Adopted Budget

Village of Buffalo Grove
January 01, 2017 - December 31, 2017





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Village of Buffalo Grove

Adopted Budget: January 1, 2017 to December 31, 2017

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

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January 1, 2016

Executive Director

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Section 1

Transmittal Letter

Dane C. Bragg, Village Manager



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

October 28, 2016

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, 2017. 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 2017, 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, aging infrastructure, and facilities.

The Village Board's commitment to the redevelopment of capital assets in recent years is unparalleled. Using a multi-pronged approach, the Village team has been able to develop new revenue sources and allocations for water and sanitary sewer, stormwater, streets, fleet, the urban forest and more. The Village has committed more than $19.6 million to street repair and improvements alone in the past five years, surpassing the prior 10-year investment. As the community nears its 60th anniversary, the need for additional resources for infrastructure maintenance remains a high priority.

As you review the budget document, you will notice that the year-over-year growth in the total budget is nominal, matched with a continued strong commitment to capital projects and a nominal-growth ad valorem tax rate for the forthcoming year. In many ways, the 2017 budget is "status quo" in terms of general operations for public safety, infrastructure management and health/safety services.

STRATEGIC PLANNING AND MANAGEMENT

Many of the Village's efforts leading up to the preparation of the 2017 budget center on the strategic management goals adopted by the Village Board in 2012. As the organization enters its fifth full year of the adopted *Strategic Plan*, the Village Board has embarked on a process to update its top three *Board Priorities*, focusing on economic development, financial management and leadership/communication. To date, the

economic development and financial management portions of the *Priorities* document have been completed.

Within the 2017 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 2017 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 2017. 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 priority 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 2017-2021* and the *20-Year Water and Sewer Pro-Forma*. The 2017 projections were previously presented to the Village Board on July 11, 2016 and the *Five-Year Stormwater Utility Pro-Forma* was presented to the Village Board on Octover 14, 2016. A copy of each is included in *Appendix B.*

The Village Board made a strategic decision in 2016 to leave the Intergovernmental Risk Management Agency (IRMA) in 2017, a risk management pool. For 2017, the Village will contract its risk management program and excess coverage through Arthur J. Gallagher brokerage, with the intent to develop a large community pool for reinsurance in future years. All costs for the 2017 program are included in the budget as proposed.

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 continue its steadfast pursuit of strategies that provide for continued revenue growth and cost reductions, in

order to adequately fund future costs associated with infrastructure replacement and legacy costs associated with pensions.

GENERAL OPERATIONS

The Village's 2017 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. No major areas of alternate service delivery, insourcing or outsourcing have been identified for pursuit in 2017. Projected total personnel will remain constant at 270 for the year, with full-time personnel expected to reduce by one to 212 and part-time staff to increase from 57 to 58, year over year. Over the past five years, total staffing Village-wide has decreased nearly 20 percent through attrition and alternate service delivery models, from a peak of 327 in 2010.

The Village continues to struggle with its golf operations, where expenses outstrip revenues at both facilities. Infrastructure replacement projects are warranted for irrigation systems, fairway and tee box reconstruction and clubhouse improvements. The Village has not been able to allocate funds for capital replacement of these items due to weak demand for golf both in the region and the nation. For 2017, the head professional estimates a 4.35 percent increase in revenues for both courses, against $3.2 million in expenses. The 2017 expenditure amount includes $518,000 for remodeling and tenant improvements at the BGGC clubhouse in tandem with remodeling of the restaurant premises.

The post-recession revenue trend for golf 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. Even with these measures, operating transfers totaling $299,563 are projected for the two courses in 2017, a decrease of $2,286, of 0.76 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 2017, elements of the new program based budget model will be shared for review and feedback under separate cover.

General Fund Revenues

FY 2017 General Fund revenue is expected to increase $285,621, or 0.68 percent, over 2016 estimated actual, primarily due to reduced revenues from the planned departure of a local retailer. Total General Fund revenue is estimated at $42,010,229.

Projected Revenue Changes

- ✓ $242,364 – Sales Tax (Combined)
- ✓ $497,468 – Property Tax
- ✓ $130,635 – Real Estate Transfer Tax
- ✓ $214,200 – Building Permits and Fees
- ✓ $90,489 – Use Tax

For existing revenue sources, state and home rule sales tax returns are projected to increase only slightly from 2016 estimated actual. State shared income taxes are projected to decrease 7.19 percent from 2016 budget. Utility use taxes for natural gas and electric service 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*. The overall increase in the tax levy is 2.64 percent year-over-year, factoring in $650,000 in debt service abatements associated with the Series 2016 bond payment. The Village will need to sustain significant debt service abatements until the 2021 tax levy to avoid material increases to commercial and residential property owners.

The General Fund revenue projections included in the 2017 Budget are consistent with the five-year projections presented to the Village Board on July 11, 2016. 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 98.4 percent for 2016. The 2017 General Fund Budget will increase $331,520, or 0.80 percent, year-over-year. 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 - $9,569,594
- ✓ 35% Reserve - $13,397,432
- ✓ Projected Reserve - $14,991,907 (39.2%)

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. These ratings were again affirmed for existing debt and new ratings during the issuance of the Series 2016 bonds.

For 2017, an unassigned fund balance of $9.57 million is required to maintain sufficient operating cash within the General Fund. Unassigned fund balance is projected to be $14.9 million, or 39.2 percent of the 2017 budget, less capital project/equipment and capital reserve transfers as of December 31, 2017. 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 Refuse and Water & Sanitary Sewer Funds.

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 hovered between 4.7 and 5.1 percent for the past year[1]. While the unemployment rate has declined significantly since the 10.0 percent peak in October 2009, the labor force participation rate has not risen above 63 percent since March 2014, indicating weakened interest in sustained job searches for the unemployed or underemployed. Pre-recession labor force participation rates were over 65 percent. Other national factors affecting or potentially 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.

Key Stats

- ✓ $295,000 – Median Home Value
- ✓ 7.0% - YoY Increase – Home Value
- ✓ 4.2% - Unemployment Rate
- ✓ 0.85% - Assumed Investment Yield

Because the Village straddles two counties (Cook and Lake) and due to the proximity of the community to the Tri-State Tollway employment corridor, it is instructive to examine the projections for employment growth for the Lake County Local Workforce Investment Area (LWIA). 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 list[2]. The Village of Buffalo Grove's unemployment statistics have consistently beat the national and state averages, with the August 2016 rate at 4.2 percent, 1.1 percent better than the metro area rate and 1.3 percent better than the state, for the same period[3]. In looking at trend, both job growth and unemployment reduction are happening at a faster rate in Buffalo Grove than in other parts of the metro area and the state.

[1] Source: U.S. Department of Labor, Bureau of Labor Statistics, September 2016, 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 2016, Not Seasonally Adjusted

The local housing market continues a slow but steady recovery from the 2008 recession, with median home sale prices sliding slightly from a six-year year high of $322,800 in September 2015[4] to the current $289,400. 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. Real estate data tracker Zillow projects a 3.7 percent increase in median home values over the next year.

The State of Illinois remains the greatest external economic threat to the Village's operations. In addition to the protracted budget debate that ended in a compromised spending bill, there remains grave concerns over the state's ability to pay its backlogged bills. As of October 19, 2016, the state had a staggering $9.9 billion[5] in unpaid bills (up from $4.4 billion one year ago). The state has struggled in recent months to fund health and social services, transportation and pension obligations.

There remain several state-level factors affecting the Village's ability to operate effectively. Several proposals remain on the table which, if enacted, could severely reduce the Village's revenues – including a possible 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. The State of Illinois now has the lowest bond rating of all states (Baa2/negative outlook, Moody's Investor Services) and the City of Chicago's bond rating is at Ba1, currently the only city in the United States with a junk rating. Recent attempts to issue debt by the State, City of Chicago and several state-funded universities have been met with limited buyers and high interest costs. On October 21, Moody's warned that "possible delays in monthly pension contributions in the current fiscal year is credit negative, and could prompt the state's underfunded retirement plans to sell assets to pay retiree benefits. Such delays would most likely affect state contributions in November, when tax revenues are typically caught in a seasonal slowdown." To date, constitutional officers and legislators have been unable to agree on a strategy for funding pensions on a going forward basis.

The Village has, however, been able to maintain a strong balance sheet in the face of dire external fiscal pressure. By restructuring cost centers, realigning services and seeking diversified revenue sources, the Village has righted its economic ship in many respects. There are still many long-term hurdles to cross with respect to infrastructure funding as outlined in multiple projections prepared by infrastructure class throughout the year.

Economic development remains a cornerstone of the Village's efforts to build independence from state shared revenues, reduce the reliance on property tax and to develop reserves for future infrastructure replacement. The Economic Development

[4] Source: Zillow Home Index, Zillow.com
[5] Source: Comptroller Leslie Geissler Munger, "The Ledger," illinoiscomptroller.gov.

Strategic Plan was completed in 2015, and the Lake Cook Road Corridor Study was approved in 2016, with substantial completion to occur in 2017. Work continues on the branding and marketing initiative for economic development, as well as the development of an annexation strategy.

Over the past year, the Village has successfully negotiated and attracted new developments that will pay dividends into the future, including the expansion of ConnexionES in the Aptakisic Creek Corporate Center, ThermFlo headquarters on Busch Parkway, and the proposed development of a 240,000 square foot Woodman's grocery market at Deerfield and Milwaukee Avenues. These projects are anticipated to create significant sales tax revenue streams for infrastructure development. Unfortunately, some of this good news was offset by the recent announcement that long time retailer Binny's will relocate to Wheeling in Spring, 2017. In the balance, however, the Village's tax-generating additions will more than offset any relocation by existing retailers.

The prolonged economic stagnation has negatively affected the Village's ability to generate investment income. The 2017 budget anticipates corporate investment returns of 0.85 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 0.33 and 1.30 percent returns, respectively, for the period ending December 31, 2015.

COMPREHENSIVE BUDGET

All Fund Revenue, Expense and Fund Balance

Eighty-eight percent of General Fund expenditures are financed with a variety of tax revenues including property, replacement, state income and sales, local use and other miscellaneous taxes. The total budget will increase 0.28 percent, or $212,005 from 2016. The budget increase is largely driven by the increase in debt service due to the Series 2016 bond issue with partial offsets by reduced capital expenditures year-over-year. Capital projects total $6.3 million for operating and enterprise projects, or 8.4 percent of the total budget. The following table provides a summary of all funds.

Fund		12/31/17 Revenue & Other Sources
General Fund		$42,010,229
Special Revenue Funds		1,211,200
Debt Service Funds		1,673,895
Capital Project Funds		3,978,253
Enterprise Funds		15,158,156
Internal Service Funds		4,571,125
Permanent/Pension Funds		10,998,033
	Total	$79,600,891

Balance Sheet Considerations

The Village issued $6.1 million in new debt in 2016 for the street improvement program and continues to take an aggressive approach to managing debt, having retired $525,000 in debt obligations in FY 2016. For 2017, the Village will retire an additional $1,275,000 on the Series 2010-A, Series 2010-B, Series 2012 and Series 2016 issues. By year-end 2017, the Village will have outstanding bonded debt totaling $14,365,000 with all current debt maturing no later than 2031.

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, $1.5 million of which was drawn in 2016. The Village has used the line of credit entirely for the EAB response program. In 2017, further draws in the amount of $1.0 million are contemplated to provide cash flow for water and sewer system projects.

Village staff evaluated refinancing the line of credit balance with a refunding bond series versus extending the line and recommended extending the line of credit for a period of three years. With Village Board concurrence, an extension was negotiated with PNC Bank in 2016.

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 $1,126,557 in reserve transfers for vehicles, building and infrastructure asset replacement is included in the budget.

CAPITAL INVESTMENTS

Capital Program

- ✓ $1,126,557 – Capital Reserve Transfer
- ✓ $7,943,166 – Capital Projects & Equipment
- ✓ 12.8% of Total Budget

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 2017, the capital plan budget is $6,273,003 on requests totaling $12,694,303. The unbudgeted portion of the plan is driven by street maintenance work ($3.4 million), water and sanitary sewer main replacement projects ($1.9 million) and buildings and grounds improvements ($500,000). The Village completed an extended street improvement program in 2016. In total, $19.6 million has been spent on street improvement projects since 2012, more than the prior 10-year period.

The capital plan has shifted from technology-laden expenditures in recent years to bricks-and-mortar system replacements within facilities. Aging facilities continue to place a

significant strain on the capital program. For 2017, $2.3 million is budgeted in various facility improvements, with more than a quarter of the projects devoted to replacement of HVAC systems. Total building maintenance expenses over the prior five years is $2.39 million, roughly equivalent to the 2017 request. More than $3.3 million in maintenance and remodeling requests are projected through 2021, exclusive of requested additions and building modifications. Factoring in the proposed fleet services expansion and bunkroom addition at Station 26, the five-year building maintenance program swells to $11.3 million.

Water and sewer projects comprise 30 percent of the total capital expenditures budgeted for the year, while 24 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*.

In addition to facility and infrastructure investments, the Village will also fund a $1.6 million equipment replacement program for 2017. Included within this program allocation is the down payment for the replacement of one aerial ladder, one pumper apparatus and one ambulance for use by the Fire Department. In total, fire equipment purchases comprise 70 percent of the equipment replacement program for the coming year. 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, which includes a four percent annual increase for infrastructure reserve. The combined rate will increase from $5.69 per 1,000 gallons consumed to $5.91, effective January 1, 2017.

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. Des Plaines began receiving water from the Commission in August, 2016 and is expected to pump 125 million gallons per month. The revenue generated by the sale of water to Des Plaines has been reserved to service debt payments associated with system looping and standpipe projects.

Stormwater Utility

The Village Board enacted a stormwater utility fee, effective January 1, 2016. The fee is $5.08 monthly for single family residential parcels and a calculated fee is applied to all other parcels based on total lot area. There is no change to the fee for 2017.

FEES, SALES & USE TAXES AND THE PROPERTY TAX LEVY

The following rate/tax amendments are proposed in the FY 2017 budget:

Property Tax Levy

The 2016 (payable 2017) tax levy includes fully funded Fire, Police and IMRF pension allocations, as determined by an independent actuary, as well as funding for public safety and debt service, for a total Village levy of $16.6 million. Of the total levy request, $1,669,894 will be used to service debt on the Series 2010-A, Series 2010-B, Series 2012 and Series 2016 bonds. Including abatements totaling $650,000, the net tax levy is $15,594,223, or a 2.64 percent increase year-over-year.

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 212 full-time and 59 part-time positions included in the budget. For all positions, the ratio of municipal employees per 1,000 residents is 6.4/1,000, compared to a ratio of 7.8/1,000 in 2010.

Wages

It is desirable that the Village provide for a wage enhancement in 2017 in order to maintain a competitive environment for talented individuals. A 2.0 percent general wage 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 2017, $154,000 for satisfactory performance range movement and $66,000 for performance that exceeds expectations, for a total of $212,000, or a 3.7 percent increase year-over-year.

In total, the wage pool for 2016 is $22,132,708, a 2.9 percent increase against 2016 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 requested to meet to negotiate new collective bargaining agreements in the coming months.

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 $219,853 and inclusive of in-house training, tuition reimbursement and travel expenses. The Village's 2017 cost-

per-employee for training activities is $814, some 35 percent or $219 less per employee than the national average[6] and 12.2 percent lower year-over-year.

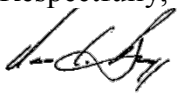
Employee Health & Wellness

For 2017, 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. Premiums will increase three percent, or approximately $138,000, 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 both challenging and rewarding. 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

[6] Source: *2015 Industry Training Report,* training expenditures per learner, small companies, trainingmag.com.

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 Director



Scott Anderson
Finance Director



Steven R. Casstevens
Police Chief



William Baker
Fire Chief

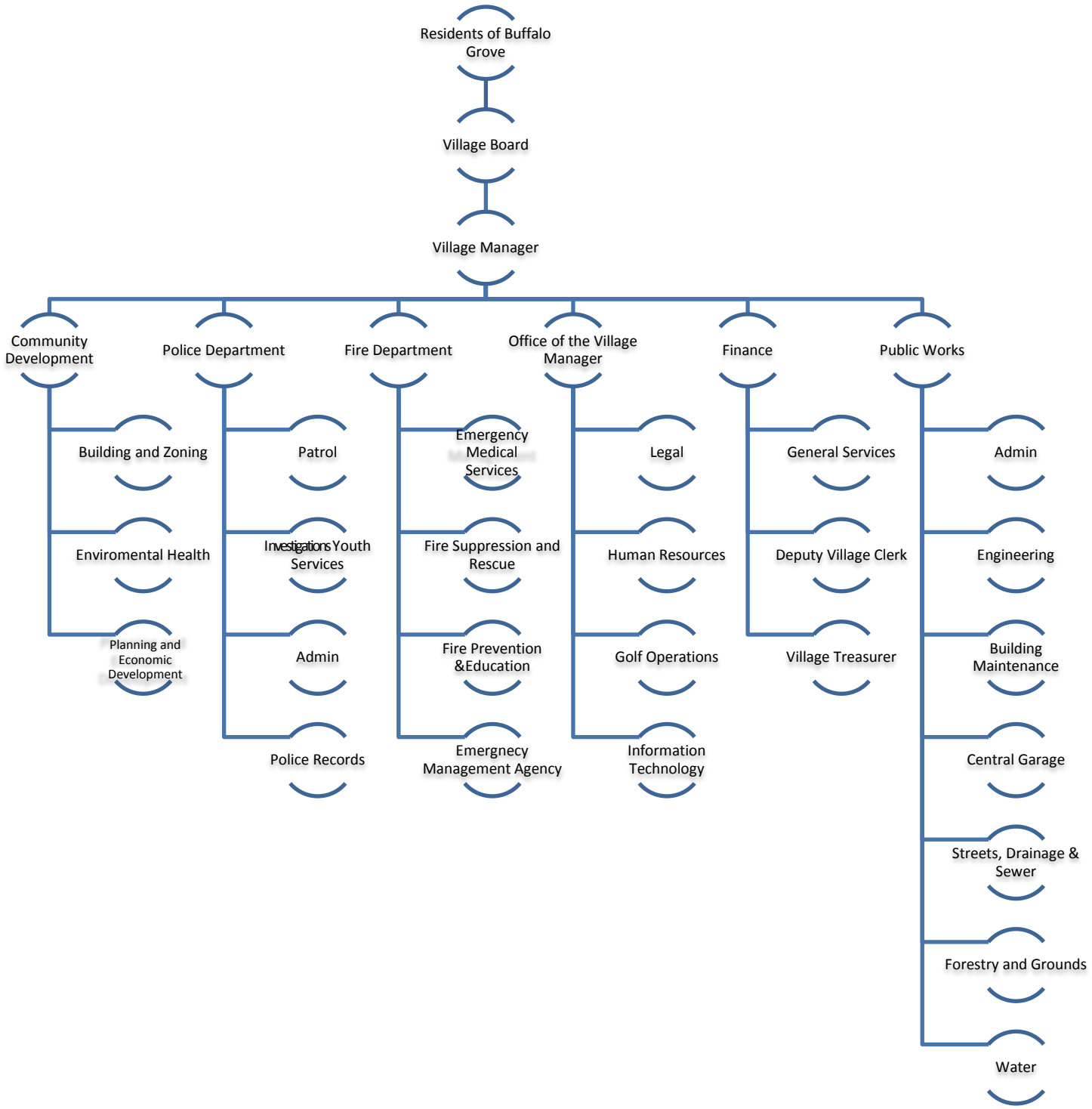


Michael Reynolds
Public Works Director



Art Malinowski
Human Resources Director

Organizational Chart



Village Commissions, Committees & Boards

Village Commissions, Committees, and Boards are appointed 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 by 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 Online Volunteer 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 2.40 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 2015 - December 2015:

	Number Sold	Average Sale Price
Single Family Detached	442	352,000
Single Family Attached	145	238,000
Multi-Family	185	133,000
All Residential	772	241,000

Village of Buffalo Grove

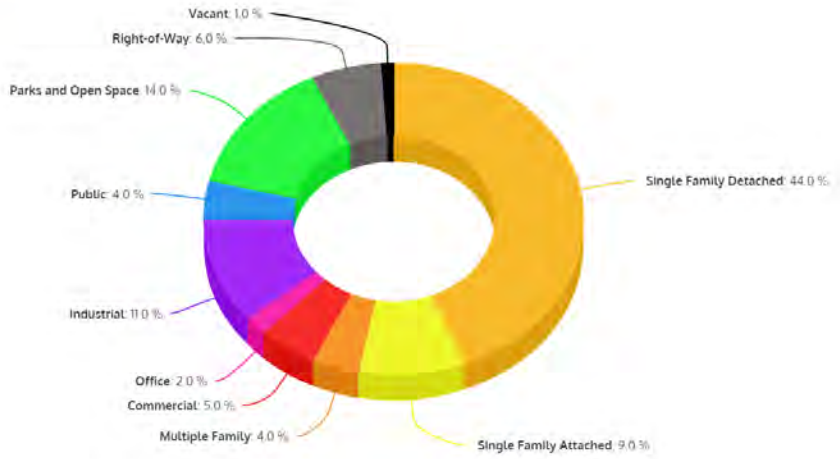
Statistcal Breakdown

2014 Housing Distribution

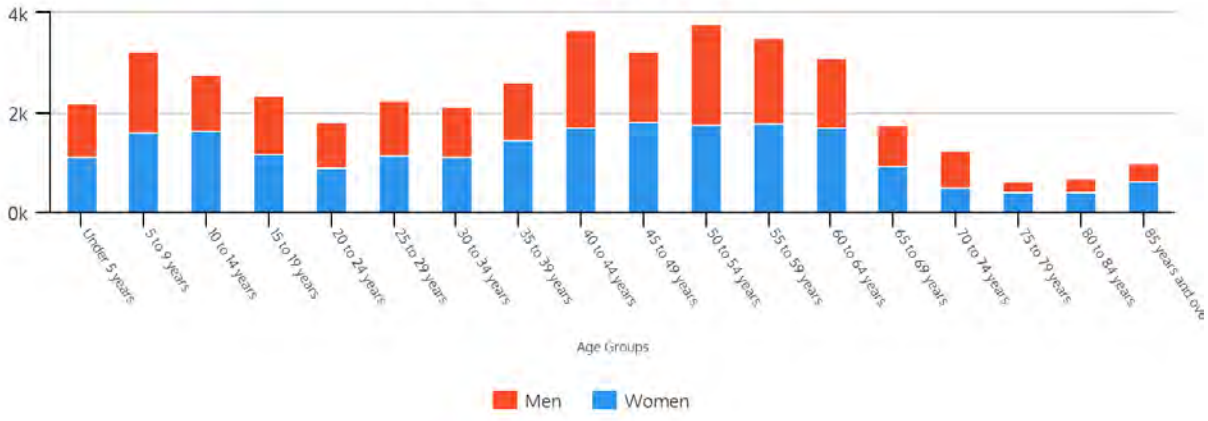


Multi- Family Housing 15%
Single Family Housing 85%

Land Use



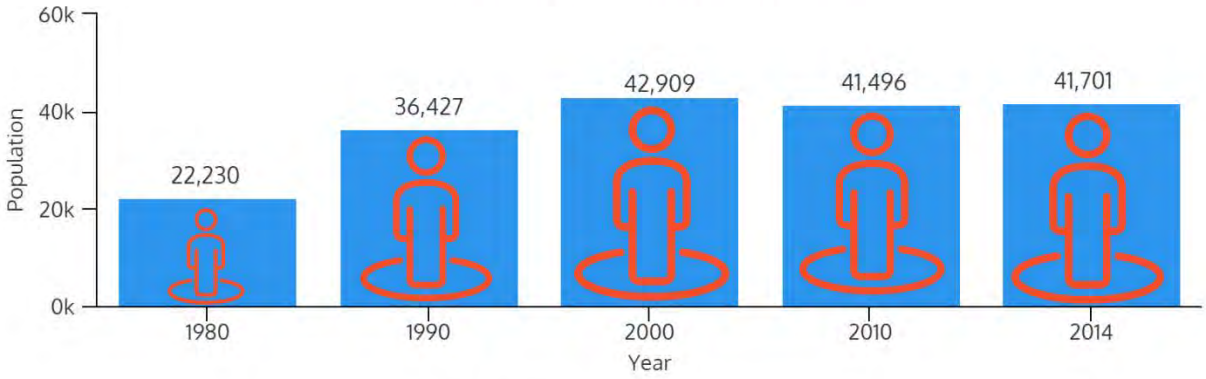
Age of Village Residents



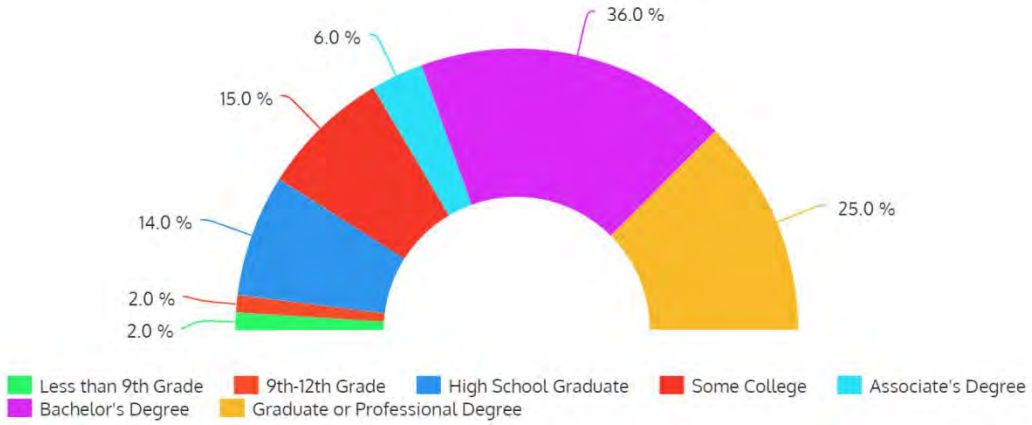
Village of Buffalo Grove

Statistcal Breakdown

Village Population 1980-2014

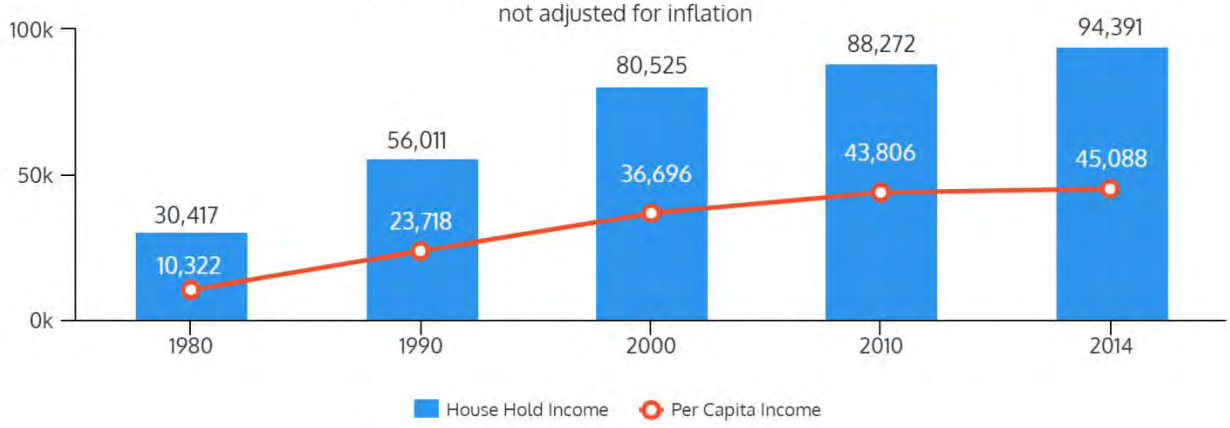


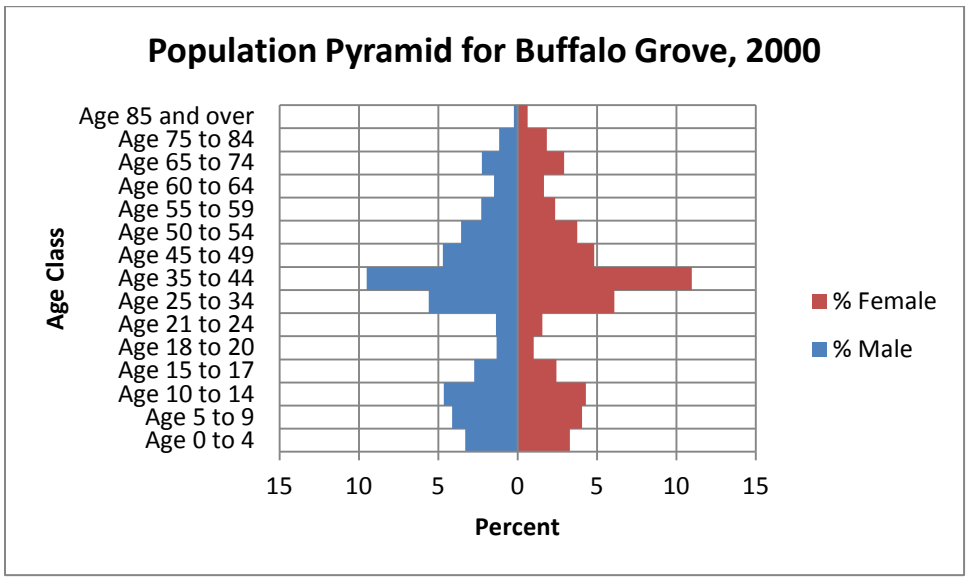
Educational Attainment

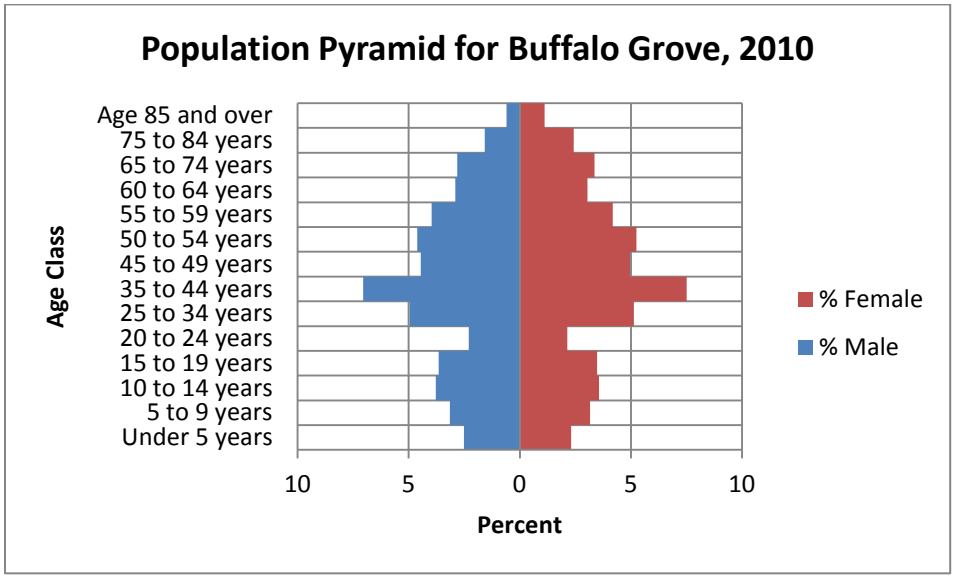


Median Household Income 1980-2014

not adjusted for inflation




Population Pyramid for Buffalo Grove, 2000
Age 85 and over
Age 75 to 84
Age 65 to 74
Age 60 to 64
Age 55 to 59
Age 50 to 54
Age 45 to 49
Age 35 to 44
Age 25 to 34
Age 21 to 24
Age 18 to 20
Age 15 to 17
Age 10 to 14
Age 5 to 9
Age 0 to 4
Age Class
15
10
5
0
5
10
15
Percent
% Female
% Male


Population Pyramid for Buffalo Grove, 2010
Age 85 and over
75 to 84 years
65 to 74 years
60 to 64 years
55 to 59 years
50 to 54 years
45 to 49 years
35 to 44 years
25 to 34 years
20 to 24 years
15 to 19 years
10 to 14 years
5 to 9 years
Under 5 years
Age Class
10
5
0
5
10
Percent
% Female
% Male

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 statues. 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.

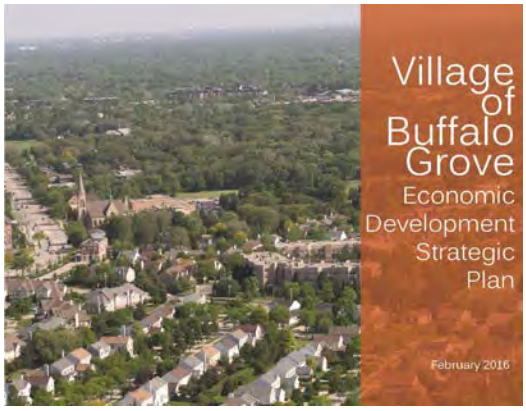
TAX YEAR	COOK COUNTY	% Increase (Decrease)	LAKE COUNTY	% Increase (Decrease)	TOTAL VALUE	% Increase (Decrease)
2006	351,925,896	2.49%	1,325,296,511	4.78%	1,677,222,407	4.29%
2007TC	402,913,368	14.49%	1,407,908,107	6.23%	1,810,821,475	7.97%
2008	430,222,803	6.78%	1,450,871,616	3.05%	1,881,094,419	3.88%
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 2016, the Village of Buffalo Grove adopted an Economic Development Strategic Plan (Plan). The Plan represents the culmination of several months of research and collaboration with the Village Board, Steering Committee, business leaders and the public. The Plan is meant to be a long-term guide in developing and implementing policies that will position the community for economic development opportunities now and in the future.



The Plan begins with the ***Introduction***, which is followed by three (3) sections that correspond with the plan's major themes of ***Economic Growth***, ***Land Use & Development*** and ***Quality of Life***. The Plan concludes with the ***Implementation Matrix***, which summarizes the policy and program recommendations.

The Plan provides the following key policy recommendations:

- **Creating a Vision.** The Plan recommends that the Village create a vision for the community through a revised comprehensive plan, plans for various subareas, and an annexation strategy.
- **Enhancing Administration.** The Plan recommends the Village streamline and update its regulations and processes through measures such as updating the Municipal Code's content, format, and organization.
- **Improving Livability.** The Plan proposes the Village diversify its housing stock to cater to millennials, empty-nester, and young families; monitor demographic, economic, and development trends; and continue to participate in the Northwest Suburban Housing Collaborative.
- **Increasing Accessibility.** The Plan advises the Village to enhance the accessibility to, from, and around the Village. This accessibility initiative encompasses multimodal infrastructure to ensure connectivity for residents, workers, and other travelers by automobile, train, bus, bicycle, and on-foot.
- **Enhancing Communication.** The Plan encourages the Village to continue to work on communication strategies such as the branding and marketing campaign to help market the Village to businesses, developers, and residents.
- **Maintaining and Strengthening Partnerships.** The Plan recommends the Village maintain and grow its relationships with its public, nonprofit, and private partners.

Lake Cook Corridor Market Study and Plan

Upon the adoption of the Economic Development Strategic Plan, one of the Plan's key action steps for 2016 was to begin to develop a vision for the Village's Lake Cook Road Corridor via a consultant-led plan. In September, 2016, the Village Board awarded a contract to Hellmuth, Obata & Kassabaum, Inc. (HOK) to begin the Lake Cook Corridor Market Study and Plan. The Corridor Plan will assist Buffalo Grove in taking advantage of the Corridor's strong visibility, mix of land uses, and opportunities for development.



HOK will be the project leader and their proposal is complemented by the services of JONES LANG LASALLE (JLL) for market analysis, KLOA for transportation, and SPACECO regarding civil, environmental, and watershed items. To round out the team, IMAGES, Inc. will lead the stakeholder and community engagement process. The overall project will consist of five (5) stages, comprising a robust community engagement program with a project website and multiple public meetings. The project is expected to be completed by the end of 2017.

Recent Development and Business Activity

850 Asbury Drive

Ridgeline Property Group is currently under construction to develop a new 160,000 square foot industrial building at 850 Asbury Drive. The developer will demolish the existing building and construct the new state of the art warehouse/office facility and associated infrastructure.



Rendering of Proposed Building at 850 Asbury Drive

Therm-Flo Inc. and Zonatherm Products Headquarters- 875 Busch Parkway

A formerly vacant property at 875 Busch Parkway in the Corporate Grove industrial park is being developed with a new 40,437 square foot office and warehouse building. Therm-Flo Inc. and its sister company Zonatherm Products have outgrown its current facility in Wheeling and have chosen to expand in Buffalo Grove. Therm-Flo Inc. designs, sells, and services HVAC and generators specifically for commercial data centers and Zonatherm Products is a commercial power system distributor.



Rendering of the Proposed Building at 875 Busch Parkway

Woodman's Food Market

Woodman's Food Markets and Shorewood Development Group are proceeding with plans for a 25-acre commercial development at the western corners of Deerfield Parkway and Milwaukee Avenue. The development will be anchored by a 242,000 square foot Woodman's Food Market located on the northwest corner of the intersection. Woodman's also plans to develop a fuel center, convenience store, quick lube and carwash on the north side of Deerfield Parkway. Additional commercial and retail developments would occupy the remaining 7-acres at the southwest corner of the intersection, which would be developed by Shorewood Development Group.



Example Photo of Woodman's Latest Store in Sun Prairie, WI

Connexion

Connexion is an electrical equipment supplier located in a 60,000 square foot warehouse at 1700 Leider Lane in Buffalo Grove. In 2016, Connexion announced plans to expand into the adjacent space doubling their square footage to over 120,000 square feet.



Link Farm

In 2016, K Hovnanian Homes announced their plans for the redevelopment of the unincorporated 50 acres located at 16802 W Aptakisic Road (Link Farm). The property is located directly north of the existing Didier Farms. K Hovnanian Homes is still finalizing their proposed plans, which will include a mix of single-family attached and detached homes. The project requires a public hearing, in addition to zoning and annexation agreement approvals from the Buffalo Grove Village Board.



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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

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 as a parameter to work within while developing 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 2017.

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
Wednesday, June 29, 2016	Budget/CIP Instructions Distributed	Finance staff distribution
Friday, July 08, 2016	FY 2017 Initialized in New World Systems	Staff creates FY 2017 in NWS
Monday, July 11, 2016	Committee of the Whole Meeting	Presentation of five year General and Water Fund Operating Proforma discussion. Program Budget discussion. Management comments (audit)
Friday, July 29, 2016	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
Monday, August 01, 2016	Committee of the Whole Meeting	Staff provide six month financial update on FY 2016 Budget. CIP Discussion
Thursday, August 11, 2016	Capital Budget Meetings	Review capital requests.
Friday, August 12, 2016	Village Fee & Fines Recommendation	Department fee & fine recommendations due to the Office of Village Manager
Wednesday, August 17, 2016	Meeting on Capital Reserve Funding	Staff reviews funding requirement for vehicles, buildings and technology
Friday, August 19, 2016	Salary and Health Insurance Budgets Added to Department Budgets	Staff adds wage and insurance line-items. Census reports distributed for review.
Monday, August 22, 2016	Capital Reserve Amounts Distributed and Added into NWS	Reserve amounts calculated for vehicles, technology and buildings.
Monday, August 29, 2016	General Fund Revenue Estimate	Staff compiles estimated actual for FY 2016 and budget for FY 2017
Wednesday, August 31, 2016	Preliminary Budgets added to New World Systems.	All department budgets entered into NWS.
Friday, September 02, 2016	RFP/RFQ/Bidding Calendar	Department Directors report FY 2017 activity to Brett Robinson.
Friday, September 02, 2016	Final Budget Requests Due	Final department budget due.
September 15-16, 2016	Department Meetings	Department Directors discuss budget requests to Village Manager/Deputy Manager.
September 16 - October 7, 2016	Budget Preparation	FY 2016 Budget production
Monday, October 10, 2016	Preliminary Detail Budget to Village Board	Preliminary detail budget emailed to Village Board
Friday, October 27, 2016	Draft Budget to Village Board	Draft budget distributed to Village Board
Monday, November 07, 2016	Village Board Meeting	Truth-in-Taxation determination.
Monday, November 14, 2016	Village Board Meeting	FY 2017 Budget Presentation
Monday, December 05, 2016	Village Board Meeting	FY 2016 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 an overview of Buffalo Grove as well as villagewide Economic Development goals.
3. **Budget Process and Structure:** This section provides the reader with general information on how the budget was developed, including a timeline and its general format.
4. **Executive Overview:** In the Executive Overview section, the overall revenues and expenditures are presented by fund, as are fund balance projections, debt levels, staffing levels, and budget assumptions. Trend analysis allows the Village to monitor changes and anticipate future issues. This section identifies the factors that affect financial condition and logically arranges them to facilitate analysis and measurement. This information serves as a management tool by combining information from Village documents with relevant economic data. Strategic goals are presented in this section as 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 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, 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 and projections presented to the Village Board throughout the year.
13. **Appendix C Human Resources:** A summary of health insurance plan benefits and aggregate staffing levels.
14. **Appendix D Document Definitions: I**ncludes definitions of key terms and acronyms 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 principles (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 three 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 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 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.

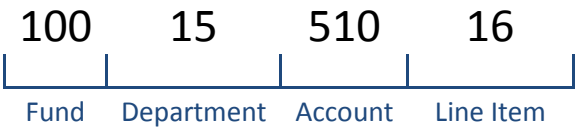
Capitalization Policy: Capital assets are assets with an initial, individual cost of more than $10,000 and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are capitalized.

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 the 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 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 appears as follows:



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

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 appear as follows:



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. 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	Legislative
		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

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



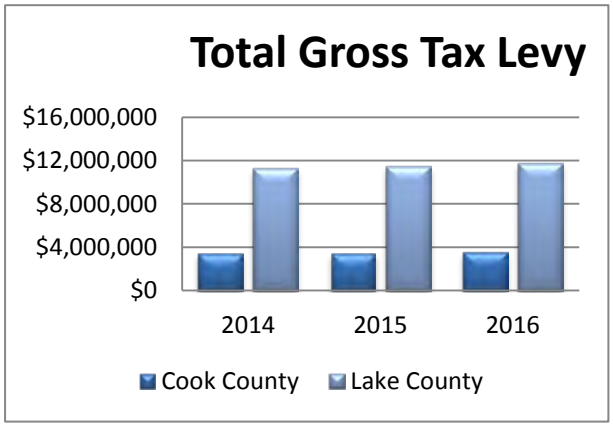
Budget in Brief

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 2017, the Village's proposed budget is balanced and does not contemplate the implementation of new taxes. The property tax levy will increase by approximately 2.6 percent for the 2016 levy, payable 2017. 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 2014, 2015 and 2016 (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 2015, 2016 and 2017 (proposed).

Revenues by Category

The total revenue budget for 2017 is $79,600,891. This budget is a 1.6 percent decrease over the 2016 estimated actual amount and 13.3 percent more than the 2015 actual. A significant increase ($9.35 million) in 2017 as compared to the 2015 actual is due to the addition in 2016 of a Storm Water Management Fee, investment revenues generated in the pension funds, and operating transfers for capital projects.

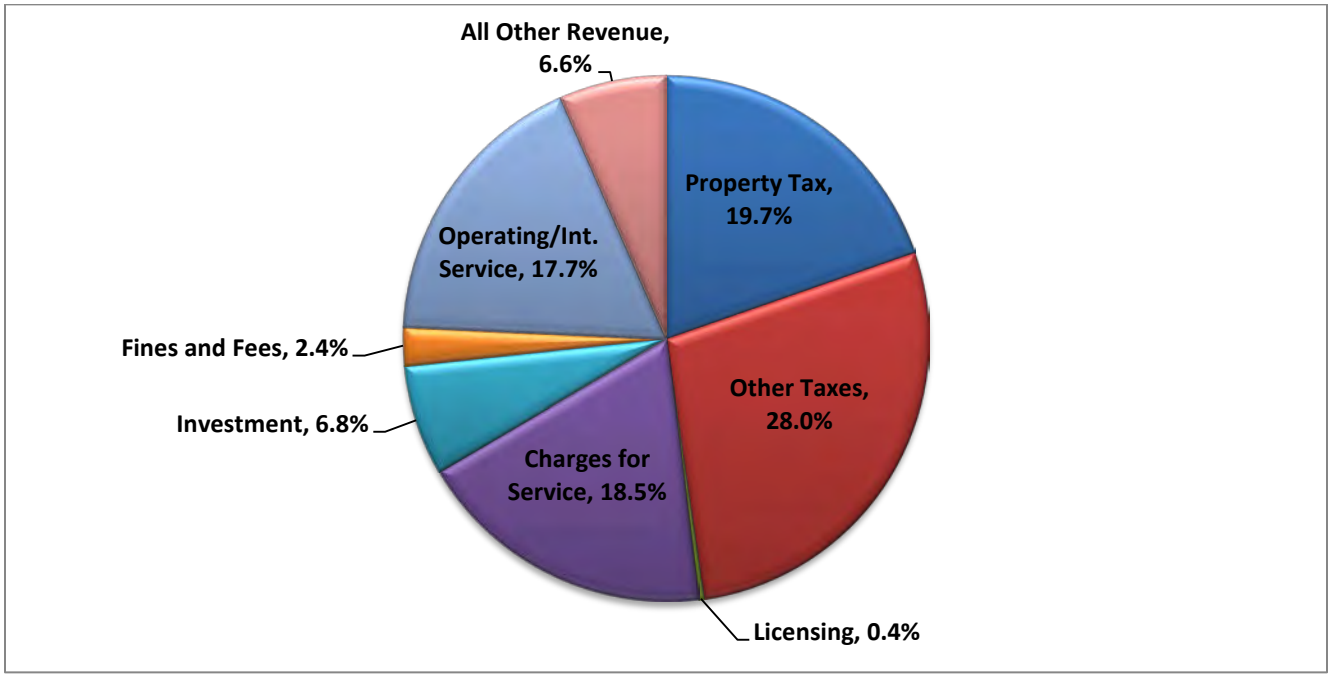
Account Category	FY 2015 Actual	FY 2016 Est. Actuals	FY 2017 Budget
Property Taxes	$14,742,623	$15,177,308	$15,674,776
Other Taxes-State	$12,278,330	$11,933,392	$12,321,651
Other Taxes-Local	$9,712,719	$9,922,500	$9,963,240
Business Licenses	$204,751	$142,025	$142,025
Liquor Licenses	$138,731	$137,650	$137,650
Animal Licenses	$6,560	$6,465	$6,465
Building Revenue & Fees	$1,142,738	$1,332,750	$981,200
Intergovernmental Revenue-Local	$309,993	$294,346	$302,573
Sales of Water/Sewer Fees	$10,235,625	$11,025,596	$11,377,743
Golf Course Fees	$2,331,478	$2,348,283	$2,366,460
Investment Revenue	$1,178,101	$7,148,506	$5,423,600
Fines & Fees	$1,931,512	$1,890,015	$1,882,778
Operating/Internal Service Transfers	$12,374,604	$11,455,748	$14,077,352
All Other Revenue	$3,783,348	$8,055,744	$4,943,378
Grand Total - All Fund Revenue	$70,245,763	$80,870,328	$79,600,891

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, telecommunications 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	$14,504,881			$1,169,895				
Other Taxes	$21,267,407		$1,000,000					
Licensing	$286,140							
Charges for Service	$920,200						$11,438,743	$1,268,760
Investments	$65,800						$7,800	
Fines and Fees	$1,672,778	$210,000						
Operating/Int. Service Trans.	$901,000			$504,000	$1,875,303	$1,537,950		$196,468
All Other Revenue	$2,392,023	$1,200			$565,000			
FY 2017 Budget	$42,010,229	$211,200	$1,000,000	$1,673,895	$2,440,303	$1,537,950	$11,446,543	$1,465,228
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

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								**$15,674,776**
Other Taxes						$8,742	$8,742	**$22,284,891**
Licensing								**$286,140**
Charges for Service	$1,097,700							**$14,725,403**
Investment						$3,150,000	$2,200,000	**$5,423,600**
Fines and Fees								**$1,882,778**
Operating/Int. Service Trans.	$103,185	$1,351,359	$1,756,782	$1,462,984		$2,525,647	$1,862,674	**$14,077,352**
All Other Revenue	$500				$1,045,000	$682,740	$559,488	**$5,245,951**
FY 2017 Budget	$1,201,385	$1,351,359	$1,756,782	$1,462,984	$1,045,000	$6,367,129	$4,630,904	**$79,600,891**
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**

Revenues by Source Summarized - All Funds

Summary by Funds	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust & Agency	Total
Property Tax	$14,504,881			$1,169,895				$15,674,776
Other Taxes	$21,267,407	$1,000,000					17,484	$22,284,891
Licensing	$286,140							$286,140
Charges for Service	$920,200				$13,805,203			$14,725,403
Investment Revenue	$65,800				$7,800		$5,350,000	$5,423,600
Fines and Fees	$1,672,778	$210,000						$1,882,778
Operating Transfers	$901,000		$3,413,253	$504,000	$300,153	$4,571,125	$4,388,321	$14,077,352
All Other Revenue	$2,392,023	$1,200	$565,000		$500		$2,287,228	$5,245,951
FY 2017 Budget	$42,010,229	$1,211,200	$3,978,253	$1,673,895	$14,160,340	$4,571,125	$12,043,033	$79,600,891
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

Total Revenue by Fund

Fund	Fund #	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Budget	% of Prior Year Budget
General	100	$37,494,997	$40,820,195	$41,714,743	$42,010,229	100.71%
Parking Lot	120	$176,100	$183,329	$230,000	$211,200	91.83%
Motor Fuel Tax	130	$1,817,252	$1,014,469	$1,000,000	$1,000,000	100.00%
Debt Service	140	$1,081,513	$808,057	$807,063	$1,673,895	207.41%
Capital Projects - Facilities	150	$2,163,404	$1,158,644	$1,428,356	$2,440,303	170.85%
Capital Projects – Streets	160	$113,000	$0	$1,049,727	$1,537,950	146.51%
Water & Sewer	170	$11,494,412	$10,968,724	$13,834,475	$11,446,543	82.74%
Buffalo Grove Golf Course	180	$1,202,100	$1,233,526	$1,248,569	$1,201,385	96.22%
Arboretum Golf Course	190	$1,158,400	$1,472,929	$1,424,200	$1,465,228	102.88%
Refuse Service	200	$1,020,000	$1,039,875	$1,040,000	$1,045,000	100.48%
Information Technology	211	$0	$957,961	$1,224,249	$1,351,359	110.38%
Central Garage	212	$0	$1,528,484	$1,791,878	$1,756,782	98.04%
Building Maintenance	213	$0	$1,392,642	$1,396,763	$1,462,984	104.74%
Police Pension	220	$4,439,846	$3,322,713	$6,223,461	$6,367,129	102.31%
Fire Pension	230	$4,404,677	$3,506,006	$4,629,699	$4,630,904	100.03%
Total		$66,565,701	$70,266,762	$79,053,184	$79,600,891	100.69%

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 (52.9 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 2015, 2016 and 2017 (proposed).

Account Category	FY 2015 Actual	FY 2016 Est. Actuals	FY 2017 Budget
Personal Services	$21,072,786	$21,672,403	$22,430,898
Personal Benefits	$15,317,605	$16,795,904	$17,329,241
Operating Expenses	$6,902,440	$7,314,549	$7,896,844
Insurance	$877,296	$943,254	$1,025,670
Legal Services	$360,208	$387,480	$484,850
Commission & Committees	$93,091	$105,740	$112,700
Commodities	$3,638,250	$4,352,332	$4,424,391
Maintenance & Repairs - Facilities	$2,399,863	$2,680,636	$2,542,500
Maintenance & Repairs - Water & Sewer	$53,847	$97,830	$104,900
Maintenance & Repairs - Other	$38,846	$75,316	$87,675
Maintenance & Repairs - Vehicles	$2,179,209	$2,152,313	$2,647,982
Capital Equipment	$1,882,899	$1,423,769	$1,195,243
Capital Projects	$5,681,044	$8,923,000	$6,747,923
Debt Service	$832,875	$1,164,183	$2,095,280
Operating Transfer	$3,062,951	$3,214,315	$4,043,956
All Other Expense	$3,106,571	$2,016,062	$1,950,560
Grand Total All Fund Expense	$67,499,781	$73,319,086	$75,120,613

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 2015 actual versus the 2016 estimated actuals and 2017 budget is due to spending on capital projects (2016 Est. Actuals) and debt service obligations and operating transfers for 2017.

Summary of Expenditures by Source - All Funds

The following chart provides a summary of expenditures by source. Approximately 53 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 10.6 percent. It is anticipated in the budget that $7.9 million in capital projects and equipment purchases will be made. Significant projects include replacing the Combined Area Fire Training Site (CAFT), the annual street maintenance program, Buffalo Grove Golf Course clubhouse improvements, system improvements for water, sewer, and drainage utilities. The improvements include repairing sections of water main and storm sewer main. Facility costs include roof replacements, new HVAC units, and parking lot maintenance.

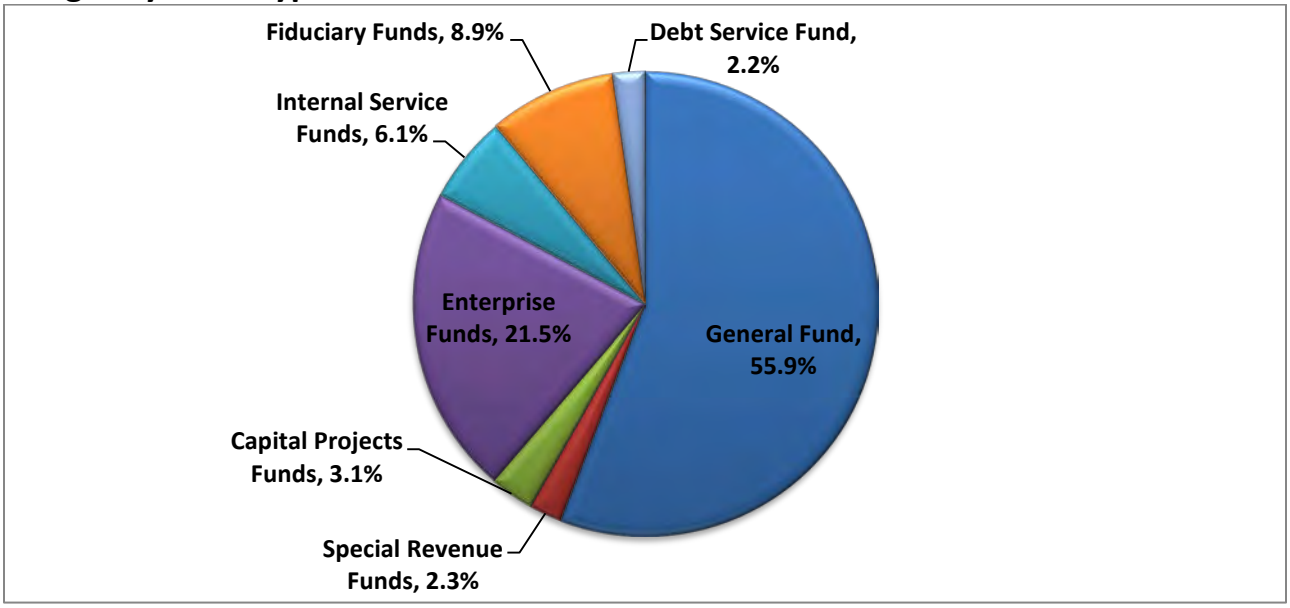
Within Operating Transfers there is a transfer to the General Fund of $765,000 paid by the Water and Sewer Fund to reimburse for administrative, maintenance and operation expenditures accounted for outside of the Water and Sewer Fund. A transfer of approximately $2.5 million from the General Fund to the Capital Project 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, 2012, and 2016, and an installment contract, total $2,095,280 in 2017.

Summary of Expenditures by Source - All Funds

Description	Personal Services & Benefits	Operating Expenses	Legal/Ins Services	Commodities	Maintenance & Repairs
General Fund	$30,011,675	$2,824,073	$1,303,608	$363,590	$2,969,172
Parking Lot		$155,271		$13,750	$17,500
Motor Fuel Tax					
Total Special Revenue Funds		$155,271		$13,750	$17,500
Debt Service Fund					
Capital Projects - Facilities					
Capital Projects - Streets					
Total Capital Projects Funds					
Water & Sewer	$1,546,912	$1,970,368	$110,739	$3,782,800	$714,681
Buffalo Grove Golf Course	$426,560	$548,312	$15,361	$64,000	$109,040
Arboretum Golf Course	$214,990	$863,872	$4,277	$53,000	$217,589
Refuse Service					
Total Enterprise Funds	$2,188,462	$3,382,552	$130,377	$3,899,800	$1,041,310
Information Technology		$1,329,002	$17,357		$5,000
Central Garage	$754,992	$21,852	$32,320	$5,000	$887,400
Building Maintenance	$622,098	$184,094	$26,846	$142,251	$462,675
Total Internal Service	$1,377,090	$1,534,948	$76,535	$147,251	$1,355,075
Police Pension	$3,650,000				
Fire Pension	$2,532,912				
Total Fiduciary Funds	$6,182,912				
All Funds	$39,760,139	$7,896,844	$1,510,520	$4,424,391	$5,383,057

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	$1,199,061		$2,524,956	$806,260	$42,002,395
Parking Lot			$24,000	$500	$211,021
Motor Fuel Tax	$1,500,000				$1,500,000
Total Special Revenue Funds	$1,000,000		$24,000	$500	$1,211,021
Debt Service Fund		$1,679,144			$1,679,144
Capital Projects - Facilities	$1,974,723				$1,974,723
Capital Projects - Streets	$350,000				$350,000
Total Capital Projects Funds	$2,324,723				$2,324,723
Water & Sewer	$2,173,044	$416,136	$945,000		$11,659,680
Buffalo Grove Golf Course	$555,600			$500	$1,719,373
Arboretum Golf Course	$110,500			$1,000	$1,465,228
Refuse Service			$550,000	$760,000	$1,310,000
Total Enterprise Funds	$2,839,144	$416,136	$1,495,000	$761,500	$16,154,281
Information Technology					$1,351,359
Central Garage	$55,218				$1,756,782
Building Maintenance	$25,020				$1,462,984
Total Internal Service Funds	$80,238				$4,571,125
Police Pension				$295,000	$3,945,000
Fire Pension				$200,000	$2,732,912
Total Fiduciary Funds				$495,000	$6,677,912
All Funds	$7,943,166	$2,095,280	$4,043,956	$2,063,260	$75,120,613

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 2017 is $75,120,613. That total is 0.3 percent more than the 2016 budget and 11 percent more than actual expenditure in 2015**.** Over fifty-five 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 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Budget	% of Prior Year Budget
By Fund	General	100	$39,043,476	$38,755,925	$41,670,875	$42,002,395	100.80%
	Parking Lot	120	$219,535	$184,852	$193,654	$211,021	108.97%
	Motor Fuel Tax	130	$2,014,666	$1,688,228	$1,000,000	$1,500,000	150.00%
	Debt Service	140	$1,103,664	$806,748	$810,063	$1,679,144	207.29%
	Capital Projects - Facilities	150	$1,383,234	$2,746,734	$1,428,356	$1,974,144	138.21%
	Capital Projects-Streets	160	$1,149,921	$440,422	$1,049,727	$350,000	33.34%
	Water & Sewer	170	$9,160,908	$9,366,915	$14,914,247	$11,659,680	78.18%
	Buffalo Grove Golf Course	180	$1,168,803	$1,351,796	$1,242,963	$1,719,385	138.33%
	Arboretum Golf Course	190	$1,631,832	$1,994,178	$1,414,886	$1,465,228	103.56%
	Refuse Service	200	$803,039	$777,105	$1,026,740	$1,310,000	127.59%
	Information Technology	211	$0	$957,961	$1,224,249	$1,351,359	110.38%
	Central Garage	212	$0	$1,528,484	$1,791,878	$1,756,782	98.04%
	Building Maintenance	213	$0	$1,393,658	$1,396,763	$1,462,984	104.74%
	Police Pension	220	$3,005,470	$3,192,215	$3,612,716	$3,945,000	109.20%
	Firefighter Pension	230	$2,133,142	$2,314,558	$2,131,491	$2,732,912	128.22%
	Grand Total		$63,463,812	$67,499,781	$74,908,609	$75,120,613	100.28%
By Category	Personal Services		$37,864,098	$36,390,391	$38,488,295	$39,760,139	103.30%
	Operating Expenses		$4,245,353	$6,902,440	$7,637,789	$7,314,549	95.77%
	Commodities		$4,348,816	$3,638,250	$4,467,470	$4,424,391	99.04%
	Maintenance & Repairs		$2,148,901	$4,671,765	$5,473,725	$5,006,095	91.46%
	Capital Equipment & Projects		$8,309,142	$7,563,943	$10,759,000	$10,346,769	96.17%
	Debt Service		$1,114,256	$832,875	$1,164,246	$1,679,144	144.23%
	Operating Transfers		$2,356,486	$3,106,571	$3,312,022	$2,016,062	60.87%
	All Other Expenses		$4,615,159	$4,393,546	$3,606,062	$4,573,464	126.83%
	Grand Total		$63,455,487	$67,499,781	$74,908,609	$75,120,613	100.28%

Summary of Revenue and Expenditures by Category

Revenue Account Category	FY 201p Actual	FY 201c Est. Actuals	FY 201t 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 201p Actual	FY 201c Est. Actuals	FY 201t 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 every 3 years 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 2017).

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 2016.

For 2017, the Village proposes a full-time staff complement of 212 full-time personnel and 58 part-time personnel.

	FY 2015		FY 2016		FY 2017	
	FT	**PT**	**FT**	**PT**	**FT**	**PT**
Office of Village Manager/Administration	6	0	3	0	3	1
Community Development	10	1	12	1	12	1
Finance & General Service	8	0	9	0	9	0
Fire Services	59	2	59	2	59	2
Golf Operations	7	51	3	32	3	32
Human Resources	2	0	2	0	2	0
Information Technology	0	0	0	0	0	0
Police Services	74	14	75	13	75	12
Public Works/Engineering	50	10	49	10	49	10
Total	216	78	212	58	212	58
Full & Part-Time Grand Total	294		270		270	

2016 & 2017 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.

Vision and Mission Statements

Vision

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

Mission

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

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

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

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

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."

	**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. **Categories:** Core Services, Organizational Needs, Marketing, and Communication.
	**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. **Categories:** Leadership and Support, Technology and Collaboration, Personal Growth, and Balance.
	**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. **Categories:** Diversification, Reserves, and Cost Control.
	**Definition:** Maintain and enhance the quality of life in the community through on-going assessment, public and private partnerships, and by leveraging resources to meet community objectives. Create an inviting environment for doing business in the community through targeted communication and marketing methods, consistent with the needs and values of the village. **Categories:** Active Development and Redevelopment, Opportunity Management, Events, and Quality of Life Initiatives
	**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. **Categories:** Planning and Programming, Financial, and Green Infrastructure

PROGRESS TOWARDS 2016 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

Action Steps	Status	Project Manager(s)
Investigate the opportunity to deploy mobile tablets in the field for Public Works.	Completed. Mobile tablets are live in the field.	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 sample of catalog services items was presented to the Village Board. The remaining items will be completed in 2017.	Deputy Village Manager
Implement online police reporting for minor incidents.	Completed.	Police Chief
Implement a new point of sale system for BGCC and Arboretum.	Software analysis is complete and the new system will go live early 2017.	Head Golf Professional
Evaluate the cost versus reward of GPS units in golf carts.	Completed.	Head Golf Professional
Review all Village forms/applications and develop a plan to transition them to the website in an online format.	Goal has changed due to a review of the website. This goal will move into 2017.	Deputy Village Manager
Complete Cartegraph Implementation.	Completed.	Public Works Director
Migrate food and beverage tax payments online.	Analysis was completed. Current software does not allow for this capability. Working with software provider to allow for this in the future.	Finance Director
Implement a revised vehicle utilization plan in the Fire Department.	Completed.	Fire Chief
Analyze Police Department daily activity reports and create a strategy for best use of officer time. Use reports to create Goal Timelines.	Goal moved to 2017.	Police Chief

Strategic Initiative: Marketing and Communication

Action Steps	Status	Project Manager(s)
Analyze the success of social media communications and revised the communications strategy as needed.	Completed.	Deputy Village Manager
Develop a style guide and brand standard for all Village publications and communication pieces.	Goal has changed due to the branding strategy for the Lake Cook Road Corridor Project.	Deputy Village Manager
Evaluate the cycle of the Village News and develop a revised strategy for Village Board approval.	Completed.	Deputy Village Manager

Strategic Initiative: Organizational Needs

Action Steps	Status	Project Manager(s)
Update mutual aid agreements with all communities surrounding the Village.	Goal moved to 2017.	Fire Chief
Evaluate the efficiency of moving all inspectors into the Community Development Department.	Goal moved to 2017.	Community Development Director
Evaluate Village Hall front counter needs in light of the customer service counter merger.	Completed.	CD Director/Finance Director
Evaluate the opportunity to aggregate water billing with Palatine and Wheeling.	Initial evaluation complete. Final analysis to be completed in 2017.	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

Action Steps	Status	Project Manager(s)
Retire Lotus Notes.	The IT Committee investigated various options for finding new places to manage data that remains in Lotus Notes. Staff is recommending the purchase of SharePoint to accommodate this need in 2017.	Deputy Village Manager
Implement employee event change form in NWS.	Completed.	Human Resources Director
Implement electronic employee benefit enrollment.	Project was delayed due to an issue with the vendor through the benefits cooperative. A new vendor has been chosen and it is likely the electronic benefit enrollment will be available in 2017.	Human Resources Director

Strategic Initiative: Personal Growth & Balance

Action Steps	Status	Project Manager(s)
Launch the BG Training Academy that includes a supervisory track.	This project was selected as a capstone project by UIC for their masters level students. The students are working on the project now and will have a report to the Village in December of 2016.	Human Resources Director
Develop an employee intranet with one location to host all support documentation for employees.	Completed.	Human Resources Director

Strategic Initiative: Leadership and Support

Action Steps	Status	Project Manager(s)
Review pay ranges in 2016 based on the Village's comparables with a January 1, 2017 implementation date.	Completed.	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

Action Steps	Status	Project Manager(s)
Implement quarterly parking pass for Metra parking lot.	Online payment for passes was implemented in 2016. A quarterly/annual option will be evaluated in 2017.	Finance Director

Strategic Initiative: Reserves

Action Steps	Status	Project Manager(s)
Evaluate the current EMA structure and assets and make appropriate recommendation.	Completed.	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.	Analysis is complete. Recommendation will go to the Village Board in early 2017.	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

Action Steps	Status	Project Manager(s)
Develop a complete and revised annexation strategy.	In process. A draft of the annexation strategy was presented to the Village Board on 10/14/2016.	Community Development Director
Complete and implement corridor planning and market analysis for Prairie View and Lake Cook Road corridors.	Prairie View study was changed to be a part of a future Comprehensive Plan update. A firm has been hired for the Lake Cook Road Corridor and a plan for the corridor is expected to be adopted by the Village Board in October of 2017.	Community Development Director

Strategic Initiative: Opportunity Management

Action Steps	Status	Project Manager(s)
Develop and distribute a series of development brochures to the business community and prospective developers.	This will be completed in 2017 as the Lake Cook Road Corridor consultant will be developing marketing and branding materials for the Corridor.	Community Development Director
Complete the 2015 ICC Code Update.	Draft complete. Final form will be presented to the Village Board in 2017.	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

Action Steps	Status	Project Manager(s)
Evaluate costs and benefits of a green fleet program.	Project ongoing and will be complete in 2017.	Public Works Director
Review the Village's Bike System and Bike Plan to identify priority connections and develop a plan to make connections.	Project ongoing and will be complete in 2017.	CD Director & PW Director
Develop a plan for BGGC club house improvements.	Complete.	Head Golf Professional

2017 STRATEGIC PLAN GOALS

In 2017, the Village will undertake a comprehensive review of the strategic plan to evaluate success and create goals for the future. In 2016, the Village Board worked with a consultant and Staff to identify the Village Board's top priorities. Those priorities will be the starting point to a full review of the plan. Some of the priorities identified are related to the goals set for 2017.

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

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Evaluate snow plow routes for efficiency and optimization.	100 Staff Hours $4,968	August 31, 2017	Public Works Director
Develop a cost estimate to enhance the tree trimming cycle to 4 years and present to the Village Board.	80 Staff Hours $3,974	April 30, 2017	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 and associated costs.	400 Staff Hours $19,872	December 31, 2017	Deputy Village Manager
Work with the food and beverage operator at both golf courses to set a marketing and targeted food plan for customers.	200 Staff Hours $9,936	March 30, 2017	Deputy Village Manager
Evaluate and improve Community Development forms and processes related to development, permitting, and inspections.	300 Staff Hours $14,904	May 31, 2017	Community Development Director
Increase social services outreach due to the increase in calls related to mental illness.	700 Staff Hours $34,776 $44,000- Program Costs	March 30, 2017	Police Chief
Implement quarterly/annual parking pass for the Metra Parking Lot.	40 Hours $1,987	June 30, 2017	Finance Director

Strategic Initiative: Marketing and Communication

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Expand current Everbridge program for enhanced communications with residents and businesses.	80 Staff Hours $3,974	May 31, 2017	Fire Chief
Complete citizen survey of all residents in 2017.	200 Staff Hours $9,936 $20,000- Program Costs	December 31, 2017	Deputy Village Manager
Develop style and brand standards for all Village publications and communication pieces.	300 Staff Hours $14,904	December 31, 2017	Deputy Village Manager
Review and improve the Village's website	300 Staff Hours $14,904	September 30, 2017	Deputy Village Manager
Evaluate the success of the BG Connect application and market as needed.	80 Staff Hours $3,974	December 31, 2017	Deputy Village Manager
Complete a building permit customer service survey.	100 Staff Hours $4,968	May 31, 2017	Community Development Director
Create and implement a plan to increase community outreach in the Police Department.	1,000 Staff Hours $49,680	June 30, 2017 plan completion December 31, 2017 plan operational	Police Chief
Implement a business electronic newsletter.	80 Staff Hours $3,974	June 30, 2017	Community Development Director

Strategic Initiative: Organizational Needs

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Implement company level fire inspections.	40 Staff Hours $1,987	April 30, 2017	Fire Chief
Update mutual aid agreements with other fire departments and districts.	100 Staff Hours $4,968	August 31, 2017	Fire Chief
Review Fire Department policies and procedures in anticipation of an ISO review.	200 Staff Hours $9,936	December 31, 2017	Fire Chief
Evaluate and create a plan for technology in Fire vehicles to improve operations.	100 Staff Hours $4,968	December 31, 2017	Fire Chief
Evaluate the staffing structure for the golf operation.	80 Staff Hours $3,974	February 28, 2017	Deputy Village Manager
Analyze Police Department daily activity reports and create a strategy for best use of officer time.	100 Staff Hours $4,968	March 30, 2017	Police Chief
Evaluate the efficiency of moving all inspectors to the Community Development Department.	60 Staff Hours $2,981	December 31, 2017	Community Development Director
Implement new credit card/online processor to simplify back end processing.	40 Staff Hours $1,987	July 31, 2017	Finance Director
Prepare for the implementation of a new police records management system as part of the CAD system upgrade.	100 Staff Hours $4,968	December 31, 2017	Police Chief
Implement electronic ticketing in the Police Department.	80 Staff Hours $3,974 $10,000 -Program Costs	December 31, 2017	Police Chief
Create a strategy to reduce the number of false alarm calls to the Police Department.	80 Staff Hours $3,974	September 30, 2017	Police 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

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Retire Lotus Notes.	800 Staff Hours $39,744 $35,000-Program Costs	December 31, 2017	Deputy Village Manager

Strategic Initiative: Personal Growth & Balance

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Standardize and improve the employee onboarding program.	80 Staff Hours $3,974	June 30, 2017	HR Director
Review and update the Personnel Manual.	150 Staff Hours $7,452 $10,000-Legal Review Costs	September 30, 2017	HR Director

Strategic Initiative: Leadership and Support

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Implement employee benefit statements.	80 Staff Hours $3,974	January 30, 2017	HR Director
Review employee benefit options for potential changes.	100 Staff Hours $4,968	June 30, 2017	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: Diversification

Action Steps	Budgetary Considerations	Goal Timelines	Project Manager(s)
Evaluate water service connection fees for anticipated annexations.	100 Staff Hours $4,968	September 30, 2017	Public Works Director
Evaluate opportunities to pool liability insurance and the financial impacts of self-insurance.	40 Staff Hours $1,987	August 31, 2017	Human Resources Director
Evaluate opportunities to sell or share services with other communities.	80 Staff Hours $3,974	June 30, 2017	Deputy Village Manager
Evaluate opportunity to expand the current business licensing program.	40 Staff Hours $1,987	June 30, 2017	Deputy Village Manager

Strategic Initiative: Cost Control

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Evaluate the budget for establishment of additional internal service funds.	60 Staff Hours $2,981	June 30, 2017	Finance Director
Establish a program based budget for FY 2018.	500 Staff Hours $24,840	December 31, 2017	Finance Director

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

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Complete Lake Cook Road Corridor Study.	500 Staff Hours $24,840 $100,000- Consultant Costs	October 31, 2017	Community Development Director
Develop a work plan for a Village-wide Comprehensive Plan update with focus on the Milwaukee Avenue and Prairie View areas.	100 Staff Hours $4,968	December 31, 2017	Community Development Director
Present to the Village Board example projects that demonstrate how a variety of economic development tools that can be used to assist with successful projects.	80 Staff Hours $3,974	June 30, 2017	Community Development Director

Strategic Initiative: Opportunity Management

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Create a formal procedure for development improvement agreements to streamline the process for staff and developers.	100 Staff Hours $4,968	July 31, 2017	Public Works Director
Develop and distribute a series of development brochures to the business community and prospective developers.	40 Staff Hours $1,987 $2,000- Program Costs	December 31, 2017	Community Development Director
Enhance the Village's website with information pertinent to those interested in developing in Buffalo Grove.	40 Staff Hours $1,987	September 30, 2017	Community Development Director
Work with Lake County Partners and other municipalities on the development of a county-wide Economic Development Revolving Loan Fund that would provide loans to help businesses grow, create jobs, and grow the local tax base.	80 Staff Hours $3,974	September 30, 2017	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

Action Steps	Budgetary Considerations	Goal Timeline	Project Manager(s)
Evaluate the costs and benefits of a green fleet program.	40 Staff Hours $1,987	March 30, 2017	Public Works Director
Develop a fiscally constrained plan for the irrigation systems at both golf courses.	40 Staff Hours $1,987	March 30, 2017	Deputy Village Manager
Evaluate the Village's facilities and develop a long term strategy for space needs and location of facilities.	100 Staff Hours $4,968	December 31, 2017	Finance Director

Total funds committed to the implementation of Strategic Planning Priorities for 2107 are $611,111.

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 rates 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.

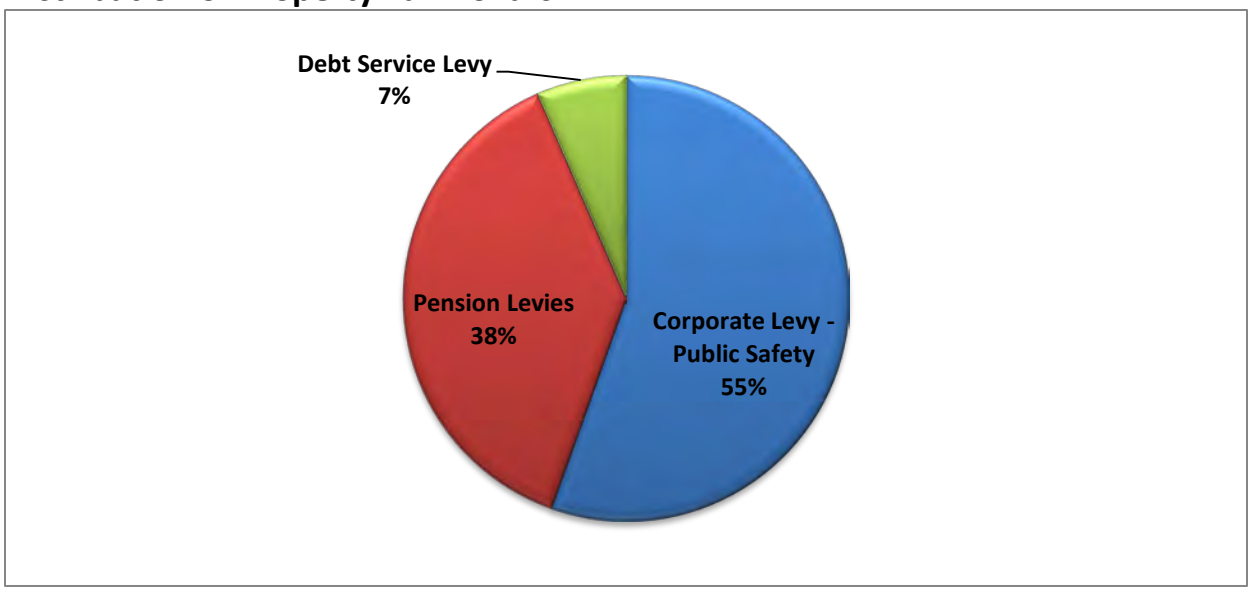
Property Tax

Property taxes (net of Road and Bridge taxes) are anticipated to be approximately $15.6 million and will be levied in 2017. This is referred to as the 2016 property tax levy, payable in 2017. Property taxes account for about twenty percent of all budgeted revenues. The total levy is anticipated to increase by 2.6 percent over the property taxes extended in 2016.

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 public safety departments including police and fire. The Village is recommending a 2 percent increase to support these operations.

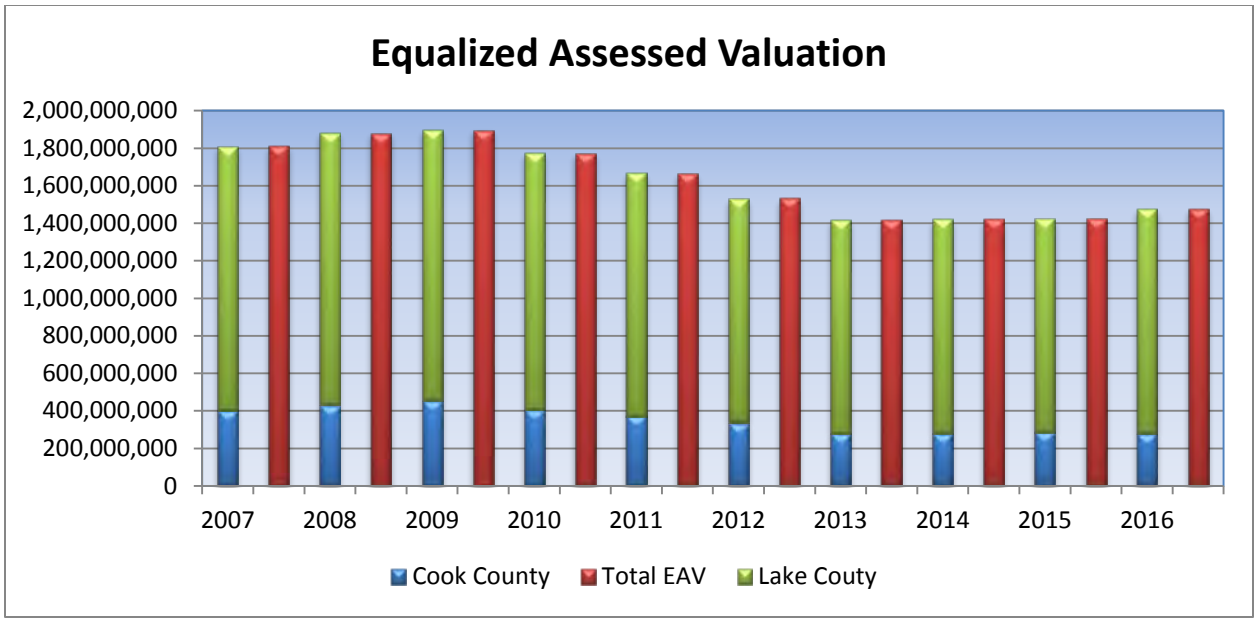
Property tax levies for Police and Fire pensions are based on an independent actuarial analysis of both funds' normal costs as well as to provide an amount necessary to amortize a portion of the unfunded actuarial liability. The levies both exceed the minimum requirements as contemplated under the Illinois 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. Over half of the tax levy request supports public safety departments as noted in the chart below.

Distribution of Property Tax Dollars



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 on General Obligation Bonds due in 2017 is $1,669,894. $650,000 of the tax levy for debt service will be abated to reduce the growth in the overall levy extension.

The Village of Buffalo Grove levies property taxes within two counties, Cook and Lake. The Illinois Department of Revenue is tasked with the responsibility of assigning a tax burden to each county. For the 2016 property tax levy, seventy-seven percent of all assessed valuation is located in Lake County and twenty-three 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 and are seeing signs of positive growth after a four year decline during the recession. Total Equalized Assessed Value (EAV) for the 2016 tax levy is $1.48 billion.

The rate at which property taxes are levied is determined by dividing the amount requested by the 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 year average decline in assessed value in both Cook and Lake Counties are (-6.3%) and (-2.5%) respectively.

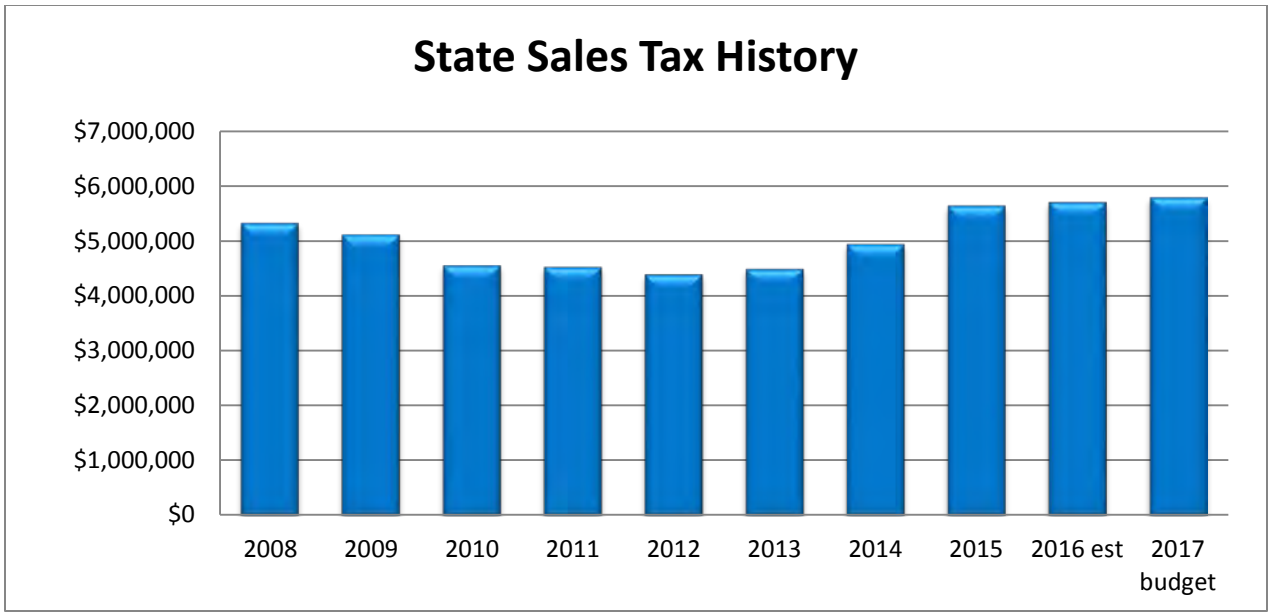
State Shared Sales Tax

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.

Sales taxes were up 1.2 percent during the current year due to stronger home sales (lumber credit processing center in the Village) and industrial sales. The proposed budget does not reflect any new sales tax generating business opening in the Village during the fiscal year.

The FY 2016 budget anticipated $5.7 million in sales tax revenue. The estimated actual will meet the budget target. For 2017, the budget is anticipated to be $5.8 million or a 1.8 percent increase.

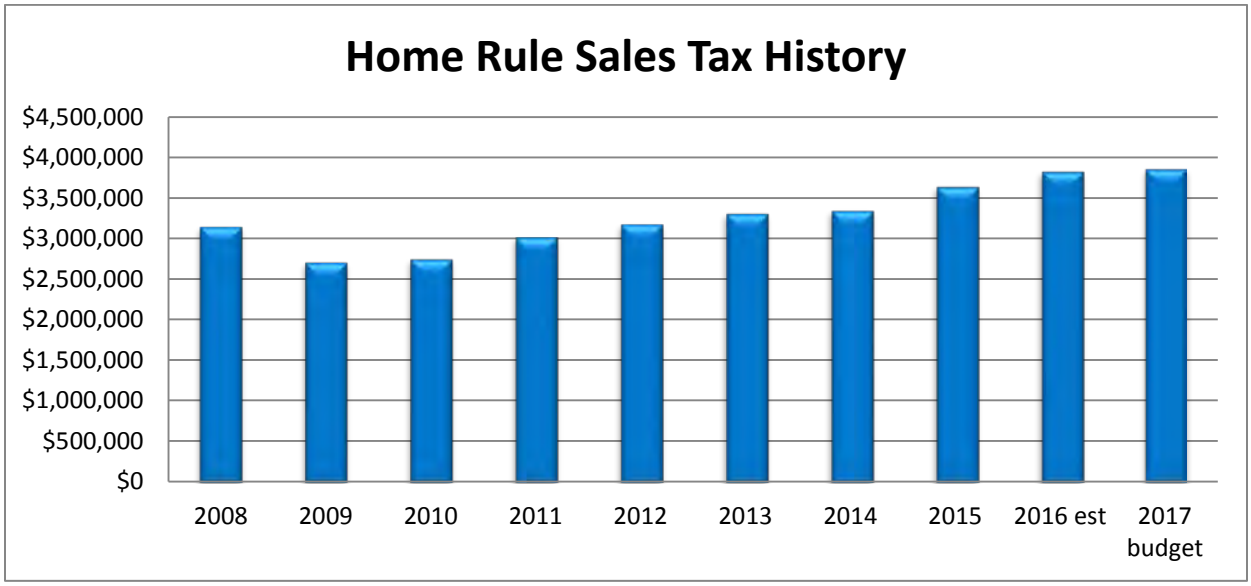
The following chart shows the last ten years of State Sales Tax revenue.



Home Rule Sales Tax

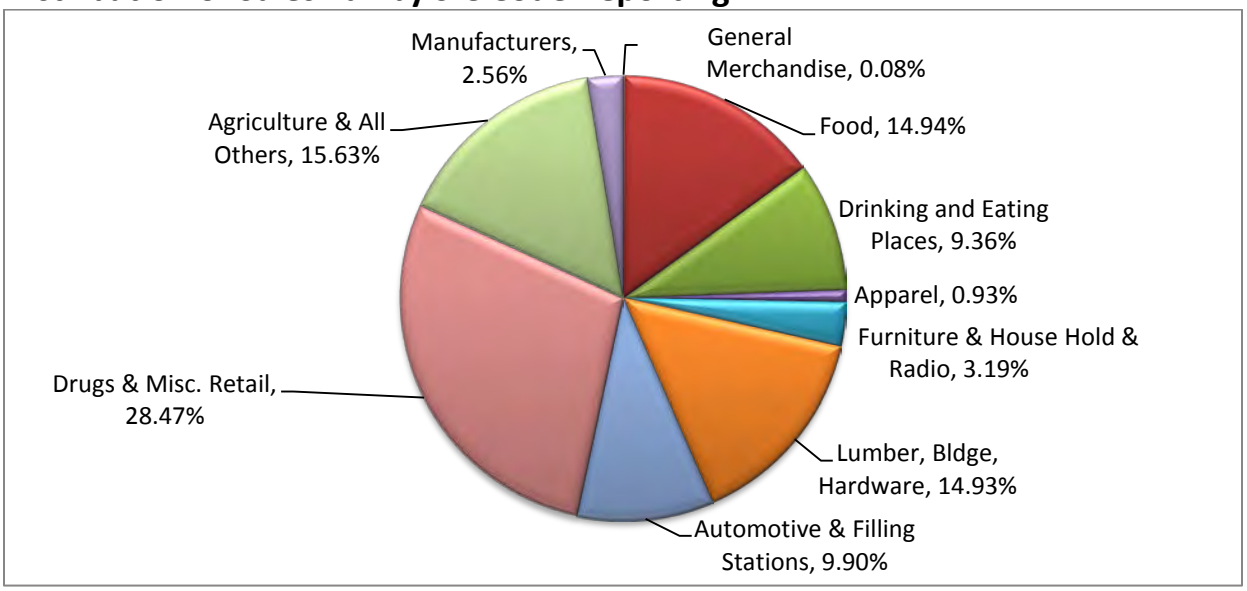
In 1992, the Village assessed a one-half cent ($.05) local option sales tax against all retail sales except food and drug items and personal property titled with the State of Illinois. Performance of this revenue tends to follow performance of the above referenced state sales tax, except for those excluded retail classes. The Village Board voted in 2004, effective for January 1, 2005, to increase the home rule sales tax to one percent (1%). In 2017, revenues are anticipated to increase by 2.64 percent from the 2016 estimated actual amount of $3.8 million to $3.9 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 2015 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 110 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. The estimated revenue for 2016 is 1.24 percent above the budget target. The budget for 2017 is $700,000. The tax was enacted in 2008.

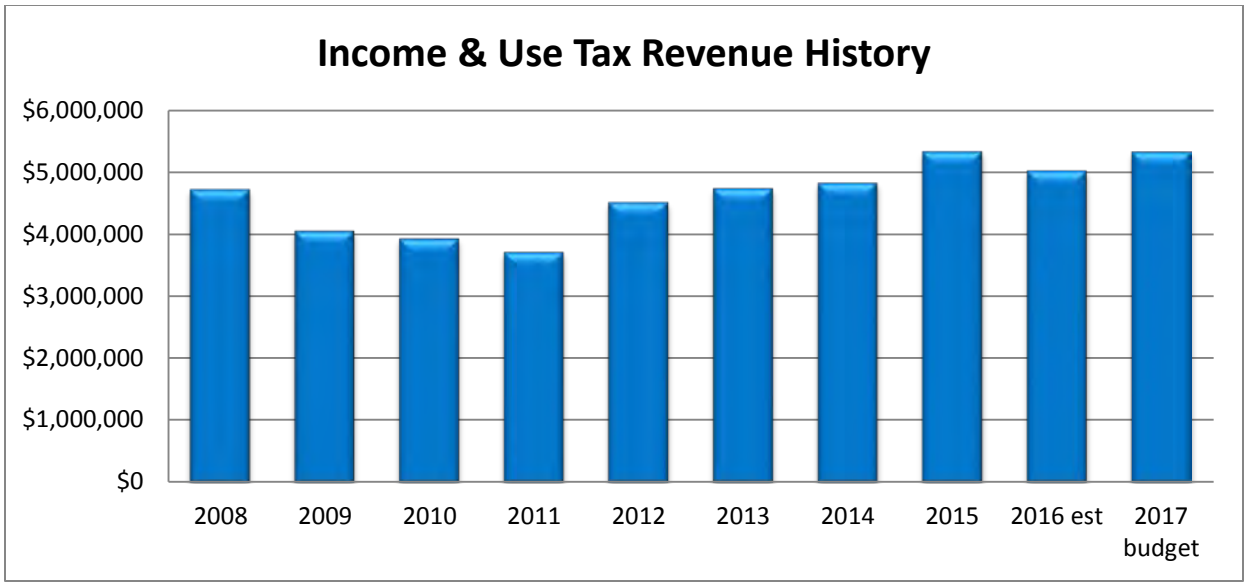
Illinois Income & Use Tax

Illinois Income Tax is imposed on every individual, corporation, trust and estate earning or receiving income in the state. The tax rate is levied at 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 2017 Income Tax budget is $4.3 million ($104.04 per capita) and Use Tax is $1 million ($24.36 per capita). Collectively, Income and Use tax will be at budget and are projected to increase by five percent in FY 2017. The Village of Buffalo Grove's unemployment statistics have consistently beat the metro and state averages, with an September 2016 rate of 4.2 percent.

Provided below is the ten year trend on combined income and use taxes.



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 $1.65 million for 2016 and the budget is largely unchanged for 2017 at $1.66 million. Utility taxes for natural gas are levied at a rate of $0.05 per therm. The estimated amount for 2016 is $1 million with the budget for FY 2017 increasing by $20,000.

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. The unbundling of phone and data services for the purpose of extending the tax has had a significant negative impact on collections. Voice over Internet Protocol (VoIP) phone services are subject to this taxation.

The estimated actual for 2016 will meet budgeted expectations at $1.6 million. The budget remains unchanged for 2017.

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. In recent years, this revenue has relied heavily on the sale of large commercial properties (sales consideration greater than one million dollars). The estimated amount for FY 2016 will exceed budget by 14.6 percent as the real estate market posted strong sales activity through much of the year.

The budget for 2017 is three percent more than the 2016 estimated actual of $.92 million and 15.9 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 2017, it is estimated that the Easton Station Townhome project will be completed. Furthermore, Woodman's, Metro Storage and the addition to Sky Fitness will be under construction resulting in over $100,000 in additional building permit and inspection revenue. All other revenue is anticipated to be collected on improvements to existing structures. Total building revenues and fees for 2016 are estimated to come in 60 percent over the budget amount. The Village has conservatively budgeted these line items as they are volatile due to the direct correlation between these revenue streams and market conditions. The total amount budgeted for FY 2017 is $.9 million.

Storm Water Management Fees

This was a new source of revenue for FY 2016. The system user fees are charged to all properties in the Village for the proportionate cost of maintaining the storm water conveyance operating costs and infrastructure. The fee is charged as a flat rate for all residential properties based upon the average lot size within the Village. Commercial/industrial users pay a fee on the actual surface area. The budget for FY 2017 is $1.1 million.

Motor Fuel Tax

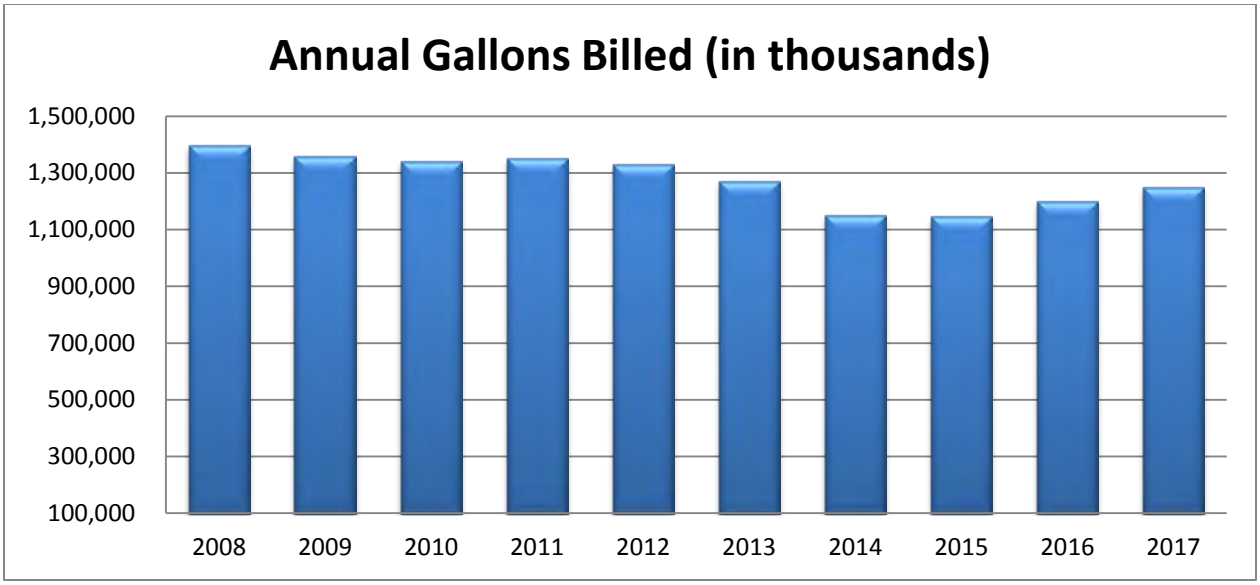
For FY 2017, the Village anticipates $1 million in Motor Fuel Tax proceeds as estimated by the Illinois Municipal League. Local governments receive 1.25 percent of taxes assessed on gasoline and diesel and is then distributed on a per capita basis. Street maintenance is a high priority for the Village 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 2017 is $11.4 million. Over a quarter of the revenue (29.7 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 budgeted assumption for annual consumption is 1.2 billion gallons metered.

The decline in water usage has appeared to stabilize over the four 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 2017. The chart below illustrates the annual 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.

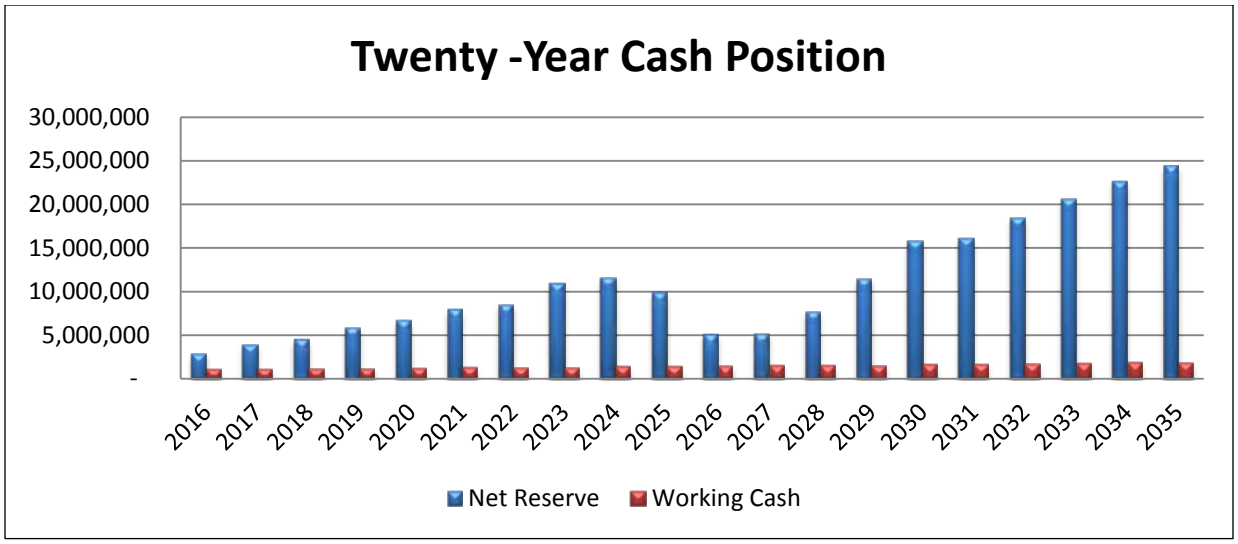
During high cost growth years (1980-2000), the Village amassed significant cash reserves from developer fees. The original infrastructure was constructed by developers and donated to the Village. During that period of time, the intent of the water user rate was to recover operating costs only. As the 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*
2015	$ 4.38	$ 1.09	$ 5.47
2016	$ 4.56	$ 1.13	$ 5.69
2017	$ 4.74	$ 1.17	$ 5.91

*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 2016 budget and no changes in the rate for 2017. However, the summer sewer credit may change. 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 2017.

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 minor decrease in operating revenue was budgeted for FY 2017. 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 2016, the Arboretum is estimated to be $4,497 short of budgeted operating revenue. With daily paid rounds of golf being the driver for revenues, the Arboretum got off to a slow start to the 2016 season. The green fee rates will not increase at either course in 2016.

Total golf course operating revenues at the Buffalo Grove Golf Club in 2017 will result in a decrease of 1.16 percent as measured against the 2016 budget. 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 $5.4 million. All funds other than pension funds have durations less than three years with an average expected yield of .5 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 3.5 percent and decrease by 14.3 percent change, respectively. The levy for IMRF and Social Security/Medicare will increase by 2.5 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 7.0 percent for the public safety funds and 7.5 for IMRF. The current level of funding for the pension funds are, Police Pension Fund (63.4%), Firefighters' Pension Fund (72.9%), and IMRF (70.7%).

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 are no new taxes or fees contemplated within the FY 2017 budget.

Expenditure Trends and Projections

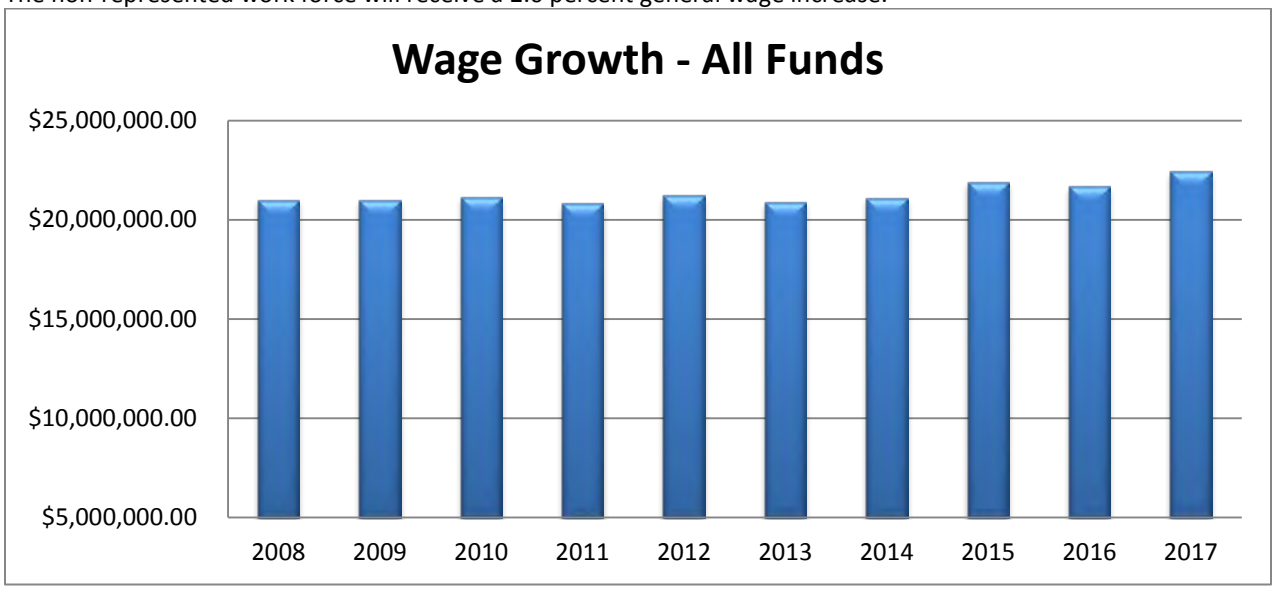
Personnel Services

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 2017, 29.9 percent of all Village expenditures are allocated to salaries and wages, up 1.0 percent from 2016.

The Village's pay ranges are evaluated every 3 years 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 51 firefighters and the Metropolitan Alliance of Police – representing 46 police officers. The current firefighter contract is set to expire April 30, 2017. The police union was certified in 2012 and the current contract expires on December 31, 2016. At this time negotiations are already underway.

The non-represented work force will receive a 2.0 percent general wage increase.

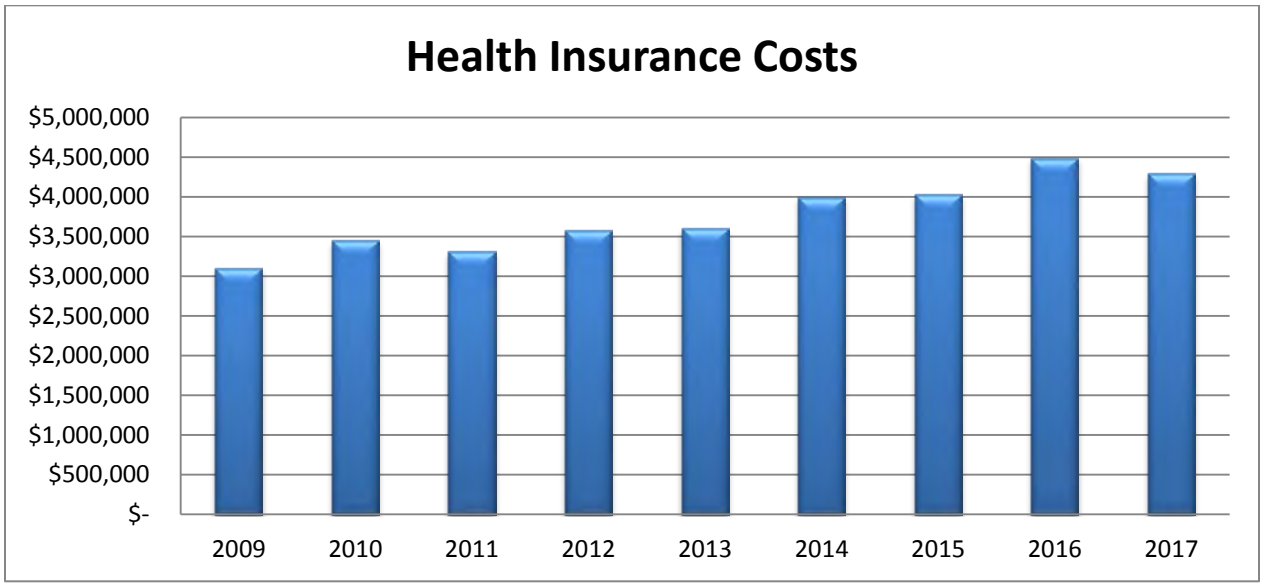


The proposed increase in wages from the 2016 budget is 3.4 percent. That increase is due to a general wage adjustment for non-represented employees of 2.0 percent and pay for performance. Police and firefighter represented wages will increase based upon a negotiated agreement.

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 2017, the total amount budgeted for health insurance is $4.3 million, down $0.2 million from the 2016 budget. The Village addresses the challenge of increasing healthcare costs throughout the year to ensure claims are at or below budget. If the trend projects that healthcare claims are going to be over budget, reductions within departments will be made to accommodate the increase in plan usage. The other large component of personnel benefit cost is 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 2017 by focusing on wellness and disease management. Employees cover 15 percent of the premium for the plan they choose to participate in, while retirees who elect to stay on one of the Village healthcare plans pay 100 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 2017. The Lake County sanitary sewer fees account for over 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

Almost 13 percent of all 2017 budgeted expenditures are for capital projects and capital assets. These items are identified in detail in the 2017-2021 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 four capital reserve funds with the most recent addition, infrastructure replacement, coming online 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 $1.12 million will be committed in 2017 for these four reserves.

Several significant capital projects are programmed for 2017. 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 undertaken are the improvements needed at Village facilities. These improvements include HVAC units at various sites, parking facility maintenance, roof replacements, floor replacements, and other items detailed in *Section 6*, Capital Improvement Plan. The amount budgeted for facilities in 2017 is $1.88 million, which accounts for 27 percent of the capital improvement budget.

The third project of note is the water and sewer fund capital needs. Like roads and facilities they need to be maintained and replaced on a cyclical basis that carries on in perpetuity. The largest projects in those funds are water main replacements ($0.9 million), lift station repair and rehab ($0.9 million), and pump house repairs and security improvements ($0.3 million). Both funds total outlay for fiscal year 2017 is $2.18 million, or 31.7 percent of the total capital improvement budget.

The Village will also continue to fund initiatives to Improve the Buffalo Grove Golf Clubhouse and Restaurant ($0.46 million), Storm Sewer Maintenance ($0.3 million), and Sidewalk/Bike Path Maintenance ($0.15 million).

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 2016 along with expenditure trend information. A reasonable estimation of expenditure is developed for 2017 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 four bond issues outstanding as of January 1, 2017, all being General Obligation Bonds (Series 2010A, Series 2010B, Series 2012, and Series 2016). Bond descriptions and amortization schedules are listed within the *Debt Profile* of this section. Most Village debt service revenues are obtained through property tax. Two funds will be abating a portion of the 2017 principal and interest due. The Refuse fund will transfer $425,000 and the Water and Sewer Fund will provide $180,000. The operating transfers from these funds to abate a portion of the taxes are attributed to Public Service Center and road improvements.

The cost related to servicing the debt for performance contracting (water meter replacements) will be paid from additional revenue earned though 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 levey used to balance enterprise fund operations. There is a subsidy transfer to the Buffalo Grove Golf Club from the General Fund of $103,185 and another to the Arboretum Golf Club for $196,468. 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.

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 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 $0.45 million to the Debt service fund to cover a portion of the Series 2016 bonds issued for street repair and maintenance. A budgeted transfer of $0.1 million will be made to the General Fund to reimburse for work performed on behalf of the fund to manage the service contract.

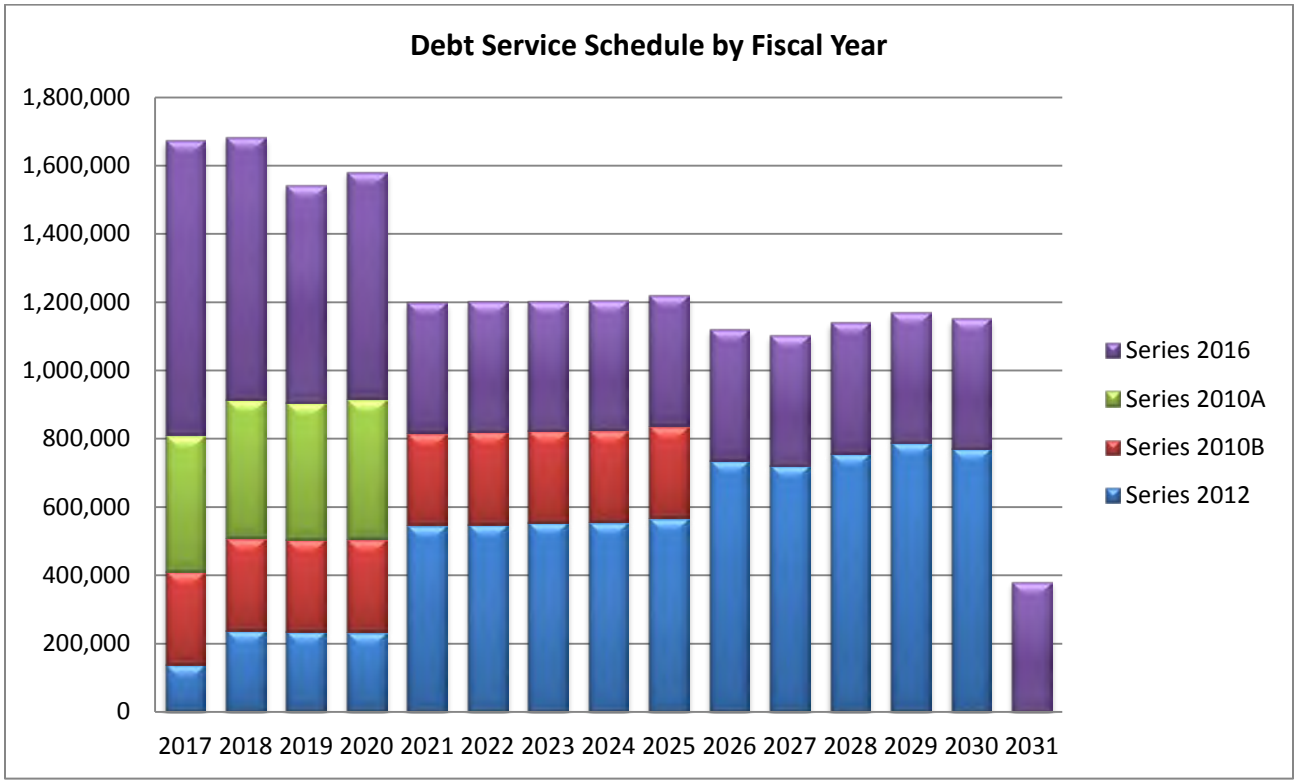
Internal Service Funds

The Information Technology, Central Garage, and Building Maintenance Funds are Internal Service Funds first budgeted in 2015. In FY 2017 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.

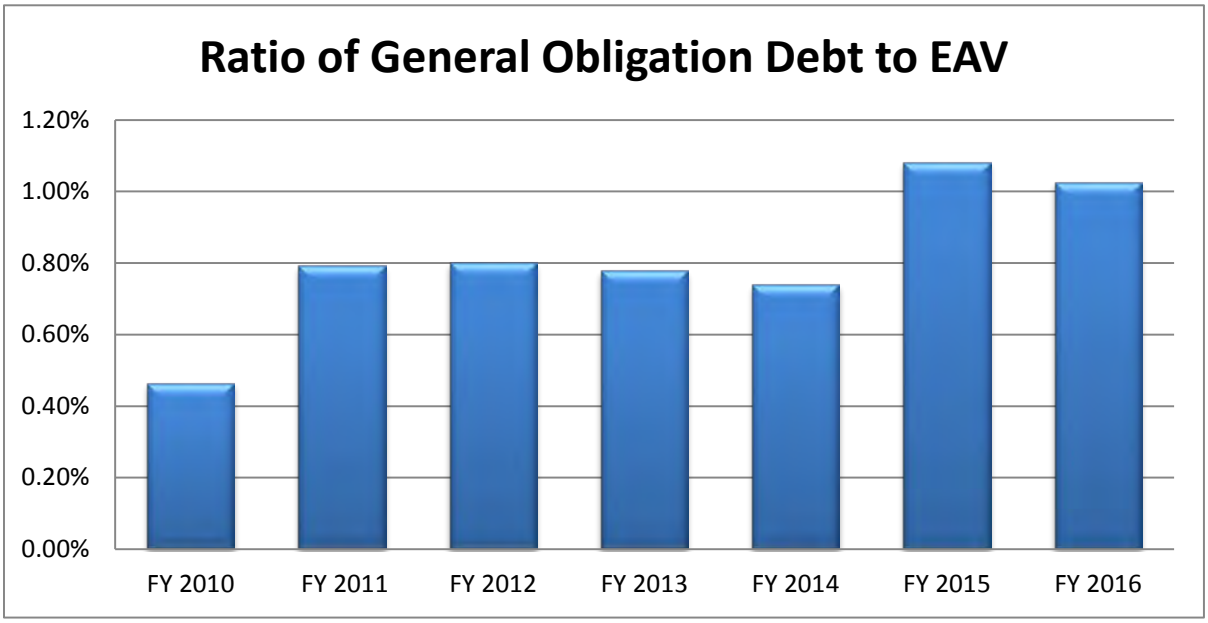
The Information Technology Fund's budget is $1,351,359, Central Garage is budgeted at $1,756,782, and Building Maintenance is budgeted at $1,462,984. The Internal Service Funds are not intended to carry a fund balance at the end of a fiscal year. As they are intended to break even, this may result in 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 2017, debt service consists of $400,350 for Series 2010A, $277,438 for Series 2010B, $137,525 for Series 2012, and $862,831 for Series 2016. Total debt outstanding as of December 31, 2016 is $15.64 million. The Village has an $8 million line of credit with a balance of $4.5 million as of December 31, 2016. 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, exclusive of the line of credit.



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, 2016, the Village's ratio of General Obligation bonded debt to EAV was 1.03 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, 2016.

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:	$1,470,000
Interest:	$ 146,750

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:	$2,045,000
Interest Outstanding:	$ 391,648

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 Outstanding:	$1,392,550

2016 General Obligation Bonds

Purpose:	Proceeds used to complete street improvement projects identified in the FY 2016 Capital Improvement Plan.
Maturity Date:	12/30/2031
Original Principal Amount:	$6,125,000
Investment Rating:	Moody's Investors Service: AAA Standard & Poor's: AAA
Principal Outstanding:	$6,125,000
Interest Outstanding:	$1,005,806

Debt Service Schedules
Annual Payments - General Obligation Debt
Principal

Fiscal Year	Series 2010A	Series 2010B	Series 2012	Series 2016	Total
2017	345,000	200,000	-	730,000	**1,275,000**
2018	360,000	205,000	100,000	650,000	**1,315,000**
2019	370,000	210,000	100,000	530,000	**1,210,000**
2020	395,000	220,000	100,000	570,000	**1,285,000**
2021	-	225,000	415,000	300,000	**940,000**
2022	-	235,000	425,000	305,000	**965,000**
2023	-	240,000	440,000	310,000	**990,000**
2024	-	250,000	450,000	315,000	**1,015,000**
2025	-	260,000	470,000	325,000	**1,055,000**
2026	-	-	650,000	330,000	**980,000**
2027	-	-	650,000	335,000	**985,000**
2028	-	-	700,000	345,000	**1,045,000**
2029	-	-	750,000	350,000	**1,100,000**
2030	-	-	750,000	360,000	**1,110,000**
2031	-	-	-	370,000	**370,000**
Total	**1,470,000**	**2,045,000**	**6,000,000**	**6,125,000**	**15,640,000**

Debt Service Schedules
Annual Payments - General Obligation Debt
Interest

Fiscal Year	Series 2010A	Series 2010B	Series 2012	Series 2016	Total
2017	55,350	73,438	137,525	132,831	**399,144**
2018	45,000	66,938	137,525	118,231	**367,694**
2019	30,600	59,763	135,525	105,231	**331,119**
2020	15,800	52,413	133,525	94,631	**296,369**
2021	-	44,713	131,525	83,231	**259,469**
2022	-	36,725	123,225	77,231	**237,181**
2023	-	28,265	114,725	71,131	**214,121**
2024	-	19,385	105,925	64,931	**190,241**
2025	-	10,010	96,925	58,631	**165,566**
2026	-	-	86,938	52,131	**139,069**
2027	-	-	72,313	45,531	**117,844**
2028	-	-	56,875	38,413	**95,288**
2029	-	-	39,375	30,650	**70,025**
2030	-	-	20,625	21,900	**42,525**
2031	-	-	-	11,100	**11,100**
Total	**146,750**	**391,648**	**1,392,550**	**1,005,806**	**2,936,754**

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 2017 budget, with surplus (deficit) shown for each fund.

Fund	Fund Balance January 1, 2017	2017 Revenue	2017 Expenditures	Excess of Revenue over Expenditures	Fund Balance December 31, 2017
General Fund	14,983,170	42,010,229	42,002,395	7,834	14,991,004
	Special Revenue Funds				
Parking Lot	80,344	211,200	211,021	179	80,523
Motor Fuel Tax	1,765,559	1,000,000	1,500,000	(500,000)	1,265,559
	Debt Service Fund				
Debt Service	5,282	1,673,895	1,679,144	(5,249)	33
	Capital Project Funds				
Facilities	(3,707,560)	2,440,303	1,974,723	465,580	(3,241,980)
Streets	162,158	1,537,950	350,000	1,187,950	1,350,108
	Enterprise Funds				
Water and Sewer (cash)	2,695,205	11,446,543	11,659,680	(213,137)	2,482,068
Arboretum Golf Course	-	1,465,228	1,465,228	-	-
B.G. Golf Course	-	1,201,385	1,719,385	(518,000)	(518,000)
	Internal Service Funds				
Information Technology	-	1,351,359	1,351,359	-	-
Central Garage	-	1,756,782	1,756,782	-	-
Building Maintenance	-	1,462,984	1,462,984	-	-
	Trust and Agency Funds				
Police Pension	59,559,273	6,367,129	3,945,000	2,422,129	61,981,402
Firefighter Pension	53,793,983	4,630,904	2,732,912	1,897,992	55,691,975
Total All Funds	**129,337,414**	**78,555,891**	**73,810,613**	**4,745,278**	**134,082,692**

Multiple funds have an excess of 10 percent change in fund balance in fiscal year 2017. The Motor Fuel Tax Fund will have an operating expenditure deficit of 28.32 percent which is attributed to a road project that was budgeted to be completed in 2016 and will not be completed. This project and the funding for it has been moved forward to FY2017. The Debt Service Fund has a small fund balance that will be used to offset debt service expenditures in 2017. The Buffalo Grove Golf Fund will decrease its fund balance by 55.17 percent due to clubhouse improvements. Expenditures are budgeted to exceed revenues by $518,000. The Refuse Fund is budgeted to transfer $265,000 to the Debt Service Fund to cover a portion of the road repairs funded by the Series 2016 bonds**.** Across all funds the budgeted revenues and expenditures should increase the total fund balance 3.05 percent by the end of FY 2017.

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 2017 is $42,010,229 representing a 0.71 percent increase over the 2016 budgeted amount, and a 0.69 percent increase over the 2015 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 85.15 percent of the revenue budgeted in 2017.

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

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**100 – General Fund**					
10 – Property Taxes						
400.01	Property Corporate Levy – Cook County	539,371	554,593	574,731	574,731	586,226
400.02	Property Corporate Levy – Lake County	1,791,917	1,834,318	1,896,886	1,896,886	1,934,824
400.03	Property Police Protection – Cook County	127,218	133,481	151,852	151,852	154,889
400.04	Property Police Protection – Lake County	422,648	441,492	501,190	501,190	511,214
400.05	Property Crossing Guard Levy – Cook Cty	12,487	13,050	-	-	-
400.06	Property Crossing Guard Levy – Lake Cty	41,483	43,167	-	-	-
400.07	Property Fire Protection – Cook County	909,708	951,333	989,173	989,173	1,008,957
400.08	Property Fire Protection – Lake County	3,022,262	3,145,002	3,263,158	3,263,158	3,328,421
400.09	Property Street & Bridge Levy – Cook Cty	169,202	176,856	183,278	183,278	186,944
400.10	Property Street & Bridge Levy – Lake Cty	562,127	584,956	604,908	604,908	617,006
400.11	Property Street Lighting Levy – Cook Cty	57,366	59,961	62,138	62,138	63,381
400.12	Property Street Lighting Levy – Lake Cty	190,582	198,320	205,085	205,085	209,187
400.13	Property ESDA Levy – Cook County	3,036	3,180	-	-	-
400.14	Property ESDA Levy – Lake County	10,084	10,524	-	-	-
400.30	Property FICA Levy – Cook County	155,583	151,371	156,113	156,133	156,133
400.31	Property FICA Levy – Lake County	518,214	505,554	520,285	520,285	520,285
400.32	Property IMRF Levy – Cook County	203,673	195,033	190,769	190,769	190,769
400.33	Property IMRF Levy – Lake County	675,035	651,379	635,788	635,788	635,788
400.50	Property Police Pension – Lake County	1,594,352	1,745,722	1,877,032	1,877,032	1,878,255

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
400.51	Property Police Pension – Cook County	489,406	525,864	563,207	563,207	659,928
400.60	Property Fire Pension – Lake County	1,660,269	1,682,255	1,672,727	1,672,727	1,415,632
400.61	Property Fire Pension – Cook County	508,574	507,154	501,905	501,905	447,042
10 – Property Taxes		**13,664,597**	**14,114,566**	**14,550,225**	**14,550,245**	**14,504,881**
Percent Change 2017 vs. 2016 Budget						-0.31%
15 – Other Taxes						
410.05	State Shared Local Use Tax	810,688	922,950	920,400	944,027	1,010,889
410.10	State Shared State Income Tax	3,929,756	4,519,494	4,628,000	4,079,435	4,317,278
410.15	State Shared Sales Tax – State	5,602,290	6,198,496	5,665,000	5,708,150	5,796,000
410.16	State Shared Sales Tax Rebate Payments	-492,271	-555,151	-	-	-
410.20	State Shared Road & Bridge Tax Wheeling	24,986	24,880	27,000	27,000	27,000
410.25	State Shared Road & Bridge Tax Vernon	153,312	153,192	152,000	153,000	153,000
410.50	State Shared Replacement Tax	6,407	-	-	-	-
415.05	Local Sales Tax – Home Rule	3,939,275	4,275,043	3,748,636	3,825,000	3,860,000
415.10	Local Home Rule Rebate	-593,322	-643,611	-	-	-
415.15	Local Real Estate Transfer Tax	790,819	904,311	821,600	924,500	952,235
415.20	Local Hotel/Motel Tax	199,656	127,770	144,200	128,000	128,000
415.25	Local Simplified Telecommunications Tx	1,679,653	1,644,309	1,639,327	1,640,000	1,640,000
415.30	Local Prepared Food & Beverage Tax	728,515	761,254	746,750	755,000	700,000
415.35	Local Electricity Use Tax	1,644,022	1,628,529	1,650,000	1,650,000	1,663,005
415.40	Local Natural Gas Use Tax	1,175,405	1,015,113	1,020,000	1,000,000	1,020,000
415.50	Local Auto Rental Tax	955	-	-	-	-
15 – Other Taxes		**19,600,147**	**20,976,580**	**21,162,913**	**20,834,112**	**21,267,407**
Percent Change 2017 vs. 2016 Budget						0.49%
20 – Intergovernmental Revenue						
440.15	Local Reimb – District #214 Officer	234,999	177,809	90,130	90,130	95,741
440.20	Local Reimb – Various Govts Fuel	88,665	54,408	70,000	70,000	70,000
440.25	Local Reimb – D.A.R.E. Officer	13,206	10,703	89,780	87,254	92,044
440.35	Local Reimb – Park District IT Support	23,080	-	-	-	-
440.40	Local Crossing Guard Reimbursement	19,865	26,047	33,558	20,974	21,499

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
440.45	Local GMAT/BATTLE	31,000	31,000	-	-	-
440.46	Local Overtime Reimb – DEA	-	3,511	-	11,336	9,635
440.50	Local Overtime Reimb – ICE	5,631	6,514	5,789	6,652	5,654
440.90	Local Miscellaneous	-	-	21,866	8,000	8,000
20 – Intergovernmental Revenue		**416,445**	**309,993**	**311,123**	**294,346**	**302,573**
Percent Change 2017 vs. 2016 Budget						-2.75%
25 – Licenses						
420.05	Business Licenses	36,190	145,156	100,000	100,000	100,000
420.10	Tobacco Licenses	1,875	1,650	1,800	1,650	1,650
420.15	Vending Machine Licenses	4,680	3,250	3,150	3,000	3,000
420.20	Chauffer Licenses	1,560	1,375	1,450	1,375	1,375
420.25	Alarm Permits	9,920	44,025	27,000	27,000	27,000
420.50	All Other Licenses	11,197	9,295	9,000	9,000	9,000
425.00	Liquor Licenses	900	125,350	-	-	-
425.05	Liquor Licenses Class A	50,000	4,350	50,000	47,500	47,500
425.10	Liquor Licenses Class B	20,700	-	22,000	20,700	20,700
425.15	Liquor Licenses Class C	28,750	-	27,500	32,500	32,500
425.20	Liquor Licenses Class D	3,600	-	5,400	10,800	10,800
425.25	Liquor Licenses Class E	9,500	-	10,500	9,000	9,000
425.30	Liquor Licenses Class F	4,000	-	4,000	2,000	2,000
425.50	Liquor Licenses Other	17,740	9,031	16,000	15,150	15,150
430.05	Animal Licenses Dogs	6,695	6,095	6,700	6,000	6,000
430.10	Animal Licenses Cats	305	465	310	465	465
25 – Licenses		207,612	350,042	284,810	286,140	286,140
Percent Change 2017 vs. 2016 Budget						0.47%
30 – Permits						
435.05	Development Building Permits	44,278	36,924	35,000	10,000	10,000
435.10	Engineering Fees	79,988	44,655	45,000	95,000	100,000
435.15	Contractor Registration	86,770	92,700	83,000	92,700	92,700
435.20	Plan Review Fees	88,961	94,712	60,000	100,000	70,000
435.25	Filing Fees	4,400	5,553	2,500	6,500	3,500
435.30	Annexation Fees	6,300	16,100	-	6,300	-
435.35	Building Inspection Fees	289,597	355,736	200,000	500,000	350,000
435.40	Plumbing Inspection Fees	41,697	38,827	30,000	38,000	33,000
435.45	Electrical Inspection Fees	63,933	55,870	45,000	45,000	45,000
435.50	Mechanical Inspection Fees	16,975	29,402	18,000	30,000	20,000
435.55	Sign Inspection Fees	7,130	7,789	7,000	6,000	6,000
435.60	Elevator Inspection Fees	29,890	30,085	30,000	30,000	30,000
435.65	Fire Suppression Inspection Fees	1,894	7,389	2,500	12,000	5,000
435.70	Rental Inspection Fees	145,935	159,498	103,000	110,000	110,000
435.71	Other Non-Business Lic & Permits	46,488	44,865	45,000	45,000	45,000
30 – Permits		**954,235**	**1,020,105**	**706,000**	**1,126,500**	**920,200**
Percent Change 2017 vs. 2016 Budget						30.34%
35 – Fines and Fees						
455.05	Court Fines Cook	9,525	9,182	12,000	16,000	16,000

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
455.10	Court Fines Lake	473,149	419,476	400,000	400,000	400,000
455.15	Village Ordinance Fines	65,022	105,336	92,000	160,000	170,000
455.20	Alarm Service Calls	48,425	26,925	31,000	35,000	35,000
455.25	Accident Reports	8,035	6,530	5,789	7,815	6,643
455.30	Fingerprint Fees	-	3,265	2,000	2,820	2,397
455.35	Ambulance Transport Fees	824,428	1,031,546	886,512	890,000	890,000
455.40	Subpeona Fees	50	169	250	100	100
455.45	DUI Assessments	55,119	27,091	22,876	24,000	24,000
455.50	Impounding Fees	128,118	112,805	119,850	99,000	84,150
455.60	Administrative Bail Fee	7,760	6,520	7,395	5,280	4,488
455.65	Special Rescue Billing	3,540	-	40,000	40,000	40,000
455.85	Access & Review Criminal History	-	10	-	-	-
35 – Fines and Fees		**1,623,171**	**1,748,855**	**1,619,672**	**1,680,015**	**1,672,778**
Percent Change 2017 vs. 2016 Budget						3.28%
40 – Charges for Services						
441.30	Sales of Water Construction Water	488	1,601	-	-	-
444.05	Insurance Contributions Retiree Premiums	387,219	391,140	-	-	-
444.10	Insurance Contributions COBRA Premiums	15,373	-	-	-	-
444.15	Insurance Contributions Employee Premiums	558	946	-	-	-
40 – Charges for Services		**403,638**	**393,688**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget						0.00%
45 – Interest Income						
450.05	Savings	1,270	-	200	300	300
450.10	Investment Revenue Interest Income –Investment Pool	795	1,756	750	1,000	500
450.15	Money Market	236	2,529	-	-	-
450.20	CD's	92,941	28,038	35,000	32,000	40,000
450.25	Securities	8,525	18,643	14,000	16,500	25,000
450.35	Investment Revenue Gain/Loss Security Transaction	-	-25,912	-	-	-
45 – Interest Income		**103,766**	**25,054**	**49,950**	**49,800**	**65,800**
Percent Change 2017 vs. 2016 Budget						31.73%
50 – Miscellaneous Revenue						
465.05	Cable Franchise Fees	788,706	825,655	865,200	840,000	860,000
465.07	Storm Water Management Fees	-	11,305	1,200,000	1,100,000	1,130,000
465.10	Buffalo Grove Days	295	345	-	-	-
465.12	Symphonic Band	12,013	14,558	12,000	12,000	12,000
465.20	Facility Rental	3,850	3,521	3,850	3,850	3,850

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
465.30	Farmers Market	6,230	7,281	-	-	-
465.50	Misc Reimbursements/Refunds	-8,211	7,878	-	-	-
465.57	Reserve for Capital Replace-Tech	142,600	-	-	-	-
465.58	Reserve for Capital Replace-Bldg	203,110	-	-	-	-
465.60	Central Garage Reimbursements	84,607	-	-	-	-
465.65	Grants	212,500	-	-	-	-
465.70	Recycling Proceeds	34,538	32,002	35,000	32,000	32,000
465.80	Cannabis Fees	-	-	-	1,600	1,600
465.90	Miscellaneous Income	70,843	108,840	50,000	50,000	50,000
Total: 50 – Miscellaneous Revenue		**1,551,081**	**1,011,385**	**2,166,050**	**2,039,450**	**2,089,450**
Percent Change 2017 vs. 2016 Budget						-3.54%
55 – Operating Transfers						
460.05	Operating Transfers Interfund Transfers In	749,627	869,928	864,000	864,000	901,000
55 – Operating Transfers		**749,627**	**869,928**	**864,000**	**864,000**	**901,000**
						4.28%
Fund Total: 100 - Revenues		**39,274,319**	**40,820,195**	**41,714,743**	**41,724,608**	**42,010,229**
						0.71%

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

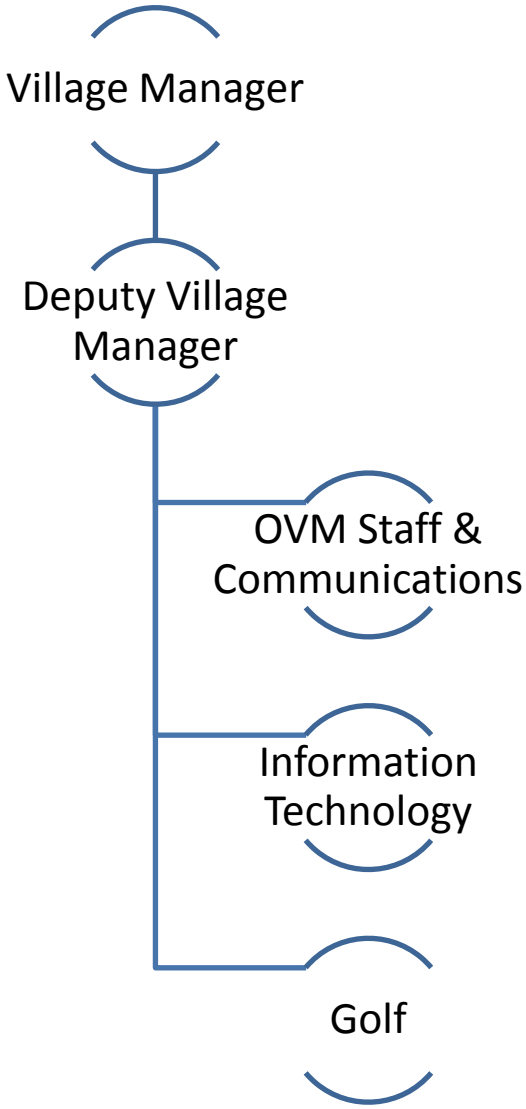
An overview of Village commissions, committees and board as codified in the Municipal Code may be reviewed in *Section 2: Organization and Services*.

Communications

The Village has outsourced its communications function to a company that specializes in communications. The contract is managed by the Deputy Village Manager and includes:

- Graphic Design Services
- Development and Layout of the Village News
- Press Release Development and Review
- Management of Social Media Accounts
- Website Support
- On-Call Communications Support

Department Structure



2017 Staffing Summary

The Communications Manager position was outsourced in 2016. As part of the 2017 Budget the Office of the Village Manager is requesting on Part Time Administrative Assistant.

Office of the Village Manager/ Administration	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Communications Manager	1	0	0	0	0	0
Deputy Village Manager	1	0	1	0	1	0
Management Analyst	1	0	1	0	1	0
Administrative Assistant*	0	0	0	0	0	1
Village Manager	1	0	1	0	1	0
Total	4	0	3	0	3	1
Full & Part-Time Total	**4**		**3**		**4**	

Service Level Expectations

One of the goals listed in the Village Board approved strategic plan is to analyze all of the Village's services to determine the current service level and the resources necessary to continue the service at the current level. The goal is to create a "catalog" of services that will highlight the costs associated with the services that the Village provides which will also be key indicators to evaluate as the Village transitions to a program based budget.

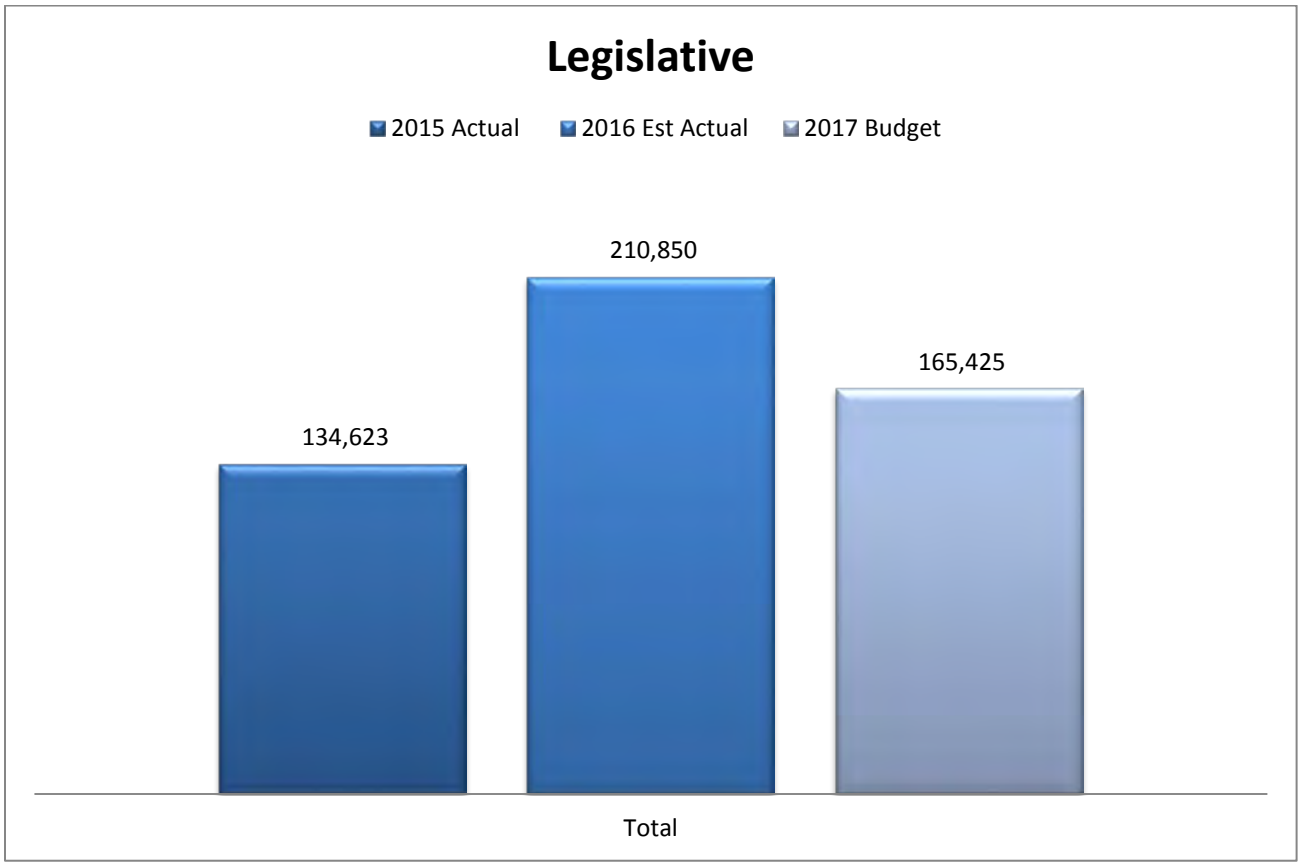
OVM/Finance	Current Service Level	Revenue	Expense	Total Cost
Newsletter	Bi-Monthly	$6,000	$38,430	$32,430

Budget Summary
Legislative

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	32,650	33,000	33,000
Personal Benefits	29,747	35,525	37,525
Operating Expenses	5,546	4,915	6,200
Other Services	46,011	43,810	50,700
Other Expenses	20,402	18,000	38,000
Capital Outlay	267	75,600	-
Total	134,623	210,850	165,425

Budget Variance
Legislative

Line Item Number	Description	Percent Change	Amount Change	Description of Change
510.08	Reception & Community Affairs	-20%	(1,500)	Reduced based on anticipated usage in 2017.
525.35	Arts Commission	300%	3,000	Arts Commission is proposing to have a consultant to come in and plan an event that is revenue neutral. The funds budgeted include this consultant ($3,500).
525.95	Other Boards & Commissions	-100%	(100)	Reduced based on anticipated usage in 2017.
580.05	All Other Expenses	New	2,000	Citizen Service Request System Study.
580.10	Consultant Fees	300%	15,000	Community-wide survey.
580.45	Cable Television Programming	-33.33%	(6,500)	Reduction in expenses due to the COW/Regular Board meeting change. Less expense related to record the Village Board meetings.
510.06	Office and Other Equipment	-100%	(70,000)	FY16 upgrades to council chambers.



	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**100 - General Fund**					
Department:	**10 - Legislative**					
10 - Salaries						
500.25	Personal Services Salaries - Elected Officials	33,000	32,650	33,000	33,000	33,000
10 - Salaries		**33,000**	**32,650**	**33,000**	**33,000**	**33,000**
Percent Change 2017 vs. 2016 Budget						0.00%
15 - Taxes and Benefits						
505.10	Professional Training	605	180	-	-	-
505.15	Dues & Memberships	6,296	27,068	33,000	33,000	35,000
505.75	Employer's Contribution - FICA	2,046	2,024.61	2,046	2,046	2,046
505.85	Employer's Contribution Medicare	478.57	473.51	479	479	479
15 - Taxes and Benefits		**9,425**	**29,747**	**35,525**	**35,525**	**37,525**
Percent Change 2017 vs. 2016 Budget						5.63%
25 - Operating Expenses						
510.04	Travel	71.02	-	100	-	100
510.08	Reception & Community Affairs	8,111	5,446	7,500	4,915	6,000
510.40	Supplies - Office	-	99.47	100	-	100
25 - Operating Expenses		**8,182**	**5,546**	**7,700**	**4,915**	**6,200**
Percent Change 2017 vs. 2016 Budget						-19.48%
35 - Other Services						
525.05	Blood Commission	83.80	44	300	300	300
525.10	Buffalo Grove Days	-	194	-	-	-
525.20	Fireworks for the Fourth	21,000	21,500	22,000	22,000	23,000
525.25	Plan Commission	-	2,739.75	4,000	1,500	4,000
525.30	Residents with Disabilities	-	314.88	700	810	700
525.35	Arts Commission	5,660	771	1,000	500	4,000
525.40	Zoning Board of Appeals	57	-	-	-	-
525.45	Village Board	191	-	-	-	-
525.50	Symphonic Band	14,047	17,045	16,200	16,200	16,200
525.55	Farmer's Market	4,321	3,401	2,500	2,500	2,500
525.95	Other Boards/Commissions	-	-	100	-	-
35 - Other Services		**45,361**	**46,011**	**46,800**	**43,810**	**50,700**
Percent Change 2017 vs. 2016 Budget						8.33%
50 - Other Expenses						
580.05	All Other Expenses	-	738	-	2,000	2,000
580.10	Consultant Fees	3,200	79	5,000	-	20,000
580.45	Cable Television Programming	17,030	15,200	19,500	13,000	13,000
580.50	Senior Taxi Program	4,302.50	4,385	3,000	3,000	3,000
50 - Other Expenses		**24,532**	**20,402**	**27,500**	**18,000**	**38,000**
Percent Change 2017 vs. 2016 Budget						38.18%

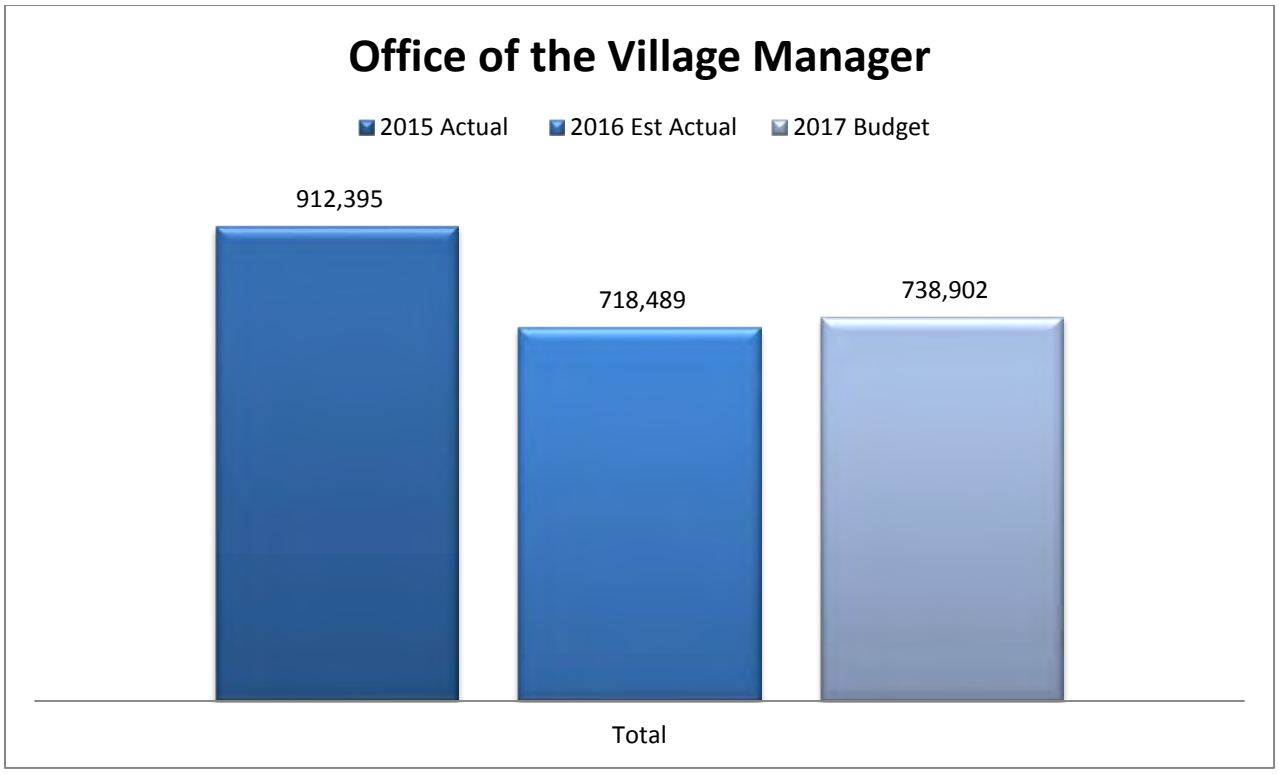
Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
55 - Capital Outlay					
555.10 Office and Other Equipment	-	266.60	70,000	75,600	-
55 - Capital Outlay	-	$266	$70,000	$75,600	-
Percent Change 2017 vs. 2016 Budget					-100%
Department Total: 10 - Legislative	**120,502**	**134,623**	**220,525**	**210,850**	**165,425**
Percent Change 2017 vs. 2016 Budget					-24.99%

Budget Summary
Office of the Village Manager

	FY 201p Actual	FY 201c Est. Actual	FY 201t 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
2015 Actual
2016 Est Actual
2017 Budget
912,395
718,489
738,902
Total

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 100 - General Fund						
Department: 15 - Office of the Village Manager						
10 - Salaries						
500.05	Full Time	486,485	593,223	396,834	422,014	392,000
500.10	Part Time	46,243	189	-	-	40,000
500.35	Overtime	2,327	-	-	-	-
500.40	Longevity	1,000	400	500	400	600
10 - Salaries		**536,057**	**593,812**	**397,334**	**422,414**	**432,600**
Percent Change 2017 vs. 2016 Budget						8.88%
15 - Taxes and Benefits						
505.05	Group & Medical Life	73,246	75,747	63,000	60,000	59,811
505.10	Professional Training	5,794	7,091	6,500	7,000	7,000
505.15	Dues & Memberships	6,977	8,984	8,000	4,000	4,000
505.75	Employer's Contribution - FICA	27,890	29,970	18,386	20,601	21,171
505.80	Employer's Contribution - IMRF	78,201	78,474	55,110	56,376	60,087
505.85	Employer's Contribution Medicare	7,762	8,604	5,761	6,101	6,273
15 - Taxes and Benefits		**199,873**	**208,873**	**156,757**	**154,078**	**158,342**
Percent Change 2017 vs. 2016 Budget						1.01%
25 - Operating Expenses						
510.02	Telephone	3,556	2,036	2,250	1,900	-
510.04	Travel	2,227	4,285	1,200	1,500	1,500
510.06	Per Diem Allowance	26	56	100	-	-
510.08	Reception & Community Affairs	2,213	1,868	1,500	634	1,500
510.10	Maintenance Contracts	19,424	-	-	-	-
510.14	Subscriptions & Publications	1,536	759	1,550	1,550	1,550
510.16	Printing	-	274.75	400	-	400
510.18	Village Newsletter	23,349	19,446	33,000	33,000	33,000
510.21	IT Internal Svc Contribution	-	31,816	20,474	18,326	20,934
510.40	Supplies - Office	710	1,339	2,000	1,000	1,500
535.01	Facilities Building Mnt Internal Svc Cntrb	-	22,325	26,289	25,948	27,552
545.01	Vehicles Central Garage Internal Svc	-	2,836	1,165	971	1,169
25 - Operating Expenses		**53,043**	**87,045**	**89,928**	**84,829**	**89,105**
Percent Change 2017 vs. 2016 Budget						-0.92%
30 - Contractual Services						
515.05	Premium	1,023	1,023	1,023	1,048	1,070
515.10	Unemployment Insurance	800	800	800	-	800
515.15	Deductible - Worker's Comp	-	-	219	-	219
515.20	Deductible - Non Wrker's Co	-	2,190	146	-	146
30 - Contractual Services		**1,823**	**4,013**	**2,188**	**1,048**	**2,235**
Percent Change 2017 vs. 2016 Budget						2.15%
40 - Repairs and Maintenance						
550.05	Other Department Equipment	-	-	500	-	500
40 - Repairs and Maintenance		**-**	**-**	**500**	**-**	**500**
Percent Change 2017 vs. 2016 Budget						-3.39%
50 - Other Expenses						
580.05	All Other Expenses	1,279	230	1,800	1,500	1,500
580.10	Consultant Fees	4,113	11,800	40,000	48,000	48,000

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
50 - Other Expenses	**5,392**	**12,030**	**41,800**	**49,500**	**49,500**
Percent Change 2017 vs. 2016 Budget					18.42%
55 - Capital Outlay					
555.10 Office and Other Equipment	43,767	-	-	-	-
555.40 Reserve for Technology	43,054	1,250	1,250	1,250	1,250
555.50 Reserve for Buildings	5,370	5,370	5,370	5,370	5,370
Account Classification Total: 55 - Capital Outlay	**92,191**	**6,620**	**6,620**	**6,620**	**6,620**
Percent Change 2017 vs. 2016 Budget					0.00%
Department Total: 15 - Office of the Village Manager	**888,381**	**912,394**	**695,127**	**718,489**	**738,902**
Percent Change 2017 vs. 2016 Budget					6.30%

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

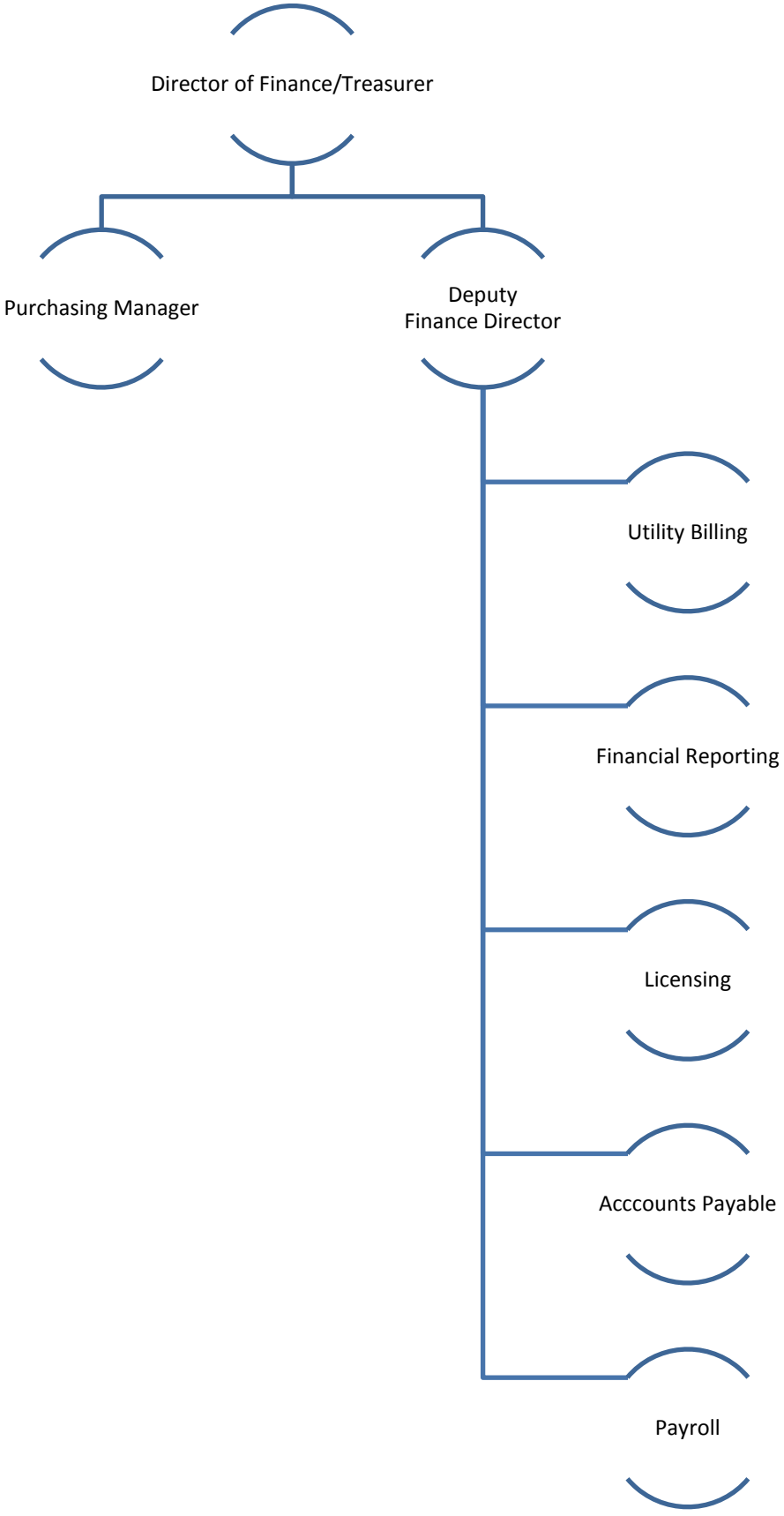
Each summer, the Finance Department publishes a report outlining revenues and expenditures from the previous fiscal year. This report includes information about the Village's financial condition and fiscal activities.

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



2017 Staffing Summary

Finance & General Services	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Accountant	1	0	1	0	1	0
Deputy Clerk	0	0	.5	0	.5	0
Deputy Finance Director	1	0	1	0	1	0
Cashier	0	0	.5	0	.5	0
Clerk II	2	0	2	0	2	0
Clerk III	1	0	1	0	1	0
Director of Finance/Treasurer	1	0	1	0	1	0
Payroll Clerk III	1	0	1	0	1	0
Purchasing Manager	1	0	1	0	1	0
Total	**8**	**0**	**9**	**0**	**9**	**0**
Full & Part-Time Total	**10**		**9**		**9**	

Service Level Expectations

One of the goals listed in the Village Board approved strategic plan is to analyze all of the Village's services to determine the current service level and the resources necessary to continue the service at the current level. The goal is to create a "catalog" of services that will highlight the costs associated with the services that the Village provides which will also be key indicators to evaluate as the Village transitions to a program based budget.

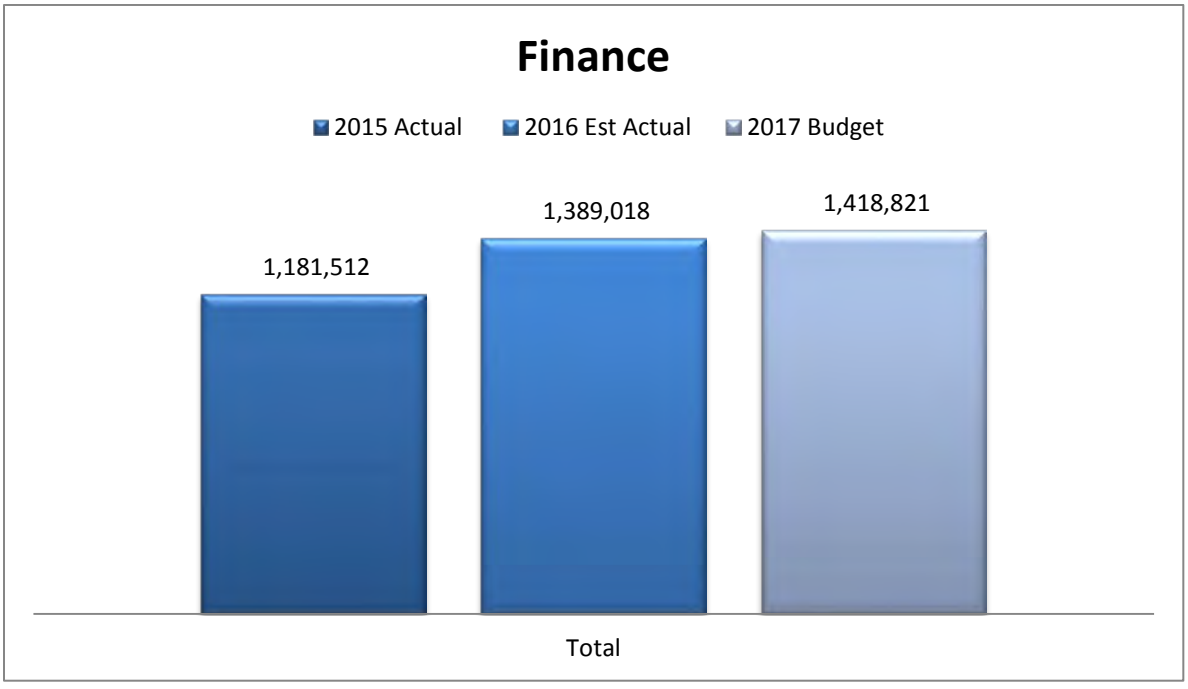
OVM/Finance	Current Service Level	Revenue	Expense	Total Cost
Business License	Issued Annually	$100,000	$14,392	-$85,608
Water Billing - Residential	Billed Bi-Monthly	$0	$91,800	$91,800
Water Billing - Commercial	Billed Monthly	$0	$23,600	$23,600

Budget Summary
Finance and General Services

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	660,737	746,627	770,849
Personal Benefits	232,896	346,550	351,759
Operating Expenses	204,800	215,814	221,635
Contractual Services	2,263	15,867	1,918
Other Services	27,625	30,000	30,000
Repair & Maintenance	-	-	2,000
Other Expenses	44,531	25,500	32,000
Capital Outlay	8,660	8,660	8,660
Total	1,181,512	1,389,018	1,418,821

Budget Variances
Finance and General Services

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.35	Overtime	-13.33%	(600)	Reduction based on historical usage.
500.40	Longevity	18.75%	600	Increase for anniversaries.
505.15	Dues & Memberships	43.88%	610	Additional Memberships Director and Deputy Director for ILCMA.
505.75	Employer's Contribution - FICA	11.30%	4,595	Salary and benefit increase. This includes COLA and Pay for Performance.
505.80	Employer's Contribution - IMRF	11.29%	10,888	Salary and benefit increase. This includes COLA and Pay for Performance.
505.85	Employer's Contribution Medicare	11.12%	1,122	Salary and benefit increase. This includes COLA and Pay for Performance.
510.02	Telephone	-100%	(10,000)	Telephone moved to Internal Service Fund (IT).
510.03	Postage	-14.29%	(10,000)	Water meter project mailings completed.
510.04	Travel	40%	1,000	GFOA Conference for Deputy Director.
510.06	Per Diem Allowance	-50%	(250)	Added to Travel line item.
510.08	Reception & Community Affairs	25%	100	Employee appreciation week contribution.
510.10	Maintenance Contracts	-20%	(2,000)	Copier Maintenance Contract in Internal Service Fund.
510.40	Supplies -Office	-13.33%	(1,000)	Reduce supply orders.
525.10	Buffalo Grove Days	-14.29%	(5,000)	Expenditure outlay less from site change.



	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**100 - General Fund**					
Department:	**30 - Finance**					
10 - Salaries						
500.05	Full Time	618,409	649,479	723,863	736,727	758,649
500.10	Part Time	579	-	-	-	-
500.25	Elected Officials	6,000	6,000	6,000	6,000	6,000
500.35	Overtime	8,386	2,057	4,500	1,700	3,900
500.40	Longevity	4,200	3,200	3,200	3,200	3,800
10 – Salaries		**637,575**	**660,737**	**737,563**	**747,627**	**772,349**
Percent Change 2017 vs. 2016 Budget						4.72%
15 - Taxes and Benefits						
505.05	Group & Medical Life	127,891	87,398	189,000	185,000	179,433
505.10	Professional Training	2,498	7,706	7,500	5,500	7,500
505.15	Dues & Memberships	1,880	1,987	1,390	1,390	2,000
505.75	Employer's Contribution - FICA	37,406	38,267	40,660	43,812	45,255
505.80	Employer's Contribution - IMRF	87,232	87,958	96,475	100,024	107,363
505.85	Employer's Contribution Medicare	9,226	9,576	10,086	10,824	11,208
15 - Taxes and Benefits		**266,134**	**232,895**	**345,111**	**346,550**	**352,759**
Percent Change 2017 vs. 2016 Budget						2.22%
25 - Operating Expenses						
510	Operating Expenses	-	104	-	-	-
510.02	Telephone	7,742	3,456	10,000	3,200	-
510.03	Postage	62,077	63,306	70,000	60,000	60,000
510.04	Travel	2,805	2,179	2,500	2,500	3,500
510.06	Per Diem Allowance	147	152	500	-	250
510.08	Reception & Comm. Affairs	680	380	400	400	500
510.10	Maintenance Contracts	60,814	1,563	10,000	8,000	8,000
510.12	Equipment Rental	3,267	2,450	3,468	3,468	3,468
510.14	Subscriptions & Publications	55	-	150	150	150
510.16	Printing	14,906	11,346	5,000	10,000	5,000
510.21	IT Internal Svc Contribution	-	36,361	55,379	49,570	56,712
510.28	Audit Fees	36,225	49,580	42,400	42,400	42,400
510.40	Supplies - Office	7,642	8,403	7,500	5,500	6,500
535.01	Build Mnt Internal Svc Cntrb	-	25,514	30,044	29,655	31,486
545.01	Central Garage Internal Svc	-	-	1,165	971	1,169
25 - Operating Expenses		**196,364**	**204,799**	**238,506**	**215,814**	**219,135**
Percent Change 2017 vs. 2016 Budget						-8.12%

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
30 - Contractual Services						
515.05	Insurance Premium	1,367	1,367	1,367	5,867	1,430
515.15	Deductible - Worker's Comp	-	-	293	-	293
515.20	Deductible - Non Wrker's Co	-	896	195	10,000	195
30 - Contractual Services		**1,367**	**2,263**	**1,855**	**15,867**	**1,918**
Percent Change 2017 vs. 2016 Budget						3.40%
35 - Other Services						
525.10	Buffalo Grove Days	49,802	27,625	35,000	30,000	30,000
35 - Other Services		**49,802**	**27,625**	**35,000**	**30,000**	**30,000**
Percent Change 2017 vs. 2016 Budget						-14.29%
40 - Repairs and Maintenance						
550.05	Other Department Equipment	613	-	2,000	-	2,000
40 - Repairs and Maintenance		**613**	**0**	**2,000**	**0**	**2,000**
Percent Change 2017 vs. 2016 Budget						0%
50 - Other Expenses						
580	All Other Expense	-	110	-	-	-
580.05	All Other Expenses	3,486	17,819	13,000	5,500	12,000
580.10	Consultant Fees	25,443	26,002	20,000	20,000	20,000
580.40	Investment Fees	-	597	-	-	-
50 - Other Expenses		**28,929**	**44,530**	**33,000**	**25,500**	**32,000**
Percent Change 2017 vs. 2016 Budget						-3.03%
55 - Capital Outlay						
555.40	Reserve for Technology	1,500	1,500	1,500	1,500	1,500
555.50	Reserve for Buildings	7,160	7,160	7,160	7,160	7,160
55 - Capital Outlay		**8,660**	**8,66**	**8,660**	**8,660**	**8,660**
Percent Change 2017 vs. 2016 Budget						0.00%
Department Total: 30 - Finance		1,189,447	1,181,512	1,401,695	1,390,018	1,418,821
Percent Change 2017 vs. 2016 Budget						1.22%

Human Resources Department

The Department of Human Resources is responsible for a hiring, recruitment, 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 Intergovernmental Personnel Benefits Cooperative (IPBC).

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.

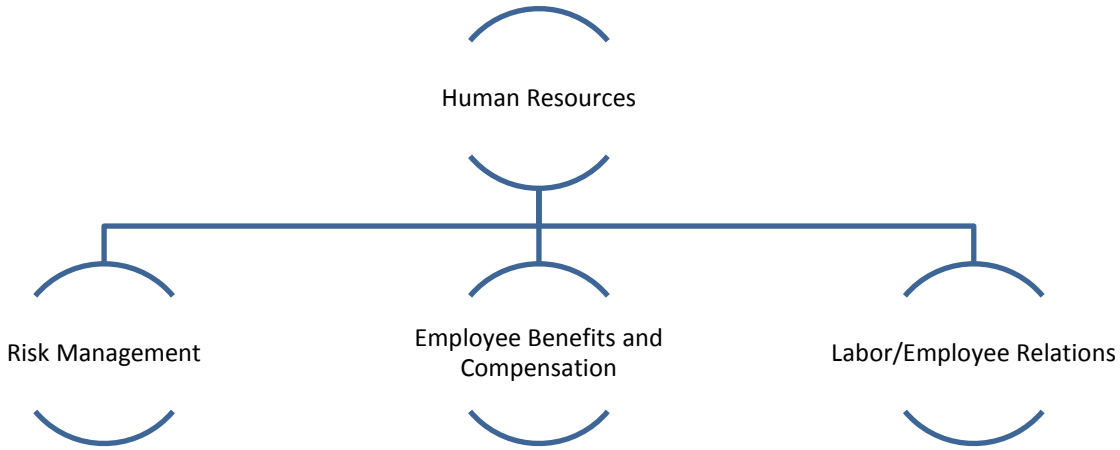


The Board of Police and Fire Commissioners

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 2017.

Human Resources	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Director of Human Resources	1	0	1	0	1	0
Management Analyst	1	0	1	0	1	0
Total	2	0	2	0	2	0
Full & Part-Time Total	**2**		**2**		**2**	

Service Level Expectations

One of the goals listed in the Village Board approved strategic plan is to analyze all of the Village's services to determine the current service level and the resources necessary to continue the service at the current level. The goal is to create a "catalog" of services that will highlight the costs associated with the services that the Village provides which will also be key indicators to evaluate as the Village transitions to a program based budget.

OVM/Finance	Current Service Level	Revenue	Expense	Total Cost
Onboarding/Non-Sworn	45 Days	$0	$2,475	$2,475
Onboarding/Hiring BFPC	90 Days (Candidate From List)	$0	$6,186	$6,186

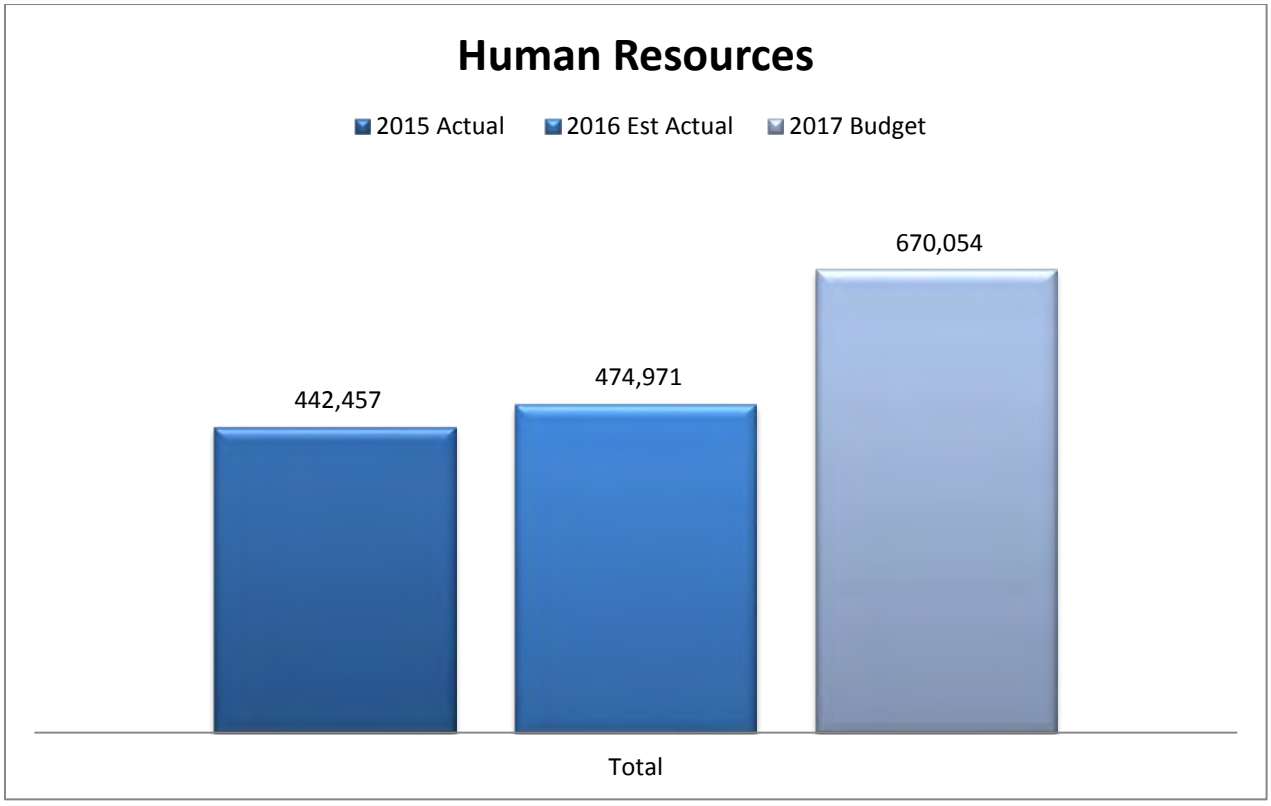
Budget Summary

Human Resources

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	191,534	205,718	331,681
Taxes and Benefits	141,018	146,181	181,202
Operating Expenses	27,724	35,696	45,836
Contractual Services	41,627	41,201	76,790
Other Services	19,454	31,930	32,000
Repair & Maintenance	-	-	-
Other Expenses	545	1,500	1,500
Capital Outlay	20,556	12,745	1,045
Total	442,457	474,971	670,054

Budget Variances
Human Resources

Line Item Number	Description	Percent Change	Amount Change	Description of Change
510.02	Telephone	-100%	(1,000)	Moved to Internal Service Fund (IT).
510.04	Travel	25%	500	NPELRA, IPELRA, travel to offsite meetings.
510.14	Subscriptions & Publications	-33.33%	(1,000)	Reduced based on historical trend.
510.21	IT Internal Svc Contribution	-13.86%	(2,000)	Increase in contribution percentage.
510.22	Recruitment Charges	-25%	(2,500)	Recruitment activities to be less costly.
510.24	CDL Testing	60%	1,200	Ongoing Employee (CDL holder) Screening.
510.40	Supplies - Office	-25%	(250)	Reduced based on historical trend.
555.10	Office and Other Equipment	-100%	(11,700)	FY16 projects complete.



The dollars allocated for the Pay for Performance program are included in the Human Resources departmental budget. At the time that Pay for Performance dollars are awarded to employees the amount of the award is reflected in the individual department budgets resulting, in some departments, the salary expenditures to exceed budget.

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 100 - General Fund						
Department: 35 - Human Resources						
10 - Salaries						
500.05	Full Time	130,593	190,733	325,426	204,918	330,881
500.40	Longevity	800	800	800	800	800
10 - Salaries		**131,393**	**191,533**	**326,226**	**205,718**	**331,681**
Percent Change 2017 vs. 2016 Budget						1.67%
15 - Taxes and Benefits						
505.05	Group & Medical Life	63,612	38,962	42,000	42,000	39,874
505.10	Professional Training	2,804	2,009	11,600	2,282	11,600
505.15	Dues & Memberships	1,134	819	1,600	1,600	1,600
505.40	Tuition Reimbursement	8,041	52,844	50,000	50,000	50,000
505.50	Employee Recognition	7,128	7,450	8,000	7,946	8,000
505.75	Employer's Contribution - FICA	7,566	10,742	19,208	11,755	19,247
505.80	Employer's Contribution - IMRF	21,667	25,429	45,248	27,610	46,071
505.85	Employer's Contribution Medicare	1,893	2,761	4,730	2,988	4,810
15 - Taxes and Benefits		**113,847**	**141,018**	**182,386**	**146,181**	**181,202**
Percent Change 2017 vs. 2016 Budget						-0.65%
25 - Operating Expenses						
510.02	Telephone	1,680	542	1,000	500	-
510.04	Travel	2,516	1,885	2,000	2,300	2,500
510.06	Per Diem Allowance	200	400	400	400	400
510.10	Maintenance Contracts	-	-	8,500	-	8,000
510.14	Subscriptions & Publications	1,039	1,509	3,000	1,920	2,000
510.21	IT Internal Svc Contribution	-	9,090	14,431	12,917	12,431
510.22	Recruitment Charges	16,537	5,700	10,000	5,633	7,500
510.24	CDL Testing	2,408	1,797	2,000	3,176	3,200
510.40	Supplies - Office	38	419	1,000	465	750
535.01	Facilities Building Mnt Internal Svc Cntrb	-	6,378	7,511	7,414	7,886
545.01	Vehicles Central Garage Internal Svc	-	-	1,165	971	1,169
25 - Operating Expenses		**24,420**	**27,723**	**51,007**	**35,696**	**45,836**
Percent Change 2017 vs. 2016 Budget						-10.14%
30 - Contractual Services						
515.05	Premium	8,731	1,410	1,411	3,541	1,476
515.10	Unemployment Insurance	160	1,205	160	160	160
515.15	Worker's Comp	-	-	92	-	92
515.20	Non Wrker's Co	-	5,399	62	-	62
520.40	Special Counsel	47,302	33,610	75,000	37,500	75,000
30 - Contractual Services		**56,193**	**41,626**	**76,725**	**41,201**	**76,790**
Percent Change 2017 vs. 2016 Budget						0.08%

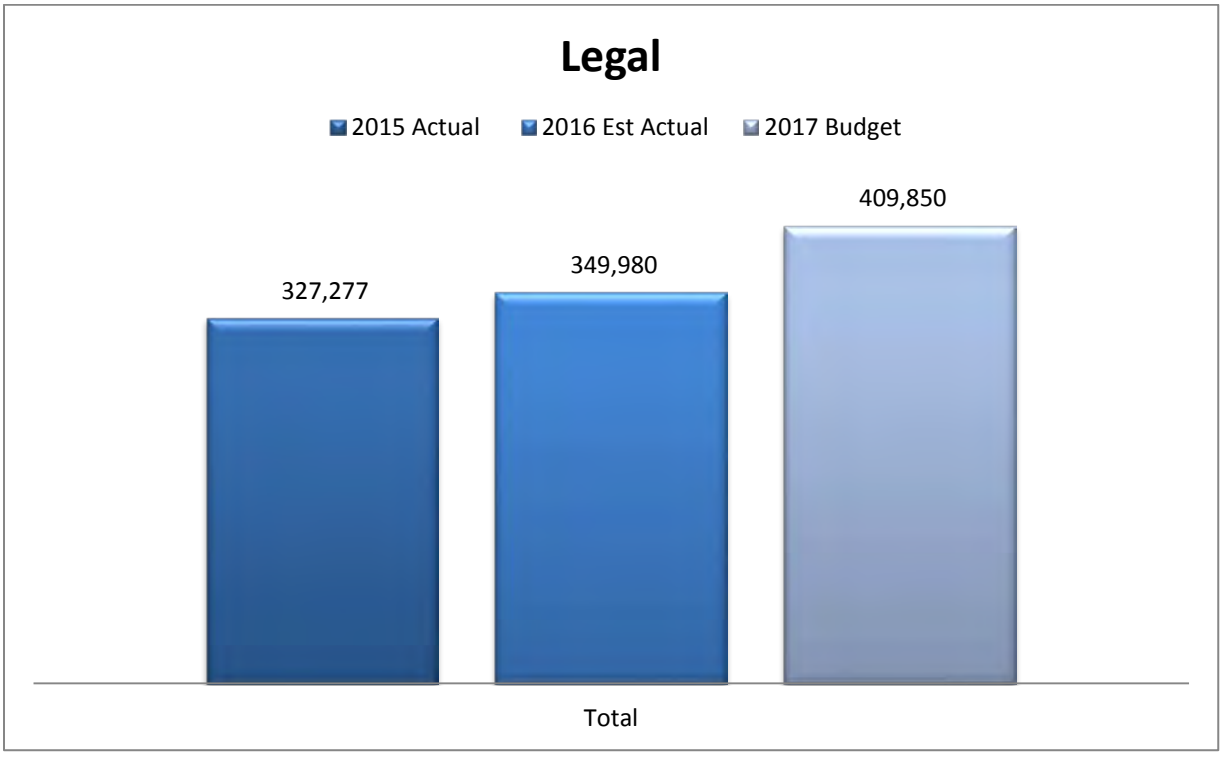
	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
35 - Other Services						
525.15	Fire and Police Commission	30,166	19,454	30,000	31,930	32,000
35 - Other Services		**30,166**	**19,454**	**30,000**	**31,930**	**32,000**
Percent Change 2017 vs. 2016 Budget						6.67%
50 - Other Expenses						
580.05	All Other Expenses	535	544	1,500	1,500	1,500
580.65	IRMA Deductible - Worker's Comp	22,137	-	-	-	-
580.66	IRMA Deductible - Non Wrkr's Cmp	8,284	-	-	-	-
50 - Other Expenses		**30,957**	**544**	**1,500**	**1,500**	**1,500**
Percent Change 2017 vs. 2016 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	15,714	19,510	11,700	11,700	-
555.40	Reserve for Technology	150	150	150	150	150
555.50	Reserve for Buildings	895	894.96	895	895	895
55 - Capital Outlay		**16,759**	**20,555**	**12,745**	**12,745**	**1,045**
Percent Change 2017 vs. 2016 Budget						-91.80%
Department Total: 35 - Human Resources		**403,738**	**442,457**	**680,589**	**474,971**	**670,054**
Percent Change 2017 vs. 2016 Budget						-1.55%

Budget Summary
Legal

	2015 Actual	2016 Est Actual	2017 Budget
Operating Expenses	679	-	-
Contractual Services	326,598	349,980	409,850
Total	327,277	349,980	409,850

Budget Variances
Legal

Line Item Number	Description	Percent Change	Amount Change	Description of Change
520.15	Attorney's Fees	48.03%	73,000	Increase due to the proposed rate of $225/hr by Treslser.
520.25	Legal Notices	19%	1,900	Increase Due to Economic Development Activities
520.40	Special Counsel	4000%	40,000	Collective Bargaining in 2017
520.45	Legal Reimburseables	-81.82%	(4,500)	Reduced based on historical trend.



Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 100 - General Fund					
Department: 20 - Legal					
25 - Operating Expenses					
510.21 IT Internal Svc Contribution	-	679	-	-	-
25 - Operating Expenses	**-**	**$679**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget					0.00%
30 - Contractual Services					
520.05 Retainer Fee	49,999	49,999	50,000	50,000	50,400
520.10 Prosecutor Fee	69,260	71,450	68,000	70,600	68,000
520.15 Attorney's Fees	190,472	167,885	152,000	200,000	225,000
520.20 Recording Fees	333	225	200	400	200
520.25 Legal Notices	8,392	9,308	10,000	11,850	11,900
520.30 Litigation Reserve	6,580	25,152	12,000	17,130	12,000
520.35 Messenger Fees	-	-	350	-	350
520.40 Special Counsel	-	2,250	1,000	-	41,000
520.45 Legal Reimburseables	891	325.77	5,500	-	1,000
30 - Contractual Services	**325,928**	**326,597**	**299,050**	**349,980**	**409,850**
Percent Change 2017 vs. 2016 Budget					37.05%
Department Total: 20 - Legal	**325,928**	**327,277**	**299,050**	**349,980**	**409,850**
Percent Change 2017 vs. 2016 Budget					37.05%

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 Values Statement of this organization is to meet the mission of the organization through "Service, Adaptability, Fairness, Empowerment, and Respect" with a Vision Statement of "The Buffalo Grove Fire Department will aspire to be the premier emergency service provider, delivering exceptional service and value to our community".



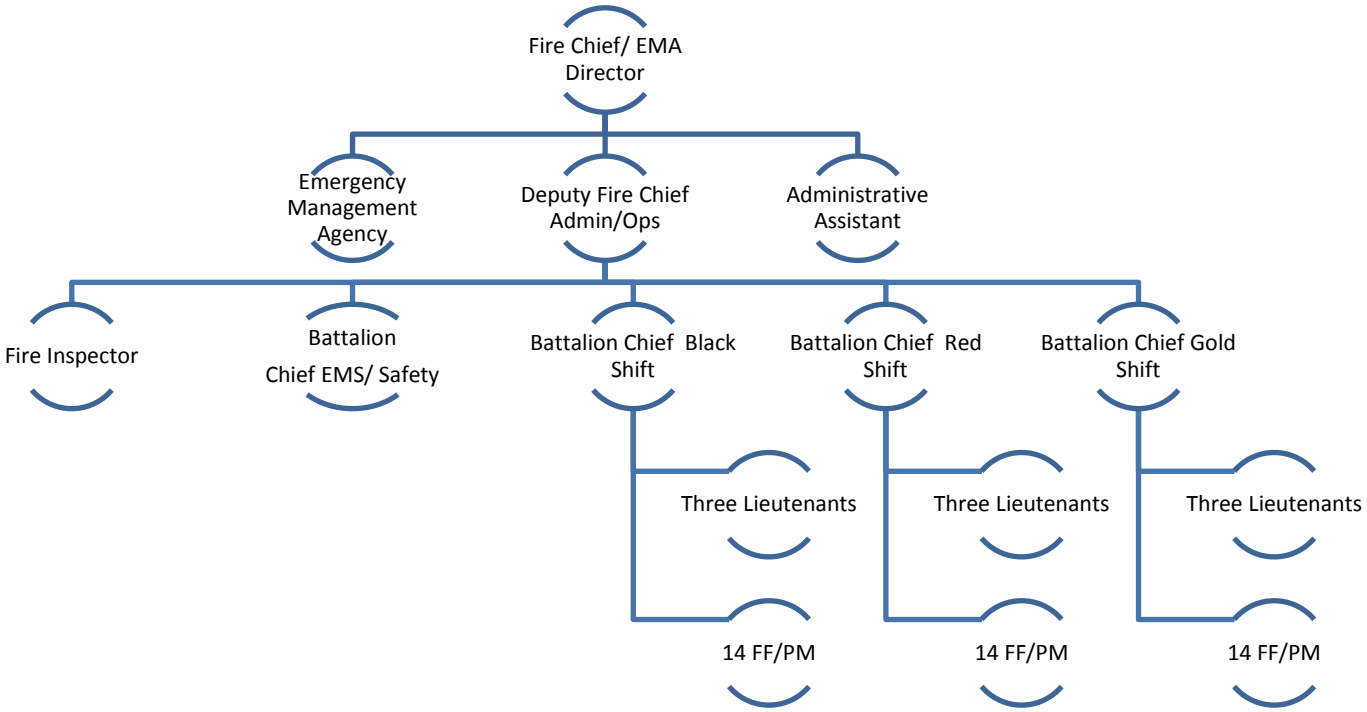
The Department operates 24 hours a day, 365 days a year. There are a total of 57 full time sworn members, 2 full time civilian and 2 part time members operating out of three strategically located fire stations, one with administrative offices. The fire department provides a wide variety of services including 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 2015, The Fire Department responded to 4,842 calls for service of which 3,060 were EMS (63.2%) and 1,782 were fire, rescue and service related (36.8%). 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 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 MobileComm and CERT are now the responsibility of the Fire Department.

Department Structure



2017 Staffing Summary

Fire Services	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Battalion Chief	4	0	4	0	4	0
Deputy Fire Chief	1	0	1	0	1	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	1	0	1	0	1	0
Total	**59**	**2**	**59**	**2**	**59**	**2**
Full & Part-Time Total	**61**		**61**		**61**	

Service Level Expectations

One of the goals listed in the Village Board approved strategic plan is to analyze all of the Village's services to determine the current service level and the resources necessary to continue the service at the current level. The goal is to create a "catalog" of services that will highlight the costs associated with the services that the Village provides which will also be key indicators to evaluate as the Village transitions to a program based budget.

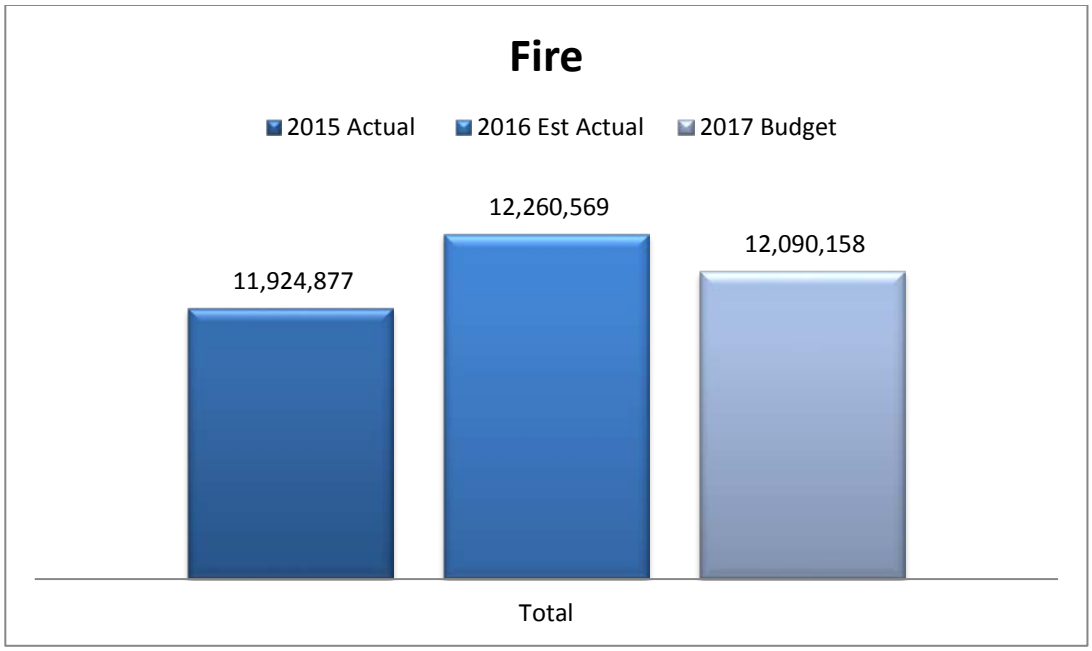
Fire	Current Service Level	Revenue	Expense	Total Cost
Fire Plan Review for Permits	Review Completed in 10 Days	$8,600	$12,290	$3,690
Annual Life Safety Inspections	Inspection Completed Every 18 Months	$0	$59,845	$59,845
Fire Response	Less than 6 Minutes 90% of the Time	$6,302	$1,284,131	$1,277,829
EMS Response	Less than 6 Minutes 90% of the Time	$919,565	$1,250,642	$331,077

Budget Summary
Fire Services

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	6,406,972	6,620,984	6,611,597
Personal Benefits	3,319,787	3,644,086	3,300,916
Operating Expenses	1,599,276	1,358,105	1,514,811
Contractual Services	250,884	250,386	285,294
Repair & Maintenance	14,269	91,013	50,900
Commodities	19,179	25,000	31,480
Other Expenses	41,440	56,200	79,865
Capital Outlay	273,071	214,795	215,295
Total	11,924,877	12,260,569	12,090,158

Budget Variance
Fire Services

Line Item Number	Description	Percent Change	Amount Change	Description of Change
500.10	Part Time	-10.88%	(6,025)	5 year expenditure trend indicates a reduction is warranted.
500.35	Overtime	33.33%	200,000	Current and future vacancies will create additional OT funds to maintain staffing levels.
505.10	Professional Training	-20.05%	(7,500)	5 year expenditure trend indicates a reduction is warranted.
505.15	Dues & Memberships	-14.14%	(1,660)	5 year expenditure trend indicates a reduction is warranted.
505.20	Clothing Allowance	15.38%	4,800	Known and anticipated retirements require new uniform issue to replacement personnel.
505.35	Safety Equipment	14.35%	7,180	Known and anticipated retirements require new protective equipment issue to replacement personnel.
505.61	Pension Payment - Fire	-14.35%	(311,958)	Amount budgeted based on actuarial evaluation
505.80	Employer's Contribution - IMRF	-11.93%	(2,949)	Less hours budgeted for IMRF eligible employees.
510.02	Telephone	-100%	(25,100)	All Telephone Expenditures moved to Internal Service Fund (IT).
510.10	Maintenance Contracts	-13.86%	(12,750)	5 year expenditure trend indicates a reduction is warranted.
510.14	Subscriptions & Publications	-24.39%	(1,500)	5 year expenditure trend indicates a reduction is warranted.
510.16	Printing	40%	600	New business inspection program will begin in 2017.
510.59	SCBA Equipment	-100%	(25,336)	Payout of Village grant portion completed
515.10	Unemployment Insurance	-19.35%	(2,400)	Reduction based on estimated experience.
580.11	Contractual Services	58.47%	16,000	Increase is for the Village's portion of the recently added NWCD Joint Emergency Management Coordinator subscription.
580.20	CAFT Site	100%	5,000	Annual maintenance fees increase, first since CAFT inception.


Fire
2015 Actual
2016 Est Actual
2017 Budget
11,924,877
12,260,569
12,090,158
Total

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**100 - General Fund**					
Department:	**40 - Fire**					
10 - Salaries						
500.05	Full Time	321,028	144,482	147,865	155,698	152,754
500.10	Part Time	40,900	47,015	55,372	49,508	49,347
500.20	Sworn	5,295,789	5,365,733	5,513,944	5,527,778	5,571,496
500.30	Special Duty	(11,106)	(12,273)	-	-	-
500.35	Overtime	729,430	821,812	600,000	850,000	800,000
500.40	Longevity	35,200	40,200	38,000	38,000	38,000
10 – Salaries		**6,411,242**	**6,406,971**	**6,355,181**	**6,620,984**	**6,611,597**
Percent Change 2017 vs. 2016 Budget						4.03%
15 - Taxes and Benefits						
505.05	Group & Medical Life	1,167,220	1,079,964	1,239,000	1,230,000	1,176,283
505.10	Professional Training	27,452	3,641	37,400	20,000	29,900
505.15	Dues & Memberships	7,253	8,377	11,740	9,000	10,080
505.20	Clothing Allowance	23,000	25,172	31,200	28,000	36,000
505.35	Safety Equipment	18,593	32,002	50,020	50,000	57,200
505.61	Pension Payment - Fire	2,166,471	2,047,858	2,174,632	2,174,632	1,862,674
505.75	FICA	22,309	11,852	12,601	12,713	12,778
505.80	IMRF	20,933	19,667	24,722	24,722	21,773
505.85	Medicare	91,509	91,248	92,151	95,019	94,228
15 - Taxes and Benefits		**3,544,745**	**3,319,787**	**3,673,466**	**3,644,086**	**3,300,916**
Percent Change 2017 vs. 2016 Budget						-10.14%
25 - Operating Expenses						
510.02	Telephone	33,148	17,418	25,100	16,000	-
510.04	Travel	2,529	3,356	4,700	3,500	4,700
510.06	Per Diem Allowance	556	1,357	2,900	1,500	2,900
510.08	Reception & Community Affairs	64.93	52	100	100	100
510.10	Maintenance Contracts	87,952	70,150	92,000	70,000	79,250
510.12	Equipment Rental	-	-	-	700	-
510.14	Subscriptions & Publications	1,351	1,912	6,150	2,500	4,650
510.16	Printing	1,073	1,472	1,500	1,400	2,100
510.21	IT Internal Svc Contribution	-	256,578	352,581	315,596	384,061
510.40	Office	5,902	7,510	5,200	4,500	5,200
510.50	All Other	16,413	12,670	16,000	14,000	14,800
510.55	Department	95,823	111,143	90,950	85,000	85,950
510.59	SCBA Equipment	-	272,640	25,336	-	-

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
510.65	Northwest Central Dispatch	148,257	157,432	160,000	160,000	165,800
535.01	Facilities Building Mnt Internal Svc Cntrb	-	268,213	261,652	313,364	286,862
545.01	Vehicles Central Garage Internal Svc	-	417,365	444,027	369,945	478,438
25 - Operating Expenses		**393,073**	**1,599,275**	**1,488,196**	**1,358,105**	**1,514,811**
Percent Change 2017 vs. 2016 Budget						1.79%
30 - Contractual Services						
515.05	Insurance Premium	215,386	215,386	215,386	215,386	225,294
515.10	Unemployment Insurance	12,400	12,399	12,400	-	10,000
515.15	Worker's Comp	(19,591)	23,098	35,000	35,000	35,000
515.20	Non Wrker's Co	6,360	-	15,000	-	15,000
30 - Contractual Services		**214,555**	**250,884**	**277,786**	**250,386**	**285,294**
Percent Change 2017 vs. 2016 Budget						2.70%
40 - Repairs and Maintenance						
535.20	Facilities Buildings & Facilities	45,183	-	35,000	77,003	35,000
545.15	Vehicles Automotive Parts	509	-	-	10	-
545.40	Vehicles Contract Auto Services	5,265	-	-	-	-
550.05	Other Department Equipment	15,928	14,268	17,200	14,000	15,900
40 - Repairs and Maintenance		**66,888**	**14,268**	**52,200**	**91,013**	**50,900**
Percent Change 2017 vs. 2016 Budget						-2.49%
45 - Commodities						
530.50	Small Equipment Tools & Hardware	25,110	19,179	32,525	25,000	31,480
45 - Commodities		**25,110**	**19,179**	**32,525**	**25,000**	**31,480**
Percent Change 2017 vs. 2016 Budget						-3.21%
50 - Other Expenses						
580.05	All Other Expenses	(22,035)	2,272	6,500	5,500	6,500
580.11	Contractual Services	8,154	27,701	27,365	27,000	43,365
580.20	CAFT Site	(5,789)	(7,278)	5,000	5,000	10,000
580.21	NWCH Admin Fee	18,008	18,744	18,900	18,700	20,000
50 - Other Expenses		**(1,662)**	**41,440**	**57,765**	**56,200**	**79,865**
Percent Change 2017 vs. 2016 Budget						38.26%
55 - Capital Outlay						
555.00	Capital Equipment	-	55,126	-	-	-
555.10	Office and Other Equip	-	632	4,000	3,500	4,000
555.30	Reserve for Capital Replacement	135,000	138,061	135,000	135,000	135,000

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
555.40	Reserve for Technology	18,200	21,424	18,200	18,200	18,200
555.50	Reserve for Buildings	54,595	54,594	54,595	54,595	54,595
560.10	Land Improvements	-	2,423	2,500	2,500	2,500
560.30	Buildings & Structures	-	807	1,000	1,000	1,000
55 - Capital Outlay		**207,795**	**273,070**	**215,295**	**214,795**	**215,295**
Percent Change 2017 vs. 2016 Budget						0.00%
Department Total: 40 - Fire		**10,861,747**	**11,924,877**	**12,152,414**	**12,260,569**	**12,090,158**
Percent Change 2017 vs. 2016 Budget						-0.51%

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 63 sworn and 19 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.

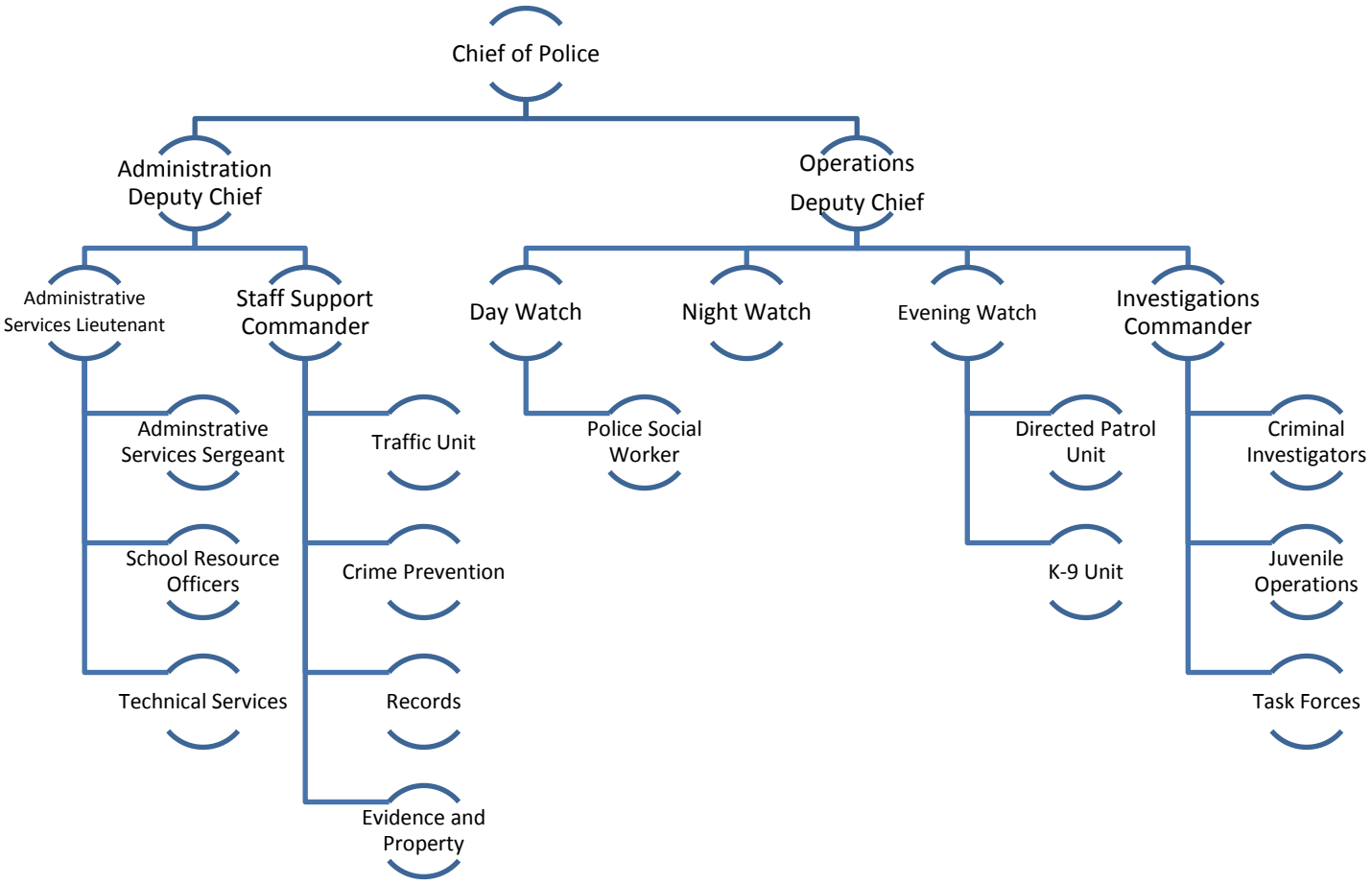
Operations Division

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 Desk Officers, two part-time Desk Officers and a full-time Police Social Worker (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



2017 Staffing Summary

In 2017, the department will continue to evaluate calls for service and Officer Daily Activity Report data to establish proper distribution of officer staffing on each patrol watch. Current staffing is sufficient to properly deploy officers on each watch and will be maintained if retirements occur. The only expected change for 2017 is moving the Police Social Worker to full time status.

Police Services	FY 2015		FY 2016		FY 2017	
	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	2	0	2	0
Crossing Guard	0	9	0	9	0	9
Deputy Police Chief	1	0	2	0	2	0
Desk Officer**	2	3	3	2	3	2
Evidence Custodian	0	1	0	1	1	0
Lieutenant	3	0	4	0	4	0
Patrol Officer	48	0	47	0	46	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
Social Worker*	0	0	0	1	1	0
Technical Services Administrator	1	0	1	0	1	0
Administrative Assistant	1	0	1	0	1	0
Total	74	14	75	13	74	12
Full & Part-Time Total	**88**		**88**		**87**	

*Social Worker Not Included in 2016 Budget

**1 Desk Officer moved to full-time in 2016.

***PT CSO Left Open

Service Level Expectations

One of the goals listed in the Village Board approved strategic plan is to analyze all of the Village's services to determine the current service level and the resources necessary to continue the service at the current level. The goal is to create a "catalog" of services that will highlight the costs associated with the services that the Village provides which will also be key indicators to evaluate as the Village transitions to a program based budget.

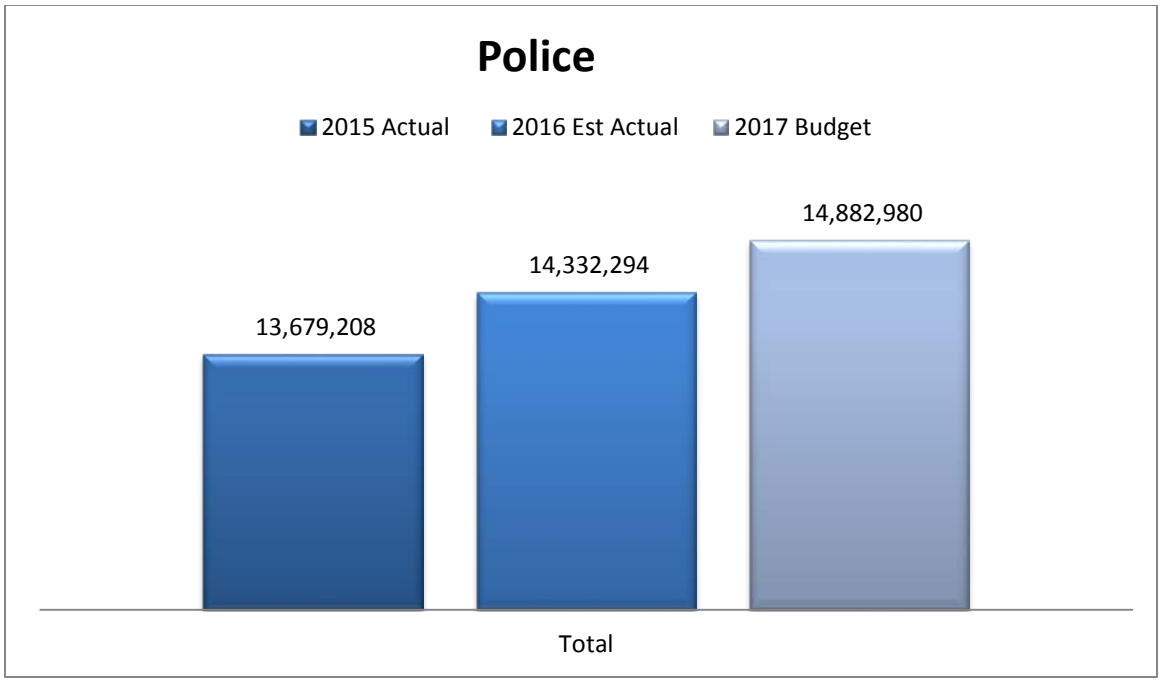
Police	Current Service Level	Revenue	Expense	Total Cost
Fingerprinting	Under 30 minutes	$2,580	$2,339	$240
Overweight/Truck Enforcement	Weekly enforcement	$151,812	$2202	($149,609)

2017 Budget
Police Services

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	7,399,491	7,695,198	8,021,911
Taxes and Benefits	3,949,155	4,365,351	4,413,521
Operating Expenses	1,574,537	1,586,351	1,761,185
Contractual Services	332,398	373,434	423,403
Repair & Maintenance	7,661	15,900	13,900
Commodities	-	-	-
Other Expenses	62,554	93,695	46,695
Capital Outlay	353,412	202,365	202,365
Total	13,679,208	14,332,294	14,882,980

2017 Variance
Police Services

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.05	Full Time	16.94%	114,388	Part-Time Employees moving to Full-Time.
500.10	Part Time	-37.21%	(66,998)	Part-Time Employees moving to Full-Time.
505.80	Employer's Contribution - IMRF	13.05%	13,414	Increase in employer contribution percentage per IMRF.
510.02	Telephone	-100%	(37,150)	All Telephone Expenditures moved to Internal Service Fund (IT).
510.04	Travel	72.07%	2,000	IACP, ILACP, Police Memorial, Springfield, Background Investigations, Special Investigations.
510.16	Printing	30.93%	3,425	Citations (Adjudication/County), Case Jackets, Traffic Printing (Chief's Challenge, Traffic Pamphlets, Coloring Contests), Crime Prevention (Safety Pamphlets, Crime Opportunity Cards, Citizen Survey), Field Directory, Patrol Printing, FOSG Printing, Department Letterhead/Envelopes, Mental Health/Domestic Violence Pamphlets.
510.42	Supplies - FOSG	13.13%	650	Evidence Tech Supplies, Major Crimes Task Force Supplies, Digital Processing, Camera and Strobe Batteries, Ribbons/Labels for Bar Coding, MOCIC, LexisNexis Background Tool, Veri-Pic.
510.56	Patrol	26.79%	750	Traffic Unit Supplies (Car Seats, Education, Bike Rodeo, Awards, Equipment), Lock-Jocks & Special Lock-Out Tools, AR-15 Maintenance & Replacement.
510.66	NIPAS	24.56%	1,460	NIPAS/ILEAS Annual Memberships and Equipment.
535.01	Facilities Building Mnt Internal Svc Cntrb	10.78%	22,788	Increase in contribution due to increase in expenditures of Fund.
545.01	Vehicles Central Garage Internal Svc	21.99%	85,742	Increase in contribution based on historical usage.
550.20	Other Patrol Equipment	-38.46%	(2,500)	Firearm Repair/Parts, Range Maintenance, Breathalyzers, Portable Breath Testers, Equipment Maintenance & Repair.
580.11	Contractual Services	-100%	(40,000)	Part-Time Employees moving to Full-Time.
580.15	Committee on Accreditation	30.77%	2,000	Accreditation Fees and Supplies, CALEA Conference.
580.55	Records Management	-35.51%	(9,000)	Coplogic On-Line Reporting Annual Fee, ID Networks RMS/Livescan Maintenance.


Police
2015 Actual
2016 Est Actual
2017 Budget
13,679,208
14,332,294
14,882,980
Total

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 100 - General Fund					
Department: 45 - Police					
10 - Salaries					
500.05 Full Time	678,423	581,515	675,133	688,772	789,521
500.10 Part Time	212,968	212,892	180,044	155,826	113,046
500.20 Sworn	6,034,917	6,271,101	6,577,986	6,500,000	6,767,544
500.30 Special Duty	(4,686)	-	-	-	-
500.35 Overtime	327,483	284,380	300,000	300,000	300,000
500.40 Longevity	47,400	49,600	50,600	50,600	51,800
10 – Salaries	**7,296,505**	**7,399,490**	**7,783,763**	**7,695,198**	**8,021,911**
Percent Change 2017 vs. 2016 Budget					3.06%
15 - Taxes and Benefits					
505.05 Group & Medical Life	1,248,733	1,176,389	1,597,027	1,595,000	1,524,302
505.10 Professional Training	39,745	44,433	52,284	52,284	52,400
505.15 Dues & Memberships	2,476	2,579	3,250	3,250	3,550
505.20 Clothing Allowance	26,931	32,449	6,250	6,250	6,250
505.25 Uniform Maintenance	26,256	26,064	3,000	3,000	3,000
505.30 Recruit Uniforms	3,295	3,300	3,500	3,500	3,750
505.60 Pension Payment - Police	2,082,089	2,413,137	2,440,239	2,440,239	2,538,183
505.75 Employer's Contribution – FICA	54,372	51,831	52,726	52,726	56,085
505.80 Employer's Contribution - IMRF	106,083	96,546	102,817	102,817	116,231
505.85 Employer's Contribution Medicare	100,215	102,423	106,285	106,285	109,770
15 - Taxes and Benefits	**3,690,200**	**3,949,154**	**4,367,378**	**4,365,351**	**4,413,521**
Percent Change 2017 vs. 2016 Budget					1.06%
25 - Operating Expenses					
510.02 Telephone	43,008	33,985	37,150	37,150	-
510.04 Travel	1,816	2,447	2,775	2,775	4,775
510.06 Per Diem Allowance	1,530	1,492	1,750	1,750	1,750
510.10 Maintenance Contracts	42,169	41,148	41,148	41,148	41,148
510.14 Subscriptions & Publications	802	795	950	950	950
510.16 Printing	9,194	9,530	11,075	11,075	14,500
510.21 IT Internal Svc Contribution	-	310,368	440,091	393,927	439,877
510.22 Recruitment Charges	1,457	498	500	500	500
510.26 Physical Fitness Equipment	599	4,994	5,000	5,000	5,000
510.30 Safety Equipment - Patrol	9,871	8,878	14,700	14,700	14,700
510.32 Safety Equipment - FOSG	498	446	500	500	500
510.33 Operating Equip – Staff	1,663	491	500	500	500
510.34 DUI Assessment Purchases	283	10,510	-	-	-
510.35 Reimburseable Expenses	-	842	-	-	-
510.41 Supplies - Patrol	3,261	3,283	3,275	3,275	3,575
510.42 Supplies - FOSG	4,704	4,518	4,950	4,950	5,600
510.43 Supplies - Communications	1,538	1,451	2,000	2,000	2,000
510.44 Supplies - Records	6,399	9,736	8,500	8,500	8,750
510.45 Supplies - OCOP	450	445	750	750	750
510.46 Supplies - Training	8,540	12,550	14,100	14,100	14,515
510.47 Supplies - Crime Prevention	4,533	4,572	5,200	5,200	5,500

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
510.48 Supplies - Detention	1,181	1,085	1,200	1,200	1,200
510.55 Department	11,516	11,569	5,000	5,000	5,000
510.56 Patrol	3,236	2,930	2,800	2,800	3,550
510.57 FOSG	3,468	4,033	5,227	5,227	5,397
510.58 Communications	621	3,487	750	750	750
510.60 OCOP	164	189	750	750	750
510.61 Training	1,059	1,306	700	700	700
510.62 Detention	-	98	150	150	150
510.63 Bike Patrol	1,300	590	500	500	500
510.64 Records	685	897	1,072	1,072	1,072
510.65 Northwest Central Dispatch	354,044	367,616	411,708	411,708	392,682
510.66 NIPAS	5,180	5,079	5,945	5,945	7,405
510.67 Northern IL Police Crime Lab	60,701	60,995	62,575	62,575	61,595
510.68 Animal Control	4,350	3,858	4,350	4,350	4,350
510.69 Prisoner Care	922	355	1,300	1,300	1,300
535.01 Facilities Building Mnt Internal Svc Cntrb	-	179,571	211,451	208,713	234,239
545.01 Vehicles Central Garage Internal Svc	-	467,881	389,913	324,861	475,655
25 - Operating Expenses	**590,757**	**1,574,536**	**1,700,305**	**1,586,351**	**1,761,185**
Percent Change 2017 vs. 2016 Budget					3.58%
30 - Contractual Services					
515.05 Premium	291,063	291,063	291,063	291,063	304,452
515.10 Unemployment Insurance	15,000	14,799	14,800	-	15,000
515.15 Deductible - Worker's Comp	84,538	20,036	62,371	62,371	62,371
515.20 Deductible - Non Wrker's Co	36,420	6,499	41,580	20,000	41,580
30 - Contractual Services	**427,022**	**332,398**	**409,814**	**373,434**	**423,403**
Percent Change 2017 vs. 2016 Budget					3.32%
40 - Repairs and Maintenance					
545.05 Vehicles Gasoline	2,183	-	-	-	-
545.40 Vehicles Contractual Auto Services	95	-	-	-	-
550.10 Other Radios	3,366	2,419	4,760	4,500	4,750
550.15 Other Mobile Data Terminals	2,480	386	500	500	500
550.20 Other Patrol Equipment	5,050	1,440	6,500	6,500	4,000
550.25 Other F.O.S.G. Equipment	608	494	650	650	650
550.30 Other Staff Equipment	2,750	2,920	3,750	3,750	4,000
40 - Repairs and Maintenance	**16,533**	**7,661**	**16,160**	**15,900**	**13,900**
Percent Change 2017 vs. 2016 Budget					-13.99%
50 - Other Expenses					
580.05 All Other Expenses	6,263	6,838	9,650	9,650	9,650
580.11 Contractual Services	40,000	30,000	40,000	40,000	-
580.15 Committee on Accreditation	5,095	5,332	6,500	6,500	8,500
580.30 Overweight Truck Enforcement	1,731	1,585	2,200	2,200	2,200
580.55 Records Management	10,345	10,345	25,345	25,345	16,345
580.57 Police Grant Charges	2,007	8,453	10,000	10,000	10,000
50 - Other Expenses	**65,443**	**62,554**	**93,695**	**93,695**	**46,695**
Percent Change 2017 vs. 2016 Budget					-50.16%

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
55 - Capital Outlay					
555.10 Office and Other Equipment	5,749	14,697	23,450	23,450	23,450
555.20 Automobiles & Trucks	-	159,800	-	-	-
555.30 Reserve for Capital Replacement	125,000	99,999	100,000	100,000	100,000
555.40 Reserve for Technology	33,333	9,999	10,000	10,000	10,000
555.50 Reserve for Buildings	68,915	68,915	68,915	68,915	68,915
55 - Capital Outlay	**232,997**	**353,412**	**202,365**	**202,365**	**202,365**
Percent Change 2017 vs. 2016 Budget					0.00%
Department Total: 45 - Police	12,319,460	13,679,208	14,573,480	14,332,294	14,882,980
Percent Change 2017 vs. 2016 Budget					2.12%

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, and inspecting day care centers/homes.

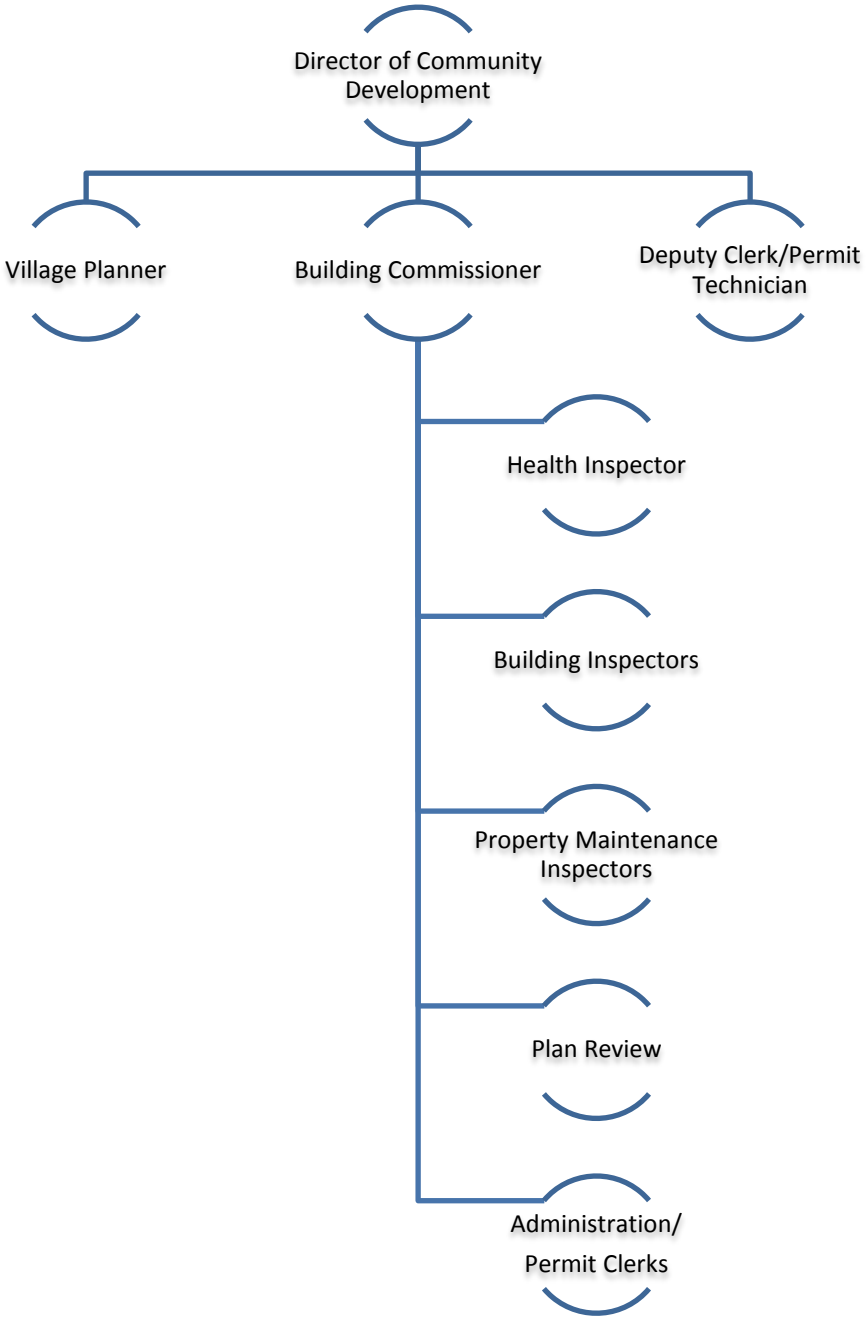
Planning & Economic Development

The Planning & Economic Development Division is charged with reviewing new development and redevelopment proposals, implementing economic development strategies, administrating 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
- 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



2017 Staffing Summary

In June of 2014, the customer service staffs of Community Development 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 joint customer service counter. This position is charged 0.5 FTE to Finance and 0.5 FTE to Community Development. These changes are reflected below.

Community Development	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Administrative Assistant	2	0	2	0	2	0
Associate Planner	0	1	0	0	0	0
Building Commissioner	1	0	1	0	1	0
Building Inspector	1	0	1	0	1	0
Cashier	0	0	.5	0	.5	0
Clerk II	0	1	0	1	0	1
Community Development Director	1	0	1	0	1	0
Deputy Clerk	0	0	.5	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	**11**	**2**	**12**	**1**	**12**	**1**
Full & Part-Time Total	**13**		**13**		**13**	

Service Level Expectations

One of the goals listed in the Village Board approved strategic plan is to analyze all of the Village's services to determine the current service level and the resources necessary to continue the service at the current level. The goal is to create a "catalog" of services that will highlight the costs associated with the services that the Village provides which will also be key indicators to evaluate as the Village transitions to a program based budget.

Community Development	Current Service Level	Revenue	Expense	Total Cost
Over-the Counter Permits	Issued in 15 Minutes + 1 Inspection	46,450	60,385	13,935
Code Enforcement*	Average Compliance in 1 Month	0	57,500	57,500
New Business Application Processing	Ave. Processing & Inspection in 2 Weeks	15,750	22,575	6,825

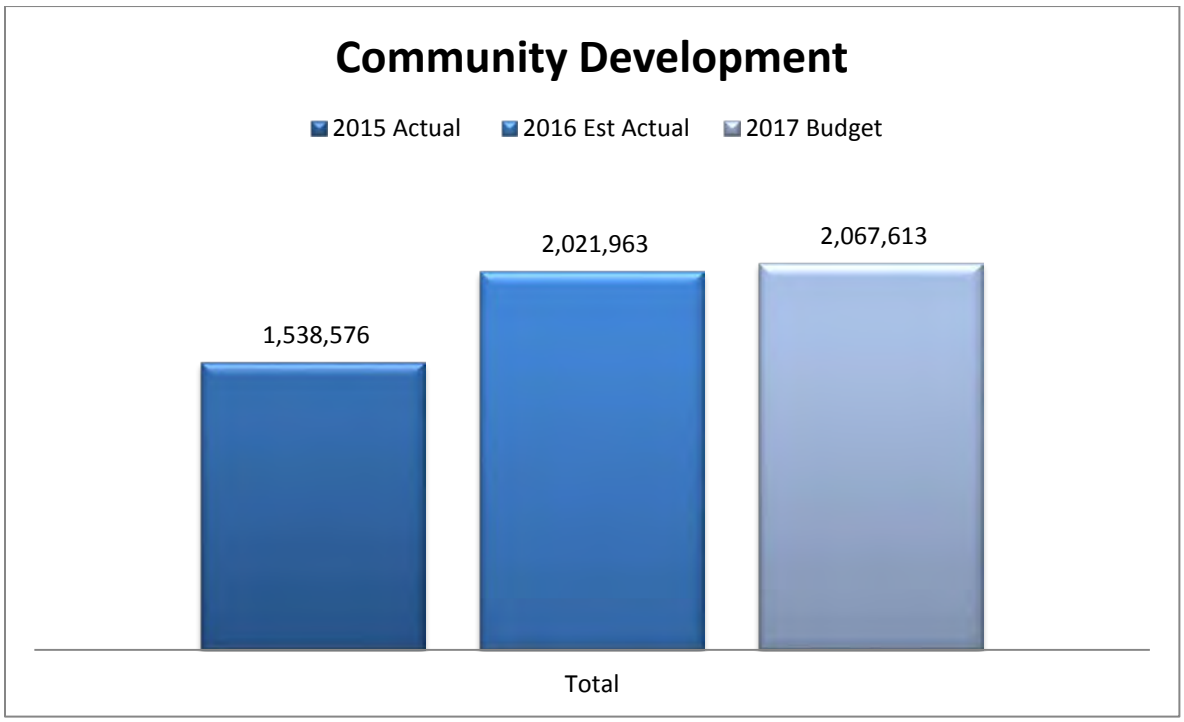
*The Village of Buffalo Grove provides contractual Code Enforcement services to the Village of Long Grove.

Budget Summary
Community Development

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	937,981	1,169,481	1,173,076
Taxes and Benefits	391,320	499,029	497,671
Operating Expenses	180,092	204,611	233,065
Contractual Services	1,387	1,387	26,946
Repair & Maintenance	-	-	-
Commodities	156	2,600	2,000
Other Expenses	13,785	131,000	121,000
Capital Outlay	13,855	13,855	13,855
Total	1,538,576	2,021,963	2,067,613

Budget Variance
Community Development

Line Item Number	Description	Percent Change	Amount Change	Description of Change
510.02	Telephone	-100%	(8,400)	Moved to Internal Service Fund (IT).
510.04	Travel	150%	3,000	Increase in travel expenses related to offsite travel for additional training and certifications for Plan Reviewer, Deputy Clerk, Village Planner, Building Commissioner and Director of Community Development.
510.06	Per Diem Allowance	66.67%	400	Increase to accommodate the additional travel for the Plan Reviewer, Deputy Clerk, Village Planner, Building Commissioner and Director of Community Development.
510.14	Subscriptions & Publications	-100%	(500)	No longer required as most subscriptions to trade magazines have been cancelled.
510.40	Supplies - Office	-16.67%	(500)	Reduced based on Historical Trends.
510.91	NW Economic Development Program	New	15,000	Regional Economic Development Program.
545.01	Vehicles Central Garage Internal Svc	16.52%	4,588	Increase in allocation of services.
530.50	Small Equipment Tools & Hardware	-23.08%	(600)	Reduced based on Historical Trends.
580.10	Consultant Fees	20%	20,000	$100k - Lake Cook Corridor Study $20k - Branding and Marketing.


Community Development
2015 Actual
2016 Est Actual
2017 Budget
1,538,576
2,021,963
2,067,613
Total

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 100 - General Fund						
50 - Community Development						
10 - Salaries						
500.05	Full Time	789,559	883,797	1,079,244	1,117,514	1,117,676
500.10	Part Time	38,176	39,806	40,460	40,567	44,000
500.35	Overtime	3,901	3,376	4,000	4,000	4,000
500.40	Longevity	6,600	11,000	7,400	7,400	7,400
10 - Salaries		**838,237**	**937,980**	**1,131,104**	**1,169,481**	**1,173,076**
Percent Change 2017 vs. 2016 Budget						3.71%
15 - Taxes and Benefits						
505.05	Group & Medical Life	167,835	189,351	252,000	245,000	239,244
505.10	Professional Training	4,626	4,180	6,070	6,070	6,000
505.15	Dues & Memberships	1,232	1,767	3,000	3,000	3,000
505.35	Safety Equipment	-	146	-	-	-
505.75	Emp Contribution - FICA	51,915	57,187	69,336	71,588	70,714
505.80	Emp Contribution - IMRF	111,284	125,083	156,884	156,442	161,820
505.85	Emp Contribution Medicare	12,164	13,604	16,401	16,929	16,893
15 - Taxes and Benefits		**349,057**	**391,319**	**503,691**	**499,029**	**497,671**
Percent Change 2017 vs. 2016 Budget						-1.20%
25 - Operating Expenses						
510.02	Telephone	5,760	4,411	8,400	8,400	-
510.04	Travel	990	920	2,000	2,000	5,000
510.06	Per Diem Allowance	194	194	600	600	1,000
510.08	Reception & Comm Affairs	696	1,126	-	1,000	-
510.10	Maintenance Contracts	48,298	48,298	49,900	50,091	49,900
510.14	Subscriptions & Publications	444	174	500	500	-
510.16	Printing	1,561	1,357	1,100	1,100	1,100
510.21	IT Internal Svc Contribution	-	47,280	82,677	74,004	82,083
510.40	Supplies - Office	971	1,274	3,000	3,000	2,500
510.91	NW Economic Devlpmnt Prgm	-	-	-	-	15,000
535.01	Facilities Building Mnt Internal Svc Cntrb	-	35,082	41,311	40,776	44,120
545.01	Vehicles Central Garage Internal Svc	-	39,972	27,774	23,140	32,362
25 - Operating Expenses		**58,916**	**180,092**	**217,262**	**204,611**	**233,065**
Percent Change 2017 vs. 2016 Budget						7.27%
30 - Contractual Services						
515.05	Insurance Premium	1,387	1,387	1,387	1,387	1,451
515.15	Worker's Comp	-	-	297	-	297
515.20	Non Wrker's Co	-	-	198	-	198
580.12	Contractual Inspections	-	-	-	-	25,000
30 - Contractual Services		**1,387**	**1,387**	**1,882**	**1,387**	**26,946**
Percent Change 2017 vs. 2016 Budget						1,331.77%
40 - Repairs and Maintenance						
550.05	Other Department Equipment	155.32	-	-	-	-
40 - Repairs and Maintenance		**155**	**-**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget						0.00%

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
45 - Commodities						
530.50	Small Equipment Tools & Hardware	86	156	2,600	2,600	2,000
45 – Commodities		**86**	**156**	**2,600**	**2,600**	**2,000**
Percent Change 2017 vs. 2016 Budget						-23.08%
50 - Other Expenses						
580.05	All Other Expenses	380	730	1,000	1,000	1,000
580.10	Consultant Fees	8,057	13,054	100,000	130,000	120,000
50 - Other Expenses		**8,438**	**13,785**	**101,000**	**131,000**	**121,000**
Percent Change 2017 vs. 2016 Budget						19.80%
55 - Capital Outlay						
555.30	Reserve for Capital Replacement	4,000	3,999	4,000	4,000	4,000
555.40	Reserve for Technology	1,800	1,800	1,800	1,800	1,800
555.50	Reserve for Buildings	6,055	8,055	8,055	8,055	8,055
55 - Capital Outlay		**11,855**	**13,854**	**13,855**	**13,855**	**13,855**
Percent Change 2017 vs. 2016 Budget						0.00%
Department Total: 50 - Community Development		**1,268,134**	**1,538,576**	**1,971,394**	**2,021,963**	**2,067,613**
Percent Change 2017 vs. 2016 Budget						4.88%

Public Works Department

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

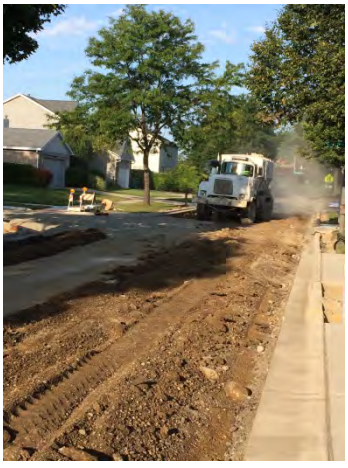
Public Works Administration

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.

ACCREDITED AGENCY

Engineering

Engineering consists of subdivision and development control, capital improvement engineering, 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 Section include snow & ice control, street sweeping, concrete and asphalt repairs, regulatory street sign inventory and maintenance, banner production and installation and street striping.



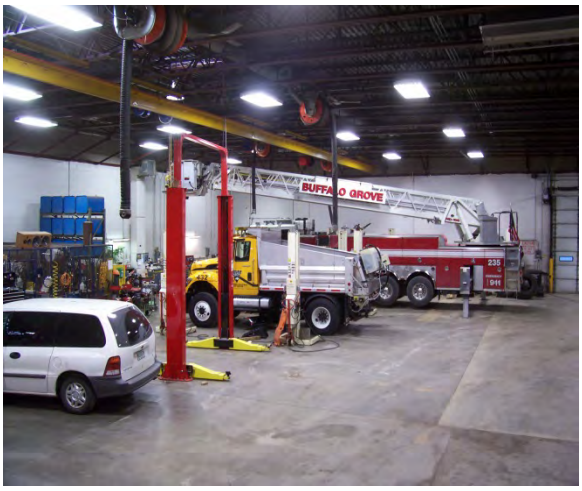
Forestry and Grounds Section

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.



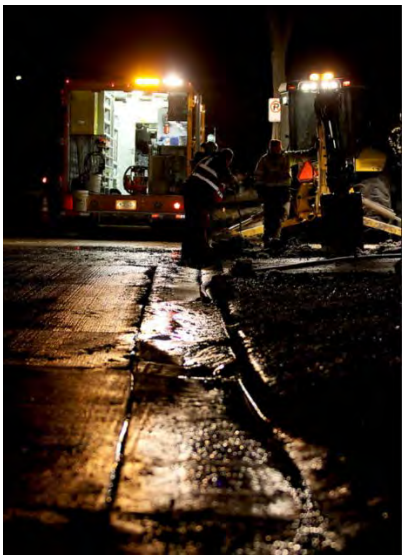
Drainage Section

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.

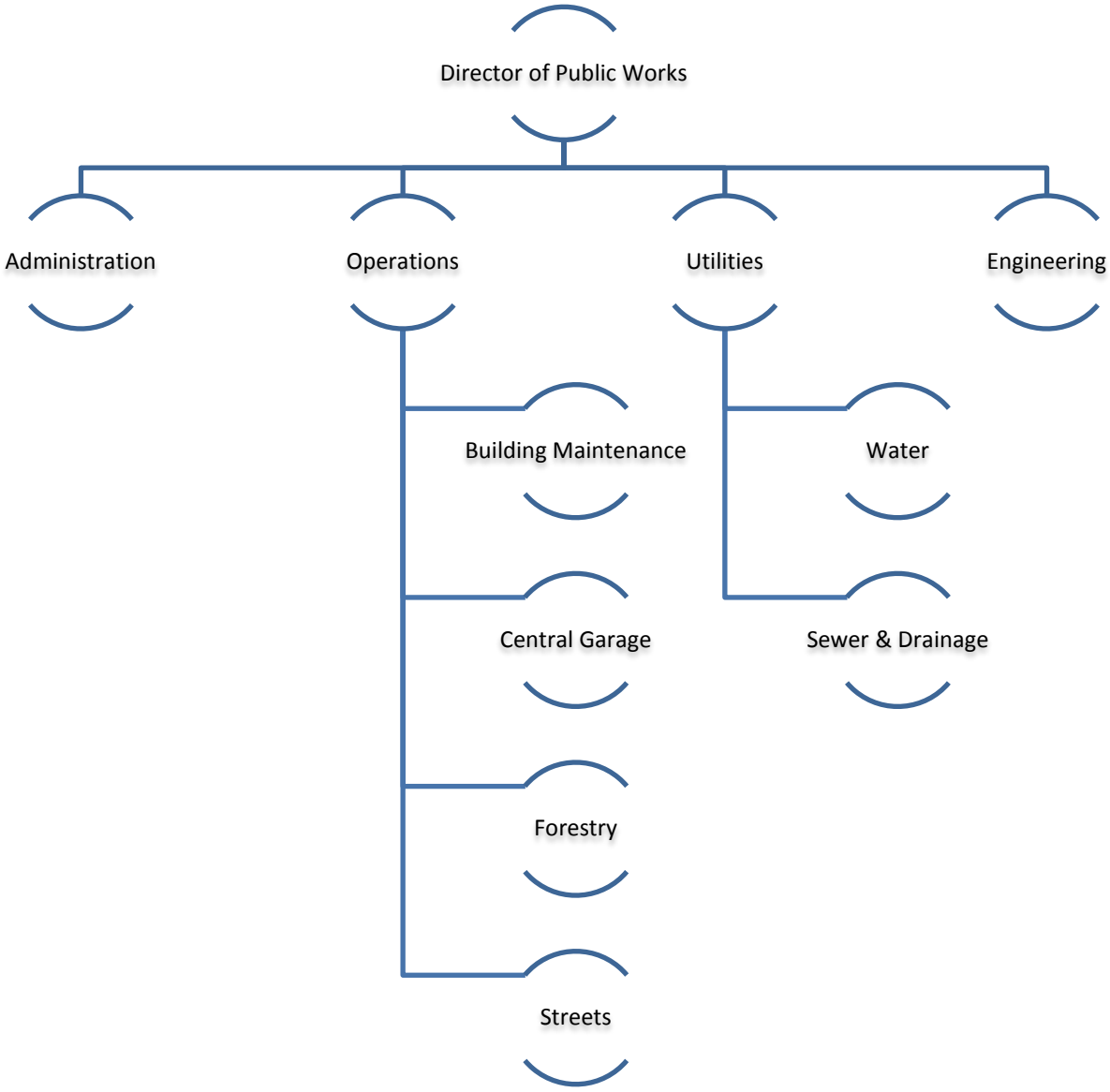




Water Section

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



2017 Staffing Summary

The current approved staffing level for the department is 59. Again In 2017, one approved Maintenance Worker position is on hold as part of the water meter upgrade program.

Public Works/Engineering	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Automotive Mechanic II	3	0	3	0	1	0
Automotive Mechanic III	1	0	1	0	3	0
Automotive Shop Assistant	0	1	0	1	0	1
Building Maintenance Supervisor	1	0	0	0	0	0
Building Maintenance Manager	0	0	1	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	0	0
Civil Engineer II	1	0	1	0	2	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
Fleet Manager	1	0	1	0	1	0
Forestry and Grounds Supervisor	1	0	0	0	0	0
Forestry & Grounds Manager	0	0	1	0	1	0
Laborer – Seasonal	0	6	0	6	0	6
Maintenance Worker I	8	0	6	0	7	0
Maintenance Worker II	13	0	14	0	14	0
Maintenance Worker II – CL	6	0	6	0	5	0
Superintendent of Maintenance	1	0	1	0	1	0
Seasonal Snow Plow Driver	0	1	0	1	0	1
Administrative Assistants	2	1	2	1	2	1
Sewer & Drainage Manager	1	0	1	0	1	0
Streets Manager	1	0	1	0	1	0
Superintendent of Utilities	1	0	1	0	1	0
Village Engineer	1	0	1	0	1	0
Water Manager	1	0	1	0	1	0
Total	**50**	**10**	**49**	**10**	**49**	**10**
Full & Part-Time Total	**60**		**59**		**59**	

Service Level Expectations

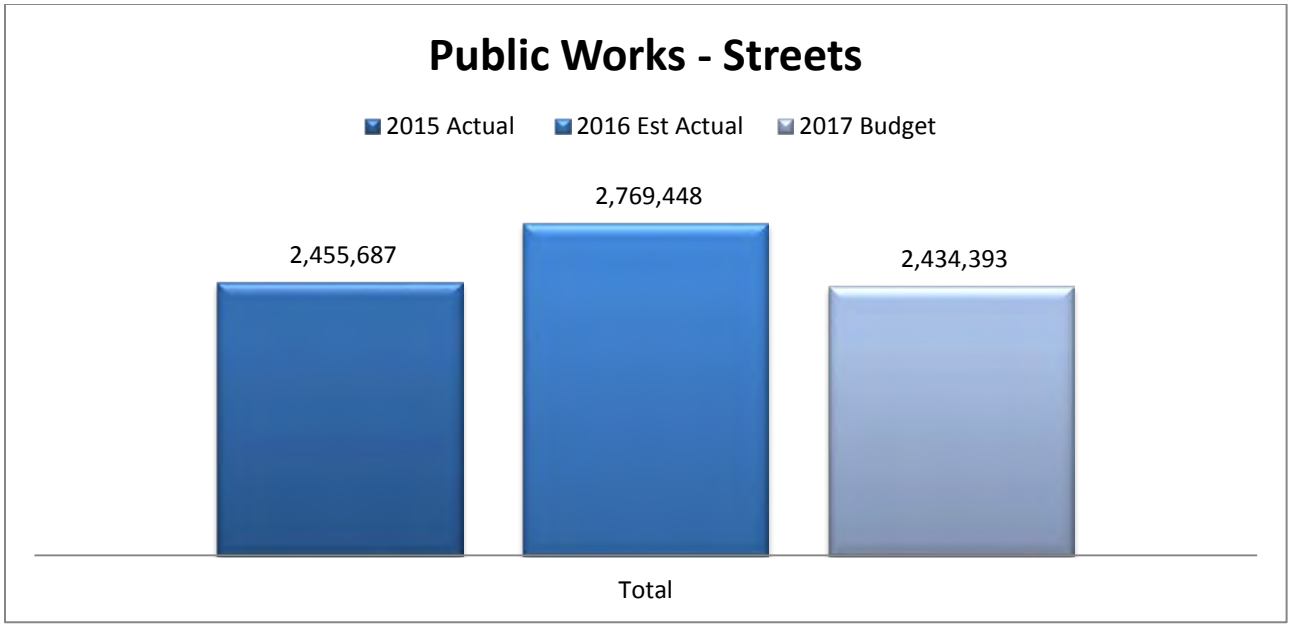
Public Works	Current Service Level	Revenue	Expense	Total Cost
Annual Snow Removal Program	1 Pass on Each Street Every 8 Hours	$0	$385,500	$385,500
Response to Pothole Complaints	Pothole Repaired Same Day	$0	$73,900	$73,900
Tree Trimming	All Trees Trimmed Every 9 Years	$0	$160,552	$160,552
Street Cleaning	All Streets Cleaned Monthly	$0	$96,270	$96,270
Hydrant Flushing	All Hydrants Flushed Annually	$0	$44,287	$44,287

Budget Summary
Streets

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	727,035	739,930	745,750
Personal Benefits	274,837	319,994	313,767
Operating Expenses	279,450	595,356	526,148
Contractual Services	23,684	31,425	32,450
Repair & Maintenance	455,370	635,100	420,650
Commodities	211,607	367,700	315,660
Capital Outlay	483,706	79,943	79,968
Total	2,455,687	2,769,448	2,434,393

Budget Variance
Streets

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
505.10	Professional Training	51.38%	1,120	$300 per employee for various annual training and certifications x 6. $1000 for Section Manager IPSI $500 for $25% of Maintenance Superintendent annual training.
505.15	Dues & Memberships	107.69%	280	APWA annual memberships - 6 employees x $70 CDL reimbursement - 2 x $60.
505.26	Uniform Rental	12.32%	260	2017 will have new uniform contract - TBD.
510.02	Telephone	-100%	(2,457)	Telephone moved to Internal Service Fund (IT) .
510.21	IT Internal Svc Contribution	23.77%	11,243	Increase in utilization of fund.
510.55	Department	49.33%	740	This line item is designated for traffic control device maintenance and new purchases.
545.01	Vehicles Central Garage Internal Svc	-36.02%	(159,048)	Decrease in utilization of fund.
535.05	Facilities Sidewalks, Curbs, & Bikeways	-49.95%	(149,700)	Reduction in capital budget.
535.10	Facilities Streets & Highways	-19.92%	(64,750)	Reduction in capital budget.
530.40	Snow & Ice Control Mix	-24.33%	(86,600)	Salt - 3,000 tons @ $75/ton Liquids - 24,000 gallons @ $1.40/gal Bagged material - 400 bags @ $12/each Program Training, development, technology, seminars $6,000.


Public Works - Streets
2015 Actual
2016 Est Actual
2017 Budget
2,455,687
2,769,448
2,434,393
Total

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**100 - General Fund**					
Department:	**55 - Public Works**					
Division:	**10 - Streets**					
10 - Salaries						
500.05	Full Time	486,585	570,444	601,210	623,970	627,124
500.10	Part Time	-	944	-	-	-
500.35	Overtime	183,659	147,659	110,000	110,000	112,556
500.40	Longevity	3,630	7,985.76	5,960	5,960	6,070
10 - Salaries		**673,874**	**727,034**	**717,170**	**739,930**	**745,750**
Percent Change 2017 vs. 2016 Budget						3.99%
15 - Taxes and Benefits						
505.00	Personal Benefits	9,847	-	-	-	-
505.05	Group & Medical Life	131,635	127,931	158,250	158,250	150,338
505.10	Professional Training	624	3,343	2,180	2,180	3,300
505.15	Dues & Memberships	310	265	260	460	540
505.20	Clothing Allowance	1,609	383	1,595	1,500	1,740
505.26	Uniform Rental	2,302	3,531	2,110	2,200	2,370
505.35	Safety Equipment	266	1,129	925	925	1,000
505.75	FICA	37,175	44,956	44,465	44,465	44,465
505.80	IMRF	70,443	82,761	99,615	99,615	99,615
505.85	Employer's Contribution Medicare	8,694	10,535	10,399	10,399	10,399
15 - Taxes and Benefits		**262,910**	**274,836**	**319,799**	**319,994**	**313,767**
Percent Change 2017 vs. 2016 Budget						-1.89%
25 - Operating Expenses						
510.02	Telephone	2,920	1,248	2,457	2,000	-
510.04	Travel	611	-	-	-	-
510.10	Maintenance Contracts	80,756	78,182	100,000	100,000	100,000
510.12	Equipment Rental	599	-	400	400	400
510.14	Subscriptions & Publications	-	-	81	81	88
510.21	IT Internal Svc Contribution	-	27,062	47,301	42,339	58,544
510.40	Office	1,012	393	514	514	560
510.50	All Other	3,508	4,843	5,000	5,000	5,400
510.55	Department	3,149	-	1,500	1,500	2,240
535.01	Facilities Building Mnt Internal Svc Cntrb	-	61,911	76,658	75,665	76,445
545.01	Vehicles Central Garage Internal Svc	-	105,808	441,519	367,857	282,471
25 - Operating Expenses		**92,558**	**279,449**	**675,430**	**595,356**	**526,148**
Percent Change 2017 vs. 2016 Budget						-22.10%
30 - Contractual Services						
515.05	Insurance Premium	22,271	22,271	22,271	22,271	23,296
515.10	Unemployment Insurance	1,200	1,200	1,200	1,200	1,200
515.15	Deductible - Worker's Comp	-	213	4,772	4,772	4,772
515.20	Deductible - Non Wrker's Co	183	-	3,182	3,182	3,182
30 - Contractual Services		**23,654**	**23,684**	**31,425**	**31,425**	**32,450**
Percent Change 2017 vs. 2016 Budget						3.26%

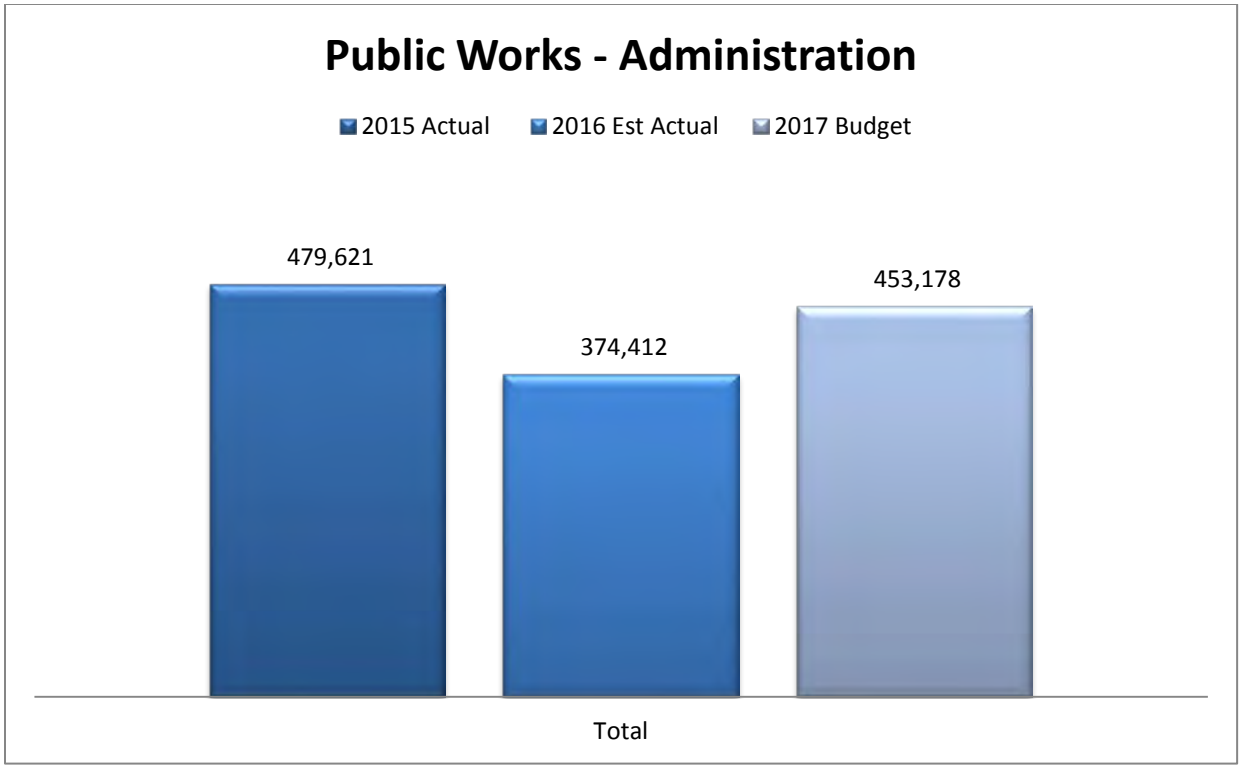
	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
40 - Repairs and Maintenance						
535.00	Facilities	(98)	-	-	-	-
535.05	M&R Facilities Sidewalks, Curbs, & Bikeways	422,420	242,094	299,700	299,700	150,000
535.10	Facilities Streets & Highways	198,915	190,087	325,000	325,000	260,250
545.05	Vehicles Gasoline	-	10,236	-	-	-
545.10	Vehicles Diesel Fuel	-	14,308	-	-	-
545.15	Vehicles Automotive Parts	-	(3,021)	-	-	-
550.05	Other Department Equipment	1,235	1,663	9,800	9,800	9,800
550.10	Other Radios	1,239	-	600	600	600
40 - Repairs and Maintenance		**623,711**	**455,369**	**635,100**	**635,100**	**420,650**
Percent Change 2017 vs. 2016 Budget						-33.77%
45 – Commodities						
530.40	Snow & Ice Control Mix	448,753	180,679	356,000	325,000	269,400
530.50	Tools & Hardware	319	367	700	700	760
530.55	Traffic & Street Signs	32,594	30,560	42,000	42,000	45,500
45 - Commodities		**481,667**	**211,606**	**398,700**	**367,700**	**315,660**
Percent Change 2017 vs. 2016 Budget						-20.83%
55 - Capital Outlay						
555.10	Office and Other Equipment	-	528	575	575	600
555.20	Automobiles & Trucks	-	403,809	-	-	-
555.30	Capital Replacement	72,998	72,998	72,998	72,998	72,998
555.40	Reserve for Technology	1,000	999	1,000	1,000	1,000
555.50	Reserve for Buildings	5,370	5,370	5,370	5,370	5,370
55 - Capital Outlay		**79,368**	**483,705**	**79,943**	**79,943**	**79,968**
Percent Change 2017 vs. 2016 Budget						0.03%
Division Total: 10 - Streets		**2,237,746**	**2,455,687**	**2,857,567**	**2,769,448**	**2,434,393**
Percent Change 2017 vs. 2016 Budget						-14.81%

Budget Summary
Public Works Administration

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	317,676	203,152	247,591
Personal Benefits	113,130	85,757	107,375
Operating Expenses	35,978	58,076	67,544
Contractual Services	7,447	7,047	10,288
Repair & Maintenance	46	2,000	2,000
Capital Outlay	5,344	18,380	18,380
Total	479,621	374,412	453,178

Budget Variance
Public Works Administration

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.05	Full Time	13.96%	30,339	This is a 13% increase over 2016. The vacated Administrative Assistant was changed to a Management Analyst. For budgeting purposes, we have used the values of an internal promotion for this estimate.
500.35	Overtime	-100%	(383)	New Position is not eligible for overtime.
500.40	Longevity	-100%	(1,000)	New Position is not eligible for Longevity.
505.15	Dues & Memberships	68.18%	3,060	This includes $4,000 for NIPSTA membership for Public Works OSHA compliance training and other training programs.
505.20	Clothing Allowance	60%	150	Increase to account for new employee.
505.75	FICA	13.25%	1,796	Increase to total budgeted payroll.
505.80	IMRF	13.24%	4,016	Increase in IMRF rate to 13.89%.
505.85	Employer's Contribution Medicare	13.25%	420	Increase to total budgeted payroll.
510.02	Telephone	-100%	(2,800)	Moved to Internal Service Fund (IT).
510.04	Travel	100%	600	Re-allocation of funds previously charged to Dues & Memberships.
510.21	IT Internal Svc Contribution	16.62%	6,544	Increase in fund budget and proportional share.
535.01	Facilities Building Mnt Internal Svc Cntrb	14.70%	1,542	Increase in fund budget and proportional share.
545.01	Vehicles Central Garage Internal Svc	-75.45%	(879)	Removed from internal service fund utilization.


Public Works - Administration
2015 Actual
2016 Est Actual
2017 Budget
479,621
374,412
453,178
Total

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Division:	**15 - Administration**					
10 - Salaries						
500.05	Full Time	257,530	315,675	217,252	202,152	247,591
500.35	Overtime	-	-	383	-	-
500.40	Longevity	1,600	2,000	1,000	1,000	-
10 - Salaries		**259,130**	**317,675**	**218,635**	**203,152**	**247,591**
Percent Change 2017 vs. 2016 Budget						13.24%
15 - Taxes and Benefits						
505.00	Personal Benefits	1,353	-	-	-	-
505.05	Group & Medical Life	57,453	43,210	44,100	43,000	41,895
505.10	Professional Training	2,515	1,371	3,850	3,850	3,850
505.15	Dues & Memberships	3,910	3,772	4,488	3,344	7,548
505.20	Clothing Allowance	117	40	250	100	400
505.35	Safety Equipment	-	350	400	175	400
505.75	FICA	14,080	17,682	13,555	10,166	15,351
505.80	IMRF	45,944	42,123	30,325	22,744	34,341
505.85	Employer's Contribution Medicare	3,686	4,578	3,170	2,378	3,590
15 - Taxes and Benefits		**129,060**	**113,130**	**100,138**	**85,757**	**107,375**
Percent Change 2017 vs. 2016 Budget						7.23%
25 - Operating Expenses						
510.00	Operating Expenses	489	-	-	-	-
510.02	Telephone	2,626	1,341	2,800	2,800	-
510.04	Travel	193	374	600	600	1,200
510.10	Maintenance Contracts	0	1,792	-	-	-
510.12	Equipment Rental	40	-	-	-	-
510.14	Subscriptions & Publications	49	222	2,000	2,000	2,000
510.21	IT Internal Svc Contribution	-	18,181	39,384	35,253	45,928
510.40	Office	1,574	5,505	5,600	5,600	5,600
510.50	All Other	34	90	500	500	500
535.01	Facilities Building Mnt Internal Svc Cntrb	-	8,470	10,488	10,352	12,030
545.01	Vehicles Central Garage Internal Svc	-	-	1,165	971	286
25 - Operating Expenses		**5,007**	**35,978**	**62,537**	**58,076**	**67,544**
Percent Change 2017 vs. 2016 Budget						8.01%
30 - Contractual Services						
515.05	Premium	7,047	7,047	7,047	7,047	7,371
515.10	Unemployment Insurance	-	399	400	-	400
515.15	Deductible - Worker's Comp	-	-	1,510	-	1,510
515.20	Deductible - Non Wrker's Co	-	-	1,007	-	1,007
30 - Contractual Services		**7,047**	**7,446**	**9,964**	**7,047**	**10,288**
Percent Change 2017 vs. 2016 Budget						3.25%
40 - Repairs and Maintenance						
545.05	Vehicles Gasoline	49	-	-	-	-
550.05	Other Department Equipment	-	45	2,000	2,000	2,000
40 - Repairs and Maintenance		**49**	**45**	**2,000**	**2,000**	**2,000**
Percent Change 2017 vs. 2016 Budget						0.00%

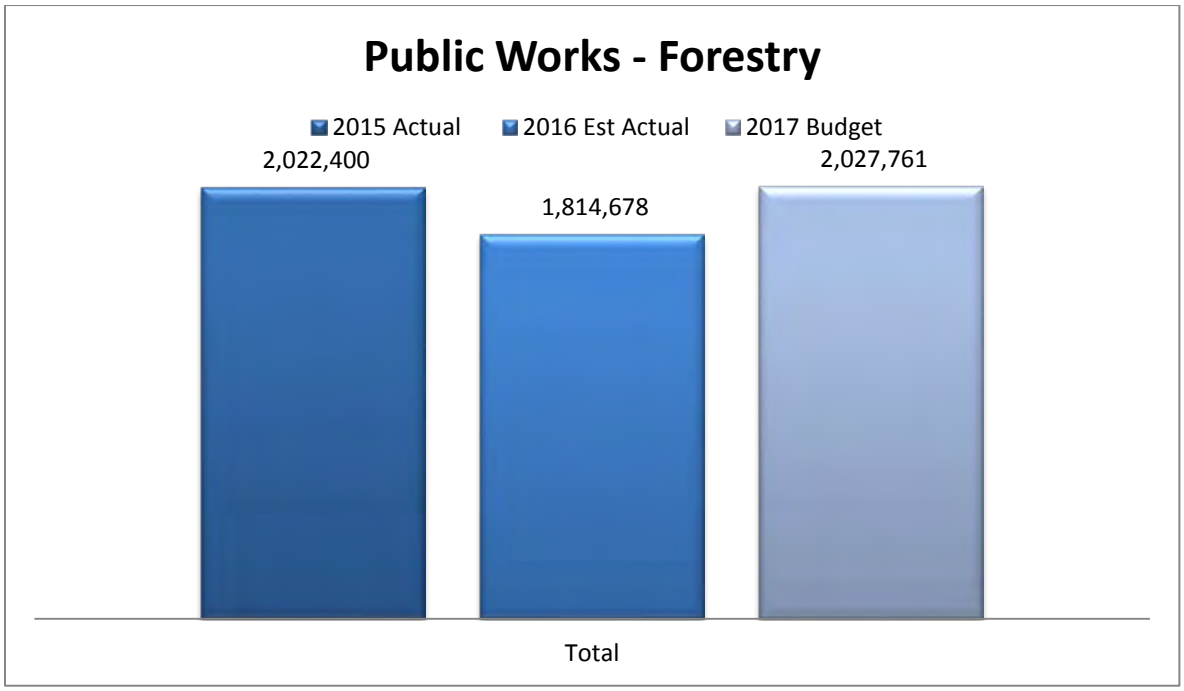
Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
55 - Capital Outlay						
555.10	Office and Other Equipment	6,867	763	13,800	13,800	13,800
555.40	Reserve for Technology	1,000	999	1,000	1,000	1,000
555.50	Reserve for Buildings	3,580	3,579	3,580	3,580	3,580
55 - Capital Outlay		**11,447**	**5,343**	**18,380**	**18,380**	**18,380**
Percent Change 2017 vs. 2016 Budget						0.00%
Division Total: 15 - Administration		**411,743**	**479,620**	**411,654**	**374,412**	**453,178**
Percent Change 2017 vs. 2016 Budget						10.09%

Budget Summary
Forestry

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	809,760	810,629	889,638
Personal Benefits	322,584	393,742	389,096
Operating Expenses	461,892	503,930	533,572
Contractual Services	22,564	30,705	29,860
Commodities	-	1,100	102,100
Repair & Maintenance	1,560	3,375	12,650
Capital Outlay	404,039	71,197	70,845
Total	2,022,400	1,814,678	2,027,761

Budget Variance
Forestry

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.10	Part Time	33.86%	15,553	This budget line is increasing in 2017 to accommodate the winter seasonal employees, at an elevated pay rate. This increase will be mirrored by a decrease in the Street Section overtime budget for 2017.
500.35	Overtime	43.17%	2,456	Increased OT trending; salary adjustment increase
505.10	Professional Training	19.87%	920	$450 per employee for various continuing education and license renewals x 9. $1000 for Section Manager MAPSI $500 for 25% of Maintenance Superintendent annual training.
510.02	Telephone	-100%	(2,615)	Moved to Internal Service Fund (IT).
510.10	Maintenance Contracts	83.33%	90,000	Discontinued annual tree trimming contract; Annual grass mowing contract; seasonal portable restroom rentals + cleanings.
510.21	IT Internal Svc Contribution	30.89%	16,678	Increase in Internal Service Fund budget.
535.01	Facilities Building Mnt Internal Svc Cntrb	14.98%	7,805	Increase in Internal Service fund budget.
535.30	Facilities Parkway Trees	New Item	101,000	The EAB program is complete all tree replacements are budgeted through Forestry as was prior practice.
545.01	Vehicles Central Garage Internal Svc	-18.87%	(45,095)	Decrease in Internal Service fund budget.
530.45	Chemicals and Fertilizers	380%	9,500	$2,300 to apply weed control to 150 acres twice during growing season. $8300 to fertilize turf one time during season. $1400 to treat fence lines, planting beds, and natural areas.


Public Works - Forestry
2015 Actual
2016 Est Actual
2017 Budget
2,022,400
1,814,678
2,027,761
Total

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Division:	**20 - Forestry**					
10 - Salaries						
500.05	Full Time	718,071	758,195	796,239	772,425	812,547
500.10	Part Time	22,312	14,315	45,929	20,140	61,482
500.35	Overtime	7,710	29,463	5,689	10,000	8,145
500.40	Longevity	6,500	7,785	8,064	8,064	7,464
10 - Salaries		**754,594**	**809,759**	**855,921**	**810,629**	**889,638**
Percent Change 2017 vs. 2016 Budget						3.94%
15 - Taxes and Benefits						
505.00	Personal Benefits	7,274	-	-	-	-
505.05	Group & Medical Life	151,747	136,537	200,250	197,000	190,238
505.10	Professional Training	2,145	3,531	4,630	4,000	5,550
505.15	Dues & Memberships	1,662	1,963	1,795	2,489	1,960
505.20	Clothing Allowance	1,297	1,590	2,439	2,439	2,670
505.26	Uniform Rental	2,127	2,516	2,162	2,320	2,368
505.35	Safety Equipment	318	931	1,360	1,300	1,485
505.75	FICA	45,364	50,168	53,067	53,067	53,067
505.80	IMRF	102,077	113,591	118,716	118,716	118,716
505.85	Employer's Contribution Medicare	10,609	11,754	12,411	12,411	13,042
15 - Taxes and Benefits		**324,624**	**322,584**	**396,830**	**393,742**	**389,096**
Percent Change 2017 vs. 2016 Budget						-1.95%
25 - Operating Expenses						
510.02	Telephone	1,592	2,084	2,615	2,200	-
510.10	Maintenance Contracts	5,372	107,934	108,000	180,000	198,000
510.12	Equipment Rental	-	-	900	500	985
510.14	Subscriptions & Publications	-	-	100	100	100
510.21	IT Internal Svc Contribution	-	54,803	53,995	48,331	70,673
510.40	Office	116	237	500	500	500
510.50	All Other	5,027	4,992	5,400	18,500	5,900
510.55	Op. Expenses Department	2,861	4,195	3,250	3,200	3,550
535.01	Facilities Building Mnt Internal Svc Cntrb	-	42,090	52,117	51,442	59,922
545.01	Vehicles Central Garage Internal Svc	-	245,553	239,037	199,157	193,942
25 - Operating Expenses		**14,969**	**461,891**	**465,914**	**503,930**	**533,572**
Percent Change 2017 vs. 2016 Budget						14.52%
30 - Contractual Services						
515.05	Premium	19,713	19,713	19,713	29,205	20,620
515.10	Unemployment Insurance	2,200	2,199	2,200	-	2,200
515.15	Deductible - Worker's Comp	1,528	651	4,224	1,500	4,224
515.20	Deductible - Non Wrker's Co	-	-	2,816	-	2,816
30 - Contractual Services		**23,441**	**22,564**	**28,953**	**30,705**	**29,860**
Percent Change 2017 vs. 2016 Budget						3.13%

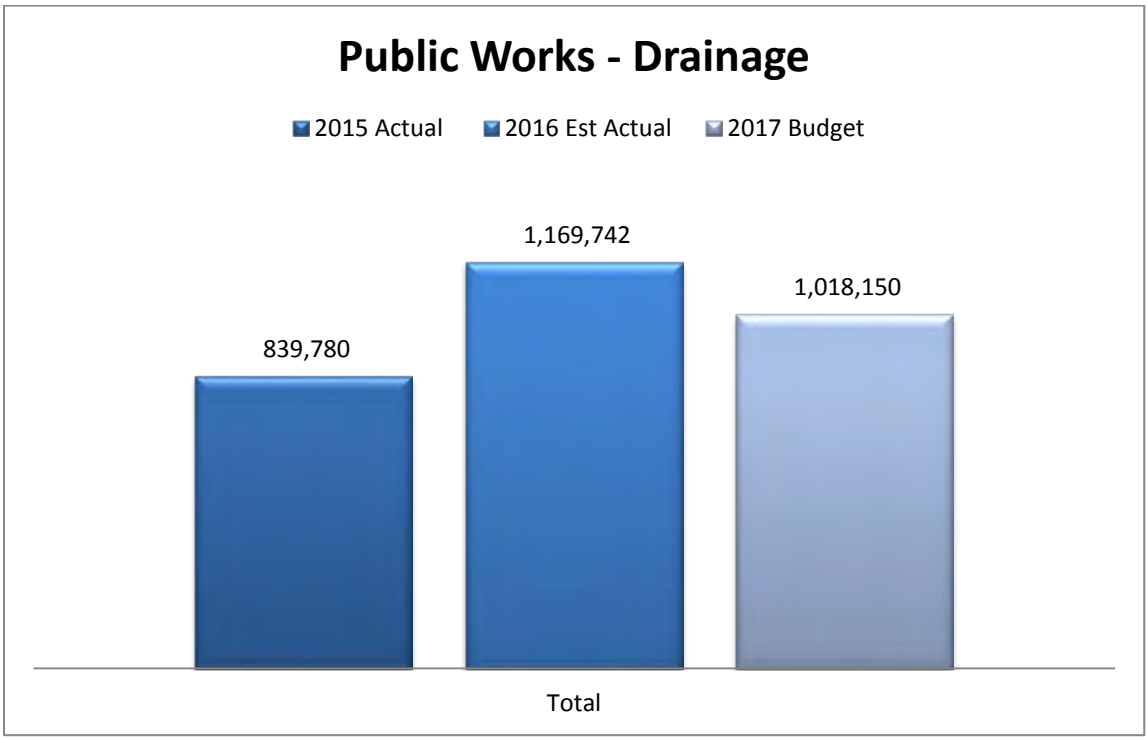
	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
40 - Repairs and Maintenance						
535.30	Facilities Parkway Trees	(19,382)	-	-	-	101,000
550.05	Other Department Equipment	-	-	650	600	600
550.10	Other Radios	-	-	500	500	500
40 - Repairs and Maintenance		**(19,382)**	**-**	**1,150**	**1,100**	**102,100**
Percent Change 2017 vs. 2016 Budget						8778.26%
45 - Commodities						
530.45	Chemicals and Fertilizers	2,407	1,182	2,500	2,500	12,000
530.50	Small Equipment Tools & Hardware	567	377	650	875	650
45 - Commodities		**2,975**	**1,560**	**3,150**	**3,375**	**12,650**
Percent Change 2017 vs. 2016 Budget						301.59%
55 - Capital Outlay						
555.10	Office and Other Equipment	-	528	-	352	-
555.20	Automobiles & Trucks	125,711	299,028	-	-	-
555.30	Capital Replacement	60,000	93,637	60,000	60,000	60,000
555.40	Reserve for Technology	1,299	999	1,000	1,000	1,000
555.50	Reserve for Buildings	9,845	9,845	9,845	9,845	9,845
55 - Capital Outlay		**196,856**	**404,039**	**70,845**	**71,197**	**70,845**
Percent Change 2017 vs. 2016 Budget						0.00%
Division Total: 20 - Forestry		**1,298,079**	**2,022,399**	**1,822,763**	**1,814,678**	**2,027,761**
Percent Change 2017 vs. 2016 Budget						11.25%

Budget Summary
Drainage

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	175,235	240,702	230,433
Personal Benefits	90,185	121,641	88,803
Operating Expenses	68,245	78,578	102,015
Contractual Services	9,484	8,620	12,898
Repair & Maintenance	6,739	8,550	12,100
Commodities	160	800	1,050
Capital Outlay	489,733	710,851	570,851
Total	839,780	1,169,742	1,018,150

Budget Variance
Drainage

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.05	Full Time	-10.79%	(26,165)	Two newer lower paid employees are now working in the drainage section.
500.35	Overtime	71.43%	5,000	Based on last years OT hours work .
500.40	Longevity	10%	200	Account correction from last year.
505.75	FICA	-57.78%	(9,006)	Decrease in budgeted payroll.
505.80	IMRF	-57.72%	(20,126)	Decrease in budgeted payroll.
505.85	Employer's Contribution Medicare	-57.78%	(2,106)	Decrease in budgeted payroll.
510.02	Telephone	-100%	(780)	Moved to internal Service Fund (IT).
510.21	IT Internal Svc Contribution	190.56%	11,268	IT charge back.
535.01	Facilities Building Mnt Internal Svc Cntrb	44.34%	8,627	Increase in internal service fund budget.
545.01	Vehicles Central Garage Internal Svc	-11.04%	(6,093)	Decrease in internal service fund budget.
555.60	Reserve for Infrastructure	-30.56%	(110,000)	Less funds available for reserves.



	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Division:	**25 - Drainage**					
10 - Salaries						
500.05	Full Time	179,952	168,765	242,398	229,702	216,233
500.35	Overtime	5,161	5,350	7,000	9,000	12,000
500.40	Longevity	2,430	1,119	2,000	2,000	2,200
10 - Salaries		**187,543**	**175,235**	**251,398**	**240,702**	**230,433**
Percent Change 2017 vs. 2016 Budget						-8.34%
15 - Taxes and Benefits						
505.00	Personal Benefits	1,928	-	-	-	-
505.05	Group & Medical Life	25,570	50,263	65,500	64,000	62,225
505.10	Professional Training	115	167	600	500	600
505.15	Dues & Memberships	80	132	200	220	215
505.20	Clothing Allowance	314	214	500	450	500
505.26	Uniform Rental	597	1,205	1,100	1,000	1,100
505.35	Safety Equipment	2,166	280	1,300	1,100	1,300
505.75	FICA	11,170	10,608	15,587	15,857	6,581
505.80	IMRF	26,247	24,770	34,869	34,869	14,743
505.85	Employer's Contribution Medicare	2,612	2,542	3,645	3,645	1,539
15 - Taxes and Benefits		**70,803**	**90,184**	**123,301**	**121,641**	**88,803**
Percent Change 2017 vs. 2016 Budget						-27.98%
25 - Operating Expenses						
510.02	Telephone	144	109	780	700	-
510.12	Equipment Rental	-	-	300	200	300
510.14	Subscriptions & Publications	-	3,500	5,200	5,200	5,200
510.21	IT Internal Svc Contribution	-	7,732	5,913	5,293	17,181
510.40	Office	380	21	450	450	480
510.50	All Other	75	184	1,000	950	1,050
510.55	Department	317	-	600	600	625
535.01	Facilities Building Mnt Internal Svc Cntrb	-	15,712	19,455	19,203	28,082
545.01	Vehicles Central Garage Internal Svc	-	40,985	55,190	45,982	49,097
25 - Operating Expenses		**917**	**68,244**	**88,888**	**78,578**	**102,015**
Percent Change 2017 vs. 2016 Budget						14.77%
30 - Contractual Services						
515.05	Premium	8,620	8,620	8,620	8,620	9,017
515.10	Unemployment Insurance	400	800	800	-	800
515.15	Deductible - Worker's Comp	1,668	64	1,850	-	1,850
515.20	Deductible - Non Wrker's Co	-	-	1,231	-	1,231
30 - Contractual Services		**10,688**	**9,484**	**12,501**	**8,620**	**12,898**
Percent Change 2017 vs. 2016 Budget						3.18%
40 - Repairs and Maintenance						
540.35	Water & Sewer Storm and Sanitary Sewers	3,478	5,990	8,000	5,000	8,000
550.05	Other Department Equipment	-	748	3,200	2,800	3,300
550.10	Other Radios	-	-	200	150	200

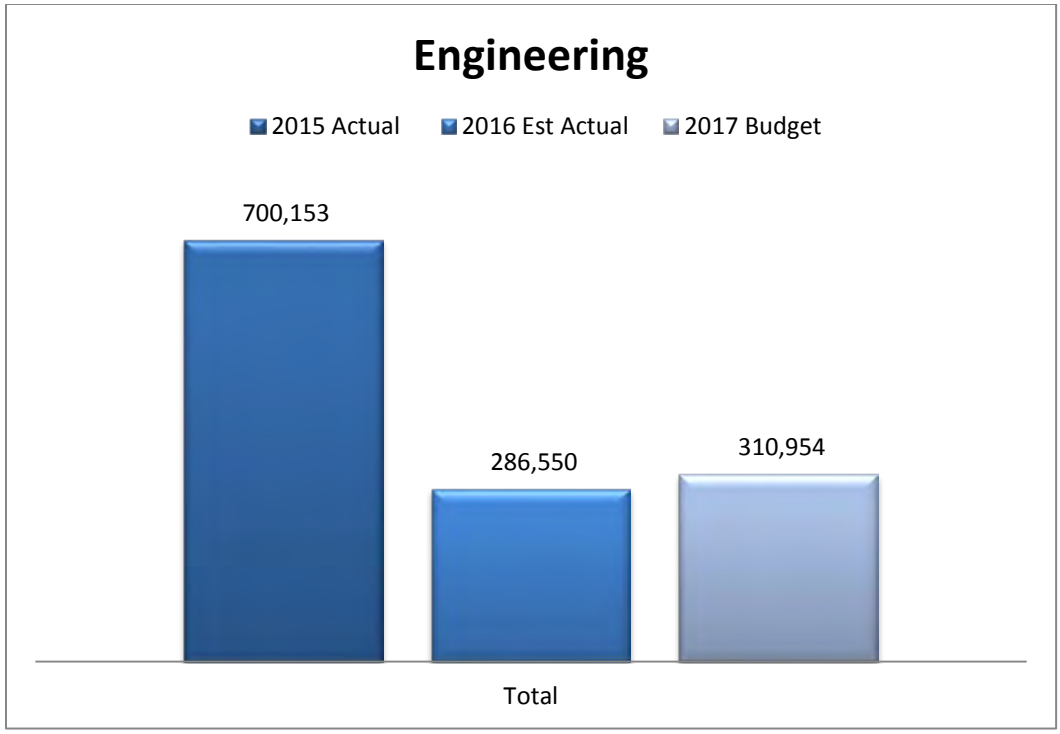
	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
550.30	Other Staff Equipment	-	-	600	600	600
40 - Repairs and Maintenance		**3,478**	**6,738**	**12,000**	**8,550**	**12,100**
Percent Change 2017 vs. 2016 Budget						0.83%
45 - Commodities						
530.50	Small Equipment Tools & Hardware	18	159	1,000	800	1,050
45 - Commodities		**18**	**159**	**1,000**	**800**	**1,050**
Percent Change 2017 vs. 2016 Budget						5%
55 - Capital Outlay						
555.00	Capital Equipment	-	60,202	-	-	-
555.10	Office and Other Equipment	-	528	-	-	-
555.30	Reserve for Capital Replacement	18,301	18,300	18,301	18,301	18,301
555.40	Reserve for Technology	750	750	750	750	750
555.50	Reserve for Buildings	1,790	1,790	1,800	1,800	1,800
555.60	Reserve for Infrastructure	-	-	360,000	360,000	250,000
560.40	Improvements Other Than Building	505,030	408,161	330,000	330,000	300,000
55 - Capital Outlay		**525,871**	**489,733**	**710,851**	**710,851**	**570,851**
Percent Change 2017 vs. 2016 Budget						-19.69%
Division Total: 25 - Drainage		**799,321**	**839,780**	**1,199,939**	**1,169,742**	**1,018,150**
Percent Change 2017 vs. 2016 Budget						-15.15%

Budget Summary
Engineering

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	431,256	465,423	477,000
Personal Benefits	182,087	195,999	191,872
Operating Expenses	63,350	65,488	87,179
Contractual Services	12,283	12,286	16,676
Repair & Maintenance	-	1,000	3,300
Commodities	-	600	750
Capital Outlay	11,177	11,177	11,177
Total	700,153	286,550	310,954

Budget Variance
Engineering

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.05	Full Time	14.96%	62,072	5 Full time employees.
500.10	Part Time	-73.21%	(27,332)	2 interns.
500.40	Longevity	14.29%	200	2 employees eligible for longevity bonuses.
505.20	Clothing Allowance	50%	200	Clothing allowance for Division Employees.
510.02	Telephone	-100%	(3,600)	Cell Phone monthly fees and related equipment purchases. IPad and/or Surface network card monthly fees.
510.04	Travel	100%	100	Travel expenses for Division Employees.
510.14	Subscriptions & Publications	-20%	(50)	Subscription to industry magazines such as APWA or ASCE.
510.16	Printing	-13.04%	(300)	Reduction in expenses per year.
510.21	IT Internal Svc Contribution	50.76%	13,194	Increase in internal service fund budget.
555.10	Office and Other Equipment	-100%	(4,500)	Reduction in equipment planned to be purchased in fiscal year.


Engineering
2015 Actual
2016 Est Actual
2017 Budget
700,153
286,550
310,954
Total

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Department:	**60 - Engineering**					
10 - Salaries						
500.05	Full Time	396,130	398,542	414,928	426,076	477,000
500.10	Part Time	12,402	31,314	37,332	37,697	10,000
500.35	Overtime	-	-	600	250	600
500.40	Longevity	2,400	1,400	1,400	1,400	1,600
10 - Salaries		**410,932**	**431,256**	**454,260**	**465,423**	**489,200**
Percent Change 2017 vs. 2016 Budget						7.69%
15 - Taxes and Benefits						
505.05	Group & Medical Life	81,377	85,291	84,000	90,000	79,748
505.10	Professional Training	3,187	5,151	7,000	6,500	7,000
505.15	Dues & Memberships	1,123	1,289	800	650	800
505.20	Clothing Allowance	314	-	400	600	600
505.26	Uniform Rental	354	806	500	500	500
505.35	Safety Equipment	-	-	400	350	400
505.75	FICA	25,451	26,487	27,391	28,283	29,075
505.80	IMRF	55,629	56,820	61,776	62,367	66,778
505.85	Employer's Contribution Medicare	5,952	6,240	6,458	6,749	6,971
15 - Taxes and Benefits		**173,390**	**182,087**	**188,725**	**195,999**	**191,872**
Percent Change 2017 vs. 2016 Budget						1.67%
25 - Operating Expenses						
510.02	Telephone	4,859	1,920	3,600	3,000	-
510.04	Travel	93	24	100	150	200
510.06	Per Diem Allowance	-	45	250	200	250
510.14	Subscriptions & Publications	-	-	250	150	200
510.16	Printing	608	-	2,300	500	2,000
510.20	Computer Services	4,754	4,474	5,000	3,000	5,000
510.21	IT Internal Svc Contribution	-	25,233	25,995	23,268	39,189
510.40	Office	1,435	1,359	1,500	1,500	1,500
510.50	All Other	2,127	444	1,500	1,500	1,500
535.01	Facilities Building Mnt Internal Svc Cntrb	-	15,979	19,542	19,530	21,482
545.01	Vehicles Central Garage Internal Svc	-	13,867	15,231	12,690	15,858
25 - Operating Expenses		**13,878**	**63,349**	**75,268**	**65,488**	**87,179**
Percent Change 2017 vs. 2016 Budget						15.82%
30 - Contractual Services						
515.05	Premium	12,283	12,283	12,286	12,286	12,286
515.15	Deductible - Worker's Comp	-	-	2,635	-	2,635
515.20	Deductible - Non Wrker's Co	424	-	1,755	-	1,755
30 - Contractual Services		**12,707**	**12,283**	**16,676**	**12,286**	**16,676**
Percent Change 2017 vs. 2016 Budget						0.00%
40 - Repairs and Maintenance						
550.05	Other Department Equipment	1,311	-	3,000	1,000	3,000
550.10	Other Radios	-	-	300	-	300
40 - Repairs and Maintenance		**1,311**	**-**	**3,300**	**1,000**	**3,300**
Percent Change 2017 vs. 2016 Budget						0.00%

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
45 - Commodities						
530.50	Small Equipment Tools & Hardware	399	-	750	600	750
45 - Commodities		**399**	**-**	**750**	**600**	**750**
Percent Change 2017 vs. 2016 Budget						0.00%
50 - Other Expenses						
580.05	All Other Expense All Other Expenses	10	-	-	-	-
50 - Other Expenses		**10**	**-**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	4,428	-	4,500	-	-
555.30	Reserve for Capital Replacement	3,702	3,702	3,702	3,702	3,702
555.40	Reserve for Technology	4,488	3,000	3,000	3,000	3,000
555.50	Reserve for Buildings	4,475	4,475	4,475	4,475	4,475
Account Classification Total: 55 - Capital Outlay		**17,093**	**11,177**	**15,677**	**11,177**	**11,177**
Percent Change 2017 vs. 2016 Budget						-28.70%
Department Total: 60 - Engineering		**629,724**	**700,153**	**754,656**	**751,973**	**800,154**
Percent Change 2017 vs. 2016 Budget						6.03%

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.

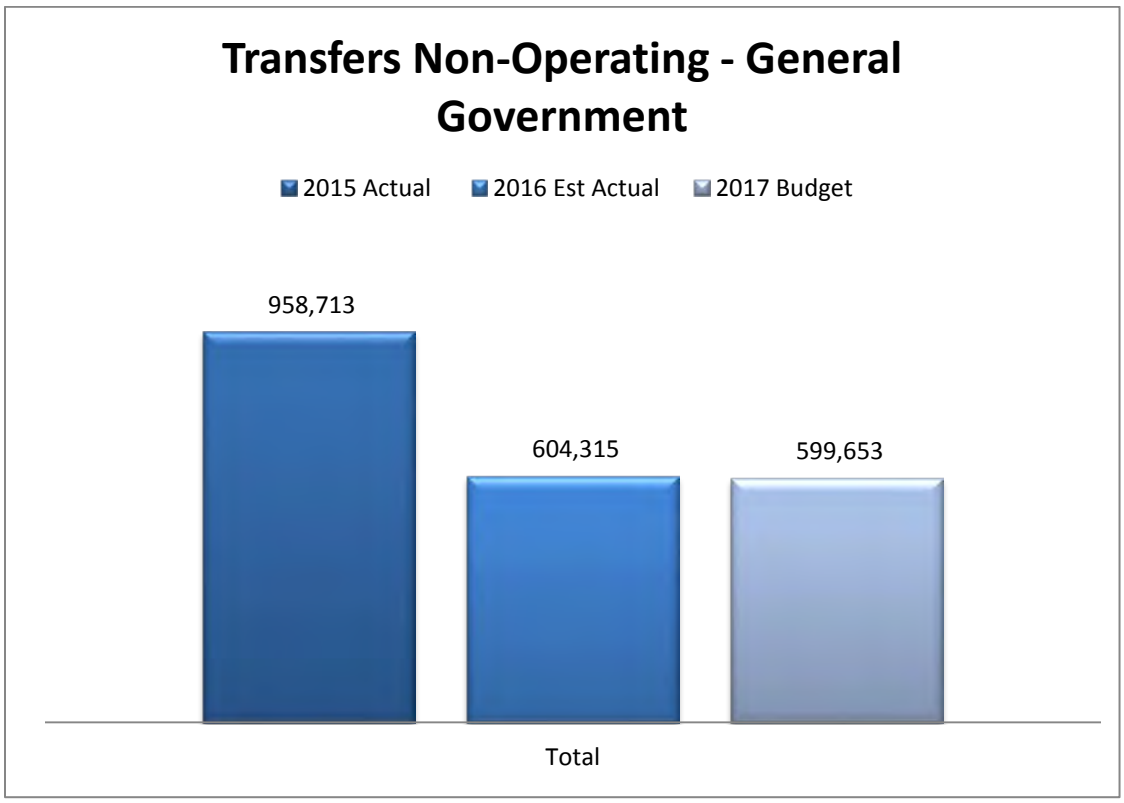
Additionally, funds will be transferred to the Facilities Development Capital Project Fund for various capital development programs authorized by the Corporate Authorities as part of the Village's FY 2017 through FY 2021 Capital Improvement Plan. Funding for these transfers will come from prior accumulation of unreserved General Fund reserves.

Budget Summary
Non-Operating Transfers- General Government

	2015 Actual	2016 Est Actual	2017 Budget
Other Expenses	99,506	400,000	300,000
Other Financing Uses	859,207	204,315	299,653
Total	958,713	604,315	599,653

Budget Variance
Non-Operating Transfers

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
580.05	All Other Expenses	-45.45%	(250,000)	Reduced based on historical trend.
570.60	Operating Transfers Arboretum Golf Course Fund	26.74%	41,448	Increase Subsidy for Arboretum Golf Club.
570.70	Operating Transfers Buffalo Grove Golf Course Fund	-29.77%	(43,734)	Reduced subsidy for BG Golf Course.


Transfers Non-Operating - General Government
2015 Actual
2016 Est Actual
2017 Budget
958,713
604,315
599,653
Total

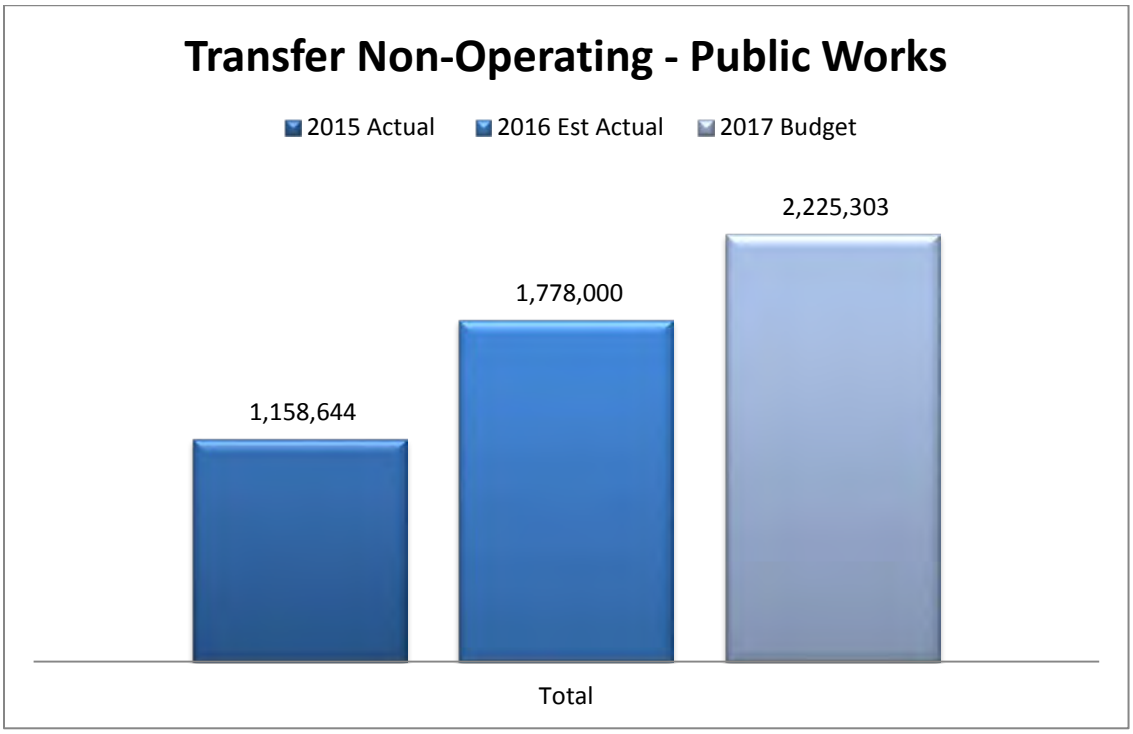
Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 100 - General Fund						
Department: 70 - Transfer Non-Operating						
Division: 40 - General Government						
50 - Other Expenses						
580.05	All Other Expense All Other Expenses	157,731	99,506	550,000	400,000	300,000
50 - Other Expenses		**157,731**	**99,506**	**550,000**	**400,000**	**300,000**
Percent Change 2017 vs. 2016 Budget						-45.45%
65 - Other Financing Uses						
570.50	Motor Fuel Tax Fund	767,601	859,206	-	-	-
570.60	Arboretum Golf Course Fund	-	-	155,020	109,424	196,468
570.70	Buffalo Grove Golf Course Fund	78,745	-	146,919	94,891	103,185
570.75	Health Insurance	(15,373)	-	-	-	-
65 - Other Financing Uses		**830,973**	**859,206**	**301,939**	**204,315**	**299,653**
Percent Change 2017 vs. 2016 Budget						-0.76%
Division Total: 40 - General Government		**988,705**	**958,712**	**851,939**	**604,315**	**599,653**
Percent Change 2017 vs. 2016 Budget						-29.61%

Budget Summary
Non-Operating Transfers- Public Works

	2015 Actual	2016 Est Actual	2017 Budget
Other Financing Uses	1,158,644	1,778,000	2,225,303
Total	1,158,644	1,778,000	2,225,303

Budget Variance
Non-Operating Transfers- Public Works

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
570.30	Capital Projects Fund	25.15%	447,220	Increase Funding of Projects.



Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Amount	2017 Budget
Division: 45 - Public Safety					
65 - Other Financing Uses					
570.90 Police Pension Fund	1,668	-	-	-	-
570.95 Fire Pension Fund	2,371	-	-	-	-
65 - Other Financing Uses	**4,040**	**-**	**-**	**-**	**-**
Division Total: 45 - Public Safety	**4,040**	**-**	**-**	**-**	**-**
Division: 50 - Public Works					
65 - Other Financing Uses					
570.30 Capital Projects Fund	635,217	1,158,644	1,778,083	1,778,000	2,225,303
65 - Other Financing Uses	**635,217**	**1,158,644**	**1,778,083**	**1,778,000**	**2,225,303**
Percent Change 2017 vs. 2016 Budget					25.15%
Division Total: 50 - Public Works	**635,217**	**1,158,644**	**1,778,083**	**1,778,000**	**2,225,303**
					25.15%

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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



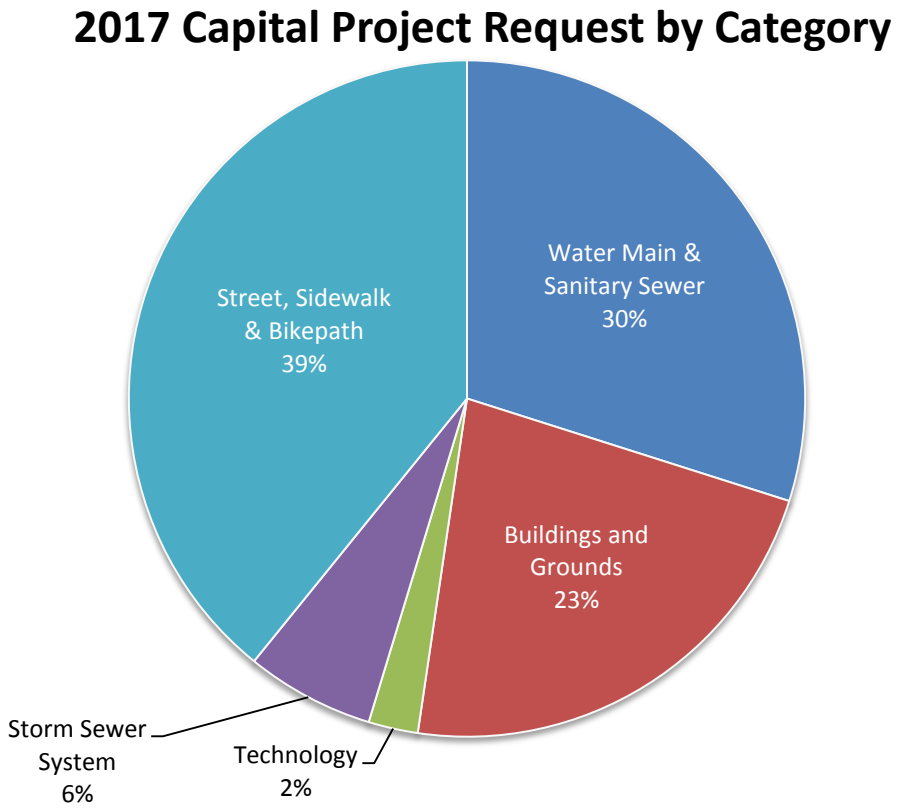
Capital Improvement Request Summary

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 2017 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 2017-2021 CIP, but this year, as in past years, not all projects presented here will ultimately receive funding within the proposed 2017 budget.

Projects identified for FY 2017 total $12,694,303 and fall under six categories. The following chart illustrates each category's percentage as it relates to funding the capital program for FY 2017.



The impact of the CIP on the 2017 budget and beyond will be significant as aging infrastructure needs to be addressed. Facility costs continue to rise and become more of a pressing issue as the repairs required are only keeping the buildings operational. None of the capital improvements budgeted for facilities increase environmental efficiency, expand or create additional work space for staff, or improve the overall functionality of the buildings. These expenditures simply allow the buildings to meet minimum standards for staff to occupy.

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 2017 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 third 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. In 2016 the Village allocated over $8 million dollars to roads. 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 2017 budgeted vehicle purchases:

Unit #	Description	Department	Cost
213	E-One Pumper 1/2 Payment 2017	Fire	$366,330
236	E-One Tower Ladder 1/2 2017	Fire	$366,330
224	Ford Ambulance-09	Fire	$230,000
292	Chevrolet Impala - 09	Fire	$26,118
297	Chevrolet Impala - 08	Fire	$26,1180
G13	Kohler Generator #26	Fire	$80,000
710	Ford Explorer - 13	Police	$26,118
719	Ford Explorer - 13	Police	$26,118
725	Ford Taurus-13	Police	$26,118
730	Ford Taurus-13	Police	$26,118
732	Ford Crown-Victoria-07	Police	$26,118
4	Ford Taurus-05	Code Enforcement	$18,500
5	Ford Taurus-05	Code Enforcement	$18,500
304	Ford Ranger -08	Code Enforcement	$20,000
413	Chevrolet Astro-Van -00	Engineering	$25,555
440	Chev Aerial w Utility -98	Building Maint.	$100,000
441	Chev. 3/4 Ton Pickup -02	Building Maint.	$32,625
460	Ford F350 Pickup-08	PW Street	$32,625
461	Ford F350 Pickup-08	PW Street	32,625
450	Chevrolet 3/4 Ton Pickup -02	PW Water	$32,625
GP09	Onan Portable Generator	PW Sanitary Sewer	$20,000
	Total		**$1,558,541**

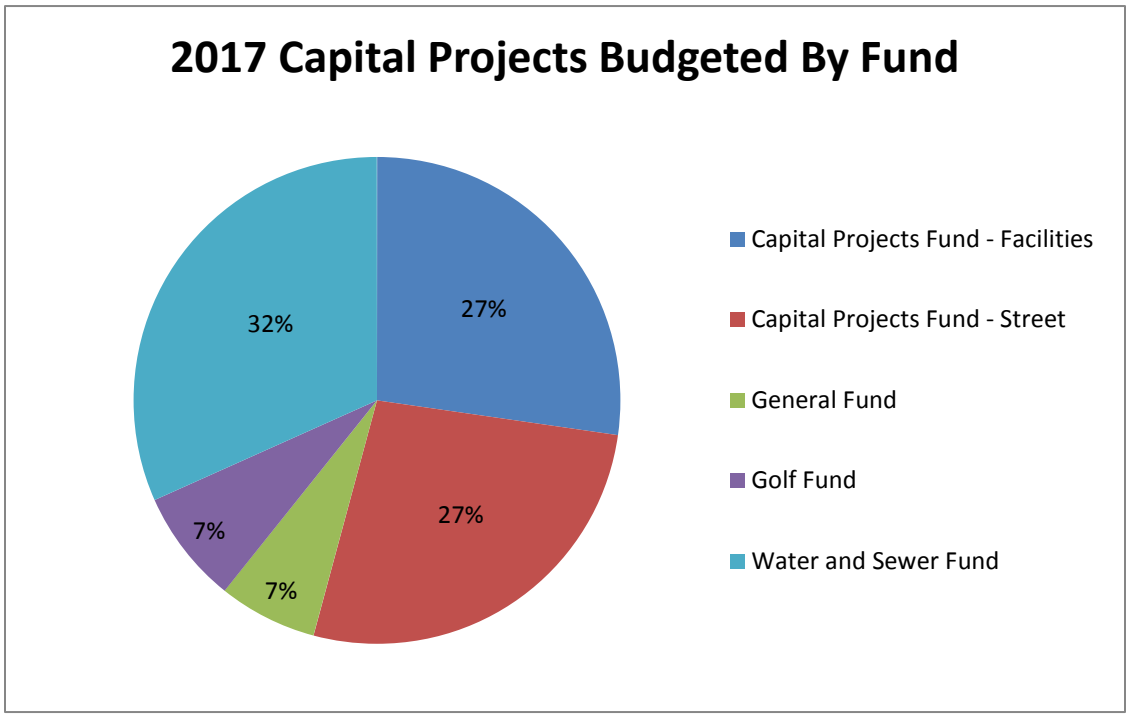
The street and streetscape programs will be active again in FY 2017. The Village will also complete roof repairs and needed maintenance, in addition to continued improvements of sidewalks and bike paths.

The Village will make needed upgrades, repairs, and maintenance to water facilities, water mains, and storm sewer systems. These capital outlays are ongoing 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.

2017 Capital Projects Budgeted By Fund

Capital Projects Fund - Facilities	Requested	Budgeted
Building Replacement - CAFT	$850,000	$286,000
Flooring Capital Replacement Projects	$159,033	$159,033
HVAC Unit Replacements	$550,000	$550,000
Increase Apparatus Door Height - Fire Station 26	$48,000	$48,000
Municipal Parking Facility Maintenance	$254,000	$254,000
Repurpose Administration Area - Fire Station 26	$25,000	$25,000
Roof Capital Replacement Projects	$276,850	$276,850
Fire Station Sign Replacement	$28,000	$28,000
Fire Station 26 Brick Fascia Repair	$24,000	$24,000
Village Campus Long Range Planning	$100,000	$100,000
Village Gateway Feature	$25,000	$25,000
Police Headquarters Jail Interlock Upgrade	$99,420	$99,420
Subtotal	$2,439,303	$1,875,303
Capital Projects Fund - Street	Requested	Budgeted
Annual Street Maintenance	$4,000,000	$1,200,000
Collector Route Maintenance and Rehabilitation Program	$300,000	$300,000
Dundee Road Median Improvements	$40,000	$40,000
Dundee Road and Buffalo Grove Road Intersection	$150,000	$150,000
Lake Cook Road Improvement	$50,000	$50,000
Raupp Bridge Reconstruction	$60,000	$60,000
Weiland Road/Lake Cook Road Improvements	$50,000	$50,000
Subtotal	$4,650,000	$1,850,000
General Fund	Requested	Budgeted
Annual Sidewalk/Bike Path Maintenance	$325,000	$150,000
Storm Water System Upgrades and Repairs	$778,000	$300,000
Subtotal	$1,103,000	$450,000
Golf Fund	Requested	Budgeted
Buffalo Grove Golf Course Clubhouse Improvements	$110,000	$110,000
Buffalo Grove Golf Course Restaurant Improvements	$350,000	$350,000
Golf Course Improvements	$25,000	$25,000
Golf Course Irrigation Improvements	$33,000	$33,000
Subtotal	$518,000	$518,000
Water and Sewer Fund	Requested	Budgeted
SCADA Improvements	$200,000	$0
Capacity Management Operations & Maintenance	$54,000	$54,000
Lift Station Repair & Rehabilitation	$900,000	$900,000
Pump House Repairs & Security Improvements	$550,000	$300,000
Villagewide Sanitary Sewer Replacement[1]	$1,210,000	$0
Villagewide Water Main Replacement	$1,070,000	$925,700
Subtotal	$3,984,000	$2,179,700
Total	**$12,694,303**	**$6,873,003**

[1] Any essential repairs needed will be performed and drawn against the Village's line of credit


2017 Capital Projects Budgeted By Fund
27%
27%
7%
7%
32%
Capital Projects Fund - Facilities
Capital Projects Fund - Street
General Fund
Golf Fund
Water and Sewer Fund

2017-2021 Capital Project Request Summary Table

	2017	2018	2019	2020	2021
Buildings and Grounds Improvements					
Building Replacement - CAFT	$850,000	-$188,000	-$188,000	-$188,000	-
Flooring Capital Replacement Projects	$159,033	$82,768	$98,154	-	-
Fire Sprinkler System - Fire Station 27	-	-	$100,000	-	-
Buffalo Grove Golf Course Clubhouse Improvements	$110,000	$50,000	$50,000	-	-
Buffalo Grove Golf Course Restaurant Improvements	$350,000	-	-	-	-
Golf Course Improvements	$25,000	$100,000	$100,000	$75,000	
Golf Course Irrigation Improvements	$33,000	$25,000	$55,000	-	-
HVAC Unit Replacements	$550,000	$120,000	$120,000	$120,000	$120,000
Increase Apparatus Door Height - Fire Station 26	$48,000	-	-	-	-
Municipal Parking Facility Maintenance	$254,000	$125,000	$125,000	$125,000	$125,000
Repurpose Administration Area - Fire Station 26	$25,000	-	-	-	-
Roof Capital Replacement Projects	$276,850	$429,800	-	-	$79,100
Fire Station Sign Replacement	$28,000	$28,000	$28,000	-	-
Fire Station 26 Brick Fascia Repair	$24,000	-	-	-	-
Village Campus Long Range Planning	$100,000	-	-	-	-
Village Gateway Feature – Deerfield/Milwaukee Ave	$25,000	$50,000	$25,000	-	-
Subtotal	$2,857,883	$822,568	$513,154	$132,000	$324,100
Street, Sidewalk & Bikepath Maintenance					
Annual Street Maintenance	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000
Collector Route Maintenance and Rehabilitation Program	$300,000	$180,000	$180,000	$2,250,000	$2,250,000
Dundee Road Median Improvements	$40,000	$40,000	$40,000	$40,000	$40,000
Dundee Road and Buffalo Grove Road Intersection	$150,000	-	-	-	-
Lake Cook Road Improvement	$50,000	$225,000	$225,000	$225,000	-
Raupp Bridge Reconstruction	$60,000	-	-	-	-
Annual Sidewalk/Bike Path Maintenance	$325,000	$325,000	$325,000	$325,000	$325,000
Weiland Road/Lake Cook Road Improvements	$50,000	$300,000	$500,000	-	-
Subtotal	$4,975,000	$5,070,000	$5,270,000	$6,840,000	$6,615,000
Storm Water Management					
Storm Water System Upgrades and Repairs	$778,000	$350,000	$520,000	$470,000	$450,000
Subtotal	$778,000	$350,000	$520,000	$470,000	$450,000
Technology					
Police Headquarters Jail Interlock Upgrade	$99,420	-	-	-	-
SCADA Improvements	$200,000	$110,000	$20,000	$20,000	$20,000
Subtotal	$299,420	$110,000	$20,000	$20,000	$20,000

Continued on next page.

Water Main & Sanitary Sewer Systems					
Capacity Management Operations & Maintenance	$54,000	$64,000	$42,000	$19,000	$39,000
Lift Station Repair & Rehabilitation	$900,000	$440,000	$300,000	$300,000	$300,000
Pump House Repairs & Security Improvements	$550,000	$400,000	$440,000	$220,000	$220,000
Villagewide Sanitary Sewer Replacement	$1,210,000	$485,000	$485,000	$435,000	$400,000
Villagewide Water Main Replacement	$1,070,000	$1,575,000	$1,540,000	$1,500,000	$1,000,000
Subtotal	$3,784,000	$2,964,000	$2,807,000	$2,474,000	$1,959,000
Total	$12,694,303	$9,316,568	$9,130,154	$9,936,000	$9,368,100
Grand Total 2016-2020					**$50,445,125**

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.
- Ensure that any issues affecting health and safety of building occupants are promptly addressed.

The Village's facilities include:

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

Building Replacement – CAFT



Category: Facilities Maintenance

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2017

Project Coordinator: Fire

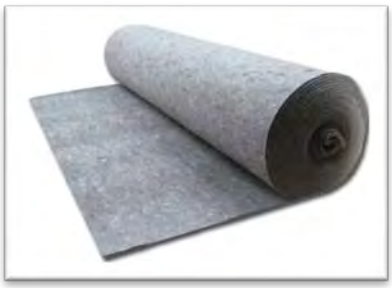
Summary: This proposal will fund the replacement of the CAFT training classroom which had an animal infestation. Once a health analysis was completed, it was also determined that the windows had been leaking for a number of years and there was a health hazard associated with the mold growth. The building, which was constructed in 2000, was actually three donated mobile offices connected together with a wood shell and pitched roof applied. Due to the construction of the classroom, the classroom was never intended to be a permanent structure and had an estimated life span of 5 to 10 years. The building was demolished in July 2016 with the intent of building a permanent structure. Building estimates have been gathered from architects and pre-fabricated building manufacturers which resulted in a building and contents estimate of $760,000. This cost would be divided by the four (4) CAFT fire departments with each being responsible for their cost of $188,000. Engineering is being funded at $70,000 and would also be split.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 20120**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 70,000					$ 70,000
Construction	$ 660,000	-	-	-	-	$ 660,000
Equipment	$ 100,000	-	-	-	-	$ 100,000
Contingency	$ 20,000	-$188,000	-$188,000	-$188,000	-	($ 544,000)
Sub-Total	**$ 850,000**	**-$188,000**	**-$188,000**	**-$188,000**	**$ 0**	**$ 286,000**

Flooring 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 flooring, both carpet and tile, replacements within Village facilities. On average the carpet to be replaced will be 4 – 6 years past the date it was scheduled to be replaced. 2017 flooring projects include Police HQ ($95,340), 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 2017, this CIP item was specifically for carpeting, but several tile flooring issues arose in FY 2016 and a decision was made to include all types of flooring in this replacement schedule.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 32,452	$ 166,595	$199,047
Actual Expenditures	$ 0	$ 0	$ 0	$ 32,452	$ 44,932	$ 77,384

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services						
Construction	$ 159,033	$ 82,768	$ 98,154	-	-	$339,955
Equipment						
Contingency						
Sub-Total	**$ 159,033**	**$ 82,768**	**$ 98,154**	**-**	**-**	**$339,955**

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 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	-	-	-	-	$ 1,000	$ 1,000
Construction	-	-	-	-	$ 59,000	$ 59,000
Equipment	-	-	-	-	$ 40,000	$ 40,000
Contingency						
Sub-Total	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 100,000**	**$ 100,000**

Buffalo Grove Golf Course Clubhouse Improvements



Category: Buildings & Grounds Improvements

Fund: Golf Reserves

Account Number:

Initial Proposal Date: 2016

Project Coordinator: Golf

Summary: This proposal will address the need for renovations within the clubhouse itself, coinciding with the restaurant improvements, but focusing on the golf specific areas including the main hall, pro shop, and restroom areas that support golf operations. The clubhouse was originally opened in 1989 and has only received cosmetic updates in the past 27 years.
Items specifically planned for 2017 include restoring and remodeling the restaurant and bar portion of the building.

Budget Impact: This project would be funded through the Golf reserve for equipment.

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 10,000	-	-	-	-	$ 10,000
Construction	$100,000	$ 50,000	$ 50,000	-	-	$200,000
Equipment	-	-	-	-	-	-
Contingency						
Sub-Total	**$110,000**	**$ 50,000**	**$ 50,000**	**$ 0**	**$ 0**	**$ 210,000**

Buffalo Grove Golf Course Restaurant Improvements



Category: Buildings & Grounds Improvements

Fund: Golf Reserves

Account Number:

Initial Proposal Date: 2016

Project Coordinator: Golf

Summary: This project will support the build out and mechanical renovation needs for remodel of the Village Bar and Grill restaurant space. While the tenant will renovate the soft areas, the Village needs to update building mechanicals (plumbing, wall and flooring repairs, electrical, and HVAC) before the restaurant and banquet areas are improved.

Budget Impact: This project would be funded through the Golf reserve for equipment.

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 30,000	-	-	-	-	-
Construction	$300,000	-	-	-	-	-
Equipment	$ 20,000	-	-	-	-	-
Contingency						
Sub-Total	**$350,000**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

Golf Course Improvements



Category: Buildings & Grounds Improvements

Fund: Golf Reserves

Account Number:

Initial Proposal Date: 2016

Project Coordinator: Golf

Summary: This project will include reconstruction and restoration efforts on the golf courses. In 2017, the 5th tee box at Arboretum requires reconstruction ($25,000). In 2018 through 2020, a three year project to restore all 69 sand traps at Arboretum is being programmed.

Budget Impact: This project would be funded through the Golf reserve for equipment.

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	-	-	-	-	-	-
Construction	$ 25,000	$100,000	$100,000	$ 75,000	-	$300,000
Equipment	-	-	-	-	-	-
Contingency						
Sub-Total	**$ 25,000**	**$100,000**	**$100,000**	**$ 75,000**	**$ 0**	**$300,000**

Golf Course Irrigation Repairs



Category: Buildings & Grounds Improvements

Fund: Golf Reserves

Account Number:

Initial Proposal Date: 2016

Project Coordinator: Golf

Summary: This project will support irrigation repairs and piping replacements at both golf course facilities. For 2017, a section of irrigation pipe crossing the creek and feeding the back nine at BGGC is programed for replacement ($25,000). In addition, a variable frequency drive (VFD) is needed for Arboretum golf course ($8,000). Additional work to irrigation pumps and control systems is being programmed through 2019.

Budget Impact: This project would be funded through the Golf reserve for equipment.

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services						
Construction	$ 25,000	-	-	-	-	$ 25,000
Equipment	$ 8,000	$ 25,000	$ 55,000	-	-	-
Contingency						
Sub-Total	**$ 33,000**	**$ 25,000**	**$ 55,000**	**$ 0**	**$ 0**	**$ 113,000**

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 2017 include 3 units at Police Headquarters which are original to the building (Installed 1989 – deferred 9 years), a unit at Fire Station 27 (Installed 1991 – deferred 7 years), and the unit at the Public Service Center ($350,000 - Installed 2002). In all, 7 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 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 120,000	$ 120,000
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 92,237	$ 92,237

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services						
Construction	$ 550,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$1,030,000
Equipment						
Contingency						
Sub-Total	**$ 550,000**	**$ 120,000**	**$ 120,000**	**$ 120,000**	**$ 120,000**	**$1,030,000**

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 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 20,000	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 20120**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 8,000	-	-	-	-	$ 8,000
Construction	$ 28,000	-	-	-	-	$ 28,000
Equipment	$ 12,000	-	-	-	-	$ 12,000
Contingency						
Sub-Total	**$ 48,000**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 48,000**

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 2017 planned improvements includes lots at the Metra train station ($60,000), the Buffalo Grove and Arboretum Golf Courses ($20,000), the Public Service Center ($155,000), and at Fire Station #26 ($19,000).

Budget Impact: This project is funded through the General Fund's operating revenues for station #26 and Public Services Center, the Metra Parking Lot Fund and Arboretum Golf Fund will fund their facility maintenance.

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$65,000	$74,100	$110,000	$170,000	$125,000	$544,100
Actual Expenditures	$65,000	$67,000	$110,000	$116,828	$125,000	$483,828

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services						
Construction	$254,000	$125,000	$125,000	$125,000	$125,000	$754,000
Equipment						
Contingency						
Sub-Total	**$254,000**	**$125,000**	**$125,000**	**$125,000**	**$125,000**	**$754,000**

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, additional storage for EMS and Haz-Mat supplies and a work area for the part time Public Education Officer and painting of the entire administrative office area.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 20120**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 3,000	-	-	-	-	$ 3,000
Construction	$ 14,000	-	-	-	-	$ 14,000
Equipment	$ 8,000	-	-	-	-	$ 6,000
Contingency						
Sub-Total	**$ 25,000**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 25,000**

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 2017, work is planned to include Village Hall ($107,800), Metra Station ($21,000), Pump Station #6 ($21,000), Fire Station 25 ($42,000), BGGC Maintenance Building ($86,800), and Well House #1 ($19,250).

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 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$225,000	$ 0	$ 286,825	$ 511,825
Actual Expenditures	$ 0	$ 0	$ 0	$197,766	$ 72,000	$ 269,766

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services						
Construction	$ 276,850	$ 429,800	-	-	$ 79,100	$ 785,750
Equipment						
Contingency						
Sub-Total	**$ 276,850**	**$ 429,800**	**-**	**-**	**$ 79,100**	**$ 785,750**

Exterior and Streetscape Improvements – 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 of the exterior landscaping at all three fire stations. A comprehensive landscaping plan that takes into consideration ongoing maintenance and screening needs from the nearby residents along with the replacement of the current fire station signs will need to be completed. 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 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 20120**	**FY 2021**	**TOTAL**
Land	$ 10,000	$ 10,000	$ 10,000	-	-	$30,000
Design Services	$ 5,000	$ 5,000	$ 5,000	-	-	$15,000
Construction	$ 13,000	$ 13,000	$ 13,000	-	-	$39,000
Equipment						
Contingency						
Sub-Total	**$ 28,000**	**$ 28,000**	**$ 28,000**	**$ 0**	**$ 0**	**$84,000**

Fire Station 26 – Brick Fascia Repair



Category: Buildings and Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2017

Project Coordinator: Fire

Summary: This project will complete repairs of the brick fascia that is separating from the block wall in the southwest corner of the apparatus bay at Fire Station 26. There are also louvers that are no longer used and the steel lintel above these openings has shifted due to the weight of the brick fascia above. These deficiencies were identified during the 2014 facility needs analysis completed by FGM Architects.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 4,000	-	-	-	-	$ 4,000
Construction	$ 20,000	-	-	-	-	$ 20,000
Equipment						
Contingency						
Sub-Total	**$ 24,000**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 24,000**

Village Campus Long Range Planning



Category: Buildings and Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2017

Project Coordinator: OVM

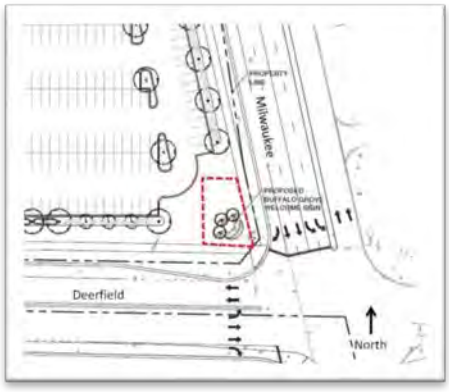
Summary: Several buildings on the Village Campus are nearing the end of their useful life, where major renovations and mechanical system replacements begin to reach a significant percentage of the estimated replacement cost of the facilities. When factoring in the current space needs and business formats that have changed since the buildings were built, it is prudent to begin analyzing the cost-benefit for extensive rehabilitation versus new construction. For example, 40 years is the higher end of the life spectrum for the occupancy load of Village Hall (Originally built in 1970) or the industrial load of Public Works (Originally built in 1976). This item is requested in order to begin long term planning of the Village Campus as an asset. Future projects and improvements will be identified as part of the plan.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 100,000	-	-	-	-	$ 100,000
Construction						
Equipment						
Contingency						
Sub-Total	**$ 100,000**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 100,000**

Village Gateway Feature (Milwaukee Ave/Deerfield Ave)



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2017

Project Coordinator: Community Development

Summary: As part of the Woodman's project located at the northwest corner of Deerfield Parkway and Milwaukee Avenue, staff is proposing to replace the existing Village entrance sign with a new "gateway" feature which may include a new sign, landscaping and pedestrian amenities. While Woodman's will own the parcel, the Village will obtain an easement to allow the construction and maintenance of the new feature. Staff is proposing to complete a design in 2017 (landscaping design and engineering) and begin construction in 2018.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 25,000	-	-	-	-	$ 25,000
Construction	-	$ 50,000	$ 25,000	-	-	$ 75,000
Equipment						
Contingency						
Sub-Total	**$ 25,000**	**$ 50,000**	**$ 25,000**	**$ 0**	**$ 0**	**$ 100,000**

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 externally, from the State of Illinois, due to reduced motor fuel tax revenues. A recent bond issue allowed for a large catch-up project in 2016. The majority of work to be performed during the 2017 construction season will be for the rehabilitation of street surface and curb/gutter along various identified local streets as well as a patching, crack sealing, and a pavement rejuvenation program designed to extend the life of various streets. The Village has committed $19.6 million dollars to the rebuild, repair, and maintenance of streets since 2012.

The following streets were identified from the results of the pavement inspection program and are scheduled for repair in 2017 depending upon funding availability:

Street	Miles	Street	Miles
Caren Drive	0.51	Gail Court	0.05
Caren Court	0.07	Green Knolls Drive	0.50
Checker Drive	0.04	Ronnie Drive	0.36
Gail Drive	0.51	**TOTAL**	**2.06**

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: Capital Projects - Streets

Account Number: 160.75.560.20

Initial Proposal Date: Ongoing

Project Coordinator: PW-Engineering

Summary: The annual street maintenance and rehabilitation program is covered in each year's CIP. The Village streets are reviewed annually and evaluated for all types of maintenance or improvement.

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 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$1,700,000	$5,950,000	$2,250,000	$1,800,000	$8,000,000	$19,700,000
Actual Expenditures	$4,078,000	$5,684,477	$2,014,665	$1,688,228	$8,000,000	$21,465,370

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$450,000	$450,000	$450,000	$450,000	$450,000	$2,250,000
Construction	$3,600,000	$3,550,000	$3,550,000	$3,550,000	$3,550,000	$17,800,000
Equipment						
Contingency						
Sub-Total	**$4,050,000**	**$4,000,000**	**$4,000,000**	**$4,000,000**	**$4,000,000**	**$20,050,000**

Collector Route Maintenance and Rehabilitation Program



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Streets

Account Number: 160.75.560.20

Initial Proposal Date: 2017

Project Coordinator: PW-Engineering

Summary: The Collector Route Maintenance and Rehabilitation Program is being proposed in the 2017 CIP in order to separate collector street maintenance from the Annual Street Maintenance Program. These Village streets have been identified by the Illinois Department of Transportation as Collector Routes due to their width and amount of traffic. Federal funding is available at up to 80% reimbursement for design and construction as part of the Federal process. Currently, Brandywyn Lane and Thompson Boulevard are in design for anticipated 2020 and 2021 construction.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$0	$0	$0	$0	$0	$0
Actual Expenditures	$0	$0	$0	$0	$0	$0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 300,000	$ 300,000	$ 300,000	$ 650,000	$ 650,000	$ 2,200,000
Construction	-	-	-	$10,000,000	$10,000,000	$20,000,000
Equipment						
Contingency	-	-$ 120,000	-$120,000	-$8,400,000	-$8,400,000	-$17,040,000
Sub-Total	**$ 300,000**	**$ 180,000**	**$ 180,000**	**$2,250,000**	**$2,250,000**	**$ 5,160,000**

Dundee Road Median Improvements



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Streets

Account Number: 160.75.560.20

Initial Proposal Date: 2013

Project Coordinator: PW-Engineering

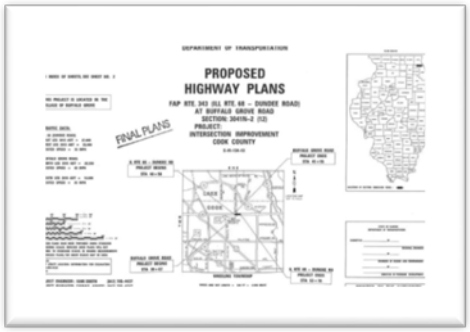
Summary: This project would continue improvements to the street scape along the Dundee Road corridor through the addition of landscaped medians.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$40,000	$40,000	$40,000	$120,000
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services						
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: 160.75.560.20

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 2017 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.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$0	$0	$0	$0	$150,000	$0
Actual Expenditures	$0	$0	$0	$0	$0	$0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services						
Construction	$80,000	-	-	-	-	$80,000
Equipment						
Contingency						
Sub-Total	**$80,000**	-	-	-	-	**$80,000**

Lake Cook Road Improvement



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Streets

Account Number: 160.75.560.20

Initial Proposal Date: 2008

Project Coordinator: PW-Engineering

Summary: The Cook County Highway and Transportation Department is planning on improving Lake Cook Road from Lexington Drive to Raupp Boulevard. The design is anticipated to be completed in 2017 with construction expected to begin in 2018. The Village is responsible for a local share of the cost for such items as pedestrian facilities, street lights, and utility relocations.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$0	$0	$113,000	$113,000	$50,000	$276,000
Actual Expenditures	$0	$0	$63,000	$5,000	$50,000	$118,000

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 50,000	-	-	-	-	$ 50,000
Construction	-	$225,000	$225,000	$225,000	$0	$675,000
Equipment						
Contingency						
Sub-Total	**$ 50,000**	**$225,000**	**$225,000**	**$225,000**	**$0**	**$725,000**

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 covered the evaluation, design and construction of needed improvements to the Raupp Boulevard Bridge. The construction was completed in 2016 and the project paperwork involved in the Federal grant closeout process is expected to last into 2017. Significant funding (80%) was 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 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$32,000	$40,000	$40,000	$392,000	$60,000	$564,000
Actual Expenditures	$6,272	$40,297	$40,000	$834,431	$0	$981,000

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$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 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$325,000	$100,000	$325,000	$325,000	$325,000	$1,400,000
Actual Expenditures	$214,500	$93,936	$422,421	$242,094	$250,000	$1,222,951

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services						
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 Improvement



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Streets

Account Number: 160.75.560.20

Initial Proposal Date: 2008

Project Coordinator: PW-Engineering

Summary: The Lake County Department of Transportation is planning on improving Weiland Road and Prairie Road from Route 22 to Lake Cook Road. The design is anticipated to be completed in 2017 with construction expected to begin in 2018. The Village is responsible for a local share of the cost for such items as pedestrian facilities, street lights, and utility relocations.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$235,000	$100,000	$0	$0	$0	$335,000
Actual Expenditures	$299,012	$100,452	$0	$0	$0	$399,464

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$50,000	-	-	-	-	$50,000
Construction	-	$300,000	$500,000	-	-	$800,000
Equipment						
Contingency						
Sub-Total	**$50,000**	**$300,000**	**$500,000**	**$0**	**$0**	**$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. 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.

Beginning in 2016, a Storm Water Utility Fee was established in order to provide a separate utility funding source for storm water work. Previously, work was charged to the General Fund. 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: Storm Water Utility 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 ($200,000). Funding is also being requested to add/repair drainage improvements to village streets in conjunction with the Annual Street Maintenance Program ($250,000). Funding is being requested for a streambank stabilization project within the Buffalo Creek Nature Preserve ($263,000). The Village is applying for a 319 Grant to cover $170,000 of the project cost. Funding is being requested to perform a GPS inventory of all pipes, catch basins, streams, detention basins, and related infrastructure for the purposes of quantifying the system and providing a long-range capital replacement program ($15,000).

The Village of Buffalo Grove is responsible for the cost to relocate storm sewers during major road improvements by other jurisdictions. The estimated cost to relocate sewers during the Lake Cook Road project is $20,000 in 2018, 2019, and 2020. The estimated cost for Weiland Road project is estimated to be $50,000 in 2018 and 2019.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$0	$200,000	$200,000	$200,000	$330,000	$930,000
Actual Expenditures	$0	$133,084	$200,000	$250,000	$330,000	$913,084

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$65,000	-	-	-	-	$65,000
Construction	$713,000	$520,000	$520,000	$470,000	$450,000	$2,673,000
Equipment						
Contingency	-	-$170,000	-	-	-	-$170,000
Sub-Total	**$778,000**	**$350,000**	**$520,000**	**$470,000**	**$450,000**	**$2,568,000**

Technology

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

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 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 30,075	$ 30,075
Actual Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services						
Construction	$ 99,420	-	-	-	-	$ 99,420
Equipment						
Contingency						
Sub-Total	**$ 99,420**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 99,420**

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 2017 is to maintain reliable radio communications to the 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 obsolescence.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$77,000	$85,800	$200,000	$200,000	$562,800
Actual Expenditures	$ 0	$ 0	$129,042	$25,000	$180,000	$334,042

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$20,000	$10,000	-	-	-	$30,000
Construction						
Equipment	$180,000	$100,000	$20,000	$20,000	$20,000	$340,000
Contingency						
Sub-Total	**$200,000**	**$110,000**	**$20,000**	**$20,000**	**$20,000**	**$370,000**

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 2010 the only major capital expense was $229,527 for the St. Mary's Parkway water main replacement. In the most recent five year period between 2012 and 2016, there were $2,474,489 in capital expenditures 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 Midwest Water Reclamation District (Cook County).

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

Capacity Management Operations & Maintenance (CMOM)



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 170.55.36.560.70

Initial Proposal Date: 2017

Project Coordinator: Public Works

Summary: On July 10, 2014, MWRD adopted Article 8 of the Watershed Management Ordinance (WMO) that outlines the requirements of the new Inflow/Infiltration Control Program (IICP) that applies to all separate sanitary sewer systems tributary to MWRD. These requirements are essentially a revision and update of the MWRD's Operation and Maintenance Requirements as released in 1989 as part of the Sanitary Sewer Evaluation Survey (SSES). Per the MWRD guidance document, the primary purpose of the IICP is to reduce sanitary sewer overflows (SSOs) and basement backups (BBs). There is a minimum level of requirements for all communities with additional requirements where SSOs and BBs occur. The IICP is split into two program requirements; a Short Term Program and a Long Term Program. The requirements of the Short Term Program are to be met by the end of 2019. The Long Term Program then starts in 2020 and continues in perpetuity or until MWRD develops a program to replace it.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Actual Expenditures	$ 0	$ 0	$ 0	$ 9,600	$ 5,700	$ 15,300

Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 54,000	$ 64,000	$ 42,000	$ 19,000	$ 39,000	$218,000
Construction						
Equipment						
Contingency	**$ 54,000**	**$ 64,000**	**$ 42,000**	**$ 19,000**	**$ 39,000**	**$218,000**

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 the replacement of the Golfview Lift Station ($730,000), 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 painting.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$300,000	$780,000	$530,000	$560,000	$560,000	$2,730,000
Actual Expenditures	$48,898	$976	$530,000	$363,432	$220,000	$1,163,306

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 80,000	$ 40,000	$ 30,000	$ 30,000	$ 30,000	$ 210,000
Construction	$ 800,000	$ 400,000	$ 270,000	$ 270,000	$ 270,000	$2,010,000
Equipment	$ 20,000	-	-	-	-	$ 20,000
Contingency						
Sub-Total	**$ 900,000**	**$ 440,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$2,240,000**

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 2017, brick fascia repairs and access hatch security improvements, along with other minor pump house site improvements, are scheduled. Some expenses from the improved electrical feed to station 7 are planned to carry over. Well maintenance at sites 1 & 2 is programmed for completion in 2018 and 2019.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$600,000	$610,318	$550,000	$550,000	$550,000	$2,860,318
Actual Expenditures	$ 0	$17,209	$300,000	$400,000	$350,000	$1,067,209

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 50,000	$ 40,000	$ 40,000	$ 20,000	$ 20,000	$170,000
Construction	$500,000	$400,000	$400,000	$200,000	$200,000	$1,700,000
Equipment						
Contingency						
Sub-Total	**$550,000**	**$400,000**	**$440,000**	**$220,000**	**$220,000**	**$1,830,000**

Villagewide 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. The major sewer interceptor and the associated manholes on Old Arlington Heights Road are planned to be lined ($600,000) as well as other sanitary manholes in Cook County are planned to be lined ($100,000). The Linden Avenue Force Main is planned for replacement in 2017 ($450,000). The annual sewer televising program is planned to review approximately 10% of the total Village's sanitary sewer system ($100,000) and smoke testing is planned for 2017 ($50,000).

The Village is responsible for the cost of relocating sanitary sewer lines during major road improvements by other jurisdictions. The estimated cost for sewer line relocation for Lake Cook Road is $35,000 in 2018, 2019, and 2020. The estimated cost for Weiland Road is estimated to be $50,000 in 2018 and 2019.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$650,000	$0	$ 700,000	$ 850,000	$1,175,000	$3,375,000
Actual Expenditures	$650,000	$0	$ 505,031	$ 652,934	$ 675,000	$2,482,965

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 25,000	-	-	-	-	$ 25,000
Construction	$1,185,000	$485,000	$485,000	$435,000	$400,000	$2,990,000
Equipment						
Contingency						
Sub-Total	**$1,210,000**	**$485,000**	**$485,000**	**$435,000**	**$400,000**	**$3,015,000**

Villagewide 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 Water Service Interruption Reports. Projects have been identified at several locations within the Village. A total of approximately 3,000 feet is anticipated for replacement every year. The Village is responsible for the cost to move water mains during major road projects of other jurisdictions. The local share for the intersection of Buffalo Grove Road and Dundee Road is $70,000 in 2017. The estimated cost for Lake Cook Road is $500,000 in 2018, 2019, and 2020. The estimated cost for Weiland Road is estimated to be $75,000 in 2018 and $40,000 in 2019.

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

5 Year Expenditure History						
Budgeted Amount	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**Estimated FY 2016**	**TOTAL**
	$0	$160,000	$1,376,000	$850,000	$500,000	$2,886,000
Actual Expenditures	$0	$153,150	$1,566,560	$154,779	$600,000	$2,474,489

5 Year Projected Expenditures						
Expense Category	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**TOTAL**
Land						
Design Services	$ 75,000	$ 100,000	$ 100,000	$ 100,000	$ 75,000	$ 450,000
Construction	$ 995,000	$1,475,000	$1,440,000	$1,400,000	$ 925,000	$6,235,000
Equipment						
Contingency						
Sub-Total	**$1,070,000**	**$1,575,000**	**$1,540,000**	**$1,500,000**	**$1,000,000**	**$6,685,000**

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.

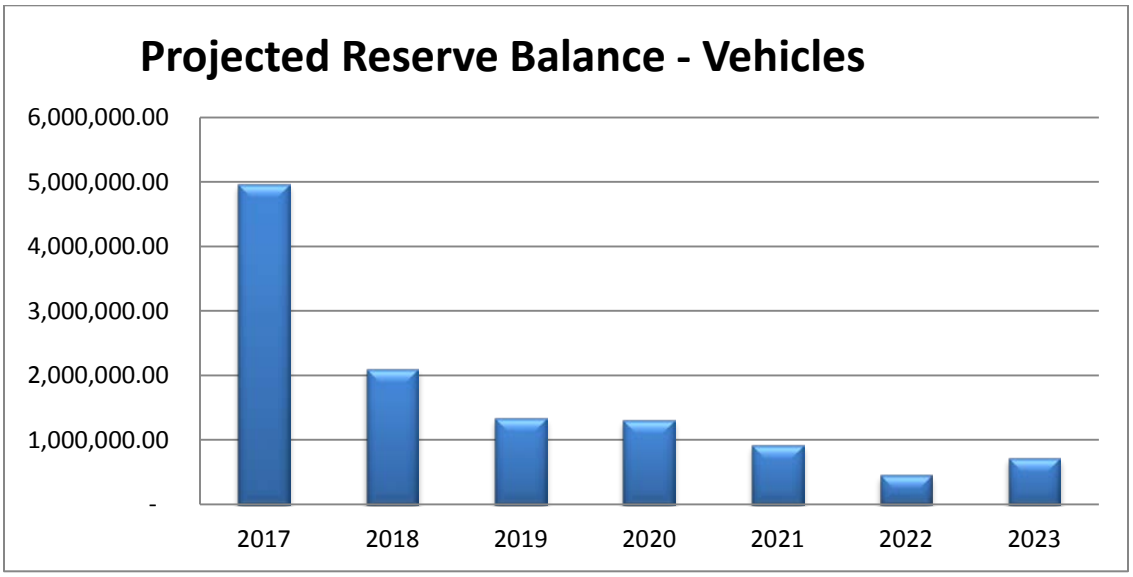
The Village maintains a capital replacement fund with the intent to fund the amortization on each vehicle. Ideally, when vehicles are scheduled for replacement the replacement cost will be fully funded with available money.

The 2017 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, $6.0 million is in the reserve account and the table below shows the projected replacement costs through 2023. It is important that the reserve be funded in order to minimize impact to future budgets.

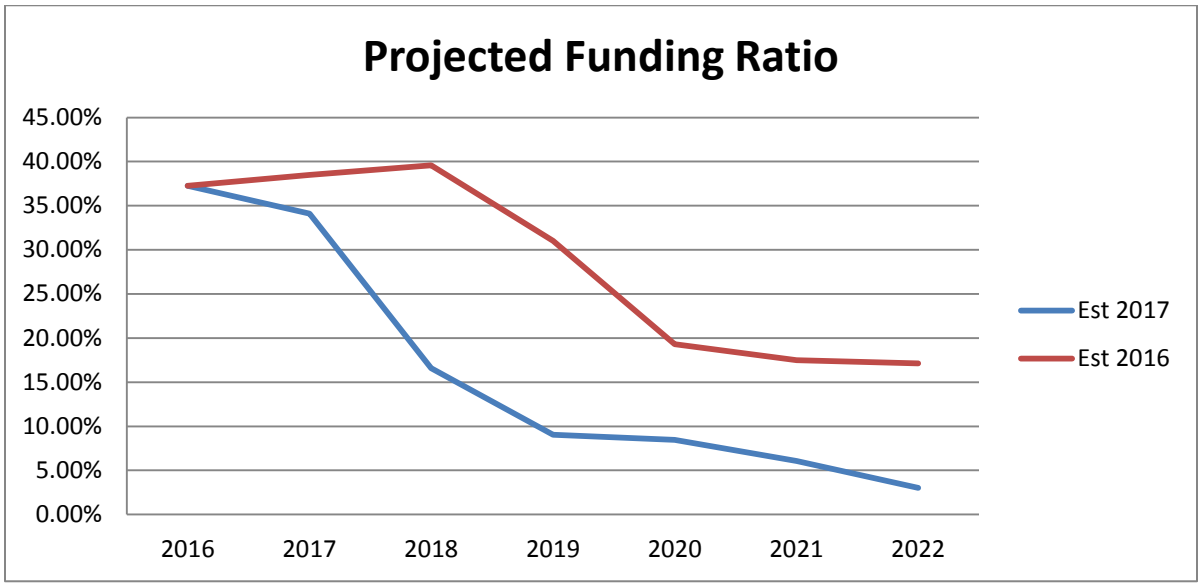
Finally, the Village Board's approval of the funding reserve does not authorize spending for equipment replacement. Each replacement vehicle or equipment purchase must go through the procurement process including Board authorization to bid and Board award of bid. This ensures that the procurement remains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

Planned Capital Reserve Replacements by Department - Vehicles (in dollars)								
Department	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Subtotal**
OVM	-	-	17,557	-	-	-	-	**17,557**
Fire	1,094,896	633,157	496,298	96,672	866,440	69,418	302,449	**3,559,331**
Police	130,590	401,339	117,540	50,401	60,117	-	-	**759,987**
Community Development	57,000	61,915	19,440	-	-	-	-	**138,355**
Engineering	25,555	-	-	57,797	-	-	30,717	**114,069**
Building Maintenance	132,625	80,515	70,956	49,119	-	10,015	-	**343,230**
Streets	65,250	636,412	205,126	202,300	-	183,653	-	**1,292,742**
Forestry	-	627,613	133,639	8,648	-	228,335	-	**998,235**
Drainage	-	-	-	-	-	391,926	-	**391,926**
Water	32,625	389,573	189,925	138,749	-	181,140	-	**932,012**
Sanitary Sewer	20,000	499,394	113,286	-	65,987	-	-	**698,667**
Central Garage		133,773	-	20,000	-	-	-	**153,773**
Total	**1,558,541**	**3,463,692**	**1,363,768**	**623,686**	**992,545**	**1,064,488**	**333,166**	**9,399,885**

The following graph projects the balance of the Reserve for Capital Replacement for Vehicles assuming a yearly funding level of $600,000. The trend is not as volatile down due to the outsourcing of golf and the equipment that would have been required to replacement. The Village has many capital vehicle and equipment needs in fiscal year 2018 due to the age and condition of current equipment coupled with deferred purchases due to the increase in 2017 resources dedicated to facility maintenance.



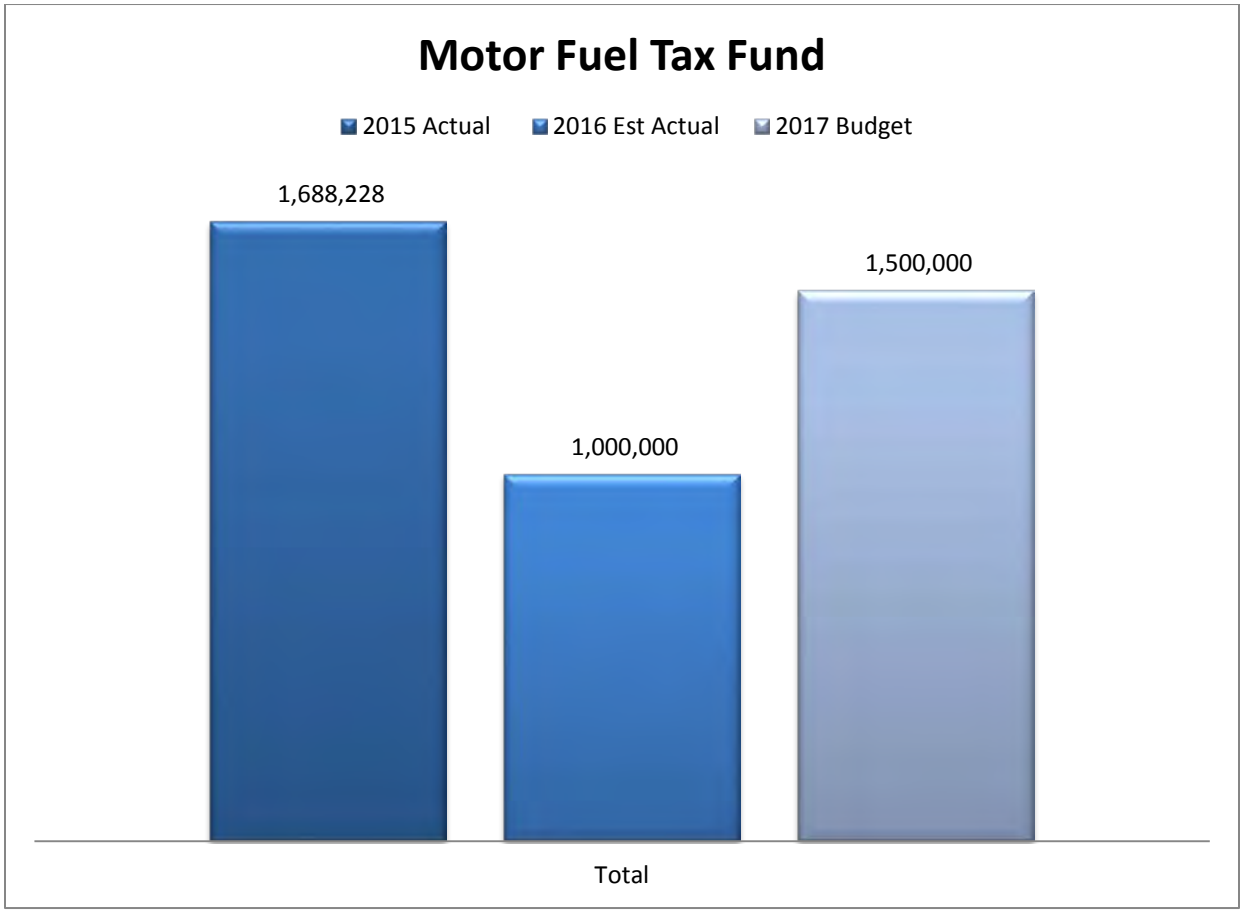
The graph below charts total replacement cost against the capital reserve fund balance. All vehicles have an estimated replacement value of $16.1 million. The two lines show where the Village was as the budget was proposed last year (2016 est.) vs the proposed 2017 Budget (2017 est.). Due to the age, use, and required equipment needed for departments certain items must be replaced sooner than expected which causes a larger variance in the 2018 and 2019 projected funding. Major equipment in Fire is scheduled to be replaced over the next 3 years.



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.

	2015 Actual	2016 Est Actual	2017 Budget
Capital Outlay	1,688,228	1,000,000	1,500,000
Total	1,688,228	1,000,000	1,500,000



Revenues

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 130 - Motor Fuel Tax Fund					
Revenues					
15 - Other Taxes					
410.60 Motor Fuel Tax	1,045,913	1,014,469	1,000,000	1,000,000	1,000,000
15 - Other Taxes	**1,045,913**	**1,014,469**	**1,000,000**	**1,000,000**	**1,000,000**
45 - Interest Income					0.00%
450.10 Investment Pool	31	-	-	-	-
45 - Interest Income	**31**	**-**	**-**	**-**	**-**
50 - Miscellaneous Revenue					0.00%
465.65 Grants	375,164	-	-	-	-
50 - Miscellaneous Revenue	**375,164**	**-**	**-**	**-**	**-**
55 - Operating Transfers					0.00%
460.05 Transfers In	767,602	859,207	-	-	-
55 - Operating Transfers	**767,602**	**859,207**	**-**	**-**	**-**
					0.00%
Fund Total: 130 - Motor Fuel Tax Fund	**2,188,710**	**1,873,676**	**1,000,000**	**1,000,000**	**1,000,000**
					0.00%

Expenditures

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 130 - Motor Fuel Tax Fund					
Expenditures					
75 - Capital Improvement					
55 - Capital Outlay					
560.20 Streets & Highways	2,083,301	1,688,228	1,000,000	1,000,000	1,500,000
55 - Capital Outlay	**2,083,301**	**1,688,228**	**1,000,000**	**1,000,000**	**1,500,000**
					50.00%
Fund Total: 130 - Motor Fuel Tax Fund	**2,083,301**	**1,688,228**	**1,000,000**	**1,000,000**	**1,500,000**
					50.00%

Capital Projects - Facilities Fund – 150

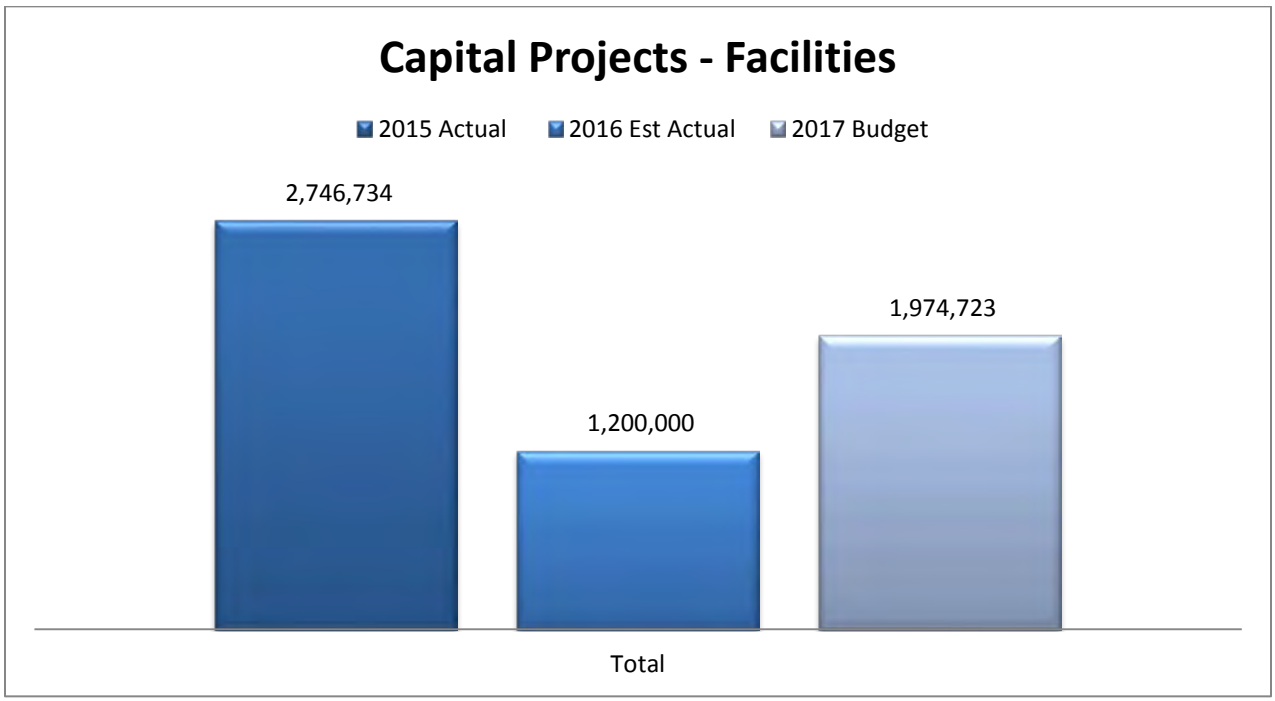
This Fund provides for the accounting of design, acquisition and construction elements of various Village capital facilities and equipment. The identified projects have been previously planned for as part of the FY 2017 portion of the Village's comprehensive Capital Improvement Plan for the FY 2017 through FY 2021. 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

	2015 Actual	2016 Est Actual	2017 Budget
Capital Outlay	2,746,734	1,200,000	1,974,723
Total	2,746,734	1,200,000	1,974,723

Budget Variance
CP-Facilities

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
560.30	Buildings & Structures	141.98%	1,100,333	Allocation of more facility maintenance and repair including clubhouse and restaurant remodel at BG Golf Club.
560.40	Improvements Other Than Building	-100.00%	(500,000)	Reallocation of funds to Building and Structure projects.
560.50	Technology	-35.18%	(53,966)	Reduction of IT projects in FY2017.



Revenues

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**150 - Capital Projects Facilities Fund**					
Revenues						
	50 - Miscellaneous					
465.90	Miscellaneous Income	-	-	500,000	350,000	565,000
50 - Miscellaneous Revenue		**-**	**-**	**500,000**	**350,000**	**565,000**
	55 - Operating Transfers					13.00%
460.05	Transfers In	635,217	1,158,644	928,356	850,000	1,875,303
55 - Operating Transfers		**635,217**	**1,158,644**	**928,356**	**850,000**	**1,875,303**
						102.00%
Revenues Total		**635,217**	**1,158,644**	**1,428,356**	**1,200,000**	**2,440,303**
						70.85%

Expenditures

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**150 - Capital Projects Facilities Fund**					
Expenditures						70.85%
	75 - Capital Improvement					
	55 - Capital Outlay					
560.10	Land Improvements	(74,183)	175,721	-	-	-
560.30	Buildings & Structures	208,941	834,431	774,970	700,000	1,875,303
560.40	Improvements Other Than Building	1,383,234	1,571,952	500,000	350,000	-
560.50	Technology	500,459	164,630	153,386	150,000	99,420
Total: 55 - Capital Outlay		**2,018,451**	**2,746,734**	**1,428,356**	**1,200,000**	**1,974,723**
						38.25%
Expenditures Total		**2,018,451**	**2,746,734**	**1,428,356**	**1,200,000**	**1,974,723**
						38.25%

Capital Projects – Streets Fund – 160

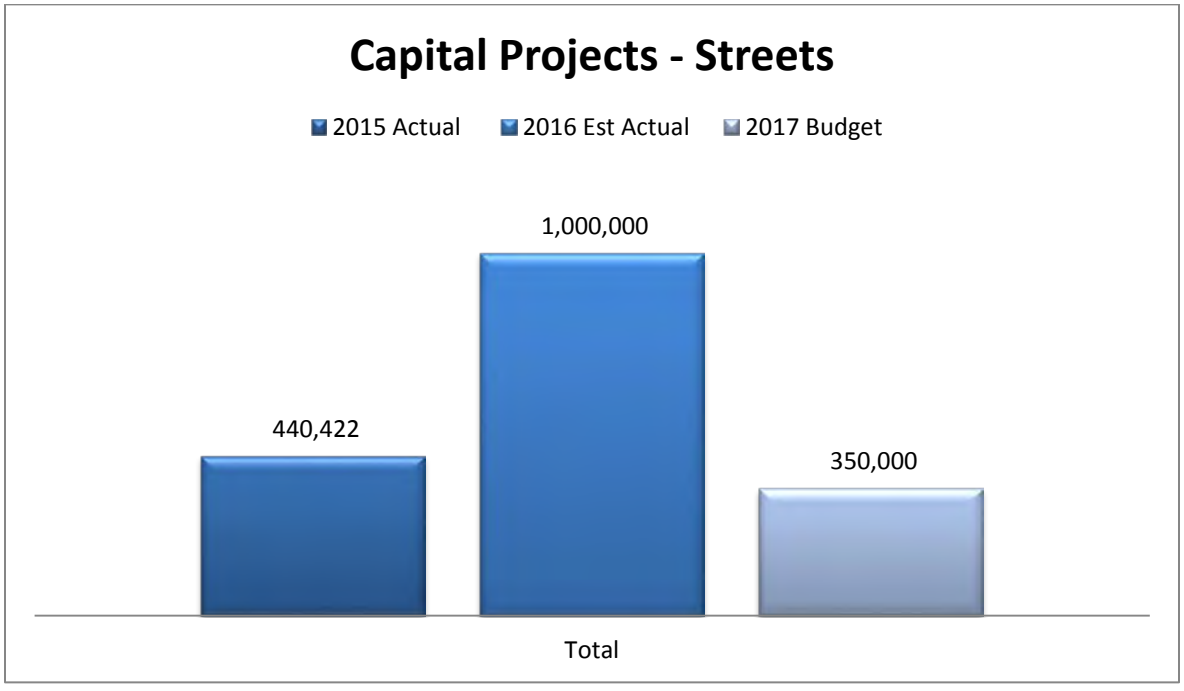
The elements of this program have been identified and recommended as part of the Village's comprehensive Capital Improvement Plan for the period FY 2017 through FY 2021. Proceeds for the street maintenance fund are funded through transfers from the General Fund.

Budget Summary
CP-Streets

	2015 Actual	2016 Est Actual	2017 Budget
Capital Outlay	440,422	1,000,000	350,000
Total	440,422	1,000,000	350,000

Budget Variance
CP-Streets

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
560.20	Streets & Highways	-66.66%	(699,727)	Reduction in road projects



Revenues

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 160 - Capital Projects Streets Fund					
Revenues					
55 - Operating Transfers					
460.05 Transfers In	-	-	1,049,727	1,015,000	1,537,950
Total: 55 - Operating Transfers	**-**	**-**	**1,049,727**	**1,015,000**	**1,537,950**
					46.51%
Revenues Total	**-**	**-**	**1,049,727**	**1,015,000**	**1,537,950**
					46.51%

Expenditures

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 160 - Capital Projects Streets Fund					
Expenditures					
Department: 75 - Capital Improvement					
55 - Capital Outlay					
560 Capital Projects	-	(183,192)	-	-	-
560.20 Streets & Highways	(1)	623,614	1,049,727	1,000,000	350,000
Total: 55 - Capital Outlay	**(1)**	**440,422**	**1,049,727**	**1,000,000**	**350,000**
					-66.66%
Expenditure Total	**(1)**	**440,422**	**1,049,727**	**1,000,000**	**350,000**
					-66.66%

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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 retail activity.



Golf Course Fees

A conservative increase was budgeted for the Buffalo Grove Golf Club in FY 2017 over the estimated actual of $14,100, or 1.3 percent. The Buffalo Grove Golf Club is estimated to attain 94.4% of budgeted revenues of $1,248,569 in FY 2016. In 2016, the total rounds played at Buffalo Grove Golf Club will be 36,000 rounds, which is just short of the trailing 5-year average of 37,100.

Total golf revenues at the Arboretum Club in 2016 will attain 99.65% of budgeted revenue goal of $1,269,180 The total rounds played at the Arboretum Club in 2016 will be 30,800 rounds, which is also short of the trailing 5-year average of 31,000.

For the 2017 season, both the Arboretum and Buffalo Grove Golf Clubs are projecting to host over 68,000 rounds of golf in which over 27,000 are residential. The Golf Department will be planning for over $2.5 million in revenues mostly derived through green fee revenues at both golf courses. The projected 2017 expenses for the department will be $3.1 million, which includes an estimated $470,000 restoration project for the Buffalo Grove Clubhouse.

As an Enterprise Fund, the intent of the golf fee structure, absent additional public funding (i.e. property tax), is to cover operating expenses, amounts reserved for future capital equipment/facilties replacement, and capital maintenance and improvement costs.

At the Buffalo Grove Golf Club, the average subidy per round is $16.32. This subsidy factors in the cost of the clubhouse repairs. When the repairs are complete, holding all factors constant, the subsidy drops to $3.21. The subsidy is the amount that the Village will transfer out of the General Fund (main operating fund) for each round played.

At the Arboretum Golf Club, the estimated General Fund subsidy per paid round is $6.96.

The follow chart illustrates that the level of course play under the current fee structure is not financially supporting all facets of golf operations. In order for both courses to breakeven, an additional 39,471 rounds will need to be played.

Operating Revenues

	Buffalo Grove Golf Club	Arboretum Golf Club
Total rounds projected	37,000	31,000
Daily green fees and memberships	713,000	822,000
Merchandise sales	65,000	51,500
Cart, club, and other rental fees	236,700	249,000
Driving range fees	62,000	-
Miscellaneous	500	94,000
Total Operating Revenues	1,077,200	1,216,500

Operating Expenses

	Buffalo Grove Golf Club	Arboretum Golf Club
Golf Operations (Personal, Operating Expenses, Maintenance/Repair, Commodities)	1,021,116	1,101,620
Internal Service Fund Expense	104,269	220,308
Capital Reserve	70,600	55,400
Capital Projects	485,000	55,000
Total Operating Expenses	1,680,985	1,432,328

Profit/Loss Statement

	Buffalo Grove Golf Club	Arboretum Golf Club
Total Operating Revenue	1,077,200	1,216,500
Total Operating Expense	1,680,985	1,432,328
Profit/(Loss)	(603,785)	(215,828)
Subsidy per Round	(16.32)[1]	(6.96)[2]

Breakeven Analysis

	Buffalo Grove Golf Club	Arboretum Golf Club
Total rounds projected	37,000	31,000
Daily green fees and memberships	713,000	822,000
Revenue per round	19.27	26.52
Additional rounds to offset loss	31,333[3]	8,138

[1]The subsidy per round includes $485,000 of capital project cost related to the improvement of the clubhouse. The subsidy amount related to that improvement is $13.11.

[2]The subsidy per round does not include the annual principal and interest on the $6.2 million bond issuance for the clubhouse. Those bonds were refinanced as the Series 2010A Bonds and carry an average annual payment of $400,000 per annum. If the debt were included in the profit/loss statement, the subsidy would be 12.90/round.

[3]The total amount of additional rounds needed for breakeven includes the $485,000 clubhouse improvement. Removing that expense from the analysis, the additional amount of rounds needed drops to 6,164.

BUFFALO GROVE GOLF CLUB

Golf & Cart Rates 2017

Saturday, Sunday and Holidays

Description	Non-Resident	Resident of Buffalo Grove
18 Holes	$42.00	$34.00
After 2:00 p.m.	$29.00	$24.00
After 5:30 p.m.	$16.00	$13.00
Special	*After 5:30 p.m., 1 child 14 or younger is free with each paying adult*	

Monday through Friday

Description		Non-Resident	Resident of Buffalo Grove
18 Holes		$29.00	$24.00
9 Holes		$19.00	$15.50
After 6:00 p.m.		$16.00	$13.00
Senior (65 or older) Junior (18 or younger)	18 Holes	$24.00	$20.50
Senior (65 or older) Junior (18 or younger)	9 Holes	$16.00	$14.00

Cart Rates

	Power Cart Rates	Pull Carts
18 Holes	$34.00 (for two riders)	$4.00
9 Holes	$17.00 (for two riders)	$2.00

Driving Range Rates

Full Bucket	$7.50	40-45 Range Balls
Warm Up Bucket	$3.75	20-25 Range Balls
Range Card	$45.00	Includes two free tokens

ARBORETUM CLUB OF BUFFALO GROVE

Golf & Cart Rates 2017

Saturday, Sunday and Holidays

Description	Non-Resident	Resident of Buffalo Grove
18 Holes	$57.00	$47.00
After 2:00 p.m.	$36.00	$26.00
After 5:00 p.m.	$21.00	$18.00
Special	*After 5:30 p.m., 1 child 14 or younger is free with each paying adult*	

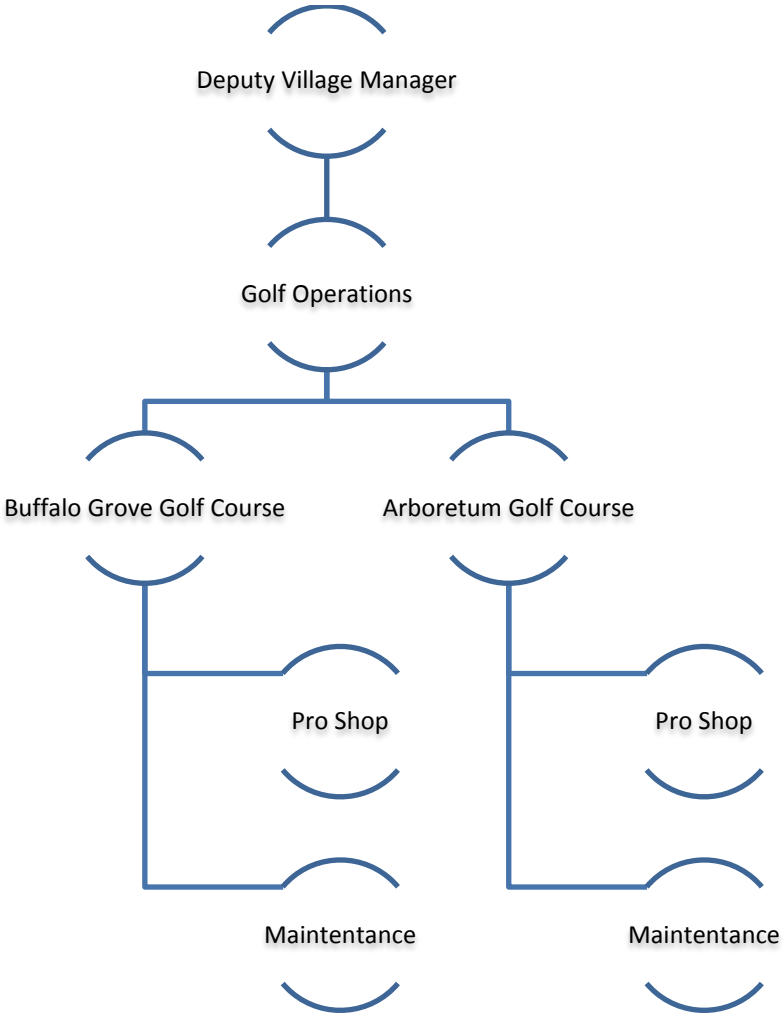
Monday through Friday

Description		Non-Resident	Resident of Buffalo Grove
18 Holes		$47.00	$36.00
After 2:00 p.m.		$27.00	$21.00
After 5:00 p.m.		$20.00	$16.00
9 Holes		$26.00	$21.00
Senior (65 or older) Junior (18 or younger)	18 Holes	$31.00	$25.00
Senior (65 or older) Junior (18 or younger)	9 Holes	$20.00	$16.00

Cart Rates

	Power Cart Rates	Pull Carts
18 Holes	$40.00 (for two riders)	$5.00
9 Holes	$20.00(for two riders)	$3.00

Department Structure



2017 Staffing Summary

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

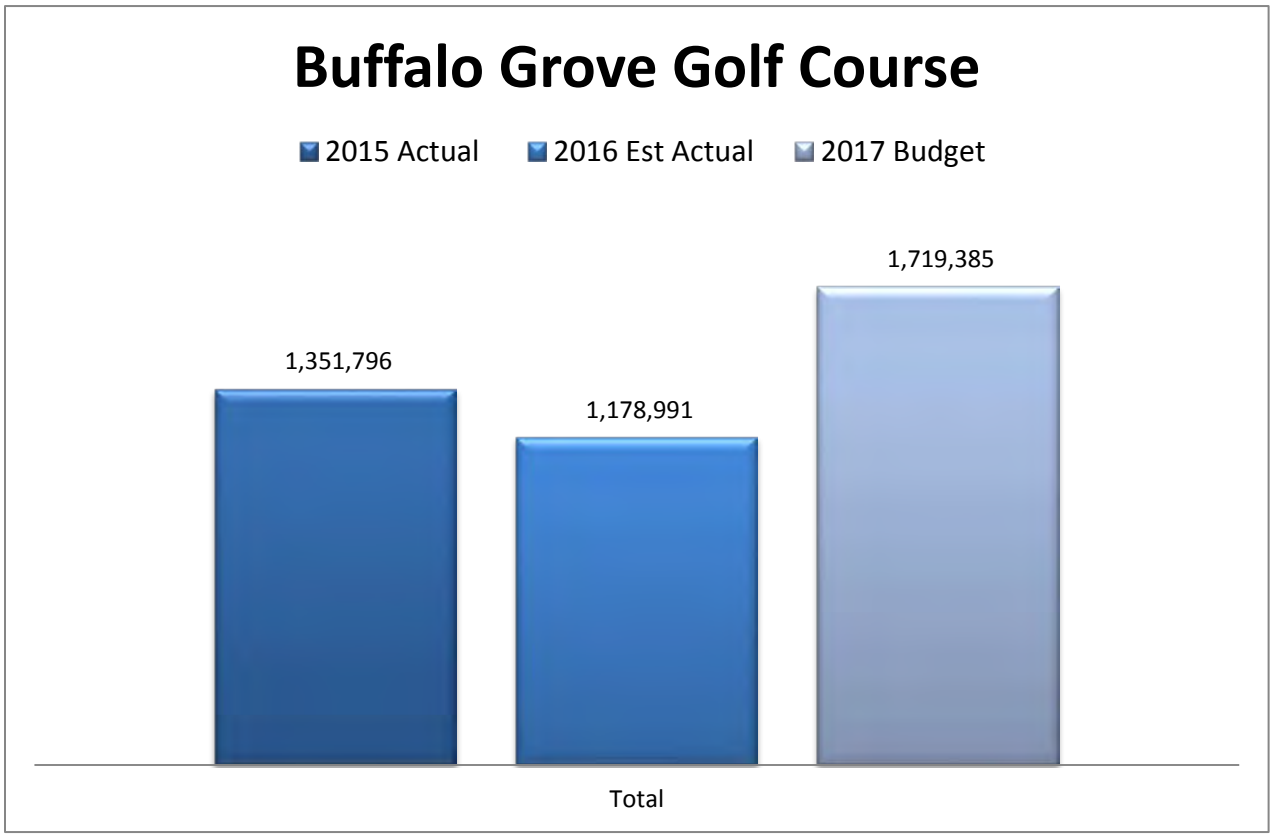
Golf Operations	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Head Golf Professional	2	0	2	0	2	0
Assistant Golf Professional	1	2	1	2	1	2
Golf Course Attendants- Seasonal	0	15	0	30	0	30
Golf Course Cashier- Seasonal	0	9	0	0	0	0
Golf Course Maintenance Worker- Seasonal	0	14	0	0	0	0
Golf course maintenance worker II	1	0	0	0	0	0
Golf course maintenance worker III	1	0	0	0	0	0
Golf Course starter/ranger- seasonal	0	11	0	0	0	0
Golf Course Superintendent	1	0	0	0	0	0
Horticulturalist	1	0	0	0	0	0
Total	**7**	**51**	**3**	**32**	**3**	**32**
Full & Part-Time Total	**58**		**35**		**35**	

Budget Summary
Buffalo Grove Golf Fund

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	374,244	322,168	329,812
Personal Benefits	107,592	94,596	96,748
Operating Expenses	660,939	618,466	637,352
Contractual Services	25,266	15,361	15,373
Repair & Maintenance	29,877	18,800	20,000
Commodities	63,930	28,500	64,000
Other Expenses	33,723	500	500
Capital Outlay	43,126	80,600	555,600
Other financing Uses	13,100	-	-
Total	1,351,796	1,178,991	1,719,385

Budget Variance
Buffalo Grove Golf Fund

Line Item Number	Description	Percent Change	Amount Change	Description of Change
500.15	Salaries - Seasonal	-16.67%	(16,000)	Outsourced.
510.02	Telephone	-100%	(1,500)	Moved to internal service fund (IT).
510.83	Credit Card Fees	20%	5,000	Increase based on historical trend.
535.35	Facilities Golf Course	75%	3,000	Increase based on prior year utilization.
535.40	Facilities Irrigation System	-20%	(1,000)	Decrease based on current year needs.
580.05	All Other Expenses	-50%	(500)	Decrease based on current year needs.
560.30	Buildings and Structures	234%	468,000	Capital Improvements for Clubhouse.



Revenue

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 180 - Buffalo Grove Golf Fund						
	40 - Charges for Services					
445.10	Greens Fees	630,964	661,255	655,000	645,000	657,000
445.15	Power Cart Rental	157,610	161,601	162,000	162,000	162,000
445.20	Pull Cart Rental	2,692	3,500	3,500	3,500	3,500
445.25	Driving Range Fees	61,338	62,116	61,500	61,500	62,000
445.30	Memberships & Passes	62,471	62,143	62,500	55,000	56,000
445.35	Merchandise Sales	62,895	64,529	65,000	65,000	65,000
445.40	Sales Tax	5,601	5,791	5,850	5,850	5,850
445.55	Club Rental Fees	1,210	1,140	1,100	1,100	1,200
445.57	Club Storage	365	150	200	150	150
445.60	Rental Income Facility	43,422	34,370	40,000	40,000	40,000
445.65	Rental Income Cell Tower	25,107	21,545	29,500	29,500	30,000
445.70	Utility Reimbursement	27,621	15,478	15,000	15,000	15,000
445.90	Other Revenue	92	(231)	-	-	-
	40 - Charges for Services	**1,081,389**	**1,093,389**	**1,101,150**	**1,083,600**	**1,097,700**
	Percent Change 2017 vs. 2016 Budget					-0.31%
	50 - Miscellaneous Revenue					
465.90	Miscellaneous Income	(5,745)	4,451	500	500	500
	50 - Miscellaneous Revenue	**(5,745)**	**4,451**	**500**	**500**	**500**
	Percent Change 2017 vs. 2016 Budget					0.00%
	55 - Operating Transfers					
460.05	Interfund Transfers In	78,745	135,686	146,919	94,891	103,185
	55 - Operating Transfers	**78,745**	**135,686**	**146,919**	**94,891**	**103,185**
	Percent Change 2017 vs. 2016 Budget					-29.77%
Fund: 180 - Buffalo Grove Golf Fund		**1,154,388**	**1,233,526**	**1,248,569**	**1,178,991**	**1,201,385**
	Percent Change 2017 vs. 2016 Budget					-3.78%

Expense

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 180 - Buffalo Grove Golf Fund						
Department:	**84 - Golf**					
10 - Salaries						
500.05	Full Time	299,063	244,135	193,980	195,768	197,187
500.10	Part Time	113,392	43,725	49,000	49,000	50,225
500.15	Seasonal	98,905	82,983	96,000	75,000	80,000
500.35	Overtime	13,818	-	-	-	-
500.40	Longevity	2,400	3,400	2,400	2,400	2,400
10 - Salaries		**527,577**	**374,244**	**341,380**	**322,168**	**329,812**
Percent Change 2017 vs. 2016 Budget						-3.39%
15 - Taxes and Benefits						
505.05	Group & Medical Life	43,431	38,371	35,000	35,000	35,000
505.10	Professional Training	460	-	250	250	250
505.15	Dues & Memberships	2,357	1,848	1,900	1,900	1,900
505.25	Uniform Maintenance	1,094	-	-	-	-
505.35	Safety Equipment	247	-	-	-	-
505.75	Employer's Contribution - FICA	32,669	23,135	21,884	19,975	20,449
505.80	Employer's Contribution - IMRF	58,269	38,829	32,570	32,799	34,366
505.85	Employer's Contribution Medicare	7,641	5,410	5,118	4,672	4,783
15 - Taxes and Benefits		**146,168**	**107,592**	**96,722**	**94,596**	**96,748**
Percent Change 2017 vs. 2016 Budget						0.03%
25 - Operating Expenses						
510.02	Telephone	3,414	699	1,500	700	-
510.04	Travel	238	-	-	-	-
510.10	Maintenance Contracts	3,859	386,291	384,052	384,052	391,733
510.16	Printing	412	331	500	500	500
510.20	Computer Services	7,547	1,668	-	-	-
510.21	IT Internal Svc Contribution	-	17,501	13,961	12,497	15,229
510.28	Audit Fees	-	-	1,500	1,500	1,500
510.40	Supplies - Office	3,152	3,732	3,500	3,500	3,500
510.49	Supplies - Golf Course	3,578	5,778	7,000	7,000	7,000
510.50	Supplies - All Other	108	-	-	-	-
510.70	Merchandise Purchases	51,814	49,406	50,000	50,000	50,000
510.73	Golf Cart Rental	32,797	33,361	35,000	34,000	35,000
510.76	Driving Range	3,011	132	3,000	2,905	3,000
510.79	Advertising & Promotions	2,758	-	5,000	4,000	5,000
510.83	Credit Card Fees	27,471	38,190	25,000	30,000	30,000
510.85	State Sales Tax	5,522	5,665	5,850	5,850	5,850
535.01	Building Mnt Internal Svc Cntrb	-	118,184	83,037	81,962	86,974

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
545.01	Central Garage Internal Svc	-	-	-	-	2,066
25 - Operating Expenses		**145,679**	**660,939**	**618,900**	**618,466**	**637,352**
Percent Change 2017 vs. 2016 Budget						2.98%
30 - Contractual Services						
515.05	Insurance Premium	266	266	266	266	278
515.10	Unemployment Insurance	25,000	25,000	15,000	15,000	15,000
515.15	Insurance Deductible - Worker's Comp	-	-	57	57	57
515.20	Insurance Deductible - Non Wrker's Co	1,556	-	38	38	38
30 - Contractual Services		**26,822**	**25,266**	**15,361**	**15,361**	**15,373**
Percent Change 2017 vs. 2016 Budget						0.08%
40 - Repairs and Maintenance						
535.20	Buildings & Facilities	20,325	-	-	2,800	1,000
535.35	Golf Course	29,546	17,368	4,000	7,000	7,000
535.40	Irrigation System	8,515	-	5,000	2,000	4,000
545.05	Gasoline	26,624	9,350	8,000	7,000	8,000
545.10	Diesel Fuel	569	-	-	-	-
545.15	Automotive Parts	535	-	-	-	-
545.20	Garage Labor	754	-	-	-	-
550.05	Other Department Equipment	14,407	3,158	-	-	-
40 - Repairs and Maintenance		**101,275**	**29,877**	**17,000**	**18,800**	**20,000**
Percent Change 2017 vs. 2016 Budget						17.65%
45 - Commodities						
530.05	Electricity - Facilities	65,115	56,399	55,000	22,000	55,000
530.20	Gas - Facilities	13,398	7,531	9,000	6,500	9,000
530.45	Chemicals and Fertilizers	62,995	-	-	-	-
530.50	Small Equipment Tools & Hardware	401	-	-	-	-
45 - Commodities		**141,908**	**63,930**	**64,000**	**28,500**	**64,000**
Percent Change 2017 vs. 2016 Budget						0.00%
50 - Other Expenses						
580.05	All Other Expenses	12,321	939	1,000	500	500
800	Depreciation	32,784	32,784	-	-	-
50 - Other Expenses		**45,105**	**33,723**	**1,000**	**500**	**500**
Percent Change 2017 vs. 2016 Budget						-50.00%
55 - Capital Outlay						
555.30	Reserve for Capital Replacement	30,000	30,000	-	-	-
555.40	Reserve for Technology	1,000	1,000	1,000	1,000	1,000
555.50	Reserve for Buildings	10,000	10,000	10,000	10,000	10,000
555.60	Reserve for Infrastructure	-	-	59,600	59,600	59,600
560.30	Capital Projects Buildings & Structures	-	2,125	2,000	-	470,000

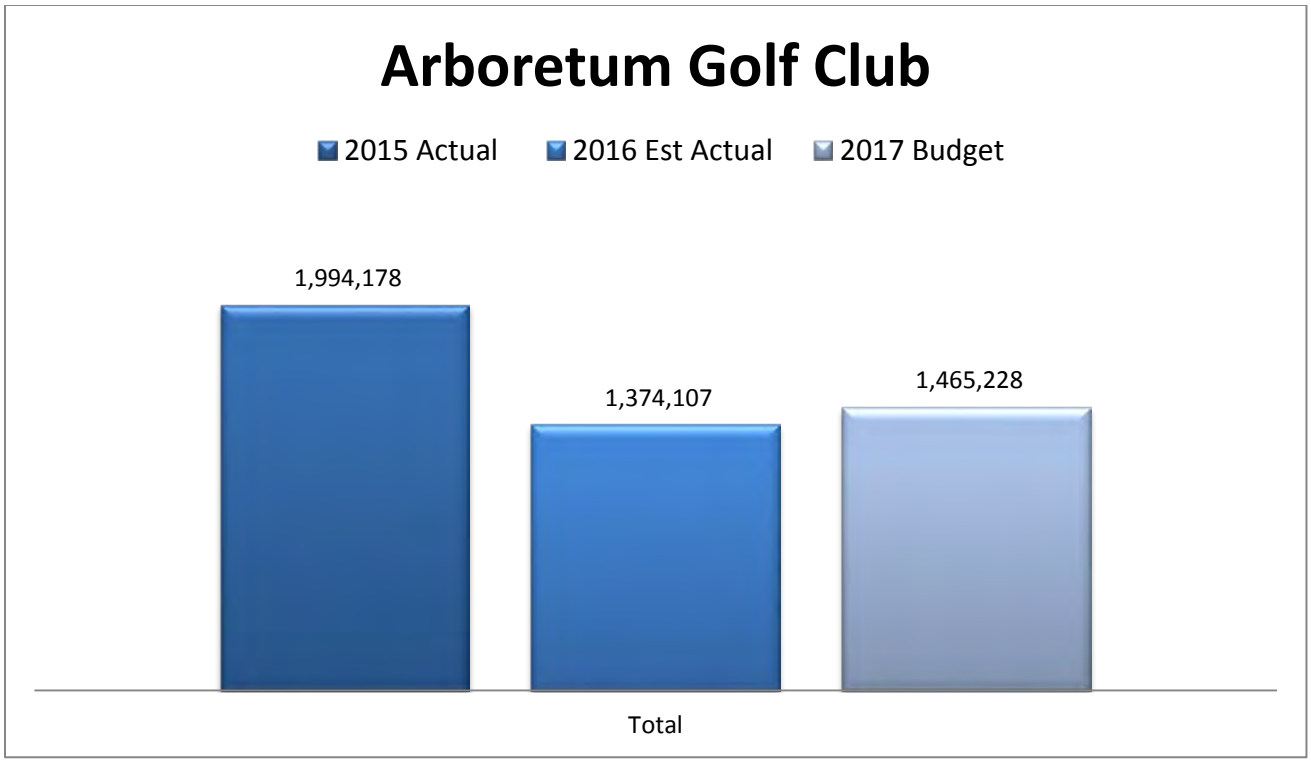
	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
560.80	Capital Projects Golf Course	4,591	-	16,000	10,000	15,000
55 - Capital Outlay		**45,591**	**43,126**	**88,600**	**80,600**	**555,600**
Percent Change 2017 vs. 2016 Budget						527.09%
65 - Other Financing Uses						
570.10	Operating Transfers Corporate Fund	4,000	13,100	-	-	-
65 - Other Financing Uses		**4,000**	**13,100**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget						0.00%
Department Total: 84 - Golf		**1,184,126**	**1,351,796**	**1,242,963**	**1,178,991**	**1,719,385**
Percent Change 2017 vs. 2016 Budget						38.33%

Budget Summary
Arboretum Golf Fund

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	240,881	157,952	168,400
Personal Benefits	51,745	44,889	46,590
Operating Expenses	1,092,629	1,033,135	1,072,995
Contractual Services	27,240	8,265	4,277
Repair & Maintenance	8,123	5,466	8,466
Commodities	53,555	50,000	53,000
Other Expenses	490,005	1,000	1,000
Capital Outlay	30,000	73,400	110,500
Total	1,994,178	1,374,107	1,465,228

Budget Variance
Arboretum Golf Fund

Line Item Number	Description	Percent Change	Amount Change	Description of Change
500.40	Salaries - Longevity	-33.33%	(200)	Employee anniversary.
505.15	Dues & Memberships	-12.50%	(200)	Reduced based on prior year activity.
505.75	Employer's Contribution - FICA	-33.85%	(5,343)	Director of Golf split between both courses.
505.80	Employer's Contribution - IMRF	-12.61%	(1,631)	Increase in IMRF rate to 13.89%.
505.85	Employer's Contribution Medicare	-33.84%	(1,249)	Director of Golf split between both courses.
510.21	IT Internal Svc Contribution	67.24%	4,497	Increase in internal service fund budget.
510.83	Credit Card Fees	15.38%	4,000	Increase in credit card payments.
515.10	Unemployment Insurance	-50%	(4,000)	Reduced due to outsourcing course maintenance.
515.15	Deductible - Worker's Comp	-100%	(57)	Reduced due to outsourcing course maintenance
515.20	Deductible - Non Wrker's Co	-100%	(38)	Reduced due to outsourcing course maintenance.
535.40	Facilities Irrigation System	-20%	(1,000)	Decrease due to current year needs.
530.05	Electricity - Facilities	-10%	(5,000)	Decrease due to historical trend.
530.20	Gas - Facilities	-46%	(7,000)	Decrease due to historical trend.
545.01	Internal Svc Central Garage	New	4,852	Allocation of shared internal fund services.
560.80	Capital Projects Golf Course	175%	35,000	Irrigation system repairs.


Arboretum Golf Club
2015 Actual
2016 Est Actual
2017 Budget
1,994,178
1,374,107
1,465,228
Total

Revenues

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**190 - Arboretum Golf Fund**					
	40 - Charges for Services					
445.10	Greens Fees	744,329	767,635	770,000	768,000	772,000
445.15	Power Cart Rental	182,744	192,221	190,000	190,000	190,000
445.20	Pull Cart Rental	848	864	900	1,000	940
445.30	Memberships & Passes	51,670	52,300	49,000	52,925	50,000
445.35	Merchandise Sales	51,546	53,772	51,000	51,000	51,500
445.36	Coupon Sales	29,221	23,860	27,000	21,474	23,000
445.40	Sales Tax	4,125	4,301	4,080	4,080	4,120
445.50	GPS Income	-	7,574	-	-	-
445.55	Club Rental Fees	3,160	2,040	3,000	2,000	3,000
445.56	Locker Room Rental	105	115	200	204	200
445.60	Rental Income Facility	60,468	50,258	55,000	55,000	55,000
445.70	Utility Reimbursement	30,957	20,054	25,000	25,000	25,000
445.90	Other Revenue	5,043	63,095	94,000	94,000	94,000
	40 - Charges for Services	**1,164,216**	**1,238,089**	**1,269,180**	**1,264,683**	**1,268,760**
	Percent Change 2017 vs. 2016 Budget					-0.03%
	50 - Miscellaneous Revenue					
465.65	Grants	17,630	-	-	-	-
	50 - Miscellaneous Revenue	**17,630**	**-**	**-**	**-**	**-**
	Percent Change 2017 vs. 2016 Budget					0.00%
	55 - Operating Transfers					
460.05	Interfund Transfers In	-	234,840	155,020	109,424	196,468
	55 - Operating Transfers	**-**	**234,840**	**155,020**	**109,424**	**196,468**
	Percent Change 2017 vs. 2016 Budget					26.74%
Fund Total: 190 - Arboretum Golf Fund		**1,181,845**	**1,472,929**	**1,424,200**	**1,374,107**	**1,465,228**
	Percent Change 2017 vs. 2016 Budget					2.88%

Expenses

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 190 - Arboretum Golf Fund						
Department: 84 - Golf						
10 - Salaries						
500.05	Full Time	225,454	130,752	50,000	47,552	50,000
500.10	Part Time	142,188	20,545	30,000	30,000	31,000
500.15	Seasonal	84,682	88,184	90,000	80,000	87,000
500.35	Overtime	18,039	-	-	-	-
500.40	Longevity	1,600	1,400	600	400	400
10 - Salaries		**471,963**	**240,881**	**170,600**	**157,952**	**168,400**
Percent Change 2017 vs. 2016 Budget						-1.29%
15 - Taxes and Benefits						
505.05	Group & Medical Life	42,639	10,561	21,000	21,000	21,000
505.10	Professional Training	2,552	-	-	-	-
505.15	Dues & Memberships	2,098	2,134	1,600	1,358	1,400
505.25	Uniform Maintenance	1,424	-	-	-	-
505.35	Safety Equipment	323	100	-	-	-
505.75	Employer's Contribution - FICA	29,218	14,931	15,784	9,794	10,441
505.80	Employer's Contribution - IMRF	50,075	20,527	12,938	10,446	11,307
505.85	Employer's Contribution Medicare	6,833	3,491	3,691	2,291	2,442
15 - Taxes and Benefits		**135,161**	**51,745**	**55,013**	**44,889**	**46,590**
Percent Change 2017 vs. 2016 Budget						-15.31%
25 - Operating Expenses						
510.02	Telephone	6,465	540	-	700	-
510.04	Travel	238	-	-	-	-
510.10	Maintenance Contracts	-	667,134	672,000	667,248	685,437
510.16	Printing	639	534	700	700	750
510.20	Computer Services	2,907	1,212	-	-	-
510.21	IT Internal Svc Contribution	-	21,368	6,688	5,987	11,185
510.28	Audit Fees	-	-	1,500	1,500	1,500
510.40	Supplies - Office	5,056	5,283	5,000	5,000	5,000
510.49	Supplies - Golf Course	9,870	13,033	13,500	13,500	14,000
510.70	Merchandise Purchases	39,668	47,978	45,000	47,000	47,000
510.73	Golf Cart Rental	57,638	66,605	55,000	55,000	55,000
510.79	Advertising & Promotions	12,127	16,060	10,000	10,000	10,000
510.83	Credit Card Fees	26,681	35,182	26,000	30,000	30,000
510.85	State Sales Tax	4,049	4,228	4,000	4,000	4,000
535.01	Building Mnt Internal Svc Cntrb	-	213,472	195,025	192,500	204,271
545.01	Central Garage Internal Svc	-	-	-	-	4,852
25 - Operating Expenses		**165,338**	**1,092,629**	**1,034,413**	**1,033,135**	**1,072,995**
Percent Change 2017 vs. 2016 Budget						3.73%
30 - Contractual Services						
515.05	Insurance Premium	265	265	265	265	277
515.10	Unemployment Insurance	25,000	26,975	8,000	8,000	4,000

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
515.15	Insurance Deductible - Worker's Comp	10,324	-	57	-	-
515.20	Insurance Deductible - Non Wrker's Co	-	-	38	-	-
30 - Contractual Services		**35,589**	**27,240**	**8,360**	**8,265**	**4,277**
Percent Change 2017 vs. 2016 Budget						-48.84%
40 - Repairs and Maintenance						
535.20	Buildings & Facilities	40,696	-	-	-	-
535.35	Golf Course	21,902	8,123	-	4,466	4,466
535.40	Irrigation System	7,121	-	5,000	1,000	4,000
545.05	Gasoline	19,239	-	-	-	-
550.05	Other Department Equipment	10,473	-	-	-	-
40 - Repairs and Maintenance		**99,431**	**8,123**	**5,000**	**5,466**	**8,466**
Percent Change 2017 vs. 2016 Budget						69.32%
45 - Commodities						
530.05	Electricity - Facilities	53,219	42,790	50,000	42,000	45,000
530.20	Gas - Facilities	4,663	7,607	15,000	8,000	8,000
530.45	Chemicals and Fertilizers	90,847	3,159	-	-	-
530.50	Small Equipment Tools & Hardware	1,289	-	-	-	-
45 - Commodities		**150,018**	**53,555**	**65,000**	**50,000**	**53,000**
Percent Change 2017 vs. 2016 Budget						-18.46%
50 - Other Expenses						
580.05	All Other Expenses	3,587	1,349	1,000	1,000	1,000
800	Depreciation	488,656	488,656	-	-	-
50 - Other Expenses		**492,243**	**490,005**	**1,000**	**1,000**	**1,000**
Percent Change 2017 vs. 2016 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	22,081	-	100	-	100
555.30	Reserve for Capital Replacement	30,000	20,000	-	-	-
555.50	Reserve for Buildings	13,940	10,000	10,000	10,000	10,000
555.60	Reserve for Infrastructure	-	-	45,400	45,400	45,400
560.30	Capital Projects Buildings & Structures	1,250	-	-	-	-
560.80	Capital Projects Golf Course	17,408	-	20,000	18,000	55,000
55 - Capital Outlay		**84,679**	**30,000**	**75,500**	**73,400**	**110,500**
Percent Change 2017 vs. 2016 Budget						46.36%
Department Total: 84 - Golf		**1,634,422**	**1,994,178**	**1,414,886**	**1,374,107**	**1,465,228**
Percent Change 2017 vs. 2016 Budget						3.56%

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 2017, the proposed revenue budget for the Village's Water and Sewer Fund totals $11,446,543 compared to $13,834,475 for FY 2016. This is a decrease of $2,387,932 or 17.26 percent. The drop in revenue is caused by the water meter replacement program completion. The installment note proceeds were recorded as miscellaneous revenue in FY2015 and FY2016. Water usage is projected to be low from a historical standpoint, but in line with the current trend of actual usage in 2015 and 2016. 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 2017 adjusts to $5.91/1,000 gallons. The Water rate is $4.74 and Sewer is $1.17. The combined rate will continue to increase four 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 2017. 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.

2017 Personnel Summary- Water/Sewer

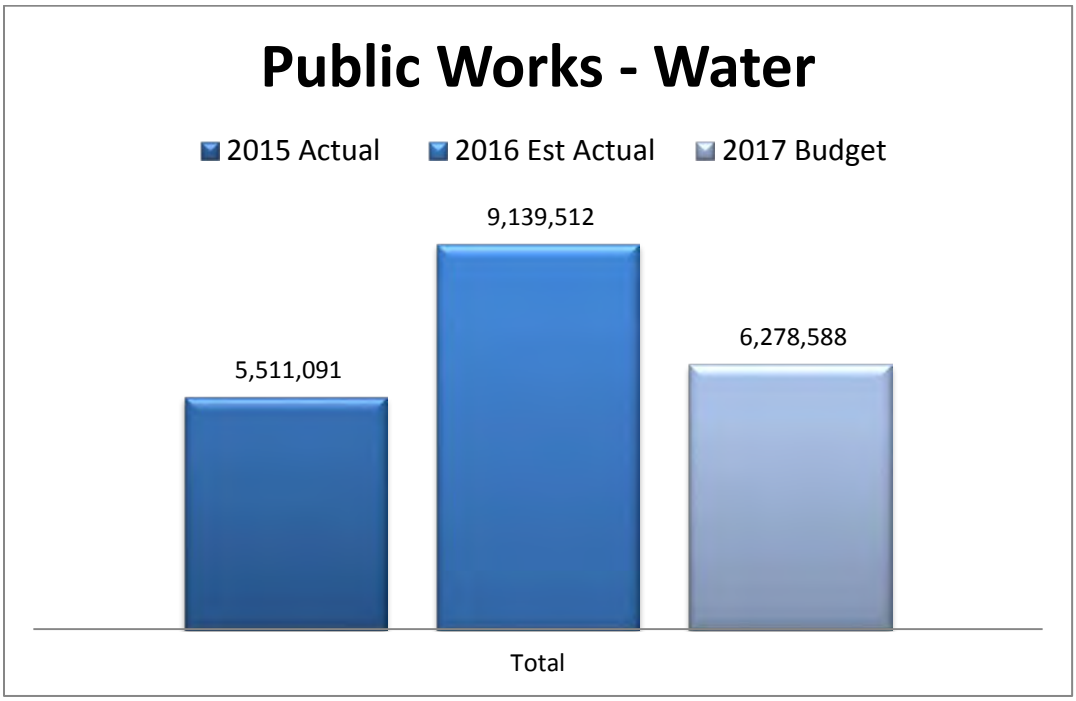
Water/Sewer	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Maintenance Worker I	8	0	6	0	7	0
Maintenance Worker II	13	0	14	0	14	0
Maintenance Worker II – CL	6	0	6	0	5	0
Water Manager	1	0	1	0	1	0
Sewer & Drainage Manager	1	0	1	0	1	0
Superintendent of Utilities	1	0	1	0	1	0
Total	30	0	29	0	29	0
Full & Part-Time Total	**30**		**29**		**29**	

Budget Summary
Water

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	535,885	601,723	676,217
Personal Benefits	209,262	299,507	318,520
Operating Expenses	2,101,453	2,178,913	2,262,453
Contractual Services	74,797	65,506	67,662
Repair & Maintenance	37,573	116,780	118,900
Commodities	216,899	266,200	286,300
Other Expenses	1,129,991	-	-
Capital Outlay	234,102	4,311,700	1,187,400
Debt Service	26,128	354,183	416,136
Other Financing Uses	945,000	945,000	945,000
Total	5,511,091	9,139,512	6,278,588

Budget Variance
Water

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.35	Overtime	32.65%	19,689	Based on last years OT hours work.
510.02	Telephone	-100.00%	(6,500)	Moved to internal service fund (IT).
510.21	IT Internal Svc Contribution	29.78%	14,187	Increase in internal service fund budget.
530.65	Water Meter Purchases	New	20,000	Meters to be purchased for new developments.
535.01	Building Mnt Internal Svc Cntrb	-11.88%	(25,563)	Decrease in allocation of internal service fund budget.
545.01	Central Garage Internal Svc	40.73%	50,362	Decrease in internal service fund budget.
555.10	Office and Other Equipment	-100.00%	(800)	Decrease in office equipment need.
560.60	Capital Projects Water System	-73.51%	(3,124,300)	Meter project is done.
565.10	Debt Service Principal	234.47%	179,495	Water Meter Project Installment Note Payment.
565.20	Debt Service Interest	-42.34%	(117,542)	Water Meter Project Installment Note Payment.



	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 170 - Water & Sewer Fund						
30 - Permits						
435.75	Water Connection Fees	1,650	5,275	1,500	10,700	2,500
435.76	Lake County Sewer Tap On Fees	30,600	84,506	50,000	160,000	50,000
435.77	Village Sewer Tap On Fees	450	4,600	1,000	5,050	1,000
435.78	Water Meter Sales	4,786	10,070	2,500	11,500	2,500
435.79	System Improvement Fees	6,800	18,182	5,000	19,000	5,000
30 - Permits		**44,286**	**122,633**	**60,000**	**206,250**	**61,000**
Percent Change 2017 vs. 2016 Budget						1.67%
40 - Charges for Services						
441.05	Sales of Water Resident - Regular	4,296,045	5,449,201	5,805,580	6,072,760	6,315,670
441.15	Sales of Water Debt Service Charge	(4)	-	-	-	-
441.20	Sales of Water Penalties	91,188	98,438	100,000	130,000	100,000
441.30	Sales of Water Construction Water	118	-	250	423	250
441.60	Sales of Water Fees - Turn On	1,271	1,300	1,000	500	1,000
442.05	Village Sewer Resident - Regular	1,071,335	1,358,903	1,458,645	1,500,791	1,560,823
443.00	Lake County Sewer Sanitary Sewer Service Fees	2,711,056	3,326,182	3,400,000	3,321,122	3,400,000
40 - Charges for Services		**8,171,009**	**10,234,024**	**10,765,475**	**11,025,596**	**11,377,743**
Percent Change 2017 vs. 2016 Budget						5.69%
45 - Interest Income						
450.05	Interest Income - Savings	3,014	-	500	5,000	5,000
450.10	Interest Income -Investment Pool	-	2,434	-	-	-
450.15	Interest Income - Money Market	9	3	-	-	-
450.20	Interest Income - CD's	4,333	884	5,000	300	300
450.25	Interest Income - Securities	11,462	1,250	3,500	2,500	2,500
450.35	Gain/Loss Security Transaction	-	5,541	-	-	-
45 - Interest Income		**18,818**	**10,112**	**9,000**	**7,800**	**7,800**
Percent Change 2017 vs. 2016 Budget						-13.33%
50 - Miscellaneous Revenue						
465.90	Miscellaneous Income	520,521	5,737	3,000,000	3,500,000	-
50 - Miscellaneous Revenue		**520,521**	**5,737**	**3,000,000**	**3,500,000**	**-**
Percent Change 2017 vs. 2016 Budget						-100.00%
55 - Operating Transfers						
460.05	Interfund Transfers In	-	596,218	-	-	-
55 - Operating Transfers		**-**	**596,218**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget						0.00%
Fund Total: 170 - Water & Sewer Fund		**8,754,634**	**10,968,724**	**13,834,475**	**14,739,646**	**11,446,543**
Percent Change 2017 vs. 2016 Budget						-17.26%

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**170 - Water & Sewer Fund**					
Department:	**55 - Public Works**					
Division:	**35 - Water**					
10 - Salaries						
500.05	Full Time	518,232	472,483	576,725	518,226	592,217
500.10	Part Time	753	-	-	-	-
500.35	Overtime	82,117	60,283	60,311	79,720	80,000
500.40	Longevity	3,500	3,119	4,000	3,777	4,000
10 - Salaries		**604,602**	**535,885**	**641,036**	**601,723**	**676,217**
Percent Change 2017 vs. 2016 Budget						5.49%
15 - Taxes and Benefits						
505	Personal Benefits	5,283	-	-	-	-
505.05	Group & Medical Life	112,581	86,643	181,000	160,000	171,950
505.10	Professional Training	1,604	4,001	4,200	3,142	4,578
505.15	Dues & Memberships	221	366	900	480	900
505.20	Clothing Allowance	1,239	581	2,100	2,121	2,100
505.25	Uniform Maintenance	795	-	-	-	-
505.26	Uniform Rental	2,179	2,801	2,700	2,500	2,700
505.35	Safety Equipment	6,795	2,013	7,000	6,400	7,000
505.75	Employer's Contribution - FICA	36,110	32,939	36,169	36,087	37,215
505.80	Employer's Contribution - IMRF	79,536	72,155	87,624	80,338	83,374
505.85	Employer's Contribution Medicare	8,445	7,763	9,160	8,439	8,703
15 - Taxes and Benefits		**254,787**	**209,262**	**330,853**	**299,507**	**318,520**
Percent Change 2017 vs. 2016 Budget						-3.73%
25 - Operating Expenses						
510	Operating Expenses	47	-	-	-	-
510.02	Telephone	4,572	2,963	6,500	5,900	-
510.10	Maintenance Contracts	60,230	17,771	114,000	118,600	120,443
510.12	Equipment Rental	-	-	1,018	1,000	1,018
510.14	Subscriptions & Publications	240	-	-	-	-
510.16	Printing	-	-	4,000	4,000	4,000
510.21	IT Internal Svc Contribution	-	36,361	47,641	42,644	61,828
510.40	Supplies - Office	931	975	500	519	500
510.50	Supplies - All Other	908	573	2,800	2,800	3,000
510.55	Operating Equip - Department	336	3,415	6,000	6,000	6,000
510.83	Credit Card Fees	1,064	1,192	2,000	2,000	2,000
510.84	Bank Fees	19,773	-	-	-	-
510.90	Northwest Water Commission	1,668,240	1,671,152	1,700,000	1,680,000	1,700,000
535.01	Building Mnt Internal Svc Cntrb	-	261,241	215,225	212,438	189,662
545.01	Central Garage Internal Svc	-	105,809	123,640	103,012	174,002
25 - Operating Expenses		**1,756,340**	**2,101,453**	**2,223,324**	**2,178,913**	**2,262,453**
Percent Change 2017 vs. 2016 Budget						1.76%

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
30 - Contractual Services						
515.05	Insurance Premium	46,868	46,868	46,868	46,868	49,024
515.10	Unemployment Insurance	1,600	1,600	1,600	1,600	1,600
515.15	Insurance Deductible - Worker's Comp	14,512	20,703	10,043	10,043	10,043
515.20	Insurance Deductible - Non Wrker's Co	8,789	5,627	6,995	6,995	6,995
30 - Contractual Services		**71,769**	**74,797**	**65,506**	**65,506**	**67,662**
Percent Change 2017 vs. 2016 Budget						3.29%
40 - Repairs and Maintenance						
535.05	Sidewalks, Curbs, & Bikeways	-	-	25,000	25,000	25,000
535.20	Buildings & Facilities	4,455	-	-	-	-
540.05	Water & Sewer Well Equipment	615	454	10,000	10,000	10,000
540.10	Water & Sewer Pumping Stations	11,738	10,039	10,000	9,280	10,900
540.15	Water & Sewer Watermains & Services	15,720	12,519	16,000	16,000	16,500
540.20	Water & Sewer Reservoirs	225	-	5,000	5,000	5,000
540.25	Water & Sewer Water Meters	5,666	572	15,000	15,000	15,000
540.30	Water & Sewer Hydrants & Valves	31,881	11,512	20,000	20,000	20,000
545	Vehicles	720	-	-	-	-
545.05	Gasoline	6,632	-	-	-	-
545.10	Diesel Fuel	10,756	-	-	-	-
545.15	Automotive Parts	6,162	-	-	-	-
545.20	Garage Labor	13,914	-	-	-	-
545.40	Contractual Auto Services	21,576	-	-	-	-
550.05	Other Department Equipment	32	2,478	16,000	16,000	16,000
550.10	Other Radios	570	-	500	500	500
40 - Repairs and Maintenance		**130,660**	**37,573**	**117,500**	**116,780**	**118,900**
Percent Change 2017 vs. 2016 Budget						1.19%
45 - Commodities						
530.15	Electricity - Water & Sewer	188,049	191,295	230,000	230,000	230,000
530.20	Gas - Facilities	2,901	1,853	4,400	4,400	4,400
530.45	Chemicals and Fertilizers	1,487	2,460	5,200	5,200	5,200
530.50	Small Equipment Tools & Hardware	1,503	1,699	1,600	1,600	1,700
530.60	Water Sample Analysis	15,400	19,592	25,000	25,000	25,000
530.65	Water Meter Purchases	25,597	-	-	-	20,000
45 - Commodities		**234,938**	**216,899**	**266,200**	**266,200**	**286,300**
Percent Change 2017 vs. 2016 Budget						7.55%
50 - Other Expenses						
580.05	All Other Expenses	1,007	-	-	-	-
580.40	Investment Fees	-	135	-	-	-
800	Depreciation	1,083,180	1,129,856	-	-	-
50 - Other Expenses		**1,084,187**	**1,129,991**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget						0.00%

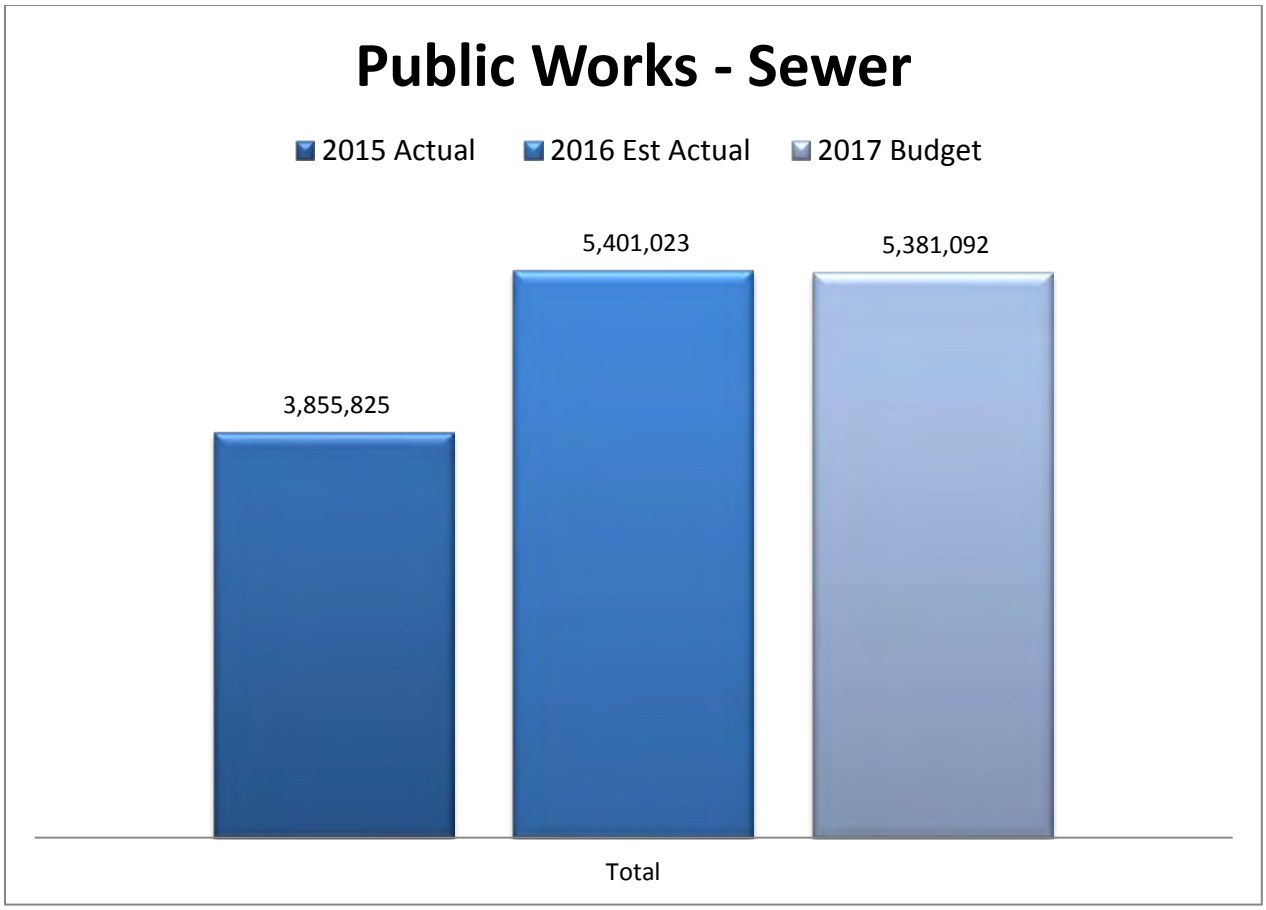
	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
55 - Capital Outlay						
555	Capital Equipment	-	113,874	-	-	-
555.10	Office and Other Equipment	-	529	800	-	-
555.30	Reserve for Capital Replacement	54,255	54,255	54,000	54,000	54,000
555.40	Reserve for Technology	2,088	1,500	1,500	1,500	1,500
555.50	Reserve for Buildings	6,265	6,265	6,200	6,200	6,200
560.60	Capital Projects Water System	232,898	57,680	4,250,000	4,250,000	1,125,700
55 - Capital Outlay		**295,506**	**234,102**	**4,312,500**	**4,311,700**	**1,187,400**
Percent Change 2017 vs. 2016 Budget						-72.47%
60 - Debt Service						
565.10	Debt Service Principal	(0)	17,033	76,553	76,553	256,048
565.20	Debt Service Interest	3,804	9,095	277,630	277,630	160,088
60 - Debt Service		**3,804**	**26,128**	**354,183**	**354,183**	**416,136**
Percent Change 2017 vs. 2016 Budget						17.49%
65 - Other Financing Uses						
570.10	Operating Transfers Corporate Fund	774,000	765,000	765,000	765,000	765,000
570.20	Operating Transfers Debt Service Fund	200,000	180,000	180,000	180,000	180,000
65 - Other Financing Uses		**974,000**	**945,000**	**945,000**	**945,000**	**945,000**
Percent Change 2017 vs. 2016 Budget						0.00%
Division Total: 35 - Water		**5,410,593**	**5,511,091**	**9,256,102**	**9,139,512**	**6,278,588**
Percent Change 2017 vs. 2016 Budget						-32.17%

Budget Summary
Sewer

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	343,266	331,312	348,000
Personal Benefits	146,646	171,230	204,175
Operating Expenses	226,659	273,562	267,796
Contractual Services	23,707	41,693	43,077
Repair & Maintenance	12,761	33,310	35,900
Commodities	2,919,963	3,407,472	3,496,500
Capital Outlay	182,822	1,142,444	985,644
Total	3,855,825	5,401,023	5,381,092

Budget Variance
Sewer

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
505.26	Uniform Rental	33.33%	400	Correction from error in last years budget.
505.75	Employer's Contribution - FICA	26.22%	5,401	Increase in budgeted payroll.
505.80	Employer's Contribution - IMRF	25.86%	11,918	Increase in IMRF rate to 13.89%.
505.85	Employer's Contribution Medicare	26.61%	1,282	Increase in budgeted payroll.
510.02	Telephone	-100.00%	(15,000)	Moved to internal service fund (IT).
510.10	Maintenance Contracts	-51.02%	(25,000)	SCADA Support Service agreement with BW.
510.21	IT Internal Svc Contribution	100.16%	17,766	Increase in internal service fund budget.
530.65	Water Meter Purchases	New	20,000	Added back to budget due to completion of Meter replacement program.
545.01	Vehicles Central Garage Internal Svc	-13.05%	(6,643)	Decrease in internal service fund budget.
560.70	Capital Projects Sewer System	-104.55%	12,893	Includes $900,000 for golfview lift station, 54000 smoke testing and $1.2 m for sanitary sewer replacement.


Public Works - Sewer
2015 Actual
2016 Est Actual
2017 Budget
3,855,825
5,401,023
5,381,092
Total

Expense

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**170 - Water & Sewer Fund**					
Department:	**55 - Public Works**					
Division:	**36 - Sewer**					
10 - Salaries						
500.05	Full Time	296,793	324,120	317,590	312,420	328,450
500.35	Overtime	15,964	14,827	15,000	18,114	16,350
500.40	Longevity	1,640	4,319	3,200	778	3,200
10 - Salaries		**314,397**	**343,266**	**335,790**	**331,312**	**348,000**
	Percent Change 2017 vs. 2016 Budget					3.64%
15 - Taxes and Benefits						
505	Personal Benefits	2,718	-	-	-	-
505.05	Group & Medical Life	53,444	69,481	107,500	90,000	102,125
505.10	Professional Training	775	679	1,600	1,440	1,600
505.15	Dues & Memberships	30	133	200	233	200
505.20	Clothing Allowance	279	373	700	580	750
505.25	Uniform Maintenance	174	-	-	-	-
505.26	Uniform Rental	699	1,466	1,200	1,500	1,600
505.35	Safety Equipment	2,258	1,233	7,800	7,020	7,800
505.75	Employer's Contribution - FICA	18,937	21,015	20,599	20,162	26,000
505.80	Employer's Contribution - IMRF	42,111	47,291	46,082	45,580	58,000
505.85	Employer's Contribution Medicare	4,429	4,975	4,818	4,715	6,100
15 - Taxes and Benefits		**125,854**	**146,646**	**190,499**	**171,230**	**204,175**
	Percent Change 2017 vs. 2016 Budget					7.18%
25 - Operating Expenses						
510.02	Telephone	15,207	1,924	15,000	13,000	-
510.10	Maintenance Contracts	12,238	28,845	49,000	46,312	24,000
510.12	Equipment Rental	-	-	200	150	200
510.14	Subscriptions & Publications	-	-	75	50	75
510.21	IT Internal Svc Contribution	-	16,143	17,738	15,877	35,504
510.40	Supplies - Office	132	208	500	420	500
510.50	Supplies - All Other	1,163	2,876	3,500	3,787	3,800
510.55	Operating Equip - Department	11,462	-	7,500	6,750	7,500
535.01	Building Mnt Internal Svc Cntrb	-	118,493	146,717	144,817	151,971
545.01	Central Garage Internal Svc	-	58,169	50,889	42,399	44,246
25 - Operating Expenses		**40,202**	**226,659**	**291,119**	**273,562**	**267,796**
	Percent Change 2017 vs. 2016 Budget					-8.01%
30 - Contractual Services						
515.05	Insurance Premium	32,748	30,477	30,093	30,093	31,477
515.10	Unemployment Insurance	800	800	800	800	800
515.15	Insurance Deductible - Worker's Comp	(2,120)	(7,570)	6,500	6,500	6,500

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
515.20	Insurance Deductible - Non Wrker's Co	4,028	-	4,300	4,300	4,300
30 - Contractual Services		**35,456**	**23,707**	**41,693**	**41,693**	**43,077**
Percent Change 2017 vs. 2016 Budget						3.32%
40 - Repairs and Maintenance						
535.05	Sidewalks, Curbs, & Bikeways	-	-	10,000	10,000	10,000
540.35	Water & Sewer Storm and Sanitary Sewers	5,056	6,661	5,500	4,950	5,500
540.40	Water & Sewer Lift Stations	5,256	6,101	14,000	12,600	14,000
545.05	Gasoline	2,015	-	-	-	-
545.10	Diesel Fuel	5,462	-	-	-	-
545.15	Automotive Parts	2,822	-	-	-	-
545.20	Garage Labor	7,039	-	-	-	-
545.40	Contractual Auto Services	99	-	-	-	-
550.05	Other Department Equipment	-	-	6,200	5,580	6,200
550.10	Other Radios	-	-	200	180	200
40 - Repairs and Maintenance		**27,750**	**12,761**	**35,900**	**33,310**	**35,900**
Percent Change 2017 vs. 2016 Budget						0.00%
45 - Commodities						
530.15	Electricity - Water & Sewer	36,219	37,865	45,000	35,000	45,000
530.50	Small Equipment Tools & Hardware	476	3,737	1,500	1,350	1,500
530.70	Lake County Tap-On Fees	30,600	159,256	50,000	50,000	50,000
530.75	Lake County Sanitary Sewer Fees	3,033,384	2,719,104	3,400,000	3,321,122	3,400,000
45 - Commodities		**3,100,679**	**2,919,963**	**3,496,500**	**3,407,472**	**3,496,500**
Percent Change 2017 vs. 2016 Budget						0.00%
50 - Other Expenses						
580.05	All Other Expenses	70	-	-	-	-
50 - Other Expenses		**70**	**-**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	-	529	700	-	700
555.30	Reserve for Capital Replacement	26,044	26,044	26,044	26,044	26,044
555.40	Reserve for Technology	1,350	1,400	1,400	1,400	1,400
555.50	Reserve for Buildings	3,580	3,580	3,500	3,500	3,500
560.70	Capital Projects Sewer System	84,010	151,269	1,235,000	1,111,500	954,000
55 - Capital Outlay		**114,984**	**182,822**	**1,266,644**	**1,142,444**	**985,644**
Percent Change 2017 vs. 2016 Budget						-22.18%
Division Total: 36 - Sewer		**3,759,392**	**3,855,825**	**5,658,145**	**5,401,023**	**5,381,092**
Percent Change 2017 vs. 2016 Budget						-4.90%

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 2016-2017 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 initial contract, upon renewal the rates will increase five percent on May 1, 2017. The effective rates are noted below and will be valid through April 30, 2019.

	Single Family Monthly Rate	Multi Family Monthly Rate
Solid Waste Collection with Cart	$7.99	$7.92
Recycling Collection with Cart	$3.36	1.94*
Landscape Collection without Cart	$3.15	-
Additional weekly service	$4.46*	NA
Tipping Fee	$5.65	$4.50
Total - 1 Collection per Week	$20.15	$12.42
Total - 2 Collections per Week	$24.61*	NA

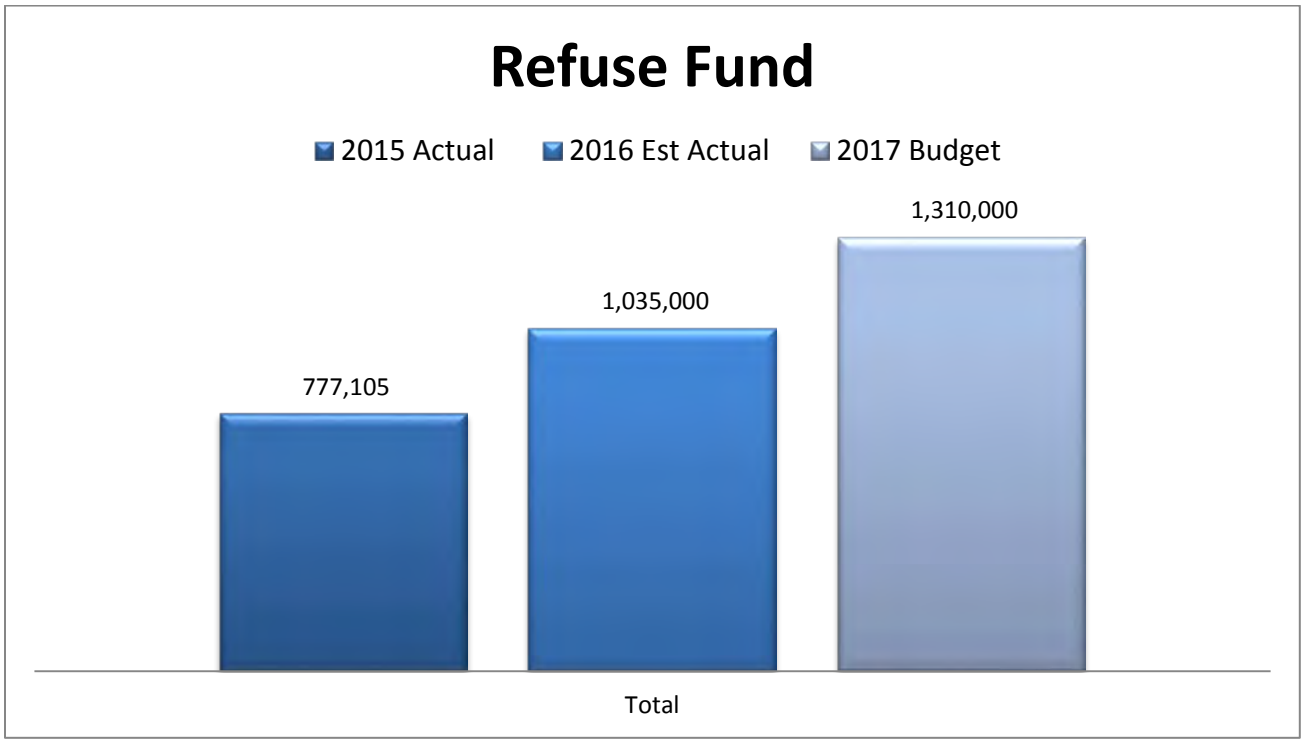
The tipping fee is charged by the Solid Waste Agency of Northern Cook County (SWANCC) and is administered outside of the Waste Management contract.
* Optional service

Budget Summary
Refuse

	2015 Actual	2016 Est Actual	2017 Budget
Other Expenses	702,105	760,000	760,000
Other Financing Uses	75,000	275,000	550,000
Total	777,105	1,035,000	1,310,000

Budget Variance
Refuse

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
570.10	Operating Transfers Corporate Fund	33.33%	25,000	Increase in Operating fund outlay for refuse.
570.20	Operating Transfers Debt Service	New	450,000	One time transfer for curb and gutter replacement of debt service used on street repair.
570.30	Operating Transfers Capital Projects Fund	-100.00%	(200,000)	Reclassed for transfer to debt service.


Refuse Fund
2015 Actual
2016 Est Actual
2017 Budget
777,105
1,035,000
1,310,000
Total

Revenue

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 200 - Refuse Fund						
50 - Miscellaneous Revenue						
465.55	SWANCC User Fees	1,044,442	1,039,875	1,040,000	1,045,000	1,045,000
50 - Miscellaneous Revenue		**1,044,442**	**1,039,875**	**1,040,000**	**1,045,000**	**1,045,000**
Percent Change 2017 vs. 2016 Budget						0.48%
Fund Total: 200 - Refuse Fund		**1,044,442**	**1,039,875**	**1,040,000**	**1,045,000**	**1,045,000**
Percent Change 2017 vs. 2016 Budget						0.48%

Expense

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 200 - Refuse Fund						
Department: 86 - Refuse						
50 - Other Expenses						
580.35	All Other Expense SWANCC User Fees	803,039	702,105	751,740	760,000	760,000
50 - Other Expenses		**803,039**	**702,105**	**751,740**	**760,000**	**760,000**
Percent Change 2017 vs. 2016 Budget						1.10%
65 - Other Financing Uses						
570.10	Operating Transfers Corporate Fund	-	75,000	75,000	75,000	100,000
570.20	Operating Transfers Debt Service Fund	-	-	-	-	450,000
570.30	Operating Transfers Capital Projects Fund	-	-	200,000	200,000	-
65 - Other Financing Uses		**-**	**75,000**	**275,000**	**275,000**	**550,000**
Percent Change 2017 vs. 2016 Budget						100.00%
Department Total: 86 - Refuse		**803,039**	**777,105**	**1,026,740**	**1,035,000**	**1,310,000**
Percent Change 2017 vs. 2016 Budget						27.59%

Section 8

Internal Service Funds

Information Technology Fund
Central Garage Fund
Building and Facility Maintenance Fund



Internal Service Funds

Internal Service Funds provide funding for services to other Village departments to efficiently provide goods and services to 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 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 charged to departments based on the square footage occupied. Central Garage costs are based on each department's historical usage of fuel, parts, and contracted repairs. The allocation of 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.

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. Contract administration is housed within the Office of the Village Manager. The Division is 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 Consortium, 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 IT infrastructure.

Information Technology allows all departments to access the network, email, and all other technologies. The IT fund allocations are distributed 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 reduce the costs of IT by sharing service providers, making joint purchases, and sharing infrastructure.

2017 Staffing Summary

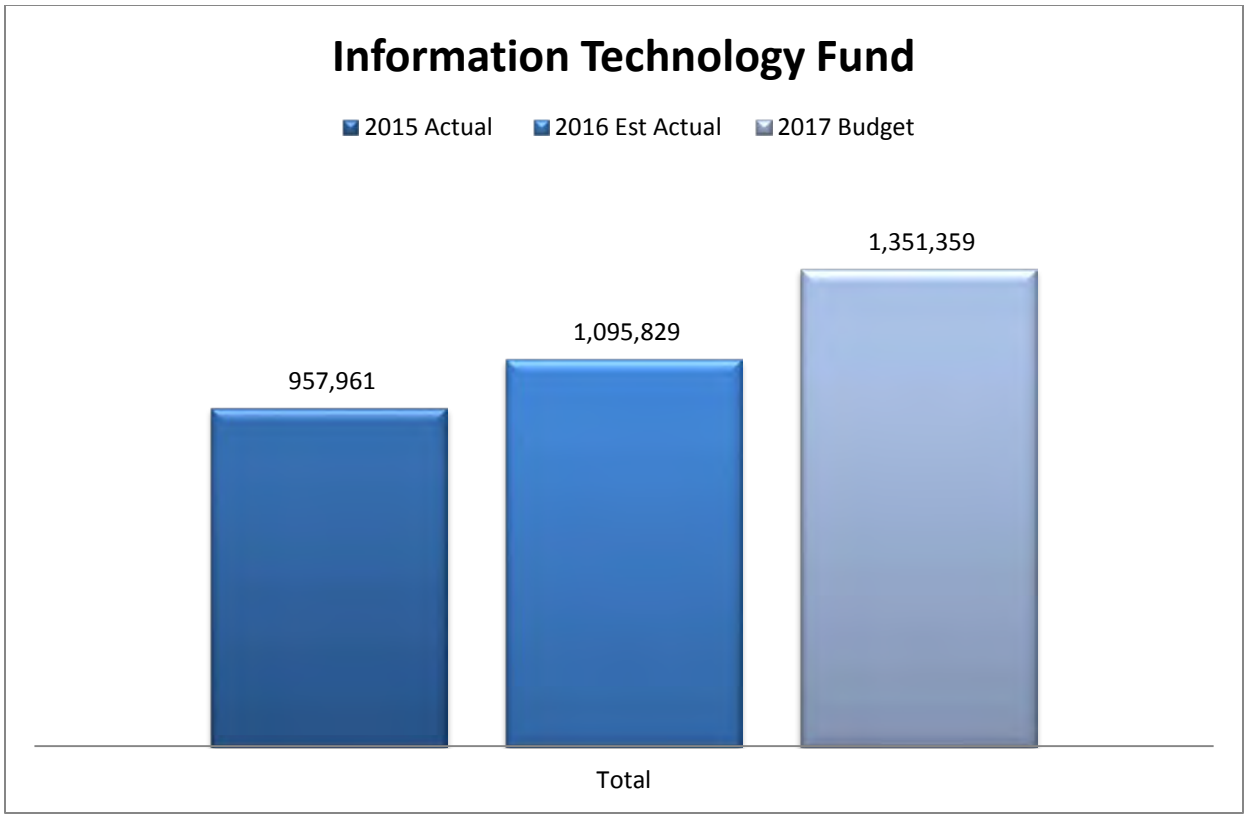
In 2014, the Village opted to join the Government IT Consortium and out-sourced the IT function.

Budget Summary
Information Technology

	2015 Actual	2016 Est Actual	2017 Budget
Operating Expenses	816,647	1,044,647	1,329,002
Contractual Services	17,357	17,357	17,357
Repair & Maintenance	7,273	1,606	5,000
Capital Outlay	116,685	32,219	-
Total	957,961	1,095,829	1,351,359

Budget Variance
Information Technology

Line Item Number	Description	Percent Change	Amount Change	Description of Change
510.02	Telephone	93.76%	98,450	Moved into Internal Service fund from all other Departments.
510.10	Maintenance Contracts	28.02%	227,349	Moved all IT contracts from other departments into IT Fund (including contracts from Police, Fire, Human Resources, an Public Works, final expenses for Cartegraph implementation, increase to InterDev contract and anticipated increase in Canon Copier lease up this year.
510.20	Computer Services	-69.74%	(165,270)	One-time projects eliminated such as Council Chambers A/V and purchase of Laserfiche web portal.
510.40	Supplies - Office	-100.00%	(1,200)	Reduced based on usage.
555.40	Reserve for Technology	-100.00%	(32,219)	Included with each departments capital contribution.


Information Technology Fund
2015 Actual
2016 Est Actual
2017 Budget
957,961
1,095,829
1,351,359
Total

Revenues

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 211 - Information Technology Fund					
55 - Operating Transfers					
461.01 Contributions Information Technology Fund	-	957,961	1,224,249	1,095,829	1,351,359
55 - Operating Transfers	**-**	**957,961**	**1,224,249**	**1,095,829**	**1,351,359**
Percent Change 2017 vs. 2016 Budget					10.38%

Expenses

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 211 - Information Technology Fund					
Department: 92 - Information Technology					
10 - Salaries					
500.05 Full Time	216,407	-	-	-	-
500.35 Overtime	233	-	-	-	-
500.40 Longevity	1,400	-	-	-	-
10 - Salaries	218,039	-	-	-	-
Percent Change 2017 vs. 2016 Budget					0.00%
15 - Taxes and Benefits					
505.05 Group & Medical Life	33,907	-	-	-	-
505.10 Professional Training	14,497	-	-	-	-
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	94,765	-	-	-	-
Percent Change 2017 vs. 2016 Budget					0.00%
25 - Operating Expenses					
510.02 Telephone	12,772	67,352	105,000	105,000	203,450
510.04 Travel	176	-	-	-	-
510.06 Per Diem Allowance	220	-	-	-	-
510.08 Reception & Community Affairs	32	-	-	-	-
510.10 Maintenance Contracts	343,294	607,366	811,503	806,073	1,038,852
510.14 Subscriptions & Publications	234	732	15,000	15,000	15,000
510.20 Computer Services	85,238	139,767	236,970	118,574	71,700
510.40 Supplies - Office	3,939	1,431	1,200	-	-

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
25 - Operating Expenses		445,905	816,647	1,169,673	1,044,647	1,329,002
Percent Change 2017 vs. 2016 Budget						13.62%
30 - Contractual Services						
515.05	Insurance Premium	1,016	-	-	-	-
515.20	Insurance Deductible - Non Wrker's Co	-	17,357	17,357	17,357	17,357
30 - Contractual Services		1,016	17,357	17,357	17,357	17,357
Percent Change 2017 vs. 2016 Budget						0.00%
40 - Repairs and Maintenance						
550.05	Other Department Equipment	691	7,273	5,000	1,606	5,000
40 - Repairs and Maintenance		691	7,273	5,000	1,606	5,000
Percent Change 2017 vs. 2016 Budget						0.00%
50 - Other Expenses						
580.05	All Other Expenses	95	-	-	-	-
50 - Other Expenses		95	-	-	-	-
Percent Change 2017 vs. 2016 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	4,674	-	-	-	-
555.40	Reserve for Technology	112,196	116,685	32,219	32,219	-
555.50	Reserve for Buildings	2,685	-	-	-	-
55 - Capital Outlay		**119,555**	**116,685**	**32,219**	**32,219**	**-**
Percent Change 2017 vs. 2016 Budget						-100.00%
Fund Total: 92 - Information Technology		880,067	957,961	1,224,249	1,095,829	1,351,359
Percent Change 2017 vs. 2016 Budget						10.38%

Central Garage Fund

The department goals for Central Garage Fund are included in 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.

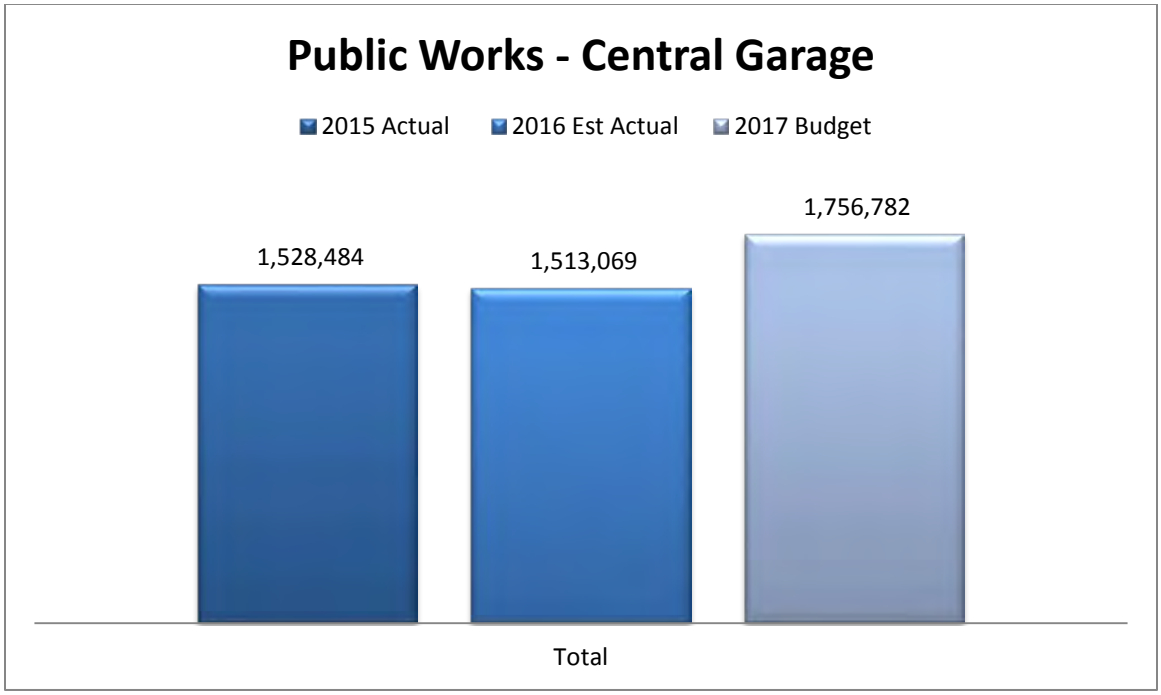
Central Garage	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Automotive Mechanic II	3	0	3	0	1	0
Automotive Mechanic III	1	0	1	0	3	0
Automotive Shop Assistant	0	1	0	1	0	1
Fleet Manager	1	0	1	0	1	0
Total	5	1	5	1	5	1
Full & Part-Time Total	6		6		6	

Budget Summary
Garage

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	537,281	505,833	502,047
Personal Benefits	248,109	240,747	252,945
Operating Expenses	44,452	15,889	21,852
Contractual Services	23,399	32,320	32,320
Repair & Maintenance	635,606	653,876	887,400
Commodities	1,798	9,186	5,000
Other Expenses	101	-	-
Capital Outlay	37,739	55,218	55,218
Total	1,528,484	1,513,069	1,756,782

Budget Variances
Garage

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.10	Part Time	-23.86%	(4,384)	New employee; lower pay scale.
500.35	Overtime	11.11%	700	Increased OT trend, cost of living adjustment.
505.10	Professional Training	114.29%	800	Added DDPW & Maint. Super (17% & 25% respectively).
510.02	Telephone	-100.00%	(1,500)	Moved to internal service fund (IT).
510.14	Subscriptions & Publications	-98.55%	(5,420)	CFA moved to IT fund.
510.50	Supplies - All Other	50.00%	2,500	Increased repair cost trending
510.55	Operating Equip - Department	-36.87%	(5,840)	Replacement of equipment, removed.
545.10	Vehicles Diesel Fuel	-21.62%	(51,028)	Market rate.
545.40	Vehicles Contractual Auto Services	32.24%	67,045	Several large FD contractual jobs.
530.50	Small Equipment Tools & Hardware	66.67%	2,000	Equipment needed for new fleet adds.
550.20	Radio's	New	200	Equipment required for fleet.



Revenues

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 212 - Central Garage Fund					
55 - Operating Transfers					
461.03 Contributions Central Garage Fund	-	1,528,484	1,791,878	1,492,926	1,756,782
55 - Operating Transfers	-	1,528,484	1,791,878	1,492,926	1,756,782
Percent Change 2017 vs. 2016 Budget					-1.96%
Fund Total: 212 - Central Garage Fund	-	1,528,484	1,791,878	1,492,926	1,756,782
Percent Change 2017 vs. 2016 Budget					-1.96%

Expenditures

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 212 - Central Garage Fund					
Department: 93 - Central Garage					
10 - Salaries					
500.05 Full Time	462,210	499,684	524,953	484,100	476,397
500.10 Part Time	16,856	16,897	18,370	10,245	13,986
500.35 Overtime	1,057	16,114	6,300	6,888	7,000
500.40 Longevity	4,300	4,586	4,664	4,600	4,664
10 - Salaries	484,423	537,281	554,287	505,833	502,047
Percent Change 2017 vs. 2016 Budget					-9.42%
15 - Taxes and Benefits					
505 Personal Benefits	4,484	-	-	-	-
505.05 Group & Medical Life	137,745	130,143	116,250	125,245	125,245
505.10 Professional Training	150	60	700	406	1,500
505.15 Dues & Memberships	311	133	200	200	200
505.20 Clothing Allowance	758	563	1,069	1,000	1,069
505.26 Uniform Rental	3,977	4,518	4,898	4,056	4,898
505.35 Safety Equipment	-	699	750	450	750
505.75 Employer's Contribution - FICA	28,860	32,536	34,366	31,767	34,366
505.80 Employer's Contribution - IMRF	64,352	71,657	76,880	70,194	76,880
505.85 Employer's Contribution Medicare	6,816	7,801	8,037	7,429	8,037
15 - Taxes and Benefits	247,453	248,109	243,150	240,747	252,945
Percent Change 2017 vs. 2016 Budget					4.03%
25 - Operating Expenses					
510.02 Telephone	1,002	786	1,500	795	-
510.10 Maintenance Contracts	-	1,661	3,500	2,276	3,500
510.12 Equipment Rental	-	-	300	-	300
510.14 Subscriptions & Publications	2,660	3,915	5,500	3,500	80
510.21 IT Internal Svc Contribution	-	24,288	-	-	-
510.40 Supplies - Office	-	92	472	472	472
510.50 Supplies - All Other	4,434	5,126	5,000	5,346	7,500

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
510.55	Operating Equip - Department	6,794	8,584	15,840	3,500	10,000
25 - Operating Expenses		14,890	44,452	32,112	15,889	21,852
Percent Change 2017 vs. 2016 Budget						-31.95%
30 - Contractual Services						
515.05	Insurance 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	Insurance Deductible - Worker's Comp	3,954	22,399	4,945	4,945	4,945
515.20	Insurance Deductible - Non Wrker's Co	-	-	3,297	3,297	3,297
30 - Contractual Services		28,032	23,399	32,320	32,320	32,320
Percent Change 2017 vs. 2016 Budget						0.00%
40 - Repairs and Maintenance						
545	Maintenance & Repairs - Vehicles	-	14,206	-	-	-
545.05	Gasoline	206,183	144,881	221,058	115,885	225,000
545.10	Diesel Fuel	198,449	111,492	236,028	74,916	185,000
545.15	Automotive Parts	159,099	165,060	194,250	167,137	190,000
545.25	Lubricants	5,250	7,231	8,500	6,649	8,200
545.35	Body Work	-	180	-	-	-
545.40	Contractual Auto Services	137,757	191,005	207,955	287,789	275,000
550.05	Other Department Equipment	3,051	1,549	4,000	1,500	4,000
550.10	Radios	-	-	-	-	200
40 - Repairs and Maintenance		709,790	635,606	871,791	653,876	887,400
Percent Change 2017 vs. 2016 Budget						1.79%
45 - Commodities						
530.50	Equipment Tools & Hardware	1,902	1,798	3,000	9,186	5,000
45 - Commodities		1,902	1,798	3,000	9,186	5,000
Percent Change 2017 vs. 2016 Budget						66.67%
50 - Other Expenses						
580.05	All Other Expenses	-	101	-	-	-
50 - Other Expenses		-	101	-	-	-
Percent Change 2017 vs. 2016 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	-	529	1,400	1,400	1,400
555.20	Automobiles & Trucks	1,023,425	2,135	18,743	18,743	18,743
555.30	Reserve for Capital Replacement	20,511	30,000	30,000	30,000	30,000
555.40	Reserve for Technology	900	600	600	600	600
555.50	Reserve for Buildings	4,475	4,475	4,475	4,475	4,475
55 - Capital Outlay		1,049,311	37,739	55,218	55,218	55,218
Percent Change 2017 vs. 2016 Budget						0.00%
Department Total: 93 - Central Garage		2,535,801	1,528,484	1,791,878	1,513,069	1,756,782
Percent Change 2017 vs. 2016 Budget						-1.96%

Building Maintenance Fund

The department goals for the Building Maintenance Department are included in 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 for 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.

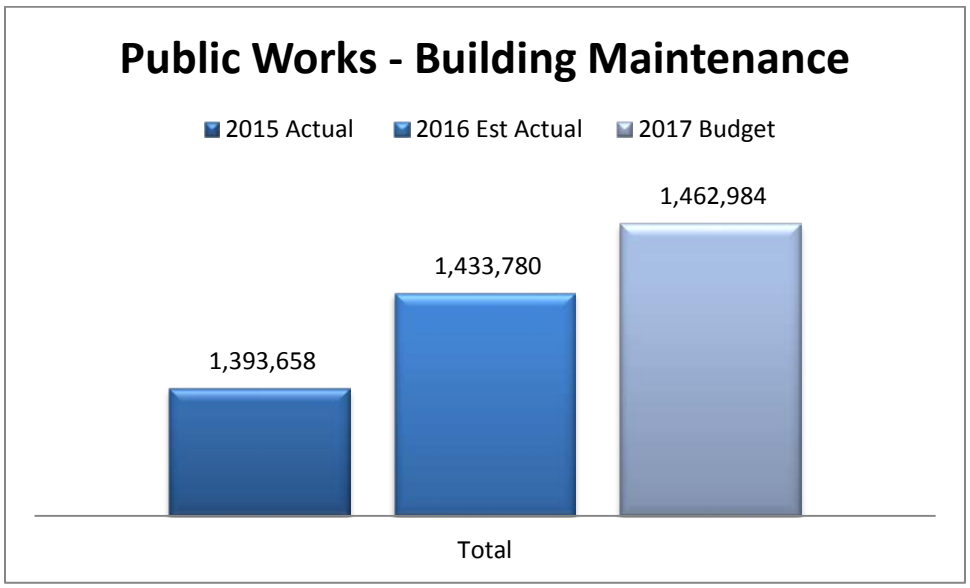
Building Maintenance	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	FT	PT	FT
Building Maintenance Supervisor	1	0	0	0	0	0
Building Maintenance Manager	0	0	1	0	1	0
Building Maintenance Worker	2	0	2	0	2	0
Building Maintenance Worker II – CL	1	0	1	0	1	0
Total	4	0	4	0	4	0
Full & Part-Time Total	4		4		4	

Budget Summary
Building Maintenance

	2015 Actual	2016 Est Actual	2017 Budget
Personal Services	357,091	399,157	427,596
Personal Benefits	187,306	191,850	194,502
Operating Expenses	135,478	133,890	184,094
Contractual Services	11,106	26,846	26,846
Repair & Maintenance	533,498	477,388	462,675
Commodities	149,442	179,649	142,251
Other Expenses	81	-	-
Capital Outlay	19,656	25,000	25,020
Total	1,393,658	1,433,780	1,462,984

Budget Variance
Building Maintenance

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
500.35	Overtime	27.01%	2,701	Increased OT trend anticipation.
500.40	Longevity	15.02%	400	Employee at new plateau.
505.10	Professional Training	87.50%	1,750	$500 per employee for various HVAC, electrical, service specific training x 4. $1,000 for RPZ backflow device certification $500 for 25% of Maintenance Superintendent annual training. $250 for 17% of Deputy Director annual training.
505.15	Dues & Memberships	25.00%	125	APWA Memberships Electrical & Plumbing License renewals CDL license reimbursements.
510.02	Telephone	-100.00%	(2,500)	Moved to Internal Service Fund (IT).
510.10	Maintenance Contracts	34.87%	37,769	Elevator Maint. & Inspections Fire Alarm Maint. & Inspections Flat Roof Repairs Overhead door Maint. Security & Surveillance repair Cleaning contract; all facilities.
535.20	Facilities Buildings & Facilities	12.99%	28,078	Village Remodeling Request - $159,300 Keep Stock items - $20,000 BM Expenses - $30,000.
535.35	Facilities Golf Course	-100.00%	(56,800)	Removed from this line item; CIP.
530.10	Electricity - Street Lights	28.23%	27,661	Increased based on historical trend.
530.25	Gas - Street Lights	-100.00%	(5,500)	Gas lighting has been removed and replaced with Solar lighting.



Revenue

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 213 - Building Maintenance Fund						
55 - Operating Transfers						
461.02	Contributions Building Maintenance Fund	-	1,392,642	1,396,763	1,433,780	1,462,984
55 - Operating Transfers		**-**	**1,392,642**	**1,396,763**	**1,433,780**	**1,462,984**
Percent Change 2017 vs. 2016 Budget						4.74%
Fund Total: 213 - Building Maintenance		**-**	**1,392,642**	**1,396,763**	**1,433,780**	**1,462,984**
Percent Change 2017 vs. 2016 Budget						4.74%

Expenditures

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 213 - Building Maintenance Fund						
Department: 94 - Building Maintenance						
10 - Salaries						
500.05	Full Time	292,961	342,376	382,906	382,906	411,831
500.10	Part Time	770	-	-	-	-
500.35	Overtime	10,479	12,430	10,000	13,587	12,701
500.40	Longevity	3,200	2,286	2,664	2,664	3,064
10 - Salaries		**307,410**	**357,091**	**395,570**	**399,157**	**427,596**
Percent Change 2017 vs. 2016 Budget						8.10%
15 - Taxes and Benefits						
505	Personal Benefits	2,909	-	-	-	-
505.05	Group & Medical Life	91,160	101,685	95,250	95,250	95,250
505.10	Professional Training	920	649	2,000	2,000	3,750
505.15	Dues & Memberships	366	90	500	500	625
505.20	Clothing Allowance	953	366	875	900	955
505.26	Uniform Rental	9,606	6,583	6,273	6,273	6,620
505.35	Safety Equipment	-	1,707	2,000	1,800	2,175
505.75	Employer's Contribution - FICA	18,233	22,062	24,525	24,525	24,525
505.80	Employer's Contribution - IMRF	41,256	48,982	54,866	54,866	54,866
505.85	Employer's Contribution Medicare	4,264	5,182	5,736	5,736	5,736
15 - Taxes and Benefits		**169,668**	**187,306**	**192,025**	**191,850**	**194,502**
Percent Change 2017 vs. 2016 Budget						1.29%
25 - Operating Expenses						
510.02	Telephone	4,944	2,405	2,500	2,270	-
510.10	Maintenance Contracts	65,068	76,211	108,300	98,000	146,069

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
510.12	Equipment Rental	11,682	-	540	300	590
510.14	Subscriptions & Publications	-	-	220	220	240
510.20	Computer Services	-	339	-	-	-
510.21	IT Internal Svc Contribution	-	17,113	-	-	-
510.40	Supplies - Office	489	673	600	600	600
510.50	Supplies - All Other	1,883	8,502	33,350	32,000	36,000
510.55	Operating Equip - Department	-	-	545	500	595
545.01	Central Garage Internal Svc	-	30,234	-	-	-
25 - Operating Expenses		**84,066**	**135,478**	**146,055**	**133,890**	**184,094**
Percent Change 2017 vs. 2016 Budget						26.04%
30 - Contractual Services						
515.05	Insurance Premium	17,823	-	17,900	17,900	17,900
515.10	Unemployment Insurance	800	3,356	800	800	800
515.15	Insurance Deductible - Worker's Comp	(1,430)	7,750	5,600	5,600	5,600
515.20	Insurance Deductible - Non Wrker's Co	-	-	2,546	2,546	2,546
30 - Contractual Services		**17,193**	**11,106**	**26,846**	**26,846**	**26,846**
Percent Change 2017 vs. 2016 Budget						0.00%
40 - Repairs and Maintenance						
535	Facilities	7,123				
535.05	Sidewalks, Curbs, & Bikeways	-	13,778	-	-	-
535.10	Streets & Highways	788	-	-	-	-
535.15	Street Lights	203,829	201,528	216,000	160,102	216,000
535.20	Buildings & Facilities	97,557	305,964	216,222	315,233	244,300
535.35	Golf Course	-	11,150	56,800	-	-
535.40	Irrigation System	-	1,077	-	53	-
550.05	Other Department Equipment	-	-	2,100	2,000	2,275
550.10	Radios	-	-	100	-	100
40 - Repairs and Maintenance		**302,174**	**533,498**	**491,222**	**477,388**	**462,675**
Percent Change 2017 vs. 2016 Budget						-5.81%
45 - Commodities						
530.10	Electricity - Street Lights	129,904	119,539	98,000	122,931	125,661
530.20	Gas - Facilities	69,227	24,183	16,000	53,726	16,000
530.25	Gas - Street Lights	9,982	5,405	5,500	2,447	-
530.50	Small Equipment Tools & Hardware	-	314	545	545	590
45 - Commodities		**209,114**	**149,442**	**120,045**	**179,649**	**142,251**
Percent Change 2017 vs. 2016 Budget						18.50%

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
50 - Other Expenses						
580.05	All Other Expenses	269	81	-	-	-
50 - Other Expenses		**269**	**81**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget						0.00%
55 - Capital Outlay						
555.10	Office and Other Equipment	-	529	250	250	270
555.20	Automobiles & Trucks	-	-	5,623	5,623	5,623
555.30	Reserve for Capital Replacement	14,207	14,207	14,207	14,207	14,207
555.40	Reserve for Technology	1,000	1,000	1,000	1,000	1,000
555.50	Reserve for Buildings	3,580	3,920	3,920	3,920	3,920
55 - Capital Outlay		**18,787**	**19,656**	**25,000**	**25,000**	**25,020**
Percent Change 2017 vs. 2016 Budget						0.08%
Total: 94 - Building Maintenance		**1,108,681**	**1,393,658**	**1,396,763**	**1,433,780**	**1,462,984**
Percent Change 2017 vs. 2016 Budget						4.74%

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 4.00-8.67 percent.

The Police Pension Board has invested, as of August 31, 2016, 57.34 percent of its investment portfolio in equity related instruments (mutual funds and separate stocks) and 42.66 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 00.33 percent, net of investment fees. The previous fiscal year return was 7.10 percent, with a five year return of 7.61 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

	January 1, 2014	January 1, 2015	January 1, 2016
Unfunded Liability (in thousands)	24,553	25,088	32,620
Assets (in thousands)	52,540	56,254	56,510
Percent Funded	69.19%	69.16%	63.34%
Number of Active Participants	63	63	61
Number of Inactive Participants	48	48	50

Data has been obtained from the actuarial report that coincides with the date of the column.

Departmental Staffing

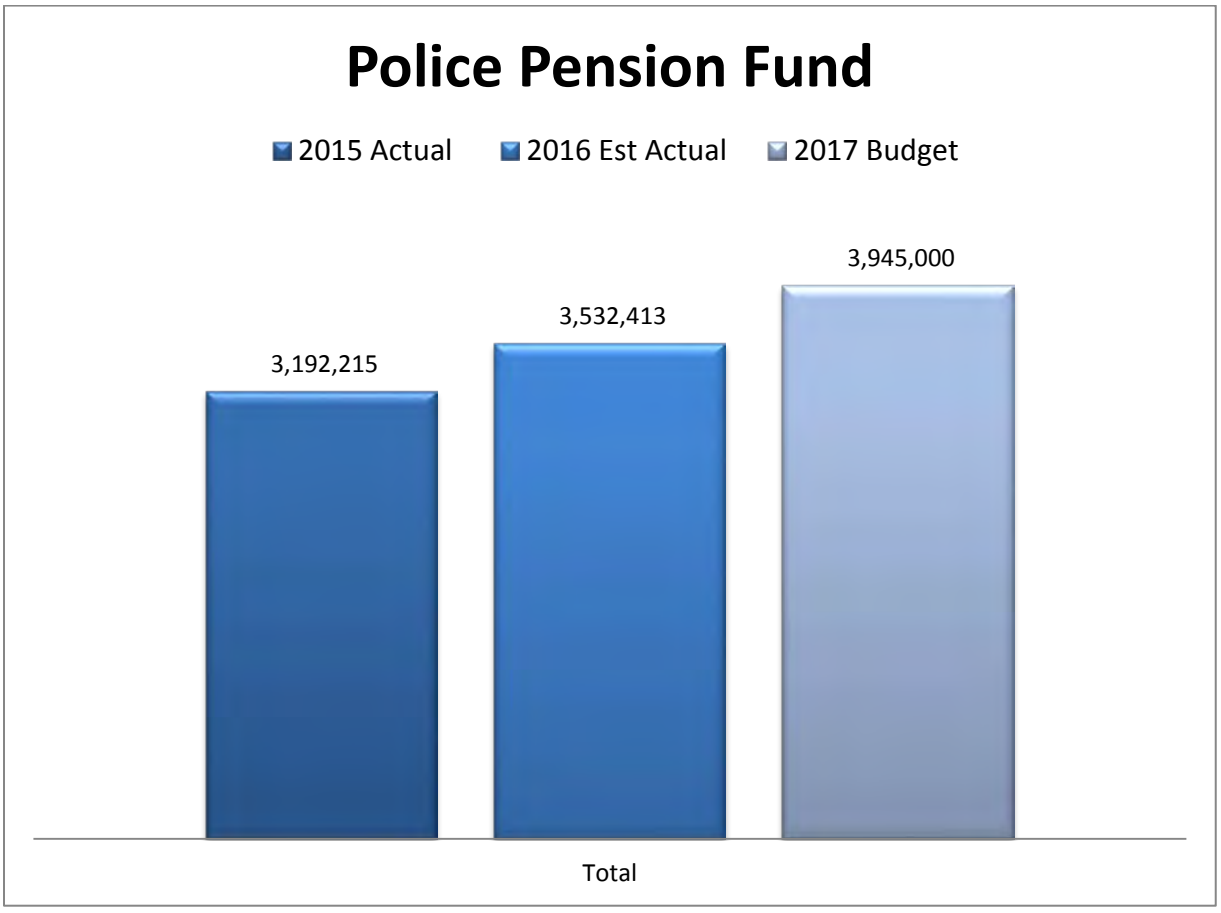
No full time or part time employees are assigned to this program.

Budget Summary
Police Pension Fund

	2015 Actual	2016 Est Actual	2017 Budget
Personal Benefits	2,969,656	3,242,593	3,650,000
Other Expenses	222,558	289,820	295,000
Total	3,192,215	3,532,413	3,945,000

Budget Variance
Police Pension Fund

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
505.55	Survivor Pension - Police	43.62%	75,925	Additional Retirees.
505.60	Pension Payment - Police	10.16%	295,177	Additional Retirees.
505.65	Disability Payment - Police	-45.25%	(41,318)	Decrease in Retirees.



Revenue

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 220 - Police Pension Fund						
	15 - Other Taxes					
410.50	State Shared Replacement Tax	-	12,729	-	10,890	8,742
	15 - Other Taxes	**-**	**12,729**	**-**	**10,890**	**8,742**
	Percent Change 2017 vs. 2016 Budget					0.00%
	45 - Interest Income					
450.25	Securities	454,322	510,436	495,000	59,819	300,000
450.26	Fixed Income	197,252	204,137	250,000	260,379	250,000
450.45	Stock Dividend	168,697	148,550	200,000	435,356	250,000
450.50	Fixed Income	382,168	(55,682)	125,000	484,944	200,000
450.55	Mutual Funds	372	(384,275)	60,000	573,496	150,000
450.60	Equity Securities	2,778,211	(53,844)	2,000,000	2,013,019	2,000,000
	45 - Interest Income	**3,981,022**	**369,321**	**3,130,000**	**3,827,013**	**3,150,000**
	Percent Change 2017 vs. 2016 Budget					0.64%
	50 - Miscellaneous Revenue					
465.41	Pension Contributions - EE	654,674	669,027	663,222	606,730	682,740
465.90	Miscellaneous Income	20	50	-	-	-
	50 - Miscellaneous Revenue	**654,694**	**669,077**	**663,222**	**606,730**	**682,740**
	Percent Change 2017 vs. 2016 Budget					2.94%
	55 - Operating Transfers					
460.05	Interfund Transfers In	2,083,758	2,271,586	2,440,239	2,262,101	2,525,647
	55 - Operating Transfers	**2,083,758**	**2,271,586**	**2,440,239**	**2,262,101**	**2,525,647**
	Percent Change 2017 vs. 2016 Budget					3.50%
Fund Total: 220 - Police Pension		**6,719,474**	**3,322,713**	**6,233,461**	**6,706,734**	**6,367,129**
	Percent Change 2017 vs. 2016 Budget					2.14%

Expense

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 220 - Police Pension Fund						
Department: 88 - Police Pension						
15 - Taxes and Benefits						
505.55	Survivor Pension - Police	98,534	190,224	174,075	217,610	250,000
505.60	Pension Payment - Police	2,461,964	2,709,467	2,904,823	2,959,886	3,200,000
505.65	Disability Payment - Police	89,528	69,966	91,318	42,579	50,000
505.70	Pension Refund - Police	97,566	-	150,000	22,518	150,000
15 - Taxes and Benefits		**2,747,592**	**2,969,656**	**3,320,216**	**3,242,593**	**3,650,000**
Percent Change 2017 vs. 2016 Budget						9.93%
50 - Other Expenses						
580.05	All Other Expenses	33,343	39,871	42,500	41,150	45,000
580.40	Investment Fees	224,535	182,688	250,000	248,670	250,000
50 - Other Expenses		**257,878**	**222,558**	**292,500**	**289,820**	**295,000**
Percent Change 2017 vs. 2016 Budget						0.85%
Department Total: 88 - Police Pension		**3,005,470**	**3,192,215**	**3,612,716**	**3,532,413**	**3,945,000**
Percent Change 2017 vs. 2016 Budget						9.20%

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 4.25 to 9.73 percent.

The Firefighters Pension Board has invested 55.44 percent of its portfolio in equity related instruments (mutual funds and separate stocks) and 44.56 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 is 1.33 percent, net of investment fees. The prior year rate of return was 7.01 percent, and the five year return is 7.00 percent.

The 2017 budget includes pensions for 36 annuitants. 28 are traditional retirements, four are disability pensions and four surviving spouse/children.

Performance Activities and Measures

	January 1, 2014	January 1, 2015	January 1, 2016
Unfunded Liability (in thousands)	18,280	16,321	18,747
Assets (in thousands)	49,182	49,189	50,370
Percent Funded	72.08%	75.07%	72.86%
Number of Active Participants	55	55	55
Number of Inactive Participants	30	33	34

*Data has been obtained from the actuarial report that coincides with the date of the column.

Departmental Staffing

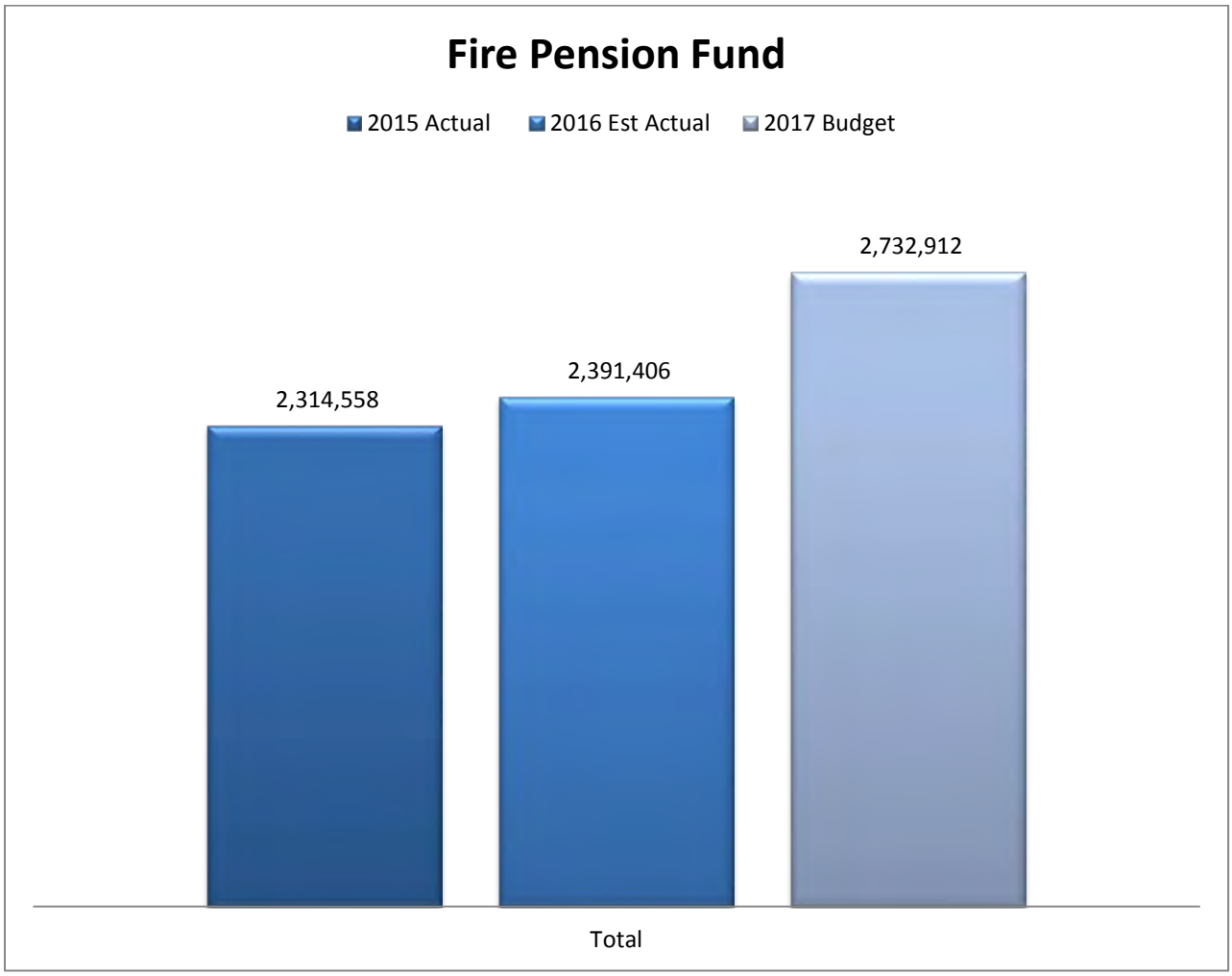
No full time or part time employees are assigned to this program.

Budget Summary
Fire Pension Fund

	2015 Actual	2016 Est Actual	2017 Budget
Personal Benefits	2,141,667	2,202,559	2,532,912
Other Expenses	172,891	188,847	200,000
Total	2,314,558	2,391,406	2,732,912

Budget Variance
Fire Pension Fund

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
505.61	Pension Payment - Fire	35.65%	565,000	Additional retirees.
580.05	All Other Expenses	25.00%	10,000	Additional admin expenses.
580.40	Investment Fees	20.00%	25,000	Increase in fees.



Revenue

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 230 - Fire Pension Fund						
	15 - Other Taxes					
410.50	State Shared Replacement Tax	-	12,729	-	10,890	8,742
	15 - Other Taxes	**-**	**12,729**	**-**	**10,890**	**8,742**
	Percent Change 2017 vs. 2016 Budget					0.00%
	45 - Interest Income					
450.20	CD's	1,951,217	569,857	475,000	442,783	450,000
450.45	Stock Dividend	-	1,271,961	350,000	149,078	300,000
450.50	Fixed Income	445,422	(133,351)	125,000	797,106	250,000
450.55	Mutual Funds	946,640	(929,312)	980,000	1,874,926	1,200,000
	45 - Interest Income	**3,343,279**	**779,155**	**1,930,000**	**3,263,893**	**2,200,000**
	Percent Change 2017 vs. 2016 Budget					13.99%
	50 - Miscellaneous Revenue					
465.41	Pension Contributions - EE	502,014	524,694	525,067	504,645	559,488
465.90	Miscellaneous Income	-	20	-	-	-
	50 - Miscellaneous Revenue	**502,014**	**524,714**	**525,067**	**504,645**	**559,488**
	Percent Change 2017 vs. 2016 Budget					6.56%
	55 - Operating Transfers					
460.05	Interfund Transfers In	2,168,844	2,189,409	2,174,632	2,057,797	1,862,674
	55 - Operating Transfers	**2,168,844**	**2,189,409**	**2,174,632**	**2,057,797**	**1,862,674**
	Percent Change 2017 vs. 2016 Budget					-14.35%
Fund Total: 230 - Fire Pension		**6,014,137**	**3,506,006**	**4,629,699**	**5,837,225**	**4,630,904**
	Percent Change 2017 vs. 2016 Budget					0.03%

Expense

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 230 - Fire Pension Fund						
Department: 89 - Fire Pension						
15 - Taxes and Benefits						
505.56	Survivor Pension - Fire	1,941,594	81,491	81,491	81,281	82,912
505.61	Pension Payment - Fire	-	1,748,933	1,585,000	1,901,652	2,150,000
505.66	Disability Payment - Fire	-	218,650	300,000	219,626	300,000
505.71	Pension Refund - Fire	1,818	92,594	-	-	-
15 - Taxes and Benefits		**1,943,411**	**2,141,667**	**1,966,491**	**2,202,559**	**2,532,912**
Percent Change 2017 vs. 2016 Budget						28.80%
50 - Other Expenses						28.80%
580.05	All Other Expenses	42,368	48,361	40,000	45,348	50,000
580.40	Investment Fees	147,363	124,530	125,000	143,499	150,000
50 - Other Expenses		**189,731**	**172,891**	**165,000**	**188,847**	**200,000**
Percent Change 2017 vs. 2016 Budget						21.21%
Department Total: 89 - Fire Pension		**2,133,142**	**2,314,558**	**2,131,491**	**2,391,406**	**2,732,912**
Percent Change 2017 vs. 2016 Budget						28.22%

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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 bi-monthly prepaid parking pass for $80.00, which saves commuters time and money over paying daily. 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.

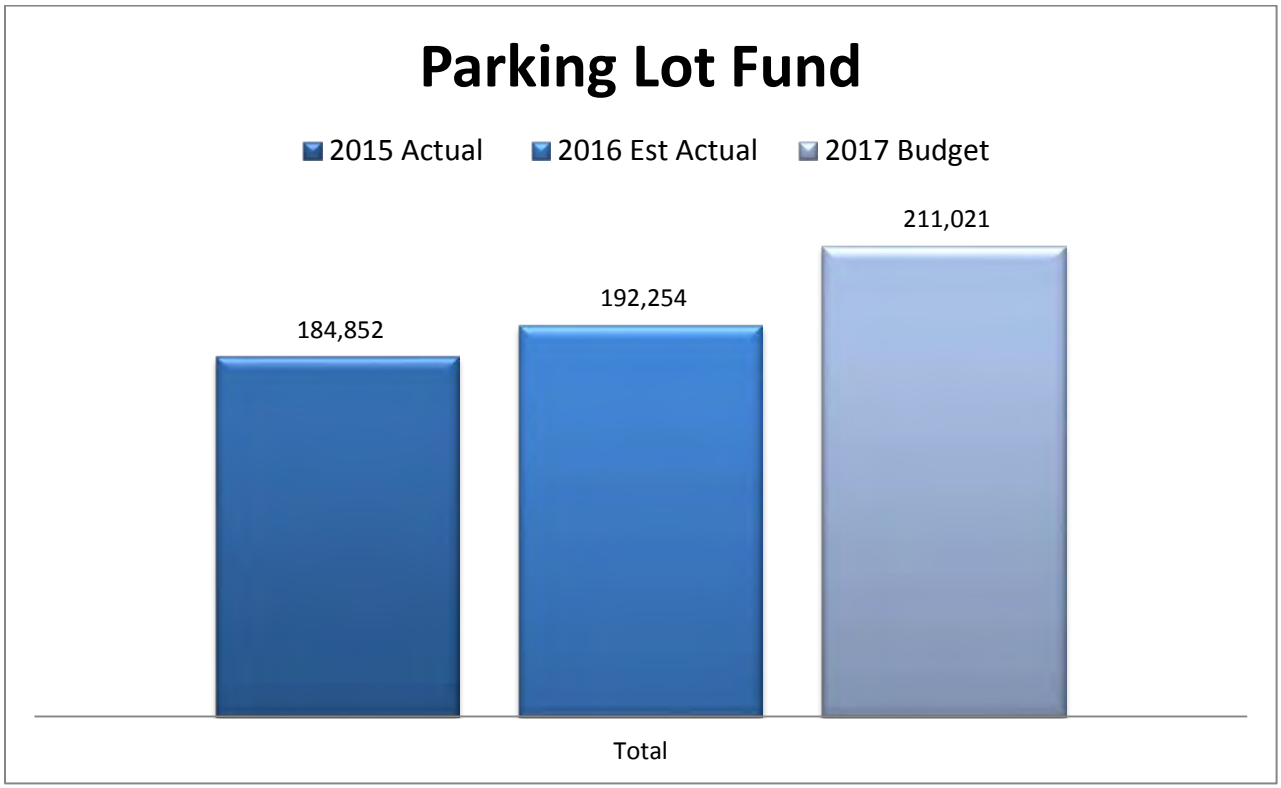
The Village has invested significant resources to modernize the Metra parking lot payment system. Commuters have the option to pay with cash or credit card at the terminals located in the Metra station. Additionally, payments are accepted through the website of the automated fare box company or through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

Budget Summary
Parking Lot

	2015 Actual	2016 Est Actual	2017 Budget
Operating Expenses	156,802	151,004	155,271
Repair & Maintenance	16,050	17,500	17,500
Commodities	-	11,250	13,750
Other Expenses	-	500	500
Other Financing Uses	12,000	12,000	24,000
Total	184,852	192,254	211,021

Budget Variance
Parking Lot

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
510.10	Maintenance Contracts	156%	3,900	Online pass sales.
510.83	Credit Card Fees	-10%	(750)	Decrease in historical trend.
530.20	Gas – Facilities	-12.50%	(250)	Decrease in historical trend.
570.10	Operating Transfers Corporate Fund	100%	12,000	Reimburse operating fund.


Parking Lot Fund
2015 Actual
2016 Est Actual
2017 Budget
184,852
192,254
211,021
Total

Revenue

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 120 - Metra Parking Lot Fund					
35 - Fines and Fees					
455.70 Parking Fees - Daily Metra	54,330	57,907	62,700	70,000	70,000
455.75 Parking Fees - Parking Passes	125,816	124,750	166,250	140,000	140,000
35 - Fines and Fees	**180,146**	**182,656**	**228,950**	**210,000**	**210,000**
Percent Change 2017 vs. 2016 Budget					-8.28%
50 - Miscellaneous Revenue					
465.20 Facility Rental	1,097	672	1,050	1,200	1,200
50 - Miscellaneous Revenue	**$1,096.85**	**$672.28**	**$1,050.00**	**$1,200.00**	**$1,200.00**
Percent Change 2017 vs. 2016 Budget					14.29%
Fund Total: 120-Metra Parking Lot	**181,243**	**183,329**	**230,000**	**211,200**	**211,200**
Percent Change 2017 vs. 2016 Budget					-8.17%

Expenses

Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 120 - Metra Parking Lot Fund					
10 - Salaries					
500.10 Part Time	1,403	-	-	-	-
10 - Salaries	**1,403**	**-**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget					0.00%
15 - Taxes and Benefits					
505.75 Employer's Contribution - FICA	87	-	-	-	-
505.85 Employer's Contribution Medicare	20	-	-	-	-
15 - Taxes and Benefits	**107**	**-**	**-**	**-**	**-**
Percent Change 2017 vs. 2016 Budget					0.00%
25 - Operating Expenses					
510.10 Maintenance Contracts	2,861	1,548	2,500	6,400	6,400
510.50 Supplies - All Other	1,604	3,160	1,800	250	1,800
510.83 Credit Card Fees	6,076	9,223	7,500	6,500	6,750
510.92 Lease Payments	118,989	125,228	123,354	123,354	125,821
510.95 Pace Fees	11,847	17,644	14,500	14,500	14,500
25 - Operating Expenses	**141,378**	**156,802**	**149,654**	**151,004**	**155,271**
Percent Change 2017 vs. 2016 Budget					3.75%
40 - Repairs and Maintenance					
535.20 Facilities Buildings & Facilities	73,747	4,800	15,000	15,000	15,000
535.25 Facilities Parking Lots	2,900	11,250	2,500	2,500	2,500
40 - Repairs and Maintenance	**76,647**	**16,050**	**17,500**	**17,500**	**17,500**
Percent Change 2017 vs. 2016 Budget					0.00%
45 - Commodities					
530.05 Electricity - Facilities	-	-	10,000	8,000	10,000
530.10 Electricity - Street Lights	-	-	2,000	1,500	2,000
530.20 Gas - Facilities	-	-	2,000	1,750	1,750
45 - Commodities	**-**	**-**	**14,000**	**11,250**	**13,750**
Percent Change 2017 vs. 2016 Budget					-1.79%
50 - Other Expenses					
580.05 All Other Expenses	-	-	500	500	500
50 - Other Expenses	**-**	**-**	**500**	**500**	**500**
Percent Change 2017 vs. 2016 Budget					0.00%
65 - Other Financing Uses					
570.10 Operating Transfers Corp Fund	-	12,000	12,000	12,000	24,000
65 - Other Financing Uses	**-**	**12,000**	**12,000**	**12,000**	**24,000**
Percent Change 2017 vs. 2016 Budget					100.00%
Fund: 120 - Metra Parking Lot Fund	**219,535**	**184,852**	**193,654**	**192,254**	**211,021**
Percent Change 2017 vs. 2016 Budget					8.97%

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, 2017, the Village has $15.64 million in outstanding general obligation debt with an average interest rate of 2.56 percent. Property taxes will be levied as the primary funding source for the annual principal and interest payments.

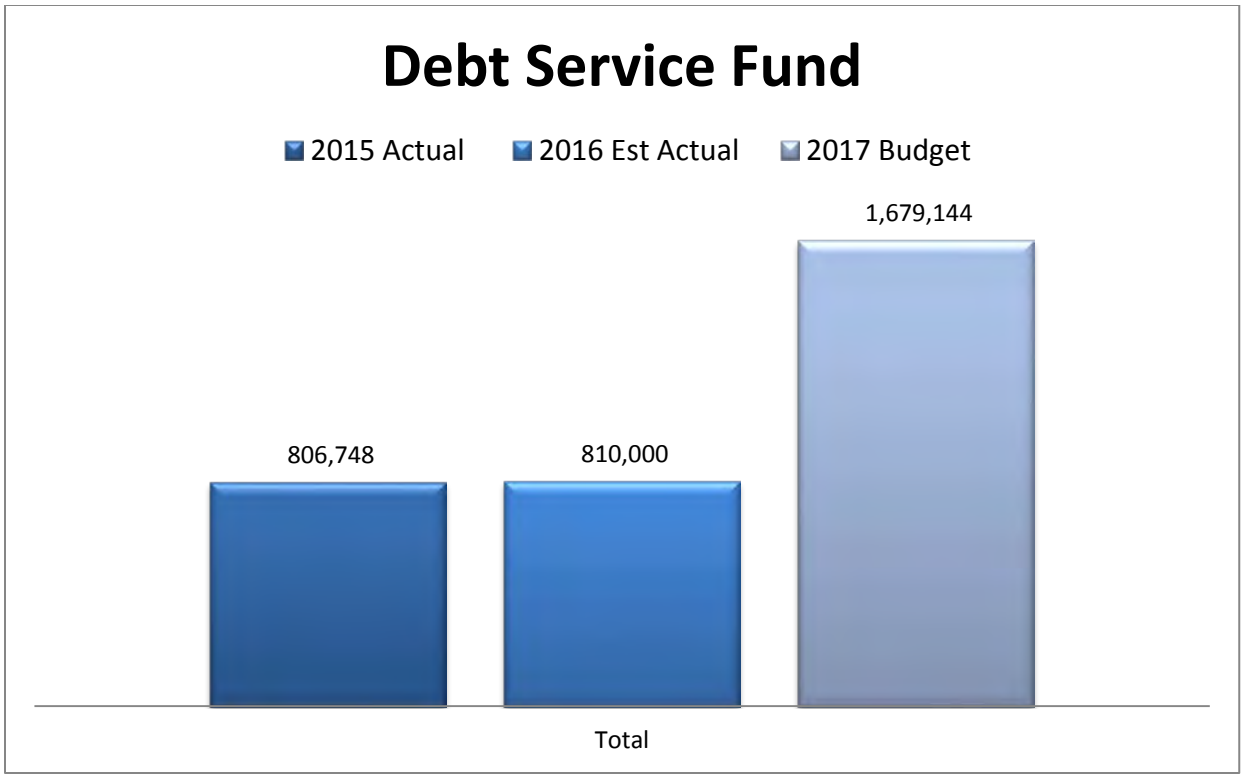
The Village Board has adopted a policy that governs debt issuance. As tenets of that policy (1) no debt financing will be used to finance current expenditures, (2) capital projects will not be financed beyond their useful lives, (3) total outstanding general obligation debt will not exceed the amount 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 2016 for existing as well as new debt.

Budget Summary
Debt Service Fund

	2015 Actual	2016 Est Actual	2017 Budget
Debt Service	806,748	810,000	1,679,144
Total	806,748	810,000	1,679,144

Budget Variance
Debt Service

Line Item Number	Description	Percent Change	Dollar Amount Change	Description of Change
565.10	Principal	142.86%	750,000	2016 bond issue.
565.20	Interest	41.51%	117,081	2016 bond issue.
565.30	Paying Agent Fees	66.67%	2,000	2016 bond issue.


Debt Service Fund
2015 Actual
2016 Est Actual
2017 Budget
806,748
810,000
1,679,144
Total

Revenue

	Description	2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund:	**140 - Debt Service Fund**					
	10 - Property Taxes					
400.40	Debt Service - Lake County	683,772	480,076	149,456	149,456	889,120
400.41	Debt Service - Cook County	206,195	147,981	477,607	477,607	280,775
	10 - Property Taxes	**889,967**	**628,057**	**627,063**	**627,063**	**1,169,895**
	Percent Change 2017 vs. 2016 Budget					86.57%
	45 - Interest Income					
450.10	Investment Pool	31	-	-	-	-
	45 - Interest Income	**31**	**-**	**-**	**-**	**-**
	Percent Change 2017 vs. 2016 Budget					0.00%
	50 - Miscellaneous Revenue					
465.90	Miscellaneous Income	-	-	-	8,219	-
	50 - Miscellaneous Revenue	**-**	**-**	**-**	**8,219**	**-**
	Percent Change 2017 vs. 2016 Budget					0.00%
	55 - Operating Transfers					
460.05	Interfund Transfers In	200,000	180,000	180,000	180,000	504,000
	55 - Operating Transfers	**200,000**	**180,000**	**180,000**	**180,000**	**504,000**
	Percent Change 2017 vs. 2016 Budget					180.00%
Fund Total: 140 - Debt Service		**1,089,998**	**808,057**	**807,063**	**815,282**	**1,673,895**
	Percent Change 2017 vs. 2016 Budget					107.41%

Expenses

Description		2014 Actual	2015 Actual	2016 Budget	2016 Est Actual	2017 Budget
Fund: 140 - Debt Service Fund						
Department: 85 - Debt						
60 - Debt Service						
565.10	Principal	790,000	510,000	525,000	525,000	1,275,000
565.20	Interest	311,513	294,813	282,063	282,000	399,144
565.30	Paying Agent Fees	2,151	1,935	3,000	3,000	5,000
60 - Debt Service		**1,103,664**	**806,748**	**810,063**	**810,000**	**1,679,144**
Percent Change 2017 vs. 2016 Budget						107.29%
Fund Total: 140 - Debt Service		**1,103,664**	**806,748**	**810,063**	**810,000**	**1,679,144**
Percent Change 2017 vs. 2016 Budget						107.29%

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Appendix A

Comprehensive Fee and Tax Schedule



Buffalo Grove Municipal Code Section	Classification	Fee
2.63.130 subsection B.	Expense of preparing and filing a certified report with the Secretary of State.	$20.00
3.06.020 subsection A.	All one and two family dwelling - variations for principal structures	$125.00
3.06.020 subsection A.	All one and two family dwelling - variations other than principal structures	$75.00
3.06.020 subsection B.	All multiple family dwellings - variations for principal structures	$175.00
3.06.020 subsection B.	All multiple family dwellings - variations, other than principal structures	$125.00
3.06.020 subsection C.	All business, office/research and industrial buildings - variations for principal structures	$175.00
3.06.020 subsection C.	All business, office/research and industrial buildings - variations, other than principal structures	$125.00
3.06.020 subsection D.	To appeal a decision of the Building Commissioner	$175.00
3.06.020 subsection E.	Variation for special uses property in R-E through R-7 districts	$100.00
3.06.020 subsection E.	Variation for special uses property in all other districts	$200.00
3.06.020 subsection F.	Planned unit development (PUD) amendment - variation	$100.00
3.06.020 subsection F.	Planned unit development (PUD) new development - variation	$200.00
3.06.020 subsection G.	Rezoning or variation (if not part of a petition for special use or PUD)	$200.00
3.06.020 subsection H.	Zoning text amendment - variation	$100.00
3.06.020 subsection I.	Concept/preliminary plan review for sites five acres or less -variation	$150.00
3.06.020 subsection I.	Concept/preliminary plan review per acre (or fraction thereof) for sites larger than five acres - variation	$25.00
3.06.030 subsection A.	Special uses for property in R-E through R-7 districts. Petition filing fee	$100.00
3.06.030 subsection A.	Special uses for property in all other districts. Petition filing fee	$200.00

Buffalo Grove Municipal Code Section	Classification	Fee
3.06.030 subsection B.	Planned unit development (PUD) amendment. Petition filing fee	$100.00
3.06.030 subsection B.	Planned unit development (PUD) new development. Petition filing fee	$200.00
3.06.030 subsection C.	Rezoning or variation (if not part of a petition for special use or PUD). Petition filing fee	$200.00
3.06.030 subsection D.	Zoning text amendment. Petition filing fee	$100.00
3.06.030 subsection E.	Concept/preliminary plan review for sites five acres or less. Petition filing fee	$150.00
3.06.030 subsection E.	Concept/preliminary plan review per acre (or fraction thereof) for sites larger than five acres. Petition filing fee	$25.00
3.06.030 subsection G.	Development Ordinance variation for residential property. Petition filing fee	$125.00
3.20.060 subsection A.	For industrial projects or pollution control facility revenue bonds	One-tenth of one percent of the principal amount of any bonds issued pursuant to the provisions of Chapter 3.20.
3.20.060 subsection B.	For multi-family housing project revenue bonds	One percent of the principal amount of any bonds issued pursuant to the provisions of Chapter 3.20.
3.36.030	Nonresident who utilizes the emergency medical service: BLS	$800.00*
3.36.030	Nonresident who utilizes the emergency medical service: ALS Level 1	$950.00*
3.36.030	Nonresident who utilizes the emergency medical service: ALS Level 2	$1,100.00*
3.36.030	Nonresident who utilizes the emergency medical service: Treat, Non-Transport	$175.00*
3.36.030	Nonresident who utilizes the emergency medical service: Mileage/mile	$13.50*
3.36.030	Resident who utilizes the emergency medical service: BLS	$600.00
3.36.030	Resident who utilizes the emergency medical service: ALS Level 1	$700.00
3.36.030	Resident who utilizes the emergency medical service: ALS Level 2	$900.00
3.36.030	Resident who utilizes the emergency medical service: Treat, Non-Transport	$0.00

Buffalo Grove Municipal Code Section	Classification	Fee
3.36.030	Resident who utilizes the emergency medical service: Mileage/mile	$13.50
3.36.030	*Nonresident annual fee increase	Beginning January 1, 2017 the fees for non-residents shall increase by five percent and each year thereafter.
3.38.030	Nonresident or resident who utilizes the emergency services of the Buffalo Grove Fire Department: Motor Vehicle Incidents Level 1	$435.00
3.38.030	Nonresident or resident who utilizes the emergency services of the Buffalo Grove Fire Department: Motor Vehicle Incidents Level 2	$495.00
3.38.030	Nonresident or resident who utilizes the emergency services of the Buffalo Grove Fire Department: Motor Vehicle Incidents Level 3	$605.00
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Motor Vehicle Incidents Level 4	$900.00
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Motor Vehicle Incidents Level 4	$1,800.00
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Motor Vehicle Incidents Level 5	$1,100.00
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Motor Vehicle Incidents Level 5	$2,200.00
3.38.030	Nonresident or resident who utilizes the emergency services of the Buffalo Grove Fire Department: Motor Vehicle Incidents Level 6	Itemized
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Hazardous Materials Incidents Level 1	$350.00
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Hazardous Materials Incidents Level 1	$700.00
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Hazardous Materials Incidents Level 2	$1,250.00
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Hazardous Materials Incidents Level 2	$2,500.00

Buffalo Grove Municipal Code Section	Classification	Fee
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Hazardous Materials Incidents Level 3	$2,500.00
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Hazardous Materials Incidents Level 3	$5,900.00
3.38.030	Nonresident or resident who utilizes the emergency services of the Buffalo Grove Fire Department: Haz Mat Technician per hour	$50.00
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Pipeline/ Power line Incidents Level 1	$200.00
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Pipeline/ Power line Incidents Level 1	$400.00
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Pipeline/ Power line Incidents Level 2	$500.00
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Pipeline/ Power line Incidents Level 2	$1,250.00
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Pipeline/ Power line Incidents Level 3	Itemized
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Pipeline/ Power line Incidents Level 3	Itemized
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Fire Investigations per hour	$275.00
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Water Incidents Level 1	$200.00
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Water Incidents Level 1	$400.00
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Water Incidents Level 2	$400.00

Buffalo Grove Municipal Code Section	Classification	Fee
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Water Incidents Level 2	$800.00
3.38.030	Resident who utilizes the emergency services of the Buffalo Grove Fire Department: Water Incidents Level 3	$1,000.00
3.38.030	Nonresident who utilizes the emergency services of the Buffalo Grove Fire Department: Water Incidents Level 3	$2,000.00
3.38.030	Nonresident or resident who utilizes the emergency services of the Buffalo Grove Fire Department: Water Incidents Technician per hour	$50.00
3.38.030	Nonresident or resident who utilizes the emergency services of the Buffalo Grove Fire Department: specialized rescue	Itemized
3.38.030	Nonresident or resident who utilizes the emergency services of the Buffalo Grove Fire Department: Technician per hour	$50.00
3.52.020 subsection A.	Daily fee for the purpose of parking within the Village's commuter parking	$2.00
3.52.030	Parking for a defined two-month period paid the 1st through 15th of first month	$80.00
3.52.030	Parking for a defined two-month period paid the 16th through end of first month	$60.00
3.52.030	Parking for a defined two-month period paid the 1st through 15th of second month	$40.00
3.52.030	Parking for a defined two-month period paid the 16th through end of second month	$20.00
3.52.055 subsection B.	Daily fee for parking within a commuter parking lot (from 6:00 a.m. to 8:00 p.m.)	$1.50
3.56.030 subsection A.	Telecommunication infrastructure maintenance fee	1% of all gross charges by telecommunications retailer to service addresses within the Village for telecommunications originating or received in the Village
3.65.030 subsection A.	Gas tax	$0.05 per therm
3.70.010	Administrative fee for persons arrested, processed and released on bail	$20.00
3.71.030 subsections C.	Stormwater utility fee tier 1: residential (single family attached and detached). Annual fee	$60.96

Buffalo Grove Municipal Code Section	Classification	Fee
3.71.030 subsections C.	Stormwater utility fee tier 2: multi-family, commercial and industrial. Annual fee	$0.006950 × Property Square Footage
3.72.010	Fingerprinting service	$50.00
3.72.020	Local records check for visa/immigration matters	$15.00
5.04.110 subsection A.	Annual fee for a business license for service/retail and wholesale sales/office up to 5,000 square feet	$90.00
5.04.110 subsection A.	Annual fee for a business license for service/retail and wholesale sales/office up to 10,000 square feet	$150.00
5.04.110 subsection A.	Annual fee for a business license for service/retail and wholesale sales/office up to 20,000 square feet	$200.00
5.04.110 subsection A.	Annual fee for a business license for service/retail and wholesale sales/office up to 50,000 square feet	$300.00
5.04.110 subsection A.	Annual fee for a business license for service/retail and wholesale sales/office up to 75,000 square feet	$350.00
5.04.110 subsection A.	Annual fee for a business license for service/retail and wholesale sales/office up to and including 100,000 square feet	$400.00
5.04.110 subsection A.	Annual fee for a business license for service/retail and wholesale sales/office more than 100,000 square feet	$450.00
5.04.110 subsection A.	Annual fee after July 1st for a business license for service/retail and wholesale sales/office up to 5,000 square feet	$45.00
5.04.110 subsection A.	Annual fee after July 1st for a business license for service/retail and wholesale sales/office up to 10,000 square feet	$75.00
5.04.110 subsection A.	Annual fee after July 1st for a business license for service/retail and wholesale sales/office up to 20,000 square feet	$100.00
5.04.110 subsection A.	Annual fee after July 1st for a business license for service/retail and wholesale sales/office up to 50,000 square feet	$150.00
5.04.110 subsection A.	Annual fee after July 1st for a business license for service/retail and wholesale sales/office up to 75,000 square feet	$175.00
5.04.110 subsection A.	Annual fee after July 1st for a business license for service/retail and wholesale sales/office up to and including 100,000 square feet	$200.00
5.04.110 subsection A.	Annual fee after July 1st for a business license for service/retail and wholesale sales/office more than 100,000 square feet	$225.00

Buffalo Grove Municipal Code Section	Classification	Fee
5.04.110 subsection A.	Renewal fee after January 15th for a business license for service/retail and wholesale sales/office up to 5,000 square feet	$135.00
5.04.110 subsection A.	Renewal fee after January 15th for a business license for service/retail and wholesale sales/office up to 10,000 square feet	$225.00
5.04.110 subsection A.	Renewal fee after January 15th for a business license for service/retail and wholesale sales/office up to 20,000 square feet	$300.00
5.04.110 subsection A.	Renewal fee after January 15th for a business license for service/retail and wholesale sales/office up to 50,000 square feet	$450.00
5.04.110 subsection A.	Renewal fee after January 15th for a business license for service/retail and wholesale sales/office up to 75,000 square feet	$525.00
5.04.110 subsection A.	Renewal fee after January 15th for a business license for service/retail and wholesale sales/office up to and including 100,000 square feet	$600.00
5.04.110 subsection A.	Renewal fee after January 15th for a business license for service/retail and wholesale sales/office more than 100,000 square feet	$675.00
5.04.110 subsection A.	License fee for a food establishment or service/retail with food accessory up to 5,000 square feet	$100.00
5.04.110 subsection A.	License fee for a food establishment or service/retail with food accessory up to 10,000 square feet	$150.00
5.04.110 subsection A.	License fee for a food establishment or service/retail with food accessory up to and including 20,000 square feet	$200.00
5.04.110 subsection A.	License fee for a food establishment or service/retail with food accessory more than 20,000 square feet	$250.00
5.04.110 subsection A.	License fee after July 1st for a food establishment or service/retail with food accessory up to 5,000 square feet	$50.00
5.04.110 subsection A.	License fee after July 1st for a food establishment or service/retail with food accessory up to 10,000 square feet	$75.00

Buffalo Grove Municipal Code Section	Classification	Fee
5.04.110 subsection A.	License fee after July 1st for a food establishment or service/retail with food accessory up to and including 20,000 square feet	$100.00
5.04.110 subsection A.	License fee after July 1st for a food establishment or service/retail with food accessory more than 20,000 square feet	$125.00
5.04.110 subsection A.	License renewal fee after Jan 15th for a food establishment or service/retail with food accessory up to 5,000 square feet	$150.00
5.04.110 subsection A.	License renewal fee after Jan 15th for a food establishment or service/retail with food accessory up to 10,000 square feet	$225.00
5.04.110 subsection A.	License renewal fee after Jan 15th for a food establishment or service/retail with food accessory up to and including 20,000 square feet	$300.00
5.04.110 subsection A.	License renewal fee after Jan 15th for a food establishment or service/retail with food accessory with more than 20,000 square feet	$375.00
5.04.110 subsection A.	License fee for industrial/research and development (including industrial w/food accessory or processing) up to 100,000 square feet	$200.00
5.04.110 subsection A.	License fee for industrial/research and development (including industrial w/food accessory or processing) up to 150,000 square feet	$250.00
5.04.110 subsection A.	License fee for industrial/research and development (including industrial w/food accessory or processing) up to 200,000 square feet	$300.00
5.04.110 subsection A.	License fee for industrial/research and development (including industrial w/food accessory or processing) up to 250,000 square feet	$350.00
5.04.110 subsection A.	License fee for industrial/research and development (including industrial w/food accessory or processing) up to 300,000 square feet	$400.00
5.04.110 subsection A.	License fee for industrial/research and development (including industrial w/food accessory or processing) up to 350,000 square feet	$450.00
5.04.110 subsection A.	License fee for industrial/research and development (including industrial w/food accessory or processing) up to 400,000 square feet	$500.00

Buffalo Grove Municipal Code Section	Classification	Fee
5.04.110 subsection A.	License fee for industrial/research and development (including industrial w/food accessory or processing) up to 450,000 square feet	$550.00
5.04.110 subsection A.	License fee for industrial/research and development (including industrial w/food accessory or processing) up to and including 500,000 square feet	$600.00
5.04.110 subsection A.	License fee for industrial/research and development (including industrial w/food accessory or processing) more than 500,000 square feet	$700.00
5.04.110 subsection A.	License fee after July 1st for industrial/research and development (including industrial w/food accessory or processing) up to 100,000 square feet	$100.00
5.04.110 subsection A.	License fee after July 1st for industrial/research and development (including industrial w/food accessory or processing) up to 150,000 square feet	$125.00
5.04.110 subsection A.	License fee after July 1st for industrial/research and development (including industrial w/food accessory or processing) up to 200,000 square feet	$150.00
5.04.110 subsection A.	License fee after July 1st for industrial/research and development (including industrial w/food accessory or processing) up to 250,000 square feet	$175.00
5.04.110 subsection A.	License fee after July 1st for industrial/research and development (including industrial w/food accessory or processing) up to 300,000 square feet	$200.00
5.04.110 subsection A.	License fee after July 1st for industrial/research and development (including industrial w/food accessory or processing) up to 350,000 square feet	$225.00
5.04.110 subsection A.	License fee after July 1st for industrial/research and development (including industrial w/food accessory or processing) up to 400,000 square feet	$250.00
5.04.110 subsection A.	License fee after July 1st for industrial/research and development (including industrial w/food accessory or processing) up to 450,000 square feet	$275.00
5.04.110 subsection A.	License fee after July 1st for industrial/research and development (including industrial w/food accessory or processing) up to and including 500,000 square feet	$300.00
5.04.110 subsection A.	License fee after July 1st for industrial/research and development (including industrial w/food accessory or processing) more than 500,000 square feet	$350.00

Buffalo Grove Municipal Code Section	Classification	Fee
5.04.110 subsection A.	License fee renewal after January 15th for industrial/research and development (including industrial w/food accessory or processing) up to 100,000 square feet	$300.00
5.04.110 subsection A.	License fee renewal after January 15th for industrial/research and development (including industrial w/food accessory or processing) up to 150,000 square feet	$375.00
5.04.110 subsection A.	License fee renewal after January 15th for industrial/research and development (including industrial w/food accessory or processing) up to 200,000 square feet	$450.00
5.04.110 subsection A.	License fee renewal after January 15th for industrial/research and development (including industrial w/food accessory or processing) up to 250,000 square feet	$525.00
5.04.110 subsection A.	License fee renewal after January 15th for industrial/research and development (including industrial w/food accessory or processing) up to 300,000 square feet	$600.00
5.04.110 subsection A.	License fee renewal after January 15th for industrial/research and development (including industrial w/food accessory or processing) up to 350,000 square feet	$675.00
5.04.110 subsection A.	License fee renewal after January 15th for industrial/research and development (including industrial w/food accessory or processing) up to 400,000 square feet	$750.00
5.04.110 subsection A.	License fee renewal after January 15th for industrial/research and development (including industrial w/food accessory or processing) up to 450,000 square feet	$825.00
5.04.110 subsection A.	License fee renewal after January 15th for industrial/research and development (including industrial w/food accessory or processing) up to and including 500,000 square feet	$900.00
5.04.110 subsection A.	License fee renewal after January 15th for industrial/research and development (including industrial w/food accessory or processing) more than 500,000 square feet	$1,050.00
5.04.110 subsection A.	Licensee fee for hotel/motel up to and including 150,000 square feet	$750.00

Buffalo Grove Municipal Code Section	Classification	Fee
5.04.110 subsection A.	Licensee fee for hotel/motel more than 150,000 square feet	$1,000.00
5.04.110 subsection A.	Licensee fee after July 1st for hotel/motel up to and including 150,000 square feet	$375.00
5.04.110 subsection A.	Licensee fee after July 1st for hotel/motel more than 150,000 square feet	$500.00
5.04.110 subsection A.	Licensee fee renewal after January 15th for hotel/motel up to and including 150,000 square feet	$1,125.00
5.04.110 subsection A.	Licensee fee renewal after January 15th for hotel/motel more than 150,000 square feet	$1,500.00
5.04.170	Day care business license	$85.00 annually, $42.50 if purchased on or after July 1st of any year
5.08.050 subsection A.	Amusement permit fee	$50.00
5.08.050 subsection B.	Carnival fee	$10.00 per day
5.08.050 subsection C.	Mechanical inspection fee (charged per ride per day)	$5.00
5.10.040 subsection A.	Arts and crafts vendor six days or fewer	$20.00
5.10.040 subsection A.	Arts and crafts vendor per week	$50.00
5.10.040 subsection A.	Arts and crafts vendor per month	$75.00
5.10.040 subsection A.	Arts and crafts vendor per year	$150.00
5.12.050	Amusement device fee	$50.00 for each device; however, for any license issued between November 1st and April 30th of the following calendar year, the fee shall be $25.00 for each device.
5.20.070 subsection A.	Class A liquor license	$2,500.00
5.20.070 subsection B.	Class B liquor license	$2,300.00
5.20.070 subsection C.	Class C liquor license	$2,500.00
5.20.070 subsection D.	Class D liquor license	$1,800.00
5.20.070 subsection D.	Class D liquor license, if authorized by the Liquor Control Commissioner and approved by the Village Board, combined with a Class A or Class B	$300.00 plus cost of Class A or Class B liquor license
5.20.070 subsection D1.	Class D1 liquor license	$1,800.00
5.20.070 subsection E.	Class E liquor license	$1,500.00
5.20.070 subsection F.4.	Class F liquor license	$2,000.00
5.20.070 subsection G.1.d.	Class G1 liquor license	$25.00
5.20.070 subsection G.2.c.	Class G2 liquor license	$100.00

Buffalo Grove Municipal Code Section	Classification	Fee
5.20.070 subsection G.3.c.	Class G3 liquor license	$25.00
5.20.070 subsection G.4.b.	Class G4 liquor license	$25.00
5.20.070 subsection G.5.d.	Class G5 liquor license	$25.00
5.20.070 subsection G.6.d.	Class G6 liquor license	$25.00
5.20.070 subsection G.7.c.	Class G7 liquor license	$100.00
5.20.070 subsection H.4.	Class H liquor license	$250.00
5.20.070 subsection I.	Class I liquor license	$1,200.00
5.20.070 subsection J.	Class J liquor license	$4,000.00
5.20.070 subsection K.	Class K liquor license	$4,000.00
5.20.071	First time liquor license applicant fee	$500.00
5.20.075 subsection B.2.	Monthly tasting permit	$25.00
5.20.075 subsection C.2.	Yearly tasting permit	$1,000.00
5.20.090 subsection B.	Fee for a make-up liquor/alcohol awareness training seminar	shall not exceed $500.00 per licensee
5.20.100 subsection C.	Fee to transfer liquor license	$100.00
5.20.155 subsection D.	Application fee for video gaming (regardless of number of terminals)	$250.00
5.20.155 subsection E.	Annual fee for video gaming locations	$1,000.00
5.20.165 subsection C.4.	Processing fee for special server application for minors	$35.00
5.24.050 subsection B.	Solicitor permits	$50.00 (which includes one solicitor) plus $15.00 for each additional person that is added to the permit
5.28.020 subsection E.	Business public passenger vehicle license fee	$50.00, provided that the fee for licenses issued for less than a year shall be prorated for the period from the date of issuance to the end of the year.
5.28.030 subsection E.	Annual fee for a public passenger vehicle license	$20.00
5.28.030 subsection E.	Annual fee for a public passenger vehicle license issued July 1st or after	$10.00
5.28.150 subsection G.	Chauffeur’s license original application filing fee	$75.00
5.28.150 subsection G.	Chauffeur’s license renewal application filing fee	$35.00
5.32.040	Tobacco dealer's license	$75.00
5.32.070	Tobacco dealer license fee for mechanical devices (for each mechanical device)	$50.00

Buffalo Grove Municipal Code Section	Classification	Fee
5.44.050	Massage establishment license application fee	$250.00, provided the fee for licenses issued for less than a calendar year shall be prorated for the period from the date of issuance to December 31st of that year.
5.46.040 subsection B.	Application fee for initial license for a pawnbroker or resale shop dealer	$250.00
5.46.060	Resale shop license fee	$1,500.00
5.46.060	Pawn shop license fee	$2,000.00
5.52.050	Food/beverage vending machines license per year	$30.00
5.52.050	Food/beverage vending machines license for half of a year	$15.00
5.52.070	Health Officer reinspection fee for a food/beverage vending machine	$10.00
5.70.050 subsection B.	Processing fee for an Adult Establishment license or renewal	$200.00
6.08.030 subsection C.	Animal impound fee per day	$15.00
6.08.030 subsection C.	Additional fee for animals not wearing a current license tag (in addition to the payment for a license if the animal is unlicensed)	$100.00
6.08.030 subsection C.	Additional fee for dogs running at large	$50.00
6.08.030 subsection C.	Additional fee for second and subsequent offenses of a dog running at large	$100.00
6.12.020 subsection A.	Tag fee for each dog or cat	$1.00
6.12.020 subsection D.	Licensee fee for cats, dogs and animals.	$10.00, except for an animal found to be a potentially dangerous shall be $50.00. There shall be no license fee for dogs leading special needs persons, or dogs use as part of law enforcement.
8.16.020 subsection C.	Annual fee for a food-vending vehicle license	$100.00
8.16.030	Food-vending vehicle mobile food vendor permit original application fee.	$75.00
8.16.030	Food-vending vehicle mobile food vendor permit renewal application fee.	$35.00
8.20.170	Licensee fee for garbage and refuse removal services	$500.00
8.44.040 subsection B.1.	Annual licensing fee to operate a swimming pool	$50.00

Buffalo Grove Municipal Code Section	Classification	Fee
9.04.030 subsection A.	Alarm registration fee for both original and renewal permits for any single police burglar alarm or single fire alarm for any occupancy.	$10.00
9.04.030 subsection A.	Alarm registration fee for both original and renewal permits for any combination fire/police alarm for any occupancy.	$20.00
9.04.080	For the first response to premises at which no other false alarm has occurred within the Annual Period	$0.00
9.04.080	For the second response to premises at which a previous false alarm has occurred within the Annual Period	$75.00
9.04.080	For the third response to premises at which a previous false alarm had occurred within the Annual Period	$125.00
9.04.080	For the fourth response to premises at which a previous false alarm had occurred within the Annual Period	$175.00
9.04.080	For the fifth through ninth responses to premises at which a previous false alarm had occurred within the Annual Period	$200.00
9.04.080	For the tenth or more responses to premises at which a previous false alarm had occurred within the Annual Period	$250.00
BG-15-307 subsection B.	Category 1A: fee for single vehicle with 2 axles, max weight across axles of 48000 and max weight on any single axle of 25000 for a single trip; round trip; quarterly and annually	$15.00; $25.00; $85.00; $340.00
BG-15-307 subsection B.	Category 2A: fee for single vehicle with 2 axles, max weight across axles of 54000 and max weight on any single axle of 28000 for a single trip; round trip; quarterly and annually	$20.00; $35.00; $100.00; $400.00
BG-15-307 subsection B.	Category 3A: fee for single vehicle with 3+ axles, max weight across axles of 60000, max weight on any single axle of 21000 and max weight for any 2 axle tandem of 40000 for a single trip; round trip; quarterly and annually	$25.00; $45.00; $115.00; $460.00
BG-15-307 subsection B.	Category 4A: fee for single vehicle with 3+ axles, max weight across axles of 68000, max weight on any single axle of 25000 and max weight for any 2 axle tandem of 48000 for a single trip; round trip; quarterly and annually	$30.00; $55.00; $130.00; $520.00
BG-15-307 subsection B.	Category 5A: fee for single vehicle with 3+ axles, max weight across axles of 72000, max weight on any single axle of 25000 and max weight for any 2 axle tandem of 48000 for a single trip; round trip; quarterly and annually	$60.00; $115.00; $270.00; $1080.00

Buffalo Grove Municipal Code Section	Classification	Fee
BG-15-307 subsection B.	Category 6A: fee for single vehicle with 3+ axles, max weight across axles of 80000, max weight on any single axle of 27000 and max weight for any 2 axle tandem of 54000 for a single trip; round trip; quarterly and annually	$70.00; $135.00; $285.00; $1140.00
BG-15-307 subsection B.	Category 7A: fee for single vehicle with 4+ axles, max weight across axles of 72000, max weight on any single axle of 21000 and max weight for any 2 axle tandem of 40000 for a single trip; round trip; quarterly and annually	$35.00; $65.00; $145.00; $580.00
BG-15-307 subsection B.	Category 8A: fee for single vehicle with 4+ axles, max weight across axles of 76000, max weight on any single axle of 23000 and max weight for any 2 axle tandem of 44000 for a single trip; round trip; quarterly and annually	$40.00; $75.00; $160.00; $640.00
BG-15-307 subsection B.	Category 9A: fee for single vehicle with 4+ axles, max weight across axles of 80000, max weight on any single axle of 27000, max weight for any 2 axle tandem of 54000, and max weight on 3 or 4 axle group of 60,000 for a single trip; round trip; quarterly and annually	$60.00; $100.00; $225.00; $900.00
BG-15-307 subsection B.	Category 1B: fee for single combination vehicle with 5+ axles, max weight across axles of 88000, max weight on any single axle of 23000 and max weight for any 2 axle tandem or 3 or 4 axle group 44000 for a single trip; round trip; quarterly and annually	$30.00; $55.00; $190.00; $760.00
BG-15-307 subsection B.	Category 2B: fee for single combination vehicle with 5+ axles, max weight across axles of 100000, max weight on any single axle of 25000 and max weight for any 2 axle tandem or 3 or 4 axle group 48000 for a single trip; round trip; quarterly and annually	$40.00; $75.00; $220.00; $880.00
BG-15-307 subsection B.	Category 3B: fee for single combination vehicle with 6+ axles, max weight across axles of 110000, max weight on any single axle of 23000, max weight for any 2 axle tandem of 44000 and max for any 3 or 4 axle group of 54000 for a single trip; round trip; quarterly and annually	$45.00; $85.00; $235.00; $940.00

Buffalo Grove Municipal Code Section	Classification	Fee
BG-15-307 subsection B.	Category 4B: fee for single combination vehicle with 6+ axles, max weight across axles of 120000, max weight on any single axle of 25000, max weight for any 2 axle tandem of 48000 and max for any 3 or 4 axle group of 60000 for a single trip; round trip; quarterly and annually	$50.00; $95.00; $250.00; $1000.00
BG-15-307 subsection B.	Category 5B: fee for single combination vehicle with 6+ axles, max weight across axles of 143000, max weight on any single axle of 27000, max weight for any 2 axle tandem of 54000 and max for any 3 or 4 axle group of 78000 for a single trip; round trip; quarterly and annually	$60.00; $115.00; $325.00; $1300.00
BG-15-307 subsection B.	Category 6B: fee for single combination vehicle with 7+ axles, max weight across axles of 162000, max weight on any single axle of 25000, max weight for any 2 axle tandem of 50000, max for any 3 axle group of 75000 and max for any four axle group of 10000 for a single trip; round trip; quarterly and annually	$70.00; $135.00; $400.00; $1600.00
BG-15-307 subsection B.	Category 7B: fee for single combination vehicle with 7+ axles, max weight across axles of 187000, max weight on any single axle of 25000, max weight for any 2 axle tandem of 50000, max for any 3 axle group of 75000 and max for any four axle group of 10000 for a single trip; round trip; quarterly and annually	$80.00; $155.00; $500.00; $2000.00
BG-15-307 subsection B.	Category 1C: fee for over dimension (oversized vehicles) with a max sizes: WIDTH: 10'; HEIGHT: 13'6"; LENGTH: 115' for single trip, round trip, quarterly and annually	$15.00; $25.00; $75.00; $300.00
BG-15-307 subsection B.	Category 2C: fee for over dimension (oversized vehicles) with a max sizes: WIDTH: 12'; HEIGHT: 13'6"; LENGTH: 115' for single trip, round trip, quarterly and annually	$20.00; $40.00; $120.00; $480.00
BG-15-307 subsection B.	Category 3C: fee for over dimension (oversized vehicles) with a max sizes: WIDTH: 14'; HEIGHT: 13'6"; LENGTH: 115' for single trip, round trip, quarterly and annually	$30.00; $55.00; $165.00; $660.00
BG-15-307 subsection B.	Category 4C: fee for over dimension (oversized vehicles) with a max sizes: WIDTH: 18'; HEIGHT: 16'; LENGTH: 135' for single trip and round trip	$50.00; $95.00

Buffalo Grove Municipal Code Section	Classification	Fee
BG-15-307 subsection B.	Category 5C: fee for over dimension (oversized vehicles) with a max sizes: WIDTH: >18'; HEIGHT: >16'; LENGTH: >135' for single trip and round trip	$100.00; $195.00
10.20.040	Administrative fee for a properly impounded vehicle	$500.00
10.20.050 subsection C.	Administrative fee for a properly impounded vehicle to be posted for a vehicle to be released prior to a preliminary probable cause hearing	$500.00
12.04.040 subsection F.	Application fee for construction of any facility that affects a public right-of-way	$750.00
12.08.030	Driveway apron, service walk, carriage walk or other appurtenance permit fee	$50.00
13.04.040 subsection B.	Water system improvement fee for single-family dwelling	$680.00
13.04.040 subsection B.	Water system improvement fee for townhouse	$585.00
13.04.040 subsection B.	Water system improvement fee for condominium unit	$485.00
13.04.040 subsection B.	Water system improvement fee for multi-family apartment unit	$390.00
13.04.040 subsection B.	Water system improvement fee for business, commercial or industrial	$95.00 per 100 gallons of maximum daily usage
13.04.060	Fee for connecting to a water main for each 1 inch water connection (which includes labor cost but not the cost of the meter)	$100.00
13.04.060	Fee for connecting to a water main for each 1.25 inch water connection (which includes labor cost but not the cost of the meter)	$125.00
13.04.060	Fee for connecting to a water main for each 1.5 inch water connection (which includes labor cost but not the cost of the meter)	$150.00
13.04.060	Fee for connecting to a water main for each 2 inch water connection (which includes labor cost but not the cost of the meter)	$400.00
13.04.060	Fee for connecting to a water main for each 2.5 inch water connection (which includes labor cost but not the cost of the meter)	$625.00
13.04.060	Fee for connecting to a water main for each 3 inch water connection (which includes labor cost but not the cost of the meter)	$900.00

Buffalo Grove Municipal Code Section	Classification	Fee
13.04.060	Fee for connecting to a water main for each 4 inch water connection (which includes labor cost but not the cost of the meter)	$1,600.00
13.04.060	Fee for connecting to a water main for each 6 inch water connection (which includes labor cost but not the cost of the meter)	$1,800.00
13.04.060	Fee for connecting to a water main for each 8 inch water connection (which includes labor cost but not the cost of the meter)	$2,000.00
13.04.180 subsection C.	Cost to remove, test and replacement water meter	$150.00, provided the cost may increase if additional work is required to shut off the water or otherwise complete the test.
13.04.190 subsection B.	Annual increase for each user/consumer of water services	Beginning January 1, 2015 the water service rate will be increased by four percent (4%) each year thereafter.
13.04.190 subsection C.	Monthly basic charge to each user/consumer of water service	$1.90
13.04.210	Fee a contractor or owner to use water before water is installed on any building where the value of construction is between $0 and $29,999.99	$17.50
13.04.210	Fee a contractor or owner to use water before water is installed on any building where the value of construction is between $30,000 and $49,999.99	$18.50
13.04.210	Fee a contractor or owner to use water before water it is installed on any building where the value of construction is between $50,000 and $74,999.99	$20.00
13.04.210	Fee a contractor or owner to use water before water it is installed on any building where the value of construction is $75,000 or more	$20.00 plus $0.25 per thousand dollars in excess of $75,000
13.04.230	Surcharge if Village cannot access to read, examine, test, replace and repair water meters (per water billing period)	$100.00
13.04.250 subsection A.	Reconnection fee for delinquent payment	$50.00
13.04.250 subsection A.	Reconnection fee for delinquent payment if reconnected after 4:00 pm Monday through Friday or on Saturday or Sunday	$100.00
13.04.250 subsection D.	Processing fee if the reconnection fee is returned due to insufficient funds	$25.00

Buffalo Grove Municipal Code Section	Classification	Fee
13.04.290 subsection A.3.	Sewer user charges for each user/consumer serviced by the Lake County sanitary sewer.	$4.00 per 1,000 gallons of water consumed
13.04.290 subsection D.	Sewer user rate basic charge for operation, maintenance and replacement	Beginning January 1, 2015 the basic unit charge of $1.05 will increase by four percent (4%) each year thereafter.
13.04.290 subsection D.	The bimonthly fixed sewer user rate for all non-metered residential users	Beginning January 1, 2015 the bimonthly fixed rate for all non-metered residential users of $15.60 shall increase by four percent (4%) each year thereafter.
13.04.310 subsection B.	Permit and inspection fee for construction of a private sewage disposal system	$25.00
13.04.320 subsection F.1.	Fee paid per 6 inch connection to the Village sewer system	$50.00
13.04.320 subsection F.1.	Fee paid per 8 inch connection to the Village sewer system	$200.00
13.04.320 subsection F.1.	Fee paid per 10 inch connection to the Village sewer system	$300.00
13.04.320 subsection F.2.	Fees paid for each connection to the Village sewer system in Lake County per residential unit	$5,150.00
13.04.320 subsection F.2.	Fees paid for each connection to the Village sewer system in Lake County per industrial, commercial and institutional	$5150.00 per single-family residential equivalent.
13.05.130 subsection B.	Water reconnection fee after defects and corrections have been eliminated	$1,500.00
13.18.090	Review of plans and inspection fee for each water well permit issued.	$500.00
14.12.030 subsection A.	Wall signs, non-illuminated	$50.00 plus $0.25 cents per square foot of larger face, plus $50.00 plan review fee
14.12.030 subsection A.	Wall signs, illuminated	$50.00 plus $0.25 cents per square foot of larger face $50.00 plan review fee, plus a $50.00 electrical fee
14.12.030 subsection A.	Ground signs	$75.00 plus $0.25 cents per square foot of larger face, plus $50.00 plan review fee. If internally illuminated, a $50.00 electrical fee shall apply
14.12.030 subsection A.	Banners, pennants, searchlights, balloons or gas-filled figures and Grand Opening signs	$50.00
14.12.030 subsection A.	Temporary identification sign	$50.00

Buffalo Grove Municipal Code Section	Classification	Fee
14.12.030 subsection A.	Permit renewal for special signs	$50.00
14.12.030 subsection A.	Tenant panel sign	$50.00
14.12.030 subsection A.	For Rent, Sale, Lease signs less than 6 square feet.	$0.00
14.12.030 subsection A.	For Rent, Sale, Lease signs more than 6 square feet.	$75.00 plus $0.25 cents per square foot of larger face, plus $50.00 plan review fee, plus (if applicable) a $50.00 annual renewal fee
14.12.030 subsection A.	An awning sign	Priced as a wall sign
14.12.030 subsection A.	All other signs requiring a permit, that are not combined with additional sign fees	$50.00
14.20.060	Renewal fee for a “For Rent, Sale, or Lease” sign	$50.00
14.40.020 subsection B.	Variance application fee	$125.00
15.04.020 Section 108.2 subsection A.1.	Building permit fee for construction costs up to one thousand dollars.	$50.00
15.04.020 Section 108.2 subsection A.1.	Building permit fee for construction costs over one thousand dollars.	$50.00 for the first $1,000 of construction cost plus $10.00 for each additional $1,000 or fraction thereof.
15.04.020 Section 108.2 subsection A.1.	Building permit fee for decks, sheds, gazebos and patios	$50.00 base fee plus fifteen cents per sq. ft. (not including any electrical fees).
15.04.020 Section 108.2 subsection A.2.	Building plan review fee for buildings of up to 500 square feet	$50.00
15.04.020 Section 108.2 subsection A.2.	Building plan review fee for buildings of 501 through 1,000 square feet	$75.00
15.04.020 Section 108.2 subsection A.2.	Building plan review fee for buildings of 1,001 through 2,000 square feet	$125.00
15.04.020 Section 108.2 subsection A.2.	Building plan review fee for buildings of 2,001 through 3,000 square feet	$175.00
15.04.020 Section 108.2 subsection A.2.	Building plan review fee for buildings of 3,001 through 4,000 square feet	$200.00
15.04.020 Section 108.2 subsection A.2.	Building plan review fee for buildings of 4,001 through 5,000 square feet	$250.00
15.04.020 Section 108.2 subsection A.2.	Building plan review fee for buildings of 5,001 and over square feet	$0.05 per sq. ft.
15.04.020 Section 108.2 subsection A.2.	Alterations and remodeling where it is impractical to compute plan review fees on a square foot basis	One-quarter percent (.0025) of the cost of the work to be performed with a minimum fee of $50.00
15.04.020 Section 108.2 subsection A.2.	Amendment Form plan review fee.	$50.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a water heater	$50.00

Buffalo Grove Municipal Code Section	Classification	Fee
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a each sump pump pit	$15.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a each sewer service	$15.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a each water service	$15.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a each water meter	$15.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a each clean out	$10.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a each plumbing fixture or opening not listed	$10.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for an in-ground swimming pool	$60.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a lawn sprinkler system	$4.00/head $75.00 minimum
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a sewer repair	$65.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a RPZ installation (new or replacement)	$50.00
15.04.020 Section 108.2 subsection A.3.	Minimum plumbing fee	$50.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for a plan review fee	$50.00 or 25 percent of building plan review fee, whichever is greater
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for each closed circuit of 15 AMPS	$7.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for each closed circuit of 20 AMPS	$12.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for each closed circuit of 30 AMPS	$20.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for each closed circuit of 40 AMPS	$25.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for each closed circuit of 50 AMPS	$30.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for each closed circuit of 60 AMPS	$40.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for services, including service revisions, of 100 AMPS	$50.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for services, including service revisions, of 101 through 200 amp	$75.00

Buffalo Grove Municipal Code Section	Classification	Fee
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for services, including service revisions, of 201 through 400 amp	$100.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for services, including service revisions, of 401 through 800 amp	$150.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for services, including service revisions, of 801 through 1199 amp	$200.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for services, including service revisions, of 1200 through 4000 amp	$250.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for services, including service revisions, of 4001 through 8000 amp	$300.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for feeder circuits of 60 through 100 amp	$35.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for feeder circuits of 101 through 200 amp	$50.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for feeder circuits of 201 through 400 amp	$65.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for feeder circuits of 401 through 600 amp	$85.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for feeder circuits of 601 through 1000 amp	$110.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for feeder circuits of 1001 through 2000 amp	$130.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee for a motor three quarter horsepower or more	The circuit fee plus $25.00 for the first and $15.00 for each additional
15.04.020 Section 108.2 subsection A.4.	Electrical permit fee except for residential units, the fee for a motor less than three-quarter horsepower	$10.00 plus the circuit fee
15.04.020 Section 108.2 subsection A.4.	Audio communications system fee	$50.00
15.04.020 Section 108.2 subsection A.4.	Burglar alarm system fee	$50.00
15.04.020 Section 108.2 subsection A.4.	Electronic computer/data processing system fee	$50.00
15.04.020 Section 108.2 subsection A.4.	Fire alarm system fee	$100.00
15.04.020 Section 108.2 subsection A.4.	Intercom and public address system fee	$50.00 per system
15.04.020 Section 108.2 subsection A.4.	Relocatable wired partitions system fee	$50.00
15.04.020 Section 108.2 subsection A.4.	Temporary wiring system fee	$50.00

Buffalo Grove Municipal Code Section	Classification	Fee
15.04.020 Section 108.2 subsection A.4.	Electrical permit minimum fee for all installations, except signs	$50.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fees for a sign of 15 AMPS	$7.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fees for a sign of 20 AMPS	$12.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fees for a sign of 30 AMPS	$20.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fees for a sign of 40 AMPS	$25.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fees for a sign of 50 AMPS	$30.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit fees for a sign of 60 AMPS	$40.00
15.04.020 Section 108.2 subsection A.4.	Electrical permit minimum plan review fee	$50.00 or 25% of the building plan review fee—whichever is greater.
15.04.020 Section 108.2 subsection A.5.	Mechanical permit fees for heating in residential (new or replacement unit)	$50.00
15.04.020 Section 108.2 subsection A.5.	Mechanical permit fees for heating in all non-residential uses (new installations) per 2,000 square feet or fraction thereof	$50.00
15.04.020 Section 108.2 subsection A.5.	Mechanical permit fee for air conditioning (window units not included) in a residence (new or replacement unit)	$50.00
15.04.020 Section 108.2 subsection A.5.	Mechanical permit fee for air conditioning (window units not included) in any non-residential unit (new installations) per 2,000 sq. ft. or fraction thereof	$50.00
15.04.020 Section 108.2 subsection A.5.	Minimum mechanical permit fee for modification of existing duct work	$50.00
15.04.020 Section 108.2 subsection A.5.	Mechanical permit fee plan review fee	$50.00 or 25% of building plan review fee — whichever is greater
15.04.020 Section 108.2 subsection A.6.	Elevator permit fee - new installation charge per each elevator, dumbwaiter, moving walk, escalator, conveyor or manlift (includes initial inspection)	$125.00
15.04.020 Section 108.2 subsection A.6.	Elevator permit fee - Semi-annual inspection/Certificate of compliance per each inspection per elevator, dumbwaiter, moving walk, escalator, conveyor or manlift	$80.00

Buffalo Grove Municipal Code Section	Classification	Fee
15.04.020 Section 108.2 subsection A.6.	Elevator permit fee - Semi-annual inspection/Certificate of compliance per each inspection for repairs and reinspection	$80.00
15.04.020 Section 108.2 subsection A.6.	Elevator permit fee - Plan review fee for each elevator, conveyor, dumbwaiter, moving walk, escalator or manlift for buildings of four stories or less	$175.00
15.04.020 Section 108.2 subsection A.6.	Elevator permit fee - additional fee per floor for every story above four stories:	$10.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, new automatic sprinkler system, each system, 1-100 heads	$125.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, new automatic sprinkler system, every 100 additional heads or fraction thereof	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to an existing system of 20 heads or less	$25.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to an existing system of 21-100 heads	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to an existing system every 100 additional heads or fraction thereof	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to partial system of the domestic water system	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to existing system: standpipes (each)	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to existing system: fire pumps (each)	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to existing system: hood suppression systems	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to existing system: clean agent extinguishing systems	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to existing system: alternate fire extinguishing systems	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to existing system: means of egress access control systems	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire protection system fee, renovation to existing system: plan review/inspection fee for fire suppression systems	$100.00
15.04.020 Section 108.2 subsection A.7.	Fire alarm system fee: new or modification to an existing system (this is in addition to a $100.00 electrical fee)	$60.00

Buffalo Grove Municipal Code Section	Classification	Fee
15.04.020 Section 108.2 subsection A.7.	Fire alarm system fee: plan review/inspection fee for fire alarm systems of 5,000 square feet or less	$50.00
15.04.020 Section 108.2 subsection A.7.	Fire alarm system fee: plan review/inspection fee for fire alarm systems of 5,001 to 10,000 square feet	$5.00 per device (minimum $100.00)
15.04.020 Section 108.2 subsection A.7.	Fire alarm system fee: plan review/inspection fee for fire alarm systems of 10,000 square feet or more	$5.00 per device (minimum $150.00)
15.04.020 Section 108.2 subsection A.8.	Above-ground pool installation or alteration permit fee	$50.00
15.04.020 Section 108.2 subsection A.9.	Plan review fee for the Health Department	$50.00 or 25% of building plan review fee — whichever is greater
15.04.020 Section 108.2 subsection A.10.	Any inspection or reinspection not covered by the fees designated in section 108.2 (per inspection)	$50.00
15.04.020 Section 108.2 subsection A.11.	Where work has been started prior to the issuance of a permit, the normal permit fee shall be increased to	Doubled the original permit fee (with a minimum of $50.00 and a maximum of $1,000.00)
15.04.020 Section 108.2 subsection A.12.	The fee for Certificate of Occupancy: residential (per unit)	$50.00
15.04.020 Section 108.2 subsection A.12.	The fee for Certificate of Occupancy: non-residential (per unit)	$150.00
15.04.020 Section 108.2 subsection A.13.	Zoning/Code Compliance Letter (non-residential only)	$150.00
15.04.020 Section 108.2 subsection A.14.	Parking Lot Repairs/Restriping	$50.00
15.04.020 Section 108.2 subsection A.15.	Permit fee for Fire Department construction inspections (includes one reinspection)	$50.00
15.04.020 Section 108.2 subsection A.15.	Fee per reinspection by the Fire Department after the first reinspection	$50.00
15.04.020 Section 108.2 subsection A.15.	Fire Department annual safety inspection fee (original inspection or the first reinspection)	$0.00
15.04.020 Section 108.2 subsection A.15.	Fire Department annual safety inspection fee per reinspection subsequent to first reinspection	$50.00
15.04.020 Section 108.2 subsection A.16.	Temporary food service permit fee	$75.00
15.20.030 subsection A.	Fence permit fee	$35.00 for the first one hundred lineal feet and $5.00 for each additional one hundred lineal feet or any part thereof

Buffalo Grove Municipal Code Section	Classification	Fee
15.32.030	Contractor, subcontractor or construction manager annual fee	$100.00 for the first trade. If registering for more than one trade then $100.00 for the first trade and $50.00 for each subsequent trade. Any contractor registering on or after July 1st will pay one-half the required fee until the end of the year.
15.32.040 subsection A.2.	Electrical contractor annual registration fee	$50.00
15.36.050 subsection C.	New license or renewal license for renting a single family home, condominium, townhome, or row house. (includes the initial inspection and one reinspection)	$75.00
15.36.050 subsection C.	New license or renewal license for renting an apartment complex (includes the initial inspection and one reinspection)	$150.00 per building plus $30.00 per dwelling unit
15.36.050 subsection C.	The fee for any reinspection after the first reinspection	$50.00
15.36.060 subsection F.	The fee for any reinspection after the first reinspection (except that a single reinspection shall be conducted at the end of the conditional license term without any fee for the purpose of determining compliance)	$50.00
16.20.020 subsection D.	Concept plan filing fee	$150.00 plus $25.00 for each acre or fraction thereof in excess of 5 acres, not to exceed $1,000.00 dollars
16.20.020 subsection H.	Public Hearing fee and an Engineering Review fee for a public hearing with the Planning & Zoning Commission	1.0% of the total estimated cost of construction of all improvements required pursuant to Title 16.
16.20.080 subsection D.1.	Plat filing application fee for a developer	3.5% of the total estimated cost of all improvements, both public and private, governed by Title 16, less the amount of the engineering review fee, paid pursuant to Section 16.20.020
16.20.105 subsection C.	Filing fee for an administrative subdivision	$100.00
16.20.105 subsection D.	Initial payment and recoverable cost escrow for an administrative subdivision	$500.00

Buffalo Grove Municipal Code Section	Classification	Fee
17.36.020 subsection A.2.	Permit fee for any construction, reconstruction, re-striping or expansion or modification of a parking lot	$50.00 plus an engineering and reviewing fee of 3.5% of the first $10,000 of the construction cost estimate plus 1.0% of the remaining construction cost estimate
19.01.030 subsection C.	Subdivider or developer cash contribution for library services (per person in the subdivision or development)	$93.85
19.01.040 subsection B.	Fair market value of improved land in the Village for purposes of determining cash contributions in lieu of land (per acre)	$175,000.00

Appendix B

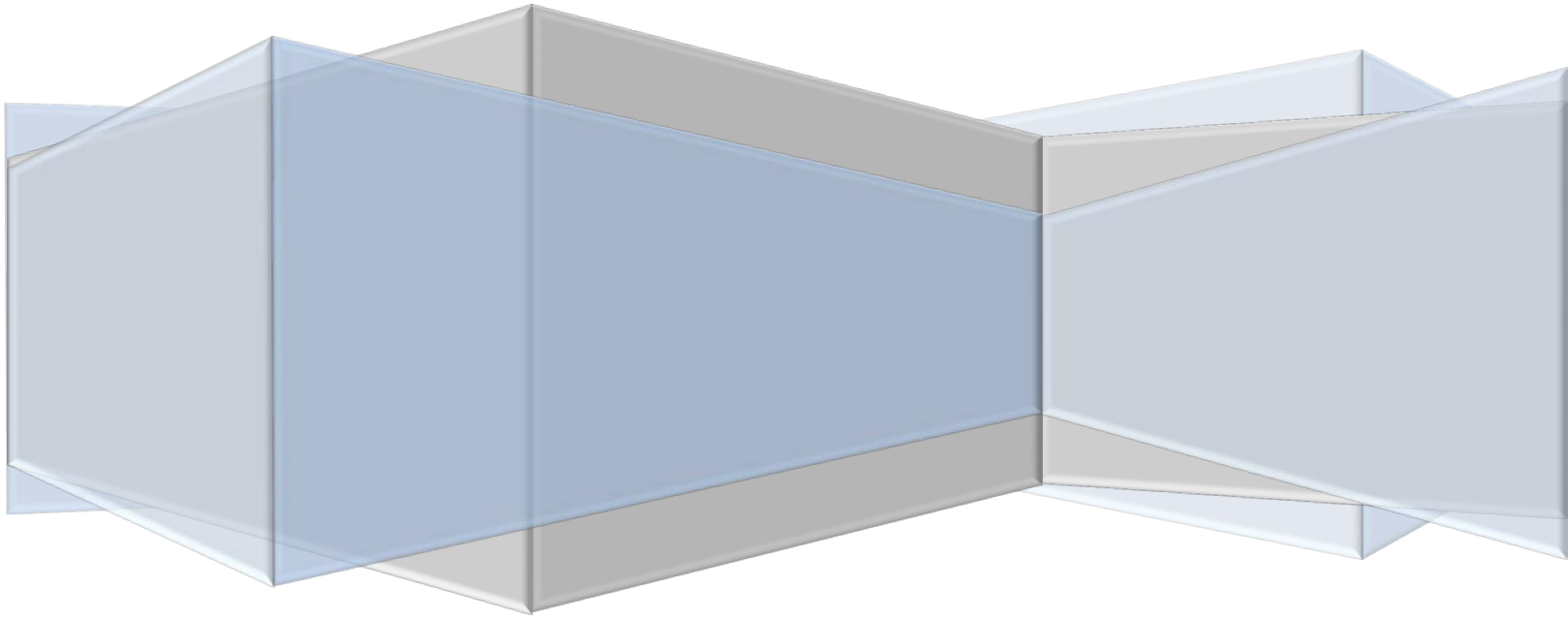
Financial Policies and Projections

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
Stormwater Fund 20 Year Pro Forma



Village of Buffalo Grove

Fund Balance and Reserve Policy



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 tern 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)

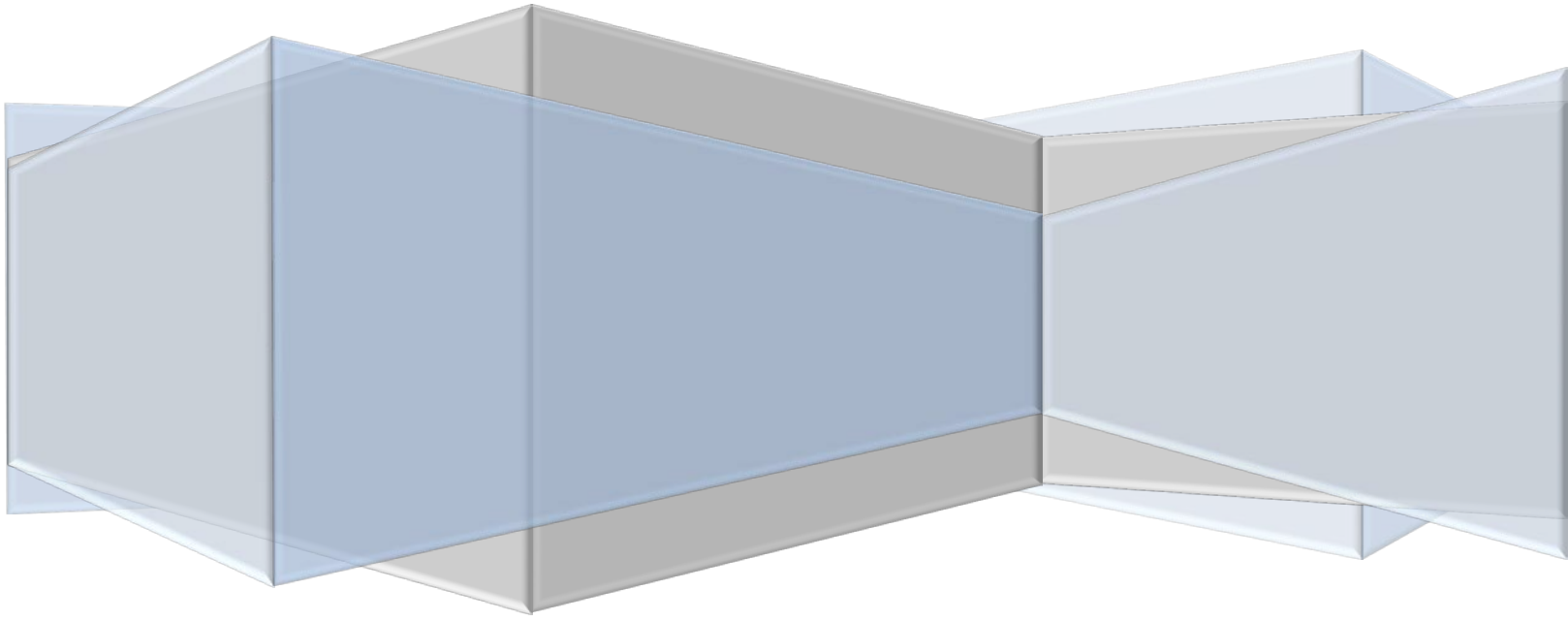
Note: In Non-Governmental Funds, management may decide to "assign" funds for a specific purpose. This will be done as an internal budgeting procedure rather than as a formal accounting entry, creating a fund automatically assigns fund balance.

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. Committed Fund Balance
    d. Assigned Fund Balance
    e. Unassigned Fund Balance
F. The Finance Director will determine if a portion of fund balance should be assigned.

Village of Buffalo Grove

Purchasing Policy Overview



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.

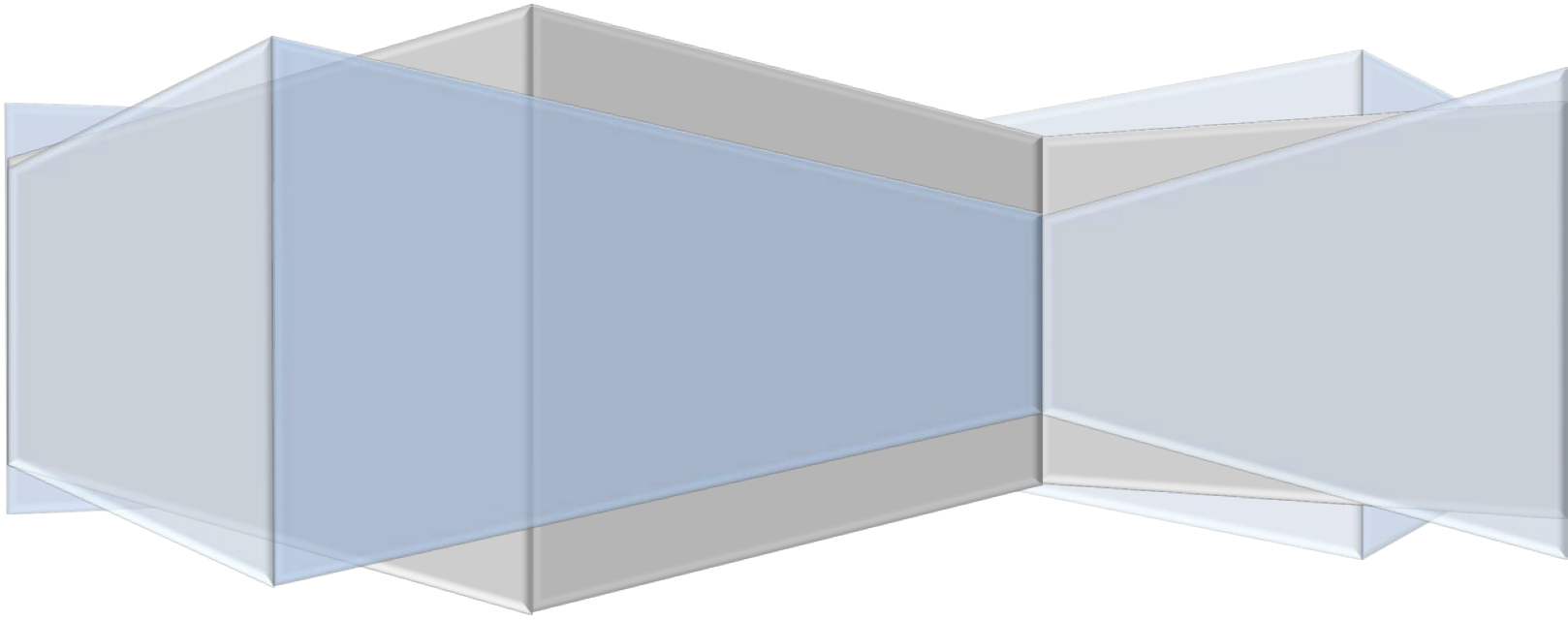
Blanket Purchase Orders
Purpose: Blanket purchase orders will be used for repetitive purchases from certain vendors.

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.

Village of Buffalo

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 Complied 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). <u>Credit Risk</u>

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

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

(b). Interest Rate Risk

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

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

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same day liquidity for short-term funds.

3. *Yield*

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

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

IV. Standards of Care:

1. *Prudence*

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

2. *Ethics and Conflicts of Interest*

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests

in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Village of Buffalo Grove.

3. *Delegation of Authority*

Authority to mange the Village of Buffalo Grove's investment program is derived from the following:

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

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

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

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

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

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

VI. Safekeeping and Custody:

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

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

1. *Internal Controls*

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

The internal controls structure shall address the following points:

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

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

VII. Suitable and Authorized Investments:

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

- Bonds, notes, certificates of indebtedness, treasury bill, or any other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of American as to principal and interest;
- Bonds, notes, debentures or other similar obligations of the United States of America or its agencies;
- Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; and is insured by the Federal Deposit Insurance Corporation;

- Short-term obligations of corporations organized in the United States with assets exceeding $500,000,000 if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 180 days for the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than 25% of the Village's funds may be investing in short-term obligations of corporations;
- Illinois Public Treasurer's Investment Pool (Illinois Funds), and the Illinois Metropolitan Investment Fund (IMET)
- Short-term discount obligations of the Federal National Mortgage Association (FNMA) or I shares of other forms of securities or other allowable investments legally issued by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States. Investments may be made only in those savings and loan associations of which the shares or investment certificates are insured by the Federal Deposit Insurance Corporation (FDIC).
- Investment options suitable under ILCS including Fixed Rate General Obligation Municipal Bonds whose credit quality is restrict to "AA" or better.

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, including surety bonds or letters of credit. The Village will accept any of the following assists as collateral:

- Government Securities
- Obligations of Federal Agencies
- Obligations of Federal Instrumentalities
- Fixed Rate General Obligation Municipal Bonds rated "AA" or better
- 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 103% 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),

    - Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
    - Commercial paper shall not exceed 33% of the Village's investment portfolio.
    - Brokered certificates of deposit shall not exceed 25% of the Village's investment portfolio.

- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

2. *Maximum Maturities*

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

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

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

IX. Reporting:

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

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

1. *Performance Standards*

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

2. *Market Yield*

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

3. *Marking to Market*

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

X. Investment Policy Adoption:

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

XI. Glossary:

AGENCIES: Informal name that refers to securities issued by the United States government and U.S. government sponsored instrumentalities.

ASKED: The trading price proposed by the prospective seller of securities. Also called the offer or offered price.

BANKERS' ACCEPTANCE (BA): A short-term financial instrument that is the unconditional obligation of the accepting bank.

BASIS POINT (BP): A unit of measurement for interest rates or yields that are expressed in percentages. (One hundred basis points equal 1 percent.)

BID: The trading price acceptable to a prospective buyer of securities.

BOND EQUIVALENT YIELD (BEY): An annual yield, expressed as a percentage, describing the return provided to bond holders. The BEY is a way to compare yields available from discount securities such as Treasury bills and BAs with yields available from coupon securities.

BROKER: A party who brings buyers and sellers together. Brokers do not take ownership of the property being traded. They are compensated by commissions. They are not the same as dealers; however, the same individuals and firms that act as brokers in some transactions may act as dealers in other transactions.

BROKERED AND NEGOTIABLE CERTIFICATES OF DEPOSIT: Short-term (2 to 52 weeks) large denomination ($100,000 minimum). Certificate of Deposit that is issued at a discount on its par value, or at a fixed interest rate payable at maturity and are freely traded in secondary markets.

CERTIFICATE OF DEPOSIT (CD): A deposit of funds, in a bank or savings and loan association, for a specific term that earns interest at a specified rate or rate formula. CDs may be secured or unsecured, may be in negotiable or nonnegotiable form and may be issued in either physical or book entry form.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER (CP): Unsecured, short-term promissory notes issued by corporations for specific amounts and with specific maturity dates.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the Village of Glenview. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A firm or individual who buys and sells for their own account. Dealers have ownership between a purchase from one party and a sale to another party. Dealers are compensated by the spread between the price they pay and the price they receive.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): The simultaneous exchange of securities and cash. The safest method of settling either the purchase or sale of a security. In a DVP settlement, the funds are wired from the buyer's account and the security is delivered from the seller's account in simultaneous independent wires.

DISCOUNT: The amount by which the price for a security is less than its par.

DISCOUNT SECURITIES: Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full face value paid at maturity. Treasury bills, bankers' acceptances and zero coupon bonds are discount securities.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT OF INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $100,000 per deposit.

FEDERAL FUNDS RATE: The rate for which overnight federal funds are traded.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or FANNIE MAE): FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, HUD. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotation basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE): GNMA, like FNMA, was chartered under the Federal National Mortgage Association Act of 1938. Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term *pass-throughs* is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be readily converted to cash through sale in an active secondary market.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): Pools through which governmental entities may invest short term cash. Examples of LGIP's are the Illinois Funds, administered by the Illinois State Treasurer and the Illinois Metropolitan Investment Fund.

MARKET VALUE: The price at which a security could presumably be purchased or sold.

MARK TO MARKET: The process of restating the carrying value of an asset or liability to equal its current market value.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between parties. The agreement establishes each party's right in the transaction. Repurchase Agreements (REPO's) are a form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and then buys them back the following day. For the party selling the security (and agreeing to repurchase it in the future), it is a repo; for the party on the other end of the transaction (buying the security and agreeing to sell in the future), it is a reverse repurchase agreement. A master agreement will often specify, among other things, the right to liquidate the underlying securities in the event of default.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The aggregation of buyers and sellers actively trading money market instruments.

OFFER OF OFFERED PRICE: The trading price proposed by the prospective seller of securities (also called the asked or asking price).

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of financial assets belonging to a single owner.

PREMIUM: The amount by which the price for a security is greater than its par amount.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unrelated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state - the so-called *legal list*. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REINVESTMENT RISK: The risk that all or part of the principal may be received when interest rates are lower than when the security was originally purchased, so that the principal must be reinvested at a lower rate than the rate originally received by the investor.

REPURCHASE AGREEMENT (RP OR REPO): See Master Repurchase Agreement.

SAFEKEEPING: A service rendered by banks whereby securities and valuables of all types and descriptions are held by the bank.

SEC RULE 15C3-1: See uniform net capital rule.

SECONDARY MARKET: Markets for the purchase and sale of any previously issued financial instrument.

SECURITIES & EXCHANGE COMMISSION (SEC): The federal agency with responsibility for regulating financial exchanges for cash instruments.

SPREAD OVER TREASURIES: The difference between the bond equivalent yield for any investment and the bond equivalent yield for a Treasury investment with the same maturity.

TREASURY BILLS (T-BILLS): Short-term obligations issued by the U.S. Treasury for maturities of one year or less. They do not pay interest but are issued on a discount basis instead.

TREASURY BONDS (T-BONDS): Long-term obligations issued by the U.S. Treasury with initial maturities of more than ten years.

TREASURY NOTES (T-NOTES): Medium-term obligations issued by the U.S. Treasury with initial maturities of from one to ten years.

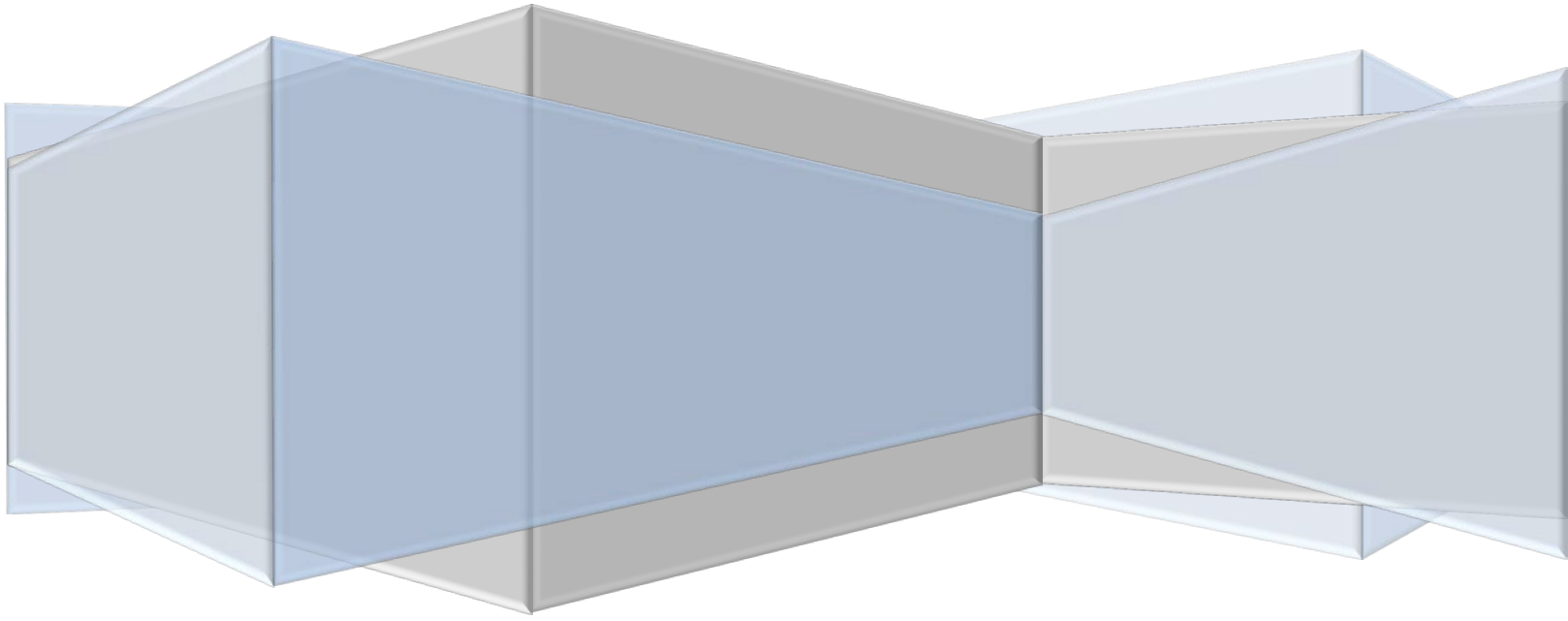
UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as non-member broker dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicate. *Liquid capital* includes cash and assets easily converted to cash.

YIELD: Loosely refers to the annual return on an investment expressed as a percentage on an annual basis. For interest-bearing securities, the yield is a function of the rate, the purchase price, the income that can be earned from the reinvestment of income received prior to maturity, call or sale. Different formulas or methods are used to calculate yields.

Adopted April 18, 2016

Village of Buffalo Grove

Debt Policy



I. PURPOSE AND GOALS

The Debt Policy sets forth comprehensive guidelines for the financing of capital expenditures. It is the objective of the policies that (1) the Village obtain financing only when necessary, (2) the process for identifying the timing and amount of debt or other financing be as efficient as possible, (3) the most favorable interest rate and other related costs be obtained, and (4) when appropriate, future financial flexibility be maintained.

Debt financing, which includes general obligation bonds, special assessment bonds, revenue bonds, temporary notes, lease/purchase agreements, lines of credit, and other Village obligations permitted to be issued or incurred under Illinois law, shall only be used to purchase capital assets that cannot be acquired from either available current revenues or fund balances. The useful life of the asset or project shall exceed the payout schedule of any debt the Village assumes.

To enhance creditworthiness and prudent financial management, the Village is committed to systematic capital planning and long-term financial planning. Evidence of this commitment to capital planning will be demonstrated through the annual adoption of a Capital Improvement Plan (CIP) identifying the benefits, costs and method of funding each capital improvement planned for the succeeding five years.

GOALS

In following this policy, the Village shall pursue the following goals when issuing debt:

- 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 into long-term debt, should be a practice that is expressly prohibited. 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.
- Assess financial alternatives to include new and innovative financing approaches as well as seeking categorical grants, revolving loans or other state/federal aid
- The Village will also issue long-term debt for refunding of other outstanding debt for the purpose of interest rate savings. As a guide, the minimum net present value savings shall be three percent (3%) of the par value of the proposed new bonds to be issued. However, circumstances may occur where a refunding may be advantageous with net present value savings of less than 3%. In those cases, approval of the President and Board of Trustees will be required in order to proceed.
- Determine the amortization (maturity) schedule which will best fit with the overall debt structure of the Village's general obligation debt and related tax levy at the time the new debt is issued. The Village may choose to delay principal payments or capitalize interest during the project construction. For issuance of revenue bonds, the amortization schedule which will best fit with the overall debt structure of the enterprise fund and its related rate structure will be considered. Consideration will be given to coordinating the length of the issue with the lives of assets, whenever practicable, while considering repair and replacement costs of those assets to be incurred in future years as an offset to the useful lives, and the related length of time in the payout structure.
- Level or declining debt service shall be employed unless operational matters dictate otherwise, or except to achieve overall level debt service with existing bonds. The Village shall be mindful of the potential benefits of bank qualification and will strive to limit its annual issuance of debt to $10 million or less when such estimated benefits are greater than the benefits of exceeding the bank qualification limit. Should subsequent changes in the law raise this limit, then the Village policy will be adjusted accordingly.
- The cost of taxable debt is higher than for tax-exempt debt. However, the issuance of taxable debt is mandated in some circumstances and may allow valuable flexibility in subsequent contracts with users or managers of the improvement constructed with the bond proceeds. Therefore, the Village will usually issue obligations tax exempt, but may occasionally issue taxable obligations.

II. DEBT ISSUANCE IN GENERAL

A. Authority and Purposes of the Issuance of Debt

The laws of the State of Illinois authorize the issuance of debt by the Village. The Local Bond Law confers upon municipalities the power and authority to contract debt, borrow money, and issue bonds for public improvement projects as defined therein. Under these provisions, the Village may contract debt to pay for the cost of acquiring, constructing, reconstruction, improving, extending, enlarging, and equipping such projects or to refund bonds. The Village Charter authorizes the Village Board to incur debt by issuing bonds for any lawful municipal purpose as authorized by the State Constitution or it Home Rule Powers.

B. Types of Debt Issued

i) Short-Term (three years or less) The Village may issue short-term debt to finance the purchase of capital equipment having a life exceeding one year or provide increased flexibility in financing programs.

ii) Long-Term (more than three years) The Village may issue long-term debt which may include, but not limited to, general obligation bonds, certificates of participation, capital appreciation bonds, tax increment allocation revenue bonds, special assessment bonds, special service area bonds, self-liquidation bonds and double barreled bonds. The Village may also enter into long-term leases for public facilities, property, and equipment with a useful life greater than one year.

C. Capital Improvement Program

The Capital Improvement Plan (CIP) as approved by the Village Board shall determine the Village's capital needs. The program shall be a five-year plan for the acquisition, development and/or improvement of the Village's infrastructure. The first year of the program shall be the Capital Budget. If the current resources are insufficient to meet the needs identified in the Capital Budget, the Village Board may consider incurring debt to fund the shortfall. The Village Board, upon advice from the Village's financial advisor, may also consider funding multiple years of the Capital Improvement Program by incurring debt. The CIP should be revised and supplemented each year in keeping with the Village's policies on debt management.

D. Structure of Debt Issues

The duration of a debt issue shall not exceed the economic or useful life of the improvement or asset that the issue is financing. The Village shall design the financing schedule and repayment of the debt so as to take best advantage of market conditions and, as practical, to recapture or maximize its credit capacity for future use, and moderate the impact to the taxpayer.

E. Sale of Securities

All debt issues should be sold through a competitive bidding process based upon the lowest offered True Interest Cost (TIC), unless the Board deems a negotiated sale the most advantageous to the Village.

F. Credit Enhancements

The Village may enter into agreements with commercial banks or other financial entities for the purpose of acquiring letters of credit, municipal bond insurance, or other credit enhancements that will provide the Village with access to credit under terms and as specified in such agreements when their use is judged cost effective or otherwise advantageous. Any such agreements shall be approved by the Village Board.

III. LEGAL CONSTRAINTS AND OTHER LIMITATIONS ON THE ISSUANCE OF DEBT

The Village Board may utilize the guidelines established by this policy, or may choose, in its discretion, to consider other relevant factors in incurring debt. The validity of any debt incurred in accordance with applicable law shall not be invalidated, impaired or otherwise affected by non-compliance with any part of the procedure set forth pursuant to this policy.

A. State Law

30 ILCS 305/0.01, et. Seq.: the short title is "The Bond Authorization Act."

B. Authority for Debt

The Village may, by bond ordinance, incur indebtedness or borrow money, and authorize the issue of negotiable obligations, including refunding bonds, for any capital improvement of property, land acquisition, or any lawful purpose except current expenses, unless approved by the Village Board.

C. Debt Limitation

Because the Village of Buffalo Grove is a Home Rule Community, the debt limitations of the bond laws are not applicable.

D. Methods of Sale

All bonds shall be sold at a public sale, except that bonds may be sold at a private sale in accordance with 30 ILCS 350/10. The Village may issue short-term notes by negotiated sale if the bond ordinance or subsequent resolution so provides.

i) Bonds All bonds will mature within the period or average period of usefulness of the assets financed; and the bonds will mature in installments, the first of which is payable not more than five years from the dated date of the bonds. Term bonds may be allowable if recommended by the Village's financial advisor and approved by the Village Board.

ii) Financial Advisor To ensure independence, the Financial Advisor will not bid on nor underwrite any Village debt issues on which it is advising.

IV. DEBT ADMINISTRATION

A. Financial Disclosures

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

B. Review of Financing Proposals

All capital financing proposals that involve a pledge of the Village's credit through the sale of securities, execution of loans or lease agreements and/or otherwise directly involve the lending or pledging of the Village's credit shall be referred to the Director of Finance/Treasurer who shall determine the financial feasibility, and the impact on existing debt of such proposal, and shall make recommendations accordingly to the Village Manager.

C. Establishing Financing Priorities

The Director of Finance/Treasurer shall administer and coordinate the Village's debt issuance program and activities, including timing of issuance, method of sale, structuring the issue, and marketing strategies. The Director of Finance/Treasurer along with the Village's financial advisor shall meet, as appropriate, with the Village Manager and Village Board regarding the status of the current year's program and to make specific recommendations.

D. Rating Agency Relations

The Village shall endeavor to maintain effective relations with the rating agencies. The Village Manager, Director of Finance/Treasurer, and the Village's financial advisors should meet with, make presentations to, or otherwise communicate with the ratings agencies on a consistence and regular basis in order to keep

the agencies informed concerning the Village's capital plan, debt issuance program, and other appropriate financial information.

E. Refunding Policy

The Village should consider refunding outstanding debt when legally permissible and financially advantageous. A net present value debt service savings of at least three percent or greater should be achieved.

F. Post-Issuance Compliance

The Finance Director/Treasurer shall be responsible for following post-issuance compliance for all debt issues. The procedures are noted in the Post-Issuance Procedures Manual for Tax-Exempt Bonds Issued by The Village of Buffalo Grove.

V. GLOSSARY OF TERMS

Ad Valorem Tax – A direct tax based "according to value" of property.

Advanced Refunding Bonds – Bonds issued to refund an outstanding bond issue prior to the date which the outstanding bonds become due or callable. Proceeds of the advanced refunding bonds are deposited in escrow with a fiduciary, invested in United States Treasury Bonds or other authorized securities, and used to redeem the underlying bonds at maturity or call date.

Amortization – the process of paying the principal amount of an issue of bonds by periodic payments either directly to bondholders or to a sinking fund for the benefit of bondholders.

Arbitrage – Usually refers to the difference between the interest paid on the tax-exempt securities and the interest earned by investing the proceeds in higher yielding taxable securities. Internal Revenue Service regulations govern arbitrage (references I.R.S. Reg. 1.103-13 through 1.103-15).

Arbitrage Bonds – Bonds which are deemed by the I.R.S. to violate federal arbitrage regulations. The interest on such bonds becomes taxable and the bondholders must include this interest as part of gross income for federal income tax purposes (I.R.S. Reg. 1.103-13 through 1.103-15).

Assessed Value – An annual determination of the just or fair market value of property for purposes of ad valorem taxation.

Basis Point – 1/100 of one percent.

Bond – Written evidence of the issuer's obligation to repay a specified principal amount on a date certain, together with interest at a stated rate, or according to a formula for determining that rate.

Bond Anticipation Notes (BANS) – Short-term interest bearing notes issued by a government in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

Bond Counsel – An attorney retained by the Village to render a legal opinion whether the Village is authorized to issue the proposed bonds, has met all legal requirements necessary for issuance, and whether interest on the bonds is, or is not, exempt from federal and state income taxation.

Bonded Debt – The portion of an issuers total indebtedness represented by outstanding bonds.

Callable Bond – A bond which permits or requires the issuer to redeem the obligation before the state maturity date at a specified price, the call price, usually at or above par value.

Capital Appreciation Bonds (CAB) – A long-term security on which the investment return is reinvested at a state compound rate until maturity. The investor receives a single payment at maturity representing both the principal and investment return.

Commercial Paper – Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank.

Coupon Rate – The annual rate of interest payable on a coupon bond (a bearer bond or bond registered as to principal only, carrying coupons evidencing future interest payments), expressed as a percentage of the principal amount.

Debt Limit – The maximum amount of debt which an issuer is permitted to incur under constitutional, statutory or charter provision.

Debt Service – The amount of money necessary to pay interest on an outstanding debt, the serial maturities of principal for serial bonds, and the required contributions to an amortization or sinking fund for term bonds.

Demand Notes (Variable Rate) – A short-term security which is subject to a frequently available put option feature under which the holder may put the security back to the issuer after giving specified notice. Many of these securities are floating or variable rate, with the put option exercisable on dates on which the floating rate changes.

Double Barreled Bonds (Alternative Revenue Bonds) – A bond which is payable from the revenues of a governmental enterprise and are also backed by the full faith and credit of the governmental unit.

Enterprise Funds - Funds that are financed and operated in a manner similar to private business in that goods and services provided are financed primarily through user charges.

General Obligation Bond - A bond for whose payment the full faith and credit of the issuer has been pledged. More commonly, but not necessarily, general obligation bonds are payable from ad valorem property taxes and other general revenues.

Lease Purchase Agreement (Capital Lease) - A contractual agreement whereby the government borrows funds from a financial institution or a vendor to pay for capital acquisition. The title to the asset(s) normally belongs to the government with the lessor acquiring security interest or appropriate lien therein.

Letter of Credit - A commitment, usually made by a commercial bank, to honor demands for payment of a debt upon compliance with conditions and/or the occurrence of certain events specified under the terms of the commitment.

Level Debt Service - An arrangement of serial maturities in which the amount of principal maturing increases at approximately the same rate as the amount of interest declines.

Long-Term Debt - Long-term debt is defined, for purposes of this policy, as any debt incurred whose final maturity is more than three years.
Maturity - The date upon which the principal of a municipal bond becomes due and payable to bondholders.

Mini-bonds - A small denomination bond directly marketed to the public.

Net Interest Cost (NIC) - The traditional method of calculating bids for new issues of municipal securities. The total dollar amount of interest over the life of the bonds is adjusted by the amount of premium or discount

bid, and then reduced to an average annual rate. The other method is known as the true interest cost (see "true interest cost").

Offering Circular - Usually a preliminary and final document prepared to describe or disclose to investors and dealers information about an issue of securities expected to be offered in the primary market. As a part of the offering circular, an official statement shall be prepared by the Village describing the debt and other pertinent financial and demographic data used to market the bonds to potential buyers.

Other Contractual Debt - Purchase contracts and other contractual debt other than bonds and notes. Other contractual debt does not affect annual debt limitation and is not a part of indebtedness within the meaning of any constitution or statutory debt limitation or restriction.

Par Value or Face Amount - In the case of bonds, the amount of principal which must be paid at maturity.

Parity Bonds - Two or more issues of bonds which have the same priority of claim or lien against pledged revenues or the issuer's full faith and credit pledge.

Principal - The face amount or par value of a bond or issue of bonds payable on stated dates of maturity.

Private Activity Bonds - One of two categories of bonds established under the Tax Reform Act of 1986, both of whom are subject to certain tests and State volume caps to preserve tax exemption.

Ratings - Evaluations of the credit quality of notes and bonds, usually made by independent rating services, which generally measure the probability of the timely repayment of principal and interest on municipal bonds.

Refunding Bonds - Bonds issued to retire bonds already outstanding.

Registered Bond - A bond listed with the registrar as to ownership, which cannot be sold or exchanged without a change of registration.

Reserve Fund - A fund which may be used to pay debt service if the sources of the pledged revenues do not generate sufficient funds to satisfy the debt service requirements.

Self-Supporting or Self Liquidating Debt - Debt that is to be repaid from proceeds derived exclusively from the enterprise activity for which the debt was issued.

Short-Term Debt -Short-term debt is defined for purposes of this policy as any debt incurred whose final maturity is three years or less.

Spread - The income earned by the underwriting syndicate as a result of differences in the price paid to the issuer for a new issue of municipal bonds, and the prices at which the bonds are sold to the investing public, usually expressed in points or fractions thereof.

Tax-Exempt Bonds - For municipal bonds issued by the Village tax-exempt means interest on the bonds are not included in gross income for federal income tax purposes; the bonds are not items of tax preference for purposes of the federal, alternative minimum income tax imposed on individuals and corporations; and the bonds are exempt
from taxation by the State of Illinois.

Tax Increment Bonds - Bonds secured by the incremental property tax revenues generated from a redevelopment project area.

Term Bonds - Bonds coming due in a single maturity.

True Interest Cost (TIC) - Also known as Canadian Interest Cost. A rate which, when used to discount each amount of debt service payable in a bond issue, will produce a present value precisely equal to the amount of money received by the issuer in exchange for the bonds. The TIC method considers the time value of money while the net interest cost (NIC) method does not.

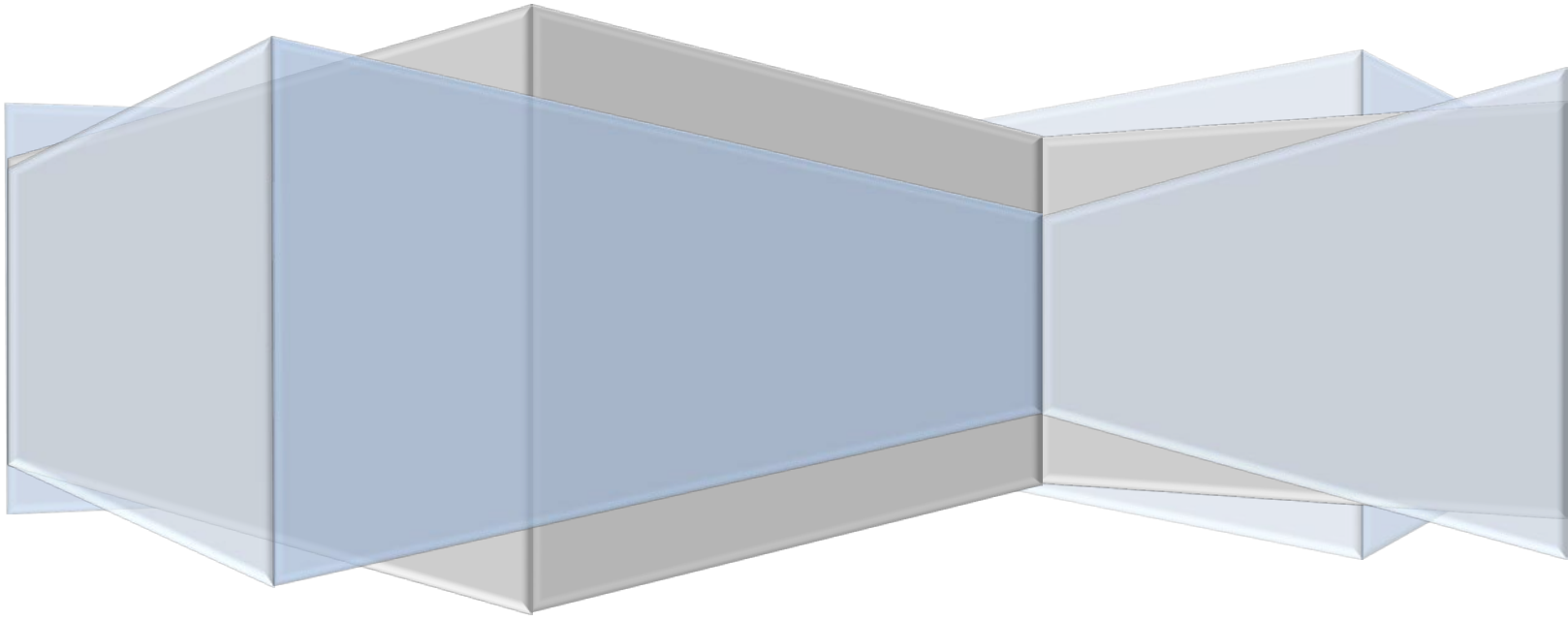
Yield to Maturity - The rate of return to the investor earned from payments of principal and interest, with interest compounded semiannually and assuming that interest paid is reinvested at the same rate.

Zero Coupon Bond - A bond which pays no interest, but is issued at a deep discount from par, appreciating to its full value at maturity.

Dated April 18, 2016

Village of Buffalo Grove

Fixed Asset and Capital Equipment Capitalization Policy



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.

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

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

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

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

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

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

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

5. The department initiating an acquisition, deletion or transfer of an asset should notify the Finance Department of these events. Changes to the database will be initiated as appropriate.
6. All asset acquisitions should be by purchase order unless they are for assets donated or contributed to the Village. All deletions/retirements will be declared surplus by ordinance. Such ordinances will be prepared by the Finance Department.
7. All asset acquisitions will be identified, when appropriate, with tags provided by the Finance Department. Tags will be affixed to the asset acquired by department personnel.
8. At a minimum once per year, an inventory will be conducted of all general fixed assets. This will be prior to the conclusion of the fiscal year and will be used for posting to the Village's financial records and for preparation of any surplus declaration.
9. Any final inventory values will be considered the official financial record of the Village subject to independent review and audit.

Costing of General Fixed Assets:
General fixed assets should be recorded at their original cost; if original cost is unknown, an estimate will be acceptable if reasonable and customary for similar assets. As stated, an asset that is to be included within the inventory should have a significant value. The significant value test is mostly subjective, and accordingly, it is necessary to exercise some level of 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
- Purchasing department as well as location of the asset
- 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 of 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 be 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.

Revenue Collection Policy

1. Purpose

The purpose of this document is to serve as a guide to identify major revenue sources, the method of collection, and the process of improving compliance rates. The ability of Village to influence the success of collection is discussed with each category.

2. Scope

The scope of this document will be to explore all defined and ordinary revenue streams of the Village. Revenues will be identified by category, which will correspond directly to the budget document. Within each category a discussion of each type or similar type revenue will be addressed. This document will not discuss each revenue line item in the budget, nor will it go in depth about miscellaneous one time or non-recurring revenue.

3. Overview

Listed below is an overview of each revenue category that includes a short synopsis of the system of collection of major revenues and the influence the Village has on the collection of the revenue. It also includes a collection plan to improve collection of the revenue.

4. Revenue Sources

4.1 Real Estate Taxes

Real estate property tax revenues are one of the most stable as collections typically exceed ninety-nine percent of the amount levied each year. Once the counties are directed to extend the levy, the Village has no ability to either control the timing of the tax bill mailings or the collection of the amount due. The counties control the revenue distribution dates to the Village. The counties do add late fees to late payments. In the event the property tax is not collected from a parcel the property will be sold at a judicial sale to recoup the amount owed.

The Village does have an option to allow each county to overextend the levy to offset loss in collections. Lake County allows for an over-extension of two percent on the debt service levies. Cook County allows for an overextension of three percent on corporate purpose and pension levies and five percent on debt service levies. Historically, with strong rates of collection, the Village opts out of the over-extension option through resolution.

4.2 Utility Billing Enterprise

The Village directly bills all water utility customers for the amount of water consumed and for a storm water management fee. The storm water fee is charged as a flat amount to residential properties and based upon square footage for commercial/industrial properties. In order to create efficiencies in billing, the Village also bills all Lake County sanitary sewer fees to Lake County properties.

Over ninety-three percent of the water billing revenue due is paid on time. The entire Village is billed over a two month period. Commercial, industrial and multifamily properties are billing monthly. Lake County single family households are billed on odd months and Cook County single family households are billed on even months.
The Village uses a combination of penalties including late fees and service interruption fees to reduce the number of delinquent service accounts.

Late fees are assessed to service accounts that fail to pay the amount due by the due date. Water utility customers have approximately twenty-one days to pay the Village. The late fee is charged at a rate of 1.5 percent per month on the balance due.
For those accounts that fall into delinquency past sixty days, the account is subject to be shut off. A warning notice is mailed to the service address with the date of the impending service interruption. Once the water is turned off, the customer must pay a service interruption charge to reinstate service.

At any point in the billing and collection process, up to water being shut off, a resident can enter into a payment plan for past due balances. Upon a successful completion of the terms of the plan, the customer will avoid losing water service. A utility customer is limited to one payment plan arrangement per year.

All customers are required to pay the entire water bill balance, current and outstanding, before a real estate transfer tax stamp is issued.

4.3 State Taxes

The State is responsible for collecting and remitted base sales taxes (1%), home rule sales tax (1%), income and use tax (per capita), telecommunications tax (6%) and motor fuel tax (per capita). Enforcement of revenue collection is handled by the Illinois Department of Revenue (IDOR). Payments are made to the village on a monthly basis. Staff monitors the IDOR website to ensure timely remittances from the State of Illinois.

4.4 Locally Collected Taxes/Fees

The Village collects certain tax revenues, defined by state or local ordinance, directly from the taxpayer. These types of taxes include natural gas ($.05/therm), electricity (sliding usage scale – maximum by statute), and cable franchise (5%). The finance department currently monitors these taxes on a monthly basis for the utility taxes and bi-monthly for the cable franchise fees.

Upon a new property being established in the Village, that address is forwarded to the utility companies including, ComEd, NiCOR or Northshore Gas, Comcast and/or AT&T to establish tax collections. Staff is provided with an annual list of accounts by the utility companies to cross reference with the Village's GIS data.

4.5 Village Imposed Taxes

The Village imposes taxes related to locally generated revenue from specific businesses. These taxes are defined by ordinance. These taxes include prepared food and beverage tax(1%) and hotel/motel tax (5%). Staff reviews the State of Illinois tax filings (ST-1) to compare to the amount paid to the Village. The Village requires state tax documentation to be remitted with the payment of these taxes for auditing purposes.

The Village reserves the right to audit a businesses' tax records if staff determines that the business may either be underreporting taxable income or not submitting taxes on a timely basis.

Real estate transfer taxes ($3/$1,000 sales consideration) are collected when homes are sold. The real estate transfer tax stamp will not be issued unless all obligations owed the Village are satisfied.

4.6 Licensing Fees

Business, tobacco, liquor, vending machine, chauffer, alarm, and pet licenses are minor revenue sources and renew annually. The major licensing efforts are for business licenses that are due January 1st and liquor licenses due May 1st when the renewal period ends the Community Development will send the inspector out to ensure those businesses that did not renew, or the new businesses that did not obtain the proper licenses are no longer conducting business. Businesses found to be without the appropriate licensing will be closed until the license fee and all associated fines for operating without a license are paid.

Gaining compliance for pet licensing is a perennial challenge. For animal licensing, the Village will attempt to work with the counties to obtain rabies certificate data. Those residences with a pet that received a rabies inoculation, but did not purchase an animal tag, will receive a notice about the Village ordinance requiring a tag.

4.7 Community Development Revenue and Fees

Building development, engineering, contractor registration, plan review, filing, inspection, and permits fees are easy to collect based upon the conditional nature of the fee. Without the payment of the fee work cannot proceed. The Community Development Department performs random inspections of neighborhoods to ensure all work is being completed under permit and to the specifications of adopted building codes. To improve compliance, the Village doubles the cost of permit fees when work is completed without a permit.

4.8 Fines and Administrative Fees

Fines and administrative fees are an important revenue into the Village of Buffalo Grove. Certain line items like accident reports, impounding fees, DUI assessments, subpoena fees, and bail fees have a high rate of collection because the user has a direct need as a result of paying those fees. Other items Village ordinance fines, false alarm fees, and paramedic services are more volatile. Paramedic Service fees are collected less than billed due to insurance reductions and in some cases the timeliness is stretched out over a long period of time due to the fact that users do not pay and these fees are ultimately collected through a collection agency or written off.

Village ordinance fines are more difficult to collect. There is an escalating penalty based on the length a ticket remains unpaid. There are also two programs in place to recapture unpaid fines. One was mentioned previously, a resident cannot sell a home until all financial obligations are met The second program is the Village's participation in the Illinois Debt Recovery Program. This program collects any debt due the Village through a garnishment from the debtors pay check or tax refund. This will be an additional part of the regular collection process for the Village of Buffalo Grove. After the debt has been outstanding for seven years it is no longer eligible for the Illinois debt recovery program it will be sent to a collection agency to be recouped.

The Village also collects a portion of tickets that go to Cook and Lake County. The Village adopted an Administrative Adjudication Program. Local ordinance violations are sent to administrative adjudication to be heard. Upon the disposition of the hearing, the adjudicate must pay the fine prior to leaving Village Hall.

4.9 Golf Revenues

The Village owns and operates two 18 hole golf courses. Fees are charges to play daily golf, use the driving range, to obtain a membership, and purchase merchandise. Collection rates are not an issue as a service or product is not received without payment.

Both golf courses are home to restaurant facilities that are required to pay rent for use of the Village owned facilities. Both tenants currently pay 5 percent of the net earnings from their restaurant operations back to the village. The funds are due by the 15th of the concurring month. The rent payment is to be accompanied by the state of Illinois sales tax submission document to ensure the appropriate amount is paid to the Village as an internal audit of the process. Within the lease agreement is the option for Village staff to inspect financial records.

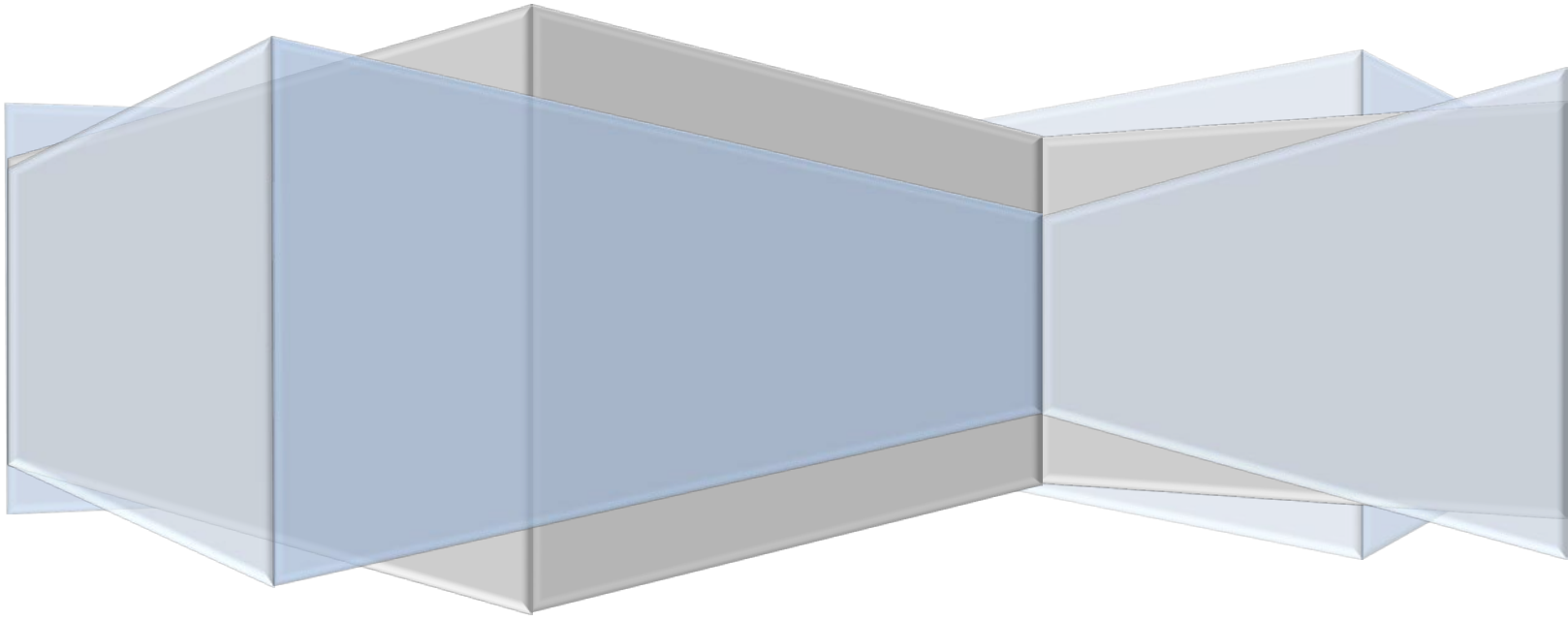
4.10 Investment Income

The Village has implemented a strategy of purchasing A+ or higher municipal step bonds and other securities backed by FDIC, insurance, or the full faith in credit of the United States Government. The terms will be staggered to take advantage of better interest rates on longer term investments, while concurrently investing in short term ventures that yield a competitive term and make funds available as the Village needs them based on the cash flow analysis completed by the finance department. The collection of this revenue is highly reliable and therefore there is no plan to improve collections.

The Village will look for opportunities to increase revenue by continuous reviewing collection patterns of revenue and examine methods to increase the compliance rates. The policy will be reviewed annually and amended with new sources of revenue and/or changes in the strategies to collect the revenue.

Village of Buffalo Grove

Revenue Collection Policy



VILLAGE OF BUFFALO GROVE – REVENUE COLLECTION POLICY

1. Purpose

The purpose of this document is to serve as a guide to identify major revenue sources, the method of collection, and the process of improving compliance rates. The ability of Village to influence the success of collection is discussed with each category.

2. Scope

The scope of this document will be to explore all defined and ordinary revenue streams of the Village. Revenues will be identified by category, which will correspond directly to the budget document. Within each category a discussion of each type or similar type revenue will be addressed. This document will not discuss each revenue line item in the budget, nor will it go in depth about miscellaneous one time or non-recurring revenue.

3. Overview

Listed below is an overview of each revenue category that includes a short synopsis of the system of collection of major revenues and the influence the Village has on the collection of the revenue. It also includes a collection plan to improve collection of the revenue.

4. Revenue Sources

4.1 Real Estate Taxes

Real estate property tax revenues are one of the most stable as collections typically exceed ninety-nine percent of the amount levied each year. Once the counties are directed to extend the levy, the Village has no ability to either control the timing of the tax bill mailings or the collection of the amount due. The counties control the revenue distribution dates to the Village. The counties do add late fees to late payments. In the event the property tax is not collected from a parcel the property will be sold at a judicial sale to recoup the amount owed.

The Village does have an option to allow each county to overextend the levy to offset loss in collections. Lake County allows for an over-extension of two percent on the debt service levies. Cook County allows for an overextension of three percent on corporate purpose and pension levies and five percent on debt service levies. Historically, with strong rates of collection, the Village opts out of the over-extension option through resolution.

4.2 Utility Billing Enterprise

The Village directly bills all water utility customers for the amount of water consumed and for a storm water management fee. The storm water fee is charged as a flat amount to residential properties and based upon square footage for commercial/industrial properties. In order to create efficiencies in billing, the Village also bills all Lake County sanitary sewer fees to Lake County properties.

Over ninety-three percent of the water billing revenue due is paid on time. The entire Village is billed over a two month period. Commercial, industrial and multifamily properties are billing

monthly. Lake County single family households are billed on odd months and Cook County single family households are billed on even months.
The Village uses a combination of penalties including late fees and service interruption fees to reduce the number of delinquent service accounts.

Late fees are assessed to service accounts that fail to pay the amount due by the due date. Water utility customers have approximately twenty-one days to pay the Village. The late fee is charged at a rate of 1.5 percent per month on the balance due.
For those accounts that fall into delinquency past sixty days, the account is subject to be shut off. A warning notice is mailed to the service address with the date of the impending service interruption. Once the water is turned off, the customer must pay a service interruption charge to reinstate service.

At any point in the billing and collection process, up to water being shut off, a resident can enter into a payment plan for past due balances. Upon a successful completion of the terms of the plan, the customer will avoid losing water service. A utility customer is limited to one payment plan arrangement per year.

All customers are required to pay the entire water bill balance, current and outstanding, before a real estate transfer tax stamp is issued.

4.3 State Taxes

The State is responsible for collecting and remitted base sales taxes (1%), home rule sales tax (1%), income and use tax (per capita), telecommunications tax (6%) and motor fuel tax (per capita). Enforcement of revenue collection is handled by the Illinois Department of Revenue (IDOR). Payments are made to the village on a monthly basis. Staff monitors the IDOR website to ensure timely remittances from the State of Illinois.

4.4 Locally Collected Taxes/Fees

The Village collects certain tax revenues, defined by state or local ordinance, directly from the taxpayer. These types of taxes include natural gas ($.05/therm), electricity (sliding usage scale – maximum by statute), and cable franchise (5%). The finance department currently monitors these taxes on a monthly basis for the utility taxes and bi-monthly for the cable franchise fees.

Upon a new property being established in the Village, that address is forwarded to the utility companies including, ComEd, NiCOR or Northshore Gas, Comcast and/or AT&T to establish tax collections. Staff is provided with an annual list of accounts by the utility companies to cross reference with the Village's GIS data.

4.5 Village Imposed Taxes

The Village imposes taxes related to locally generated revenue from specific businesses. These taxes are defined by ordinance. These taxes include prepared food and beverage tax(1%) and hotel/motel tax (5%). Staff reviews the State of Illinois tax filings (ST-1) to compare to the

amount paid to the Village. The Village requires state tax documentation to be remitted with the payment of these taxes for auditing purposes.

The Village reserves the right to audit a businesses' tax records if staff determines that the business may either be underreporting taxable income or not submitting taxes on a timely basis.

Real estate transfer taxes ($3/$1,000 sales consideration) are collected when homes are sold. The real estate transfer tax stamp will not be issued unless all obligations owed the Village are satisfied.

4.6 Licensing Fees

Business, tobacco, liquor, vending machine, chauffer, alarm, and pet licenses are minor revenue sources and renew annually. The major licensing efforts are for business licenses that are due January 1st and liquor licenses due May 1st when the renewal period ends the Community Development will send the inspector out to ensure those businesses that did not renew, or the new businesses that did not obtain the proper licenses are no longer conducting business. Businesses found to be without the appropriate licensing will be closed until the license fee and all associated fines for operating without a license are paid.

Gaining compliance for pet licensing is a perennial challenge. For animal licensing, the Village will attempt to work with the counties to obtain rabies certificate data. Those residences with a pet that received a rabies inoculation, but did not purchase an animal tag, will receive a notice about the Village ordinance requiring a tag.

4.7 Community Development Revenue and Fees

Building development, engineering, contractor registration, plan review, filing, inspection, and permits fees are easy to collect based upon the conditional nature of the fee. Without the payment of the fee work cannot proceed. The Community Development Department performs random inspections of neighborhoods to ensure all work is being completed under permit and to the specifications of adopted building codes. To improve compliance, the Village doubles the cost of permit fees when work is completed without a permit.

4.8 Fines and Administrative Fees

Fines and administrative fees are an important revenue into the Village of Buffalo Grove. Certain line items like accident reports, impounding fees, DUI assessments, subpoena fees, and bail fees have a high rate of collection because the user has a direct need as a result of paying those fees. Other items Village ordinance fines, false alarm fees, and paramedic services are more volatile. Paramedic Service fees are collected less than billed due to insurance reductions and in some cases the timeliness is stretched out over a long period of time due to the fact that users do not pay and these fees are ultimately collected through a collection agency or written off.

Village ordinance fines are more difficult to collect. There is an escalating penalty based on the length a ticket remains unpaid. There are also two programs in place to recapture unpaid fines.

One was mentioned previously, a resident cannot sell a home until all financial obligations are met The second program is the Village's participation in the Illinois Debt Recovery Program. This program collects any debt due the Village through a garnishment from the debtors pay check or tax refund. This will be an additional part of the regular collection process for the Village of Buffalo Grove. After the debt has been outstanding for seven years it is no longer eligible for the Illinois debt recovery program it will be sent to a collection agency to be recouped.

The Village also collects a portion of tickets that go to Cook and Lake County. The Village adopted an Administrative Adjudication Program. Local ordinance violations are sent to administrative adjudication to be heard. Upon the disposition of the hearing, the adjudicate must pay the fine prior to leaving Village Hall.

4.9 Golf Revenues

The Village owns and operates two 18 hole golf courses. Fees are charges to play daily golf, use the driving range, to obtain a membership, and purchase merchandise. Collection rates are not an issue as a service or product is not received without payment.

Both golf courses are home to restaurant facilities that are required to pay rent for use of the Village owned facilities. Both tenants currently pay 5 percent of the net earnings from their restaurant operations back to the village. The funds are due by the 15th of the concurring month. The rent payment is to be accompanied by the state of Illinois sales tax submission document to ensure the appropriate amount is paid to the Village as an internal audit of the process. Within the lease agreement is the option for Village staff to inspect financial records.

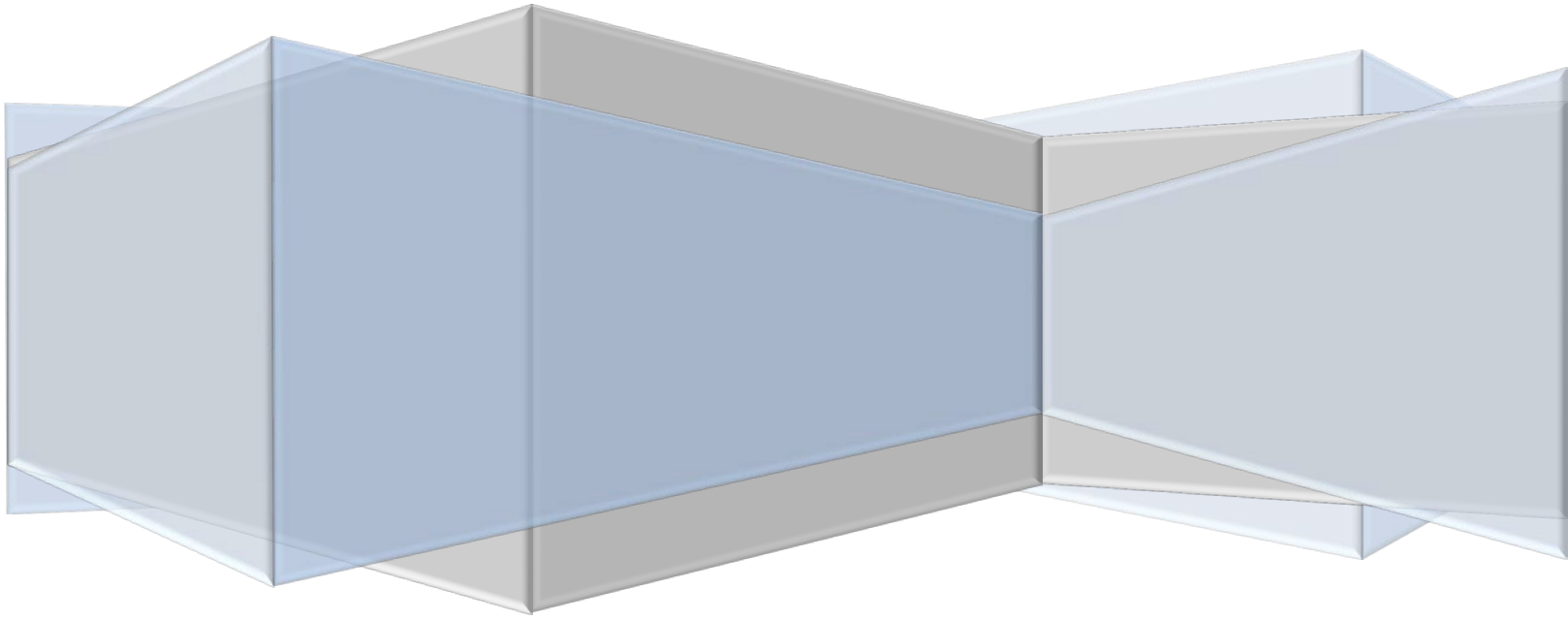
4.10 Investment Income

The Village has implemented a strategy of purchasing A+ or higher municipal step bonds and other securities backed by FDIC, insurance, or the full faith in credit of the United States Government. The terms will be staggered to take advantage of better interest rates on longer term investments, while concurrently investing in short term ventures that yield a competitive term and make funds available as the Village needs them based on the cash flow analysis completed by the finance department. The collection of this revenue is highly reliable and therefore there is no plan to improve collections.

The Village will look for opportunities to increase revenue by continuous reviewing collection patterns of revenue and examine methods to increase the compliance rates. The policy will be reviewed annually and amended with new sources of revenue and/or changes in the strategies to collect the revenue.

Village of Buffalo Grove

FY 2017-2021 Five Year 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 also 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 Trustee 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.

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 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.

Financial Focus and Methodologies

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 2015 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 2016 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 the 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 .96 percent. The most recent (June 2015) Consumer Price Index is at 1.45 percent, Production Price Index is -2.29 percent and Construction Cost index is 2.63 percent.

Stock Market Returns – Stock market returns are a leading indicator and will change before the economy changes. Approximately 55 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 work flow efficiencies, appropriately fund all capital reserves and increase the resources allocated to infrastructure maintenance. Over the next two years, the Village will be moving towards program based budgeting. The result of the change is that budgets will be developed around cost centers and will provide a better framework to discuss how much services cost.

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 department 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 11.3 percent over the last four years. The brunt of the changing tax burden has fallen on residential properties. Property values are moderating as tax year 2015 was the first year of growth since 2009.
- *State of Illinois budget crisis.* The State of Illinois will have an emergency spending plan that will likely carry through to the next election. At this point it appears that the Local Government Distributive Fund distribution is safe.
- *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 2018. 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 (2017-2021)	2017	2018	2019	2020	2021	Growth
Property Taxes	14,455,991	14,745,111	15,040,013	15,340,814	15,647,630	**1.02**
Income & Use Taxes	5,660,141	5,829,945	6,004,844	6,184,989	6,370,539	1.03
State Sales Tax	5,812,657	6,487,037	7,181,648	7,897,097	8,134,010	1.03
Home Rule Sales Tax	3,740,375	3,852,586	3,968,164	4,087,209	4,209,825	1.03
Real Estate Transfer Tax	910,000	937,300	965,419	994,382	1,024,213	1.03
Telecommunications Tax	1,644,309	1,644,309	1,644,309	1,644,309	1,644,309	1.00
Prepared Food and Beverage Tax	776,479	799,773	823,767	848,480	873,934	1.03
Utility Tax-Electric/Natural Gas	2,640,000	2,666,400	2,693,064	2,719,995	2,747,195	1.01
Licenses	291,600	291,600	291,600	291,600	291,600	1.00
Building Revenue & Fees	1,020,000	1,030,200	1,040,502	1,050,907	1,061,416	1.01
Intergovernmental Revenue-Local	270,956	276,375	281,902	287,540	293,291	1.02
Fines & Fees-Police & Fire	1,748,855	1,748,855	1,748,855	1,748,855	1,748,855	1.00
Storm Water Management Fees	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1.00
Operating Transfers	748,075	770,517	793,633	817,442	841,965	1.03
Miscellaneous Revenue	1,520,414	1,535,618	1,550,974	1,566,484	1,582,148	1.01
Total Revenues	42,439,851	43,815,626	45,228,693	46,680,101	47,670,930	
Annual Increase		3.2%	3.2%	3.2%	2.1%	
General Fund Expenditures Projected (2017-2021)						
	2017	**2018**	**2019**	**2020**	**2021**	**Growth**
Personal Services	20,032,017	20,833,298	21,666,630	22,533,295	23,434,627	1.04
Personal Benefits	10,793,107	11,224,831	11,673,825	12,140,778	12,626,409	1.04
Operating Expenses	2,787,072	2,842,813	2,899,670	2,957,663	3,016,816	1.02
Insurance & Legal Services	1,168,819	1,215,572	1,264,195	1,314,762	1,367,353	1.04
Commodities	448,377	459,586	471,076	482,853	494,924	1.025
Maintenance & Repairs	3,098,279	3,175,736	3,255,129	3,336,508	3,419,920	1.025
Capital Outlay	408,800	419,020	429,496	440,233	451,239	1.025
All Other Expenses	355,250	364,131	373,235	382,565	392,130	1.025
Total Expenditures	39,091,721	40,534,988	42,033,254	43,588,657	45,203,417	
Operating Surplus/(Deficit)	3,348,130	3,280,638	3,195,439	3,091,444	2,467,512	
Annual Increase		3.7%	3.7%	3.7%	3.7%	
General Fund Transfers Projected (2017-2021)						
	2017	**2018**	**2019**	**2020**	**2021**	
Capital Reserve - Vehicles	700,000	700,000	700,000	700,000	700,000	
Capital Reserve - Facilities	300,000	300,000	300,000	300,000	300,000	
Capital Reserve - Technology	100,000	100,000	100,000	100,000	100,000	
Capital Reserve – Storm Water	360,000	360,000	360,000	360,000	360,000	
Motor Fuel Tax	748,075	770,517	793,633	817,442	841,965	
Capital Improvement Plan	1,095,695	1,162,374	960,000	360,000	400,000	
Total Transfers	3,303,770	3,392,891	3,213,633	2,637,442	2,701,965	
Total Fund Surplus/(Deficit)	44,360	(112,253)	(18,194)	454,002	(234,453)	

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 2017-2021 have been added to this report. After including these transfers, the total fund surplus at the end of FY 2017 is estimated to be nearly $.04 million.

One of the financial indices the bond rating houses (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,

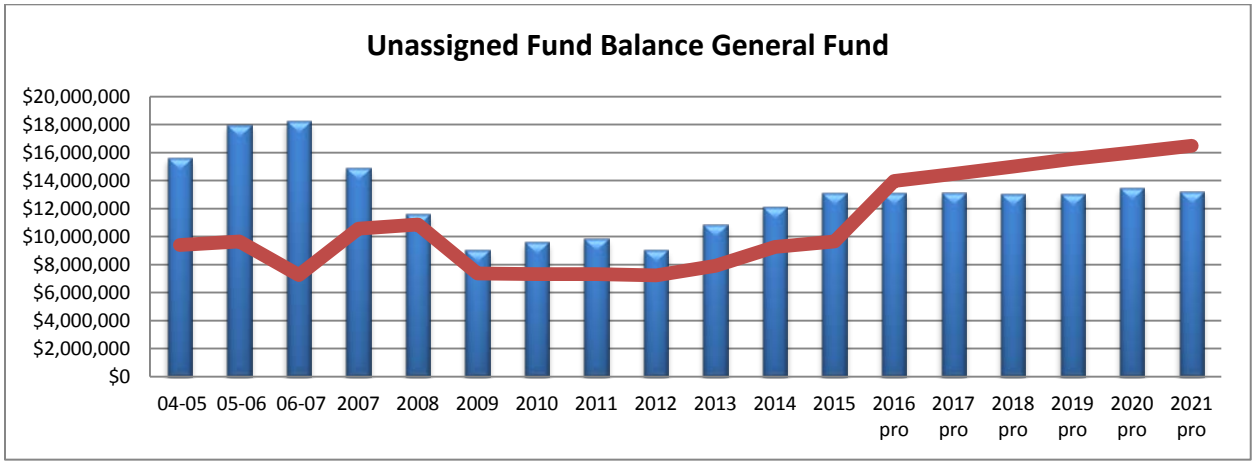
A continued commitment to properly funding capital will require a continued commitment to economic development and building the sales tax base.

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 (capital funding and reserve transfers). Within the adopted Strategic Priorities is a goal of reestablishing a 35 percent threshold by the end of FY 2017.

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 (2015) unassigned fund balance represents 34.03 percent of the operating expenses of the FY 2016 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 if all capital projects and reserve transfers are programmed.

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.

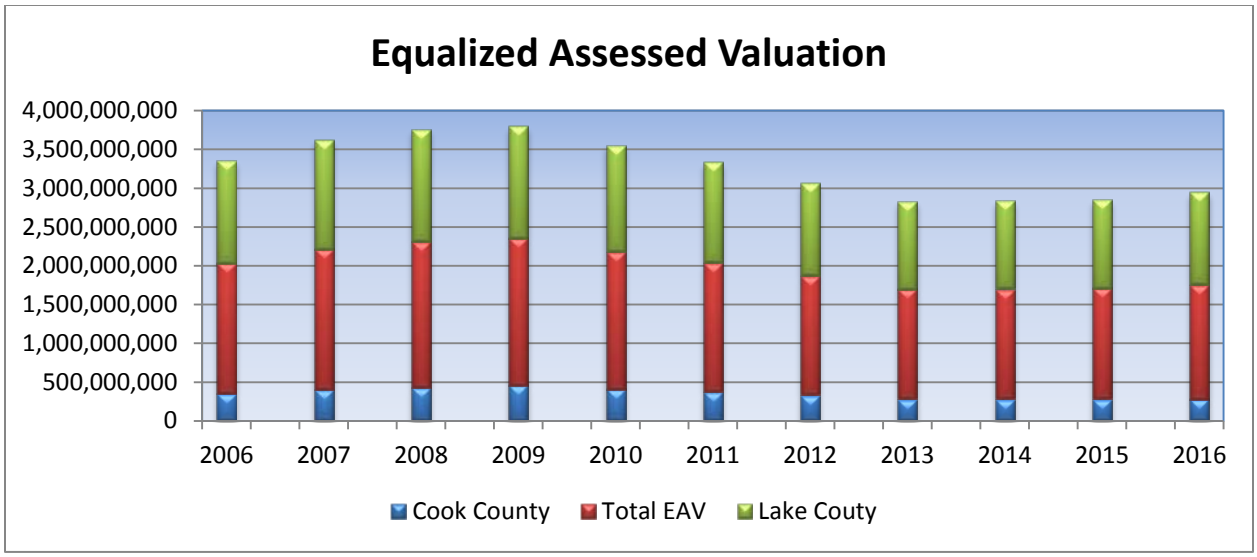
PROPERTY TAX

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.

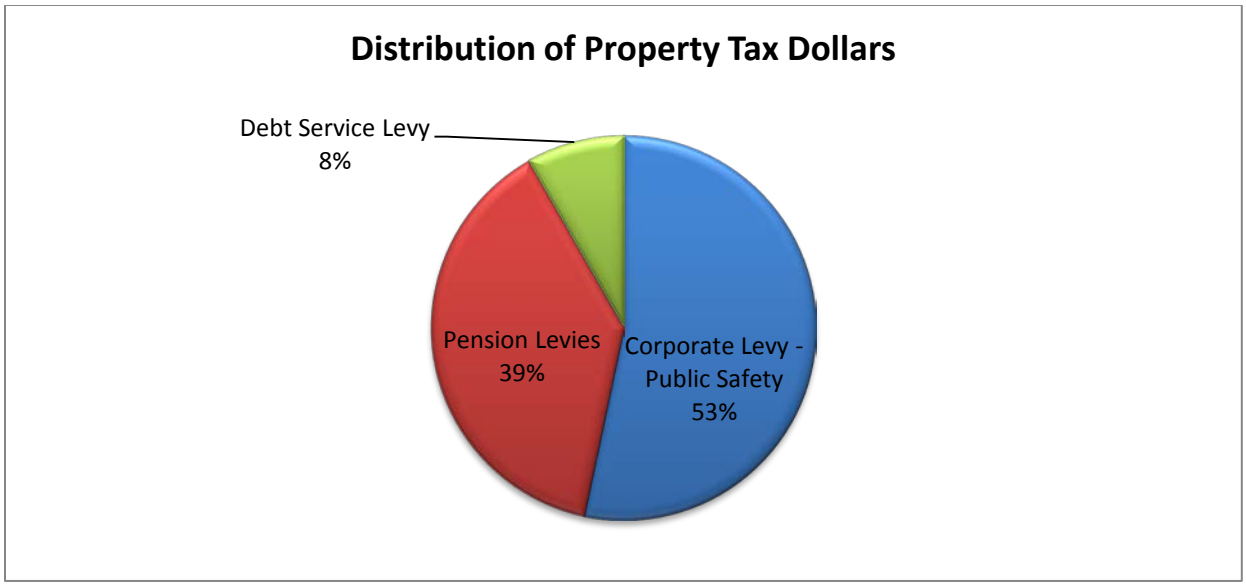
The Police and Firefighter Pension Funds levies are calculated by an independent actuary. The pension levies are pass-through revenues that will have a corresponding expenditure. Beginning in FY 2014, the pension levies for the Illinois Municipal Retirement Fund and Social Security/Medicare have been added to the General Fund.

FY 2015 is the first year since 2009 where property values had a substantial increase. The increase is due to new property (additions) coming online. Moving forward the Village should start seeing growth near 3 percent annually. Because the Village levies a dollar amount, a uniform change across all property classifications has no financial impact to tax payers.

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



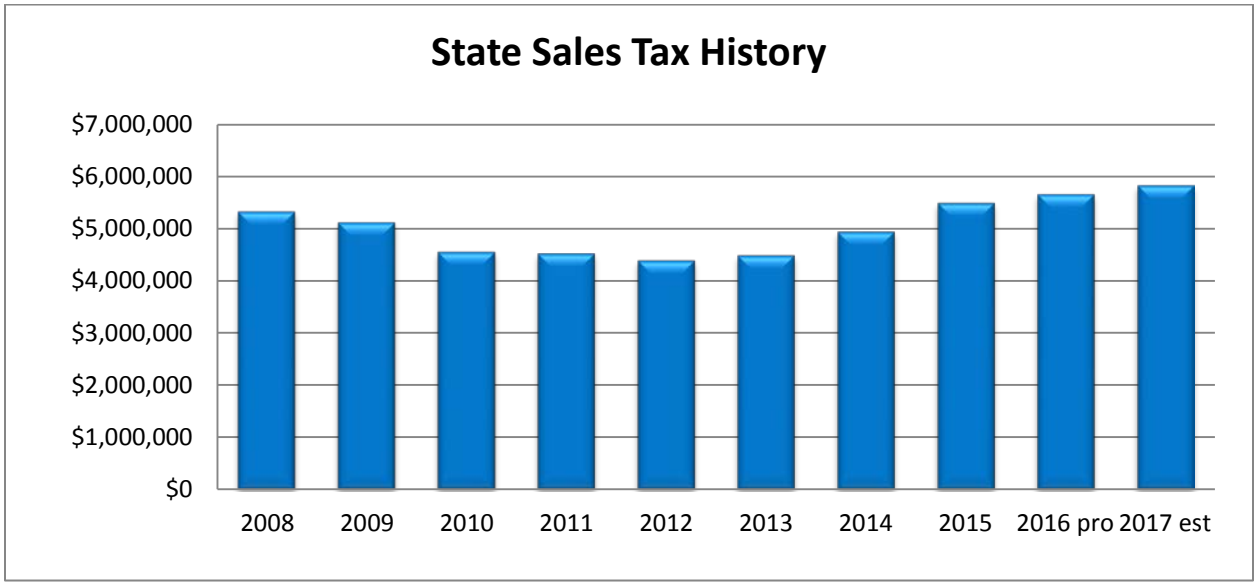
Future ability to raise property tax revenue to support General Fund operations is challenging, as the corporate levy must compete for tax dollars with pension and debt service levies. In 2003, levies for pensions accounted for 32.1 percent of the tax extension. In the most recent tax year (2015), pensions represent 39 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.

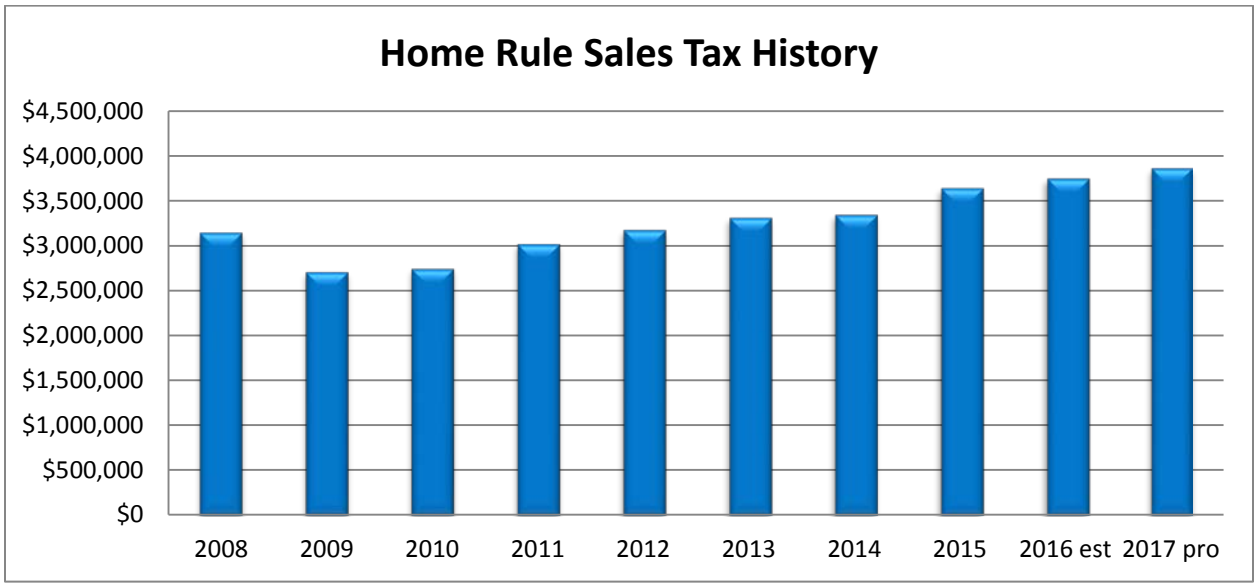


SALES TAX

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;

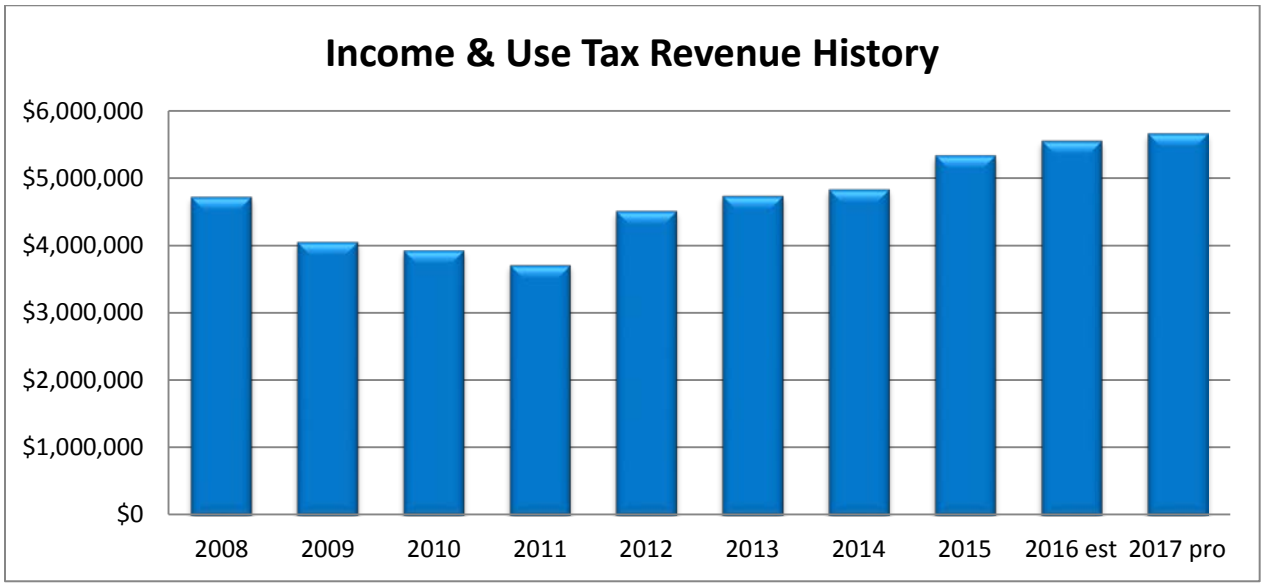




INCOME TAX

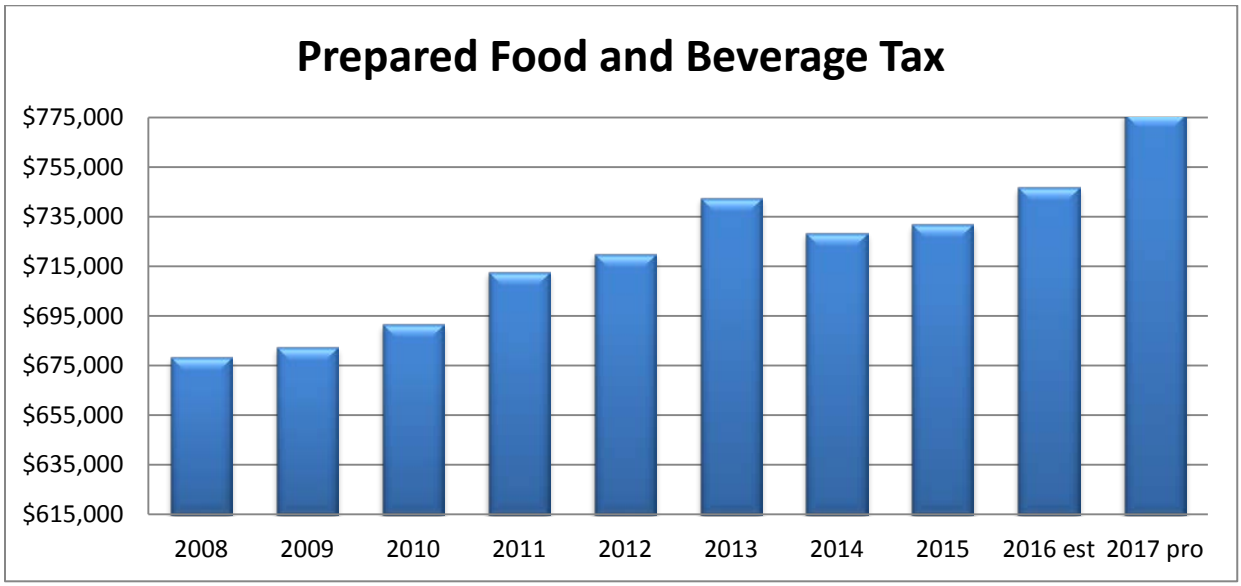
The Illinois Income Tax is imposed on every individual, corporation, trust, and estate earning or receiving income. The tax is calculated by multiplying net income by a flat rate. The current rate is five percent of net income. The rate reverted to 3.75 percent beginning January 1, 2015 to December 31, 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 May 2016 is 4.4 percent, Cook County is 5.7 percent, Lake County is 5.0 percent, and the State of Illinois is 6.1 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.



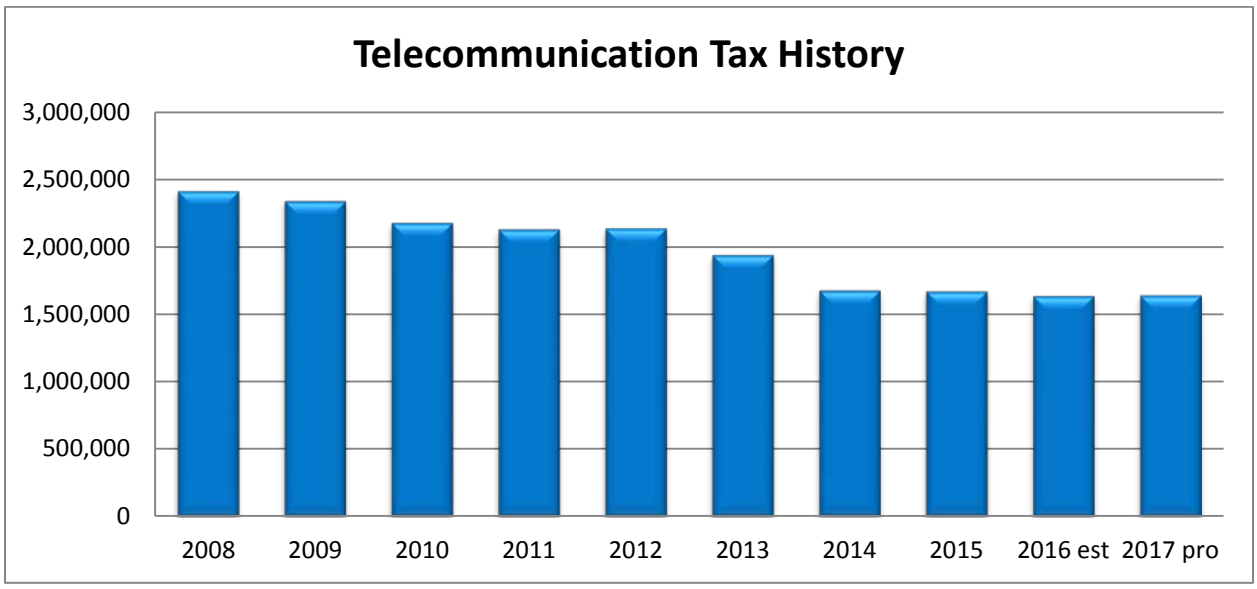
PREPARED FOOD AND BEVERAGE TAX

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 109 establishments that charge and remit this tax to the Village. The following chart shows the growth of the revenue since inception.



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 37 percent from the peak in FY 2007. The forecast calls for no change 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.

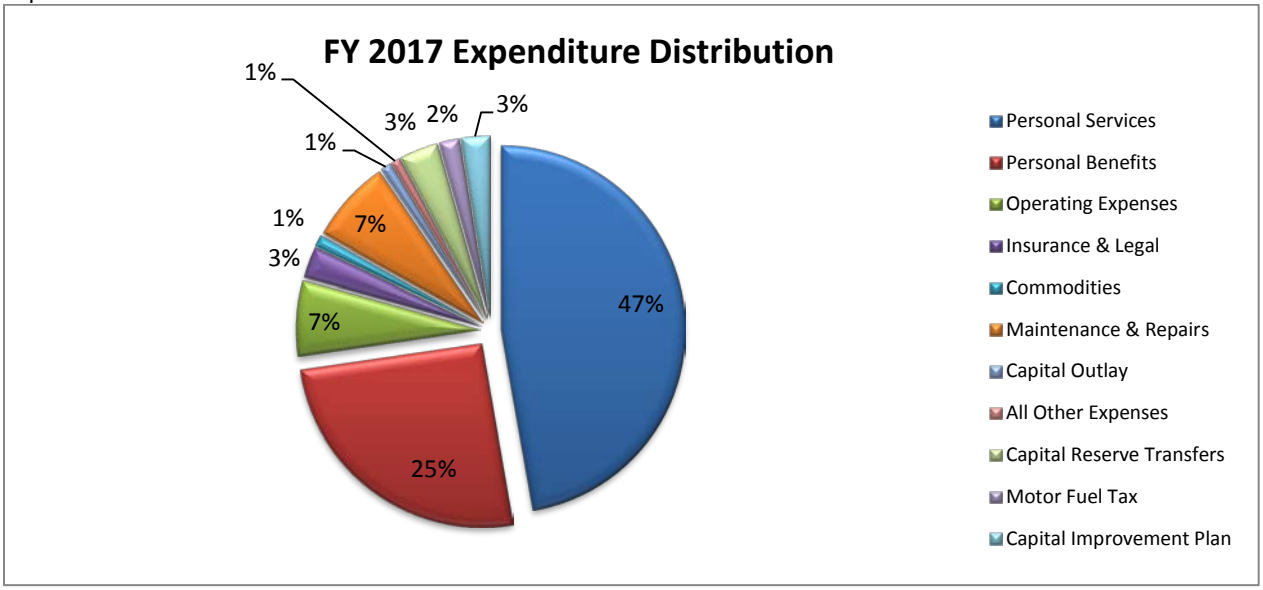
REAL ESTATE TRANSFER TAX

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 3.7 percent. In each of the next five years, wages and benefits account for about 72 percent of all expenditures. The next largest expenditure account group is for Operating Expenditures (7 percent). For FY 2017 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 217 employees or 10.8 percent less than staffing levels five years ago.

A major initiative in FY 2015 was 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 2017 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.

Another significant initiative for FY 2016 was the outsourcing of golf course maintenance. The operational savings will reduce the amount General Fund subsidies to help with cash flow challenges.

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 4 percent growth each year in premium expenses. Representative from Arthur J. Gallagher continue to be a strong resource for plan design assistance.

The employees' contribution is set at 15 percent of the premium in FY 2017. 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 2018 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 $6.1 million in 2017 or 14.2 percent of the General Fund Budget.

INSURANCE

Within the Insurance category is the premium paid for general liability and workers' compensation coverage. In FY 2016, staff will be evaluating a move from Intergovernmental Risk Management Pool (IRMA) for general liability and workers' compensation coverage to a fully uninsured stand-alone program. Half of the proposed savings has been included in this analysis.

The deductible was raised in FY 2016 from $25,000 to $50,000 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 2.5 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 2.5 percent per year. Included in these expenditures are costs related to the maintenance and repair of sidewalks and bike paths, street patching, streetlights, 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 $7.3 million for vehicles, technology, storm water, 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 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 40 percent of the streets identified for improvement in a given year.

The Five Year Financial Forecast calls for a cumulative five-year surplus of $.1 million over the review period. The first iteration of the five-year forecast was completed in FY 2012. Over the last five years, the forecast has moved from a projected $7.78 million shortfall to the current $.1 million surplus. In FY 2012 reserve funding was set at $2 million over five years. This forecast calls for $7.3 million. This is a testament to cost containment decisions, consolidating and outsourcing services, and generating new revenue through service fees and economic development 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 continue to 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 2017 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.

Village of Buffalo Grove

FY 2016 – Water Fund 20 Year Pro Forma Annual Update

VILLAGE OF
BUFFALO GROVE

TO: Dane C. Bragg, Village Manager

FROM: Scott D. Anderson, Finance Director

DATE: July 7, 2016

RE: FY 2016 – Water Fund 20 Year Pro Forma Annual Update

System Status Update

In FY 2016 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 $2.6 million
- The fund generated a deficit of $1 million. The previous year was a surplus of $.1 million.
- Total gallons billed were 1.21 billion (proforma estimate – 1.31 billion).

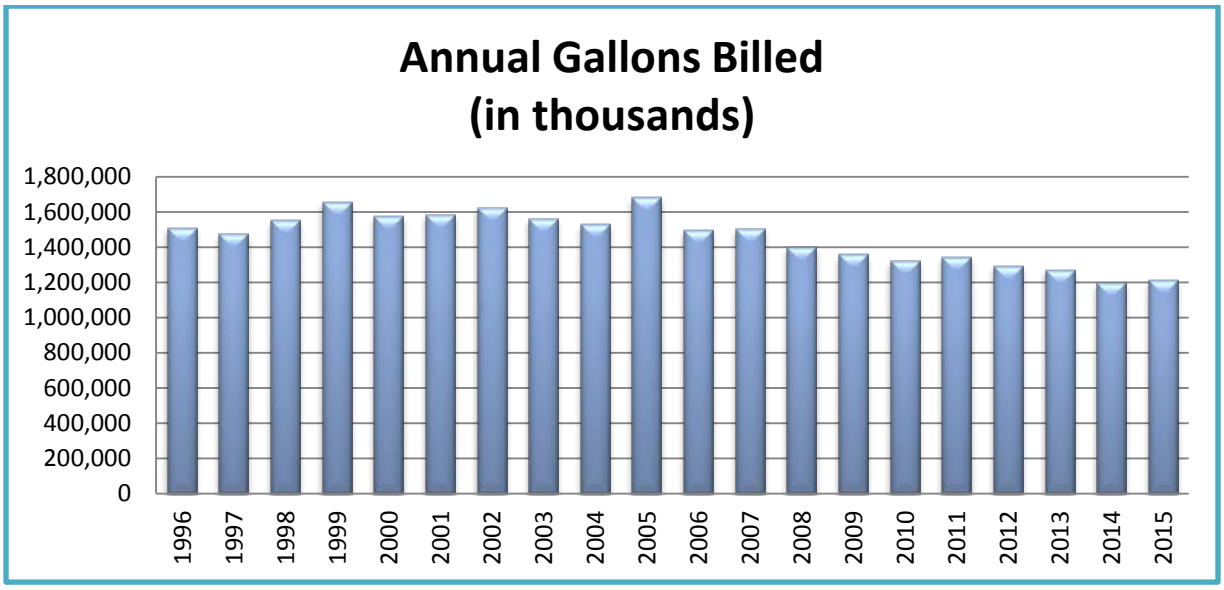
The rate increase in the current year was $.22 moving the water rate from $5.47/1,000 gallons to $5.69/1,000 gallons.

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 were billed. In 2015, 1.26 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 1996.



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 2014. 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.

This year, water usage is trending 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.

The Village has completed replacing all water meters in the Village. It is estimated that the more efficient and accurate meters will generate about 3 percent for revenue. Ideally, the savings generated through more efficient measurement will offset the cost of the capital (meters).

Water Fund Financials

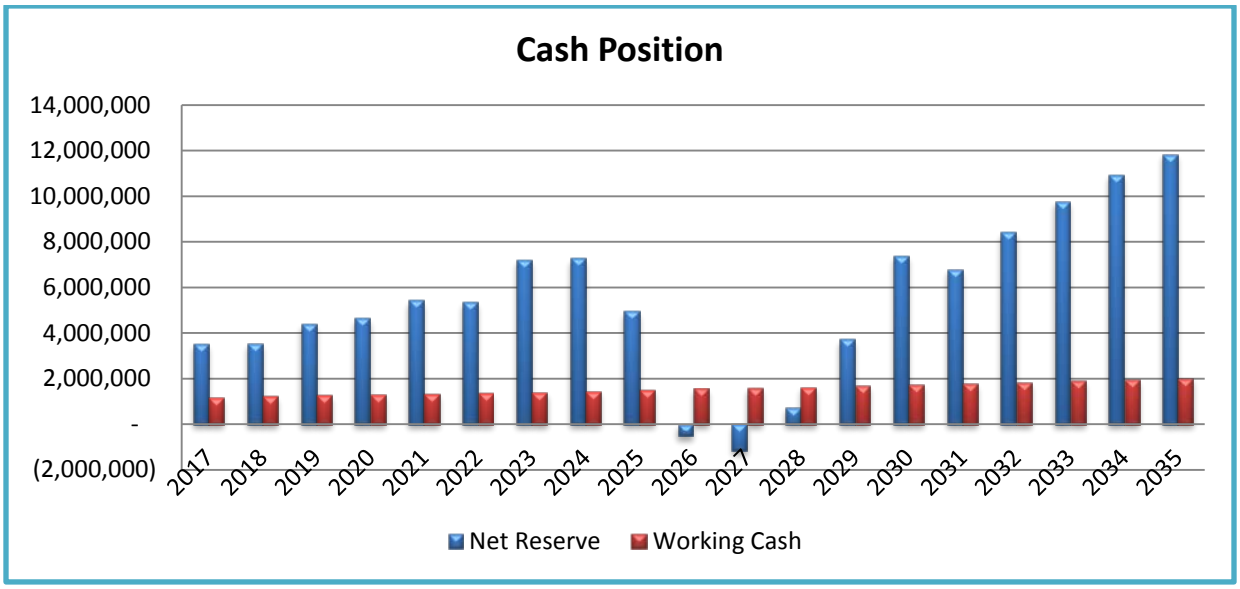
During the high growth years of the water system, the Water and Sewer Fund was able to amass a cash balance that allowed for a reserve to address infrastructure maintenance and improvement. Due to the relative age of the system, over a fifteen year span (1993-2007) the only capital expense was $229,527 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 2016, working cash is anticipated to be $1.12 million and the net reserve is $2.9 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.



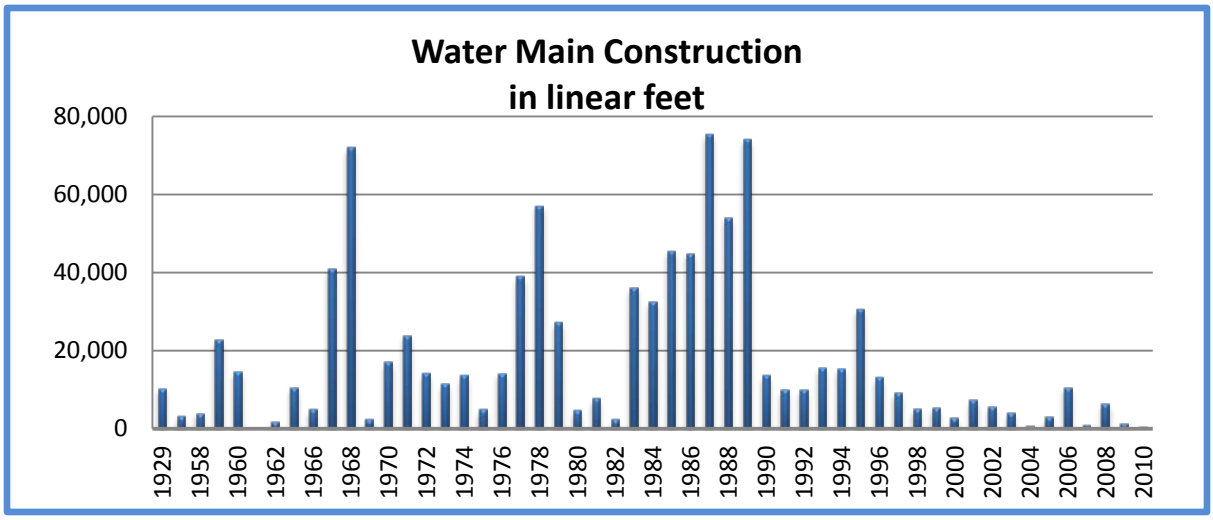
The Water Fund remains in a precarious financial position for the next few years. Any significant unanticipated repairs will deplete the working cash and reserve balances.

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.

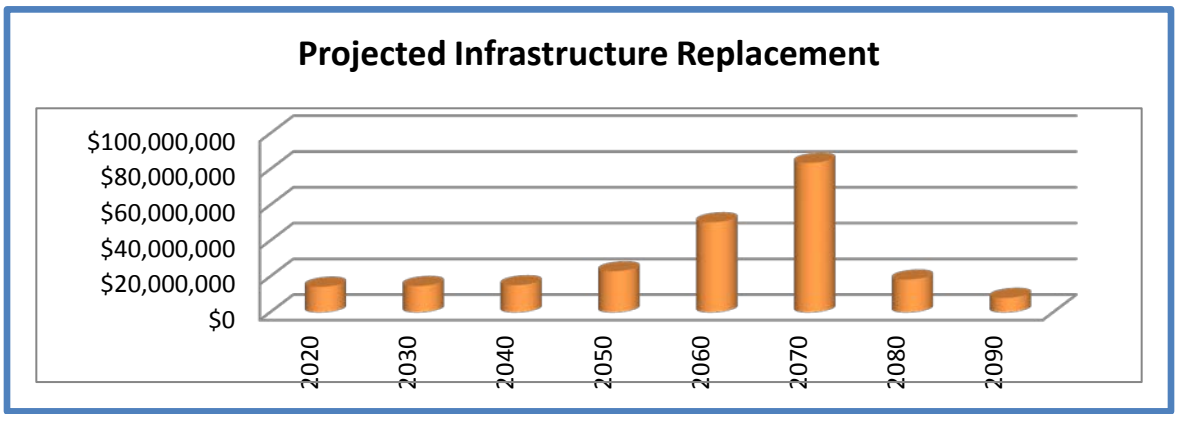
Within the straight line depreciation calculation beginning with the oldest main constructed in 1929, the first replacement should have occurred in 1979. Approximately $13 million in water mains have 'expired' but have not needed to be repaired. Estimating the actual asset life at times is more abstract 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 2017 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.

Staff is recommending to review the tap on fees for adequacy. There is the potential for a significant amount of development and the fees need to cover the cost of material and labor to make the connection. This will require an independent analysis from an consulting firm.

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.

Village of Buffalo Grove

FY 2016 – Stormwater Fund 20 Year Pro Forma

VILLAGE OF
BUFFALO GROVE

TO: Dane C. Bragg, Village Manager

FROM: Mike Reynolds, Director of Public Works

DATE: August 17, 2016

RE: FY 2016 – Stormwater Fund 20 Year Pro Forma Annual Update

System Status Update

As part of the 2012 Strategic Planning process, the Village Board directed staff to investigate the feasibility of implementing a Storm Water Utility Fee in Buffalo Grove. Presentations were made at the March 3, 2014, July 20, 2015 and September 24, 2015 Committee of the Whole meetings. The Village Board ratified staff's recommendation to enact a Storm Water Utility Fee on October 19, 2015 and the new fee became effective on January 1, 2016. Additionally, there were two ordinance modifications related to the implementation of this fee. The first is an addition chapter to Title 13 – Water and Sewers. This provides for the creation and administration of the program. The second is an addition chapter to Title 3 – Revenue and Finance. This outlines changes related to finance, billing and collections.

Rate and Revenue Discussion

Base Fee Calculation: Staff proposed a tiered approach based upon a base fee per parcel square footage value. Using the impervious data provided by GIS, the base fee was determined based upon the total parcel square footage of all parcels within the Village that contain impervious surface such as buildings, driveways and parking lots, and the funds required to maintain and update the stormwater system. The property parcel square footage breakdown and base fee calculation is provided below.

213,877,084.99 – Parcel Square Footage - Buffalo Grove (All Parcels Incorporated)

182,087,589.08 – Parcel Square Footage with Impervious Surface

The proposed budget target for 2016 was $1,265,876. This included both an operating budget component ($484,000) and a capital budget component ($781,501 @ 25% of the scheduled replacement value). This results in a base fee of $0.006950 per square foot.

Tiered Fee Structure: The fee is applied to all parcels within the village that have impervious surface using a tiered approach. The tiers are as follows:

Tier 1 - Single Family Residence Attached & Detached (fixed fee)
$0.006950 x Median Lot size (8,771.66 square footage) = Annual Fee ($60.96)

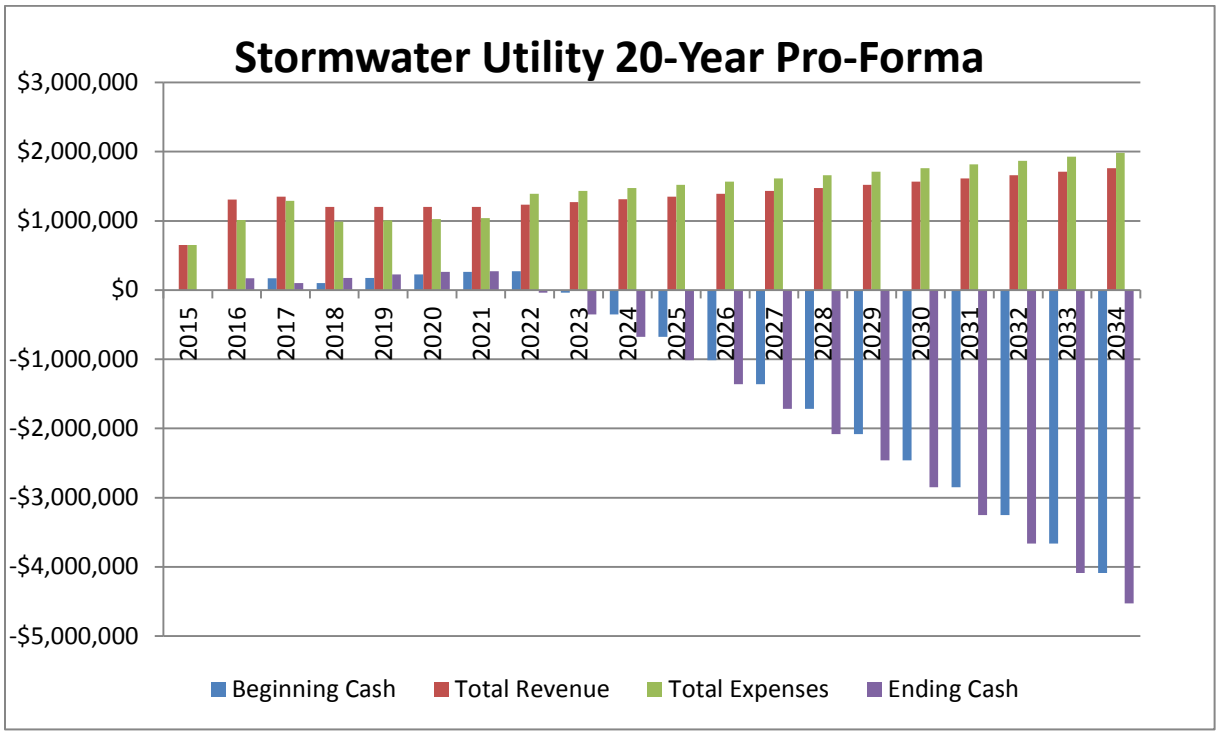
Tier 2 - Multi-Family & Commercial / Industrial / Government/Non-Profit (calculated fee)
$0.006950 x Property Square Footage = Annual Fee (varies as calculated)

It is estimated that the current fiscal year will close at $1.05 million in revenues collected. Part of this shortfall is that we bill in arrears, so collections as of December 31 will be one month behind for commercial accounts and two months behind for residential accounts. This will balance out in future years since this was the first year for the fund. Other variances include re-classification of certain parcels, variances in the Lake and Cook County

property data bases, delinquent accounts and accounts where the correct property owner has yet to be determined. The analysis uses a revenue estimate of $1.2 million hrough 2021 and 3% increases from 2022 through 2034.

Stormwater Fund Financials

On the attached financial analysis, staff has presented a twenty year estimate of revenues, operating expenses, Capital expenses and Operating Transfers. Revenues include stormwater grant funding and revenue amounts for the Stormwater fee. Operating expenses are those expenses related to the day to day activities such as labor, equipment, materials, and energy costs associated with system operations. Capital expenses are those amounts spent to repair or improve capital assets and infrastructure. Operating transfers are amounts received from, or paid to the General Fund for expenditures related to Stormwater Fund activities. We have earmarked an Operating Reserve Balance of 25% of the annual operating budget. This will provide three months of operations should the fund suffer a catastrophic occurrence. Working cash represents the amount of revenue that exceed expenses. At the end of FY 2016, working cash is anticipated to be $172,000. Those funds are intended to support an enterprise system valued at $.25 billion. A summary of those expenses is provided below.



While the Stormwater Fund appears to be solid through 2022, any significant unanticipated repairs will deplete the working cash and reserve balances. The Board should consider a rate increase beginning in 2023 and beyond.

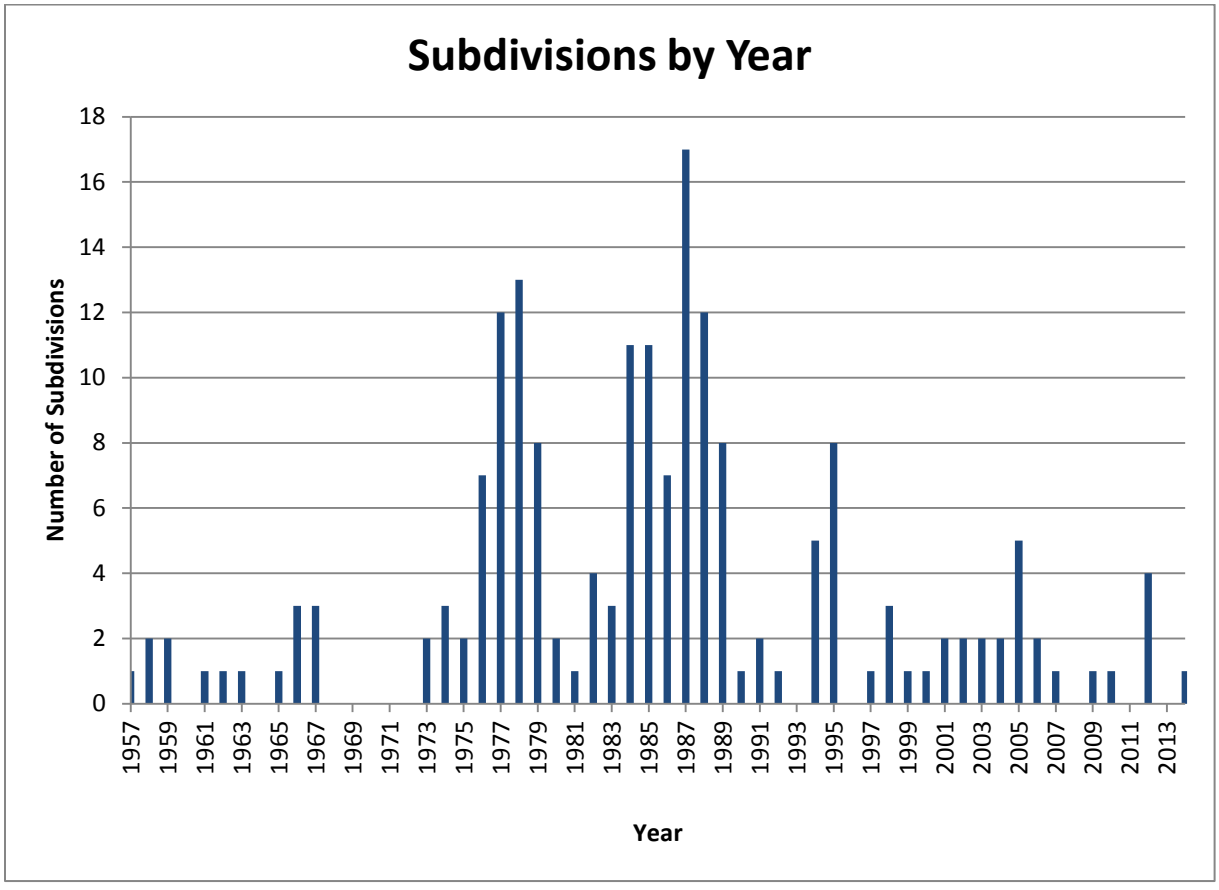
Stormwater System Assets

The stormwater system consists of 189 linear miles of stormwater pipe, 11.3 miles of ditches, streams and creeks, 39 detention/retention basins totaling 81 acres, 1 lift station and thousands of structures. The value of the stormwater infrastructure in today's dollars is approximately $250 million. The service life of the infrastructure can range from 50 years to 100 years. The replacement cost of the entire system at the end of the 20 year study, inflated at 3% per year, is $452 million. The assumption used for future Stormwater replacements is that the system will have an 80 year life and capital replacement would consist of 25% of the amortized value in any given year. The chart below illustrates this concept as evaluated over the next 20 years.

20 Year Plan										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operations	$484,000	$498,520	$513,476	$528,880	$544,746	$561,089	$577,921	$595,259	$613,117	$631,510
Capital	$3,126,004	$3,219,784	$3,316,377	$3,415,869	$3,518,345	$3,623,895	$3,732,612	$3,844,590	$3,959,928	$4,078,726
25% Ratio	$781,501	$804,946	$829,094	$853,967	$879,586	$905,974	$933,153	$961,148	$989,982	$1,019,681
Total	$1,265,501	$1,303,466	$1,342,570	$1,382,847	$1,424,332	$1,467,062	$1,511,074	$1,556,407	$1,603,099	$1,651,192
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operations	$650,456	$669,969	$690,068	$710,770	$732,093	$754,056	$776,678	$799,978	$823,978	$848,697
Capital	$4,201,088	$4,327,120	$4,456,934	$4,590,642	$4,728,361	$4,870,212	$5,016,318	$5,166,808	$5,321,812	$5,481,466
25% Ratio	$1,050,272	$1,081,780	$1,114,233	$1,147,660	$1,182,090	$1,217,553	$1,254,080	$1,291,702	$1,330,453	$1,370,367
Total	$1,700,727	$1,751,749	$1,804,302	$1,858,431	$1,914,184	$1,971,609	$2,030,758	$2,091,680	$2,154,431	$2,219,064

This cost estimate compensates for the improbability that entire sections of the system will be replaced at one time. Estimating the actual asset life at times is more abstract than qualitative. Pipe that is ensconced in stable soil and subjected to consistent stormwater impacts may have a service life that may double an engineering estimate, and conversely, weak soils, capacity limitations, development, traffic or other external factors may reduce the life by many years.

Most of the storm sewer systems were installed as part of subdivision development. The following chart shows the pattern of subdivision construction in the Village since 1957.



For the purpose of the pro forma, the FY 2017-2021 Capital Improvement Plan was added to the calculation. Beyond 2021, a flat amount, including 3% increases, is budgeted each year to address storm sewer system repairs.

Future Program Considerations

The Public Works Department continues to refine the program and inventory the stormwater system assets. Once the inventory is complete and the GIS system has been updated, we will have a much clearer picture of the system. Future program modifications provides for the inclusion of curb and gutter repairs and replacement as part of the annual street program. This would allow for more road construction annually. Additionally, staff is working with GIS to determine what parcels outside the Village benefit from our system and if the fee could possibly be applied to those parcels.

Stormwater Rate Recommendations

Each year staff will review the financial condition of the fund to determine the adequacy of current rates. The rate is set by ordinance with no pre-determined increases and there are no changes recommended at this time. In the future, as the system inventory gets solidified and other projects become clearer, a rate increase may be appropriate. It appears that the fund will remain relatively stable until 2022. The Board should consider rate increases beginning in 2023 and beyond.

The impact of infrastructure maintenance costs and the related challenges with the Stormwater 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.

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 PUSH Wellness program and annual employee flu shots.

Employee Health Care Premium Contributions

This year the employee contribution will be 15%. This medical insurance premium contribution schedule has been adopted for all eligible Village employees, including those in bargaining units.

2016 versus 2017 Premium Structure ($)

	2016 Monthly rates			2017 Monthly rates		
PPO-A Medical Plan						
90% In-Network / 70% Out of network benefit	Employee	Village	Total	Employee	Village	Total
Single employee	95.00	538.31	633.31	98.46	557.93	656.39
Single + 1 dependent	191.89	1087.40	1279.29	198.89	1127.03	1325.92
Family + 2 dependents	339.14	1921.77	2260.91	351.50	1991.82	2343.32

	2016 Monthly rates			2017 Monthly Rates		
PPO-B Medical Plan						
100% In-Network / 0% Out of network benefit	Employee	Village	Total	Employee	Village	Total
Single employee	99.98	566.57	666.56	103.63	587.22	690.85
Single + 1 dependent	201.97	1144.48	1346.45	209.33	1186.19	1395.52
Family + 2 dependents	356.94	2022.68	2379.63	369.95	2096.41	2466.36

	2016 Monthly rates			2017 Monthly rates		
HMO Medical Plan	Employee	Village	Total	Employee	Village	Total
Single employee	78.43	444.45	522.89	81.67	462.78	544.45
Single + 1 dependent	158.44	977.67	1,056.25	164.97	934.83	1099.80
Family +2 dependents	280.01	1727.83	1,866.72	291.55	1652.14	1943.70

DENTAL	2016 Monthly rates		2017 Monthly rates			
No employee contribution	Employee	Village	Total Premium	Employee	Village	Total
Single employee	0	$44.00	$44.00	0	$45.80	$45.80
Single + 1 dependent	0	$74.08	$74.08	0	$77.09	$77.09
Family + 2 dependents	0	$124.22	$124.22	0	$129.28	$129.28

Employee Staffing Levels

Office of the Village Manager/ Administration	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Communications Manager	1	0	0	0	0	0
Deputy Village Manager	1	0	1	0	1	0
Management Analyst	1	0	1	0	1	0
Administrative Assistant*	0	0	0	0	0	1
Village Manager	1	0	1	0	1	0
Total	4	0	3	0	3	1
Full & Part-Time Total	4		3		4	

*Budget Request- part-time secretary.

Human Resources	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Director of Human Resources	1	0	1	0	1	0
Management Analyst	1	0	1	0	1	0
Total	2	0	2	0	2	0
Full & Part-Time Total	2		2		2	

Finance & General Services	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Accountant	1	0	1	0	1	0
Deputy Clerk	0	0	.5	0	.5	0
Deputy Finance Director	1	0	1	0	1	0
Cashier	0	0	.5	0	.5	0
Clerk II	2	0	2	0	2	0
Clerk III	1	0	1	0	1	0
Director of Finance/Treasurer	1	0	1	0	1	0
Payroll Clerk III	1	0	1	0	1	0
Purchasing Manager	1	0	1	0	1	0
Administrative Assistant	0	0	0	0	0	0
Total	8	0	9	0	9	0
Full & Part-Time Total	10		9		9	

Community Development	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Administrative Assistant	2	0	2	0	2	0
Associate Planner	0	1	0	0	0	0
Building Commissioner	1	0	1	0	1	0
Building Inspector	1	0	1	0	1	0
Cashier	0	0	.5	0	.5	0
Clerk II	0	1	0	1	0	1
Community Development Director	1	0	1	0	1	0
Deputy Clerk	0	0	.5	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	11	2	12	1	12	1
Full & Part-Time Total	13		13		13	

Fire Services	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Battalion Chief	4	0	4	0	4	0
Deputy Fire Chief	1	0	1	0	1	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	1	0	1	0	1	0
Total	59	2	59	2	59	2
Full & Part-Time Total	61		61		61	

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

Police Services	FY 2015		FY 2016		FY 2017	
	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	2	0	2	0
Crossing Guard	0	9	0	9	0	9
Deputy Police Chief	1	0	2	0	2	0
Desk Officer**	2	3	3	2	3	2
Evidence Custodian	0	1	0	1	1	0
Lieutenant	3	0	4	0	4	0
Patrol Officer	48	0	47	0	46	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
Social Worker*	0	0	0	1	1	0
Technical Services Administrator	1	0	1	0	1	0
Administrative Assistant	1	0	1	0	1	0
Total	74	14	75	13	75	12
Full & Part-Time Total	88		88		87	

*Social Worker Not Included in 2016 Budget
**1 Desk Officer moved to full-time in 2016.
***PT CSO Left Open

Golf Operations	FY 2015		FY 2016		FY 2017	
	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	30	0	30
Golf Course Cashier- Seasonal	0	9	0	0	0	0
Golf Maintenance worker I	0	0	0	0	0	0
Golf Course Maintenance Worker-Seasonal	0	14	0	0	0	0
Golf course maintenance worker II	1	0	0	0	0	0
Golf course maintenance worker III	1	0	0	0	0	0
Golf Course starter/ranger- seasonal	0	11	0	0	0	0
Golf Course Superintendent	1	0	0	0	0	0
Horticulturalist	1	0	0	0	0	0
Total	7	51	3	32	3	32
Full & Part-Time Total	58		35		35	

Public Works/Engineering	FY 2015		FY 2016		FY 2017	
	FT	PT	FT	PT	FT	PT
Automotive Mechanic II	3	0	3	0	1	0
Automotive Mechanic III	1	0	1	0	3	0
Automotive Shop Assistant	0	1	0	1	0	1
Building Maintenance Supervisor	1	0	0	0	0	0
-Building Maintenance Manager	0	0	1	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	0	0
Civil Engineer II	1	0	1	0	2	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
Fleet Manager	1	0	1	0	1	0
Forestry and Grounds Supervisor	1	0	0	0	0	0
Forestry & Grounds Manager	0	0	1	0	1	0
Laborer – Seasonal	0	6	0	6	0	6
Maintenance Worker I	8	0	6	0	7	0
Maintenance Worker II	13	0	14	0	14	0
Maintenance Worker II – CL	6	0	6	0	5	0
-Superintendent of Maintenance	1	0	1	0	1	0
Seasonal Snow Plow Driver	0	1	0	1	0	1
Administrative Assistant	2	1	2	1	2	1
Sewer & Drainage Manager	1	0	1	0	1	0
Streets Manager	1	0	1	0	1	0
Superintendent of Utilities	1	0	1	0	1	0
Village Engineer	1	0	1	0	1	0
Water Manager	1	0	1	0	1	0
Total	50	10	49	10	49	10
Full & Part-Time Total	60		59		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.

Ad Valorem Tax:
A direct tax based "according to value" of property.

Advanced Refunding Bonds:
Bonds issued to refund an outstanding bond issue prior to the date which the outstanding bonds become due or callable. Proceeds of the advanced refunding bonds are deposited in escrow with a fiduciary, invested in United States Treasury Bonds or other authorized securities, and used to redeem the underlying bonds at maturity or call date.

Agencies:
Informal name that refers to securities issued by the United States government and U.S. government sponsored instrumentalities.

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.

Amortization:
The process of paying the principal amount of an issue of bonds by periodic payments either directly to bondholders or to a sinking fund for the benefit of bondholders.

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.

Arbitrage Bonds:
Bonds which are deemed by the I.R.S. to violate federal arbitrage regulations. The interest on such bonds becomes taxable and the bondholders must include this interest as part of gross income for federal income tax purposes (I.R.S. Reg. 1.103-13 through 1.103-15).

Asked:
The trading price proposed by the prospective seller of securities. Also called the offer or offered price.

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.)

Assessed Value:
An annual determination of the just or fair market value of property for purposes of ad valorem taxation.

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.

Bankers' Acceptance (BA):
A short-term financial instrument that is the unconditional obligation of the accepting bank.

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.

Basis Point:
1/100 of one percent.

Bid:
The trading price acceptable to a prospective buyer of securities.

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.

Bond Anticipation Notes (BANS):
Short-term interest bearing notes issued by a government in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

Bond Counsel:
An attorney retained by the Village to render a legal opinion whether the Village is authorized to issue the proposed bonds, has met all legal requirements necessary for issuance, and whether interest on the bonds is, or is not, exempt from federal and state income taxation.

Bonded Debt:
The portion of an issuers total indebtedness represented by outstanding bonds.

Bond Equivalent Yield (BEY):
An annual yield, expressed as a percentage, describing the return provided to bond holders. The BEY is a way to compare yields available from discount securities such as Treasury bills and BAs with yields available from coupon securities.

Broker:
A party who brings buyers and sellers together. Brokers do not take ownership of the property being traded. They are compensated by commissions. They are not the same as dealers; however, the same individuals and firms that act as brokers in some transactions may act as dealers in other transactions.

Brokered and Negotiable Certificates of Deposit:
Short-term (2 to 52 weeks) large denomination ($100,000 minimum). Certificate of Deposit that is issued at a discount on its par value, or at a fixed interest rate payable at maturity and are freely traded in secondary markets

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 v iews and recommendations of the Village Manager.

Callable Bond:
A bond which permits or requires the issuer to redeem the obligation before the state maturity date at a specified price, the call price, usually at or above par value.

Capital Appreciation Bonds (CAB):
A long-term security on which the investment return is reinvested at a state compound rate until maturity. The investor receives a single payment at maturity representing both the principal and investment return.

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 of 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.

Collateral:
Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper:
Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank.

Comprehensive Annual Financial Report (CAFR):
The official annual report for the Village of Buffalo Grove. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

Coupon Rate:
The annual rate of interest payable on a coupon bond (a bearer bond or bond registered as to principal only, carrying coupons evidencing future interest payments), expressed as a percentage of the principal amount.

Dealer:
A firm or individual who buys and sells for their own account. Dealers have ownership between a purchase from one party and a sale to another party. Dealers are compensated by the spread between the price they pay and the price they receive.

Debenture:
A bond secured only by the general credit of the issuer.

Debt:
A financial obligation resulting from the borrowing of money. Debts of government include bonds, notes, lines of credit, and land contracts.

Debt Limit:
The maximum amount of debt which an issuer is permitted to incur under constitutional, statutory or charter provision.

Debt Service:
The amount of money necessary to pay interest on an outstanding debt, the serial maturities of principal for serial bonds, and the required contributions to an amortization or sinking fund for term bonds.

Deficit:
The excess of expenditures or expenses over revenues or income during a single accounting period.

Delivery Versus Payment:
The simultaneous exchange of securities and cash. The safest method of settling either the purchase or sale of a security. In a DVP settlement, the funds are wired from the buyer's account and the security is delivered from the seller's account in simultaneous independent wires.

Demand Notes (Variable Rate):
A short-term security which is subject to a frequently available put option feature under which the holder may put the security back to the issuer after giving specified notice. Many of these securities are floating or variable rate, with the put option exercisable on dates on which the floating rate changes.

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.

Discount:
The amount by which the price for a security is less than its par.

Discount Securities:
Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full face value paid at maturity. Treasury bills, bankers' acceptances and zero coupon bonds are discount securities.

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.

Diversification:
Dividing investment funds among a variety of securities offering independent returns.

Double Barreled Bonds (Alternative Revenue Bonds):
A bond which is payable from the revenues of a governmental enterprise and are also backed by the full faith and credit of the governmental unit.

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.

Federal Credit Agencies:
Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit of Insurance Corporation (FDIC):
A federal agency that insures bank deposits, currently up to $100,000 per deposit.

Federal Funds Rate:
The rate for which overnight federal funds are traded.

Federal Home Loan Banks (FHLB):
The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

Federal National Mortgage Association (FNMA or FANNIE MAE):
FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, HUD. It is the largest single provider of residential mortgage funds in t he United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC):
Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotation basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System:
The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

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.

Governmental National Mortgage Association (GNMA OR GINNIE MAE):
GNMA, like FNMA, was chartered under the Federal National Mortgage Association Act of 1938. Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term *pass-throughs* is often used to describe Ginnie Maes.

Income:
A term used in proprietary fund type accounting to represent (1) revenues, or (2) the excess of revenues over expenses.

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 annua l budget and the appropriation ordinance.

Lease Purchase Agreement (Capital Lease):
A contractual agreement whereby the government borrows funds from a financial institution or a vendor to pay for capital acquisition. The title to the asset(s) normally belongs to the government with the lessor acquiring security interest or appropriate lien therein.

Letter of Credit:
A commitment, usually made by a commercial bank, to honor demands for payment of a debt upon compliance with conditions and/or the occurrence of certain events specified under the terms of the commitment.

Level Debt Service:
An arrangement of serial maturities in which the amount of principal maturing increases at approximately the same rate as the amount of interest declines.

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.

Liquidity:
A liquid asset is one that can be readily converted to cash through sale in an active secondary market.

Local Government Investment Pool (LGIP): Pools through which governmental entities may invest short term cash. Examples of LGIP's are the Illinois Funds, administered by the Illinois State Treasurer and the Illinois Metropolitan Investment Fund.

Long-Term Debt:
Long-term debt is defined, for purposes of this policy, as any debt incurred whose final maturity is more than three years.

Maturity:
The date upon which the principal of a municipal bond becomes due and payable to bondholders.

Market Value::
The price at which a security could presumably be purchased or sold.

Mark to Market:
The process of restating the carrying value of an asset or liability to equal its current market value.

Master Repurchase Agreement:
A written contract covering all future transactions between parties. The agreement establishes each party's right in the transaction. Repurchase Agreements (REPO's) are a form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and then buys them back the following day. For the party selling the security (and agreeing to repurchase it in the future), it is a repo; for the party on the other end of the transaction (buying the security and agreeing to sell in the future), it is a reverse repurchase agreement. A master agreement will often specify, among other things, the right to liquidate the underlying securities in the event of default.

Mini-bonds:
A small denomination bond directly marketed to the public.

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.

Net Interest Cost (NIC) - The traditional method of calculating bids for new issues of municipal securities. The total dollar amount of interest over the life of the bonds is adjusted by the amount of premium or discount bid, and then reduced to an average annual rate. The other method is known as the true interest cost (see "true interest cost").

Offer to Offered Price:
The trading price proposed by the prospective seller of securities (also called the asked or asking price).

Offering Circular:
Usually a preliminary and final document prepared to describe or disclose to investors and dealers information about an issue of securities expected to be offered in the primary market. As a part of the offering circular, an official statement shall be prepared by the Village describing the debt and other pertinent financial and demographic data used to market the bonds to potential buyers.

Open Market Operations:
Purchases and sales of government and c ertain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Other Contractual Debt:
Purchase contracts and other contractual debt other than bonds and notes. Other contractual debt does not affect annual debt limitation and is not a part of indebtedness within the meaning of any constitution or statutory debt limitation or restriction.

Par Value or Face Amount:
In the case of bonds, the amount of principal which must be paid at maturity.

Parity Bonds:
Two or more issues of bonds which have the same priority of claim or lien against pledged revenues or the issuer's full faith and credit pledge.

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 participants own share of actual costs. Each participant shares the risks and rewards of the project.

Principal:
The face amount or par value of a bond or issue of bonds payable on stated dates of maturity.

Private Activity Bonds:
One of two categories of bonds established under the Tax Reform Act of 1986, both of whom are subject to certain tests and State volume caps to preserve tax exemption.

Portfolio:
Collection of financial assets belonging to a single owner.

Premium:
The amount by which the price for a security is greater than its par amount.

Primary Dealer:
A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unrelated firms.

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.

Prudent Person Rule:
An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state - the so-called *legal list*. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Qualified Public Depositories:
A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return:
The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Ratings:
Evaluations of the credit quality of notes and bonds, usually made by independent rating services, which generally measure the probability of the timely repayment of principal and interest on municipal bonds.

Refunding Bonds:
Bonds issued to retire bonds already outstanding.

Registered Bond:
A bond listed with the registrar as to ownership, which cannot be sold or exchanged without a change of registration.

Reinvestment Risk:
The risk that all or part of the principal may be received when interest rates are lower than when the security was originally purchased, so that the principal must be reinvested at a lower rate than the rate originally received by the investor.

Repurchase Agreement (RP OR REPO):
See Master Repurchase Agreement.

Reserve Fund:
A fund which may be used to pay debt service if the sources of the pledged revenues do not generate sufficient funds to satisfy the debt service requirements.

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.

Safekeeping:
A service rendered by banks whereby securities and valuables of all types and descriptions are held by the bank.

SEC RULE 15C3-1: See uniform net capital rule.

Secondary Market:
Markets for the purchase and sale of any previously issued financial instrument.

Securities and Exchange Commission (SEC):
The federal agency with responsibility for regulating financial exchanges for cash instruments.

Self-Supporting or Self Liquidating Debt:
Debt that is to be repaid from proceeds derived exclusively from the enterprise activity for which the debt was issued.

Short-Term Debt:
Short-term debt is defined for purposes of this policy as any debt incurred whose final maturity is three years or less.

Spread:
The income earned by the underwriting syndicate as a result of differences in the price paid to the issuer for a new issue of municipal bonds, and the prices at which the bonds are sold to the investing public, usually expressed in points or fractions thereof.

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-Exempt Bonds:
For municipal bonds issued by the Village tax-exempt means interest on the bonds are not included in gross income for federal income tax purposes; the bonds are not items of tax preference for purposes of the federal, alternative minimum income tax imposed on individuals and corporations; and the bonds are exempt from taxation by the State of Illinois.

Tax Increment Bonds:
Bonds secured by the incremental property tax revenues generated from a redevelopment project area.

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.
Term Bonds:
Bonds coming due in a single maturity.

Treasury Bills (T-BILLS):
Short-term obligations issued by the U.S. Treasury for maturities of one year or less. They do not pay interest but are issued on a discount basis instead.

TREASURY BONDS (T-BONDS): Long-term obligations issued by the U.S. Treasury with initial maturities of more than ten years.

Treasury Notes (T-NOTES):
Medium-term obligations issued by the U.S. Treasury with initial maturities of from one to ten years.

True Interest Cost (TIC):
Also known as Canadian Interest Cost. A rate which, when used to discount each amount of debt service payable in a bond issue, will produce a present value precisely equal to the amount of money received by the issuer in exchange for the bonds. The TIC method considers the time value of money while the net interest cost (NIC) method does not.

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.

Uniform Net Capital Rule:
Securities and Exchange Commission requirement that member firms as well as non-member broker dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicate. *Liquid capital* includes cash and assets easily converted to cash.

Yield:
Loosely refers to the annual return on an investment expressed as a percentage on an annual basis. For interest-bearing securities, the yield is a function of the rate, the purchase price, the income that can be earned from the reinvestment of income received prior to maturity, call or sale. Different formulas or methods are used to calculate yields.

Yield to Maturity:
The rate of return to the investor earned from payments of principal and interest, with interest compounded semiannually and assuming that interest paid is reinvested at the same rate.

Zero Coupon Bond:
A bond which pays no interest, but is issued at a deep discount from par, appreciating to its full value at maturity.

Acronyms

CAD: Computer Aided Dispatch

CAFT: Combined Area Fire Traing

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 Principals

GFOA: Government Finance Officers Association

GovITC: Government 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