

Village of Buffalo Grove



2016

**Adopted Budget
January 1, 2016 -
December 31, 2016**

Village of Buffalo Grove

Adopted Budget: January 1, 2016 to December 31, 2016

Beverly Sussman, Village President
Dane Bragg, Village Manager
Janet Sirabian, Village Clerk

Jeffrey Berman, Trustee
Steven Trilling, Trustee
Andrew Stein, Trustee
Lester Ottenheimer, Trustee
David Weidenfeld, Trustee
Joanne Johnson, Trustee

Cover Images: Matthew Jacobsen





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Illinois**

For the Fiscal Year Beginning

January 1, 2015

Executive Director

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Section 1

Transmittal Letter

Dane C. Bragg, Village Manager



VILLAGE OF BUFFALO GROVE

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

November 2, 2015

Honorable President Beverly Sussman 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, 2016. The Village Board and staff share a thoughtful and long-term approach to fiscal stewardship and the development of the annual operating plan and funding allocations. For 2016, the Village of Buffalo Grove will again enter the year with a positive operating position and is forecast to continue that position with a balanced budget. In addition, the Village will continue its efforts to allocate additional dollars to long-term capital improvements to aging infrastructure and facilities.

Over the past five years, the leadership team has worked cooperatively to clear significant financial hurdles, while repositioning the balance sheet with an eye toward sustainability. To that end, several organizational and alternate service delivery models were adopted, the procurement process was restructured, new reserves were established for asset management and replacement, and programs were modified to meet long-term budget targets. While several targets are still in process, the Village has been able to effectively navigate choppy economic waters and re-establish sustainable trend lines for many long-term needs.

Village staff members have worked diligently to provide for a nominal-growth ad valorem tax rate for the forthcoming year and appropriate resources allocated for public safety, infrastructure and general services. There are no material service or program changes proposed for 2016.

STRATEGIC PLANNING AND MANAGEMENT

Many of the Village's efforts leading up to the preparation of the 2016 budget center on the strategic management goals adopted by the Village Board in 2012. As the organization enters its fourth full year of the adopted *Strategic Plan*, the Village Board is currently reviewing the plan's progress to date and will soon consider amendments to the plan to better reflect actual conditions in achieving desired outcomes.

Within the 2016 budget, financial resource allocations are directly tied to desired strategic outcomes, as outlined in *Section 4: Executive Summary*.

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 establish the framework for the Village's 2016 work plan.

2018 Outcomes

- ✓ Customer Service Ratings at 85% or greater
- ✓ General Fund Reserves >35%
- ✓ Capital Equipment Funding = 50%
- ✓ Program Based Budget
- ✓ Sales Tax Increases 15%
- ✓ E-Services Portal

The Village will continue many of its now longstanding initiatives in 2016. The major themes include continuing to expand access to electronic services for residents and customers, continuing the development of the community's economic development strategy, evaluating programs and services to maximize efficiency, benchmarking service level expectations and quality, as well as developing employees through training and collaborative leadership efforts.

As it pertains to financial goals, the Village will continue to maximize revenue capture through audits of revenue sources, controlling expenditures, recommending funding strategies for vehicle and equipment replacements and assessing financing options to continue clearing backlogged street, water and sanitary sewer projects.

The Village continued its commitment to long-term operational and capital planning by updating and presenting its five-year *Operating Financial Forecast 2016-2020* and the *20-Year Water and Sewer Pro-Forma*. The 2016 projections were previously presented to the Village Board on August 17, 2015, a copy of each is included in *Appendix B*.

The Village's overall strategic efforts since 2012 have resulted in a significant restructuring of the expense ledger and corresponding reduction in the cost of providing services. As discussed throughout the budget, the Village will have to remain steadfast in pursuing strategies that provide for continued revenue growth and cost reductions, in order to adequately fund future costs associated with retirement and healthcare benefits.

GENERAL OPERATIONS

The Village's 2016 financial plan continues prior work in the areas of service efficiency, cost reduction and capital investment targeted to highest priorities. As outlined later in this correspondence, the Village will continue its plan to reinvest in core infrastructure assets through its Capital Improvement Plan. Within the area of general operations, staffing levels are projected to remain nearly constant. Subsequent to the Village's decision to outsource the golf course maintenance operations in 2015, projected total personnel will decrease from 294 to 269 for the year, with full-time personnel expected to

decrease from 216 to 208 and part-time staff reduced from 78 to 61, year over year. Over the past five years, total staffing Village-wide has decreased more than 21 percent through attrition and alternate service delivery models, from a peak of 327 in 2010.

Staff will complete the implementation of the electronic work order and asset management system (Cartegraph) for Public Works to enhance efficiency and improve access to data in the field, as well as continued improvements to IT assets including fiber connections to and from Village sites. Further work is planned to improve supervisory control and data acquisition (SCADA) and telemetry system components for water system management purposes.

The golf operation has stabilized in the post-recession economy, with 2014 fee revenue totaling \$2,245,605. This revenue remains less than the pre-recession peak by approximately 3.2 percent, or \$80,000 annually. The post-recession trend is a 0.64 percent average year-over-year decline in fee revenue. To offset the highly competitive market for golf patrons, the Village has taken extraordinary steps to reduce operating costs while maintaining the highest level of service possible at both the Buffalo Grove Golf Club and Arboretum Club courses. To that end, the Village Board approved an agreement to outsource maintenance operations in 2015, providing a 27.9 percent operational savings in year one, with a projected (contractual) savings of \$997,840 over five years. For 2016, operating transfers totaling \$301,939 are projected for the two courses, a decrease of \$44,377, of 14.7 percent, year-over-year.

Over the past three years, the Village has made a conscious effort to move to a program-based budgeting model, developing service tiers and internal service funds for village-wide in-house cost centers. Within *Section 8: Internal Service Funds*, the information technology, building maintenance and central garage activities are budgeted. Within each of the department or division budgets in *Section 5: Corporate Fund Summary & Detail* can be found the chargeback for each service to the department's operating expenses. For 2016, internal service chargebacks have been reallocated based on actual experience, which shows as a net decrease in charges for operating departments and divisions.

General Fund Revenues

Projected Revenue Changes	
✓	\$823,000 – Sales Tax (Combined)
✓	\$479,000 – Property Tax
✓	\$34,000 – Real Estate Transfer Tax
✓	\$1,200,000 – Storm Water Utility
✓	\$527,000 – Income Tax

FY 2016 General Fund revenue is expected to increase \$1,880,307 over 2015 estimated actual, primarily due to the scheduled implementation of a stormwater utility fee (\$1,200,000) for drainage facility maintenance/replacement in January 2016. Total General Fund revenue is estimated at \$41,714,743.

For existing revenue sources, state and home rule sales tax returns are projected to increase 3.0 percent from 2015 estimated actual, income tax is projected to increase by 4.0 percent from 2015 estimated actual. Utility use taxes for natural gas and electric service, building fees and rental registration fees are expected to remain constant.

The ad valorem (property tax) levy is discussed in further detail within this correspondence and within *Section 4: Executive Overview*. It is important to note that, while the overall levy is projected to grow slightly year-over-year, the categorical charges in the levy have been redistributed to better represent actual public safety expenses for police, fire and emergency medical services.

The General Fund revenue projections included in the 2016 budget are consistent with the five-year projections presented to the Village Board on August 17, 2015. The projections have been further refined based on budget balancing strategies and are included in *Appendix B: Financial Policies and Projections*. Additional information concerning revenue projections and trends may be reviewed in *Section 4: Executive Overview*.

General Fund Expenditures

The Village has aggressively managed expenditures in recent years with a strong focus on lean and efficient operations and competitive third-party contracts. General Fund actual expenditures as a percentage of budget are expected to be 100.6 percent for 2015, primarily due to unforeseen expenses associated with the replacement of the salt dome structure. The 2016 General Fund budget will increase \$2,643,681 year-over-year. Primary drivers of the increased expenditures include contingency (\$500,000), increases in healthcare benefit premiums for covered lives (\$400,000), general wage increase (\$450,000), additional capital projects (\$700,000) and miscellaneous inflationary growth for commodities and services. The proposed expenditure plan includes all necessary personnel wages and benefits, commodity costs and general operations to operate the organization in accordance with the Village Board's expectations.

Fund Balance

Projected Fund Balance	
✓	25% Reserve - \$9,519,285
✓	35% Reserve - \$13,325,249
✓	Projected Reserve - \$12,975,644 (34.1%)

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. 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 again affirmed in 2014 for existing as well as new debt issued in 2012.

For 2016, an unassigned fund balance of \$9.52 million is required to maintain sufficient operating cash within the General Fund. Unassigned fund balance is projected to be \$12.9 million, or 34.1 percent of the 2016 budget, less pension and capital reserve transfers as of December 31, 2016. 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 in the Water and Sanitary Sewer Fund.

ECONOMIC AND POLITICAL CLIMATE

The Village and the Chicago metropolitan area continue a slow comeback from the 2008 recession. At the national level, the seasonally adjusted unemployment rate has declined from 5.9 percent to 5.1 percent, year-over-year¹. While the unemployment rate has declined significantly since the 10.0 percent peak in October 2009, the year-over-year labor force participation rates have remained flat for the prior 18 months, indicating weakened interest in sustained job searches for the unemployed or underemployed.

Key Stats	
✓	\$268,700 – Median Home Value
✓	9.2% - YoY Increase – Home Sale Price
✓	4.2% - Unemployment Rate
✓	0.30% - Assumed Investment Yield

Other national factors affecting the Village include the implementation of the Affordable Care Act, specifically the Cadillac Tax provision, and the yet unapproved Marketplace Fairness Act, which would create a national basis upon which to tax internet sales.

The Village straddles two counties (Cook and Lake), which can complicate economic trend analysis. Due to the community's proximity to the Tri-State Tollway employment corridor and its position as a regional advanced manufacturing hub, it is logical to examine the projections for employment growth for the Lake County Local Workforce Investment Area. For the 2012-2022 projection period, the LWIA is expected to grow 1.43 percent, or 53,628 total positions. Industries with the greatest growth potential include management, scientific/technical services, computer system design related services, other health practitioners and home health care services. Likewise, health occupations also show the highest categorical projected growth rates, including home health aides, occupational therapists, physical therapist and therapist aides, orthotists and prosthetists. Postal service occupations expect the sharpest decline by 2022, with mail carriers, sorters, superintendents and clerks rounding out the bottom of the list². The Village of Buffalo Grove's unemployment statistics have consistently beat the national and state averages, with a September 2015 rate of 4.2 percent, 0.7 percent better than the metro area rate and 0.9 percent better than the state, for the same period³.

The local housing market continues a slow but steady recovery from the 2008 recession, with median home sale prices hitting a six-year year high of \$322,800 in September 2015⁴. The median sale price peaked in October of 2006 at \$359,550, and subsequently hit its lowest point over a ten-year period at \$166,000 in April 2013.

The State of Illinois remains the greatest external economic threat to the Village's operations. In addition to the ongoing political wrangling over a state budget (as of this writing, the state has been operating without a budget for more than four months), there are several state-level factors affecting the Village's ability to operate effectively. Several proposals have surfaced which, if enacted, could severely reduce the Village's

¹ Source: U.S. Department of Labor, Bureau of Labor Statistics, September 2015, Seasonally Adjusted

² Source: Local Workforce Investment Area Projections, 2012-2022, Illinois Department of Employment Security

³ Source: Illinois Department of Security, Labor and Unemployment Statistics, September 2015, Not Seasonally Adjusted

⁴ Source: Zillow Home Index, Zillow.com

revenues – including a proposed property tax levy freeze and a 50 percent reduction in state income tax revenues earned through the Local Government Distributive Fund (LGDF). While the property tax freeze proposal generates an immediate reduction of about \$500,000 in Year 1, the LGDF reduction could create a recurring revenue reduction of \$2.1 million. Combined, these two proposals would reduce the Village’s general fund revenues by 6.2 percent.

In addition, the budget impasse and ensuing political rhetoric has had a negative impact on the market for bonds issued by Illinois governments in general. Moody’s Investor Services downgraded the State of Illinois bond rating to Baa1 earlier this year, just three notches above junk status. The City of Chicago was also recently downgraded to a junk status of Ba1 in May of this year. As late as October 27, Moody’s published downgrades for six public universities in Illinois, stating “the university’s reliance on the state will place a strain on operations and liquidity” for each of the affected entities.

The Illinois Supreme Court further complicated matters in May 2015 by unilaterally striking down the state’s pension reform bill, reinforcing the need for the state to generate income to fill an estimated \$105 billion unfunded pension liability. Together, the confluence of the pension situation, expiration of the increased state income tax, a backlog of state accounts payable of more than \$4 billion and the lack of any foreseeable state budget have created a perfect storm of economic uncertainty for state government.

Despite the bleak economic forecast for the state, the Village has been able to maintain a strong balance sheet. By restructuring cost centers, realigning services and seeking diversified revenue sources, the Village has righted its economic ship in many respects. Further, staff has developed contingency plans and options should the General Assembly and Governor push forward any of the revenue reduction proposals outlined above.

The Village also repositioned its economic development strategy in 2015, kicking off a renewed Economic Development Strategic Plan process, which will be completed by year end. The Village hired its first Community Development Director at the end of 2014. Building & Zoning and Planning functions were unified into the Community Development Department. Staff has also developed several process efficiency improvements, electronic licensing and other value added services to enhance the building process in the Village.

For 2016, the Village will look to further refine its economic development focus by creating a corridor strategy for the Lake Cook Road corridor, implementing new branding/marketing initiatives highlighting our regional position in the advanced manufacturing sector and focusing on opportunity management for both greenfield and redevelopment sites.

Over the past year, the Village has successfully attracted new developments through the completion of the Easthaven of Buffalo Grove residential development, the opening of County Line Tavern, the reuse of the former Rexam facility by Nemera and Flextronics, the opening of ProSource and others. For 2016, the Village will be assessing a potential expansion of an existing building materials supplier which could generate significant sales taxes for the local community. The Village also continues its work in assessing

options for the development of the Berenesa Plaza properties, and will further discuss annexation and redevelopment strategies for the Milwaukee Avenue corridor.

The prolonged economic stagnation has negatively affected the Village’s ability to generate investment income. The 2016 budget anticipates corporate investment returns of 0.30 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 been consistent and solid, with the Police and Fire pensions earning 7.0 and 7.1 percent returns, respectively, for the period ending December 31, 2014.

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 decrease 4.9 percent, or \$3,828,739, from 2015. The budget decrease is largely driven by recalibration of internal service chargebacks, wrapping up the Emerald Ash Borer project and ongoing water meter automation projects, as well as changes in capital programs year-over-year. Capital projects total \$9.3 million for operating and enterprise projects, or 12.4 percent of the total budget. The following table provides a summary of all funds.

Fund	12/31/16 Revenue & Other Sources
General Fund	\$41,714,743
Special Revenue Funds	1,230,000
Debt Service Funds	807,063
Capital Project Funds	2,478,083
Enterprise Funds	16,507,245
Internal Service Funds	4,412,890
Permanent/Pension Funds	11,903,160
Total	<u><u>\$79,053,184</u></u>

Balance Sheet Considerations

The Village issued \$2.5 million in new debt in 2015 for the automated water replacement program and continues to take an aggressive approach to managing debt, having retired \$510,000 in debt obligations in FY 2015. For 2016, the Village will retire an additional \$525,000 on the Series 2010-A, Series 2010-B and Series 2012 issues. By year-end 2016, the Village will have outstanding bonded debt totaling \$9,515,000 with all current debt maturing no later than 2030.

Capital Program	
✓	\$1,268,776 – Capital Reserve Transfer
✓	\$9,618,083 – Capital Projects
✓	10.2% of Total Budget

The Village maintains a line of credit in the amount of \$8.0 million for the Emerald Ash Borer project and to provide cash as needed for capital projects. To date, the Village has drawn \$4.5 million of the total line, \$2.0 million of which was drawn in 2015. The Village has used the line of credit entirely for the EAB response program. In 2016, further draws in the amount of \$500,000 are contemplated to continue EAB tree replacements.

Village staff evaluated refinancing the line of credit balance with a refunding bond series, but does not recommend this approach. Given current all-time lows for both short- and long-term financing, a current refunding to long-term paper could increase the Village’s total interest costs. Staff will continue to work with its financial advisors on a recommended approach to longer-term financing of the line of credit expenses, based upon market conditions.

The Village will further contemplate a bond issuance for street and water system improvements in 2016. Staff will present a property tax analysis and project schedule for consideration before year-end 2015.

The Village’s strategy to fund long term depreciation for capital facilities and equipment was restructured in 2014 with the rebalanced budget process. A total of \$1,268,776 in reserve transfers for vehicles, building and infrastructure asset replacement is included in the budget.

CAPITAL INVESTMENTS

In addition to contributions for depreciated assets, the Village expends funds on an annual basis for the maintenance and replacement of certain assets through its *Capital Improvement Plan*. The plan is reviewed throughout the year with the Village Board and is approved annually as part of the budget process. The purpose of the plan is to present a five-year projection of anticipated projects in order to secure necessary funding allocations to complete the projects. The *Capital Improvement Plan* is often oversubscribed, meaning there are more funds requested than available. For this reason, the plan is financially constrained and made a part of the budget process.

For 2016, the capital plan budget is \$9,618,083 on requests totaling \$14,068,356. The unbudgeted portion of the plan is driven by backlogged street maintenance work (\$2.4 million) as well as water and sanitary sewer main replacement projects (\$2.0 million). The Village completed a \$6 million bond issue for street repair work in 2012 and will consider a second tranche of bond financing for street improvements in 2016.

The capital plan has shifted from technology-laden expenditures in recent years to bricks-and-mortar system replacement of facilities. The public works work order system implementation will remain a budgeted item for completion in 2016. Street repair and replacement projects will total \$1.7 million, in addition to fully funded sidewalk/bike path maintenance requests. The Village will incur approximately \$3 million of its \$6 million performance contracting project costs in 2015 for automated water meter replacements.

Water and sewer projects comprise 57 percent of the total capital expenditures budgeted for the year, while 21 percent of the capital program is allocated to streets. For more detailed information on the proposed capital plan, please refer to *Section 6: Capital Improvement Plan*.

The Village has instituted a new chargeback to the Refuse Fund for the purpose of ongoing repair and maintenance of streets. For 2016, the Refuse Fund will provide \$200,000 in reimbursements for street repairs.

In addition to facility and infrastructure investments, the Village will also fund a \$3.5 million equipment replacement program for 2016. Included within this program allocation is the replacement of one aerial ladder and one pumper apparatus for use by the Fire Department, comprising 64 percent of total expenditures. A full listing of equipment replacement priorities is included in *Section 6: Capital Improvement Plan*.

ENTERPRISE ACTIVITIES

Water and Sewer Utility

The Village Board approved a rate increase for water and sanitary sewer services on July 9, 2012. The combined rate will increase from \$5.48 per 1,000 gallons consumed to \$5.69, effective January 1, 2016.

The Lake County Department of Public Works prepared a rate analysis for the Southeast Wastewater Treatment Plant and published its rate for Lake County-Buffalo Grove residents in October 2015. The base rate will remain at \$4.00 per 1,000 gallons for the years 2016-2018, while the summer sewer credit factor will increase from 110 percent to 120 percent of average non-peak consumption.

The Village Board, along with the other member communities of Wheeling, Arlington Heights and Palatine, approved a customer agreement between the City of Des Plaines and the Northwest Water Commission in 2014 to provide a supplemental water supply. This arrangement is expected to provide long term rate stabilization and capital project funding for Commission system improvements. Des Plaines is expected to receive Commission water in 2016.

Stormwater Utility

The Village Board enacted a stormwater utility fee on October 19, 2015. The utility fee will take effect on January 1, 2016, with a fixed fee of \$5.08 monthly for single family residential parcels and a calculated fee based on lot size for all other parcels.

FEES, SALES & USE TAXES AND THE PROPERTY TAX LEVY

The following rate/tax amendments are proposed in the FY 2016 budget:

Property Tax Levy

The 2015 (payable 2016) tax levy includes fully funded Fire, Police and IMRF pension allocations as well as funding for public safety and debt service, for a total Village levy of \$15.4 million. Of the total levy request, \$607,063 will be used to service debt on the Series 2010-A, Series 2010-B and Series 2012 bonds after abatements totaling \$200,000. The property tax levy is scheduled to increase 3.2 percent year-over-year, excluding abatements.

An increase to the daily parking fee at the Sidney Mathias Train Station is included in the Parking Lot Fund budget, pending approval by the Village Board and Metra.

No additional fee, rate or tax amendments are proposed for the year except as previously approved by the Village Board.

PERSONNEL FACTORS

Staffing

Personnel levels are projected to remain stable, with 208 full-time and 61 part-time positions included in the budget. For all positions, the ratio of municipal employees per 1,000 residents is 6.4, compared to a ratio of 7.8/1,000 in 2010.

Wages

It is desirable that the Village provide for a general wage increase in 2016 in order to maintain a competitive environment for talented individuals. A 2.5 percent increase has been included in the salaries of full-time and part-time personnel. Under the pay-for-performance plan for non-represented employees, two allocations are provided for performance incentives in 2016, \$177,000 for satisfactory performance range movement and \$35,000 for performance that exceeds expectations, for a total of \$212,000, or 0.98 percent of payroll. In 2016, staff will evaluate salary ranges for all non-represented positions to ensure market competitiveness.

In total, the wage pool for 2016 is \$21,700,218, a 0.1 percent net decrease against 2015 budget. The wage pool includes base wages, compensatory time payouts, overtime, step increases, and pay for performance incentives for all employees.

The Village is currently operating under collective bargaining agreements with IAFF Local 3177 through April 30, 2017, and with the Metropolitan Alliance of Police through December 31, 2016. Both parties have wage reopeners scheduled for 2016.

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. The budget includes

training and professional development for employees totaling \$245,662 and inclusive of in-house training, tuition reimbursement and travel expenses. The Village's 2016 cost-per-employee for training activities is \$913, some 36 percent or \$325 less per employee than the national average.⁵

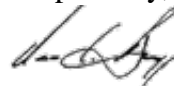
Employee Health & Wellness

For 2016, 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 association with IPBC provides balance and predictability to its self-funded health plan, with the incorporation of a nine percent fund reserve mandated by the cooperative. For 2016, various premium changes will take effect, including the fifth phased increase in employee percentage of premium contribution from 14 to 15 percent of total premium. Premiums will increase 10 percent, or approximately \$400,000, year-over-year. 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 no exception and reflects the values, mission and vision of the entire Village. 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 and Management Analyst Evan Michel for their contribution to creating the budget document. Grateful appreciation is extended to Andrew Brown, Deputy Finance Director, Jennifer Maltas, Deputy Village Manager, Mike Reynolds, Director of Public Works, Fire Chief Mike Baker, Police Chief Steve Casstevens, Arthur Malinowski, Director of Human Resources, Chris Stilling, Community Development Director, Franceska Fabyan, Accountant, Darren Monico, Village Engineer, Brett Robinson, Purchasing Manager, Geoff Tollefson and Joe Bridges of Golf, Nicole Woods, Village Planner, Brian Sheehan, Building Commissioner, Mike Skibbe, Deputy Public Works Director and Peter Cahill, Management Analyst 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 thoughtful planning for the Village's future.

Respectfully,



Dane Bragg,
Village Manager

⁵ Source: *2014 Industry Training Report*, training expenditures per learner, small companies, trainingmag.com.

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Section 2

Organization and Services

List of Principal Officials

Organizational Chart

Village Commissions, Committees and Boards

Village Overview



Principal Officials

Elected Officials



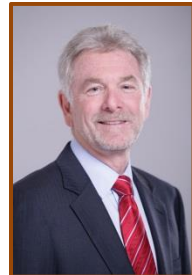
Beverly Sussman
Village President



Janet Sirabian
Village Clerk



Jeffrey Berman
Village Trustee



Steven Trilling
Village Trustee



Andrew Stein
Village Trustee



Lester Ottenheimer
Village Trustee



David Weidenfeld
Village Trustee



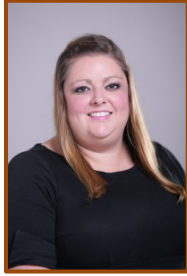
Joanne Johnson
Village Trustee

Principal Officials

Appointed Officials/Department Directors



Dane Bragg
Village Manager



Jennifer I. Maltas
Deputy Village Manager



Christopher Stilling
Community Development Finance Director



Scott Anderson
Finance Director



Steven R. Casstevens
Police Chief



William Baker
Fire Chief

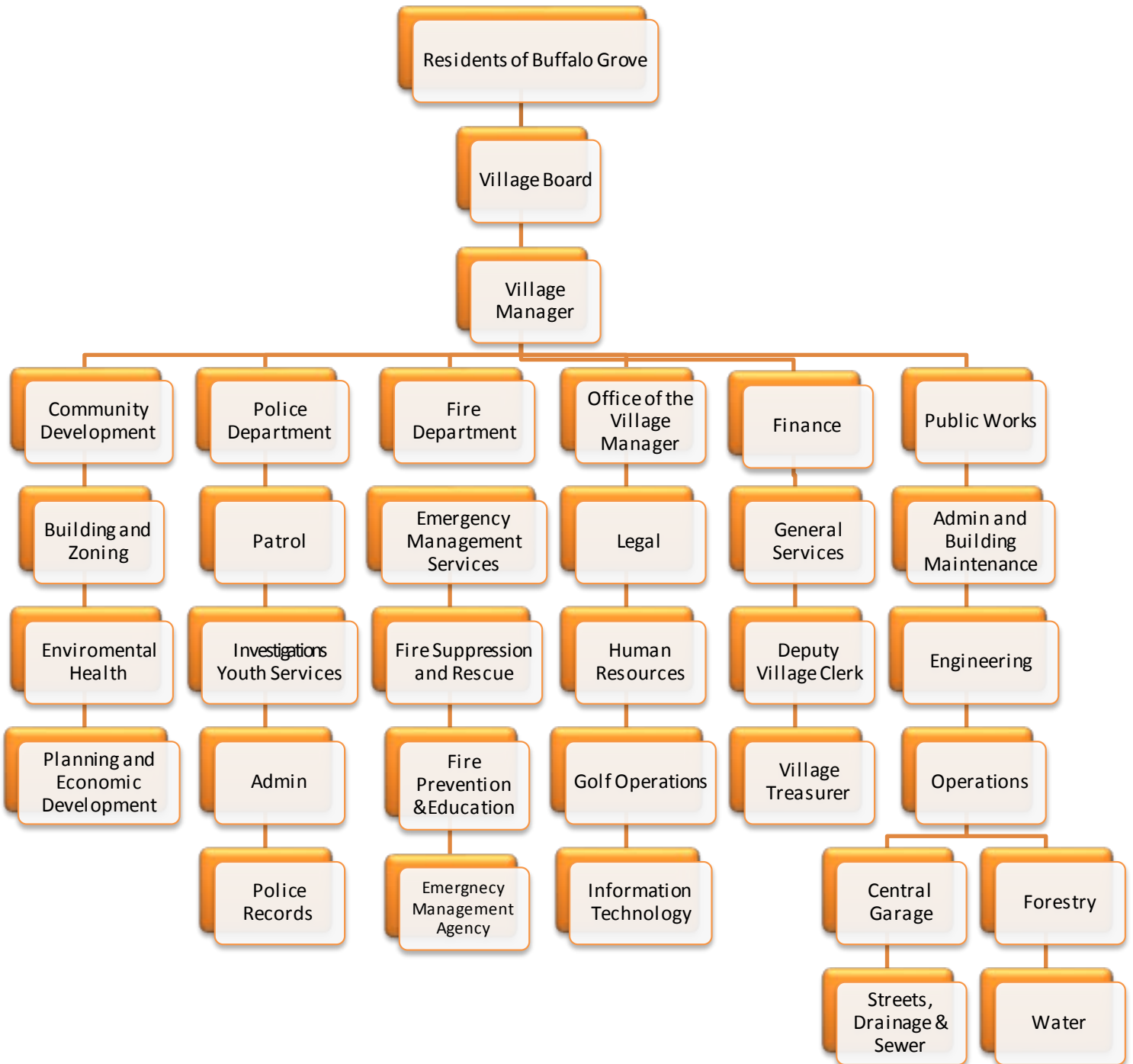


Michael Reynolds
Public Works Director



Art Malinowski
Human Resources Director

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.

Individuals interested in volunteering for a Village Commission, Committee, or Board are encouraged to complete a Talent Bank Application available on the Village's web site or by contacting Village Hall. Appointments are made by the Village President with the concurrence of the Board of Trustees. The 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 Health Commission
- 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 2.46 Planning and Zoning 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
- 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 41,778 (2013 U.S. Census Bureau 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.

- Median age: 42.9 (2011-2013 American Community Survey 3-Year estimates)
- Median household income: \$94,391 (2010-2012 American Community Survey 3-Year estimates)
- Per capita income: \$45,077 (2010-2012 American Community Survey 3-Year estimates)
- Total housing units: 16,997 (2014 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 2014 - December 2014:

	Number Sold	Average Value	Median Value
Single Family Detached	343	\$373,757	\$355,000
Single Family Attached	234	\$217,443	\$205,000
Multi-Family	132	\$110,931	\$106,500
All Residential	707	\$234,044	\$205,000

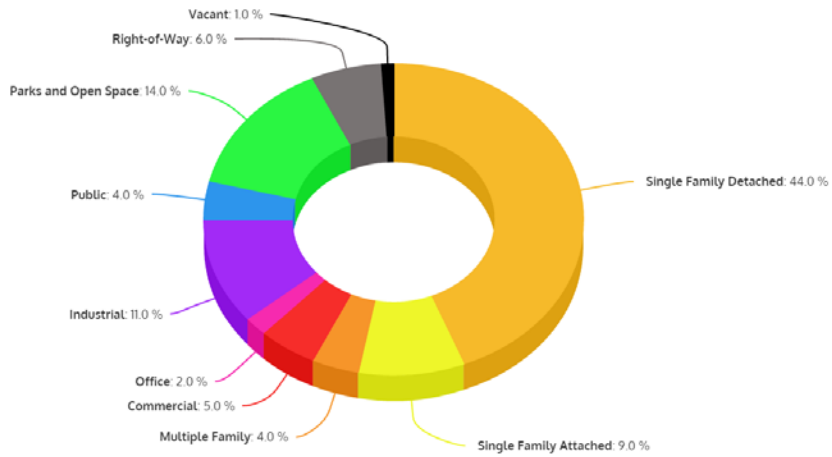
Village of Buffalo Grove

Statistical Breakdown

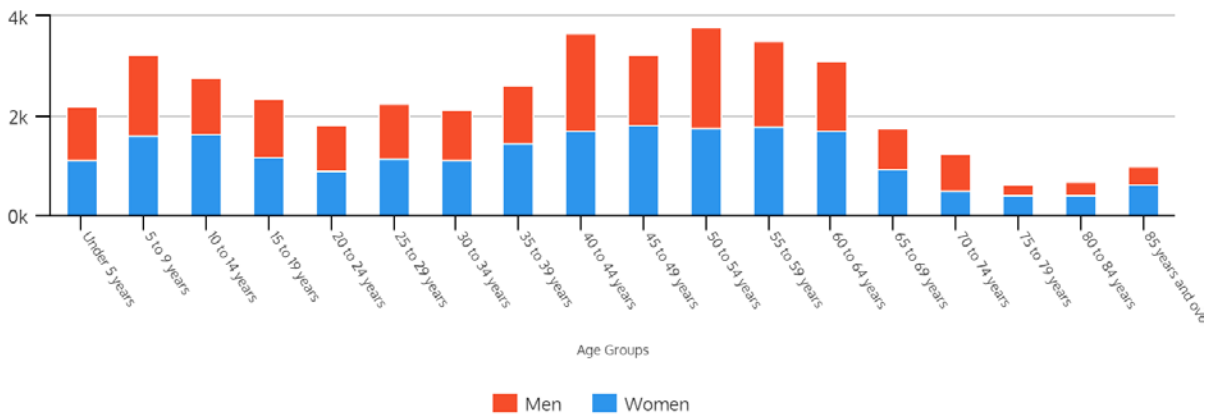
2014 Housing Distribution



Land Use



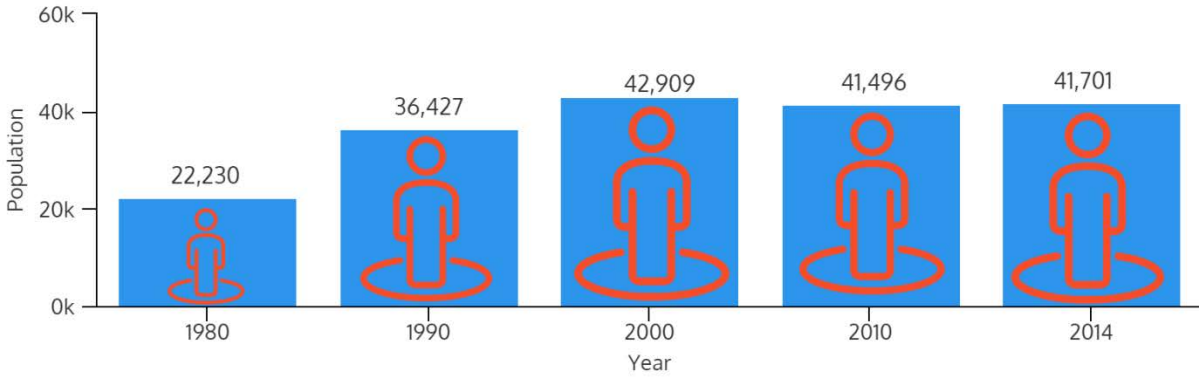
Age of Village Residents



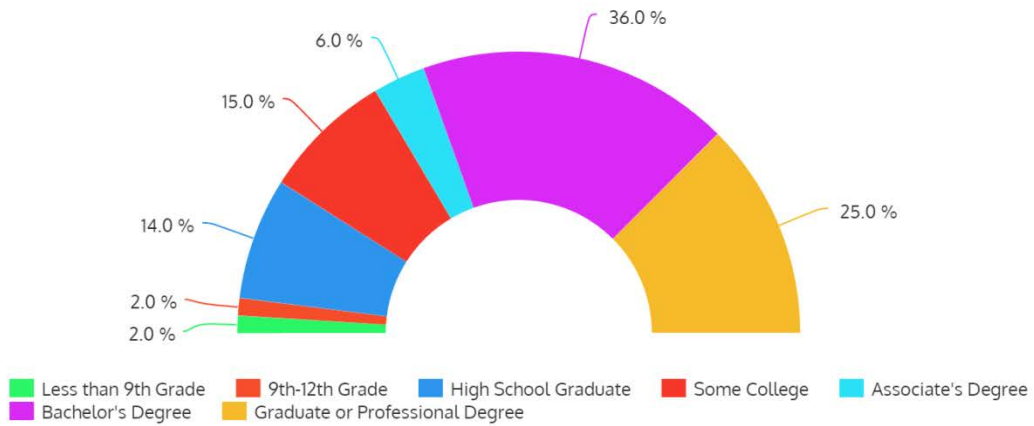
Village of Buffalo Grove

Statistical Breakdown

Village Population 1980-2014

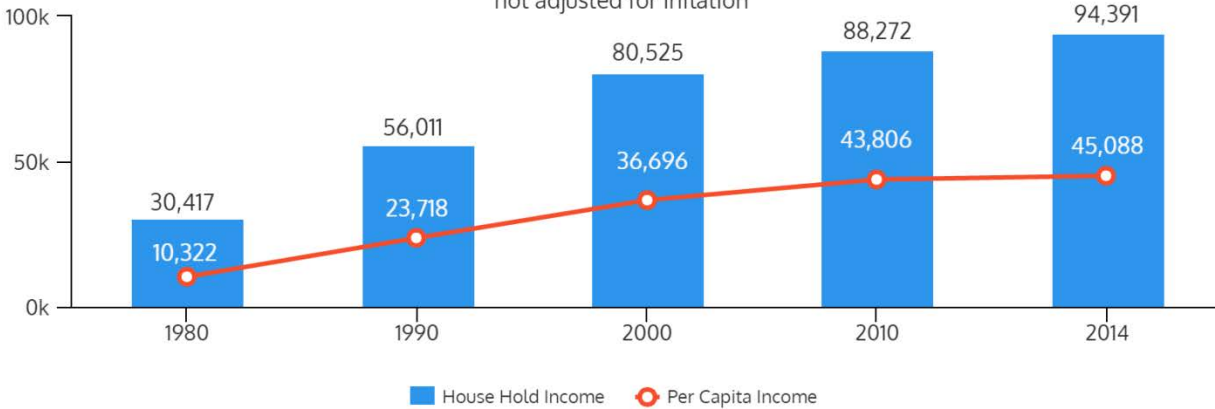


Educational Attainment

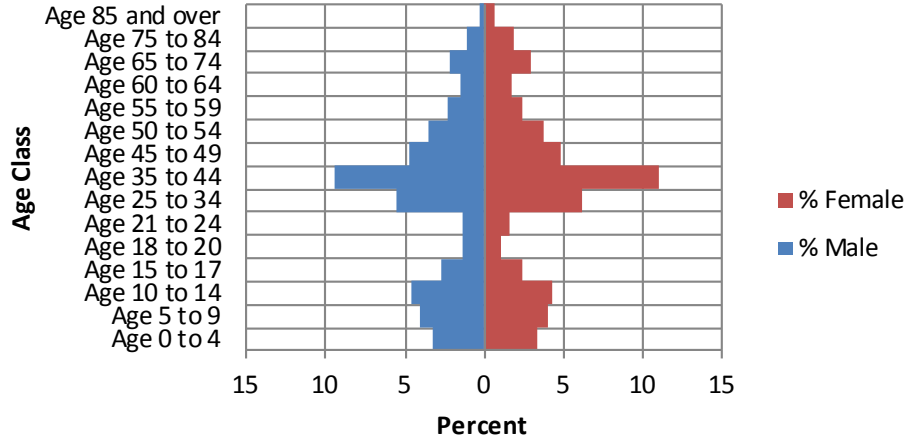


Median Household Income 1980-2014

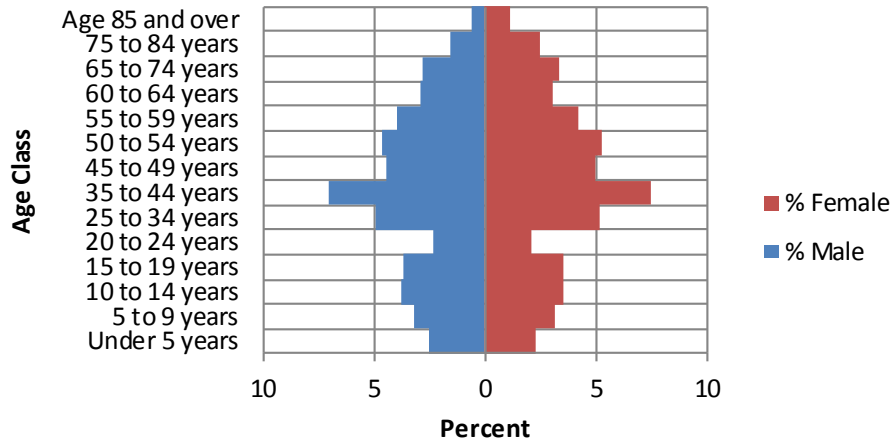
not adjusted for inflation



Population Pyramid for Buffalo Grove, 2000



Population Pyramid for Buffalo Grove, 2010



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.

TAX YEAR	COOK COUNTY	% Increase (Decrease)	LAKE COUNTY	% Increase (Decrease)	TOTAL VALUE	% Increase (Decrease)
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	370,243,748	(9.39%)	1,294,187,616	(5.47%)	1,664,431,364	(6.18%)
2012	335,075,013	(10.50%)	1,196,068,204	(8.20%)	1,531,173,377	(8.70%)
2013TC/QL	279,396,765	(19.93%)	1,137,719,248	(5.13%)	1,417,116,013	(8.05%)
2014	283,496,811	1.45%	1,141,563,977	0.34%	1,425,060,788	0.56%

TC= Triennial property assessment cycle (Cook County)

QL= Quadrennial property assessment cycle (Lake County)

Economic Development Strategic Plan

In 2015, the Village of Buffalo Grove embarked on an Economic Development Strategic Plan (Plan). The Plan identifies how the Village can optimize its role to achieve long-term economic growth. It is a long-term plan and is meant to guide the Village over the next 10-15 years. Moreover, it serves as a platform to leverage funding, partnerships, and programs with our private, public, and non-profit partners.

The Plan includes a summary of existing conditions, goals, recommendations, and an implementation matrix. The summary of existing conditions provides an overview of the current conditions in Buffalo Grove and highlights the strengths as well as the weaknesses in the community. The goals and recommendations were developed in response to the existing conditions analysis and are organized under three themes: economic growth, development and redevelopment, and quality of life.

The economic growth goal relates to business and employment growth. Specific recommendations under this theme include improving the collection and organization of business data, enhancing communications with businesses, developing a branding and marketing campaign, promoting and supporting businesses, collaborating on workforce development programs, enhancing workforce accessibility, and exploring financial incentives for businesses development and growth. The development and redevelopment goal focuses on new, enhanced, and expanded commercial development and redevelopment. Recommendations in this theme focus on refining the Village's permit review and approval process, expanding municipal boundaries, creating a vision for key subareas in the community, updating the zoning code, exploring various incentives and programs to spur commercial development, encouraging environmental sustainability development, and maintaining and enhancing infrastructure. The quality of life goal addresses issues of livability and community character. Specific strategies include enhancing housing stock and opportunities, implementing beautification strategies, as well as monitoring, maintaining, and enhancing the livability and quality of life in Buffalo Grove. All of the goals and recommendations are then discussed in detail in the implementation matrix, which identifies actors and specific action steps needed to carry out the recommendations and goals.

Recent Development and Business Activity

Sky Fitness

Sky Fitness, a private fitness and recreational facility at 1501 Busch Parkway is adding 19,050 square feet to their facility. The multi-story expansion will house upscale amenities such as a basketball court, swimming pool, and open exercise area. The addition, which will continue the architectural features and aesthetics of the existing facility, represents a significant investment to the property, business, and the surrounding area.



Photo Simulations of Sky Fitness Expansion.

Chevy Chase Business Park – Lot 21

Hamilton Partners is building the next and final phase of the Chevy Chase Business Park at 1050 Johnson Drive. This phase includes the development of a new multi-tenant, one-story 66,526 square foot warehouse and office facility. The facility complements the rest of the Chevy Chase Business Park and contributes to the strong industrial and flex development base in the Village.



Rendering Chevy Chase BusinessPark - Lot 21.

Easton Townhomes

Spearhead Properties, LLC is developing a 15-unit townhome project at 23020 Easton Ave. As this townhouse style is generally not found in the Village, the project diversifies the Village’s housing stock and provides an additional and unique housing option for residents. Moreover, as the property was previously unincorporated, the project also helped expand the Village’s boundaries.



Rendering of Easton Townhomes.

Flex (Flextronics)



Flex Facility

Looking Ahead

Momentum for development and business attraction, expansion, and retention continues in various areas across the Village. Developers have come forward with concept ideas for Link Farm of the Didier Farms property, Berenesa Plaza, Prairie View area, as well as other vacant areas along Milwaukee Avenue. The Village has also been in discussions regarding redeveloping some of the older commercial areas such as Chase Plaza. New businesses, particularly advanced manufacturing businesses, are looking to expand their operations and facilities in the Village.

Section 3

Budget Process and Structure

Budget Process

Budget Timeline

Budget Sections

Basis of Budgeting

Annual Budget vs. Financial Statements

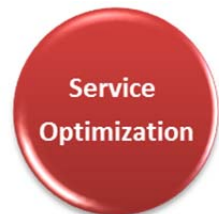
Fund Structure

Financial Policy and Goals

Account Numbers

Current Village Funds

Budget Responsibility



Budget Process

In 2015, the Village Board adopted the budget officer method of finances. This method does not require the Village to pass an appropriation ordinance. The legal spending document will be the budget on a stand-alone basis. Under the budget officer method the Village is required to appoint a Budget Officer. The board appointed the Finance Director to serve in the capacity of Budget Officer. The basis for budgeting, forecasting, analysis and other assumptions used by the Finance Department and other departments has not changed for the preparation of the 2016 Budget document.

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 its 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. Once approved the budget is the official spending document for fiscal year 2016.

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 adjustments or addendums to the budget must be passed by the Village Board in the form of a budget amendment.

Budget Timeline

Date	Event	Requirement/Action
Friday, June 26, 2015	Budget/CIP Instructions Distributed	Finance staff distribution
Tuesday, July 07, 2015	FY 2016 Initialized in New World Systems	Staff creates FY 2016 in NWS
Monday, July 20, 2015	Committee of the Whole Meeting	Staff provide six month financial update on FY 2015 Budget, Report on FY 2014 CAFR, Discuss Budget Act, Health Insurance Performance
Wednesday, July 29, 2015	Capital Improvement Plan Project & Building Maintenance Requests Due. IT Project Requests Due	Department submits five year capital requests and FY 2016 building remodeling and technology requests
Thursday, July 30, 2015	Capital Budget Meetings	Review capital requests
Friday, July 31, 2015	Village Fee & Fines Recommendation	Department fee & fine recommendations due to the Office of Village Manager
Wednesday, August 05, 2015	Meeting on Capital Reserve Funding	Staff reviews funding requirement for vehicles, buildings and technology
Wednesday, August 12, 2015	Salary and Health Insurance Budgets Added to Department Budgets	Staff adds wage and insurance line-items. Census reports distributed for review
Monday, August 17, 2015	Committee of the Whole Meeting	Presentation of five year General and Water Fund Operating Proforma discussion, CIP, Wage recommendations, Preliminary Tax Levy
Wednesday, August 19, 2015	Capital Reserve Amounts Distributed and Added into NWS	Reserve amounts calculated for vehicles, technology and buildings
Friday, August 21, 2015	General Fund Revenue Estimate	Staff compiles estimated actual for FY 2015 and budget for FY 2016
Friday, August 28, 2015	Preliminary Budgets added to New World Systems.	All department budgets entered into NWS
Monday, August 31, 2015	RFP/RFQ/Bidding Calendar	Department Directors report FY 2016 activity to Brett Robinson
August 31 - September 4, 2015	Department Meetings	Department Directors discuss budget requests to Village Manager/Deputy Manager
Friday, September 11, 2015	Final Budget Requests Due	Final department budget due
September 14 - October 9, 2015	Budget Preparation	FY 2016 Budget production
Friday, October 09, 2015	Preliminary Detail Budget to Village Board	Preliminary detail budget emailed to Village Board
Monday, October 19, 2015	Draft Budget to Village Board	Draft budget distributed to Village Board
Monday, November 02, 2015	Village Board Meeting	Truth-in-Taxation determination
Monday, November 16, 2015	Village Board Meeting	FY 2016 Budget Presentation
Monday, December 07, 2015	Village Board Meeting	FY 2015 tax levy (public hearing), Budget adopted by resolution

Budget Sections

The Budget is divided into ten 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 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 villagewide goals are in Section 4 and Economic Development is in Section 2.
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 a 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 staffing, budget variances, changes, and performance measures.
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 performance measures.
8. **Internal Service Funds:** This section includes funds that finance and account for services and commodities that are designated to other departments within the Village. The funds generate revenue through the annually budgeted expenditures within the departments that utilize those services.
9. **Fiduciary Funds:** This section presents both of the Village's fiduciary funds – Police and Firefighters Pension Funds.
10. **Other Funds:** This section provides the budgets for the Illinois Municipal Retirement Fund, the Parking Lot Fund and the Facilities Development Debt Service Fund.
11. **Appendix A Comprehensive Fee and Tax Schedule:** All fees and taxes for the Village of Buffalo Grove.
12. **Appendix B Financial Policies and Projections:** All codified financial management policies.
13. **Appendix C Human Resources:** A summary of health insurance plan benefits and an aggregate of Village staffing levels.
14. **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.

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, 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 the 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: Parking Lot Fund and Motor Fuel Tax Fund. Other governmental funds include the 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.

The Village maintains two types of proprietary funds – an enterprise fund and three internal service funds. 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. Internal Service Funds finance and account for services and commodities that are provided to all village departments, in turn all the revenue generated in these funds are derived from the departments which they serve through their budget, and are then transferred to the Internal Service Funds. The internal service funds are Information Technology, Central Garage, and Building and Facility Maintenance. The Finance department works closely with the Office of the Village Manager and Public works to develop these budgets and allocate charges for service to each department.

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. These policies provide and help maintain a favorable financial picture for the Village. The policies are located in their entirety in Appendix B.

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 \$20,000, except for professional services.

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.

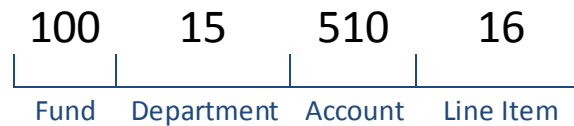
Capitalization Policy: Capital assets are assets with an initial, individual cost of more than \$10,000 and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are 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.
5. Present a balanced budget as defined as a budget where revenues meet or exceed expenses.

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.30 – Finance
- XXX.35 – Human Resources
- XXX.40 – Fire
- XXX.45 – Police
- XXX.50 – Building & Zoning
- XXX.55 – Public Works
- XXX.60 – Engineering
- XXX.70 – Transfer Non-Operating
- XXX.75 – Capital Improvement
- 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.55.10 – Streets
- XXX.55.15 – Administration
- XXX.55.20 – Forestry
- XXX.55.25 – Drainage
- 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

- 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. For example: 510.16- Printing

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



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	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.
Internal Service	Information Technology	211	Accounts for all hardware, software, and other information technology resources for the Village departments.
	Central Garage	212	Accounts for all services and commodities to maintain the Village department vehicles.
	Building & Facility Maintenance	213	Accounts for all services and commodities to maintain the Village building and facilities utilized by all departments.
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.

Budget Responsibility

The following departments are responsible for budgeting revenues and/or expenses in the listed funds.

Fund Name	Fund No.	Department / Budget Responsibility
General	100	
		Office of Village Manager
		Legal
		Finance
		Human Resources
		Fire
		Police
		Building and Zoning
		Engineering
		Public Works - Streets
		Public Works - Administration
		Public Works - Forestry
		Public Works - Drainage
		Operating Transfers - Finance
Parking Lot	120	Finance
Motor Fuel Tax	130	Engineering
Debt Service	140	Finance
Capital Projects - Facilities	150	Public Works - Administration
Capital Projects - Streets	160	Engineering
Water and Sewer	170	Public Works - Water & Sewer
Arboretum Golf Course	190	Arboretum Golf Course
Buffalo Grove Golf Club	180	Buffalo Grove Golf Course
Refuse	200	Finance
Information Technology	211	Office of the Village Manager
		Finance
Central Garage	212	Public Works - Central Garage
		Finance
Building and Facility Maintenance	213	Public Works - Building Maintenance
		Finance
Police Pension	220	Finance
Fire Pension	230	Finance

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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



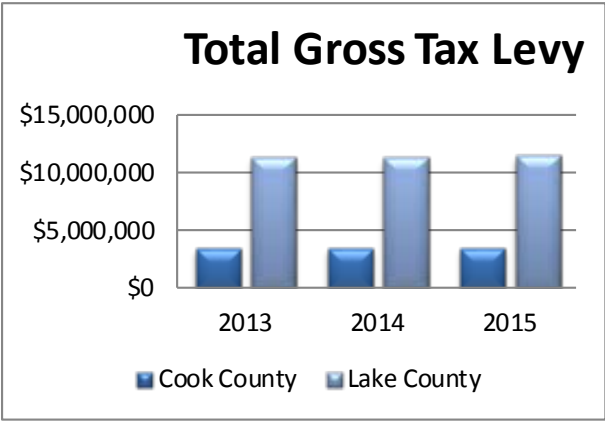
Budget in Brief

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 the demand for services, 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, 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, information technology 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 2016, the Village’s proposed budget is balanced and does not contemplate the implementation of new taxes. The property tax levy will increase by approximately 3.2 percent for the 2015 levy, payable 2016. 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 levies for the tax years 2013, 2014 and 2015 (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 2014, 2015 and 2016 (proposed).

Revenues by Category

The total revenue budget for 2016 is \$79,053,184. This budget is a 1.6 percent increase over the 2015 estimated actual and 11.5 percent more than the 2014 actual. A significant increase (\$5.5 million) in 2016 as compared to the 2014 actual is due to the addition in 2015 of three Internal Service Funds for Central Garage, Building Services and Information Technology.

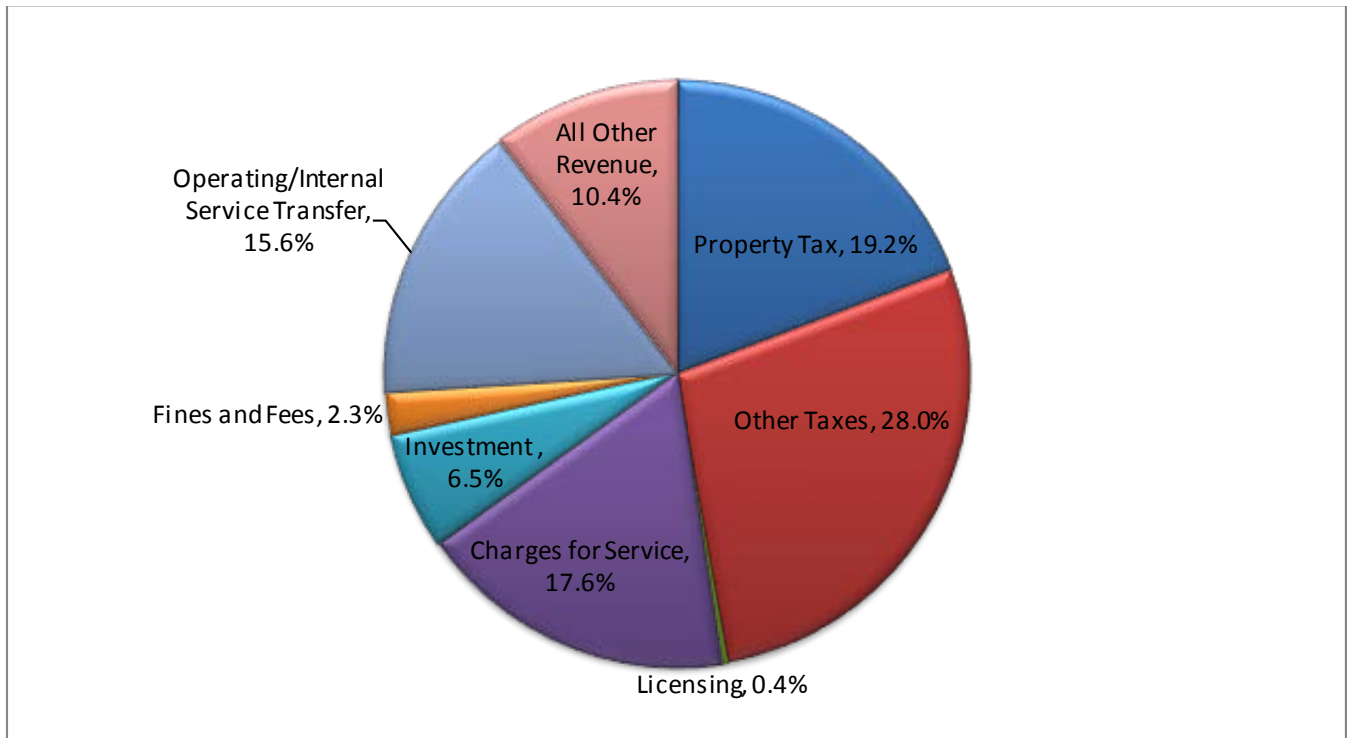
Account Category	FY 2014 Actual	FY 2015 Est. Actuals	FY 2016 Budget
Property Taxes	\$14,554,564	\$14,659,756	\$15,177,288
Other Taxes-State	\$11,169,731	\$11,954,000	\$12,392,400
Other Taxes-Local	\$9,471,570	\$9,637,238	\$9,770,513
Business Licenses	\$65,122	\$142,400	\$142,400
Liquor Licenses	\$134,290	\$135,400	\$135,400
Animal Licenses	\$7,000	\$7,010	\$7,010
Building Revenue & Fees	\$998,521	\$1,085,805	\$766,000
Intergovernmental Revenue-Local	\$416,445	\$319,920	\$311,123
Sales of Water/Sewer Fees	\$9,032,463	\$10,198,346	\$10,765,475
Golf Course Fees	\$2,245,604	\$2,304,825	\$2,370,330
Investment Revenue	\$7,409,325	\$4,888,950	\$5,118,950
Fines & Fees	\$1,803,318	\$1,823,325	\$1,848,622
Operating/Internal Service Transfers	\$6,620,420	\$11,697,093	\$12,351,784
All Other Revenue	\$6,954,761	\$8,980,847	\$7,895,889
Grand Total - All Fund Revenue	\$70,883,134	\$77,834,915	\$79,053,184

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 rule 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, storm water management fees, and pension contributions made by sworn police officers and firefighters.

Summary of Revenues by Source - All Funds

Description	General	Parking Lot	Motor Fuel Tax	Debt Service	Capital Projects Facilities	Capital Projects Streets	Water & Sewer	Arboretum Golf Course
Property Tax	\$14,550,225			\$627,063				
Other Taxes	\$21,162,913		\$1,000,000					
Licensing	\$284,810							
Charges for Service	\$706,000						\$10,825,475	\$1,269,180
Investments	\$49,950						\$9,000	
Fines and Fees	\$1,619,672	\$228,950						
Operating/Int. Service Trans.	\$864,000			\$180,000	\$928,356	\$1,049,727		\$155,020
All Other Revenue	\$2,477,173	\$1,050			\$500,000		\$3,000,000	
FY 2016 Budget	\$41,714,743	\$230,000	\$1,000,000	\$807,063	\$1,428,356	\$1,049,727	\$13,834,475	\$1,424,200
FY 2015 Budget	\$39,038,469	\$181,100	\$1,679,205	\$804,813	\$3,590,611	\$50,000	\$16,474,253	\$1,361,050

Revenues by Source – All Funds



Summary of Revenues by Source - All Funds *continued*

Description	Buffalo Grove Golf Course	Inform. Tech.	Central Garage	Building Services	Refuse	Police Pension	Firefighters Pension	All Funds
Property Tax								\$15,177,288
Other Taxes								\$22,162,913
Licensing								\$284,810
Charges for Service	\$1,101,150							\$13,901,805
Investment						\$3,130,000	\$1,930,000	\$5,118,950
Fines and Fees								\$1,848,622
Operating/Int. Service Trans.	\$146,919	\$1,224,249	\$1,791,878	\$1,396,763		\$2,440,239	\$2,174,632	\$12,351,784
All Other Revenue	\$500				\$1,040,000	\$663,222	\$525,067	\$8,207,012
FY 2016 Budget	\$1,248,569	\$1,224,249	\$1,791,878	\$1,396,763	\$1,040,000	\$6,233,461	\$4,629,699	\$79,053,184
FY 2015 Budget	\$1,264,596	\$1,101,570	\$2,365,390	\$2,042,347	\$1,025,000	\$6,610,786	\$6,532,339	\$84,121,529

Revenues by Source Summarized - All Funds

Summary by Funds	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust & Agency	Total
Property Tax	\$14,550,225			\$627,063				\$15,177,288
Other Taxes	\$21,162,913	\$1,000,000						\$22,162,913
Licensing	\$284,810							\$284,810
Charges for Service	\$706,000				\$13,195,805			\$13,901,805
Investment Revenue	\$49,950				\$9,000		\$5,060,000	\$5,118,950
Fines and Fees	\$1,619,672	\$228,950						\$1,848,622
Operating Transfers	\$864,000		\$1,978,083	\$180,000	\$301,939	\$4,412,890	\$4,614,871	\$12,351,784
All Other Revenue	\$2,477,173	\$1,050	\$500,000		\$3,000,500		\$2,228,289	\$8,207,012
FY 2016 Budget	\$41,714,743	\$1,230,000	\$2,478,083	\$807,063	\$16,507,244	\$4,412,890	\$11,903,160	\$79,053,184
FY 2015 Budget	\$39,038,469	\$1,860,305	\$3,640,611	\$804,813	\$19,099,899	\$5,509,307	\$13,143,125	\$84,121,529

Total Revenue by Fund

Fund	Fund #	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2016 Budget	% of Prior Year Budget
General	100	\$35,546,713	\$37,494,997	\$39,038,469	\$41,714,743	106.24%
Illinois Municipal Retirement	110	\$1,619,585	\$0	\$0	\$0	0.00%
Parking Lot	120	\$149,536	\$176,100	\$181,100	\$230,000	127.01%
Motor Fuel Tax	130	\$1,185,095	\$1,817,252	\$1,679,205	\$1,000,000	59.56%
Debt Service	140	\$1,294,050		\$804,813	\$807,063	100.28%
Capital Projects - Facilities	150	\$320,538	\$2,163,404	\$3,590,611	\$1,428,356	39.78%
Capital Projects - Streets*	160	\$708,980	\$113,000	\$50,000	\$1,049,727	2,094.61%
Water & Sewer	170	\$8,885,865	\$11,494,412	\$16,474,253	\$13,834,475	83.98%
Buffalo Grove Golf Course	180	\$1,087,726	\$1,202,100	\$1,264,596	\$1,248,569	98.74%
Arboretum Golf Course	190	\$1,237,339	\$1,158,400	\$1,361,050	\$1,424,200	104.64%
Refuse Service	200	\$1,040,878	\$1,020,000	\$1,025,000	\$1,040,000	101.47%
Information Technology	211	\$0	\$0	\$1,101,570	\$1,224,249	111.14%
Central Garage	212	\$0	\$0	\$2,365,390	\$1,791,878	75.76%
Building Maintenance	213	\$0	\$0	\$2,042,347	\$1,396,763	68.39%
Police Pension	220	\$8,490,951	\$4,439,846	\$6,610,786	\$6,223,461	94.15%
Fire Pension	230	\$8,513,213	\$4,404,677	\$6,532,339	\$4,629,699	70.88%
Total		\$71,042,682	\$66,565,701	\$84,121,529	\$79,053,184	93.98%

*Transfer of 20 percent of home rule sales tax revenue for road maintenance moved from Motor Fuel Sales Tax Fund to Capital Projects Streets Fund in 2016.

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, chargebacks for technology, building and garage services, and interfund transfers. As a service provider, over half of the Village's total budget (51.4 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 2014, 2015 and 2016 (proposed).

Account Category	FY 2014 Actual	FY 2015 Est. Actuals	FY 2016 Budget
Personal Services	\$21,099,903	\$20,878,303	\$21,700,218
Personal Benefits	\$15,181,673	\$15,816,648	\$16,788,076
Operating Expenses	\$4,245,353	\$6,114,488	\$7,637,789
Insurance	\$938,588	\$1,031,135	\$1,002,212
Legal Services	\$373,232	\$325,500	\$374,050
Commission & Committees	\$125,331	\$104,600	\$111,800
Commodities	\$4,348,816	\$4,414,832	\$4,467,470
Maintenance & Repairs - Facilities	\$1,158,519	\$2,219,021	\$2,611,744
Maintenance & Repairs - Water & Sewer	\$79,634	\$74,300	\$103,500
Maintenance & Repairs - Other	\$63,963	\$72,158	\$90,810
Maintenance & Repairs - Vehicles	\$839,040	\$2,003,012	\$2,667,671
Capital Equipment	\$2,284,119	\$936,077	\$1,424,417
Capital Projects	\$6,025,023	\$11,380,913	\$9,334,584
Debt Service	\$1,114,256	\$827,246	\$1,164,246
Operating Transfer	\$2,356,489	\$4,026,418	\$3,312,022
All Other Expense	\$3,221,548	\$1,958,968	\$2,118,000
Grand Total All Fund Expense	\$63,455,487	\$72,183,639	\$74,908,609

The Village further analyzes and presents budgeted revenues and expenses by fund, including the general (main operating), enterprise, fiduciary, internal service and capital funds. The net increase in spending from the 2014 actual versus the 2015 estimated actuals and 2016 budget is due to a variety of reasons including capital projects and internal service chargebacks for technology, buildings and central garage functions. The internal service chargebacks result in significant increases in Operating Expenses (technology), Maintenance and Repairs-Facilities (building services) and Maintenance & Repairs-Vehicles (central garage).

Summary of Expenditures by Source - All Funds

The following chart provides a summary of expenditures by source. Approximately 51 percent of all expenditures are allocated to personal services and benefits. Capital Projects and Equipment represent the next largest percentage of the total Village budget at 14.4 percent. It is anticipated that \$10.8 million in capital projects and equipment acquisitions are scheduled. Significant projects include the annual street maintenance program, the fourth year's efforts to remove and replace Emerald Ash Borer infested trees, system improvements for water, sewer, and drainage utilities. The improvements include repairing sections of water main and storm sewer main and replacing all water meters that will allow for wireless meter readings. Facility costs include roof and carpet replacements, police department video surveillance system improvements, and parking lot maintenance. Technology enhancements are budgeted that will improve Public Works systems integration.

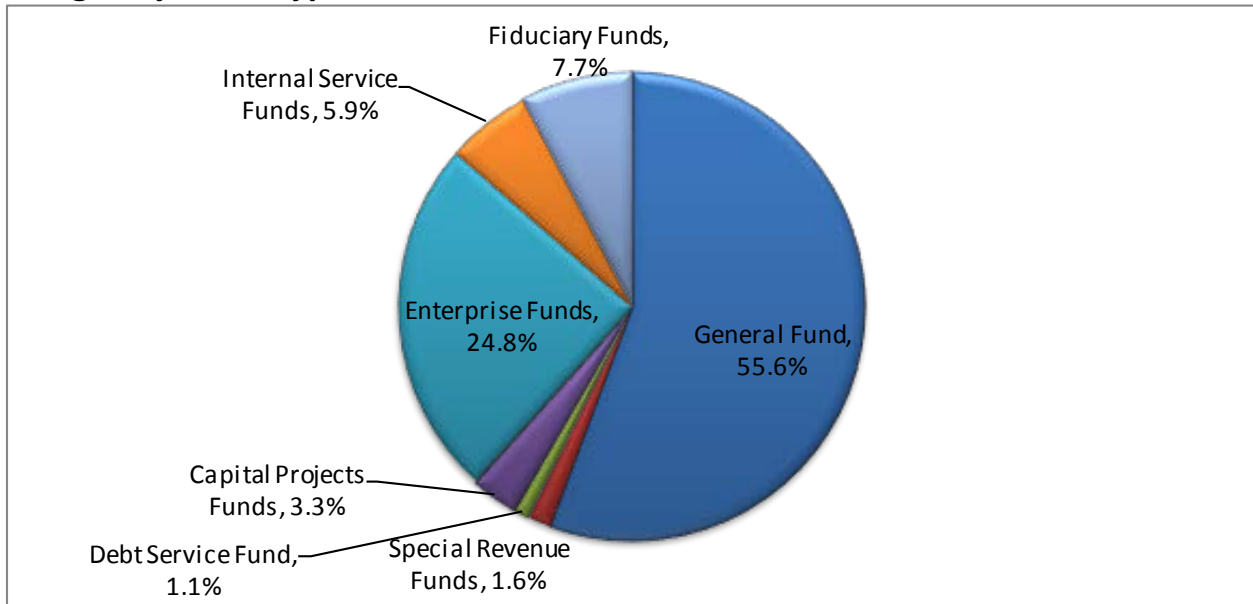
Within Operating Transfers there is a transfer to the General Fund of \$765,000 paid by the Water and Sewer Fund to reimburse for administrative, maintenance and operation expenditures accounted for outside of the Water and Sewer Fund. A transfer of approximately \$1.8 million from the General Fund to the Capital Project and Motor Fuel Tax Funds will support non-enterprise capital spending. The Internal Service Funds will be charging back \$4.6 million to cover the costs associated with providing technology, building maintenance and central garage functions.

The debt service obligations paid through the Debt Service Fund for principal and interest owed on General Obligation Bonds series 2010A, 2010B, and 2012, and an installment contract, total \$1,164,246 in 2016.

Summary of Expenditures by Source - All Funds

Description	Personal Services & Benefits	Operating Expenses	Legal/Ins Services	Commodities	Maintenance & Repairs
General Fund	\$29,654,662	\$2,787,072	\$1,168,819	\$438,725	\$3,098,279
Parking Lot		\$149,654		\$14,000	\$17,500
Motor Fuel Tax					
Total Special Revenue Funds		\$149,654		\$14,000	\$17,500
Debt Service Fund					
Capital Projects - Facilities					
Capital Projects - Streets					
Total Capital Projects Funds					
Water & Sewer	\$1,498,178	\$1,977,972	\$107,199	\$3,762,700	\$689,871
Buffalo Grove Golf Course	\$438,102	\$535,863	\$15,361	\$64,000	\$100,037
Arboretum Golf Course	\$225,613	\$839,388	\$8,360	\$65,000	\$200,025
Refuse Service					
Total Enterprise Funds	\$2,161,893	\$3,353,223	\$130,920	\$3,891,700	\$989,933
Information Technology		\$1,169,673	\$17,357		\$5,000
Central Garage	\$797,437	\$32,112	\$32,320	\$3,000	\$871,791
Building Maintenance	\$587,595	\$146,055	\$26,846	\$120,045	\$491,222
Total Internal Service	\$1,343,744	\$1,347,840	\$76,523	\$123,045	\$1,368,013
Police Pension	\$3,320,216				
Fire Pension	\$1,966,491				
Total Fiduciary Funds	\$5,286,707				
All Funds	\$38,488,294	\$7,637,789	\$1,376,262	\$4,467,470	\$5,473,725

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	\$1,425,236		\$2,080,022	\$1,018,060	\$41,670,875
Parking Lot			\$12,000	\$500	\$193,654
Motor Fuel Tax	\$1,000,000				\$1,000,000
Total Special Revenue Funds	\$1,000,000		\$12,000	\$500	\$1,193,655
Debt Service Fund		\$810,063			\$810,063
Capital Projects - Facilities	\$1,428,356				\$1,428,356
Capital Projects - Streets	\$1,049,727				\$1,049,727
Total Capital Projects Funds	\$2,478,083				\$2,478,083
Water & Sewer	\$5,579,144	\$354,183	\$945,000		\$14,914,247
Buffalo Grove Golf Course	\$88,600			\$1,000	\$1,242,963
Arboretum Golf Course	\$75,500			\$1,000	\$1,414,886
Refuse Service			\$275,000	\$751,740	\$1,026,740
Total Enterprise Funds	\$5,743,244	\$354,183	\$1,220,000	\$753,740	\$18,598,836
Information Technology	\$32,219				\$1,224,249
Central Garage	\$55,218				\$1,791,878
Building Maintenance	\$25,000				\$1,396,763
Total Internal Service	\$112,437				\$4,412,890
Police Pension				\$295,500	\$3,612,716
Fire Pension				\$165,000	\$2,131,491
Total Fiduciary Funds				\$460,000	\$5,744,207
All Funds	\$10,759,001	\$1,164,246	\$3,312,022	\$2,232,300	\$74,908,609

Total Expenditures by Fund and by Category

The chart below provides expenditure summary for all fifteen Village funds and further divides those fund totals into expenditures by category. The total budget for all Village expenditures in 2016 is \$74,908,609. That total is 4.9 percent less than the 2015 budget and 18 percent more than actual expenditure in 2014. Over fifty 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, administration and public works.

	Fund	Fund #	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2016 Budget	% of Prior Year Budget
By Fund	General	100	\$34,463,242	\$39,043,476	\$39,027,194	\$41,670,875	106.78%
	Illinois Municipal Retirement	110	\$1,598,101	\$0	\$0	\$0	0%
	Parking Lot	120	\$192,398	\$219,535	\$152,938	\$193,654	126.63%
	Motor Fuel Tax	130	\$5,684,477	\$2,014,666	\$1,679,205	\$1,000,000	59.56%
	Debt Service	140	\$1,325,396	\$1,103,664	\$807,813	\$810,063	100.28%
	Capital Projects - Facilities	150	\$1,276,075	\$1,383,234	\$3,590,611	\$1,428,356	39.78%
	Capital Projects - Streets	160	\$388,451	\$1,149,921	\$50,000	\$1,049,727	2,009.46%
	Water & Sewer	170	\$9,098,579	\$9,160,908	\$19,035,519	\$14,914,247	78.35%
	Buffalo Grove Golf Course	180	\$1,119,627	\$1,168,803	\$1,264,596	\$1,242,963	98.29%
	Arboretum Golf Course	190	\$1,686,923	\$1,631,832	\$1,361,050	\$1,414,886	103.96%
	Refuse Service	200	\$902,810	\$803,039	\$965,000	\$1,026,740	106.40%
	Information Technology	211	\$0	\$0	\$1,101,570	\$1,224,249	111.14%
	Central Garage	212	\$0	\$0	\$2,365,390	\$1,791,878	75.76%
	Building Maintenance	213	\$0	\$0	\$2,042,347	\$1,396,763	68.39%
	Police Pension	220	\$2,684,741	\$3,005,470	\$3,090,627	\$3,612,716	116.90%
	Firefighter Pension	230	\$1,832,311	\$2,133,142	\$2,203,491	\$2,131,491	96.74%
	Grand Total			\$62,261,128	\$63,463,812	\$78,737,348	\$74,908,609
By Category	Personal Services		\$31,584,591	\$36,317,374	\$37,864,098	\$38,488,294	101.65%
	Operating Expenses		\$3,730,643	\$4,245,353	\$6,292,022	\$7,637,789	121.39%
	Commodities		\$3,964,005	\$4,348,816	\$4,659,320	\$4,467,470	95.89%
	Maintenance & Repairs		\$1,689,282	\$2,148,901	\$6,900,044	\$5,473,725	79.33%
	Capital Equipment & Projects		\$8,417,711	\$8,309,142	\$16,185,995	\$10,759,000	66.48%
	Debt Service		\$1,678,218	\$1,114,256	\$813,823	\$1,164,246	143.06%
	Operating Transfers		\$6,757,989	\$2,356,486	\$2,963,943	\$3,312,022	111.75%
	All Other Expenses		\$4,438,689	\$4,615,159	\$3,058,103	\$3,606,062	117.92%
	Grand Total			\$62,261,128	\$63,455,487	\$78,737,348	\$74,908,609

Summary of Revenue and Expenditures by Category

Revenue Account Category	FY 2014 Actual	FY 2015 Est. Actuals	FY 2016 Budget
Property Taxes	\$14,554,564	\$14,659,756	\$15,177,288
Other Taxes-State	\$11,169,731	\$11,954,000	\$12,392,400
Other Taxes-Local	\$9,471,570	\$9,637,238	\$9,770,513
Business Licenses	\$65,122	\$142,400	\$142,400
Liquor Licenses	\$134,290	\$135,400	\$135,400
Animal Licenses	\$7,000	\$7,010	\$7,010
Building Revenue & Fees	\$998,521	\$1,085,805	\$766,000
Intergovernmental Revenue-Local	\$416,445	\$319,920	\$311,123
Sales of Water/Sewer Fees	\$9,032,463	\$10,198,346	\$10,765,475
Golf Course Fees	\$2,245,604	\$2,304,825	\$2,370,330
Investment Revenue	\$7,409,325	\$4,888,950	\$5,118,950
Fines & Fees	\$1,803,318	\$1,823,325	\$1,848,622
Operating/Internal Service Transfers	\$6,620,420	\$11,697,093	\$12,351,784
All Other Revenue	\$6,954,761	\$8,980,847	\$7,895,889
Grand Total - All Fund Revenue	\$70,883,134	\$77,834,915	\$79,053,184

Expenditure Account Category	FY 2014 Actual	FY 2015 Est. Actuals	FY 2016 Budget
Personal Services	\$21,099,903	\$20,878,303	\$21,700,218
Personal Benefits	\$15,181,673	\$15,816,648	\$16,788,076
Operating Expenses	\$4,245,353	\$6,114,488	\$7,637,789
Insurance	\$938,588	\$1,031,135	\$1,002,212
Legal Services	\$373,232	\$325,500	\$374,050
Commission & Committees	\$125,331	\$104,600	\$111,800
Commodities	\$4,348,816	\$4,414,832	\$4,467,470
Maintenance & Repairs - Facilities	\$1,158,519	\$2,219,021	\$2,611,744
Maintenance & Repairs - Water & Sewer	\$79,634	\$74,300	\$103,500
Maintenance & Repairs - Other	\$63,963	\$72,158	\$90,810
Maintenance & Repairs - Vehicles	\$839,040	\$2,003,012	\$2,667,671
Capital Equipment	\$2,284,119	\$936,077	\$1,424,417
Capital Projects	\$6,025,023	\$11,380,913	\$9,334,584
Debt Service	\$1,114,256	\$827,246	\$1,164,246
Operating Transfer	\$2,356,489	\$4,026,418	\$3,312,022
All Other Expense	\$3,221,548	\$1,958,968	\$2,118,000
Grand Total All Fund Expense	\$63,455,487	\$72,183,639	\$74,908,609

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 rightsizing of staff.

Over the past few years, the Village has implemented several programs to contain the costs of personnel and benefits:

1. Implementing alternate service delivery models.
2. Reevaluating employee salary ranges biannually and placing limits on compensation increases for employees at the top of their salary ranges.
3. Implementing a comprehensive wellness program with a goal to contain healthcare costs.
4. Gradually increasing the employee contribution to health insurance from 10 percent to 15 percent over a five-year period. (15% for 2016).

The net effect of the Village's personnel cost containment strategy has significantly reduced the pressure on overall operating costs which resulted in a decrease of total wages by .1% from 2015.

For 2016, the Village proposes a full-time staff complement of 209 full-time personnel and 61 part-time personnel.

	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Office of Village Manager/Administration	5	1	6	0	3	0
Building & Zoning	9	1	10	1	11	3
Finance & General Service	10	0	8	0	8	2
Fire Services	58	3	59	2	59	2
Golf Operations	7	51	7	51	3	32
Human Resources	2	0	2	0	2	0
Information Technology	3	0	0	0	0	0
Police Services	74	14	74	14	74	12
Public Works/Engineering	50	9	50	10	49	10
Total	218	79	216	78	209	61
Full & Part-Time Grand Total	297		294		270	

2015 & 2016 Strategic Planning & Initiatives

Introduction

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 the NIU Center for Governmental Studies to assist in the facilitation of the process. The majority of the plan coordination and development was done internally by Village staff.



The Village selected a cross section of employees to serve on an Integrated Management Team to participate in the strategic planning process. Two elected officials also participated in this initiative and were involved with strategy development.

The Village of Buffalo Grove's strategic planning process resulted in the development of a Strategic Plan that involved the following:

1. Assessment of organizational strengths, weaknesses, opportunities and threats;
2. Development of strategic planning priorities and key performance indicators;
3. Identification of strategic initiatives and actions to achieve the strategic priorities;
4. A framework for a performance measurement system for use both internally and as a balanced scorecard for public outreach; and
5. Establishment of a framework of financial strategies that support the Strategic Plan.

The planning process allowed the management team to clarify the Village's Vision, Core Values, and Mission. Likewise, five strategic planning priorities were identified through the work of the Village Board. These priorities include Economic Development, Infrastructure Sustainability, Organizational Culture, Revenue Growth, and Service Optimization.

Strategic Initiatives are new activities or programs that directly address the organization's Strategic Priorities and achievement of the outcomes. While the Village may have current programs or activities that support the achievement of the Strategic Priorities, Strategic Initiatives are critical activities that will be required to realize fully the organization's vision. Specific departmental actions will be identified for each Strategic Initiative through the formulation of annual action steps and will be communicated to representative employee groups through the designated department project manager on a regular basis.

In 2015, the Village engaged a consultant to update the strategic plan and facilitate interactive discussions with the Village Board about their vision for Buffalo Grove's future. This process will continue into 2016. When the process is complete, a formal amendment to the plan will be presented to the Village Board for approval.

Vision and Mission Statements

Vision

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

Mission

Excellence in Service Delivery: Continuously evaluate programs and services 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.

Core Values

The core values of the Village of Buffalo Grove are centered on a matrix of one-word descriptors. These words represent the values we hold; and which form the foundation on which we perform work and conduct ourselves.

Strategy: Ongoing operations and future services are defined in terms of short, intermediate, and long-term strategies that reflect the high-level service requirements, expectations, and demographics of the community. Our core strategy focuses on fiscally-prudent, high-quality and differentiated services to residents.





Efficiency: The Village strives to deliver products and services in the most cost effective manner, seeking to minimize time and resources obligated to core services and to lower the cost of service delivery through competition, collaboration, and innovation.

Culture: The Village maintains a culture of service, loyalty, and dedication to our competencies through adherence to a series of Goal Timelines and accountability.

Technology: The Villages' priority is to launch technology as a means to provide better and more efficient services to our internal and external customers. We evaluate and implement the newest technology as an ongoing effort to improve efficiency and enhance communications.

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 ongoing 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>

PROGRESS TOWARDS 2015 GOALS

Strategic Planning Priority: Service Optimization



Based on needs and expectations of the community and prioritization of core services, provide optimal service by supporting an adaptive and efficient workforce.

Strategic Initiative: External Service Tier

The Village's service areas are evaluated and resource needs are identified and/or priorities realigned based on Service Level Expectations (SLEs). Service delivery expectations are aligned with available resources, resulting in a balanced operating budget. A 311/CRM (Customer Relationship Management) platform is established to provide on-call services Village-wide by January 1, 2018.

Action Steps	Status	Project Manager
A plan to share assets with other governmental entities is developed	An update to the purchasing policy was completed that requires staff to reach out to other entities prior to making significant purchases of assets.	Public Works Director
A catalog of services for each department will be developed and presented to the Village Board that identifies the Village's current service levels	A listing of all services has been developed and service levels will be evaluated this winter. The goal will continue into 2016.	Deputy Village Manager
Go live with licensing, building permits, ticket collections, parking permits, and Police and Fire test sign up	All licensing went live in 2015. Staff is currently working with the Village's ERP provider to allow for building permits and ticket collections to be paid online. Staff is in progress with an applicant tracking software for Police and Fire candidates.	Deputy Village Manager
Review and update the Development Ordinance to streamline processes	Development Ordinance changes were presented to the Village Board at COW in the fall. The Ordinance formally approving the changes will be complete by the end of December 2015.	Public Works Director
Evaluate the opportunity for a regional 311/CRM system	A report regarding 311 services was provided to the Village Board. The Village Board decided not to move forward with a formal 311 system and directed staff to continually look for other ways to improve customer service.	Deputy Village Manager

Action Steps	Status	Project Manager
Implement online police reporting for minor incidents	Due to State budget concerns, this project was put on hold in 2015. The project is included in the 2016 budget.	Police Chief
Review calls for service and evaluate possible changes to the police beat system	Analysis has been complete and some minor changes will be made to the beat system this year. A formal overhaul will be complete when the Village transitions to a new CAD system with the regional dispatching agency.	Police Chief
Implement work order and asset management program for public works	First and second phase of implementation complete in 2015. Third phase implementation will be a goal in 2016.	Public Works Director

Strategic Initiative: Marketing and Communication

The Village will be rated 85 percent or higher customer service satisfaction rating for Village provided services as determined by data collected.

Action Steps	Status	Project Manager
Develop a plan to effectively evaluate customer service satisfaction for key Village services	Staff has completed interviews with all departments to determine feedback points. A survey of other municipalities has also been completed. A report will be generated and provided for discussion with Senior Staff by the end of 2015.	Deputy Village Manager

Strategic Initiative: Organizational Needs

An internal asset-sharing program is operational and an intergovernmental asset-sharing program is operational.

Action Steps	Status	Project Manager
Evaluate the opportunity to merge the records and front desk windows and cross train the records clerks and desk officers	Report was presented to the Village Manager's Office. Cross training is ongoing; however, a formal merger cannot take place until the Village has available funds for a construction project.	Police Chief
Analyze the opportunity to civilianize the EMS Coordinator position using a RN	An evaluation was presented to the Village Manager's Office. No changes will be made until a retirement occurs.	Fire Chief
Update mutual aid agreements with all communities surrounding the Village	Boilerplate language for all agreements were complete in November and negotiations with surrounding Villages will take place at that time. The final agreements will be complete in 2016.	Fire Chief

Strategic Planning Priority: Organizational Culture



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.

Strategic Initiative: Technology Collaboration

The Village’s technology platform is capable of providing best-fit services that are reliable, consistent and integrated across departments and service areas by January 1, 2016. Personnel have the capability to easily request and receive services, develop reporting metrics and enhance technology services consistent with the Village’s technology plan and available resources.

Action Steps	Status	Project Manager
All personnel files converted to electronic format by 12/31/15	The folders in the document management system are set up and all new files are filed electronically. Funds will be budgeted to complete scanning of all files for existing employees each year.	HR Director
Retire Lotus Notes	A list of remaining databases has been reviewed and over 100 have been identified for deletion. Many others will transfer over to new platforms in 2016. This goal will continue into 2016.	Deputy Village Manager
Implement Online Applicant Tracking	Applicant tracking will be implemented by January 1, 2016.	HR Director

Strategic Initiative: Personal Growth & Balance

Create a Village-wide Comprehensive Training Program with training curricula that meets the needs of employees as well as leadership development.

Action Steps	Status	Project Manager
Launch the BG Training Academy that includes a supervisory track	Academy program is in process and will be fully implemented June 1, 2016	HR Director
Work with Wellness Committee to develop health insurance plan design changes	The Wellness Committee developed a survey that was sent to all employees regarding plan design changes. A decision was made not to make plan design changes until 2017.	HR Director

Strategic Initiative: Leadership and Support

Foster an innovative culture of collaboration through the creation of a Village-wide Compensation Plan. Develop a formal performance improvement plan prior to May 1, 2015 evaluation cycle.

Action Steps	Status	Project Manager
Launch and Evaluate Pay for Performance Plan	Pay for performance plan was successfully launched. All employees were evaluated and received the appropriate increase based on their evaluation. A staff meeting was held to evaluate and make changes for 2016.	HR Director
Develop a mid-year performance review program between employees and their immediate supervisors	Guidelines for the mid-year review will be distributed to supervisors by the end of 2015. Meetings to take place in January of each year.	HR Director

Strategic Planning Priority: Revenue Growth



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.

Strategic Initiative: Cost Control

Develop a program-based budget and put in place by January 1, 2018.

Action Steps	Status	Project Manager
Establish program/service cost centers	This goal has been moved to 2016.	Finance Director
Train Village supervisors and employees on program based budgeting	This goal moved to 2016.	Finance Director
Evaluate the success and use of performance contracting	Due to the timing of the water meter project, this goal will be moved to 2016.	Finance Director
Develop a plan to audit Food & Beverage taxpayers and implement the plan	Plan approved and ready for implementation by January 1, 2016	Finance Director

Strategic Initiative: Reserves

Corporate fund reserves will increase to 30% by January 1, 2014 and to 35% by January 1, 2018.

Action Steps	Status	Project Manager
Create a fee schedule within the Village code	Ordinance will be provided to the Village Board by January 1, 2016.	Finance Director
Evaluate the current EMA structure and assets and make appropriate recommendation	Assets are in the process of being evaluated and a formal recommendation will take place in 2016.	Fire Chief

Strategic Planning Priority: Economic Development



Maintain and enhance the quality of life in the community through ongoing 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 of the community.

Strategic Initiative: Active Development and Redevelopment

Create an overall retail expansion and redevelopment plan by January 1, 2017.

Action Steps	Status	Project Manager
Create Economic Development Plan categorized by corridor	An economic development strategic plan committee was formed and a final recommendation on a plan will come before the Village Board by the end of 2015.	Community Development Director
Conduct a corridor planning study of the Dundee Road Corridor	This goal has been moved to a future year in light of the strategic planning committee mentioned above.	Community Development Director

Strategic Planning Priority: Infrastructure Sustainability



Assess and maintain reliable and 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 the financial resources necessary to maintain current infrastructure, upgrade for efficiency or enhanced capabilities, and plan for the future infrastructure needs of the community.

Strategic Initiative: Financial

Develop and follow an amortization schedule for capital equipment to achieve a target 50% replacement value in order for infrastructure sustainability by January 1, 2016.

Action Steps	Status	Project Manager
Audit equipment usage and lifecycles to ensure proper reserve payments are made	This project is complete and adequate dollar amounts were included in the 2016 budget.	Finance Director
Evaluate a capital leasing strategy for large assets	An evaluation of capital leasing was completed and presented to the Village Board at a Committee of the Whole meeting. It was decided to continue with a pay-as-you-go financing strategy.	Finance Director

Strategic Initiative: Green Infrastructure

Identify a funding source for Storm Water Management System repairs and replacements.

Action Steps	Status	Project Manager
Implement a Stormwater Utility Program in order to create a capital funding source for stormwater utility improvements.	The Village Board adopted a stormwater utility fee. The fee is included in the 2016 budget and will be implemented on January 1, 2016.	Public Works Director

2016 STRATEGIC PLAN GOALS

Strategic Planning Priority: Service Optimization



Based on needs and expectations of the community and prioritization of core services, provide optimal service by supporting an adaptive and efficient work force.

Strategic Initiative: External Service Tier

The Village’s service areas are evaluated and resource needs are identified and/or priorities realigned based on Service Level Expectations (SLEs). Service delivery expectations are aligned with available resources, resulting in a balanced operating budget. A 311/CRM (Customer Relationship Management) platform is established to provide on-call services Village-wide by January 1, 2018.

Note: Service Level Expectations are scheduled to be presented before the Village board at the end of 2016. The 311/CRM goal has been modified based on Village Board direction in 2015. The Village Board decided not to move forward with a formal 311 system, but instead directed staff to continue to look for ways to improve customer service through cross training, online offerings, and consolidation of services.

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Investigate the opportunity to deploy mobile tablets in the field for Public Works.	\$1,200 10 Staff hours	Tablets are implemented by June 1, 2016	Public Works Director
A catalog of services for each department will be developed and presented to the Village Board that identifies the Village’s current service levels	100 Staff Hours	Complete service catalog by June 1, 2016	Deputy Village Manager
Implement online police reporting for minor incidents	\$15,000 10 Staff Hours	Reporting software implemented by June 30, 2016	Police Chief
Implement a new point of sale system for BGCC and Arboretum.	\$3,000 50 Staff Hours	Software is implemented by March 1, 2016	Head Golf Professional
Evaluate the cost versus reward of GPS units in golf carts.	20 Staff Hours	Recommendation to Deputy Village Manager by December 31, 2016	Head Golf Professional
Review all Village forms/applications and develop a plan to transition them to the website in an online format.	30 Staff Hours	Plan complete September 1, 2016	Deputy Village Manager

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Complete Cartegraph implementation	\$55,940 200 Staff Hours	December 31, 2016	Public Works Director
Migrate food and beverage tax payments online.	40 Staff Hours	September 1, 2016	Finance Director
Implement a revised vehicle utilization plan in the Fire Department.	10 Staff Hours	March 1, 2016	Fire Chief
Analyze Police Department daily activity reports and create a strategy for best use of officer time. Use reports to create Goal Timelines.	30 Staff Hours	Analysis provided to Village Manager by May 1, 2016	Police Chief

Strategic Initiative: Marketing and Communication

The Village will be rated 85 percent or higher customer service satisfaction rating for Village provided services as determined by data collected.

Note: There are a variety of ways the Village currently seeks feedback from residents and businesses. In 2015, staff is reviewing the current ways in which the Village seeks feedback and will make recommendations to the Village Board on how to move forward by the end of 2015.

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Analyze the success of social media communications and revise the communications strategy as needed.	5 Staff Hours	Report presented to Village Manager by July 31, 2016	Deputy Village Manager
Develop a style guide and brand standard for all Village publications and communication pieces.	\$8,750 20 Staff Hours	Consultant to provide final guidelines by June 30, 2016	Deputy Village Manager
Evaluate the cycle of the Village News and develop a revised strategy for Village Board approval.	5 Staff Hours	Recommendation to Village Board by March 31, 2016	Deputy Village Manager

Strategic Initiative: Organizational Needs

An internal asset-sharing program is operational and an intergovernmental asset-sharing program is operational.

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Update mutual aid agreements with all communities surrounding the Village	12 Staff Hours	April 1, 2016	Fire Chief
Evaluate the efficiency of moving all inspectors into Community Development.	40 Staff Hours	Analysis provided to the Village Manager by July 1, 2016	Community Development Director

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Evaluate Village Hall front counter needs in light of the customer service counter merger.	\$80,000 40 Staff Hours	Final plan complete March 31, 2016	CD Director/Finance Director
Evaluate the opportunity to aggregate water billing with other communities.	20 Staff Hours	Evaluation complete December 31, 2016	Finance Director

Strategic Planning Priority: Organizational Culture



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.

Strategic Initiative: Technology Collaboration

The Village's technology platform is capable of providing best-fit services that are reliable, consistent and integrated across departments and service areas by January 1, 2016. Personnel have the capability to easily request and receive services, develop reporting metrics and enhance technology services consistent with the Village's technology plan and available resources.

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Retire Lotus Notes	\$100,000 150 Staff Hours	Less than 50 databases left in Lotus Notes by December 31, 2016	Deputy Village Manager
Implement employee event change form in NWS	20 Staff Hours	Electronic event change form implemented by April 1, 2016	Human Resources Director
Implement electronic employee benefit enrollment.	40 Staff Hours	Electronic enrollment available by July 1, 2016	Human Resources Director

Strategic Initiative: Personal Growth & Balance

Create a Village-wide Comprehensive Training Program with training curricula that meets the needs of employees as well as leadership development.

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Launch the BG Training Academy that includes a supervisory track	\$12,000 100 Staff Hours	Academy will be launched by June 1, 2016	Human Resources Director
Develop an employee intranet with one location to host all support documentation for employees.	20 Staff Hours	Intranet Implemented February 1, 2016	Human Resources Director

Strategic Initiative: Leadership and Support

Foster an innovative culture of collaboration through the creation of a Village-wide Compensation Plan. Develop a formal performance improvement plan prior to May 1, 2015 evaluation cycle.

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Review pay ranges in 2016 based on the Village's comparables with a January 1, 2017 implementation date.	100 Staff Hours	Pay range review complete by June 1, 2016. Salary Ranges adopted by Village Board January, 2017.	Human Resources Director

Strategic Planning Priority: Revenue Growth



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.

Strategic Initiative: Diversification

The Village's portion of the annual property tax bill will remain a stable percentage (11%) or decline.

Action Steps	Budgetary Considerations	Goal Timelines	Project Manager(s)
Implement quarterly parking pass for Metra parking lot.	10 Staff Hours	Parking pass implemented March 30, 2016	Finance Director

Strategic Initiative: Reserves

Corporate fund reserves will increase to 30% by January 1, 2014 and to 35% by January 1, 2018.

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Evaluate the current EMA structure and assets and make appropriate recommendation	20 Staff Hours	Formal recommendation to Village Manager by May 1, 2016	Fire Chief
Complete a rate comparison analysis for both golf courses and set a policy for where each course should be positioned in the market.	15 Staff Hours	Report and recommendation provided to Deputy Village Manager by February 1, 2016	Head Golf Professional

Strategic Planning Priority: Economic Development



Maintain and enhance the quality of life in the community through ongoing 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 of the community.

Strategic Initiative: Active Development and Redevelopment

Create an overall retail expansion and redevelopment plan by January 1, 2017.

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Develop a complete and revised annexation strategy.	120 Staff Hours	Strategy presented to the Village Board for consideration by October 1, 2016	Community Development Director
Complete and implement corridor planning and market analysis for Prairie View and Lake Cook Road corridors.	\$100,000 400 Staff Hours	Corridor plans presented to the Village Board by December 31, 2016	Community Development Director

Strategic Initiative: Opportunity Management

Improve and simplify the development review process and procedures through a thorough evaluation by January 1, 2014.

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Develop and distribute a series of development brochures to the business community and prospective developers.	\$5,000 80 Staff Hours	New brochures complete and distributed June 1, 2016	Community Development Director
Complete the 2015 ICC Code Update.	\$1,500 100 Staff Hours	ICC Code Update presented to the Village Board for consideration by October 1, 2016	Community Development Director

Strategic Planning Priority: Infrastructure Sustainability



Assess and maintain reliable and 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 the financial resources necessary to maintain current infrastructure, upgrade for efficiency or enhanced capabilities, and plan for the future infrastructure needs of the community.

Strategic Initiative: Planning & Programming

Create a strategy for incorporating fleet, major equipment, and major building improvement planning into capital forecasts and the annual budget program for the FY17 budget.

Note: In 2015, the goal to fund capital equipment at a 50% ratio was revised as the purchase of one major piece of equipment (e.g. fire apparatus) could drop the funding ratio below 50% while at the same time the Village reserve amounts remain stable.

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Evaluate costs and benefits of a green fleet program.	50 Staff Hours	Report on evaluation provided to the Village Manager by June 1, 2016	Public Works Director
Review the Village's Bike System and Bike Plan to identify priority connections and develop a plan to make connections.	20 Staff Hours	Plan presented to the Village Manager by May 31, 2016	CD Director & PW Director
Develop a plan for BGGC club house improvements.	20 Staff Hours	Recommendation to Deputy Village Manager by June 1, 2016	Head Golf Professional

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 functions that impact, or may impact, the collection of revenue. Evaluating the impact of the national economy (macro) on 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. The state economy has played a significant role in the discussion of the budget. Several critical revenues that the state shares with the Village have been the subject of legislative debate. Those revenues are threatened to be cut to help balance the state budget. At the time the budget was developed nothing had materialized that would impact funding to the Village.

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.

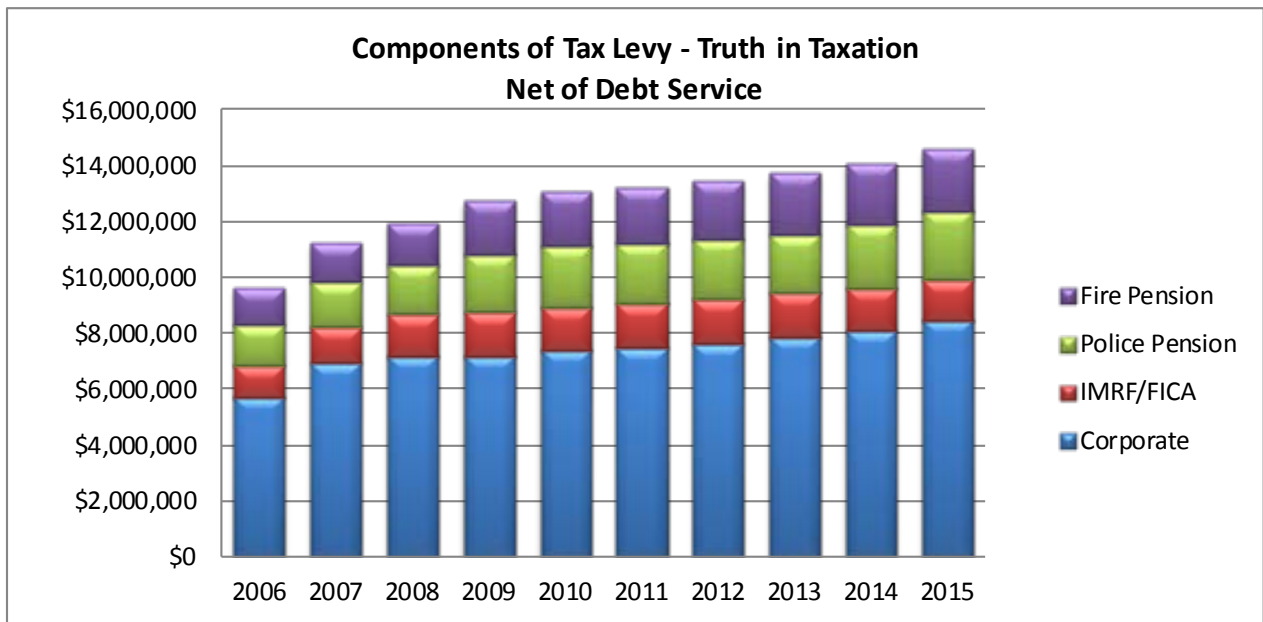
Property Tax

Property taxes (net of Road and Bridge taxes) are anticipated to be approximately \$15.2 million and will be levied in 2016. This is referred to as the 2015 property tax levy, payable in 2016. Property taxes account for about 19 percent of all budgeted revenues. The total levy is anticipated to increase by 3.2 percent over the property taxes extended in 2015.

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

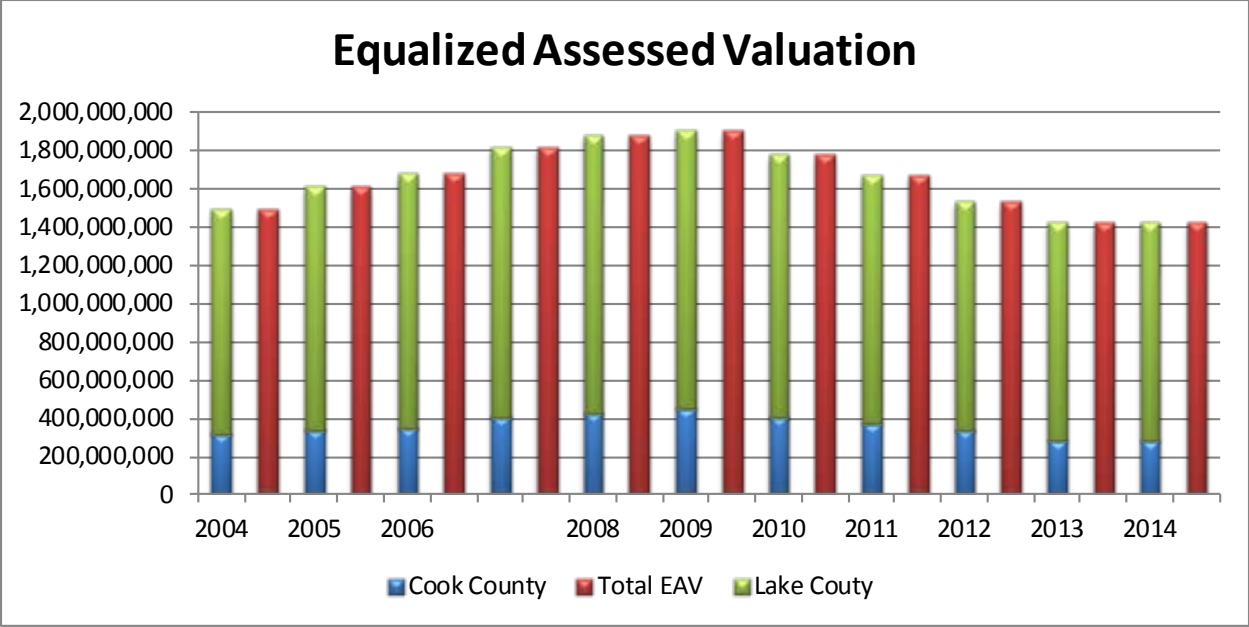
(Consumer Price Index-Urban, Producer Price Index and Employer Cost Index) applied to how a local government typically spends its resources. The trailing twelve month inflation rate is .2 percent. In order to meet the demand of current service levels the Village is recommending a 3.8 percent increase beyond inflation for a total Corporate Tax Levy increase of four percent.

Property tax levies for Police and Fire pensions are based on an independent actuarial analysis of both funds' normal costs as well as to provide an amount necessary to amortize a portion of the unfunded actuarial liability. The levies both exceed 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 the Illinois Municipal Retirement Fund. The amounts 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 2016 is \$807,063.

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 2015 property tax levy, 76.87 percent of all assessed valuation is located in Lake County and 23.13 percent is located in Cook County. The following chart shows the growth of all real property in the Village over the last ten years.



Market values have stabilized after a four year decline during the recession. The estimated tax rate will be \$1.09 per \$100 of equalized assessed valuation for the 2015 tax levy (extended in 2016).

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. The five and ten year average decline in assessed value in both Cook and Lake Counties are (-30.01% and -1.74%) and (-16.62% and -0.97%) respectively.

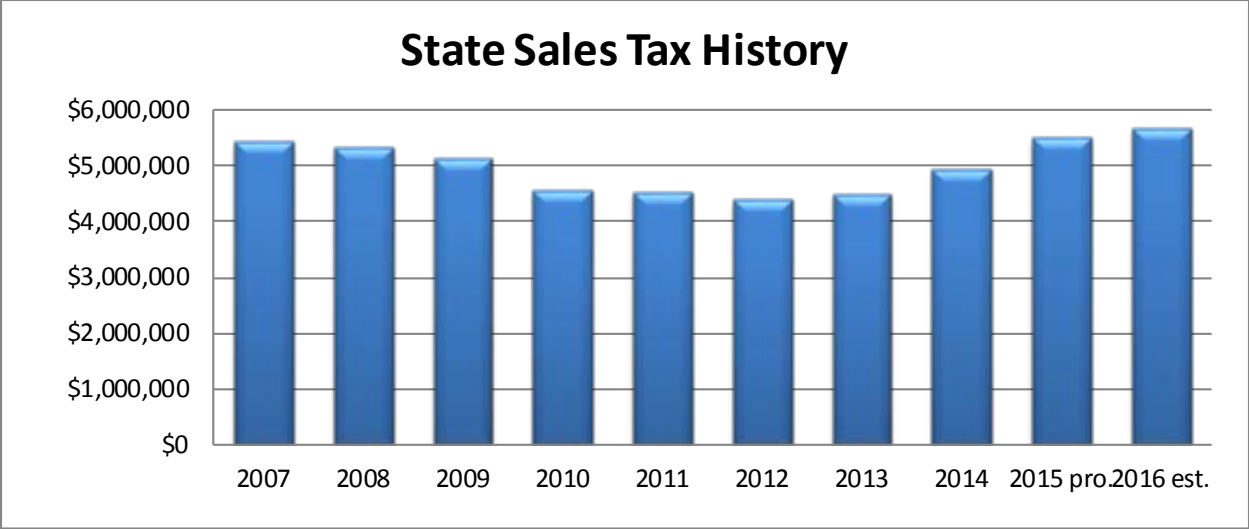
State Shared Sales Tax

The Village receives one cent (\$0.01) for each dollar of retail sales. The largest single sales tax generators are grocery stores and restaurants whose sales are not as heavily influenced by economic conditions. Other significant tax generators are businesses selling building and electrical supplies.

State shared sales taxes surpassed the pre-recessionary peak in 2006. Sales taxes were up eleven percent during the current year due to stronger home sales (lumber credit processing center in the Village), strong industrial sales, and a full year of higher volume grocery stores replacing closed Dominick’s locations.

The FY 2015 budget anticipated \$5.2 million in sales tax revenue. The estimated actual will be approximately 5.8 percent more or \$5.3 million. For 2016, the budget is anticipated to be \$5.7 million. Growth is based on 3 percent inflation.

The following chart shows the last ten years of State Sales Tax revenue.



Home Rule Sales Tax

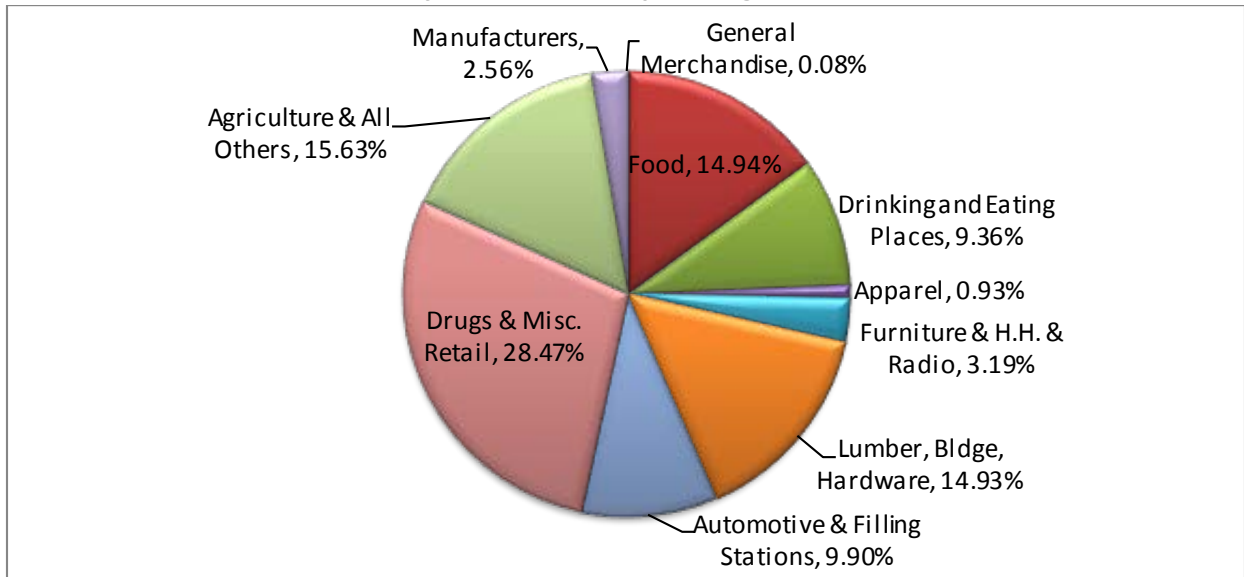
In 1992, the Village assessed a one-half cent (\$.05) local options sales tax against all retail sales except food and drug items and personal property titled with the State of Illinois. Performance of this revenue tends to follow performance of the above referenced state sales tax, except for those 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 help fund street maintenance. The budgeted transfer is \$.7 million. In 2016, revenues are anticipated to increase by three percent from the 2015 estimated actual amount of \$3.64 million to \$3.75 million. Growth in Home Rule Sales Tax is driven by inflationary growth.

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



The following chart is a distribution of sales taxes obtained from the Illinois Department of Revenue based upon standard industrial classification (SIC) code reporting. The data encompasses the 2014 calendar year. The largest single sales class is Drug and Miscellaneous Retail at 28.55 percent.

Distribution of Sales Tax by SIC Code Reporting



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 a combined 112 food establishments and liquor stores that generate this tax. This revenue has had consistent growth as a large percentage of the dining options within the Village are value oriented. Two restaurants ceased operations during the year which caused a drop in the estimated actual revenue for FY 2015. The estimated revenue for 2015 is seven percent below the budget target and 2016 is forecast to grow three percent to \$746,750. This revenue does not account for any more businesses to locate within the jurisdiction. The tax was enacted in 2008.

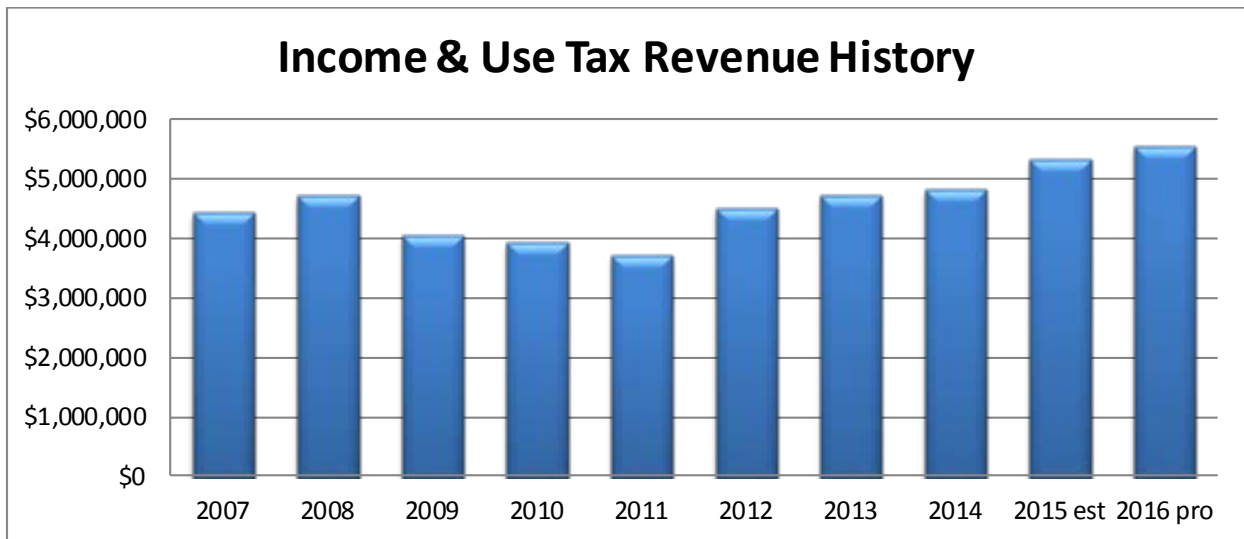
Illinois Income & Use Tax

Illinois Income Tax is imposed on every individual, corporation, trust and estate earning or receiving income in the state. The tax rate changed on January 1st, 2015 to 3.75 percent of income for individuals and 5.25 percent for corporations. The Village receives a pro rata allocation of Income Tax from the State of Illinois based on eight percent of net personal taxes and 9.14 percent of 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 2016 Income Tax budget is \$4.6 million (\$109.80 per capita) and Use Tax is \$.92 million (\$22.37 per capita). Collectively, Income and Use tax will be at budget and are projected to increase by four percent in FY 2016.

Unemployment in the State of Illinois is recovering to pre-recessionary levels. The state unemployment rate is 5.4 percent (Bureau of Labor Statistics - September 2015) compared to 6.6 percent one year ago. The Village of Buffalo Grove's unemployment statistics have consistently beat the national and state averages, with an September 2015 rate of 4.2 percent.



Utility Use Taxes

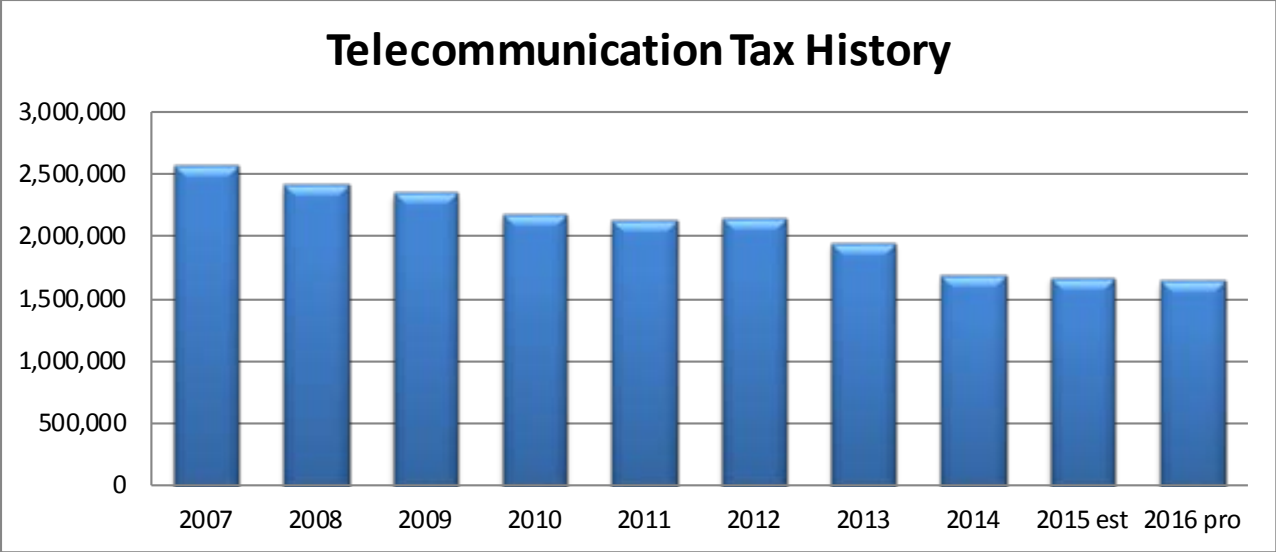
The Village of Buffalo Grove levies three utility taxes for electricity, natural gas, and telecommunications. Use taxes for electricity and natural gas were first imposed in FY 2010. The amount levied for electricity is the maximum amount allowed by state statute and is based on a sliding scale that nets approximately \$.05 per kilowatt hour. Revenue is estimated to be \$1.64 million for 2014 and the budget is largely unchanged for 2015 at \$1.65 million. Utility taxes for natural gas are levied at a rate of \$.05 per therm. The estimated amount for 2015 is \$1 million with the budget remaining the same for FY 2016.

Since both electricity and natural gas use taxes are based on unit charges there are no fluctuations 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 toward more efficient building technologies and appliances will be a constant pressure downward on the collection of this revenue.

Telecommunications Tax

This tax is 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 34 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.

The estimated actual for 2015 is 12.6 percent less than budget and the FY 2016 contemplates another decline of two percent. Attached is a chart showing the last ten years of revenue.



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 40 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 continue to increase. The Village’s home resale inventories have decreased sharply, with a 52 percent decrease over the last year. Distressed properties such as foreclosures and short sales account for less than six percent of all sales.

The budget for 2016 is four percent more than the 2015 estimated actual of \$.78 million and 4.3 percent higher than the previous year’s budget.

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 2015, it is estimated that 12-14 single family homes of the approved 38 in the East Haven subdivision will be built generating an average of \$7,000 per home in building revenue. Fisher Container Corp. is also in the process of building an additional 25,000 square foot facility in 2015. The anticipated revenue from this project is \$26,000. All other revenue is anticipated to be collected on improvements to existing structures. Total building revenues and fees for 2015 are estimated to come in 22 percent over the budget amount. Specifically, plan review, engineering, and building inspections fees accounted for \$120,000 of the \$151,550 that is estimated to be over the budgeted revenue. The Village has conservatively budgeted these line items, along with the others, as they are volatile due to the direct correlation between these revenue streams and market conditions.

Storm Water Management Fees

This is a new source of revenue for FY 2016. The system user fees will be charged to all properties in the Village for the proportionate cost of maintaining the storm water conveyance operating costs and infrastructure. \$1.2 million is included in the budget.

Motor Fuel Tax

For FY 2016, 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. In the past, the Village transferred 20 percent of the home rule sales tax to the MFT fund.

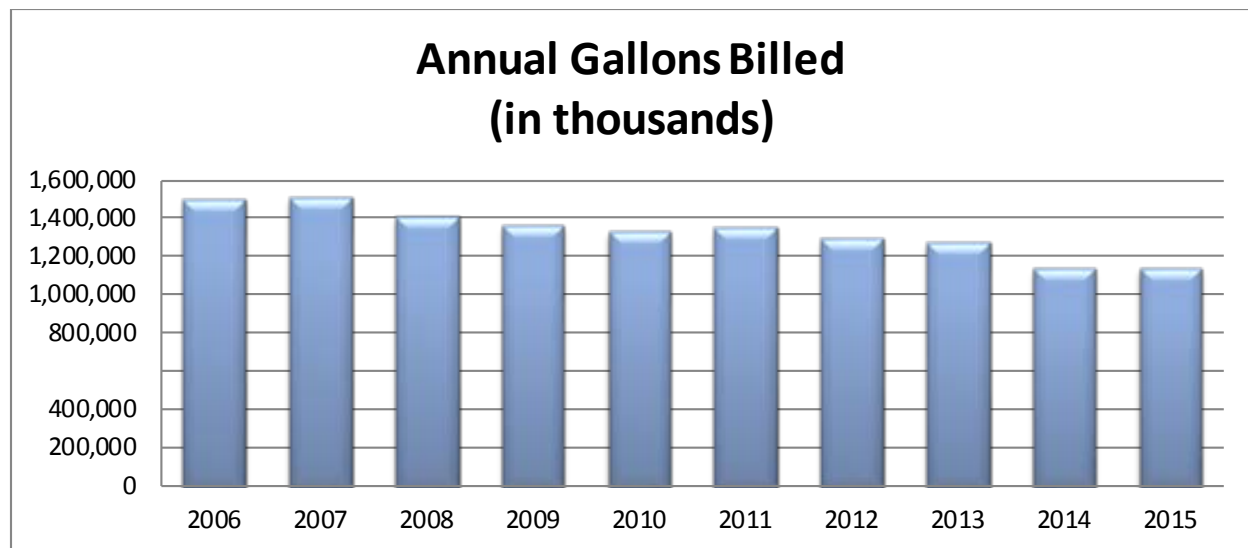
Although this practice will continue in 2016, the transfer will be credited to the Capital Projects – Streets Fund for roadway repairs. The transfer is budgeted at \$749,247. Street maintenance is a high priority for the Village of Buffalo Grove as noted in the Capital Improvement Plan (CIP), detailed in Section 6 of this document. It is assumed that elevated fuel costs, alternative energy options, availability and improvement of public transportation, and environmental awareness have already slowed the growth of MFT revenues in recent years. It is becoming more common for employers to provide more flexible work schedules and telecommuting to attract talented employees as technology and traditional work environments evolve. These changes will impact growth in this revenue.

Water and Sewer Fees

Total fees collected for the sale of water combined with revenue collected on behalf of Lake County Public Works for 2016 is \$13.8 million. A quarter of the revenue (24.6 percent) is billed by the Village and then remitted directly to Lake County for sanitary sewer treatment fees. 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 2015 is \$13.3 million. The budgeted assumption for annual consumption was 85 million gallons (7%) less due to the cool and wet summer.

The decline in water usage has appeared to stabilize over the last three years. The decreased demand was due to weather (summer irrigation), an effective campaign to conserve water, eco-friendly landscape designs, energy efficient appliances and a decrease in average household size. The Village does not impose a minimum or fixed fee for service connection but will be researching the feasibility of one in future budgets.

It is estimated that the total amount of water consumed by the Village will remain unchanged in 2016. The chart below illustrates the average monthly water consumption of all users (residential, commercial, industrial).



The justification for the water rate is based on a Water Fund sustainability study entitled the Twenty Year Water Fund Pro-forma Analysis. The study is located in *Appendix B*. The purpose behind the analysis was to design a fee structure that would adequately fund a utility system with a present day replacement cost of \$.5 billion. The components of the rate address operating costs, capital maintenance and repairs, and building reserves for future infrastructure needs.

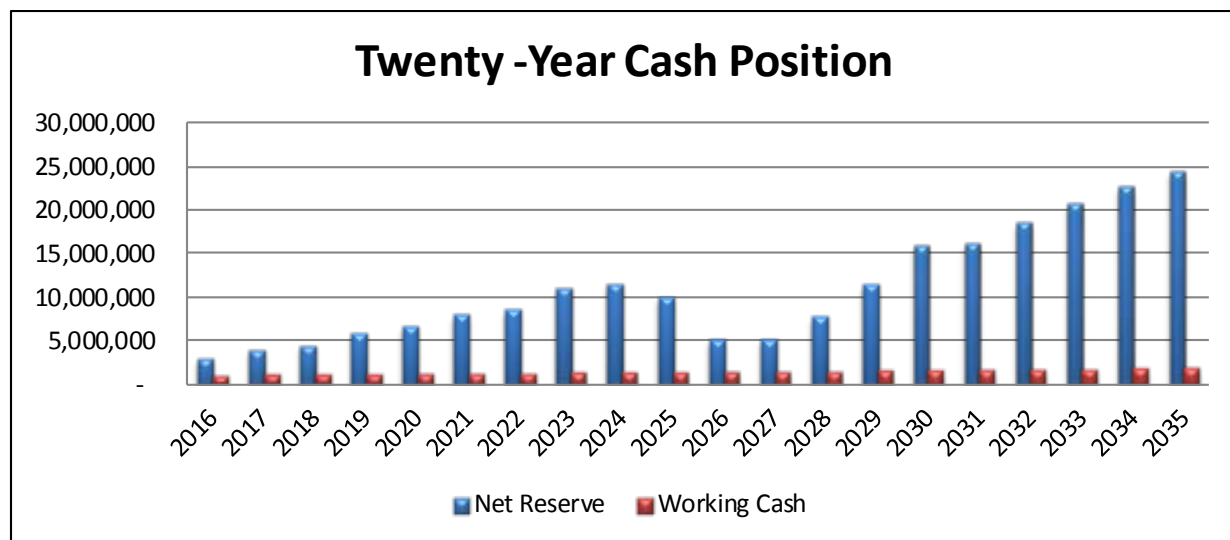
During high cost growth years (1980-2000), the Village amassed significant cash reserves from developer fees. The original infrastructure was constructed by developers and donated to the Village. During that period of time, the intent of the water user rate was to recover operating costs only. As the development and related revenues slowed, cash reserves were used to subsidize the water rate to cover both operating and capital expenses.

The three year rate history is:

Year	Water Rate*	Sewer Rate*	Combined Rate*
2014	\$ 4.21	\$ 1.05	
2015	\$ 4.38	\$ 1.09	\$ 5.47
2016	\$ 4.56	\$ 1.13	\$ 5.69

*all rates are per 1,000 gallons metered
Effective January 1, 2015 – rates are increased by 4 percent per annum

The annual 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 impact on cash reserves based on the proposed rate structure and forecasted expenses over the next twenty years.



Working Cash represents a minimal amount of cash on hand needed that would cover 25 percent of operating expenses.

The Lake County sanitary sewer fee estimate is on target with the 2015 budget and no changes in the rate 2016. The Village is working with Lake County Public Works Department on a new use agreement. One change will be the summer sewer credit rate. Presently the cap is at 110 percent of non-summer usage. The cap will increase to 120 percent for 2016.

The Lake County Board sets the sanitary sewer charge. The revenue collected is a pass through as the amount is remitted to Lake County upon collection. This fee is charged to Lake County customers. Cook County residents are charged for sanitary sewer fees through a property tax levied by the Metropolitan Water Reclamation District of Greater Chicago.

Golf Course Fees

A very conservative increase was budgeted for FY 2016 over the estimated actual of \$32,591, or 2.7 percent. The golf industry as a whole continues to struggle with declining numbers of players in a market that is oversaturated with golf courses. In FY 2015, the Arboretum is estimated to be 9.23 percent short of budgeted revenue. With daily paid rounds of golf being the driver for revenues, the Arboretum got off to a slow start to the 2015 season. The extended winter prevented the course from opening as targeted and the brutal winter caused significant

damage to the greens. The 2016 budgeted revenues do account for inclement weather patterns which influences play volume. The Arboretum does have a rate increase of \$1.00 per person for cart rental fees proposed for the 2016 season. The green fee rates will not increase at either course in 2016.

Total golf course revenues at the Buffalo Grove Golf Club in 2016 will result in a decrease of 5.84 percent as measured against the 2015 budget. In addition to being very sensitive to economic conditions and competition for discretionary spending, the Buffalo Grove Golf Club experienced the same environmental issues to begin 2015 as the Arboretum. Additionally, the high volume of rain that fell in late April through early June compromised the first half of the season at Buffalo Grove Golf Club. The club will continue to struggle with weather patterns as it currently sits in a flood plain. The 2016 budget for the Buffalo Grove Golf Club does account for inclement weather patterns on the revenue side and also a reduction of expenses to accommodate the short fall in revenue.

Investment Revenues

The Village's investments are guided by three policies that address permitted investments in the portfolios of the Police Pension Fund, Firefighter Pension Funds, and all other funds. Total investment revenue is expected to be \$5.2 million. All funds other than pension funds have durations less than three years with an average expected yield of .3 percent. All investments are laddered to meet the cash flow needs of the fund. The primary strategy for non-pension investments is safety and liquidity. 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 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 8.1 percent and no change, respectively. The levy for IMRF and Social Security/Medicare will decrease by 2.3 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, 6.2 percent for Social Security and 1.45 percent for Medicare.

The actuarially assumed rate of investments is 7 percent for the public safety funds and 7.5 for IMRF. The public safety pension funds are structured to be 100 percent funded by the year 2040. IMRF has a rolling amortization period. The current level of funding for the Police and Firefighters' Pension Funds is 70.2 and 69.8. IMRF is 71.5.

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 trends. There is one large transaction accounted for within Other Revenue Sources. The Village is currently engaged in performance contracting for water meter replacements and street lightening improvements. Approximately \$6 million was borrowed to cover the initial capital improvements. Those funds are in escrow and will be drawn down over the next year as project cost reimbursements. Repayment of the loan will be generated from the efficiencies in water metering and, in turn, be used to cover the principal and interest.

The only new revenue for FY 2016 was noted earlier in the section, storm water management fees.

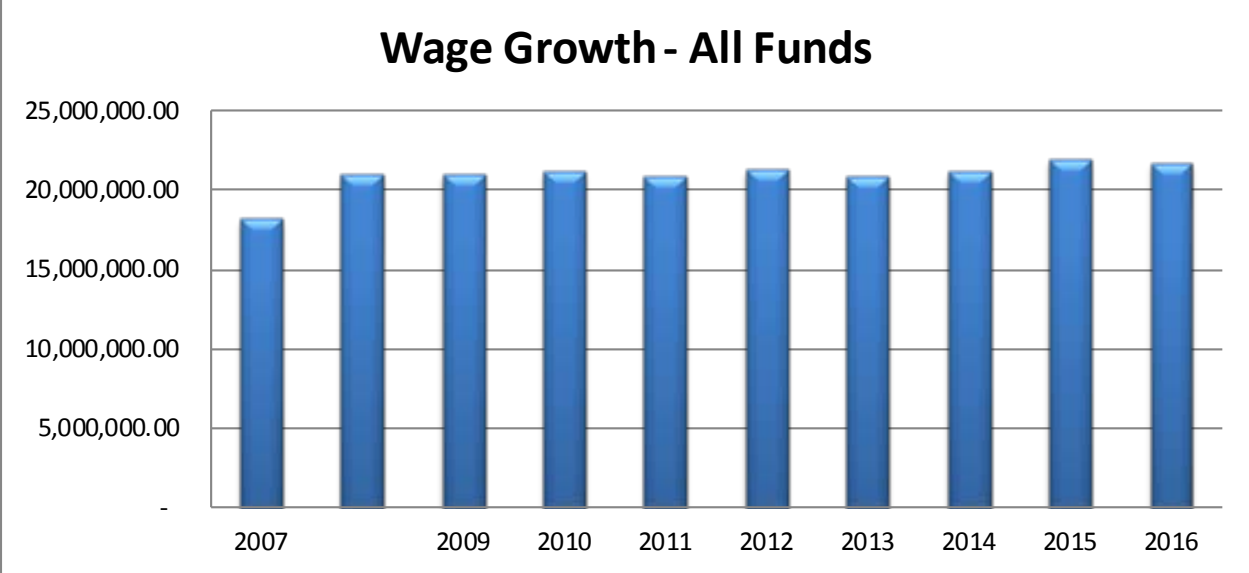
Expenditure Trends and Projections

Personnel Services

The primary mission of the Village of Buffalo Grove is to provide high quality services to residents and those employed within its boundaries. To accomplish that purpose in 2016, 28.9 percent of all Village expenditures are allocated to salaries and wages, up 1 percent from 2015.

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 implementation of a Tier II pay system combined with limited pay increases has allowed the Village to continue with expected service levels. In FY 2015, a pay for performance system was implemented that will better measure employee progress against stated goals, fostering a stronger environment of accountability.

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 is not set to expire until April 30, 2017, with an optional re-opener April 30, 2016. The police union was certified in 2012 and the current contract expires on December 31, 2016. The non-represented work force will receive a 2.5 percent general wage increase.

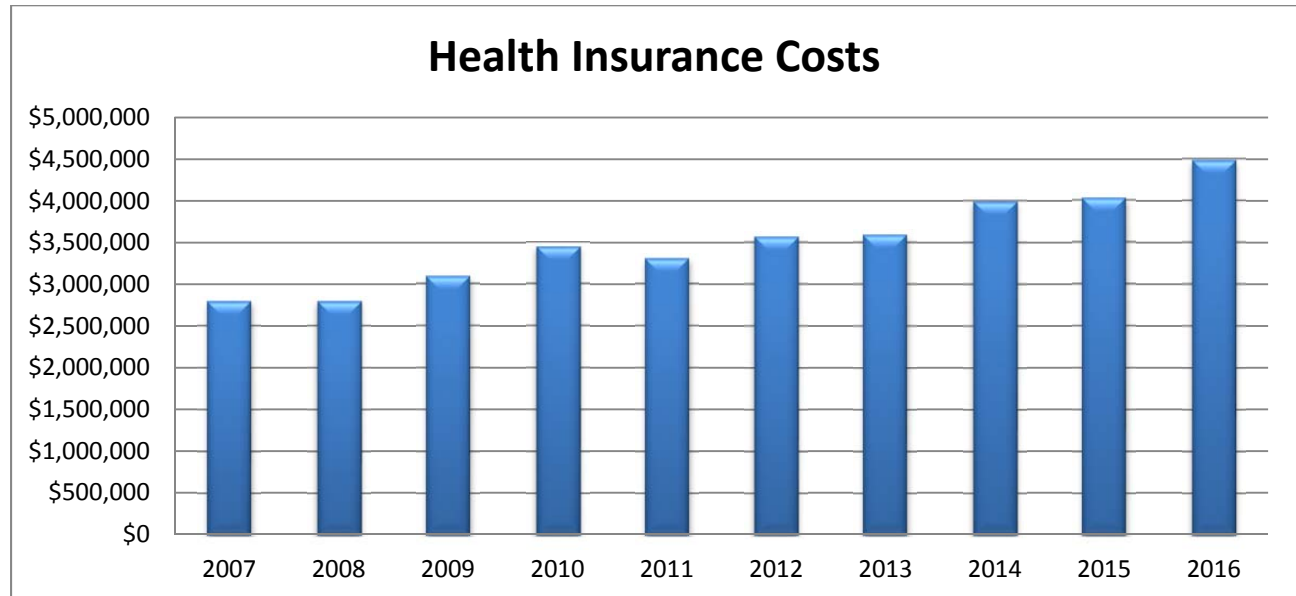


The period between 2007 and 2008 encompasses the change of the fiscal year from an April 30 year end to December 31. There are two cost of living adjustments over the 20 month period resulting in the wage spike. The proposed increase in wages from the 2015 estimated actual is 3.9 percent. That increase is due to a general wage adjustment for non-represented employees of 2.5 percent and pay for performance range movement. Police and firefighter represented wages will increase based upon a negotiated agreement.

Personnel Benefits

The Village of Buffalo Grove is a member of the Intergovernmental Personnel Benefits Cooperative. The IPBC is a pooled benefit cooperative with approximately eighty member communities. For 2016, the total amount budgeted for health insurance is \$4.5 million, up over \$4 million from the 2015 budget. The Village had a challenging year with heavier claim experience than anticipated. The other component of the expenditure line item is the cost to fund the Retiree Health Savings (RHS) Program reserve. The RHS Program is designed to monetize unused employee sick time at the end of employment to be used for unreimbursed medical expenses.

The Village has been proactive in trying to contain medical costs. Those efforts will continue in 2016 with a continued 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 have increased one percent per year and conclude in 2016 with employees covering 15 percent of the premium.



Commodities

Approximately six 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, budgeted at \$3.4 million in 2016. The Lake County sanitary sewer fees account for almost 75 percent of the Village’s entire commodities budget. As these fees are a pass through, 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 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. The most significant sources of electricity expenses are to power the sanitary sewer lift station pumps, the booster pumps for water delivery, and street lighting.

Capital Projects & Equipment

Just over 14 percent of all 2016 budgeted expenditures are for capital projects and capital assets. These items are identified in detail in the 2016-2020 Capital Improvement Plan as shown in *Section 6: Capital Improvement Budget Summary* and reserves for capital. 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.

The Village maintains three capital reserve funds and has added a fourth for infrastructure replacement in 2016. The first fund is the reserve for capital replacement. This reserve was established to fund all vehicles and specialized equipment. As the asset nears the end of its service life the funds are in place for a replacement purchase. The second reserve is a reserve for technology. This reserve commits funds for future technology investments. By allocating a transfer to the reserves each year, the capital spending amount is smoothed out and not subject to spikes. The third reserve is a reserve for buildings and facilities. Budgeted dollars will be allocated to future building repairs including roofs and mechanical systems. The fourth reserve as noted above is for infrastructure. Those reserves will be allocated to maintaining the storm water system. As the Village facilities

continue to age maintenance costs will continue to rise. In total \$1.3 million will be committed in 2016 for these three reserves.

Several significant capital projects are programmed for 2016. The first project is the annual street maintenance program. This program continues to be a top priority of the Village Board. 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.

The second project is the Village's reforestation program due to the Emerald Ash Borer infestation. 2016 marks the final year of the four year project. In total it is anticipated that approximately 6,300 Village owned Ash Trees will be replaced. In 2016, the removal and replacement costs are estimated to be \$.5 million dollars.

The third project is the Village wide Water Meter Replacement program. This program provides for water meter replacements at all customer sites, while also establishing Advanced Metering Infrastructure (AMI) to allow for remote reading of meters and increased customer service through real time data. The project is currently being evaluated as a performance contracting project with Siemens, but could also occur as a standalone project managed by the Village. This project is currently budgeted at \$3 million dollars and accounts for 32 percent of the total capital budget in 2016.

The Village will also continue to fund initiatives to replace water main and sanitary sewer system items. In 2016 there are five infrastructure projects related to water main and sewer replacements. These projects total \$2.5 million, or 26.9 percent, of the 2016 capital project budgets.

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 2015 along with expenditure trend information. A reasonable estimation of expenditure is developed for 2016 and included within the line item budget.

The Village has centralized the purchasing function which controls purchases through a central contact (Purchasing Manager). This has allowed the Village to better leverage purchasing power and provide better oversight of contracts for products and services. Greater savings will be realized over the next few years as existing leases and contracts expire and are renegotiated and/or bid under the new program.

The Purchasing manager is the delegate for the Village to the Suburban Purchasing Cooperative. The Suburban Purchasing Cooperative is a joint purchasing program sponsored by the Northwest Municipal Conference (NWMC), DuPage Mayors & Managers Conference (DMMC) South Suburban Mayors and Managers Association (SSMMA), and Will County Governmental League (WCGL). Together the SPC represents 140 municipalities and townships in northeastern Illinois.

Debt Service Expenditures

The Village currently has three bond issues outstanding as of January 1, 2016, all being General Obligation Bonds (Series 2012, Series 2010A, and Series 2010B). Bond descriptions and a amortization schedules are listed within the *Debt Profile* of this section. Most Village debt service revenues are obtained through property tax. The Water and Sewer Fund provides a \$200,000 operating transfer to abate a portion of the taxes attributed to the Public Service Center improvements.

The cost related to servicing the debt for performance contracting (water meter replacements) will be paid from additional revenue earned through the use of more efficient meters. The line of credit principal and interest is paid from the Capital Projects Fund.

Enterprise Fund Expenses

The Water and Sewer, Refuse, and Golf Funds are considered enterprise funds. Enterprise funds function like private sector businesses in that retail prices (rates and user fees) must be set at appropriate levels that are sufficient to pay for the costs of providing the goods. There is no property tax subsidy used to balance enterprise fund operations. There is a subsidy transfer to the Buffalo Grove Golf Club from the General Fund of \$155,020 and another to the Arboretum Golf Club for \$146,919. These transfers are necessary to stabilize golf operations due to the charge back of the three internal service funds, information technology, central garage, and building maintenance. These funds have increased the expenditure burden of all departments that utilize the services provided. In an effort to drive down costs, both courses have outsourced the maintenance of the grounds resulting in a reduction of labor costs and the need to fund reserves for future equipment purchases.

As noted, the Water and Sewer Fund has a budgeted rate increase to provide sufficient operating revenues and capital reserves. The largest cost within the Water and Sewer Fund is for capital improvements, the wholesale cost of the water (\$1.7 million) through the Northwest Water Commission, and the pass through costs (\$3.4 million) of Lake County sanitary sewer services.

The costs within the Refuse Fund are the tipping fees collected and remitted to the Village by the current waste hauler and sent to the Solid Waste Agency of Northern Cook County (SWANCC) for costs associated with processing and delivering the waste. There is a transfer of \$75,000 to the General Fund to reimburse for work performed on behalf of the fund to manage the service contract and \$.2 million will be transferred to Capital Projects – Streets to assist in roadway maintenance as refuse vehicles put a significant strain on the roadway adjacent to the curb line.

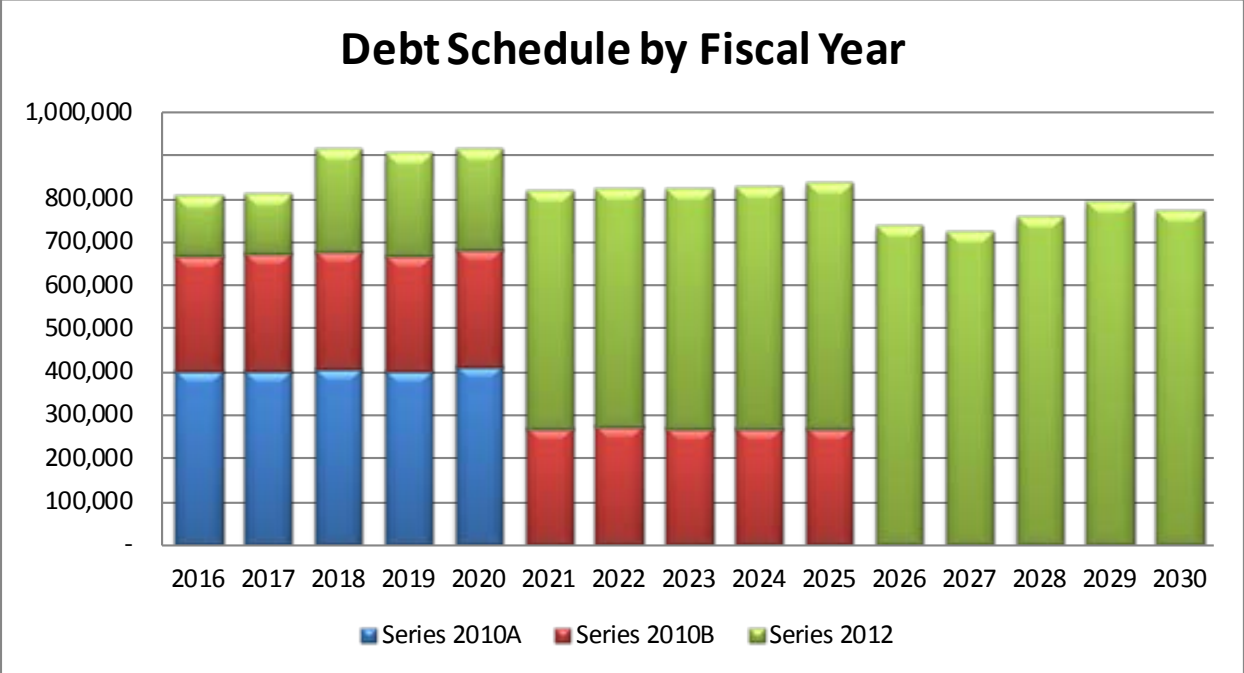
Internal Service Funds

The Information Technology, Central Garage, and Building Maintenance Funds are Internal Service Funds first budgeted in 2015. In FY 2016 and future years, the actual department demand for services will result in a modification to the subsequent year's budget. An internal service fund accounts for goods and services designated to a department that are utilized by one or more other governmental units and are reimbursed from the departments that utilize these services. Each department has an expenditure line item for each service they utilize. The expenditure is a combination of the budgeted costs their department would normally incur plus a portion of overhead to operate the Internal Service Fund departments based on the weighted average of the expenditures to be incurred. Costing out internal service funds allows the Village to gain a more accurate cost to provide services.

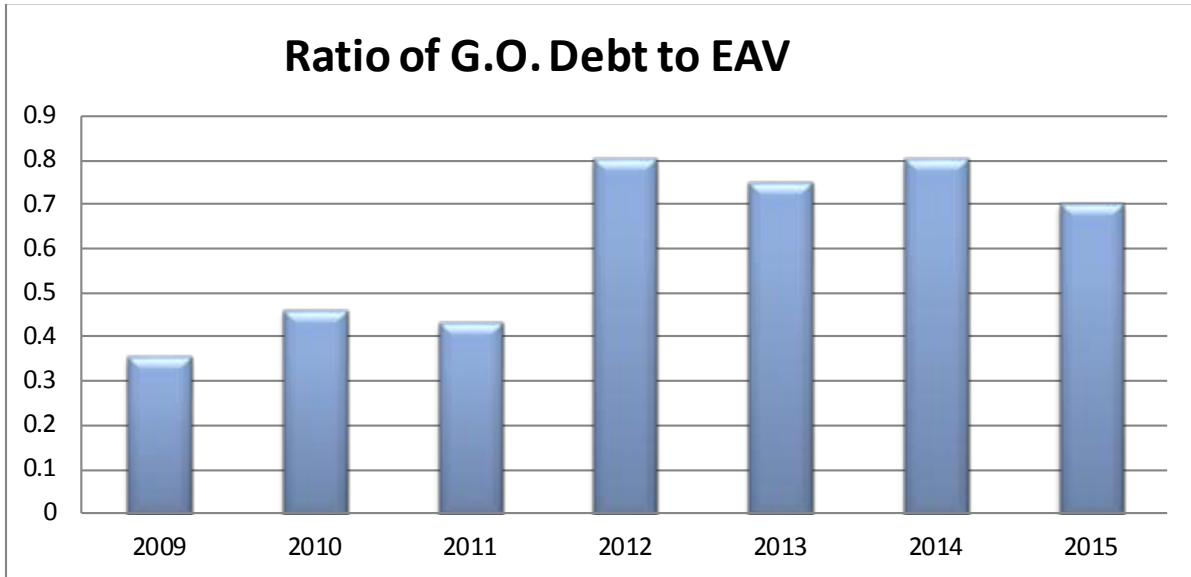
The Information Technology Fund's budget is \$1,224,249, Central Garage is budgeted at \$1,791,878, and Building Maintenance is budgeted at \$1,396,763. The Internal Service Funds are not intended to carry a fund balance at the end of a fiscal year. As they are intended to breakeven, this may result in additional expenditures incurred by each department to fund the additional costs, if a fund or funds come in over budget. Concurrently, if the internal service funds come in below the budgeted amount(s), a refund will be distributed back to the departments which will show the expenditure below budget for the year.

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 2016, debt service consists of \$400,400 for Series 2010A, \$269,138 for Series 2010B, and \$137,525 for Series 2012. Total debt outstanding as of December 31, 2015 is \$10.04 million. The Village has an \$8 million line of credit with a balance of \$3.5 million as of December 31, 2015. The line of credit was extended in November 2015 for an additional three years. 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, 2015, the Village's ratio of General Obligation Bonded Debt to EAV was 0.70 percent. 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, 2015.

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: \$1,805,000

Interest: \$ 212,150

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: \$2,235,000

Interest: \$ 470,785

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: \$1,530,075

Debt Service Schedules

Annual Payments - General Obligation Debt

Principal

Fiscal Year	Series 2010A	Series 2010B	Series 2012	Total
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	2,130,000	2,420,000	6,000,000	10,550,000

Debt Service Schedules

Annual Payments - General Obligation Debt Interest

Fiscal Year	Series 2010A	Series 2010B	Series 2012	Total
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	285,675	554,551	1,667,601	2,507,827

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. For the General Fund, only unassigned fund balance is noted.

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 2016 budget, with surplus (deficit) shown for each fund.

Fund	Fund Balance January 1, 2016	2016 Revenue	2016 Expenditures	Excess of Revenue over Expenditures	Fund Balance December 31, 2016
General Fund	13,725,644	41,714,743	41,670,875	43,868	13,769,512
Special Revenue Funds					
Parking Lot	61,877	230,000	193,654	36,346	98,223
Motor Fuel Tax	1,673,788	1,000,000	1,000,000	-	1,673,788
Debt Service Fund					
Debt Service	(25,486)	807,063	810,063	(3,000)	(28,486)
Capital Project Funds					
Facilities		1,428,356	1,428,356	-	0
Streets		1,049,727	1,049,727	-	
Enterprise Funds					
Water & Sewer (cash)	2,574,982	13,834,475	14,914,247	(1,079,772)	1,495,210
Arboretum Golf Course	-	1,424,200	1,414,886	9314	9,314
B.G. Golf Course	-	1,248,569	1,242,963	5,606	5,606
Refuse Service	835,055	1,040,000	1,026,740	13,260	848,315
Internal Service Funds					
Information Technology	-	1,224,249	1,224,249	-	-
Central Garage	-	1,791,878	1,791,878	-	-
Building Maintenance	-	1,396,763	1,396,763	-	-
Trust & Agency Funds					
Police Pension	57,254,452	6,233,462	3,612,717	2,620,745	59,875,197
Firefighter Pension	50,156,718	4,629,699	2,131,491	2,498,208	52,654,926
Total All Funds	126,257,030	79,053,184	74,908,609	4,129,655	130,386,685

There are two funds that are budgeted to have greater than a ten percent variance in fund balance during 2016. The Debt Service Fund fund balance will decrease by \$3,000.00 or 11 percent. The decrease represents the annual bank fee charges to facilitate the debt service on behalf of the Village. The Water Fund's cash position will decrease by 42 percent based on capital improvements that are scheduled in 2016.

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Section 5

General Fund Summary and Detail

General Fund Revenue
Office of the Village Manager
Finance and General Services
Human Resources
Fire Services/EMA
Police Services
Community Development
Public Works Management and Administration
Non-operating Transfers



General Fund Revenue

The General Fund Revenue Budget for 2016 is \$41,714,743 representing a 6.86 percent increase over the 2015 budgeted amount, and a 7.39 percent increase over the 2014 actual revenues. Property taxes, state shared taxes (sales tax and income tax), home-rule sales tax, prepared food & beverage tax, telecommunications tax, and other taxes comprise 85.61 percent of the revenue budgeted in 2016.

A new revenue for 2016 is the Storm Water Management Fee. This fee will fund the replacement, repairs, and maintenance for the Village's Storm Water Sewer System infrastructure.

For a more detailed description on revenues and assumptions, refer to *Section 4 Executive Overview*.

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General Fund					
10 - Property Taxes					
400.01 Corporate Levy - Cook County	527,195	539,371	552,626	552,626	-
400.02 Corporate Levy - Lake County	1,732,005	1,791,917	1,823,929	1,823,929	-
400.03 Police Protection - Cook County	126,405	127,218	133,008	133,008	909,861
400.04 Police Protection - Lake County	415,273	422,648	438,991	438,991	3,002,984
400.05 Crossing Guard Levy - Cook Cty	12,407	12,487	13,004	13,004	-
400.06 Crossing Guard Levy - Lake Cty	40,759	41,483	42,923	42,923	-
400.07 Fire Protection - Cook County	903,893	909,708	947,959	947,959	1,051,311
400.08 Fire Protection - Lake County	2,969,527	3,022,262	3,127,189	3,127,189	3,468,243
400.09 Street & Bridge Levy - Cook Cty	168,120	169,202	176,229	176,229	-
400.10 Street & Bridge Levy - Lake Cty	552,319	562,127	581,643	581,643	-
400.11 Street Lighting Levy - Cook Cty	56,999	57,366	59,748	59,748	-
400.12 Street Lighting Levy - Lake Cty	187,257	190,582	197,197	197,197	-
400.13 ESDA Levy - Cook County	3,016	3,036	3,169	3,169	-
400.14 ESDA Levy - Lake County	9,908	10,084	10,464	10,464	-
400.30 FICA Levy - Cook County	-	155,583	150,834	150,834	156,113
400.31 FICA Levy - Lake County	-	518,214	502,691	502,691	520,285
400.32 IMRF Levy - Cook County	-	203,673	194,341	194,341	190,769
400.33 IMRF Levy - Lake County	-	675,035	647,690	647,690	635,788
400.50 Police Pension - Lake County	1,698,624	1,594,352	1,735,835	1,735,835	1,877,032
400.51 Police Pension - Cook County	527,999	489,406	520,841	520,841	563,207
400.60 Fire Pension - Lake County	1,563,783	1,660,269	1,672,727	1,672,727	1,672,727
400.61 Fire Pension - Cook County	484,588	508,574	501,905	501,905	501,905
10 - Property Taxes	11,980,078	13,664,597	14,034,943	14,034,943	14,550,225
Percent Change 2016 vs 2015 Budget					3.67%

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
15 - Other Taxes					
410.05 Local Use Tax	714,844	810,688	827,065	885,000	920,400
410.10 State Income Tax	3,953,754	4,018,406	4,101,071	4,450,000	4,628,000
410.15 Sales Tax - State	4,991,999	5,602,290	5,195,046	5,500,000	5,665,000
410.16 Sales Tax Rebate Payments	(499,117)	(492,271)	-	-	-
410.20 Road & Bridge Tax Wheeling	27,201	24,986	27,000	27,000	27,000
410.25 Road & Bridge Tax Vernon	155,353	153,312	152,000	152,000	152,000
410.30 Foreign Fire Insurance Tax	-	-	-	-	-
410.50 Replacement Tax	-	6,407	-	-	-
415 Taxes - Local	-	-	-	-	-
415.05 Sales Tax - Home Rule	3,667,414	3,939,275	3,396,028	3,639,453	3,748,636
415.10 Home Rule Rebate	(356,547)	(593,322)	-	-	-
415.15 Real Estate Transfer Tax	760,164	790,819	787,500	790,000	821,600
415.20 Hotel/Motel Tax	110,836	199,656	140,000	140,000	144,200
415.25 Simplified Telecommunications Tx	1,943,811	1,679,653	1,875,000	1,672,785	1,639,327
415.30 Prepared Food & Beverage Tax	742,468	728,515	780,740	725,000	746,750
415.35 Electricity Use Tax	1,681,745	1,628,090	1,640,000	1,650,000	1,650,000
415.40 Natural Gas Use Tax	1,109,799	1,097,928	1,000,000	1,020,000	1,020,000
415.45 Para Mutual Tax	-	-	-	-	-
415.50 Auto Rental Tax	10,574	955	-	-	-
15 - Other Taxes	19,014,296	19,595,388	19,921,450	20,651,238	21,162,913
Percent Change 2016 vs 2015 Budget					6.23%
20 - Intergovernmental Revenue					
440.05 Police Training	-	-	-	-	-
440.10 Fire Training	-	-	-	-	-
440.15 District #214 Officer	151,423	234,999	95,195	90,130	90,130
440.20 Various Govts Fuel	82,393	88,665	87,000	65,000	70,000
440.25 D.A.R.E. Officer	-	13,206	88,443	87,254	89,780
440.30 Police Grant Program	-	-	-	-	-
440.35 Park District IT Support	12,715	23,080	-	-	-
440.40 Crossing Guard	-	19,865	32,000	32,726	33,558
440.45 GMAT/BATTLE	-	31,000	124,000	34,000	-
440.46 Reimb - DEA Overtime	-	-	-	-	-
440.50 Reimb - ICE Overtime	-	5,631	8,500	6,810	5,789
440.90 Miscellaneous	-	-	-	4,000	21,866
20 - Intergovernmental Revenue	246,531	416,445	435,138	319,920	311,123
Percent Change 2016 vs 2015 Budget					-28.50%
25 - Licenses					
420.05 Business Licenses	103,742	35,890	100,000	100,000	100,000
420.10 Tobacco Licenses	1,875	1,875	1,800	1,800	1,800
420.15 Vending Machine Licenses	1,630	4,680	4,650	3,150	3,150

	Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
420.20	Chauffer Licenses	2,130	1,560	2,100	1,450	1,450
420.25	Alarm Permits	29,305	9,920	30,000	27,000	27,000
420.50	All Other Licenses	8,430	11,197	9,000	9,000	9,000
425.05	Class A	50,208	50,000	50,000	50,000	50,000
425.10	Class B	21,472	20,700	22,000	22,000	22,000
425.15	Class C	41,050	28,750	27,500	27,500	27,500
425.20	Class D	6,200	3,600	5,400	5,400	5,400
425.25	Class E	6,000	9,500	10,500	10,500	10,500
425.30	Class F	2,000	4,000	4,000	4,000	4,000
425.50	Other	12,440	17,740	16,000	16,000	16,000
430	Animal Licenses	-	-	-	-	-
430.05	Dogs	7,645	6,695	8,000	6,700	6,700
430.10	Cats	495	305	650	310	310
25 - Licenses		294,622	207,312	291,600	284,810	284,810
Percent Change 2016 vs 2015 Budget						-2.33%
30 – Permits						
435.05	Development Building Permits	32,935	44,278	35,000	40,000	35,000
435.10	Engineering Fees	56,722	79,988	85,000	85,000	45,000
435.15	Contractor Registration	79,750	86,770	80,000	83,000	83,000
435.20	Plan Review Fees	68,418	88,961	60,000	80,000	60,000
435.25	Filing Fees	3,650	4,400	2,500	5,300	2,500
435.30	Annexation Fees	-	6,300	-	13,300	-
435.35	Building Inspection Fees	231,338	289,597	160,000	340,000	200,000
435.40	Plumbing Inspection Fees	39,012	41,697	30,000	36,000	30,000
435.45	Electrical Inspection Fees	53,369	63,933	45,000	55,000	45,000
435.50	Mechanical Inspection Fees	20,750	16,975	17,000	20,000	18,000
435.55	Sign Inspection Fees	8,772	7,130	7,000	7,000	7,000
435.60	Elevator Inspection Fees	31,120	29,890	35,000	30,000	30,000
435.65	Fire Suppression Inspection Fees	6,673	1,894	1,500	5,300	2,500
435.70	Rental Inspection Fees	89,633	145,935	103,000	103,000	103,000
435.71	Other Non-Business Lic & Permits	41,204	46,488	45,000	45,000	45,000
435.82	Inspections- Long Grove	-	-	-	-	-
30 - Permits		763,345	954,235	706,000	947,900	706,000
Percent Change 2016 vs 2015 Budget						0.00%
35 - Fines and Fees						
455.05	Court Fines Cook	14,626	9,525	14,750	12,000	12,000
455.10	Court Fines Lake	569,965	473,149	505,000	420,000	400,000
455.15	Village Ordinance Fines	52,250	65,022	150,000	90,180	92,000
455.20	Alarm Service Calls	18,570	48,425	35,000	31,000	31,000
455.25	Accident Reports	4,850	8,035	6,503	6,810	5,789
455.30	Fingerprint Fees	-	-	2,040	3,265	2,000

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
455.35	Ambulance Transport Fees	740,228	824,428	775,000	886,512	886,512
455.40	Subpoena Fees	358	50	250	250	250
455.45	DUI Assessments	26,672	55,119	55,000	26,913	22,876
455.50	Impounding Fees	68,400	128,118	142,800	119,000	119,850
455.60	Administrative Bail Fee	2,900	7,760	7,395	7,395	7,395
455.65	Special Rescue Billing	-	3,540	80,000	40,000	40,000
455.85	Access & Review Criminal History	-	-	-	-	-
35 - Fines and Fees		1,498,820	1,623,171	1,773,738	1,643,325	1,619,672
Percent Change 2016 vs 2015 Budget						-8.69%
40 - Charges for Services						
441.30	Construction Water	-	488	-	-	-
40 - Charges for Services		-	488	-	-	-
Percent Change 2016 vs 2015 Budget						0.00%
45 - Interest Income						
450.05	Savings	797	-	800	200	200
450.10	Investment Pool	2,051	795	250	750	750
450.15	Money Market	(1,887)	236	-	-	-
450.20	CD's	52,307	52,959	45,000	40,000	35,000
450.25	Securities	1,954	11,943	14,000	14,000	14,000
450.30	Amortization-Security Disc/Prem	-	-	-	-	-
450.35	Gain/Loss Security Transaction	-	-	-	-	-
450.40	Annuity Gain/Loss	-	-	-	-	-
450.45	Stock Dividend	-	-	-	-	-
45 - Interest Income		55,223	65,933	60,050	54,950	49,950
Percent Change 2016 vs 2015 Budget						-16.82%
50 - Miscellaneous Revenue						
465.05	Cable Franchise Fees	765,825	788,706	770,000	824,000	865,200
465.07	Storm Water Management Fees	-	-	-	-	1,200,000
465.10	Buffalo Grove Days	186	295	-	-	-
465.12	Symphonic Band	-	12,013	16,200	12,000	12,000
465.15	Other Community Festivals	-	-	-	-	-
465.20	Facility Rental	3,850	3,850	3,850	3,850	3,850
465.25	Ins Property Damage Recovery	-	-	-	-	-
465.26	Ins Worker's Comp Recovery	-	-	-	-	-
465.27	Ins Excess Loss Recovery	-	-	-	-	-

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
465.30	Farmers Market	-	6,230	-	-	-
465.35	Sales - Fixed Assets	-	-	-	-	-
465.50	Misc Reimbursements/Refunds	712	(8,211)	-	-	-
465.51	Miscellaneous Donations	-	-	-	-	-
465.52	Miscellaneous Forfeitures	-	-	-	-	-
465.57	Reserve for Capital Replace- Tech	-	142,600	-	-	-
465.58	Reserve for Capital Replace- Bldg	-	203,110	-	-	-
465.60	Central Garage Reimbursements	87,338	84,607	90,000	-	-
465.65	Grants	-	212,500	-	-	-
465.70	Recycling Proceeds	33,309	34,538	37,000	35,000	35,000
465.75	Auction Proceeds	-	-	-	-	-
465.90	Miscellaneous Income	37,579	70,843	46,000	170,000	50,000
472	Capital Contributions	-	-	-	-	-
50 - Miscellaneous Revenue		928,799	1,551,081	963,050	1,044,850	2,166,050
Percent Change 2016 vs 2015 Budget						124.92%
55 - Operating Transfers						
460.05	Interfund Transfers In	765,000	765,000	852,500	852,500	864,000
55 - Operating Transfers		765,000	765,000	852,500	852,500	864,000
Percent Change 2016 vs 2015 Budget						1.35%
Revenues Total		35,546,713	38,843,649	39,038,469	39,834,436	41,714,743
Percent Change 2016 vs 2015 Budget						6.86%

Office of the Village Manager

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

Legislative Components

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 residents.

Village Board

Members of the Board are assigned specific areas of responsibility by the Village President, and represent the Village at meetings, workshops, and public hearings related to their responsibilities.

- 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
- The Board coordinates operations through the Village Manager

Village Manager

- Executes policy set by Village Board
- Oversees Village day-to-day operations

Commissions, Committees and Boards

- Membership composed of Village residents
- Appointed by the Village President by and with the consent of the Village Board
- More than 100 volunteers serve eleven 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 Division

The Village receives legal services from an outside firm that include specific research, ordinance preparation, annexation agreements, contracts and litigation.

Village Attorney

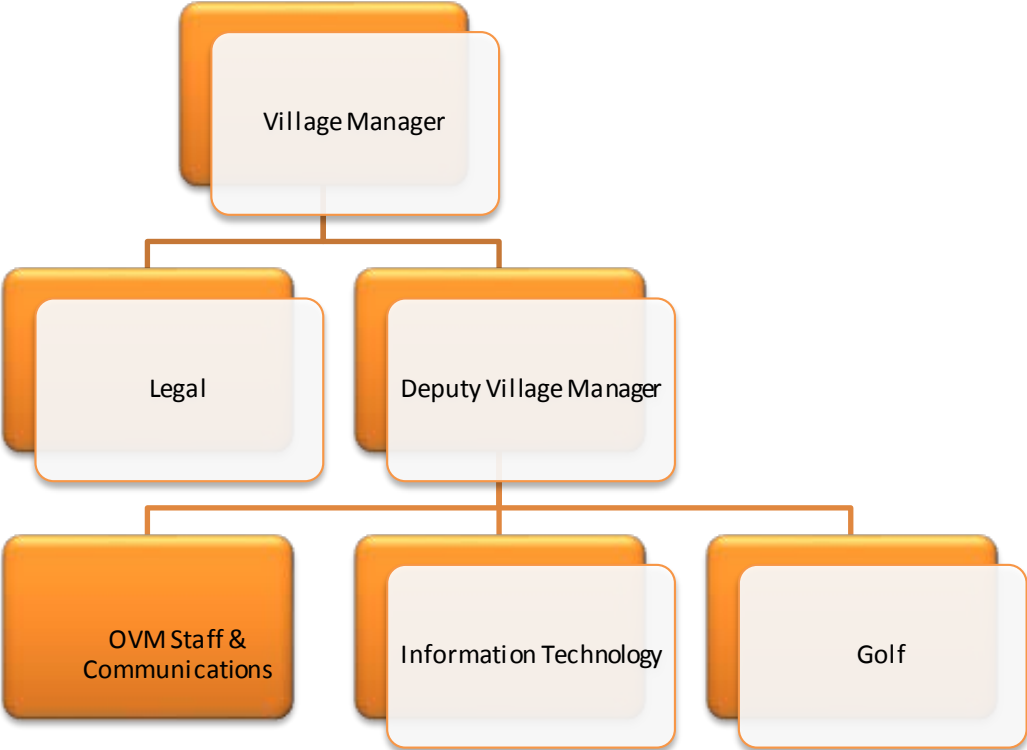
- Provides legal service and advice to the Village staff, Village Board and Village Commissions, Committees and Boards
- Attends Village Board meetings, Planning and Zoning Commission public hearings
- Is available for staff conferences as needed

Village Prosecutor

- On retainer to represent Village interests in court cases

50 Raupp Boulevard, Buffalo Grove, IL 60089 | www.vbg.org | (847) 459-2525

Department Structure



2016 Staffing Summary

For 2016, there are a few staffing changes in the Office of the Village Manager. With the hiring of a Community Development Director in 2015, the Community Development function has been moved out of the Office of the Village Manager into its own department. Additionally, the Communications Manager position will be outsourced in 2016.

Office of the Village Manager/ Administration	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Administrative Intern	0	1	0	0	0	0
Communications Manager*	0	0	1	0	0	0
Deputy Village Manager	1	0	1	0	1	0
Management Analyst	1	0	1	0	1	0
Secretary	1	0	0	0	0	0
Village Manager	1	0	1	0	1	0
Total	4	1	4	0	3	0
Full & Part-Time Total	5		4		3	

Strategic Priorities and Measures Office of the Village Manager

Strategic Priorities	Measure	Averaged Baseline	Q1	Q2	Q3
Service Optimization	No Measure Identified		N/A	N/A	N/A
Organizational Culture	Total Number of Unique Visitors to Facebook Page	1,267	1,004	1,100	1,697
Organizational Culture	Unique People who Have Seen Village Content	60,233	59,254	75,889	45,557
Revenue Growth	No Measure Identified	N/A	N/A	N/A	N/A
Economic Development	No Measure Identified	N/A	N/A	N/A	N/A
Infrastructure Stability	No Measure Identified	N/A	N/A	N/A	N/A

Village staff is in the process of implementing a performance management program. During the first year of the program, departments are establishing baseline performance. This baseline is currently determined by averaging the past four quarters of performance data.

Budget Summary Legislative

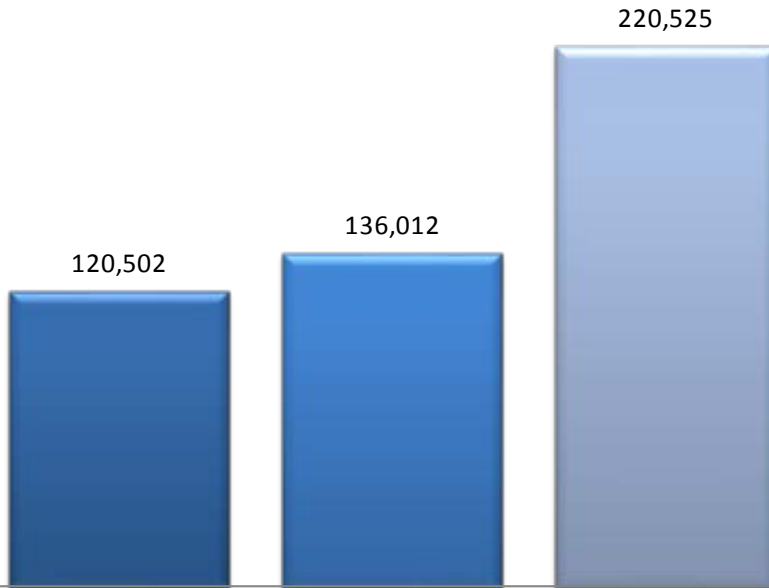
	FY 2014 Actual	FY 2015 Est. Actual	FY 2016 Budget
Personal Services	33,000	33,000	33,000
Personal Benefits	9,426	34,545	35,525
Operating Expenses	8,183	5,100	7,700
Other Services	45,361	44,600	46,800
Other Expenses	24,533	18,500	27,500
Capital Outlay	-	267	70,000
Total	120,502	136,012	220,525

Budget Variance Legislative

Line Item Number	Account Description	Percentage Change	Dollar Amount Change	Description of Change
505.10	Professional Training	(100.00%)	(500)	
525.25	Plan Commission	New	4,000	Minutes for meetings
525.35	Arts Commission	(80.00%)	(4,000)	Decreased Arts Festival contract
525.55	Farmer's Market	400.00%	2,000	Credit card fees
580.05	All Other Expenses	(100.00%)	(50)	Reduced based on trends
555.10	Office and Other Equipment	New	70,000	Audio for Council Chambers

Legislative

FY 2014 Actual FY 2015 Est. Actual FY 2016 Budget



Total

Description	2013 Actual	2014 Actual	2015 Adopted	2015 Est Actual	2016 Budget
Fund: 100					
Department: 10 - Legislative					
10 - Salaries					
500.10 Part Time	-	-	-	-	-
500.25 Elected Officials	33,000	33,000	33,000	33,000	33,000
10 - Salaries	33,000	33,000	33,000	33,000	33,000
Percent Change 2016 vs. 2015 Budget					0.00%
15 - Taxes and Benefits					
505.10 Professional Training	49	605	500	20	-
505.15 Dues & Memberships	29,626	6,296	32,000	32,000	33,000
505.75 Employer's Contribution FICA	-	2,046	2,173	2,046	2,046
505.80 Employer's Contribution IMRF	-	-	-	-	-
505.85 Employer's Contribution Medicare	-	479	486	479	479
15 - Taxes and Benefits	29,675	9,426	35,159	34,545	35,525
Percent Change 2016 vs. 2015 Budget					1.04%
25 - Operating Expenses					
510.02 Telephone	183	-	-	-	-
510.04 Travel	17	71	100	-	100
510.08 Reception & Community Affairs	7,170	8,112	7,500	5,000	7,500
510.14 Subscriptions & Publications	-	-	-	-	-
510.21 IT Internal Svc Contribution	-	-	-	-	-
510.40 Supplies - Office	67	-	100	100	100
535.01 Facilities Building Mnt Internal Svc	-	-	-	-	-
545.01 Vehicles Central Garage Internal Svc	-	-	-	-	-
25 - Operating Expenses	7,437	8,183	7,700	5,100	7,700
Percent Change 2016 vs. 2015 Budget					0.00%
35 - Other Services					
525.05 Blood Commission	164	84	300	200	300
525.10 Buffalo Grove Days	-	-	-	-	-
525.15 Fire and Police Commission	-	-	-	-	-
525.20 Fireworks for the Fourth	20,000	21,000	21,500	21,500	22,000
525.25 Plan Commission	-	-	-	2,500	4,000
525.30 Residents with Disabilities	(100)	-	700	700	700
525.35 Arts Commission	5,605	5,660	5,000	1,000	1,000
525.40 Zoning Board of Appeals	-	57	-	-	-
525.45 Village Board	339	192	-	-	-
525.50 Symphonic Band	4,702	14,047	16,200	16,200	16,200

Description	2013 Actual	2014 Actual	2015 Adopted	2015 Est Actual	2016 Budget
525.55 Farmer's Market	(3,000)	4,322	500	2,500	2,500
525.95 Other Boards/Commissions	540	-	100	-	100
35 - Other Services	28,251	45,361	44,300	44,600	46,800
Percent Change 2016 vs. 2015 Budget					5.64%
50 - Other Expenses					
580.05 All Other Expenses	1,031	-	50	-	-
580.10 Consultant Fees	1,109	3,200	5,000	-	5,000
580.45 Cable Television Programming	18,937	17,030	19,500	15,500	19,500
580.50 Senior Taxi Program	3,863	4,303	3,000	3,000	3,000
50 - Other Expenses	24,939	24,533	27,550	18,500	27,500
Percent Change 2016 vs. 2015 Budget					-0.18%
55 - Capital Outlay					
555.10 Office and Other Equipment	1,121	-	-	267	70,000
55 - Capital Outlay	1,121	-	-	267	70,000
Percent Change 2016 vs. 2015 Budget					0.00%
Department Total: 10 - Legislative	124,422	120,502	147,709	136,012	220,525
Percent Change 2016 vs. 2015 Budget					49.30%

Budget Summary
Office of the Village Manager

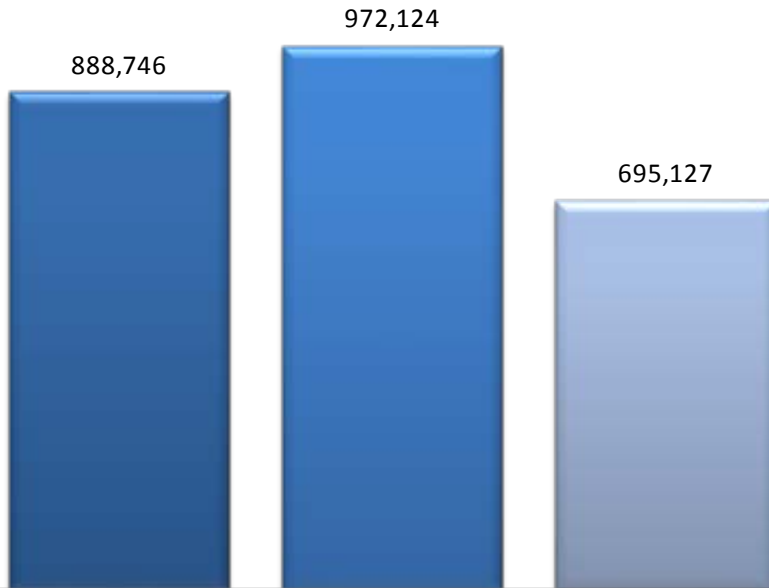
	FY 2014 Actual	FY 2015 Est. Actual	FY 2016 Budget
Personal Services	536,057	600,400	397,334
Personal Benefits	199,873	257,841	156,757
Operating Expenses	53,044	94,440	89,928
Contractual Services	1,823	1,823	2,188
Repairs and Maintenance	-	-	500
Other Expenses	5,393	11,000	41,800
Capital Outlay	92,191	6,620	6,620
Total	888,381	972,124	695,127

Budget Variances
Office of the Village Manager

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.05	Full Time	(37.56%)	(238,694)	Reclassed Salary to Community Development
505.05	Group & Medical Life	(44.74%)	(51,000)	Reclassed insurance to Community Development
505.75	Employer's Contribution - FICA	(47.42%)	(16,579)	Reclassed Salary to Community Development
505.80	Employer's Contribution - IMRF	(35.29%)	(30,051)	Reclassed Salary to Community Development
505.85	Employer's Contribution Medicare	(37.48%)	(3,454)	Reclassed Salary to Community Development
510.06	Per Diem Allowance	(80.00%)	(400)	Reduced based on usage
510.08	Reception & Community Affairs	76.47%	650	Increased based on historical usage
510.16	Printing	(20.00%)	(100)	New contracted price
510.21	IT Internal Svc Contribution	(44.08%)	(16,139)	Recalibrated cost basis
545.01	Vehicles Central Garage Internal Svc	(69.33%)	(2,634)	Recalibrated cost basis
580.10	Consultant Fees	166.67%	25,000	Outsourced communications function
555.10	Office and Other Equipment	(100.00%)	(3,647)	Reduced based on usage

Office of the Village Manager

■ FY 2014 Actual ■ FY 2015 Est. Actual ■ FY 2016 Budget



Total

Description		2013 Actual	2014 Actual	2015 Adopted	2015 Est Actual	2016 Budget
Fund:	100- General					
Department:	15 - Office of the Village Manager					
10 - Salaries						
500.05	Full Time	546,695	486,486	635,528	600,000	396,834
500.10	Part Time	106,747	46,244	-	-	-
500.35	Overtime	4,049	2,327	-	-	-
500.40	Longevity	1,400	1,000	-	400	500
10 - Salaries		658,891	536,057	635,528	600,400	397,334
Percent Change 2016 vs. 2015 Budget						-37.48%
15 - Taxes and Benefits						
505.05	Group & Medical Life	88,824	73,246	114,000	114,000	63,000
505.10	Professional Training	2,167	5,794	6,500	6,500	6,500
505.15	Dues & Memberships	8,932	6,978	8,800	8,000	8,000
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.75	Employer's Contribution - FICA	-	27,890	34,965	34,965	18,386
505.80	Employer's Contribution - IMRF	-	78,201	85,161	85,161	55,110
505.85	Employer's Contribution Medicare	-	7,763	9,215	9,215	5,761
15 - Taxes and Benefits		99,923	199,873	258,641	257,841	156,757
Percent Change 2016 vs. 2015 Budget						-39.39%
25 - Operating Expenses						
510.02	Telephone	2,553	3,557	2,250	2,250	2,250
510.03	Postage	-	-	-	-	-
510.04	Travel	1,740	2,227	1,200	1,200	1,200
510.06	Per Diem Allowance	230	27	500	100	100
510.08	Reception & Community Affairs	1,656	2,214	850	1,500	1,500
510.10	Maintenance Contracts	21,337	19,424	-	-	-
510.14	Subscriptions & Publications	1,382	1,536	1,550	1,550	1,550
510.16	Printing	1,000	-	500	400	400
510.18	Village News letter	33,632	23,349	33,000	33,000	33,000
510.21	IT Internal Svc Contribution	-	-	36,613	30,838	20,474
510.40	Supplies - Office	1,251	710	2,000	1,500	2,000
535.01	Facilities Building Mnt Internal Svc	-	-	24,262	19,587	26,289
545.01	Vehicles Central Garage Internal Svc	-	-	3,799	2,515	1,165
25 - Operating Expenses		64,781	53,044	106,524	94,440	89,928
Percent Change 2016 vs. 2015 Budget						-15.58%
30 - Contractual Services						
515.05	IRMA Premium	-	1,023	1,023	1,023	1,023
515.10	Unemployment Insurance	800	800	800	800	800
515.15	IRMA Deductible - Worker's Comp	-	-	219	-	219
515.20	IRMA Deductible - Non Wrker's Co	-	-	146	-	146
30 - Contractual Services		800	1,823	2,188	1,823	2,188
Percent Change 2016 vs. 2015 Budget						0.00%

Description	2013 Actual	2014 Actual	2015 Adopted	2015 Est Actual	2016 Budget
40 - Repairs and Maintenance					
545.05 Vehicles Gasoline	-	-	-	-	-
545.10 Vehicles Diesel Fuel	-	-	-	-	-
545.15 Vehicles Automotive Parts	-	-	-	-	-
545.20 Vehicles Garage Labor	-	-	-	-	-
545.25 Vehicles Lubricants	-	-	-	-	-
545.30 Vehicles Garage Overhead	-	-	-	-	-
545.35 Vehicles Body Work	-	-	-	-	-
545.40 Vehicles Contractual Auto Services	-	-	-	-	-
550 Other	-	-	-	-	-
550.05 Other Department Equipment	135	-	500	-	500
40 - Repairs and Maintenance	135	-	500	-	500
Percent Change 2016 vs. 2015 Budget					0.00%
50 - Other Expenses					
580 All Other Expense	-	-	-	-	-
580.05 All Other Expenses	1,631	1,279	1,800	1,000	1,800
580.10 Consultant Fees	-	4,113	15,000	10,000	40,000
50 - Other Expenses	1,631	5,393	16,800	11,000	41,800
Percent Change 2016 vs. 2015 Budget					148.81%
55 - Capital Outlay					
555 Capital Equipment	-	-	-	-	-
555.10 Office and Other Equipment	18,318	43,767	3,647	-	-
555.30 Reserve for Capital Replacement	-	-	-	-	-
555.40 Reserve for Technology	22,009	43,054	1,250	1,250	1,250
555.50 Reserve for Buildings	-	5,370	5,370	5,370	5,370
55 - Capital Outlay	40,327	92,191	10,267	6,620	6,620
Percent Change 2016 vs. 2015 Budget					-35.52%
Department Total : 15 - Office of the Village Manager	866,487	888,381	1,030,448	972,124	695,127
Percent Change 2016 vs. 2015 Budget					-32.54%

Finance Department

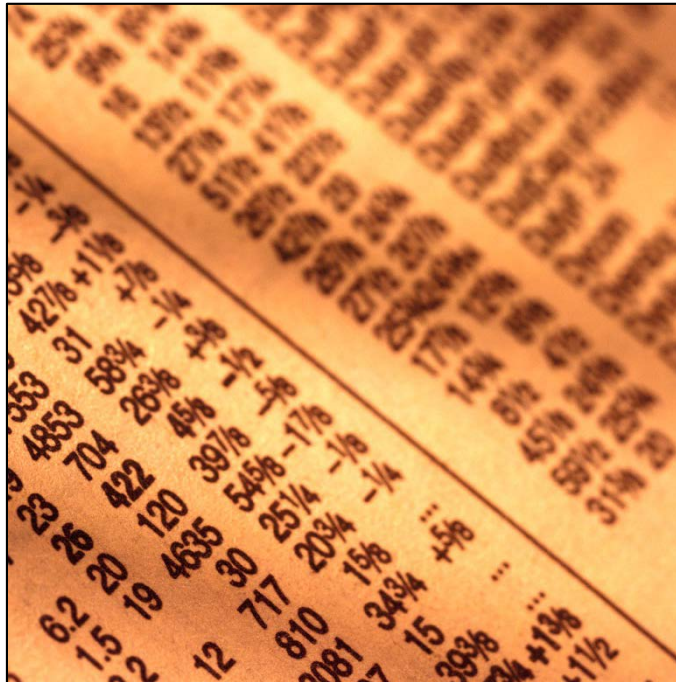
The Finance Department is established to provide the Village with a wide range of financial, analytical, and administrative support

The Finance Department is committed to serving the needs of customers by providing excellent customer service through sound financial management and professionalism. The department functions in a broad staff support environment, assisting departments at different levels.

Various programs have been established to account for all Village financial transactions. The procedures are articulated in the Village's Investment Policy and Procedures. The adopted Purchasing Policy is affirmed as part of the Village's annual audit process as well as the preparation of the Comprehensive Annual Financial Report.

Finance Functions

1. Payroll and human resource support (including health insurance administration)
2. Financial administration, planning, analysis and budgeting
3. General services and license administration
4. Utility billing
5. Debt collection coordination
6. Bookkeeping, accounting and auditing
7. Electronic payment management
8. Statutory administrative services
9. Centralized purchasing



Comprehensive Annual Financial Report

Each summer, the Finance Department publishes a report outlining revenues and expenditures from the previous fiscal year. This report includes information about the Village's financial condition and fiscal activities.

The report is presented in accordance with the generally accepted accounting principles (GAAP) outlined by the Government Finance Officers Association.

Budget

Each winter, the Village Board of Trustees approves the budget document for the following year. The document is compiled by the Finance Department with input from all levels of government in Buffalo Grove.

Department Structure



2016 Staffing Summary

For 2016, the personnel counts reflect the strategic move to a combined customer service counter for Community Development and Finance. To improve customer service, a dedicated customer service representative will be hired and will work exclusively at the front counter. Employees designated as FT .5 are shared between departments.

Finance & General Services	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Accountant	1	0	1	0	1	0
Deputy Clerk	0	0	0	0	.5	0
Deputy Finance Director	1	0	1	0	1	0
Cashier	0	0	0	0	.5	0
Clerk II	2	0	2	0	2	0
Clerk III	2	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	1	0	1	0	1	0
Secretary	1	0	0	0	0	0
Total	10	0	8	0	9	0
Full & Part-Time Total	10		8		9	

Strategic Priorities and Measures

Finance Department

Strategic Priorities	Measure	Averaged Baseline	Q1	Q2	Q3
Service Optimization	Percent of Revenue Budget Collected	43.5	21.4	53.5	55.6
Service Optimization	General Fund Expenditures Per Capita	\$455.58	\$252.91	\$449.87	\$663.97
Service Optimization	Average Number of Bids Received	4	4	4.75	3.25
Organizational Culture	No Measure Identified	N/A	N/A	N/A	N/A
Revenue Growth	No Measure Identified	N/A	N/A	N/A	N/A
Economic Development	No Measure Identified	N/A	N/A	N/A	N/A
Infrastructure Stability	No Measure Identified	N/A	N/A	N/A	N/A

Village staff is in the process of implementing a performance management program. During the first year of the program departments are establishing baseline performance. This baseline is currently determined by averaging the past four quarters of performance data.

**2016 Budget Summary
Finance and General Services**

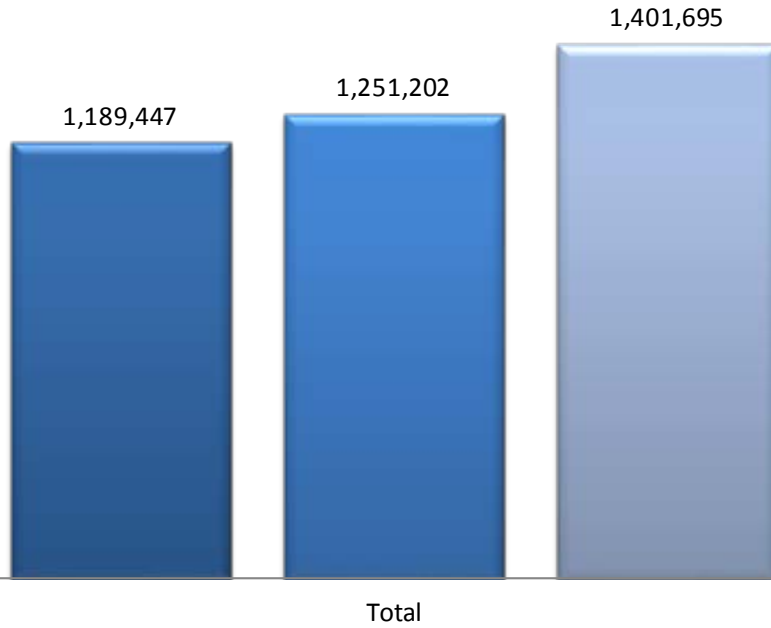
	FY 2014	FY 2015 Est. Actual	FY 2016 Budget
Personal Service	637,576	658,245	737,563
Personal Benefits	266,134	291,900	345,111
Operating Expenses	196,365	216,542	238,506
Contractual Services	1,367	1,855	1,855
Other Services	49,803	40,000	35,000
Repairs and Maintenance	613	1,000	2,000
Other Expenses	28,930	33,000	33,000
Capital Outlay	8,660	8,660	8,660
Total	1,189,447	1,251,202	1,401,695

**2016 Budget Variances
Finance and General Services**

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.05	Full Time	10.69%	69,918	Additional employee budgeted
500.35	Overtime	(35.71%)	(2,500)	Reduction due to new employee
500.40	Longevity	45.45%	1,000	Employee milestones
505.05	Group & Medical Life	24.34%	37,000	Additional employee budgeted
505.10	Professional Training	50.00%	2,500	Additional staff training
505.15	Dues & Memberships	12.55%	155	Additional membership
505.80	Employer's Contribution - IMRF	10.09%	8,846	Additional employee budgeted
510.04	Travel	66.67%	1,000	Additional staff training
510.08	Reception & Community Affairs	(33.33%)	(200)	Reduced based on historical usage
510.10	Maintenance Contracts	(77.27%)	(34,000)	Lease moved to IT fund
510.16	Printing	(37.50%)	(3,000)	New contract
510.21	IT Internal Svc Contribution	32.35%	13,536	Recalibrated cost basis
545.01	Vehicles Central Garage Internal Svc	New	1,165	Recalibrated cost basis
580.05	All Other Expenses	420.00%	10,500	Credit card fees
580.10	Consultant Fees	(20.00%)	(5,000)	Reduction based on usage

Finance Department

■ FY 2014 ■ FY 2015 Est. Actual ■ FY 2016 Budget



Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General						
<u>Expenditure</u>						
Department: 30 - Finance						
10 - Salaries						
500.10	Part Time	36,868	579	-	-	-
500.25	Elected Officials	6,000	6,000	6,000	6,000	6,000
500.35	Overtime	8,444	8,386	7,000	2,700	4,500
500.40	Longevity	4,800	4,200	2,200	3,200	3,200
10 - Salaries		700,860	637,576	669,145	658,245	737,563
Percent Change 2016 vs. 2015 Budget						10.22%
15 - Taxes and Benefits						
505.05	Group & Medical Life	153,889	127,891	152,000	152,000	189,000
505.10	Professional Training	2,209	2,498	5,000	4,500	7,500
505.15	Dues & Memberships	1,035	1,880	1,235	1,570	1,390
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.50	Employee Recognition	-	-	-	-	-
505.75	Employer's Contribution - FICA	-	37,406	38,229	37,847	40,660
505.80	Employer's Contribution - IMRF	-	87,232	87,629	86,611	96,475
505.85	Employer's Contribution Medicare	-	9,226	9,483	9,372	10,086
15 - Taxes and Benefits		157,133	266,134	293,576	291,900	345,111
Percent Change 2016 vs. 2015 Budget						17.55%
25 - Operating Expenses						
510.02	Telephone	20,896	7,743	10,000	10,000	10,000
510.03	Postage	74,485	62,078	70,000	70,000	70,000
510.04	Travel	1,737	2,805	1,500	1,500	2,500
510.06	Per Diem Allowance	247	148	500	100	500
510.08	Reception & Community Affairs	678	681	600	350	400
510.10	Maintenance Contracts	43,311	60,814	44,000	10,000	10,000
510.12	Equipment Rental	3,267	3,267	3,647	3,468	3,468
510.14	Subscriptions & Publications	337	55	150	-	150
510.16	Printing	10,255	14,906	8,000	10,000	5,000
510.21	IT Internal Svc Contribution	-	-	41,843	35,243	55,379

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
510.28	Audit Fees	40,400	36,225	42,400	46,000	42,400
510.40	Supplies - Office	5,303	7,642	7,500	7,500	7,500
535.01	Facilities Building Mnt Internal Svc	-	-	27,727	22,381	30,044
545.01	Vehicles Central Garage Internal Svc	-	-	-	-	1,165
25 - Operating Expenses		200,916	196,365	257,867	216,542	238,506
Percent Change 2016 vs. 2015 Budget						-7.51%
30 - Contractual Services						
515.05	IRMA Premium	-	1,367	1,367	1,367	1,367
515.10	Unemployment Insurance	960	-	-	-	-
515.15	IRMA Deductible - Worker's Comp	-	-	293	293	293
515.20	IRMA Deductible - Non Wrker's Co	-	-	195	195	195
30 - Contractual Services		960	1,367	1,855	1,855	1,855
Percent Change 2016 vs. 2015 Budget						0.00%
35 - Other Services						
525	Commission & Committees	-	-	-	-	-
525.10	Buffalo Grove Days	32,264	49,803	32,000	40,000	35,000
35 - Other Services		32,264	49,803	32,000	40,000	35,000
Percent Change 2016 vs. 2015 Budget						9.38%
40 - Repairs and Maintenance						
545.05	Gasoline	-	-	-	-	-
545.10	Diesel Fuel	-	-	-	-	-
545.15	Automotive Parts	-	-	-	-	-
545.20	Garage Labor	-	-	-	-	-
545.25	Lubricants	-	-	-	-	-
545.30	Garage Overhead	-	-	-	-	-
545.35	Body Work	-	-	-	-	-
545.40	Contractual Auto Services	-	-	-	-	-
550	Other	-	-	-	-	-
550.05	Other Department Equipment	242	613	2,000	1,000	2,000
40 - Repairs and Maintenance		242	613	2,000	1,000	2,000
Percent Change 2016 vs. 2015 Budget						0.00%

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
50 - Other Expenses					
580 All Other Expense	-	-	-	-	-
580.05 All Other Expenses	2,030	3,486	2,500	13,000	13,000
580.10 Consultant Fees	26,085	25,444	25,000	20,000	20,000
50 - Other Expenses	28,114	28,930	27,500	33,000	33,000
Percent Change 2016 vs. 2015 Budget					20.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	406	-	-	-	-
555.40 Reserve for Technology	-	1,500	1,500	1,500	1,500
555.50 Reserve for Buildings	-	7,160	7,160	7,160	7,160
55 - Capital Outlay	406	8,660	8,660	8,660	8,660
Percent Change 2016 vs. 2015 Budget					0.00%
Department Total: 30 - Finance	1,120,895	1,189,447	1,292,603	1,251,202	1,401,695
Percent Change 2016 vs. 2015 Budget					8.44%

Human Resources Department

The Department of Human Resources is responsible for a variety of elements related to staffing, retention, and training of Village of Buffalo Grove employees

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 Finance Department 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.



The Board of Police and Fire Commissioners

The Village's Human Resources Department is joined by the Board of Police and Fire Commissioners in hiring for Buffalo Grove public safety positions. The Board meets once each month and has five members. Other responsibilities of the Board of Police and Fire Commissioners include:

- Testing and hiring of Police Officers and Firefighter / Paramedics
- Testing and promotion of Police Lieutenants, Police Sergeants, and Fire Lieutenants

Department Structure



2016 Staffing Summary

There are no staffing changes for 2016.

Human Resources	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Director of Human Resources	1	0	1	0	1	0
Management Analyst	0	0	1	0	1	0
Secretary	0	1	0	0	0	0
Total	1	1	2	0	2	0
Full & Part-Time Total	2		2		2	

Strategic Priorities and Measures

Human Resources

Strategic Priorities	Measure	Averaged Baseline	Q1	Q2	Q3
Service Optimization	No Measure Identified	N/A	N/A	N/A	
Organizational Culture	Total Number of Active Employees	256	238	250	281
Revenue Growth	No Measure Identified	N/A	N/A	N/A	N/A
Economic Development	No Measure Identified	N/A	N/A	N/A	N/A
Infrastructure Stability	No Measure Identified	N/A	N/A	N/A	N/A

Village staff is in the process of implementing a performance management program. During the first year of the program departments are establishing baseline performance. This baseline is currently determined by averaging the past four quarters of performance data.

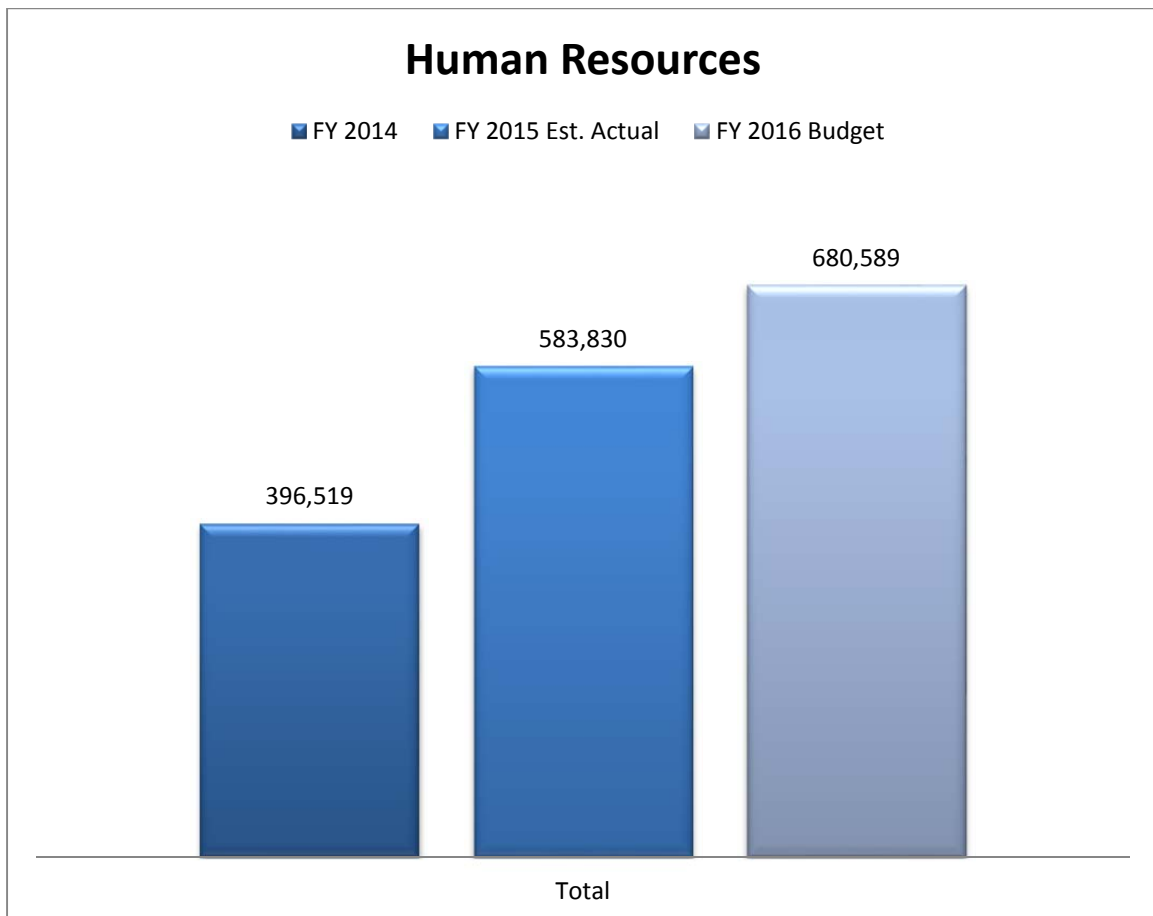
Budget Summary

Human Resources

	FY 2014	FY 2015 Est. Actual	FY 2016 Budget
Personal Service	131,393	310,730	326,226
Personal Benefits	113,848	170,676	182,386
Operating Expenses	24,420	27,500	51,007
Contractual Services	48,975	41,863	76,725
Other Services	30,167	20,000	30,000
Other Expenses	30,958	1,000	1,500
Capital Outlay	16,759	12,061	12,745
Total	396,519	583,830	680,589

Budget Variances Human Resources

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
505.05	Group & Medical Life	10.53%	4,000	Health insurance premium increase
505.10	Professional Training	16.00%	1,600	HR Certification Course
505.40	Tuition Reimbursement	233.33%	35,000	Expanded employee reimbursement program
505.50	Employee Recognition	23.08%	1,500	Expand program
510.06	Per Diem Allowance	(20.00%)	(100)	Reduction in travel days
510.10	Maintenance Contracts	New	8,500	NeoGov and Applicant tracking
510.21	IT Internal Svc Contribution	37.95%	3,970	Recalibrated cost basis
510.22	Recruitment Charges	(28.57%)	(4,000)	Less recruitment anticipated in 2016
515.05	IRMA Premium	227.38%	980	Increase based on historical use
520.40	Special Counsel	(16.67%)	(15,000)	Less labor negotiation hours in 2016
555.10	Office and Other Equipment	(36.76%)	(6,800)	Implementation costs no longer needed



Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General					
<u>Expenditure</u>					
Department: 35 - Human Resources					
10 - Salaries					
500.05 Full Time	129,770	130,593	309,930	309,930	325,426
500.10 Part Time	-	-	-	-	-
500.40 Longevity	600	800	800	800	800
10 - Salaries	130,370	131,393	310,730	310,730	326,226
Percent Change 2016 vs. 2015 Budget					4.99%
15 - Taxes and Benefits					
505.05 Group & Medical Life	28,506	63,612	38,000	38,000	42,000
505.10 Professional Training	1,768	2,804	10,000	10,000	11,600
505.15 Dues & Memberships	749	1,134	1,600	1,600	1,600
505.40 Tuition Reimbursement	13,967	8,041	15,000	50,000	50,000
505.45 ICMA Deferred Compensation	-	-	-	-	-
505.50 Employee Recognition	5,183	7,129	6,500	6,500	8,000
505.75 Employer's Contribution - FICA	-	7,566	18,551	18,551	19,208
505.80 Employer's Contribution - IMRF	-	21,667	41,531	41,531	45,248
505.85 Employer's Contribution Medicare	-	1,893	4,494	4,494	4,730
15 - Taxes and Benefits	50,172	113,848	135,676	170,676	182,386
Percent Change 2016 vs. 2015 Budget					34.43%
25 - Operating Expenses					
510.02 Telephone	1,061	1,680	1,000	1,000	1,000
510.04 Travel	1,138		2,100	1,600	2,000
510.06 Per Diem Allowance	450	200	500	400	400
510.10 Maintenance Contracts	-	-	-	-	8,500
510.14 Subscriptions & Publications	1,731	1,040	3,000	3,000	3,000
510.21 IT Internal Svc Contribution	-	-	10,461	8,811	14,431
510.22 Recruitment Charges	40,214	16,538	14,000	5,200	10,000
510.24 CDL Testing	2,554	2,409	2,000	1,400	2,000
510.40 Supplies - Office	570	38	1,000	500	1,000
535.01 Building Mnt Internal Svc	-	-	6,932	5,589	7,511
545.01 Central Garage Internal Svc	-	-	-	-	1,165
25 - Operating Expenses	47,718	24,420	40,993	27,500	51,007
Percent Change 2016 vs. 2015 Budget					24.43%
30 - Contractual Services					
515.05 IRMA Premium	426,658	1,512	431	1,411	1,411
515.10 Unemployment Insurance	160	160	160	160	160
515.15 IRMA Deductible - Worker's Comp	-	-	92	92	92

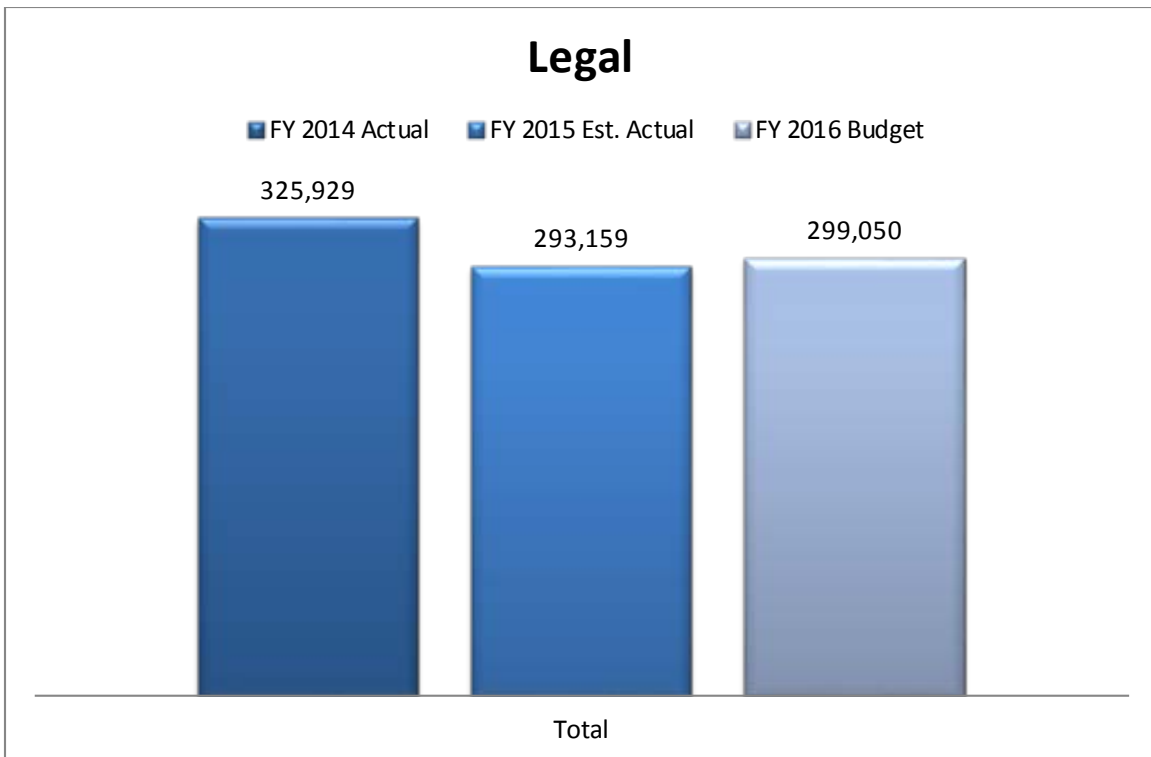
Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
515.20	IRMA Deductible - Non Wrkr's Co	-	-	62	7,200	62
520	Legal Services	-	-	-	-	-
520.40	Special Counsel	66,337	47,303	90,000	33,000	75,000
30 - Contractual Services		493,156	48,975	90,745	41,863	76,725
Percent Change 2016 vs. 2015 Budget						-15.45%
35 - Other Services						
525.15	Fire and Police Commission	1,302	30,167	30,000	20,000	30,000
35 - Other Services		1,302	30,167	30,000	20,000	30,000
Percent Change 2016 vs. 2015 Budget						0.00%
50 - Other Expenses						
580.05	All Other Expenses	1,997	536	1,500	1,000	1,500
580.65	IRMA Deductible - Worker's Comp	127,395	22,138	-	-	-
580.66	IRMA Deductible - Non Wrkr's Cmp	104,952	8,284	-	-	-
50 - Other Expenses		234,345	30,958	1,500	1,000	1,500
Percent Change 2016 vs. 2015 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	92	15,714	18,500	11,016	11,700
555.40	Reserve for Technology	-	150	150	150	150
555.50	Reserve for Buildings	-	895	895	895	895
55 - Capital Outlay		92	16,759	19,545	12,061	12,745
Percent Change 2016 vs. 2015 Budget						-34.79%
Department Total: 35 - Human Resources		957,154	396,519	629,189	583,830	680,589
Percent Change 2016 vs. 2015 Budget						8.17%

Budget Summary Legal

	FY 2014 Actual	FY 2015 Est. Actual	FY 2016 Budget
Operating Expenses	-	659	-
Contractual Services	325,929	292,500	299,050
Total	325,929	293,159	299,050

Budget Variances Legal

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
510.21	IT Internal Svc	(100.00%)	(782)	Recalibrated cost basis
520.25	Legal Notices	19.05%	1,600	Administrative Adjudication
520.30	Litigation Reserve	185.71%	7,800	Administrative Adjudication



Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General					
<u>Expenditures</u>					
Department: 20 - Legal					
25 - Operating Expenses					
510.21 IT Internal Svc	-	-	782	659	-
535.01 Facilities Building Mnt Internal Svc	-	-	-	-	-
545.01 Vehicles Central Garage Internal Svc	-	-	-	-	-
25 - Operating Expenses	-	-	782	659	-
Percent Change 2016 vs. 2015 Budget					-100.00%
30 - Contractual Services					
520.05 Retainer Fee	50,000	50,000	50,000	50,000	50,000
520.10 Prosecutor Fee	73,345	69,260	68,000	68,000	68,000
520.15 Attorney's Fees	153,468	190,472	152,000	152,000	152,000
520.20 Recording Fees	450	333	200	-	200
520.25 Legal Notices	8,520	8,392	8,400	10,000	10,000
520.30 Litigation Reserve	15,962	6,580	4,200	12,000	12,000
520.35 Messenger Fees	-	-	350	-	350
520.40 Special Counsel	-	-	1,000	-	1,000
520.45 Legal Reimbursables	79	891	5,500	500	5,500
30 - Contractual Services	301,824	325,929	289,650	292,500	299,050
Percent Change 2016 vs. 2015 Budget					3.25%
Department Total: 20 - Legal	301,824	325,929	290,432	293,159	299,050
Percent Change 2016 vs. 2015 Budget					2.97%

Fire Department/Emergency Management Agency

The Buffalo Grove Fire Department is a full service fire department providing the community with Suppression, Emergency Medical Services, Technical Rescue, and Emergency Management Agency support

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 57 full time sworn members, 2 full time civilian and 2 part time members operating out of three strategically located fire stations, one with administrative offices. The fire department provides a wide variety of services including fire suppression, Emergency Medical Services (EMS), technical rescue services including above and below grade rescue and high angle rescue, underwater rescue and recovery, hazardous materials response and Emergency Management Agency functions. The department also investigates all fires in the Village. In 2014, The Fire Department responded to over 5,000 calls for service of which 3,056 were EMS and 2,060 were fire and rescue related. This equates to 59.7 percent EMS / 40.3 percent fire split. These percentages have remained constant over the last ten years.

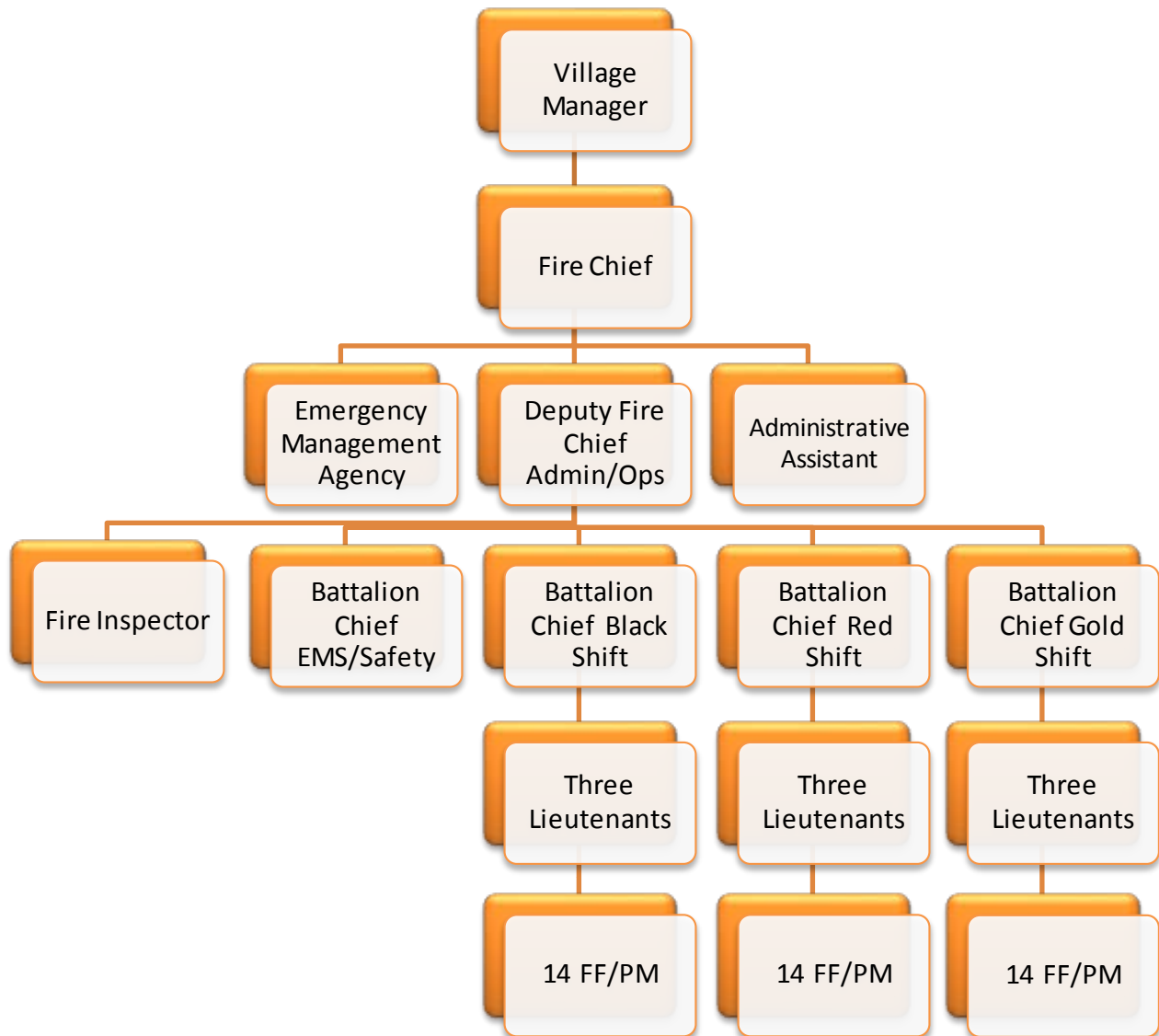
The Department continues its focus on public education, conducting an open house, participating in Buffalo Grove Days and other Village wide events. In addition to these large programs the members of the Buffalo Grove Fire Department conducted school drills and attended many block parties and special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

The coordination of the many Emergency Management Agency functions including Mobile Comm and CERT are now the responsibility of the Fire Department.



1051 Highland Grove Drive, Buffalo Grove, IL 60089 | www.vbg.org | (847) 537-0995

Department Structure



2016 Staffing Summary

One part time position was eliminated through attrition

Fire Services	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Battalion Chief	4	0	4	0	4	0
Deputy Fire Chief	1	0	1	0	1	0
Deputy Fire Marshall	0	0	0	0	0	0
EMA Coordinator	0	1	0	1	0	1
Fire Chief	1	0	1	0	1	0
Fire Inspector*	1	0	1	0	1	0
Fire Inspector/Public Education Officer	0	1	0	1	0	1
Fire Lieutenant	9	0	9	0	9	0
Firefighter/Paramedic	42	0	42	0	42	0
Administrative Assistant	0	1	1	0	1	0
Total	58	3	59	2	59	2
Full & Part-Time Total	61		61		61	

Strategic Priorities and Measures Fire/EMA Department

Strategic Priorities	Measure	Averaged Baseline	Q1	Q2	Q3
Service Optimization	Incident Loss	The department's performance management software vendor went out of business during Q2. Therefore, there is no consistent data at this time			
Service Optimization	First Unit Arrival Response Time				
Service Optimization	Overtime Costs				
Organizational Culture	No Measure Identified	N/A	N/A	N/A	N/A
Revenue Growth	No Measure Identified	N/A	N/A	N/A	N/A
Economic Development	No Measure Identified	N/A	N/A	N/A	N/A
Infrastructure Stability	No Measure Identified	N/A	N/A	N/A	N/A

Village staff is in the process of implementing a performance management program. During the first year of the program departments are establishing baseline performance. This baseline is currently determined by averaging the past four quarters of performance data.

Budget Summary Fire Services

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	6,411,242	6,126,884	6,355,466
Personal Benefits	3,643,040	3,462,568	3,673,466
Operating Expenses	393,073	1,235,039	1,488,196
Contractual Services	214,556	277,785	277,786
Repairs and Maintenance	66,888	17,000	52,200
Capital Equipment	207,795	215,740	215,295
Commodities	25,110	25,400	32,525
All Other Expenses	(1,663)	49,400	57,765
Total	10,960,042	11,409,816	12,153,814

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

Budget Variance Fire Services

Line item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
500.10	Part Time	(27.01%)	(20,489)	Reduction of one part time employee
500.35	Overtime	16.50%	85,000	Increase based on historical Usage
505.05	Group & Medical Life	14.40%	156,000	Increase in health care premium
505.10	Professional Training	59.83%	15,400	Additional training and nutritionist
505.20	Clothing Allowance	17.74%	4,700	Replacement Uniforms
505.35	Safety Equipment	56.21%	18,000	Replace all turnout gear
505.75	Employer's Contribution - FICA	22.47%	2,312	Results from additional overtime and COLA budgeted
505.80	Employer's Contribution - IMRF	29.48%	5,629	Results from additional overtime and COLA budgeted
505.85	Employer's Contribution Medicare	19.97%	15,340	Results from additional overtime and COLA budgeted
510.04	Travel	27.03%	1,000	Increase in training budget
510.06	Per Diem Allowance	52.63%	1,000	Increase in training budget
510.10	Maintenance Contracts	27.78%	20,000	Shared cost of Northwest central dispatch
510.21	IT Internal Svc Contribution	19.41%	57,321	Change due to actual experience
510.40	Supplies - Office	(36.59%)	(3,000)	Reduction based on historical usage
510.55	Operating Equip - Department	(18.25%)	(20,300)	Reduction based on historical usage
510.59	SCBA Equipment	NEW	25,336	SCBA Equipment
535.01	Building Mnt Internal Svc	(10.23%)	(29,823)	Change due to actual experience
545.01	Central Garage Internal Svc	(20.57%)	(114,992)	Change due to actual experience
515.15	IRMA Deductible - Worker's Comp	(24.17%)	(11,154)	Reduction based on historical usage
515.20	IRMA Deductible - Non Wrker's Co	(51.25%)	(15,769)	Reduction based on historical usage
535.20	Buildings & Facilities	New	35,000	Rehab funds for fire stations
550.05	Other Department Equipment	(22.52%)	(5,000)	Reduction for new equipment purchased
530.50	Small Equipment Tools & Hardware	14.12%	4,025	Additional items required for Fire Department projects
580.11	Contractual Services	15.15%	3,601	Return to work evaluations

Fire Department/EMA



Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General Fund						
<u>Expenditures</u>						
Department: 40 - Fire						
10 - Salaries						
500.05	Full Time	261,053	321,028	142,484	142,484	147,865
500.10	Part Time	22,951	40,900	75,861	55,400	55,372
500.20	Sworn	5,304,995	5,295,789	5,398,685	5,241,000	5,513,944
500.30	Special Duty	(2,216)	(11,106)	-	-	-
500.35	Overtime	516,952	729,431	515,000	650,000	600,000
500.40	Longevity	39,800	35,200	38,000	38,000	38,000
10 - Salaries		6,143,535	6,411,242	6,170,030	6,126,884	6,355,181
Percent Change 2016 vs. 2015 Budget						3.00%
15 - Taxes and Benefits						
505.05	Group & Medical Life	1,214,148	1,167,221	1,083,000	1,083,000	1,239,000
505.10	Professional Training	10,774	27,453	23,400	18,500	37,400
505.15	Dues & Memberships	9,119	7,253	11,740	9,100	11,740
505.20	Clothing Allowance	18,358	23,000	26,500	25,100	31,200
505.35	Safety Equipment	13,118	18,593	32,020	32,000	50,020
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.50	Employee Recognition	-	-	-	-	-
505.61	Pension Payment - Fire	-	2,264,767	2,174,632	2,174,632	2,174,632
505.75	Employer's Contribution - FICA	-	22,310	10,289	12,297	12,601
505.80	Employer's Contribution - IMRF	-	20,934	19,093	19,093	24,722
505.85	Employer's Contribution Medicare	-	91,509	76,811	88,846	92,151
15 - Taxes and Benefits		1,265,517	3,643,040	3,457,485	3,462,568	3,673,466
Percent Change 2016 vs. 2015 Budget						6.25%
25 - Operating Expenses						
510.02	Telephone	27,517	33,148	25,100	19,000	25,100
510.04	Travel	918	2,529	3,700	3,700	4,700
510.06	Per Diem Allowance	149	557	1,900	1,900	2,900
510.08	Reception & Community Affairs	27	65	100	100	100
510.10	Maintenance Contracts	84,397	87,952	72,000	70,000	92,000
510.12	Equipment Rental	-	-	-	-	-
510.14	Subscriptions & Publications	4,557	1,351	6,150	4,300	6,150
510.16	Printing	1,047	1,073	1,500	1,500	1,500
510.21	IT Internal Svc	-	-	295,260	248,687	352,581

	Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
	Contribution					
510.40	Supplies - Office	4,727	5,903	8,200	5,900	5,200
510.50	Supplies - All Other	8,669	16,414	16,000	14,000	16,000
510.55	Operating Equip- Department	100,337	95,823	111,250	100,000	90,950
510.59	SCBA Equipment	-	-	-	-	25,336
510.65	Northwest Central Dispatch	155,556	148,257	160,000	160,000	
535.01	Building Mnt Internal Svc	-	-	291,475	244,877	261,652
545.01	Central Garage Internal Svc	-	-	559,019	361,075	444,027
25 - Operating Expenses		387,900	393,073	1,551,654	1,235,039	1,488,196
	Percent Change 2016 vs. 2015 Budget					-4.09%
30 - Contractual Services						
515.05	IRMA Premium	-	215,386	215,386	215,386	215,386
515.10	Unemployment Insurance	12,400	12,400	12,400	12,399	12,400
515.15	IRMA Deductible - Worker's Comp	-	(19,591)	46,154	35,000	35,000
515.20	IRMA Deductible - Non Wrker's Co	-	6,361	30,769	15,000	15,000
30 - Contractual Services		12,400	214,556	304,709	277,785	277,786
	Percent Change 2016 vs. 2015 Budget					-8.84%
40 - Repairs and Maintenance						
535.20	Buildings & Facilities	16,334	45,184	-	-	35,000
545	Vehicles	-	-	-	-	-
545.05	Gasoline	154	-	-	-	-
545.10	Diesel Fuel	-	-	-	-	-
545.15	Automotive Parts	155	510	-	-	-
545.20	Garage Labor	-	-	-	-	-
545.25	Lubricants	-	-	-	-	-
545.30	Garage Overhead	-	-	-	-	-
545.35	Body Work	2,896	-	-	-	-
545.40	Contractual Auto Services	4,903	5,266	-	-	-
550	Other Department Equipment	-	-	-	-	-
550.05	Other Department Equipment	13,898	15,929	22,200	17,000	17,200
40 - Repairs and Maintenance		38,341	66,888	22,200	17,000	52,200
	Percent Change 2016 vs. 2015 Budget					135.14%

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
45 - Commodities						
530.50	Small Equipment Tools & Hardware	8,150	25,110	28,500	25,400	32,525
45 - Commodities		8,150	25,110	28,500	25,400	32,525
Percent Change 2016 vs. 2015 Budget						14.12%
50 - Other Expenses						
580.05	All Other Expenses	(3,170)	(22,035)	6,500	6,400	6,500
580.10	Consultant Fees	-	-	-	-	-
580.11	Contractual Services	4,912	8,154	23,764	20,000	27,365
580.20	CAFT Site	(3,318)	(5,790)	5,000	5,000	5,000
580.21	NWCH Administration Fee	15,816	18,009	19,212	18,000	18,900
580.65	IRMA Deductible - Worker's Comp	-	-	-	-	-
50 - Other Expenses		14,240	(1,663)	54,476	49,400	57,765
Percent Change 2016 vs. 2015 Budget						6.04%
55 - Capital Outlay						
555.10	Office and Other Equipment	17,980	-	4,000	2,000	4,000
555.30	Reserve for Capital Replacement	106,604	135,000	135,000	137,446	135,000
555.40	Reserve for Technology	19,565	18,200	18,200	18,200	18,200
555.50	Reserve for Buildings	-	54,595	54,595	54,594	54,595
560	Capital Projects	-	-	-	-	-
560.10	Land Improvements	-	-	2,500	2,500	2,500
560.30	Buildings & Structures	-	-	1,000	1,000	1,000
55 - Capital Outlay		144,149	207,795	215,295	215,740	215,295
Percent Change 2016 vs. 2015 Budget						0.00%
Department Total: 40 - Fire		8,014,232	10,960,042	11,804,349	11,409,816	12,152,414
Percent Change 2016 vs. 2015 Budget						2.95%

Police Department

The Buffalo Grove Police Department exists to promote public safety; its mission is to serve the community with pride, professionalism, and integrity.

The Buffalo Grove Police Department is currently staffed by 64 sworn and 22 civilian personnel, providing law enforcement services to a community of 41,778 residents.

The police department is led by a Chief of Police and two Deputy Chiefs and is structured into the following sections:

Administration Division

The Administration Division is led by a Deputy Chief and includes a Commander, Lieutenant, Administrative Services Sergeant, Traffic Unit, Crime Prevention Officer, School Resource Officers, Records Section, Technical Services Administrator, and an Evidence/Property Custodian.

Operations Division

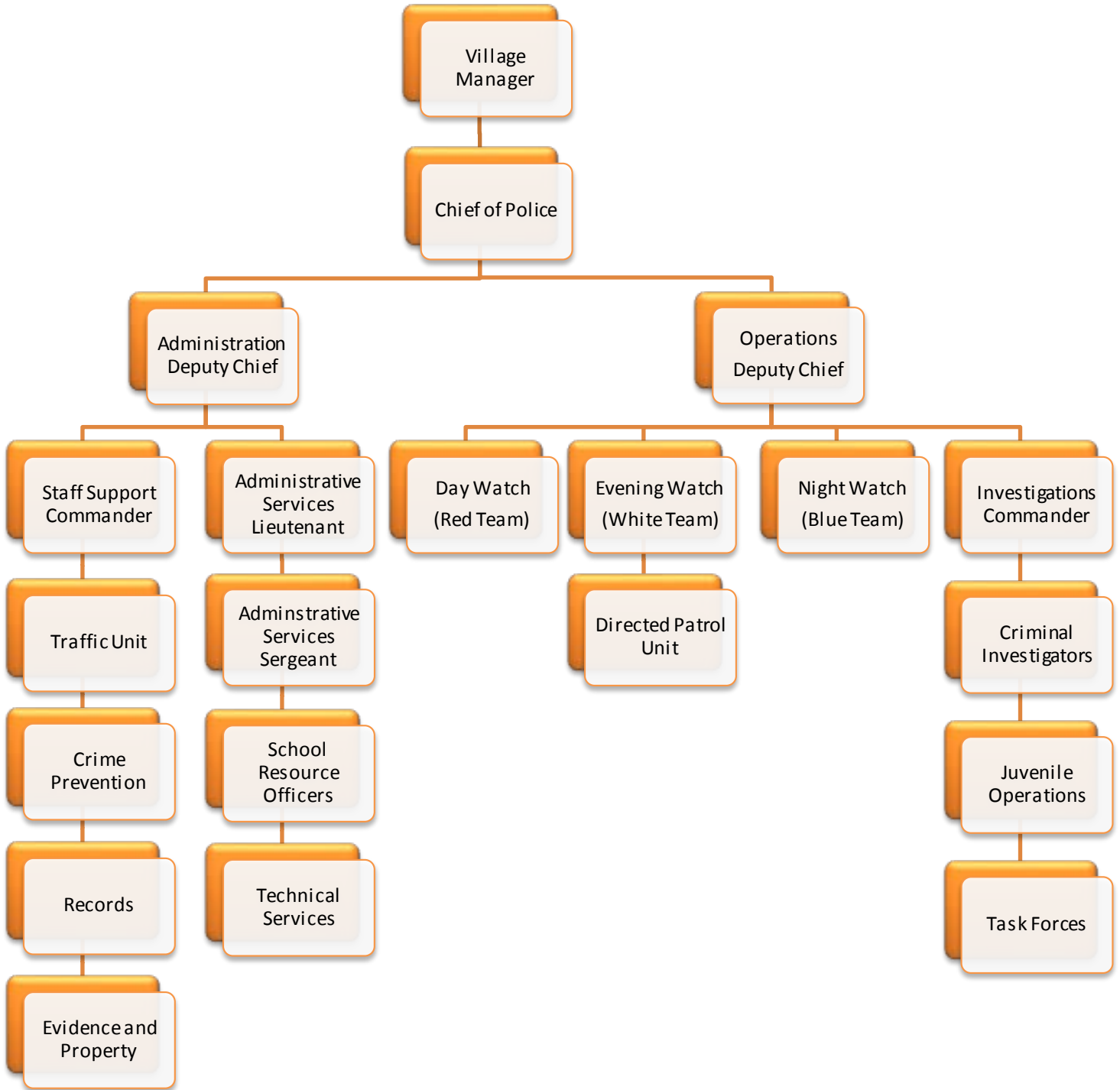
The Operations Division is led by a Deputy Chief and is divided into two areas; Patrol and Investigations.

The Patrol Unit has three Patrol Watches, each supervised by one Lieutenant and two Sergeants. This section also includes two Community Service Officers (CSO), two full-time Front Desk Officers and three part-time Front Desk Officers (all civilian).

The Investigations Unit is led by a Commander and includes the Investigations & Youth Section, which is comprised of two Adult Crimes Investigators, two Juvenile Crimes Investigators, one Investigator assigned to the Drug Enforcement Agency Task Force and one Investigator assigned to the Homeland Security Department – Immigrations and Customs Enforcement Task Force.



Department Structure



2016 Staffing Summary

In 2016, the department will reduce the number of Community Service Officers and Crossing Guards by one. The Patrol Commander will be moved to an administrative position. The School Resource Officers will also be moved to the Administration Division under the supervision of the Administrative Services Lieutenant. The Evidence Custodian position will be moved from part-time to full-time to assist with Administrative Adjudication. We will continue to evaluate calls for service and Officer Daily Activity Report data in 2016 to establish proper distribution of officer staffing on each patrol watch. Our current staffing is sufficient to properly deploy officers on each watch.

Police Services	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Chief of Police	1	0	1	0	1	0
Clerk	2	1	2	1	2	1
Community Service Officer	3	0	3	0	2	0
Crossing Guard	0	9	0	9	0	8
Deputy Police Chief	1	0	2	0	2	0
Desk Officer	2	3	2	3	2	3
Evidence Custodian	0	1	0	1	1	0
Lieutenant	3	0	4	0	4	0
Patrol Officer	48	0	47	0	47	0
Police Commander	3	0	2	0	2	0
Police Sergeant	8	0	8	0	8	0
Records Supervisor	1	0	1	0	1	0
Technical Services Administrator	1	0	1	0	1	0
Administrative Assistant	1	0	1	0	1	0
Total	74	14	74	14	74	12
Full & Part-Time Total	88		88		86	

Strategic Priorities and Measures Police Department

Strategic Priorities	Measure	Averaged Baseline	Q1	Q2	Q3
Service Optimization	Citations and Adjudication Tickets	2,469	1,495	3,258	2,654
Service Optimization	Active Case Status	87	65	90	107
Service Optimization	Overtime Costs	\$12,271	\$6,057	\$10,652	\$20,103
Organizational Culture	No Measure Identified	N/A	N/A	N/A	N/A
Revenue Growth	Dollars collected from overweight vehicles	\$26,321	\$8,139	\$42,226	\$28,599
Economic Development	No Measure Identified	N/A	N/A	N/A	N/A
Infrastructure Stability	No Measure Identified	N/A	N/A	N/A	N/A

Village staff is in the process of implementing a performance management program. During the first year of the program departments are establishing baseline performance. This baseline is currently determined by averaging the past four quarters of performance data.

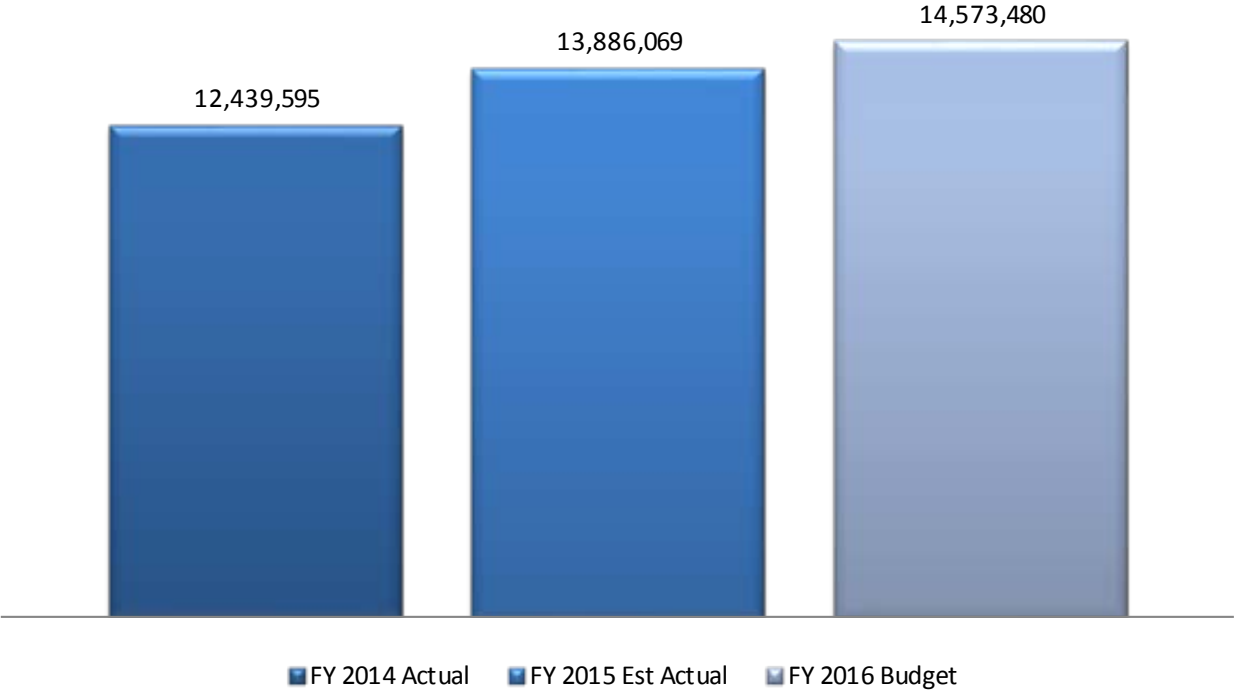
2016 Budget Police Services

	FY 2014 Actual	FY 2015 Est. Actuals	FY 2016 Budget
Personal Services	7,296,506	7,681,586	7,783,763
Personal Benefits	3,810,336	4,057,078	4,367,378
Operating Expenses	590,757	1,456,981	1,700,305
Contractual Services	427,023	409,814	409,814
Maintenance & Repair	16,533	8,400	16,160
Capital Equipment	232,997	198,915	202,365
All Other Expenses	65,444	73,295	93,695
Total	12,439,595	13,886,069	14,573,480

**2016 Variance
Police Services**

Line Item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
500.10	Part Time	(14.49%)	(30,502)	Reduction of staff
505.05	Group & Medical Life	11.25%	161,500	Health insurance Premium increase
505.10	Professional Training	18.02%	7,984	NEMRT, Relias, Basic Academy, Staff/Command specialized training
505.15	Dues & Memberships	30.00%	750	IACP, ILACP, and Chiefs associations
505.20	Clothing Allowance	(80.75%)	(26,225)	Reclassified to salary
505.25	Uniform Maintenance	(88.49%)	(23,064)	Reclassified to salary
510.06	Per Diem Allowance	16.67%	250	Additional training budgeted
510.16	Printing	19.41%	1,800	Additional citations
510.21	IT Internal Svc Contribution	23.22%	82,932	Recalibrated cost basis
510.30	Safety Equipment - Patrol	65.17%	5,800	Replace equipment and AED's
510.43	Supplies - Communications	33.33%	500	Replacement parts
510.45	Supplies - OCOP	66.67%	300	Supplies and equipment
510.46	Supplies - Training	12.35%	1,550	Ammo, AV equipment
510.47	Supplies - Crime Prevention	13.04%	600	Promotional items
510.55	Operating Equip - Department	(56.60%)	(6,520)	Reduction of taser and firearms supplies
510.57	Operating Equip - FOSG	29.61%	1,194	LEADS, APB, 3si, Kantana, and other software
510.60	Operating Equip - OCOP	275.00%	550	Grant awards
510.63	Operating Equip - Bike Patrol	(50.00%)	(500)	Reduction of bike repairs
510.65	Northwest Central Dispatch	15.69%	55,839	Increase in membership
510.66	NIPAS	13.35%	700	Annual Membership
545.01	Central Garage Internal Svc	(37.78%)	(236,767)	Recalibrated cost basis
550.10	Radios	25.46%	966	Chi-comm contract
550.20	Patrol Equipment	209.52%	4,400	Breathalyzers, range repairs, and other misc
580.05	All Other Expenses	38.85%	2,700	Vaccinations lead and hearing tests, background and credit checks
580.15	Committee on Accreditation	18.18%	1,000	Assessment costs
580.55	Records Management	145.00%	15,000	RMS and Livescan reporting

Police



Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General Fund						
Expenditures						
Department: 45 - Police						
10 - Salaries						
500.05	Full Time	656,322	678,423	642,875	642,875	675,133
500.10	Part Time	243,075	212,968	210,546	210,546	180,044
500.20	Sworn	5,965,994	6,034,917	6,477,765	6,477,765	6,577,986
500.30	Special Duty	(21,309)	(4,686)	-	-	-
500.35	Overtime	260,998	327,483	300,000	300,000	300,000
500.40	Longevity	49,400	47,400	50,400	50,400	50,600
10 - Salaries		7,154,479	7,296,506	7,681,586	7,681,586	7,783,763
Percent Change 2016 vs. 2015 Budget						1.33%
15 - Taxes and Benefits						
505.05	Group & Medical Life	1,291,583	1,248,734	1,435,527	1,435,527	1,597,027
505.10	Professional Training	32,452	39,746	44,300	44,300	52,284
505.15	Dues & Memberships	2,080	2,477	2,500	2,500	3,250
505.20	Clothing Allowance	25,220	26,932	32,475	32,475	6,250
505.25	Uniform Maintenance	26,653	26,256	26,064	26,064	3,000
505.30	Recruit Uniforms	4,412	3,296	3,300	3,300	3,500
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.60	Pension Payment - Police	-	2,202,224	2,256,676	2,256,676	2,440,239
505.75	Employer's Contribution - FICA	-	54,373	52,660	52,660	52,726
505.80	Employer's Contribution - IMRF	-	106,083	98,592	98,592	102,817
505.85	Employer's Contribution Medicare	-	100,216	104,984	104,984	106,285
15 - Taxes and Benefits		1,382,400	3,810,336	4,057,078	4,057,078	4,367,378
Percent Change 2016 vs. 2015 Budget						7.65%
25 - Operating Expenses						
510.02	Telephone	31,813	43,008	36,000	35,000	37,150
510.04	Travel	1,029	1,817	2,775	2,500	2,775
510.06	Per Diem Allowance	1,364	1,531	1,500	1,500	1,750
510.10	Maintenance Contracts	43,300	42,169	43,260	43,260	41,148
510.14	Subscriptions & Publications	764	802	950	900	950
510.16	Printing	8,565	9,194	9,275	9,275	11,075
510.21	IT Internal Svc Contribution	-	-	357,159	300,822	440,091
510.22	Recruitment Charges	194	1,458	500	500	500
510.26	Physical Fitness Equipment	393	600	5,000	5,000	5,000
510.30	Safety Equipment - Patrol	4,816	9,871	8,900	8,900	14,700
510.32	Safety Equipment - FOSG	483	498	500	500	500
510.33	Operating Equip - Staff	531	1,663	500	500	500
510.34	DUI Assessment Purchases	1,515	283	-	-	-
510.35	Reimbursable Expenses	1,078	-	-	-	-
510.41	Supplies - Patrol	2,258	3,261	3,275	3,275	3,275
510.42	Supplies - FOSG	3,154	4,704	4,700	4,700	4,950
510.43	Supplies - Communications	1,440	1,538	1,500	1,500	2,000
510.44	Supplies - Records	9,498	6,400	9,000	9,000	8,500
510.45	Supplies - OCOP	450	450	450	450	750
510.46	Supplies - Training	7,995	8,540	12,550	12,550	14,100
510.47	Supplies - Crime Prevention	4,776	4,533	4,600	4,600	5,200
510.48	Supplies - Detention	684	1,182	1,300	1,300	1,200
510.55	Operating Equip - Department	11,859	11,517	11,520	11,520	5,000
510.56	Operating Equip - Patrol	1,849	3,237	2,800	2,800	2,800
510.57	Operating Equip - FOSG	3,468	3,468	4,033	4,033	5,227

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
510.58	Operating Equip- Communications	511	622	750	750	750
510.60	Operating Equip- OCOP	86	165	200	200	750
510.61	Operating Equip- Training	-	1,060	700	700	700
510.62	Operating Equip- Detention	-	-	150	100	150
510.63	Operating Equip- Bike Patrol	1,125	1,300	1,000	600	500
510.64	Operating Equipment - Records	1,094	685	1,072	1,072	1,072
510.65	Northwest Central Dispatch	350,793	354,045	355,869	355,869	411,708
510.66	NIPAS	4,845	5,181	5,245	5,100	5,945
510.67	Northern IL Police Crime Lab	58,334	60,701	63,075	61,000	62,575
510.68	Animal Control	4,235	4,351	4,350	4,000	4,350
510.69	Prisoner Care	517	923	1,300	1,000	1,300
535.01	Building Mnt Internal Svc	-	-	195,145	157,498	211,451
545.01	Central Garage Internal Svc	-	-	626,680	404,707	389,913
25 - Operating Expenses		564,816	590,757	1,777,583	1,456,981	1,700,305
Percent Change 2016 vs. 2015 Budget						-4.35%
30 - Contractual Services						
515.05	IRMA Premium	-	291,063	291,063	291,063	291,063
515.10	Unemployment Insurance	15,400	15,000	14,800	14,800	14,800
515.15	IRMA Deductible - Worker's Comp	-	84,539	62,371	62,371	62,371
515.20	IRMA Deductible - Non Wrker's Co	-	36,421	41,580	41,580	41,580
520.05	Legal Services Retainer Fee	-	-	-	-	-
30 - Contractual Services		15,400	427,023	409,814	409,814	409,814
Percent Change 2016 vs. 2015 Budget						0.00%
40 - Repairs and Maintenance						
545.05	Gasoline	-	2,183	-	-	-
545.10	Diesel Fuel	-	-	-	-	-
545.15	Automotive Parts	-	-	-	-	-
545.20	Garage Labor	-	-	-	-	-
545.25	Lubricants	-	-	-	-	-
545.30	Garage Overhead	-	-	-	-	-
545.35	Body Work	-	-	-	-	-
545.40	Contractual Auto Services	-	95	-	-	-
550.10	Radios	2,711	3,366	3,794	3,000	4,760
550.15	Mobile Data Terminals	2,386	2,480	500	400	500
550.20	Patrol Equipment	4,125	5,050	2,100	1,500	6,500
550.25	F.O.S.G. Equipment	679	608	650	500	650
550.30	Staff Equipment	2,750	2,750	3,750	3,000	3,750
40 - Repairs and Maintenance		12,652	16,533	10,794	8,400	16,160
Percent Change 2016 vs. 2015 Budget						49.71%
50 - Other Expenses						
580.05	All Other Expenses	5,917	6,264	6,950	6,950	9,650
580.10	Consultant Fees	-	-	-	-	-
580.11	Contractual Services	40,000	40,000	40,000	40,000	40,000
580.15	Committee on Accreditation	5,347	5,096	5,500	5,500	6,500
580.25	OMNI Youth Services	2,815	-	-	-	-
580.30	Overweight Truck Enforcement	1,748	1,732	2,200	1,500	2,200
580.55	Records Management	10,345	10,345	10,345	10,345	25,345
580.57	Police Grant Charges	5,210	2,008	10,000	9,000	10,000
580.58	Il. Criminal Justice Info. Auth.	-	-	-	-	-
580.65	IRMA Deductible - Worker's Comp	-	-	-	-	-

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
50 - Other Expenses	71,382	65,444	74,995	73,295	93,695
Percent Change 2016 vs. 2015 Budget					24.93%
55 - Capital Outlay					
555.10 Office and Other Equipment	17,641	5,749	23,450	20,000	23,450
555.20 Automobiles & Trucks	14	-	-	-	-
555.30 Reserve for Capital Replacement	52,950	125,000	100,000	100,000	100,000
555.40 Reserve for Technology	-	33,333	10,000	10,000	10,000
555.50 Reserve for Buildings	-	68,915	68,915	68,915	68,915
55 - Capital Outlay	70,605	232,997	202,365	198,915	202,365
Percent Change 2016 vs. 2015 Budget					0.00%
Department Total: 45 - Police	9,271,734	12,439,595	14,214,215	13,886,069	14,573,480
Percent Change 2016 vs. 2015 Budget					2.53%

Community Development Department

The Community Development Department is responsible for administering the Village's building, zoning, and development codes to ensure orderly development, redevelopment, and property maintenance within the Village of Buffalo Grove. The department reviews plans, issues permits, and performs the necessary inspections to ensure adherence to proper construction and design codes. The department is further responsible for health, housing, and property maintenance inspections to protect the health and well-being of Buffalo Grove's residents. The Village of Buffalo Grove Community Development Department consists of three divisions:

- Building & Zoning
- Environmental Health
- Planning & Economic Development

Building & Zoning

The Building and Zoning Division 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. Building Codes are adopted and amended through the Buffalo Grove Municipal Code.

Environmental Health

The Environmental Health division is responsible for promoting public health and safety to prevent environmental health hazards that can lead to illness in the community. Responsibilities include food establishment inspections, temporary food event permitting, food establishment plan review, food handling complaint investigation, mobile vending licensing, inspecting day care centers/homes.

Planning & Economic Development

The Planning & Economic Development Division is charged with reviewing new development and redevelopment proposals, implementing economic development strategies, administering the comprehensive plan, and preparing long-range plans. The Planning & Economic Development Division is responsible for oversight of the Village's Planning & Zoning Commission.



Projects Requiring Permits

- Home/Building Addition
- Air Conditioning (new or replacement)
- Building Demolition
- Deck
- Driveway and/or apron
- New Building
- Electrical Work, including low voltage
- Interior Demolition
- Interior Remodeling
- Fence
- Fireplace
- Furnace (new or replacement)
- Garage
- Gazebo
- Generator
- Lawn Sprinkler System
- Patios and Sidewalks (new or replacement)
- Plumbing Work
- Roof Tear Off (no permit required to add a second layer of shingles – maximum 2 layers)
- Shed
- Signs
- Stairs and Landings (new or replacement)
- Swimming Pool – Above or Below Ground
- Water Heater (new or replacement)
- Windows (new or replacement)

Department Structure



2016 Staffing Summary

In June of 2014, the customer service staffs of Building & Zoning and Finance merged into one customer service center located on the first floor of Village Hall. Based upon workload an additional full-time cashier position was added to the Community Development Department. These changes are reflected below.

Community Development	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Administrative Assistants	2	0	2	0	2	0
Associate Planner	0	1	0	1	0	0
Building Commissioner	1	0	1	0	1	0
Building Inspector	1	0	1	0	1	0
Cashier	0	0	0	0	0	1
Clerk II	0	2	0	1	0	1
Community Development Director	0	0	1	0	1	0
Deputy Building Commissioner	0	0	0	0	0	0
Deputy Clerk	0	0	0	0	0	1
Electrical Inspector	1	0	1	0	1	0
Health Inspector	1	0	1	0	1	0
Planner	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
Total	10	3	11	2	11	3
Full & Part-Time Total	13		13		14	

Strategic Priorities and Measures Community Development

Strategic Priorities	Measure	Averaged Baseline	Q1	Q2	Q3
Service Optimization	No Measure Identified	N/A	N/A	N/A	N/A
Organizational Culture	No Measure Identified	N/A	N/A	N/A	N/A
Revenue Growth	No Measure Identified	N/A	N/A	N/A	N/A
Economic Development	Permit Applications	584	284	792	678
Economic Development	Fees Collected	\$277,409	\$140,000	\$344,876	\$347,351
Economic Development	Total Valuation of Work Performed	\$13,361,337	\$4,929,814	\$17,514,299	\$17,639,899
Infrastructure Stability	No Measure Identified	N/A	N/A	N/A	N/A

Village staff is in the process of implementing a performance management program. During the first year of the program departments are establishing baseline performance. This baseline is currently determined by averaging the past four quarters of performance data.

Budget Summary Community Development

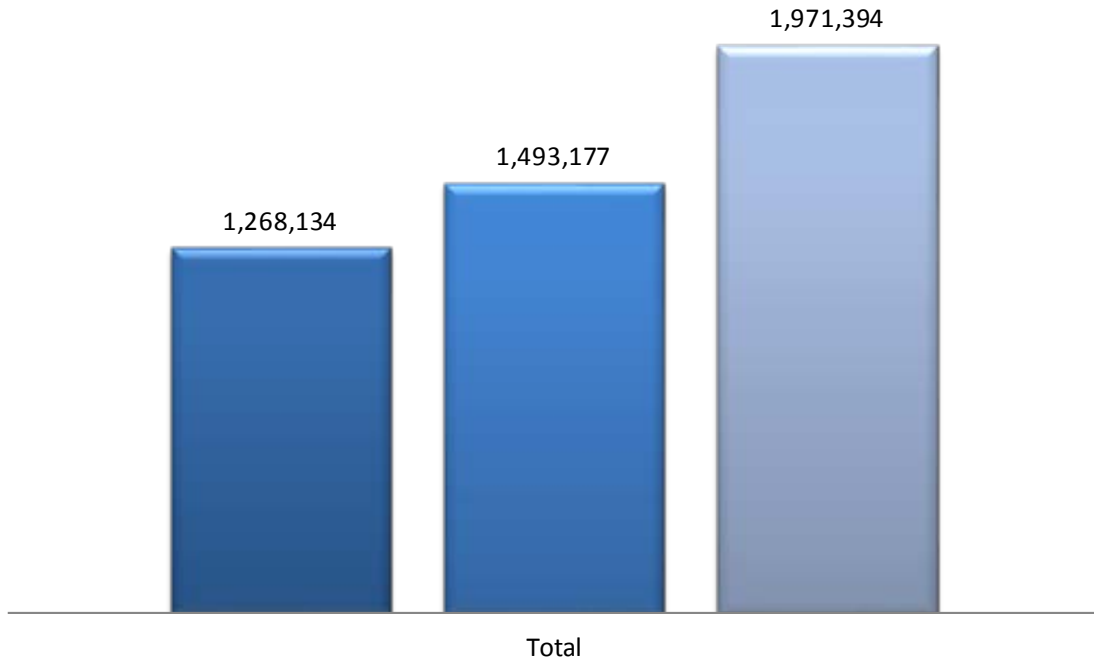
	FY 2014	FY 2015 Est. Actual	FY 2016 Budget
Personal Service	838,238	892,937	1,131,104
Personal Benefits	349,057	389,774	503,691
Operating Expenses	58,917	169,543	217,262
Contractual Services	1,387	1,387	1,882
Repairs and Maintenance	155	-	-
Commodities	86	55	2,600
Other Expenses	8,439	25,626	101,000
Capital Outlay	11,855	13,855	13,855
Total	1,268,134	1,493,177	1,971,394

**Budget Variance
Building/Zoning/Health**

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.05	Full Time	28.16%	237,170	Additional employees from OVM
500.40	Longevity	12.12%	800	Employee milestones
505.05	Group & Medical Life	32.63%	62,000	Additional employees from OVM
505.10	Professional Training	10.36%	570	Additional conferences
505.15	Dues & Memberships	114.29%	1,600	Additional memberships
505.35	Safety Equipment	(100.00%)	(100)	Reclassified to Tools & Hardware
505.75	Employer's Contribution - FICA	22.17%	12,583	Additional employees from OVM
505.80	Employer's Contribution - IMRF	27.90%	34,225	Additional employees from OVM
505.85	Employer's Contribution Medicare	23.57%	3,128	Additional employees from OVM
510.02	Telephone	86.67%	3,900	Additional lines
510.04	Travel	135.29%	1,150	Additional conferences
510.08	Reception & Community Affairs	(100.00%)	(850)	Reclassified to supplies
510.12	Equipment Rental	(100.00%)	(100)	Reduced based on usage
510.14	Subscriptions & Publications	(54.55%)	(600)	Reclassified to Dues & Memberships
510.21	IT Internal Svc Contribution	51.96%	28,269	Recalibrated cost basis
510.40	Supplies - Office	50.00%	1,000	Reclassified from Reception and Community
545.01	Central Garage Internal Svc	(48.12%)	(25,765)	Recalibrated cost basis
550.05	Other Department Equipment	(100.00%)	(3,000)	Reduced based on historical usage
530.50	Tools & Hardware	333.33%	2,000	Reclassified from Safety Equipment
580.10	Consultant Fees	306.07%	75,374	Land use study

Community Development

■ FY 2014 ■ FY 2015 Est. Actual ■ FY 2016 Budget



Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General						
10 - Salaries						
500.05	Full Time	767,800	789,560	842,074	842,275	1,079,244
500.10	Part Time	64,341	38,177	39,462	39,462	40,460
500.35	Overtime	2,849	3,901	4,000	4,000	4,000
500.40	Longevity	7,400	6,600	6,600	7,200	7,400
10 - Salaries		842,390	838,238	892,136	892,937	1,131,104
Percent Change 2016 vs. 2015 Budget						26.79%
15 - Taxes and Benefits						
505.05	Group & Medical Life	144,498	167,835	190,000	190,000	252,000
505.10	Professional Training	3,656	4,626	5,500	5,500	6,070
505.15	Dues & Memberships	1,537	1,232	1,400	1,400	3,000
505.25	Uniform Maintenance	-	-	-	-	-
505.35	Safety Equipment	-	-	100	147	-
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.75	Employer's Contribution - FICA	-	51,916	56,753	56,765	69,336
505.80	Employer's Contribution - IMRF	-	111,284	122,659	122,686	156,884
505.85	Employer's Contribution Medicare	-	12,164	13,273	13,276	16,401
15 - Taxes and Benefits		149,691	349,057	389,685	389,774	503,691
Percent Change 2016 vs. 2015 Budget						29.26%
25 - Operating Expenses						
510.02	Telephone	4,323	5,760	4,500	4,500	8,400
510.04	Travel	707	990	850	350	2,000
510.06	Per Diem Allowance	116	195	600	100	600
510.08	Reception & Community Affairs	442	696	850	750	-
510.10	Maintenance Contracts	48,547	48,298	49,606	49,606	49,900
510.12	Equipment Rental	-	-	100	-	-
510.14	Subscriptions & Publications	1,203	445	1,100	70	500
510.16	Printing	1,156	1,561	1,100	1,500	1,100
510.21	IT Internal Svc Contribution	-	-	54,408	45,826	82,677
510.40	Supplies - Office	2,888	971	2,000	1,500	3,000
535.01	Building Mnt Internal Svc	-	-	38,125	30,765	41,311
545.01	Central Garage Internal Svc	-	-	53,539	34,576	27,774
25 - Operating Expenses		59,383	58,917	206,778	169,543	217,262
Percent Change 2016 vs. 2015 Budget						5.07%
30 - Contractual Services						
515.05	IRMA Premium	-	1,387	1,387	1,387	1,387
515.10	Unemployment Insurance	1,800	-	-	-	-
515.15	IRMA Deductible - Worker's Comp	-	-	297	-	297
515.20	IRMA Deductible - Non Wrker's Co	-	-	198	-	198

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
30 - Contractual Services	1,800	1,387	1,882	1,387	1,882
Percent Change 2016 vs. 2015 Budget					0.00%
40 - Repairs and Maintenance					
545.05 Gasoline	-	-	-	-	-
545.10 Diesel Fuel	-	-	-	-	-
545.15 Automotive Parts	-	-	-	-	-
545.20 Garage Labor	-	-	-	-	-
545.25 Lubricants	-	-	-	-	-
545.30 Garage Overhead	-	-	-	-	-
545.35 Body Work	-	-	-	-	-
545.40 Contractual Auto Services	-	-	-	-	-
550 Other	-	-	-	-	-
550.05 Other Department Equipment	1,953	155	3,000	-	-
40 - Repairs and Maintenance	1,953	155	3,000	-	-
Percent Change 2016 vs. 2015 Budget					-100.00%
45 - Commodities					
530.50 Tools & Hardware	242	86	600	55	2,600
45 - Commodities	242	86	600	55	2,600
Percent Change 2016 vs. 2015 Budget					333.33%
50 - Other Expenses					
580.05 All Other Expenses	1,822	381	1,000	1,000	1,000
580.10 Consultant Fees	30,571	8,058	24,626	24,626	100,000
50 - Other Expenses	32,393	8,439	25,626	25,626	101,000
Percent Change 2016 vs. 2015 Budget					294.13%
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	-	-	-
555.30 Reserve for Capital Replacement	3,064	4,000	4,000	4,000	4,000
555.40 Reserve for Technology	-	1,800	1,800	1,800	1,800
555.50 Reserve for Buildings	-	6,055	8,055	8,055	8,055
55 - Capital Outlay	3,064	11,855	13,855	13,855	13,855
Percent Change 2016 vs. 2015 Budget					0.00%
Department Total :50-Community Development	1,090,916	1,268,134	1,533,562	1,493,177	1,971,394
Percent Change 2016 vs. 2015 Budget					28.55%

Public Works Department

The Village of Buffalo Grove Public Works Department is divided into three functional areas of responsibility: Administration, Engineering, and Operations

Public Works Administration

Public Works Administration develops and oversees effective Public Works service delivery programs and policies. Strategic and long range planning of departmental service programs, capital improvement planning, project management and programming and certain special projects, such as new computer application development, are also provided through the administration.

Engineering

Engineering consists of subdivision and development control, capital improvement engineering, staff and general engineering services. Engineering ensures that safe, efficient, and economical land development and utility service is provided in all new developments of the Village. The Engineering division works closely with the Community Development Department on permit and zoning reviews as well as the Police Department on traffic and signage related issues.

Operations

The Public Works Department is responsible for the repair and maintenance of all Village facilities, fleet, and infrastructure. This effort is facilitated through Public Works Operations and divided into the Maintenance Division and the Utility Division, which is comprised of seven Sections: Building Maintenance, Street, Forestry & Grounds, Central Garage, Drainage, Sewer, and Water.

Building Maintenance Section

The Building Maintenance Section provides a clean, healthy, safe, and efficient working environment in facilities, public areas and meeting places. This division is responsible for maintaining 193,373 square feet of occupied building space as well as 2,700 streetlights. Major tasks of this Division include HVAC, plumbing and electrical repairs and maintenance, street light maintenance, and building custodial service contract administration. Detailed financial information can be found in the internal service fund, section 8, of the budget document.



Street Section

This Section provides for the maintenance of 120.70 centerline miles of street and approximately 241.40 miles of curb and gutter to insure that they are clean, safe, and structurally sound for vehicle and pedestrian use. Major tasks of this Division include snow & ice control, street sweeping, concrete and asphalt repairs, regulatory street sign inventory and maintenance, banner production and installation and street striping.

Forestry and Grounds Section

The Forestry and Grounds Section provides for the maintenance and care of 20,185 parkway trees and 151 acres of public property, which includes 74-landscaped roadway medians, 39 retention, detention basins. Major tasks of this Section include tree trimming and removal, landscape maintenance, holiday light installation and removal, and parkway restoration.

Central Garage Section

The Central Garage Section provides for the repair and maintenance of the Village's fleet of 164 vehicles and 83 pieces of equipment. This Section is also responsible for managing the Village's vehicle and equipment fueling system in accordance with the requirements established by the Office of the Illinois State Fire marshal (OSFM). Detailed financial information can be found in the internal service fund, section 8, of the budget document.

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Drainage Section

This Section provides for the preventive maintenance of the Village storm sewer and drainage system in accordance with guidelines established by the Illinois Environmental protection Agency (IEPA), the Lake County stormwater Management Commission (LCSMC) and the Metropolitan Water Reclamation District of Greater Chicago (MWRDGC). The system is comprised of 39 retention/detention basins (81 acres), 11.3 miles of stream/creeks, 189 miles of storm sewer, approximately 10,000 structures, and 2 stormwater lift stations. Major tasks of this Section include cleaning storm sewers and structures, retention/detention basin inlet and outfall repairs and roadway culvert maintenance.



Sewer Section

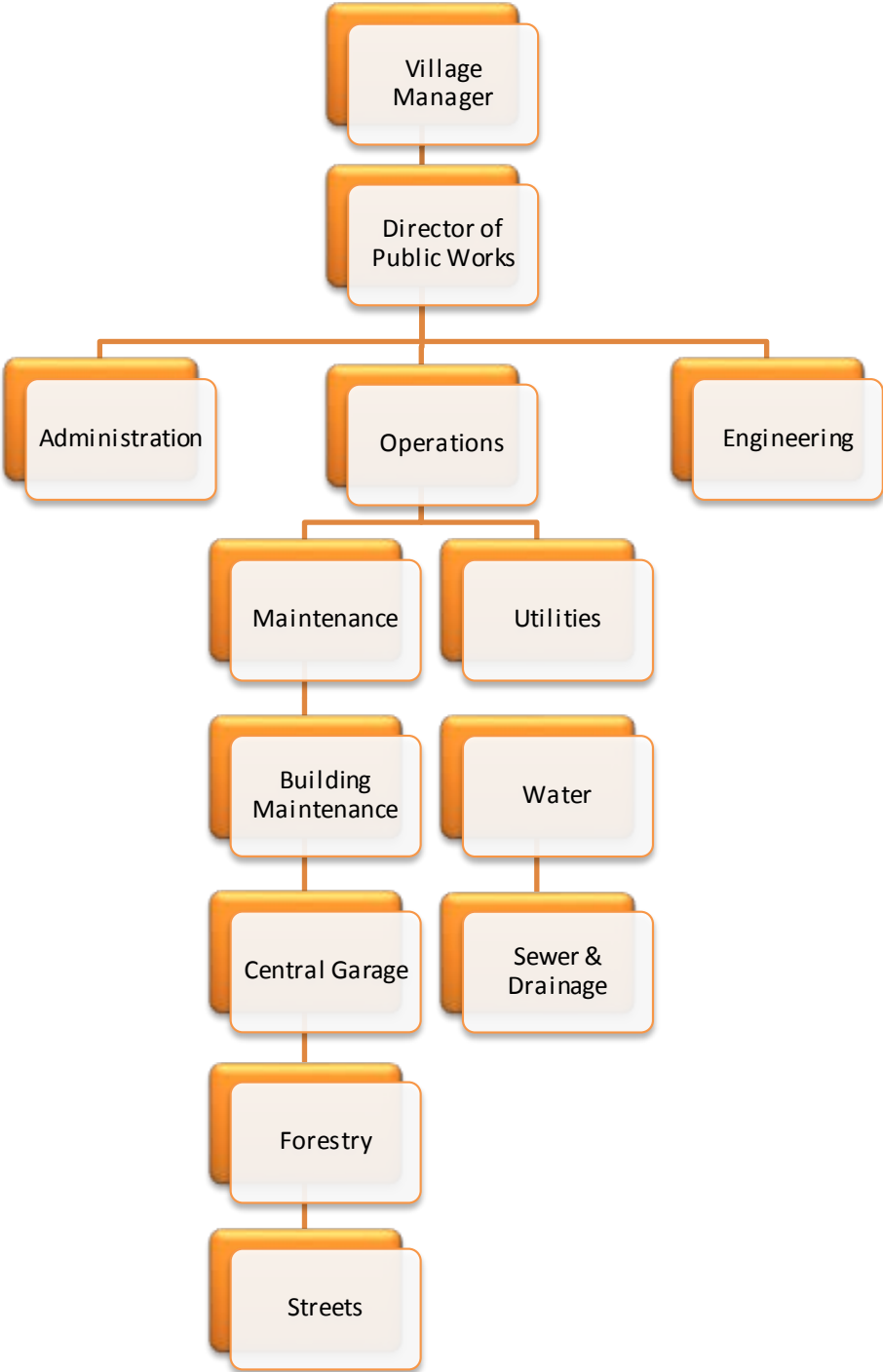
This Section provides for the inspection, cleaning and maintenance of the 134 miles of sanitary gravity sewer, 5 miles of force main, 12 sanitary lift stations and 3,251 manholes that comprise the Village's sanitary sewer system. The system is maintained in accordance with guidelines established by the Illinois Environmental protection Agency (IEPA) Lake County and the Metropolitan Water Reclamation District of Greater Chicago (MWRDGC). Major tasks of this Section include flushing and root cutting of the system, manhole repairs, clearing blockages and inflow/infiltration (I/I) testing and repairs. Financial Information is located in the Enterprise fund, section 7 of the budget document.



Water Section

This Section provides for the repair and maintenance of 180 miles of water main, 1,903 valves, 4,475 fire hydrants and 4 pump stations and 4 emergency back-up deep wells that comprise the Village's water system. The system is maintained in accordance with guidelines established by the Illinois Environmental protection Agency (IEPA), the American Water Works Association (AWWA) and the Northwest Water Commission. Major tasks of this Section include repairing water main breaks, flushing and repairing fire hydrants, reading and repairing water meters, well and pump house maintenance and collecting water samples. Financial Information is located in the Enterprise Fund, Section 7 of the budget document.

Department Structure



2016 Staffing Summary

The current approved staffing level for the department is 59. In 2016, one Maintenance Worker position in the Forestry section will be eliminated as part of a move to contract tree trimming services. One of the three approved Maintenance Worker position additions was put on hold as part of the water meter upgrade program.

Public Works/Engineering	FY 2014		FY 2015		FY 2016	
	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	0	0
-Building Maintenance Manager	0	0	0	0	1	0
Building Maintenance Worker	2	0	2	0	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	0	1	0	1	0
Clerk II	0	0	0	0	0	0
Deputy Director of Public Works	1	0	1	0	1	0
Director of Public Works	1	0		0	1	0
Engineering Aide	0	1	0	1	0	1
Engineering Technician	1	0	1	0	1	0
Facility Coordinator	0	0	0	0	0	0
Fleet Manager	1	0	1	0	1	0
Forestry and Grounds Supervisor	1	0	1	0	0	0
Forestry & Grounds Manager	0	0	0	0	1	0
Laborer – Seasonal	0	6	0	6	0	6
Maintenance Worker I	9	0	8	0	6	0
Maintenance Worker II	10	0	13	0	14	0
Maintenance Worker II – CL	7	0	6	0	6	0
Maintenance Worker III	1	0	0	0	0	0
Metra Station Attendant	0	0	0	0	0	0
Operations Mgr – Streets, Drainage, Sanitary Sewer	1	0	0	0	0	0
-Superintendent of Maintenance	0	0	1	0	1	0
Seasonal Snow Plow Driver	0	1	0	1	0	1
Secretary	3	0	2	1	2	1
Sewer & Drainage Manager	0	0	1	0	1	0
Streets Manager	0	0	1	0	1	0
Superintendent of Water Operations	1	0	0	0	0	0
Superintendent of Utilities	0	0	1	0	1	0
Village Engineer	1	0	1	0	1	0
Water Manager	0	0	1	0	1	0
Total	48	9	50	10	49	10
Full & Part-Time Total	57		60		59	

Strategic Priorities and Measures

Public Works

Strategic Priorities	Measure	Averaged Baseline	Q1	Q2	Q3
Service Optimization	Miles of Road Plowed	N/A	26,697	N/A	N/A
Service Optimization	Tree Trimmed	356	926	98	44
Organizational Culture	No Measure Identified	N/A	N/A	N/A	N/A
Revenue Growth	No Measure Identified	N/A	N/A	N/A	N/A
Economic Development	No Measure Identified	N/A	N/A	N/A	N/A
Infrastructure Stability	Tons of Fill per Road Mile	11.92	8	22.75	5

Village staff is in the process of implementing a performance management program. During the first year of the program departments are establishing baseline performance. This baseline is currently determined by averaging the past four quarters of performance data.

Budget Summary

Streets

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	673,875	691,068	717,170
Personal Benefits	262,911	296,330	319,799
Operating Expenses	92,559	337,044	675,430
Contractual Services	23,655	31,425	31,425
Repairs & Maintenance	623,712	534,600	635,100
Capital Outlay	79,368	79,896	79,943
Commodities	481,668	398,540	398,700
Total	2,237,746	2,368,903	2,857,567

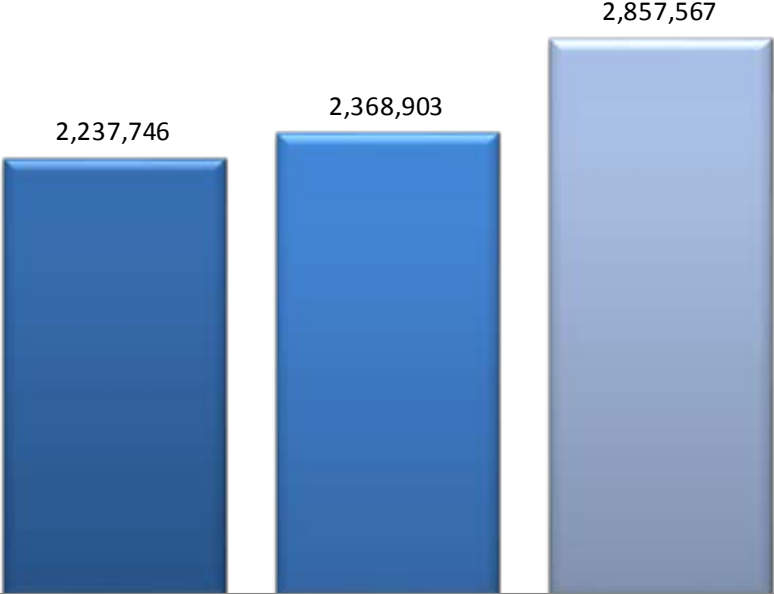
Budget Variance

Streets

Line item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
505.15	Dues & Memberships	100.00%	130	Additional membership
510.21	IT Internal Svc Contribution	51.89%	16,159	Recalibrated cost basis
535.01	Building Mnt Internal Svc	13.94%	9,377	Recalibrated cost basis
545.01	Central Garage Internal Svc	211.54%	299,799	Recalibrated cost basis
535.10	Streets & Highways	28.46%	72,000	Reclassified from Building Maintenance
530.50	Small Equipment Tools & Hardware	29.63%	160	Additional tools required
555.10	Office and Other Equipment	New	575	Increase based on historical trend

Streets

FY 2014 Actual FY 2015 Est Actual FY 2016 Budget



Total

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General Fund						
Department: 55 - Public Works						
Division: 10 - Streets						
500.05	Full Time	504,028	486,586	575,598	575,598	601,210
500.10	Part Time	81	-	-	-	-
500.35	Overtime	149,192	183,659	107,711	110,000	110,000
500.40	Longevity	4,697	3,630	5,470	5,470	5,960
10 - Salaries		657,998	673,875	688,779	691,068	717,170
Percent Change 2016 vs. 2015 Budget						4.12%
15 - Taxes and Benefits						
505.05	Group & Medical Life	133,502	131,635	144,394	144,394	158,250
505.10	Professional Training	10	625	2,000	2,000	2,180
505.15	Dues & Memberships	79	311	130	300	260
505.20	Clothing Allowance	1,302	1,610	1,463	1,463	1,595
505.26	Uniform Rental	701	2,303	1,936	1,936	2,110
505.35	Safety Equipment	645	267	850	1,250	925
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.75	Employer's Contribution - FICA	-	37,176	42,704	42,704	44,465
505.80	Employer's Contribution - IMRF	-	70,443	92,296	92,296	99,615
505.85	Employer's Contribution Medicare	-	8,694	9,987	9,987	10,399
15 - Taxes and Benefits		136,239	262,911	295,760	296,330	319,799
Percent Change 2016 vs. 2015 Budget						8.13%
25 - Operating Expenses						
510.02	Telephone	480	2,921	2,255	2,255	2,457
510.04	Travel	-	612	-	-	-
510.10	Maintenance Contracts	87,258	80,756	105,066	105,066	100,000
510.12	Equipment Rental	422	599	400	400	400
510.14	Subscriptions & Publications	-	-	75	75	81
510.21	IT Internal Svc Contribution	-	-	31,142	26,230	47,301
510.40	Supplies - Office	881	1,013	472	472	514
510.50	Supplies - All Other	4,464	3,508	5,000	5,000	5,000
510.55	Operating Equip - Department	5,325	3,150	1,500	1,500	1,500
535.01	Building Mnt Internal Svc	-	-	67,281	54,326	76,658
545.01	Central Garage Internal Svc	-	-	141,720	141,720	441,519
25 - Operating Expenses		98,831	92,559	354,911	337,044	675,430
Percent Change 2016 vs. 2015 Budget						90.31%
30 - Contractual Services						
515.05	IRMA Premium	-	22,271	22,271	22,271	22,271
515.10	Unemployment Insurance	1,200	1,200	1,200	1,200	1,200
515.15	IRMA Deductible - Worker's Comp	-	-	4,772	4,772	4,772
515.20	IRMA Deductible - Non Wrker's Co	-	184	3,182	3,182	3,182
30 - Contractual Services		1,200	23,655	31,425	31,425	31,425
Percent Change 2016 vs. 2015 Budget						0.00%

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
40 - Repairs and Maintenance						
535.05	Sidewalks, Curbs, & Bikeways	93,936	422,421	275,000	275,000	299,700
535.10	Streets & Highways	155,023	198,915	253,000	250,000	325,000
545.05	Gasoline	-	-	-	-	-
545.10	Diesel Fuel	-	-	-	-	-
545.15	Automotive Parts	-	-	-	-	-
545.20	Garage Labor	-	-	-	-	-
545.25	Lubricants	-	-	-	-	-
545.30	Garage Overhead	-	-	-	-	-
545.35	Body Work	-	-	-	-	-
545.40	Contractual Auto Services	-	-	-	-	-
550	Maintenance & Repairs - Other	-	-	-	-	-
550.05	Department Equipment	6,675	1,236	9,000	9,000	9,800
550.10	Radios	-	1,239	600	600	600
40 - Repairs and Maintenance		255,634	623,712	537,600	534,600	635,100
Percent Change 2016 vs. 2015 Budget						18.14%
45 - Commodities						
530.40	Snow & Ice Control Mix	54,034	448,754	356,000	356,000	356,000
530.50	Small Equipment Tools & Hardware	425	319	540	540	700
530.55	Traffic & Street Signs	42,617	32,594	42,000	42,000	42,000
45 - Commodities		97,077	481,668	398,540	398,540	398,700
Percent Change 2016 vs. 2015 Budget						0.04%
55 - Capital Outlay						
555.10	Office and Other Equipment	-	-	-	528	575
555.20	Automobiles & Trucks	-	-	-	-	-
555.30	Reserve for Capital Replacement	72,998	72,998	72,998	72,998	72,998
555.40	Reserve for Technology	7	1,000	1,000	1,000	1,000
555.50	Reserve for Buildings	-	5,370	5,370	5,370	5,370
55 - Capital Outlay		73,005	79,368	79,368	79,896	79,943
Percent Change 2016 vs. 2015 Budget						0.72%
Division Total: 10 - Streets		1,319,984	2,237,746	2,386,383	2,368,903	2,857,567
Percent Change 2016 vs. 2015 Budget						

Budget Summary
Public Works Administration

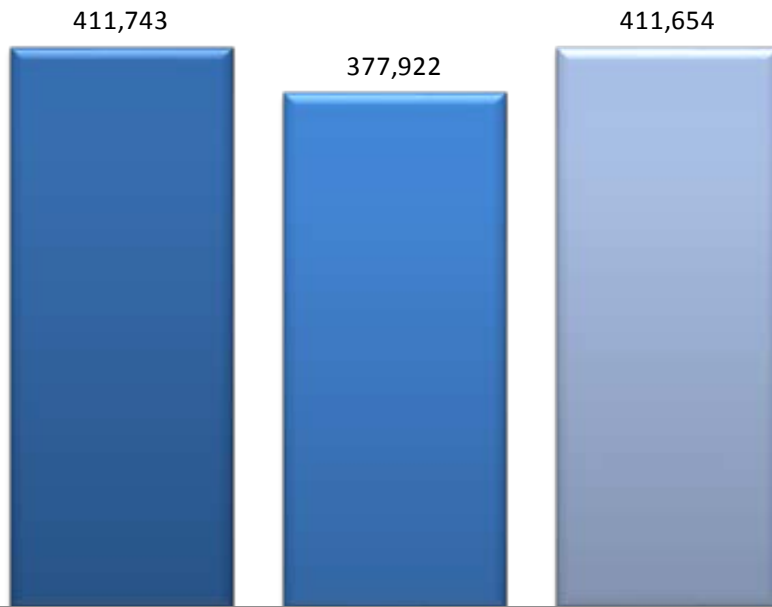
	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	259,131	210,402	218,635
Personal Benefits	129,061	100,614	100,138
Operating Expenses	5,008	36,562	62,537
Contractual Services	7,047	9,964	9,964
Repairs and Maintenance	49	2,000	2,000
Capital Outlay	11,448	18,380	18,380
Total	411,743	377,922	411,654

Budget Variance
Public Works Administration

Line item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
505.05	Group & Medical Life	15.75%	6,000	Health insurance premium increase
505.75	Employer's Contribution - FICA	(12.85%)	(1,998)	Calculation error in prior year
505.80	Employer's Contribution - IMRF	(11.76%)	(4,041)	Calculation error in prior year
505.85	Employer's Contribution Medicare	(12.84%)	(467)	Calculation error in prior year
510.21	IT Internal Svc Contribution	88.24%	18,462	Recalibrated cost basis
535.01	Building Mnt Internal Svc	13.94%	1,283	Recalibrated cost basis
545.01	Central Garage Internal Svc	New	1,165	Recalibrated cost basis

PW Admin

■ FY 2014 Actual ■ FY 2015 Est Actual ■ FY 2016 Budget



Total

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General Fund					
<u>Expenditures</u>					
Department: 55 - Public Works					
Division: 15 - Administration					
10 - Salaries					
500.05 Full Time	192,467	257,531	209,028	209,028	217,252
500.10 Part Time	-	-	-	-	-
500.35 Overtime	-	-	374	374	383
500.40 Longevity	2,000	1,600	1,000	1,000	1,000
10 - Salaries	194,467	259,131	210,402	210,402	218,635
Percent Change 2016 vs. 2015 Budget					3.91%
15 - Taxes and Benefits					
505.05 Group & Medical Life	33,959	57,453	38,100	38,100	44,100
505.10 Professional Training	126	2,515	3,850	3,850	3,850
505.15 Dues & Memberships	3,886	3,910	4,458	4,458	4,488
505.20 Clothing Allowance	-	117	250	250	250
505.35 Safety Equipment	207	-	400	400	400
505.45 ICMA Deferred Compensation	-	-	-	-	-
505.75 Employer's Contribution - FICA	-	14,081	15,553	15,553	13,555
505.80 Employer's Contribution - IMRF	-	45,945	34,366	34,366	30,325
505.85 Employer's Contribution Medicare	-	3,686	3,637	3,637	3,170
15 - Taxes and Benefits	38,178	129,061	100,614	100,614	100,138
Percent Change 2016 vs. 2015 Budget					-0.47%
25 - Operating Expenses					
510.02 Telephone	2,106	2,626	2,800	2,800	2,800
510.04 Travel	-	193	600	600	600
510.10 Maintenance Contracts	50	-	-	-	-
510.12 Equipment Rental	-	40	-	-	-
510.14 Subscriptions & Publications	5,958	49	2,000	2,000	2,000
510.21 IT Internal Svc Contribution	-	-	20,922	17,622	39,384
510.40 Supplies - Office	1,732	1,574	5,600	5,600	5,600
510.50 Supplies - All Other	31	35	500	500	500
535.01 Building Mnt Internal Svc	-	-	9,205	7,440	10,488
545.01 Central Garage Internal Svc	-	-	-	-	1,165
25 - Operating Expenses	9,885	5,008	41,627	36,562	62,537
Percent Change 2016 vs. 2015 Budget					50.23%
30 - Contractual Services					
515.05 IRMA Premium	-	7,047	7,047	7,047	7,047
515.10 Unemployment Insurance	1,000	-	400	400	400
515.15 IRMA Deductible - Worker's Comp	-	-	1,510	1,510	1,510
515.20 IRMA Deductible - Non Worker's Co	-	-	1,007	1,007	1,007
30 - Contractual Services	1,000	7,047	9,964	9,964	9,964
Percent Change 2016 vs. 2015 Budget					0.00%

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
40 - Repairs and Maintenance					
545.05 Gasoline	-	49	-	-	-
545.10 Diesel Fuel	-	-	-	-	-
545.15 Automotive Parts	-	-	-	-	-
545.20 Garage Labor	-	-	-	-	-
545.25 Lubricants	-	-	-	-	-
545.30 Garage Overhead	-	-	-	-	-
545.35 Body Work	-	-	-	-	-
545.40 Contractual Auto Services	-	-	-	-	-
550 Maintenance & Repairs - Other	-	-	-	-	-
550.05 Department Equipment	346	-	2,000	2,000	2,000
40 - Repairs and Maintenance	346	49	2,000	2,000	2,000
Percent Change 2016 vs. 2015 Budget					0.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	2,351	6,868	13,800	13,800	13,800
555.30 Reserve for Capital Replacement	-	-	-	-	-
555.40 Reserve for Technology	-	1,000	1,000	1,000	1,000
555.50 Reserve for Buildings	-	3,580	3,580	3,580	3,580
55 - Capital Outlay	2,351	11,448	18,380	18,380	18,380
Percent Change 2016 vs. 2015 Budget					0.00%
Division Total: 15 - Administration	246,227	411,743	382,987	377,922	411,654
Percent Change 2016 vs. 2015 Budget					7.49%

Budget Summary

Forestry

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	754,595	764,230	855,921
Personal Benefits	324,625	400,142	396,830
Operating Expenses	14,970	413,918	465,914
Contractual Services	23,442	28,953	28,953
Repairs and Maintenance	(19,382)	1,100	1,150
Capital Outlay	196,856	70,845	70,845
Commodities	2,975	3,100	3,150
Total	1,298,080	1,682,288	1,822,763

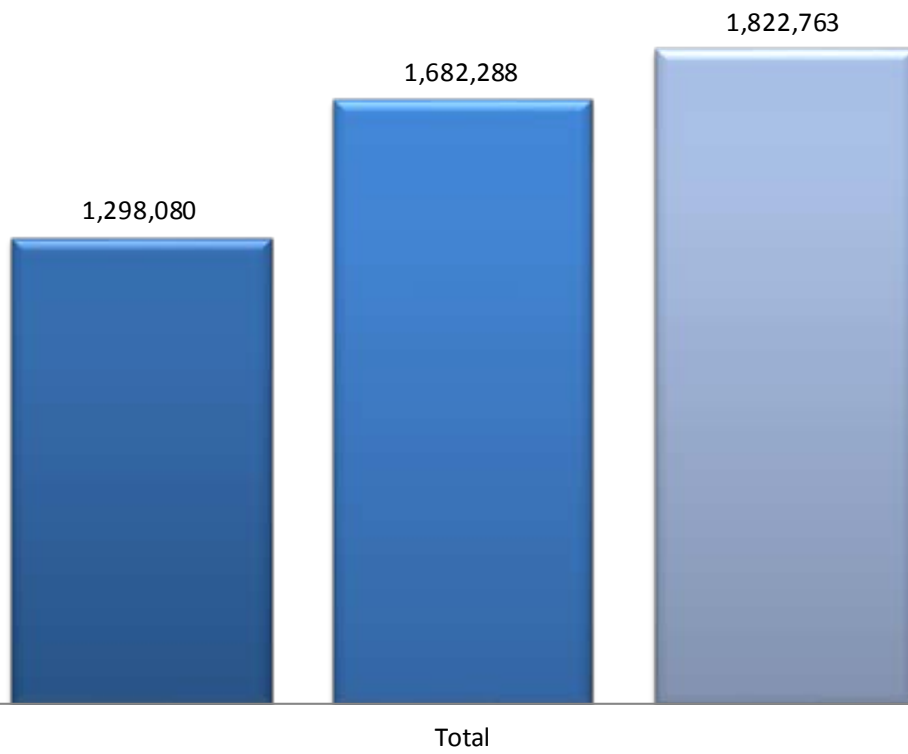
Budget Variance

Forestry

Line item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
510.10	Maintenance Contracts	1284.62%	100,200	Outsourced tree trimming
510.21	IT Internal Svc Contribution	(14.38%)	(9,070)	Recalibrated cost basis
535.01	Building Mnt Internal Svc Cntrb	13.94%	6,376	Recalibrated cost basis
545.01	Central Garage Internal Svc	(27.32%)	(89,857)	Recalibrated cost basis

Forestry

■ FY 2014 Actual ■ FY 2015 Est Actual ■ FY 2016 Budget



Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General Fund						
<u>Expenditures</u>						
Department: 55 - Public Works						
Division: 20 - Forestry						
10 - Salaries						
500.05	Full Time	789,880	718,072	840,175	716,320	796,239
500.10	Part Time	21,852	22,312	45,929	12,246	45,929
500.35	Overtime	16,395	7,711	5,663	28,000	5,689
500.40	Longevity	7,567	6,500	7,664	7,664	8,064
10 - Salaries		835,693	754,595	899,431	764,230	855,921
Percent Change 2016 vs. 2015 Budget						-4.84%
15 - Taxes and Benefits						
505.05	Group & Medical Life	189,517	151,747	201,769	201,769	200,250
505.10	Professional Training	1,716	2,145	4,250	4,250	4,630
505.15	Dues & Memberships	1,904	1,662	1,795	1,795	1,795
505.20	Clothing Allowance	978	1,297	2,439	2,000	2,439
505.26	Uniform Rental	2,255	2,128	2,162	2,162	2,162
505.35	Safety Equipment	960	319	1,250	1,250	1,360
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.75	Employer's Contribution - FICA	-	45,365	55,765	55,765	53,067
505.80	Employer's Contribution - IMRF	-	102,078	120,524	120,524	118,716
505.85	Employer's Contribution Medicare	-	10,610	13,042	10,627	12,411
15 - Taxes and Benefits		197,330	324,625	402,996	400,142	396,830
Percent Change 2016 vs. 2015 Budget						-1.53%
25 - Operating Expenses						
510.02	Telephone	3,062	1,592	2,615	2,615	2,615
510.04	Travel	-	-	-	-	-
510.10	Maintenance Contracts	5,967	5,372	7,800	107,934	108,000
510.12	Equipment Rental	-	-	835	835	900
510.14	Subscriptions & Publications	-	-	100	-	100
510.21	IT Internal Svc Contribution	-	-	63,065	53,117	53,995
510.40	Supplies - Office	51	116	472	472	500
510.50	Supplies - All Other	6,243	5,027	5,000	5,000	5,400
510.55	Operating Equip - Department	2,981	2,862	3,000	4,195	3,250
535.01	Building Mnt Internal Svc Cntrb	-	-	45,741	36,939	52,117
545.01	Central Garage Internal Svc	-	-	328,894	202,811	239,037
580.05	Other Expense	-16	-	-	-	-
25 - Operating Expenses		18,288	14,970	457,522	413,918	465,914
Percent Change 2016 vs. 2015 Budget						1.83%
30 - Contractual Services						
515.05	IRMA Premium	-	19,713	19,713	19,713	19,713
515.10	Unemployment Insurance	2,400	2,200	2,200	2,200	2,200
515.15	IRMA Deductible - Worker's Comp	-	1,529	4,224	4,224	4,224
515.20	IRMA Deductible - Non Wrker's Co	-	-	2,816	2,816	2,816
30 - Contractual Services		2,400	23,442	28,953	28,953	28,953
Percent Change 2016 vs. 2015 Budget						0.00%

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
40 - Repairs and Maintenance						
535.30	Parkway Trees	(63,395)	(19,382)	-	-	-
545.05	Gasoline	-	-	-	-	-
545.10	Diesel Fuel	-	-	-	-	-
545.15	Automotive Parts	-	-	-	-	-
545.20	Garage Labor	-	-	-	-	-
545.25	Lubricants	-	-	-	-	-
545.30	Garage Overhead	-	-	-	-	-
545.35	Body Work	-	-	-	-	-
545.40	Contractual Auto Services	-	-	-	-	-
550	Maintenance & Repairs - Other	-	-	-	-	-
550.05	Department Equipment	-	-	600	600	650
550.10	Radios	-	-	500	500	500
40 - Repairs and Maintenance		(63,395)	(19,382)	1,100	1,100	1,150
Percent Change 2016 vs. 2015 Budget						4.55%
45 - Commodities						
530.45	Chemicals and Fertilizers	292	2,407	2,500	2,500	2,500
530.50	Small Equipment Tools & Hardware	669	568	600	600	650
45 - Commodities		961	2,975	3,100	3,100	3,150
Percent Change 2016 vs. 2015 Budget						1.61%
55 - Capital Outlay						
555.10	Office and Other Equipment	267	-	-	-	-
555.20	Automobiles & Trucks	2,049	125,712	-	-	-
555.30	Reserve for Capital Replacement	57,911	60,000	60,000	60,000	60,000
555.40	Reserve for Technology	-	1,300	1,000	1,000	1,000
555.50	Reserve for Buildings	-	9,845	9,845	9,845	9,845
55 - Capital Outlay		60,227	196,856	70,845	70,845	70,845
Percent Change 2016 vs. 2015 Budget						0.00%
Division Total: 20 - Forestry		1,051,504	1,298,080	1,863,947	1,682,288	1,822,763
Percent Change 2016 vs. 2015 Budget						-2.21%

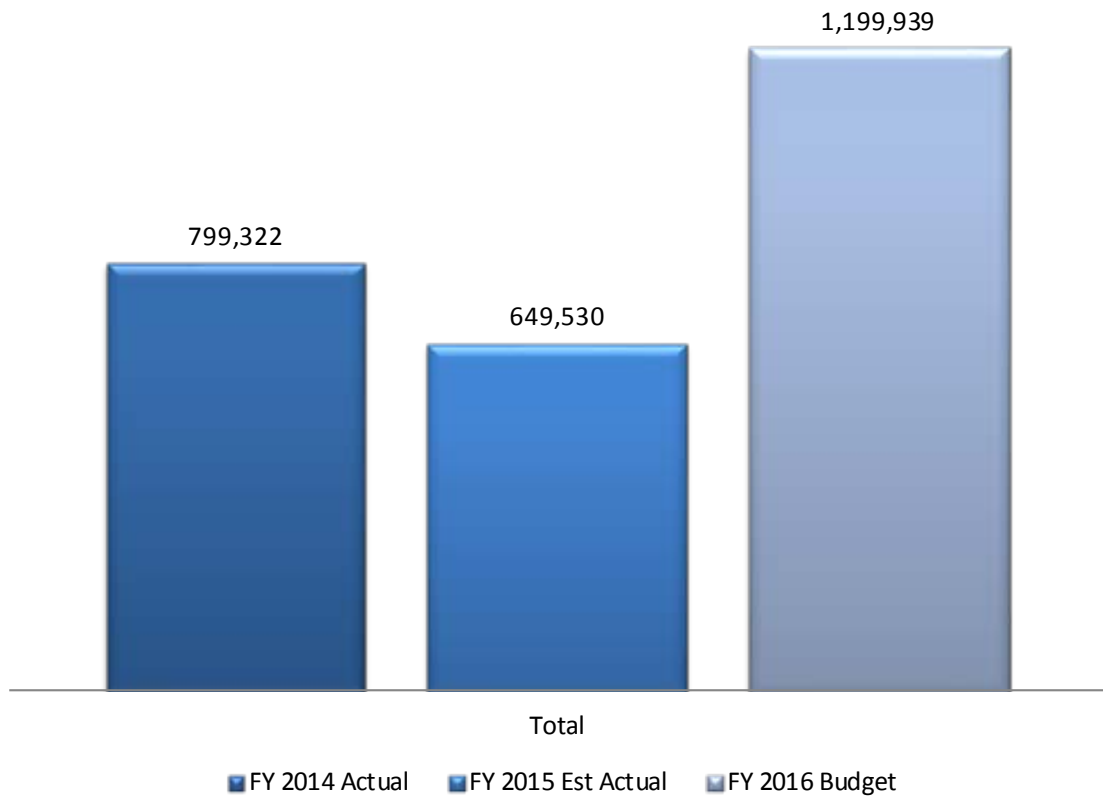
Budget Summary Drainage

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	187,543	168,447	251,398
Personal Benefits	70,803	116,386	123,301
Operating Expenses	918	65,068	88,888
Contractual Services	10,688	16,878	12,501
Repairs & Maintenance	3,478	11,000	12,000
Capital Equipment	525,872	270,851	710,851
Commodities	19	900	1,000
Total	799,322	649,530	1,199,939

Budget Variance Drainage

Line item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
500.35	Overtime	79.90%	3,109	Increase based on historical usage
505.05	Group & Medical Life	10.14%	6,030	Health insurance premium increase
505.15	Dues & Memberships	100.00%	100	Additional membership
505.26	Uniform Rental	51.72%	375	Additional uniform
510.14	Subscriptions & Publications	45.45%	1,625	Additional subscriptions
510.21	IT Internal Svc Contribution	(33.55%)	(2,985)	Recalibrated cost basis
535.01	Building Mnt Internal Svc	13.94%	2,380	Recalibrated cost basis
555.60	Reserve for Infrastructure	New	360,000	Storm sewer replacement

Drainage



Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General Fund					
<u>Expenditures</u>					
Department: 55 - Public Works					
Division: 25 - Drainage					
10 - Salaries					
500.05 Full Time	213,849	179,952	248,399	160,000	242,398
500.10 Part Time	81	-	-	-	-
500.35 Overtime	4,247	5,161	3,891	6,500	7,000
500.40 Longevity	1,897	2,430	1,947	1,947	2,000
10 - Salaries	220,074	187,543	254,237	168,447	251,398
Percent Change 2016 vs. 2015 Budget					-1.12%
15 - Taxes and Benefits					
505.05 Group & Medical Life	22,330	25,571	59,470	59,470	65,500
505.10 Professional Training	-	115	600	600	600
505.15 Dues & Memberships	109	81	100	200	200
505.20 Clothing Allowance	258	314	492	500	500
505.26 Uniform Rental	417	597	725	1,100	1,100
505.35 Safety Equipment	293	2,167	1,300	1,000	1,300
505.45 ICMA Deferred Compensation	-	-	-	-	-
505.75 Employer's Contribution - FICA	-	11,170	15,762	15,762	15,587
505.80 Employer's Contribution - IMRF	-	26,247	34,068	34,068	34,869
505.85 Employer's Contribution Medicare	-	2,612	3,686	3,686	3,645
15 - Taxes and Benefits	23,406	70,803	116,203	116,386	123,301
Percent Change 2016 vs. 2015 Budget					6.11%
25 - Operating Expenses					
510.02 Telephone	264	144	780	700	780
510.04 Travel	-	-	-	-	-
510.10 Maintenance Contracts	1,296	-	-	-	-
510.12 Equipment Rental	-	-	300	300	300
510.14 Subscriptions & Publications	-	-	3,575	5,300	5,200
510.21 IT Internal Svc Contribution	-	-	8,898	7,495	5,913
510.40 Supplies - Office	46	380	450	450	450
510.50 Supplies - All Other	450	76	1,000	1,000	1,000
510.55 Operating Equip - Department	-	318	600	600	600
535.01 Building Mnt Internal Svc	-	-	17,075	13,793	19,455
545.01 Central Garage Internal Svc	-	-	54,896	35,430	55,190
25 - Operating Expenses	2,057	918	87,574	65,068	88,888
Percent Change 2016 vs. 2015 Budget					1.50%
30 - Contractual Services					
515.05 IRMA Premium	-	8,620	8,620	13,000	8,620
515.10 Unemployment Insurance	200	400	800	800	800
515.15 IRMA Deductible - Worker's Comp	-	1,668	1,847	1,847	1,850
515.20 IRMA Deductible - Non Wrker's Co	-	-	1,231	1,231	1,231
30 - Contractual Services	200	10,688	12,498	16,878	12,501
Percent Change 2016 vs. 2015 Budget					0.02%

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
40 - Repairs and Maintenance					
540.35 Storm and Sanitary Sewers	13,189	3,478	8,000	7,000	8,000
545.05 Gasoline	-	-	-	-	-
545.10 Diesel Fuel	-	-	-	-	-
545.15 Automotive Parts	-	-	-	-	-
545.20 Garage Labor	-	-	-	-	-
545.25 Lubricants	-	-	-	-	-
545.30 Garage Overhead	-	-	-	-	-
545.35 Body Work	-	-	-	-	-
545.40 Contractual Auto Services	-	-	-	-	-
550 Maintenance & Repairs - Other	-	-	-	-	-
550.05 Department Equipment	1,654	-	3,200	3,200	3,200
550.10 Radios	-	-	200	200	200
550.30 Staff Equipment	-	-	600	600	600
40 - Repairs and Maintenance	14,843	3,478	12,000	11,000	12,000
Percent Change 2016 vs. 2015 Budget					0.00%
45 - Commodities					
530.50 Small Equipment Tools & Hardware	131	19	1,000	900	1,000
45 - Commodities	131	19	1,000	900	1,000
Percent Change 2016 vs. 2015 Budget					0.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	-	-	-
555.30 Reserve for Capital Replacement	18,301	18,301	18,301	18,301	18,301
555.40 Reserve for Technology	-	750	750	750	750
555.50 Reserve for Buildings	-	1,790	1,790	1,800	1,800
555.60 Reserve for Infrastructure	-	-	-	-	360,000
560 Capital Projects	-	-	-	-	-
560.40 Improvements Other Than Building	133,084	505,031	200,000	250,000	330,000
55 - Capital Outlay	151,385	525,872	220,841	270,851	710,851
Percent Change 2016 vs. 2015 Budget					221.88%
Division Total: 25 - Drainage	412,096	799,322	704,353	649,530	1,199,939
Percent Change 2016 vs. 2015 Budget					70.36%

Budget Summary Engineering

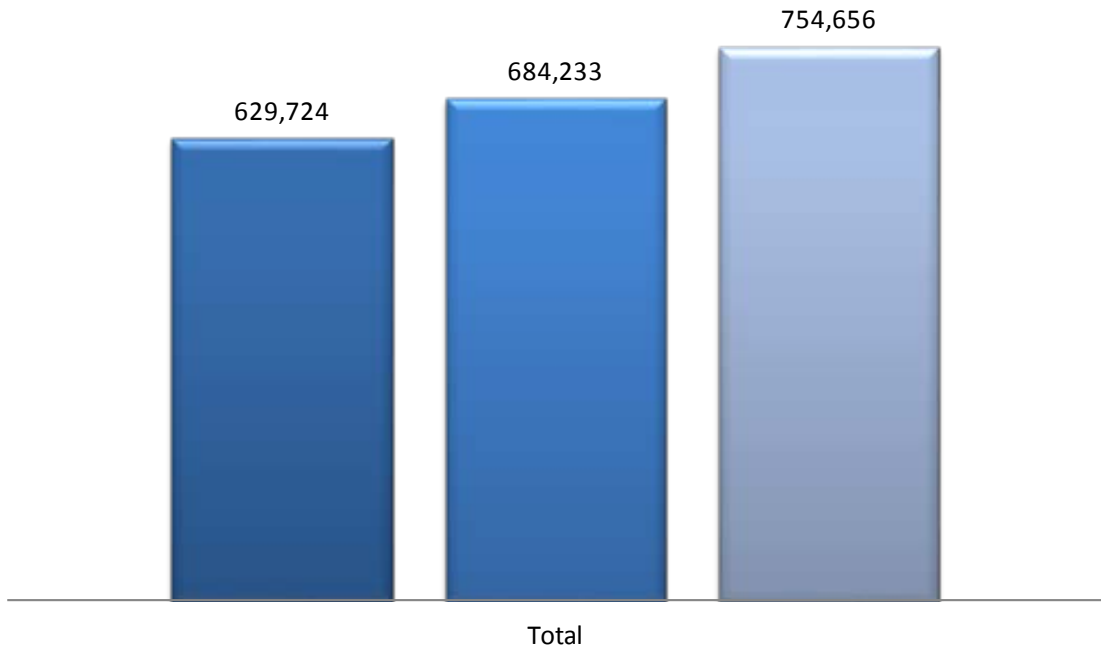
	FY 2014 Actual	FY 2015 Est. Actual	FY 2016 Budget
Personal Service	410,933	418,400	454,260
Personal Benefits	173,391	171,200	188,725
Operating Expenses	13,879	60,686	75,268
Contractual Services	12,707	16,670	16,676
Repairs and Maintenance	1,312	1,100	3,300
Commodities	399	500	750
Other Expenses	10	-	-
Capital Outlay	17,094	15,677	15,677
Total	629,724	684,233	754,656

Budget Variance Engineering

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.10	Part Time	13.13%	4,332	Merit increase and cost of living
505.05	Group & Medical Life	10.53%	8,000	Health insurance premium increase
505.15	Dues & Memberships	(11.11%)	(100)	Reduced memberships
505.26	Uniform Rental	19.05%	80	Additional uniform
	Safety Equipment	(20.00%)	(100)	Reduction based on historical usage
510.14	Subscriptions & Publications	(37.50%)	(150)	Reduction based on historical usage
510.20	Computer Services	11.11%	500	Additional iPad
510.21	IT Internal Svc Contribution	(10.48%)	(3,043)	Recalibrated cost basis
535.01	Building Mnt Internal Svc Cntrb	12.54%	2,177	Recalibrated cost basis
545.01	Central Garage Internal Svc	(18.00%)	(3,343)	Rrecalibrated cost basis

Engineering

■ FY 2014 Actual ■ FY 2015 Est. Actual ■ FY 2016 Budget



Description		2013 Actual	2014 Actual	2015 Adopted	2015 Estimated	2016 Department
Department: 60 - Engineering						
10 - Salaries						
500.05	Full Time	423,039	396,131	388,000	386,000	414,928
500.10	Part Time	27,637	12,402	33,000	31,000	37,332
500.35	Overtime	-	-	600	-	600
500.40	Longevity	3,000	2,400	1,400	1,400	1,400
10 - Salaries		453,676	410,933	423,000	418,400	454,260
Percent Change 2016 vs 2015 Budget						7.39%
15 - Taxes and Benefits						
505.05	Group & Medical Life	62,716	81,378	76,000	76,000	84,000
505.10	Professional Training	3,666	3,187	7,000	5,000	7,000
505.15	Dues & Memberships	947	1,123	900	700	800
505.20	Clothing Allowance	-	315	400	-	400
505.26	Uniform Rental	131	355	420	500	500
505.35	Safety Equipment	240	-	500	-	400
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.75	Employer's Contribution - FICA	-	25,452	26,500	26,500	27,391
505.80	Employer's Contribution - IMRF	-	55,629	56,500	56,500	61,776
505.85	Employer's Contribution Medicare	-	5,952	6,200	6,000	6,458
15 - Taxes and Benefits		67,701	173,391	174,420	171,200	188,725
Percent Change 2016 vs 2015 Budget						8.20%
25 - Operating Expenses						
510.02	Telephone	1,095	4,859	3,630	3,600	3,600
510.04	Travel	67	93	100	100	100
510.06	Per Diem Allowance	-	-	250	45	250
510.14	Subscriptions & Publications	255	-	400	-	250
510.16	Printing	1,308	608	2,300	-	2,300
510.20	Computer Services	4,289	4,755	4,500	4,500	5,000
510.21	IT Internal Svc Contribution	-	-	29,038	24,458	25,995
510.40	Supplies - Office	874	1,436	1,600	1,000	1,500
510.50	Supplies - All Other	883	2,128	1,500	1,000	1,500
510.55	Operating Equip - Department	-	-	-	-	-
535.01	Building Mnt Internal Svc Cntrb	-	-	17,365	14,008	19,542
545.01	Central Garage Internal Svc	-	-	18,574	11,975	15,231
25 - Operating Expenses		8,772	13,879	79,257	60,686	75,268
Percent Change 2016 vs 2015 Budget						-5.03%
30 - Contractual Services						
515.05	IRMA Premium	-	12,283	12,283	12,283	12,286
515.10	Unemployment Insurance	1,200	-	-	-	-
515.15	IRMA Deductible - Worker's Comp	-	-	2,632	2,632	2,635
515.20	IRMA Deductible - Non Wrker's Co	-	424	1,755	1,755	1,755
30 - Contractual Services		1,200	12,707	16,670	16,670	16,676
Percent Change 2016 vs 2015 Budget						0.04%

Description	2013 Actual	2014 Actual	2015 Adopted	2015 Estimated	2016 Department
40 - Repairs and Maintenance					
545.05 Gasoline	-	-	-	-	-
545.10 Diesel Fuel	-	-	-	-	-
545.15 Automotive Parts	-	-	-	-	-
545.20 Garage Labor	-	-	-	-	-
545.25 Lubricants	-	-	-	-	-
545.30 Garage Overhead	-	-	-	-	-
545.35 Body Work	-	-	-	-	-
545.40 Contractual Auto Services	-	-	-	-	-
550 Maintenance & Repairs - Other	-	-	-	-	-
550.05 Department Equipment	232	1,312	3,000	1,000	3,000
550.10 Radios	-	-	300	100	300
40 - Repairs and Maintenance	232	1,312	3,300	1,100	3,300
Percent Change 2016 vs 2015 Budget					0.00%
45 - Commodities					
530.50 Small Equipment Tools & Hardware	-	399	750	500	750
45 - Commodities	-	399	750	500	750
Percent Change 2016 vs 2015 Budget					0.00%
50 - Other Expenses					
580.05 All Other Expenses	130	10	-	-	-
580.10 Consultant Fees	-	-	-	-	-
50 - Other Expenses	130	10	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	12,567	4,429	4,500	4,500	4,500
555.30 Reserve for Capital Replacement	3,702	3,702	3,702	3,702	3,702
555.40 Reserve for Technology	5,438	4,488	3,000	3,000	3,000
555.50 Reserve for Buildings	-	4,475	4,475	4,475	4,475
55 - Capital Outlay	21,707	17,094	15,677	15,677	15,677
Percent Change 2016 vs 2015 Budget					0.00%
Department Total: 60 - Engineering	553,417	629,724	713,074	684,233	754,656
Percent Change 2016 vs 2015 Budget					5.83%

Non-Operating Transfers

This program provides for transfers from prior accumulations of Corporate Fund reserves for capital projects and other operating uses as recommended and authorized within the Village's Fund Balance Use policy for 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 2016 through FY 2020 Capital Improvement Plan. Funding for these transfers will come from prior accumulation of unreserved Corporate Fund reserves.

A transfer of 20 percent of the Home Rule Sales Tax will be transferred to the Capital Projects Streets Fund to supplement state revenues for the annual street maintenance program.

Budget Summary

Non-Operating Transfers

	FY 2014	FY 2015 Est. Actual	FY 2016 Budget
Other Expenses	157,732	490,000	550,000
Other Financing Uses	1,391,486	2,994,418	2,080,022
Total	1,549,218	3,484,418	2,630,022

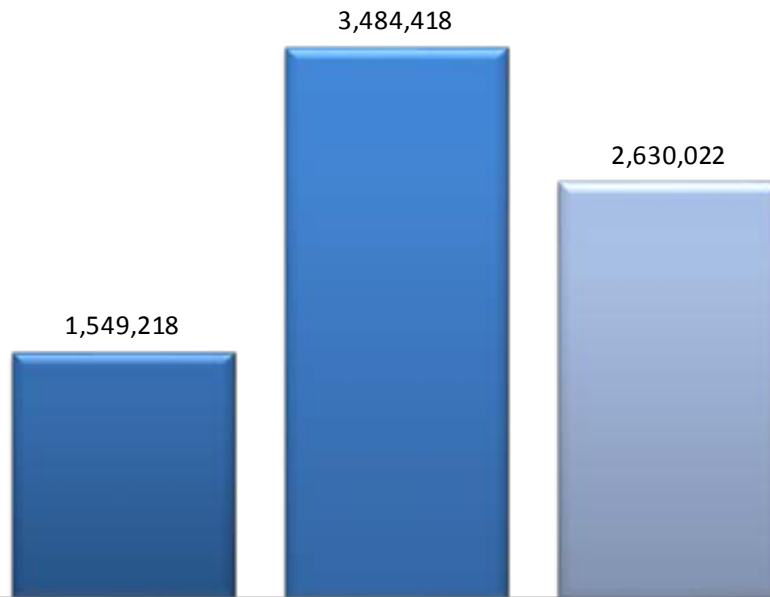
Budget Variance

Non-Operating Transfers

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
580.05	All Other Expense	511.11%	460,000	Contingencies for Professional Services
570.50	Motor Fuel Tax Fund	-100.00%	(679,205)	Reclassified to other transfer
570.60	Arboretum Golf Course Fund	-17.17%	(32,130)	Operating subsidy reduction
570.70	Buffalo Grove Golf Course Fund	-7.69%	(12,247)	Operating subsidy reduction
570.30	Capital Projects Fund	93.60%	859,661	Reclassified from MFT transfer

Non-Operating Transfers

FY 2014 FY 2015 Est. Actual FY 2016 Budget



Total

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 100 - General Fund					
Department: 70 - Transfer Non-Operating					
Division: 40 - General Government					
50 - Other Expenses					
580.05 All Other Expense	59,010	157,732	90,000	490,000	550,000
50 - Other Expenses	59,010	157,732	90,000	490,000	550,000
Percent Change 2016 vs. 2015					511.11%
65 - Other Financing Uses					
570.20 Debt Service Fund	202,605	-	-	-	-
570.50 Motor Fuel Tax Fund	-	767,602	679,205	727,890	-
570.60 Arboretum Golf Course Fund	58,960	-	187,150	205,404	155,020
570.70 Buffalo Grove Golf Course Fund	15,228	-	159,166	133,358	146,919
570.75 Health Insurance	532,066	(15,373)	-	-	-
570.90 Police Pension Fund	-	-	-	-	-
570.95 Fire Pension Fund	-	-	-	-	-
65 - Other Financing Uses	808,859	752,229	1,025,521	1,066,652	301,939
					-70.56%
Division Total: 40 - General Government	867,869	909,961	1,115,521	1,556,652	851,939
					-23.63%
Division: 45 - Public Safety					
65 - Other Financing Uses					
570.90 Police Pension Fund	2,226,624	1,669	-	-	-
570.95 Fire Pension Fund	2,048,371	2,371	-	-	-
65 - Other Financing Uses	4,274,994	4,040	-	-	-
					0.00%
Division Total: 45 - Public Safety	4,274,994	4,040	-	-	-
					0.00%
Division: 50 - Public Works					
65 - Other Financing Uses					
570.30 Capital Projects Fund	729,135	635,217	918,422	1,927,766	1,778,083
65 - Other Financing Uses	729,135	635,217	918,422	1,927,766	1,778,083
					93.60%
Division Total: 50 - Public Works	729,135	635,217	918,422	1,927,766	1,778,083
					93.60%
Department Total: 70 - Transfer Non-Operating	5,871,998	1,549,218	2,033,943	3,484,418	2,630,022
					29.31%

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Section 6

Capital Improvement Plan

Capital Improvement Request Summary

Capital Projects Budgeted by Fund

Summary Sheet

Detailed Project Sheets

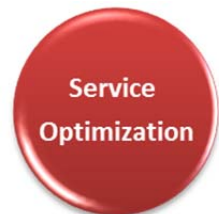
Criteria List and Scoring Matrix

Reserve for Capital Replacement - Vehicles

Motor Fuel Tax Fund

Capital Projects- Facilities Fund

Capital Projects- Streets Fund



Capital Improvement Request Summary

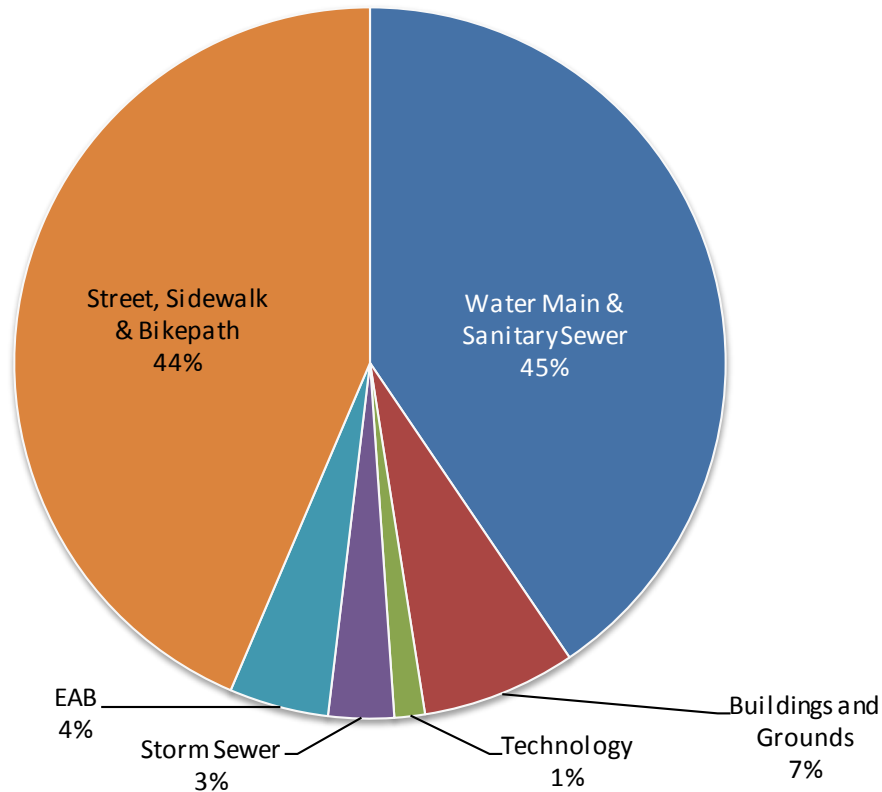
The Capital Improvement Plan (CIP) is intended to be a decision-making tool for the Village Board and staff. The operational need for capital expenditures must be weighed against the ability of the Village to finance these projects. Capital improvement projects represent the equipment and infrastructure 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 ultimate 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 insures that the project remains consistent with the budget and that identified funding is available at the time of award.

Staff continues to review and evaluate each project as we lead into the 2016 budget cycle. Ongoing projects are revisited yearly and changes in priority are made as current conditions warrant. This document represents the formal requests that were received from all Village departments for inclusion in the 2016-2020 CIP, but this year, as in past years, not all projects presented here will ultimately receive funding within the proposed 2016 budget.

Projects identified for FY 2016 total \$9,618,083 and fall under six categories. The following chart illustrates each category's percentage as it relates to funding the capital program for FY 2016.

2016 Capital Project Request by Category



The impact of the CIP on the 2016 budget and beyond will be significant as aging infrastructure needs to be addressed. The Water Meter Replacement project will continue throughout the current fiscal year. Replacing all the water meters village-wide will increase the accuracy of water usage billed and decrease repair and maintenance required by the Water Department. Each meter comes with a 20 year warranty. The Water Department will continue to service leaks and abnormal usage, but all installations and repairs in 2016 will be outsourced through the meter replacement program.

The EAB program enters the final year of the four year plan. All tree removals were completed in 2015. The final phase will be the completion of planting new trees and replacing the newly planted trees from 2014 and 2015 that did not survive. The Village has outsourced tree trimming maintenance which will be minimal for the next few years, however, as these trees mature over time the care and maintenance of parkway trees will increase.

Information technology infrastructure and data sharing are high priority programs for the Village of Buffalo Grove. In the strategic plan the Village outlined the need to upgrade hardware and software. FY 2016 will see new software implemented and existing software upgraded. The Village will continue replacing terminals village-wide based on the assessment done in 2014. The replacement schedule is in its second year of the five year replacement cycle. Other hardware costs for servers and other essential equipment have been identified and placed on a similar schedule based on the asset's useful life cycle.

The largest outlay for the CIP is the annual street maintenance program. The work is carefully scheduled so that maintenance and resurfacing activities can be accomplished before more costly road reconstruction becomes necessary. It is imperative that the Village maintain this program. A more severely deteriorated or failed road is much more costly to replace than performing periodic maintenance. The cost of reconstruction can be as much as three times the amount of timely maintenance. The Engineering department assesses all Village maintained roads annually. Their assessment is a continuous process that serves as the basis for road repair, maintenance, and replacement. The operating budgets for road repairs and emergency maintenance activities can remain low as the Village continues to maintain a minimum average pavement condition.

The Village continues to fund the capital reserve for vehicle replacement. This joint effort between OVM, Finance, and Central Garage is intended to put high quality equipment in service so each department can complete its responsibilities. Below is a list of the 2016 budgeted vehicle purchases:

Unit #	Description	Department	Cost
E 01	John Deere 1800 Utility Cart -01	Forestry	\$38,500
E 18	Gator -99	Forestry	\$62,000
FEL3	Volvo L90C Rubber Tire Loader - 98	Street	\$150,000
450	Chevrolet 2500HD – 02	Water	\$38,000
452	GMC Savana Van - 05	Water	\$35,000
413	Chevrolet Astro Van - 00	Engineering	\$28,000
440	Chevrolet C3500 Man-Lift - 98	Building Maintenance	\$100,000
441	Chevrolet 2500HD - 02	Building Maintenance	\$38,000
4	Ford Taurus – 05	Building/Code	\$25,000
5	Ford Taurus – 05	Building/Code	\$25,000
418	International 2654 – 97	Street	\$192,000
430	Chevrolet C2500 - 98	Central Garage	\$110,900
	Fleet Addition (Possible Utility Vehicle for Campus)	Building Maintenance	\$25,000
431	International 2654 Man-Lift – 92	Forestry	\$135,000
715	Ford Crown Victoria Replacement on Order 2015 DEL	Police	\$26,561
723	Ford Crown Victoria Replacement on Order 2015 DEL	Police	\$26,561
727	Ford Crown Victoria Replacement on Order 2015 DEL	Police	\$26,561
740	Ford Crown Victoria Replacement on Order 2015 DEL	Police	\$26,561
733	Ford Crown Victoria Replacement on Order 2015 DEL	Police	\$24,800
226	Ford E-450 Ambulance – 08	Fire	\$175,000
236	E-One Aerial Platform - 97	Fire	\$1,500,000
213	E-One Rescue Pumper – 97	Fire	\$750,000
Total			\$3,558,444

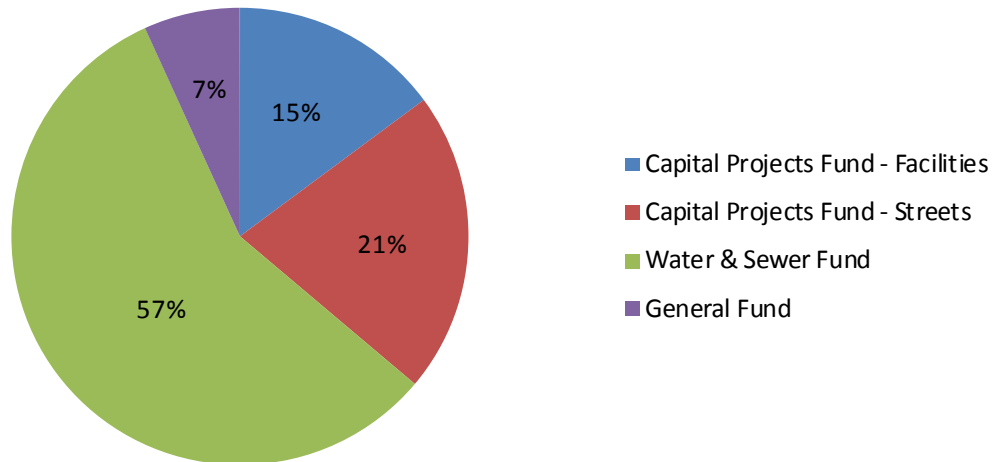
The street and streetscape programs will be active again in FY 2016. The Dundee road median and streetscape improvements will continue. The Village will also complete roof repairs and needed maintenance, in addition to continued improvements of sidewalks and bike paths.

The Village will make needed upgrades, repairs, and maintenance to water facilities, water mains, sanitary sewer systems, and storm sewer systems. These capital outlays are ongoing and as these systems are very expensive to maintain. The Village has a twenty year water proforma, which not only takes into account the revenues that will/can be generated, but the costs that are anticipated to be incurred over that time. The Village assesses the system and plans upgrades and replacements. These assessments allow the Village to avoid incurring excess costs due to breaks and failures within the system as those items most in need of repair or replacement are done so prior to a failure.

2016 Capital Projects Budgeted By Fund

Capital Projects Fund - Facilities	Requested	Budgeted
Carpet Capital Replacement Projects	\$166,595	\$166,595
HVAC Unit Replacements	\$120,000	\$120,000
Increase Apparatus Door Height - FS #25	\$20,000	\$20,000
Municipal Parking Facility Maintenance	\$125,000	\$125,000
Replacement Antenna Tower FS #27	\$26,000	\$26,000
Roof Capital Replacement Projects	\$286,825	\$286,825
EAB Ash Tree Replacement Program	\$500,000	\$500,000
Public Works Software	\$55,940	\$55,940
Vehicle Diesel Exhaust Extraction Retrofit - Fire	\$30,550	\$30,550
Police Headquarters Jail Interlock Upgrade	\$30,075	\$30,075
Police Headquarters Video Surveillance System	\$67,371	\$67,371
Subtotal	\$1,428,356	\$1,428,356
Capital Projects Fund - Streets		
Dundee Road Median Improvements	\$40,000	\$40,000
Weil and Road/Lake Cook Road Improvements	\$50,000	\$50,000
Dundee Road and Buffalo Grove Road Intersection	\$150,000	\$150,000
Raupp Bridge Reconstruction	\$60,000	\$60,000
Annual Street Maintenance	\$4,200,000	\$1,749,727
Subtotal	\$4,500,000	\$2,049,727
Water & Sewer Fund		
Lift Station Repair & Rehabilitation	\$560,000	\$560,000
Pump House Repairs & Security Improvements	\$550,000	\$550,000
Scada Improvements	\$200,000	\$200,000
Village-wide Sanitary Sewer Replacement	\$1,175,000	\$675,000
Village-wide Water Main Replacement	\$2,000,000	\$500,000
Village-wide Water Meter Replacement	\$3,000,000	\$3,000,000
Subtotal	\$7,485,000	\$5,485,000
General Fund		
Annual Sidewalk/Bike Path Maintenance	\$325,000	\$325,000
Storm Water System Upgrades and Repairs	\$330,000	\$330,000
Subtotal	\$655,000	\$655,000
Total	\$14,068,356	\$9,618,083

2016 Capital Projects Budgeted By Fund



2016-2020 Capital Project Request Summary Table

	2016	2017	2018	2019	2020
Buildings and Grounds Improvements					
Carpet Capital Replacement Projects	\$166,595	\$76,895	\$107,674	-	-
Fire Sprinkler System - Fire Station 27	-	-	-	\$100,000	-
HVAC Roof Top Unit Replacement	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
Increase Apparatus Door Height - Fire Station 25	\$20,000	-	-	-	-
Municipal Parking Facility Maintenance	\$125,000	\$110,000	\$100,000	\$100,000	\$100,000
Replacement Antenna Tower - Fire Station 27	\$26,000	-	-	-	-
Repurpose Administration Area - Fire Station 26	-	\$20,000	-	-	-
Roof Capital Replacement Projects	\$286,825	\$128,800	\$294,700	-	-
Fire Station Sign Replacement	-	-	\$15,000	\$15,000	\$15,000
Vehicle Diesel Exhaust Extraction Retrofit - Fire	\$30,550	-	-	-	-
Subtotal	\$774,970	\$455,695	\$622,374	\$320,000	\$220,000
Emerald Ash Borer Response					
EAB Ash Tree Replacement Program	\$500,000	-	-	-	-
Subtotal	\$500,000	\$0	\$0	\$0	\$0
Street, Sidewalk & Bikepath Maintenance					
Annual Street Maintenance	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000
Dundee Road Median Improvements	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Dundee Road and Buffalo Grove Road Intersection	\$150,000	-	-	-	-
Raupp Bridge Reconstruction	\$60,000	-	-	-	-
Annual Sidewalk/Bike Path Maintenance	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000
Weil and Road/Lake Cook Road Improvements	\$50,000	\$600,000	\$500,000	\$600,000	\$100,000
Subtotal	\$4,825,000	\$5,165,000	\$5,065,000	\$5,165,000	\$4,665,000
Storm Water Management					
Storm Water System Upgrades and Repairs	\$330,000	\$150,000	\$150,000	\$150,000	\$150,000
Subtotal	\$330,000	\$150,000	\$150,000	\$150,000	\$150,000
Technology					
Police Headquarters Jail Interlock Upgrade	\$30,075	-	-	-	-
Police Headquarters Video Surveillance System	\$67,371	-	-	-	-
Public Works Software	\$55,940	\$38,840	\$38,840	\$43,840	\$38,840
Subtotal	\$153,386	\$38,840	\$38,840	\$43,840	\$38,840
Water Main & Sanitary Sewer Systems					
Lift Station Repair & Rehabilitation	\$560,000	\$300,000	\$300,000	\$300,000	\$300,000
Pump House Repairs & Security Improvements	\$550,000	\$220,000	\$110,000	\$110,000	\$110,000
Scada Improvements	\$200,000	\$100,000	\$60,000	\$20,000	\$20,000
Village-wide Sanitary Sewer Replacement	\$1,175,000	\$400,000	\$300,000	\$300,000	\$300,000
Village-wide Water Main Replacement	\$2,000,000	\$750,000	\$750,000	\$750,000	\$750,000
Village-wide Water Meter Replacement	\$3,000,000	-	-	-	-
Subtotal	\$7,485,000	\$1,770,000	\$1,520,000	\$1,480,000	\$1,480,000
Total	\$15,068,356	\$7,579,535	\$7,396,214	\$7,158,840	\$6,553,840
Grand Total 2016-2020					\$42,756,785

Buildings & Grounds Improvements

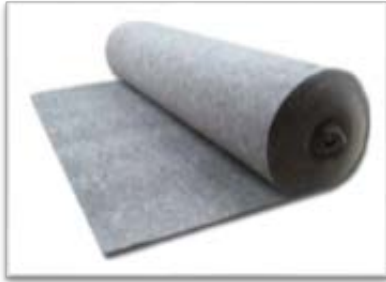
The Village is responsible for maintaining 23 structures within its corporate boundaries. Village buildings and grounds must be maintained regularly to remain functional. Village facilities must also periodically be upgraded to ensure efficient operations. Expenditures in this category historically include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

Carpet Capital Replacement Projects



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2015

Project Coordinator: Public Works

Summary: This category covers planned carpet replacements within Village facilities. On average the carpet to be replaced will be 3 – 5 years past the date it was scheduled to be replaced. 2016 projects include Fire Station #27 (\$10,276), Police HQ (\$50,932), Arboretum Banquet Room (\$40,000), Fire Station #25 (\$16,940) and Public Service Center (\$48,447). The oldest carpeting is from 1995 in Police, with the Public Service Center and Fire Station #25 dating back to 2001.

Prior to 2015, carpet replacements were budgeted on a year-by-year basis within the operating budgets for each department. As we continue to move toward capital reserves for Village owned buildings on the roof and HVAC side, the carpet replacement program will be managed in the same manner through the Capital Improvement Plan.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$32,452	\$ 32,452
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$166,595	\$76,895	\$107,674	-	-	\$351,164
Equipment						
Contingency						
Sub-Total	\$166,595	\$76,895	\$107,674	-	-	\$351,164

Fire Sprinkler System – Fire Station 27

Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2016

Project Coordinator: Fire

Summary: This proposal will address the need for the first floor of Fire Station 27 to have a fire sprinkler system installed. The basement area of the fire station has been retrofitted with a fire sprinkler system and this project will complete the retrofit for the entire fire station.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$0	\$0
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering	-	-	-	\$ 1,000	-	\$ 1,000
Construction	-	-	-	\$ 59,000	-	\$ 59,000
Equipment	-	-	-	\$ 40,000	-	\$ 40,000
Contingency						
Sub-Total	\$ 0	\$ 0	\$ 0	\$100,000	\$ 0	\$100,000

HVAC Unit Replacements



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2015

Project Coordinator: Public Works

Summary: This project will provide for HVAC unit replacements at various Village facilities. The Village maintains 61 HVAC units in total, and more than half are currently exceeding their 18 year life expectancy. Specific replacements identified for 2016 include 4 units at Police Headquarters which are original to the building (Installed 1989 – deferred 8 years), a unit at Fire Station 27 (Installed 1991 – deferred 6 years), and the unit at the Public Service Center (Installed 2002 - due in 2020, but has a costly repair history). In all, 10 units have been identified for priority replacement. Units are also prioritized based on their ongoing repair history and difficulty in acquiring replacements parts, not strictly on age.

Budget Impact: This project would be funded through the General Fund’s operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$0	\$0
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$600,000
Equipment						
Contingency						
Sub-Total	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$600,000

Increase Apparatus Door Height – Fire Station 25

Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2016

Project Coordinator: Fire

Summary: This proposal is to address the need for an increased apparatus door height at Fire Station 25. Currently only one bay (front and back doors) has enough clearance to allow Tower 25 to be parked inside of the apparatus bay. Should Tower 25 need to be placed in another apparatus bay for mechanical reasons, the only option is to store it at Public Works, if the space is available.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$0	\$0
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$14,000	-	-	-	-	\$14,000
Equipment	\$6,000	-	-	-	-	\$6,000
Contingency						
Sub-Total	\$20,000	\$0	\$0	\$0	\$0	\$20,000

Municipal Parking Facility Maintenance



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.40

Initial Proposal Date: Ongoing

Project Coordinator: PW-Engineering

Summary: This program provides for the routine sealing, restriping, and reconstruction of municipal lots. The 2016 planned maintenance includes lots at the Metra train station, the Buffalo Grove Golf Course, and the Buffalo Grove Police Station.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$48,000	\$65,000	\$74,100	\$110,000	\$170,000	\$467,100
Actual Expenditures	\$50,000	\$65,000	\$67,000	\$110,000	\$170,000	\$462,000

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$125,000	\$110,000	\$100,000	\$100,000	\$100,000	\$535,000
Equipment						
Contingency						
Sub-Total	\$125,000	\$110,000	\$100,000	\$100,000	\$100,000	\$535,000

Replacement Antenna Tower – Fire Station 27



Category: Information Technology

Fund: Capital Projects - Facilities

Account Number: 150.75.560.40

Initial Proposal Date: 2012

Project Coordinator: PW-Engineering

Summary: This project will replace the antenna structure at Fire Station 27 that was installed in 1991. The current tower is undersized for line of sight transmission and the type and number of antennas currently mounted, and is nearing the end of its useful life.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$0	\$0
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering	\$4,000	-	-	-	-	\$4,000
Construction	\$12,000	-	-	-	-	\$12,000
Equipment	\$10,000	-	-	-	-	\$10,000
Contingency						
Sub-Total	\$26,000	\$0	\$0	\$0	\$0	\$26,000

Repurpose Administration Area – Fire Station 26

Category: Facilities Maintenance

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2016

Project Coordinator: Fire

Summary: With the reorganization of the Fire Prevention Bureau and assignment of the Fire Inspector to Village Hall, the area formerly occupied by the Fire Prevention Bureau is in need of being repurposed to meet the current work space and storage needs of the Fire Department. This proposal includes creating a reception area, an EMS room for walk in patients (needed for privacy and HIPAA compliance) additional storage for EMS and Haz-Mat supplies and a work area for the part time Public Education Officer.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$0	\$0
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	-	\$ 14,000	-	-	-	\$ 14,000
Equipment	-	\$ 6,000	-	-	-	\$ 6,000
Contingency						
Sub-Total	\$ 0	\$ 20,000	\$ 0	\$ 0	\$ 0	\$ 20,000

Roof Capital Replacement Projects



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.40

Initial Proposal Date: 2014

Project Coordinator: Building Maintenance

Summary: This category covers full roof replacements on Village owned buildings. For 2016, work is planned to include Village Hall (\$107,800), Police HQ (\$135,100), Metra Station (\$21,000), Pump Station #6 (\$21,000), and Well House #1 (\$2,000)

Prior to 2014 these projects were not programmed in the CIP. Maintenance and repair work remains in the Building Maintenance operating budget within Public Works, and is separate from these replacements. Replacement projects were identified during the 2014 roof inspection reports prepared by Industrial Roofing Services.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$225,000	\$0	\$225,000
Actual Expenditures	\$0	\$0	\$0	\$0	\$197,766	\$197,766

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$286,825	\$128,800	\$294,700	-	-	\$710,325
Equipment						
Contingency						
Sub-Total	\$286,825	\$128,800	\$294,700	\$0	\$0	\$710,325

Fire Station Sign Replacement – Fire Station 25, 26, 27



Category: Buildings and Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2016

Project Coordinator: Fire

Summary: This proposal will address the current condition, future maintenance and visibility of the signs used to identify the three Buffalo Grove Fire Department fire stations. The current signs are made of wood, in general poor condition and are placed parallel to the street which makes it difficult for passing motorists to identify the fire station location until they are past the fire station entrance. This proposal provides for the replacement of all three fire station signs with masonry signs oriented perpendicular to the street.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$0	\$0
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	-	-	\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000
Equipment						
Contingency						
Sub-Total	\$ 0	\$ 0	\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000

Vehicle Diesel Exhaust Extraction Retrofit – Fire Stations

Category: Buildings and Grounds Improvements

Account Number: 150.75.560.30

Initial Proposal Date: 2016

Project Coordinator: Fire

Summary: This project will replace the current equipment that uses compressed air to fill a rubber sleeve that grips the exhaust pipe to capture the diesel exhaust. The current equipment is becoming problematic with increasing maintenance and replacement costs as there are many mechanical parts (compressors, air lines, rubber boots, etc.) that are reaching the end of their life expectancy. The retrofit replaces the air system with a magnetic collar eliminating the need for an air compressor, air lines, rubber boots and less overall parts to maintain.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$0	\$0
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction						
Equipment	\$ 30,550	-	-	-	-	\$ 30,550
Contingency						
Sub-Total	\$ 30,550	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,550

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 have been removed. 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 our residents, property, and environment.

The Village of Buffalo Grove has been a Tree City USA for over twenty years. The trees in our urban forest provide many social and economic benefits which are often overlooked. According to the USDA Forest Service, some benefits of our 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 planned for the removal and replacement of nearly 7,000 Village-owned Ash trees over the following 4 years. The expenditures are being programmed in the Capital Improvement Plan due to the size, scope, and specific time period of this natural disaster.

EAB Ash Tree Replacement Program



Category: Natural Disasters

Fund: Capital Projects - Facilities

Account Number: 150.75.560.40

Project Coordinator: Public Works

Summary: Over the next 2 years 2,000 remaining Ash Trees will need to be removed and 4,500 replaced due to Emerald Ash Borer infestation. The program will include tree removals, stump grinding, parkway restoration, tree purchases and a continued 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 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$1,000,000	\$1,000,000	\$1,500,000	\$3,500,000
Actual Expenditures	\$0	\$350,000	\$522,978	\$1,301,905	\$1,500,000	\$3,674,883

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$500,000	-	-	-	-	\$500,000
Equipment						
Contingency						
Sub-Total	\$500,000	-	-	-	-	\$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 break-down 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 year and recommendations for the next several 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. A bond issue in 2012 allowed for a large catch-up project in 2013. The majority of work to be performed during the 2016 construction season will be for the rehabilitation of street surface and curb/gutter along various identified local streets as well as a patching program designed to extend the life of various streets.

The following streets were identified from the results of the pavement inspection program and are scheduled for repair in 2016 depending upon funding availability:

Street	Miles
Gregg Lane	0.18
Lauren Lane	0.18
Mohawk Trail	0.30
Dundee Parkway	0.14
Golfview Terrace (N of Dundee)	0.03
Plum Grove Circle	0.38
Covington Terrace	0.14
Parkview Terrace	0.29
Brentwood Terrace	0.08
Golfview Terrace (S of Dundee)	0.12
TOTAL	1.84

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

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 completed a complete pavement evaluation study of all Village streets. This study plus continued annual review of Village Roads helped plan the next five years of street maintenance and is reflected in the FY 2016 Projected Expenditures below. Also included is an updating of the Village Benchmark system.

Budget Impact: This project is funded through an internal transfer from the General Fund's operating revenues, bond proceeds, and a portion of home rule sales tax fund.

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$1,750,000	\$1,700,000	\$5,950,000	\$2,250,000	\$1,800,000	\$14,329,045
Actual Expenditures	\$1,207,750	\$4,078,000	\$5,684,476	\$2,014,665	\$1,800,000	\$14,982,008

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$2,250,000
Construction	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000	\$18,750,000
Equipment	-	-	-	-	-	-
Contingency						
Sub-Total	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000	\$21,000,000

Dundee Road Median Improvements



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Streets

Account Number: 160.562.20

Initial Proposal Date: 2013

Summary: This project would continue improvements to the street scape along the Dundee Road corridor through the addition of landscaped medians. This remains a low priority project and although budgeted in past years, no expenses have been incurred to date.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$40,000	\$40,000	\$80,000
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$200,000
Equipment						
Contingency						
Sub-Total	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$200,000

Dundee Road and Buffalo Grove Road Intersection



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Streets

Account Number: 160.562.20

Initial Proposal Date: 2015

Project Coordinator: PW-Engineering

Summary: The Illinois Department of Transportation is planning to add right turning lanes on the northwest and northeast corners of the intersection in 2016 to improve the intersection performance. The Village is required to pay for the local improvements such as moving or replacing the Village owned utilities and street lights.

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Actual Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$150,000	-	-	-	-	\$150,000
Equipment						
Contingency						
Sub-Total	\$150,000	-	-	-	-	\$150,000

Raupp Boulevard Bridge Reconstruction



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

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 was completed in 2013 and Phase II was completed in 2014. Phase III Construction was completed in 2015. Project paperwork and Federal grant closeout is expected to last into 2016. Significant funding (80%) is provided by the Highway Bridge Replacement and Rehabilitation Program administered by the USDOT Federal Highway Administration for the majority of the project.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$ 23,000	\$ 32,000	\$ 40,000	\$ 40,000	\$ 392,000	\$ 527,000
Actual Expenditures	\$ 41,469	\$ 6,272	\$ 40,297	\$ 40,000	\$ 400,000	\$ 527,741

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering	\$60,000	-	-	-	-	\$60,000
Construction						
Equipment						
Contingency						
Sub-Total	\$60,000	-	-	-	-	\$60,000

Annual Sidewalk/Bike Path Maintenance



Category: Street, Sidewalk & Bike Path Maintenance

Fund: General Fund

Account Number: 100.55.10.535.05

Initial Proposal Date: Ongoing

Project Coordinator: PW- Engineering

Summary: Annual sidewalk and bike path maintenance and rehabilitation program. In FY 2016 new pedestrian facility improvements include repairing sidewalk in the northeast and eastern sections of the Village.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$150,000	\$325,000	\$100,000	\$325,000	\$325,000	\$1,225,000
Actual Expenditures	\$149,964	\$325,000	\$108,000	\$325,000	\$250,000	\$1,157,964

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$1,625,000
Equipment						
Contingency						
Sub-Total	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$1,625,000

Weiland Road/Prairie Road/Lake Cook Road Improvement



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Streets

Account Number: 160.562.20

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 II Study. The Cook County Highway and Transportation Department is paying for the Phase I and Phase II expenses except for Village facility costs 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 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$335,633	\$234,054	\$100,452	\$113,000	\$113,000	\$896,139
Actual Expenditures	\$136,255	\$299,012	\$100,000	\$113,000	\$113,000	\$761,267

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering	\$50,000	-	-	-	-	\$50,000
Construction	-	\$600,000	\$500,000	\$600,000	\$100,000	\$1,800,000
Equipment						
Contingency						
Sub-Total	\$50,000	\$600,000	\$500,000	\$600,000	\$100,000	\$1,850,000

Storm Sewer System

The Village of Buffalo Grove maintains a piped network of 180 miles of storm sewer, one storm water lift station at Jackson Drive, and several miles of creeks and streams. 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 10% 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 and repairs will be addressed in order of priority.

It is anticipated that the storm sewer system repair program will be an ongoing need.

Storm Water System Upgrades and Repairs



Category: Storm Sewer

Fund: General Fund

Account Number: 100.55.25.560.40

Initial Proposal Date: 2013

Project Coordinator: PW-Engineering

Summary: This program provides for storm sewer lining, point repairs, or replacements at priority locations within the Village's storm sewer network as identified through the Annual Storm Sewer Televising Inspection Program. Funding is also being requested to add storm sewer to a portion of the Cook County area in conjunction with the Annual Street Maintenance Program and to add additional under drains to the Jackson Drive Detention Basin in Wheeling.

Finally, for 2016, funding is being requested to perform a GPS inventory of all pipes, catch basins, streams, retention/detention basins, and related infrastructure for the purposes of quantifying the system and providing a more detailed long-range capital replacement program.

Budget Impact: This project is funded through the Village's Stormwater Utility Fee.

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$200,000	\$200,000	\$200,000	\$600,000
Actual Expenditures	\$0	\$0	\$200,000	\$200,000	\$250,000	\$650,000

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering	\$ 80,000	-	-	-	-	\$ 80,000
Construction	\$ 250,000	\$150,000	\$150,000	\$150,000	\$150,000	\$ 850,000
Equipment						
Contingency						
Sub-Total	\$330,000	\$150,000	\$150,000	\$150,000	\$150,000	\$930,000

Technology

The Village of Buffalo Grove's Information Technology (IT) provider is responsible for maintenance of local and wide area networks that facilitate effective interdepartmental communication among Village offices and facilities. The Village made a strategic move to join the Government Information Technology Consortium (GovITC) in 2014. The employees of the Consortium who work in Buffalo Grove report to the Deputy Village Manager and currently maintain the entire Village network including:

- 50 Virtual Servers
- 230+ Desktop and Mobile Workstations
- Approximately 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.

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

Police Headquarters Jail Interlock Upgrade



Category: Technology

Fund: Capital Projects - Facilities

Account Number: 150.75.560.50

Initial Proposal Date: 2014

Project Coordinator: Police

Summary: The door control interlock system for the jail has failed on several occasions. The system and parts have not been manufactured in more than 10 years causing extreme difficulty in obtaining repair parts. This system is governed and inspected by the Illinois Department of Corrections.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$0	\$0
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$ 30,075	-	-	-	-	\$ 30,075
Equipment						
Contingency						
Sub-Total	\$ 30,075	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,075

Police Headquarters Video Surveillance System



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.50

Initial Proposal Date: 2014

Project Coordinator: Police

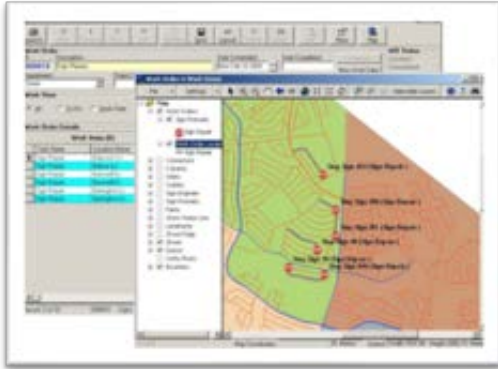
Summary: The aging and failing video surveillance cameras at the Police Department are divided between two separate systems. The Rapid Eye cameras monitor the exterior doors/lobby and the Speco system monitors the prisoner intake and processing areas. This system is governed and inspected by the Illinois Department of Corrections. The recommendation is to have one digital system.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$0	\$0
Actual Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$ 67,371	-	-	-	-	\$ 67,371
Equipment						
Contingency						
Sub-Total	\$ 67,371	\$ 0	\$ 0	\$ 0	\$ 0	\$ 67,371

Public Works Software/Database Upgrades



Category: Technology

Fund: Capital Projects - Facilities

Account Number: 150.75.560.50

Initial Proposal Date: 2013

Project Coordinator: PW-Admin

Summary: Due to the decreased size of an already lean Public Works Department, efficiencies in daily activities need to be realized. In 2014, Public Works identified Cartegraph OMS as the best software solution for Asset Management and Work Order Management moving forward. Implementation has been broken down into three phases, with Phases I and II projected to be completed in 2015. In 2016, Phase III will focus on the asset management modules of Storm and Sanitary Sewers, Lift Stations, and Building Maintenance.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$37,000	\$126,970	\$163,970
Actual Expenditures	\$0	\$0	\$0	\$28,000	\$110,000	\$138,000

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Hardware/Servers	\$5,000	-	-	\$5,000	-	\$10,000
Software & Training	\$50,940	\$38,840	\$38,840	\$38,840	\$38,840	\$206,300
Contingency						
Sub-Total	\$55,940	\$38,840	\$38,840	\$43,840	\$38,840	\$216,300

Water Main & Sanitary Sewer Systems

The Village of Buffalo Grove's oldest water main was constructed in 1929 with the majority, approximately 50%, 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 Pkwy water main replacement. In the five year period between 2008 and 2013, there was \$1,997,566 in capital expenses 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

Initial Proposal Date: 2001

Project Coordinator: Public Works

Summary: This program provides for continued pump replacement work and emergency generator replacement at the Camelot Lift Station (\$50,000), repair and rehabilitation of the Golfview Lift Station (\$430,000), and other required work identified at the Village's 12 lift station sites, such as condition evaluations, pump repairs, cathodic protection system renovations, maintenance lift repairs, and contractual interior painting.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$300,000	\$300,000	\$780,000	\$530,000	\$560,000	\$2,470,000
Actual Expenditures	\$290,000	\$48,898	\$976	\$530,000	\$575,000	\$1,444,874

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering	\$60,000	\$30,000	\$30,000	\$30,000	\$30,000	\$180,000
Construction	\$480,000	\$270,000	\$270,000	\$270,000	\$270,000	\$1,560,000
Equipment	\$20,000	-	-	-	-	\$20,000
Contingency						
Sub-Total	\$560,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,760,000

Pump House & Security Improvements



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 170.55.35.560.60

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.

In 2016, the skylight and removable wall work at Well #6 is expected to carry over, with access hatch security improvements and other pump house improvements scheduled to commence. Moving forward, an improved electrical feed to station 7 and well maintenance at sites 1 & 2 are being programmed at this time.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$600,000	\$600,000	\$610,318	\$550,000	\$550,000	\$2,910,318
Actual Expenditures	\$0	\$0	\$17,209	\$300,000	\$400,000	\$717,209

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering	\$ 50,000	\$ 20,000	\$ 10,000	\$ 10,000	\$10,000	\$100,000
Construction	\$500,000	\$200,000	\$100,000	\$100,000	\$100,000	\$1,100,000
Equipment						
Contingency						
Sub-Total	\$550,000	\$220,000	\$110,000	\$110,000	\$110,000	\$1,100,000

SCADA Improvements



Category: Technology

Fund: Water & Sewer

Account Number: 170.55.35.560.60

Initial Proposal Date: 2012

Project Coordinator: Public Works

Summary: Implement recommended improvements as detailed in the SCADA System Master Plan. The main goal for 2016 is to reestablish reliable radio connections to the well and lift station sites for control and telemetry purposes. Work also continues to update software and hardware within the SCADA system in order to update security and alarming functionality, and replace key components which are no longer serviceable due to manufacturer obsolescence.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$77,000	\$85,800	\$200,000	\$362,800
Actual Expenditures	\$0	\$0	\$0	\$129,042	\$25,000	\$254,042

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction						
Equipment	\$200,000	\$100,000	\$60,000	\$20,000	\$20,000	\$400,000
Contingency						
Sub-Total	\$200,000	\$100,000	\$60,000	\$20,000	\$20,000	\$400,000

Village-wide Sanitary Sewer Replacement Program



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 170.55.36.560.70

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 and from reviewing maintenance and flushing reports. Two major interceptors are in need of lining, BG Road, completed in 2015 and Old AH Road which is planned for 2016 (\$600k) and both interceptor's manholes as well as other sanitary manholes in Cook County need to be lined to protect the manholes (100k). The sanitary force main from the Linden Avenue Lift Station is scheduled for replacement in 2016 (\$300k). The annual sewer televising program is planned to review approximately 10% of the total Village's sanitary sewer system (\$100k) every year and additional smoke testing is planned for 2016 (\$50k).

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$650,000	\$0	\$700,000	\$850,000	\$2,200,000
Actual Expenditures	\$0	\$650,000	\$0	\$700,000	\$750,000	\$2,100,000

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering	\$25,000					\$25,000
Construction	\$1,150,000	\$400,000	\$300,000	\$300,000	\$300,000	\$2,450,000
Equipment						
Contingency						
Sub-Total	\$1,175,000	\$400,000	\$300,000	\$300,000	\$300,000	\$2,475,000

Village-wide Water Main Replacement Program



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 170.55.35.560.60

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.

Projects have been identified at several locations within the Cambridge Countryside and Buffalo Grove Unit 5 Subdivisions. A total of approximately 10,000 lineal feet is included.

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

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$160,000	\$1,376,000	\$1,000,000	\$2,536,000
Actual Expenditures	\$0	\$0	\$0	\$1,376,000	\$400,000	\$1,776,000

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering	\$200,000	\$65,000	\$65,000	\$65,000	\$65,000	\$460,000
Construction	\$1,800,000	\$685,000	\$685,000	\$685,000	\$685,000	\$4,540,000
Equipment						
Contingency						
Sub-Total	\$2,000,000	\$750,000	\$750,000	\$750,000	\$750,000	\$5,000,000

Villagewide Water Meter Replacement



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 170.55.35.560.60

Priority Score: 17

Initial Proposal Date: 2014

Project Coordinator: Finance

Summary: This program provides for water meter replacements at all customer sites, while also establishing a Advanced Metering Infrastructure (AMI) to allow for remote reading of meters and increased customer service through real time data. The project is currently being evaluated as a performance contracting project with Siemen’s, but could also occur as a standalone project managed by the Village.

Budget Impact: This program would likely be funded as a performance contracting project, where future cost savings would fund the initial capital investment.

5 Year Expenditure History						
Budgeted Amount	FY 2011	FY 2012	FY 2013	FY 2014	Estimated FY 2015	TOTAL
	\$0	\$0	\$0	\$0	\$6,000,000	\$6,000,000
Actual Expenditures	\$0	\$0	\$0	\$0	\$3,000,000	\$3,000,000

5 Year Projected Expenditures						
Expense Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Land						
Engineering						
Construction	\$3,000,000	-	-	-	-	\$3,000,000
Equipment						
Contingency						
Sub-Total	\$3,000,000	-	-	-	-	\$3,000,000

Reserve for Capital Replacement – Vehicles

The Village maintains unique sets of capital equipment for six divisions; Police, Fire, Public Works, Engineering, Community Development, 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.

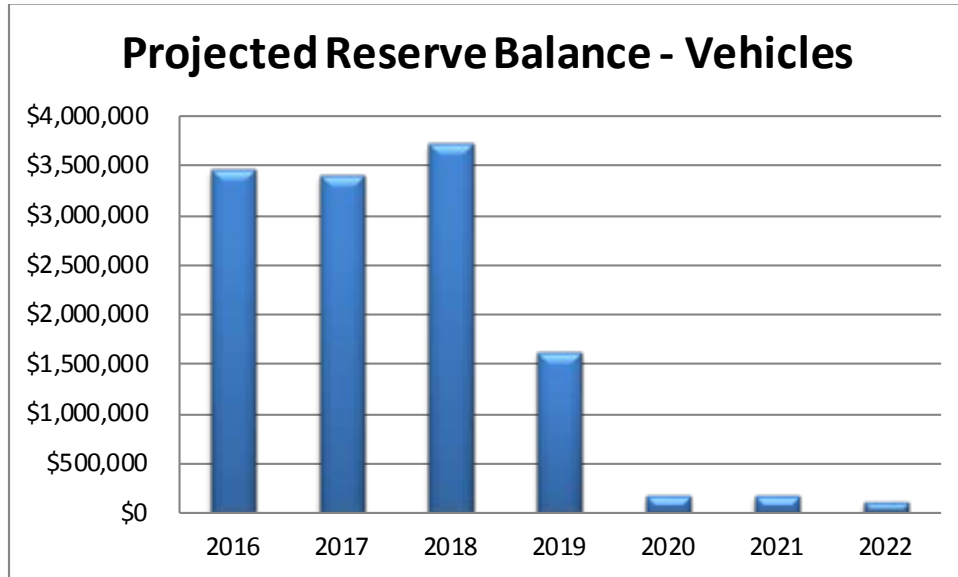
The Village maintains a capital replacement fund with the intent to fund the amortization on each vehicle. Ideally, when vehicles are scheduled for replacement the replacement cost will be fully funded with available money.

The 2016 budget includes \$518,252 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, \$6.5 million is in the reserve account and the table below shows the projected replacement costs through 2022. It is important that the reserve be funded in order to minimize impact to future budgets.

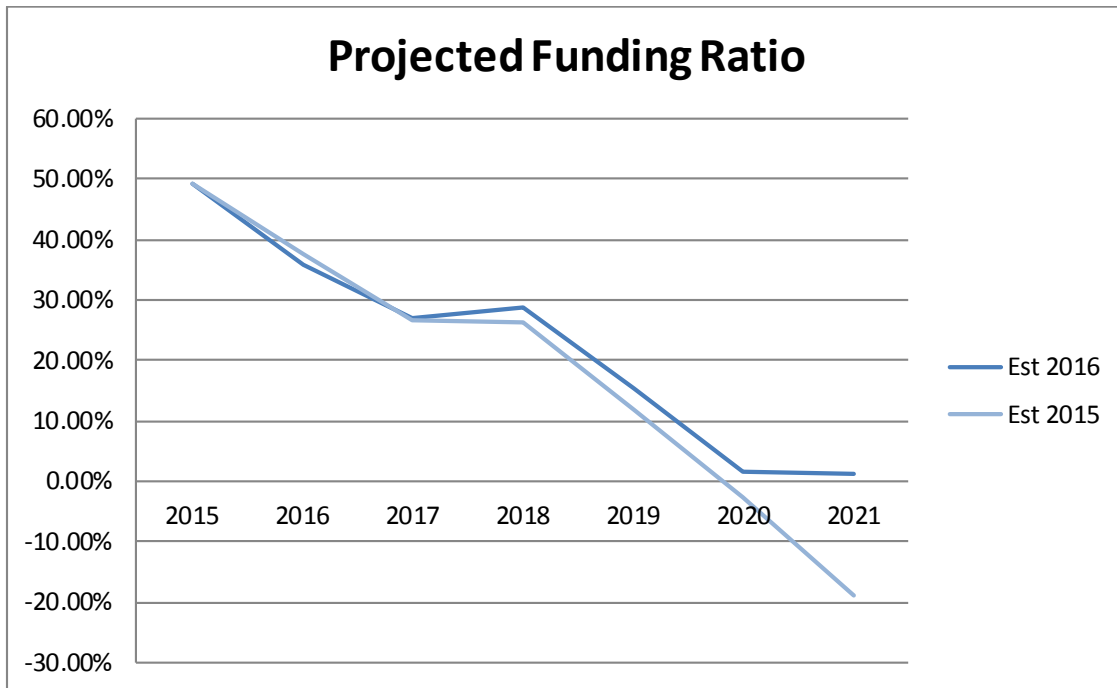
Finally, the Village Board's approval of the funding reserve does not authorize spending for equipment replacement. Each replacement vehicle or equipment purchase must go through the procurement process including Board authorization to bid and Board award of bid. This ensures that the procurement remains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

Planned Capital Reserve Contribution by Department - Vehicles								
Department	2016	2017	2018	2019	2020	2021	2022	Subtotal
Fire Services	\$2,425,000	\$440,873	\$0	\$1,873,054	\$1,090,553	\$0	\$0	\$5,829,480
Police Services	\$131,044	\$212,887	\$66,715	\$167,790	\$202,002	\$226,243	\$184,558	\$1,191,239
Building & Zoning	\$50,000	\$0	\$52,659	\$22,400	\$31,116	\$0	\$28,632	\$184,807
Engineering	\$28,000	\$0	\$0	\$27,965	\$0	\$0	\$32,160	\$88,125
Building Maintenance	\$163,000	\$0	\$0	\$0	\$0	\$121,550	\$52,168	\$336,718
Street Maintenance	\$342,000	\$0	\$0	\$419,571	\$202,300	\$0	\$176,710	\$1,140,581
Forestry & Grounds	\$235,500	\$0	\$0	\$31,544	\$142,484	\$156,733	\$0	\$566,261
Water	\$73,000	\$0	\$56,850	\$130,000	\$91,216	\$100,338	\$0	\$451,404
Sanitary Sewer	\$0	\$0	\$110,800	\$28,000	\$46,200	\$0	\$33,917	\$218,917
Storm Sewer	\$0	\$0	\$0	\$0	\$68,750	\$0	\$103,125	\$171,875
Central Garage	\$110,900	\$0	\$0	\$0	\$170,471	\$0	\$51,585	\$332,956
Buffalo Grove Golf Club	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arboretum Golf Course	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$3,558,444	\$653,760	\$287,024	\$2,700,324	\$2,045,092	\$604,864	\$662,854	\$10,512,362

The following graph projects the balance of the Reserve for Capital Replacement for Vehicles assuming a yearly funding level of \$600,000.



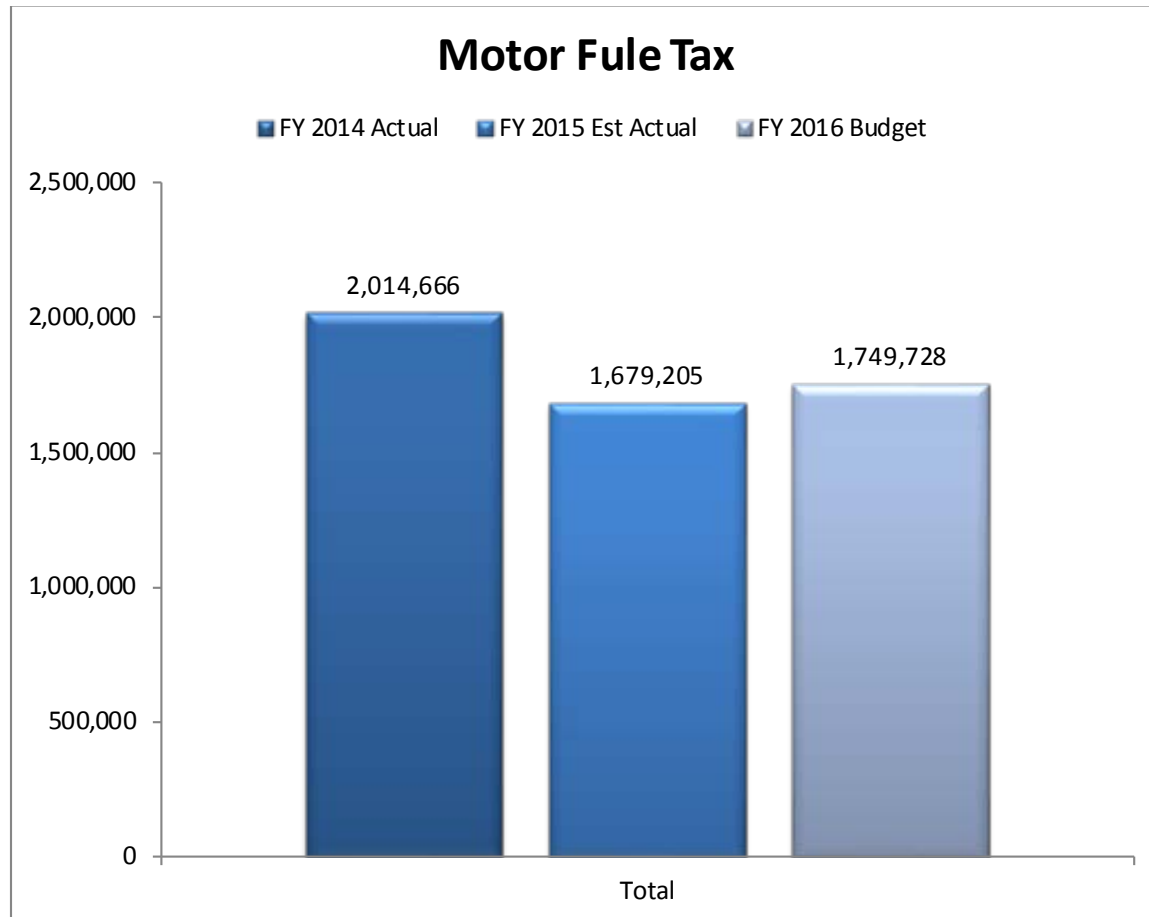
The graph below charts total replacement cost against the capital reserve fund balance. All vehicles have an estimated replacement value of \$13.2 million. The two lines show where the Village was as the budget was proposed last year (2015 est.) vs the proposed 2016 Budget (2016 est.). The improved funding ratio from 2019 through 2021 is directly attributed to the outsourcing of the Golf department maintenance for both Arboretum and Buffalo Grove Golf Club. The Golf department's capital reserve total remains the same, however the amount has been reallocated from vehicles (555.30) to irrigation (555.60).



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. 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.

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Capital Equipment	2,014,666	1,679,205	1,000,000
Other Financing Uses	-	-	-
Total	2,014,666	1,679,205	1,000,000



Revenues

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 130 - Motor Fuel Tax Fund						
<u>Revenues</u>						
15 - Other Taxes						
410	State Shared	-	-	-	-	-
410.60	State Shared Motor Fuel Tax	997,371	1,045,913	1,000,000	940,000	1,000,000
15 - Other Taxes		997,371	1,045,913	1,000,000	940,000	1,000,000
Percent Change 2016 vs 2015 Budget						0.00%
45 - Interest Income						
450	Investment Revenue	-	-	-	-	-
450.10	Interest Income - Investment Pool	141	32	-	-	-
45 - Interest Income		141	32	-	-	-
Percent Change 2016 vs 2015 Budget						0.00%
50 - Miscellaneous Revenue						
	All Other Revenue	-	-	-	-	-
465.65	Grants	-	375,164	-	-	-
465.90	Miscellaneous Income	187,582	-	-	-	-
470	Bond Proceeds	-	-	-	-	-
50 - Miscellaneous Revenue		187,582	375,164	-	-	-
Percent Change 2016 vs 2015 Budget						0.00%
55 - Operating Transfers						
460	Operating Transfers	-	-	-	-	-
460.05	Interfund Transfers In	-	767,602	679,205	727,891	-
55 - Operating Transfers		-	767,602	679,205	727,891	-
Percent Change 2016 vs 2015 Budget						-100.00%
Revenues Total		1,185,095	2,188,711	1,679,205	1,667,891	1,000,000
Percent Change 2016 vs 2015 Budget						-40.45%

Expenditures

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 130 - Motor Fuel TaxFund					
<u>Expenditures</u>					
Department: 75 - Capital Improvement					
55 - Capital Outlay					
560 Capital Projects	-	-	-	-	-
560.20 Streets & Highways	5,684,477	2,014,666	1,679,205	1,679,205	1,000,000
55 - Capital Outlay	5,684,477	2,014,666	1,679,205	1,679,205	1,000,000
Percent Change 2016 vs 2015 Budget					0.00%
65 - Other Financing Uses					
570.15 Capital Projects Streets	-	-	-	-	-
570.30 Capital Projects Fund	-	-	-	-	-
65 - Other Financing Uses	-	-	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
Department Total: 75 - Capital Improvement	5,684,477	2,014,666	1,679,205	1,679,205	1,000,000
Percent Change 2016 vs 2015 Budget					0.00%
Expenditures Total	5,684,477	2,014,666	1,679,205	1,679,205	1,000,000
Percent Change 2016 vs 2015 Budget					0.00%

Capital Projects - Facilities Fund – 150

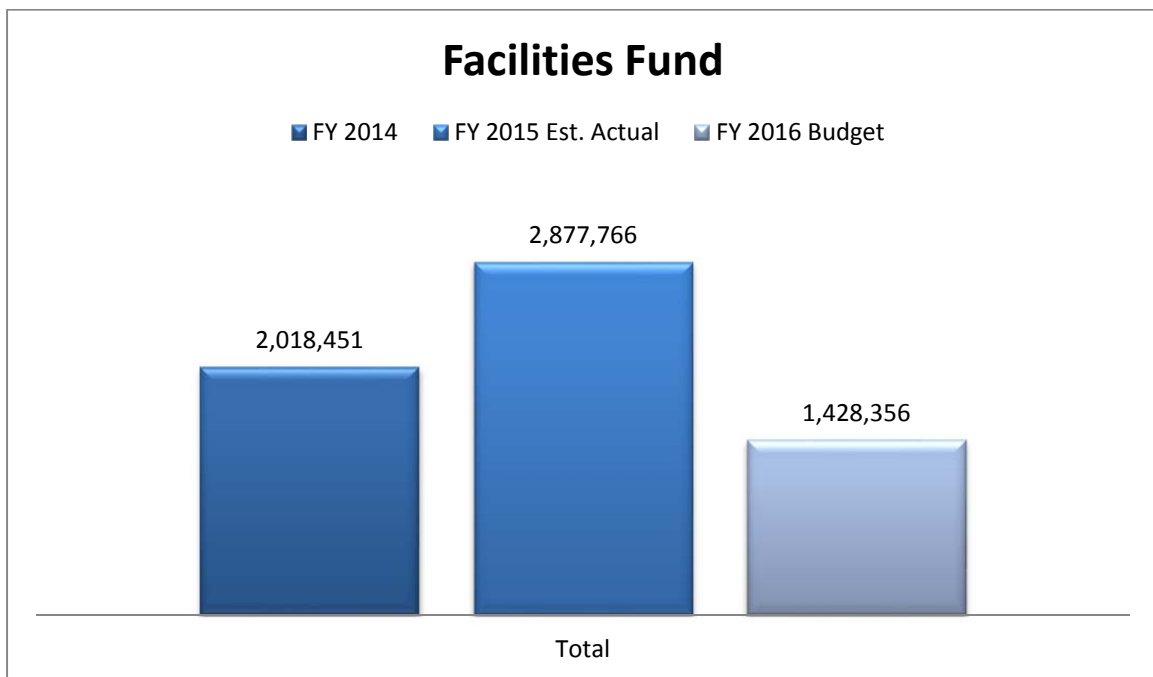
This Fund provides for the accounting of design, acquisition and construction elements of various Village capital facilities and equipment. The identified projects have been previously planned for as part of the FY 2016 portion of the Village’s comprehensive Capital Improvement Plan for the FY 2016 through FY 2020. Funding will come from several sources, most notably the transfer of prior accumulations of unreserved General Fund Balance and Water and Sewer Fund equity as authorized under current Village use policies.

Budget Summary CP-Facilities

	FY 2014	FY 2015 Est. Actual	FY 2016 Budget
Capital Outlay	2,018,451	2,877,766	1,428,356
Total	2,018,451	2,877,766	1,428,356

Budget Variance CP-Facilities

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
560.10	Land Improvements	-100.00%	(647,000)	Reduction based on Capital Improvement plan
560.30	Buildings & Structures	-41.14%	(541,671)	Reduction based on Capital Improvement plan
560.40	Improvements Other Than Building	-66.67%	(1,000,000)	Reduction based on Capital Improvement plan
560.50	Technology	20.80%	26,416	Cartegraph



Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 150 - Capital Projects Facilities Fund					
<u>Revenues</u>					
50 - Miscellaneous Revenue					
465 All Other Revenue	-	-	-	-	-
465.65 Grants	-	-	-	-	-
465.90 Miscellaneous Income	565	-	2,722,189	2,700,000	500,000
470 Bond Proceeds	-	-	-	-	-
50 - Miscellaneous Revenue	565	-	2,722,189	2,700,000	500,000
Percent Change 2016vs 2015 Budget					-81.63%
55 - Operating Transfers					
460 Operating Transfers	-	-	-	-	-
460.05 Interfund Transfers In	319,973	635,217	868,422	1,377,766	928,356
55 - Operating Transfers	319,973	635,217	868,422	1,377,766	928,356
Percent Change 2016vs 2015 Budget					6.90%
Revenues Total	320,538	635,217	3,590,611	4,077,766	1,428,356
Percent Change 2016vs 2015 Budget					-60.22%

Expenditures

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
<u>Expenditures</u>					
Department: 75 - Capital Improvement					
55 - Capital Outlay					
560 Capital Projects	2,425	-	-	-	-
560.10 Land Improvements	114,040	(74,183)	647,000	119,623	-
560.20 Streets & Highways	-	-	-	-	-
560.30 Buildings & Structures	53,311	208,941	1,316,641	1,102,246	774,970
560.40 Improvements Other Than Building	956,103	1,383,234	1,500,000	1,500,000	500,000
560.50 Technology	150,196	500,459	126,970	155,897	153,386
55 - Capital Outlay	1,276,075	2,018,451	3,590,611	2,877,766	1,428,356
Percent Change 2016vs 2015 Budget					-60.22%
Department Total: 75 - Capital Improvement	1,276,075	2,018,451	3,590,611	2,877,766	1,428,356
Percent Change 2016vs 2015 Budget					-60.22%

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 2016 through FY 2020. Proceeds for the street maintenance fund are funded through transfers from the General Fund.

Budget Summary

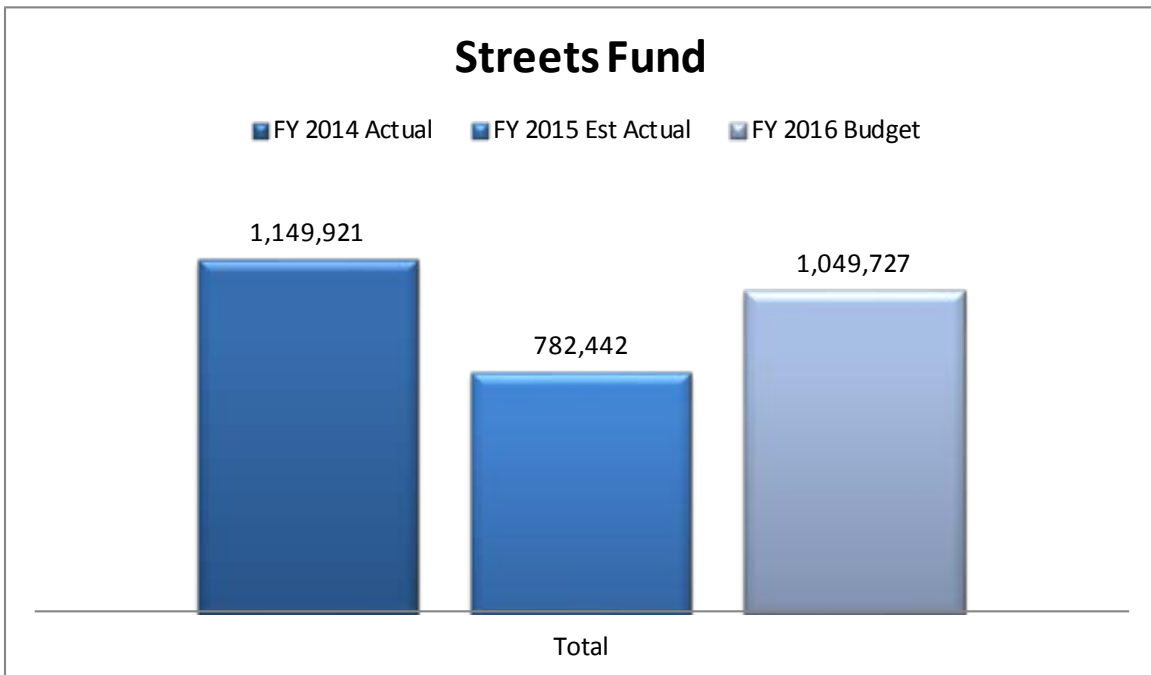
CP-Streets

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Capital Outlay	1,149,921	782,442	1,049,727
Total	1,149,921	782,442	1,049,727

Budget Variance

CP-Streets

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
560.20	Streets & Highways	1999.45%	999,727	Reclassified from Motor Fuel Tax Fund



Revenues

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 160 - Capital Projects Streets Fund					
<u>Revenues</u>					
50 - Miscellaneous Revenue					
465 All Other Revenue	-	-	-	-	-
465.65 Grants	-	1,985,000	-	-	-
465.90 Miscellaneous Income	299,818	-	-	-	-
470 Bond Proceeds	-	-	-	-	-
50 - Miscellaneous Revenue	299,818	1,985,000	-	-	-
Percent Change 2016 vs 2015 Budget					
55 - Operating Transfers					
460 Operating Transfers	-	-	-	-	-
460.05 Interfund Transfers In	409,162	-	50,000	50,000	1,049,727
55 - Operating Transfers	409,162	-	50,000	50,000	1,049,727
Percent Change 2016 vs 2015 Budget					
Revenues Total	708,980	1,985,000	50,000	50,000	1,049,727
Percent Change 2016 vs 2015 Budget					
					1,999.4%

Expenditures

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
<u>Expenditures</u>					
Department: 75 - Capital Improvement					
55 - Capital Outlay					
560 Capital Projects	-	-	-	-	-
560.20 Streets & Highways	388,451	1,149,921	50,000	782,442	1,049,727
55 - Capital Outlay	388,451	1,149,921	50,000	782,442	1,049,727
Percent Change 2016 vs 2015 Budget					
					1,999.4%
Department Total: 75 - Capital Improvement	388,451	1,149,921	50,000	782,442	1,049,727
Percent Change 2016 vs 2015 Budget					
					1,999.4%
Expenditures Total	388,451	1,149,921	50,000	782,442	1,049,727
Percent Change 2016 vs 2015 Budget					
					1,999.4%

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Section 7

Enterprise Fund Summary and Detail

Golf Course Fund

Water and Sewer Operating

Refuse Fund



Golf

The Village of Buffalo Grove operates two municipal golf courses. The Arboretum Club on Half Day Road and the Buffalo Grove Golf Club on Raupp Boulevard

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.

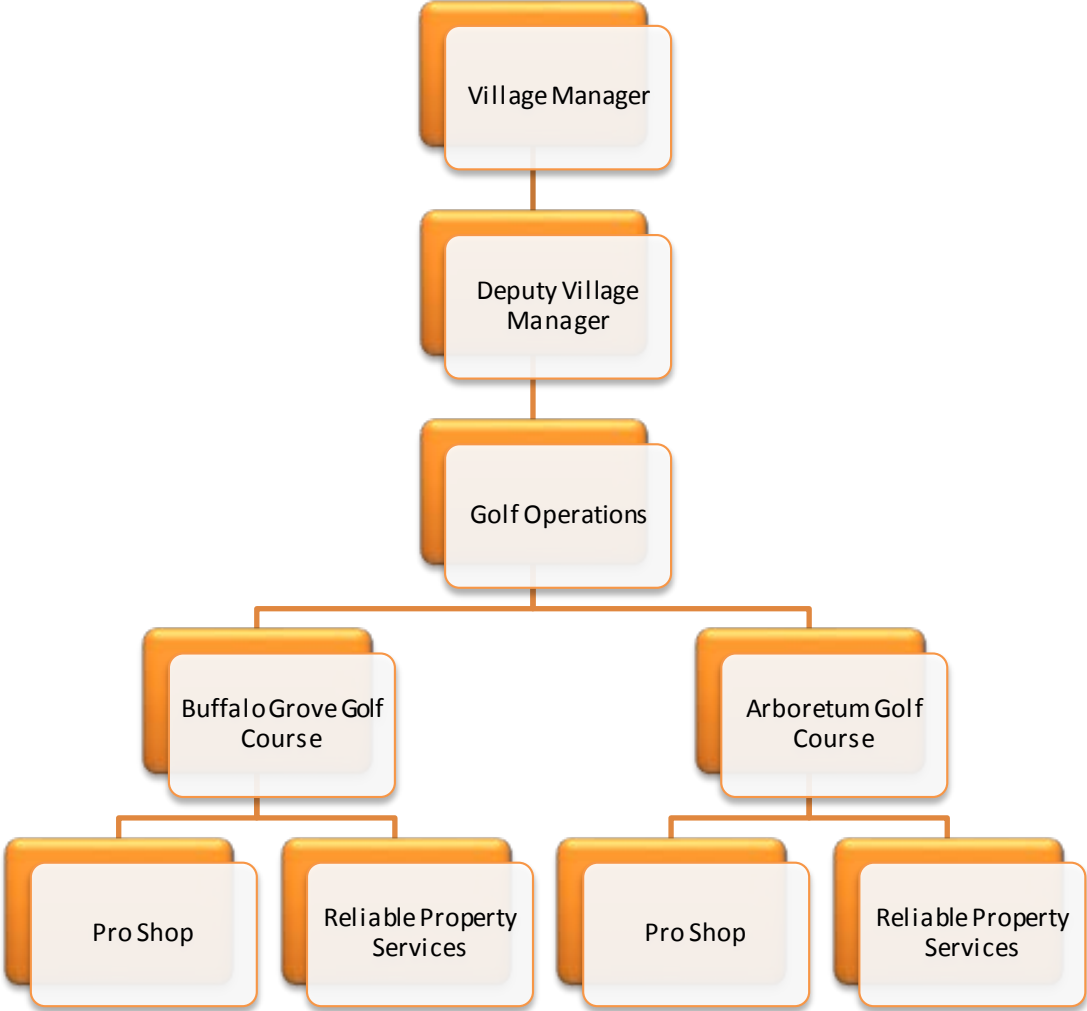


Golf Course Fees

A conservative increase was budgeted for the Arboretum in FY 2016 over the estimated actual of \$32,951, or 2.7 percent. As the golf industry as a whole has started to stabilize, the Arboretum is estimated to achieve 100% of budgeted revenues of \$1,173,900 in FY 2015. As the 2015 season did receive inclement weather patterns in the month of June, paid rounds were increased in late summer, which allowed the Arboretum to hit the budgeted revenues. The Arboretum does have a rate increase of \$1.00 proposed for weekend premium green fees for the 2016 season.

Total golf revenues at the Buffalo Grove Golf Club in 2015 will result in achieving nearly 100% of budgeted revenue goals of \$1,104,930 as well. As Buffalo Grove Golf Club experienced the same weather issues as the Arboretum in the month of June, the operation was able to rebound in the second half of the season by increasing total revenues 5% in Q3 FY 2015. The FY 2016 budget for Buffalo Grove Golf Club does include a rate increase of \$1 on higher demanded green fees; however, this still represents a 15% discount for residents of the village.

Department Structure



2016 Staffing Summary

In 2015, the Golf Department outsourced the golf course maintenance function. The change in staffing is reflected below:

Golf Operations	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Head Golf Professional	2	0	2	0	2	0
Assistant Golf Professional	1	2	1	2	1	2
Golf Course Attendants- Seasonal	0	15	0	15	0	30
Golf Course Cashier- Seasonal	0	9	0	9	0	0
Golf Maintenance worker I	0	0	0	0	0	0
Golf Course Maintenance Worker- Seasonal	0	14	0	14	0	0
Golf course maintenance worker II	1	0	1	0	0	0
Golf course maintenance worker III	1	0	1	0	0	0
Golf Course starter/ranger- seasonal	0	11	0	11	0	0
Golf Course Superintendent	1	0	1	0	0	0
Horticulturalist	1	0	1	0	0	0
Total	7	51	7	51	3	32
Full & Part-Time Total	58		58		35	

*Golf maintenance was outsourced in 2015

Strategic Priorities and Measures Golf Department

Strategic Priorities	Measure	Average Baseline	Q1	Q2	Q3
Service Optimization	No Measure Identified	N/A	N/A	N/A	N/A
Organizational Culture	No Measure Identified	N/A	N/A	N/A	N/A
Revenue Growth	Cart Fee Revenue	\$107,963	\$2,705	\$136,2700	\$184,914
Revenue Growth	Total Merchandise Revenues	\$59,111	\$79,840	\$40,169	\$57,32.
Revenue Growth	Green Fee Revenue	\$423,036	\$23,183	\$526,718	\$719,206
Revenue Growth	Total Revenue	\$443,663	\$152,800.	\$831,111	\$1,073,296
Economic Development	No Measure Identified	N/A	N/A	N/A	N/A
Infrastructure Stability	No Measure Identified	N/A	N/A	N/A	N/A

Village staff is in the process of implementing a performance management program. During the first year of the program departments are establishing baseline performance. This baseline is currently determined by averaging the past four quarters of performance data.

Budget Summary
Buffalo Grove Golf Fund

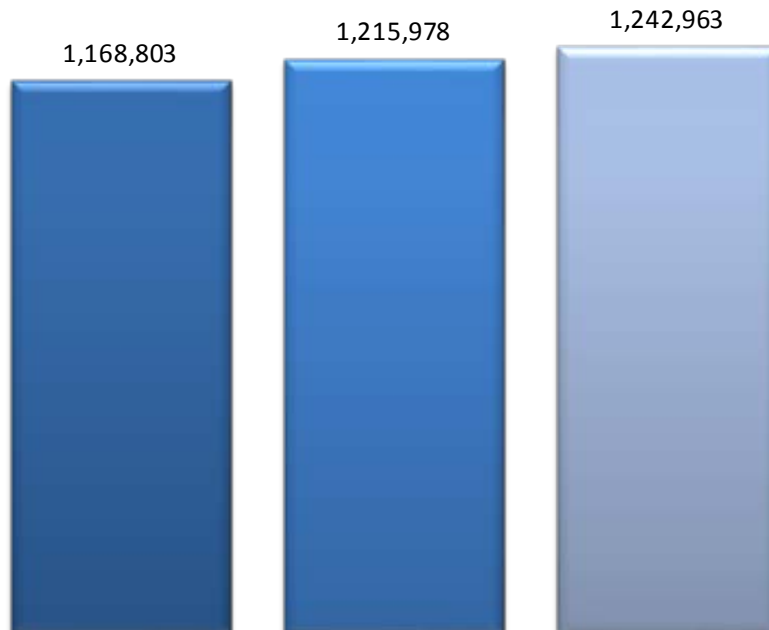
	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	527,577	342,400	341,380
Personal Benefits	146,168	99,700	96,722
Operating Expenses	145,679	603,082	618,900
Contractual Services	26,822	25,361	15,361
Repairs & Maintenance	101,275	14,935	17,000
Capital Outlay	45,591	63,500	88,600
Commodities	141,908	66,000	64,000
All Other Expenses	33,782	1,000	1,000
Total	1,168,803	1,215,978	1,242,963

**Budget Variance
Buffalo Grove Golf Fund**

Line Item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
500.05	Full Time	(36.05%)	(109,354)	Outsourced maintenance
500.10	Part Time	(53.58%)	(56,550)	Outsourced maintenance
500.15	Seasonal	(19.83%)	(23,740)	Outsourced maintenance
500.35	Overtime	(100.00%)	(13,500)	Outsourced maintenance
500.40	Longevity	20.00%	400	Employee milestone
505.05	Group & Medical Life	(47.76%)	(32,000)	Outsourced maintenance
505.10	Professional Training	(50.00%)	(250)	Outsourced maintenance
505.15	Dues & Memberships	(24.00%)	(600)	Discontinued memberships
505.35	Safety Equipment	(100.00%)	(800)	Outsourced maintenance
505.75	Employer's Contribution - FICA	(33.23%)	(10,891)	Outsourced maintenance
505.80	Employer's Contribution - IMRF	(41.86%)	(23,447)	Outsourced maintenance
505.85	Employer's Contribution Medicare	(33.23%)	(2,547)	Outsourced maintenance
510.02	Telephone	(72.22%)	(3,900)	Outsourced maintenance
510.04	Travel	(100.00%)	(250)	Reduction in training
510.10	Maintenance Contracts	New	384,052	Outsourced maintenance
510.20	Computer Services	(100.00)	(7,500)	Reduction in services
510.21	IT Internal Svc Contribution	(30.68%)	(6,179)	Recalibrated cost basis
510.70	Merchandise Purchases	11.11%	5,000	Increase of special orders
510.76	Driving Range	New	3,000	Improvements to facility
510.79	Advertising & Promotions	New	5,000	Enhanced marketing plan
510.85	State Sales Tax	14.04%	720	Based on increase of merchandise sales
535.01	Building Mnt Internal Svc	(35.35%)	(45,397)	Recalibrated cost basis
515.10	Unemployment Insurance	(40.00%)	(10,000)	Outsourced maintenance
535.35	Golf Course	New	4,000	Improvements to facility
535.40	Irrigation System	New	5,000	Improvements to facility
545.05	Gasoline	(68.00%)	(17,000)	Outsourced maintenance
545.10	Diesel Fuel	(100.00%)	(1,000)	Outsourced maintenance
545.15	Automotive Parts	(100.00%)	(1,000)	Outsourced maintenance
550.05	Department Equipment	(100.00%)	(20,000)	Outsourced maintenance
530.45	Chemicals and Fertilizers	(100.00%)	(65,000)	Outsourced maintenance
530.50	Small Equipment Tools & Hardware	(100.00%)	(1,000)	Outsourced maintenance
555.10	Office and Other Equipment	(100.00%)	(500)	Outsourced maintenance
555.30	Reserve for Capital Replacement	(100.00%)	(30,000)	Closed to reserve for infrastructure
560.80	Golf Course	(20.00%)	(4,000)	Outsourced maintenance
580.05	All Other Expenses	New	1,000	Misc expenditures
555.60	Reserve for Infrastructure	New	59,600	Reclassified from building maintenance and golf funds

BG Golf

■ FY 2014 Actual ■ FY 2015 Est Actual ■ FY 2016 Budget



Total

Revenue

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 180 - Buffalo Grove Golf Fund					
40 - Charges for Services					
445.10 Greens Fees	641,610	630,964	665,000	640,000	655,000
445.15 Power Cart Rental	162,592	157,610	165,000	160,000	162,000
445.20 Pull Cart Rental	3,681	2,692	3,000	3,500	3,500
445.25 Driving Range Fees	57,012	61,338	61,500	62,000	61,500
445.30 Memberships & Passes	63,837	62,471	64,000	62,500	62,500
445.35 Merchandise Sales	60,072	62,895	57,000	63,000	65,000
445.36 Coupon Sales	-	-	-	-	-
445.40 Sales Tax	4,934	5,601	5,130	5,670	5,850
445.50 GPS Income	-	-	-	-	-
445.55 Club Rental Fees	1,005	1,210	1,100	1,100	1,100
445.56 Locker Room Rental	131	-	-	-	-
445.57 Club Storage	175	365	200	200	200
445.60 Rental Income Facility	33,557	43,422	40,000	40,000	40,000
445.65 Rental Income Cell Tower	-	25,107	28,000	28,000	29,500
445.70 Utility Reimbursement	41,658	27,621	15,000	15,000	15,000
445.90 Other Revenue	-	92	-	-	-
40 - Charges for Services	1,070,262	1,081,389	1,104,930	1,080,970	1,101,150
Percent Change 2016 vs 2015 Budget					-0.34%
45 - Interest Income					
450.05 Savings	-	-	-	-	-
450.10 Investment Pool	-	-	-	-	-
45 - Interest Income	-	-	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
50 - Miscellaneous Revenue					
465.65 Grants	-	-	-	-	-
465.90 Miscellaneous Income	2,235	(5,745)	500	1,650	500
50 - Miscellaneous Revenue	2,235	(5,745)	500	1,650	500
Percent Change 2016 vs 2015 Budget					0.00%
55 - Operating Transfers					
460.05 Interfund Transfers In	15,228	-	159,166	133,358	146,919
55 - Operating Transfers	15,228	-	159,166	133,358	146,919
Percent Change 2016 vs 2015 Budget					-7.69%
Revenues Total	1,087,726	1,075,643	1,264,596	1,215,978	1,248,569
Percent Change 2016 vs 2015 Budget					-1.27%

Expense

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Department: 84 - Golf					
10 - Salaries					
500.05 Full Time	257,686	299,063	303,334	220,000	193,980
500.10 Part Time	127,697	113,392	105,550	35,000	49,000
500.15 Seasonal	97,038	98,905	119,740	85,000	96,000
500.35 Overtime	16,828	13,818	13,500	-	-
500.40 Longevity	2,900	2,400	2,000	2,400	2,400
10 - Salaries	502,149	527,577	544,124	342,400	341,380
Percent Change 2016vs 2015 Budget					-37.26%
15 - Taxes and Benefits					
505.05 Group & Medical Life	42,913	43,431	67,000	35,000	35,000
505.10 Professional Training	80	460	500	-	250
505.15 Dues & Memberships	2,142	2,357	2,500	1,700	1,900
505.25 Uniform Maintenance	1,274	1,094	3,000	-	-
505.26 Uniform Rental	-	-	-	-	-
505.35 Safety Equipment	-	247	800	-	-
505.45 ICMA Deferred Compensation	-	-	-	-	-
505.75 Employer's Contribution - FICA	-	32,669	32,775	22,000	21,884
505.80 Employer's Contribution - IMRF	91,432	58,269	56,017	36,000	32,570
505.85 Employer's Contribution Medicare	-	7,641	7,665	5,000	5,118
15 - Taxes and Benefits	137,842	146,168	170,257	99,700	96,722
Percent Change 2016vs 2015 Budget					-43.19%
25 - Operating Expenses					
510.02 Telephone	6,099	3,414	5,400	1,500	1,500
510.03 Postage	-	-	-	-	-
510.04 Travel	320	238	250	-	-
510.10 Maintenance Contracts	476	3,859	-	346,325	384,052
510.16 Printing	398	412	500	400	500
510.20 Computer Services	7,245	7,547	7,500	-	-
510.21 IT Internal Svc Contribution	-	-	20,140	16,963	13,961
510.28 Audit Fees	-	-	1,500	-	1,500
510.40 Supplies - Office	3,568	3,152	3,500	3,600	3,500
510.49 Supplies - Golf Course	6,882	3,578	7,000	6,500	7,000
510.50 Supplies - All Other	-	108	-	-	-
510.55 Operating Equip - Department	-	-	-	-	-
Merchandise Purchases	57,733	51,814	45,000	49,000	50,000
510.73 Golf Cart Rental	35,859	32,797	35,000	35,000	35,000
510.76 Driving Range	2,999	3,011	-	-	3,000

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
510.79	Advertising & Promotions	9,598	2,758	-	-	5,000
510.82	GPS Expense	-	-	-	-	-
510.83	Credit Card Fees	26,957	27,471	25,000	25,000	25,000
510.85	State Sales Tax	4,895	5,522	5,130	5,130	5,850
535.01	Building Mnt Internal Svc	-	-	128,434	113,664	83,037
545.01	Central Garage Internal Svc	-	-	-	-	-
25 - Operating Expenses		163,028	145,679	284,354	603,082	618,900
Percent Change 2016 vs 2015 Budget						117.65%
30 - Contractual Services						
515.05	IRMA Premium	10,000	266	266	266	266
515.10	Unemployment Insurance	-	25,000	25,000	25,000	15,000
515.15	IRMA Deductible - Worker's Comp	-	-	57	57	57
515.20	IRMA Deductible - Non Wrker's Co	-	1,556	38	38	38
30 - Contractual Services		10,000	26,822	25,361	25,361	15,361
Percent Change 2016 vs 2015 Budget						-39.43%
40 - Repairs and Maintenance						
535.20	Buildings & Facilities	22,257	20,325	-	-	-
535.35	Golf Course	39,695	29,546	-	4,200	4,000
535.40	Irrigation System	9,356	8,515	-	1,077	5,000
545	Maintenance & Repairs - Vehicles	-	-	-	-	-
545.05	Gasoline	28,014	26,624	25,000	6,500	8,000
545.10	Diesel Fuel	787	569	1,000	-	-
545.15	Automotive Parts	153	535	1,000	-	-
545.20	Garage Labor	1,074	754	-	-	-
545.25	Lubricants	-	-	-	-	-
545.30	Garage Overhead	-	-	-	-	-
545.35	Body Work	-	-	-	-	-
545.40	Contractual Auto Services	-	-	-	-	-
550	Maintenance & Repairs - Other	-	-	-	-	-
550.05	Department Equipment	22,494	14,407	20,000	3,158	-
40 - Repairs and Maintenance		127,845	101,275	47,000	14,935	17,000
Percent Change 2016 vs 2015 Budget						-63.83%
45 - Commodities						
530.05	Electricity - Facilities	51,072	65,115	55,000	55,000	55,000
530.20	Gas - Facilities	8,347	13,398	9,000	9,000	9,000
530.45	Chemicals and Fertilizers	64,989	62,995	65,000	2,000	-
530.50	Small Equipment Tools & Hardware	1,095	401	1,000	-	-
45 - Commodities		125,503	141,908	130,000	66,000	64,000
Percent Change 2016 vs 2015 Budget						-50.77%

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
50 - Other Expenses					
580.05 All Other Expenses	1,028	998	-	1,000	1,000
800 Depreciation	32,784	32,784	-	-	-
50 - Other Expenses	33,812	33,782	-	1,000	1,000
Percent Change 2016vs 2015 Budget					0.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	500	500	-
555.30 Reserve for Capital Replacement	-	30,000	30,000	30,000	-
555.40 Reserve for Technology	-	1,000	1,000	1,000	1,000
555.50 Reserve for Buildings	-	10,000	10,000	10,000	10,000
555.60 Reserve for Infrastructure	-	-	-	-	59,600
560 Capital Projects	-	-	-	-	-
560.30 Buildings & Structures	-	-	2,000	2,000	2,000
560.80 Golf Course	19,449	4,591	20,000	20,000	16,000
55 - Capital Outlay	19,449	45,591	63,500	63,500	88,600
Percent Change 2016vs 2015 Budget					39.53%
65 - Other Financing Uses					
570.10 Operating Transfers Corporate Fund	-	-	-	-	-
570.60 Operating Transfers Arboretum Golf Course Fund	-	-	-	-	-
65 - Other Financing Uses	-	-	-	-	-
Percent Change 2016vs 2015 Budget					0.00%
Department Total: 84 - Golf	1,119,627	1,168,803	1,264,596	1,215,978	1,242,963
Percent Change 2016vs 2015 Budget					-1.71%
Expenditures Total	1,119,627	1,168,803	1,264,596	1,215,978	1,242,963
Percent Change 2016vs 2015 Budget					-1.71%

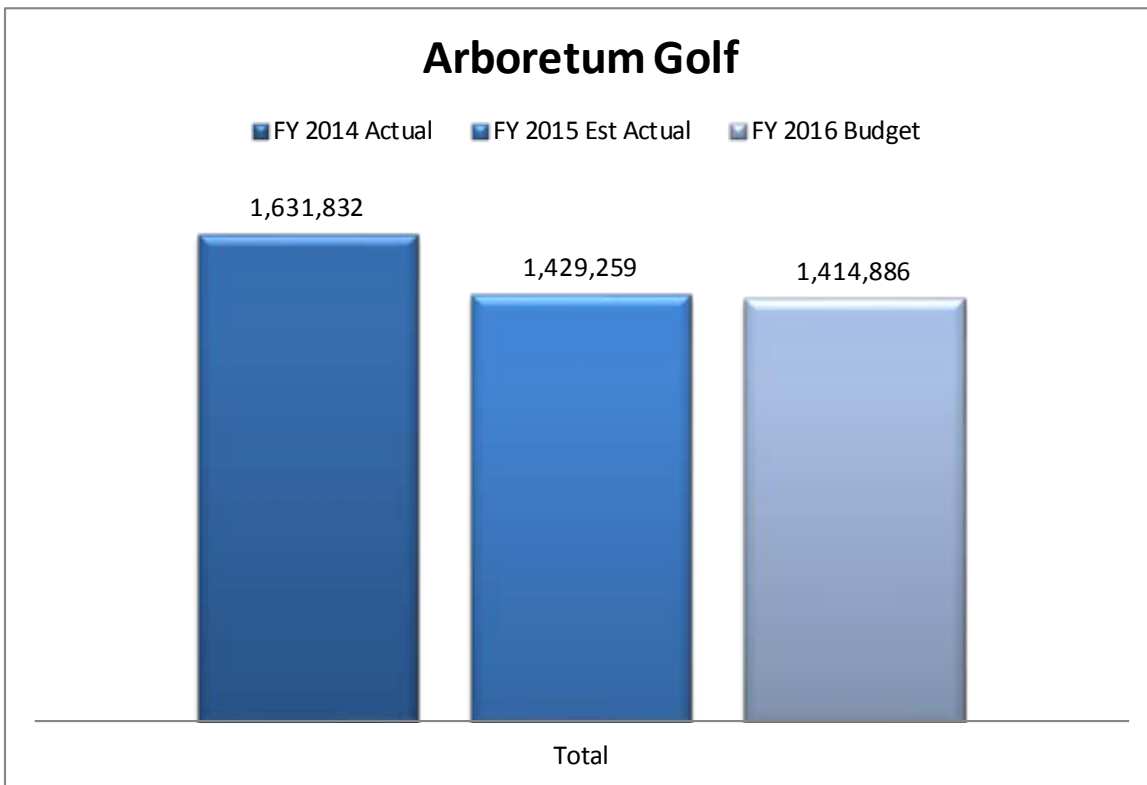
Budget Summary Arboretum Golf Fund

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	471,963	263,400	170,600
Personal Benefits	135,161	53,934	55,013
Operating Expenses	165,338	384,482	1,034,413
Contractual Services	35,589	19,109	8,360
Repairs & Maintenance	99,431	3,334	5,000
Capital Outlay	84,679	635,000	75,500
Commodities	150,018	70,000	65,000
All Other Expenses	489,653	-	1,000
Total	1,631,832	1,429,259	1,414,886

Budget Variance Arboretum Golf Fund

Line Item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
500.05	Full Time	(78.15%)	(178,878)	Outsourced maintenance
500.10	Part Time	(81.09%)	(128,628)	Outsourced maintenance
500.35	Overtime	(100.00%)	(13,500)	Outsourced maintenance
500.40	Longevity	(76.92%)	(2,000)	Outsourced maintenance
505.05	Group & Medical Life	(67.57%)	(43,750)	Outsourced maintenance
505.10	Professional Training	(100.00%)	(1,000)	Outsourced maintenance
505.15	Dues & Memberships	(20.00%)	(400)	Outsourced maintenance
505.25	Uniform Maintenance	(100.00%)	(3,000)	Outsourced maintenance
505.35	Safety Equipment	(100.00%)	(500)	Outsourced maintenance
505.75	Employer's Contribution - FICA	(47.57%)	(14,322)	Outsourced maintenance
505.80	Employer's Contribution - IMRF	(74.95%)	(38,705)	Outsourced maintenance
505.85	Employer's Contribution Medicare	(47.57%)	(3,349)	Outsourced maintenance
510.02	Telephone	(100.00%)	(5,000)	Reduction of lines
510.04	Travel	(100.00%)	(250)	Outsourced maintenance
510.20	Computer Services	(100.00%)	(6,000)	Reduction of services
510.21	IT Internal Svc Contribution	(72.80%)	(17,901)	Recalibrated cost basis
510.70	Merchandise Purchases	12.50%	5,000	Increase of special orders
510.79	Advertising & Promotions	(33.33%)	(5,000)	Reduction based on historical trends
535.01	Building Mnt Internal Svc Cntrb	(15.93%)	(36,961)	Recalibrated cost basis
515.10	Unemployment Insurance	(68.00%)	(17,000)	Outsourced maintenance
545.05	Gasoline	(100.00%)	(20,000)	Outsourced maintenance

550.05	Department Equipment	(100.00%)	(14,000)	Outsourced maintenance
530.20	Gas - Facilities	(21.05%)	(4,000)	Outsourced maintenance
530.45	Chemicals and Fertilizers	(100.00%)	(90,000)	Outsourced maintenance
530.50	Small Equipment Tools & Hardware	(100.00%)	(1,500)	Outsourced maintenance
580.05	All Other Expenses	100.00%	500	Outsourced maintenance
555.30	Reserve for Capital Replacement	(100.00%)	(20,000)	Reclassified to infrastructure
560.30	Buildings & Structures	(100.00%)	(1,000)	Reclassified to Building and Maintenance Fund
510.10	Maintenance Contracts	New	672,000	Outsourced maintenance
535.40	Irrigation System	New	5,000	Facility improvements
555.60	Reserve for Infrastructure	New	45,400	Reclassified from Building Maint and Golf Funds



Revenues

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 190 - Arboretum Golf Fund					
40 - Charges for Services					
445.10 Greens Fees	765,423	744,329	765,000	760,000	770,000
445.15 Power Cart Rental	195,432	182,744	190,000	187,000	190,000
445.20 Pull Cart Rental	875	848	800	800	900
445.30 Memberships & Passes	37,800	51,670	48,000	52,000	49,000
445.35 Merchandise Sales	50,300	51,546	50,000	51,000	51,000
445.36 Coupon Sales	35,825	29,221	30,000	23,860	27,000
445.40 Sales Tax	4,091	4,125	4,000	4,080	4,080
445.50 GPS Income	-	-	-	-	-
445.55 Club Rental Fees	2,621	3,160	3,000	3,000	3,000
445.56 Locker Room Rental	224	105	100	115	200
445.60 Rental Income Facility	64,904	60,468	55,000	55,000	55,000
445.70 Utility Reimbursement	16,553	30,957	25,000	25,000	25,000
445.90 Other Revenue	4,320	5,043	3,000	62,000	94,000
40 - Charges for Services	1,178,368	1,164,216	1,173,900	1,223,855	1,269,180
Percent Change 2016vs 2015 Budget					8.12%
45 - Interest Income					
450.05 Savings	-	-	-	-	-
450.10 Investment Pool	11	-	-	-	-
45 - Interest Income	11	-	-	-	-
Percent Change 2016vs 2015 Budget					0.00%
50 - Miscellaneous Revenue					
465.65 Grants	-	17,630	-	-	-
50 - Miscellaneous Revenue	-	17,630	-	-	-
Percent Change 2016vs 2015 Budget					0.00%
55 - Operating Transfers					
460.05 Operating Transfers Interfund Transfers In	58,960	-	187,150	205,404	155,020
55 - Operating Transfers	58,960	-	187,150	205,404	155,020
Percent Change 2016vs 2015 Budget					-17.17%
Revenues Total	1,237,339	1,181,845	1,361,050	1,429,259	1,424,200
Percent Change 2016vs 2015 Budget					4.64%

Expenses

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Department:	84 - Golf					
10 - Salaries						
500.05	Full Time	322,813	225,454	228,878	150,000	50,000
500.10	Part Time	106,812	142,188	158,628	24,000	30,000
500.15	Seasonal	88,305	84,682	98,100	88,000	90,000
500.35	Overtime	19,252	18,039	13,500	-	-
500.40	Longevity	3,300	1,600	2,600	1,400	600
10 - Salaries		540,482	471,963	501,706	263,400	170,600
Percent Change 2016 vs 2015 Budget						-66.00%
15 - Taxes and Benefits						
505.05	Group & Medical Life	48,314	42,639	64,750	10,560	21,000
505.10	Professional Training	2,705	2,552	1,000	-	-
505.15	Dues & Memberships	1,691	2,098	2,000	1,774	1,600
505.25	Uniform Maintenance	1,081	1,424	3,000	-	-
505.26	Uniform Rental	602	-	-	-	-
505.35	Safety Equipment	534	323	500	100	-
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.75	Employer's Contribution - FICA	-	29,218	30,106	16,000	15,784
505.80	Employer's Contribution - IMRF	100,205	50,075	51,643	22,000	12,938
505.85	Employer's Contribution Medicare	-	6,833	7,040	3,500	3,691
15 - Taxes and Benefits		155,131	135,161	160,039	53,934	55,013
Percent Change 2016 vs 2015 Budget						-65.63%
25 - Operating Expenses						
510.02	Telephone	6,937	6,465	5,000	1,000	-
510.03	Postage	-	-	-	-	-
510.04	Travel	320	238	250	-	-
510.10	Maintenance Contracts	-	-	-	-	672,000
510.16	Printing	646	639	700	600	700
510.20	Computer Services	5,016	2,907	6,000	1,212	-
510.21	IT Internal Svc Contribution	-	-	24,589	20,710	6,688
510.28	Audit Fees	-	-	1,500	-	1,500
510.40	Supplies - Office	4,147	5,056	5,000	5,186	5,000
510.49	Supplies - Golf Course	12,945	9,870	13,500	10,500	13,500
510.55	Operating Equip - Department	-	-	-	-	-
510.70	Merchandise Purchases	45,137	39,668	40,000	44,000	45,000
510.73	Golf Cart Rental	63,402	57,638	54,520	58,000	55,000
510.79	Advertising & Promotions	17,157	12,127	15,000	16,000	10,000
510.82	GPS Expense	-	-	-	-	-

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
510.83	Credit Card Fees	25,754	26,681	25,800	26,000	26,000
510.85	State Sales Tax	3,536	4,049	4,000	4,000	4,000
535.01	Building Mnt Internal Svc Cntrb	-	-	231,986	197,274	195,025
545.01	Central Garage Internal Svc	-	-	-	-	-
25 - Operating Expenses		184,996	165,338	427,845	384,482	1,034,413
Percent Change 2016vs 2015 Budget						141.77%
30 - Contractual Services						
515.05	IRMA Premium	10,000	265	265	265	265
515.10	Unemployment Insurance	-	25,000	25,000	18,749	8,000
515.15	IRMA Deductible - Worker's Comp	-	10,324	57	57	57
515.20	IRMA Deductible - Non Wrker's Co	-	-	38	38	38
30 - Contractual Services		10,000	35,589	25,360	19,109	8,360
Percent Change 2016vs 2015 Budget						-67.03%
40 - Repairs and Maintenance						
535.20	Buildings & Facilities	27,107	40,696	-	-	-
535.35	Golf Course	23,200	21,902	-	2,239	-
535.40	Irrigation System	11,583	7,121	-	-	5,000
545	Maintenance & Repairs - Vehicles	-	-	-	-	-
545.05	Gasoline	17,097	19,239	20,000	1,095	-
545.10	Diesel Fuel	-	-	-	-	-
545.15	Automotive Parts	-	-	-	-	-
545.20	Garage Labor	-	-	-	-	-
545.25	Lubricants	-	-	-	-	-
545.30	Garage Overhead	-	-	-	-	-
545.35	Body Work	-	-	-	-	-
545.40	Contractual Auto Services	-	-	-	-	-
550	Maintenance & Repairs - Other	-	-	-	-	-
550.05	Department Equipment	11,597	10,473	14,000	-	-
40 - Repairs and Maintenance		90,584	99,431	34,000	3,334	5,000
Percent Change 2016vs 2015 Budget						-85.29%
45 - Commodities						
530.05	Electricity - Facilities	53,150	53,219	50,000	50,000	50,000
530.20	Gas - Facilities	21,993	4,663	19,000	15,000	15,000
530.45	Chemicals and Fertilizers	89,978	90,847	90,000	5,000	-
530.50	Small Equipment Tools & Hardware	1,322	1,289	1,500	-	-
45 - Commodities		166,443	150,018	160,500	70,000	65,000
Percent Change 2016vs 2015 Budget						-59.50%

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
50 - Other Expenses					
580.05 All Other Expenses	1,131	997	500	-	1,000
800 Depreciation	488,656	488,656	-	-	-
50 - Other Expenses	489,787	489,653	500	-	1,000
Percent Change 2016 vs 2015 Budget					100.00%
55 - Capital Outlay					
555.10 Office and Other Equipment	183	22,081	100	-	100
555.30 Reserve for Capital Replacement	-	30,000	20,000	20,000	-
555.50 Reserve for Buildings	-	13,940	10,000	10,000	10,000
555.60 Reserve for Infrastructure	-	-	-	-	45,400
560 Capital Projects	-	-	-	-	-
560.30 Buildings & Structures	-	1,250	1,000	-	-
560.80 Golf Course	49,315	17,408	20,000	605,000	20,000
55 - Capital Outlay	49,498	84,679	51,100	635,000	75,500
Percent Change 2016 vs 2015 Budget					47.75%
Department Total : 84 - Golf	1,686,923	1,631,832	1,361,050	1,429,259	1,414,886
Percent Change 2016 vs 2015 Budget					3.96%
Expenditures Total	1,686,923	1,631,832	1,361,050	1,429,259	1,414,886
Percent Change 2016 vs 2015 Budget					3.96%

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 2016, the proposed revenue budget for the Village's Water and Sewer Fund totals \$13,834,475 compared to \$16,474,253 for FY 2015. This is a decrease of \$2,639,778 or 16.02 percent. The drop in revenue is caused by the water meter replacement program. The budget spike is due to the water meter replacement program, which will continue in 2016. Water usage is projected to be low from a historical standpoint, but in line with the current trend of actual usage in 2014 and 2015. Water Fund revenues include building fees, sales of water, investment income and all other revenues.

Building Revenue & Fees: The revenue for development fees are \$60,000 for the proposed budget. This account group takes into consideration anticipated building and development plans. Building revenue and fees are developed in conjunction with estimates used by the Community Development Department.

Sales of Water: Significant revenue accrues from the metered sale of water along with sanitary sewer treatment fees due the County of Lake.

Sales of Water and Village Sewer combined rate for 2016 adjusts to \$5.69/1,000 gallons. The Water rate is \$4.56 and Sewer is \$1.13. The combined rate will continue to increase 4 percent each year. The rate recommendations were the result of the twenty-year proforma analysis. This report will be updated and reviewed annually.

Over the last three years, water usage has stabilized and no significant growth in consumption was factored for FY 2016. The only growth projected is a result of the installation of new meters. Consumption in Buffalo Grove has significantly decreased in the last ten years. The decrease in consumption is due to several factors including economic decisions to better manage water use, recent weather patterns of cooler and wetter summers, and more efficient appliances,

The last line item of significance is Lake County Sanitary Sewer Treatment Fees. Lake County residents pay \$4/1,000 gallons of water metered for sanitary sewer treatment. The rate is set by the County of Lake. The Village of Buffalo Grove bills on behalf of the county to save administrative costs. Cook County residents pay for sanitary sewer treatment through a property tax levied by the Greater Water Reclamation District of Chicago.

2016 Personnel Summary- Water/Sewer

Water/Sewer	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Maintenance Worker I	4	0	4	0	2	0
Maintenance Worker II	3	0	4	0	6	0
Maintenance Worker II- CL	1	0	0	0	0	0
Maintenance Worker III	1	0	0	0	0	0
Water Section Manager	0	0	1	0	1	0
Sewer and Drainage Manager	0	0	1	0	1	0
Utility Superintendent	1	0	1	0	1	0
Water Customer Worker II	1	0	0	0	0	0
Water Customer MWII-CL	1	0	1	0	0	0
Total	12	0	12	0	11	0

Budget Summary

Water

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	604,602	499,000	641,036
Personal Benefits	254,787	354,116	330,853
Operating Expenses	1,756,340	2,177,842	2,223,324
Contractual Services	71,769	71,968	65,506
Repairs & Maintenance	130,660	60,200	117,500
Capital Equipment	292,303	4,362,499	4,312,500
Commodities	234,938	234,960	266,200
All Other Expenses	1,083,180	-	-
Debt	10,592	19,433	354,183
Other Financing Uses	965,000	945,000	945,000
Total	5,404,171	8,725,018	9,256,102

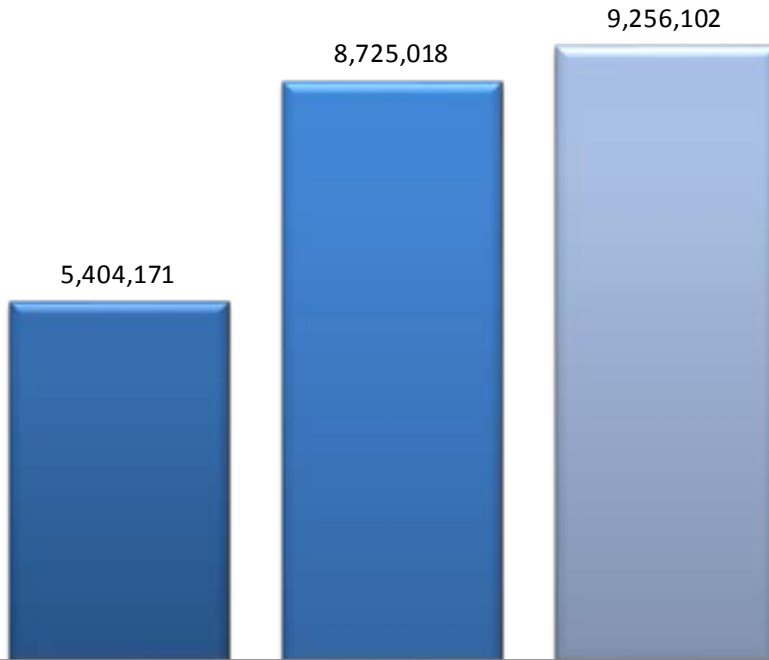
Budget Variance

Water

Line Item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
500.40	Longevity	11.23%	404	Employee milestone
505.10	Professional Training	20.00%	700	Increase need for training
505.75	Employer's Contribution - FICA	(17.20%)	(7,511)	Correct prior year miscalculation
505.85	Employer's Contribution Medicare	(71.11%)	(22,542)	Correct prior year miscalculation
510.21	IT Internal Svc Contribution	13.86%	5,798	Recalibrate cost basis
510.40	Supplies - Office	11.11%	50	Additional supplies
535.01	Building Mnt Internal Svc	(24.19%)	(68,673)	Recalibrate cost basis
545.01	Central Garage Internal Svc	(12.76%)	(18,080)	Recalibrate cost basis
540.10	Pumping Stations	100.00%	5,000	Additional repairs needed
530.65	Water Meter Purchases	(100.00%)	(43,000)	Remainder of meter purchase for replacement program
535.05	Sidewalks, Curbs, & Bikeways	New	25,000	Reclassified from Building Maintenance Fund
560.60	Water System	(51.76%)	(4,560,000)	Prior year expenditure for water meter program
565.20	Interest	4519.47%	271,620	Interest for water meter payment due in 2016
555.10	Office and Other Equipment	New	800	Based on trend
565.10	Principal	New	76,553	Principal for water meter project payment due in 2016

Water

■ FY 2014 Actual ■ FY 2015 Est Actual ■ FY 2016 Budget



Total

Revenue

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 170 - Water & Sewer Fund					
<u>Revenues</u>					
30 - Permits					
435.75 Water Connection Fees	7,476	1,650	1,500	5,000	1,500
435.76 Lake County Sewer Tap On Fees	20,450	30,600	25,000	105,405	50,000
435.77 Village Sewer Tap On Fees	450	450	250	4,500	1,000
435.78 Water Meter Sales	6,128	4,786	4,000	8,000	2,500
435.79 System Improvement Fees	9,126	6,800	5,000	15,000	5,000
435.80 Sewer T.V. Inspection Fees	-	-	-	-	-
Recapture Fees	630	-	-	-	-
30 - Permits	44,260	44,286	35,750	137,905	60,000
Percent Change 2016 vs 2015 Budget					67.83%
40 - Charges for Services					
441.05 Resident - Regular	4,229,973	4,727,943	5,627,523	5,425,776	5,805,580
441.15 Debt Service Charge	125,677	(4)	-	-	-
441.20 Penalties	102,516	102,353	95,000	100,000	100,000
441.30 Construction Water	-	118	500	-	250
441.60 Fees - Turn On	500	1,271	1,500	1,000	1,000
441.65 Fees - Water Use Non-Resident	-	-	-	-	-
442 Village Sewer					
442.05 Resident - Regular	1,007,343	1,179,056	1,293,730	1,350,598	1,458,645
442.10 Penalties	-	-	-	-	-
443.00 Lake County Sewer Sanitary Sewer Service Fees	3,182,543	3,021,238	3,410,000	3,320,972	3,400,000
40 - Charges for Services	8,648,553	9,031,975	10,428,253	10,198,346	10,765,475
Percent Change 2016 vs 2015 Budget					3.23%
45 - Interest Income					
450.05 Savings	622	3,014	250	500	500
450.10 Investment Pool	-	-	-	-	-
450.15 Money Market	(786)	9	-	-	-
450.20 CD's	5,838	4,543	6,000	5,000	5,000
450.25 Securities	6,769	11,462	4,000	3,500	3,500
45 - Interest Income	12,442	19,028	10,250	9,000	9,000
Percent Change 2016 vs 2015 Budget					-12.20%

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
50 - Miscellaneous Revenue					
465.65 Grants	173,618	154,818	-	-	-
465.90 Miscellaneous Income	6,991	596,189	6,000,000	3,000,000	3,000,000
50 - Miscellaneous Revenue	180,609	751,007	6,000,000	3,000,000	3,000,000
Percent Change 2016 vs 2015 Budget					-50.00%
55 - Operating Transfers					
460.05 Interfund Transfers In	-	-	-	-	-
55 - Operating Transfers	-	-	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
Revenues Total	8,885,865	9,846,296	16,474,253	13,345,251	13,834,4755
Percent Change 2016 vs 2015 Budget					-16.02%

Expense

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Department: 55 - Public Works						
Division: 35 - Water						
10 - Salaries						
500.05	Full Time	581,335	518,232	640,604	440,000	576,725
500.10	Part Time	81	753	-	-	-
500.35	Overtime	54,604	82,117	60,311	55,000	60,311
500.40	Longevity	4,367	3,500	3,596	4,000	4,000
10 - Salaries		640,387	604,602	704,511	499,000	641,036
Percent Change 2016 vs 2015 Budget						-9.01%
15 - Taxes and Benefits						
505.05	Group & Medical Life	127,487	112,581	165,431	165,431	181,000
505.10	Professional Training	1,594	1,604	3,500	4,200	4,200
505.15	Dues & Memberships	302	221	894	894	900
505.20	Clothing Allowance	986	1,239	2,100	2,100	2,100
505.25	Uniform Maintenance	2,326	795	-	-	-
505.26	Uniform Rental	-	2,179	2,705	2,705	2,700
505.35	Safety Equipment	2,850	6,795	6,900	6,000	7,000
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.75	Employer's Contribution - FICA	-	36,110	43,680	43,680	36,169
505.80	Employer's Contribution - IMRF	137,879	79,536	94,404	97,404	87,624
505.85	Employer's Contribution Medicare	-	8,445	31,702	31,702	9,160
15 - Taxes and Benefits		273,424	254,787	351,316	354,116	330,853
Percent Change 2016 vs 2015 Budget						-5.82%
25 - Operating Expenses						
510	Operating Expenses	-	47	-	-	-
510.02	Telephone	7,357	4,572	6,500	6,000	6,500
510.04	Travel	-	-	-	-	-
510.10	Maintenance Contracts	59,389	60,230	114,000	114,000	114,000
510.12	Equipment Rental	-	-	1,018	900	1,018
510.14	Subscriptions & Publications	-	240	-	-	-
510.16	Printing	-	-	4,000	3,200	4,000
510.21	IT Internal Svc Contribution	-	-	41,843	35,243	47,641
510.40	Supplies - Office	266	931	450	460	500
510.50	Supplies - All Other	644	908	2,800	2,000	2,800
510.55	Operating Equip - Department	2,083	336	6,000	6,000	6,000

	Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
510.83	Credit Card Fees	532	1,064	2,000	2,000	2,000
510.84	Bank Fees	23,945	19,773	-	-	-
510.90	Northwest Water Commission	1,300,123	1,668,240	1,800,000	1,669,000	1,700,000
535.01	Building Mnt Internal Svc	-	-	283,898	247,520	215,225
545.01	Central Garage Internal Svc	-	-	141,720	91,519	123,640
25 - Operating Expenses		1,394,341	1,756,340	2,404,229	2,177,842	2,223,324
Percent Change 2016 vs 2015 Budget						0.00%
30 - Contractual Services						
515.05	IRMA Premium	129,942	46,868	46,868	46,868	46,868
515.10	Unemployment Insurance	-	1,600	1,600	1,600	1,600
515.15	IRMA Deductible - Worker's Comp	-	14,512	10,043	21,000	10,043
515.20	IRMA Deductible - Non Wrker's Co	-	8,789	6,995	2,500	6,995
30 - Contractual Services		129,942	71,769	65,506	71,968	65,506
Percent Change 2016 vs 2015 Budget						0.00%
40 - Repairs and Maintenance						
535.05	Sidewalks, Curbs, & Bikeways	-	-	-	-	25,000
535.20	Buildings & Facilities	-	4,455	-	-	-
540	Maintenance & Repairs - Water & Sewer	-	-	-	-	-
540.05	Well Equipment	4,907	615	10,000	9,000	10,000
540.10	Pumping Stations	19,161	11,738	5,000	4,800	10,000
540.15	Watermains & Services	12,546	15,720	16,000	13,000	16,000
540.20	Reservoirs	91	225	5,000	4,000	5,000
540.25	Water Meters	1,598	5,666	14,000	8,000	15,000
540.30	Hydrants & Valves	14,255	31,881	20,000	9,000	20,000
545	Maintenance & Repairs - Vehicles	-	720	-	-	-
545.05	Gasoline	9,035	6,632	-	-	-
545.10	Diesel Fuel	16,906	10,756	-	-	-
545.15	Automotive Parts	7,371	6,162	-	-	-
545.20	Garage Labor	24,166	13,914	-	-	-
545.25	Lubricants	-	-	-	-	-
545.30	Garage Overhead	-	-	-	-	-
545.35	Body Work	-	-	-	-	-
545.40	Contractual Auto Services	7,929	21,576	-	-	-
550	Maintenance & Repairs - Other	-	-	-	-	-
550.05	Department Equipment	325	32	16,000	12,000	16,000
550.10	Radios	-	570	500	400	500

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
40 - Repairs and Maintenance	118,290	130,660	86,500	60,200	117,500
Percent Change 2016 vs 2015 Budget					0.00%
45 - Commodities					
530.15 Electricity - Water & Sewer	223,231	188,049	230,000	200,000	230,000
530.20 Gas - Facilities	690	2,901	4,400	3,500	4,400
530.30 Gas - Water & Sewer	500	-	-	-	-
530.45 Chemicals and Fertilizers	2,331	1,487	5,220	4,800	5,200
530.50 Small Equipment Tools & Hardware	953	1,503	1,600	1,300	1,600
530.60 Water Sample Analysis	15,100	15,400	25,360	25,360	25,000
530.65 Water Meter Purchases	19,439	25,597	43,000	-	-
45 - Commodities	262,243	234,938	309,580	234,960	266,200
Percent Change 2016 vs 2015 Budget					-14.01%
50 - Other Expenses					
580.05 All Other Expenses	222	-	-	-	-
580.66 IRMA Deductible - Non Wrkr's Cmp	-	-	-	-	-
800 Depreciation	1,083,042	1,083,180	-	-	-
50 - Other Expenses	1,083,264	1,083,180	-	-	-
Percent Change 2016 vs 2015 Budget					-51.4%
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	-	786	800
555.30 Reserve for Capital Replacement	54,255	54,255	54,255	54,000	54,000
555.40 Reserve for Technology	182	2,088	1,500	1,500	1,500
555.50 Reserve for Buildings	-	6,265	6,265	6,213	6,200
560 Capital Projects	-	-	-	-	-
560.60 Water System	49,279	229,695	8,810,000	4,300,000	4,250,000
55 - Capital Outlay	103,716	292,303	8,872,020	4,362,499	4,312,500
Percent Change 2016 vs 2015 Budget					0.00%
60 - Debt Service					
565.10 Principal	-	6,788	-	12,596	76,553
565.20 Interest	-	3,804	6,010	6,837	277,630
565.60 Northwest Water Service	352,822	-	-	-	-
60 - Debt Service	352,822	10,592		19,433	354,183
Percent Change 2016 vs 2015 Budget					5793.23%

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
65 - Other Financing Uses						
570.10	Operating Transfers Corporate Fund	765,000	765,000	765,000	765,000	765,000
570.20	Operating Transfers Debt Service Fund	180,000	200,000	180,000	180,000	180,000
65 - Other Financing Uses		945,000	965,000	945,000	945,000	945,000
Percent Change 2016 vs 2015 Budget						0.00%
Division Total: 35 - Water		5,303,429	5,404,171	13,744,672	8,725,018	9,256,102
Percent Change 2016 vs 2015 Budget						0.00%

Budget Summary Sewer

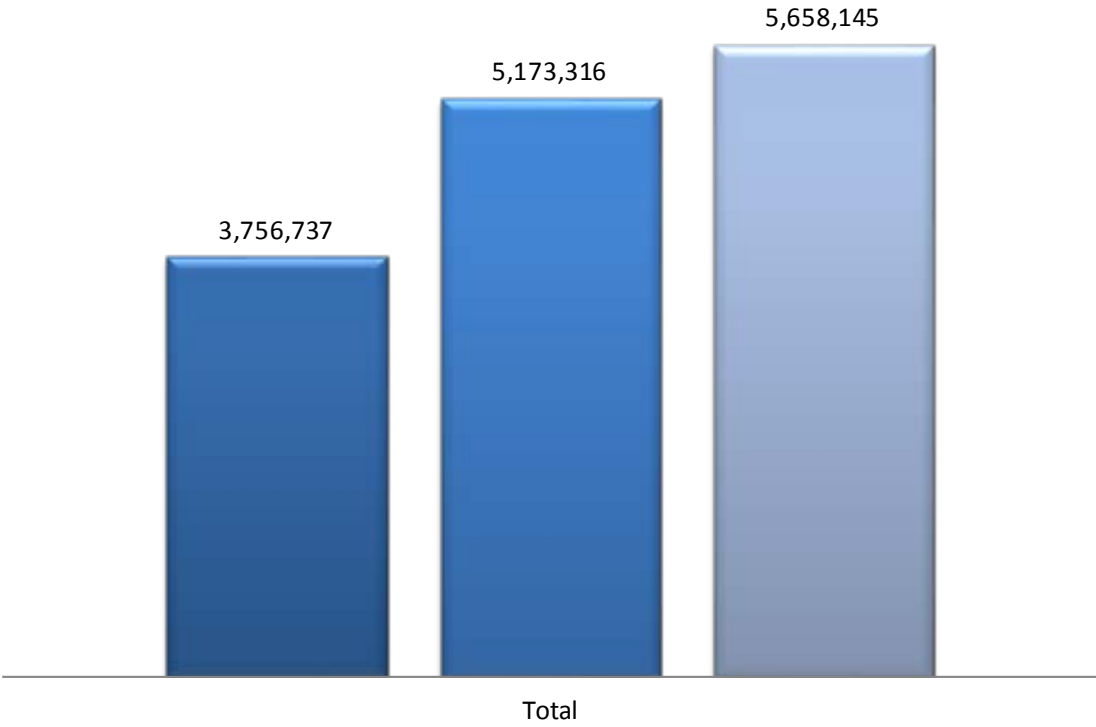
	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	314,397	323,200	335,790
Personal Benefits	125,854	183,208	190,499
Operating Expenses	40,202	233,615	291,119
Contractual Services	32,801	35,192	41,693
Repairs & Maintenance	27,750	25,700	35,900
Capital Equipment	114,984	892,024	1,266,644
Commodities	3,100,679	3,480,377	3,496,500
All Other Expenses	70	-	-
Total	3,756,737	5,173,316	5,658,145

Budget Variance Sewer

Line Item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
505.15	Dues & Memberships	100.00%	100	Additional membership
510.40	Supplies - Office	11.11%	50	Additional supplies
535.01	Building Mnt Internal Svc Cntrb	13.94%	17,947	Recalibrated cost basis
545.01	Central Garage Internal Svc	-34.68%	(27,023)	Recalibrated cost basis
535.05	Sidewalks, Curbs, & Bikeways	New	10,000	Reclassified from Building Maintenance
540.35	Storm and Sanitary Sewers	37.50%	1,500	Based on historical trend
530.70	Lake County Tap-On Fees	25.00%	10,000	Based on historical trend
555.10	Office and Other Equipment	New	700	Additional equipment request
560.70	Sewer System	43.44%	374,000	Additional repairs to sewer system needed

Sewer

■ FY 2014 Actual ■ FY 2015 Est Actual ■ FY 2016 Budget



Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Division: 36 - Sewer						
10 - Salaries						
500.05	Full Time	287,912	296,793	335,007	306,000	317,590
500.35	Overtime	15,235	15,964	14,112	14,100	15,000
500.40	Longevity	68,370	1,640	2,947	3,100	3,200
10 - Salaries		371,517	314,397	352,066	323,200	335,790
Percent Change 2016 vs 2015 Budget						-4.62%
15 - Taxes and Benefits						
505	Personal Benefits	-	2,718	-	-	-
505.05	Group & Medical Life	55,520	53,444	98,494	98,490	107,500
505.10	Professional Training	-	775	1,600	1,600	1,600
505.15	Dues & Memberships	60	30	100	200	200
505.20	Clothing Allowance	440	279	701	701	700
505.25	Uniform Maintenance	1,386	174	-	-	-
505.26	Uniform Rental	-	699	1,135	1,135	1,200
505.35	Safety Equipment	3,745	2,258	7,780	7,000	7,800
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.75	Employer's Contribution - FICA	-	18,937	21,828	21,800	20,599
505.80	Employer's Contribution - IMRF	679	42,111	47,177	47,177	46,082
505.85	Employer's Contribution Medicare	-	4,429	5,105	5,105	4,818
15 - Taxes and Benefits		61,830	125,854	183,920	183,208	190,499
Percent Change 2016 vs 2015 Budget						3.58%
25 - Operating Expenses						
510.02	Telephone	23,301	15,207	15,000	15,000	15,000
510.04	Travel	-	-	-	-	-
510.10	Maintenance Contracts	16,767	12,238	48,112	38,000	49,000
510.12	Equipment Rental	-	-	200	200	200
510.14	Subscriptions & Publications	-	-	75	75	75
510.21	IT Internal Svc Contribution	-	-	18,577	15,647	17,738
510.40	Supplies - Office	199	132	450	400	500
510.50	Supplies - All Other	2,570	1,163	3,500	3,000	3,500
510.55	Operating Equip- Department	1,164	11,462	7,500	7,000	7,500
535.01	Building Mnt Internal Svc Cntrb	-	-	128,770	103,979	146,717
545.01	Central Garage Internal Svc	-	-	77,912	50,314	50,889
25 - Operating Expenses		44,001	40,202		233,615	291,119
Percent Change 2016 vs 2015 Budget						-2.99%

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
30 - Contractual Services						
515	Insurance	-	-	-	-	-
515.05	IRMA Premium	41,648	30,093	30,093	30,093	30,093
515.10	Unemployment Insurance	-	800	800	800	800
515.15	IRMA Deductible - Worker's Comp	-	(2,120)	6,449	-	6,500
515.20	IRMA Deductible - Non Wrker's Co	-	4,028	4,299	4,299	4,300
30 - Contractual Services		41,648	32,801	41,641	35,192	41,693
Percent Change 2016 vs 2015 Budget						0.12%
40 - Repairs and Maintenance						
535.05	Sidewalks, Curbs, & Bikeways	-	-	-	-	10,000
540	Maintenance & Repairs - Water & Sewer	-	-	-	-	-
540.35	Storm and Sanitary Sewers	2,544	5,056	4,000	5,300	5,500
540.40	Lift Stations	14,430	5,256	14,200	14,200	14,000
545	Maintenance & Repairs - Vehicles	-	-	-	-	-
545.05	Gasoline	2,793	2,015	-	-	-
545.10	Diesel Fuel	9,208	5,462	-	-	-
545.15	Automotive Parts	2,754	2,822	-	-	-
545.20	Garage Labor	7,464	7,039	-	-	-
545.25	Lubricants	-	-	-	-	-
545.30	Garage Overhead	-	-	-	-	-
545.35	Body Work	-	-	-	-	-
545.40	Contractual Auto Services	3,600	99	-	-	-
550	Maintenance & Repairs - Other	-	-	-	-	-
550.05	Department Equipment	3,153	-	6,200	6,000	6,200
550.10	Radios	-	-	200	200	200
40 - Repairs and Maintenance		45,945	27,750	24,600	25,700	35,900
Percent Change 2016 vs 2015 Budget						45.93%
45 - Commodities						
530.15	Electricity - Water & Sewer	-	36,219	45,000	40,000	45,000
530.50	Small Equipment Tools & Hardware	707	476	1,500	14,000	1,500
530.70	Lake County Tap-On Fees	20,400	30,600	40,000	105,405	50,000
530.75	Lake County Sanitary Sewer Fees	3,180,992	3,033,384	3,410,000	3,320,972	3,400,000
45 - Commodities		3,202,099	3,100,679	3,496,500	3,480,377	3,496,500
Percent Change 2016 vs 2015 Budget						0.00%

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
50 - Other Expenses					
580.05 All Other Expenses	82	70	-	-	-
50 - Other Expenses	82	70	-	-	-
Percent Change 2016 vs 2015 Budget					
55 - Capital Outlay					
555.10 Office and Other Equipment	-	-	-	-	700
555.30 Reserve for Capital Replacement	26,044	26,044	26,044	26,044	26,044
555.40 Reserve for Technology	1,009	1,350	1,400	1,400	1,400
555.50 Reserve for Buildings	-	3,580	3,580	3,580	3,500
560 Capital Projects	-	-	-	-	-
560.70 Sewer System	976	84,010	861,000	861,000	1,235,000
55 - Capital Outlay	28,029	114,984	892,024	892,024	1,266,644
Percent Change 2016 vs 2015 Budget					42.00%
60 - Debt Service					
565.10 Principal	-	-	-	-	-
565.20 Interest	-	-	-	-	-
60 - Debt Service	-	-	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
Division Total: 36 - Sewer	3,795,151	3,756,737	5,290,847	5,173,316	5,658,145
Percent Change 2016 vs 2015 Budget					6.94%
Department Total: 55 - Public Works	9,098,579	9,160,908	19,035,519	13,898,334	14,914,247
Percent Change 2016 vs 2015 Budget					-21.65%
Expenditures Total	9,098,579	9,160,908	19,035,519	13,898,334	14,914,247
Percent Change 2016 vs 2015 Budget					-21.65%

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 2015-2016 commitment by the Village of an estimated 15,289 tons of refuse to be processed at a rate of \$49.17/ton.

On April 16, 2012, the Village Board approved a five-year contract with Waste Management. On July 8, 2015 the agreement was amended to extend the contract to April 30, 2019.

The negotiated rates are fixed during the duration of the contract. The effective rates are noted below.

	Single Family Monthly Rate	Multi Family Monthly Rate
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*	NA
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

Budget Summary Refuse

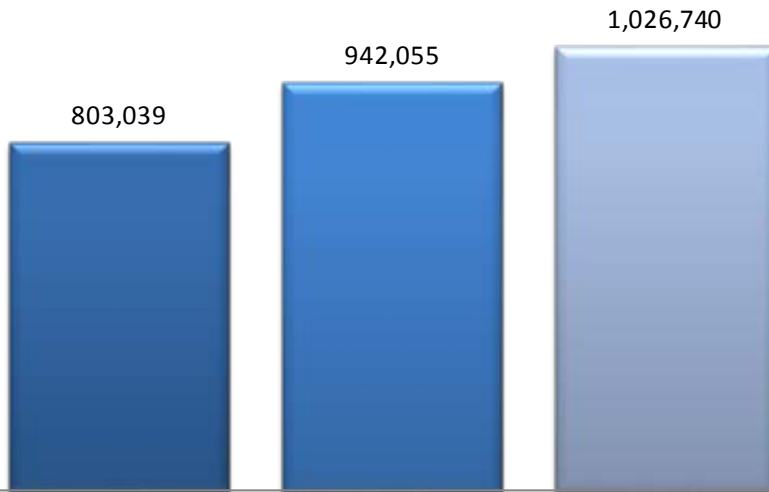
	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
All Other Expenses	803,039	867,055	751,740
Other Financing Uses	-	75,000	275,000
Total	803,039	942,055	1,026,740

Budget Variance Refuse

Line Item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
570.30	Operating Transfers Capital Projects Fund	New	200,000	Transfer to support street improvements

Refuse Fund

■ FY 2014 Actual ■ FY 2015 Est Actual ■ FY 2016 Budget



Total

Revenue

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 200 - Refuse Fund					
50 - Miscellaneous Revenue					
465 All Other Revenue	-	-	-	-	-
465.55 SWANCC User Fees	1,040,878	1,121,919	1,025,000	1,069,300	1,040,000
50 - Miscellaneous Revenue	1,040,878	1,121,919	1,025,000	1,069,300	1,040,000
Percent Change 2016 vs 2015 Budget					1.46%
Revenues Total	1,040,878	1,121,919	1,025,000	1,069,300	1,040,000
Percent Change 2016 vs 2015 Budget					1.46%

Expense

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Department: 86 - Refuse					
50 - Other Expenses					
580.05 All Other Expenses	23,445	-	-	-	-
580.35 SWANCC User Fees	879,365	803,039	890,000	867,055	751,740
50 - Other Expenses	902,810	803,039	890,000	867,055	751,740
Percent Change 2016 vs 2015 Budget					-15.53%
65 - Other Financing Uses					
570.10 Operating Transfers Corporate Fund	-	-	75,000	75,000	75,000
570.30 Operating Transfers Capital Projects Fund	-	-	-	-	200,000
65 - Other Financing Uses	-	-	75,000	75,000	275,000
Percent Change 2016 vs 2015 Budget					266.67%
Department Total: 86 - Refuse	902,810	803,039	965,000	942,055	1,026,740
Percent Change 2016 vs 2015 Budget					6.40%
Expenditures Total	902,810	803,039	965,000	942,055	1,026,740
Percent Change 2016 vs 2015 Budget					6.40%

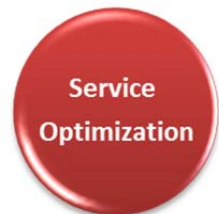
Section 8

Internal Service Funds

Information Technology Fund

Central Garage Fund

Building and Facility Maintenance Fund



Internal Service Funds

Internal Service Funds provide services to other Village departments so they can efficiently provide goods and services to the Village of Buffalo Grove residents

Internal service funds are activities that produce goods or services to be provided to other departments within the governmental unit or amongst multiple governmental units. The Village's internal service funds only support internal operations. The Village's internal service funds are:

Fund 211 – Information Technology

Fund 212 – Central Garage

Fund 213 – Building Maintenance

Internal service funds are operated and accounted for on a business basis. All expenditures incurred for the Village related to technology, building maintenance, and central garage are charged to the corresponding fund. The Finance Department establishes the budget for an internal service fund the same way it does for any other department or fund. Expenditures are assessed to each department based on the direct cost of the good or service and an overhead amount that covers indirect costs. The operating expenditures can be found in the department budgets under the following accounts; I.T. contribution (510.21), building maintenance contribution (535.01), and central garage contribution (545.01).

The internal service funds generate revenue from the expenditures incurred at the department level. The funds maintain year-end operating statements, referred to in the Comprehensive Annual Financial Report (CAFR), in the Statement of Revenues, Expenditures, and Change in Fund Net Assets.

Internal service funds allow the Village to better cost the services provided to residents. Building maintenance department costs are redistributed back to other departments based on the square footage of the facilities they occupy. Central Garage costs are based on each department's historical usage of fuel, parts, and contracted repairs. The percentage used to disburse the direct costs to the departments for salaries and benefits is applied to Central Garage overhead. IT costs are based on the number of employees in a department, or the number of software licenses that are used amongst multiple departments.

The approach provides fully allocated costs for the departments included as internal service funds as they are applicable to other departments in the Village that provide direct services to the residents and community.

Information Technology

Information Technology provides management, review, and oversight of each Village Department's information system needs

Information Technology is provided through the Government IT Consortium of which the Village of Buffalo Grove is a founding member. Each member of the consortium shares the same contractor for IT services. The contract administration is housed within the Office of the Village Manager. The Division is now staffed by full-time employees hired by the Consortium's contractor with IT management provided by the manager of the Consortium.

Prior to joining the Commission many of the Village's applications were out of date. Due to the significant savings in personnel costs as a result of joining the Consortium the Village has been able to reinvest the savings into much needed improvements to the IT infrastructure.

Information Technology allows all departments to access the network, email, and all other technologies. The IT fund allocations are spread by function based on applications used by department and IT users. Most of the costs budgeted in the fund are contracted service or maintenance agreements programs the Village utilizes. Other costs include a formal computer replacement plan which was established for the first time in the 2015 budget.



Government IT Consortium Mission

The mission of the Government IT Consortium is to drive down the costs of IT by sharing service providers, making joint purchases, and sharing infrastructure.

2016 Staffing Summary

In 2014, the Village opted to join the Government IT Consortium and out-sourced the IT function.

Information Technology	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Director of Information Technology	1	0	0	0	0	0
Information Technology Analyst	1	0	0	0	0	0
Information Technology Assistant	1	0	0	0	0	0
Programmer	0	0	0	0	0	0
Total	3	0	0	0	0	0
Full & Part-Time Total	3		0		0	

Budget Summary

Information Technology

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	218,039	-	-
Personal Benefits	94,765	-	-
Operating Expenses	445,905	856,236	1,169,673
Contractual Services	1,016	17,357	17,357
Repairs and Maintenance	691	2,000	5,000
Capital Equipment	119,555	32,219	32,219
All Other Expenses	95	-	-
Total	880,067	907,812	1,224,249

*The FY 2014 figures represent the Information Technology Fund when it was a department. In 2015, it was recognized as an internal service fund. The increase in fund expenses (\$262,778) is primarily a result of expenses moved from department budgets into the IT Fund. Examples include the GIS Program (145,000), Performance Evaluation Software, Agenda Management Software, Administrative Adjudication Software, FOIA Software, and Applicant Tracking Software.

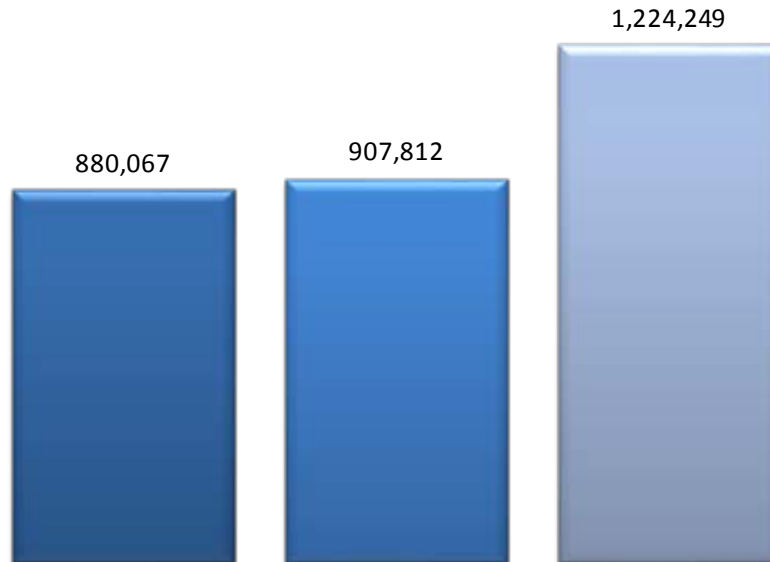
Budget Variance

Information Technology

Line Item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
510.02	Telephone	15.37%	13,989	Reclassified from departments
510.10	Maintenance Contracts	47.89%	262,778	Reclassified from various departments
510.14	Subscriptions & Publications	-66.97%	(30,420)	Reduction of subscriptions
510.20	Computer Services	-37.51%	(142,225)	Reduction of services
510.40	Supplies - Office	New	1,200	Supplies needed for maintenance
515.20	IRMA Deductible - Non Worker's Co	New	17,357	Additional insurance coverage

Information Technology

■ FY 2014 Actual ■ FY 2015 Est Actual ■



Total

Revenues

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 211 - Information Technology Fund					
55 - Operating Transfers					
460.05 Interfund Transfers In	-	-	-	-	-
461.01 Internal Service Contributions Information Technology Fund	-	-	1,101,570	907,812	1,224,249
55 - Operating Transfers	-	-	1,101,570	907,812	1,224,249
Percent Change 2016 vs. 2015 Budget					11.14%
Revenues Total	-	-	1,101,570	907,812	1,224,249
Percent Change 2016 vs. 2015 Budget					11.14%

Expenses

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 211 - Information Technology Fund					
Department: 92 - Information Technology					
10 - Salaries					
500.05 Full Time	304,975	216,407	-	-	-
500.10 Part Time	16,097	-	-	-	-
500.35 Overtime	615	233	-	-	-
500.40 Longevity	2,200	1,400	-	-	-
10 - Salaries	323,887	218,039	-	-	-
Percent Change 2016 vs. 2015 Budget					0.00%
15 - Taxes and Benefits					
505.05 Group & Medical Life	79,008	33,907	-	-	-
505.10 Professional Training	5,276	14,497	-	-	-
505.15 Dues & Memberships	75	-	-	-	-
505.45 ICMA Deferred Compensation	-	-	-	-	-
505.75 Employer's Contribution - FICA	-	13,467	-	-	-
505.80 Employer's Contribution - IMRF	-	29,744	-	-	-
505.85 Employer's Contribution Medicare	-	3,150	-	-	-
15 - Taxes and Benefits	84,359	94,765	-	-	-
Percent Change 2016 vs. 2015 Budget					0.00%
25 - Operating Expenses					
510.02 Telephone	19,529	12,772	91,011	91,011	105,000
510.04 Travel	727	176	-	-	-
510.06 Per Diem Allowance	74	220	-	-	-
510.08 Reception & Community Affairs	114	32	-	-	-

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
510.10	Maintenance Contracts	42,981	343,294	548,725	548,725	811,503
510.14	Subscriptions & Publications	75	234	45,420	1,500	15,000
510.20	Computer Services	204,389	85,238	379,195	215,000	236,970
510.40	Supplies - Office	(11,857)	3,939	-	-	1,200
25 - Operating Expenses		256,031	445,905	1,064,351	856,236	1,169,673
Percent Change 2016 vs. 2015 Budget						9.90%
30 - Contractual Services						
515.05	IRMA Premium	-	1,016	-	-	-
515.10	Unemployment Insurance	480	-	-	-	-
515.15	IRMA Deductible - Worker's Comp	-	-	-	-	-
515.20	IRMA Deductible - Non Wrker's Co	-	-	-	17,357	17,357
30 - Contractual Services		480	1,016	-	17,357	17,357
Percent Change 2016 vs. 2015 Budget						0.00%
40 - Repairs and Maintenance						
550.05	Department Equipment	190	691	5,000	2,000	5,000
40 - Repairs and Maintenance		190	691	5,000	2,000	5,000
Percent Change 2016 vs. 2015 Budget						0.00%
50 - Other Expenses						
580.05	All Other Expenses	156	95	-	-	-
50 - Other Expenses		156	95	-	-	-
Percent Change 2016 vs. 2015 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	649	4,674	-	-	-
555.40	Reserve for Technology	112,067	112,196	32,219	32,219	32,219
555.50	Reserve for Buildings	-	2,685	-	-	-
55 - Capital Outlay		112,716	119,555	32,219	32,219	32,219
Percent Change 2016 vs. 2015 Budget						0.00%
Expenditures Total		777,819	880,067	1,101,570	907,812	1,224,249
Percent Change 2016 vs. 2015 Budget						11.14%

Central Garage Fund

The department goals for Central Garage Fund are included with section 5 of the Corporate Fund Summary in Public Works. Central Garage serves most departments of the Village of Buffalo Grove. The departments that rely most on Central Garage are those with vehicles, equipment, or machinery that require maintenance and/or fuel. The heaviest users are the Police Department, Fire Department, and Public Works. The Central Garage Department's primary service is providing Village employees with safe and reliable tools, equipment, and vehicles to complete tasks efficiently.

Central Garage	FY 2014		FY 2015		FY 2016	
	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
Fleet Manager	1	0	1	0	1	0
Total	5	1	5	1	5	1

Budget Summary Garage

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	484,423	549,310	554,287
Personal Benefits	247,453	227,020	243,150
Operating Expenses	14,890	48,912	32,112
Contractual Services	28,032	32,431	32,320
Repairs and Maintenance	709,790	634,852	871,791
Capital Equipment	1,049,310	55,218	55,218
Commodities	1,901	2,500	3,000
All Other Expenses	-	-	-
Total	2,535,801	1,550,243	1,791,878

Budget Variances Garage

Line item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
510.02	Telephone	-25.00%	(500)	Reduction in phone lines
510.14	Subscriptions & Publications	120.00%	3,000	Web based technical vehicle repair manual
510.21	IT Internal Svc Contribution	-100.00%	(27,474)	Recalibrated cost basis
545.05	Gasoline	-11.37%	(28,366)	Reduction based on historical usage
545.10	Diesel Fuel	-20.00%	(59,009)	Reduction based on historical usage
545.15	Automotive Parts	11.99%	20,800	Increase due to aging fire fleet
545.20	Garage Labor	-100.00%	(397,968)	Chargeback calculated on historical usage
545.25	Lubricants	30.91%	2,007	Increase based on parts
545.30	Garage Overhead	-100.00%	(191,817)	Chargeback calculated on historical usage
545.35	Body Work	-100.00%	(11,000)	Reduction based on historical usage
545.40	Contractual Auto Services	69.90%	85,555	Increase due to aging fire fleet
550.05	Department Equipment	-27.27%	(1,500)	Reduction based on historical usage
550.10	Radios	-100.00%	(200)	Reduction based on historical usage

PW- Central Garage

■ FY 2014 Actual ■ FY 2015 Est Actual ■ FY 2016 Budget

2,535,801.07



1,550,243.00



1,791,878.00



Total

Revenues

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 212 - Central Garage Fund						
55 - Operating Transfers						
460.05	Interfund Transfers In	-	-	-	-	-
461.03	Internal Service Contributions Central Garage Fund	-	-	2,365,390	1,550,243	1,791,878
55 - Operating Transfers		-	-	2,365,390	1,550,243	1,791,878
Percent Change 2016vs 2015 Budget						-24.25%
Revenues Total		-	-	2,365,390	1,550,243	1,791,878
Percent Change 2016vs 2015 Budget						-24.25%

Expenditures

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 212 - Central Garage Fund						
Department: 93 - Central Garage						
10 - Salaries						
500.05	Full Time	473,882	462,210	509,601	509,601	524,953
500.10	Part Time	16,462	16,856	17,045	17,045	18,370
500.35	Overtime	9,745	1,057	6,147	18,000	6,300
500.40	Longevity	4,167	4,300	4,664	4,664	4,664
10 - Salaries		504,257	484,423	537,457	549,310	554,287
Percent Change 2016 vs 2015 Budget						3.13%
15 - Taxes and Benefits						
505.05	Group & Medical Life	136,144	137,745	106,269	106,269	116,250
505.10	Professional Training	-	150	700	700	700
505.15	Dues & Memberships	242	311	200	200	200
505.20	Clothing Allowance	244	758	1,069	1,069	1,069
505.26	Uniform Rental	3,503	3,977	4,898	4,898	4,898
505.35	Safety Equipment	231	-	750	750	750
505.45	ICMA Deferred Compensation	-	-	-	-	-
505.75	Employer's Contribution - FICA	-	28,860	33,322	33,322	34,366
505.80	Employer's Contribution - IMRF	-	64,352	72,019	72,019	76,880
505.85	Employer's Contribution Medicare	-	6,816	7,793	7,793	8,037
15 - Taxes and Benefits		140,364	247,453	227,020	227,020	243,150
Percent Change 2016 vs 2015 Budget						7.11%
25 - Operating Expenses						
510.02	Telephone	1,574	1,002	2,000	800	1,500
510.04	Travel	-	-	-	-	-
510.10	Maintenance Contracts	-	-	3,500	3,500	3,500
510.12	Equipment Rental	-	-	300	-	300
510.14	Subscriptions & Publications	1,595	2,660	2,500	2,500	5,500
510.21	tribution	-	-	27,474	23,140	-
510.40	Supplies - Office	165	-	472	472	472
510.50	Supplies - All Other	2,524	4,434	5,000	5,000	5,000
510.55	Operating Equip - Department	389	6,794	15,840	13,500	15,840
25 - Operating Expenses		6,246	14,890	57,086	48,912	32,112
Percent Change 2016 vs 2015 Budget						-43.75%

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
30 - Contractual Services						
515.05	IRMA Premium	-	23,078	23,078	23,078	23,078
515.10	Unemployment Insurance	1,000	1,000	1,000	1,000	1,000
515.15	IRMA Deductible - Worker's Comp	-	3,954	4,945	5,056	4,945
515.20	IRMA Deductible - Non Wrker's Co	-	-	3,297	3,297	3,297
30 - Contractual Services		1,000	28,032	32,320	32,431	32,320
Percent Change 2016 vs 2015 Budget						0.00%
40 - Repairs and Maintenance						
545.05	Gasoline	220,504	206,183	249,424	147,602	221,058
545.10	Diesel Fuel	188,240	198,449	295,037	117,559	236,028
545.15	Automotive Parts	162,193	159,099	173,450	176,831	194,250
545.20	Garage Labor	-	-	397,968	-	-
545.25	Lubricants	8,053	5,250	6,493	8,500	8,500
545.30	Garage Overhead	-	-	191,817	-	-
545.35	Body Work	-	-	11,000	-	-
545.40	Contractual Auto Services	92,057	137,757	122,400	181,860	207,955
550	Maintenance & Repairs - Other	-	-	-	-	-
550.05	Department Equipment	3,113	3,051	5,500	2,500	4,000
550.10	Radios	-	-	200	-	-
40 - Repairs and Maintenance		674,160	709,790	1,453,289	634,852	871,791
Percent Change 2016 vs 2015 Budget						-40.01%
45 - Commodities						
530.50	Small Equipment Tools & Hardware	791	1,902	3,000	2,500	3,000
45 - Commodities		791	1,902	3,000	2,500	3,000
Percent Change 2016 vs 2015 Budget						0.00%
50 - Other Expenses						
580.05	All Other Expenses	-	-	-	-	-
50 - Other Expenses		-	-	-	-	-
Percent Change 2016 vs 2015 Budget						0.00%
55 - Capital Outlay						
555	Capital Equipment	14,482	-	-	-	-
555.10	Office and Other Equipment	-	-	1,400	1,400	1,400
555.20	Automobiles & Trucks	175,228	1,023,425	18,743	18,743	18,743

	Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
555.30	Reserve for Capital Replacement	(2,573)	20,511	30,000	30,000	30,000
555.40	Reserve for Technology	-	900	600	600	600
555.50	Reserve for Buildings	-	4,475	4,475	4,475	4,475
55 - Capital Outlay		187,137	1,049,311	55,218	55,218	55,218
Percent Change 2016 vs 2015 Budget						0.00%
Expenditures Total		1,513,956	2,535,801	2,365,390	1,550,243	1,791,878
Percent Change 2016 vs 2015 Budget						-24.25%

Building Maintenance Fund

The department goals for the Building Maintenance Department are included with the Public Works Department in Section 5 Corporate Fund Summary.

The Building Maintenance Department services all Village facilities and properties. Each year, in conjunction with the development of the Capital Improvement Plan (CIP), departments submit building requests that they would like completed in the coming fiscal year. These are requests for building improvements, general maintenance is performed regularly through out the year as scheduled. Those projects are included in the budget based on the ability to fund the improvement or repair.

Building Maintenance	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Building Maintenance Supervisor	1	0	1	0	0	0
-Building Maintenance Manager	0	0	0	0	1	0
Building Maintenance Worker	2	0	2	0	2	0
Building Maintenance Worker II – CL	1	0	1	0	1	0
Total	4	0	4	0	4	0

**Budget Summary
Building Maintenance**

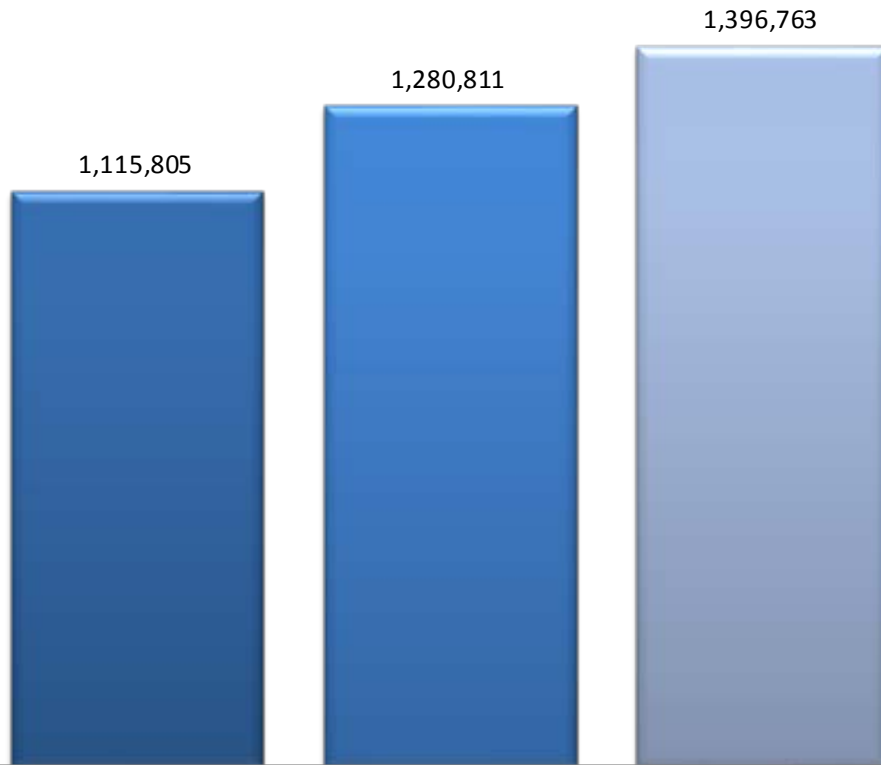
	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	307,410	344,664	395,570
Personal Benefits	169,668	181,085	192,025
Operating Expenses	84,066	175,347	146,055
Contractual Services	17,193	24,300	26,846
Repairs and Maintenance	309,298	410,065	491,222
Capital Equipment	18,787	25,350	25,000
Commodities	209,114	120,000	120,045
All Other Expenses	269	-	-
Total	1,115,805	1,280,811	1,396,763

**Budget Variance
Building Maintenance**

Line item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
500.35	Overtime	25.91%	2,058	Increase based on historical usage
500.40	Longevity	(27.29%)	(1,000)	Reduction of employee
505.10	Professional Training	33.33%	500	IPSI Training
510.04	Travel	(100.00%)	(200)	Reduction based on historical usage
510.21	IT Internal Svc Contribution	(100.00%)	(19,358)	Recalibrated cost basis
545.01	Central Garage Internal Svc	(100.00%)	(41,122)	Recalibrated cost basis
515.15	IRMA Deductible - Worker's Comp	46.64%	1,781	Increase based on historical usage
535.05	Sidewalks, Curb, and Bike paths	(100.00%)	(300,000)	Reclassified to CIP
535.10	Streets & Highways	(100.00%)	(253,000)	Reclassified to PW Streets
535.20	Buildings & Facilities	(11.15%)	(27,143)	Reclassified to Fire Department
535.40	Irrigation System	(100.00%)	(20,000)	Reclassified to Golf
530.20	Gas - Facilities	45.45%	5,000	Increase based on historical usage

Building Maintenance Fund

■ FY 2014 Actual ■ FY 2015 Est Actual ■ FY 2016 Budget



Total

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 213 - Building Maintenance Fund						
55 - Operating Transfers						
460.05	Operating Transfers Interfund Transfers In	-	-	-	-	-
461.02	Internal Service Contributions Building Maintenance Fund	-	-	2,042,347	1,280,811	1,396,763
55 - Operating Transfers		-	-	2,042,347	1,280,811	1,396,763
Percent Change 2016 vs 2015 Budget						-31.61%
Revenues Total		-	-	2,042,347	1,280,811	1,396,763
Percent Change 2016 vs 2015 Budget						-31.61%

Expenditures

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 213 - Building Maintenance Fund						
Department: 94 - Building Maintenance						
10 - Salaries						
500	Personal Services	-	-	-	-	-
500.05	Personal Services Salaries - Full Time	328,466	292,961	385,876	330,000	382,906
500.10	Personal Services Salaries - Part Time	81	770	-	-	-
500.35	Personal Services Salaries - Overtime	6,464	10,479	7,942	12,000	10,000
500.40	Personal Services Salaries - Longevity	3,200	3,200	3,664	2,664	2,664
10 - Salaries		338,212	307,410	397,482	344,664	395,570
Percent Change 2016vs 2015 Budget						-0.48%
15 - Taxes and Benefits						
505.05	Personal Benefits Group & Medical Life	94,887	91,160	87,018	87,018	95,250
505.10	Personal Benefits Professional Training	40	920	1,500	1,000	2,000
505.15	Personal Benefits Dues & Memberships	222	366	500	500	500
505.20	Personal Benefits Clothing Allowance	640	953	875	875	875
505.26	Personal Benefits Uniform Rental	4,233	9,606	6,273	6,273	6,273
505.35	Personal Benefits Safety Equipment	312	-	1,950	1,750	2,000
505.45	Personal Benefits ICMA Deferred Compensation	-	-	-	-	-
505.75	Personal Benefits Employer's Contribution - FICA	-	18,233	24,644	24,644	24,525
505.80	Personal Benefits Employer's Contribution - IMRF	-	41,256	53,262	53,262	54,866
505.85	Personal Benefits Employer's Contribution Medicare	-	4,264	5,763	5,763	5,736
15 - Taxes and Benefits		100,334	169,668	181,785	181,085	192,025
Percent Change 2016vs 2015 Budget						5.63%
25 - Operating Expenses						
510.02	Operating Expenses Telephone	1,205	4,944	2,500	2,500	2,500
510.04	Operating Expenses Travel	-	-	200	-	-
510.10	Operating Expenses Maintenance Contracts	60,371	65,068	108,300	108,300	108,300
510.12	Operating Expenses Equipment Rental	-	11,682	500	500	540
510.14	Operating Expenses Subscriptions & Publications	-	-	220	220	220
510.20	Operating Expenses Computer Services	-	-	-	-	-
510.21	IT Internal Svc Contribution	-	-	19,358	16,304	-

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
510.40	Operating Expenses Supplies - Office	342	489	600	600	600
510.50	Operating Expenses Supplies - All Other	9,210	1,883	33,350	20,000	33,350
510.55	Operating Expenses Operating Equip - Department	-	-	500	500	545
545.01	Central Garage Internal Svc	-	-	41,122	26,423	-
25 - Operating Expenses		71,128	84,066	206,650	175,347	146,055
Percent Change 2016vs 2015 Budget						-29.32%
30 - Contractual Services						
515.05	Insurance IRMA Premium	-	17,823	17,900	17,900	17,900
515.10	Insurance Unemployment Insurance	1,600	800	800	800	800
515.15	Insurance IRMA Deductible - Worker's Comp	-	(1,430)	3,819	5,600	5,600
515.20	Insurance IRMA Deductible - Non Wrker's Co	-	-	2,546	-	2,546
30 - Contractual Services		1,600	17,193	25,065	24,300	
Percent Change 2016vs 2015 Budget						7.11%
40 - Repairs and Maintenance						
535.05		-	-	300,000	-	-
535.10	Maintenance & Repairs - Facilities Streets & Highways	-	788	253,000	-	-
535.15	Maintenance & Repairs - Facilities Street Lights	243,872	203,829	216,000	180,000	216,000
535.20	Maintenance & Repairs - Facilities Buildings & Facilities	92,904	97,557	243,365	208,365	216,222
535.35	Maintenance & Repairs - Facilities Golf Course	-	-	56,800	20,000	56,800
535.40	Maintenance & Repairs - Facilities Irrigation System	-	-	20,000	-	-
545.05	Maintenance & Repairs - Vehicles Gasoline	-	-	-	-	-
545.10	Maintenance & Repairs - Vehicles Diesel Fuel	-	-	-	-	-
545.15	Maintenance & Repairs - Vehicles Automotive Parts	-	-	-	-	-
545.20	Maintenance & Repairs - Vehicles Garage Labor	-	-	-	-	-
545.25	Maintenance & Repairs - Vehicles Lubricants	-	-	-	-	-
545.30	Maintenance & Repairs - Vehicles Garage Overhead	-	-	-	-	-
545.35	Maintenance & Repairs - Vehicles Body Work	-	-	-	-	-
545.40	Maintenance & Repairs - Vehicles Contractual Auto Services	-	-	-	-	-

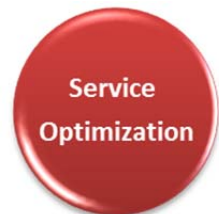
Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
550	Maintenance & Repairs - Other	-	-	-	-	-
550.05	Maintenance & Repairs - Other Department Equipment	-	-	2,100	1,600	2,100
550.10	Maintenance & Repairs - Other Radios	-	-	100	100	100
40 - Repairs and Maintenance		338,282	309,298	1,091,365	410,065	491,222
Percent Change 2016 vs 2015 Budget						-54.99%
45 - Commodities						
530.10	Commodities Electricity - Street Lights	92,955	129,904	98,000	98,000	98,000
530.15	Commodities Electricity - Water & Sewer	-	-	-	-	-
530.20	Commodities Gas - Facilities	312	69,227	11,000	16,000	16,000
530.25	Commodities Gas - Street Lights	7,271	9,982	5,500	5,500	5,500
530.50	Commodities Small Equipment Tools & Hardware	133	-	500	500	545
45 - Commodities		100,671	209,114	115,000	120,000	120,045
Percent Change 2016 vs 2015 Budget						4.39%
50 - Other Expenses						
580.05	All Other Expense All Other Expenses	4,142	269	-	-	-
50 - Other Expenses		4,142	269	-	-	-
Percent Change 2016 vs 2015 Budget						0.00%
55 - Capital Outlay						
555.10	Capital Equipment Office and Other Equipment	-	-	250	600	250
555.20	Capital Equipment Automobiles & Trucks	-	-	5,623	5,623	5,623
555.30	Capital Equipment Reserve for Capital Replacement	14,207	14,207	14,207	14,207	14,207
555.40	Capital Equipment Reserve for Technology	-	1,000	1,000	1,000	1,000
555.50	Capital Equipment Reserve for Buildings	-	3,580	3,920	3,920	3,920
55 - Capital Outlay		14,207	18,787	25,000	25,350	25,000
Percent Change 2016 vs 2015 Budget						0.00%
Expenditures Total		968,577	1,115,805	2,042,347	1,280,811	1,396,763
Percent Change 2016 vs 2015 Budget						-31.61%

Section 9

Fiduciary Funds

Police Pension Fund

Firefighters Pension Fund



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. The annual benchmark for investment returns is 7 percent. The annual salary increase assumption remains at 5 percent.

The Police Pension Board has invested about 60 percent of its investment portfolio in equity related instruments (mutual funds and separate stocks) and 40 percent in fixed income investments (money market funds, certificates of deposit, treasury bonds, and government agencies).

The Police Pension's rate of return for the last fiscal year was 7.1 percent.

The 2016 budget includes pensions for 48 annuitants. 38 are traditional retirements, two are disability pensions, two are surviving spouses, and six are deferred pensioners.

Performance Activities and Measures

	2014 Actual	2015 Estimate	2016 Projected
Unfunded Liability (in thousands)	\$24,553	\$26,104	\$27,931
Assets (in thousands)	\$51,387	\$55,238	\$59,105
Percent Funded	67.67%	67.91%	68.24%
Number of Active Participants	64	63	66
Number of Inactive Participants	43	48	50

Departmental Staffing

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

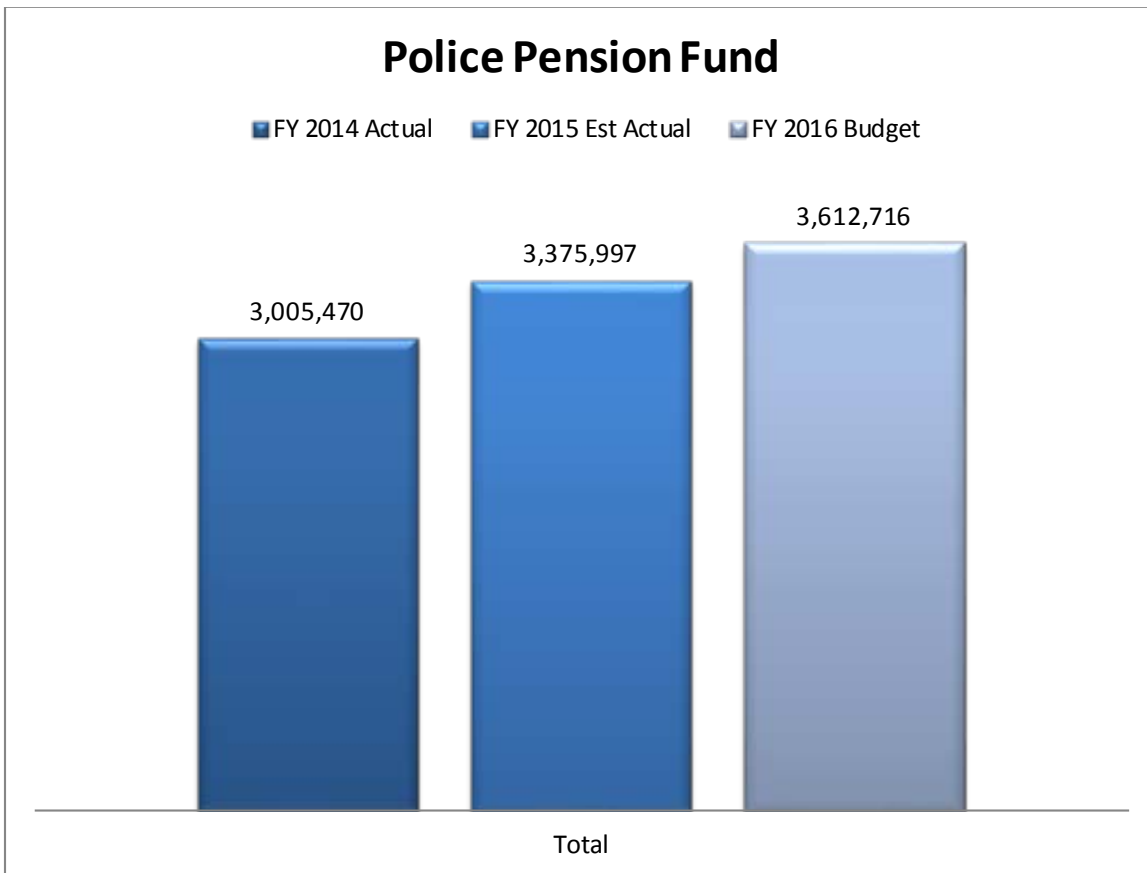
Budget Summary

Police Pension Fund

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Benefits	2,747,592	3,110,997	3,320,216
All Other Expenses	257,878	265,000	292,500
Total	3,005,470	3,375,997	3,612,716

**Budget Variance
Police Pension Fund**

Line Item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
505.55	Survivor Pension - Police	76.67%	75,542	Death of pensioner
505.60	Pension Payment - Police	11.72%	304,823	Additional retirements in 2016
505.70	Pension Refund - Police	53.74%	52,434	Refund for ineligible officers
580.40	Investment Fees	51.52%	85,000	Increase due to trend in fees



Revenue

Description		2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 220 - Police Pension Fund						
45 - Interest Income						
450.05	Savings	3,794	-	4,000	-	-
450.10	Investment Pool	-	-	-	-	-
450.15	Money Market	-	-	-	-	-
450.20	CD's	-	-	-	-	-
450.25	Securities	402,568	454,324	407,519	480,000	495,000
450.26	Fixed Income	186,063	197,252	220,000	235,000	250,000
450.30	Security Disc/Prem	-	-	-	-	-
450.35	Transaction	-	-	-	-	-
450.40	Annuity Gain/Loss	-	-	-	-	-
450.45	Stock Dividend	70,750	168,697	-	185,000	200,000
450.50	Fixed Income	(761,580)	382,168	550,000	125,000	125,000
450.55	Mutual Funds	471,810	372	218,965	60,000	60,000
450.60	Equity Securities	5,320,833	2,778,211	2,311,679	1,120,000	2,000,000
45 - Interest Income		5,694,237	3,981,024	3,712,163	2,205,000	3,130,000
Percent Change 2016 vs 2015 Budget						-15.68%
50 - Miscellaneous Revenue						
465.40	Pension Contributions - ER	-	-	-	-	-
465.41	Pension Contributions - EE	568,266	654,674	641,947	641,947	663,222
465.42	Pension Service Credit Purchase	-	-	-	-	-
465.90	Miscellaneous Income	-	20	-	50	-
50 - Miscellaneous Revenue		568,266	654,694	641,947	641,997	663,222
Percent Change 2016 vs 2015 Budget						3.31%
55 - Operating Transfers						
460.05	Operating Transfers Interfund Transfers In	2,228,447	2,083,758	2,256,676	2,256,676	2,440,239
55 - Operating Transfers		2,228,447	2,083,758	2,256,676	2,256,676	2,440,239
Percent Change 2016 vs 2015 Budget						8.13%
Revenues Total		8,490,951	6,719,476	6,610,786	5,103,673	6,233,461
Percent Change 2016 vs 2015 Budget						-5.70%

Expense

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Department: 88 - Police Pension					
15 - Taxes and Benefits					
505.55 Survivor Pension - Police	98,534	98,534	98,533	170,662	174,075
505.60 Pension Payment - Police	2,270,489	2,461,964	2,600,000	2,700,807	2,904,823
505.65 Disability Payment - Police	89,528	89,528	89,528	89,528	91,318
505.70 Pension Refund - Police	35,576	97,566	97,566	150,000	150,000
Account Classification Total: 15 - Taxes and Benefits	2,494,126	2,747,592	2,885,627	3,110,997	3,320,216
Percent Change 2016 vs 2015 Budget					15.06%
50 - Other Expenses					
580.05 All Other Expense	47,221	33,343	40,000	40,000	42,500
580.40 Investment Fees	143,394	224,535	165,000	225,000	250,000
Account Classification Total: 50 - Other Expenses	190,614	257,878	205,000	265,000	292,500
Percent Change 2016 vs 2015 Budget					42.68%
Department Total: 88 - Police Pension	2,684,741	3,005,470	3,090,627	3,375,997	3,612,716
Percent Change 2016 vs 2015 Budget					16.89%
Expenditures Total	2,684,741	3,005,470	3,090,627	3,375,997	3,612,716
Percent Change 2016 vs 2015 Budget					16.89%

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. The Village’s annual benchmark for investment return is 7 percent. The annual salary increase assumption remains at 5 percent.

The Firefighters Pension Board has invested about 56 percent of its investment portfolio in equity related instruments (mutual funds and separate stocks) and 44 percent in fixed income investments (money market funds, certificates of deposit, treasury bonds, and government agencies).

The Firefighters Pension’s rate of return for the last fiscal year was 7.01 percent.

The 2014 budget includes pensions for 33 annuitants. 25 are traditional retirements, four are disability pensions and four are surviving spouse/children.

Performance Activities and Measures

	2014 Actual	2015 Estimate	2016 Projected
Unfunded Liability (in thousands)	\$19,611	\$18,280	\$21,022
Assets (in thousands)	\$42,849	\$47,198	\$50,502
Percent Funded	68.6%	72.1%	72.5%
Number of Active Participants	56	55	58
Number of Inactive Participants	33	33	36

Departmental Staffing

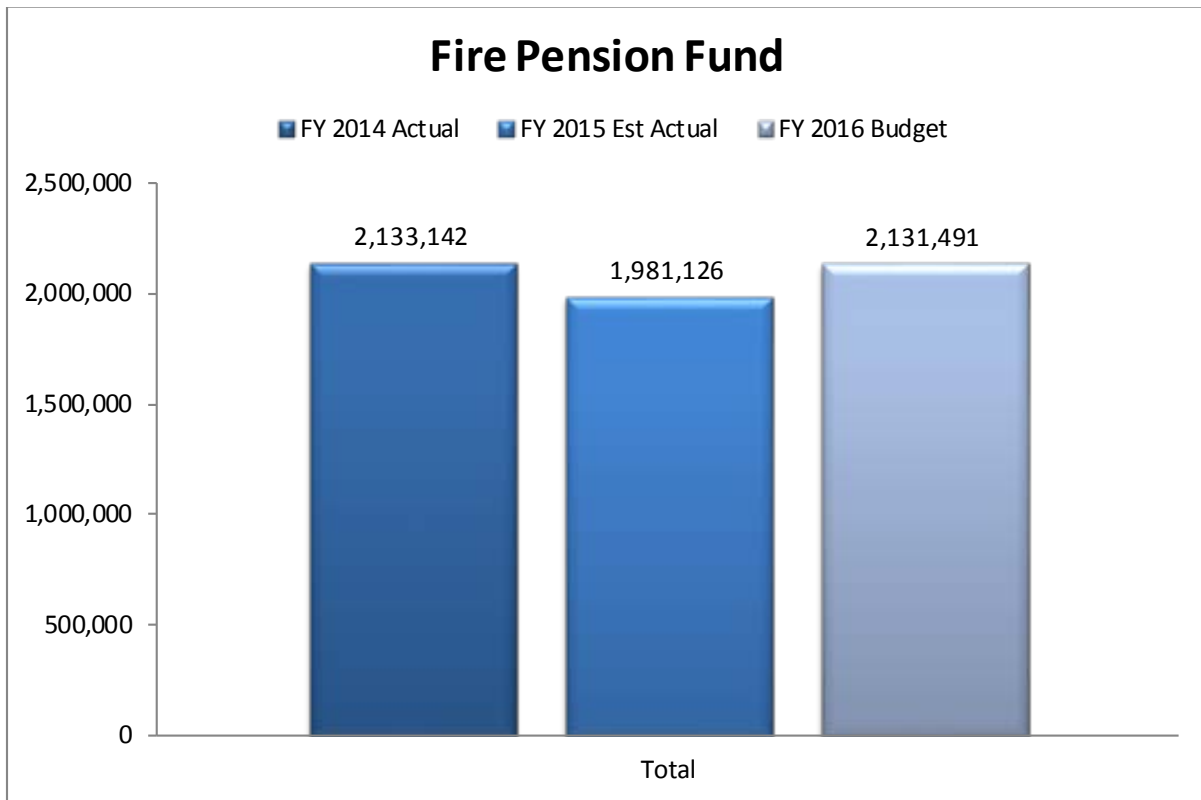
No full time or part time employees are assigned to this program.

Budget Summary Fire Pension Fund

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Benefits	1,943,411	1,857,534	1,966,491
All Other Expenses	189,731	123,592	165,000
Total	2,133,142	1,981,126	2,131,491

**Budget Variance
Fire Pension Fund**

Line Item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
505.66	Disability Payment - Fire	20.00%	50,000	Additional retirement for disability
580.05	All Other Expenses	(42.86%)	(30,000)	Reduction based on historical usage
580.40	Investment Fees	140.38%	73,000	Increase in management fees



Revenue

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 230 - Fire Pension Fund					
45 - Interest Income					
450.05 Savings	-	-	-	-	-
450.10 Investment Pool	-	-	-	-	-
450.15 Money Market	-	-	-	-	-
450.20 CD's	413,542	1,951,217	430,249	620,000	475,000
450.25 Securities	-	-	-	-	-
450.30 Security Disc/Prem	-	-	-	-	-
450.35 Transaction	-	-	-	-	-
450.40 Annuity Gain/Loss	-	-	-	-	-
450.45 Stock Dividend	686,203	-	762,297	350,000	350,000
450.50 Fixed Income	(933,550)	445,422	108,137	200,000	125,000
450.55 Mutual Funds	5,804,070	946,640	2,512,024	1,450,000	980,000
45 - Interest Income	5,970,265	3,343,279	3,812,707	2,620,000	1,930,000
Percent Change 2016 vs 2015 Budget					-49.38%
50 - Miscellaneous Revenue					
465.40 Pension Contributions - ER	-	-	-	-	-
465.41 Pension Contributions - EE	493,080	502,014	545,000	522,000	525,067
465.42 Pension Service Credit Purchase	-	-	-	-	-
465.90 Miscellaneous Income	-	-	-	-	-
50 - Miscellaneous Revenue	493,080	502,014	545,000	522,000	525,067
Percent Change 2016 vs 2015 Budget					-3.66%
55 - Operating Transfers					
460.05 Operating Transfers Interfund Transfers In	2,049,868	2,168,844	2,174,632	2,174,632	2,174,632
55 - Operating Transfers	2,049,868	2,168,844	2,174,632	2,174,632	2,174,632
Percent Change 2016 vs 2015 Budget					0.00%
Department: 89 - Fire Pension					
45 - Interest Income					
450.55 Mutual Funds	-	-	-	-	-
45 - Interest Income	-	-	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
Department Total: 89 - Fire Pension	-	-	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
Revenues Total	8,513,213	6,014,137	6,532,339	5,316,632	4,629,699
Percent Change 2016 vs 2015 Budget					-29.13%

Expense

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Department: 89 - Fire Pension					
15 - Taxes and Benefits					
505.56 Survivor Pension - Fire	79,036	1,941,594	81,491	81,491	81,491
505.61 Pension Payment - Fire	1,453,572	-	1,750,000	1,464,799	1,585,000
505.66 Disability Payment - Fire	149,924	-	250,000	218,650	300,000
505.71 Pension Refund - Fire	-	1,818	-	92,594	-
15 - Taxes and Benefits	1,682,532	1,943,411	2,081,491	1,857,534	1,966,491
Percent Change 2016 vs 2015 Budget					-5.52%
50 - Other Expenses					
580.05 All Other Expenses	149,779	42,368	70,000	30,000	40,000
580.40 Investment Fees	-	147,363	52,000	93,592	125,000
50 - Other Expenses	149,779	189,731	122,000	123,592	165,000
Percent Change 2016 vs 2015 Budget					35.25%
Department Total: 89 - Fire Pension	1,832,311	2,133,142	2,203,491	1,981,126	2,131,491
Percent Change 2016 vs 2015 Budget					-3.27%
Expenditures Total	1,832,311	2,133,142	2,203,491	1,981,126	2,131,491
Percent Change 2016 vs 2015 Budget					-3.27%

Section 10

Other Funds

Parking Lot Fund
Debt Service Fund



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 \$2.00/day. The Village offers a quarterly prepaid parking pass for \$120. As fuel costs continue to fluctuate and employment numbers steadily increase the revenue performance should begin trending upward for Metra fees. Revenues for the commuter rail are tied directly to the economy and employment trends.

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.

The Village has invested significant resources to modernize the Metra parking lot payment system. Commuters have the option to pay with cash or credit card at the terminals located in the Metra station. Additionally, payments are accepted through the website of the automated fare box company or through a downloadable app on supporting smart phone devices at no additional charge by the Village.

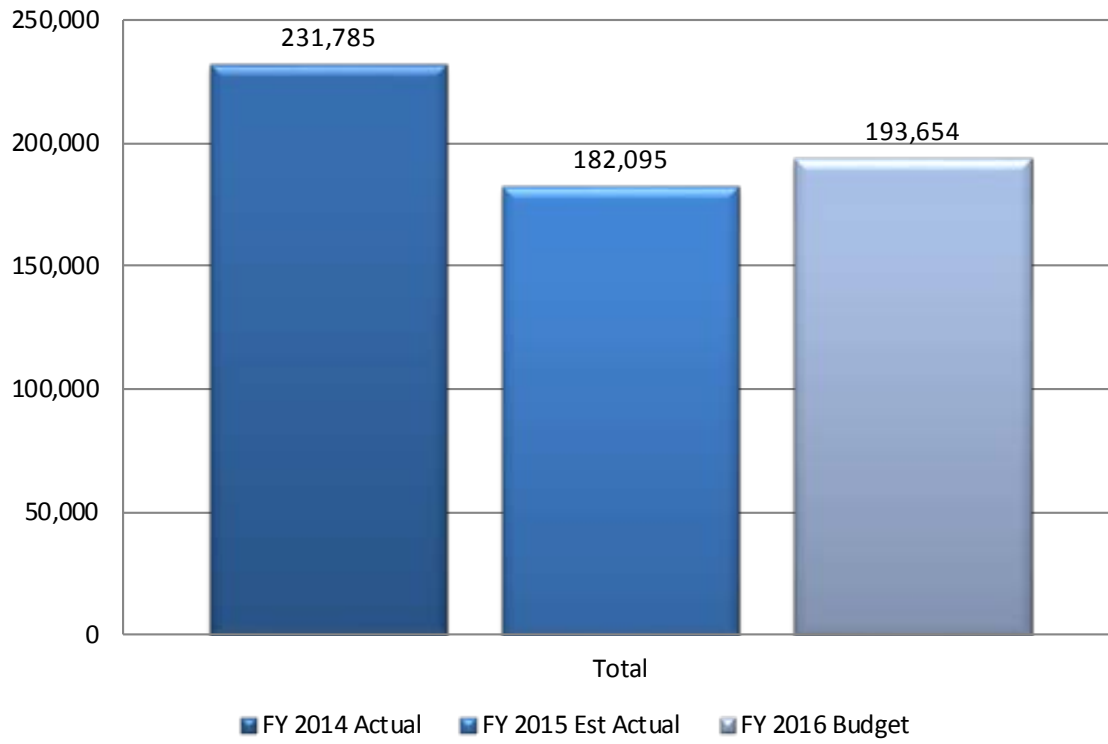
Budget Summary Parking Lot

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Personal Services	1,403	-	-
Personal Benefits	107	-	-
Operating Expenses	141,378	148,595	149,654
Contractual Services	-	-	-
Repairs & Maintenance	76,647	8,500	17,500
Commodities	-	12,500	14,000
All Other Expenses	-	500	500
Other Financing Sources	-	12,000	12,000
Total	219,535	182,095	193,654

Budget Variance Parking Lot

Line Item Number	Account Description	Percent Change	Dollar Amount Change	Description of Change
510.50	Supplies - All Other	New	1,800	Supplies to maintain station
510.83	Credit Card Fees	New	7,500	Processing fees
535.20	Buildings & Facilities	900.00%	13,500	Repair and maintain station
535.25	Parking Lots	150.00%	1,500	Pave and patch lot
530.10	Street Lights	166.67%	1,250	Repair and maintain lights
530.20	Gas - Facilities	33.33%	500	Increase to heat building
580.05	All Other Expenses	100.00%	250	Misc. expenditures
570.10	Operating Transfers Corporate Fund	New	12,000	Transfer to repay corporate fund for costs incurred

Parking Lot Fund



Revenue

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 120 - Metra Parking Lot Fund					
35 - Fines and Fees					
455 Fines & Fees	-	-	-	-	-
455.70 Parking Fees - Daily Metra	45,060	54,330	55,000	55,000	62,700
455.75 Parking Fees - Parking Passes	103,485	125,816	125,000	125,000	166,250
35 - Fines and Fees	148,545	180,146	180,000	180,000	228,950
Percent Change 2016 vs 2015 Budget					27.19%
50 - Miscellaneous Revenue					
465 All Other Revenue	-	-	-	-	-
465.20 Facility Rental	991	1,098	1,100	1,050	1,050
465.90 Miscellaneous Income	-	-	-	-	-
50 - Miscellaneous Revenue	991	1,098	1,100	1,050	1,050
Percent Change 2016 vs 2015 Budget					-4.55%
Revenues Total	149,536	181,244	181,100	181,050	230,000
Percent Change 2016 vs 2015 Budget					27.00%

Expenses

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 120 - Metra Parking Lot Fund					
Department: 81 - Metra Parking					
10 - Salaries					
500.10 Part Time	12,854	1,403	-	-	-
10 - Salaries	12,854	1,403	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
15 - Taxes and Benefits					
505.75 Employer's Contribution - FICA	5	87	-	-	-
505.85 Employer's Contribution Medicare	1	20	-	-	-
15 - Taxes and Benefits	6	107	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
25 - Operating Expenses					
510.10 Maintenance Contracts	6,005	2,861	2,500	2,500	2,500
510.50 Supplies - All Other	3,160	1,604	-	3,160	1,800
510.83 Credit Card Fees	-	6,076	-	7,500	7,500
510.92 Lease Payments	116,239	118,989	120,935	120,935	123,354
510.95 Pace Fees	14,678	11,847	14,500	14,500	14,500
25 - Operating Expenses	140,082	141,378	137,935	148,595	149,654
Percent Change 2016 vs 2015 Budget					8.50%
40 - Repairs and Maintenance					
535.20 Buildings & Facilities	38,522	73,747	1,500	6,000	15,000
535.25 Parking Lots	-	2,900	1,000	2,500	2,500
535.30 Parkway Trees	-	-	-	-	-
40 - Repairs and Maintenance	38,522	76,647	2,500	8,500	17,500
Percent Change 2016 vs 2015 Budget					600.00%
45 - Commodities					
530.05 Facilities	-	-	10,000	10,000	10,000
530.10 Street Lights	-	-	750	1,000	2,000
530.20 Gas - Facilities	(306)	-	1,500	1,500	2,000
530.45 Chemicals and Fertilizers	-	-	-	-	-
45 - Commodities	(306)	-	12,250	12,500	14,000
Percent Change 2016 vs 2015 Budget					14.29%
50 - Other Expenses					
580.05 All Other Expenses	1,240	-	250	500	500

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
50 - Other Expenses	1,240	-	250	500	500
Percent Change 2016 vs 2015 Budget					100.00%
65 - Other Financing Uses					
570.10 Operating Transfers Corporate Fund	-	-	-	12,000	12,000
65 - Other Financing Uses	-	-	-	12,000	12,000
Percent Change 2016 vs 2015 Budget					0.00%
Department Total: 81 - Metra Parking	192,398	219,535	152,935	182,095	193,654
Percent Change 2016 vs 2015 Budget					26.63%
Expenditures Total	192,398	219,535	152,935	182,095	193,654
Percent Change 2016 vs 2015 Budget					26.63%

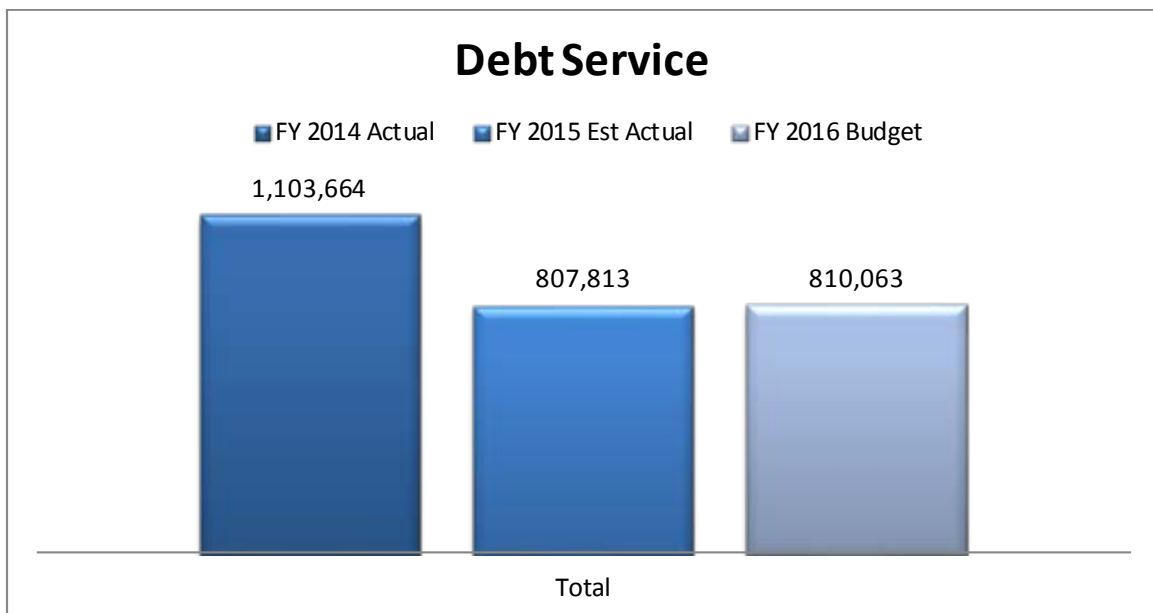
Debt Service Fund

The 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, 2016, the Village has \$10.04 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 addition, the Village is utilizing \$4 million of the \$6 million line of credit to address the replacement of nearly 6,300 Village owned ash trees. The Village intends on drawing against that line of credit to continue to replenish trees Village wide. The Village will extend the line to November 2018 and add an additional 2 million to the line for cash flow purposes to fund capital improvements.

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 2014 for existing as well as new debt.

Budget Summary Debt Service Fund

	FY 2014 Actual	FY 2015 Est Actual	FY 2016 Budget
Operating Expenses	-	-	-
Debt Service	1,103,664	807,813	810,063
Total	1,103,664	807,813	810,063



Revenue

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 140 - Debt Service Fund					
10 - Property Taxes					
400 Property	-	-	-	-	-
400.40 Property Debt Service - Lake County	699,177	683,772	147,456	147,456	149,456
400.41 Property Debt Service - Cook County	212,267	206,195	477,357	477,357	477,607
10 - Property Taxes	911,445	889,967	624,813	624,813	627,063
Percent Change 2016 vs 2015 Budget					0.36%
45 - Interest Income					
450 Investment Revenue	-	-	-	-	-
450.05 Savings	-	-	-	-	-
450.10 Investment Pool	-	30	-	-	-
45 - Interest Income	-	30	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
50 - Miscellaneous Revenue					
465.90 All Other Revenue Miscellaneous Income	-	-	-	-	-
50 - Miscellaneous Revenue	-	-	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
55 - Operating Transfers					
460 Operating Transfers	-	-	-	-	-
460.05 Interfund Transfers In	382,605	200,000	180,000	180,000	180,000
55 - Operating Transfers	382,605	200,000	180,000	180,000	180,000
Percent Change 2016 vs 2015 Budget					0.00%
Revenues Total	1,294,050	1,089,997	804,813	804,813	807,063
Percent Change 2016 vs 2015 Budget					0.28%

Expenses

Description	2013 Actual	2014 Actual	2015 Budget	2015 Est Actual	2016 Budget
Fund: 140 - Debt Service Fund					
Department: 85 - Debt					
25 - Operating Expenses					
510.04 Travel	-	-	-	-	-
25 - Operating Expenses	-	-	-	-	-
Percent Change 2016 vs 2015 Budget					0.00%
60 - Debt Service					
565.10 Principal	940,000	790,000	510,000	510,000	525,000
565.20 Interest	381,800	311,513	294,813	294,813	282,063
565.30 Paying Agent Fees	3,596	2,151	3,000	3,000	3,000
60 - Debt Service	1,325,396	1,103,664	807,813	807,813	810,063
Percent Change 2016 vs 2015 Budget					0.28%
Department Total: 85 - Debt	1,325,396	1,103,664	807,813	807,813	810,063
Percent Change 2016 vs 2015 Budget					0.00%
Expenditures Total	1,325,396	1,103,664	807,813	807,813	810,063
Percent Change 2016 vs 2015 Budget					0.28%

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



Administrative Fee Schedule

Description	Amount	Reference			
Municipal Commuter Station parking lot fees	Daily fee - \$2.00	BGMC 3.52 (Ord. No. 2009-72, § 1, 11-2-2009)* This ordinance number will be updated upon pending board approval			
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 and storage fees are paid to the towing agent.	BGMC 10.20(Ord. No. 2013-71, § 1, 10-21-2013)			
Administrative Adjudication Hearing Fee	\$25.00 to \$50.00	BGMC Section 2.62.040.E.7			
Fines Associated With Violations Heard Through Administrative Adjudication					
Chapter / Section	Title/ Offences	Fine if Paid within 14 Days of Initial Notice	Fine if Paid After 14 Days of Notice but Before Hearing	Minimum Fine at Hearing	Minimum Fine-Must Appear at Hearing
Municipal Commuter Station Parking Lot Fees					
3.52.020	Failure to Pay Daily Parking Fee- Metra	\$25	\$50	\$25	
3.52.040	Resident Parking Only Violation-Metra	\$25	\$50	\$25	
3.52.055	Failure to Pay Daily Parking Fee-Township	\$25	\$50	\$25	
Liquor Controls					
5.20.190	Alcohol underage/possession/consumption/sale				\$75
Solicitors					
5.24.020	Soliciting without a permit	\$50	\$75	\$50	
5.24.080	Soliciting where posted "No Soliciting"	\$50	\$75	\$50	
5.24.090	Soliciting – failure to leave when requested	\$50	\$75	\$50	
5.24.100	Soliciting in violation of soliciting hours/days	\$50	\$75	\$50	
Tobacco					
5.32.090	Sale/delivery of tobacco products to a minor				\$75
5.32.105	Possession of tobacco products by minor				\$50
Hours of Operation Adjacent to Residential Areas					
5.40.040	Violation of Hours of Operation requirements	\$75	\$100	\$75	
Care and Control					
6.12.010	No Rabies Vaccination -1st Violation	\$50	\$75	\$50	
6.12.010	No Rabies Vaccination -2nd Violation	\$75	\$100	\$75	
6.12.010	No Rabies Vaccination -3rd Violation	\$100	\$150	\$100	
6.12.020	No Dog or Cat License	\$100	\$150	\$100	
6.12.060	Failure to Remove Excrement -1st Violation	\$50	\$75	\$50	
6.12.060	Failure to Remove Excrement -2nd Violation	\$75	\$100	\$75	
6.12.060	Failure to Remove Excrement -3rd	\$100	\$150	\$100	

Violation					
6.12.070	Dog or Cat at Large -1st Violation	\$50	\$75	\$50	
6.12.070	Dog or Cat at Large -2nd Violation	\$75	\$100	\$75	
6.12.070	Dog or Cat at Large -3rd Violation	\$100	\$150	\$100	
6.12.080	Excessive Number of Animals -1st Violation	\$50	\$75	\$50	
6.12.080	Excessive Number of Animals -2nd Violation	\$75	\$100	\$75	
6.12.080	Excessive Number of Animals -3rd Violation	\$100	\$150	\$100	
6.12.090	Prohibited Animal -1st Violation	\$50	\$75	\$50	
6.12.090	Prohibited Animal -2nd Violation	\$75	\$100	\$75	
6.12.090	Prohibited Animal -3rd Violation	\$100	\$150	\$100	
6.12.150.D	Excessive Dog Barking -1st Violation	\$50	\$75	\$50	
6.12.150.D	Excessive Dog Barking -2nd Violation	\$75	\$100	\$75	
6.12.150.D	Excessive Dog Barking -3rd Violation	\$100	\$150	\$100	
Refuse					
8.20.020	Lack of required refuse service	\$50	\$75	\$50	
8.20.030	Littering	\$100	\$150	\$100	
8.20.070	Garbage-Out Too Early	\$25	\$50	\$25	
8.20.090	Garbage-Unsecured	\$25	\$50	\$25	
8.20.100	Illegal Dumping/Burning	\$50	\$100	\$50	
Nuisances and Miscellaneous Health Laws					
8.24.020	Stagnant water creating mosquito nuisance	\$50	\$75	\$50	
8.24.060	Pest infestation – Insects	\$50	\$75	\$50	
8.24.070	Pest infestation – Rodents	\$50	\$75	\$50	
8.24.110	Improper feeding of wildlife	\$50	\$75	\$50	
Weeds, Grass, Refuse and Junk					
8.32.010	Weeds in Excess of 12 Inches	\$50	\$75	\$50	
8.32.010.B	Grass in Excess of 6 Inches	\$50	\$75	\$50	
Alarm Systems					
9.04.020	No Valid Alarm Permit	\$25	\$50	\$25	
Controlled Substances					
9.16.020	Possession of Cannabis (under 10grams)	\$200	\$300	\$200	
Drug Paraphernalia					
9.17.020	Possession/ sale of drug paraphernalia	\$100	\$200	\$100	
Disorderly Conduct					
9.28.010	Disorderly conduct				\$100
9.28.010.C	Possession of fireworks	\$50	\$75	\$50	
9.28.025	Public Nuisance Assemblage/Social Host	\$100	\$150	\$100	
Smoking in Public Places					
9.32.020	Smoking in Enclosed Public Place	\$50	\$75	\$50	
9.32.030	Smoking in Place of Employment	\$50	\$75	\$50	
9.32.040	Smoking in Open Air Dining Area	\$50	\$75	\$50	
9.32.050	Smoking at Entrance	\$50	\$75	\$50	
Noise					
9.38.020	Noise Prohibited	\$75	\$125	\$75	
9.38.030	Noise within a multi-family structure	\$100	\$200	\$100	

9.38.037	Construction regulations – hours of work	\$75	\$100	\$75	
Trespass and Damage to Property					
9.48.020	Trespass				\$75
9.48.030A	Damage to Village property				\$75
9.48.040	Graffiti				\$75
Theft					
9.52.020	Theft				\$150
Curfew					
9.68.010	Curfew				\$75
Truancy					
9.70.010	Truancy				\$75
Weapons					
9.80.010	Air rifle/BB gun/Gun discharge				\$75
Snow					
10.08.010	Parking—After 2 inch Snow	\$25	\$50	\$25	
10.08.020	Dumping Snow in Street	\$25	\$50	\$20	
Buffalo Grove Vehicle and Traffic Code. Adoption by Reference of the Illinois Vehicle Code (IVC)					
5/3-401	No valid registration	\$50	\$75	\$50	
5/3-413 (a)	No front/rear registration plate	\$50	\$75	\$50	
5/3-413 (b)	Tinted/obscured license plate covers	\$50	\$75	\$50	
5/3-413 (f)	Operation of vehicle w/expired registration	\$50	\$75	\$50	
5/3-701	Inoperable odometer under mileage plates	\$50	\$75	\$50	
5/1-100 et seq.	Miscellaneous Traffic Code Violations	\$50	\$75	\$50	
5/11-1303.(a).1.b.	Jay Walking	\$25	\$50	\$25	
5/11-1301.3	Handicapped Zone Parking	\$250	\$375	\$250	
5/11-1303.(a).1.b.	Parked Blocking Sidewalk	\$25	\$50	\$25	
5/11-1303.(a).2.b.	Parked Within 15 feet of Fire Hydrant	\$25	\$50	\$25	
5/11--1303.(a).2.c.	Parked Within 20 feet of Crosswalk	\$25	\$50	\$25	
5/11-1303.(a).2.d.	Parked Within 30 feet of Traffic Control Device	\$25	\$50	\$25	
5/11-1303.(a).3.b.	Parking Where Prohibited	\$25	\$50	\$25	
5/11-1303.(a).3.b.	Parking in Loading Zone	\$25	\$50	\$25	
5/11-1304.a.	Parking over 12 inches from Curb	\$25	\$50	\$25	
5/11-1304.a.	Parking -Left Wheels to Curb	\$25	\$50	\$25	
5/6-112	Driver's license not on person	\$50	\$75	\$50	
5/6-116	Failure to notify Secretary of State – change of address	\$50	\$75	\$50	
5/12-713	Improperly marked vehicles – Contractor	\$50	\$75	\$50	
5/12-101	Unsafe equipment	\$50	\$75	\$50	
5/12-201 (a)	Driving motorcycle w/out lighted headlight	\$50	\$75	\$50	
5/12-201 (b)	Driving w/out lights when required	\$50	\$75	\$50	
5/12-201 (b)	Only one tail light	\$50	\$75	\$50	
5/12-201 (c)	No rear license plate light	\$50	\$75	\$50	
5/12-204	Improper lamp or flag on projected load	\$50	\$75	\$50	

5/12-207	Improper use of spot lamp/aux driving lamps	\$50	\$75	\$50	
5/12-208	No stop lights	\$50	\$75	\$50	
5/12-209 (c)	Defective back-up lights	\$50	\$75	\$50	
5/12-210	Failure to dim headlights	\$50	\$75	\$50	
5/12-211	Only one headlight	\$50	\$75	\$50	
5/12-301	Defective brakes	\$50	\$75	\$50	
5/12-405 (c)	Use of unsafe tire	\$50	\$75	\$50	
5/12-502	No rear view mirror	\$50	\$75	\$50	
5/12-503 (c)	Obstructed windshield	\$50	\$75	\$50	
5/12-503 (d)	Obstructed windows – snow, ice, moisture	\$50	\$75	\$50	
5/12-503 (d)	No windshield clearing device (wipers)	\$50	\$75	\$50	
5/12-601 (a)	Defective or no horn	\$50	\$75	\$50	
5/12-602		\$50	\$75	\$50	
5/12-608	No bumper or unlawful bumper height	\$50	\$75	\$50	
5/12-611	Illegal operation of sound amplification - 75'	\$50	\$75	\$50	
5/12-702	No flags, flares, warning devices carried	\$50	\$75	\$50	
5/12-710	Inadequate or no splash guards (mud flaps)	\$50	\$75	\$50	
Towing					
BG-4-101.E.1.	Abandoned vehicle over 7 days	\$25	\$50	\$25	

Rules of the Road					
BG-11-1303.C.1.	Parking on Parkway or Median	\$25	\$50	\$25	
BG-11-1303.C.2.b.	Parking—Blocking Driveway	\$25	\$50	\$25	
BG-11-1303.C.2.c.	Parking in Posted Fire Lane	\$25	\$50	\$25	
BG-11-1308.1.	Parking on Street 2 am to 6 am	\$25	\$50	\$25	
BG-11-1311	Selling Vehicle on Street	\$25	\$50	\$25	
Trees, Shrubs, and Other Plants					
12.20.070	Trees/vegetation obstructing public sidewalks	\$100	\$150	\$100	
12.20.080	Trees/vegetation creating visual obstructing	\$100	\$150	\$100	
Water System Cross-connection Control					
13.05.110. A.2.	Inspection and maintenance	\$50	\$75	\$50	
Water Conservation					
13.16.020	Sprinkling Ban Violation (12-6 pm)	\$100	\$150	\$100	
Sign Code					
14.12.010	Signs Installed without a Permit	\$50	\$75	\$50	
14.32.060	Signs Placed in the Public Right of Way	\$50	\$75	\$50	
International Building Code. Adoption by Reference of the International Building Code (IBC)					
IBC 105.1	Failure to secure required permit (Commercial)	\$200	\$300	\$200	
International Residential Code One-and Two-Family Dwellings. Adoption by Reference of the International Residential Code One-and Two-Family Dwellings (IRC)					
IRC 105.1	Failure to secure required permit (Residential)	\$50	\$75	\$50	
Property Maintenance Code. Adoption by Reference of the International Property Maintenance Code (IPMC)					
IPMC 302.8, as amended	Parking on non-approved surface/grass/lawn	\$50	\$75	\$50	
IPMC 302.8, as amended	Unlicensed vehicle	\$100	\$150	\$100	

IPMC 302.8, as amended	Vehicle in a state of disrepair	\$75	\$125	\$75	
IPMC 304	Property in disrepair	\$75	\$125	\$75	
IPMC 307	Junk/Garbage/Debris on property	\$75	\$100	\$75	
Plumbing Code					
15.12.030	Downspout and sump pump discharges	\$75	\$100	\$75	
Fence Code					
15.20.100	Fence in Disrepair	\$100	\$150	\$100	
Residential Rental Housing Program					
15.36.040	Renting property without a license	\$100	\$150	\$100	
15.36.060	Failure to schedule/allow rental inspection	\$100	\$150	\$100	\$100
Definitions					
17.12.230	Use or occupancy of a One-Family Dwelling by more than one family	\$25	\$50	\$25	\$25
Driveways and Off-Street Parking and Loading Facilities					
17.36.030	Improper Recreational Vehicle Parking	\$50	\$100	\$50	\$50
17.36.030	Improper parking of a commercial vehicle/Residential District	\$25	\$50	\$25	\$25
17.36.030	Oversized Vehicle	\$25	\$50	\$25	\$25
17.36.030	Improperly maintained parking lots	\$50	\$100	\$50	\$50
17.36.030	Improperly marked accessible parking spaces	\$50	\$100	\$50	\$50

Building and Development/Health Fee Schedule		
Description	Amount	Reference
Permit Cancellation Fee	\$50.00	Ord. 2013-067
Construction Fees		
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		
Building Sq. Ft.	Plan Review Fee	
Up to 500	\$50.00	Ord. 2008-048
501-1,000	\$75.00	Ord. 2008-048
1,001-2,000	\$125.00	Ord. 2008-048
2,001-3,000	\$175.00	Ord. 2008-048
3,001-4,000	\$200.00	Ord. 2008-048
4,001-5,000	\$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
Development Ordinance variation for residential property	\$125.00	Ord. 2013-067
Plumbing Permit Fees		
RPZ Installation	\$50.00	Ord. 2013-67
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 amp	\$7.00 each	Ord. 2008-048
20 amp	\$12.00 each	Ord. 2008-048
30 amp	\$20.00 each	Ord. 2008-048
40 amp	\$25.00 each	Ord. 2008-048
50 amp	\$30.00 each	Ord. 2008-048
60 amp	\$40.00 each	Ord. 2008-048
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
Intercom and Public Address System	\$50.00	Ord. 2013-67
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	\$50.00	Ord. 2008-048

partitions		
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
Air Conditioning: (Window units not included)	\$50.00	Ord. 2013-067
Residential – new or replacement unit	\$50.00	Ord. 2013-067
All other uses (new installations) Per 2,000 sq. ft. or fraction thereof	\$50.00	Ord. 2013-067
Modification to existing duct work: Ord. 2013-067		
Minimum mechanical fee	\$50.00	Ord. 2013-067
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 man lift (includes initial inspection)	\$125.00	Ord. 2008-048
Semi-annual inspection/Certificate of compliance:		
Each elevator, dumbwaiter, moving walk, escalator, conveyor or man lift	\$80.00 per inspection	Ord. 2008-048
Repairs and re-inspections	\$80.00 per inspection	Ord. 2008-048
Plan review fee:		
Each elevator, dumbwaiter, moving walk, escalator, conveyor or man lift 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:		
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 fee	\$50.00	Ord. 2008-048

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:		
Variations for principal structures	\$125.00	Ord. 2013-067
Variations – other than principal structures	\$125.00	Ord. 2013-067
All Multiple Family Dwellings:		
Variation for principal structure	\$175.00	
Variation – other than principal structure	\$125.00	
All Business, Office/Research and Industrial Buildings:		
Partial Roof Inspection Fee	\$50.00	
Variation for principal structure	\$175.00	
Variation – other than principal structure	\$125.00	
Fence Permit Fees		
First 100 lineal feet	\$35.00	Ord. 1995-015
Each additional 100 lineal feet or any part thereof	\$5.00	Ord. 1995-015
Fence Code Variation:		
Fence variation application fee	\$125.00	Ord. 2003-032
Sign Permit Fees		
Wall sign non-illuminated	\$50.00 plus \$0.25 a sq. ft.	

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	Every petition shall be accompanied by the required filing fee plus an advance estimate in an amount between \$250.00 and \$1,500.00 for recoverable costs	BGMC Chapter 3.06.040.

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		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.
Payment of Recoverable Costs and Recoverable Cost Escrow	Every petition shall be accompanied by the required filing fee plus an advance estimate in an amount between \$250.00 and \$1,500.00 for	BGMC Chapter 3.06.040.

	recoverable costs	
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POLICE DEPARTMENT FEES		
Description	Amount	Reference
Accident Reports	\$5.00	625 ILCS 5/11-416
Arrest Video	\$50.00	General Order P-08
Fingerprint Fee	\$20.00	Village Ordinance 3.72.010
Municipal Bond Fee	\$20.00	Village Ordinance 3.70.010
Visa/Immigration Fee	\$15.00	Village Ordinance 3.72.020
Freedom of Information Act Request	Free up to 50 pages	5 ILCS 140/6(a)
DUI Vehicle Impoundment	\$500.00	Village Ordinance 10.20.010
False Alarms (within 1 year)		Village Ordinance 9.4.080
1st	\$0.00	
2nd	\$75.00	
3rd	\$125.00	
4th	\$175.00	
5th-9th	\$200.00	
10 or more	\$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 Fees		
Description	Amount	Reference
Emergency Medical Service and Transportation Fee		
Non-Residents		
BLS	\$650.00	BGMC 3.36(Ord. No. 2013-35, § 1, 7-17-2013)
ALS Level 1	\$750.00	BGMC 3.36(Ord. No. 2013-35, § 1, 7-17-2013)
ALS Level 2	\$925.00	BGMC 3.36(Ord. No. 2013-35, § 1, 7-17-2013)
Treat, Non-Transport	\$175.00	BGMC 3.36(Ord. No. 2013-35, § 1, 7-17-2013)
Mileage/mile	\$8.50	BGMC 3.36(Ord. No. 2013-35, § 1, 7-17-2013)
Residents		
BLS	\$475.00	BGMC 3.36(Ord. No. 2013-35, § 1, 7-17-2013)
ALS Level 1	\$550.00	BGMC 3.36(Ord. No. 2013-35, § 1, 7-17-2013)
ALS Level 2	\$700.00	BGMC 3.36(Ord. No. 2013-35, § 1, 7-17-2013)
Treat, Non-Transport	0.00	BGMC 3.36(Ord. No. 2013-35, § 1, 7-17-2013)
Mileage/mile	\$8.50	BGMC 3.36(Ord. No. 2013-35, § 1, 7-17-2013)
Hazardous Substance Removal and Abatement		
Actual personnel cost, including benefits, consultants, cost of equipment that is contaminated, material costs, contract or mutual aid costs, and attorneys fees.		BGMC 8.48 (Ord. No. 1989-92)
Specialized Emergency Response and Recovery Fee		
Motor Vehicle Incidents		
Non-Residents		
Level 1	\$435.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 2	\$495.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 3	\$605.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 4	\$1,800.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)

Level 5	\$2,200.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 6	Itemized	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Residents		
Level 1	\$435.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 2	\$495.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 3	\$605.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 4	\$900.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 5	\$1,100.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 6	Itemized	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Hazardous Materials Incidents		
Non-Residents		
Level 1	\$700.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 2	\$2,500.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 3	\$5,900.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Haz Mat Technician	\$50.00/hour	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Residents		
Level 1	\$350.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 2	\$1,250.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 3	\$2,500.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Haz Mat Technician	\$50.00/hour	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Pipeline/Power line Incidents		
Non-Residents		
Level 1	\$400.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 2	\$1,250.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 3	Itemized	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Residents		
Level 1	\$200.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 2	\$500.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 3	Itemized	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Fire Investigations		
Non-Residents		
Level 1	\$275.00/hour	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Residents		
Level 1	\$275.00/hour	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Water Incidents		
Non-Residents		
Level 1	\$400.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 2	\$800.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 3	\$2,000.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Technician	\$50.00/hour	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Residents		
Level 1	\$200.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 2	\$400.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Level 3	\$1,000.00	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Technician	\$50.00/hour	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Specialized Rescue		
Non-Residents		
	Itemized	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Technician	\$50.00/hour	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Residents		
	Itemized	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Technician	\$50.00/hour	BGMC 3.38(Ord. No. 2013-66, § 1, 9-9 2013)
Specialized Emergency Response Services		
Actual personnel cost, including benefits, consultant, cost of		BGMC 8.56 (Ord. No. 2004-33)

equipment that is contaminated, material costs, contract or mutual aid costs, and attorneys fees.		
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

ENGINEERING 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 two dollar and fifty cent (\$2.50) 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			
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	\$1,145.00
2 inch	\$400.00	2 inch	\$1,336.00
2 ½ inch	\$625.00	3 inch	\$1,720.00
3 inch	\$900.00	4 inch	\$2,936.00
4 inch	\$1,600.00	6 inch	On call (currently \$5,051.00)
6 inch	\$1,800.00		
8 inch	\$2,000.00		
10 inch	\$2,200.00		

(Labor rates for installation of meter size ¾" – 1 ½" = 50.00; labor rate for installation of 2" – 4" compound meters = 75.00; this applies to change of meter only)

CONSTRUCTION WATER CHARGES		VILLAGE SANITARY SEWER TAP-ON FEES	
Construction Values	Fee	Size of Connection	Fee
0.00 - 29,999.99	\$17.50	6 inch	\$50.00
30,000.00 - 49,999.99	\$18.50	8 inch	\$200.00
50,000.00 - 74,999.99	\$20.00	10 inch	\$300.00
75,000.00 and up	20.00 + .25¢/1,000 in excess of 75,000		

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	BGMC 5.09 (Ord. 88-73 § 1 (part), 1988).

	Authorities for each raffle.	
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	\$2,500.00	
Class B	\$2,300.00	
Class C	\$2,500.00	
Class D	\$1,800.00	
Class E	\$1,500.00	
Class F	\$2,000.00	
Class G	\$100.00	
Class H	\$250.00	
Class I	\$1,200.00	
Class J	\$4,000.00	
Solicitor Permit	Not-For-Profit - No Fee For-Profit -\$50.00, plus \$15.00 for each additional person	BGMC 5.24.050
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 \$50 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		
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 makingsales 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)
Municipal Electricity Use Tax	Next 500,000	0.34
	Next 2,000,000	
	Next 2,000,000	0.315
	Next 5,000,000	0.31
	Next 10,000,000	0.305
	Excess of 20,000,000	0.3
	The tax is in addition to all taxes, fees and other revenue measure	BGMC 3.66(Ord. No. 2009-90, § 2, 12-21-2009)

	imposed by the Village, the State of Illinois, or any other political subdivision of the State.	
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)

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

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.

Fund 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. Assigned 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 Overview

*Revised by Resolution 2015-24 on August 3, 2015. Full policy available on the website.

The procurement policy is intended for use as a guide to the Village of Buffalo Grove procurement methods. When used properly, the policies will enable the Village to obtain needed materials, equipment, supplies, and services efficiently and economically.

The basic goals of the Village's procurement program are:

1. To comply with the legal requirements of public procurement and purchasing.
2. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the Village.
3. To receive maximum value for each dollar spent by awarding purchase orders to the lowest responsible bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance and other relevant factors.
4. To provide Village departments the required goods, equipment and services at the time and place needed and in the proper quantity and quality.
5. To promote environmentally safe products and services while taking into consideration factors such as price, performance, availability and safety.
6. To promote good and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.

The purpose of this purchasing policy is to provide the Village of Buffalo Grove staff with guidelines and directions for the acquisition of goods and services. This policy is designed to be a fluid document and will be modified from time to time to conform to changes in legislation, technology, and actual practice.

The Village Manager, or his/her designee, shall be the final authority with regards to enforcement of any of the provisions of this policy. Failure to follow the procedures outlined in this policy may lead to disciplinary action in accordance with the provisions of the Village of Buffalo Grove Personnel Manual.

This policy is not intended to provide third parties with any specific rights when transacting with the Village of Buffalo Grove. All policies and procedures in this Policy are subject to modification by the appropriate Village employees and, therefore, vendors or other third parties shall not be entitled to rely on the contents of this policy.

Amount Of Purchase	Procurement Method	Notification	Approval
Purchases of \$100.00 or less	Petty Cash Procedures Credit Card	Supervisor or Designee	Supervisor or Designee
\$100.01 to \$250.00 Purchases	Request for Payment Method Or Invoice submitted Purchase Order Procedure	Department Supervisor or Designee	Department Supervisor or Designee
\$250.01 to \$1,499.99 Purchases	Quotes (verbal, fax, email, written) 3 Quotes Recommended Purchase Order Procedure	Department Supervisor or Designee	Purchasing Manager
\$1,500.00 to \$3,499.99 Purchases	Quotes (written, faxed or email) 3 Quotes Required Purchase Order Procedure	Purchasing Manager	Finance Director, Purchasing Director
\$3,500.00 to \$20,000.00 Purchases	Contact the Purchasing Manager Quotes (written, faxed or email) 3 Quotes or State Contract/GSA Purchase Order Procedures	Department Director or Designee	Village Manager or Designee
Purchase Exceeds \$20,000.00	Contact the Purchasing Manager Formal Procurement Process Award by Village Board	Village Manager or Designee	Village Board

Village Manager Authority and Responsibilities

1. Purchase all materials, supplies, equipment, personal services, and contracts for which funds are provided in the budget, but no item or personal service which exceeds any budget appropriation may be purchased.
2. For a purchase of more than twenty thousand dollars, with the exception of professional services, the Village Manager should solicit bids and such bids shall be presented to the Corporate Authorities for approval or rejection.
3. The Village Manager shall solicit bids for any public improvement, which will exceed twenty thousand dollars, which is not to be paid for in whole or in part by a special assessment or special tax.
4. The Village Manager will make recommendations to the Corporate Authorities with respect to all bids.
5. The Village Manager may issue rules and regulations governing requisitions and the transaction of the business of the purchasing agent and the heads of departments, officers, and employees of the Village.
6. In case of circumstances creating an emergency, the Village Manager may, without prior consent of the Corporate Authorities, award contracts and make purchases for the purpose of meeting the emergency. In such cases the Village Manager will notify the Corporate Authorities as soon as is practicable of all emergency procurements that exceed \$20,000

Petty Cash

Purpose: To reimburse an employee for small incidental purchases.

Appropriate use of the Petty Cash: Petty cash funds may be used for small incidental nonrecurring cash purchases that do not exceed \$100. The use of petty cash should not be considered as a substitute for regular procurement procedures.

Requests for reimbursement using petty cash must be accompanied by the Petty Cash Form. These forms must be completed and then submitted to the Accounts Payable Clerk.

Advance Check Request

Purpose: To request a check for payment when an invoice is not issued.

Appropriate use of Advance Check Request for Payment: Occasionally, a check is needed when there is no invoice. These occurrences include, but are not limited to:

- An employee request for reimbursement for out of pocket expense.
- Vendors requiring payment in advance.
- Mail in catalog orders requiring pre-payment.

When the Advance Check Request form is used, a cash receipt, a written quote, or a copy of the catalog order must be submitted as supporting documentation.

Purchase Orders

Purpose: To provide a legal document that places an obligation on both the Village and the vendor. When properly endorsed by the Finance Department, the purchase order obligates the Village to purchase the items listed at the prices stated. The vendor is obligated according to the terms and prices stated on the purchase order to deliver the goods or services. The purchase order provides specifications for goods and services ordered and shipping and billing information.

Appropriate Use of the Purchase Order: A purchase order shall be used for procurement of any item or service that requires a written order or any purchase of \$50.01 or more. Purchase orders are not required for prepaid orders.

Blanket Purchase Orders

Purpose: Blanket purchase orders will be used for repetitive purchases from certain vendors.

Appropriate Use of the Blanket Purchase Order: If the Village has entered into contract with a Vendor then a Blanket purchase may be issued for each fiscal year of that contract. Departments should follow standard purchase order procedures. For repetitive purchases, rather than issuing a purchase order for each purchase, one purchase order with a dollar limit is issued for a period of up to three months.

Procurement Card Program

A policy has been designed to establish the procedures to be used with the Village of Buffalo Grove's procurement card program.

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). 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 a 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.

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 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:

- 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 Compiled 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 America 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 assets 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 institutions 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 an 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.
- 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 policies 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 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. In addition, 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.

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 judgment in determining which items should be treated as controlled assets. The judgment 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:

- Description of the asset
- Model and serial numbers
- Date acquired/deleted/changed

- Estimated useful life
- Cost, purchase order number, vendor

- Asset control number
- 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.

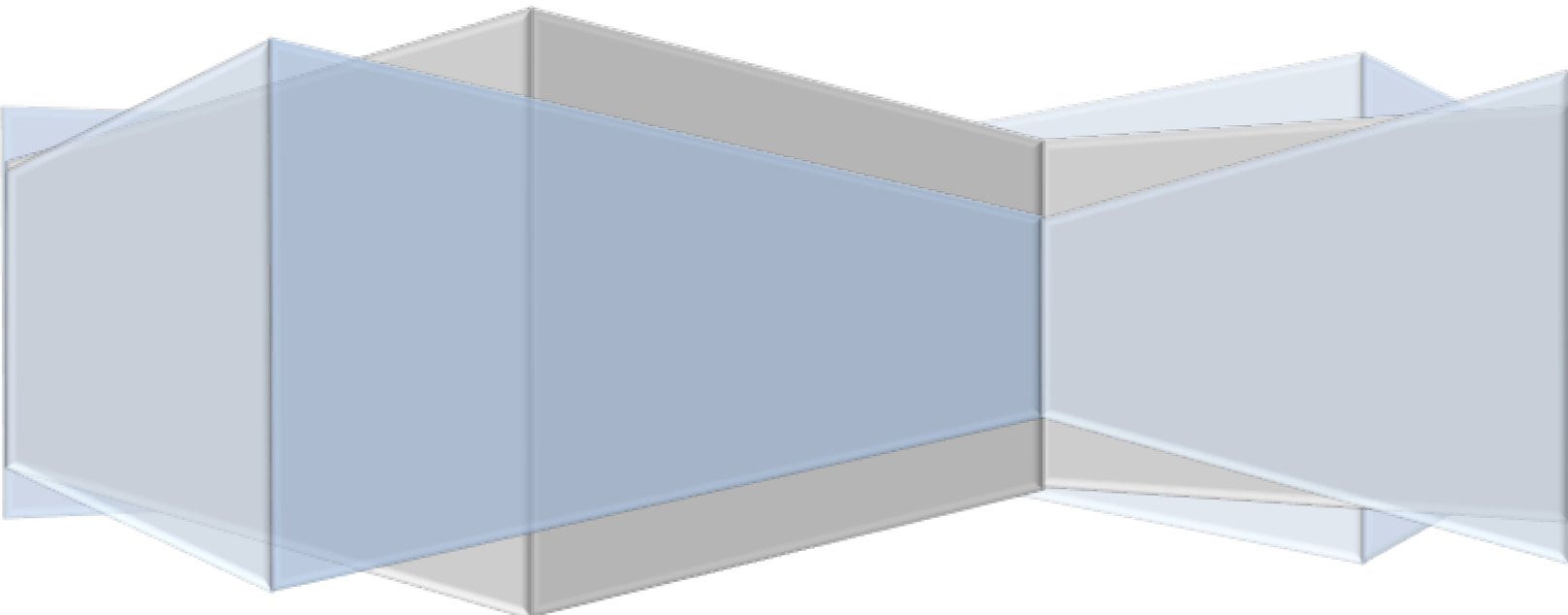
Amendments and Adoptions to current Village of Buffalo Grove Policies:

The policies in the budget document are all reflective of their current, board approved, versions. Policies and procedures are examined by staff annually, in some cases they may be looked more frequently depending on the demands of the residents, department efficiencies, or market demands. Any changes that are proposed by staff and presented to the board for approval are done so in a manner that they are a standalone amendment to the current ordinance. No policy and procedure shall be passed through the adoption of a larger document, such as the budget or comprehensive annual financial report. Staff will clearly present the proposed amendments to, or adoption of, any policy changes and additions. Each item will be presented as a single item to ensure a transparent explanation of what is requested and the intended outcome of the request.

Village of Buffalo Grove

FY 2016-2020

Five Year General Fund Operating Forecast





Purpose

The Five-Year Operating Forecast takes a forward look at the Village’s General Fund’s fund revenues and expenditures with the purpose of identifying financial trends and potential shortfalls so the Village can proactively address them. For the purposes of constructing the forecast, operating revenues are measured against operation expenditures without including any prior period fund balance to subsidize revenue.

The goals of the Five-Year Operating Forecast are to assess the Village’s ability, over the next five years, to maintain current service levels based on projected revenue growth, evaluate future sustainability by aligning operating revenues and expenditures, and ensure proper funding of reserves for vehicles, buildings, and technology. The assessment analyzes the capacity to fund capital projects and restore unassigned fund balance reserves to ultimately reach a balance that will cover four and a half months of expenditures (35%).

It is important to stress that this forecast is not a budget. It does not dictate expenditure decisions; rather it identifies the need to prioritize allocations of Village resources. The forecast sets the stage for the budget process and aids both staff and the President and Board of Trustees in establishing priorities and allocating resources appropriately. As part of the process, the Village is working on aligning core revenues with core services. The revenues that are less dependable because they are subject to market or economic risk will support less essential services.

The intent of the Five Year Operating Forecast is to evaluate resource allocations to ensure the proper funding levels for services, capital, infrastructure, and maintaining reserves.

As a governmental entity, changes in strategy that involve service delivery should be slow and methodical. The forecast provides a snapshot 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.

The General Fund is the main operating fund and accounts for the core and support services provided by the Village including public safety (police & fire), public works, community development, and administration. All major discretionary revenues such as property tax, sales tax, income tax, telecommunication, and utility use tax are accounted for within the General Fund. For purposes of the analysis, final audited 2014 expenditures set the

baseline for analysis and are inflated or adjusted accordingly based upon changing service needs and known changes that were incorporated in the FY 2015 Budget. The General Fund is the primary focus of the forecast as it represents about 50 percent of the total Village Budget. The second largest Village Fund is the Water and Sewer Fund accounting for 24 percent of the total budget. A twenty-year funding analysis is completed annually for that enterprise activity

In the absence of any known service level modifications, the forecast assumes the continuation of current service levels and the costs projected over five years. Revenues are estimated based on anticipated growth and does not consider increases in revenues generated by new fees or increases in fees, new development, and/or charges beyond what is prescribed by current ordinance.

In the development of a long-term financial forecast, the Village reviews external and internal factors that could impact either the collection of revenue or the price of acquiring goods or providing services. Evaluating how the regional 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, stock market returns, employment, housing starts, vehicle sales, interest rates, and manufacturing activity.

ECONOMIC INDICATORS

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. The Village uses the Illinois Municipal Cost Index (MCI) as the primary inflation metric. The MCI is an amalgam of price indices based on types and goods purchased by Illinois Municipalities. The MPI is -.68 percent. The most recent (June 2015) Consumer Price Index is at .04 percent, Producer Price Index is -6.53 percent and Construction Cost index is 2.14 percent.

Stock Market Returns – Stock market returns are a leading indicator and will change before the economy changes. Approximately 50 percent of all Village pension funds are invested in equities and/or individual stocks. The performance of the stock market is a significant factor in determining the growth of the property tax levy for pensions.

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 – the interest rate impacts 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 and building up inventories to meet the demand. The increased production often requires new workers, which lowers unemployment figures and can stimulate the local economy.

Overview of Fiscal Year 2016

Beginning in FY 2014 and continuing through the forecast is a continued effort to evaluate and consolidate services to improve workflow efficiencies, appropriately fund all capital reserves, and increase the resources allocated to infrastructure maintenance. Over the next three years, the Village will be moving towards program based budgeting. The result of the change is that budgets will be developed around cost centers to capture the true cost of providing individual programs or services.

The first step in program based budgeting was the designation of Internal Service Funds in the FY 2015 Budget. Internal Service Funds are departments that have a primary objective to support internal operations. That support, in turn, allows other departments to provide core services to the public. Internal Services include Building Maintenance, Central Garage, and Information Technology.

Factors that are to be considered moving into the next five-year update include;

- *Impact of the real estate market and assessed valuations.* Assessed values for taxable property have declined 28 percent over the last four years. The decline has been disproportionate over all classes of properties. The brunt of the changing tax burden has fallen on residential properties.
- *State of Illinois budget crisis.* The State of Illinois is at a budget impasse. Possible solutions include a two-year property tax freeze and/or reductions in Local Government Distributive Fund (LGDF) allocations.
- *Impact of Employer Pension Costs.* The tax levies for the three pension systems account for 40 percent of the property tax levy. Additional pressure on the tax levy to support growing pension costs will impact the ability to increase taxes for core services.
- *Health Care Cost and the Patient Protection Affordable Care Act.* The Village is currently on track to attain “Cadillac Tax” status in 2017. The Village will continue to promote wellness initiatives as a means of controlling health care costs.
- *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.
- *Infrastructure.* The ability to keep pace with the maintenance needs of Village owned assets continues to be a significant financial challenge.

Forecast Assumptions

The following is forecasted revenues and expenditures for the next five years. The column on the far right is an inflation index (if warranted).

General Fund Revenues Projected (2016-2020)						
	2016	2017	2018	2019	2020	Growth
Property Taxes	14,455,991	14,889,671	15,336,361	15,796,452	16,270,346	1.03
Income & Use Taxes	5,553,856	5,720,472	5,892,086	6,068,848	6,250,914	1.03
State Sales Tax	5,620,000	5,788,600	5,962,258	6,141,126	6,325,360	1.03
Home Rule Sales Tax	4,223,000	4,349,690	4,480,181	4,614,586	4,753,024	1.03
Real Estate Transfer Tax	790,000	813,700	838,111	863,254	889,152	1.03
Telecommunications Tax	1,639,327	1,639,327	1,639,327	1,639,327	1,639,327	1.00
Prepared Food and Beverage Tax	780,000	795,600	811,512	827,742	844,297	1.02
Utility Tax- Electric/Natural Gas	2,640,000	2,640,000	2,640,000	2,640,000	2,640,000	1.00
Licenses	291,600	291,600	291,600	291,600	291,600	1.00
Building Revenue & Fees	706,000	713,060	720,191	727,393	734,666	1.01
Intergovernmental Revenue-Local	265,643	270,956	276,375	281,902	287,540	1.02
Fines & Fees-Police & Fire	1,604,738	1,636,833	1,669,569	1,702,961	1,737,020	1.02
Operating Transfers	852,500	869,550	886,941	904,680	922,773	1.02
Miscellaneous Revenue	1,505,360	1,520,414	1,535,618	1,550,974	1,566,484	1.01
Total Revenues	40,928,015	41,939,472	42,980,129	44,050,845	45,152,502	
Annual Increase		2.5%	2.5%	2.5%	2.5%	

State Property Tax Freeze	(433,679.74)	(854,728.03)	(880,369.87)	(906,780.97)	(933,984.39)	
L.G.D.F. Reduction @ 10%	(462,800.00)	(476,684.00)	(490,984.52)	(505,714.06)	(520,885.48)	
General Fund Expenditures Projected (2016-2020)						
	2016	2017	2018	2019	2020	Growth
Personal Services	19,811,404	20,603,860	21,428,015	22,285,135	23,176,541	1.04
Personal Benefits	10,325,000	10,686,375	11,060,398	11,447,512	11,848,175	1.035
Operating Expenses	2,516,618	2,566,950	2,618,289	2,670,655	2,724,068	1.02
Insurance & Legal Services	1,500,000	1,560,000	1,622,400	1,687,296	1,754,788	1.04
Commodities	441,140	450,845	460,763	470,900	481,260	1.022
Maintenance & Repairs	3,215,606	3,286,350	3,358,649	3,432,540	3,508,056	1.022
Capital Outlay	400,000	408,800	417,794	426,985	436,379	1.022
All Other Expenses	350,000	355,250	360,579	365,987	371,477	1.015
Total Expenditures	38,559,768	39,918,430	41,326,887	42,787,011	44,300,743	
Operating Surplus/(Deficit)	2,368,247	2,021,042	1,653,242	1,263,834	851,759	
Annual Increase	3.2%	3.5%	3.5%	3.5%	3.5%	
General Fund Transfers Projected (2016-2020)						
	2016	2017	2018	2019	2020	
Capital Reserve - Vehicles	850,000	850,000	850,000	850,000	850,000	
Capital Reserve - Facilities	200,000	200,000	200,000	200,000	200,000	
Capital Reserve - Technology	75,000	75,000	75,000	75,000	75,000	
Motor Fuel Tax	844,600	869,938	896,036	922,917	950,605	
Capital Improvement Plan	1,188,356	534,535	910,804	613,840	508,430	
Total Transfers	3,157,956	2,529,473	2,721,840	2,451,757	2,374,035	
Total Fund Surplus/(Deficit)	(789,709)	(508,431)	(1,068,598)	(1,187,923)	(1,522,275)	

The forecast provides two levels of analysis. The first level is to show the General Fund's ability to meet day-to-day expenditures. The highlighted row designed as Operating Surplus/ (Deficit) is an indicator of whether anticipated revenues support operating expenditures. In all five years of the forecast, revenues will support current services. This is a measure of short-term sustainability.

The second level of the analysis includes transfers for capital projects and infrastructure reserves. Long term sustainability is measured through the Village's ability to invest in infrastructure including funding reserves for vehicles, buildings, equipment, technology, streets (though Motor Fuel Tax), and projects in the Capital Improvement Plan. Commitments to long-term capital programs are identified under "General Fund Transfers – Projected." All projects submitted for inclusion in the FY 2016-2020 have been added to this report. After including these transfers, the total fund shortfall at the end of FY 2016 is estimated to be nearly \$.8 million. Again, the shortfall is the result of incorporating all initial capital requests and full capital reserve funding.

Included with the review are two rows in darkblue. The rows signify State of Illinois legislative threats to revenue. At the time of this report, the property tax freeze passed out of the Senate with an affirmative vote. Once there is clarity on any legislative impacts, this report will be modified to reflect those changes. Staff has constructed several scenarios of potential revenue enhancements and/or budget cuts to address compromised state shared revenues and property tax limitations.

One of the financial indices the bond ratinghouses (Standard & Poors and Moody's Investor Services) cite as the reason for the current AAA bond rating is the low level of debt. The current budgeting strategy is to try and fully fund capital reserve programs in order to remain on a pay-as-you-go basis of capital asset financing. If reserve amounts are depleted, or inadequately funded, staff will need to consider debt financing for future expenditures,

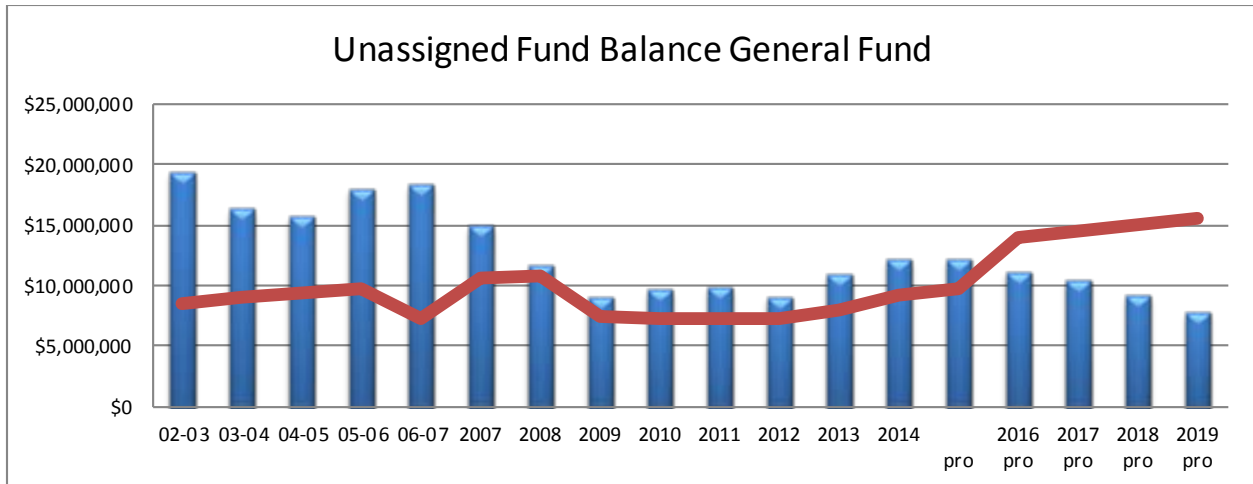
A continued commitment to properly funding capital will require either a significant revenue enhancement, a reduction in services, or a combination of both. The impact of doing nothing has severe consequences on the Village's reserves.

General Fund Reserves

The General Fund Fund Balance Reserve Policy sets forth a minimum unassigned reserve level of 25 percent of the subsequent year's budget (less pension and capital funding transfers). Within the adopted Strategic Priorities is a goal of reestablishing a 35 percent threshold by the end of FY 2016.

It is important to maintain a strong reserve level for several reasons, (1) it provides more time to react and respond to revenue threats created by economic conditions, (2) it helps to better withstand any unfunded legislative mandates that will create additional expenditure obligations without corresponding revenue, and (3) to fund unforeseen infrastructure/capital asset costs. Spending down of prior period reserve balances allows the Village time to reallocate resources within the budget and restructure service levels to react to the fiscal environment. After drawing down on the balance to respond to emergency conditions, it is important to rebuild those reserves in order to remain flexible to respond to the next threat.

The following chart provides a history of fund balance reserves and includes estimates for the current fiscal year and the five forecasted years using the assumptions in the financial forecast.



The red line on the graph represents the fund balance policy minimum of 25 percent less pension and capital transfers. In FY 2016, the policy minimum is adjusted to 35 percent to be consistent with Village Strategic Priorities. At the conclusion of the last audited fiscal year (2014), unassigned fund balance represents 32.71 percent of the operating expenses of the FY 2015 Budget. Based upon the five year analysis, if all capital and reserve transfers are made the 35 percent target will not be attained over the next five years.

Revenue Review

Approximately 86 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. 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.

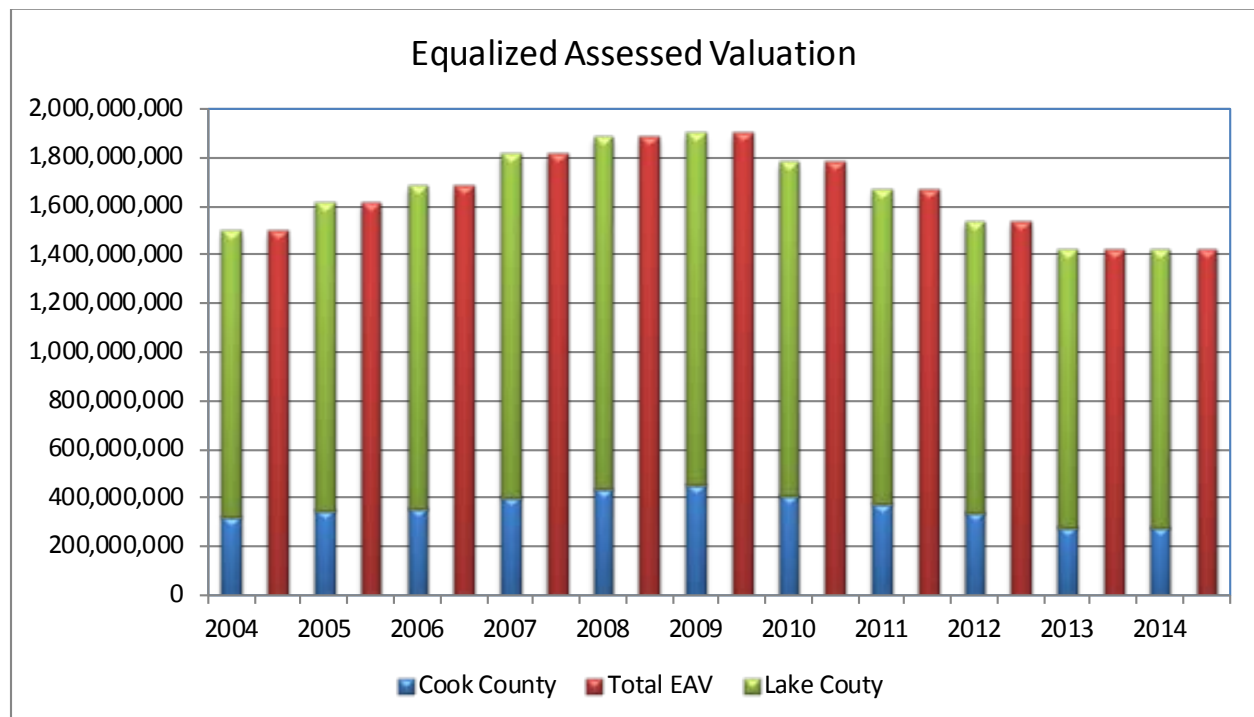
PROPERTY TAX

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. Beginning in FY 2014, the pension levies for the Illinois Municipal Retirement Fund and Social Security/Medicare have been added to the General Fund.

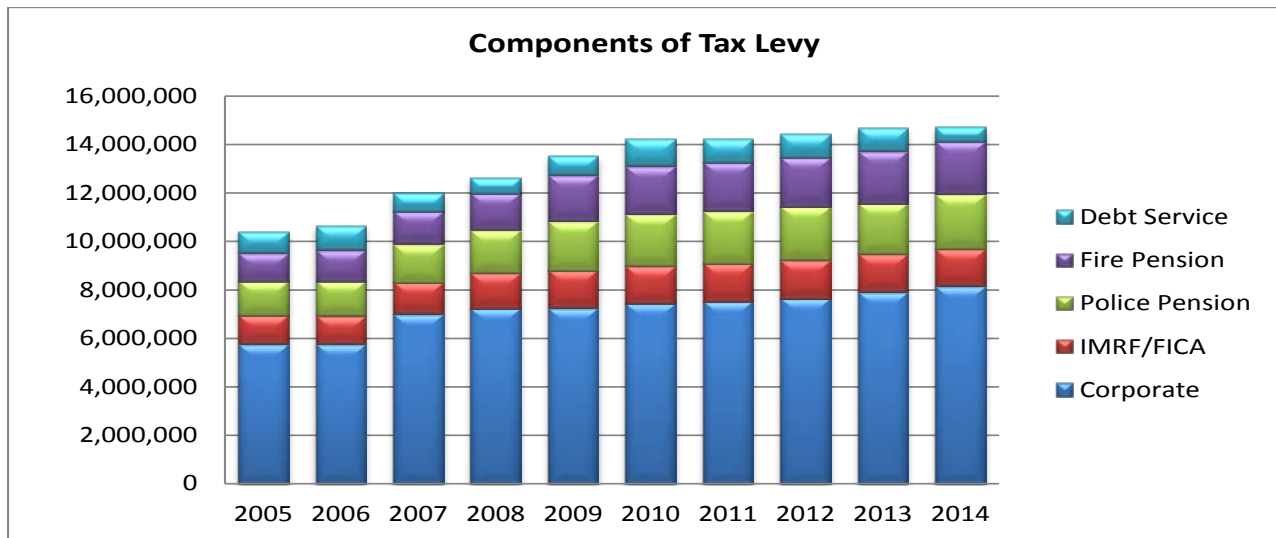
A continuing concern with property taxes is the lack of growth in the property tax base. Assessed value declines began in 2010 (6.47%). Subsequently, the following declines have taken place—2011 (6.18%), 2012 (8.01%), 2013 (7.45%), and 2014 is estimated to be near zero. Because the Village levies a dollar amount, a uniform change across all property classifications has no financial impact to tax payers. This dynamic has not materialized as commercial/industrial properties have been more successful contesting and decreasing their property values. Any aggregate decrease that exceeds the county average decrease results in a greater share of the tax burden shifted to residential properties.

Listed below is a history of equalized assessed valuations since 2004.



Future ability to raise property tax revenue to support General Fund operations will be challenging as the corporate levy must compete for tax dollars with pension and debt service levies. In 2003, levies for pensions accounted for 32.1 percent of the tax extension. In the most recent tax year (2014), pensions represent 41 percent of property tax as illustrated below. The corporate levy, which funds core General Fund services, has been stagnant until the current year. There was a 3 percent increase in the 2014 levy. The large increase in 2007 was

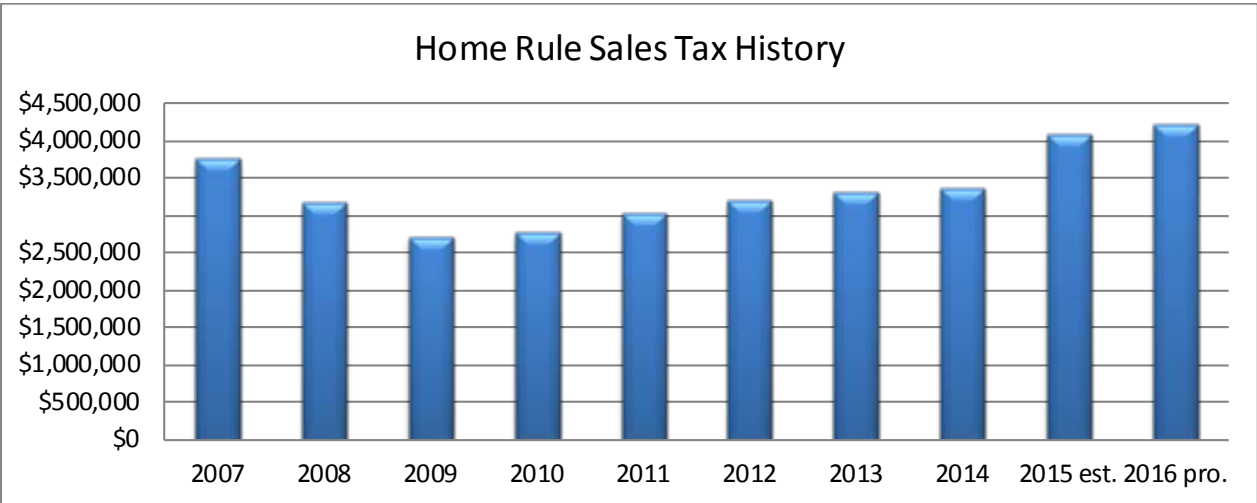
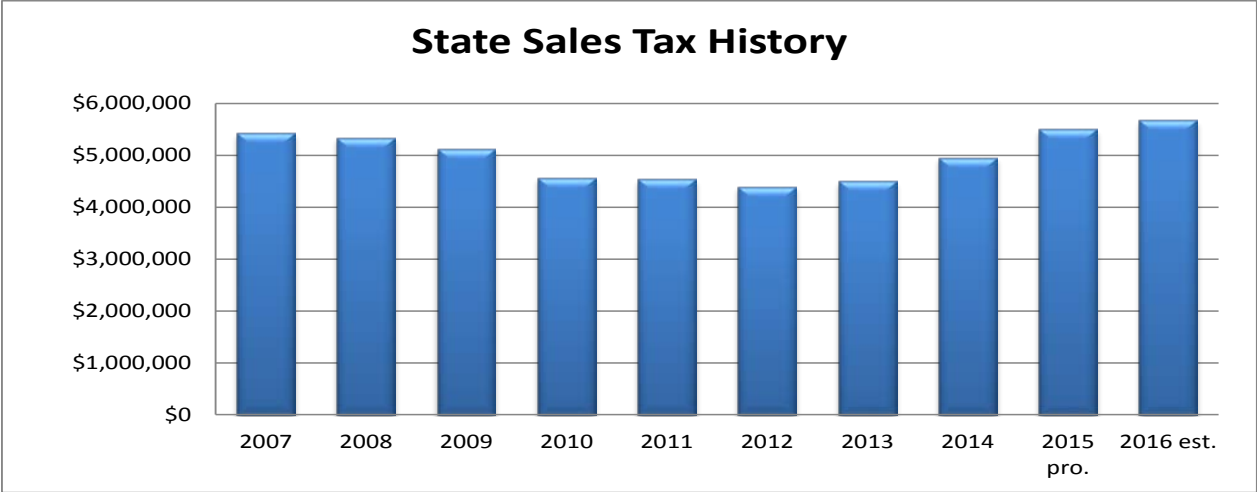
due to the elimination of the Village Vehicle Sticker Program. Those revenues were shifted to the property tax with a net revenue grow of zero.



SALES TAX

Inflation sets the growth baseline for both the base (3%) and home rule sales taxes (3%). 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. 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. The forecast applied to both base and home rule sales tax produces the following;

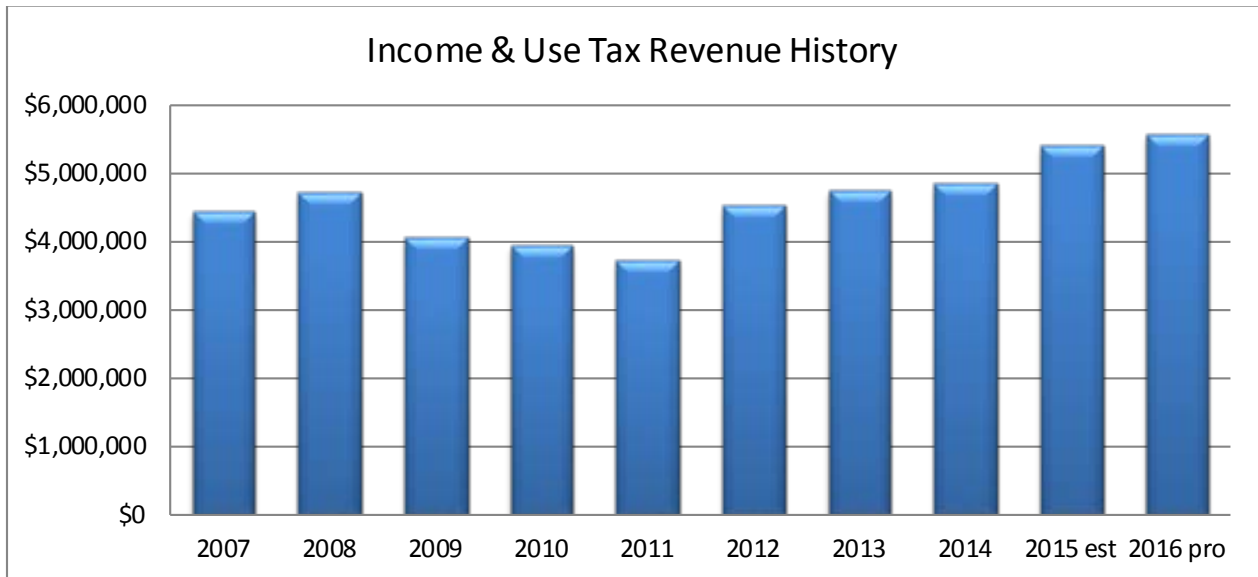


INCOME TAX

The Illinois Income Tax is imposed on every individual, corporation, trust, and estate earning or receiving income. The tax is calculated by multiplying net income by a flat rate. The current rate is five percent of net income. The rate reverted to 3.75 percent beginning January 1, 2015 to December 31, 2024. The rate will then reduce to 3.25 percent starting on January 1, 2025. The formula for distribution for local governments was 10 percent of the revenue, allocated on a per capita basis, when the rate was 3 percent. When the state rate increased to 5 percent, the increase was not included in the distribution making the effective per capita distribution to municipalities six percent.

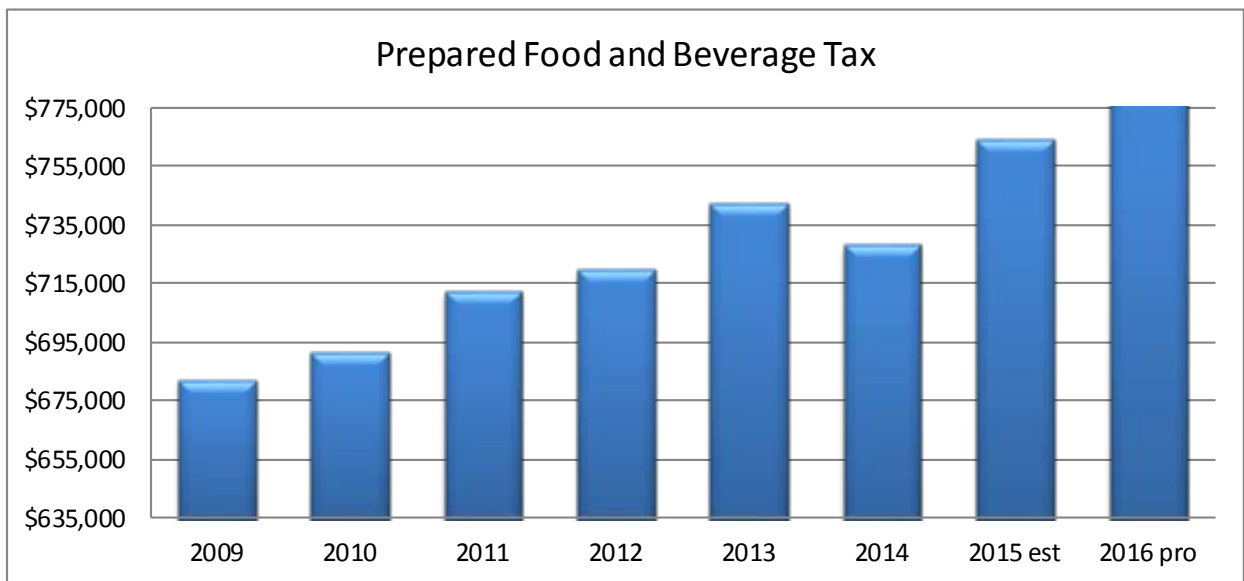
The Village’s unemployment rate as of June 2015 is 4.4 percent, Cook County is 6.5 percent, Lake County is 4.6 percent, and the State of Illinois is 6.9 percent. The growth in revenue is due to improving corporate earnings, recovery in employment, and tax changes to increase total net income. The forecast accounts for 3 percent

growth each year through the duration of the forecast. The chart below shows the performance of the revenue since FY 2006.



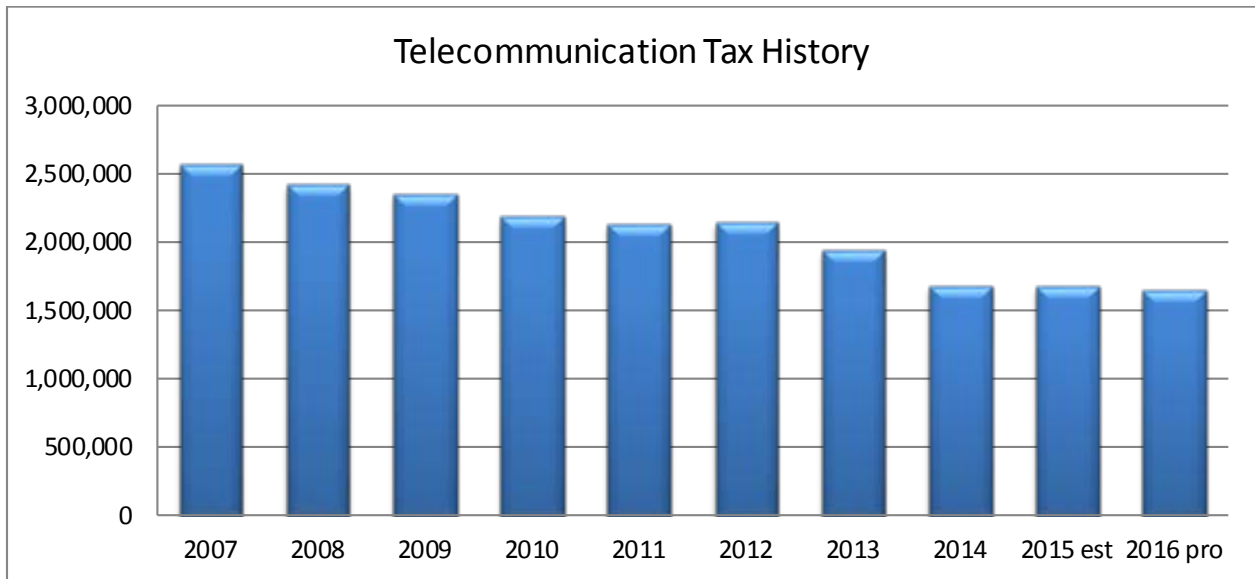
PREPARED FOOD AND BEVERAGE TAX

This tax (1%) was adopted in 2008 and 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 two percent annually. There are 111 establishments that charge and remit this tax to the Village. The following chart shows the growth of the revenue since inception. The revenue drop in FY 2014 is due to the Dominick’s closing.



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. This revenue is down almost 36 percent from the peak in FY 2007. The forecast calls for a continued decline in 2016 then flat over the remainder of the plan.



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 be predicated on adding square footage to houses or buildings and offset by more energy efficient construction and mechanical systems.

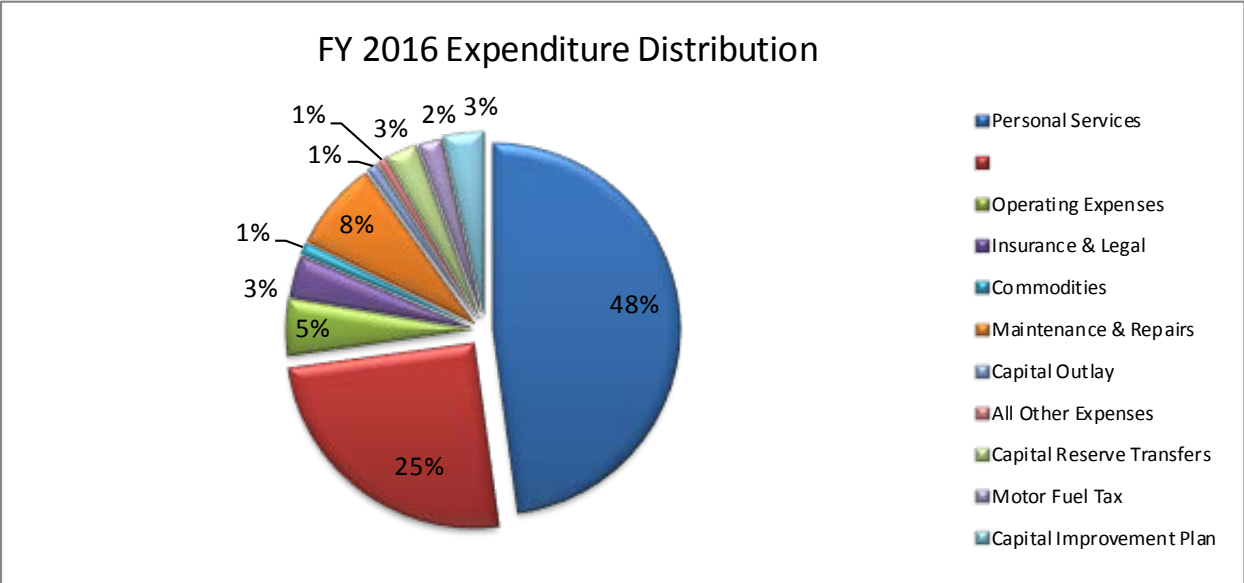
REAL ESTATE TRANSFER TAX

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. There has been a recovery in sales since the market reached a bottom in FY 2012. Traditional sales are increasing as well as the number of high value commercial transactions.



Expenditure Review

The average annual increase in operating expenditures over the next five years is 3.5 percent. In each of the next five years, wages and benefits account for about 73.6 percent of all expenditures. The next largest expenditure account group is for Maintenance and Repair expenditures (7.6 percent). For FY 2016 the distribution of General Fund expenditures is shown in the table below.



PERSONAL SERVICES

Wages are anticipated to increase by a factor of 4 percent each year. The wage forecast anticipates the general wage increases plus merit based pay range adjustments. The forecast does not anticipate another Voluntary Separation Incentive (VSI) during the review period. If one is offered, the forecast will need to be adjusted to

reflect as the impact of retirements, the effect of any service realignments, and any hiring decisions become more evident.

Personnel levels have decreased significantly since 2010 as a result of the Village's previous VSI programs combined with reorganization strategies. Full time staffing is at 216 employees or 11.2 percent less than staffing levels five years ago. The chart below shows the financial impact of the efforts to reorganize Village operations. The data includes all employees spanning the General, Water, and Golf Funds.

A major initiative in FY 2015 is to establish a pay for performance system that will allow employees to move through their pay ranges. A merit wage pool will be included with the FY 2016 Budget and managed by the Human Resources Department. The ability to advance employees through their pay range based upon performance is critical in maintaining an effective and motivated work force.

PERSONAL BENEFITS

The largest single expenditure within Personal Benefits is for health insurance. The Village is a member of the Intergovernmental Professional Benefits Cooperative (IPBC). As a member of IPBC, the Village is better able to stabilize medical costs through risk pooling and provide for a mechanism to help establish positive cash flow and rebuild reserves. The forecast calls for 3.5 percent growth each year in premium expenses. There will be a spike in the health insurance costs in FY 2016. After experiencing two years with an average annual growth of 1.5 percent, the premium will need to be adjusted by nearly 10 percent. The Village does continue to reap the benefits of pooling health insurance risk as the average national increase is 7.2 percent per year.

Over the five-year projection, the employees' contribution is set to cap at 15 percent of the premium in FY 2016. Continued efforts will be made to maintain costs. A renewed emphasis on wellness programs and evaluating data will be critical in the next few years to help stabilize experience.

Staff will be actively working with the IPBC to manage tax implications of the Patient Protection and Affordability Care Act. The Village's plan will be subject to the 'Cadillac Tax' in FY 2017 whereby any premium expenses that exceed the mandated threshold will be subject to a 40 percent tax.

Beginning in FY 2014, employer pensions obligations for police and firefighters are classified under Personal Benefits instead of all other expenses and the Illinois Municipal Retirement Fund has been closed. Employer pension costs have been assigned to each operating department budget. The intent of the change was to better represent the true cost of providing a specific service. Employer pension obligations are anticipated to be \$5.9 million in 2016 or 14.1 percent of the General Fund Budget.

INSURANCE

Within the Insurance category is the premium paid to the Intergovernmental Risk Management Pool (IRMA) for general liability and workers' compensation coverage. The deductible was lowered in FY 2014 from \$50,000 to \$25,000 due to the recent proliferation of worker's compensation claims. The forecast assumes growth of 4 percent as recent claims experience will factor into the rolling five-year claims experience modifier.

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 2.2 percent 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

Expenditure growth in this account group is estimated to be 2.2 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, vehicles and parkway trees. Included in these costs are Internal Service Chargebacks for Central Garage and Building Maintenance expenditures.

General Fund Transfers

Included in the transfers are \$5.63 million for vehicles, technology, and building reserves over the next five years. If the Village intends to continue with a pay-as-you-go approach to acquiring vehicles and technology infrastructure, and repairing facilities, then these transfers must be programmed.

\$4.49 million is allocated for transfer to the Motor Fuel Tax Fund to supplement state funding for road repairs. The annual transfer to the Motor Fuel Tax Fund, in conjunction with state allocation, only covers about 45 percent of the streets identified for improvement in a given year. In FY 2016, staff will be recommending a debt issuance to supplement both state shared Motor Fuel Tax revenue and Home Rule Sales Tax. At the end of FY 2015, staff will present a recommendation on the \$6 million line of credit for tree replacement. The line of credit will either need terms renegotiated or a take out financing will be structured.

The Five Year Financial Forecast calls for a cumulative five-year shortfall of \$5.1 million over the review period. Given the relatively stagnant revenues and growing infrastructure needs, this deficit is not unexpected. Two years ago, the same gap was estimated at \$8.1 million. Future funding strategies will need to address shortfalls on either

or both sides of the ledger. On the expenditure side, there is little ability to reduce significant operating costs that are not wage and benefit driven. Those efforts have taken place over the last five years.

While efforts will continue to focus on how to deliver the same high level of services at lower unit costs, staff recognizes that revenues will also need to be reviewed. Every opportunity to grow the sales tax base should be considered. Staff must ensure that revenues are reviewed for adequacy (fees), efficiency (collections), and efficacy (diversified). New revenue sources should be researched, discussed, and if warranted, presented to the Village Board for consideration.

This report will be used as a guide for the development of the FY 2016 Budget and will help shape the discussion about how the Village adapts to the current and future financial landscape. Staff seeks further input from the Village Board on the operating forecast.



TO: Dane C. Bragg, Village Manager
FROM: Scott D. Anderson, Finance Director
DATE: August 12, 2015
RE: FY 2015 – Water Fund 20 Year Pro Forma Annual Update

System Status Update

In FY2015, the combined Village water and sewer rate was increased by four percent. The intent of the rate is to match the true cost of the system (operating, capital, and depreciation and reserve costs) with the consumption fees assessed to water customers. In determining the adequacy of the rate, the Twenty-Year Water Fund Proforma is updated to provide either a justification for the current rate or a recommendation to modify the water rate ordinance.

A review of the audited 2014 Water Fund performance results in the following;

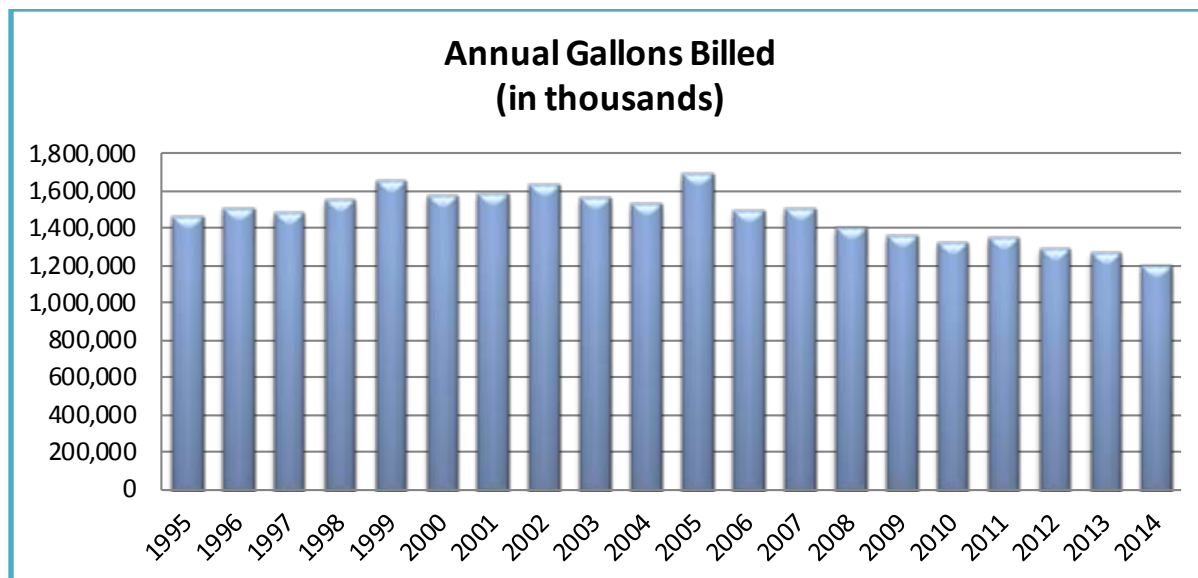
- The cash and investment balance is \$3.1 million
- The fund generated a surplus of \$113,145. The previous year was a loss of \$.4 million.
- Total gallons billed were 1.2 billion (proforma estimate – 1.31 billion).

Rate and Consumption History

The Village maintained a 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 and development 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 was billed. In 2013, 1.27 billion gallons were billed, a decrease of 22 percent. There is no expectation that the amount of water billed will reach those levels again absent a significant drought or the addition of heavy industrial uses.

The following chart shows the annual gallons billed since 1993.



The outlier in FY 2005 was drought induced. If that year is removed from the analysis, a fairly linear decline begins after FY 2002 and plateaus in FY 2010. 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 asset replacement. A second rate increase of 25 percent to \$3.00/1,000 was implemented for 2010. Again, the increase helped to ensure that water sales would offset operating expenditures. The next increase was to \$4.05/1,000 or 35 percent in FY 2013 and the most recent increase to \$5.47/1,000 or 4 percent. The new rates begin the process of developing a fully loaded water rate that will fund operating, capital and infrastructure reserve demands.

Last year marked the lowest amount of water billed since 1987. This year, water usage is trending the similar to the previous year due to an unusually mild and wet summer to date. Factors that continue to impact water usage include weather, conservation, mature landscaping and more efficient appliances. The Village's philosophy on establishing an infrastructure reserve is to cash finance system replacement over the long term.

It is estimated, in the study that the current fiscal year will close at 1.2 billion gallons billed. The analysis uses an estimate of 1.3 billion gallons 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 could partially 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. The Village is currently working with Siemens Industry, using a performance contracting model that may result in replacing all water meters in the Village. Ideally, the savings generated through more efficient measurement will offset the cost of the capital (meters). For purposes of this analysis, the water meter project was excluded, to be considered as a standalone project.

Water Fund Financials

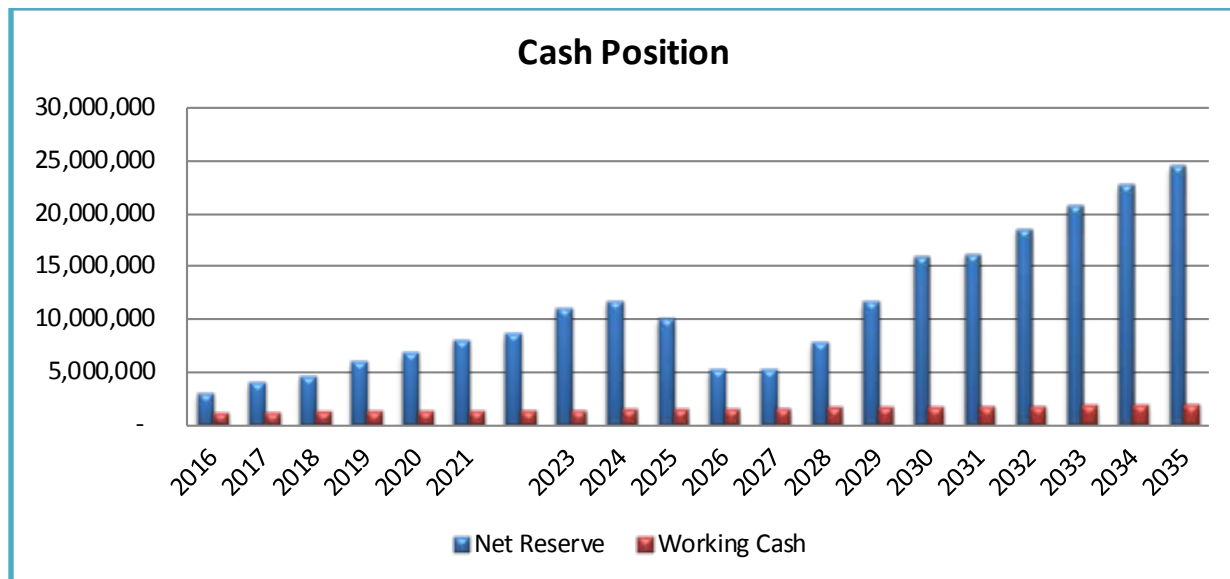
During the high growth years of the water system, the Water and Sewer Fund was able to amass a cash balance that allowed for a reserve to address infrastructure maintenance and improvement. Due to the relative age of the system, over a fifteen year span (1993-2007) the only capital expense was \$229,527 for the St. Mary's Road water main replacement. Since 2008, \$5.1 million in infrastructure repairs and improvements has been spent. In FY 2015, it is anticipated that another \$8.8 million will be invested in system infrastructure. \$6 million of the infrastructure improvement is related the performance contracting program. Over the next year and a half, all water meters are

being replaced. The revenue generated by the guaranteed efficiency rates of the new meters will be used to service the debt for the meters.

On the attached financial analysis, staff has presented a twenty year estimate of revenues, operating expenses, Capital expenses, and Operating Transfers. Revenues include all building fees and billed amounts for water consumption. Operating expenses are those expenses related to the day to day activities such as wholesale water purchase, labor and materials, and energy costs. Capital expenses are those amounts spent to repair or improve capital assets and infrastructure. Operating transfers are amounts paid to reimburse the General Fund for expenditures related to Water Fund activities.

Working cash represents 25 percent of operating expenses. Once the working cash balance reaches the 25 percent threshold, remaining funds are then allocated as the 'net reserve' that is available for capital and infrastructure spending. At the end of FY 2015, working cash is anticipated to be \$1.1 million and the net reserve is \$2.8 million. Those funds support an enterprise system valued at \$5 billion.

The following chart shows the impact of the current rate structure (with 4% inflationary increases beginning FY 2016) on the fund's cash position.



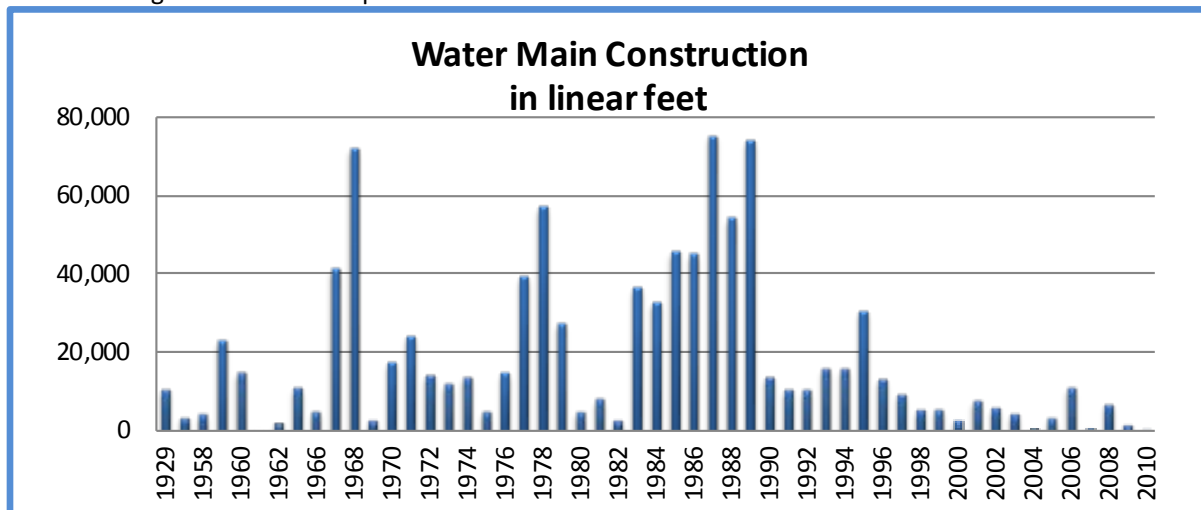
The Water Fund remains in a precarious financial position for the next few years. Any significant unanticipated repairs will deplete the working cash and reserve balances.

Water and Sewer System Assets

The utility system consists of 181 linear miles of water and sewer main. The value of the water main alone 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 (water and sewer main, lift stations) at the end of the 20 year study, inflated at 3% per year, is \$700 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 1965 has a replacement cost of about \$372,000; we then forecast that \$94,000 in repairs would occur in FY 2016. 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.

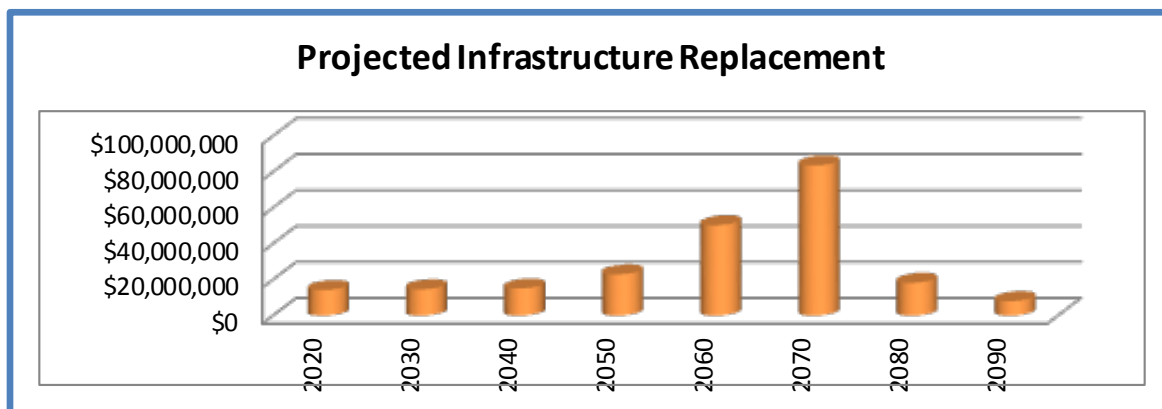
Within the straight line depreciation calculation beginning with the oldest main constructed in 1929, the first replacement should have occurred in 1979. Approximately \$13 million in water mains have 'expired' but have not needed to be repaired. Estimating the actual asset life at times is more abstract 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, weak soils or pressure fluctuations 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 cost of that original installation was paid by developers as specified within development agreements.

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 2014-2018 Capital Improvement Plan was added to the calculation. Beyond 2018, a flat amount is budgeted each year to address sanitary sewer system and lift station repairs.

Water Rate Recommendations

Each year staff reviews the financial condition of the fund to determine the adequacy of current rates. The rate is set by ordinance to increase in FY 2016 by 4 percent annually. There are no changes recommended with this update.

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.

At some point in the future, staff will present recommendations to institute a minimum usage for billing. Residents who consume no water still should share fixed cost related to maintaining the enterprise infrastructure.

Appendix C

Human Resources

Health Plan Benefits

Employee Staffing Levels



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). Established in 1978, the IPBC is a benefits pool, created under Illinois Law and regulated by the Illinois Department of insurance. Comprised of approximately 80 municipalities and similar units of local government, the IPBC covers over 12,000 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.
5. IPBC provides reimbursement for a range of wellness services including our PUSHWellness program and annual employee flu shots.

Multi-Year Approach to Employee Health Care Premium Contributions

For a decade, the Village 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%. This year the employee contribution will be 15%. The FY2012-FY2016 medical insurance premium contribution schedule that has been adopted for all eligible Village employees, including those in bargaining units, is as follows:

- 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.

2015 versus 2016 Premium Structure (\$)

<u>PPO-A Medical Plan</u>	2015 Monthly rates			2016 Monthly rates		
	<u>Employee</u>	<u>Village</u>	<u>Total</u>	<u>Employee</u>	<u>Village</u>	<u>Total</u>
90% In-Network / 70% Out of network benefit						
Single employee	78.79	483.99	562.78	78.43	444.45	522.88
Single + 1 dependent	159.15	977.67	1,136.82	158.44	977.67	1,136.11
Family + 2 dependents	281.28	1727.83	2,009.11	280.01	1727.83	2,007.84

<u>PPO-B Medical Plan</u>	2015 Monthly rates			2016 Monthly Rates		
	<u>Employee</u>	<u>Village</u>	<u>Total</u>	<u>Employee</u>	<u>Village</u>	<u>Total</u>
100% In-Network / 0% Out of network benefit						
Single employee	85.05	569.19	654.24	95.00	538.31	633.31
Single + 1 dependent	171.8	1149.75	1,321.55	191.89	1087.40	1279.29
Family + 2 dependents	303.63	2051.99	2,355.62	339.14	1921.77	2260.91

<u>HMO Medical Plan</u>	2015 Monthly rates			2016 Monthly rates		
	<u>Employee</u>	<u>Village</u>	<u>Total</u>	<u>Employee</u>	<u>Village</u>	<u>Total</u>
Single employee	72.47	485.00	557.47	99.98	566.57	666.55
Single + 1 dependent	146.39	979.70	1,126.09	201.97	1144.48	1346.45
Family +2 dependents	258.72	1731.45	1,990.17	356.94	2022.68	2379.62

<u>DENTAL</u>	2015 Monthly rates			2016 Monthly rates		
No employee contribution	<u>Employee</u>	<u>Village</u>	<u>Total Premium</u>	<u>Employee</u>	<u>Village</u>	<u>Total</u>
Single employee	0	48.80	48.80	0	44.00	44.00
Single + 1 dependent	0	82.16	82.16	0	74.08	74.08
Family + 2 dependents	0	137.78	137.78	0	124.22	124.22

Employee Staffing Levels

Office of the Village Manager/ Administration	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Administrative Intern	0	1	0	0	0	0
Communications Manager*	0	0	1	0	0	0
Deputy Village Manager	1	0	1	0	1	0
Management Analyst	1	0	1	0	1	0
Secretary	1	0	0	0	0	0
Village Manager	1	0	1	0	1	0
Total	4	1	4	0	3	0
Full & Part-Time Total	5		4		3	

Human Resources	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Director of Human Resources	1	0	1	0	1	0
Management Analyst	0	0	1	0	1	0
Secretary	0	1	0	0	0	0
Total	1	1	2	0	2	0
Full & Part-Time Total	2		2		2	

Finance & General Services	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Accountant	1	0	1	0	1	0
Deputy Clerk	0	0	0	0	.5	0
Deputy Finance Director	1	0	1	0	1	0
Cashier	0	0	0	0	.5	0
Clerk II	2	0	2	0	2	0
Clerk III	2	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	1	0	1	0	1	0
Secretary	1	0	0	0	0	0
Total	10	0	8	0	9	0
Full & Part-Time Total	10		8		9	

*Communications Manager position will be outsourced starting in 2016

Community Development	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Administrative Assistants	2	0	2	0	2	0
Associate Planner	0	1	0	1	0	0
Building Commissioner	1	0	1	0	1	0
Building Inspector	1	0	1	0	1	0
Cashier	0	0	0	0	.5	0
Clerk II	0	2	0	1	0	1
Community Development Director	0	0	1	0	1	0
Deputy Building Commissioner	0	0	0	0	0	0
Deputy Clerk	0	0	0	0	.5	0
Electrical Inspector	1	0	1	0	1	0
Health Inspector	1	0	1	0	1	0
Planner	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
Total	10	3	11	2	12	1
Full & Part-Time Total	13		13		13	

Fire Services	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Battalion Chief	4	0	4	0	4	0
Deputy Fire Chief	1	0	1	0	1	0
Deputy Fire Marshall	0	0	0	0	0	0
EMA Coordinator	0	1	0	1	0	1
Fire Chief	1	0	1	0	1	0
Fire Inspector*	1	0	1	0	1	0
Fire Inspector/Public Education Officer	0	1	0	1	0	1
Fire Lieutenant	9	0	9	0	9	0
Firefighter/Paramedic	42	0	42	0	42	0
Secretary	0	1	1	0	1	0
Total	58	3	59	2	59	2
Full & Part-Time Total	61		61		61	

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

Information Technology	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Director of Information Technology	1	0	0	0	0	0
Information Technology Analyst	1	0	0	0	0	0
Information Technology Assistant	1	0	0	0	0	0
Programmer	0	0	0	0	0	0
Total	3	0	0	0	0	0
Full & Part-Time Total	3		0		0	

*Information Technology was contracted to InterDev in 2014

Police Services	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Chief of Police	1	0	1	0	1	0
Clerk	2	1	2	1	2	1
Community Service Officer	3	0	3	0	2	0
Crossing Guard	0	9	0	9	0	8
Deputy Police Chief	1	0	2	0	2	0
Desk Officer	2	3	2	3	2	3
Evidence Custodian	0	1	0	1	1	0
Lieutenant	3	0	4	0	4	0
Patrol Officer	48	0	47	0	47	0
Police Commander	3	0	2	0	2	0
Police Sergeant	8	0	8	0	8	0
Records Supervisor	1	0	1	0	1	0
Technical Services Administrator	1	0	1	0	1	0
Administrative Assistant	1	0	1	0	1	0
Total	74	14	74	14	74	12
Full & Part-Time Total	88		88		86	

Golf Operations	FY 2014		FY 2015		FY 2016	
	FT	PT	FT	PT	FT	PT
Head Golf Professional	2	0	2	0	2	0
Assistant Golf Professional	1	2	1	2	1	2
Golf Course Attendants- Seasonal	0	15	0	15	0	30
Golf Course Cashier- Seasonal	0	9	0	9	0	0
Golf Maintenance worker I	0	0	0	0	0	0
Golf Course Maintenance Worker- Seasonal	0	14	0	14	0	0
Golf course maintenance worker II	1	0	1	0	0	0
Golf course maintenance worker III	1	0	1	0	0	0
Golf Course starter/ranger- seasonal	0	11	0	11	0	0
Golf Course Superintendent	1	0	1	0	0	0
Horticulturalist	1	0	1	0	0	0
Total	7	51	7	51	3	32
Full & Part-Time Total	58		58		35	

Public Works/Engineering	FY 2014		FY 2015		FY 2016	
	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	0	0
-Building Maintenance Manager	0	0	0	0	1	0
Building Maintenance Worker	2	0	2	0	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	0	1	0	1	0
Clerk II	0	0	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	0	1	0	1	0
Facility Coordinator	0	0	0	0	0	0
Fleet Manager	1	0	1	0	1	0
Forestry and Grounds Supervisor	1	0	1	0	0	0
Forestry & Grounds Manager	0	0	0	0	1	0
Laborer – Seasonal	0	6	0	6	0	6
Maintenance Worker I	9	0	8	0	6	0
Maintenance Worker II	10	0	13	0	14	0
Maintenance Worker II – CL	7	0	6	0	6	0
Maintenance Worker III	1	0	0	0	0	0
Metra Station Attendant	0	0	0	0	0	0
Operations Mgr – Streets, Drainage, Sanitary Sewer	1	0	0	0	0	0
-Superintendent of Maintenance	0	0	1	0	1	0
Seasonal Snow Plow Driver	0	1	0	1	0	1
Secretary	3	0	2	1	2	1
Sewer & Drainage Manager	0	0	1	0	1	0
Streets Manager	0	0	1	0	1	0
Superintendent of Water Operations	1	0	0	0	0	0
Superintendent of Utilities	0	0	1	0	1	0
Village Engineer	1	0	1	0	1	0
Water Manager	0	0	1	0	1	0
Total	48	9	50	10	49	10
Full & Part-Time Total	57		60		59	

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Appendix D

Document Definitions

Glossary
Acronyms



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 including cash on hand, facilities, and equipment 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 Act:

The Budget Act allows the municipality to adopt a single document that serves as the annual budget and the appropriation ordinance.

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 Manager.

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, lines of credit, 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 as prescribed by the 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 provides 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.

GIS Consortium (GISC):

The Consortium gives the Village access to staffing and development tools through a cooperative, regional consortium. Specifically GISC is a group of local communities working together to develop geographic information

systems (GIS) solutions. These local governments have broad backgrounds in GIS-related technologies and share a common objective—to achieve the full benefits of GIS by maximizing value while reducing cost and risk. The GIS Consortium was established with the goal of investigating existing approaches to GIS in local government and integrating best practices into a unified model.

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 an 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 type 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 areas around Chicago, which joined 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.

Internal Service Fund:

A fund that is comprised of one or more departments that provides services to other departments within the governmental unit or amongst multiple governmental units. These services are funded through expenditures in the departments that utilize the services provided and recorded as revenue in the internal service fund created.

Investment Policy:

The Budget Act allows the municipality to adopt a single document that serves as the annual budget and the appropriation ordinance.

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 expenditures 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 over operating expenses, non-operating expenses, and operating transfers out.

Performance Contracting:

Performance Contracting allows the village to combine project planning with other governmental units to combine purchasing power to share fixed costs of a project and pay each participant's own share of actual costs. Each participant shares the risks and rewards of the project.

Property Tax:

Taxes 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.

Surplus:

Surplus is more than or in excess of what is needed or required

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.

Tax Year:

Tax year pertains to the fiscal year in which the taxes are assessed and collected, but not distributed.

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

CAD:	Computer Aided Dispatch
CIF:	Capital Improvement Fund
CIP:	Capital Improvement Plan
EAB:	Emerald Ash Borer
EAV:	Equalized Assessed Valuation
EMA:	Emergency Management Agency
FLSA:	Fair Labor Standards Act
GAAP:	Generally Accepted Accounting Principles
GFOA:	Government Finance Officers Association
GovIT:	Municipal Information Technology Consortium
HVAC:	Heating, Ventilation Air Conditioning
IEPA:	Illinois Environmental Protection Agency
IMF:	Infrastructure Maintenance Fee
IMRF:	Illinois Municipal Retirement Fund
IRMA:	Intergovernmental Risk Management Agency
MCSC3:	Mobile Comm Support Center 3

MDC:	Mobile Data Computer
MFT:	Motor Fuel Tax
NWCDS:	Northwest Central Dispatch System
NWWC:	Northwest Water Commission
OTSW:	Opportunities, Threats, Strengths, and Weaknesses
SOP:	Standard Operating Procedure
SWANCC:	Solid Waste Agency of Northern Cook County
TERF:	Technology Equipment and Replacement Fund
TIF:	Tax Increment Financing
VSI:	Voluntary Separation Incentive