



DATE: June 1, 2026

MEMO TO: Paul Frank, Chair
Planning Committee

Sara Knizhnik, Chair
Operations Committee

Gina Roberts, Chair
Finance Committee

FROM: Steve Neaman
Director of Finance

Agenda Item # 11.2

RECOMMENDATION: Recommend approval of a Resolution adopting the Annual Budget Policies for the 12-month fiscal year ending December 31, 2027.

STRATEGIC DIRECTIONS SUPPORTED: Organizational Sustainability; Leadership; Conservation; Public Access and Connections; Communication, Education and Outreach.

FINANCIAL DATA: No immediate impact.

BACKGROUND: Annually, the Board adopts budget development policies which serve as a guide to the Executive Director, Department Directors and Division Managers in preparing the budget for Committee and Board review and approval.

This year, the draft Budget Policies incorporate the District's financial management policies, including debt management policies. In prior years these were contained in the annual budget book as a separate document.

Traditionally, the Budget Policies and the Strategic Action Plan have been approved together. This year, the Strategic Action Plan will be presented as a separate document to be reviewed by the Board in August of 2026.

REVIEW BY OTHERS: Executive Director, Chief Operations Officer, Department Directors, Manager of Board Operations and Corporate Counsel.

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

**BOARD OF COMMISSIONERS
LAKE COUNTY FOREST PRESERVE DISTRICT
REGULAR JUNE MEETING
JUNE 10, 2026**

MADAM PRESIDENT AND MEMBERS OF THE BOARD OF COMMISSIONERS:

Your **PLANNING COMMITTEE, OPERATIONS COMMITTEE** and **FINANCE COMMITTEE** present herewith "A Resolution Adopting the Annual Budget Policies for Fiscal Year 2027" and request its approval.

PLANNING COMMITTEE: *AS AMENDED BY FINANCE COMMITTEE*

Date: 6-1-2026 Roll Call Vote: Ayes: _____ Nays: _____
 Voice Vote Majority Ayes; Nays: 0

OPERATIONS COMMITTEE: *AS AMENDED BY FINANCE COMMITTEE*

Date: 6-1-2026 Roll Call Vote: Ayes: _____ Nays: _____
 Voice Vote Majority Ayes; Nays: 0

FINANCE COMMITTEE: *AS AMENDED*

Date: 6-1-2026 Roll Call Vote: Ayes: _____ Nays: _____
 Voice Vote Majority Ayes; Nays: 0

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

A RESOLUTION ADOPTING THE ANNUAL BUDGET POLICIES FOR FISCAL YEAR 2027

WHEREAS, it is appropriate and in the best interests of the Lake County Forest Preserve District (the "District") for the Board of Commissioners of the District (the "Board") to adopt annual budget policies for the compilation and presentation of the annual District budget; and

WHEREAS, the development of budget policies assists District departments in the preparation of the annual District budget; and

WHEREAS, the "Adopted Annual Budget Policies for Fiscal Year 2027" attached to and made a part of this Resolution by this reference (the "Policies") were prepared by staff, reviewed by the Committees of the Board, and include modifications based upon Committee comments and input; and

WHEREAS, the Executive Director, the Director of Finance, and District staff recommend that the Policies be adopted for the compilation of the Fiscal Year 2027 District budget (the "Fiscal Year 2027 Budget");

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois THAT:

Section 1. Recitals. The recitals set forth above are incorporated as a part of this Resolution by reference.

Section 2. Approval of Policies. The Policies are hereby approved and adopted for use in preparation of the Fiscal Year 2027 Budget.

Section 3. Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this _____ day of _____, 2026.

AYES:

NAYS:

APPROVED this _____ day of _____, 2026.

Jessica Vealitzek, President
Lake County Forest Preserve District

ATTEST:

Julie Gragnani, Secretary
Lake County Forest Preserve District

Exhibit No. _____



**LAKE COUNTY FOREST PRESERVE DISTRICT
ADOPTED ANNUAL BUDGET POLICIES
FISCAL YEAR 2027**

(JANUARY 1, 2027 – DECEMBER 31, 2027)

MISSION STATEMENTS



**Lake County
Forest Preserves**

Preservation Restoration Education Recreation

To preserve a dynamic and unique system of natural and cultural resources, and to develop innovative educational, recreational, and cultural opportunities of regional value, while exercising environmental and fiscal responsibility.



Preservation Foundation
of the Lake County Forest Preserves

The Preservation Foundation was founded in 2007 as the charitable partner of the Forest Preserves. Its mission is to extend and accelerate the Lake County Forest Preserves' goals through private philanthropy to restore and preserve Lake County's natural and cultural resources in perpetuity.

FISCAL YEAR 2027 BUDGET POLICIES:

1. Financial Policies ([Page 1](#))
2. General Policies ([Page 2](#))
3. Revenue Policies ([Page 4](#))
4. Personnel Service Costs Policies ([Page 6](#))
5. Reserve Fund Balance Policies ([Page 6](#))
6. Capital Improvement Policies ([Page 7](#))
- [7. Debt Management Policies \(Page 8\)](#)
- ~~7.8.~~ Attachment 1 – Procedures for 2027 Salary Adjustments
- ~~8.9.~~ Attachment 2 – Budget Process Timeline

Fiscal Year 2027 Budget Policies:

1. FINANCIAL POLICIES

Objectives

- 1.1 *Preserve the strategic financial integrity, well-being, and current AAA bond rating (Standard & Poor's and Moody's) of the District by maintaining an unrestricted general corporate fund balance as outlined in the Reserve Fund Balance policy.***
 - 1.1.1 Continue to monitor the equalized assessed valuation (EAV) of Lake County property and its impact on the District's ability to maintain a balanced operating budget.
 - 1.1.2 Continue emphasis on increasing efficiency, reducing costs, improving safety performance, reducing under-utilized infrastructure, gauging expansion against ability to maintain standards, and increasing non-tax revenues.
 - 1.1.3 Continue to monitor state legislative activities including a potential property tax freeze or reduction in replacement taxes.
 - 1.1.4 Continue to monitor the impact of inflation on the economy and project bidding.
 - 1.1.5 Maintain frequent and regular communication with bond rating agencies and practice full disclosure in all financial reports and bond prospectuses.
- 1.2 *Continue to maintain a high standard of accounting practices.***
 - 1.2.1 Maintain records in accordance with Generally Accepted Accounting Principles (GAAP).
 - 1.2.2 Implement new Governmental Accounting Standards Board pronouncements as they become effective.
 - 1.2.3 Continue the practice of using interest earnings from Development bond proceeds for costs related to improvement projects.
 - 1.2.4 Designate fees received from easements and land sales for land acquisition, access purposes and infrastructure efficiencies.
 - 1.2.5 Designate funds received for restoration or capital improvements to be used for that purpose.
 - 1.2.6 Financial management and budgetary control shall be centralized within the Finance and Administration Departments, including: budget compilation and monitoring, central purchasing, capital improvement financing, risk management, cash and investment management, monitoring financial data for trends, preparation of monthly and quarterly financial reports, fixed asset inventory, payroll, and accounts receivable.
 - 1.2.7 An independent certified public accountant shall conduct an annual audit of all funds and account groups.
 - 1.2.8 The investment of District funds shall be consistent with the District's Investment Policy.
- 1.3 *Continue to provide for adequate funding of all retirement systems.***
- 1.4 *Ensure adequate funding necessary to maintain preserves in a clean and safe manner.***

- 1.4.1 Land bank newly acquired parcels and preserves to minimize additional maintenance and public safety costs until additional property tax revenues or alternate funding sources are available.
- 1.4.2 Explore and execute efficiencies to reduce costs of maintenance and operations for existing preserves and facilities.
- 1.4.3 Invest capital funds [in](#) improving, replacing or removing aging and inefficient infrastructure.
- 1.4.4 Reduce total building square footage and maximize use of remaining buildings.
- 1.4.5 Ensure operational dollars are in place before moving forward with new public access and restoration projects.
- 1.4.6 Continue to build on the established endowment fund through the Preservation Foundation of the Lake County Forest Preserves to provide a permanent source of funding for habitat restoration, reforestation and tree planting projects.
- 1.4.7 Prioritize capital maintenance of critical infrastructure, facilities and habitats in the Capital Improvement Plan (CIP) with available funding.

1.5 *Continue to look for and evaluate outsourcing opportunities for the most advantageous cost benefit for the District.*

1.6 *Evaluate staffing vacancies to make sure limited resources are allocated in a manner consistent with the District's strategic plan.*

1.7 *Evaluate long-term financial planning.*

- 1.7.1 Monitor the equalized assessed valuation (EAV) of Lake County property as a basis for the operating budget projections and 10-year rolling financial plan, considering any changes or trends identified through monitoring.
- 1.7.2 Monitor and evaluate debt planning based on the EAV.
- 1.7.3 Evaluate funding sources to address priority capital improvement projects in the Capital Improvement Plan (CIP).
- 1.7.4 Explore non-tax levy funding alternatives and review program and service fees to ensure their compliance with the Board adopted Fee Guidelines.
- 1.7.5 Monitor the municipal bond market for potential refunding opportunities for the District's outstanding bonds.

[1.7.6 Monitor financial data for warning signals or trends and adjust financial planning accordingly.](#)

1.8 *In conjunction with the Community Engagement & Partnerships Department, maintain accounting procedures and controls to properly record and accept grants from the Preservation Foundation and other funding sources including state, federal, and private grants.*

1.9 *Manage the District's risk exposure and incident rate by emphasizing a culture of safety.*

2. GENERAL POLICIES

2.1 *Budget Submittal Procedures:*

- 2.1.1 Department Directors shall be responsible for administration of their respective department budgets, including reviewing expenditures prior to authorization, monitoring monthly financial reports, and ensuring expenditures remain within approved appropriations.
- 2.1.2 Program expansions or new programs that require additional funds may be considered in the FY 2027 budget if funded through a reallocation of existing funds or by securing new grants or other non-tax revenues and continue such programs only as long as those reallocated or additional funds are available.
- 2.1.3 Department Directors will review each vacant position in their department during the budget development and throughout the fiscal year with regard to each position's importance to the District and possible alternatives to refilling the vacant position. Additional positions will be evaluated as needed.
- 2.1.4 Education, professional development, training and career growth is encouraged as a recognized benefit to the District and its employees. Specific training activities, workshops, schools and conferences shall be submitted as part of the budget review process.
- 2.1.5 Requests for professional certifications, required licenses, and related training shall be submitted under a separate account entitled "Certifications and Education" as part of the budget review process.
- 2.1.6 Funds must be included in the appropriate line item for Equipment Replacement Charges, Information Technology (IT) Replacement Charges, and Vehicle Replacement Charges. The annual charge for equipment is based on the current replacement cost and expected life cycle for the equipment. Assess life cycles for equipment, information technology, and vehicles.
- 2.1.7 Requests for capital equipment must be accompanied by justification. Capital equipment requests should be ranked in order of priority to indicate which requests are most important to District operations. Requests for capital outlay should be limited to those items necessary for new facility operations, safety, maintaining current or implementing new service demands, productivity improvements, and cost-effectiveness, or those with revenue producing benefits.
- 2.1.8 Budget submissions should be consistent with the District strategic action plan goals and objectives.
- 2.1.9 Submission schedule: The Budget Calendar for the budget process will be distributed by the Finance Department.
- 2.2 Expenditures will not exceed anticipated revenue and the District shall maintain a structurally balanced budget. Adequate cash flow requirements will be maintained. Unrestricted fund balances for the General Corporate Fund, the Liability Insurance Fund, and the Land Development Fund may be used to balance the budget within each respective fund if necessary, after providing for cash flow requirements, and a fund balance as outlined in Section 5 Fund Balance Reserve.
- 2.3 Unrestricted fund balance in the General Corporate Fund, in excess of the fund balance policy, may be transferred to the IMRF Fund as needed for cash flow requirements, or fund Capital Improvement Plan (CIP) projects with an emphasis on improving or replacing aging or inefficient infrastructure to reduce long-term operating costs and address deferred maintenance issues. The Board may also approve other one-time transfers they feel are necessary.
- 2.4 Unrestricted fund balances are maintained to avoid cash flow interruptions; generate interest income; reduce the need for short-term borrowing; assist in maintaining the District's current AAA Standard & Poor's and Moody's ratings for investment-grade bonds; provide for unanticipated expenditures or emergencies of a nonrecurring nature; and meet unexpected increases in service delivery costs.

- 2.5 In developing budget requests, each department should seek to: improve productivity; improve organizational effectiveness and efficiency through cost avoidance methods; conduct cost benefit analysis through evaluation and identification of activities that can be reduced, eliminated, consolidated and/or contracted out where feasible and more cost-effective. All expenditures incurred must be necessary and reasonable. In Fiscal Year 2027, consulting funds shall be included for use by the President and Executive Director to investigate and analyze organizational, operational or financial issues identified by Committees, the Board or for the implementation of the strategic plan.
- 2.6 Committee- or Commissioner-directed initiatives or requests by any Commissioner other than the President resulting in (i) staff assistance requiring more than two hours to complete, (ii) legal advice that will take more than a nominal period of attorney time (as determined by the Executive Director, except for legal advice arising from normal work of the Planning Committee), (iii) changes to the Capital Improvement Plan of the Forest Preserves, or (iv) an unplanned budgetary impact, shall require approval by the Finance Committee.
- 2.7 Transfers of appropriation among funds must be approved by the Board. Department Directors shall submit requests for budget adjustments to the Director of Finance prior to incurring expenditures that would exceed approved appropriations. The Director of Finance is authorized to process an expenditure in a line item that exceeds the approved line-item budget, provided that the amount is within the spending authority provided by the District Purchasing Policy Ordinance and will not cause the aggregate for that category of expense to exceed the appropriated amount.
- 2.8 The Executive Director, or his designee, is authorized to amend the budget to account for the receipt and expenditure of grant or donation funds received through an approved request as outlined in the Board approved Fundraising Authorization Policy; however, any actual expenditure must be approved in accordance with applicable law, including the applicable requirements of the District's purchasing policies and procedures.
- 2.9 The Capital Facilities Improvement Fund for future maintenance improvements to buildings and facilities will be funded through transfers from available balances in other funds. These funds shall be used to stabilize, replace or alter buildings, structures, and facilities, as well as to comply with the Americans with Disabilities Act (ADA) and other life-safety regulations.
- 2.10 Indirect costs of programs will be reflected on the program cost sheet and program fee recoveries will be evaluated against the approved Fee Guidelines.

3. REVENUE POLICIES

- 3.1 The Illinois Property Tax Extension Limitation Act (Tax Cap) limits the amount of property tax that can be levied. The District cannot exceed the previous year's tax extension by more than 5% or the Consumer Price Index for the prior year, whichever is less. Public Act 94-0976, effective June 30, 2006, provides that the only ceiling on a particular tax rate is the ceiling set by statute. Therefore, the aggregate tax rate for funds subject to the Limitation Law (General Corporate, Development Levy, IMRF, FICA, Insurance), will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.
- 3.2 The District's primary dependence is on property tax revenues. Accordingly, a comprehensive financial strategy is required for the District to continue sound administration, operations, and maintenance, to stabilize or replace deteriorated buildings and structures, and to acquire, restore, and improve land. New sources of revenue need to be continually evaluated and recommended by Department Directors for Board consideration and action.

- 3.3** The Preservation Foundation [and the Development Division](#) raises charitable support from state, federal, and private sources to extend and accelerate Forest Preserves projects and programs. The Foundation is authorized to secure support for initiatives identified in the annual budget, 10-year Capital Improvement Plan (CIP), the Unfunded Projects list_or for new projects and programs according to the Fundraising Authorization Policy.
- 3.3.1 The Foundation's Annual Fund is comprised of unrestricted donations, which primarily provide a flexible source of revenue for priority projects of the Forest Preserves that would otherwise [be](#) unfunded.
- 3.3.2 The Foundation raises program-restricted support to advance habitat restoration, land protection, public access improvements, and educational and public programs according to the District's Strategic Plan.
- 3.3.3 The Foundation can accept gifts of land and other real property with the intention of selling it to support the Forest Preserves mission, in accordance with the donor's wishes.
- 3.3.4 The Foundation establishes endowment funds for land management to provide a permanent source of long-term revenue for the Forest Preserves.
- 3.3.5 Donors can provide for the Forest Preserves by making a provision for the Preservation Foundation in their [will or](#) estate plan.
- 3.4** Each department will review, evaluate, and submit non-tax revenue projections and programs. All such revenue shall be allocated across the various items appropriated by the Board as provided by law. No department has claim to any specific source of revenue, unless otherwise provided by law or Board Policy. Confirmed grant funding will be included as projected revenue to be used for planned expenditures. Projected revenue from philanthropic support, including private, state, and federal grants, shall be reviewed by the Community Engagement & Partnerships Department.
- 3.5** The Enterprise Fund fee schedule shall reflect at a level of more than 100% financial self-support. Golf Course Operations are expected to generate funds to cover operating costs, renovation, restoration, and improvement of the golf courses, and shall be promoted accordingly. The updated 5-year Capital Improvement Plan for the golf course facilities will reflect anticipated expenditures. The Board may approve the use of general district funds to facilitate the development of energy efficiency projects on golf course sites.
- 3.6** Funds received from the sale of [items deaccessioned from the](#) Dunn Museum collections will be designated for future acquisitions and/or care of the collections.
- 3.7** The District will review all fee-based programs to ensure that the fees are set at the appropriate levels to meet the approved Fee Guidelines.
- 3.8** Department Directors will closely monitor revenues. If revenues fall below budgeted levels offsetting cuts to operational expenditures will be made to meet overall budgetary expectations.
- 3.9** The allocation of all housing, cell towers, easements and agricultural license revenues to the General Fund or any Special Revenue Fund, will be reviewed annually during the budget review process.

4. PERSONNEL SERVICE COSTS POLICIES

Personnel Service Costs shall be in accordance with Lake County Forest Preserve District Personnel Ordinances.

4.1 *Base Salary*

- 4.1.1 Non-union wage adjustments have historically been given once a year on July 1. The budget shall provide funding for this purpose.
- 4.1.2 The annual adjustment for collective bargaining members shall be as provided by contracts for both the Construction and General Laborers Local Union 152 and the Illinois Fraternal Order of Police Labor Council.

4.2 *Performance Salary*

- 4.2.1 The Forest Preserve District maintains non-union salary ranges allowing its employees to progress through the salary range commensurate with their job performance and is committed to the advancement of employees using merit principles. The Performance Appraisal serves as the basis to document and discuss performance, and goals. Therefore, non-union regular full-time and regular part-time employees shall be eligible for proficiency incentives.
- 4.2.2 The Position Inventory for all District personnel is current as of the date of the passage of this Resolution. Existing positions will be evaluated based on workload and the ability to fund the position. Requests for replacement, new or modified positions must be supported by a detailed justification including financial resources.

5. RESERVE FUND BALANCE POLICIES

- 5.1 The purpose of these policies is to establish guidelines in providing for an unrestricted reserve balance in the District General Corporate Fund, Liability Insurance Fund, Development Fund, and Enterprise Fund. The budget policies governing the fund balances may have two types of reserve components: (a) the emergency reserve and (b) the cash flow reserve. The emergency reserve is to protect the District from unusual fluctuations in revenues or expenditure needs. The cash flow reserve allows the District to make payments without short-term borrowing during the negative cash flow period experienced early in the fiscal year up to May, due mainly to property tax payments being received in June and September.
 - 5.1.1 The General Fund is the primary operating fund for the District. The General Fund unrestricted fund balance shall be available for the above-referenced purposes and in the amounts described below:
 - a. To provide for emergencies, 10% of the ensuing year's operating fund budget, exclusive of capital expenditures.
 - b. To meet cash flow needs, 25% of the ensuing year's operating fund budget, exclusive of capital expenditures.
 - 5.1.2 The Liability Insurance Fund unrestricted fund balance shall be available in the amounts described below:
 - a. To provide for emergencies, \$1 million to \$1.5 million.
 - 5.1.3 The Development Fund unrestricted fund balance shall be available in the amounts described below:

- a. To meet cash flow needs, 35% of the ensuing year's operating fund budget exclusive of capital expenditures.
- 5.2 The Director of Finance, as part of the annual budget process, shall prepare an analysis of these policies. The analysis is to include the prior year actual status and project the status for the current year. [The Director of Finance shall review, update, and determine the adequacy of fund balances using the criteria established in this policy.](#)
- 5.3 Deficiencies from the required amounts of these policies shall be addressed through the budget process. Deficiency is defined as having less than the minimum reserve policy requirements at fiscal year-end. Deficiency may also be defined as having a projection at budget time that indicates the reserve requirements will not be met at the current year-end.
- 5.4 Excess reserves under these policies are actual undesignated fund balance dollars available on the year-end financial statements.
- 5.5 The Director of Finance shall, as part of the annual audit and financial statement preparation process, monitor and ensure that the fund balance reserves are maintained as required by these policies.

6. CAPITAL IMPROVEMENT POLICIES

6.1 *As stated in the Rules of Order and Operational Procedures:*

“The Planning Committee shall study and review potential land acquisition opportunities and shall, where appropriate, obtain appraisals, surveys, environmental reports, title reports, and other acquisition information; recommend acquisition of real property rights to the Board; recommend the name of any new preserve to the Board; review, provide direction to staff regarding, and recommend approval of any agreement proposed by an owner of property adjacent to the District's property, if such agreement could affect the planning and use of the District's property for its intended use; be responsible for recommending uses of the District's land and facilities by the general public and, to that end, shall cause the preparation of, review, and submission to the Board for approval of, master plans; be responsible for recommending the implementation of plans and uses for District land and facilities, including site development and restoration plans; and review and make recommendations concerning requests for easements and licenses. The Planning Committee shall refer any proposed plan or use that would (1) have a significant impact on District land or other District plans or uses or (2) involve a new use of such land, to each Standing Committee so that each Standing Committee has an opportunity, not later than its second regular meeting following the Planning Committee's referral, to review the potential impacts of such plan or use. If the Planning Committee votes to recommend the approval of such plan or use after such an opportunity to review has been provided, the plan or use (if it requires the expenditure of District funds) shall be implemented only after it has been prioritized and funded as part of the processes for the District's annual budget policies review, budget ordinance, and appropriations ordinance”.

6.2 *Utilize the following criteria for prioritizing opening and development of new and existing forest preserves and facilities as included in the 10-year CIP and on the 10-year rolling financial plan:*

- Obligations to make improvements as part of a grant
- Existing agreements (e.g. [Intergovernmental Agreements](#))
- Grants awarded to particular projects
- Part of planned transportation improvements
- Funding source through Preservation Foundation
- Part of the county regional trail system or connecting two regional trail systems

- ADA, code compliance, or safety issue
- Project is started and needs to be finished
- Opportunity for operational cost savings
- Long term maintenance and operational concerns addressed
- Environmental concerns addressed
- Green Infrastructure Model and Strategy indicates strategic importance
- Equitable access for underserved communities

6.3 *Maintain a prioritized 10-year Capital Improvement Plan (CIP) and a 10-year rolling financial plan.*

6.4 *Establish Capital Matching Funds within the CIP from available surplus funds to be used for grant matching or to match fundraising efforts, including the habitat restoration and management endowment, for projects included in the CIP or on the Unfunded Projects list as approved by the Board.*

- Use of funds would require approval by the Board prior to being designated towards a specific project.
- The project must be approved in the CIP or on the Unfunded Projects list .
- The source of funding could be from but not limited to surplus debt service funds once bonds have been paid in full or from excess operating funds of the District’s governmental funds above fund balance requirements.

6.5 *Conduct capital improvements in an environmentally responsible manner:*

- Restore and manage large, un-fragmented blocks of natural habitat, and manage greenways to provide connecting corridors between core preserves for native species and natural communities.
- Right-size supporting infrastructure to reduce underutilized impervious surface whenever possible to minimize water runoff.
- All new major facilities and, when practicable, renovated facilities shall achieve net-zero energy performance, producing at least as much energy as they use over the course of the year.

7. DEBT MANAGEMENT POLICIES

7.1 The District shall confine long-term borrowing to land acquisition, capital improvements, or projects with a useful life exceeding 10 years that cannot be financed from current revenues.

7.2 The maximum maturity of General Obligation Bonds shall not exceed 25 years.

7.3 Net General Obligation debt shall not exceed 2.3 percent of the assessed value of taxable property within the District in accordance with the Downstate Forest Preserve Act.

7.4 The District shall maintain frequent communication with bond rating agencies and follow a policy of full disclosure in financial reporting.

7.5 The District shall monitor the municipal bond market for refunding opportunities.

1. *The following procedures apply to granting salary adjustments:*

- 1.1** All salary adjustments shall be within the salary grade established for the position.
- 1.2** Employees eligible for introductory increases during the fiscal year in accordance with District Personnel Policies, Section 5.2, shall receive it based on a performance appraisal. Any introductory adjustments made shall be allocated from the department's personnel services budget and the amount shall not exceed that provided in the budget.
- 1.3.** All salary adjustments shall be delivered as a base pay increase, except that base pay will not be increased beyond grade maximum. If the proposed salary increase raises the compensation for the employee above the maximum, the salary increase will be combined with the one-time cash payment so that the employee's compensation is raised to the maximum for the range and the balance of the performance increase is paid as a one-time cash payment.
- 1.4.** Salary adjustments for non-union employees shall become effective July 1 and be reflected in the following paycheck. One-time lump sum payments shall be reflected on the same paycheck.

2. *Full-time Employees and Regular Part-time Employees:*

- 2.1.** Employees should be performing at a minimum of the "inconsistent" level or higher to be eligible to receive a salary increase.
- 2.2.** The total of all salary increases (base pay and cash payment combined) granted shall not exceed 3.0% of the Department's non-union full-time and regular part-time personnel services accounts on an accrued basis over 26 pay period.

Attachment 2

June 2026	
• 1	Joint meeting of Finance Committee, Planning Committee and Operations Committee to review and approve the Annual Budget Policies.
• 10	Board reviews and adopts Annual Budget Policies.
• 18	Departments submit ITAC Request Forms to IT Department
July 2026	
• 10	Department Directors submit completed MUNIS budget entries to Finance Department.
• 15	Committee of the Whole reviews the Strategic Plan.
• 17	Department Directors submit completed narratives, achievements, and program forms to Finance Department.
August 2026	
• 3	Operations Committee reviews and approves Fee Ordinance.
• 6	Finance Committee reviews and approves Fee Ordinance.
• 10	Director of Finance submits preliminary budget information to Executive Director.
• 12	Board approves Fee Ordinance and the Strategic Plan.
• 13-28	Review with Department Directors of submitted budgets.
September 2026	
• 11	Executive Director and Director of Finance review budget request with President and Finance Committee Chair.
• 18	Proposed Budget Book sent to printer.
• 28	Proposed budget distributed to Board and posted on website.
October 2026	
• 5	Joint meeting of Planning Committee, Operations Committee, and Finance Committee. The Executive Director and Directors present proposed budget, CIP, and Appropriation Ordinance.
• 5	Finance Committee approves Budget, CIP, Tax levy and Appropriations Ordinances.
• 5	First day on which Tax Levy Ordinance may be adopted (first Monday in October).
• 7	Last day to publish notice of public hearing if proposed tax levy is estimated to exceed 105% of the previous aggregate extension.
• 14	At regular Board Meeting hold public hearing on the Tax Levy Ordinance if estimate of taxes to be raised by taxation exceeds 105% of last year's extension.
• 14	Board approves Budget and CIP adopts Tax Levy and Appropriation Ordinances.
• 28	Last date to publish Appropriation Ordinance (within 10 business days).

Attachment 2

December 2026	
• 7	Last date to adopt Tax Levy Ordinance (first Monday in December).
• 29	Last day to file certified copy of Tax Levy Ordinance with Lake County Clerk (last Tuesday in December).
• 31	Last day to adopt Annual Budget Ordinance pursuant to the District Rules of Order and Operational Procedure.
March 2027	
• 31	Last date by which Appropriation Ordinance must be adopted pursuant to statute and LCFPD Rules of Order and Operational Procedures (last day of first quarter of fiscal year).