,374,310**	**$ 2,619,528**
Community Development					
Personnel Services	68,136	46,288	15,946	17,498	22,572
Employee Support	1,264	1,793	8,750	-	8,250
Professional Services	113,031	78,568	170,000	102,515	165,000
Operating Expenses	5,049	2,800	8,000	474	8,500
Maintenance	1,303	319	-	-	-
Total Community Development	**$ 120,647**	**$ 83,481**	**$ 186,750**	**$ 102,989**	**$ 181,750**
Public Works					
Personnel Services	$ 335,289	$ 357,512	$ 392,090	$ 417,440	$ 422,598
Employee Support	2,632	4,023	8,850	2,978	8,250
Professional Services	50,711	25,984	45,000	53,613	46,600
Operating Expenses	136,907	135,374	130,100	105,365	132,400
Maintenance	91,288	72,071	88,500	64,713	96,000
Debt Service	42,753	42,753	42,753	42,753	-
Capital Outlay	1,158	73,694	61,000	58,931	75,000
Total Public Works	**$ 660,738**	**$ 711,411**	**$ 768,293**	**$ 745,795**	**$ 780,848**
Central Services					
Professional Services	-	75,443	81,004	73,918	75,848
Operating Expenses	-	193,522	201,028	209,351	220,161
Total Central Services	**$ -**	**$ 268,964**	**$ 282,032**	**$ 283,268**	**$ 296,009**
Other Financing Uses					
Transfer Out - Capital Improvements Fund	$ -	$ -	$ -	$ -	$ 111,500
Transfer Out - BDD Fund	-	-	-	875,000	-
Total General Fund Expenditures	**$ 3,660,042**	**$ 3,965,223**	**$ 4,340,264**	**$ 5,085,501**	**$ 4,818,054**

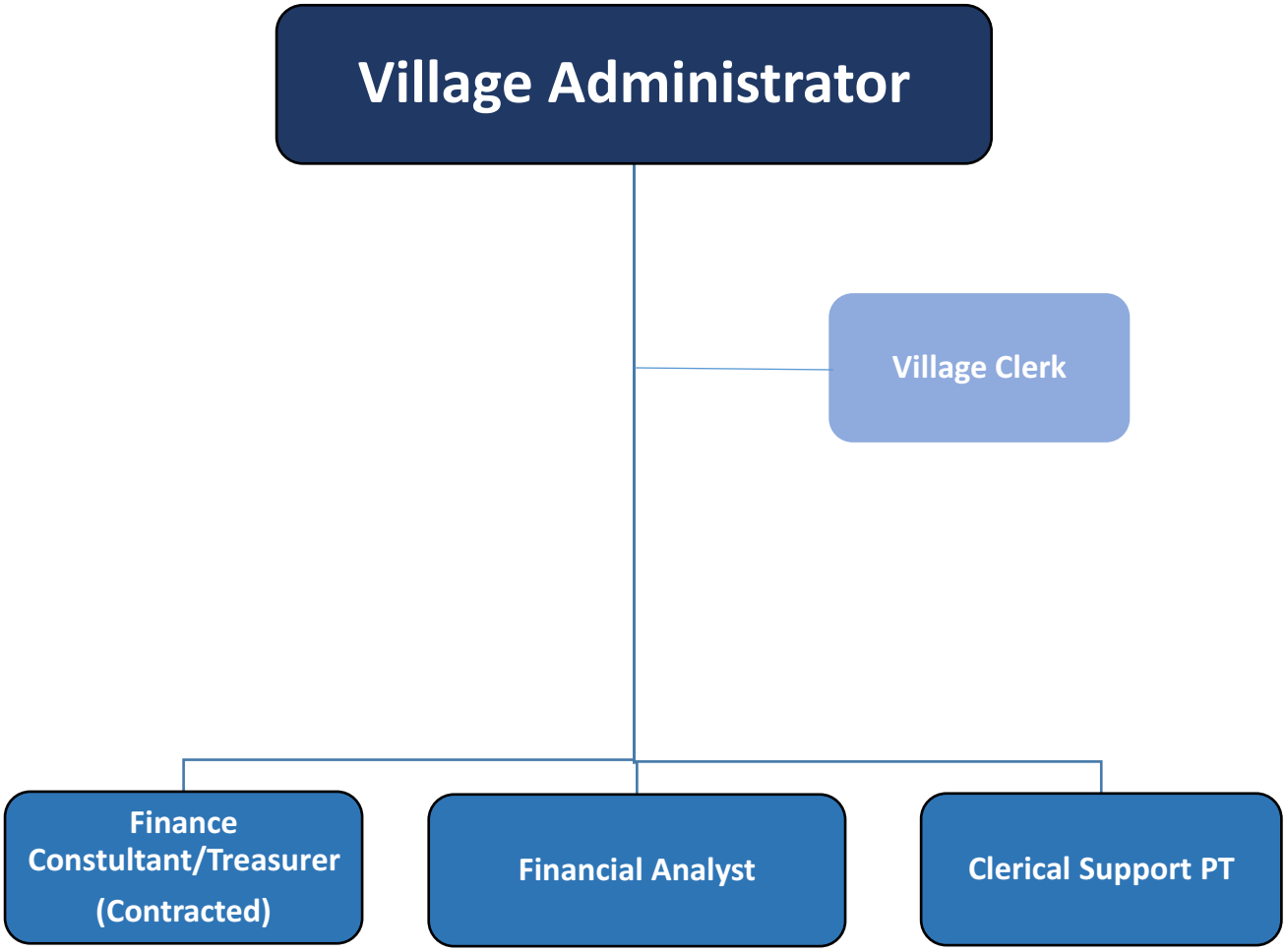
Mission and Objectives

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 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.


Village Administrator
Village Clerk
Finance Constultant/Treasurer (Contracted)
Financial Analyst
Clerical Support PT

FY2026 Highlights and Accomplishments

✓ **Improving Communication:** The Village continues to work on expanding 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 continually looks to improve efficiencies throughout Village government and is currently implementing a new finance system, or ERP, that will greatly modernize the fiscal operations of the Village.

✓ **Fiscal Policy:** Police Pension Fund's actuarially determined funded status continues to grow to 55.31% 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 overlay district.** Building upon the past work of the downtown streetscape improvements, the Village approved a downtown overlay district that seeks to preserve the history of Peotone's downtown while encouraging new business starts to promote the sense of community and support further economic development. Paired with this effort is a façade improvement program that will allow for a funding match for property owners who seek to improve the external appearance of their buildings.

FY2027 Goals, Objectives and Performance Measures

Below are Administration goals and objectives that are reflected in the FY2027 Budget.

	Strategic Vision				
FY2027 Department Goals	Accessible & Engaged	Financially Viable Future	Enterprising Infrastructure Management	Community Focused Development	Secure & Flourishing Neighborhoods
Continue Community Development Process Improvements	X			X	X
Update Procurement policies		X			
Complete Village Strategic Plan	X			X	X

Review and begin implementation of a Facility Assessment and Space Needs Study	X		X		
Increase Economic Development Outreach to grow local economy		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						
		FY2021	**FY2022**	**FY2023**	**FY2024**	**FY2025**
Output	FOIA Requests	25	44	80	77	98
Output	FOIA Extensions	0	0	0	0	1
Output	Agendas	56	54	41	55	53
Village Board Strategic Vision: Community Focused Development						
		FY2021	**FY2022**	**FY2023**	**FY2024**	**FY2025**
Output	Liquor Licenses	13	13	18	18	17
Output	Video Gaming Licenses	8	8	9	12	12

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

	FY2023	**FY2024**	**FY2025**	**FY2026**	**FY2027**
Full Time Equivalents (FTE's)	3.0	3.0	3.0	3.5	3.5

Below is a summary of Administration expenditures by type.

	FY2024 Actual	**FY2025 Actual**	**FY2026 Amended Budget**	**FY2026 Projected**	**FY2027 Budget**
Personnel Services	$ 290,748	$ 324,963	$ 355,153	$ 370,667	$ 378,727
Employee Support	26,403	25,293	27,660	24,842	28,600
Professional Services	222,850	226,313	214,225	175,948	272,100
Operating Expenses	67,010	132,887	155,500	111,019	142,500
Maintenance	9,705	8,431	750	6,164	6,492
Capital Outlay	13,335	2,250	-	15,500	-
Total - Administration	**$ 630,050**	**$ 720,137**	**$ 753,288**	**$ 704,139**	**$ 828,419**

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Personnel Services					
Salaries	$ 221,975	$ 244,248	$ 257,699	$ 271,444	$ 275,625
Overtime	-	-	-	-	-
Social Security	16,971	19,335	19,718	20,652	21,088
IMRF	1,399	2,838	8,001	8,578	9,806
Unemployment Tax	373	451	340	629	340
Employee Insurance	50,030	58,090	69,395	69,363	71,868
Employee Support					
Travel	2,612	375	8,000	3,347	8,250
Training	5,520	7,181	5,000	9,370	5,000
Dues/Subscriptions	18,271	17,738	14,660	12,126	15,350
Professional Services					
Legal Services	50,646	41,243	40,000	51,465	40,000
Audit Services	13,300	20,240	22,000	22,000	22,600
Investment Management Fees	16,085	4,252	9,225	12,088	11,000
Engineering	14,451	34,184	25,000	20,541	25,000
Other Professional Services	128,367	126,395	118,000	69,852	173,500
Operating Expenses					
General Insurance	26,179	4,621	-	-	-
Telephone/Fax	7,995	-	-	-	-
Utilities	-	-	-	-	-
Postage	2,913	1,376	5,000	1,195	5,000
Printing/Publishing	5,150	9,697	19,000	4,672	20,000
Public Education & Government Service	3,706	-	-	-	-
Supplies - Equipment	-	16,192	5,000	1,139	7,500
Community Relations	1,278	909	1,000	1,602	1,000
Office Supplies	6,264	4,627	5,000	2,996	5,000
Other Supplies	3,687	3,248	2,500	440	2,500
Sundry Expense	1,191	835	1,000	2,065	1,500
Christmas in the Village	8,649	8,882	10,000	10,437	10,000
Sales Tax/Property Tax Rebates	-	82,500	107,000	86,473	90,000
Maintenance					
Building Maintenance	-	-	-	-	-
Equipment Maintenance	9,705	8,431	750	6,164	6,492
Capital Outlay					
Building Improvements	-	-	-	15,500	-
Vehicles & Equipment	13,335	2,250	-	-	-
Total Expenditures - General Fund - Administration	**$ 630,050**	**$ 720,137**	**$ 753,288**	**$ 704,139**	**$ 828,419**

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 Peotone Police Department utilizes a team-based policing model that emphasizes residential patrol, traffic safety, and community visibility. Officers are encouraged to engage with residents and business owners through regular foot patrols and business checks, promoting open communication and problem-solving. This balanced approach enhances public safety while strengthening relationships between officers and the community.

Organizational Structure:

The Police Department is structured into four divisions:

Patrol Division

The Patrol Division provides continuous law enforcement services throughout the Village. Patrol officers are highly trained and support public safety through specialized assignments, including:

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

Beginning in 2025, the Day Shift incorporated truck enforcement responsibilities, with oversight and instruction provided by a Sergeant.

Investigations Division

The Investigations Division is responsible for conducting follow-up investigations and managing major criminal cases. Detectives gather evidence, analyze intelligence, and coordinate with regional partners to support crime prevention and case resolution.

Assigned personnel receive advanced training in:

- Evidence collection and preservation
- Interview and interrogation techniques
- Major case and homicide investigations
- Juvenile law and procedures

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

Records Division

The Records Division ensures accurate documentation and information management by:

- Processing and maintaining police reports
- Managing records related to incidents, traffic enforcement, and accidents
- Preparing court-related documentation and legal filings

This division supports operational efficiency and compliance with legal requirements.

Community Policing and School Resource Officer (SRO) Division

The Community Policing and SRO Division promotes crime prevention, youth engagement, and community partnerships. The School Resource Officer delivers the Gang Resistance Education and Training (GREAT) program and serves as a liaison to local schools.

This division also works closely with businesses, neighborhood groups, and residents to strengthen relationships and improve public safety awareness.

FY2026 Highlights and Accomplishments

During Fiscal Year 2026, the Peotone Police Department achieved several significant operational, community, and strategic milestones:

Operational Efficiency and Service Delivery

The Department maintained strong patrol coverage, reliable response times, and consistent service levels through effective scheduling, supervision, and deployment strategies.

Rank Structure Restructuring

A revised supervisory structure was implemented to improve accountability, clarify chains of command, strengthen compliance, and enhance operational oversight and efficiency.

License Plate Recognition (LPR) Program

Six (6) additional Flock Safety LPR cameras were deployed to strengthen investigative capabilities, deter criminal activity, and improve case clearance rates by monitoring key entry and exit routes.

Traffic Safety and Speed Enforcement Initiatives

The Department partnered with the Illinois Department of Transportation (IDOT) and the Illinois State Police as part of the statewide **"Speeding Catches Up With You"** campaign. Enhanced patrols and targeted enforcement were conducted on major roadways, improving traffic safety and reducing hazardous driving behaviors.

Youth Safety and Alternative Enforcement Ordinance

The Department supported the adoption and implementation of a local electric scooter and low-speed vehicle ordinance. This ordinance allows officers to issue local citations rather than state criminal charges for certain minor offenses, emphasizing education, safety, and fairness for youth.

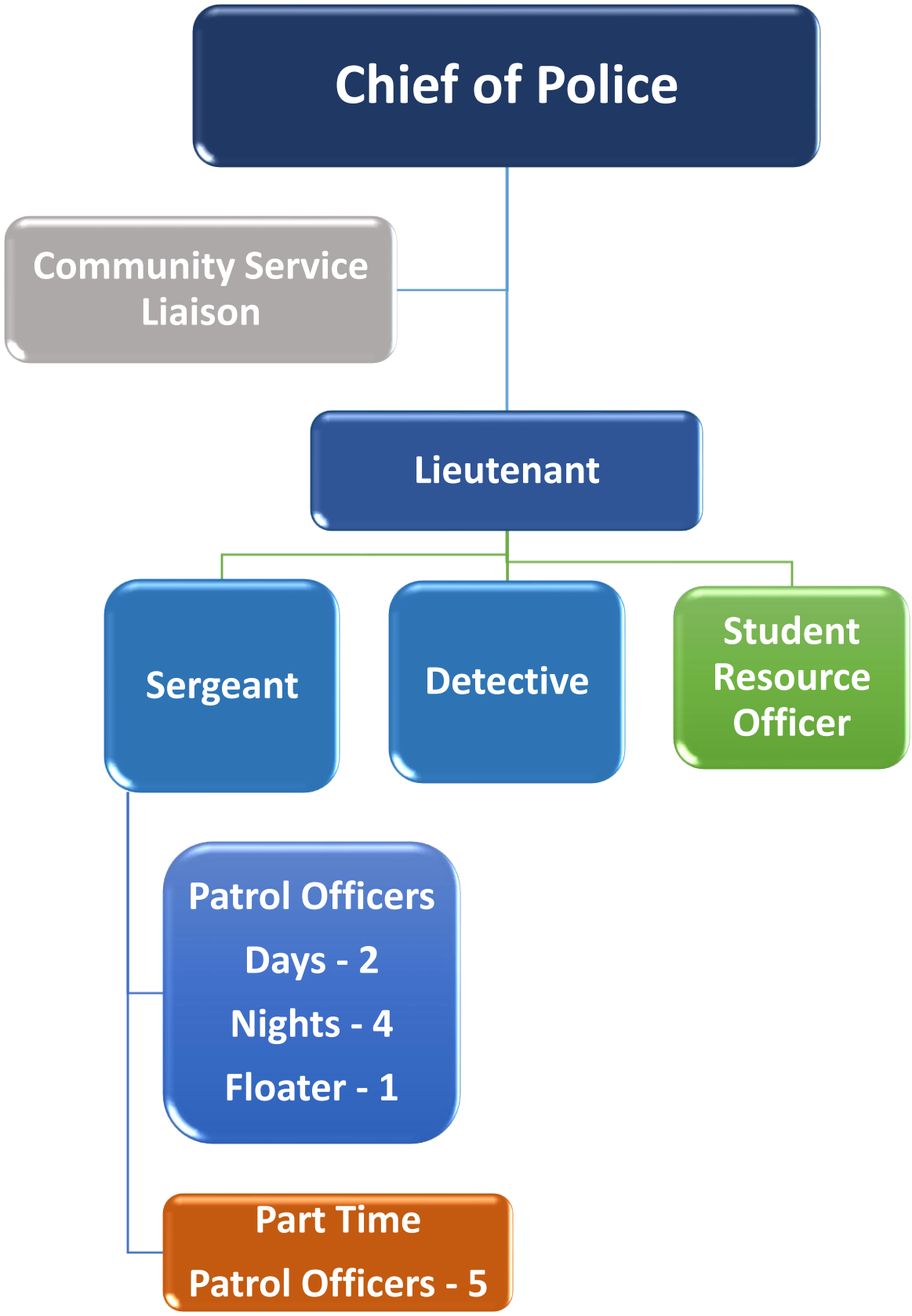
Public outreach materials and educational resources were developed and distributed to ensure community understanding and compliance.

Policy Development and Regulatory Support

The Department actively assisted in drafting, implementing, and enforcing new local ordinances and operational policies, including traffic, scooter, and safety regulations, ensuring consistent enforcement and public understanding.

Data Analysis and Performance Management

The Department expanded its use of CAD and RMS data to evaluate response times, enforcement activity, and service delivery. This data-driven approach supported informed staffing, deployment, and policy decisions.


Chief of Police
Community Service Liaison
Lieutenant
Sergeant
Detective
Student Resource Officer
Patrol Officers
Days - 2
Nights - 4
Floater - 1
Part Time
Patrol Officers - 5

✓

FY2027 Goals, Objectives and Performance Measures

Below are Police goals and objectives that are reflected in the F2027 budget.

Strategic Vision					
FY2027 Department Goals	Accessible & Engaged	Financially Viable Future	Enterprising Infrastructure Management	Community Focused Development	Secure & Flourishing Neighborhoods
Expansion of LPR Cameras to all Egress Routes within the Village	✓	✓	✓		✓
Address Traffic and Truck Enforcement Issues	✓	✓	✓		✓
Officer Training, Wellness, and Professional Development	✓	✓	✓		✓
SRO Contract Renewal	✓	✓	✓		✓
Village Wide Narcan Distribution Program	✓	✓		✓	✓
Community Outreach Meetings	✓	✓	✓	✓	✓
Review and Assess Current Ordinances	✓	✓	✓	✓	✓
Fleet Upgrade and Expansion		✓	✓		✓
Special Olympics, Cop on Top and National Night Out Events	✓			✓	✓

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

Performance Measures						
Village Strategic Vision: Accessible & Engaged						
		FY2021	**FY2022**	**FY2023**	**FY2024**	**FY2025**
Output	Average Response Time (min)	2	2	1.6	n/a	2.3
Output	Emergency Calls for Service	1854	1796	1851	1626	1894
Output	Total Police Involved Incidents	5470	6094	9201	6833	5554
Output	Officer Complaints	0	0	0	1	1
Village Strategic Vision: Secure & Flourishing Neighborhoods						
		FY2021	**FY2022**	**FY2023**	**FY2024**	**FY2025**
Output	Index Crimes	12	16	15	8	13
Output	Citations Issued	273	272	388	820	938
Output	Felony/Misdemeanor Arrests	37	25	30	33	33

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

	FY2023	FY2024	FY2025	FY2026	FY2027
Full Time Equivalents (FTE's)	12.5	12.5	12.5	13.5	14.05

Below is a summary of Police expenditures by type.

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Personnel Services	$ 1,759,736	$ 1,803,393	$ 1,985,908	$ 2,104,414	$ 2,134,136
Employee Support	18,026	37,439	35,327	17,137	39,477
Professional Services	166,923	156,007	194,688	145,523	173,916
Operating Expenses	132,673	57,985	82,078	54,579	87,988
Maintenance	41,591	58,648	51,900	52,656	44,011
Capital Outlay	129,658	67,759	-	-	140,000
Total - Police	**$ 2,248,607**	**$ 2,181,230**	**$ 2,349,901**	**$ 2,374,310**	**$ 2,619,528**

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Personnel Services					
Salaries	$ 890,911	$ 1,047,749	$ 1,091,219	$ 1,195,165	$ 1,151,678
Straight Overtime	842	-	-	-	-
Overtime	79,043	51,965	86,100	61,872	86,100
Social Security	73,808	83,917	90,061	95,997	94,692
IMRF	1,277	2,288	5,839	6,302	7,171
Unemployment Tax	2,275	2,126	1,461	2,531	1,461
Employee Insurance	236,639	243,313	275,639	306,958	287,096
Police Pension	474,941	372,036	435,589	435,589	505,938
Employee Support					
Travel	3,137	1,802	4,500	2,543	4,500
Training	5,612	9,594	7,875	4,337	12,425
Dues/Subscriptions	4,237	6,835	9,452	4,679	10,052
Uniforms/Uniform Maintenance	5,041	19,208	13,500	5,578	12,500
Professional Services					
Legal Services	18,298	24,626	23,200	19,010	27,800
Other Professional Services	148,290	131,381	168,488	126,513	142,866
Animal Control	335	-	3,000	-	3,250
Operating Expenses					
General Insurance	76,756	(18,780)	-	-	-
Telephone/Fax	10,741	-	-	-	-
Rental	600	600	500	600	500
Postage	1,162	766	1,500	664	1,000
Printing/Publishing	2,070	1,343	1,700	773	3,450
Supplies - Equipment	-	35,058	10,735	7,830	7,625
Commnity Relations	-	1,671	4,000	4,228	5,000
Office Supplies	1,744	2,683	5,198	1,934	4,596
Other Supplies	8,775	1,392	11,545	4,726	23,317
Special Investigations	-	-	500	993	1,500
Food/Prisoners	918	-	400	-	-
Gas & Oil	28,298	33,062	45,000	32,777	40,000
Sundry Expense	1,610	191	1,000	54	1,000
Maintenance					
Building Maintenance	190	-	-	-	-
Equipment Maintenance	41,401	46,539	41,900	43,600	32,907
Vehicle Maintenance	-	12,109	10,000	9,055	11,104
Capital Outlay					
Building Improvements	-	-	-	-	-
Equipment	129,658	67,759	-	-	140,000
Total Expenditures - General Fund - Police	**$ 2,248,607**	**$ 2,181,230**	**$ 2,349,901**	**$ 2,374,310**	**$ 2,619,528**

Mission and Objectives

The Community Development Department follows best practices ensure the development and maintenance of a healthy and thriving community. 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.

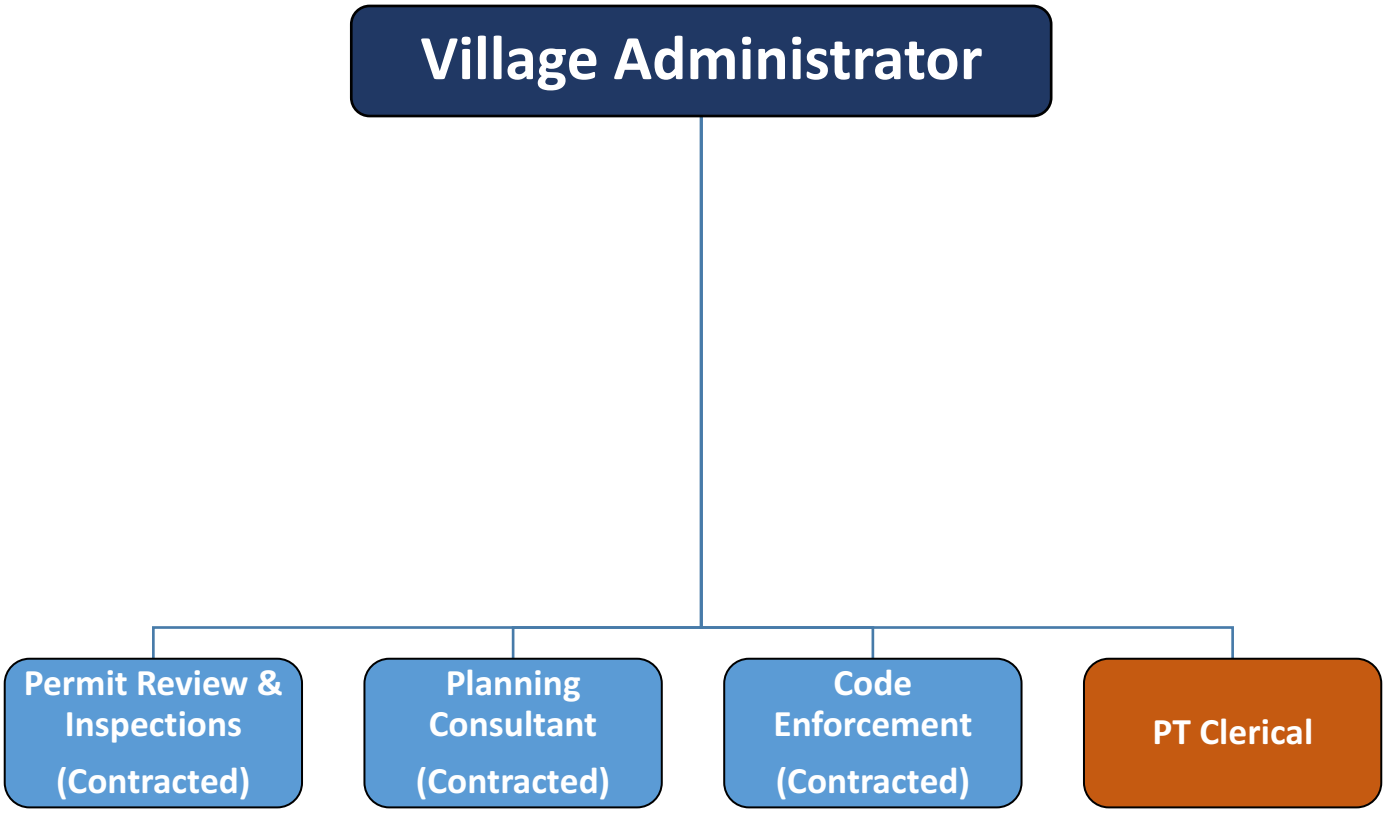
Customer Service - Bring your new project or idea to a to the Village for prompt feedback and advice.

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.


Village Administrator
Permit Review & Inspections (Contracted)
Planning Consultant (Contracted)
Code Enforcement (Contracted)
PT Clerical

FY2026 Highlights and Accomplishments

- ✓ **Downtown Overlay District** – Following the recent improvements to the Village's downtown business district, the Village completed work on a downtown overlay district that seeks to preserve the history of Peotone, while encouraging new businss developments. The Village also launched a façade improvement program in 2026 that will further enhance the charm of the downtown area.

- ✓ **Peotone Holiday Inn Express** - Located I-57, the Holiday Inn Express Peotone, was a great addition to the Peotone community in 2025. This modern, pet-friendly hotel features comfortable accommodations, an inviting indoor swimming pool and a well-equipped fitness center.

- ✓ **Completion of Building Code Update** – The Village successfully updated the building codes for Peotone to the 2021 International Building Code (IBC) and the 2021 International Residential Code (IRC).

Below are Community Development goals and objectives that are reflected in the FY2027 Budget.

	Strategic Vision				
FY2027 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	✓			✓	
Continue to Update Village Code			✓		
Implement an Overlay District in Downtown Area					✓
Launch Façade Improvement Program		✓	✓		

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

Performance Measures						
Village Strategic Vision: Accessible & Engaged						
		FY2021	**FY2022**	**FY2023**	**FY2024**	**FY2025**
Output	Zoning Cases (SUP, Variance etc.)	5	4	4	2	2
Output	Building Permits Issued	230	148	213	223	199
Village Board Strategic Vision: Community Focused Development						
		FY2021	**FY2022**	**FY2023**	**FY2024**	**FY2025**
Output	New Businesses	3	1	6	4	8

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

	FY2023	FY2024	FY2025	FY2026	FY2027
Full Time Equivalents (FTE's)	-	1	1	.5	.5

Below is a summary of Community Development expenditures by type.

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Personnel Services	$ 68,136	$ 46,288	$ 15,946	$ 17,498	$ 22,572
Employee Support	1,264	1,793	8,750	-	8,250
Professional Services	113,031	78,568	170,000	102,515	165,000
Operating Expenses	5,049	2,800	8,000	474	8,500
Maintenance	1,303	319	-	-	-
Total – Community Development	**$ 188,783**	**$ 129,769**	**$ 202,696**	**$ 120,487**	**$ 204,322**

General Fund - Community Development - Expenditures

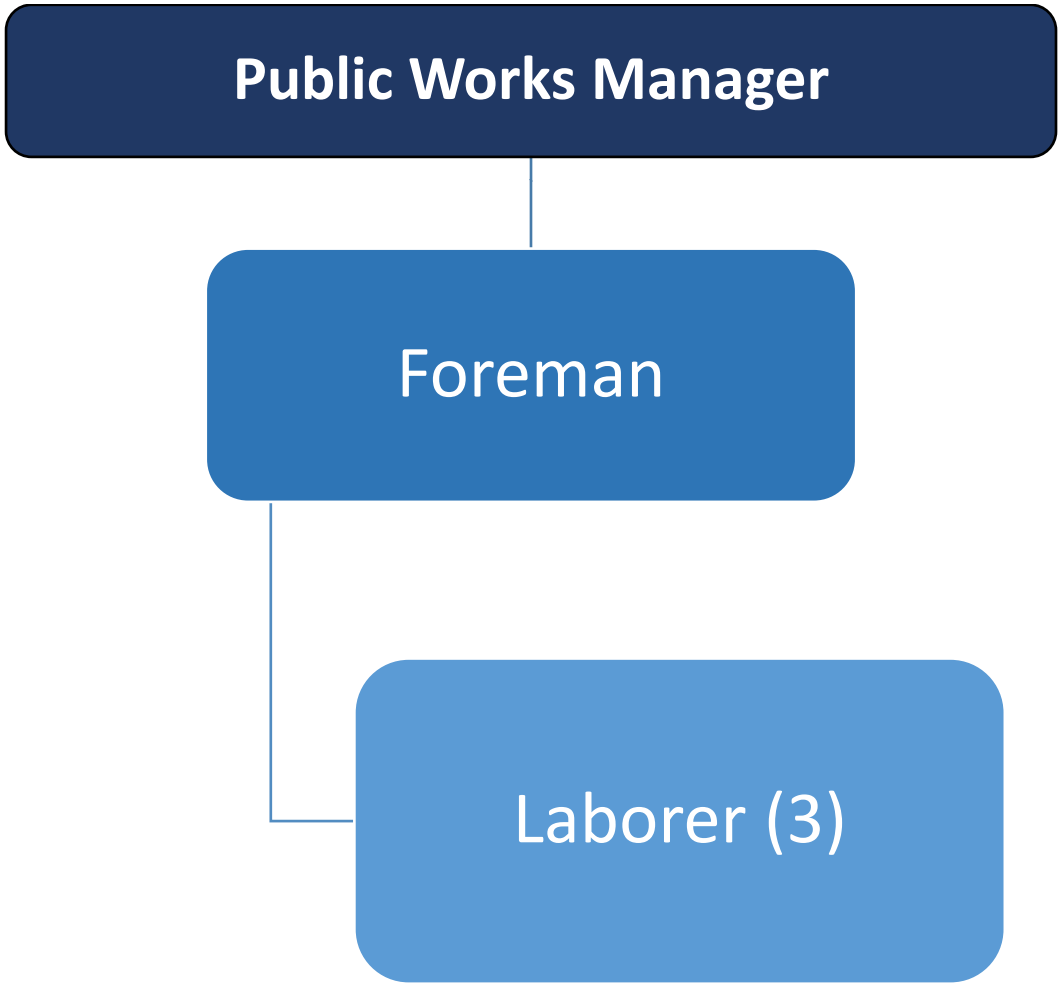
	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Personnel Services					
Salaries	$ 55,286	$ 35,678	$ 14,740	$ 16,158	$ 20,240
Social Security	3,955	2,887	1,128	1,236	1,548
IMRF	422	294	-	236	784
Unemployment Tax	94	131	78	-	-
Employee Insurance	8,378	7,298	-	(132)	-
Employee Support					
Travel	290	699	1,000	-	1,000
Training	874	887	5,000	-	5,000
Dues/Subscriptions	100	206	2,750	-	2,250
Professional Services					
Legal Services	9,596	13,997	40,000	6,037	35,000
Engineering Services	-	-	-	-	-
Other Professional Services	103,435	64,571	130,000	96,479	130,000
Operating Expenses					
General Insurance	2,339	1,503	-	-	-
Telephone/Fax	-	-	-	-	-
Postage	-	47	1,500	-	2,000
Printing/Publishing	2,584	1,156	4,500	234	4,000
Supplies - Equipment	-	-	1,000	240	2,000
Office Supplies	126	95	-	-	-
Gas & Oil	-	-	1,000	-	500
Maintenance					
Building Maintenance	-	17	-	-	-
Equipment Maintenance	1,303	302	-	-	-
Total Expenditures - General Fund - Community Development	**$ 188,783**	**$ 129,769**	**$ 202,696**	**$ 120,487**	**$ 204,322**

Mission and Objectives

The Department of Public Works consists of a hardworking team that takes pride in serving the community through daily maintenance, seasonal programs, and long-term improvements. The Department plays an essential role in maintaining Village infrastructure, protecting public assets, and keeping Peotone a safe, clean, and well-maintained place to live and work.

The Department carries out this mission through the following primary areas of responsibility.

- ✓ **Residential Services**: The department provides direct services to residents, including the Village's branch pick up programs, seasonal leaf collection, and storm cleanup efforts. The Department responds to resident concerns related to streets, public property, and maintenance issues in a timely and professional manner. The department also supports the Village's mosquito abatement program to help protect public health and improve quality of life for residents.
- ✓ **Safety:** The department is responsible for keeping the Village safe, accessible, and clean. This includes routine street sweeping, snow and ice removal, preventative and emergency maintenance on Village -owned buildings, maintenance of the stormwater systems, streets and sidewalks to ensure safe and serviceable condition for drivers and pedestrians.
- ✓ **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. Public Works also works closely with contractors and other departments on infrastructure projects to ensure works is completed properly and efficiently.
- ✓ **Landscape Improvement:** The department 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 to keep the Village clean and well maintained.


Public Works Manager
Foreman
Laborer (3)

Public Works FY2026 Highlights and Accomplishments

- ✓ **Tree City USA Award:** Public Works has planted 40 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 East Crawford Street
- ✓ **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.

FY2027 Goals, Objectives and Performance Measures

Below are Public Works goals and objectives that are reflected in the FY2027 budget.

Strategic Vision					
FY2027 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						
		FY2021	**FY2022**	**FY2023**	**FY2024**	**FY2025**
Output	Parkway trees trimmed	23	44	34	54	62
Output	Snow Plowing Events	9	12	9	7	6

Output	Response Time % (48 hours)	100%	100%	100%	100%	100%
Output	JULIE locate requests	65	77	80	94	97
Output	Citizen Requests for Service	14	19	22	21	26
Village Strategic Vision: Secure & Healthy Neighborhoods						
		FY2021	**FY2022**	**FY2023**	**FY2024**	**FY2025**
Output	Parkway trees removed	11	13	11	10	17
Output	Number of parkway trees planted	56	107	75	70	40

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

	FY2023	FY2024	FY2025	FY2026	FY2027
Full Time Equivalents (FTE's)	4.5	4.5	4.5	5.0	5.0

Below is a summary of Public Works expenditures by type.

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Personnel Services	$ 335,289	$ 357,512	$ 392,090	$ 417,440	$ 422,598
Employee Support	2,632	4,023	8,850	2,978	8,250
Professional Services	50,711	25,984	45,000	53,613	46,600
Operating Expenses	136,907	135,374	130,100	105,365	132,400
Maintenance	91,288	72,071	88,500	64,713	96,000
Debt Service	42,753	42,753	42,753	42,753	-
Capital Outlay	1,158	73,694	61,000	58,931	75,000
Total – Public Works	**$ 660,738**	**$ 711,411**	**$ 768,293**	**$ 745,795**	**$ 780,848**

General Fund - Public Works - Expenditures

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Personnel Services					
Salaries	$ 226,569	$ 259,989	$ 270,103	$ 277,784	$ 285,267
Overtime	5,460	5,619	20,000	12,377	20,000
Social Security	17,347	19,872	22,192	22,159	23,353
IMRF	1,832	3,718	9,380	9,924	11,822
Unemployment Tax	666	528	522	660	522
Employee Insurance	83,416	67,787	69,893	94,536	81,634
Employee Support					
Travel	39	565	1,500	326	1,000
Training	-	181	1,500	-	1,500
Dues/Subscriptions	940	648	1,850	275	1,750
Uniforms/Uniform Maintenance	1,652	2,630	4,000	2,377	4,000
Professional Services					
Legal Services	-	-	-	-	5,000
Engineering	(1,726)	3,353	-	7,000	-
Other Professional Services	52,437	22,631	45,000	46,613	41,600
Operating Expenses					
General Insurance	33,532	6,353	-	-	-
Telephone/Fax	13,247	-	-	1,178	-
Utilities	89	-	-	-	-
Street Lighting	61,688	73,904	70,000	65,934	85,000
Rental	1,650	1,510	2,000	1,260	2,000
Printing/Publishing	270	-	500	-	600
Supplies - Equipment	-	14,425	2,500	1,317	1,500
Other Supplies	5,960	13,826	25,500	15,101	18,700
Gas & Oil	16,627	19,507	25,000	16,975	20,000
Sundry Expense	345	1,169	-	100	-
Drainage District Assessment	3,500	4,680	4,600	3,500	4,600
Maintenance					
Street Light Maintenance	2,730	96	5,000	4,342	5,000
Building Maintenance	39,996	16,682	8,500	3,479	5,500
Equipment Maintenance	9,126	32,197	15,000	15,098	20,000
Street Maintenance	33,119	14,700	25,000	24,568	25,000
Sidewalk Maintenance	-	2,375	10,000	-	10,000
Vehicle Maintenance	-	2,680	15,000	11,298	20,000
Snow/Leaf Removal	6,277	3,340	8,000	5,928	7,000
Ground Upkeep	40	-	2,000	-	3,500
Debt Service					
Interest Expense	-	3,124	1,592	1,592	-
Debt Retirement	42,753	39,629	41,161	41,161	-

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Capital Outlay					
Buildings & Permanent Improvements	-	225	-	-	-
Improvements Other than Buildings	328	73,469	-	-	-
Equipment	830	-	61,000	58,931	75,000
Total Expenditures - General Fund - Public Works	**$ 660,738**	**$ 711,411**	**$ 768,293**	**$ 745,795**	**$ 780,848**

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.

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Professional Services	$ -	$ 75,443	$ 81,004	$ 73,918	$ 75,848
Operating Expenses	-	193,522	201,028	209,351	220,161
Total - Central Services	**$ -**	**$ 268,964**	**$ 282,032**	**$ 283,268**	**$ 296,009**

General Fund - Central Services - Expenditures

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Professional Services					
Equipment Maintenance	$ -	$ 50	$ 9,004	$ -	$ -
Other Professional Services	-	75,393	72,000	73,918	75,848
Operating Expenses					
General Insurance	-	157,523	162,530	170,310	187,341
Telephone/Fax	-	35,999	35,498	31,043	24,820
Supplies -Equipment	-	-	-	5,505	5,000
Other Supplies	-	-	3,000	2,493	3,000
Total Expenditures - General Fund - Central Services	**$ -**	**$ 268,964**	**$ 282,032**	**$ 283,268**	**$ 296,009**

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Professional Services	-	75,443	81,004	73,918	75,848
Operating Expenses	-	193,522	201,028	209,351	220,161
Total Expenditures - General Fund - Central Services	**$ -**	**$ 268,964**	**$ 282,032**	**$ 283,268**	**$ 296,009**

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 FY2027 budget for motor fuel tax amounts to $189,503 and is based on a total per capital rate of $45.68 (MFT - $21.54, TRF - $24.14). This is a decrease of approximately $2,060, or 1.1%, when compared to FY2026 projections.

The FY2027 Motor Fuel Tax Fund budget can be found on the following page.

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Revenues					
Intergovernmental					
Motor Fuel Tax	$ 182,086	$ 187,500	$ 184,737	$ 191,563	$ 189,503
Grant Funds	360	2,730	-	1,588	-
Miscellaneous Revenues					
Reimbursements	1,583	2,878	-	4,074	-
Interest Income	190	94	100	109	120
Total Revenues	**$ 184,218**	**$ 193,202**	**$ 184,837**	**$ 197,334**	**$ 189,623**
Expenditures					
Professional Services					
Engineering	-	-	-	-	-
Maintenance					
Street Maintenance	14,689	29,630	-	22,702	26,000
Capital Improvements					
Acquisitions	-	-	-	-	-
Total Expenditures	**$ 14,689**	**$ 29,630**	**$ -**	**$ 22,702**	**$ 26,000**
Excess (Deficiency) of Revenues Over Expenditures	**$ 169,529**	**$ 163,572**	**$ 184,837**	**$ 174,632**	**$ 163,623**
Transfers Out	(412,350)	(99,028)	(167,400)	(167,400)	(330,000)
Total Other Financing Sources (Uses)	**$ (412,350)**	**$ (99,028)**	**$ (167,400)**	**$ (167,400)**	**$ (330,000)**
Net Income (Loss)	**(242,821)**	**64,544**	**17,437**	**7,232**	**(166,377)**
Beginning Fund Balance	413,516	170,695	235,239	235,239	242,471
Ending Fund Balance	**$ 170,695**	**$ 235,239**	**$ 252,676**	**$ 242,471**	**$ 76,094**

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. The travel center will continue to generate Business District taxes that will be utilized to fund further development within the business district. The hotel, which opened for business in December 2025, will also increase Business District and Hotel/Motel taxes.

The FY2027 Business District Fund budget can be found on the following page.

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Revenues					
Taxes					
Hotel/Motel Tax	$ -	$ -	$ 7,500	$ 15,459	$ 15,923
Intergovernmental					
Retailer's Occupation Tax	276,412	297,386	339,076	341,633	351,882
Grant Funds	153,872	2,242,962	-	-	-
Miscellaneous Revenues					
Interest Income	87	109	70	93	98
Miscellaneous Revenues	46,460	-	-	3,365	-
Total Revenues	**$ 476,831**	**$ 2,540,457**	**$ 346,646**	**$ 360,550**	**$ 367,903**
Expenditures					
Professional Services					
Legal Fees	596	582	2,000	581	700
Accounting Services	500	-	250	-	-
Engineering	213,500	224,792	5,000	7,810	-
Other Professional Services	69,451	5,522	30,000	5,173	-
Operating Expenses					
Other Supplies	-	5,019	30,000	-	-
Façade Program	-	-	-	-	25,000
Sundry Expense	1,232	-	-	-	-
Improvements other than Buildings	320,993	3,286,502	15,000	-	70,000
Acquisitions	-	50,000	-	-	-
Total Expenditures	**$ 606,271**	**$ 3,572,416**	**$ 82,250**	**$ 13,564**	**$ 95,700**
Excess (Deficiency) of Revenues Over Expenditures	**(129,440)**	**(1,031,959)**	**264,396**	**346,986**	**272,203**
Transfers In	-	-	-	875,000	-
Transfer Out	-	-	(300,000)	(300,000)	(300,000)
Total Other Financing Sources (Uses)	**$ -**	**$ -**	**$ (300,000)**	**$ 575,000**	**$ (300,000)**
Net Income (Loss)	**(129,440)**	**(1,031,959)**	**(35,604)**	**921,986**	**(27,797)**
Beginning Fund Balance	505,990	376,550	(655,409)	(655,409)	266,577
Ending Fund Balance	**$ 376,550**	**$ (655,409)**	**$ (691,013)**	**$ 266,577**	**$ 238,780**

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

The FY2027 TIF 1 and TIF2 Fund budgets can be found on the following pages.

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Revenues					
Taxes					
Property Taxes	$ 34,218	$ 60,085	$ 56,506	$ 59,956	$ 58,336
Miscellaneous Revenues					
Interest Income	33	51	40	69	100
Total Revenues	**$ 34,251**	**$ 60,135**	**$ 56,546**	**$ 60,025**	**$ 58,436**
Expenditures					
Professional Services					
Legal Fees	223	-	-	848	1,000
Accounting Services	250	250	250	250	250
Engineering	-	-	-	-	-
Other Professional Services	8,489	6,955	25,000	4,952	6,000
Operating Expenses					
Façade Program	-	-	-	-	25,000
Capital Outlay					
Building Improvements	-	-	40,000	347	30,000
Total Expenditures	**$ 8,962**	**$ 7,205**	**$ 65,250**	**$ 6,397**	**$ 62,250**
Excess (Deficiency) of Revenues Over Expenditures	**25,289**	**52,931**	**(8,704)**	**53,628**	**(3,814)**
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Income (Loss)	**25,289**	**52,931**	**(8,704)**	**53,628**	**(3,814)**
Beginning Fund Balance	63,490	88,779	141,710	141,710	195,338
Ending Fund Balance	**$ 88,779**	**$ 141,710**	**$ 133,006**	**$ 195,338**	**$ 191,524**

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Revenues					
Taxes					
Property Taxes	$ 15,457	$ 49,610	$ 181,789	$ 167,632	$ 315,944
Miscellaneous Revenues					
Reimbursements	130,000	-	-	-	-
Interest Income	71,835	7,448	100	229	250
Total Revenues	**$ 217,292**	**$ 57,058**	**$ 181,889**	**$ 167,861**	**$ 316,194**
Expenditures					
Professional Services					
Legal Fees	17,146	11,356	12,000	5,358	10,000
Accounting Services	250	250	250	250	250
Investment Management Services	2,997	204	-	-	-
Engineering	211,845	24,725	-	7,385	-
Other Professional Services	6,050	11,190	7,000	17,017	18,000
Debt Service					
Bond Principal	-	-	40,000	40,000	90,000
Interest Expense	140,058	147,862	147,862	147,862	145,926
Capital Outlay					
Improvements to Streets	2,230,753	135,605	-	115,328	-
Total Expenditures	**$ 2,609,099**	**$ 331,192**	**$ 207,112**	**$ 333,199**	**$ 264,176**
Excess (Deficiency) of Revenues Over Expenditures	**(2,391,807)**	**(274,134)**	**(25,223)**	**(165,338)**	**52,018**
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Other Financing Sources (Uses)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Income (Loss)	**(2,391,807)**	**(274,134)**	**(25,223)**	**(165,338)**	**52,018**
Beginning Fund Balance	3,047,986	656,179	382,045	382,045	216,707
Ending Fund Balance	**$ 656,179**	**$ 382,045**	**$ 356,822**	**$ 216,707**	**$ 268,725**

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 FY2027 Capital Improvement Program can be found in the Capital Improvement Planning section of this document.

The FY2027 Capital Improvements Fund budget can be found on the following page.

Capital Improvements Fund

	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2026 Projected	FY2027 Budget
Revenues					
Licenses, Permits & Inspections					
Building Permit Development Fees - Admin	$ 6,536	$ 4,316	$ -	$ 8,632	$ -
Building Permit Development Fees - Police	7,520	4,068	-	8,136	-
Intergovernmental					
Grants	50,256	37,910	848,372	880,207	-
Miscellaneous Revenues					
Interest Income	133	88	100	73	80
Miscellaneous Revenues	6,050	-	-	-	-
Total Revenues	**$ 70,494**	**$ 46,382**	**$ 848,472**	**$ 897,048**	**$ 80**
Expenditures					
Maintnance					
Street Maintenance	-	76,568	-	-	-
Professional Services					
Engineering	158,925	51,327	102,400	101,749	54,600
Other Professional Services	-	-	-	-	-
Operating Expenses					
Sundry Expense	-	1,876	-	-	-
Capital Outlay					
Improvements - Admin	-	-	-	-	-
Improvements to Streets	480,176	15,617	995,000	1,070,164	470,000
Total Expenditures	**$ 639,101**	**$ 145,388**	**$ 1,097,400**	**$ 1,171,912**	**$ 524,600**
Excess (Deficiency) of Revenues Over Expenditures	**(568,607)**	**(99,007)**	**(248,928)**	**(274,864)**	**(524,520)**
Other Financing Sources (Uses)					
Transfers In	412,350	99,028	167,400	167,400	441,500
Total Other Financing Sources (Uses)	**$ 412,350**	**$ 99,028**	**$ 167,400**	**$ 167,400**	**$ 441,500**
Net Income (Loss)	**(156,257)**	**21**	**(81,528)**	**(107,464)**	**(83,020)**
Beginning Fund Balance	404,977	248,720	248,741	248,741	141,278
Ending Fund Balance	**$ 248,720**	**$ 248,741**	**$ 167,213**	**$ 141,278**	**$ 58,258**

VILLAGE OF PEOTONE
TOTAL COMPENSATION BY POSITION
FISCAL YEAR 2027

Title	Budget FY2026	Estimated Actual FY2026	Budget FY2027
Administration Department			
Village Administrator	172,915		196,432
Village Clerk	89,220		92,170
Clerical Support FT	63,273		65,669
Clerical Support PT	21,157		22,572
Police Department			
Police Chief	149,074		167,998
Lieutenant	195,549		207,309
Sergeant	180,771		191,556
Community Support Liaison	66,845		69,350
Patrol Officer	118,858		130,030
Patrol Officer	143,698		156,306
Patrol Officer	169,441		179,387
Patrol Officer	126,767		137,463
Patrol Officer	115,513		126,709
Patrol Officer	154,948		164,965
Patrol Officer	138,726		152,118
Patrol Officer	140,234		151,815
Patrol Officer	130,579		142,399
Patrol Officer PT	60,758		62,583
Public Works Department			
Public Works Manager	123,643		127,748
General Laborer FT	97,774		104,858
General Laborer FT	47,152		47,529
General Laborer FT	54,547		60,021
General Laborer FT	46,424		49,849

Tax Year 2024 Principal Property Tax Payers

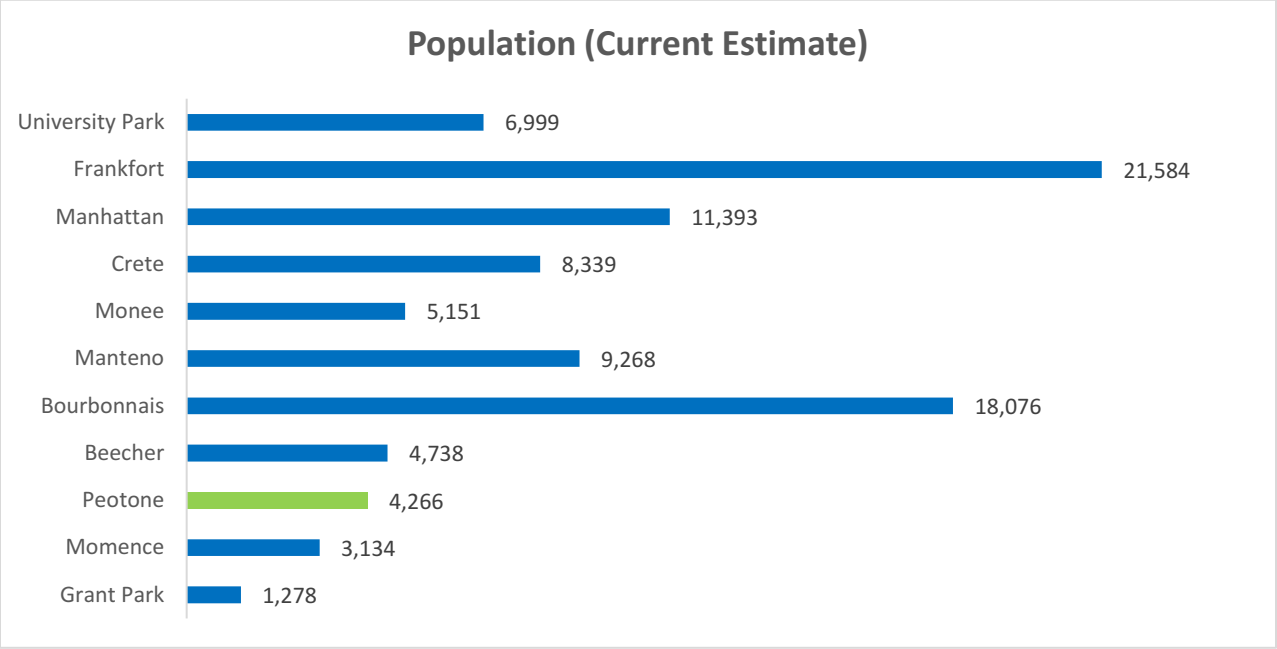
Tax Payer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Bhagwati Properties One LLC	$ 2,704,463	1	2.11%
Peotone Ind Properties LLC	1,223,581	2	0.95%
LTC MBSH 11515	1,114,219	3	0.87%
Brown Strauss Inc.	852,968	4	0.67%
Bult James Pearl	844,511	5	0.66%
Macs Convenience Stores LLC	501,431	6	0.39%
Peotone Kotara Partners LLC	475,786	7	0.37%
DMB Real Estate Inv LLC	420,660	8	0.33%
Riverside Medical Center	396,525	9	0.31%
Dralle David L Gregory	352,342	10	0.27%
	$ 8,886,486		**3.00%**

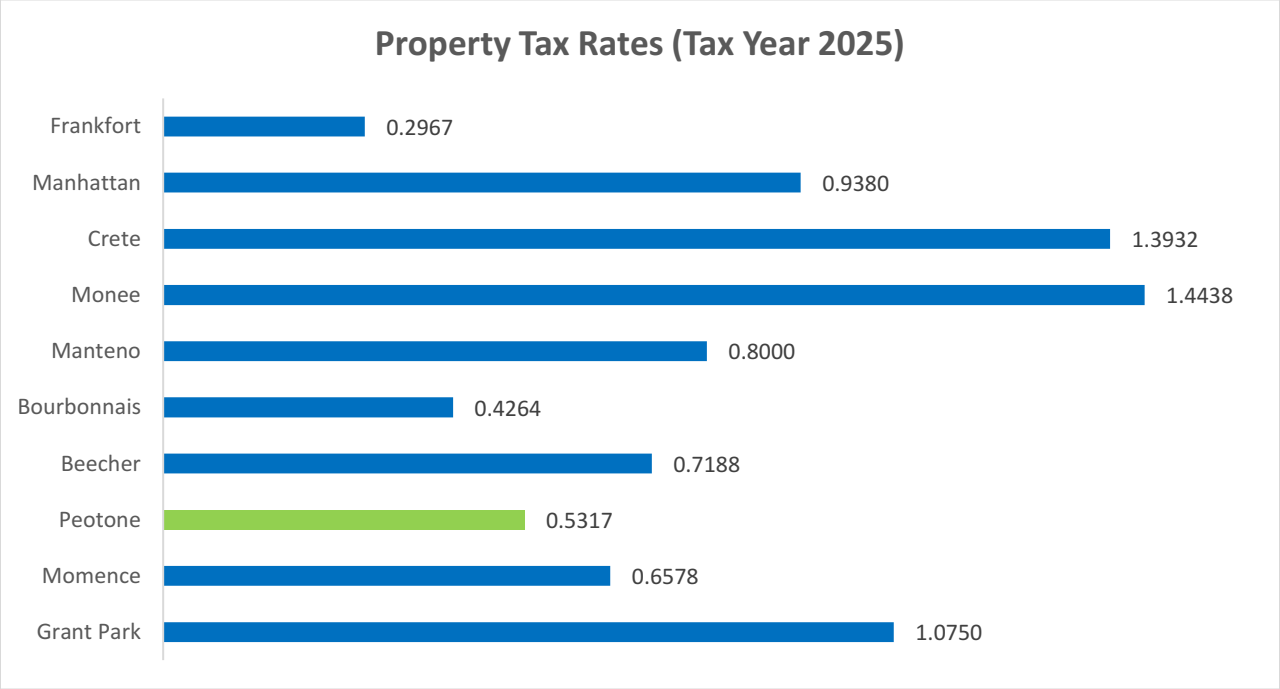
Data Source: Will County Clerk's Office (Most current available data)

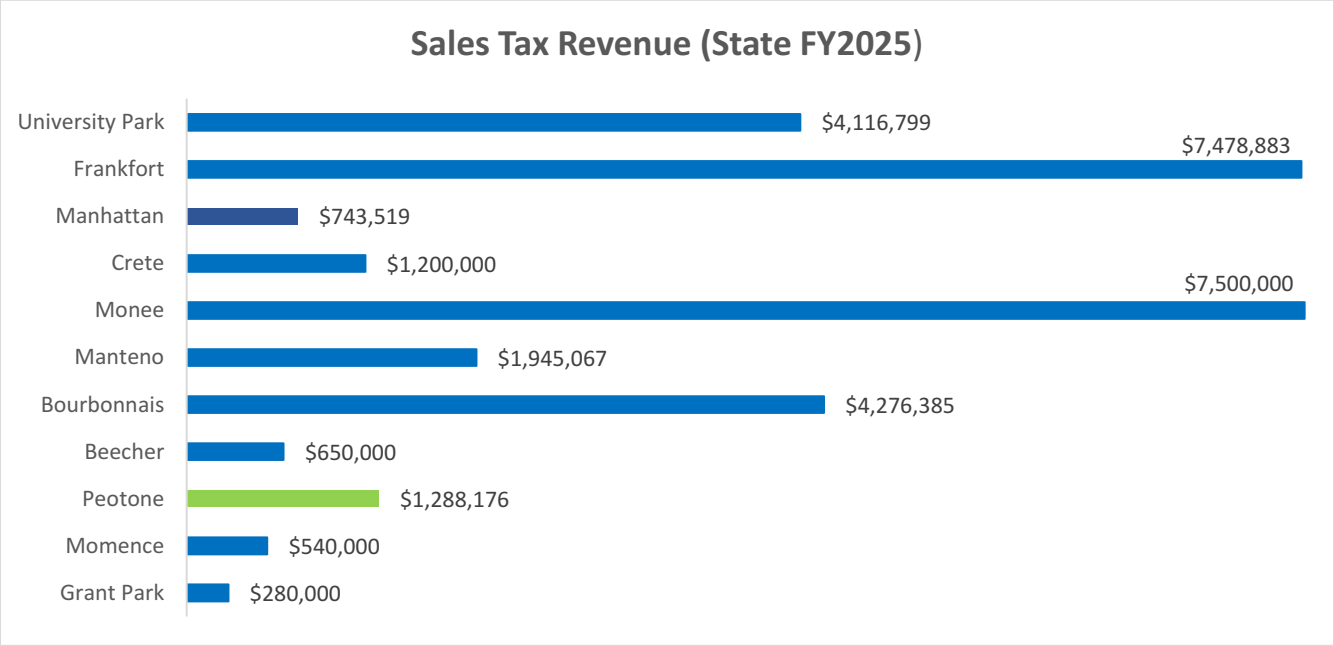
Employment by Industry

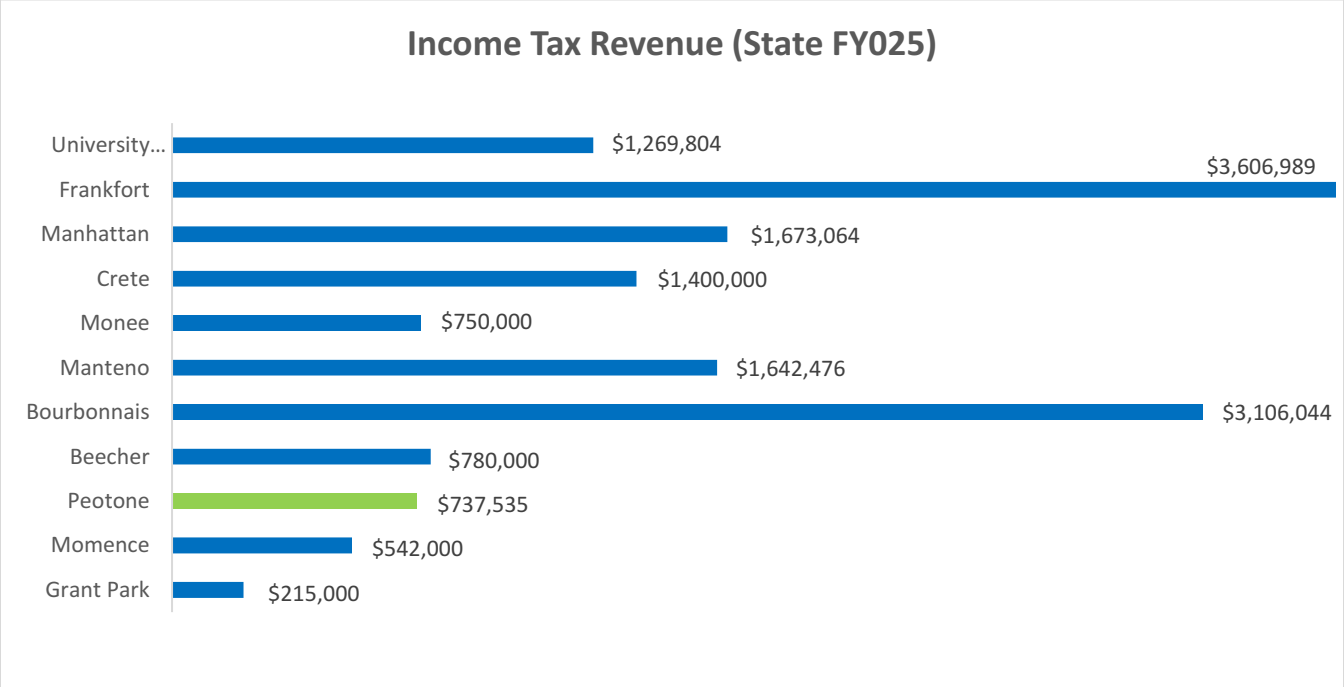
Occupation	Percent of Population
Health Care & Social Assistance	13.80%
Educational Services	15.80%
Retail Trade	10.30%
Accomodation & Food Services	12.00%
Arts, Entertainment & Recreation	3.50%
Manufacturing	9.24%
Transportation & Warehousing	0.09%
Other	1.67%
Professional, Scientific & Technical Services	5.57%
Construction	8.91%
Public Administration	5.70%
Administrative, Support & Waste Management Services	3.38%
Other Sevices, Except Public Administration	3.50%
Mining, Quarrying & Oil	0.85%
Finance & Insurance	1.95%
Wholesale Trade	3.74%
	100.00%

Source: DataUSA


Population (Current Estimate)
University Park
6,999
Frankfort
21,584
Manhattan
11,393
Crete
8,339
Monee
5,151
Manteno
9,268
Bourbonnais
18,076
Beecher
4,738
Peotone
4,266
Momence
3,134
Grant Park
1,278


Property Tax Rates (Tax Year 2025)
Frankfort
0.2967
Manhattan
0.9380
Crete
1.3932
Monee
1.4438
Manteno
0.8000
Bourbonnais
0.4264
Beecher
0.7188
Peotone
0.5317
Momence
0.6578
Grant Park
1.0750


Sales Tax Revenue (State FY2025)
University Park
$4,116,799
Frankfort
$7,478,883
Manhattan
$743,519
Crete
$1,200,000
Monee
$7,500,000
Manteno
$1,945,067
Bourbonnais
$4,276,385
Beecher
$650,000
Peotone
$1,288,176
Momence
$540,000
Grant Park
$280,000


Income Tax Revenue (State FY025)
University...
$1,269,804
Frankfort
$3,606,989
Manhattan
$1,673,064
Crete
$1,400,000
Monee
$750,000
Manteno
$1,642,476
Bourbonnais
$3,106,044
Beecher
$780,000
Peotone
$737,535
Momence
$542,000
Grant Park
$215,000

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 an 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 finances 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.