



Village of Buffalo Grove

Adopted Budget

January 1, 2013 to December 31, 2013

Jeffrey Braiman, Village President
Dane Bragg, Village Manager

Jan Sirabian, Village Clerk
Jeffrey Berman, Trustee
Steve Trilling, Trustee
Beverly Sussman, Trustee
Mike Terson, Trustee
Andrew Stein, Trustee
Lester Ottenheimer, Trustee



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Village of Buffalo Grove
Illinois**

For the Fiscal Year Beginning

January 1, 2012

Christopher P. Morrell

President

Jeffrey R. Egan

Executive Director

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Section 1

Transmittal Letter

Dane C. Bragg, Village Manager



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

November 12, 2012

Honorable President Jeffrey S. Braiman and Board of Trustees:

It is my pleasure to submit to the Village Board the proposed budget for the Village of Buffalo Grove for the Fiscal Year ending December 31, 2013. Given the ongoing review and assessment of efficiency initiatives, as well as the stated goal of the Village Board to maintain steady property tax rates, the Village will enter 2013 with a balanced operating budget while maintaining essential services to its residents. I would like to commend our Village management team and staff on their efforts to create the budget document before you, particularly in light of ongoing downward economic pressure and rising cost structures to provide services. The accomplishment of our third consecutive balanced budget, with the first planned capital reserve transfer to occur since 2008, is no small feat.

While the Village's revenue profile remains stagnant in the current economy, a continued strong financial position permits the Village to maintain predictable levels of service. The proposed budget reinforces the organizational philosophy of aggressively managing long-term liabilities and proactively planning for the future by controlling expenditures, growing revenue where possible, decreasing reliance on state shared revenues and property taxes, and increasing capital reserve ratios for facilities and equipment.

The Village has benefited from a history of sound financial planning and current initiatives focus more specifically on organizational efficiency, maintaining a stable tax environment, rehabilitating infrastructure and stimulating new development and redevelopment. Village staff members have worked diligently to provide for a balanced tax structure with no new taxes proposed, a nominal-growth ad valorem tax rate for the forthcoming year and appropriate resources allocated for public safety, infrastructure and general services.

STRATEGIC PLANNING AND MANAGEMENT

The Village will continue its commitment to strategic planning and management in 2013. During 2012, the Village Board, management team and staff engaged in several focus group sessions to define the strategic mission for the organization over the next three- to-five years. The results of this effort are incorporated into the financial plan and set forth

several initiatives to be completed in the next year. The following strategic themes, as defined by the Village Board, have guided the development of the budget, as a function of the Village's vision and mission: **Service Optimization, Organizational Culture, Revenue Growth, Economic Development and Infrastructure Sustainability**. A more detailed analysis of the strategic initiatives can be found in *Section 4: Executive Summary* and *Section 5: Corporate Fund Summary and Detail* sections. The strategic themes and key performance indicators included in this budget lay the foundation for the development of the Village's 2013 work plan.

At the global level, the Village is faced with resizing its core and non-core services to meet financial targets over the next few years. As described later in this correspondence and throughout *Section 4: Executive Overview*, external economic factors and local economic indicators point to a weak revenue scenario for several years. The *Five Year Operating Financial Forecast 2013 – 2017*, presented to the Village Board on August 20, 2012, shows a \$1.4 million structural operating deficit expected for FY 2014 and subsequent years. Accounting for full capital reserve transfers, the projected 2014 operating deficit exceeds \$2.0 million. Given additional pressure on ad valorem tax levies as home values remain low, the remaining financial levers available to the Village are to reduce expenses, maintain a strong balance sheet and evaluate the priority of services the Village provides to its residents and businesses. To that end, the Village Board can expect additional analysis in the coming year of service delivery expectations and corollary staffing needs, fleet resizing recommendations and possible alternate service delivery models to deliver a sustainable and outcome-oriented local government operation.

GENERAL OPERATIONS

The Village's 2013 financial plan focuses specifically on maintaining current levels of service with capital investments precisely targeted in the most needed areas, such as backlogged street resurfacing and maintenance, Emerald Ash Borer response, storm sewer utility maintenance and water system improvements. Within the area of general operations, staffing levels are projected to decrease slightly due to vacancies in current positions as well as phase-out of part-time non-core service positions in Police and Public Works. Projected total personnel will decrease from 320 to 311 for the year, with full-time personnel expected to decrease from 228 to 224 and part-time staff reduced from 92 to 87, year over year. Over the past three years, total staffing Village-wide has decreased five percent through attrition, with 70 percent of the reduction occurring in full-time positions.

For 2013, no significant service modifications are anticipated, aside from the implementation of the Rental Inspection Program. The water and sewer utility e-services portal is projected to go live in first quarter 2013 and credit card merchant services will also be reviewed by the Village Board in the same period. Additional deployment of timekeeping and payroll services in the New World Systems enterprise software will occur in January. For 2013, the Village intends to continue its analysis of the Community Development module available through New World Systems, which has the potential to streamline licensing, permitting and online services related to construction, business operations and property maintenance, reducing the frequency of disparate databases currently used for these functions.

A significant new initiative in 2013 will be a renewed commitment to developing Geographic Information Systems (GIS) services for use throughout the Village. It is proposed to join the GIS Consortium, a 20-member agency comprised of area municipalities and designed to leverage economies of scale in developing and operating GIS assets. For 2013, the development of parcel and facility base mapping will be planned and phased, with subsequent enhancement of utility, parcel and community asset information to occur in subsequent years. As the Village evolves its customer service delivery model to a customer relationship management (CRM) platform, the necessity of real-time service data for use by both residents and technicians in the field will be critical in maximizing efficiency, understanding the costs and value of services and managing customer expectations.

The Village's economic development strategy has evolved significantly since 2011, with the proposal by CRM Properties Group to redevelop the municipal campus and a portion of the Buffalo Grove Golf Club properties into a central business district development. As a result, the Village and the developer will spend the better part of 2013 analyzing and developing the concept plan for the proposed project, as well as establishing terms and conditions for the project to advance to possible approval, subject to extensive Village Board review. Village staff continues to coordinate with commercial property owners in the Dundee and Milwaukee Road corridors to affect redevelopment of vacant land and declining commercial areas. As stated in 2012, the higher-than-average asking prices for key properties continues to be a limiting factor in initiating redevelopment projects, exacerbated by the weak-but-improving retail climate in the area. As a function of the Village's strategic planning efforts, the addition of retail locations is necessary to mitigate the impact of property taxes on residential and commercial properties in future years. The addition of Lux Automotive at the former Prestige Auto site has been a welcome addition to the Village in 2012, in addition to the newly constructed Noodles & Company, Moe's Southwest Grill and Starbuck's restaurants at Plaza Verde East. The Village also enjoyed the addition of several new non-retail commercial enterprises in 2012, including the expansion of Connexion, Leica Microsystems, Sysmex and LG Electronics' North American R&D Center.

Golf operations enjoyed a dry and warm season in 2012, contributing to significant improvements in round play and revenue per round for the year. The golf industry continues to lag with an oversupply of courses in the area and insufficient player demand. An analysis of the future of the Buffalo Grove Golf Club operation will be completed as part of the proposed downtown project and presented for Village Board consideration of future operations. Overall, cost containment and aggressive marketing strategies will be the primary focus at both courses for the foreseeable future.

General Fund Revenues

FY 2013 General Fund revenue is expected to increase slightly by \$502,451, or 1.5 percent, over 2012 budget and to increase \$562,346 or 1.7 percent from 2012 estimated actual. Total General Fund revenues for 2013 are estimated at \$34,009,551. Within the General Fund tax revenue source profile, state and home rule sales tax returns are projected to increase three percent from 2012 estimated actual, income tax is projected to

increase by 7.8 percent from 2012 estimated actual, and utility use taxes for natural gas and electric are expected to remain level. Building revenues and fees are anticipated to decrease 26 percent from 2012 budget, equating to a total of \$645,000 in permit and inspection fees. This revenue has remained stable in recent years with existing facility expansions, relocations and residential remodeling in light of declining new home starts.

Other General Fund revenues of note include the prepared food and beverage tax, which accounts for 2.5 percent of the operating revenue and is steadily increasing at a rate of 2.5 percent and the real estate transfer tax, which is slowly recovering from the 2008 residential housing meltdown at a projected rate of increase of five percent for 2013, for a net revenue of \$525,000. The ad valorem (property tax) levy is discussed in further detail within this correspondence and within *Section 4: Executive Overview*.

The General Fund revenue projections included in the 2013 budget are consistent with the five-year projections presented to the Village Board on August 20, 2012, with 1.0 percent variation from overall projection. Additional information concerning revenue projections and trends may be reviewed in *Section 4: Executive Overview*.

General Fund Expenditures

The Village has been diligent in monitoring operating expenses and has budgeted its expenses wisely. General Fund actual expenditure as a percentage of budget for 2010 and 2011 was 99.6 and 100.8 percent, respectively, and is expected to finish at 100.3 percent for 2012. The 2012 General Fund budget will increase slightly at \$33.99 million (\$555,265 net increase year-over-year), including planned personnel wages and benefits, increased commodity costs and general increases in the cost of operations. The compromised revenue scenario of recent years has necessitated an innovative approach to balancing the budget. Village staff has instituted a series of key strategies to control expenditures in 2013, including the following assumptions:

1. Replacement reserve contributions are approached on a pay-as-you-go basis, excess fund balance and better-than-expected financial performance establish the vehicle for reserve funding, reviewed on an annual cycle. For 2013, a \$400,000 reserve contribution is budgeted;
2. Village staff will continue to seek ways to reduce aggregate personnel expenses, carefully assessing all vacant positions, evaluating organizational efficiencies and recommending policies that maintain a competitive wage and benefit program;
3. An across-the-board 2.0 percent wage increase is factored in to salaries for the 2013 fiscal year;
4. Golf operating deficits have decreased substantially, estimated at breakeven for 2012 and 2013. Staff will continue to monitor revenue and expense performance in this enterprise unit to minimize reliance on general operating revenues;
5. Certain capital projects will utilize reserve funds in order to expedite project completion; and
6. Budget compliance will be a significant issue for Village management again in 2013, ensuring that reduced or flat line-item growth can continue, if possible.

The combination of strategies employed by the management team results in a net 1.66 percent growth rate in the operating budget year-over-year. Of note, the Village's total

corporate fund expenditures have experienced a net decrease of \$1,000,000 in the four year period ending December 31, 2013 when factoring in capital reserve and pension transfers. During the same period, the consumer price index has increased more than eight percent.

Fund Balance

The Village of Buffalo Grove utilizes an adopted fund balance policy to provide for an unassigned fund balance. As a home rule municipality, the Village is not subject to state-mandated fund reserve policies. The corporate fund reserve policy was decreased in 2010 from 35 percent to 25 percent of the subsequent year's budget (less pension transfers), or approximately three months of operating expenditures.

The Village's fund balance policy is structured to provide sufficient cash-flow as necessary and sound fiscal management has permitted the continuation of essential services without significant financial impact during the economic downturn. The Village's proactive fund management has been cited by Standard & Poor's and Moody's Investor Services as a key factor in maintaining a AAA and Aaa bond rating, respectively, and was recently affirmed for existing as well as new debt issued in 2012.

For 2013, an unassigned fund balance of \$7.4 million is required to maintain sufficient operating cash within the Corporate Fund. Unassigned fund balance is projected to be \$8.9 million, or 29.9 percent of the 2013 budget, less pension transfers as of December 31, 2013. The proposed budget does not anticipate the use of unassigned fund balance for general operations. Use of fund balance is proposed for non-operating funds and for capital expenditures, including capital projects-streets, the Motor Fuel Tax Fund and the Water and Sanitary Sewerage Fund.

ECONOMIC AND POLITICAL CLIMATE:

As stated previously, external economic factors at the national and state levels continue to impact the Village's revenue profile and, subsequently, its ability to manage operating and capital resources. At the national level, U.S. employment growth remains slow, with a 10-year projection of labor force growth of 5.93 percent, and a 2013-2014 projected expansion of a mere 0.69 percent¹. The growth in U.S. employment is severely lacking at an average of 1.1 million positions added on an annual basis, meaning that the base expansion of employment opportunities is not keeping pace with the growth in labor force eligible persons, exclusive of those currently unemployed and seeking work.

The Chicago metropolitan area is projected to fare better than the national average, with a 12 percent increase in employment projected from 2011 through 2021². The Village of Buffalo Grove's unemployment statistics have consistently beat the national and state averages, with a September 2012 rate of 7.2 percent, 1.5 percent better than the metro area rate for the same period³. The Village's unemployment peaked at 8.4 percent in 2010 and has steadily declined since. The projected growth segments for Chicago metro employment are highest in health care and social services (20 percent), professional, scientific and technical services (20 percent) and finance-insurance services (19 percent)

¹ Source: U.S. Department of Labor, Bureau of Labor Statistics

² Source: Workforce Boards of Metropolitan Chicago

³ Source: Illinois Department of Employment Security, Local Area Unemployment Statistics

over the ten year period⁴. These growth segments are of particular importance to the northwest suburban market, with a workforce concentrated in these skilled occupations. Currently, the Chicago metro employment market remains at 150,000 fewer jobs in the labor force compared to its 2007 peak of 3.9 million positions.

Housing starts and sales remain similarly weak. Median home value in the Village was \$216,900 in September 2012, a 39 percent drop since the peak of \$350,000 at year-end 2006⁵. Median sale price has declined 6.1 percent year-over-year as of September 2012, which parallels the expected decrease in the Village's 2012 EAV. Through the third quarter of 2012, the Village has issued nine permits for new residential construction.

The financial meltdown associated with the State of Illinois' unfunded and growing liabilities continues to affect statewide economic growth and resulting revenue streams. Illinois earned the distinction of having the fifth highest debt per capita of all U.S. states at \$21,067 in October 2012. The state's current debt and liabilities are estimated at \$271 billion, with \$192 billion of that total, or 71 percent, attributed to unfunded pension liabilities⁶. In addition, the state's total debt is the fourth highest in the nation, trailing California, New York and Texas. Added to the ongoing structural deficit, the State of Illinois General Fund Balance for FY 2010 is in deficit \$9.24 billion⁷. With no projected rebound in sight unless and until the General Assembly reduces liabilities or increases revenues, Moody's Investor Services has responded by downgrading the state's bond ratings to A2, its second ratings downgrade of the agency in two years. Despite the bleak economic forecasts for the state, many municipalities (including the Village) have been able to maintain strong balance sheets. Those municipalities proven to be the most adaptive to changing economic conditions and less reliant on long-term debt and state revenue sources will ultimately fare better in the new economy. Ultimately, the management of long-term pension liabilities, collective bargaining rights and employee benefit structures, which comprise 70 percent or more of most municipal budgets, lies with the Illinois General Assembly. The legislature, up to this point, has been unable to come to consensus on, or enact meaningful reform to, any of these issues.

Market forces continue to plague the Village's investment returns as well. The 2013 budget anticipates corporate investment returns of 0.5 percent, exclusive of pensions. The Village has maintained an aggressive portfolio with regard to liquidity, holding as much as 60 percent of investments in short-term funds and in anticipation of a future investment rate increase. Given the volatility of state shared revenues, it is imperative that sufficient cash be held in short-term investments, which ultimately reduces the Village's investment yields. Pension performance has rebounded to a degree better than expected, with the Police and Fire pensions earning 4.4 and 1.83 percent returns, respectively, for the period ending December 31, 2011.

⁴ Source: Workforce Boards of Metropolitan Chicago

⁵ Source: Zillow.com Home Value Index

⁶ Source: Chicago Tribune, October 12, 2012

⁷ Source: State Comptroller Judy Baar Topinka, GAAP Fund Balance

COMPREHENSIVE BUDGET

All Fund Revenue, Expense and Fund Balance

Eighty-seven percent of General Fund expenditures are financed with a variety of tax revenues including property, replacement, state income and sales, local use and other miscellaneous taxes. The total budget will increase 9.33 percent, or \$5,246,938, from 2012, primarily due to an increase in the volume and impact of capital projects. Capital projects will increase \$4.6 million, from 10.1 percent to 14.2 percent of the total budget for the upcoming year, primarily due to planned street resurfacing projects and EAB tree removal and replacement. The following table provides a summary of all funds.

Fund	12/31/13 Revenue & Other Sources
Corporate Fund	\$34,009,551
Special Revenue Funds	2,947,745
Debt Service Funds	1,338,696
Capital Project Funds	1,586,197
Enterprise Funds	12,564,416
Permanent/Pension Funds	8,826,452
Total	\$61,273,057

Balance Sheet Considerations

The Village issued general obligation bonds totaling \$6,000,000 in 2012 for street improvement projects and plans to issue an additional taxable line of credit totaling \$6,000,000 for EAB removal and reforestation before year end. The Village continues to take an aggressive approach to managing debt, having retired \$920,000 in debt obligations in FY 2012. For 2013, the Village will retire an additional \$940,000 on the Series 2003, Series 2010-A, Series 2010-B and Series 2012 issues. By year-end 2013, the Village will have outstanding debt totaling \$11,340,000 with all current debt maturing no later than 2030.

The Village's ability to fund long term depreciation for capital facilities and equipment has been dependent on budget surpluses in recent years and will continue in 2013 with a planned capital reserve transfer of \$400,000.

CAPITAL INVESTMENTS:

Specific capital projects for 2013 include:

- 1. Street, Sidewalk and Bike Path Maintenance.** A total of \$4.85 million is allocated for resurfacing, sidewalk repair and maintenance and bike path maintenance projects for the year, a 140 percent increase year-over-year.
- 2. Dundee Road Streetscape Improvements.** In accordance with the Dundee Road Streetscape Plan, continued pedestrian accessibility and sidewalk/bike path infill projects totaling \$60,000 are planned for 2013. Grant applications have been filed for median streetscape improvements in this corridor as well.

3. **Raupp Boulevard Bridge Reconstruction.** Funds are designated for design services for the bridge replacement. Total project cost is estimated at \$1,000,000, with up to \$800,000 eligible for reimbursement under the Highway Bridge Replacement and Rehabilitation Program.
4. **Emerald Ash Borer Tree Removal and Reforestation.** A total of \$1,000,000 is allocated for FY 2013 ash tree removals and replacement. The Village Board has approved multiple tree growing contracts in 2012 and will consider a tree removal bid award before year-end.
5. **Geographic Information System (GIS) Development.** A participation fee of \$152,997 is proposed to join the GIS Consortium for development of base mapping and data sets for use throughout Village departments.
6. **Sanitary Sewer Lift Station Repairs.** The Village continues to work with the Metropolitan Water Reclamation District to affect repairs to aging lift stations in the Cook County portion of the Village. For 2013, \$780,000 is designated for repairs and generator improvements.
7. **Village-wide Storm Sewer Repair.** \$200,000 is allocated for general maintenance improvements to storm sewer facilities. Future consideration of a storm sewer utility fee is warranted as the Village's storm sewer assets age and require additional maintenance.
8. **Pump House Repairs/Security Improvements.** Various projects totaling \$600,000 are planned at the Village's pump houses to improve security of the potable water supply and other improvements identified in the 2008 system study. The completion of this project is subject to available funds in the Water and Sewer Fund.
9. **Weiland Road / Lake Cook Road Improvements.** As the phase one study is scheduled for completion in 2013, \$100,452 is earmarked to complete engineering. Funding allocations for project construction by Lake and Cook counties are not finalized at this time.

In total, the capital projects budget is \$8,548,867 for FY 2013, inclusive of Capital Projects, Motor Fuel Tax, Water & Sewer, Line of Credit and General Fund sources. The Public Service Center expansion project will remain deferred until at least 2014.

ENTERPRISE ACTIVITIES:

Water and Sewerage Utility

The Village Board approved a rate increase for water and sanitary sewer services on July 9, 2012. Under the new rate schedule, effective January 1, 2013, the combined rate will increase from \$3.00 per 1,000 gallons consumed to \$4.05. An additional rate increase is scheduled to take effect on January 1, 2014, increasing the combined rate to \$5.26 per 1,000 gallons consumed.

It should be noted that the Lake County Department of Public Works is currently preparing a rate analysis for the Southeast Wastewater Treatment Plant. A rate schedule will be presented to the Village Board when it becomes available. The agreement for wastewater treatment services provided by Lake County expired in March 2012.

The Northwest Water Commission is required to provide notice to the City of Evanston in 2013 concerning the extension or termination of its water supply contract in 2023. As the Commission completes its strategic planning process, a recommendation concerning the Evanston supply agreement, as well as the Village's member agreement with the Commission, will be presented to the Village Board for consideration.

FEES, SALES & USE TAXES AND THE PROPERTY TAX LEVY:

The following rate/tax amendments are proposed in the FY 2013 budget:

Property Tax Levy

The 2012 tax levy includes fully funded Fire, Police and IMRF pension allocations as well as funding for general operations and debt service, for a total corporate levy of \$14.7 million. Of the total levy request, \$1,321,301 will be used to service debt on the Series 2003, Series 2010-A and Series 2010-B bonds. The net property tax levy after abatements is scheduled to increase 1.5 percent or less.

No additional fee, rate or tax amendments are proposed for the year.

PERSONNEL FACTORS:

Staffing

Personnel levels have decreased significantly since 2010 as a result of the Village's Voluntary Separation Incentive (VSI) program, with 224 full-time positions and 87 part-time positions included in the 2013 budget. It is anticipated that personnel levels will vary throughout the year and may average less than the budgeted amount due to planned retirements and reorganization efforts.

Wages

It is desirable that the Village provide for a wage enhancement in 2013 in order to maintain a competitive environment for talented individuals. As noted in the General Fund Expenditure strategy, a 2.0 percent general wage increase has been included in the salaries of full-time and part-time personnel. The Village has been able to provide for limited salary progression for those employees moving through the salary ranges since 2009, with a five percent increase granted on January 1, 2012. Further analysis of range progression is warranted for those employees who were frozen in range in 2009, exclusive of any pay range adjustments as a result of the 2010 Position Classification and Compensation Plan or general wage increases. The salary progression component of the compensation plan is important to retention efforts and has created a significant gap for the Village's shorter-tenured employees. As proposed in 2011 and again in 2012, the reduction in the Village's total personnel is the catalyst to make salary progression for all employees possible. The Village Board has expressed an interest in revisiting the pay-for-performance plan in 2013. Staff will develop a recommendation with options for Board consideration.

The Village will negotiate a new collective bargaining agreement with IAFF Local 3177 in 2013. It is also expected that a new contract with the Metropolitan Alliance of Police will be forthcoming in 2013. As the outcome of these negotiations is unknown, no

additional funds beyond the previously approved general wage increases and currently budgeted amounts have been included.

The budget also reflects the final phase-out of the deferred compensation program for senior management employees. The current contribution made by the Village to employees of up to five percent of gross earnings has been eliminated for 2013.

Training

It remains a high priority to provide necessary training and professional development for Village personnel, both in terms of providing for a well-rounded workforce and to develop the next generation of leaders within the organization. To that end, the budget includes training and professional development for employees based on operational needs. In addition, out-of-state travel has been budgeted to provide such travel where no other options exist to obtain sufficient training. When utilizing out-of-state travel, the Village Manager must first approve the training based on established criteria.

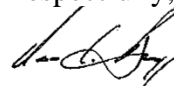
Employee Health & Wellness

For 2013, the Village will continue its membership with the Intergovernmental Personnel Benefits Cooperative (IPBC) with network access provided through Blue Cross Blue Shield of Illinois. The Village's re-association with IPBC represents a significant step to provide balance and predictability to the Village's self-funded health plan, with the incorporation of a nine percent fund reserve mandated by the cooperative. For 2013, various premium changes will take effect, including the second increase in employee percentage of premium contribution from 11 to 12 percent of total premium. For additional information on the health plan rate structure, please review *Appendix C: Human Resources*.

Acknowledgements:

The development of an annual budget is both a monumental and rewarding task, reflecting the contributions of the entire organization. This year's financial planning process has been challenging and I cannot overemphasize my gratitude to the entire Village staff for their diligence and perseverance in developing this important financial tool. Many thanks to Director of Finance Scott Anderson, Assistant Finance Director Katie Skibbe and Assistant to the Village Manager Leisa Niemotka for their contribution in creating the budget document. Grateful appreciation is extended to Anne Marie Gaura, Interim Deputy Village Manager, Greg Boysen, Director of Public Works, Fire Chief Terrence Vavra, Police Chief Steve Balinski, Arthur Malinowski, Director of Human Resources, Carmen Molinaro, Director of Golf, Bob Pfeil, Village Planner, Nidhi Vaid, Associate Planner, LeConte Lewis, Payroll Specialist and Village Clerk Jan Sirabian for their cooperation, responsiveness and ability to get the job done. Finally, the Village Board deserves sincere appreciation for their stewardship over Village finances and planning for the Village's future.

Respectfully,



Dane Bragg,
Village Manager

Section 2

Organization and Services

Village of Buffalo Grove Map

List of Principal Officials

Vision and Mission Statement

Strategic Priorities

Organizational Chart

Village Commissions, Committees and Boards

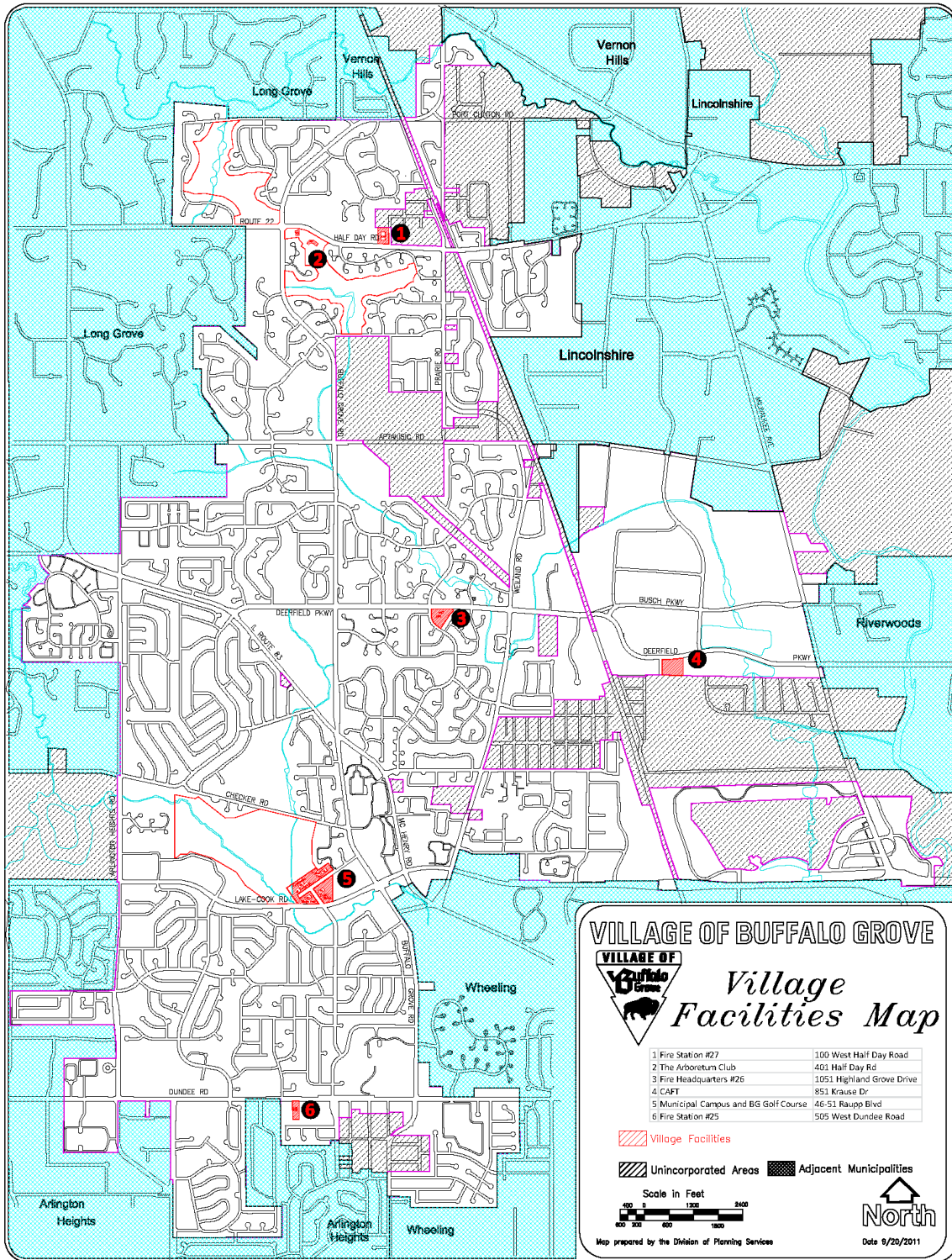
Village Overview



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Village of Buffalo Grove Map



Principal Officials

Elected Officials



Jeffrey Braiman
Village President



Jeffrey Berman
Village Trustee



Steve Trilling
Village Trustee



Beverly Sussman
Village Trustee



Mike Terson
Village Trustee



Andrew Stein
Village Trustee



Lester Ottenheimer
Village Trustee



Janet Sirabian
Village Clerk

Principal Officials

Appointed Officials/Department Directors



Dane Bragg
Village Manager



Anne Marie Gaura
Interim Deputy
Village Manager



Scott Anderson
Finance Director



Steve Balinski
Police Chief



Terry Vavra
Fire Chief



Greg Boysen
Public Works Director



Art Malinowski
Human Resources Director

Vision and Mission Statements



Vision

The Village's Management Theme is **"Achieving Excellence"**

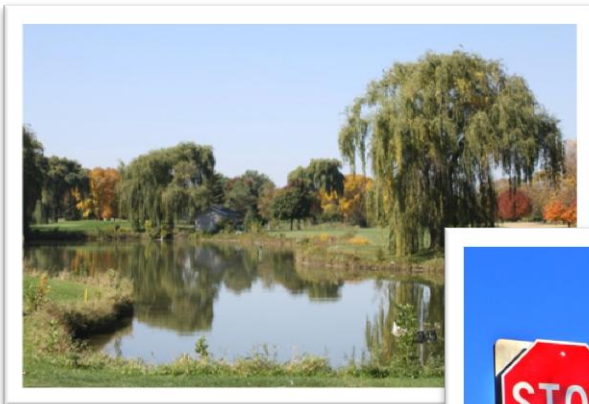
Mission

Excellence in Service Delivery: Continuously evaluate programs and service to ensure they are carried out efficiently and effectively.

Excellent Community Focus: Promote programs and services which focus upon enhancements to family values, social amenities and enhanced opportunities that contribute to business expansion and success.

Excellent Organizational Dynamics: Ensure that the organization remains accountable as it addresses change and transition. We shall remain committed to competent, dependable and efficient service delivery by all of our staff.

Excellent Fiscal Responsibility: Deliver value with the public services in a responsive manner within the parameters of adopted tax and fiscal responsibilities. Furthermore, we remain committed to managing and maintaining the public infrastructure and assets with proactive services.

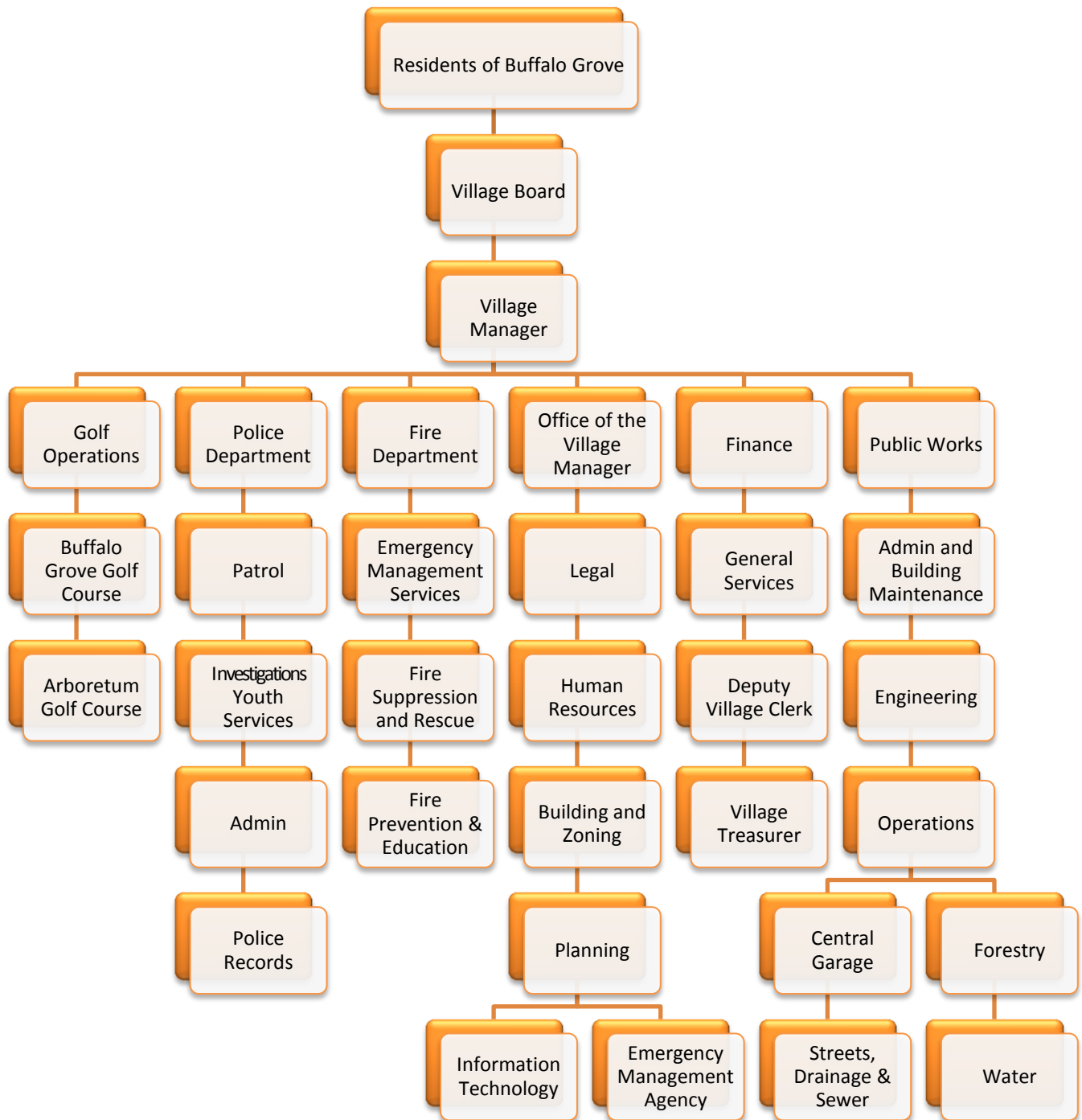


Strategic Priorities

Five strategic priorities drive how resources are expended within the Village of Buffalo Grove. These priorities provide a framework for decision making. While the Vision and Mission statements are the “how” of what we do – the strategic priorities are the “what.”

	<p>Definition: Based on needs and expectations of the community and prioritization of core services, provide optimal service by supporting an adaptive and efficient work force.</p> <p>Categories: Core Services, Organizational Needs, Marketing and Communication.</p>
	<p>Definition: Create and maintain an environment that engages and empowers all employees in the mission of the Village and encourages the development of human capital and resources.</p> <p>Categories: Leadership and Support, Technology and Collaboration, Personal Growth and Balance.</p>
	<p>Definition: Maintain a positive financial position with a long term perspective by diversifying revenue sources, aligning fee structures to adequately reflect service demands, reducing the Village’s reliance on property and state shared taxes, and ensuring revenues adequately fund services and infrastructure needs.</p> <p>Categories: Diversification, Reserves and Cost Control.</p>
	<p>Definition: Maintain and enhance the quality of life in the community through on-going assessment, public and private partnerships, and by leveraging resources to meet community objectives. Create an inviting environment for doing business in the community through targeted communication and marketing methods, consistent with the needs and values of the village.</p> <p>Categories: Active Development and Redevelopment, Opportunity Management, Events and Quality of Life Initiatives</p>
	<p>Definition: Assess and maintain reliable high quality infrastructure which includes Village buildings, streets, utilities (including water, sanitary sewer and drainage systems), information assets, vehicle fleet, and other assets necessary for maintaining service levels. Plan for the financial resources necessary to maintain current infrastructure, upgrade for efficiency or enhanced capabilities, and plan for the future infrastructure needs of the community.</p> <p>Categories: Planning and Programming, Financial, Green Infrastructure</p>

Organizational Chart



Village Commissions, Committees & Boards

Village Commissions, Committees and Boards are approved by the Village's Corporate Authorities. The list of Commissions can be found in Title 2, Administration and Personnel, within the Village's Municipal Code. The Municipal Code can be found on the Village's web site at www.vbg.org. Each Commission is established and provides parameters for its operation including but not limited to duties of the Commission, members, meeting schedule and purpose.

If individuals are interested in volunteering for a Village Commission, Committee or Board, they are encouraged to complete a Talent Bank Application which is available on the Village's web site or by calling Village Hall. Appointments are made by the Village President with the concurrence of the Board of Trustees. Following is the list of approved Commissions, Committees and Boards as set forth in the Municipal Code.

- Chapter 2.14 Police Pension Fund
- Chapter 2.24 Board of Health
- Chapter 2.26 Board of Local Improvements*
- Chapter 2.28 Board of Police and Fire Commissioners
- Chapter 2.32 Electrical Commission
- Chapter 2.34 Emergency Management Agency
- Chapter 2.40 Arts Commission
- Chapter 2.42 Youth Commission
- Chapter 2.44 Zoning Board of Appeals
- Chapter 2.46 Plan Commission
- Chapter 2.48 Ethics Commission
- Chapter 2.50 Firefighters Pension Fund
- Chapter 2.52 Transportation Commission
- Chapter 2.58 Commission for Residents with Disabilities
- Chapter 2.60 Buffalo Grove Days Committee
- Blood Donor Commission, approved by Resolution No. 76-14 on May 3, 1976.
- Bicycle Path System Ad-Hoc Committee, approved by Resolution No. 2010-37 on October 18, 2010.

* The Board of Local Improvements consists of the Village Engineer and Members of the Village Board.

Village Overview

The Village of Buffalo Grove is located approximately 33 miles northwest of downtown Chicago and 20 miles north of O'Hare International Airport. The Village's land area is 9.3 square miles, with 21.7 percent of the area in Cook County and 78.3 percent in Lake County. Neighboring communities include Arlington Heights, Lincolnshire, Long Grove, Riverwoods, Vernon Hills and Wheeling. The Village's current population is 41,655 (2011 estimate).



Buffalo Grove was incorporated in 1958 and experienced strong growth in population and land area for several decades. The Village's Comprehensive Plan projects the Village's land area could reach approximately 11.2 square miles with a total population of 48,000.

The Village has excellent transportation access for residents, businesses, employees and visitors. The Village is served by the Metra North Central rail line connecting to downtown Chicago and O'Hare airport. Pace bus service provides access to adjacent communities, the Metra Milwaukee District North rail line and the Skokie Swift CTA Yellow Line. The regional road system serving the Village includes Aptakisic Road, Buffalo Grove Road, Lake Cook Road, and state routes 21, 22, 45 and 68, with direct links to Route 53 and Interstate 94.

The Village's commercial base includes several corporate business parks, a diverse retail sector and a wide range of professional services, including medical facilities. The Village's residential areas include single-family neighborhoods, townhomes, condominiums and apartments. The housing stock is very diverse, with units of different sizes and designs available at various price points to serve the community's population.

The Village is served by four elementary school districts and two high school districts, all of which consistently receive acknowledgement for providing high quality education for children and young adults in the community. Buffalo Grove is served by two library districts and two park districts. The Village has over 800 acres of parks and open space, including two municipal golf courses and a substantial bike path and sidewalk network. Numerous opportunities for cultural and entertainment activities are available for residents and visitors.

Community Characteristics

The following statistical data and graphics provide a demographic profile of the community. The information is 2010 Census data unless otherwise noted.

Notable trends in the Village's population include the increasing number of middle-age and senior adults, decreasing household size and increasing household and per capita income.

- Population: 41,655 (American Community Survey 3-Year estimates, 2009-2011)
- Median age: 42.5 (American Community Survey 3-Year estimates)
- Median household income: \$89,992 (American Community Survey 3-Year estimates)
- Per capita income: \$44,067 (American Community Survey 3-Year estimates)

- Total housing units: 16,965 (2012 Village estimate)
- Persons per household: 2.55
- Owner occupied units, persons per household: 2.63
- Renter occupied units, persons per household: 2.18

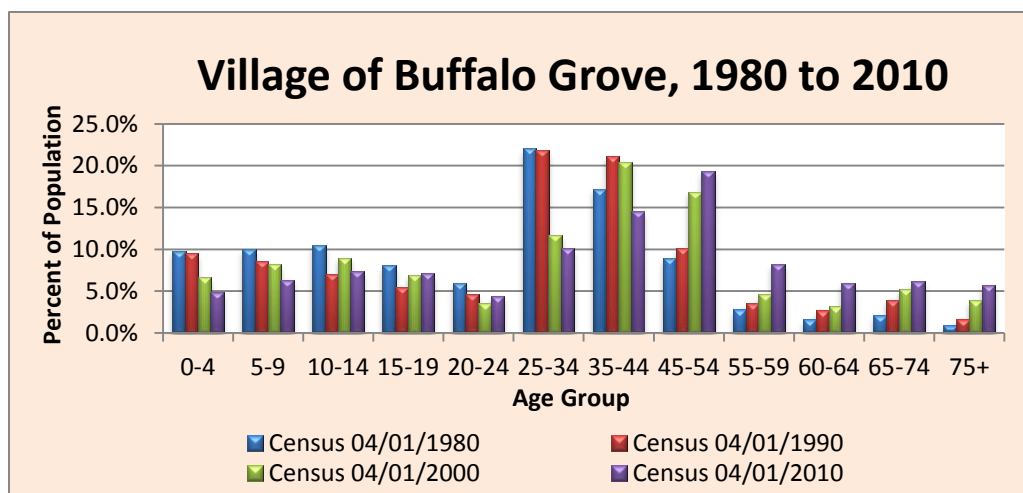
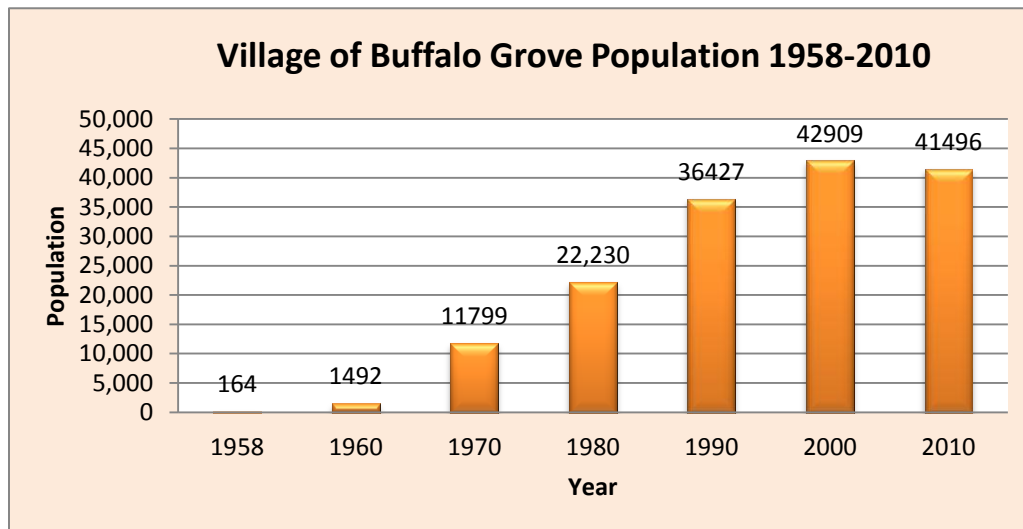
Housing Value

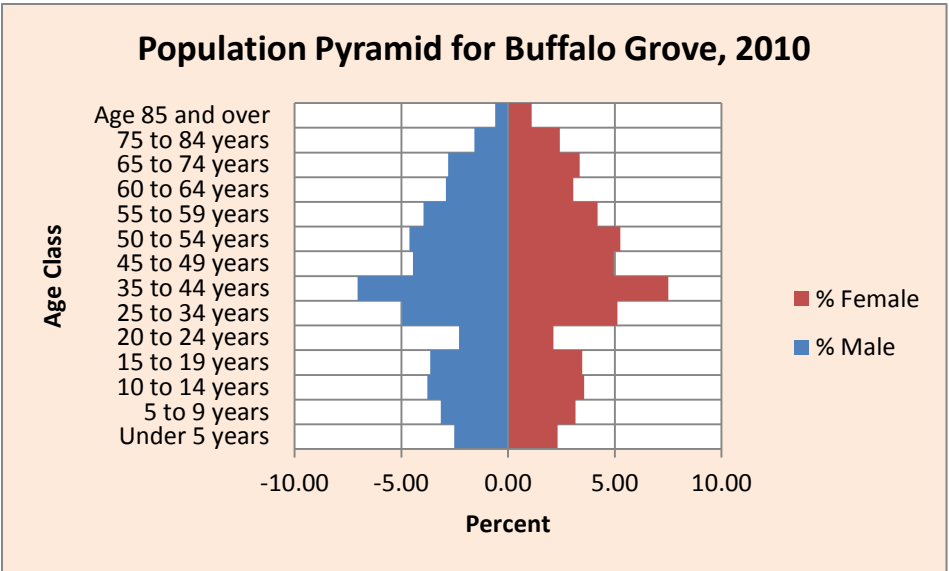
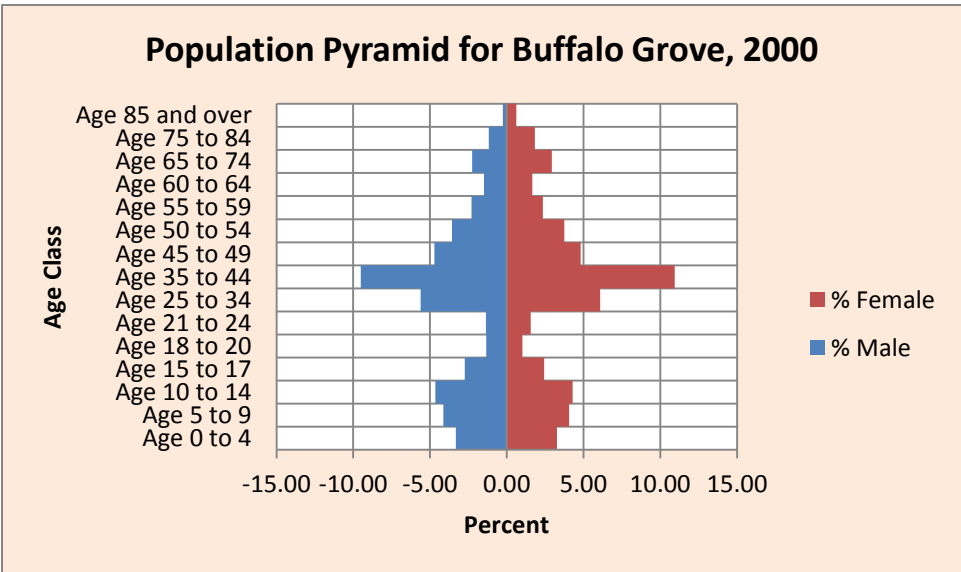
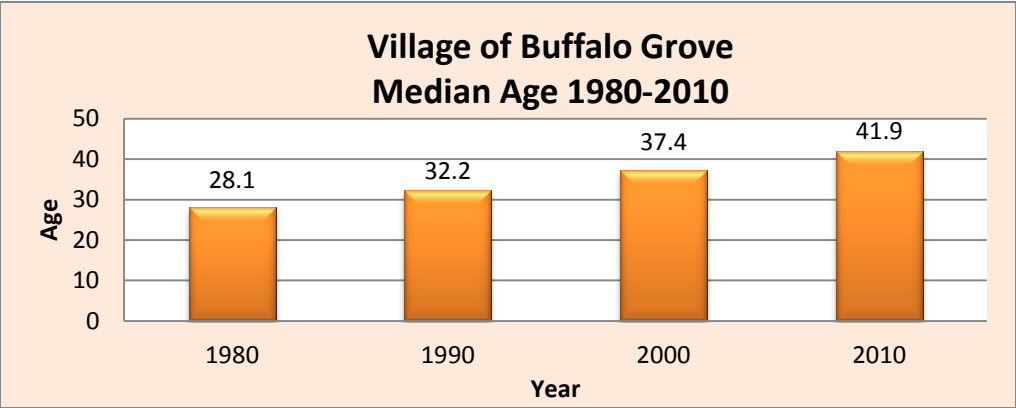
The following information provides the average and median residential sale price from Village Real Estate Transfer Tax Records, January 2011 - December 2011:

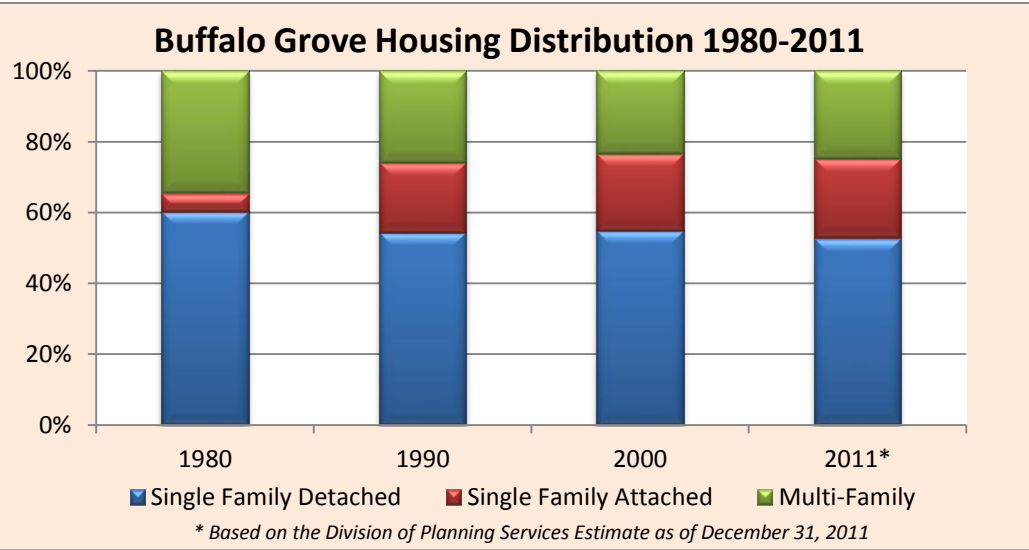
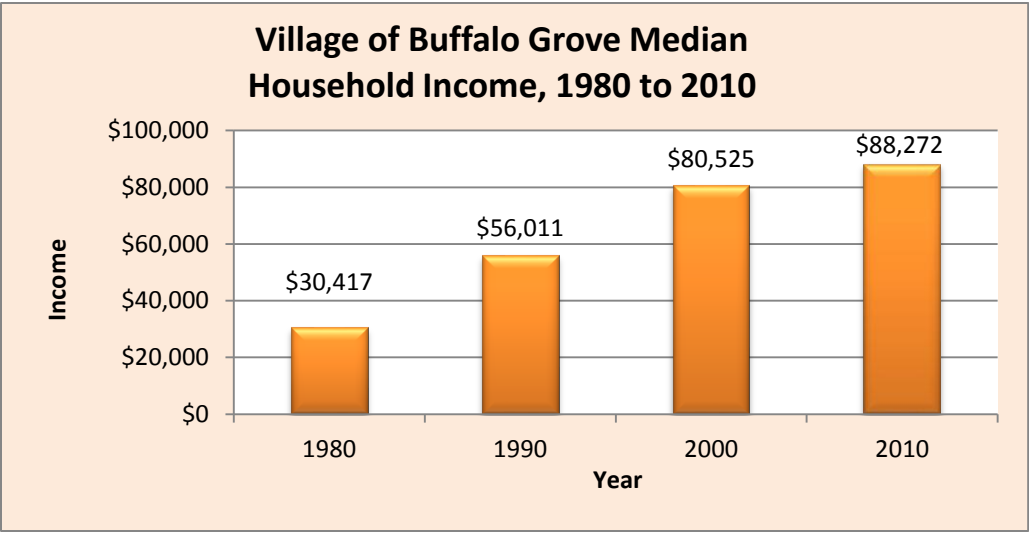
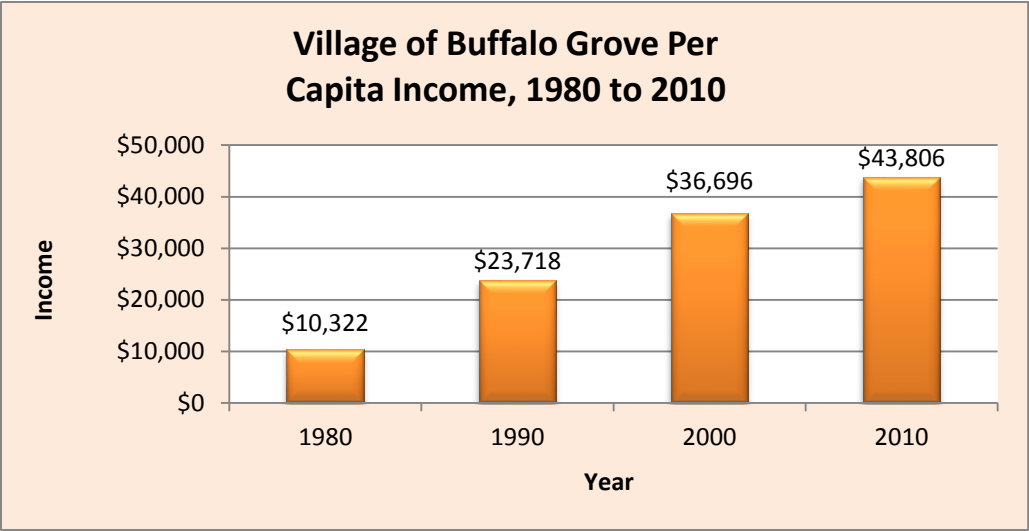
- Multi-family: \$89,900
- Single family attached: \$171,250
- Single family detached: \$290,000
- Median home value: \$205,000

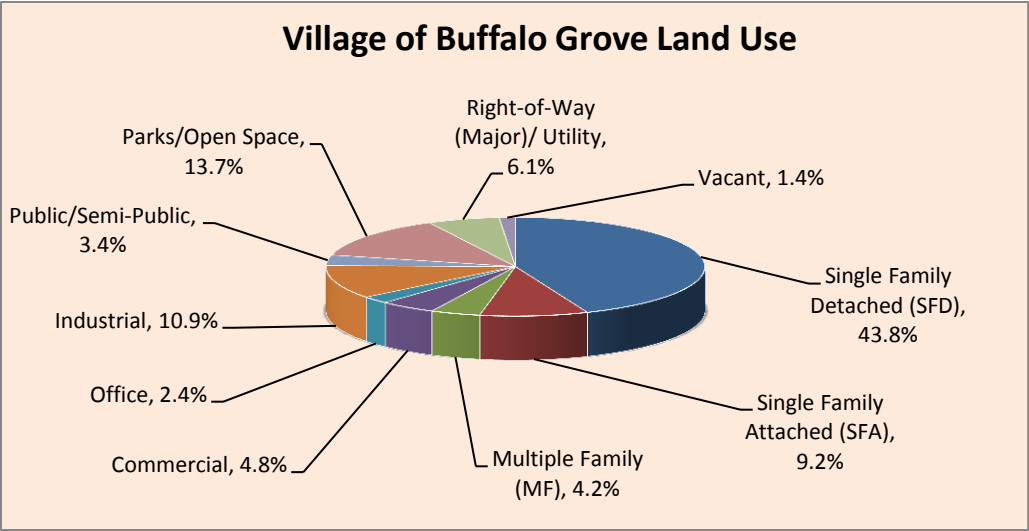
Village of Buffalo Grove Statistical Breakdown

Source: U.S. Bureau of Census









Village Government

Home Rule Authority

The Village of Buffalo Grove is a Home Rule Unit by virtue of the provisions of the Constitution of the State of Illinois of 1970. Home Rule allows a community to take actions not specifically prohibited by the state statutes. Conversely, a non-home rule community can only undertake those actions specifically allowed for in the state statutes. Home rule enables a municipality or county to establish its own system of self-governance without receiving a charter from the state. Home rule shifts much of the responsibility for local government from the state legislature to the local community. The most significant powers granted to a home rule community include the ability to enact its own police powers (health, safety, morals and general welfare), to issue bonds without referendum and exemption from property tax caps under the Property Tax Extension Law Limit (PTELL.)

Council-Manager Form of Government

The Village established the council-manager form of government by referendum on July 1, 1980. The council-manager form is the system of local government that combines the strong political leadership of elected officials in the form of a council or board, with the strong managerial experience of an appointed local government manager. The form establishes a representative system where all policy is concentrated in the elected board and the board hires a professionally trained manager to oversee the delivery of public services. Under council-manager form, those duties not specifically reserved by the elected body pass to the Village Manager and his/her professional staff.

Equalized Assessed Value

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

Below are the Cook County, Lake County and total EAV of property within the Village. For Cook and Lake Counties, the assumption is that property values will decrease another 5% in 2013.

TAX YEAR	COOK COUNTY	% INC	LAKE COUNTY	% INC	TOTAL VALUE	% INC
2005QL	343,381,864	---	1,264,882,929	---	1,608,264,793	---
2006	351,925,896	2.49%	1,325,296,511	4.78%	1,677,222,407	4.29%
2007TC	402,913,368	14.49%	1,407,908,107	6.23%	1,810,821,475	7.97%
2008	430,222,803	6.78%	1,450,871,616	3.05%	1,881,094,419	3.88%
2009QL	453,182,604	5.34%	1,443,599,910	-0.50%	1,896,782,514	0.83%
2010TC	405,013,042	-10.63%	1,369,087,745	-5.16%	1,774,100,787	-6.47%
2011	370,343,748	-8.56%	1,294,187,616	-5.47%	1,664,531,364	-6.18%

TC= Triennial property assessment cycle (Cook County)

QL= Quadrennial property assessment cycle (Lake County)

Economic Development

On an annual basis, the Village develops an Economic Development Work Plan which is an ambitious, yet achievable strategic business development agenda for the Village of Buffalo Grove for the calendar year. The Economic Development Work Plan can be found on the Village's web site at www.vbg.org.

The purpose of the Plan is to articulate a set of measurable strategies and actions to facilitate economic growth and new opportunities in the Village. Similar to neighboring communities and the nation as a whole, the Village of Buffalo Grove continues to be challenged economically. However, the business development approach remains aggressive as the Village is committed to business development, business outreach, and community planning. The Plan identifies efforts to be made and strategies to follow to work with property owners, developers, brokers, retailers, consultants and others for continued economic prosperity and enhanced vitality of the Village. The Plan is intended to provide guidance and direction for community development efforts within the Village. The Plan was drafted with input from Village staff, business owners, local developers, property managers, and the Village Board. The Plan includes Policy Strategies, Retail Activity Strategies, Residential Development Strategies, Database Development Programs, and Relationships with other Organizations which enhances business development activities and initiatives.

Following are three target areas where the Village staff is currently working with property owners, brokers, developers and others in the real estate industry to promote development.

Downtown Buffalo Grove



The Village is reviewing the proposed redevelopment of 65 acres of the Buffalo Grove Golf Course property and the Village of Buffalo Grove municipal campus. The development seeks to create a Downtown Buffalo Grove by including a mix of retail stores, restaurants, offices, theaters, rental and owner-occupied residential housing, municipal buildings and a community park. The proposed development contemplates four themes to provide for a true-to-form central business district inclusive of an: entertainment district, retail and dining district, a residential district and a public services district.

The proposed project is estimated to have a total construction impact of \$320 million, consisting of \$216 million in private investment, \$42 million in public facility development and \$62 million in site and infrastructure development. In addition to the initial development impact, a significant gain in retail sales would be achieved by the development. Within the first full year of retail build-out, the development is anticipated to conservatively generate approximately \$100 million in retail sales. By comparison, this would represent a 22 percent increase over the Village's total 2011 retail sales of \$450 million.

Milwaukee Avenue Corridor

The Milwaukee Avenue Corridor consists of three designated development sites and various potential redevelopment sites, including:

- **Berenesa Plaza I**, 17.94 acres, located at the northwest corner of Deerfield Road and Milwaukee Avenue;
- **Berenesa Plaza II**, 6.2 acres, located at the southwest corner of Deerfield Road and Milwaukee Avenue;
- **Land & Lakes Property**, 17 acres along the west frontage and 41 acres along the west rear of the property, located north of Busch Parkway and south of the City Park Development;
- **Busch Parkway/Milwaukee**, approximately 6 acres, containing an existing industrial building and immediately south of the Land & Lakes property;
- **Various Annexation, Potential Development and Redevelopment** sites located between Deerfield Parkway and Lake Cook Road, along the Milwaukee Avenue Corridor.



The Village has met several times in 2012 with the property owner and developers concerning Berenesa Plaza to discuss site plan modifications and marketing strategies to attract high-quality retailers and other uses that would support the commercial component of the development.

Pictured above is the approved preliminary plan for **Berenesa Plaza** at the north and southwest corners of Milwaukee Avenue & Deerfield Parkway.



Pictured left is the **Land & Lakes property**, on the west side of Milwaukee Avenue. Village staff coordinates on a regular basis with the Land & Lakes team concerning development of the property. The certification of completion of post closure care for the landfill operation was approved by the Illinois Environmental Protection Agency (IEPA) on January 13, 2012.

Dundee Road Corridor

The Dundee Road corridor has two designated redevelopment sites. The first is 15.94 acres and was occupied by three automotive dealerships. The developable parcels are broken down by the following acreages: 3.99 acres; 4.13 acres; and 5.28 acres. This redevelopment site also includes 2.54 acres of storm water management.

The second designated redevelopment site is the Cambridge Commons shopping center (4.71 acres). The Village is working with a developer on a proposed renovation of the shopping center, including a façade improvement and new signage. The redevelopment project, including construction, will be an investment of approximately \$16 to \$18 million.

The corridor also consists of several other redevelopment opportunities. At the Plaza Verde East shopping center, located at the southwest corner of Arlington Height Road and Dundee Road, a new commercial building is now occupied by several restaurants.

Plans have been approved for construction of a Chase Bank and improvements to a portion of the shopping center building for the Plaza at Buffalo Grove, located on the west side of Buffalo Grove Road north of Dundee Road. In addition, the Village is currently preparing designs for streetscape improvements to the corridor, scheduled for construction in 2013, to improve pedestrian and bicycle access to the commercial district.

Section 3

Budget Process and Structure

Budget Process

Budget Timeline

Budget Sections

Basis of Budgeting

Annual Budget vs. Financial Statements

Fund Structure

Account Numbers

Current Village Funds



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Budget Process

This budget document is the result of the Village's financial and operational planning process and serves as the guide for implementing those plans. The process brings together input from elected officials, department directors, departmental staff, and the public in order to shape the Village's goals and objectives.

Staff begins preparing the next year's budget nearly a year prior to adoption. The Finance Director projects fund balances remaining at the end of the current fiscal year and develops a revenue projection for the following year. Individual departments are responsible for assessing current conditions, programs, and needs. Each Department Director is provided a target figure as a parameter to work within while developing their respective departmental budgets.

Committee of the Whole meetings are held throughout the year to discuss long-range financial planning and provide updates on the Village's current financial condition. Mid-year, the Finance Director presents an update of the five year operating forecast and the Water Fund's twenty year pro forma. Additionally, staff does a yearly review of all rate schedules.

Once Department Directors have reviewed their programs and services, initial budget requests are submitted to the Finance Director. The Finance Department then consolidates all requests to analyze the budget as a whole. After an initial analysis, meetings are set up between the Department Directors, Finance Director, and Village Manager. They review major operational changes, discuss objectives and review capital project requests. An effort is made to combine requests across departments and to discuss how to more efficiently accomplish departmental goals. Any unjustified items are eliminated from the budget at this time.

Over the next month, the Finance Department works to compile the budget document. In addition to developing budget summaries for each department which outline requests, the Finance Department reviews and updates other sections of the document. Before the first public hearing, the proposed budget is made available to the public, both in hardcopy format at Village Hall and electronic format on the Village's website, www.vbg.org. While the proposed budget must be available for public inspection at least ten days prior to passage, the Village routinely has it available in advance of this deadline.

In November, a series of meetings are conducted covering the proposed budget and tax levy. The Village Manager, Finance Director, and Department Directors are present to address any issues or concerns presented by the Village President, trustees and residents. After the public meetings, the budget may be further revised and passed without further public inspection, notice or hearing. The final budget and appropriation ordinance is typically approved in December.

Once the budget has been approved, the Village Manager and Finance Director continue to monitor the Village's rate of revenue collections and expenditures to assure a healthy financial condition. If revenue projections drop below staff's original estimates, the Village Manager will direct staff to reduce expenditures. Any transfers necessary to adjust the budget can be made by the Village, as long as the changes do not exceed the approved appropriation. If this circumstance arises, the budget changes must be considered and approved by the Village Board as an Appropriation Transfer Ordinance. If there is a significant change to the total budget, a Supplemental Appropriation must be approved by the Village Board.

Budget Timeline

Date	Event	Requirement/Action
July 3, 2012	Fee & Fine Schedule Distributed	Distribution of Existing Fee and Fine Schedule
July 9, 2012	Village Board Meeting	FY 2013 Water Rate Recommendation
July 11, 2012	Building Remodeling Requests Distributed	Request Forms Distributed
July 23, 2012	Budget Instructions to Departments	Budget instructions provided to Department Directors
July 23, 2012	Committee of the Whole Meeting	Overview provided by Public Works on current year projects.
July 23, 2012	Distribute FY 2013-2017 CIP Program Update.	Department Directors submit requests for the next 5 year Capital Program.
July 30, 2012	Finance Staff to Distribute Budget Worksheets	Worksheets provided to build estimated actuals and budget requests.
July 30, 2012	Health Insurance Census	HR to send out census worksheets.
August 1, 2012	Fee & Fine Schedule Review	All recommendation submitted to Finance.
August 6, 2012	Building Remodeling Requests Due	Requests sent to Brett Robinson
August 6, 2012	Village Board Meeting	FY 2012 Six Month Financial Report presented to the Village Board.
August 6, 2012	Village Board Meeting	FY 2012 CIP Project Status Report
August 14, 2012	Health Insurance Calculations	Human Resources to develop insurance budgets and distribute.
July 16 - August 15, 2012	Revenue Development	Staff develops revenue estimates
August 15, 2012	Capital Equip/Technology Worksheets Distributed	Identify all cap. equipment/technology requests over the next 5 years.
August 20, 2012	Committee of the Whole	Presentation of 5 Year Proforma, Fee & Fine Recommendations, and General Wage Recommendation.
August 21, 2012	FY 2013-2017 CIP Submittals	Reports due to Engineering
August 23, 2012	Department Budgets Due	Copies submitted to OVM & Finance
August 27 - August 29, 2012	Department Meetings	Meet with Village Manager and Finance Director
August 27, 2012	CIP Review	Village Manager/Finance/Engineering review capital requests
September 17-October 15	Final Budget Preparation	Final document is compiled for distribution.
October 15, 2012	Village Board Meeting	Presentation of the FY 2013-2017 Capital Improvement Plan to the Village Board.
November 5, 2012	Village Board Meeting	FY 2013-2017 CIP adopted by Resolution.
October 29, 2012	Draft Budget Distributed	Village Board provided with budget
November 5, 2012	Village Board Meeting	FY 2013 Truth in Taxation Determination
November 26, 2012	Village Board Meeting	FY 2013 draft budget presentation
December 3, 2012	Village Board Meeting	FY 2013 tax levy (public hearing) and FY 2013 Budget adopted by resolution
December 17, 2012	Village Board Meeting	FY 2013 Appropriation Ordinance

Budget Sections

The Budget is divided into nine sections and four appendices:

1. **Transmittal Letter:** The Transmittal Letter provides the Village Board and the public with a general summary of the most important aspects of the budget, including current and previous fiscal years, and the views and recommendations of the Village Manager.
2. **Organization and Services:** This section includes a map of the Village, a list of principal officials, an organizational chart, and general background information. The Organization and Services section provides the reader with an overview of Buffalo Grove, as well as its mission statement and Village-wide goals.
3. **Budget Process and Structure:** This section provides the reader with general information on how the budget was developed, including a timeline and its general format.
4. **Executive Overview:** In the Executive Overview section, the overall revenues and expenditures are presented by fund, as are fund balance projections, debt levels, staffing levels, and budget assumptions. Trend analysis allows the Village to monitor changes and anticipate future issues. This section identifies the factors that affect financial condition and logically arranges them to facilitate analysis and measurement. This information serves as a management tool by combining information from Village documents with relevant economic data. Strategic goals are presented in this section as function of the overall revenue and expense profile, targeted priorities and performance measures.
5. **General Fund Summary and Detail:** This section provides more in-depth financial, organizational and staffing information at the department level including strategic goals, accomplishments, staffing, budget variances and changes.
6. **Capital Improvement Budget Summary:** This section presents the planned investments in the long-term assets of the Village. The Capital Improvement Plan provides a listing of capital projects over a 5-year horizon.
7. **Enterprise Fund Summary and Detail:** This section provides more in-depth financial, organizational and staffing information at the enterprise fund level including strategic goals, accomplishments, staffing, budget variances and changes.
8. **Fiduciary Funds:** This section presents both of the Village's fiduciary funds – Police and Firefighters Pension Funds.
9. **Other Funds:** This section provides the budgets for the Illinois Municipal Retirement Fund, the Parking Lot Fund and the Facilities Development Debt Service Fund.
10. **Appendix A Comprehensive Fee and Tax Schedule:** All fees and taxes for the Village of Buffalo Grove.
11. **Appendix B Financial Policies and Projections:** All codified financial management policies.
12. **Appendix C Human Resources:** A summary of health insurance plan benefits and an aggregate of Village staffing levels.
13. **Appendix D Document Definitions:** Includes definitions of key terms and acronyms that are found throughout the budget book.

Basis of Budgeting

The Village of Buffalo Grove accounts for all funds and adopts a budget based on generally accepted accounting principals (GAAP). A fund is a separate accounting entity with a set of self-balancing accounts that records assets, liabilities, fund equity, revenues, and expenses or expenditures. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

The Village uses the three following fund types:

Governmental Funds: use the modified accrual basis of accounting whereby revenues are recognized when they are “measurable and available” and expenditures are recorded when the related fund liability is incurred. Governmental funds usually account for tax-supported activities.

Proprietary Funds: use the full accrual basis of accounting. Under the full accrual basis, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds are used to account for business-type activities.

Fiduciary Funds: are accounted for on a full accrual basis. Fiduciary funds are used to account for resources that are held by the government as an agent for parties outside the government and that cannot be used to support the Village’s own programs.

All funds presented in the 2013 Budget are appropriated.

Annual Budget vs. Financial Statements

With the exception of the treatment of depreciation, the budget basis is consistent with GAAP. Depreciation is not shown in the budget, although the full purchase price of capital expenditures is included. A reconciliation of the difference is provided in the Village’s Comprehensive Annual Financial Report (CAFR). Funds that are not budgeted, but are part of the Comprehensive Annual Financial Report are Retiree Health Savings Fund and the School and Park District Donations Fund.

Fund Structure

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Buffalo Grove, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village may be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. All funds are included in this budget document and are appropriated by the Village Board. All funds are prepared on a cash-basis for budgeting purposes. During the Village’s annual audit, final adjustments may be made to properly account for modified or full accrual accounting based upon the fund type.

Governmental funds focus on the near-term inflows and outflows of spendable resources. The majority of the Village’s business is accounted for in Governmental Funds including the General Fund and the Special Revenue Funds: Illinois Municipal Retirement Fund, Parking Lot Fund, and Motor Fuel Tax Fund. Other governmental funds include the Facilities Development Debt Service Fund which is established to pay the principal and interest due on long-term debt. Additionally there are two Capital Project Funds: Capital Projects – Facilities Fund and Capital

Projects – Streets Fund. These funds provide resources for the design and construction of capital projects, as well as the procurement of long-term assets.

Currently the Village maintains one type of proprietary fund – an enterprise fund. Enterprise funds are used to report the business-type activities the Village engages in and charge fees designed to recover the cost of the provided services. The Buffalo Grove Golf Fund, Arboretum Golf Fund, Water & Sewer Funds, and Refuse Fund are included in this grouping.

Lastly, the Village acts as the fiduciary for the Police and Fire Pension Funds. The funds are supported by employee and Village contributions and are established as single-employer funds. The funds are managed by pension boards and are not available to support the Village's programs. Civilian personnel are covered by the Illinois Municipal Retirement Fund (IMRF), a multi-employer, defined benefit plan. The Village sends the employer and employee contributions directly to IMRF.

Financial Policies and Goals

The Village of Buffalo Grove has adopted various revenue, debt and reserve policies (see Appendix B). These policies provide and help maintain a favorable financial picture for the Village.

Investment Policy: This policy provides guidelines for investing Village funds in financial instruments that provide for the safety of principal, remain sufficiently liquid to meet anticipated operating requirements, and provide a market rate of return.

Purchasing Policy: This policy delineates the procedure for purchasing goods and services in the Village. Competitive bidding is required for purchases over \$15,000.

Debt Policy: The Debt Policy governs how, when, and why debt is used. It is the policy of the Village to never use debt to finance current operations.

Fund Balance Policy: This policy establishes the appropriate level of unassigned fund balance in the General Fund. Fund balance reserves should only be used for capital improvements or as a temporary stop-gap to bridge a deficit. Balancing the budget is never an appropriate use of reserves.

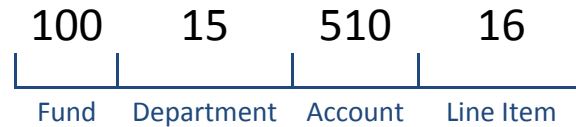
Capitalization Policy: Capital assets are assets with an initial, individual cost of more than \$10,000 and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are capitalized.

Budgetary Goals:

1. Prepare a budget, providing meaningful and readily understandable information to interested residents as well as the Village Board and staff.
2. Prepare a budget that allows for the implementation of Village Board's goals and objectives.
3. Pay for capital assets using pay-as-you-go financing.
4. Encourage intergovernmental cooperation.

Account Numbers

Account numbers identify the fund, type of account, department, division, general revenue and expenditure category, and type of purchase. Account numbers look like this:



The first three digits (100) indicate the fund (see following chart for fund numbers).

The fourth and fifth digits (15) indicate the department.

- XXX.10 – Legislative
- XXX.15 – Office of the Village Manager
- XXX.20 – Legal
- XXX.25 – Information Technology
- XXX.30 – Finance
- XXX.35 – Human Resources
- XXX.40 – Fire
- XXX.45 – Police
- XXX.50 – Building & Zoning
- XXX.55 – Public Works
- XXX.60 – Engineering
- XXX.65 – Emergency Management Agency
- XXX.70 – Transfer Non-Operating
- XXX.75 – Capital Improvement
- XXX.80 – IMRF/Social Security
- XXX.81 – Metra Parking
- XXX.84 – Golf
- XXX.85 – Debt
- XXX.86 – Refuse
- XXX.88 – Police Pension
- XXX.89 – Fire Pension

The Public Works Department is further delineated into divisions.

- XXX.55.05 – Building Services
- XXX.55.10 – Streets
- XXX.55.15 – Administration
- XXX.55.20 – Forestry
- XXX.55.25 – Drainage
- XXX.55.30 – Central Garage
- XXX.55.35 – Water
- XXX.55.36 – Sewer

The first digit in the third grouping of numbers (XXX.XX.5XX.XX) indicates whether this is an income or expenditure account.

- 1XX – Asset
- 2XX – Liability
- 3XX – Fund Equity
- 4XX – Income
- 5XX – Expenditure/Expense

6XX – Capital Outlay
7XX – Debt Service

The next two digits in the third grouping of numbers (XXX.XX.X10.XX) indicates the general category to be charged.

500 - Personal Services
505 - Personal Benefits
510 - Operating Expenses
515 – Insurance
520 - Legal Services
525 - Commission & Committees
530 – Commodities
535 - Maintenance & Repairs – Facilities
540 - Maintenance & Repairs - Water & Sewer
545 - Maintenance & Repairs – Vehicles
550 - Maintenance & Repairs – Other
555 - Capital Equipment
560 - Capital Projects
565 - Debt Service
570 - Operating Transfers
580 - All Other Expense

The last two numbers in the string indicate the object within the Category. In this case, 510.16 is Operating Expenses – Printing,

Revenue accounts are not associated with a department or division and look like this:

100.465.90

The revenue account categories are as follows:

400 - Taxes – Property
410 - Taxes - State Shared
415 - Taxes – Local
420 - Business Licenses
425 - Liquor Licenses
430 - Animal Licenses
435 - Building Revenue & Fees
440 - Intergovernmental Revenue – Local
441 - Sales of Water
442 - Village Sewer
443 - Lake County Sewer
444 - Insurance Contributions
445 - Golf Course Fees
450 - Investment Revenue
455 - Fines & Fees
460 - Operating Transfers
465 - All Other Revenue
470 - Bond Proceeds
471 - Income From Joint Venture
472 - Capital Contributions

Current Village Funds

Type	Fund Name	Fund No.	Description
General	General	100	The Village's chief operating fund. Accounts for all financial resources except those required to be accounted for in another fund.
Special Revenue	Illinois Municipal Retirement	110	Accounts for revenues derived from a separate property tax levy and employee contributions which are subsequently paid to the Illinois Municipal Retirement Fund and Social Security Administration.
	Parking Lot	120	Accounts for fees collected at the Village's mass transit parking station site and expenditures required to maintain the parking lot.
	Motor Fuel Tax	130	Accounts for the use of the Village's share of state gasoline taxes and 20% of the Home Rule Sales Tax. State law requires the MFT to be used for the Village street program.
Debt Service	Facilities Development	140	Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
Capital Projects	Facilities	150	Accounts for the acquisition or construction of major capital facilities (other than those in Enterprise Funds).
	Street Maintenance	160	Accounts for the costs of design, construction, and construction engineering for various street maintenance and construction projects.
Enterprise	Waterworks & Sewerage	170	Accounts for the provision of water and sewer services to customers of the Village.
	Arboretum Golf Course	190	Accounts for the operations of a municipal golf course.
	Buffalo Grove Golf Course	180	Accounts for the operations of a municipal golf course.
	Refuse Service	200	Accounts for the provision of refuse disposal services to customers of the Village.
Fiduciary	Police Pension	220	Accounts for the accumulation of resources to be used for the retirement annuity payments to sworn police officers.
	Fire Pension	230	Accounts for the accumulation of resources to be used for the retirement annuity payments to firefighters.

Section 4

Executive Overview

Budget in Brief

Strategic Planning

Revenue Trends and Projections Summary

Expenditure Trends and Projections Summary

Debt Position

Fund Balance Projections by Fund

Service
Optimization

Organizational
Culture

Revenue
Growth

Economic
Development

Infrastructure
Sustainability

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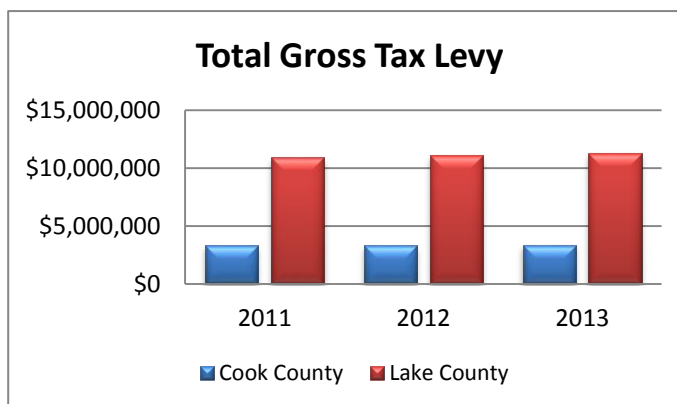
Budget in Brief

The Village of Buffalo Grove embraces a fiscally-conservative and forward-looking approach to budgeting for the operations of municipal government. This approach is coupled with the service-delivery expectations of the Village's core customers – residents and businesses – and its extended customers – visitors, regional entities and other units of government. Each year, the Village determines its level of service, strategic goals and expectations and staffing levels based upon anticipated revenues and progress toward long-term operational and capital development goals. The Village provides the following core services: administration, finance, public works, police protection, fire prevention and suppression, civil engineering, information technology, building inspections, urban planning-zoning, golf operations and community event support. Additional non-core services are provided by others through regional partnerships or commissions, including the supply of potable water and dispatch services, and contract services including sanitary sewer treatment and refuse collection. Various direct and indirect fees are collected for non-core services via the 911-surcharge, ad valorem tax levy and user fees.

The budget document serves the following purposes:

1. To *define the strategic goals* and operating plan in accordance with Board direction and staff recommendations for the orderly delivery of core and non-core services;
2. To *designate financial resources* necessary to achieve the strategic goals and to provide for adequate operational and capital resources;
3. To *communicate the Village's financial plan* for the fiscal year in a comprehensive and comprehensible format; and
4. To *articulate the methodology* used by the Village to develop revenue and expense projections, provide for long-term financial planning and maintain a stable and efficient municipal government.

For fiscal year 2013, the Village's proposed budget is balanced and does not contemplate the implementation of new taxes. There is one new fee that will be imposed and is budgeted as a rental inspection fee. The property tax levy will increase by approximately 1.5 percent for the 2012 levy, payable 2013. The proposed tax levy includes fully funded requests for pension contributions, the appropriation of funds to service existing debt obligations and sufficient funds for the general operation of the Village. The following table illustrates the history of total property tax levies for the years 2011, 2012 and 2013 (proposed) for the Cook and Lake County portions of the Village.



The basis for developing the overall budget relies upon the initial forecast of anticipated revenues derived from taxes, fees, licenses, intergovernmental revenue, fines, investment proceeds and interfund transfers. The following table depicts total revenues by category for all funds for the years 2011, 2012 and 2013 (proposed).

Revenues by Category

The total revenue budget for 2013 is \$61,273,057. This budget is a 4.5 percent decrease over the 2012 estimated actual and 4.4 percent more than the 2011 actual. The spike in revenue in 2012 as compared to the 2013 estimated actual is the result of a \$6 million debt issuance in 2012.

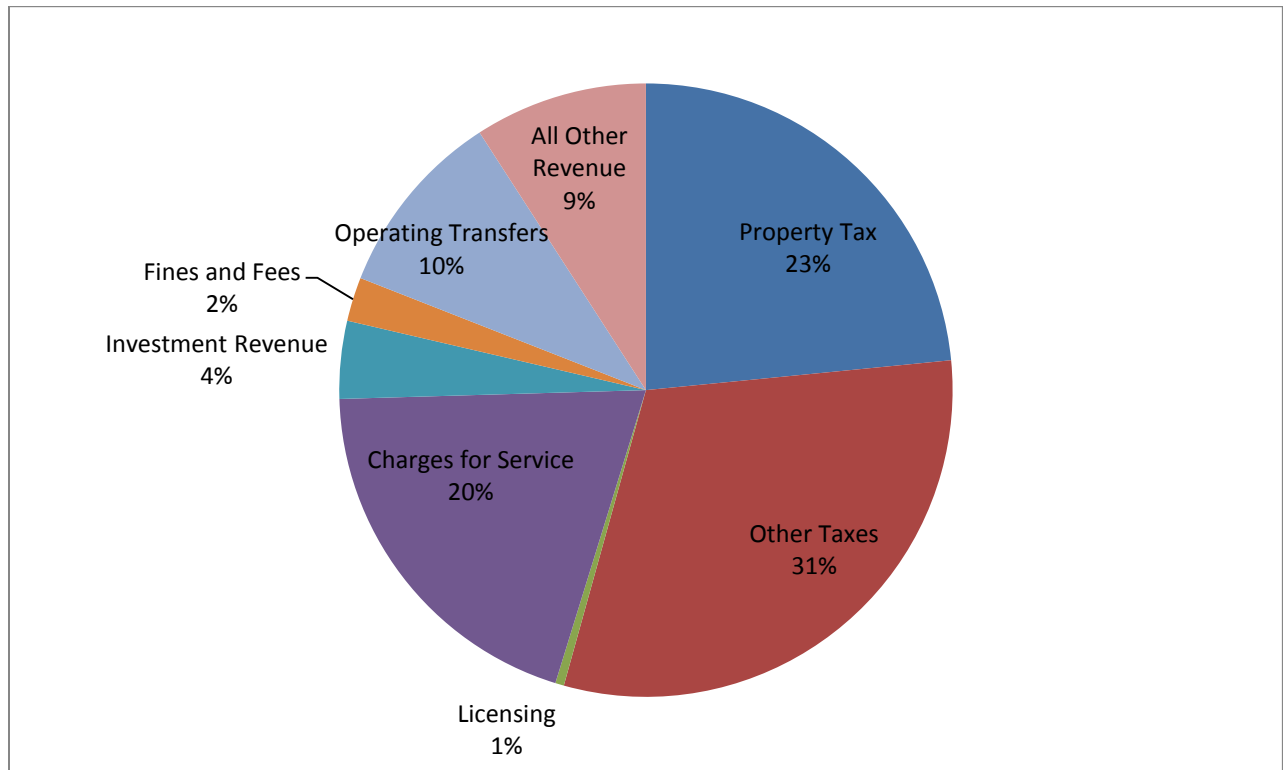
Account Category	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Property Taxes	\$14,458,248	\$14,259,270	\$14,365,866
Other Taxes-State	\$8,927,511	\$9,415,493	\$9,842,485
Other Taxes-Local	\$9,280,326	\$9,117,562	\$9,072,517
Business Licenses	\$146,903	\$144,175	\$144,175
Liquor Licenses	\$125,070	\$127,100	\$127,100
Animal Licenses	\$8,166	\$8,820	\$8,820
Building Revenue & Fees	\$849,908	\$710,408	\$684,307
Intergovernmental Revenue-Local	\$266,085	\$260,775	\$267,930
Sales of Water	\$7,733,278	\$7,637,880	\$9,018,250
Golf Course Fees	\$2,175,418	\$2,326,425	\$2,409,450
Investment Revenue	\$2,809,597	\$2,568,620	\$2,510,170
Fines & Fees-Police & Fire	\$1,562,477	\$1,431,725	\$1,419,750
Operating Transfers	\$6,478,945	\$6,981,181	\$6,077,790
All Other Revenue	\$3,812,760	\$9,201,404	\$5,324,447
Grand Total - All Fund Revenue	\$58,634,692	\$64,190,838	\$61,273,057

Summary of Revenues by Source - All Funds

The chart below summarizes total revenue by source including transfers. The other taxes classification incorporates state shared taxes including; income, sales and motor fuel taxes, and local taxes including; home rules sales tax, real estate transfer tax, telecom tax, food and beverage tax, and utility use taxes. Charges for service include revenue collected for construction permitting and inspection, water and sewer billing, and golf course fees. The All Other Revenue category includes refuse fees collected on behalf of the Solid Waste Agency of Northern Cook County, cable television franchise fees and pension contributions made by sworn police officers and firefighters.

Description	General	IMRF	Parking Lot	Motor Fuel	Facilities Development Debt Service	Capital Projects Facilities	Capital Projects Streets
Property Tax	\$11,826,377	\$1,600,793			\$938,696		
Other Taxes	\$17,915,002			\$1,000,000			
Licensing	\$280,095						
Charges for Service	\$913,737						
Investment Revenue	\$103,300	\$50					\$100
Fines and Fees	\$1,261,750		\$158,000				
Operating Transfers	\$765,000				\$400,000	\$586,097	
All Other Revenue	\$944,290		\$1,320	\$187,582		\$1,000,000	
FY 2013 Budget	\$34,009,551	\$1,600,843	\$159,320	\$1,187,582	\$1,338,696	\$1,586,097	\$100
FY 2012 Budget	\$33,507,100	\$1,566,918	\$163,870	\$1,782,032	\$1,138,756	\$412,013	\$734,933

Revenues by Source – All Funds



Summary of Revenues by Source - All Funds *continued*

Description	Water & Sewer	Arboretum Golf Course	Buffalo Grove Golf Course	Refuse	Police Pension	Firefighters Pension	All Funds
Property Tax							\$14,365,866
Other Taxes							\$18,915,002
Licensing							\$280,095
Charges for Service	\$9,056,750	\$1,198,250	\$1,211,200				\$12,379,937
Investment Revenue	\$25,450				\$1,236,000	\$1,145,270	\$2,510,170
Fines and Fees							\$1,419,750
Operating Transfers		\$24,060			\$2,198,690	\$2,103,943	\$6,077,790
All Other Revenue	\$1,048,706			\$1,041,217	\$589,102	\$512,230	\$5,324,447
FY 2013 Budget	\$10,130,906	\$1,222,310	\$1,211,200	\$1,041,217	\$4,023,792	\$3,761,443	\$61,273,057
FY 2012 Budget	\$8,118,786	\$1,241,806	\$1,259,700	\$1,039,387	\$4,314,314	\$3,891,862	\$59,171,477

Revenues by Source Summarized - All Funds

Summary by Funds	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Trust & Agency	Total
Property Tax	\$11,826,377	\$1,600,793		\$938,696			\$14,365,866
Other Taxes	\$17,915,002	\$1,000,000					\$18,915,002
Licensing	\$280,095						\$280,095
Charges for Service	\$913,737				\$11,466,200		\$12,379,937
Investment Revenue	\$103,300	\$50	\$100		\$25,450	\$2,381,270	\$2,510,170
Fines and Fees	\$1,261,750	\$158,000					\$1,419,750
Operating Transfers	\$765,000		\$586,097	\$400,000	\$24,060	\$4,302,633	\$6,077,790
All Other Revenue	\$944,290	\$188,902	\$1,000,000		\$1,048,706	\$1,101,332	\$5,324,447
FY 2013 Budget	\$34,009,551	\$2,947,745	\$1,586,197	\$1,338,696	\$12,564,416	\$8,826,452	\$61,273,057
FY 2012 Budget	\$33,507,100	\$3,512,820	\$1,146,946	\$1,138,756	\$11,659,679	\$8,206,176	\$59,171,477

Total Revenues by Fund

Fund	Fund #	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2013 Budget	% of Prior Year Budget
Corporate	100	\$34,409,488	\$33,556,657	\$33,507,100	\$34,009,551	101.50%
Illinois Municipal Retirement	110	\$1,586,066	\$1,567,758	\$1,566,918	\$1,600,843	102.17%
Parking Lot	120	\$151,901	\$159,222	\$163,870	\$159,320	97.22%
Motor Fuel Tax	130	\$2,280,045	\$1,863,813	\$1,782,032	\$1,187,582	66.64%
Capital Projects - Facilities	150	\$3,200,900	\$388,692	\$412,013	\$1,586,097	384.96%
Capital Projects - Streets	160	\$765	\$158,481	\$734,933	\$100	0.01%
Facilities Dev Debt Service	140	\$1,007,896	\$1,318,329	\$1,138,756	\$1,338,696	117.56%
Police Pension	220	\$6,045,090	\$5,024,859	\$4,314,314	\$4,023,792	93.27%
Fire Pension	230	\$4,915,608	\$3,164,159	\$3,891,862	\$3,761,443	96.65%
Water & Sewer	170	\$9,174,861	\$7,868,903	\$8,118,786	\$10,130,906	124.78%
Buffalo Grove Golf Course	180	\$1,375,231	\$1,262,041	\$1,259,700	\$1,211,200	96.15%
Arboretum Golf Course	190	\$1,380,562	\$1,264,906	\$1,241,806	\$1,222,310	98.43%
Refuse Service	200	\$966,537	\$1,036,872	\$1,039,387	\$1,041,217	100.18%
Total		\$66,494,950	\$58,634,692	\$59,171,477	\$61,273,057	100.18%

Expenditures by Category

The development of projected expenses relies upon the forecasting of categorical expenditures in the areas of personnel salaries and benefits, professional and contractual services, commodities, health insurance and general liability expenses, maintenance, capital construction and spending, and interfund transfers. As a service provider, the majority of the Village's total budget (47.8 percent) is apportioned to Personnel Services and Benefits. Included within those categories are wages, health insurance, training/education, and pension contributions. Thus, a great deal of effort is expended in managing collective bargaining activities, wage and compensation programs and employee benefits as a core cost containment strategy. The following table depicts total expenses by category for all funds for the years 2011, 2012 and 2013 (proposed).

Account Category	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	21,191,829	21,064,869	21,062,163
Personal Benefits	8,722,761	9,603,974	10,274,566
Operating Expenses	3,542,659	3,712,515	3,854,447
Insurance	702,383	603,855	660,390
Legal Services	305,331	331,031	389,650
Commission & Committees	83,029	81,049	86,550
Commodities	4,513,744	4,297,139	4,187,022
Maintenance & Repairs - Facilities	688,300	969,086	821,550
Maintenance & Repairs - Water & Sewer	63,858	79,900	96,200
Maintenance & Repairs - Other	145,391	147,775	156,242
Maintenance & Repairs - Vehicles	771,191	810,018	820,136
Capital Equipment	1,078,672	125,700	604,587
Capital Projects	3,051,675	4,119,025	8,714,549
Debt Service	1,732,508	1,580,858	1,815,464
Operating Transfer	6,478,945	6,958,664	6,079,301
All Other Expense	1,698,168	1,729,420	1,838,999
Grand Total All Fund Expense	54,770,444	56,214,878	61,461,816

The Village further analyzes and presents budgeted revenues and expenses by fund, including the general (main operating), enterprise, fiduciary and capital funds. The net increase in spending from the 2012 estimated actual versus the 2013 budget is due to expenditures related to the street maintenance program and Ash Tree replacements.

Summary of Expenditures by Source - All Funds

The following chart provides a summary of expenditures by source. Approximately 48 percent of all expenditures are allocated to personal services. Operating transfers represent the next largest percentage of the total Village budget at 9.9 percent. The transfer of property taxes accounted for within the General Fund and transferred to the Police and Firefighter Pension Funds represent nearly 70 percent of the transfers. There is a transfer to the General Fund of \$765,000 paid by the Water and Sewer Fund to reimburse for administrative, maintenance and operation expenditures accounted for outside of the Water and Sewer Fund.

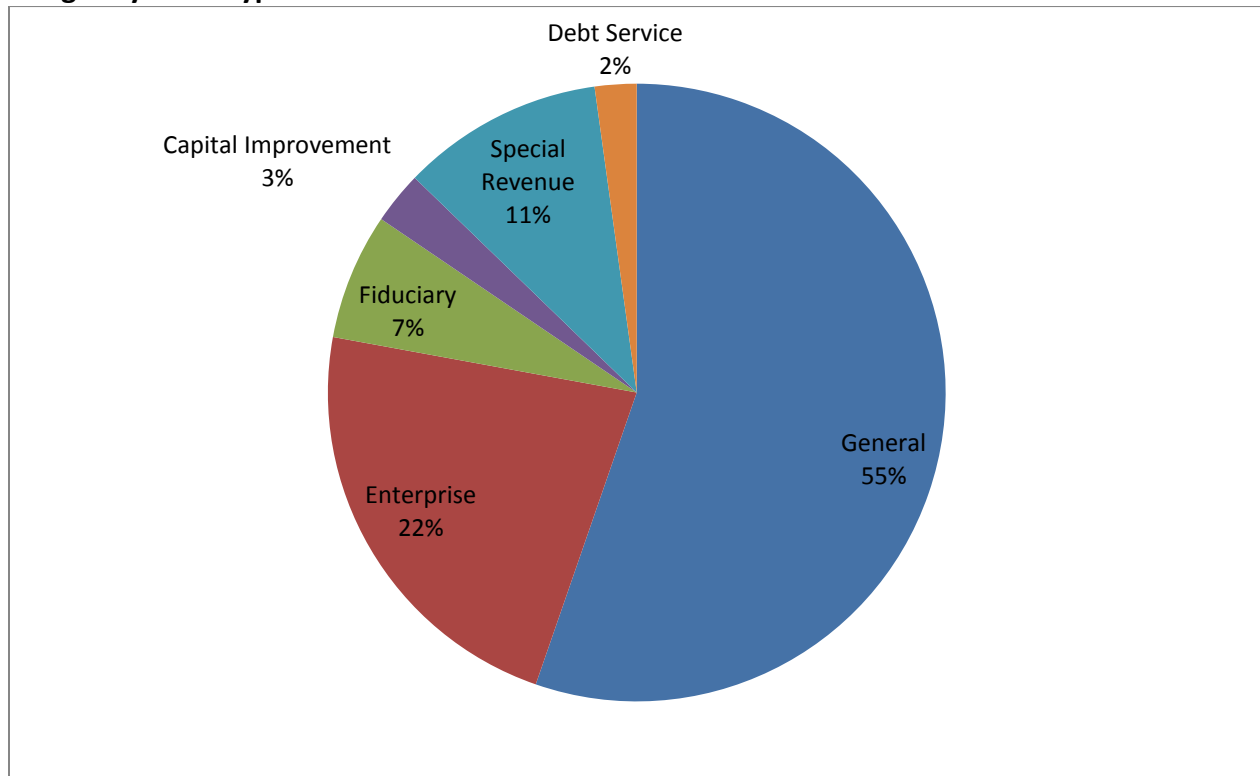
In 2013, it is anticipated that \$9.3 million in capital projects and equipment acquisitions are scheduled. Significant projects include the largest annual street maintenance program funded by the issuance of the 2012 General Obligation Bonds, the first year's efforts to remove and replace Emerald Ash Borer infested trees, and system improvements for water, sewer, and drainage utilities. The improvements include replacing sections of water main and storm sewer main and providing capacity and redundancy to sewer lift stations. Several technology enhancements are budgeted that will improve enterprise document management and strengthen connectivity of wireless delivery.

The debt service obligations paid through the Facilities Development Debt Service Fund and the Water and Sewer Fund, for financial obligations to the Northwest Water Commission, total \$1,815,464 in 2013.

Summary of Expenditures by Source - All Funds

Description	Personal Services & Benefits	Operating Expenses	Legal Services	Commodities	Maintenance & Repairs
General Fund	23,040,085	1,852,439	389,650	285,222	1,352,976
Illinois Municipal Retirement	1,586,750				
Parking Lot	13,395	135,518		16,620	2,500
Motor Fuel Tax					
Total Special Revenue Funds	1,600,145	135,518		16,620	2,500
Capital Equipment					
Capital Projects					
Total Capital Projects Funds					
Debt Service Fund					
Police Pension	2,247,015				
Fire Pension	1,561,069				
Total Fiduciary Funds	3,808,084				
Water & Sewer	1,399,397	1,544,290		3,594,680	318,652
Buffalo Grove Golf Course	735,608	144,100		130,000	127,000
Arboretum Golf Course	753,410	178,100		160,500	93,000
Refuse Service					
Total Enterprise Funds	2,888,415	1,866,490		3,885,180	538,652
All Funds	31,336,729	3,854,447	389,650	4,187,022	1,894,128

Budget by Fund Type



Summary of Expenditures by Source - All Funds *continued*

Description	Capital Equipment & Projects	Debt Service	Operating Transfers	All Other Expenses	Grand Total
General Fund	759,438		5,110,241	1,199,864	33,989,915
Illinois Municipal Retirement					1,586,750
Parking Lot				200	168,233
Motor Fuel Tax	4,750,000				4,750,000
Total Special Revenue Funds	4,750,000			200	6,504,983
Capital Projects - Facilities	1,586,097				1,586,097
Capital Projects - Streets	100,452				100,452
Total Capital Projects Funds	1,686,549				1,686,549
Debt Service Fund		1,342,000			1,342,000
Police Pension				142,000	2,389,015
Fire Pension				113,000	1,674,069
Total Fiduciary Funds				255,000	4,063,084
Water & Sewer	2,058,149	473,464	945,000		10,507,622
Buffalo Grove Golf Course	39,000		24,060	500	1,211,068
Arboretum Golf Course	26,000			500	1,222,310
Refuse Service				934,285	934,285
Total Enterprise Funds	2,123,149	473,464	969,060	935,285	13,875,285
All Funds	9,319,136	1,815,464	6,079,301	1,838,999	61,461,816

Total Expenditures by Fund and by Category

The chart below provides expenditure summary for all thirteen Village funds and further divides those fund totals into expenditures by category. The total budget for all Village expenditures in 2013 is \$61,461,816. That total is 5.4 percent more than the 2012 budget and 12.2 percent more than what was spent in 2011. Fifty-four percent of all expenditures support the General Fund. The General Fund is the main operating fund of the Village and accounts for critical core services such as police, fire and public works.

	Fund	Fund #	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2013 Budget	% of Prior Year Budget
By Fund	General	100	\$33,867,665	\$33,878,147	\$33,434,650	\$33,989,915	101.66%
	Illinois Municipal Retirement	110	\$1,495,882	\$1,469,845	\$1,530,321	\$1,586,750	103.69%
	Parking Lot	120	\$137,910	\$158,428	\$163,715	\$168,233	102.76%
	Motor Fuel Tax	130	\$1,512,379	\$1,259,292	\$2,300,000	\$4,750,000	206.52%
	Facilities Dev Debt Service	140	\$1,174,197	\$1,303,255	\$1,140,570	\$1,342,000	117.66%
	Capital Projects - Facilities	150	\$2,497,184	\$376,553	\$412,013	\$1,586,097	384.96%
	Capital Projects- Streets	160	\$319,003	\$1,134,372	\$1,048,247	\$100,452	9.58%
	Water & Sewer	170	\$9,388,310	\$8,661,125	\$11,364,463	\$10,507,622	92.46%
	Buffalo Grove Golf Course	180	\$1,287,448	\$1,260,112	\$1,256,244	\$1,211,068	96.40%
	Arboretum Golf Course	190	\$1,234,474	\$1,276,359	\$1,241,806	\$1,222,310	98.43%
	Refuse Service	200	\$936,197	\$935,365	\$969,321	\$934,285	96.39%
	Police Pension	220	\$1,691,764	\$1,967,366	\$2,140,663	\$2,389,015	111.60%
	Firefighter Pension	230	\$641,333	\$1,090,225	\$1,319,504	\$1,674,069	126.87%
	Grand Total		\$56,183,746	\$54,770,444	\$58,321,517	\$61,461,816	105.38%
	Personal Services		\$29,024,511	\$29,914,590	\$30,645,984	\$31,336,729	102.25%
	Operating Expenses		\$3,499,502	\$3,542,659	\$3,757,466	\$3,854,447	102.58%
By Category	Commodities		\$5,759,731	\$4,513,744	\$4,833,764	\$4,187,022	86.62%
	Maintenance & Repairs		\$1,499,507	\$1,668,740	\$2,067,309	\$1,894,128	91.62%
	Capital Equipment & Projects		\$5,580,252	\$4,130,347	\$6,016,836	\$9,319,136	154.88%
	Debt Service		\$1,604,896	\$1,732,508	\$1,580,733	\$1,815,464	114.85%
	Operating Transfers		\$6,630,300	\$6,478,945	\$6,724,602	\$6,079,301	90.40%
	All Other Expenses		\$2,585,047	\$2,788,911	\$2,694,823	\$2,975,589	110.42%
	Grand Total		\$56,183,746	\$54,770,444	\$58,321,517	\$61,461,816	105.38%

Summary of Revenue and Expenditures by Category

Account Category	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Property Taxes	\$14,458,248	\$14,259,270	\$14,365,866
Other Taxes-State	\$8,927,511	\$9,415,493	\$9,842,485
Other Taxes-Local	\$9,280,326	\$9,117,562	\$9,072,517
Business Licenses	\$146,903	\$144,175	\$144,175
Liquor Licenses	\$125,070	\$127,100	\$127,100
Animal Licenses	\$8,166	\$8,820	\$8,820
Building Revenue & Fees	\$849,908	\$710,408	\$684,307
Intergovernmental Revenue-Local	\$266,085	\$260,775	\$267,930
Sales of Water	\$7,733,278	\$7,637,880	\$9,018,250
Golf Course Fees	\$2,175,418	\$2,326,425	\$2,409,450
Investment Revenue	\$2,809,597	\$2,568,620	\$2,510,170
Fines & Fees-Police & Fire	\$1,562,477	\$1,431,725	\$1,419,750
Operating Transfers	\$6,478,945	\$6,981,181	\$6,077,790
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Grand Total - All Fund Revenue	\$58,634,692	\$64,190,838	\$61,273,057

Account Category	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
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Insurance	702,383	603,855	660,390
Legal Services	305,331	331,031	389,650
Commission & Committees	83,029	81,049	86,550
Commodities	4,513,744	4,297,139	4,187,022
Maintenance & Repairs - Facilities	688,300	969,086	821,550
Maintenance & Repairs - Water & Sewer	63,858	79,900	96,200
Maintenance & Repairs - Other	145,391	147,775	156,242
Maintenance & Repairs - Vehicles	771,191	810,018	820,136
Capital Equipment	1,078,672	125,700	604,587
Capital Projects	3,051,675	4,119,025	8,714,549
Debt Service	1,732,508	1,580,858	1,815,464
Operating Transfer	6,478,945	6,958,664	6,079,301
All Other Expense	1,698,168	1,729,420	1,838,999
Grand Total – All Fund Expense	54,770,444	56,214,878	61,461,816

Personnel and Benefits

The Village of Buffalo Grove relies upon a lean and efficient professional staff to accomplish the mission, vision and strategic goals of the operation. The Village has historically maintained a highly-competitive total workforce compared to other municipalities in the region. The Village's ratio of employees per 1,000 residents has declined substantially in recent years as a result of the economic downturn and downward pressure on key revenue sources.

The reduced personnel levels in recent years as well as the proposed reduced staffing for 2013 is the direct result of targeted position reductions accomplished through attrition and the offering of the Village's Voluntary Separation Incentive (VSI) program to encourage reductions in force. Village administration has employed a two-pronged approach to reduce personnel costs and benefits upon the separation of employees by 1) reprogramming or eliminating positions where possible and 2) implementing revised pay and benefit structures for positions filled by replacement. In terms of revising pay and benefit structures, the Village has taken aggressive steps to provide for long-term cost reductions, including the implementation of a Tier II wage for new hires, increasing the employee contribution to health insurance premiums from 10 to 15 percent of premiums over a five-year period and transferring the Village's self-funded healthcare program to the Intergovernmental Personnel Benefits Cooperative (IPBC). Additional information concerning the healthcare benefit plan, premium structure and total cost may be reviewed in *Section C: Human Resources*.

The net effect of the Village's personnel cost containment strategy has significantly reduced the pressure on overall operating costs by:

1. Reducing 2013 personnel expenses by approximately \$610,000 from 2012; and
2. Maintaining an overall increase to medical and dental premiums of less than 5% for 2013, which is lower level than the national long term average of 5.56%.

For 2013, the Village proposes a full-time staff complement of 224 full-time personnel and 87 part-time personnel. Although successful in 2011 and 2012, the VSI program will not be offered in 2013, as the benefit of the program may lose its impact if viewed as an annual offering. The following table depicts total employees by department for 2011, 2012 and 2013.

	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Office of the Village Manager/Administration	5	4	6	3	6	3
Building & Zoning	9	2	9	2	9	2
Finance & General Service	7	2	7	1	8	1
Fire Services	67	0	65	1	61	1
Golf Operations	8	52	8	52	8	52
Information Technology	3	1	3	1	3	1
Police Services	84	15	79	15	77	14
Public Works/Engineering	51	18	51	17	52	13
Total	234	94	228	92	224	87
Full & Part-Time Grand Total	328		320		311	

Strategic Planning

In 2012, the Village of Buffalo Grove embarked on the development of a new Strategic Plan. As part of the project, the Village contracted with a consultant to assist in the facilitation of the process. The majority of the plan coordination and development was done internally by Village staff.

The basic goal of the strategic planning process was to identify and assess organizational strengths, weaknesses, opportunities and threats. This was achieved through holding 26 different meetings with employee groups representative of all Village departments and staff. That input was used as a tool in identifying the strategic priorities for the community and the organization.

Five strategic planning priorities were identified working with the Village Board. They are:

1. Service Optimization
2. Organizational Culture
3. Economic Development
4. Revenue Growth
5. Infrastructure Sustainability

A detailed description of each priority is provided. As such, the first strategic priority is service optimization. Based on the needs and expectations of the community, core services are prioritized. Optimal services are provided by supporting an adaptive and efficient workforce.

Organizational culture is the second strategic priority. With this priority, it is important to create and maintain an environment that engages and empowers all employees in the mission of the Village. The development of human capital and resources is encouraged.

The third strategic priority is economic development. The quality of life in the community is maintained and enhanced through an on-going assessment, public and private partnerships and by leveraging resources to meet community objectives. An inviting environment is created for doing business in the community through targeted communication and marketing methods. These are consistent with the needs and values of the Village.

Revenue growth is the fourth strategic priority. A positive financial position is maintained with a long term perspective by diversifying revenue sources and aligning fee structures to adequately reflect service demands. In addition, the Village's reliance on property and state shared taxes is reduced while ensuring revenues adequately fund services and infrastructure needs.

The fifth and final strategic priority is infrastructure sustainability. With this priority, reliable and high quality infrastructure is assessed and maintained. This includes Village buildings, streets, utilities, information technology, vehicle fleet and other assets necessary to maintain service levels. The Village needs to plan for the financial resources necessary to maintain current infrastructure, upgrade for efficiency or enhanced capabilities and identify for the future infrastructure needs of the community.

After the strategic priorities were established, key performance indicators were identified. Strategic initiatives and actions were also identified in order to achieve the strategic priorities.

Financial and Non-Financial Goals

The strategic goals as defined by the core values include both financial and non-financial goals. At the organizational level, strategies are defined with respect to internal and external customers, as well as the level of service, impact on financial resources and long-term community priorities. The following financial goals are contemplated for 2013:

1. Review methods for the diversification of the Village's revenue sources.
2. Revise the Village's fee and fine structure.
3. Implement a technology platform that reflects the input and supports the needs of the users.
4. Review Village fleet, vehicles and equipment to determine need and future replacement necessity.
5. Create a funding strategy for capital reserve funding.

The Village's non-financial goals identified for 2013 are follows:

1. Foster an innovative culture of collaboration through the establishment of a Village-wide communication plan.
2. Focus attention on the Village work force in the areas of leadership development and personal growth and balance.
3. Establish a Village-wide Comprehensive Training Program.
4. Inventory and prioritize all Village services and categorize as core or non-core.
5. Implement business retention and expansion programming.

Each of these processes is driven by the need to provide or improve a level of service in accordance with Village Board direction, customer feedback and/or long-term community priorities.

Asset Management Goals

In addition to the non-financial goals, each year the Village updates and approves its five-year Capital Improvement Program. A copy of the plan may be reviewed in Section 6: Capital Improvement Program.

Key Performance Indicators

The Strategic Priorities are outlined in Section Two – Organization and Services. Each of the five Village Strategic Priorities is further defined by Key Performance Indicators (KPIs) which are listed below. In Section Five – each department has assignment toward goals that match up with the key performance indicators. It is important to note that each of the priorities is integrated.



Revenue Trends and Projections

As a part of the development of both long-term financial forecasting and the corresponding annual budget, the Village continually reviews external and internal factors that impact, or may impact, the collection of revenue. Evaluating the impact of the national economy (macro) influences the local economy (micro) is an important step in the process.

The national economy affects both state and local economies, although this impact varies by jurisdiction and may actually have an inverse effect on a community. Some of the economic indicators the Village uses in financial analysis include; inflation, employment, housing starts, vehicle sales, interest rates, and manufacturing activity.

Inflation – As inflation goes up, the cost of goods sold go up, increasing retail sales tax revenue. As prices rise, so will business income tax receipts. Conversely, the Village will have to pay more for goods and services.

Employment – Retail and vehicle sales tend to have inverse relationships with the unemployment rate. Sales tend to move in the opposite direction of the unemployment rate. Chronic unemployment often spills over into the residential real estate market resulting in lost real estate transfer tax revenue.

Housing starts - This indicator provides a sense of the overall demand for housing, which can be indicative of local housing activity. Data maintained by local realtor groups is useful in projecting the future of market recoveries.

Vehicle sales – sales and use tax revenues tend to fall with vehicle sales, which are heavily dependent upon both employment and interest rates. However, if increases in new vehicles are expected to reduce the value of used vehicles, the sales and use tax base can actually decline if the depreciation of used vehicles is not equally offset by the value of new vehicles.

Interest rates – Interest rate impact the Village's revenues in several ways. First, investment income will be affected by interest rates. Second, the availability and cost of capital directly affects business expansion and retail purchases. As credit is extended and/or rates are lowered, revolving purchases may increase, thereby increasing development plans and retail sales and, by extension, sales tax and business licenses revenues.

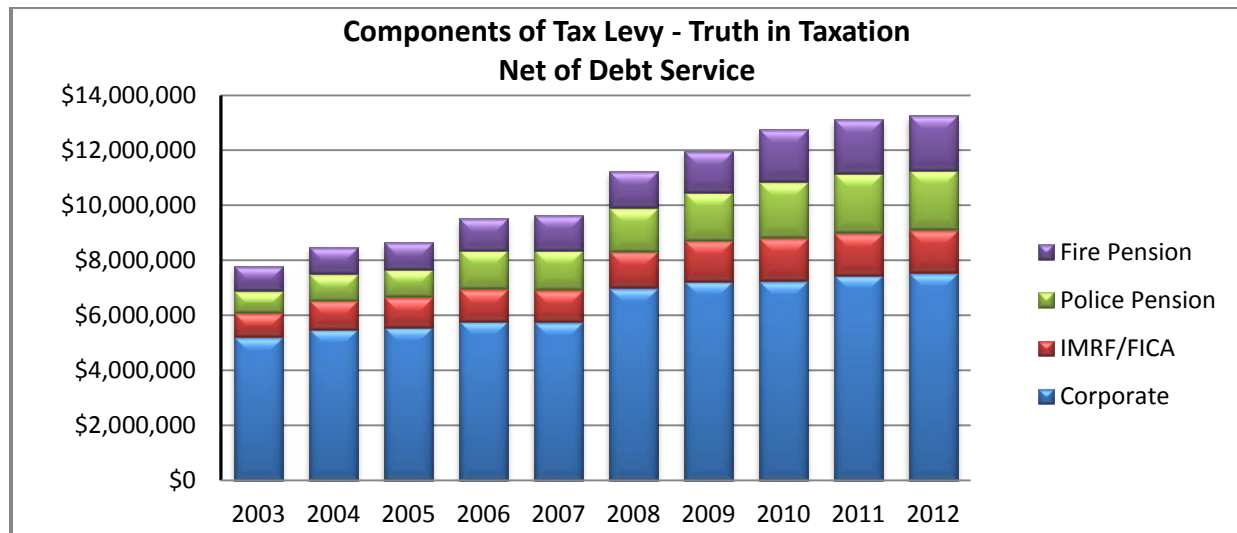
Manufacturing activity – If a Village has a large manufacturing sector, the ISM (Institute of Supply Management Index) becomes a significant factor in revenue analysis and forecasting. Manufacturers respond to the demand for their products by increasing production, building up inventories to meet the demand. The increased production often requires new workers which lowers unemployment figures and can stimulate the local economy.

Property Tax

Property taxes (net of Road and Bridge taxes) are anticipated to be approximately \$14.7 million and will be levied in 2012. This is referred to as the 2012 property tax levy, payable in 2013. Property taxes account for about 24 percent of all budgeted revenues.

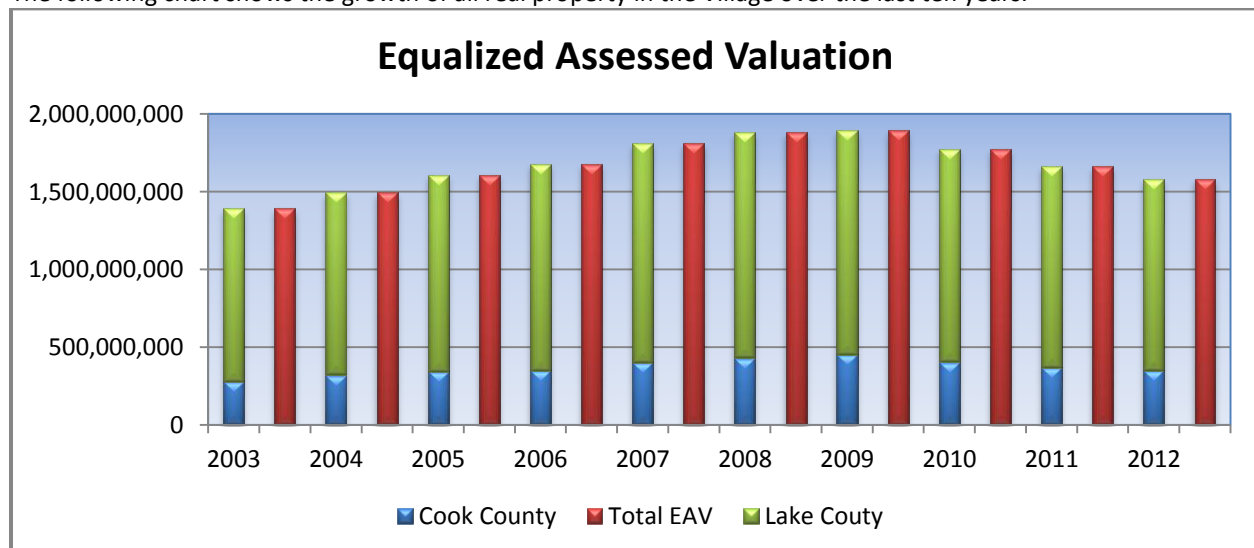
There are three components to the property tax levy, the Corporate Tax Levy, the Pension and Special Purpose Levies, and the Debt Service Levy. The Corporate Tax Levy helps to support the core functions of the Village including public safety and health, public works, and general administration. The Village traditionally uses an inflation metric created by American City and Government and published as the Municipal Cost Index to set the growth target for the Corporate Tax Levy. The Municipal Cost Index is an amalgam of combined inflationary indices (Consumer Price Index-Urban, Producer Price Index and Employer Cost Index) applied to how a local government typically spends its resources. The trailing twelve month inflation rate is 1.5 percent. The Village is sensitive to current economic conditions and the shifting tax burden to residential properties and is recommending a Corporate levy that will not exceed 1.5 percent.

Property tax levies for Police and Fire pensions are based on an independent actuarial analysis of both funds' normal cost as well as to provide an amount necessary to amortize a portion of the unfunded actuarial liability. The levies are the minimum requirements as contemplated under the Illinois Pension Code as that code applies to police and fire sworn employee plans. The amount required for the Illinois Municipal Retirement Fund (IMRF) is provided directly to the Village by IMRF. The amount levied for FICA and Medicare are dictated by the Internal Revenue Service. Most of the growth in the tax levy dollars (excluding debt service) is due to mandated pension obligations as noted in the graph below.

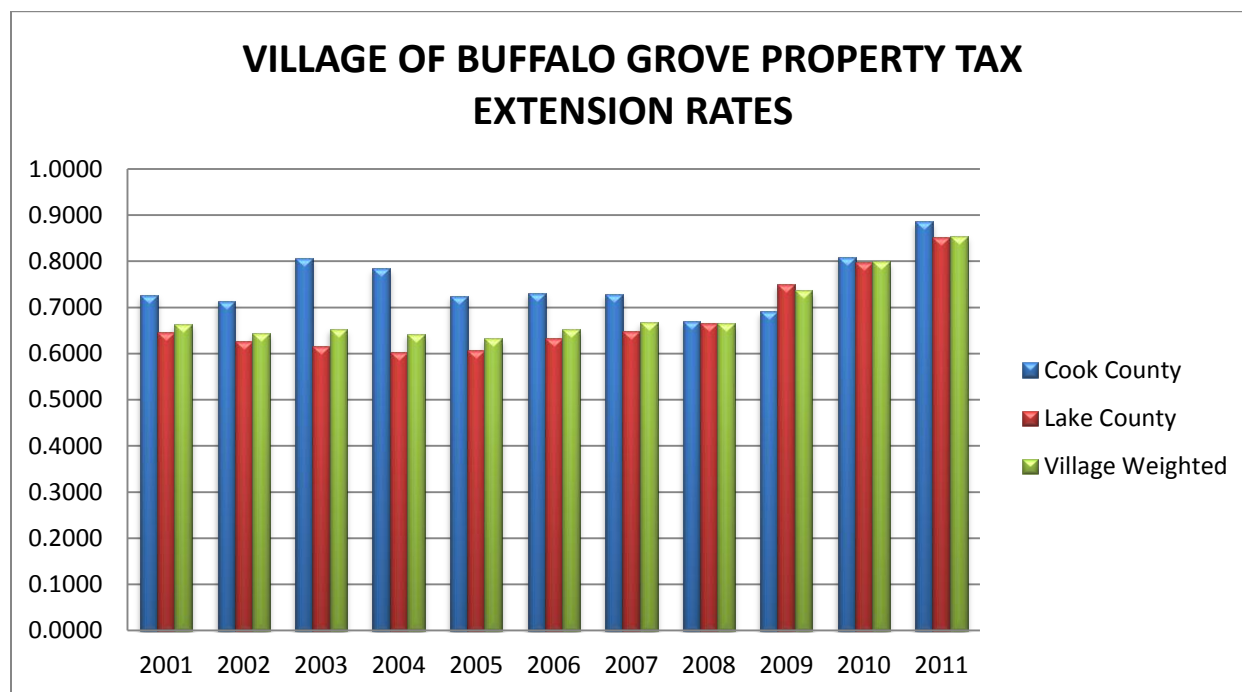


The final component of the tax levy is for debt service obligations. Revenues collected through this levy are used to pay principal and interest on the Village's outstanding general obligation bonds. Principal and interest due in 2012 is \$1,321,300.

The Village of Buffalo Grove levies property taxes within two counties, Cook and Lake, and the Illinois Department of Revenue is tasked with the responsibility of assigning a tax burden to each county. For the 2012 property tax levy, 76.92 percent of all assessed valuation is located in Lake County and 23.08 percent is located in Cook County. The following chart shows the growth of all real property in the Village over the last ten years.



Falling market values as well as vigorous individual assessed value protestations, leads to an estimated tax rate of \$0.87 per \$100 of equalized assessed valuation for the 2012 tax levy (extended in 2013). The chart below provided a history of tax rate weighted for both counties.



The rate at which property taxes are levied is determined by dividing the amount requested by the total equalized assessed valuation (EAV). The EAV is defined as one-third of the market value of all real property in the Village of Buffalo Grove. The Village levies the dollars needed to fund operations, provide the statutory requirement for pensions and meet its debt requirements. The rate is the fulcrum between the dollars requested and the value of all real property. In a declining market value environment the tax rate will increase even if the tax levy dollar amount remains constant. If all property values change uniformly across all classes of property, and the levied dollars do not change, there will be no impact to a property owner's tax bill. In reality, property values do not change in this manner. In Cook County, commercial property values in aggregate have dropped quicker than residential properties resulting in a shift in tax burden.

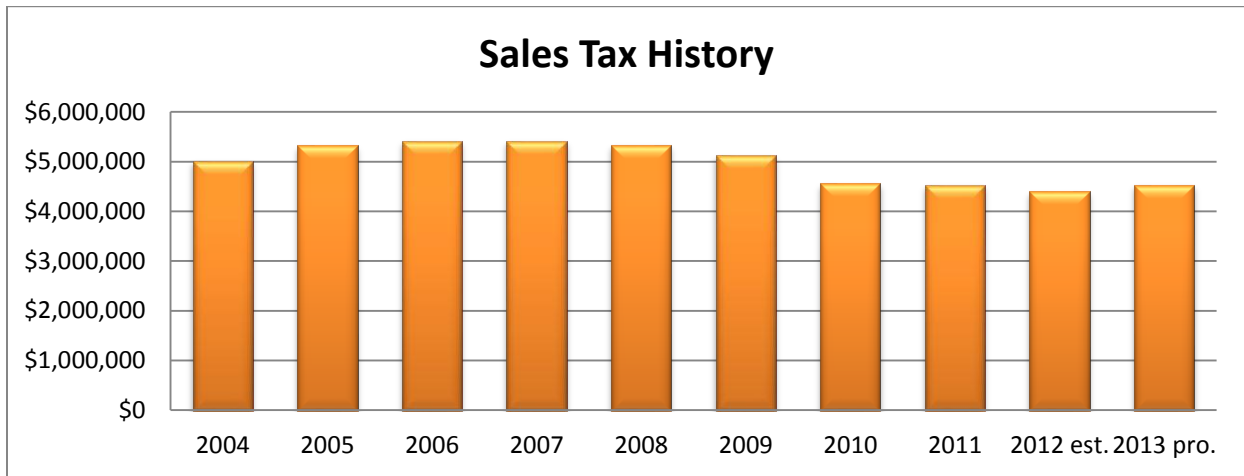
Sales Tax

The Village receives one cent (\$0.01) for each dollar of retail sales. The largest sales tax generators are grocery stores (Dominick's and Jewel/Osco) and restaurants whose sales are not as heavily influenced by economic conditions. Market conditions do, however, impact sales tax as neighboring communities have value-oriented retailers that have expanded product offerings that include food and grocery sales.

The impact of the recession continues to affect all retailers as revenues are down 26 percent from the pre-recessionary peak in 2006. That year was the last year there was growth in revenue above and beyond inflation. Largely contributing to the precipitous decline was the loss of three auto dealerships. Those parcels remain in private ownership and Village staff continues to work closely with property representatives to regain occupancy. These properties are significant strategic parcels along the Dundee Road corridor. Properties along Milwaukee Avenue and Lake Cook Road represent strong opportunities to build retail square footage within the Village.

The FY 2012 budget anticipated \$4.38 million in sales tax revenue. The estimated actual will be approximately .5 percent more or \$4.4 million. For 2013, the budget is anticipated to be \$4.53 million. Growth is based on three percent inflation of the 2012 estimated actual amount.

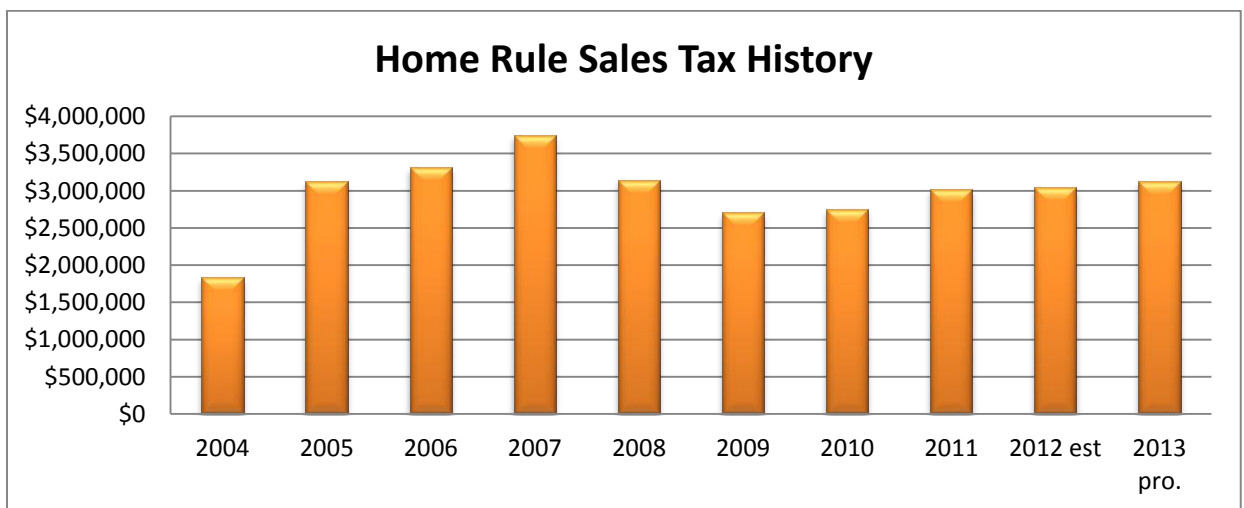
The Village is still concerned about the loss of market share in the food/grocery business to other municipalities and the continuing impact of untaxed internet sales and the disparate impact on brick and mortar businesses. The following chart summarizes sales tax collections over the last ten years.



Home Rule Sales Tax

In 1992, the Village assessed a one-half cent (\$.05) local option sales tax against all retail sales except food and drug items and personal property titled with the State of Illinois. Performance of this revenue tends to mirror performance of the above referenced municipal sales tax, except for those excluded retail classes. The Village Board voted in 2004, effective for January 1, 2005, to increase the home rule sales tax to one percent (1%). As a condition of that increase, 20 percent of all home rule sales taxes are transferred to the Motor Fuel Tax Fund to supplement state shared motor fuel tax remittances to fund the annual street maintenance program. Due to the infusion of bond proceeds into the Motor Fuel Tax Program the transfer was suspended for FY 2013. In 2013, revenues are anticipated to increase by three percent from the 2012 estimated actual amount of \$3.04 million to \$3.13 million. The assumptions for both the municipal and home rule sales tax do not include any new sales tax generators to locate within the Village during 2013.

The following is a ten year review of home rule sales tax collections.



Prepared Food & Beverage Tax

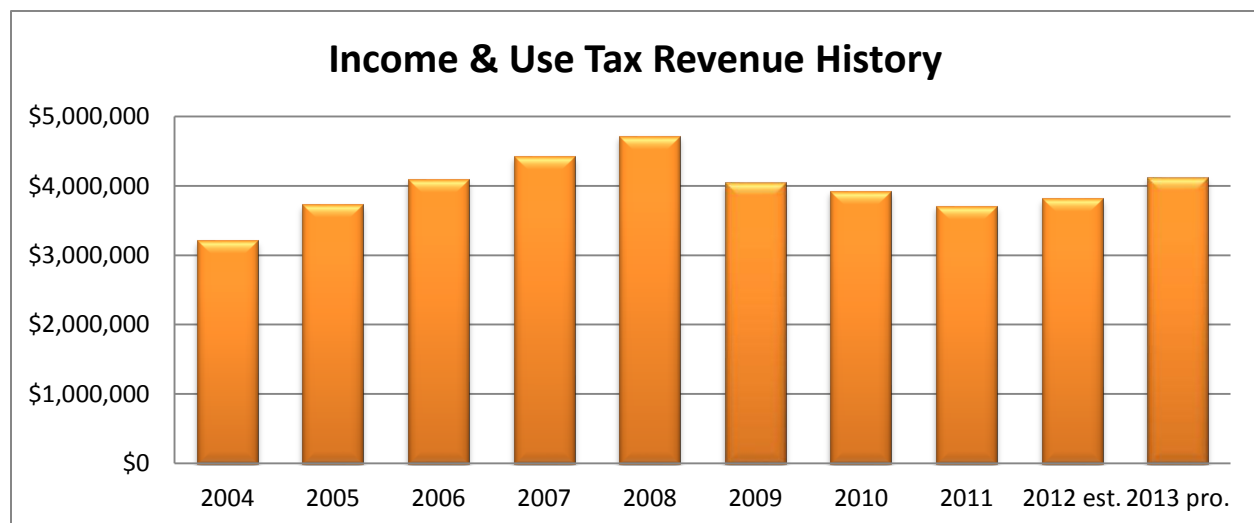
The Village receives one cent (\$0.01) for each dollar of prepared food and beverage sales. This tax is levied on the purchase of prepared food for immediate consumption and the sale of liquor either for consumption on premises or packaged. Similar to sales tax, inflationary growth is the central driver of revenue increases for the next year. There are 118 restaurants/businesses that generate this tax. This revenue has held constant as a large percentage of the dining options within the Village are value oriented. The estimated revenue for 2012 is 2.6 below the budget target and 2013 is forecast to grow three percent to \$741,600. Growth is mostly due to inflation although the revenue will be bolstered by the addition of three new businesses near Buffalo Grove High School that should generate significant sales volume. This tax was enacted in 2008.

Illinois Income & Use Tax

The Village receives a pro rata allocation of Income Tax from the State of Illinois based on six percent of net personal and corporate taxes. There is a perennial concern that the Illinois legislature will reduce the amount remitted to municipalities to address state budget deficits. The Use Tax is a form of sales tax designed to distribute the tax burden fairly among consumers and assures fair competition between in-state and out-of-state businesses. The tax is owed on goods purchased out of Illinois and brought into the state.

Based upon data provided by the Illinois Municipal League, the FY 2013 Income Tax budget is \$3.4 million (\$83.50 per capita) and Use is \$.65 million (\$15.80 per capita). Collectively, Income and Use tax are up 5.2 percent against budget and are projected to increase by 7.8% in FY 2013.

Income and Use Tax peaked in FY 2008 at \$109.31 per capita just prior to the collapse of the economy and the effect of high unemployment on this revenue source. Unemployment in the state of Illinois is beginning to recover to pre-recessionary levels. The state unemployment rate is 8.8 percent (September 2012) compared to 10.1 percent one year ago. Sectors still adding jobs include education, healthcare and manufacturing. The Village of Buffalo Grove's unemployment statistics have consistently beat the national and state averages, with a September 2012 rate of 7.2 percent.



Utility Use Taxes

The Village of Buffalo Grove levies three utility taxes for electricity, natural gas, and telecommunications. Use taxes for electricity and natural gas were first imposed in FY 2010. The amount levied for electricity is the maximum amount allowed by state statute and is based on a sliding scale that nets approximately \$05 per kilowatt hour. Revenue is estimated to be \$1.62 million for 2012 and the budget is generally unchanged for 2013. There are two full years of data and trend information will now be used for future revenue estimates. Utility taxes for natural gas

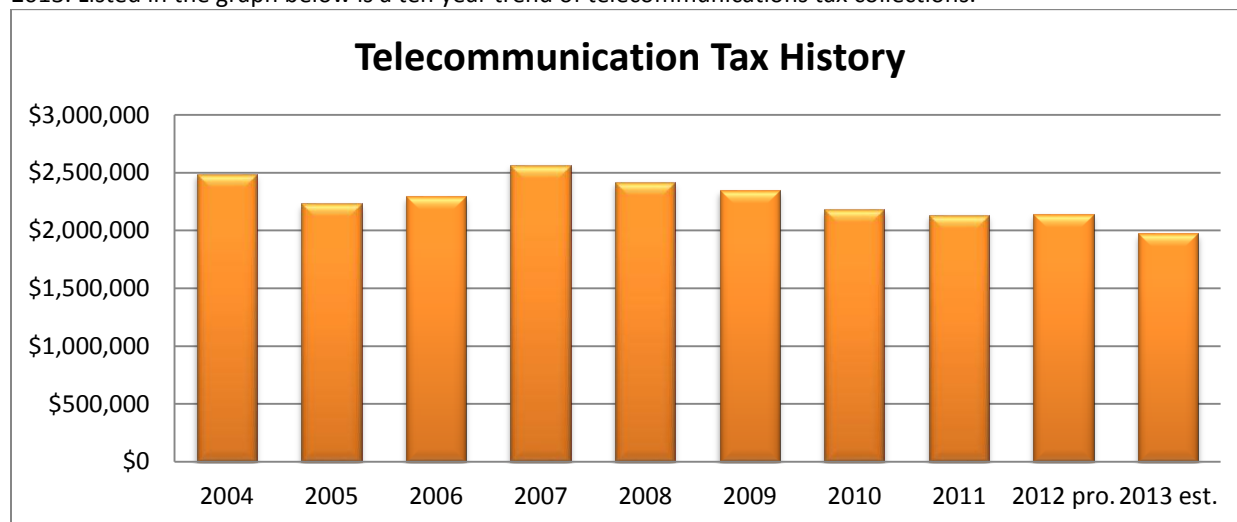
are levied at a rate of \$0.05 per therm. The estimated amount for 2012 is \$.9 million missing budget by 12 percent. The winter of 2011-2012 was uncharacteristically mild resulting in a significant drop in therms used. The budget was reduced to \$.9 million in 2013.

Since both electricity and natural gas use taxes are based on unit pricing there is no fluctuation due to commodity pricing. Absent any increase in households or commercial buildings within the village, this revenue source has little room for future growth. Weather conditions are the primary reason for changes in revenue but, the movement for more efficient building technologies and appliances will be a constant pressure downward on the collection of this revenue.

Telecommunications Tax

This tax levied at six percent on all types of telecommunications except for digital subscriber lines (DSL) purchased, used, or sold by a provider of internet service (effective July 1, 2008). The unbundling of phone and data services for the purpose of extending the tax has had a significant negative impact on collections. Combined with the economic decisions to consolidate, or eliminate, additional phone lines, revenue is down 16 percent from the peak in 2007. Voice over Internet Protocol (VoIP) phone services such as those provided by Xfinity/Comcast and Vonage are subject to this taxation.

There was a slight uptick in revenue in 2012 due to an accounting error caught by the Illinois Department of Revenue that resulted in a one time additional remittance for all municipalities that levy this tax. As a result, revenues increased 4.2 percent against the 2012 budget and then drop to \$1.9 million (8 percent decrease) in 2013. Listed in the graph below is a ten year trend of telecommunications tax collections.



Real Estate Transfer Tax

Real estate transfer tax is collected at the rate of \$3 per \$1,000 of sales consideration. This revenue reached a peak in 2005 at \$1.3 million. Since 2005, collections have dropped 60 percent as a result of the collapse of the housing market. In recent years, this revenue has relied heavily on the sale of large commercial properties (sales consideration > one million dollars). A review of sales data indicates that numbers of traditional sales transactions are increasing. The Village's home resale inventories have decreased sharply, with a 13 percent decrease over the last year. Distressed properties such as foreclosures and short sales increased as a percentage of the total market in October 2012. The median number of days on the market is 90 versus 112 a year ago.

Building Revenue & Fees

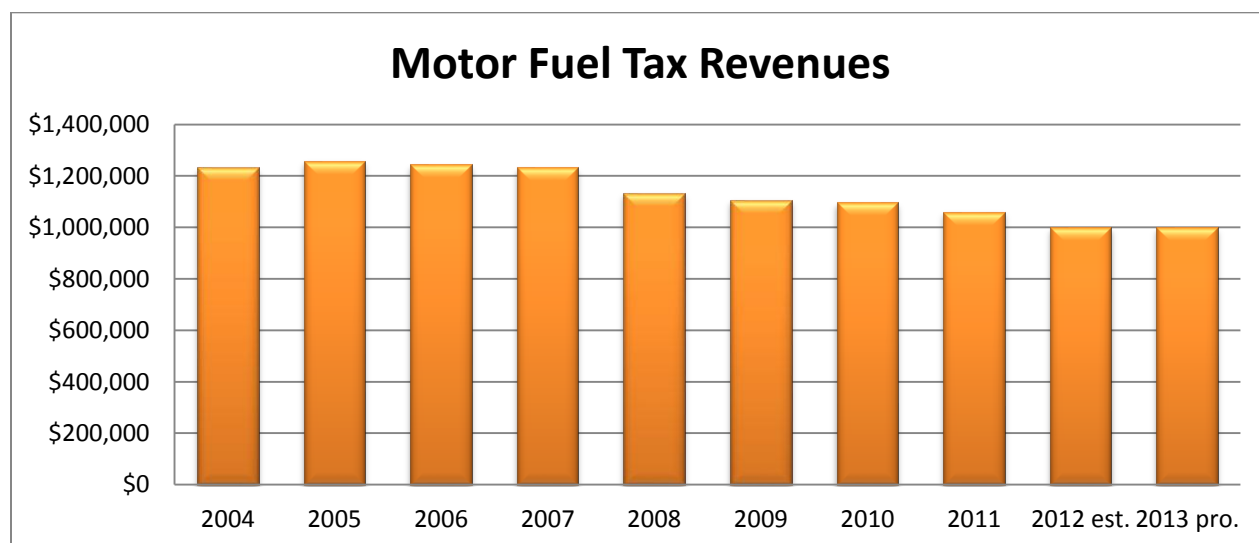
This revenue is budgeted conservatively as a significant percentage of this revenue is considered non-recurring and is reliant upon economic conditions. For 2013, there is no anticipated new development projected. Revenue is anticipated to be collected on improvements to existing structures. Total building revenues and fees are estimated to be \$.6 million, an increase of 13 percent over 2012 revenues but a 26.5 percent decrease from 2012. The most significant project targeted for 2012 construction was the Riverwalk North apartment building. That project did not move forward in 2012 and has been removed from the budget in 2013.

One new source of revenue was adopted by the Village Board in 2012, for a 2013 implementation date. Rental inspection fees are projected to add \$75,000 in revenue. This revenue is generated on the permitting and inspections of rental properties. As more rental properties are identified this revenue should increase.

Motor Fuel Tax

For FY 2013, the Village anticipates \$1 million in Motor Fuel Tax proceeds as estimated by the Illinois Municipal League. Local governments receive 1.25 percent of taxes assessed on gasoline and diesel and is then distributed on a per capita basis. That amount represents a one percent increase from the 2012 budget and no increase against the estimated actual revenue for 2012. Combined with those taxes, in 2012, a home rule sales tax transfer of \$.6 million and the Village's allocation of the Illinois Jobs Now capital grant (\$187,582) for MFT expenditures. In 2013, the home rule sales tax transfer will be suspended due to the \$6 million debt issue for the annual street maintenance program. The transfer will resume in 2014.

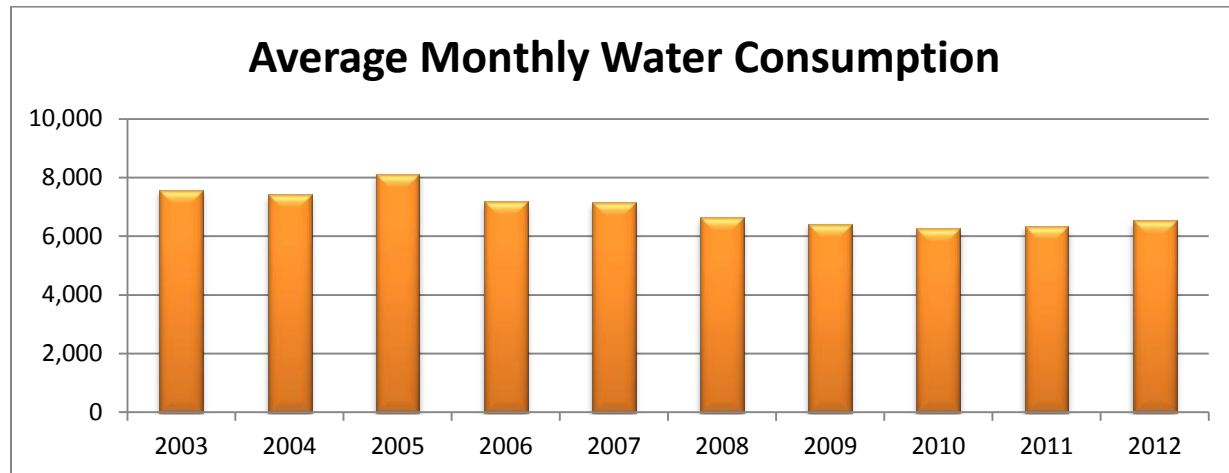
Elevated fuel costs, alternative energy, technological advancements that allow for more employees to telecommute, will continue to impact growth in this revenue. These revenues are used to fund the annual street maintenance program.



Water and Sewer Fees

Total fees collected for the sale of water combined with revenue collected on behalf of Lake County Public Works for 2013 is nine million. 35 percent of the revenue is billed by the Village and then remitted directly to Lake County. Lake County owns and operates the south east region sewer treatment plant. The Village bills the services on their behalf to reduce overhead and administrative costs. The anticipated revenue for 2012 is five percent less than the budget. The lower than expected revenues are due to a drop in fees collected for Lake County sanitary sewer service associated with the summer sewer credit program.

The decline in water usage has appeared to stabilize over the last two years. The decreased demand was due both to weather and economic decisions to irrigate, eco-friendly landscape designs, energy efficient appliances and a decrease in average household size. It is estimated that the total amount of water consumed by the village will remain unchanged in 2013. The chart below illustrates the average monthly water consumption of all classes of users (residential, commercial and industrial).



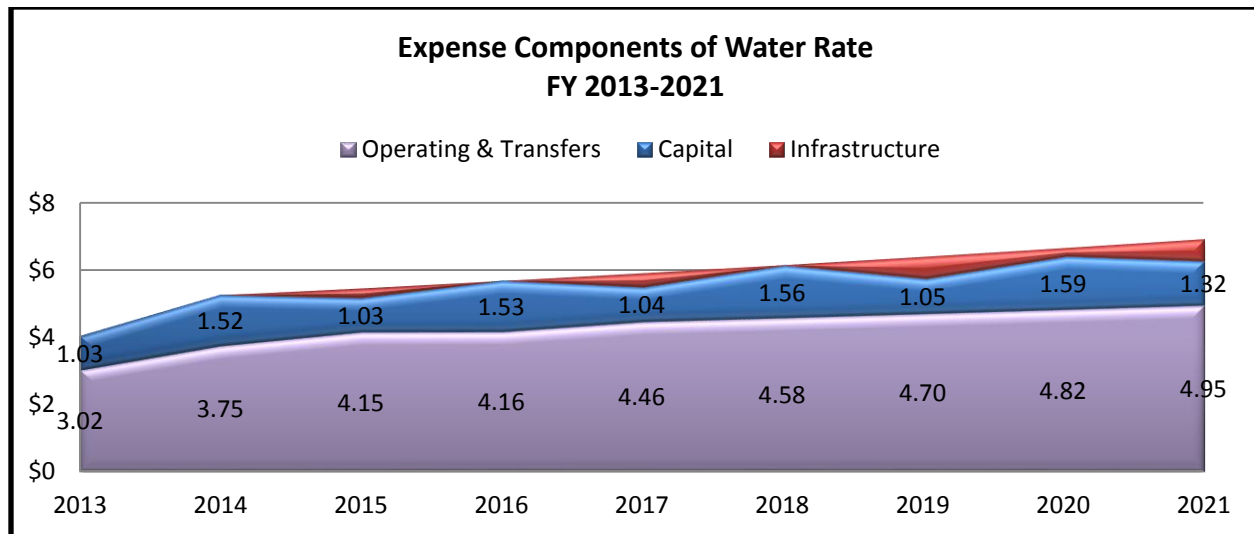
A water rate increase was proposed in 2012 for water use beginning 2013. The basis behind the water rate increase was presented in a twenty year Water Fund proforma analysis. The purpose behind the analysis was to design a fee structure that would adequately fund a utility system with a \$250 million replacement value.

The Village has struggled to offset operational expenses and fund capital improvement reserves with the current rate structure. The Village had a twenty-three year rate freeze from 1984-2007. During those years, the Water and Sewer Fund was able to amass a working cash balance, primarily through building fees that allowed for a reserve to address infrastructure maintenance and improvement. Due to the relative age of the system, over a fifteen year span (1993-2007) the only capital expense was \$229,527 for the St. Mary's Road water main replacement. Since 2007 the fund has spent approximately \$6 million through 2012 to address capital maintenance and improvement projects.

The rate increases approved are:

	Combined Water/Sewer Rate per 1,000 Gallons
2012	\$3
2013	\$4.05
2014	\$5.26
2015	4% increase thereafter

The rate increase will take several years to stabilize the fund and begin to accumulate a reserve for future infrastructure improvements. The following chart shows the allocation of the proposed rate to address operating expenses, capital, and infrastructure reserves.



Lake County sanitary sewer fees have decreased 13 percent from the 2012 budget and are expected to be unchanged entering 2013. The reason for the significant drop in revenue is due to a change in the methodology in billing. The Village has the option to bill customers a flat rate or based on consumption. For 2011, the Village moved to consumption billing to promote equity and water conservation.

Golf Course Fees

Total golf course fees at the Arboretum Golf Club are expected to decrease 2.3 percent in 2013 as measured against the 2012 budget and increase less than 1 percent from the 2012 expected revenue. There is not any anticipated growth in the number of total paid rounds in 2013. The golf industry remains challenged by the downturn in the economy as there is much competition for discretionary income. The state of the industry is challenging because the region is saturated with golf courses without corresponding increases in the number of players. During this down economic period, per-round revenue is strained as customers are shopping for discounts to play, bypassing the power carts, and not spending additional dollars in the pro shop. There are no daily rate increases proposed in 2013.

Total golf course fees at the Buffalo Grove Golf Club are down 7.3 percent against the current budget and are estimated to decrease by 12.1 percent against estimated actual for 2012. Similar economic conditions impact the Buffalo Grove Golf Club in the same manner as the Arboretum, but weather factors as a more significant obstacle for the Buffalo Grove Golf Course. A large percentage of the course is developed within a flood plain and it performs that role well during strong rain events, although the course may be closed for a period of hours to days due to severe rainfall. FY 2012 was an excellent year from a weather standpoint as there were few significant rain events. GPS revenues were also eliminated in 2013 causing a 2 percent in the decline in the year-over-year revenue.

Investment Revenues

The Village's investments are guided by three investment policies including the portfolios of the Police Pension Fund, Firefighter Pension Funds, and all other funds. Total revenue is expected to be \$2,510,170. All funds other than pension funds have durations less than three years with an expected yield of .5 percent. Both pension funds have interest rate targets of seven percent for their actuarial assumption. The pension funds are the only Village funds that purchase equity investments. The Village maintains an investment policy dictating how all funds, except for the three pension funds, are to be invested. The Police and Firefighter Pension Fund Boards are fiduciaries of their respective funds and separately administer the funds' investments with the assistance of outside financial advisors.

Pension Revenues

The Village maintains two pension trust funds mandated by Illinois Compiled Statutes, one for sworn police officers and one for sworn firefighters. All other full-time Village employees are covered by the Illinois Municipal Retirement Fund (IMRF), a statewide Public Employees Retirement System (PERS).

Revenues received by the Police and Firefighter Pension Funds are calculated by an independent actuary. The property tax levies for the Police and Firefighter Pension Funds are anticipated to increase by 1.8 percent and .9 percent respectively. The levy for IMRF will increase by 2.2 percent. Employees contribute 9.91 percent of salary for police and 9.455 percent for firefighters. Employees contribute 4.5 percent of salary for IMRF. For FY 2012, the actuarial investment return assumption was lowered (for the locally administered pension funds – Police and Firefighters) from 7.5 percent to 7.0 percent to reflect the current investment environment. Over the last eight years, the Police Pension Fund's portfolio yield is 4.49 percent while the Firefighter Pension Fund's is 4.19 percent.

Other Revenue Sources

The above information highlights the key revenue sources of the Village. Other revenues are less material and are projected to be in line with inflation or other economic driven trending. There is one new source of revenue proposed in 2013 and one that is discontinued. The new source of revenue will be generated through the rental inspection program. Para mutuel tax, collected on the OTB wagering handle, is not budgeted in 2013 as the operator has left the Village.

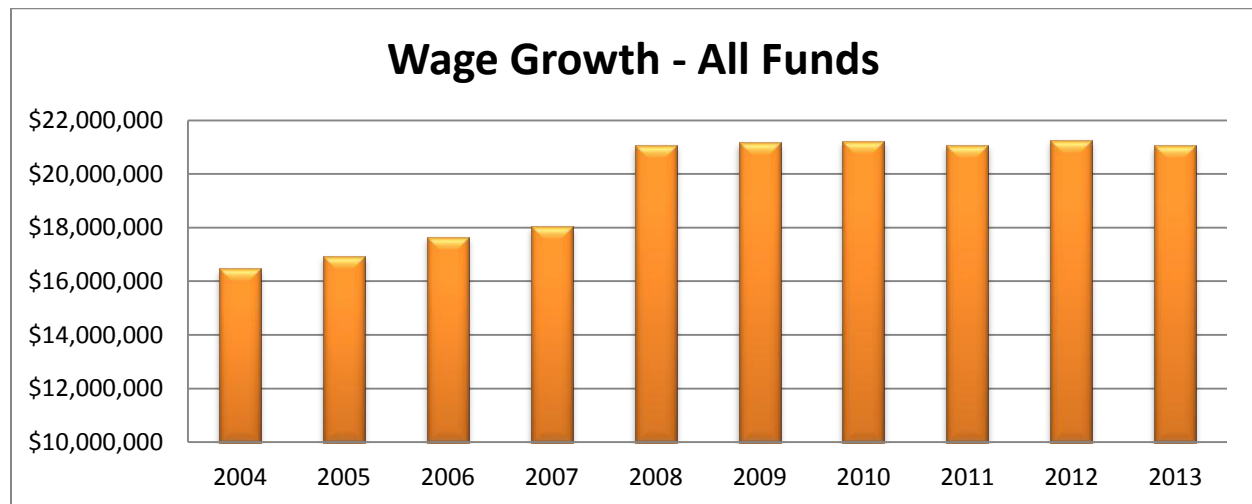
Expenditure Trends and Projections

Personnel Services

The primary mission of the Village of Buffalo Grove is to provide high quality services to the residents and those employed within its boundaries. To accomplish that purpose in 2013, 34.2 percent of all Village expenditures are allocated to salaries and wages, down 2.4 percent from 2012.

The Village's pay ranges are evaluated each year to establish both internal and external equity within the market and to ensure fair and competitive wages. The recession has been a catalyst in reevaluating the Village's pay plan to better adapt to a stagnant economy. The implementation of a Tier II pay system combined with limited pay increases has allowed the Village to continue with expected service levels. The Voluntary Separation Incentive, spanning the 2011 and 2012 budgets, was the first step in rebalancing a percentage of the workforce into Tier II.

There are two unionized labor groups subject to a collective bargaining agreement – International Association of Firefighters Local #3177 – representing 54 firefighters and the Metropolitan Alliance of Police – representing 51 police officers. The current firefighter contract expires May 1, 2013. The police union was certified in 2012 and the first contract will be negotiated in 2013. The non-represented work force will receive a two percent general wage increase. Efforts will continue in 2013 to institute a merit based performance system.

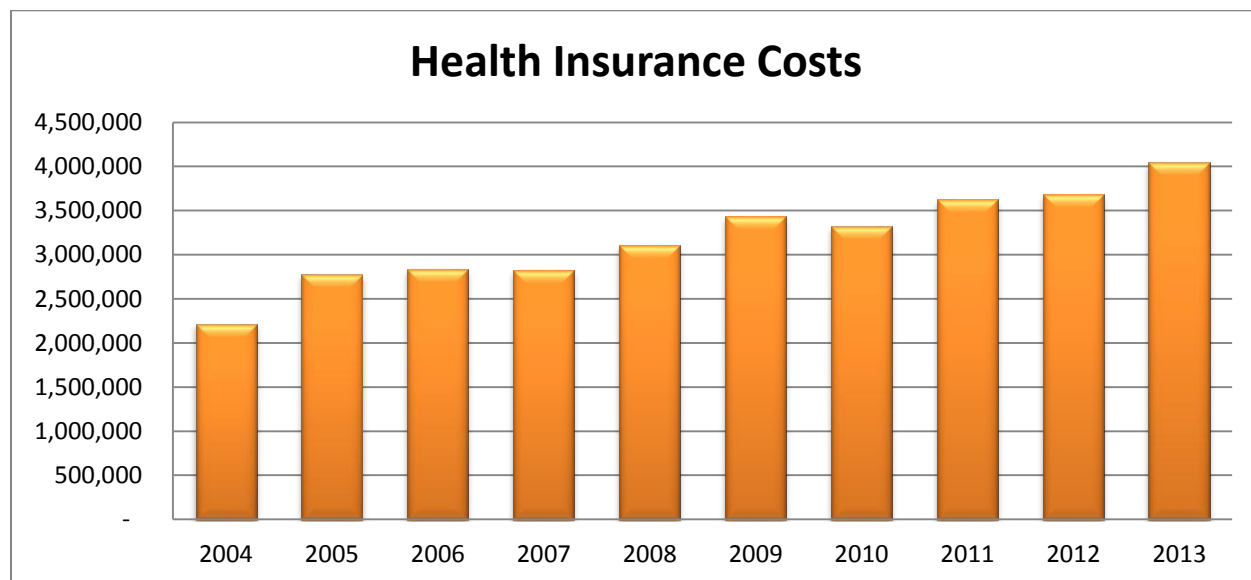


The period between 2007 and 2008 encompasses the change of the fiscal year from an April 30 year end to December 31. To make a annualized comparison, 2007 reflects the fiscal year ended April 30, 2007. The column 2008 represents the calendar year ended December 31, 2008. Data from May 1, 2007 to December 31, 2007 is not part of the analysis. From a total budget perspective, resources allocated to wages have not increased (slight decrease) since 2008. This has been accomplished through minimal general wage increases, downsizing employee counts through attrition, and the implementation of Tier II wage structure.

Personnel Benefits

The Village of Buffalo Grove re-entered the Intergovernmental Profession Benefits Cooperative (IPBC) in 2012. The IPBC is a pooled benefits cooperative with approximately sixty-two member communities. From 2005-2011, the Village self insured its stand alone health program with limited success. In 2013, the total amount budgeted for health insurance is \$4 million. The average increase of all levels of coverage is five percent that closely mirrors medical inflation but, that increase includes a 9 percent reserve funding mechanism. The year over year increase is 9.8 percent. Once the Village reestablishes an adequate reserve, a portion of that balance can be used to offset significant increases. The impact of the Voluntary Separation Incentive, while driving down wage costs, has the opposite effect on health insurance costs as most new employees elect family coverage. Most retirees were on a single or one plus one basis.

The Village has been proactive in trying to contain medical costs. Those efforts will continue in 2013 with a focus on wellness and disease management combined with additional health insurance premium contributions by employees. Through 2011, all employees contributed 10 percent of the medical premium. Beginning in 2012, employee premium contributions will increase one percent per year and conclude in 2016 with employees covering 15 percent of the premium. The 2013 contribution level will be 12 percent of the health premium.



Commodities

Approximately seven percent of the entire Village budget is allocated to commodities. The single largest expense is for the sanitary sewer fees collected on behalf of Lake County. There is corresponding revenue to offset this expense. The next most significant expenses are for fuels, energy, and material costs for the snow and ice removal program. The last winter season was mild resulting in a large inventory of salt for 2013. The budget line item has a corresponding decrease to reflect material on hand and not a change in levels of service. The expense in 2014 will return to reflect historic spending amounts. The Village purchases salt and other routine equipment through the Northwest Municipal Conference's Joint Purchasing Cooperative. This cooperative creates economies of scale and leverages buying power. In 2012, the Village began experimenting with Geo-melt to try and reduce the cost of the snow and ice control program. These efforts will continue in 2013.

Capital Projects & Equipment

Just over fifteen percent of all expenditures will address certain capital projects identified in the 2013 component of the 2013-2017 Capital Improvement Plan as shown in *Section 6: Capital Improvement Budget Summary*. Capital projects are those that typically exceed \$25,000 and either are new construction (or acquisition) or add to service life of the asset. Each year, all proposed capital projects are assessed in terms of reliability, performance and forecast maintenance experience and a plan is developed to gauge the operational importance of the request versus the Village's ability to pay for the improvement.

Capital equipment purchases are funded through the Reserve for Capital Replacement. Until 2009, all departments budgeted a transfer into the reserve. The primary purpose of the reserve was to fund equipment depreciation to ensure that when the asset needed to be replaced it was fully funded. By allocating a transfer to the reserve each year, the capital spending amount is smoothed out and not subject to spikes. Since 2009 the transfer has not been programmed due to financial constraints. The proposed 2013 budget will reinstate this transfer (approximately \$.4 million) in an effort to rebuild equipment funding levels. The Village aggressively recovers the salvage value of the retired asset through online auctions.

Two significant projects are programmed for 2013. The first project is the annual street maintenance program. This program has continued to be a top priority of the Village Board over the last two decades. The resources directed to maintaining and improving the Village's roadway system are received from the State of Illinois pro rata share of Motor Fuel Tax and a 20 percent transfer of Home Rule Sales Tax. In addition to the state shared funding, \$6 million in general obligation bonds were issued to advance a back log of streets that are due for a surface overlay. The purpose of the increase in funding is to repair as many lane miles of pavement before routine maintenance escalates to a full roadway rebuild. A rebuild carries a cost about five or six times that of an overlay.

The second significant project is the Village's reforestation program. Over the next several years it is anticipated that approximately 6,300 Ash Trees will succumb to the Emerald Ash Borer. In 2013, the removal and replacement costs are estimated to be one million dollars. In anticipation of the magnitude of the project, the Village has been working to lock in both pricing on, and availability of, nursery stock.

Other Operating Expenditures

In general, when prices cannot be accurately determined or specific quantities identified, an incremental analysis is performed comparing the estimated actual expense for 2012 along with expenditure trend information. A reasonable estimation of expenditure is developed for 2013 and included within the line item budget.

Debt Service Expenditures

The Village currently has four bond issues outstanding as of January 1, 2013, all being General Obligation Bonds (Series 2012, Series 2010A, Series 2010B, and Series 2003). Bond descriptions and amortization schedules are listed within the *Debt Profile* of this section. The amount paid to the Northwest Water Commission to pay the Village's percentage of the water system debt is included. Most Village debt service revenues are obtained through property tax. The Water and Sewer Fund provides a \$180,000 operating transfer to abate a portion of the taxes attributed to the Public Service Center improvements.

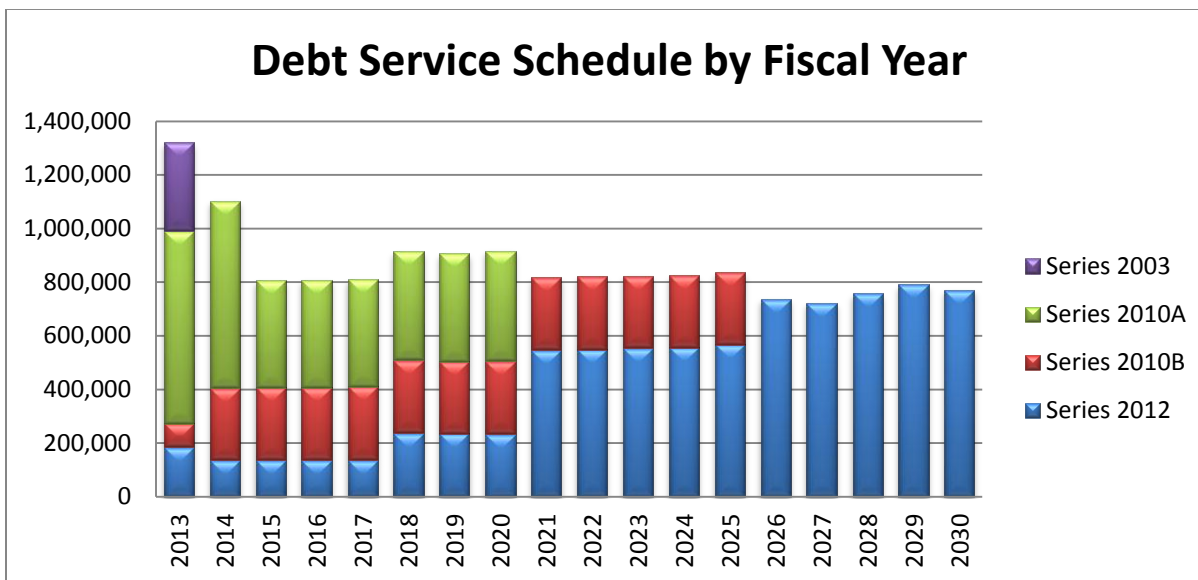
Enterprise Fund Expenses

The Water and Sewer, Refuse, and Golf Funds are considered enterprise funds. Rate structures and user fees should be set at levels that are sufficient to pay for related expenses. Property tax subsidies are not used to balance enterprise fund operations. In 2013, there are no anticipated advances to any of the enterprise funds from the Corporate Fund. As noted, the Water and Sewer Fund will need a series of rate increases to provide sufficient operating revenues and capital reserves.

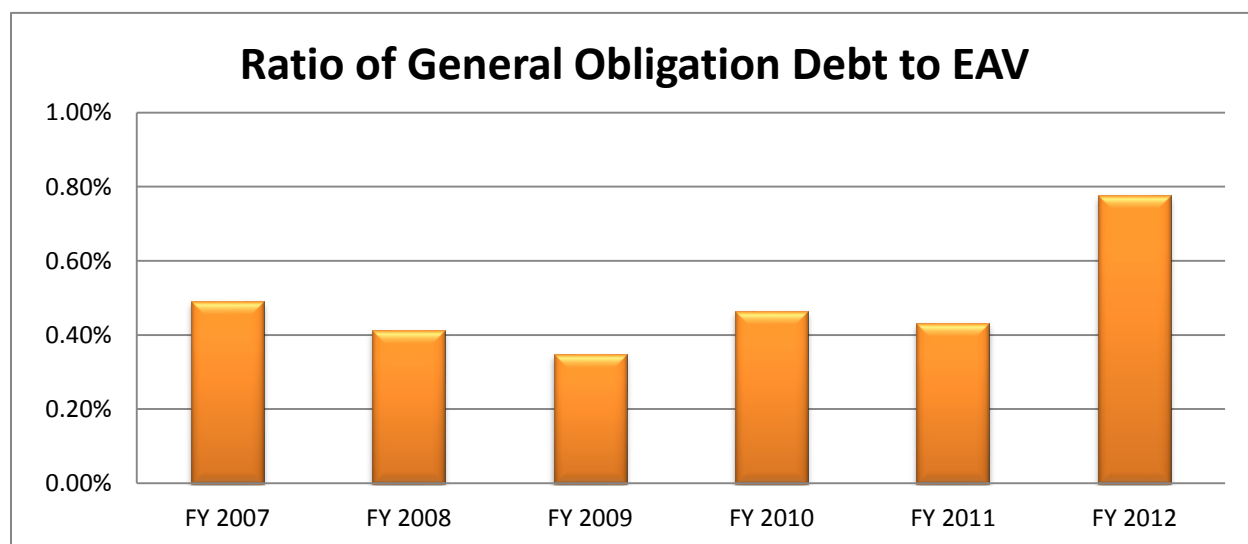
The largest cost within the Water and Sewer Fund is for the wholesale cost of the water (\$1.7 million) through the Northwest Water Commission and the pass through costs (\$3.2 million) of Lake County sanitary sewer services. Within the two golf funds over half of the expenses are wage and benefit driven as much of the costs are to prepare the golf for daily play.

Debt Position

From time-to-time, the Village may use the issuance of long-term debt to further the Village's Capital Improvement Program. Long-term debt is used only for capital projects that cannot be financed from current revenue sources. The Village accounts for repayment of long-term debt in the Facilities Development Debt Service Fund. In FY 2013, debt service consists of \$330,400 for Series 2003, \$718,125 for Series 2010A, \$88,263 for Series 2010B, and \$184,513 for Series 2012. Total debt outstanding as of December 31, 2012 is \$12.28 million. Below is a chart depicting the future principal and interest payments of all general obligation debt.



The Village of Buffalo Grove is a home-rule community and has no legal debt limit set by the Illinois General Assembly. The Village monitors the overlapping debt of all taxing districts and is sensitive to the burden debt places on the taxpayer. As of December 31, 2012, the Village's ratio of General Obligation Bonded Debt to EAV was 0.78 percent with the addition of the \$6 million issue in 2012. Please see *Appendix B: Financial Policies and Projections* for a copy of the Village's Debt Policy. Below is a five year chart depicting debt as a percentage of EAV.



Debt Service Schedules

Overview

The following summarizes the debt service obligations of the Village as of December 31, 2012.

2003 General Obligation Bonds

Purpose:	Proceeds used to complete street improvement projects identified in the FY 2003/2004 Capital Improvement Plan including: Dundee Road intersection lighting, Deerfield Parkway street improvement, and Illinois Route 22 street improvement.
Maturity Date:	December 30, 2013
Original Principal Amount:	\$2,600,000
Investment Rating:	Moody's Investors Service: AAA Standard & Poor's AAA
Principal Outstanding:	\$320,000
Interest:	\$ 10,400

2010A General Obligation Refunding Bonds

Purpose:	Refunding all of the Village's outstanding debt: Series 2001A and Series 2001B. The 2001A Bonds were issued to partially finance the rehabilitation and improvement of existing golf course facilities and the 2001B proceeds were used to finance the refunding of the Village's outstanding debt at that time.
Maturity Date:	12/30/2020
Original Principal Amount:	\$5,310,000
Investment Rating:	Moody's Investors Service: AAA Standard & Poor's AAA
Principal Outstanding:	\$3,360,000
Interest:	\$ 469,525

2010B General Obligation Bonds

Purpose:	Proceeds used to finance public capital infrastructure improvements including storm water drainage, the construction of water detention facilities, installation of storm sewers and storm box culverts, roadway reconstruction, landscape walls reconstruction, and sidewalk removal and restoration.
Maturity Date:	12/30/2025
Original Principal Amount:	\$2,600,000
Investment Rating:	Moody's Investors Service: AAA Standard & Poor's AAA
Principal Outstanding:	\$2,600,000
Interest:	\$ 731,073

2012 General Obligation Bonds

Purpose:	Proceeds used to complete street improvement projects identified in the FY 2013 Capital Improvement Plan.
Maturity Date:	12/30/2030
Original Principal Amount:	\$6,000,000
Investment Rating:	Moody's Investors Service: AAA Standard & Poor's AAA
Principal Outstanding:	\$6,000,000
Interest:	\$1,989,638

Debt Service Schedules

Annual Payments - General Obligation Debt

Principal

Fiscal Year	Series 2003	Series 2010A	Series 2010B	Series 2012	Total
2013	320,000	620,000	-	-	940,000
2014	-	610,000	180,000	-	790,000
2015	-	325,000	185,000	-	510,000
2016	-	335,000	190,000	-	525,000
2017	-	345,000	200,000	-	545,000
2018	-	360,000	205,000	100,000	665,000
2019	-	370,000	210,000	100,000	680,000
2020	-	395,000	220,000	100,000	715,000
2021	-	-	225,000	415,000	640,000
2022	-	-	235,000	425,000	660,000
2023	-	-	240,000	440,000	680,000
2024	-	-	250,000	450,000	700,000
2025	-	-	260,000	470,000	730,000
2026	-	-	-	650,000	650,000
2027	-	-	-	650,000	650,000
2028	-	-	-	700,000	700,000
2029	-	-	-	750,000	750,000
2030	-	-	-	750,000	750,000
Total	320,000	3,360,000	2,600,000	6,000,000	12,280,000

Interest

Fiscal Year	Series 2003	Series 2010A	Series 2010B	Series 2012	Total
2013	10,400	98,125	88,263	184,513	381,300
2014	-	85,725	88,263	137,525	311,513
2015	-	73,525	83,763	137,525	294,813
2016	-	65,400	79,138	137,525	282,063
2017	-	55,350	73,438	137,525	266,313
2018	-	45,000	66,938	137,525	249,463
2019	-	30,600	59,763	135,525	225,888
2020	-	15,800	52,413	133,525	201,738
2021	-	-	44,713	131,525	176,238
2022	-	-	36,725	123,225	159,950
2023	-	-	28,265	114,725	142,990
2024	-	-	19,385	105,925	125,310
2025	-	-	10,010	96,925	106,935
2026	-	-	-	86,938	86,938
2027	-	-	-	72,313	72,313
2028	-	-	-	56,875	56,875
2029	-	-	-	39,375	39,375
2030	-	-	-	20,625	20,625
Total	10,400	469,525	731,073	1,989,638	3,200,635

Fund Balance Projections by Fund

The fund balance is the fund equity of governmental funds. Changes in fund balances are the result of the difference of revenues to expenditures. Fund balances increase when revenues exceed expenditures and decrease when expenditures exceed revenues.

The Village of Buffalo Grove uses cash and investments as a proxy for fund equity in the enterprise funds. The following table depicts the proposed revenues and expenditures by fund for the FY 2013 budget, with surplus (deficit) shown for each fund.

Fund	Fund Balance January 1, 2013	2013 Revenue	2013 Expenditures	Excess of Revenue over Expenditures	Fund Balance December 31, 2013
General Fund	9,571,895	34,009,551	(33,989,915)	19,636	9,591,531
Special Revenue Funds					
IMRF	126,316	1,600,843	(1,586,750)	14,093	140,409
Parking Lot	140,323	159,320	(168,233)	(8,913)	131,410
Motor Fuel Tax	4,961,323	1,187,582	(4,750,000)	(3,562,418)	1,398,905
Debt Service Fund					
Facilities Dev. Debt Service	12,543	1,338,696	(1,342,000)	(3,304)	9,239
Capital Project Funds					
Facilities	58,081	1,586,097	(1,586,097)		58,081
Streets	100,540	100	(100,452)	(100,352)	188
Enterprise Funds					
Water & Sewer	3,039,729	10,130,906	(10,507,622)	(376,716)	2,663,013
Arboretum Golf Course	(1,335)	1,222,310	(1,222,310)		(1,335)
Buffalo Grove Golf Course	2,066	1,211,200	(1,200,068)	132	2,198
Refuse Service	240,104	1,041,217	(934,285)	106,932	347,036
Trust & Agency Funds					
Police Pension	46,484,675	4,023,792	(2,389,015)	1,634,777	48,119,452
Firefighter Pension	37,572,789	3,761,443	(1,674,069)	2,087,374	39,660,163
Total All Funds	102,309,049	61,273,057	(61,461,816)	(188,759)	102,120,290

There are six funds that are budgeted to have greater than a ten percent variance in fund balance during 2013. The first fund is IMRF. There is the potential for several retirements that will lessen the impact on the retirement funding for the year. Motor Fuel Tax has received \$6 million in fund in 2012 that will be expended in 2013. Facility Development Debt Service Fund fund balance will decrease by 27 percent as debt service obligations are satisfied. The fund balance amount should ultimately be zero as the expense activity is funded by the General Fund. Capital Project Streets has a \$100,352 decrease in fund balance allocated to capital improvements. Water and Sewer cash and investments will drop by \$376,716 to fund several projects in the Capital Improvement Plan. The Refuse Fund is will generate \$106,932 in surplus that will be used to moderate the next phased rate increase.

The material difference in the ending fund balance reported in the 2012 Budget for the General Fund versus the starting balance reported in 2013 is due to the accounting of developer deposits in 2012 as fund balance. A better representation of available funds should not include those deposits.

Section 5

General Fund Summary and Detail

General Fund Revenue
Office of the Village Manager
 Legislative
 Legal Services
Information Technology/Emergency Management
Finance and General Services
Human Resources
Fire Services
Police Services
Building and Zoning
Public Works Management and Administration
 Engineering Services
 Building Services/Street Lighting
 Street Operations and Maintenance
Non-Operating Transfers



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General Fund Revenue

The General Fund Revenue Budget for 2013 is \$34,009,551 representing a 1.50 percent increase over 2012 and a 1.68 percent increase over the 2012 estimated actual. Eighty-seven percent of the budget is comprised of property taxes, state shared taxes (sales tax and income tax), home-rule sales tax, telecommunications tax, and utility use taxes. For a more detailed description on revenues and assumptions refer to *Section 4 Executive Overview*.

Description		FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 100 - General Fund						
<u>Revenues</u>						
10 - Property Taxes						
400.01	Corporate Levy - Cook County	440,506	527,219	510,727	514,302	518,387
400.02	Corporate Levy - Lake County	1,688,382	1,682,567	1,685,639	1,697,438	1,710,923
400.03	Police Protection - Cook County	105,615	126,815	122,924	123,784	124,767
400.04	Police Protection - Lake County	404,820	403,424	405,707	408,546	411,792
400.05	Crossing Guard Levy - Cook Cty	10,306	12,396	12,019	12,103	12,199
400.06	Crossing Guard Levy - Lake Cty	39,733	39,596	39,669	39,946	40,264
400.07	Fire Protection - Cook County	755,231	903,623	875,657	881,786	888,791
400.08	Fire Protection - Lake County	2,896,020	2,884,796	2,890,085	2,910,315	2,933,436
400.09	Street & Bridge Levy - Cook Cty	140,500	168,073	162,868	164,008	165,311
400.10	Street & Bridge Levy - Lake Cty	538,417	536,559	537,543	541,305	545,606
400.11	Street Lighting Levy - Cook Cty	47,655	56,986	55,218	55,604	56,046
400.12	Street Lighting Levy - Lake Cty	182,545	181,914	182,247	183,522	184,980
400.13	ESDA Levy - Cook County	2,614	3,064	2,930	2,950	2,973
400.14	ESDA Levy - Lake County	9,788	9,755	9,671	9,738	9,816
400.50	Police Pension - Lake County	1,549,154	1,675,063	1,661,347	1,672,976	1,691,232
400.51	Police Pension - Cook County	407,974	526,255	498,490	501,979	507,457
400.60	Fire Pension - Lake County	1,473,155	1,545,583	1,541,289	1,552,078	1,555,628
400.61	Fire Pension - Cook County	390,982	488,190	462,467	465,704	466,769
10 - Property Taxes		11,083,397	11,771,878	11,656,497	11,738,084	11,826,377
Percent Change 2013 vs. 2012 Budget						1.46%
15 - Other Taxes						
410.05	Local Use Tax	-	-	-	-	655,636
410.10	State Income Tax	5,321,472	3,714,864	3,629,853	3,820,000	3,464,916
410.15	Sales Tax - State	4,654,246	4,096,821	4,374,760	4,400,906	4,532,933
410.16	Sales Tax Rebate Payments	(91,085)	(133,336)	-	-	-
410.20	Road & Bridge Tax Wheeling	24,447	31,199	28,000	28,000	28,000
410.25	Road & Bridge Tax Vernon	165,783	157,244	161,000	161,000	161,000
410.30	Foreign Fire Insurance Tax	-	-	-	-	-
410.50	Replacement Tax	-	-	-	-	-
415.05	Sales Tax - Home Rule	2,838,569	3,153,985	3,044,100	3,044,973	3,136,322
415.10	Home Rule Rebate	(91,930)	(133,336)	-	-	-
415.15	Real Estate Transfer Tax	545,515	629,376	500,000	500,000	525,000
415.20	Hotel/Motel Tax	129,712	131,386	121,000	121,000	121,000
415.25	Simplified Telecommunications Tx	2,183,190	2,134,462	2,055,073	2,141,711	1,971,711
415.30	Prepared Food & Beverage Tax	691,114	712,789	739,356	720,000	741,600
415.35	Electricity Use Tax	1,476,404	1,574,578	1,619,000	1,626,929	1,620,384
415.40	Natural Gas Use Tax	756,073	992,513	1,052,218	931,502	948,000
415.45	Para Mutual Tax	84,032	73,027	80,000	22,947	-
415.50	Auto Rental Tax	6,556	11,546	10,000	8,500	8,500
15 - Other Taxes		18,694,098	17,147,118	17,414,360	17,527,468	17,915,002
Percent Change 2013 vs. 2012 Budget						2.87%
20 - Intergovernmental Revenue						
440.05	Local Reimb - Police Training	-	-	-	-	-
440.10	Local Reimb - Fire Training	-	-	-	-	-
440.15	Local Reimb - District #214 Officer	63,346	89,388	82,414	82,414	85,717
440.20	Local Reimb - Various Govts Fuel	71,606	86,421	80,000	86,500	86,500
440.25	Local Reimb - D.A.R.E. Officer	85,463	80,280	82,386	81,865	85,717

Description		FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
440.30	Local Reimb - Police Grant Program	7,500	-	-	-	-
440.35	Local Reimb - Park District IT Support	14,167	9,996	9,996	9,996	9,996
20 - Intergovernmental Revenue		242,082	266,085	254,796	260,775	267,930
Percent Change 2013 vs. 2012 Budget						5.15%
25 - Licenses						
420.05	Business Licenses	102,728	106,743	100,000	100,000	100,000
420.10	Tobacco Licenses	1,800	1,650	1,800	1,950	1,950
420.15	Vending Machine Licenses	2,185	2,350	2,200	2,200	2,200
420.20	Chauffer Licenses	2,650	2,160	2,650	2,650	2,650
420.25	Alarm Permits	28,375	26,650	28,375	28,375	28,375
420.50	All Other Licenses	9,165	7,350	9,000	9,000	9,000
425.05	Class A	52,500	52,450	52,500	60,000	60,000
425.10	Class B	21,550	19,550	18,400	23,000	23,000
425.15	Class C	26,250	34,800	37,500	30,000	30,000
425.20	Class D	7,200	5,400	5,400	600	600
425.25	Class E	10,500	7,500	7,500	9,000	9,000
425.30	Class F	2,000	2,000	2,000	2,000	2,000
425.50	Other	1,835	3,370	2,845	2,500	2,500
430.05	Animal Licenses Dogs	8,746	7,446	8,250	8,100	8,100
430.10	Animal Licenses Cats	680	720	800	720	720
25 - Licenses		278,164	280,139	279,220	280,095	280,095
Percent Change 2013 vs. 2012 Budget						0.31%
30 - Permits						
435.05	Development Building Permits	170,737	44,013	232,800	147,000	19,500
435.10	Engineering Fees	40,163	78,225	50,081	50,081	49,557
435.15	Contractor Registration	61,770	75,794	70,000	69,925	70,000
435.20	Plan Review Fees	64,962	89,803	60,000	59,710	60,000
435.25	Filing Fees	5,200	2,600	2,500	2,475	2,500
435.30	Annexation Fees	20,300	4,900	65,800	700	-
435.35	Building Inspection Fees	223,612	306,990	225,000	154,060	200,000
435.40	Plumbing Inspection Fees	29,108	31,466	28,000	27,775	28,000
435.45	Electrical Inspection Fees	50,527	53,070	40,000	42,030	40,000
435.50	Mechanical Inspection Fees	17,585	20,200	15,000	17,050	15,000
435.55	Sign Inspection Fees	6,322	8,890	5,000	6,302	5,000
435.60	Elevator Inspection Fees	35,533	32,047	35,000	35,840	35,000
435.65	Fire Suppression Inspection Fees	2,639	6,745	4,150	1,250	1,250
435.70	Rental Inspection Fees	-	-	-	-	75,000
435.71	Other Non-Business Lic & Permits	37,406	46,443	45,000	44,360	45,000
30 - Permits		765,864	801,186	878,331	658,558	645,807
Percent Change 2013 vs. 2012 Budget						-26.47%
35 - Fines and Fees						
455.05	Court Fines Cook	19,320	20,232	18,950	16,000	16,000
455.10	Court Fines Lake	515,524	523,454	510,000	456,000	456,000
455.15	Village Ordinance Fines	39,152	39,162	35,500	35,500	35,500
455.20	Alarm Service Calls	30,308	24,150	27,000	17,000	17,000
455.25	Accident Reports	4,560	4,357	4,450	3,725	3,725
455.35	Ambulance Transport Fees	661,904	686,687	668,000	668,000	668,000
455.40	Subpoena Fees	2,715	1,575	1,850	1,000	1,000

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
455.45 DUI Assessments	29,351	35,591	30,000	30,000	25,000
455.50 Impounding Fees	116,927	69,100	86,900	46,500	39,525
35 - Fines and Fees	1,419,761	1,404,308	1,382,650	1,273,725	1,261,750
Percent Change 2013 vs. 2012 Budget					-8.74%
 40 - Charges for Services					
441.30 Sales of Water Construction Water	-	-	-	-	-
40 - Charges for Services	-	-	-	-	-
Percent Change 2013 vs. 2012 Budget					0.00%
 45 - Interest Income					
450.05 Savings	6,640	1,865	1,250	1,250	1,000
450.10 Investment Pool	809	254	500	400	300
450.15 Money Market	273	(68)	100	-	-
450.20 CD's	182,711	108,582	98,313	90,000	80,000
450.25 Securities	56,464	21,604	31,500	30,000	22,000
45 - Interest Income	246,897	132,237	131,663	121,650	103,300
Percent Change 2013 vs. 2012 Budget					-21.54%
 50 - Miscellaneous Revenue					
465.05 Cable Franchise Fees	601,829	719,356	685,733	748,000	770,440
465.20 Facility Rental	3,850	4,037	3,850	3,850	3,850
465.60 Central Garage Reimbursements	87,540	110,388	75,000	90,000	90,000
465.70 Recycling Proceeds	-	-	-	-	40,000
465.75 Auction Proceeds	195,833	142,804	-	-	-
465.90 Miscellaneous Income	85,173	72,121	40,000	40,000	40,000
472 Capital Contributions	-	-	-	-	-
50 - Miscellaneous Revenue	974,225	1,048,706	804,583	881,850	944,290
Percent Change 2013 vs. 2012 Budget					17.36%
 55 - Operating Transfers					
460.05 Interfund Transfers In	705,000	705,000	705,000	705,000	765,000
55 - Operating Transfers	705,000	705,000	705,000	705,000	765,000
Percent Change 2013 vs. 2012 Budget					8.51%
 Revenues Total	34,409,488	33,556,657	33,507,100	33,447,205	34,009,551
Percent Change 2013 vs. 2012 Budget					1.50%

Office of the Village Manager

The Office of Village Manager (OVM) provides general management, staff leadership, and administrative review and oversight to all Village departments.

Legislative

The objective of the Village Board is to assure the community efficient and economical government service, and to establish policy and enact ordinances that protect the health, safety and welfare of Village residents. Village Board members are elected at-large and each serves a four year term of office. The Board establishes the vision and direction for the Village, and coordinates through the Village Manager who is responsible for carrying out the policy and overseeing the day-to-day operations of the Village.

Members of the Board are assigned specific program or functional areas of responsibility by the Village President, and represent the Village at meetings, workshops and public hearings related to their assigned responsibilities. The Village Board maintains membership and participates in programs and activities in a number of organizations including but not limited to the Northwest Municipal Conference, Illinois Municipal League, Metropolitan Mayors Caucus, Lake County Municipal League, and Lake County Partners.

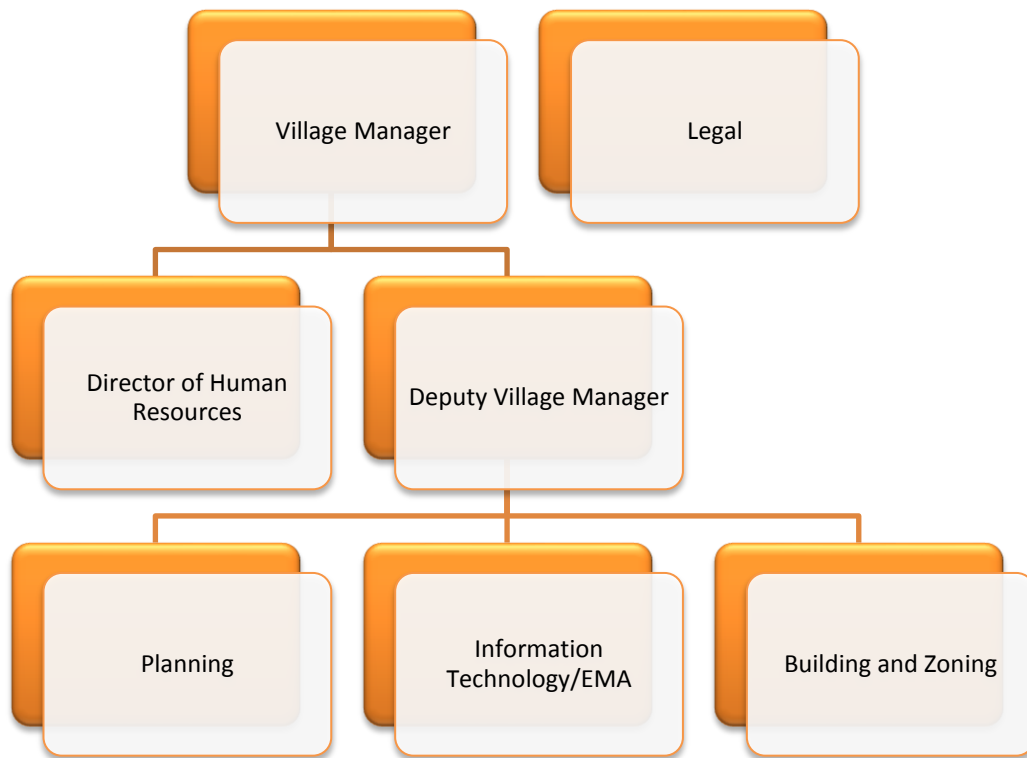
Village commissions, committees and boards are composed of residents appointed by the Village President by and with the consent of the Board of Trustees. There are more than one-hundred volunteers serving thirteen commissions, committees and boards. An overview of Village commissions, committees and board as codified in the Municipal Code may be reviewed in *Section 2: Organization and Services*.

Legal

The Village Attorney provides legal service and advice to the Village staff, Village Board and Village Commissions, Committees and Boards on a variety of legal matters pertaining to Village operations. The Village Attorney attends Village Board meetings, Plan Commission and Zoning Board of Appeals public hearings, and is available for staff conferences as needed. The Village Attorney receives a monthly retainer for these services. Additional funds are budgeted for legal costs incurred by specific research, ordinance preparation, annexation agreements, contracts and litigation. Within the Legal Division budget, a Village Prosecutor is retained to represent Village interests in court.



Department Structure



2012 Accomplishments

1. Conducted over 25 employee focus group sessions for the purposes of writing a comprehensive strategic plan. In addition to direct employee communication and problem solving, several integrated staffing teams performed strength, weakness, opportunity and threat (SWOT) analysis, developed realistic approaches to meeting stated objectives and assisted in the formulation of key performance indicators. The strategic plan is a document that will govern decision making for the next five to eight years. The foundation of this plan is located in *Section 4: Executive Overview*.
2. Passed a resolution allowing for the authorization of an electric aggregation program. Led a regional consortium of seven municipalities for the selection of an energy provider, awarded bid and launched the program for residents and small business owners, resulting in a 28 percent decrease in kilowatt hour electric rates paid by residents.
3. After issuing an RFP, collecting, compiling and analyzing the results – presented for the Village Board’s adoption a comprehensive refuse and recycling contract, with a five-year fixed rate structure and a refuse cart program.
4. Developed and presented bond ratings reviews to Moody’s Investor Services and Standard & Poor’s, earning affirmed AAA and Aaa bond ratings for existing debt, as well as AAA and Aaa ratings for Series 2012 debt.
5. Earned the Distinguished Budget Presentation Award from the Government Finance Officers Association, the first ever for the Village.
6. Prepared initial development project analysis and evaluated financial projections for presentation of the proposed Downtown Buffalo Grove project to the Village Board.

2013 Goals

In addition to the normal operating goals managed within each department; this fiscal year, all departments have goals related to the implementation of the strategic plan.

	Inventory and prioritize all departmental services and categorize as core or non-core.
	Foster an innovative culture of collaboration through the establishment of a Village-wide communication plan.
	Review methods for diversification of the Village’s revenue sources.
	Implement new business retention and expansion programming.
	Create funding strategy for all capital reserve programming.

2013 Staffing Summary

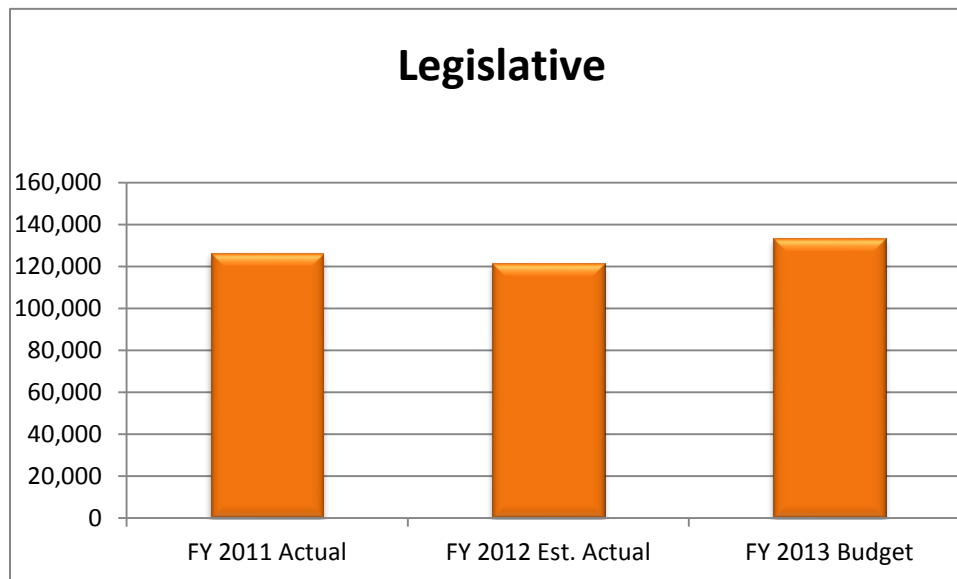
For 2013, there will be no programmed staffing changes in this department. However, the positions of Director of Human Resources and Part-Time Secretary have been moved to a separate table within the Human Resources section of this document.

	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Administrative Intern	0	0	0	0	0	0
Assistant to the Village Manager	0	1	1	0	1	0
Associate Planner	0	1	0	1	0	1
Deputy Village Manager	1	0	1	0	1	0
Director of Human Resources	1	0	1	0	0	0
Emergency Response Coordinator	0	1	0	1	0	1
Village Manager	1	0	1	0	1	0
Village Planner	1	0	1	0	1	0
Secretary	1	1	1	1	1	0
Total	5	4	6	3	5	2
Full & Part-Time Total	9		9		7	

*Human Resources Director and PT Secretary positions reflected in separate Human Resources table effective January 1, 2013.

Budget Summary Legislative

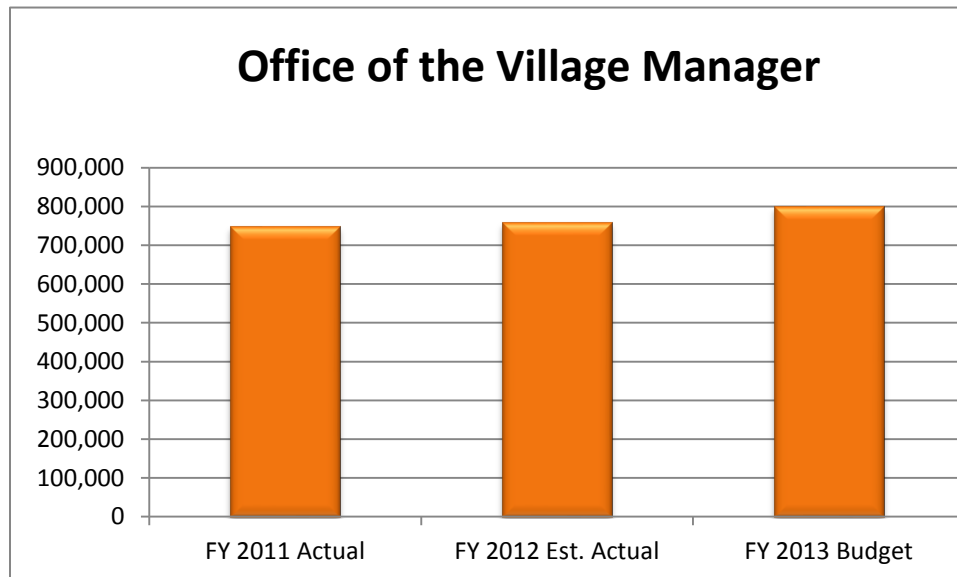
	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	33,900	33,000	33,000
Personal Benefits	30,728	31,250	31,500
Operating Expenses	6,277	7,275	7,350
Commissions & Committees	24,535	20,549	28,050
Capital Equipment	6,086	-	-
All Other Expenses	24,934	29,450	33,550
Total	126,460	121,524	133,450



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 100 - General Fund					
<u>Expenditures</u>					
Department: 10 - Legislative					
10 - Salaries					
500.25 Elected Officials	32,600	33,900	33,000	33,000	33,000
10 - Salaries	32,600	33,900	33,000	33,000	33,000
Percent Change 2013 vs. 2012 Budget					0.00%
15 - Taxes and Benefits					
505.10 Professional Training	600	118	500	250	500
505.15 Dues & Memberships	32,414	30,610	37,650	31,000	31,000
15 - Taxes and Benefits	33,014	30,728	38,150	31,250	31,500
Percent Change 2013 vs. 2012 Budget					-17.43%
25 - Operating Expenses					
510.02 Telephone	460	(1,096)	100	-	-
510.04 Travel	9	7	100	25	100
510.08 Reception & Community Affairs	3,989	7,402	7,300	7,250	7,250
510.14 Subscriptions & Publications	250	15	100	-	-
510.40 Supplies - Office	102	(51)	150	-	-
25 - Operating Expenses	4,810	6,277	7,750	7,275	7,350
Percent Change 2013 vs. 2012 Budget					-5.16%
35 - Other Services					
525.05 Blood Commission	72	13	100	-	-
525.20 Fireworks for the Fourth	20,000	20,000	20,000	20,000	20,000
525.25 Plan Commission	-	-	100	-	100
525.30 Residents with Disabilities	1,472	1,707	800	500	800
525.35 Arts Commission	1,706	4,336	7,000	3,300	5,000
525.40 Zoning Board of Appeals	-	-	50	-	50
525.45 Village Board	784	2,555	1,700	1,200	1,500
525.50 Symphonic Band	7,634	3,838	-	-	-
525.55 Farmer's Market	-	(7,610)	300	(4,451)	500
525.95 Other Boards/Commissions	(3,602)	(304)	100	-	100
35 - Other Services	28,066	24,535	30,150	20,549	28,050
Percent Change 2013 vs. 2012 Budget					-6.97%
50 - Other Expenses					
580.05 All Other Expenses	31,315	286	500	-	500
580.10 Consultant Fees	4,139	1,487	7,000	7,000	6,600
580.45 Cable Television Programming	21,999	18,856	26,000	20,000	24,000
580.50 Senior Taxi Program	3,250	4,305	2,300	2,450	2,450
50 - Other Expenses	60,703	24,934	35,800	29,450	33,550
Percent Change 2013 vs. 2012 Budget					-6.28%
55 - Capital Outlay					
555.10 Office and Other Equipment	-	6,086	-	-	-
55 - Capital Outlay	-	6,086	-	-	-
Percent Change 2013 vs. 2012 Budget					0.00%
Department Total: 10 - Legislative	159,193	126,460	144,850	121,524	133,450
Percent Change 2013 vs. 2012 Budget					-7.87%

Office of the Village Manager

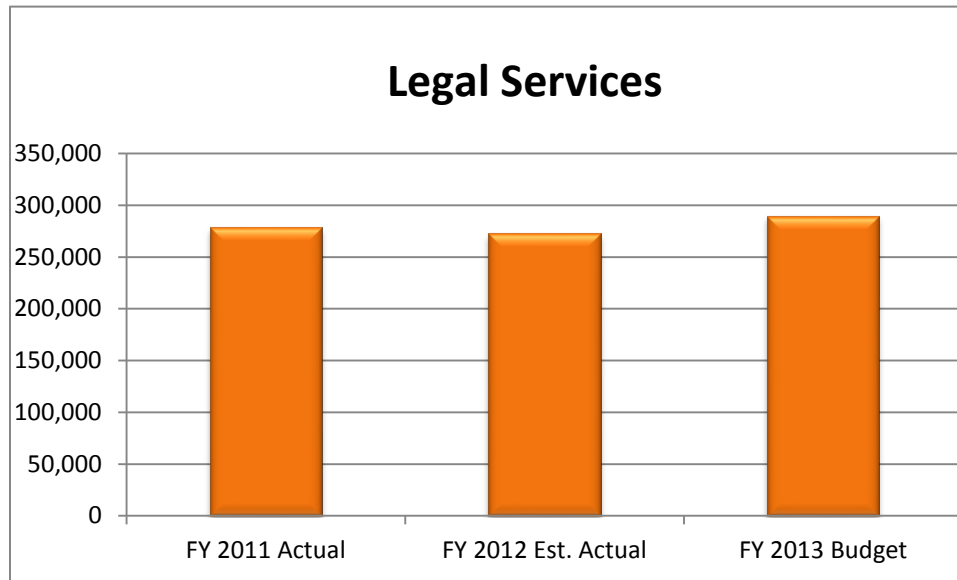
	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	610,257	631,197	647,400
Personal Benefits	75,497	73,184	95,250
Operating Expenses	48,044	52,650	53,750
Contractual Services	1,600	800	800
Repairs and Maintenance	1,361	-	500
Capital Equipment	1,971	-	-
All Other Expenses	10,252	1,800	1,800
Total	748,982	759,631	799,500



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 15 - Office of the Village Manager					
10 - Salaries					
500.05 Full Time	457,901	476,740	569,700	536,000	559,000
500.10 Part Time	91,209	129,918	85,223	93,597	87,000
500.35 Overtime	700	1,999	-	-	-
500.40 Longevity	2,600	1,600	2,000	1,600	1,400
10 - Salaries	552,410	610,257	656,923	631,197	647,400
Percent Change 2013 vs. 2012 Budget					-1.45%
15 - Taxes and Benefits					
505.05 Group & Medical Life	38,710	58,941	60,500	60,500	85,000
505.10 Professional Training	464	3,517	4,500	4,500	4,500
505.15 Dues & Memberships	6,197	5,984	5,750	5,750	5,750
505.45 ICMA Deferred Compensation	10,184	7,055	3,558	2,434	-
15 - Taxes and Benefits	55,555	75,497	74,308	73,184	95,250
Percent Change 2013 vs. 2012 Budget					28.18%
25 - Operating Expenses					
510.02 Telephone	3,543	2,795	3,000	3,000	3,000
510.03 Postage	68	-	-	-	-
510.04 Travel	302	479	800	1,400	800
510.06 Per Diem Allowance	-	-	800	300	800
510.08 Reception & Community Affairs	618	1,218	1,300	600	1,300
510.10 Maintenance Contracts	6,499	8,291	9,600	9,600	9,600
510.14 Subscriptions & Publications	124	1,459	1,775	1,000	1,775
510.16 Printing	536	4,015	1,250	250	1,250
510.18 Village Newsletter	28,477	27,133	33,000	34,000	33,000
510.40 Supplies - Office	4,343	2,654	2,500	2,500	2,225
25 - Operating Expenses	44,510	48,044	54,025	52,650	53,750
Percent Change 2013 vs. 2012 Budget					-0.51%
30 - Contractual Services					
515.10 Unemployment Insurance	1,600	1,600	800	800	800
30 - Contractual Services	1,600	1,600	800	800	800
Percent Change 2013 vs. 2012 Budget					0.00%
40 - Repairs and Maintenance					
550.05 Department Equipment	-	1,361	500	-	500
40 - Repairs and Maintenance	-	1,361	500	-	500
Percent Change 2013 vs. 2012 Budget					0.00%
50 - Other Expenses					
580.05 All Other Expenses	4,924	10,252	1,800	1,800	1,800
50 - Other Expenses	4,924	10,252	1,800	1,800	1,800
Percent Change 2013 vs. 2012 Budget					0.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	1,927	1,971	-	-	-
55 - Capital Outlay	1,927	1,971	-	-	-
Percent Change 2013 vs. 2012 Budget					0.00%
Department Total: 15 - Office of the Village M	660,926	748,982	788,356	759,631	799,500
Percent Change 2013 vs. 2012 Budget					1.41%

Legal

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Legal Services	278,583	273,175	289,650
Total	278,583	273,175	289,650



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 20 - Legal					
30 - Contractual Services					
520.05 Retainer Fee	50,000	50,000	50,000	50,000	50,000
520.10 Prosecutor Fee	70,120	77,370	68,000	57,000	68,000
520.15 Attorney's Fees	128,023	133,163	106,700	151,563	152,000
520.20 Recording Fees	180	254	500	132	200
520.25 Legal Notices	5,397	4,317	5,000	8,360	8,400
520.30 Litigation Reserve	6,904	9,370	6,750	4,110	4,200
520.35 Messenger Fees	473	195	700	350	350
520.40 Special Counsel	10,944	1,083	2,000	1,000	1,000
520.45 Legal Reimbursables	2,086	2,831	2,500	660	5,500
30 - Contractual Services	274,127	278,583	242,150	273,175	289,650
Percent Change 2013 vs. 2012 Budget					19.62%
Department Total: 20 - Legal	274,127	278,583	242,150	273,175	289,650
Percent Change 2013 vs. 2012 Budget					19.62%

Information Technology Emergency Management Agency



Information Technology

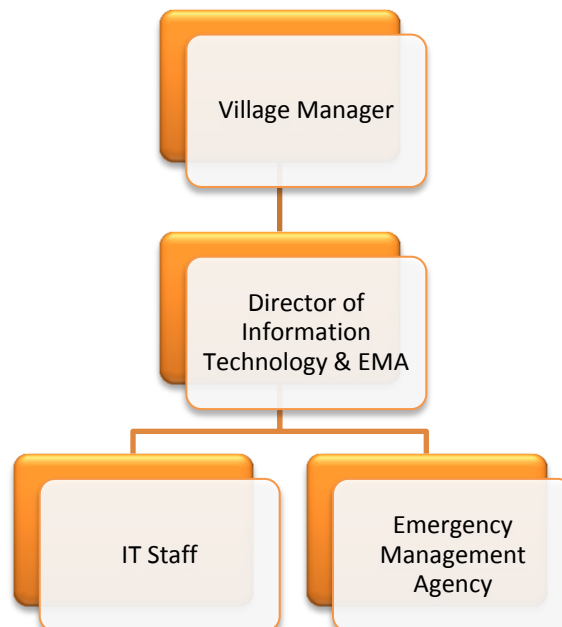
Information Technology provides management, review and oversight of all Village Department's information system needs via the following activities:

1) providing intra-departmental computer and telephone support for network technologies and individual computers and telephones; 2) planning, evaluating and maintaining the Village's core technologies including all hardware, software and network choices and acquisitions; 3) project planning and management to ensure that all technologies are compatible, state-of-the-art and effectively deployed; and 4) guaranteeing the integrity and security of the overall system and its data, including all local and wide area networks, from internal and external conditions.

Emergency Management Agency (EMA)

The Emergency Management Agency (EMA) oversees a comprehensive program which seeks to mitigate the effects of various hazards, prepare for measures which will preserve life and minimize damage, respond during emergencies and provide assistance and establish a recovery system to return the community to a normal status. The EMA Division carries out these tasks and conducts its initiatives utilizing a committed team of volunteers, Village staff, and federal, state or local sources available.

Department Structure



2012 Accomplishments - IT






1. New accounting software: Working with the Finance Department, the IT Department configured several new servers and assisted with the data migration from a legacy system to a new state-of-the-art accounting platform. This new software is empowering senior management the ability to make smarter financial business decisions.
2. CAD Upgrade at Northwest Central Dispatch. IT worked with the Police and Fire Departments to upgrade computers and additional communication equipment to allow for connectivity to the new CAD program.
3. Improved multi-media capabilities in conference rooms: The IT Department worked with Police, Fire, Public Works and members of Village Hall staff to enable multi-media capabilities in the major conference rooms. This allows staff and guests the ability to share information from their laptops or smart devices via permanently mounted projectors.
4. Replace cell phone and land lines for improved reliability and cost savings. In 2012 staff cell phones were migrated from Nextel to Sprint. This migration provided for a more reliable cellular infrastructure. These two projects combined to save the Village over \$18,000 in telephone charges compared to 2011.
5. Implement document management solution. Laserfiche was selected as a village wide document management solution. This data repository allows for documents to be scanned into a centralized system and is available for staff to easily search and retrieve documents.
6. Disaster recovery site. To reduce risk and provide additional redundancy, the IT Department has improved its disaster recovery site. This site currently houses a subset of the Villages' servers and a series of back-up servers.

2012 Accomplishments - EMA

1. Updated Standard Operating Procedures manual. With the deployment of the new MobileComm in 2011, most SOP's were re-written to reflect the new asset.
2. Recruit and train new members - In 2012 six new members were added to the EMA committee. The Emergency Management Agency worked with the Fire Department to identify and recruit personnel that were knowledgeable and skilled as CERT members and were able to assist in Emergency Management.
3. Train additional Duty Officers. In an effort to ensure the continuity of the agency, several members of the group were trained in a leadership capacity. This training allows for additional members to be knowledgeable in Incident Command to assist the first responders.

2013 Goals - Information Technology/Emergency Management Agency

In addition to the normal operating goals managed within each department; this fiscal year, all departments have goals related to the implementation of the strategic plan.

	Inventory and prioritize all departmental services and categorize as core or non-core.
	A technology platform is implemented that reflects the input and supports the needs of the users.
	No goals have been identified for this department with this Strategic Priority.
	No goals have been identified for this department with this Strategic Priority.
	No goals have been identified for this department with this Strategic Priority.

2013 Staffing Summary

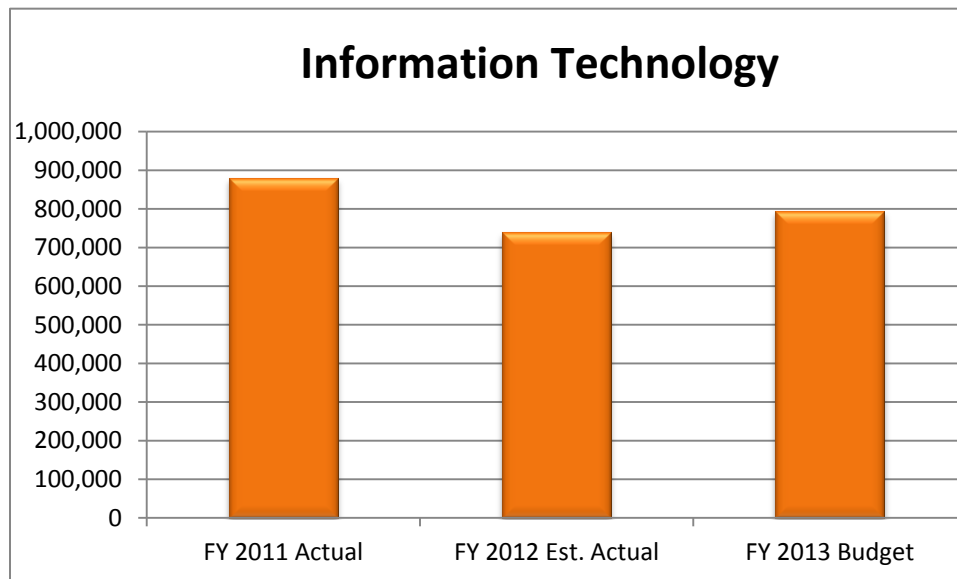
Information Technology Department/Emergency Management Agency – For 2013, there will be no programmed staffing changes in this department.

	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Director of Information Technology/EMA Coordinator	1	0	1	0	1	0
Information Technology Analyst	1	0	1	0	1	0
Information Technology Assistant	1	0	1	0	1	0
Programmer	0	1	0	1	0	1
Total	3	1	3	1	3	1
Full & Part-Time Total	4		4		4	

*Independent contractor assigned to the IT Department is not reflected in this staffing table.

Budget Summary Information Technology

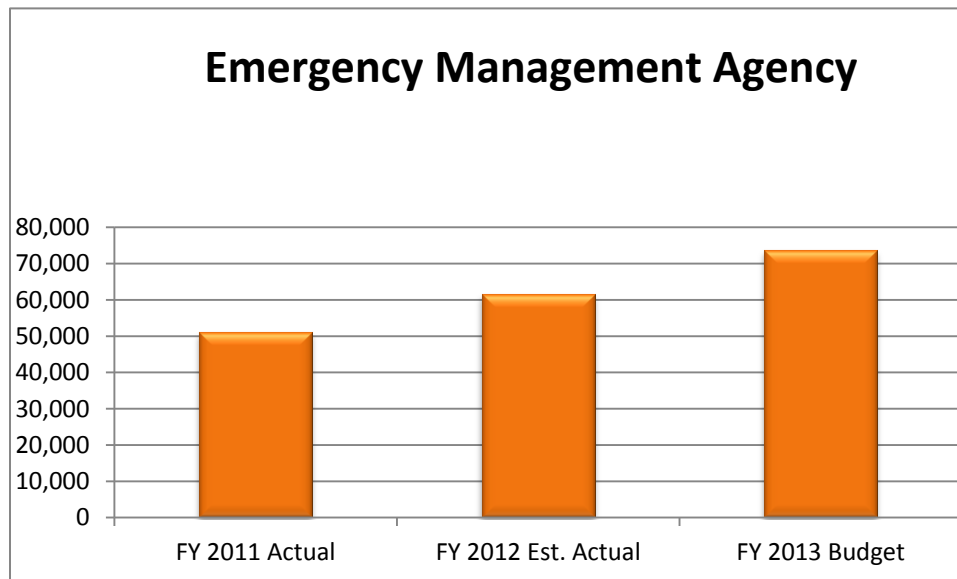
	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	344,629	357,792	361,863
Personal Benefits	74,987	80,368	82,660
Operating Expenses	219,602	199,065	254,325
Contractual Services	960	480	480
Repairs and Maintenance	-	500	480
Capital Equipment	233,843	101,400	93,400
All Other Expenses	5,148	600	600
Total	879,169	740,205	793,808



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 25 - Information Technology					
10 - Salaries					
500.05 Full Time	287,057	288,613	290,072	290,000	296,163
500.10 Part Time	59,083	53,561	65,920	60,000	63,700
500.35 Overtime	285	655	-	-	-
500.40 Longevity	1,800	1,800	1,800	1,800	2,000
10 - Salaries	348,225	344,629	357,792	351,800	361,863
Percent Change 2013 vs. 2012 Budget					1.14%
15 - Taxes and Benefits					
505.05 Group & Medical Life	59,572	68,122	67,843	67,000	71,235
505.10 Professional Training	716	3,585	10,850	7,000	11,200
505.15 Dues & Memberships	75	175	225	200	225
505.45 ICMA Deferred Compensation	4,327	3,105	1,450	1,450	-
15 - Taxes and Benefits	64,690	74,987	80,368	75,650	82,660
Percent Change 2013 vs. 2012 Budget					2.85%
25 - Operating Expenses					
510.02 Telephone	12,742	13,307	14,040	21,000	23,000
510.04 Travel	676	1,368	200	150	200
510.06 Per Diem Allowance	6	190	125	100	125
510.08 Reception & Community Affairs	-	-	150	100	150
510.10 Maintenance Contracts	54,310	56,180	43,700	43,000	45,600
510.14 Subscriptions & Publications	-	-	350	-	-
510.20 Computer Services	87,716	147,950	140,000	169,000	185,000
510.40 Supplies - Office	506	607	500	300	250
25 - Operating Expenses	155,956	219,602	199,065	233,650	254,325
Percent Change 2013 vs. 2012 Budget					27.76%
30 - Contractual Services					
515 Insurance	-	-	-	-	-
515.10 Unemployment Insurance	960	960	480	480	480
30 - Contractual Services	960	960	480	480	480
Percent Change 2013 vs. 2012 Budget					0.00%
40 - Repairs and Maintenance					
550.05 Department Equipment	-	-	500	400	480
40 - Repairs and Maintenance	-	-	500	400	480
Percent Change 2013 vs. 2012 Budget					-4.00%
50 - Other Expenses					
580.05 All Other Expenses	194	5,148	600	500	600
50 - Other Expenses	194	5,148	600	500	600
Percent Change 2013 vs. 2012 Budget					0.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	43,706	42,973	71,400	70,000	73,400
555.40 Reserve for Technology	726	190,870	30,000	-	20,000
55 - Capital Outlay	44,432	233,843	101,400	70,000	93,400
Percent Change 2013 vs. 2012 Budget					-7.89%
Department Total: 25 - Information Technolog	614,457	879,169	740,205	732,480	793,808
Percent Change 2013 vs. 2012 Budget					7.24%

Emergency Management Agency

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	16,983	22,000	22,880
Personal Benefits	2,504	2,700	3,200
Operating Expenses	8,191	17,025	16,400
Repairs & Maintenance	8,979	2,000	2,200
Capital Equipment	14,236	17,000	28,200
Commodities	-	400	500
All Other Expenses	271	500	300
Total	51,164	61,625	73,680



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 65 - Emergency Management Agency					
10 - Salaries					
500.05 Full Time	25,504	-	-	-	-
500.10 Part Time	22,327	16,983	22,440	22,000	22,880
10 - Salaries	47,831	16,983	22,440	22,000	22,880
Percent Change 2013 vs. 2012 Budget					1.96%
15 - Taxes and Benefits					
505.05 Group & Medical Life	5,833	1,514	-	-	-
505.10 Professional Training	-	-	1,400	1,200	1,400
505.15 Dues & Memberships	65	30	300	300	300
505.20 Clothing Allowance	477	960	1,500	1,200	1,500
15 - Taxes and Benefits	6,375	2,504	3,200	2,700	3,200
Percent Change 2013 vs. 2012 Budget					0.00%
25 - Operating Expenses					
510.02 Telephone	2,920	2,607	6,100	5,100	6,100
510.04 Travel	-	-	500	500	500
510.06 Per Diem Allowance	-	-	400	300	400
510.08 Reception & Community Affairs	33	-	150	100	150
510.10 Maintenance Contracts	4,425	4,425	6,000	8,000	6,000
510.14 Subscriptions & Publications	-	-	50	25	50
510.20 Computer Services	3,480	99	-	-	-
510.40 Supplies - Office	46	71	3,400	3,000	3,200
510.55 Operating Equip - Department	-	989	-	-	-
25 - Operating Expenses	10,904	8,191	16,600	17,025	16,400
Percent Change 2013 vs. 2012 Budget					-1.20%
40 - Repairs and Maintenance					
550.05 Department Equipment	1,177	8,979	2,200	2,000	2,200
40 - Repairs and Maintenance	1,177	8,979	2,200	2,000	2,200
Percent Change 2013 vs. 2012 Budget					0.00%
45 - Commodities					
530.50 Small Equipment Tools & Hardware	-	-	500	400	500
45 - Commodities	-	-	500	400	500
Percent Change 2013 vs. 2012 Budget					0.00%
50 - Other Expenses					
580.05 All Other Expenses	96	271	300	500	300
50 - Other Expenses	96	271	300	500	300
Percent Change 2013 vs. 2012 Budget					0.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	11,849	14,236	18,200	17,000	3,000
555.30 Reserve for Capital Replacement	-	-	20,000	-	10,000
555.40 Reserve for Technology	-	-	-	-	15,200
55 - Capital Outlay	11,849	14,236	38,200	17,000	28,200
Percent Change 2013 vs. 2012 Budget					-26.18%
Department Total: 65 - Emergency Manageme	78,232	51,164	83,440	61,625	73,680
Percent Change 2013 vs. 2012 Budget					-11.70%

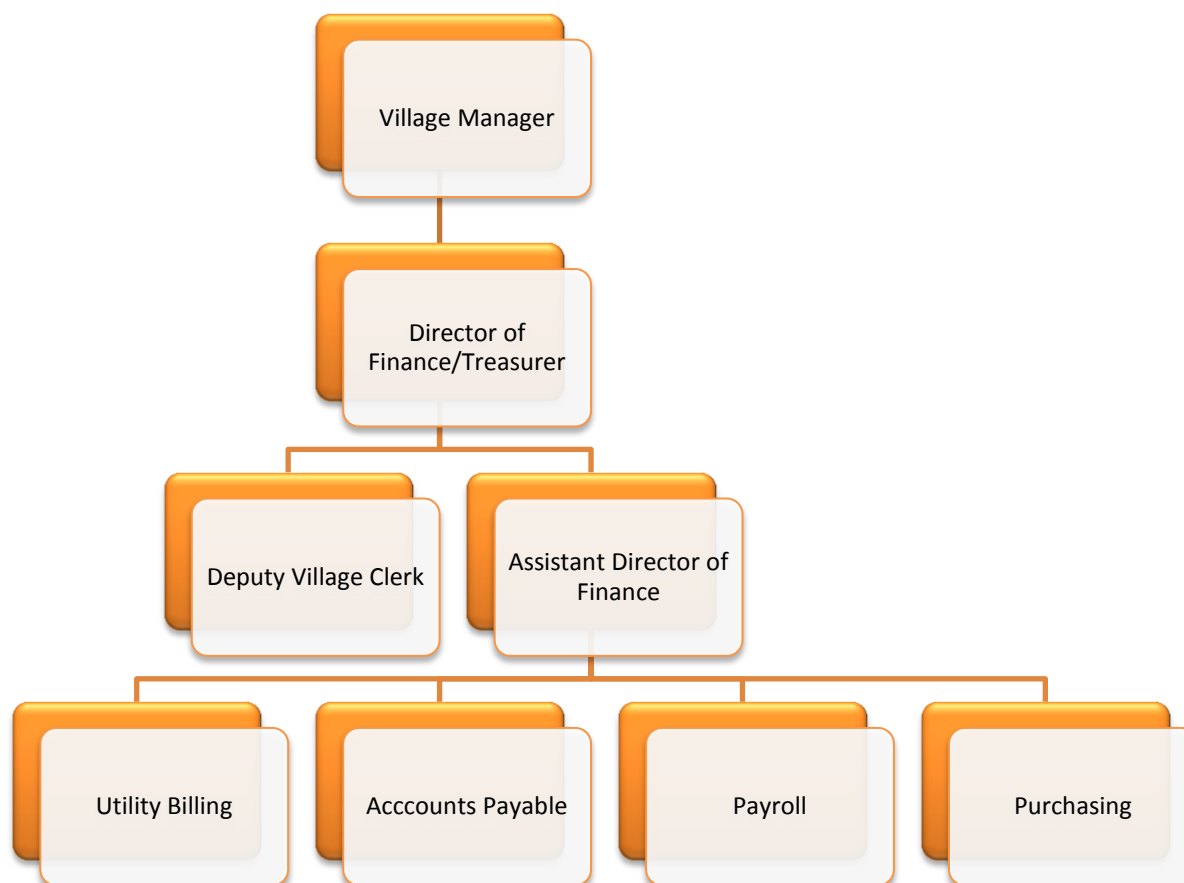
Finance

The Department of Finance and General Services is established to provide the Village with a wide range of financial, analytical, and administrative tasks in a broad staff support environment. Various programs have been established to account for all Village financial transactions, the general underlying procedures for which are articulated in the Village's Investment Policy and Procedures and affirmed as part of the Village's annual audit process and the preparation of the Comprehensive Annual Financial Report.



1. Payroll and human resource support to include health insurance administration
2. Financial administration, planning, analysis and budgeting
3. General services and license administration
4. Utility billing
5. Bookkeeping, accounting and auditing
6. Statutory administrative services
7. Centralized Purchasing

Department Structure








2012 Accomplishments

1. Successfully implemented new financial software for core financials, utility billing, budgeting, accounts payable, and payroll. Training was conducted for all users of the various modules. Worked closely with Information Technology to ensure infrastructure support. Increased the scope of the project to include LaserFishe technology and the police and fire scheduling software.
2. Prepared a twenty-year pro-forma water fund study that became the basis for a series of water rate recommendations. On July 9th, an ordinance was approved increasing the water rate in order to adequately address not only operating expenses but provide a mechanism to fund capital improvements and build reserves.
3. Issued \$6 million in general obligation debt in response to an evaluation of current pavement standards. As part of the process, Moody's and Standard & Poor's rated this issue, and existing debt, as AAA and Aaa respectively. The rating led to true interest cost of 2.25% and an 18 year amortization.
4. Worked to secure a \$6 million line of credit to be used to offset cost related to replacing all of the Village's Ash Trees.
5. Redeployed a public works employee to Finance to become the Village's first Purchasing Manager. In December 2012, a new purchase policy will be presented to the Village Board for approval. The first step in the transition will be to review all copier/printer contracts and consolidate all office supply purchasing.

2013 Goals

In addition to the normal operating goals managed within each department; this fiscal year, all departments have goals related to the implementation of the strategic plan.

	Inventory and prioritize all departmental services and categorize as core or non-core.
	Participate in the establishment of the Village-wide Comprehensive Training Program.
	Review methods for diversification of the Village's revenue sources.
	No goals have been identified for this department with this Strategic Priority.
	Create funding strategy for all capital reserve programming.

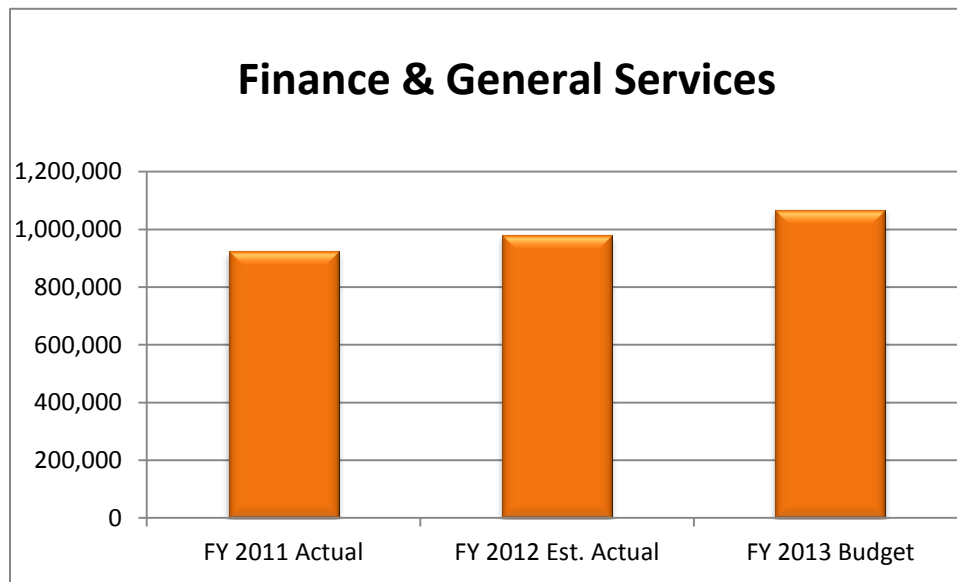
2013 Staffing Summary

For 2013, the Finance Department budget reflects an increase of 1 full-time position (Purchasing Manager). In mid-2012, staff was authorized to create and fill this new position. As a result, centralized purchasing is currently being phased in existing vendor relationships and purchasing practices are under review.

	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Assistant Finance Director	1	0	1	0	1	0
Director of Finance/Treasurer	1	0	1	0	1	0
Payroll Clerk III	1	0	1	0	1	0
Purchasing Manager	0	0	0	0	1	0
Clerk III	2	0	4	0	3	0
Clerk II	2	2	1	1	1	1
Total	7	2	7	1	8	1
Full & Part-Time Total	9		8		9	

Budget Summary
Finance and General Services

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	555,239	613,298	685,163
Personal Benefits	100,841	133,374	148,587
Operating Expenses	196,046	155,396	157,544
Contractual Services	1,920	960	960
Committees & Commissions	34,222	44,000	42,000
Repairs and Maintenance	-	1,500	2,000
Capital Equipment	2,238	-	-
All Other Expenses	31,649	32,000	32,000
Total	922,155	980,528	1,068,254



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 30 - Finance					
10 - Salaries					
500.05 Full Time	482,697	491,009	546,883	557,630	630,305
500.10 Part Time	57,432	49,648	36,960	38,268	36,058
500.25 Elected Officials	6,000	6,000	6,000	6,000	6,000
500.35 Overtime	4,270	4,582	4,500	7,000	8,000
500.40 Longevity	5,000	4,000	4,400	4,400	4,800
10 - Salaries	555,399	555,239	598,743	613,298	685,163
Percent Change 2013 vs. 2012 Budget					14.43%
15 - Taxes and Benefits					
505.05 Group & Medical Life	83,793	95,905	127,584	127,584	143,602
505.10 Professional Training	1,200	571	2,280	2,800	3,785
505.15 Dues & Memberships	1,160	965	1,150	1,150	1,200
505.45 ICMA Deferred Compensation	5,042	3,400	1,724	1,840	-
505.50 Employee Recognition	-	-	-	-	-
15 - Taxes and Benefits	91,195	100,841	132,738	133,374	148,587
Percent Change 2013 vs. 2012 Budget					11.94%
25 - Operating Expenses					
510.02 Telephone	12,682	9,326	10,000	10,000	10,000
510.03 Postage	67,743	70,855	70,575	69,370	71,798
510.04 Travel	186	598	1,460	1,100	1,500
510.06 Per Diem Allowance	110	91	270	100	225
510.08 Reception & Community Affairs	617	417	630	600	600
510.10 Maintenance Contracts	32,424	44,303	5,595	5,500	5,595
510.12 Equipment Rental	2,619	2,437	3,276	3,276	3,276
510.14 Subscriptions & Publications	354	55	150	150	150
510.16 Printing	11,354	14,013	11,000	13,000	11,000
510.28 Audit Fees	36,300	39,300	39,300	39,300	40,400
510.40 Supplies - Office	14,257	14,651	13,000	13,000	13,000
25 - Operating Expenses	178,646	196,046	155,256	155,396	157,544
Percent Change 2013 vs. 2012 Budget					1.47%
30 - Contractual Services					
515.10 Unemployment Insurance	2,240	1,920	960	960	960
30 - Contractual Services	2,240	1,920	960	960	960
Percent Change 2013 vs. 2012 Budget					0.00%
35 - Other Services					
525.10 Buffalo Grove Days	34,803	34,222	39,000	44,000	42,000
35 - Other Services	34,803	34,222	39,000	44,000	42,000
Percent Change 2013 vs. 2012 Budget					7.69%
40 - Repairs and Maintenance					
550.05 Department Equipment	-	-	2,000	1,500	2,000
40 - Repairs and Maintenance	-	-	2,000	1,500	2,000
Percent Change 2013 vs. 2012 Budget					0.00%
50 - Other Expenses					
580.05 All Other Expenses	722	833	1,199	1,000	1,000
580.10 Consultant Fees	31,694	30,816	33,342	31,000	31,000

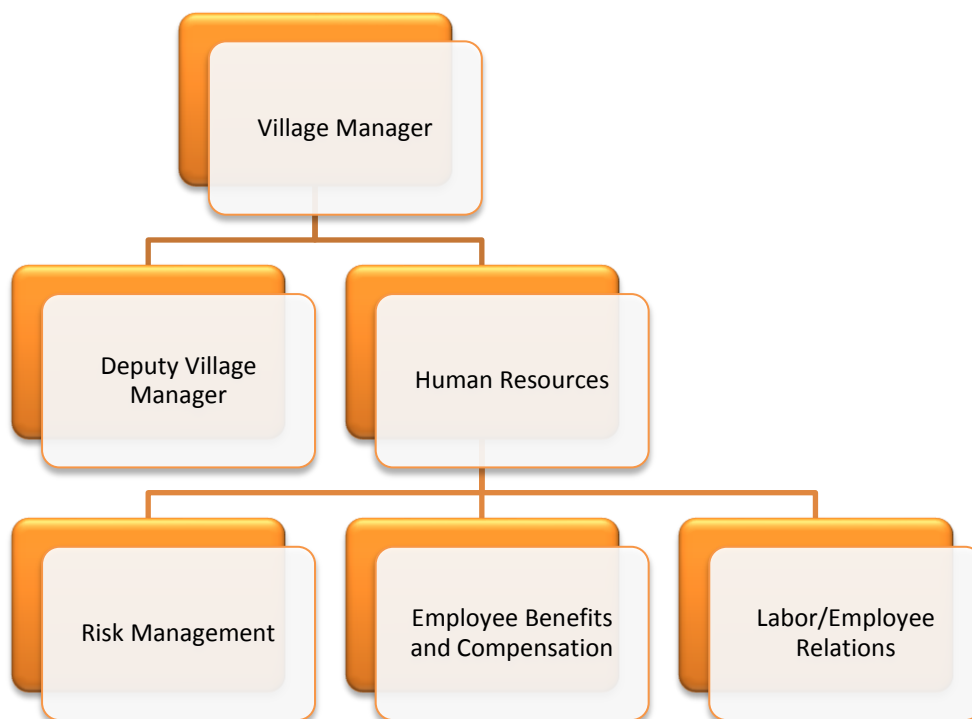
Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
50 - Other Expenses	32,416	31,649	34,541	32,000	32,000
Percent Change 2013 vs. 2012 Budget					-7.36%
55 - Capital Outlay					
555.10 Office and Other Equipment	307	2,238	-	-	-
555.40 Reserve for Technology	-	-	-	-	-
55 - Capital Outlay	307	2,238	-	-	-
Percent Change 2013 vs. 2012 Budget					0.00%
Department Total: 30 - Finance	895,006	922,155	963,238	980,528	1,068,254
Percent Change 2013 vs. 2012 Budget					10.90%

Human Resources

The Human Resources Division is structured to provide support to all Village departments, including but not limited to recruitment, selection, training, promotion and retention of quality employees; compensation and benefit program administration; employee and labor relations; collective bargaining negotiation and management of current labor agreement(s); administration of the pay for performance system; policy administration and interpretation, assisting employees and management staff with day-to-day human resources issues; employee recognition programs; staff liaison to the Board of Fire and Police Commissioners; appointed member of the Fire Pension Board and delegate to both the Intergovernmental Personnel Benefits Cooperative (IPBC) and the Intergovernmental Risk Management Agency (IRMA). Additionally, payroll support is provided to the Department of Finance and General Services by Human Resources. This includes, but is not limited to, bi-weekly reporting to the International City/County Management Association Retirement Corporation (ICMA/RC) 457 Deferred Compensation Plan, Payroll deduction Roth IRA and VantageCare Retiree Health Savings (RHS) Plan.



Department Structure








2012 Accomplishments

1. Both the Village's core and optional employees' benefits programs were completely revamped in 2012, allowing staff to offer new programs that were not previously available.
2. The Above and Beyond the Call of Duty (ABCD) employee recognition system was elevated in status by award presentations occurring at Village Board Meetings.
3. The successful completion of a full evaluation cycle, including a self-evaluation component, was accomplished for a beta group which consisted of approximately 70% of all year-round non-represented employees.
4. Benefits summaries and related benefits documents are available in electronic format to all employees via Village systems.

2013 Goals

In addition to the normal operating goals managed within each department; this fiscal year, all departments have goals related to the implementation of the strategic plan.

	Inventory and prioritize all departmental services and categorize as core or non-core.
	Focus attention on the Village workforce in the areas of leadership development and personal growth and balance via the Village Employee Health and Wellness Committee.
	No goals have been identified for this department with this Strategic Priority.
	No goals have been identified for this department with this Strategic Priority.
	No goals have been identified for this department with this Strategic Priority.

2013 Staffing Summary

For 2013, there will be no programmed staffing changes in this department. However, beginning in 2013 both the Director of Human Resources and Part-Time Secretary, which will now appear in their own position table rather than in the Office of the Village Manager table.

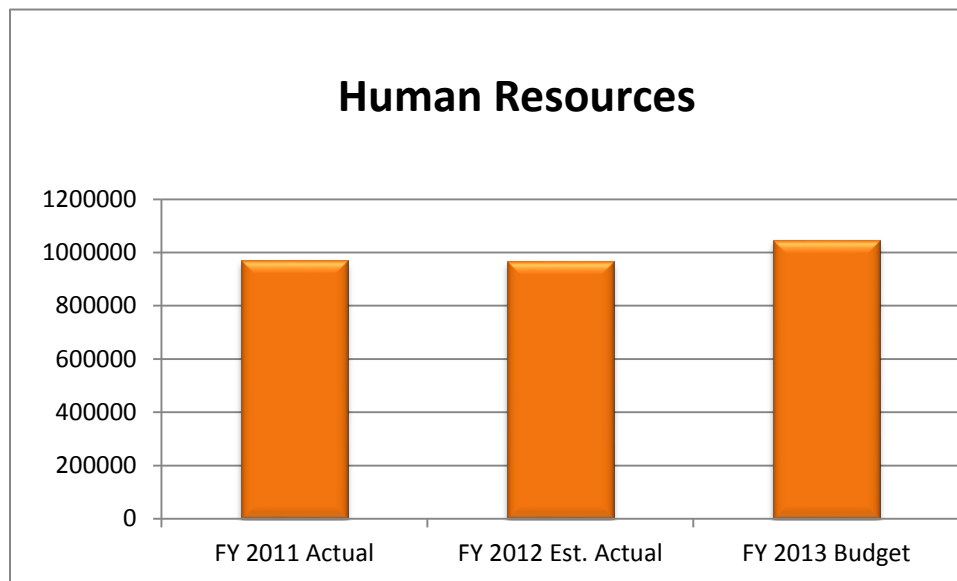
	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Director of Human Resources	0	0	0	0	1	0
Secretary	0	0	0	0	0	1
Total	0	0	0	0	1	1
Full & Part-Time Total	0		0		2	

*Human Resources Director and PT Secretary positions reflected in separate Human Resources table effective January 1, 2013.

Budget Summary

Human Resources

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	118,366	121,247	123,000
Personal Benefits	72,620	102,856	87,774
Operating Expenses	6,052	7,372	7,050
Contractual Services	455,782	433,441	525,160
Committees & Commissions	24,272	16,500	16,500
Capital Equipment	681	1,150	1,150
All Other Expenses	290,592	283,337	286,500
Total	968,365	965,903	1,047,134



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 35 - Human Resources					
10 - Salaries					
500.05 Full Time	115,880	117,766	120,030	120,647	122,400
500.40 Longevity	600	600	600	600	600
10 - Salaries	116,480	118,366	120,630	121,247	123,000
Percent Change 2013 vs. 2012 Budget					1.96%
15 - Taxes and Benefits					
505.05 Group & Medical Life	46,211	46,310	54,482	54,500	57,379
505.10 Professional Training	2,247	904	6,035	7,899	8,000
505.15 Dues & Memberships	885	715	895	900	895
505.40 Tuition Reimbursement	27,425	15,804	30,000	30,000	15,000
505.45 ICMA Deferred Compensation	4,540	3,059	1,557	1,557	-
505.50 Employee Recognition	4,489	5,828	4,500	8,000	6,500
15 - Taxes and Benefits	85,797	72,620	97,469	102,856	87,774
Percent Change 2013 vs. 2012 Budget					-9.95%
25 - Operating Expenses					
510.02 Telephone	857	671	800	840	800
510.04 Travel	760	1,028	715	1,042	1,100
510.06 Per Diem Allowance	150	200	200	200	200
510.14 Subscriptions & Publications	116	1,047	5,150	1,650	1,650
510.22 Recruitment Charges	1,517	1,699	2,000	2,650	2,000
510.24 CDL Testing	2,120	1,220	1,000	870	1,000
510.40 Supplies - Office	56	187	300	120	300
25 - Operating Expenses	5,576	6,052	10,165	7,372	7,050
Percent Change 2013 vs. 2012 Budget					-30.64%
30 - Contractual Services					
515.05 IRMA Premium	306,483	429,034	375,425	375,425	425,000
515.10 Unemployment Insurance	320	-	160	160	160
520 Legal Services	-	-	-	-	-
520.40 Special Counsel	27,701	26,748	40,000	57,856	100,000
30 - Contractual Services	334,504	455,782	415,585	433,441	525,160
Percent Change 2013 vs. 2012 Budget					26.37%
35 - Other Services					
525.15 Fire and Police Commission	8,013	24,272	16,500	16,500	16,500
35 - Other Services	8,013	24,272	16,500	16,500	16,500
Percent Change 2013 vs. 2012 Budget					0.00%
50 - Other Expenses					
580.05 All Other Expenses	191	57	1,000	1,437	1,500
580.65 IRMA Deductible - Worker's Comp	176,934	189,686	145,000	152,000	155,000
580.66 IRMA Deductible - Non Wrkr's Cmp	110,189	100,849	91,000	129,900	130,000
50 - Other Expenses	287,314	290,592	237,000	283,337	286,500
Percent Change 2013 vs. 2012 Budget					20.89%
55 - Capital Outlay					
555.10 Office and Other Equipment	1,607	681	1,000	1,000	1,000
555.40 Reserve for Technology	-	-	-	150	150

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
55 - Capital Outlay	1,607	681	1,000	1,150	1,150
Percent Change 2013 vs. 2012 Budget					15.00%
Department Total: 35 - Human Resources	839,291	968,365	898,349	965,903	1,047,134
Percent Change 2013 vs. 2012 Budget					16.56%

Fire

The Buffalo Grove Fire Department's Mission is to "Provide professional services with Commitment, Loyalty, Integrity and Pride". The Vision of this organization is to meet the mission of the organization through "Service, Adaptability, Fairness, Empowerment and Respect".

The Department operates 24 hours a day 365 days a year. There are a total of 66 members operating out of three firehouses, an administrative wing and Village Hall. In 2010 The Fire Department responded to 4,742 calls for service of which 2,955 were EMS and 1,787 were fire and rescue related. This equates to a 62 percent EMS / 38 percent fire split. The Department handled eight MABAS (Mutual Aid Box Alarm System) box alarms and nine "Code 4's," or confirmed fires.

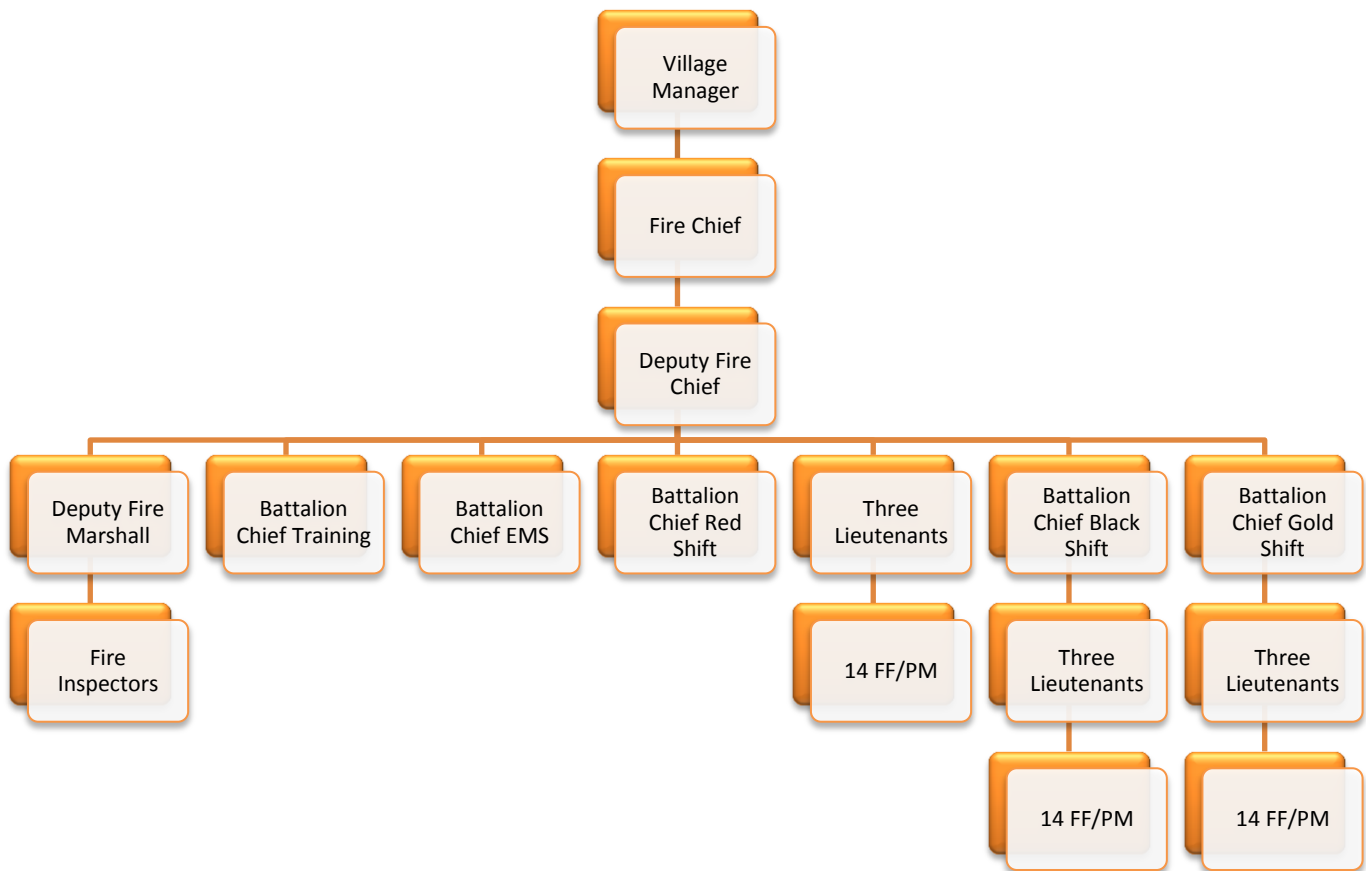


The Department continued its focus on public education, conducting an open house, participating in Buffalo Grove Days and conducting a Citizen's Fire Academy. In addition to these large programs the members of the Buffalo Grove Fire Department conducted school drills and attended many block parties and special events throughout the year.

A series of retirements that began in 2010 continues through 2013. This provides opportunities for new personnel, promotions and for professional growth. The level of experience has decreased because of the influx of new personnel and changing roles. This will place a larger emphasis in the coming years on training.



Department Structure








2012 Accomplishments

1. Fire was able to not only meet the goal of having a response time of 8 minutes or less 90 percent of the time, but exceeded that goal by a minute.
2. The Fire Department averages 18 hours of training per person per month. At the 9 month point of the year employees are averaging 23 hours per person. That is 28 percent better than expected and meets the goal for 2013 a year ahead of time.
3. The Standard Operating Procedures manual became a larger project than anticipated and with the hiring of nine new personnel this project is a priority. The changes that are being made will result in the empowerment of a vision and success for personnel.
4. The CAD system at Northwest Central dispatch has delayed the implementation of the new radio system. Staff has implemented a new time keeping software program that will streamline process for scheduling as well as provide better and more accurate statistical data.

2013 Goals

In addition to the normal operating goals managed within each department; this fiscal year, all departments have goals related to the implementation of the strategic plan.

	Inventory and prioritize all departmental services and categorize as core or non-core.
	Participate in the establishment of the Village-wide Comprehensive Training Program.
	Review and revise departmental fee and fine structure.
	No goals have been identified for this department with this Strategic Priority.
	Review departmental fleet, facilities and equipment to determine need and future replacement necessity.

2013 Staffing Summary

Currently, this department is going through reorganization. Due to a Voluntary Separation Incentive program, 1 Deputy Chief and 2 Firefighter/Paramedics will have retired from the Village by the end of 2012. The position of Deputy Chief is being eliminated and 3 vacant Firefighter/Paramedic positions will not be filled in 2013.

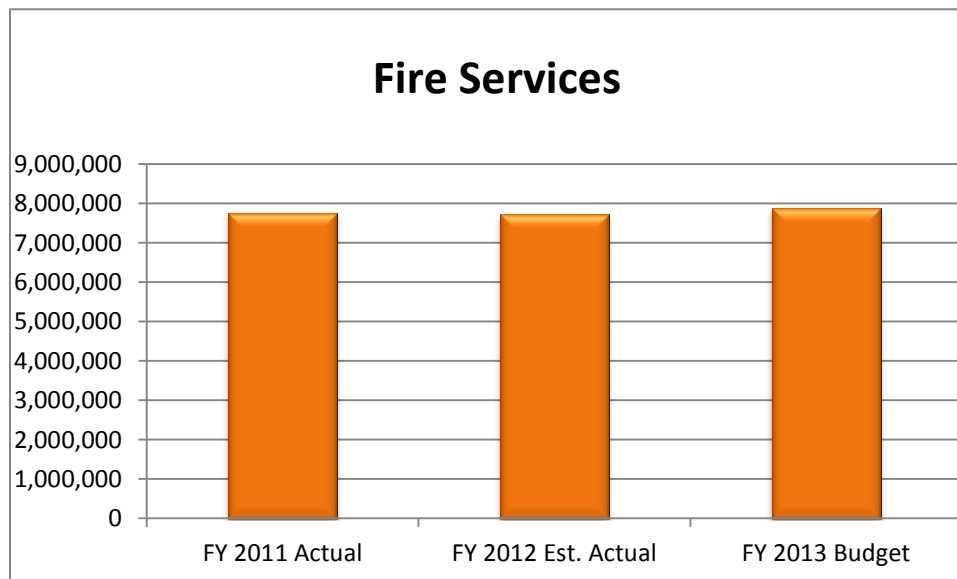
	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Battalion Chief	5	0	5	0	5	0
Deputy Fire Chief	2	0	2	0	1	0
Deputy Fire Marshall	1	0	1	0	1	0
Fire Chief	1	0	1	0	1	0
Fire Inspector*	1	0	1	0	1	0
Fire Inspector/Public Education Officer	1	0	0	1	0	1
Fire Lieutenant	9	0	9	0	9	0
Firefighter/Paramedic	45	0	45	0	45	0
Secretary	1	0	1	0	1	0
Clerk III	1	0	0	0	0	0
Total	67	0	65	1	64	1
Full & Part-Time Total	67		66		65	

*Additionally, two full time Building Inspectors serve as part-time fire inspectors.

Budget Summary

Fire Services

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	6,208,587	6,037,370	5,886,663
Personal Benefits	1,206,089	1,215,928	1,335,401
Operating Expenses	246,165	334,923	375,135
Contractual Services	20,800	10,400	12,400
Repairs & Maintenance	31,621	46,000	95,666
Commodities	8,955	19,598	25,477
Capital Equipment	244	1,400	95,789
All Other Expenses	45,464	51,702	45,793
Total	7,767,925	7,717,321	7,872,324



Description		FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 40 - Fire						
10 - Salaries						
500.05	Full Time	383,986	389,597	248,900	250,970	258,900
500.10	Part Time	-	7,466	26,000	24,000	28,000
500.20	Sworn	5,454,390	5,256,991	5,264,972	5,341,000	5,245,363
500.30	Special Duty	(1,416)	2,532	-	-	-
500.35	Overtime	156,102	500,001	357,927	378,000	315,000
500.40	Longevity	50,400	52,000	43,400	43,400	39,400
10 - Salaries		6,043,462	6,208,587	5,941,199	6,037,370	5,886,663
Percent Change 2013 vs. 2012 Budget						-0.92%
15 - Taxes and Benefits						
505.05	Group & Medical Life	1,043,021	1,122,935	1,091,431	1,090,000	1,224,719
505.10	Professional Training	18,398	19,214	42,345	37,500	39,775
505.15	Dues & Memberships	4,050	2,334	3,260	3,200	8,204
505.20	Clothing Allowance	28,607	26,890	39,142	34,000	30,782
505.35	Safety Equipment	14,859	31,372	50,787	50,000	31,921
505.45	ICMA Deferred Compensation	8,352	3,344	1,228	1,228	-
505.50	Employee Recognition	-	-	-	-	-
15 - Taxes and Benefits		1,117,287	1,206,089	1,228,193	1,215,928	1,335,401
Percent Change 2013 vs. 2012 Budget						8.73%
25 - Operating Expenses						
510.02	Telephone	23,679	15,893	14,000	14,000	20,730
510.04	Travel	2,246	2,851	5,370	4,100	4,090
510.06	Per Diem Allowance	183	93	2,050	1,000	1,900
510.10	Maintenance Contracts	27,469	21,035	41,634	41,634	59,578
510.12	Equipment Rental	6,120	5,306	5,748	5,700	-
510.14	Subscriptions & Publications	1,342	2,500	5,585	4,000	5,898
510.16	Printing	1,390	1,946	3,957	3,900	3,715
510.40	Supplies - Office	7,144	4,454	11,247	11,000	11,212
510.50	Supplies - All Other	23,225	5,325	29,500	29,500	24,394
510.55	Operating Equip - Department	59,488	40,496	76,288	72,000	99,178
510.65	Northwest Central Dispatch	160,870	146,266	148,089	148,089	144,440
25 - Operating Expenses		313,156	246,165	343,468	334,923	375,135
Percent Change 2013 vs. 2012 Budget						9.22%
30 - Contractual Services						
515.10	Unemployment Insurance	21,845	20,800	10,400	10,400	12,400
30 - Contractual Services		21,845	20,800	10,400	10,400	12,400
Percent Change 2013 vs. 2012 Budget						19.23%
40 - Repairs and Maintenance						
535.20	Buildings & Facilities	2,596	2,401	5,443	2,500	44,650
545.05	Gasoline	-	-	-	-	-
545.10	Diesel Fuel	-	-	-	-	-
545.15	Automotive Parts	983	984	1,500	1,500	1,500
545.35	Body Work	4,619	498	5,000	4,000	5,500
545.40	Contractual Auto Services	12,662	2,408	13,741	10,000	12,151
550.05	Department Equipment	22,591	25,330	33,780	28,000	31,865
40 - Repairs and Maintenance		43,451	31,621	59,464	46,000	95,666
Percent Change 2013 vs. 2012 Budget						60.88%

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
45 - Commodities					
530.50 Small Equipment Tools & Hardware	11,230	8,955	19,598	19,598	25,477
45 - Commodities	11,230	8,955	19,598	19,598	25,477
Percent Change 2013 vs. 2012 Budget					30.00%
50 - Other Expenses					
580.05 All Other Expenses	3,513	7,127	7,217	7,217	6,028
580.11 Contractual Services	17,823	17,286	24,485	24,485	18,785
580.20 CAFT Site	(3,270)	7,682	5,000	5,000	5,000
580.21 NWCH Adminstration Fee	14,589	13,369	15,080	15,000	15,980
50 - Other Expenses	32,655	45,464	51,782	51,702	45,793
Percent Change 2013 vs. 2012 Budget					-11.57%
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	1,000	500	1,085
555.30 Reserve for Capital Replacement	-	-	-	-	91,704
555.40 Reserve for Technology	-	-	-	-	3,000
560.10 Land Improvements	-	-	1,325	400	-
560.30 Buildings & Structures	513	244	1,000	500	-
55 - Capital Outlay	513	244	3,325	1,400	95,789
Percent Change 2013 vs. 2012 Budget					2780.87%
Department Total: 40 - Fire	7,583,599	7,767,925	7,657,429	7,717,321	7,872,324
Percent Change 2013 vs. 2012 Budget					2.81%

Police

The Police Department delivers a variety of local law enforcement services to the community. The operation is conducted through the following divisions:

- Field Operations Bureau
- Patrol Division
- Field Operations Support Group
- Staff Services Bureau
- Crime Prevention
- Records



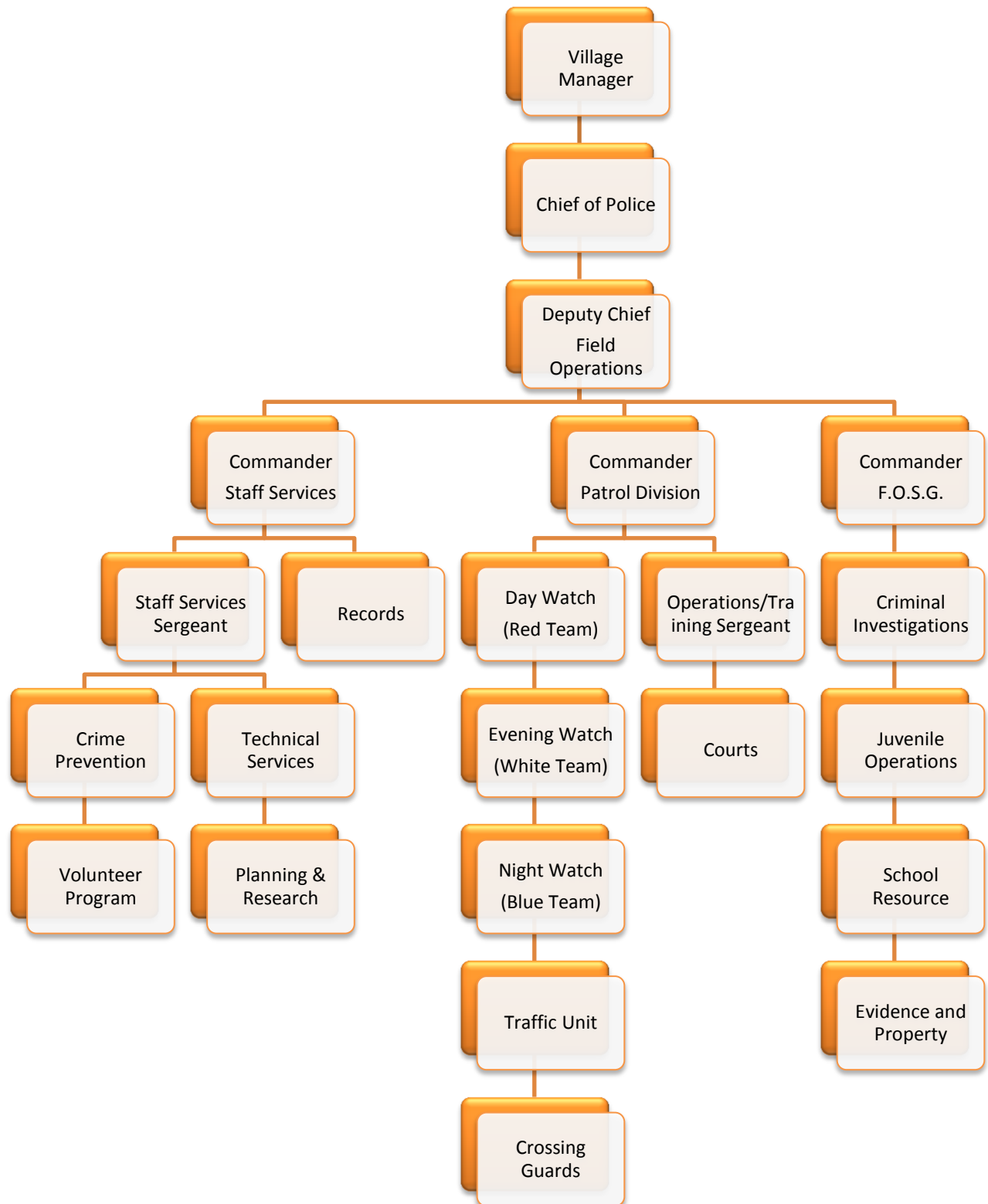
Police services include matters concerning crime, traffic, order maintenance, ordinance enforcement and emergency assistance. The mission of the Buffalo Grove Police Department is "As an accredited and innovative leader in law enforcement, it is the mission of the Buffalo Grove Police Department to provide the highest quality police services by working with our community and sharing our mutual responsibilities for safety, service and problem resolution. These aims are achieved through a continuous program of employee development and by maintaining a high standard of commitment, integrity, and dedication to our profession, colleagues and to all those whom we serve."

The Buffalo Grove Police Department is divided into two segments. The Field Operations Division is the largest and most visible component and consists of uniform patrol officers who provide continuous policing to the community 24 hours a day every day of the year. Detectives, youth officers and school resource officers provide specialized services and investigations that patrol officers cannot accomplish due to the time required to investigate complex incidents and crimes.

The Staff Services Division provides support to the Field Operations Division by developing the department's operating budget and making program recommendations which are aligned with department goals. This division is tasked with account monitoring, records management and maintaining the agency's technical equipment. In addition, Staff Services maintains the department's professional accreditation status and submits applications to state and federal grant funding programs which enhance the services offered to the community.



Department Structure








2012 Accomplishments

1. Crime Rate: Calls for service data indicate that the department is at or slightly below call volume and reported incidents for January through July year over year (2011 vs. 2012).
2. Grant Funding Levels: None of existing grants have reached their renewal dates. It is anticipated that the department will receive grant funding under the DOJ Bulletproof Vest Partnership and D.A.S. Charitable K-9 Grant for 2013. Due to the limitations of I.D.O.T. grant funding, 2013 DUI & seat belt enforcement project was not approved.
3. Enhance Reliability of Mobile Communication: During the second quarter of 2012 the department successfully deployed new laptops and wireless cellular technology for use by mobile computers.
4. Automated Crash Reporting: Software has been installed in each police vehicle to accomplish this goal and the Traffic Unit is successfully utilizing the software.

2013 Goals

In addition to the normal operating goals managed within each department; this fiscal year, all departments have goals related to the implementation of the strategic plan.

	Inventory and prioritize all departmental services and categorize as core or non-core.
	Participate in the establishment of the Village-wide Comprehensive Training Program.
	Review and revise departmental fee and fine structure.
	No goals have been identified for this department with this Strategic Priority.
	Review departmental fleet to determine need and future replacement necessity.

2013 Staffing Summary

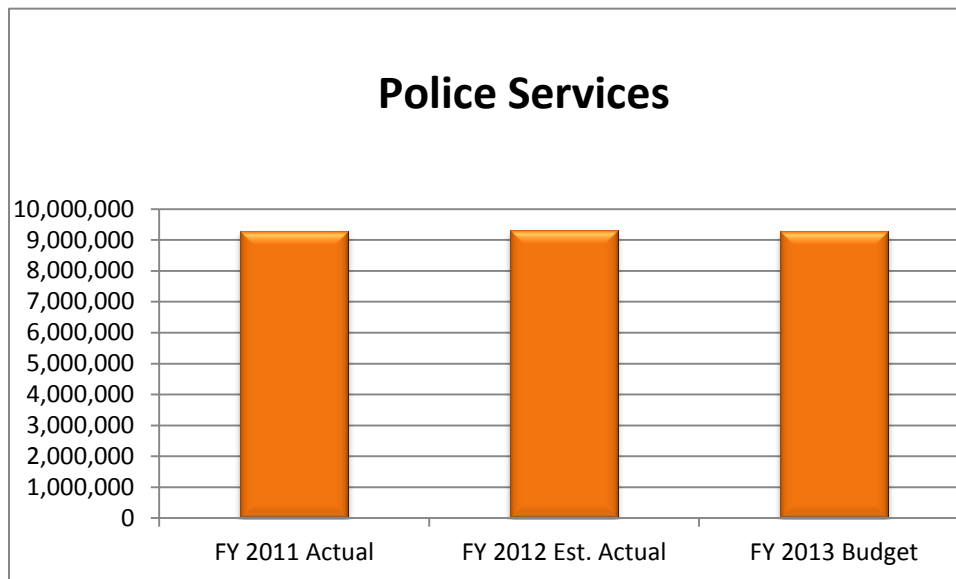
The Police Department is going through reorganization. Due to the Voluntary Separation Incentive program, 1 Sergeant and 4 Police Officers will have retired from the Village by the end of 2012. 2 vacant police officers positions will not be filled in 2013. Additionally, the 2 Part-Time Technical Services Specialist positions, as well as the Part-Time Crime Prevention position are being eliminated from the 2013 budget.

	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Chief of Police	1	0	1	0	1	0
Clerk III	4	0	3	0	3	0
Clerk II	0	2	0	1	0	1
Community Service Officer	3	0	3	0	3	0
Court Supervisor	0	1	0	1	0	1
Crime Prevention/Community Relations	0	1	0	1	0	0
Crossing Guard	0	9	0	9	0	9
Deputy Police Chief	2	0	1	0	1	0
Desk Officer I	0	2	0	2	0	2
Desk Officer II	4	0	3	0	3	0
Evidence Custodian	0	1	0	1	0	1
Patrol Officer	54	0	53	0	53	0
Police Commander	3	0	3	0	3	0
Police Sergeant	11	0	10	0	10	0
Police Social Worker	0	0	0	0	0	0
Records Supervisor	1	0	1	0	1	0
Research and Planning Specialist	0	0	0	0	0	0
Secretary	1	1	1	0	1	0
Technical Services Specialist	0	2	0	2	0	0
Total	84	19	79	17	79	14
Full & Part-Time Total	103		96		93	

Budget Summary

Police Services

Column1	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	7,327,115	7,294,486	7,120,465
Personal Benefits	1,302,247	1,338,339	1,357,216
Operating Expenses	535,815	513,270	581,559
Contractual Services	26,240	12,640	15,400
Repairs & Maintenance	16,234	16,869	14,849
Capital Equipment	14,786	17,500	71,450
All Other Expenses	67,035	107,095	107,295
Total	9,289,472	9,300,199	9,268,234



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 45 - Police					
10 - Salaries					
500.05 Full Time	731,382	666,375	633,733	632,000	650,111
500.10 Part Time	406,854	374,034	379,813	379,813	257,416
500.20 Sworn	6,049,501	5,960,548	5,912,433	5,887,433	5,821,898
500.30 Special Duty	-	(36,448)	-	-	-
500.35 Overtime	311,922	304,806	338,640	338,640	338,640
500.40 Longevity	53,200	57,800	57,600	56,600	52,400
10 - Salaries	7,552,859	7,327,115	7,322,219	7,294,486	7,120,465
Percent Change 2013 vs. 2012 Budget					-2.76%
15 - Taxes and Benefits					
505.05 Group & Medical Life	1,108,910	1,188,874	1,236,300	1,236,300	1,259,940
505.10 Professional Training	32,266	28,905	34,450	34,450	33,250
505.15 Dues & Memberships	2,255	2,097	2,000	2,000	2,000
505.20 Clothing Allowance	33,160	33,089	32,775	32,225	31,750
505.25 Uniform Maintenance	30,032	41,648	28,032	28,000	26,976
505.30 Recruit Uniforms	1,765	1,930	3,800	3,798	3,300
505.45 ICMA Deferred Compensation	11,251	5,704	1,851	1,566	-
15 - Taxes and Benefits	1,219,639	1,302,247	1,339,208	1,338,339	1,357,216
Percent Change 2013 vs. 2012 Budget					1.34%
25 - Operating Expenses					
510.02 Telephone	29,242	36,865	34,360	33,360	36,140
510.04 Travel	1,208	724	2,640	2,000	2,225
510.06 Per Diem Allowance	1,216	1,130	1,500	1,500	1,500
510.10 Maintenance Contracts	-	40,000	-	-	43,260
510.14 Subscriptions & Publications	950	1,069	1,000	1,000	900
510.16 Printing	9,236	7,212	9,850	8,850	9,775
510.22 Recruitment Charges	872	1,179	1,500	1,500	1,500
510.26 Physical Fitness Equipment	405	-	400	400	400
510.30 Safety Equipment - Patrol	3,173	3,442	3,195	3,195	6,175
510.32 Safety Equipment - FOSG	96	100	500	500	500
510.33 Operating Equip - Staff	-	-	500	500	500
510.34 DUI Assessment Purchases	44,746	15,315	-	-	-
510.35 Reimbursable Expenses	310	3,724	-	-	-
510.41 Supplies - Patrol	2,503	10,228	2,900	2,900	2,900
510.42 Supplies - FOSG	5,106	4,593	4,560	4,300	4,550
510.43 Supplies - Communications	2,444	523	2,400	2,400	1,600
510.44 Supplies - Records	7,230	9,481	10,500	10,000	10,300
510.45 Supplies - OCOP	196	533	500	500	450
510.46 Supplies - Training	8,551	10,004	8,550	8,550	8,550
510.47 Supplies - Crime Prevention	4,812	4,279	4,600	4,600	4,600
510.48 Supplies - Detention	1,761	956	1,300	1,150	1,300
510.55 Operating Equip - Department	11,500	-	12,240	12,240	11,880
510.56 Operating Equip - Patrol	5,754	2,695	2,840	2,740	2,800
510.57 Operating Equip - FOSG	-	-	3,468	3,468	3,468
510.58 Operating Equip - Communications	612	319	550	550	550
510.60 Operating Equip - OCOP	-	55	200	200	200
510.61 Operating Equip - Training	-	145	720	500	700
510.62 Operating Equip - Detention	-	-	150	150	150
510.63 Operating Equip - Bike Patrol	92	998	1,300	800	1,300

Description		FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
510.64	Operating Equipment - Records	1,154	670	1,072	1,072	1,072
510.65	Northwest Central Dispatch	362,902	311,096	339,854	335,000	351,730
510.66	NIPAS	6,574	5,010	5,010	5,010	5,835
510.67	Northern IL Police Crime Lab	58,238	57,694	58,749	58,500	59,049
510.68	Animal Control	4,358	3,296	4,900	4,500	4,400
510.69	Prisoner Care	1,067	2,480	1,335	1,335	1,300
25 - Operating Expenses		576,308	535,815	523,143	513,270	581,559
Percent Change 2013 vs. 2012 Budget						11.17%
30 - Contractual Services						
515.10	Unemployment Insurance	26,645	26,240	12,640	12,640	15,400
30 - Contractual Services		26,645	26,240	12,640	12,640	15,400
Percent Change 2013 vs. 2012 Budget						21.84%
40 - Repairs and Maintenance						
550.10	Radios	-	3,818	4,424	4,150	3,524
550.15	Mobile Data Terminals	-	3,894	3,894	3,894	2,500
550.20	Patrol Equipment	5,250	5,262	5,375	5,375	5,375
550.25	F.O.S.G. Equipment	716	600	700	700	700
550.30	Staff Equipment	5,058	2,660	2,750	2,750	2,750
40 - Repairs and Maintenance		11,024	16,234	17,143	16,869	14,849
Percent Change 2013 vs. 2012 Budget						-13.38%
50 - Other Expenses						
580.05	All Other Expenses	7,376	5,025	6,800	6,000	6,750
580.11	Contractual Services	-	-	40,000	40,000	40,000
580.15	Committee on Accreditation	4,259	5,942	5,500	5,500	5,500
580.25	OMNI Youth Services	35,000	35,000	35,000	35,000	35,000
580.30	Overweight Truck Enforcement	2,099	1,878	2,211	2,000	2,200
580.55	Records Management	-	-	10,350	10,345	10,345
580.57	Police Grant Charges	8,250	8,845	8,250	8,250	7,500
580.58	Il. Criminal Justice Info. Auth.	6,850	10,345	-	-	-
50 - Other Expenses		63,834	67,035	108,111	107,095	107,295
Percent Change 2013 vs. 2012 Budget						-0.75%
55 - Capital Outlay						
555.10	Office and Other Equipment	19,688	14,786	18,500	17,500	18,500
555.30	Reserve for Capital Replacement	-	-	-	-	45,000
555.40	Reserve for Technology	-	-	-	-	7,950
55 - Capital Outlay		19,688	14,786	18,500	17,500	71,450
Percent Change 2013 vs. 2012 Budget						286.22%
Department Total: 45 - Police		9,469,997	9,289,472	9,340,964	9,300,199	9,268,234
Percent Change 2013 vs. 2012 Budget						-0.78%

Building and Zoning, Health Department

The Building and Zoning Department provides for the administration and inspection of all new residential, commercial, and industrial construction, existing structures, and all businesses pursuant to Village ordinances, codes, and applicable State Statutes. Appropriate regulations and inspections of new and existing buildings are necessary in order to protect the public health, safety and general welfare as regulated by code and statute. The Health Department is a division of this department.



Department Structure








2012 Accomplishments

1. B&Z/Health had twelve articles featuring information concerning the services provided by the department included in the Village Newsletter. Additionally, during each week of Building Safety Month (May) the department featured various articles on the Village website highlighting a specific area of interest in order to increasing public awareness.
2. In October, the municipal code was amended to include a Residential Rental Housing Program. The purpose of the program is to provide for the registration and inspections of all rental properties within the Village. The program was established to protect the health, safety and welfare of the residents of the community.
3. The Health Inspector was certified as a Fire Prevention Inspector this year and is now assisting the Fire Prevention Bureau in routine inspections.
4. Based upon the current implementation schedule, credit card acceptance should be available in the 1st quarter of 2013.

2013 Goals

In addition to the normal operating goals managed within each department; this fiscal year, all departments have goals related to the implementation of the strategic plan.

	Inventory and prioritize all departmental services and categorize as core or non-core.
	Participate in the establishment of the Village-wide Comprehensive Training Program.
	Review and revise departmental fee and fine structure.
	Be business friendly by educating, streamlining and simplifying administrative processes.
	Review departmental fleet to determine need and future replacement necessity.

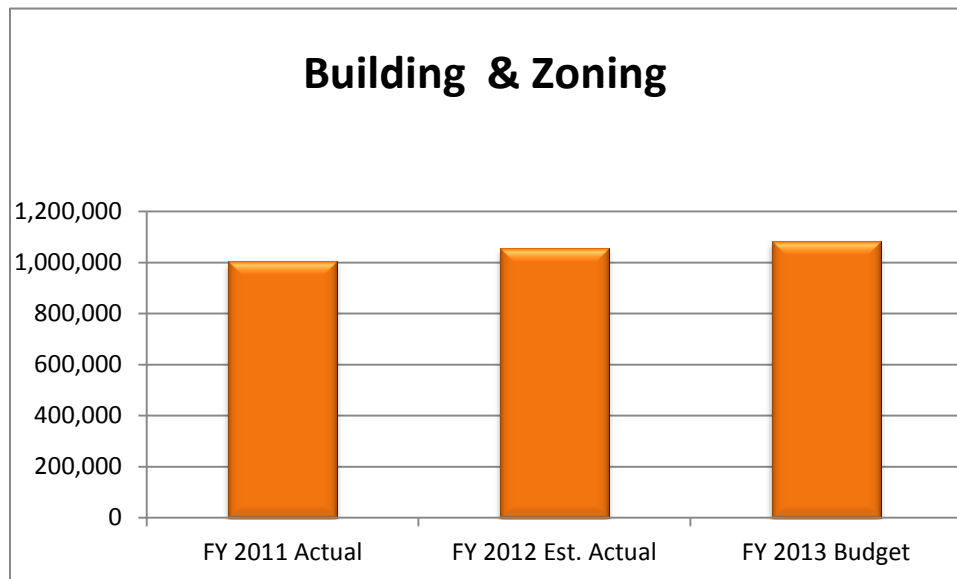
FY 2013 Staffing Summary

For 2013, there will be no programmed staffing changes in this department.

	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Building Inspector	1	0	1	0	1	0
Deputy Building Commissioner	2	0	2	0	2	0
Electrical Inspector	1	0	1	0	1	0
Health Inspector	1	0	1	0	1	0
Plan Reviewer	1	0	1	0	1	0
Plumbing Inspector	1	0	1	0	1	0
Property Maintenance Inspetor	1	0	1	0	1	0
Clerk II	0	2	0	2	0	2
Secretary	1	0	1	0	1	0
Total	9	2	9	2	9	2
Full & Part-Time Total	11		11		11	

Budget Summary
Building Zoning/Health

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	773,634	816,099	834,158
Personal Benefits	137,479	151,468	153,545
Operating Expenses	60,955	60,973	61,492
Contractual Services	2,880	1,440	1,800
Repairs & Maintenance	2,342	2,253	3,033
Capital Equipment	-	-	4,864
Commodities	79	561	600
All Other Expenses	27,580	23,786	24,626
Total	1,004,949	1,056,580	1,084,118



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 50 - Building & Zoning					
10 - Salaries					
500.05 Full Time	705,115	716,610	743,351	743,351	763,218
500.10 Part Time	43,614	47,026	71,153	63,405	59,140
500.35 Overtime	3,280	3,798	5,288	3,143	5,000
500.40 Longevity	6,200	6,200	6,200	6,200	6,800
10 - Salaries	758,209	773,634	825,992	816,099	834,158
Percent Change 2013 vs. 2012 Budget					0.99%
15 - Taxes and Benefits					
505.05 Group & Medical Life	114,857	129,938	143,497	143,497	146,865
505.10 Professional Training	3,277	3,294	5,206	4,950	5,280
505.15 Dues & Memberships	1,082	1,007	1,387	1,387	1,400
505.35 Safety Equipment	103	-	-	-	-
505.45 ICMA Deferred Compensation	4,814	3,240	1,634	1,634	-
15 - Taxes and Benefits	124,133	137,479	151,724	151,468	153,545
Percent Change 2013 vs. 2012 Budget					1.20%
25 - Operating Expenses					
510.02 Telephone	5,680	6,028	5,000	4,000	4,500
510.04 Travel	813	961	850	831	850
510.06 Per Diem Allowance	134	316	600	600	600
510.08 Reception & Community Affairs	631	502	1,100	1,100	1,100
510.10 Maintenance Contracts	48,400	48,401	49,466	49,466	49,466
510.12 Equipment Rental	-	-	100	-	100
510.14 Subscriptions & Publications	667	1,069	976	976	1,141
510.16 Printing	1,290	1,980	1,400	1,400	1,485
510.40 Supplies - Office	2,080	1,698	2,690	2,600	2,250
25 - Operating Expenses	59,695	60,955	62,182	60,973	61,492
Percent Change 2013 vs. 2012 Budget					-1.11%
30 - Contractual Services					
515.10 Unemployment Insurance	2,880	2,880	1,440	1,440	1,800
30 - Contractual Services	2,880	2,880	1,440	1,440	1,800
Percent Change 2013 vs. 2012 Budget					25.00%
40 - Repairs and Maintenance					
550.05 Department Equipment	2,208	2,342	3,033	2,253	3,033
40 - Repairs and Maintenance	2,208	2,342	3,033	2,253	3,033
Percent Change 2013 vs. 2012 Budget					0.00%
45 - Commodities					
530.50 Small Equipment Tools & Hardware	81	79	600	561	600
45 - Commodities	81	79	600	561	600
Percent Change 2013 vs. 2012 Budget					0.00%
50 - Other Expenses					
580.05 All Other Expenses	1,890	570	1,000	750	1,000
580.10 Consultant Fees	22,296	27,010	25,000	23,036	23,626
50 - Other Expenses	24,186	27,580	26,000	23,786	24,626
Percent Change 2013 vs. 2012 Budget					-5.28%

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
55 - Capital Outlay					
555.30 Reserve for Capital Replacement	-	-	-	-	3,064
555.40 Reserve for Technology	-	-	-	-	1,800
55 - Capital Outlay	-	-	-	-	4,864
Percent Change 2013 vs. 2012 Budget					0.00%
Department Total: 50 - Building & Zoning	971,392	1,004,949	1,070,971	1,056,580	1,084,118
Percent Change 2013 vs. 2012 Budget					1.23%

Public Works

The Village of Buffalo Grove Public Works Department is made up of several sections including the following divisions:

Engineering

Engineering consists of subdivision and development control, capital improvement engineering, staff and general engineering services, and the necessary management of the division.



Building Maintenance Division

The Building Maintenance Division provides a clean, healthy, and safe working environment in each facility for village employees and to provide a clean appearance in public areas and meeting places utilized by the public and the various committees and commissions of the Village government structure.

Street Division

The Street Division oversees the maintenance of 120.70 centerline miles of street and approximately 241.40 miles of curb and gutter so as to insure that they are smooth, clean, safe, and structurally sound for vehicular travel in a variety of weather conditions.

Public Works Administration

Public Works Administration develops and oversees effective public works service delivery programs and policies, as well as administers the Village Personnel Policies. Administrative staff oversees strategic and long range planning of department programs, capital improvement plans and special projects. Administrative staff also manages the Village's capital improvement projects and GIS for the Village. Staff also includes secretarial personnel who provide clerical support for the Public Works Department.

Forestry and Grounds Division

The Forestry and Grounds Division provides for the maintenance and care of parkway trees. Several tasks are performed to insure the vitality of parkway trees; tree removal and replacement, disease and insect control and the care for the overall health of the urban forest.

The Division also performs various activities on the Village parkways; maintaining landscaping on Village owned properties and right-of-way, maintain maintenance for detention and retention areas for aesthetic appearance and flood control purposes and providing aquatic weed control on several ponds.

Central Garage Division

The Central Garage Division provides maintenance services for the Village fleet in order to maintain a cost-effective service life for each vehicle and piece of equipment.

Drainage Division

The Drainage Division provides for the preventive maintenance for the Village storm sewer and drainage system consistent with the program guidelines for the sanitary sewer system program.

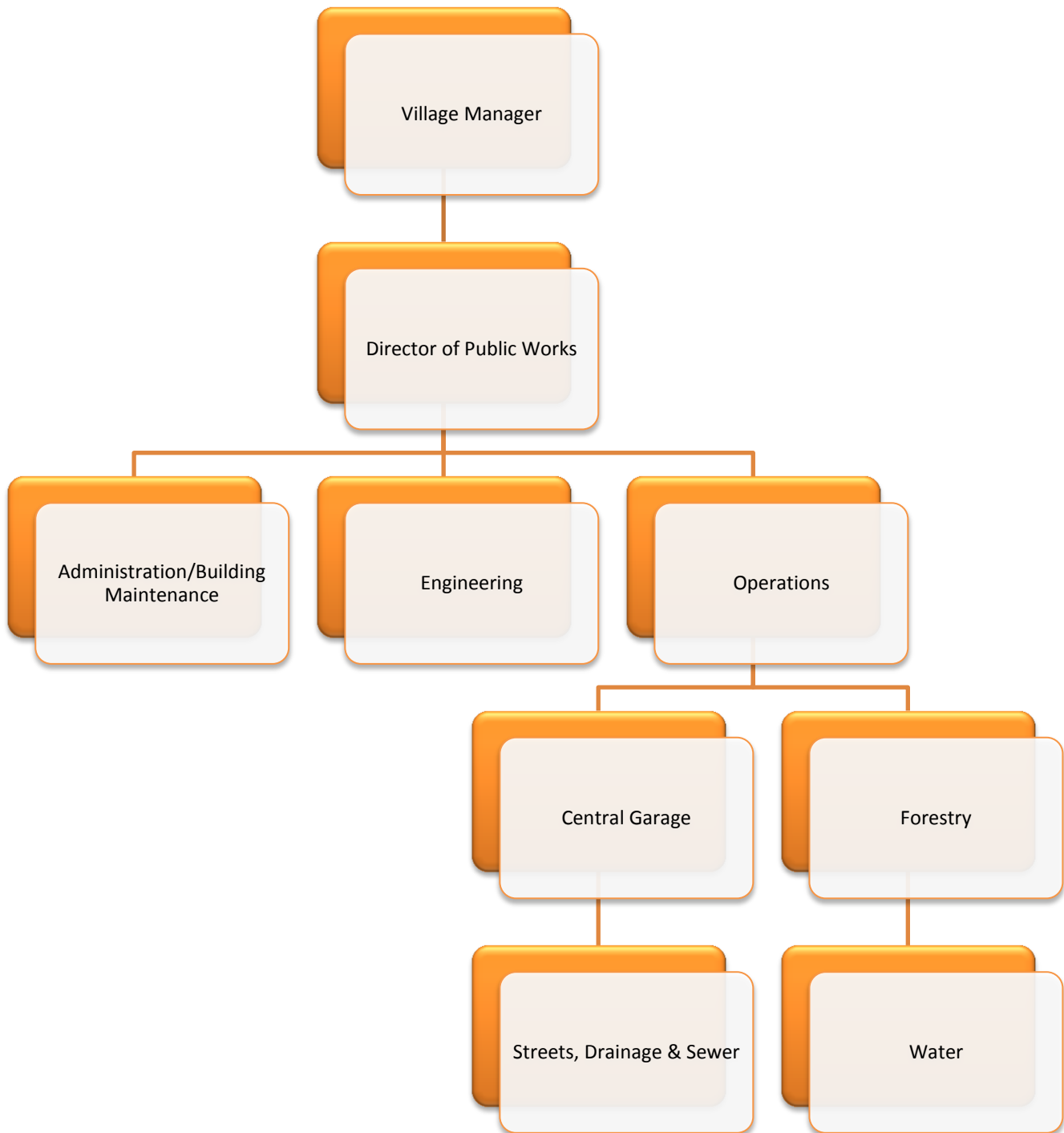
Water Division

The Water Division provides a safe, high quality, uninterrupted potable water supply for all Village residents, and contract water users.

Sewerage Division

The Sewerage Division provides inspection, cleaning and maintenance of the Village's sanitary sewer system to provide a safe and efficient system, which has the potential to operate at 100% of the designed flow capacity and reduce the possibility of sewage back up in residences.

Department Structure








2012 Accomplishments

1. Awarded reaccreditation of the Public Works Department from the American Public Works Association in 2012.
2. Overhauled Emerald Ash Borer Management Plan to prepare for the removal and replacement of 7,000 Ash trees.
3. Utilized joint bidding with the Municipal Partnering Initiative to realize cost savings due to economies of scale for projects like the 2012 Sewer Lining Project, Crack Sealing, Fire Hydrant Painting and Pedestrian Bridge Inspections.
4. Completed in-house training of middle management personnel through ICMA's "Effective Supervisory Practices", 4th Edition.
5. Completed all facility related CIP projects, remodeling projects, street, sidewalk, and bikepath improvement programs, and other infrastructure maintenance.

2013 Goals

In addition to the normal operating goals managed within each department; this fiscal year, all departments have goals related to the implementation of the strategic plan.

	Inventory and prioritize all departmental services and categorize as core or non-core.
	Participate in the establishment of the Village-wide Comprehensive Training Program.
	Review and revise department fee and fine structure.
	No goals have been identified for this department with this Strategic Priority.
	Evaluate street and utility system lifecycle maintenance and replacement costs.

2013 Staffing Summary

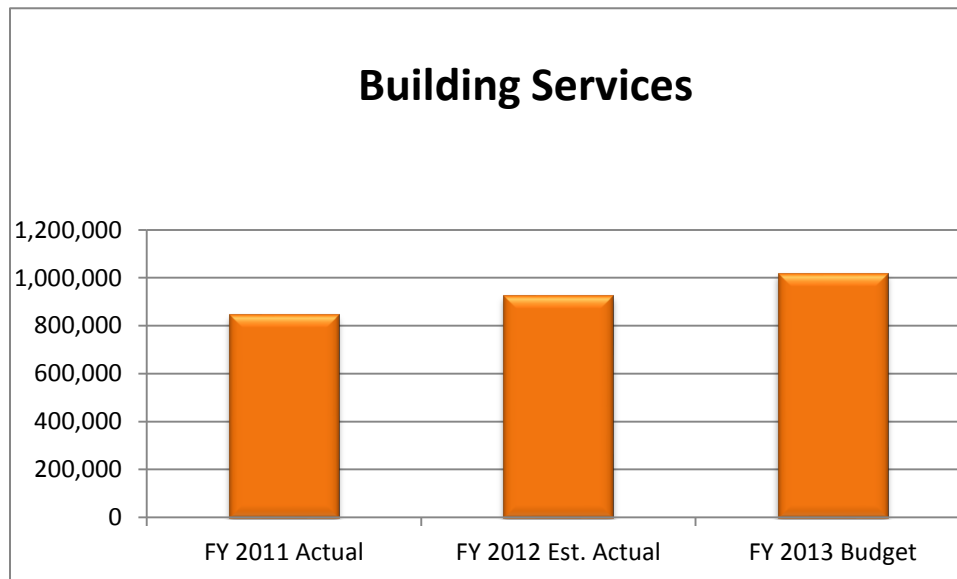
Public Works is going through reorganization. Due to the Voluntary Separation Incentive program, the Village Engineer retired from the Village in mid-2012. A new Village Engineer is not expected to be selected until early 2013. To compensate for the loss of the Department's Technical Services Manager, via transfer to the position of Purchasing Manager, a second Civil Engineer I position has been added to this budget, as well as a much needed Water Customer Services Worker I. Additionally, the Part-Time Civil Engineer II and Part-Time Engineering Technician are being eliminated from the 2013 budget.

	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Automotive Mechanic II	3	0	3	0	3	0
Automotive Mechanic III	1	0	1	0	1	0
Automotive Shop Assistant	0	1	0	1	0	1
Building Maintenance Supervisor	1	0	1	0	1	0
Building Maintenance Worker	2	0	2	02	2	0
Building Maintenance Worker II – CL	1	0	1	0	1	0
Civil Engineer I	1	0	1	0	1	0
Civil Engineer II	1	1	1	1	2	0
Clerk II	1	1	1	1	1	1
Clerk I	0	1	0	0	0	0
Deputy Director of Public Works	1	0	1	0	1	0
Director of Public Works	1	0	1	0	1	0
Engineering Aide	0	1	0	1	0	1
Engineering Technician	1	1	1	1	1	0
Fleet Manager	1	0	1	0	1	0
Forestry and Grounds Supervisor	1	0	1	0	1	0
Facility Coordinator	1	0	1	0	1	0
Laborer – Seasonal	0	9	0	9	0	9
Maintenance Worker I	9	0	10	0	10	0

	FY 2011		FY 2012		FY 2013	
Maintenance Worker II	8	0	8	0	8	0
Maintenance Worker II – CL	8	0	8	0	8	0
Maintenance Worker III	1	0	1	0	1	0
Metra Station Attendant	0	1	0	1	0	1
Operations Mgr – Streets, Drainage, Sanitary Sewer	1	0	1	0	1	0
Secretary	3	0	3	0	3	0
Superintendent of Water Operations	1	0	1	0	1	0
Technical Services Manager	1	0	1	0	0	0
Village Engineer	1	0	1	0	1	0
Water Customer Service Worker I	1	0	0	0	0	0
Total	51	16	51	15	51	13
Full & Part-Time Total	67		66		64	

Budget Summary
Building Services

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	313,544	324,451	332,657
Personal Benefits	85,864	89,751	98,797
Operating Expenses	121,254	134,055	152,050
Contractual Services	-	640	800
Repairs & Maintenance	263,906	271,575	308,375
Capital Equipment	-	250	20,680
Commodities	63,645	105,295	105,295
All Other Expenses	36	-	-
Total	848,249	926,017	1,018,654

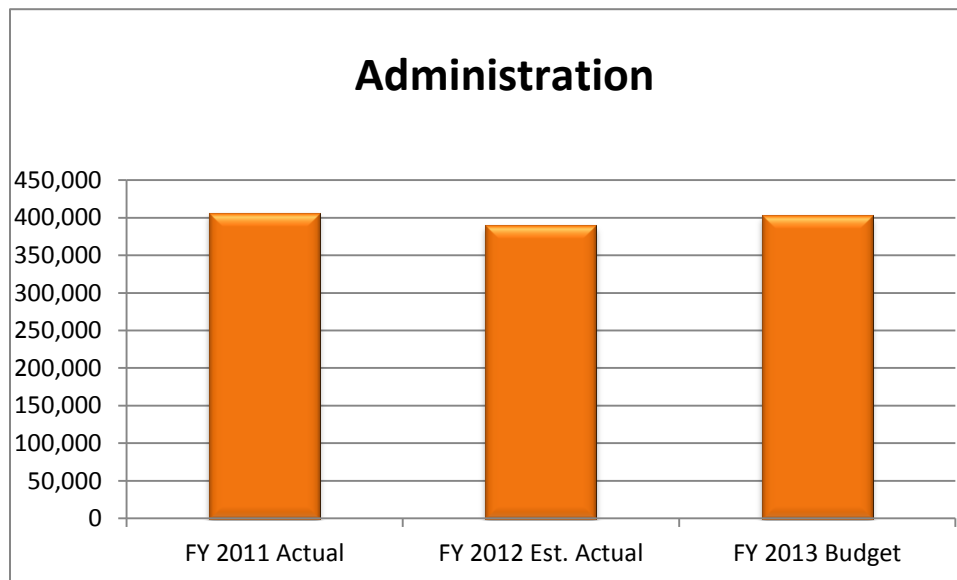


Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 55 - Public Works					
Division: 05 - Building Services					
10 - Salaries					
500.05 Full Time	301,679	304,647	313,913	313,913	322,127
500.10 Part Time	-	-	-	-	-
500.35 Overtime	2,120	5,967	7,208	7,208	7,200
500.40 Longevity	2,730	2,930	3,330	3,330	3,330
10 - Salaries	306,529	313,544	324,451	324,451	332,657
Percent Change 2013 vs. 2012 Budget					2.53%
15 - Taxes and Benefits					
505.05 Group & Medical Life	71,419	80,890	81,644	81,644	90,040
505.10 Professional Training	240	110	400	400	400
505.15 Dues & Memberships	236	239	315	315	315
505.20 Clothing Allowance	729	483	872	872	872
505.26 Uniform Rental	4,162	3,958	5,220	5,220	5,220
505.35 Safety Equipment	870	184	1,300	1,300	1,950
505.45 ICMA Deferred Compensation	-	-	-	-	-
15 - Taxes and Benefits	77,656	85,864	89,751	89,751	98,797
Percent Change 2013 vs. 2012 Budget					10.08%
25 - Operating Expenses					
510.02 Telephone	2,020	1,790	2,500	2,500	2,500
510.10 Maintenance Contracts	122,883	87,085	113,000	100,000	115,000
510.12 Equipment Rental	306	185	475	475	475
510.14 Subscriptions & Publications	25	79	200	200	200
510.40 Supplies - Office	382	457	530	530	525
510.50 Supplies - All Other	31,359	31,658	30,350	30,350	33,350
510.55 Operating Equip - Department	-	-	-	-	-
25 - Operating Expenses	156,975	121,254	147,055	134,055	152,050
Percent Change 2013 vs. 2012 Budget					3.40%
30 - Contractual Services					
515.10 Unemployment Insurance	1,280	-	640	640	800
30 - Contractual Services	1,280	-	640	640	800
Percent Change 2013 vs. 2012 Budget					25.00%
40 - Repairs and Maintenance					
535.15 Street Lights	242,829	234,447	206,000	206,000	206,000
535.20 Buildings & Facilities	26,505	29,443	51,850	65,000	101,400
550 Maintenance & Repairs - Other	-	-	-	-	400
550.05 Department Equipment	-	16	500	500	500
550.10 Radios	-	-	75	75	75
40 - Repairs and Maintenance	269,334	263,906	258,425	271,575	308,375
Percent Change 2013 vs. 2012 Budget					19.33%
45 - Commodities					
530.10 Electricity - Street Lights	115,772	75,090	103,000	90,000	90,000
530.15 Electricity - Water & Sewer	1,369	4,361	-	-	-
530.20 Gas - Facilities	(762)	(21,515)	10,000	10,000	10,000
530.25 Gas - Street Lights	6,193	5,414	8,000	5,000	5,000

Description		FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
530.50	Small Equipment Tools & Hardware	330	295	295	295	295
45 - Commodities		122,902	63,645	121,295	105,295	105,295
Percent Change 2013 vs. 2012 Budget						-13.19%
50 - Other Expenses						
580.05	All Other Expenses	-	36	-	-	-
50 - Other Expenses		-	36	-	-	-
Percent Change 2013 vs. 2012 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	-	-	251	250	250
555.20	Automobiles & Trucks	-	-	-	-	5,623
555.30	Reserve for Capital Replacement	-	-	-	-	14,207
555.40	Reserve for Technology	-	-	-	-	600
55 - Capital Outlay		-	-	251	250	20,680
Percent Change 2013 vs. 2012 Budget						8139.04%
Division Total: 05 - Building Services		934,676	848,249	941,868	926,017	1,018,654
Percent Change 2013 vs. 2012 Budget						8.15%

Public Works Administration

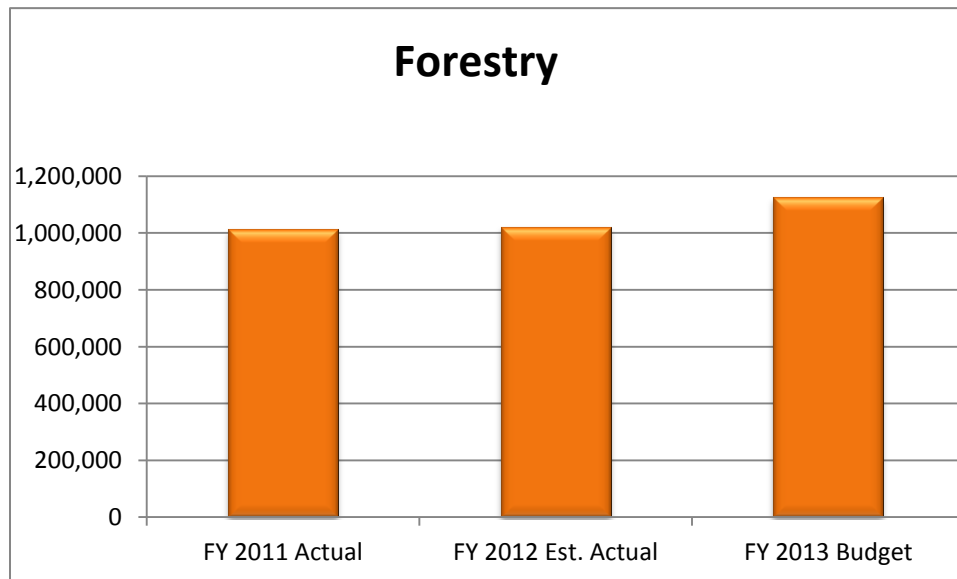
	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	292,474	266,962	276,669
Personal Benefits	88,193	89,488	91,450
Operating Expenses	7,357	10,500	10,700
Contractual Services	1,920	960	1,000
Repairs & Maintenance	4,704	7,940	7,940
Capital Equipment	11,773	13,800	15,000
Total	406,421	389,650	402,759



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Division: 15 - Administration					
10 - Salaries					
500.05 Full Time	255,566	268,195	263,316	263,762	272,669
500.10 Part Time	32,118	22,479	39,501	-	-
500.35 Overtime	-	-	400	400	400
500.40 Longevity	1,600	1,800	3,000	2,800	3,600
10 - Salaries	289,284	292,474	306,217	266,962	276,669
Percent Change 2013 vs. 2012 Budget					-9.65%
15 - Taxes and Benefits					
505.05 Group & Medical Life	55,334	78,234	78,594	78,594	82,992
505.10 Professional Training	1,707	1,126	3,350	3,350	3,350
505.15 Dues & Memberships	3,925	3,795	4,458	4,458	4,458
505.20 Clothing Allowance	(148)	76	250	250	250
505.35 Safety Equipment	114	139	400	400	400
505.45 ICMA Deferred Compensation	6,801	4,823	2,436	2,436	-
15 - Taxes and Benefits	67,733	88,193	89,488	89,488	91,450
Percent Change 2013 vs. 2012 Budget					2.19%
25 - Operating Expenses					
510.02 Telephone	1,475	1,783	2,800	2,800	2,800
510.04 Travel	88	48	300	300	300
510.10 Maintenance Contracts	-	-	-	-	-
510.12 Equipment Rental	-	-	-	-	-
510.14 Subscriptions & Publications	1,784	1,766	1,800	1,800	2,000
510.40 Supplies - Office	4,506	3,760	5,600	5,600	5,600
510.50 Supplies - All Other	-	-	-	-	-
25 - Operating Expenses	7,853	7,357	10,500	10,500	10,700
Percent Change 2013 vs. 2012 Budget					1.90%
30 - Contractual Services					
515.10 Unemployment Insurance	1,920	1,920	960	960	1,000
30 - Contractual Services	1,920	1,920	960	960	1,000
Percent Change 2013 vs. 2012 Budget					4.17%
40 - Repairs and Maintenance					
550.05 Department Equipment	6,883	4,704	7,940	7,940	7,940
40 - Repairs and Maintenance	6,883	4,704	7,940	7,940	7,940
Percent Change 2013 vs. 2012 Budget					0.00%
50 - Other Expenses					
580.05 All Other Expenses	-	-	-	-	-
50 - Other Expenses	-	-	-	-	-
Percent Change 2013 vs. 2012 Budget					0.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	6,861	11,773	13,800	13,800	13,800
555.40 Reserve for Technology	-	-	-	-	1,200
55 - Capital Outlay	6,861	11,773	13,800	13,800	15,000
Percent Change 2013 vs. 2012 Budget					8.70%
Division Total: 15 - Administration	380,534	406,421	428,905	389,650	402,759
Percent Change 2013 vs. 2012 Budget					-6.10%

Forestry and Grounds

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	751,787	766,892	832,409
Personal Benefits	184,484	199,543	209,416
Operating Expenses	21,988	19,586	19,772
Contractual Services	3,520	1,760	2,200
Repairs & Maintenance	49,121	30,600	1,100
Capital Equipment	-	-	58,661
Commodities	1,705	3,100	3,100
All Other Expenses	-	-	-
Total	1,012,605	1,021,481	1,126,658

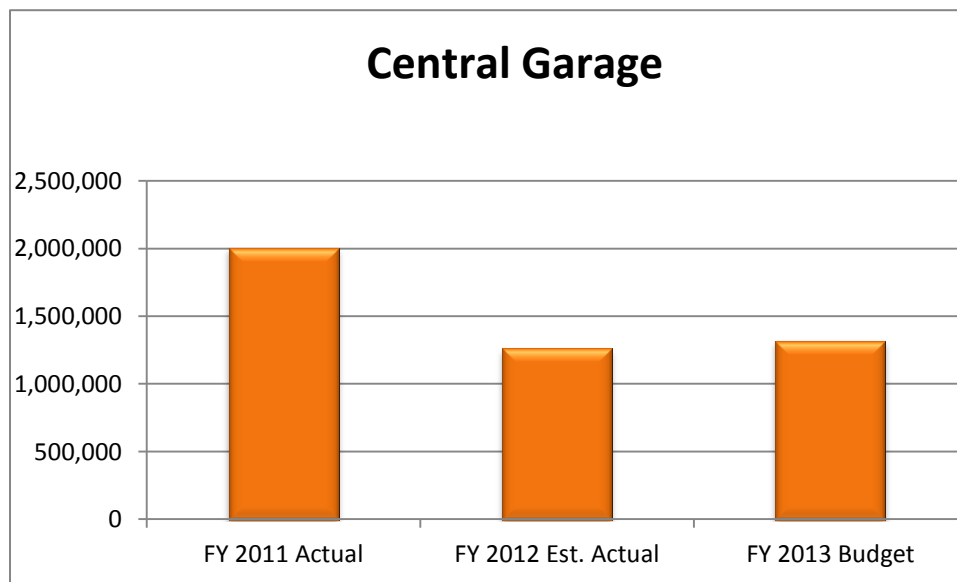


Description		FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Division: 20 - Forestry						
10 - Salaries						
500.05	Full Time	719,807	731,733	749,137	728,126	775,236
500.10	Part Time	19,800	9,829	44,960	28,484	44,299
500.35	Overtime	6,790	3,925	5,144	2,982	5,374
500.40	Longevity	6,100	6,300	7,300	7,300	7,500
10 - Salaries		752,497	751,787	806,541	766,892	832,409
Percent Change 2013 vs. 2012 Budget						3.21%
15 - Taxes and Benefits						
505.05	Group & Medical Life	166,429	176,556	189,183	189,183	199,155
505.10	Professional Training	2,759	1,554	2,250	2,250	2,250
505.15	Dues & Memberships	1,397	938	1,670	1,670	1,670
505.20	Clothing Allowance	1,342	1,680	1,539	2,539	2,539
505.26	Uniform Rental	3,290	3,072	2,503	2,503	2,552
505.35	Safety Equipment	1,003	412	1,250	1,250	1,250
505.45	ICMA Deferred Compensation	406	272	92	148	-
15 - Taxes and Benefits		176,626	184,484	198,487	199,543	209,416
Percent Change 2013 vs. 2012 Budget						5.51%
25 - Operating Expenses						
510.02	Telephone	2,992	2,389	2,615	2,615	2,615
510.10	Maintenance Contracts	6,485	7,641	7,750	7,750	7,750
510.12	Equipment Rental	500	696	835	696	835
510.14	Subscriptions & Publications	-	-	100	-	100
510.40	Supplies - Office	373	393	524	525	472
510.50	Supplies - All Other	4,810	7,937	5,000	5,000	5,000
510.55	Operating Equip - Department	2,823	2,932	-	3,000	3,000
25 - Operating Expenses		17,983	21,988	16,824	19,586	19,772
Percent Change 2013 vs. 2012 Budget						17.52%
30 - Contractual Services						
515.10	Unemployment Insurance	3,520	3,520	1,760	1,760	2,200
30 - Contractual Services		3,520	3,520	1,760	1,760	2,200
Percent Change 2013 vs. 2012 Budget						25.00%
40 - Repairs and Maintenance						
535.30	Parkway Trees	24,369	48,468	30,000	30,000	-
550.05	Department Equipment	293	512	600	600	600
550.10	Radios	283	141	500	-	500
40 - Repairs and Maintenance		24,945	49,121	31,100	30,600	1,100
Percent Change 2013 vs. 2012 Budget						-96.46%
45 - Commodities						
530.45	Chemicals and Fertilizers	3,834	1,132	2,500	2,500	2,500
530.50	Small Equipment Tools & Hardware	332	573	600	600	600
45 - Commodities		4,166	1,705	3,100	3,100	3,100
Percent Change 2013 vs. 2012 Budget						0.00%
50 - Other Expenses						
580.05	All Other Expenses	-	-	75	-	-
50 - Other Expenses		-	-	75	-	-

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Percent Change 2013 vs. 2012 Budget					-100.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	3,000	-	-
555.30 Reserve for Capital Replacement	-	-	-	-	57,911
555.40 Reserve for Technology	-	-	-	-	750
55 - Capital Outlay	-	-	3,000	-	58,661
Percent Change 2013 vs. 2012 Budget					1855.37%
Division Total: 20 - Forestry	979,737	1,012,605	1,060,887	1,021,481	1,126,658
Percent Change 2013 vs. 2012 Budget					6.20%

Central Garage

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	461,351	473,670	491,683
Personal Benefits	117,719	118,674	131,582
Operating Expenses	10,719	13,363	29,612
Contractual Services	1,600	800	1,000
Repairs & Maintenance	620,294	652,888	642,733
Capital Equipment	793,058	-	19,343
Commodities	2,671	4,964	3,000
All Other Expenses	-	-	-
Total	2,007,412	1,264,359	1,318,953

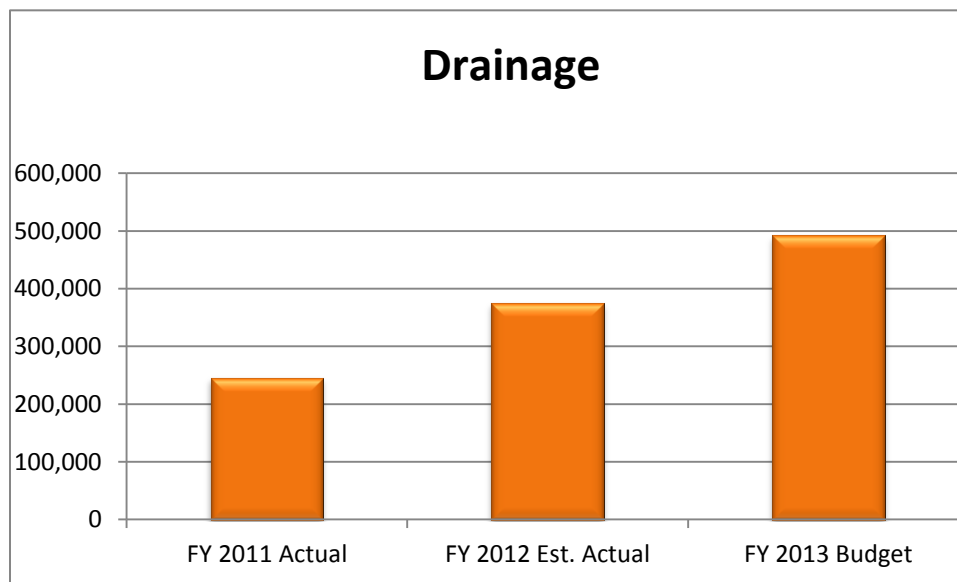


Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Division: 30 - Central Garage					
10 - Salaries					
500.05 Full Time	431,045	437,141	448,836	448,615	466,099
500.10 Part Time	15,419	15,941	16,214	16,216	16,626
500.35 Overtime	4,138	3,979	4,509	4,549	4,668
500.40 Longevity	4,090	4,290	4,290	4,290	4,290
10 - Salaries	454,692	461,351	473,849	473,670	491,683
Percent Change 2013 vs. 2012 Budget					3.76%
15 - Taxes and Benefits					
505.05 Group & Medical Life	99,604	113,284	114,182	114,182	125,710
505.10 Professional Training	-	-	700	-	700
505.15 Dues & Memberships	126	189	243	126	153
505.20 Clothing Allowance	767	553	1,069	972	1,069
505.26 Uniform Rental	3,510	3,133	-	3,193	3,200
505.35 Safety Equipment	350	304	750	110	750
505.45 ICMA Deferred Compensation	382	256	91	91	-
15 - Taxes and Benefits	104,739	117,719	117,035	118,674	131,582
Percent Change 2013 vs. 2012 Budget					12.43%
25 - Operating Expenses					
510.02 Telephone	2,835	2,074	2,500	1,500	2,000
510.10 Maintenance Contracts	-	1,759	3,500	3,500	3,500
510.12 Equipment Rental	169	239	3,486	338	300
510.14 Subscriptions & Publications	1,595	1,595	2,800	2,500	2,500
510.40 Supplies - Office	425	393	525	525	472
510.50 Supplies - All Other	5,483	4,659	5,200	5,000	5,000
510.55 Operating Equip - Department	-	-	-	-	15,840
25 - Operating Expenses	10,507	10,719	18,011	13,363	29,612
Percent Change 2013 vs. 2012 Budget					64.41%
30 - Contractual Services					
515.10 Unemployment Insurance	1,600	1,600	800	800	1,000
30 - Contractual Services	1,600	1,600	800	800	1,000
Percent Change 2013 vs. 2012 Budget					25.00%
40 - Repairs and Maintenance					
545.05 Gasoline	179,798	229,111	250,827	245,133	230,000
545.10 Diesel Fuel	146,959	181,604	200,998	187,610	200,000
545.15 Automotive Parts	138,826	124,134	126,549	129,207	126,549
545.25 Lubricants	10,592	7,932	17,848	8,402	8,490
545.40 Contractual Auto Services	64,218	70,759	73,394	75,178	73,394
550.05 Department Equipment	4,626	6,754	3,200	7,158	4,100
550.10 Radios	-	-	200	200	200
40 - Repairs and Maintenance	545,019	620,294	673,016	652,888	642,733
Percent Change 2013 vs. 2012 Budget					-4.50%
45 - Commodities					
530.50 Small Equipment Tools & Hardware	3,001	2,671	3,000	4,964	3,000
45 - Commodities	3,001	2,671	3,000	4,964	3,000
Percent Change 2013 vs. 2012 Budget					0.00%

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
50 - Other Expenses					
580.05 All Other Expenses	183	-	75	-	-
50 - Other Expenses	183	-	75	-	-
Percent Change 2013 vs. 2012 Budget					-100.00%
55 - Capital Outlay					
555.20 Automobiles & Trucks	1,010,418	793,058	-	-	-
555.30 Reserve for Capital Replacement	-	-	-	-	18,743
555.40 Reserve for Technology	-	-	-	-	600
55 - Capital Outlay	1,010,418	793,058	-	-	19,343
Percent Change 2013 vs. 2012 Budget					0.00%
Division Total: 30 - Central Garage	2,130,159	2,007,412	1,285,786	1,264,359	1,318,953
Percent Change 2013 vs. 2012 Budget					2.58%
Department Total: 55 - Public Works	5,959,975	5,638,223	5,685,012	5,532,046	5,632,510
Percent Change 2013 vs. 2012 Budget					-0.92%

Drainage Services

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	193,610	201,010	206,615
Personal Benefits	9,710	10,847	11,837
Operating Expenses	1,391	2,025	3,361
Contractual Services	640	320	400
Repairs & Maintenance	6,908	9,950	10,700
Capital Equipment	33,011	150,000	258,751
Commodities	366	850	1,000
All Other Expenses	-	-	-
Total	245,636	375,002	492,664

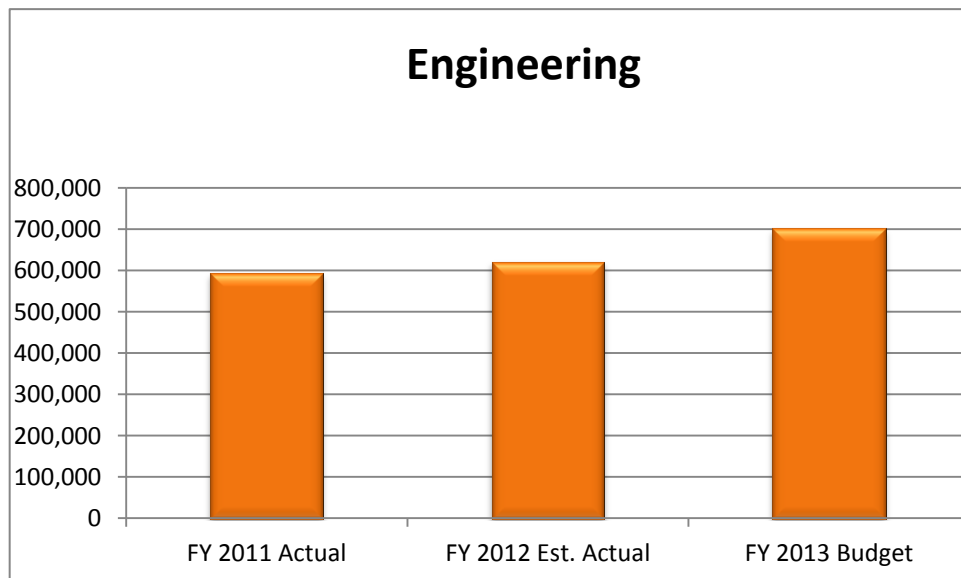


Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Division: 25 - Drainage					
10 - Salaries					
500.05 Full Time	187,428	190,169	196,939	197,146	202,125
500.35 Overtime	753	1,877	2,289	2,300	2,457
500.40 Longevity	1,564	1,564	1,564	1,564	2,033
10 - Salaries	189,745	193,610	200,792	201,010	206,615
Percent Change 2013 vs. 2012 Budget					2.90%
15 - Taxes and Benefits					
505.05 Group & Medical Life	7,892	8,257	8,723	8,723	9,379
505.10 Professional Training	73	-	200	200	200
505.15 Dues & Memberships	63	65	40	40	40
505.20 Clothing Allowance	288	274	492	400	492
505.26 Uniform Rental	729	611	375	392	426
505.35 Safety Equipment	266	231	1,300	1,000	1,300
505.45 ICMA Deferred Compensation	406	272	92	92	-
15 - Taxes and Benefits	9,717	9,710	11,222	10,847	11,837
Percent Change 2013 vs. 2012 Budget					5.48%
25 - Operating Expenses					
510.02 Telephone	451	348	780	300	780
510.10 Maintenance Contracts	1,060	25	-	-	-
510.12 Equipment Rental	108	287	456	300	456
510.14 Subscriptions & Publications	-	-	75	75	75
510.40 Supplies - Office	400	421	500	500	450
510.50 Supplies - All Other	348	310	1,000	850	1,000
510.55 Operating Equip - Department	298	-	-	-	600
25 - Operating Expenses	2,665	1,391	2,811	2,025	3,361
Percent Change 2013 vs. 2012 Budget					19.57%
30 - Contractual Services					
515.10 Unemployment Insurance	640	640	320	320	400
30 - Contractual Services	640	640	320	320	400
Percent Change 2013 vs. 2012 Budget					25.00%
40 - Repairs and Maintenance					
540.35 Storm and Sanitary Sewers	4,880	6,635	8,000	7,500	8,000
550.05 Department Equipment	2,473	273	2,500	2,250	2,500
550.10 Radios	-	-	200	200	200
40 - Repairs and Maintenance	7,353	6,908	10,700	9,950	10,700
Percent Change 2013 vs. 2012 Budget					0.00%
45 - Commodities					
530.50 Small Equipment Tools & Hardware	-	366	1,000	850	1,000
45 - Commodities	-	366	1,000	850	1,000
Percent Change 2013 vs. 2012 Budget					0.00%
50 - Other Expenses					
580.05 All Other Expenses	-	-	75	-	-
50 - Other Expenses	-	-	75	-	-
Percent Change 2013 vs. 2012 Budget					-100.00%

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	600	-	-
555.30 Reserve for Capital Replacement	-	-	-	-	18,301
555.40 Reserve for Technology	-	-	-	-	450
560.40 Improvements Other Than Building	28,663	33,011	150,000	150,000	240,000
55 - Capital Outlay	28,663	33,011	150,600	150,000	258,751
Percent Change 2013 vs. 2012 Budget					71.81%
Division Total: 25 - Drainage	238,783	245,636	377,520	375,002	492,664
Percent Change 2013 vs. 2012 Budget					30.50%

Engineering Services

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	512,481	501,420	552,342
Personal Benefits	68,643	93,631	108,193
Operating Expenses	11,933	13,550	13,975
Contractual Services	1,600	1,000	1,200
Repairs & Maintenance	-	5,500	5,800
Capital Equipment	-	4,500	18,702
Commodities	-	600	750
All Other Expenses	88	300	1,050
Total	594,745	620,501	702,012

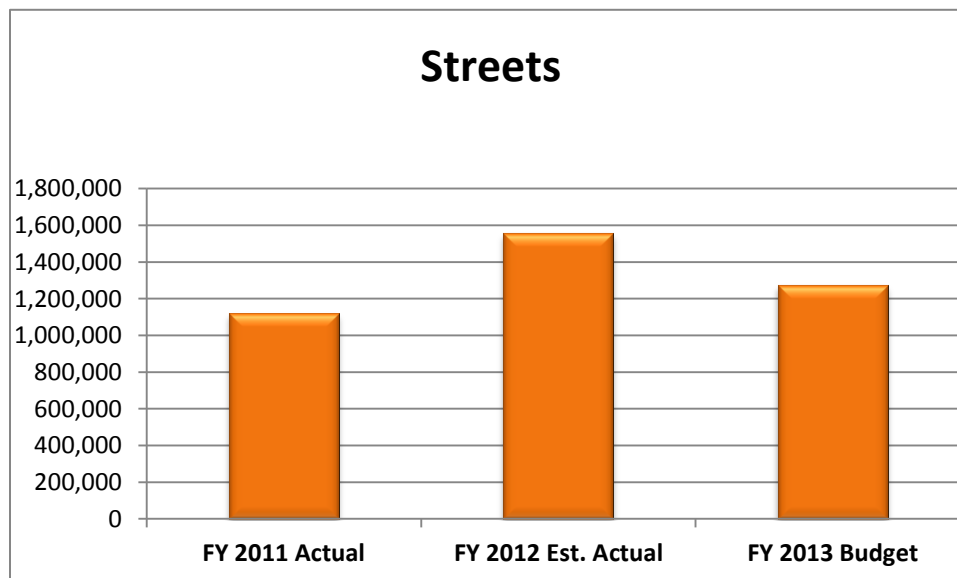


Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 60 - Engineering					
10 - Salaries					
500.05 Full Time	447,836	452,444	466,845	429,785	528,002
500.10 Part Time	59,325	56,437	63,907	68,035	20,940
500.35 Overtime	-	-	600	-	600
500.40 Longevity	3,200	3,600	3,600	3,600	2,800
10 - Salaries	510,361	512,481	534,952	501,420	552,342
Percent Change 2013 vs. 2012 Budget					3.25%
15 - Taxes and Benefits					
505.05 Group & Medical Life	54,970	60,823	62,616	62,616	99,343
505.10 Professional Training	3,813	2,408	6,900	6,900	6,900
505.15 Dues & Memberships	896	800	900	900	900
505.20 Clothing Allowance	163	193	400	400	400
505.35 Safety Equipment	182	161	650	400	650
505.45 ICMA Deferred Compensation	5,975	4,258	2,172	22,415	-
15 - Taxes and Benefits	65,999	68,643	73,638	93,631	108,193
Percent Change 2013 vs. 2012 Budget					46.93%
25 - Operating Expenses					
510.02 Telephone	600	-	1,000	1,000	1,000
510.04 Travel	-	5	75	50	75
510.06 Per Diem Allowance	-	15	250	100	250
510.14 Subscriptions & Publications	311	293	800	700	800
510.16 Printing	3,231	2,890	3,800	3,800	3,800
510.20 Computer Services	-	3,957	4,000	4,300	4,500
510.40 Supplies - Office	1,387	1,584	2,000	2,000	1,800
510.50 Supplies - All Other	1,239	948	1,750	1,600	1,750
510.55 Operating Equip - Department	4,459	2,241	-	-	-
25 - Operating Expenses	11,227	11,933	13,675	13,550	13,975
Percent Change 2013 vs. 2012 Budget					2.19%
30 - Contractual Services					
515.10 Unemployment Insurance	1,600	1,600	800	1,000	1,200
30 - Contractual Services	1,600	1,600	800	1,000	1,200
Percent Change 2013 vs. 2012 Budget					50.00%
40 - Repairs and Maintenance					
550.05 Department Equipment	1,307	-	5,275	5,500	5,500
550.10 Radios	-	-	300	-	300
40 - Repairs and Maintenance	1,307	-	5,575	5,500	5,800
Percent Change 2013 vs. 2012 Budget					4.04%
45 - Commodities					
530.50 Small Equipment Tools & Hardware	645	-	750	600	750
45 - Commodities	645	-	750	600	750
Percent Change 2013 vs. 2012 Budget					0.00%
50 - Other Expenses					
580.05 All Other Expenses	172	88	300	300	300
580.10 Consultant Fees	-	-	1,000	-	750
50 - Other Expenses	172	88	1,300	300	1,050
Percent Change 2013 vs. 2012 Budget					-19.23%

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	4,500	4,500	12,000
555.30 Reserve for Capital Replacement	-	-	-	-	3,702
555.40 Reserve for Technology	-	-	-	-	3,000
55 - Capital Outlay	-	-	4,500	4,500	18,702
Percent Change 2013 vs. 2012 Budget					315.60%
Department Total: 60 - Engineering	591,311	594,745	635,190	620,501	702,012
Percent Change 2013 vs. 2012 Budget					10.52%

Street Operations and Maintenance

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	549,723	553,321	567,837
Personal Benefits	104,381	105,570	118,873
Operating Expenses	26,348	106,586	108,364
Contractual Services	-	960	1,200
Repairs & Maintenance	273,095	481,600	257,600
Capital Equipment	-	-	73,448
Commodities	164,657	307,500	145,500
All Other Expenses	(304)	-	-
Total	1,117,900	1,555,537	1,272,822



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Division: 10 - Streets					
10 - Salaries					
500.05 Full Time	453,733	461,675	484,268	477,620	489,681
500.10 Part Time	-	-	-	-	-
500.35 Overtime	110,336	83,276	71,755	70,929	73,323
500.40 Longevity	4,572	4,772	4,772	4,772	4,833
10 - Salaries	568,641	549,723	560,795	553,321	567,837
Percent Change 2013 vs. 2012 Budget					1.26%
15 - Taxes and Benefits					
505.05 Group & Medical Life	103,448	100,307	101,313	101,313	114,618
505.10 Professional Training	1,007	120	700	600	700
505.15 Dues & Memberships	123	185	160	160	100
505.20 Clothing Allowance	1,065	828	1,328	1,328	1,328
505.26 Uniform Rental	2,683	2,106	1,236	1,277	1,277
505.35 Safety Equipment	779	563	850	800	850
505.45 ICMA Deferred Compensation	406	272	92	92	-
15 - Taxes and Benefits	109,511	104,381	105,679	105,570	118,873
Percent Change 2013 vs. 2012 Budget					12.48%
25 - Operating Expenses					
510.02 Telephone	2,746	1,364	2,615	1,500	2,615
510.10 Maintenance Contracts	73,322	18,988	98,386	98,386	98,386
510.12 Equipment Rental	347	707	816	600	816
510.14 Subscriptions & Publications	-	-	75	75	75
510.40 Supplies - Office	438	395	525	525	472
510.50 Supplies - All Other	3,602	4,894	5,000	4,500	5,000
510.55 Operating Equip - Department	998	-	1,000	1,000	1,000
25 - Operating Expenses	81,453	26,348	108,417	106,586	108,364
Percent Change 2013 vs. 2012 Budget					-0.05%
30 - Contractual Services					
515.10 Unemployment Insurance	2,560	-	960	960	1,200
30 - Contractual Services	2,560	-	960	960	1,200
Percent Change 2013 vs. 2012 Budget					25.00%
40 - Repairs and Maintenance					
535.05 Sidewalks, Curbs, & Bikeways	142,902	149,964	325,000	325,000	100,000
535.10 Streets & Highways	106,980	115,197	148,000	148,000	148,000
550.05 Department Equipment	11,466	7,934	9,000	8,000	9,000
550.10 Radios	280	-	600	600	600
40 - Repairs and Maintenance	261,628	273,095	482,600	481,600	257,600
Percent Change 2013 vs. 2012 Budget					-46.62%
45 - Commodities					
530.40 Snow & Ice Control Mix	276,018	140,557	286,020	265,000	100,000
530.50 Small Equipment Tools & Hardware	(4,641)	23,667	500	500	500
530.55 Traffic & Street Signs	713	433	45,000	42,000	45,000
45 - Commodities	272,090	164,657	331,520	307,500	145,500
Percent Change 2013 vs. 2012 Budget					-56.11%
50 - Other Expenses					

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
580.05 All Other Expenses	203	(304)	75	-	-
50 - Other Expenses	203	(304)	75	-	-
Percent Change 2013 vs. 2012 Budget					-100.00%
55 - Capital Outlay					
555.30 Reserve for Capital Replacement	-	-	-	-	72,998
555.40 Reserve for Technology	-	-	-	-	450
55 - Capital Outlay	-	-	-	-	73,448
Percent Change 2013 vs. 2012 Budget					0.00%
Division Total: 10 - Streets	1,296,086	1,117,900	1,590,046	1,555,537	1,272,822
Percent Change 2013 vs. 2012 Budget					-19.95%

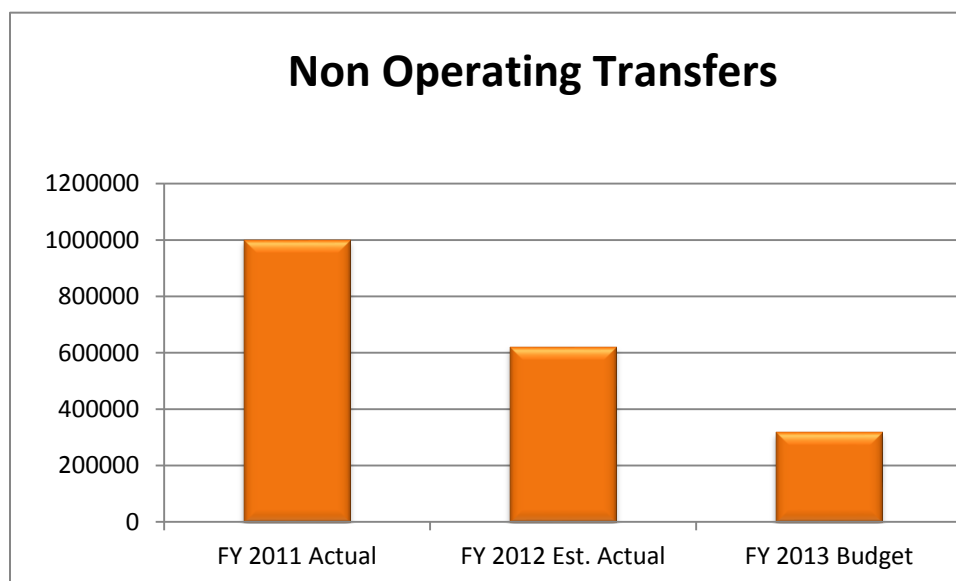
Non-Operating Transfers

This program provides for transfers from prior accumulations of Corporate Fund reserves for capital projects, pension fund transfers, and other operating uses as recommended and authorized within the Village's Fund Balance Use policy for the Corporate Fund. Transfers will be made to the Police and Firefighter Pension Funds for property taxes received in the General Fund.

Additionally, funds will be transferred to the Facilities Development Capital Project Fund for various capital development programs authorized by the Corporate Authorities as part of the Village's FY 2013 through FY 2017 Capital Improvement Plan. Funding for these transfers will come from prior accumulation of unreserved Corporate Fund reserves. A transfer will also be made to the Facilities Development Debt Service Fund to abate a portion of the property tax related to the Series 2012 Bonds

The annual transfer of 20% of anticipated Home Rule Sales Tax collections will be suspended in 2013 as a result of the bond issuance. The transfer will resume in 2014.

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Operating Expenses	34,010	15,000	115,000
All Other Expenses	967,284	606,477	202,605
Total	1,001,294	621,477	317,605



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Department: 70 - Transfer Non-Operating					
Division: 40 - General Government					
50 - Other Expenses					
580.05 All Other Expenses	24,859	34,010	15,000	15,000	115,000
50 - Other Expenses	24,859	34,010	15,000	15,000	115,000
Percent Change 2013 vs. 2012 Budget					666.67%
65 - Other Financing Uses					
570.20 Debt Service Fund	200,000	-	-	-	202,605
570.50 Motor Fuel Tax Fund	556,030	615,284	593,888	606,477	-
570.60 Arboretum Golf Course Fund	453,000	168,000	-	-	-
570.70 Buffalo Grove Golf Course Fund	215,000	184,000	-	-	-
570.90 Police Pension Fund	-	-	-	-	-
570.95 Fire Pension Fund	-	-	-	-	-
65 - Other Financing Uses	1,424,030	967,284	593,888	606,477	202,605
Percent Change 2013 vs. 2012 Budget					-65.88%
Division Total: 40 - General Government	1,448,889	1,001,294	608,888	621,477	317,605
Percent Change 2013 vs. 2012 Budget					-47.84%
Division: 45 - Public Safety					
65 - Other Financing Uses					
570.90 Police Pension Fund	1,955,825	2,201,593	2,159,838	2,174,955	2,198,690
570.95 Fire Pension Fund	1,853,285	2,033,998	2,003,757	2,017,782	2,022,397
65 - Other Financing Uses	3,809,110	4,235,591	4,163,595	4,192,737	4,221,087
Percent Change 2013 vs. 2012 Budget					1.38%
Division Total: 45 - Public Safety	3,809,110	4,235,591	4,163,595	4,192,737	4,221,087
Percent Change 2013 vs. 2012 Budget					1.38%
Division: 50 - Public Works					
65 - Other Financing Uses					
570.30 Operating Transfers Fund	512,160	371,070	412,013	620,000	686,549
65 - Other Financing Uses	512,160	371,070	412,013	620,000	686,549
Percent Change 2013 vs. 2012 Budget					66.63%
Division Total: 50 - Public Works	512,160	371,070	412,013	620,000	686,549
Percent Change 2013 vs. 2012 Budget					66.63%
Department Total: 70 - Transfer Non-Operatin	5,770,159	5,607,955	5,184,496	5,434,214	5,225,241
Percent Change 2013 vs. 2012 Budget					0.79%

Section 6

Capital Improvement Plan

Capital Improvement Summary
Capital Projects Budgeted by Fund
Summary Sheet
Detailed Project Sheets
Reserve for Capital Replacement - Vehicles
Criteria List and Scoring Matrix
Motor Fuel Tax Fund
Capital Projects – Facilities Fund
Capital Projects – Streets Fund



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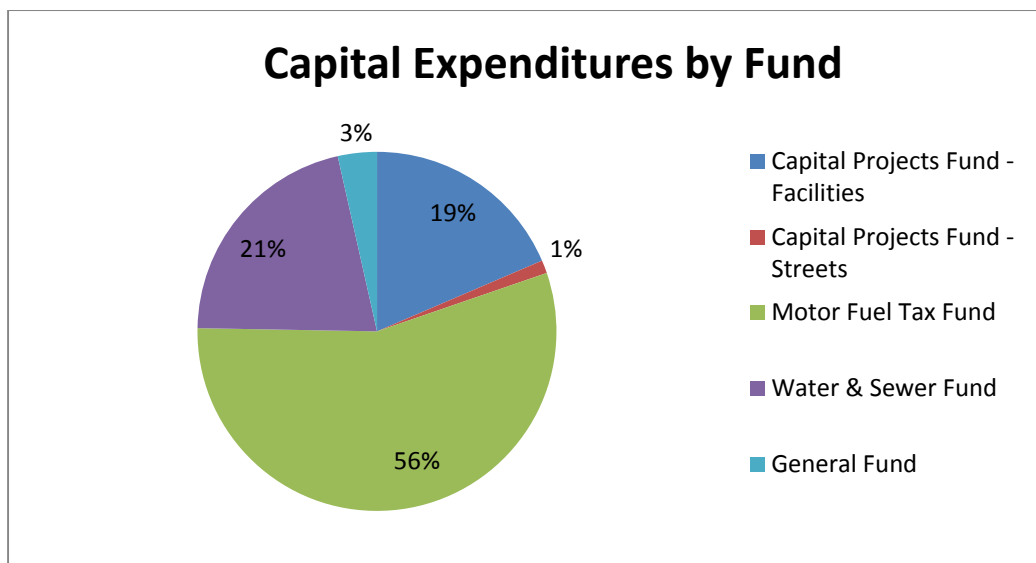
Capital Improvement Summary

The Capital Improvement Plan (CIP) is intended to be a decision-making tool for the Village Board and staff. The operational need for capital expenditures must be weighed against the ability of the Village to finance these projects. Capital improvement projects represent the equipment and infrastructure resources that all municipalities need to provide resident and business services and generally provide future benefits with long service life. A capital expenditure is incurred when the Village spends money to buy fixed assets or add value to an existing fixed asset.

The Village Board's approval of the CIP does not authorize spending on the included projects. Each project must still be accepted for the current year's budget. Projects must then go through the procurement process including Board authorization to bid and Board award of bid. This ensures that the project remains consistent with the budget and that identified funding is available at the time of award.

Staff has reviewed each project and evaluated the project using the CIP Evaluation Form (see attachment). The evaluation form measures, numerically, the merits of the project based on specific criteria. The sum of the individual scores is then used to establish a priority rating. The highest possible score is 26. There are thirteen criteria used to review projects. Each project is revisited yearly and changes in priority are made as current conditions warrant. In addition, the process includes a mid-year status evaluation of each approved budgeted project in order to gauge construction progress and initiate the cycle for the next five-year program update.

Projects identified for FY 2013 total \$8,548,867 and are divided among five funds. The following chart illustrates each fund's percentage as it relates to funding the capital program for FY 2013.



The proposed capital projects have no significant financial impact on current and future years' operating budgets. None of the improvements would require hiring of additional staffing, but efficiencies in staff time utilization will allow the Village to maintain current staffing levels while also maintaining a high level of service. For example, the GIS Consortium is expected to increase information sharing and analysis across all Village departments while reducing reliance on Village staff to develop and maintain data.

Financially, the Annual Street Maintenance program is the largest portion of CIP expenses but work is carefully scheduled so that maintenance and resurfacing activities can be accomplished before more costly road reconstruction becomes necessary. The cost of reconstruction can be as much as three times the amount of timely maintenance. Thus, the operating budgets for road repairs and emergency maintenance activities can remain low as the Village continues to maintain a minimum average pavement condition throughout the Village.

Another multi-year project is the EAB Ash Tree Replacement Program. Through the CIP, the Village is able to secure contract pricing and nursery stock early in the program in order to minimize the Village's exposure to rising costs as EAB effects are felt throughout the state. The Village expects that significant cost savings will be generated with this approach and planned CIP expenditures will reduce last-minute operating budget expenses related to this natural disaster.

2013 Capital Projects Budgeted by Fund

	Budget FY 2013
Capital Projects Fund - Facilities	
Municipal Parking Facility Maintenance	\$74,100
Dundee Road Streetscape	\$60,000
EAB Ash Tree Replacement Program	\$1,000,000
Raupp Bridge Reconstruction	\$200,000
Document Management Solution	\$45,000
GIS Consortium	\$152,997
Upgrade Wireless Network	\$54,000
Subtotal	\$1,586,097
Capital Projects Fund - Streets	
Weiland Road/Prairie Road Improvements	\$100,452
Subtotal	\$100,452
Motor Fuel Tax Fund	
Annual Street Maintenance	\$4,750,000
Subtotal	\$4,750,000
Water & Sewer Fund	
Lift Station Repair & Rehabilitation	\$780,000
Pump House Repairs & Security Improvements	\$610,318
Scada Improvements	\$77,000
Villagewide Water Main Replacement	\$345,000
Subtotal	\$1,812,318
General Fund	
Villagewide Storm Sewer Repair	\$200,000
Annual Sidewalk/Bike Path Maintenance	\$100,000
Subtotal	\$300,000
Total	\$8,548,867

2013 Capital Project Requests Summary Table

	2013	2014	2015	2016	2017
Buildings and Grounds Improvements					
Municipal Parking Facility Maintenance	\$74,100	\$91,000	\$218,000	\$169,000	\$49,000
Police Department Jail Control	\$27,341	-	-	-	-
Police Department Skylights (\$107,320)	On Hold	-	-	-	-
PSC Expansion (\$4,227,275)	On Hold	-	-	-	-
Replacement Antenna Tower FS #27	\$16,000	-	-	-	-
Subtotal	\$117,441	\$91,000	\$218,000	\$169,000	\$49,000
Emerald Ash Borer Response					
EAB Ash Tree Replacement Program	\$1,000,000	\$1,500,000	\$1,500,000	\$500,000	-
Subtotal	\$1,000,000	\$1,500,000	\$1,500,000	\$500,000	\$0
Street, Sidewalk & Bikepath Maintenance					
Annual Street Maintenance	\$5,950,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Dundee Road Streetscape	\$60,000	-	-	-	-
Raupp Bridge Reconstruction	\$200,000	\$200,000	-	-	-
Annual Sidewalk/Bike Path Maintenance	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000
Weiland Road/Prairie Road Improvements	\$100,452	-	-	-	-
Subtotal	\$6,635,452	\$5,525,000	\$5,325,000	\$5,325,000	\$5,325,000
Storm Sewer System					
Villagewide Storm Sewer Repair	\$300,000	-	\$300,000	-	\$300,000
Subtotal	\$300,000	\$0	\$300,000	\$0	\$300,000
Technology					
Audio/Visual Council Chambers (\$65,000)	On Hold	-	-	-	-
Document Management Solution	\$45,000	-	-	-	-
GIS Consortium	\$152,997	\$141,512	\$148,143	\$154,855	\$162,372
Public Works Software	\$33,125	\$4,500	\$4,500	\$4,500	\$4,500
Upgrade Wireless Network	\$54,000	-	-	-	-
Subtotal	\$285,122	\$146,012	\$152,643	\$159,355	\$166,872
Water Main & Sanitary Sewer Systems					
Lift Station Repair & Rehabilitation	\$780,000	\$530,000	\$300,000	\$300,000	\$300,000
Pump House Repairs & Security Improvements	\$610,318	-	-	-	-
SCADA Improvements	\$77,000	\$85,800	\$103,400	\$66,000	-
Villagewide Sanitary Sewer Replacement	\$0	\$700,000	-	\$700,000	-
Villagewide Water Main Replacement	\$345,000	\$959,500	\$700,000	-	\$700,000
Subtotal	\$1,812,318	\$2,275,300	\$1,103,400	\$1,066,000	\$1,000,000
Total	\$10,150,333	\$9,537,312	\$8,599,043	\$7,219,355	\$6,840,872
Grand Total 2013-2017				\$42,346,915	

Buildings & Grounds Improvements

The Village is responsible for maintaining 23 structures within its corporate boundaries. Village buildings and grounds must be maintained regularly to remain functional. Village facilities must also periodically be upgraded to ensure efficient operations. Expenditures in this category historically include projects that:

- Maintain the safety and appearance of Village owned property,
- Maximize the life of facilities,
- Maintain value of facilities through preventative maintenance before they become more expensive to repair, and
- Ensure that any issues affecting health and safety of building occupants are promptly addressed.

The Village's facilities include:

- Village Hall,
- Public Service Center & Salt Dome,
- Police Department,
- Fire Station Admin, Stations 25, 26, & 27, Fire Training Facility and Classroom Trailer,
- Pump Stations 1, 2, 6, & 7,
- BGGC & Arboretum Clubhouses, Halfway Houses, and Maintenance Buildings,
- Train Station and Warming Shelters, and
- Youth Center.

Municipal Parking Facility Maintenance



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.10

Priority Score: 16

Initial Proposal Date: Ongoing

Project Coordinator: PW-Engineering

Summary: This program provides for the routine sealing, restriping, and reconstruction of municipal lots. The 2013 planned maintenance includes lots at the Public Service Center, Pace/Metra, and Well Houses 1, 2, 6 & 7.

Budget Impact: This project is funded through the General Fund's operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$42,750	\$43,000	\$359,000	\$48,000	\$65,000	\$557,750
Actual Expenditures	\$35,317	\$47,327	\$54,700	\$50,000	\$65,000	\$252,344

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering						
Construction	\$74,100	\$91,000	\$218,000	\$169,000	\$49,000	\$601,100
Equipment						
Contingency						
Sub-Total	\$74,100	\$91,000	\$218,000	\$169,000	\$49,000	\$601,100

Emerald Ash Borer Response

The Emerald Ash Borer (EAB) is a highly destructive, tree-killing insect that has been identified in the Village of Buffalo Grove's urban forest. The unfortunate arrival of EAB will have a serious impact to Buffalo Grove's environment and budget for several years. Over one third of the trees in Buffalo Grove's urban forest are in jeopardy. The Village began to prepare for the arrival of EAB in 2002 when it was first discovered in the United States.

The purpose of this management plan is to manage EAB through the principles of Integrated Pest Management (IPM). Through these principles, the Village can take a fiscally responsible approach to this problem while limiting the hazards to residents, property, and environment.

The Village of Buffalo Grove has been a Tree City USA for over twenty years. The trees in urban forest provide many social and economic benefits which are often overlooked. According to the USDA Forest Service, some benefits of trees include helping cool temperatures in summer, improving real estate values, reducing storm water runoff, improving air quality, attracting wildlife, attracting shoppers to commercial areas, and contributing to the overall sense of community pride. These social and economic benefits are the reasons the Village of Buffalo Grove remains a desirable place to live and why the Village continues to commit to the care and maintenance of its urban forest.

On October 15, 2012, the Village Board adopted the latest revision of the Emerald Ash Borer Management Plan which calls for the removal and replacement of nearly 7,000 Village-owned Ash trees over the next 4 years. The expenditures are being programmed in the Capital Improvement Plan due to the size, scope, and duration of this natural disaster.

EAB Ash Tree Replacement Program



Category: Natural Disasters

Fund: Capital Projects - Facilities

Account Number: 150.75.560.40

Priority Score: 22

Initial Proposal Date: 2013

Project Coordinator: Public Works - Operations

Summary: Over the next 4 years 7,000 Ash Trees will need to be removed and replaced due to Emerald Ash Borer infestation. The program will include tree removals, stump grinding, parkway restoration, 2,700 tree purchases and a growing contract for 4,300 trees.

Budget Impact: This project will be funded from the revolving line of credit.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering						
Construction	\$1,000,000	\$1,500,000	\$1,500,000	\$500,000	-	\$4,500,000
Equipment						
Contingency						
Sub-Total	\$1,000,000	\$1,500,000	\$1,500,000	\$500,000	-	\$4,500,000

Street, Sidewalk & Bikepath Maintenance

The Village roadway network is comprised of state, county, and municipal roadways. Each roadway carries with it a function such as arterial, collector or local streets. The jurisdictional break-down of streets in the Village is as follows:

Municipal Roadways	117.70 miles
State Roadways	8.95 miles
Cook County Roadways	7.25 miles
Lake County Roadways	10.82 miles
Total	144.72 miles

Municipal Roadways are evaluated every five years and recommendations for the next five years of street projects are developed. The projects involve traditional maintenance and rehabilitation of local streets based upon a defined service life. The defined service life is designed to maintain quality surface conditions and avoid more costly roadway rebuilds. Due to funding issues, since 2008 not all streets identified for maintenance have been repaired. Cuts in the program were necessary given the current economic climate and funding limitation both internally, and from the State of Illinois. The majority of work to be performed during the 2013 construction season will be for the rehabilitation of street surface and curb/gutter along various identified local streets.

The following streets are scheduled for repair in 2013:

Street	Miles	Street	Miles	Street	Miles
Highland Grove Drive	0.77	Cobblestone Court	0.05	Meridian Way	0.12
Somerset Lane	0.19	Aberdeen Lane	0.16	Olive Hill Drive	0.29
Sunridge Lane	0.20	Aberdeen Court	0.04	Jordan Terrace	0.32
Wakefield Lane	0.13	Highland Grove Ct S.	0.03	Wright Boulevard	0.14
Wakefield Court	0.05	Woodridge Lane	0.13	Bank Lane	0.07
Pinehurst Lane	0.19	Chevy Chase Drive	0.35	Woodstone Drive	0.15
Fox Hill Drive	0.33	Columbus Parkway	0.21	Woodstone Court	0.09
Fox Court East	0.05	Prague Avenue	0.28	Brunswick Drive	0.08
Fox Court West	0.06	Marquette Place	0.14	Johnson Drive	1.52
Dunhill Drive	0.43	Linden Avenue	0.31	Hastings Lane/Drive	0.55
Newtown Court West	0.19	Buckingham Lane	0.20	Willow Parkway	1.50
Newtown Court East	0.05	Woodbury Road	0.07		
Cobblestone Lane	0.26	Thorndale Drive	0.38	TOTAL	10.08

The Village of Buffalo Grove recognizes the need to have a network of pedestrian and mixed-use paths throughout the community. The Village currently maintains 224 miles of concrete sidewalks and bikeways. The Village actively pursues grant funding to expand or improve the current system and has created an ad-hoc bike path committee to develop suggestions for future improvements.

Annual Street Maintenance



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Motor Fuel Tax

Account Number: 130.75.560.20

Priority Score: 19

Initial Proposal Date: Ongoing

Project Coordinator: PW-Engineering

Summary: The annual street maintenance and rehabilitation program is covered in each year's CIP. In 2013, the Village is also scheduled to perform a complete pavement evaluation study of all Village streets. This study will help plan the next five years of street maintenance and is reflected in the FY 2013 Projected Expenditures below.

Budget Impact: The Village's percentage of the State's Motor Fuel Tax, bond proceeds, and a portion of home rule sales tax fund this project.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$2,990,000	\$2,300,000	\$2,679,045	\$1,750,000	\$1,700,000	\$11,419,045
Actual Expenditures	\$2,914,130	\$2,243,128	\$1,512,258	\$1,207,750	\$3,408,226	\$11,285,492

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering	\$475,000	\$425,000	\$425,000	\$425,000	\$425,000	\$2,175,000
Construction	\$5,475,000	\$4,575,000	\$4,575,000	\$4,575,000	\$4,575,000	\$23,775,000
Equipment						
Contingency						
Sub-Total	\$5,950,000 ¹	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	25,950,000

¹ While \$5,950,000 was requested, the FY 2013 Budget includes \$4,750,000. If revenues improve, reduced/deferred CIP projects could be revisited mid-year.

Dundee Road Streetscape Improvement



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Facilities

Account Number: 150.75.560.10

Priority Score: 19

Initial Proposal Date: 2009

Project Coordinator: PW-Engineering

Summary: This project includes installation of sidewalk and multi-use path along the Dundee Road corridor. The proposed sidewalk locations were selected to complete bike routes already in place along Dundee Road, provide access to schools, heavy commercial districts and numerous town parks.

This project was included on IDOT's August 3, 2012 Letting. It is anticipated that construction will be substantially complete in 2012 but restoration and project close-out will likely carry over into 2013.

Budget Impact: This project is funded through an internal transfer from the General Fund's operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$16,000	\$650,211	\$634,212	\$101,013	\$1,401,436
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$50,000	\$50,000

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering						
Construction	\$60,000	-	-	-	-	\$60,000
Equipment						
Contingency						
Sub-Total	\$60,000	-	-	-	-	\$60,000

Raupp Boulevard Bridge Reconstruction



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Priority Score: 19

Initial Proposal Date: 2011

Project Coordinator: PW-Engineering

Summary: This project covers the evaluation and subsequent design and construction of needed improvements to the Raupp Boulevard Bridge. Phase I design engineering is scheduled to be completed in 2012 with Phase II ready to begin in 2013. Significant funding (80%) is provided by the Highway Bridge Replacement and Rehabilitation Program administered by the USDOT Federal Highway Administration.

Budget Impact: This project is funded through an internal transfer from the General Fund's operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$ 0	\$ 0	\$23,000	\$32,000	\$55,000
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$41,469	(\$19,524)	\$21,945

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land	\$10,000	-	-	-	-	\$10,000
Engineering	\$160,000	-	-	-	-	\$160,000
Construction	\$830,000	-	-	-	-	\$830,000
Equipment						
Contingency	(\$800,000)	-	-	-	-	(\$800,000)
Sub-Total	\$200,000	-	-	-	-	\$200,000

Annual Sidewalk/Bike Path Maintenance



Category: Street, Sidewalk & Bikepath Maintenance

Fund: General Fund

Account Number: 100.55.10.535.05

Priority Score: 20

Initial Proposal Date: Ongoing

Project Coordinator: PW- Engineering

Summary: Annual sidewalk and bike path maintenance and rehabilitation program.

Budget Impact: This project is funded through an internal transfer from the General Fund's operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$250,000	\$150,000	\$150,000	\$150,000	\$325,000	\$1,025,000
Actual Expenditures	\$255,759	\$148,926	\$142,902	\$149,964	\$325,000	\$1,022,551

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering						
Construction	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$1,625,000
Equipment						
Contingency						
Sub-Total	\$325,000 ²	\$325,000	\$325,000	\$325,000	\$325,000	\$1,625,000

² While \$325,000 was requested, the FY 2013 Budget includes \$100,000. If revenues improve, reduced/deferred CIP projects could be revisited mid-year.

Weiland Road/Prairie Road Improvement



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Streets

Account Number: 160.75.560.20

Priority Score: 25

Initial Proposal Date: 2008

Project Coordinator: PW-Engineering

Summary: Lake County Department of Transportation is to provide a percentage reimbursement of the original full study cost after completion of the Weiland Road/Prairie Road portion of the Phase I Study. The Cook County Highway Department is paying 100% of the supplemental expenses which result from expanding the study along the Lake Cook Road Corridor. The remaining expenditures are being funded through an internal transfer from the General Fund.

Budget Impact: This project is funded through an internal transfer from the General Fund's operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$884,104	\$640,000	\$496,390	\$335,633	\$234,054	\$2,590,181
Actual Expenditures	(\$141,377)	\$356,448	\$361,579	\$136,255	\$163,902	\$876,807

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering	\$100,452	-	-	-	-	\$100,452
Construction						
Equipment						
Contingency						
Sub-Total	\$100,452	-	-	-	-	\$100,452

Storm Sewer System

The Village of Buffalo Grove maintains a piped network of 180 miles of storm sewer and one storm water lift station at Jackson Drive. While most periodic maintenance and cleaning efforts are included in the Public Works Drainage Section operating budget, system repairs are being included in the CIP due to the size and scope of necessary repairs.

Repair locations are identified through the annual Storm Sewer Televising program. The program allows a televised inspection of 5 percent of the Village's storm sewers each year. Tapes are then reviewed by Engineering staff and repair recommendations are grouped by point repair, sewer lining, or pipe replacement.

In the past, most Storm Sewer repairs have been handled by in-house Public Works staff or in conjunction with scheduled street maintenance. But, as infrastructure ages, the list of identified repairs has increased. A contractual repair contract will be necessary in 2013 and repairs will be addressed in order of priority.

It is anticipated that the storm sewer system repair program will be an ongoing need. The storm repairs are being scheduled every other year, opposite of the sanitary sewer repair program.

Villagewide Storm Sewer Repair Program



Category: Storm Sewer

Fund: General Fund

Account Number: 100.55.25.560.40

Priority Score: 14

Initial Proposal Date: 2013

Project Coordinator: PW-Engineering

Summary: This program provides for storm sewer lining, point repairs, or replacements at priority locations. The locations are identified through the Annual Storm Sewer Televising Inspection Program. The Storm Sewer Repair Program is scheduled for alternating years, opposite of the Sanitary Sewer program.

Budget Impact: This project is funded through an internal transfer from the General Fund's operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering						
Construction	\$300,000	-	\$300,000	-	\$300,000	\$900,000
Equipment						
Contingency						
Sub-Total	\$300,000 ³	-	\$300,000	-	\$300,000	\$900,000

³ While \$300,000 was requested, the FY 2013 Budget includes \$200,000. If revenues improve, reduced/deferred CIP projects could be revisited mid-year.

Technology

The Village of Buffalo Grove's Information Technology (IT) staff is responsible for maintenance of local and wide area networks that facilitate effective interdepartmental communication among Village offices and facilities. The division currently maintains:

- 13 Servers
- 220+ Desktop and Mobile Workstations
- Almost 100 Printers and Specialty Devices

The backbone of the Village's data systems is a redundant wide area network comprised of fiber optic cable and secure wireless transmission. This network links the data systems of three fire stations, two golf courses, Police headquarters, Public Works, and Village Hall.

Several technology upgrades are being requested for 2013 which will strengthen both the distribution and maintenance of data throughout the Village.

In addition to the Villagewide IT initiatives, Public Works is also requesting specific technology programs for Geographical Information Systems (GIS) and Computerized Maintenance Management Systems (CMMS).

Technology is a key part of the Village's vision and mission and that is reflected in this year's CIP requests.

Document Management Solution



Category: Technology

Fund: Capital Projects - Facilities

Account Number: 150.75.560.50

Priority Score: 21

Initial Proposal Date: 2012

Project Coordinator: OVM-Information Technology

Summary: This project will allow employees to scan and organize documents for long term document management.

Budget Impact: This project is funded through an internal transfer from the General Fund's operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering						
Construction						
Equipment	\$45,000	-	-	-	-	\$45,000
Contingency						
Sub-Total	\$45,000	-	-	-	-	\$45,000

GIS Consortium



Category: Technology

Fund: Capital Projects - Facilities

Account Number: 150.75.560.50

Priority Score: 19

Initial Proposal Date: 2013

Project Coordinator: PW-Engineering

Summary: Joining the GIS Consortium would give the Village of Buffalo Grove access to staffing and development tools through a cooperative, regional consortium. Savings over in-house staff would be realized as the Village would only pay partial staff salaries sized to fit organizational needs without hiring additional employees. The expenditures presented below are based on the Remote Access Service GIS Consortium Model which provides savings in hardware and software costs for the Village. Finally, a time savings will be realized as implementation of a GIS system will be fully scheduled and streamlined with input from professionals who specialize specifically in GIS.

Budget Impact: This project is funded through an internal transfer from the General Fund's operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Staffing/Engineering	\$127,572	\$133,951	\$140,648	\$147,680	\$155,064	\$704,915
Construction						
Equipment	\$25,425	\$7,561	\$7,495	\$7,175	\$7,308	\$54,964
Contingency						
Sub-Total	\$152,997	\$141,512	\$148,143	\$154,855	\$162,372	\$759,879

Upgrade Wireless Network - Building to Building



Category: Technology

Fund: Capital Projects - Facilities

Account Number: 150.75.560.50

Priority Score: 21

Initial Proposal Date: 2012

Project Coordinator: OVM-Information Technology

Summary: This project will upgrade the current 5 year old wireless network. It will provide a new base antenna system at Village Hall and upgrade the data connection at 9 remote buildings.

Budget Impact: This project is funded through an internal transfer from the General Fund's operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering	\$15,000	-	-	-	-	\$15,000
Construction	\$7,000	-	-	-	-	\$7,000
Equipment	\$32,000	-	-	-	-	\$32,000
Contingency						
Sub-Total	\$54,000	-	-	-	-	\$54,000

Water Main & Sanitary Sewer Systems

The Village of Buffalo Grove's oldest water main was constructed in 1929 with the majority, approximately 50 percent, of water main put into place between 1983 and 1996. Currently, the water main system has 181 linear miles of water main and has a replacement value of approximately \$773 million. Other water system features include:

- 2,475 Hydrants
- 1,900 Valves
- 4 Pump Houses with storage reservoirs and back-up deep wells

Due to the relatively young age of the water system, between 1993 and 2007 the only capital expense was \$229,527 for the St. Mary's Road water main replacement. In the previous five year period since 2008, there has been \$1,997,566 expended related to water system replacements and improvements.

The Village of Buffalo Grove's sanitary sewer system is a combination of gravity lines, force mains, and lift stations. There are 134.20 miles of gravity sewer and 5.07 miles of force main. Currently, there are 12 sanitary sewer lift stations in operation (6 in Cook County and 6 in Lake County).

All municipal waste is conveyed through village-owned and maintained sanitary sewer mains. The wastewater is then routed to either Lake County Public Works or Metropolitan Water Reclamation District (Cook County).

Expenditures in this category historically include repairs and reliability enhancements to the water and wastewater systems.

Lift Station Repair & Rehabilitation Program



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 170.55.36.560.70

Priority Score: 21

Initial Proposal Date: 2001

Project Coordinator: Public Works

Summary: This program provides for permanently installed standby emergency generators at the Raupp, OTP and Cambridge on the Lake Lift Stations and will complete other required work identified at other lift stations, such as condition evaluations, cathodic protection system renovations, maintenance lift repairs, and contractual interior painting.

A Water Pollution Control Loan through the IEPA was authorized at \$531,000 in 2012 to help fund the OTP/COTL project.

Budget Impact: This program is funded by the Water & Sewer Fund Reserves.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
Actual Expenditures	\$ 0	\$669,606	\$133,455	\$290,000	\$150,000	\$1,243,061

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
Construction	\$750,000	\$500,000	\$270,000	\$270,000	\$270,000	\$2,060,000
Equipment						
Contingency						
Sub-Total	\$780,000	\$530,000	\$300,000	\$300,000	\$300,000	\$2,210,000

Pump House & Security Improvements



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer

Account Number: 170.55.35.560.60

Priority Score: 19

Initial Proposal Date: 2010

Project Coordinator: PW-Engineering

Summary: This program incorporates pump house repair projects identified in the 2008 Comprehensive Water Study Update and improvements identified in the federally mandated vulnerability study.

The IEPA has informed the Village that \$610,318 in loan funds have been reserved through the Public Water Supply Loan Program. The design engineering is substantially complete and bidding will occur in accordance with the loan schedule. It is anticipated that construction may begin late in 2012 but that most expenditures will occur in 2013. If the loan is approved, the payment schedule would be extended versus the lump sum shown in the table below.

Budget Impact: This program is funded by the Water & Sewer Fund Reserves.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$ 0	\$ 0	\$600,000	\$600,000	\$1,200,000
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$44,505.06	\$100,000	\$144,505.06

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering						
Construction	\$610,318	-	-	-	-	\$610,318
Equipment						
Contingency						
Sub-Total	\$610,318	-	-	-	-	\$610,318

SCADA Improvements



Category: Technology

Fund: Water & Sewer

Account Number: 170.55.35.560.60

Priority Score: 16

Initial Proposal Date: 2012

Project Coordinator: Public Works

Summary: Implement recommended improvements as detailed in the SCADA System Master Plan. The numbers also include rain gauge upgrades in 2013.

Budget Impact: This program is funded by the Water & Sewer Fund Reserves.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering						
Construction						
Equipment	\$70,000	\$78,000	\$94,000	\$60,000	-	\$302,000
Contingency	\$7,000	\$7,800	\$9,400	\$6,000	-	\$30,200
Sub-Total	\$77,000	\$85,800	\$103,400	\$66,000	-	\$332,200

Villagewide Sanitary Sewer Replacement Program



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 170.55.36.560.70

Priority Score: 14

Initial Proposal Date: 2012

Project Coordinator: PW-Engineering

Summary: This program provides for sanitary sewer lining, point repairs, or replacements at priority locations. The locations are identified through the Annual Sanitary Sewer Televising Inspection Program.

While 2013 is an off-year for this work, this item is included in the 2013-2017 CIP for future planning purposes.

Budget Impact: This program is funded by the Water & Sewer Fund Reserves.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$ 0	\$ 0	\$ 0	\$650,000	\$650,000
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$450,000	\$450,000

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering						
Construction	-	\$700,000	-	\$700,000	-	\$1,400,000
Equipment						
Contingency						
Sub-Total	-	\$700,000	-	\$700,000	-	\$1,400,000

Villagewide Water Main Replacement Program



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 170.55.35.560.60

Priority Score: 14

Initial Proposal Date: 2012

Project Coordinator: PW-Engineering

Summary: This program provides for water main replacements at priority locations in older portions of the Village as identified through the Water Service Interruption Reports.

In 2012, three priority locations were identified on Raupp Blvd (Golfview to Mohawk), Patton Drive (Bradley to Stillwell), and Cottonwood Road (Cherrywood to St. Mary's) and are proposed to be rehabilitated using cured-in-place-pipe (CIPP). In order to allow the water rate increases to provide sufficient capital for identified projects, a single location is proposed for 2013 to rehabilitate the most troubled of the water mains: Cottonwood Road. The other two locations are proposed for completion in 2014.

Budget Impact: This program is funded by the Water & Sewer Fund Reserves.

5 Year Expenditure History						
Budgeted Amount	FY 2008	FY 2009	FY 2010	FY 2011	Estimated FY 2012	TOTAL
	\$ 0	\$ 0	\$ 0	\$ 0	\$160,000	\$160,000
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$160,000	\$160,000

5 Year Projected Expenditures						
Expense Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
Land						
Engineering	\$15,000	\$30,000	-	-	-	\$45,000
Construction	\$300,000	\$845,000	\$700,000	-	\$700,000	\$2,545,000
Equipment						
Contingency	\$30,000	\$84,500	-	-	-	\$114,500
Sub-Total	\$345,000	\$959,500	\$700,000	-	\$700,000	\$2,704,500

Reserve for Capital Replacement – Vehicles

The Village maintains unique sets of capital equipment for six divisions; Police, Fire, Public Works, Engineering, Building and Zoning/Code Enforcement, and Golf Operations. When a vehicle or piece of equipment is acquired, a projected life span is assigned and amortization costs are calculated based on past performance of vehicles or equipment of similar class that are in current inventory. Additionally, vehicles and equipment are assessed on an annual basis to determine whether the projected replacement date is reasonable and units which evaluate favorably for condition, operational need, cost of operation/maintenance, equipment suitability and parts availability can be deferred beyond the original replacement date projections.

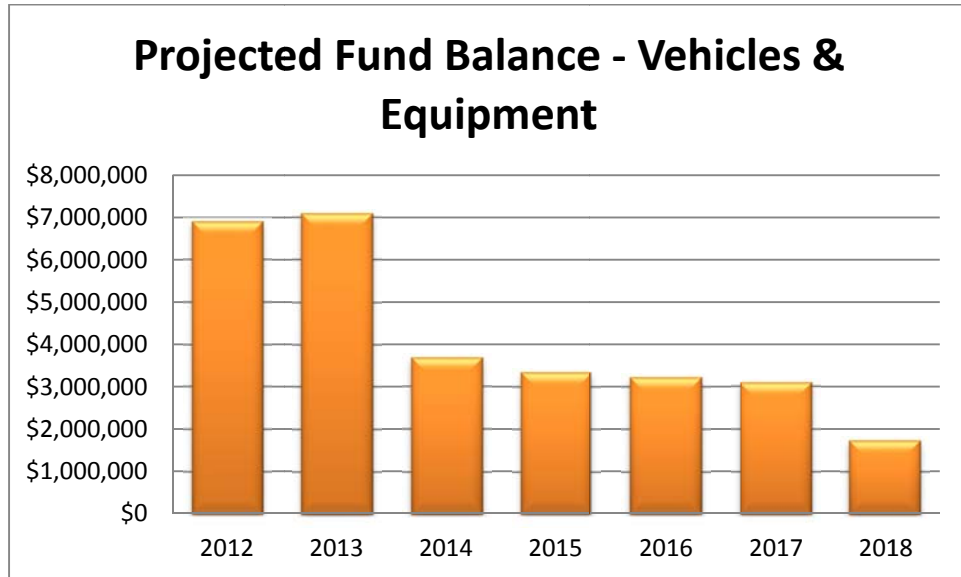
The Village maintains a capital replacement fund with the intent to fund the amortization on each vehicle. Ideally, when vehicles are scheduled for replacement the replacement cost will be fully funded with available money. Since 2009, vehicle amortization has not been funded due to budget constraints.

The 2013 budget includes \$415,000 to fund the reserve account in order to minimize a direct impact on the operating budget as equipment comes up for replacement in the near future. Currently, \$6.9 million is in the reserve account and the table below shows the projected replacement costs through 2019. It is important that the reserve be funded in order to minimize impact to future budgets.

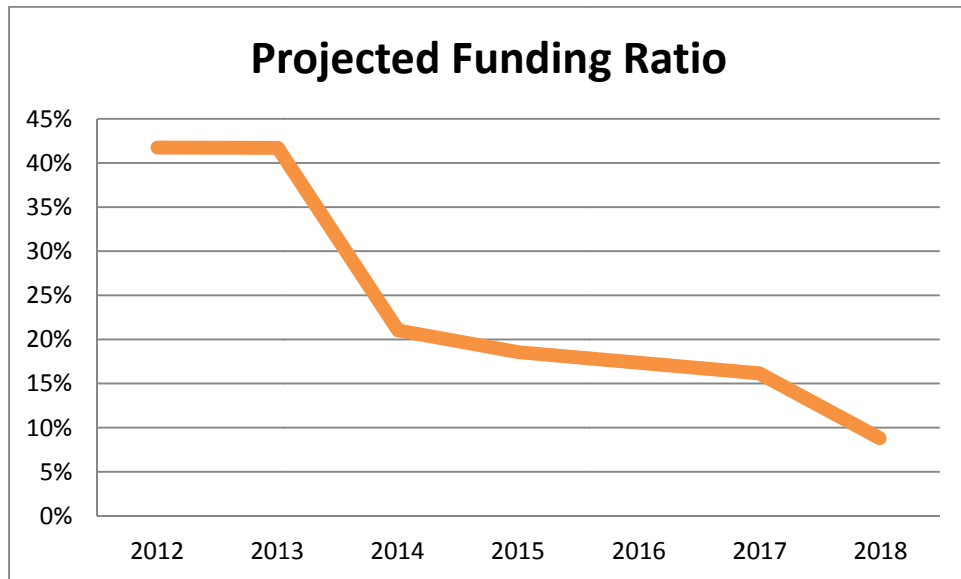
Finally, the Village Board's approval of the funding reserve does not authorize spending for equipment replacement. Each replacement vehicle or equipment purchase must go through the procurement process including Board authorization to bid and Board award of bid. This ensures that the procurement remains consistent with the budget and that identified funding is available at the time of purchase.

Department	2013	2014	2015	2016	2017	2018	SubTotal
Fire Services	\$75,284	\$75,367	\$226,524	\$147,521	\$144,794	\$1,016,522	\$1,777,625
Police Services	\$122,249	\$568,459		\$27,238			\$717,946
Building & Zoning		\$40,261		\$21,727		\$61,915	\$143,343
Engineering		\$72,186	\$28,706				\$130,477
Building Maintenance	\$16,152	\$739,543	\$16,717		\$17,915		\$861,283
Street Maintenance		\$665,136	\$10,000	\$119,838	\$201,314		\$1,415,859
Forestry & Grounds		\$630,465		\$164,167		\$187,927	\$1,116,198
E.M.A.			\$160,000				\$160,000
Water		\$375,809	\$10,000		\$87,360	\$138,731	\$801,825
Sanitary Sewer		\$221,841		\$15,768	\$1,693	\$56,648	\$757,612
Storm Sewer		\$65,005					\$80,889
Central Garage		\$53,726	\$134,007			\$72,121	\$259,854
Buffalo Grove Golf Club		\$253,346	\$26,519	\$4,232		\$59,246	\$343,343
Arboretum Golf Course		\$53,550	\$121,634	\$21,887	\$79,009	\$165,860	\$461,733
TOTALS	\$213,685	\$3,814,694	\$734,107	\$522,378	\$532,085	\$1,758,970	\$9,027,987

The following graph projects the balance of the Reserve for Capital Replacement for Vehicles and Equipment assuming a yearly funding level of \$400,000.



The graph below charts total replacement cost against the capital reserve fund balance. Approximately 43 percent of current vehicle and equipment inventory has been deferred for replacement as of 2012. The large decrease in reserve balance in 2014 assumes a replacement of all deferred equipment and vehicle purchases.



Criteria List and Scoring Matrix

Criteria	Number	0	1	2
Consistency with Village Goals and Plans	1	Project is inconsistent with Village's Comprehensive Plan or does nothing to advance Strategic Goals	Project is consistent with Village's Comprehensive Plan but does little to advance Strategic Goals	Project is directly consistent with the Village's Comprehensive Plan and advances the Strategic Goals
Public Health and Safety	2	Project would have no impact on existing public health and/or safety concerns	Project would increase public health and/or safety but is not an urgent, continual need or hazard	Project addresses an immediate, continual safety hazard or public health and/or safety need
Mandates or Other Legal Requirements	3	Project is not mandated or otherwise required by intergovernmental agreement, judgment, or court order	Project would address anticipated mandates, other legal requirements, or intergovernmental agreements	Project required by federal, state, or local mandates, grants, court orders and judgments; required as a part of an intergovernmental agreement
Maintains or Improves Standard of Service	4	Project not related to maintaining an existing standard of service	Project would maintain existing standard of service	Project would address deficiencies or problems with existing services or will establish a new service
Extent of Benefit	5	Project would benefit only a small percentage of citizens or particular neighborhood or area	Project would benefit a large percentage of citizens or many neighborhoods or regions	Project would benefit the entire community
Relation to Other Projects	6	Project is not related to other projects in the Capital Improvement Plan	Project linked to other projects in the Capital Improvement Plan already underway but not essential to their completion	Project is essential to the success of other projects identified in the current Capital Improvement Plan
Public Perception of Need	7	Project has no public support or established voter appeal; is not identified by the community as a need	Project has been identified by the residents as a need in the community but lacks strong support	Project has strong technical and strong political support, project was suggested or demanded by the community
Efficiency of Service	8	Project would have no impact on the efficiency of service	Project would result in savings by eliminating obsolete or inefficient services or facilities	Project would result in significant savings by increasing the efficiency of the performance of a service or reducing the on-going cost or service of a facility
Supports Economic Development	9	Project would discourage or directly prevent capital investment, decrease the tax base, decrease valuation, or decrease job opportunities	Project would have no impact on capital investment, tax base, valuation, or employment	Project would directly result in capital investment, increased tax base, increased valuation, or improved job opportunities
Environmental Quality	10	Project would have a negative effect on the environmental quality of the Village	Project would not effect the environmental quality of the Village	Project would improve the environmental quality of the Village
Feasibility of Project	11	Project is unable to proceed due to obstacles (land acquisition, easements, environmental)	Minor obstacles exist, project is not entirely ready to proceed	Project is entirely ready to proceed, no obstacles exist
Opportunity Cost	12	If deferred, the increase in project costs would be less than the rate of inflation	If deferred, the increase in project costs would be equal to inflation	If deferred, the increase in project costs would be greater than the rate of inflation
Operational Budget Impact	13	Project would significantly increase debt service, installment payments, personnel or other operating costs or decrease revenues	Project would neither increase or decrease debt service, installment payments, personnel, or other operating costs or revenues	Projects would decrease debt service, installment payments, personnel or other operating costs or increase revenues

Motor Fuel Tax Fund - 130

Motor Fuel Tax improvements and projects are needed to provide for safety and capacity improvements for Village roadways. They also provide for the ongoing maintenance and improvement of local Village-owned streets, where designed and required. In FY 2013, emphasis will be directed towards engineering and construction recommended for work in 2013. Detailed plans and specifications will be prepared for the identified streets including surface treatments, base repairs and any necessary drainage and curb improvement. Construction will be performed by a contractor selected through a competitive bidding process with construction engineering to be performed by a consulting engineer. The Village Engineer will perform administration of the engineering service and construction contract.

Revenue

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 130 - Motor Fuel Tax Fund					
<u>Revenues</u>					
15 - Other Taxes					
410.60 Motor Fuel Tax	1,096,794	1,060,719	985,530	1,005,587	1,000,000
15 - Other Taxes	1,096,794	1,060,719	985,530	1,005,587	1,000,000
Percent Change 2013 vs. 2012 Budget					1.47%
45 - Interest Income					
450.10 Investment Pool	50	228	200	-	-
45 - Interest Income	50	228	200	-	-
Percent Change 2013 vs. 2012 Budget					-100.00%
50 - Miscellaneous Revenue					
465.65 Grants	-	(187,582)	-	-	-
465.90 Miscellaneous Income	675,596	375,164	187,582	187,582	187,582
470 Bond Proceeds	-	-	-	6,000,000	-
50 - Miscellaneous Revenue	675,596	187,582	187,582	6,187,582	187,582
Percent Change 2013 vs. 2012 Budget					0.00%
55 - Operating Transfers					
460.05 Interfund Transfers In	507,605	615,284	608,820	608,994	-
55 - Operating Transfers	507,605	615,284	608,820	608,994	-
Percent Change 2013 vs. 2012 Budget					-100.00%
Revenues Total	2,280,045	1,863,813	1,782,132	7,802,163	1,187,582
Percent Change 2013 vs. 2012 Budget					-33.36%

Expense

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
<u>Expenditures</u>					
Department: 75 - Capital Improvement					
55 - Capital Outlay					
560.20 Streets & Highways	1,512,379	1,259,292	1,700,000	1,700,000	4,750,000
55 - Capital Outlay	1,512,379	1,259,292	1,700,000	1,700,000	4,750,000
Percent Change 2013 vs. 2012 Budget					179.41%
65 - Other Financing Uses					
570.30 Debt Service Fund	-	-	600,000	600,000	-
65 - Other Financing Uses	-	-	600,000	600,000	-
Percent Change 2013 vs. 2012 Budget					-100.00%
Expenditures Total	1,512,379	1,259,292	2,300,000	2,300,000	4,750,000
Percent Change 2013 vs. 2012 Budget					106.52%

Capital Projects - Facilities Fund – 150

This Fund provides for the accounting of design, acquisition and construction elements of various Village capital facilities and equipment. The identified projects have been previously planned for as part of the FY 2013 portion of the Village's comprehensive Capital Improvement Plan for the FY 2013 through FY 2017. Funding will come from several sources, most notably the transfer of prior accumulations of unreserved Corporate Fund Balance and Water and Sewer Fund equity as authorized under current Village use policies.

Revenue

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 150 - Facilities Fund					
<u>Revenues</u>					
45 - Interest Income					
450.05 Savings	-	-	-	-	-
450.10 Investment Pool	300	63	-	-	-
45 - Interest Income	300	63	-	-	-
Percent Change 2013 vs. 2012 Budget					0.00%
50 - Miscellaneous Revenue					
465.90 Miscellaneous Income	2,688,440	17,559	-	-	1,000,000
50 - Miscellaneous Revenue	2,688,440	17,559	-	-	1,000,000
Percent Change 2013 vs. 2012 Budget					0.00%
55 - Operating Transfers					
460.05 Interfund Transfers In	512,160	371,070	412,013	620,000	586,097
55 - Operating Transfers	512,160	371,070	412,013	620,000	586,097
Percent Change 2013 vs. 2012 Budget					42.25%
Revenues Total	3,200,900	388,692	412,013	620,000	1,586,097
Percent Change 2013 vs. 2012 Budget					284.96%

Expense

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
<u>Expenditures</u>					
Department: 75 - Capital Improvement					
55 - Capital Outlay					
560.10 Land Improvements	2,135,655	93,096	101,013	50,000	134,100
560.20 Streets & Highways	26,084	(7,716)	-	-	-
560.30 Buildings & Structures	280,745	(6,077)	246,000	295,000	200,000
560.40 Improvements Other Than Building	54,700	50,000	65,000	65,000	1,000,000
560.50 Technology	-	247,250	-	210,000	251,997
55 - Capital Outlay	2,497,184	376,553	412,013	620,000	1,586,097
Percent Change 2013 vs. 2012 Budget					284.96%
Expenditures Total	2,497,184	376,553	412,013	620,000	1,586,097
Percent Change 2013 vs. 2012 Budget					284.96%

Capital Projects – Streets Fund – 160

The elements of this program have been identified and recommended as part of the Village's comprehensive Capital Improvement Plan for the period FY 2013 through FY 2017. Proceeds for the street maintenance fund are funded through the following bond issues: Series 2012 and Series 2003 plus certain of the proceeds from the Corporate Purpose General Obligation Bonds-Series 1995.

Revenue

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 160 - Streets Fund					
<u>Revenues</u>					
45 - Interest Income					
450.10 Investment Pool	765	196	400	100	100
45 - Interest Income	765	196	400	100	100
Percent Change 2013 vs. 2012 Budget					-75.00%
50 - Miscellaneous Revenue					
465.90 Miscellaneous Income	-	158,285	134,533	-	-
50 - Miscellaneous Revenue	-	158,285	134,533	-	-
Percent Change 2013 vs. 2012 Budget					-100.00%
55 - Operating Transfers					
460.05 Interfund Transfers In	-	-	600,000	600,000	-
55 - Operating Transfers	-	-	600,000	600,000	-
Percent Change 2013 vs. 2012 Budget					-100.00%
Revenues Total	765	158,481	734,933	600,100	100
Percent Change 2013 vs. 2012 Budget					-99.99%

Expense

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
<u>Expenditures</u>					
Department: 75 - Capital Improvement					
55 - Capital Outlay					
560.20 Streets & Highways	319,003	1,134,372	1,048,247	400,860	100,452
55 - Capital Outlay	319,003	1,134,372	1,048,247	400,860	100,452
Percent Change 2013 vs. 2012 Budget					-90.42%
Expenditures Total	319,003	1,134,372	1,048,247	400,860	100,452
Percent Change 2013 vs. 2012 Budget					-90.42%

Section 7

Enterprise Fund Summary and Detail

Golf Course Fund

Water and Sewer Operating

Refuse Fund



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Golf

The Buffalo Grove Golf Club and Arboretum Golf Funds provide the entire scope of staff and administrative services necessary to operate the Buffalo Grove Golf Club and Arboretum Golf Club on an annual basis. The majority of the services are of a physical nature in that the programs identified provide for the efficient and effective operations of both golf courses. The overall objectives of the Funds are to maintain the physical quality of two 18-Hole golf courses, a driving range and practice areas in a manner that is acceptable to the patron and to enhance the enjoyment of the game. Pro Shop activities provide support services to the patron in the form of a retail activity. To accomplish the above tasks, the following programs are required to be performed:



1. Golf course maintenance and operations
2. Departmental administration
3. Club house operations
4. Facilities planning

Department Structure



2012 Accomplishments

Arboretum:






1. Increased Total Green Fees by 4 percent to \$725,000 versus \$698,000 as of October 1.
2. Coupon Sales increased by 20 percent to \$42,700 versus \$35,575 as of October 1.
3. Increased paid rounds by 5 percent to 24,435 versus 23,223.

Buffalo Grove Golf Course:

1. Increased Total Green Fees by 4 percent to \$684,700 (estimate) versus \$666,500 in 2011.
2. Implemented Golf Now tee sheet technologies which generated a new customer base and over \$20,000 in green fee revenues in a 4 month span (July - October).
3. Increased paid rounds by 6 percent to \$32,350 (estimate) versus \$30,600 in 2011.
4. Developed and promoted a successful text marketing club with over 225 members. Results included a \$2,200.00 increase in green fee revenues at slower time periods on the tee sheet.

2013 Goals

In addition to the normal operating goals managed within each department; this fiscal year, all departments have goals related to the implementation of the strategic plan.

	Inventory and prioritize all departmental services and categorize as core or non-core.
	Participate in the establishment of the Village-wide Comprehensive Training Program.
	Review and revise departmental fee and fine structure.
	Assess future plans for Buffalo Grove Golf Club property and potential impact on operations.
	Review departmental fleet to determine need and future replacement necessity.

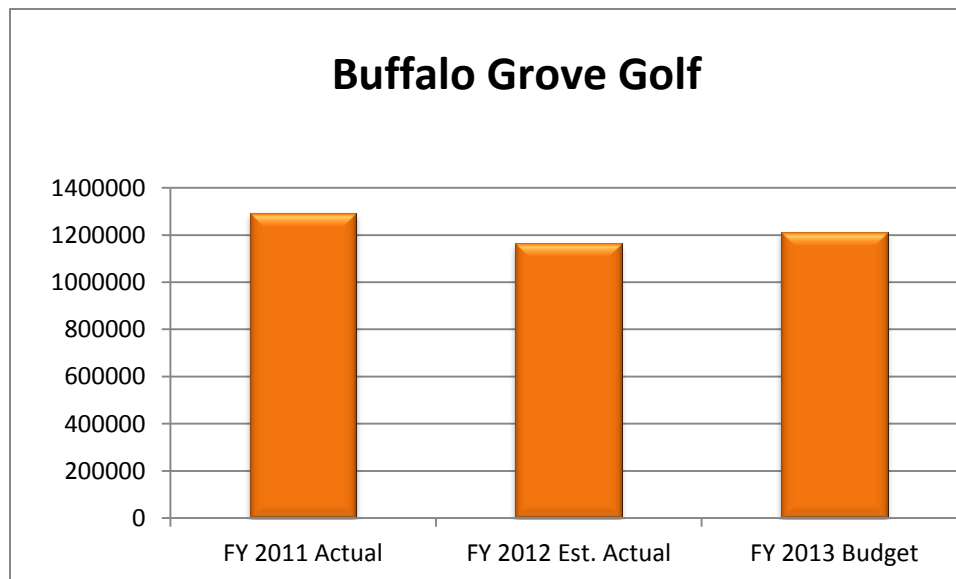
2013 Staffing Summary

There are no programmed staffing changes. The Director of Golf Operations retired in late-2012 under the Voluntary Separation Incentive program and the resulting recruitment and selection process for the position has been deferred until mid-2013

	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Assistant Director of Golf Operations	1	0	1	0	1	0
Assistant Golf Professional	1	0	1	0	1	0
Assistant Golf Professional	0	2	0	2	0	2
Director of Golf Operations	1	0	1	0	1	1
Golf Course Attendant - Seasonal	0	15	0	15	0	15
Golf Course Cashier - Seasonal	0	9	0	9	0	9
Golf Course Maintenance Worker	0	1	0	1	0	1
Golf Course Maintenance Worker – Seasonal	0	14	0	14	0	14
Golf Course Maintenance Worker II	0	0	1	0	1	0
Golf Course Maintenance Worker III	1	0	1	0	1	0
Golf Course Starter/Ranger – Seasonal	0	11	0	11	0	11
Golf Course Superintendent	1	0	1	0	1	0
Golf Course Supervisor	1	0	0	0	0	0
Had Golf Professional	1	0	1	0	1	0
Horticulturist	1	0	1	0	1	0
Total	8	52	8	52	8	53
Full & Part-Time Total	60		60		61	

Buffalo Grove Golf

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	579,403	502,000	557,108
Personal Benefits	183,369	163,700	178,500
Operating Expenses	201,040	166,901	144,100
Contractual Services	1,600	10,800	10,800
Repairs and Maintenance	119,490	113,336	127,000
Capital Equipment	47,921	24,000	39,000
Commodities	127,033	129,301	130,000
All Other Expenses	33,040	1,200	500
Other Uses	-	54,450	24,060
Total	1,292,896	1,165,688	1,211,068



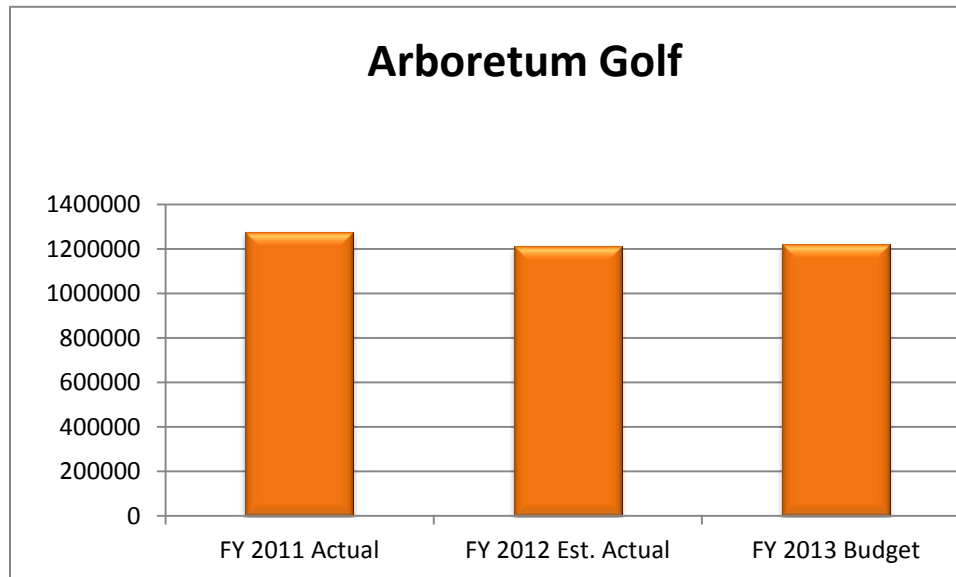
Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 180 - Buffalo Grove Golf Fund					
<u>Revenues</u>					
40 - Charges for Services					
445.10 Greens Fees	716,818	650,833	770,000	715,000	725,000
445.15 Power Cart Rental	152,595	121,245	150,000	150,000	175,000
445.20 Pull Cart Rental	5,839	4,660	5,000	4,000	5,000
445.25 Driving Range Fees	64,948	51,393	70,000	55,000	65,000
445.30 Memberships & Passes	81,807	81,762	85,000	70,000	80,000
445.35 Merchandise Sales	68,230	65,637	70,000	70,000	70,000
445.40 Sales Tax	6,701	5,899	7,000	7,000	7,000
445.50 GPS Income	17,141	13,935	20,000	20,000	-
445.55 Club Rental Fees	1,441	795	1,000	1,200	1,500
445.56 Locker Room Rental	150	225	300	100	200
445.57 Club Storage	425	395	400	425	500
445.60 Rental Income Facility	38,227	64,739	65,000	65,000	40,000
445.65 Rental Income Cell Tower	-	-	-	-	27,000
445.70 Utility Reimbursement	4,755	11,341	15,000	10,000	15,000
445.90 Other Revenue	1,468	5,653	-	-	-
40 - Charges for Services	1,160,545	1,078,512	1,258,700	1,167,725	1,211,200
Percent Change 2013 vs. 2012 Budget					-3.77%
45 - Interest Income					
450.05 Savings	(314)	(471)	-	-	-
450.10 Investment Pool	-	-	-	-	-
45 - Interest Income	(314)	(471)	-	-	-
Percent Change 2013 vs. 2012 Budget					0.00%
50 - Miscellaneous Revenue					
465.90 Miscellaneous Income	-	-	1,000	-	-
50 - Miscellaneous Revenue	-	-	1,000	-	-
Percent Change 2013 vs. 2012 Budget					-100.00%
55 - Operating Transfers					
460.05 Interfund Transfers In	215,000	184,000	-	-	-
55 - Operating Transfers	215,000	184,000	-	-	-
Percent Change 2013 vs. 2012 Budget					0.00%
Revenues Total	1,375,231	1,262,041	1,259,700	1,167,725	1,211,200
Percent Change 2013 vs. 2012 Budget					-3.85%

Description		FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Expenditures						
Department: 84 - Golf						
10 - Salaries						
500.05	Full Time	321,600	301,553	287,395	270,000	284,108
500.10	Part Time	166,167	135,474	134,640	100,000	158,000
500.15	Seasonal	84,642	116,142	93,840	105,000	86,000
500.35	Overtime	24,144	22,434	24,480	24,000	27,000
500.40	Longevity	3,800	3,800	3,000	3,000	2,000
10 - Salaries		600,353	579,403	543,355	502,000	557,108
Percent Change 2013 vs. 2012 Budget						2.53%
15 - Taxes and Benefits						
505.05	Group & Medical Life	65,672	67,122	64,748	64,000	64,500
505.10	Professional Training	401	-	1,000	700	1,000
505.15	Dues & Memberships	3,156	2,059	3,200	3,200	3,200
505.25	Uniform Maintenance	3,773	3,887	3,500	1,200	3,000
505.35	Safety Equipment	799	24	1,000	800	1,000
505.45	ICMA Deferred Compensation	2,843	2,036	1,800	1,800	-
505.80	Employer's Contribution - IMRF	114,164	108,241	97,085	92,000	105,800
15 - Taxes and Benefits		190,808	183,369	172,333	163,700	178,500
Percent Change 2013 vs. 2012 Budget						3.58%
25 - Operating Expenses						
510.02	Telephone	4,687	5,061	4,500	4,000	4,000
510.03	Postage	9	102	150	100	100
510.04	Travel	-	-	500	-	500
510.10	Maintenance Contracts	5,543	50	-	-	-
510.16	Printing	539	-	500	500	500
510.20	Computer Services	4,897	7,565	8,000	8,000	8,000
510.28	Audit Fees	1,500	-	1,500	1,500	1,500
510.40	Supplies - Office	6,537	6,659	-	5,000	5,000
510.49	Supplies - Golf Course	6,725	7,619	14,000	6,000	7,000
510.50	Supplies - All Other	-	42	-	-	-
510.55	Operating Equip - Department	-	-	-	-	-
510.70	Merchandise Purchases	47,850	53,245	45,000	48,000	45,000
510.73	Golf Cart Rental	35,768	38,898	33,000	33,000	35,000
510.76	Driving Range	2,776	3,168	3,000	3,301	3,000
510.79	Advertising & Promotions	10,063	8,983	10,000	11,000	10,000
510.82	GPS Expense	34,938	40,406	30,000	25,000	-
510.83	Credit Card Fees	23,627	23,365	20,000	15,000	18,000
510.85	State Sales Tax	7,362	5,877	6,500	6,500	6,500
25 - Operating Expenses		192,821	201,040	176,650	166,901	144,100
Percent Change 2013 vs. 2012 Budget						-18.43%
30 - Contractual Services						
515.05	IRMA Premium	10,000	-	10,000	10,000	10,000
515.10	Unemployment Insurance	1,600	1,600	800	800	800
30 - Contractual Services		11,600	1,600	10,800	10,800	10,800
Percent Change 2013 vs. 2012 Budget						0.00%
40 - Repairs and Maintenance						
535.20	Buildings & Facilities	12,504	7,842	10,000	10,000	10,000
535.35	Golf Course	38,689	36,109	34,500	33,501	47,000
535.40	Irrigation System	3,676	8,177	10,000	10,835	10,000
545.05	Gasoline	24,805	27,420	25,000	29,000	30,000
545.10	Diesel Fuel	225	1,252	-	-	-

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
545.15 Automotive Parts	2	245	-	-	-
545.20 Garage Labor	479	1,130	-	-	-
550.05 Department Equipment	27,122	37,315	30,000	30,000	30,000
40 - Repairs and Maintenance	107,502	119,490	109,500	113,336	127,000
Percent Change 2013 vs. 2012 Budget					15.98%
45 - Commodities					
530.05 Electricity - Facilities	76,268	61,765	60,000	55,000	55,000
530.20 Gas - Facilities	9,586	9,716	10,000	9,000	9,000
530.45 Chemicals and Fertilizers	71,050	54,802	65,000	64,000	65,000
530.50 Small Equipment Tools & Hardware	429	750	1,000	1,301	1,000
45 - Commodities	157,333	127,033	136,000	129,301	130,000
Percent Change 2013 vs. 2012 Budget					-4.41%
50 - Other Expenses					
580.05 All Other Expenses	90	256	500	1,200	500
800 Depreciation	32,784	32,784	-	-	-
50 - Other Expenses	32,874	33,040	500	1,200	500
Percent Change 2013 vs. 2012 Budget					0.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	1,000	-	1,000
555.30 Reserve for Capital Replacement	-	-	-	-	-
555.40 Reserve for Technology	-	-	1,000	1,000	1,000
560.30 Buildings & Structures	-	-	3,000	-	2,000
560.80 Golf Course	26,941	47,921	32,000	23,000	35,000
55 - Capital Outlay	26,941	47,921	37,000	24,000	39,000
Percent Change 2013 vs. 2012 Budget					5.41%
65 - Other Financing Uses					
570.10 Corporate Fund	-	-	-	-	-
570.60 Arboretum Golf Course Fund	-	-	70,106	54,450	24,060
65 - Other Financing Uses	-	-	70,106	54,450	24,060
Percent Change 2013 vs. 2012 Budget					-65.68%
Department Total: 84 - Golf	1,320,232	1,292,896	1,256,244	1,165,688	1,211,068
Percent Change 2013 vs. 2012 Budget					-3.60%
Expenditures Total	1,320,232	1,292,896	1,256,244	1,165,688	1,211,068

Arboretum Golf

	FY 2011 Actual	FY 2012 Est. Actuals	FY 2013 Budget
Personal Services	580,655	576,800	582,680
Personal Benefits	173,722	163,760	170,730
Operating Expenses	242,579	191,605	178,100
Contractual Services	1,600	10,800	10,800
Repairs and Maintenance	85,355	80,500	93,000
Capital Equipment	23,299	24,265	26,000
Commodities	169,133	164,148	160,500
All Other Expenses	16	1,265	500
Total	1,276,359	1,213,143	1,222,310



Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 190 - Arboretum Golf Fund					
<u>Revenues</u>					
40 - Charges for Services					
445.10 Greens Fees	634,129	699,802	775,000	785,000	780,000
445.15 Power Cart Rental	129,014	159,189	194,000	200,000	200,000
445.20 Pull Cart Rental	403	768	700	800	750
445.30 Memberships & Passes	30,381	97,836	35,000	10,000	35,000
445.35 Merchandise Sales	38,931	47,275	60,000	45,000	60,000
445.36 Coupon Sales	4,323	8,573	20,000	42,000	35,000
445.40 Sales Tax	3,268	3,181	4,800	3,500	4,800
445.50 GPS Income	27,224	27,179	-	-	-
445.55 Club Rental Fees	2,770	3,040	2,000	2,300	2,500
445.56 Locker Room Rental	-	-	200	100	200
445.60 Rental Income Facility	53,418	41,340	55,000	50,000	55,000
445.70 Utility Reimbursement	3,551	8,612	25,000	20,000	25,000
445.90 Other Revenue	150	111	-	-	-
40 - Charges for Services	927,562	1,096,906	1,171,700	1,158,700	1,198,250
Percent Change 2013 vs. 2012 Budget					2.27%
55 - Operating Transfers					
460.05 Interfund Transfers In	453,000	168,000	70,106	54,450	24,060
55 - Operating Transfers	453,000	168,000	70,106	54,450	24,060
Percent Change 2013 vs. 2012 Budget					-65.68%
Revenues Total	1,380,562	1,264,906	1,241,806	1,213,150	1,222,310
Percent Change 2013 vs. 2012 Budget					-1.57%

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Expenditures					
Department: 84 - Golf					
10 - Salaries					
500.05 Full Time	354,821	362,532	365,431	360,000	351,380
500.10 Part Time	102,055	106,420	97,920	110,000	112,000
500.15 Seasonal	67,045	76,624	78,540	75,000	85,500
500.35 Overtime	29,283	30,879	28,560	28,000	30,000
500.40 Longevity	4,000	4,200	3,800	3,800	3,800
10 - Salaries	557,204	580,655	574,251	576,800	582,680
Percent Change 2013 vs. 2012 Budget					1.47%
15 - Taxes and Benefits					
505.05 Group & Medical Life	43,611	49,035	48,571	48,000	53,341
505.10 Professional Training	893	379	500	200	500
505.15 Dues & Memberships	3,329	2,986	2,500	2,000	2,500
505.25 Uniform Maintenance	-	-	-	405	3,000
505.26 Uniform Rental	6,983	5,719	3,500	2,600	-
505.35 Safety Equipment	809	240	500	555	500
505.45 ICMA Deferred Compensation	2,843	2,036	-	-	-
505.80 Employer's Contribution - IMRF	106,886	113,327	108,584	110,000	110,889
15 - Taxes and Benefits	165,354	173,722	164,155	163,760	170,730
Percent Change 2013 vs. 2012 Budget					4.01%
25 - Operating Expenses					
510.02 Telephone	5,264	5,623	4,000	4,000	4,000
510.03 Postage	-	-	100	-	100
510.04 Travel	-	271	500	-	500
510.16 Printing	-	-	500	400	500
510.20 Computer Services	4,403	2,724	6,000	5,000	6,000
510.28 Audit Fees	1,500	-	1,500	1,500	1,500
510.40 Supplies - Office	6,136	5,538	5,000	10,000	5,000
510.49 Supplies - Golf Course	17,150	9,821	15,000	8,000	15,000
510.55 Operating Equip - Department	-	1,126	2,000	-	1,000
510.70 Merchandise Purchases	58,187	51,476	45,000	46,000	45,000
510.73 Golf Cart Rental	43,686	59,044	76,000	60,000	60,000
510.79 Advertising & Promotions	18,407	20,552	20,000	18,000	20,000
510.82 GPS Expense	53,746	60,915	-	20,205	-
510.83 Credit Card Fees	18,238	22,393	17,000	15,000	15,000
510.85 State Sales Tax	2,958	3,096	4,500	3,500	4,500
25 - Operating Expenses	229,675	242,579	197,100	191,605	178,100
Percent Change 2013 vs. 2012 Budget					-9.64%
30 - Contractual Services					
515.05 IRMA Premium	10,000	-	10,000	10,000	10,000
515.10 Unemployment Insurance	1,600	1,600	800	800	800
30 - Contractual Services	11,600	1,600	10,800	10,800	10,800
Percent Change 2013 vs. 2012 Budget					0.00%
40 - Repairs and Maintenance					
535.20 Buildings & Facilities	10,100	19,088	15,000	12,000	15,000
535.35 Golf Course	11,733	20,132	29,000	22,000	26,000
535.40 Irrigation System	9,089	3,585	13,000	8,500	16,000
545.05 Gasoline	13,883	19,252	17,000	20,000	20,000
545.20 Garage Labor	-	-	-	-	-
550.05 Department Equipment	22,164	23,298	20,000	18,000	16,000
40 - Repairs and Maintenance	66,969	85,355	94,000	80,500	93,000

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Percent Change 2013 vs. 2012 Budget					-1.06%
45 - Commodities					
530.05 Electricity - Facilities	65,087	61,783	55,000	50,000	50,000
530.20 Gas - Facilities	20,702	14,221	18,000	18,000	18,000
530.45 Chemicals and Fertilizers	95,664	92,652	93,000	95,773	90,000
530.50 Small Equipment Tools & Hardware	129	477	500	375	2,500
45 - Commodities	181,582	169,133	166,500	164,148	160,500
Percent Change 2013 vs. 2012 Budget					-3.60%
50 - Other Expenses					
580.05 All Other Expenses	100	16	-	1,265	500
50 - Other Expenses	100	16	-	1,265	500
Percent Change 2013 vs. 2012 Budget					0.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	-	-	-
555.30 Reserve for Capital Replacement	-	-	-	-	-
560.30 Buildings & Structures	-	-	2,000	1,265	1,000
560.80 Golf Course	21,990	23,299	33,000	23,000	25,000
55 - Capital Outlay	21,990	23,299	35,000	24,265	26,000
Percent Change 2013 vs. 2012 Budget					-25.71%
Department Total: 84 - Golf	1,234,474	1,276,359	1,241,806	1,213,143	1,222,310
Percent Change 2013 vs. 2012 Budget					-1.57%
Expenditures Total	1,234,474	1,276,359	1,241,806	1,213,143	1,222,310

Water and Sewer Fund

The departmental goals and the staffing summary of the Water and Sewer Fund are included in the Public Works Department report, Section 5 Corporate Fund Summary and Detail.

For FY 2013, the proposed revenue budget for the Village's Water and Sewer Fund totals \$10,130,906 compared to \$8,118,786 for FY 2012, an increase of \$2,012,120 or 24.8 percent. When compared to the FY 2012 Estimated Actual of \$7,717,780, the proposed budget increases by 31.3 percent.

Water Fund revenues include building fees, sales of water, investment income and all other revenues.

Building Revenue & Fees: The revenue for development fees are less than a percent of the proposed budget. This account group takes into consideration anticipated building and development plans. The review incorporates a conservative, realistic outlook using factors such as economics, current development trends, status relative to the overall review process of the Village prior to final permitting along with the feasibility of the project assumed by developers. Total fees are expected to be 1.3 percent more than the 2012 budget.

Sales of Water: Significant revenue accrues from the metered sale of water, fees for the local share of the debt service requirements of the Northwest Water Commission along with sanitary sewer treatment fees due the County of Lake.

There were a series of rate increases adopted by the Village Board on July 9, 2012. The first rate increase is effective on January 1, 2013. Sales of Water and Village Sewer Use Charges are based on the current metered consumption rate as adopted by the Village Board (\$4.05/1,000 gallons), further allocating the charge at \$3.24 and \$.81/1,000 gallons respectively. On January 1, 2014, the combined rate adjusts to \$5.26/1,000 gallons. Every January thereafter the rate is increased by 4 percent. The rate recommendations were the result of the twenty year proforma analysis. This report will be updated and reviewed annually.

Over the last four years, the consumption of water has decreased by 15 percent. Over the last two years the decline in usage has moderated. No significant growth in consumption was factored for FY 2013. Overall calendar 2012, residential consumption is averaging 6,300 gallons/month compared to 7,390 since calendar 1976. The economy has played a role in water consumption as foreclosures and vacant homes are registering water use. The 2010 Census indicates that the Village's population is shrinking resulting in fewer system users. From a broader perspective, the Village's efforts towards water conservation, the maturity of the community, the use of native plantings, and more efficient appliances have all played a significant role in the decline in the amount of water consumed.

Bond fee revenue is based upon fiscal year debt service requirements adjusted for other non-fee/rate sources of funds used to moderate the requirements downward. As of January 1, 2013, the monthly flat fee charged to each user/consumer within the Village is \$1.90 per month.

The last line item of significance is Lake County Sanitary Sewer Treatment Fees. There is a significant decrease in revenue related to the Village's collection of sanitary sewer fees on behalf of Lake County. Revenue dropped by \$473,761 due to the change in billing methodology from a fixed fee to a fee based on actual consumption and the institution of a summer sewer credit program.

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 170 - Water & Sewer Fund					
<u>Revenues</u>					
30 - Permits					
435.75 Water Connection Fees	7,430	3,550	1,500	2,650	1,500
435.76 Lake County Sewer Tap On Fees	133,995	34,150	25,000	30,600	25,000
435.77 Village Sewer Tap On Fees	2,252	600	500	600	500
435.78 Water Meter Sales	11,642	3,132	3,500	9,000	4,000
435.79 System Improvement Fees	27,120	7,290	7,500	9,000	7,500
435.80 Sewer T.V. Inspection Fees	2,300	-	-	-	-
30 - Permits	184,739	48,722	38,000	51,850	38,500
Percent Change 2013 vs. 2012 Budget					1.32%
40 - Charges for Services					
441.05 Sales of Water Resident - Regular	3,134,017	2,993,763	3,146,000	3,208,280	4,309,200
441.15 Charge	404,233	403,585	404,100	402,000	402,000
441.20 Penalties	27,049	88,178	27,000	29,000	29,000
441.30 Construction Water	2,469	954	750	600	750
441.60 Fees - Turn On	-	-	-	-	-
441.65 Fees - Water Use Non-Resident	-	-	-	-	-
442.05 Village Sewer Resident - Regular	780,110	687,533	795,000	798,000	1,077,300
442.10 Village Sewer Penalties	4,558,903	3,559,265	-	-	-
443.00 Lake County Sewer Sanitary Sewer	-	-	3,673,761	3,200,000	3,200,000
Service Fees					
40 - Charges for Services	8,906,781	7,733,278	8,046,611	7,637,880	9,018,250
Percent Change 2013 vs. 2012 Budget					12.08%
45 - Interest Income					
450.05 Savings	1,652	944	575	500	400
450.10 Investment Pool	495	109	-	-	-
450.15 Money Market	15	(31)	100	50	50
450.20 CD's	61,203	32,589	20,000	18,500	20,000
450.25 Securities	17,843	7,960	11,000	8,000	5,000
45 - Interest Income	81,208	41,571	31,675	27,050	25,450
Percent Change 2013 vs. 2012 Budget					-19.65%
50 - Miscellaneous Revenue					
465.65 Grants	-	-	-	-	437,388
465.90 Miscellaneous Income	2,133	45,332	2,500	1,000	611,318
50 - Miscellaneous Revenue	2,133	45,332	2,500	1,000	1,048,706
Percent Change 2013 vs. 2012 Budget					41848.24%
55 - Operating Transfers					
460.05 Interfund Transfers In	-	-	-	-	-
55 - Operating Transfers	-	-	-	-	-
Percent Change 2013 vs. 2012 Budget					0.00%
Revenues Total	9,174,861	7,868,903	8,118,786	7,717,780	10,130,906
Percent Change 2013 vs. 2012 Budget					24.78%

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Expenditures					
Department: 55 - Public Works					
Division: 35 - Water					
10 - Salaries					
500.05 Full Time	648,217	636,213	685,649	642,110	576,520
500.10 Part Time	-	-	38,197	-	-
500.35 Overtime	56,289	53,332	51,096	46,207	51,288
500.40 Longevity	5,510	6,110	5,560	4,960	5,360
10 - Salaries	710,016	695,655	780,502	693,277	633,168
Percent Change 2013 vs. 2012 Budget					-18.88%
15 - Taxes and Benefits					
505.05 Group & Medical Life	93,533	88,870	113,628	113,628	120,406
505.10 Professional Training	179	215	1,800	900	3,000
505.15 Dues & Memberships	246	364	774	600	894
505.20 Clothing Allowance	1,017	994	1,880	1,600	2,060
505.25 Uniform Maintenance	-	-	-	2,100	2,169
505.26 Uniform Rental	2,519	2,555	2,169	-	-
505.35 Safety Equipment	6,558	3,557	6,900	5,200	6,900
505.45 ICMA Deferred Compensation	2,607	1,750	847	1,770	-
505.80 Employer's Contribution - IMRF	140,204	154,380	151,238	152,135	154,033
15 - Taxes and Benefits	246,863	252,685	279,236	277,933	289,462
Percent Change 2013 vs. 2012 Budget					3.66%
25 - Operating Expenses					
510.02 Telephone	4,333	4,350	7,536	5,800	7,536
510.10 Maintenance Contracts	15,642	45,718	89,765	85,000	89,765
510.12 Equipment Rental	431	304	1,018	750	1,018
510.14 Subscriptions & Publications	-	-	-	-	-
510.16 Printing	120	228	4,000	3,000	4,000
510.40 Supplies - Office	441	413	500	500	450
510.50 Supplies - All Other	1,358	1,759	2,800	2,400	2,800
510.55 Operating Equip - Department	600	-	-	6,000	6,000
510.90 Northwest Water Commission	1,267,270	1,349,085	1,393,850	1,393,850	1,382,005
25 - Operating Expenses	1,290,195	1,401,857	1,499,469	1,497,300	1,493,574
Percent Change 2013 vs. 2012 Budget					-0.39%
30 - Contractual Services					
515.05 IRMA Premium	109,942	137,702	129,942	129,942	129,942
515.10 Unemployment Insurance	2,560	2,560	1,280	1,280	1,600
30 - Contractual Services	112,502	140,262	131,222	131,222	131,542
Percent Change 2013 vs. 2012 Budget					0.24%
40 - Repairs and Maintenance					
535.05 Sidewalks, Curbs, & Bikeways	8,056	12,186	25,000	25,000	25,000
535.20 Buildings & Facilities	132	207	70,000	70,000	70,000
540.05 Well Equipment	4,195	3,691	8,000	6,000	10,000
540.10 Pumping Stations	5,953	208	5,000	4,200	5,000
540.15 Watermains & Services	13,456	13,525	16,000	12,000	16,000
540.20 Reservoirs	1,831	722	5,000	3,000	5,000
540.25 Water Meters	7,254	7,316	14,000	14,000	14,000
540.30 Hydrants & Valves	7,900	9,629	20,000	15,000	20,000
545.05 Gasoline	3,890	7,413	8,396	6,044	8,416
545.10 Diesel Fuel	10,101	12,455	17,299	11,273	14,842
545.15 Automotive Parts	9,748	12,553	9,486	9,000	12,146
545.20 Garage Labor	29,461	31,196	32,897	30,169	37,860

Description		FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
545.25	Lubricants	2,498	-	1,033	-	944
545.30	Garage Overhead	-	-	-	-	-
545.40	Contractual Auto Services	3,992	8,429	9,394	3,294	4,162
550.05	Department Equipment	571	5,950	16,000	9,230	16,000
550.10	Radios	-	-	500	300	500
40 - Repairs and Maintenance		109,038	125,480	258,005	218,510	259,870
Percent Change 2013 vs. 2012 Budget						0.72%
45 - Commodities						
530.15	Electricity - Water & Sewer	249,117	211,373	230,000	192,000	230,000
530.30	Gas - Water & Sewer	1,465	3,588	3,000	3,000	3,000
530.45	Chemicals and Fertilizers	2,220	4,306	5,220	4,200	5,220
530.50	Small Equipment Tools & Hardware	1,323	987	1,600	1,500	1,600
530.60	Water Sample Analysis	11,693	10,995	11,720	12,000	25,360
530.65	Water Meter Purchases	11,169	30,935	21,500	45,202	43,000
45 - Commodities		276,987	262,184	273,040	257,902	308,180
Percent Change 2013 vs. 2012 Budget						12.87%
50 - Other Expenses						
580.05	All Other Expenses	5,642	1,624	-	-	-
800	Depreciation	1,196,275	1,037,357	-	-	-
50 - Other Expenses		1,201,917	1,038,981	-	-	-
Percent Change 2013 vs. 2012 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	-	-	6,000	-	-
555.30	Reserve for Capital Replacement	-	-	-	-	54,255
555.40	Reserve for Technology	-	-	-	-	1,500
560.60	Water System	48,944	79,070	1,494,000	600,000	1,025,000
55 - Capital Outlay		48,944	79,070	1,500,000	600,000	1,080,755
Percent Change 2013 vs. 2012 Budget						-27.95%
60 - Debt Service						
565.10	Principal	-	-	-	-	-
565.20	Interest	-	-	-	-	6,010
565.60	Northwest Water Service	430,699	429,428	440,163	440,163	440,163
60 - Debt Service		430,699	429,428	440,163	440,163	446,173
Percent Change 2013 vs. 2012 Budget						1.37%
65 - Other Financing Uses						
570.10	Corporate Fund	705,000	705,000	705,000	705,000	765,000
570.20	Debt Service Fund	180,000	200,000	180,000	180,000	180,000
65 - Other Financing Uses		885,000	905,000	885,000	885,000	945,000
Percent Change 2013 vs. 2012 Budget						6.78%
Division Total: 35 - Water		5,312,161	5,330,602	6,046,637	5,001,307	5,587,724
Percent Change 2013 vs. 2012 Budget						-7.59%

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Division: 36 - Sewer					
10 - Salaries					
500.05 Full Time	255,208	232,874	278,320	245,000	287,062
500.35 Overtime	23,878	25,897	11,780	25,000	12,264
500.40 Longevity	2,034	1,434	2,369	2,369	2,633
10 - Salaries	281,120	260,205	292,469	272,369	301,959
Percent Change 2013 vs. 2012 Budget					3.24%
15 - Taxes and Benefits					
505.05 Group & Medical Life	64,729	90,513	90,805	90,805	102,196
505.10 Professional Training	73	160	400	400	400
505.15 Dues & Memberships	120	-	160	160	100
505.20 Clothing Allowance	448	549	701	650	701
505.25 Uniform Maintenance	-	-	1,100	1,141	1,141
505.26 Uniform Rental	1,259	1,236	-	-	-
505.35 Safety Equipment	5,017	2,513	7,780	7,000	7,780
505.45 ICMA Deferred Compensation	405	272	92	92	-
505.80 Employer's Contribution - IMRF	59,302	52,472	58,547	59,717	62,490
15 - Taxes and Benefits	131,353	147,715	159,585	159,965	174,808
Percent Change 2013 vs. 2012 Budget					9.54%
25 - Operating Expenses					
510.02 Telephone	15,343	16,096	37,907	12,000	15,721
510.10 Maintenance Contracts	17,633	14,181	-	20,000	23,112
510.12 Equipment Rental	6,799	239	433	300	433
510.40 Supplies - Office	383	393	14,700	500	450
510.50 Supplies - All Other	2,343	3,373	3,500	3,250	3,500
510.55 Operating Equip - Department	7,089	5,425	7,500	7,500	7,500
25 - Operating Expenses	49,590	39,707	64,040	43,550	50,716
Percent Change 2013 vs. 2012 Budget					-20.81%
30 - Contractual Services					
515.05 IRMA Premium	36,648	64,927	41,648	41,648	41,648
515.10 Unemployment Insurance	1,280	1,280	640	640	800
30 - Contractual Services	37,928	66,207	42,288	42,288	42,448
Percent Change 2013 vs. 2012 Budget					0.38%
40 - Repairs and Maintenance					
540.35 Storm and Sanitary Sewers	737	2,300	2,500	5,000	4,000
540.40 Lift Stations	13,709	19,832	-	13,200	14,200
545.05 Gasoline	2,008	3,488	2,751	2,751	3,066
545.10 Diesel Fuel	5,182	9,807	8,979	8,979	9,338
545.15 Automotive Parts	4,522	4,187	5,264	5,264	5,264
545.20 Garage Labor	7,803	12,916	18,476	18,476	14,313
545.25 Lubricants	-	-	738	738	649
545.40 Contractual Auto Services	273	2,018	4,000	4,000	1,552
550.05 Department Equipment	2,663	4,248	6,200	6,000	6,200
550.10 Radios	-	-	200	200	200
40 - Repairs and Maintenance	36,897	58,796	49,108	64,608	58,782
Percent Change 2013 vs. 2012 Budget					19.70%
45 - Commodities					
530.15 Electricity - Water & Sewer	47,563	50,412	46,500	45,000	45,000
530.50 Small Equipment Tools & Hardware	1,493	389	-	1,300	1,500
530.70 Lake County Tap-On Fees	125,800	47,600	40,000	40,000	40,000

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
530.75 Lake County Sanitary Sewer Fees	4,533,134	3,598,936	3,673,761	3,200,000	3,200,000
45 - Commodities	4,707,990	3,697,337	3,760,261	3,286,300	3,286,500
Percent Change 2013 vs. 2012 Budget					-12.60%
50 - Other Expenses					
580.05 All Other Expenses	-	-	75	-	-
50 - Other Expenses	-	-	75	-	-
Percent Change 2013 vs. 2012 Budget					-100.00%
55 - Capital Outlay					
555.30 Reserve for Capital Replacement	-	-	-	-	26,044
555.40 Reserve for Technology	-	-	-	-	1,350
560.70 Sewer System	27,546	97,913	950,000	600,000	950,000
55 - Capital Outlay	27,546	97,913	950,000	600,000	977,394
Percent Change 2013 vs. 2012 Budget					2.88%
60 - Debt Service					
565.10 Principal	-	-	-	-	17,427
565.20 Interest	-	-	-	-	9,864
60 - Debt Service	-	-	-	-	27,291
Percent Change 2013 vs. 2012 Budget					0.00%
Division Total: 36 - Sewer	5,272,424	4,367,880	5,317,826	4,469,080	4,919,898
Department Total: 55 - Public Works	10,584,585	9,698,482	11,364,463	9,470,387	10,507,622
Expenditures Total	10,584,585	9,698,482	11,364,463	9,470,387	10,507,622

Refuse Fund

The Refuse Fund was established as required by the project use agreement between the Village and the Solid Waste Agency of Northern Cook County (SWANCC). The Fund accounts for all user fees collected by the Village on behalf of the Agency for transfer and waste disposal services. The budget is based on the FY 2013-2014 commitment by the Village of an estimated 16,240 tons of refuse to be processed at a rate of \$57.53/ton.

On April 16, 2012 the Village Board approved a five year contract with Waste Management. The negotiated rates are fixed during the duration of the contract. The effective rates are noted below.

	Single Family	Multi-Family
Solid Waste Collection with Cart	\$7.61	\$7.54
Recycling Collection with Cart	\$3.20	1.85*
Landscape Collection without Cart	\$3.00	-
Additional weekly service	\$4.25*	\$4.25*
Tipping Fee	\$5.65	\$4.50
Total - 1 Collection per Week	\$19.46	\$12.04
Total - 2 Collections per Week	\$23.71	NA

The tipping fee is charged by the Solid Waste Agency of Northern Cook County (SWANCC) and is administered outside of the Waste Management contract.

* Optional service

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 200 - Refuse Fund					
<u>Revenues</u>					
50 - Miscellaneous Revenue					
465.55 SWANCC User Fees	966,537	1,036,872	1,039,387	1,041,217	1,041,217
50 - Miscellaneous Revenue	966,537	1,036,872	1,039,387	1,041,217	1,041,217
Percent Change 2013 vs. 2012 Budget					0.18%
Revenues Total	966,537	1,036,872	1,039,387	1,041,217	1,041,217
Percent Change 2013 vs. 2012 Budget					0.18%
<u>Expenditures</u>					
Department: 86 - Refuse					
50 - Other Expenses					
580.35 SWANCC User Fees	936,197	935,365	969,321	934,285	934,285
50 - Other Expenses	936,197	935,365	969,321	934,285	934,285
Percent Change 2013 vs. 2012 Budget					-3.61%
Department Total: 86 - Refuse	936,197	935,365	969,321	934,285	934,285
Percent Change 2013 vs. 2012 Budget					-3.61%
Expenditures Total	936,197	935,365	969,321	934,285	934,285
Percent Change 2013 vs. 2012 Budget					-3.61%

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Section 8

Fiduciary Funds

Police Pension Fund

Firefighters Pension Fund



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Police Pension Fund

The Police Pension Fund provides retirement, disability and survivor benefits for all sworn police personnel. The defined benefit pension plan is in conformance with Illinois State Statutes under the oversight of the Illinois Division of Insurance. Employees contribute 9.91 percent of their annual salary to the Police Pension Fund.

Standards have been established regarding investment returns and salary increases in order to actuarially determine annual employer contribution levels. In 2012, the Village changed the annual benchmark for investment returns from 7.5 percent to 7 percent. The annual salary increase assumption remains at 5 percent.

The Police Pension Board has invested about 45 percent of its investment portfolio in equity related instruments (mutual funds and separate stocks) and 35 percent in fixed income investments (money market funds, certificates of deposit, treasury bonds and government agencies).

The Police Pension's average five-year investment rate of return has been 3.20 percent. Over the past eight-year period the average investment rate of return has been 4.10 percent.

The 2013 budget includes pensions for 36 annuitants. 31 are traditional retirements, two are disability pensions, two are surviving spouses, and one deferred pensioner.

Performance Activities and Measures

	2011 Actual	2012 Estimate	2013 Projected
Unfunded Liability (in thousands)	\$ 20,027	\$ 21,500	\$ 22,900
Assets (in thousands)	\$ 45,414	\$ 47,500	\$ 49,500
Percent Funded	67.97%	71.08%	73.40%
Number of Active Participants	68	68	68
Number of Inactive Participants	36	38	40

Departmental Staffing

No full time or part time employees are assigned to this program.

Revenue

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 220 - Police Pension Fund					
<u>Revenues</u>					
45 - Interest Income					
450.05 Savings	12,532	4,867	1,200	-	-
450.10 Investment Pool	2,955	613	100	-	-
450.15 Money Market	17	247	60	-	-
450.20 CD's	-	-	-	-	-
450.25 Securities	60,097	69,381	35,000	34,500	36,000
450.30 Amortization -Security Disc/Prem	596,300	82,689	371,816	-	-
450.35 Gain/Loss Security Transaction	411,902	1,464,275	-	-	-
450.40 Annuity Gain/Loss	2,082,115	54,208	967,000	980,000	1,000,000
450.45 Stock Dividend	287,230	334,623	210,000	200,000	200,000
45 - Interest Income	3,453,148	2,010,903	1,585,176	1,214,500	1,236,000
Percent Change 2013 vs. 2012 Budget					-22.03%
50 - Miscellaneous Revenue					
465.40 Pension Contributions - ER	636,117	812,363	569,300	583,444	589,102
50 - Miscellaneous Revenue	636,117	812,363	569,300	583,444	589,102
Percent Change 2013 vs. 2012 Budget					3.48%
55 - Operating Transfers					
460.05 Interfund Transfers In	1,955,825	2,201,593	2,159,838	2,174,955	2,198,690
55 - Operating Transfers	1,955,825	2,201,593	2,159,838	2,174,955	2,198,690
Percent Change 2013 vs. 2012 Budget					1.80%
Revenues Total	6,045,090	5,024,859	4,314,314	3,972,899	4,023,792
Percent Change 2013 vs. 2012 Budget					-6.73%

Expense

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
<u>Expenditures</u>					
Department: 88 - Police Pension					
15 - Taxes and Benefits					
505.55 Survivor Pension - Police	98,534	-	98,534	95,281	95,281
505.60 Pension Payment - Police	1,372,018	1,732,780	1,815,601	1,956,903	2,062,206
505.65 Disability Payment - Police	89,528	89,528	89,528	89,528	89,528
15 - Taxes and Benefits	1,560,080	1,822,308	2,003,663	2,141,712	2,247,015
Percent Change 2013 vs. 2012 Budget					12.15%
50 - Other Expenses					
580.05 All Other Expenses	34,895	18,627	32,000	32,000	32,000
580.40 Investment Fees	96,789	126,431	105,000	110,000	110,000
50 - Other Expenses	131,684	145,058	137,000	142,000	142,000
Percent Change 2013 vs. 2012 Budget					3.65%
Expenditures Total	1,691,764	1,967,366	2,140,663	2,283,712	2,389,015
Percent Change 2013 vs. 2012 Budget					11.60%

Firefighters Pension Fund

The Firefighters Pension Fund provides retirement, disability and survivor benefits for all sworn fire personnel. The defined benefit pension plan is in conformance with Illinois State Statutes under the oversight of the Illinois Division of Insurance. Employees contribute 9.455 percent of their annual salary to the Firefighter Pension Fund.

Standards have been established regarding investment returns and salary increases in order to actuarially determine annual employer contribution levels. In 2012, the Village changed the annual benchmark for investment returns from 7.5 percent to 7 percent. The annual salary increase assumption remains at 5 percent.

The Firefighters Pension Board has invested about 42.6 percent of its investment portfolio in equity related instruments (mutual funds and separate stocks) and 60 percent in fixed income investments (money market funds, certificates of deposit, treasury bonds and government agencies).

The Fire Pension's average five-year investment rate of return has been 2.78 percent. Over the past eight-year period the average investment rate of return has been 4.19 percent.

The 2012 budget includes pensions for 26 annuitants. 23 are traditional retirements, two are disability pensions and one surviving spouses.

Performance Activities and Measures

	2011 Actual	2012 Estimate	2013 Projected
Unfunded Liability (in thousands)	\$ 21,326	\$ 22,000	\$ 23,000
Assets (in thousands)	\$ 36,989	\$ 38,489	\$ 39,989
Percent Funded	63.40%	65.40%	67.40%
Number of Active Participants	61	61	61
Number of Inactive Participants	25	27	29

Departmental Staffing

No full time or part time employees are assigned to this program.

Revenue

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 230 - Fire Pension Fund					
<u>Revenues</u>					
45 - Interest Income					
450.05 Savings	2,208	2,299	250	250	250
450.10 Investment Pool	27	-	-	-	-
450.15 Money Market	21	31	20	20	20
450.20 CD's	715,473	211,212	310,000	225,000	150,000
450.25 Securities	8,255	34,575	50,000	50,000	50,000
450.30 Amortization -Security Disc/Prem	-	-	120,252	-	-
450.35 Gain/Loss Security Transaction	(32,107)	362,377	-	-	-
450.40 Annuity Gain/Loss	1,739,953	(306,176)	911,009	930,000	945,000
450.45 Stock Dividend	109,705	320,552	-	-	-
45 - Interest Income	2,543,535	624,870	1,391,531	1,205,270	1,145,270
Percent Change 2013 vs. 2012 Budget					-17.70%
50 - Miscellaneous Revenue					
465.40 Pension Contributions - ER	518,788	505,291	496,574	504,991	512,230
50 - Miscellaneous Revenue	518,788	505,291	496,574	504,991	512,230
Percent Change 2013 vs. 2012 Budget					3.15%
55 - Operating Transfers					
460.05 Interfund Transfers In	1,853,285	2,033,998	2,003,757	2,017,782	2,103,943
55 - Operating Transfers	1,853,285	2,033,998	2,003,757	2,017,782	2,103,943
Percent Change 2013 vs. 2012 Budget					5.00%
Revenues Total	4,915,608	3,164,159	3,891,862	3,728,043	3,761,443
Percent Change 2013 vs. 2012 Budget					-3.35%

Expense

Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
<u>Expenditures</u>					
Department: 89 - Fire Pension					
15 - Taxes and Benefits					
505.56 Survivor Pension - Fire	88,855	-	88,855	81,490	81,490
505.61 Pension Payment - Fire	372,078	799,038	1,003,673	1,185,115	1,384,423
505.66 Disability Payment - Fire	123,238	212,093	123,238	70,113	95,156
15 - Taxes and Benefits	584,171	1,011,131	1,215,766	1,336,718	1,561,069
Percent Change 2013 vs. 2012 Budget					28.40%
50 - Other Expenses					
580.05 All Other Expenses	46,448	79,094	58,738	60,000	65,000
580.40 Investment Fees	10,714	-	45,000	45,000	48,000
50 - Other Expenses	57,162	79,094	103,738	105,000	113,000
Percent Change 2013 vs. 2012 Budget					8.93%
Department Total: 89 - Fire Pension	641,333	1,090,225	1,319,504	1,441,718	1,674,069
Percent Change 2013 vs. 2012 Budget					26.87%
Expenditures Total	641,333	1,090,225	1,319,504	1,441,718	1,674,069
Percent Change 2013 vs. 2012 Budget					26.87%

Section 9

Other Funds

Illinois Municipal Retirement Fund
Parking Lot Fund
Facility Development Debt Service



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Illinois Municipal Retirement Fund

The Village's Illinois Municipal Retirement Fund (IMRF) provides for the funding of employer contributions for FICA (Social Security), Medicare for those employees that participate in that program only, and the Illinois Municipal Retirement Fund retirement and disability programs. All expenditures represent the Village's obligation to contribute for employee retirement and disability costs in 2013.

In 2011, the Illinois Pension Code was amended to create a Tier II pension classification for all IMRF eligible employees hired after January 1, 2011. The impact of the legislation was to cap the maximum level of earnings, for pension purposes, to the FICA limit, with statutory increases to the limit on an annual basis and tied to the consumer price index. Other changes included reducing inflationary growth for retirement distributions and increasing the age for retirement without any early retirement reductions.

The tax rate for 2013 is 6.2 percent for all FICA eligible wages up to \$113,700 and 1.45 percent for all wages for employees participating in the Medicare system. The Village's obligation to IMRF is 13.69 percent of total wages for Tier I employees with wages being capped for Tier II employees at \$ 108,882.

As of 12/31/2011, IMRF is 72.53 percent funded with the value of assets at \$20.5 million and an unfunded liability of \$7.8 million.

Revenue

Description		FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 110 - IMRF/Social Security Fund						
<u>Revenues</u>						
10 - Property Taxes						
400.30	FICA Levy - Cook County	331,185	394,358	359,682	360,000	165,163
400.31	FICA Levy - Lake County	1,254,881	1,173,400	1,207,186	1,207,500	550,448
400.32	IMRF Levy - Cook County	-	-	-	-	204,300
400.33	IMRF Levy - Lake County	-	-	-	-	680,882
10 - Property Taxes		1,586,066	1,567,758	1,566,868	1,567,500	1,600,793
Percent Change 2013 vs. 2012 Budget						2.17%
15 - Other Taxes						
410.50	Replacement Tax	-	-	-	-	-
15 - Other Taxes		-	-	-	-	-
Percent Change 2013 vs. 2012 Budget						0.00%
45 - Interest Income						
450.10	Investment Pool	-	-	50	50	50
45 - Interest Income		-	-	50	50	50
Percent Change 2013 vs. 2012 Budget						0.00%
55 - Operating Transfers						
460.05	Interfund Transfers In	-	-	-	-	-
55 - Operating Transfers		-	-	-	-	-
Percent Change 2013 vs. 2012 Budget						0.00%
Revenues Total		1,586,066	1,567,758	1,566,918	1,567,550	1,600,843
Percent Change 2013 vs. 2012 Budget						2.17%

Expense

Description		FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
<u>Expenditures</u>						
Department: 80 - IMRF/ Social Security						
15 - Taxes and Benefits						
505.75	Employer's Contribution - FICA	424,992	404,701	438,621	430,000	425,465
505.80	Employer's Contribution - IMRF	822,298	813,074	839,794	845,000	904,189
505.85	Employer's Contribution Medicare	248,592	252,070	251,906	252,000	257,096
15 - Taxes and Benefits		1,495,882	1,469,845	1,530,321	1,527,000	1,586,750
Percent Change 2013 vs. 2012 Budget						3.69%
Expenditures Total		1,495,882	1,469,845	1,530,321	1,527,000	1,586,750
Percent Change 2013 vs. 2012 Budget						3.69%

Parking Lot Fund

The Parking Lot Fund provides for the accounting of both revenues and expenditures related to the Village's operation of the commuter station parking lot at the Canadian National/METRA site. Rates for daily parking are \$1.75/day. The Village offers a bi-monthly prepaid parking pass for \$50/two months. The trend of commuters opting for the parking pass is budgeted to continue in 2013 with the total relative number of commuters remaining close to 2012 numbers. Spikes in fuel costs and/or employment factors will affect revenue performance. Total parking stall days will be approximately 87,000.

Expenditures are based on projections for maintenance for the parking lot and commuter station. The largest obligation is for a land lease from Commonwealth Edison. There is an additional contract with PACE that requires the Village to pay a percentage of revenue to PACE for vehicles parked in the PACE owned area of the parking lot.

Revenue

	Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 120 - Metra Parking Lot Fund						
<u>Revenues</u>						
35 - Fines and Fees						
455.70	Daily Metra	52,295	108,577	56,550	52,000	52,000
455.75	Parking Passes	98,499	49,592	106,000	106,000	106,000
35 - Fines and Fees		150,794	158,169	162,550	158,000	158,000
Percent Change 2013 vs. 2012 Budget						-2.78%
50 - Miscellaneous Revenue						
465.20	Facility Rental	1,107	1,053	1,320	1,320	1,320
465.90	Miscellaneous Income	-	-	-	-	-
50 - Miscellaneous Revenue		1,107	1,053	1,320	1,320	1,320
Percent Change 2013 vs. 2012 Budget						0.00%
Revenues Total		151,901	159,222	163,870	159,320	159,320
Percent Change 2013 vs. 2012 Budget						-2.78%

Expense

			FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
<u>Expenditures</u>							
Department: 81 - Metra Parking							
10 - Salaries							
500.10	Part Time		12,417	12,231	12,220	12,200	12,444
10 - Salaries			12,417	12,231	12,220	12,200	12,444
Percent Change 2013 vs. 2012 Budget							1.83%
15 - Taxes and Benefits							
505.75	Employer's Contribution - FICA		-	-	758	756	771
505.85	Employer's Contribution		-	-	177	177	180
	Medicare						
15 - Taxes and Benefits			-	-	935	933	951
Percent Change 2013 vs. 2012 Budget							1.71%
25 - Operating Expenses							
510.10	Maintenance Contracts		496	478	500	500	500
510.50	Supplies - All Other		5,646	1,813	2,800	2,500	2,500
510.92	Lease Payments		76,818	111,725	113,960	113,960	118,518
510.95	Pace Fees		16,037	15,148	14,000	14,000	14,000
25 - Operating Expenses			98,997	129,164	131,260	130,960	135,518
Percent Change 2013 vs. 2012 Budget							3.24%
40 - Repairs and Maintenance							
535.20	Buildings & Facilities		4,772	1,054	1,250	500	1,250
535.25	Parking Lots		-	-	750	-	750
535.30	Parkway Trees		-	-	500	250	500
40 - Repairs and Maintenance			4,772	1,054	2,500	750	2,500
Percent Change 2013 vs. 2012 Budget							0.00%
45 - Commodities							
530.05	Electricity - Facilities		19,606	14,161	13,650	13,800	13,800
530.10	Electricity - Street Lights		-	-	1,000	1,000	1,000
530.20	Gas - Facilities		2,118	1,818	1,950	1,820	1,820
530.45	Chemicals and Fertilizers		-	-	-	-	-
45 - Commodities			21,724	15,979	16,600	16,620	16,620
Percent Change 2013 vs. 2012 Budget							0.12%
50 - Other Expenses							
580.05	All Other Expenses		-	-	200	200	200
50 - Other Expenses			-	-	200	200	200
Percent Change 2013 vs. 2012 Budget							0.00%
Department Total: 81 - Metra Parking			137,910	158,428	163,715	161,663	168,233
Percent Change 2013 vs. 2012 Budget							2.76%
Expenditures Total			137,910	158,428	163,715	161,663	168,233
Percent Change 2013 vs. 2012 Budget							2.76%

Facilities Development Debt Service Fund

The Facilities Development Debt Service Fund provides for the payment of principal, interest and fiscal agent fees on corporate purpose general obligation bonds. All bonds were issued to fund various capital development and construction projects in the Village. As of January 1, 2013, the Village has \$12.28 million in outstanding general obligation debt with an average interest rate of 2.73 percent. Property taxes will be levied as the primary funding source for the annual principal and interest payments. In 2012, the Village issued an additional \$6 million to address several years of deficits in the annual street maintenance program. In addition, the Village will be establishing a \$6 million line of credit to address the replacement of nearly 6,300 ash trees over the next several years.

The Village Board has adopted a policy that governs debt issuance. As tenets of that policy (1) no debt financing will be used to finance current expenditures, (2) capital projects will not be financed beyond their useful lives, (3) total outstanding general obligation debt will not exceed the amount allowed non-home rule municipalities and (4) pay-as-you-go financing is the preferred method of financing.

The Village's bond rating was upgraded in 2010 to AAA by Standard & Poor's and Moody's Investor Services and the Village affirmed that rating in 2012 for existing as well as new debt.

Performance Activities and Measures

	2011 Actual	2012 Estimated	2013 Projected
Village's Equalized Assessed Valuation (in millions)	1,774	1,685	1,601
Tax Rate per \$100 EAV for GO debt	\$0.035	\$0.047	\$0.900

Revenue

	Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
Fund: 140 -Debt Service Fund						
<u>Revenues</u>						
10 - Property Taxes						
400.40	- Lake County	164,233	260,166	216,651	216,000	216,651
400.41	- Cook County	663,663	858,446	722,045	737,686	722,045
10 - Property Taxes		827,896	1,118,612	938,696	953,686	938,696
Percent Change 2013 vs. 2012 Budget						0.00%
45 - Interest Income						
450.05	Savings	-	-	100	-	-
450.10	Investment Pool	-	-	20	-	-
45 - Interest Income		-	-	120	-	-
Percent Change 2013 vs. 2012 Budget						-100.00%
50 - Miscellaneous Revenue						
465.90	Miscellaneous Income	-	(283)	-	-	-
50 - Miscellaneous Revenue		-	(283)	-	-	-
Percent Change 2013 vs. 2012 Budget						0.00%
55 - Operating Transfers						
460.05	Interfund Transfers In	180,000	200,000	200,000	200,000	400,000
55 - Operating Transfers		180,000	200,000	200,000	200,000	400,000
Percent Change 2013 vs. 2012 Budget						100.00%
Revenues Total		1,007,896	1,318,329	1,138,816	1,153,686	1,338,696
Percent Change 2013 vs. 2012 Budget						17.55%

Expense

	Description	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Est. Actuals	FY 2013 Budget
<u>Expenditures</u>						
Department: 85 - Debt						
25 - Operating Expenses						
510.04	Travel	-	175	-	-	-
25 - Operating Expenses		-	175	-	-	-
Percent Change 2013 vs. 2012 Budget						0.00%
60 - Debt Service						
565.10	Principal	980,000	1,055,000	920,000	920,000	940,000
565.20	Interest	193,097	245,833	218,695	218,695	400,000
565.30	Paying Agent Fees	1,100	2,247	1,875	2,000	2,000
60 - Debt Service		1,174,197	1,303,080	1,140,570	1,140,695	1,342,000
Percent Change 2013 vs. 2012 Budget						17.66%
Department Total: 85 - Debt		1,174,197	1,303,255	1,140,570	1,140,695	1,342,000
Percent Change 2013 vs. 2012 Budget						17.66%
Expenditures Total		1,174,197	1,303,255	1,140,570	1,140,695	1,342,000
Percent Change 2013 vs. 2012 Budget						17.66%

Appendix A

Comprehensive Fee and Tax Schedule

Administrative Fees
Building and Development/Health Fees
Planning and Zoning Fees
Police Department Fees
Fire Department Fees
Engineering Fees
Water Connection Fees
Business Taxes, Licenses and Regulations
Taxes Schedule



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Administrative Fees Schedule				
Description	Amount			Reference
Municipal Commuter Station parking lot fees	Daily fee 1.75			BGMC 3.52 (Ord. No. 2009-72, § 1, 11-2-2009)
Citation and Compliance Violations	The violation described on the citation may be settled in the amount set forth in the Table of Settlement Amounts in Section 10.18.040 of this Chapter, as follows: SEE CITATION list below			BGMC 10.18(Ord. No. 2009-66, § 2, 10-5-2009)
Vehicle Seizure and Impoundment	500.00 to the Village and all applicable towing fees are paid to the towing agent.			BGMC 10.20(Ord. No. 2009-70, § 5, 11-2-2009)
Citation	Municipal Code Section or Title or Vehicle Code Section*	Actual Fee	Fee If Not Paid After 10 Days	If Fee Goes to Collection
Parking				
Failure to Pay Daily Parking Fee-Metra	3.52.020	20.00	25.00	50.00
Resident Parking Only Violation-Metra	3.52.040	20.00	25.00	50.00
Failure to Pay Daily Parking Fee-Township	3.52.055	20.00	25.00	50.00
Parking—After 2 inch Snow	10.08.010	20.00	25.00	45.00
Abandoned Auto Over 7 Days	BG 4-101E.1	20.00	25.00	45.00
Parking on Parkway or Median	BG-11-1303.C.1.	20.00	25.00	45.00
Parking—Blocking Driveway	BG-11-1303.C.2.b	20.00	25.00	45.00
Parking in Posted Fire Lane	BG-11-1303.C.2.c.	20.00	25.00	45.00
Parking on Street 2 am to 6 am	BG-11-1308.1.	20.00	25.00	45.00
Selling Vehicle on Street	BG-11-1311	20.00	25.00	45.00

Administrative Fees Schedule				
Description	Amount			Reference
Handicapped Zone Parking	IVC-5/11-1301.3	250.00	300.00	350.00
Parking—Blocking Sidewalk	IVC-5/11-1303.(a).1.b.	20.00	25.00	45.00
Parking—Within 15 feet of Fire Hydrant	IVC-5/11-1303.(a).2.b.	20.00	25.00	45.00
Parking—Within 20 feet of Crosswalk	IVC-5/11-1303.(a).2.c.	20.00	25.00	45.00
Parking—Within 30 feet of Traffic Control Device	IVC-5/11-1303.(a).2.d.	20.00	25.00	45.00
Parking Where Prohibited	IVC-5/11-1303.(a).3.b.	20.00	25.00	45.00
Parking in Loading Zone	IVC-5/11-1303.(a).3.b.	20.00	25.00	45.00
Parking over 12 inches from Curb	IVC-5/11-1304.a.	20.00	25.00	45.00
Parking - Left Wheels to Curb	IVC-5/11-1304.a.	20.00	25.00	45.00
Improper Recreational Vehicle Parking	17.36.030	20.00	25.00	45.00
Miscellaneous Traffic Code Violations	IVC-5/1-100 et seq.	20.00	25.00	45.00
Animals				
No Rabies Vaccination	6.12.010	20.00	25.00	45.00
No Dog or Cat License	6.12.020	100.00	100.00	100.00
Failure to Remove Excrement	6.12.060	20.00	45.00	125.00
Dog or Cat at Large	6.12.070	50.00	50.00	50.00
Dog or Cat at Large-Subsequent Offense	6.12.070	100.00	100.00	100.00
Excessive Number of Animals	6.12.080	20.00	25.00	45.00
Prohibited Animal	6.12.090	20.00	25.00	45.00
Excessive Dog Barking	6.12.150.D	20.00	25.00	45.00

Administrative Fees Schedule				
Description	Amount			Reference
Miscellaneous				
Garbage-Out Too Early	8.20.070	20.00	25.00	45.00
Garbage-Unsecured	8.20.090	20.00	25.00	45.00
Illegal Dumping/Burning	8.20.100	20.00	25.00	45.00
Spitting	8.24.040	20.00	25.00	55.00
Weeds in Excess of 12 Inches	8.32.010.	20.00	50.00	70.00
Grass in Excess of 6 Inches	8.32.010.B	20.00	50.00	70.00
No Valid Alarm Permit	9.04.020	20.00	45.00	45.00
Smoking in Enclosed Public Place	9.32.020	50.00	50.00	50.00
Smoking in Place of Employment	9.32.030	50.00	50.00	50.00
Smoking in Open Air Dining Area	9.32.040	50.00	50.00	50.00
Smoking at Entrance	9.32.050	50.00	50.00	50.00
Trespass Warning	9.48.020	0.00	0.00	0.00
No Village Sticker	10.04.020	20.00	25.00	45.00
Dumping Snow in Street	10.08.020	20.00	25.00	45.00
Sprinkling Ban Violation (12-6 pm)	13.16.020	20.00	25.00	45.00
Signs on Village Property	14.40.070	20.00	25.00	45.00
Sign Code Violation	Title 14	20.00	25.00	45.00

Building and Development / Health Fees Schedule		
Description	Amount	Reference
Construction costs up to 1,000.00	50.00	Ord. 2008-048
Construction costs over \$1,000.00	50.00 for the first 1,000.00 and 10.00 for each additional 1,000.00 or portion thereof.	Ord. 2008-048
Decks, Sheds, Gazebos and Patios	55.00 plus 0.15 a sq. ft	Ord. 2008-048
Building Plan Review Fees		
Up to 500 sq. ft.	50.00	Ord. 2008-048
501-1,000 sq. ft.	75.00	Ord. 2008-048
1,001-2,000 sq. ft.	125.00	Ord. 2008-048
2,001-3,000 sq. ft.	175.00	Ord. 2008-048
3,001-4,000 sq. ft.	200.00	Ord. 2008-048
4,001-5,000 sq. ft.	250.00	Ord. 2008-048
5,001 and over	0.05 per sq. ft.	Ord. 2008-048
Where impractical to compute plan review fees on a square foot basis	.25% (.0025) of the cost of construction	Ord. 2008-048
Plumbing Permit Fees		
Water heater	50.00	Ord. 2008-048
Each sump pump pit	15.00	Ord. 2008-048
Each sewer service	15.00	Ord. 2008-048
Each water service	15.00	Ord. 2008-048
Each water meter	15.00	Ord. 2008-048
Each cleanout	10.00	Ord. 2008-048
Each plumbing fixture or opening not listed	10.00	Ord. 2008-048
In-ground swimming pool	60.00	Ord. 2008-048
Lawn sprinkler system	4.00/per head 75.00 minimum	Ord. 2008-048
Sewer repair	65.00	Ord. 2008-048
Minimum plumbing fee	50.00	Ord. 2008-048
Plan review fee	50.00 or 25% of building plan review fee- whichever is greater	Ord. 2008-048
Electrical Permit Fees		
Fees per circuit		
15 AMPS	7.00 each	Ord. 2008-048
20 AMPS	12.00 each	Ord. 2008-048
30 AMPS	20.00 each	Ord. 2008-048
40 AMPS	25.00 each	Ord. 2008-048
50 AMPS	30.00 each	Ord. 2008-048
60 AMPS	40.00 each	Ord. 2008-048

Building and Development / Health Fees Schedule		
Description	Amount	Reference
Electrical Service, including revisions		
100 amp	50.00	Ord. 2008-048
101 – 200 amp	75.00	Ord. 2008-048
201 – 400 amp	100.00	Ord. 2008-048
401 – 800 amp	150.00	Ord. 2008-048
801 – 1,199 amp	200.00	Ord. 2008-048
1,200 – 4,000 amp	250.00	Ord. 2008-048
4,001 – 8,000 amp	300.00	Ord. 2008-048
Feeder Circuits		
60 – 100 amp	35.00	Ord. 2008-048
101 – 200 amp	50.00	Ord. 2008-048
201 – 400 amp	65.00	Ord. 2008-048
401 – 600 amp	85.00	Ord. 2008-048
601 – 1,000 amp	110.00	Ord. 2008-048
1,001 – 2,000 amp	130.00	Ord. 2008-048
Motors		
¾ horsepower and over	25.00 for the first 10 and 15.00 for each additional	Ord. 2008-048
Under ¾ horsepower	10.00 each	Ord. 2008-048
Additional System Fees		
Audio communications	50.00	Ord. 2008-048
Burglar alarm	50.00	Ord. 2008-048
Electronic computer/data processing	50.00	Ord. 2008-048
Fire alarm system	100.00	Ord. 2008-048
Fire alarm system	100.00	Ord. 2008-048
Relocatable wired partitions	50.00	Ord. 2008-048
Temporary wiring	50.00	Ord. 2008-048
Minimum electrical fee	50.00	Ord. 2008-048
Plan review fee	50.00 or 25% of building plan review fee- whichever is greater	Ord. 2008-048
Mechanical Permit Fees		
Heating:		
Residential – new or replacement unit	50.00	Ord. 2008-048
All other uses (new installations) Per 2,000 sq. ft. or fraction thereof	50.00	Ord. 2008-048
Minimum mechanical fee	50.00	Ord. 2008-048

Building and Development / Health Fees Schedule		
Description	Amount	Reference
Plan review fee	50.00 or 25% of building plan review fee- whichever is greater	Ord. 2008-048
Elevator Permit Fees		
New installation:		
Each elevator, dumbwaiter, moving walk, escalator, conveyor or manlit (includes initial inspection)	125.00	Ord. 2008-048
Semi-annual inspection/Certificate of compliance:		
Each elevator, dumbwaiter, moving walk, escalator, conveyor or manlit	80.00 per inspection	Ord. 2008-048
Repairs and reinspections	80.00 per inspection	Ord. 2008-048
Plan review fee:		
Each elevator, dumbwaiter, moving walk, escalator, conveyor or manlit for building of four stories or less	175.00	Ord. 2008-048
Additional fee per floor for every story above four stories	10.00	Ord. 2008-048
Fire Protection Fees		
New automatic sprinkler system:		
Each system, 1-100 heads	125.00	Ord. 2008-048
Every 100 additional heads or fraction thereof	50.00	Ord. 2008-048
Renovation to an existing system:		
20 heads or less	25.00	Ord. 2008-048
20-100 heads	50.00	Ord. 2008-048
Every 100 additional heads or fraction thereof	50.00	Ord. 2008-048
Partial system of the domestic water system	50.00	Ord. 2008-048
Standpipes (each)	50.00	Ord. 2008-048
Fire pumps (each)	50.00	Ord. 2008-04
Hood suppression systems	50.00	Ord. 2008-048
Clean agent extinguishing systems	50.00	Ord. 2008-048
Alternative fire extinguishing systems	50.00	Ord. 2008-048
Means of egress access control systems	50.00	Ord. 2008-048
Plan review/inspection fee	100.00	Ord. 2008-048
Fire alarm systems:		

Building and Development / Health Fees Schedule		
Description	Amount	Reference
New or modification to an existing system	60.00	Ord. 2008-048
Plan review /inspection fee:		
5,000 sq. ft. or less	50.00	Ord. 2008-048
5,001 – 10,000 sq. ft.	5.00 per device (minimum 100.00)	Ord. 2008-048
10,000 sq. ft. or more	5.00 per device (minimum 150.00)	Ord. 2008-048
Swimming Pool Fees		
Above ground pools (installation or alteration)	50.00	Ord. 2008-048
In-ground pools will comply with building fee schedule.		
The installation permit fee shall be in addition to any electrical or plumbing fees that may be required		
Health Department Plan Review Fees		
Plan review fee	50.00 or 25% of building plan review fee- whichever is greater	Ord. 2008-048
Re-inspection Fees		
Re-inspection fee	50.00	Ord. 2008-048
Work Prior Fees		
Work prior to permit	Double the normal permit fee with a minimum of 50.00 and a maximum of 1,000.00	Ord. 2008-048
Certificate of Occupancy Fee		
Residential (per unit)	50.00	Ord. 2008-048
Non-residential (per unit)	150.00	Ord. 2008-048
Zoning Code/Compliance Letter		
Zoning Code/Compliance letter (non-residential only)	150.00	Ord. 2008-048
Parking Lot Repairs/Restriping		
Parking lot repairs/restriping	50.00	Ord. 2011-043
Zoning Variation		
All One and Two Family Dwellings:		
Variation for principal structure	125.00	
Variation – other than principal structure	75.00	
All Multiple Family Dwellings:		
Variation for principal structure	175.00	

Building and Development / Health Fees Schedule		
Description	Amount	Reference
Variation – other than principal structure	125.00	
All Business, Office/Research and Industrial Buildings:		
Variation for principal structure	175.00	
Variation – other than principal structure	125.00	
Fence Permit Fees		
First 100 lineal feet	20.00	Ord. 1995-015
Each addition 100 lineal feet or portion thereof	5.00	Ord. 1995-015
Fence Code Variation		
Fence variation application fee	75.00	Ord. 2003-032
Sign Permit Fees		
Wall sign non-illuminated	50.00 plus 0.25 a sq. ft.	Ord. 2012-018
Wall sign illuminated	50.00 plus 0.25 a sq. ft.	Ord. 2012-018
Ground sign	75.00 plus 0.25 a sq. ft.	Ord. 2012-018
Plan review fee	50.00	Ord. 2012-018
Electrical fee – illuminated sign	50.00	Ord. 2012-018
Boulevard banners	50.00	Ord. 2012-018
Banners, pennants, searchlights, balloons Or gas filled figures	50.00	Ord. 2012-018
Temporary identification sign	50.00	Ord. 2012-018
Permit renewal for special sign	50.00	Ord. 2012-018
Sign Code Variation		
Sign variation application fee	125.00	Ord. 2003-032
Recovery of Cost Escrow	2,000.00	Ord. 2003-032

Planning and Zoning Fees		
Description	Amount	Reference
Special uses, RE through R-7 Districts	100.00	BGMC Chapter 3.06.030.A.1.
Special uses, property in all other districts (other than RE through R-7)	200.00	BGMC Chapter 3.06.030.A.2.
Planned Unit Development - amendment	100.00	BGMC Chapter 3.06.030.B.1.
Planned Unit Development – new development	200.00	BGMC Chapter 3.06.030.B.2.
Rezoning or variation by Plan Commission (not part of a special use or Planned Unit Development)	200.00	BGMC Chapter 3.06.030.C.
Zoning text amendment	100.00	BGMC Chapter 3.06.030.D.
Concept Plan/Preliminary Plan review (pursuant to Development Ordinance, Section 16.20.020.B.) – sites five acres or less	150.00	BGMC Chapter 3.06.030.E.1.
Concept Plan/Preliminary Plan review (pursuant to Development Ordinance, Section 16.20.020.B.) – sites large than five acres	150.00 + 25.00 for each acre or fraction over five acres.	BGMC Chapter 3.06.030.E.2.
Escrow for costs recoverable by the Village for review of petitions filed pursuant to Title 16 and Title 17 (except exemptions noted in Chapter 3.06.020.A.)	2,000.00 initial deposit filed with petition; additional payment as necessary to cover Village costs.	BGMC Chapter 3.06.040.

Police Department Fees		
Description	Amount	Reference
Accident Reports	5.00	625 ILCS 5/11-416
Arrest Video	50.00	General Order P-08
Freedom of Information Act Request	Free up to 50 pages	5 ILCS 140/6(a)
Parking Violation paid within 10 days	20.00	Village Ordinance 10.18.040
Parking Violation after 10 days but before collection	25.00	Village Ordinance 10.18.040
Parking Violation after collection	45.00	Village Ordinance 10.18.040
DUI Vehicle Impoundment	500.00	Village Ordinance 10.20.010
False Alarms (within 1 year)		Village Ordinance 9.4.80
First and Second	0.00	
Third	75.00	
Fourth	75.00	
Fifth	75.00	
Sixth	100.00	
Seventh	100.00	
Eighth	100.00	
Ninth	100.00	
Tenth	150.00	
Eleventh	150.00	
Twelfth	150.00	
Thirteenth	250.00	
Alarm Systems	Alarm registration fee shall be ten dollars for both original and renewal permits for any single fire alarm for any occupancy. Alarm registration fee shall be twenty dollars for both original and renewal permits for any combination fire/police alarm for any occupancy	BGMC 9.04 (Ord. 2004-88 § 1 (part), 2004;)

Fire Department Fee Schedule		
Description	Amount	Reference
Non-Residents		
BLS	575.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
ALS Level 1	625.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
ALS Level 2	900.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
Treat, Non-Transport	150.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
Mileage/mile	7.50	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
Emergency Medical Service and Transportation Fee		
Residents		
BLS	425.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
ALS Level 1	500.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
ALS Level 2	600.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
Treat, Non-Transport 0.00	0.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
Mileage/mile	7.50	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
Hazardous Substance Removal and Abatement		
	Actual	BGMC 8.48 (Ord. No. 1989-92)
Specialized Emergency Response Services		
Actual personnel cost, including benefits, consultant, cost of equipment that is contaminated, material costs, contract or mutual aid costs, and attorneys fees.		BGMC 8.56 (Ord. No. 2004-33)
CPR and First Aid Training		
Heartsaver AED	50.00	Authorized by the Fire Chief
BLS for HCP	50.00	Authorized by the Fire Chief
First Aid	50.00	Authorized by the Fire Chief
Heartsaver AED Recert	35.00	Authorized by the Fire Chief
BLS for HCP Recert	35.00	Authorized by the Fire Chief

Tv. 10/5/2011

Engineering Department Fees		
Description	Amount	Reference
Preliminary Engineering Review Fee	Preliminary Engineering Review Fee = 1% of cost of improvements, both public and private.	BGMC Title 16 - Section 16.20.020.F.
Engineering Review and Inspection Fee	3.5% of the total estimated cost of all improvements, both public and private, less the amount of the Preliminary Engineering Review Fee paid pursuant to Section 16.20.020.F.	BGMC Title 16 - Section 16.20.080.D.1.
Storm and Sanitary Sewer Television Inspections	A one (1.00) dollar per lineal foot inspection fee for storm and sanitary sewer television inspections.	BGMC Title 16 - Section 16.20.080.D.2.
Pavement Evaluation Fee	15 cents per lineal foot for streets and 15 cents per square yard for parking lots	BGMC Title 16 - Section 16.20.080.D.3.

Water Connection Fees			
Description	Amount		
Size of Water Service Connection	Fee	Size of Water Meter	Cost of Meter
1 inch	100.00	¾ inch	143.00
1 ¼ inch	125.00	1 inch	180.00
1 ½ inch	150.00	1 ½ inch	1145.00
2 inch	400.00	2 inch	1336.00
2 ½ inch	625.00	3 inch	1720.00
3 inch	900.00	4 inch	2936.00
4 inch	1600.00	6 inch	On call (currently 5,051.00)
6 inch	1800.00		
8 inch	2000.00		
10 inch	2200.00		
(Labor rates for installation of meter size ¾" – 1 ½" = 50.00; labor rate for installation of 2" – 4" compound meters = 75.00; <u>this applies to change of meter only</u>)			

Construction Water Charges	
Construction Values	Fee
0.00 - 29,999.99	17.50
30,000.00 - 49,999.99	18.50
50,000.00 - 74,999.99	20.00
75,000.00 and up	20.00 + .25¢/1,000 in excess of 75,000

Village Sanitary Sewer Tap-On Fees	
Size of Connection	Fee
6 inch	50.00
8 inch	200.00
10 inch	300.00

Water Systems Improvement	
Structure	Fee
Single Family Dwelling (includes Duplex Units)	680.00 per unit
Townhomes	585.00 per unit
Condominiums (Carriage Homes)	485.00 per unit
Multi-family Apartments	390.00 per unit
Business, Commercial, Industrial	95.00 per 100 gallons of Maximum Daily Usage (gpd). (gpd) figure obtained from MSD Permit, etc.

Lake County Sewer Tap-On Fee
3,400.00 per unit (one unit equivalent to 250 gpd)

Business, Taxes Licenses and Regulations		
Description	Amount	Reference
Amusement Activities	A nonreturnable fee of 50.00.	BGMC 5.08 (Ord. 79-51 § 4, 1979)
Raffles	The license fee, if any, shall be established by the Corporate Authorities for each raffle.	BGMC 5.09 (Ord. 88-73 § 1 (part), 1988).
Arts and Crafts Vendor License	20.00 for six days or fewer	(Ord. 2003-24 § 1, 2003: Ord. 2003-19 § 2 (part), 2003).
	50.00 per week	
	75.00 per month	
	150.00 per year	
Coin-Operated Amusement Devices	Annual fee of 50.00 for each such amusement device. Any license issued between November 1st and April 30th of the following calendar year, the fee is 25.00 for each such amusement device	BGMC 5.12 (Ord. 2002-41 § 1 (part), 2002)
Liquor License Application Fee	500.00	BGMC 5.20 (Ord. 2008-13 § 1, 2008) (Ord. 2004-83 § 1, 2004;)
Annual Liquor License Fees		
Class A	2500.00	
Class B	2300.00	
Class C	2500.00	
Class D	1800.00	
Class E	1500.00	
Class F	2000.00	
Class G	100.00	
Class H	250.00	
Public passenger vehicle license	The annual fee for a public passenger vehicle license is 20.00. Licenses issued July 1st or after shall be 10.00.	BGMC 5.28 (Ord. 94-85 § 11 (part), 1994)
Tobacco	75.00 per annum. Every tobacco dealer having a mechanical device on his premises in addition to the sale of tobacco shall be required to pay an annual fee of fifty dollars for each mechanical device.	BGMC 5.32 (Ord. 95-105 § 2 (part), 1995;(Ord. 95-105 § 2 (part), 1995:
Massage Establishments	A 250.00 nonrefundable application fee .	BGMC 5.44 (Ord. 2004-106 § 1 (part), 2004).
Food and Beverage Vending Machines	30.00 each license and 15.00 for a half of a year.	BGMC 5.52 (Ord. 95-105 § 1, 1995:)
Cable/Video Service Provider Fee and Peg Access Support Fee	5.00% of the holder's gross revenues. The amount of the PEG access support fee imposed hereby shall be one percent of the holder's gross revenues or, if greater, the percentage of gross revenues that incumbent cable operators pay to the Village or its designee for PEG access support in the Village.	BGMC 5.74 (Ord. 2007-59 § 2 (part), 2007)

Taxes Schedule		
Description	Amount	Reference
Hotel & Motel Tax	6.00% of the gross rental receipts from such a rental, leasing or letting.	BGMC 3.28 (Ord. 2007-49 § 1, 2007)
Foreign Fire Insurance Tax	2% per annum of the gross receipts received as premiums upon fire insurance policies on property located in the Village.	BGMC 3.32 ((Ord. 91-34 § 1 (part), 1991)
Home Rule Municipal Retailers & Service Occupation	1.00% of the gross receipts from all business sales made in the course of such business while this Chapter is in effect; and a tax is imposed upon all persons engaged in the Village of Buffalo Grove in the business of making sales of service, at the rate of one percent of the selling price of all tangible personal property transferred by such serviceman as an incident to the sale of service.	BGMC 3.40 ((Ord. 2004-16 § 1, 2004)
Real Estate Transfer Tax	Three dollars for every one thousand dollars value thereof as stated in the declaration. If the value of the fraction of every one thousand dollars is five hundred dollars or less, the value shall be rounded down to the nearest one thousand dollars. If the value of the fraction is five hundred dollars and one cent or more, the value shall be rounded up to the nearest one thousand dollars.	BGMC 3.44 (Ord. 91-89 § 1 (part), 1991)
Prepared Food and Beverage Tax	1.00% of the purchase price of prepared food and alcoholic liquor at any prepared food facility or liquor facility within the Village	BGMC 3.48 (Ord. 2007-62 § 2 (part), 2007)
Municipal Telecommunications Infrastructure Maintenance Fee	1.00% of all gross charges charged by the telecommunications retailer to service addresses within the Village for telecommunications originating or received in the Village.	BGMC 3.56 (Ord. 97-71 § 2 (part), 1997)
Simplified Municipal Telecommunications Tax	6.00% of the gross charges for such telecommunications purchased at retail from a retailer.	BGMC 3.64 (Ord. 2002-50 § 4 (part), 2002)
Municipal Gas Use Tax	0.05 per therm.	BGMC 3.65(Ord. No. 2009-89, § 2, 12-21-2009)

Taxes Schedule		
Description	Amount	Reference
Municipal Electricity Use Tax	Next 500,000 0.34	
	Next 2,000,000 0.32	
	Next 2,000,000 0.315	
	Next 5,000,000 0.31	
	Next 10,000,000 0.305	
	Excess of 20,000,000 0.30	
	The tax is in addition to all taxes, fees and other revenue measure imposed by the Village, the State of Illinois, or any other political subdivision of the State.	BGMC 3.66(Ord. No. 2009-90, § 2, 12-21-2009)
Municipal Automobile Renting Occupation Tax and Municipal Automobile Renting Use Tax	1.00% of the rental price of such automobile while this chapter is in effect	BGMC 3.68 (Ord. 2001-79 § 1, 2001: 2001-78 § 1 (part), 2001)

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Appendix B

Financial Policies and Projections

Fund Policy

Purchasing Policy

Investment Policy

Debt Policy

Fixed Asset and Capital Equipment Capitalization Policy

Five-Year Operating Forecast

Twenty-Year Water and Sewer Utility Forecast

Service
Optimization

Organizational
Culture

Revenue
Growth

Economic
Development

Infrastructure
Sustainability

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Fund Balance Use

Village Of Buffalo Grove Fund Balance and Reserve Policy

Definitions

Fund Balance – the difference between assets and liabilities in a Governmental Fund.

Nonspendable Fund Balance – the portion of a Governmental Fund’s net assets that are not available to be spent , either short term or long term, in either form or through legal restrictions.

Restricted Fund Balance – the portion of a Government Fund’s net assets that are subject to external enforceable legal restrictions.

Committed Fund Balance – the portion of a Governmental Fund’s net assets with self-imposed constraints or limitations that have been placed by formal action at the highest level of decision making.

Assigned Fund Balance – the portion of a Governmental Fund’s net assets to denote an intended use of resources.

Unassigned Fund Balance – available expendable financial resources in a Governmental Fund that are not the object of tentative management plan (i.e. designations). (only in the General Fund, unless negative)

Note: In Non-Governmental Funds, management may decide to “assign” funds for a specific purpose. This will be done as an internal budgeting procedure rather than as a formal accounting entry, creating a fund automatically assigns fund balance.

Policy

- A. It is the policy of the Village of Buffalo Grove to maintain Committed Fund Balance in the General Fund to fund operations for a period of at least three months. The committed amount in the General Fund is adjusted annually with the adoption of the annual budget and is calculated as three months (25 percent) of General Fund expenditures (excluding transfers to fund capital projects and pensions). During the development of the subsequent year’s annual budget, should the Committed Fund Balance be expected to fall below the 25 percent target notification will be given to the Village’s Finance Committee. While identified uses of Fund Balance may be proposed that could continue the trend below 25% such uses will be disclosed and approved by the Committee.

- B. The annual budget (appropriation) will include a contribution to (or drawdown from) the Committed Fund Balance to assure compliance with this policy. The levels of other required restrictions, commitments and assignments will fluctuate depending on activity.
- C. Unassigned Fund Balance shall be reviewed annually and, where appropriate, a determination will be made as to how much of the unassigned fund balance will be transferred to the Reserves for Capital Replacement. Although the policy minimum is 25 percent for Committed Fund Balance, 30 percent is considered the preferred balance and any unassigned balances exceeding 30 percent will be considered for transfer.
- D. This policy may be amended from time to time according to the requests of the Village of Buffalo Grove President and Board of Trustees.
- E. The Village will spend the most restricted dollars before less restricted, in the following order;
 - a. Nonspendable Fund Balance (if funds become spendable)
 - b. Restricted Fund Balance
 - c. Committed Fund Balance
 - d. Assigned Fund Balance
 - e. Unassigned Fund Balance
- F. The Finance Director will determine if a portion of fund balance should be assigned.

Purchasing Policy

*Revised December 2012

The purchasing of goods and services for the Village of Buffalo Grove should follow policies and procedures that are designed to promote efficiency for each dollar spent. While the purchasing function has been decentralized to the department level, basic processing of purchasing documents must continue. The policy of decentralized purchasing hopefully creates a greater degree of responsibility and accountability upon the individual department administrator. Purchasing is measured successfully by adherence to budgetary guidelines, cost efficiency and continued goodwill between the Village and its vendors.

The purchasing procedures will encompass the following guidelines:

Authority to Purchase Under \$100.00:

A Purchase Order Requisition can be utilized to purchase items approved and needed in their budget(s) of responsibility up to \$100.00 that are routed directly to the Department of Finance and General Services after internal originating department approval.~ Departments purchasing at this level are responsible for control and use under any~ purchasing directives established and amended from time to time.

Purchase Order Requisitions Over \$100.00 to \$2,500.00:

A Purchase Order Requisition should be processed for services or merchandise to be acquired for which funds have been provided for within an annual budget. The Requisition must be prepared and forwarded as designated within the Village's Lotus Notes based Purchase Order Requisition program to authorized departmental personnel for approval with pertinent information included. The Requisition will be forwarded to the Village Manager for

approval, further forwarded to the Department of Finance and General Services for final processing. Purchase Order Requisitions will only be mailed to a vendor as indicated on the Requisition.

After approval, the Purchase Order Requisition will be processed as part of the Village's overall accounts payable system. A permanent record of any Requisition will be maintained within the Lotus Notes database with other documentation maintained by the Department of Finance and General Services to support fiscal year financial transactions. Disposal of those records will follow guidelines established procedurally and by statute by the State of Illinois.

A Requisition should include any purchasing documentation such as comparative pricing quotations, price lists, Village Board memos generated for legislative review and approval (bids or waivers), as well as any other pertinent information related to the purchase to be made. That information can be entered as part of the "Comments" section of the Requisition. If any item purchased is to be included within the Village's fixed asset inventory, which can also be indicated on the Requisition.

Purchase Order Requisitions Over \$2,500.00 to \$15,000.00:

Purchase Order Requisitions will be processed as above except comparative pricing in the form of quotes or price lists must be sought and the unit price summary sheet shall be completed and attached to the Requisition or indicated as part of the comments. It is understood that not all purchasing in this range will require comparative pricing due to vendor limitations or service/merchandise to be purchased. However, in as many cases as possible, this type of purchasing activity should be undertaken.

Purchase Orders \$15,000.00 and Over:

Any purchase over \$15,000.00 requires approval from the President and Board of Trustees with competitive bidding except where specifically waived based on documented circumstances. These items will be reviewed by the Village Manager who is required to receive two or more bids prior to bid authorization by the Corporate Authorities, whose authorization will be based on the Village Manager's recommendations to the Board. If a bid waiver is to be requested, written justification must be submitted by the purchasing department detailing the reasons for such waiver.

The minimum requirements to be followed regarding bidding will relate to proper public notice for the call for bids, the development of bid specifications with bid proposal forms, a scheduled public opening of any bids received, tabulation, recommendation and eventual award. It should be noted that bids may be rejected in part or in total based upon an analysis of the tabulation. Bidding documentation must be specific as to this option (rejection) as they are developed. Various disclosure documentation may be required in any bidding situation relative to ethics, etc. These forms are available departmentally or from the Village Attorney.

The only current exceptions of this procedure are for the purchase of motor fuels, water meters, and the use of either state, federal, or council of government contracts (GSA or Central Management Services –CMS) that have been obtained through a bid solicitation process that was conducted by those entities

Open Purchase Orders:

Open Purchase Order Requisitions will be authorized by the Village for those items purchased of a regular basis for materials or services such as annual maintenance materials, alarm service agreements, capital programs that entail periodic progress payments, and continuing professional service agreements to name a few. The use of open Requisitions can reduce paperwork relative to purchasing but should be utilized only in those instances when ongoing, periodic purchases either under contract or of a consistent nature from one particular vendor are to occur.

Non Purchase Order Requisition Purchasing:

There are certain vendors that provide services to the Village without Requisitions being generated. They are usually utilities, internal fund transfers between departments or the return of deposits. However, every effort must be made to generate the appropriate purchasing documentation.

Check Requests/Advance Check Requests:

The use of Advance Check Requests should be limited and only used in those circumstances where payment is required ahead of the scheduled accounts payable cycle. Payment in advance of the public review, comment and approval of the Village's Accounts Payable Warrant limits further oversight as required by both state statute and the Village's Municipal Code. Advance Check Requests should be approved within the Department of origin as well as by the Village Manager. Completed and approved requests will be processed by Finance.

Check Requests are for those payments that can be processed in the normal course of business. They are to be used in lieu of an actual invoice for those type payments where invoices are not provided through a vendor. Examples of those type transactions would include payments to employees, residents, and internal fund transfers. It should be noted that Purchase Order Requisitions can be processed for these type of payments. This will permit a continued accountability within that system. The only key is that a unique number be used as a proxy invoice in that the system will flag duplicate invoice numbers as a matter of control to prevent duplicate payment.

Conclusion:

Any discrepancy in the purchasing function needs immediate resolution. Purchases of services, personal property or materials should be evidenced by a Purchase Order whenever appropriate. Purchasing is an important function needing proper control as part of the fiscal responsibility by the Village to its citizens, employees and vendors.

Investment Policy

I. Policy:

The Village of Buffalo Grove, as a public agency, has an inherent fiduciary responsibility to properly account for and manage public funds. Public funds are to be considered current operating funds, special funds, debt service and other funds of any kind or character belonging to or in the custody of any public agency (Chapter 30, paragraph 235/1 through 235/7, Public Funds Investment Act, Illinois Compiled Statutes)

II. Scope:

This investment policy applies to all financial assets of the Village of Buffalo Grove except for the Police and Firefighter's Pension Funds which are subject to those individual fund boards.

1. Pooling of Funds

Except for cash in certain restricted and special funds, the Village of Buffalo Grove will consolidate and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. General Objectives:

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk

a) (a). Credit Risk

The Village of Buffalo Grove will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investment to the types of securities listed in Section VII of this Investment Policy
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and adviser with which the Village of Buffalo Grove will do business in accordance with Section V
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

(b). Interest Rate Risk

The Village of Buffalo Grove will minimize interest rate risk, which is the risk that the market values of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (see section VIII).

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs

to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same day liquidity for short-term funds.

3. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

IV. Standards of Care:

1. Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Village of Buffalo Grove.

3. Delegation of Authority

Authority to manage the Village of Buffalo Grove’s investment program is derived from the following:

The establishment of investment policies is the responsibility of the Village Board. Management and administrative responsibility for the investment program is hereby delegated to the Finance Director who, under the direction of the Village Manager, shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Finance Director may from time to time amend the written procedures in a manner not inconsistent with this policy or state statutes.

The responsibility for investment activities of the Police and Firefighter Pension Funds rest with the trustees of the respective fund boards.

V. Authorized Financial Institutions, Depositories and Broker/Dealers:

The Finance Director will maintain a list of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by credit worthiness. These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except at a qualified public depository as established by state statutes.

All financial institutions and broker/dealers who desire to become qualified become qualified bidders for investment transactions must supply the Finance Director with the following:

- Audited financial statements demonstrating compliance with state and federal capacity adequacy guidelines
- Proof of National Association of Security Dealers (NASD) certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read the Village’s Investment Policy

VI. Safekeeping and Custody:

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities will be held by an independent third-party custodian selected by the Village as evidenced by safekeeping receipts in the Village’s name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standard No. 70, or SAS 70).

1. Internal Controls

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village of Buffalo Grove are protected from loss, theft or misuse. Details of the internal controls system shall be documented in an investment procedures manual and shall be reviewed and updated annually. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls structure shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Dual authorizations of wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

Accordingly, the Finance Director shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

VII. Suitable and Authorized Investments:

The Village may invest in any type of the security allowed for in Illinois Compile Statutes (30 ILCS 235/2) regarding the investment of public funds. Approved investments include:

- Bonds, notes, certificates of indebtedness, treasury bill, or any other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of American as to principal and interest;
- Bonds, notes, debentures or other similar obligations of the United States of America or its agencies;
- Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; and is insured by the Federal Deposit Insurance Corporation;
- Short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 180 days for the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than 25% of the Village's funds may be investing in short-term obligations of corporations;
- Illinois Public Treasurer's Investment Pool (Illinois Funds);
- Consistent with the GFOA Recommended Practice on Use of Derivatives by State and Local Governments (attachment #1), extreme caution should be exercised in the use of derivative instruments.

1. Collateralization:

It is the policy of the Village of Buffalo Grove and in accordance with the GFOA's Recommended Practices on the Collateralization of Public Deposits (attachment #2), the Village requires that funds on deposit in excess of FDIC limits be secured with some form of collateral. The Village will accept any of the following assists as collateral:

- Government Securities
- Obligations of Federal Agencies
- Obligations of Federal Instrumentalities
- Obligations of the State of Illinois

(The Village reserves the right to accept/reject any form of the above named securities.)

The amount of collateral provided will not be less than 110% of the fair market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured will be reviewed monthly, and additional collateral will be required when the ratio declines below the level required and collateral will be released if the fair market value exceeds the required level. Pledged collateral will be held in safekeeping by an independent third party depository designated by the Village of Buffalo Grove and evidenced by a safekeeping agreement. Collateral agreements will preclude the release of the pledged assets without an authorized signature from the Village of Buffalo Grove. The Village realizes that there is a cost factor involved with collateralization and the Village will pay any reasonable and customary fees related to collateralization.

VIII. Investment Parameters:

1. Diversification

In order to reduce the risk of default, the investment portfolio of the Village of Buffalo Grove shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (U.S. Treasury and Agency securities),
- No financial institution shall hold more than 40% of the Village's investment portfolio
- Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
- Commercial paper shall not exceed 10% of the Village's investment portfolio.
- Brokered certificates of deposit shall not exceed 25% of the Village's investment portfolio.
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

2. Maximum Maturities

To the extent possible, the Village of Buffalo Grove will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than three years from the date of purchase.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding three year if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LGIPs, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

IX. Reporting:

The Finance Director shall prepare as investment report at least monthly, including a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the month. This management summary will be prepared in a manner which will allow the Village to ascertain whether investment activities during the reporting period have conformed to the investment policy. This report should be provided to the Village Manager and Village Board. The report will include the following:

- Listing of individual securities held, by fund, at the end of the reporting period.
- Average weighted yield to maturity of portfolio.
- Listing of investments by maturity date.
- Percentage of total portfolio which each type of investment represents.

1. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmark shall have similar weighted average as the portfolio.

2. Market Yield

The Village's investment strategy is passive. Given this strategy, the basis used by the Finance Director to determine whether market yield are being achieved shall be the six-month U.S. Treasury Bill.

3. Marking to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA recommended Practices on “Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools” (attachment #3). In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

X. Investment Policy Adoption:

The Village of Buffalo Grove’s investment policy shall be adopted by resolution of the Village Board of Trustees. This policy shall be reviewed on an annual basis by the Finance Director and any modifications thereto must be approved by the Village Board of Trustees.

Debt Policy

A debt policy is a formal document governing when, how, for what purposes, and to what extent debt may be issued. A sound debt policy will provide benefit and guidance to the Village of Buffalo Grove not only as to how it manages the repayment of outstanding debt but can serve to manage the Capital Improvement Plan adopted annually. Debt policy can:

- Help avoid common pitfalls of debt issuance and management.
- Promote long-term financial stability, including managing tax levies.
- Send a message regarding fiscal responsibility to the community.
- Assist in not only maintaining but improving bond ratings.
- Enhances regulatory compliance matters.
- Assures that borrowing is done at the lowest cost to the community.

An effective debt policy should be firm in intent but not onerous to the extent that flexibility in approach toward use and design of debt becomes difficult. Elements should include, but not be limited to, the purposes for which debt may or may not be used, the limitations of debt, and the standards for debt issuance. The following represent elements of the debt policy for the Village of Buffalo Grove.

- Long-term debt will not be used to finance current operations or to capitalize operating expenses. The capitalization of expenses, which represents a shift of operating costs onto long-term debt, should be a practice that is expressly prohibited. To further support this policy, the highest priority for the issuance of long-term debt will be to further the Village's Capital Improvement Plan. In terms of this and other policy statements, long-term debt will be bonded indebtedness whose maturity is at least ten years from the date of original issue.
- Long-term debt will be used only for capital projects that cannot be financed from current revenue sources. Where capital improvements or acquisitions are financed through the issuance of debt, such debt will be retired in a period not to exceed the expected life of the improvement or acquisition.
- The Village will also issue long-term debt for refunding of other outstanding debt for the purpose of interest rate savings. As a guide, the minimum net present value savings shall be three percent (3%) of the par value of the proposed new bonds to be issued. However, circumstances may occur where a refunding may be advantageous with net present value savings of less than 3%. In those cases, approval of the President and Board of Trustees will be required in order to proceed.
- The Village will use only level or declining debt repayment schedules, avoiding back-loaded or balloon repayment schedules or variable-rate debt. This is to avoid fluctuations in debt service requirements as well as fluctuations in tax levy rates. Only in those circumstances where it is to the Village's advantage will debt service be scheduled on a non-even repayment basis. Level or declining repayment schedules incur less interest cost while the use of delayed or balloon schedules incur greater interest cost. Lastly, the use of variable-rate debt requires dependence upon some external measure and indices and may be considered a form of speculation.
- A policy of full disclosure will be followed in all financial reports, official statements and as part of any mandatory continuing disclosure undertaking. Information required to be distributed, by law, to any Nationally Recognized Municipal Securities Information Repository (NRMSIR) shall follow guidelines set forth from time to time, including any required Material Events Disclosure as interpreted under the Securities Exchange Act of 1934, as amended. Lastly, the Village will use generally accepted accounting principles in the preparation of all financial statements used in complying with disclosure requirements. All financial statements will be audited annually by an independent, certified public accounting firm.
- Municipalities of less than 500,000, unless they are a home rule unit, are limited in the amount of indebtedness they can incur at any one time to no more than 8.625% of assessed and equalized valuation. However, as a policy planning target, the Village shall endeavor to have no more indebtedness

outstanding at any one time in an amount greater than four percent (4%) of assessed and equalized valuation. In the event of an extraordinary situation as determined by the President and Board of Trustees, the Village may have outstanding debt in an amount exceeding 4% of its assessed evaluation.

- Overall, the Village will repay any indebtedness incurred in the shortest possible time without creating undue hardship for tax or ratepayers.
- Capital improvement or refunding indebtedness will be funded with General Obligation Bonds unless there are other, more appropriate, means of financing. Such alternative financing might include, but not be limited to, revenue bonds, special service area bonds, tax increment allocation revenue bonds and special assessments.
- Indebtedness to be issued by the Village will be offered through the competitive bidding process except as expressly approved by the President and Board of Trustees. If it is proposed that debt not be issued through competitive bidding, such request will state the compelling reasons why the competitive bidding process is not deemed suitable for the particular issuance of debt. Competitive bidding can reduce interest cost, avoids questions of unfairness and favoritism in the underwriting selection process and should validate the ultimate price paid for debt.
- Any consultants providing advice and counsel for any issuance of Village debt, as well as broker/dealers acquiring Village debt shall be independent. Financial advisors, bond counsel and any broker/dealer for any issuance of debt shall each be separate entities having no relationship with each other. This is intended to prevent any conflict of interest, incorporating within the Policy the requirements of Municipal Securities Rulemaking Board Rule G-23, which permits financial advisor/underwriter relationships if such relationships are disclosed to the Village as issuer.
- Any financial advisor and bond counsel shall provide full and continuing disclosure to the Village of any relationship or agreement, formal or informal, which may be in conflict with the best interests of the Village. The financial advisor and bond counsel shall further be prohibited from engaging in such relationships or agreements without the express prior consent of the Village. Any potential for conflict of interest, where it may exist, should be expressly recognized by all consultants.

While the Village intends to match its borrowing needs with those identified within the approved Capital Improvement Plan or in some cases, the refunding of outstanding debt at a lower net interest cost, with long-term debt, there may be instances with other debt may be advantageous to issue. Additionally, there may be a need to employ what will be defined as interim debt. The following policies are applicable to the issuance of either short-term or interim debt:

- Short-term debt shall be considered indebtedness issued for a term of 10-years or less. The use of such debt, with the exception of current debt refunding, shall be intended to provide financing for municipal needs such as purchasing/replacing fleet equipment, renovation or reconstruction of capital assets, purchases of specialized types of equipment, or to acquire communications or data systems/equipment. Each proposal for short-term financing shall be evaluated on a case by case basis with final approval granted by the President and Board of Trustees.
- Interim debt shall be considered indebtedness issued for a term of less than 5-years. Such borrowing may be utilized for the temporary funding of operational cash flow deficits pending receipt of anticipated revenues or for interim capital financing needs; an internal borrowing for operational or capital acquisition would qualify as interim debt. Repayment will occur over a period not to exceed the useful life of the underlying asset but in any case, no longer than 5-years, although the period could vary depending on the nature of the asset financed. In terms of internal borrowing for purposes other than capital acquisition, the term will be no greater than 5-years.

Policy on Revenue Based Debt:

The Village may find it advantageous to issue revenue based debt to fund enterprise capital financing needs. Should such indebtedness be required, the following standards shall apply:

- An annual rate and fee review will be conducted as part of the fiscal year budget process to ensure that predictable and affordable charges for services are in effect.
- The Village will maintain rates and fees necessary to conform to bond coverage requirements that may be required.
- The primary option for any enterprise financing, and to also serve as a modeling tool for future rate and fee requirements, shall be debt with a maximum maturity of 20-years.

Village Board Authorizations:

All long, short and interim term borrowing shall require approval of the President and Board of Trustees prior to authorization.

Alternative Financing:

The Village will issue alternate type of indebtedness such as, but not limited to, Special Service Area Bonds or Tax Increment Allocation Revenue Bonds when beneficial to an identified development strategy approved by the President and Board of Trustees. Such indebtedness shall be considered limited obligations of the Village secured by special taxes authorized by statute or in the case of TIF, by incremental property and sales taxes. The Village will not use its full faith and credit to secure any alternative financing.

Further, should the Village issue alternative type debt, it shall take any and all reasonable steps to confirm the financial feasibility of any projects and the financial solvency of the end user(s). Further, all precautions will be taken to ensure that a true public purpose and financial viability exists for all such projects funded.

Other Agency Financing:

Through intergovernmental agreement, the Village may be obligated for a portion of debt issued by an associated public agency such as the Solid Waste Agency of Northern Cook County or Northwest Water Commission. Depending upon the nature of the obligation, disclosure will be noted within the Village's Comprehensive Annual Financial Report following generally accepted accounting principles. If the nature of an external financing requires disclosure within the financial statements of the Village, such indebtedness obligations will be properly accounted for and disclosed.

Bond Covenants and Laws:

The Village shall comply at all times with all covenants and requirements of bond ordinances as well as supplemental transcript documents as well as State and Federal laws authorizing and governing the issuance and administration of debt obligations.

Debt Policy and Rating Agencies:

Underwriting and municipal credit rating institutions base their evaluation of the Village upon its ability to ensure that new debt is incurred in a prudent manner, so as to maximize the credit worthiness of the Village. This is important if the Village is to upgrade its present bond rating, and in extreme conditions, maintain its current rating. Rating agencies have advised that one of the major criteria used in evaluating credit worthiness is whether a local jurisdiction has an objective but flexible debt policy which serves as a guideline for making decisions about how much new debt to incur or have outstanding at any one time. Generally, rating agencies will view, as positive, criteria that are conservative. A local government should only borrow what it can afford and retire principal in a timely and aggressive manner.

Fixed Asset and Capital Equipment Capitalization

Purpose and Overview:

The government's role is to provide services to its citizens and as part of that duty, a responsibility exists to maintain stewardship over the resources that are used to provide those services. Control over fixed assets is necessary to ensure that these assets are used properly and efficiently. Appropriate systems and procedures will be established and revised from time-to-time in order to be assured that assets are adequately controlled.

The purpose of recording the general fixed assets of the Village is primarily for stewardship purposes, in order to provide for physical and dollar control, and for an accounting of general governmental capital planning and acquisitions over the years. Also, generally accepted accounting principles as they apply to public entities require the inclusion of financial data regarding fixed and general asset accounting within the Village's Comprehensive Annual Financial Report.

Assets included within a fixed asset control system should possess the following attributes:

1. They must be tangible
2. Have a useful life of greater than one year
3. Be of a "significant" dollar value

The general purpose given to recording fixed and general assets is to facilitate the protective custody of the property. A good system permits the fixation of responsibility of custody and for the proper use of specific assets within the using department(s). The taking of an actual physical inventory on a regular basis can increase the control capabilities of the Village's system and help insure overall integrity. Other purposes usually cited for asset control is:

1. Insuring assets for risk management purposes
2. Centralizing asset documentation and reporting systems
3. Developing estimates for asset replacement purposes
4. Allowing for completeness of financial statements
5. Providing for management of fixed assets regarding acquisition, declaration of surplus and disposition.

The end purpose of this Policy will be to provide a guide to the organization, inventory and reporting of data for the Village of Buffalo Grove's Fixed and General Asset Management System.

Asset Control Policy:

The following will apply regarding asset control policies for the Village of Buffalo Grove:

1. All assets acquired by the Village will be recorded within the Fixed Asset Management System maintained within Lotus Notes as an independent database. Assets to be controlled should be acquired as a capital acquisition and possess a significant value. The minimum value for control purposes will be \$10,000 per individual piece of equipment. Equipment carrying a value less than \$10,000 will be accounted for internally based the type of asset and upon the discretion of the Department Director. The capitalization threshold for capital construction and/or infrastructure improvements will be \$25,000.
2. The cost of the asset will include the actual purchase price plus any other additional charges incurred to put the asset into service. Absent any data on original cost, a realistic estimate will be used. New capital construction will be value as the sum of all charges and costs to put the asset into service.
3. Responsibility for all asset control will be assigned to the individual department. All changes in the inventory for whatever reason must be reported by that department.

4. The system will be maintained by the Department of Finance and General Services but will be available within the MIS network within Lotus Notes as a read-only database. Finance will input new acquisitions as well as deletions and transfers. The status of all assets will be posted through an Inventory Control Record.
5. The department initiating an acquisition, deletion or transfer of an asset should notify the Finance Department of these events. Changes to the database will be initiated as appropriate.
6. All asset acquisitions should be by purchase order unless they are for assets donated or contributed to the Village. All deletions/retirements will be declared surplus by ordinance. Such ordinances will be prepared by the Finance Department.
7. All asset acquisitions will be identified, when appropriate, with tags provided by the Finance Department. Tags will be affixed to the asset acquired by department personnel.
8. At a minimum once per year, an inventory will be conducted of all general fixed assets. This will be prior to the conclusion of the fiscal year and will be used for posting to the Village's financial records and for preparation of any surplus declaration.
9. Any final inventory values will be considered the official financial record of the Village subject to independent review and audit.

Costing of General Fixed Assets:

General fixed assets should be recorded at their original cost; if original cost is unknown, an estimate will be acceptable if reasonable and customary for similar assets. As stated, an asset that is to be included within the inventory should have a significant value. The significant value test is mostly subjective, and accordingly, it is necessary to exercise some level of judgement in determining which items should be treated as controlled assets. The judgement will be minimized when controls are improved when capitalization policies are in place and accepted.

Maintaining the System:

Accounting for additions can be accomplished through several methods. Data from purchasing records for all assets that are quantified are to be noted on the departmental requisition/purchase order for identification and entry into the database. Accounting for deletions can be more difficult because of trade-ins, transfers, retirements, loss or strip downs for spare parts. The database will be considered the primary link between the individual asset and the general ledger fixed asset accounts. It should be possible to reconcile the detail in the fixed asset database with the general ledger control account(s). The basic elements to be included as part of the asset record will be as follows:

1. Description of the asset
2. Model and serial numbers
3. Date acquired/deleted/changed
4. Purchasing department as well as location of the asset
5. Estimated useful life
6. Cost, purchase order number, vendor
7. Asset control number
8. Date, method and authorization for disposition

Other information may be requested, as is determined necessary to maintain the control system.

Once the asset control system is in place and operational, it will be necessary to perform periodic reviews to determine whether the system has been properly established, supported and functioning. The objective of an inventory is to determine if the assets are still in service, on-hand and to make any corrective actions as soon as possible. In addition to what is assumed would be a full departmental inventory, periodic review can consist of any of the following:

1. Reconciling the asset control ledgers to the Village's general ledger
2. Tracing a random sample of assets from the database to the physical location of assets
3. Taking the database list and tracing a random sample of entries to actual assets

Tagging of Assets:

There will be two primary considerations when a decision is made to tag an asset. First, is it important to identify this individual asset from another of a similar kind? Will records need to be changed each time the asset moves to a new location or is retired? If the answer is yes to both questions, the assets should and will be tagged.

Inventory control numbers will be assigned in consecutive order without regard to type of asset or location. The use of a permanent number (unless lost and replaced) permits control over an asset throughout its useful life regardless of status until such asset is retired or disposed of. Once an asset is disposed, the number will be retired and not reissued. Placement location will be left to the discretion of the department. Ideally, tags will be placed where they are accessible and not subject to defacement or marring by normal activity.

Inventory Control Record:

Anytime the status of an asset is affected, the Inventory Control Record (attached) must be completed by the initiating department. With an acquisition, the Record will be prepared by the Department of Finance and General Services although this does not preclude a purchasing department from preparing a Record in the case of a donation or acquisition that may occur. With an acquisition, a copy of the Record will be returned to the purchasing department with an assigned control tag.



**VILAGE OF BUFFALO GROVE
FIVE YEAR OPERATING FORECAST
FISCAL YEARS 2013-2017**

The goal of the Five-Year Operating Forecast is to assess the Village's ability over the next five years to continue current service levels based on projected growth with the intent to preserve THE Village's long-term fiscal health, rebuild reserve balances and restore reserve funding for facility improvements.

It is important to stress that this forecast is not a budget. It doesn't dictate expenditure decisions, rather it identifies the need to prioritize allocations of Village resources. As a governmental entity, changes in strategy that involve service delivery are slow and methodical. The forecast provides a picture of the Village's fiscal health based on numerous assumptions over the next five years. The Five-Year Financial Forecast is a planning tool and should be considered fluid in its construction. As new significant data or trends emerge the document will be revised, at minimum, on an annual basis. This document should be viewed in conjunction with the annual Village Budget in order to make specific policy and spending recommendations.

From a historical perspective, up until December 2007 the Village experienced two decades of prodigious growth. Property values increased 224%, the population nearly doubled, and the sharp increase in property values created pockets of wealth. The reinvestment of those dollars benefitted the Village in many ways including the collection of sales taxes, permitting fees for home improvements, and real estate transfer taxes collected on property sales. During December 2007, the national economy officially entered a recession, which was labeled as the worst since The Great Depression of 1929.

The Village has been managing the recession progressively over the last four years. Fiscal years 2008 and 2009 relied heavily upon prior years' accumulated fund balance reserves. Those reserves were established during the peak growth years as a result of conservative spending by both the members of the current and past Village Boards. FY 2010 and 2011 began a transition from tactical budget strategies and short term spending adjustments to a more strategic progress of addressing

systemic costs focusing both on sustainability of services and maintenance of infrastructure, as well as elimination or reductions of structural deficits.

Financial Focus

The General Fund (or Corporate Fund) is the operating fund which pays for the core services provided by the Village including public safety (police & fire), public works, building & zoning, and administration. All major discretionary revenues such as property taxes, sales tax, income taxes, telecommunications, and utility use taxes are accounted for within the General Fund. The forecast reflects final figures for fiscal year 2011. For purposes of the analysis, forecasted numbers are built off of the 2011 actual revenue/expenditures and adjusted if necessary for FY 2012. The General Fund is the primary focus of the forecast as it represents about 57 percent of the funding for Village operations. In 2012 a twenty-year water rate proforma was presented to the Village Board and it set the basis for water rate recommendations for FY 2013 and into the future.

Overview of Fiscal Year 2011 & 2012

The impact of the recession, although declared officially over in June 2009, continues to exert fiscal pressure on the Village. Steps to address the strain on the operating budget include:

Staff was able to present a balanced budget in FY 2011 amidst a continued turbulent economy. The following strategies were taken in preparation of the 2011 Budget;

- Eliminated or deferred \$2 million in capital improvements
- Reduced transfers to capital reserve funds by \$.6 million
- Created a Voluntary Separation Initiative (VSI) to induce retirement and reduce employee counts through attrition
- Construction of a Tier II compensation plan to lower entry level salaries across all pay grades.

Budget initiatives for FY 2012 included;

- Deferred \$2.2 million in capital improvements
- Reduced transfers to capital reserve funds by \$.6 million
- Offered a second Voluntary Separation Initiative (VSI) to continue the savings pattern of retirements offset by lower entry salaries or hiring deferral/elimination.
- Entry into the Intergovernmental Professional Benefits Cooperative for health insurance combined with continuing escalation of employee's premium contributions.

- Hiring of a Purchasing Manager to begin the process of centralized purchasing and cost control.

The Village will continue to face similar financial challenges for the remainder of FY2012 and for the next several years including:

- 1. Impact of the real estate market.** Traditional sales activities are slowly rebounding as a market bottom has appeared to be reached. The impact of declining property values in tandem with incorrect assumptions that property taxes will move in similar fashion is making it difficult to grow the tax levy to support general operations.
- 2. State of Illinois budget crisis.** The delay in income tax distributions to the Village has created a backlog of receivables owed the Village totaling \$1.2 million.
- 3. Health Care Cost and the Reform Bill.** The future financial impact of the new bill and increasing health care costs.
- 4. Commercial/Retail Development.** The economy's impact on existing sales tax generators as well as development or redevelopment of Dundee, Milwaukee Road corridors and Lake Cook Corridors.
- 5. Infrastructure.** The deferral of capital spending and the funding impacts upon roads, sidewalks and bike paths, water system, and Village facilities. The Village Board has taken the initial steps to addressing street maintenance through the issuance of \$6 million in bonds.

Forecast Assumptions

The following are growth percentage assumptions used in the development of the financial forecast,

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<u>Revenues</u>					
Property Tax					
Corporate	2.9%	2.9%	2.9%	2.9%	2.9%
Police Pension	4.0%	5.0%	5.0%	5.0%	5.0%
Fire Pension	4.0%	5.0%	5.0%	5.0%	5.0%
Sales Tax (combined)	2.0%	2.0%	2.0%	2.0%	2.0%
Prepared Food & Beverage Tax	2.0%	2.0%	2.0%	2.0%	2.0%
Income & Use Tax	2.0%	2.0%	2.0%	2.0%	2.0%
Utility Use Tax	0.0%	0.0%	0.0%	0.0%	0.0%
Telecommunications Tax	-2.0%	-2.0%	0.0%	0.0%	0.0%
Licensing	0.0%	0.0%	2.0%	2.0%	2.0%
Developer Fees & Permits	1.0%	1.0%	1.0%	2.0%	2.0%
Real Estate Transfer Tax	5.0%	5.0%	5.0%	5.0%	5.0%
Fines and Fees	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Transfers	2.0%	2.0%	2.0%	2.0%	2.0%
All Other Revenues	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Expenditures</u>					
Personal Services	3.0%	3.0%	2.0%	2.0%	2.0%
Personal Benefits	6.0%	5.0%	5.0%	5.0%	5.0%
Operating Expenses	1.5%	1.5%	1.5%	1.5%	1.5%
Insurance	8.0%	7.0%	6.0%	5.0%	5.0%
Legal Services	1.0%	1.0%	1.0%	1.0%	1.0%
Commissions & Committees	2.0%	2.0%	2.0%	2.0%	2.0%
Commodities	2.0%	2.0%	2.0%	2.0%	2.0%
Maintenance & Repair					
Facilities	5.0%	5.0%	5.0%	5.0%	5.0%
Other	1.5%	1.5%	1.5%	1.5%	1.5%
Vehicles	2.0%	2.0%	2.0%	2.0%	2.0%
Capital Equipment	1.0%	1.0%	1.0%	1.0%	1.0%
Capital Projects-Facilities	1.0%	1.0%	1.0%	1.0%	1.0%
Operating Transfers	2.0%	2.0%	2.0%	2.0%	2.0%
All Other Expenses	2.0%	2.0%	2.0%	2.0%	2.0%

The forecast assumptions were applied to the current year's budget producing the following schedule;

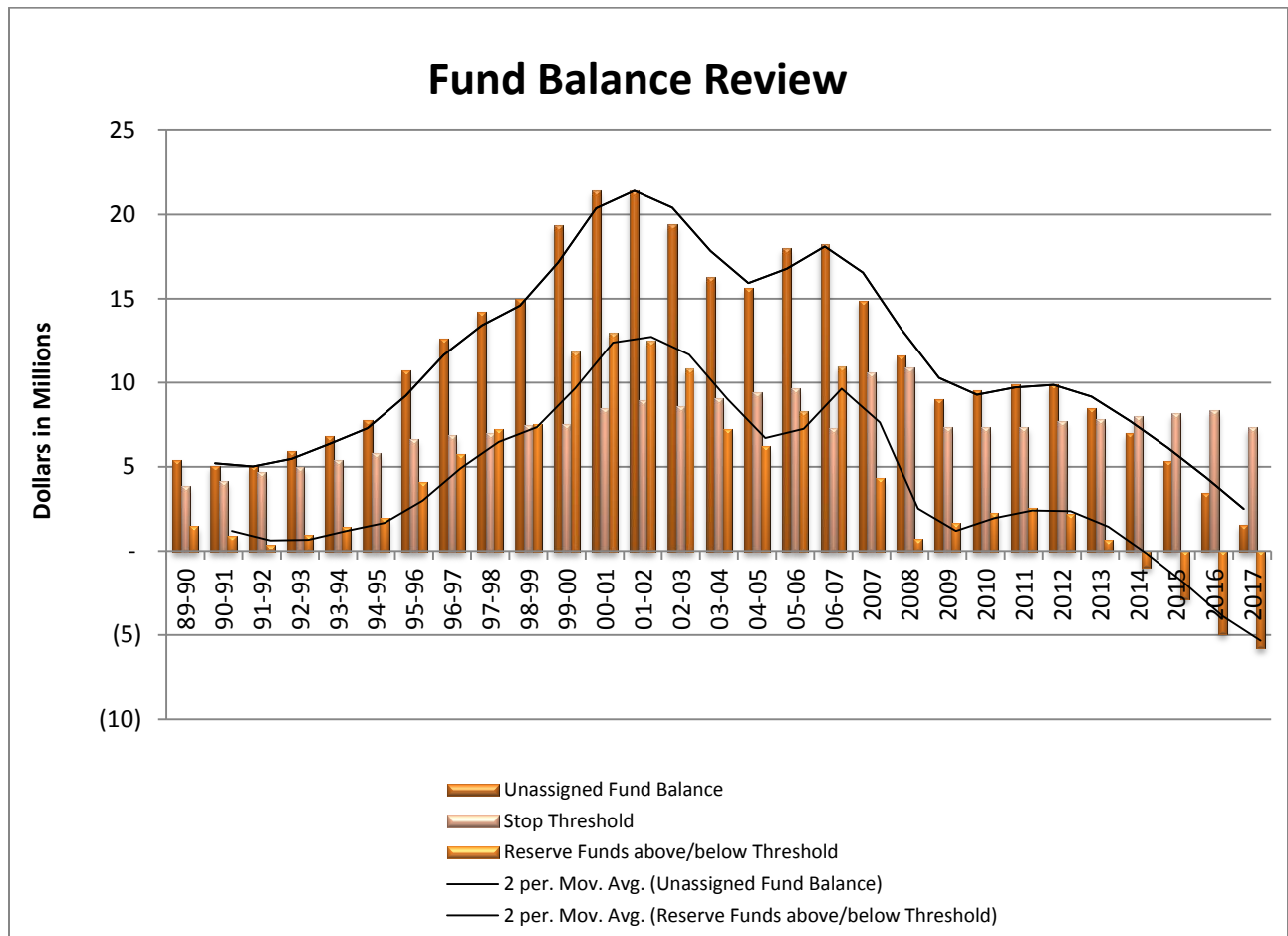
	2013	2014	2015	2016	2017
General Fund Revenues	Projected	Projected	Projected	Projected	Projected
Property Taxes	12,066,968	12,290,209	12,736,427	13,200,132	13,682,058
State Income Taxes	3,702,450	3,776,499	3,852,029	3,929,070	4,007,651
State Sales Tax	4,042,755	4,123,610	4,206,082	4,290,204	4,376,008
Home Rule Sales Tax	3,264,000	3,329,280	3,395,866	3,463,783	3,533,059
Real Estate Transfer Tax	500,000	525,000	551,250	578,813	607,753
Telecommunications Excise Tax	2,013,972	1,973,692	1,973,692	1,973,692	1,973,692
Prepared Food and Beverage Tax	754,143	769,226	784,611	800,303	816,309
Para Mutual Tax	0	0	0	0	0
Utility Tax-Electric Service	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Utility Tax-Natural Gas Therms	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Business Licenses	144,025	144,025	146,906	149,844	152,840
Liquor Licenses	126,145	126,145	128,668	131,241	133,866
Building Revenue & Fees	882,251	893,107	902,038	920,079	938,480
Intergovernmental Revenue-Local	226,625	229,756	232,960	236,239	239,595
Investment Revenue	107,469	90,346	97,337	114,584	135,789
Fines & Fees-Police & Fire	1,414,650	1,414,650	1,414,650	1,414,650	1,414,650
Operating Transfers	719,100	733,482	748,152	763,115	778,377
All Other Revenue	823,297	838,886	854,787	871,006	887,549
Miscellaneous Revenue	333,370	333,470	334,784	336,110	337,451
Total Revenues	33,671,220	34,141,384	34,910,237	35,722,863	36,565,127
General Fund Expenditures	Projected	Projected	Projected	Projected	Projected
Personal Services	19,629,696	20,217,417	20,620,985	21,032,625	21,452,497
Personal Benefits	3,953,297	4,137,623	4,331,042	4,534,006	4,746,991
Operating Expenses	1,013,208	1,028,377	1,043,774	1,059,401	1,075,263
Insurance	441,229	472,115	500,441	525,464	551,737
Legal Services	280,362	282,079	283,814	285,566	287,335
Commissions & Committees	82,723	84,377	86,065	87,786	89,542
Commodities	504,050	514,131	524,413	534,902	545,600
Maintenance & Repairs-Facilities	743,200	780,360	819,378	860,347	903,364
Maintenance & Repairs -Water & Sewer	5,500	5,775	6,064	6,367	6,685
Maintenance & Repairs-Other	79,303	80,493	81,700	82,926	84,170
Maintenance & Repairs-Vehicles	619,325	631,711	644,345	657,232	670,377
Capital Equipment	714,633	716,779	718,947	721,137	723,348
Capital Projects-Facilities	60,530	61,136	61,747	62,364	62,988
Operating Transfers	5,832,937	5,439,497	5,579,821	5,829,737	6,089,291
All Other Expenses	1,058,260	1,079,426	1,101,014	1,123,034	1,145,495
Total Expenditures	35,018,252	35,531,295	36,403,551	37,402,893	38,434,683
Surplus/(Deficit)	(1,347,032)	(1,389,912)	(1,493,313)	(1,680,030)	(1,869,556)
Unreserved / Undesignated Fund Balance					
December 31, 2011 (audited)	9,871,895				
December 31, 2012 (estimated)	9,871,895				
December 31, 2013 (estimated)	8,524,863				
December 31, 2014 (estimated)	7,134,951				
December 31, 2015 (estimated)	5,641,638				
December 31, 2016 (estimated)	3,961,608				
December 31, 2017 (estimated)	2,092,052				

General Fund Reserves

The General Fund Fund Balance Reserve Policy sets forth a minimum reserve level of 25 percent of the subsequent year's budget (less pension transfers). That policy was amended in FY 2009, from 35 percent with the goal in mind to reestablish the 35 percent threshold as quickly, and prudently, as possible. Reserves are important in order to mitigate the negative impact on revenues from economic fluctuations, to withstand unfunded mandates, to temper lags in payables from the State of Illinois and to fund unforeseen capital expenditures.

The Village, through cautious and prudent spending plans, was able to build substantial reserves during the last two decades. Approximately \$5.3 million of those reserves were used from 2007 to 2009 allow for the Village to provide uninterrupted high quality services to the community. Fiscal years 2010 and 2011 focused on balancing the budget and curtailing the draw on reserves. At the end of the Fiscal year 2011, the reserve stood at \$9,871,895 and represents 33.8 percent of the annual budget.

The following chart provides a history of fund balance reserves with the five forecasted years;



As evident in the chart, the budget strategies employed over the last two years helped to stabilize the precipitous drop in fund balance. Those efforts alone are not enough to support General Fund operations over the next five years. If there is no significant new, or increased, sources of revenue there will need to be decisions about prioritizing programs and eliminating those functions that are not core services. There is little more on the expenditure side of the equation that can be reduced without impacting service delivery.

Revenue Review

Approximately 85 percent of all General Fund revenue is generated from seven revenue sources including property tax, combined sales tax including prepared food and beverage, income and use tax, telecommunications tax, utility (natural gas & electricity) use tax and real estate transfer tax.

Almost half of the Village's major revenue sources are elastic. Elastic revenues are those sources that tend to fluctuate with the economy dependent upon the general direction of the economy. A balance between elastic and inelastic revenue is desired as a hedge against market volatility. General Fund revenues considered to be elastic include: sales and use taxes, income taxes, telecommunications tax, real estate transfer tax, building revenue and fees, and investment income.

The property tax is an example of a non-elastic source of revenue as collections are stable and predictable.

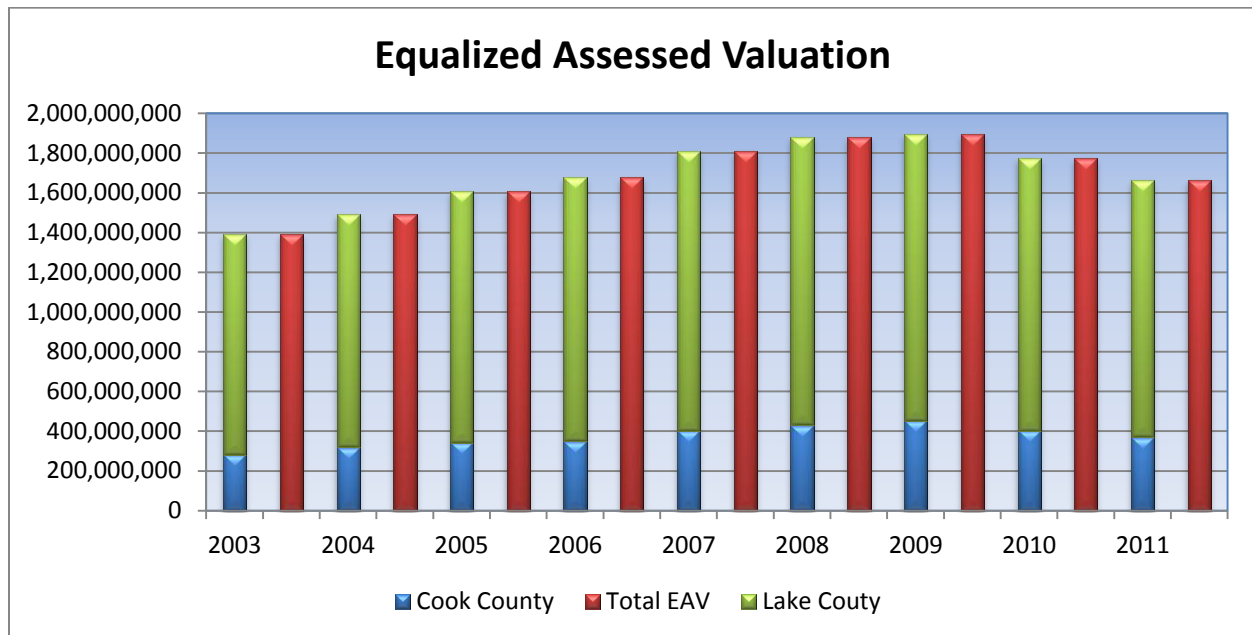
The following is a summary of significant Village revenue sources.

Property Tax

Growth in the corporate property tax levy is tied to the Municipal Cost Index (MCI). The MCI is an amalgam of several key inflationary indices including the Producer Price Index (PPI), Employment Cost Index (ECI), and the Consumer Price Index –Urban (CPI-U). The MCI weights the indices accordingly based on how a typical municipality spends its resources. The Police and Firefighter Pension Funds levies are calculated by an independent actuary. The pension levies are pass-through revenues that will have a corresponding expenditure.

A continuing concern is growth in the property tax base. Tax year 2010 produced the first drop (6.47 percent) in assessed valuation since 1974. Tax year 2011 continued the decline (6.18 percent) and the expectation is for a similar drop in tax year 2012. Because the Village levies dollars, a uniform change across all property classifications has no financial impact to tax payers. The concern is the shifting of tax burden from commercial/industrial properties to residential parcels as commercial/industrial properties tend to be better represented in the appeal process. This dynamic has been noted by several property owners in both Cook and Lake Counties that have witnessed the Village portion of their tax assessments increase by nearly ten percent even though the actual dollars levied were less than the previous year.

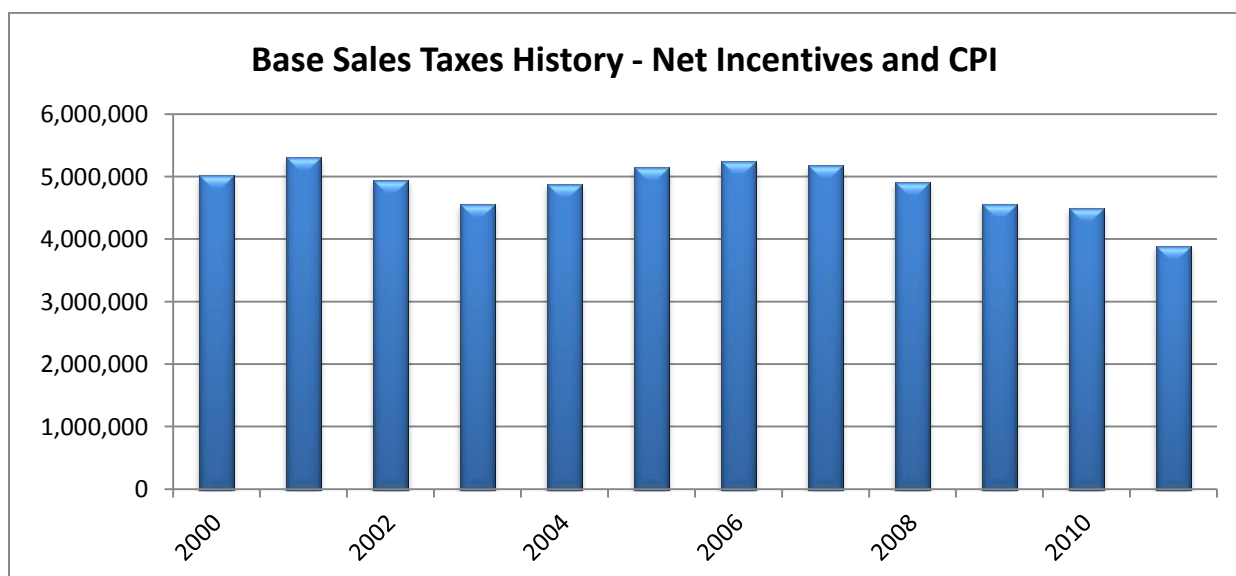
Listed below is a history of equalized assessed valuations since 2003.



Sales Tax

Inflation sets the growth baseline for both the base (2%) and home rule sales taxes (2%). Combined, this is the second largest revenue source for the Village. The base sales tax revenue is directly related to the dollar value of sales made within the Village limits. Home rule sales tax applies to the same transactions as the base sales tax except in the following transactions, food for human consumption off the premises where sold (groceries), prescription and non-prescription medicines and tangible personal property that is titled with an agency of the State of Illinois.

The assumption for the five year analysis is that the retail mix will remain substantially similar to what is present today. Adjusted for inflation, state sales tax revenues are down 22 percent from the peak in 2001 as demonstrated in the chart below.



Income Tax

The impact of the 2010 US Census had a deleterious impact on revenues. As a result of the census data, the Village's populations declined by 1,699 residents. Since income tax is distributed on a per capita basis the impact for 2012 was a \$152,111 drop in revenue. The Village's estimated unemployment rate is 7.1 percent, Lake County is 9.7 percent, and the State of Illinois is 9.2 percent. The forecast does not account for much change during FY 2013 in the level of reported wages and corporate earnings. 2 percent growth is estimated for the years 2014-2017.

Prepared Food and Beverage Tax

This tax is levied on the purchase of prepared food for immediate consumption and the sale of liquor. Similar to sales tax, inflationary growth is the central driver of revenue increases with five year increases projected at 2 percent annually.

Telecommunications Tax

This tax levied at 6 percent on all types of telecommunications except for digital subscriber lines (DSL) purchased, used, or sold by a provider of internet service (effective July 1, 2008). The exemption of DSL service has made a significant impact on collections. Recent legislation has also mandated that data packages no longer be bundled with all other telecommunications billing for the sake of taxation. Those services have been exempted.

Combined with the economic decisions to consolidate, or eliminate, additional phone lines revenue is down almost 20 percent from the peak in 2007. VOIP is subject to this taxation. It is projected that revenue will drop 2 percent in 2013 and level out the remaining four years.

Utility Use Tax (Natural Gas & Electricity)

Natural gas and electricity charges are based on consumption and will fluctuate with seasonal demands. The Village is charging the highest statutory rate. No growth is projected over the next five years. Any new growth will correspond to added roof tops within the corporate boundaries.

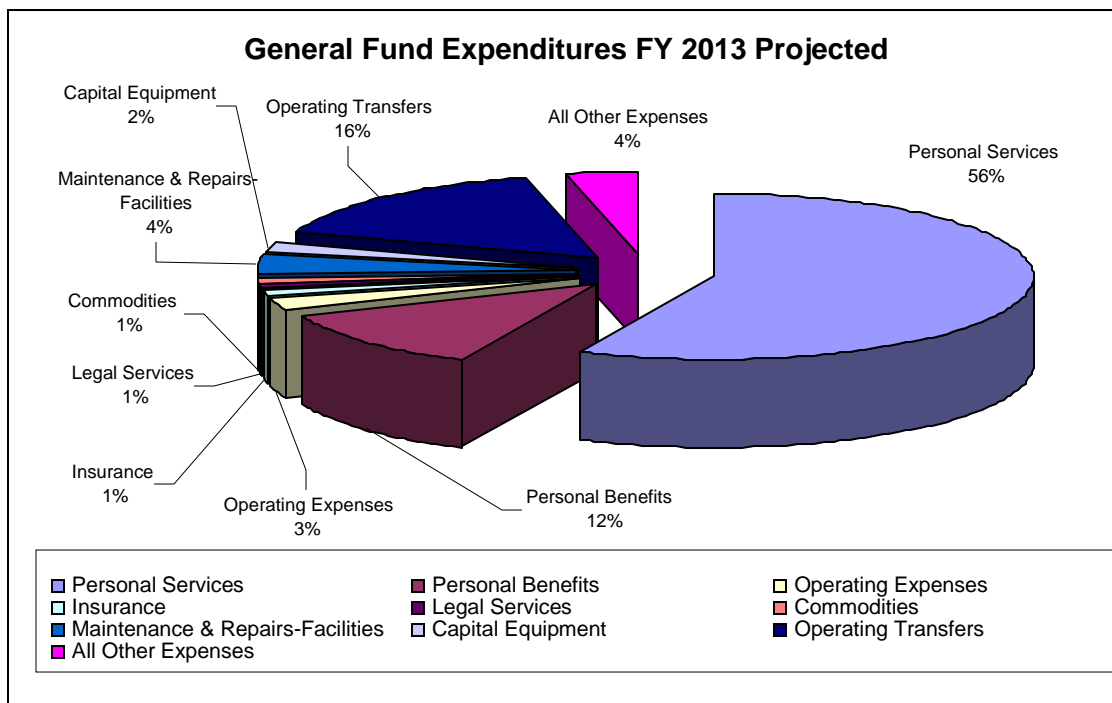
Real Estate Transfer Tax

Real estate transfer tax is collected at the rate of \$3 per \$1,000 of sales consideration. This revenue reached a peak in 2005 at \$1.3 million. Since 2005, collections have dropped 60 percent as a result of the collapse of the housing market. From a local perspective it appears that the market has reached a bottom as more traditional sales are being transacted in the Village. It is expected that

some growth will occur (5% per year over the next five) as pent up home inventories being to decline.

Expenditure Review

The average annual increase in expenditures over the next five years is 3.1 percent. In each of the next five years, wages and benefits account for nearly 70 percent of all expenditures. The next largest expenditure account group is for operating transfers (16 percent). For FY 2013 the distribution of Corporate Fund expenditures is shown in the table below.



Personal Services

Wages are anticipated to increase by a factor of 3 percent for the first two years and 2 percent the last three years. The wage forecast anticipates the general wage increase awards plus possible merit adjustments, where appropriate, offset by lower entry salaries under a new pay grade system (Tier II). The Tier II pay grade lowers all starting salaries for employees hired after 1/1/2011 by approximately 10%. The five year forecast will likely need several iterations to reflect new data as the impact of retirements, the effect of any service realignments, and any hiring decisions become more evident.

Personal Benefits

The largest single expenditure within Personal Benefits is for group medical and life insurance. Effective for FY 2012, the Village has committed to 3 years with the Intergovernmental Professional Benefits Cooperative (IPBC) to help stabilize medical costs through risk pooling and provide for a

mechanism to help establish positive cash flow and rebuild reserves. The forecast calls for 6 percent growth each year in premium expenses the first year, and 5 percent the following years. The projected growth factors in the escalating employee premium contributions and continued efforts to develop affordable plans.

Insurance

Within the Insurance category is the premium paid to the Intergovernmental Risk Management Pool (IRMA) for Corporate liability and workers' compensation coverage. Continuing with past practice, the Village has selected a higher deductible (\$50,000) to provide a credit against our annual premium. Prior period reserves have also been used to lower the annual payment. The forecast assumes growth of 8%, 7%, 6%, 5%, 5%. The higher growth on the front end of the forecast is to offset a slowing in the amount of reserves available for premium subsidy.

Commodities

The single largest expenditure within the Commodity account group is for purchase of salt for the snow and ice control program. The forecast calls for increases of 2% per annum. Staff continues to seek innovative ways to reduce commodity costs, such as bulk electric procurement, and utilizing centralized purchasing to leverage the Village's buying power.

Maintenance & Repair – Facilities

Expenditure growth in this account group is estimated to be 1 percent per year. Included in these expenditures are costs related to the maintenance and repair of sidewalks and bike paths, street patching, street lights, building facilities, and parkway trees. The budget for sidewalk and bike path repairs was increased from \$150,000 to \$325,000 in FY 2012. What is not established in this five year proforma is the amount necessary to start building a reserve for facility repairs. Those amounts will be calculated in FY 2013 with inclusion in the next iteration of the plan.

Capital Equipment

The largest expenditure within Capital Equipment is for the funding of the Reserve for Capital Replacement. Transfers are made out of the department operating budgets to the reserve to fund the future acquisition of heavy machinery and vehicles. This approach is taken to smooth out the peaks and valleys in the budget. The replacement of rolling assets is not linear and there are years where replacements are as high as \$2.2 million and as low as \$.4 million. The reserve requirement is fairly consistent and is intended to hedge against spikes in the budget. Each asset's useful life is tracked with the goal that the annual depreciation is funded through the reserve transfer so that at the time equipment must be replaced it is fully funded.

Over last few years, the economic climate necessitated the suspension of this transfer to help close or eliminate budgeted deficits in the Corporate Fund. The reserve balance at the end of FY 2010 was \$7.9 million. The value of all equipment is \$15.3 million representing 52% funding. The following chart is an estimate of the source and use of funds over the next five years. The scheduled purchases are due to be replaced but there may be some flexibility in extending the useful lives of select pieces of equipment if the cost of repair does not exceed what would be prudent for an asset nearing the end of its useful life.

<u>FY</u>	<u>Reserve</u>	<u>Transfer In</u>	<u>Purchase</u>	<u>Balance</u>
2012	7,330,045	400,000	(1,149,400)	6,580,645
2013	6,580,645	400,000	(1,230,000)	5,750,645
2014	5,750,645	400,000	(1,151,000)	4,999,645
2015	4,999,645	400,000	(375,000)	4,974,645
2016	5,024,645	400,000	(490,000)	4,934,645
2017	4,934,645	400,000	(800,000)	4,534,645

Operating Transfers

Within this account group are transfers to the Debt Service Fund for tax abatements, to Capital Projects Funds for project funding, the 20% transfer of home rule sales tax to the Motor Fuel Tax Fund, subsidy transfers to the golf courses, and the Police and Firefighter transfer (pass-through).

There are no General Fund tax abatements programmed for the next five years. There is an estimated equity transfer to the Golf Enterprise of \$250,000 per year. The following transfers have been made over the last five years,

<u>Fiscal Year</u>	<u>Subsidy Amount</u>
2011	\$352,000
2010	668,000
2009	0
2008	775,000
2007	205,141
2006	258,601



TO: Dane C. Bragg, Village Manager

FROM: Scott D. Anderson, Finance Director

DATE: April 25, 2012

RE: Water Fund 20 Year Pro Forma / Rate Recommendations

Recommendation:

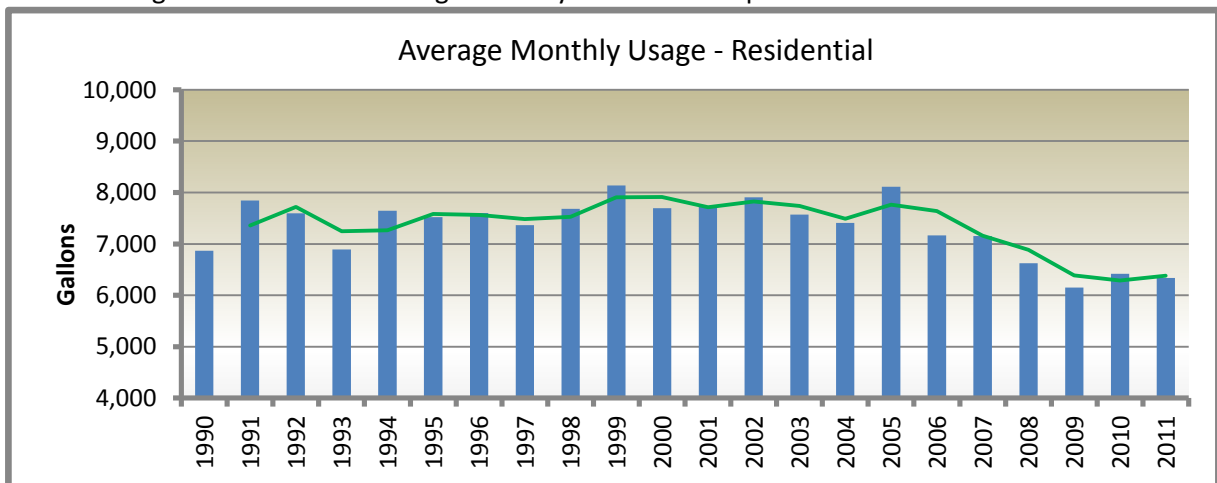
Staff recommends a series of water rate increases to be approved that at minimum will stabilize the working cash balance within the fund. Three options will be presented within the report and are structured to achieve different funding goals

Rate and Consumption Background:

The Village has had a long history of consistently low user rates in comparison to the communities in the region; in fact, the Village maintained a combined water and sewer rate of \$1.80/1,000 gallons for a period of twenty three years (1983-2005). One significant reason leading to this period of rate stability was due to the age of the water and sewer infrastructure. During the peak growth decades of the 1980's and 1990's, developers donated approximately 53 percent of the water and sewer system assets. Through a combination of minimal capital expenses, receipt of building fees, coupled with a period of growing water consumption, the Water Fund was able to generate strong cash reserves to allow for a strategy of pay-as-you-go financing for future infrastructure repair. Funding for future infrastructure replacement (funding depreciation) was never a component of the rate structure.

Beginning in 2003, a pattern of declining water usage started. In 2002, 1.63 billion gallons of water were metered with an average monthly consumption rate of 7,906 gallons. In 2011, 1.3 billion gallons were metered with an average monthly consumption of 6,340 gallons.

The following chart shows the average monthly water consumption since 1990.



The outlier in FY 2005 was drought induced. Absent that year, a fairly linear decline began after FY 2002. Even with the decline, the Water Fund was able to cover its operating expenses and generate a small surplus each year until 2006. A rate recommendation was made to increase the rate by 33 percent to \$2.40/1,000 gallons effective January 1, 2007. The increase stabilized the fund but did not start building additional cash reserves for future capital construction. A second rate increase of 25 percent to \$3.00/\$1,000 percent was approved for 2010. Again the increase helped to ensure that water sales would offset operating expenditures.

The drop in water consumption appears to have reached bottom in 2009. The reason for the decline is likely due to a confluence of factors. Economic conditions have led to more vacant homes or more judicious use of water. The region has had a series of mild summers that has tempered the demand for outdoor irrigation water. The final factor is the institution of energy efficient appliances. For the planning of this pro-forma, it is estimated that the current fiscal year will close at 1.31 billion gallons sold and will carry forward through the next 20 years. Although there will be an increase in total consumers over the next two decades, continued conservation efforts will likely counterbalance that growth. One factor that has not been integrated into this analysis is any potential impact of replacing worn out meters in homes. As these devices start to fail and are replaced, there is the potential for more accurate (higher) reads.

Water Fund Financials:

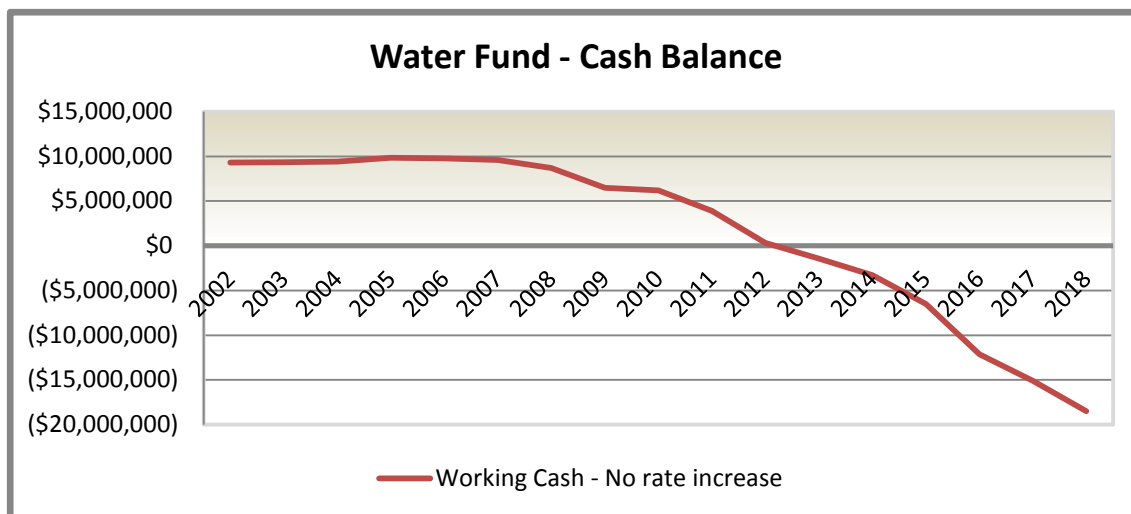
During the high growth years of the water system, the Water and Sewer Fund was able to amass a cash balance that allowed for a reserve to address infrastructure maintenance and improvement. Due to the relative age of the system, over a fifteen year span (1993-2007) the only capital expense was \$229,527 for the St. Mary's Road water main replacement. Since 2007 the following capital expenses will have occurred by the end of the current fiscal year;

Johnson Drive lift station	240,886
Linden Avenue lift station	402,153
Cambridge on the Lake lift station	160,049
Buffalo Creek water main	86,682
Arlington Heights water main	581,631
Reservoir #7	1,777,682
Security Improvements	640,000
Total	\$ 3,889,083

Until FY 2007, the Water and Sewer Fund maintained a cash and investment balance of approximately \$10 million. That balance was accrued with the intention to cash finance capital projects in the future. As planned, those reserves are being used to pay for almost \$4 million in infrastructure repairs and improvements.

The following chart depicts the Water Fund's cash activity since 2002. Given the current trajectory of revenues and expense within the fund the resultant cash balance will be in a deficit by the third quarter of 2013. If the rates are not increased to stabilize the fund, the Village will need to establish an inter-fund loan transfer from the Corporate Fund to the Water Fund. This should only be considered as a worst case course of action. An enterprise fund by its very nature is intended to recover its cost of operations through user charges. The establishment of an inter-fund loan would be questioned by the bond rating agencies as a weakness of the fund and it would be extremely

important to eliminate the loan as quickly as possible. All options presented will all address the operating deficits and repair the fund cash reserves to varying degrees.



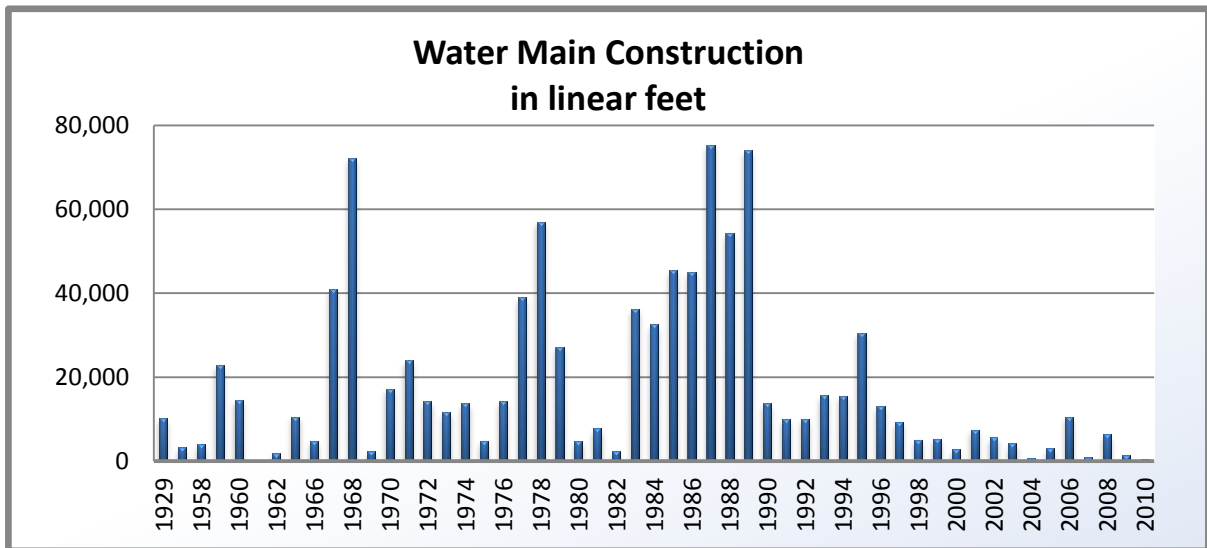
The finance department has prepared a twenty year pro forma of the Water and Sewer Fund that factors for not only anticipated revenues and operating expenses but also capital expenditures that go beyond the revolving five-year Capital Improvement Plan.

Water and Sewer System Assets:

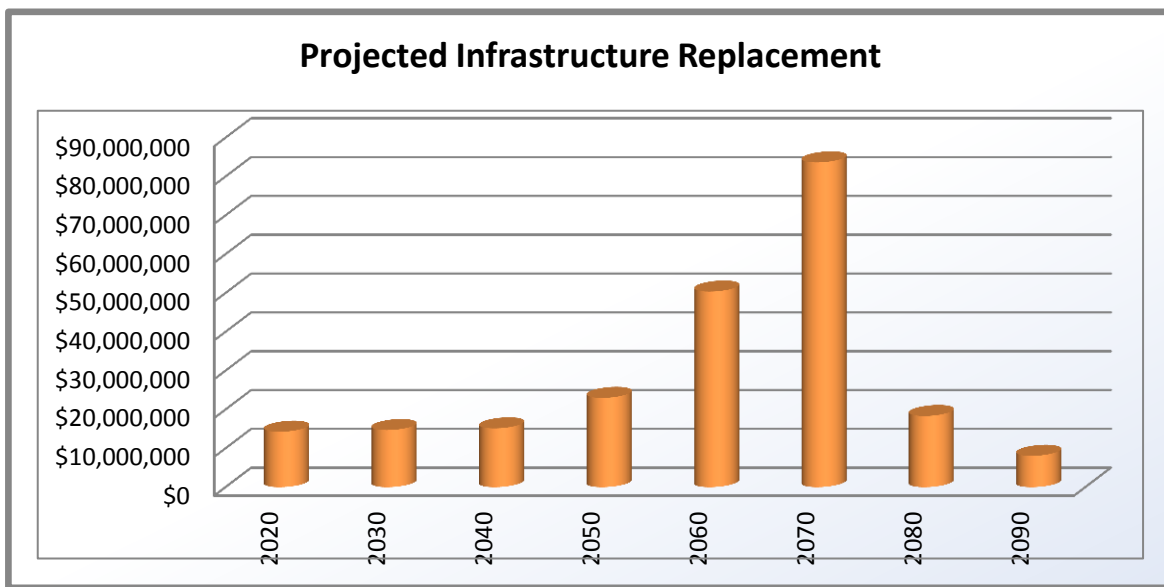
The first step in the process was to determine the replacement cost of the water main system. The system consists of 181 linear miles of main. The value of the main system in today's dollars is approximately \$200 million. The service life of the infrastructure ranges from 50 years for cast iron main to 75 years for ductile iron. The replacement cost of the entire system at the end of the 20 year study, inflated at 3% per year, is \$773 million. The assumption used for replacing any future water mains is that on any given year where sections of the system have reached the end of their useful life 25% of the system will be replaced. For instance, water main constructed in 1962 has a replacement cost of about \$372,000; we then forecast that \$94,000 in repairs. This cost estimate compensates for the improbability that the entire section will be replaced. The estimates reflect rolling replacements where in certain instances only sections are repaired. Another factor for consideration is that the replacement cost includes a curb-to-curb street reconstruction. About 50 percent of that expense will be charged to the Capital Projects Street Fund or the Motor Fuel Tax Fund.

Within the straight line depreciation calculation beginning with the oldest main constructed in 1929, the first replacement should have occurred in 1979. Approximately \$10 million in water mains have 'expired' but have not needed to be repaired. Estimating the actual asset life at times is more abstract than qualitative. Pipe that is ensconced in stable soil and subjected to consistent water pressure may have a service life that may double an engineering estimate, and conversely, shifting soils may reduce the life by many years.

The following chart shows the pattern of construction of water main since 1929.



During the thirteen years spanning 1983-1996, almost 50% of the water system was constructed. Fortunately during those years, the more resilient ductile iron was used. The age distribution of the water main leads to the cost estimates to replace the system noted in the graph presented below,



Replacement costs begin to ramp up in the 2060s and 2070s as main installed during the peak construction years reaches seventy years of age.

Water main is only one component of the delivery system. Other assets include the sanitary sewer main, lift stations, and booster stations. The sanitary sewer mains have roughly the same total mileage as the water main. The service life of the sewer mains should be significantly higher than water mains as they are not subjected to pressure. Since the Village does not treat waste there are no treatment facilities to fund. For the purpose of the pro forma, the FY 2012-2016 Capital Improvement Plan was added to the calculation. Beyond 2016, a flat amount is budgeted each year to address sanitary sewer system and lift station repairs.

Water Rate Recommendations:

The pro forma was developed around an annual consumption base of 1.31 billion gallons. Operating expenses were built upon the FY 2012 budgets and indexed for inflation. For operating expenses, 3 percent inflation is growth target. The same inflation was used to index the capital improvement plan maintenance program for the sewer system.

As part of the analysis, a working cash threshold was established at 25% of the operating budget of the water and sewer fund net of pass through revenue/expenses activity related to Lake County Public Works. At minimum, the fund must strive to always have three months worth of expenses in the bank to ensure the Village meets its obligations to the Northwest Water Commission.

The Water Fund had nearly \$4.6 million in cash at the end of 2011. The working cash threshold is \$1.1 million. The difference between the two is noted as net reserve over/(under) working cash and represents cash available for infrastructure repairs and improvements. It is anticipated the much of the \$3.5 million difference will be used to complete the deep well construction at reservoir #7 and improvements to lift stations. The ending cash balance in 2012 is budgeted to be \$1.8 million.

The following options for water rate increases are proposed for Village Board consideration. A copy of the pro-forma for each option is attached to this narrative. The reference to combined water/sewer rate is for village water and sewer charges. It does not include Lake County sanitary sewer fees for system charges through the Metropolitan Water Reclamation District (Cook County). For all three options, another variable to consider is the timing of the first increase. Obviously, the sooner the increase to water rates the better. From a practical perspective some things to consider are, (1) an increase effective during the peak usage months (summer) will generate an immediate impact of the rate increase, (2) an increase this fall will be perilously close to the utility billing module being rolled out to the community with the perception that the new software/customer enhancements caused the rate increase, and (3) Lake County Public Works is conducting a formal rate study and will likely be making a recommendation to institute rate increases on sanitary sewer collection.

OPTION 1

This option includes a 35 percent increase to the combined water rate the first year, 30 percent increase the second year and 3 percent increase every year thereafter. The final rate in 2031 will be 8.30 or a 170 percent increase.

What is accomplished?

A minimum working cash balance is maintained through the 20 year pro-forma. All anticipated infrastructure repairs are paid with fund reserves (pay-as-you go). No significant capital reserve is established beyond working cash balances.

What isn't accomplished?

A reserve for significant capital improvement (beyond maintenance) is not established.

OPTION 2

This option is an effort to reduce the initial impact of the needed rate increases by developing a rate that will only cover operating expenses. Debt will be issued to cover all capital maintenance and improvements. Option 2 calls for a 20 percent increase the first year, 20 percent the second year, and 5 percent each year thereafter. A series of debt issues would occur in 2013 (\$8,000,000), 2018 (\$10,000,000) and 2022 (\$22,500,000). The final rate in 2031 will be 10.37 or a 245 percent increase.

What is accomplished?

A minimum working cash balance is maintained through the 20 year pro-forma. The first two year rate increases are reduced by 25 percent

What isn't accomplished?

A reserve for significant capital improvement (beyond maintenance) is not established. The end rate is \$2.07, or 25 percent, more than option 1 at the end of the study.

OPTION 3

This option includes a 35 percent increase in the first year and 30 percent the second year similar to option 1. This difference is a 4% annual adjustment thereafter. The final rate in 2031 will be \$10.26 or 242 percent increase.

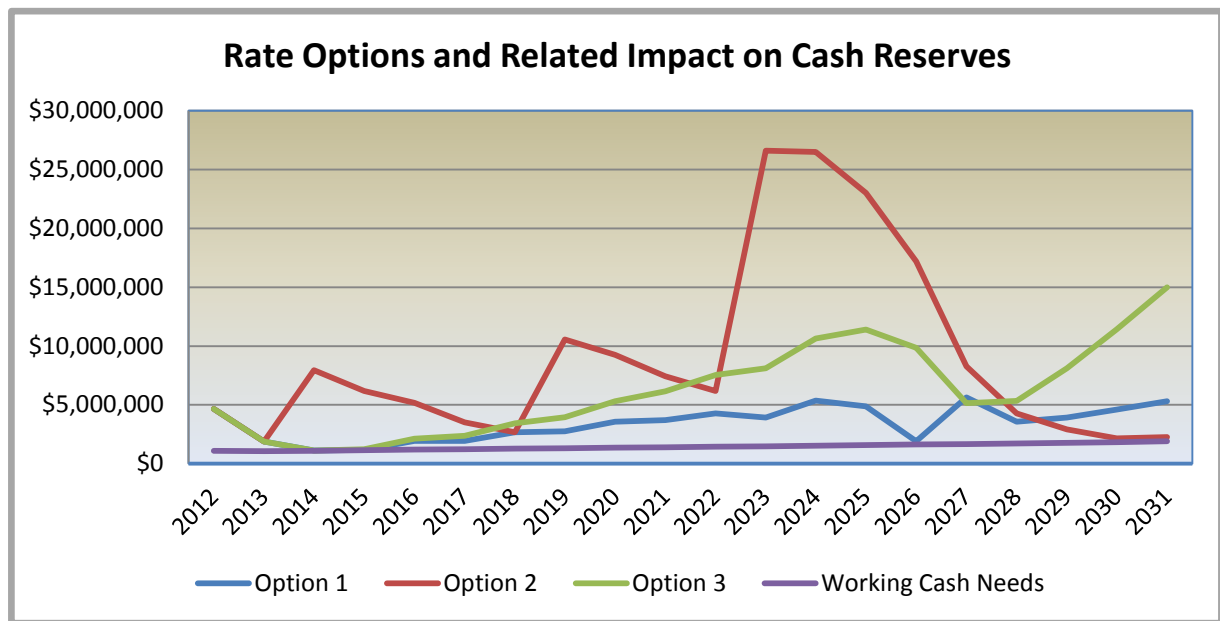
What is accomplished?

A minimum working cash balance is maintained through the 20 year forma. A capital reserve is developed that will allow for flexibility in responding to emergency repairs or capacity improvements.

What isn't accomplished?

This option addresses most of the issues regarding the rate deficiency.

The chart below shows the impact of each option on the Water Fund's cash reserves.



Comparative Rates

Listed on each option pro-forma is a listing of combined water rates for the Northwest Water Commission communities (Arlington Heights, Palatine and Wheeling). For comparison purposes these Village have cost structures similar to Buffalo Grove and provide for a good basis for analysis. Currently these are the member rates;

Buffalo Grove	\$3.00/1,000 gallons
Arlington Heights	\$5.05/1,000 gallons
Palatine	\$4.80/1,000 gallons (resident)
	\$10.83/1,000 gallons (tax exempt property)
	\$13.34/1,000 gallons (extra-territorial)
Wheeling	\$6.30/1,000 gallons

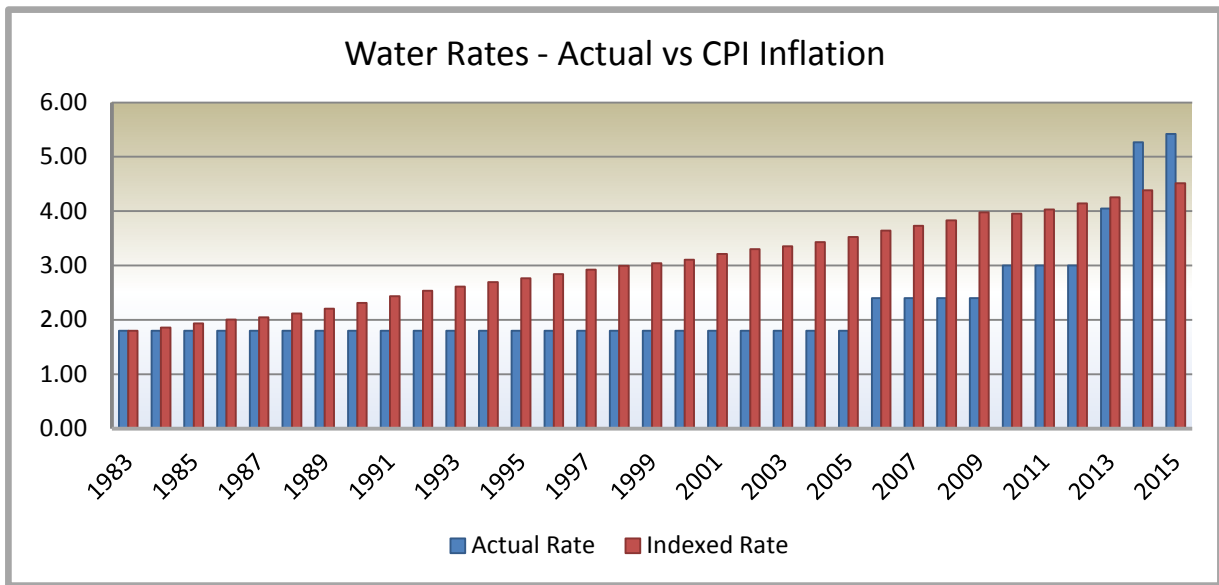
Included in the chart below are the water rates of other communities. Each community had a rate increase for the current fiscal year.

The chart below is a listing of water rates, not including local sewer rates, for other regional municipalities. All rates are reported per 1,000 gallons;

Clarendon Hills	7.93	Lombard	4.68
Hinsdale	7.67	Park Ridge	4.67
Oakbrook Terrace	7.14	Wheeling	4.65
La Grange	7.07	Des Plaines	4.56
Rolling Meadows	6.36	Hanover Park	4.55
Winfield	6.26	Bloomington	4.40
Glen Ellyn	6.04	Hoffman Estates	4.38
Bensenville	5.95	Glencoe	4.37
Villa Park	5.95	Roselle	4.20
Lake Bluff	5.85	Downers Grove	4.18
Wood Dale	5.84	Itasca	4.11
Vernon Hills	5.69	Glendale Heights	4.06
Morton Grove	5.34	Arlington Heights	4.03
Schaumburg	5.32	Westmont	4.00
Grayslake	5.21	Carol Stream	3.88
Elk Grove Village	5.10	Woodridge	3.66
Niles	5.05	Northbrook	3.40
Glenview	5.00	Naperville	3.17
Oak Brook	4.99	Wilmette	3.17
Elmhurst	4.95	Palatine	3.15
Darien	4.90	Wheaton	3.12
Mount Prospect	4.87	Highwood	2.65
Lake Forest	4.79	Buffalo Grove	2.40
Libertyville	4.79	Highland Park	2.25
Willowbrook	4.79	Evanston	2.03

The average water rate is \$4.73. Buffalo Grove rates are 49.9% less than that rate. The median rate is \$4.74. The two communities that have a lower rate than Buffalo Grove access Lake Michigan water directly.

If the Village had indexed its 1983 rate of \$1.80 to inflation the rate in 2013 would have been \$4.26. The rate recommended under both options 1 and 3 have a rate of \$4.05 in 2013. Below is a comparison of the actual water rate versus indexed rate since 1983.



If the Village took the approach to index the water rate to inflation in 1983, the result would have been an additional \$43.6 million in revenue.

Staff believes that both options 1 and 3 provide a solution for working cash needs. Option 3 gives more flexibility for deviations in the pro-forma. There are no solutions that can delay a significant rate increase in the first two years. The Village must start imposing a rate that is, at minimum, similar to other NWWC members with similar expense profiles. The use of level (inflation) increases each year beyond the first two year is important to minimize future rate spikes and get customers accustomed to an annual rate increase.

The impact of infrastructure maintenance costs and the related strain on the water and sewer fund is not unique to the Village of Buffalo Grove. All communities to varying degrees are challenged on how to maintain and protect their system assets. A proper rate structure is the first step to ensuring that the fund will have the resources available to maintain the integrity of the system.

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Appendix C

Human Resources

Health Plan Benefits

Employee Staffing Levels



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Health Plan Benefits

The Village offers three health insurance coverage options (2 PPOs and 1 HMO) on a self insured, pooled basis using the BlueCross BlueShield network. The Village also offers Basic Life /AD&D through Reliance Standard and Dental insurance coverage on a self-funded, pooled basis through MetLife.

On January 1, 2012, the Village entered the Intergovernmental Personnel Benefits Cooperative (IPBC) for the period of January 1, 2012 – July 1, 2014. Established in 1978, the IPBC is a benefits pool, created under Illinois Law and regulated by the Illinois Department of insurance. Comprised of approximately 63 municipalities and similar units of local government, the IPBC covers over 10,000 active employees and retiree lives. Participation in the IPBC provides the Village with great benefits, including, but not limited to the following:

- (1) IPBC rate increases have historically trended lower than industry benchmarks.
- (2) Economies of scale are experienced from negotiating and purchasing insurance products in intergovernmental consortiums.
- (3) The IPBC has expanded access to more effective cost containment options by negotiating contracts with BlueCross BlueShield, Cigna, and United Healthcare.
- (4) The IPBC provided a wealth of information and support services to assist the Village in regard to the impact of Healthcare Reform, compliance, and cost analysis.

Multi-Year Approach to Employee Health Care Premium Contributions

For a decade, the Village has charged its eligible employees 10% of the premium for their medical insurance benefit. Effective January 1, 2012, the Village began a multi-year approach to increasing medical premium contribution to 15%. The FY2012-FY2016 medical insurance premium contribution schedule that has been adopted for all eligible Village employees, including those in the bargaining unit, is as follows:

- 2012 – 11% employee contribution to health insurance premium.
- 2013 – 12% employee contribution to health insurance premium.
- 2014 – 13% employee contribution to health insurance premium.
- 2015 – 14% employee contribution to health insurance premium.
- 2016 – 15% employee contribution to health insurance premium.

2012 versus 2013 Premium Structure (\$)

	2012 rates		2013 rates	
<u>PPO-A Medical Plan</u>				
90% In-Network /				
70% Out of network benefit				
	<u>Monthly</u>	<u>Total Premium</u>	<u>Monthly</u>	<u>Total Premium</u>
Single employee	61.14	555.83	70.03	583.62
Single + 1 dependent	123.5	1122.77	141.47	1,178.91
Family + 2 dependents	218.27	1984.29	250.02	2,083.50

	2012 rates		2013 rates	
<u>PPO-B Medical Plan</u>				
100% In-Network /				
0% Out of network benefit				
	<u>Monthly</u>	<u>Total Premium</u>	<u>Monthly</u>	<u>Total Premium</u>
Single employee	64.36	585.01	73.71	614.26
Single + 1 dependent	129.99	1181.71	148.90	1,240.80
Family + 2 dependents	229.73	2088.47	263.15	2,192.89

	2012 rates		2013 rates	
<u>HMO Medical Plan</u>				
	<u>Monthly</u>	<u>Total Premium</u>	<u>Monthly</u>	<u>Total Premium</u>
Single employee	56.23	511.16	63.79	531.61
Single + 1 dependent	113.58	1032.54	128.86	1,073.84
Family +2 dependents	200.73	1824.83	227.74	1,897.82

	2012 rates		2013 rates	
<u>DENTAL</u>				
No employee contribution				
	<u>Monthly</u>	<u>Total Premium</u>	<u>Monthly</u>	<u>Total Premium</u>
Single employee		43.64		44.51
Single + 1 dependent		73.47		74.94
Family + 2 dependents		123.21		125.67

Employee Staffing Level

Seasonal employees are included with part-time employee count.

Office of the Village Manager/ Administration	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Administrative Intern	0	0	0	0	0	0
Assistant to the Village Manager	0	1	1	0	1	0
Associate Planner	0	1	0	1	0	1
Deputy Village Manager	1	0	1	0	1	0
Director of Human Resources	1	0	1	0	0	0
Emergency Response Coordinator	0	1	0	1	0	1
Village Manager	1	0	1	0	1	0
Village Planner	1	0	1	0	1	0
Secretary	1	1	1	1	1	0
Total	5	4	6	3	5	2
Full & Part-Time Total	9		9		7	

Note: Human Resources Director and PT Secretary positions reflected in separate Human Resources table effective January 1, 2013.

Building & Zoning	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Building Inspector	1	0	1	0	1	0
Deputy Building Commissioner	2	0	2	0	2	0
Electrical Inspector	1	0	1	0	1	0
Health Inspector	1	0	1	0	1	0
Plan Reviewer	1	0	1	0	1	0
Plumbing Inspector	1	0	1	0	1	0
Property Maintenance Inspector	1	0	1	0	1	0
Clerk II	0	2	0	2	0	2
Secretary	1	0	1	0	1	0
Total	9	2	9	2	9	2
Full & Part-Time Total	11		11		11	

Finance & General Services	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Assistant Finance Director	1	0	1	0	1	0
Director of Finance/Treasurer	1	0	1	0	1	0
Payroll Clerk III	1	0	1	0	1	0
Purchasing Manager	0	0	0	0	1	0
Clerk III	2	0	4	0	3	0
Clerk II	2	2	1	1	1	1
Total	7	2	7	1	8	1
Full & Part-Time Total	9		8		9	

Human Resources	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Director of Human Resources	0	0	0	0	1	0
Secretary	0	0	0	0	0	1
Total	0	0	0	0	1	1
Full & Part-Time Total	0		0		2	

*Human Resources Director and PT Secretary positions reflected in separate Human Resources table effective January 1, 2013.

Golf Operations	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Assistant Director of Golf Operations	1	0	1	0	1	0
Assistant Golf Professional	1	0	1	0	1	0
Assistant Golf Professional	0	2	0	2	0	2
Director of Golf Operations	1	0	1	0	1	0
Golf Course Attendant - Seasonal	0	15	0	15	0	15
Golf Course Cashier - Seasonal	0	9	0	9	0	9
Golf Course Maintenance Worker	0	1	0	1	0	1
Golf Course Maintenance Worker – Seasonal	0	14	0	14	0	14
Golf Course Maintenance Worker II	0	0	1	0	1	0
Golf Course Maintenance Worker III	1	0	1	0	1	0
Golf Course Starter/Ranger – Seasonal	0	11	0	11	0	11
Golf Course Superintendent	1	0	1	0	1	0
Golf Course Supervisor	1	0	0	0	0	0
Head Golf Professional	1	0	1	0	1	0
Horticulturist	1	0	1	0	1	0
Total	8	52	8	52	8	52
Full & Part-Time Total	60		60		60	

Information Technology	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Director of Information Technology/EMA Coordinator	1	0	1	0	1	0
Information Technology Analyst	1	0	1	0	1	0
Information Technology Assistant	1	0	1	0	1	0
Programmer	0	1	0	1	0	1
Total	3	1	3	1	3	1
Full & Part-Time Total	4		4		4	

*Independent contractor assigned to the IT Department is not reflected in this staffing table.

Fire Services	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Battalion Chief	5	0	5	0	5	0
Deputy Fire Chief	2	0	2	0	1	0
Deputy Fire Marshall	1	0	1	0	1	0
Fire Chief	1	0	1	0	1	0
Fire Inspector*	1	0	1	0	1	0
Fire Inspector/Public Education Officer	1	0	0	1	0	1
Fire Lieutenant	9	0	9	0	9	0
Firefighter/Paramedic	45	0	45	0	42	0
Secretary	1	0	1	0	1	0
Clerk III	1	0	0	0	0	0
Total	67	0	65	1	61	1
Full & Part-Time Total	67		66		62	

*Additionally, two full time Building Inspectors serve as part-time fire inspectors.

Police Services	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Chief of Police	1	0	1	0	1	0
Clerk III	4	0	3	0	3	0
Clerk II	0	2	0	1	0	1
Community Service Officer	3	0	3	0	3	0
Court Supervisor	0	1	0	1	0	1
Crime Prevention/Community Relations	0	1	0	1	0	0
Crossing Guard	0	9	0	9	0	9
Deputy Police Chief	2	0	1	0	1	0
Desk Officer I	0	2	0	2	0	2
Desk Officer II	4	0	3	0	3	0
Evidence Custodian	0	1	0	1	0	1
Patrol Officer	54	0	53	0	51	0
Police Commander	3	0	3	0	3	0
Police Sergeant	11	0	10	0	10	0
Police Social Worker	0	0	0	0	0	0
Records Supervisor	1	0	1	0	1	0
Research and Planning Specialist	0	0	0	0	0	0
Secretary	1	1	1	0	1	0
Technical Services Specialist	0	2	0	2	0	0
Total	84	19	79	17	77	14
Full & Part-Time Total	103		96		91	

Public Works/Engineering	FY 2011		FY 2012		FY 2013	
	FT	PT	FT	PT	FT	PT
Automotive Mechanic II	3	0	3	0	3	0
Automotive Mechanic III	1	0	1	0	1	0
Automotive Shop Assistant	0	1	0	1	0	1
Building Maintenance Supervisor	1	0	1	0	1	0
Building Maintenance Worker	2	0	2	2	2	0
Building Maintenance Worker II – CL	1	0	1	0	1	0
Civil Engineer I	1	0	1	0	1	0
Civil Engineer II	1	1	1	1	2	0
Clerk II	1	1	1	1	1	1
Clerk I	0	1	0	0	0	0
Deputy Director of Public Works	1	0	1	0	1	0
Director of Public Works	1	0	1	0	1	0
Engineering Aide	0	1	0	1	0	1
Engineering Technician	1	1	1	1	1	0
Fleet Manager	1	0	1	0	1	0
Forestry and Grounds Supervisor	1	0	1	0	1	0
Facility Coordinator	1	0	1	0	1	0
Laborer – Seasonal	0	9	0	9	0	9
Maintenance Worker I	9	0	10	0	10	0
Maintenance Worker II	8	0	8	0	8	0
Maintenance Worker II – CL	8	0	8	0	8	0
Maintenance Worker III	1	0	1	0	1	0
Metra Station Attendant	0	1	0	1	0	1
Operations Mgr – Streets, Drainage, Sanitary Sewer	1	0	1	0	1	0
Secretary	3	0	3	0	3	0
Superintendent of Water Operations	1	0	1	0	1	0
Technical Services Manager	1	0	1	0	0	0
Village Engineer	1	0	1	0	1	0
Water Customer Service Worker I	1	0	0	0	1	0
Total	51	16	51	15	52	13
Full & Part-Time Total	67		66		65	

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Appendix D

Document Definitions

Glossary
Acronyms



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Glossary

The Annual Budget contains terminology unique to public finance and budgeting. This glossary was prepared to assist the reader of this document in the understanding of some of these terms.

Abatement:

A partial or complete cancellation of a levy imposed by the Village. Abatements usually apply to tax levies special assessments and service charges.

Agency Fund:

A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

Appropriation:

A legal authorization granted by the Village Board to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

Assessed Valuation:

A value that is established for real or personal property and used as a basis for levying property taxes. (Note: Property values are established by the Township Assessor.)

Assets:

Property owned by a government.

Audit:

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation.

Balance Sheet:

That portion of the Village's financial statement that discloses the assets, liabilities, reserves and balances of a specific governmental fund as of a specific date.

Basis of Accounting:

A term used when revenues, expenditures, expenses, transfers, assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on the cash, modified accrual or the accrual method.

Bond:

A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for the financing of capital improvements.

Budget:

A plan of Village financial operations which includes an estimate of proposed expenditures and a proposed means of financing them. The term used without any modifier usually indicates a financial plan for a single operating year. The budget is the primary means by which the expenditure and service levels of the Village are controlled.

Budget Message:

The opening section of the budget which provides the Village Board and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Village Administrator.

Cash Management:

The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the balance of the highest interest and return, liquidity and minimal risk with these temporary cash balances.

Certificate of Deposit:

A negotiable or non-negotiable receipt for monies deposited in a bank or financial institution for a specified period for a specified rate of interest.

Charges for Service:

User charges for services provided by the Village to those specifically benefiting from those services.

Debt:

A financial obligation resulting from the borrowing of money. Debts of government include bonds, notes, and land contracts.

Deficit:

The excess of expenditures or expenses over revenues or income during a single accounting period.

Department:

A major administrative division of the Village which indicates overall management responsibility for an operation.

Depreciation:

The allocation of the cost of a fixed asset over the asset's useful life. Through this process the entire cost of this asset less any salvage value is ultimately charged off as an expense. This method of cost allocation is used in proprietary funds.

Distinguished Budget Award Program:

Award program that recognizes exemplary budget documentation run by Government Finance Officers Association. Budgets are reviewed using a comprehensive checklist and those judged proficient receive the award.

Enterprise Fund:

A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Expenditures:

Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental transfers.

Expenses:

Charges incurred, whether paid or unpaid, resulting from the delivery of Village services.

Fiscal Policy:

The Village's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year:

A 12 month period to which the Village's annual operating budget applies and at the end to which the Village determines its financial position and the results of its operation. The Village has specified January 1 to December 31 as its fiscal year.

Fixed Assets:

Assets of a long term character which are intended to continue to be held or used. Examples of fixed assets include items such as land, buildings, machinery, furniture, and other equipment.

Fund:

An accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance:

The fund equity of governmental funds. Changes in fund balances are the result of the difference of revenues to expenditures. Fund balances increase when revenues exceed expenditures and decrease when expenditures exceed revenues.

Generally Accepted Accounting Principles (GAAP):

Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

General Obligation Bonds:

Bonds that finance a variety of public projects such as streets, buildings, and improvements; the repayment of these bonds is usually made from the Debt Service Fund, and these bonds are backed by the full faith and credit of the issuing government.

Governmental Fund Types:

Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities, except those accounted for in proprietary and trust funds. In essence, these funds are accounting segregation of financial resources. Expendable assets are assigned to a particular governmental fund type according to the purposes for which they may or must be used. Current liabilities are assigned to the fund type from which they are to be paid. The difference between the assets and the liabilities of governmental fund types is referred to as fund balance. The measurement focus in this fund types is on the determination of financial position and changes in financial position (sources, uses and balances of financial resources), rather than on net income determination. The statement of revenues, expenditures and changes in fund balance is the primary

governmental fund type operating statement. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers and other changes in fund balance. Under current GAAP, there are four governmental fund types: general, special revenue, debt service and capital projects.

Income:

A term used in proprietary fund type accounting to represent (1) revenues, or (2) the excess of revenues over expenses.

IRMA (Intergovernmental Risk Management Agency):

An organization of 75 municipalities in the six county collar area around Chicago which joined together to pool insurance risk, cost, and coverage. IRMA, through its risk-sharing provisions, provides the Village with coverage for liability, property damage, automobile, and worker's compensation insurance.

Intergovernmental Revenue:

Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Levy:

(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments or service charges imposed by the Village.

Liability:

Debt or other legal obligations arising out of transactions in the past which must be liquidated renewed or refunded at some future date.

Modified Accrual Basis:

The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual that is when they become both "measurable" and "available" to financial expenditures of the current period: "Available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditure either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

Net Income:

Proprietary fund excess of operating revenues, non-operating revenues, and operating transfers in over operating expenses, non-operating expenses, and operating transfers out.

Property Tax:

Property taxes are levied on real property according to the property's valuation and the tax rate.

Proprietary Fund Types:

The classification used to account for a Village's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The GAAP used are generally those applicable to similar businesses in the private sector

and the measurement focus is on determination of net income, financial position and changes in financial position. However, where the GASB has issued pronouncements applicable to those entities and activities, they should be guided by these pronouncements.

Retained Earnings:

An equity account reflecting the accumulated earnings of the Village's Proprietary Funds.

Revenue:

Funds that the government receives as income. It includes such items as tax receipts, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Tax Increment District:

A legal entity created by local resolution to promote improvements, jobs, etc. The taxes generated from the assessed value "increment" above the base year is used to finance the costs of the improvements which generate the increased assessed valuation.

Tax Levy:

The total amount to be raised by general property taxes for operating and debt service purposes.

Tax Rate:

The amount of tax levied for each \$100 of assessed valuation.

Trust Funds:

Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

Acronyms

<u>CAD:</u>	Computer Aided Dispatch
<u>CIF:</u>	Capital Improvement Fund
<u>CIP:</u>	Capital Improvement Plan
<u>EAB:</u>	Emerald Ash Borer
<u>EAV:</u>	Equalized Assessed Valuation
<u>EMA:</u>	Emergency Management Agency
<u>FLSA:</u>	Fair Labor Standards Act
<u>GAAP:</u>	Generally Accepted Accounting Principals
<u>GFOA:</u>	Government Finance Officers Association
<u>HVAC:</u>	Heating, Ventilation Air Conditioning
<u>IMF:</u>	Infrastructure Maintenance Fee
<u>IMRF:</u>	Illinois Municipal Retirement Fund
<u>IRMA:</u>	Intergovernmental Risk Management Agency
<u>MCSC3:</u>	Mobile Comm Support Center 3
<u>MDC:</u>	Mobile Data Computer
<u>MFT:</u>	Motor Fuel Tax
<u>OTSW:</u>	Opportunities, Threats, Strengths and Weaknesses
<u>SOP:</u>	Standard Operating Procedure
<u>SWANCC:</u>	Solid Waste Agency of Northern Cook County
<u>TERF:</u>	Technology Equipment and Replacement Fund
<u>TIF:</u>	Tax Increment Financing
<u>VSI:</u>	Voluntary Separation Incentive



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