



Budget 2018

January 01, 2018 -
December 31, 2018



The Village Of Buffalo Grove

VILLAGE OF BUFFALO GROVE

Adopted Budget: January 1, 2018 to December 31, 2018

Beverly Sussman, Village President

Dane Bragg, Village Manager

Janet Sirabian, Village Clerk

Jeffrey Berman, Trustee

Andrew Stein, Trustee

Lester Ottenheimer, Trustee

David Weidenfeld, Trustee

Joanne Johnson, Trustee

Eric Smith, Trustee

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Village of Buffalo Grove
Illinois**

For the Fiscal Year Beginning

January 1, 2017

Christopher P. Morill

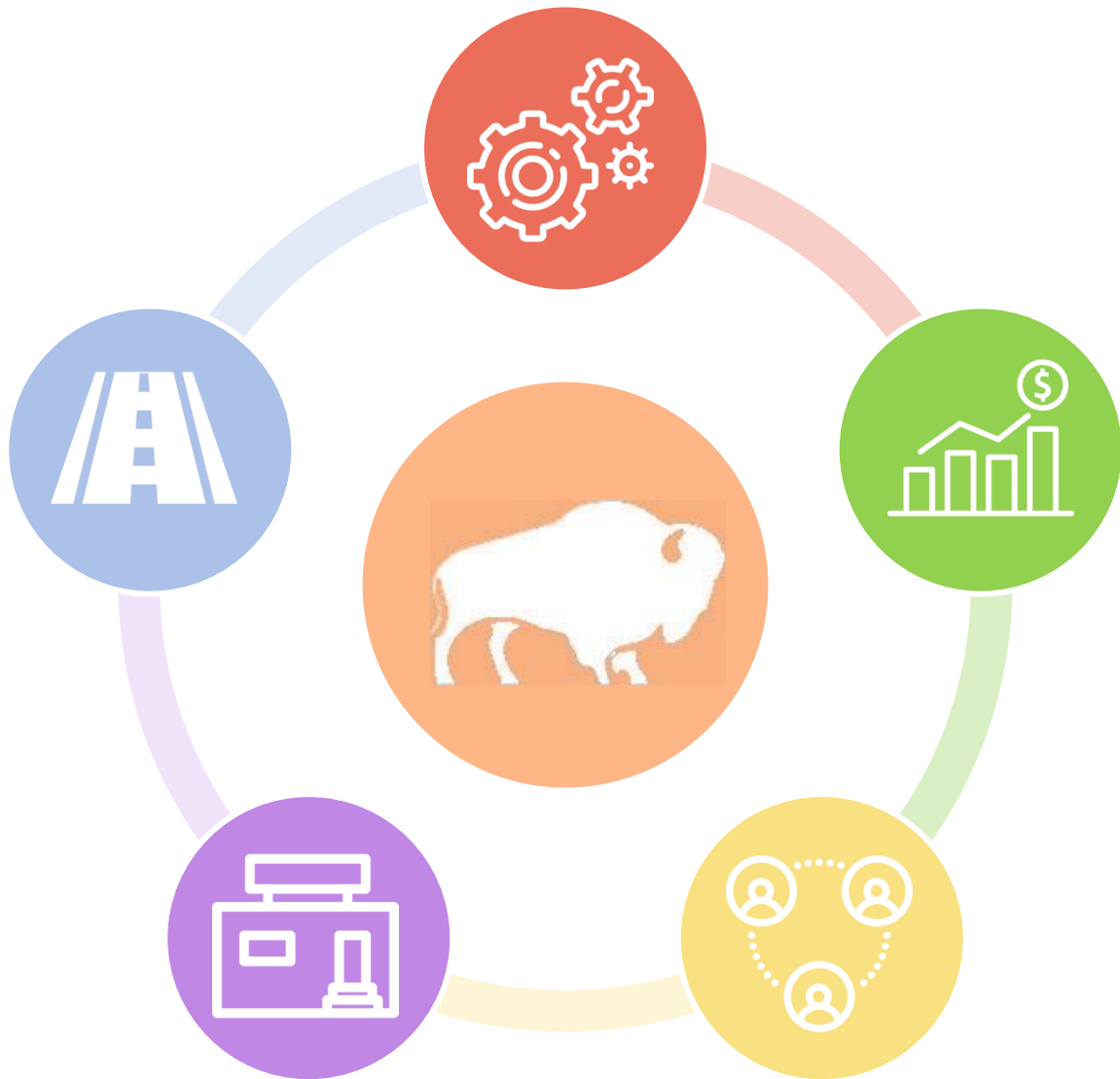
Executive Director

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SECTION ONE: TRANSMITTAL LETTER





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

October 30, 2017

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, 2018. The document presented herein represents over five years of work to accomplish the Village's first program-based budget. The Village Board and staff team are very proud of this significant achievement. Moving to the program-based format gives invitation to a new perspective on providing the highest quality, most cost-efficient services to our constituents.

Over the past five years, the leadership team has worked cooperatively to clear significant financial hurdles, while repositioning the balance sheet with an eye toward sustainability. The Village has tackled several key areas on the expense ledger, including a centralized procurement program, renegotiating service and commodity contracts, rightsizing staffing levels, pursuing alternate service delivery models and more. On the revenue ledger, the Village has aggressively pursued revenue-generating users to locate or expand within the corporate limits, revised fine and fee structures, implemented a storm water management fee and more.

The collective pursuit of the aforementioned measures has been and continues to be the development of dedicated funding streams for adequate maintenance and replacement of the Village's infrastructure assets. To date, the Village has established dedicated reserves for the water and sanitary sewer utility, stormwater utility, building maintenance and fleet. In scanning the horizon, the Village is faced with the same challenges as many other municipalities of the same era – infrastructure is aging faster than resources are or will be available to replace it – in spite of dedicated annual reserve contributions.

With respect to future needs for capital assets, the budget document presented herein is substantially a maintenance budget. Reserve contributions have been carried forward at 2017 levels; there is little growth in revenue and little corresponding growth in expenditures. A nominal-growth ad valorem tax rate is recommended for the forthcoming year, with new growth dedicated primarily to

increasing pension obligations. There are no material service or program changes proposed for 2018.

STRATEGIC PLANNING AND MANAGEMENT

The Village completed an update to its 2012 strategic plan in 2017. 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, Financial Stability, Collaboration, Economic Development and Infrastructure Sustainability. A more detailed analysis of the strategic initiatives can be found in *Section 2: Organization and Services* 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 2018 work plan. Within this budget, financial resource allocations are directly tied to desired strategic outcomes, as outlined in *Section 4: Organization and Services*.

The Village's three priority focus areas, as established by the Village Board, are Economic Development, Leadership and Finance. Within these priority areas, a number of initiatives have been identified to grow local economic activity, to prepare the current and future Village Boards for the challenges ahead and to continue the Village's longstanding tradition of sound fiscal management.

Within the plan, the team identified goals and prioritized them by term and level of importance, creating a matrix of goals within the following categories:

PRIORITY AND TERM OF GOALS - STRATEGIC PLAN		
Low Priority, Short Term	Medium Priority, Short Term	High Priority, Short Term
Low Priority, Mid Term	Medium Priority, Mid Term	High Priority, Mid Term
Low Priority, Long Term	Medium Priority, Long Term	High Priority, Long Term

The strategic direction developed through the goal setting prioritization process focuses on:

- high quality, efficient customer services;
- working cooperatively with other units of government to drive down the cost of service delivery;
- building reserves for future infrastructure maintenance and replacement;
- diversifying revenue streams;
- engaging Buffalo Grove citizens in the governance process;
- developing the next generation of staff leadership;
- improving the quality of life; and
- enhancing environmental sustainability in the community.

The Village continued its commitment to long-term operational and capital planning by updating and presenting its five-year *Operating Financial Forecast 2018-2022* and the *20-Year Water and Sewer Pro-Forma*, as well as the *Stormwater Fund 20 Year Pro-Forma*. The 2018 projections were previously presented to the Village Board on June 5, 2017; a copy of each is included in *Appendix B*.

GENERAL OPERATIONS

The Village's 2018 financial plan continues prior work in the areas of service efficiency, cost reduction and capital investment targeted to the highest priorities. As outlined later in this correspondence, the Village will continue its plan to reinvest in core infrastructure assets through its Capital Improvement Plan. Within the area of general operations, staffing levels are projected to increase in areas related to the Village's current focus, most notably planning and development activities and the sale of services. Projected total personnel will remain flat at 270, with full-time personnel expected to increase from 212 to 214 and part-time staff reduced from 58 to 56, year over year. Over the past five years, total staffing Village-wide has decreased more than 21 percent through attrition and alternate service delivery models, from a peak of 327 in 2010.

Technology investments continue to dominate internal projects for 2018, including the ongoing implementation of the electronic work order and asset management system (Cartegraph) for Public Works, selection and implementation of a new Computer Aided Dispatch (CAD) and records management system (RMS) for public safety operations (led by Northwest Central Dispatch Agency) and electronic ticketing for the Police Department (led by the Lake County Circuit Clerk). The Village has modernized a number of former paper-based or analog processes over the past five years, including electronic time sheet management and payroll, enterprise financial software, electronic Freedom of Information Act (FOIA) processing and electronic employee performance reviews. Scanning the horizon, the Village envisions further expanding its catalog of electronic services for residents and businesses into the foreseeable future.

The Village made a substantial investment in its Buffalo Grove Golf Course operation with the remodeling of the common areas and restaurant space at the clubhouse facility in 2017. A new tenant, Wild Buffalo restaurant, began operations at the clubhouse in June, 2017. The golf enterprise continues to struggle to achieve breakeven status in a highly saturated market with weak demand. The Village Board has begun a business planning process for the golf enterprise to contemplate the future direction of the operation and to tailor investment strategies based on the desired approach, the results of which are expected in 2018.

For 2018, fee revenue totaling \$2,394,700 is expected from operations at both golf courses. This revenue remains less than the pre-recession peak by approximately \$130,000 annually. Operating transfers totaling \$304,555 are budgeted to balance the fund, a decrease of \$33,307 from 2017 estimated

actual. 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 with a projected (contractual) savings of \$1 million over five years.

As stated earlier, 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 2018, internal service chargebacks have been reallocated based on experience, which shows as a net decrease in charges for operating departments and divisions.

General Fund Revenues

Projected Revenue Changes

- ✓ \$71,000 – Food / Beverage Tax
- ✓ \$428,300 – Property Tax
- ✓ \$(577,300) – Income Tax
- ✓ \$85,000 – Ambulance Transport Fees
- ✓ \$58,000 – Real Estate Transfer Tax

FY 2018 General Fund revenue is expected to increase \$294,206 over 2017 budget, primarily due to construction and building fees. Total General Fund revenue is estimated at \$42,304,435.

The General Assembly passed several revenue enhancements to balance the state's budget in 2017, impacting sales and income tax proceeds for 2018. Home rule sales tax returns are now charged a two percent administrative fee by the Illinois Department of Revenue. In addition, the Local Government Distributive Fund (LGDF) float was

collapsed and two months of payments to municipalities were forfeited. As a result, any gains in state and home rule sales tax activity will be offset by the new fees and loss of funds.

The General Assembly also increased the personal income tax rate from 3.75 percent of adjusted gross income to 4.95 percent, however, the local share was proportionally diminished to offset any gains to municipal and county governments. Income tax receipts stagnated in 2017 and are projected to remain flat to declining for 2018. As a result, income tax receipts are expected to decline \$577,000 from 2017 budget to 2018 budget.

The ad valorem (property tax) levy is discussed in further detail within this correspondence and within *Section 4: Executive Overview*. It is important to note that, while the overall levy is projected to grow year-over-year, the increase in the levy is driven entirely by sagging or reduced state revenues, offsetting 90 percent of the state revenue reduction.

The General Fund revenue projections included in the 2018 budget are consistent with the five-year projections presented to the Village Board on June

5, 2017. 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 continues to aggressively manage expenditures 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 97.9 percent for 2017, primarily due to reduced snow removal costs (weather-related), settlement of collective bargaining agreements and mid-year operating adjustments as a result of decreasing state income tax payments. The 2017 General Fund budget will increase \$260,322 year-over-year inclusive of contingency in the amount of \$230,000. Wages and benefits are the largest categorical expenditure at \$31,782,106, or 75.2 percent of the operating budget. Wages and benefits are projected to increase 5.4 percent year-over-year, including collectively bargained salary increases from recently negotiated contracts, pension contributions and two proposed staff positions in the Community Development and Fire departments. 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 - \$10,176,870
- ✓ 35% Reserve - \$14,247,618
- ✓ Projected Reserve - \$16,155,722 (39.7%)

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 General Fund reserve policy was decreased in 2010 from 35 percent to 25 percent of the subsequent year's budget (less pension transfers), or approximately three months of operating expenditures.

The Village's fund balance policy is structured to provide sufficient cash-flow as necessary. The Village's proactive fund management has been cited by Standard & Poor's and Moody's Investor Services as a key factor in maintaining a AAA and Aaa bond rating, respectively, and was again affirmed in 2017 for existing as well as new debt issued in 2016.

For 2018, an unassigned fund balance of \$10.18 million is required to maintain sufficient operating cash within the General Fund. Unassigned fund balance is projected to be \$16.2 million, or 39.7 percent of the 2018 budget, less capital projects and capital reserve transfers as of December 31, 2018. The proposed budget does not anticipate the use of unassigned fund balance for general operations. Use of fund balance is proposed for non-operating funds and for capital expenditures in the Water and Sanitary Sewer Fund. There are two capital projects that will require an additional source of funding – HVAC and roof repairs.

ECONOMIC AND POLITICAL CLIMATE

National factors affecting the Village include proposed changes by the White House to modify or impose tariffs on imported goods, stricter regulation of immigration laws and work visas, modifications to the Affordable Care Act, revisions to the corporate and personal tax code and the yet unapproved Marketplace Fairness Act, which would create a national basis upon which to tax internet sales. Modification of one or more of these regulations could affect local industries positively or adversely.

With respect to workforce, Illinois has seen its seasonally adjusted employment rate decrease from 5.8 percent to 5.0 percent for the year ending August 2017, there has been a corresponding decrease in the total workforce of nearly 100,000 persons (1.4 percent decline) during the same period. The Chicago metropolitan area labor force has not decreased as sharply as other areas of the state, with a 0.9 percent reduction in total workforce over the same period. Buffalo Grove's total workforce decreased by 140 positions year-over-year, while total employment decreased by 45 positions. The Village ended August 2017 with a seasonally-unadjusted unemployment rate of 4.0 percent¹.

Key Stats

- ✓ \$294,900 – Median Home Value
- ✓ 2.6% - YoY Increase – Home Sale Price
- ✓ 4.0% - Unemployment Rate
- ✓ 0.65% - Assumed Investment Yield

The Village straddles two counties (Cook and Lake), which can complicate economic trend analysis. Due to the community's proximity to the Tri-State Tollway employment corridor and its position as a regional advanced manufacturing hub, it is logical to examine the projections for employment growth for the Lake County Local Workforce Investment Area. For the 2011-2019 projection period, the LWIA job market is expected to grow 7.0 percent, or 25,981 total positions. Industries with the greatest growth potential include food preparation and serving related occupations (14%), healthcare support occupations (12%), computer and mathematical occupations (12%), business and financial occupations (11%) and

transportation and material moving occupations (11%). Military occupations expect the sharpest decline by 2019. Computer and mathematical occupations have the highest average hourly earnings at \$38.57² (2013) with 412 annual openings.

The local housing market remained strong into 2017 but has cooled later in the year. Median home sale prices hit a six-year year high of \$322,800 in September 2015 and have hovered around \$300,000 since that time³. Home values are expected to increase 3.1 percent overall through August 2018 within the Chicago metropolitan area and 1.9 percent in Buffalo Grove⁴. Buffalo Grove

¹U.S. Department of Labor, Bureau of Labor Statistics, August 2017, Not Seasonally Adjusted

² Lake County LWIA Labor Market Update, March 2016

³ Zillow Home Index, Zillow.com

⁴ Zillow All Regions Home Value Forecast, August 2017

has consistently ranked high in the metropolitan area with shortest times from list to sale and higher than average sale-to-list price ratios (94%)⁵

The State of Illinois remains the greatest external economic threat to the Village's operations. The legislature developed and adopted a patchwork budget in June of this year. The budget was vetoed by Governor Bruce Rauner and subsequently overridden by both chambers of the General Assembly. The 2018 budget was the first budget adopted since the Governor took office in 2015. As discussed previously, a combination of revenue cuts, administrative fees and diminished income tax receipts negatively impacted the Village's budget by approximately \$470,000.

There are varying accounts of the structural imbalance facing the State of Illinois, even with an increase in the corporate and personal income tax rates. At present, Comptroller Susana Mendoza estimates the state's backlog of unpaid bills to be \$16.5 billion⁶. The state is structuring debt issues to refinance some of the unpaid invoices in the coming months. The state is not making any progress toward reducing its actuarial unfunded pension liabilities, however, and the Commission on Government Forecasting and Accountability predicts a significant operating deficit for the 2019 fiscal year – with a flat spending plan the backlog of bills continues to grow to as much as \$25.5 billion⁷.

The state's precarious financial position continues to have a negative impact on the market for bonds issued by Illinois governments in general. Moody's Investor Services rated State of Illinois general obligation debt at Baa3 with a negative outlook in October 2017, just one notch above junk status⁸. The City of Chicago has held junk rating status since May of 2015.

The Village enjoys positive and cooperative relationships with all overlapping taxing districts, including two townships, two counties, four elementary education districts, two secondary education districts, two libraries and two park districts. In recent years, the Village has worked with all of these districts on a number of intergovernmental initiatives related to procurement, service delivery and economic development.

From a market-based perspective, the 2018 budget anticipates corporate investment returns of 0.65 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 6.4 and 7.05 percent returns, respectively, for the period ending December 31, 2016.

⁵ Zillow Buyer-Seller Index

⁶ Illinoiscomptroller.gov "the ledger" bill backlog 10/24/17

⁷ COGFA three Year Budget Forecast 2018-2020, cgfa.ilga.gov

⁸ Moody's Assigns Baa3 to Illinois' Payment Backlog Bonds; Outlook Negative, moodys.com/research

The overall economic climate has remained strong in the retail and industrial sectors, while the office market continues to struggle. Office vacancy outside of the Loop has remained abnormally high in all areas except Schaumburg, which operates as a corporate hub for many enterprises. The City of Chicago continues to aggressively poach corporate headquarters from the suburbs to the downtown area, the most recent being the relocation of the McDonald's corporate campus from Oakbrook. The suburbs have had their own successes, recently welcoming Zurich North America to its new headquarters facility in Schaumburg and Caterpillar's relocated headquarters to Deerfield.

The Village signed agreements with Connexion, Woodman's Food Markets, Inc. and ThermFlo Products over the past year to establish or expand operations in Buffalo Grove. Connexion has completed the bulk of its expansion and ThermFlo opened in its new location in July 2017. Woodman's Food Markets began construction of its new 242,000 square foot grocery store at Deerfield Parkway and Milwaukee Avenue in September 2017.

2018 will mark the implementation phase of the Lake Cook Road Corridor Plan and Market Study initiative, designed to stimulate economic growth in the heart of Buffalo Grove. Lead consultant HOK Group will present plan findings and recommendations to the Village Board before the end of 2017.

COMPREHENSIVE BUDGET

All Fund Revenue, Expense and Fund Balance

For 2018, the total budget will increase 0.7 percent, or \$290,044, from 2017. The budget increase is attributable to normal growth in wage and benefit costs, commodities and long-term liability funding. The total budget has decreased 4.4 percent, or \$3,304,464, since 2015. Capital projects total \$7.7 million for operating and enterprise projects and equipment, or 9.6 percent of the total budget. The following table provides a summary of all funds.

Fund	12/31/18 Revenue & Other Sources
General Fund	\$42,304,435
Special Revenue Funds	1,208,200
Debt Service Funds	1,682,693
Capital Project Funds	1,936,963
Enterprise Funds	15,485,199
Internal Service Funds	4,639,757
Permanent/Pension Funds	12,661,311
Total	<u><u>\$79,954,558</u></u>

Balance Sheet Considerations

The Village did not issue any new debt in 2017. For 2018, the Village will retire an additional \$1,315,000 on the Series 2010-A, Series 2010-B, Series 2012 and Series 2016 issues. By year-end 2018, the Village will have outstanding bonded debt totaling \$13,050,000 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 \$3.49 million of the total line. The Village has used the line of credit entirely for the EAB response program. The Village will need to extend, refinance or pay off the line of credit during Fiscal Year 2018.

Capital Program

- ✓ \$1,081,565 – Capital Reserve Transfer
- ✓ \$7,700,088 – Capital Projects & Equipment
- ✓ 9.6% of Total Budget

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 \$1,081,565 in reserve transfers for vehicles, building and infrastructure asset replacement is included in the budget. It should be noted that, due to scheduled and deferred equipment replacements, the Village will draw down its equipment reserve in the amount of \$1.7 million in 2018, which was planned for and funded through the depreciation process.

CAPITAL INVESTMENTS

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

For 2018, the capital plan budget (exclusive of equipment) is \$5,513,014 on requests totaling \$11,608,763, or 47.5 percent. The unbudgeted portion of the plan is driven by backlogged street maintenance work (\$3.0 million) as well as storm water projects (\$583,000) and deferred facility maintenance (\$707,000). The Village completed a \$6 million bond issue for street repair work in 2016.

The capital plan has shifted from technology-laden expenditures in recent years to bricks-and-mortar system replacement of facilities. Aging facilities continue to place a significant strain on the capital program. Preliminary analysis by Wold Architects shows a need for \$5.2 million in identified facility maintenance needs over the next five to seven years. Many of these projects can no longer be deferred. Factoring in maintenance and remodeling/expansion cost at existing facilities, the capital need grows to \$22.3 million. The architect will present a full facility analysis report in 2018, inclusive of recommendations for relocation or expansion of existing facilities.

The Village generates revenue for the capital program from a number of sources including direct transfers from the General Fund, federal Surface Transportation Program funds, the Motor Fuel Tax Fund, a chargeback to the Refuse Fund, the Water & Sewer Fund, the stormwater utility fee and the Golf Fund.

Water and sewer projects comprise 37 percent of the total capital expenditures budgeted for the year, while 28 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 \$2.2 million equipment replacement program for 2017. Included within this program allocation is the replacement of one quint apparatus and one ambulance for use by the Fire Department, comprising 43 percent of total expenditures. A full listing of equipment replacement priorities is included in *Section 6: Capital Improvement Plan*.

ENTERPRISE ACTIVITIES

Water and Sewer Utility

The Village Board approved a rate increase for water and sanitary sewer services on July 9, 2012. The combined rate will increase from \$5.91 per 1,000 gallons consumed to \$6.14, effective January 1, 2018.

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 through 2018, while the summer sewer credit factor will increase from 110 percent to 120 percent of average non-peak consumption, upon execution of a new agreement for services. The Village Board has not yet considered an extension of the agreement for service with Lake County.

The Northwest Water Commission passed an increase of 3.5 percent to its wholesale rate for the 2017-18 fiscal year. The increased charge is factored into the water rate charged by the Village to its residential and commercial customers.

Stormwater Utility

The Village Board enacted a stormwater utility fee on January 1, 2016, with a fixed fee of \$5.08 monthly for single family residential parcels and a calculated fee based on lot size for all other parcels. No change to the fee is contemplated for 2018.

FEES, SALES & USE TAXES AND THE PROPERTY TAX LEVY

The following rate/tax amendments are proposed in the FY 2018 budget:

Property Tax Levy

The 2017 (payable 2018) tax levy includes fully funded Fire, Police and IMRF pension allocations as well as funding for public safety and debt service, for a total Village levy of \$16.7 million. Of the total levy request, \$1,682,694 will be used to service debt on the Series 2010-A, Series 2010-B, Series 2012 and Series 2016 bonds after abatements totaling \$654,250. The property tax levy is scheduled to increase 3.1 percent year-over-year after abatements.

The Village Board will consider amendments to the fire billing ordinance in 2018. 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 214 full-time and 56 part-time positions included in the budget. For all positions, the ratio of municipal employees per 1,000 residents is 6.5, compared to a ratio of 7.8/1,000 in 2010. Two full-time positions are proposed within the budget, a Battalion Chief/Training Officer in the Fire Department and an Associate Planner in the Community Development Department. Both positions have been identified as critical to maintain service delivery at expected levels. Total staffing will remain at 270 inclusive of the proposed new positions.

Wages

It is desirable that the Village provide for a general wage increase in 2018 in order to maintain a competitive environment for talented individuals. A 2.25 percent increase has been included in the salaries of full-time and part-time non-represented personnel. Under the pay-for-performance plan for non-represented employees, two allocations are provided for performance incentives in 2018, \$173,000 for satisfactory performance range movement and \$52,000 for performance that exceeds expectations, for a total of \$225,000, or 0.99 percent of payroll.

In total, the wage pool for 2016 is \$23.6 million, a 1.6 percent net increase against 2017 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 a collective bargaining agreement with IAFF Local 3177 through April 30, 2020. A tentative agreement has been established with the Metropolitan Alliance of Police through December 31, 2018, subject to ratification by both parties.

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 \$240,400 inclusive of in-house training, tuition reimbursement and travel expenses. The Village's 2018 cost-per-employee for training activities is \$890, some 15 percent or \$162 less per employee than the national average.⁹

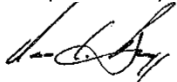
Employee Health & Wellness

For 2018, the Village will continue its membership with the Intergovernmental Personnel Benefits Cooperative (IPBC) with network access provided through Blue Cross Blue Shield of Illinois. The Village's association with IPBC provides balance and predictability to its self-funded health plan, with the incorporation of a nine percent fund reserve mandated by the cooperative. For 2018, various plan changes will take effect, including the phase-out of the PPO-B plan. Total premium will remain flat year-over-year, after accounting for plan changes and reserve contributions mandated by IPBC. For additional information on the health plan rate structure, please review *Appendix C: Human Resources*.

Acknowledgements:

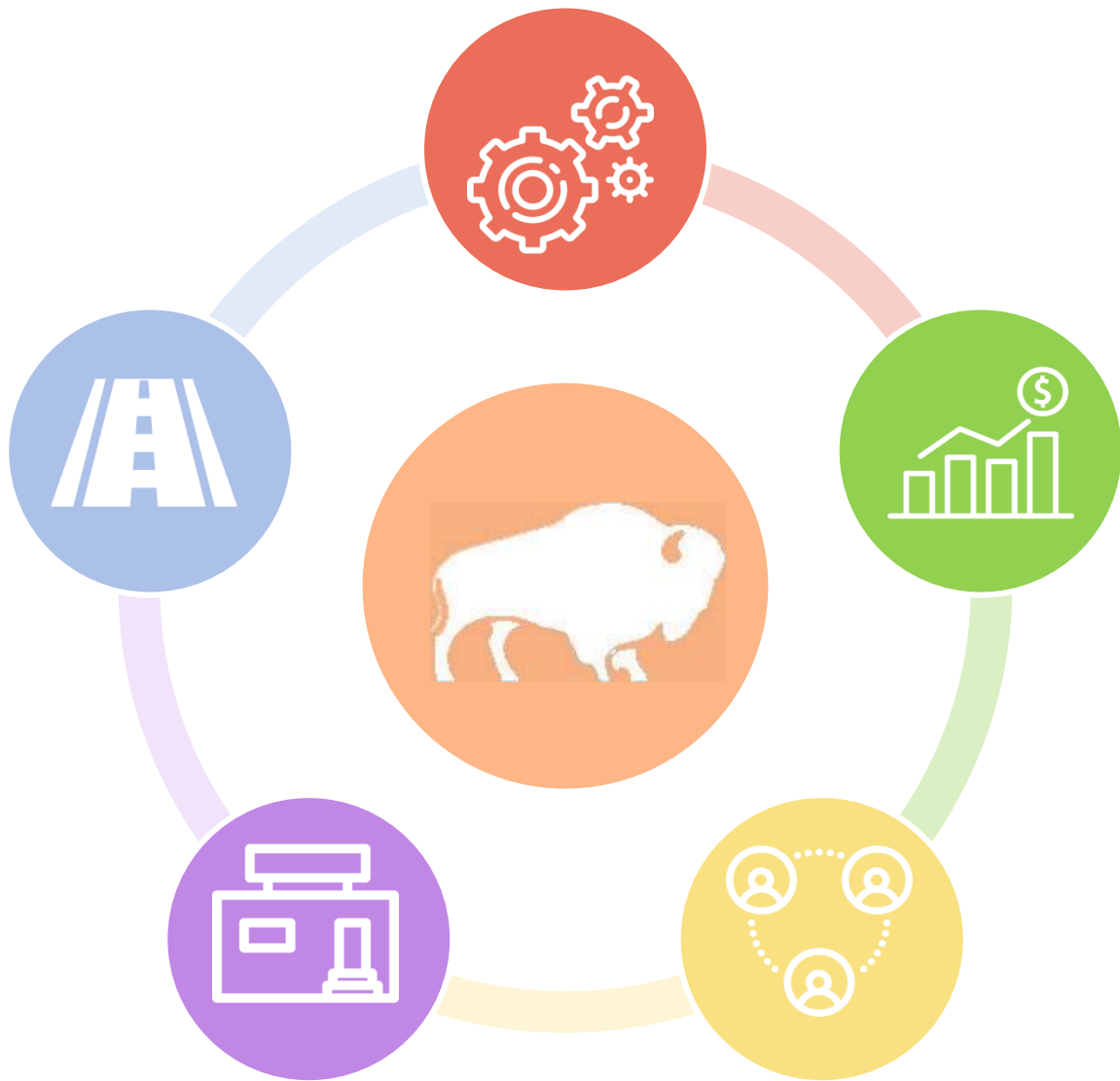
The development of an annual budget is both a monumental and rewarding task, reflecting the contributions of the entire organization. This year's financial planning process has been no exception and reflects the values, mission and vision of the entire Village. I cannot overemphasize my gratitude to the entire Village staff for their diligence over the last several years as we have transitioned to a new and exciting program budget. Many thanks to Director of Finance Scott Anderson, Deputy Finance Director Andrew Brown and Management Analyst Evan Michel for their contribution to creating the budget document. Grateful appreciation is extended to 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

⁹ 2016 *Industry Training Report*, training expenditures per learner, small companies, trainingmag.com.



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SECTION TWO: ORGANIZATION AND SERVICES



LIST OF PRINCIPAL OFFICIALS – ORGANIZATIONAL CHART – VILLAGE
COMMITTEE, COMMISSIONS, & BOARDS – VILLAGE OVERVIEW – STRATEGIC
PLANNING

PRINCIPAL OFFICIALS

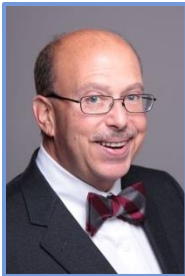
Elected Officials



Beverly Sussman
Village President



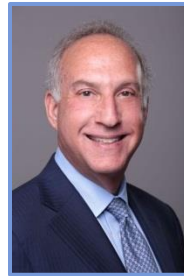
Janet Sirabian
Village Clerk



Jeffrey Berman
Village Trustee



Andrew Stein
Village Trustee



Lester Ottenheimer
Village Trustee



David Weidenfeld
Village Trustee



Joanne Johnson
Village Trustee



Eric Smith
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

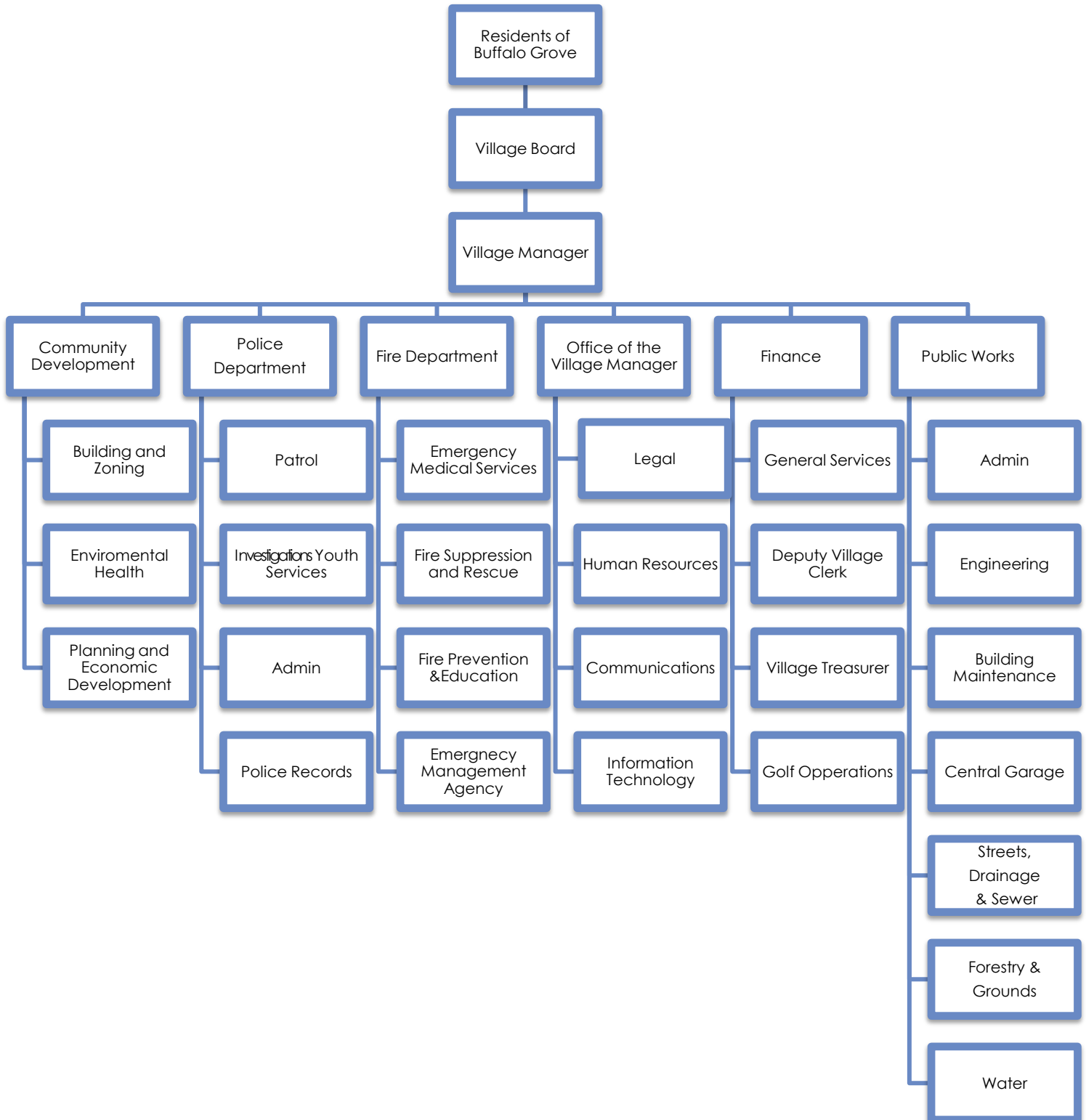


Michael Reynolds
Public Works Director



Arthur A. 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 website 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 an Online Volunteer Application available on the Village's website 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

** 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, as well as the Metra Milwaukee District North rail line, and the Skokie Swift CTA Yellow Line. The regional road system serving the Village includes Aptakisic Road, Arlington Heights Road, Buffalo Grove Road, Lake Cook Road, and State Routes 21, 22, 45, 83, 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 service, 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 August 2016 - August 2017:

	Number Sold	Average Sale Price
Single Family Detached	560	353,250
Single Family Attached	244	244,167
Multi-Family	223	146,583
All Residential	1,027	248,000

VILLAGE GOVERNMENT

Home Rule Authority

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

Council-Manager Form of Government

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

Equalized Assessed Value

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

Below are the Cook County, Lake County, and total EAV of property within the Village.

TAX YEAR	COOK COUNTY	% Increase (Decrease)	LAKE COUNTY	% Increase (Decrease)	TOTAL VALUE	% Increase (Decrease)
2008	430,222,803	6.78%	1,450,871,616	3.05%	1,881,094,419	3.88%
2009 QL	453,182,604	5.34%	1,443,599,910	-0.50%	1,896,782,514	0.83%
2010 TC	405,013,042	-10.63%	1,369,087,745	-5.16%	1,774,100,787	-6.47%
2011	370,243,748	-8.58%	1,294,187,616	-5.47%	1,664,431,364	-6.18%
2012	335,075,013	-9.50%	1,196,068,204	-7.58%	1,531,143,217	-8.01%
2013 QL/TC	279,396,765	-16.62%	1,137,719,248	-4.88%	1,417,116,013	-7.45%
2014	283,496,811	1.47%	1,141,563,977	0.34%	1,425,060,788	0.56%
2015	277,046,677	-2.28%	1,198,647,088	5.00%	1,475,693,765	3.55%
2016 TC	335,031,209	20.93%	1,279,219,819	6.72%	1,614,251,028	9.39%

TC= Triennial property assessment cycle (Cook County)

QL= Quadrennial property assessment cycle (Lake County)

MAJOR PLANNING INITIATIVES

Lake Cook Corridor Market Study and Plan

One of the key action steps from the 2016 Economic Development Strategic Plan was to develop a vision for the Village's Lake Cook Road Corridor via a consultant-led plan. The project, which kicked off in early 2017, looks to explore how the Village can best reposition the corridor to optimize its growth potential. The corridor is an important asset to Buffalo Grove as it is a gateway into the community, offers over one million square feet of commercial space, and is home to important cultural and residential developments.



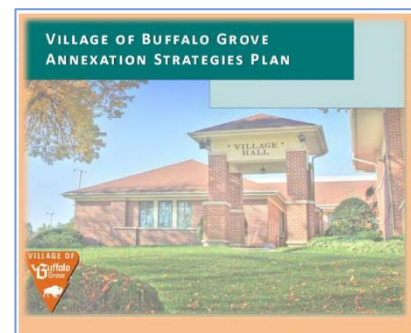
The Village retained nationally renowned urban design and consulting firm Hellmuth, Obata and Kassabaum (HOK) to lead the Lake Cook Corridor Market Study and Plan in 2016. In 2017, the project team led the Village through various stages of the project including public meetings, workshops, charrettes, and other visioning sessions. The project is expected to be completed by early 2018.



Annexation Strategies Report and Action Plan

In 2017, the Village completed an Annexation Strategies Report and Action Plan. The purpose of the plan was to create an updated inventory of all remaining unincorporated properties and evaluate opportunities to expand municipal boundaries. Some of the recommended strategies include:

1. Develop a framework/outline for the completion of a comprehensive plan update;
2. Finalize annexation agreements with the interested properties along the Milwaukee Ave corridor;
3. Work with the Village of Lincolnshire on issues related to shared access and floodplain/stormwater for the northern Milwaukee Avenue area; and
4. Prepare an analysis to show the limits of the floodplains/floodway and its impacts on the future redevelopment for the entire Milwaukee Ave. corridor.



RECENT DEVELOPMENT AND BUSINESS ACTIVITY

Woodman's Food Market

On September 27, 2017, Village officials and Woodman's representatives celebrated the start of construction of the new 242,000-square-foot Woodman's Food Market grocery store on the northwest corner of Milwaukee Avenue and Deerfield Parkway. In addition to the new Woodman's grocery store, the project will also include an additional 43,000 square feet of new retail and office development on the south side of Deerfield Road by Shorewood Development Group. The 25-acre project has involved coordination with multiple government partners including the Lake County Department of Transportation (LCDOT) and the Illinois Department of Transportation (IDOT) and will result in significant improvements to the intersection of Deerfield Road and Milwaukee Avenue. The anticipated open date for both projects will be in the summer/fall of 2018.

Woodman's View looking North



Shorewood's Retail/Office Development looking West



Prairie Landing Residential Development

In early 2017, the Village approved plans for a new residential development at the northeast corner of Prairie Road and Route 22. The development, called Prairie Landing, will feature new townhomes on the property. Construction is currently underway.



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

A formerly vacant property at 875 Busch Parkway in the Corporate Grove industrial park opened in 2017 with a new 40,437 square foot office and warehouse building. Therm-Flo Inc. and its sister company Zonatherm Products outgrew their former facility in Wheeling and chose 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.



Metro Storage – 847 Deerfield Parkway

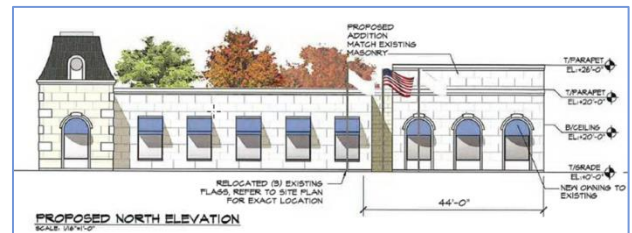
In 2017, construction started for a new Metro Storage facility at 847 Deerfield Parkway. The development includes a new three story 116,412 square foot self-storage building on the formerly vacant property.



The Village Board approved plans to develop a Goddard School, a 9,600 square foot, one-story childcare and preschool center at 1050 Barclay Blvd. Construction is expected to begin in late 2017 or early 2018.



Burdeen's Jewelry located at 1151 W Lake Cook Road began construction in 2017 for an addition to their building. The addition will be located on the northeast corner of the property and provide over 3,015 square feet of space over two floors.



OVERVIEW OF 2018-2023 STRATEGIC PLANNING PROCESS

Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization's mission and achieve consensus on strategies and objectives for achieving that mission.

Strategic planning for public organizations is based on the premise that leaders must be effective strategists if their organizations are to fulfill their missions, meet their mandates, and satisfy their constituents in the years ahead. An important component of this process is evaluating the success of past planning initiatives.

In 2012, the Village of Buffalo Grove embarked on the development of its first 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. This led to the adoption of the 2013-2018 Village of Buffalo Grove Strategic Plan. Five strategic planning priorities were identified in this process, Service Optimization, Organizational Culture, Revenue Growth, Economic Development, and Infrastructure Sustainability.

As the first plan was coming to an end, the Village Board directed staff to update the 2013-2018 Plan through the development of revised strategic planning priorities; an assessment of organizational strengths, weaknesses, opportunities, and threats; and the identification of strategic initiatives, goals, and action steps to achieve the strategic priorities.

The Strategic Plan involved the hard work and dedication of many individuals. The Village Board led the way with the support of the Village management team. Village staff members from all segments of the organization spent countless hours developing a plan that would be outcome-specific and measurable. Special thanks to Trustees Joanne Johnson and Lester A. Ottenheimer III who served as the Trustee Liaisons to the planning process.

Each department has its unique strategic goals, initiatives, and action steps included in their portion of Section 5: Corporate Fund. However, only the near term goals affecting this budget are listed. Included in this section of the budget document is the Strategy Map as well as an overview of the Strategic Priorities, Initiatives, Goals, and Major Up Coming Action Steps. This section likewise includes the Action Plan, which provides a detailed analysis of strategic direction of the village.



VISION, MISSION, AND CORE VALUES

The Village's Management Theme is “**Achieving Excellence.**”

MISSION

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

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

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

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



CORE VALUES

Strategy: The Village's core strategy focuses on fiscally prudent, high quality and differentiated services to residents. 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.

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 performance metrics and accountability.

Technology: The Village's 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.



VILLAGE BOARD PRIORITIES

ECONOMIC DEVELOPMENT

Goal: The Village Board will encourage and foster economic development as a means to provide resources for operational and capital needs as well as to improve the quality of life of the community.

The Village Board is determined to take action on development and redevelopment plans that:

1. Provide more Buffalo Grove based opportunities for residents and businesspersons to work, dine, shop and for entertainment.
2. Increase local revenues (e.g., sales tax) by supporting local economic development projects consistent with approved plans.

The Village Board will explore and adopt financial mechanisms that allow needed reinvestment to occur – in the planning and development phases of redevelopment.

Specific Actions: The Village Board will assess successful projects in other communities to gain an understanding of financial, legal, land use and other tools available to develop successful local projects.

Specific Actions: The Village Board will explore establishing a commercial brokerage relationship to seek and vet potential projects.

Specific Actions: For obsolescent, underutilized, environmentally challenged and/or vacant commercial properties, the Village Board will identify and make available development finance mechanisms for the redevelopment of the property, dependent upon specific site/trade characteristics.

Specific Actions: The Village Board will implement the goals adopted in the Economic Development Strategic Plan.



LEADERSHIP

This Village Board Priority will be updated once a consensus is reached regarding goals and action steps.

FINANCIAL

Goal: The Village Board recognizes the need to generate revenue streams and manage expense structures in order to fund infrastructure maintenance and replacement, as well as to provide for high-quality services to its constituents.

The Village Board will allocate state shared revenues to fund Tier II and Tier III services within five years.

Specific Action: The Village Board will generate revenue allocation profile by service. As part of the program based budget, each service will show its corresponding revenue source(s).

Specific Action: The Village Board will assess and provide direction on any identified local revenue sources that can be enhanced or implemented.

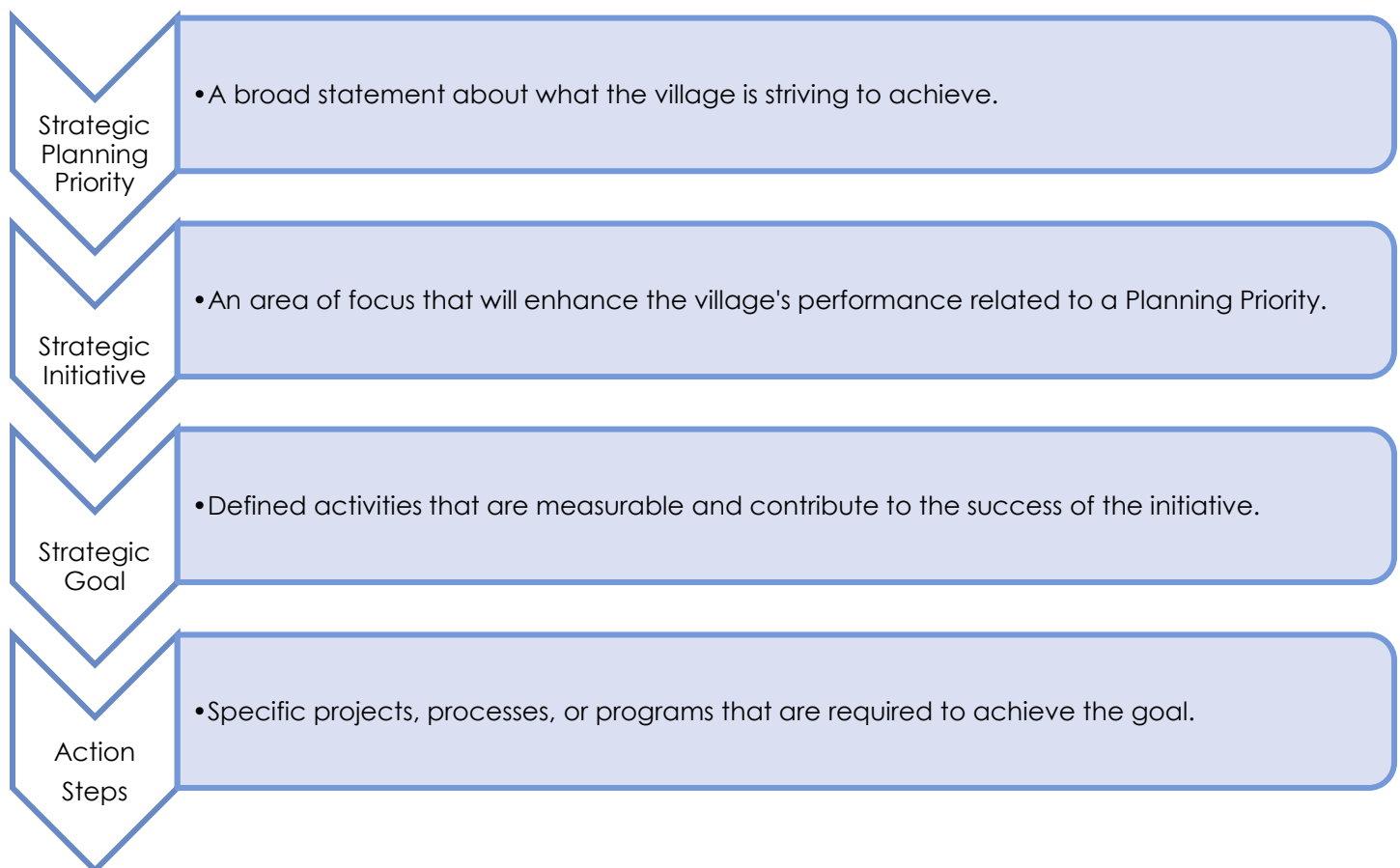
Specific Action: The Village Board will continue to pursue entrepreneurial arrangements to sell external services to other units of local government, where a net benefit can be realized.

Specific Action: The Village Board will continue to provide services based on core competencies, seeking alternate service delivery models where practical and beneficial.

STRATEGY MAP

In order to achieve the board's directive to identify Strategic Initiatives, Goals, and Action Steps staff developed the following plan definitions and plan structure

Within each Strategic Planning Priority, there are Initiatives, Goals, and Action Steps that are developed by staff based on direction from the Village Board and feedback from employees. Each Action Step contributes to the performance of a Goal. Each Goal promotes the effectiveness of a Strategy. Initiatives enhance the village's ability to promote the achievement of a Strategic Planning Priority. Each Action Step includes the department responsible for its accomplishment, the Budget Program that funds achievement of the goal, and a timeframe for completion of the goal.





STRATEGIC PLANNING PRIORITIES

The plan is comprised of five overarching Strategic Planning Priorities based on feedback received from employees, senior staff, and the Village Board. These priorities direct the development of the annual budget and guide the Village's work throughout program areas. The five overarching Strategic Planning Priorities are as follows:



SERVICE OPTIMIZATION:



Based on needs and expectations of the community and prioritization of core services, provide optimal service enhancing processes both internal and external to the organization.

FINANCIAL STABILITY:



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.

COLLABORATION:



Create and maintain an environment that engages and empowers all employees, residents, and organizations that serve the community in the mission of the Village as well as encourage the development of human capital and resources.

ECONOMIC DEVELOPMENT:



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.

INFRASTRUCTURE SUSTAINABILITY:



Infrastructure, which includes Village buildings, streets, utilities, 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.

SERVICE OPTIMIZATION



STRATEGIC INITIATIVES

External Service Provisions

Intergovernmental Partnerships

Internal Operations

GOALS

Explore opportunities to improve customer experience

Implement an expanded portfolio of E-services

Achieve economies of scale through inter-agency cooperation

Investigate opportunities to sell services to other communities

Work with other agencies to provide increased public safety services

Instill a culture of continual process improvement

MAJOR UPCOMING ACTION STEPS

Implement an online benefit administration program

Develop a comprehensive plan to utilize existing data collection practices to implement intelligent policing practices

Investigate opportunities to sell water services to smaller agencies and unincorporated areas

FINANCIAL STABILITY



STRATEGIC INITIATIVES

Cost Control

Reserve Growth

Revenue Diversification

GOALS

Evaluate village programs

Streamline village administrative processes

Appropriately fund reserves

Streamline village administrative processes

Undertake regular review of village fee, fines, and rates

MAJOR UPCOMING ACTION STEPS

Evaluate opportunities for revenue enhancements and cost containment strategies for BG Days.

Establish a strategy to fund the building reserve at appropriate level

Examine dedicated funding source for Police and Fire Pensions

COLLABORATION



STRATEGIC INITIATIVES

*Citizen
Engagement*

*Employee
Development and
Recognition*

*Relationships with
Buffalo Grove
Entities*

GOALS

Develop plan to improve internal communication between employees and management

Encourage employees to grow and develop in each stage of their careers

Foster an environment where employees can gather knowledge, learn best practices, and new skills

Support and recognize employee needs, growth, and achievements

Assist other agencies with preparing for emergencies

Enhance communication and cooperation with area agencies

MAJOR UPCOMING ACTION STEPS

Implement a plan to interview current staff members to identify employee concerns and opportunities

Develop plan to increase citizen engagement with the Police Department through neighborhood meetings

Implement a refresh of the village website

Establish enhanced public outreach for road projects

Develop and implement a formal employee onboarding program

Develop and implement a formal Village wide employee recognition program

Develop a comprehensive plan to centralize and standardize employee training

Develop and implement more opportunities for departments to collaborate

Develop strategies to use a 501(c)3 to partner with local agencies on programming

Establish elected official liaisons to local taxing bodies

ECONOMIC DEVELOPMENT



STRATEGIC INITIATIVES

Economic Growth

Land Use and Development

Quality of Life

GOALS

Develop business-friendly processes, programs, and practices

Help broaden and enrich the labor pool for local businesses

Improve communications businesses, owners, and the development community

Create a vision for community

Facilitate commercial development and redevelopment opportunities

Update the Buffalo Grove Municipal Code

Improve accessibility to, from, and around the Village

Maintain and enhance the Village's housing stock and market

MAJOR UPCOMING ACTION STEPS

Update the Comprehensive Plan

Develop a vision for subareas and consider creating a central business district

Schedule on-site visits at businesses or brokerages and include the Police Department in visits

Enhance administrative forms and processes

INFRASTRUCTURE SUSTAINABILITY



STRATEGIC INITIATIVES

Environmental Sustainability

Planning and Programing

Program Funding

GOALS

Encourage environmentally sustainable development

Participate in regional environmental planning

Review and evaluate current environmental actions

Improve accessibility to, from, and around the Village

Ensure that village facilities meet the needs of employees and the public

Review current work cycles

Utilize information technology

Develop programs to assist residents with infrastructure costs

Evaluate new sources of revenue

MAJOR UPCOMING ACTION STEPS

Develop a comprehensive facilities study and plan

Implement new RMS and CAD System

Convert the Buffalo Grove Environmental Plan to a Sustainability Plan

ACTION PLAN: SERVICE OPTIMIZATION



Based on needs and expectations of the community and prioritization of core services, provide optimal service enhancing processes both internal and external to the organization.

External Service Provisions

Strategic Goal: Explore opportunities to improve customer experience

Action Steps	Responsible Department	Budget Program	Term
Develop plan to educate the community regarding false alarm billing procedures to increase compliance	Finance	Fiscal Services	Mid
Implement a plan to streamline liquor licensing process	Finance	Administration	Mid
Explore opportunities for streamlining administrative and customer service process in the Police Department	Police	Administration	Long

Strategic Goal: Facilitate citizen participation in village programs

Action Steps	Responsible Department	Budget Program	Term
Develop a comprehensive plan to utilize existing data collection practices to implement intelligent policing practices	Police	Tech Services	Mid

Strategic Goal: Implement an expanded portfolio of E-services

Action Steps	Responsible Department	Budget Program	Term
Explore the implementation of an online portal for the purchase Real Estate transfer stamps	Finance	Administration	Near
Explore opportunities to facilitate online payments of administrative adjudication payments	Finance	Administration	Near

ACTION PLAN: SERVICE OPTIMIZATION



Based on needs and expectations of the community and prioritization of core services, provide optimal service enhancing processes both internal and external to the organization.

Intergovernmental Partnerships

Strategic Goal: Achieve economies of scale through inter-agency cooperation

Action Steps	Responsible Department	Budget Program	Term
Implement investment tracking software to provide additional oversight of the village's investment portfolio	Finance	Administration	Long
Investigate opportunities to sell water services to smaller agencies and unincorporated areas	PW	PW Admin.	Mid

Strategic Goal: Investigate opportunities to sell services to other communities

Action Steps	Responsible Department	Budget Program	Term
Explore shared services opportunities with other municipal HR Departments	Human Resources	Risk Mgmt.	Long
Investigate other opportunities to provide overweight trucking enforcement and overnight parking enforcement to other communities	Police	Traffic Unit	Near
Investigate opportunities to sell sign shop services to smaller agencies	PW	PW Admin.	Mid
Continue to investigate opportunities to share or contract snow and ice activities with other communities.	PW	PW Admin.	Long

Strategic Goal: Work with other agencies to provide increased public safety services

Action Steps	Responsible Department	Budget Program	Term
Explore a shared services model for Incident Command Vehicle with other fire agencies	Fire	Administration	Near
Explore opportunities to share Administrative Adjudication services	Police	Tech Services	Near
Improve communications with other communities to streamline Joint Major Incident Command	Police	Patrol	Mid

ACTION PLAN: SERVICE OPTIMIZATION



Based on needs and expectations of the community and prioritization of core services, provide optimal service enhancing processes both internal and external to the organization.

Internal Operations

Strategic Goal: Instill a culture of continual process improvement

Action Steps	Responsible Department	Budget Program	Term
Develop and implement a retention and scanning policy for all village records	CD	CD Admin	Long
Develop a plan to streamline travel and training reimbursement	Finance	Fiscal Services	Near
Explore the standardization of all village forms	Finance	Administration	Mid
Evaluate the role and structures of the Fire Protection Bureau	Fire	Administration	Near
Evaluate the role and structures of the EMA	Fire	Administration	Mid
Seek accreditation of Fire Department	Fire	Administration	Long
Implement an online benefit administration program	Human Resources	Benefits Admin	Near
Evaluate the use of Citrix versus locally installed programs	OVM	Administration	Near
Assist in the creation of a performance management consortium	OVM	Intergovernmental Relations	Near
Explore the current structure of Police command staff	Police	Administration	Mid

ACTION PLAN: FINANCIAL STABILITY



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.

Cost Control

Strategic Goal: Evaluate village programs

Action Steps	Responsible Department	Budget Program	Term
Evaluate opportunities for revenue enhancements and cost containment strategies for BG Days	Finance	Budgeting and Reporting	Near
Evaluate opportunities to streamline the payroll process	Finance	Administration	Mid
Review non-core services the village provides	OVM	Innovation and Analytics	Mid

Strategic Goal: Streamline village administrative processes

Action Steps	Responsible Department	Budget Program	Term
Use Cartegraph to benchmark costs and services	PW	PW Admin.	Mid

ACTION PLAN: FINANCIAL STABILITY



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.

Reserve Growth

Strategic Goal: Appropriately fund reserves

Action Steps	Responsible Department	Budget Program	Term
Establish a strategy to fund the building reserve at an appropriate level	Finance	Budgeting and Reporting	Near
Examine dedicated funding source for Police and Fire Pensions	Finance	Budgeting and Reporting	Near

ACTION PLAN: FINANCIAL STABILITY



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.

Revenue Diversification

Strategic Goal: Undertake regular review of village fee, fines, and rates

Action Steps	Responsible Department	Budget Program	Term
Create procedure to update fee and fine ordinance	Finance	Administration	Near
Develop a listing of all locally controlled taxes and fees the Village currently does not assess	Finance	Budgeting and Reporting	Mid
Complete Water Rate Study	PW	PW Admin.	Near

Strategic Goal: Streamline village administrative processes

Action Steps	Responsible Department	Budget Program	Term
Streamline fire billing ordinance	Fire	Administration	Near

ACTION PLAN: COLLABORATION



Create and maintain an environment that engages and empowers all employees, residents, and organizations that serve the community in the mission of the Village as well as encourage the development of human capital and resources.

Citizen Engagement

Strategic Goal: Enhance current communication tools

Action Steps	Responsible Department	Budget Program	Term
Evaluate the cost associated with starting a "block party wagon" program	OVM	Administration	Mid
Explore the development of a Citizen's Academy which covers all village services	OVM	Communications	Mid
Develop plan to increase citizen engagement with the police through neighborhood meetings	Police	Community Relations	Near
Evaluate the National Night Out Program	Police	Administration	Mid
Investigate the opportunity to host "pop-up" city halls to share economic development information	CD	Planning and ED	Mid
Implement a refresh of the village website	OVM	Communications	Near
Implement strategies identified through the Citizens Survey	OVM	Innovation and Analytics	Mid
Establish Village Manager blog to address current issues in the community	OVM	Communications	Mid
Investigate an information technology platform for citizen feedback/engagement	OVM	Communications	Long
Complete Citizen Survey in 2020 to compare data from 2017 results	OVM	Innovation and Analytics	Long
Establish enhanced public outreach for road projects	PW	Engineering	Near
Evaluate the cost associated with starting a "block party wagon" program	OVM	Administration	Mid

ACTION PLAN: COLLABORATION



Create and maintain an environment that engages and empowers all employees, residents, and organizations that serve the community in the mission of the Village as well as encourage the development of human capital and resources.

Employee Development and Recognition

Strategic Goal: Encourage employees to grow and develop in each stage of their career

Action Steps	Responsible Department	Budget Program	Term
Develop and implement a formal Succession Plan for all departments	Fire	Administration/Training	Mid
Develop and implement a formal employee onboarding program	Human Resources	Recruitment and selection	Near
Develop and implement a formal Village wide employee recognition program	Human Resources	Training and Org Development	Near
Develop and implement a formal program which assists retiring employees	Human Resources	Benefits Admin	Mid
Develop and implement formal recruitment strategy	Human Resources	Recruitment and selection	Mid
Develop and implement formal employee mentoring program	Human Resources	Training and Org Development	Mid
Establish a plan to encourage a culture of innovation	OVM	Innovation and Analytics	Mid

Strategic Goal: Develop plan to improve internal communication between employees and management

Action Steps	Responsible Department	Budget Program	Term
Develop and implement a budget seminar to educate all employees on the budget process	Finance	Budgeting and Reporting	Mid
Develop an employee budget committee to provide input in to the process	Finance	Budgeting and Reporting	Mid
Explore opportunities for senior management to engage with village staff	Human Resources	Training and Org Development	Mid
Enhance employee communication through employee portal and newsletter	Human Resources	Training and Org Development	Mid
Evaluate and make necessary changes to the employee compensation program	Human Resources	Benefits Admin	Long
Develop strategies to enhance communication with employees about general Village business	OVM	Communications	Mid
Develop a comprehensive cross training program between all village departments	OVM	Administration	Long

ACTION PLAN: COLLABORATION



Create and maintain an environment that engages and empowers all employees, residents, and organizations that serve the community in the mission of the Village as well as encourage the development of human capital and resources.

Employee Development and Recognition

Strategic Goal: Foster an environment where employees can gather knowledge, learn best practices, and new skills

Action Steps	Responsible Department	Budget Program	Term
Develop a comprehensive plan to centralize and standardize employee training	Human Resources	Training and Org Development	Near
Develop a comprehensive training and advancement plan for new supervisors	Police	Training	Near

Strategic Goal: Support and recognize employee needs, growth, and achievements

Action Steps	Responsible Department	Budget Program	Term
Develop a strategy to highlight employees accomplishments via the e-news, newsletter, and social media	Human Resources	Training and Org Development	Near
Implement a plan to interview current staff members to identify employee concerns and opportunities	Human Resources	Training and Org Development	Mid
Develop and implement more opportunities for departments to collaborate	OVM	Communications	Near

ACTION PLAN: COLLABORATION



Create and maintain an environment that engages and empowers all employees, residents, and organizations that serve the community in the mission of the Village as well as encourage the development of human capital and resources.

Relationships with Buffalo Grove Entities

Strategic Goal: Assist other agencies with preparing for emergencies

Action Steps	Responsible Department	Budget Program	Term
Standardize pre plans for all buildings in the village	Fire	Fire Protection Bureau	Long
Standardize all Emergency Plan's for schools	Fire	Fire Protection Bureau	Long

Strategic Goal: Enhance communication and cooperation with area agencies

Action Steps	Responsible Department	Budget Program	Term
Develop strategies to use a 501c3 to partner with local agencies on programming	OVM	Administration	Near
Establish elected official liaisons to local taxing bodies	OVM	Village Board	Near
Explore opportunities to share facilities with local agencies	OVM	Intergovernmental Relations	Near
Explore shared services opportunities with local taxing bodies	OVM	Intergovernmental Relations	Mid
Establish a comprehensive list of services provided to the community by local non-profits and taxing bodies	OVM	Administration	Long

ACTION PLAN: ECONOMIC DEVELOPMENT



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.

Economic Growth

Strategic Goal: Develop business-friendly processes, programs, and practices

Action Steps	Responsible Department	Budget Program	Term
Enhance administrative forms and processes	CD	Building and Zoning	Near
Recognize businesses that are new, expanding, or are making a notable contribution to local economy and quality of life	CD	Planning and ED	Near
Provide welcoming package and schedule a meet and greet for new businesses	CD	Planning and ED	Near
Evaluate opportunity to provide flexible work space for entrepreneurs	CD	Planning and ED	Mid

Strategic Goal: Help broaden and enrich the labor pool for local businesses

Action Steps	Responsible Department	Budget Program	Term
Facilitate partnerships between the workforce development providers and local businesses	CD	Planning and ED	Mid
Work with local businesses (particularly manufacturing businesses) and high schools to foster awareness of advanced manufacturing industry and other budding industries	CD	Planning and ED	Long
Enhance workforce accessibility through partnerships with local businesses	CD	Planning and ED	Long

Strategic Goal: Improve communications and relations with current and potential businesses, owners, and the development community

Action Steps	Responsible Department	Budget Program	Term
Create a business e-newsletter	CD	Planning and ED	Near
Schedule on-site visits at businesses or brokerages and include the Police Department in visits	CD	Planning and ED	Near
Develop regularly scheduled roundtable discussions	CD	Planning and ED	Mid
Continue to work on the branding and marketing campaign	OVM	Communications	Mid

ACTION PLAN: ECONOMIC DEVELOPMENT



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.

Land Use and Development

Strategic Goal: Create a vision for community

Action Steps	Responsible Department	Budget Program	Term
Update the Comprehensive Plan	CD	Planning and ED	Near
Develop a vision for subareas and consider creating a central business district	CD	Planning and ED	Mid
Evaluate opportunities to expand municipal boundaries	CD	Planning and ED	Long

Strategic Goal: Facilitate commercial development and redevelopment opportunities.

Action Steps	Responsible Department	Budget Program	Term
Create and update an inventory of commercial properties	CD	Planning and ED	Mid
Continue to refine Buffalo Grove's planning, development, and permit processes	CD	Building and Zoning	Mid
Continue to offer site-specific economic development incentives, while exploring opportunities to offer economic development incentives for multi-site districts	CD	Planning and ED	Mid

Strategic Goal: Update the Buffalo Grove Municipal Code.

Action Steps	Responsible Department	Budget Program	Term
Revise the Sign Code	CD	Building and Zoning	Mid
Consider developing a Unified Development Ordinance (UDO)	CD	Planning and ED	Long
Update Zoning Code to reflect community vision articulated in the comprehensive plan	CD	Planning and ED	Long

ACTION PLAN: ECONOMIC DEVELOPMENT



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.

Quality of Life

Strategic Goal: Improve accessibility to, from, and around the Village

Action Steps	Responsible Department	Budget Program	Term
Participate in regional transportation projects	CD	Planning and ED	Near

Strategic Goal: Maintain and enhance the Village's housing stock and market.

Action Steps	Responsible Department	Budget Program	Term
Diversify housing stock	CD	Planning and ED	Long

ACTION PLAN: INFRASTRUCTURE SUSTAINABILITY



Infrastructure, which includes Village buildings, streets, utilities, 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.

Environmental Sustainability

Strategic Goal: Encourage environmentally sustainable development

Action Steps	Responsible Department	Budget Program	Term
Promote energy efficiency programs	CD	Building and Zoning	Mid
Establish sustainable standards for buildings and forestry	PW	PW Admin.	Long

Strategic Goal: Participate in regional environmental planning

Action Steps	Responsible Department	Budget Program	Term
Implement Greenest Regions Compact 2	Finance	Purchasing	Long

Strategic Goal: Review and evaluate current environmental actions

Action Steps	Responsible Department	Budget Program	Term
Convert the Buffalo Grove Environmental Action Plan to a Sustainability Plan	Finance	Purchasing	Near
Review fleet purchases against green options to determine optimal approach	PW	PW Admin.	Long

ACTION PLAN: INFRASTRUCTURE SUSTAINABILITY



Infrastructure, which includes Village buildings, streets, utilities, 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.

Planning and Programing

Strategic Goal: Improve accessibility to, from, and around the Village

Action Steps	Responsible Department	Budget Program	Term
Maintain, enhance, and promote multimodal infrastructure.	PW	PW Admin.	Long

Strategic Goal: Ensure that village facilities meet the needs of employees and the public

Action Steps	Responsible Department	Budget Program	Term
Develop a comprehensive facilities study and plan	OVM	Administration	Near

Strategic Goal: Review current work cycles

Action Steps	Responsible Department	Budget Program	Term
Develop formalized replacement schedule for capital equipment	Fire	Administration	Mid
Reduce tree trimming cycle to 5 years	PW	Forestry - Tree Services	Long

Strategic Goal: Utilize information technology

Action Steps	Responsible Department	Budget Program	Term
Evaluate opportunities for new in-squad technology	Police	Tech Services	Mid
Implement new RMS and CAD System	Police	Tech Services	Mid
Implement Cartegraph pavement asset management module	PW	PW Admin.	Long

ACTION PLAN: INFRASTRUCTURE SUSTAINABILITY



Infrastructure, which includes Village buildings, streets, utilities, 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.

Program Funding

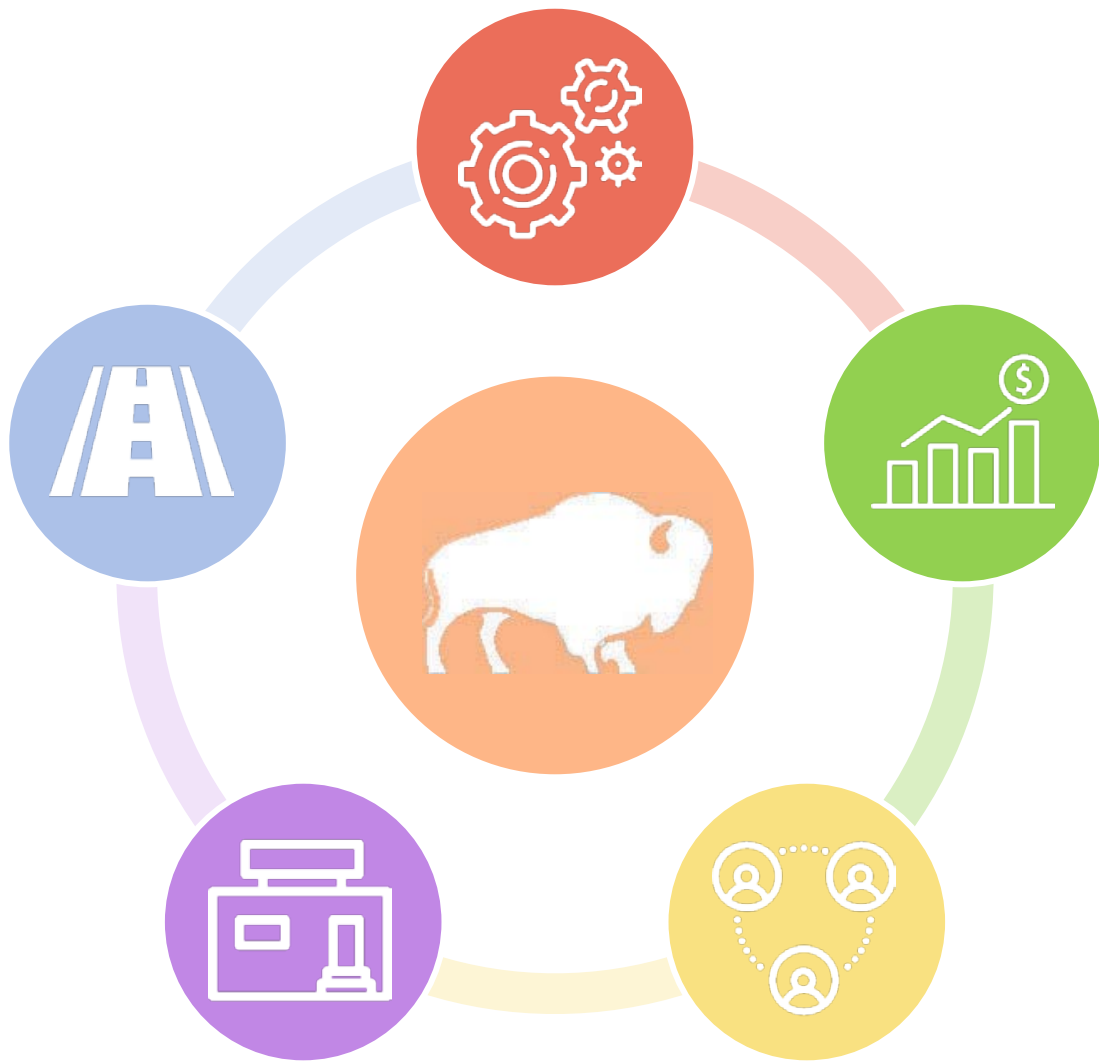
Strategic Goal: Develop programs to assist residents with infrastructure costs

Action Steps	Responsible Department	Budget Program	Term
Explore low interest loans for residents facing water/sewer repairs	Finance	Fiscal Services	Mid

Strategic Goal: Evaluate new sources of revenue

Action Steps	Responsible Department	Budget Program	Term
Investigate revenue sources for infrastructure improvements	PW	PW Admin.	Long

SECTION THREE: BUDGET PROCESS AND STRUCTURE



BUDGET TIMELINE – BUDGET SECTIONS – BASIS OF BUDGETING – ANNUAL
BUDGET VS FINANCIAL STATEMENT – FUND STRUCTURE – FINANCIAL POLICIES
& GOALS – ACCOUNT NUMBERS – CURRENT VILLAGE FUNDS – BUDGET
RESPONSIBILITIES

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 General Fund five year operating forecast and the Water Fund's twenty year water rate 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. An assessment of anticipated revenues and budget capacity often dictates a reduction in budget requests.

Over the next month, the Finance Department works to compile the budget document. In addition to developing budget summaries for each department, the Finance Department reviews and updates other sections of the document. Before the 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 Board 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 2018.

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 spending that exceeds the total fund budget must be passed by the Village Board in the form of a budget amendment.

BUDGET TIMELINE

Date	Event	Requirement/Action
Friday, May 26, 2017	Budget Programs Created	Staff identifies programs for FY 2018 Budget
Monday, June 05, 2017	Committee of the Whole Meeting	Presentation of five year General and Water Fund Operating Forecasts
Friday, June 09, 2017	Program Summaries Due	Staff provides program narratives
Monday, June 19, 2017	Budget/CIP Instructions Distributed	Finance staff distribution
Friday, June 23, 2017	FY 2018 Initialized in New World Systems	Staff creates FY 2018 in NWS
Thursday, July 06, 2017	Capital Improvement Plan Project & Building Maintenance Requests Due. IT Project Requests Due	Department submits five year capital requests and FY 2018 building remodeling and technology requests
Monday, July 10, 2017	Village Fee & Fines Recommendation	Department fee & fine recommendations due to the Office of Village Manager
Wednesday, July 12, 2017	Wage & Benefit Discussion	Review general wage adjustments, performance pool, and health insurance
Tuesday, July 18, 2017	Capital Budget Meeting	Review capital requests
Wednesday, July 26, 2017	Internal Service Budgets Distributed	Budgets entered for Internal Service Funds
Friday, July 28, 2017	Salary and Health Insurance Budgets Provided to Departments	HR staff provides wage and insurance line-items. Census reports distributed for review
Friday, August 04, 2017	Capital Reserve Amounts Distributed and Added into NWS	Reserve amounts calculated for vehicles, technology and buildings.
Monday, August 07, 2017	Committee of the Whole Meeting	Staff provides six month financial update on FY 2017 Budget. CIP Discussion, wage and benefit recommendation, property tax levy
Wednesday, August 09, 2017	G/L and Worker's Comp budget amounts provided	Budgets provided for general liability, workers comp deductibles and premium amount
Thursday, August 10, 2017	General Fund Revenue Estimate	Staff compiles estimated actual for FY 2017 and budget for FY 2018
Friday, August 11, 2017	Preliminary Budgets added to New World Systems	All department budgets entered into NWS
August 14-18, 2017	Department Meetings	Department Directors discuss budget requests to Village Manager/Deputy Manager
Friday, August 18, 2017	Final Budget Requests Due	Final department budget due.
Tuesday, August 22, 2017	Special Revenue Fund Budgets Complete	Final Fund Budgets Due
Tuesday, August 22, 2017	Fiduciary and Trust Fund Budgets Complete	Final Fund Budgets Due
Wednesday, August 30, 2017	RFP/RFQ/Bidding Calendar	Department Directors report FY 2018 activity to Brett Robinson.
Friday, September 08, 2017	Village/Department Goals Submitted	Goals approved for inclusion in Budget
Monday, October 02, 2017	Committee of the Whole Meeting	Review preliminary budget and final CIP amounts
Friday, October 13, 2017	Preliminary Detail Budget to Village Board	Preliminary detail budget emailed to Village Board
Monday, October 31, 2017	Draft Budget to Village Board	Draft budget distributed to Village Board
Monday, October 30, 2017	Publish Public Hearing Notice	Post public hearing announcement regarding budget hearing
Monday, November 06, 2017	Village Board Meeting	Truth-in-Taxation determination
Monday, November 13, 2017	Village Board Meeting	FY 2018 Budget Presentation
Monday, December 04, 2017	Village Board Meeting	FY 2017 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 village-wide economic development goals. Strategic goals are presented in this section as a function of the overall revenue and expense profile, targeted priorities and performance measures.
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.
5. **General Fund Summary and Detail:** This section provides more in-depth financial, organizational and staffing information at the department level including program 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, program 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 Fine Schedule:** All fees and fines 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 Health Plan and Staffing:** A summary of health insurance plan benefits and aggregate staffing levels.
14. **Appendix D Document Definitions:** Includes 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 defined benefit 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

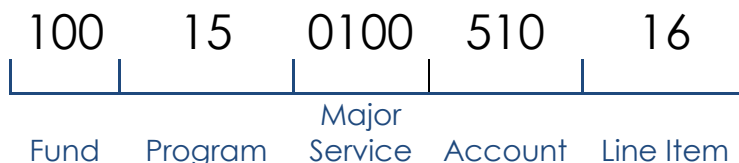
significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are capitalized.

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, program, 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 (XXX.15) indicate the Program.

10 – Legislative	42 – Fire Prevention
11 – Human Resources	43 – Fire Support Services
12 - Finance	44 – Emergency Management Agency
15 – Office of the Village Manager	56 – Forestry
21 – Police Administration	57 – Drainage
22 – Police Operations	58 – Water
23 – Police Administrative Service and Support	59 - Sewer
31 – Community Development Administration	60 – Engineering
32 – Planning and Economic Development	61 - Streets
33 – Property Maintenance and Code Enforcement	70 – Transfer Non-Operating
34 – Health Services	75 – Capital Improvement
40 – Fire Administration	81 – Metra Parking
41 – Fire Operations	84 – Golf
	85 – Debt
	86 – Refuse
	88 – Police Pension
	89 – Fire Pension

The Major Services are two digits represented between the program and account number (XXX.XX.0100). Some major services are shared amongst departments while others are department specific. The current major services are budgeted in FY 2018 are as follows:

0100 - Village Board	0341 - Personnel
0101 - Volunteer Services	0400 - Patrol
0102 - Administration	0401 - Investigations
0103 - Intergovernmental Relations	0420 - Records/Tech Services
0104 - Innovation and Analytics	0421 - Traffic Unit/Crossing Guards
0105 - Communications	0422 - Community
0106 - Fiscal Services	Relations/Social Worker/SRO
0107 - Budgeting and Reporting	0423 - Property and Evidence
0108 - Utility Billing	0501 - Street and Curb Maintenance
0109 - Purchasing	0502 - Snow and Ice Control
0110 - Legal	0601 - Tree Services
0111 - Recruitment and Selection	0602 - Parkway/Property
0112 - Benefits Administration	Maintenance
0113 - Risk Management	0701 - Storm Sewer Maintenance
0114 - Training and Organizational	0702 - Open Channel Maintenance
Development	0704 - Customer Service Meters
0115 - Contingency Reserve	0705 - Pumpage and Purification
0116 - Subsidies	0706 - Distribution
0117 - Capital Projects	0707 - Community Outreach
0200 - Property Maintenance &	0708 - Sewer Systems Operations and
Zoning Enforcement	Maintenance
0201 - Permitting & Inspections	0709 - Sewerage Lift Station Operation and
0202 - Plan Review	Maintenance
0220 - Service to External Agencies	0710 - Underground Utility Locating
0240 - Health Inspections	0801 - Asset Management
0241 - Health Commission	0802 - Development Review and
0300 - EMS	Management
0301 - Suppression	0803 - Project Management
0302 - SRT	
0330 - Public Education	
0331 - Fire Inspections	

The first digit in the fourth grouping of numbers (XXX.XX.XXXX.5XX.XX) indicates whether this is an income or expenditure account. All accounts are not program specific and may only be applicable at the fund level.

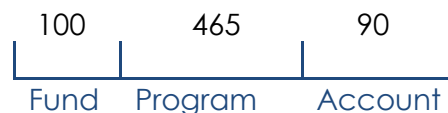
- 1XX – Asset
- 2XX – Liability
- 3XX – Fund Equity
- 4XX – Income
- 5XX – Expenditure/Expense
- 6XX – Capital Outlay
- 7XX – Debt Service
- 8XX – Depreciation

The next two digits in the third grouping of numbers (XXX.XX.XXXX.X10.XX) indicate 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 program 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

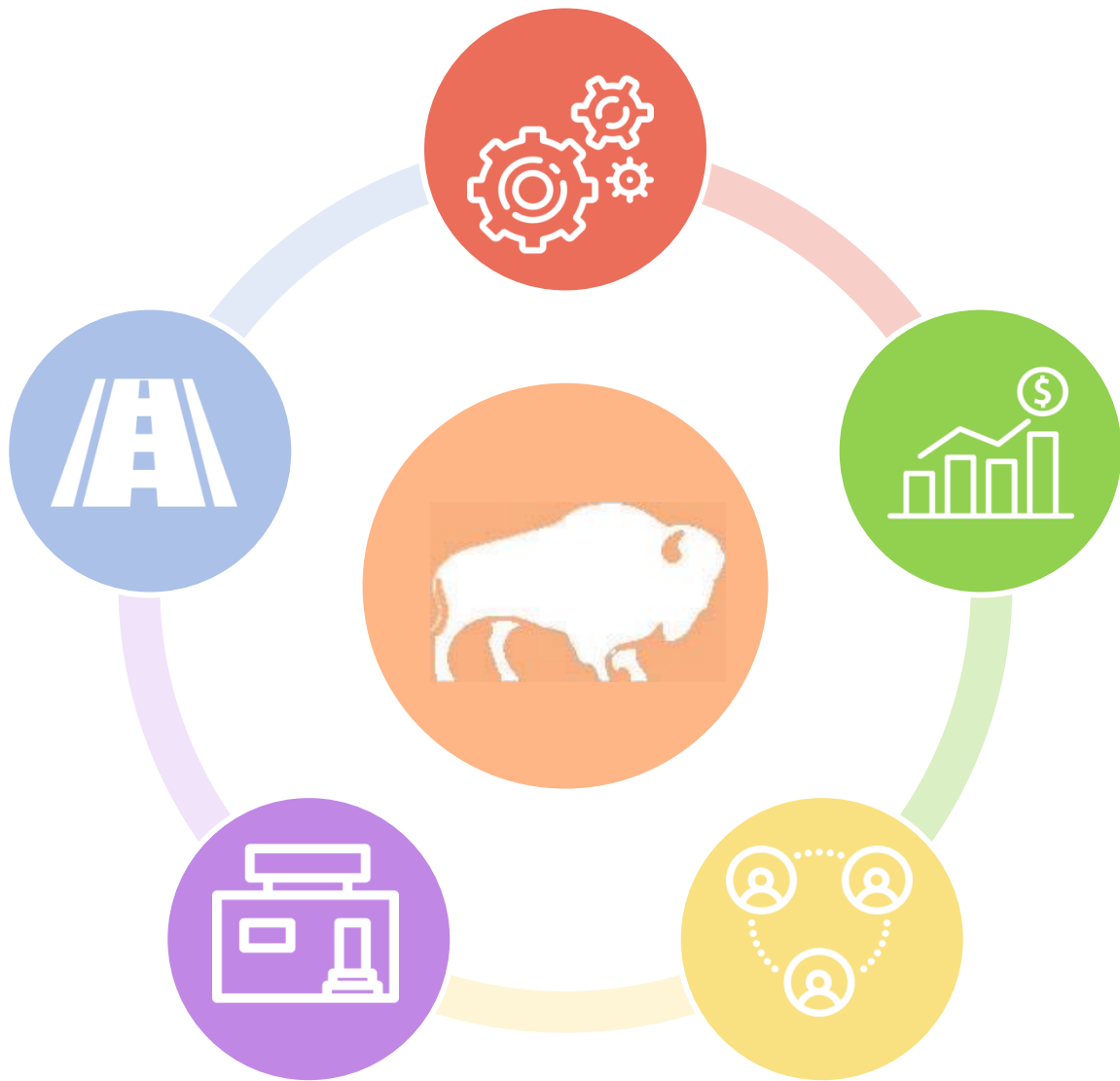
CURRENT VILLAGE FUNDS

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 Village vehicles.
	Building & Facility Maintenance	213	Accounts for all services and commodities to maintain Village buildings 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

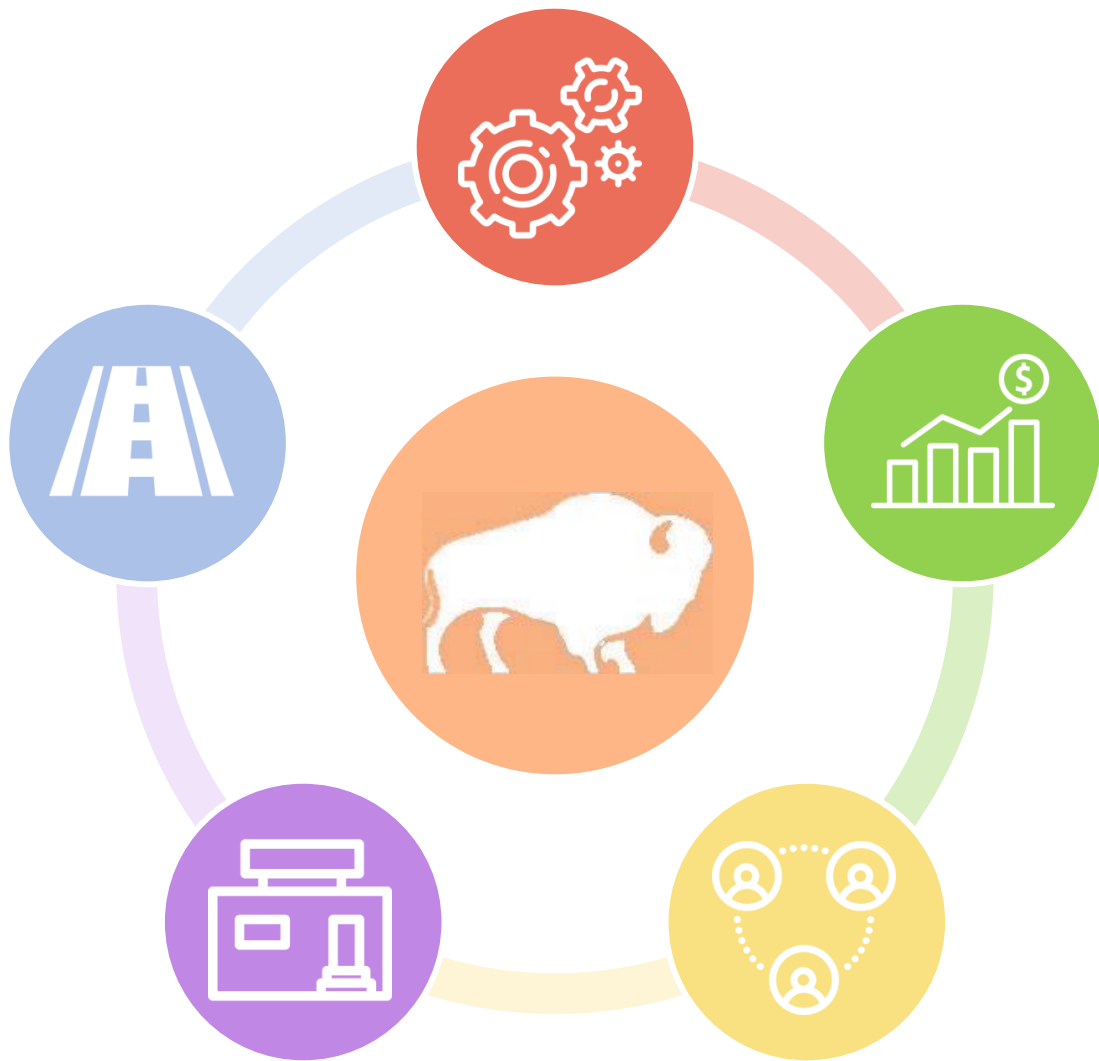
The following departments are responsible for budgeting revenues and/or expenses in the listed funds.

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



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SECTION FOUR: EXECUTIVE OVERVIEW



**BUDGET IN BRIEF – REVENUE TRENDS AND PROJECTIONS – EXPENDITURE
TRENDS AND PROJECTIONS – DEBT POSITION – DEBT SERVICE SCHEDULES –
FUND BALANCE PROJECTIONS BY FUND**

BUDGET IN BRIEF

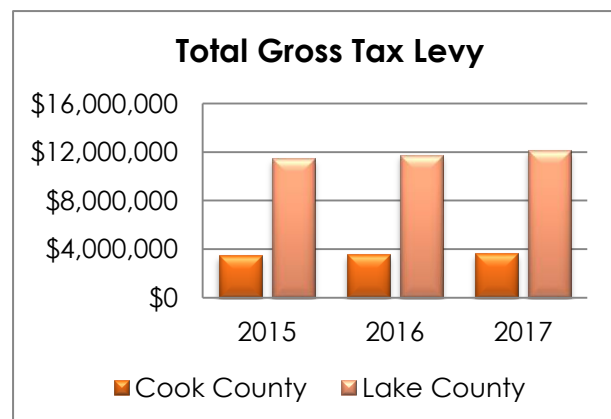
The Village of Buffalo Grove embraces a fiscally conservative and forward-looking approach to budgeting for the operations of municipal government. This approach is coupled with the service-delivery expectations of the Village's core customers – residents and businesses – and its extended customers – 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 services: administration, finance, public works, police protection, fire prevention and suppression, EMS, civil engineering, building inspections, urban planning-zoning, golf operations and community event funding. Additional 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 these services via the 911-surcharge, ad valorem tax levy and user fees.

The FY 2018 Budget has been modified to focus on program costs rather than specific line items. The purpose of a program based budget is to assist users of the document to better understand where resources are allocated. The shift from a traditional line-item budget to a program-based budget will help the reader easily understand what services cost rather than how much a department spends in aggregate.

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 2018, the Village's proposed budget is balanced and does not contemplate the implementation of new taxes. The property tax levy will increase by approximately 3.1 percent for the 2017 levy, payable in 2018. 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 2015, 2016 and 2017 (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 2016, 2017 and 2018 (proposed).

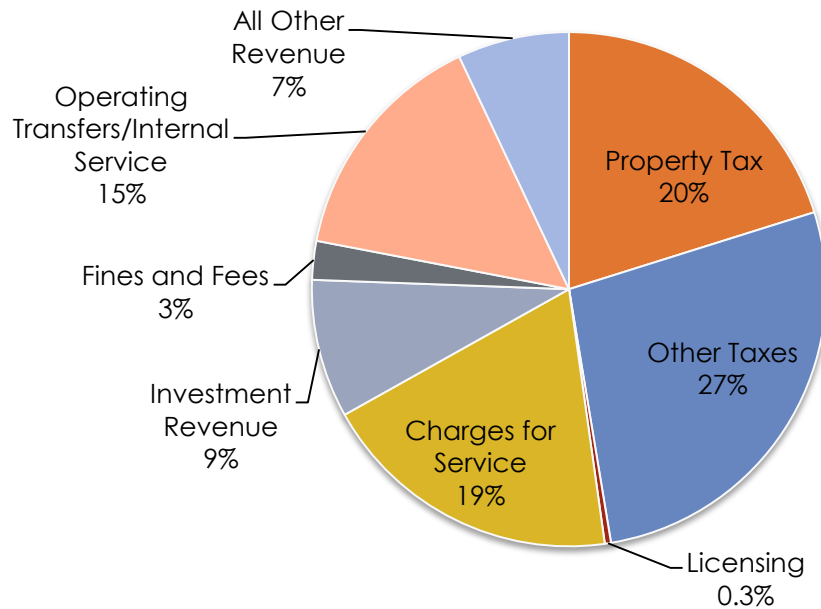
REVENUES BY CATEGORY

The total revenue budget for 2018 is \$79,918,281. This budget is a 0.3 percent decrease from the 2017 estimated actual amount and 4.4 percent less than the 2016 actual.

Account Category	FY 2016 Actual	FY 2017 Est. Actuals	FY 2018 Budget
Property Taxes	15,034,583	15,674,776	16,111,946
Other Taxes-State	11,846,716	11,714,832	11,869,624
Other Taxes-Local	9,701,271	9,959,696	9,886,470
Licensing	326,176	328,365	311,865
Building Revenue & Fees	1,521,695	1,900,700	1,301,700
Intergovernmental Revenue-Local	301,246	264,878	270,197
Sales of Water/Sewer Fees	10,100,980	11,263,922	11,572,889
Golf Course Fees	2,237,350	2,299,342	2,392,500
Investment Revenue	7,219,211	7,719,800	6,957,800
Fines & Fees	1,909,937	1,943,199	1,937,789
Operating/Internal Service Transfers	12,068,711	12,663,123	11,958,556
All Other Revenue	11,302,210	4,393,250	5,346,945
Grand Total - All Fund Revenue	\$83,570,086	\$80,125,883	\$79,918,281

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.

Revenues by Source



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	14,933,253	-	-	1,178,693	-	-	-	-
Other Taxes	20,742,981	-	1,000,000	-	-	-	-	-
Licensing	311,865	-	-	-	-	-	-	-
Charges for Service	1,185,700	-	-	-	-	-	11,688,889	1,263,320
Investments	141,300	-	-	-	-	-	16,500	-
Fines and Fees	1,736,789	207,000	-	-	-	-	-	-
Operating/ Int. Service Trans.	877,000	-	-	504,000	701,768	360,000	-	227,647
All Other Revenue	2,375,547	1,200	-	-	875,195	-	-	-
FY 2018 Budget	42,304,435	208,200	1,000,000	1,682,693	1,576,963	360,000	11,705,389	1,490,967
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

SUMMARY OF REVENUES BY SOURCE - ALL FUNDS CONTINUED

Description	Buffalo Grove Golf Course	Inform. Technology	Central Garage	Building Services	Refuse	Police Pension	Firefighters Pension	All Funds
Property Tax	-	-	-	-	-	-	-	16,111,946
Other Taxes	-	-	-	-	-	6,557	6,556	21,756,094
Licensing	-	-	-	-	-	-	-	311,865
Charges for Service	1,129,180	-	-	-	-	-	-	15,267,089
Investment	-	-	-	-	-	3,400,000	3,400,000	6,957,800
Fines and Fees	-	-	-	-	-	-	-	1,943,789
Operating/ Int. Service Trans.	77,186	1,409,555	1,652,632	1,577,570	-	2,673,256	1,897,942	11,958,556
All Other Revenue	2,200	-	-	-	1,080,000	702,000	575,000	5,611,142
FY 2018 Budget	1,208,566	1,409,555	1,652,632	1,577,570	1,080,000	6,781,813	5,879,498	79,918,281
FY 2017 Budget	\$1,201,385	\$1,351,359	\$1,756,782	\$1,462,984	\$1,045,000	\$6,367,129	\$4,630,904	\$79,600,981

REVENUES BY SOURCE SUMMARIZED - ALL FUNDS

Summary by Funds	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust & Agency	Total
Property Tax	14,933,253	-	-	1,178,693	-	-	-	16,111,946
Other Taxes	20,742,981	1,000,000	-	-	-	-	13,113	21,756,094
Licensing	311,865	-	-	-	-	-	-	311,865
Charges for Service	1,185,700	-	-	-	14,081,389	-	-	15,267,089
Investment Revenue	141,300	-	-	-	16,500	-	6,800,000	6,957,800
Fines and Fees	1,736,789	207,000	-	-	-	-	-	1,943,789
Operating Transfers	877,000	-	1,061,768	504,000	304,833	4,639,757	4,571,198	11,958,556
All Other Revenue	2,375,547	1,200	875,195	-	2,200	-	2,357,000	5,611,142
FY 2018 Budget	42,304,435	1,208,200	1,936,963	1,682,693	14,404,922	4,639,757	13,741,311	79,918,281
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

TOTAL REVENUE BY FUND

Fund	Fund #	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	% of Prior Year Budget
General	100	40,820,195	42,307,345	42,010,229	42,304,435	100.70%
Parking Lot	120	183,329	207,874	211,200	208,200	98.58%
Motor Fuel Tax	130	1,014,469	1,056,515	1,000,000	1,000,000	100.00%
Debt Service	140	808,057	869,039	1,673,895	1,682,693	100.53%
Capital Projects - Facilities	150	1,158,644	938,356	2,440,303	1,576,963	64.62%
Capital Projects - Streets	160	0	7,174,727	1,537,950	360,000	23.41%
Water & Sewer	170	10,968,724	10,663,069	11,446,543	11,705,389	102.26%
Buffalo Grove Golf Course	180	1,233,526	1,221,616	1,201,385	1,208,566	100.60%
Arboretum Golf Course	190	1,472,929	1,395,703	1,465,228	1,490,967	100.76%
Refuse Service	200	1,039,875	1,135,748	1,045,000	1,080,000	103.35%
Information Technology	211	957,961	1,064,828	1,351,359	1,409,555	104.31%
Central Garage	212	1,528,484	1,456,984	1,756,782	1,652,632	94.07%
Building Maintenance	213	1,392,642	1,198,562	1,462,984	1,577,570	107.83%
Police Pension	220	3,322,713	6,659,320	6,367,129	6,781,813	106.51%
Fire Pension	230	3,506,006	6,230,400	4,630,904	5,879,498	126.96%
Total		\$70,266,762	\$83,570,086	\$79,600,891	\$79,918,281	100.40%

EXPENDITURES BY CATEGORY

The development of projected expenses relies upon the forecasting of categorical expenditures in the areas of wages, benefits, operating expenditures, commodities, repairs and maintenance, capital outlay, reserve transfers, contractual services, internal services, transfers and debt. These are new account categories that represent the foundation of the Village's shift to a program-based budget. Within the Expenditure Trends and Projections presented later in this section, each account category will be defined and the major expenditures noted.

Depreciation is not budgeted, but is accounted for in the FY 2016 actual totals. The Comprehensive Annual Financial Report (CAFR) reports depreciation in the Enterprise Funds and reclassifies capital expenses as additions to assets on the balance sheet.

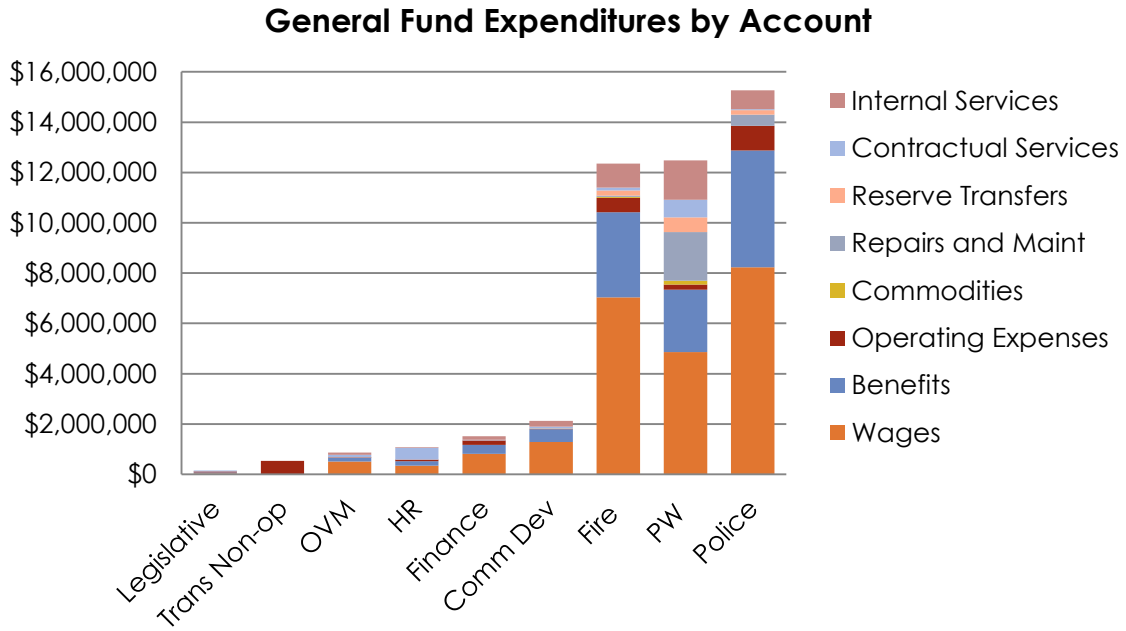
As a service provider, over half of the Village's total budget (55.9 percent) is apportioned to wages and benefits. Included within those categories are salaries, health insurance, training/education, and pension contributions. Thus, a great deal of effort is expended in managing collective bargaining 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 2016, 2017 and 2018 (proposed).

Expenses by Category for All Funds

Account Category	FY 2016 Actual	FY 2017 Est. Actual	FY 2018 Budget
Wages	21,388,021	22,178,964	23,595,976
Benefits	16,858,135	17,417,986	18,645,998
Operating Expenses	3,569,850	3,776,949	3,930,227
Commodities	6,114,888	7,612,366	7,269,666
Repairs and Maintenance	1,284,556	1,886,159	2,123,575
Capital Outlay	12,202,857	6,437,036	5,513,074
Reserve Transfers	42,096	1,118,502	1,081,565
Contractual Services	3,086,698	3,475,805	3,571,794
Internal Services	3,722,321	4,571,124	4,639,759
Transfers	3,637,227	3,856,862	2,923,323
Debt	1,182,788	2,095,280	2,137,927
Depreciation	1,832,377	-	-
Grand Total All Fund Expense	\$74,921,815	\$74,427,033	\$75,432,884

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 chart below details department expenditures by account category.



The Public Works Department has additional commodity expenses of \$1,954,000 related to the purchase of water and \$3,626,600 related to sewers, which are paid, from the Water and Sewer Fund.

SUMMARY OF EXPENDITURES BY SOURCE - ALL FUNDS

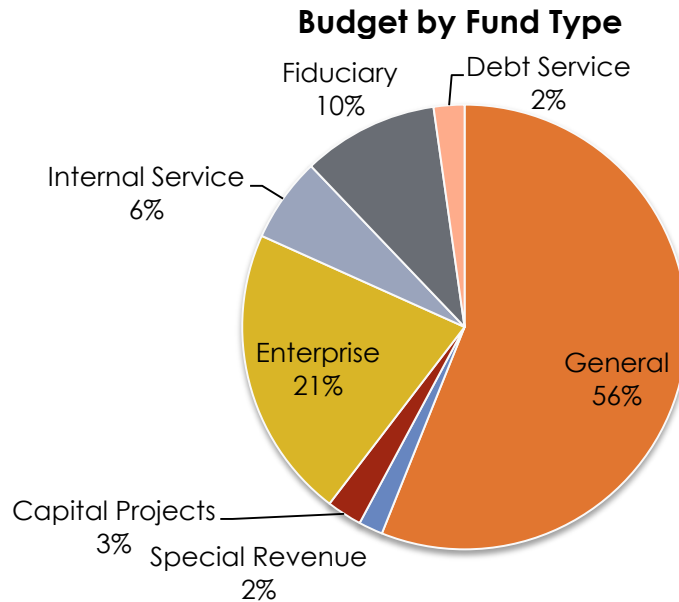
The following chart provides a summary of expenditures by source. Approximately 56 percent of all expenditures are allocated to personal services and benefits. Commodities represent the next largest percentage of the total Village Budget at 9.6 percent. It is anticipated in the budget that \$7.7 million in capital projects and equipment purchases will be made. Significant projects include replacing the Combined Area Fire Training Site (CAFT) Training Center, the annual street maintenance program, resurfacing of various Village-owned parking lots, system repairs for water, sewer, and drainage utilities. The projects include repairing sections of water main and storm sewer main. All capital expenditures on facilities and infrastructure are maintenance-type costs, no facility improvements are budgeted.

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 operating expenditures accounted for outside of the Water and Sewer Fund. A transfer of approximately \$1 million from the General Fund to the Capital Project Funds will support non-enterprise capital spending. The Internal Service Funds charge 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 purchase contract total \$2,137,927 in 2018.

SUMMARY OF EXPENDITURES BY SOURCE - ALL FUNDS

Description	Wages & Benefits	Operating Expenses	Commodities	Repairs & Maintenance	Capital Outlay	Operating Transfers
General Fund	31,782,106	2,278,012	364,010	657,120	345,350	1,366,323
Parking Lot	-	149,237	13,750	90,000	-	12,000
Motor Fuel Tax	-	-	-	-	1,000,000	-
Total Special Revenue Funds	-	149,237	13,750	90,000	1,000,000	12,000
Debt Service Fund	-	-	-	-	-	-
Capital Projects - Facilities	-	-	-	-	1,576,963	-
Capital Projects - Streets	-	-	-	-	360,000	-
Total Capital Projects Funds	-	-	-	-	1,936,963	-
Water & Sewer	1,451,855	120,946	5,580,600	177,300	2,129,700	945,000
Buffalo Grove Golf Course	391,065	144,568	51,000	19,000	20,000	-
Arboretum Golf Course	222,901	170,147	53,000	8,500	55,000	-
Refuse Service	-	-	1,060,000	-	-	600,000
Total Enterprise Funds	2,065,821	435,661	6,744,600	204,800	2,204,700	1,545,000
Information Technology	-	408,989	-	-	-	-
Central Garage	769,475	46,727	5,000	744,930	20,143	-
Building Maintenance	691,572	81,601	142,306	421,725	5,918	-
Total Internal Service	1,461,047	537,317	147,306	1,171,655	26,061	-
Police Pension	3,950,000	315,000	-	-	-	-
Fire Pension	2,983,000	215,000	-	-	-	-
Total Fiduciary Funds	6,933,000	530,000	-	-	-	-
All Funds 2018 Budget	\$42,241,974	\$3,930,227	\$7,269,666	\$2,123,575	\$5,513,074	\$2,923,323
All Funds 2017 Budget	39,959,307	3,811,600	6,884,391	2,163,291	6,816,609	4,043,956



SUMMARY OF EXPENDITURES BY SOURCE - ALL FUNDS CONTINUED

Description	Reserve Transfers	Debt Service	Contractual Services	Internal Services	Grand Total
General Fund	854,119	-	1,146,798	3,498,601	42,292,439
Parking Lot	-	-	6,400	54,763	326,150
Motor Fuel Tax	-	-	-	-	1,000,000
Total Special Revenue Funds	-	-	6,400	54,763	1,326,150
Debt Service Fund	-	1,687,694	-	-	1,687,694
Capital Projects - Facilities	-	-	-	-	1,576,963
Capital Projects - Streets	-	-	-	-	360,000
Total Capital Projects Funds	-	-	-	-	1,936,963
Water & Sewer	92,644	450,233	146,005	633,066	11,727,349
Buffalo Grove Golf Course	70,600	-	393,294	118,761	1,208,288
Arboretum Golf Course	10,000	-	688,931	282,765	1,491,244
Refuse Service	-	-	-	-	1,660,000
Total Enterprise Funds	1,545,000	450,233	1,228,230	1,034,592	16,086,881
Information Technology	-	-	995,566	-	1,409,555
Central Garage	-	-	3,500	27,782	1,652,632
Building Maintenance	-	-	191,300	24,051	1,577,570
Total Internal Service Funds	-	-	1,190,366	51,803	4,639,757
Police Pension	-	-	-	-	4,265,000
Fire Pension	-	-	-	-	3,198,000
Total Fiduciary Funds	-	-	-	-	7,463,000
All Funds 2018 Budget	\$1,081,565	\$2,137,927	\$3,571,794	\$4,639,759	\$75,432,884
All Funds 2017 Budget	1,126,557	2,095,280	3,648,497	4,571,125	\$75,120,613

TOTAL EXPENDITURES BY FUND AND BY CATEGORY

The chart below provides expenditure summaries for all fifteen Village funds and further divides those fund totals into expenditures by category. The total budget for all Village expenditures in 2018 is \$75,432,884. That total is 0.4 percent more than the 2017 budget and 0.7 percent more than actual expenditure in 2016. Over fifty-six percent of all expenditures support the General Fund. The General Fund is the main operating fund of the Village and accounts for critical core services such as police, fire, and public works.

	Fund	Fund #	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	% of Prior Year Budget
By Fund	General	100	38,755,925	40,647,493	42,002,395	42,292,439	100.69%
	Parking Lot	120	184,852	175,793	211,021	326,150	154.55%
	Motor Fuel Tax	130	1,688,228	1,282,619	1,500,000	1,000,000	66.67%
	Debt Service	140	806,748	896,456	1,679,144	1,687,694	100.51%
	Capital Projects - Facilities	150	2,746,734	846,995	1,974,144	1,576,963	79.88%
	Capital Projects-Streets	160	440,422	7,629,014	350,000	360,000	102.86%
	Water & Sewer	170	9,366,915	9,914,814	11,659,680	11,727,349	100.58%
	Buffalo Grove Golf Course	180	1,351,796	1,256,918	1,719,385	1,208,288	70.27%
	Arboretum Golf Course	190	1,994,178	1,745,147	1,465,228	1,491,244	101.78%
	Refuse Service	200	777,105	978,565	1,310,000	1,660,000	126.72%
	Information Technology	211	957,961	1,032,609	1,351,359	1,409,555	104.31%
	Central Garage	212	1,528,484	1,427,420	1,756,782	1,652,632	94.19%
	Building Maintenance	213	1,393,658	1,171,348	1,462,984	1,577,570	107.83%
	Police Pension	220	3,192,215	3,516,502	3,945,000	4,265,000	108.11%
	Firefighter Pension	230	2,314,558	2,400,122	2,732,912	3,198,000	117.02%
By Category	TOTAL		\$66,919,660	\$74,921,815	\$75,120,613	\$75,432,884	100.42%
	Wage & Benefits		36,794,702	38,246,156	39,959,307	42,241,974	105.71%
	Operating Expenses		3,439,789	3,569,850	3,811,600	3,930,227	103.11%
	Commodities		6,011,508	6,114,888	6,884,391	7,269,666	105.56%
	Repairs & Maintenance		1,764,845	1,284,556	2,163,291	2,123,575	98.16%
	Capital Outlay		6,366,111	12,202,857	6,816,609	5,513,074	80.88%
	Operating Transfers		3,482,930	3,637,227	4,043,956	2,923,323	72.29%
	Reserve Transfers		118,667	42,096	1,126,557	1,081,565	96.01%
	Debt Service		815,843	1,182,788	2,095,280	2,137,927	102.04%
	Contractual Services		2,594,882	3,086,698	3,648,497	3,571,794	97.90%
	Internal Services		3,879,087	3,722,321	4,571,125	4,639,759	101.50%
	Depreciation		1,651,296	1,832,377	-	-	-
	Grand Total		\$66,919,660	\$74,921,815	\$75,120,613	\$75,432,884	100.41%

SUMMARY OF REVENUE AND EXPENDITURES BY CATEGORY

Account Category	FY 2016 Actual	FY 2017 Est. Actual	FY 2018 Budget
Property Taxes	15,034,583	15,674,776	16,111,946
Other Taxes-State	11,846,716	11,714,832	11,869,624
Other Taxes-Local	9,701,271	9,959,696	9,886,470
Licensing	326,176	328,365	311,865
Building Revenue & Fees	1,521,695	1,900,700	1,301,700
Intergovernmental Revenue-Local	301,246	264,878	270,197
Sales of Water/Sewer Fees	10,100,980	11,263,922	11,572,889
Golf Course Fees	2,237,350	2,299,342	2,392,500
Investment Revenue	7,219,211	7,719,800	6,957,800
Fines & Fees	1,909,937	1,943,199	1,937,789
Operating/Internal Service Transfers	12,068,711	12,663,123	11,958,556
All Other Revenue	11,302,210	4,393,250	5,346,945
Grand Total - All Fund Revenue	\$83,570,086	\$80,125,883	\$79,918,281

Account Category	FY 2016 Actual	FY 2017 Est. Actual	FY 2018 Budget
Wages	21,388,021	22,178,964	23,595,976
Benefits	16,858,135	17,417,986	18,645,998
Operating Expenses	3,569,850	3,776,949	3,930,227
Commodities	6,114,888	7,612,366	7,269,666
Repairs and Maintenance	1,284,556	1,886,159	2,123,575
Capital Outlay	12,202,857	6,437,036	5,513,074
Reserve Transfers	42,096	1,118,502	1,081,565
Contractual Services	3,086,698	3,475,805	3,571,794
Internal Services	3,722,321	4,571,124	4,639,759
Transfers	3,637,227	3,856,862	2,923,323
Debt	1,182,788	2,095,280	2,137,927
Depreciation	1,832,377	-	-
Grand Total All Fund Expense	\$74,921,815	\$74,427,033	\$75,432,884

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 organization. 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 by:

1. Implementing alternate service delivery models.
2. Reevaluating employee salary ranges every three 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 2018).
5. Restructuring health insurance plans to gain short-term financial savings and long-term sustainability.

For 2018, the Village proposes a full-time staff complement of 214 full-time personnel and 56 part-time personnel.

	FY 2016		FY 2017		FY 2018	
	FT	PT	FT	PT	FT	PT
Office of Village Manager/Administration	3	0	3	1	3	1
Community Development	12	1	12	1	13	2
Finance & General Service	9	0	9	0	9	0
Fire Services	59	2	59	2	60	3
Golf Operations	3	32	3	32	3	32
Human Resources	2	0	2	0	2	0
Police Services	74	13	75	8	75	8
Public Works/Engineering	50	9	49	11	49	10
Total	212	58	212	58	214	56
Full & Part-Time Grand Total	270		270		270	

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.

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 compilation of the budget. Several critical revenues that the state shares with the Village have been the subject of legislative debate. Two legislative measures were passed in FY 2017 that will have a deleterious impact on Village revenues. Those measures include a ten percent reduction of the local government distributive fund payments and a two percent administrative fee levied against local taxes that are collected by the State of Illinois on behalf of the Village.

Some of the economic indicators the Village uses in financial analysis include: inflation (CPI), employment (ECI), housing starts, spending patterns, 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 reduced 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. This metric is a regional measure that is influenced by development opportunities.

Spending Patterns- Relates to how much it costs to buy a constantly evolving basket of consumer goods.

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 license 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.

Healthcare Benefits- Are usually the largest dollar component of the overall benefit category within governmental budgets. Inflation in this category has traditionally run much higher than the CPI rate on a national level. The Village has mitigated the impact of medical inflation through pooling risk.

PROPERTY TAX

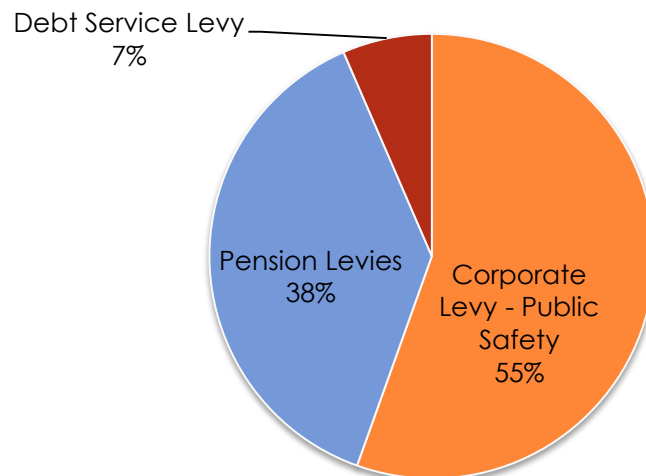
Property taxes (net of Road and Bridge taxes) are anticipated to be approximately \$16.1 million and will be levied in 2018. This is referred to as the 2017 property tax levy, payable in 2018. Property taxes account for about twenty percent of all budgeted revenues. The total levy is anticipated to increase by 3.1 percent over the property taxes extended in 2017.

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 three percent increase to support these operations.

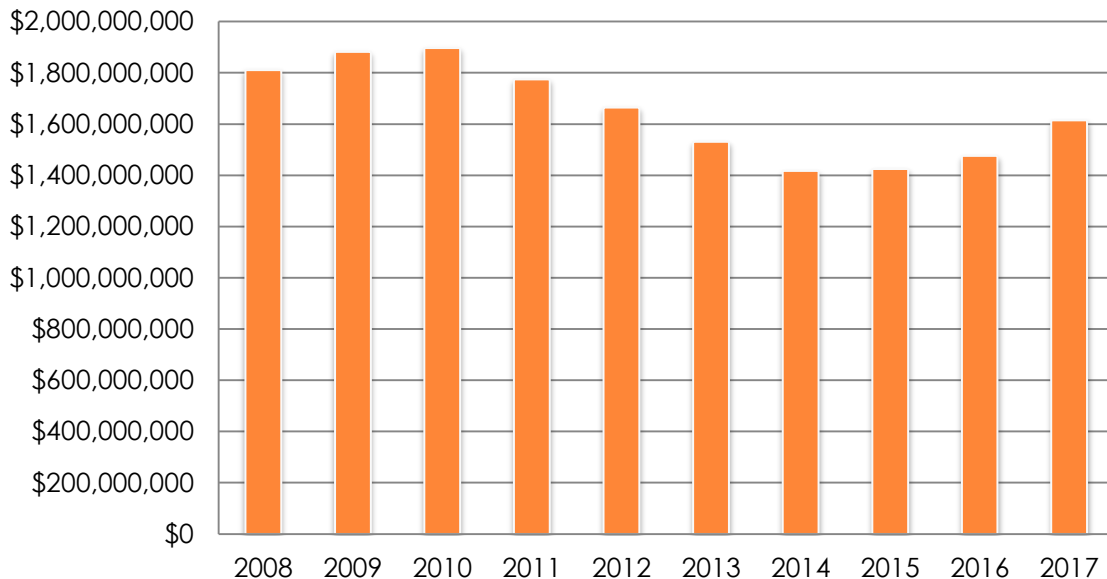
Property tax levies for Police and Fire pensions are based on an independent actuarial analysis of both funds' normal costs as well as to provide an amount necessary to amortize a portion of the unfunded actuarial liability. The levies both exceed the minimum requirements as calculated under the Illinois Pension Code as it 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 IMRF. 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.

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 2018 is \$1,682,694. \$654,250 of the tax levy for debt service will be abated to reduce the growth in the overall levy extension.

DISTRIBUTION OF PROPERTY TAX DOLLARS



Total Equalized Assessed Value



The Village of Buffalo Grove levies property taxes within two counties, Cook and Lake, and the Illinois Department of Revenue is tasked with the responsibility of assigning a tax burden to each county. For the 2017 property tax levy, seventy-four percent of all assessed valuation is located in Lake County and twenty-six percent is located in Cook County. The chart above 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 ending for the FY 2015 tax levy. Total Equalized Assessed Value (EAV) for the 2017 tax levy is \$1.61 billion.

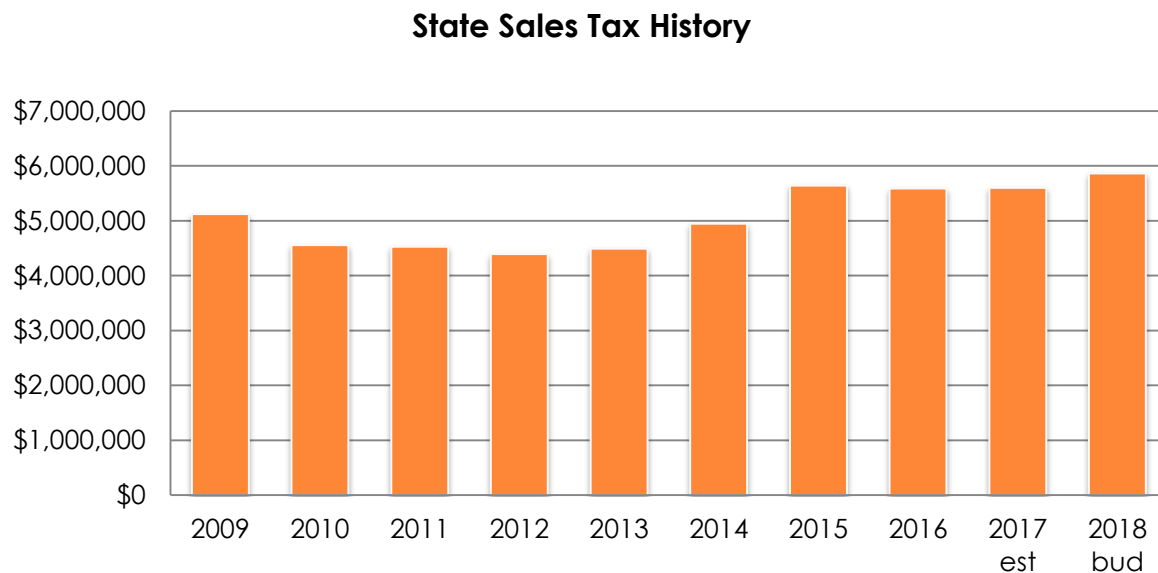
The rate at which property taxes are levied is determined by dividing the amount of tax requested by the EAV. The EAV is defined as one-third of the market value of all real property in the Village of Buffalo Grove. The Village levies the dollars needed to fund operations, provide the statutory requirement 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 values across both counties is 1.95 percent.

STATE SHARED SALES TAX

Retail sales tax is collected by the State of Illinois. The municipality where the tax is collected receives one percent of the revenues. The largest sales tax generators in the Village are grocery stores and businesses selling building and electrical supplies. The Village works closely with brokers and commercial realtors to market available commercial properties. Sales tax remains an important component of the revenue profile.

Sales taxes had little growth (less than 1%) year over year. The proposed FY 2018 budget includes a partial year of sales tax for Woodman's Food Market. The FY 2017 budget anticipated \$5.7 million in sales tax revenue. The estimated actual will meet the budget target. For 2018, 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.

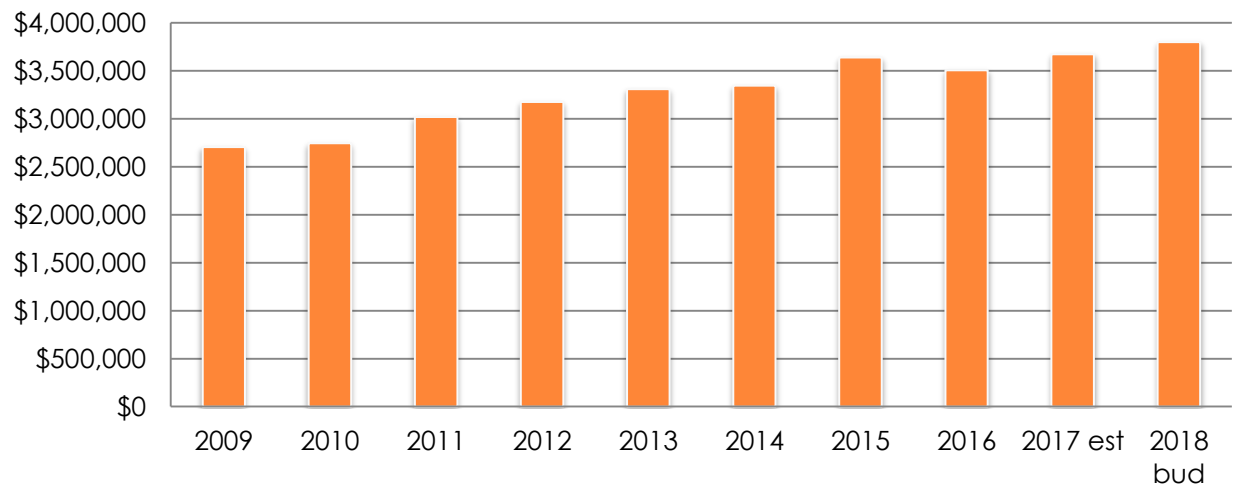


HOME RULE SALES TAX

Home rule sales tax is collected by the State of Illinois. The municipality where the tax is collected receives one percent of the revenues. 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 2018, revenues are anticipated to increase by 2.7 percent from the 2017-estimated actual amount of \$3.7 million to \$3.8 million. The State of Illinois imposed a two percent administration fee on the collection of revenue on behalf of the Village that will impact FY 2018 net proceeds.

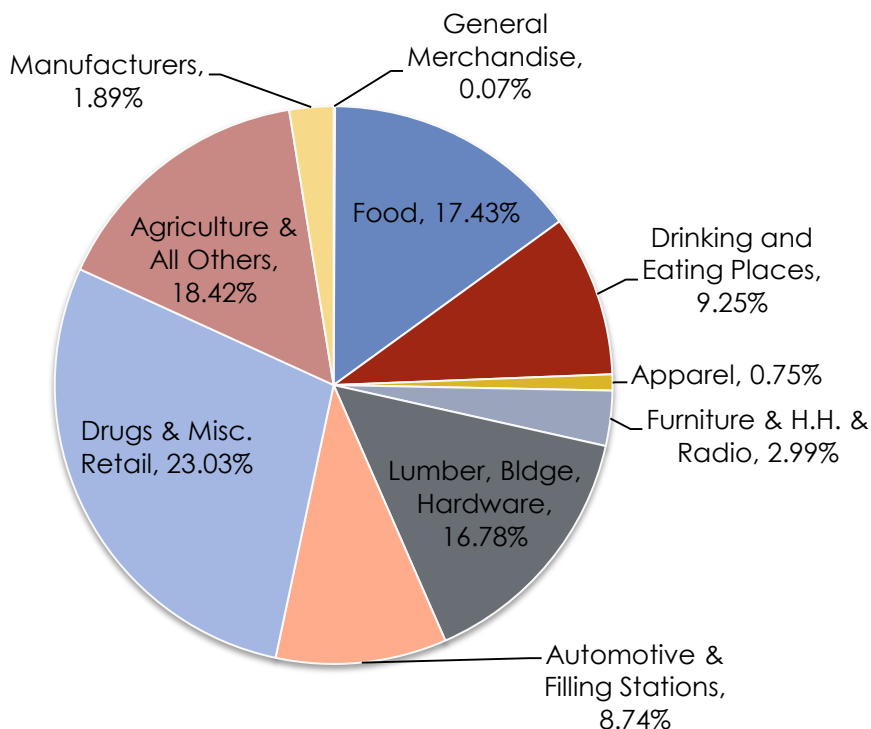
The following is a ten-year review of home rule sales tax collections.

Home Rule Sales Tax History



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 2016 calendar year. The largest single sales class is Drug and Miscellaneous Retail at 23.03 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 for consumption on or off premises. Similar to sales tax, inflationary growth is the central driver of revenue increases for the next year. There are 108 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 2018 is 10.21 percent above the budget target. The budget for 2018 is \$771,470. The tax was enacted in 2008.

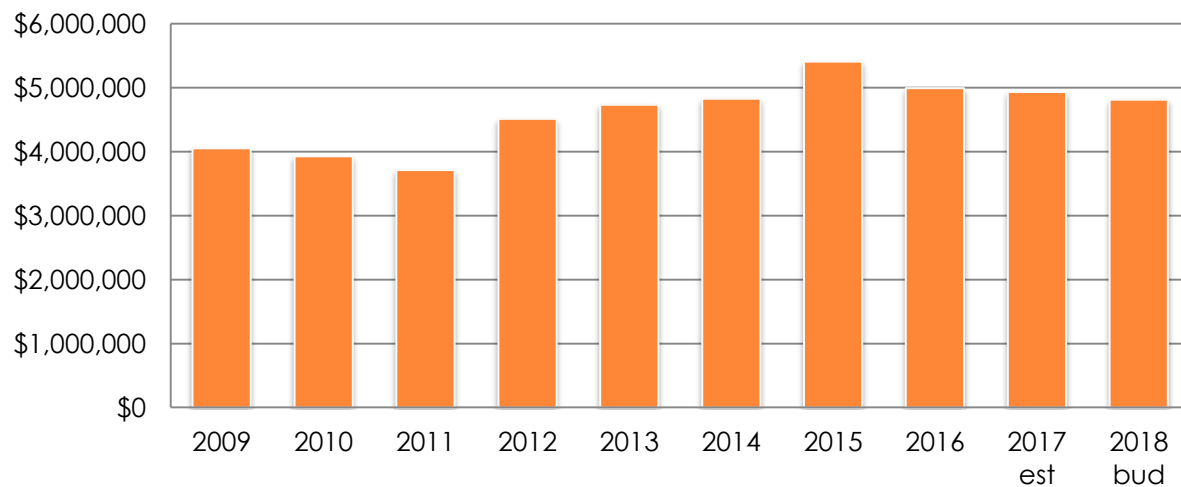
ILLINOIS INCOME & USE TAX

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 4.95 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 .08 percent of net personal taxes and 9.14 percent of corporate taxes. In July 2017, the state passed its first budget in over two years. As a part of the state's budget-balancing process, there was a reduction in revenue shared with municipalities. Incorporated in this budget is the state's ten percent reduction in the Local Government Distributive Fund (income tax proceeds).

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 2018 income tax budget is \$3.7 million (\$90.27 per capita) and Use Tax is \$1.07 million (\$25.90 per capita). Collectively, income and use tax will be at budget and are projected to decrease nine percent in FY 2018. The Village of Buffalo Grove's unemployment statistics have consistently beat the metro and state averages, with an August 2017 rate of 4.0 percent.

Income & Use Tax Revenue History



The spike in revenue during FY 2015 was discovered to be an accounting error by the State of Illinois where funds were distributed in excess of the allotted municipal share. The error amount was returned in FY 2016-2017.

UTILITY USE TAXES

The Village of Buffalo Grove administers 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 \$1.68 million for 2017 and the budget is largely unchanged for 2018 at \$1.67 million. Utility taxes for natural gas are levied at a rate of \$0.05 per therm. The estimated amount for 2017 is \$1 million with the budget for FY 2018 remaining unchanged.

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 driver 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

The Telecommunications 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 as well as the shift away from landline telephones. Voice over Internet Protocol (VoIP) phone services are subject to this taxation.

The estimated actual for 2017 will underperform budgeted expectations by eight percent. The budget for FY 2018 (\$1.5 million) will be the same as the estimated actual for the current year.

REAL ESTATE TRANSFER TAX

Real estate transfer tax is collected at the rate of \$3 per \$1,000 of sales consideration. 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 2017 will exceed budget by 29.1 percent as the real estate market posted strong sales activity through much of the year.

The budget for 2018 is 17.8 percent less than the 2017 estimated actual of \$1.23 million and 6.1 percent higher than the previous year's budget.



BUILDING REVENUE & FEES

A significant percentage of this revenue is considered non-recurring and is reliant upon economic conditions and private development opportunities. For 2018, the most significant project will be Woodman's Food Market. See Section 2 for all development projects anticipated for the next year. All other revenue is anticipated to be collected on improvements to existing structures. Total building revenues and fees for 2017 are estimated to come in fifty percent over the budget amount. The total amount budgeted for FY 2018 is \$1.21 million.

STORM WATER MANAGEMENT FEES

This revenue source was added in 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 2018 is \$1.1 million.

FINES AND FEES

This revenue accounts for all fines levied by the police department and fees for ambulance transport and life support functions by the fire department. The Village has incorporated an administrative adjudication program whereby local ordinance violations can be heard at Village Hall. The benefit is that violators do not have to travel to either of the county courts and the Village, in turn, does not have to pay a large percentage of the fine revenue to the counties to dispense of the violations. Revenues are up 3.8 percent against budgeted expectations in FY 2017 and anticipated to remain unchanged for FY 2018.

MOTOR FUEL TAX

For FY 2018, 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.

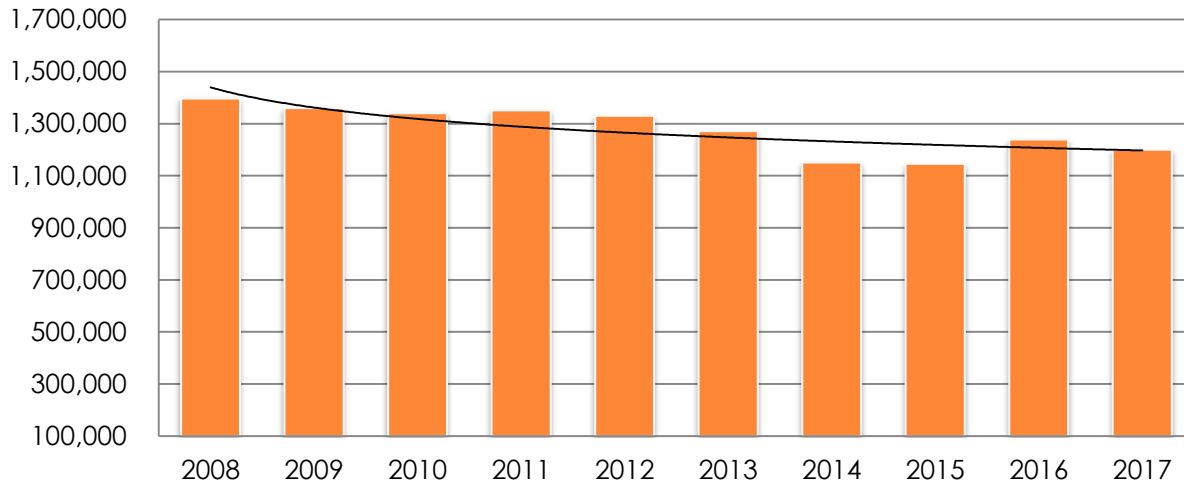
WATER AND SEWER FEES

Total fees collected for the sale of water combined with revenue collected on behalf of Lake County Public Works for 2018 is \$11.7 million. Over a quarter of the revenue (30.1 percent) is billed by the Village and then remitted directly to Lake County for sanitary sewer treatment fees. Lake County owns and operates the southeast 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 1.25 billion metered gallons.

The decline in water usage has appeared to stabilize over the last three years. The decreased demand was due to weather (summer irrigation), an effective campaign to conserve water, eco-friendly landscape designs, energy efficient appliances and a decrease in average household size. The Village does not impose a minimum or fixed fee for service connection, but will be researching the feasibility of one in future budgets. The Village completed a Village-wide meter replacement program in FY 2016. The additional water fee revenue collected due to the improved accuracy of the new meters will be used to pay for the cost of the meters over the next fourteen years of installment loan payments.

It is estimated that the total amount of water consumed by the Village will remain unchanged in 2018. The chart below illustrates the annual water consumption of all users (residential, commercial, and industrial).

Annual Gallons Billed (in thousands)



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 \$0.5 billion. The components of the rate address operating costs, capital maintenance and repairs, and building reserves for future infrastructure needs.

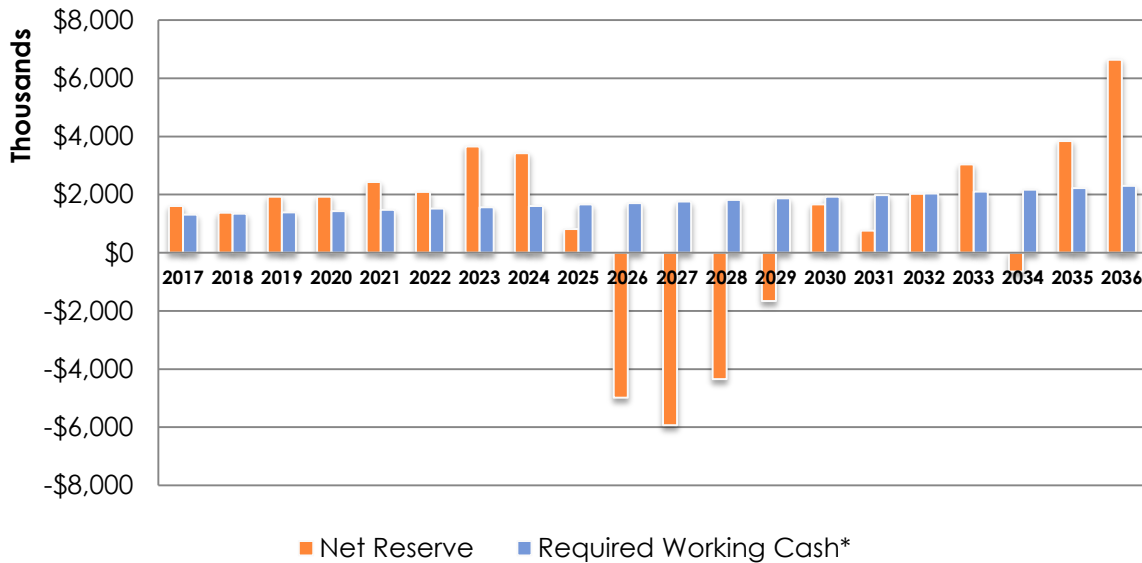
During high cost growth years (1980-2000), the Village amassed significant cash reserves from developer fees. The original infrastructure was constructed by developers and donated to the Village. During that period of time, the intent of the water user rate was to recover operating costs only. As the 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*
2016	4.56	1.13	5.69
2017	4.74	1.17	5.91
2018	\$4.93	\$ 1.21	\$6.14
*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. Any significant improvement will require debt financing and/or an alternative source of revenue. The following chart shows the impact on cash reserves based on the proposed rate structure and forecasted expenses over the next twenty years.

Cash Position



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 2017 budget and there is no change in the rate for 2018. 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 is proposed to increase to 120 percent for 2018.

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

The Village owns and operates two municipal golf courses. A 2.9 percent increase in operating revenue was budgeted for FY 2018 for the Buffalo Grove Golf Club and 1.6 percent at the Arboretum. 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 2018, there is no anticipated growth in paid rounds above what will be played in the current year.

Total revenue at both courses is anticipated to be \$2.47 million in FY 2018. There will be a collective budget subsidy transfer out of the General Fund to the golf courses of approximately \$0.3 million at the end of the year.

INVESTMENT REVENUES

The Village's investments are guided by three policies that address permitted investments in the portfolios of the Police Pension Fund, Firefighters' Pension Fund, and all other funds. Total investment revenue is expected to be \$6.9 million. All funds other than pension funds have durations less than three years with an average expected yield of 0.65 percent. All investments are ladderized 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 5.8 percent and 1.8 percent, respectively. The levy for IMRF and Social Security/Medicare will increase by 2.0 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 public safety pension funds are structured to be 100 percent funded by the year 2040. IMRF has a rolling amortization period. The current level of funding for the pension funds are Police Pension Fund (63.6%), Firefighters' Pension Fund (75.1%), and IMRF (83.7%).

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 2018 budget.

EXPENDITURE TRENDS AND PROJECTIONS

The presentation of expenditures has changed for this year as the Village has adopted a program-based budget. Program budgets are structured to organize the budget into service areas, rather than just departments with a grouping of related line items. A budget that is prioritized around programs will be more meaningful to stakeholders because programs are the basis for the consumption of services. Interested parties can relate to police patrols, snow plowing, and emergency medical services, whereas, they may not relate to individual line items within a department budget.

In general, when prices cannot be accurately determined or specific quantities identified, an incremental analysis is performed comparing the estimated actual expense for 2017 along with expenditure trend information. Economic indicators such as the CPI and PPI are built-in cost escalators for many expenditure items.

To help control costs, 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.

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.

The following are the major account categories across all programs.

WAGES

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 2018, 31.3 percent of all Village expenditures are allocated to salaries and wages, up 1.4 percent from 2017. Total wages for FY 2018 are \$23,595,976.

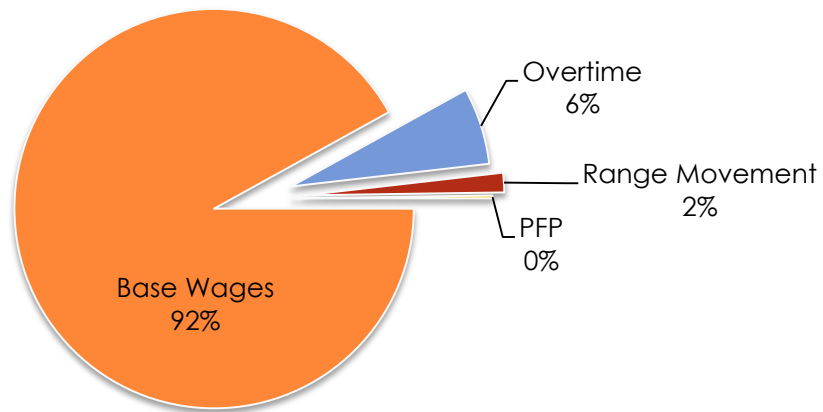
The Village's pay ranges are evaluated each year to establish both internal and external equity within the market and to ensure fair and competitive wages. In FY 2015, a pay for performance system was implemented that measures employee progress against stated goals, fostering a stronger environment of accountability.

There are two organized labor groups subject to collective bargaining – International Association of Firefighters (IAFF) Local #3177 – representing the Village's 42 firefighter/paramedics and 9 fire lieutenants and the Metropolitan Alliance of Police (MAP) – representing the Village's 46 police officers. The current Agreement with IAFF became effective on May 1, 2017 and expires on April 30, 2020. Members of the IAFF bargaining group will receive a 2.00 percent increase for the May 1, 2017 through April 30, 2018 labor agreement year. Wages for the May 1, 2018 through April 30, 2019 labor agreement year will be determined via negotiations in mid-2018. The current Agreement with MAP expired on December 31, 2016. At this time, parties have tentatively agreed to a successor Agreement for the 2-year period of January 1, 2017 – December 31, 2018. Ratification of the new Agreement by both parties is anticipated to occur prior to the end of 2017.

The non-represented work force will receive a 2.25 percent general wage increase. The proposed increase in wages from the 2017 budget is 5.2 percent. That increase is due to a general wage adjustment for non-represented employees of 2.25 percent, two new employees, and pay for performance range movement with an estimated effective increase of 2.57 percent. The wages of the represented police and firefighter personnel will increase based on their respective negotiated agreements.

The components of the total wage pool are noted below.

Allocation of Funds By Category- 2018 Compensation



BENEFITS

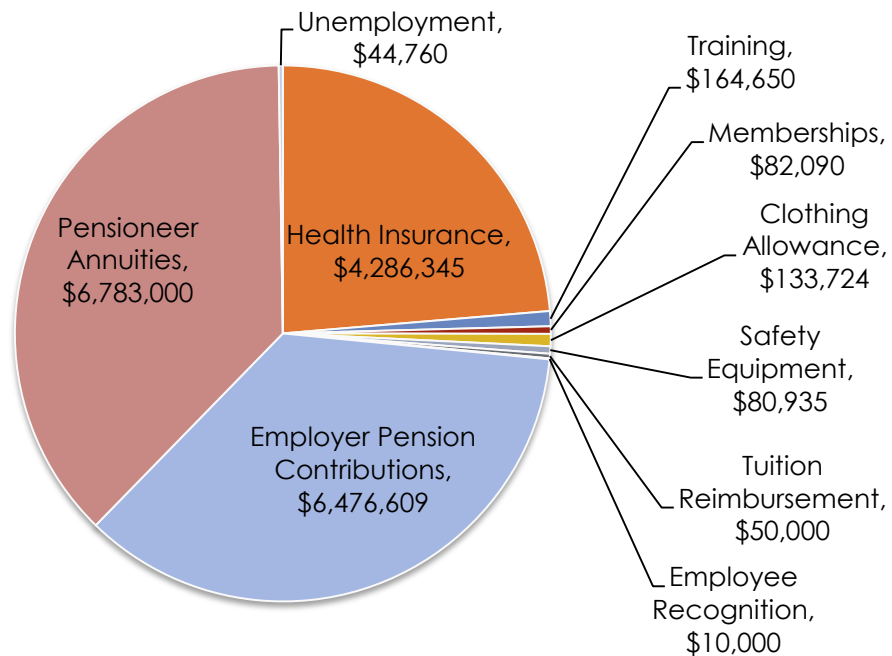
The total budget for benefits is \$18,645,998. This account category includes group health and life insurance costs, employer pension contributions, worker's compensation insurance, and training.

The Village of Buffalo Grove is a member of the Intergovernmental Personnel Benefits Cooperative. The IPBC is a pooled benefit cooperative with approximately 118 member communities. For 2018, the total amount budgeted for health insurance is \$4.2 million, down \$0.1 million from the 2017 budget. 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 2018 by focusing on wellness and disease management. Employees cover fifteen 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 one-hundred percent of the premium. In an effort to control costs and continue to offer quality insurance plans, the Village consolidated its two PPO plans into one and will continue to market an HMO program.

Seventy percent of benefit costs are related to pension costs. \$6.48 million is the Village's employer obligation for current and future annuitants and \$6.78 million will be distributed to retired pensioners. The following is a distribution of all charges.

Distribution of Benefit Costs



OPERATING EXPENSES

Total budgeted expenditures for Operating Expenses are \$3,930,227. This is the largest expenditure category. The primary driver of costs within this category are:

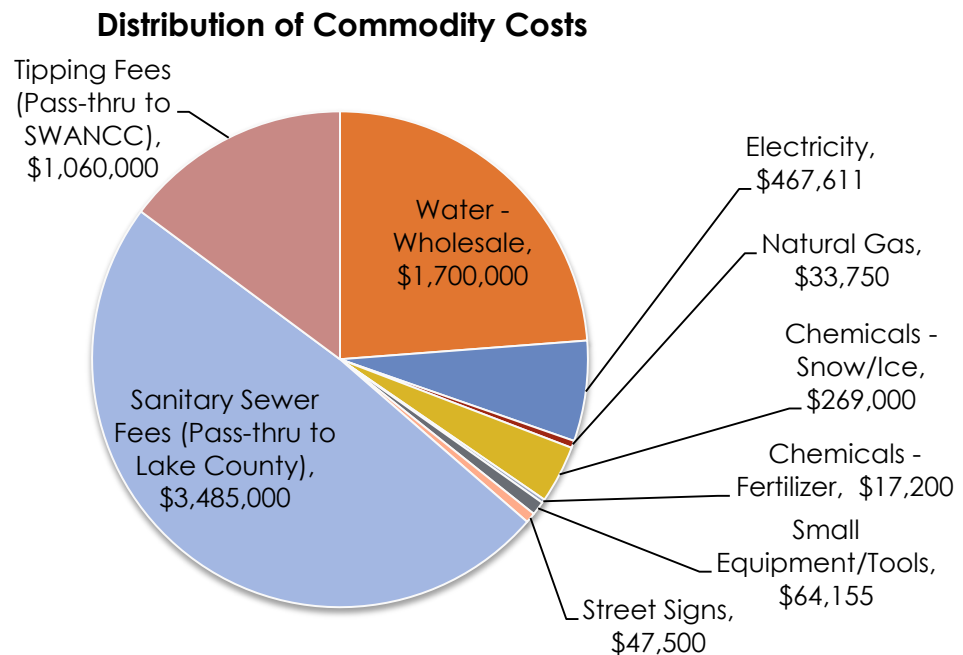
Insurance Premium - G/L and W/C	\$733,148
Northwest Central Dispatch	\$575,211
Pension Fund Investment Fees	\$400,000
Telephone - Land and Cellular	\$199,000
Computer Services	\$178,289
ComEd Lease (Metra Parking Lot)	\$128,337
Credit Card Fees	\$93,100
Golf Cart Lease	\$89,000
Northern Illinois Police Crime Lab	\$61,625
Postage	\$60,000
Audit Fees	\$46,640
Printing	\$35,572
Village Newsletter	\$33,000
Buffalo Grove Days	\$30,000
Police and Fire Commission	\$29,500
Travel	\$25,750

The costs noted above represent approximately seventy percent of the expenditure category. The Village moved to a fully insured risk model in FY 2017. The premium for general liability and

worker's compensation coverage is \$733,148. The fee (\$575,211) made to Northwest Central Dispatch is for shared 911 dispatch services. \$400,000 is anticipated to be spent by the Police and Firefighters' Pension Funds for Investment Fees. The market value of both funds is approximately \$150 million for an average investment cost of 25 basis points (.25%). There is a twenty-year land lease with ComEd for the right-of-way that traverses the Metra parking lot. The annual lease payment is \$128,337. Membership in the Northern Illinois Police Crime Lab will cost \$61,625. The remainder of the costs are self-explanatory or are minor.

COMMODITIES

A total of \$7,269,666 will be spent on commodities. Commodities include: energy costs, wholesale purchase of water from the Northwest Water Commission, pass through fees paid to Lake County Public Works for sanitary sewer service, chemicals for snow and ice, fertilization, and pass through tipping fees remitted to the Solid Waste Agency of Northern Cook County (SWANCC). The following is a distribution of costs:



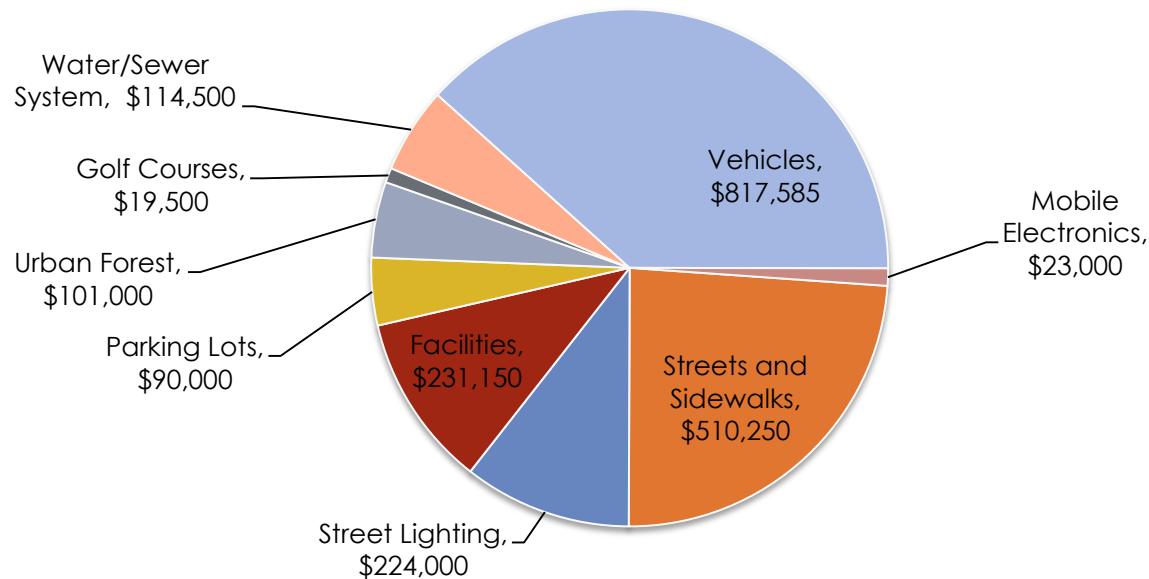
Lake County sanitary sewer fees account for 48 percent of the Village's entire commodities budget. As these fees are a pass through, there is corresponding revenue to offset this expense. The same is true with tipping fees as the fee is collected by the Village's franchised waste hauler, remitted to the Village, and then paid to the Solid Waste Agency of Northern Cook County. The third highest commodity expense is for the joint purchase of water through the Northwest Water Commission. Economies of scale are reached through shared purchasing of water with the Villages of Wheeling, Arlington Heights, and Palatine.

The Village purchases salt on joint bid contracts through the State of Illinois and Lake County. These and other cooperatives create additional economies of scale and leverage 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.

REPAIRS AND MAINTENANCE

In the FY 2018 Budget, \$2,123,575, is programmed for minor repairs to Village facilities and infrastructure, the water utility system, vehicles (including fuel costs) and mobile electronics (radios and mobile data terminals). The following chart provides detail as to which systems are being repaired.

Distribution of Maintenance Costs



Over a third of the costs are related to fuels and shop labor for Village vehicles. The next largest expenditure is for temporary street repairs and sidewalk maintenance.

CAPITAL OUTLAY

A total of \$7,700,088 will be spent on capital projects and acquisition. All equipment purchased that exceeds \$5,000 is capitalized. Capital projects are those that typically exceed \$25,000 and either are new construction (or acquisition) or add to service life of the asset.

Seven percent of all 2018 budgeted expenditures are for capital outlay. These items are identified in detail in the 2018-2022 Capital Improvement Plan as shown in *Section 6: Capital Improvement Budget Summary*. 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.

Several significant capital projects are programmed for 2018. 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 includes are the improvements needed at Village facilities. These improvements include replacing the combined area fire training (CAFT) building and parking lot repairs at various locations. There are two repairs that are not budgeted, but will need to be evaluated during the year. They are HVAC unit replacement and roof repairs. The repairs, if required, will need an alternative source of funding.

The amount budgeted for facilities in 2018 is \$1.67 million, which accounts for thirty percent of the capital improvement budget. The Village will be reimbursed for eighty percent of the CAFT building construction by the other member agencies.

The third project of note is water and sewer repair and replacement, 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 (\$1 million), lift station repair and rehabilitation (\$0.9 million), and pump house repairs and security improvements (\$0.2 million). Total outlay for fiscal year 2018 is \$2.1 million, or 38.2 percent of the total capital improvement budget.

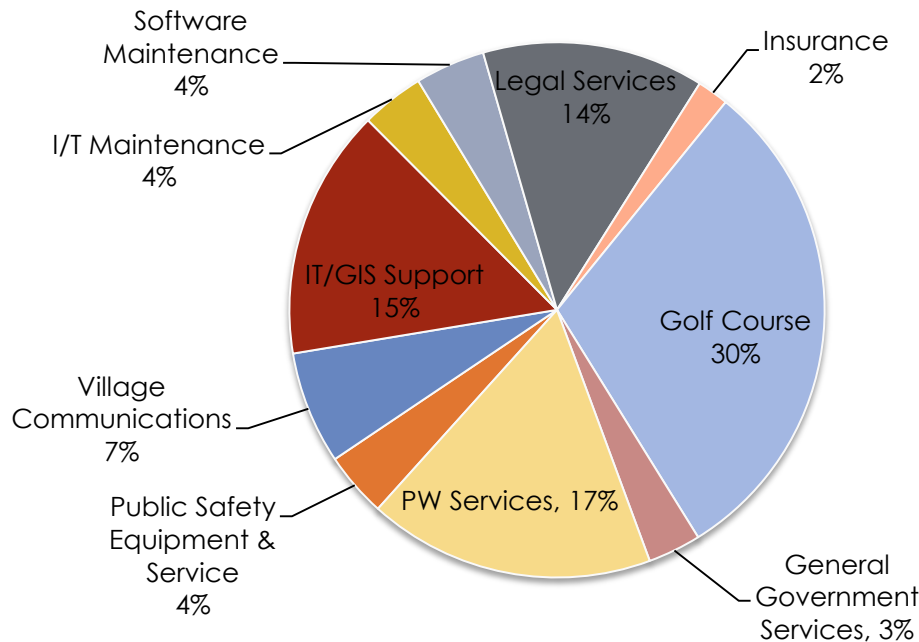
RESERVE TRANSFERS

The Village maintains four capital reserve funds. 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 \$1.082 million will be committed in 2018 for these four reserves.

CONTRACTUAL SERVICES

\$3,571,794 is allocated to contractual services. Included within this total are maintenance contracts, consulting agreements, contractual services and inspections, communication costs, and legal fees. The chart below shows the distribution of costs.

Distribution of Contractual Service Costs



Below is a chart, which includes top fifteen contacted service providers to the village from 2016 Treasurers Report:

Contracted Service Provider	Service Provided	Amount of Contract
Arrow Road Construction Company	Streets maintenance	3,869,438
Siemens Industry, Inc.	Performance contracting	2,708,194
Chicagoland Paving Contractors	Streets maintenance	1,533,194
A Lamp Concrete Contractors, Inc.	Street and watermain improvement	1,398,915
HD Supply WaterWorks	Performance contracting	1,353,377
Reliable Property Services, Inc.	Golf course maintenance	1,168,531
Civiltech Engineering, Inc.	Engineering services	971,520
Intergovernmental Risk Management Agency	Liability Insurance	941,533
Northwest Central Dispatch System	Emergency management services	641,126
Gewalt Hamilton Associates, Inc.	Engineering services	631,804
Marc Kresmery Construction, LLC	Lift station repairs	551,162
InterDev	IT services	413,266
Constellation NewEnergy Inc.	Energy services	379,593
Tressler, LLP	Legal services	355,337
Aldridge Electric, Inc.	Streetlight maintenance	281,425

INTERNAL SERVICE FUNDS

Operating departments and programs are charged for services related to Information Technology, Central Garage, and Building Maintenance. The budget is developed around a combination of the budgeted costs (known) plus a portion of overhead to operate the Internal Service Fund (shared) and a component to anticipate future needs (estimate). Future funding is contributed to smooth budgeted expenditures so that a department and/or program do not incur a spike when a significant service or repair is incurred.

Information Technology cost are levied on a user basis for global costs. These are costs whereby all departments derive a benefit (i.e. servers, internal connectivity). Direct costs (specialized software, support, etc.) are not shared as they only benefit a department or program.

Central Garage costs are allocated to the department based on the services provided to maintain a department owned vehicle.

Building Maintenance initially was charged a flat amount based on the square footage of a building. Over the last two years, the charge back methodology has shifted to a model that blends a fixed square footage amount with actual experience. For each year that data is collected more emphasis will be placed on actual experience.

The Information Technology Fund's budget is \$1,409,555, Central Garage is budgeted at \$1,652,632, and Building Maintenance is budgeted at \$1,577,570. The Internal Service Funds are not intended to carry a fund balance at the end of a fiscal year. The Internal Services Funds are intended to break even however, this may result in additional expenditures incurred by each department to fund any 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 to the departments, which will show the expenditure below budget for the year.

DEBT SERVICE EXPENDITURES

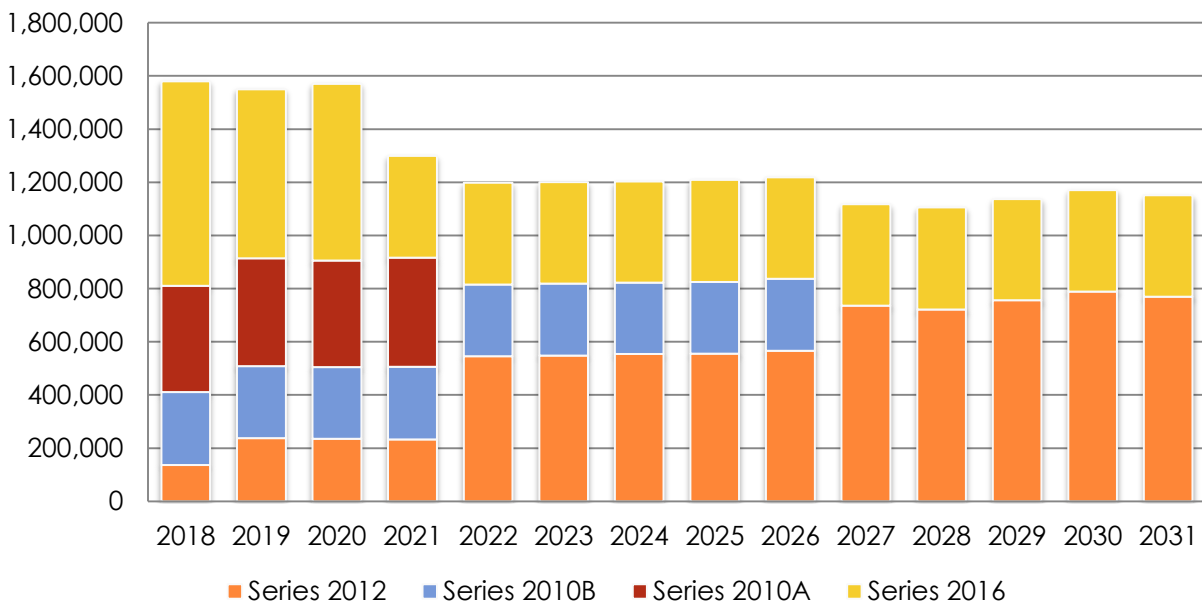
The Village currently has four bond issues outstanding as of January 1, 2018, all being General Obligation Bonds (Series 2010A, Series 2010B, Series 2012, and Series 2016). Bond descriptions and amortization schedules are listed within the *Debt Position* of this section. Most Village debt service revenues are obtained through property tax. Two funds will be abating a portion of the 2018 principal and interest due. The Refuse fund will transfer \$500,000 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 through the use of meters that are more efficient. The principal and interest on the water meter purchase contract is \$450,233 in FY 2018. The line of credit principal and interest is paid from the Capital Projects Fund.

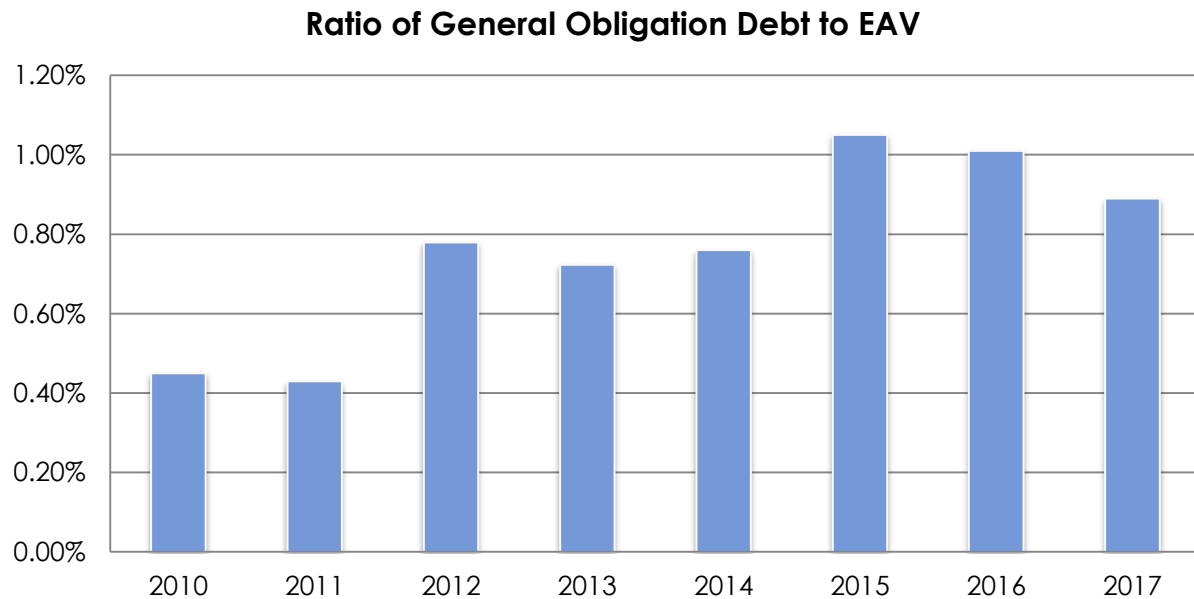
DEBT POSITION

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 2018, debt service consists of \$405,000 for Series 2010A, \$271,938 for Series 2010B, \$237,525 for Series 2012, and \$768,231 for Series 2016. Total debt outstanding as of December 31, 2017 is \$14.365 million. The Village has an \$8 million line of credit with a balance of \$3.49 million as of October 31, 2017. 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.

Debt Service Schedule by Fiscal Year



The Village of Buffalo Grove is a home-rule community and has no legal debt limit by statute. 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, 2017, 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 chart depicting debt as a percentage of EAV from 2010-2017.



DEBT SERVICE SCHEDULES

Overview

The following summarizes the debt service obligations of the Village as of December 31, 2017.

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
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	\$1,125,000	\$1,845,000	\$6,000,000	\$5,395,000	\$14,365,000

Debt Service Schedules**Annual Payments - General Obligation Debt****Interest**

Fiscal Year	Series 2010A	Series 2010B	Series 2012	Series 2016	Total
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	\$91,400	\$318,212	\$1,255,026	\$872,973	\$2,537,611

Debt Service Schedules**Annual Payments - General Obligation Debt****Principal and Interest**

Fiscal Year	Series 2010A	Series 2010B	Series 2012	Series 2016	Total
2018	405,000	271,938	237,525	768,231	1,682,694
2019	400,600	269,763	235,525	635,231	1,541,119
2020	410,800	272,413	233,525	664,631	1,581,369
2021	-	269,713	546,525	383,231	1,199,469
2022	-	271,725	548,225	382,231	1,202,181
2023	-	268,265	554,725	381,131	1,204,121
2024	-	269,385	555,925	379,931	1,205,241
2025	-	270,010	566,925	383,631	1,220,566
2026	-	-	736,938	382,131	1,119,069
2027	-	-	722,313	380,531	1,102,844
2028	-	-	756,875	383,413	1,140,288
2029	-	-	789,375	380,650	1,170,025
2030	-	-	770,625	381,900	1,152,525
2031	-	-	-	381,100	381,100
Total	\$1,216,400	\$2,163,212	\$7,255,026	\$6,267,973	16,902,611

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 2018 budget, with surplus (deficit) shown for each fund.

Fund	Fund Balance January 1, 2018	2018 Revenue	2018 Expenditures	Excess of Revenue over Expenditures	Fund Balance December 31, 2018
General Fund	16,143,726	42,304,435	42,292,439	11,996	16,155,722
Special Revenue Funds					
Parking Lot	93,479	208,200	326,150	(117,950)	(24,471)
Motor Fuel Tax	1,539,455	1,000,000	1,000,000	-	1,539,455
Debt Service Fund					
Debt Service	(27,417)	1,682,693	1,687,694	(5,001)	(32,418)
Capital Project Funds					
Facilities	(3,626,197)	1,576,963	1,576,963	-	(3,626,197)
Streets	(206,350)	360,000	360,000	-	(206,350)
Enterprise Funds					
Water and Sewer	2,969,722	11,705,389	11,727,349	(21,960)	2,947,762
Arboretum Golf Course	-	1,208,566 ¹	1,208,566	-	-
B.G. Golf Course	-	1,491,244 ²	1,491,244	-	-
Refuse	1,255,008	1,080,000	1,660,000	(580,000)	675,008
Internal Service Funds					
Information Technology	-	1,409,555	1,409,555	-	-
Central Garage	-	1,652,632	1,652,632	-	-
Building Maintenance	-	1,577,570	1,577,570	-	-
Trust and Agency Funds					
Police Pension	56,384,952	6,781,813	4,265,000	2,516,813	58,901,765
Firefighter Pension	50,348,164	5,879,498	3,198,000	2,681,498	53,029,762
Total All Funds	\$124,874,542	\$79,954,558	\$75,433,162	\$4,485,397	\$129,360,038

Multiple funds have in excess of 10 percent change in fund balance in fiscal year 2018. The Parking Lot Fund will be drawing down on reserves to resurface the parking lot. The Debt Service Fund has a small fund balance that will be used to offset debt service expenditures in 2018. The Refuse Fund is budgeted to transfer \$500,000 to the Debt Service Fund to cover a portion of the road repairs funded by the Series 2016 bonds. The Police and Firefighters' Pension Funds will generate a surplus of \$5.2 million. That surplus is committed for future pension annuitants. Across all funds, the budgeted revenues and expenditures should increase the total fund balance 3.6 percent by the end of FY 2018.

¹ Includes an Operating Transfer of \$227,647 ² Includes an Operating Transfer of \$76,908

SECTION FIVE: CORPORATE FUND



REVENUE – NON OPERATING TRANSFERS – LEGISLATIVE – OFFICE OF THE
VILLAGE MANAGER – FINANCE DEPARTMENT – HUMAN RESOURCES
DEPARTMENT – COMMUNITY DEVELOPMENT DEPARTMENT – POLICE
DEPARTMENT – FIRE DEPARTMENT – PUBLIC WORKS DEPARTMENT

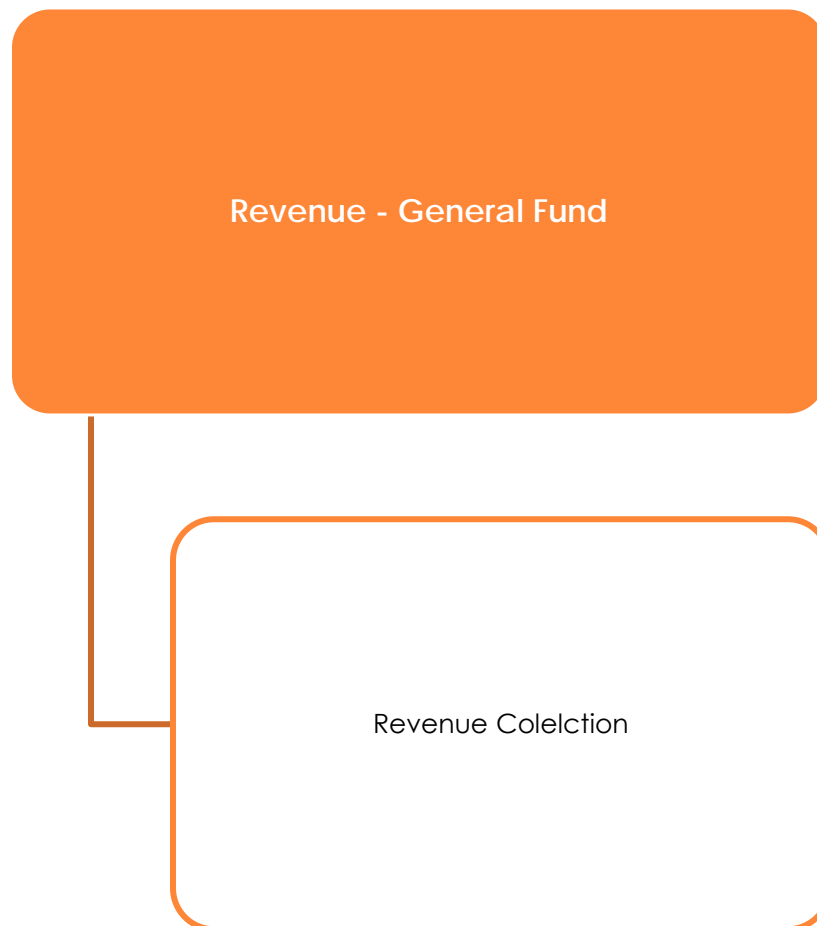
REVENUE – GENERAL FUND

The General Fund Revenue Budget for 2018 is \$42,010,229 representing a 0.70 percent increase over the 2017 budgeted amount, and a decrease of \$2,910.00 over the 2016 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 2018.

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

PROGRAM AREAS

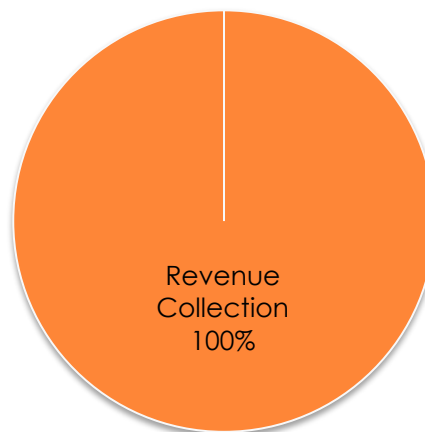
Revenue Collection	112
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2018 REVENUE – GENERAL FUND PROGRAM BUDGET SUMMARY

Revenue Collection	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Revenue	41,046,382	42,307,345	42,010,229	41,883,405	42,304,435	0.70%
Total	\$41,046,382	\$42,307,345	\$42,010,229	\$41,883,405	\$42,304,435	0.70%

Program Budget Summary



PROGRAM AREA: REVENUE COLLECTION

The General Fund collects revenue from multiple sources. The main sources are Property Taxes, Local Government distributed revenues from the State of Illinois, locally administered and collected taxes, Licensing, Fees, Fines, and other sources. Property taxes are allocated in the general fund to support a portion of the expenditures incurred to operate public safety. Other revenue sources cover the remaining expenditures for public safety. The local government distributed revenues from the State of Illinois include Sales, Income, Use, Telcomm, and other taxes collected by the State of Illinois on behalf of the Village of Buffalo Grove. The Village administers and collects food and beverage tax, franchise fees, and utility taxes.

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

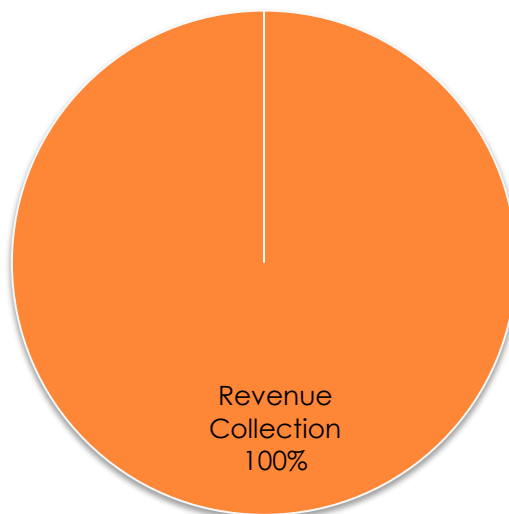
KEY PERFORMANCE MEASURES

Revenue Collection	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Percent of tax levy collected	99.00%	99.85%	97.84%	98.47%	100.00%
Record 12 months of Local Government Distributive Fund Revenue from the State of Illinois	12	12	12	12	12

MAJOR SERVICE: REVENUE COLLECTION

Account	2015 Actual	2016 Budget	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Revenue—General Fund	-	-	-	-	-	-
Property Taxes	14,114,566	4,441,210	14,504,881	14,504,881	14,933,253	2.95%
State and Local Taxes	20,969,470	20,466,009	21,267,407	20,579,232	20,742,981	-2.47%
Inter-governmental	309,993	301,246	302,573	264,878	270,197	-10.70%
Licensing	350,042	307,177	286,140	304,365	287,865	0.60%
Building Revenue & Fee's	1,020,105	1,221,068	920,200	1,384,200	1,209,700	31.46%
Fine & Fee's	1,748,855	1,718,647	1,672,778	1,736,199	1,736,789	3.83%
Charges for Service	393,688	1,385	-	-	-	0.00%
Investment Income	25,054	65,600	65,800	103,300	141,300	114.74%
Operating Transfers	1,120,393	1,157,065	901,000	901,000	877,000	-2.66%
All Other Revenue	994,217	2,627,937	2,089,450	2,105,350	2,105,350	0.76%
Total Revenue—General Fund	\$141,046,382	\$42,307,345	\$42,010,229	\$41,883,405	\$42,304,435	0.70%

2018 Revenue - General Fund

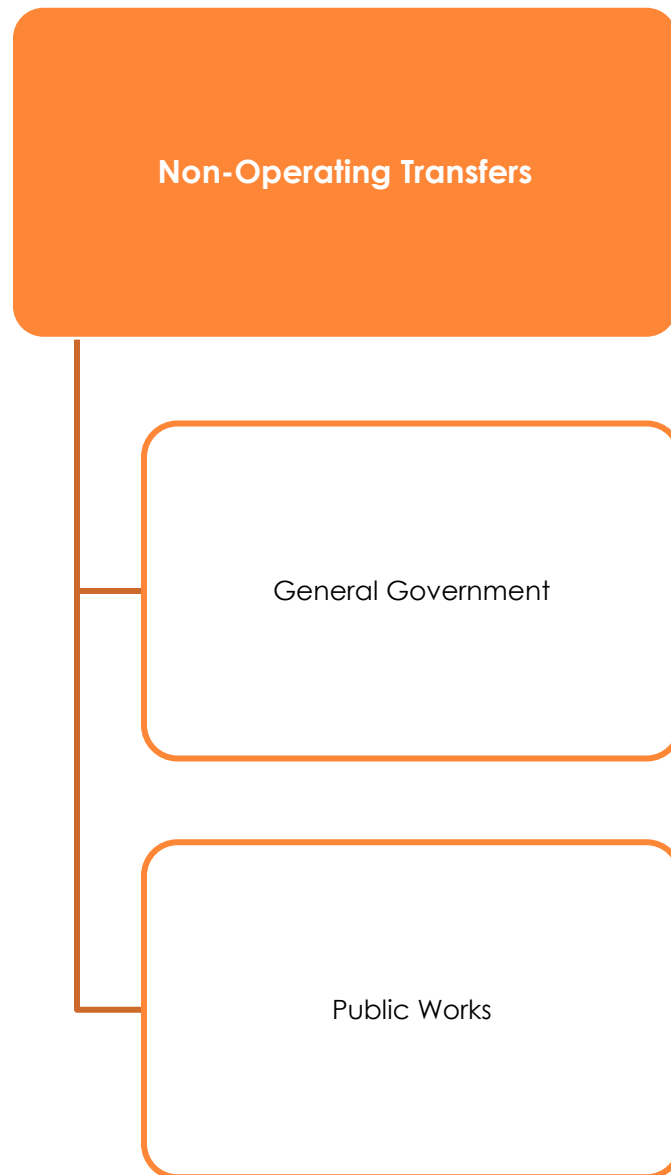


NON-OPERATING TRANSFERS

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.

PROGRAM AREAS

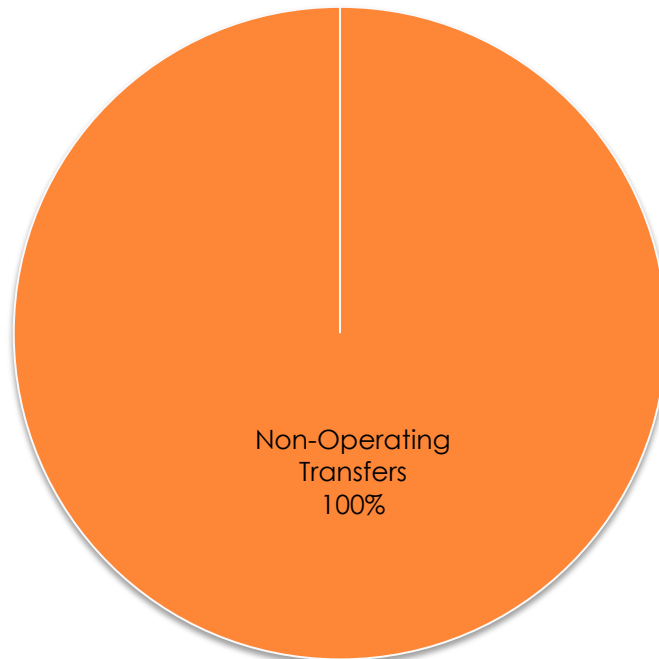
Non-Operating Transfers	118
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2018 NON-OPERATING TRANSFERS PROGRAM BUDGET SUMMARY

Non-Operating Transfer	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Non-Operating Transfers	2,403,292	2,268,499	2,824,956	2,587,862	1,596,323	-43.49%
Total	\$2,403,292	\$2,268,499	\$2,824,956	\$2,587,862	\$1,596,323	-43.49%

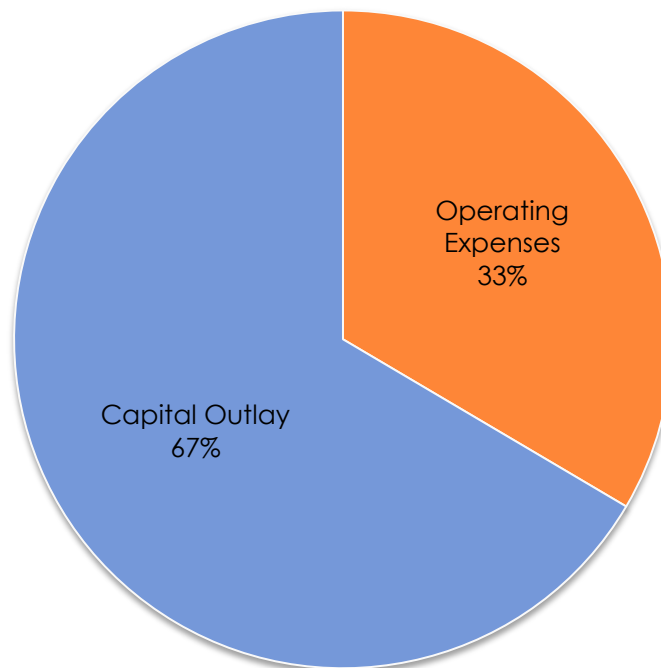
Program Budget Summary



2018 NON-OPERATING TRANSFERS DEPT. COST TYPE SUMMARY

	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17- FY18
Wages	-	-	-	-	-	-
Benefits	11,890	113,963	-	-	-	-
Operating Expenses	89,107	376,453	599,653	587,862	534,555	-10.86%
Commodities	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-
Capital Outlay	2,302,295	1,778,083	2,225,303	2,000,000	1,061,768	-52.29%
Reserve Transfers	-	-	-	-	-	-
Contractual Services	-	-	-	-	-	-
Internal Services	370,525	-	-	-	-	-
Total	\$2,773,817	\$2,268,499	\$2,824,956	\$2,587,862	\$1,596,323	-43.49%

Cost Type Summary



PROGRAM AREA: NON-OPERATING TRANSFER

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 2018 through FY 2022 Capital Improvement Plan. Funding for these transfers will come from prior accumulation of General Fund reserves.

MAJOR SERVICES

General Government
Public Safety
Public Works

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

KEY PERFORMANCE MEASURES

General Government	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Subsidy to Buffalo Grove Golf Course	No	Yes	Yes	Yes	Yes
Subsidy to Arboretum Club	No	Yes	Yes	Yes	Yes
Public Safety	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Transfer Required Amount of Property Taxes to Police Pension Fund	Yes	Yes	Yes	Yes	Yes
Transfer Required Amount of Property Tax to Fire Pension Fund	Yes	Yes	Yes	Yes	Yes
Public Works	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Transfer Budgeted Amount for Capital Projects – Streets	Yes	Yes	Yes	Yes	Yes
Transfer Budgeted Amount for Capital Projects – Facilities	Yes	Yes	Yes	Yes	Yes

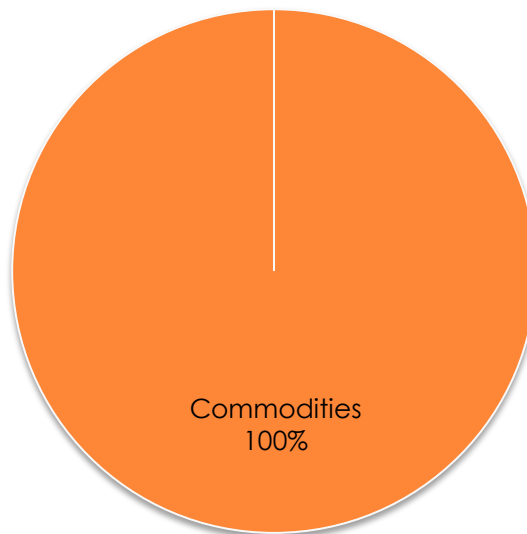
MAJOR SERVICE: GENERAL GOVERNMENT

The general government non-operating transfer functions as a pass through for the general fund to allocate money to other funds for a variety of purposes or projects. Most common uses of the non-operating transfers are moving general fund revenues to other funds to fund capital improvements or subsidize operations.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General	-	-	-	-	-	-
Personnel Wages	-	-	-	-	-	-
Personnel Benefits	11,890	113,963	-	-	-	-
Operating Expenses	89,107	376,453	599,653	587,862	534,555	-10.86%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	964,311	-	-	-	-	-
Capital Reserve Transfers	-	-	-	-	-	-
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	370,525	-	-	-	-	-
Total General Government	\$1,435,833	\$490,416	\$599,653	\$587,862	\$534,555	-10.86%

Under Major Service: General Government, Account Class- Operating Expenditures the amount of \$534,555 is comprised of both golf transfers and contingency.

2018 Non-Operating Transfer - General Government

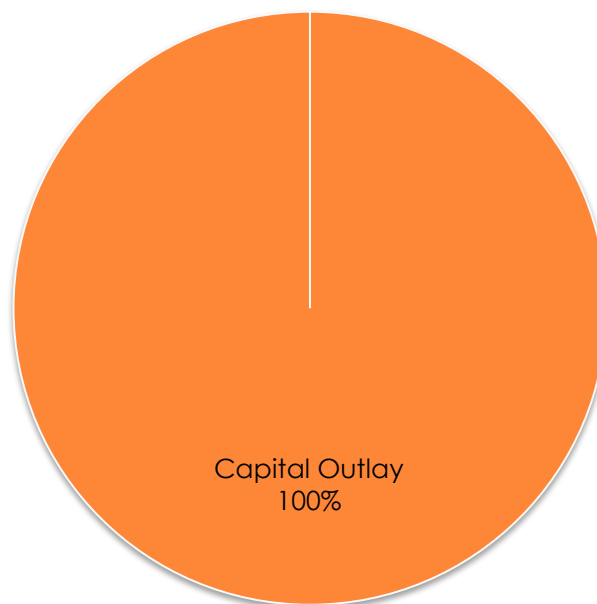


MAJOR SERVICE: PUBLIC WORKS

Non-operating transfers for public works fund the Capital Improvement Plan (Section 6). These funds are used for capital improvements to infrastructure, buildings, and systems throughout the Village based on needs and funds available identified through the budget process.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General Fund	-	-	-	-	-	-
Personnel Wages	-	-	-	-	-	-
Personnel Benefits	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	1,337,984	1,778,083	2,225,303	2,000,000	1,061,768	-52.29%
Capital Reserve Transfers	-	-	-	-	-	-
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	-	-	-	-	-	-
Total Public Works	\$1,337,984	\$1,778,083	\$2,225,303	\$2,000,000	\$1,061,768	-52.29%

2018 Non-Operating Transfer - Public Works

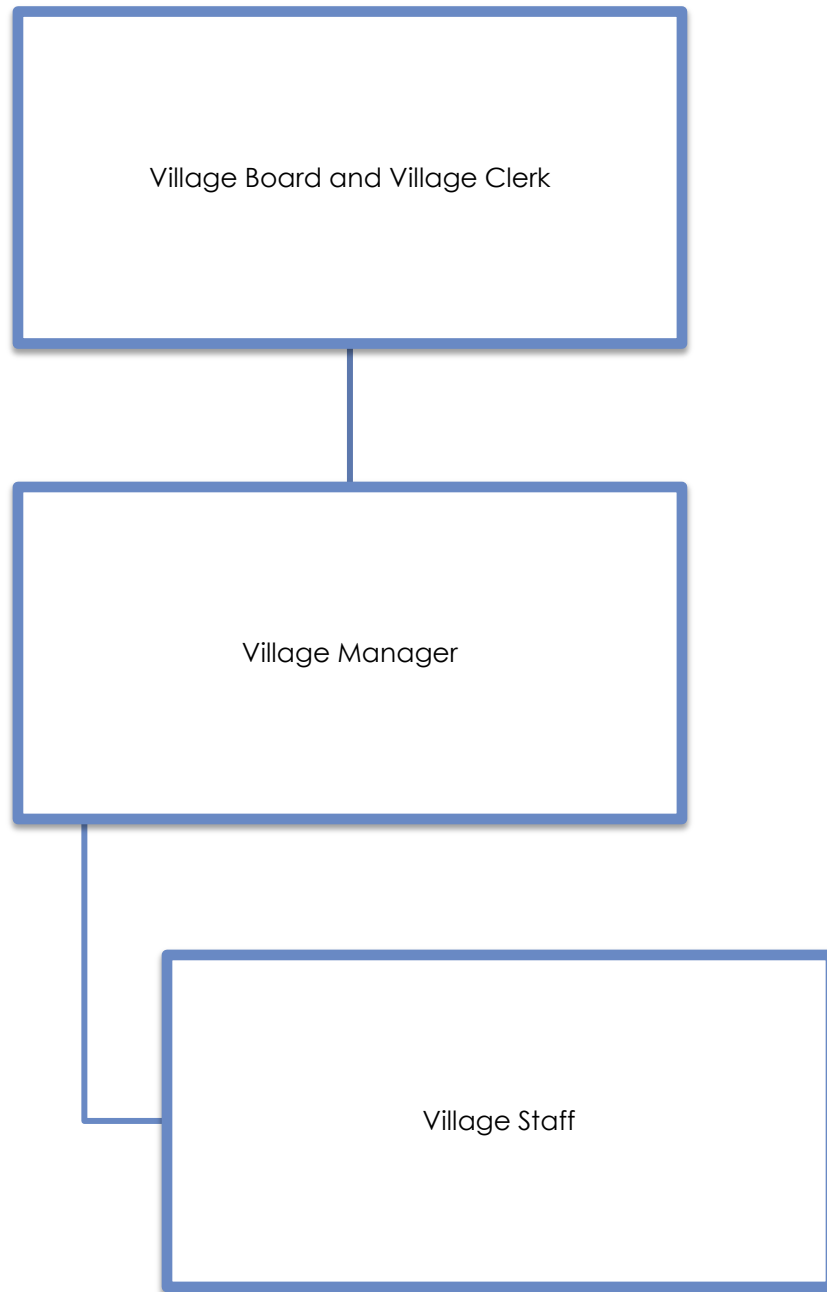


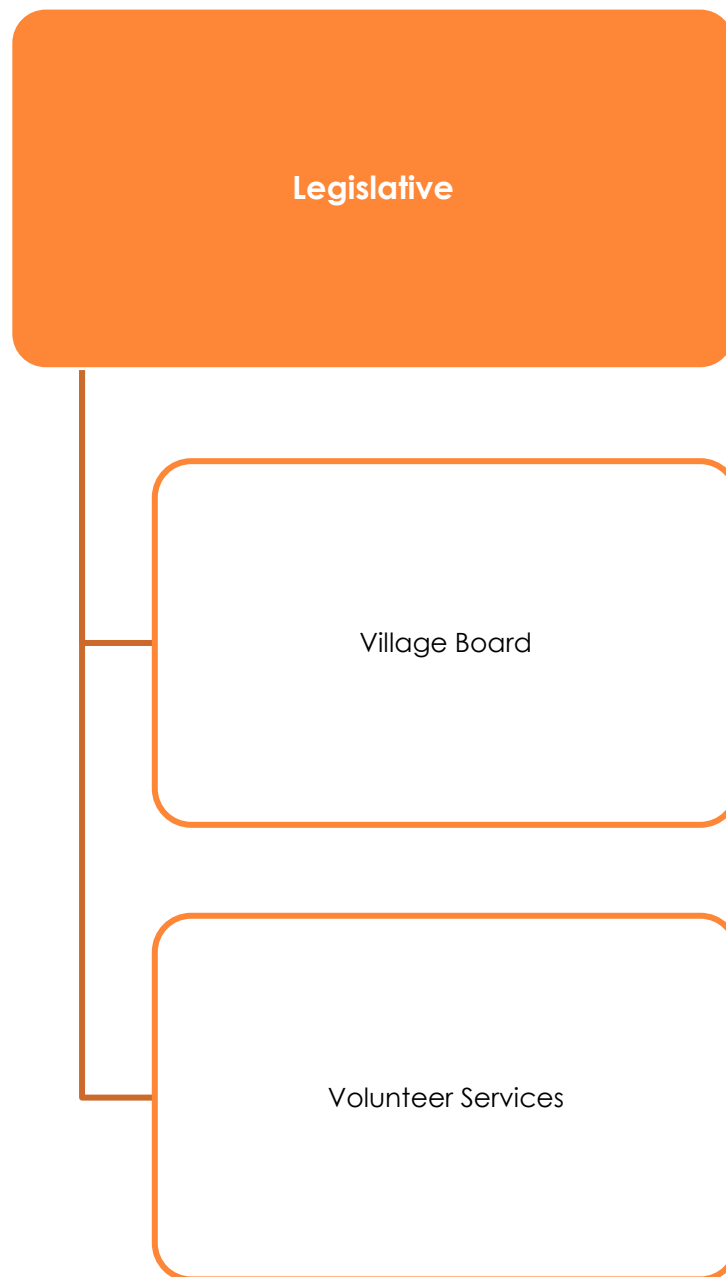
LEGISLATIVE

The objective of the Village Board is to set policies that provide the community efficient and economical government service, and to establish policy and enact ordinances that protect the health, safety and welfare of residents. Legislative also includes Boards and Commissions established by the Village Board.

PROGRAM AREAS

Legislative.....	123
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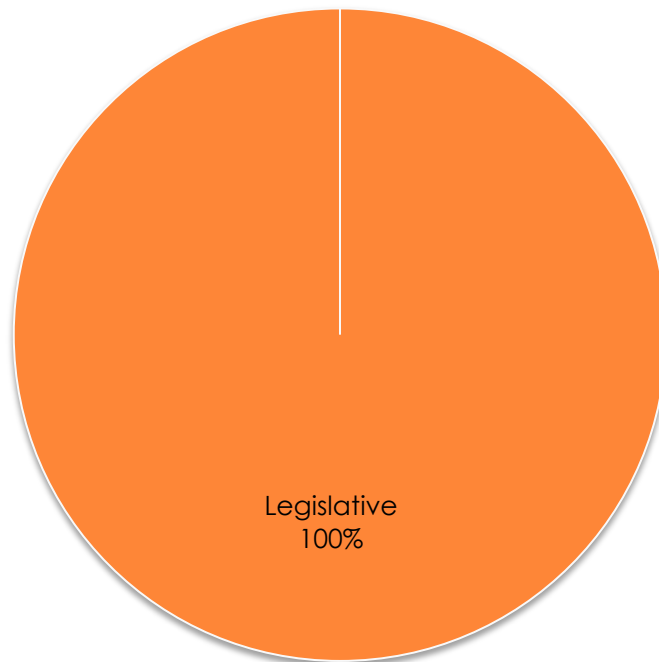




2018 LEGISLATIVE PROGRAM BUDGET SUMMARY

Legislative	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Legislative	134,623	222,642	165,425	161,604	151,225	-8.58%
Total	\$134,623	\$222,642	\$165,425	\$161,604	\$151,225	-8.58%

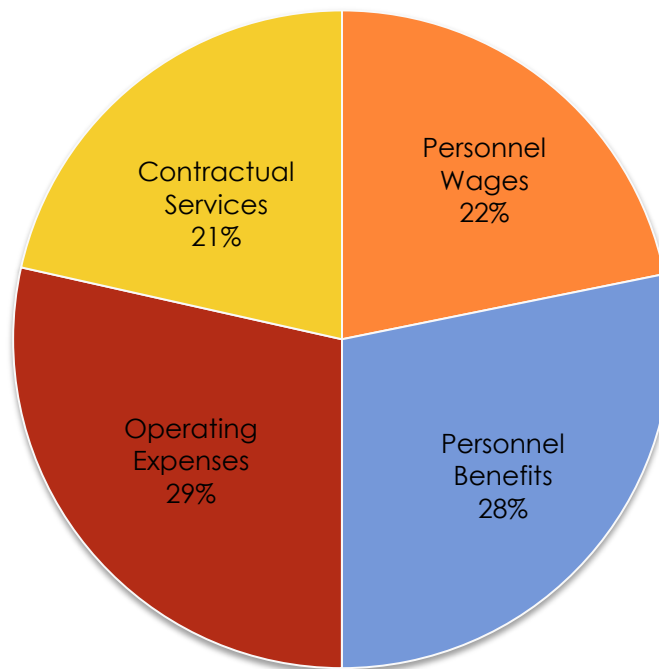
Program Budget Summary



2018 LEGISLATIVE COST TYPE SUMMARY

Legislative	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	32,650	33,000	33,000	33,000	33,000	0.00%
Personnel Benefits	29,747	33,467	37,525	37,865	42,625	13.59%
Operating Expenses	35,180	41,632	38,900	39,919	43,100	10.79%
Commodities	-	-	-	-	-	-
Repairs and Maint	-	-	-	-	-	-
Capital Outlay	267	79,854	-	-	-	-
Reserve Transfers	-	-	-	-	-	-
Contractual Services	36,779	34,689	56,000	50,820	32,500	-41.96%
Internal Services	-	-	-	-	-	-
Total	\$134,623	\$222,642	\$165,425	\$161,604	\$151,225	-10.31%

Cost Type Summary



LEGISLATIVE VARIANCES

Legislative	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Benefits	37,525	37,865	42,625	13.59%	Increase in Dues and Memberships
Operating Expenses	38,900	39,919	43,100	10.79%	Increased usage of the Senior Taxi Program and cost of the volunteer reception.
Contractual Services	56,000	50,820	32,500	-41.96%	Consulting Services from Peter Burchard no longer needed.

KEY PERFORMANCE MEASURES

Village Board	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Number of Board Meetings	24	26	26	24	24

Volunteer Services	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Committies and Commissions Meetings	125	81	134	130	125

PROGRAM AREA: LEGISLATIVE

The objective of the Village Board is to assure the community efficient and economical government service, and to establish policy and enact ordinances that protect the health, safety and welfare of residents. An overview of Village commissions, committees, and boards as codified in the Municipal Code may be reviewed in *Section 2: Organization and Services*.



MAJOR SERVICES

Village Board
Volunteer Services

PROGRAM CHANGES OF NOTE

Elimination of leadership coaching contract.

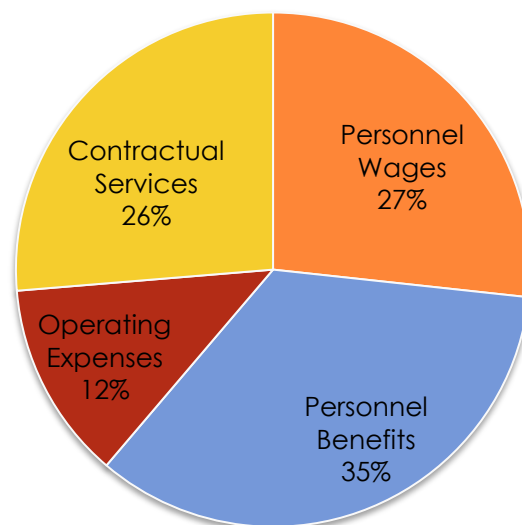
MAJOR SERVICE: VILLAGE BOARD

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, establishes the vision and direction for the Village, and coordinates operations through the Village Manager.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	32,650	33,000	33,000	33,000	33,000	0.00%
Personnel Benefits	29,747	33,467	37,525	37,865	42,625	13.59%
Operating Expenses	10,669	13,922	11,200	13,719	15,400	10.80%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	267	79,854	-	-	-	-
Capital Reserve Transfers	-	-	-	-	-	-
Contractual Services	36,779	34,689	56,000	50,820	32,500	-41.96%
Internal Service Transfers	-	-	-	-	-	-
Total Major Service: Village Board	\$110,112	\$194,932	\$137,725	\$135,404	\$123,525	-8.58%

*The Personnel Benefits associated with the Village Board are membership dues to organizations such as the Illinois Municipal League, Lake County Municipal League, Northwest Municipal Conference, Buffalo Grove Lincolnshire Chamber of Commerce, and Transportation Management Association of Lake Cook. Membership dues account for 93.84 percent of the account class.

2018 Major Service: Village Board

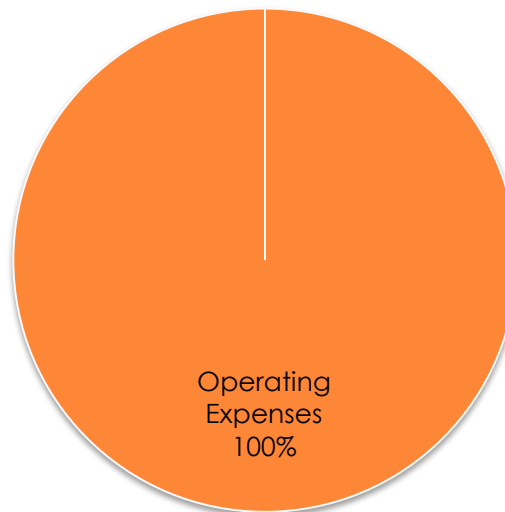


MAJOR SERVICE: VOLUNTEER SERVICES

Village commissions, committees, and board are codified in the Buffalo Grove Municipal Code. Membership is composed of Village residents and is appointed by the Village President with the consent of the Village Board. There are currently more than 100 volunteers that serve on eleven commissions, committees, and boards.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Act.	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	-	-	-	-	-	-
Personnel Benefits	-	-	-	-	-	-
Operating Expenses	24,511	27,710	27,700	26,200	27,700	0.00%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	-	-	-	-
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	-	-	-	-	-	-
Total Major Service: Volunteer Services	\$24,511	\$27,710	\$27,700	\$26,200	\$27,700	0.00%

2018 Major Service: Volunteer Services



COMMISSIONS AND COMMITTEES ALLOCATION OF FUNDING

Commissions and Committees	FY 2018 Budget
Arts Commission	4,000
Blood Commission	300
Buffalo Grove Days*	30,000
Farmer's Market	2,500
Fire and Police Commission**	29,500
Fireworks for the Fourth	22,500
Plan Commission	4,000
Residents with Disabilities	700
Symphonic Band	16,200
Total Commissions and Committees	109,700

*Budgeted in Finance Department

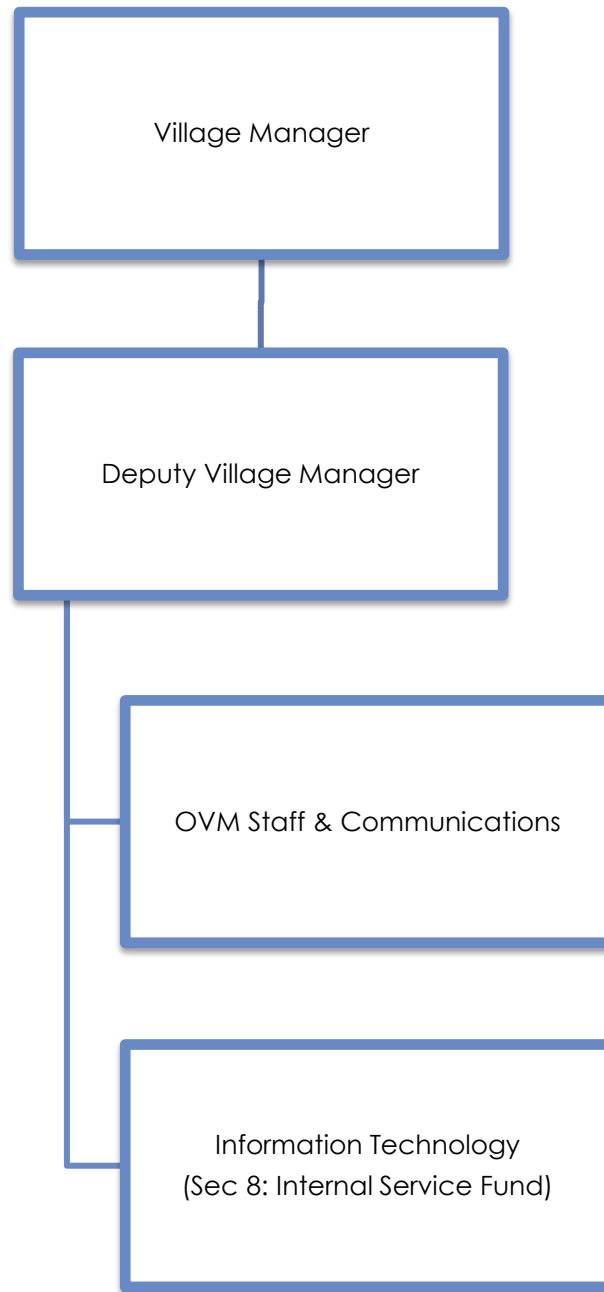
**Budgeted in Human Resources Department

OFFICE OF THE VILLAGE MANAGER

Buffalo Grove operates under the council/manager form of government by referendum. The Village Manager is appointed and serves at the pleasure of the Village Board, who are elected. The Village Manager function is similar to that of a general manager in a multi-division service organization.

PROGRAM AREAS

General Administration.....	140
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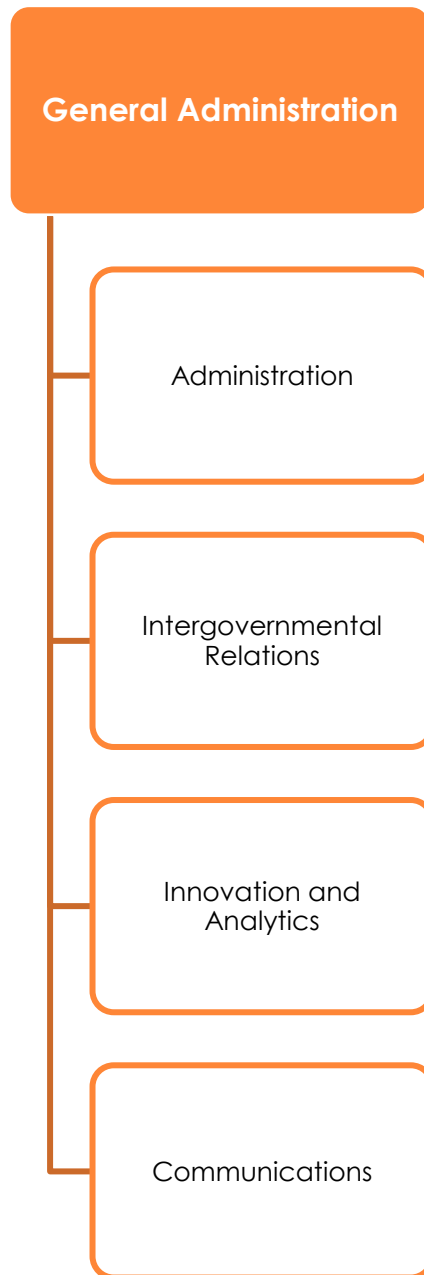


2018 OFFICE OF THE VILLAGE MANAGER STAFFING SUMMARY

Office of the Village Manager/Administration	FY 2016		FY 2017		FY 2018	
	FT	PT	FT	PT	FT	PT
Deputy Village Manager	1	0	1	0	1	0
Management Analyst	1	0	1	0	1	0
Administrative Assistant	0	0	0	1	0	1
Village Manager	1	0	1	0	1	0
Total	3	0	3	1	3	1
Full & Part-Time Total	3		4		4	

2018 STAFF TIME BY FUNCTIONAL AREA

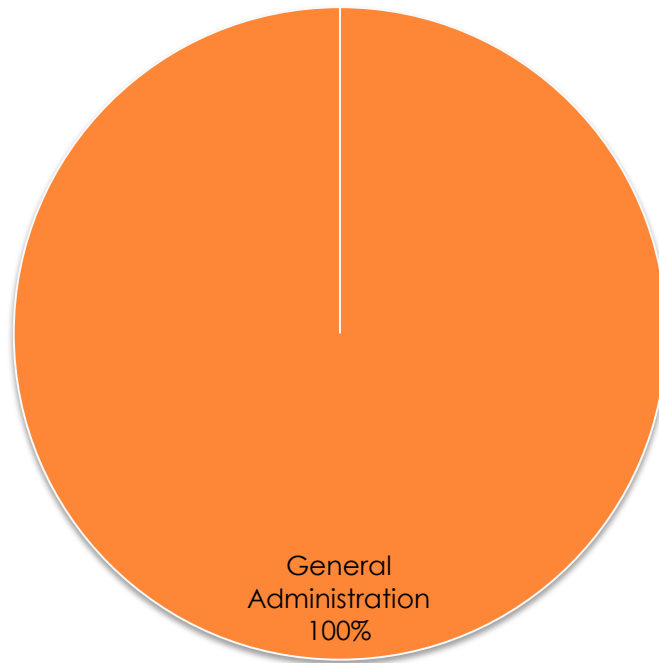
Functional Area	Number of Employees	Percentage of Resource Allocation Spent Per Functional Area
Administration	2.3	67.5%
Intergovernmental Relations	0.5	14.3%
Innovation and Analytics	0.5	14.3%
Communications	0.2	5.7%



2018 OFFICE OF THE VILLAGE MANAGER PROGRAM BUDGET SUMMARY

OVM	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
General Administration	905,774	684,288	738,902	778,296	864,653	17.02%
Total	905,774	684,288	\$738,902	\$778,296	\$864,653	17.02%

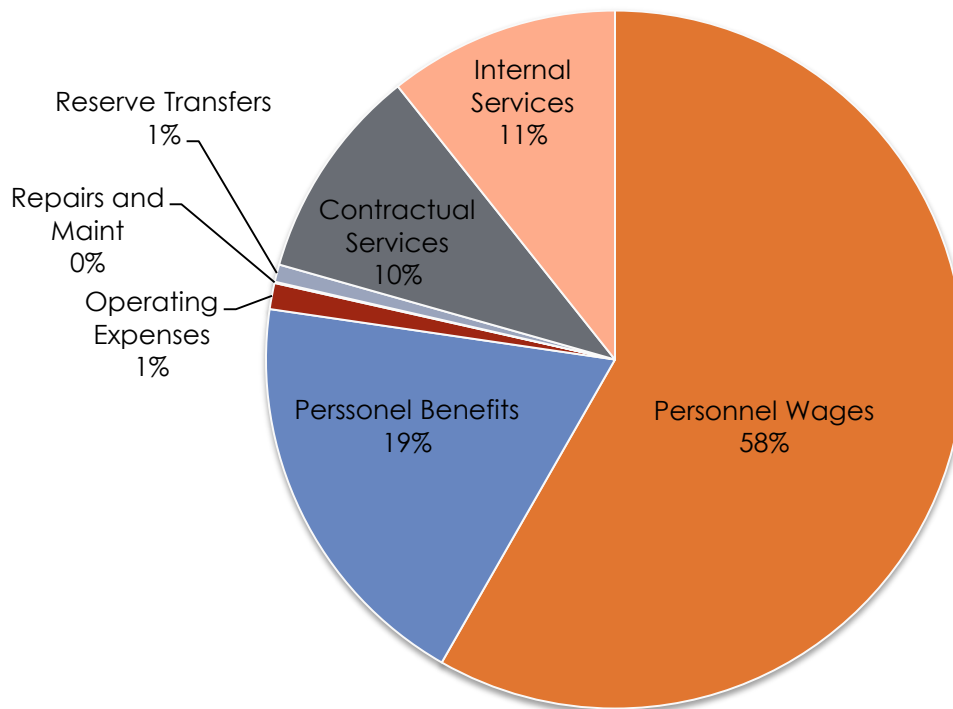
Program Budget Summary



2018 OFFICE OF THE VILLAGE MANAGER COST TYPE SUMMARY

OVM	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	593,813	420,433	432,600	474,019	503,815	16.46%
Personnel Benefits	208,873	145,100	158,342	153,217	164,662	3.99%
Operating Expenses	14,861	11,314	10,185	13,285	10,463	2.73%
Commodities	-	-	-	-	-	-
Repairs and Maintenance	-	-	500	500	500	0.00%
Capital Outlay	-	-	-	-	-	-
Reserve Transfers	-	-	6,620	6,620	6,980	5.44%
Contractual Services	31,246	66,100	81,000	81,000	85,800	5.93%
Internal Services	56,981	41,341	49,655	49,655	92,433	86.15%
Total	\$905,774	\$684,288	\$738,902	\$778,296	\$864,653	17.02%

Cost Type Summary



OFFICE OF THE VILLAGE MANAGER VARIANCES

OVM	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Wages	432,600	474,019	503,815	16.46%	Increase in Village Manager's Salary and regular wage progression.
Internal Services	49,655	49,655	92,433	86.15%	Change in the allocation formula

KEY PERFORMANCE MEASURES

Intergovernmental Relations	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
GovITC New Members	2	0	0	2	2
Performance Management Consortium Members	12	N/A	6	12	15

Innovation and Analytics	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Ongoing Process Improvement Projects	5	4	4	5	6

Communications	Benchmark	2015 Actual	2016 Actual	2017 Est. Actual	2018 Estimate
LinkedIn Followers	400	N/A	280	366	400
Website Views	300,000	N/A	268,154	250,000	240,000
Nextdoor Followers	4,000	N/A	N/A	3,815	4,000
Facebook Followers	3,000	N/A	1,885	2,550	3,000
Twitter Followers	1,000	N/A	600	885	1,000
E-News Subscribers	2,800	N/A	2,958	2,807	2,800

STRATEGIC PLANNING



The Village Board directed staff to update the 2013-2018 Plan through the development of revised strategic planning priorities. The updated plan is comprised of five overarching Strategic Planning Priorities based on feedback received from employees, senior staff, and the Village Board. These priorities direct the development of the annual budget and guide the Village's work throughout program areas. The five overarching Strategic Planning Priorities are as follows: Service Optimization, Financial Stability, Collaboration, Economic Development, and Infrastructure Sustainability. Each department has unique strategic goals, initiatives, and action steps however, they may not have them in each priority. All goals were identified as near, mid, or long term. Only the near term goals affecting this budget are listed.

COLLABORATION



Action Step	Strategic Initiative	Budget Program	Priority
Develop 501(c)3 to Enhance Programming	Relationships with Buffalo Grove Entities	Administration	High
Refresh Village Website	Citizen Engagement	Communications	High
Departmental Collaboration	Employee Development and Recognition	Communications	High
Share Facilities	Relationships with Buffalo Grove Entities	Intergovernmental Relations	Medium
Elected Official Ride Along Program	Citizen Engagement	Legislative	Low
Trustee Liaisons to Local Taxing Bodies	Relationships with Buffalo Grove Entities	Village Board	High

INFRASTRUCTURE SUSTAINABILITY



Action Step	Strategic Initiative	Budget Program	Priority
Comprehensive Facilities Plan	Planning and Programming	Administration	High

SERVICE OPTIMIZATION



Action Step	Strategic Initiative	Budget Program	Priority
Evaluate Technology Infrastructure	Internal Operations	Administration	Medium
Performance Management Consortium	Internal Operations	Intergovernmental Relations	Medium

PROGRAM AREA: GENERAL ADMINISTRATION

Buffalo Grove operates under the council / manager form of government by referendum. The Village Manager function is similar to that of a general manager in a multi-division service organization. The Office of the Village Manager provides general management, staff leadership, and administrative review to all Village Departments.



MAJOR SERVICES

Administration
Intergovernmental Relations
Innovation and Analytics
Communications

PROGRAM CHANGES OF NOTE

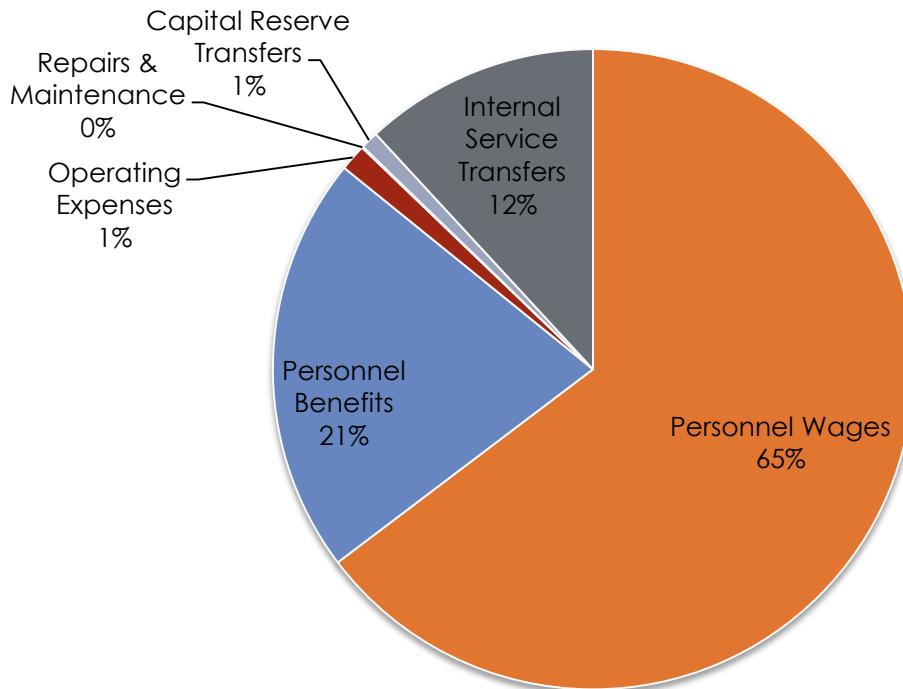
The increase to the Personnel Wages account is attributed to the new contract for the Village Manager as well as range movement for other employees. The increase to the Internal Service Transfers account is a result of the use based recalculation of the Building Maintenance Internal Service Fund.

MAJOR SERVICE: ADMINISTRATION

The Office of the Village Manager (OVM) provides general management, staff leadership, and administrative review and oversight to all Village departments. Strategic and long range planning of Village services, capital planning, project management, and special projects are facilitated through this program.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	390,221	276,284	284,280	311,499	331,080	16.46%
Personnel Benefits	137,259	95,351	104,054	100,686	108,207	3.99%
Operating Expenses	9,766	7,435	6,693	8,732	6,878	2.76%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	330	330	330	0.00%
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	4,352	4,352	4,588	5.42%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	37,443	27,167	32,632	32,632	60,744	86.15%
Total Major Service: Administration	\$574,689	\$406,237	\$432,341	\$458,231	\$511,827	18.39%

2018 Major Service: Administration

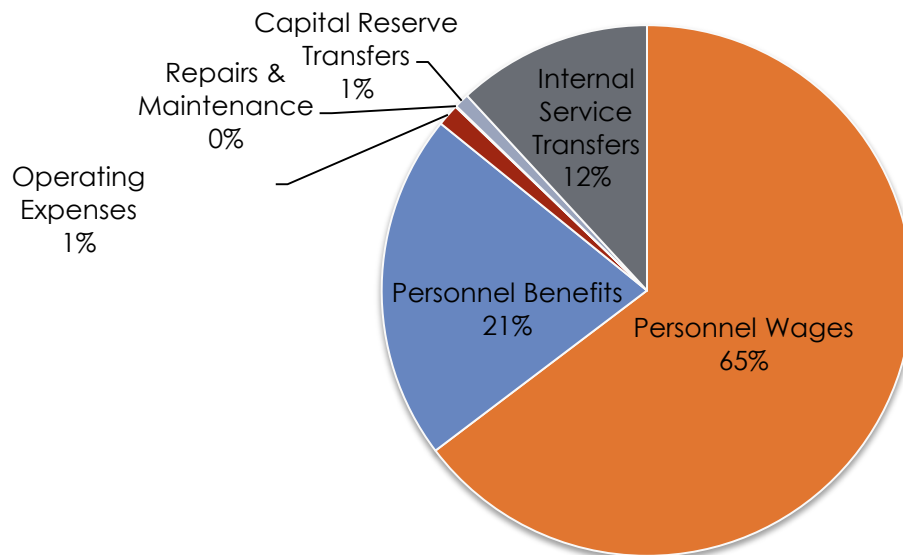


MAJOR SERVICE: INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relations major service is responsible for monitoring local government entities, state and federal government activities, developing the legislative program, managing the village's partnerships with other agencies, and coordinating legislative activities with other public and private sector entities.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	84,830	60,062	61,800	67,717	71,973	16.46%
Personnel Benefits	29,839	20,729	22,620	21,888	23,523	3.99%
Operating Expenses	2,123	1,616	1,455	1,897	1,494	2.68%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	71	71	71	0.00%
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers			945	945	997	5.50%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	8,141	5,906	7,093	7,093	13,204	86.16%
Total Major Service: Intergovernmental Relations	\$124,933	\$88,313	\$93,984	\$99,611	\$111,262	18.38%

2018 Major Service: Intergovernmental Relations

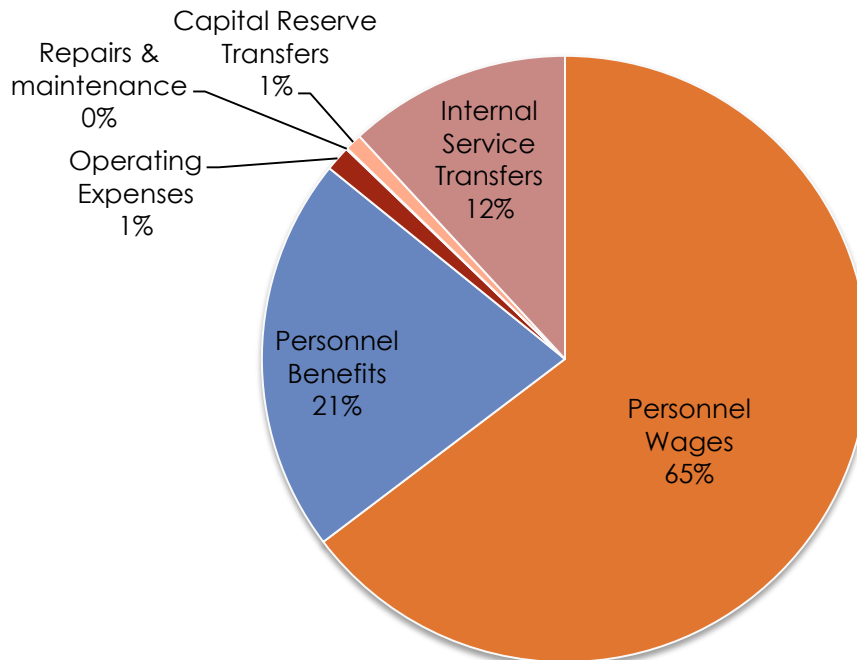


MAJOR SERVICE: INNOVATION AND ANALYTICS

This program uses continuous analysis and investigation of past performance to improve village processes. The innovation and analytics program focuses on developing new insights and understanding of organizational performance based on data and best practices.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	84,830	60,062	61,800	67,717	71,973	16.46%
Personnel Benefits	29,839	20,729	22,620	21,888	23,523	3.99%
Operating Expenses	2,123	1,616	1,455	1,897	1,494	2.68%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	71	71	71	0.00%
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	945	945	997	5.50%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	8,141	5,906	7,093	7,093	13,204	86.16%
Total Major Service: Innovation And Analytics	\$124,933	\$88,313	\$93,984	\$99,611	\$111,262	18.38%

2018 Major Service: Innovation and Analytics

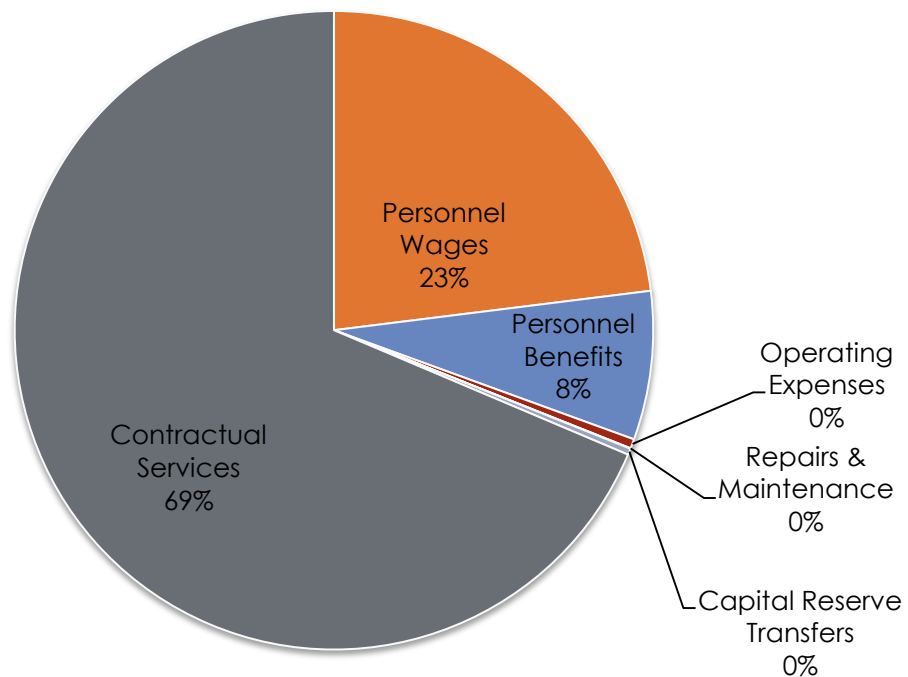


MAJOR SERVICE: COMMUNICATIONS

The Village utilizes a third party communications firm for its communications function. 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; and on-call communications support.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	33,932	24,025	24,720	27,086	28,789	16.46%
Personnel Benefits	11,936	8,291	9,048	8,755	9,409	3.99%
Operating Expenses	849	647	582	759	597	2.58%
Commodities	-	-	-	-	-	-
Repairs & Maintenance			28	28	28	0.00%
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers			378	378	398	5.29%
Contractual Services	31,246	66,100	81,000	81,000	85,800	5.93%
Internal Service Transfers	3,256	2,362	2,837	2,837	5,281	86.15%
Total Major Service: Communications	\$81,219	\$101,425	\$118,593	\$120,843	\$130,302	9.87%

2018 Major Service: Communications



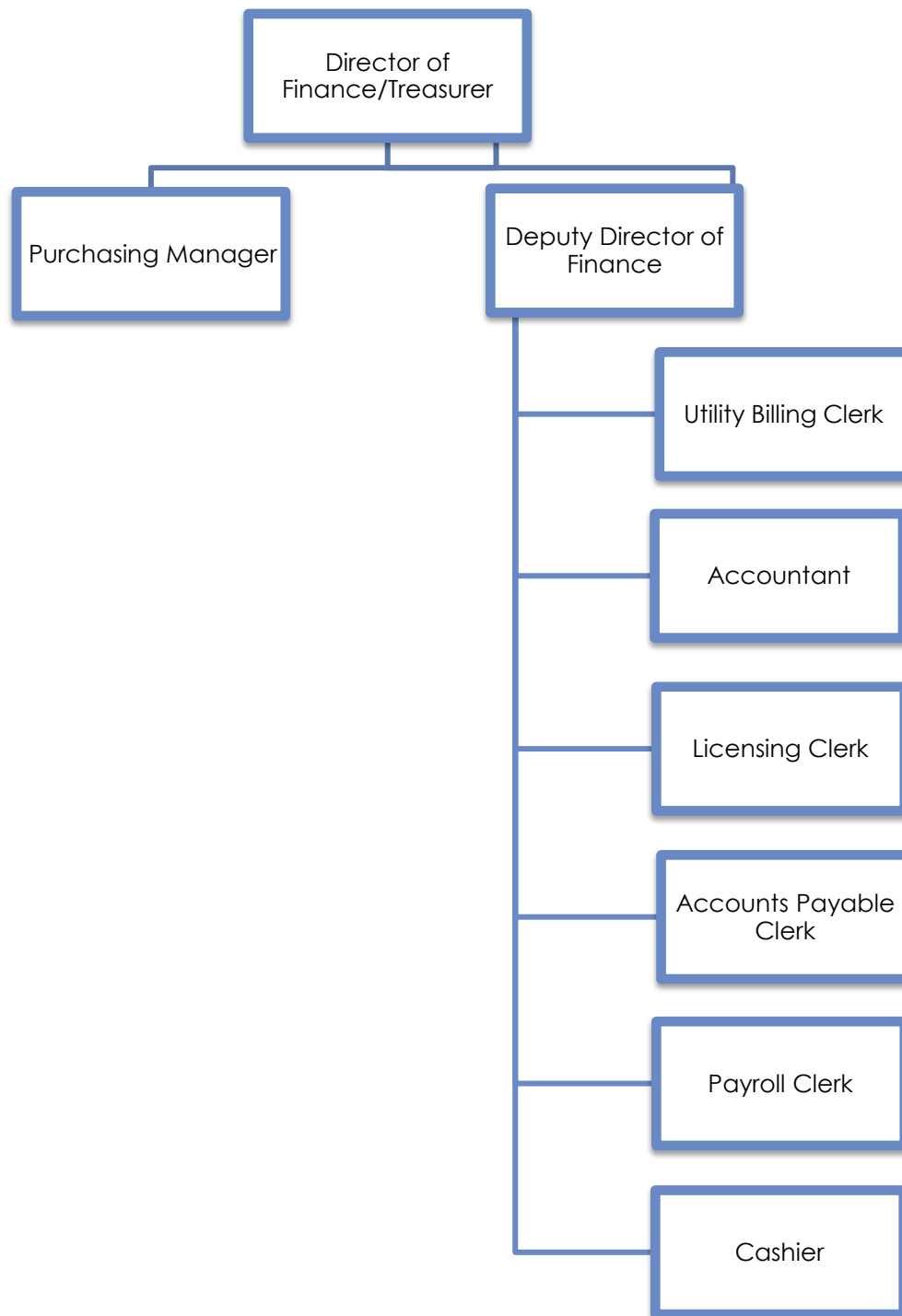
FINANCE DEPARTMENT

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 internal and external customers by providing excellent customer service through sound financial management and professionalism.

PROGRAM AREAS

Financial Management	153
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2018 FINANCE DEPARTMENT STRUCTURE



2018 FINANCE DEPARTMENT STAFFING SUMMARY

Finance & General Services	FY 2016		FY 2017		FY 2018	
	FT	PT	FT	PT	FT	PT
Accountant	1	0	1	0	1	0
Deputy Finance Director	1	0	1	0	1	0
Cashier	1	0	1	0	1	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	9	0	9	0	9	0
Full & Part-Time Total	9		9		9	

2018 STAFF TIME BY FUNCTIONAL AREA

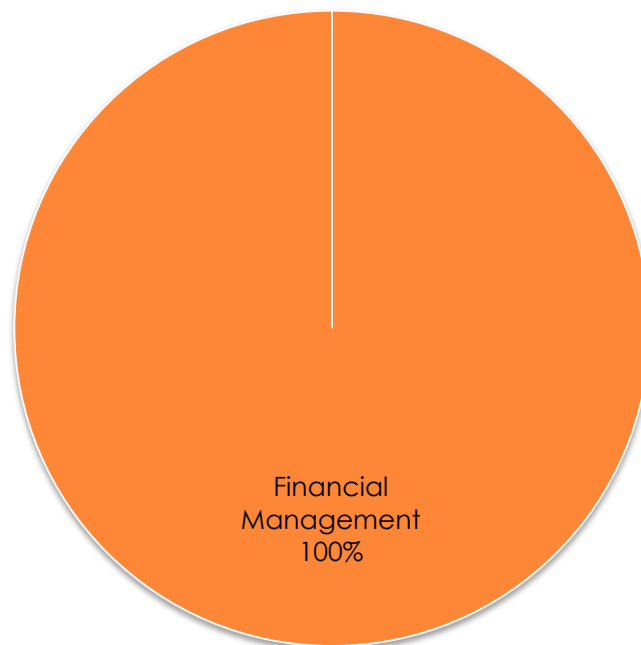
Functional Area	Number of Employees	Percentage of Resource Allocation Spent Per Functional Area
Fiscal Services	3.5	28.67%
Administration	1.0	19.27%
Budgeting and Reporting	1.5	21.63%
Utility Billing	1.0	10.00%
Purchasing	2.0	20.43%



2018 FINANCE DEPARTMENT BUDGET SUMMARY

Finance Dept.	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Financial Management	1,155,134	1,363,474	1,418,821	1,439,328	1,516,040	6.85%
Total	\$1,155,134	\$1,363,474	\$1,418,821	\$1,439,328	\$1,516,040	6.85%

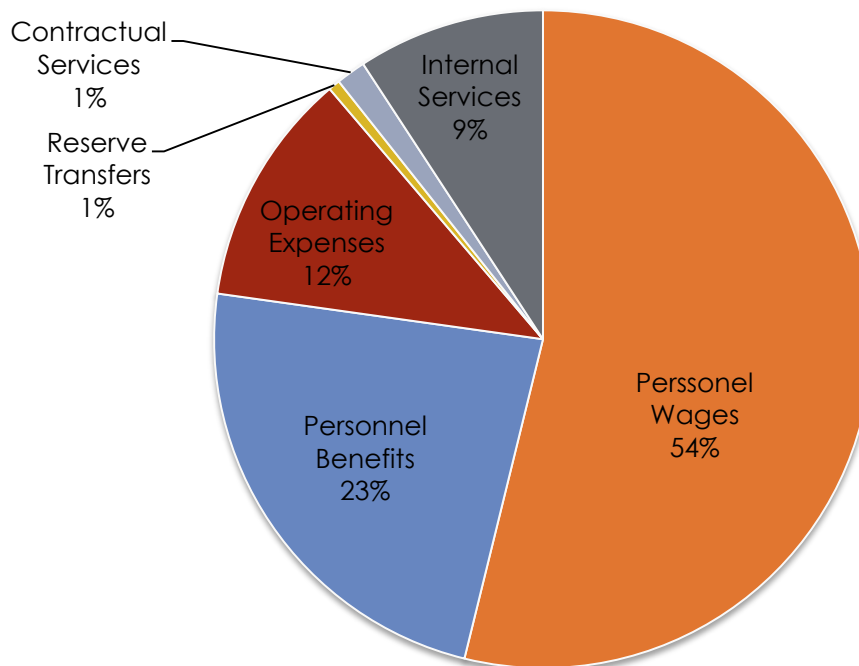
Program Budget Summary



2018 FINANCE DEPARTMENT COST TYPE SUMMARY

Finance Department	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	660,738	742,633	772,349	798,960	816,246	5.68%
Personnel Benefits	232,896	312,867	353,052	338,397	354,457	0.40%
Operating Expenses	173,622	210,768	173,393	185,944	175,015	0.94%
Commodities	-	-	-	-	-	-
Repairs and Maintenance	-	-	2,000	-	-	-100.00%
Capital Outlay	-	-	-	-	-	-
Reserve Transfers	-	-	8,660	8,660	8,660	0.00%
Contractual Services	26,003	23,447	20,000	18,000	22,000	10.00%
Internal Services	61,875	73,759	89,367	89,367	139,662	56.28%
Total	\$1,155,134	\$1,363,474	\$1,418,821	\$1,439,328	\$1,516,040	6.85%

Cost Type Summary



FINANCE DEPARTMENT VARIANCES

Finance Department	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Repairs and Maint	2,000	-	-	-100.00%	Reduced due to historical usage.
Contractual Services	20,000	18,000	22,000	10.00%	Renegotiated pricing for water bill printing
Internal Services	89,367	89,367	139,662	56.28%	Change in the allocation formula

KEY PERFORMANCE MEASURES

Fiscal Services	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
New/updated licensing information entered in operating system within 5 business days of receipt	75.00%	N/A	N/A	N/A	75.00%
Daily deposits and transactions posted next business day	80.00%	N/A	N/A	N/A	85.00%

Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Buffalo Grove Days financial report issued within 30 days of event	Yes	Yes	Yes	Yes	Yes

Budgeting and Reporting	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
GFOA CAFR award received	Yes	Yes	Yes	Yes	Yes
GFOA PAFR award received	Yes	Yes	Yes	Yes	Yes
GFOA Budget award received	Yes	Yes	Yes	Yes	Yes

Utility Billing	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Utility billings generated from tower reading system import	90.00%	N/A	N/A	N/A	96.00%
Payment plan compliance and/or completion	80.00%	14/16 (87.50%)	33/34 (97.06%)	9/11 (81.82%)	18/18 (100.00%)

Purchasing	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Bid process completed 60 days or less	80.00%	21/24 (87.50%)	24/29 (82.76%)	32/36 (88.89%)	34/40 (85.00%)
Invoices paid within 60 days or less	90.00%	N/A	N/A	N/A	92.00%

STRATEGIC PLANNING



The Village Board directed staff to update the 2013-2018 Plan through the development of revised strategic planning priorities. The updated plan is comprised of five overarching Strategic Planning Priorities based on feedback received from employees, senior staff, and the Village Board. These priorities direct the development of the annual budget and guide the Village's work throughout program areas. The five overarching Strategic Planning Priorities are as follows: Service Optimization, Financial Stability, Collaboration, Economic Development, and Infrastructure Sustainability. Each department has unique strategic goals, initiatives, and action steps however, they may not have them in each priority. All goals were identified as near, mid, or long term. Only the near term goals affecting this budget are listed.

FINANCIAL STABILITY



Action Step	Strategic Initiative	Budget Program	Priority
Update Fee & Fine Schedule	Revenue Diversification	Administration	Medium
Break Even Strategies for BG Days	Cost Control	Budgeting and Reporting	High
Fund Building Reserve	Reserve Growth	Budgeting and Reporting	High
Fund Public Safety Pensions	Reserve Growth	Budgeting and Reporting	High

INFRASTRUCTURE SUSTAINABILITY



Action Step	Strategic Initiative	Budget Program	Priority
Sustainability Plan	Environmental Sustainability	Purchasing	Medium

SERVICE OPTIMIZATION



Action Step	Strategic Initiative	Budget Program	Priority
Real Estate Transfer Stamp Payment Online	External Service Provisions	Administration	Low
Administrative Adjudication Payment Online	External Service Provisions	Administration	Medium
Streamline Travel & Training Process	Internal Operations	Fiscal Services	Medium

PROGRAM AREA: FINANCIAL MANAGEMENT

The Financial Management function is carried out in a broad staff support environment, where the Finance Department assists other departments at different service levels.

Major services have been established to account for all Village financial management program activities. The Finance Department policy and procedures can be found in *Appendix B*. The adopted Investment and Purchasing Policies are affirmed as part of the Village's annual audit process as well as during the preparation of the Comprehensive Annual Financial Report.



MAJOR SERVICES

- Fiscal Services
- Administration
- Budgeting and Reporting
- Utility Billing
- Purchasing

PROGRAM CHANGES OF NOTE

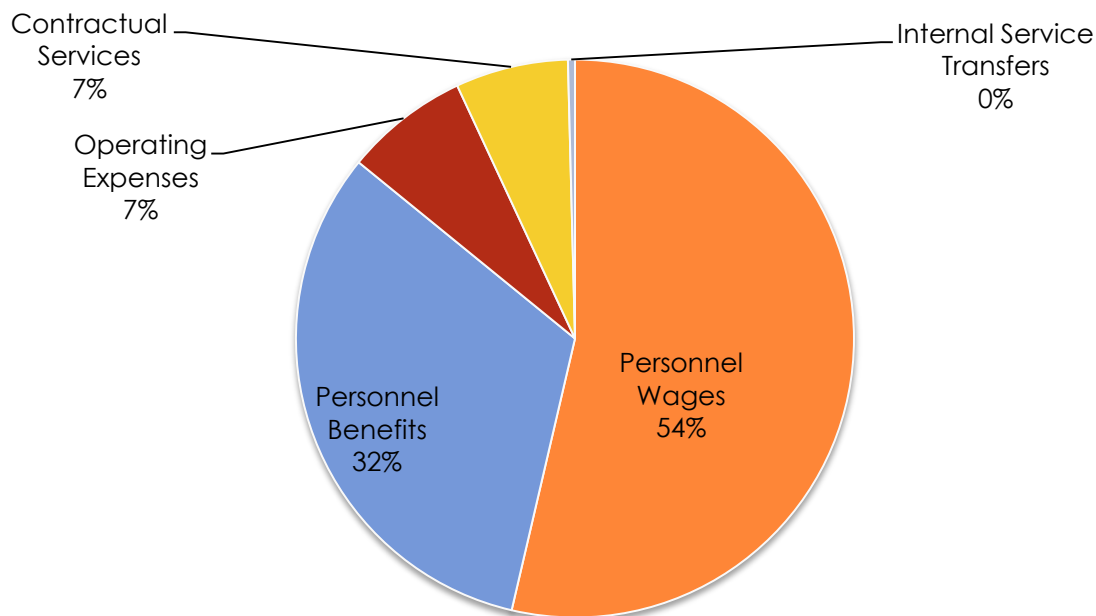
No additional personnel or programs requested in 2018.

MAJOR SERVICE: FISCAL SERVICES

The Finance Department provides fiscal services externally to Buffalo Grove residents and internally to other operating departments. Services rendered to the public include liquor, business, alarm, and other licensing, Metra parking pass management, collection of local taxes and debts owed to the Village. Internal fiscal services provided to departments include banking, payroll, cashiering, accounts payable/receivable, data entry, and management.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	147,032	206,082	215,925	223,365	229,433	6.26%
Personnel Benefits	72,780	121,670	137,298	131,599	137,844	0.40%
Operating Expenses	18,284	31,850	31,309	40,921	30,725	-1.87%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	400	-	-	-100.00%
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	1,732	1,732	1,732	0.00%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	19,336	14,752	17,873	17,873	27,932	56.28%
Total Fiscal Services	\$257,432	\$374,354	\$404,537	\$415,490	\$427,666	5.72%

2018 Fiscal Services

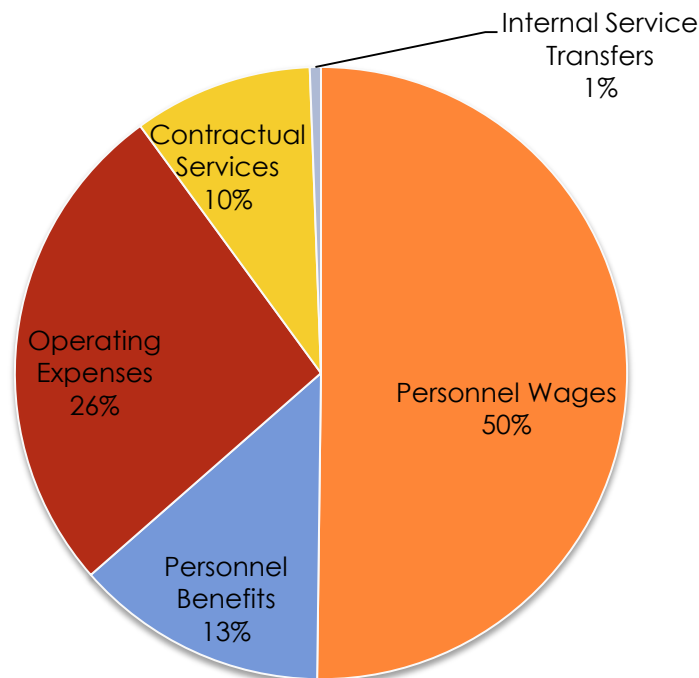


MAJOR SERVICE: ADMINISTRATION

Administration is the oversight of the Finance Department as a whole, including major services, employees, project management, and a cost center for indirect expenditures that support the department. This also includes the management of staff, budget process, and purchasing.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	126,697	134,601	140,597	145,441	148,164	5.38%
Personnel Benefits	29,112	34,764	39,228	37,599	39,385	0.40%
Operating Expenses	82,058	103,233	78,600	79,979	77,925	-0.86%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	400	-	-	-100.00%
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	1,732	1,732	1,732	0.00%
Contractual Services	-	3,800	-	-	-	-
Internal Service Transfers	7,734	14,751	17,875	17,875	27,934	56.28%
Total Administration	\$245,601	\$291,149	\$278,432	\$282,626	\$295,140	6.00%

2018 Administration

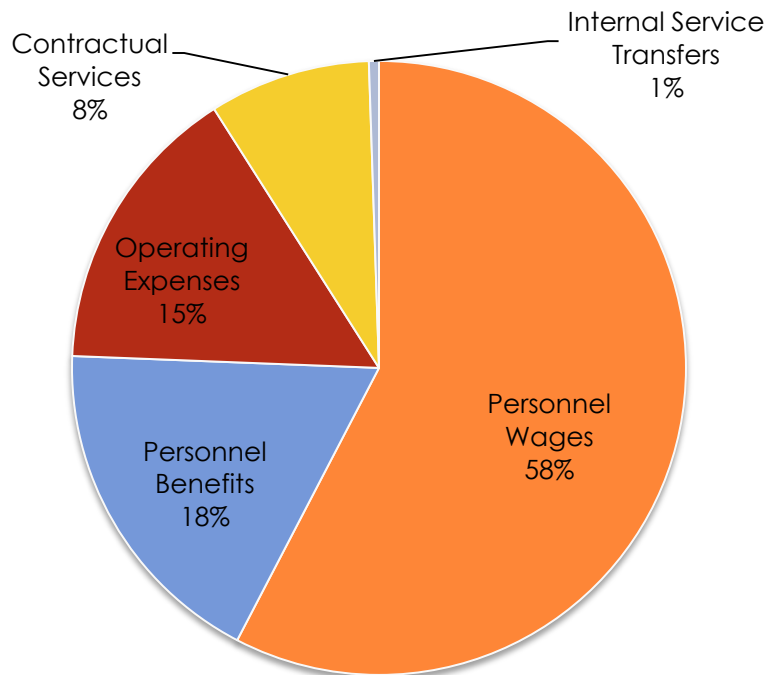


MAJOR SERVICE: BUDGETING AND REPORTING

Budgeting and Reporting Services include the Comprehensive Annual Financial Report (CAFR), annual budget document, Popular Annual Financial Report (PAFR), and other internal reporting and analytical documents. A budget, investment, and debt report are provided monthly to the appropriate level of management to communicate the position of the function at that time in the fiscal year.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Act.	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	160,839	167,554	178,902	185,066	189,437	5.89%
Personnel Benefits	43,668	52,144	58,842	56,400	59,076	0.40%
Operating Expenses	52,681	44,142	47,475	47,394	50,465	6.30%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	400	-	-	-100.00%
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	1,732	1,732	1,732	0.00%
Contractual Services	2,060	-	-	-	-	-
Internal Service Transfers	11,602	14,752	17,873	17,873	27,932	56.28%
Total Budgeting/Reporting	\$270,850	\$278,592	\$305,224	\$308,465	\$328,642	7.67%

2018 Budgeting and Reporting

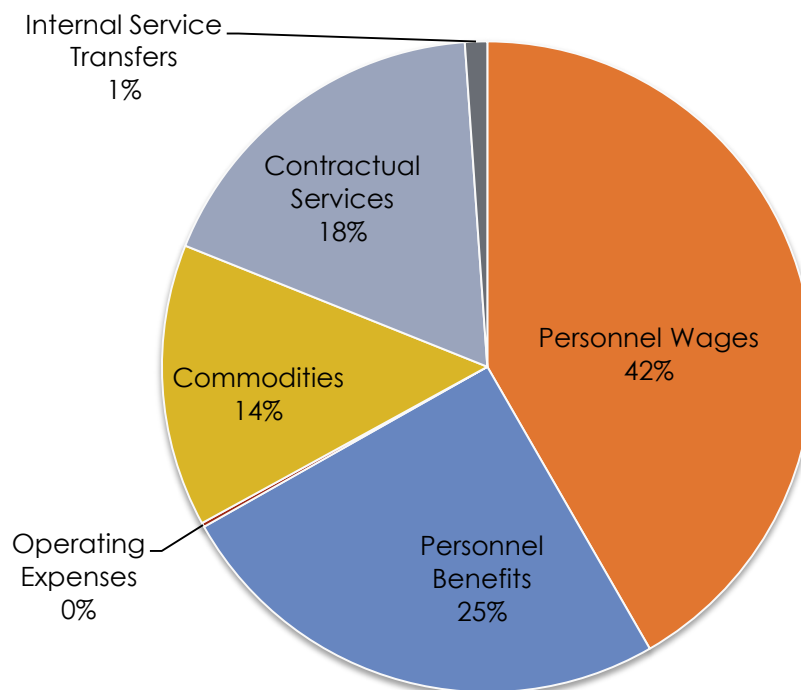


MAJOR SERVICE: UTILITY BILLING

Utility Billing services include monthly and bi-monthly water, sewer, and stormwater billing. The services provided also include payment plan management, shut off notices, water meter and water meter communication device maintenance, and account/service maintenance.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	57,616	60,679	60,906	63,004	65,297	7.21%
Personnel Benefits	29,112	34,763	39,228	37,600	39,384	0.40%
Operating Expenses	453	5,957	325	1,854	325	0.00%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	400	-	-	-100.00%
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	1,732	1,732	1,732	0.00%
Contractual Services	23,943	19,647	20,000	18,000	22,000	10.00%
Internal Service Transfers	7,734	14,752	17,873	17,873	27,932	56.28%
Total Utility Billing	\$118,858	\$135,798	\$140,464	\$140,063	\$156,670	11.54%

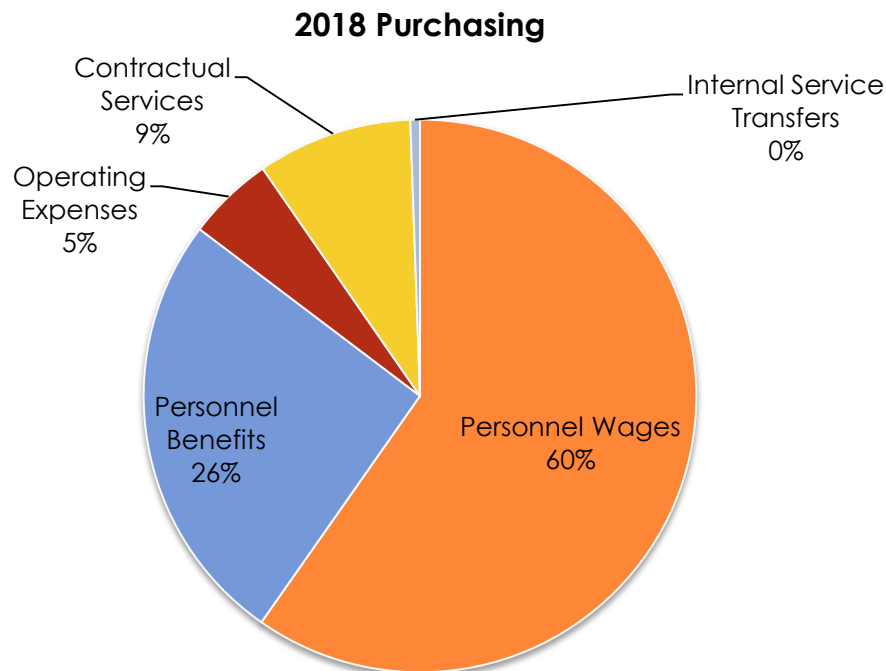
2018 Utility Billing



MAJOR SERVICE: PURCHASING

The Purchasing Service has two direct outputs, support service to all departments for Accounts Payable and project and contract management through the Purchasing Manager. The Accounts Payable function of the purchasing service handles all data entry for vendors of the Village, processes purchase orders, completes invoice batches, and processes all payments. The Purchasing Manager coordinates the competitive bid requests for quotes, services, proposals, and other large purchasing initiatives and contracts. In most cases, organization wide contracts are managed through the Purchasing Manager.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	168,554	173,717	176,019	182,084	183,915	4.49%
Personnel Benefits	58,224	69,526	78,456	75,199	78,768	0.40%
Operating Expenses	20,146	25,586	15,684	15,796	15,575	-0.69%
Commodities	-	-	-	-	-	0.00%
Repairs & Maintenance	-	-	400	-	-	-100.00%
Capital Outlay	-	-	-	-	-	0.00%
Capital Reserve Transfers	-	-	1,732	1,732	1,732	0.00%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	15,469	14,752	17,873	17,873	27,932	56.28%
Total Purchasing	\$262,393	\$283,581	\$290,164	\$292,684	\$307,922	6.12%

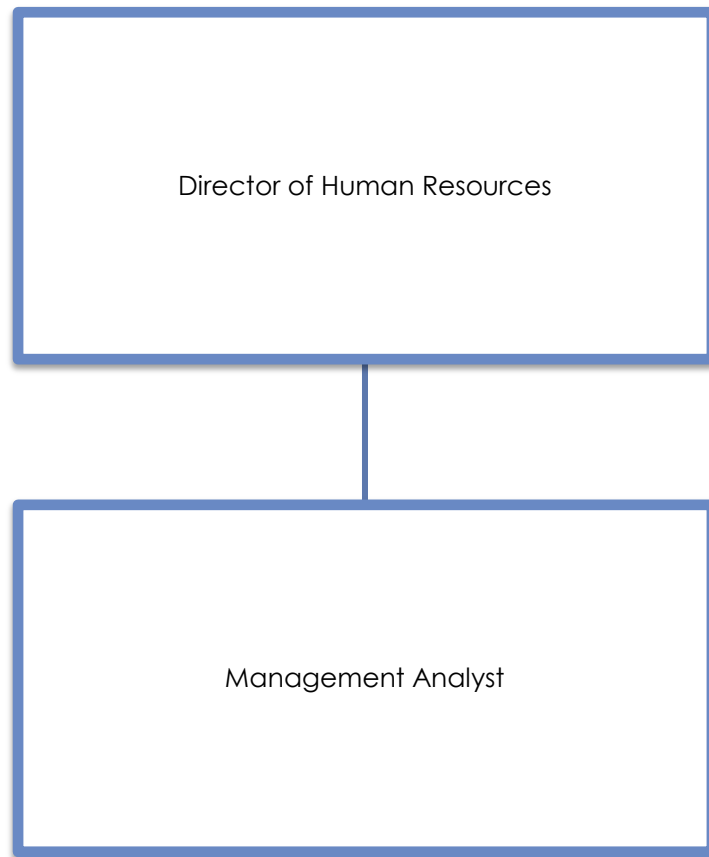


HUMAN RESOURCES DEPARTMENT

The Department of Human Resources is responsible for a variety of elements related to staffing, retention, and training of Village employees. The major programs for this department include legal, recruitment and selection, benefits and administration, risk management, and training and organizational development.

PROGRAM AREAS

Human Resources and Risk Management.....167

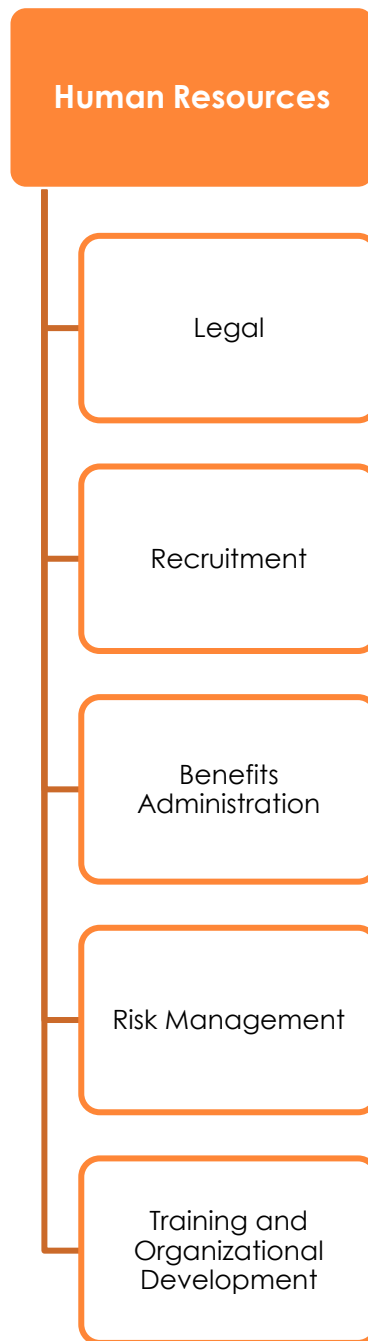


2018 HUMAN RESOURCES DEPARTMENT STAFFING SUMMARY

Human Resources	FY 2016		FY 2017		FY 2018	
	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	

2018 STAFF TIME BY FUNCTIONAL AREA

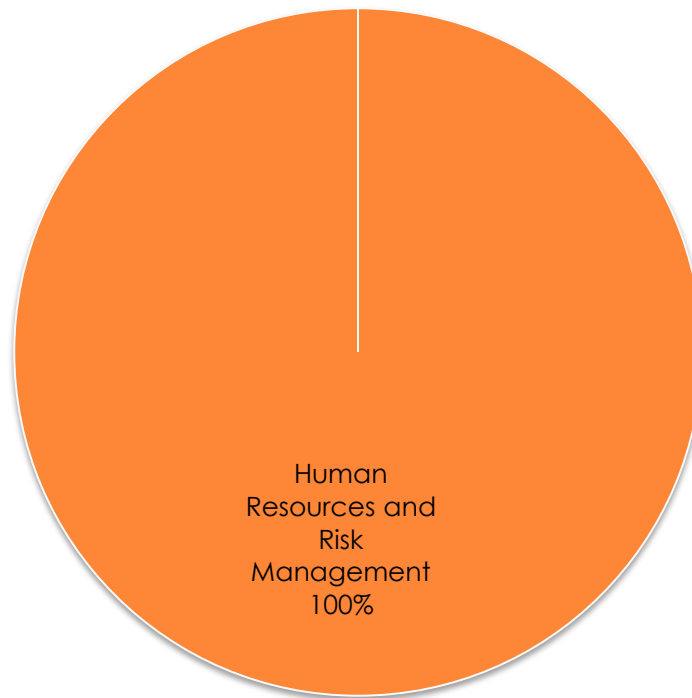
Functional Area	Number of Employees	Percentage of Resource Allocation Spent Per Functional Area
Legal	0.2	10%
Recruitment and Selection	0.4	20%
Benefits Administration	0.6	30%
Risk Management	0.6	30%
Training and Organizational Development	0.2	10%



2018 HUMAN RESOURCES PROGRAM BUDGET SUMMARY

Human Resources	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Human Resources	768,689	861,434	1,079,904	837,715	1,086,243	0.59%
Total	\$768,689	\$861,434	\$1,079,904	\$837,715	\$1,086,243	0.59%

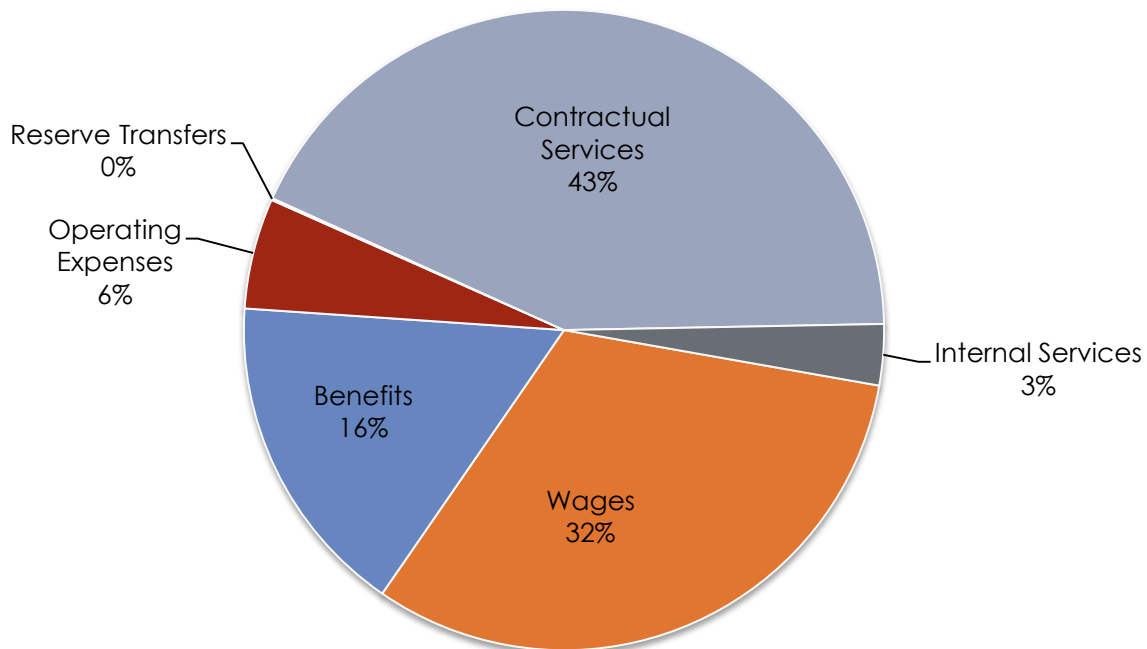
Program Budget Summary



2018 HUMAN RESOURCES COST TYPE SUMMARY

Human Resources	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	191,533	207,189	331,681	210,800	345,777	4.25%
Personnel Benefits	142,224	181,159	181,454	147,208	178,868	-1.43%
Operating Expenses	48,923	57,897	64,838	45,776	60,688	-6.40%
Commodities	-	-	-	-	-	0.00%
Repairs and Maintenance	-	-	-	-	-	0.00%
Capital Outlay	19,511	10,974	-	-	-	0.00%
Reserve Transfers	-	-	1,045	1,045	1,045	0.00%
Contractual Services	350,349	385,411	479,400	411,400	466,400	-2.71%
Internal Services	16,149	18,804	21,486	21,486	33,465	55.75%
Total	\$768,689	\$861,434	\$1,079,904	\$837,715	\$1,086,243	0.59%

Cost Type Summary



HUMAN RESOURCES DEPARTMENT

Human Resources Department	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Wages	331,681	210,800	345,777	4.25%	2018 Wages line includes Pay For Performance Allocation.
Operating Expenses	64,838	45,776	60,688	-6.40%	Decrease due to reduction in Contractual Expenses and the BFPC Budget.
Internal Services	21,486	21,486	33,465	55.75%	Change in the allocation formula

KEY PERFORMANCE MEASURES

Legal	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Labor Agreements Completed Through Negotiations	1	1	0	2	1

Recruitment and Selection	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Police and Fire Applicants (2015 Police, 2016 Fire, 2017 Police, 2018 Fire)	250	259	309	212	300

Benefits Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Participation in Wellness Program	50%	30%	69%	56%	60%
Employees in HMO Health Plan	20	8	11	12	20

Risk Management	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Worker's Compensation Claims Per Total FT Employees	<10%	12.04%	11.32%	7.55%	10%

Training and Development	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Lunch and Learns	4	2	4	4	4
Supervisory Trainings	4	1	1	1	4

STRATEGIC PLANNING



The Village Board directed staff to update the 2013-2018 Plan through the development of revised strategic planning priorities. The updated plan is comprised of five overarching Strategic Planning Priorities based on feedback received from employees, senior staff, and the Village Board. These priorities direct the development of the annual budget and guide the Village's work throughout program areas. The five overarching Strategic Planning Priorities are as follows: Service Optimization, Financial Stability, Collaboration, Economic Development, and Infrastructure Sustainability. Each department has unique strategic goals, initiatives, and action steps however, they may not have them in each priority. All goals were identified as near, mid,

COLLABORATION



Action Step	Strategic Initiative	Budget Program	Priority
Employee Onboarding	Employee Development and Recognition	Recruitment and Selection	High
Village-wide Employee Recognition	Employee Development and Recognition	Training and Org Development	High
Comprehensive Training Program	Employee Development and Recognition	Training and Org Development	High
Highlight Employee Achievements to Public	Employee Development and Recognition	Training and Org Development	Medium

SERVICE OPTIMIZATION



Action Step	Strategic Initiative	Budget Program	Priority
Shared Human Resources Programs	Intergovernmental Partnerships	Risk Mgmt.	Low
Online Benefit Administration	Internal Operations	Benefits Admin	High

PROGRAM AREA: HUMAN RESOURCES AND RISK MANAGEMENT

The Department of Human Resource is responsible for a variety of elements related to staffing, retention, and training of Village employees. This department also manages the risk management function.



MAJOR SERVICES

- Legal
- Recruitment and Selection
- Benefits Administration
- Risk Management
- Training and Organizational Development

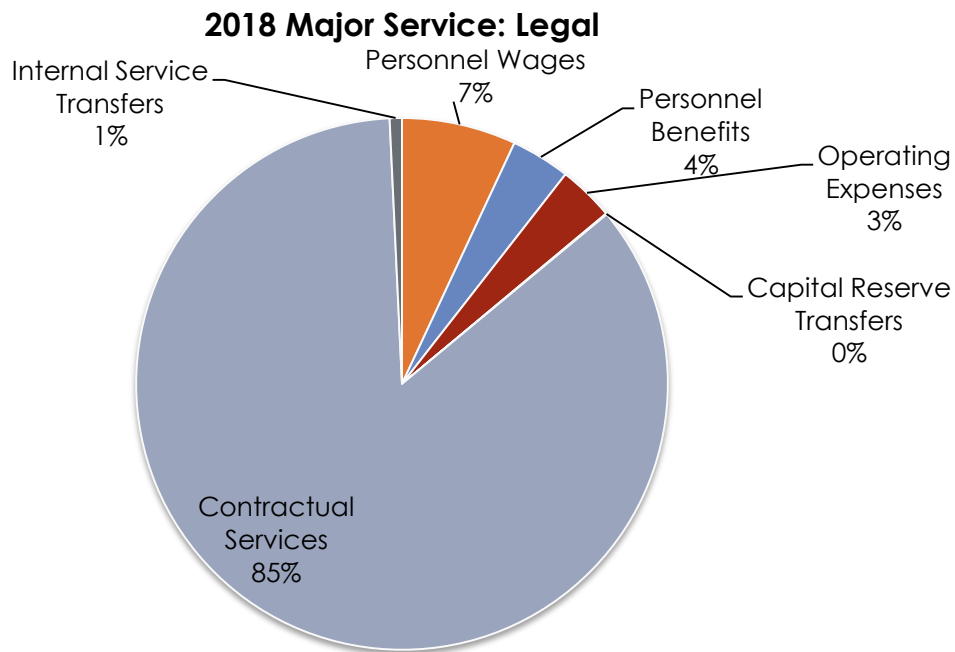
PROGRAM CHANGES OF NOTE

Increase due to the expansion of in-service training opportunities under the new Buffalo Grove Academy- \$20,000 in Training and Development.

MAJOR SERVICE: LEGAL

The legal program is managed by the Director of Human Resources and includes expenses related to the Village's legal activities, including but not limited to the work performed by the Village Attorney, labor & employment Law counsel, and Village Prosecutor. Additionally, contingencies for special counsel related to actual/potential economic development activities, may ultimately be deemed reimbursable to the Village via other sources.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	17,411	20,718	33,591	2,571	34,578	2.94%
Personnel Benefits	12,870	18,300	16,408	1,795	17,887	9.01%
Operating Expenses	12,304	12,630	17,813	12,948	16,880	-5.24%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	2,439	1,434	-	-	-	-
Capital Reserve Transfers	-	-	262	262	262	0.00%
Contractual Services	317,976	374,747	406,238	370,000	424,233	4.43%
Internal Service Transfers	2,782	1,882	-	-	3,706	0.00%
Total Fiscal Services	\$365,782	\$429,711	\$474,312	\$387,576	\$497,546	4.90%

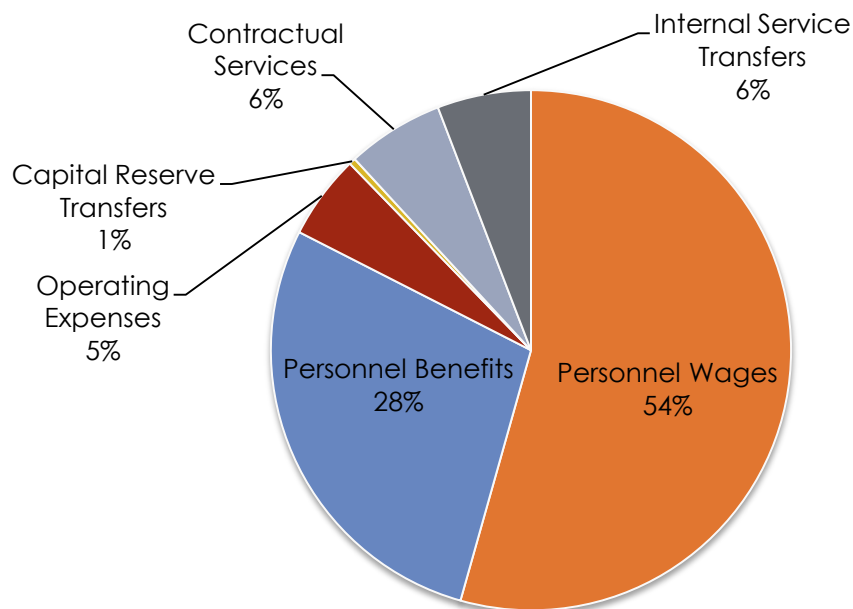


MAJOR SERVICE: RECRUITMENT AND SELECTION

The Human Resources Department is responsible for finding qualified employees, managing the hiring process and selecting the appropriate candidate for the position. This program includes the Fire and Police Commission. The hiring process includes multiple steps and various practices, including the use of application forms, interviews, pre-employment testing, reference and background checks, and employment offers.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	52,236	41,438	62,950	51,414	69,155	9.86%
Personnel Benefits	38,609	36,600	50,052	35,905	35,774	-28.53%
Operating Expenses	7,333	9,645	8,736	7,295	6,661	-23.76%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	-	2,868	-	-	-	-
Capital Reserve Transfers	-	-	521	521	521	0.00%
Contractual Services	-	2,369	4,296	9,200	7,667	78.46%
Internal Service Transfers	-	3,763	4,858	682	7,410	52.56%
Total Fiscal Services	\$98,178	\$96,683	\$131,413	\$105,017	\$127,188	-3.22%

2018 Major Service: Recruitment And Selection

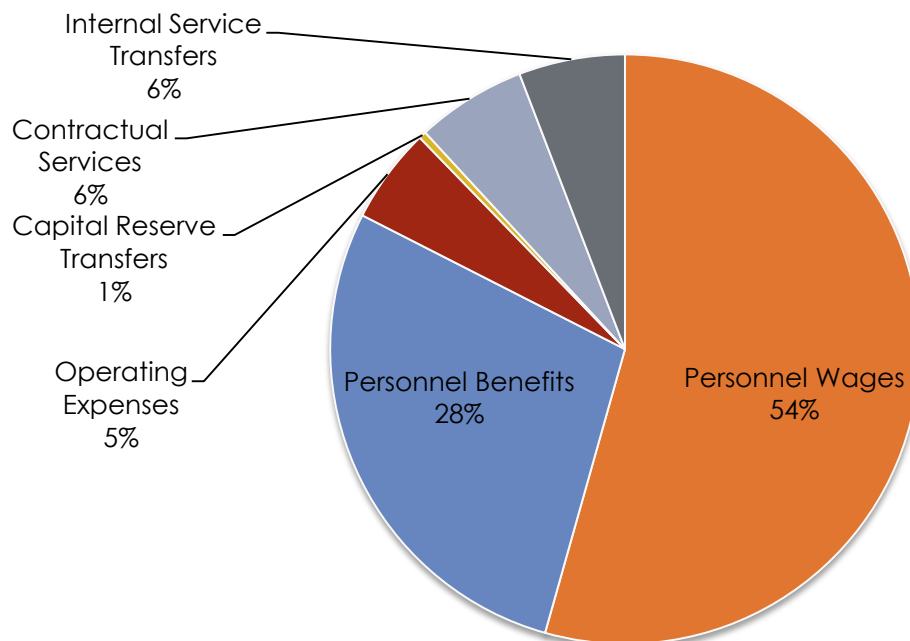


MAJOR SERVICE: BENEFITS ADMINISTRATION

Benefits administration is the process of establishing, maintaining, and managing benefits for the employees of an organization. Employee benefits typically include medical insurance, pension plans, vacation time, sick time, and FMLA leave.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	52,237	62,157	100,774	77,122	103,733	2.94%
Personnel Benefits	38,938	53,979	49,293	53,856	53,660	8.86%
Operating Expenses	13,421	15,400	16,963	10,943	9,990	-41.11%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	7,316	2,619	-	-	-	-
Capital Reserve Transfers	-	-	-	-	-	-
Contractual Services	15,567	3,555	29,514	13,800	11,500	-61.04%
Internal Service Transfers	5,633	5,639	8,314	10,402	11,116	33.70%
Total Fiscal Services	\$133,112	\$143,348	\$204,858	\$166,123	\$190,000	-7.25%

2018 Major Service: Benefits Administration

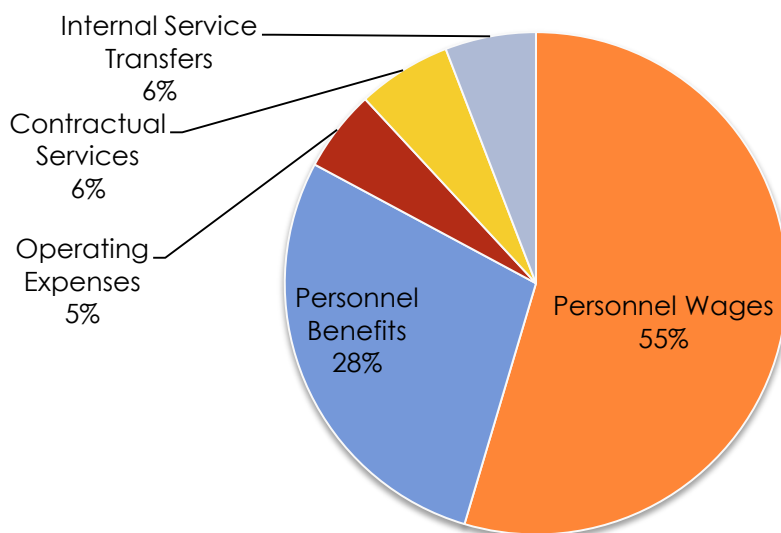


MAJOR SERVICE: RISK MANAGEMENT

Risk management is a program designed to identify potential events that may affect the government and to protect and minimize risks to the government's property, services, and employees. The importance of risk management has been growing steadily for a variety of reasons including legal, political, and medical liability, increased use of technology, and higher litigation costs. The Village utilizes third party administrators, CCMSI and IPRF, to administer claims in cooperation with the Human Resources Department.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	52,237	62,156	100,774	77,122	103,734	2.94%
Personnel Benefits	38,938	53,979	49,293	53,856	53,660	8.86%
Operating Expenses	13,421	15,400	16,963	10,943	9,990	-41.11%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	7,316	2,619	-	-	-	-
Capital Reserve Transfers	-	-	-	-	-	-
Contractual Services	15,567	3,555	29,514	13,800	11,500	-61.04%
Internal Service Transfers	5,633	5,639	8,314	10,402	11,116	33.70%
Total Fiscal Services	\$133,112	\$143,348	\$204,858	\$166,123	\$190,000	-7.25%

2018 Major Service: Risk Management

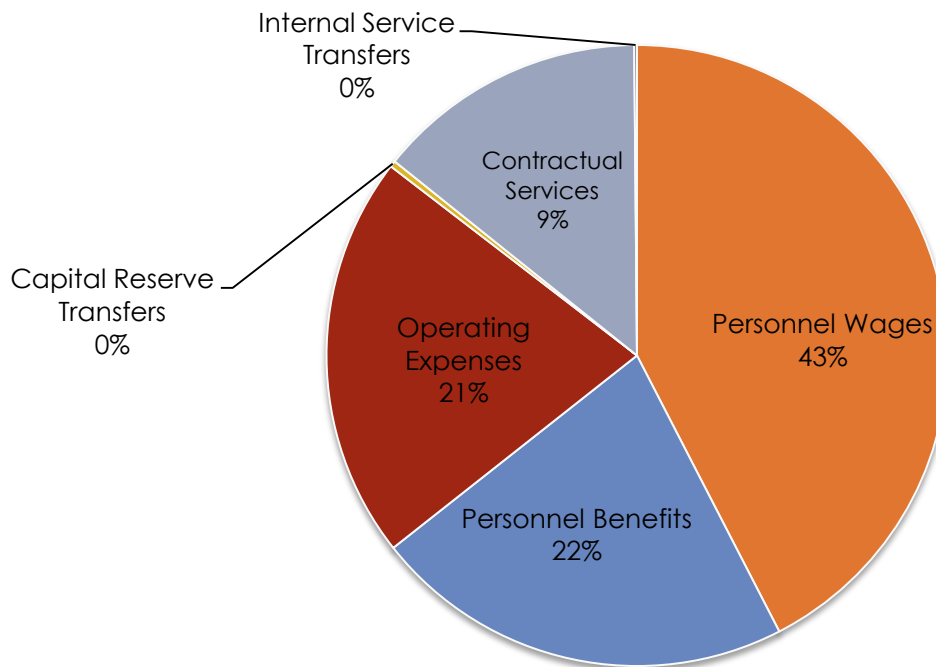


MAJOR SERVICE: TRAINING AND ORGANIZATIONAL DEVELOPMENT

Human Resources coordinates the appropriate training for employees with specific identifiable knowledge and skills for use in their position and to improve employees' abilities to handle a variety of assignments and to cultivate employees' capabilities beyond those required by the current job. This program also includes the Employee Recognition programs such as the Golden Ticket program and Employee Recognition Week.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	17,412	20,719	33,591	2,571	34,578	2.94%
Personnel Benefits	12,870	18,300	16,408	1,795	17,887	9.01%
Operating Expenses	2,444	4,822	4,363	3,648	17,166	293.47%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	2,439	1,434	-	-	-	-
Capital Reserve Transfers	-	-	262	262	262	0.00%
Contractual Services	1,238	1,185	9,838	4,600	11,500	16.89%
Internal Service Transfers	2,102	1,882	-	-	116	0.00%
Total Fiscal Services	\$38,505	\$48,342	\$64,462	\$12,876	\$81,510	26.45%

2018 Major Service: Training And Organizational Development



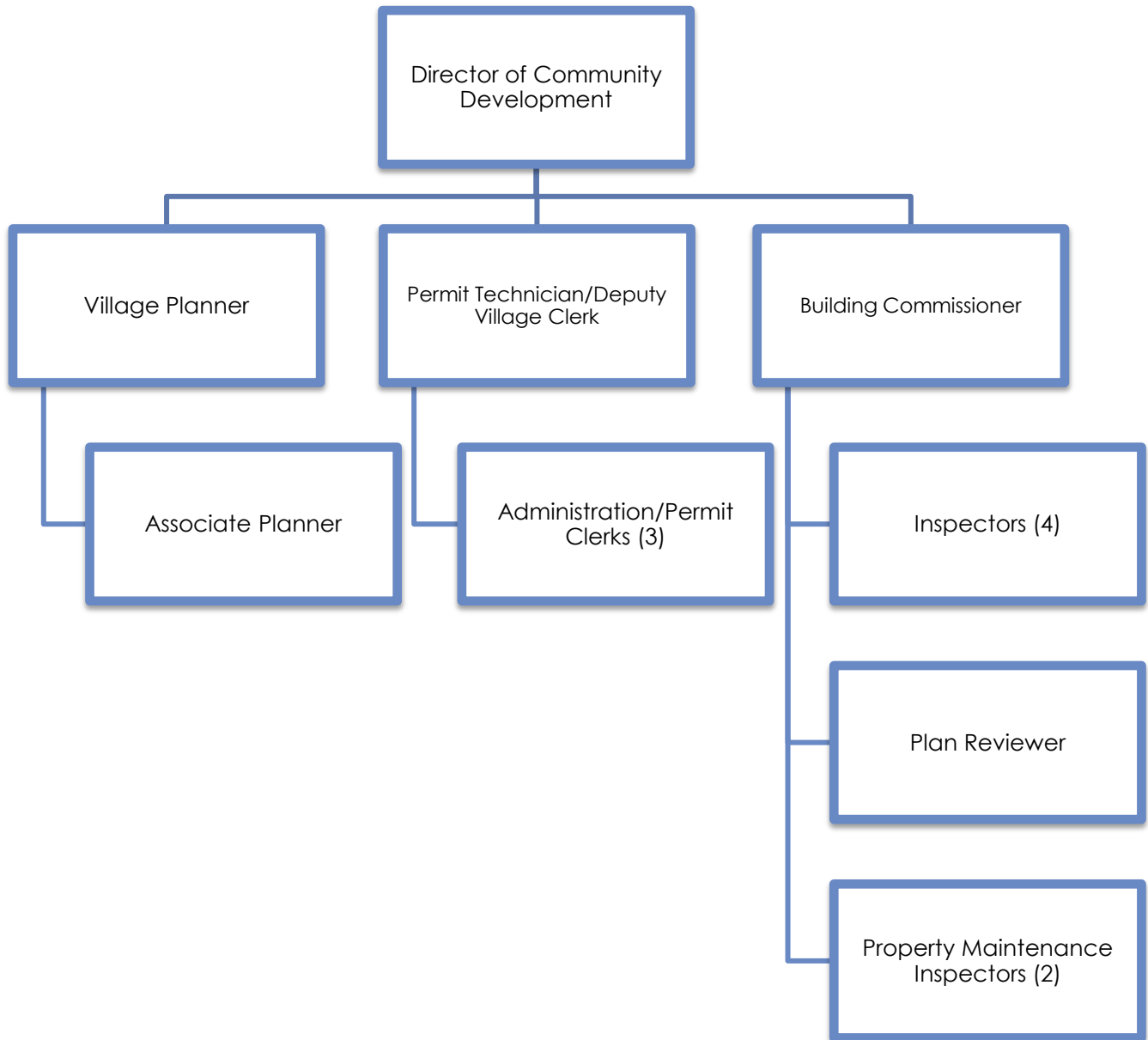
COMMUNITY DEVELOPMENT

The Community Development Department consists of four functions: Administration, Building & Zoning, Environmental Health Services, and Planning & Economic Development. The department reviews plans, issues permits, processes annexation, performs comprehensive planning, zoning reviews, and performs necessary inspections. The department is further responsible for health, housing, and property maintenance inspections to protect the health and well-being of Buffalo Grove's residents.

PROGRAM AREAS

Administration.....	182
Building & Zoning.....	184
Planning & Economic Development.....	188
Environmental Health Services.....	191

2018 COMMUNITY DEVELOPMENT DEPARTMENT STRUCTURE



2018 COMMUNITY DEVELOPMENT STAFFING SUMMARY

The current approved staffing level for the department is 13. The proposed staffing level for 2018 is 15 with the proposed addition of an Associate Planner position and a part-time Property Maintenance Technician to assist with the shard services agreement with Long Grove.

Community Development	FY 2016		FY 2017		FY 2018	
	FT	PT	FT	PT	FT	PT
Administrative Assistant	2	0	2	0	2	0
Associate Planner	0	0	0	0	1	0
Building Commissioner	1	0	1	0	1	0
Building Inspector	1	0	1	0	1	0
Clerk	0	1	0	1	0	1
Community Development Director	1	0	1	0	1	0
Deputy Clerk	1	0	1	0	1	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	1
Total	12	1	12	1	13	2
Full & Part-Time Total	13		13		15	

2018 STAFF TIME BY FUNCTIONAL AREA

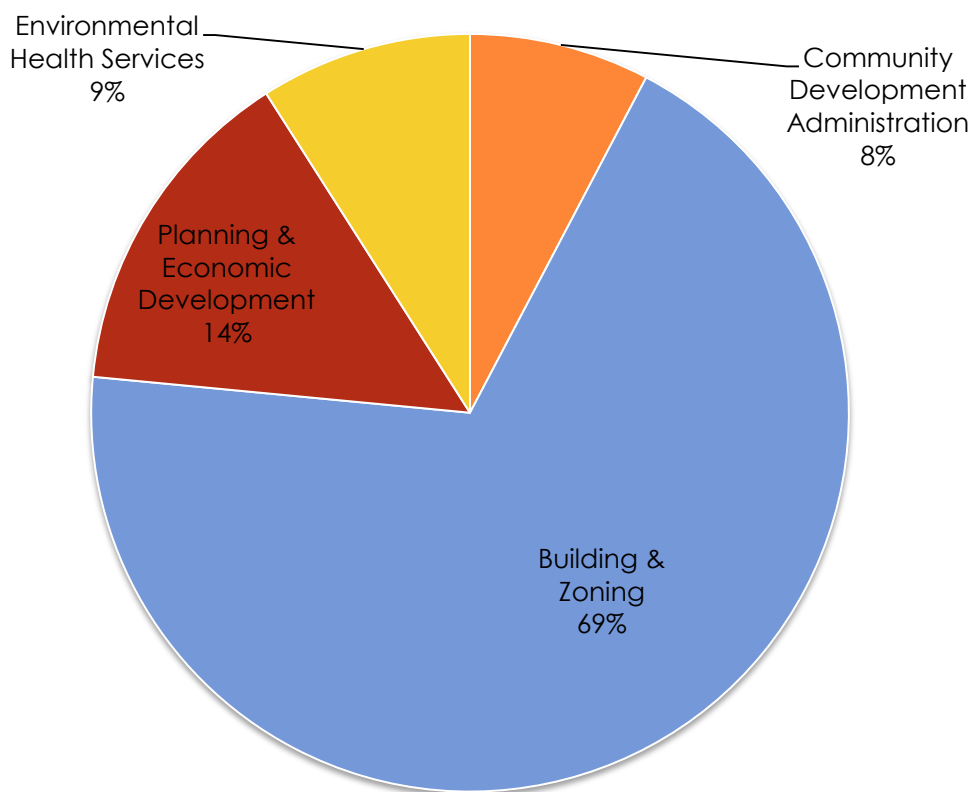
Functional Area (# of Employees)	Number of Employees	Percentage of Resource Allocation Spent Per Functional Area
Community Development Administration	1	8%
Building & Zoning	10	69%
Environmental Health Services	1.5	9%
Planning & Economic Development	2.5	14%



2018 COMMUNITY DEVELOPMENT BUDGET SUMMARY

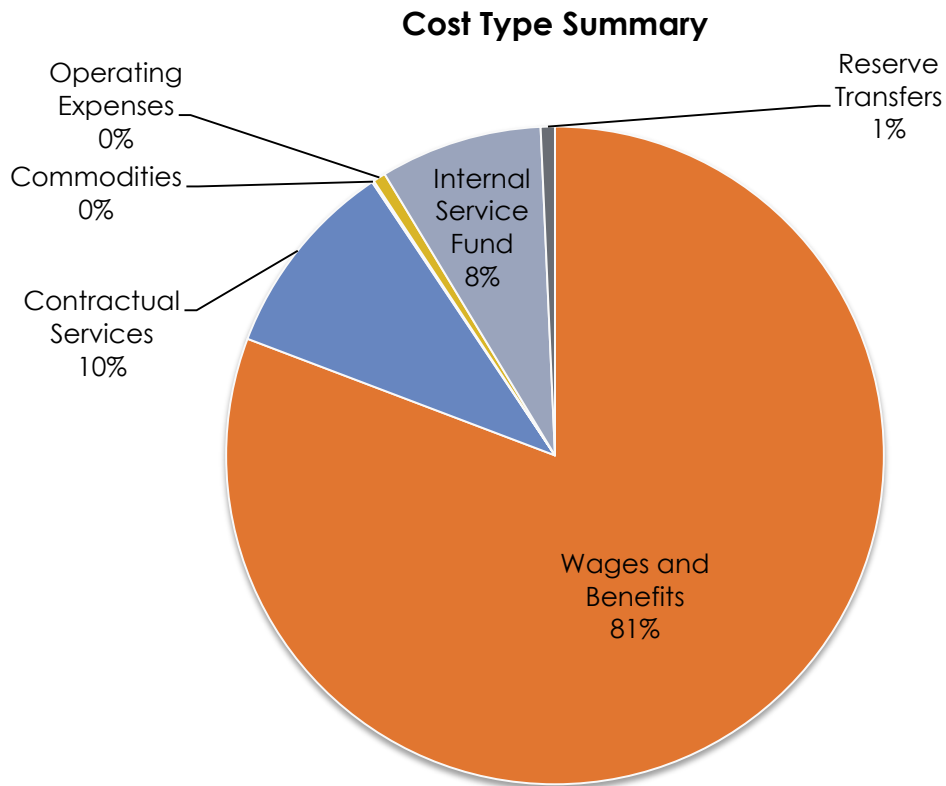
Community Development	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Community Development Administration	130,123	143,331	149,817	159,306	163,906	9.40%
Building & Zoning	1,024,360	1,254,168	1,335,899	1,393,925	1,464,182	9.60%
Planning & Economic Development	219,505	458,183	400,907	298,698	307,325	-23.30%
Environmental Health Services	150,734	175,505	180,990	139,393	192,418	6.30%
Total	\$1,524,722	\$2,031,187	\$2,067,613	\$1,991,322	\$2,127,831	2.90%

2018 Budget Summary



2018 COMMUNITY DEVELOPMENT COST TYPE SUMMARY

Community Development	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Wages	937,979	1,148,076	1,173,076	1,165,393	1,289,675	9.90%
Benefits	391,328	495,627	497,968	469,913	506,347	1.70%
Operating Expenses	11,573	16,007	27,249	10,251	11,649	-57.20%
Commodities	156	1,434	2,000	1,500	1,000	-50.00%
Repairs and Maint	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	13,855	5,800	13,855	0.00%
Contractual Services	61,352	239,528	194,900	179,900	79,000	-59.50%
Internal Services Transfers	122,334	130,515	158,565	158,565	226,305	42.70%
Total	\$1,524,722	\$2,031,187	\$2,067,613	\$1,991,322	\$2,127,831	2.90%



COMMUNITY DEVELOPMENT VARIANCES

Community Development	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Wages	1,173,076	1,165,393	1,289,675	9.90%	The increase is the result of adding an Associate Planner position as well a part-time Property Maintenance Inspector to assist with Long Grove inspections.
Operating Expenses	27,249	10,251	11,649	-57.20%	The decrease is the result of the Village not participating in the Northwest Economic Development Program. The Village had originally budgeted \$15,000 for FY17, however we choose not to participate in the program.
Commodities	2,000	1,500	1,000	-50.00%	Reduced due to historical usage.
Contractual Services	194,900	179,900	79,000	-59.50%	This expense has decreased because the Village will be completing the Lake Cook Corridor study in FY17. The upcoming Comprehensive Plan has been budgeted in the CIP.
Internal Services Transfers	158,565	158,565	226,305	42.70%	Change in the allocation formula

KEY PERFORMANCE MEASURES

General Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Non-Commercial FOIA Response Completed Within 5 Business Days	100% Compliance	95%	100%	100%	100%

Building & Zoning	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Code Enforcement Compliance Within 45 Calendar Days	90% Compliance	92%	91%	98%	95%
Inspection Compliance Rate for First Inspection	75% Compliance	76%	78%	78%	80%
Plan Reviews Completed Within 14 Business Days	90% Compliance	91%	91%	92%	90%
Annual Rental License	100% Compliance	85%	96%	98%	100%

Planning & Economic Development	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Planning & Zoning Commission Public Hearing Notification Requirements	100% Compliance	100%	97%	100%	100%
Planning & Zoning Commission Cases Recommended to the Village Board Within 30 days	100% Compliance	80%	95%	100%	100%

Health Inspections	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Food Establishment Compliance Rate for First Inspection	80% Compliance	86%	87%	84%	85%

STRATEGIC PLANNING



The Village Board directed staff to update the 2013-2018 Plan through the development of revised strategic planning priorities. The updated plan is comprised of five overarching Strategic Planning Priorities based on feedback received from employees, senior staff, and the Village Board. These priorities direct the development of the annual budget and guide the Village's work throughout program areas. The five overarching Strategic Planning Priorities are as follows: Service Optimization, Financial Stability, Collaboration, Economic Development, and Infrastructure Sustainability. Each department has unique strategic goals, initiatives, and action steps however, they may not have them in each priority. All goals were identified as near, mid, or long term. Only the near term goals affecting this budget are listed.

ECONOMIC DEVELOPMENT



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.

Action Step	Strategic Initiative	Budget Program	Priority
Enhance Forms and Processes	Economic Growth	Planning and ED	Medium
Recognize Business Achievement	Economic Growth	Planning and ED	Medium
Meet and Greet for New Businesses	Economic Growth	Planning and ED	Medium
Business E-Newsletter	Economic Growth	Planning and ED	Medium
On-Site Visits	Economic Growth	Planning and ED	Medium
Update the Comprehensive Plan	Land Use and Development	Planning and ED	High
Regional Transportation Projects	Quality of Life	Planning and ED	Low

PROGRAM AREA: ADMINISTRATION

The Administration division is responsible for leading the department and ensuring orderly development, redevelopment, and property maintenance within the Village of Buffalo Grove.



MAJOR SERVICES

General Administration

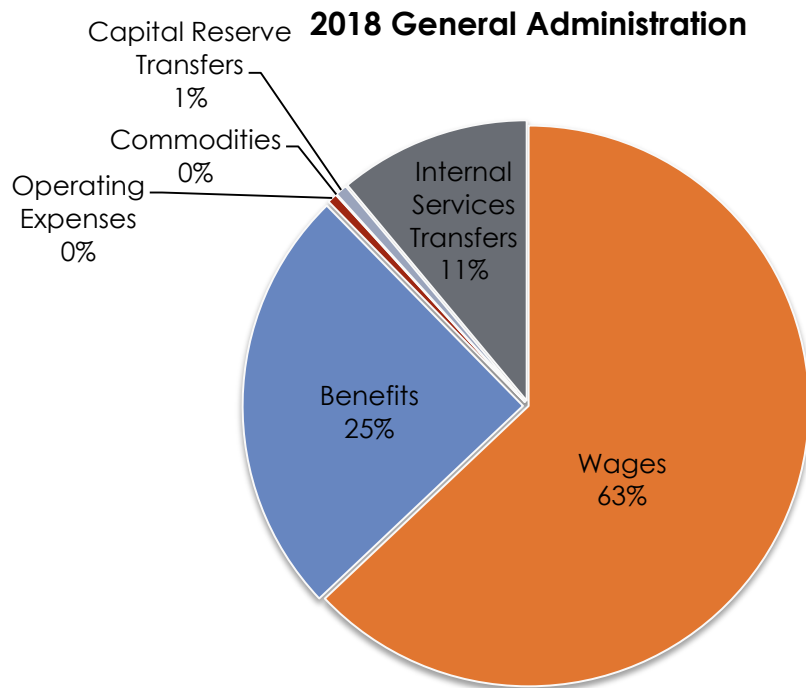
PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

MAJOR SERVICE: GENERAL ADMINISTRATION

The General Administration service includes administering the department and ensuring orderly development, redevelopment, and property maintenance within the Village of Buffalo Grove.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Wages	75,038	91,846	93,846	93,231	103,174	9.90%
Benefits	31,306	39,650	39,837	37,593	40,508	1.70%
Operating Expenses	926	1,279	2,180	820	932	-57.20%
Commodities	12	115	160	120	80	-50.00%
Repairs and Maintenance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	1,108	464	1,108	0.00%
Contractual Services	13,054	-	-	14,392	-	0.00%
Internal Services Transfers	9,787	10,441	12,685	12,685	18,104	42.70%
Total General Administration	\$130,123	\$143,331	\$149,817	\$159,306	\$163,906	9.40%



PROGRAM AREA: BUILDING & ZONING

The Building & Zoning division provides for the administration, plan review and inspection of all new residential, commercial, and industrial construction, existing structures, and all businesses pursuant to Village ordinances, codes, and applicable State Statutes. This program includes the following services:

- Property Maintenance, Zoning and Rental Enforcement
- Permitting and Inspections
- Building Permit Plan Review



MAJOR SERVICES

Property Maintenance, Zoning, and Rental Enforcement
Permitting and Inspections
Building Permit Plan Review

PROGRAM CHANGES OF NOTE

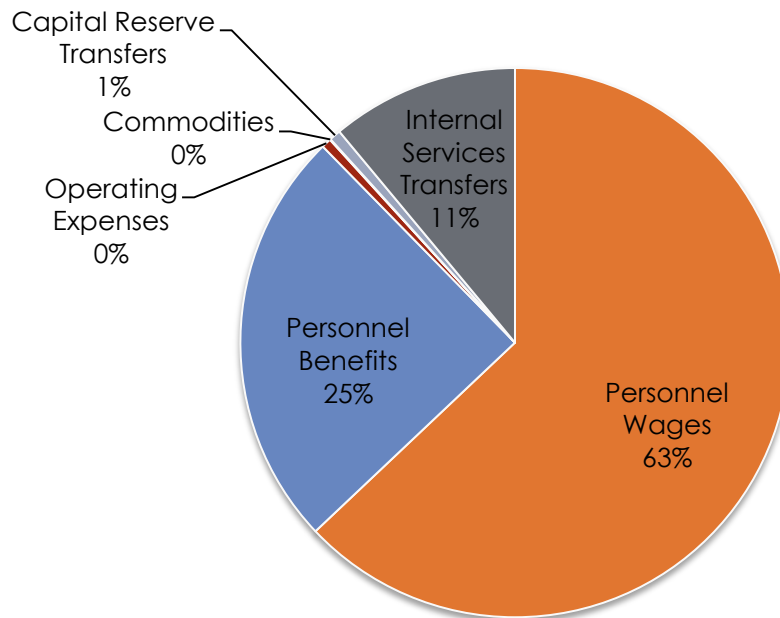
The Building & Zoning division proposes to add a part-time Property Maintenance Technician. This position will be funded by an inter-governmental agreement between Buffalo Grove and the Village of Long Grove.

MAJOR SERVICE: PROPERTY MAINTENANCE AND RENTAL ENFORCEMENT

Property Maintenance and Rental Enforcement services include all property maintenance and zoning inspections to ensure all properties within the Village are properly maintained. This service is also responsible for licensing and inspecting all rental dwellings in Buffalo Grove as well as property maintenance inspections for the Village of Long Grove.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	196,976	241,096	246,346	244,733	270,832	9.90%
Personnel Benefits	82,179	104,082	104,573	98,682	106,333	1.70%
Operating Expenses	2,430	3,357	5,722	2,153	2,446	-57.20%
Commodities	33	301	420	315	210	-50.00%
Repairs and Maintenance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	2,910	1,218	2,910	0.00%
Contractual Services	-	-	-	37,779	-	-
Internal Services Transfers	25,690	27,408	33,299	33,299	47,524	42.70%
Total Property Maintenance and Rental Enforcement	\$307,308	\$376,244	\$393,270	\$418,178	\$430,255	9.40%

2018 Property Maintenance and Rental Enforcement

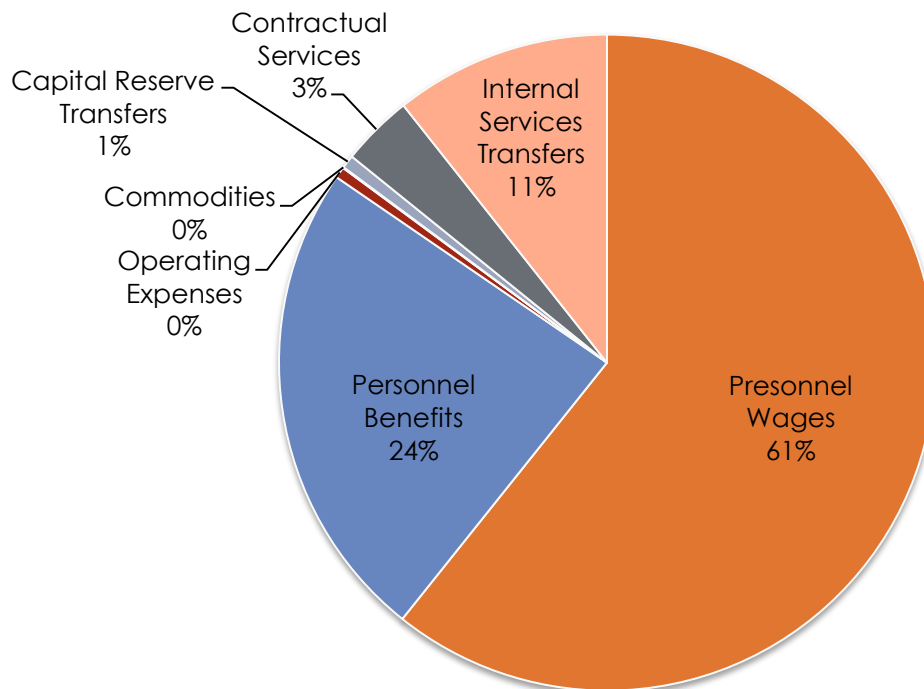


MAJOR SERVICE: PERMITTING & INSPECTIONS

The Permitting and Inspections services include the issuance of permits and inspections of all residential and commercial permits within the Village.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	375,192	459,231	469,230	466,157	515,870	9.90%
Personnel Benefits	156,531	198,251	199,187	187,965	202,539	1.70%
Operating Expenses	4,629	6,415	10,900	4,100	4,660	-57.20%
Commodities	62	574	800	600	400	-50.00%
Repairs and Maintenance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	5,542	2,320	5,542	0.00%
Contractual Services	-	-	25,000	71,960	30,000	20.00%
Internal Services Transfers	48,934	52,206	63,426	63,426	90,522	42.70%
Total Permitting and Inspections	\$585,348	\$716,677	\$774,085	\$796,529	\$849,532	9.70%

2018 Permitting and Inspections

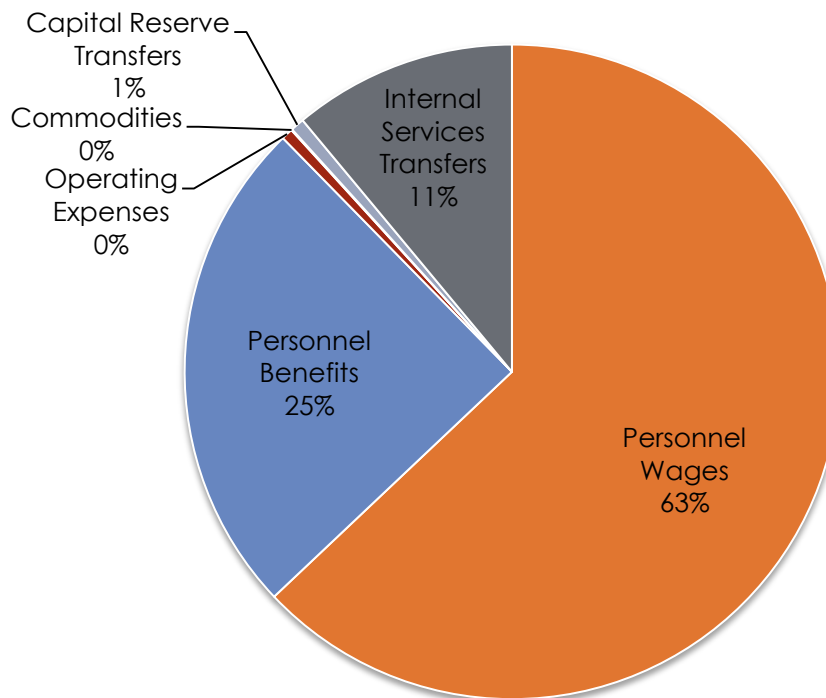


MAJOR SERVICE: PLAN REVIEW

Plan Review services include plan reviews of all new residential, commercial, and industrial construction, existing structures, and all businesses pursuant to Village ordinances, codes, and applicable state statutes.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	84,418	103,327	105,577	104,885	116,071	9.90%
Personnel Benefits	35,220	44,606	44,817	42,292	45,571	1.70%
Operating Expenses	1,042	1,439	2,452	923	1,048	-57.20%
Commodities	14	129	180	135	90	-50.00%
Repairs and Maintenance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	1,247	522	1,247	0.00%
Contractual Services	-	-	-	16,191	-	-
Internal Services Transfers	11,010	11,746	14,271	14,271	20,367	42.70%
Total Plan Review	\$131,704	\$161,247	\$168,544	\$179,219	\$184,395	9.40%

2018 Plan Review



PROGRAM AREA: PLANNING & ECONOMIC DEVELOPMENT

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



MAJOR SERVICES

Planning Services
Planning & Zoning Commission

PROGRAM CHANGES OF NOTE

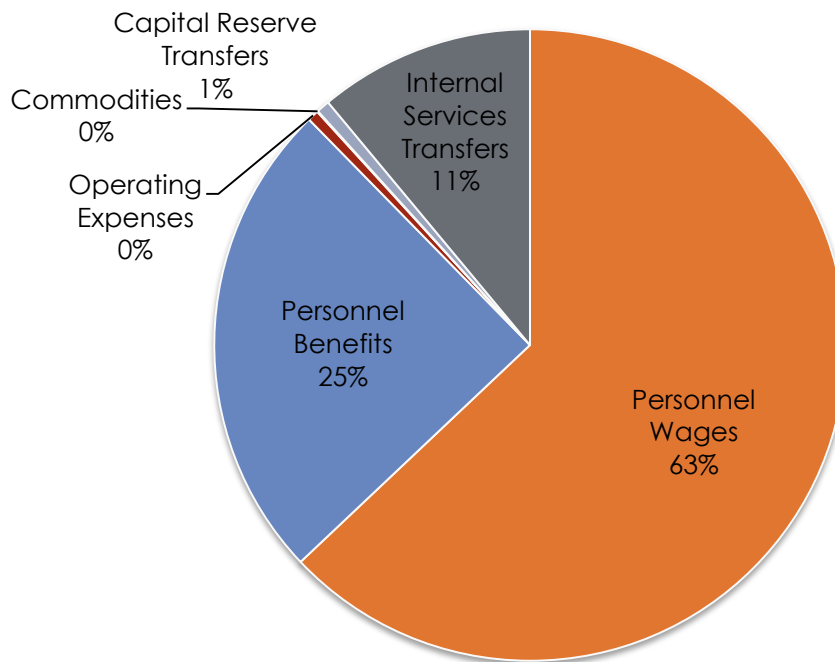
The Planning & Economic Development division proposes to add an Associate Planner position. The Associate Planner will be responsible for assisting with day to day planning and zoning operations including reviewing building permits for Zoning and Sign Code compliance, managing minor Planning & Zoning Commission cases and assisting with economic development efforts. Reductions in costs are attributed to the completion of the Lake Cook Corridor study. The 2018/19 Comprehensive Plan has been budgeted as part of the Capital Improvement Plan.

MAJOR SERVICE: PLANNING SERVICES

Planning Services include reviewing new development and redevelopment proposals, implementing economic development strategies, administering the comprehensive plan, enforcing the Sign Code, and preparing long-range plans.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	103,178	126,288	129,038	128,193	141,864	9.90%
Personnel Benefits	43,046	54,519	54,776	51,690	55,698	1.70%
Operating Expenses	1,273	1,759	2,997	1,128	1,281	-57.20%
Commodities	17	158	220	165	110	-50.00%
Repairs and Maintenance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	1,524	638	1,524	0.00%
Contractual Services	-	189,437	120,000	19,789	-	-100.00%
Internal Services Transfers	13,457	14,357	17,442	17,442	24,894	42.70%
Total Planning Services	\$160,971	\$386,518	\$325,998	\$219,045	\$225,371	-30.90%

2018 Planning Services

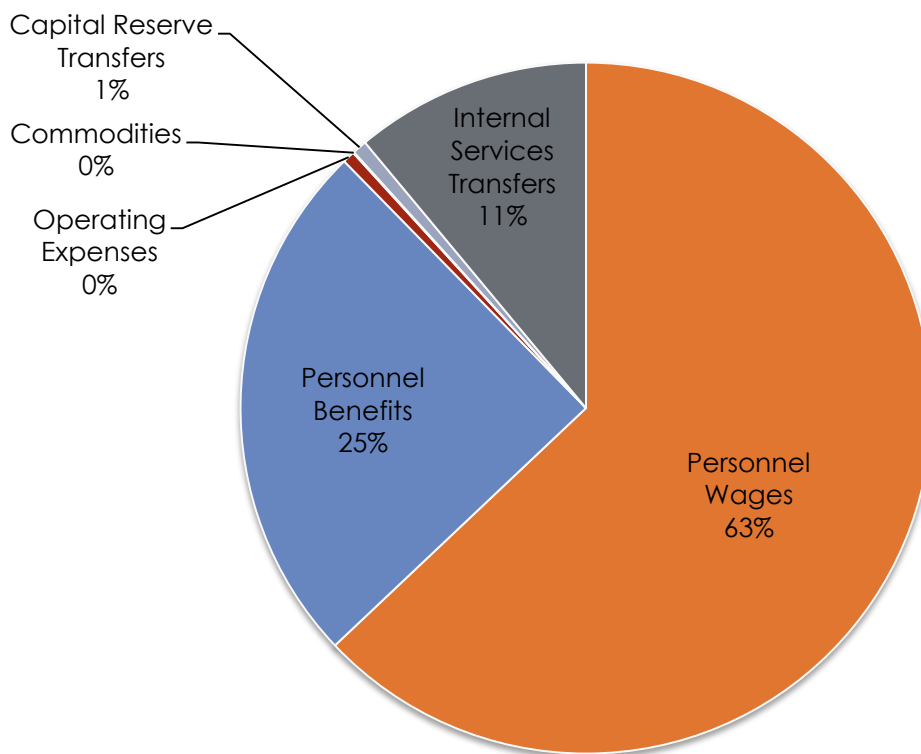


MAJOR SERVICE: PLANNING AND ZONING COMMISSION

The Planning & Zoning Commission is responsible for hearing special uses, variations and all other development proposals within the Village. This division is responsible for oversight of the Village's Planning & Zoning Commission.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	37,519	45,923	46,923	46,616	51,587	9.90%
Personnel Benefits	15,653	19,825	19,919	18,797	20,254	1.70%
Operating Expenses	463	639	1,090	410	466	-57.20%
Commodities	6	57	80	60	40	-50.00%
Repairs and Maintenance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	554	232	554	0.00%
Contractual Services	-	-	-	7,196	-	-
Internal Services Transfers	4,893	5,221	6,343	6,343	9,052	42.70%
Total Planning and Zoning Commission	\$58,534	\$71,665	\$74,909	\$79,653	\$81,953	9.40%

2018 Planning and Zoning Commission



PROGRAM AREA: ENVIRONMENTAL HEALTH SERVICES

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.



MAJOR SERVICES

Health Inspections

PROGRAM CHANGES OF NOTE

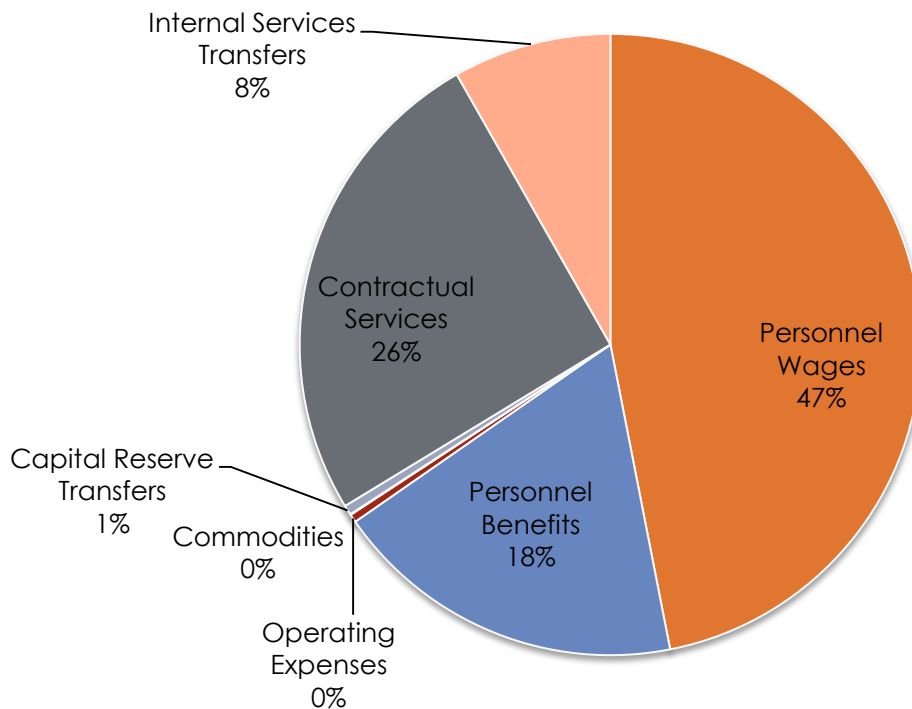
No additional personnel or programs requested in 2018.

MAJOR SERVICE: HEALTH INSPECTIONS

Health Inspections services includes 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.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	65,659	80,365	82,115	81,578	90,277	9.90%
Personnel Benefits	27,393	34,694	34,858	32,894	35,444	1.70%
Operating Expenses	810	1,119	1,907	718	815	-57.20%
Commodities	11	100	140	105	70	-50.00%
Repairs and Maintenance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	970	406	970	0.00%
Contractual Services	48,298	50,091	49,900	12,593	49,000	-1.80%
Internal Services Transfers	8,563	9,136	11,100	11,100	15,841	42.70%
Total Health Services	\$150,734	\$175,505	\$180,990	\$139,393	\$192,418	6.30%

2018 Health Services



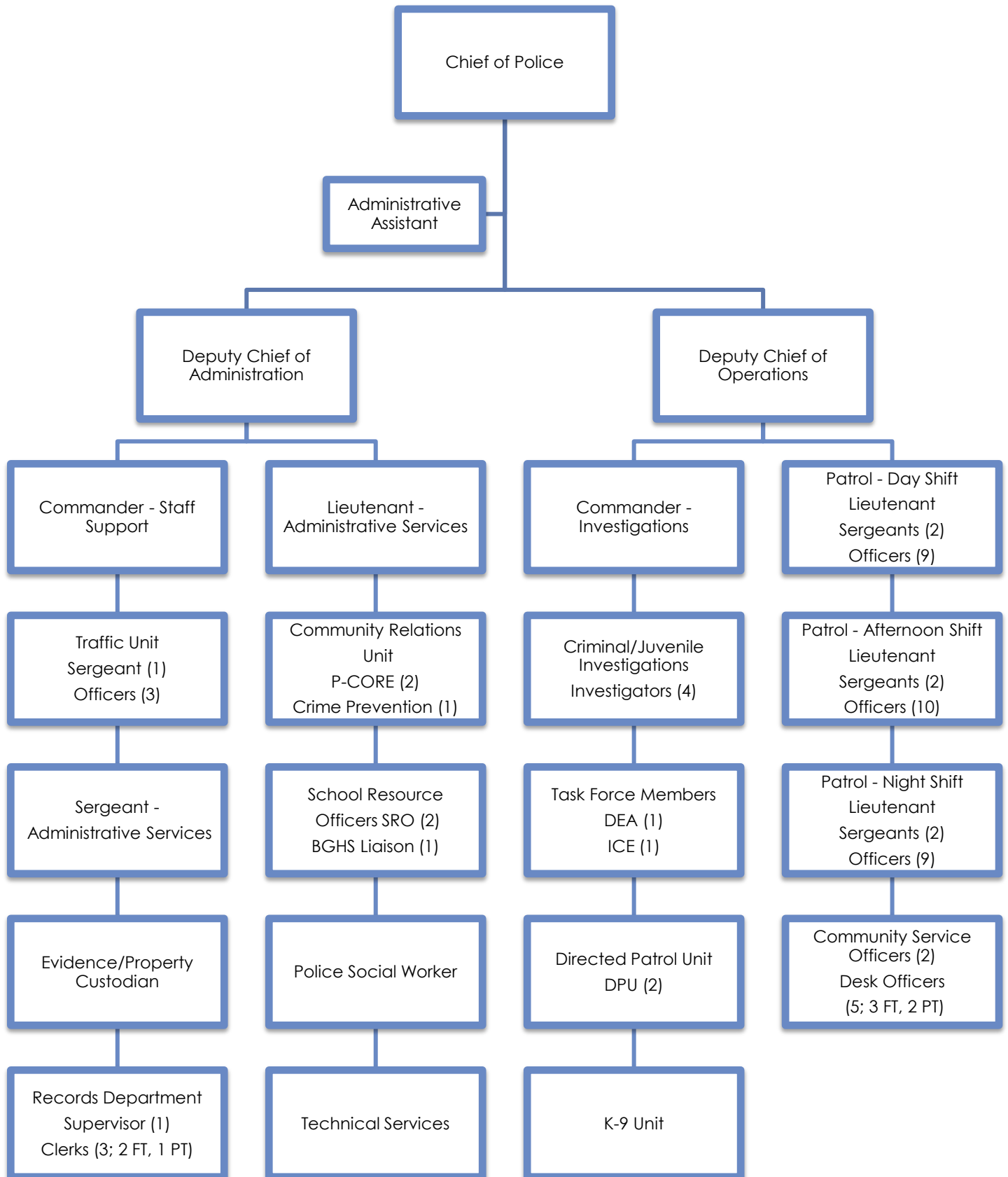
POLICE DEPARTMENT

The Buffalo Grove Police Department is currently staffed by 63 sworn and 20 civilian personnel, providing law enforcement services to a community of 41,778 residents. The department is led by the Chief of Police and is structured into two divisions, Administration and Operations. Each Division is led by a Deputy Chief, with a supporting chain of command consisting of officers and civilian personnel, sergeants, lieutenants, and commanders. The Administrative Division consists of Administrative Services and Staff Support, while the Operations Division contains Patrol and the Investigations group. All of these groups and divisions within the Buffalo Grove Police Department work in concert to promote public safety and serve the community with pride, professionalism, and integrity.

PROGRAM AREAS

Administration.....	201
Operations.....	203
Services & Support.....	206

2018 POLICE DEPARTMENT STRUCTURE



2018 POLICE DEPARTMENT STAFFING SUMMARY

The current approved staffing level for the department is 83 full and part time employees.

Police Services	FY 2016		FY 2017		FY 2018	
	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	2	0	2	0	2	0
Crossing Guard	0	9	0	5	0	5
Deputy Police Chief	2	0	2	0	2	0
Desk Officer	2	2	3	2	3	2
Evidence Custodian	1	1	1	0	1	0
Lieutenant	4	0	4	0	4	0
Patrol Officer	47	0	46	0	46	0
Police Commander	2	0	2	0	2	0
Police Sergeant	8	0	8	0	8	0
Records Supervisor	1	0	1	0	1	0
Social Worker	0	1	1	0	1	0
Technical Services Administrator	1	0	1	0	1	0
Administrative Assistant	1	0	1	0	1	0
Total	74	13	75	8	75	8
Full & Part-Time Total	84		83		83	

2018 STAFF TIME BY FUNCTIONAL AREA

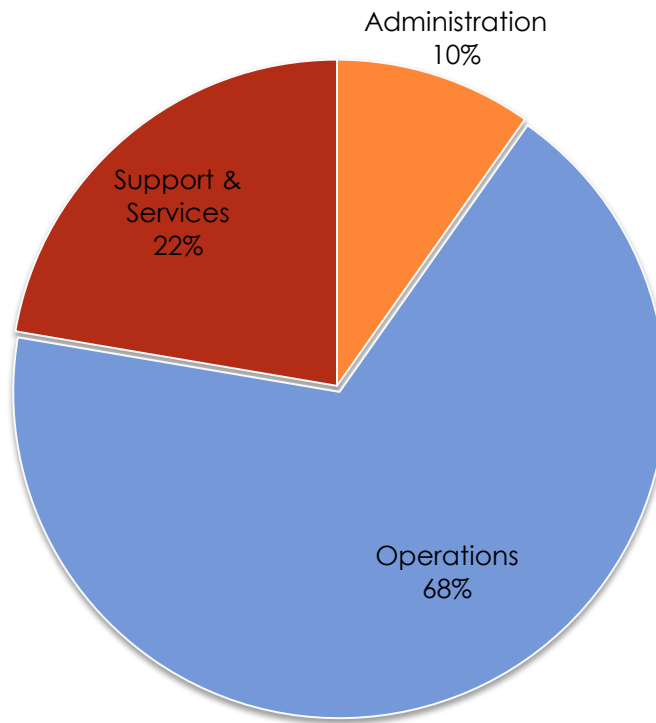
Functional Area (# of Employees)	Number of Employees	Percentage of Resource Allocation Spent Per Functional Area
Administration Division	6.0	9.79%
Patrol Operations	43.0	53.66%
Investigations Operations	10.0	14.06%
Traffic Unit/Crossing Guards	6.5	5.81%
Training	1.0	2.05%
Community Relations/Social Worker/SRO	7.0	8.60%
Records	3.5	3.29%
Tech Services	1.0	1.31%
Property and Evidence	10.0	1.43%



2018 POLICE PROGRAM BUDGET SUMMARY

	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Administration	1,054,637	1,426,034	1,441,255	1,441,255	1,495,072	3.73%
Operations	10,468,991	9,574,227	10,104,545	10,062,699	10,383,427	2.76%
Services & Support	1,989,395	2,740,931	3,337,180	3,337,180	3,414,194	2.31%
Total	\$13,513,023	\$13,741,192	\$14,882,980	\$14,841,134	\$15,292,698	2.75%

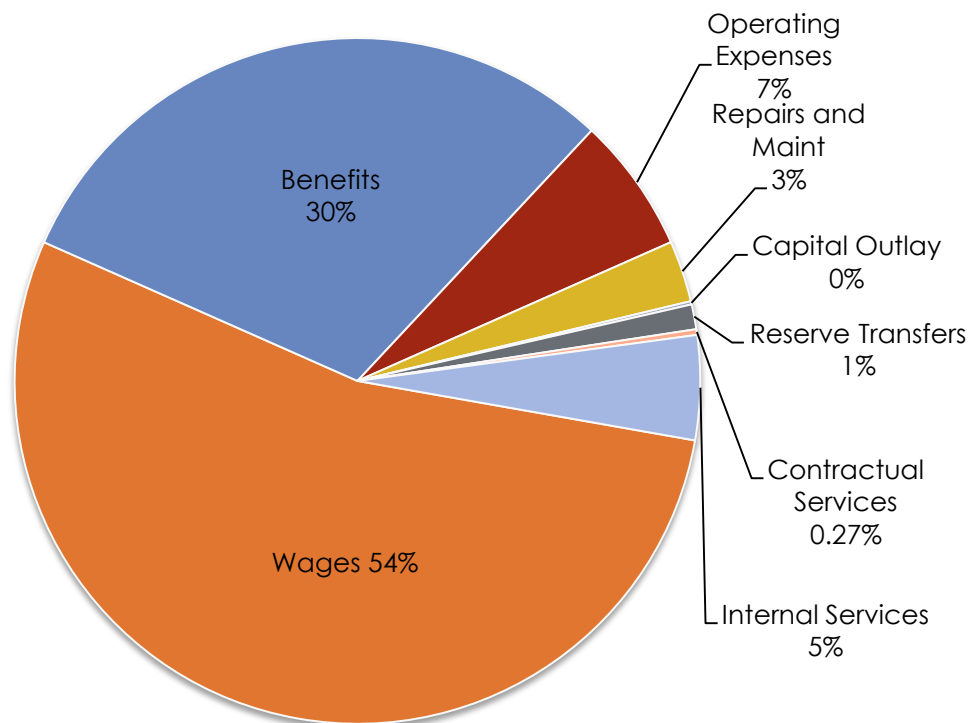
Program Budget Summary



2018 POLICE COST TYPE SUMMARY

	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17- FY18
Wages	7,433,349	7,546,577	8,022,110	8,004,567	8,235,458	2.66%
Benefits	4,013,992	4,250,870	4,496,642	4,472,340	4,639,585	3.18%
Operating Expenses	854,556	964,651	957,043	957,043	978,446	2.24%
Commodities	-	-	-	-	-	-
Repairs and Maintenance	475,542	366,372	489,554	489,554	442,960	-9.52%
Capital Outlay	14,698	7,314	23,450	23,450	23,452	0%
Reserve Transfers	-	-	178,915	178,916	178,916	0%
Contractual Services	71,148	41,148	41,148	41,148	41,148	0%
Internal Services	489,938	564,260	674,117	674,116	752,733	11.66%
Total	\$13,513,023	\$13,741,192	\$14,882,980	\$14,841,134	\$15,292,698	2.75%

2018 Cost Type Summary



POLICE DEPARTMENT VARIANCES

Police Department	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Repairs and Maintenance	489,555	489,555	442,960	-9.52%	Variance caused by changes in maintenance schedules
Internal Services	674,116	674,116	752,734	11.66%	Change in the allocation formula

KEY PERFORMANCE MEASURES

Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Leadership Training Hours	750	727	1032	1500	1500
Patrol	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Crime Op Cards	1,130	1,395	915	1,080	1,150
Directed Patrol	95	N/A	75	115	120
Investigations	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Criminal Cases Cleared	154	194	183	127	127
K-9 Sniffs/ Searches	174	N/A	144	204	230
Administrative Services	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Community Special Events	50	46	68	70	80
Social Worker Cases	350	223	410	600	600
Staff Support	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Truck Enforcement Investigations	175	167	190	200	215
Crashes	1350	1,446	1,473	1400	1375
Department Training Hours	7000	7,488	8,000	7000	7000
FOIA Requests Completed	450	425	467	430	470
Evidence Collected	1,000	1,119	1,366	1,100	1,200

STRATEGIC PLANNING



The Village Board directed staff to update the 2013-2018 Plan through the development of revised strategic planning priorities. The updated plan is comprised of five overarching Strategic Planning Priorities based on feedback received from employees, senior staff, and the Village Board. These priorities direct the development of the annual budget and guide the Village's work throughout program areas. The five overarching Strategic Planning Priorities are as follows: Service Optimization, Financial Stability, Collaboration, Economic Development, and Infrastructure Sustainability. Each department has unique strategic goals, initiatives, and action steps however, they may not have them in each priority. All goals were identified as near, mid, or long term. Only the near term goals affecting this budget are listed.

COLLABORATION



Action Step	Strategic Initiative	Budget Program	Priority
Police Sponsored Neighborhood Meetings	Citizen Engagement	Community Relations	High
Supervisor Training Program	Employee Development and Recognition	Training	High

SERVICE OPTIMIZATION



Action Step	Strategic Initiative	Budget Program	Priority
Share Administrative Adjudication Services	Intergovernmental Partnerships	Tech Services	Medium
Sell Overweight Truck Enforcement Services	Intergovernmental Partnerships	Traffic Unit	Medium

PROGRAM AREA: ADMINISTRATION

The Administration of the Buffalo Grove Police Department is led by the Chief of Police. It is the Chief's responsibility to provide direction and functional supervision over sworn and non-sworn management, professional, technical, administrative, dispatch, and contracted law enforcement personnel of the police department. The Office of the Chief plans, organizes, coordinates, and directs the Village's comprehensive police services and law enforcement program. Administration manages and develops the department budget, policies, general orders, accreditation, community outreach, agency goals & objectives and training methods. This area's sole major service is to provide the key leadership of the organization in directing the aforementioned areas.



MAJOR SERVICES

Administration

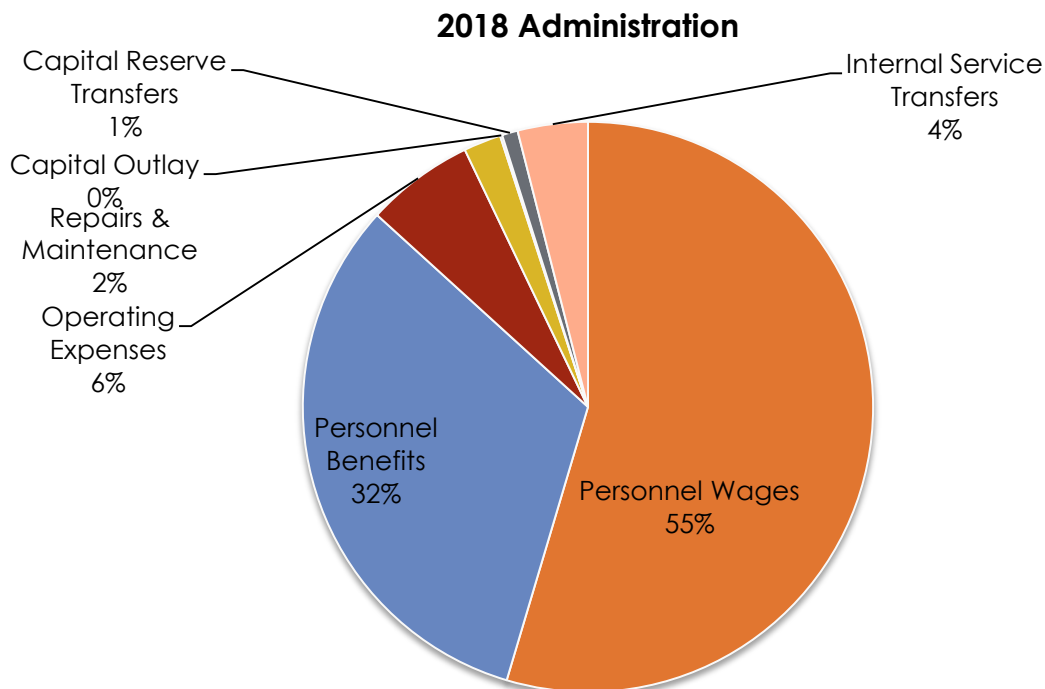
PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

MAJOR SERVICE: ADMINISTRATION

Department leadership strives to ensure the entire department's overall mission, goals, and objectives are accomplished in a professional, efficient, and fiscally responsible manner.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual.	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	592,561	776,228	785,522	785,522	816,372	3.93%
Personnel Benefits	322,526	429,858	464,288	464,288	480,576	3.51%
Operating Expenses	66,727	145,069	87,898	87,898	91,831	4.47%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	36,340	26,915	34,687	34,687	31,681	-8.67%
Capital Outlay	3,601	614	1,864	1,864	1,851	-0.66%
Capital Reserve Transfers	-	-	13,424	13,424	13,335	-0.66%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	32,882	47,350	53,572	53,572	59,426	10.93%
Total Major Service	\$1,054,637	\$1,426,034	\$1,441,255	\$1,441,255	\$1,495,072	3.73%



PROGRAM AREA: OPERATIONS

The Operations Division is led by a Deputy Chief and is divided into two sections; Patrol and Investigations. The Patrol Section is the uniformed division and most visible part of the police department. The three shifts (day, evening, & night) respond to a myriad of calls for service, ranging from the simplest lockout of a vehicle to a violent domestic dispute. These officers are at the forefront of all citizen encounters with the police department. Investigations are led by a Commander and include the Investigations & Youth Section, which is comprised of four Investigators. In addition, the department has one officer assigned to the Drug Enforcement Agency Task Force, and one Investigator assigned to the Homeland Security Department – Immigrations and Customs Enforcement Task Force. The Directed Patrol Unit (DPU) is also under the direction of the Investigations Commander. They, along with the K-9 officer, focus on drug activity and other criminal activity throughout the Village.



MAJOR SERVICES

Patrol
Investigations

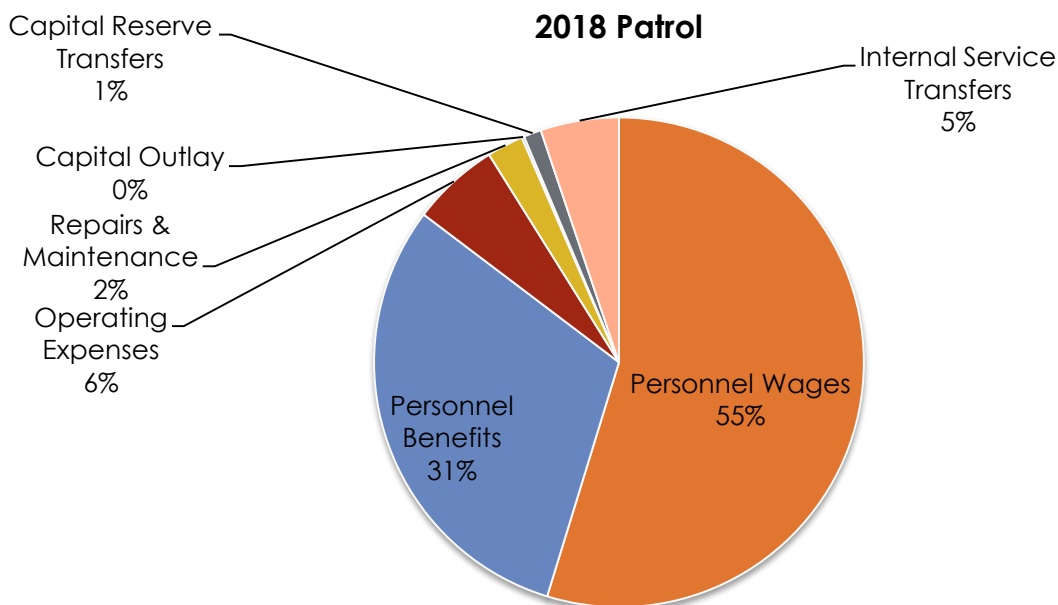
PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

MAJOR SERVICE: PATROL

Patrol consists of three watches – day, afternoon, and night. Each is supervised by one Lieutenant and two Sergeants. This section also includes two Community Service Officers (CSO), two full-time Desk Officers and three part-time Desk Officers. The Patrol Section is the forefront of the police department. Officers assigned to patrol wear their uniform daily and are the first on scene any time a person calls 911. Patrol responds to a multitude of calls for service, including: automobile/ traffic crashes, domestic disputes, robberies, medical emergencies and burglaries, among many more.

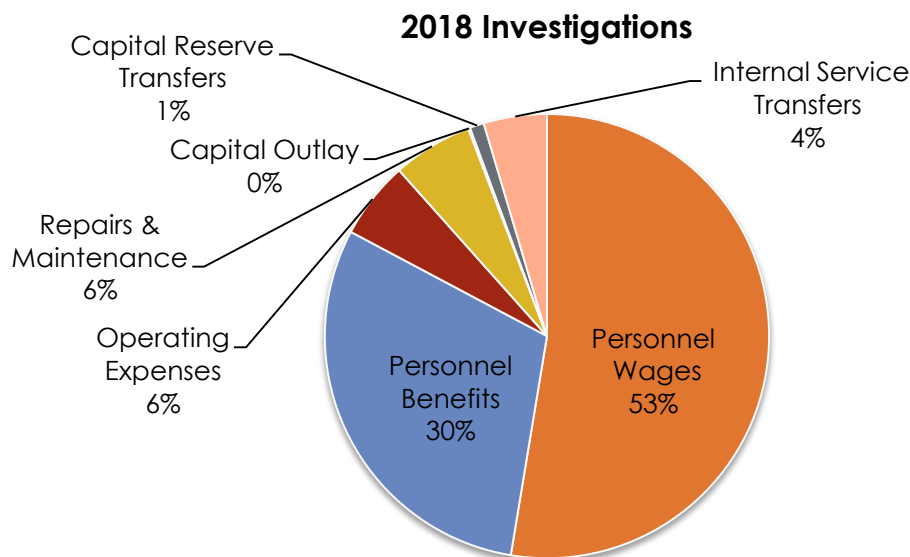
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	4,695,379	4,549,412	4,411,331	4,393,787	4,505,691	2.14%
Personnel Benefits	2,547,770	2,575,582	2,442,929	2,418,627	2,515,865	2.99%
Operating Expenses	454,834	516,104	469,505	469,505	476,715	1.54%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	252,091	182,864	218,812	218,812	197,769	-9.62%
Capital Outlay	129,752	4,962	13,200	13,200	13,268	0.51%
Capital Reserve Transfers	-	-	95,085	95,085	95,570	0.51%
Contractual Services	30,000	-	-	-	-	-
Internal Service Transfers	312,378	382,750	379,469	379,469	425,889	12.23%
Total Patrol	\$8,422,204	\$8,211,674	\$8,030,331	\$7,988,485	\$8,230,767	2.50%



MAJOR SERVICE: INVESTIGATIONS

The Investigations Section has several key components. The criminal and juvenile investigators follow up on criminal matters ranging from homicide to theft. These investigators are generally plain clothes officers who utilize a variety of investigative tools such as computers, gps tracking devices, unmarked/undercover vehicles and are the final authority in criminal investigations. Another component of the Investigations unit is the Directed Patrol Unit. Along with the K-9 officer, they focus on drug activity and other criminal activity throughout the Village. Task force investigators are assigned to duties with the Drug Enforcement Agency and the Department of Homeland Security.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	1,095,995	728,190	1,085,285	1,085,285	1,132,479	4.35%
Personnel Benefits	610,610	410,482	618,594	618,594	649,302	4.96%
Operating Expenses	120,330	84,347	116,826	116,826	121,307	3.84%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	117,464	83,576	138,743	138,743	125,216	-9.75%
Capital Outlay	30,048	716	3,106	3,106	3,086	-0.66%
Capital Reserve Transfers	-	-	22,373	22,373	22,226	-0.66%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	72,340	55,242	89,287	89,287	99,044	10.93%
Total Investigations	\$2,046,787	\$1,362,553	\$2,074,214	\$2,074,214	\$2,152,660	3.78%



PROGRAM AREA: SERVICES & SUPPORT

The Services and Support Sections are led by the Deputy Chief of Administration. This area of the police department includes a Commander, Lieutenant, Administrative Services Sergeant, Traffic Unit, Community Relations Unit, School Resource Officers, Records Unit, Technical Services Administrator, Evidence/Property Custodian and the department's full-time Police Social Worker.



MAJOR SERVICES

Traffic
Training
Community Relations/Social Worker/SRO
Records
Tech Services
Property and Evidence

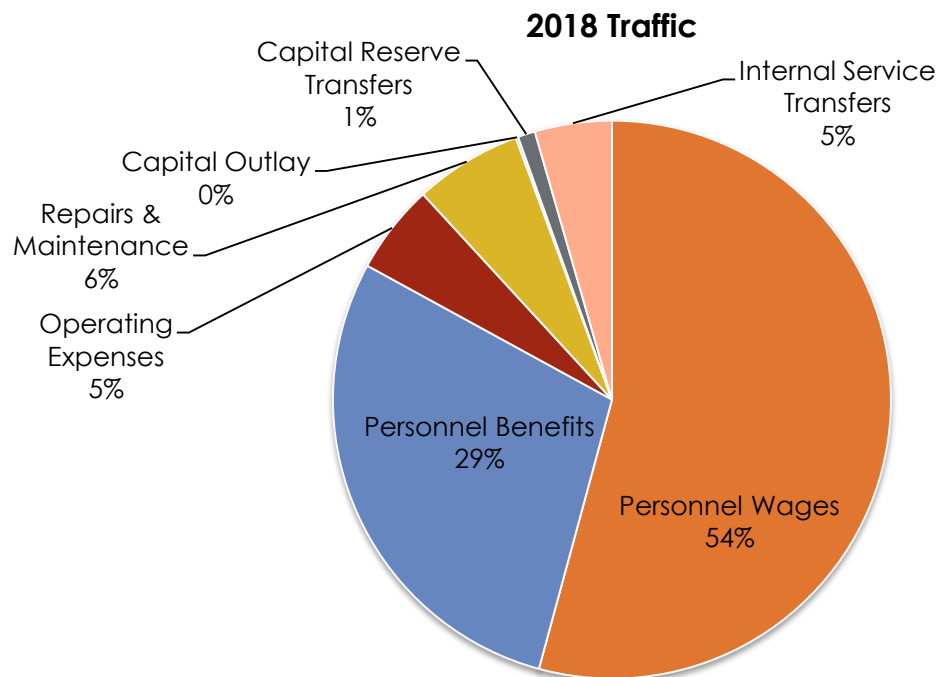
PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

MAJOR SERVICE: TRAFFIC

The Traffic Unit focuses on the education and enforcement of traffic laws in an effort to reduce the frequency and severity of traffic crashes in the Village. This team works closely with local schools, businesses, and the Engineering Division with the shared goal of the safer movement of bicycles, pedestrians and vehicles throughout the Village. The crossing guards also play a role in getting students to school safely.

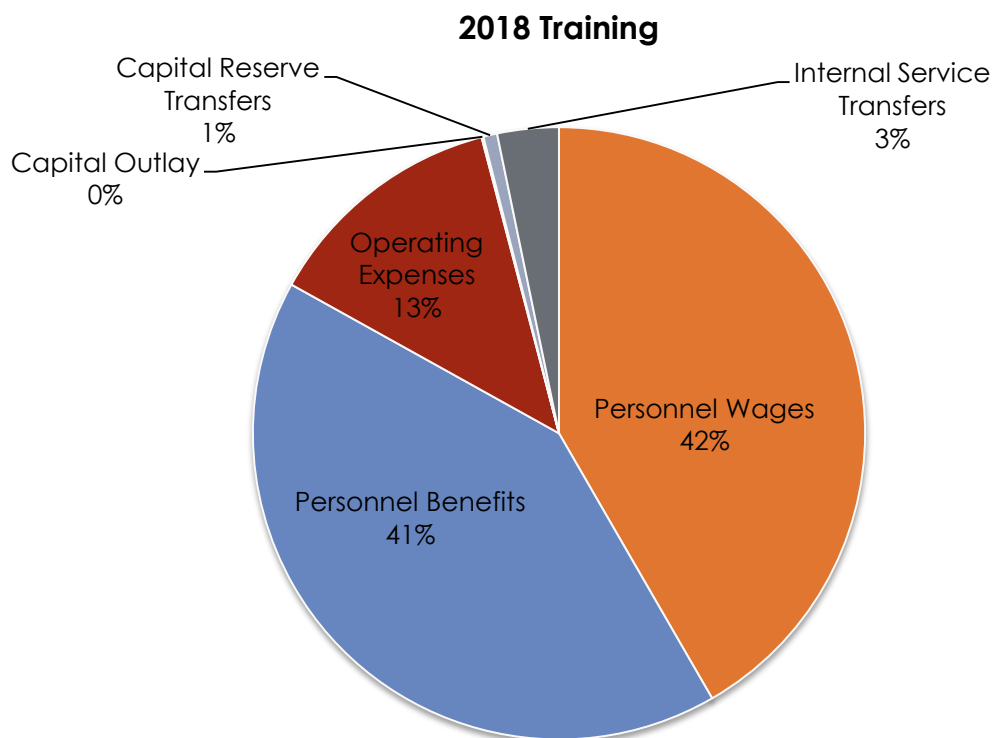
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	475,344	471,610	486,502	486,502	481,313	-1.07%
Personnel Benefits	230,847	243,180	252,597	252,597	255,206	1.03%
Operating Expenses	42,070	44,172	44,332	44,332	46,073	3.93%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	66,840	47,464	61,375	61,375	55,363	-9.80%
Capital Outlay	2,880	409	1,242	1,242	1,234	-0.66%
Capital Reserve Transfers	-	-	8,949	8,949	8,890	-0.66%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	26,305	31,567	35,715	35,715	39,618	10.93%
Total Traffic Unit/Crossing Guards	\$844,286	\$838,402	\$890,712	\$890,712	\$887,697	-0.34%



MAJOR SERVICE: TRAINING

The main function of the Training Unit is to maintain training records and schedule on-going training for the entire department. Because laws and procedures are constantly changing in law enforcement, ongoing training is a crucial function of police work. It is the training division's mission to ensure all officers are kept up to date with current certifications as well as training officers for new or more technical functions of police work.

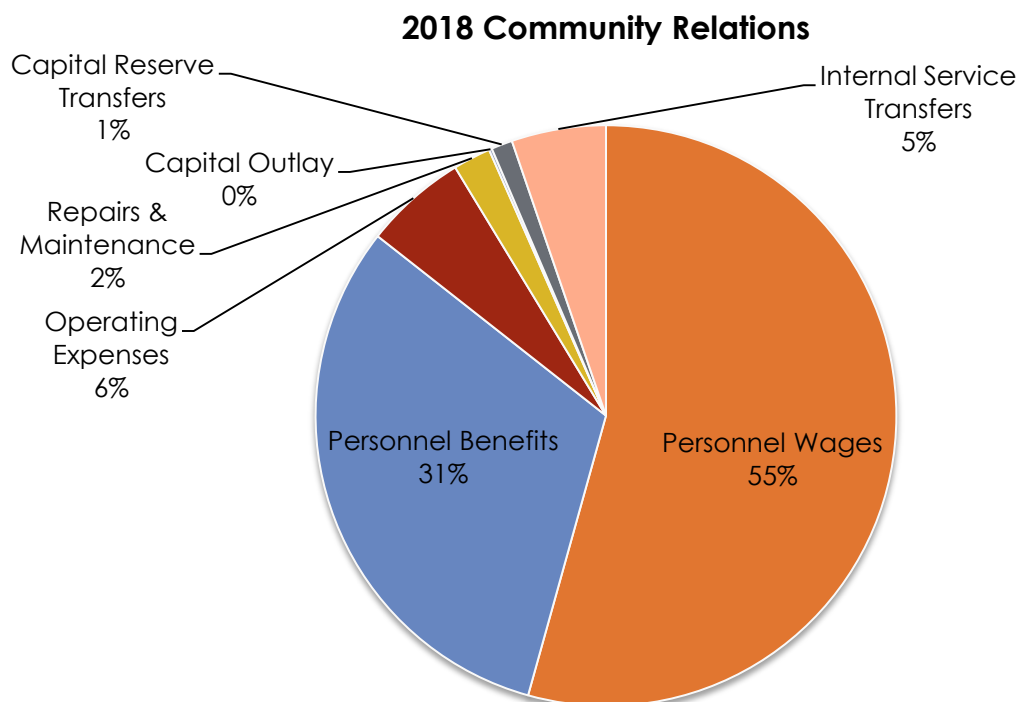
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	122,015	116,512	121,811	121,811	127,162	4.39%
Personnel Benefits	108,813	115,509	119,488	119,488	126,401	5.79%
Operating Expenses	39,487	32,508	37,273	37,273	39,231	5.25%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	720	102	311	311	309	-0.66%
Capital Reserve Transfers	-	-	2,237	2,237	2,223	-0.66%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	6,576	7,892	8,929	8,929	9,904	10.93%
Total Training	\$277,611	\$272,523	\$290,049	\$290,049	\$305,230	5.23%



MAJOR SERVICE: COMMUNITY RELATIONS

The Community Relations, Police Social Worker, and School Resource Officers all provide additional support to residents and businesses to develop more meaningful relationships with the community. These services help provide positive contacts to youth, elderly, and citizens in crisis, and are an outstanding resource to utilize in furthering community outreach goals.

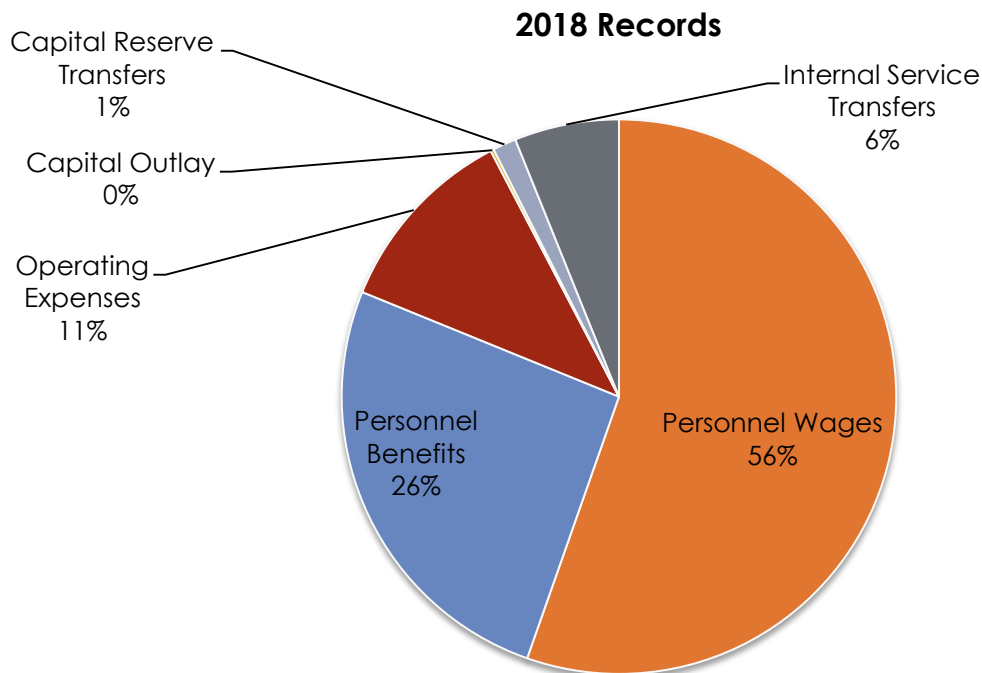
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	101,645	504,005	697,328	697,329	717,105	2.84%
Personnel Benefits	56,128	289,859	399,593	399,593	412,847	3.32%
Operating Expenses	14,693	10,866	73,281	73,281	75,337	2.81%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	23,732	30,687	30,687	27,681	-9.80%
Capital Outlay	720	-	2,174	2,173	2,160	-0.66%
Capital Reserve Transfers	-	-	15,661	15,662	15,558	-0.66%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	6,576	-	62,501	62,500	69,331	10.93%
Total Community Relations	\$179,762	\$828,462	\$1,281,225	\$1,281,225	\$1,320,019	3.03%



MAJOR SERVICE: RECORDS

The Records Unit keeps all of the various reports, citations, warrants, and arrest data in a safe and secure environment. They fulfill various FOIA and media requests, and are crucial in corresponding with the county clerk's office, sheriff's office, coroner, medical examiner, defense and prosecuting attorneys. They also supply accurate and timely departmental data to various local, state, and federal agencies as required by law.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General Fund						
Personnel Wages	240,797	248,414	259,210	259,210	269,721	4.05%
Personnel Benefits	96,502	116,884	126,088	126,088	125,580	-0.40%
Operating Expenses	42,492	60,036	54,417	54,417	54,471	0.10%
Commodities	-	-	-	-	-	
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	2,161	307	932	932	926	-0.66%
Capital Reserve Transfers	-	-	6,712	6,712	6,668	-0.66%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	19,729	23,675	26,786	26,786	29,713	10.93%
Total Records	\$401,681	\$449,316	\$474,145	\$474,145	\$487,078	2.73%

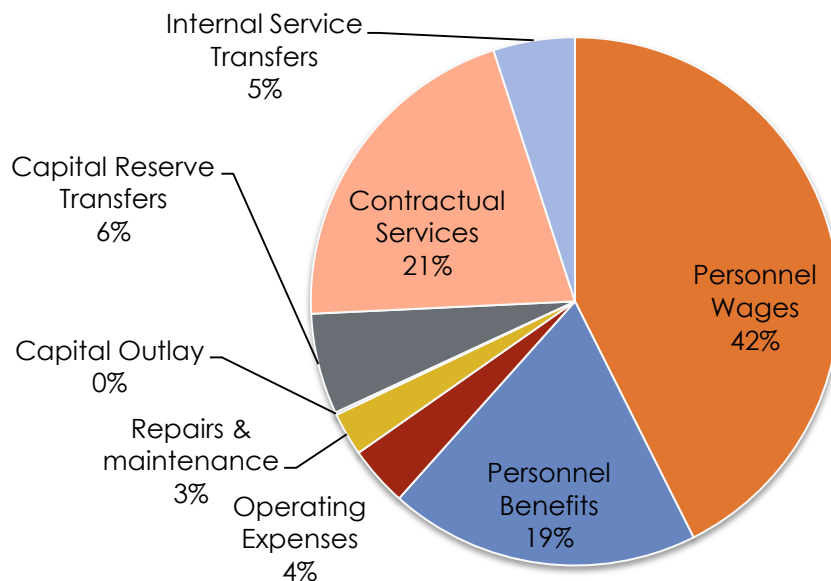


MAJOR SERVICE: TECHNICAL SERVICES

The Technical Services Unit provides needed support and training for the squad fleet and building information technology needs. It also identifies new software and hardware needs, as well as repairs and restores current technology when it is not working properly. This unit also serves as the project manager in implementing new technologies in the department.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	68,492	77,828	80,215	80,215	84,451	5.28%
Personnel Benefits	30,775	35,070	37,372	37,372	37,694	0.86%
Operating Expenses	8,934	6,748	7,333	7,333	7,303	-0.41%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	2,807	1,821	5,250	5,250	5,250	0.00%
Capital Outlay	3,896	102	311	311	309	-0.66%
Capital Reserve Transfers	-	-	12,237	12,237	12,223	-0.12%
Contractual Services	41,148	41,148	41,148	41,148	41,148	0.00%
Internal Service Transfers	6,576	7,892	8,929	8,929	9,904	10.93%
Total Technical Services	\$162,628	\$170,609	\$192,795	\$192,795	\$198,282	2.85%

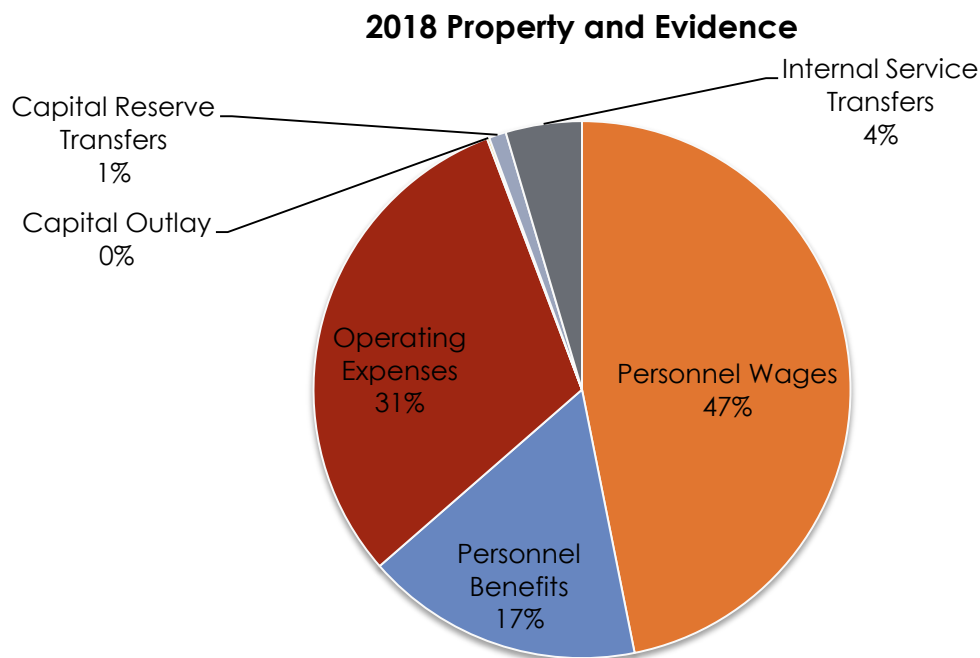
2018 Tech Services



MAJOR SERVICE: PROPERTY AND EVIDENCE

The primary function of the Property and Evidence Unit is to properly store and secure evidence needed for court purposes. The proper handling, storage and destruction of critical documents and evidence must comply with state law and court directed guidelines and mandates. In addition, the task of administrative adjudication is assigned to the full time evidence custodian.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	41,121	74,378	94,906	94,906	101,164	6.59%
Personnel Benefits	10,021	34,446	35,693	35,693	36,114	1.18%
Operating Expenses	64,989	64,801	66,178	66,178	66,178	0.00%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	720	102	311	311	309	-0.66%
Capital Reserve Transfers	-	-	2,237	2,237	2,223	-0.66%
Contractual Services	-	-	0	0	0	0.00%
Internal Service Transfers	6,576	7,892	8,929	8,929	9,904	10.93%
Total Property and Evidence	\$123,427	\$181,619	\$208,254	\$208,254	\$215,892	3.67%



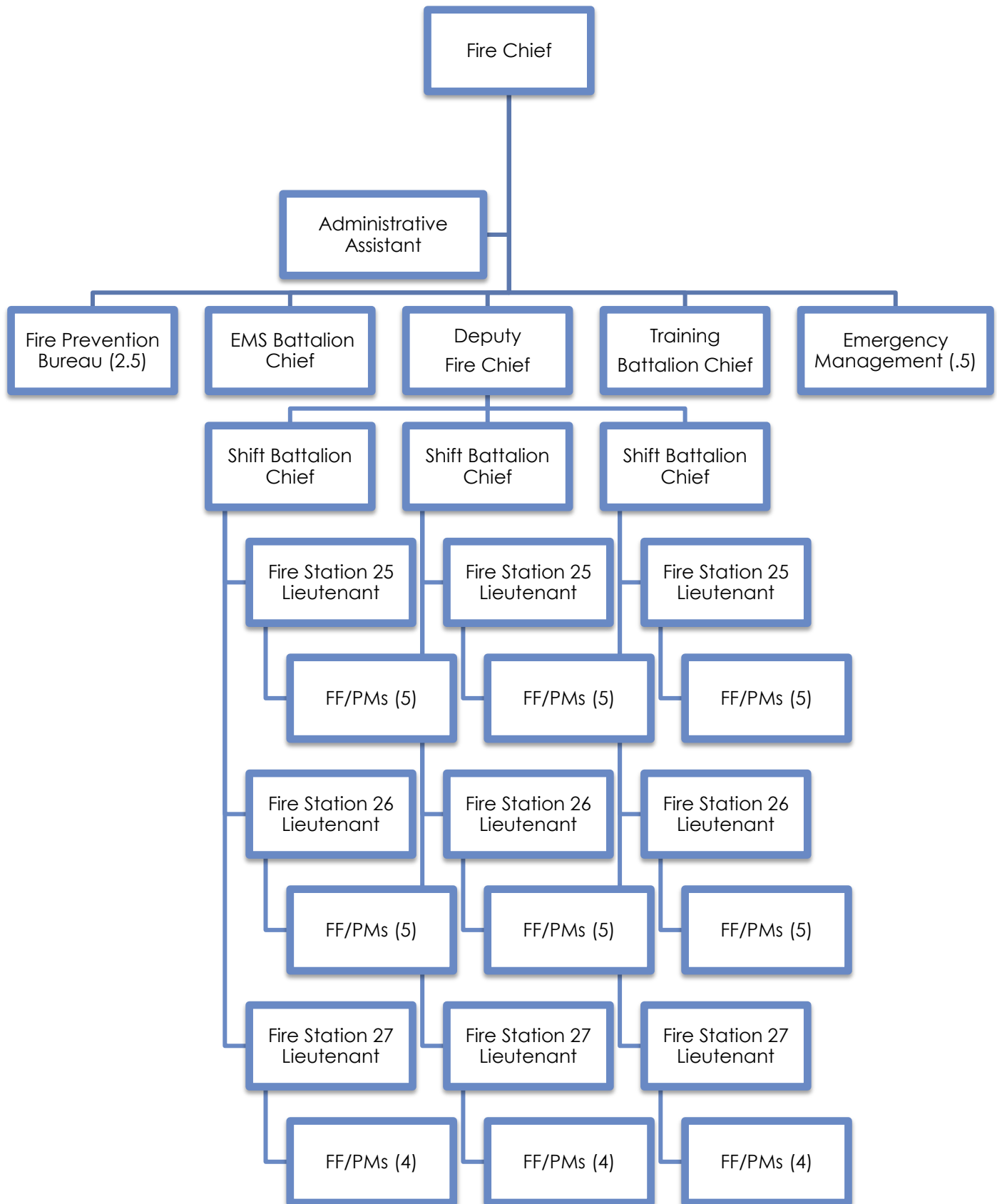
FIRE DEPARTMENT

The Buffalo Grove Fire Department is a full service fire department providing the following major programs: Administration, Operations, Fire Prevention, and Emergency Management. These services are provided by 57 full time sworn personnel, two full time personnel and two part time personnel. The 57 sworn personnel operate 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, and hazardous materials response.

PROGRAM AREAS

Administration.....	221
Operations.....	225
Fire Prevention.....	229
Emergency Management.....	232

2018 FIRE DEPARTMENT STRUCTURE

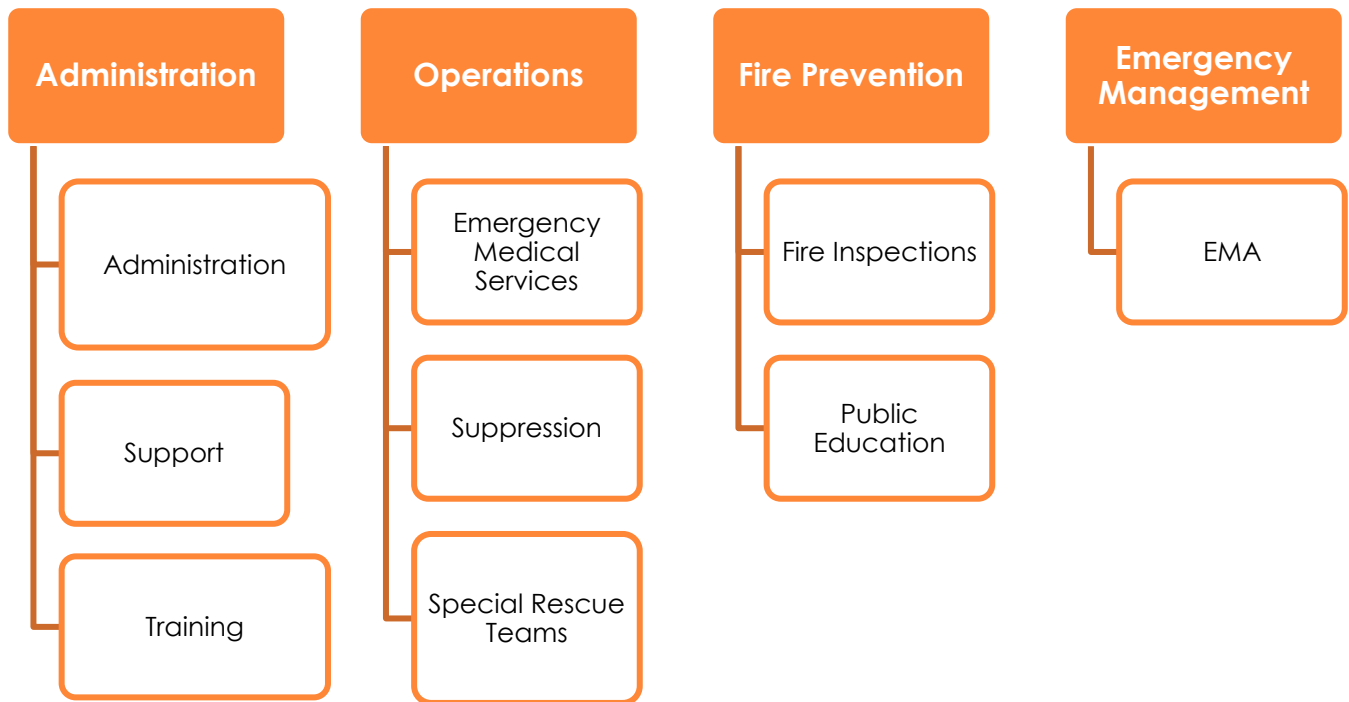


2018 FIRE DEPARTMENT STAFFING SUMMARY

Fire Services	FY 2016		FY 2017		FY 2018	
	FT	PT	FT	PT	FT	PT
Battalion Chief	4	0	4	0	5	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	1
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	60	3
Full & Part-Time Total	61		61		63	

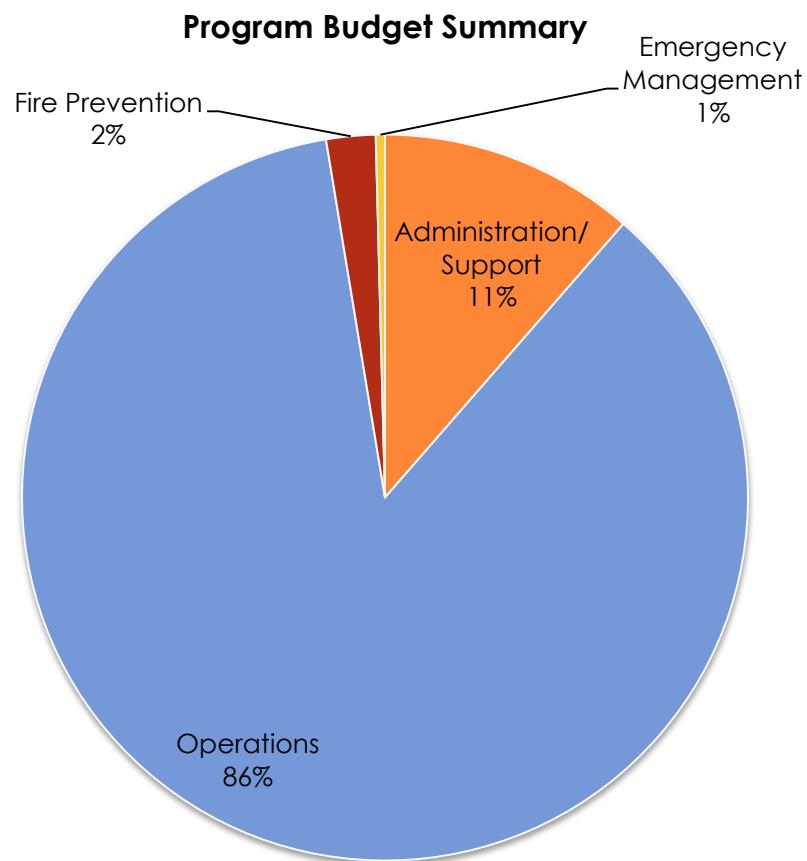
2018 STAFF TIME BY FUNCTIONAL AREA

Functional Area	Number of Employees	Percentage of Resource Allocation Spent Per Functional Area
Administration	3	4.8%
Administration – Support	1	1.6%
Administration – Training	1	1.6%
Operations – EMS	30	48.8%
Operations – Suppression	20	33.1%
Operations – SRT	4	6.5%
Fire Prevention Inspections	1.5	2.4%
Fire Prevention – Public Education	0.5	0.6%
Emergency Management	0.5	0.6%



2018 FIRE DEPARTMENT PROGRAM BUDGET SUMMARY

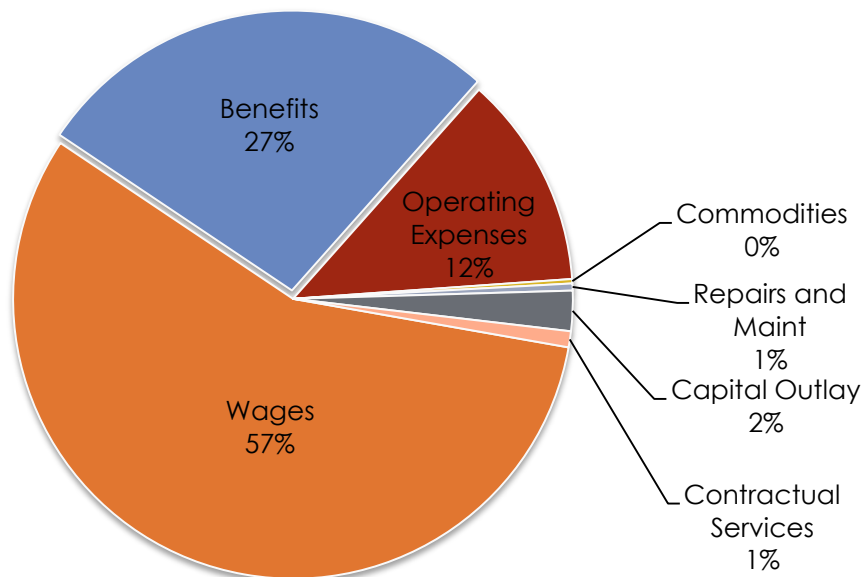
Fire Department	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Admin/Support	1,142,755	1,189,001	1,242,676	1,246,894	1,418,695	14.16%
Operations	10,331,709	12,257,775	10,647,367	10,664,701	10,620,963	-0.25%
Fire Prevention	144,913	147,693	150,529	153,422	272,799	81.23%
Emergency Management	48,496	49,046	49,586	50,138	50,701	2.25%
Total	\$11,667,873	\$13,643,515	\$12,090,158	\$12,115,155	\$12,363,158	2.26%



2018 FIRE DEPARTMENT COST TYPE SUMMARY

Fire Department	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	6,387,311	6,628,710	6,611,597	6,634,000	7,040,867	6.49%
Personnel Benefits	3,331,012	3,615,429	3,300,916	3,319,574	3,379,708	2.39%
Operating Expenses	647,612	538,746	607,994	594,925	574,912	-5.44%
Commodities	19,179	30,424	31,480	31,000	31,480	0.00%
Repairs and Maintenance	13,667	23,541	50,900	50,000	50,900	0.00%
Capital Outlay	318,911	1,806,943	7,500	7,500	7,500	0.00%
Reserve Transfers	-	-	207,795	207,795	207,795	0.00%
Contractual Services	32,327	96,450	122,615	121,000	114,750	-6.41%
Internal Services	917,854	903,272	1,149,361	1,149,361	955,246	-16.89%
Total	\$11,667,873	\$13,643,515	\$12,090,158	\$12,115,155	\$12,363,158	2.26%

Cost Type Summary



FIRE DEPARTMENT VARIANCES

Fire Department	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Operating Expenses	1,757,355	1,740,225	1,530,158	-12.9%	Reduction in Internal Service Charges
Reserve Transfers	207,795	207,795	281,168	35.3%	Addition of department equipment

KEY PERFORMANCE MEASURES

Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Average training hours per person	220	270	210	238	239
Operations	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Average response times in minutes	4:00-6:00	04:56	04:58	04:59	04:58
Fire Prevention	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Total public attendance at educational events	10,000	8,104	13,239	9,821	10,388
Emergency Management	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Annual training hours	96	96	96	96	96

STRATEGIC PLANNING



The Village Board directed staff to update the 2013-2018 Plan through the development of revised strategic planning priorities. The updated plan is comprised of five overarching Strategic Planning Priorities based on feedback received from employees, senior staff, and the Village Board. These priorities direct the development of the annual budget and guide the Village's work throughout program areas. The five overarching Strategic Planning Priorities are as follows: Service Optimization, Financial Stability, Collaboration, Economic Development, and Infrastructure Sustainability. Each department has unique strategic goals, initiatives, and action steps however, they may not have them in each priority. All goals were identified as near, mid, or long term. Only the near term goals affecting this budget are listed.

FINANCIAL STABILITY



Action Step	Strategic Initiative	Budget Program	Priority
Streamline Fire Billing Ordinance	Revenue Diversification	Administration	Medium

SERVICE OPTIMAZATION



Action Step	Strategic Initiative	Budget Program	Priority
Shared Incident Command Vehicle	Intergovernmental Partnerships	Administration	Medium
Evaluate Fire Protection Bureau	Internal Operations	Administration	Low

PROGRAM AREA: ADMINISTRATION

The Administration program areas provide the support necessary for the effective provision of emergency services across an array of multiple disciplines. Administration coordinates and organizes the physical and personnel resources that support the major program areas. This is accomplished through the development of strategic planning documents, budget forecasting, inclusive decision making, training, and decentralizing the typical hierarchal structure.



MAJOR SERVICES

Administration
Support
Training

PROGRAM CHANGES OF NOTE

For budget year 2018, the fire department is requesting funding to reinstate the Training/Safety Officer position that has been vacant since 2013. This request would fund the re-establishment of the full time Battalion Chief of Training/Safety position within the Fire Department. Since 2010, the fire department has downsized its 40 hour staff by 50% (Deputy Chief, Training/Safety Battalion Chief, Deputy Fire Marshal, Public Educator/Fire Inspector, FPB Administrative Assistant) leaving the Fire Chief, Deputy Fire Chief, EMS/Safety Battalion Chief, Fire Inspector and Administrative Assistant as the remaining 40 hour executive staff. The Training/Safety Battalion Chief position was eliminated in 2013 due to budget reductions and a voluntary separation agreement offered by the Village and the responsibilities were combined to create the EMS/Safety Battalion Chief position.

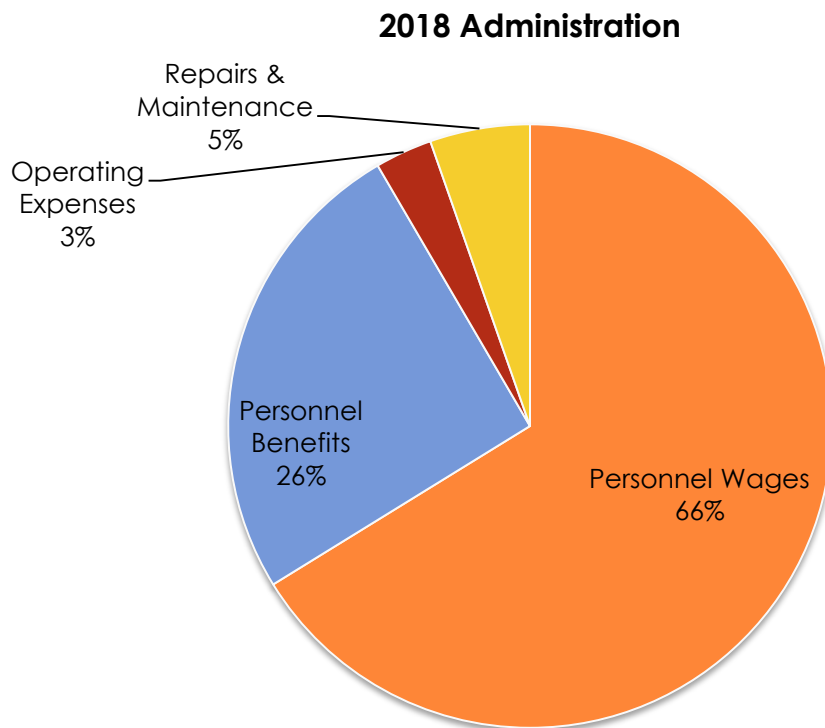
The Training/Safety Division of the fire department is responsible for planning, organizing, documenting, and leading the initial and ongoing educational and training programs for 57 sworn personnel. In addition, this division has significant responsibilities in the areas of emergency incident safety, compliance with state and federal mandates (OSHA), Mutual Aid Box Alarm System (MABAS) coordination and response, the Combined Area Fire Training (CAFT) facility training development and coordination, and overall fire department operations. This individual would function as a safety officer at the scene of fires and other emergency incidents.

Currently, the wide-ranging responsibilities and functions of the Training/Safety Officer are split between the 40 hour EMS/Safety Battalion Chief and two 24/48 hour shift Battalion Chiefs. This results in the three Chief Officers being removed from other significant department responsibilities and programs in order to work on training or safety related activities. This also affects the degree of overall coordination and effectiveness of the Training Division. This change is reflected in the Training Service Area budget.

MAJOR SERVICE: ADMINISTRATION

Administration coordinates and organizes the physical and personnel resources that support the major program areas. This is accomplished through the development of strategic planning documents, budget forecasting, inclusive decision making, training, and decentralizing the typical hierarchal structure.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	405,000	415,540	425,929	425,929	432,420	1.52%
Personnel Benefits	155,040	158,736	162,705	162,705	165,735	1.86%
Operating Expenses	20,000	20,000	20,000	20,000	20,000	0.00%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	5,000	35,000	35,000	35,000	35,000	0.00%
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	-	-	-	-
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	-	-	-	-	-	-
Total Major Service	\$585,040	\$629,276	\$643,634	\$643,634	\$653,155	1.48%

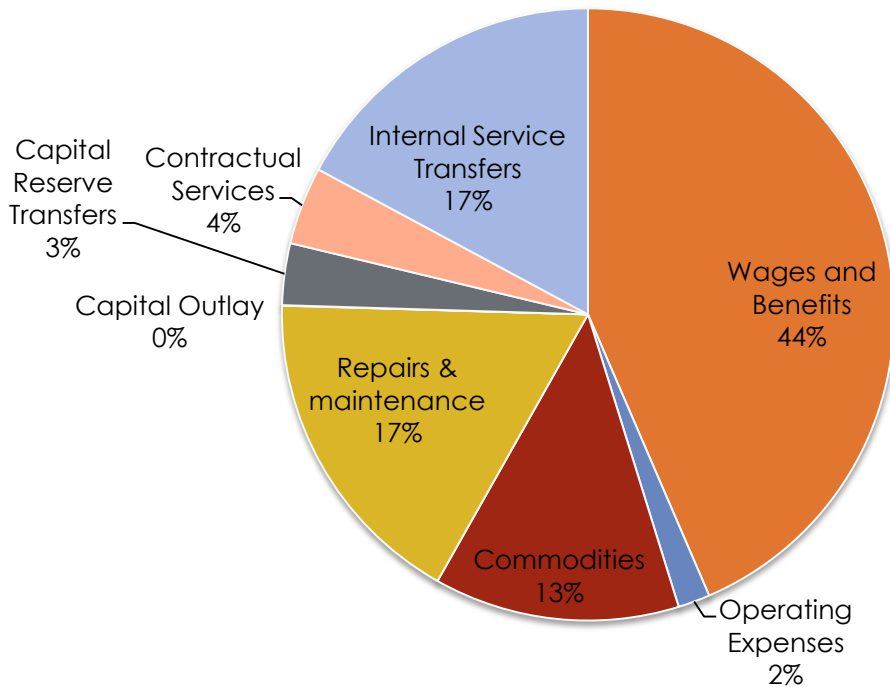


MAJOR SERVICE: ADMINISTRATION/SUPPORT

The Administration/Support services provide the support necessary for the effective provision of emergency services across an array of multiple disciplines.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General Fund						
Personnel Wages	60,433	61,665	62,924	64,209	65,519	4.12%
Personnel Benefits	38,194	38,972	39,768	40,580	41,360	4.00%
Operating Expenses	219,736	219,709	219,411	221,370	209,063	-4.72%
Commodities	5,000	5,000	5,000	5,000	5,000	0.00%
Repairs & Maintenance	2,250	2,250	2,250	2,250	2,250	0.00%
Capital Outlay	76,658	80,295	7,500	7,500	7,500	0.00%
Capital Reserve Transfers	-	-	72,795	72,795	72,795	0.00%
Contractual Services	80,437	76,800	76,800	76,800	76,800	0.00%
Internal Service Transfers	75,007	75,034	112,594	112,594	85,680	-23.90%
Total Major Service	\$557,715	\$559,725	\$599,042	\$603,260	\$565,967	-5.52%

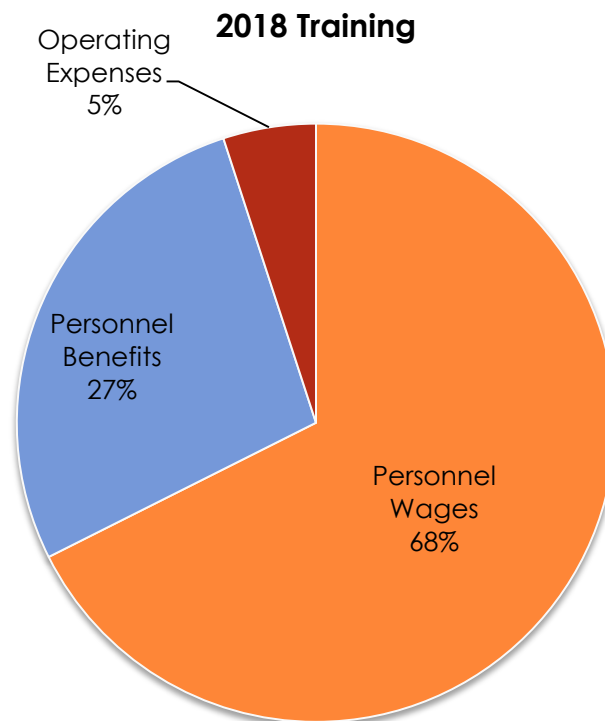
2018 Administration/Support



MAJOR SERVICE: TRAINING

The Training/Safety Division of the fire department is responsible for planning, organizing, documenting, and leading the initial and ongoing educational and training programs for 57 sworn personnel. In addition, this division has significant responsibilities in the areas of emergency incident safety, compliance with state and federal mandates (OSHA), Mutual Aid Box Alarm System (MABAS) coordination and response, the Combined Area Fire Training (CAFT) facility training development and coordination, and overall fire department operations.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						-
Personnel Wages	-	-	-	-	134,900	100.00%
Personnel Benefits	-	-	-	-	54,673	100.00%
Operating Expenses	-	-	-	-	10,000	100.00%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Reserve Transfers	-	-	-	-	-	-
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	-	-	-	-	-	-
Total Major Service	-	-	-	-	\$199,573	100.00%



PROGRAM AREA: OPERATIONS

There are 57 full time sworn 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, and hazardous materials response.



MAJOR SERVICES

Emergency Medical Services
Suppression
Special Rescue Teams

PROGRAM CHANGES OF NOTE

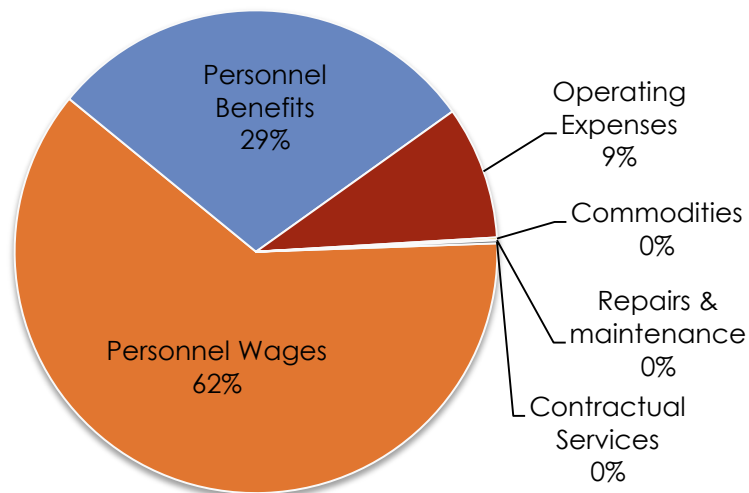
No additional personnel or programs requested in 2018.

MAJOR SERVICE: EMERGENCY MEDICAL SERVICES

Buffalo Grove Fire department's EMS is dedicated to increasing survival and reducing disability from out-of-hospital emergencies in the Village by providing the highest quality patient care in the pre-hospital setting. To accomplish this, EMS adheres to a philosophy of cooperative decision-making and the development of innovative strategic initiatives that address the demand for services and encourage system efficiencies. EMS is designed to enhance these efforts, is developed through strong partnerships with other regional EMS agencies, and remains in the forefront in the emergency medical field.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	3,192,985	3,381,097	3,357,517	3,363,736	3,502,995	4.33%
Personnel Benefits	1,738,858	1,902,355	1,707,762	1,707,778	1,664,760	-2.52%
Operating Expenses	243,460	173,201	191,572	211,786	212,756	11.06%
Commodities	1,739	8,486	9,120	8,832	8,950	1.86%
Repairs & Maintenance	1540	6,297	5,280	4,740	2,000	-62.10%
Capital Outlay	179,646	996,519	81,000	-	-	-100.00%
Capital Reserve Transfers	-	-	27,587	81,000	-	-100.00%
Contractual Services	4625	-	-	12,900	11,250	100.00%
Internal Service Transfers	530,014	496,942	388,581	389,982	295,696	-23.90%
Total Major Service	\$5,892,867	\$6,964,897	\$5,768,419	\$5,780,754	\$5,698,407	-1.21%

2018 EMS

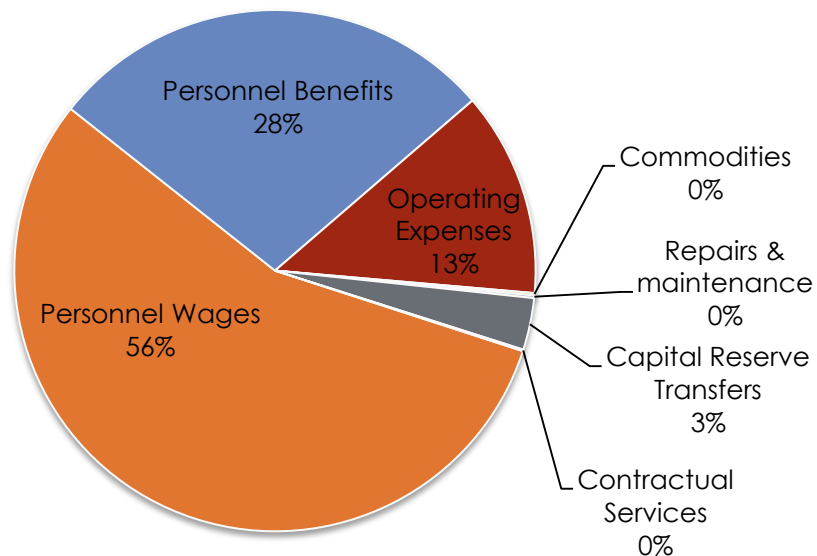


MAJOR SERVICE: SUPPRESSION

Suppression services are the most visible and familiar services of any fire department, but as time goes on, suppression means more than putting water on fire, it means considering the needs of the community as a whole.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	2,115,531	2,254,064	2,238,345	2,242,491	2,335,330	4.33%
Personnel Benefits	1,158,236	1,268,236	1,138,508	1,138,519	1,175,907	3.28%
Operating Expenses	159,003	115,467	99,511	144,074	39,350	-60.46%
Commodities	1,160	5,658	6,080	5,888	6,250	2.80%
Repairs & Maintenance	627	4,198	3,520	3,160	6,800	93.18%
Capital Outlay	119,388	698,025	-	-	-	0.00%
Capital Reserve Transfers	-	-	107,413	54,000	135,000	25.68%
Contractual Services	-	-	9,246	8,600	4,000	-56.70%
Internal Service Transfers	337,138	331,295	648,185	646,622	493,245	-23.90%
Total Major Service	\$3,891,083	\$4,676,943	\$4,250,808	\$4,243,354	\$4,195,882	-1.29%

2018 Suppression

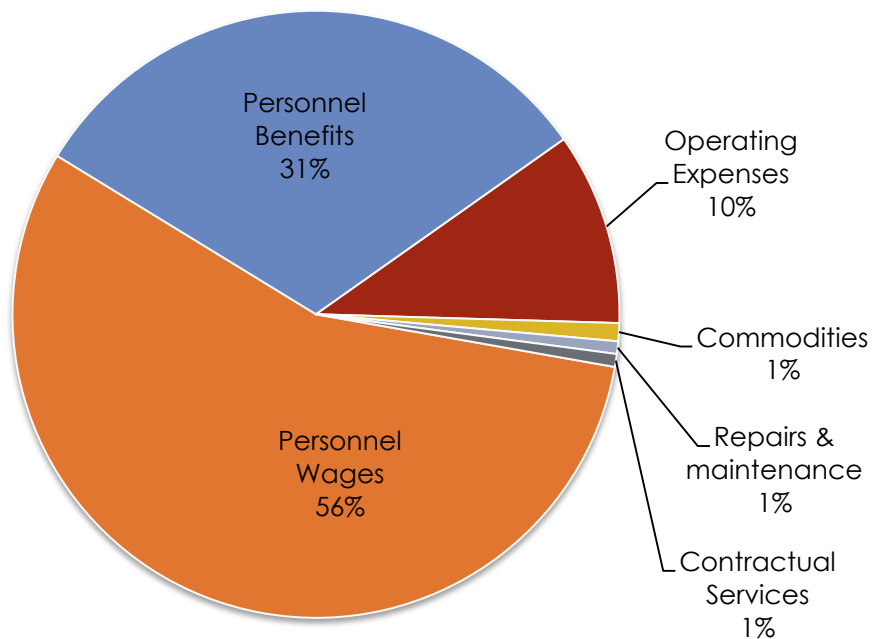


MAJOR SERVICE: SPECIAL RESCUE TEAMS

The Special Rescue Teams (SRT) of the Buffalo Grove Fire Department respond to many and varied emergencies that strike residents of Buffalo Grove and surrounding communities. SRT consists of Haz-Mat, Water Rescue, and Rescue response capabilities, while some personnel are part of the State of Illinois Urban Search and Rescue Task Force (USAR).

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Act.	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	375,112	382,767	390,579	398,550	406,684	4.12%
Personnel Benefits	210,934	215,238	219,631	224,113	228,687	4.12%
Operating Expenses	1,100	1,100	1,100	1,100	74,473	6670.30%
Commodities	6,980	6,980	6,980	6,980	6,980	0.00%
Repairs & Maintenance	4,850	4,850	4,850	4,850	4,850	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Capital Reserve Transfers	-	-	-	-	-	0.00%
Contractual Services	5,000	5,000	5,000	5,000	5,000	0.00%
Internal Service Transfers	-	-	-	-	-	0.00%
Total Major Service	\$603,976	\$615,935	\$628,140	\$640,593	\$726,674	15.69%

2018 SRT



PROGRAM AREA: FIRE PREVENTION BUREAU

The Fire Prevention Bureau has the responsibility and authority to enter, investigate, and perform routine fire inspections of all buildings, structures, and properties in the Village of Buffalo Grove with the exception of owner-occupied residential structures.

It is the responsibility of the Fire Prevention Bureau to enforce the Illinois Life Safety Code, International Fire Code, International Building Code, local adopted codes, and amendments and other local fire safety regulations. This includes the inspection of all Life Hazard Use Properties such as gas stations, schools, nursing homes, daycare facilities, auto repair/auto body shops, places of assembly and large retail operations, and the inspection of all Non-Life Hazard businesses, offices and multi-family residences and other structures.



The Fire Department continued its focus on public education, conducting an open house, participating in Buffalo Grove Days and other Village wide events in 2017. In addition to these large programs, the members of the Buffalo Grove Fire Department conducted school drills and attended many block parties and special events throughout the year.

MAJOR SERVICES

Fire Inspections
Public Fire Education

PROGRAM CHANGES OF NOTE

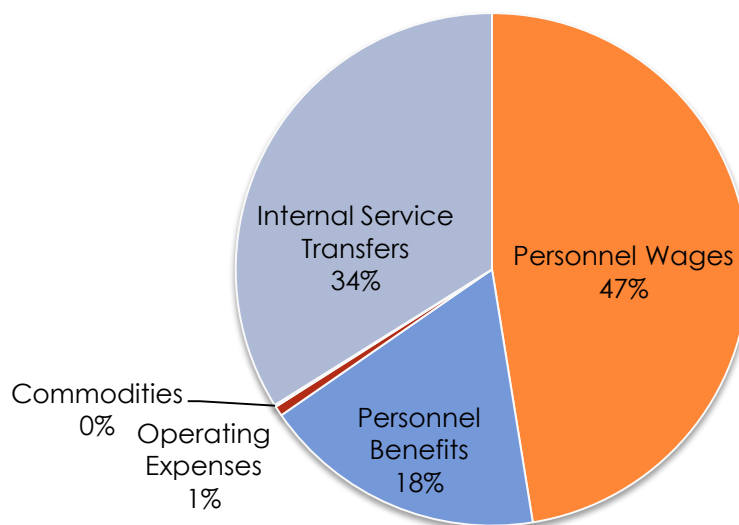
For budget year 2018, the Fire Department is requesting funding to add a part-time Fire Inspector position to the Fire Prevention Bureau. Ongoing demands of the full time building and zoning personnel assigned part time to the Fire Prevention Bureau is resulting in fewer inspections being completed, increased time for annual inspections and increased workload on the Fire Prevention Bureau employee.

MAJOR SERVICE: FIRE INSPECTIONS

It is the responsibility of the Fire Prevention Bureau to enforce the Illinois Life Safety Code, International Fire Code, International Building Code, local adopted codes, and amendments and other local fire safety regulations. This includes the inspection of all Life Hazard Use Properties such as gas stations, schools, nursing homes, daycare facilities, auto repair/auto body shops, places of assembly and large retail operations, and the inspection of all Non-Life Hazard businesses, offices and multi-family residences and other structures.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	84,688	86,417	88,180	89,980	112,912	28.05%
Personnel Benefits	25,745	26,271	26,807	27,353	42,614	58.97%
Operating Expenses	1,500	1,500	1,500	1,500	1,500	0.00%
Commodities	300	300	300	300	300	0.00%
Repairs & Maintenance	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Capital Reserve Transfers	-	-	-	-	-	0.00%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	-	-	-	-	80,625	100.00%
Total Major Service	\$112,233	\$114,488	\$116,787	\$119,133	\$237,951	103.75%

2018 Fire Inspections

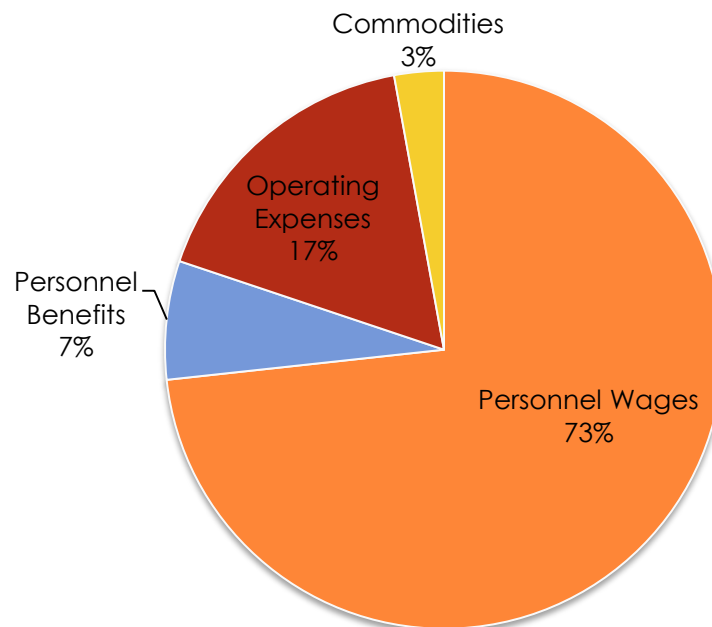


MAJOR SERVICE: PUBLIC FIRE EDUCATION

The Fire Department continued its focus on public education, conducting an open house, participating in Buffalo Grove Days and other Village wide events in 2017. In addition to these large programs, the members of the Buffalo Grove Fire Department conducted school drills and attended many block parties and special events throughout the year.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General Fund						
Personnel Wages	23,553	24,033	24,524	25,024	25,535	4.12%
Personnel Benefits	2,207	2,252	2,298	2,345	2,393	4.13%%
Operating Expenses	5,920	5,920	5,920	5,920	5,920	0.00%
Commodities	1,000	1,000	1,000	1,000	1,000	0.00%
Repairs & Maintenance	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Capital Reserve Transfers	-	-	-	-	-	0.00%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	-	-	-	-	-	0.00%
Total Major Service	\$32,680	\$33,205	\$33,742	\$34,289	\$34,848	3.28%

2018 Public Fire Education



PROGRAM AREA: EMERGENCY MANAGEMENT

The Village's Emergency Management Agency (EMA) is responsible for reducing the effects of disasters before they occur, through mitigation planning and coordinating the operations and response to a disaster, managing resources and coordination of recovery efforts following a disaster as well as providing public information.

In addition, a part of the EMA is the Village's Emergency Operations Center (EOC). Activated during large-scale emergencies or special events, the EOC is a central location for senior officials from village, state, and federal agencies and relevant private entities to coordinate response efforts, make decisions, and gather and disseminate information. The EOC is also the central point for allocation and deployment of resources to support response and recovery efforts, such as vehicles, heavy equipment, fuel, and other emergency supplies.



MAJOR SERVICES

Emergency Management

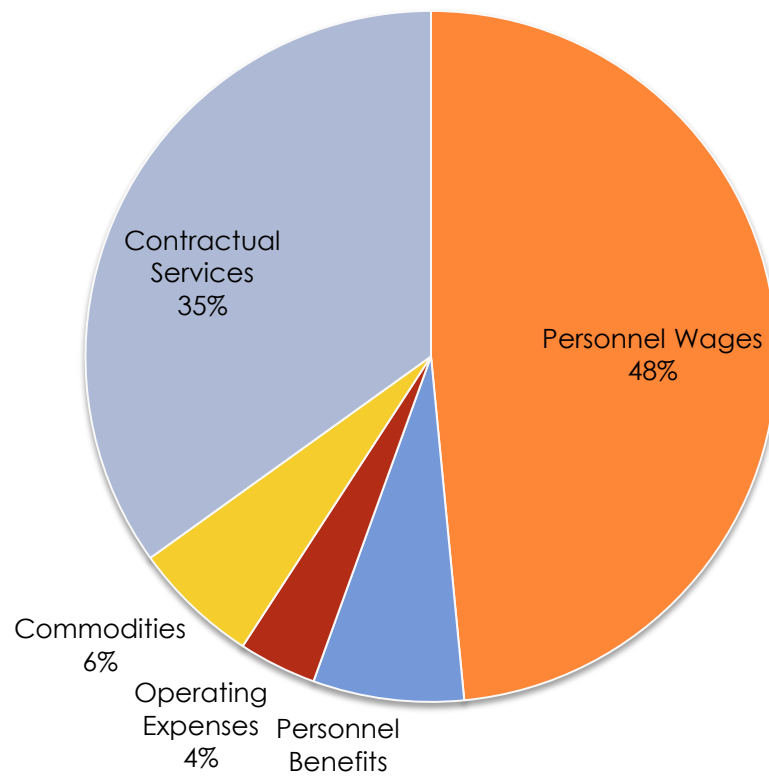
PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

MAJOR SERVICE: EMERGENCY MANAGEMENT

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	22,644	23,127	23,599	24,081	24,572	4.12%
Personnel Benefits	3,302	3,369	3,437	3,507	3,579	4.13%
Operating Expenses	1,850	1,850	1,850	1,850	1,850	0.00%
Commodities	3,000	3,000	3,000	3,000	3,000	0.00%
Repairs & maintenance	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Capital Reserve Transfers	-	-	-	-	-	0.00%
Contractual Services	17,700	17,700	17,700	17,700	17,700	0.00%
Internal Service Transfers	-	-	-	-	-	0.00%
Total Major Service	\$48,496	\$49,046	\$49,586	\$50,138	\$50,701	2.25%

2018 Emergency Management



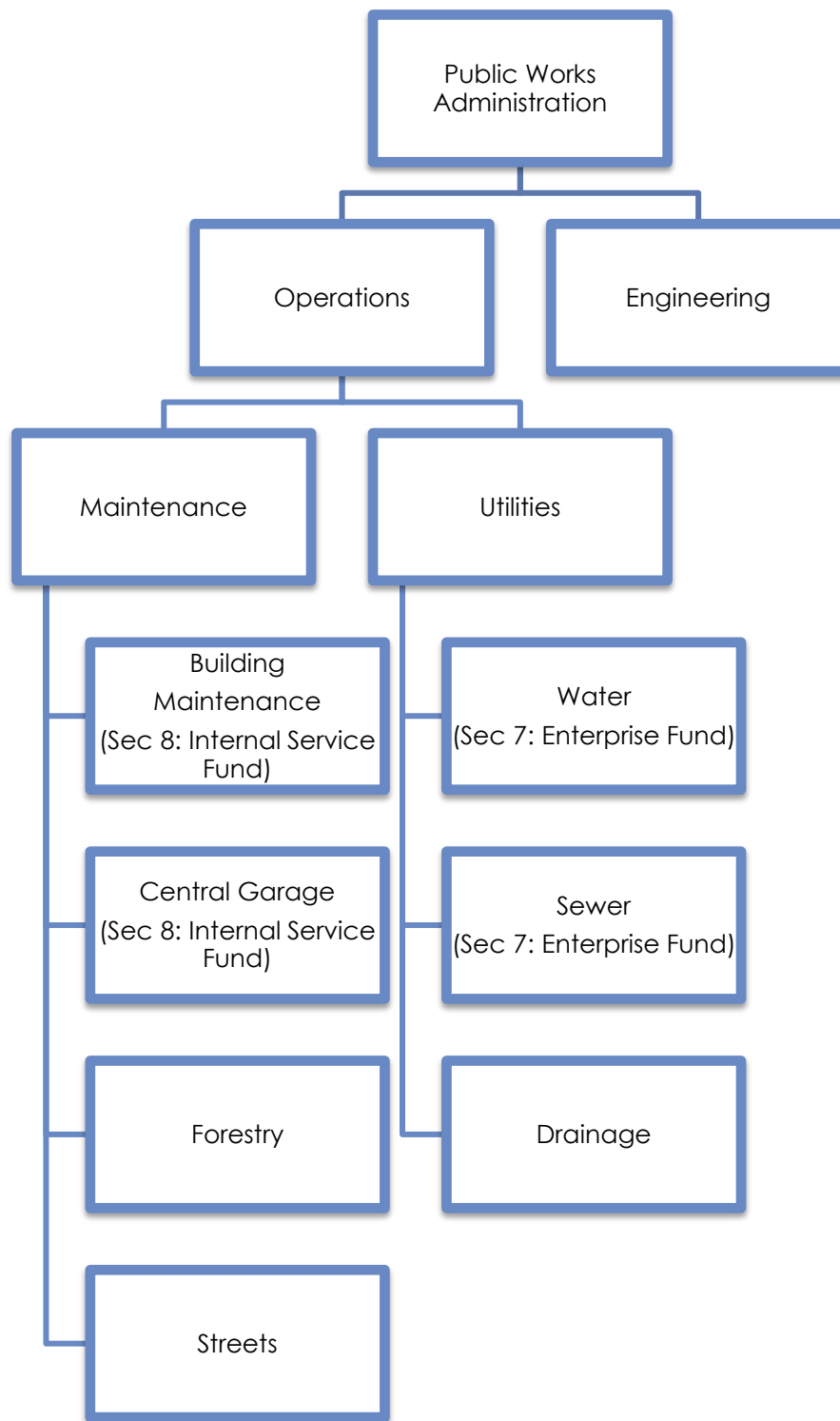
PUBLIC WORKS DEPARTMENT

The Public Works Department is divided into three functional areas of responsibility: Administration, Engineering, and Operations. These areas function across three budgeted funds; Operating, Enterprise and Internal Services. The Sections within the department are Administration, Street, Forestry & Grounds, Drainage, Central Garage, Building Maintenance, Engineering, Water, and Sewer. Only General Fund Programs are listed in this section, Enterprise Fund programs can be found in *Section 7* and Internal Service Fund programs can be found in *Section 8*.

PROGRAM AREAS

Streets.....	243
Public Works Administration.....	251
Forestry and Grounds.....	261
Drainage.....	268
Engineering.....	275

2018 PUBLIC WORKS DEPARTMENT STRUCTURE



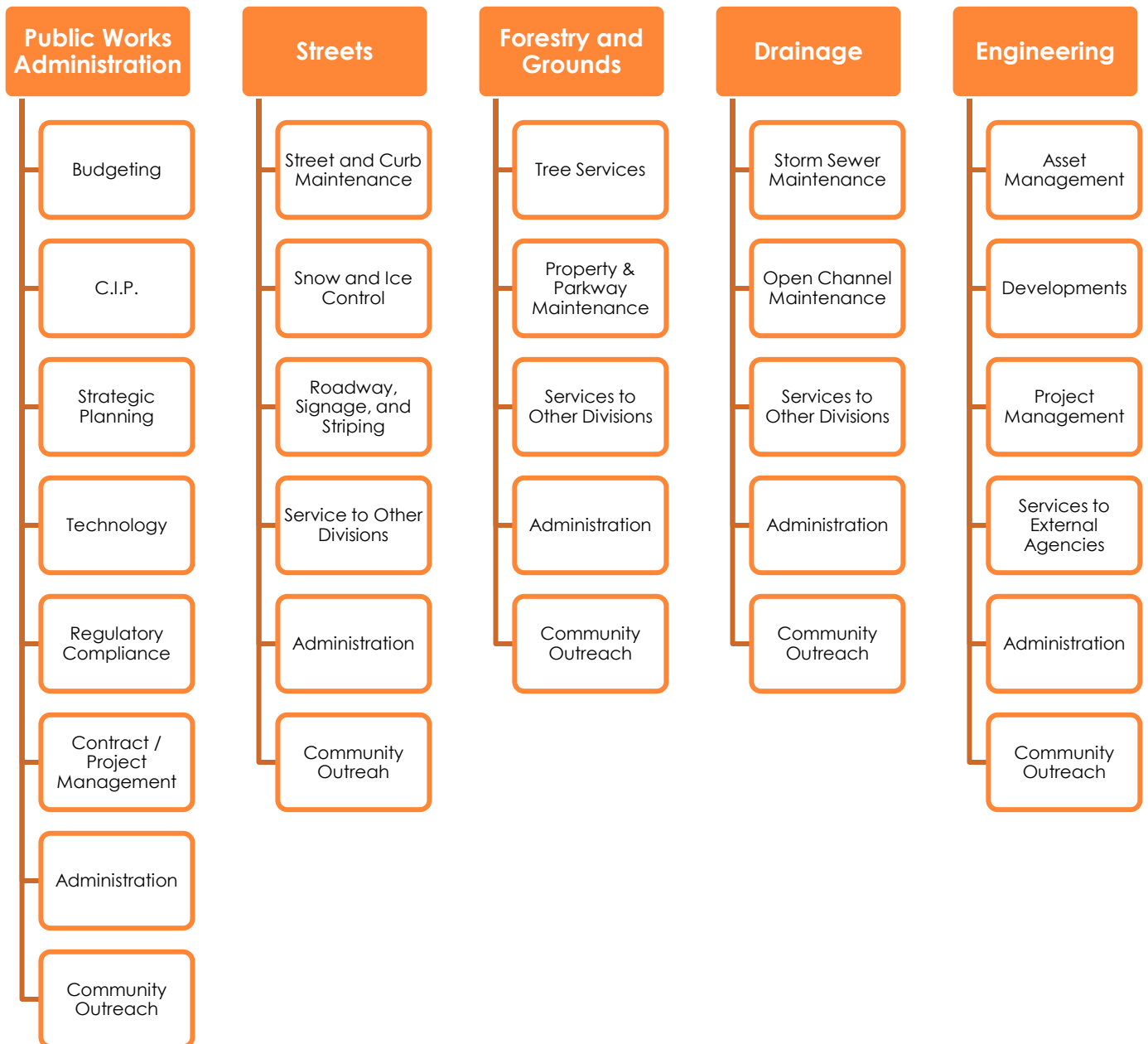
2018 PUBLIC WORKS STAFFING SUMMARY

The current approved staffing level for the department is 59. There are no additional proposed positions for 2018. Part time staffing is proposed to reduce from 11 to 10, year over year.

Public Works/Engineering	FY 2016		FY 2017		FY 2018	
	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
Clerk II	0	1	0	0	0	0
Deputy Director of Public Works	1	0	1	0	1	0
Director of Public Works	1	0	1	0	1	0
Engineering Aide	0	1	0	2	0	2
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	4
Laborer – Part Time	0	0	0	0	0	2
Maintenance Worker I	8	0	7	0	8	0
Maintenance Worker II	13	0	13	0	12	0
Maintenance Worker II – CL	6	0	6	0	5	0
Management Analyst	0	0	0	0	1	0
Superintendent of Maintenance	1	0	1	0	1	0
Seasonal Snow Plow Driver	0	1	0	1	0	1
Administrative Assistant	2	0	2	1	2	0
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	9	49	11	49	10
Full & Part-Time Total	59		60		59	

2018 STAFF TIME BY FUNCTIONAL AREA

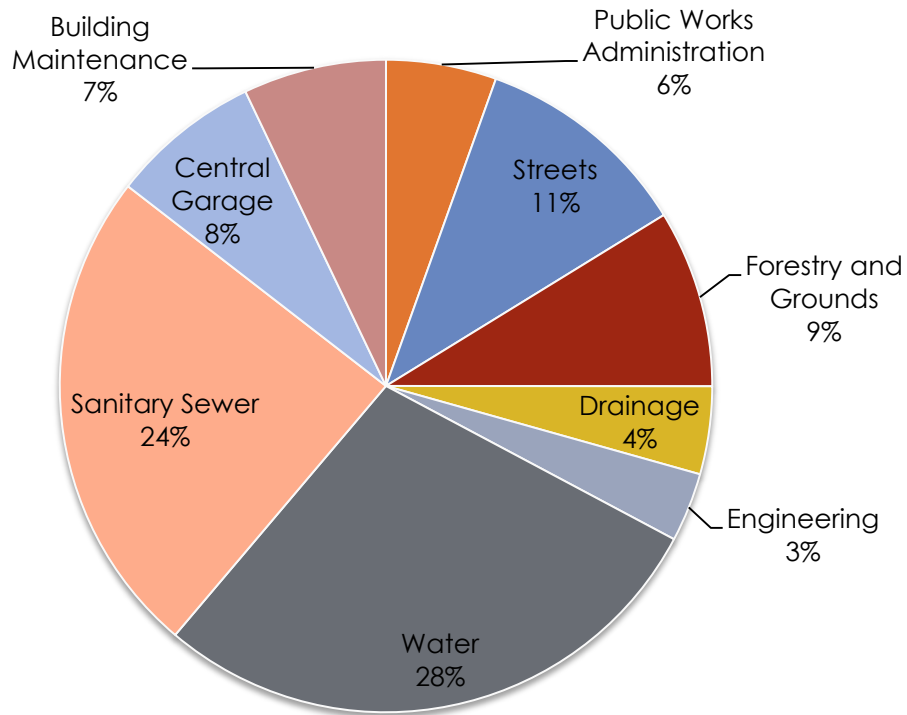
Functional Area	Number of Employees	Percentage of Resource Allocation Spent Per Functional Area
Administrative Division	7.0	10.5%
Engineering Division	5.0	10.5%
Street Section	7.0	10.5%
Forestry & Grounds Section	11.0	29.8%
Drainage Section	2.0	3.5%
Water Section	8.0	14.0%
Sewer Section	4.0	7.0%
Building Maintenance Section	4.5	8.8%
Central Garage Section	5.5	10.5%



2018 PUBLIC WORKS PROGRAM BUDGET SUMMARY

Public Works	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Public Works Administration	475,041	356,241	453,178	447,678	1,217,459	168.65%
Streets	2,376,321	1,974,425	2,434,393	2,224,637	2,391,803	-1.75%
Forestry and Grounds	1,951,554	1,714,533	2,027,761	1,867,027	1,956,665	-3.51%
Drainage	818,939	782,350	1,018,150	1,097,037	967,609	-4.96%
Engineering	688,976	732,181	800,154	758,482	760,732	-4.93%
Water	6,213,780	6,127,638	6,278,590	6,187,644	6,320,525	0.67%
Sanitary Sewer	3,824,800	3,911,640	5,381,094	5,905,696	5,406,824	0.48%
Central Garage	1,493,410	1,427,419	1,756,782	1,543,104	1,652,632	-5.93%
Building Maintenance	1,374,531	1,171,348	1,462,984	1,542,568	1,577,570	7.83%
Total	\$19,217,352	\$18,197,775	\$21,613,086	\$21,573,873	\$22,251,819	2.95%

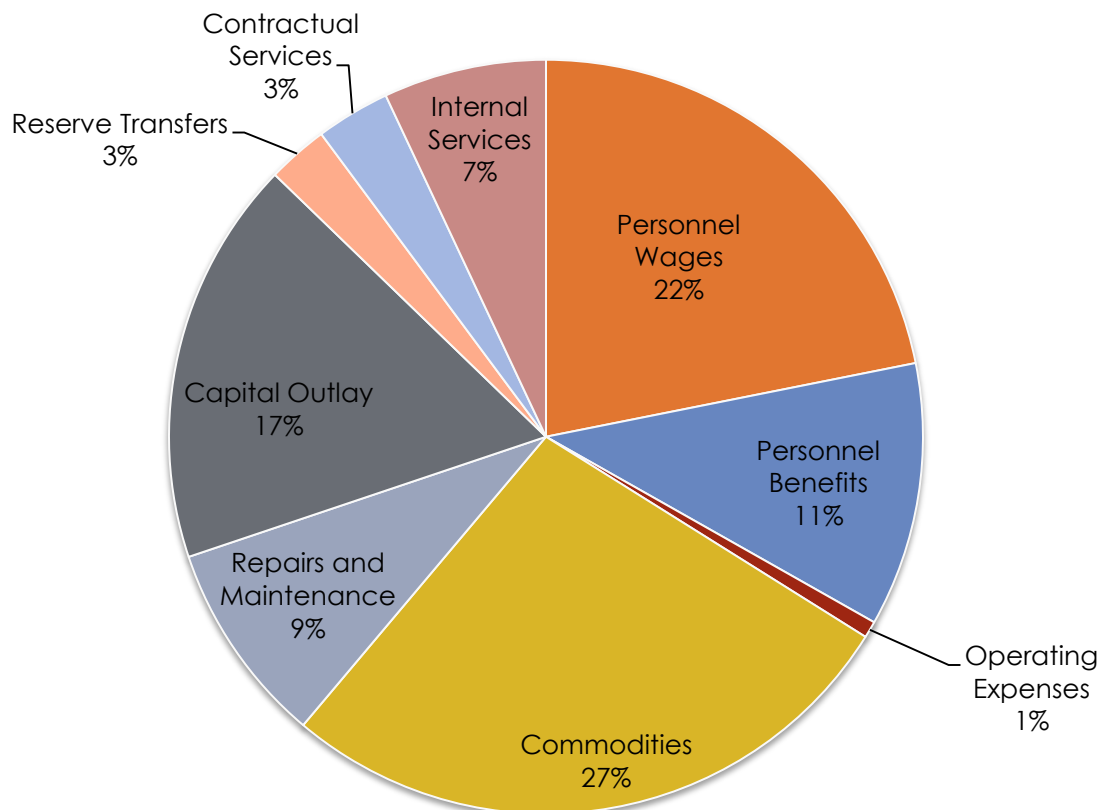
Program Budget Summary



2018 PUBLIC WORKS COST TYPE SUMMARY

Public Works	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	4,234,486	4,141,220	4,556,472	4,399,554	4,865,358	6.78%
Personnel Benefits	3,304,707	2,238,747	2,333,132	2,251,259	2,519,463	7.99%
Operating Expenses	1,289,886	2,416,900	132,298	167,571	159,308	20.42%
Commodities	5,172,581	5,289,298	5,960,161	6,428,866	6,059,436	1.67%
Repairs and Maintenance	1,680,574	1,191,907	2,045,025	1,770,087	1,935,775	-5.34%
Capital Outlay	2,601,966	1,244,126	3,793,149	3,842,549	3,869,144	2.00%
Reserve Transfers	33,637	4,375	572,490	572,490	579,965	1.31%
Contractual Services	265,781	255,274	592,012	513,152	707,243	19.46%
Internal Services	1,351,243	1,408,772	1,628,343	1,628,342	1,554,565	-4.53%
Total	\$19,934,861	\$18,190,619	\$21,613,082	\$21,573,870	\$22,250,257	2.95%

Cost Type Summary



PUBLIC WORKS DEPARTMENT VARIANCES

Public Works Department	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Wages	4,556,472	4,399,554	4,865,358	6.78%	\$99,000 - Salary Adjustments, 88,000 in Merit Increases, \$62,000 Understated in 2017 Central garage Budget for PW Admin \$\$, \$44,000 in Position Adjustments (AA & MWI-PT), \$21,000 Increase in Overtime.
Benefits	2,333,132	2,251,259	2,519,463	7.99%	Commensurate to salary adjustments.
Operating Expenses	132,298	167,571	159,308	20.42%	\$10,000 Parkway Restoration Materials., Approx \$2,000 ea. in other Sections.
Contractual Services	592,012	513,152	707,243	19.46%	\$40,000 Striping, \$25,000 Forestry Mowing, \$14,000 Roof Evaluations (transfer from R&M) & \$ 30,000 in Fire & Safety Services (Transfer from R&M).

STRATEGIC PLANNING



The Village Board directed staff to update the 2013-2018 Plan through the development of revised strategic planning priorities. The updated plan is comprised of five overarching Strategic Planning Priorities based on feedback received from employees, senior staff, and the Village Board. These priorities direct the development of the annual budget and guide the Village's work throughout program areas. The five overarching Strategic Planning Priorities are as follows: Service Optimization, Financial Stability, Collaboration, Economic Development, and Infrastructure Sustainability. Each department has unique strategic goals, initiatives, and action steps however, they may not have them in each priority. All goals were identified as near, mid, or long term. Only the near term goals affecting this budget are listed.

COLLABORATION



Action Step	Strategic Initiative	Budget Program	Priority
Outreach for Road Projects	Citizen Engagement	Engineering	High

FINANCIAL STABILITY



Action Step	Strategic Initiative	Budget Program	Priority
Complete Water Rate Study	Revenue Diversification	PW Admin.	Medium

PROGRAM AREA: STREET

This Section provides for the maintenance of 118 centerline miles of street and approximately 236 miles of curb and gutter to ensure that they are clean, safe, and structurally sound for vehicle use. Major tasks of this Section include street and curb maintenance, snow and ice control, roadway signage and striping, service to other divisions, administration, and community outreach.



MAJOR SERVICES

Street and Curb Maintenance
Snow and Ice Control
Roadway, Signage, and Striping
Services to Internal Village Departments
Administration
Community Outreach

PROGRAM CHANGES OF NOTE

Personnel costs such as salary, benefits and related items for the Deputy Director, Maintenance & Utilities Superintendent, Management Analyst and Administrative Assistant have been moved to the Department's Administrative budget.

KEY PERFORMANCE MEASURES

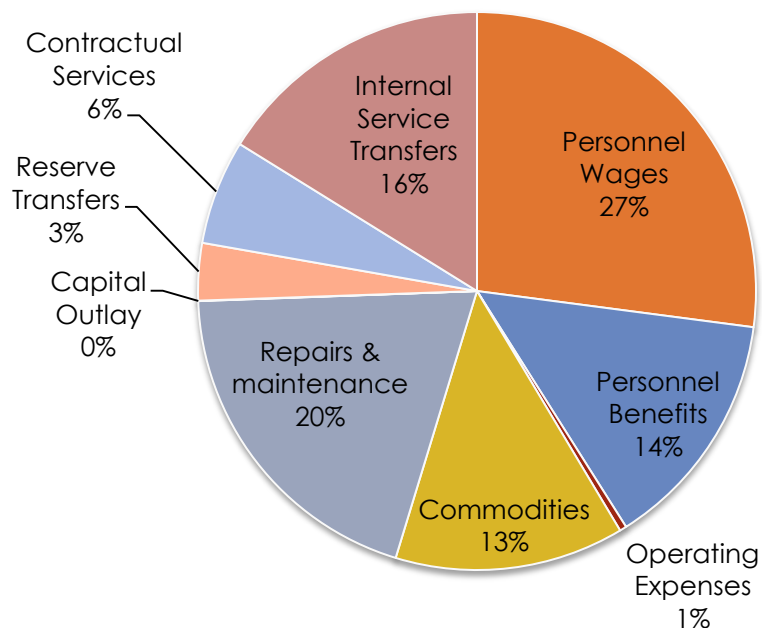
Street and Curb Maintenance	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Street sweeping (Miles)	3,200	2,489	3,525	2,877	3,000
Pot hole repairs (Tons)	60	67	65	69	68
Snow and Ice Control	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Length of time to clear roads following a snow event. (hours)	8	8	8	8	8
Tons of road salt per inch of snow	40	33	70	57	35
Roadway, Signage, Striping	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Street signs replaced annually (count)	150	280	64	49	131
Striping Annually (Miles)	20	24	31	10	12
Services to Internal Village Departments	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Signage for other VBG Departments (count)	10,000	2,431	5,535	23,146	10,370
Streets plowed in other communities (Miles)	12	12	12	12	12
Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Necessary section administrative work (VCS, New World, Cartegraph, Neo-Gov, Meetings & Committees) hours	1,200	705	950	1,090	1,200
Departmental safety & training (hours)	720	852	789	618	750
Community Outreach	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Banners Printed Annually (count)	60	54	74	52	60
BG days (hours)	800	712.25	920	800	810

MAJOR SERVICE: STREET AND CURB MAINTENANCE

The Street Section sweeps all Village streets on a regular basis. The streets are swept once a month during the spring, summer and fall season. During the winter season the streets are swept as weather permits. Public Works staff also does general maintenance on the sweeper equipment and some repairs. On average staff sweeps 3,200 miles of road a year and maintains 120.7 center lane miles. During the winter season, the 120.7 center lane miles are maintained with UPM cold patch, this product is used to fill in pot holes created during the winter season. Likewise, the Village uses on average 60 tons of cold patch a year. During the spring, summer and fall asphalt hot mix is used to make permanent repairs to areas of the roadway that are in need of repair. Concrete and mortar are utilized to repair curbs where needed. These repairs are temporarily patched with mortar and permanently repaired with concrete. During and after all these unique tasks, all equipment is repaired and maintained as needed.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	181,759	119,426	186,438	168,939	161,892	-13.17%
Personnel Benefits	74,630	90,266	86,554	78,691	83,439	-3.60%
Operating Expenses	1,621	1,937	2,172	3,173	2,369	9.07%
Commodities	52,902	47,322	78,915	79,675	79,433	0.66%
Repairs & Maintenance	113,842	50,648	105,163	83,975	117,888	12.10%
Capital Outlay	101,084	78,746	150	-	150	0.00%
Reserve Transfers	-	-	19,842	19,842	19,842	0.00%
Contractual Services	19,546	(5,211)	25,000	17,500	36,250	45.00%
Internal Service Transfers	48,696	110,473	104,365	104,365	96,689	-7.35%
Total Street & Curb Maintenance	\$594,080	\$493,607	\$608,599	\$556,160	\$597,952	-1.75%

2018 Street and Curb Maintenance

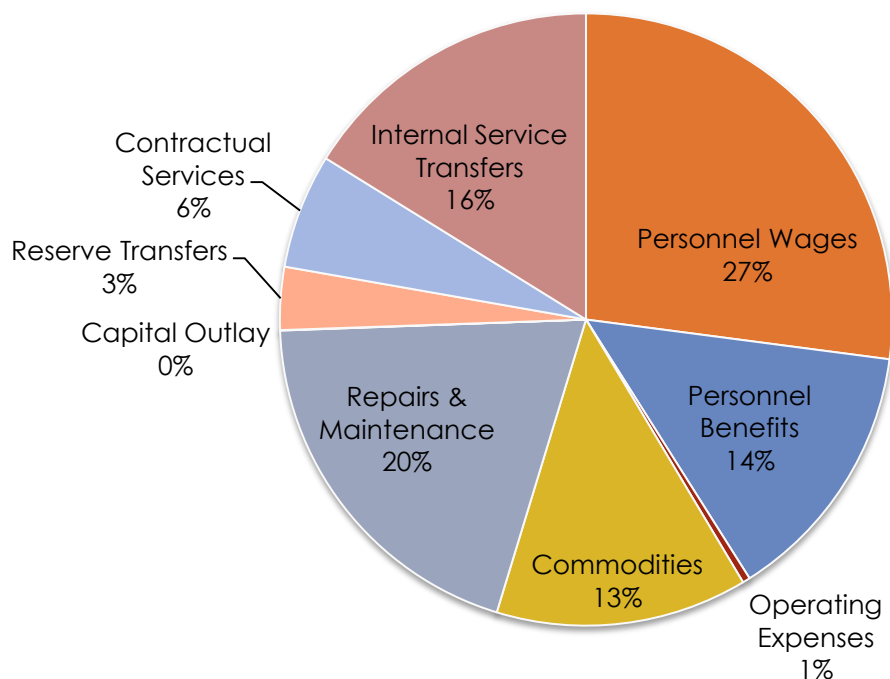


MAJOR SERVICE: SNOW AND ICE CONTROL

Staff prepares the snow & ice program year round. In the summer months, village staff reviews the program, conducts round table meetings, and makes adjustments with the routes as needed. In the fall, all equipment including plow trucks, sidewalk plow units, snow blowers, and shovels are prepared. During the fall, each driver participates in a comprehensive training program, which reviews all of the recent plan changes. Public Works staff regularly meets the benchmark goal of having all streets cleared eight hours after any snowfall. Through the review process, efficiencies have been identified which reduced snow removal cost to \$12.78 per inch/mile and have reduced tons of salt per inch of snow down to 35 tons by using more liquids. The inclusion of a liquid program is a key aspect of the snow & ice program. In the spring, staff makes all repairs and adjustments needed to equipment and review the past years snow events to determine what will be improved upon.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	181,759	119,426	186,438	168,939	161,892	-13.17%
Personnel Benefits	74,630	90,266	86,554	78,691	83,439	-3.60%
Operating Expenses	1,621	1,937	2,172	3,173	2,369	9.07%
Commodities	52,902	47,322	78,915	79,675	79,433	0.66%
Repairs & Maintenance	113,842	50,648	105,163	83,975	117,888	12.10%
Capital Outlay	101,084	78,746	150	-	150	0.00%
Reserve Transfers	-	-	19,842	19,842	19,842	0.00%
Contractual Services	19,546	(5,211)	25,000	17,500	36,250	45.00%
Internal Service Transfers	48,696	110,473	104,365	104,365	96,689	-7.35%
Total Snow and Ice Control	\$594,080	\$493,607	\$608,599	\$556,160	\$597,952	-1.75%

2018 Snow and Ice Control

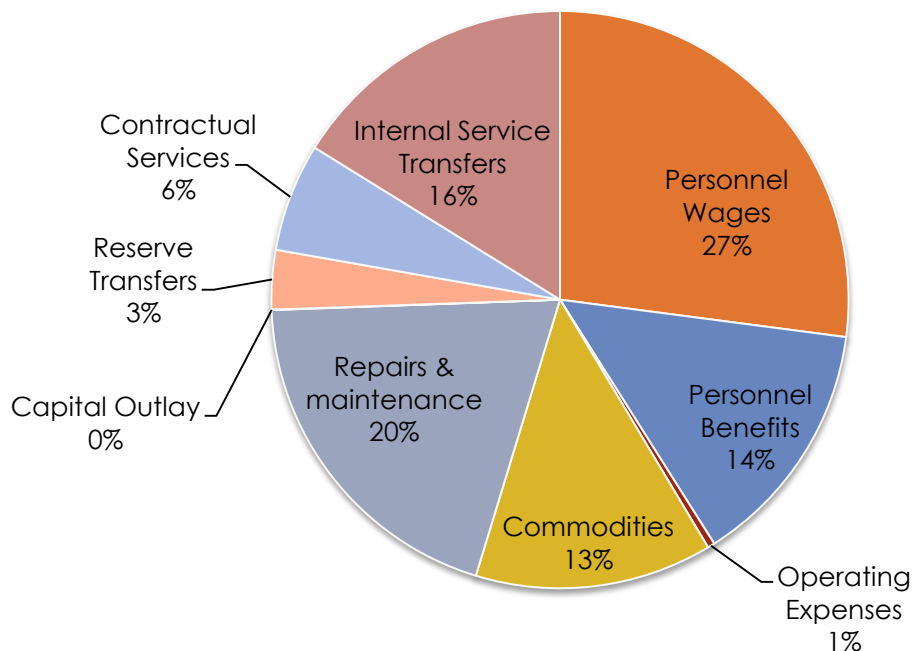


MAJOR SERVICE: ROADWAY, SIGNAGE, AND STRIPING

The Village established a sign program in 1990 and has been expanding the offering of services ever since. The Public Works Department has updated software programs on an as needed basis and has purchased state of the art printers, the department to comply with all governing codes for uniform traffic control devices. The Village's striping program has been in operation as long as the sign program. Currently, the department stripes all Village owned roads, striping stop bars, crosswalks, edge lines, double yellow lines and turn lanes. Both of these programs are in transition and are taking measures to update and/or adjust the programs as needed. The estimated 2018 performance indicators reflect this transition due to the sign program's full change to an upgraded system.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	181,759	119,426	186,438	168,939	161,892	-13.17%
Personnel Benefits	74,630	90,266	86,554	78,691	83,439	-3.60%
Operating Expenses	1,621	1,937	2,172	3,173	2,369	9.07%
Commodities	52,902	47,322	78,915	79,675	79,433	0.66%
Repairs & Maintenance	113,842	50,648	105,163	83,975	117,888	12.10%
Capital Outlay	101,084	78,746	150	-	150	0.00%
Reserve Transfers	-	-	19,842	19,842	19,842	0.00%
Contractual Services	19,546	(5,211)	25,000	17,500	36,250	45.00%
Internal Service Transfers	48,696	110,473	104,365	104,365	96,689	-7.35%
Total Roadway, Signage, and Striping	\$594,080	\$493,607	\$608,599	\$556,160	\$597,952	-1.75%

2018 Roadway, Signage & Striping

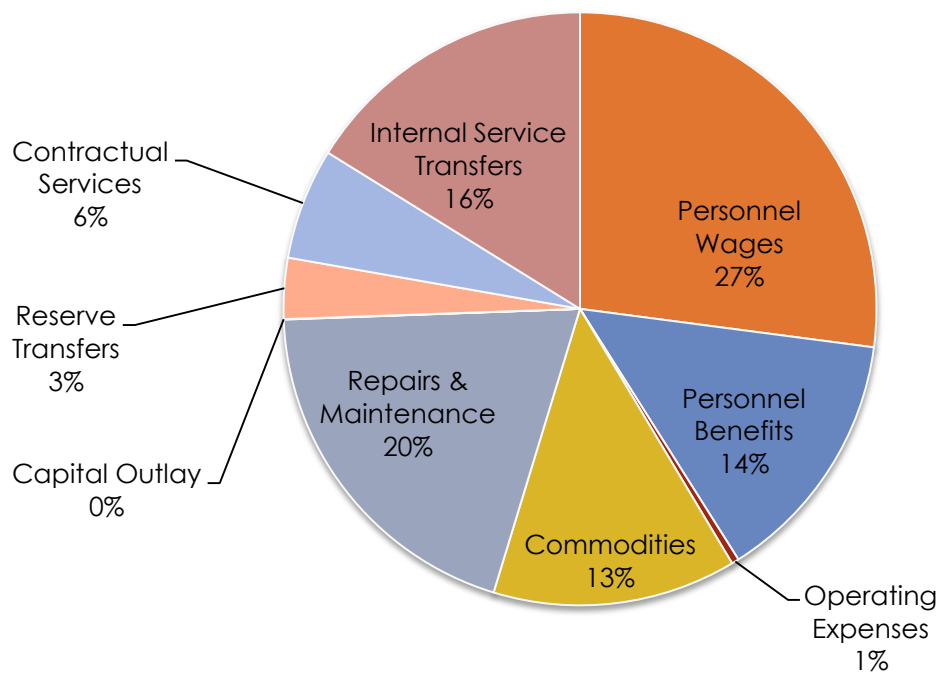


MAJOR SERVICE: SERVICES TO INTERNAL VILLAGE DEPARTMENTS

Over the last several years, the amount of requests for single form internal village departments and the Buffalo Grove Park District have increase consistently. In 2017, 23,146 signs, banners, and stickers were produced, the most in a single year. The Village of Buffalo Grove has a several agreements with outside agencies to provide services such as to plow and/or maintain roads as well as provide signage.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	36,352	23,885	37,288	33,788	32,378	-13.17%
Personnel Benefits	14,926	18,053	17,311	15,738	16,688	-3.60%
Operating Expenses	324	387	434	635	474	9.22%
Commodities	10,580	9,464	15,783	15,935	15,887	0.66%
Repairs & Maintenance	22,768	10,130	21,033	16,795	23,578	12.10%
Capital Outlay	20,217	15,749	30	-	30	0.00%
Reserve Transfers	-	-	3,968	3,968	3,968	0.00%
Contractual Services	3,909	(1,042)	5,000	3,500	7,250	45.00%
Internal Service Transfers	9,739	22,095	20,873	20,873	19,338	-7.35%
Total Services to Internal Village Departments	\$118,815	\$98,721	\$121,720	\$111,232	\$119,591	-1.75%

2018 Service to Internal Village Departments

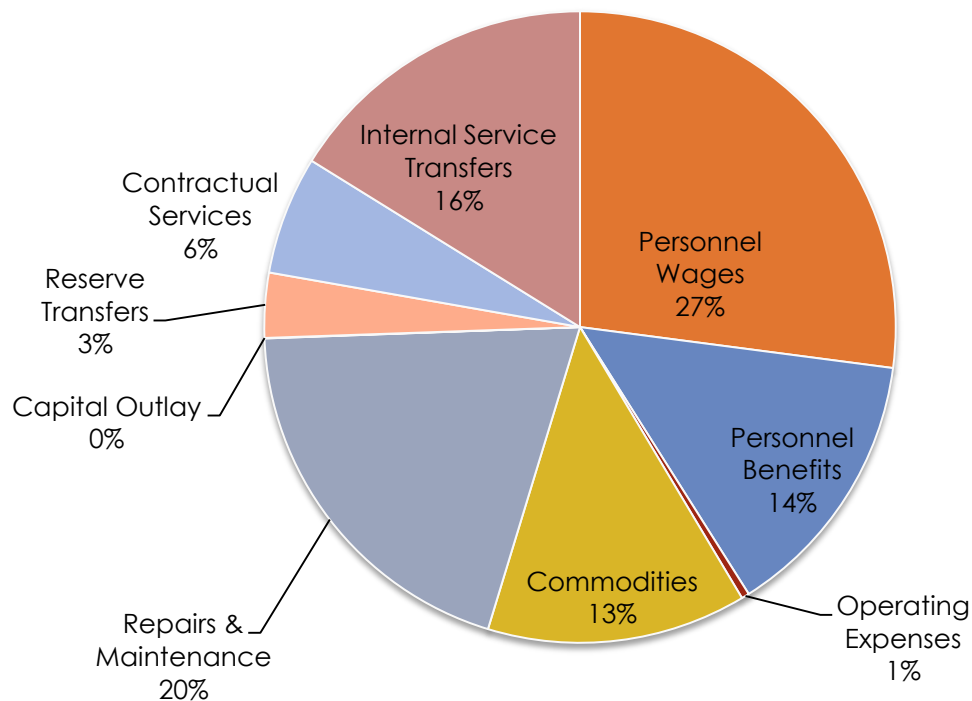


MAJOR SERVICE: ADMINISTRATION

The addition of several new software solutions has increased the number administrative services are performed in the department. The planning and data entry components of these processes are vital to keeping these programs running effectively. The department trains on a weekly, monthly, and annual basis to maintain the integrity of these processes and increase safety.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	109,053	71,656	111,860	101,364	97,136	-13.16%
Personnel Benefits	44,778	54,160	51,933	47,214	50,063	-3.60%
Operating Expenses	976	1,165	1,304	1,900	1,419	8.82%
Commodities	31,741	28,394	47,349	47,805	47,657	0.65%
Repairs & Maintenance	68,308	30,386	63,095	50,385	70,730	12.10%
Capital Outlay	60,652	47,246	90	-	90	0.00%
Reserve Transfers	-	-	11,906	11,906	11,906	0.00%
Contractual Services	11,726	(3,126)	15,000	10,500	21,750	45.00%
Internal Service Transfers	29,217	66,281	62,619	62,619	58,014	-7.35%
Total Administration	\$356,451	\$296,162	\$365,156	\$333,693	\$358,765	-1.75%

2018 Administration

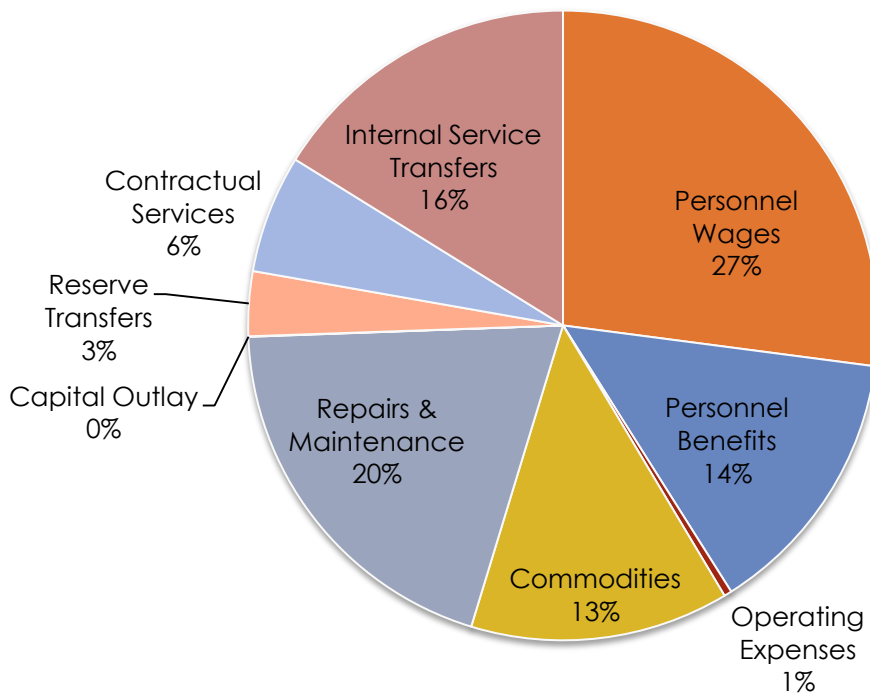


MAJOR SERVICE: COMMUNITY OUTREACH

The Village has had several festivals that the department works on either directly or indirectly making signs, banners and stickers for these events as well as installing, posting, or delivering materials. Buffalo Grove Days is the largest investment of time, equipment, and material. The Public Works Department dedicates over 800 person-hours for BG Days activities. Other events include, Farmer's Market, Fire Department Open House, July 4th Fireworks, Electronics Recycling Events, Green Fair, and July 4th Rotary Concerts.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	36,352	23,885	37,288	33,788	32,378	-13.17%
Personnel Benefits	14,926	18,053	17,311	15,738	16,688	-3.60%
Operating Expenses	324	387	434	635	474	9.22%
Commodities	10,580	9,464	15,783	15,935	15,887	0.66%
Repairs & Maintenance	22,768	10,130	21,033	16,795	23,578	12.10%
Capital Outlay	20,217	15,749	30	-	30	0.00%
Reserve Transfers	-	-	3,968	3,968	3,968	0.00%
Contractual Services	3,909	(1,042)	5,000	3,500	7,250	45.00%
Internal Service Transfers	9,739	22,095	20,873	20,873	19,338	-7.35%
Total Community Outreach	\$118,815	\$98,721	\$121,720	\$111,232	\$119,591	-1.75%

2018 Community Outreach



PROGRAM AREA: 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 administration.



MAJOR SERVICES

Budgeting
Capital Improvement Plan
Strategic Planning
Technology
Regulatory Compliance
Contract/Project Administration
Administration
Community Outreach

PROGRAM CHANGES OF NOTE

Personnel costs such as salary, benefits and related items for the Deputy Director, Maintenance & Utilities Superintendent, Management Analyst and Administrative Assistant have been moved to the Department's Administrative budget.

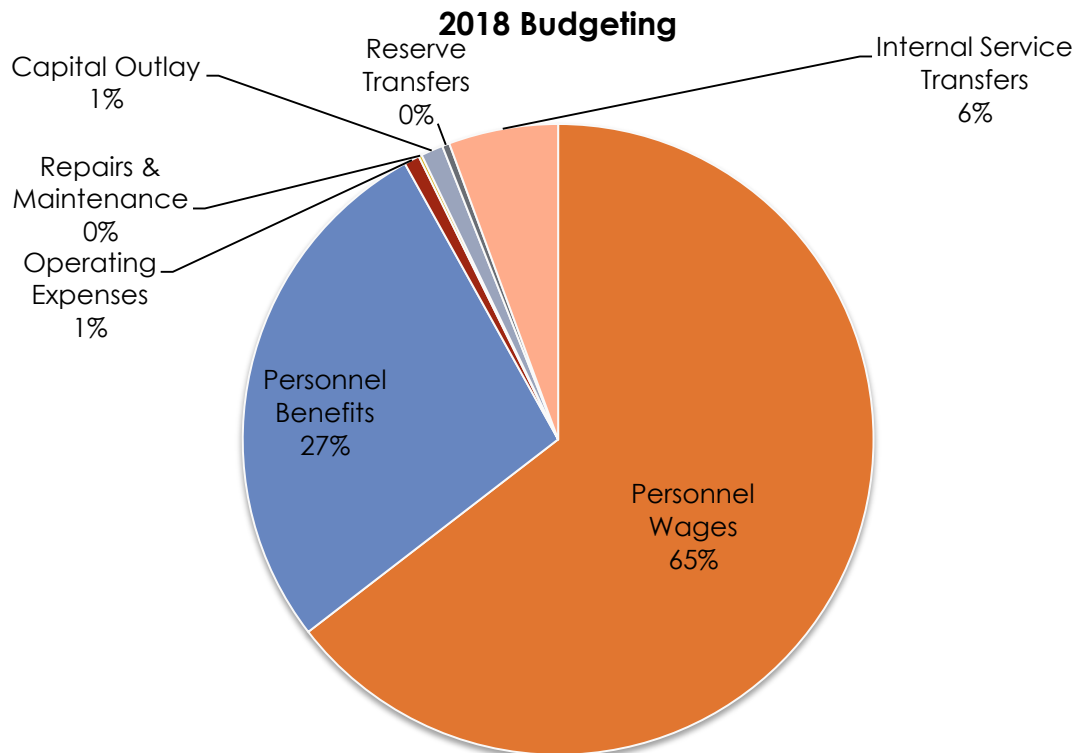
KEY PERFORMANCE MEASURES

Budgeting	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Hours dedicated to budgeting	100	165	137	137	576
Capital Improvement Plan	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Hours dedicated to the development of the Capital Improvement Plan	125	151	126	126	530
Strategic Planning	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Hours dedicated to achieving and developing strategic planning actions	300	362	301	301	1,269

MAJOR SERVICE: BUDGETING

This major Service area includes annual budget development and administration.

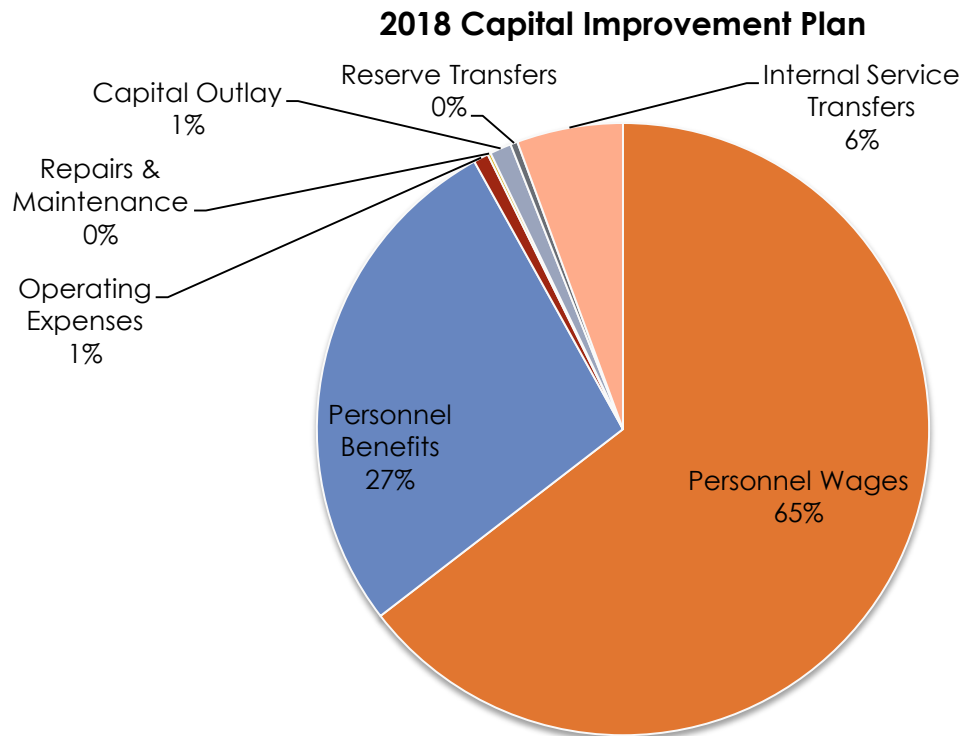
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	15,884	11,020	12,380	12,380	39,295	217.41%
Personnel Benefits	6,029	4,341	5,883	5,683	16,664	183.26%
Operating Expenses	377	298	465	390	480	3.23%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	2	-	100	100	100	0.00%
Capital Outlay	38	-	690	690	690	0.00%
Reserve Transfers	0	-	229	229	229	0.00%
Contractual Services	90	-	-	-	-	-
Internal Service Transfers	1,333	2,153	2,912	2,912	3,415	17.27%
Total Budgeting	\$23,753	\$17,812	\$22,659	\$22,384	\$60,873	168.65%



MAJOR SERVICE: CAPITAL IMPROVEMENT PLAN

This major service includes long-range capital planning for all Village facilities, equipment, and infrastructure. Additionally, the annual Capital Improvement Plan is prepared and presented for Village Board approval.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	12,707	8,816	9,904	9,904	31,436	217.41%
Personnel Benefits	4,823	3,473	4,707	4,547	13,331	183.22%
Operating Expenses	301	238	372	312	384	3.23%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	2	-	80	80	80	0.00%
Capital Outlay	31	-	552	552	552	0.00%
Reserve Transfers	-	-	183	183	183	0.00%
Contractual Services	72	-	-	-	-	-
Internal Service Transfers	1,066	1,723	2,330	2,330	2,732	17.25%
Total Capital Improvement Plan	\$19,002	\$14,250	\$18,128	\$17,908	\$48,698	168.63%

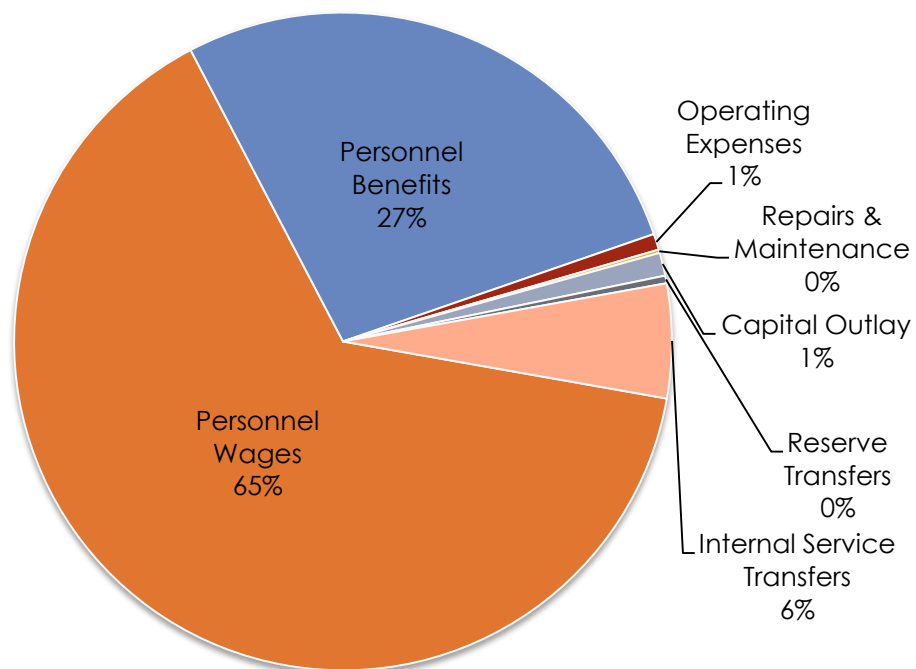


MAJOR SERVICE: STRATEGIC PLANNING

This major service includes ongoing participation in the strategic planning process and implementation of the identified strategic priorities.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	31,768	22,039	24,759	24,759	78,591	217.42%
Personnel Benefits	12,058	8,682	11,766	11,366	33,328	183.26%
Operating Expenses	753	596	930	780	960	3.23%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	5	-	200	200	200	0.00%
Capital Outlay	76	-	1,380	1,380	1,380	0.00%
Reserve Transfers	-	-	458	458	458	0.00%
Contractual Services	179	-	-	-	-	-
Internal Service Transfers	2,665	4,306	5,824	5,824	6,829	17.26%
Total Strategic Planning	\$47,504	\$35,623	\$45,317	\$44,767	\$121,746	168.65%

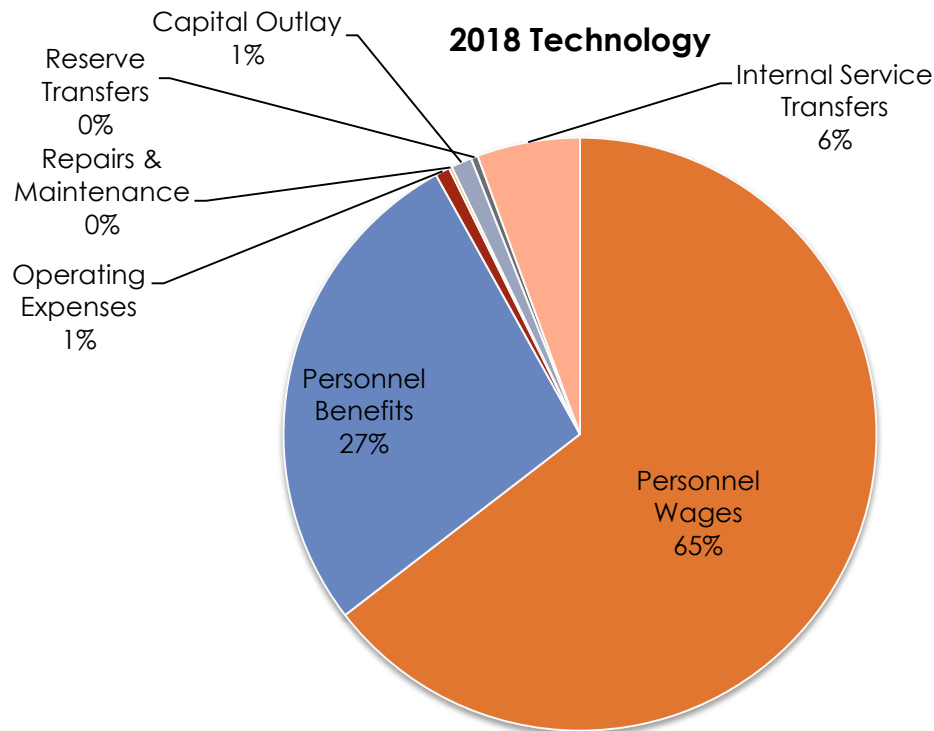
2018 Strategic Planning



MAJOR SERVICE: TECHNOLOGY

This major service includes the effort required to manage the department's growing technology assets. Included in this group is Cartegraph Asset Management, Laserfische, GPS vehicle tracking, SCADA, and GIS integration.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	54,005	37,467	42,090	42,090	133,604	217.42%
Personnel Benefits	20,498	14,760	20,003	19,323	56,658	183.25%
Operating Expenses	1,281	1,013	1,581	1,326	1,632	3.23%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	8	-	340	340	340	0.00%
Capital Outlay	130	-	2,346	2,346	2,346	0.00%
Reserve Transfers	-	-	779	779	779	0.00%
Contractual Services	305	-	-	-	-	-
Internal Service Transfers	4,531	7,321	9,901	9,901	11,609	17.25%
Total Technology	\$80,758	\$60,561	\$77,040	\$76,105	\$206,968	168.65%

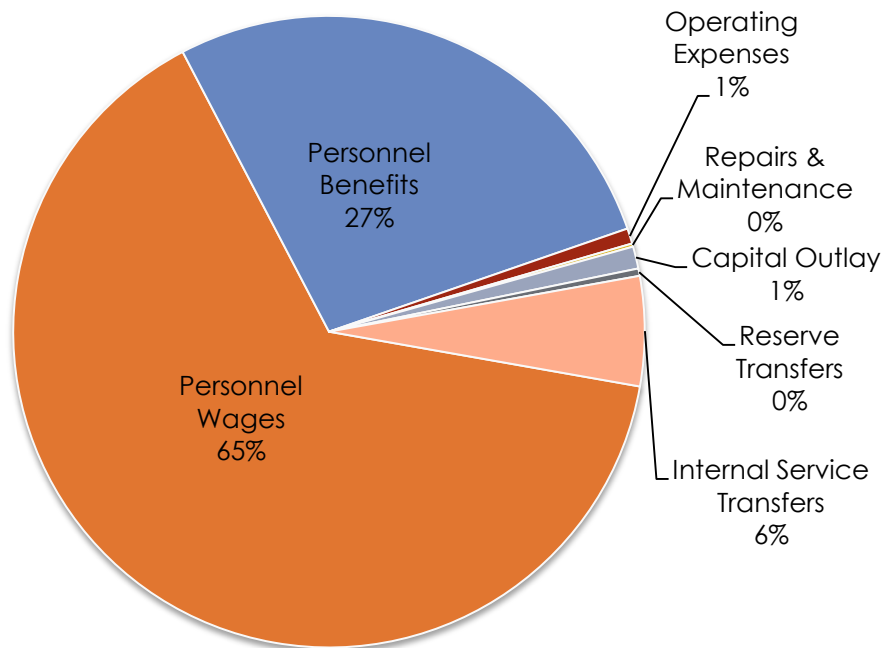


MAJOR SERVICE: REGULATORY COMPLIANCE

This major service includes the effort required to achieve and maintain regulatory compliance at the department level. Included is MWRD sanitary sewer compliance, IEPA sewer & water compliance and NPDES stormwater compliance.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	31,768	22,039	24,759	24,759	78,591	217.42%
Personnel Benefits	12,058	8,682	11,766	11,366	33,328	183.26%
Operating Expenses	753	596	930	780	960	3.23%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	5	-	200	200	200	0.00%
Capital Outlay	76	-	1,380	1,380	1,380	0.00%
Reserve Transfers	0	-	458	458	458	0.00%
Contractual Services	179	-	-	-	-	-
Internal Service Transfers	2,665	4,306	5,824	5,824	6,829	17.26%
Total Regulatory Compliance	\$47,504	\$35,623	\$45,317	\$44,767	\$121,746	168.65%

2018 Regulatory Compliance

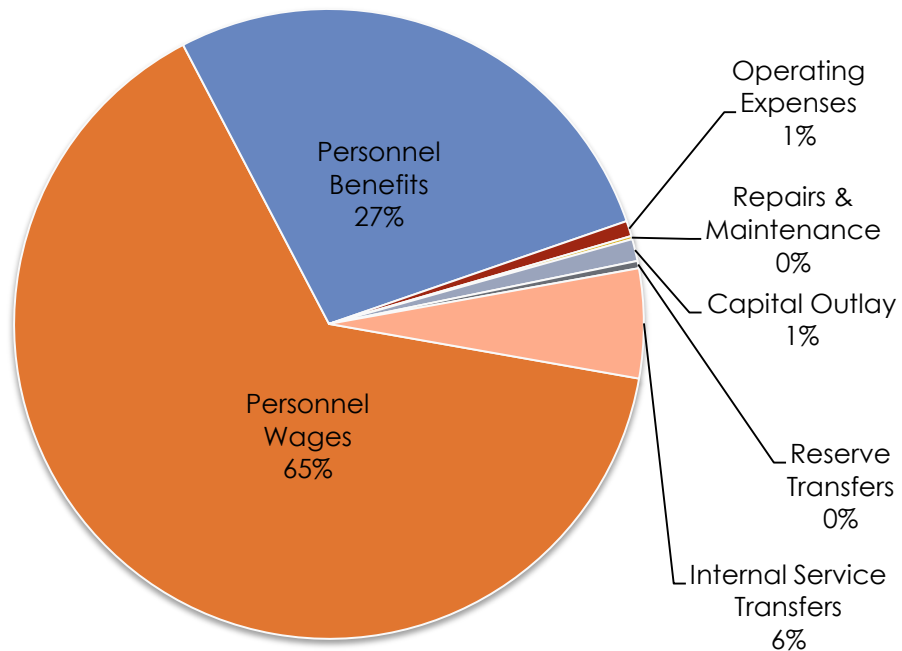


MAJOR SERVICE: CONTRACT/PROJECT MANAGEMENT

This major service includes the effort required to oversee annual capital improvement projects as well as special projects as identified throughout the year. These projects include any activities that are overseen by any personnel other than the Building Maintenance Supervisor. Projects include lift station replacement, Buffalo Grove Golf Course Restaurant remodeling, roof replacements projects and various facility-remodeling projects.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	25,414	17,631	19,807	19,807	62,873	217.43%
Personnel Benefits	9,646	6,946	9,413	9,093	26,662	183.25%
Operating Expenses	603	477	744	624	768	3.23%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	4	-	160	160	160	0.00%
Capital Outlay	61	-	1,104	1,104	1,104	0.00%
Reserve Transfers	-	-	366	366	366	0.00%
Contractual Services	143	-	-	-	-	-
Internal Service Transfers	2,132	3,445	4,660	4,660	5,463	17.23%
Total Contract/Project Management	\$38,003	\$28,499	\$36,254	\$35,814	\$97,396	168.65%

2018 Contract/Project Management

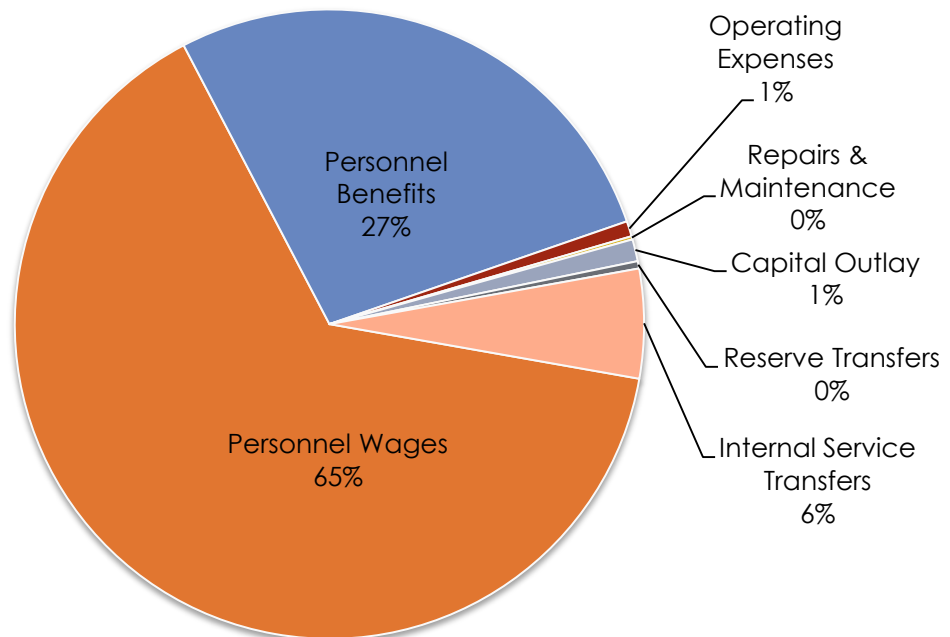


MAJOR SERVICE: ADMINISTRATION

This major service includes the effort required for the overall administrative functions for the department. Examples would include purchase order processing, credit card processing, filing, customer service, various Village related committee participation and Human Resource related activities.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	111,186	77,138	86,657	86,657	275,069	217.42%
Personnel Benefits	42,202	30,388	41,182	39,782	116,648	183.25%
Operating Expenses	2,636	2,088	3,255	2,730	3,360	3.23%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	15	-	700	700	700	0.00%
Capital Outlay	268	-	4,830	4,830	4,830	0.00%
Reserve Transfers	-	-	1,603	1,603	1,603	0.00%
Contractual Services	628	-	-	-	-	-
Internal Service Transfers	9,327	15,072	20,386	20,386	23,901	17.24%
Total Administration	\$166,262	\$124,686	\$158,613	\$156,688	\$426,111	168.65%

2018 Administration

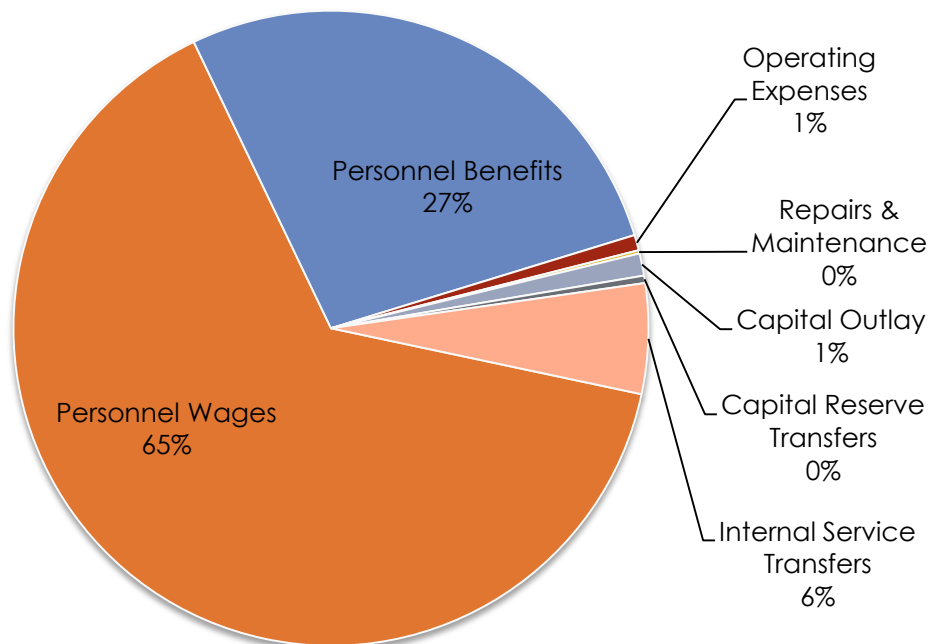


MAJOR SERVICE: COMMUNITY OUTREACH

This major service includes the activities related to the responding to request from citizens. These responses include not only Freedom of Information Act requests, but also all requests for service through BG Connect and Cartegraph.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	34,944	24,243	27,235	27,235	86,450	217.42%
Personnel Benefits	13,264	9,551	12,943	12,503	36,661	183.25%
Operating Expenses	829	656	1,023	858	1,056	3.23%
Commodities	-	-	-	-	-	-
Repairs & Maintenance	5	-	220	220	220	0.00%
Capital Outlay	84	-	1,518	1,518	1,518	0.00%
Capital Reserve Transfers	-	-	504	504	504	0.00%
Contractual Services	197	-	-	-	-	-
Internal Service Transfers	2,932	4,737	6,407	6,407	7,512	17.25%
Total Community Outreach	\$52,255	\$39,187	\$49,850	\$49,245	\$133,921	168.65%

2018 Community Outreach



PROGRAM AREA: FORESTRY & GROUNDS

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 and detention basins. Major tasks of this Section include tree services, property and parkway maintenance, service to other divisions, administration, and community outreach.



MAJOR SERVICES

- Tree Services
- Property and Parkway Maintenance
- Service to Other Divisions
- Administration
- Community Outreach

PROGRAM CHANGES OF NOTE

Personnel costs such as salary, benefits and related items for the Deputy Director, Maintenance & Utilities Superintendent, Management Analyst and Administrative Assistant have been moved to the Department's Administrative budget.

KEY PERFORMANCE MEASURES

Tree Services	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Cycle Tree Trimming Program (each)	4,350	2,328	2,145	4,650	4,500
Tree Removals (each)	200	1,063	347	361	200
Tree Replacement (each)	200	3,300	2,094	156	200

Property and Parkway Maintenance	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Parkway Restoration (square feet)	43,828	28,006	51,012	52,466	51,739
Natural Area Maintenance (hours)	393	91.5	333	755	900
Landscape Maintenance (hours)	836	397	1,039	1,072	1,056

Service to Other Divisions	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Snow and Ice Control (hours)	1320	1,997	1,835	642	1,492
Golf Course Tree Maintenance (hours)	445.5	N/A	304	586	445

Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Supervision, New World, VCS, Cartegraph, NeoGov, Accreditation, Research (hours)	1,701	2,022	1,380	1,380	1,594
Training, Meetings, Committees (hours)	928	954	1,036	819	937

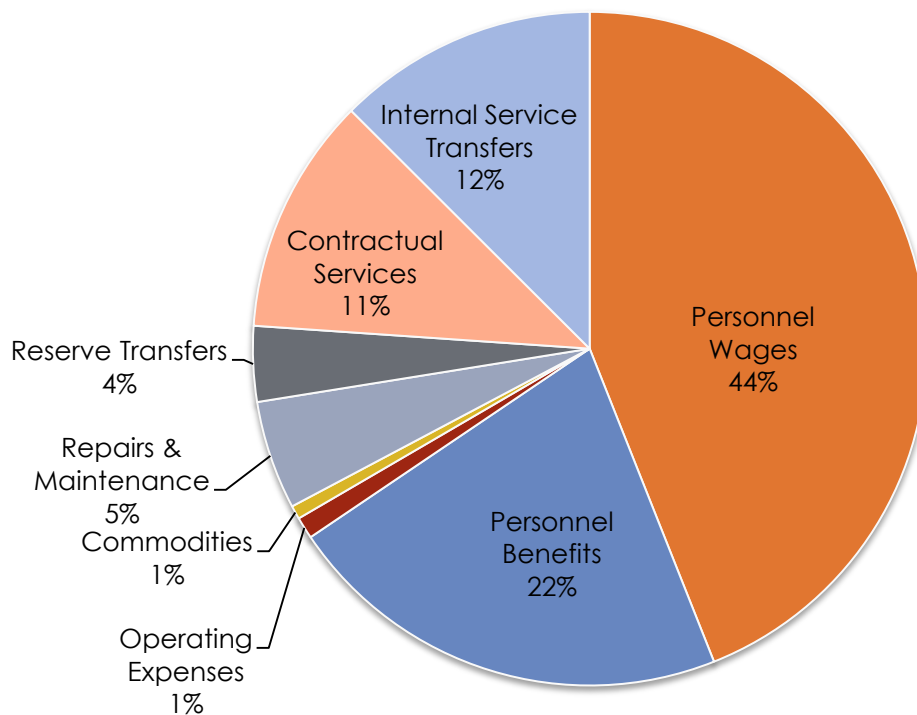
Community Outreach	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Holiday Lights (hours)	235	278	268	191	246
BG Days (hours)	445	530	360	360	417
Arbor Day (hours)	30	25	32	32	30

MAJOR SERVICE: TREE SERVICES

Forestry and Grounds staff maintains 21,710 trees throughout the Village. To achieve a goal of a five-year cycle trimming program; staff must trim 4,350 trees annually. Trees will be removed annually as they decline due to environmental factors and storm related events. After trees are removed, they are replaced with a diverse selection of trees to maintain a sustainable urban forest.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	323,904	336,227	355,855	317,181	344,235	-3.27%
Personnel Benefits	138,059	165,084	167,582	162,695	168,760	0.70%
Operating Expenses	4,604	11,268	4,414	11,040	8,220	86.23%
Commodities	624	1,932	5,060	5,282	5,080	0.40%
Repairs & Maintenance	-	(17,760)	40,840	32,460	40,860	0.05%
Capital Outlay	119,823	141	-	-	-	-
Reserve Transfers	13,455	-	28,338	28,338	28,338	0.00%
Contractual Services	43,174	72,549	79,200	60,000	89,200	12.63%
Internal Service Transfers	136,979	116,372	129,815	129,815	97,973	-24.53%
Total Tree Services	\$780,622	\$685,813	\$811,104	\$746,811	\$782,666	-3.51%

2018 Tree Services

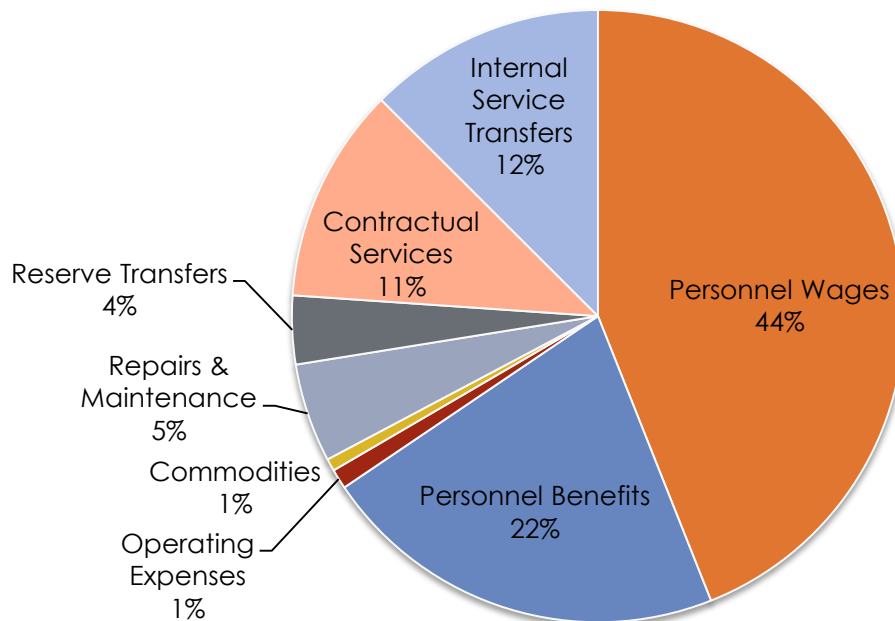


MAJOR SERVICE: PARKWAY AND PROPERTY MAINTENANCE

Various restorations are performed on Village parkways and maintained properties due to utility repairs and snow and ice control operations. Continued maintenance is important to properly manage the 170 acres of natural areas in the Village. Exotic, invasive plant species are controlled with the use of mechanical and chemical operations. Many of these natural areas are contiguous with the eleven miles of creek banks through the Village. There are 155 acres of Village owned properties and maintained areas including rights of way that include various tasks: mowing, fertilizing, weed control, mulching beds, trimming bushes, planting flowers and watering.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	242,928	252,170	266,891	237,886	258,176	-3.27%
Personnel Benefits	103,545	123,813	125,687	122,021	126,570	0.70%
Operating Expenses	3,453	8,451	3,311	8,280	6,165	86.20%
Commodities	468	1,449	3,795	3,962	3,810	0.40%
Repairs & Maintenance	-	(13,320)	30,630	24,345	30,645	0.05%
Capital Outlay	89,867	106	-	-	-	-
Reserve Transfers	10,091	-	21,254	21,254	21,254	0.00%
Contractual Services	32,380	54,412	59,400	45,000	66,900	12.63%
Internal Service Transfers	102,734	87,279	97,361	97,361	73,480	-24.53%
Total Parkway & Property Maintenance	\$585,466	\$514,360	\$608,329	\$560,109	\$587,000	-3.51%

2018 Parkway & Property Maintenance

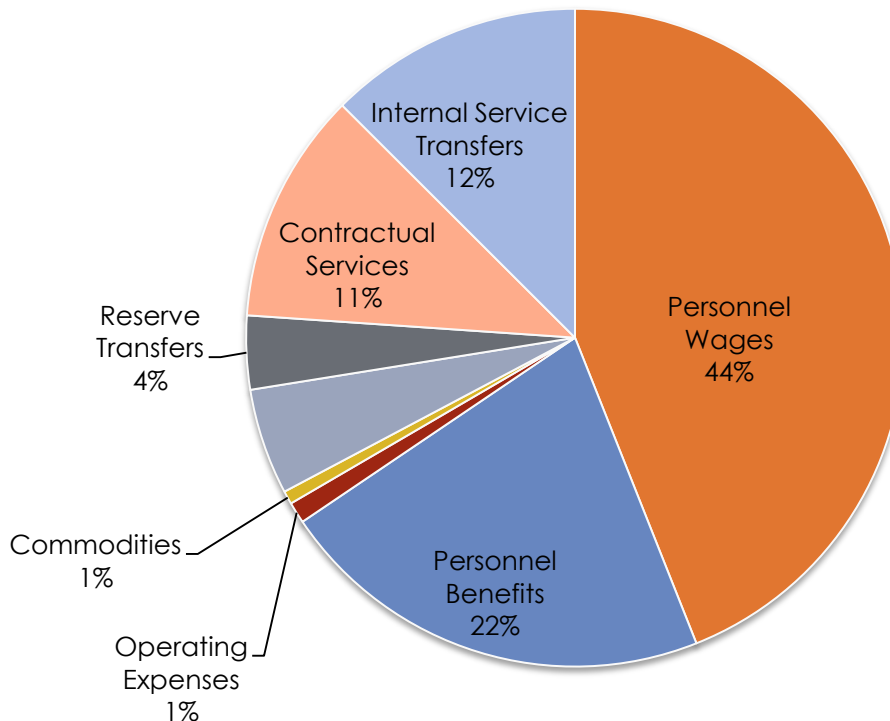


MAJOR SERVICE: SERVICE TO OTHER DIVISIONS

This service includes any additional support provided from Forestry and Grounds operations to other divisions; this support include snow and ice control and tree maintenance on both Village golf courses.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	80,976	84,057	88,964	79,295	86,059	-3.27%
Personnel Benefits	34,515	41,271	41,896	40,674	42,190	0.70%
Operating Expenses	1,151	2,817	1,104	2,760	2,055	86.14%
Commodities	156	483	1,265	1,321	1,270	0.40%
Repairs & Maintenance	-	(4,440)	10,210	8,115	10,215	0.05%
Capital Outlay	29,956	35	-	-	-	-
Reserve Transfers	3,364	-	7,085	7,085	7,085	0.00%
Contractual Services	10,793	18,137	19,800	15,000	22,300	12.63%
Internal Service Transfers	34,245	29,093	32,454	32,454	24,493	-24.53%
Total Service to Other Divisions	\$195,156	\$171,453	\$202,778	\$186,704	\$195,667	-3.51%

2018 Service to Other Divisions

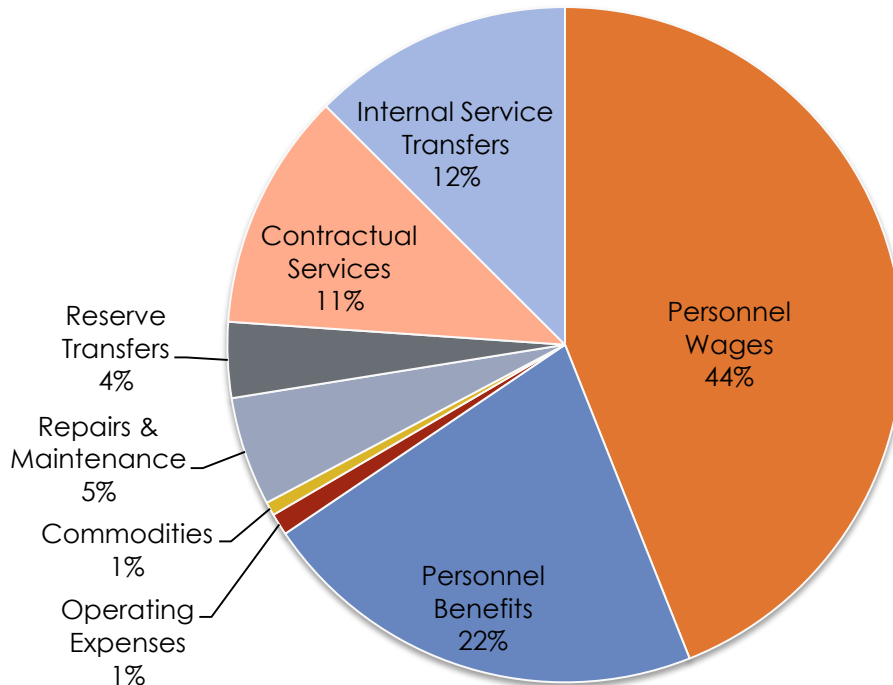


MAJOR SERVICE: ADMINISTRATION

In the Administration process, many hours are required to manage staff and prepare daily Forestry operations. Various software programs track staff hours, work productivity, employee performance, and purchasing / invoicing and continued APWA reaccreditation efforts. All other general supervisory time includes purchase order processing, accident investigations, safety training, human resource issues, reviewing plans for pre-construction and post-construction projects, along with training and education hours.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	121,464	126,085	133,446	118,943	129,088	-3.27
Personnel Benefits	51,772	61,906	62,842	61,010	63,285	0.70%
Operating Expenses	1,727	4,225	1,655	4,140	3,082	86.28%
Commodities	234	725	1,897	1,980	1,905	0.37%
Repairs & Maintenance	-	(6,659)	15,315	12,172	15,322	0.05%
Capital Outlay	44,933	53	-	-	-	-
Reserve Transfers	5,045	-	10,626	10,626	10,626	0.00%
Contractual Services	16,190	27,207	29,700	22,500	33,450	12.63%
Internal Service Transfers	51,367	43,639	48,680	48,680	36,740	-24.53%
Total Administration	\$292,732	\$257,181	\$304,161	\$280,051	\$293,498	-3.51%

2018 Administration

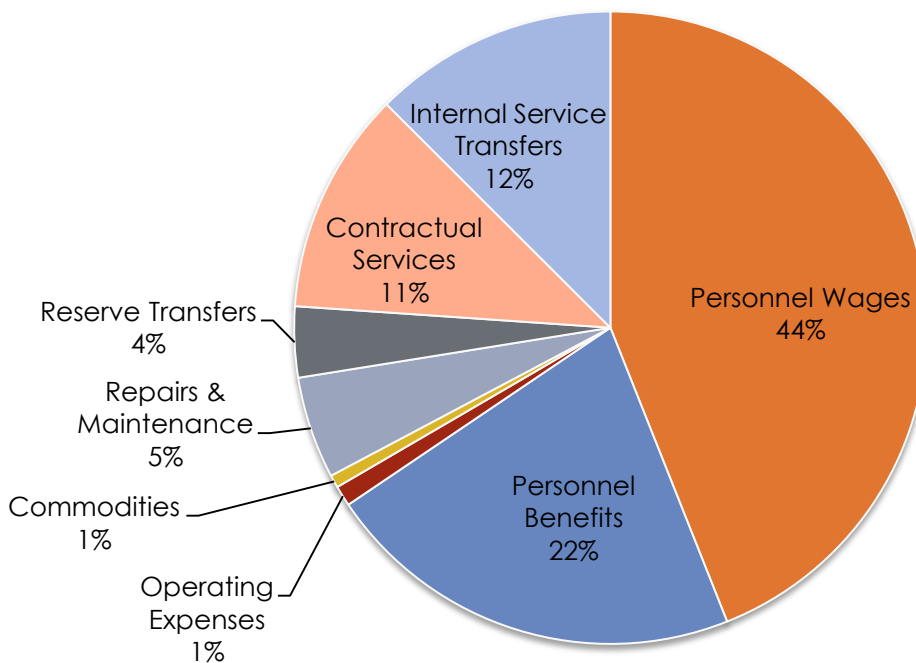


MAJOR SERVICE: COMMUNITY OUTREACH

Holiday Lighting, Arbor Day, and BG Days are three annual projects that some or all Forestry staff. The Holiday Lighting project begins in October with set-up to be ready to light by Thanksgiving every year. The removal of lights takes place after the second week in January and take a couple of months to finish, weather permitting. Every year the Forestry and Grounds section celebrates Arbor Day by passing out sapling trees to every third grade class in all elementary schools in Buffalo Grove. BG Days takes place once a year and three Forestry staff members are dedicated for three weeks during the set up and take down of this event.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	40,488	42,028	44,482	39,648	43,029	-3.27%
Personnel Benefits	17,257	20,635	20,948	20,337	21,095	0.70%
Operating Expenses	576	1,408	552	1,380	1,028	86.23%
Commodities	78	242	633	660	635	0.32%
Repairs & Maintenance	-	(2,220)	5,105	4,058	5,108	0.06%
Capital Outlay	14,978	18	-	-	-	-
Reserve Transfers	1,682	-	3,542	3,542	3,542	0.00%
Contractual Services	5,397	9,069	9,900	7,500	11,150	12.63%
Internal Service Transfers	17,122	14,546	16,227	16,227	12,247	-24.53%
Total Community Outreach	\$97,578	\$85,726	\$101,389	\$93,352	\$97,834	-3.51%

2018 Community Outreach



PROGRAM AREA: DRAINAGE

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, 1 stormwater lift station. Major tasks of this Section include storm sewer maintenance, open channel maintenance, service to other divisions, administration and community outreach.



MAJOR SERVICES

- Storm Sewer Maintenance
- Open Channel Maintenance
- Service to Other Divisions
- Administration
- Community Outreach

PROGRAM CHANGES OF NOTE

Personnel costs such as salary, benefits and related items for the Deputy Director, Maintenance & Utilities Superintendent, Management Analyst and Administrative Assistant have been moved to the Department's Administrative budget.

KEY PERFORMANCE MEASURES

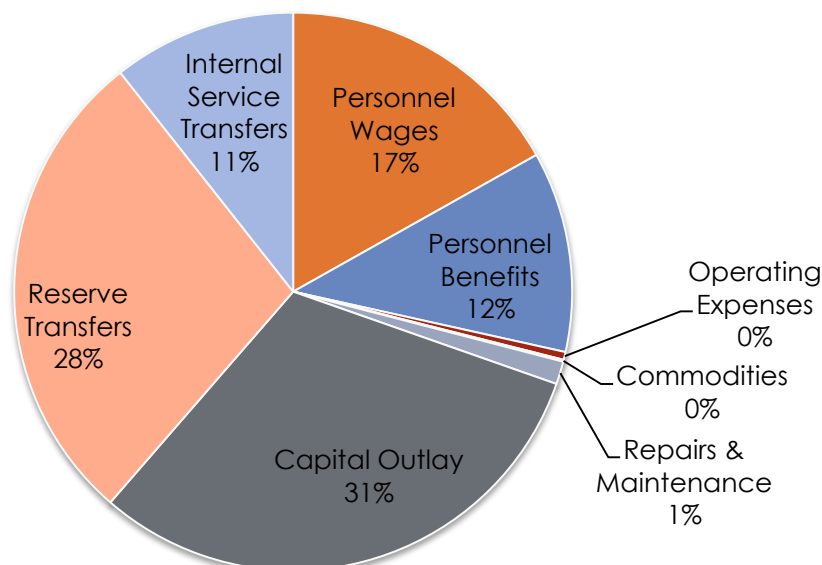
Storm Sewer Maintenance	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Flushing Sewers (feet)	25,000	4,000	8,500	5,964	6,000
Structure Maintenance (hours)	1,000	1,164	754	510	800
Open Channel Maintenance	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Channel Maintenance (hours)	1,600	1,945	1,031	1,106	1,350
Basin Maintenance (hours)	1,000	879	219	531	600
Service to Other Divisions	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Forestry & Grounds Assistance (hours)	250	168	59.5	402	250
Citizen Inquires (hours)	300	433	95	260	270
Snow & Ice Control (hours)	330	444	410	160	332
Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
VCS, New World, Cartegraph, Neo-Gov, Meetings & Committee Hours	380	301	437	340	350
Departmental Safety & Training (Hours)	200	128	209	130	150
Community Outreach	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
BG Days (hours)	180	281	381	260	280

MAJOR SERVICE: STORM SEWER MAINTENANCE

This program is established to provide for the preventive maintenance for the Village storm sewer and drainage system. The storm sewer program goals account for the cleaning of the entire system on a 5-6 year cycle. The maintenance program includes annual cleaning and inspections of catch basins, curb inlets and cleaning of the storm sewer system with a high-pressure flusher. Storm sewer, catch basin and inlet cleaning, manhole, inlet and catch basin inspection will be performed throughout the year. Pipe failure and structure failures will be repaired on an as needed basis throughout the Village.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	61,332	83,006	80,652	81,200	57,078	-29.23%
Personnel Benefits	34,884	38,893	35,595	44,864	39,364	10.59%
Operating Expenses	1,335	1,592	2,679	4,005	1,531	-42.85%
Commodities	56	206	368	315	385	4.62%
Repairs & maintenance	2,359	18,707	4,235	3,255	4,487	5.95%
Capital Outlay	164,112	107,674	105,000	122,500	105,000	0.00%
Reserve Transfers	-	-	94,798	94,798	94,798	0.00%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	22,551	23,744	33,026	33,026	36,020	9.07%
Total Storm Sewer Maintenance	\$286,629	\$273,822	\$356,353	\$383,963	\$338,663	-4.96%

2018 Storm Sewer Maintenance

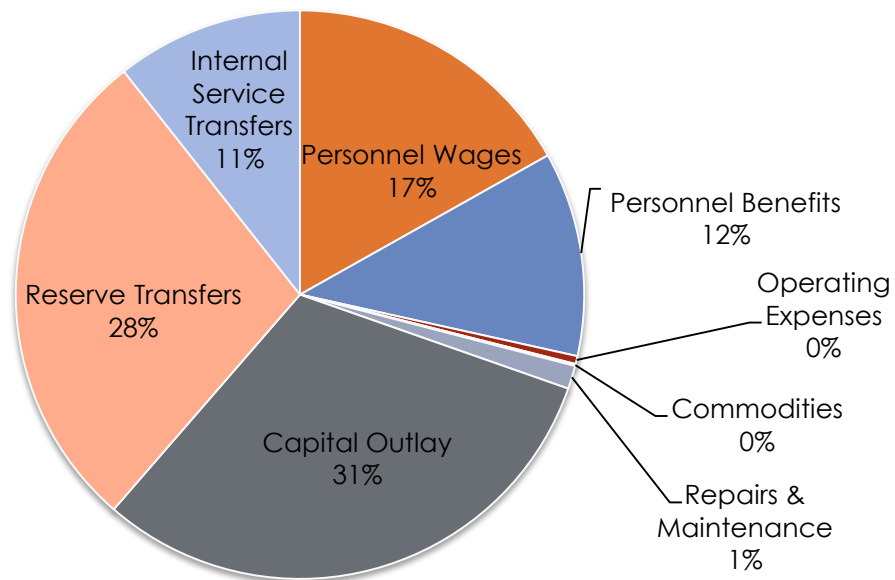


MAJOR SERVICE: OPEN CHANNEL MAINTENANCE

This program is established to provide for the preventive maintenance for the Village storm sewer and drainage system. This program also provides for debris removal, reshaping, and maintenance of approximately 11 miles of open ditch flows through the Village. This ditch work occurs in the early spring and fall, prior to heavy rains. Any observation of potentially improper or polluted flow is followed-up to eliminate any such improper flow.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Act.	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	70,094	94,864	92,173	92,800	65,232	-29.23%
Personnel Benefits	39,868	44,450	40,680	51,274	44,988	10.59%
Operating Expenses	1,526	1,820	3,062	4,577	1,750	-42.85%
Commodities	64	235	420	360	440	4.76%
Repairs & maintenance	2,695	21,380	4,840	3,720	5,128	5.95%
Capital Outlay	187,557	123,056	120,000	140,000	120,000	0.00%
Reserve Transfers	-	-	108,340	108,340	108,340	0.00%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	25,772	27,136	37,744	37,744	41,166	9.07%
Total Open Channel Maintenance	\$327,576	\$312,941	\$407,259	\$438,815	\$387,044	-4.96%

2018 Open Channel Maintenance

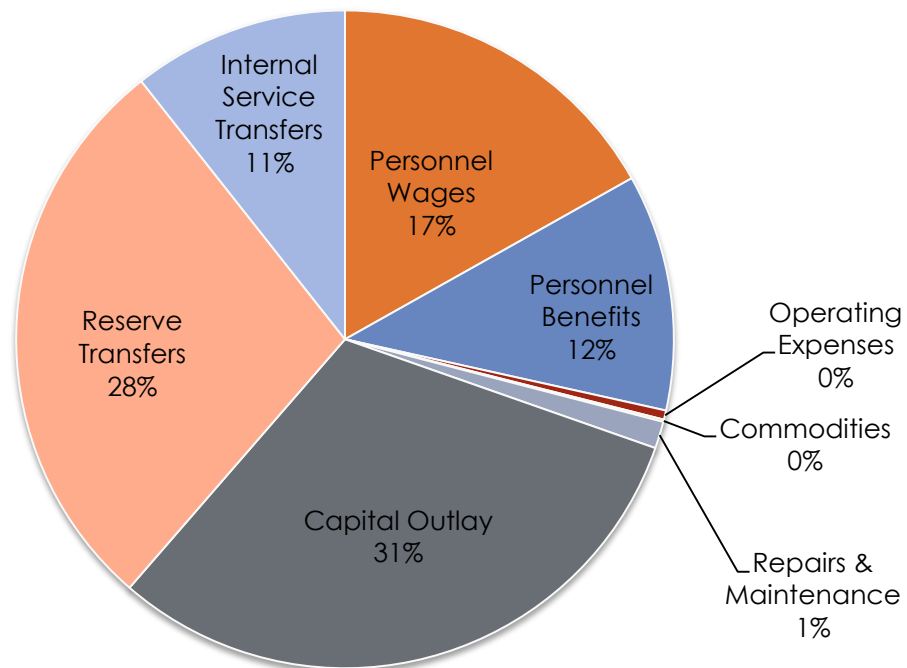


MAJOR SERVICE: SERVICE TO OTHER DIVISIONS

This service includes any additional support provided from Forestry and Grounds operations to other divisions; this support includes snow and ice control and helping Forestry with creek maintenance.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	26,285	35,574	34,565	34,800	24,462	-29.23%
Personnel Benefits	14,950	16,669	15,255	19,228	16,870	10.59%
Operating Expenses	572	682	1,148	1,716	656	-42.86%
Commodities	24	88	158	135	165	4.43%
Repairs & maintenance	1,011	8,017	1,815	1,395	1,923	5.95%
Capital Outlay	70,334	46,146	45,000	52,500	45,000	0.00%
Reserve Transfers	-	-	40,628	40,628	40,628	0.00%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	9,665	10,176	14,154	14,154	15,437	9.06%
Total Service to Other Divisions	\$122,841	\$117,352	4152,723	\$164,556	\$145,141	-4.96%

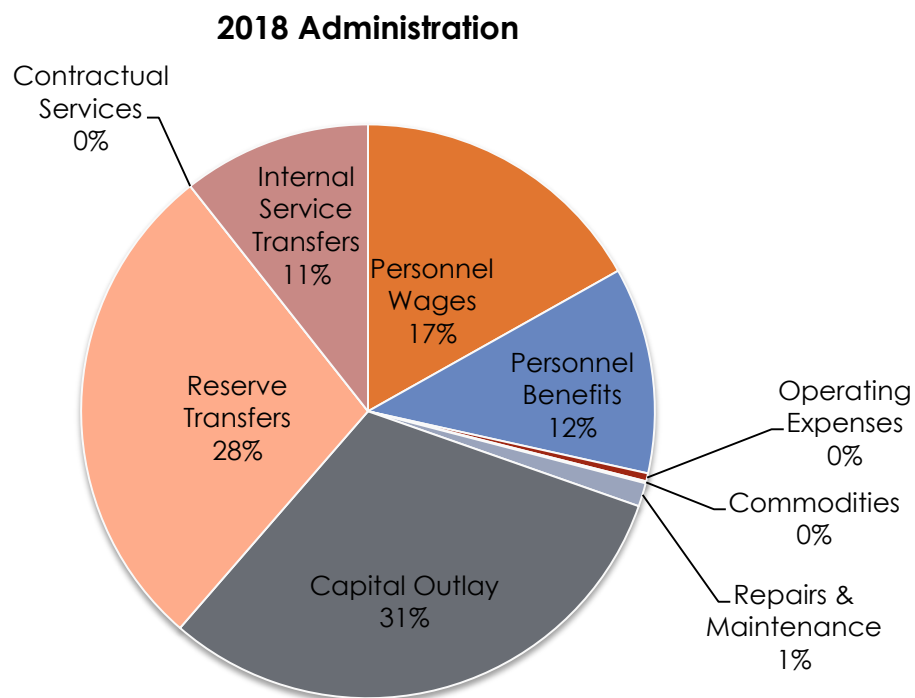
2018 Service to Other Divisions



MAJOR SERVICE: ADMINISTRATION

In the Administration process, many hours are required to manage staff and prepare daily Drainage operations. Various software programs track staff hours, work productivity, employee performance, purchasing / invoicing and continued APWA reaccreditation efforts. All other general supervisory time includes purchase order processing, accident investigations, safety training, human resource issues, reviewing plans for pre-construction and post-construction projects, along with training and education hours.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	8,762	11,858	11,522	11,600	8,154	-29.22%
Personnel Benefits	4,983	5,556	5,085	6,409	5,623	10.58%
Operating Expenses	191	227	383	572	219	-42.71%
Commodities	8	29	53	45	55	7.84%
Repairs & maintenance	337	2,672	605	465	641	5.95%
Capital Outlay	23,445	15,382	15,000	17,500	15,000	0.00%
Reserve Transfers	-	-	13,543	13,543	13,543	0.00%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	3,222	3,392	4,718	4,718	5,146	9.05%
Total Administration	\$40,948	\$39,116	\$50,909	\$54,852	\$48,381	-4.96%

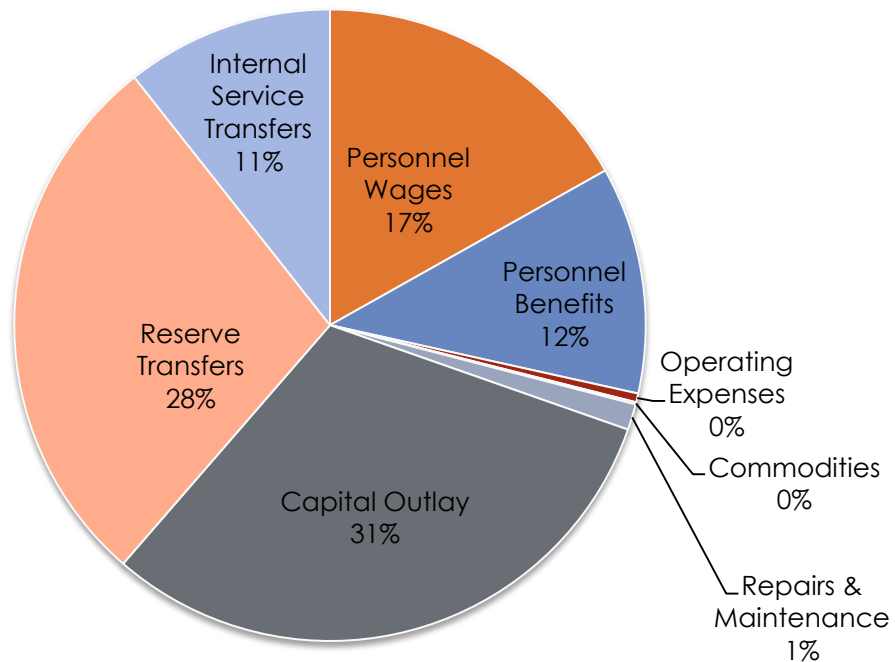


MAJOR SERVICE: COMMUNITY OUTREACH

This program area provides for all tasks that are related to any community program which include Buffalo Grove Days and the Public Works Open House.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	8,762	11,858	11,522	11,600	8,154	-29.23%
Personnel Benefits	4,983	5,556	5,085	6,409	5,623	10.58%
Operating Expenses	191	227	383	572	219	-42.82%
Commodities	8	29	53	45	55	3.77%
Repairs & Maintenance	337	2,672	605	465	641	5.95%
Capital Outlay	23,445	15,382	15,000	17,500	15,000	0.00%
Reserve Transfers	-	-	13,543	13,543	13,543	0.00%
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	3,222	3,392	4,718	4,718	5,146	9.07%
Total Community Outreach	\$40,948	\$39,116	\$50,909	\$54,852	\$48,381	-4.97%

2018 Community Outreach



PROGRAM AREA: 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.



MAJOR SERVICES

- Asset Management
- Developments
- Engineering Projects
- Service to Other Divisions
- Administration
- Community Outreach

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

KEY PERFORMANCE MEASURES

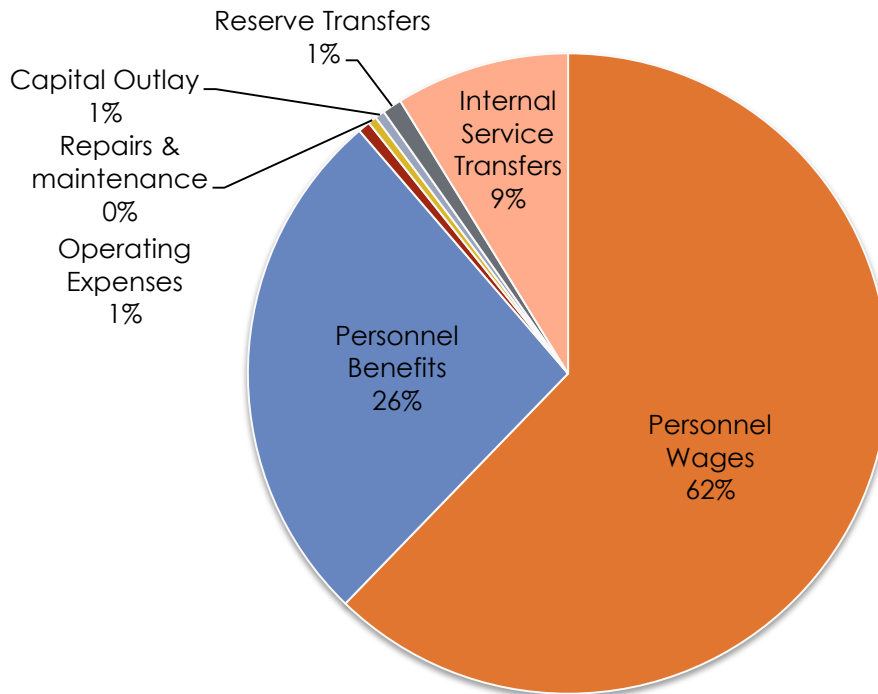
Asset Management	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Improve 6 miles of Roads (miles)	6	2.44	19.6	2.41	2.5
Inspect 1/3 of Village Sidewalk	100,000 lf	20,000	15,000	20,000	20,000
Televise 2% of Sanitary Sewer within Cook County	10,000 lf	25,000	25,000	25,000	25,000
Televise 5% of Sanitary Sewer within Lake County	50,000 lf	50,000	50,000	50,000	50,000
Developments	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Development Reviews (hours)	1,000	882	1,176	1,189	1,000
Project Management	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Engineering Divison Projects (hours)	400	468	514	395	500
Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Training, Meetings (hours)	800	885	1034.5	806	800
Community Outreach	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Building Permit Reviews (hours)	250	157	187	368.5	250
Drainage Inspection/Sump Pumps (hours)	300	282	235	263	300
Residential inspections	600	479.5	503	779	600
Meetings with residents/walk in appointments, phone call discussions (hours)	400	313.5	406	606	500

MAJOR SERVICE: ASSET MANAGEMENT

The Engineering Division manages several assets for the Village including the Village streets, sidewalks, curbs and gutter, bike paths, water main, sanitary sewer, and storm sewer.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	107,814	76,455	122,300	114,200	118,375	-3.21%
Personnel Benefits	48,593	35,585	52,137	51,494	50,314	-3.50%
Operating Expenses	2,067	1,076	2,663	1,175	1,163	-56.33%
Commodities	-	69	188	-	-	-100.00%
Repairs & Maintenance	-	49	825	825	825	0.00%
Capital Outlay	-	117	-	-	-	0.00%
Reserve Transfers	-	-	2,794	2,794	2,807	0.47%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	13,770	8,680	19,132	19,132	16,701	-12.71%
Total Asset Management	\$172,244	\$122,031	\$200,039	\$189,620	\$190,185	-4.93%

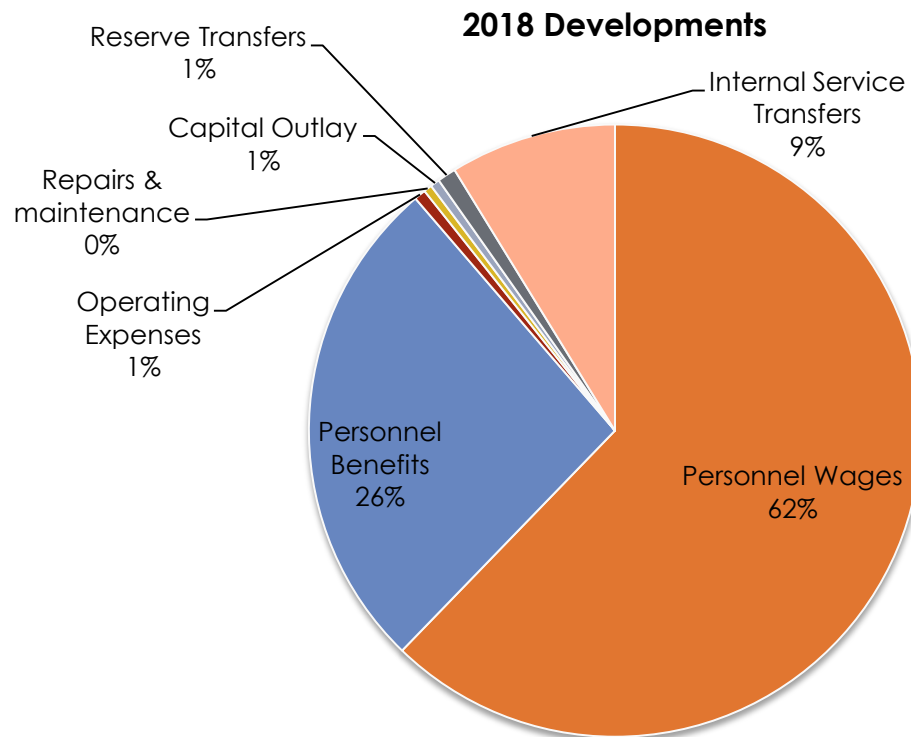
2018 Asset Management



MAJOR SERVICE: DEVELOPMENTS

The Engineering Division reviews all proposed residential and commercial developments for compliance with the Village Code. The Division will also perform construction inspection of all aspects of a development, both private and public.

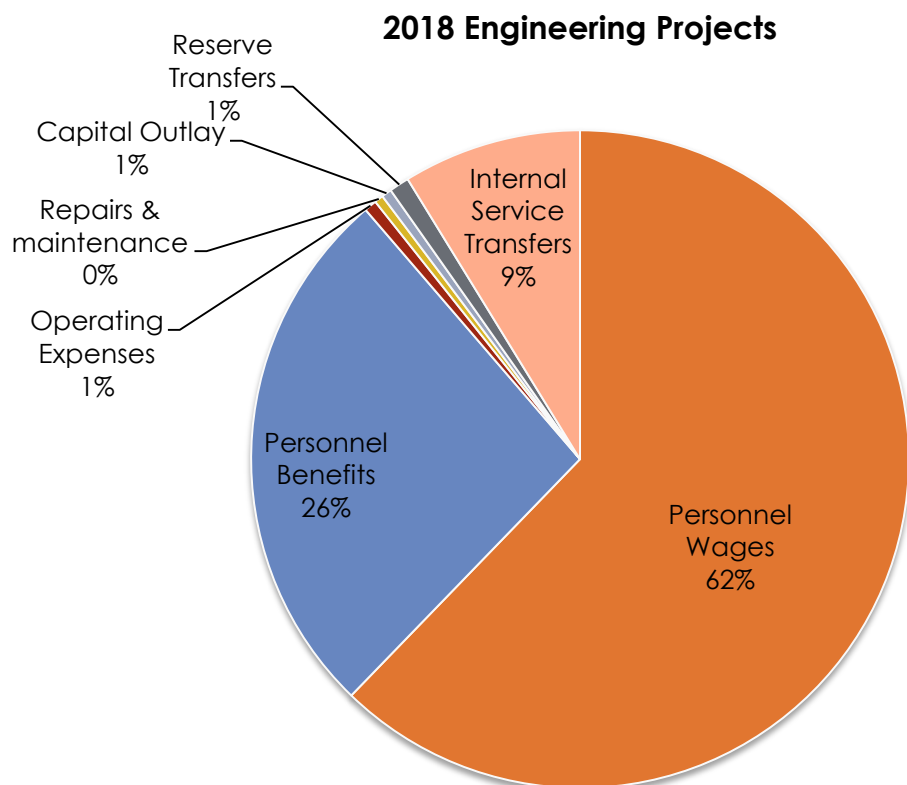
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	43,126	76,455	48,920	45,680	47,350	-3.21%
Personnel Benefits	19,437	35,585	20,855	20,598	20,126	-3.50%
Operating Expenses	827	1,076	1,065	470	465	-56.34%
Commodities	-	69	75	-	-	-100.00%
Repairs & Maintenance	-	49	330	330	330	0.00%
Capital Outlay	-	117	-	-	-	0.00%
Reserve Transfers	-	-	1,118	1,118	1,123	0.45%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	5,508	8,680	7,653	7,653	6,680	-12.71%
Total Developments	\$68,898	\$122,031	\$80,016	\$75,849	\$76,074	-4.93%



MAJOR SERVICE: ENGINEERING PROJECTS

The Engineering Division performs internal projects that include Geographic Information Systems (GIS) and the monitoring of Village environmental projects such as the Kildeer Creek Stabilization Project and the Buffalo Creek Nature Preserve proposed Creek Stabilization Project.

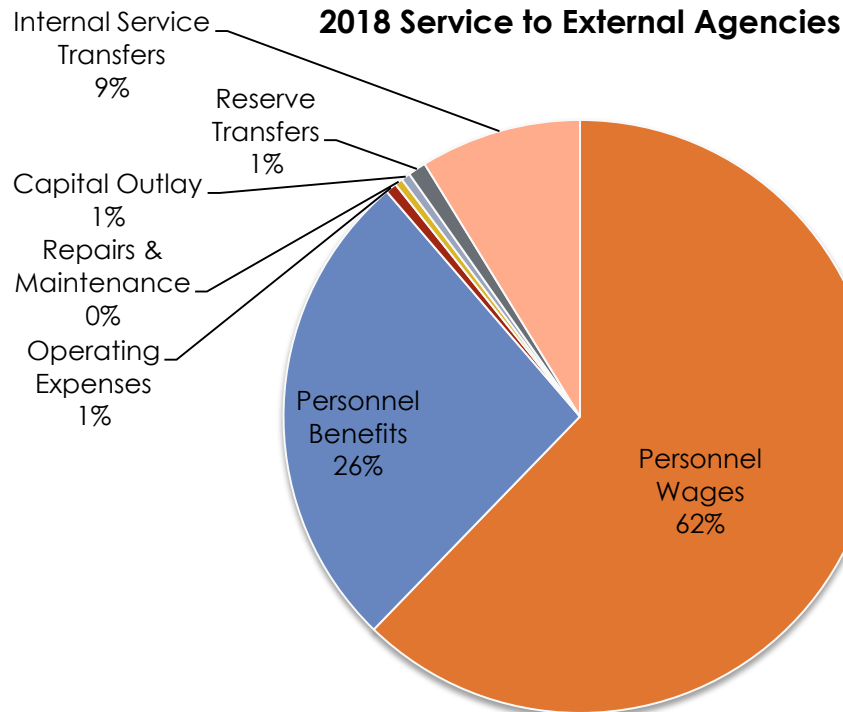
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	21,563	76,455	24,460	22,840	23,675	-3.21%
Personnel Benefits	9,719	35,585	10,427	10,299	10,063	-3.49%
Operating Expenses	413	1,076	533	235	233	-56.29%
Commodities	-	69	38	-	-	-100.00%
Repairs & Maintenance	-	49	165	165	165	0.00%
Capital Outlay	-	117	-	-	-	0.00%
Reserve Transfers	-	-	559	559	562	0.54%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	2,754	8,680	3,826	3,826	3,340	-12.70%
Total Engineering Projects	\$34,449	\$122,031	\$40,008	\$37,924	\$38,038	-4.92%



MAJOR SERVICE: SERVICE TO EXTERNAL AGENCIES

The Engineering Division provides plan review and engineering assistance to other governmental agencies for road and utility work that is within the Village corporate limits but not within the Village's road jurisdiction. These agencies are Lake and Cook County, the Illinois Department of Transportation, and the Northwest Water Commission. The Village works in cooperation with these agencies to help complete these projects.

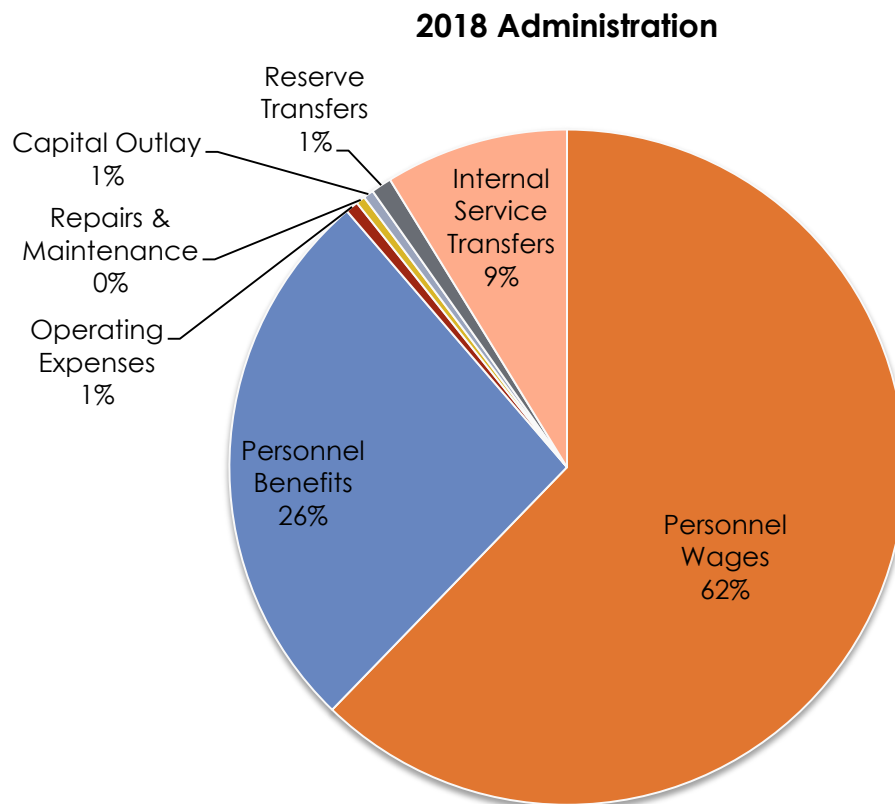
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	21,563	76,455	24,460	22,840	23,675	-3.21%
Personnel Benefits	9,719	35,585	10,427	10,299	10,063	-3.49%
Operating Expenses	413	1,076	533	235	233	-56.29%
Commodities	-	69	38	-	-	-100.00%
Repairs & maintenance	-	49	165	165	165	0.00%
Capital Outlay	-	117	-	-	-	0.00%
Reserve Transfers	-	-	559	559	562	0.54%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	2,754	8,680	3,826	3,826	3,340	-12.70%
Total Service to External Agencies	\$34,449	\$122,031	\$40,008	\$37,924	\$38,038	-4.92%



MAJOR SERVICE: ADMINISTRATION

The Engineering Division Administration portion covers such items as vacation, sick, holiday and personal time for all employees. This also includes training and education, staff meetings, Board meetings and other Village meetings.

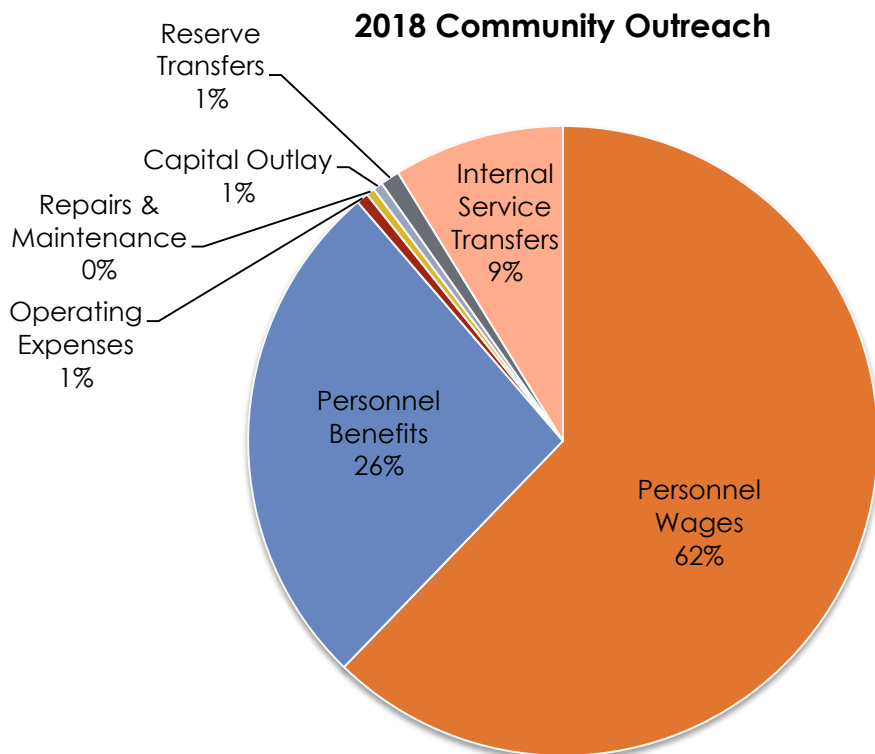
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	129,376	76,455	146,760	137,040	142,050	-3.21%
Personnel Benefits	58,311	35,585	62,564	61,792	60,377	-3.50%
Operating Expenses	2,481	1,071	3,194	1,410	1,391	-56.45%
Commodities	-	69	222	-	-	-100.00%
Repairs & maintenance	-	50	990	990	990	0.00%
Capital Outlay	-	119	-	-	-	0.00%
Reserve Transfers	-	-	3,353	3,353	3,364	0.33%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	16,524	8,677	22,960	22,960	20,040	-12.72%
Total Administration	\$206,692	\$122,026	\$240,044	\$227,545	\$228,212	-4.93%

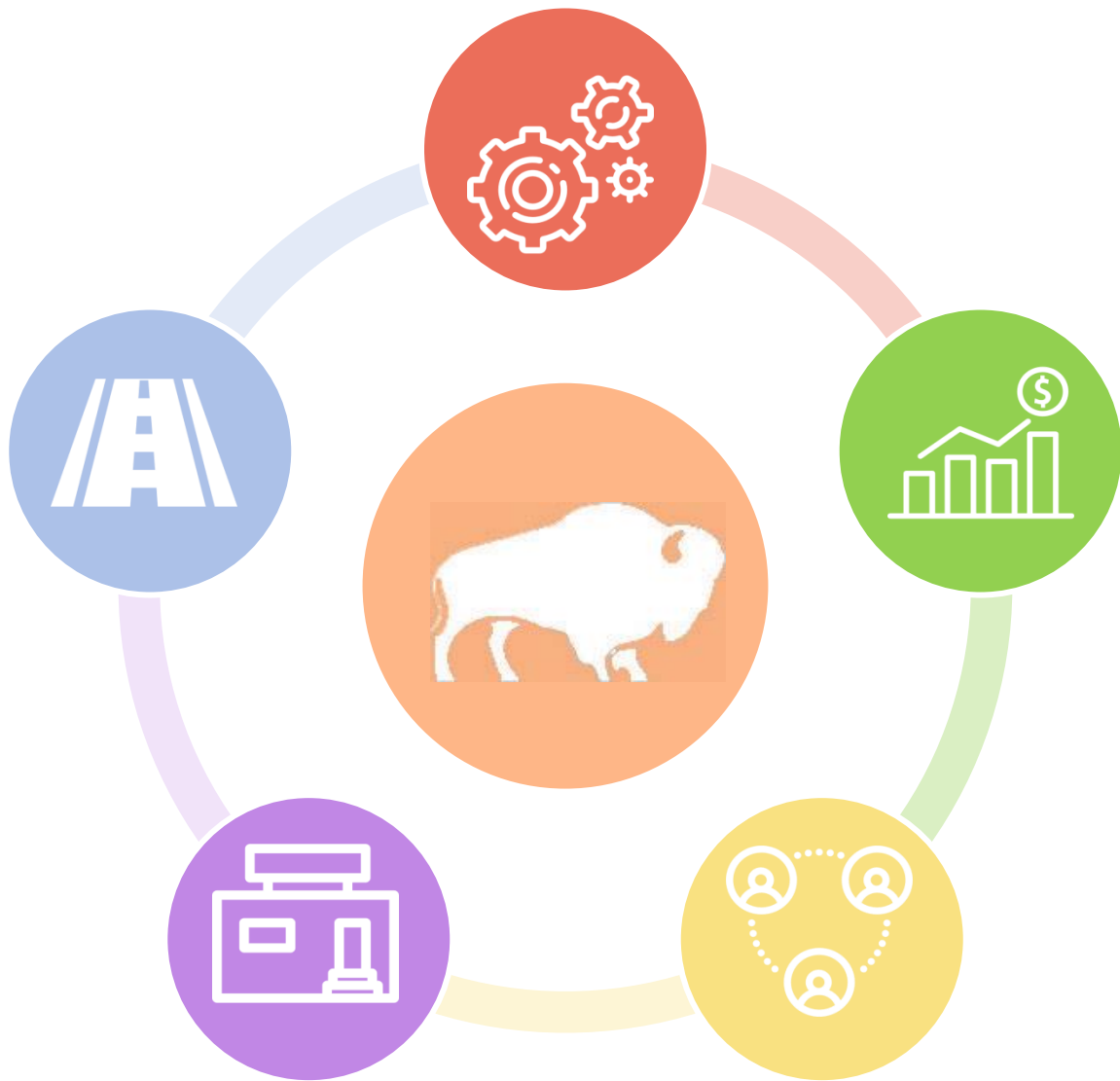


MAJOR SERVICE: COMMUNITY OUTREACH

The Engineering Division provides plan review and approvals to the Building and Zoning Division for Village permits and projects. The Division also welcomes and responds to any resident inquiries for various Village issues or questions relating to any issue in the Village. Division Staff also respond to flooding, drainage, sump pump questions and traffic related issues.

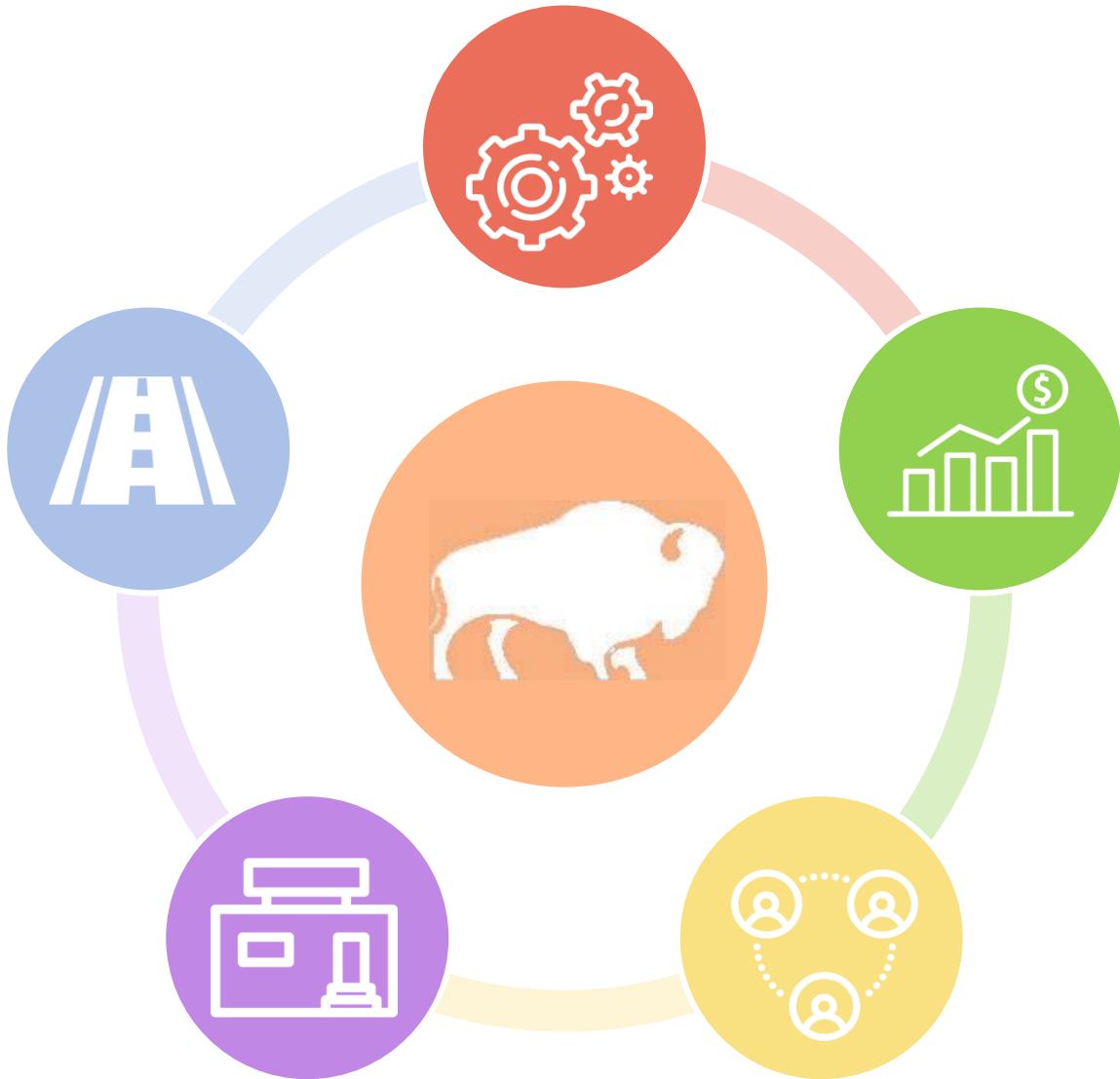
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Act.	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	107,814	76,455	122,300	114,200	118,375	-3.21%
Personnel Benefits	48,593	35,585	52,137	51,494	50,314	-3.50%
Operating Expenses	2,067	1,076	2,663	1,175	1,163	-56.33%
Commodities	-	69	188	-	-	-100.00%
Repairs & maintenance	-	49	825	825	825	0.00%
Capital Outlay	-	117	-	-	-	0.00%
Reserve Transfers	-	-	2,794	2,794	2,807	0.47%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	13,770	8,680	19,132	19,132	16,701	-12.71%
Total Community Outreach	\$172,244	\$122,031	\$200,039	\$189,620	\$190,185	-4.93%





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SECTION SIX: CAPITAL IMPROVEMENT



CAPITAL IMPROVEMENT PLAN – CAPITAL IMPROVEMENT STREETS – CAPITAL
IMPROVEMENT FACILITIES – MOTOR FUEL TAX

CAPITAL IMPROVEMENT REQUEST SUMMARY

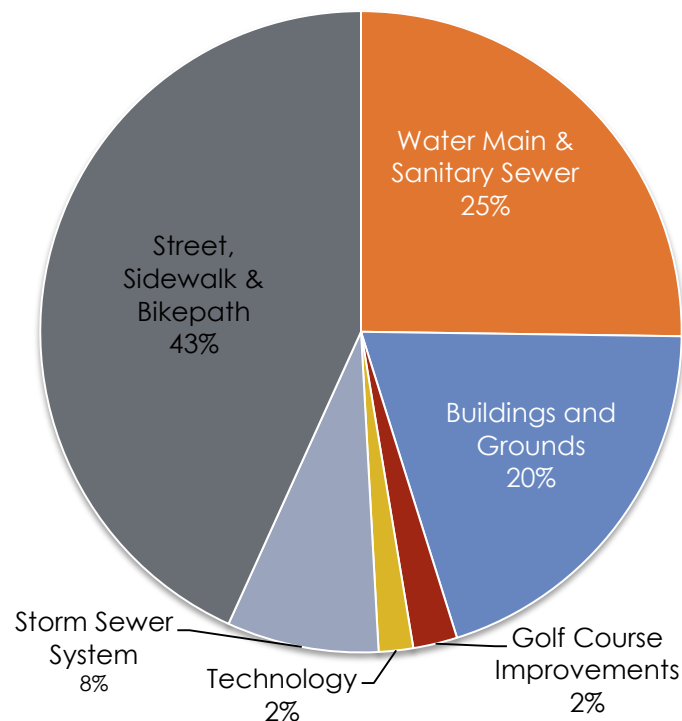
The Capital Improvement Plan (CIP) is intended to be a decision-making tool for the Village Board and staff. The operational need for capital expenditures must be weighed against the ability of the Village to finance these projects. Capital improvement projects represent the equipment and infrastructure resources that all municipalities need to provide resident and business services. 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 ensures 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 into the 2018 budget cycle. Ongoing projects are revisited yearly and changes in priority are made as conditions warrant. This document represents the formal requests that were received from all Village departments for inclusion in the 2018-2022 CIP but, as in past years, not all projects presented here will ultimately receive funding within the proposed 2018 budget.

Projects identified for FY 2018 total \$11,608,763 and fall under six categories. The following chart illustrates each category's percentage as it relates to funding the capital program for FY 2018.

2018 Capital Project Request by Category



The impact of the CIP on the 2018 budget and beyond will be significant as aging infrastructure is a reoccurring theme that needs to be addressed. Facility costs continue to rise and become a more pressing issue as the resources available for repairs are only keeping the buildings operational. None of the capital improvements budgeted for facilities improves environmental efficiency, workspace, overall functionality, or safety of the buildings. These expenditures 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. The strategic plan outlines the need to upgrade hardware and software. FY 2017 will see new software implemented and existing software upgraded. Information Technology expenses have been moved to the *Section 7: IT Internal Service Fund*.

The largest outlay for the CIP is the annual street maintenance program. The work is carefully scheduled so that maintenance and resurfacing activities can be accomplished before more costly road reconstruction becomes necessary. It is imperative that the Village maintain this program. A more severely deteriorated or failed road is much more costly to replace than performing periodic maintenance. The cost of reconstruction can be as much as three times the amount of timely maintenance. The Engineering Division assesses all Village maintained roads annually in 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 in the Village continues to maintain a minimum average pavement condition.

The capital reserve for vehicle replacement is funded through an amortization process where funds are reserved over the service life of the vehicle to fund its future 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 2018 budgeted vehicle purchases:

Unit #	Description of Current Unit	Department	Projected 2018 Replacement Cost
226	Ford Ambulance-09	Fire	\$197,957
237	KME Custom Quint - 03	Fire	\$750,750
712	Ford Explorer - 15	Police	\$36,127
717	Ford Explorer - 15	Police	\$36,127
718	Ford Crown Victoria -11	Police	\$39,127
720	Ford Explorer - 15	Police	\$36,127
722	Ford F350 Pickup - 08	Police	\$39,000
401	Chevrolet C2500 - 00	Public Works Administration	\$29,270
FEL4	John Deere Backhoe - 99	Water	\$166,000
453	Ford F-350 Utility - 08	Sanitary Sewer	\$122,416
458	Ford Ranger W/ Cap 09	Sanitary Sewer	\$42,226
470	Ford F-350 Pickup - 08	Forestry	\$45,334
471	Ford F-350 Pickup - 08	Forestry	\$67,613
C01	Morbark Chipper -95	Forestry	\$150,200
431	Int.2654 Hi-Ranger Lift 50 ft.-92	Forestry	\$188,500
FEL-	Track Skid Steer	Streets	\$83,000
E29	Stepp Hot Patcher	Streets	\$70,300
301	Ford Ranger - 10	Community Development	\$29,000
302	Ford Ranger - 10	Community Development	\$29,000
303	Ford Ranger - 10	Community Development	\$29,000
TOTAL			\$2,187,074

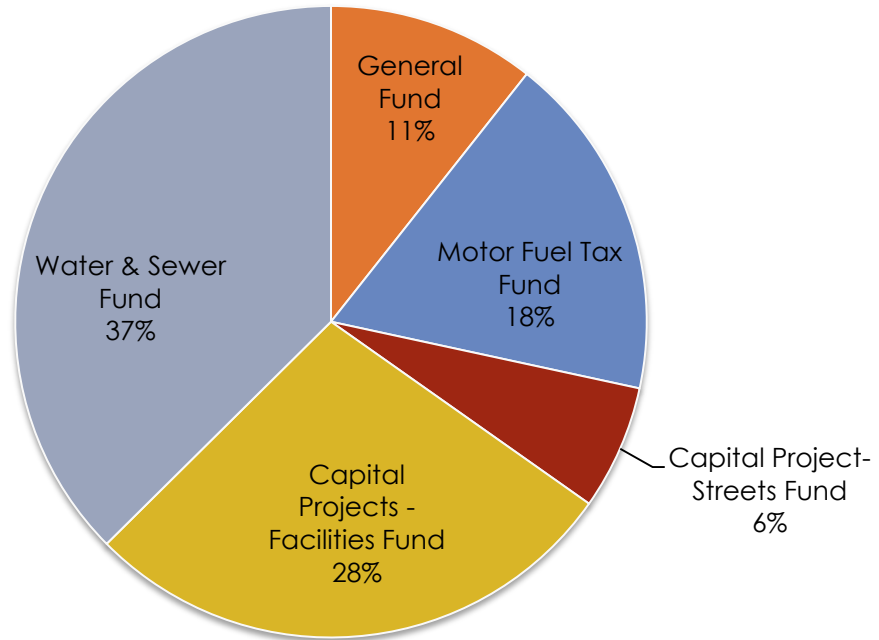
The street and streetscape programs will be active again in FY 2018. The Village will also complete roof repairs and needed maintenance in addition to continued improvements of sidewalks and bike paths.

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 to avoid incurring excess costs due to breaks and failures.

2018 Capital Projects Budgeted by Fund

General Fund	Requested	Budgeted
Annual Sidewalk/Bike Path Maintenance	\$325,000	\$200,000
Storm Water System Upgrades and Repairs	\$883,000	\$300,000
Villagewide Comprehensive Plan	\$100,000	\$100,000
Subtotal	\$1,308,000	\$600,000
Motor Fuel Tax Fund		
Annual Street Maintenance	\$4,000,000	\$1,000,000
Subtotal	\$4,000,000	\$1,000,000
Capital Project- Streets Fund		
Collector Route Maintenance and Rehabilitation Program	\$300,000	\$0
Dundee Road Median Improvements	\$40,000	\$40,000
Dundee Road and Buffalo Grove Road Intersection	\$20,000	\$20,000
Lake Cook Road Improvement	\$0	\$0
Weiland Road/Prairie Road Improvements	\$300,000	\$300,000
Subtotal	\$660,000	\$360,000
Capital Projects - Facilities Fund		
Building Replacement - CAFT	\$1,065,195	\$1,065,195
Flooring Capital Replacement Projects	\$82,768	\$82,768
Fire Sprinkler System - Fire Station 27	\$0	\$0
HVAC Unit Replacements	\$250,000	\$0
Municipal Parking Facility Maintenance	\$314,000	\$314,000
Roof Capital Replacement Projects	\$429,800	\$0
Fire Station Sign Replacement	\$28,000	\$0
Village Campus Long Range Planning	\$80,000	\$80,000
Village Gateway Feature	\$25,000	\$25,000
Subtotal	\$2,274,763	\$1,566,963
Water & Sewer Fund		
Capacity Management Operations & Maintenance	\$64,000	\$64,000
Lift Station Repair & Rehabilitation	\$440,000	\$70,000
Pump House Repairs & Security Improvements	\$480,000	\$50,000
Villagewide Sanitary Sewer Replacement	\$735,000	\$735,000
Villagewide Water Main Replacement	\$1,190,000	\$1,190,000
SCADA Improvements	\$200,000	\$0
Subtotal	\$3,109,000	\$2,109,000
Golf Fund		
Golf Course Improvements	\$200,000	\$0
Golf Course Irrigation Improvements	\$33,000	\$0
Golf Course Parking Lot Maintenance	\$24,000	\$0
Subtotal	\$257,000	\$0
Total	\$11,608,763	\$5,635,963

2018 Capital Projects Budgeted by Fund



2018-2022 CAPITAL PROJECT REQUEST SUMMARY TABLE

Buildings and Grounds Improvements	2018	2019	2020	2021	2022
Building Replacement - CAFT	1,065,195	-188,000	-188,000	-188,000	-
Flooring Capital Replacement Projects	82,768	98,154	-	-	-
Fire Sprinkler System - Fire Station 27	-	-	100,000	-	-
HVAC Unit Replacements	250,000	120,000	120,000	120,000	120,000
Municipal Parking Facility Maintenance	314,000	202,000	213,000	125,000	150,000
Roof Capital Replacement Projects	429,800	-	-	79,100	-
Fire Station Sign Replacement	28,000	28,000	28,000	-	-
Village Campus Long Range Planning	80,000	-	-	-	-
Village Gateway Feature	25,000	50,000	25,000	-	-
Villagewide Comprehensive Plan	100,000	100,000	-	-	-
Subtotal	2,374,763	410,154	298,000	136,100	270,000
Golf Course Improvements					
Golf Course Improvements	200,000	400,000	125,000	-	-
Golf Course Irrigation Improvements	33,000	25,000	55,000	-	-
Golf Course Parking Lot Maintenance	24,000	-	15,000	-	-
Subtotal	257,000	425,000	195,000	0	0
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	190,000	2,235,000	2,205,000	40,000
Dundee Road Median Improvements	40,000	40,000	40,000	40,000	40,000
Dundee Road and Buffalo Grove Road Intersection	20,000	-	-	-	-
Lake Cook Road Improvement	-	210,000	210,000	210,000	-
Annual Sidewalk/Bike Path Maintenance	325,000	325,000	325,000	325,000	325,000
Weiland Road/Prairie Road Improvements	300,000	500,000	-	-	-
Subtotal	4,985,000	5,265,000	6,810,000	6,780,000	4,405,000
Storm Water Management					
Storm Water System Upgrades and Repairs	883,000	470,000	420,000	420,000	400,000
Subtotal	883,000	470,000	420,000	420,000	400,000
Technology					
SCADA Improvements	200,000	110,000	20,000	20,000	20,000
Subtotal	200,000	110,000	20,000	20,000	20,000
Water Main & Sanitary Sewer Systems					
Capacity Management Operations & Maintenance	64,000	42,000	19,000	39,000	50,000
Lift Station Repair & Rehabilitation	440,000	620,000	320,000	320,000	320,000
Pump House Repairs & Security Improvements	480,000	640,000	340,000	220,000	220,000
Villagewide Sanitary Sewer Replacement	735,000	485,000	435,000	435,000	400,000
Villagewide Water Main Replacement	1,190,000	1,540,000	1,500,000	1,000,000	1,000,000
Subtotal	2,909,000	3,327,000	2,614,000	2,014,000	1,990,000
Total	\$11,608,763	\$10,007,154	\$10,357,000	\$9,370,100	\$7,085,000
Grand Total 2018-2022					\$48,428,017

* 2018-2022 projects requests do not include facility maintenance estimates to be provided as part of the Facility Study.

BUILDINGS & GROUNDS IMPROVEMENTS

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

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

The Village's facilities include:

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

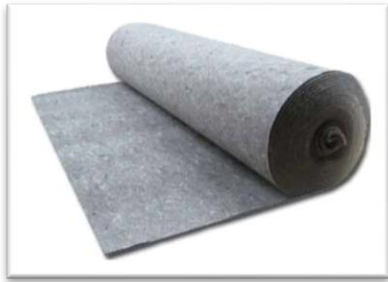
Summary: This proposal will fund the replacement of the CAFT training classroom which had an animal infestation. Once a health analysis was completed, it was also determined that the windows had been leaking for a number of years and there was a health hazard associated with mold growth. The building, 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 construction estimate of \$921,155. This cost will be divided by the five (5) CAFT fire departments with each being responsible for their cost of approximately \$188,000. The initial cost could be provided by the Village with an agreement that the other fire departments would pay their share over a defined period (3-5 years).

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	850,000	850,000
Actual Expenditures	-	-	-	-	45,000	45,000

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land						
Design Services	52,040	-	-	-	-	52,040
Construction	921,155	-	-	-	-	921,155
Equipment	52,000	-	-	-	-	52,000
Contingency	40,000	(188,000)	(188,000)	(188,000)	-	(524,000)
Sub-Total	\$1,065,195	(\$188,000)	(\$188,000)	(\$188,000)	-	\$501,195

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 (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. 2018 flooring projects include the second floor of the Public Service Center and the youth investigations area at Police HQ.

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 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2016	TOTAL
	-	-	32,452	166,595	159,033	358,080
Actual Expenditures	-	-	32,452	44,932	159,033	236,417

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	-	-	-	-	-	-
Construction	82,768	98,154	-	-	-	180,922
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$82,768	\$98,154	-	-	-	\$180,922

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 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	-	-
Actual Expenditures	-	-	-	-	-	-

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land						
Design Services	-	-	1,000	-	-	1,000
Construction	-	-	59,000	-	-	59,000
Equipment	-	-	40,000	-	-	40,000
Contingency	-	-	-	-	-	-
Sub-Total	-	-	\$100,000	-	-	\$100,000

HVAC UNIT REPLACEMENTS



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2015

Project Coordinator: Public Works

Summary: This project will provide for HVAC unit replacements at various Village facilities. The Village maintains 61 HVAC units in total, and more than half currently exceed their 18 year life expectancy. Specific replacements identified for 2018 include Village Hall (two units), Youth Center (one unit), and Police (two units). Units are 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 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	120,000	550,000	670,000
Actual Expenditures	-	-	-	92,237	550,000	642,237

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	-	-	-	-	-	-
Construction	250,000	120,000	120,000	120,000	120,000	730,000
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$250,000	\$120,000	\$120,000	\$120,000	\$120,000	\$730,000

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 2018 planned improvements include lots at the Metra train station (140k), the Public Service Center (161k), Fire Stations #25, #26, #27 and CAFT (11k total), and Village Reservoirs #1, #2, and #6 (2k).

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	74,100	110,000	170,000	125,000	254,000	733,100
Actual Expenditures	67,000	110,000	116,828	99,787	125,000	518,615

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	-	-	-	-	-	-
Construction	314,000	202,000	213,000	125,000	150,000	1,004,000
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$314,000	\$202,000	\$213,000	\$125,000	\$150,000	\$1,004,000

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 2018, work is planned to include Police HQ and the Public Service Center.

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 2017 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 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	225,000	-	286,825	276,850	788,675
Actual Expenditures	-	-	197,766	72,000	276,850	546,616

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	-	-	-	-	-	-
Construction	429,800	-	-	79,100	-	508,900
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$429,800	-	-	\$79,100	-	\$508,900

FIRE STATION SIGN REPLACEMENT – FIRE STATION 25, 26, 27



Category: Buildings and Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2016

Project Coordinator: Fire

Summary: This proposal will address the current condition 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 poor general 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 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	28,000	28,000
Actual Expenditures	-	-	-	-	-	-

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	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	-	-	\$84,000

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

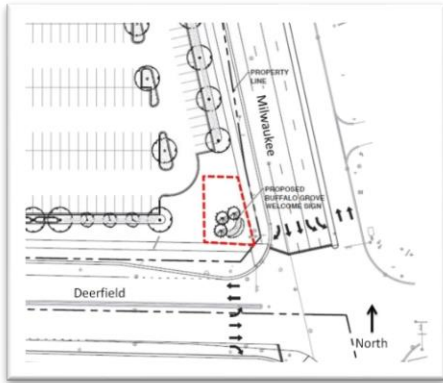
Summary: Several buildings on the Village Campus are nearing the end of their useful life, where major renovations and mechanical system replacements begin to reach a significant percentage of the estimated replacement cost of the facilities. When factoring in the current space needs and business formats 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. In 2017, an initial space needs analysis was completed and 2018 will bring further evaluation of options for renovating or building new facilities as part of a comprehensive plan.

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	100,000	100,000
Actual Expenditures	-	-	-	-	20,000	20,000

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	80,000	-	-	-	-	80,000
Construction	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$80,000	-	-	-	-	\$80,000

VILLAGE GATEWAY FEATURE (MILWAUKEE AVE/DEERFIELD PARKWAY)



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2017

Project Coordinator: Community Development

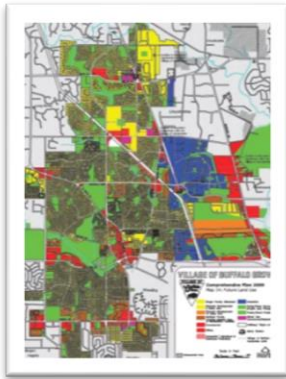
Summary: As part of the Woodman's project located at the northwest corner of Deerfield Parkway and Milwaukee Avenue, staff is proposing to replace the existing Village entrance sign with a new "gateway" feature which may include a new sign, landscaping and pedestrian amenities. While Woodman's will own 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 2018 (landscaping design and engineering) and begin construction in 2019.

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	25,000	25,000
Actual Expenditures	-	-	-	-	-	-

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	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	-	-	\$100,000

VILLAGEWIDE COMPREHENSIVE PLAN



Category: Buildings and Grounds Improvements

Fund: Capital Projects – Facilities

Account Number: 150.75.560.30

Initial Proposal Date: 2018

Project Coordinator: Community Development

Summary: The Village Board has expressed interest in creating a new comprehensive plan. Undertaking this project fulfills recommendations outlined in the *2016 Economic Development Strategic Plan* and was also discussed in the "2016 and 2017 Strategic Planning and Initiatives" section of the *2017 Village of Buffalo Grove Budget*. A more current comprehensive plan will provide a necessary framework and guidance to ensure that the decisions affecting the future of Buffalo Grove will be in accordance with the community's long-term goals and vision. Subject to the desired timeline and the appropriation of funds, a request for proposals for this project is scheduled in early 2018 with a kickoff in mid-2018 and completion scheduled for late 2019 or early 2020.

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	-	-
Actual Expenditures	-	-	-	-	-	-

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	100,000	100,000	-	-	-	200,000
Construction	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$100,000	\$100,000	-	-	-	\$200,000

GOLF COURSE IMPROVEMENTS

The Village operates and contracts out the maintenance of two golf courses, the Buffalo Grove Golf Course and the Arboretum Club. The Village is responsible for capital improvements for golf course grounds, Buffalo Grove Golf Club, which was built in 1965, and the Arboretum Club, which was built in 1989.

Beyond the courses themselves, each facility includes a clubhouse with restaurant space, pro shop space, a maintenance facility and associated irrigation, cart path, and parking lot infrastructure. The Arboretum Club also includes premier banquet facilities. The Village owned golf course facilities, along with the grounds, must be maintained regularly to remain functional and must be periodically upgraded to ensure efficient operations.

GOLF COURSE IMPROVEMENTS



Category: Buildings & Grounds Improvements

Fund: Golf Reserves/ General Fund

Account Number:

Initial Proposal Date: 2016

Project Coordinator: Golf

Summary: This project will include reconstruction and restoration efforts on the golf courses. In 2018, the 5th tee box at Arboretum is requested for reconstruction (25k). In 2019 through 2021, a three year project to restore all 69 sand traps at Arboretum is also requested (75k each year). Proposed for 2018 is the design for the removal of sediment from the pond at the 15th hole at Arboretum (50k) with construction planned for 2019 (250k). Also proposed for 2018 is limited erosion control at various places throughout Arboretum (50k in each of the next three years).

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	25,000	25,000
Actual Expenditures	-	-	-	-	-	-

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	50,000	25,000	-	-	-	75,000
Construction	150,000	375,000	125,000	-	-	650,000
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$200,000	\$400,000	\$125,000	-	-	\$725,000

GOLF COURSE IRRIGATION REPAIRS



Category: Buildings & Grounds Improvements

Fund: Golf Reserves/ General Fund

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 2018, a section of irrigation pipe crossing the creek and feeding the back nine at BGGC is requested 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 requested through 2020.

Budget Impact: This project would be funded through any proceeds from the golf business or General Fund subsidy.

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	33,000	33,000
Actual Expenditures	-	-	-	-	-	-

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	-	-	-	-	-	-
Construction	25,000	-	-	-	-	25,000
Equipment	8,000	25,000	55,000	-	-	88,000
Contingency	-	-	-	-	-	-
Sub-Total	\$33,000	\$25,000	\$55,000	-	-	\$113,000

GOLF COURSE PARKING LOT MAINTENANCE



Category: Buildings & Grounds Improvements

Fund: Golf Reserves/ General Fund

Account Number:

Initial Proposal Date: 2018

Project Coordinator: PW-Engineering

Summary: This program provides for the routine sealing, restriping, and reconstruction of golf course parking lots. The 2018 planned improvements include the Buffalo Grove Golf Course main lot maintenance (8k) and Arboretum Golf Course parking lot maintenance (16k).

This work is being separated from Municipal Parking Facility Maintenance in 2018.

Budget Impact: This project would be funded through any proceeds from the golf business or General Fund subsidy.

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	-	-
Actual Expenditures	-	-	-	-	-	-

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	-	-	-	-	-	-
Construction	24,000	-	15,000	-	-	39,000
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$24,000	-	\$15,000	-	-	\$39,000

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	118.26 miles
State Roadways	8.95 miles
Cook County Roadways	7.25 miles
Lake County Roadways	10.82 miles
Total	145.28 miles

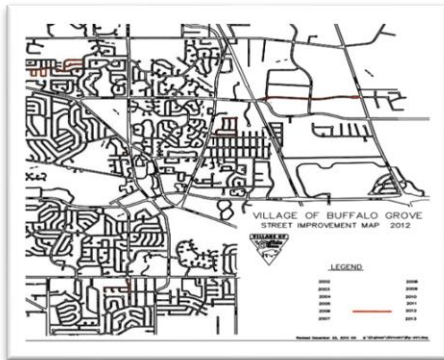
Municipal roadways are evaluated every year and recommendations for the next several years of street projects are developed. The projects involve traditional maintenance and rehabilitation of local streets based upon a defined service life. The defined service life is designed to maintain quality surface 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 economic climate and funding limitation internally and from the State of Illinois. Bonds were recently issued in 2012 and 2016 in an effort to maintain pace with current road life cycles. The majority of work to be performed during the 2018 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 pavement rejuvenation program designed to extend the life of various streets.

The following streets were identified from the results of the pavement inspection program and are scheduled for repair in 2018 depending upon funding availability:

Street	Miles	Street	Miles
Anderson Lane	0.17	Green Knolls Drive	0.50
Bristol Lane	0.38	Fairfax Lane	0.25
Caren Court	0.07	Farnsworth Lane	0.07
Caren Drive	0.51	Franklin Lane	0.21
Checker Drive	0.04	Fremont Way	0.54
Gail Court	0.05	Ronnie Drive	0.36
Gail Drive	0.6	TOTAL	3.7

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 as available.

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

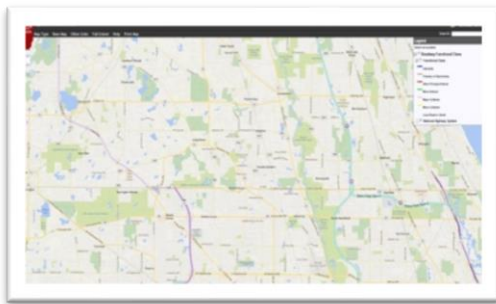
Summary: The annual street maintenance and rehabilitation program is covered in each year's CIP. The Village streets are reviewed annually and evaluated for all types of maintenance or improvement.

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 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	5,950,000	2,250,000	1,800,000	8,000,000	1,200,000	19,200,000
Actual Expenditures	5,684,477	2,014,665	1,688,228	7,011,616	1,200,000	17,598,986

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	450,000	450,000	450,000	450,000	450,000	2,250,000
Construction	3,550,000	3,550,000	3,550,000	3,550,000	3,550,000	17,750,000
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$20,000,000

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: 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. Bernard Drive is proposed to begin the Phase I process in 2018.

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	300,000	300,000
Actual Expenditures	-	-	-	-	300,000	300,000

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	500,000	350,000	1,050,000	950,000	200,000	3,050,000
Construction	-	-	10,000,000	10,000,000	-	20,000,000
Equipment	-	-	-	-	-	-
Contingency	(200,000)	(160,000)	(8,815,000)	(8,745,000)	(160,000)	(18,080,000)
Sub-Total	\$300,000	\$190,000	\$2,235,000	\$2,205,000	\$40,000	\$4,970,000

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

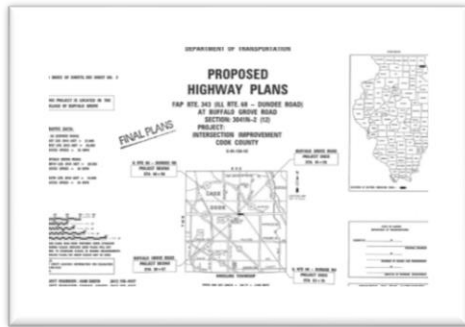
Summary: This project would continue improvements to the street scape along the Dundee Road corridor through the addition of landscaped medians.

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	40,000	40,000	40,000	40,000	160,000
Actual Expenditures	-	-	-	-	-	-

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	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 adding 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 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	150,000	80,000	230,000
Actual Expenditures	-	-	-	-	60,000	60,000

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	-	-	-	-	-	-
Construction	20,000	-	-	-	-	20,000
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$20,000	-	-	-	-	\$20,000

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 late 2017 with construction expected to begin in 2019. The Village is responsible for a local share of the cost for such items as pedestrian facilities, street lights, and utility relocations. The local share is \$2.13 million however; the Village received a \$1.5 million Surface Transportation Program Grants, which reduces the local share to 630,000 to be spread out over three years.

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	113,000	113,000	50,000	50,000	326,000
Actual Expenditures	-	63,000	5,000	112,556	35,000	215,556

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2021	TOTAL
Land	-	-	-	-	-	-
Design Services	-	-	-	-	-	-
Construction	-	710,000	710,000	710,000	0	2,130,000
Equipment	-	-	-	-	-	-
Contingency	-	(500,000)	(500,000)	(500,000)		(1,500,000)
Sub-Total	-	\$210,000	\$210,000	\$210,000	-	\$630,000

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 2018 new pedestrian facility improvements include repairing sidewalk in the southern section 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 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	325,000	100,000	325,000	325,000	325,000	1,400,000.00
Actual Expenditures	214,500	93,936	422,421	308,300	250,000	1,289,157.00

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	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 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	100,000	-	-	-	50,000	150,000
Actual Expenditures	100,452	-	-	-	-	100,452

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

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 ten percent of the Village's storm sewers each year. Tapes are then reviewed by engineering staff and repair recommendations are grouped by point repair, sewer lining, or pipe replacement.

In the past, most storm sewer repairs have been handled by in-house Public Works staff or in conjunction with scheduled street maintenance. But, as infrastructure ages, the list of identified repairs has increased. A contractual repair contract will be necessary 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. The identified 2018 projects include streambank stabilization within the Buffalo Creek Nature Preserve in conjunction with a section 319 Grant (263k), Navajo Trail storm sewer and rear yard storm sewer repairs (100k), and Gail Drive and Green Knolls Drive sewer rehabilitation in conjunction with the road program (200k). In addition, funding is set aside to complete GPS inventory of all pipes, catch basins, streams, detention basins and related infrastructure (10k). Funding is also being requested to install four level sensors at various locations throughout the village with real time data capability (100k). Finally, for major road improvements by other jurisdictions, the Village is responsible for the cost of the Village's storm sewer relocation costs. The estimated cost for Lake Cook Road is 20k in 2019, 2020, and 2021. The estimated cost for Weiland Road is estimated to be 50k 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 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	200,000	200,000	200,000	330,000	778,000	1,708,000
Actual Expenditures	133,084	200,000	250,000	307,639	300,000	1,190,723

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	-	-	-	-	-	-
Construction	1,053,000	470,000	420,000	420,000	400,000	2,763,000
Equipment	-	-	-	-	-	-
Contingency	(170,000)	-	-	-	-	(170,000)
Sub-Total	\$883,000	\$470,000	\$420,000	\$420,000	\$400,000	\$2,593,000

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 made a strategic move to join the Government Information Technology Consortium (GovITC) in 2014. The Deputy Village Manager is the president of the consortium and oversees the Village's contract. The entire Village network includes:

- 50 Virtual servers
- 230+ Desktop and mobile workstations
- Approximately 100 printers and specialty devices

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

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

SCADA IMPROVEMENTS



Category: Technology

Fund: Water & Sewer

Account Number: 170.55.35.560.60

Initial Proposal Date: 2012

Project Coordinator: Public Works

Summary: The proposed expenses implement the recommended improvements as detailed in the SCADA System Master Plan. The main goal for 2018 is to maintain reliable radio communications to the lift station sites for control and telemetry purposes. This work was deferred in 2017 due to budget constraints and is being requested again in 2018. Work also continues to update software and hardware within the SCADA system in order to update security and alarming functionality, and replace key components which are no longer serviceable due to manufacturer obsolescence.

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	77,000	85,800	200,000	200,000	-	562,800
Actual Expenditures	-	129,042	25,000	180,000	-	334,042

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	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 percent, of water main put into place between 1983 and 1996. Currently, the water main system has 181 linear miles of water main and has a replacement value of approximately 773 million. Other water system features include:

- 2,475 Hydrants
- 1,900 Valves
- Four 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 2013 and 2017, there were \$3,095,253 in capital expenses related to water system replacements and improvements.

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

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

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

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 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 Reserves.

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	-	-	-	-	-
Actual Expenditures	-	-	9,600	5,700	54,000	69,300

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	64,000	42,000	19,000	39,000	50,000	214,000
Construction	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$64,000	\$42,000	\$19,000	\$39,000	\$50,000	\$214,000

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 continues the replacement of the Golfview Lift Station and other required work identified at the Village's 12 lift stations sites, such as condition evaluations, pump repairs, cathodic protection system renovations, maintenance lift repairs, and contractual painting. In 2018, design for rehabilitation of Chatham Lift Station is planned.

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	780,000	530,000	560,000	560,000	900,000	3,330,000
Actual Expenditures	976	530,000	363,432	220,000	780,000	1,894,408

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	40,000	30,000	30,000	30,000	30,000	180,000
Construction	380,000	570,000	270,000	270,000	270,000	1,760,000
Equipment	20,000	20,000	20,000	20,000	20,000	100,000
Contingency	-	-	-	-	-	-
Sub-Total	\$440,000	\$620,000	\$320,000	\$320,000	\$320,000	\$2,020,000

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 2018, brick fascia repairs and access hatch security improvements, along with other minor pump house site improvements, will continue. In addition, design work will commence in 2018 for parts and material storage at Pump Station #2 and a weather enclosure over the well head at Pump Station #7 with construction proposed for 2019. Well maintenance at Stations #1 & #2 are being programmed at this time for completion in future years 2019 and 2020.

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	610,318	550,000	550,000	550,000	300,000	2,560,318
Actual Expenditures	17,209	300,000	400,000	350,000	300,000	1,367,209

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	80,000	40,000	20,000	20,000	20,000	180,000
Construction	400,000	600,000	300,000	200,000	200,000	1,700,000
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$480,000	\$640,000	\$320,000	\$220,000	\$220,000	\$1,880,000

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 reviewing maintenance and flushing reports. The remaining portions of the major sewer interceptor and the associated manholes on Old Arlington Heights Road are planned to be lined (400k) as well as other sanitary manholes in Cook County are planned to be lined (100k). The annual sewer televising program is planned to review approximately ten percent of the total Village's sanitary sewer system (100k) and smoke testing is planned for 2018 (50k). For major road improvements by other jurisdictions, the Village is responsible for the cost of the Village's sanitary sewer relocation costs. The estimated cost for Lake Cook Road is 35k in 2019, 2020 and 2021. The estimated cost for Weiland Road is 50k in 2018 and 2019.

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	-	700,000	850,000	1,175,000	1,210,000	3,935,000
Actual Expenditures	-	505,031	652,934	517,346	1,210,000	2,885,311

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	-	-	-	-	-	-
Construction	735,000	485,000	435,000	435,000	400,000	2,490,000
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	\$735,000	\$485,000	\$435,000	\$435,000	\$400,000	\$2,490,000

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 the Village as identified through Water Service Interruption Reports. Projects have been identified at various locations within the Village and are proposed for repair in future years (1 million each year). Example projects are adding a second water main feed near Aptakisic Road and Prairie Road, a second feed near Lucinda Lane and Mike Rylko Park, water main replacement along South Buffalo Grove Road, and replacement in a portion of the Cambridge neighborhood. This includes design and construction management as needed. For major road improvements by other jurisdictions, the Village is responsible for the cost of the Village's water main relocation costs. The estimated cost for water main relocation within Lake Cook Road is 500k in 2019, 2020 and 2021. The estimated cost for relocation within Weiland Road is 75k in 2018 and 40k in 2019. An additional 40k is proposed for water main leak detection in 2018. A full water model is proposed for 2018 (75k).

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

5 Year Expenditure History						
Budgeted Amount	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	TOTAL
	160,000	1,376,000	850,000	500,000	1,070,000	3,956,000
Actual Expenditures	153,150	1,566,560	154,779	620,764	600,000	3,095,253

5 Year Projected Expenditures						
Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Land	-	-	-	-	-	-
Design Services	175,000	100,000	100,000	75,000	75,000	525,000
Construction	1,015,000	1,440,000	1,400,000	925,000	925,000	5,705,000
Equipment	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Sub-Total	1,190,000	1,540,000	1,500,000	1,000,000	1,000,000	6,230,000

RESERVE FOR CAPITAL REPLACEMENT - VEHICLES

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

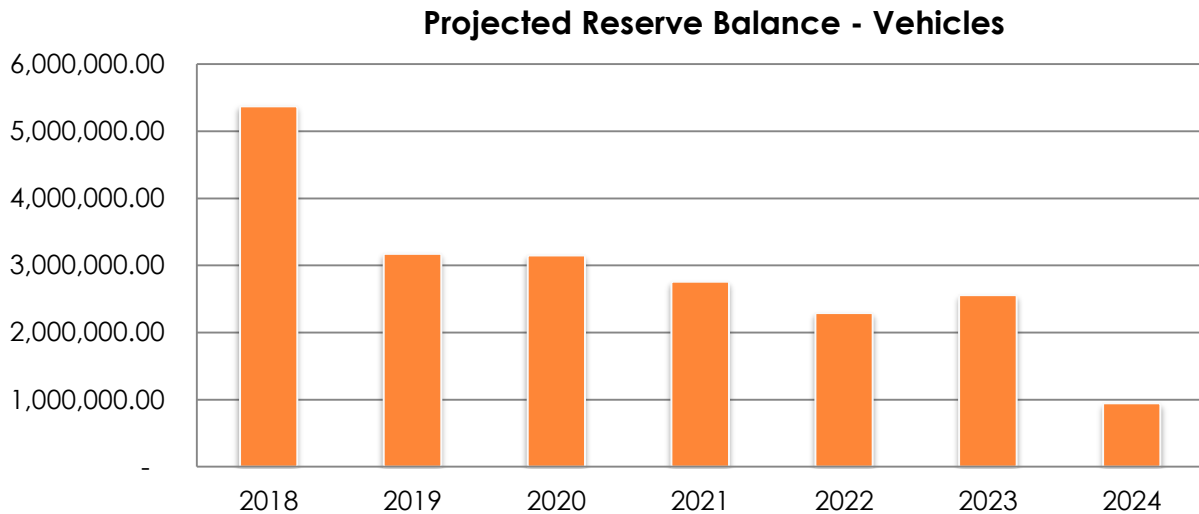
The Village maintains a capital replacement fund with the intent to fund the amortization on each vehicle. Ideally, when vehicles are scheduled for replacement the replacement cost will be fully funded with available money.

The 2018 budget includes 518,300 to fund the reserve account in order to minimize a direct impact on the operating budget as equipment comes up for replacement in the near future. Currently, 6.9 million is in the reserve account and the table below shows the projected replacement costs through 2024. It is important that the reserve be funded in order to minimize impact to future budgets.

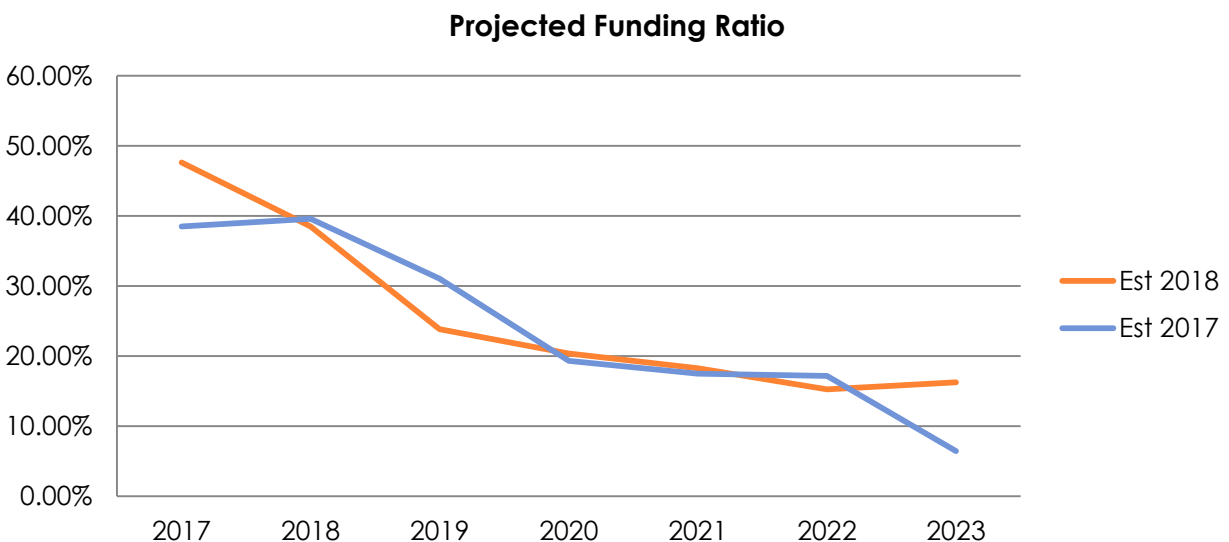
Finally, the Village Board's approval of the funding reserve does not authorize spending for equipment replacement. Each replacement vehicle or equipment purchase must go through the procurement process including Board authorization to bid and award of bid. This ensures that the procurement remains consistent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

Planned Capital Reserve Replacements by Department - Vehicles (in dollars)								
Department	2018	2019	2020	2021	2022	2023	2024	Subtotal
OVM	-	17,557	-	-	-	-	20,191	37,749
Fire	948,707	496,298	96,672	866,440	69,418	302,449	550,598	3,330,582
Police	186,508	120,540	50,401	60,117	-	-	138,621	556,187
Comm Development	87,000	19,440	-	-	-	-	100,050	206,490
Engineering	-	-	57,797	-	-	30,717	-	88,514
Building Maintenance	-	151,471	49,119	-	10,015	-	99,971	310,576
Streets	153,300	688,238	202,300	-	183,653	-	454,237	1,681,729
Forestry	451,647	309,605	8,648	-	228,335	-	356,046	1,354,282
Drainage	-	-	-	-	391,926	-	-	391,926
Water	166,000	413,498	138,749	-	181,140	-	190,900	1,090,287
Sanitary Sewer	164,642	448,038	-	65,987	-	-	147,852	826,520
Central Garage	-	133,773	20,000	-	-	-	153,839	307,612
Public Works Administration	29,270	-	-	-	-	-	-	29,270
Total	\$2,187,074	\$2,798,458	\$623,686	\$992,544	\$1,064,487	\$333,166	\$2,212,305	\$10,211,720

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



The graph below charts total replacement cost against the capital reserve fund balance. All vehicles have an estimated replacement value of \$12.2 million. The two lines show where the Village was as the budget was proposed last year (2017 est.) vs the proposed 2018 Budget (2018 est.). The improved funding ratio from 2019 through 2021 is directly attributed to the outsourcing of the Golf department maintenance for both Arboretum and Buffalo Grove Golf Club. The Golf department's capital reserve was exhausted funding the 2017 Buffalo Grove Golf Club improvements.

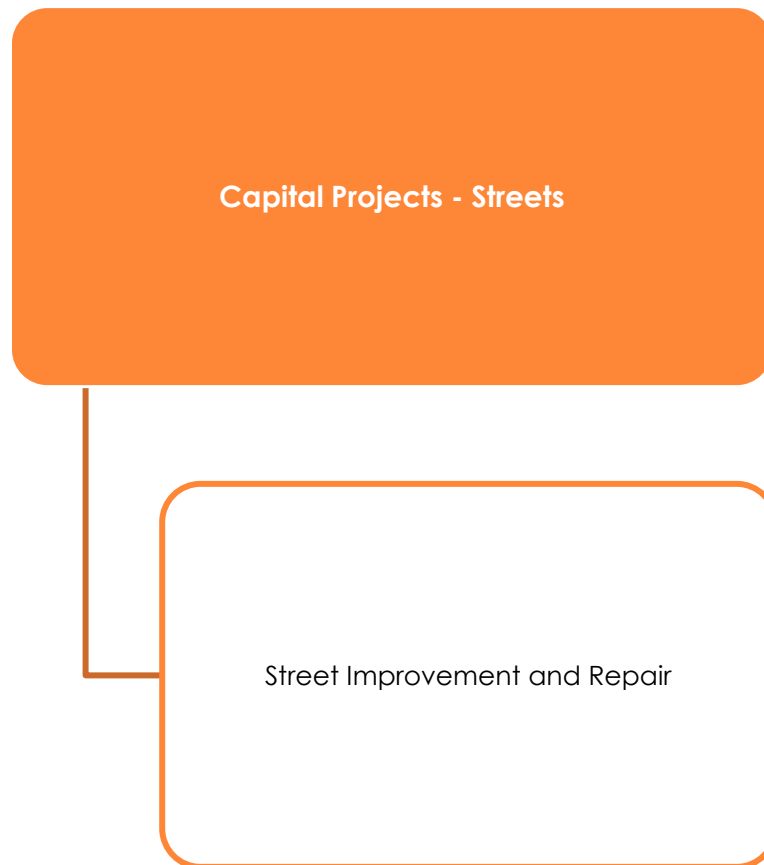


CAPITAL PROJECTS - STREETS FUND

Capital Projects – Streets is a program that funds street improvement, repair, and replacement. The elements of this program have been identified and recommended as part of the Village's comprehensive Capital Improvement Plan for the period FY 2018 through FY 2022. Proceeds for the street maintenance fund are funded through transfers from the General Fund.

PROGRAM AREAS

Capital Projects – Street	329
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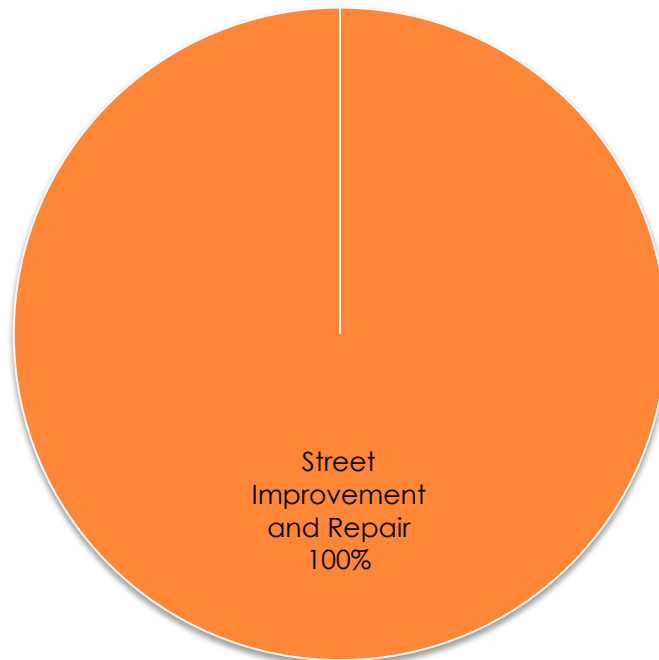
2018 CAPITAL PROJECTS - STREET PROGRAM BUDGET SUMMARY

Capital Projects - Streets Funding Source	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Revenue	-	7,174,727	1,537,950	95,000	360,000	-76.59%
Total	-	\$7,174,727	\$1,537,950	\$95,000	\$360,000	-76.59%

Capital Projects - Streets Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Street Improvement and Repair	81,460	7,629,014	350,000	350,000	360,000	2.86%
Total	\$81,460	\$7,629,014	\$350,000	\$350,000	\$360,000	2.86%

Expenditures that exceed revenues are funded through unreserved fund balance.

Program Budget Summary



PROGRAM AREA: CAPITAL PROJECTS - STREETS

The identified projects have been previously planned as part of the FY 2018 portion of the Village's comprehensive Capital Improvement Plan for FY 2018 through FY 2022. Funding will come from unreserved General Fund Balances and other sources as authorized under current Village use policies.

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

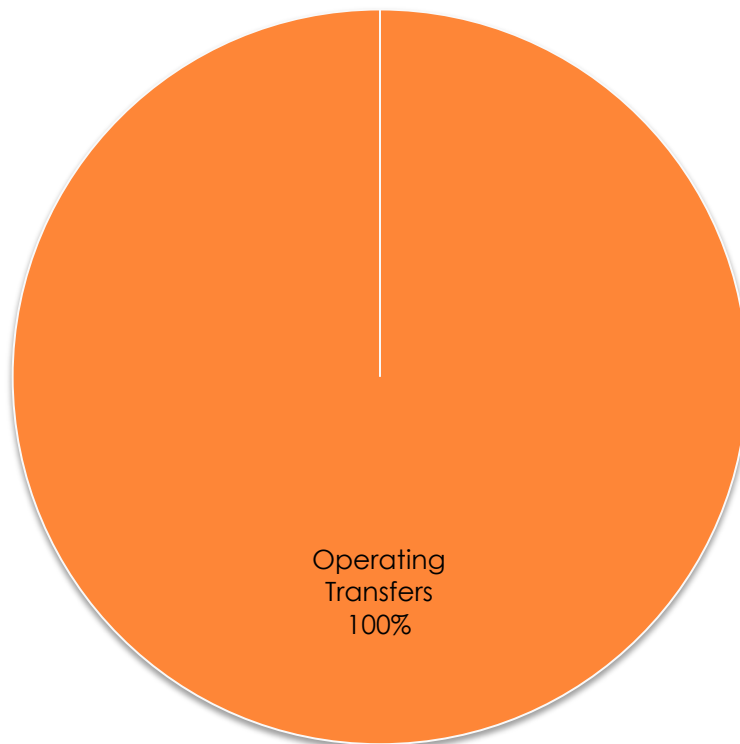
No additional personnel or programs requested in 2018.

FUNDING SOURCE: REVENUE

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Capital Projects - Street						
Bond Proceeds	-	6,125,000	-	-	-	0.00%
Operating Transfers	-	1,049,727	1,537,950	95,000	360,000	-76.59%
Total	-	\$7,174,727	\$1,537,950	\$95,000	\$360,000	-76.59%

Expenditures that exceed revenues are funded through unreserved fund balance.

2018 Revenue Collection



PROGRAM AREA: CAPITAL PROJECTS - STREETS

The Village is responsible for street, curb, and gutter throughout the Village. The maintenance, upkeep, repair and replacement of these assets are funded through this fund. This fund serves as the accounting guide for the approved budget items included in the Capital Improvement Plan for the Village of Buffalo Grove.

MAJOR SERVICES

Building and Structure Improvement and Repair

PROGRAM CHANGES OF NOTE

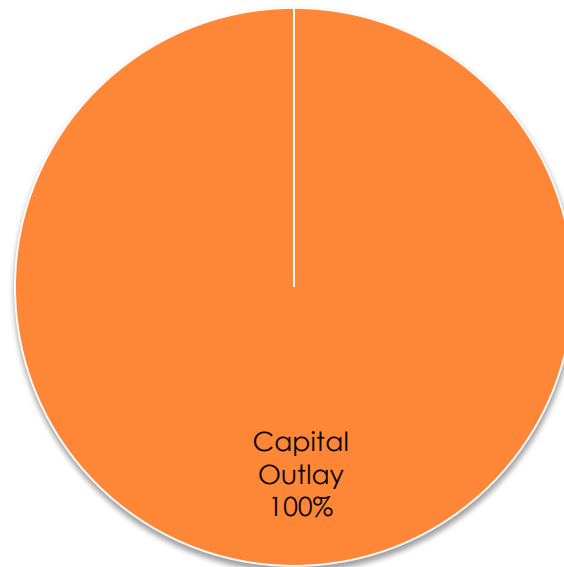
No additional personnel or programs requested in 2018.

MAJOR SERVICE: STREET IMPROVEMENT AND REPAIR

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Capital Projects Street						
Capital Outlay	81,460	7,527,979	350,000	350,000	360,000	2.86%
Operating Transfers	-	87,447	-	-	-	0.00%
All Other Expenses	-	13,588	-	-	-	0.00%
Total Street Repair and Maintenance	\$81,460	\$7,629,014	\$350,000	\$350,000	\$360,000	2.86%

Expenditures that exceed revenues are funded through unreserved fund balance.

2018 Street Improvement and Repair

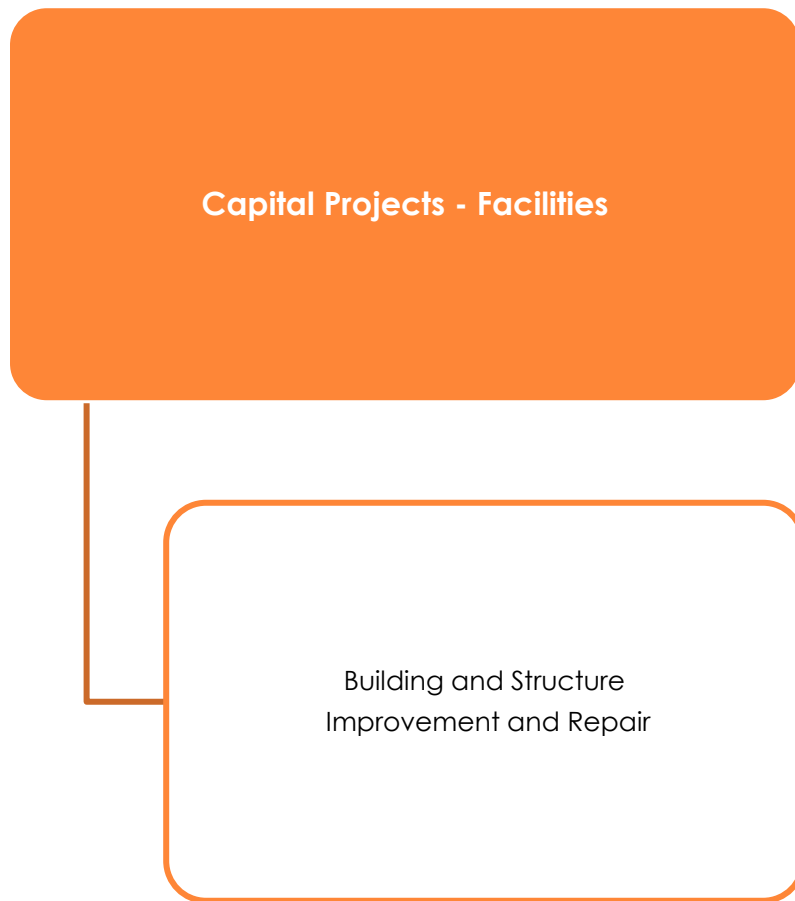


CAPITAL PROJECTS - FACILITIES FUND

This fund provides for the accounting of design, acquisition, and construction elements of various Village capital facilities and equipment.

PROGRAM AREAS

Capital Projects – Facilities	336
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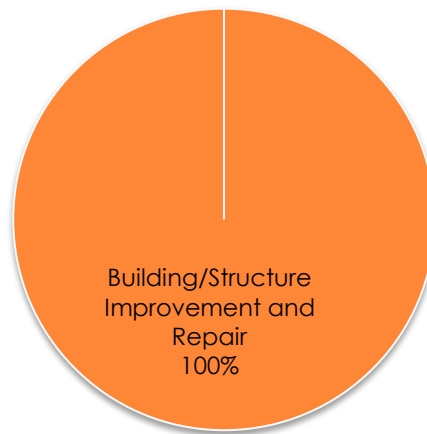
2018 CAPITAL PROJECTS - FACILITIES PROGRAM BUDGET SUMMARY

Capital Projects - Facilities Funding Source	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17- FY18
Revenue	1,337,984	928,356	2,440,303	1,875,303	1,576,963	-35.38%
Total	\$1,337,984	\$928,356	\$2,440,303	\$1,875,303	\$1,576,963	-35.38%

Capital Projects - Facilities Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17- FY18
Building/Structure Improvement and Repair	2,746,734	846,995	1,974,723	1,215,850	1,576,963	-20.14%
Total	\$2,746,734	\$846,995	\$1,974,723	\$1,215,850	\$1,576,963	-20.14%

Expenditures that exceed revenues are funded through Capital reserve.

Program Budget Summary



CAPITAL PROJECTS - FACILITIES VARIANCES

Capital Projects - facilities Capital Projects - Facilities	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17- FY18	Comments
Capital Outlay	1,974,723	1,215,850	1,576,963	-20.14%	Reduction in Capital Improvement Plan Funding.

PROGRAM AREA: CAPITAL PROJECTS - FACILITIES

The identified projects have been previously planned for as part of the FY 2018 portion of the Village's comprehensive Capital Improvement Plan for FY 2018 through FY 2022. 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.

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

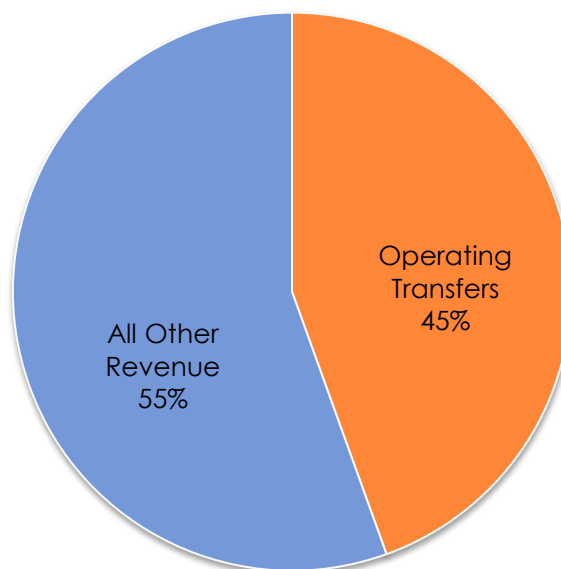
FUNDING SOURCE: REVENUE

The Village has multiple buildings and structures for which it is responsible for maintenance, upkeep, repair, and replacement. This fund serves as the accounting guide for the approved budget items included in the Capital Improvement Plan for the Village of Buffalo Grove.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Capital Projects Facilities						
Operating Transfers	1,337,984	928,356	1,875,303	1,875,303	701,768	-62.58%
All Other Revenue	-	-	565,000	-	875,195	54.90%
Total Revenue Collection	\$1,337,984	\$928,356	\$2,440,303	\$1,875,303	\$1,576,963	35.38%

Expenditures that exceed revenues are funded through Capital reserve.

2018 Revenue Collection



PROGRAM AREA: CAPITAL PROJECTS - FACILITIES

The identified projects have been previously planned for as part of the FY 2018 portion of the Village's comprehensive Capital Improvement Plan for FY 2018 through FY 2022. 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.

MAJOR SERVICES

Building and Structure Improvement and Repair

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

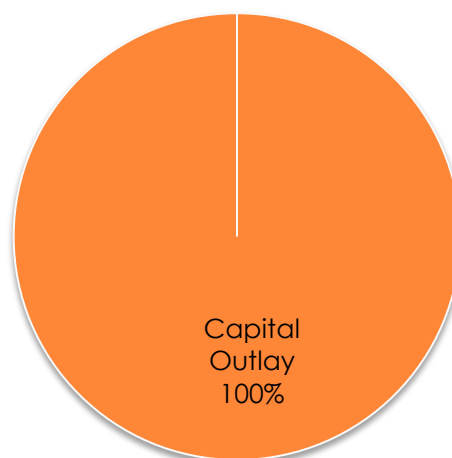
MAJOR SERVICE: BUILDING AND STRUCTURE IMPROVEMENT AND REPAIR

The Village has multiple buildings and structures for which it is responsible for maintenance, upkeep, repair, and replacement. This fund serves as the accounting guide for the approved budget items included in the Capital Improvement Plan for the Village of Buffalo Grove.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Building Maintenance						
Personnel Wages	-	-	-	-	-	-
Personnel Benefits	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Capital Outlay	2,746,734	846,995	1,974,723	1,215,850	1,576,963	-20.14%
Capital Reserve Transfers	-	-	-	-	-	-
Contractual Services	-	-	-	-	-	-
Internal Service Transfers	-	-	-	-	-	-
Total Building and Structure Improvement and Repair	\$2,746,734	\$846,995	\$1,974,723	\$1,215,850	\$1,576,963	-20.14%

*Expenditures that exceed revenues are funded through Capital reserve.

2018 Building and Structure Improvement and Repair

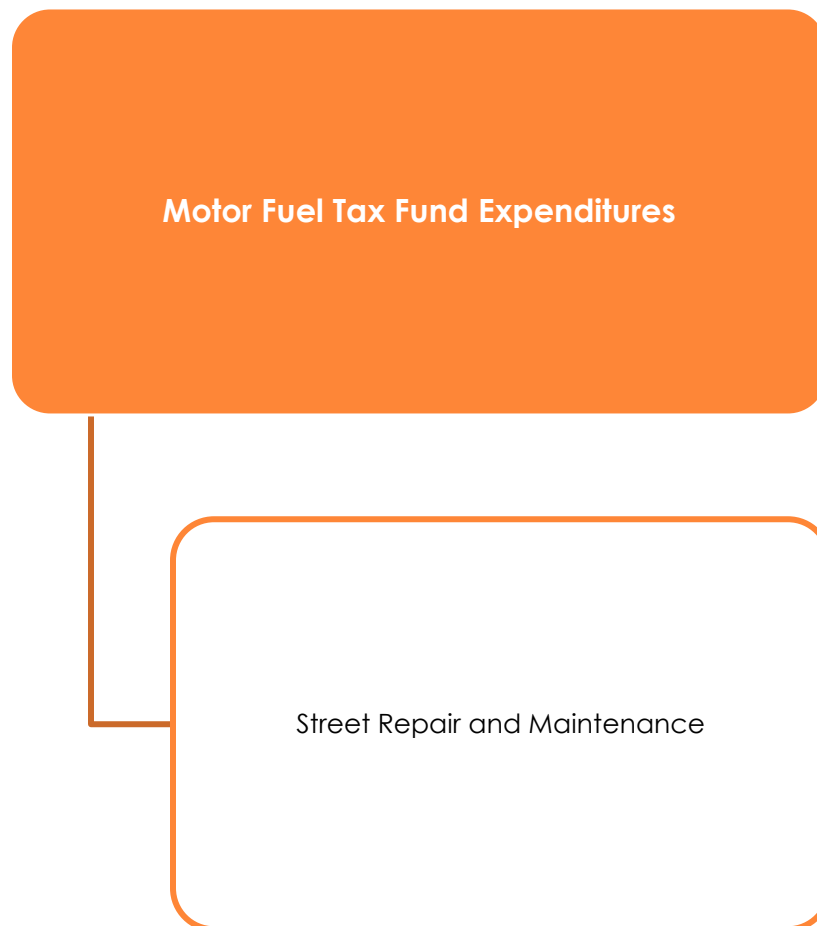


MOTOR FUEL TAX FUND

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.

PROGRAM AREAS

Motor Fuel Tax	343
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2018 MOTOR FUEL TAX FUND PROGRAM BUDGET SUMMARY

Motor Fuel Tax Funding Source	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Revenue	1,873,676	1,056,515	1,000,000	1,040,000	1,000,000	0.00%
Total	\$1,873,676	\$1,056,515	\$1,000,000	\$1,040,000	\$1,000,000	0.00%

Motor Fuel Tax Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Street Repair and Maintenance	1,781,905	1,282,619	1,500,000	1,500,000	1,000,000	-33.33%
Total	\$1,781,905	\$1,282,619	\$1,500,000	\$1,500,000	\$1,000,000	-33.33%

Expenditures over revenues are funded through unreserved fund balance.

Program Budget Summary



MOTOR FUEL TAX VARIANCES

Motor Fuel Tax	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Capital Outlay	1,500,000	1,500,000	1,000,000	-33.33%	Current year budget will not spend down fund balance for projects.

PROGRAM AREA: MOTOR FUEL TAX

Motor Fuel Tax (MFT) Fund revenues are distributed by the Illinois Department of Transportation. In previous fiscal years the Village of Buffalo Grove allocated 25 percent of Home Rule Sales Tax to the MFT Fund, due to budgetary constraints the funds are no longer transferred to the MFT Fund.

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

KEY PERFORMANCE MEASURES

Street Repair and Maintenance	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Record monthly distributions within one week of receipt	12	12	12	12	12
Account for 12 payments per fiscal year on a modified accrual basis	Yes	Yes	Yes	Yes	Yes

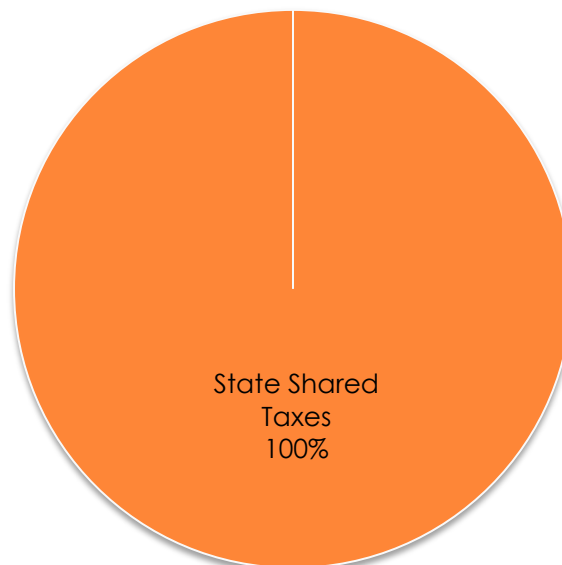
FUNDING SOURCE: REVENUE

Motor Fuel Tax is distributed through the Illinois Department of Transportation based on population. The Village collects motor fuel tax on a monthly basis and accounts for it on a modified accrual basis.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: MFT						
State Shared Taxes	1,014,469	1,056,515	1,000,000	1,040,000	1,000,000	0.00%
Operating Transfers	859,207	-	-	-	-	-
Total	\$1,873,676	\$1,056,515	\$1,000,000	\$1,040,000	\$1,000,000	0.00%

*Expenditures over revenues are funded through unreserved fund balance.

2018 Revenue Collection



MOTOR FUEL TAX: EXPENDITURES

Detailed plans and specifications are prepared for identified streets including surface treatments, base repairs and any necessary drainage and curb improvement. Construction is performed by a contractor selected through a competitive bidding process with construction engineering to be performed by a consulting engineer. The Village Engineer performs administration of the engineering service and construction contracts.

MAJOR SERVICES

Street Repair and Maintenance

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

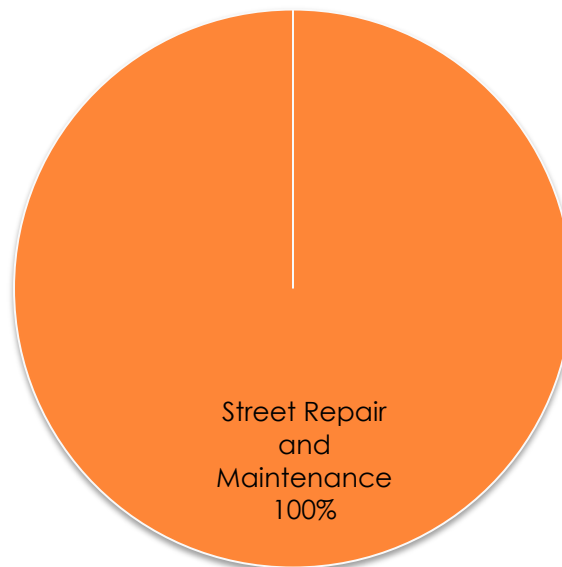
MAJOR SERVICE: STREET REPAIR AND MAINTENANCE

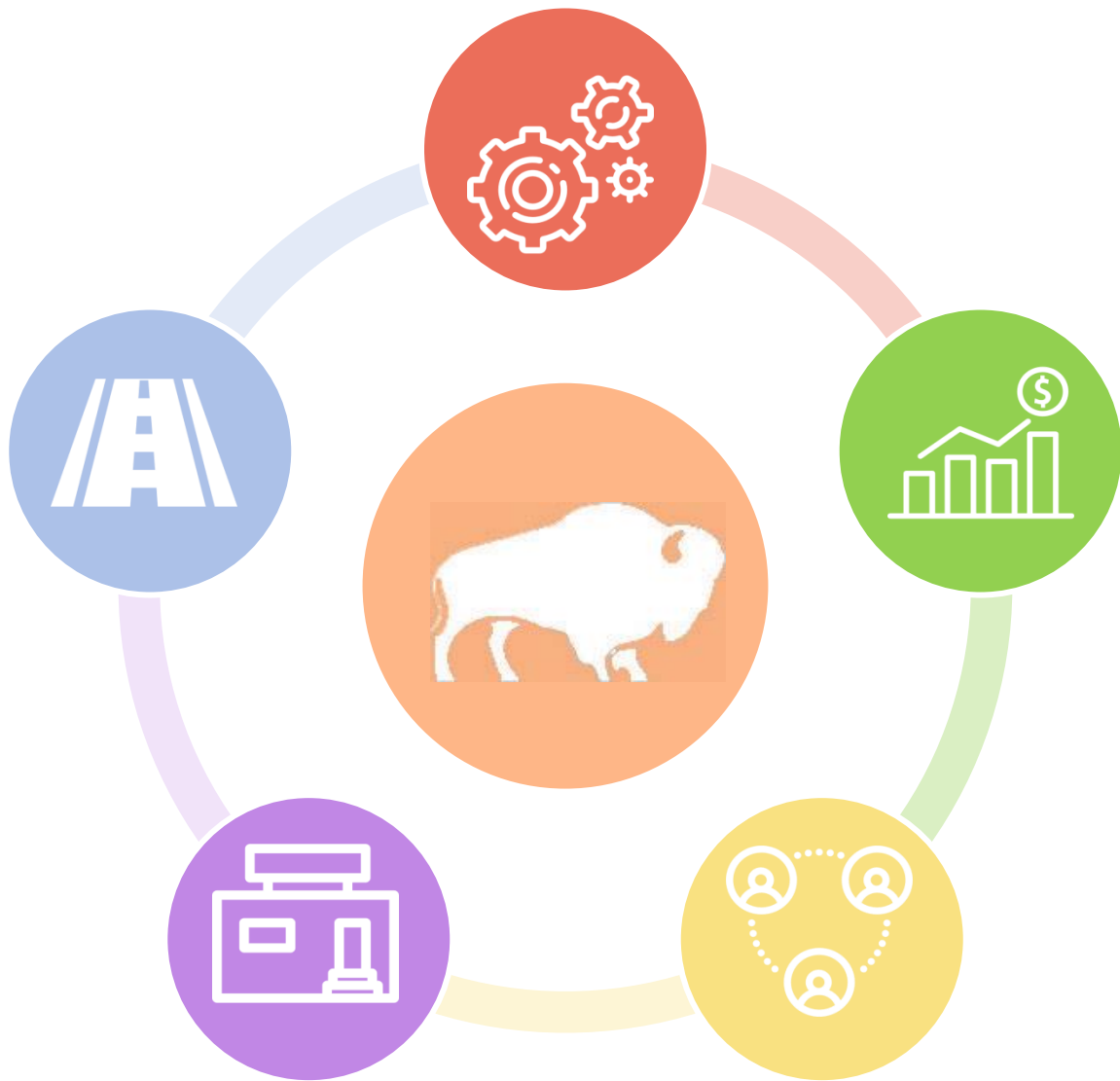
The purpose of the Motor Fuel Tax Funds are for road construction, reconstruction, resurfacing, and general maintenance of roadways for which the Village is responsible. These funds are a special revenue fund which is distributed based on the population of the Village.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: MFT						
Personnel Wages	-	-	-	-	-	0.00%
Personnel Benefits	-	-	-	-	-	0.00%
Operating Expenses	-	-	-	-	-	0.00%
Commodities	-	-	-	-	-	0.00%
Repairs & Maintenance	-	-	-	-	-	0.00%
Capital Outlay	\$1,781,905	\$1,282,619	\$1,500,000	\$1,500,000	\$1,000,000	-33.33%
Contractual Services	-	-	-	-	-	0.00%
Total Street Repair and Maintenance	\$1,781,905	\$1,282,619	\$1,500,000	\$1,500,000	\$1,000,000	-33.33%

Expenditures over revenues are funded through unreserved fund balance.

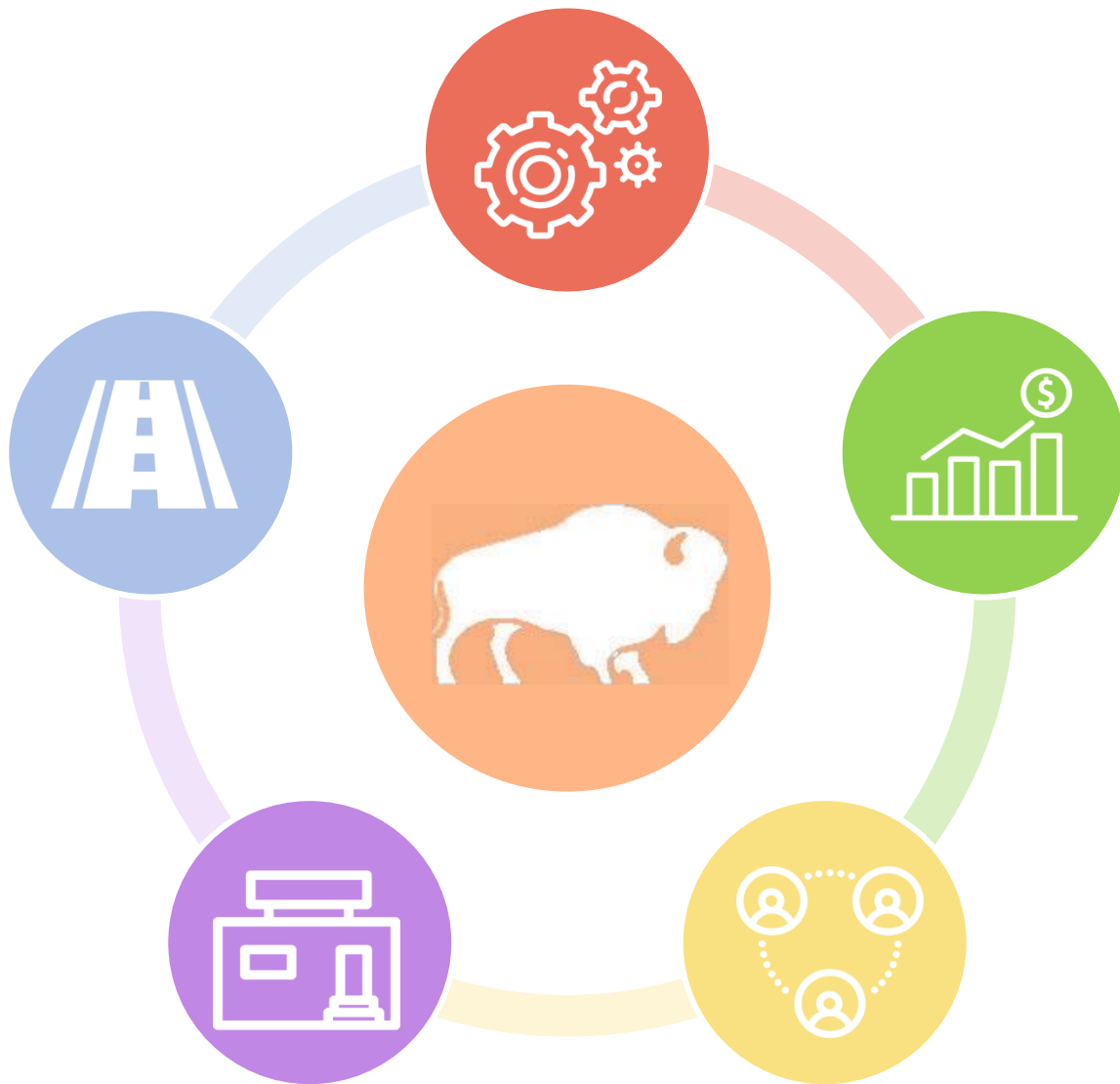
2018 Street Repair and Maintenance





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SECTION SEVEN: ENTERPRISE FUND



GOLF OPERATIONS – WATER AND SEWER – REFUSE

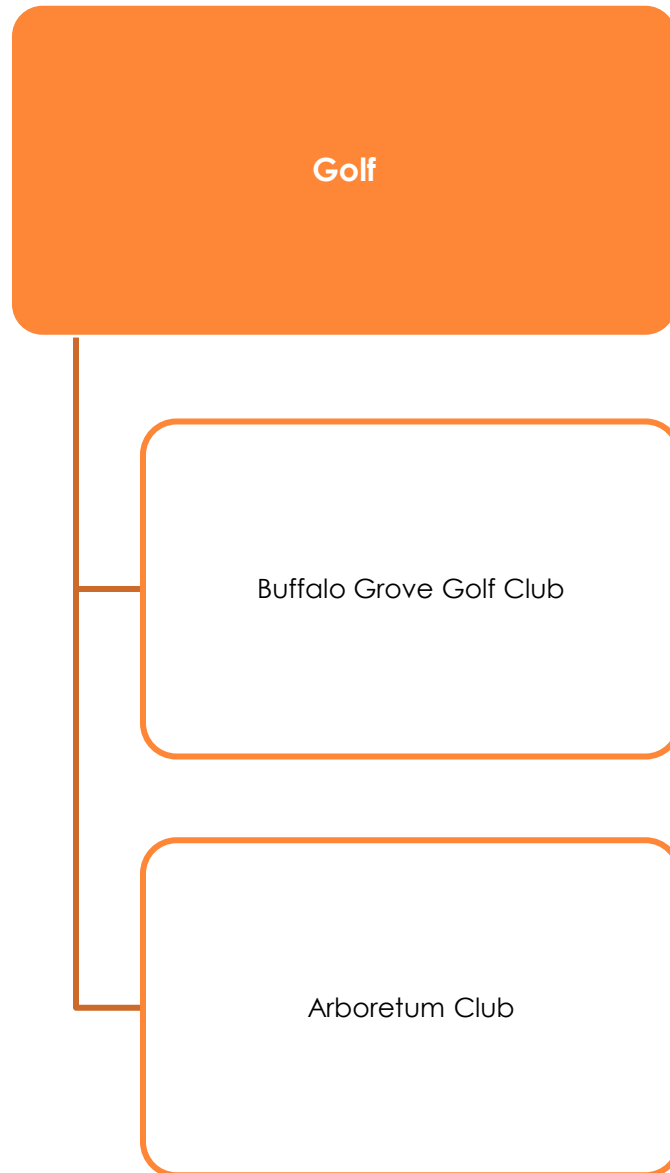
GOLF

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 overall objective of the Funds is 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.

PROGRAM AREAS

Buffalo Grove Golf Club.....	352
The Arboretum Club.....	355



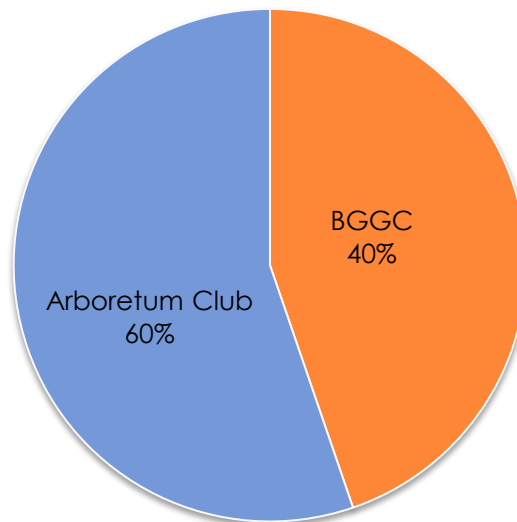
2018 GOLF FUND PROGRAM BUDGET SUMMARY

Golf Revenue Source	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Buffalo Grove Golf Club	1,315,945	1,221,616	1,201,385	1,226,800	1,208,288	0.57%
Arboretum Club	1,472,929	1,395,703	1,465,228	1,410,904	1,490,967	1.76%
Total	\$2,788,874	\$2,617,319	\$2,666,613	\$2,637,704	\$2,699,255	1.22%

Golf Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Buffalo Grove Golf Club	1,357,896	1,256,917	1,719,385	2,052,985	1,208,288	-29.73%
Arboretum Club	1,867,318	1,745,147	1,465,228	1,411,181	1,491,244	1.78%
Total	\$3,225,214	\$3,002,064	\$3,184,613	\$3,464,166	\$2,699,032	-15.25%

Expenditures that exceed revenues are funded through the capital reserve and an operating transfer from the general fund. In fiscal year 2017, previous year's deficit is related to the unbudgeted expenditure for depreciation.

Program Budget Summary



PROGRAM AREA: BUFFALO GROVE GOLF COURSE

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

Expenditures are down due to the completion of the restaurant and other facility improvements.

BUFFALO GROVE GOLF COURSE VARIANCES

Buffalo Grove Golf Course	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Wages	329,812	311,971	291,880	-11.50%	Full time position replaced with part time position.
Benefits	111,805	99,235	99,185	-33.33%	Full time position replaced with part time position.
Commodities	64,000	47,000	51,000	-20.31%	Reduction due to historical trend.
Capital Outlay	485,000	845,000	20,000	-95.88%	Completed Clubhouse restaurant project.
Internal Service	104,269	104,269	118,761	13.90%	Change in the allocation formula.

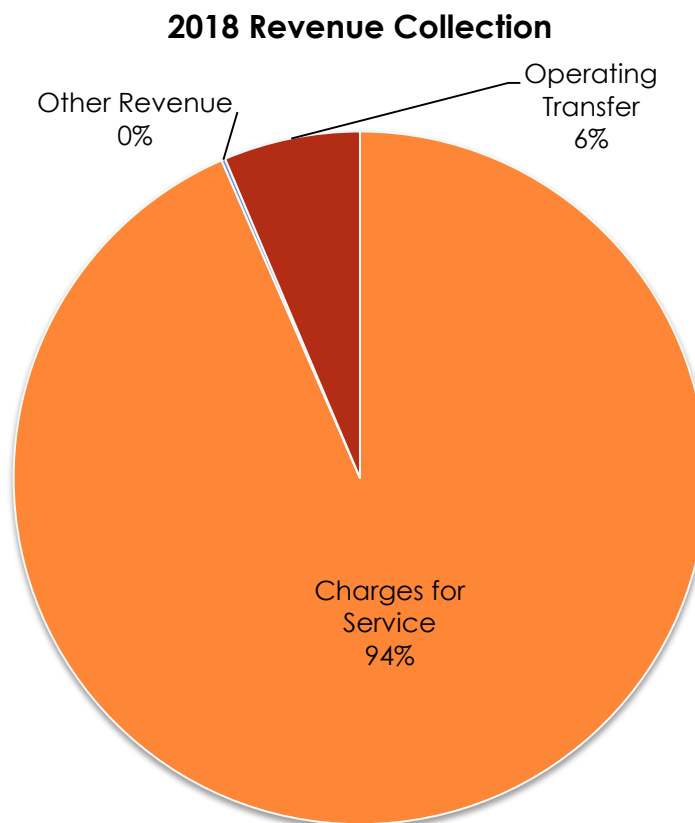
KEY PERFORMANCE MEASURES

Buffalo Grove Golf Club	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Total paid rounds	30,000	28,659	26,975	27,437	28,500
Number of weekday outings	30-35	26	32	27	35
Percentage of rounds played by residents	40%-42%	41%	43%	40%	41%

BUFFALO GROVE GOLF COURSE: REVENUE

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Golf						
Charges for Service	1,093,389	1,043,742	1,097,700	1,055,767	1,129,180	2.87%
Other Revenue	4,451	3,515	500	500	2,200	340.00%
Operating Transfer	218,105	174,359	103,185	170,533	76,908	-25.47
Total Revenue Collection	\$1,315,945	\$1,221,616	\$1,201,385	\$1,226,800	\$1,208,288	0.57%

Expenditures that exceed revenues are funded through the capital reserve and an operating transfer from the general fund in fiscal year 2017, previous year's deficit is related to the unbudgeted expenditure for depreciation



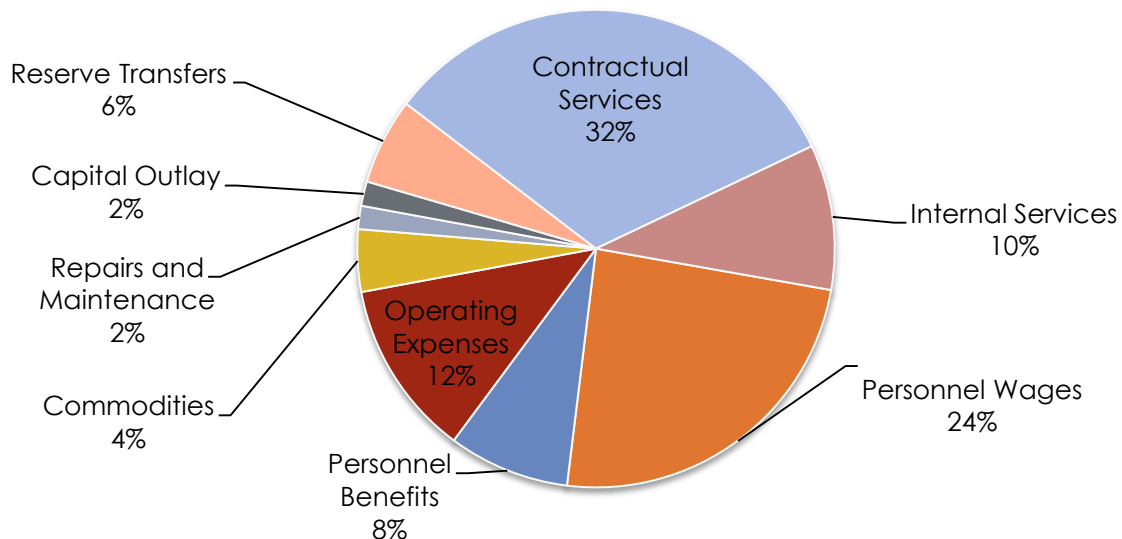
MAJOR SERVICE: BUFFALO GROVE GOLF CLUB

Built in 1965 and purchased by the Village in 1977, the Buffalo Grove Golf Club features bent grass greens that are complemented with bluegrass fairways and tees. A mix of mature trees, sand and water will challenge shot-making abilities of all skill levels. Buffalo Grove Golf Club can be played from 6,883 yards to as short as 5,983 yards. The course offers three sets of tees. Course amenities include a driving range, chipping green, putting green, locker rooms, and a full service restaurant.

Buffalo Grove Golf Course	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	374,244	328,875	329,812	311,971	291,880	-11.50%
Personnel Benefits	132,592	110,201	111,805	99,235	99,185	-11.29%
Operating Expenses	146,268	171,420	142,166	147,127	144,568	1.69%
Commodities	63,930	47,343	64,000	47,000	51,000	-20.31%
Repairs and Maintenance	29,877	22,435	20,000	36,050	19,000	-5.00%
Capital Outlay	2,125	5,167	485,000	845,000	20,000	-95.88%
Reserve Transfers	-	2,031	70,600	70,600	70,600	0.00%
Contractual Services	386,291	382,652	391,733	391,733	393,294	0.40%
Internal Services	135,685	83,409	104,269	104,269	118,761	13.90%
Operating Transfers	54,100	70,600	-	-	-	0.00%
Depreciation	32,784	32,784	-	-	-	0.00%
Total	\$1,357,896	\$1,256,917	\$1,719,385	\$2,052,985	\$1,208,288	-29.73%

Expenditures that exceed revenues are funded through the capital reserve and an operating transfer from the general fund. In fiscal year 2017, previous year's deficit is related to the unbudgeted expenditure for depreciation

2018 Buffalo Grove Golf Club



PROGRAM AREA: ARBORETUM CLUB

The Arboretum Golf Course is owned and operated by the Village. The Arboretum Club opened in 1990. The 27,000 square foot clubhouse boasts spacious locker rooms for men and woman; a pro shop filled with a fine selection of clubs, shoes, golf apparel, and accessories; a snack shop for quick refreshments before play and between nines; a bar and restaurant for leisurely enjoyment before or after a round.

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

ARBORETUM GOLF CLUB VARIANCES

Arboretum Golf Course	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Reserve Transfer	55,400	55,400	10,000	-81.95%	Reserve Contribution reduced.
Internal Service	220,308	220,308	282,765	28.35%	Change in the allocation formula.

KEY PERFORMANCE MEASURES

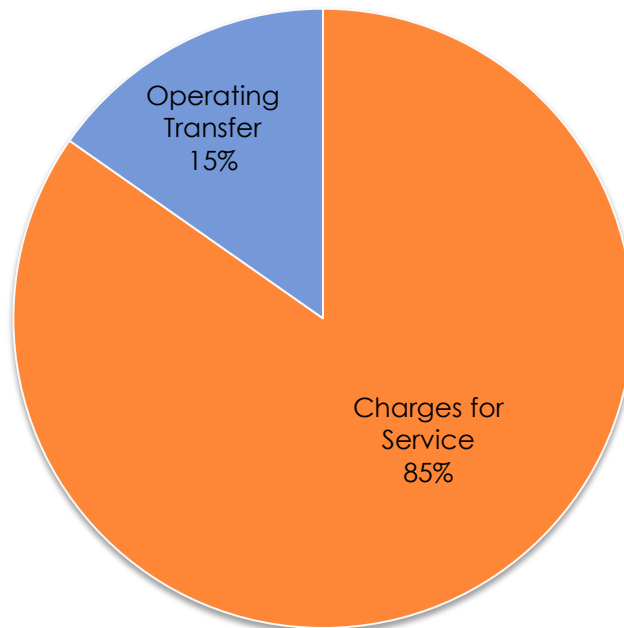
Arboretum Club	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Total paid rounds	24,000	24,367	21,799	23,900	24,100
Number of weekday outings	30	27	29	32	30
Percentage of rounds played by residents	37%-39%	40%	34%	38%	39%

ARBORETUM CLUB: REVENUE

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Golf- Arbo						
Charges for Service	1,238,089	1,193,608	1,268,760	1,243,575	1,263,320	-00.43%
Operating Transfer	234,840	202,095	196,468	167,329	227,647	13.33%
Total Revenue Collection	\$1,472,929	\$1,395,703	\$1,465,228	\$1,410,904	\$1,490,967	1.76%

Expenditures that exceed revenues are funded through the capital reserve and an operating transfer from the general fund. In fiscal year 2017, previous year's deficit is related to the unbudgeted expenditure for depreciation

2018 Revenue Collection

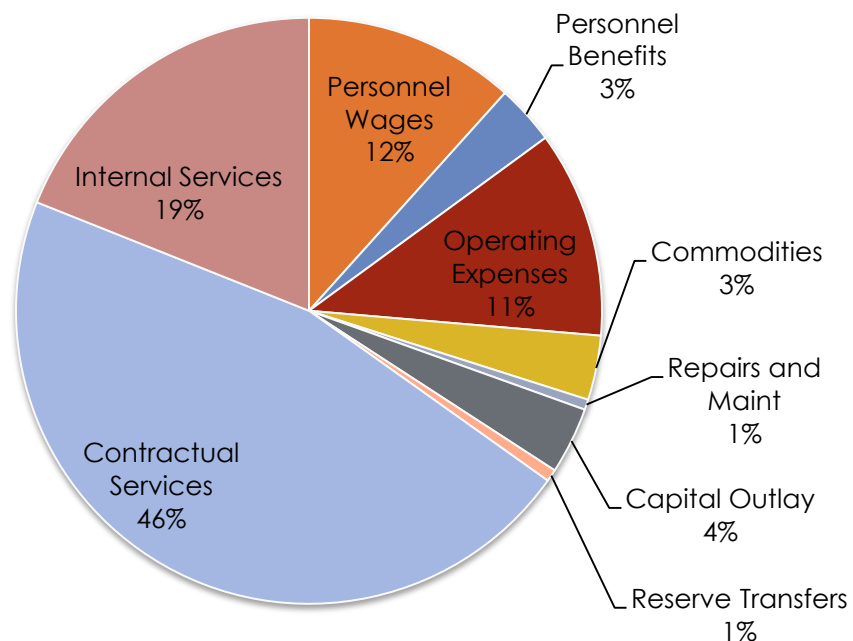


MAJOR SERVICE: ARBORETUM CLUB

Arboretum Club	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	240,881	163,395	168,400	146,900	173,900	3.27%
Personnel Benefits	78,719	29,990	50,590	27,154	49,001	-3.14%
Operating Expenses	95,410	196,198	168,527	196,360	170,147	0.96%
Commodities	53,555	42,822	53,000	44,000	53,000	0.00%
Repairs and Maintenance	8,123	3,043	8,466	10,622	8,500	0.40%
Capital Outlay	-	9,732	55,100	25,000	55,000	-0.18%
Reserve Transfers	-	-	55,400	55,400	10,000	-81.95%
Contractual Services	667,134	669,661	685,437	685,437	688,931	0.51%
Internal Services	234,840	173,197	220,308	220,308	282,765	28.35%
Operating Transfer	-	-	-	-	-	0.00%
Depreciation	488,656	457,109	-	-	-	0.00%
Total	\$1,867,318	\$1,745,147	\$1,465,228	\$1,411,181	\$1,491,244	1.78%

Expenditures that exceed revenues are funded through the capital reserve and an operating transfer from the general fund. In fiscal year 2017, previous year's deficit is related to the unbudgeted expenditure for depreciation

2018 Arboretum Club



WATER AND SEWER FUND

Water usage is projected to be low from a historical standpoint, but in line with the current trend of actual usage in 2016 and 2017. Water Fund revenues include building fees, sales of water, investment income and all other revenues.

Building Revenue & Fees: The revenue for development fees is \$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. The combined water and sewer rate for 2018 adjusts to \$6.13/1,000 gallons. The water rate is \$4.92 and Sewer is \$1.21. 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 is updated and reviewed annually.

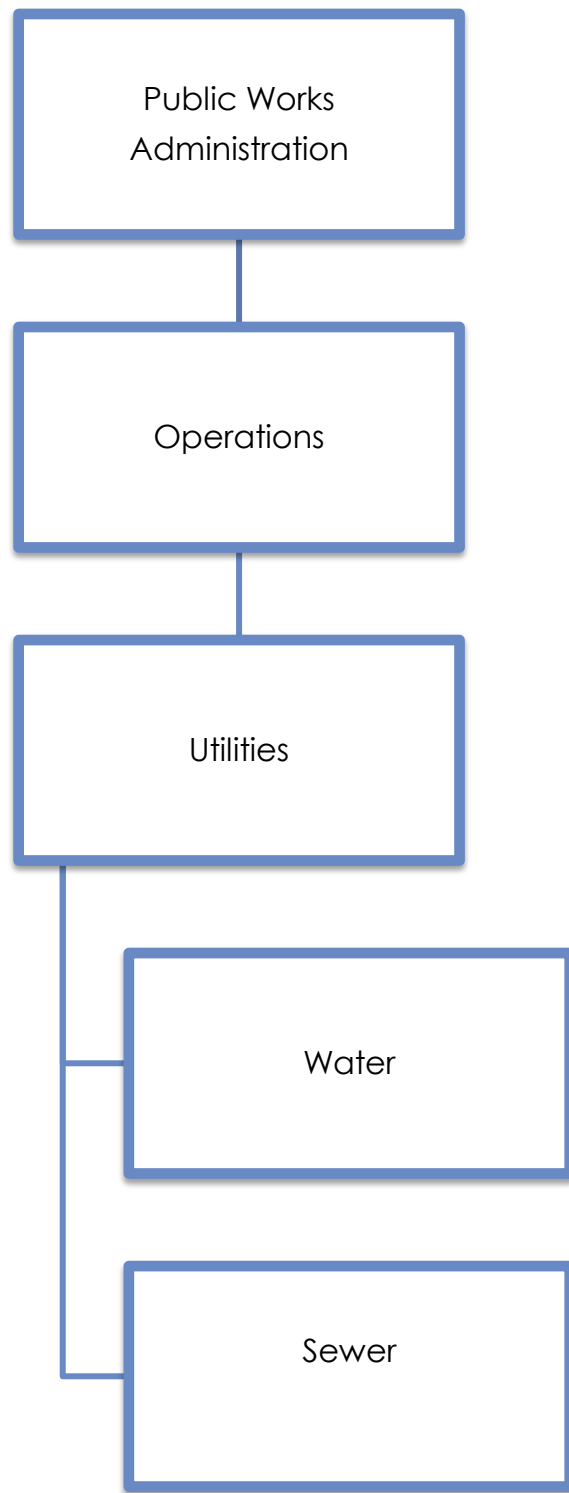
Over the last three years, water usage has stabilized and no significant growth in consumption was factored for FY 2018. Consumption has significantly decreased in the last ten years. The decrease in consumption is due to several factors including economic decisions to better manage water use, recent weather patterns of cooler and wetter summers, and more efficient appliances.

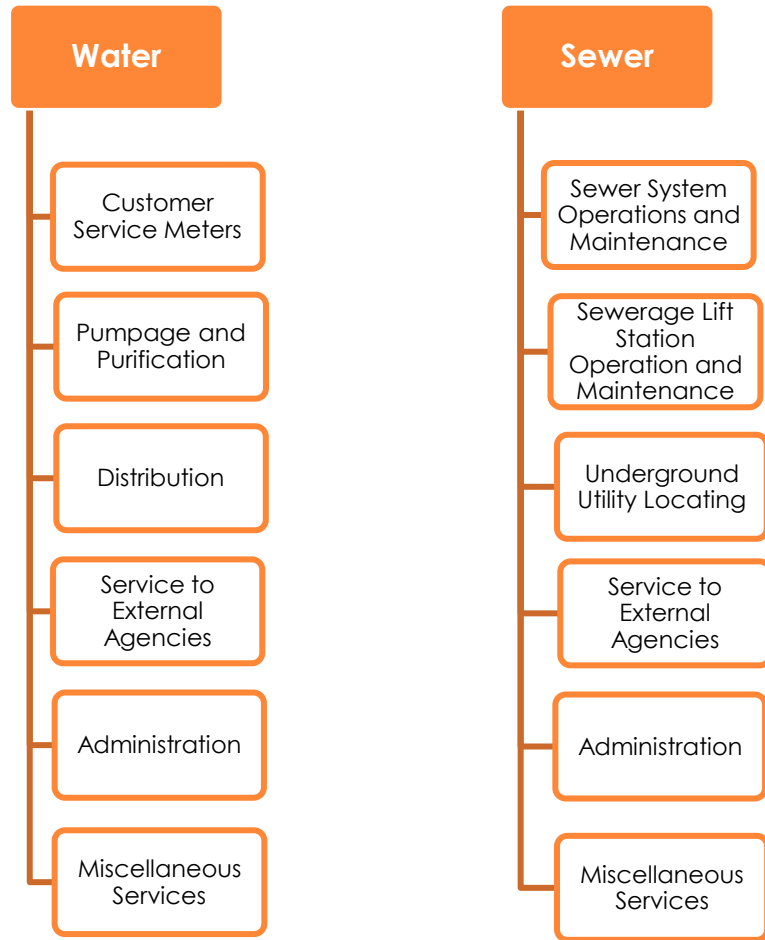
The last line item of significance is Lake County Sanitary Sewer Treatment Fees. Lake County residents pay \$4/1,000 gallons of water metered for sanitary sewer treatment. The rate is set by the County of Lake. The village bills on behalf of the county to save administrative costs. Cook County residents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

The water and sewer-staffing summary and staff time by functional area can be found under the Public Works department in Section 5.

PROGRAM AREAS

Water	362
Sewer	372





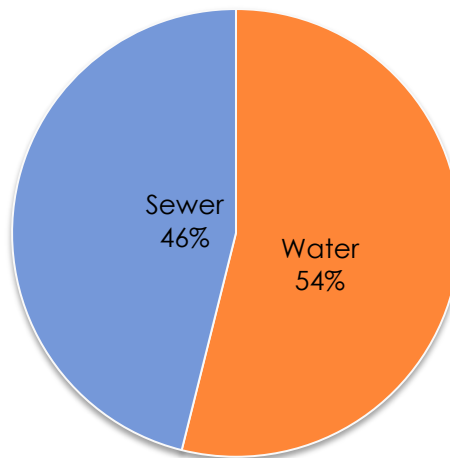
2018 WATER AND SEWER PROGRAM BUDGET SUMMARY

Water and Sewer Revenues	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Water	5,598,314	6,096,813	6,434,720	6,310,050	6,541,842	1.67%
Sewer	4,774,192	4,566,256	5,011,823	5,510,872	5,163,547	3.03%
Total	\$10,372,506	\$10,663,069	\$11,446,543	\$11,820,922	\$11,705,389	2.26%

Water and Sewer Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Water	6,213,780	6,127,638	6,278,590	6,187,644	6,320,525	0.67%
Sewer	3,824,270	3,911,640	5,381,094	5,905,696	5,406,824	0.48%
Total	\$10,038,580	\$10,039,278	\$11,659,684	\$12,093,340	\$11,727,349	0.58%

Expenditures over revenues will utilize fund balance to fund sewer projects

Program Budget Summary

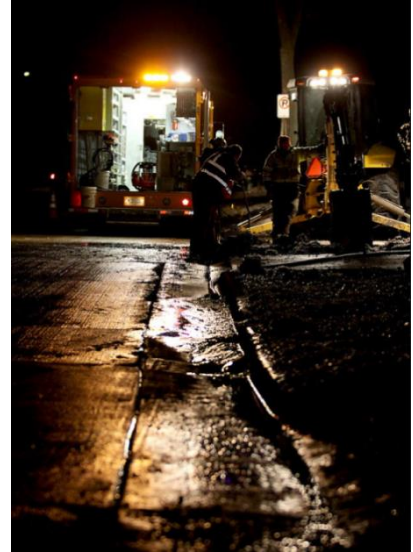


WATER FUND VARIANCES

Water Fund	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Repair and Maintenance	118,900	107,700	134,500	13.12	Increase for facilities sidewalk, curbs, and bikeways.

PROGRAM AREA: WATER

This section provides for the repair and maintenance of 181.3 miles of water main, 1,903 valves, 2,500 fire hydrants, four pump stations, and four 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.



MAJOR SERVICES

Funding Source
Customer Service Meters
Pumpage and Purification
Distribution
Service to Internal Departments
Administration
Special Events and Annual Projects

PROGRAM CHANGES OF NOTE

Personnel costs such as salary, benefits and related items for the Deputy Director, Maintenance & Utilities Superintendent, Management Analyst and Administrative Assistant have been moved to the Department's administrative budget.

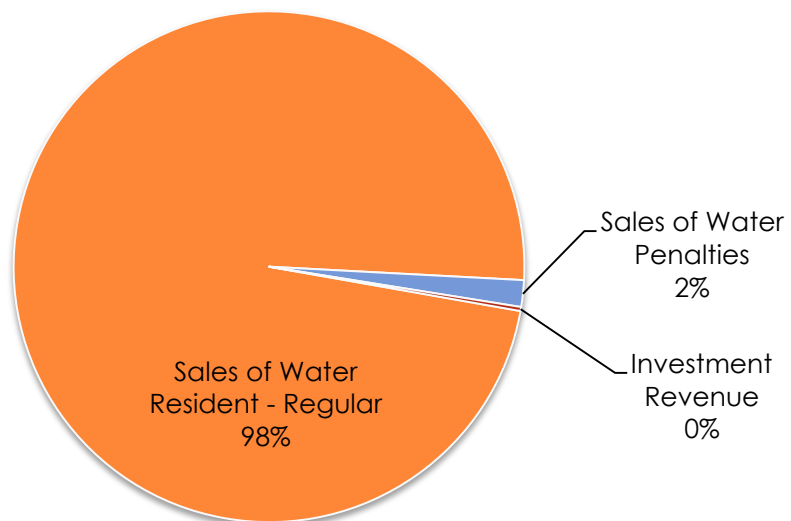
KEY PERFORMANCE MEASURES

Customer Service Meters	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Meter Exchanges (each)	75	9	118	122	130
New Meter Installs (each)	30	21	26	40	60
Pumpage & Purification	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Water Produced (MGD)	4,000	3,387	3,660	4,609	3,990
Water Samples (hours)	200	610	481	200	200
Pump House Maintenance (hours)	1,750	881	1,230	1,330	1,500
Distribution	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Water Main Repairs (each)	60	21	68	35	50
Hydrant Repair & Replace (each)	120	82	51	216	200
Valve Repair & Replace (each)	15	6	25	15	20
Hydrant Flushing (each)	5,000	2,412	2,429	2,418	2,500
Valve Turning (each)	650	123	246	95	143
Service to External Agencies	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Citizen Inquiries/High Billing (Hours)	550	129	84	510	550
Snow and Ice Control (Hours)	600	112	68	17	200
Local Agency Assistance (Hours)	100	40	52	36	100
Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
VCS, New World, Cartegraph, Neo-Gov, Meetings & Committee(hours)	2,000	247	740	1,800	2,000
Departmental Safety & Training (Hours)	200	409	150	215	200
Misc	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Special Events (hours)	500	520	580	480	500

FUNDING SOURCE: REVENUE

Water Revenue	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Building Revenue & Fees Water Connection Fees	5,275	10,700	2,500	5,000	5,000	0%
Building Revenue & Fees Water Meter Sales	10,070	11,172	2,500	6,000	5,000	16.67%
Building Revenue & Fees System Improvement Fees	18,182	18,382	5,000	18,500	5,000	72.97%
Sales of Water Resident-Regular	5,449,200	5,586,896	6,315,670	6,151,050	6,397,092	-4.00%
Sales of Water Debt Service Charge	-	47	-	-	-	-
Sales of Water Penalties	98,437	109,156	100,000	110,000	110,000	0%
Sales of Water Construction Water	-	423	250	-	250	-
Sales of Water Fees-Turn On	1,300	1,605	1,000	3,000	3,000	0%
Investment Revenue	10,112	14,157	7,800	16,500	16,500	0%
All Other Revenue Grants	-	94,326	-	-	-	-
All Other Revenue Miscellaneous Income	5,737	249,945	-	-	-	-
Total Water Revenue	\$5,598,313	\$6,096,809	\$6,434,720	\$6,310,050	\$6,541,842	2.00%

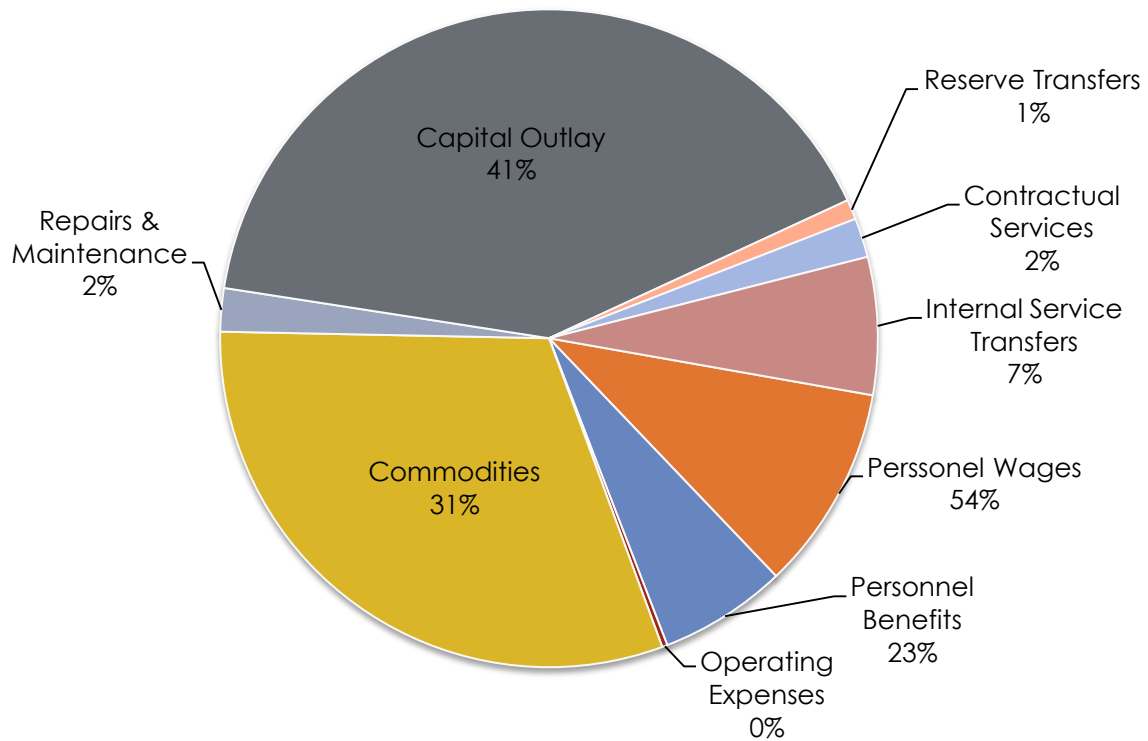
Revenue



2018 WATER EXPENDITURES

Water	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	535,884	612,624	676,217	692,165	637,832	-5.68%
Personnel Benefits	941,818	378,900	386,182	368,532	396,618	2.70%
Operating Expenses	1,187,817	1,466,454	16,519	12,276	16,350	-1.02%
Commodities	1,888,053	1,877,136	1,986,300	1,912,500	1,954,000	-1.63%
Repairs & Maintenance	37,574	58,440	118,900	107,700	134,500	13.12%
Capital Outlay	1,219,221	1,404,876	2,486,836	2,486,836	2,570,233	3.35%
Reserve Transfers	-	-	61,700	61,700	61,700	0.00%
Contractual Services	-	-	120,443	120,443	122,005	1.30%
Internal Service Transfers	403,413	329,208	425,493	425,492	427,287	0.42%
Total Water	\$6,213,780	\$6,127,638	\$6,278,590	\$6,187,644	\$6,320,525	0.67%

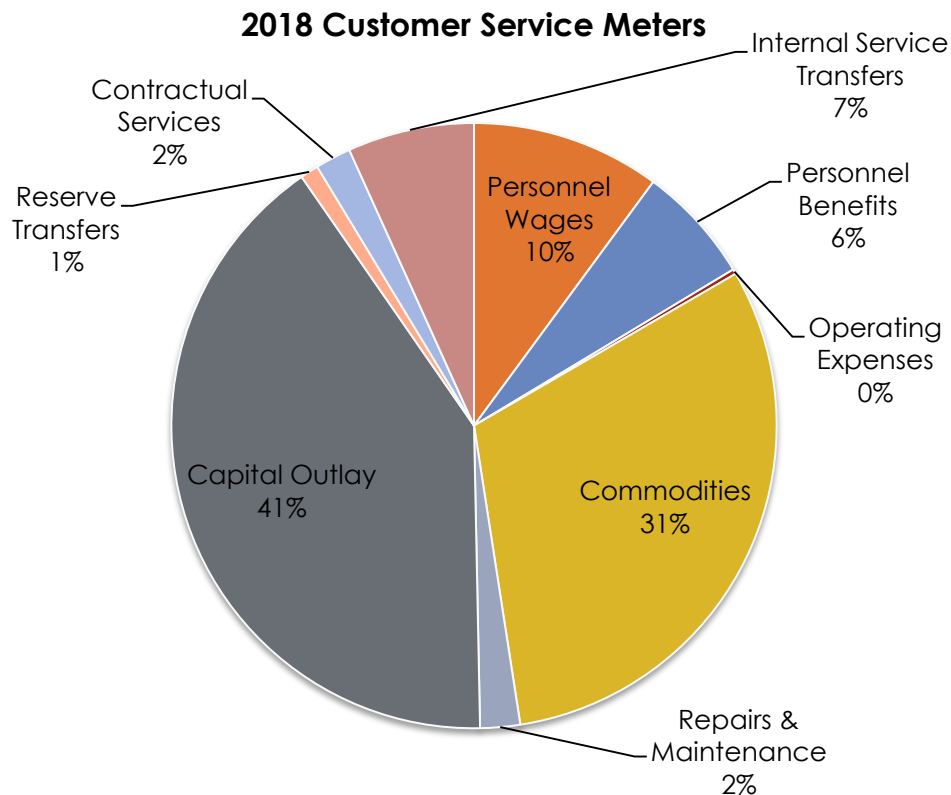
2018 Water Expenditures



MAJOR SERVICE: CUSTOMER SERVICE METERS

This program area provides for the repair, maintenance and customer service functions required for the management of approximately 13,000 water meters used to track water consumption by the water customers of the Village of Buffalo Grove. Tasks include water meter reading, issuing water shut-off notices and shutting off water for non-payment, meter exchanges and new meter installs.

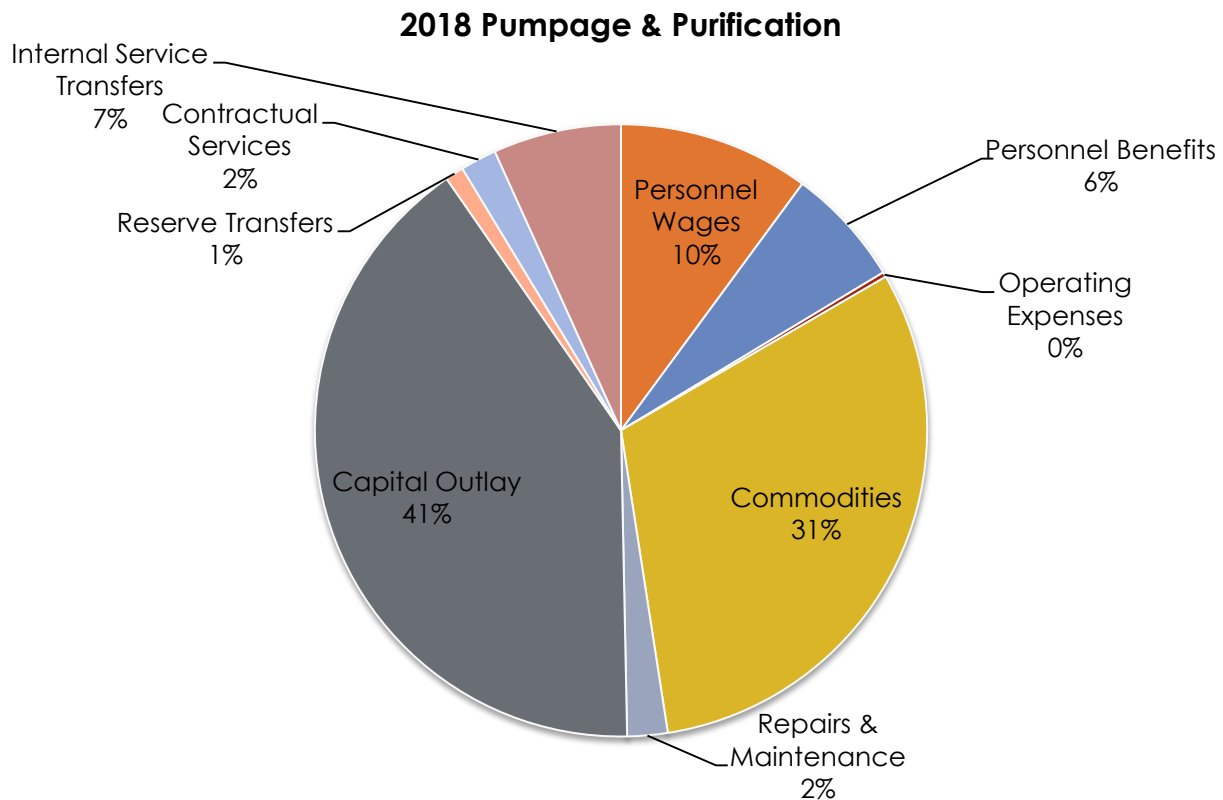
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Act.	2018 Budget	% Change FY17-FY18
Fund: General						
Personnel Wages	107,177	102,104	135,243	138,433	127,566	-5.68%
Personnel Benefits	188,364	63,150	77,236	73,706	79,324	2.70%
Operating Expenses	237,563	244,409	3,304	2,455	3,270	-1.03%
Commodities	377,610	312,856	397,260	382,500	390,800	-1.63%
Repairs & Maintenance	7,515	9,740	23,780	21,540	26,900	13.12%
Capital Outlay	243,844	234,146	497,367	497,367	514,047	3.35%
Reserve Transfers	-	-	12,340	12,340	12,340	0%
Contractual Services	-	-	24,089	24,089	25,651	6.48%
Internal Service Transfers	80,682	54,868	85,098	85,098	85,458	0.42%
Total Customer Service Meters	\$1,242,755	\$1,021,273	\$1,255,717	\$1,237,528	\$1,265,356	0.64%



MAJOR SERVICE: PUMPAGE & PURIFICATION

This program area provides for the repair, maintenance and operations of the Village's pumping and purification facilities and infrastructure. The Village owns four water pumping stations and reservoirs, all equipped with a backup deep well for emergency use. Annually, the Village pumps 1.3 billion gallons of water. Tasks include daily station checks, secondary chlorination, water sampling on a daily, monthly, and periodic basis, and the production of the annual Consumer Confidence Report as required by the IEPA.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	133,971	102,104	169,054	173,042	159,458	-5.68%
Personnel Benefits	235,454	63,150	96,546	92,133	99,155	2.70%
Operating Expenses	296,954	244,409	4,130	3,069	4,088	-1.02%
Commodities	472,013	312,856	496,575	478,125	488,500	-1.63%
Repairs & Maintenance	9,393	9,740	29,725	26,925	33,625	13.12%
Capital Outlay	304,805	234,146	621,709	621,709	642,558	3.35%
Reserve Transfers	-	-	15,425	15,425	15,425	0%
Contractual Services	-	-	30,111	30,111	30,111	0%
Internal Service Transfers	100,853	54,868	106,373	106,373	106,822	0.42%
Total Pumpage & Purification	\$1,553,443	\$1,021,273	\$1,569,648	\$1,546,912	\$1,579,742	0.64%

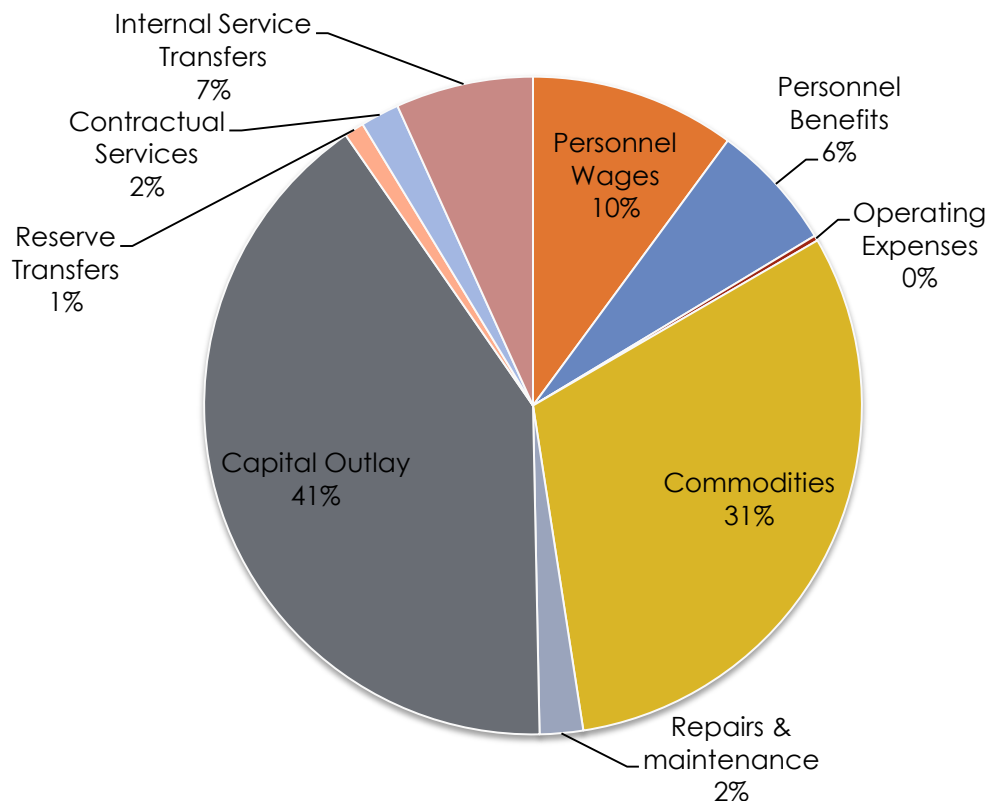


MAJOR SERVICE: DISTRIBUTION

This program area provides for the repair, maintenance and operation of the Village's water distribution system. The system consists of 181.3 miles of watermain, 2,500 fire hydrants and 1,900 water valves. Annually, the section addresses approximately 75 service interruptions. Tasks include annual fire hydrant flow testing, valve turning and exercising, system repairs and assisting contractors on new watermain installations.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	214,354	102,104	270,487	276,866	255,132	-5.68%
Personnel Benefits	376,727	63,150	154,473	147,412	158,647	2.70%
Operating Expenses	475,127	244,409	6,607	4,910	6,540	-1.01%
Commodities	755,221	312,856	794,520	765,000	781,600	-1.63%
Repairs & maintenance	15,029	9,740	47,560	43,080	53,800	13.12%
Capital Outlay	487,689	234,146	994,734	994,734	1,028,093	3.35%
Reserve Transfers	-	-	24,680	24,680	24,680	0%
Contractual Services	-	-	48,177	48,177	48,177	0%
Internal Service Transfers	161,365	54,868	170,197	170,196	170,916	0.42%
Total Distribution	\$2,485,512	\$1,021,273	\$2,511,435	\$2,475,055	\$2,527,585	0.64%

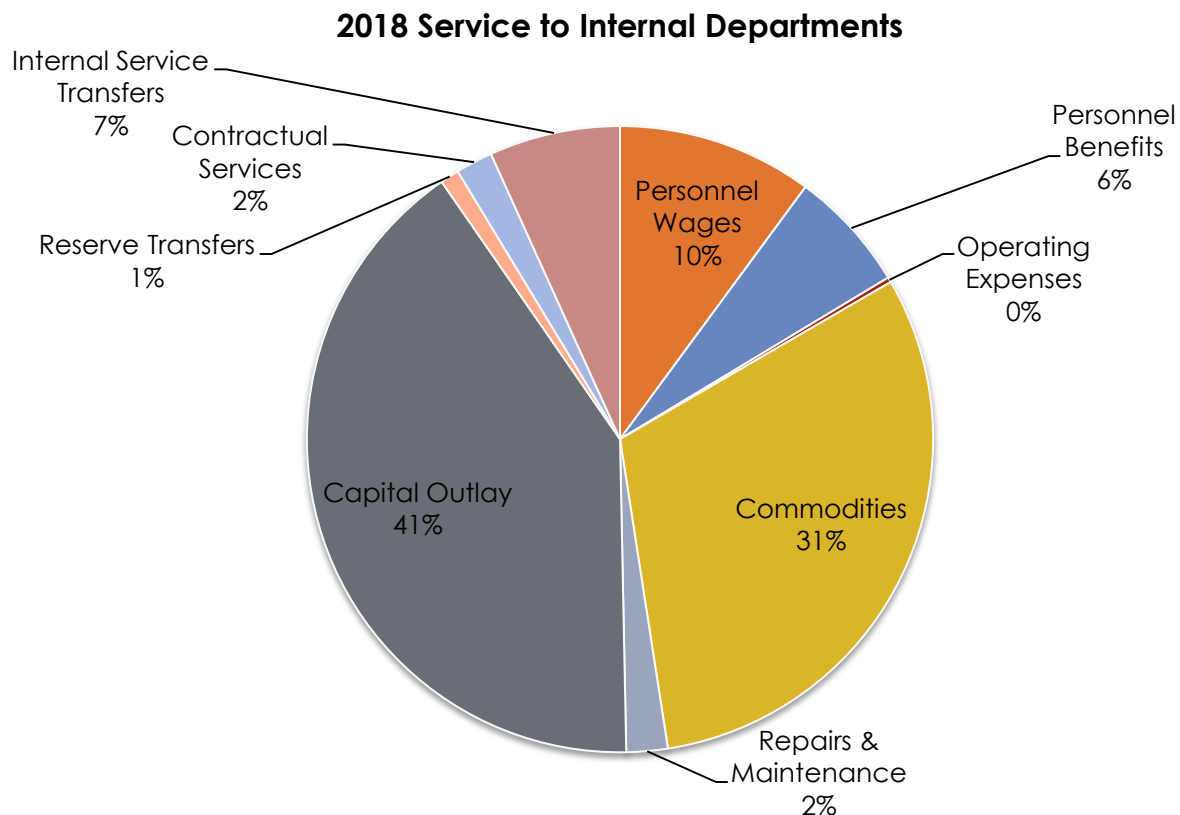
2018 Distribution



MAJOR SERVICE: SERVICE TO INTERNAL DEPARTMENTS

This program area provides for the efforts of the Water Section activities assisting other sections or agencies. Service to other agencies reduce working hours from daily Water Section operations, included snow & ice control activities and time spent assisting other sections with emergency work such as flooding and tree debris collection and removal. Customer Inquiries including high bill complaint verification & trouble shooting.

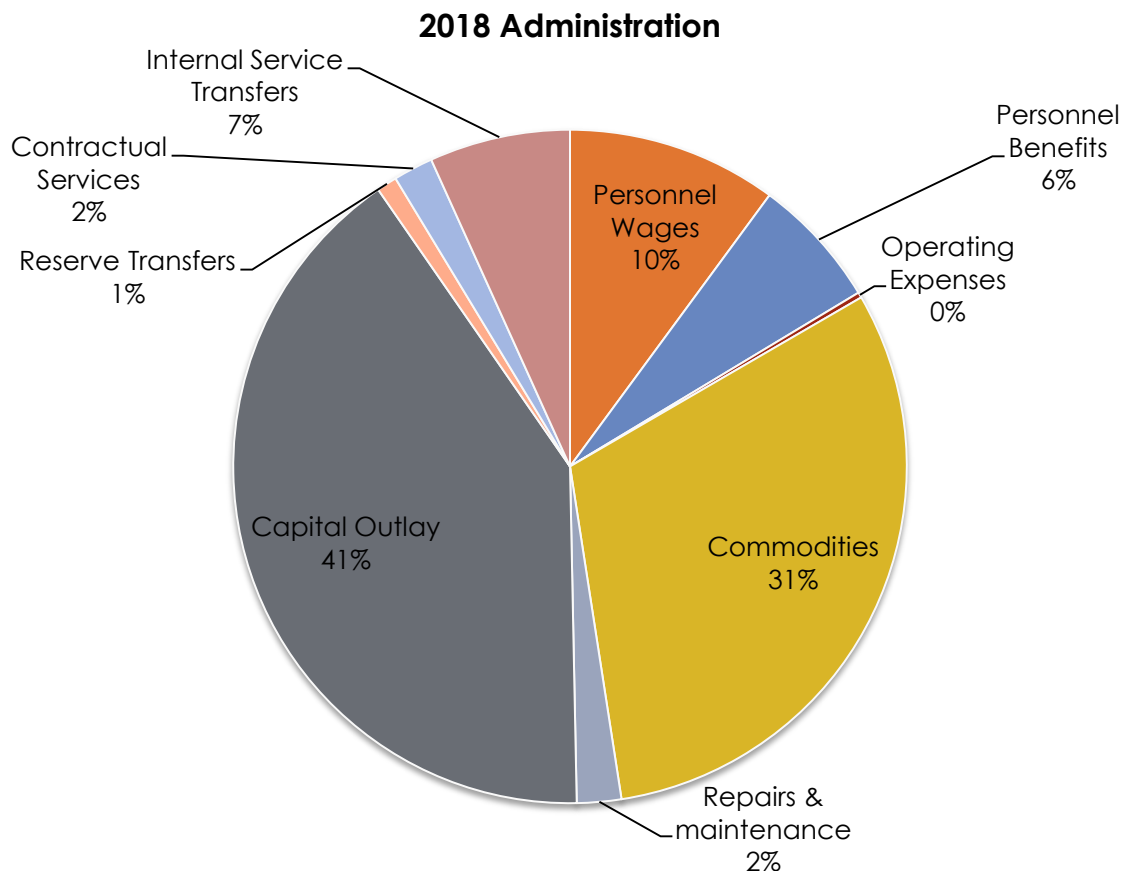
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	26,794	102,104	33,811	34,608	31,892	-5.68%
Personnel Benefits	47,091	63,150	19,309	18,427	19,831	2.70%
Operating Expenses	59,391	244,409	826	614	818	-0.97%
Commodities	94,403	312,856	99,315	95,625	97,700	-1.63%
Repairs & Maintenance	1,879	9,740	5,945	5,385	6,725	13.12%
Capital Outlay	60,961	234,146	124,342	124,342	128,512	3.35%
Reserve Transfers	0	0	3,085	3,085	3,085	0%
Contractual Services	0	0	6,022	6,022	6,022	0%
Internal Service Transfers	20,171	54,868	21,275	21,275	21,364	0.42%
Total Service to External Agencies	\$310,690	\$1,021,273	\$313,930	\$309,383	\$315,949	0.64%



MAJOR SERVICE: ADMINISTRATION

In the Administration process, many hours are required to manage staff and prepare daily schedules for Water Section operations. Various software programs track staff hours, work productivity, employee performance, and purchasing/invoicing and continued APWA reaccréditation efforts. All other general supervisory time includes purchase order processing, accident investigations, safety training, human resource issues, and reviewing plans for pre and post construction projects, along with training and education hours also included in the administrative program budget.

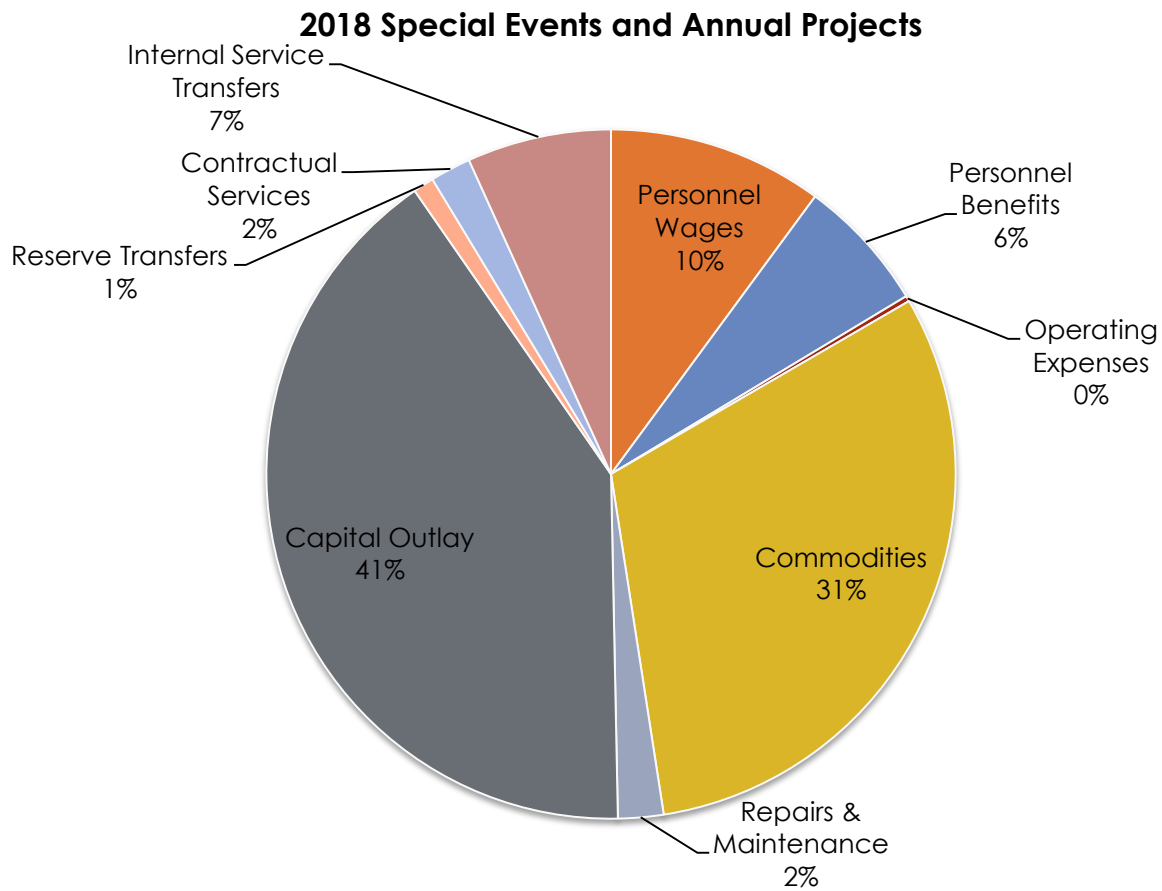
Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Act.	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	26,794	102,104	33,811	34,608	31,892	-5.68%
Personnel Benefits	47,091	63,150	19,309	18,427	19,830	2.70%
Operating Expenses	59,391	244,409	826	614	816	-1.21%
Commodities	94,403	312,856	99,315	95,625	97,700	-1.63%
Repairs & Maintenance	1,879	9,740	5,945	5,385	6,725	13.12%
Capital Outlay	60,961	234,146	124,342	124,342	128,511	3.35%
Reserve Transfers	-	-	3,085	3,085	3,085	0%
Contractual Services	-	-	6,022	6,022	6,022	0%
Internal Service Transfers	20,171	54,868	21,275	21,275	21,363	0.41%
Total Administration	\$310,690	\$1,021,273	\$313,930	\$309,383	\$315,944	0.64%



MAJOR SERVICE: SPECIAL EVENTS AND ANNUAL PROJECTS

This program area provides for the tracking of all tasks that are not included in the major program areas. Tasks would include BG Days event set up and take down.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	26,794	102,104	33,811	34,608	31,892	-5.68%
Personnel Benefits	47,091	63,150	19,309	18,427	19,831	2.70%
Operating Expenses	59,391	244,409	826	614	818	-0.97%
Commodities	94,403	312,856	99,315	95,625	97,700	-1.63%
Repairs & maintenance	1,879	9,740	5,945	5,385	6,725	13.12%
Capital Outlay	60,961	234,146	124,342	124,342	128,512	3.35%
Reserve Transfers	-	-	3,085	3,085	3,085	0%
Contractual Services	-	-	6,022	6,022	6,022	0%
Internal Service Transfers	20,171	54,868	21,275	21,275	21,364	0.42%
Total Special Events and Annual Projects	\$310,690	\$1,021,273	\$313,930	\$309,383	\$315,949	0.64%



PROGRAM AREA: SEWER

This section provides for the inspection, cleaning and maintenance of the 134 miles of sanitary gravity sewer, five 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.



MAJOR SERVICES

Funding Source
Sewer System Operations and Maintenance
Sewerage Lift Station Operation and Maintenance
Underground Utility Locating
Service to Other Divisions
Administration
Special Projects

PROGRAM CHANGES OF NOTE

Personnel costs such as salary, benefits and related items for the Deputy Director, Maintenance & Utilities Superintendent, Management Analyst and Administrative Assistant have been moved to the Department's Administrative budget.

SEWER FUND VARIANCES

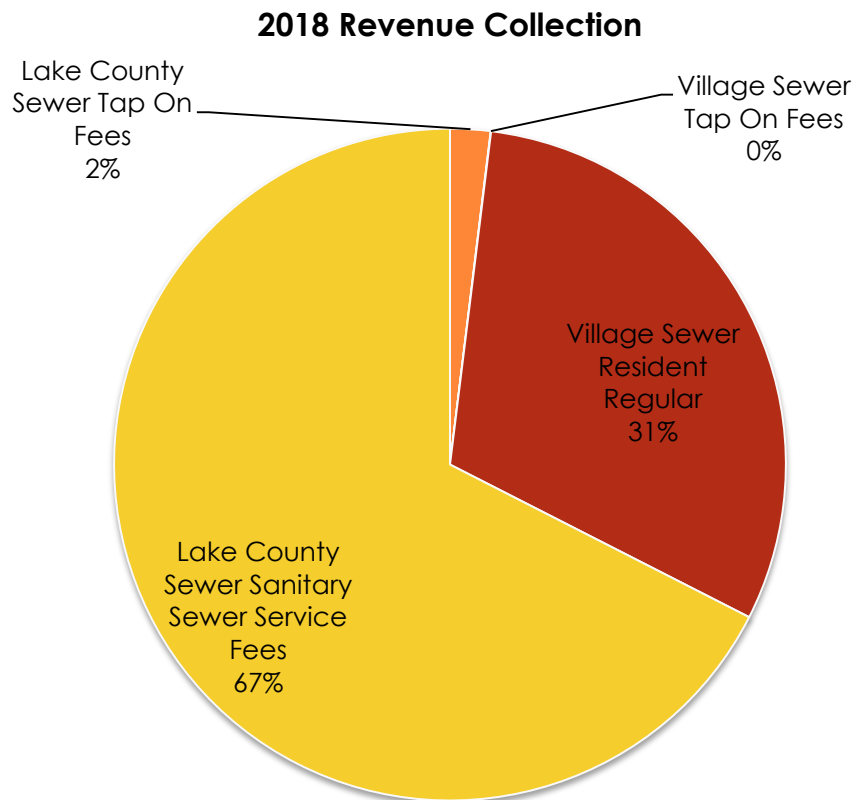
Sewer Fund	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Wages	348,000	367,234	294,220	-15.45%	Public Works Reclassified Administration Salary distribution.
Benefits	247,254	212,422	214,982	-13.05%	Decrease commensurate with change in wages category.
Repair and Maintenance	35,900	39,100	42,800	19.22%	Increase for lift station maintenance.
Internal Service	231,720	231,720	205,778	-11.20%	Change in the allocation formula.

KEY PERFORMANCE MEASURES

Storm Sewer Maintenance	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Flushing Sewers (feet)	150,000	18,800	24,395	10,800	24,000
Structure Maintenance (hours)	600	793	467	335	500
Sewerage Lift Station Operation and Maintenance	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Station Check (hours)	2,000	2,094	1,256	1,780	1,800
Generator Check (hours)	1,000	1,179	884	660	800
Station Repairs (hours)	600	392	487	342	450
Underground Utility Locating	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Locates per Year (qty)	12,000	18,574	11,225	11,016	12,000
Service to External Agencies	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Citizen Inquiries (hours)	135	143	109	133.5	135
Snow and Ice Control (hours)	495	888	816	240.75	498
Local Agency Assistance (hours)	80	45	34	100	80
Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
VCS, New World, Cartegraph, Neo-Gov, Meetings & Committees (hours)	400	350	376	310	360
Department Safety & Training (hours)	300	258	210	260	250
Misc	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
BG Days (hours)	30	85	94.12	24	30

FUNDING SOURCE: REVENUE

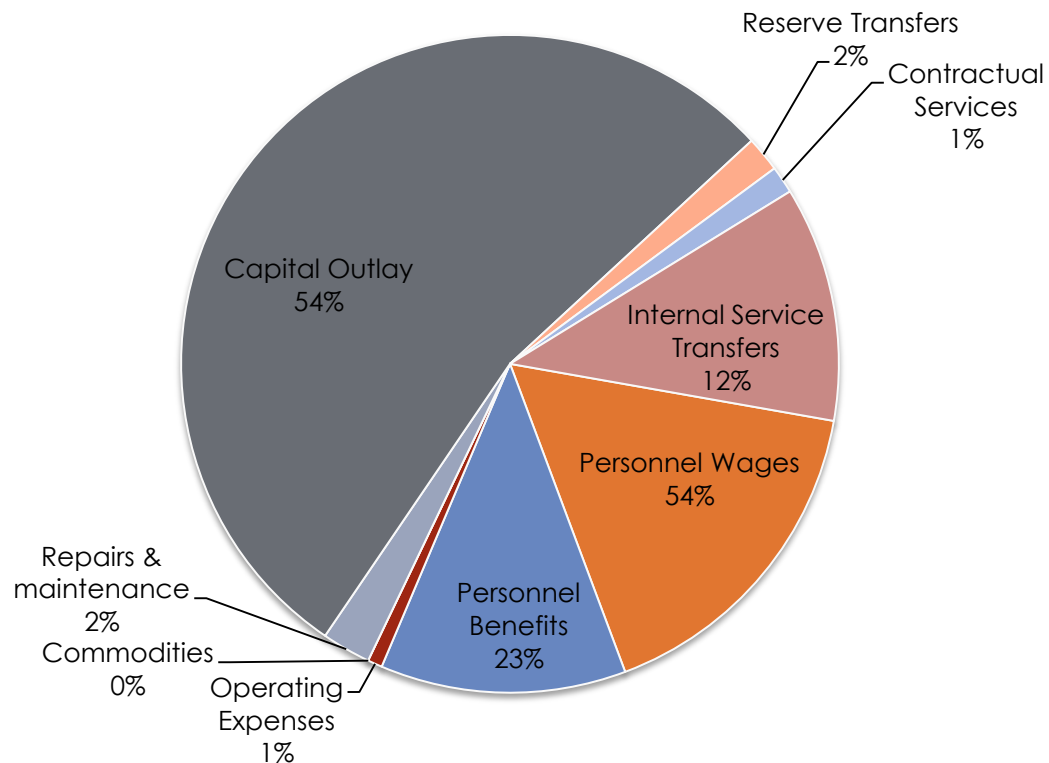
Sewer Revenue	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget
Lake County Sewer Tap On Fees	84,506	159,739.40	50,000	510,000	100,000
Village Sewer Tap On Fees	4,600	5,050	1,000	1,000	1,000
Village Sewer Resident Regular	1,358,903	1,378,819	1,560,823	1,516,872	1,577,547
Lake County Sewer Sanitary Service Fees	3,326,182	3,022,647	3,400,000	3,483,000	3,485,000
Sewer Revenue Total	\$4,774,191	\$4,566,255	\$5,011,823	\$5,510,872	\$5,163,547



2018 SEWER EXPENDITURES

Sewer	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	343,266	331,470	348,000	367,234	294,220	-15.45%
Personnel Benefits	170,354	189,150	247,254	212,422	214,982	-13.05%
Operating Expenses	33,854	42,066	12,076	11,176	12,800	6.00%
Commodities	2,919,962	3,116,250	3,496,500	4,034,400	3,626,600	3.72%
Repairs & maintenance	12,760	29,928	35,900	39,100	42,800	19.22%
Capital Outlay	151,798	19,014	954,700	954,700	954,700	0.00%
Reserve Transfers	-	-	30,944	30,944	30,944	0.00%
Contractual Services	-	-	24,000	24,000	24,000	0.00%
Internal Service Transfers	192,806	183,762	231,720	231,720	205,778	-11.20%
Total Sewer	\$3,824,800	\$3,911,640	\$5,381,094	\$5,905,696	\$5,406,824	0.48%

2018 Sewer Expenditures

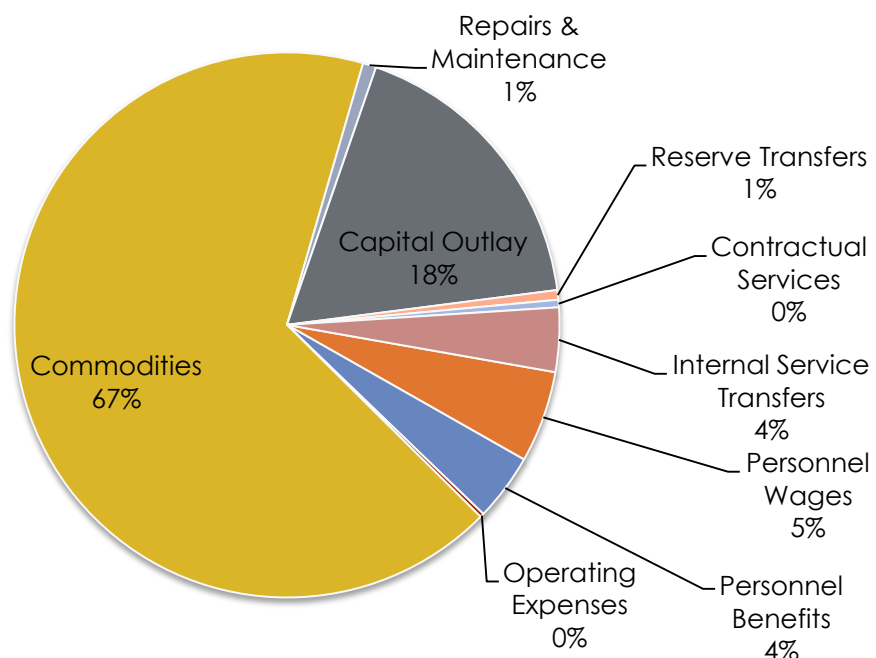


MAJOR SERVICE: SEWERAGE SYSTEM MAINTENANCE

The sanitary sewer program goals account for the cleaning of the entire system on a 5-6 year basis in accordance with MWRD and Lake County maintenance guidelines. This program is established to provide inspection, cleaning and maintenance of the Village's sanitary sewer system. This is essential to provide a safe and efficient system, which has the potential to operate at 100% of the designed flow capacity and to reduce the possibility of sewage back up in residences. Other activities in the program include repair or replacement of sanitary sewer pipe, repair or replacement of manholes, and cleaning of the sanitary sewer system.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	51,490	55,245	52,200	55,085	44,133	-15.45%
Personnel Benefits	25,553	31,525	37,088	31,863	32,247	-13.05%
Operating Expenses	5,078	7,011	1,811	1,676	1,920	6.02%
Commodities	437,994	519,375	524,475	605,160	543,990	3.72%
Repairs & Maintenance	1,914	4,988	5,385	5,865	6,420	19.22%
Capital Outlay	22,770	3,169	143,205	143,205	143,205	0%
Reserve Transfers	0	0	4,642	4,642	4,642	0%
Contractual Services	0	0	3,600	3,600	3,600	0%
Internal Service Transfers	28,921	30,627	34,758	34,758	30,867	-11.19%
Total Sewerage System Maintenance	\$573,720	\$651,940	\$807,164	\$885,854	\$811,024	0.48%

2018 Sewerage System Maintenance

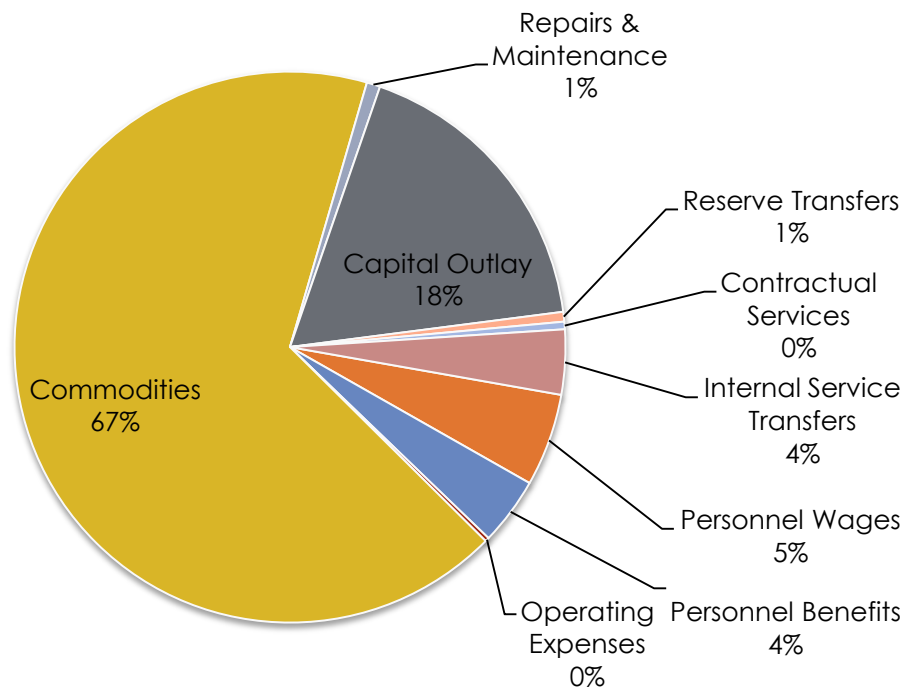


MAJOR SERVICE: SEWAGE LIFT STATION MAINTENANCE

This program requires daily checks on the SCADA program of lift stations seven days a week and preventative maintenance of the sanitary system on a predetermined schedule. This program provides for physical inspection of manholes and sewers to gather data related to the structural integrity, flow conditions, and extraneous water, etc. lift Station and generator checks are preformed weekly.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	102,980	55,245	104,400	110,170	88,266	-15.45%
Personnel Benefits	51,106	31,525	74,176	63,727	64,495	-13.05%
Operating Expenses	10,156	7,011	3,623	3,353	3,840	5.99%
Commodities	875,989	519,375	1,048,950	1,210,320	1,087,980	3.72%
Repairs & Maintenance	3,828	4,988	10,770	11,730	12,840	19.22%
Capital Outlay	45,539	3,169	286,410	286,410	286,410	0%
Reserve Transfers	0	0	9,283	9,283	9,283	0%
Contractual Services	0	0	7,200	7,200	7,200	0%
Internal Service Transfers	57,842	30,627	69,516	69,516	61,733	-11.20%
Total Sewage Lift Station Maintenance	\$1,147,440	\$651,940	\$1,614,328	\$1,771,709	\$1,622,047	0.48%

2018 Sewage Lift Station Maintenance

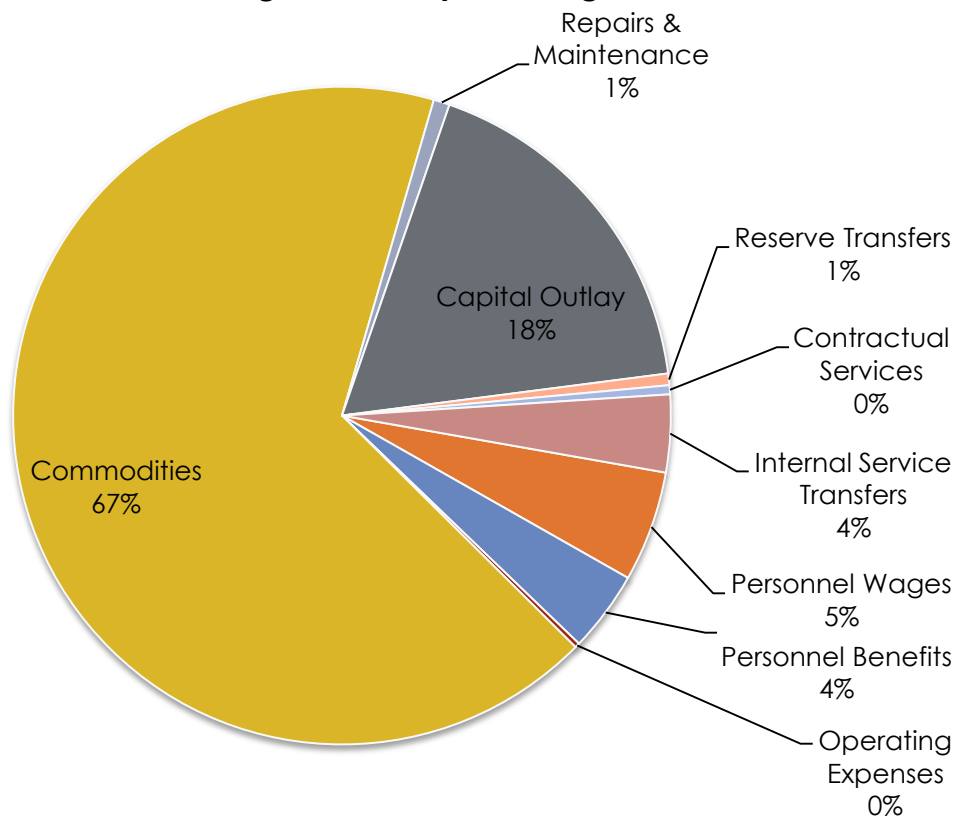


MAJOR SERVICE: UNDERGROUND UTILITY LOCATING

Activities in the program are performed by a Maintenance Worker that could require one to five locates per request. Water main, sanitary sewer main, storm sewer main, street light and b-box locates are made after a request is sent to Public Works building with information of the excavation from J.U.L.I.E. In the past three years, the Village had 13,605 locate requests.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	102,980	55,245	104,400	110,170	88,266	-15.45%
Personnel Benefits	51,106	31,525	74,176	63,727	64,495	-13.05%
Operating Expenses	10,156	7,011	3,623	3,353	3,840	5.99%
Commodities	875,989	519,375	1,048,950	1,210,320	1,087,980	3.72%
Repairs & Maintenance	3,828	4,988	10,770	11,730	12,840	19.22%
Capital Outlay	45,539	3,169	286,410	286,410	286,410	0%
Reserve Transfers	-	-	9,283	9,283	9,283	0%
Contractual Services	-	-	7,200	7,200	7,200	0%
Internal Service Transfers	57,842	30,627	69,516	69,516	61,733	-11.20%
Total Underground Utility Locating	\$1,147,440	\$651,940	\$1,614,328	\$1,771,709	\$1,622,047	0.48%

2018 Underground Utility Locating

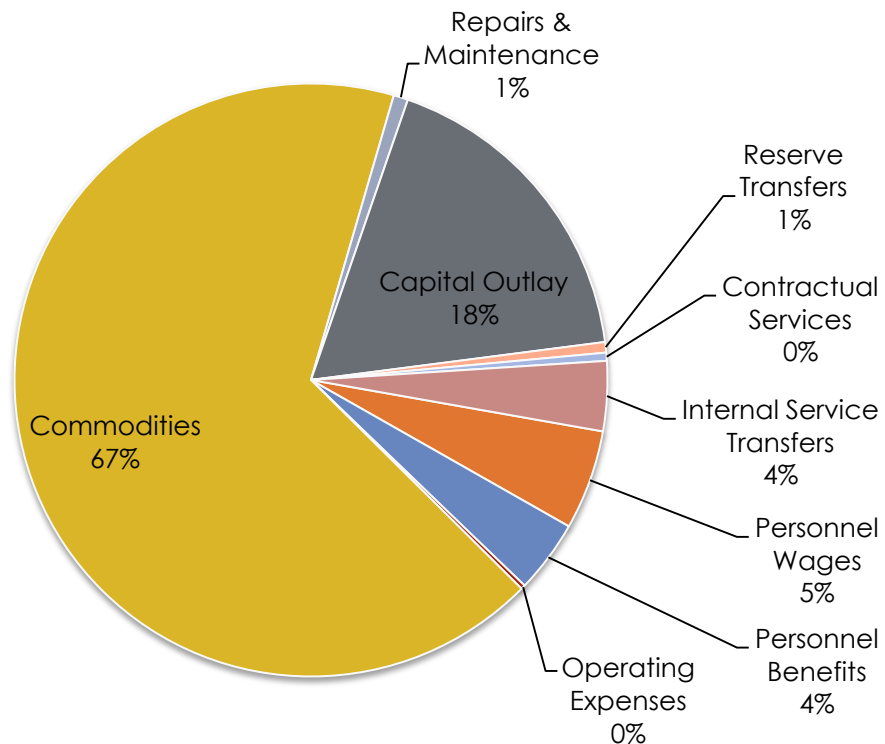


MAJOR SERVICE: SERVICE TO OTHER DIVISIONS

Services to external agencies reduce working hours from daily sanitary sewer operations. These services include snow and ice control and helping Forestry with creek maintenance.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	51,490	55,245	52,200	55,085	44,133	-15.45%
Personnel Benefits	25,553	31,525	37,088	31,863	32,247	-13.05%
Operating Expenses	5,078	7,011	1,811	1,676	1,920	6.02%
Commodities	437,994	519,375	524,475	605,160	543,990	3.72%
Repairs & Maintenance	1,914	4,988	5,385	5,865	6,420	19.22%
Capital Outlay	22,770	3,169	143,205	143,205	143,205	0%
Reserve Transfers	-	-	4,642	4,642	4,642	0%
Contractual Services	-	-	3,600	3,600	3,600	0%
Internal Service Transfers	28,921	30,627	34,758	34,758	30,867	-11.19%
Total Service to Other Divisions	\$573,720	\$651,940	\$807,164	\$885,854	\$811,024	0.48%

2018 Service to Other Divisions

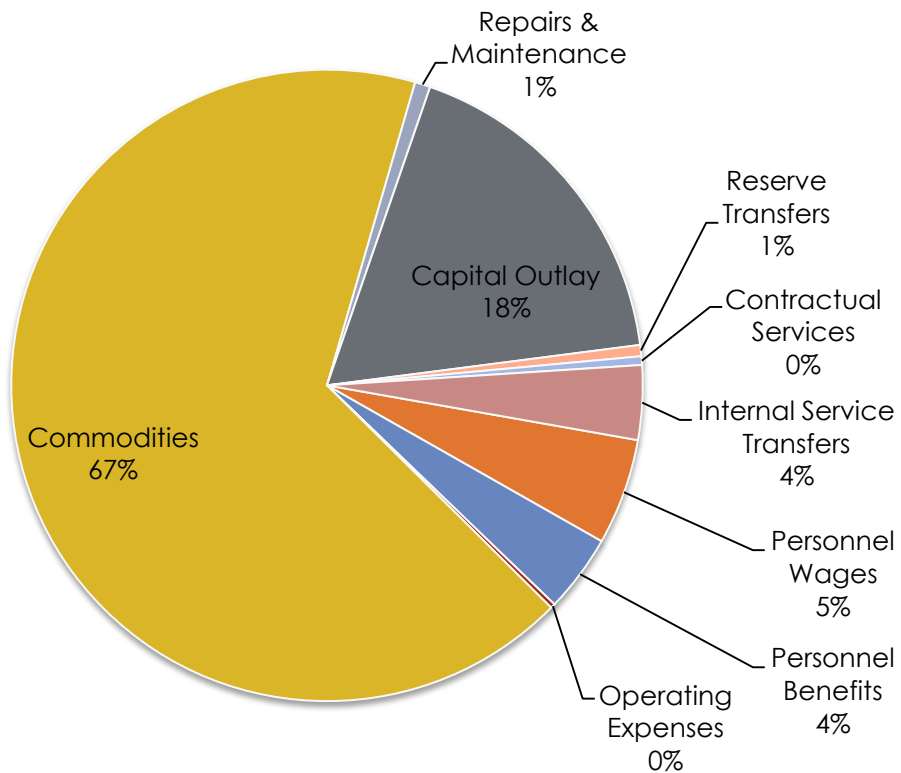


MAJOR SERVICE: ADMINISTRATION

In the administration process, many hours are required to manage staff and prepare daily sewer operations. Various software programs track staff hours, work productivity, employee performance, and purchasing / invoicing and continued APWA reaccreditation efforts. All other general supervisory time includes purchase order processing, accident investigations, safety training, human resource issues, and reviewing plans for pre and post construction projects, along with training and education hours.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	17,163	55,245	17,400	18,362	14,711	-15.45%
Personnel Benefits	8,518	31,525	12,363	10,621	10,749	-13.06%
Operating Expenses	1,693	7,011	604	559	640	5.96%
Commodities	145,998	519,375	174,825	201,720	181,330	3.72%
Repairs & Maintenance	638	4,988	1,795	1,955	2,140	19.22%
Capital Outlay	7,590	3,169	47,735	47,735	47,735	0%
Reserve Transfers	-	-	1,547	1,547	1,547	0%
Contractual Services	-	-	1,200	1,200	1,200	0%
Internal Service Transfers	9,640	30,627	11,586	11,586	10,289	-11.19%
Total Administration	\$191,240	\$651,940	\$269,055	\$295,285	\$270,341	0.48%

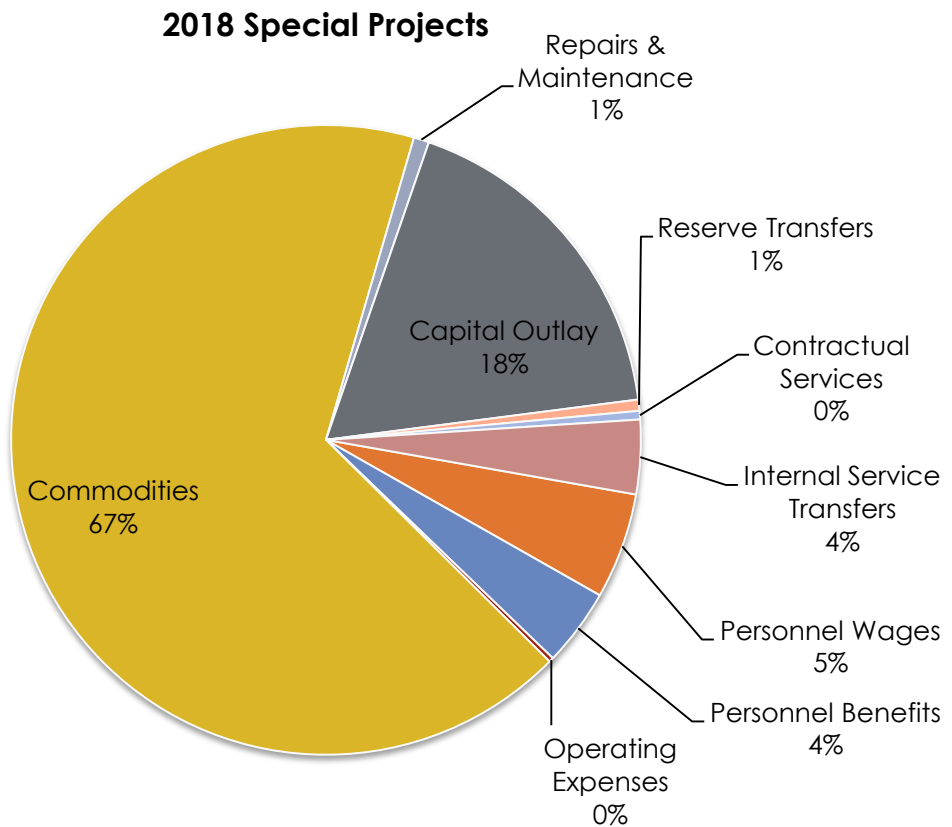
2018 Administration



MAJOR SERVICE: SPECIAL PROJECTS

This program area provides for the tracking of all tasks that are not included in the major program areas. Tasks would include BG Days event set up and take down.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Act.	2018 Budget	% Change FY17-FY18
Fund: Water and Sewer						
Personnel Wages	17,163	55,245	17,400	18,362	14,711	-15.45%
Personnel Benefits	8,518	31,525	12,363	10,621	10,749	-13.06%
Operating Expenses	1,693	7,011	604	559	640	5.96%
Commodities	145,998	519,375	174,825	201,720	181,330	3.72%
Repairs & Maintenance	638	4,988	1,795	1,955	2,140	19.22%
Capital Outlay	7,590	3,169	47,735	47,735	47,735	0%
Reserve Transfers	-	-	1,547	1,547	1,547	0%
Contractual Services	-	-	1,200	1,200	1,200	0%
Internal Service Transfers	9,640	30,627	11,586	11,586	10,289	-11.19%
Total Special Projects	\$191,240	\$651,940	\$269,055	\$295,285	\$270,341	0.48%



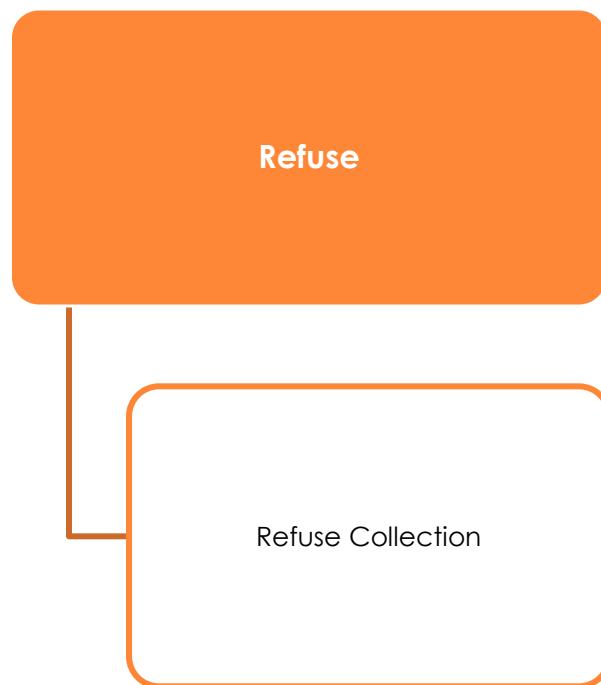
REFUSE FUND

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 2017-2018 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 increased five percent on May 1, 2017. The effective rates are noted below and will be valid through April 30, 2019.

PROGRAM AREAS

Refuse Collection	385
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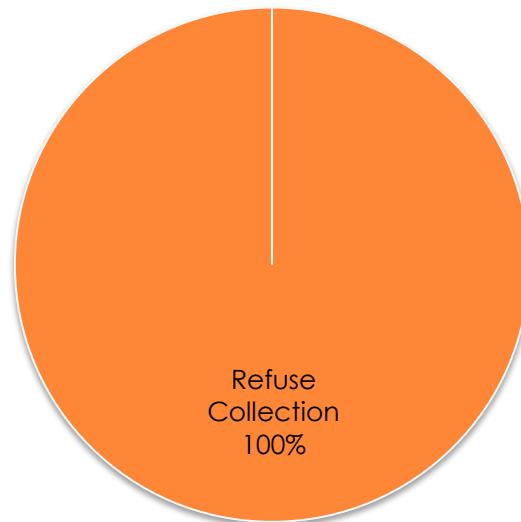
2018 REFUSE COLLECTION PROGRAM BUDGET SUMMARY

Refuse Funding Source	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Revenue	1,039,875	1,135,748	1,045,000	1,080,000	1,080,000	33.49%
Total	\$1,039,875	\$1,135,748	\$1,045,000	\$1,080,000	\$1,080,000	33.49%

Refuse Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Refuse Collection	777,105	978,565	1,310,000	1,610,000	1,660,000	26.71%
Total	\$777,105	\$978,565	\$1,310,000	\$1,610,000	\$1,660,000	26.71%

Expenditures that exceed revenues are funded through unreserved fund balance.

Program Budget Summary



REFUSE FUND VARIANCES

Refuse Fund	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
All other Expenses	760,000	1,060,000	1,060,000	39.47%	Increase in SWANCC Fee's.

PROGRAM AREA: REFUSE

The effective rates are noted below and will be valid through April 30, 2019. The tipping fee is charged by the Solid Waste Agency of Northern Cook County (SWANCC) and is administered outside of the Waste Management contract.

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

	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*	N/A
Tipping Fee	\$5.65	\$4.50
Total - 1 Collection per Week	\$20.15	\$12.42
Total - 2 Collections per Week	\$24.61*	N/A

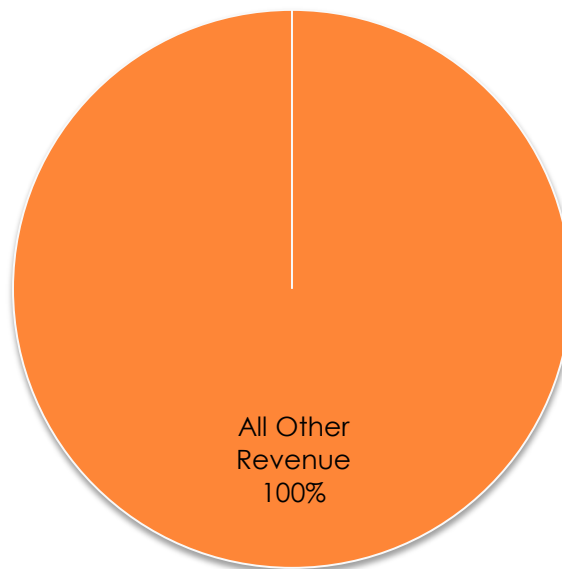
* Optional service

FUNDING SOURCE: REVENUE

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Refuse						
All Other Revenue	1,039,875	1,135,748	1,045,000	1,080,000	1,080,000	33.49%
Total Revenue Collection	\$1,039,875	\$1,135,748	\$1,045,000	\$1,080,000	\$1,080,000	33.49%

Expenditures that exceed revenues are funded through unreserved fund balance.

2018 Revenue Collection



PROGRAM AREA: REFUSE

MAJOR SERVICES

Refuse Collection

PROGRAM CHANGES OF NOTE

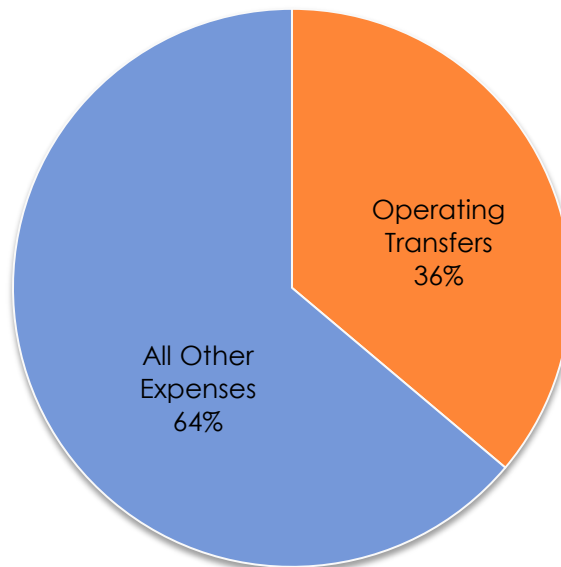
No additional personnel or programs requested in 2018.

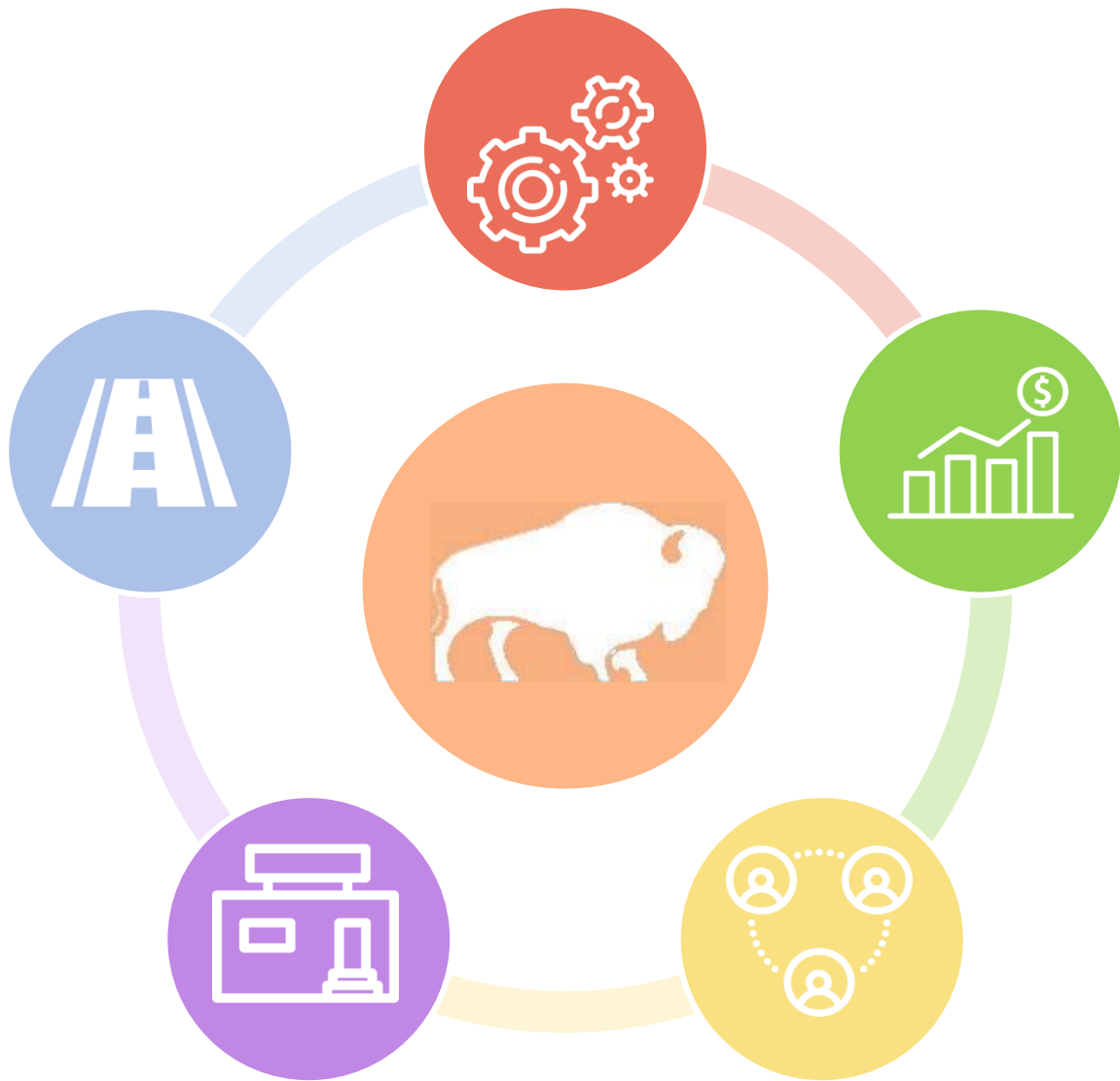
MAJOR SERVICE: REFUSE COLLECTION

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Refuse						
Operating Transfers	75,000	275,000	550,000	550,000	600,000	9.09%
All Other Expenses	702,105	703,565	760,000	1,060,000	1,060,000	39.47%
Total Refuse Collection	\$777,105	\$978,565	\$1,310,000	\$1,610,000	\$1,660,000	26.72%

Expenditures that exceed revenues are funded through unreserved fund balance.

2018 Refuse Collection





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SECTION EIGHT: INTERNAL SERVICE FUND



**BUILDING MAINTENANCE – CENTRAL GARAGE – INFORMATION
TECHNOLOGY**

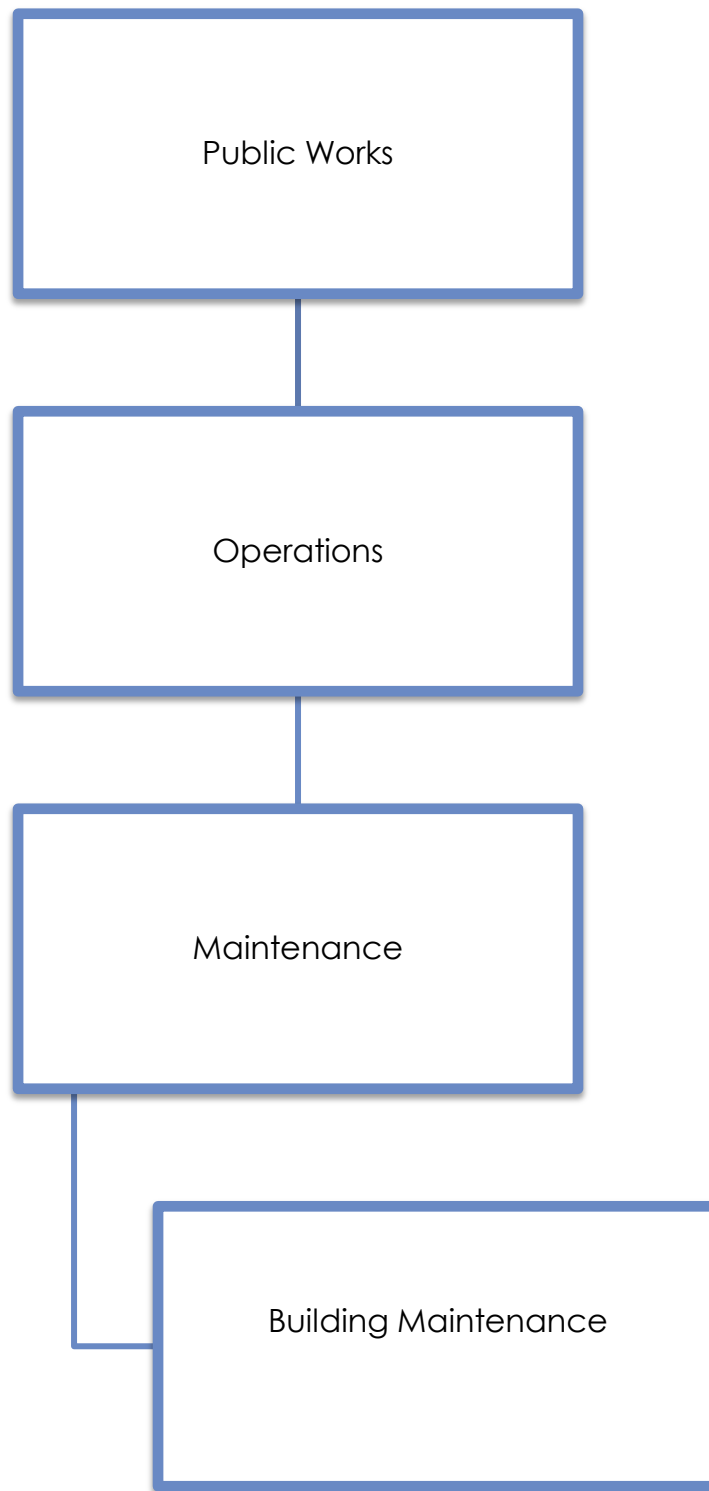
BUILDING MAINTENANCE INTERNAL SERVICE FUND

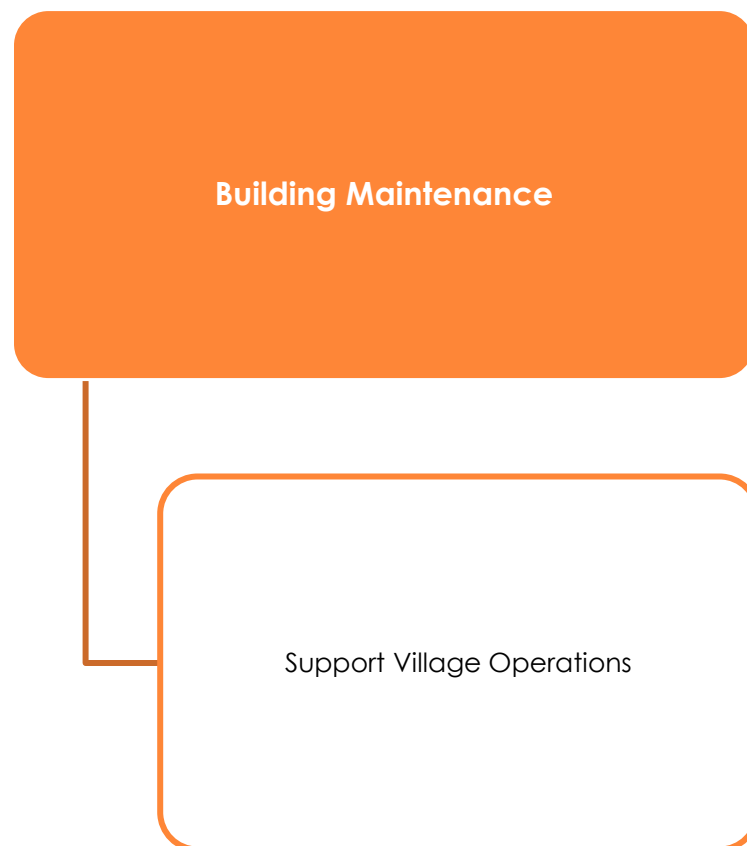
The Building Maintenance Section provides a clean, healthy, safe, and efficient working environment in facilities, public areas and meeting places. This Section is responsible for maintaining approximately 200,000 square feet of occupied building space as well as 2,700 streetlights. Major tasks of this Division include HVAC, plumbing and electrical repairs and maintenance, street light maintenance, and building custodial service contract administration.

The Building Maintenance staffing summary and staff time by functional area can be found under the Public Works department on page *Section 5*.

PROGRAM AREAS

Support Village Operations396





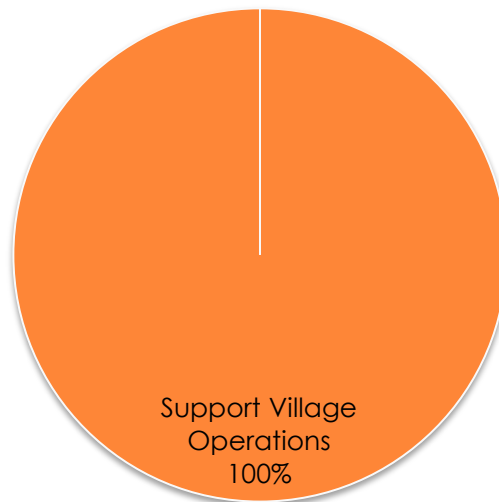
2018 BUILDING MAINTENANCE PROGRAM BUDGET SUMMARY

Building Maintenance Revenues	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Funding Source	1,392,642	1,198,562	1,462,984	1,462,984	1,577,570	7.83%
Total	\$1,392,642	\$1,198,562	\$1,462,984	\$1,462,984	\$1,577,570	7.83%

Building Maintenance Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Support Village Operations	1,374,531	1,171,348	1,462,984	1,542,568	1,577,570	7.83%
Total	\$1,374,531	\$1,171,348	\$1,462,984	\$1,542,568	\$1,577,570	7.83%

At the end of the fiscal year, a true up is performed and any amount expended above budget is amended and charged back to the appropriate fund/department.

Program Budget Summary



BUILDING MAINTENANCE FUND VARIANCES

Building Maintenance	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Wages	427,596	435,467	491,040	14.84%	Public Works Reclassified Administration Salary distribution.
Operating Expenses	58,471	81,471	81,601	39.56%	Reallocated funds for "keep stock" inventory for all Village facilities.
Contractual Services	146,069	146,069	191,300	30.97%	Reallocated contract from repair and maintenance for custodial services.
Internal Service	-	-	24,021	100.00%	Change in the allocation formula.

PROGRAM AREA: SUPPORT VILLAGE OPERATIONS

This program focuses on the maintenance of all HVAC units, electrical, plumbing, and flooring. It likewise supports the yearly elevator inspections as well as all Fire Alarm and Sprinkler testing. This area includes Building Maintenance staff's daily activities, which include inspection of the building of its mechanical as well as electrical operations, completing operating tasks.



MAJOR SERVICES

Support Village Operations

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

KEY PERFORMANCE MEASURES

Police	Benchmark	*2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repair Tasks Completed	124	N/A	89	135	150
Staff Hours Utilized	319	N/A	277	381	300
Contracted Projects	2	N/A	2	2	2
Contract Oversight Hours Utilized	16.6	N/A	30	10	10

Fire Department	Benchmark	*2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repair Tasks Completed	46	N/A	26	53	65
Staff Hours Utilized	190	N/A	247	148.50	175
Contracted Projects	1.6	N/A	2	2	1
Contract Oversight Hours Utilized	36.6	N/A	60	25	25

Village Hall	Benchmark	*2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repair Tasks Completed	154	N/A	128	160	175
Staff Hours Utilized	533	N/A	347.01	603	650
Contracted Projects	1.6	N/A	1	2	2
Contract Oversight Hours Utilized	19.3	N/A	20	18	20

Golf Operations	Benchmark	*2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repair Tasks Completed	112	N/A	79	169	90
Staff Hours Utilized	1,108	N/A	763	1,737	825
Contracted Projects	2	N/A	2	1	1
Contract Oversight Hours Utilized	91.6	N/A	30	225	20

Public Service Center	Benchmark	*2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repair Tasks Completed	169	N/A	145	171	191
Staff Hours Utilized	554	N/A	640.75	223.50	800
Contracted Projects	2	N/A	4	1	2
Contract Oversight Hours Utilized	29.6	N/A	25	40	24

Water Pump House Facilities	Benchmark	*2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repair Tasks Completed	15	N/A	10	17	19
Staff Hours Utilized	38	N/A	21.50	44.50	50
Contracted Projects	1	N/A	1	1	-
Contract Oversight Hours Utilized	-	N/A	20	10	-

Sanitary Sewer Lift Station Facilities	Benchmark	*2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repair Tasks Completed	15	N/A	12	16	18
Staff Hours Utilized	38	N/A	32	40	42
Contracted Projects	-	N/A	N/A	N/A	N/A
Contract Oversight Hours Utilized	-	N/A	-	-	-

Pace Metra Facility	Benchmark	*2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repair Tasks Completed	23	N/A	22	23	25
Staff Hours Utilized	81	N/A	78.25	81.25	85
Contracted Projects	2	N/A	2	1	1
Contract Oversight Hours Utilized	-	N/A	10	15	15

Administration	Benchmark	*2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
New World, VCS, Cartegraph, Accreditation, Purchasing/Acquisitions, Research, Neo-Gov, - Hours	1,760	N/A	1,560	1,820	1,900
Training, Meetings, Committees - Hours	200	N/A	200	200	200
Contract Management - Hours	233	N/A	160	360	180

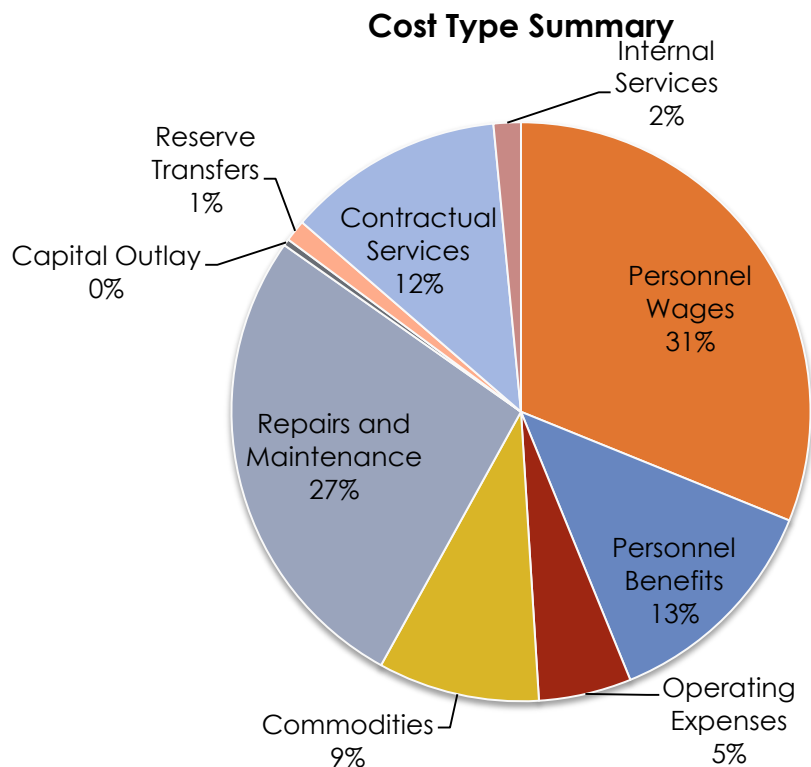
Special Events	Benchmark	*2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Buffalo Grove Days - Hours	39	N/A	38	40	40

*Note: 2015 Actuals were not tracked by facility.

MAJOR SERVICE: SUPPORT VILLAGE OPERATIONS

Building Maintenance	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	357,091	408,149	427,596	435,467	491,040	14.84%
Personnel Benefits	198,412	219,267	200,902	198,764	200,532	-0.18%
Operating Expenses	12,001	38,639	58,471	81,471	81,601	39.56%
Commodities	149,442	94,676	142,251	144,607	142,306	0.04%
Repairs and Maintenance	533,498	318,134	462,675	511,170	421,725	-8.85%
Capital Outlay	529	-	5,893	5,893	5,918	0.00%
Reserve Transfers	-	-	19,127	19,127	19,127	0.00%
Contractual Services	76,211	92,483	146,069	146,069	191,300	30.97%
Internal Services	47,347	-	-	-	24,021	100.00%
Total	\$1,374,531	\$1,171,348	\$1,462,984	\$1,542,568	\$1,577,570	7.83%

At the end of the fiscal year, a true up is preformed and any amount expended above budget is amended and charged back to the appropriate fund/department.



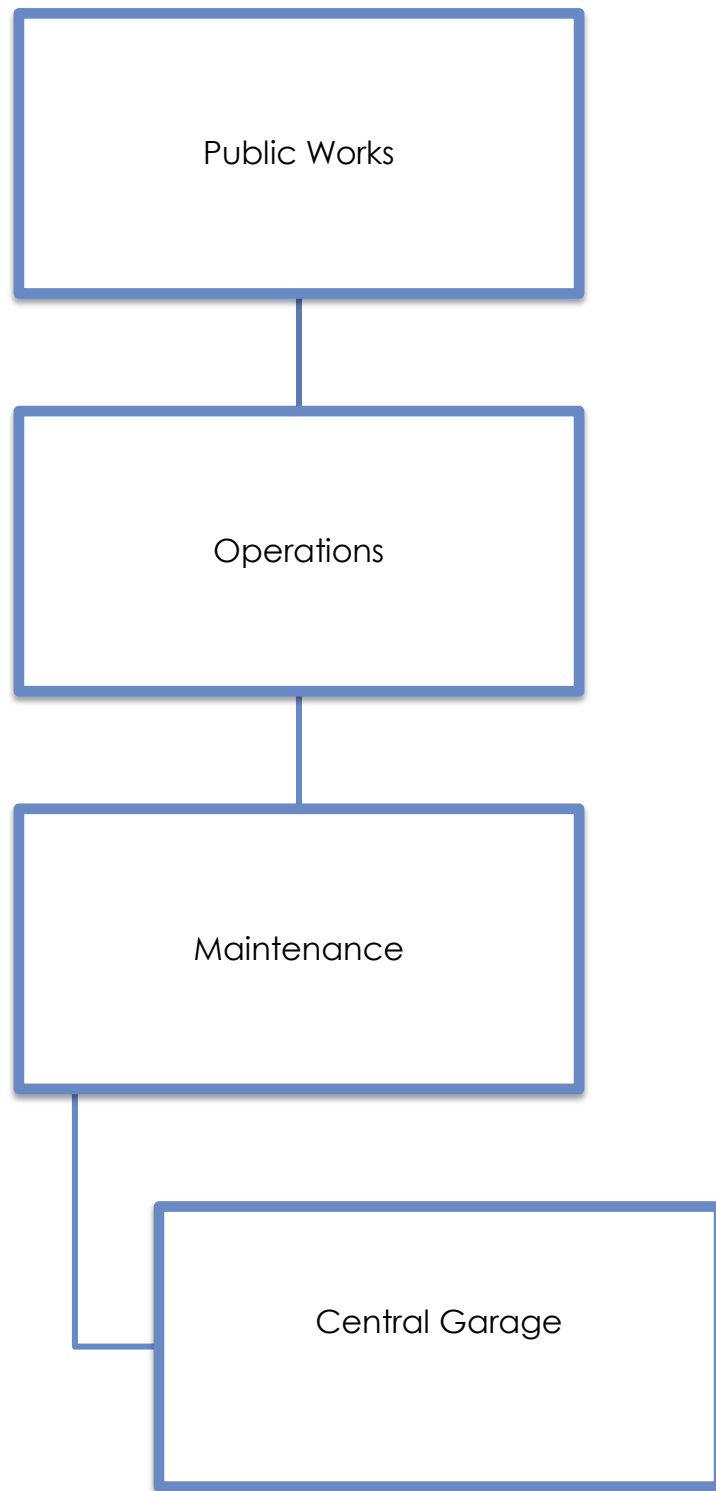
CENTRAL GARAGE INTERNAL SERVICE FUND

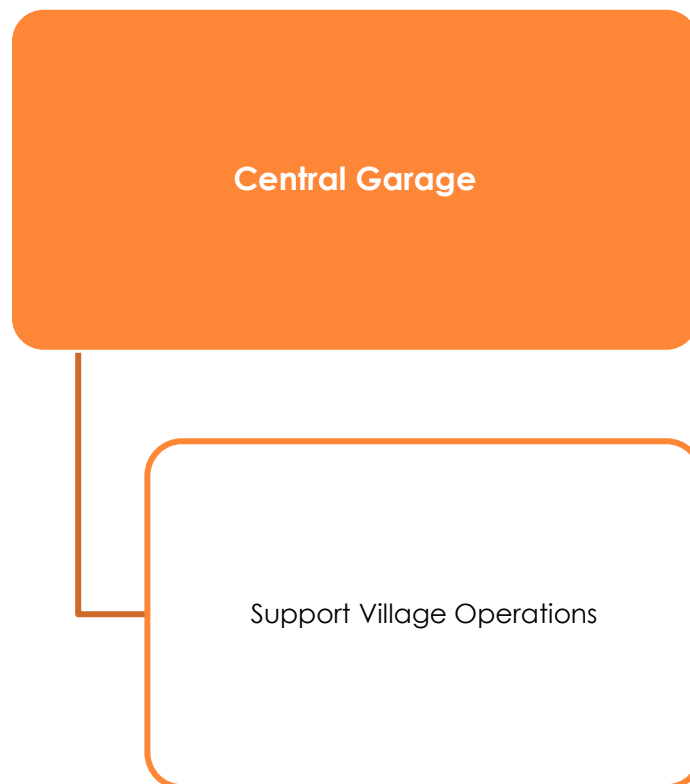
The Central Garage Section provides for the repair and maintenance of the Village's fleet of 164 vehicles and 83 pieces of equipment. This Section is also responsible for managing the Village's vehicle and equipment fueling system in accordance with the requirements established by the Office of the Illinois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

The Central Garage staffing summary and staff time by functional area can be found under the Public Works department in *Section 5*.

PROGRAM AREAS

Support Village Operations404



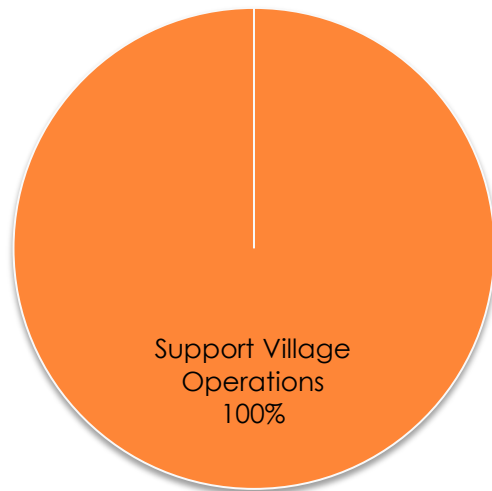


2018 CENTRAL GARAGE PROGRAM BUDGET SUMMARY

Central Garage Revenues	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Funding Source	1,528,484	1,456,984	1,756,782	1,747,240	1,652,632	-5.93%
Total	\$1,528,484	\$1,456,984	\$1,756,782	\$1,747,240	\$1,652,632	-5.93%

Central Garage Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Support Village Operations	1,493,409	1,427,420	1,756,782	1,543,104	1,652,632	-5.93%
Total	\$1,493,409	\$1,427,420	\$1,756,782	\$1,543,104	\$1,652,632	-5.93%

Program Budget Summary



CENTRAL GARAGE FUND VARIANCES

Central Garage	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Repair and Maintenance	887,400	680,467	744,930	-16.05%	Decreased due to historical trend.
Internal Service	-	-	27,782	100.00 %	Change in the allocation formula.

PROGRAM AREA: SUPPORT VILLAGE OPERATIONS

Maintenance services support Village operations by providing each department with cost-effective service for each vehicle and piece of equipment. In addition, in-house service allows for immediate attention to any mechanical failure that could critically hamper the ability of a vehicle or piece of equipment to operate effectively to deliver services to Village residents. The garage provides mechanical service year round twenty-four hours a day with a technician assigned to on call after hours duty on a rotating basis. Specialized testing and repair is contracted on an as needed basis.



MAJOR SERVICES

Support Village Operations

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

KEY PERFORMANCE MEASURES

Police Department	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	2,329	2,094	2,410	2,564	2,356
Staff Hours Utilized	1,672	1,518	1,717	1,826	1,687
Total P.D. Fleet Inventory	42	42	42	43	43
Fire Department	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	1,577	1,422	1,579	1,732	1,577
Staff Hours Utilized	1,621	1,530	1,898	1,718	1,715
Total F.D. Fleet Inventory	32	32	34	32	33
Office of the Village Manager	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	19	8	32	17	19
Staff Hours Utilized	10	3	10	10	8
Total O.V.M. Fleet Inventory	1	1	1	1	1
Golf Operations	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	13	30	9	2	13
Staff Hours Utilized	20	43	11	6	20
Total Golf Fleet Inventory	1	1	1	1	1
Community Development	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	167	221	158	216	198
Staff Hours Utilized	106	122	95	164	127
Total CD Fleet Inventory	7	7	7	7	7
Street Section	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	1,214	1,049	1,127	1,068	1,244
Staff Hours Utilized	1,209	1,232	1,301	1,199	1,244
Total Street Fleet Inventory	39	37	38	39	39

Forestry & Grounds Section	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	712	708	749	742	733
Staff Hours Utilized	610	774	693	611	692
Total Forestry & Grounds Fleet Inventory	75	76	76	75	75

Drainage Section	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	142	168	116	156	168
Staff Hours Utilized	104	223	99	176	166
Total Drainage Fleet Inventory	3	2	3	3	3

Engineering Section	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	62	9	100	144	84
Staff Hours Utilized	36	11	56	84	50
Total Engineering Fleet Inventory	6	5	6	6	6

Building Maintenance Section	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	154	160	168	212	180
Staff Hours Utilized	156	169	176	258	201
Total Building Maintenance Fleet Inventory	4	3	3	4	4

Water Utilities Section	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	575	387	676	521	528
Staff Hours Utilized	656	417	777	596	596
Total Water Fleet Inventory	32	32	32	32	32

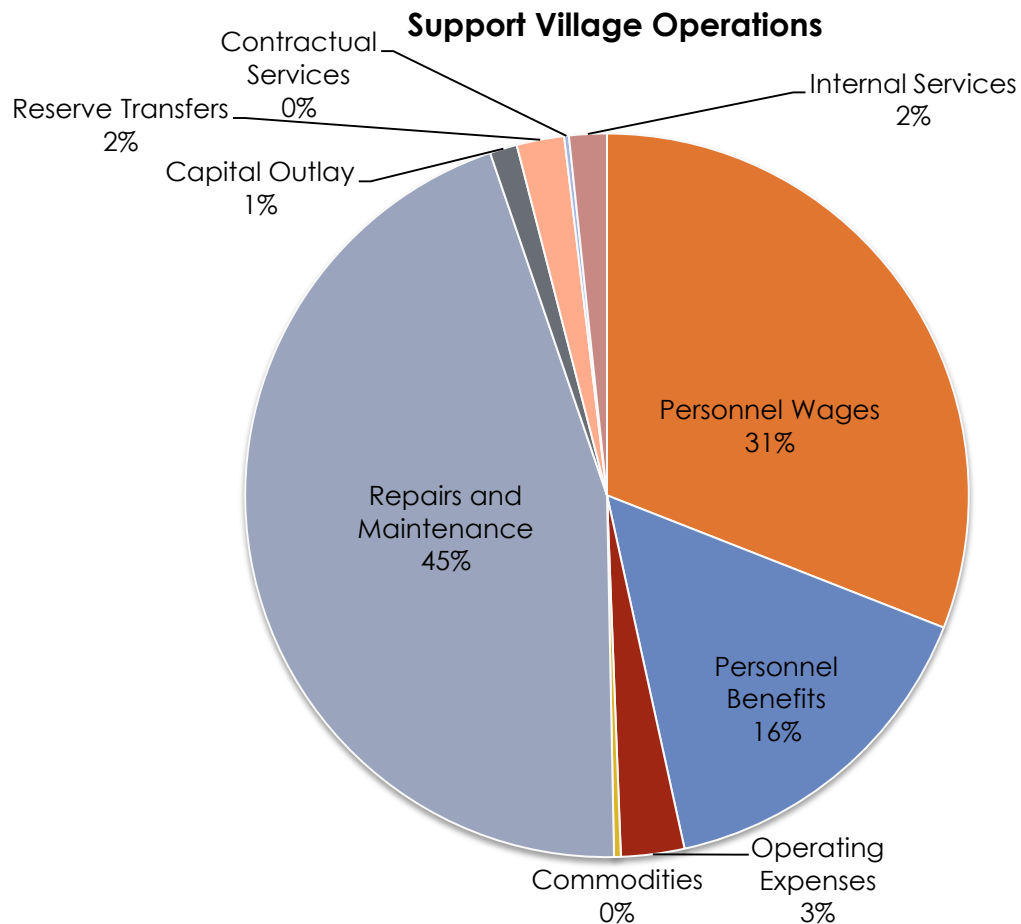
Sanitary Sewer Section	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	207	212	148	217	192
Staff Hours Utilized	8	211	173	252	212
Total Sanitary Sewer Fleet Inventory	22	23	23	22	22

Central Garage Section	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Repairs Completed	60	87	33	49	56
Staff Hours Utilized	15	54	12	60	12
Total Central Garage Fleet Inventory	1	1	1	1	1

Central Garage Administration	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
CFA, New World, VCS, Cartegraph, Accreditation, Fuel Reporting, Acquisitions, Fleet Purchases, Research – Hours	2,404	2,340	2,502	2,630	2,490
Training, Meetings, Committees – Hours	109	190	208	100	166

MAJOR SERVICE: SUPPORT VILLAGE OPERATIONS

Central Garage	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	537,281	554,425	502,047	499,588	511,623	1.91%
Personnel Benefits	271,508	269,789	258,890	255,398	257,852	-0.40%
Operating Expenses	18,604	16,983	44,727	45,239	46,727	4.47%
Commodities	1,798	6,119	5,000	4,554	5,000	0.00%
Repairs and Maintenance	635,606	573,468	887,400	680,467	744,930	-16.05%
Capital Outlay	2,664	-	20,143	20,143	20,143	0.00%
Reserve Transfers	-	4,375	35,075	35,075	35,075	0.00%
Contractual Services	1,661	2,260	3,500	2,640	3,500	0.00%
Internal Services	24,288	-	-	-	27,782	100.00%
Total	\$1,493,410	\$1,427,419	\$1,756,782	\$1,543,104	\$1,652,632	-5.93%



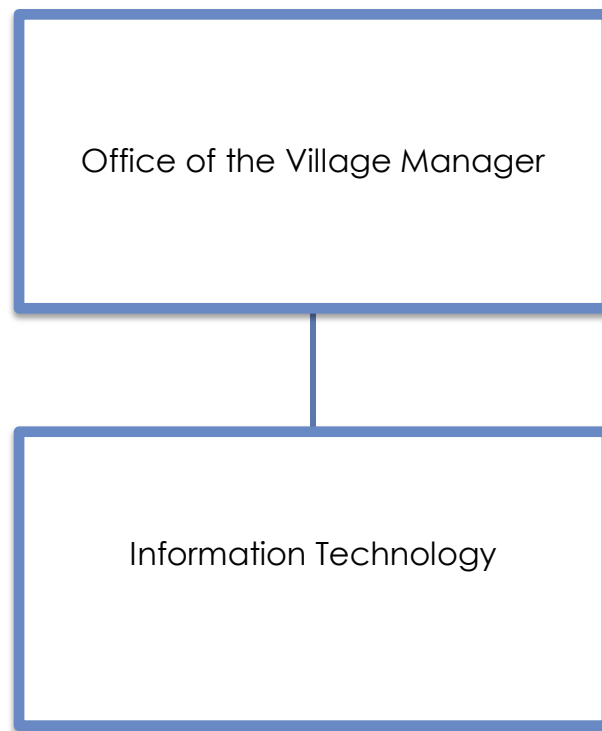
INFORMATION TECHNOLOGY

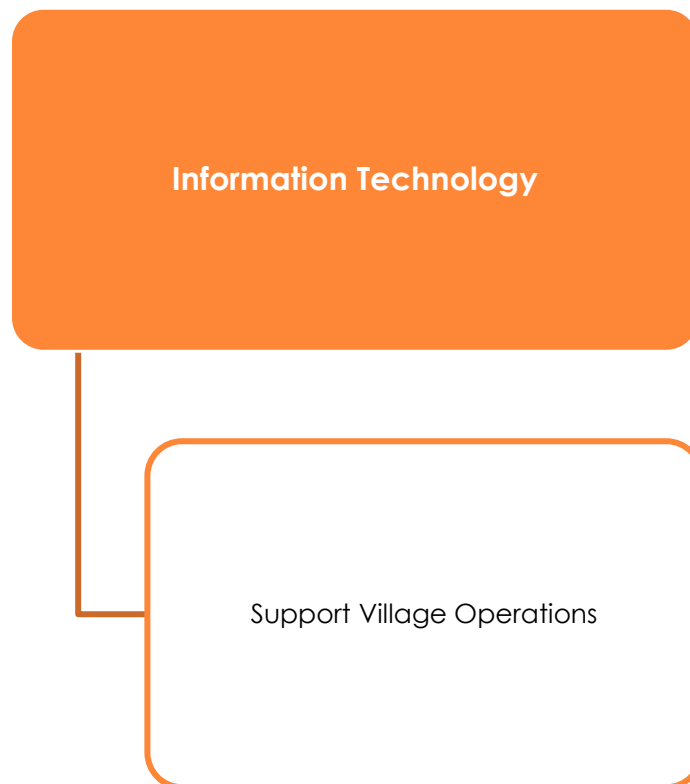
INTERNAL SERVICE FUND

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. 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.

PROGRAM AREAS

Support Village Operations	413
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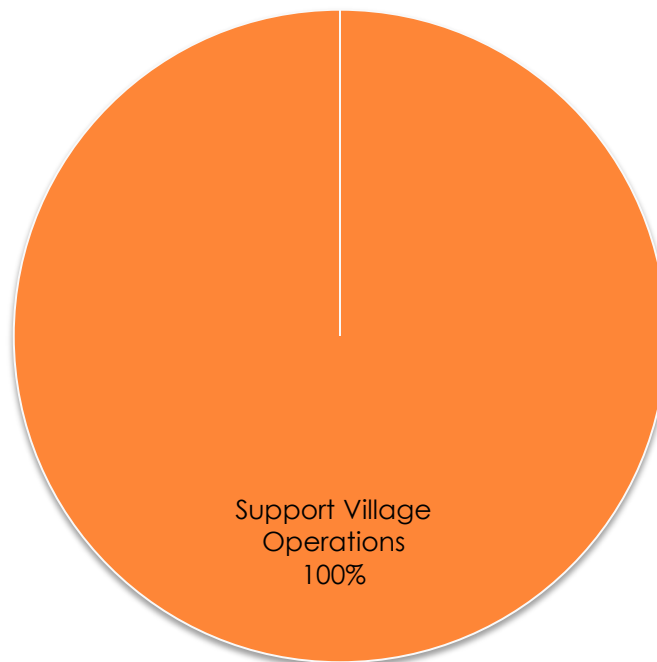


2018 INFORMATION TECHNOLOGY BUDGET SUMMARY

Central Garage Revenues	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Funding Source	957,961	1,064,828	1,351,359	1,351,413	1,409,555	4.31%
Total	\$957,961	\$1,064,828	\$1,351,359	\$1,351,413	\$1,409,555	4.31%

Central Garage Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Support Village Operations	925,743	1,032,609	1,351,359	1,344,200	1,409,555	4.31%
Total	\$925,743	\$1,032,609	\$1,351,359	\$1,344,200	\$1,409,555	4.31%

Program Budget Summary



PROGRAM AREA: SUPPORT VILLAGE OPERATIONS

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.

MAJOR SERVICES

Support Village Operations

PROGRAM CHANGES OF NOTE

The Government IT Consortium recently passed a policy regarding computer replacement that requires each member to replace computers on a specified schedule. The purpose of this policy is to make computing more efficient but also to ensure that IT does not have to spend a lot of time repairing old computers. It is important to keep in mind that prior to forming the IT Consortium the Village did not have a formal replacement strategy. The Village began budgeting \$26,000 a year for this purpose upon joining. An analysis of the computer inventory showed that the Village needs to budget \$67,000 for this purpose. There are still computers over 10 years old that are in use by employees.

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.

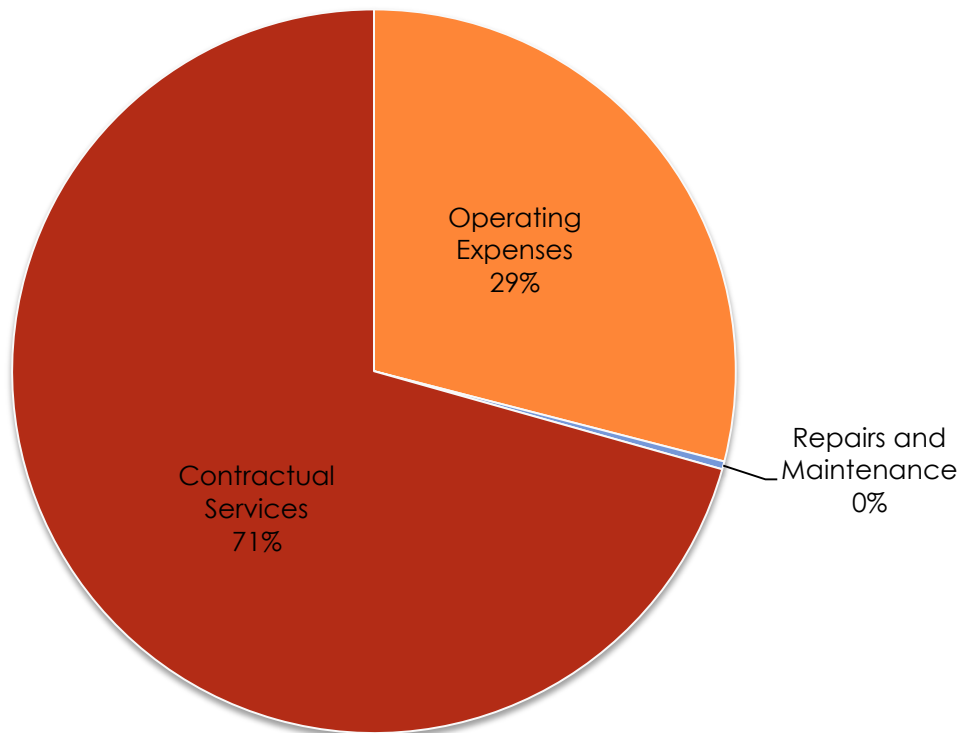
KEY PERFORMANCE MEASURES

Information Technology Ticket Resolution Time	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Network Support	90%	N/A	90%	90%	90%
Application Support	90%	N/A	70%	80%	90%
Printer Support	90%	N/A	90%	90%	90%
Server Support	90%	N/A	90%	90%	90%
Telecommunications Support	90%	N/A	90%	90%	90%
Workstation Support	90%	N/A	90%	90%	90%

MAJOR SERVICE: SUPPORT VILLAGE OPERATIONS

IT Fund	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Wages	-	-	-	-	-	-
Personnel Benefits	-	-	-	-	-	-
Operating Expenses	226,638	132,910	307,507	300,350	408,989	33.00%
Commodities	-	-	-	-	-	-
Repairs and Maintenance	7,273	4,267	5,000	5,000	5,000	0.00%
Capital Outlay	84,466	35,689	-	-	-	-
Reserve Transfers	-	-	-	-	-	-
Contractual Services	607,366	859,743	1,038,852	1,038,850	995,566	-4.17%
Internal Services	-	-	-	-	-	-
Total	\$925,743	\$1,032,609	\$1,351,359	\$1,344,200	\$1,409,555	4.31%

Support Village Operations



SECTION NINE: FIDUCIARY FUNDS



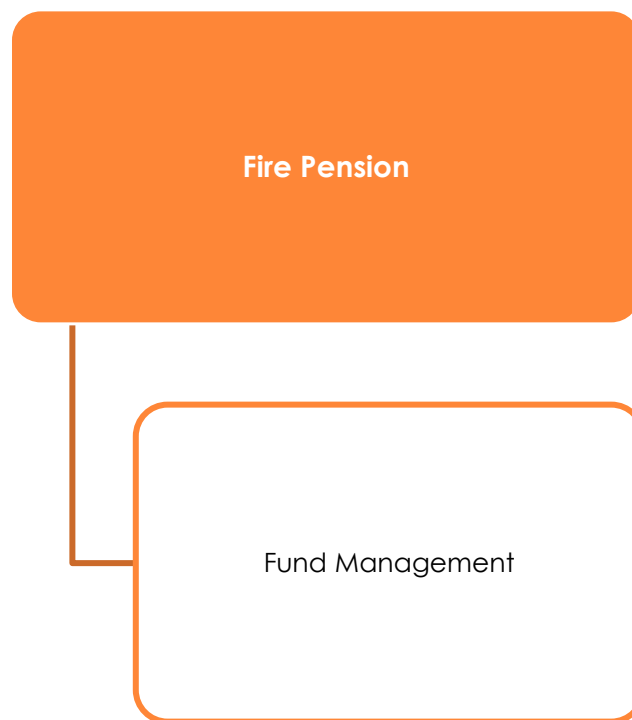
FIRE PENSION FUND – POLICE PENSION FUND

FIRE 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.

PROGRAM AREAS

Fire Pension	420
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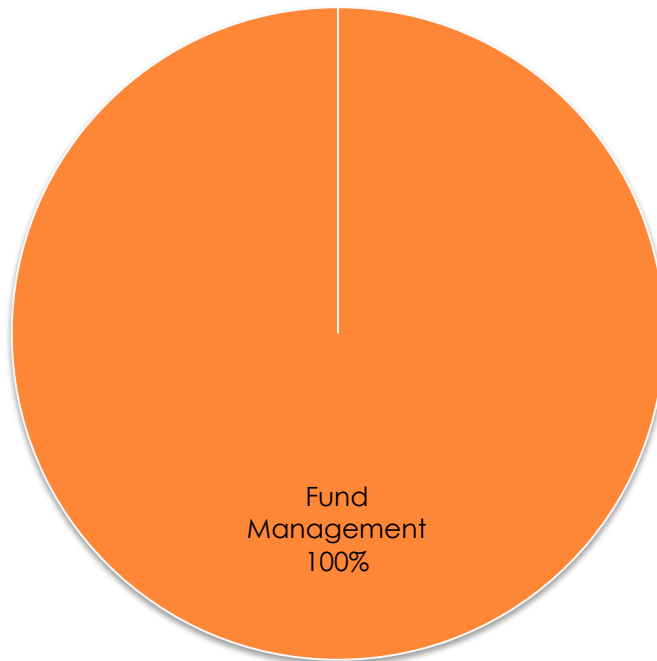


2018 FIRE PENSION PROGRAM BUDGET SUMMARY

Fire Pension Funding Source	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Revenue	3,506,006	6,230,402	4,630,904	6,265,322	5,879,498	26.96%
Total	\$3,506,006	\$6,230,402	\$4,630,904	\$6,265,322	\$5,879,498	26.96%

Fire Pension Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund Management	2,314,558	2,400,122	2,732,912	2,913,000	3,198,000	17.01%
Total	\$2,314,558	\$2,400,122	\$2,732,912	\$2,913,000	\$3,198,000	17.01%

Program Budget Summary



PROGRAM AREA: FIRE PENSION

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 7.0 percent. The annual actuarial salary increase assumption remains at 4.25 to 9.73 percent. The Firefighters Pension Board has invested 61.09 percent of its portfolio in equity related instruments (mutual funds and separate stocks) and 38.91 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 7.05 percent, net of investment fees. The prior year rate of return was 1.33 percent, and the five year return is 7.77 percent.

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

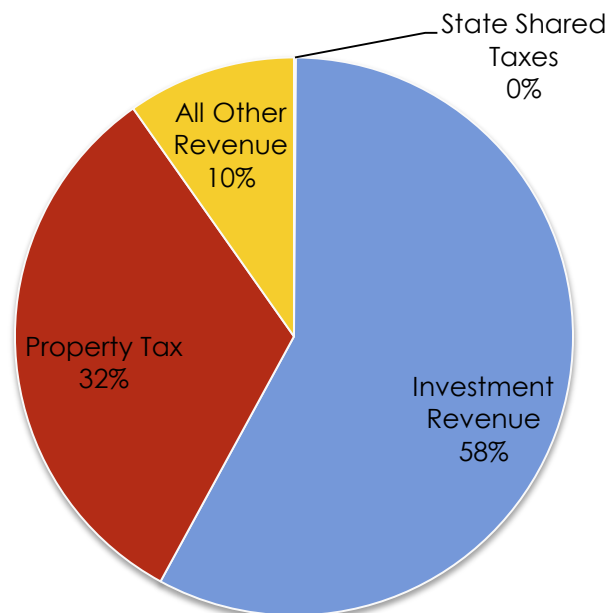
KEY PERFORMANCE MEASURES

Revenue	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Rate of investment return	7.00%	1.33%	7.05%	8.50%	7.50%
Levy more than the Illinois Department of Insurance Minimum for the Fire Pension Fund	Yes	Yes	Yes	Yes	Yes

FUNDING SOURCE: REVENUE

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
State Shared Taxes	12,729	12,761	8,742	7,648	6,556	-25.00%
Investment Revenue	779,155	3,557,060	2,200,000	3,875,000	3,400,000	54.55%
Property Tax	2,189,409	2,153,279	1,862,674	1,862,674	1,897,942	1.89%
All Other Revenue	524,714	507,302	559,488	520,000	575,000	2.78%
Total Revenue Collection	\$3,506,006	\$6,230,402	\$4,630,904	\$6,265,322	\$5,879,498	26.96%

2018 Revenue Collection



PROGRAM AREA: FIRE PENSION

The 2018 budget includes pensions for 40 annuitants. 25 are traditional retirements, four are disability pensions, and four are surviving spouse/children. The Fire Pension Fund currently has 55 active plan members and 1 inactive plan member entitled to but not receiving benefits.

MAJOR SERVICES

Fund Management

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

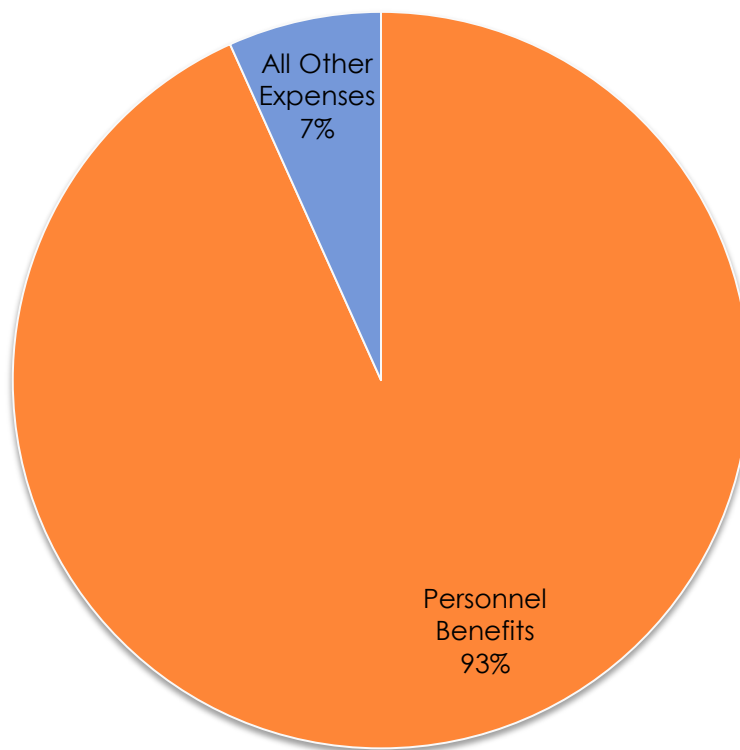
KEY PERFORMANCE MEASURES

Fire Pension	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Retiree Distributions made monthly	12	12	12	12	12
Comply with Investment Policy	Yes	Yes	Yes	Yes	Yes

MAJOR SERVICE: PENSION FUND MANAGEMENT

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Personnel Benefits	2,141,667	2,225,410	2,532,912	2,703,000	2,983,000	17.81%
All Other Expenses	172,891	174,712	200,000	210,000	215,000	7.50%
Total Pension Fund Management	\$2,314,558	\$2,400,122	\$2,732,912	\$2,913,000	\$3,198,000	17.01%

2018 Pension Fund Management

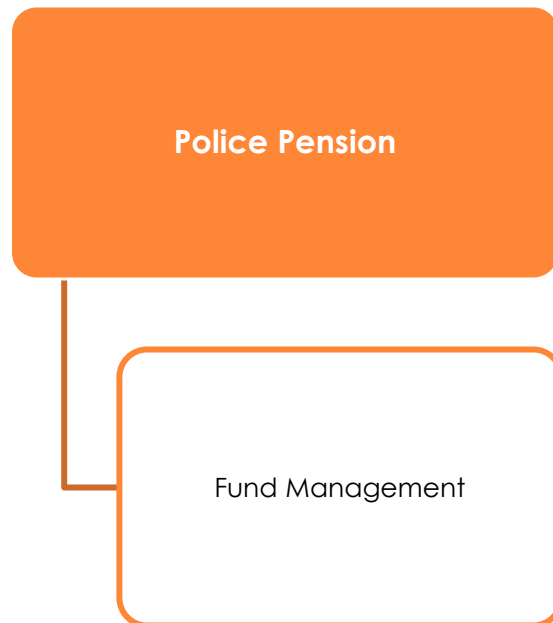


POLICE PENSION FUND

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.

PROGRAM AREAS

Police Pension	429
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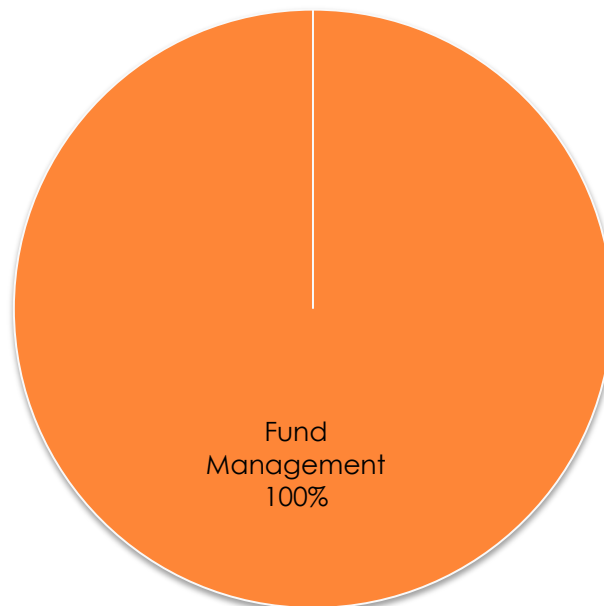


2018 POLICE PENSION PROGRAM BUDGET SUMMARY

Police Pension Funding Source	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Revenue	3,322,713	6,659,320	6,367,129	6,938,295	6,781,813	6.51%
Total	\$3,322,713	\$6,659,320	\$6,367,129	\$6,938,295	\$6,781,813	6.51%

Police Pension Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund Management	3,192,214	3,516,502	3,945,000	3,843,000	4,265,000	8.11%
Total	\$3,192,214	\$3,516,502	\$3,945,000	\$3,843,000	\$4,265,000	8.11%

Program Budget Summary



PROGRAM AREA: POLICE PENSION

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 7.0 percent. The annual actuarial salary increase assumption remains at 4.00-8.67 percent. The Police Pension Board has invested 60.17 percent of its investment portfolio in equity related instruments (mutual funds and separate stocks) and 39.83 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 6.40 percent, net of investment fees. The previous fiscal year return was 0.33 percent, with a five-year return of 7.48 percent.

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

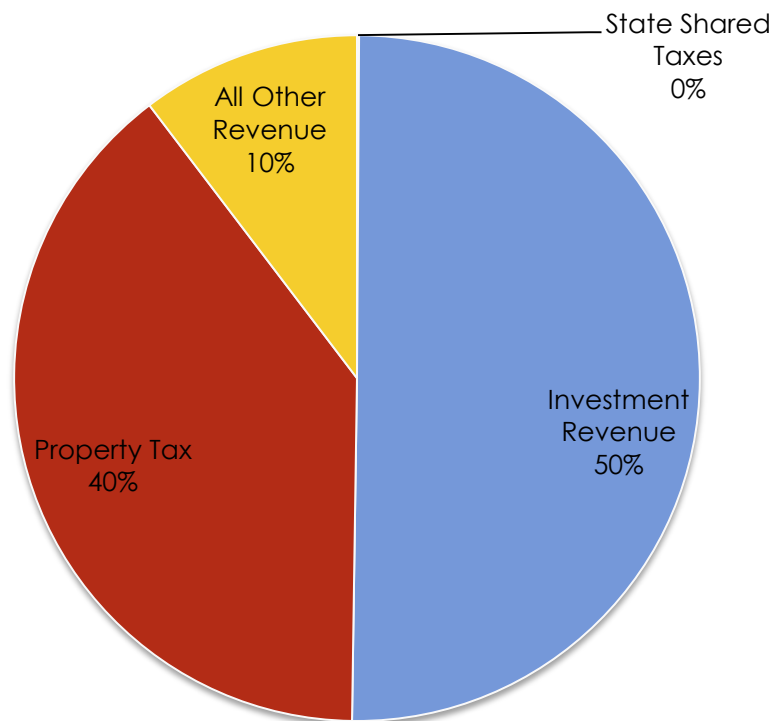
KEY PERFORMANCE MEASURES

Revenue	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Rate of investment return	7.00%	0.33%	6.40%	8.50%	7.50%
Levy more than the Illinois Department of Insurance Minimum for the Police Pension Fund	Yes	Yes	Yes	Yes	Yes

FUNDING SOURCE: REVENUE

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
State Shared Taxes	12,729	12,702	8,742	7,648	6,557	-24.99%
Investment Revenue	369,321	3,582,393	3,150,000	3,725,000	3,400,000	8.94%
Property Tax	2,271,586	2,416,010	2,525,647	2,525,647	2,673,256	5.84%
All Other Revenue	669,077	648,215	682,740	680,000	702,000	2.82%
Total Revenue Collection	\$3,322,713	\$6,659,320	\$6,367,129	\$6,938,295	\$6,781,813	6.51%

2018 Revenue Collection



PROGRAM AREA: POLICE PENSION

The 2016 budget includes pensions for 52 annuitants, 38 are traditional retirements, two are disability pensions, two are surviving spouses, and six are deferred pensioners. The Police Pension Fund currently has 63 active plan members and 3 inactive plan members, entitled to but not receiving benefits.

MAJOR SERVICES

Fund Management

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

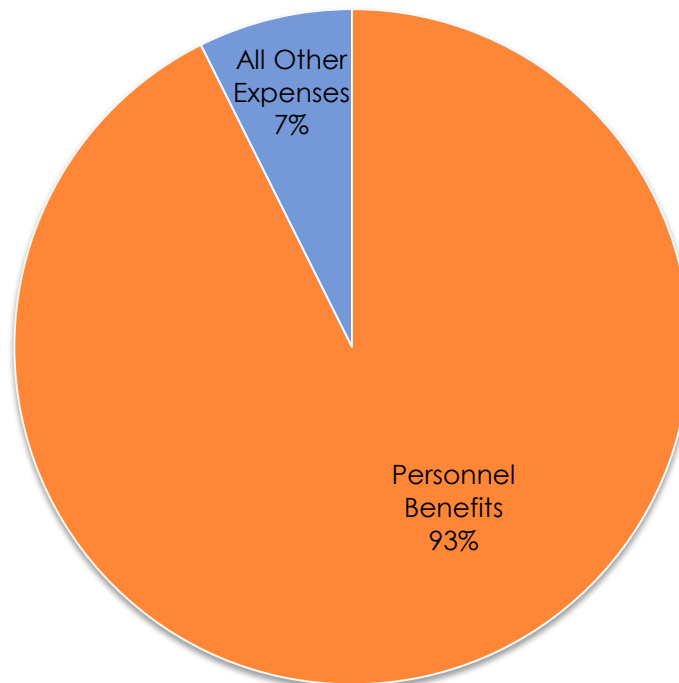
KEY PERFORMANCE MEASURES

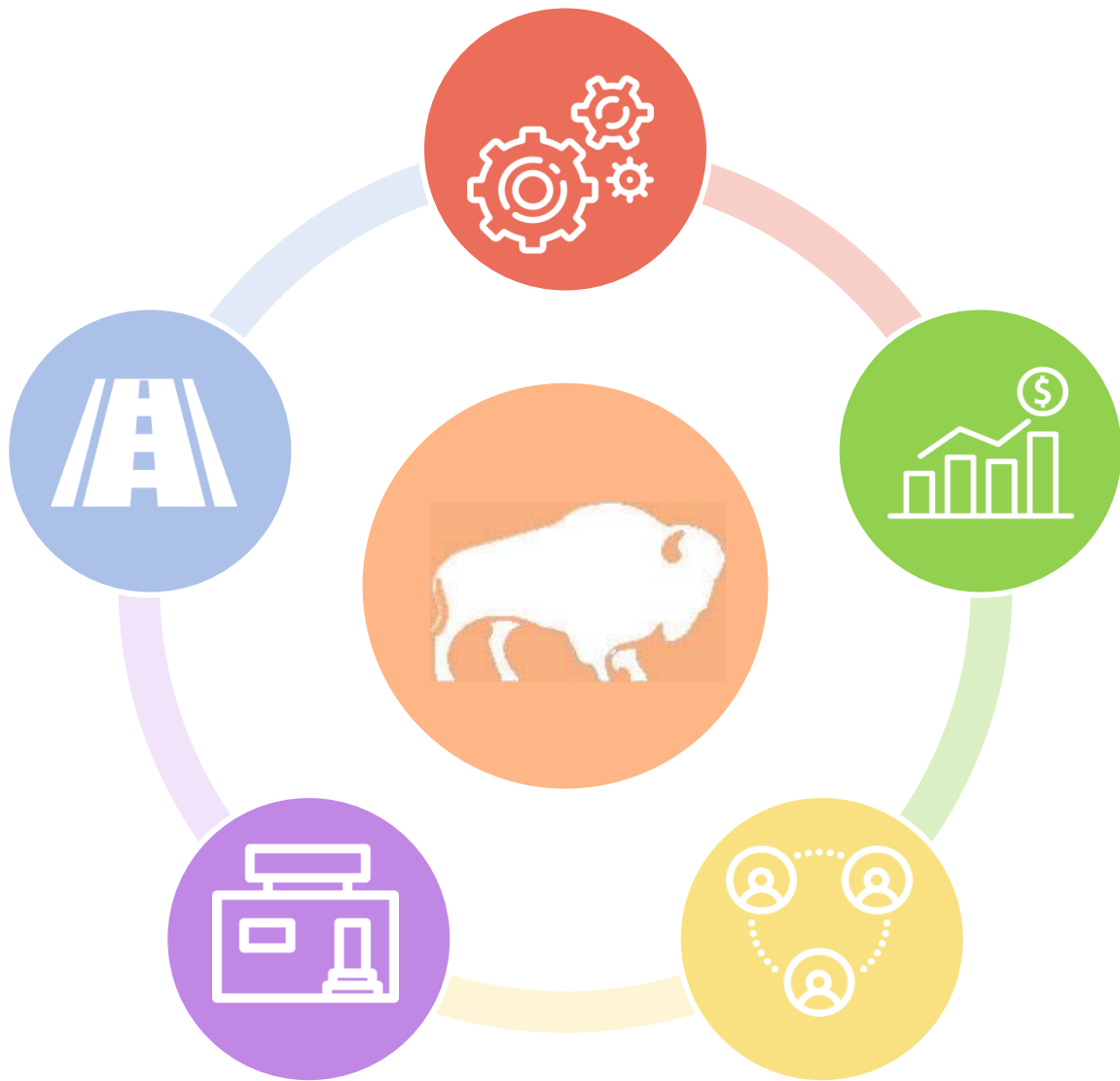
Police Pension	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Retiree Distributions made monthly	12	12	12	12	12
Comply with Investment Policy	Yes	Yes	Yes	Yes	Yes

MAJOR SERVICE: PENSION FUND MANAGEMENT

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Act.	2018 Budget	% Change FY17-FY18
Personnel Benefits	2,969,656	3,283,543	3,650,000	3,563,000	3,950,000	8.22%
All Other Expenses	222,558	232,959	295,000	280,000	315,000	6.78%
Total Police Pension	\$3,192,214	\$3,516,502	\$3,945,000	\$3,843,000	\$4,265,000	8.11%

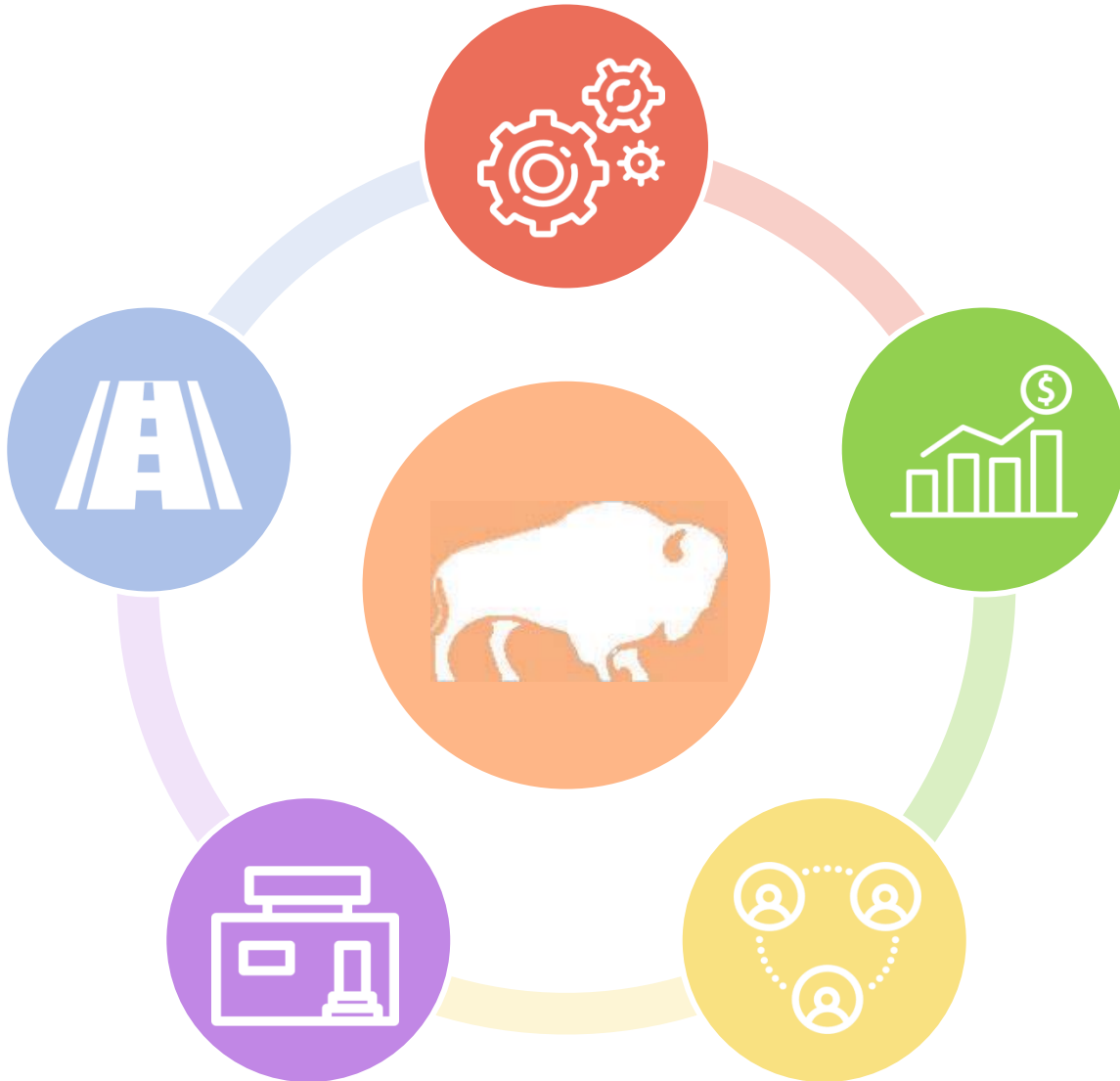
2018 Pension Fund Management





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SECTION TEN: OTHER FUNDS



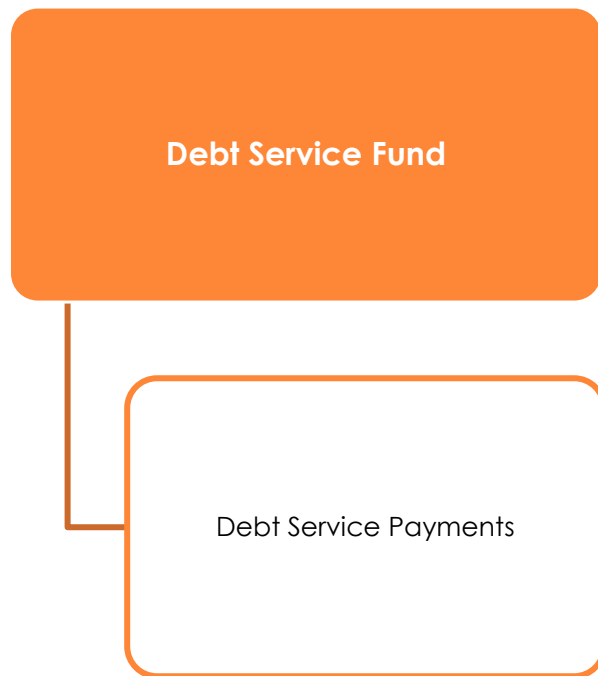
DEBT SERVICE FUND – PARKING LOT FUND

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.

PROGRAM AREAS

Debt Service Payments	436
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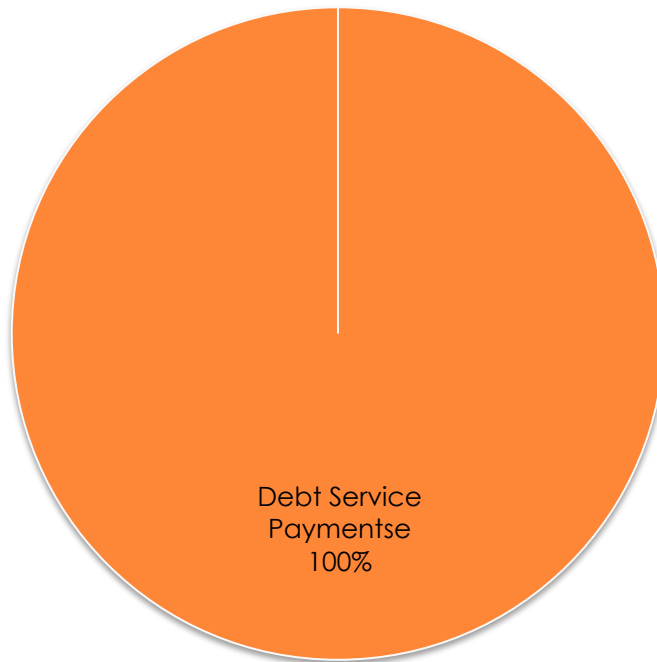


2018 DEBT SERVICE FUND PROGRAM BUDGET SUMMARY

Funding Source	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Revenue	830,233	869,039	1,673,895	1,673,895	1,682,693	0.53%
Total	\$830,233	\$869,039	\$1,673,895	\$1,673,895	\$1,682,693	0.53%

Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Debt Service Payments	806,748	896,456	1,679,144	1,679,144	1,687,694	0.51%
Total	\$806,748	\$896,456	\$1,679,144	\$1,679,144	\$1,687,694	0.51%

Program Budget Summary



PROGRAM AREA: DEBT SERVICE FUND

As of January 1, 2018, the Village has \$14.37 million in outstanding general obligation debt with an average interest rate of 2.53 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 2017 for existing as well as new debt.

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

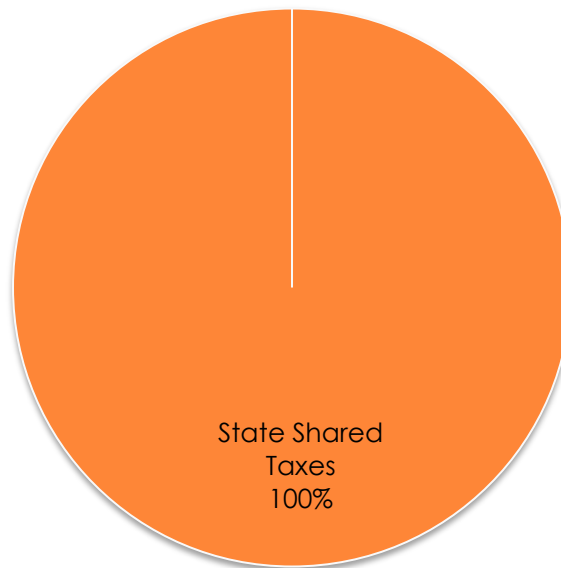
KEY PERFORMANCE MEASURES

	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Debt payments made timely	4	3	4	4	4
Levy amount needed for current year debt service payments	Yes	No	No	No	No

FUNDING SOURCE: REVENUE

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Debt Service						
Property Taxes - Lake County	480,076	451,332	889,120	889,120	892,978	0.43%
Property Taxes - Cook County	147,981	142,041	280,775	280,775	285,715	1.76%
Interfund Transfer	204,176	267,447	504,000	504,000	504,000	0.00%
Other Revenue - Misc	-	8,219	-	-	-	-
Total Revenue Collection	\$832,233	\$869,039	\$1,673,895	\$1,673,895	\$1,682,693	0.53%

2018 Revenue Collection



DEBT SERVICE FUND: EXPENDITURES

MAJOR SERVICES

Debt Service Payments

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

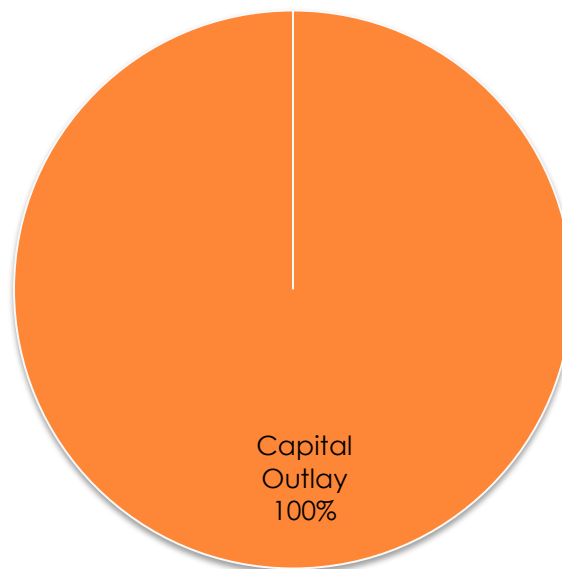
KEY PERFORMANCE MEASURES

	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Debt Per Capita	Less than \$400	\$245	\$382	\$346	\$314
Equalized Assessed Valuation (in Millions)	1.500	1.493	1.556	1.585	1.598

MAJOR SERVICE: DEBT SERVICE PAYMENTS

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Capital Outlay	806,748	896,456	1,679,144	1,679,144	1,687,694	0.51%
Total Debt Service Fund	\$806,748	\$896,456	\$1,679,144	\$1,679,144	\$1,687,694	0.51%

2018 Debt Service



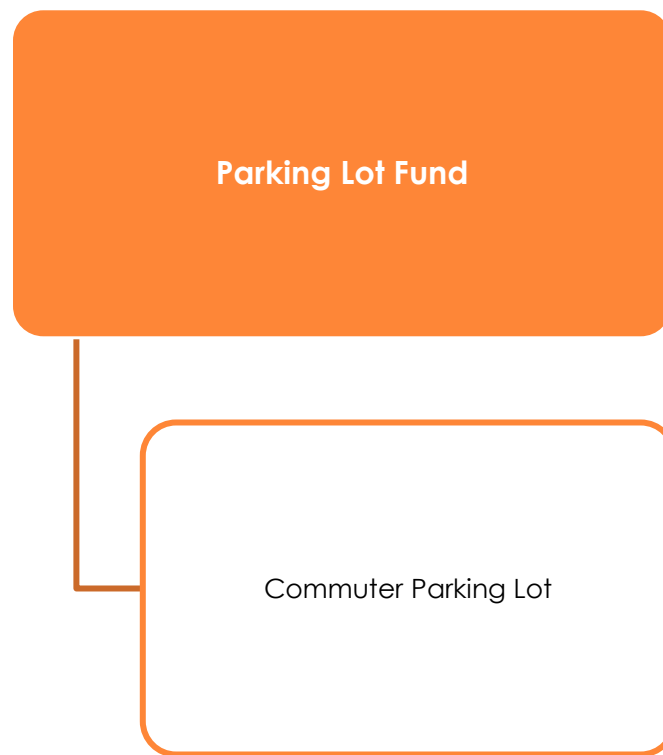
PARKING LOT FUND

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.

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.

PROGRAM AREAS

Commuter Parking Lot	443
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2018 PARKING LOT FUND PROGRAM BUDGET SUMMARY

Funding Source	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Revenue	183,329	207,874	211,200	214,400	208,200	-1.42%
Total	\$183,329	\$207,874	\$211,200	\$214,400	\$208,200	-1.42%

Expenditures	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Parking lot repair and maintenance	184,852	175,793	211,021	181,387	326,150	54.56%
Total	\$184,852	\$175,793	\$211,021	\$181,387	\$326,150	54.56%

Program Budget Summary



PARKING LOT FUND VARIANCES

Parking Lot Fund	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18	Comments
Repair and Maintenance	17,500	-	144,763	727.22%	Parking Lot Maintenance and Resurfacing

PROGRAM AREA: PARKING LOT FUND

As fuel costs continue to fluctuate and employment numbers steadily increase, the revenue performance should begin trending upward for Metra fees.

FUNDING SOURCE

Revenue

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

KEY PERFORMANCE MEASURES

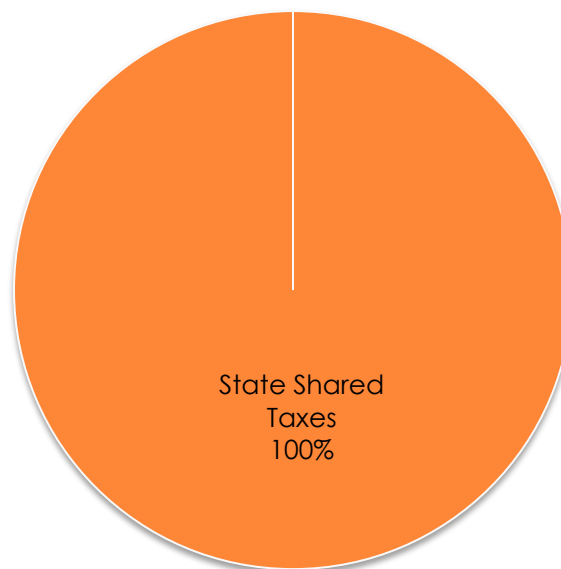
	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Parking pass type offered	2	2	2	2	3
Parking passes sold online	300	N/A	N/A	320	400

FUNDING SOURCE: REVENUE

The Village maintains and collects fees that support the Parking Lot Fund. Revenues for commuter rail are tied directly to the economy and employment trends. Rates for daily parking are \$2.00/day. The Village offers a bi-monthly prepaid parking pass for \$80.00 and an annual pass for \$450.00 which saves commuters time and money over paying daily.

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Parking Lot						
Parking Fees - Daily	57,907	93,631	70,000	88,000	82,000	17.14%
Parking Fees - Passes	124,750	113,109	140,000	125,000	125,000	-10.71%
Facility Rental	672	1,134	1,200	1,400	1,200	0.00%
Total Revenue Collection	\$183,329	\$207,874	\$211,200	\$214,400	\$208,200	-1.42%

2018 Revenue Collection



PARKING LOT FUND: EXPENDITURES

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.

MAJOR SERVICES

Commuter Parking Lot

PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2018.

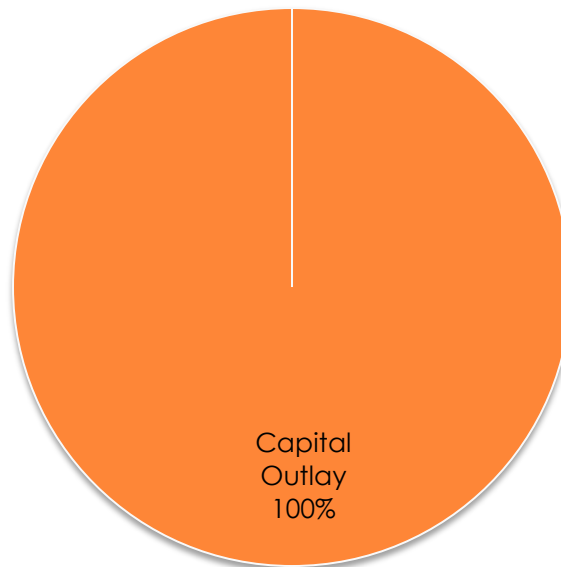
KEY PERFORMANCE MEASURES

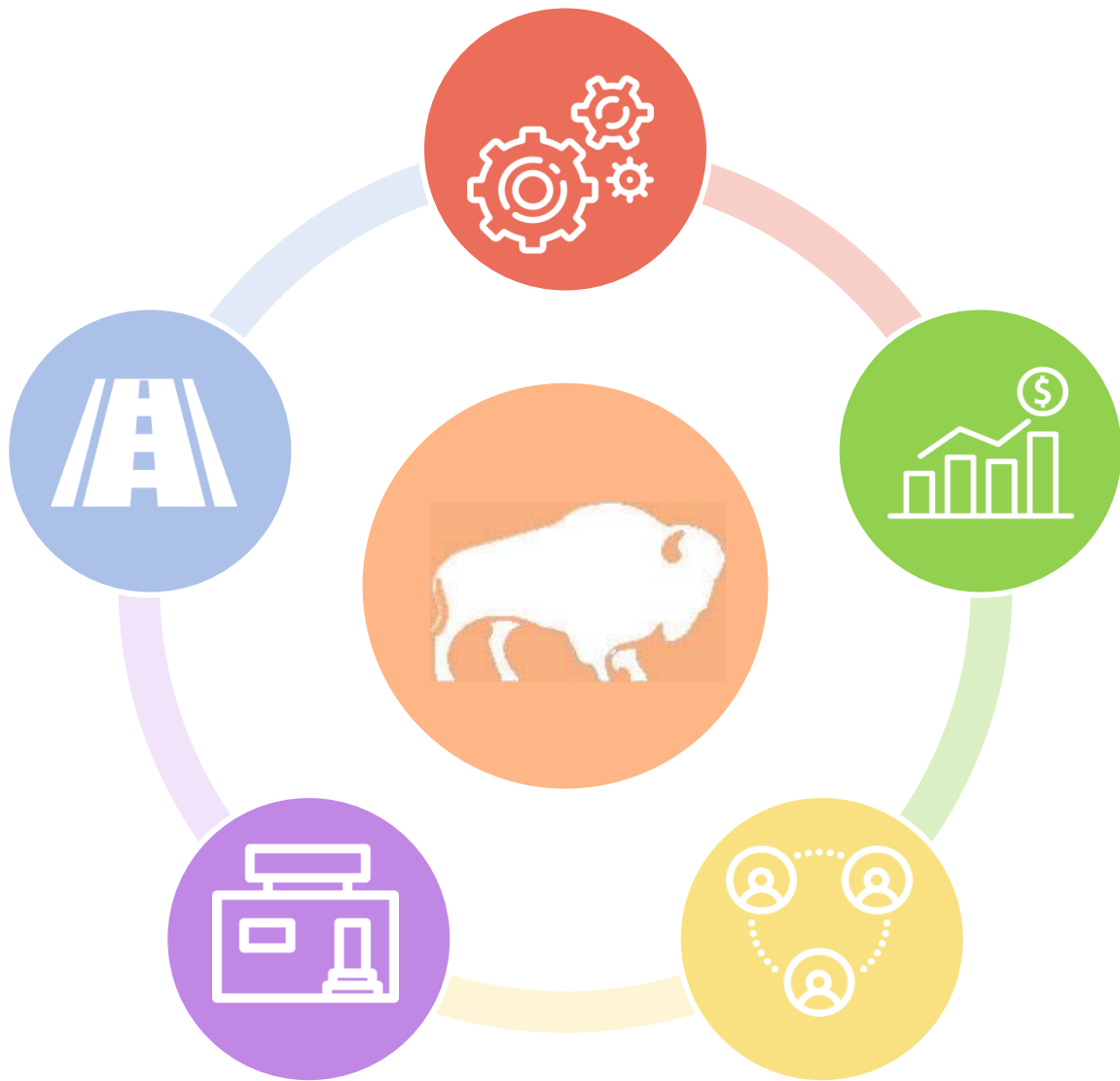
	Benchmark	2015 Actual	2016 Actual	2017 Estimated Actual	2018 Estimate
Utility bills processed timely	24	24	24	24	24

MAJOR SERVICE: COMMUTER PARKING LOT

Account	2015 Actual	2016 Actual	2017 Budget	2017 Est. Actual	2018 Budget	% Change FY17-FY18
Fund: Parking Lot						
Operating Expenses	168,802	175,793	179,771	181,387	167,637	-6.75%
Commodities	-	-	13,750	-	13,750	0.00%
Repairs & Maintenance	16,050	-	17,500	-	144,763	727.22%
Total Parking Lot Fund	\$184,852	\$175,793	\$211,021	\$181,387	\$326,150	54.56%

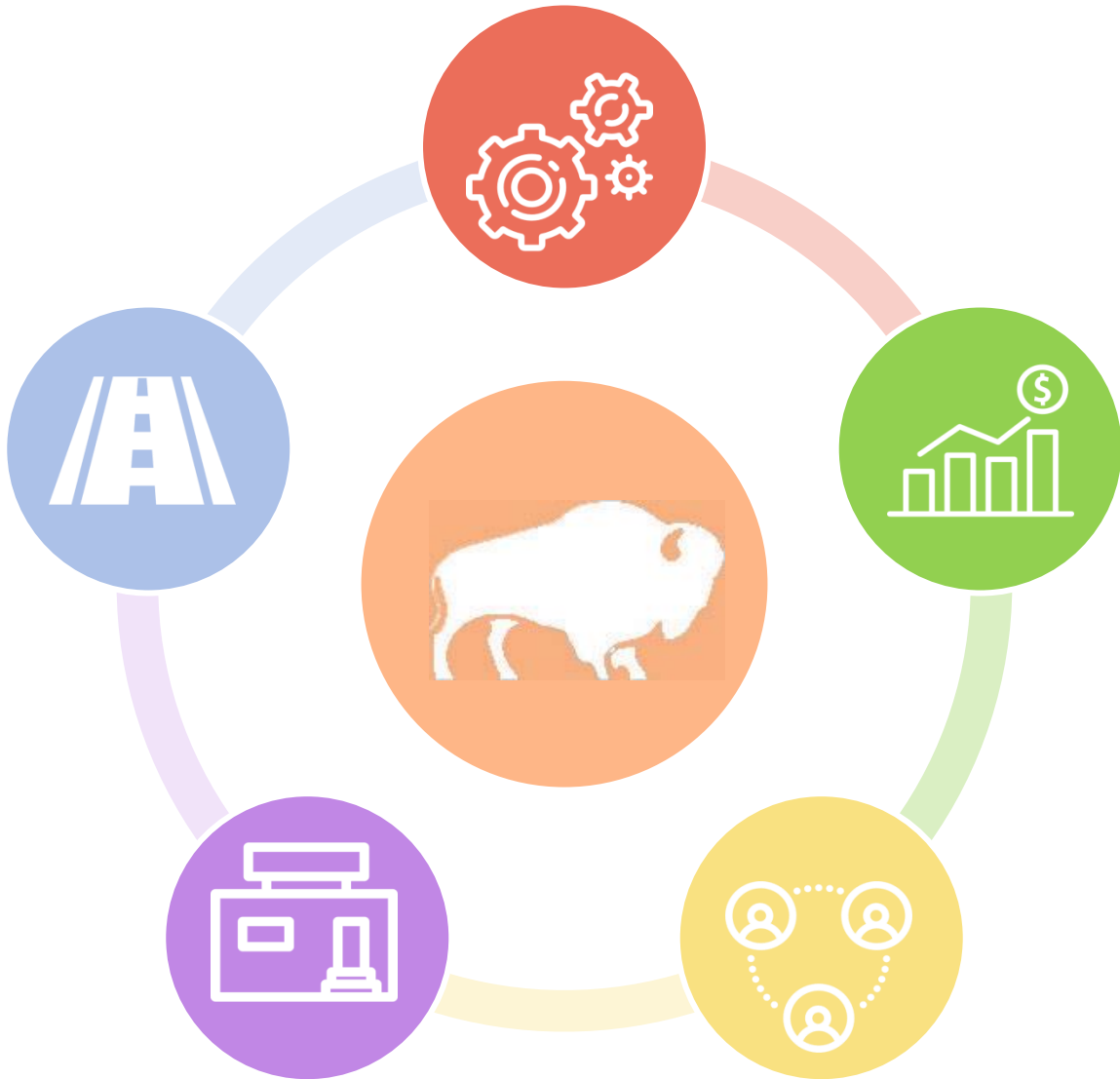
2018 Commuter Parking Lot





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APPENDIX A: COMPREHENSIVE FEE AND FINE SCHEDULE



FEE SCHEDULE – FINE 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
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

Buffalo Grove Municipal Code Section	Classification	Fee
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
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

Buffalo Grove Municipal Code Section	Classification	Fee
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
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

Buffalo Grove Municipal Code Section	Classification	Fee
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
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	\$20.00

Buffalo Grove Municipal Code Section	Classification	Fee
	16th through end of second month	
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
3.71.030 subsections C.	Stormwater utility fee tier 2: Multi-family, commercial and industrial. Annual fee	$\$0.006950 \times \text{Property Square Footage}$
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	\$150.00

Buffalo Grove Municipal Code Section	Classification	Fee
	50,000 square feet	
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
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	\$75.00

Buffalo Grove Municipal Code Section	Classification	Fee
	square feet	
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
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	License fee for industrial/research and	\$700.00

Buffalo Grove Municipal Code Section	Classification	Fee
subsection A.	development (including industrial w/food accessory or processing) more than 500,000 square feet	
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
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	License fee renewal after January 15th for	\$525.00

Buffalo Grove Municipal Code Section	Classification	Fee
subsection A.	industrial/research and development (including industrial w/food accessory or processing) up to 250,000 square feet	
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
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	Mechanical inspection fee (charged per ride per	\$5.00

Buffalo Grove Municipal Code Section	Classification	Fee
subsection C.	day)	
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
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	Class G5 liquor license	\$25.00

Buffalo Grove Municipal Code Section	Classification	Fee
G.5.d.		
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

Buffalo Grove Municipal Code Section	Classification	Fee
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
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

Buffalo Grove Municipal Code Section	Classification	Fee
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
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	Category 5A: Fee for single vehicle with 3+ axles,	\$60.00; \$115.00;

Buffalo Grove Municipal Code Section	Classification	Fee
subsection B.	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	\$270.00; \$1080.00
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
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

Buffalo Grove Municipal Code Section	Classification	Fee
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
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	Water system improvement fee for single-family	\$680.00

Buffalo Grove Municipal Code Section	Classification	Fee
subsection B.	dwelling	
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
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 each year thereafter.

Buffalo Grove Municipal Code Section	Classification	Fee
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 \$0.00 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 \$50,000.00 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 \$75,000.00 or more	\$20.00 plus \$0.25 per thousand dollars in excess of \$75,000.00
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
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 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 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	Fee paid per 10-inch connection to the Village	\$300.00

Buffalo Grove Municipal Code Section	Classification	Fee
subsection F.1.	sewer system	
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	\$5,150.00 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
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	Variance application fee	\$125.00

Buffalo Grove Municipal Code Section	Classification	Fee
subsection B.		
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 \$0.15 per square foot. (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 square foot.
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
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for each sump pump pit	\$15.00

Buffalo Grove Municipal Code Section	Classification	Fee
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for each sewer service	\$15.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for each water service	\$15.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for each water meter	\$15.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for each clean out	\$10.00
15.04.020 Section 108.2 subsection A.3.	Plumbing permit fees for 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	Electrical permit fee for each closed circuit of 50 AMPS	\$30.00

Buffalo Grove Municipal Code Section	Classification	Fee
subsection A.4.		
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
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	Electrical permit fee except for residential units, the	\$10.00 plus the circuit

Buffalo Grove Municipal Code Section	Classification	Fee
Section 108.2 subsection A.4.	fee for a motor less than three-quarter horsepower	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
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 percent of the building plan review fee—whichever is greater.

Buffalo Grove Municipal Code Section	Classification	Fee
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 square feet 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 percent 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
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	Fire protection system fee, renovation to an existing	\$50.00

Buffalo Grove Municipal Code Section	Classification	Fee
Section 108.2 subsection A.7.	system of 21-100 heads	
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
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

Buffalo Grove Municipal Code Section	Classification	Fee
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
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

Buffalo Grove Municipal Code Section	Classification	Fee
		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
16.20.020 subsection H.	Public Hearing fee and an Engineering Review fee for a public hearing with the Planning and 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
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

Buffalo Grove Municipal Code Section	Classification	Fee
		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

Chapter/Section	Title/Offenses	Minimum Fine/Fine Paid Before Hearing	Maximum Fine*	Minimum Fine – Must Appear at Hearing
Chapter 3.52	Municipal Commuter Station Parking Lot Fees			
3.52.020	Failure to Pay Daily Parking Fee—Metra	\$25	\$50	
3.52.040	Resident Parking Only Violation—Metra	\$25	\$50	
3.52.055	Failure to Pay Daily Parking Fee—Township	\$25	\$50	
Chapter 5.20	Liquor Controls			
5.20.190.A	Alcohol underage/possession/consumption			\$75
5.20.190.B. and C.	Alcohol sale, give, or deliver to underage	\$250		
5.20.192	Social Hosting Responsibility	\$150		
Chapter 5.24	Solicitors			
5.24.020	Soliciting without a permit	\$50		
5.24.080	Soliciting—Failure to leave when requested	\$50		
5.24.090	Soliciting where posted "No Soliciting"	\$50		
5.24.100	Soliciting in violation of soliciting hours/days	\$50		
Chapter 5.32	Tobacco			
5.32.090	Sale/delivery of tobacco products to a minor			\$75
5.32.105	Possession of tobacco products by minor			\$50
Chapter 5.40	Hours of Operation Adjacent to Residential Areas			
5.40.040	Violation of Hours of Operation requirements	\$75		
Chapter 6.12	Care and Control			
6.12.010	No Rabies Vaccination—1st Violation	\$50		
6.12.010	No Rabies Vaccination—2nd Violation	\$75		
6.12.010	No Rabies Vaccination—3rd Violation	\$100		
6.12.020	No Dog or Cat License	\$100		
6.12.060	Failure to Remove Excrement—1st Violation	\$50		
6.12.060	Failure to Remove Excrement—2nd Violation	\$75		
6.12.060	Failure to Remove Excrement—3rd Violation	\$100		
6.12.070	Dog or Cat at Large—1st Violation	\$50		
6.12.070	Dog or Cat at Large—2nd Violation	\$75		
6.12.070	Dog or Cat at Large—3rd Violation	\$100		
6.12.080	Excessive Number of Animals—1st Violation	\$50		

Chapter/Section	Title/Offenses	Minimum Fine/Fine Paid Before Hearing	Maximum Fine*	Minimum Fine – Must Appear at Hearing
6.12.080	Excessive Number of Animals—2nd Violation	\$75		
6.12.080	Excessive Number of Animals—3rd Violation	\$100		
6.12.090	Prohibited Animal—1st Violation	\$50		
6.12.090	Prohibited Animal—2nd Violation	\$75		
6.12.090	Prohibited Animal—3rd Violation	\$100		
6.12.120	Found to be potentially dangerous animal	\$75		
6.12.150.D	Excessive Dog Barking—1st Violation	\$50		
6.12.150.D	Excessive Dog Barking—2nd Violation	\$75		
6.12.150.D	Excessive Dog Barking—3rd Violation	\$100		
Chapter 8.20	Refuse			
8.20.020	Lack of required refuse service	\$50		
8.20.030	Littering	\$100		
8.20.070	Garbage—Out Too Early	\$25		
8.20.090	Garbage—Unsecured	\$25		
8.20.100	Illegal Dumping/Burning	\$50		
Chapter 8.24	Nuisances and Miscellaneous Health Laws			
8.24.020	Stagnant water creating mosquito nuisance	\$50		
8.24.060	Pest infestation—Insects	\$50		
8.24.070	Pest infestation—Rodents	\$50		
8.24.110	Use Constituting Nuisance	\$50		
Chapter 8.32	Weeds, Grass, Refuse and Junk			
8.32.010.A	Weeds in Excess of 12 Inches	\$50		
8.32.010.B	Grass in Excess of 6 Inches	\$50		
Chapter 9.04	Alarm Systems			
9.04.020	No Valid Alarm Permit	\$25		
Chapter 9.16	Controlled Substances			
9.16.020	Possession of Cannabis (under 10 grams)	\$200		
Chapter 9.17	Drug Paraphernalia			
9.17.020	Possession/sale of drug paraphernalia	\$100		
Chapter 9.28	Disorderly Conduct			
9.28.010	Disorderly conduct			\$100
9.28.010.C	Possession of fireworks	\$50		
9.28.025	Public Nuisance Assemblage/Social Host	\$100		
Chapter 9.32	Smoking in Public Places			
9.32.020	Smoking in Enclosed Public Place	\$50		
9.32.030	Smoking in Place of Employment	\$50		
9.32.040	Smoking in Open Air Dining Area	\$50		
9.32.050	Smoking at Entrance	\$50		

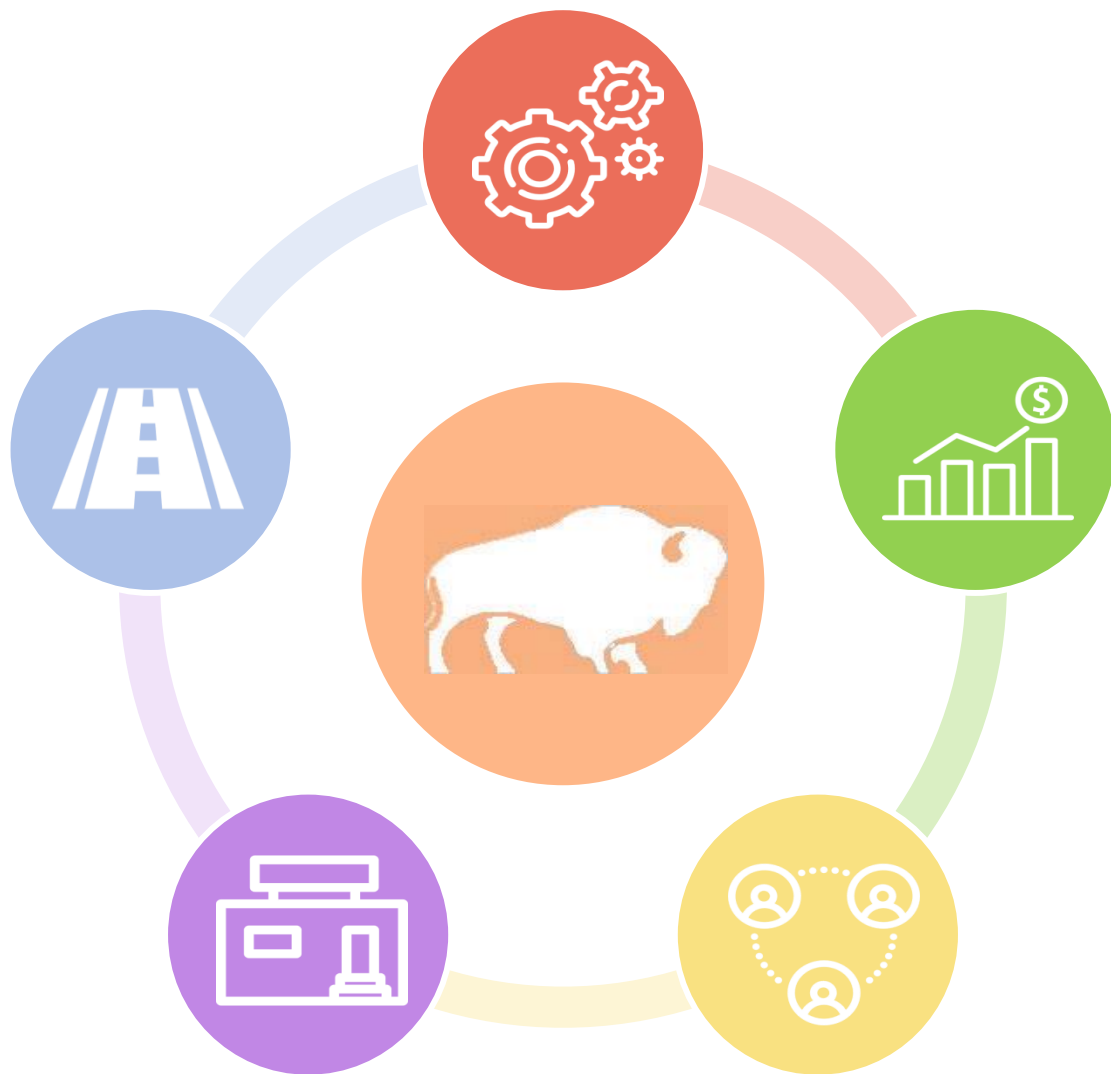
Chapter/Section	Title/Offenses	Minimum Fine/Fine Paid Before Hearing	Maximum Fine*	Minimum Fine – Must Appear at Hearing
Chapter 9.38	Noise			
9.38.020	Noise Prohibited	\$75		
9.38.030	Noise within a multi-family structure	\$100		
9.38.037	Construction regulations—Hours of work	\$75		
Chapter 9.48	Trespass and Damage to Property			
9.48.020	Trespass			\$75
9.48.030A	Damage to Village property			\$75
9.48.040	Graffiti			\$75
Chapter 9.52	Theft			
9.52.020	Theft			\$150
Chapter 9.68	Curfew			
9.68.010	Curfew			\$75
Chapter 9.70	Truancy			
9.70.010	Truancy			\$75
Chapter 9.80	Weapons			
9.80.010	Air rifle/BB gun/Gun discharge			\$75
Chapter 10.08	Snow			
10.08.010	Parking—After 2 inch Snow	\$25	\$50	
10.08.020	Dumping Snow in Street	\$25	\$50	
Chapter 10.16, Section 10.16.010	Buffalo Grove Vehicle and Traffic Code. Adoption by Reference of the Illinois Vehicle Code (IVC)			
5/3-401	No valid registration	\$50	\$75	
5/3-413(a)	No front/rear registration plate	\$50	\$75	
5/3-413(b)	Improper display of license plate	\$50	\$75	
5/3-413(f)	Operation of vehicle w/expired registration	\$50	\$75	
5/3-413(g)	Use of license plate cover	\$50	\$75	
5/3-701	Inoperable odometer under mileage plates	\$50	\$75	
5/1-100 et seq.	Miscellaneous Traffic Code Violations	\$50	\$75	
5/11-1003(a)	Jay Walking	\$25	\$50	
5/11-1301.3	Handicapped Zone Parking	\$250	\$375	
5/11- 1303.(a).1.b.	Parked Blocking Sidewalk	\$25	\$50	
5/11- 1303.(a).2.b.	Parked Within 15 feet of Fire Hydrant	\$25	\$50	
5/11- 1303.(a).2.c.	Parked Within 20 feet of Crosswalk	\$25	\$50	
5/11- 1303.(a).2.d.	Parked Within 30 feet of Traffic Control Device	\$25	\$50	
5/11- 1303.(a).3.b.	Parking Where Prohibited	\$25	\$50	

Chapter/Section	Title/Offenses	Minimum Fine/Fine Paid Before Hearing	Maximum Fine*	Minimum Fine – Must Appear at Hearing
5/11-1303.(a).3.b.	Parking in Loading Zone	\$25	\$50	
5/11-1304.a.	Parking over 12 inches from Curb	\$25	\$50	
5/11-1304.a.	Parking—Left Wheels to Curb	\$25	\$50	
5/11-1304.5	Parking of Vehicle With Expired Registration	\$25	\$50	
5/6-112	Driver's license not on person	\$50	\$75	
5/6-116	Failure to notify Secretary of State—Change of address	\$50	\$75	
5/12-713	Improperly marked vehicles—Contractor	\$50	\$75	
5/12-101	Unsafe equipment	\$50	\$75	
5/12-201(a)	Driving motorcycle w/out lighted headlight	\$50	\$75	
5/12-201(b)	Driving w/out lights when required	\$50	\$75	
5/12-201(b)	Only one tail light	\$50	\$75	
5/12-201(c)	No rear license plate light	\$50	\$75	
5/12-204	Improper lamp or flag on projected load	\$50	\$75	
5/12-207	Improper use of spot lamp/aux driving lamps	\$50	\$75	
5/12-208	No stop lights	\$50	\$75	
5/12-209(c)	Defective back-up lights	\$50	\$75	
5/12-210	Failure to dim headlights	\$50	\$75	
5/12-211	Only one headlight	\$50	\$75	
5/12-301	Defective brakes	\$50	\$75	
5/12-405(c)	Use of unsafe tire	\$50	\$75	
5/12-502	No rear view mirror	\$50	\$75	
5/12-503(a)	Illegally Tinted Windows	\$50	\$75	
5/12-503(c)	Obstructed windshield	\$50	\$75	
5/12-503(d)	Obstructed windows—Snow, ice, moisture	\$50	\$75	
5/12-503(d)	No windshield clearing device (wipers)	\$50	\$75	
5/12-601(a)	Defective or no horn	\$50	\$75	
5/12-602	Loud muffler—Excessive noise	\$50	\$75	
5/12-603.1	Failure to Wear Properly Adjusted Seat Belt	\$50	\$75	
5/12-608	No bumper or unlawful bumper height	\$50	\$75	
5/12-610.2	Use of Mobile Telephones	\$50		
5/12-611	Illegal operation of sound amplification—75'	\$50	\$75	
5/12-702	No flags, flares, warning devices carried	\$50	\$75	
5/12-710	Inadequate or no splash guards (mud flaps)	\$50	\$75	
Title 10, Chapter BG-4	Towing			

Chapter/Section	Title/Offenses	Minimum Fine/Fine Paid Before Hearing	Maximum Fine*	Minimum Fine – Must Appear at Hearing
BG-4-101.E.1.	Abandoned vehicle over 7 days	\$25	\$50	
Title 10, Chapter BG-11	Rules of the Road			
BG-11-1303.C.1.	Parking on Parkway or Median	\$25	\$50	
BG-11- 1303.C.2.b.	Parking—Blocking Driveway	\$25	\$50	
BG-11- 1303.C.2.c.	Parking in Posted Fire Lane	\$25	\$50	
BG-11-1308.1.	Parking on Street 2 am to 6 am	\$25	\$50	
BG-11-1311	Selling Vehicle on Street	\$25	\$50	
Chapter 12.20	Trees, Shrubs, and Other Plants			
12.20.070	Trees/vegetation obstructing public sidewalks	\$100		
12.20.080	Trees/vegetation creating visual obstructing	\$100		
Chapter 13.05	Water System Cross-connection Control			
13.05.110. A.2.	Inspection and maintenance	\$50		
Chapter 13.16	Water Conservation			
13.16.020	Sprinkling Ban Violation (12:00—6:00 p.m.)	\$100		
Title 14	Sign Code			
14.12.010	Signs Installed without a Permit	\$50		
14.32.060	Signs Placed in the Public Right-of-Way	\$50		
Chapter 15.04, Section 15.04.010	International Building Code. Adoption by Reference of the International Building Code (IBC)			
IBC 105.1	Failure to secure required permit (Commercial)	\$200		
Chapter 15.05, Section 15.05.010	International Residential Code One- and Two-Family Dwellings. Adoption by Reference of the International Residential Code One- and Two-Family Dwellings (IRC)			
IRC 105.1	Failure to secure required permit (Residential)	\$50		
Chapter 15.06, Section 15.06.010	Property Maintenance Code. Adoption by Reference of the International Property Maintenance Code (IPMC)			
IPMC 302.8, as amended	Parking on non-approved surface/grass/lawn	\$50		
IPMC 302.8, as amended	Unlicensed vehicle	\$100		
IPMC 302.8, as amended	Vehicle in a state of disrepair	\$75		

Chapter/Section	Title/Offenses	Minimum Fine/Fine Paid Before Hearing	Maximum Fine*	Minimum Fine – Must Appear at Hearing
IPMC 304	Property in disrepair	\$75		
IPMC 307	Junk/Garbage/Debris on property	\$75		
Chapter 15.12	Plumbing Code			
15.12.030	Downspout and sump pump discharges	\$75		
Chapter 15.20	Fence Code			
15.20.100	Fence in Disrepair	\$100		
Chapter 15.36	Residential Rental Housing Program			
15.36.040	Renting property without a license	\$100		
15.36.060	Failure to schedule/allow rental inspection	\$100		\$100
Chapter 17.12	Definitions			
17.12.230	Use or occupancy of a One-Family Dwelling by more than one family	\$25		\$25
Chapter 17.36	Driveways and Off-Street Parking and Loading Facilities			
17.36.030	Improper Recreational Vehicle Parking	\$50		\$50
17.36.030	Improper parking of a commercial vehicle/Residential District	\$25		\$25
17.36.030	Oversized Vehicle	\$25		\$25
17.36.030	Improperly maintained parking lots	\$50		\$50
17.36.030	Improperly marked accessible parking spaces	\$50		\$50

APPENDIX B: FINANCIAL POLICIES AND PROJECTIONS



FUND BALANCE AND RESERVE POLICY – DEBIT POLICY – INVESTMENT POLICY
– REVENUE COLLECTION POLICY – PROCUREMENT POLICY – GENERAL FUND
FORECAST – FIXED ASSET & CAPITAL EQUIPMENT CAPITALIZATION – WATER
FUND 20 YEAR PRO-FORMA STORMWATER FUND 20 YEAR PROFORMA – POST-
ISSUANCE PROCEDURES MANUAL

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 term or long term, in either form or through legal restrictions.

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

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

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

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

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

Fund Policy

- A. It is the policy of the Village of Buffalo Grove to maintain Committed Fund Balance in the General Fund to fund operations for a period of at least three months. The committed amount in the General Fund is adjusted annually with the adoption of the annual budget and is calculated as three months (25 percent) of General Fund expenditures (excluding transfers to fund capital projects and pensions). During the development of the subsequent year's annual budget, should the Committed Fund Balance be expected to fall below the 25 percent target notification will be given to the Village's Finance Committee. While identified uses of Fund Balance may be proposed that could continue the trend below 25%, such uses will be disclosed and approved by the Committee.
- B. The annual budget (appropriation) will include a contribution to (or drawdown from) the Committed Fund Balance to assure compliance with this policy. The levels of other required restrictions, commitments, and assignments will fluctuate depending on activity.
- C. Unassigned Fund Balance shall be reviewed annually and, where appropriate, a determination will be made as to how much of the unassigned fund balance will be transferred to the Reserves for Capital Replacement. Although the policy minimum is 25 percent for Committed Fund Balance, 30 percent is considered the preferred balance and any unassigned balances exceeding 30 percent will be considered for transfer.
- D. This policy may be amended from time to time according to the requests of the Village of Buffalo Grove President and Board of Trustees.
- E. The Village will spend the most restricted dollars before less restricted, in the following order;
 - a. Nonspendable Fund Balance (if funds become spendable)
 - b. Restricted Fund Balance
 - c. 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 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 its 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 INVESTMENT POLICY

I. Policy:

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

II. Scope:

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

1. Pooling of Funds

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

III. General Objectives:

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

1. Safety

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

(a). Credit Risk

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

- Limiting investment to the types of securities listed in Section VII of this Investment

Policy.

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

(b). Interest Rate Risk

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

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

2. *Liquidity*

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

3. *Yield*

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

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

IV. Standards of Care:

1. Prudence

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

2. Ethics and Conflicts of Interest

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

3. Delegation of Authority

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

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

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

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

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

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

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

VI. Safekeeping and Custody:

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

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

1. Internal Controls

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

The internal controls structure shall address the following points:

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

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

VII. Suitable and Authorized Investments:

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

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

BROKED 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 – 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 billed 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 PROCUREMENT POLICY

This policy is intended for use by Village Personnel as a general reference and will be revised as policies and procedures require revisions or clarification.

Approved by Village Resolution 2015- 24 on August 3, 2015

Previous Resolution No. 2013-09 on March 4, 2013

VILLAGE OF BUFFALO GROVE PROCUREMENT POLICY

INTRODUCTION

This 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. While this policy does not answer all questions related to purchasing, it does provide the foundation for a sound procurement policy. This policy is intended for use by the Village's Personnel as a general reference and will be revised as policies and procedures require revisions or clarification. This procurement policy may sometimes hereafter be referred to as "policy"

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.

PROCUREMENT GUIDELINES & SUMMARY

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	Department Director or Designee	Finance Director or Purchasing Manager
\$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

Ultimate authority to make purchases resides with the Village Board.

RESPONSIBILITIES OF PURCHASING AGENTS

THE PURCHASING MANAGER'S RESPONSIBILITIES

1. To facilitate the involvement of local vendors in the Village's procurement policy.
2. Impartial judgments in the selection of vendors which are based on product quality, price, warranty, and performance and vendor delivery, service, and performance.
3. Complying with all Village procurement procedures and State Statutes covering procurement and disposal.
4. Maintaining a store of office supplies and helping establish guidelines for maintaining general janitorial maintenance supplies.
5. Preparing formal bid packets and quotation requests.
6. Managing the formal bid process, including advertising for bids, notifying vendors, accepting bid proposals, opening bids, tabulating bids, and serving as the primary resource for questions from vendors.
7. Purchase review and final preparation of all purchase orders.
8. Maintaining adequate procurement records, including a database of vendors established in an accessible vendor file.
9. Upon request, assist departments in locating the best source for supplies, materials, and equipment.
10. Assisting departments in conducting negotiations with vendors concerning prices, bids, terms, deliveries, and adjustments.
11. Maintaining a central file of contracts and related documents including but not limited to certified payroll submissions and associated waivers of lien.
12. Assisting departments with the informal bid process.

THE VILLAGE MANAGER'S 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

DEPARTMENT AND EMPLOYEE RESPONSIBILITIES

1. It is the responsibility of each department to requisition goods and services in such a way as to allow time for competitive bidding, ordering, and delivery of materials. Exceptions shall be made only on rare occasions, when a true emergency exists.
2. It is the responsibility of the Department director or his designee, in consultation with the Purchasing Manager, to obtain these goods based upon competitive bids and to give consideration to product price, value, quality, performance, and delivery.
3. While the Department director may delegate minor purchases to employees, he/she is still responsible for ensuring such purchases are made according to the provisions of this policy.
4. No Department Director or employee is authorized to make any commitment to any salesperson or firm that will bind the Village in any way. During meetings with salespersons, no employee shall make any indication that he/she will recommend a particular product for purchase.
5. It is the responsibility of all Village of Buffalo Grove employees to comply with all rules and regulations set forth herein. As directed by the Village Manager, any employee deliberately violating the policy regarding unauthorized purchases shall be held personally accountable for the purchases. Failure to follow the procedures outlined in the Policy may lead to disciplinary action in accordance with the provisions of the Village of Buffalo Grove Employee Manual.

THE PURCHASING MANAGER'S RESPONSIBILITIES TO VENDORS

1. Encourage good Village/vendor relations.
2. Encourage businesses located within the Village to participate in the Village's procurement policy, by notifying all known in-Village vendors of opportunities to bid.
3. Conduct business with vendors in a professional manner that promotes honesty and fairness.
4. Accept, and in some cases require, samples from vendors to be used for testing. A fair trial shall be given to all samples and the outcome of the test shall be presented to the vendor, in general terms.
5. Make every effort to be available for appointments during normal business hours on reasonable notice.
6. Arrange interviews between salespersons and department directors as needed.
7. Write all correspondence to salespersons and vendors, except when technical details can be better written by the department.
8. Keep on file vendor information, catalogs, samples, price quotes, etc. to be used by all departments.

THE VENDOR'S RESPONSIBILITIES TO VILLAGE OF BUFFALO GROVE

1. Understand the needs of Village of Buffalo Grove and to try to find the right product at the right price, quality, and quantity that benefits the Village as a whole.
2. Conduct themselves in a professional manner: being honest about the supplies, services and products they represent.
3. Honor purchase orders generated as a result of providing price quotes on specified items and quantities.
4. Respond to Bids, Requests for Proposals, and Requests for Qualifications in a professional and ethical fashion. See Appendix D for causes for debarment from bidding.
5. Complete on a biennial basis the Village of Buffalo Grove Qualified Vendor Registration form. (Appendix E)

PAYMENT

The Village is bound by State Statute (50 ILCS 505/1 *et seq.*) which states that payments are to be made pursuant to the Illinois Local Government Prompt Payment Act. It is important to note that all contracts and agreements with Vendors reflect these particular payment terms.

CONFLICTS OF INTEREST

The Purchasing Manager shall not knowingly initiate a purchase order when there is a conflict of interest. All known or suspected conflict of interest situations shall be referred to the Office of the Village Manager. A conflict of interest exists when a Village employee or officer (The Village President, the members of the Village Board of Trustees, the Village Clerk, the Village Treasurer, the members of the Zoning Board of Appeals and the Plan Commission, the Village Manager and his Assistant or Assistants, or the heads of the various departments within the Village) is an officer or director of the supplier, or owns five percent (5%) or more of the supplier of products and or services to the Village of Buffalo Grove.

GIFTS AND FAVORS

Employees shall not solicit, accept or agree to accept any gift of any kind from any person or business entity doing business or wishing to do business with the Village, except where said gift is expressly permitted by the Illinois State Officials and Employees Ethics Act (5 ILCS 430/1-5). A "gift" means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an employee. Employees shall comply with the Illinois State Officials and Employees Ethics Act at all times.

The Purchasing Manager may accept samples from vendors only for the purpose of testing products.

PROCUREMENT METHODS

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 \$100.00. The use of petty cash should not be considered as a substitute for regular procurement procedures.

It is recommended that wherever possible a Village issued credit card/procurement card be used in the place of petty cash.

Requests for reimbursement using petty cash must be accompanied by the Petty Cash Form (Appendix F). 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:

1. An employee request for reimbursement for out of pocket expense.
2. Vendors requiring payment in advance.
3. 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.

For a copy of the Advance Check Request form see Appendix G.

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 \$100.01 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. Refer to Appendix F for the complete policy.

SPECIAL PROCUREMENT

ELECTRONIC EQUIPMENT

The IT (Information Technology) Department or a company contracted by the Village to supply IT services will purchase or authorize the purchase of all computers, peripherals, printers, cell phones and all other electronics governed by the Communications and Information Technology Policy. The IT Department or a company contracted by the Village to supply IT services will then be responsible for communicating to the Office of the Village Manager and requesting a Purchase Order or instructing the department requesting services or equipment to enter the information required to create a Purchase Order. The IT Department or the company contracted by the Village to supply IT services will setup and install equipment in the appropriate departments.

ELECTRONIC EQUIPMENT MAINTENANCE

When a copier, large format printer, scanner or multifunction print device requires maintenance, the department should use the contact information located on the device.

If you have maintenance or repair need for a cell phone or pager, contact the IT department or the company contracted by the Village to supply IT services.

When maintenance or repair is needed for all other electronic equipment, including but not limited to computers, printers, and telephones, the IT department or the company contracted by the Village to supply IT services shall be contacted. The IT department or the company contracted by the Village to supply IT services will either repair, service or make arrangements for outsourcing the repair.

VEHICLES/EQUIPMENT REPAIR

The Central Garage is responsible for the maintenance repair and replacement of all Village owned vehicles. Central Garage personnel will determine when repairs can be made at the garage or should be outsourced. Before outsourcing work, the Fleet Manager will notify the applicable Department director with a recommendation of the work to be performed, along with estimates or quotes.

BUILDINGS

The Public Works Department shall be contacted for Village building repairs and remodeling requests. For Village property the Public Works department will assess the need or problem and recommend the best course of action to correct the problem(s).

Repair services for Village buildings or equipment that are not covered by maintenance agreements shall be obtained by the following procedures:

1. Estimates of the repair/improvement work shall be gathered and reviewed before proceeding with the repairs/improvements.
2. As repairs/improvements to public facilities will likely require prevailing wage to be paid, the rider in Appendix I. should be provided to contractors when requesting quotes.
3. If emergency repairs are needed, Emergency Procurement procedures should be followed.

MAINTENANCE AGREEMENTS

Departments should follow these guidelines for all maintenance agreements:

1. All maintenance agreements must be reviewed by the Village Attorney.
2. Maintenance agreements shall be considered for any equipment/asset that requires frequent adjustment or repairs.
3. Maintenance agreements are a form of contract. Department Directors are not authorized to sign contracts in excess of \$3,500.00
4. Copies of all maintenance agreements will be filed with the Purchasing Manager.
5. Purchase order procedures shall be followed.

ENVIRONMENTALLY PREFERABLE PURCHASING

The purchase and use of products and services can have a profound impact on the environment. The Village of Buffalo Grove recognizes the positive impact that it can make on the environment through purchasing decisions that Village staff make. It is the intent of the Village of Buffalo Grove to integrate environmental considerations into the aspects of procurement.

Village staff should seek to reduce the environmental damages associated with their purchases by increasing their acquisition of environmentally preferable products and services to the extent feasible, consistent with price, performance, availability, and safety considerations.

WRITTEN CONTRACTS

Contracts range from written contracts described in this section to purchase orders incorporating specifications, which are also contracts. The following purchases will require contracts:

1. Supplies, equipment, apparatus, and material requiring an expenditure of more than \$20,000.00.
2. All maintenance agreements and leases.
3. Construction and repair (including demolition and renovation) projects requiring an expenditure of more than \$20,000.
4. Change Orders: Contracts for construction or repair projects can have change orders during the project prior to completion, without going through a new bid process, providing the bidding laws are not evaded. Change orders that exceed 10% of the total contract price must be approved by the Village Board and then should only be approved if it is in the best interests of the Village of Buffalo Grove. Change orders up to \$10,000.00 (but less than 10% of total contract price) can be approved by the Village Manager.
5. Any work that that can be considered an improvement to public facilities and therefore invokes prevailing wage rates must have a written contract. At a minimum the rider in Appendix I. must be attached to a quote provided for such work and signed by the contractor/vendor performing the work.

All contracts that commit the Village to an expenditure of more than \$3,500.00 shall be submitted to the Village Manager or Finance Director for approval signature. Contracts at or below \$3,500 may be signed by a Department Director after review by the Village Attorney with the contract forwarded to the Purchasing Manager. Contracts that commit the Village to an expenditure of more than \$20,000 can only be signed by the Village President or Village Manager.

While Illinois law and Village policy mandate when written contracts are required, this does not preclude the use of written contracts at any time. It should also be remembered that the need for a contract might vary according to circumstances and, a written contract may be used whenever it is deemed necessary and advisable by the Purchasing Manager or Village Attorney.

MULTI-YEAR CONTRACTS

Unless otherwise provided by law, a contract for supplies or services may be entered into for any period of time deemed to be in the best interests of the Village of Buffalo Grove. The term of the contract and conditions of renewal or extension, if any, must be included in the solicitation and funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor.

INFORMAL PURCHASES

Any procurement not exceeding \$20,000.00 may be made in accordance with the following purchase procedures, provided however, that purchases are not artificially divided so as to create an Informal purchase. The splitting of a purchase or contract into two or more purchases for the purpose of avoiding the bidding or quotation process is in violation of State law and Village policy.

INFORMAL BUYING REQUIREMENTS – PURCHASES OF \$250.00 OR LESS

The informal buying requirements cover purchases for construction or repair work and contracts for the purchase or lease-purchase of apparatus, supplies, materials, or equipment involving the expenditure of \$250.00 or less.

Pricing may be obtained verbally, or by electronic or written submission. No advertisement is required. The Village of Buffalo Grove standard is to seek three quotes for all purchases that do not qualify for the informal purchase exception rules. If the purchase is for a routine operating good or service, the price comparison needs to be performed at least once each fiscal year.

INFORMAL QUOTE REQUIREMENTS – PURCHASES BETWEEN \$250.01 & \$3499.99

The informal quote requirements cover contracts for construction or repair work and contracts for the purchase or lease-purchase of apparatus, supplies, materials, or equipment involving the expenditure of \$250.01 to \$3,499.99.

Pricing may be obtained by electronic or written submission. No advertisement is required. The Village of Buffalo Grove standard is to seek three quotes for all purchases that do not qualify for the exception rules.

INFORMAL PROPOSAL REQUIREMENTS – PURCHASES BETWEEN \$3500.00 & \$20,000.00

The informal proposal requirements cover contracts for construction or repair work and contracts for the purchase or lease-purchase of apparatus, supplies, materials, or equipment involving the expenditure of \$3,500.00 to \$20,000.00.

Informal proposals may be obtained by electronic or written submission. No advertisement is required but it is recommended. The Village of Buffalo Grove standard is to seek at least three quotes for all purchases that do not qualify for the exception rules.

INFORMAL PURCHASE EXCEPTIONS

Exceptions to obtaining price quotes from more than one vendor should be limited to the following;

1. There are a variety of numerous items in the order, including but limited to maintenance repair and operational (MRO) supplies and office supplies.
2. Specifications are sufficiently detailed, or the item being sought is highly unique and/or specialized.
3. Sole source procurement.

Exceptions must be noted with the Purchase Order.

FORMAL PROCUREMENT REQUIREMENTS

Procurement involving the expenditure of \$20,000.00 or more requires Village Board approval. Exception to this rule is provided for only in the case of emergency and is detailed in the section titled Emergency Procurement.

COMPETITIVE SEALED BIDS

The formal bidding requirements cover contracts for construction or repair work and contracts for the purchase or lease-purchase of apparatus, supplies, materials, or equipment involving the expenditure of more than \$20,000.00. Bids should be used where detailed specifications are available and pricing is of the utmost concern.

A notice to bidders, "Invitation to Bid" must be advertised locally. The advertisement must include:

1. A general description of the service or supplies sought after by the Village of Buffalo Grove, with details on how to obtain more specific information of those services/supplies.
2. Notification that only sealed bids shall be reviewed.
3. Bonding and Insurance requirements as might be necessary.
4. Date, time and location of bid opening.

Bid notices should be mailed/e-mailed to Vendors the week the notice is published. Contract documents should be made available to Vendors in the office of the person authorized to administer the bid. If copies of contract documents are expensive to reproduce, a fee may be required by the Village to create those documents.

Pursuant to authority in chapter 2.08 of the Buffalo Grove Municipal Code the Village may utilize Bids obtained through the Illinois Government Joint Purchase Act (30ILCS 525/0.01)

Bids will be opened at the time and date as advertised on the "Notice to Bidders". Bids received after the time and date specified shall not be accepted.

Both Bid Bonds and Bid deposit checks are acceptable methods of providing earnest payment to show good faith in entering into a Contract with the Village of Buffalo Grove. If the low bidder chooses not to enter into a contract with the Village, the Village shall reserve the right to retain those funds.

See Appendix A for more information on the Formal Bid Process.

The requirement for competitive sealed bids may be waived by a two-thirds vote of the Village Trustees.

STANDARD FOR AWARDING BID

The standard for awarding contracts is based on the lowest responsive and responsible bidder, or bidders, taking into consideration quality, performance, and the time specified in the proposals for the performance of the contracts. If a supplier is recommended who has not quoted the lowest price, the reasons for selecting the supplier should be documented.

Appendix A. Bid Evaluation and Award, fully details the methods to be used in determining lowest responsive and responsible bidder.

Single Bids. When only a single bid or quote is received that fact alone shall not prevent the Village from accepting that bid or quote.

BID/QUOTE RECORDS

The Village must keep a record of all bids/quotes sought, but those records are not subject to public inspection until the contract has been awarded.

REQUESTS FOR PROPOSALS

The formal Request for Proposal (RFP) process cover contracts for construction or repair work and contracts for the purchase or lease-purchase of apparatus, supplies, materials, or equipment involving the expenditure of \$20,000 or more. An RFP should be used in those occasions where the need for quality or expertise exceeds the concern for pricing. RFP documents will likely include a section detailing what criteria shall be used to make the selection for the vendor to be awarded the contract.

A notice to proposers, "Request for Proposal" should be advertised locally. The advertisement should include:

- (a.) A general description of the service or supplies sought after by the Village of Buffalo Grove, with details on how to obtain more specific information of those services/supplies;
- (b.) Notification that only sealed proposals shall be reviewed;
- (c.) Bonding and Insurance requirements as might be necessary; and
- (d.) Date, time and location Proposals are due.

A Request for Proposal should be mailed/e-mailed to potential Proposers the week the notice is published. Contract documents should be made available to Proposers in the office of the person authorized to administer the bid. If copies of contract documents are expensive to reproduce, a fee may be required by the Village to create those documents.

Proposals will be opened at the time and date as advertised in the Request for Proposal. Proposals received after the time and date specified shall not be accepted.

Both Bid Bonds and Bid deposit checks are acceptable methods of providing earnest payment to show good faith in entering into a Contract with the Village of Buffalo Grove. If the low bidder chooses not to enter into a contract with the Village the Village shall reserve the right to retain those funds.

See Appendix B. for more information on the Competitive Sealed Proposal process.

REQUEST FOR PROPOSAL

The request for Competitive Sealed Proposals is an exception to the bid process. The reasons for selection of this method of procurement and the procedures to be followed are set forth in Appendix B.

EXCEPTIONS TO BID/ PROCUREMENT REQUIREMENTS

SOLE SOURCE PROCUREMENT

A contract may be awarded for a supply, service, or construction item without competition when, the Finance Director, Purchasing Manager, or a designee of either determines in writing that there is only one source for the required supply, service, or construction item. Purchases made in this fashion in excess of \$20,000 must be brought before the Village Board in the form of a request for Bid Waiver.

EMERGENCY PROCUREMENTS

Notwithstanding any other provision of this Policy, the Village Manager, Finance Director or Purchasing Manager may make or authorize others to make emergency procurements when there exists a threat to public health, welfare, or safety under emergency conditions; provided that such emergency procurements shall be made with such competition as is practicable under the circumstances.

If emergency purchases are needed during business hours, begin Purchase Order procedures immediately and contact the Purchasing Manager for Purchase Order approval. When emergency purchases occur during non business hours, contact the Purchasing Manager immediately the next business day. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

The Village Manager must authorize any emergency procurement for more than \$20,000. In such cases the Village Manager will notify the Corporate Authorities as soon as is practicable of all emergency procurements that exceed \$20,000.

PROFESSIONAL SERVICES

Professional services including but not limited to Accounting, Auditing, Financial, Recruitment, Employment, Procurement, Information Technology, Legal, Land Survey, Architectural and Engineering services, are generally procured through a Request for Qualifications followed by or in conjunction with a Request for Proposals. The Village will award the contract based upon quality, performance, and the time specified in the proposals for the performance of the contracts.

FUEL PROCUREMENT

Due to the speculative nature of fuel purchases and an ever increasing volatile market, the Village Manager working in coordination with the Fleet Manager has been authorized by Section 2.08.040 of the Village of Buffalo Grove Municipal Code to make purchases in excess of the bid limit in order to secure fuel at the best possible price for the Village of Buffalo Grove.

COOPERATIVE PROCUREMENT

In some cases the Village has an opportunity to purchase through a joint procurement agency. Joint Procurement cooperatives can save the Village of Buffalo Grove money through collective buying power. It may also be the case that other agencies have gone through the Bid process for items or services the Village now seeks. In those cases the Finance Department may recommend that the Village Board “Accept 3rd Party* Bids for _____ and purchase using a joint procurement agency bid”.

The Illinois State Intergovernmental Cooperation Act (5 ILCS 220) allows for cooperative procurement.

* 3rd Party includes but is not limited to; the State of Illinois Central Management Services, United States General Services Administration, Northwest Municipal Conference and the North Suburban Municipal Partnering Initiative.

Pursuant to authority in chapter 2.08 of the Buffalo Grove Municipal Code the Village may utilize Bids obtained through the Illinois Government Joint Purchase Act (30 ILCS 525/0.01)

ASSET SHARING POLICY

A subset of Cooperative Procurement is Asset Sharing. The Village of Buffalo Grove is committed to providing safe, efficient and effective services to the Residents of Buffalo Grove and other external stakeholder groups through the sharing of assets where appropriate and practical.

It is the policy of the Village of Buffalo Grove to ensure that certain criteria are evaluated when making capital asset purchases. The administrative guidelines outlined in Appendix J. apply to all situations where the sharing of assets could be of mutual benefit to those involved and reduce the overall lifecycle cost of the asset. This Policy shall apply to all departments of the Village and include such things as vehicles, equipment, trailers, and tools.

The purpose of the Asset Sharing Policy (“Policy”) is to provide the Village of Buffalo Grove staff with guidelines and directions for acquiring assets that can be shared. The benefit to all parties is a more effective use of resources, enhanced inter-governmental cooperation, and more efficient use of taxpayer dollars through cost sharing.

The Policy is designed to be a fluid document and will be modified from time to time to conform to changes in law, technology and actual practice.

APPENDIX A

FORMAL BID REQUIREMENTS

THE INVITATION FOR BIDS.

The Invitation for Bids is used to initiate competitive sealed bid procurement.

The Invitation for Bids shall include the following:

1. instructions and information to bidders concerning the bid submission requirements, including the time and date set for receipt of bids, the address of the office to which bids are to be delivered, the maximum time for bid acceptance by the Village of Buffalo Grove, and any other special information;
2. the purchase description, evaluation factors, delivery or performance schedule, and such inspection and acceptance requirements as are not included in the purchase description; and
3. the contract terms and conditions, including warranty and bonding or other security requirements, as applicable.

Incorporation by Reference. The Invitation for Bids may incorporate documents by reference.

Acknowledgement of Addendums. The Invitation for Bids shall require the acknowledgement of the receipt of all Addendums issued.

BIDDING TIME.

Bidding time is the period of time between the date of distribution of the Invitation for Bids and the time and date set for receipt of bids. In each case bidding time will be set to provide bidders a reasonable time to prepare their bids. A minimum of 10 days shall be provided unless a shorter time is deemed necessary for a particular procurement as determined in writing by the Purchasing Manager.

BIDDER SUBMISSIONS.

Bid Form. The Invitation for Bids shall provide a form which shall include space in which the bid price shall be inserted and which the bidder shall sign and submit along with all other necessary submissions.

BID SAMPLES AND DESCRIPTIVE LITERATURE.

1. "Descriptive literature" means information available in the ordinary course of business which shows the characteristics, construction, or operation of an item which enables the Village of Buffalo Grove to consider whether the item meets the Village's needs.
2. "Bid sample" means a sample to be furnished by a bidder to show the characteristics of the item offered in the bid.
3. Bid samples or descriptive literature may be required when it is necessary to evaluate required characteristics of the items bid.

4. The Invitation for Bids shall state that bid samples or descriptive literature should not be submitted unless expressly requested and that, regardless of any attempt by a bidder to condition the bid, unsolicited bid samples or descriptive literature which are submitted at the bidder's risk will not be examined or tested, and will not be deemed to vary any of the provisions of the Invitation for Bids.

PUBLIC NOTICE.

Distribution. Invitations for Bids or Notices of the Availability of Invitations for Bids shall be mailed or otherwise furnished to a sufficient number of potential bidders for the purpose of securing competition. Notices of Availability shall indicate where, when, and for how long Invitations for Bids may be obtained; generally describe the supply, service, or construction desired; and may contain other appropriate information. Where appropriate the Purchasing Manager may require payment of a fee or a deposit for the supplying of the Invitation for Bids.

Publication. Every procurement in excess of \$20,000 shall be publicized in one or more of the following ways:

1. in a newspaper of general circulation;
2. in a newspaper of local circulation in the area pertinent to the procurement;
3. in industry media;
4. through electronic mailing lists,
5. through the internet, agency web site, or other publicly accessible electronic media, or
6. in a government publication designed for giving public notice.

Public Availability. A copy of the Invitation for Bids shall be made available for public inspection at the Purchasing Manager's office or the public information office of such officer's agency.

BIDDERS LISTS.

Purpose. Bidders lists may be compiled to provide the Village of Buffalo Grove with the names of businesses that may be interested in competing for various types of the Village of Buffalo Grove contracts. Unless otherwise provided, inclusion or exclusion of the name of a business does not indicate whether the business is responsible in respect to a particular procurement or otherwise capable of successfully performing a Village of Buffalo Grove contract.

Public Availability. Names and addresses on bidders lists shall be available for public inspection, unless an exemption to the Illinois Freedom of Information Act applies.

PRE-BID CONFERENCES.

Pre-bid conferences may be conducted to explain the procurement requirements. They shall be announced to all prospective bidders known to have received an Invitation for Bids. The conference should be held long enough after the Invitation for Bids has been issued to allow bidders to become familiar with it, but sufficiently before bid opening to allow consideration of the conference results in preparing their bids. Nothing stated at the pre-bid conference shall change the Invitation for Bids unless a change is made by written addendum.

ADDENDUMS TO INVITATIONS FOR BIDS.

Form. Addendums to Invitations for Bids shall be identified as such and shall require that the bidder acknowledge receipt of all Addendums issued. The amendment shall reference the portions of the Invitation for Bids it amends.

Distribution. Addendums shall be sent to all prospective bidders known to have received an Invitation for Bids.

Timeliness. Addendums shall be distributed within a reasonable time to allow prospective bidders to consider them in preparing their bids. If the time and date set for receipt of bids will not permit such preparation, such time shall be increased to the extent possible in the addendum or, if necessary, by telephone and confirmed in the addendum.

PRE-OPENING MODIFICATION OR WITHDRAWAL OF BIDS.

Procedure. Bids may be modified or withdrawn by written notice received in the office designated in the Invitation for Bids prior to the time and date set for bid opening. An electronic modification or withdrawal received from the bidder or, as applicable, the receiving prior to the time and date set for bid opening will be effective provided that there is objective evidence, in electronic form or from the receiving company, confirming that the message was received prior to the time and date set for bid opening.

Disposition of Bid Security. If a bid is withdrawn in accordance with this Section, the bid security, if any, shall be returned to the bidder.

Records. All documents relating to the modification or withdrawal of bids shall be made a part of the appropriate procurement file.

LATE BIDS, LATE WITHDRAWALS, AND LATE MODIFICATIONS.

Any bid received after the time and date set for receipt of bids is late. Any withdrawal or modification of a bid received after the time and date set for opening of bids at the place designated for opening is late.

Notice. Bidders submitting late bids that will not be considered for award shall be so notified as soon as practicable.

Records. Records equivalent to those required in the Section titled "Pre-Opening Modification or Withdrawal of Bids", shall be made and kept for each late bid, late modification, or late withdrawal.

RECEIPT, OPENING, AND RECORDING OF BIDS.

Receipt. Upon its receipt, each bid and modification shall be time-stamped but not opened and shall be stored in a secure place until the time and date set for bid opening. Bids submitted through electronic means shall be received in such a manner that the time and date of submittal, along with the contents of such bids shall be securely stored until the time and date set for bid opening.

Opening and Recording. Bids and modifications shall be opened publicly, in the presence of one or more witnesses, at the time, date, and place designated in the Invitation for Bids. The name of each bidder, the bid price, and such other information as is deemed appropriate by the Purchasing Manager, shall be read aloud or otherwise made available. Such information also shall be recorded at the time of bid opening; that is, the bids shall be tabulated or a bid abstract made. The names and addresses of witnesses shall also be recorded at the opening. The opened bids shall be available for public inspection except to the extent the bidder designates trade secrets or other proprietary data to be confidential as set forth in the Subsection titled "Confidential Data" of this Section, or as otherwise provided by law. Information marked Confidential shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. Price, makes and model or catalogue of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary.

Confidential Data. The Purchasing Manager shall examine the bids to determine the validity of any requests for nondisclosure of trade secrets and other proprietary data identified in writing. If the parties do not agree as to the disclosure of data, the Purchasing Manager shall inform the bidders in writing what portions of the bids will be disclosed and that, the bids will be disclosed. The bids shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data unless subject to an exemption under applicable law.

Proposals and bids are exempt from disclosure until an award or final selection is made pursuant to 5 ILCS 140/7(1)(h).

BID EVALUATION AND AWARD

The standard for awarding contracts is based on the lowest responsive and responsible bidder, or bidders, taking into consideration quality, performance, and the time specified in the proposals for the performance of the contracts. If a supplier is recommended who has not quoted the lowest price, the reasons for selecting the supplier should be documented.

Product Acceptability. The Invitation for Bids shall set forth any evaluation criterion to be used in determining product acceptability. It may require the submission of bid samples, descriptive literature, technical data, or other material. It may also provide for accomplishing any of the following prior to award:

- (a) inspection or testing of a product prior to award for such characteristics as quality or workmanship;
- (b) examination of such elements as appearance, finish, taste, or feel; or
- (c) other examinations to determine whether it conforms with any other purchase description requirements.

The acceptability evaluation is not conducted for the purpose of determining whether one bidder's item is superior to another but only to determine that a bidder's offering is acceptable as set forth in the Invitation for Bids. Any bidder's offering which does not meet the acceptability requirements shall be rejected as nonresponsive.

Determination of Lowest Bidder. Following determination of product acceptability, if any is required, bids will be evaluated to determine which bidder offers the lowest cost to the Village of Buffalo Grove in accordance with the evaluation criteria set forth in the Invitation for Bids. Only objectively measurable criteria which are set forth in the Invitation for Bids shall be applied in determining the lowest bidder. Examples of such criteria include, but are not limited to, transportation cost, and ownership or life cycle cost formulas. Evaluation factors need not be precise predictors of actual future costs, but to the extent possible such evaluation factors shall:

- (a) be reasonable estimates based upon information the Village of Buffalo Grove has available concerning future use; and
- (b) treat all bids equitably.

Responsive and Responsible Bidder. In an effort to determine a "Responsive and/or Responsible" Bidder the Village will take in consideration responses from references provided by Bidders as well as information as might be solicited from other local municipalities or governmental agencies, in addition, the following shall be considered when determining whether the bidder is responsive and responsible:

- (a) The ability, capacity and skill of the bidder to perform the contract and to provide the service required;
- (b) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- (c) The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- (d) The quality of the performance of previous contracts or services;
- (e) The previous and existing compliance by the bidder with laws and ordinances relating to the contract and service;
- (f) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- (g) The quality, availability and adaptability of the supplies or contractual services to the particular use required;
- (h) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract; and
- (i) The number and scope of conditions attached to the bid.

Restrictions. Nothing in this Section shall be deemed to permit contract award to a bidder submitting a higher quality item than that designated in the Invitation for Bids if such bidder is not also the lowest bidder. Further, this Section does not permit negotiations with any bidder.

LOW TIE BIDS.

Definition. Low tie bids are low responsive bids from responsible bidders that are identical in price and which meet all the requirements and criteria set forth in the Invitation for Bids.

Award. Awards shall not be made by drawing lots, or by dividing business among identical bidders. The Purchasing Manager shall bring before the Village Board a request to reject all Bids and negotiate with the Low Tie Bidders.

Records shall be made of all Invitations for Bids on which tie bids are received showing at least the following information:

- (a) the identification number of the Invitation for Bids;
- (b) the supply, service, or construction item; and
- (c) a listing of all the bidders and the prices submitted.

A copy of each such record shall be sent to the Village Clerk's Office

DOCUMENTATION OF AWARD.

Following award, a record showing the successful bidder shall be made a part of the procurement file.

APPENDIX B

COMPETITIVE SEALED PROPOSALS.

Conditions for Use.

- (a) A contract may be entered into by competitive sealed proposals when the Purchasing Manager, Village Manager, the Finance Director, or a designee of any of the foregoing above determines in writing, , that the use of competitive sealed bidding is either not practicable or not advantageous to the Village of Buffalo Grove.
- (b) Contracts for the design-build, design-build-operate-maintain, or design-build-finance-operate-maintain project delivery methods shall be entered into by competitive sealed proposals.

REQUEST FOR PROPOSALS.

Proposals shall be solicited through a Request for Proposals.

Public Notice. Adequate public notice of the Request for Proposals shall be given in the same manner as provided in Formal Bid Requirements, Public Notice section of Appendix A.

Receipt of Proposals. Proposals shall be opened so as to avoid disclosure of contents to competing proposers during the process of negotiation. A Register of Proposals shall be prepared and shall be open for public inspection after contract award.

Evaluation Factors. The Request for Proposals shall state the relative importance of price and other factors and subfactors, if any.

Discussion with Responsible Proposers and Revisions to Proposals. As provided in the Request for Proposals, discussions may be conducted with responsible proposers who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there should be no disclosure of any information derived from proposals submitted by competing proposers.

Award. Award shall be made to the responsive and responsible proposer whose proposal conforms to the solicitation and is determined in writing to be the most advantageous to the Village of Buffalo Grove taking into consideration price, reference responses and the evaluation factors set forth in the Request for Proposals and any related Addendums.

Debriefings. The Purchasing Manager is authorized to provide debriefings that furnish the basis for the source selection decision and contract award.

When Competitive Sealed Bidding is Not Practicable. Competitive sealed bidding is not practicable unless the nature of the procurement permits award to a low bidder who agrees by its bid to perform without condition or reservation in accordance with the purchase description, delivery or performance schedule, and all other terms and conditions of the Invitation for Bids. Factors to be considered in determining whether competitive sealed bidding is not practicable include:

- (a) whether the contract needs to be other than a fixed-price type;
- (b) whether oral or written discussions may need to be conducted with proposers concerning technical and price aspects of their proposals;
- (c) whether proposers may need to be afforded the opportunity to revise their proposals, including price;
- (d) whether award may need to be based upon a comparative evaluation as stated in the Request for Proposals of differing price, quality, and contractual factors in order to determine the most advantageous offering to the Village of Buffalo Grove. Quality factors include technical and performance capability and the content of the technical proposal; and
- (e) whether the primary consideration in determining award may not be price.

When Competitive Sealed Bidding is Not Advantageous. A determination may be made to use competitive sealed proposals if it is determined that it is not advantageous to the Village of Buffalo Grove, even though practicable, to use competitive sealed bidding. Factors to be considered in determining whether competitive sealed bidding is not advantageous include:

- (a) if prior procurements indicate that competitive sealed proposals may result in more beneficial contracts for the Village of Buffalo Grove; and
- (b) whether the factors are desirable in conducting a procurement rather than necessary; if they are, then such factors may be used to support a determination that competitive sealed bidding is not advantageous.

DETERMINATIONS.

The Village Manager or the Finance Director may make determinations by category of supply, service, infrastructure facility, or construction item that it is either not practicable or not advantageous to the Village of Buffalo Grove to procure specified types of supplies, services, or construction by competitive sealed bidding. Procurements of the specified types of supplies, services, or construction may then be made by competitive sealed proposals based upon such determination. The officer who made such determination may modify or revoke it at any time, and such determination should be reviewed for current applicability from time to time.

CONTENT OF THE REQUEST FOR PROPOSALS.

The Request for Proposals shall be prepared in accordance with the Invitation for Bids section in Appendix A of this policy provided that it shall also include:

- (a) a statement that discussions may be conducted with proposers who submit proposals determined to be reasonably susceptible of being selected for award, but that proposals may be accepted without such discussions; and
- (b) a statement of when and how price should be submitted.
- (c) a listing of the criteria by which staff will make a selection and recommendation to the Village Board may also be included.

PROPOSAL PREPARATION TIME.

Proposal preparation time shall be set to provide proposers a reasonable time to prepare their proposals. A minimum of 10 days shall be provided unless a shorter time is deemed necessary for a particular procurement as determined in writing by the Purchasing Manager.

FORM OF PROPOSAL.

The manner in which proposals are to be submitted, including any forms for that purpose, may be designated as a part of the Request for Proposals.

PUBLIC NOTICE.

Public notice shall be given by distributing the Request for Proposals in the same manner provided for distributing an Invitation for Bids

USE OF BIDDERS LISTS.

Bidders lists compiled and maintained in accordance with the Bidders Lists section of Appendix A. of this policy may serve as a basis for soliciting competitive sealed proposals.

PRE-PROPOSAL CONFERENCES.

Pre-proposal conferences may be conducted in accordance with the Pre-Bid Conferences section of Appendix A. Any such conference should be held prior to submission of initial proposals.

ADDENDUMS TO REQUESTS FOR PROPOSALS.

Addendums to Requests for Proposals may be made in accordance with the Addendums to Invitations for Bids section of Appendix A. prior to submission of proposals.

MODIFICATION OR WITHDRAWAL OF PROPOSALS.

Proposals may be modified or withdrawn prior to the established due date in accordance with Section the Pre-Opening Modification or Withdrawal of Bids section of Appendix A. For the purposes of this Section and the Late Proposals, Late Withdrawals, and Late Modifications section of this Appendix B. the established due date is either the time and date announced for receipt of proposals or receipt of modifications to proposals, if any; or if discussions have begun, it is the time and date by which best and final offers must be submitted, provided that only proposers who

submitted proposals by the time announced for receipt of proposals may submit best and final offers.

LATE PROPOSALS, LATE WITHDRAWALS, AND LATE MODIFICATIONS.

Any proposal, withdrawal, or modification received after the established due date at the place designated for receipt of proposals is late. Late Proposals may only be considered in accordance with the Late Bids, Late Withdrawals, and Late Modifications section of Appendix A. of this Policy

RECEIPT AND REGISTRATION OF PROPOSALS.

Proposals shall not be opened publicly but shall be opened in the presence of two or more Village employees. Proposals and modifications shall be time-stamped upon receipt and held in a secure place until the established due date. After the date established for receipt of proposals, a Register of Proposals shall be prepared which shall include for all proposals the name of each proposer, the number of modifications received, if any, and a description sufficient to identify the supply, service, or construction item offered. The Register of Proposals shall be open to public inspection only after award of the contract. Proposals and modifications shall be shown only to the Village of Buffalo Grove personnel having a legitimate interest in them.

EVALUATION OF PROPOSALS.

Evaluation Factors in the Request for Proposals. The Request for Proposals can include the following evaluation factors (and subfactors), including price, and their relative importance.

Evaluation. The evaluation shall be based on the evaluation factors set forth in the Request for Proposals.

1. Classifying Proposals. For the purpose of conducting Village staff discussions, proposals shall be initially classified as:
 - (a) acceptable;
 - (b) potentially acceptable, that is, reasonably susceptible of being made acceptable; or
 - (c) unacceptable.
2. Proposers whose proposals are unacceptable shall be so notified promptly.
3. Selection Criteria. Proposals will be evaluated by a selection committee made up of Village staff, which will subsequently present its recommendation to the Buffalo Grove Village Board. The recommendation for the successful Proposer may be based on the following or similar criteria, though the weight of each item will vary with the project:
 - (a) 15 % Proposer's experience, capacity and capability to provide the required equipment, installation and training services in a professional, timely, reliable and secure manner.
 - (b) 15 % Proposer's understanding of the Village's technical requirements and demonstrated ability to meet or exceed the same.

- (c) 50 % The cost of providing the equipment, installation and training services.
- (d) 10 % Ability to interact productively with Village staff, as required.
- (e) 10 % Information obtained through reference checks.

Proposal Discussions/Interviews with Individual Proposers.

"Proposers" Defined. "Proposers" includes only those businesses submitting proposals that are acceptable or potentially acceptable. The term shall not include businesses who submitted unacceptable proposals.

Purposes of Discussions. Discussions or Interviews are held to:

- (a) promote understanding of the Village of Buffalo Grove's requirements and the proposers' proposals; and
- (b) facilitate arriving at a contract that will be most advantageous to the Village of Buffalo Grove taking into consideration price and the other evaluation factors set forth in the Request for Proposals.

Conduct of Discussions. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals. The Purchasing Manager should establish procedures and schedules for conducting discussions. If during discussions there is a need for any substantial clarification of or change in the Request for Proposals, the Request shall be amended to incorporate such clarification or change. Auction techniques (revealing one proposer's price to another) and disclosure of any information derived from competing proposals are prohibited. Any substantial oral clarification of a proposal shall be reduced to writing by the proposer.

Best and Final Offers. The Purchasing Manager shall establish a common date and time for the submission of best and final offers. Best and final offers shall be submitted only once; provided, however, the Purchasing Manager or the Village Manager may make a written determination that it is in the Village of Buffalo Grove's best interest to conduct additional discussions or change the Village of Buffalo Grove's requirements and require another submission of best and final offers. Otherwise, no discussion of or changes in the best and final offers shall be allowed prior to award. Proposers shall also be informed that if they do not submit a notice of withdrawal or another best and final offer, their immediate previous offer will be construed as their best and final offer.

APPENDIX C

VILLAGE OF BUFFALO GROVE PUBLIC CONTRACT STATEMENTS

The Village of Buffalo Grove is required to obtain certain information in the administration and awarding of public contracts. The following Public Contract Statements shall be executed and notarized.

PUBLIC CONTRACT STATEMENTS

CERTIFICATION OF CONTRACTOR/BIDDER

In order to comply with 720 Illinois Compiled Statutes 5/33 E-1 et seq., the Village of Buffalo Grove requires the following certification be acknowledged:

The below-signed bidder/contractor hereby certifies that it is not barred from bidding or supplying any goods, services or construction let by the Village of Buffalo Grove with or without bid, due to any violation of either Section 5/33 E-3 or 5/33 E-4 of Article 33E, Public Contracts, of the Chapter 720 of the Illinois Compiled Statutes, as amended. This act relates to interference with public contracting, bid rigging and rotating, kickbacks, and bidding.

CERTIFICATION RELATIVE TO 65 ILCS 5/11-42.1-1

In order to comply with 65 Illinois Compiled Statutes 5/11-42.1-1, the Village of Buffalo Grove requires the following certification:

The undersigned does hereby swear and affirm that it is not delinquent in the payment of any tax administered by the Illinois Department of Revenue unless it is contesting, in accordance with the procedures established by the appropriate revenue Act, its liability for the tax or the amount of the tax. The undersigned further understands that making a false statement herein: (1) is a Class A Misdemeanor, and (2) voids the contract and allows the Village to recover all amounts paid to it under the contract.

CONFLICT OF INTEREST

The Village of Buffalo Grove Municipal Code requires the following verification relative to conflict of interest and compliance with general ethics requirements of the Village:

The undersigned supplier hereby represents and warrants to the Village of Buffalo Grove as a term and condition of acceptance of this (bid or purchase order) that none of the following Village Officials is either an officer or director of supplier or owns five percent (5%) or more of the Supplier: the Village President, the members of the Village Board of Trustees, the Village Clerk, the Village Treasurer, the members of the Zoning Board of Appeals and the Plan Commission, the Village Manager and his Assistant or Assistants, or the heads of the various departments within the Village.

If the foregoing representation and warranty is inaccurate, state the name of the Village official who either is an officer or director of your business entity or owns five percent (5%) or more thereof:

(Official) _____

Print Name of Contractor/Bidder/Supplier

Signature

Title

Subscribed and Sworn to before me this _____ day of _____, 20____.

Notary Public

Notary Expiration Date

APPENDIX D

CAUSES FOR DEBARMENT

The Purchasing Manager or Finance Director may debar a proposer, bidder, vendor, subcontractor, or supplier(collectively “Vendor”) for-

(1) Conviction of, or civil judgment for,-

- (a) Commission or attempted commission of fraud or a criminal offense in connection with (A) obtaining, (B) attempting to obtain, or (C) performing a private or public contract or subcontract.
- (b) Violation or attempted violation of Federal or State statutes, or any other legally applicable law, regulation, or rule relating to the submission of bids, proposals, or claims;
- (c) Commission or attempted commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; or
- (d) Commission or attempted commission of any other offense, or engaging in or attempting to engage in conduct indicating a lack of truthfulness, veracity, or honesty which affects the responsibility of the Vendor.

(2) Violation of the terms of a Village contract or subcontract so serious as to justify debarment, including but not limited to-

- (a) Willful failure to perform in accordance with the terms of one or more contracts or subcontracts;
- (b) A history of failure to perform one or more contracts or subcontracts;
- (c) A history of unsatisfactory performance of one or more contracts or subcontracts; or
- (d) A history of failure to meet prevailing wage obligations, or any other contracting or subcontracting obligation imposed by the Village of Buffalo Grove Municipal Code or any other law.

(3) Making or attempting or causing to be made or attempting to cause to be made any false, deceptive, or fraudulent material statement in any bid, proposal, or application for Village or any government work or in the performance of any such contract for the Village or a government agency, or application for any permit or license;

(4) Refusal to cooperate with reasonable requests of Village inspectors, representatives, or other appropriate Village personnel with respect to work under contract provisions, plans, or specifications, or otherwise, pursuant to the duties of those Village personnel;

(5) Founding, establishing or operating an entity in a manner designed to evade the application or defeat the purpose of these rules or any provision of the Municipal Code of Buffalo Grove, Village of Buffalo Grove rule or regulation, the statutes, rules or regulations of the State of Illinois, Cook County, Lake County, or any federal statute, rule or regulation, or any other legally applicable law, regulation, or rule;

(6) Improper conduct, including but not limited to the commission or attempted commission of;

(a) intentional or negligent billing irregularities;

(b) submitting false or frivolous or exaggerated claims, documents, or records;

(c) falsification of claims, documents, or records;

(d) willful or grossly negligent destruction of documents or records the Vendor had an obligation to maintain;

(e) bribery or coercion of a government official, or other unlawful tampering with a government official;

(f) use of false or deceptive statements to obtain some benefit, or causing competition to be restrained or limited;

(g) misrepresentation to any governmental agency or government official;

(h) violation of ethical standards established by the Village, or other dishonesty incident to obtaining, prequalifying for, or performing any contract or modification thereof;

(i) violation of ethical standards established by the Village or other dishonesty or incident to applying, obtaining, qualifying for, or acquiring any Village certification, license, or permit;

(7) Any other cause of so serious or compelling a nature that it affects the responsibility of the Vendor, including, but not limited to, those specifically enumerated in 65 ILCS 5/8-10-11.

(8) Debarment by any other government agency.

APPENDIX E

Qualified Vendor

PDF form

Automated Clearing House

PDF form

Tax Exempt Letter

PDF Form

APPENDIX F

PROCUREMENT CARD POLICY

PURPOSE

This policy has been designed to establish the procedures to be used with the Village of Buffalo Grove's procurement card program. This policy intends to accomplish the following:

- Establish appropriate internal controls over the purchase card process to ensure cards are only used for authorized purposes.
- Ensure the Village bears no legal liability from inappropriate use of procurement cards.
- To provide a convenient source of funding for employees who must procure for the Village.
- Verify payments for purchases are made on a timely basis to minimize finance charges.

BACKGROUND

The Village has used various methods to process the purchase of goods and services. Traditional procurement utilizing a purchase order or check request has worked well in the past for repetitive vendor invoicing and acquisitions of large ticket items where timing is not critical in the invoicing and payment process. The concern is the use of petty cash, advanced check requests, or employee reimbursement requests in the accounts payable process. These non traditional methods of procurement are due primarily to the timing of the request in light of the next warrant cycle or that the form of payment (check) is occasionally not accepted by merchants. To promote vendor acceptance, improve operational efficiency, and tighten the controls on the use of petty cash and advanced checks the Finance Department is initiating the procurement card program. This program has a number of unique controls that ensure that the card can be used only for specific purposes and within specific dollar limits.

GENERAL INFORMATION

- The procurement card is a tool for designated Village employees to use when making low-dollar purchases for official business needs.
- Each purchase card will include both the individual cardholder and corporate name. However the purchase card issuer will not maintain individual cardholder credit records.
- A signed agreement with the Village prior to receiving the card makes the cardholder responsible for any misuse of the card. Failure to comply with these procedures will result in revocation of the card and fraudulent misuse may result in termination of the cardholder.
- Purchase cards must be returned to the Finance Department upon leaving the Village's employment.

AUTHORIZATIONS AND SPENDING LIMITS

Each individual's card will have monthly maximum spending limits. Additional restrictions exist on the type of purchase each employee can use the purchase card for, based on the employee's need.

A Procurement Card is NOT:

- a means to avoid appropriate procurement or payment procedures
- a card to access cash or credit (ATM)
- for items and services for personal, non-business use
- for tax reportable services (any vendor that is NOT incorporated is subject to the 1099 reporting process for each calendar year)

The following list covers purchases for which purchase card use is expressly prohibited:

- Alcoholic Beverages
- Capital Equipment
- Cash Advances (ATM Machines)
- Computer Hardware and Software (with the exception of the IT Department or department technology liaison)
- Legal Services
- Temporary Help
- Clothing or other personal items
- Telephone calls

RESPONSIBILITIES OF CARDHOLDERS

- The card must NOT be used for personal transactions.
- The card must NOT be loaned to others.
- Splitting of purchases into multiple parts in order to circumvent limits on the card is prohibited.
- The cardholder is responsible for all inappropriate charges.
- The cardholder shall not accept cash in lieu of a credit to the Procurement Card account.
- The card must be kept in a secure location at all times.
- The Village is a tax-exempt entity. Each cardholder should do their best to ensure that the Village is not charged sales tax.

DEPARTMENT CARDS

- The card must be kept in a secure location at all times.
- All users must have a signed “Cardholder Agreement for Authorized Use of Purchase Card” on file in the Finance Department.

REPORTING LOST OR STOLEN CARDS

- Cardholders must notify the Issuing Bank and Finance Department immediately when a card is lost or stolen.
- Report a lost or stolen card or other emergency situations, by calling the Issuing Bank’s Customer Service number.

REQUIRED RECEIPT DOCUMENTATION

- Receipts must be obtained with all purchases, identifying the date and itemized list of all purchases.
- Receipts should be attached to a “Record of Purchase Card Use Form” and coded to the appropriate expenditure/expense accounts. The completed “Record of Purchase Card Use Form” should then be signed and attached to the billing statement prior to turning it into the Department Director for review and signature.
- The Department Director is responsible for reviewing all charges and receipts prior to signing the “Record of Purchase Card Use Form” and delivering all documentation to the Finance Department.
- Forward the signed “Record of Purchase Use Form” with the statement and attached original receipts, to the Finance Department within five business days of receiving the statement. All late charges incurred due to cardholder delay in reporting purchases will be charged to that cardholder’s department.
- Only signed and properly documented payment requisitions will be accepted.
- The Village Manager will review the Village-wide statement prior to payment.

THE FOLLOWING ARE ACCEPTABLE RECEIPTS

- Credit Card Orders: charge slip with only the total does not qualify as an original receipt. A receipt needs to include an original record of what was purchased. Any exceptions must be documented.
- Pick Up Orders: Attach the detailed cash register receipt.
- Phone/Fax Orders: original invoice or packing slip providing the packing slip shows what was purchased and pricing
- Internet Orders: Print and attach a copy of the order screen or confirmation screen that shows what was purchased and the dollar amount.
- Registration Fees: Attach the registration form. The form must show who the registration is for, the registration amount and what was included in the registration fee.
- Documentation Not Available: If unable to obtain any type of documentation, write the receipt up by hand. Include the date of the purchase, vendor, items and price. Also attach a brief explanation as to why the original receipt is not attached. This is the exception rather than the rule, individuals not obtaining adequate support multiple times may have their card revoked.

RETURNS, CREDITS OR DISPUTED ITEMS

- Returns: A credit should be issued for any item that the supplier has approved for return. The credit will appear on a subsequent statement. Any item purchased with the card that is returned must be returned for credit. Do not accept a refund in cash or check format.
- The cardholder is responsible for following up with the merchant or issuing bank on any erroneous charges, disputed items or returns as soon as possible. Disputed billings can result from failure to receive the goods charged, defective merchandise, incorrect amounts, duplicate charges or credit not processed.
- If you have a problem with a purchased item or a billing resulting from use of the procurement card, you should first try to reach a resolution with the supplier that provided the item.
- If a disputed charge can not be resolved with the supplier, complete the Cardholder Statement of Questioned Item Form attached. The written dispute notice must be received by the issuing bank within 30 days of the date of the bank statement.
- Credits: request from the merchant that a credit be placed on your card account. Obtain a receipt for the credit like any other purchase documentation.

RESPONSIBILITIES OF FINANCE DEPARTMENT

- Receive and review the Village's combined billing statement. When the statement is received the majority of the receipts should already be in to the Finance Department.
- Review information submitted by cardholder. Match receipts with statement of account. All receipts will be compared to the purchase record submitted by the cardholder.
- Verify purchases are for use in Village business. Sign the cardholder's payment requisition to certify that purchases were for Village business purposes.
- Verify travel-related charges have been authorized by the Village Manager.
- Provide monthly statements of accounts to individual cardholders for their records.
- Make payments on a timely basis to ensure the Village does not accrued finance charges.
- If the Finance Department cannot verify that the purchase made was necessary and for official use, the purchase will be reviewed by the Village Manager. If it is determined the purchase was not appropriate, then the cardholder must provide a credit voucher proving the items have been returned for credit or a personal check for the full amount of that purchase.
- Annual inventory of purchase cards: On an annual basis, the Finance Department will verify that each cardholder is in physical possession of their assigned card.

Cardholder Agreement for Authorized Use of Purchase Card

1.) I, _____, have read and do understand the Village's Procurement Card Policy.

2) I further agree to abide by the terms and conditions in that policy and understand that this card is subject to revocation if I fail to act in accordance with the policy.

3) I agree that if I engage in fraudulent activity or violate the terms and conditions of the Village's Procurement Card Policy, as amended from time to time, I will fully reimburse the Village for all such transactions

4) I understand that that if I engage in fraudulent activity or violate the terms and conditions of the Village's Procurement Card Policy, as amended from time to time, I will be subject to disciplinary action that may include termination.

5) Upon my termination or resignation as an employee with the Village, I agree to return the purchase card to the Finance Department and will not attempt to use the card after my employment is completed.

Printed name: _____

Signature: _____

Date: _____

Cardholder Addition or Change Request Form

TO: Finance Department

FROM: _____

SUBJECT: Request for Procurement Card or Change of Status

- ☐ Request the following employee by authorized a Village Purchase Card.
- ☐ Request the following employee have their Village Purchase Card limit(s) changed.

Full Name: _____

Signature: _____

Title:

Single Purchase Limit (Not to exceed \$X,XXX.XX): \$

Monthly Cycle Limit (Not to exceed \$X,XXX.XX): \$

☐ Cancel / Reason:

_____ Date: _____

Department Director

_____ Date: _____

Finance Director

_____ Date: _____

Village Manager

* Merchant Category Code

Cardholder Statement of Questioned Item

Cardholder name: _____ Date of purchase: _____
(print)

Vendor name: _____

The following item(s) listed on the billing statement is disputed:

Reason: Provide information as to why item(s) do not meet your requirements. Indicate actions requested of merchant, reasons merchant refused to correct dispute, and any other information that is available to assist the Finance Department to negotiate the dispute:

Action Requested:

- Return item and obtain credit
- Exchange for same item
- Exchange for different model, brand, etc. – with applicable deduction/increase in cost (this action will require prior approval from cardholder if cost increase is a result)

Other comments:

VILLAGE OF BUFFALO GROVE PROCUREMENT CARD POLICY



Record of Purchase Card Use Form

Cardholder name: _____

Description of Purchase	Date	Account	Amount

Ensure all original receipts are attached to this form

Cardholder signature: _____

Supervisor signature: _____

Date received by Finance Department: _____

Finance Department signature: _____

APPENDIX G

PETTY CASH REIMBURSEMENT REQUEST

Note: Reimbursements from petty cash cannot exceed \$50.00.

Date		Department	
Amount of Reimbursement		Requested By	
Description of Expense			
Account Number		Approved By	
Signature			
Amount Approved		Received By	
Signature			

*A receipt for goods purchased, must be attached to this form.

APPENDIX H

ADVANCE CHECK REQUEST FORM

Vendor:

Date:

Requested By:

Purpose:

Check Amount:

Distribution of Charges:

Account:

Amount:

Account:

Amount:

For use when payment is required in advance of normal accounts payable cycle.

Note: Check Number

Approved By:

APPENDIX I

PREVAILING WAGE RIDER

Terms

A. Contractor shall not pay less than the prevailing rates of wages to all laborers, workmen, and mechanics performing work pursuant to this invitation to bid and shall comply with the requirements of the Illinois Wages of Employees on Public Works Act (820 ILCS 130/1-12).

B. Contractor shall comply with all applicable laws, regulations and rules promulgated by any federal, state, local, or other governmental authority or regulatory body pertaining to all aspects of the Work, now in effect, or which may become in effect during the performance of the Work. The scope of the laws, regulations, and rules referred to in this paragraph includes, but is in no way limited to, the Illinois Human Rights Act, Illinois Equal Pay Act of 2003, Occupational Safety & Health Act along with the standards and regulations promulgated pursuant thereto (including but not limited to those safety requirements involving work on elevated platforms), all forms of traffic regulations, public utility, Interstate and Intrastate Commerce Commission regulations, Workers' Compensation Laws, Public Construction Bond Act, Prevailing Wage Laws, Public Works Preference Act, Employment of Illinois Workers on Public Works Act, USA Security Act, federal Social Security Act (and any of its titles), and any other law, rule or regulation of the Illinois Department of Labor, Department of Transportation, Illinois Environmental Protection Act, Illinois Department of Natural Resources, Illinois Department of Human Rights, Human Rights Commission, EEOC, and the Village of Buffalo Grove.

C. To the fullest extent permitted by law, the Contractor hereby agrees to defend, indemnify and hold harmless the Village, its officials, agents and employees against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, cost and expenses, which may in anywise accrue against the Village, its officials, agents and employees arising in whole or in part or in consequence of the performance of this work by the Contractor, its employees, or subcontractors, or which may in anywise result therefore, except that arising out of the sole legal cause of the Village, its agents or employees, the Contractor shall, at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefore or incurred in connections therewith, and, if any judgment shall be rendered against the Village, its officials, agents and employees in any such action, the Contractor shall, at its own expense, satisfy and discharge the same. Contractor expressly understands and agrees that any performance bond or insurance policies required by this contract, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the Village, its officials, agents and employees as herein provided.

D. In addition to the requirements set forth above, the Contractor (and any subcontractor into whose subcontract this clause is incorporated) agrees to assume the entire liability for all personal injury claims suffered by its own employees and waives any limitation of liability defense based upon the Worker's Compensation Act and cases decided there under. Contractor agrees to indemnify and defend the Village from and against all such

loss, expense, damage or injury, including reasonable attorneys' fees, which the Village may sustain as a result of personal injury claims by Contractor's employees, except to the extent those claims arise as a result of the Village's own negligence.

E. Within five (5) business days after the Village's notice to the Contractor of the Village's receipt of a request made pursuant to the Illinois Freedom of Information Act [ILCS 140/1 et seq. – herein "FOIA"], the Contractor shall furnish all requested records in the Contractor's possession which are in any manner related to this Contract, including but not limited to any documentation related to the Village and associated therewith. The Contractor shall not apply any costs or charge any fees to the Village or any other person, firm or corporation for its procurement and retrieval of such records in the Contractor's possession which are sought to be copied or reviewed in accordance with such FOIA request or requests. The Contractor shall defend, indemnify and hold harmless the Village including its several departments and including its officers and employees and shall pay all of the Costs associated with such FOIA request or requests including Costs arising from the Contractor's failure or alleged failure to timely furnish such documentation and/or arising from the Contractor's failure or alleged failure otherwise to comply with the FOIA, whether or not associated with the Contractor's and/or the Village's defense of any litigation associated therewith. In addition, if the Contractor requests the Village to deny the FOIA request or any portion thereof by utilizing one or more of the lawful exemptions provided for in the FOIA, the Contractor shall pay all Costs in connection therewith. As used herein, "in the Contractor's possession" includes documents in the possession of any of the Contractor's officers, agents, employees and/or independent contractors; and "Costs" includes but is not limited to attorneys fees, witness fees, filing fees and any and all other expenses — whether incurred by the Village or the Contractor.

F. Sexual Harassment Policy: The Contractor certifies that the firm has a written sexual harassment policy defining sexual harassment as required in Section 2-105 of the Ill. Human Rights Act. 775 ILCA 5/1-105 et. seq.

G. Tax Payments: The Contractor certifies that the Contractor is not delinquent in the payment of any tax administered by the Illinois Department of Revenue as set forth in 65 ILCS 5/11-42.1-1.

H. The parties hereto agree that for purposes of any lawsuit(s) between them concerning this rider or contract, its enforcement, or the subject matter thereof, venue shall be in Circuit Court of Cook County, Cook County, State of Illinois, and the laws of the State of Illinois shall govern the cause of action.

Accepted by _____, on _____, 2015

Signature

Printed Name & Title

CONTRACTOR'S DRUG-FREE WORKPLACE CERTIFICATION

The undersigned is an authorized representative of

Name of Company: _____, and certifies that they will comply with all requirements Pursuant to Chapter 30, Section 580/1 of the Illinois Compiled Statutes (30 ILCS 580/1) et. Seq. entitled "Drug Free Workplace Act"; the undersigned CONTRACTOR hereby certifies to the contracting agency that it will provide a drug-free workplace by:

1. Publishing a statement:
 - a. Notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance, including cannabis, is prohibited in the grantee's of CONTRACTOR'S workplace.
 - b. Specifying the actions that will be taken against employees for violations of such prohibition.
 - c. Notifying the employee that, as a condition of employment on such contract or grant, the employee will:
 - d. Abide by the terms of the statement; and
 - e. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than 5 days after such conviction.
2. Establishing a drug free awareness program to inform employees about:
 - a. the dangers of drug abuse in the workplace;
 - b. the grantee's or CONTRACTOR'S policy of maintaining drug free workplace;
 - c. any available drug counseling, rehabilitation, and employee assistance program; and
 - d. The penalties that may be imposed upon employees for drug violations.
3. Making it a requirement to give a copy of the statement required by subsection (a) to each employee engaged in the performance of the contract or grant and to post the statement in a prominent place in the workplace.
4. Notifying the contracting agency within 10 days after receiving notice under part (B) of paragraph (3) of subsection (a) from an employee or otherwise receiving actual notice of such conviction.
5. Imposing a sanction on, or requiring the satisfactory participation in a drug assistance or rehabilitation program by any employee who is so convicted, as required by Section 5 (30 ILCS 580/5) of the Act.
6. Assisting employees in selecting a course of action in the event drug counseling treatment, and rehabilitation is required and indicating that a trained referral team in place.
7. Making a good faith effort to continue to maintain a drug free workplace through implementation of this Section.
8. Failure to abide by this certification shall subject the CONTRACTOR to the penalties provided in Section 6 (30 ILCS 580/6) of the Act.

Signed: _____

Title/Position: _____

Subscribed and sworn to before me this _____ day of _____, 2015

Notary Public:

NATIONAL SECURITY/USA PATRIOT ACT

Pursuant to the requirements of the USA Patriot Act and applicable Presidential Executive Orders, CONTRACTOR represents and warrants to the Village of Buffalo Grove that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specially Designated National and Blocked Person. CONTRACTOR further represents and warrants to the Village of Buffalo Grove that CONTRACTOR and its principals, shareholders, members, partners, or affiliates, as applicable, are not, directly or indirectly, engaged in, and are not facilitating, the transactions contemplated by this Agreement on behalf of any person or entity named as a Specially Designated National and Blocked Person. CONTRACTOR hereby agrees to defend, indemnify and hold harmless the Village of Buffalo Grove, its Corporate Authorities, and all Village of Buffalo Grove elected or appointed officials, officers, employees, agents, representative, engineers, and attorneys, from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the foregoing representations and warranties.

CONTRACTOR further represents and warrants it is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by the United States Treasury Department as a Specially Designated National and Blocked Person, or for or on behalf of any person, group, entity, or nation designated in Presidential Executive Order 13224 as a person who commits, threatens to commit, or supports terrorism; and that CONTRACTOR is not engaged in this transaction directly or indirectly on behalf of or facilitating this transaction directly or indirectly on behalf of, any such person, group, entity, or nation. CONTRACTOR hereby agrees to defend, indemnify, and hold harmless the Village of Buffalo Grove, its Corporate Authorities, and all Village of Buffalo Grove elected or appointed officials, officers, employees, agents, representative, engineers, and attorneys, from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the foregoing representation and warranty.

CONTRACTOR

Date

APPENDIX J

ASSET SHARING POLICY

ASSET SHARING GUIDELINES

A. Objectives

1. Through collaborative efforts between all Village Departments and other external stakeholder groups (Park District, School District, County Government, etc...), Asset Sharing initiatives will be used to reduce asset redundancy and save money.
2. To increase collaboration between both internal and external agencies and improve productivity and organizational understanding.
3. Asset Sharing efforts are limited to local, regional, state and federal taxing bodies only, except as provided for specific outside groups with the approval of the Village Manager or designee.

B. Asset Sharing Considerations

Once an asset has been determined to be in need of replacement, the requesting department should follow the process outlined below as part of its regular evaluation. (This process would apply to new additions to the asset inventory as well).

1. Identify potential sharing partners.
 - a. Can the asset be shared with another department within the Village or outside agency?
 - b. Is the sharing of the asset appropriate and practical with type of asset and the department/agency for which it will be shared?
 - c. Will the proposed partner be willing to share equally, or in part, the cost of the asset being purchased as well as the long-term operational cost once acquired?
2. Once a determination has been made that asset sharing is appropriate and practical, and the parties have agreed to participate in such an engagement, an Intergovernmental Agreement (IGA), Letter of Understanding (LOA) or some other written agreement should be drafted or reviewed by the Village Attorney

3. The agreement should clearly identify the responsibilities of the parties with respect to:
 - a. Acquisition cost
 - b. Who will perform the maintenance
 - c. Maintenance costs allocation
 - d. Storage
 - e. Use and scheduling
 - f. Accounting and budgeting
 - g. Decommissioning and sale of the asset
 - h. Other operational considerations.
4. Village department directors will be responsible for ensuring that this policy is communicated to all employees, particularly those with purchasing authority.

Village of Buffalo Grove - General Fund Financial Forecast FY 2018 – FY 2022



Village of Buffalo Grove A Financial Assessment of General Fund Revenues and Expenditures

OVERVIEW AND SUMMARY

The Five-Year Operating Forecast takes a forward look at the Village's General Fund's fund revenues and expenditures. The primary objective of the forecast is to provide the Village Board and related stakeholders with an early financial assessment and identify significant issues that should be addressed in the budget development process. For the purposes of constructing the forecast, operating revenues are measured against operating expenditures without including any prior period fund balance to subsidize revenue.

The goals of the forecast are to assess the Village's ability, over the next five years, to maintain current service levels based on projected revenue growth. As part of the analysis to measure future sustainability is ensuring proper funding of reserves is available for vehicles, buildings, storm water infrastructure and technology. The assessment analyzes the capacity to fund capital projects and restore unassigned fund balance reserves to ultimately reach a balance that will cover four and a half months of expenditures (35%).

It is important to stress that this forecast is not a budget. It does not dictate expenditure decisions; rather it identifies the need to prioritize allocations of Village resources. The forecast sets the stage for the budget process and aids both staff and the President and Board of Trustees in establishing priorities and allocating resources appropriately.

As 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 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.

FORECAST METHODOLOGIES AND ASSUMPTIONS

REVENUES

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. Other revenues sources would include licensing, fees for service, interest income and fines. The Finance Department works with departments responsible for administering the service and/or collecting the associated revenue to develop program revenues.

EXPENDITURES

Expenditures assumed in the forecast are based on the current service level or funding required to maintain today's level of recurring service. Final audited 2016 expenditures set the baseline for analysis blended with estimates through the first half of FY 2017. 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 do 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.

ECONOMIC OUTLOOK

In the development of a long-term financial forecast, the Village reviews external and internal factors that could impact either the collection of revenue or the price of acquiring goods or providing services. Evaluating how the regional impact of the national economy (macro) influences the local economy (micro) is an important step in the process.

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

ECONOMIC INDICATORS - NATIONAL

Inflation – The Consumer Price Index (CPI) commonly referred to as the inflation rate, measures the average price change for a market basket of consumer goods and services. The Bureau of Labor Statistics classifies each expenditure item in the basket into more than 200 categories cataloged into eight major groups. The Consumer Price Index is used as the inflationary factor for specific non-personnel services.

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 most recent (March 2017) Consumer Price Index is at 1.96 percent, Capital projects use the Construction Cost Index which is 4.3 percent (December 2016).

Stock Market Returns – Stock market returns are a leading indicator and will change before the economy changes. Approximately 56 percent of all Village pension funds are invested in mutual funds 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. When investment performance does not attain the 7 percent annual earnings benchmark, there is additional pressure on the tax levy to make up the difference.

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 affect 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 lower unemployment figures and can stimulate the local economy.

ECONOMIC INDICATORS - LOCAL

Although national economic indicators do have some trickle-down impact on the Village Budget, there are regional and local economic factors that have a direct influence over revenues and expenditures. Some of those factors that have been considered moving into the next five-year update include;

- Impact of the Real Estate Market and Assessed Valuations. Assessed values for taxable property are finally posting positive growth after six years of decline. Lake County properties values grew by 6.72 percent, in FY 2016, representing the largest annual increase since 2005. Cook County grew by 20.9 percent after the triennial property reassessment. That was the largest annual percentage increase since 1989.
- State of Illinois Budget Crisis. The State of Illinois continues to function without a budget. Staff continues to monitor legislative discussions that could have a direct financial impact on Village revenues.
- Impact of Employer Pension Costs. The tax levies for the three pension systems account for about 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. The pension funds will continue to rely on a strong equity market to attain its investment actuarial benchmark of 7 percent.

- Health Care Inflation. After wages, health care cost are the single largest expenditure category in the fund and the Village continually reviews the structure of the plan to try to limit the amount of growth on an annual basis. The Village is a member of the Intergovernmental Personnel Benefits Cooperative (IPBC). This insurance pool helps to dilute risk and helps to leverage purchasing power.
- 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. The Village has embarked on a Lake Cook Corridor study to evaluate the opportunities that redevelopment may have on the Village economy.
- Infrastructure. The ability to keep pace with the maintenance needs of Village owned assets continues to be a significant financial challenge.

Listed below is the five-year update to the General Fund Forecast. The remainder of the report will describe the methodologies used to develop both revenues and expenditures.

GENERAL FUND FIVE-YEAR FORECAST

Revenue	2018	2019	2020	2021	2022	Growth
Property Taxes	14,940,027	15,313,528	15,696,366	16,088,775	16,490,995	1.025
Income & Use Taxes	5,040,000	5,166,000	5,295,150	5,427,529	5,563,217	1.025
State Sales Tax	5,754,794	6,369,890	6,997,288	7,637,233	7,789,978	1.02
Home Rule Sales Tax	3,613,540	3,685,811	3,759,527	3,834,718	3,911,412	1.02
Real Estate Transfer Tax	1,000,000	1,030,000	1,060,900	1,092,727	1,125,509	1.03
Telecommunications Tax	1,513,000	1,513,000	1,513,000	1,513,000	1,513,000	1.00
Prepared Food and Beverage Tax	746,000	793,380	817,181	841,697	866,948	1.03
Utility Tax-Electric/Natural Gas	2,683,000	2,709,830	2,736,928	2,764,298	2,791,941	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	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1.00
Storm Water Management Fees	1,152,000	1,200,000	1,200,000	1,200,000	1,200,000	1.00
Operating Transfers	901,000	901,000	901,000	901,000	901,000	1.00
Miscellaneous Revenue	1,520,414	1,535,618	1,550,974	1,566,484	1,582,148	1.01
Total Revenues	42,146,331	43,516,231	44,842,319	46,197,507	47,082,455	
Annual Increase		3.3%	3.0%	3.0%	1.9%	
Expenditures	2018	2019	2020	2021	2022	Growth
Personal Services	20,295,521	21,107,342	21,951,636	22,829,701	23,742,889	1.04
Personal Benefits	10,597,685	11,021,592	11,462,456	11,920,954	12,397,793	1.04
Operating Expenses	2,621,368	2,673,795	2,727,271	2,781,817	2,837,453	1.02
Insurance & Legal Services	1,235,770	1,285,201	1,336,609	1,390,073	1,445,676	1.04
Commodities	450,000	461,250	472,781	484,601	496,716	1.025
Maintenance & Repairs	2,969,172	3,043,401	3,119,486	3,197,473	3,277,410	1.025
Capital Outlay	446,000	457,150	468,579	480,293	492,301	1.025
All Other Expenses	450,000	461,250	472,781	484,601	496,716	1.025
Total Expenditures	39,065,516	40,510,982	42,011,599	43,569,513	45,186,953	
Operating Surplus/(Deficit)	3,080,815	3,005,249	2,830,719	2,627,994	1,895,501	
Annual Increase		3.7%	3.7%	3.7%	3.7%	
Transfers	2018	2019	2020	2021	2022	
Capital Reserve - Vehicles	800,000	800,000	800,000	800,000	800,000	
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	250,000	250,000	250,000	250,000	250,000	
Motor Fuel Tax	722,708	737,162	751,905	766,944	782,282	
Capital Improvement Plan	1,392,568	1,213,158	2,572,000	2,614,100	600,000	
Total Transfers	3,565,276	3,400,320	4,773,905	4,831,044	2,832,282	
Total Fund Surplus/(Deficit)	(484,461)	(395,071)	(1,943,186)	(2,203,049)	(936,781)	

FORECAST STRUCTURE

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 designated 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.

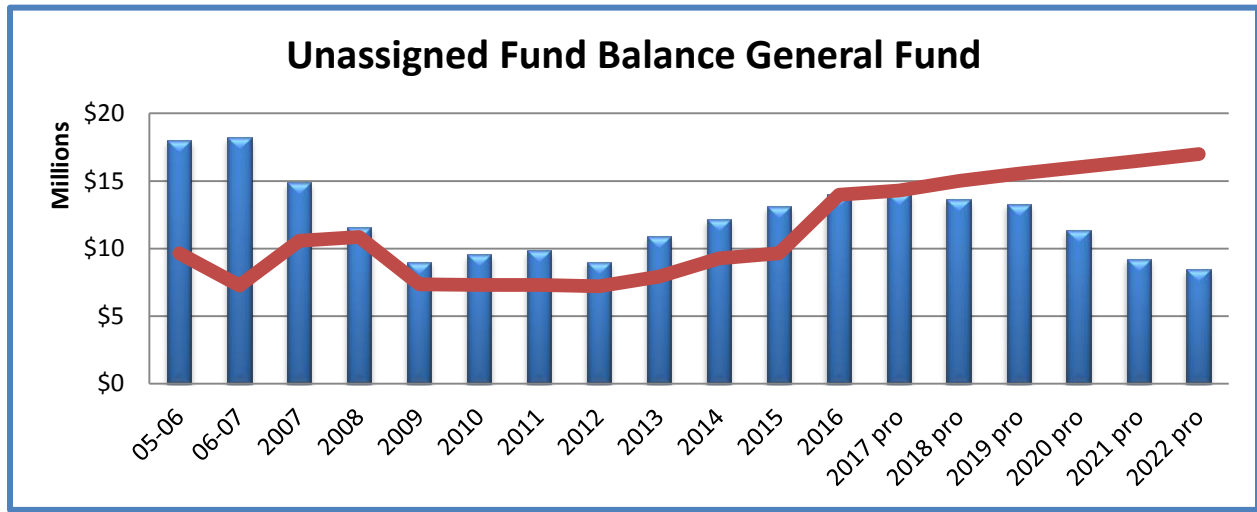
RESERVES

The General Fund Fund Balance Reserve Policy sets forth a minimum unassigned reserve level of 25 percent of the subsequent year's budget (less 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. Fund balance should never be used to support day-to-day operations. Absent an unforeseen economic crisis, the use of reserves to support operating expenditures represents a budget that is structurally unbalanced.

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 (2016) unassigned fund balance represents 34.9 percent of the operating expenses of the FY 2017 Budget. Based upon the five-year analysis, if all capital and reserve transfers are made the 35 percent target will not be attained.

GENERAL FUND REVENUES

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

Almost half of the Village's major revenue sources are elastic. Elastic revenues are those sources that tend to fluctuate with the economy. A balance between elastic and inelastic revenue is desired as a hedge against market volatility. General Fund revenues considered 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.

With the tenuous financial condition of the State of Illinois, the Village continues to seek to be less reliant on state-shared revenues (income, base sales, and telecommunication taxes) and align core services with taxes/fees under local home rule control.

PROPERTY TAX

There are three components to the Village's property tax levy. The first component is the Corporate Levy. This levy helps to fund public safety (police and fire) operations. The growth in the corporate levy is tied to inflation. The second component is the Debt Service Levy. This levy covers the principal and interest payment on outstanding debt issuances. The last component is the special purpose/pension levies.

The tax levies for the three pension funds (Police, Firefighters, and IMRF) are calculated by independent actuaries. The levies are structured to cover the normal cost of the pension, an amortized annual amount of the unfunded actuarial liability, and the interest cost on that liability. Unfunded liability grows when actuarial assumptions are not met (interest rate) or when legislative changes (Springfield) are enacted that modifies benefits. Those legislative changes are deemed to be unfunded liabilities.

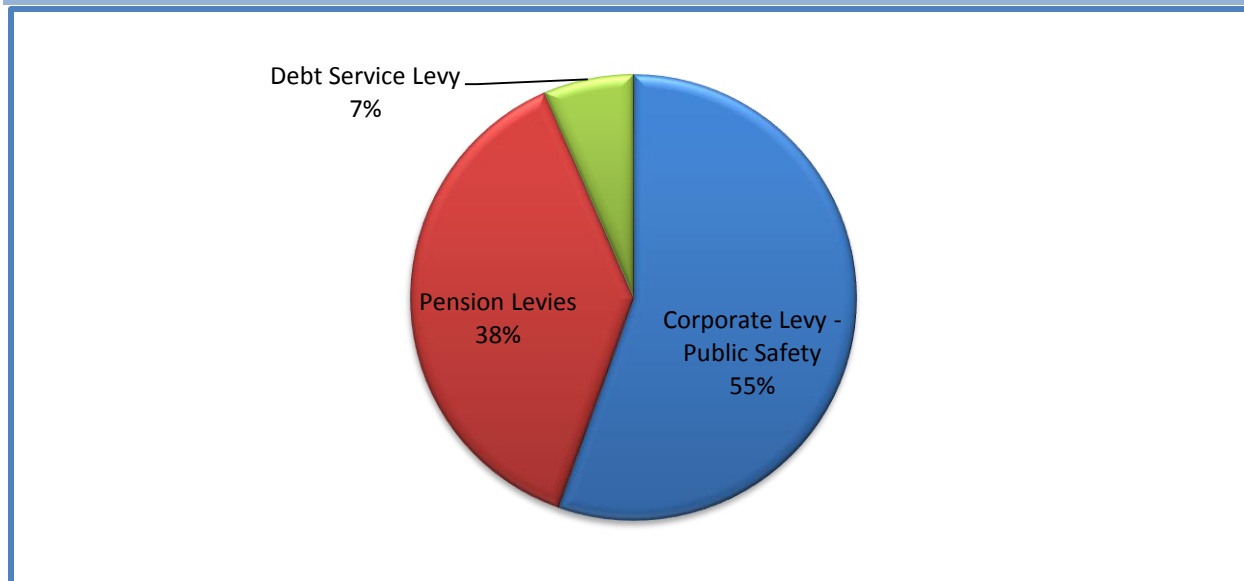
Each year the Village determines its levy amount. Since debt service payments are mandatory as are pension contributions, the amount of control the Village has over the tax levy is limited to the Corporate Levy.

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 (2016), pensions represent 38 percent of property tax.

The chart below shows how property tax dollars are allocated.

Property Tax Dollar Distribution

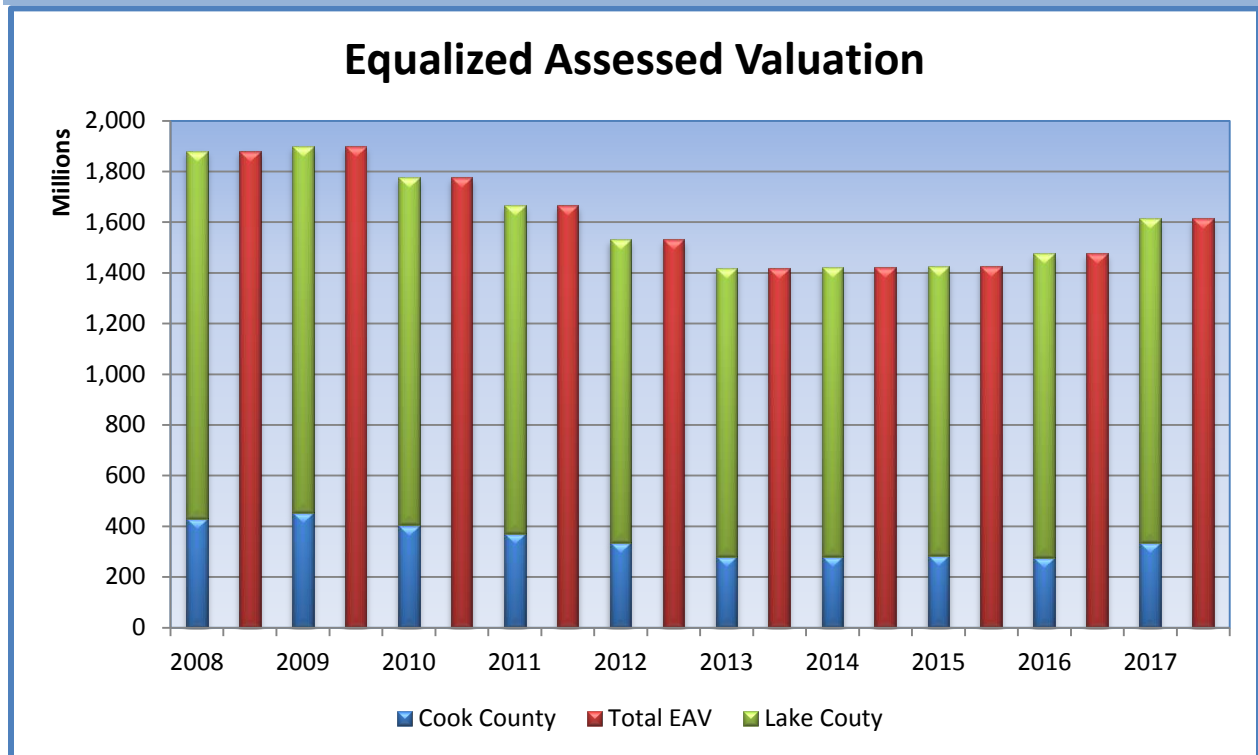


The levy request is then applied to the equalized assessed value of all property within the Village to determine a tax rate. Assuming the same tax levy amount, if the values go up the rate goes down and conversely the rate goes up if the values decline.

The total equalized assessed value of property in Buffalo Grove is \$1,556,226,496. Over the last ten years, property values have averaged a 3.12 percent annual decline in Cook County and 1.41 percent annual decline in Lake County. Growth in the tax base returned in 2016. The more new properties that are added to the tax base the lower the tax burden on all property owners.

Listed below is a history of equalized assessed valuations since 2008.

Equalized Assessed Valuation

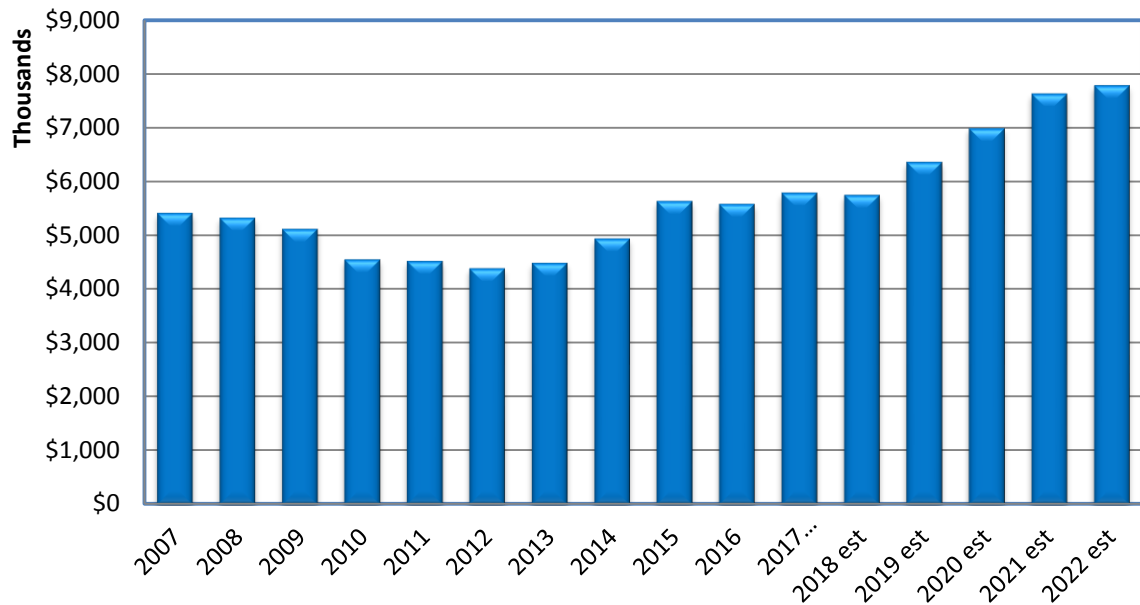


SALES TAX

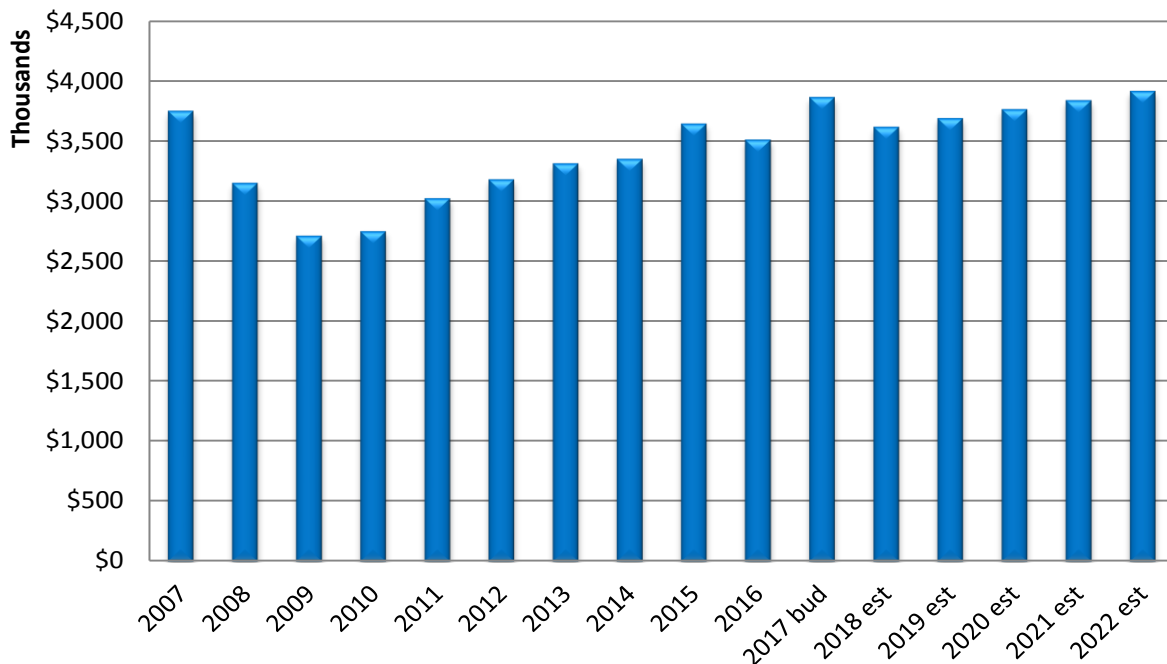
Inflation sets the growth baseline for both the base (2%) and home rule sales taxes (2%). Combined, this is the second largest revenue source for the Village. The base sales tax revenue is directly related to the dollar value of sales made within the Village. Home rule sales tax applies to the same transactions 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 with the exception of new retailers where development plans are approved. The forecast applied to both base and home rule sales tax produces the following;

Base Sales Tax

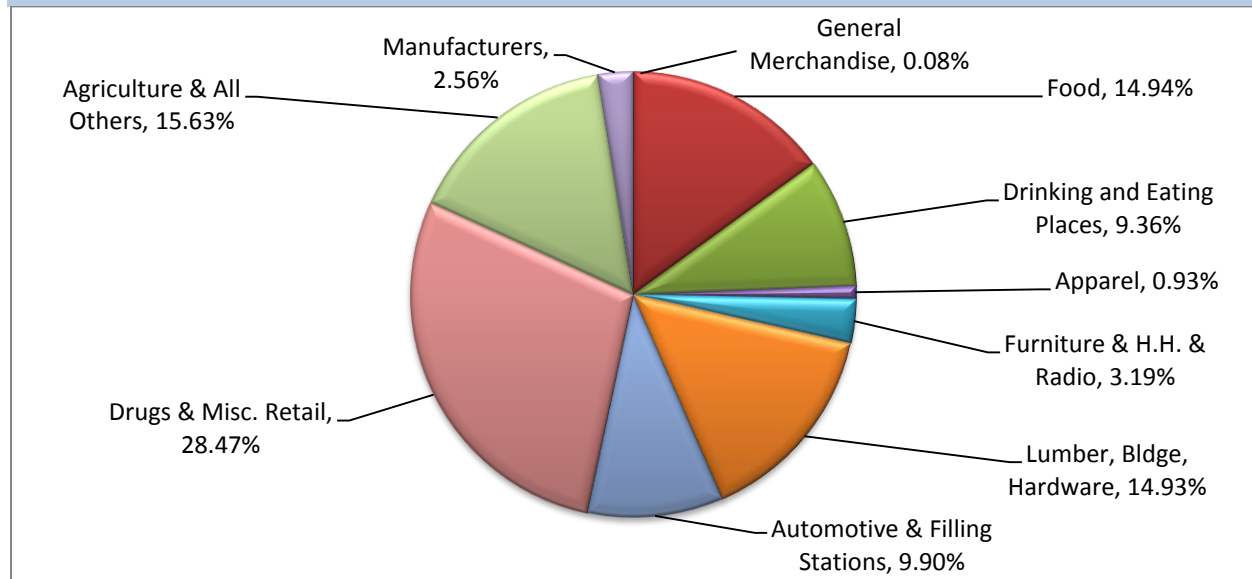


Home Rule Sales Tax



The Village strives to diversify its retail tax base so that no one sector is overly exposed to economic and/or demand fluctuations. The following chart reflects the Illinois Department of Revenue Standard Industry Codes (SIC) for sales tax remitted to the Village.

RETAIL SALES TAX BY SECTOR

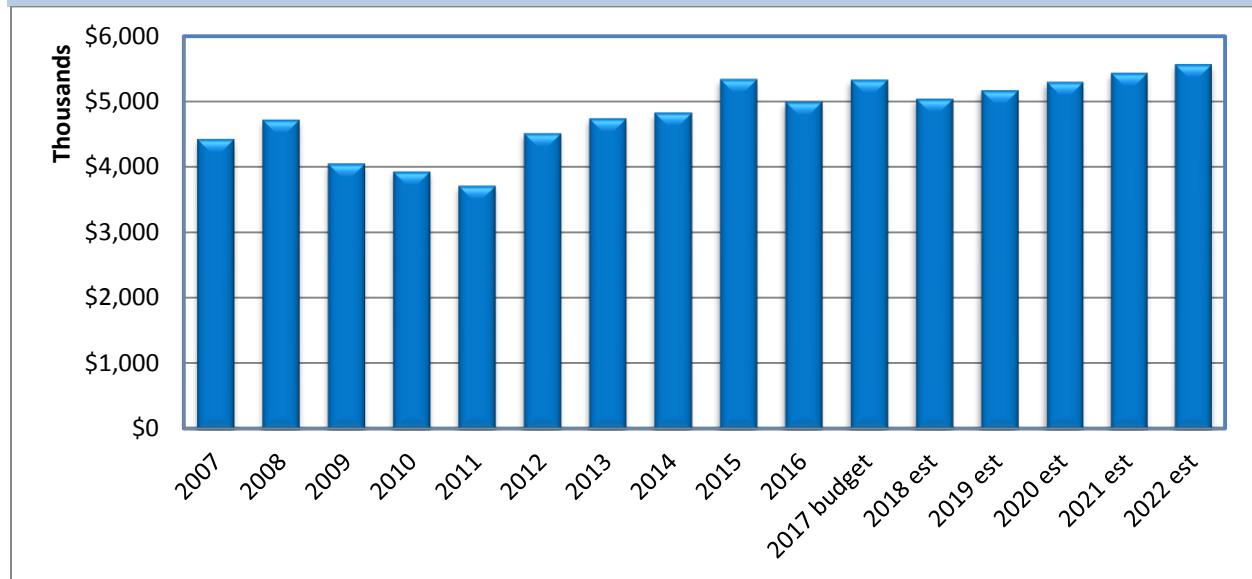


INCOME TAX

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 2017 is 4.4 percent. The largest occupation sector is within management, business, and finance at 14.83 percent of the workforce. The forecast accounts for 2.5 percent growth each year through the duration of the forecast. The chart below shows the performance of the income and use tax since FY 2007.

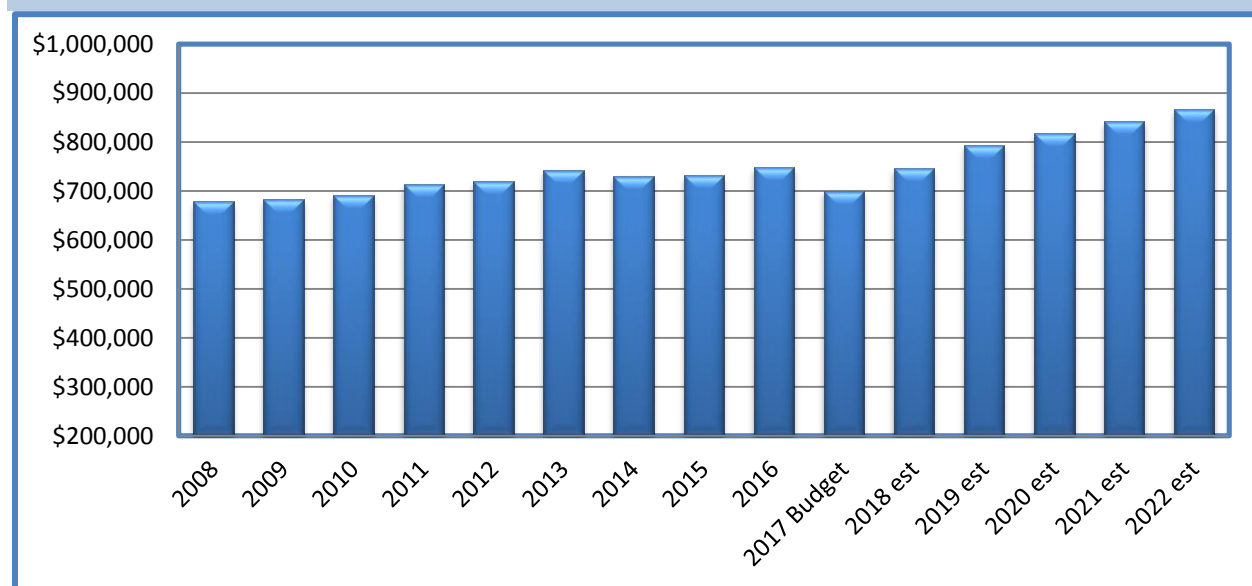
Income & Use Tax



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. 109 establishments charge and remit this tax to the Village. The following chart shows the growth of the revenue since inception.

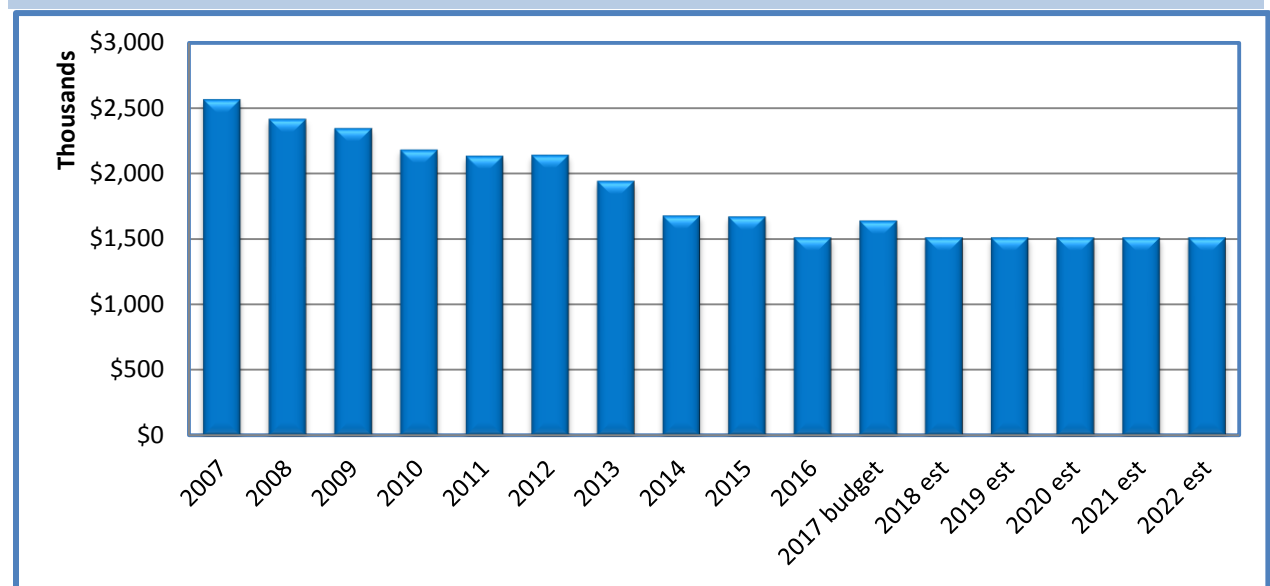
Prepared Food and Beverage Tax



TELECOMMUNICATIONS TAX

This tax is 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 39 percent from the peak in FY 2007. The forecast calls for no change over the remainder of the plan.

Telecommunications Tax



UTILITY USE TAX (NATURAL GAS & ELECTRICITY)

Natural gas and electricity charges are based on consumption and fluctuate with seasonal demands. The Village is charging the highest statutory rate. Growth is projected over the next five years to be one percent annually. 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

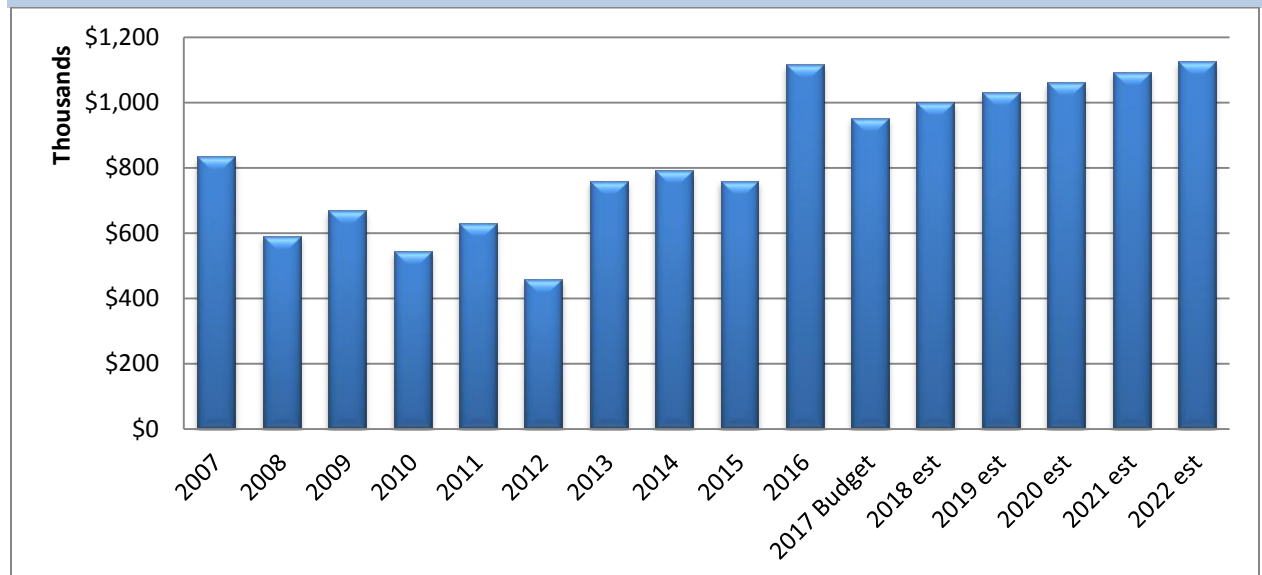
Real estate transfer tax is collected at the rate of \$3 per \$1,000 of sales consideration. This revenue reached a peak in 2005 at \$1.3 million. There has been a recovery in sales since the market reached a bottom in FY 2012. Traditional sales are increasing as well as the number of

high-value commercial transactions. One extraordinary commercial transaction occurred in FY 2016 that was valued at \$48.5 million. The sale of that stamp represented over 10 percent of the total revenue.

Based upon the chart below (provided by Realtor.com), the median days on market is the lowest in the last three years future reflecting a strengthening housing market.



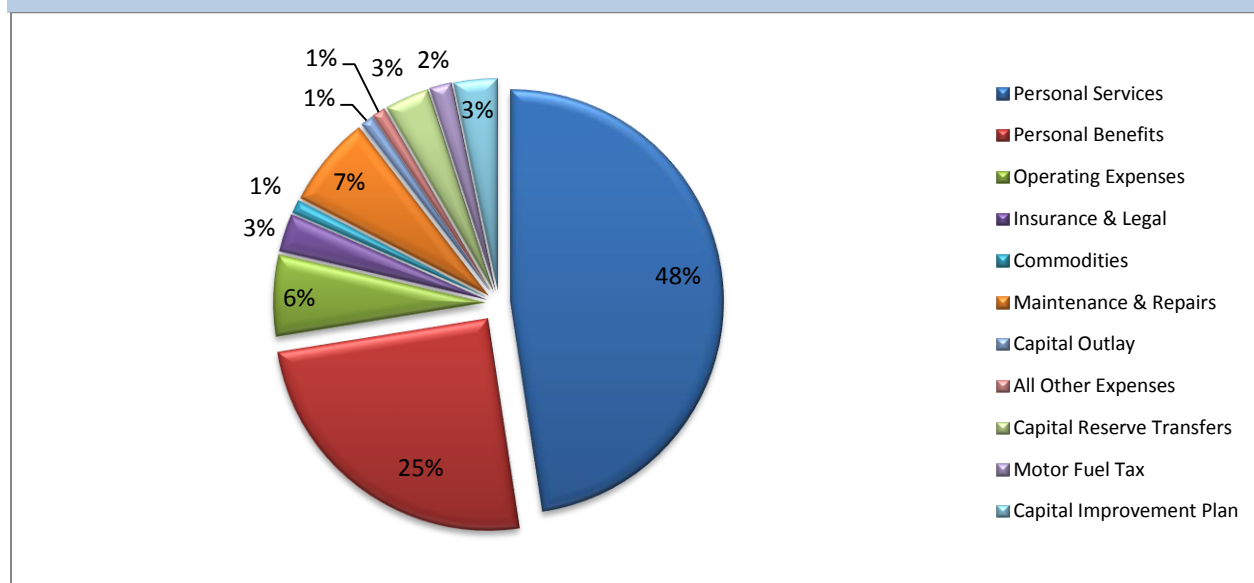
Real Estate Transfer Tax



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 73 percent of all expenditures. The next largest expenditure account group is for maintenance and repairs (7 percent). For FY 2018 the distribution of General Fund expenditures is shown in the table below.

EXPENDITURE DISTRIBUTION



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 any retirement incentives during the period. If one is offered, the forecast will need to be adjusted to reflect the impact of retirements.

Over half of the workforce is covered by collective bargaining agreements and the Village has less flexibility when addressing wages with those units in the police and fire departments.

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 212 employees or 11.9 percent less than staffing levels six years ago. It is anticipated that three new positions will be created based on operational needs the forecast and have been added into the calculations beginning in FY 2018.

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 is included in the FY 2018 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 workforce.

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 a mechanism to help establish positive cash flow and rebuild reserves. The forecast calls for 4 percent growth each year in premium expenses.

The employees' contribution is set at 15 percent of the premium in FY 2018. 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. It is anticipated that there will be a significant amount of plan design challenge to control costs. Those changes may include incentive components for switching plans, elimination of a high-cost hybrid PPO plan, and/or the introduction of a high deductible plan offering.

Beginning in FY 2014, employer pension 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 \$6.4 million in 2018 or 14.5 percent of the General Fund Budget.

In FY 2016, Moody's Investor Services met with the Village to review financial performance since the final quarter of 2014. Although the Aaa was affirmed, the Village was issued a negative outlook. The negative outlook was driven by external factors including the lack of a State of Illinois Budget and internal factors related to pension funding levels. Moody's did acknowledge that the Village continues to make 100 percent of its statutory contributions and has remitted approximately \$1.1 million in excess of actuarially determined levy amounts. The concern that Moody's articulated is that, despite the Village's contributions, unfunded actuarial accrued liabilities (UAAL) are growing. In order to mitigate the growth in the UAAL, the Village will evaluate options to link a supplemental source of revenue to supplement tax levy contributions.

INSURANCE

Within the Insurance category is the premium paid for general liability and workers' compensation coverage. In FY 2016, the Village moved from Intergovernmental Risk Management Pool (IRMA) for general liability and workers' compensation coverage to a fully insured stand-alone program. The reason for the change was to establish a risk premium structure that is more commensurate with the Village's service profile and asset values. The intent is to move to a fully self-insured model by the end of the five-year forecast.

The deductible was raised in FY 2016 from \$25,000 to \$50,000 due to worker's compensation experience. The forecast assumes growth of 4 percent as recent claims experience will factor into the rolling five-year claims experience modifier. With a change to the fully insured plan, the Village should be able to be a more active partner in the management of workers comp claims and future litigation.

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

Capital Reserves

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.

It should be noted that the reserve amount for facilities is the bare minimum to address various maintenance needs and does not provide enough funding for major repairs including roof replacements, purchase of mechanical systems and/or functional remodeling.

Capital Projects

There is \$12.13 million in capital projects scheduled for completion during the five-year forecast. The projects are taken from the current Capital Improvement Plan (CIP) and the details of those projects are included in the FY 2017 annual budget. The amount of the transfer does not include all of the costs necessary to address the entire street maintenance program. The Village must continue to look at external debt financing to supplement state shared Motor Fuel Tax revenues.

FINANCIAL RESULTS

Operating Budget

In each of the five years, revenues cover operating expenses and the budgets are anticipated to be in balance. Predicted revenues provide an operational surplus of 6.4 percent. That means that revenues can fall short of budget expectations by up to 6.4 percent without the budget going into deficit for day-to-day functions.

Impact of Transfers and Capital Projects

After including amounts necessary for reserves and capital, there is a shortfall every year of the forecast. This is anticipated and adjustments can be made to address funding levels. It is important to note that reducing amounts spent on capital should not be viewed as budget cuts (or savings) rather it is a conscious decision to defer spending to future years. The liability still exists. Reserve spending needs to be reviewed in the same light.

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.

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 or is retired? If the answer is yes to both questions, the assets should and will be tagged.

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

Inventory Control Record:

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



TO: Dane C. Bragg, Village Manager

FROM: Scott D. Anderson, Finance Director

DATE: May 26, 2017

RE: FY 2017 – Water Fund 20 Year Pro Forma Annual Update

System Status Update

In FY 2017, 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, 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 2016 Water Fund performance results in the following;

- The cash and investment balance is \$2.97 million – an increase of \$.3 million.
- The fund generated a surplus of \$.6 million. The previous year was a deficit of \$1 million.
- Total gallons billed were 1.24 billion (proforma estimate – 1.31 billion) an increase of 8.2 percent over the previous year. Almost half of the increase was generated during July (40 million gallons).

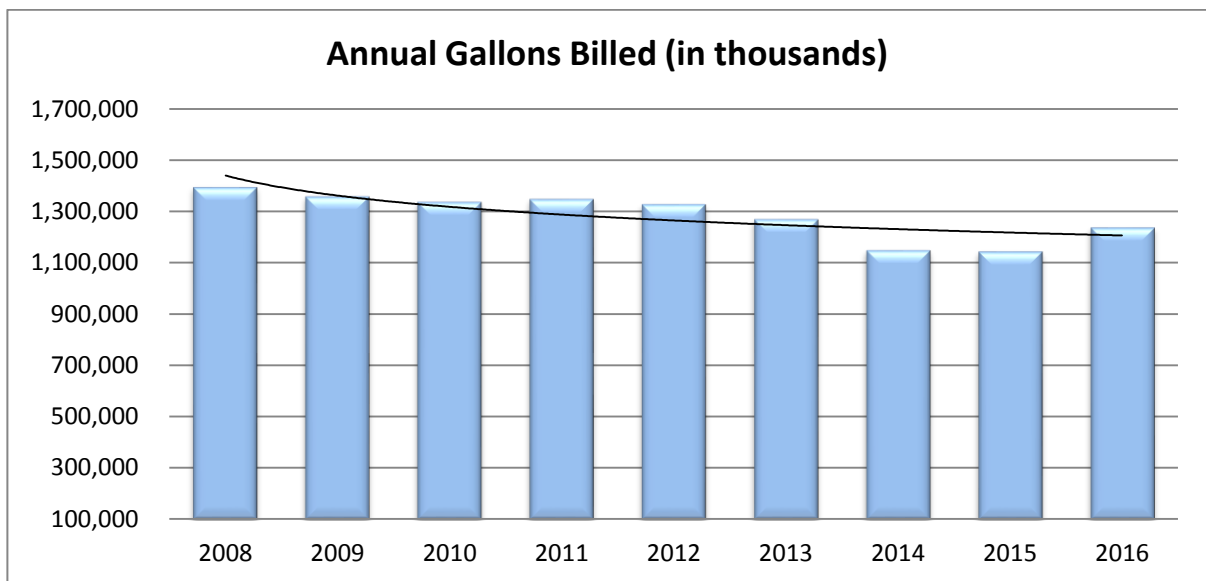
The rate increase in the current year was \$.23, increasing the water rate from \$5.69/1,000 gallons to \$5.91/1,000 gallons.

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 2016, 1.24 billion gallons were billed, a decrease of 23 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 2008.



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.

Consumption is trending higher beginning in FY 2016. Although weather played a factor, the replacement of all water meters in 2016 has generated a planned incremental increase in billed consumption. It was estimated that the average inefficiencies in metering, due to corrosion in aging meters, was about 2.5 percent. That assumption appears to be accurate. It will be easier to evaluate at the end of FY 2017 as the conversion occurred the first half of 2016. Non-summer months will need to be reviewed year-over-year as there is little fluctuation in demand during non summer months.

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 1.27 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.

Water Fund Financials

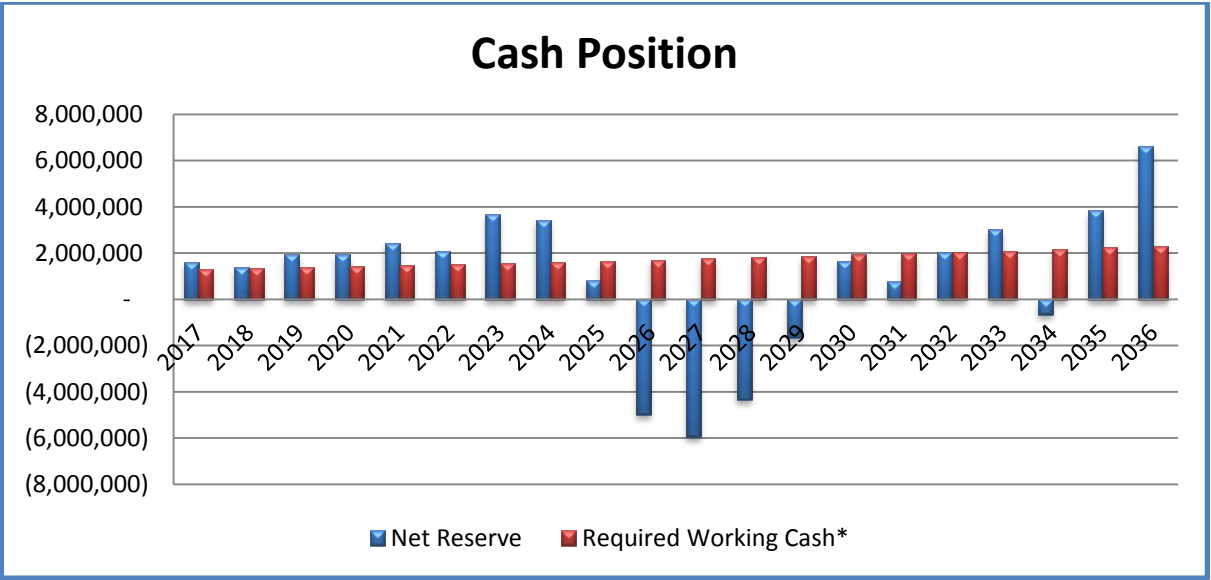
During the high growth years of the water system, the Water and Sewer Fund was able to amass a cash balance that allowed for a reserve to address infrastructure maintenance and improvement. Due to the relative age of the system, over a fifteen year span (1993-2007) the only capital expense was \$229,527 for the St. Mary's Road water main replacement. Since 2008, \$6.3 million in infrastructure repairs and improvements has been spent. That does not include the \$6 million in water meter replacement costs. The meter replacement costs were funded through an installment

note the will be retired in 2030. In FY 2017, it is anticipated that another \$2.1 million will be invested in system infrastructure.

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 2017, working cash is anticipated to be \$1.3 million and the net reserve is \$1.6 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 2017) 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. There is a cluster of significant capital repairs in FY 2026-2029 that will put the fund in deficit. This is the fifty-year mark of the construction boom in the 1980’s. The infrastructure will be near the end of its useful life.

The cash flow generated by the current rate structure will continue to support minor system repairs. Any significant capital improvements that address large sections of main and/or replacement of lift stations will likely require another source of funding.

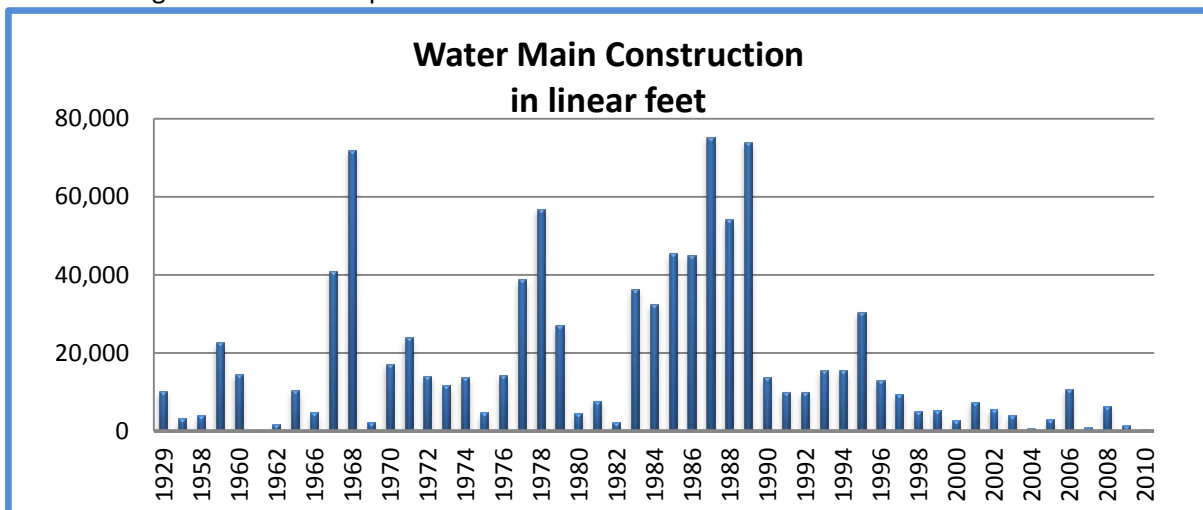
Water and Sewer System Assets

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, a water main constructed in 1966 has a replacement cost of about \$372,000; we forecasted that \$94,000 in repairs would occur in FY 2017. 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.

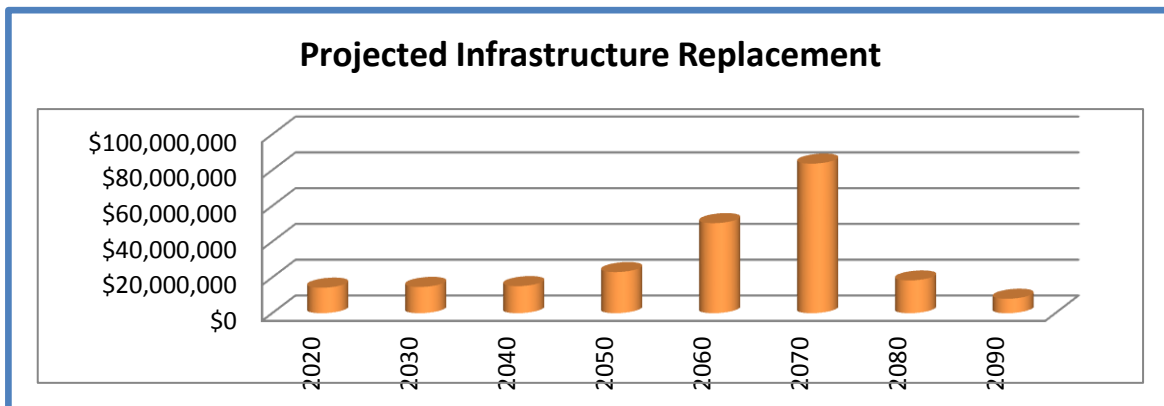
Within the straight-line depreciation calculation beginning with the oldest main constructed in 1929, the first replacement should have occurred in 1979. Approximately \$18 million in water mains have 'expired' but have not needed to be repaired. Estimating the actual asset life at times is more abstract 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 2017-2021 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 2018 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 recommends reviewing the tap on fees for adequacy for 2018. There is the potential for significant redevelopment and the fees need to cover the cost of material and labor to make the connection. This will require an independent analysis from a consulting firm.

In the future, in the future, staff will present recommendations to institute a minimum usage for billing. Residents who consume no water still should share fixed costs related to maintaining the enterprise infrastructure.



TO: Dane C. Bragg, Village Manager

FROM: Mike Reynolds, Director of Public Works

DATE: May 30, 2017

RE: FY 2017 – Stormwater Fund 20 Year Pro Forma Annual 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.

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 surfaces such as buildings, driveways and parking lots, and the funds required to maintain and update the stormwater system. This resulted in a base fee of \$0.006950 per square foot, which is the fee currently in place.

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)
 $\$0.006950 \times \text{Median Lot Size (8,771.66 square footage)} = \text{Annual Fee (\$60.96)}$

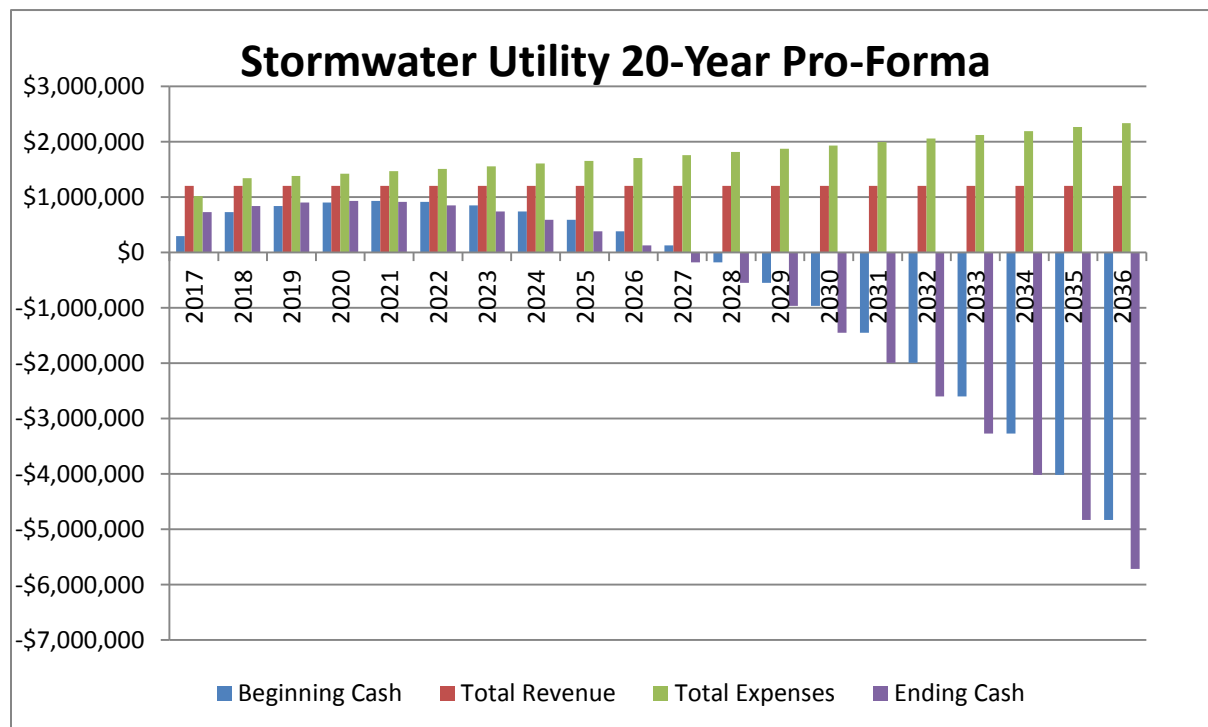
Tier 2 - Multi-Family & Commercial / Industrial / Government/Non-Profit (calculated fee)
 $\$0.006950 \times \text{Property Square Footage} = \text{Annual Fee (varies as calculated)}$

Fiscal year 2016 closed with revenues at 1.1 million, roughly 8.6% under expected revenues. This should 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 databases, delinquent accounts, and accounts where the correct property owner has yet to be determined. The analysis uses a revenue estimate of 1.2 million dollars through 2036.

Stormwater Fund Financials

On the attached financial analysis (Attachment A), staff has presented an estimate of revenues, operating expenses, Capital expenses and Operating Transfers through 2036 (20 years). Revenues include stormwater grant funding (where applicable) 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 other 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. Ending cash represents the fund balance available for capital projects. At the end of FY 2017, ending cash is anticipated to be \$729,000. Those funds are intended to support an enterprise system valued at \$.25 billion. A summary of the 20-year fund performance is provided below.



Operating costs include 3% increases annually. In order to hold the “Reserve for Infrastructure” line item at \$250,000 annually, Capital replacement costs include 4% increases each year to address storm sewer system repairs. While the Stormwater Fund appears to be solid through 2027, any significant unanticipated repairs will deplete the working cash and reserve balances. The Board should consider a rate increase beginning in 2021 to keep the fund solvent.

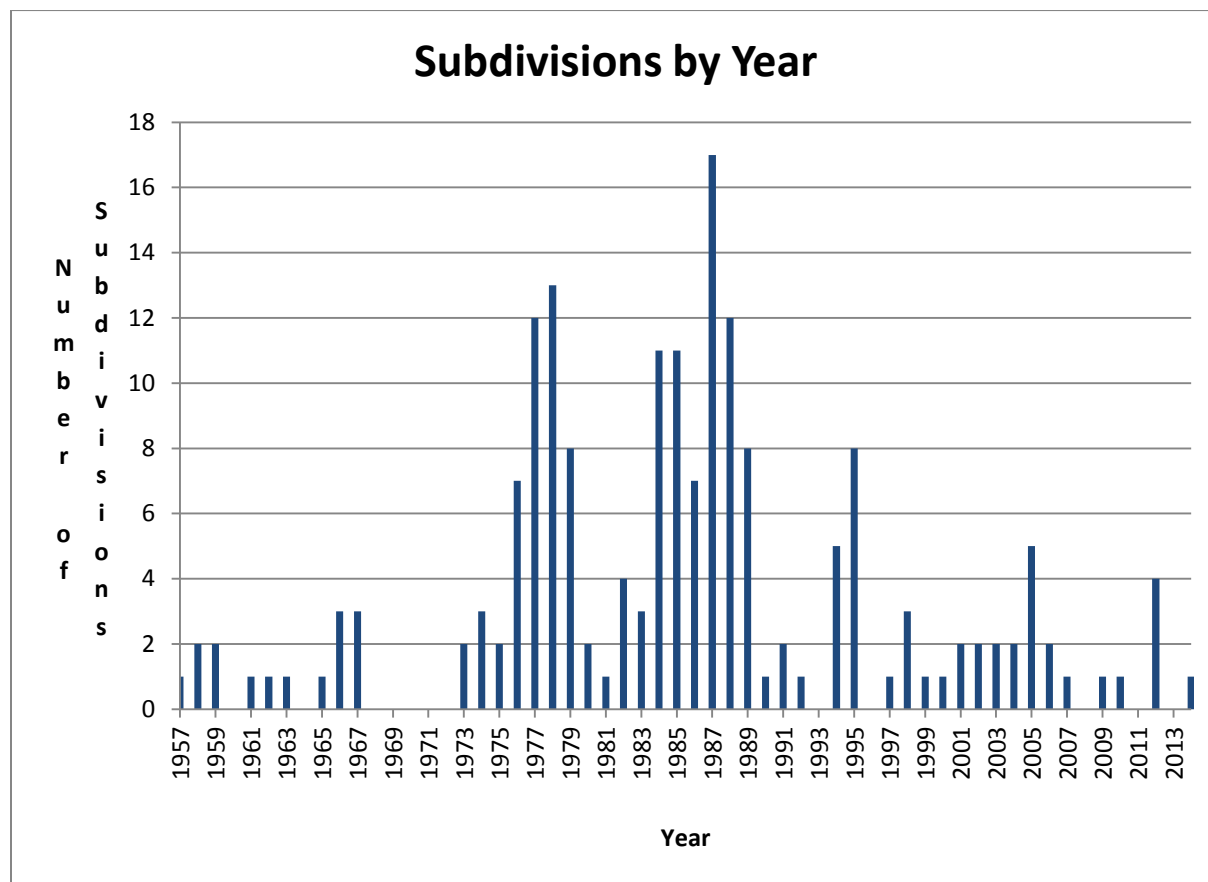
Stormwater System Assets

The stormwater system consists of 189 linear miles of stormwater pipe, 11.3 miles of ditches, streams, and creeks, 39 (81 acres) detention/retention basins, 1 lift station, and thousands of structures. Public Works and GIS staff 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 and the expected capital replacement requirements.

The value of the stormwater assets in the Village's portfolio 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 original 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. However, we have found that the 25% replacement value is not entirely accurate, particularly when we are trying to combine this work with road and/or watermain projects in any given area. Based upon this, consideration should be given to raising the replacement criteria to 50%. The cost estimate

compensates for the improbability that entire sections of the system will be replaced. 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. However, as we are discovering with the water system, this 25% ratio may not be the proper replacement target value.

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.



Regulatory Compliance

Since 2003, the Village has been required to comply with the National Pollutant Discharge Elimination System (NPDES) permitting process. These regulations address “point source” and “non-point source” pollution exposures and governs both sanitary and stormwater activities. This program is monitored and enforced by the Illinois Environmental Protection Agency (IEPA). The Village has been and is currently in compliance with these regulations. Among the major changes are additional stormwater water quality monitoring, better filtering, and control of dewatering activities for water main breaks, outdoor storage inspection, and enforcement activities and stronger code requirements for private detention/retention pond inspections and compliance.

The NPDES program is intended, among other things, to improve the water quality of lakes and streams within a particular area. The Village has been active in several watershed groups including the Buffalo Creek Clean Water Partnership (BCCWP) and the Des Plaines River Watershed Workgroup (DRWW). The impact of this program and the activities of the various workgroups will have an impact on stormwater management for many years to come.

Program Modifications in 2017

- The inclusion of curb and gutter repairs and replacement as part of the annual street program has allowed for more road construction annually.

Future Program Considerations

- An emerging issue for the Village is the existence of small, rear-yard storm sewer systems that were installed with the various developments. These systems, in many cases, were not per code, but were accepted by the Village with the developments and are part of the Village's overall system. Many of these systems are now failing and require replacement with systems meeting current standards. We recently replaced a system on Ronnie Dr. where we replaced approximately 305' of 4" perforated drain tile with 8" ADS pipe, 2 inlets, 3 in-line drains, 9 sump pump connections and related restoration. The cost of this work was \$26,000 to complete. We estimate that there are approximately 20 locations where this type of issue exists, all of which need immediate attention. We plan to include a request in the 2018 capital budget to address these issues.
- There is an 820' segment of Corrugated Metal Pipe (CMP) where the bottom has completely eroded away in several locations. The pipe runs between St. Mary's Parkway and Buffalo Creek and is located in the rear yards between the residences on Crestview and the apartments on Buffalo Grove Rd. We plan to include a request in the 2018 capital budget to address this issue.
- The inclusion of other PW operating expenses related to detention/retention basin maintenance into the plan.
- Additionally, staff continues to work with GIS to determine what parcels outside the Village contribute to and 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 with this update. In the future, as the system inventory is solidified and other projects become clearer, a rate increase may be appropriate. Using current assumptions, the fund will remain relatively stable until 2027. The Board should consider rate increases beginning in 2021 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.

POST-ISSUANCE PROCEDURES
MANUAL
FOR
TAX-EXEMPT BONDS
ISSUED BY
THE VILLAGE OF BUFFALO GROVE
(THE “ISSUER”)

Adopted: _____

Revised: _____

**NOTHING IN THIS MANUAL IS INTENDED TO REDUCE THE RESPONSIBILITY OF THE ISSUER. THESE
PROCEDURES ARE INTENDED TO FACILITATE COMPLIANCE WITH TAX RELATED COVENANTS MADE IN BOND
DOCUMENTS.**

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Appendix A – List of Bonds

Appendix B-1 – List of Bond - Financed Property

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Appendix C – Glossary of Terms and Concepts

I. Policy Statement

This Post-Issuance Procedures Manual (the “*Manual*”) is intended to provide procedures (the “*Procedures*”) for compliance with the requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”), and applicable United States Treasury Regulations (the “*Regulations*”) necessary to maintain the tax exemption of the interest on bonds or other obligations issued by and for the benefit of the Issuer.

The Issuer has and will from time to time issue various issues of tax-exempt bonds, tax credit bonds or direct pay bonds (the “*Bonds*”). Maintaining the tax-exempt or tax-advantaged status of Bonds requires continuing compliance by the Issuer with certain covenants and agreements contained in the documents relating to the issuance of the Bonds. In connection with each issue of tax-exempt Bonds, the Issuer has covenanted or will covenant not to take any action that would cause the interest on the Bonds to become included in the gross income of the holders of the Bonds for federal income tax purposes. These Procedures are being adopted by the Issuer to assist the Issuer in fulfilling covenants to maintain the tax-exempt or tax-advantaged status of the Bonds. It is the intention of the Issuer that the Issuer will comply with all applicable Federal tax law requirements and maintain sufficient records to demonstrate such compliance.

The Issuer is aware that the Internal Revenue Service (“*IRS*”) maintains an active force of revenue agents who examine bond issues for compliance. As a result of such examinations, the IRS may require payment of financial penalties or impose other sanctions to preserve the tax-exemption or tax-advantaged nature of the Bonds or may declare bonds to no longer be tax-exempt or tax-advantaged. Any such declaration could result in legal action against the Issuer. To minimize the risk of such occurrence, these Procedures have been adopted to provide a framework for post-issuance compliance. This Manual is only for the benefit of the Issuer. No other person (including an owner of a Bond) may rely on the Procedures included in this Manual.

The Issuer is aware that the existence of adequate written procedures may influence the IRS to settle matters on more favorable terms should such settlement be required.

Federal tax law imposes restrictions related to the investment and expenditure of Bond proceeds and on the use of facilities financed with Bonds. Compliance with these restrictions is often necessary to maintain the tax-exemption or tax-advantaged nature of the Bonds.

The Issuer is responsible for following tax-related covenants concerning the Bonds. These Procedures are not intended to diminish or augment those covenants.

In order to most efficiently apply limited resources, these Procedures may be limited to Bonds issued after a specified date.

Certain concepts and terms addressed and used in these Procedures are further described in the glossary attached hereto, as *Appendix C*.

II. Procedures

A. Bonds Subject to these Procedures

Attached hereto as *Appendix A* is a list of the Issuer's outstanding Bonds subject to these Procedures. The Compliance Officer (as hereinafter defined) should update this list whenever Bonds are issued and whenever an issue of Bonds subject to the Procedures is fully retired. If payments on the Bonds are provided for by an escrow, such Bonds should remain on the list until the Bonds are paid in full.

B. Facilities/Assets Subject to these Procedures

Attached hereto as *Appendix B-1* is a list of the facilities and assets financed, refinanced or reimbursed with proceeds of the Bonds and that are subject to Federal tax restrictions. Attached hereto as *Appendix B-2* is a list of those facilities and assets that have been disposed of.

The Issuer and the Compliance Officer recognize that a list of financed assets is necessary to track Private Business Use of Bond financed facilities. In order to simplify the maintenance of the list, the Compliance Officer may include entire buildings or other facilities even if only partially financed with Bonds. The list for each issue of Bonds should be completed within a reasonable period after the final allocation of Bond proceeds is made. In the case of Refunding Bonds, the list of assets financed should include the list of assets financed by the refunded obligations.

C. Assignment of Responsibility to Staff

The Issuer designates its Director of Finance (the "*Compliance Officer*") as having responsibility to keep all records required to be kept by the Issuer under these Procedures, to make all reports to the Issuer's governing body required by these Procedures, and to otherwise assure that all actions required of the Issuer hereunder be taken. The Compliance Officer may further delegate certain tasks to other officers, employees or agents of the Issuer. Such delegation shall not relieve the Compliance Officer from responsibility to assure that all tasks assigned to the Compliance Officer hereunder are completed in a timely fashion.

D. Duties of the Compliance Officer

1. *Maintaining List of Bonds.* The Compliance Officer is charged with maintaining the list referred to in Section IIA hereof, and updating such list whenever a new issue of Bonds subject to these Procedures is issued or when an issue of Bonds subject to these Procedures is retired.

2. *Maintaining List of Facilities.* The Compliance Officer is charged with maintaining the list referred to in Section IIB hereof. When an issue of Bonds financing or refinancing a subject facility is retired or redeemed, the list shall identify the retirement or redemption of the Bonds that financed or refinanced such subject facility. As proceeds of

Bonds are spent, the Compliance Officer should update the list periodically at times convenient to the Compliance Officer. The Compliance Officer may simplify the list by including entire buildings or other facilities even if only a portion was Bond financed.

3. *Recordkeeping.* The Compliance Officer is hereby designated as the keeper of all records of the Issuer with respect to the Bonds and that relate to the tax-exempt or tax-advantaged status of the Bonds. The Compliance Officer shall report to the Issuer's governing body not less often than once per year concerning whether he or she has all of the required records in his or her possession, or if not, whether he or she is taking appropriate action to obtain or recover such records. The Compliance Officer should review the records related to the Bonds and shall determine what requirements the Issuer must meet in order to maintain the tax-exemption of interest paid on the Bonds or the tax-advantaged status of the Bonds. The Compliance Officer should then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that (i) the interest paid on the Bonds is entitled to be excluded from gross income for federal income tax purposes or (ii) the Bonds remain tax-advantaged. Notwithstanding any other procedures of the Issuer, such retained records shall be kept for at least as long as the related issue of Bonds or any refunding obligations that may directly or indirectly refund such Bonds remain outstanding, plus three years. Such records, at a minimum, shall include the following items.

a. *Transcript Items.* The Compliance Officer should receive, keep and maintain a true, correct and complete counterpart of each document and agreement delivered in connection with the issuance of the Bonds, including without limitation (i) the proceedings of the Issuer authorizing the Bonds, (ii) any offering document with respect to the offer and sale of the Bonds, (iii) any legal opinions with respect to the Bonds delivered by any lawyers, (iv) notices and minutes of any public hearings held with respect to the Bonds, (v) the tax documentation, including any Tax Exemption Certificate and Agreement, any Tax Compliance Certificate and Agreement and any Non-Arbitrage or Arbitrage Certificates or any tax-related covenants that may be contained in the proceedings of the Issuer authorizing the Bonds, (vi) all written representations of any person delivered in connection with the issuance and initial sale of the Bonds, and (vii) the applicable series of Series 8038 Form filed with respect to the Bonds along with proof of filing. It is likely that such transcript items will be found in the form of or included in a bound volume or compact disc delivered to the Issuer after the Bonds were issued.

b. *Expenditure & Investment Items.* The Compliance Officer should maintain copies of:

(i) account statements showing the disbursements of all Bond proceeds for their intended purposes, as well as any requisition requests and the invoices and contracts (*e.g.*, construction contracts, third party invoices) to which the expenditure of funds relates;

(ii) account statements showing all investment activity of any and all accounts in which the proceeds of the Bonds have been held;

(iii) all bid requests and bid responses used in the acquisition of any special investments or derivative products used in connection with the Bonds, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were acquired at fair market value; and

(iv) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations.

To the extent that such records are not in the possession of the Compliance Officer with respect to a particular issue of Bonds, investment or expenditure, the Compliance Officer should make a note that such record is not in his or her possession. In such case, the Compliance Officer should take reasonable steps to obtain such records or, if not possible, consult with counsel concerning possible alternatives.

c. *Records of Use.* The Compliance Officer should maintain records establishing that all Bond-financed property has been used for the purposes required for interest on the Bonds to be excluded from gross income for federal income tax purposes or for the Bonds to remain tax-advantaged. Such records shall include copies of all significant contracts and agreements of the Issuer, including any leases, management contracts, research agreements, or service contracts, with respect to the use of any property owned by the Issuer and acquired or financed with the proceeds of the Bonds (excluding arm's length contracts covering 50 or fewer days). The Compliance Officer shall cause such contracts to be reviewed either by staff of the Issuer or by an outside consultant (i) to determine if such contracts cause any Private Business Use of such facilities, or (ii) if the Compliance Officer cannot reasonably determine whether such contract causes Private Business Use. If any such contract is determined to cause Private Business Use of a Bond-financed facility, the Compliance Officer should determine or cause to be determined for each year, the percentage of such facility so privately used. Such determination may be made in consultation with counsel or other consultants.

d. *Rebate & Yield Calculations.* The Compliance Officer should maintain copies of any calculations of liability for arbitrage rebate or yield reduction payment that is or may become due with respect to the Bonds, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, or Form 8038-R, Request for Recovery of Overpayments under Arbitrage Rebate Provisions, or any successor form to either of those.

e. *Actions under these Procedures.* The Compliance Officer should retain all records, memoranda and other documents and correspondence relating to these Procedures or actions taken under these Procedures.

4. *Arbitrage Computations.* The Compliance Officer should review the agreements of the Issuer with respect to each issue of Bonds and shall determine what actions are necessary or advisable to comply with the arbitrage restrictions and arbitrage rebate requirements of the Code. Some issues of Bonds may be exempt from the rebate requirement. Taking into account any applicable exemptions from the arbitrage rebate requirement for each issue of Bonds, the Compliance Officer should cause computations to be made at least once in the first five years the Bonds are outstanding (and at least once every 5-year period thereafter while the Bonds are outstanding) of the accrued arbitrage rebate amount (if any) with respect to each issue of Bonds. The Compliance Officer should, if authorized, retain a law firm or other consultant or use staff of the Issuer to prepare reports stating whether or not there is any rebate or yield reduction payment liability to the U.S. Treasury related to the Bonds, and setting forth any applicable exemptions from rebate liability that may be applicable to any funds or accounts. Such report should be updated annually. Updates will not be required if a report clearly indicates that no additional rebate or yield restriction liability will accrue. The Compliance Officer is responsible for ensuring the timely payment to the U.S. Treasury of all arbitrage rebate payments and yield reduction payments when due, including the filing of any required IRS forms.

If and to the extent that any Bond proceeds are or become subject to a yield restriction requirement, the Compliance Officer is responsible for investing or directing the investment of such proceeds at a yield not in excess of the permitted yield and for making any yield reduction payments to the U.S. Treasury as are necessary.

The Compliance Officer may, if authorized, retain a law firm or other consultant to assist in making such determinations.

5. *Annual Review and Reports.* Not less often than once per year, the Compliance Officer should conduct a review of records and other information described in these Procedures to determine whether any or all of the Bonds comply with the tax requirements applicable to such Bonds. The Compliance Officer, if authorized, may hire counsel or other consultants to assist in such review. To the extent that any violations or potential violations of tax requirements are discovered, the Compliance Officer may make recommendations or take such actions as the Compliance Officer should reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the Regulations or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or any successor guidance. The Compliance Officer should prepare a written report (which may be marked as confidential) and should present such report to the Issuer's governing body no less frequently than once per year. The annual review requirement will continue with respect to a particular Bond issue until the first review to occur after the date that all Bonds of that issue and any refunding obligations that may directly or indirectly refund such Bonds are fully paid and retired.

6. *Action on the Discovery of a Potential Violation.*

a. *Reallocation.* The Issuer and the Compliance Officer recognize that, in limited circumstances, if there is a failure to spend Bond proceeds properly, such Bond

proceeds can be reallocated to qualified costs that may be financed with Bond proceeds, *provided* that such reallocation occurs within specified time frames. If the Compliance Officer determines that a failure to spend Bond proceeds on qualified costs has occurred, the Compliance Officer should (with the aid of a law firm or other consultant or staff of the Issuer) determine if a reallocation of Bond proceeds is possible.

b. *Remediation.* The Issuer and the Compliance Officer recognize that if, among other things, there is a failure to use Bond proceeds properly, a failure to spend all Bond proceeds, or a disposition of Bond-financed property or Private Business Use in excess of allowed limits, a remedial action may be required in accordance with the Code and the Regulations. The Compliance Officer should (with the aid of a law firm or other consultant or staff of the Issuer) determine if such remedial actions are required and possible. The Compliance Officer should prepare or cause to be prepared a memorandum describing any such remedial action or proposed remedial action. The memorandum should describe whether such remedial action will serve to cure any particular tax law violation. The memorandum should include a full description of such required actions of the Issuer. A copy of any such memorandum shall be given to the Issuer's governing body. Following any such remedial action, the Compliance Officer should prepare a report describing the effect of such remedial action. The list of Bond-financed property may need to be revised as a result of such remedial action and, if so, the Compliance Officer should so revise the list.

c. *Voluntary Closing Agreement Program.* The Issuer and the Compliance Officer recognize that if there is a violation of the covenants of the Issuer related to the maintenance of the exclusion from gross income for federal income tax purposes of interest on the Bonds or a violation of the covenants of the Issuer related to the maintenance of the tax-advantaged status of the Bonds, then the Issuer may be able to enter into a voluntary closing agreement with the IRS to preserve the favorable tax status of the Bonds. The Compliance Officer should determine if a voluntary closing agreement is desirable and possible. The Compliance Officer should coordinate the Issuer's efforts in obtaining any voluntary closing agreement. The Issuer may (to the extent authorized) retain or consult with counsel to attempt to obtain a voluntary closing agreement. Following the execution of any such closing agreement, the Compliance Officer should prepare a report describing the effect of such closing agreement. The list of Bond-financed Property may need to be revised as a result of such closing agreement and, if so, the Compliance Officer should so revise the list.

7. *Action on IRS Contact.*

a. *Examination of Bonds.* The Issuer and the Compliance Officer recognize that the IRS or another regulatory entity may undertake an examination of Bonds. In the event that the Issuer is notified of such an examination, the Issuer shall as quickly as possible notify the Compliance Officer. The Compliance Officer should coordinate the defense of such examination and should determine if counsel should be hired and, if so, which counsel. Except to the extent that the Issuer determines that another party

should undertake a response, the Compliance Officer will be responsible for compiling answers to any information or document request that might be presented to the Issuer as a result of such examination. If an examination cannot be closed without a closing agreement, the Compliance Officer should use reasonable efforts to reach an acceptable closing agreement with such regulatory agency and to obtain all required Issuer approvals of such closing agreement.

Regardless of how an examination of the Bonds is closed, the Compliance Officer should retain all communications with the IRS or other regulatory agency relating to such examination among the records kept under Section II.D.3. of these Procedures (Recordkeeping).

The Compliance Officer should advise the Issuer's governing body of any such examination when, as and in such manner as the Compliance Officer may deem appropriate.

b. *Compliance Checks.* The IRS and other regulatory agencies may conduct compliance checks from time to time. As part of such compliance check, the IRS or another regulatory agency may send questionnaires to the Issuer. The Compliance Officer may, if authorized, hire counsel to assist in the response to a compliance check. The Compliance Officer should advise the Issuer's governing body of any such compliance check promptly after receiving notice thereof.

8. *Training.* The Compliance Officer should undertake to maintain a reasonable level of knowledge concerning the rules related to tax-exempt and tax-advantaged bonds so that he or she may fulfill his or her duties hereunder. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax-Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, such officer may consult with in-house or outside counsel, consultants and experts to assist in exercising his or her duties under these Procedures. The Compliance Officer should endeavor to make sure that other staff of the Issuer is aware of the need for continuing compliance and coordinate appropriate training and education of other personnel of the Issuer. The Compliance Officer should provide copies of relevant Bond documents and these Procedures to other staff members who may be responsible for taking actions described in the Bond documents and in particular to any person who is expected to be a successor Compliance Officer. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these Procedures. The Compliance Officer should review the Bond documents and these Procedures periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or other experts or consultants or staff.

E. Changes to the Manual

The Procedures contained herein may be revised and amended from time to time as the Issuer and the Compliance Officer deem necessary to comply with the requirements of the

Code and Regulations. The Issuer and the Compliance Officer may, from time to time and upon the issuance of new Bonds, contact outside counsel to determine whether the Procedures contained herein adequately address the post-issuance responsibilities of the Issuer as required by the Code and Regulations.

F. Specific Procedures for Special Cases

The Procedures contained herein specifically address post-issuance compliance procedures with respect to tax-exempt governmental bonds issued for capital projects under Section 103 of the Code. The Issuer and the Compliance Officer recognize that these Procedures may be inadequate for other types of tax-exempt obligations (including TIF financings), tax-credit or direct pay obligations, for which additional procedures may be required. In the event that the Issuer issues private activity tax-exempt obligations, tax-exempt obligations funding a significant amount of working capital, tax increment financing bonds, tax-credit bonds, or direct pay bonds, the Issuer receives an indication from counsel that additional procedures are required, or the Issuer enters into any derivative products, these Procedures should be revised to reflect any specific rules and requirements and post-issuance responsibilities applicable to such type of tax advantaged obligations and derivative products.

G. Authorization and Expense

This Compliance Manual is not intended to provide authorization to the Compliance Officer to enter into contracts for service or to spend Issuer funds. To the extent that the Compliance Officer determines that such contracts or expenditures are desirable and are not otherwise authorized, the Compliance Officer should obtain such authorization before entering into such contracts and spending such Issuer funds.

APPENDIX A

LIST OF BONDS

NAME OF ISSUE	DATE OF ISSUANCE	FINAL MATURITY DATE
Tax-Exempt Installment Purchase Agreement Schedule 1	March 27, 2015	06/01/2029
General Obligation Corporate Purpose Bonds, Series 2012	August 27, 2012	12/30/2030
General Obligation Refunding Bonds, Series 2010A and General Obligation Corporate Purpose Bonds, Series 2010B	May 6, 2010	12/30/2025

APPENDIX B-1

LIST OF BOND-FINANCED PROPERTY

DESCRIPTION OF THE PROPERTY	LOCATION	BONDS THAT FINANCED THE PROPERTY	AMOUNT BOND FINANCED	USEFUL ECONOMIC LIFE	PLACED IN SERVICE DATE
Water Meter Replacements and AMI System		Tax-Exempt Installment Purchase Agreement Schedule 1	Approx. \$ _____	20 years	
Streetlights		Tax-Exempt Installment Purchase Agreement Schedule 1	Approx. \$ _____	20 years	
SCADA upgrades		Tax-Exempt Installment Purchase Agreement Schedule 1	Approx. \$ _____	10 years	
Road Improvements	Various Village Locations	General Obligation Corporate Purpose Bonds, Series 2012	[\$6,100,00]	20 years	
Storm water drainage improvements, the construction of water detention facilities, installation of storm sewers and storm box culverts	Various Village Locations	General Obligation Refunding Bonds, Series 2010A and General Obligation Corporate Purpose Bonds, Series 2010B			
Roadway Reconstruction	Various Village Locations	General Obligation Refunding Bonds, Series 2010A and General Obligation Corporate Purpose Bonds, Series 2010B			
Landscape Wall Reconstruction	Various Village Locations	General Obligation Refunding Bonds,			

Sidewalk Removal and Restoration	Various Village Locations	Series 2010A and General Obligation Corporate Purpose Bonds, Series 2010B General Obligation Refunding Bonds, Series 2010A and General Obligation Corporate Purpose Bonds, Series 2010B
Public Golf Course Improvements		General Obligation Refunding Bonds, Series 2010A and General Obligation Corporate Purpose Bonds, Series 2010B (Refunding Portion - originally financed with Series 2001A)
Construction of Commuter Train Station		General Obligation Refunding Bonds, Series 2010A and General Obligation Corporate Purpose Bonds, Series 2010B (Refunding Portion - originally financed with Series 1994, which were refunded by Series 2001B)
[Public Capital Improvements - specific descriptions]		General Obligation Refunding Bonds, Series 2010A and

General Obligation
Corporate Purpose
Bonds, Series 2010B
(Refunding Portion -
originally financed with
Series 1995A & Series
1992, which were
refunded by Series
2001B)

APPENDIX B-2

LIST OF DISPOSED BOND-FINANCED PROPERTY

DESCRIPTION OF THE PROPERTY	FORMER LOCATION	DATE OF DISPOSAL	MANNER OF DISPOSAL	SALE PRICE	PERSON TO WHOM SOLD
				\$	

APPENDIX C

GLOSSARY OF TERMS AND CONCEPTS

Private Business Use

“Private Business Use” means any use of Bond-financed property by any person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of Bond-financed property on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of Bond-financed property that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Bond-financed property that is not available for use by the general public. Use by a natural person not engaged in any trade or business is not private use. Any use by the federal government or by a corporation is Private Business Use.

Examples of common uses of Bond-financed property that may create Private Business Use include the following:

- Management contracts with private companies or individuals to manage all or a portion of a Bond-financed facility (*e.g.*, a contract with a private company to manage a Bond-financed cafeteria, convention center, recreation center, etc.)
- A lease of space in a Bond-financed facility to a non-governmental person (*e.g.*, a lease of space in a Bond-financed municipal building to Starbucks or McDonalds)
- Rental arrangements whereby individuals, non-profit organizations or private businesses rent space in a Bond-financed facility

There are certain exceptions to Private Business Use. For example, a “qualified management contract” following certain guidelines set forth in Revenue Procedure 97-13 does not create Private Business Use. In addition, under appropriate circumstances, short-term rentals and other uses of up to 50 days (or in some cases 100 days or 200 days) are permitted.

Arbitrage & Arbitrage Rebate

Arbitrage generally is the earnings that an issuer will earn when it invests proceeds of the Bonds in investments with a yield above the yield on the Bonds. Generally, an issuer is required to make payments of any arbitrage it earns as a result of the investment of the proceeds of the Bonds above the yield on the Bonds to the IRS, which is known as “arbitrage rebate.” There are certain exceptions to the requirement to make arbitrage rebate payments to the IRS (*e.g.*, small issuer exceptions, spending exceptions, bona fide debt service fund exceptions).

Yield Restriction and Yield Reduction Payments

Yield restriction is the requirement that an issuer not invest Gross Proceeds (defined below) of the Bonds at a yield higher than Bond yield. Generally, in a capital project financing, an issuer will have a 3-year “temporary period” during which it can invest proceeds of the Bonds in its project fund above the yield on the Bonds. After such time, moneys are yield restricted and cannot be invested above the yield on the Bonds (plus a de minimis percentage). Additionally, after the expiration of the temporary period, proceeds generally cannot be invested in federally guaranteed investments (including FDIC-insured accounts), other than certain de minimis amounts. If an issuer invests amount above the yield on the Bonds after the expiration of a temporary period, it may still be able to achieve yield compliance by making a yield reduction payment to the IRS, which is a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as IRS may prescribe that will be treated as a reduction in Yield of an investment under the Regulations. Yield reduction payments may only be made in limited circumstances, and do not work for all investments above Bond yield.

Gross Proceeds

“*Gross Proceeds*” generally means (i) sale proceeds of the Bonds and investment earnings thereon and (ii) amounts reasonably expected to be used directly or indirectly to pay principal or interest on the Bonds. In addition, a pledged fund may also constitute gross proceeds. A pledge is any amount that is directly or indirectly pledged to pay the principal of or interest on the bonds. A pledge by the issuer must provide reasonable assurance that such moneys will be available to pay the debt service on the bonds even if the issuer has financial difficulties. Gross proceeds may also arise if Bonds are outstanding longer than reasonably necessary for their governmental purpose. Typically, Gross Proceeds will be contained in a project fund, escrow fund (if the Bond issue is a refunding issue), costs of issuance fund, bond fund and debt service reserve fund (if applicable).

If moneys or investments are pledged or otherwise set aside for payment of principal of or interest on the Bonds, any amounts are derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (*e.g.*, a redemption right), or the Issuer enters into any agreement to maintain certain levels of types of assets for the benefit of a holder of a bond or any credit enhancement with respect to the Bonds, such amounts may also constitute Gross Proceeds. Further, if any Bond-financed property is sold or otherwise disposed of any amounts received from such sale or other disposition may also constitute Gross Proceeds.

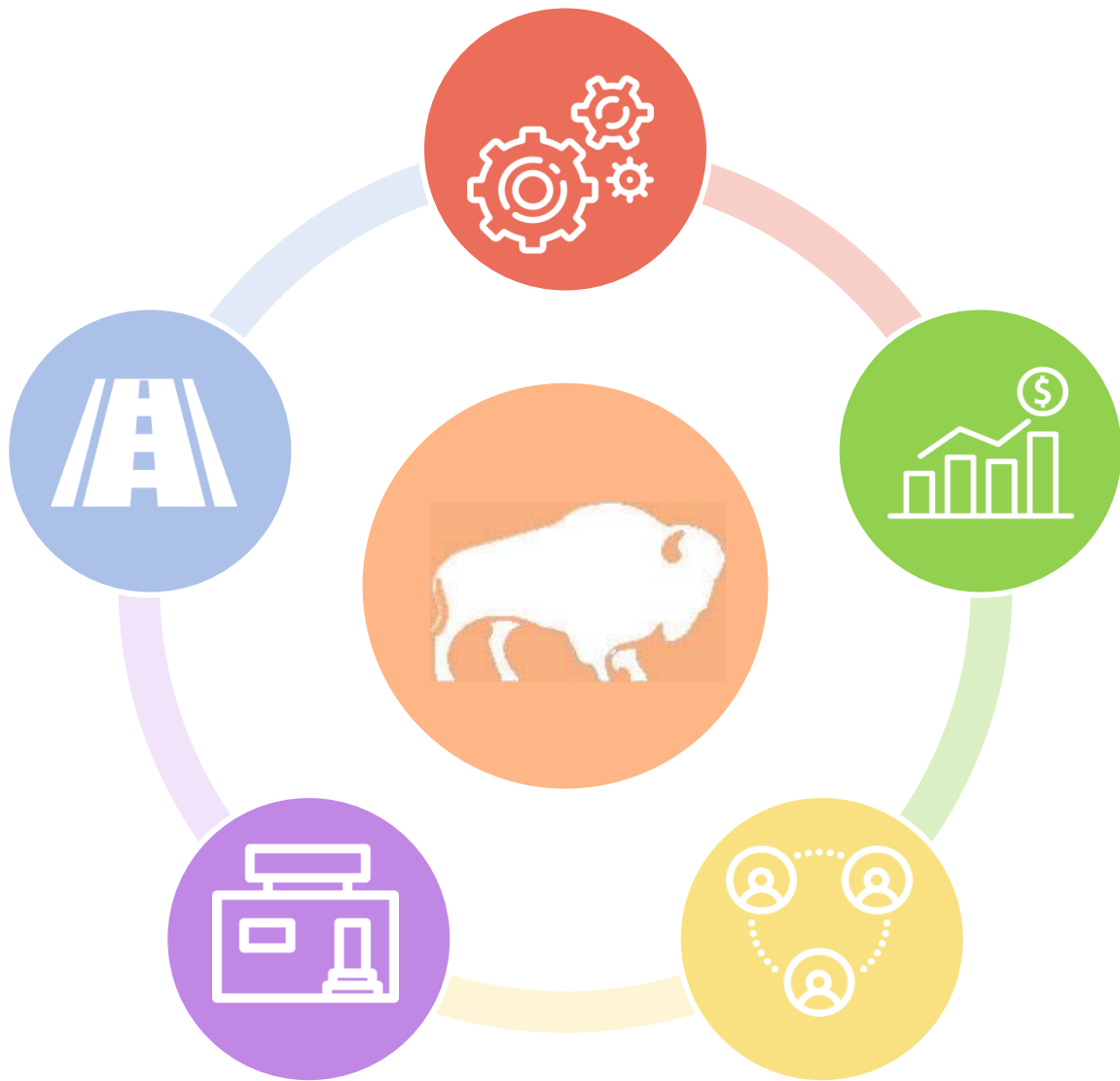
Remediation

The Code prescribes three self-help mechanisms that an issuer may use to remediate non-qualified Bonds as a result of violation of Private Business Use covenants. These include redemption or defeasance of non-qualified bonds, alternative use of a facility (*e.g.*, if a 501(c)(3) organization leases a Bond-financed municipal facility) or alternative use of disposition proceeds (*e.g.*, if Bond-financed property is sold, the proceeds of the sale are used for other governmental purposes that would have qualified for tax-exempt financing). Prior to taking such remedial

actions, the issuer must satisfy certain pre-conditions. In addition, remedial actions are only able to be taken within a specified time frame before or after the action causing Private Business Use.

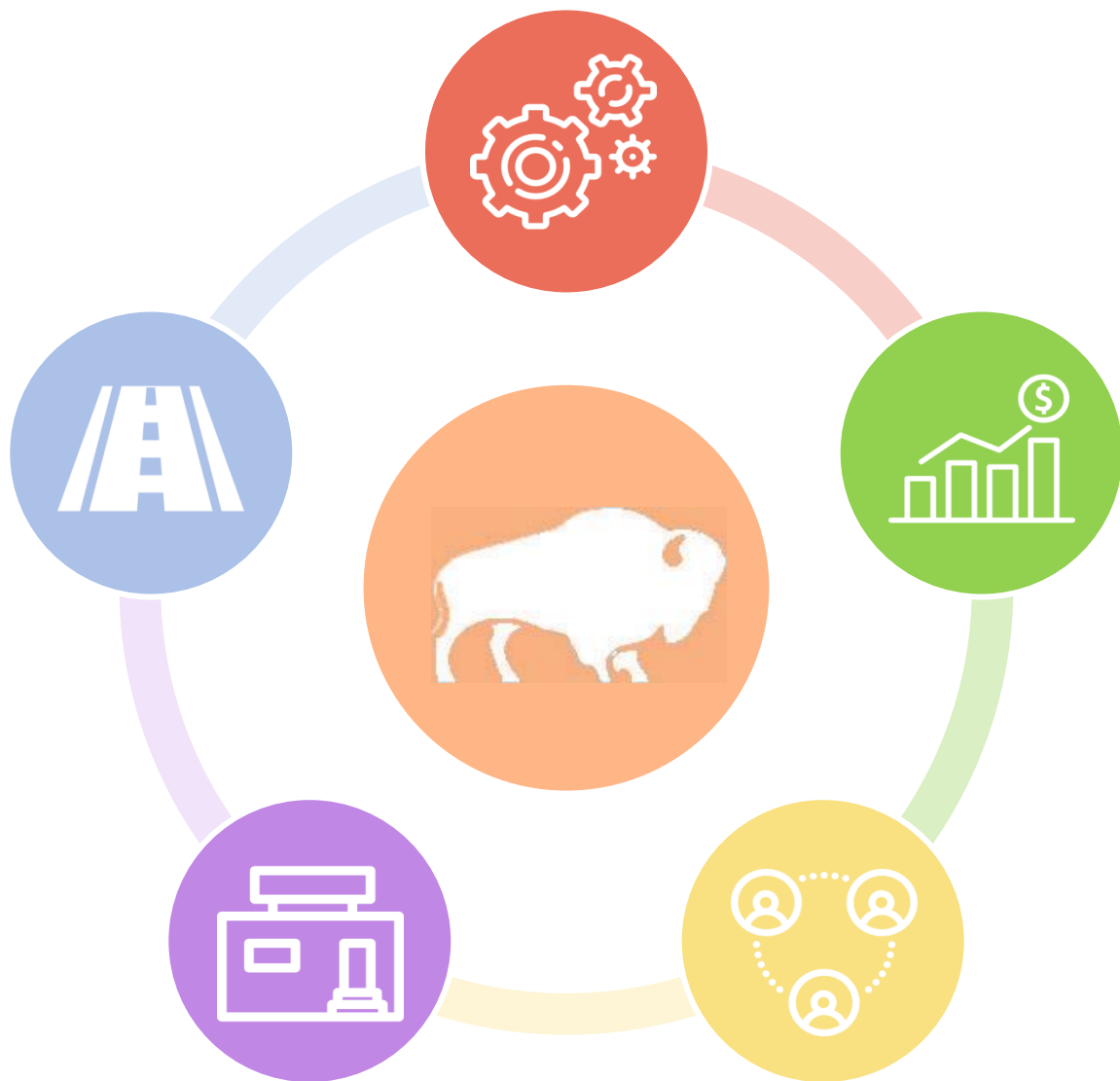
Voluntary Closing Agreement Program

Through the Voluntary Closing Agreement Program (VCAP), issuers of Bonds can voluntarily resolve violations of the Code and applicable Regulations (through closing agreements with the IRS). VCAP can be used when a remedial action (described under “Remediation”) is unavailable or there is another violation of the Code or Regulations that cannot be fixed through self-help mechanisms. The incentive for an issuer to go to VCAP is that, generally, a settlement in VCAP will be more favorable to the issuer than if the violation were discovered in an examination.



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APPENDIX C: HUMAN RESOURCES



HEALTH PLAN BENEFITS – EMPLOYEE STAFFING LEVELS

HEALTH PLAN BENEFITS

The Village offers two health insurance coverage options (1 PPO and 1 HMO) on a self-insured, pooled basis using the BlueCross BlueShield network. The Village also offers Basic Life /AD&D through the 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 118 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 provides 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 the village's PUSH Wellness program and annual employee flu shots.

2018 Changes to Health Insurance

Starting in 2018, the Village has reduced its health plan offerings from three plans to two. The Village PPO plans were facing structural deficits coupled with significant premium increases scheduled for upcoming year. Following a comprehensive review of the Village's benefit plans, staff determined that the PPO-B plan and subsequent usage was driving the overall PPO costs.

To that end, Staff engaged our Benefits Consultants at IPBC to determine a new plan that would be financially sustainable and still provide a competitive benefit to employees. The Current PPO-A and PPO-B plans will be eliminated and replaced with a new PPO that is more in line with market peers. The Village will maintain the current HMO plan. The Village has successfully negotiated the new plan with both unions and the new PPO plan will take effect on January 1, 2018 with open enrollment in November 2017.

The major changes to the PPO plan are as follows:

- Elimination of the PPO A and PPO B plans.
- Inclusion of a comprehensive vision plan in all new plans.
- Increase to deductibles to \$500 from \$300 for a single employee and \$1,500 from \$900 for a family.
- Increase in Out-Of-Pocket Maximums to \$1,600 from \$1,500 for a single employee and \$4,800 from \$4,500 for a Family.
- Reduction of copays for primary care physician visits.

2017 VERSUS 2018 PREMIUM STRUCTURE (\$)

Medical Plans

	2017 Monthly rates			2018 Monthly rates		
PPO Medical Plan	Employee	Village	Total	Employee	Village	Total
90% In-Network / 70% Out of network benefit						
Single employee	N/A	N/A	N/A	\$104.37	\$591.46	\$695.84
Single + 1 dependent	N/A	N/A	N/A	\$210.84	\$1,194.76	\$1,405.61
Family	N/A	N/A	N/A	\$372.62	\$2,111.52	\$2,484.15

	2017 Monthly Rates			2018 Monthly Rates		
HMO Medical Plan	Employee	Village	Total	Employee	Village	Total
Single employee	\$81.67	\$462.78	\$544.45	\$81.83	\$463.71	\$545.54
Single + 1 dependent	\$1,64.97	\$934.83	\$1,099.80	\$165.30	\$936.71	\$1,102.01
Family +2 dependents	\$,291.55	\$1,652.14	\$1,943.70	\$294.03	\$1,655.44	\$1,947.58

Dental Plan

	2017 Monthly Rates			2018 Monthly Rates		
No employee contribution	Employee	Village	Total Premium	Employee	Village	Total
Single employee	0	\$45.80	\$45.80	0	\$51.30	\$51.30
Single + 1 dependent	0	\$77.09	\$77.09	0	\$86.35	\$86.35
Family + 2 dependents	0	\$129.30	\$129.30	0	\$144.82	\$144.82

Vision Plan

	2017 Monthly Rates			2018 Monthly Rates		
No employee contribution	Employee	Village	Total Premium	Employee	Village	Total
Single employee	N/A	N/A	N/A	0	\$4.78	\$4.78
Single + 1 dependent	N/A	N/A	N/A	0	\$7.81	\$7.81
Single + spouse	N/A	N/A	N/A	0	\$7.65	\$7.65
Family	N/A	N/A	N/A	0	\$12.59	\$12.59

EMPLOYEE STAFFING LEVELS

Office of the Village Manager/ Administration	FY 2016		FY 2017		FY 2018	
	FT	PT	FT	PT	FT	PT
Deputy Village Manager	1	0	1	0	1	0
Management Analyst	1	0	1	0	1	0
Administrative Assistant	0	0	0	1	0	1
Village Manager	1	0	1	0	1	0
Total	3	0	3	1	3	1
Full & Part-Time Total	3		4		4	

Human Resources	FY 2016		FY 2017		FY 2018	
	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 2016		FY 2017		FY 2018	
	FT	PT	FT	PT	FT	PT
Accountant	1	0	1	0	1	0
Deputy Finance Director	1	0	1	0	1	0
Cashier	1	0	1	0	1	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	9	0	9	0	9	0
Full & Part-Time Total	9		9		9	

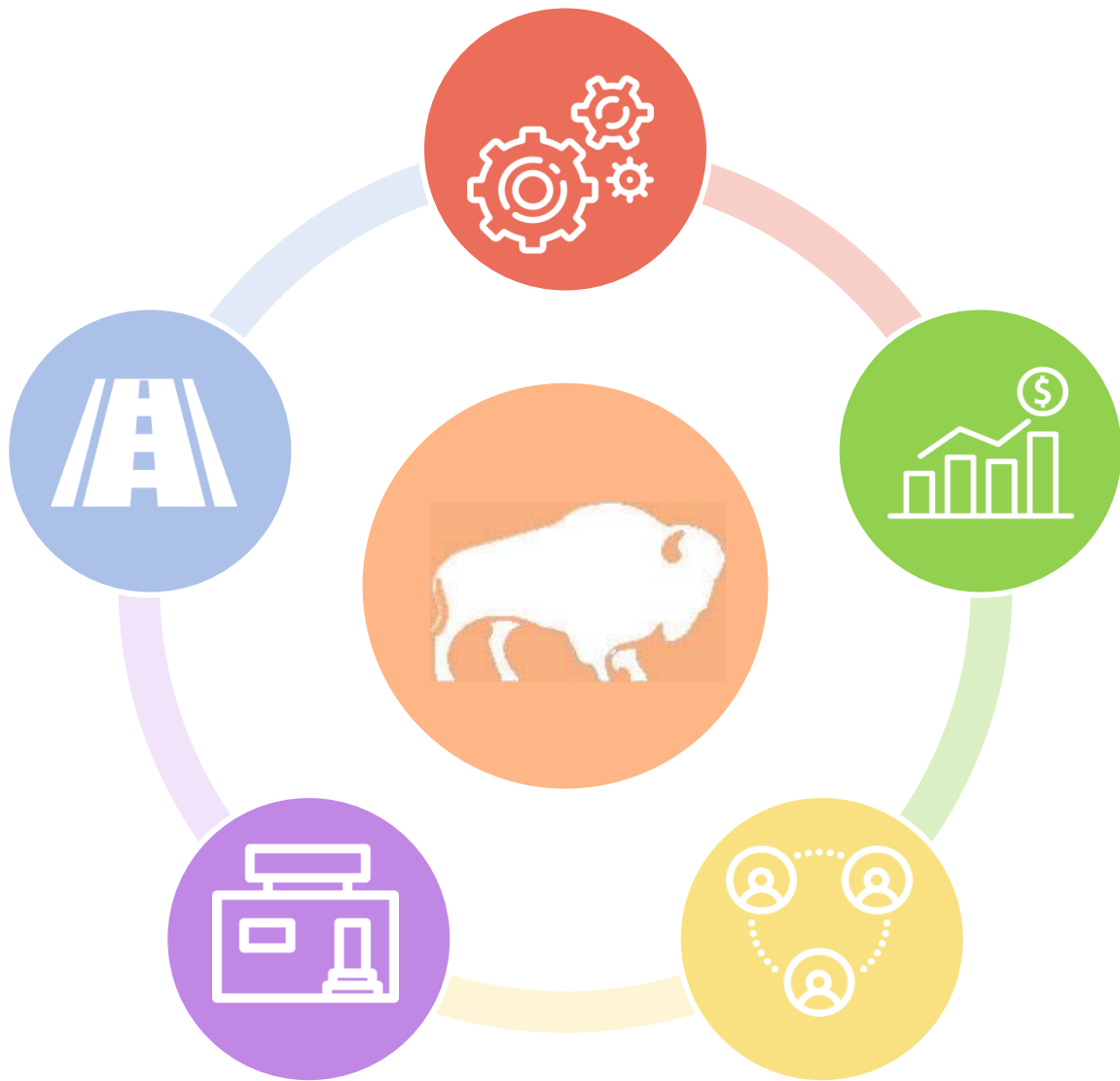
Community Development	FY 2016		FY 2017		FY 2018	
	FT	PT	FT	PT	FT	PT
Administrative Assistant	2	0	2	0	2	0
Associate Planner	0	0	0	0	1	0
Building Commissioner	1	0	1	0	1	0
Building Inspector	1	0	1	0	1	0
Clerk	0	1	0	1	0	1
Community Development Director	1	0	1	0	1	0
Deputy Clerk	1	0	1	0	1	0
Electrical Inspector	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	1
Total	12	1	12	1	13	2
Full & Part-Time Total	13		13		15	

Fire Services	FY 2016		FY 2017		FY 2018	
	FT	PT	FT	PT	FT	PT
Battalion Chief	4	0	4	0	5	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	1
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	60	3
Full & Part-Time Total	61		61		63	

Police Services	FY 2016		FY 2017		FY 2018	
	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	2	0	2	0	2	0
Crossing Guard	0	9	0	5	0	5
Deputy Police Chief	2	0	2	0	2	0
Desk Officer	2	2	3	2	3	2
Evidence Custodian	1	1	1	0	1	0
Lieutenant	4	0	4	0	4	0
Patrol Officer	47	0	46	0	46	0
Police Commander	2	0	2	0	2	0
Police Sergeant	8	0	8	0	8	0
Records Supervisor	1	0	1	0	1	0
Social Worker	0	1	1	0	1	0
Technical Services Administrator	1	0	1	0	1	0
Administrative Assistant	1	0	1	0	1	0
Total	74	13	75	8	75	8
Full & Part-Time Total	84		83		83	

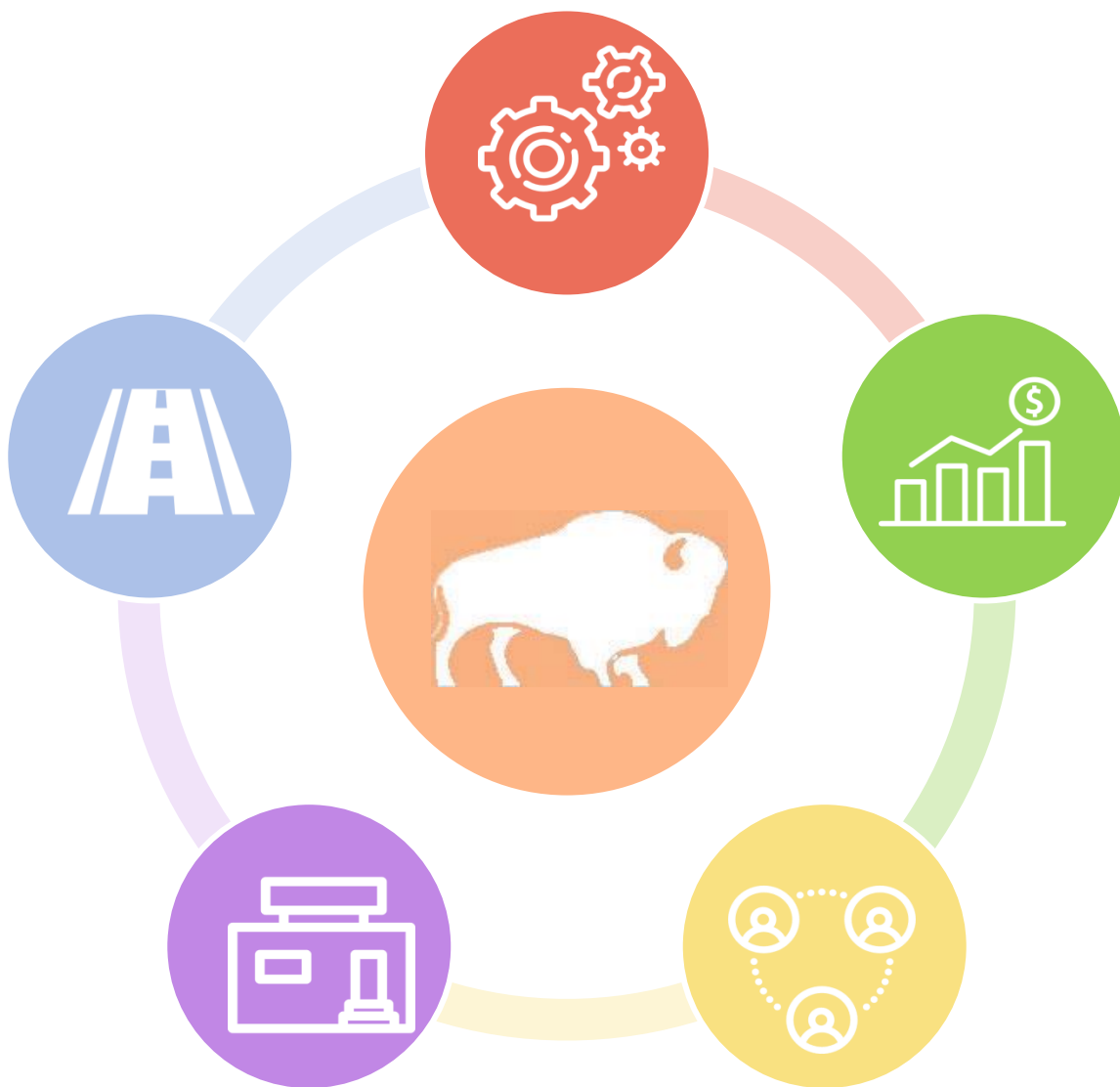
Golf Operations	FY 2016		FY 2017		FY 2018	
	FT	PT	FT	PT	FT	PT
Head Golf Professional	2	0	2	0	2	0
Assistant Golf Professional	1	2	1	2	1	2
Golf Course Attendants- Seasonal	0	30	0	30	0	30
Total	3	32	3	32	3	32
Full & Part-Time Total	35		35		35	

Public Works/Engineering	FY 2016		FY 2017		FY 2018	
	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
Clerk II	0	1	0	0	0	0
Deputy Director of Public Works	1	0	1	0	1	0
Director of Public Works	1	0	1	0	1	0
Engineering Aide	0	1	0	2	0	2
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	4
Laborer – Part Time	0	0	0	0	0	2
Maintenance Worker I	8	0	7	0	8	0
Maintenance Worker II	13	0	13	0	12	0
Maintenance Worker II – CL	6	0	6	0	5	0
Management Analyst	0	0	0	0	1	0
Superintendent of Maintenance	1	0	1	0	1	0
Seasonal Snow Plow Driver	0	1	0	1	0	1
Administrative Assistant	2	0	2	1	2	0
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	9	49	11	49	10
Full & Part-Time Total	59		60		59	



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APPENDIX D: DOCUMENT DEFINITIONS



GLOSSARY OF TERMS – 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 views 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 or financial institution for a specified period for a specified rate of interest.

Charges for Service:

User charges for services provided by the Village to those specifically benefiting from those services.

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 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.

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 annual 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.

Major Services:

The actions a department undertakes to accomplish the work necessary in individual Program Areas.

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 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.

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.

Program Area:

Provides an access point for individuals to search village services by function.

Program Based Budget:

Program-based budgeting is a budgeting structure where money is distributed by program or functional area and based on the nature of the activities performed by the program.

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	MCSC3:	Mobile Comm Support Center 3
CAFT:	Combined Area Fire Traing	MDC:	Mobile Data Computer
CIF:	Capital Improvement Fund	MFT:	Motor Fuel Tax
CIP:	Capital Improvement Plan	NWCDS:	Northwest Central Dispatch System
EAB:	Emerald Ash Borer	NWWC:	Northwest Water Commission
EAV:	Equalized Assessed Valuation	OTSW:	Opportunities, Threats, Strengths, and Weaknesses
EMA:	Emergency Management Agency	SOP:	Standard Operating Procedure
FLSA:	Fair Labor Standards Act	SWANCC:	Solid Waste Agency of Northern Cook County
GAAP:	Generally Accepted Accounting Principals	TERF:	Technology Equipment and Replacement Fund
GFOA:	Government Finance Officers Association	TIF:	Tax Increment Financing
GovITC:	Government Information Technology Consortium	VSI:	Voluntary Separation Incentive
HVAC:	Heating, Ventilation Air Conditioning		
IEPA:	Illinois Environmental Protection Agency		
IMF:	Infrastructure Maintenance Fee		
IMRF:	Illinois Municipal Retirement Fund		
IRMA:	Intergovernmental Risk Management Agency		