



2019 Budget

# Village of Buffalo Grove





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Village of Buffalo Grove  
Illinois**

For the Fiscal Year Beginning

**January 1, 2018**

*Christopher P. Morrill*

Executive Director

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# SECTION ONE: TRANSMITTAL LETTER



# VILLAGE OF BUFFALO GROVE

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## Management's Letter to the Corporate Authorities of the Village of Buffalo Grove

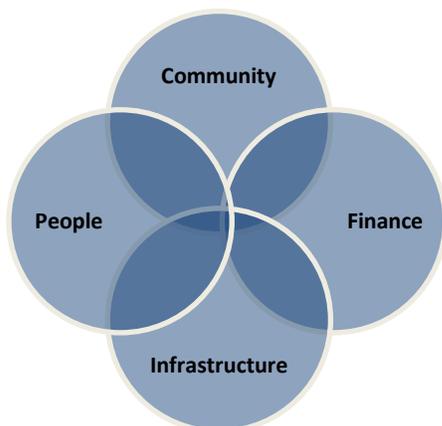
October 30, 2018

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, 2019. The proposed budget includes refinements to the program-based model in a more concise, readable and performance-oriented layout. We hope you will find this document to be informative to your deliberation of the allocation of financial resources for the coming year.

The Village continues to focus its efforts on the sustainability of the community, its financial resources, infrastructure and the people who make up the organization.

### 1. Buffalo Grove's Sustainability Priorities



Demonstrated through the Village's adopted *Strategic Plan 2018-2023*, the FY 2019 budget delivers the accomplishments expected by our community now and into the future.

### 2. Budget at a Glance



The Village enters the 2019 budget cycle with a strong balance sheet, having recently retired \$3.4 million in debt accumulated to address the Emerald Ash Borer infestation and reforestation program. In addition, significant equipment replacement initiatives are underway to modernize

aged public safety vehicles. Inclusive of approved and yet-to-be approved purchase orders, the Village will expend nearly \$2.0 million in vehicle/apparatus replacements in the coming year.

The Village continues its tradition of aggressive debt and liability management, spending controls, operational efficiency and innovation as a means to deliver the highest-value services at the lowest cost to our resident and business consumers. The budget outlines the key strategic goals, performance measures and service benchmarks necessary to fulfill those priorities.

### 3. Innovation Priorities

- Suburban Liability Insurance Pool
- Employee Healthcare Plan
- Community Foundation
- Records Management/Portal
- Performance Management Shared Services
- Procurement Management Software

The Village will continue the implementation of several innovation priorities for 2019, including the second year of the new employee healthcare plan, the launch of the Suburban Liability Insurance Pool, digitization and serving of public records, further development of service request software and more. The Northern Illinois Benchmarking Collaborative, of which Buffalo Grove is a founding member, will continue its development of best practices in law enforcement operations, recruitment and retention. Northwest Central Dispatch will launch its new computer aided dispatch (CAD) and records management systems (RMS) for use in police, fire and emergency management.

The Village Board will continue its work in researching the establishment of a charitable community foundation to set the stage for legacy and community-based giving into the future. Other innovation activities include the launch of the LaserFiche document server with internal and public document service and establishing purchasing management software for contract / bidding management. The Village continues to pursue shared services opportunities with other units of government as opportunities become available.

### 4. Community Engagement Priorities

- New Website Launch
- Video Based Programming
- Economic Development Outreach
- Community Engagement Specialist/Strategy
- Volunteer Recruitment/Diversity

Community engagement became a key focus area during the development of the strategic plan and, to that end, will play a major role in the initiatives contemplated for 2019. Notably, the Village will launch its new and improved website in 2019. Additional resources have been budgeted for the production of informational videos as well as the employment of a community engagement manager to develop and implement the engagement strategy. The intent of these budget additions is to support the Village Board's goal to broaden our connection with our community, encourage dialog and support informed decision making.

During 2018, the Village embarked on additional initiatives to strengthen relationships with other units of government through its trustee liaison

program. Staff also initiated a structured visitation program with area municipalities to discuss shared services and innovation strategies.

As part of the strategic plan and as a result of the community survey, the Village Board has prioritized the recruitment and development of community volunteers to provide expertise, support and guidance for the many community projects underway or contemplated. The Village Board and staff team will further explore action steps to support this priority in the coming year.

Economic development outreach continues as a priority for 2019 with the planned launch of the new business visitation program, outreach to existing and future advanced manufacturing entities and distribution of the business e-newsletter.

#### 5. Community Planning Priorities

- Comprehensive Plan
- Prairie View Metra Station Area Plan
- Permitting/Inspections Modernization
- Lake Cook Road Corridor Implementation

Current plans completed or under development will continue into 2019. The Lake Cook Road Corridor implementation strategy includes activities to work with existing property owners to stimulate redevelopment of land within the corridor consistent with the adopted plan. Two projects are currently in the development stage, to include the redevelopment of the former Outback Steakhouse property and to rebuild the Northwest Community Healthcare immediate care and specialty facilities. Funds are

budgeted to develop design guidelines for this corridor to guide future development and streamline development review for projects.

The Prairie View Metra Station Area Plan will be completed in 2019. This planning project involves many stakeholders and will set a vision for the future land use, development typology, street network, transit access and housing options for redevelopment to occur in the vicinity of the train station.

The Village will kick-off a major Comprehensive Plan project in 2019, which is expected to span two fiscal years. The project will involve a strong community engagement and feedback component, develop the future land use strategy, promote environmental goals, examine the market capacity and development potential for the Dundee Road and Milwaukee Avenue corridors, plan for future infrastructure needs and contemplate the changing housing needs facing the community.

The Community Development Department is currently studying the permitting and inspections functions to modernize codes and requirements, streamline review and approval processes and to improve the customer experience. The Village wishes to provide a predictable and development-friendly experience that reflects the use of available technology to expedite these processes. Staff will present recommendations to the Village Board to achieve these goals.

## 6. Infrastructure Management Priorities



The Village has established reserves for the water and sanitary sewer utility, stormwater utility, information technology, building maintenance and fleet functions. Given the phases in which the Village developed, significant financial resources will be needed over the coming decade to provide adequate funding for planned infrastructure replacement. The Village has implemented several changes to its infrastructure management program, such as total pavement patching, sewer main lining and lift station rehabilitation, to extend the life of existing assets and reduce immediate capital needs.

For 2019, the Village Board will be reviewing several recommendations to attain infrastructure sustainability, including a water and sewer rate study, facilities study and infrastructure report card.

As in prior years, the Village does not have sufficient revenue capacity to replace infrastructure on schedule with a pay-as-you-go (PAYGO) model. Due to age and replacement priority of certain assets, the Village Board will consider debt models to fund deferred replacement schedules in 2019. Several capital projects have been reduced or deferred based on available resources, no debt is contemplated for the budgeted projects contained in the *Capital Improvement Plan*.

Two notable projects are fully funded for 2019: the replacement of the Combined Area Fire Training Facility building and the beginning of the Weiland/Lake Cook Road improvement project. For the latter street improvement, the Village will fund pedestrian, lighting and parkway tree improvements in coordination with Cook and Lake Counties.

Several recurring capital program costs are also contemplated, such as street resurfacing and reconstruction, sidewalk repair and replacement, water and sanitary sewer main replacement, lift station rehabilitation and storm sewer rehabilitation.

A major mobile data terminal replacement project is funded to accommodate infrastructure needs associated with the Computer Aided Dispatch (CAD) system replacement underway through Northwest Central Dispatch System.

## 7. Employee Development Priorities



The development of the Village's human capital continues to be a major priority. Because many of the Village's tenured leaders will retire in the next five years, a formal next generation leadership training program is under development to identify, mentor and coach the organization's future leaders.

To develop capacity within the organization for leadership and

innovation, a project management curriculum will be added to the Village’s training program in 2019. In addition, fostering opportunities for more cross-departmental employee collaboration is planned.

To encourage employee retention and continuous improvement in the leadership of the organization, “stay” interviews will be added to the current exit interview program, giving the Village an opportunity to screen opportunities for growth, problem-solving and collaboration with early- and mid-career employees.

Finally, the Village introduced online benefits election and management in 2018. This initiative will continue with improvements in 2019.

**8. Budget Plan**

- Balanced Operating Budget
- Cash and Reserve Funded Capital Improvements
- Pension Funding Above Minimum
- Funded Reserve Contributions

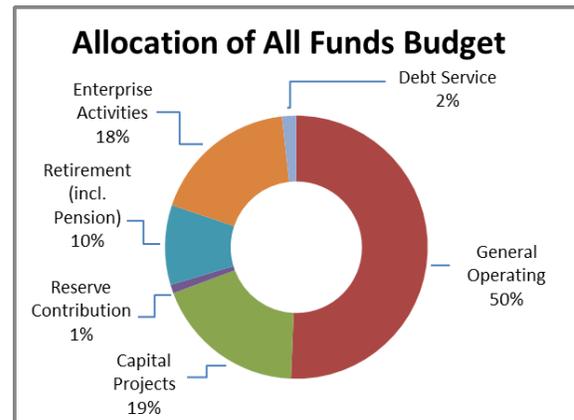
The Village utilizes a forward-looking financial projection methodology to anticipate ongoing operating, capital and liability management needs. Through the course of 2018, staff and the Village Board reviewed and updated the *Operating Financial Forecast 2019-2023*, *20-Year Water and Sewer Pro-Forma*, as well as the *Stormwater Fund 20 Year Pro-Forma*; a copy of each is included in *Appendix B*. These forecasts form the basis of the annual budget plan and document, as a function of the strategic priorities outlined above.

**All Funds Budget**

The 2019 spending plan includes \$82,520,251 of forecast revenues to support \$78,044,191 in projected expenditures. Excess revenue over expenditure constitutes planned increases in reserve balances for restricted (pension/retirement) and unrestricted (capital) funds.

General operating expenditures comprise half of the Village’s total annual expenditure, followed by capital projects (19%), enterprise activities (18%) and retirement benefit expenditures (10%). Debt service and reserve contributions constitute three percent (total) of the budget. The chart below shows the allocation of resources by category.

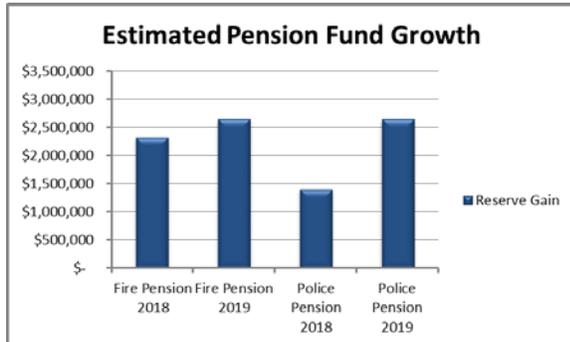
**9. Allocation of Total Budgeted Funds - 2019**



The budget as proposed supports increased pension fund contributions as part of a strategy to reduce future pension liability spiking as the 2040 state-mandated funding statute kicks in. By front-loading contributions in early years, the Village is able to take advantage of a smoothing effect as benefits increase in future years. For 2019, the Village will fund an additional \$290,000 above the 2018 contributions. Pension fund contributions total \$5.4 million for the year. The chart below shows the net

estimated effect on funding growth for the public safety pension funds year-over-year.

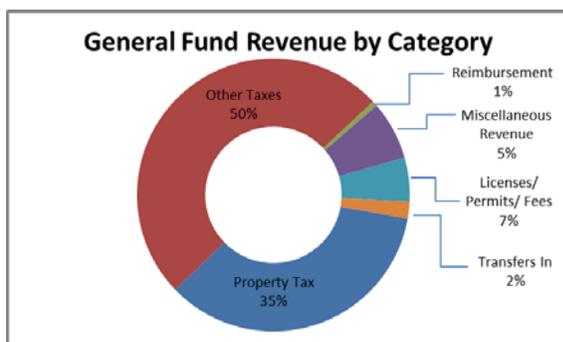
#### 10. Estimated Public Safety Pension Reserve Growth, Year-over-Year



#### General Fund Budget

The General Fund is supported in 2019 by \$44,507,197 in revenue to offset \$44,478,558 in planned expenses, for a net gain in position of \$28,639. Additionally, contingency funds in the amount of \$200,000 are allocated for one-time, emergency expenditures. The following chart shows the sources of revenue by category to the General Fund.

#### 11. Sources of General Fund Revenue - 2019

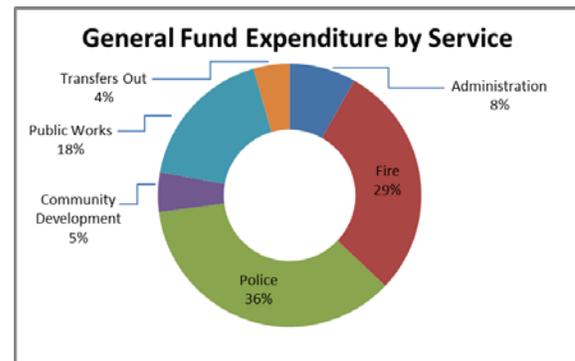


Property tax is the largest single source of revenue to the General Fund, followed by other taxes including shared income tax, sales tax, real estate transfer tax and utility consumption taxes. 55 percent of the property tax

levy is transferred to mandated retirement programs including fire and police pensions, Illinois Municipal Retirement Fund and Social Security programs. Fees for service (licenses, permits and fines) comprise seven percent of revenues.

Public safety services comprise over 65 percent of the Village's operating expenditures, followed by public works (18%) and community development (5%). General and administrative costs inclusive of legislative, legal, finance, human resources and executive leadership comprise eight percent of expenditures, indicating an efficient utilization of resources. The following chart shows the use of resources in the General Fund.

#### 12. Uses of General Fund Revenue - 2019



The Village projects revenue increases in state and local sales taxes, food and beverage tax, state shared income tax, investment income and miscellaneous income, as follows (all amounts are projected 2019 vs. 2018 expected actual):

Table 1. Projected Revenue Change by Category

State Income Tax	+\$267,150
State Sales Tax	+\$650,000
Local Sales Tax	+\$250,000
Food & Beverage Tax	+\$75,000
Investment Income	+\$44,975
Miscellaneous Revenue	+\$210,000

Overall, much of the new revenue increases are attributable to new projects coming online, including Business IT Source, ThermFlo and Woodman’s Food Market, as well as growth of existing businesses such as ConnexionES. While engineering fees are expected to decline year-over-year, permit fee and inspection revenue is expected to remain strong with the planned construction of the Link Crossing development, approved in 2018.

perform analysis, projects and studies on behalf of fire/EMS services.

### Major Service/Program Changes

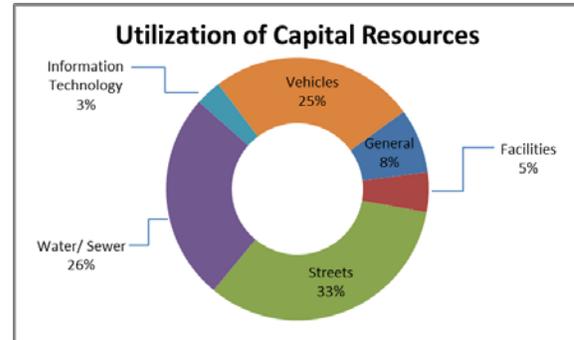
The following major service or program changes are contemplated for 2019:

- **EMS Program** – it is proposed to shift the EMS program administration from a sworn Battalion Chief position to a nurse educator position to better align management, training and skill development.
- **Community Engagement Program** – in support of the adopted strategy to increase the engagement level between the Village and its constituents, it is proposed to fund \$20,000 for video programming services targeted to social media and to add a Community Engagement Manager position to focus on specific initiatives.
- **Fire Overtime Management** – it is proposed to assess one overhire Firefighter/Paramedic position to cover extended absences and vacations, thereby reducing overtime expenditures.
- **Engineering Study** – an assessment is currently underway to balance engineering resource needs with staffing.
- **Fire Administration** – it is proposed to expand the administrative support functions available to the Fire Department by adding one Management Analyst position to

### Capital Development

The 2019 budget contemplates \$7,856,195 in capital projects, allocated as follows:

#### 13. Allocation of Capital Projects by Category



Capital projects include only those projects funded through pay-as-you-go financing or reserves allocated for asset replacement. The following graphic shows major capital projects.

#### 14. Major Capital Projects/Expenditures



It should be noted that the capital program also includes funds for

reconstruction of the CAFT training facility and the Comprehensive Plan project. Total requests for 2019 were \$21.2 million, inclusive of \$5.35 million for Public Works and Fire Station 25 replacement costs and \$7.1 million in street maintenance. \$3.1 million of requests were deferred until 2020 while \$11.7 million of projects were grouped for a possible debt issuance in 2019 or later.

The Village continues to struggle to fund capital projects given aging infrastructure. The Village Board will need to consider issuing additional debt over the next decade to fully fund needed asset replacements.

### Personnel, Wages & Benefits

As a service organization, over 70 percent of the Village's operating budget is committed to personnel wages, benefits and retirement programs.

A total of 218 full time and 55 part-time positions are programmed for 2019. Total employment is proposed to increase 1.1 percent year-over-year. Position changes/additions are proposed for the following purposes:

- **EMS Nurse Educator** – reduce one Battalion Chief position in Fire, backfill with civilian nurse educator to enhance management and training
- **Community Engagement Manager** – add position in Office of Village Manager to coordinate community engagement activities, finalize engagement strategies, outreach to local organizations
- **Management Analyst** – add administrative and technical support to Fire leadership team. Currently there is no analytical support to the Fire Chief and Deputy Fire Chief

- **Firefighter** overhire – explore addition of one Firefighter/Paramedic to relieve extended absences and vacations, reduce overtime
- **Engineer I** – based on outcome of engineering study, consider additional technical support for development and road projects

Each of the proposed positions is closely aligned with the strategic goals of the Village Board and the adopted Strategic Plan.

### 15. Major Staffing Program Changes



A general wage increase of 2.5 percent is programmed for all non-represented employees. Represented employee wage increases are subject to collective bargaining agreements in place or to become effective in 2019. All wage increases (represented and non-represented) are based on comparable wage data provided by 14 similar communities.

Employee healthcare continues to represent one of the largest categories of spending in the General Fund. For 2019, healthcare costs through the Intergovernmental Personnel Benefits Cooperative (IPBC) will increase 3.7

percent to \$4.4 million. There are no changes in coverage limits or plan designs for the coming year.

The Village did not issue any new debt in 2018. The Line of Credit was retired from unassigned fund balance in the amount of \$3.4 million.

## Fund Balance & Liability Management

# FINANCE & LIABILITIES

2019

### ADEQUATE RESERVES

The Village will have \$18,910,000 in unassigned fund balance available in the General Fund by year-end 2019, a 17% increase over the prior year.





### DEBT REDUCTION 27%

The Village retired its Line of Credit and \$1.3 million of bonded debt in 2018, representing a reduction of 27% of total debt.

### FINANCIAL STABILITY

The Village holds a AAA bond rating from Standard & Poor's and a Aa1 bond rating from Moody's Investor Services on all current bonded general obligation debt.

AAA  
Aa1

75%  
68%

### PUBLIC SAFETY PENSION FUNDING

The Fire Pension Fund has a funded ratio of 75 percent, while the Police Pension Fund has a funded ratio of 68%. State statute mandates that pensions be funded at 100% by 2040.

**THE VILLAGE'S FINANCIAL POLICY REQUIRES A 25% FUND BALANCE FOR GENERAL OPERATIONS.**

Read more at <http://www.vbg.org/163/finance>

The Village also retired \$1,315,000 in principal on the Series 2010A, Series 2010B, Series 2012 and Series 2016 bonds. As of the end of FY 2019, the Village will have outstanding principal of \$11,840,000, with maturities ranging between 2021 and 2031 for all existing debt. The Village retired 27 percent of its total debt in 2018.

The Village continues its tradition of aggressively funding pension contributions. For 2019, the Village will contribute 105 percent of the actuarially required contributions for the combined funds (police and fire). Non-sworn, civilian personnel are covered under the Illinois Municipal Retirement Fund, calculated at 11.28 percent of payroll.

Unassigned fund balance at year-end 2019 is estimated at \$18,910,000, a 17 percent increase year-over-year. The Village's adopted Financial Policy requires a minimum of 25 percent of the forthcoming year's expenditures in unassigned balance. The planned reserve will exceed 40 percent.

The Capital Replacement Fund utilizes a planned draw-down of reserve funds in the amount of \$3,250,000 for fire apparatus replacement. Orders were approved for these replacements in 2018 and the Village will take delivery of the new units in 2019. The projected capital replacement reserve will be \$4,508,342 at fiscal year-end 2019.

## Property Tax Levy

The tax levied against residential, commercial and industrial properties

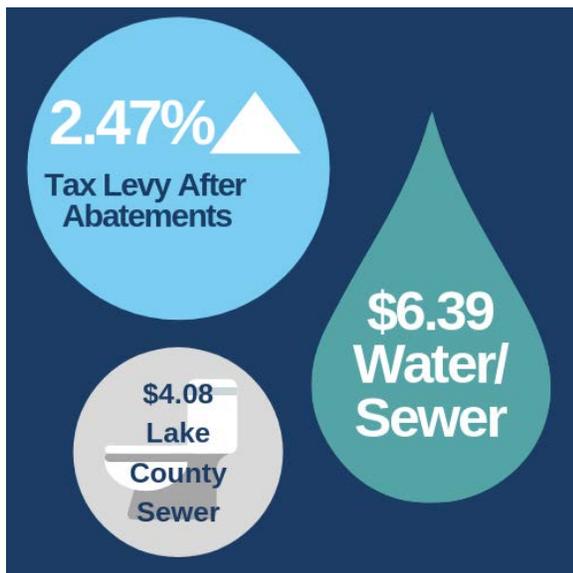
within the corporate limits is one of the few revenue streams over which the Village has direct control. The Village Board has adopted a conservative approach to levying property taxes, particularly given the reliance on this revenue to fund other activities, such as education and parks and recreation.

For the 2018 tax year (payable in 2019), a levy of \$16,488,452 is proposed. After proposed abatements of debt service on the Series 2012 and Series 2016 bonds in the amount of \$654,000, the net levy increase is estimated at 2.47 percent, year-over-year. Factoring in growth in equalized assessed valuation, the applied property tax rate (mill rate) will decrease 0.3 percent, year-over-year.

### Utility Rates

The Village adopted a water and sanitary sewer rate policy that provides for an annual four percent escalation of the rate per thousand gallons of metered water. The rate for combined water and sewer will increase to \$6.39 per 1,000 gallons, from a rate of \$6.14, effective January 1, 2019.

#### 16. Property Tax & Utility Rates



Lake County has notified the Village that its wholesale sanitary sewer rate will increase to \$4.08 per thousand gallons from \$4.00, effective January 1, 2019.

There is no increase proposed to the stormwater management fee for 2019. The current contract with Waste Management for residential refuse expires in May, 2019. Staff is currently negotiating with the hauler for a contract extension and, based on market conditions, a rate increase is anticipated at that time.

### Closing

The development of an annual budget is a massive endeavor, utilizing the skills and talents of our entire leadership team. I cannot express in words my sincere appreciation of the work done by everyone from our competent staff to our capable Village Board to prepare this document for your consideration.

I believe we have set a course for the coming year that reflects the mission, vision and values of our community, our Village Board and our entire workforce. I hope you find the new layout to be more informative, user-friendly and concise. I appreciate the Village Board's continued fiscal stewardship and look forward to working with the Village Board for a successful 2019.

Respectfully,

Dane Bragg,  
Village Manager

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# SECTION TWO: ORGANIZATION AND SERVICES



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

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## 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 Maltas  
Deputy Village Manager



Christopher Stilling  
Community Development  
Director



Scott Anderson  
Finance Director



Steven Casstevens  
Police Chief



William Baker  
Fire Chief

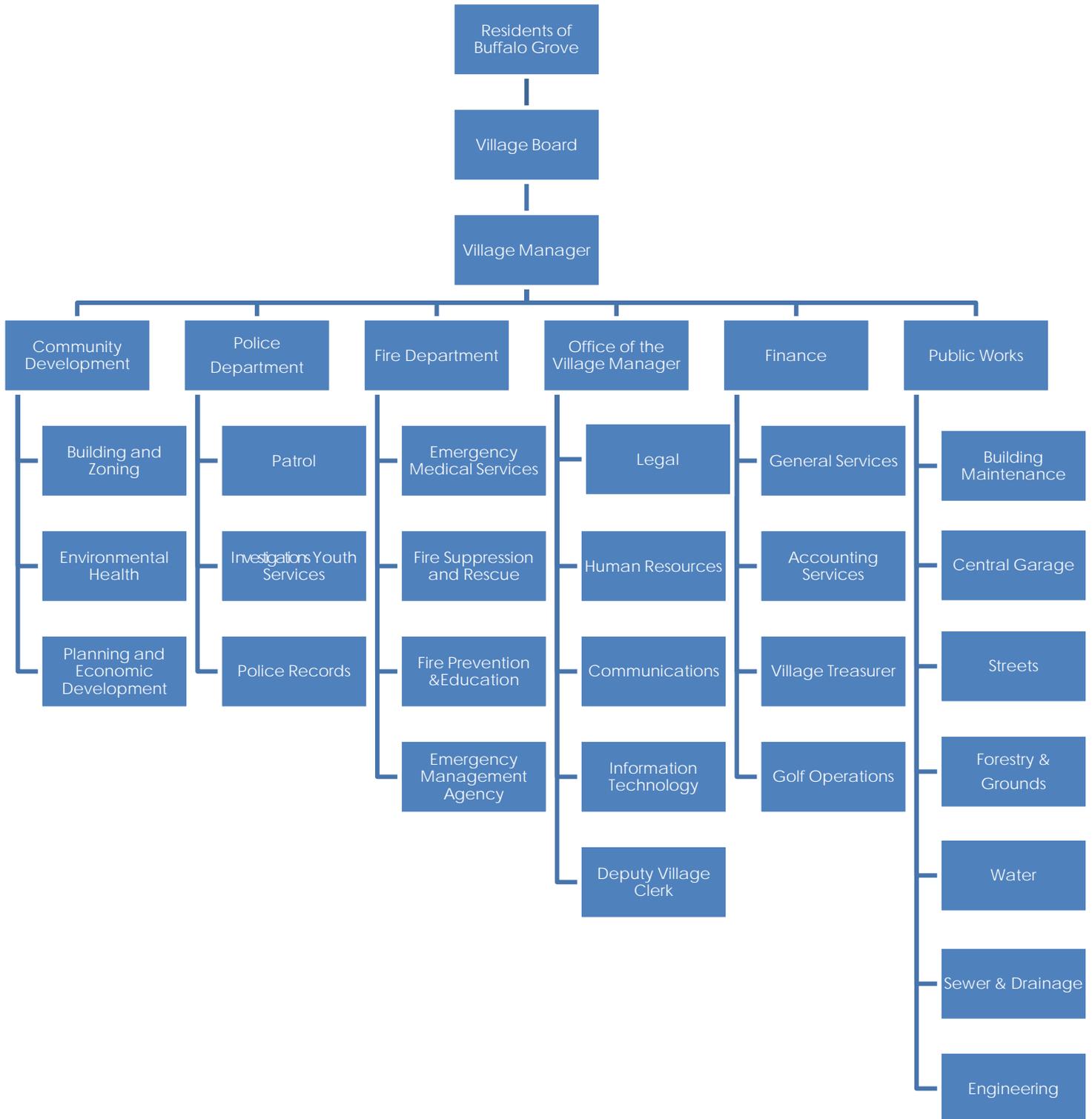


Michael Reynolds  
Public Works Director



Art Malinowski  
Human Resources Director

ORGANIZATIONAL CHART



## VILLAGE COMMISSIONS, COMMITTEES & BOARDS

Village Commissions, Committees, and Boards are appointed by the Village's Corporate Authorities. The list of Commissions is 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](http://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 2.46 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

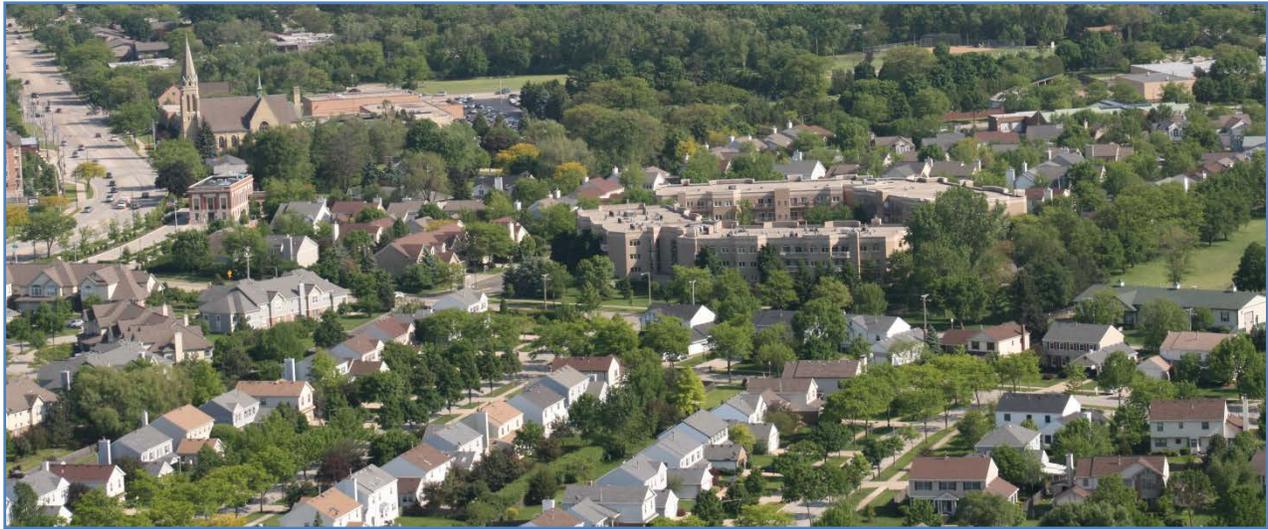
*\* The Board of Local Improvements consists of the Village Engineer and members of the Village Board.*

## COMMUNITY CHARACTERISTICS

The following statistical data and graphic provide a demographic profile of the community. The Information is US Census 2016 American Community 5 Year Survey unless otherwise noted.

Notable trends in the Village's demographic profile include the increase in household and per capita income.

- Median Age: 42.4
- Median Household Income: \$101,376
- Per capita income: \$47,023
- Total Housing Units: 16,430
- Avg. Household Size: 2.62
- Avg. household size of owner-occupied unit: 2.68
- Avg. household size of renter-occupied unit: 2.40



## 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.

## 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%
2017	332,610,078	-0.72%	1,327,419,254	3.77%	1,660,029,332	2.84%

TC= Triennial property assessment cycle (Cook County)

QL= Quadrennial property assessment cycle (Lake County)

## MAJOR PLANNING INITIATIVES

### Lake Cook Corridor Market Study and Plan

The Lake Cook Corridor Market Study and Plan was approved as an update to the 2009 Comprehensive Plan by the Village Board on April 16<sup>th</sup>, 2018. The project's goal was to explore how the Village can best reposition the Corridor to optimize its growth potential. The Plan is a long-term framework to provide guidance over the next 15-20 years for the Corridor. It represents the culmination of over 18 months of community engagement, vision and consensus building and implements recommendations from the Village Board's Strategic Plan as well as the Economic Development Strategic Plan.



### Prairie View Station Area Plan

In 2018, the Village hired Ratio Architects to complete a plan for the Prairie View Metra Station Area. This Plan will serve as a framework and guide for the future of the station area. It will be developed through community input as well as analyses of planning, transportation, and market data. The project will take into consideration the opportunities and challenges of the unincorporated areas as well as Metra's North Central Service, which provides service from the Antioch Metra Station to Downtown Chicago. Moreover, it will explore synergies in the station area and create recommendations to achieve the community's vision for the area. The Plan is anticipated to be completed in early 2019.



## RECENT DEVELOPMENT AND BUSINESS ACTIVITY

### Woodman's Food Market

In the summer of 2018, the Village welcomed the opening of the new 242,000 square foot Woodman's Food Market grocery store at the northwest corner of Milwaukee Avenue and Deerfield Parkway. In addition to the new Woodman's grocery store, the project also includes an additional 43,000 square feet of new retail and office development on the south side of Deerfield Road by Shorewood Development Group, which is expected to be complete in 2019. 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.

### 850 Asbury Drive

In 2018, construction was completed on the new 160,000 square foot multi-tenant industrial building at 850 Asbury Drive. The developer demolished the existing building and constructed a new state of the art warehouse/office facility. The building is now home to Business IT Source, a computer hardware and services company that relocated from Vernon Hills. Another business occupying the building is Linn Star which specializes in delivery and installation of household appliances.



### Link Crossing

The Village Board recently approved the Link Crossing subdivision on the unincorporated 50 acres at 16802 W Aptakisic Road, located just north of the existing Didier Farm property. The project by K. Hovnanian Homes will have a total of 187 units and include a mix of 68 clustered single-family detached homes and 119 two-story townhomes. Many of the models will offer first floor master bedrooms, as well as two ranch models for the single-family detached area. The entire development will be maintenance free. Site preparation would likely begin in early 2019.

### Schultes Precision Manufacturing

In 2018, the Village Board approved an addition to Schultes Precision Manufacturing at 1250 Busch Parkway. The addition will increase the existing building over 54,000 square feet to accommodate their growing business.



### Sky Fitness

Sky Fitness, located at 1501 Busch Parkway recently broke ground on a 45,000 square foot addition. The expansion will include a spa, lounges, exercise rooms, outdoor pool and deck.

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# 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, and stormwater utility pro forma. Additionally, staff completes a yearly review of 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 held 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 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](http://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 well in advance of this deadline.

In November and December, 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 meeting, 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 2019.

After 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
<b>Monday, June 04, 2018</b>	Budget programs approved	Service programs approved for FY 2019 budget
<b>Monday, June 04, 2018</b>	Committee of the Whole Meeting	Presentation of all financial forecasts
<b>Friday, June 08, 2018</b>	Budget/CIP instructions distributed	Finance staff distribution
<b>Friday, June 22, 2018</b>	Program summaries due	Staff provides program narratives
<b>Friday, June 22, 2018</b>	FY 2019 Initialized in New World Systems	Staff creates FY 2019 in NWS
<b>Friday, June 29, 2018</b>	Village fee & fines recommendation	Department fee & fine recommendations due to the Office of Village Manager
<b>Friday, July 13, 2018</b>	Wage & benefit discussion	Review general wage adjustments, performance pool, and health insurance
<b>Friday, July 20, 2018</b>	Capital Improvement Plan Project , Building Maintenance and IT Project Requests due	Department submits five year capital requests and FY 2018 building remodeling and technology requests
<b>Monday, July 23, 2018</b>	Capital budget meeting	Review capital requests
<b>Tuesday, July 31, 2018</b>	Internal service budgets distributed	Budgets entered for Internal Service Funds
<b>Friday, August 03, 2018</b>	Salary and health insurance budgets provided to departments	HR staff provides wage and insurance line-items. Census reports distributed for review
<b>Friday, August 03, 2018</b>	Capital Reserve amounts distributed and added into NWS	Reserve amounts calculated for vehicles, technology and buildings
<b>Monday, August 06, 2018</b>	Committee of the Whole Meeting	Staff provide six month financial update on FY 2018 Budget. CIP Discussion, wage and benefit recommendation, property tax levy
<b>Wednesday, August 08, 2018</b>	G/L and Worker's Comp budget amounts provided	Budgets provided for general liability, workers comp deductibles and premium amount
<b>Friday, August 10, 2018</b>	General Fund revenue estimate	Staff compiles estimated actual for FY 2018 and budget for FY 2019
<b>Friday, August 10, 2018</b>	Preliminary Budgets added to New World Systems	All department budgets entered into NWS
<b>August 13-17, 2018</b>	Department meetings	Department directors discuss budget requests to Village Manager/Deputy Manager
<b>Friday, August 24, 2018</b>	Final budget requests due	Final department budget due
<b>Friday, August 31, 2018</b>	Special revenue fund budgets complete	Final fund budgets due
<b>Friday, August 31, 2018</b>	Fiduciary and Trust Fund Budgets complete	Final fund budgets due
<b>Friday, September 07, 2018</b>	RFP/RFG/Bidding Calendar	Department directors report FY 2019 activity to Purchasing Manager
<b>Friday, September 07, 2018</b>	Village/department goals submitted	Goals approved for inclusion in budget
<b>Monday, October 01, 2018</b>	Committee of the Whole Meeting	Review final CIP amounts
<b>Friday, October 05, 2018</b>	Preliminary Detail Budget to Village Board	Preliminary detail budget emailed to Village Board
<b>Tuesday, October 30, 2018</b>	Draft Budget to Village Board	Draft budget distributed to Village Board
<b>Tuesday, October 30, 2018</b>	Publish public hearing notice	Post public hearing announcement regarding budget hearing
<b>Monday, November 05, 2018</b>	Village board meeting	Truth-in-taxation determination
<b>Tuesday, November 13, 2018</b>	Village board meeting	FY 2019 budget presentation

## 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.
3. **Budget Process and Structure:** This section provides the reader with general information on how the budget was developed, including a timeline and its general format.
4. **Executive Overview:** In the Executive Overview section, the overall revenues and expenditures are presented by fund, as are fund balance projections, debt levels, staffing levels, and budget assumptions. Trend analysis allows the Village to monitor changes and anticipate future issues. This section identifies the factors that affect financial condition and logically arranges them to facilitate analysis and measurement. This information serves as a management tool by combining information from Village documents with relevant economic data. Strategic goals are presented in this section as a function of the overall revenue and expense profile and targeted priorities.
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 five-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 document.

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## 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.

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## 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.

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## 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 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 services are 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 charges 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.

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## FINANCIAL POLICIES AND GOALS

The Village of Buffalo Grove has adopted various revenue, debt, and reserve policies. These policies help maintain a favorable financial position 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 \$25,000, 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 operating expenditures.

**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.

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## BUDGETARY GOALS:

1. Prepare a budget that provides 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.

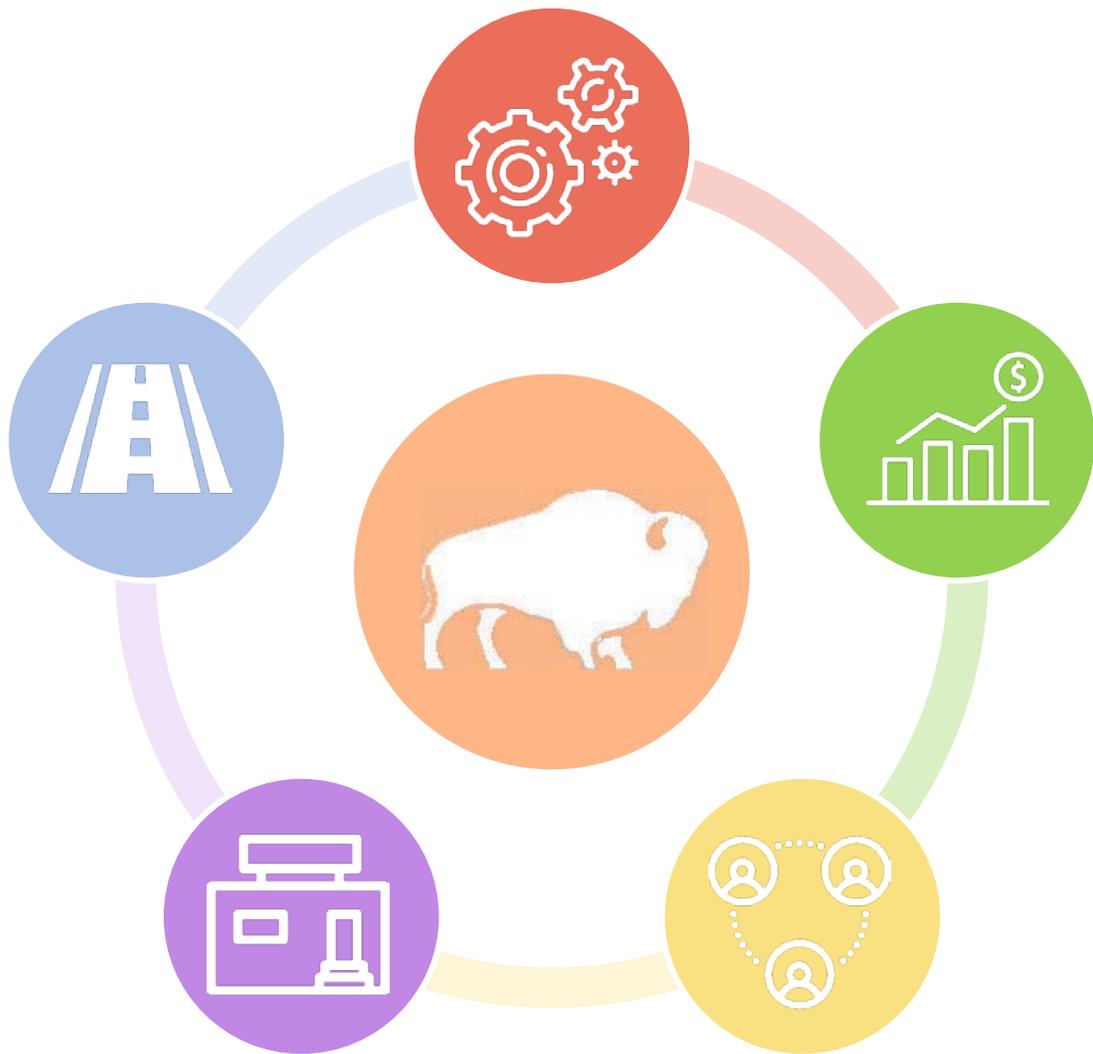
## BUDGET RESPONSIBILITY

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	Public Works
		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

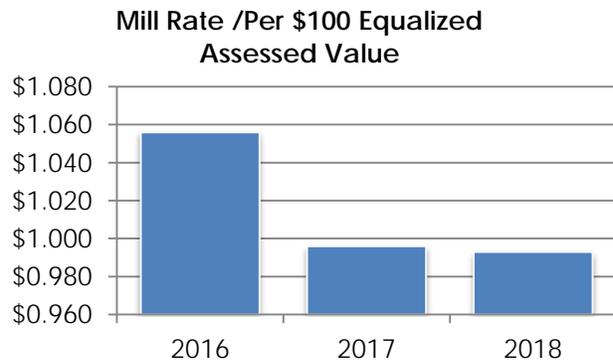
The Village of Buffalo Grove embraces a fiscally conservative and forward-looking approach to budgeting. This approach is coupled with the service-delivery expectations of the Village's core customers – residents and businesses – and its extended customers – visitors, regional entities and other units 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 budget document serves the following purposes as a communication tool:

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.

The annual budget is constructed around programs. Each program provides oversight over the services that are provided either directly to the community or indirectly as an internal support function. How resources are allocated within the annual budget provides the reader insight as to what the strategic priorities are and what services are valued by Village stakeholders. The FY 2019 Budget supports 19 programs that deliver 29 services.

For fiscal year 2019, the Village's proposed budget is balanced and does not contemplate the implementation of new taxes. The property tax rate (mill rate) will decrease by 0.3 percent for the 2018 levy, payable 2019. The proposed mill rate is \$0.993 per \$100 of equalized assessed value. The property tax levy includes fully funded requests for pension contributions, bonded debt obligations and sufficient funds for the general operation of the Village. The following table illustrates the history of the mill rate for the tax years 2016, 2017 and 2018 (proposed).



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 2017, 2018 and 2019 (proposed).

## REVENUES BY CATEGORY

The total revenue budget for 2019 is \$82,520,251. This budget is a 6.1 percent increase over the 2018 estimated actual amount and 9.1 percent less than the 2017 actual.

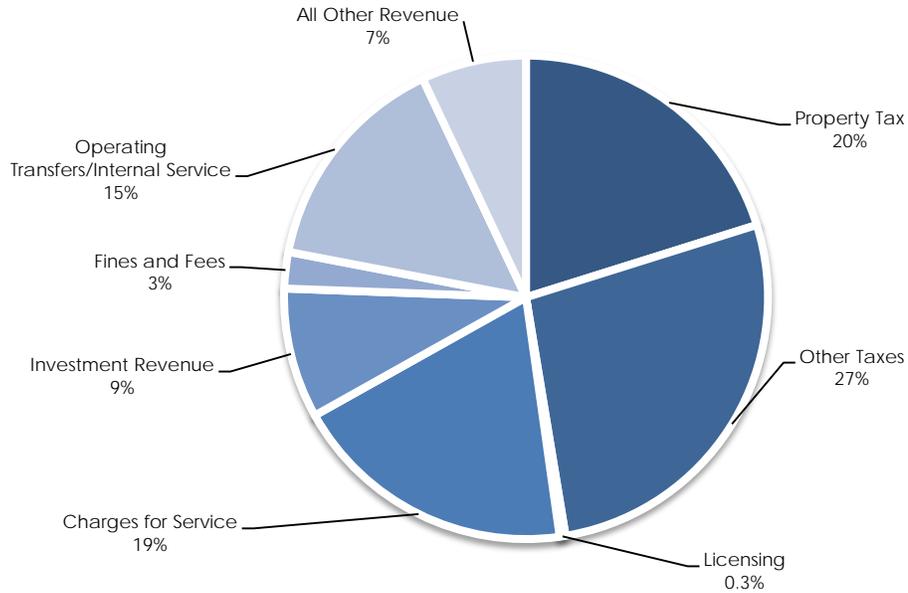
Account Category	FY 2017 Actual	FY 2018 Est. Actuals	FY 2019 Budget
Property Taxes	\$15,510,127	\$16,111,946	\$16,525,571
Other Taxes-State	\$11,733,741	\$12,188,170	\$13,051,900
Other Taxes-Local	\$9,816,522	\$9,855,000	\$10,185,000
Licensing	\$330,475	\$329,100	\$329,100
Building Revenue & Fees	\$2,124,663	\$1,319,300	\$1,104,800
Intergovernmental Revenue-Local	\$287,296	\$271,493	\$270,895
Sales of Water/Sewer Fees	\$10,420,474	\$11,581,000	\$11,895,200
Golf Course Fees	\$2,201,153	\$2,339,560	\$2,405,210
Investment Revenue	\$16,432,124	\$5,360,825	\$7,045,800
Fines & Fees	\$1,897,138	\$1,967,700	\$1,967,700
Operating/Internal Service Transfers	\$13,331,813	\$12,048,230	\$13,072,475
All Other Revenue	\$6,655,072	\$4,413,850	\$4,666,600
<b>Grand Total - All Fund Revenue</b>	<b>\$90,740,598</b>	<b>\$77,786,174</b>	<b>\$82,520,251</b>

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

## SUMMARY OF REVENUES BY SOURCE - ALL FUNDS

Description	General	Parking Lot	Motor Fuel Tax	Debt Service	Capital Projects Facilities	Capital Projects Streets	Water & Sewer	Arboretum Golf Course
Property Tax	\$15,488,452			\$1,037,119				
Other Taxes	\$22,220,900		\$1,000,000					
Licensing	\$329,100							
Charges for Service	\$989,000						\$12,011,000	\$1,250,060
Investments	\$275,300						\$20,500	
Fines and Fees	\$1,762,700	\$205,000						
Operating/Int. Service Trans.	\$877,000			\$504,000	\$535,195	\$1,105,000		\$91,452
All Other Revenue	\$2,564,745	\$1,000						
<b>FY 2019 Budget</b>	<b>\$44,507,197</b>	<b>\$206,000</b>	<b>\$1,000,000</b>	<b>\$1,541,119</b>	<b>\$535,195</b>	<b>\$1,105,000</b>	<b>\$12,031,500</b>	<b>\$1,341,512</b>
<b>FY 2018 Budget</b>	<b>\$42,304,435</b>	<b>\$208,200</b>	<b>\$1,000,000</b>	<b>\$1,682,693</b>	<b>\$1,576,963</b>	<b>\$360,000</b>	<b>\$11,705,389</b>	<b>\$1,490,967</b>

### Revenues by Source – All Funds



### SUMMARY OF REVENUES BY SOURCE - ALL FUNDS CONTINUED

Description	Buffalo Grove Golf Course	Inform. Tech.	Central Garage	Building Services	Refuse	Police Pension	Firefighters Pension	All Funds
Property Tax								\$16,525,571
Other Taxes						\$8,000	\$8,000	\$23,236,900
Licensing								\$329,100
Charges for Service	\$1,155,150							\$15,405,210
Investment						\$3,350,000	\$3,400,000	\$7,045,800
Fines and Fees								\$1,967,700
Operating/Int. Service Trans.	\$16,960	\$1,743,720	\$1,779,005	\$1,561,259		\$2,925,672	\$1,933,212	\$13,072,475
All Other Revenue	\$2,200				\$1,080,000	\$714,550	\$575,000	\$5,657,495
<b>FY 2019 Budget</b>	\$1,174,310	\$1,743,720	\$1,779,005	\$1,561,259	\$1,080,000	\$6,998,222	\$5,916,212	\$82,520,251
<b>FY 2018 Budget</b>	\$1,208,566	\$1,409,555	\$1,652,632	\$1,577,570	\$1,080,000	\$6,781,813	\$5,879,498	\$79,918,281

REVENUES BY SOURCE SUMMARIZED - ALL FUNDS

Summary by Funds	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust & Agency	Total
Property Tax	\$15,488,452			\$1,037,119				\$16,525,571
Other Taxes	\$22,220,900	\$1,000,000					16,000	\$23,236,900
Licensing	\$329,100							\$329,100
Charges for Service	\$989,000				\$14,416,210			\$15,405,210
Investment Revenue	\$275,300				\$20,500		\$6,750,000	\$7,045,800
Fines and Fees	\$1,762,700	\$205,000						\$1,967,700
Operating Transfers	\$877,000		\$1,640,195	\$504,000	\$110,612	\$5,083,984	\$4,858,884	\$13,072,475
All Other Revenue	\$2,564,745	\$1,000					\$2,369,550	\$5,657,495
<b>FY 2019 Budget</b>	<b>\$44,507,197</b>	<b>\$1,206,000</b>	<b>\$1,640,195</b>	<b>\$1,541,119</b>	<b>\$14,547,322</b>	<b>\$5,083,984</b>	<b>\$13,994,434</b>	<b>\$82,520,251</b>
<b>FY 2018 Budget</b>	<b>\$42,304,435</b>	<b>\$1,208,200</b>	<b>\$1,936,963</b>	<b>\$1,682,693</b>	<b>\$14,404,922</b>	<b>\$4,639,757</b>	<b>\$13,741,311</b>	<b>\$79,918,281</b>

TOTAL REVENUE BY FUND

Fund	Fund #	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget	% of Prior Year Budget
General	100	\$42,307,345	\$44,061,590	\$42,304,435	\$44,507,197	105.21%
Parking Lot	120	\$207,874	\$210,621	\$207,000	\$205,000	99.03%
Motor Fuel Tax	130	\$1,056,515	\$1,058,421	\$1,000,000	\$1,000,000	100.00%
Debt Service	140	\$869,039	\$1,644,292	\$1,682,693	\$1,541,119	91.58%
Capital Projects - Facilities	150	\$938,356	\$875,147	\$701,768	\$535,195	76.26%
Capital Projects - Streets	160	\$7,147,727	\$1,537,950	\$360,000	\$1,105,000	325.79%
Water & Sewer	170	\$10,663,069	\$11,482,045	\$11,705,389	\$12,031,500	102.79%
Buffalo Grove Golf Course	180	\$1,221,616	\$1,250,141	\$1,208,566	\$1,174,310	97.17%
Arboretum Golf Course	190	\$1,395,703	\$1,706,651	\$1,490,967	\$1,341,512	89.98%
Refuse Service	200	\$1,135,748	\$970,268	\$1,080,000	\$1,080,000	100.00%
Information Technology	211	\$1,064,828	\$1,196,410	\$1,409,555	\$1,743,720	123.71%
Central Garage	212	\$1,456,984	\$1,553,271	\$1,652,632	\$1,779,005	107.65%
Building Maintenance	213	\$1,198,562	\$1,258,750	\$1,577,570	\$1,561,259	98.97%
Police Pension	220	\$6,659,320	\$11,802,991	\$6,781,813	\$6,998,222	103.19%
Fire Pension	230	\$6,230,400	\$10,132,048	\$5,879,498	\$5,916,212	100.62%
<b>Total</b>		<b>\$83,570,086</b>	<b>\$90,740,598</b>	<b>\$79,918,281</b>	<b>\$82,520,251</b>	<b>103.26%</b>

## EXPENDITURES BY CATEGORY

The development of projected expenditures relies upon the forecasting of 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 account categories represent the foundation of the Village's 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 for but is accounted for in the FY 2017 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 (55.4 percent) is committed 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. The following table depicts total expenses by category for all funds for the years 2017, 2018 and 2019 (proposed).

Account Category	FY 2017 Actual	FY 2018 Est. Actual	FY 2019 Budget
Wages	\$22,037,534	\$23,338,838	\$24,160,463
Benefits	\$17,191,816	\$18,176,557	\$19,154,740
Operating Expenses	\$6,287,151	\$6,786,292	\$4,151,196
Commodities	\$4,182,944	\$4,395,030	\$6,996,050
Repairs and Maintenance	\$1,939,352	\$2,089,100	\$2,346,901
Capital Outlay	\$1,004,739	\$4,689,011	\$5,950,361
Reserve Transfers	\$58,835	\$1,051,565	\$931,615
Contractual Services	\$3,846,196	\$3,297,358	\$3,930,764
Internal Services	\$4,008,431	\$4,475,827	\$5,083,985
Transfers	\$4,850,669	\$3,064,111	\$3,305,607
Debt	\$1,844,994	\$2,137,927	\$2,032,509
Depreciation	\$1,832,377	-	-
Grand Total All Fund Expense	\$69,085,038	\$73,501,616	\$78,044,191

The Village further analyzes and presents budgeted revenues and expenses by fund, including the general (main operating), enterprise, fiduciary, internal service and capital funds.

## SUMMARY OF EXPENDITURES BY SOURCE - ALL FUNDS

The following chart provides a summary of expenditures by source. Across all funds, 56.2 percent of all expenditures are allocated to personnel services and benefits. Operating Expenses represent the next largest percentage of the total Village budget at 9.4 percent. It is proposed in the budget that \$6.8 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, technology investment in the public safety departments, and system repairs for water, sewer, and drainage utilities.

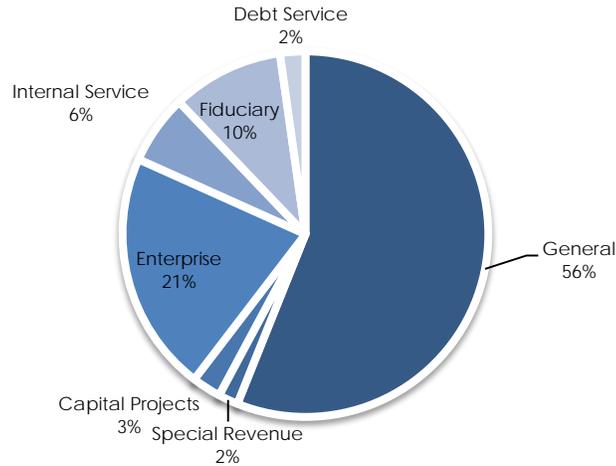
Within Operating Transfers there is a transfer to the General Fund of \$765,000 paid by the Water and Sewer Fund to reimburse for utility billing and account support as well as administrative assistance. A transfer of \$1.7 million from the General Fund to the Capital Project Funds will support non-enterprise capital spending. The Internal Service Funds will charge back \$5.1 million to cover the costs associated with providing technology, building maintenance and central garage functions.

The debt service obligations for principal and interest owed on General Obligation Bonds series 2010A, 2010B, 2012, and 2016, and an installment contract, total \$2,032,509 in 2019. Road improvement projects accounts for 88 percent of the outstanding general obligation debt. The installment contract is for the replacement of all Village water meters.

## SUMMARY OF EXPENDITURES BY SOURCE - ALL FUNDS

Description	Wages & Benefits	Operating Expenses	Commodities	Repairs & Maintenance	Capital Outlay	Operating Transfers
General Fund	\$32,887,085	\$2,269,195	\$376,600	\$706,100	\$314,400	\$1,748,607
Parking Lot		\$147,837	\$13,750	\$90,000		\$12,000
Motor Fuel Tax					\$1,500,000	
<b>Total Special Revenue Funds</b>		<b>\$147,837</b>	<b>\$13,750</b>	<b>\$90,000</b>	<b>\$1,500,000</b>	<b>\$12,000</b>
Debt Service Fund						
Capital Projects - Facilities					\$535,195	
Capital Projects - Streets					\$1,105,000	
<b>Total Capital Projects Funds</b>					<b>\$1,640,195</b>	
Water & Sewer	\$1,382,937	\$125,845	\$5,605,550	\$185,700	\$2,429,700	\$945,000
Buffalo Grove Golf Course	\$340,179	\$157,238	\$52,000	\$17,000	\$15,000	
Arboretum Golf Course	\$210,526	\$180,170	\$59,000	\$6,500	\$25,000	
Refuse Service			\$781,000			\$600,000
<b>Total Enterprise Funds</b>	<b>\$1,933,642</b>	<b>\$463,253</b>	<b>\$6,497,550</b>	<b>\$209,200</b>	<b>\$2,469,700</b>	<b>\$1,545,000</b>
Information Technology	\$10,000	\$565,933		\$6,000		
Central Garage	\$819,686	\$46,727	\$5,000	\$843,766	\$20,143	
Building Maintenance	\$608,333	\$93,251	\$103,150	\$491,835	\$5,923	
<b>Total Internal Service</b>	<b>\$1,438,019</b>	<b>\$705,911</b>	<b>\$108,150</b>	<b>\$1,341,061</b>	<b>\$26,066</b>	
Police Pension	\$4,039,912	\$315,000				
Fire Pension	\$3,016,545	\$250,000				
<b>Total Fiduciary Funds</b>	<b>\$7,056,457</b>	<b>\$565,000</b>				
<b>All Funds</b>	<b>\$43,315,203</b>	<b>\$4,151,196</b>	<b>\$6,996,050</b>	<b>\$2,346,901</b>	<b>\$5,950,361</b>	<b>\$3,305,607</b>

### Budget by Fund Type



### SUMMARY OF EXPENDITURES BY SOURCE - ALL FUNDS CONTINUED

Description	Reserve Transfers	Debt Service	Contractual Services	Internal Services	Grand Total
General Fund	\$734,169		\$1,308,794	\$4,133,608	\$44,478,558
Parking Lot			\$8,384	\$40,553	\$312,524
Motor Fuel Tax					\$1,500,000
<b>Total Special Revenue Funds</b>			<b>\$8,384</b>	<b>\$40,553</b>	<b>\$1,812,524</b>
Debt Service Fund		\$1,546,119			\$1,546,119
Capital Projects - Facilities					\$535,195
Capital Projects - Streets					\$1,105,000
<b>Total Capital Projects Funds</b>					<b>\$1,640,195</b>
Water & Sewer	\$92,644	\$486,390	\$146,005	\$564,751	\$11,964,522
Buffalo Grove Golf Course	\$70,600		\$397,226	\$125,067	\$1,174,310
Arboretum Golf Course	\$10,000		\$694,268	\$156,048	\$1,341,512
Refuse Service					\$1,381,000
<b>Total Enterprise Funds</b>	<b>\$173,244</b>	<b>\$486,390</b>	<b>\$1,237,499</b>	<b>\$845,866</b>	<b>\$15,861,344</b>
Information Technology			\$1,161,787		\$1,743,720
Central Garage	\$5,075		\$3,500	\$35,108	\$1,779,005
Building Maintenance	\$19,127		\$210,800	\$28,850	\$1,561,269
<b>Total Internal Service Funds</b>	<b>\$24,202</b>		<b>\$1,376,087</b>	<b>\$63,958</b>	<b>\$5,083,994</b>
Police Pension					\$4,354,912
Fire Pension					\$3,266,545
<b>Total Fiduciary Funds</b>					<b>\$7,621,457</b>
<b>All Funds</b>	<b>\$931,615</b>	<b>\$2,032,509</b>	<b>\$3,930,764</b>	<b>\$5,083,985</b>	<b>\$78,044,191</b>

## TOTAL EXPENDITURES BY FUND AND BY CATEGORY

The chart below provides expenditure summary for all fifteen Village funds and further divides those fund totals into expenditures by category. The total budget for all Village expenditures in 2019 is \$78,044,191. That total is 3.4 percent more than 2018. Over fifty-seven 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, public works and general administration.

	Fund	Fund #	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget	% of Prior Year Budget
By Fund	General	100	\$40,647,493	\$40,086,575	\$42,292,439	\$44,478,558	105.17%
	Parking Lot	120	\$175,793	\$184,778	\$326,150	\$312,524	95.82%
	Motor Fuel Tax	130	\$1,282,619	\$1,088,120	\$1,000,000	\$1,500,000	150.00%
	Debt Service	140	\$896,456	\$1,676,608	\$1,687,694	\$1,546,119	91.61%
	Capital Projects - Facilities	150	\$846,995	\$875,147	\$1,576,963	\$535,195	33.94%
	Capital Projects- Streets	160	\$7,629,014	\$0.00	\$360,000	\$1,105,000	306.94%
	Water & Sewer	170	\$9,914,814	\$10,284,241	\$11,727,349	\$11,964,522	102.02%
	Buffalo Grove Golf Course	180	\$1,256,918	\$1,257,764	\$1,208,288	\$1,174,310	97.19%
	Arboretum Golf Course	190	\$1,745,147	\$1,651,251	\$1,491,244	\$1,341,512	89.96%
	Refuse Service	200	\$978,565	\$1,255,393	\$1,660,000	\$1,381,000	83.19%
	Information Technology	211	\$1,032,609	\$1,195,620	\$1,409,555	\$1,743,720	123.71%
	Central Garage	212	\$1,427,420	\$1,518,196	\$1,652,632	\$1,779,005	107.65%
	Building Maintenance	213	\$1,171,348	\$1,239,623	\$1,577,570	\$1,561,269	98.97%
	Police Pension	220	\$3,516,502	\$3,898,282	\$4,265,000	\$4,354,912	102.11%
	Firefighter Pension	230	\$2,400,122	\$2,748,022	\$3,198,000	\$3,266,545	102.14%
	Grand Total		\$74,921,815	\$68,959,619	\$75,432,884	\$78,044,191	103.46%
Wage & Benefits		\$38,246,156	\$39,229,350	\$42,241,974	\$43,315,203	102.54%	
By Category	Operating Expenses		\$3,569,850	\$3,679,110	\$3,930,227	\$4,151,196	105.62%
	Commodities		\$6,114,888	\$4,182,943	\$7,269,666	\$6,996,050	96.23%
	Repairs & Maintenance		\$1,284,556	\$1,939,352	\$2,123,575	\$2,346,901	110.52%
	Capital Outlay		\$12,202,857	\$1,544,739	\$5,513,074	\$5,950,361	107.93%
	Operating Transfers		\$3,637,227	\$4,850,669	\$2,923,323	\$3,305,607	113.08%
	Reserve Transfers		\$42,096	\$58,835	\$1,081,565	\$931,615	86.14%
	Debt Service		\$1,182,788	\$1,844,994	\$2,137,927	\$2,032,509	95.07%
	Contractual Services		\$3,086,698	\$3,086,698	\$3,571,794	\$3,930,794	110.05%
	Internal Services		\$3,722,321	\$4,008,431	\$4,639,759	\$5,083,985	109.57%
	Depreciation		\$1,832,377	\$1,832,377			
	Grand Total		\$74,921,815	\$69,085,038	\$75,432,884	\$78,044,191	103.46%

SUMMARY OF REVENUE AND EXPENDITURES BY CATEGORY

Account Category	FY 2017 Actual	FY 2018 Est. Actual	FY 2019 Budget
Property Taxes	\$15,510,127	\$16,111,946	\$16,525,571
Other Taxes-State	\$11,733,741	\$12,188,170	\$13,051,900
Other Taxes-Local	\$9,816,522	\$9,855,000	\$10,185,000
Licensing	\$330,475	\$329,100	\$329,100
Building Revenue & Fees	\$2,124,663	\$1,319,300	\$1,104,800
Intergovernmental Revenue-Local	\$287,296	\$271,493	\$270,895
Sales of Water/Sewer Fees	\$10,420,474	\$11,581,000	\$11,895,200
Golf Course Fees	\$2,201,153	\$2,339,560	\$2,405,210
Investment Revenue	\$16,432,124	\$5,360,825	\$7,045,800
Fines & Fees	\$1,897,138	\$1,967,700	\$1,967,700
Operating/Internal Service Transfers	\$13,331,813	\$12,048,230	\$13,072,475
All Other Revenue	\$6,655,072	\$4,413,850	\$4,666,600
<b>Grand Total - All Fund Revenue</b>	<b>\$90,740,598</b>	<b>\$77,786,174</b>	<b>\$82,520,251</b>
Account Category	FY 2017 Actual	FY 2018 Est. Actual	FY 2019 Budget
Wages	\$22,037,534	\$23,338,838	\$24,160,463
Benefits	\$17,191,816	\$18,176,557	\$19,154,740
Operating Expenses	\$3,679,110	\$3,804,799	\$4,151,196
Commodities	\$4,182,944	\$4,395,030	\$6,996,050
Repairs and Maintenance	\$1,939,352	\$2,089,100	\$2,346,901
Capital Outlay	\$1,544,739	\$4,689,011	\$5,950,361
Reserve Transfers	\$58,835	\$1,051,565	\$931,615
Contractual Services	\$2,608,041	\$2,981,493	\$3,930,764
Internal Services	\$4,008,431	\$4,475,827	\$5,083,985
Transfers	\$4,850,669	\$3,064,111	\$3,305,607
Debt	\$1,844,994	\$2,137,927	\$2,032,509
Depreciation	\$1,832,377	-	-
<b>Grand Total All Fund Expense</b>	<b>\$69,085,038</b>	<b>\$73,501,616</b>	<b>\$78,044,191</b>

## PERSONNEL AND BENEFITS

The Village of Buffalo Grove relies upon a competent and efficient professional staff to accomplish the mission, vision and strategic goals of the operation. The Village has historically maintained a lean 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, rightsizing of staff, and creative outsourcing solutions.

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

1. Implementing alternate service delivery models.
2. Reevaluating employee salary ranges every 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. Elimination of a high cost PPO health plan.

For 2019, the Village proposes a full-time staff complement of 218 full-time personnel and 55 part-time personnel.

	FY 2017		FY 2018		FY 2019	
	FT	PT	FT	PT	FT	PT
Office of Village Manager/Administration	3	1	3	1	5	1
Community Development	12	1	13	2	12	2
Finance	9	0	9	0	9	0
Fire Services	59	2	60	3	62	3
Golf Operations	3	32	3	32	2	32
Human Resources	2	0	2	0	2	0
Information Technology	0	0	0	0	0	0
Police Services	75	7	75	8	75	8
Public Works/Engineering	49	11	49	10	50	10
Total	212	54	214	56	218	55
<b>Full &amp; Part-Time Grand Total</b>	<b>266</b>		<b>270</b>		<b>273</b>	

## REVENUE TRENDS AND PROJECTIONS

As a part of the development of both long-term financial forecasting and the corresponding annual budget, the Village continually reviews external and internal functions that impact, or may impact, the collection of revenue. Evaluating the impact of the national economy (macro) on the local economy (micro) is an important step in the process, understanding that local government's experience with inflation indices can differ greatly from a national average.

The national economy impacts both state and local economies, although this impact varies by jurisdiction and may actually have an inverse effect on a community. The state economy has played a significant role in the discussion of the budget. 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. The Village uses the Municipal Cost Index (MCI) as an inflationary guide. The MCI is more specific to governmental spending and the inflationary pressures on construction contracts.

**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 and sales activity** - 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 indicator has a pronounced effect on real estate transfer taxes.

**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. The Village uses an inflationary blend of national market trend and actual pool experience to guide premium growth.

The Village's sources of revenue are described in the next pages. They are categorized by property tax, state shared, locally administered, fees and fines, charges for service.

## PROPERTY TAX – 20% TOTAL BUDGET

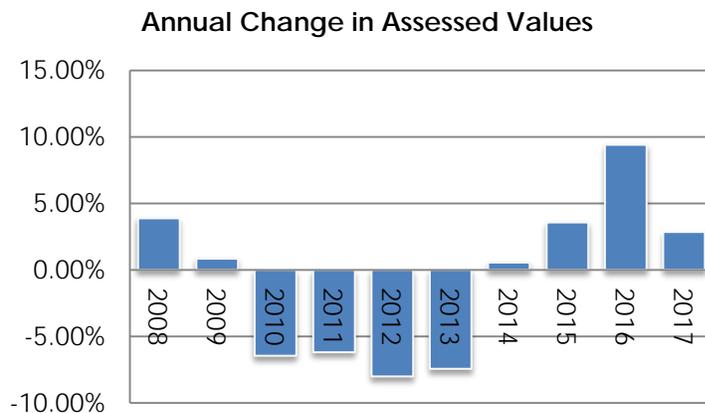
Property taxes are one of the most stable sources of revenue for the Village. The Village is not subject to PTELL (property tax extension law limit). The PTELL is designed to limit the increases in property tax extensions (total Taxes billed) for non-home rule taxing districts. Although not subject to taxing limitations, the Village takes a measured approach to control growth in the annual request to ensure that the levy only increases by the inflationary cost of public safety operations and its debt and pension obligations. Debt obligations represent the annual principal and interest payments of all outstanding bonds. Pension obligations are calculated by independent actuaries for the three Village pension systems. Funding requirements are set by Illinois Pension Code.

Each taxing body listed on a property owner’s tax bill is independent of the Village and levies its own tax rate. Property tax collected by the Village typically represents about ten percent of the total tax bill.

Property taxes (net of Road and Bridge taxes) are anticipated to be approximately \$16.5 million and will be levied in 2018 and payable in 2019. Over 64 percent of the levy is committed to debt and pensions. The remainder of the levy helps to support public safety (police and fire) operations. In order to fund all three levy components (pensions/special purpose, debt and corporate) a tax rate of \$0.993/\$100 EAV will be extended. This is a decrease of \$0.003/\$100 EAV.



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 2018 property tax levy, eighty percent of all assessed valuation is located in Lake County and twenty percent is located in Cook County.



The most recent assessed valuation indicates annual growth of 2.84 percent in 2017. Growth in the tax base is a combination of new properties, expanded or improved properties, and the reassessment values calculated by the respective county’s assessor’s office. The Village does not have a role in determining property values. Total taxable property in the Village is \$1,660,029,332.

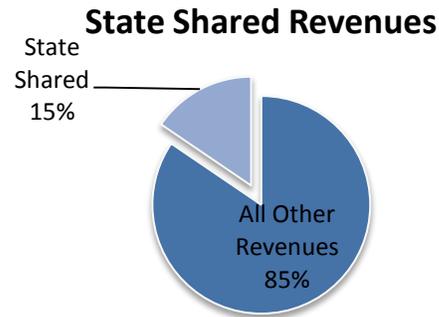
The chart to the left shows annual changes in assessed values over the last ten years. The decline in values from 2009-2013 are a result of the Great Recession and housing market crash.

The rate at which property taxes are levied is determined by dividing the levy amount requested by the EAV. EAV is equal to one-third of the market value of the property less any homestead or senior exemptions. The additional \$413,805 in property tax revenue for 2019 are tax dollars captured through new or improved properties.

## STATE SHARED REVENUES

State shared revenues are sources of revenue that the State of Illinois is required to share with local municipalities. The Illinois Comptroller distributes the funds to local governments based on actual sales activity within the Village (base sales tax) or on population (income, use, and motor fuel tax).

As the Village does not directly control the collection, rate, or distribution of these shared revenues, there is a perennial risk that the State of Illinois may reduce the distribution formula to help balance the state budget. These shared revenues include income tax, use tax, base sales tax, and motor fuel tax. The chart to the right shows the distribution of state shared revenues as a percentage of total revenues.



### **Income Tax – 4.9% Total Budget**

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 eight percent of net personal taxes and 9.14 percent of corporate taxes. Illinois municipalities receive \$.087 of each dollar collected through the income tax. This revenue is anticipated to be \$4.1 million in FY 2019. This is an anticipated increase of 9.1 percent. The estimate is based, in part, on the Illinois Municipal League forecast of \$94.87/resident.

### **Use Tax – 1.4% Total Budget**

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 2019 Use Tax is \$1.17 million (\$26.75 per capita). This is an anticipated increase of 9.0 percent.

### **Base Sales Tax – 7.9% Total Budget**

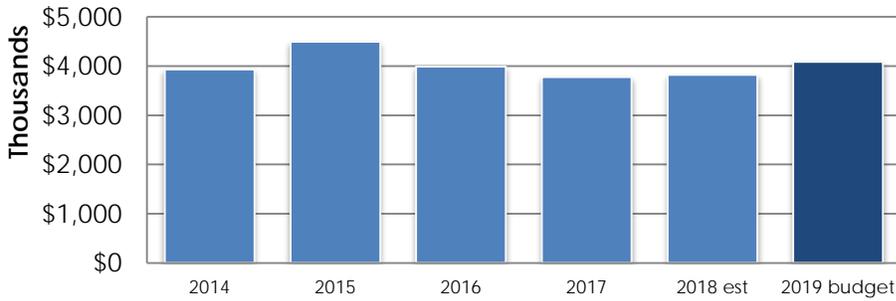
Retail sales tax is collected by the State of Illinois. The municipality where the tax is collected receives one percent of the revenues. The largest sales tax generators are grocery stores, building and electrical supplies retailers and gas stations. Sales taxes had little growth (less than 1%) year over year. The proposed FY 2019 budget includes a full year of sales tax for Woodman's Food Market which opened in the fall of 2018. For 2019, the budget is anticipated to be \$6.5 million or an 11.2 percent increase.

### **Motor Fuel Tax – 1.2% Total Budget**

For FY 2019, the Village anticipates \$1 million in Motor Fuel Tax proceeds as estimated by the Illinois Municipal League. The Village receives 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 as noted in the Capital Improvement Plan (CIP), detailed in Section 6 of this document. It is assumed that alternative energy options, availability and improvement of public transportation, and environmental awareness have 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 continue to impact growth in this revenue.

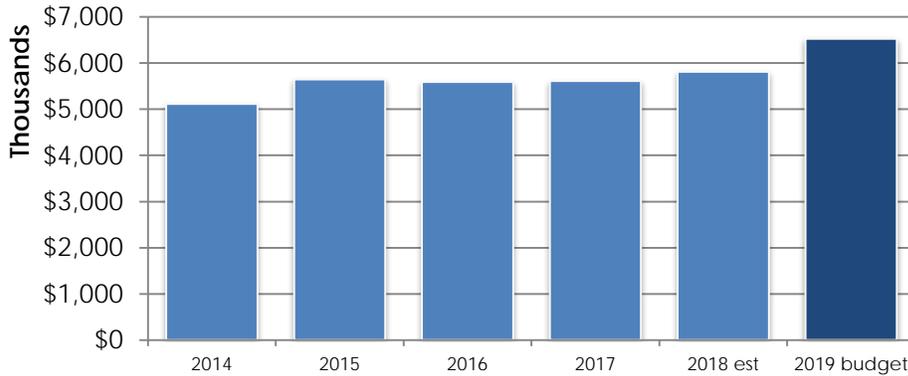
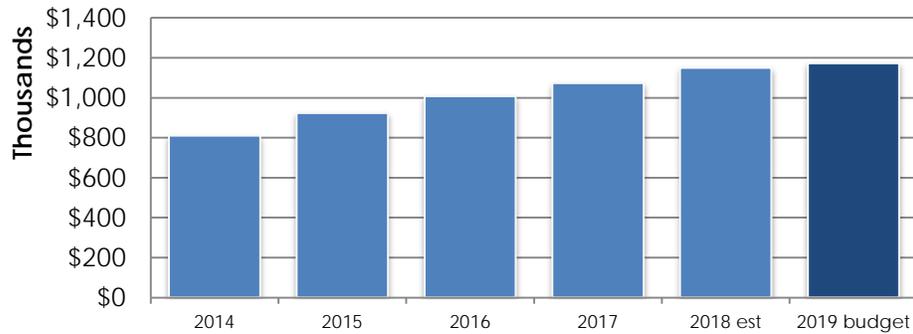
## HISTORY OF STATE SHARED REVENUES

The following charts provide a five year historical analysis of the collection history of state shared revenues. This trend information provides guidance in determining the next year's budget.

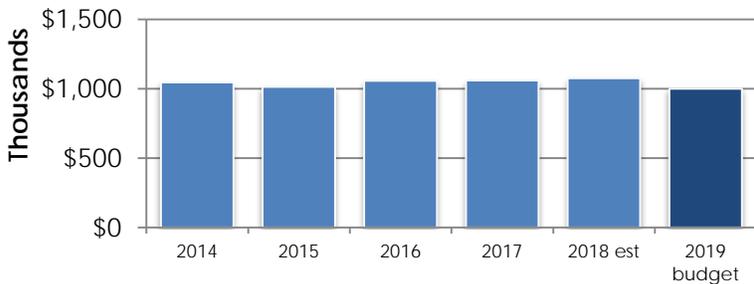


**Income Tax**  
Income tax has averaged a 0.6 percent annual decline over the last five years. The collection spike in 2015 was due to a state accounting error being corrected.

**Use Tax**  
Use tax has averaged annual growth of 8.9 percent. The impact is due to strong efforts by the state to collect out of state sales reporting on annual tax returns.



**Base Sales Tax**  
Base sales tax has averaged annual growth of 2.7 percent. The growth in FY 2019 is attributed to new businesses operating in the Village



**Motor Fuel Tax**  
Motor fuel tax has been stagnant for the last five years. The revenue projected for FY2019 anticipates no change in trend history.

## LOCALLY IMPOSED REVENUES

Locally-imposed taxes are used to fund core services such as public safety and public works, infrastructure improvements and other critical Village service. These revenues include home rule sales tax, prepared food and beverage tax, utility taxes, and real estate transfer tax.

### Home Rule Sales Tax – 5% Total Budget

Retail 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 (\$0.05) 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 2019, revenues are anticipated to increase by \$4.15 million or an increase of 9.1 percent.

### Prepared Food & Beverage Tax – 1% Total Budget

The Village receives one cent (\$0.01) for each dollar of prepared food and beverage sales. This tax is levied on the purchase of prepared food for immediate consumption and the sale of liquor either for consumption on premises or packaged. Similar to sales tax, new businesses and inflationary growth are the central drivers of revenue increases for the next year. There are a combined 110 food establishments and liquor stores that generate this tax. The estimated revenue for 2019 is \$0.8 million.

### Utility Use Taxes – 5% Total Budget

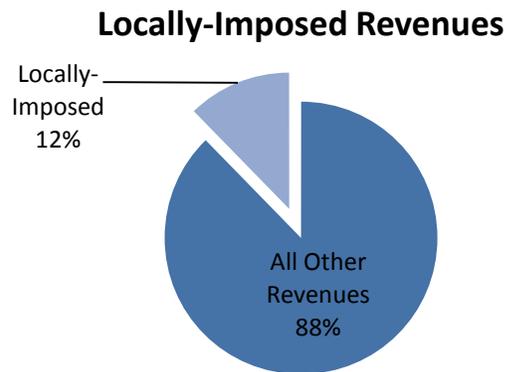
The Village of Buffalo Grove levies three utility taxes for electricity, natural gas, and telecommunications. Use taxes for electricity and natural gas were first imposed in FY 2010. The amount levied for electricity is the maximum amount allowed by state statute and is based on a sliding scale that nets approximately \$0.05 per kilowatt hour. Revenue for electricity use tax is budgeted at \$1.67 million for 2019.

Utility taxes for natural gas are levied at a rate of \$0.05 per therm. The budget for FY 2019 is \$1 million. Since both electricity and natural gas use taxes are based on unit charges there are no fluctuations due to commodity pricing.

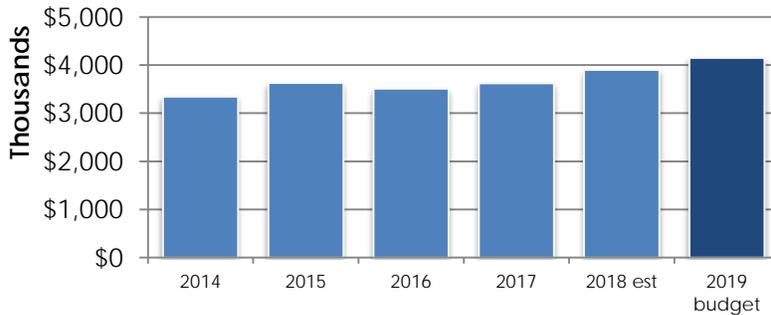
Telecom tax is levied at six percent on all types of telecommunications except for digital subscriber lines (DSL) purchased, used, or sold by a provider of internet service. The budget for FY 2019 is \$1.4 million.

### Real Estate Transfer Tax – 1.3% Total Budget

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 budget for 2019 is \$1.04 million.

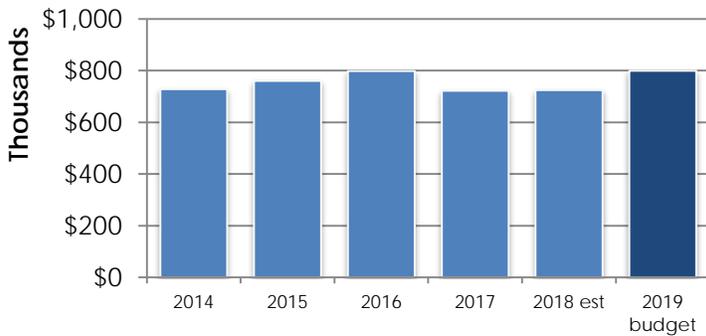


## HISTORY OF LOCALLY IMPOSED REVENUES



### Home Rule Sales Tax

Home rule sales tax has averaged annual growth of 3.3 percent annually. The growth in FY 2019 is attributed to new businesses operating in the Village.

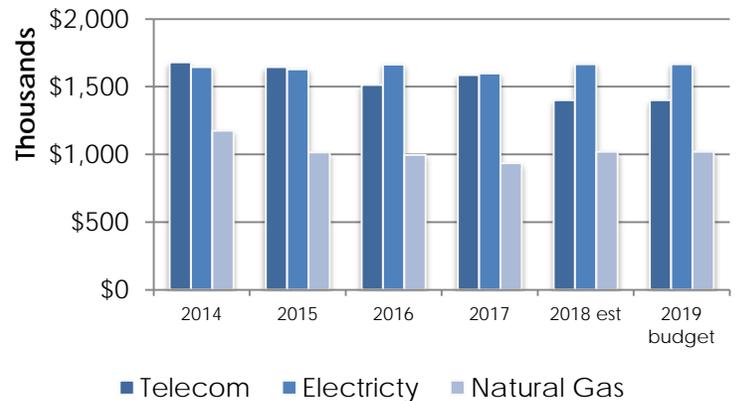


### Prepared Food and Beverage Tax

Prepared food & beverage has averaged almost no growth over the last five years. In 2017, a major retailer left the Village. The addition of new retailers is driving the growth for 2019.

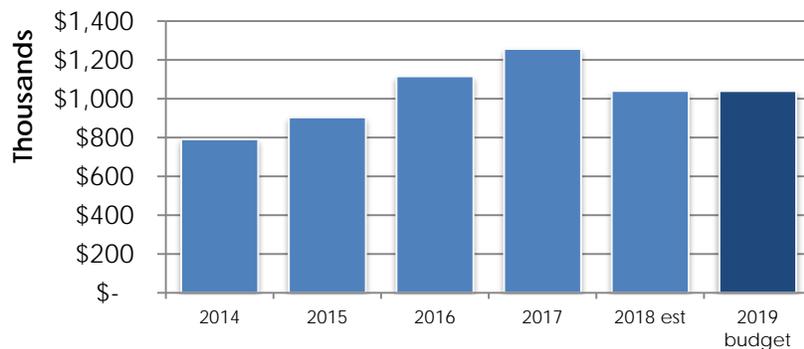
### Utility Use Taxes

Collectively utility use taxes have declined an average of 1.8 percent annually. Over the period, telecommunication taxes have dropped 16.6 percent as customers continue to eliminate land phone lines.



### Real Estate Transfer Tax

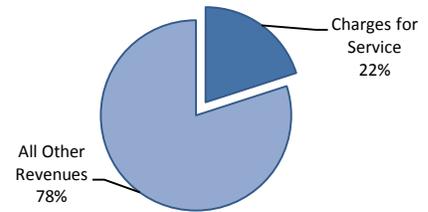
Real estate transfer taxes are one of the most economically sensitive revenue sources for the Village. No growth is expected from the 2018 estimated revenue.



## CHARGES FOR SERVICE

Charges for service are revenues that correlate directly to an acquired service. In the Enterprise Funds (Water, Golf and Refuse Funds), charges for service are expected to support the operation. Types of revenue include permit fees in the General and Water Funds, water and sewer fees in the Water Funds, storm water fees, golf fees in the Buffalo Grove and Arboretum Golf Courses and tipping fees in the Refuse Fund.

### Charges for Service



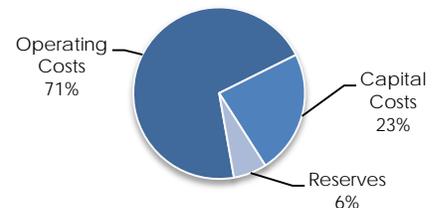
### Building Revenue & Fees – 1.4% Total Budget

This revenue is budgeted conservatively as a significant percentage of this revenue is considered non-recurring and is reliant upon economic conditions and private development opportunities. All other revenue is anticipated to be collected on improvements to existing structures. Total building revenues and fees for 2019 are estimated to be \$1.14 million.

### Water and Sewer Fees – 14.4% Total Budget

Total fees collected for the sale of water combined with revenue collected on behalf of Lake County Public Works for 2019 is budgeted at \$11.9 million. The amount collected on behalf of Lake County Public Works is 29.3 percent of Water Fund revenues. The budgeted assumption for annual water consumption is 1.28 billion gallons. The proposed Village combined water and sewer rate is \$6.39/1,000 gallons for a four percent increase. 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 D*. The components of the rate address operating costs, capital maintenance and repairs, and building reserves for future infrastructure needs.

### Components of Water Rate



### Storm Water Management Fees – 1.7% Total Budget

This revenue source was added in FY 2016. The system user fees are charged to all properties in 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. Commercial/industrial users pay a fee on actual surface area. The budget for FY 2019 is \$1.14 million. Historical data is not provided due to the infancy of the revenue source.

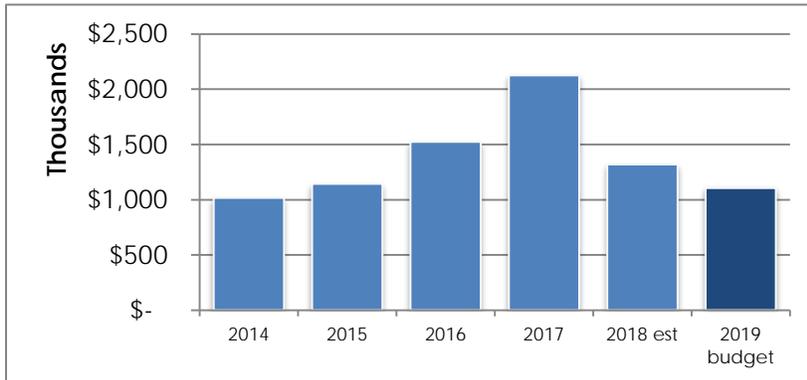
### Golf Course Fees – 2.9% Total Budget

The Village owns and operates two municipal golf courses. A 2.3 percent increase in operating revenue was budgeted for FY 2019 for the Buffalo Grove Golf Club and a 1.0 percent decrease at the Arboretum in FY 2019. 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 \$2.41 million in FY 2019. The remainder will be a collective budget subsidy transfer out of the General Fund to the golf courses of approximately \$0.11 million to help with cash flow at the end of the year.

### Refuse Fees – 1.3% of Total Budget

Refuse fees are charges that are collected by the Village and are then payable to the Solid Waste Agency of Northern Cook County (SWANCC) as a tipping fee. The Village is charged \$46.87/ton of refuse. The average annual refuse collection is 15 million tons.

## HISTORY OF CHARGES FOR SERVICE

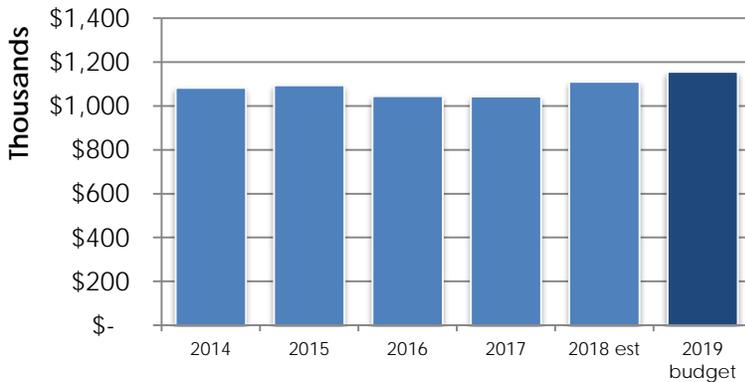
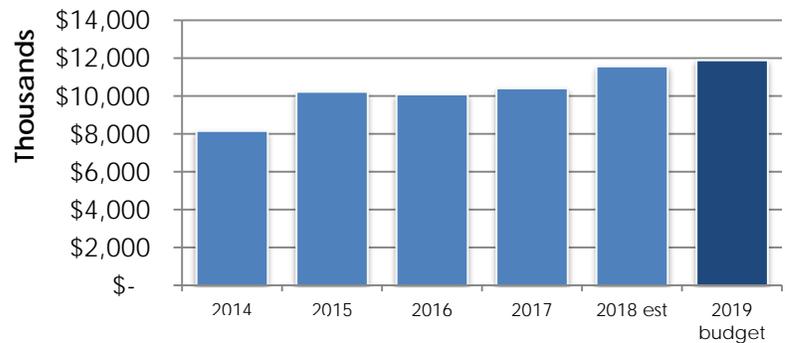


### Building Revenue and Fees

Building revenues and fees are cyclical and are driven by a strong economy and development opportunities. Link Crossing has been approved for 187 unit development. Those fees will be realized over the next three years.

### Water and Sewer Fees

Water and sewer fees have averaged an annual increase of 8.3 percent. The growth is attributed to a combination of factors including, rate increases, new radio read metering system, and new development.

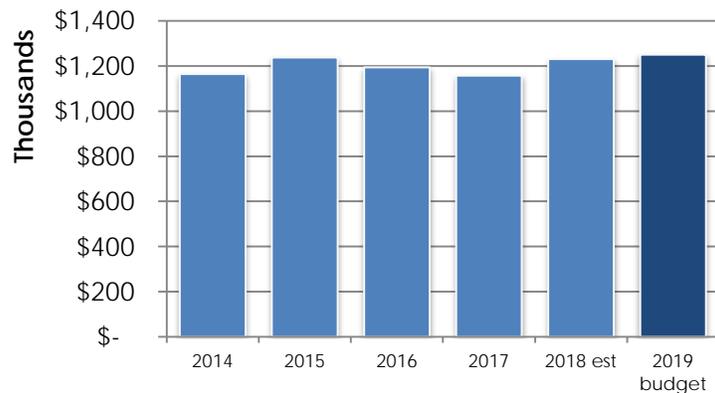


### Buffalo Grove Golf Course

The Buffalo Grove Golf Course has averaged .5 percent growth in operating revenues annually over the last five years. It is anticipated that 28,000 paid rounds will be played in 2019.

### Arboretum Golf Course

The Arboretum Golf Course has averaged 1.1 percent growth in operating revenues annually over the last five years. It is anticipated that 22,000 paid rounds will be played in 2019.



## OTHER MAJOR REVENUE SOURCES

### **Public Safety Fines and Fees – 2.1% Total Budget**

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 operates 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 anticipated to be the same in 2019 at \$1.76 million.

### **Investment Revenues- 8.5% Total Budget**

The Village's investments are guided by three policies that address permitted investments in the portfolios of the Police Pension Fund, Firefighter Pension Funds, and all other funds. Total investment revenue is expected to be \$7.05 million. All funds other than pension funds have durations less than three years with an average expected yield of 1.5 percent. All investments are laddered to meet the cash flow needs of the fund. The primary strategy for non-pension investments is safety and liquidity. Both pension funds have interest rate targets of seven percent for their actuarial assumption. The pension funds are the only Village funds that purchase equity investments. The Police and Firefighter Pension Fund Boards are fiduciaries of their respective funds and separately administer the funds' investments with the assistance of outside financial advisors.

### **Transfers/Operating and Internal Service – 15.8% Total Budget**

A total of \$13.1 million will be transferred between funds to support capital improvements, provide for property tax abatement, transfer property taxes to the pension funds, subsidize golf operations, and reimburse Internal Service Funds for services provided to support operations.

### **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.

## EXPENDITURE TRENDS AND PROJECTIONS

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 how the public consumes services. Interested parties can relate to police patrols, snow plowing, and emergency medical services.

Each Department Director is responsible for identifying cost trends within operations. Any changes in service level will have a corresponding budget impact. In general, when prices cannot be accurately determined or specific quantities identified, an incremental analysis is performed comparing the estimated actual expense for 2018 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 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 Village also participates in a number of purchasing collaboratives nationwide.

The following are the major account categories across all programs.

## PERSONNEL COSTS

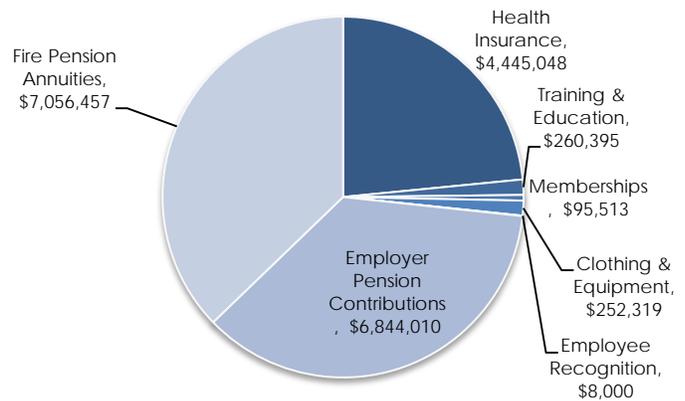
### WAGES – 31% TOTAL BUDGET

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 2019, 31 percent of all Village expenditures are allocated to salaries and wages, up 2.8 percent from 2018. Total wages for FY 2019 are \$24.1 million. The Village’s pay ranges are evaluated on a recurring basis to establish both internal and external equity within the market and to ensure fair and competitive wages.

There are two unionized labor groups subject to a collective bargaining agreement – International Association of Firefighters (IAFF) Local #3177 – representing 51 firefighters and the Metropolitan Alliance of Police (MAP) – representing 46 police officers. The current firefighter contract expires on April 30, 2020. It is anticipated that represented firefighters will receive a 2.5 percent increase on May 1, 2019 based on comparable data. The police union contract expired on December 31, 2018. At this time, negotiations are underway. The 2019 general wage increase is 2.5 percent for non-represented employees. There are four new positions that will be added next year.

### BENEFITS – 24.5% TOTAL BUDGET

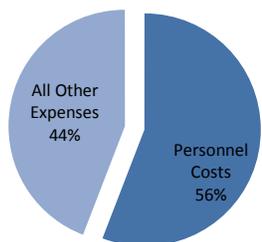
The total budget for benefits is \$18.9 million. This account category includes group health and life insurance costs, annuity payments for pensions in the Police and Firefighter Pension Funds, and training.



The Village is a member of the Intergovernmental Personnel Benefits Cooperative. The IPBC is a pooled benefit cooperative with approximately one hundred and thirty member communities. For 2019, the total amount budgeted for health insurance is \$4.3 million, up \$0.1 million from the 2018 budget. The Village has been proactive in trying to contain medical costs. Those efforts will continue in 2019 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.

Seventy-three percent of benefit costs are related to pension costs. \$6.8 million is the Village’s employer obligation for current and future annuitants and \$7.1 million will be distributed to retired pensioners.

### Personnel Costs



## OPERATING COSTS

### OPERATING EXPENSES – 5.2% TOTAL BUDGET

Total budgeted expenditures for Operating Expenses is \$4.1 million. This is the largest expenditure category from the perspective of the types of costs that comprise the total. The primary drivers of costs within this category are:

Insurance Premium & Deductibles	\$944,170
Northwest Central Dispatch	\$582,446
Computer Services	\$327,500
Telephone - Land and Cellular	\$217,876
Department Equipment	\$159,150
Supplies and Inventory	\$132,150
Metra Lease Payment	\$128,337
Golf Merchandise	\$95,000
Credit Card Fees	\$93,500
Golf Cart Lease	\$89,000
Northern Illinois Police Crime Lab	\$64,485
Postage	\$40,000
Audit Fees	\$48,500
Printing	\$33,000
Village Newsletter	\$33,000

The costs noted above represent approximately seventy-three percent of the expenditure category. The payment for insurance premium covers the Village's general liability and worker's comp policy and related deductible costs. The fee (\$582,446) remitted to Northwest Central Dispatch is for shared 911 dispatch services. 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.

### COMMODITIES – 9.0% TOTAL BUDGET

A total of \$7.0 million will be spent on commodities. Commodities include: purchase of water through the Northwest Water Commission, energy costs, pass through fees paid to Lake County Public Works for sanitary sewer service, chemicals for snow and ice, fertilization, and energy costs. The following is a distribution of major expenditures:

Lake County Sanitary Sewer Fees	\$3,485,000
Northwest Water Commission	\$1,725,000
Electricity	\$430,450
Snow and Ice Control	\$282,000
Traffic and Street Signs	\$47,500
Natural Gas	\$38,750
Fertilizer and Chemicals	\$17,200

## CAPITAL EXPENDITURES

### CAPITAL OUTLAY – 7.6% TOTAL BUDGET

A total of \$7.8 million will be spent on capital projects and equipment acquisition. All equipment purchased that exceeds \$10,000 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.

Capital projects are identified in detail in the 2019-2023 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. The final plan is then based on the operational importance of the request versus the Village's ability to pay for the improvement.

Several significant capital projects are programmed for 2019. \$2.6 million is allocated for the Village's share of outside agency projects. Those projects include improvements to Weiland and Prairie Road and Lake Cook Road. Funds are also included for the annual street maintenance program. The water system has \$2.4 million allocated for capital repairs and improvements. The remaining \$2.8 million will address facility repairs, equipment acquisition and technology improvements.

All capital spending will be on a pay-as-you-go basis. There is no issuance of debt programmed into the FY 2019 Budget. All vehicle purchases will be funding from the Capital Reserve for vehicles. This balance will drop to \$4.3 million at the end of 2019.

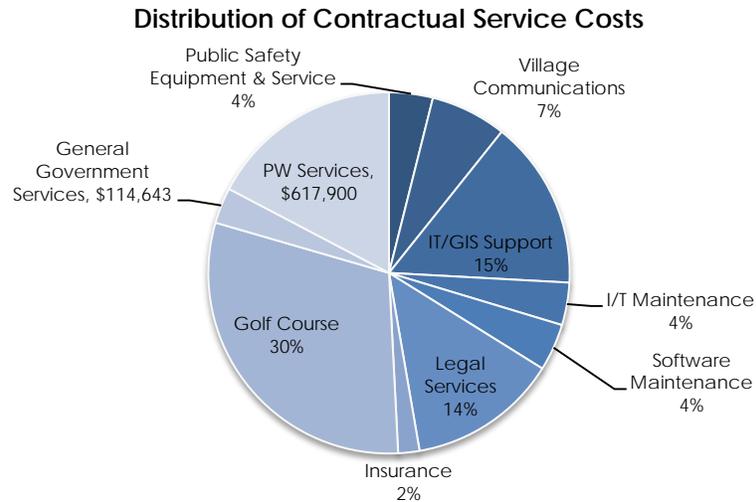
### RESERVE TRANSFERS – 1.2% TOTAL BUDGET

The Village maintains four capital reserve funds. By allocating a transfer to the reserves each year, the capital-spending amount is smoothed out and not subject to spikes. 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. The third reserve is a reserve for buildings and facilities. Budgeted dollars will be allocated to future building repairs including roofs and mechanical systems. As the Village facilities continue to age, maintenance costs will continue to rise. The fourth reserve as noted above is for infrastructure. Those reserves will be allocated to maintaining the storm water system. In total \$0.9 million will be committed in 2019 for these reserves.

## CONTRACTUAL AND INTERNAL SERVICES

### CONTRACTUAL SERVICES – 4.2% TOTAL BUDGET

\$3.2 million is allocated to contractual services. Included within this total are maintenance contracts, consulting agreements, contractual services for inspection services, golf course maintenance, communication costs, and legal fees. The chart below shows the distribution of costs.



### INTERNAL SERVICE FUNDS – 6.5% TOTAL BUDGET

Operating departments and programs are charged back 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).

Information Technology costs 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 are not shared as the costs only benefit a department or program.

Central Garage costs are allocated back 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.

The Information Technology Fund's budget is \$1.74 million, Central Garage is budgeted at \$1.78 million, and Building Maintenance is budgeted at \$1.56 million. The Internal Service Funds are not intended to carry a fund balance at the end of a fiscal year. As they are intended to break even, this may result in additional expenditures incurred by each department to fund the additional costs, if a fund or funds come in over budget. Concurrently, if the internal service funds come in below the budgeted amount(s), a refund will be distributed back to the departments, which will show the expenditure below budget for the year.

## DEBT SERVICE EXPENDITURES

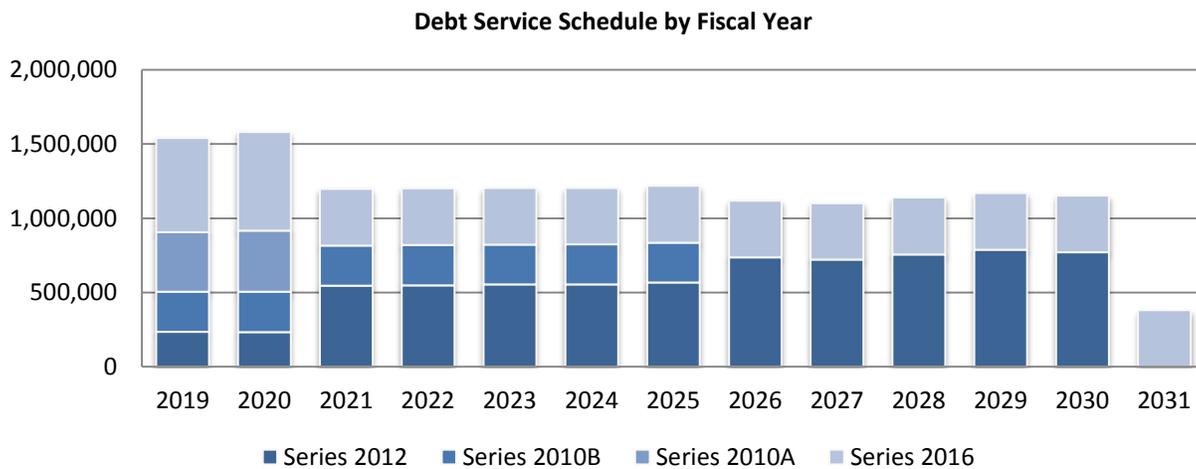
The Village currently has four bond issues outstanding as of January 1, 2019, which are all General Obligation Bonds (Series 2010A, Series 2010B, Series 2012, and Series 2016). Bond descriptions and amortization schedules are listed within the *Debt Profile* of this section. Most Village debt service revenues are obtained through property tax. Two funds will be abating a portion of the 2019 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 abate a portion of the taxes 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 \$486,391 in FY 2019.

The Village retired the \$8 million line of credit for the Emerald Ash Borer infestation from the Capital Projects Fund in 2018. The Village utilized half of the line extended and paid back \$3.4 million outstanding in 2018 using fund balance.

### 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 2019, debt service consists of \$400,600 for Series 2010A, \$269,763 for Series 2010B, \$235,525 for Series 2012, and \$635,231 for Series 2016. Total debt outstanding as of December 31, 2018 is \$13.05 million. Below is a chart depicting the future principal and interest payments of all general obligation debt.



The Village of Buffalo Grove is a home-rule community and has no legal debt limit set by the Illinois General Assembly. The Village monitors the overlapping debt of all taxing districts and is sensitive to the burden debt places on the taxpayer. As of December 31, 2018, the Village's ratio of General Obligation bonded debt to EAV was 0.89 percent. Please see *Appendix B: Financial Policies and Projections* for a copy of the Village's Debt Policy.

# DEBT SERVICE SCHEDULES

## OVERVIEW

The following summarizes the debt service obligations of the Village as of December 31, 2018.

### 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: AA1  
Standard & Poor's: AAA

Principal Outstanding: \$765,000

Interest: \$46,040

### 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: AA1  
Standard & Poor's: AAA

Principal Outstanding: \$1,640,000

Interest Outstanding: \$ 251,273

### 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: AA1  
Standard & Poor's: AAA

Principal Outstanding: \$5,900,000

Interest Outstanding: \$1,117,500

### 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: AA1  
Standard & Poor's: AAA

Principal Outstanding: \$4,745,000

Interest Outstanding: \$754,744

### Debt Service Schedules

Annual Payments - General Obligation Debt

Principal

Fiscal Year	Series 2010A	Series 2010B	Series 2012	Series 2016	Total
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
<b>Total</b>	<b>\$765,000</b>	<b>\$1,640,000</b>	<b>\$5,900,000</b>	<b>\$4,745,000</b>	<b>\$13,050,000</b>

### Debt Service Schedules

Annual Payments - General Obligation Debt

Interest

Fiscal Year	Series 2010A	Series 2010B	Series 2012	Series 2016	Total
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
<b>Total</b>	<b>\$46,400</b>	<b>\$251,273</b>	<b>\$1,117,500</b>	<b>\$754,744</b>	<b>\$2,537,611</b>

## 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 2019 budget, with surplus (deficit) shown for each fund.

Fund	Fund Balance January 1, 2019	2019 Revenue	2019 Expenditures	Excess of Revenue over Expenditures	Fund Balance December 31, 2019
<b>General Fund</b>	18,902,476	44,507,197	44,478,558	28,639	18,931,115
<b>Special Revenue Funds</b>					
<b>Parking Lot</b>	119,323	206,000	312,524	(106,524)	12,799
<b>Motor Fuel Tax</b>	1,509,756	1,000,000	1,500,000	(500,000)	1,009,756
<b>Debt Service Fund</b>					
<b>Debt Service</b>	-	1,541,119	1,546,119	(5,000)	(5,000)
<b>Capital Project Funds</b>					
<b>Facilities</b>	-	535,195	535,195	-	-
<b>Streets</b>	-	1,105,000	1,105,000	-	-
<b>Enterprise Funds</b>					
<b>Water and Sewer (cash)</b>	3,110,172	12,031,500	11,964,522	66,978	3,177,150
<b>Arboretum Golf Course</b>	-	1,341,512	1,341,512	-	-
<b>B.G. Golf Course</b>	-	1,174,310	1,174,310	-	-
<b>Refuse</b>	969,883	1,080,000	1,381,000	(301,000)	668,883
<b>Internal Service Funds</b>					
<b>Information Technology</b>	-	1,743,720	1,743,720	-	-
<b>Central Garage</b>	-	1,779,005	1,779,005	-	-
<b>Building Maintenance</b>	-	1,561,259	1,561,269	-	-
<b>Trust and Agency Funds</b>					
<b>Police Pension</b>	67,384,952	6,998,222	4,354,912	2,643,310	70,227,249
<b>Firefighter Pension</b>	61,602,661	5,916,212	3,266,545	2,649,667	64,252,328
<b>Total All Funds</b>	<b>153,770,793</b>	<b>82,520,251</b>	<b>75,433,162</b>	<b>4,476,070</b>	<b>158,246,863</b>

Multiple funds have an excess of 10 percent change in fund balance in fiscal year 2019. 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 \$265,000 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 2019.

## 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, which were 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. Goals achieved through the 2013-2018 Strategic Plan are described in Appendix A of this document.

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.



## VISION, MISSION, AND CORE VALUES

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

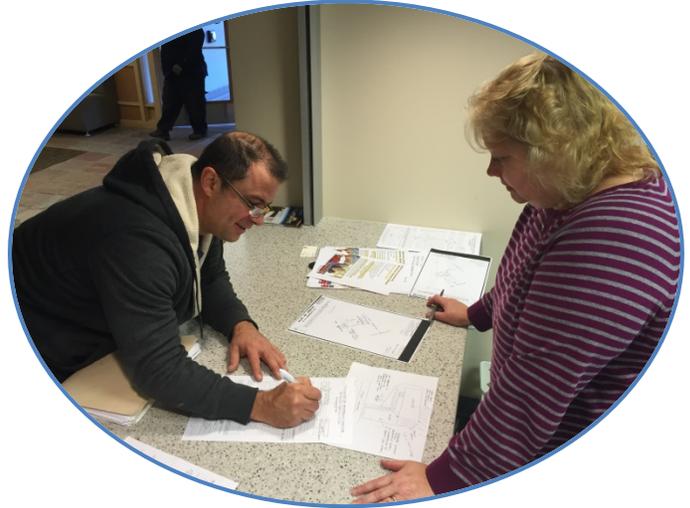
### MISSION

**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 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.

#### Policy Implication

Economic development requires systemic reinvestment in existing and new commercial areas. The Village Board will explore and adopt financial mechanisms that allow needed reinvestment to occur – in the planning and development phases of redevelopment.

#### Prior Actions

The Village has previously approved revenue sharing agreements for sales tax producing entities (Hines Lumber, Connexion, auto dealers).

The Village considered a proposal to redevelop the Buffalo Grove Golf Course property for a downtown project.

The Lake Cook Road Corridor Study is under development.

#### 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.

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

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.

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

### FINANCIAL

#### Goal

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



#### Policy Implication

State shared revenues will be allocated to one-time and non-essential services based upon the availability of funds.

#### Prior Actions

The Village Board previously allocated its non-debt service levy to public safety expenditures, ensuring a stable revenue source for this program area.

Capital reserve transfers are made at the end of each calendar year, providing maximum flexibility to the Village in allocating resources for programs.

Services have been assigned priority by Tier I, II and III, and further used as a guide to develop resource allocations.

Staff developed a comprehensive fee and fine survey and rate analysis, which is used to compare rates to comparable service providers.

#### Specific Actions

Generate revenue allocation profile by service. As part of the program based budget, each service will show its corresponding revenue source(s)

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

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

The Village will continue to provide services based on core competencies, seeking alternate service delivery models where practical and

## LEADERSHIP/ COMMUNICATIONS

### Goal

The Village Board will strive to communicate effectively and work cooperatively to achieve common goals. The Board will respect and accept differences of opinions and will work together in a constructive manner that is both essential and necessary to achieve its goals for the residents of the Village of Buffalo Grove. The Village President will take every opportunity to share information regarding the President's activities and communicate matters of important substance to the Village Board, including summaries of meetings attended.

### Policy Implication

Effective cooperation is essential for the success of the Village Board and the achievement of identified goals and to accomplish what is in the 2018-2023 Strategic Plan.

### Leadership

The Village President will reach out to the members of the Village Board to provide information on various agenda items. The Village President will listen to Trustees and work collaboratively with them to build a shared vision.

### Prior Actions

N/A



### Specific Actions

#### Village President/Trustee Communications:

In order to improve communication, the Village President will make every effort to communicate with Trustees. The Village President will share information with Trustees on an ongoing and continuous basis. To build relationships and mutual support, interaction with Trustees will be a number one priority. The Village President will always be available to Trustees. Communication can take place through telephone calls, emails, one-on-one meetings and any additional ways to achieve the goal of successful communication. Trustees will contact the Village President with questions that might arise.

#### Trustee/Trustee Communications:

Trustees will work well together by respecting and accepting differences of opinions to enhance the decision-making process. Trustee liaisons will provide updates of committee/board/commission activities to the Village Board that they feel are important to share at Village Board Meetings on an ongoing basis in sufficient detail to allow the Board to have a reasonable understanding of the issues.

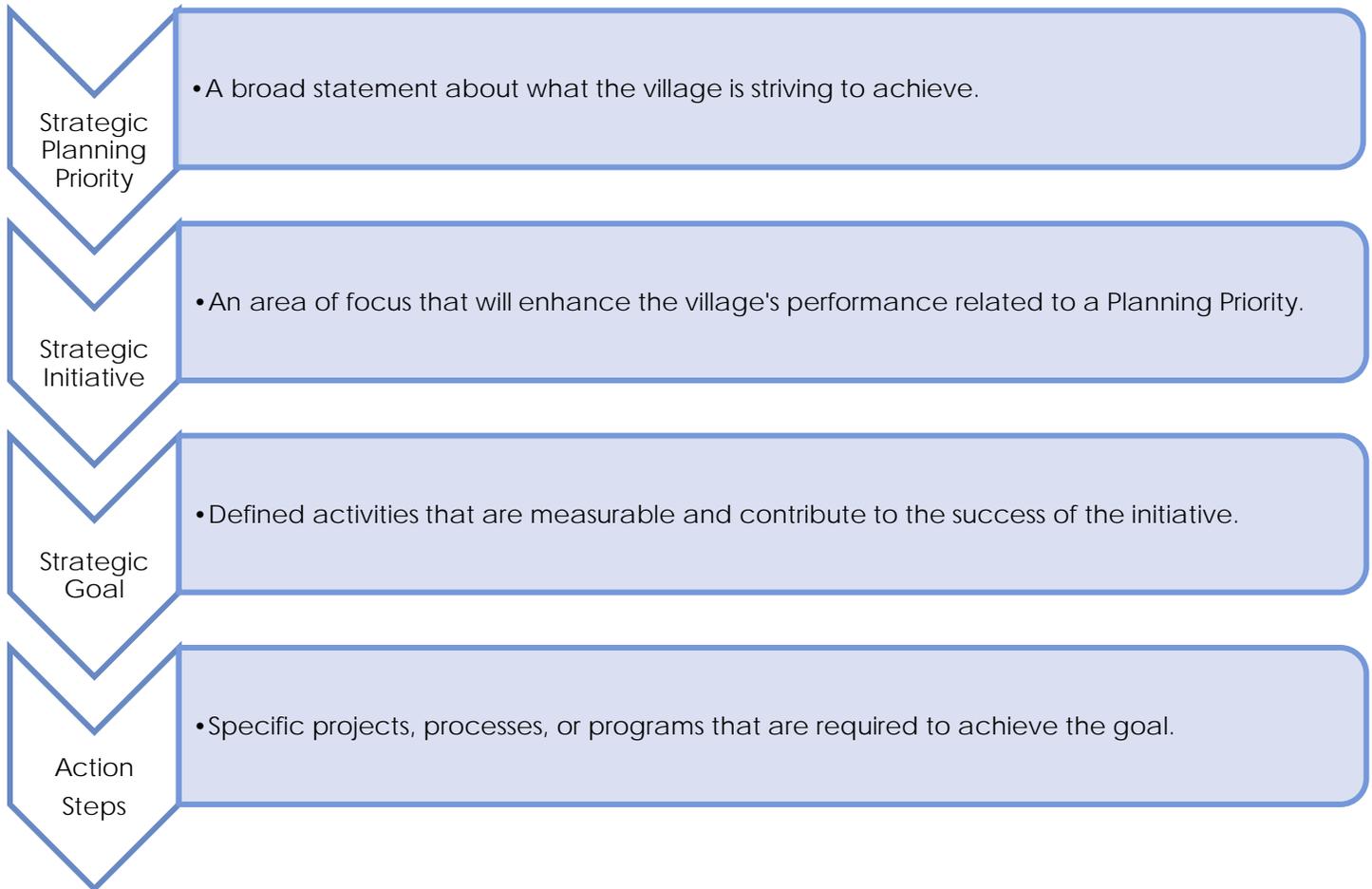
**The Village Board** will periodically review the Code of Conduct as a guide for Board activities.

**The Village Board** will promote the Village of Buffalo Grove and inform the public of its actions through the Village News, ENews, FACEBOOK Page, Community Development Information, etc.

## 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.

## 2018 DEPARTMENTAL GOAL AND ACTIONS

### SERVICE OPTIMIZATION



Action Step	Strategic Initiative	Budget Program	Priority
Shared Incident Command Vehicle	Intergovernmental Partnerships	Administration	Medium
Evaluate Fire Protection Bureau	Internal Operations	Administration	Low
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
Shared Human Resources Programs	Intergovernmental Partnerships	Risk Mgmt.	Low
Online Benefit Administration	Internal Operations	Benefits Admin	High
Evaluate Technology Infrastructure	Internal Operations	Administration	Medium
Performance Management Consortium	Internal Operations	Intergovernmental Relations	Medium
Share Administrative Adjudication Services	Intergovernmental Partnerships	Tech Services	Medium
Sell Overweight Truck Enforcement Services	Intergovernmental Partnerships	Traffic Unit	Medium

### FINANCIAL STABILITY



Action Step	Strategic Initiative	Budget Program	Priority
Complete Water Rate Study	Revenue Diversification	PW Admin.	Medium
Streamline Fire Billing Ordinance	Revenue Diversification	Administration	Medium
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
Comprehensive Facilities Plan	Planning and Programming	Administration	High

## 2018 DEPARTMENTAL GOAL AND ACTIONS

### COLLABORATION



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

### ECONOMIC DEVELOPMENT



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

## 2019 DEPARTMENTAL GOALS AND ACTIONS

### SERVICE OPTIMIZATION



Action Step	Strategic Initiative	Budget Program	Priority
Implement an online benefit administration program	Internal Operations	Personnel Administration	High
Explore a shared services model for the Incident Command Vehicle with other fire agencies	Intergovernmental Partnerships	Public Safety-FD	Medium
Continue to seek accreditation of Fire Department	Internal Operations	Public Safety-FD	Medium
Investigate opportunities to sell Sign Shop Services to smaller agencies	Intergovernmental Partnerships	Streets	Low
Develop a short-term/transitional facilities plan	Internal Operations	Engineering	High
Examine the current structure of command staff and make a recommendation regarding how to move forward.	Internal Operations	Public Safety-PD	Medium
Improve communications with other communities to streamline Joint Major Incident Command	Intergovernmental Partnerships	Public Safety-PD	Medium
Develop a daily activity report which analyzes data by shift and time of day.	Internal Operations	Public Safety-PD	Medium
Evaluation of shared overnight staffing with other communities	Intergovernmental Partnerships	Public Safety-PD	Low
Coordinate a table top disaster drill with the Village Board	Internal Operations	Emergency Management	High

### FINANCIAL STABILITY



Action Step	Strategic Initiative	Budget Program	Priority
Develop and implement a fee and fine review policy	Revenue Diversification	Financial Management	High
Implement Bid Vendor/Contract Management Software	Cost Control	Purchasing	Medium
Create a list of sources of revenue that the Village does not currently collect	Revenue Diversification	Financial Management	Medium
Update fire and ambulance billing ordinance	Revenue Diversification	Financial Management	Medium
Complete an alternative response vehicle cost benefit analysis	Cost Control	Public Safety-FD	Medium
Conduct Stormwater Study	Reserve Growth	Drainage	High
Develop benchmarking standards and report that can be used to track department performance against itself and other agencies.	Cost Control	Engineering	Low

## 2018 DEPARTMENTAL GOAL AND ACTIONS

### COLLABORATION



Action Step	Strategic Initiative	Budget Program	Priority
Develop and implement a formal program which assists retiring employees	Employee Development and Recognition	Personnel Administration	Medium
Develop a strategy to highlight employees accomplishments via the e-news, newsletter, and social media	Employee Development and Recognition	Personnel Administration	Medium
Implement a plan to interview current staff members to identify employee concerns and opportunities for improvement	Employee Development and Recognition	Personnel Administration	Medium
Enhance employee communication through an employee portal and newsletter	Employee Development and Recognition	Personnel Administration	Low
Explore opportunities for senior management to engage with village staff	Employee Development and Recognition	Personnel Administration	Medium
Create a standardized program for succession planning and leadership development	Employee Development and Recognition	Personnel Administration	High
Coordinate all Emergency Plans for Schools and standardize where possible.	Relationships with other BG Entities	Public Safety-FD	Medium
Establish enhanced public outreach for regional road projects in conjunction with other agencies	Relationships with other BG Entities	Engineering	High
Utilize Everbridge for Public Works emergency communications	Citizen Engagement	Engineering	Medium
Evaluate the National Night Out Program and work with the Park District on suggested changes.	Citizen Engagement	Public Safety-PD	Low
Create monthly messaging priorities for communications mediums and implement process to set weekly schedules.	Citizen Engagement	Village Administration	Medium
Implement video strategy to enhance communications with the community.	Citizen Engagement	Village Administration	Medium
Evaluate the use and sustainability of Buffalo Grove TV	Citizen Engagement	Village Administration	Low
Develop a formal community engagement strategy	Citizen Engagement	Legislative	High
Work to dispel the rumor mill	Citizen Engagement	Legislative	Medium
Develop a more productive feedback loop for resident opinion	Citizen Engagement	Legislative	Medium
Work to increase the diversity of residents serving on boards and commissions	Citizen Engagement	Legislative	Medium
Evaluate software for interactive online budget presentation	Citizen Engagement	Financial Management	Low

## ECONOMIC DEVELOPMENT



Action Step	Strategic Initiative	Budget Program	Priority
Improve the internal process for handling the intake, processing, and approval of permits	Land Use and Development	Building and Permitting	High
Begin work to create a new Comprehensive Plan for the community.	Land Use and Development	Planning, Zoning and Development	High
Work with local businesses (particularly manufacturing businesses) and high schools to foster awareness of advanced manufacturing industry and other budding industries	Economic Growth	Planning, Zoning and Development	Medium
Provide welcome package and schedule a meet and greet for new businesses	Quality of Life	Planning, Zoning and Development	Low
Evaluate new and revised fees for permits, plan review, and inspections	Economic Growth	Building and Permitting	Medium
Continue to implement the recommendations of the Lake Cook Corridor Plan and consider developing design guidelines for the Corridor	Quality of Life	Planning, Zoning and Development	Medium
Create a plan to begin a comprehensive review of the Village code.	Economic Growth	Planning, Zoning and Development	Medium
Education/Outreach about economic development	Economic Growth	Legislative	Medium

## INFRASTRUCTURE SUSTAINABILITY



Action Step	Strategic Initiative	Budget Program	Priority
Continue to develop a comprehensive facilities strategy	Planning and Programming	Engineering	High
Incorporate an Infrastructure Report in to the 2020 Budget Document	Planning and Programming	Financial Management	Medium
Develop a Sustainability Plan	Environmental Sustainability	Financial Management	Low
Oversee improvements to the CAFT building	Planning and Programming	Public Safety-FD	High
Successful implementation of the new CAD/ImageTrend system with Northwest Central Dispatch	Planning and Programming	Public Safety FD & PD	High
Develop a final recommendation for improvements to Station 25	Planning and Programming	Public Safety-FD	Medium

# SECTION FIVE: CORPORATE FUND



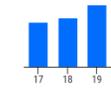
OFFICE OF THE VILLAGE MANAGER – FINANCE DEPARTMENT – HUMAN RESOURCES DEPARTMENT – COMMUNITY DEVELOPMENT DEPARTMENT – POLICE DEPARTMENT – FIRE DEPARTMENT – PUBLIC WORKS DEPARTMENT – LEGISLATIVE –NON OPERATING TRANSFERS

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# 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 President and Board of Trustees, who are elected. The Village Manager function is similar to that of a chief executive in a multi-division service organization.

## AT A GLANCE



**Budget Growth Over Time**



**4% of General Fund**



**Six Total Employees**



**Requests for Service**

753 requests for service have been resolved through BG Connect App and Web Portal



**Social Media**

The Village increased its social media reach by 27% as well as started a YouTube Channel



**Risk Management**

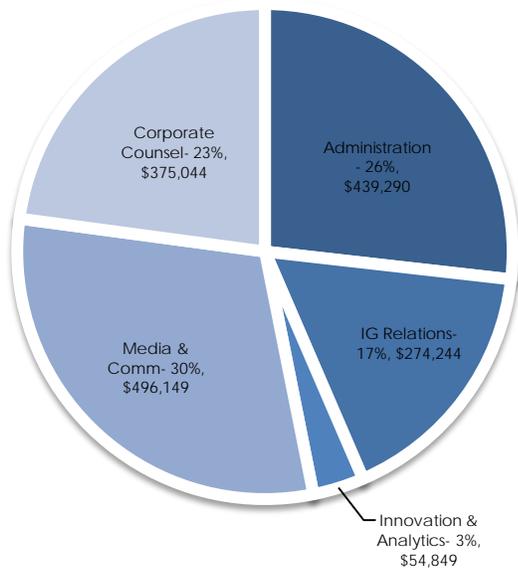
The Village participated in the founding of the Suburban Liability Insurance Pool which reduces insurance expenses by 43%

## MAJOR PROGRAMS

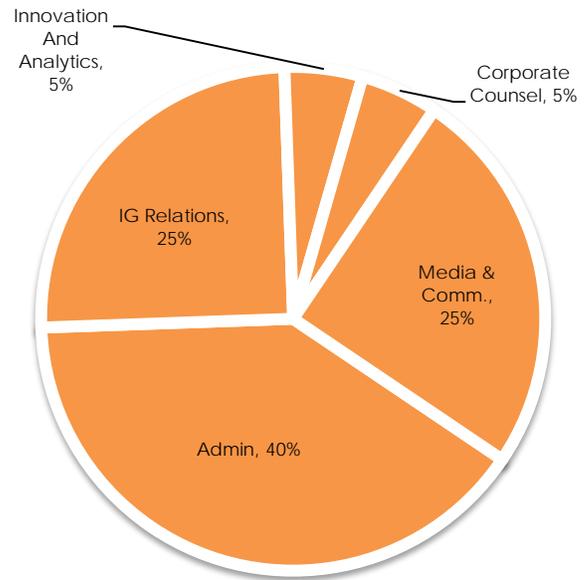
General Administration



## PROGRAM BUDGET SUMMARY



## STAFF TIME BY SERVICE



## 2019 PROGRAM CHANGES OF NOTE

Addition of a Community Engagement Manager and funds to develop the Village Board's strategic priorities related to civic engagement. The Deputy Village Clerk position has been moved to the Office of the Village Manager.

## OVM DEPARTMENT VARIANCES

OVM	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Comments
Personnel Wages	503,815	531,365	717,896	42.49%	Increase in Village Manager salary and addition of Community Engagement Manager and Deputy Village Clerk
Personnel Benefits	164,662	175,804	228,248	38.62%	Benefit costs for new employee
Operating Expenses	10,463	18,635	18,081	72.81%	Benchmarking Collaborative membership
Internal Services	92,433	92,433	125,771	36.07%	Based on historical trend data

### 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 service.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	210,215	240,676	251,907	265,683	287,158	13.99%	65.37%
Personnel Benefits	72,550	79,369	82,331	87,902	91,300	10.89%	20.78%
Operating Expenses	5,657	15,316	4,982	9,317	7,233	45.18%	1.65%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	500	-	500	0.00%	0.11%
Capital Outlay	-	-	-	-	-	0.00%	-
Capital Reserve Transfers	-	-	3,490	3,490	2,792	-20.00%	0.64%
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	20,671	27,726	46,216	46,216	50,307	8.85%	11.45%
<b>Total Major Service: Administration</b>	<b>\$309,093</b>	<b>\$363,087</b>	<b>\$389,426</b>	<b>\$412,608</b>	<b>\$439,290</b>	<b>12.80%</b>	<b>100%</b>

### SERVICE: INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relations 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 the sale of services.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	105,108	120,338	125,954	132,841	179,474	42.49%	65.44%
Personnel Benefits	36,275	39,685	41,166	43,951	57,062	38.61%	20.81%
Operating Expenses	2,829	7,632	2,741	4,659	4,520	64.90%	1.65%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Capital Reserve Transfers	-	-	1,745	1,745	1,745	0.00%	0.64%
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	10,335	13,864	23,108	23,108	31,443	36.07%	11.47%
<b>Total Major Service: Intergovernmental Relations</b>	<b>\$154,547</b>	<b>\$181,519</b>	<b>\$194,714</b>	<b>\$206,304</b>	<b>\$274,244</b>	<b>40.84%</b>	<b>100%</b>

### SERVICE: INNOVATION AND ANALYTICS

This service explores and investigates past performance to improve village processes. The innovation and analytics service focuses on developing new insights and understanding of organizational performance based on data and best practices.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	21,022	24,068	25,191	26,568	35,895	42.49%	65.44%
Personnel Benefits	7,255	7,937	8,233	8,790	11,412	38.61%	20.81%
Operating Expenses	566	1,526	548	932	904	64.96%	1.65%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Capital Reserve Transfers	-	-	349	349	349	0.00%	0.64%
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	2,067	2,773	4,622	4,622	6,289	36.07%	11.47%
<b>Total Major Service: Innovation And Analytics</b>	<b>\$30,910</b>	<b>\$36,304</b>	<b>\$38,943</b>	<b>\$41,261</b>	<b>\$54,849</b>	<b>40.84%</b>	<b>100%</b>

### SERVICE: CORPORATE COUNSEL

The Village Attorney is an administrative officer of the Village. The Village Attorney provides advice to village officials and staff on legal matters affecting the Village, including preparing written legal opinions, ordinances, resolutions, intergovernmental agreements, and related agenda material for action by the Village Board.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	21,022	24,068	25,191	26,568	35,895	42.49%	7.23%
Personnel Benefits	7,255	7,937	8,233	8,790	11,412	38.61%	2.30%
Operating Expenses	566	1,526	548	932	904	64.96%	0.18%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Capital Reserve Transfers	-	-	349	349	349	0.00%	0.07%
Contractual Services	381,369	397,038	433,950	430,000	441,300	1.69%	88.95%
Internal Service Transfers	2,067	2,773	4,622	4,622	6,289	36.07%	1.27%
<b>Total Major Service: Corporate Counsel</b>	<b>\$412,279</b>	<b>\$433,342</b>	<b>\$472,893</b>	<b>\$471,261</b>	<b>\$496,149</b>	<b>4.92%</b>	<b>100%</b>

## SERVICE: MEDIA & COMMUNICATIONS

The Village utilizes a third party communications firm for its communications function which 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	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	63,065	72,203	75,572	79,705	179,474	137.49%	47.85%
Personnel Benefits	21,765	23,811	24,699	26,371	57,062	131.03%	15.21%
Operating Expenses	1,697	4,579	1,644	2,795	4,520	174.94%	1.21%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Capital Reserve Transfers	-	-	1,047	1,047	1,745	66.67%	0.47%
Contractual Services	66,100	65,791	85,800	85,800	100,800	17.48%	26.88%
Internal Service Transfers	6,201	8,318	13,865	13,865	31,443	126.78%	8.38%
<b>Total Major Service: Media &amp; Communications</b>	<b>\$158,828</b>	<b>\$174,702</b>	<b>\$202,627</b>	<b>\$209,583</b>	<b>\$375,044</b>	<b>85.09%</b>	<b>100%</b>

## MAJOR SERVICE PERFORMANCE MEASURES

**Key Performance Measures**

# Office of the Village Manager

**Measuring Performance**

**15 municipalities have joined the Performance Management Bench-marking Collaborative**

**Process Improvement**

Innovation and Analytics are key strategic initiative for the village. OVM oversees a number of process improvement projects in all departments. There were **SIX** of these projects carried out in 2018 which included a comprehensive update of the employee on-boarding process.

**Social Media Followers**

Platform	2016 Act	2017 Act	2018 Est
LinkedIn	~200	~300	~400
Nextdoor	~1,800	~3,800	~4,000
Facebook	~600	~2,500	~3,000
Twitter	~50	~100	~100

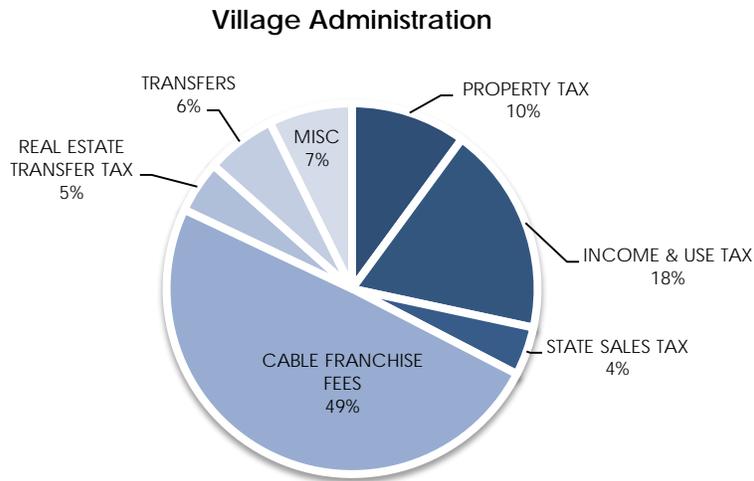
**COST TYPE SUMMARY**

Village Administration	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Personnel Wages	420,432	481,353	503,815	531,365	717,896	42.49%	58%
Personnel Benefits	145,100	158,739	164,662	175,804	228,248	38.62%	19%
Operating Expenses	11,315	30,579	10,463	18,635	18,081	72.81%	1%
Commodities	-	-	-	-	-	0.00%	-
Repairs and Maintenance	-	-	500	-	500	0.00%	0%
Capital Outlay	-	-	-	-	-	0.00%	-
Reserve Transfers	-	-	6,980	6,980	6,980	0.00%	1%
Contractual Services	447,469	462,829	519,750	515,800	542,100	4.30%	10%
Internal Services	41,341	55,454	92,433	92,433	125,771	36.07%	11%
<b>Total</b>	<b>\$1,065,657</b>	<b>\$1,188,954</b>	<b>\$1,298,603</b>	<b>\$1,341,017</b>	<b>\$1,639,576</b>	<b>26.26%</b>	<b>100%</b>

**ALLOCATION OF RESOURCES BY SERVICE**

Service	Budget	Percent of Total Budget
Administration	\$439,290	26%
Intergovernmental Relations	\$274,244	16%
Innovation And Analytics	\$54,849	03%
Corporate Counsel	\$496,149	30%
Media & Communication	\$375,044	22%
<b>TOTAL</b>	<b>\$1,639,576</b>	<b>100%</b>

**ALLOCATION OF REVENUE SUMMARY**



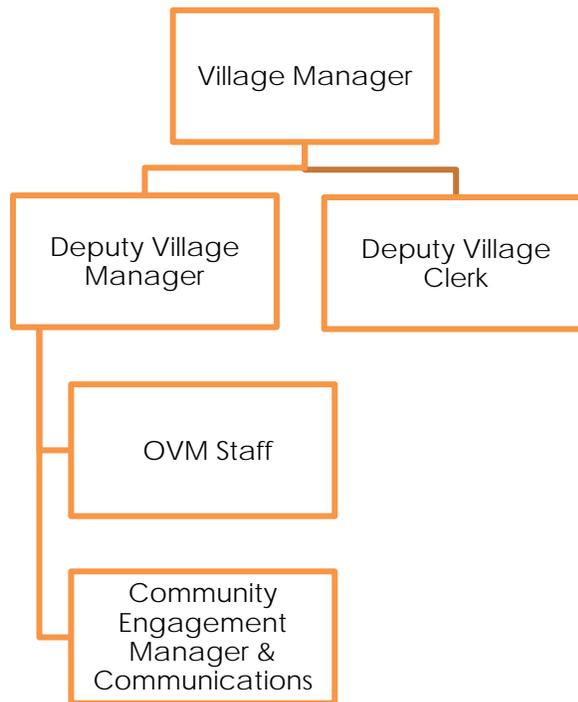
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## STAFFING SUMMARY AND VARIANCE

A full listing of the department staff can be found in Appendix C.

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## 2018 OFFICE OF THE VILLAGE MANAGER DEPARTMENT STRUCTURE

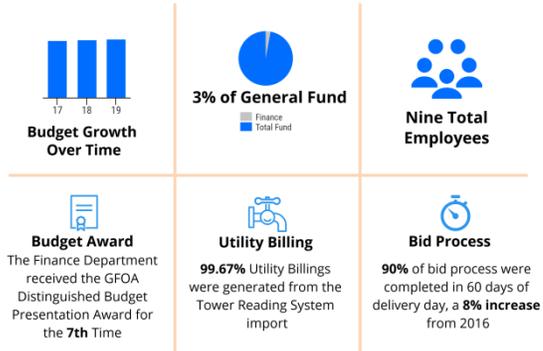


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# FINANCE DEPARTMENT

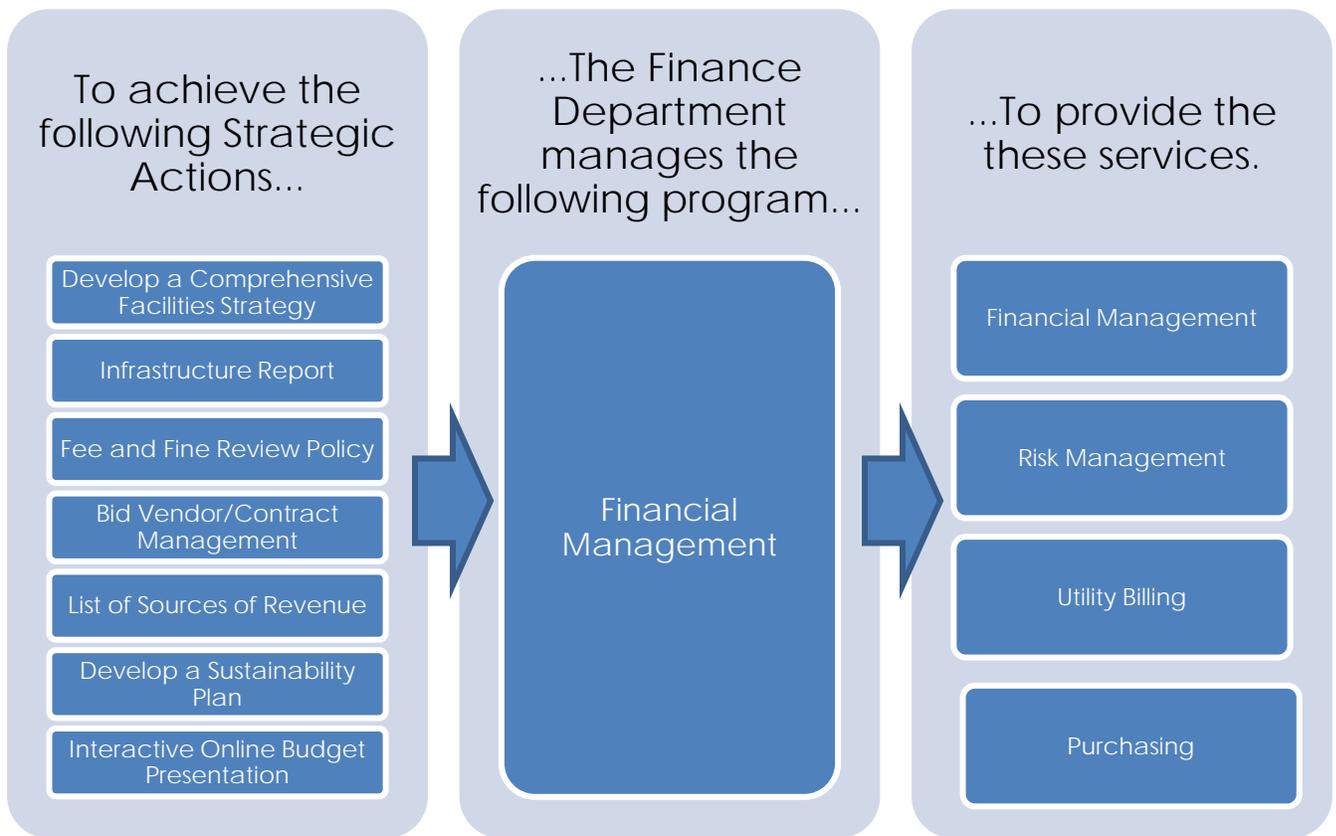
The Finance Department is established to provide the Village with a wide range of financial, analytical, and administrative support. The Finance Department is committed to serving the needs of internal and external customers by providing excellent customer service through sound financial management and professionalism.

## AT A GLANCE

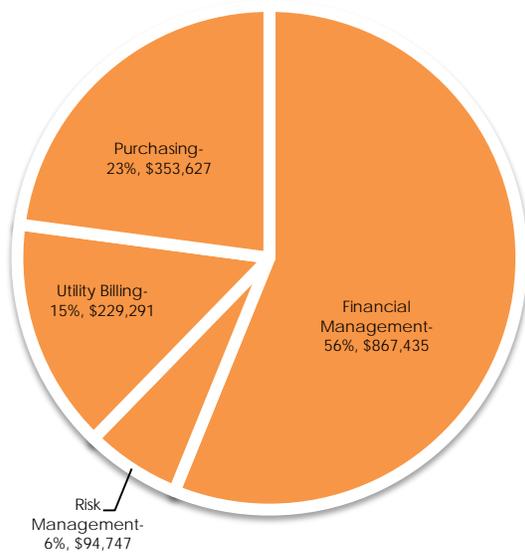


### MAJOR PROGRAMS

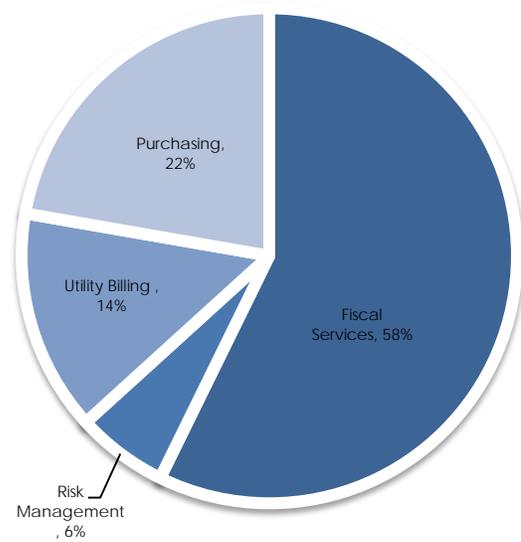
Financial Management



## PROGRAM BUDGET SUMMARY



## STAFF TIME BY SERVICE



## 2019 PROGRAM CHANGES OF NOTE

The licensing functions of the Deputy Village Clerk are being transferred from the Finance Department to the Office of the Village Manager.

## FINANCE DEPARTMENT VARIANCES

Finance Department	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Comments
Operating Expenses	\$175,015	\$160,799	\$154,757	-11.58%	Reallocated newsletter printing cost
Internal Services	\$139,662	\$139,662	\$160,648	15.03%	Increase in Building Maintenance Fund contribution

### SERVICE: FINANCIAL MANAGEMENT

The Finance Department provides services externally to residents and internally to other operating departments. F, Metra parking pass management, collection of local taxes and debts. Internal fiscal services provided to departments include banking, accounting, payroll, cashiering, accounts payable/receivable, and data entry.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	403,716	444,476	453,790	462,760	479,236	5.61%	55.25%
Personnel Benefits	170,083	189,956	197,059	198,722	188,365	-4.41%	21.72%
Operating Expenses	151,855	193,064	111,621	87,577	81,598	-26.90%	9.41%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Capital Reserve Transfers	-	-	4,871	4,871	4,871	0.00%	0.56%
Contractual Services	3,800	3,800	22,000	22,000	23,000	4.55%	2.65%
Internal Service Transfers	41,489	51,918	78,560	78,560	90,365	15.03%	10.42%
<b>Total Fiscal Services</b>	<b>\$770,942</b>	<b>\$883,213</b>	<b>\$867,901</b>	<b>\$854,491</b>	<b>\$867,435</b>	<b>-0.05%</b>	<b>100%</b>

### SERVICE: RISK MANAGEMENT

The Village of Buffalo Grove is a founding member of "SLIP" or the Suburban Liability Insurance Pool. This initiative is managed through the Finance department to assess and obtain the appropriate liability insurance for the Village of Buffalo Grove.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	55,134	55,946	56,988	57,220	59,258	3.98%	62.54%
Personnel Benefits	23,228	23,910	24,747	24,572	23,291	-5.88%	24.58%
Operating Expenses	2,371	2,734	1,851	1,679	1,616	-12.70%	1.71%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Capital Reserve Transfers	-	-	541	541	541	0.00%	0.57%
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	4,610	5,769	8,729	8,729	10,041	15.03%	10.60%
<b>Total Risk Management</b>	<b>\$85,343</b>	<b>\$88,359</b>	<b>\$92,855</b>	<b>\$92,740</b>	<b>\$94,747</b>	<b>2.04%</b>	<b>100%</b>

## 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	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	99,853	106,249	109,189	112,411	116,413	6.62%	50.77%
Personnel Benefits	42,068	45,408	47,416	48,272	45,757	-3.50%	19.96%
Operating Expenses	30,957	35,957	35,957	45,957	45,957	27.81%	20.04%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Capital Reserve Transfers	-	-	1,083	1,083	1,083	0.00%	0.47%
Contractual Services	19,647	17,181	-	-	-	0.00%	-
Internal Service Transfers	9,220	11,537	17,458	17,458	20,081	15.02%	8.76%
<b>Total Utility Billing</b>	<b>\$201,745</b>	<b>\$216,332</b>	<b>\$211,103</b>	<b>\$225,181</b>	<b>\$229,290</b>	<b>8.62%</b>	<b>100%</b>

## 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	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	183,930	191,191	96,279	98,047	205,099	4.49%	58.00%
Personnel Benefits	77,489	81,709	85,235	85,047	80,615	-5.42%	22.80%
Operating Expenses	25,586	25,586	25,586	25,586	25,586	0.00%	7.24%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Capital Reserve Transfers	-	-	2,165	2,165	2,165	0.00%	0.61%
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	18,440	23,075	34,916	34,916	40,162	15.02%	11.36%
<b>Total Purchasing</b>	<b>\$305,445</b>	<b>\$321,561</b>	<b>\$344,181</b>	<b>\$345,761</b>	<b>\$353,627</b>	<b>2.74%</b>	<b>100%</b>

## MAJOR SERVICE PERFORMANCE MEASURES

Key Performance Measures

# Finance Department

## GFOA Awards

The Village has achieved its benchmark of receiving the Government Finance Officer's Awards for Certified Annual Financial Reporting, Popular Annual Financial Reporting, and Distinguished Budget Presentation in 2016, 2017, and 2018.

New/updated licensing information

80% entered in operating system within 5 business days of receipt in 2018



90%

Daily deposits and transactions posted next business day in 2018



Payment plan compliance and/or completion

## COST TYPE SUMMARY

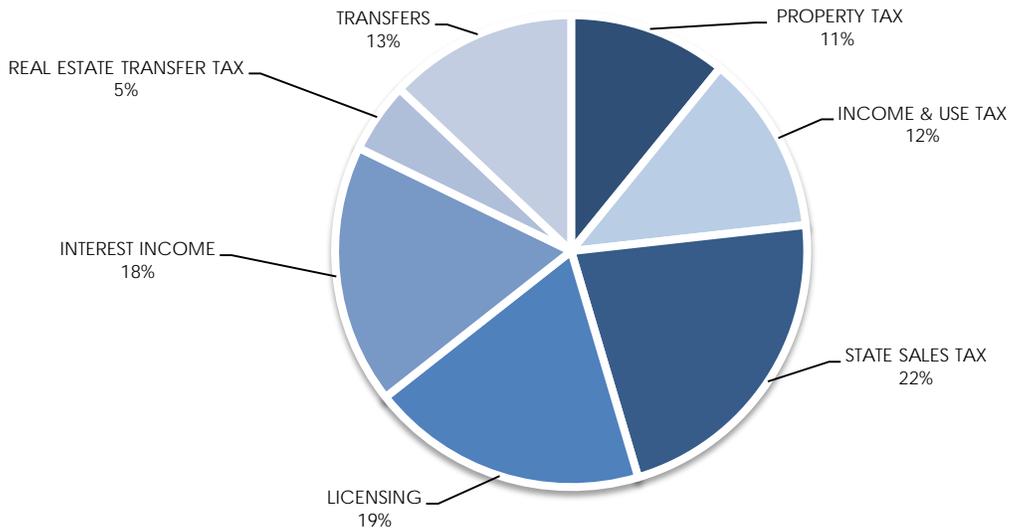
Finance Department	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Personnel Wages	742,633	797,862	816,246	830,438	860,006	5.36%	58%
Personnel Benefits	312,867	340,983	354,457	356,614	338,028	-4.63%	19%
Operating Expenses	210,769	257,341	175,015	160,799	154,757	-11.58%	1%
Commodities	-	-	-	-	-	0.00%	-
Repairs and Maintenance	-	-	-	-	-	0.00%	0%
Capital Outlay	-	-	-	-	-	0.00%	-
Reserve Transfers	-	-	8,660	8,660	8,660	0.00%	1%
Contractual Services	23,447	20,981	22,000	22,000	23,000	4.55%	10%
Internal Services	73,759	92,298	139,662	139,662	160,6487	15.03%	11%
Total	\$1,363,475	\$1,509,465	\$1,516,040	\$1,518,173	\$1,545,099	1.92%	100%

ALLOCATION OF RESOURCES BY SERVICE

Service	Budget	Percent of Total Budget
Financial Management	\$867,435	56%
Risk Management	\$94,747	6%
Utility Billing	\$229,291	15%
Purchasing	\$353,627	23%

ALLOCATION OF REVENUE BY PROGRAM

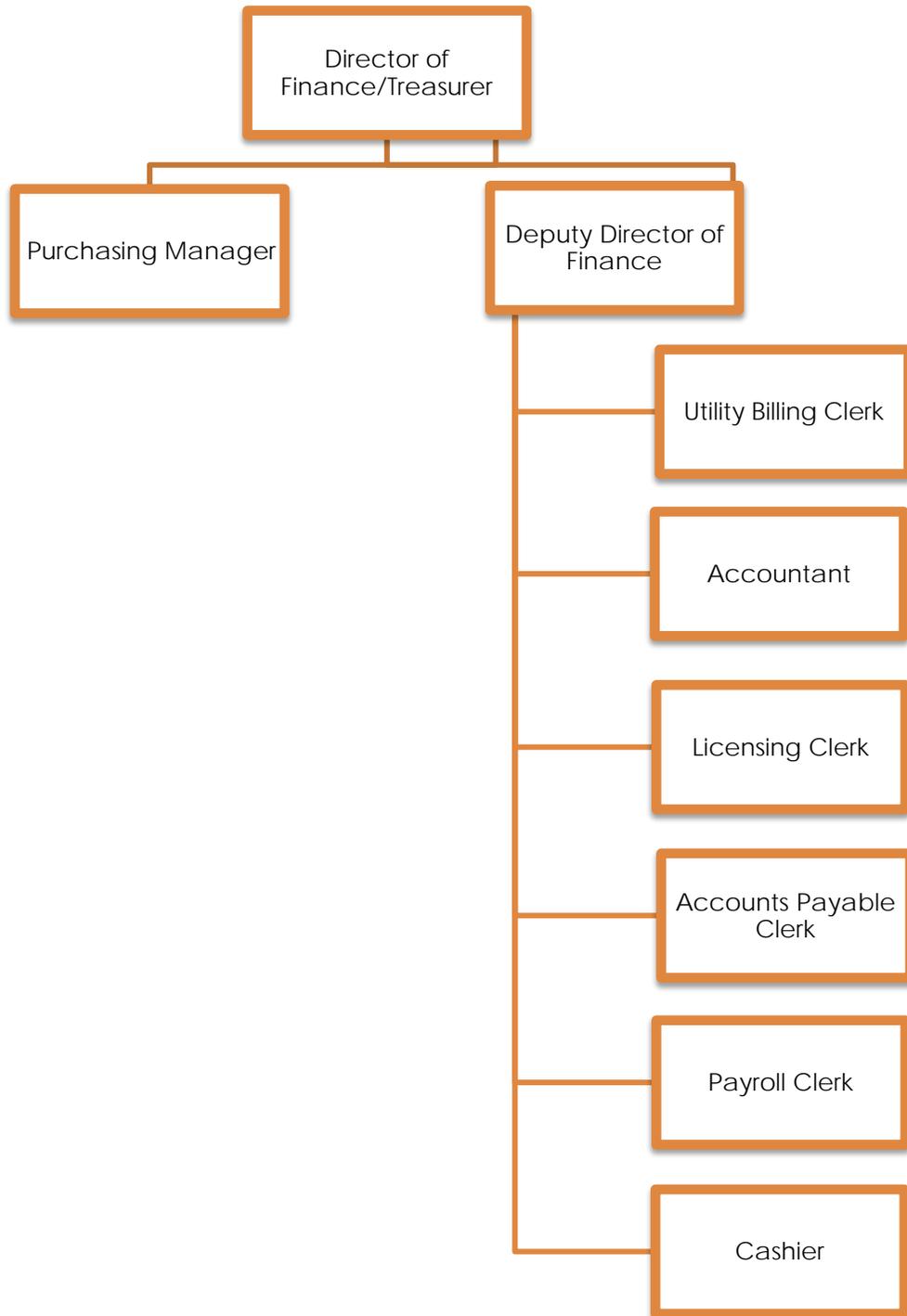
Financial Management



STAFFING SUMMARY AND VARIANCE

No changes to staffing proposed. A full listing of the department staff can be found in Appendix C.

2019 FINANCE DEPARTMENT STRUCTURE



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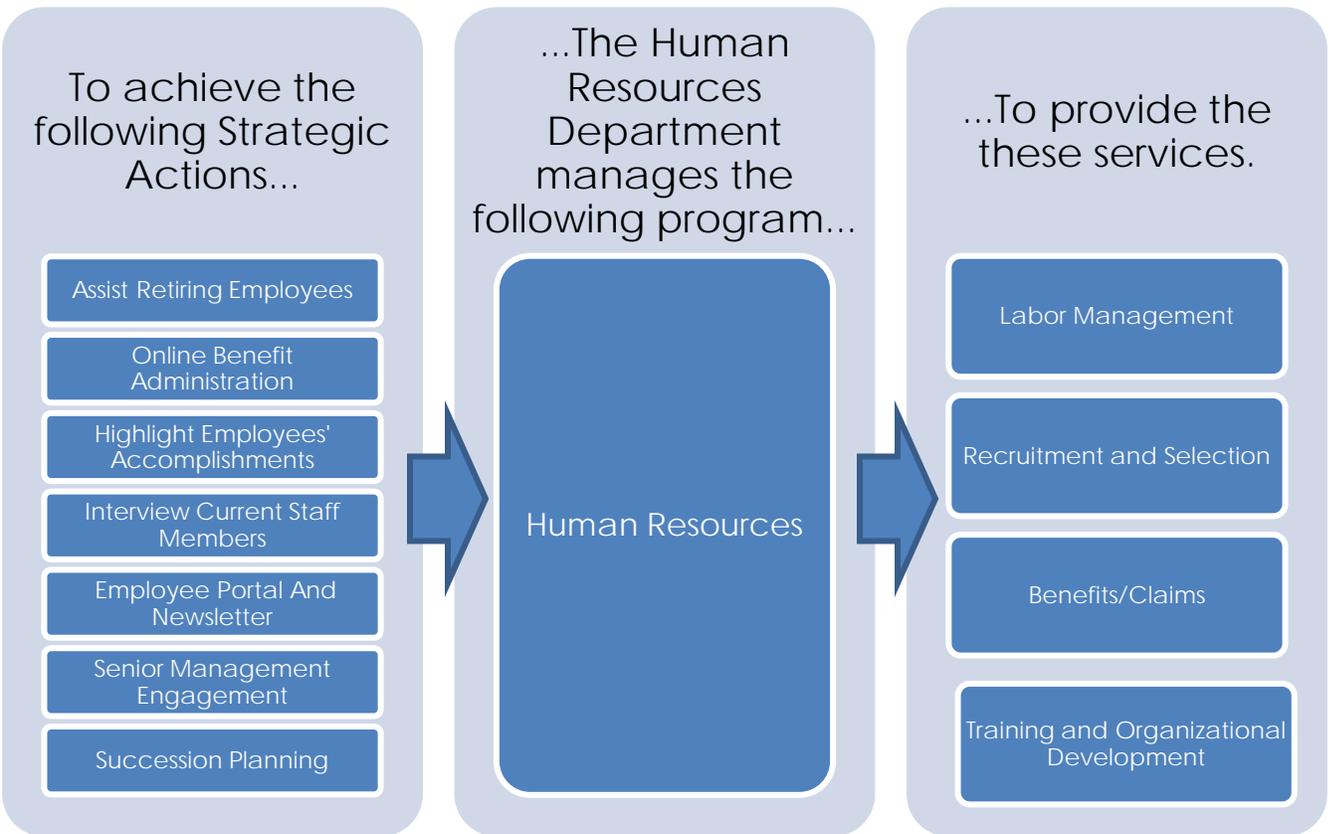
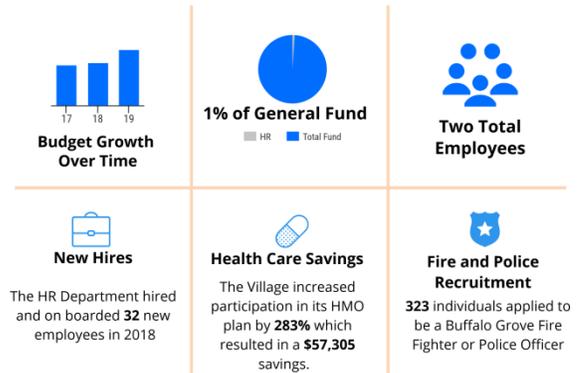
# HUMAN RESOURCES DEPARTMENT

The Department of Human Resources is responsible for labor management, recruitment and selection, benefits administration and claims, and training and organizational development.

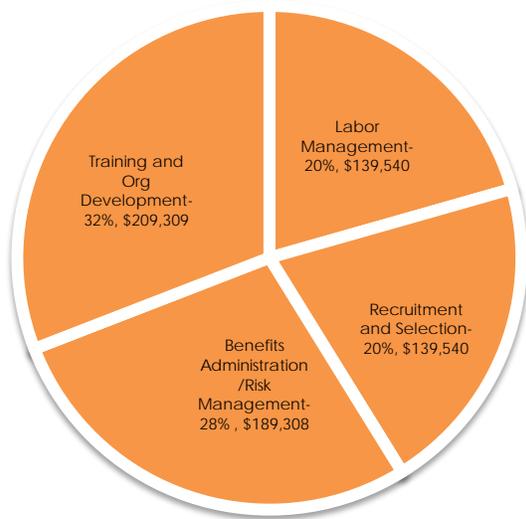
## MAJOR PROGRAMS

Human Resources and Risk Management

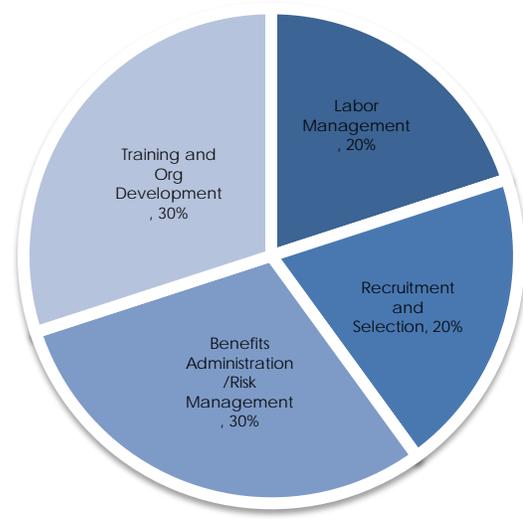
## AT A GLANCE



## PROGRAM BUDGET SUMMARY



## STAFF TIME BY SERVICE



## 2019 PROGRAM CHANGES OF NOTE

None

## HUMAN RESOURCES DEPARTMENT VARIANCES

Human Resources	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Comments
Operating Expenses	\$69,065	\$67,000	\$80,935	17.19%	Reallocation of Building Maintenance costs
Contractual Services	\$26,790	\$76,476	\$66,672	148.87%	Legal counsel for labor/employee and pension items
Internal Services	\$31,000	\$30,100	\$41,000	32.26%	Based on historical trend data

**SERVICE: LABOR MANAGEMENT**

The Department of Human Resources is responsible for both labor management and employee relations, which include both represented and non-represented employees. Legal counsel is an expense for both labor and employee relations.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	41,438	43,180	69,155	41,113	68,501	-0.95%	49.09%
Personnel Benefits	36,232	32,136	35,723	29,759	33,108	-7.32%	23.73%
Operating Expenses	7,001	7,355	13,813	13,400	16,187	17.19%	11.60%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	2,195	-	209	209	209	0.00%	0.15%
Reserve Transfers	-	-	-	-	-	0.00%	-
Contractual Services	2,801	10,254	5,358	15,295	13,334	148.86%	9.56%
Internal Service Transfers	6,346	7,154	6,200	6,020	8,200	32.26%	5.88%
<b>Total Labor Management</b>	<b>\$96,013</b>	<b>\$100,079</b>	<b>\$130,458</b>	<b>\$105,796</b>	<b>\$139,539</b>	<b>6.96%</b>	<b>100%</b>

**SERVICE: RECRUITMENT AND SELECTION**

The Department of Human Resources is responsible for seeking qualified individuals for employment, overseeing new hires, and onboarding. A portion of the recruitment and selection service involves working with the Fire and Police Commission for the selection of police and fire candidates. The multi-step process includes the use of the Village's Human Resource Management system (HRMS) and integrated application forms, interviews, pre-employment testing, reference and background checks, and employment offers.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	41,438	43,180	69,155	41,113	68,501	-0.95%	49.09%
Personnel Benefits	36,232	32,136	35,723	29,759	33,108	-7.32%	23.73%
Operating Expenses	7,001	7,355	13,813	13,400	16,187	17.19%	11.60%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	2,195	-	209	209	209	0.00%	0.15%
Reserve Transfers	-	-	-	-	-	0.00%	-
Contractual Services	2,801	10,254	5,358	15,295	13,334	148.86%	9.56%
Internal Service Transfers	6,346	7,154	6,200	6,020	8,200	32.26%	5.88%
<b>Total Recruitment</b>	<b>\$96,012</b>	<b>\$100,079</b>	<b>\$130,457</b>	<b>\$105,794</b>	<b>\$139,537</b>	<b>6.96%</b>	<b>100%</b>

**SERVICE: BENEFITS ADMINISTRATION AND CLAIMS**

The Department of Human Resources manages the benefits administration and risk management functions of the Village. The department maintains and manages all employee and retiree benefits, which typically include pension plans, Family Medical Leave Act, medical plans, sick leave, and vacation time. The Village also provides a program designed to identify, assess, and prioritize risk to minimize potential loss. The Village uses third party administrators, CCMSI and IPRF, to administer claims.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	62,157	64,769	103,733	61,669	102,752	-0.95%	54.28%
Personnel Benefits	54,348	48,203	53,585	44,639	49,662	-7.32%	26.23%
Operating Expenses	10,501	11,033	20,720	20,100	24,281	17.19%	12.83%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	3,292	-	314	314	314	0.00%	0.17%
Reserve Transfers	-	-	-	-	-	0.00%	-
Contractual Services	4,203	15,382	8,037	22,943	20,002	148.87%	-
Internal Service Transfers	9,519	10,730	9,300	9,030	12,300	32.26%	6.50%
<b>Total Benefits/Claims</b>	<b>\$144,020</b>	<b>\$150,117</b>	<b>\$195,689</b>	<b>\$158,695</b>	<b>\$209,311</b>	<b>6.96%</b>	<b>100%</b>

**SERVICE: TRAINING & ORGANIZATIONAL DEVELOPMENT**

The Department of Human Resources coordinates a variety of trainings for employees to develop skills and knowledge for use in their positions and to cultivate employees' capabilities beyond their required duties. The Village recognizes those employees who excel with various employee recognition programs.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	62,157	64,769	103,733	61,669	102,752	-0.95%	49.09%
Personnel Benefits	54,348	48,203	53,585	44,639	49,662	-7.32%	23.73%
Operating Expenses	10,501	11,033	20,720	20,100	24,281	17.19%	11.60%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	3,292	-	314	314	314	0.00%	0.15%
Reserve Transfers	-	-	-	-	-	0.00%	-
Contractual Services	4,202	15,381	8,037	22,943	20,002	148.87%	9.56%
Internal Service Transfers	9,519	10,730	9,300	9,030	12,300	32.26%	5.88%
<b>Total Organizational Development</b>	<b>\$144,019</b>	<b>\$150,117</b>	<b>\$195,688</b>	<b>\$158,694</b>	<b>\$209,309</b>	<b>6.96%</b>	<b>100%</b>

MAJOR SERVICE PERFORMANCE MEASURES

**Key Performance Measures**

# Human Resources

## Worker's Compensation Claims

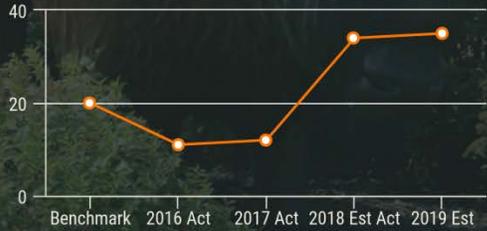
The Buffalo Grove Human Resources Department maintains the benchmark of fewer than **10%** worker's compensation claims per total full employees. There were **11.32%** in 2016, **7.55%** in 2017, and an estimated **9.34%** in 2018.

**Lunch and Learns Training Program**



**15 employee trainings offered in 2018, which is more than the previous two years combined**

**Number of Employees Participating in HMO Health Plan**



Year	Number of Employees
Benchmark	20
2016 Act	12
2017 Act	13
2018 Est Act	35
2019 Est	36

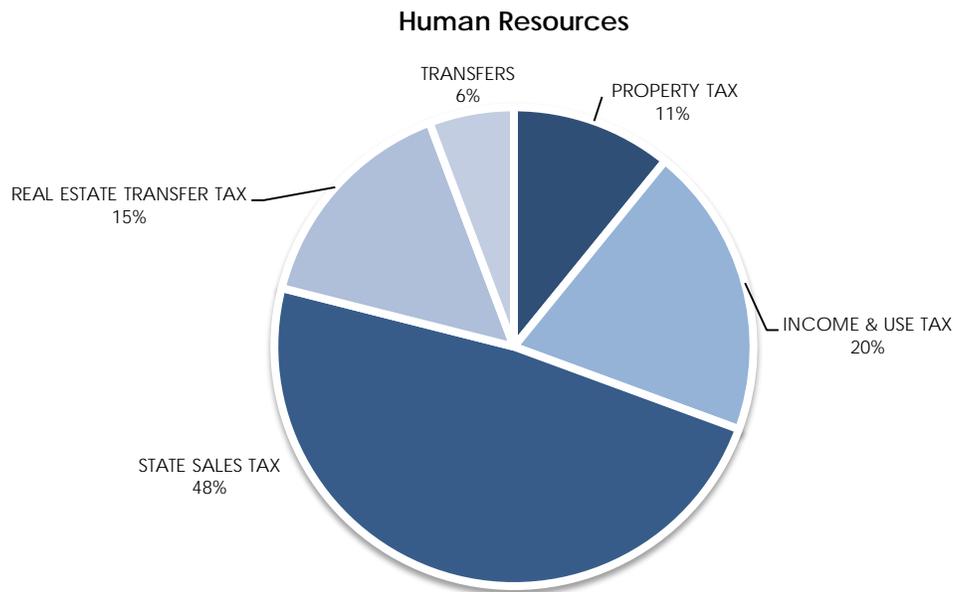
COST TYPE SUMMARY

Human Resources	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Personnel Wages	207,189	215,898	345,777	205,564	342,506	-0.95%	58%
Personnel Benefits	181,159	160,678	178,616	148,795	165,540	-7.32%	19%
Operating Expenses	35,004	36,776	69,065	67,000	80,935	17.19%	1%
Commodities	-	-	-	-	-	0.00%	-
Repairs and Maintenance	-	-	-	-	-	0.00%	0%
Capital Outlay	10,974	-	1,045	1,045	1,045	0.00%	-
Reserve Transfers	-	-	-	-	-	0.00%	1%
Contractual Services	14,007	51,271	26,790	76,476	66,672	148.87%	10%
Internal Services	31,731	35,768	31,000	30,100	41,000	32.26%	11%
<b>Total</b>	<b>\$480,064</b>	<b>\$500,391</b>	<b>\$652,293</b>	<b>\$528,980</b>	<b>\$697,698</b>	<b>6.96%</b>	<b>100%</b>

ALLOCATION OF RESOURCES BY SERVICE

Service	Budget	Percent of Total Budget
Labor Management	\$139,540	20%
Recruitment and Selection	\$139,540	20%
Benefits Administration/Risk Management	\$189,308	28%
Training and Org Development	\$209,309	32%

ALLOCATION OF REVENUE BY PROGRAM



STAFFING SUMMARY AND VARIANCE

No changes to staffing in 2019. A full listing of the department staff can be found in Appendix C.

2019 HUMAN RESOURCES DEPARTMENT STRUCTURE



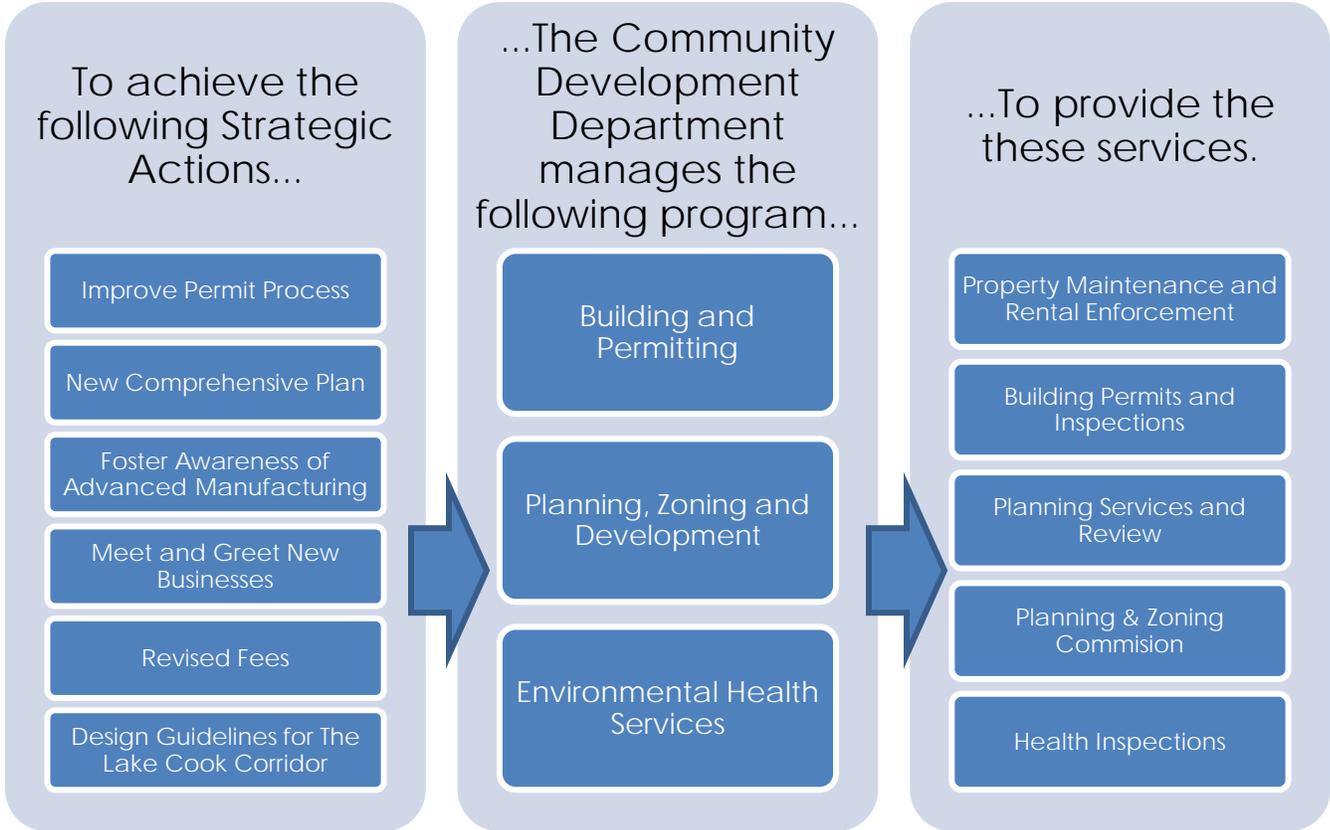
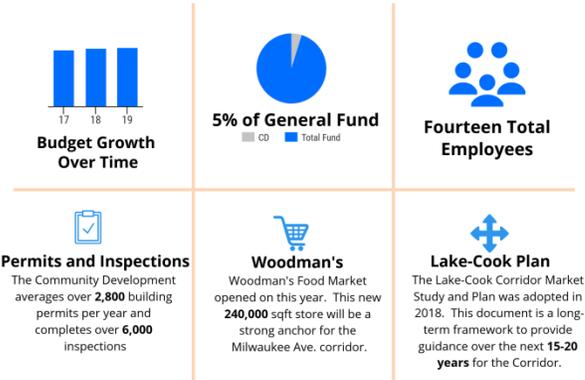
# COMMUNITY DEVELOPMENT DEPARTMENT

The Community Development Department consists of three programs: Building and Permitting, Environmental Health Services, and Planning, Zoning and Development. The department reviews plans, issues permits, processes annexation, performs comprehensive planning, zoning reviews, and conducts 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.

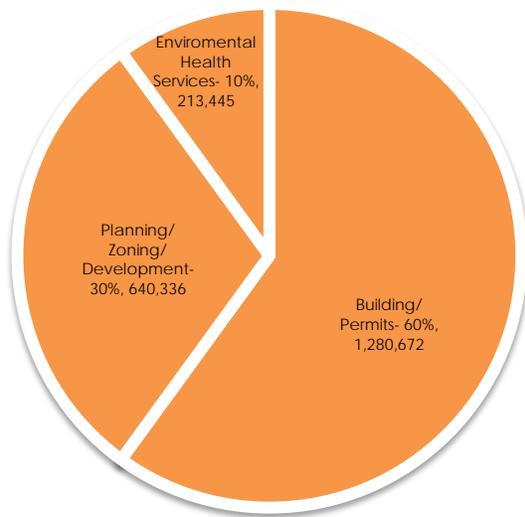
## MAJOR PROGRAMS

- Building and Permitting
- Planning, Zoning and Development
- Environmental Health Services

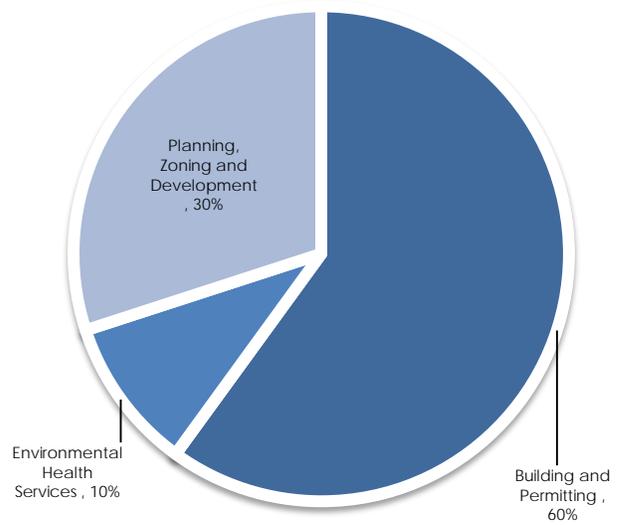
## AT A GLANCE



## PROGRAM BUDGET SUMMARY



## STAFF TIME BY SERVICE



## 2019 PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2019. The 2019/20 Comprehensive Plan has been budgeted as part of the Capital Improvement Plan.

## COMMUNITY DEVELOPMENT DEPARTMENT VARIANCES

Human Resources	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Comments
Internal Services	\$226,305	\$226,305	\$273,598	20.90%	Based on historical trend data

**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 contracted property maintenance inspections for the Village of Long Grove.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	206,654	211,405	232,142	231,263	229,535	-1.12%	59.74%
Personnel Benefits	89,213	84,492	91,089	86,399	85,959	-5.63%	22.37%
Operating Expenses	2,881	9,707	2,097	1,899	2,174	3.67%	0.57%
Commodities	258	136	180	90	90	-50.00%	0.02%
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Reserve Transfers	-	-	2,494	2,494	2,494	0.00%	0.65%
Contractual Services	43,115	31,795	14,273	14,220	14,732	3.22%	3.83%
Internal Service Transfers	23,493	32,151	40,735	40,735	49,248	20.90%	12.82%
<b>Total Property and Rental Maintenance</b>	<b>\$365,614</b>	<b>\$369,686</b>	<b>\$383,010</b>	<b>\$377,100</b>	<b>\$384,232</b>	<b>0.32%</b>	<b>100%</b>

**SERVICE: PERMITTING & INSPECTIONS**

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

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	482,192	493,278	541,662	539,613	535,580	-1.12%	59.75%
Personnel Benefits	208,164	197,149	212,540	201,597	200,471	-5.68%	22.36%
Operating Expenses	6,723	22,650	4,893	4,431	5,071	3.67%	0.57%
Commodities	602	316	420	210	210	-50.00%	0.02%
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Reserve Transfers	-	-	5,818	5,818	5,818	0.00%	0.65%
Contractual Services	100,602	74,187	33,305	33,180	34,376	3.22%	3.83%
Internal Service Transfers	54,815	75,018	95,048	95,048	114,910	20.90%	12.82%
<b>Total Permitting</b>	<b>\$853,098</b>	<b>\$862,589</b>	<b>\$893,686</b>	<b>\$879,897</b>	<b>\$896,436</b>	<b>0.31%</b>	<b>100%</b>

**SERVICE: PLANNING SERVICES AND REVIEW**

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	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	287,019	293,618	322,419	321,199	318,798	-1.12%	59.74%
Personnel Benefits	123,907	117,350	126,513	119,998	119,359	-5.65%	22.37%
Operating Expenses	4,002	13,483	2,912	2,638	3,019	3.67%	0.57%
Commodities	359	189	250	125	125	-50.00%	0.02%
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Reserve Transfers	-	-	3,464	3,464	3,464	0.00%	0.65%
Contractual Services	59,882	44,159	19,824	19,750	20,462	3.22%	3.83%
Internal Service Transfers	32,629	44,654	56,576	56,576	68,400	20.90%	12.82%
<b>Total Planning</b>	<b>\$507,798</b>	<b>\$513,453</b>	<b>\$531,958</b>	<b>\$523,750</b>	<b>\$533,627</b>	<b>0.31%</b>	<b>100%</b>

**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 service is responsible for oversight of the Village's Planning & Zoning Commission.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	57,404	58,724	64,484	64,240	63,760	-1.12%	59.75%
Personnel Benefits	24,781	23,470	25,303	24,000	23,857	-5.71%	22.36%
Operating Expenses	800	2,697	582	528	604	3.78%	0.57%
Commodities	72	38	50	25	25	-50.00%	0.02%
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Reserve Transfers	-	-	693	693	693	0.00%	0.65%
Contractual Services	11,976	8,832	3,965	3,950	4,092	3.20%	3.83%
Internal Service Transfers	6,526	8,931	11,315	11,315	13,680	20.90%	12.82%
<b>Total PZC</b>	<b>\$101,559</b>	<b>\$102,692</b>	<b>\$106,392</b>	<b>\$104,751</b>	<b>\$106,711</b>	<b>0.30%</b>	<b>100%</b>

## SERVICE: HEALTH INSPECTIONS

Health Inspections services include 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	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	114,808	117,447	128,968	128,479	127,519	-1.12%	59.74%
Personnel Benefits	49,563	46,940	50,605	47,999	47,739	-5.66%	22.37%
Operating Expenses	1,601	5,393	1,165	1,055	1,208	3.67%	0.57%
Commodities	144	75	100	50	50	-50.00%	0.02%
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Reserve Transfers	-	-	1,386	1,386	1,386	0.00%	0.65%
Contractual Services	23,953	17,664	7,930	7,900	8,185	3.22%	3.83%
Internal Service Transfers	13,052	17,862	22,631	22,631	27,360	20.90%	12.82%
<b>Total Environmental Health Services</b>	<b>\$203,121</b>	<b>\$205,381</b>	<b>\$212,785</b>	<b>\$209,500</b>	<b>\$213,447</b>	<b>0.31%</b>	<b>100%</b>

## MAJOR SERVICE PERFORMANCE MEASURES



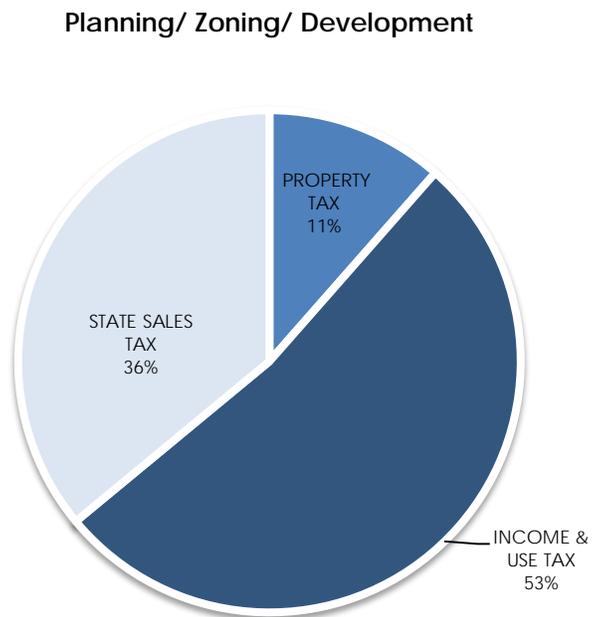
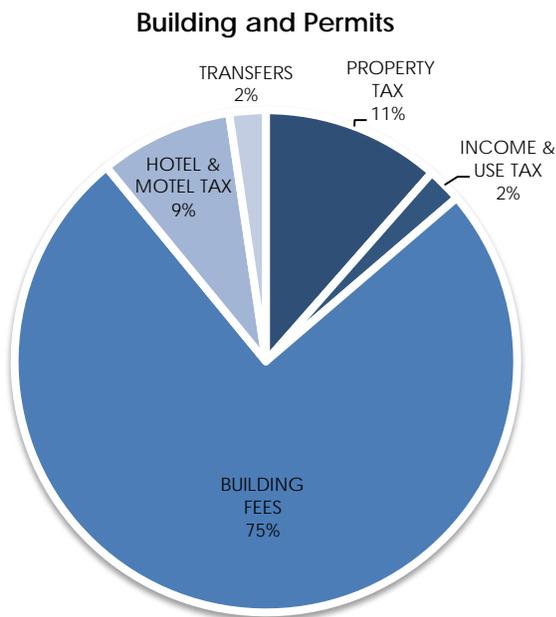
**COST TYPE SUMMARY**

Community Development	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Personnel Wages	1,148,077	1,174,472	1,289,675	1,284,794	1,275,192	-1.12%	58%
Personnel Benefits	495,628	469,401	506,050	479,993	477,385	-5.66%	19%
Operating Expenses	16,007	53,930	11,649	10,551	12,076	3.67%	1%
Commodities	1,435	754	1,000	500	500	-50.00%	-
Repairs and Maintenance	-	-	-	-	-	0.00%	0%
Capital Outlay	-	-	-	-	-	0.00%	-
Reserve Transfers	(0)	-	13,855	13,855	13,855	0.00%	1%
Contractual Services	239,528	176,637	79,297	79,000	81,847	3.22%	10%
Internal Services	130,515	178,616	226,305	226,305	273,598	20.90%	11%
<b>Total</b>	<b>\$2,031,190</b>	<b>\$2,053,810</b>	<b>\$2,127,831</b>	<b>\$2,094,998</b>	<b>\$2,134,453</b>	<b>0.31%</b>	<b>100%</b>

**ALLOCATION OF RESOURCES BY PROGRAM**

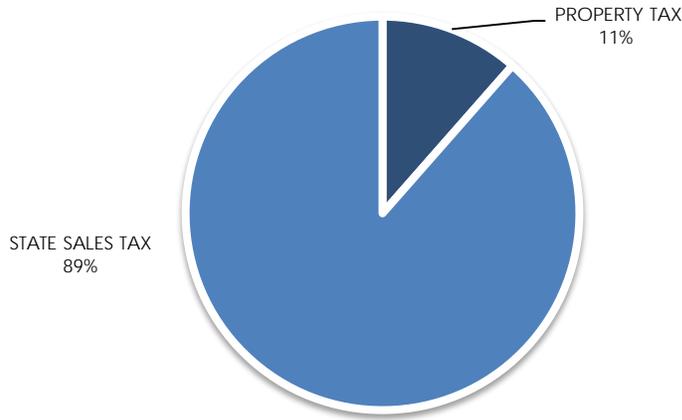
Service	Budget	Percent of Total Budget
Building/ Permits	\$1,280,672	60%
Planning/ Zoning/ Development	\$640,336	30%
Environmental Health Services	\$213,445	10%

**ALLOCATION OF REVENUE BY PROGRAM**



ALLOCATION OF REVENUE BY PROGRAM CONT.

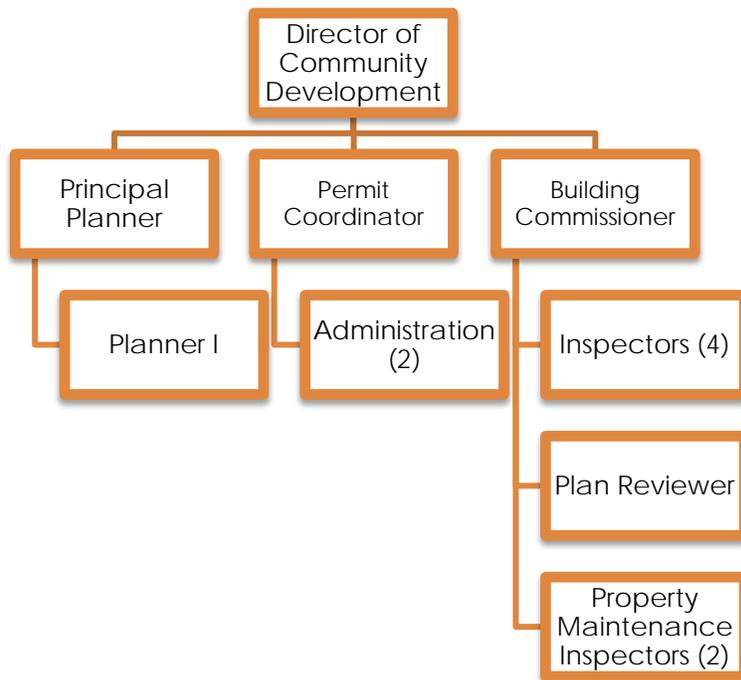
Environmental Health Services



STAFFING SUMMARY AND VARIANCE

The Deputy Village Clerk will be transferred to the Office of the Village Manager and a part-time Permit Clerk position will be expanded to full time. A full listing of the department staff can be found in Appendix C.

2019 COMMUNITY DEVELOPMENT DEPARTMENT STRUCTURE



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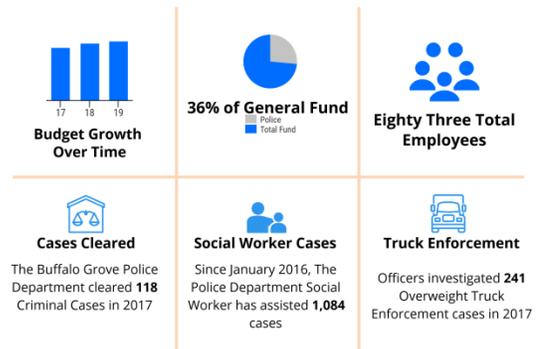
# POLICE DEPARTMENT

The Police Department is staffed by 63 sworn and 20 civilian personnel. The department is led by the Chief of Police and is structured into two divisions, Administration and Operations. The Administration Division consists of Administrative Services and Staff Support, while the Operations Division contains Patrol and the Investigations Unit. All of these groups and divisions work in concert to promote public safety and serve the community with pride, professionalism, and integrity.

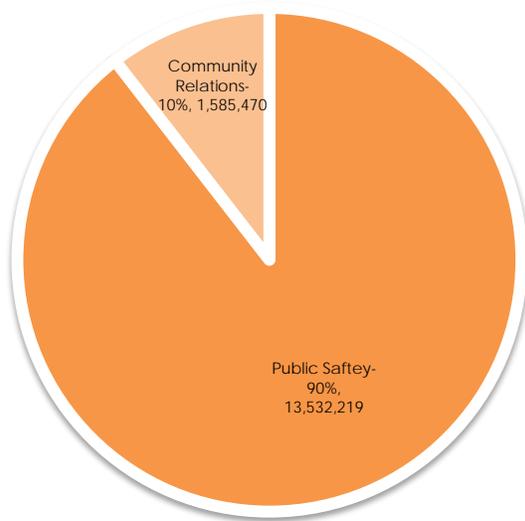
## MAJOR PROGRAMS

Public Safety  
Community Services

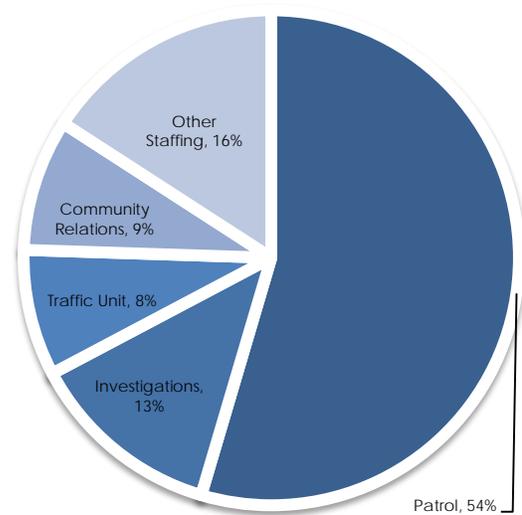
## AT A GLANCE



## PROGRAM BUDGET SUMMARY



## STAFF TIME BY SERVICE



## 2019 PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2019.

## POLICE DEPARTMENT VARIANCES

Police Department	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Comments
Benefits	\$4,639,586	\$4,482,808	\$4,990,759	7.57%	Variance caused by changes in pension calculation formula
Internal Services	\$752,735	\$752,735	\$872,468	15.91%	Change in the allocation formula

## SERVICE: PATROL

Patrol consists of three watches – day, evening and night. The Patrol Section is the forefront of the police department. Officers assigned to patrol 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.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Cost Type Summary
Fund: General							
Personnel Wages	5,478,714	5,056,081	5,410,224	5,408,915	5,526,907	2.16%	53.12%
Personnel Benefits	3,101,370	2,814,022	3,037,275	2,933,973	3,295,686	8.51%	31.67%
Operating Expenses	738,242	617,392	644,198	632,856	646,871	0.41%	6.22%
Commodities	-	-	-	-	-	-	-
Repairs & Maintenance	203,511	224,714	221,649	221,649	236,078	6.51%	2.27%
Capital Outlay	5,844	-	15,662	15,662	-	100.00%	-
Capital Reserve Transfers	-	106	119,282	119,282	113,490	-4.86%	1.09%
Contractual Services	29,566	26,497	26,607	26,607	-	-0%	-
Internal Service Transfers	450,794	430,957	502,741	502,741	586,190	16.60%	5.63%
<b>Total Patrol</b>	<b>\$10,008,041</b>	<b>\$9,169,769</b>	<b>\$9,977,638</b>	<b>\$9,861,685</b>	<b>\$10,405,222</b>	<b>4.29%</b>	<b>100%</b>

## SERVICE: INVESTIGATIONS

The Investigations Section has several key components. The criminal and juvenile investigators follow up on criminal matters ranging from misdemeanors to felonies. These investigators are generally plain-clothes officers who utilize a variety of investigative tools. Along with the K-9 officer, they focus on drug activity and other criminal activity throughout the Village.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Cost Type Summary
Fund: General							
Personnel Wages	862,316	1,246,832	1,342,835	1,342,835	1,367,366	1.83%	51.29%
Personnel Benefits	486,369	705,861	770,560	745,917	831,106	7.86%	31.17%
Operating Expenses	116,408	153,433	160,257	157,519	158,603	-1.03%	5.95%
Commodities	-	-	-	-	-	-	-
Repairs & Maintenance	86,556	136,024	130,769	130,769	146,305	11.88%	5.49%
Capital Outlay	844	-	3,642	3,642	-	-0%	-
Capital Reserve Transfers	-	25	27,740	27,740	26,393	-4.86%	0.99%
Contractual Services	4,267	6,235	6,188	6,188	-	100.00%	-
Internal Service Transfers	65,063	101,402	116,917	116,917	136,323	16.60%	5.11%
<b>Total Investigations</b>	<b>\$1,621,823</b>	<b>\$2,349,812</b>	<b>\$2,558,908</b>	<b>\$2,531,527</b>	<b>\$2,666,096</b>	<b>4.19%</b>	<b>100%</b>

### SERVICE: TRAFFIC UNIT

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 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	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Cost Type Summary
Fund: General							
Personnel Wages	605,736	597,274	618,045	618,045	584,009	-5.51%	53.57%
Personnel Benefits	319,067	316,773	334,024	322,442	331,725	-0.69%	30.43%
Operating Expenses	76,233	67,428	71,390	70,221	60,719	-14.95%	5.57%
Commodities	-	-	-	-	-	-	-
Repairs & Maintenance	50,444	61,181	58,972	58,972	48,679	-17.45%	4.47%
Capital Outlay	537	-	1,596	1,596	-	-0%	-
Capital Reserve Transfers	-	16	12,475	12,475	10,557	-15.37%	0.97%
Contractual Services	4,267	4,052	4,022	4,022	-	100.00%	-
Internal Service Transfers	41,388	44,461	51,235	51,235	54,529	6.43%	5.00%
<b>Total Traffic Unit</b>	<b>\$1,097,672</b>	<b>\$1,091,185</b>	<b>\$1,151,759</b>	<b>\$1,139,008</b>	<b>\$1,090,218</b>	<b>-5.34%</b>	<b>100%</b>

### SERVICE: COMMUNITY RELATIONS

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

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Cost Type Summary
Fund: General							
Personnel Wages	599,811	815,699	864,354	864,354	867,834	.40%	52.65%
Personnel Benefits	344,064	460,262	497,727	480,477	532,241	6.93%	32.29%
Operating Expenses	33,767	99,148	102,602	100,929	101,025	-1.54%	6.13%
Commodities	-	-	-	-	-	-	-
Repairs & Maintenance	25,860	32,386	31,569	31,569	33,282	5.43%	2.02%
Capital Outlay	91	-	2,550	2,550	-	-100.00%	-
Capital Reserve Transfers	-	17	19,418	19,418	18,475	-4.86%	1.12%
Contractual Services	3,048	4,364	4,331	4,331	-	-100.00%	-
Internal Service Transfers	7,015	70,981	81,842	81,842	95,426	16.60%	5.79%
<b>Total CR</b>	<b>\$1,013,656</b>	<b>\$1,482,857</b>	<b>\$1,604,393</b>	<b>\$1,585,470</b>	<b>\$1,648,283</b>	<b>2.74%</b>	<b>100%</b>

MAJOR SERVICE PERFORMANCE MEASURES

**Key Performance Measures**

# Police Department

## Crime Prevention

In order to educate residents and reduce crime in the community, officers distribute Crimes of Opportunity Cards. There were **915** cards distributed in 2016, **1,183** in 2017, and an estimated **1,100** in 2018.

**Community Engagement**

**90 special events were attended by Officers to build trust in the community**

### Traffic Unit Crash Investigations

Year	Investigations
2016 Act	~1,450
2017 Act	~1,400
2018 Est Act	~1,450

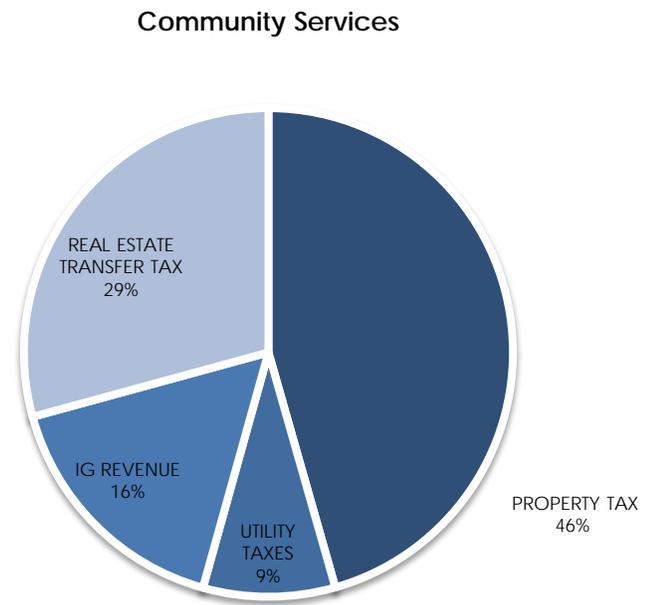
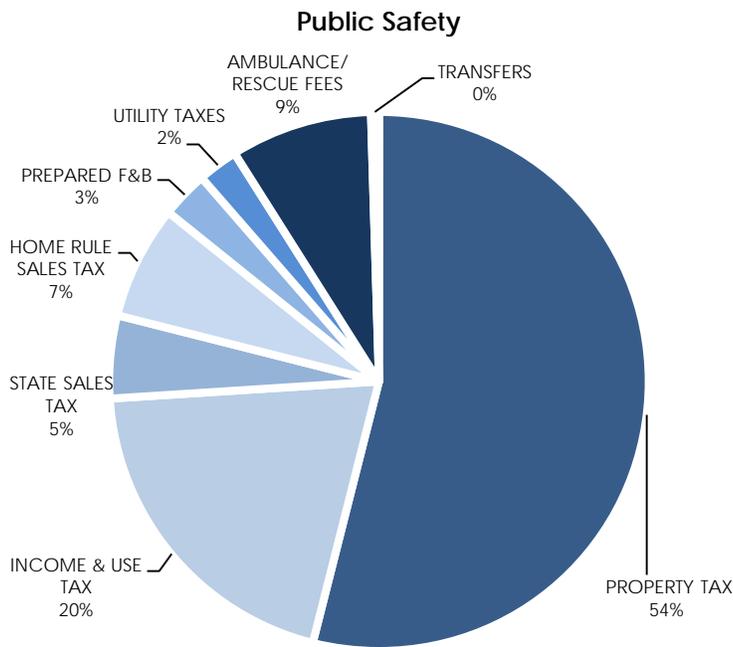
COST TYPE SUMMARY

Police Department	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Cost Type Summary
Wages	7,546,577	7,715,886	8,235,458	8,234,149	8,346,116	1.34%	58%
Benefits	4,250,870	4,296,918	4,639,586	4,482,809	4,990,758	7.57%	19%
Operating Expenses	964,650	937,401	978,447	961,525	967,218	-1.15%	1%
Commodities	-	-	-	-	-	-	-
Repairs and Maintenance	366,371	454,305	442,959	442,959	464,344	4.83%	0%
Capital Outlay	7,316	-	23,450	23,450	-	-100.00%	-
Reserve Transfers	-	164	178,915	178,915	168,915	-5.59%	1%
Contractual Services	41,148	41,148	41,148	41,148	-	-100.00%	10%
Internal Services	564,260	647,801	752,735	752,735	872,468	15.91%	11%
<b>Total</b>	<b>\$13,741,192</b>	<b>\$14,093,623</b>	<b>\$15,292,698</b>	<b>\$15,117,690</b>	<b>\$15,809,819</b>	<b>3.38%</b>	<b>100%</b>

ALLOCATION OF RESOURCES BY PROGRAM

Service	Budget	Percent of Total Budget
Public Safety	\$13,532,219	90%
Community Relations	\$1,585,470	10%

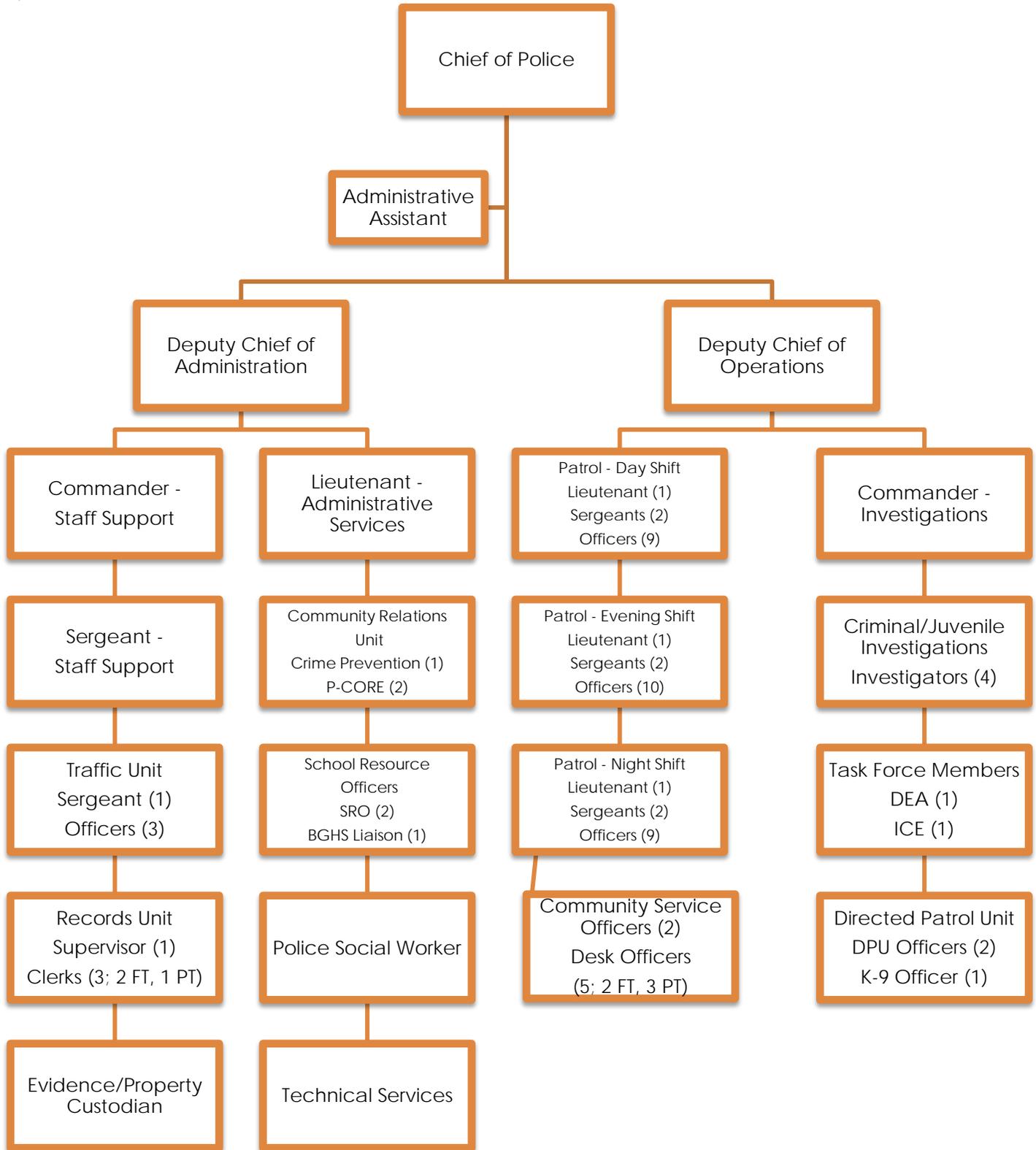
ALLOCATION OF REVENUE BY PROGRAM



STAFFING SUMMARY AND VARIANCE

No staffing changes proposed. A full listing of the department staff can be found in Appendix C.

2019 POLICE DEPARTMENT STRUCTURE

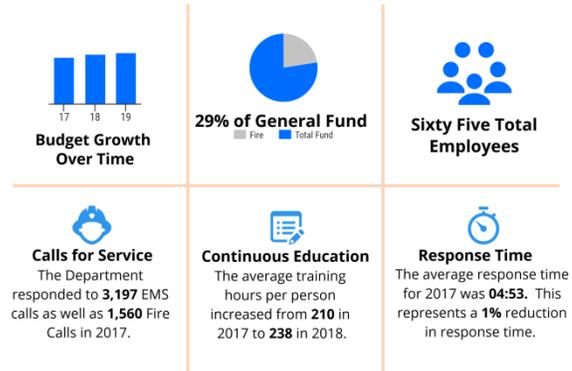


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# FIRE DEPARTMENT

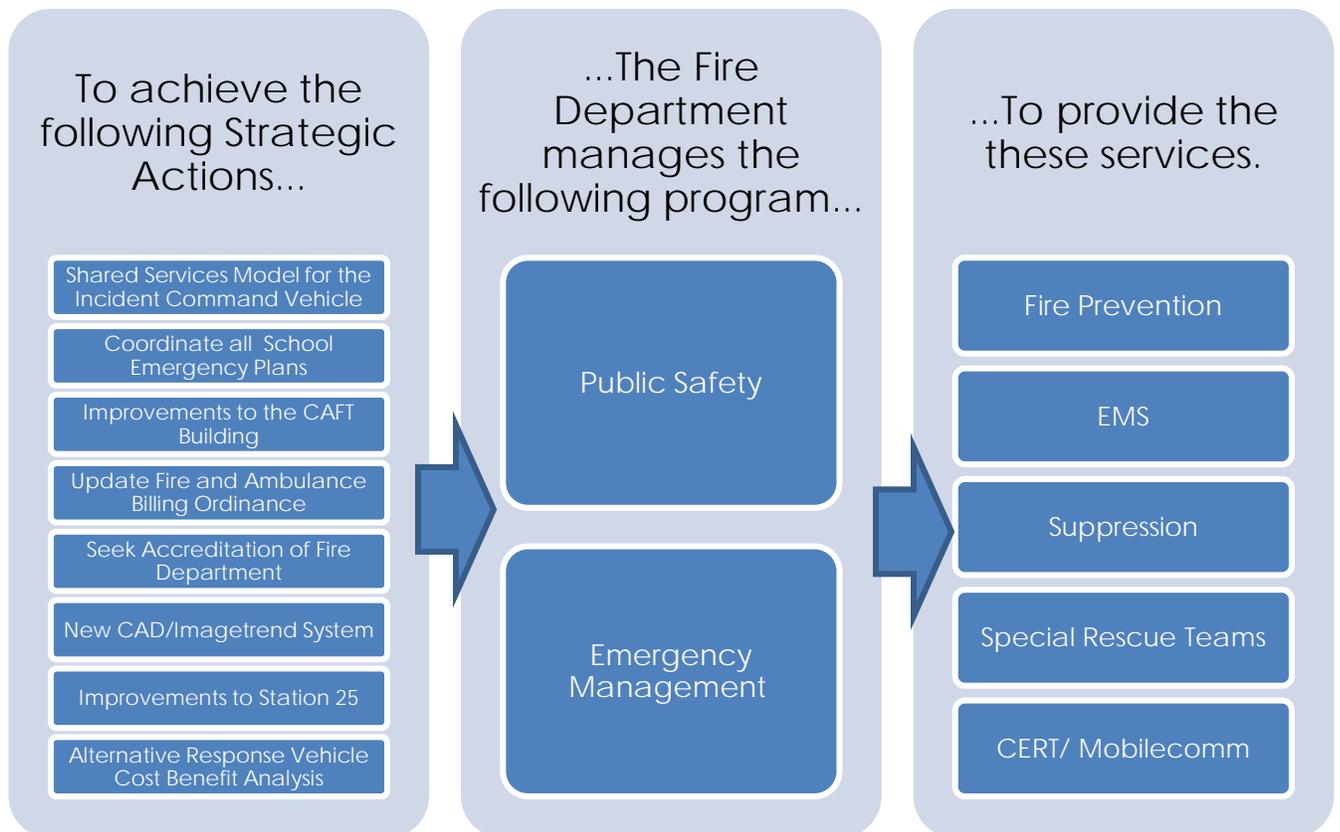
The Buffalo Grove Fire Department is a full service fire department providing the following major programs: Public Safety and Emergency Management. These services are provided by 58 full time sworn personnel, two full time personnel and two part time personnel. Sworn personnel operate out of three strategically 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.

## AT A GLANCE

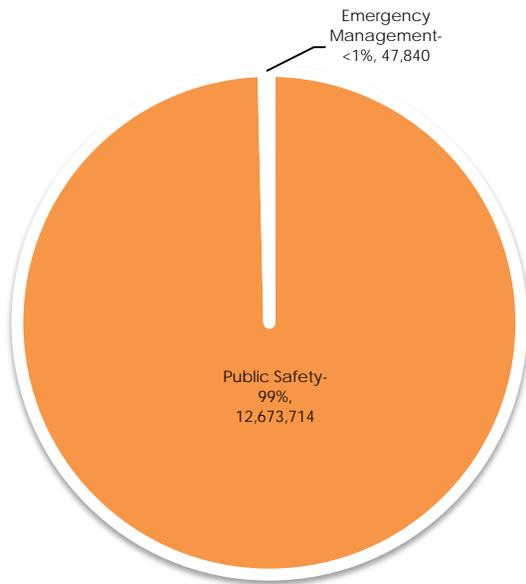


### MAJOR PROGRAMS

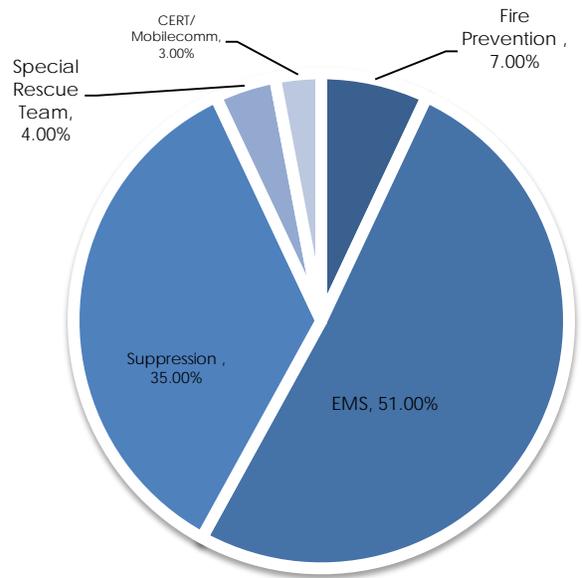
- Public Safety
- Emergency Management



## PROGRAM BUDGET SUMMARY



## STAFF TIME BY SERVICE



## 2019 PROGRAM CHANGES OF NOTE

For 2019, the Fire Department is requesting to reclassify the EMS Battalion Chief position with a civilian EMS Educator. The use of a civilian EMS Educator has the potential to be shared with another jurisdiction to assist in personnel cost offset to the village. Likewise, the Fire Department is requesting the establishment of a full time Management Analyst position within the Fire Department. This position would provide administrative assistance in those areas that support the mission of the fire department and would allow the administrative staff to concentrate on the identified employee support and development initiatives.

## FIRE DEPARTMENT VARIANCES

Fire Department	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Comments
Contractual Services	\$114,750	\$113,700	\$60,390	-47.37%	Reclassified EMS education services

**SERVICE: FIRE PREVENTION**

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.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	112,528	113,200	136,831	136,831	159,084	16.26%	78.19%
Personnel Benefits	38,691	41,845	41,845	41,845	40,513	-3.18%	19.91%
Operating Expenses	4,300	3,422	3,422	3,422	3,852	12.57%	1.89%
Commodities	1,300	1,300	1,300	1,300	-	-100.00%	0.02%
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Reserve Transfers	-	-	-	-	-	0.00%	-
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	-	-	-	-	-	0.00%	-
<b>Total Fire Prevention</b>	<b>\$156,819</b>	<b>\$159,767</b>	<b>\$183,398</b>	<b>\$183,398</b>	<b>\$203,449</b>	<b>10.93%</b>	<b>100%</b>

**SERVICE: EMERGENCY MEDICAL SERVICES**

Fire Department's EMS is dedicated to increasing survival and reducing disability from out-of-hospital emergencies by providing the highest quality patient care in the pre-hospital setting.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	3,855,178	3,729,431	3,888,103	3,793,505	3,826,981	-1.57%	54.94%
Personnel Benefits	1,878,771	1,757,826	1,863,059	1,898,770	2,011,627	7.97%	28.88%
Operating Expenses	263,043	329,417	344,059	342,621	215,776	-37.29%	3.10%
Commodities	8,950	16,308	16,488	16,200	3,100	-81.20%	0.04%
Repairs & Maintenance	26,075	15,480	30,540	29,700	33,240	8.84%	0.48%
Capital Outlay	289,090	600	2,400	3,043	-	-100.00%	-
Reserve Transfers	-	-	124,677	124,677	118,677	-4.81%	1.70%
Contractual Services	20,971	40,650	61,851	61,221	23,734	61.63%	0.34%
Internal Service Transfers	393,926	576,621	573,148	573,148	732,727	27.84%	10.52%
<b>Total EMS</b>	<b>\$6,736,004</b>	<b>\$6,466,333</b>	<b>\$6,904,325</b>	<b>\$6,842,885</b>	<b>\$6,965,862</b>	<b>0.89%</b>	<b>100%</b>

## FIRE SUPPRESSION

Suppression services are the most visible and familiar services of any fire department. Fire Suppression and Rescue services are provided 24 hours a day, 7 days a week. Services are provided by three shifts, each working 24 hours on and having 48 hours off.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	2,237,157	2,497,539	2,592,069	2,512,338	2,551,320	-1.57%	50.97%
Personnel Benefits	1,521,940	1,295,734	1,242,039	1,270,974	1,467,518	18.15%	29.32%
Operating Expenses	270,377	136,240	226,041	225,619	341,558	51.10%	6.82%
Commodities	10,194	10,872	10,991	10,799	27,900	153.84%	0.56%
Repairs & Maintenance	26,529	10,382	20,360	19,880	22,160	8.84%	0.44%
Capital Outlay	1,388,555	400	5,100	2,029	-	-100.00%	-
Reserve Transfers	-	-	83,118	83,118	79,118	-4.81%	1.58%
Contractual Services	60,978	45,420	41,234	40,814	26,656	-35.35%	0.53%
Internal Service Transfers	509,346	384,414	382,098	382,098	489,041	27.99%	9.77%
<b>Total Fire Suppression</b>	<b>\$6,025,076</b>	<b>\$4,381,001</b>	<b>\$4,603,050</b>	<b>\$4,547,669</b>	<b>\$5,005,271</b>	<b>8.74%</b>	<b>100%</b>

## SERVICE: SPECIAL RESCUE TEAMS

The Special Rescue Teams (SRT) 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	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	399,292	399,292	399,292	399,292	499,132	25.00%	100%
Personnel Benefits	253,314	229,105	229,105	229,105	-	-100.00%	
Operating Expenses	700	-	-	-	-	0.00%	
Commodities	6,980	-	-	-	-	0.00%	
Repairs & Maintenance	-	-	-	-	-	0.00%	
Capital Outlay	-	-	-	-	-	0.00%	
Reserve Transfers	-	-	-	-	-	0.00%	
Contractual Services	3,000	-	-	-	-	0.00%	
Internal Service Transfers	-	-	-	-	-	0.00%	
<b>Total Special Rescue Team</b>	<b>\$663,286</b>	<b>\$628,397</b>	<b>\$628,397</b>	<b>\$628,397</b>	<b>\$499,132</b>	<b>-20.57%</b>	<b>100%</b>

**SERVICE: CERT/MOBILECOMM**

This service is responsible for reducing the effects of disasters before they occur, through mitigation planning and coordinating.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	24,323	24,573	24,572	24,572	31,282	27.31%	65.39%
Personnel Benefits	3,543	3,660	3,660	3,660	5,033	37.51%	10.52%
Operating Expenses	19,714	2,128	1,390	1,403	1,524	9.64%	3.19%
Commodities	3,000	2,701	2,701	2,701	-	-100.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	2,328	-	2,328	-	0.00%	-
Reserve Transfers	-	-	-	-	-	0.00%	-
Contractual Services	-	11,665	11,665	11,665	10,000	-14.27%	20.90%
Internal Service Transfers	11,500	-	-	-	-	0.00%	-
<b>Total CERT/MobileComm</b>	<b>\$62,080</b>	<b>\$47,055</b>	<b>\$43,988</b>	<b>\$46,329</b>	<b>\$47,839</b>	<b>8.76%</b>	<b>100%</b>

**MAJOR SERVICE PERFORMANCE MEASURES**

Key Performance Measures

# Fire Department

## Average Response Time

The Buffalo Grove Fire Department maintains the nationally recognized benchmark of arriving to a scene in less than **6 minutes**. In 2016 the average response time was **4:58**, in 2017 it was **4:53**, and the estimated response time for 2018 is **4:58**.

Emergency Management

+

**96 Annual Training Hours in Emergency Management for 2016-2019**

### Total public attendance at educational fire prevention events

Year	Attendance
Benchmark	10,000
2016 Act	13,500
2017 Act	11,500
2018 Est Act	12,500
2019 Est	11,000

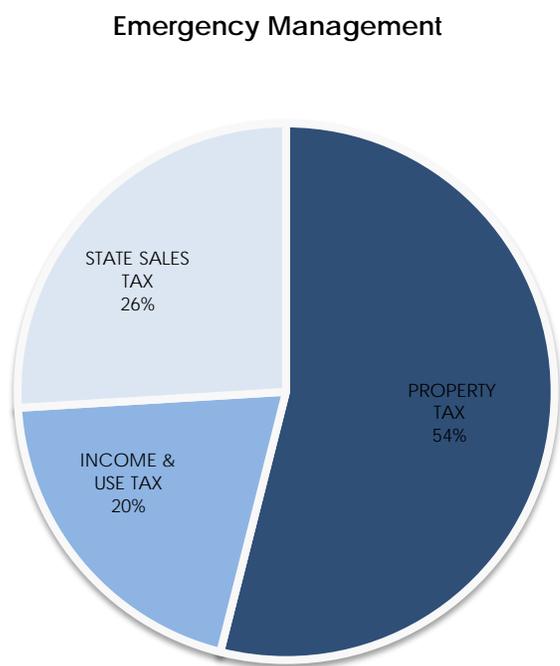
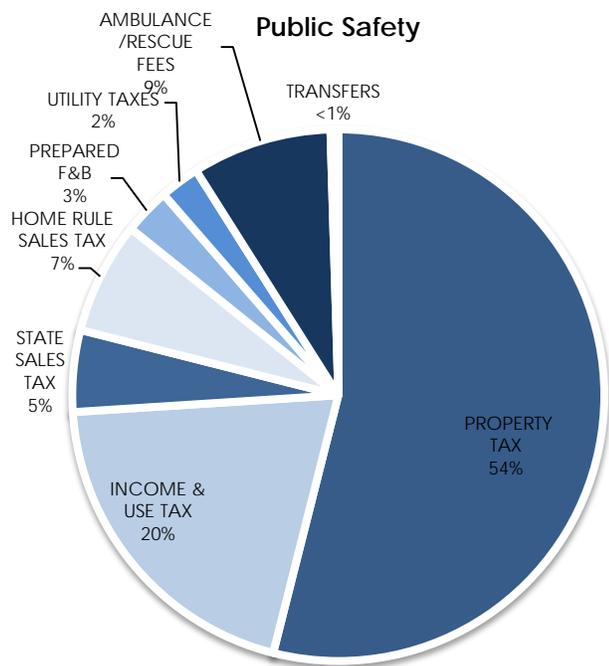
### COST TYPE SUMMARY

Fire	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Personnel Wages	6,628,708	6,764,035	7,040,867	6,866,538	7,067,799	0.38%	58%
Personnel Benefits	3,696,259	3,328,170	3,379,708	3,444,354	3,524,691	4.29%	19%
Operating Expenses	558,134	471,207	574,912	573,065	562,710	-2.12%	1%
Commodities	30,424	31,181	31,480	31,000	31,000	-1.52%	-
Repairs and Maintenance	52,604	25,862	50,900	49,580	55,400	8.84%	0%
Capital Outlay	1,677,645	3,328	7,500	7,400	-	-100.00%	-
Reserve Transfers	-	-	207,795	207,795	197,795	-4.81%	1%
Contractual Services	84,949	97,735	114,750	113,700	60,390	-47.37%	10%
Internal Services	914,772	961,035	955,246	955,246	1,221,768	27.90%	11%
<b>Total</b>	<b>\$13,643,265</b>	<b>\$11,682,553</b>	<b>\$12,363,158</b>	<b>\$12,248,678</b>	<b>\$12,721,553</b>	<b>2.90%</b>	<b>100%</b>

### ALLOCATION OF RESOURCES BY PROGRAM

Program	Budget	Percent of Total Budget
Public Safety	\$12,673,714	99%
Emergency Management	\$47,840	<1%

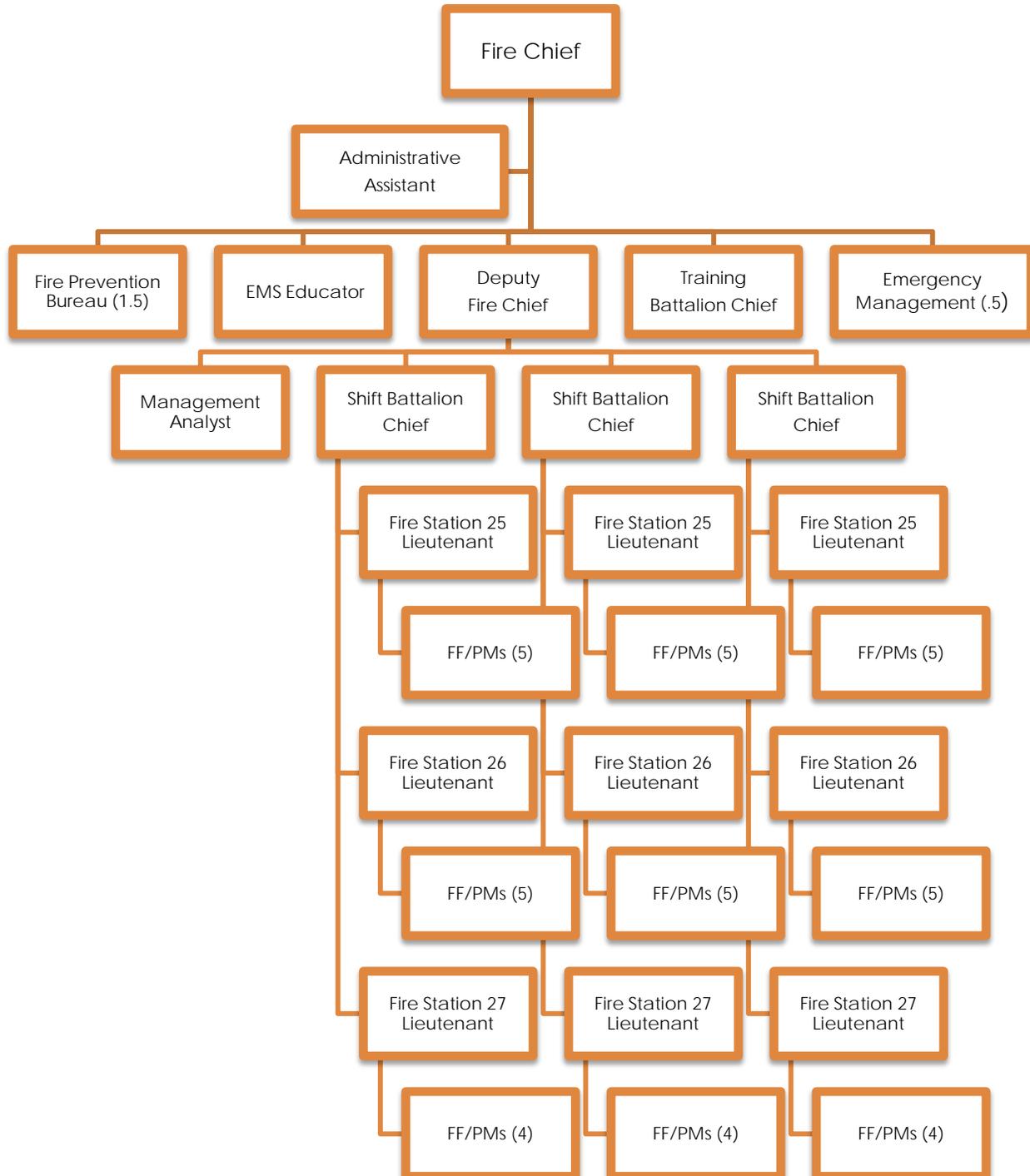
### ALLOCATION OF REVENUE BY PROGRAM



## STAFFING SUMMARY AND VARIANCE

Addition of a EMS Educator as well as a Management Analyst. A full listing of the department staff can be found in Appendix C.

## 2019 FIRE DEPARTMENT STRUCTURE



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# PUBLIC WORKS DEPARTMENT

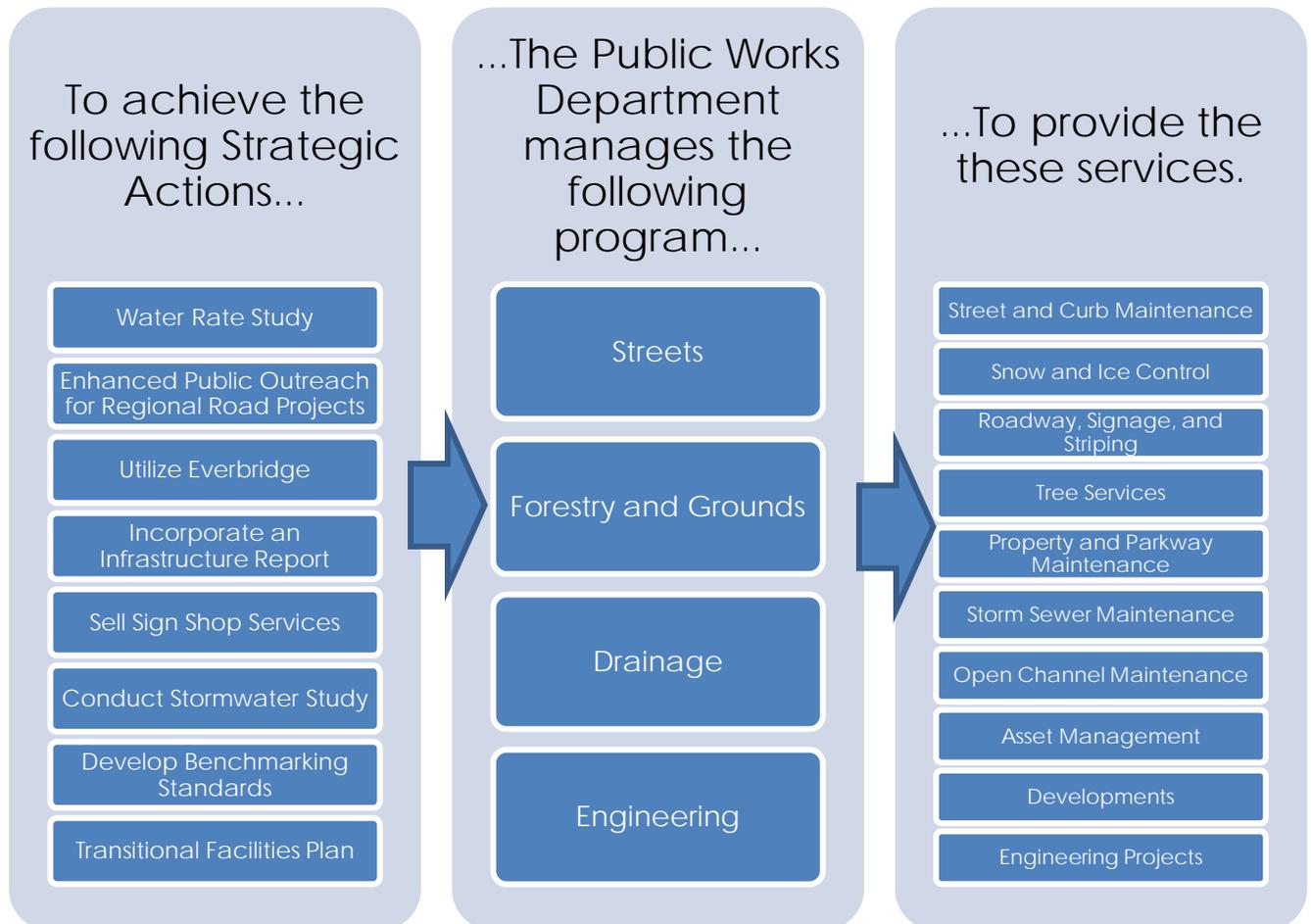
The Public Works Department is divided into two functional areas of responsibility: Engineering and Operations. These areas function across three budgeted funds: Operating, Enterprise and Internal Services. The budgeted sections within the department are Street, Forestry & Grounds, Drainage, Central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

## AT A GLANCE

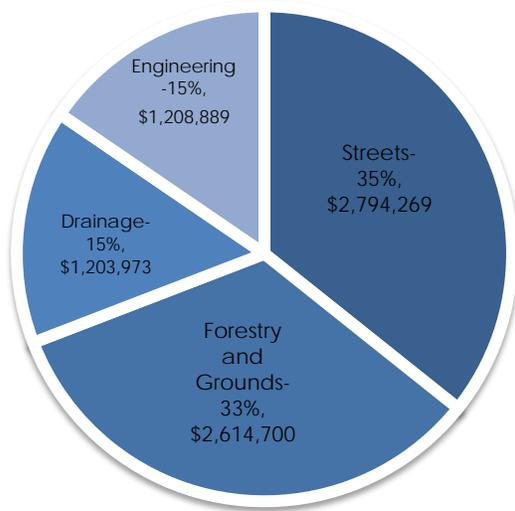


## MAJOR PROGRAMS

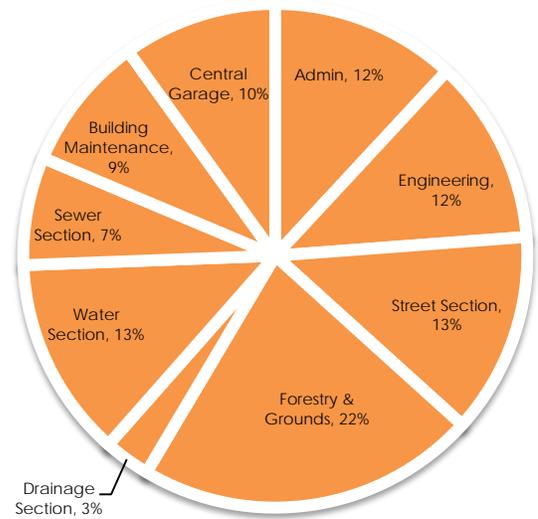
- Streets
- Forestry and Grounds
- Drainage
- Engineering



## PROGRAM BUDGET SUMMARY



## STAFF TIME BY SERVICE



## 2019 PROGRAM CHANGES OF NOTE

The Administration program area has been eliminated and administrative costs have been split among the remaining program areas. This reallocation has led to increased in the Operating Expense and Commodities categories. This is consistent with the approach for other major departments in the Village. The Engineering Division proposes to hire an additional Engineer I to assist in the day to day operations of the division as well as assist with the management of the regional road projects proposed over the next five years.

## PUBLIC WORKS DEPARTMENT VARIANCES

Public Works Department	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Comments
Reserve Transfers	\$436,869	\$436,869	\$336,919	-22.88%	Reserve transfer is lowered for current year capital funding
Contractual Services	\$368,000	\$363,000	\$559,500	52.04%	Increase in landscaping and tree removal contracts
Internal Services	\$869,698	\$869,719	\$985,326	13.30%	Based on historical consumption of services

**SERVICE: STREET AND CURB MAINTENANCE**

The Street Section sweeps all Village streets on a regular basis. On average, staff sweeps 3,200 miles per year and maintains 120.7 center lane miles. Roads maintained with the Total Patch system, which is used to fill in potholes and surface degradation that appear during the winter season.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	201,662	212,929	326,407	343,287	349,437	7.06%	27.51%
Personnel Benefits	143,881	138,129	166,803	162,031	164,800	-1.20%	12.97%
Operating Expenses	23,709	16,735	16,717	16,717	16,462	-1.52%	1.30%
Commodities	143	195	291	291	291	0.00%	0.02%
Repairs & Maintenance	99,384	106,829	395,434	395,434	389,934	-1.39%	30.70%
Capital Outlay	104,994	39,344	1,742	1,742	1,742	0.00%	0.14%
Reserve Transfers	-	-	28,180	28,180	28,180	0.00%	2.22%
Contractual Services	(16,674)	1,184	116,000	116,000	126,400	8.97%	9.95%
Internal Service Transfers	194,643	236,731	173,647	173,647	192,959	11.12%	15.19%
<b>Total Street &amp; Curb Maintenance</b>	<b>\$751,740</b>	<b>\$752,076</b>	<b>\$1,225,219</b>	<b>\$1,237,327</b>	<b>\$1,270,203</b>	<b>3.67%</b>	<b>100%</b>

**SERVICE: SNOW AND ICE CONTROL**

Public Works staff regularly meets the benchmark goal of having all streets cleared eight hours after significant snowfall. Through the review process, efficiencies have been identified which reduced snow removal cost to \$12.78 per inch of snow/ mile and have reduced tons of salt per inch of snow by using more liquids pretreatment.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	178,977	160,343	271,898	314,975	287,965	5.91%	34.64%
Personnel Benefits	84,376	82,177	97,866	95,437	97,047	-0.84%	11.67%
Operating Expenses	14,913	10,939	10,965	10,965	10,856	-1.00%	1.31%
Commodities	156,342	104,043	269,774	269,374	283,244	4.99%	34.07%
Repairs & Maintenance	1,635	(3,578)	2,825	2,825	2,825	0.00%	0.34%
Capital Outlay	104,994	39,344	1,013	1,013	1,013	0.00%	0.12%
Reserve Transfers	-	-	36,231	36,231	36,231	0.00%	4.36%
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	113,164	137,634	100,958	100,958	112,185	11.12%	13.49%
<b>Total Snow and Ice Control</b>	<b>\$654,400</b>	<b>\$530,903</b>	<b>\$791,528</b>	<b>\$831,776</b>	<b>\$831,364</b>	<b>5.03%</b>	<b>100%</b>

### SERVICE: ROADWAY, SIGNAGE, AND STRIPING

The Public Works Department has purchased state of the art printers to comply with all governing codes for uniform traffic control devices. In 2018, the Public Works Department contracted out all primary pavement striping. This represented a shift in labor to accommodate the greater need for road repairs and maintenance.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	152,163	156,733	245,740	249,638	252,579	2.78%	36.46%
Personnel Benefits	107,181	102,384	123,915	120,279	122,340	-1.27%	17.66%
Operating Expenses	17,949	12,496	12,687	12,687	12,481	-1.62%	1.80%
Commodities	32,805	89,586	47,666	35,166	47,666	0.00%	6.88%
Repairs & Maintenance	101,571	(3,731)	73,791	73,791	65,041	-11.86%	9.39%
Capital Outlay	104,994	39,344	1,296	1,296	1,296	0.00%	0.19%
Reserve Transfers	-	-	16,103	16,103	16,103	0.00%	2.32%
Contractual Services	(4,169)	296	29,000	29,000	31,600	8.97%	4.56%
Internal Service Transfers	144,850	176,172	129,226	129,226	143,597	11.12%	20.73%
<b>Total Signage and Striping</b>	<b>\$657,345</b>	<b>\$573,280</b>	<b>\$679,422</b>	<b>\$667,184</b>	<b>\$692,702</b>	<b>1.95%</b>	<b>100%</b>

### SERVICE: TREE SERVICES

Forestry and Grounds staff maintains 21,710 trees throughout the Village. To achieve a goal of a five-year 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	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	626,966	661,872	739,946	746,565	758,548	2.51%	45.40%
Personnel Benefits	287,526	310,715	335,839	369,832	338,006	0.65%	20.23%
Operating Expenses	35,776	49,977	33,880	39,708	43,621	28.75%	2.61%
Commodities	1,634	2,863	3,490	3,490	3,490	0.00%	0.21%
Repairs & Maintenance	(44,423)	(13,791)	102,155	102,155	157,155	53.84%	9.41%
Capital Outlay	246	42,820	2,415	2,415	2,415	0.00%	0.14%
Reserve Transfers	-	15,005	50,393	50,393	50,393	0.00%	3.02%
Contractual Services	36,275	30,310	44,600	43,600	80,300	80.04%	4.81%
Internal Service Transfers	211,187	199,403	183,404	183,404	237,012	29.23%	14.18%
<b>Total Tree Services</b>	<b>\$1,155,188</b>	<b>\$1,299,173</b>	<b>\$1,496,122</b>	<b>\$1,541,563</b>	<b>\$1,670,940</b>	<b>11.68%</b>	<b>100%</b>

**SERVICE: PARKWAY AND PROPERTY MAINTENANCE**

This service oversees the maintenance of 170 acres of natural areas in the Village. Exotic, invasive plant species are controlled with the use of mechanical and chemical operations. 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	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	268,700	283,659	317,120	319,957	325,092	2.51%	19.46%
Personnel Benefits	123,226	133,164	143,931	158,500	144,860	0.65%	8.67%
Operating Expenses	15,333	21,419	14,520	17,018	18,695	28.75%	-
Commodities	3,197	6,221	9,210	9,210	9,210	0.00%	-
Repairs & Maintenance	24	513	495	495	495	0.00%	-
Capital Outlay	106	18,351	1,035	1,035	1,035	0.00%	-
Reserve Transfers	-	6,431	21,597	21,597	21,597	0.00%	-
Contractual Services	145,099	121,238	178,400	174,400	321,200	0.00%	19.22%
Internal Service Transfers	90,509	85,458	78,602	78,602	101,577	29.23%	6.08%
<b>Total Parkway and Property</b>	<b>\$646,193</b>	<b>\$676,455</b>	<b>\$764,909</b>	<b>\$780,813</b>	<b>\$943,760</b>	<b>23.38%</b>	<b>100%</b>

**SERVICE: STORM SEWER MAINTENANCE**

This service provides preventive maintenance for the storm sewer and drainage system. The storm sewer program goals account for the cleaning of the entire system on a six-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.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	146,129	148,037	179,779	177,252	202,193	12.47%	34.45%
Personnel Benefits	61,160	64,422	92,074	99,413	99,234	7.78%	15.35%
Operating Expenses	7,161	9,995	9,069	8,526	3,980	-56.11%	1.98%
Commodities	294	135	500	500	600	20.00%	0.98%
Repairs & Maintenance	48,001	4,216	11,110	9,830	11,310	1.80%	0.05%
Capital Outlay	153,820	210,532	151,725	151,725	151,725	0.00%	0.11%
Reserve Transfers	-	-	135,998	135,998	85,998	-36.77%	2.29%
Contractual Services	-	-	-	-	-	-	34.03%
Internal Service Transfers	47,542	57,186	72,051	72,051	62,905	-12.69%	10.76%
<b>Total Storm Sewer</b>	<b>\$464,106</b>	<b>\$494,522</b>	<b>\$652,305</b>	<b>\$655,295</b>	<b>\$617,944</b>	<b>-5.27%</b>	<b>100%</b>

**SERVICE: OPEN CHANNEL MAINTENANCE**

This service provides for the preventive maintenance for the Village storm sewer and drainage system. It also provides for debris removal, reshaping, and maintenance of approximately 12 miles of open ditch flows through the Village. This ditch work occurs in the early spring and fall, prior to heavy rains.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	146,129	148,037	179,779	177,252	202,193	12.47%	34.50%
Personnel Benefits	61,117	64,073	91,454	98,903	98,799	8.03%	16.86%
Operating Expenses	9,261	12,228	9,969	9,336	4,880	-51.05%	0.83%
Commodities	294	135	500	500	600	20.00%	0.10%
Repairs & Maintenance	5,450	564	2,210	2,070	2,290	3.62%	0.39%
Capital Outlay	153,820	210,532	151,725	151,725	151,725	0.00%	25.89%
Reserve Transfers	-	-	135,998	135,998	85,998	-36.77%	14.67%
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	31,065	37,694	47,936	47,936	39,544	-17.51%	6.75%
<b>Total Open Channel</b>	<b>\$407,135</b>	<b>\$473,263</b>	<b>\$619,570</b>	<b>\$623,720</b>	<b>\$586,029</b>	<b>-5.41%</b>	<b>100%</b>

**SERVICE: ASSET MANAGEMENT**

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

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	128,457	128,074	167,494	163,644	190,323	13.63%	62.97%
Personnel Benefits	55,291	56,621	67,130	71,891	77,211	15.02%	25.55%
Operating Expenses	5,498	6,697	5,776	5,904	5,834	1.00%	1.93%
Commodities	104	120	-	-	-	0.00%	-
Repairs & Maintenance	74	-	950	1,013	1,000	5.26%	0.33%
Capital Outlay	176	123	863	863	863	0.00%	0.29%
Reserve Transfers	-	-	3,093	3,093	3,105	0.40%	1.03%
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	15,711	21,288	20,969	20,974	23,887	13.92%	7.90%
<b>Total Asset Management</b>	<b>\$205,310</b>	<b>\$212,923</b>	<b>\$266,275</b>	<b>\$267,380</b>	<b>\$302,222</b>	<b>13.50%</b>	<b>100%</b>

### 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	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	128,457	128,074	167,494	163,644	190,323	13.63%	62.97%
Personnel Benefits	55,291	56,621	67,130	71,891	77,211	15.02%	25.55%
Operating Expenses	5,498	6,697	5,776	5,904	5,834	1.00%	1.93%
Commodities	104	120	-	-	-	0.00%	-
Repairs & Maintenance	74	-	950	1,013	1,000	5.26%	0.33%
Capital Outlay	176	123	863	863	863	0.00%	0.29%
Reserve Transfers	-	-	3,093	3,093	3,105	0.40%	1.03%
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	15,711	21,288	20,969	20,974	23,887	13.92%	7.90%
<b>Total Developments</b>	<b>\$205,310</b>	<b>\$212,923</b>	<b>\$266,275</b>	<b>\$267,380</b>	<b>\$302,222</b>	<b>13.50%</b>	<b>100%</b>

### SERVICE: ENGINEERING PROJECTS

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

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	256,914	256,149	334,989	327,288	380,647	13.63%	62.97%
Personnel Benefits	110,583	113,241	134,261	143,782	154,422	15.02%	25.55%
Operating Expenses	10,996	13,394	11,553	11,807	11,668	1.00%	1.93%
Commodities	207	240	-	-	-	0.00%	-
Repairs & Maintenance	148	-	1,900	2,025	2,000	5.26%	0.33%
Capital Outlay	352	247	1,725	1,725	1,725	0.00%	0.29%
Reserve Transfers	-	-	6,185	6,185	6,210	0.40%	1.03%
Contractual Services	-	-	-	-	-	0.00%	-
Internal Service Transfers	31,422	42,576	41,938	41,948	47,774	13.92%	7.90%
<b>Total Engineering Projects</b>	<b>\$410,620</b>	<b>\$425,845</b>	<b>\$532,549</b>	<b>\$534,760</b>	<b>\$604,445</b>	<b>13.50%</b>	<b>100%</b>

## MAJOR SERVICE PERFORMANCE MEASURES

**Key Performance Measures**

# Public Works Department

## Landscape and Natural Areas

Public Works staff takes great pride in the **award winning** landscape and natural areas in the Village. The department performed **1,372** hours of maintenance in 2016, **2,381** hours in 2017, and an estimated **3,892** hours in 2018.

**Snow and Ice Control**

**74 tons of road salt were used per one inch of snow in 2018**

### Hours Dedicated to Engineering Division Projects

Year	Hours
2016 Act	500
2017 Act	500
2018 Est Act	900

## COST TYPE SUMMARY

Fire	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Personnel Wages	2,234,553	2,283,906	2,930,644	2,983,501	3,139,298	7.12%	40.14%
Personnel Benefits	1,089,632	1,121,545	1,320,402	1,391,958	1,373,929	4.05%	17.57%
Operating Expenses	146,092	160,577	130,910	138,569	134,309	2.60%	1.72%
Commodities	195,122	203,657	331,430	318,530	345,100	4.12%	4.41%
Repairs and Maintenance	211,936	91,022	591,820	590,650	633,050	6.97%	8.09%
Capital Outlay	623,677	600,761	314,400	314,400	314,400	0.00%	4.02%
Reserve Transfers	0	21,436	436,869	436,869	336,919	-22.88%	4.31%
Contractual Services	160,531	153,028	368,000	363,000	559,500	52.04%	7.15%
Internal Services	895,803	1,015,430	869,698	869,719	985,326	13.30%	12.60%
<b>Total</b>	<b>\$5,557,346</b>	<b>\$5,651,362</b>	<b>\$7,294,173</b>	<b>\$7,407,196</b>	<b>\$7,821,831</b>	<b>7.23%</b>	<b>100%</b>

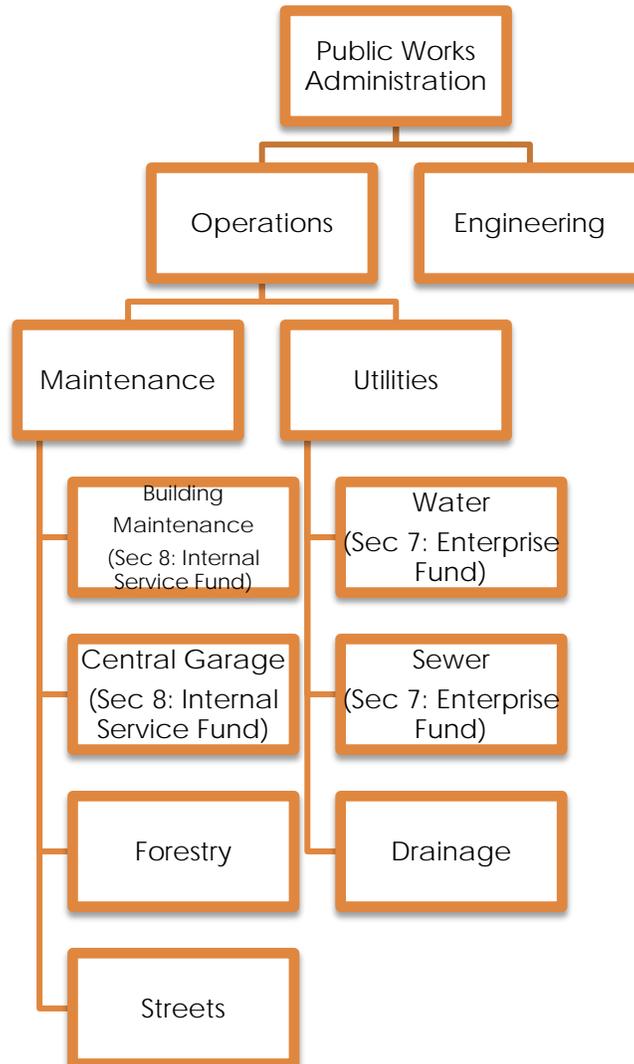
ALLOCATION OF RESOURCES BY PROGRAM

Service	Budget	Percent of Total Budget
Streets	\$2,794,269	35.72%
Forestry and Grounds	\$2,614,700	33.43%
Drainage	\$1,203,973	15.39%
Engineering	\$1,208,889	15.46%

STAFFING SUMMARY AND VARIANCE

Engineer I position has been proposed but is subject to an ongoing staffing and resource study. A full listing of the department staff can be found in Appendix C.

2019 PUBLIC WORKS DEPARTMENT STRUCTURE



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# 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.

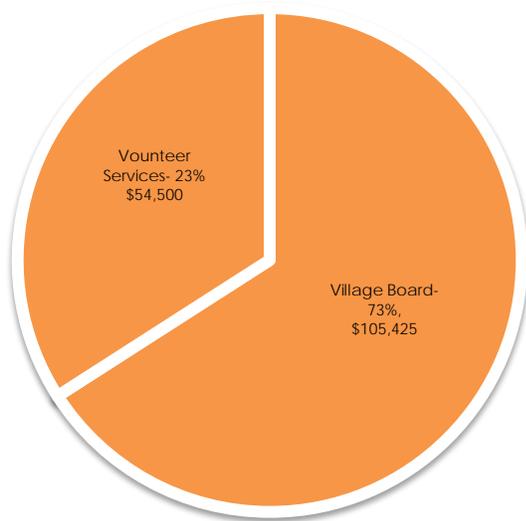
## PROGRAMS

Legislative

### PROGRAM BUDGET SUMMARY

### 2019 PROGRAM CHANGES OF NOTE

None



## LEGISLATIVE VARIANCES

Legislative	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Comments
Personnel Wages	2,525	3,725	3,525	39.60%	Meeting and conference registration fees
Contractual Services	32,500	36,500	39,000	20.00%	Increase in fireworks contract

### SERVICE: VILLAGE BOARD

Members of the Village 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 staggered four-year term of office, establishes the vision and direction for the Village, and coordinates operations through the Village Manager.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Act.	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	33,000	32,475	33,000	33,000	33,000	0.00%	31.30%
Personnel Benefits	2,525	3,079	2,525	3,725	3,525	39.60%	3.34%
Operating Expenses	40,837	55,136	50,500	50,320	53,900	6.73%	51.13%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	79,854	-	-	-	-	0.00%	-
Capital Reserve Transfers	-	-	-	-	-	0.00%	-
Contractual Services	12,689	36,997	10,000	13,500	15,000	50.00%	14.23%
Internal Service Transfers	-	-	-	-	-	0.00%	-
<b>Total Village Board</b>	<b>\$168,905</b>	<b>\$127,687</b>	<b>\$96,025</b>	<b>\$100,545</b>	<b>\$105,425</b>	<b>9.79%</b>	<b>100%</b>

### SERVICE: COMMUNITY SERVICES

Village commissions, committees, and boards 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. Currently more than 100 volunteers serve on eleven commissions, committees, and boards.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Act.	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General							
Personnel Wages	-	-	-	-	-	0.00%	-
Personnel Benefits	-	-	-	-	-	0.00%	-
Operating Expenses	31,737	33,283	32,700	26,900	30,500	-6.73%	55.96%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	-	-	-	-	-	0.00%	-
Reserve Transfers	-	-	-	-	-	0.00%	-
Contractual Services	22,000	22,500	22,500	23,000	24,000	6.67%	44.04%
Internal Service Transfers	-	-	-	-	-	0.00%	-
<b>Total Community Services</b>	<b>\$53,737</b>	<b>\$55,783</b>	<b>\$55,200</b>	<b>\$49,900</b>	<b>\$54,500</b>	<b>-1.27%</b>	<b>100%</b>

COST TYPE SUMMARY

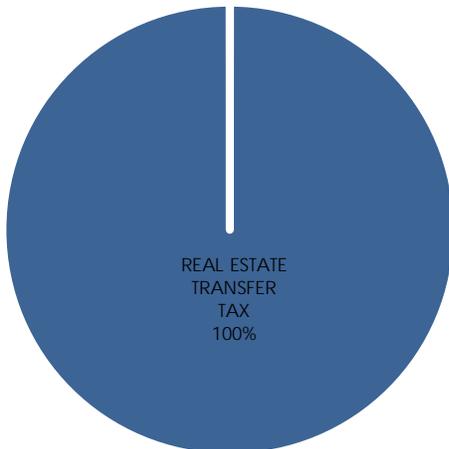
Legislative	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY17-FY18	Cost Type Summary
Personnel Wages	33,000	32,475	33,000	33,000	33,000	0.00%	20.63%
Personnel Benefits	2,525	3,079	2,525	3,725	3,525	39.60%	2.20%
Operating Expenses	72,574	88,419	83,200	77,220	84,400	1.44%	52.77%
Commodities	-	-	-	-	-	0.00%	-
Repairs & Maintenance	-	-	-	-	-	0.00%	-
Capital Outlay	79,854	-	-	-	-	0.00%	-
Reserve Transfers	-	-	-	-	-	0.00%	-
Contractual Services	34,689	59,497	32,500	36,500	39,000	20.00%	24.39%
Internal Service Transfers	-	-	-	-	-	0.00%	-
<b>Total Legislative</b>	<b>\$222,642</b>	<b>\$183,470</b>	<b>\$151,225</b>	<b>\$150,445</b>	<b>\$159,925</b>	<b>5.75%</b>	<b>100%</b>

ALLOCATION OF RESOURCES BY SERVICE

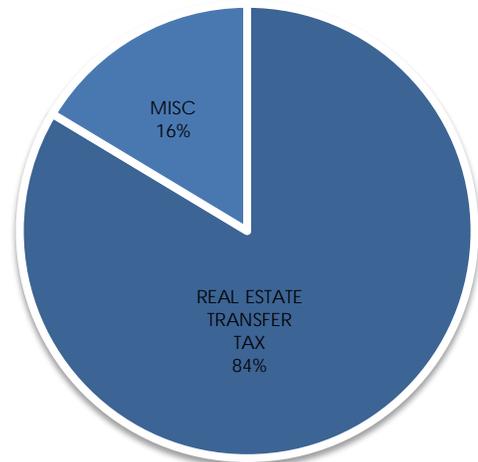
Service	Budget	Percent of Total Budget
Village Board	105,425	73%
Community Services	54,500	27%
<b>TOTAL</b>	<b>\$159,925</b>	<b>100%</b>

ALLOCATION OF REVENUE BY SERVICE

Village Board



Community Services



COMMISSIONS, COMMITTEES, BOARDS, AND EVENTS ALLOCATION OF FUNDING

Commissions, Committees, Boards, and Events	FY 2019 Budget
Buffalo Grove Days*	40,000
Farmer's Market	2,500
Board of Fire and Police Commission**	40,000
Fireworks- Fourth of July	24,000
Planning and Zoning Commission	5,000
Commission for Residents with Disabilities	700
Symphonic Band	16,200
Village Board	300
Health Commission	300
<b>Total</b>	<b>\$129,000</b>

\*Budgeted in Finance Department

\*\*Budgeted in Human Resources Department

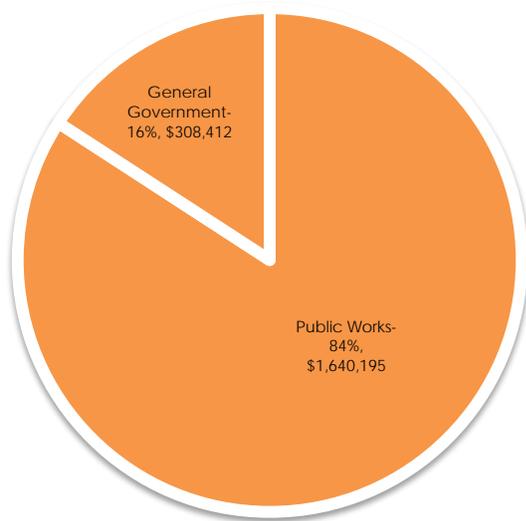
# NON-OPERATING TRANSFERS

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.

## PROGRAMS

Non-Operating Transfers

## PROGRAM BUDGET SUMMARY



## 2019 PROGRAM CHANGES OF NOTE

No additional personnel or programs requested in 2019.

**SERVICE: GENERAL GOVERNMENT**

The general government non-operating transfer functions as a conduit to allocate money to other funds for a variety of purposes or projects. Most common uses of the non-operating transfers are to subsidize golf operations.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General	-	-	-	-	-	-	-
Personnel Wages	-	-	-	-	-	-	-
Personnel Benefits	271,160	177,962	230,000	100,000	200,000	-13.04%	64.85%
Operating Expenses	491,035	755,328	304,833	157,111	108,412	-64.44%	35.15%
Commodities	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Capital Reserve Transfers	-	-	-	-	-	-	-
Contractual Services	-	-	-	-	-	-	-
Internal Service Transfers	-	-	-	-	-	-	-
<b>Total General Government</b>	<b>\$762,195</b>	<b>\$933,290</b>	<b>\$534,833</b>	<b>\$257,111</b>	<b>\$308,412</b>	<b>-42.33%</b>	<b>100%</b>

**SERVICE: PUBLIC WORKS**

Non-operating transfers for public works fund elements of 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.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Cost Type Summary
Fund: General Fund	-	-	-	-	-	-	-
Personnel Wages	-	-	-	-	-	-	-
Personnel Benefits	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Capital Outlay	1,778,083	2,413,097	1,061,768	1,350,000	1,640,195	54.48%	100%
Capital Reserve Transfers	-	-	-	-	-	-	-
Contractual Services	-	-	-	-	-	-	-
Internal Service Transfers	-	-	-	-	-	-	-
<b>Total Public Works</b>	<b>\$1,778,083</b>	<b>\$2,413,097</b>	<b>\$1,061,768</b>	<b>\$1,350,000</b>	<b>\$1,640,195</b>	<b>54.48%</b>	<b>100%</b>

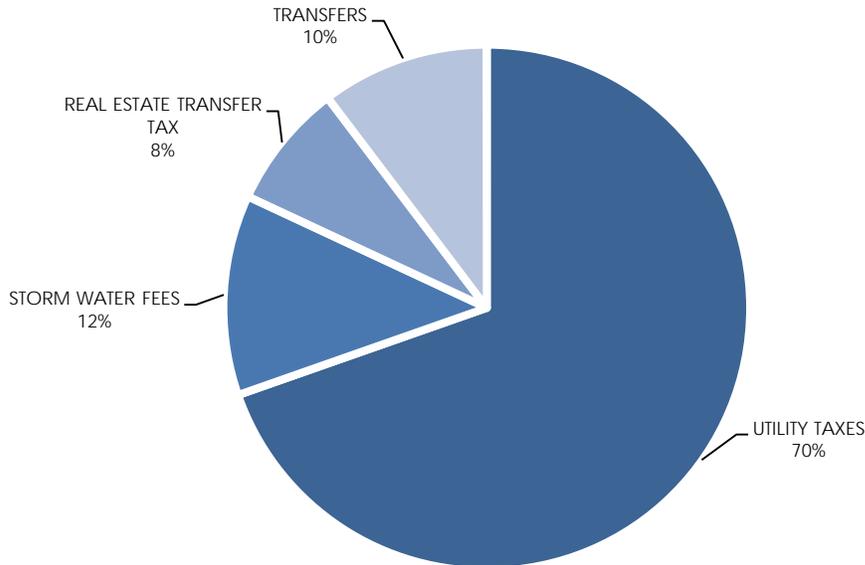
**COST TYPE SUMMARY**

<b>Non-Operating Transfers</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>	<b>Cost Type Summary</b>
Wages	-	-	-	-	-	-	-
Benefits	271,160	177,962	230,000	100,000	200,000	13.04%	10.26%
Operating Expenses	491,035	755,328	304,833	157,111	108,412	-64.44%	5.56%
Commodities	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-
Capital Outlay	1,778,083	2,413,097	1,061,768	1,350,000	1,640,195	54.48%	84.17%
Reserve Transfers	-	-	-	-	-	-	-
Contractual Services	-	-	-	-	-	-	-
Internal Services	-	-	-	-	-	-	-
<b>Total</b>	<b>\$2,504,278</b>	<b>\$3,346,387</b>	<b>\$1,596,601</b>	<b>\$1,607,111</b>	<b>\$1,948,607</b>	<b>22.05%</b>	<b>100%</b>

**ALLOCATION OF RESOURCES BY SERVICE**

<b>Service</b>	<b>Budget</b>	<b>Percent of Total Budget</b>
Public Works	\$1,640,195	84%
General Government	\$308,412	16%
<b>TOTAL</b>	<b>\$1,948,607</b>	<b>100%</b>

**ALLOCATION OF RESOURCES BY SERVICE**



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# SECTION SIX: CAPITAL IMPROVEMENT

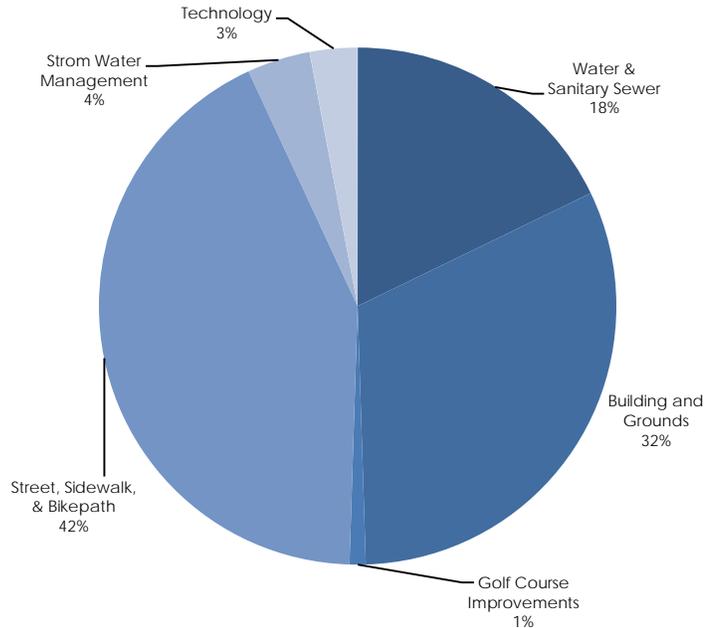


CAPITAL IMPROVEMENT PLAN – CAPITAL IMPROVEMENT STREETS – CAPITAL  
IMPROVEMENT FACILITIES – MOTOR FUEL TAX

## CAPITAL IMPROVEMENT REQUEST SUMMARY

The Capital Improvement Plan (CIP) is intended to be a decision-making tool for the Village Board and staff. Capital improvement projects represent the equipment and infrastructure that must be provided to residents and businesses. The need for capital expenditures are weighed against the ability of the Village to finance these projects. The Village Board's ultimate approval of the CIP does not authorize spending on the included projects. Staff continues to review and evaluate each project throughout the 2019 budget cycle. Projects identified for FY 2019 total \$20,908,728 and fall under six categories. The following chart illustrates each category's percentage as it relates to the capital requests received for FY 2019. The CIP was changed from a five year projection to a twenty year projection in 2019. The increase in the range of the plan allows for a more accurate projection of the village's capital needs.

2019 Capital Project Requests by Category

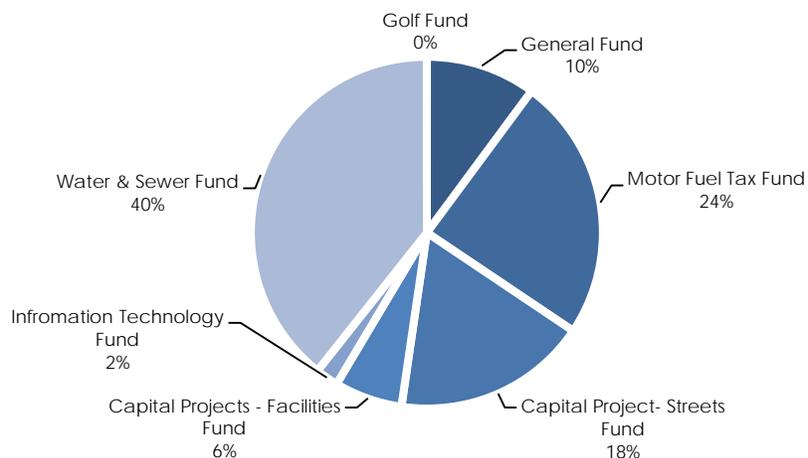


The Village maintains multiple capital assets and infrastructure systems that are costly to operate and replace. For reference, the FY2019 budget requests and funding schedule and the 5-year forecast of funding requests for capital project improvements are included.

2019 Capital Projects Budgeted by Fund		
General Fund	Requested	Budgeted
Annual Sidewalk/Bike Path Maintenance	\$325,000	\$175,000
Cardiac Monitors - Fire Department (Reserve)	\$31,000	\$0
EOC Radio Replacement - Fire Department (Reserve)	\$45,000	\$0
Storm Water System Upgrades and Repairs	\$750,000	\$300,000
Villagewide Comprehensive Plan	\$150,000	\$150,000
<b>Subtotal</b>	<b>\$1,301,000</b>	<b>\$625,000</b>
<b>Motor Fuel Tax Fund</b>		
Annual Street Maintenance	\$7,140,000	\$1,500,000
<b>Subtotal</b>	<b>\$7,140,000</b>	<b>\$1,500,000</b>
<b>Capital Project- Streets Fund</b>		
Collector Route Maintenance and Rehabilitation Program	\$145,000	\$145,000
Lake Cook Road Improvement	\$210,000	\$210,000
Municipal Parking Facility	\$310,000	\$0
Weiland Road/Prairie Road Improvements	\$750,000	\$750,000
<b>Subtotal</b>	<b>\$1,415,000</b>	<b>\$1,105,000</b>
<b>Capital Projects - Facilities Fund</b>		
Building Replacement - CAFT	\$305,195	\$305,195
Fire Station Sign Replacement	\$28,000	\$0
Fire Station 25 Replacement	\$350,000	\$0
Fire Station 26 Addition	\$0	\$0
Fire Station 27 Remodel	\$0	\$0
Flooring Capital Replacement Projects	\$98,154	\$0
Police Headquarters	\$150,000	\$0
Public Works Facility	\$5,000,000	\$0
Roof Capital Replacement Projects	\$518,954	\$0
Village Campus Long Range Planning	\$80,000	\$80,000
Village Gateway Feature	\$25,000	\$0
Village Hall Office Remodel	\$68,425	\$0
<b>Subtotal</b>	<b>\$6,908,728</b>	<b>\$385,195</b>

2019 Capital Projects Budgeted by Fund Continued		
<b>Information Technology Fund</b>		
Laserfiche	\$28,000	\$28,000
Microsoft Licensing	\$52,000	\$52,000
Multiple Area Network (Reserve)	\$150,000	\$0
Police Mobile Computers ( DUI Fund)	\$120,000	\$0
Server Replacement	\$25,000	\$25,000
Telephone System	\$0	\$0
Antenna Towers	\$25,000	\$25,000
<b>Subtotal</b>	<b>\$400,000</b>	<b>\$130,000</b>
<b>Water &amp; Sewer Fund</b>		
Capacity Management Operations & Maintenance	\$64,000	\$64,000
Lift Station Repair & Rehabilitation	\$850,000	\$850,000
Pump House Repairs & Security Improvements	\$150,000	\$150,000
Villagewide Sanitary Sewer Replacement	\$1,185,000	\$525,000
Villagewide Water Main Replacement	\$1,540,000	\$700,000
SCADA Improvements	\$140,000	\$140,000
<b>Subtotal</b>	<b>\$3,929,000</b>	<b>\$2,429,000</b>
<b>Golf Fund</b>		
Golf Course Improvements	\$75,000	\$0
Golf Course Irrigation Improvements	\$25,000	\$0
Golf Course Parking Lot Maintenance	\$0	\$0
<b>Subtotal</b>	<b>\$100,000</b>	<b>\$0</b>
<b>Total</b>	<b>\$21,193,728</b>	<b>\$6,174,195</b>

2019 Capital Projects Budgeted by Fund



2019 Capital Projects Forecasted Requests by Fund						
Capital Projects Facilities	2019	2020	2021	2022	2023	Total
Building Replacement - CAFT	305,195	-	-	-	-	305,195
Flooring Capital Replacement Projects	98,154	20,000	20,000	20,000	20,000	178,154
Fire Station 27 Remodel	-	-	868,655	-	-	868,655
HVAC Unit Replacements	-	120,000	120,000	120,000	120,000	480,000
Police Headquarters	150,000	100,000	100,000	100,000	100,000	550,000
Roof Capital Replacement Projects	518,954	25,000	85,000	420,000	-	1,048,954
Fire Station Sign Replacement	28,000	28,000	28,000	-	-	84,000
Village Campus Long Range Planning	80,000	-	-	-	-	80,000
Village Gateway Feature	25,000	50,000	25,000	-	-	100,000
Fire Station 26 Addition	-	2,745,712	-	-	-	2,745,712
Public Works Facility	5,000,000	25,000,000	2,000,000	-	-	32,000,000
Village Hall Office Remodel	68,425	-	-	-	-	68,425
Fire Station 25 Replacement	350,000	3,500,000	-	-	-	3,850,000
<b>Subtotal</b>	<b>\$6,623,728</b>	<b>\$31,588,712</b>	<b>\$3,246,655</b>	<b>\$0,000</b>	<b>\$240,000</b>	<b>\$42,359,095</b>
<b>Golf Course Improvements</b>						
Golf Course Improvements	75,000	75,000	75,000	40,000	250,000	515,000
Golf Course Irrigation Improvements	25,000	55,000	-	-	-	80,000
Golf Course Parking Lot Maintenance	-	14,000	-	-	-	14,000
<b>Subtotal</b>	<b>\$100,000</b>	<b>\$144,000</b>	<b>\$75,000</b>	<b>\$40,000</b>	<b>\$250,000</b>	<b>\$609,000</b>
<b>Capital Projects Streets</b>						
Annual Street Maintenance	7,140,000	10,633,200	7,251,600	9,123,600	6,856,000	41,004,400
Collector Route Maintenance and Rehabilitation Program	145,000	770,000	770,000	770,000	500,000	2,955,000
Lake Cook Road Improvement	210,000	210,000	210,000	-	-	630,000
Weiland Road/Prairie Road Improvements	750,000	50,000	-	-	-	800,000
Municipal Parking Facility	310,000	174,000	149,000	100,000	100,000	833,000
<b>Subtotal</b>	<b>\$8,555,000</b>	<b>\$11,837,200</b>	<b>\$8,380,600</b>	<b>\$9,993,600</b>	<b>\$7,456,000</b>	<b>\$46,222,400</b>
<b>General Fund</b>						
Villagewide Comprehensive Planning and Design	150,000	100,000	-	-	-	250,000
Annual Sidewalk/Bike Path Maintenance	325,000	325,000	325,000	325,000	325,000	1,625,000
Storm Water System Upgrades	750,000	420,000	420,000	400,000	400,000	2,390,000
Cardiac Monitors - Fire	31,000	31,000	31,000	-	-	93,000
EOC Radio Replacement - Fire	45,000	-	-	-	-	45,000
<b>Subtotal</b>	<b>\$1,301,000</b>	<b>\$876,000</b>	<b>\$776,000</b>	<b>\$725,000</b>	<b>\$725,000</b>	<b>\$4,403,000</b>

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# 2019-2038 CAPITAL IMPROVEMENT PLAN



2019 BUDGET CYCLE PRELIMINARY REQUESTS



## Villagewide Comprehensive Planning and Design



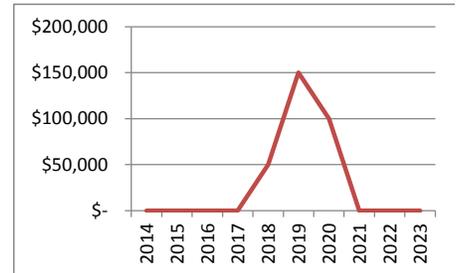
Project #	1001
Category	1-Buildings and Grounds
Priority	4-Contributory
Useful Life	10 Years
Origination	Planning Tool
User Department	Community Development
Coordinator	Community Development
Current Budget	\$ 100,000
Initial Proposal Date	2018
Design Work	2019
Project Work	N/A
Reoccurrence	2030
Asset Valuation	N/A
Last Deferred	N/A
Last Incurred	2018
Fund	General Fund
Account Number	150.75.560.30

**Location** Planning Document

**Issue** The Village's Comprehensive Plan was last updated in 2009. Furthermore, the request would address the creation of design and streetscape guidelines for the recently adopted Lake Cook Corridor Plan.

**Solution** The Village Board and staff have set a goal to update the Village Wide Comprehensive Plan. Completing this task would fulfill goals and recommendation outlined in both the Economic Development Plan and the Village's Strategic Plan. This would be a 2-year project with the first phase estimated at \$100,000 for 2019. The creation of design and streetscape guidelines for the Lake Cook Corridor would address the goals outlined in the Lake Cook Corridor Plan and also provide clear design criteria to future developments in the corridor. Staff is estimating that the cost to complete this task would be \$50,000.

10 Year Financial Trend



<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ 150,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 250,000
		Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
	Long Term	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 500,000





## Building Replacement - CAFT



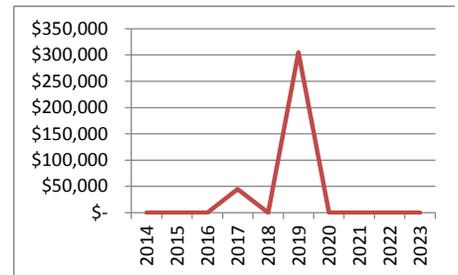
Project #	1002
Category	1-Buildings and Grounds
Priority	2-Essential
Useful Life	30 Years
Origination	New
User Department	Fire
Coordinator	Fire
Current Budget	\$ 1,065,195
Initial Proposal Date	2016
Design Work	2017
Project Work	2019
Reoccurrence	2034 (First Renovation)
Asset Valuation	\$ 1,200,000
Last Deferred	N/A
Last Incurred	2000
Fund	Capital Projects - Facilities
Account Number	160.75.560.20

**Location** Krause Drive Combined Area Fire Training Site

**Issue** In 2000, the CAFT training center was constructed of donated office trailers with the intent of replacing the structure with a permanent building in 10 years. The temporary building was demolished in 2016 due to health hazards associated with animal infestation and mold.

**Solution** Building estimates have been gathered from architects and pre-fabricated building manufacturers which resulted in a construction estimate of \$1,065,195. This cost would be divided by the five (5) CAFT fire departments with each being responsible for their cost of \$195,000. The BGFD would be responsible for an additional \$110,195 which would add an apparatus bay and offices that would allow the building to be used as a temporary fire station when needed.

10 Year Financial Trend



<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ 45,000
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ 305,195	\$ -	\$ -	\$ -	\$ -	\$ 305,195
		Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
	Long Term	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 305,195	\$ 355,195





## Flooring Capital Replacement Projects



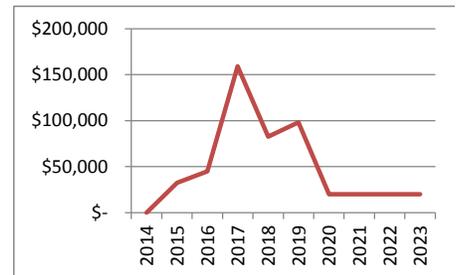
Project #	1003
Category	1-Buildings and Grounds
Priority	4-Contributory
Useful Life	10 Years
Origination	Major Maintenance
User Department	PW
Coordinator	PW
Current Budget	\$ 82,768
Initial Proposal Date	2015
Design Work	2018
Project Work	2019
Reoccurrence	Yearly
Asset Valuation	\$ 1,200,000
Last Deferred	N/A
Last Incurred	2018
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

**Location** Village Buildings

**Issue** On average, carpet is 4-6 years past the date it was scheduled to be replaced.

**Solution** 2019 flooring replacement projects include carpet and tile at Village Hall. For 2020-2023, flooring replacements would continue at each of the fire stations.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ 32,452	\$ 44,932	\$ 159,033	\$ 82,768	\$ 319,185
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 98,154	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 178,154
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000	\$ 178,154	\$ 928,154	





## Fire Station #27 Remodel

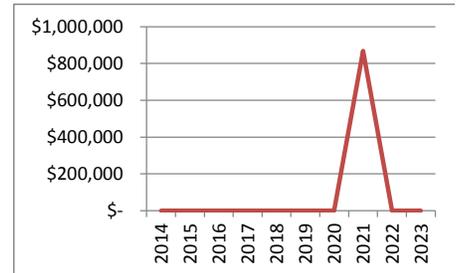


Project #	1004
Category	1-Buildings and Grounds
Priority	3-Sustaining
Useful Life	20 Years
Origination	New
User Department	Fire
Coordinator	Fire
Current Budget	\$ -
Initial Proposal Date	2016
Design Work	2021
Project Work	2021
Reoccurrence	2041
Asset Valuation	\$ 5,469,400
Last Deferred	N/A
Last Incurred	N/A
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

<b>Location</b>	Fire Station #27
<b>Issue</b>	Fire Station 27 was built in 1993 as a full time fire station and is the newest of the three fire stations. The 2014 and 2017 space needs assessments, both defined the need for renovated space and a fire sprinkler installation on the first floor.

<b>Solution</b>	Wold Architects recommended a moderate renovation of the residential space (700 sq ft/\$87,500) and completing the first floor fire sprinkler system (\$100,000). Other costs identified by Wold included Soft Costs (\$74,130), Facility analysis (\$30,250), Furniture/Fixtures/Equipment (\$15,000) and contingency (\$61,775) for a total of \$868,655.
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10 Year Financial Trend



<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ -	\$ -	\$ 868,655	\$ -	\$ -	\$ 868,655
	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
Long Term	\$ -	\$ -	\$ -	\$ -	\$ 868,655	\$ 868,655	





## HVAC Unit Replacements



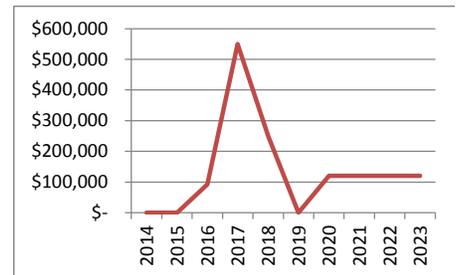
Project #	1005
Category	1-Buildings and Grounds
Priority	2-Essential
Useful Life	18 Years
Origination	Major Maintenance
User Department	PW
Coordinator	PW
Current Budget	\$ -
Initial Proposal Date	2015
Design Work	2018
Project Work	2019
Reoccurrence	2036
Asset Valuation	\$ -
Last Deferred	2018
Last Incurred	2018 (Unbudgeted)
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

**Location** Village Facilities

**Issue** The Village maintains 61 HVAC units in total and more than half are currently exceeding their 18 year life expectancy.

**Solution** In 2018, replacements of HVAC units are planned at Police (1 units and controls), Village Hall (6 units), and BG Golf Course (1 unit). Several failures during the year have lead to emergency expenses, although no money was budgeted in 2018. Due to these end of year replacements, no request is being made in 2019.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ 92,237	\$ 550,000	\$ 250,000	\$ 892,237
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ -	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 480,000
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000	\$ 480,000	\$ 1,230,000	





## Roof Capital Replacement Projects



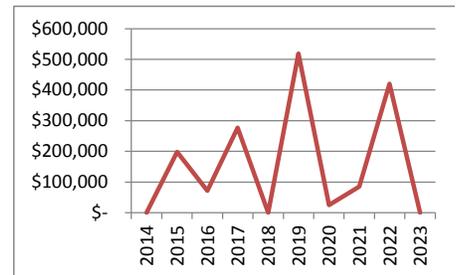
Project #	1006
Category	1-Buildings and Grounds
Priority	3-Sustaining
Useful Life	30 Years
Origination	Major Maintenance
User Department	PW
Coordinator	PW
Current Budget	\$ -
Initial Proposal Date	2014
Design Work	2018
Project Work	2019
Reoccurrence	2048
Asset Valuation	\$ 2,000,000
Last Deferred	2018
Last Incurred	2017
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

**Location** Village Facilities

**Issue** Roof replacement projects were identified during the 2018 roof inspection reports prepared by Industrial Roofing Services.

**Solution** For 2019, work is planned to include Police, Public Service Center, and Well #1.

10 Year Financial Trend



<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ -	\$ 197,766	\$ 72,000	\$ 276,850	\$ -	\$ 546,616
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ 518,954	\$ 25,000	\$ 85,000	\$ 420,000	\$ -	\$ 1,048,954
		Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
	Long Term	\$ 191,800	\$ 250,000	\$ 300,000	\$ 741,800	\$ 1,048,954	\$ 1,790,754





## Fire Station Sign Replacement



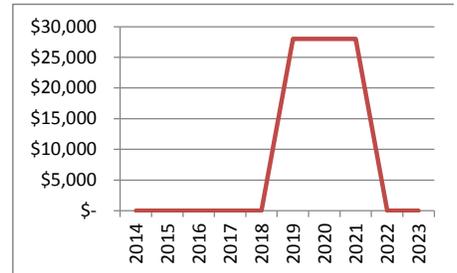
Project #	1007
Category	1-Buildings and Grounds
Priority	4-Contributory
Useful Life	20 Years
Origination	Major Maintenance
User Department	Fire
Coordinator	Fire
Current Budget	\$ -
Initial Proposal Date	2016
Design Work	2019
Project Work	2019
Reoccurrence	2041
Asset Valuation	\$ 84,000
Last Deferred	2017
Last Incurred	N/A
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

**Location** Fire Stations 25, 26, & 27

**Issue** The current signs are deteriorated and poorly oriented for visibility.

**Solution** Plan for replacement of one sign at each fire station, over each of three years.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 28,000	\$ 28,000	\$ 28,000	\$ -	\$ -	\$ 84,000	
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ -	\$ -	\$ -	\$ -	\$ 84,000	\$ 84,000	





## Village Campus Long Range Planning



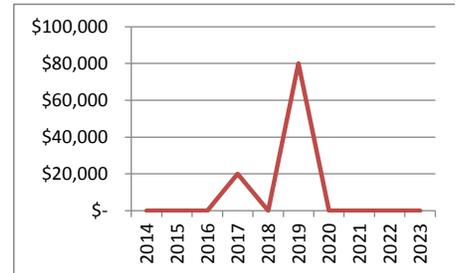
Project #	1008
Category	1-Buildings and Grounds
Priority	4-Contributory
Useful Life	10 years
Origination	New
User Department	Community Development
Coordinator	Community Development
Current Budget	\$ 80,000
Initial Proposal Date	2017
Design Work	2018
Project Work	N/A
Reoccurrence	As Needed
Asset Valuation	N/A
Last Deferred	N/A
Last Incurred	2017
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

**Location** Village Campus Planning

**Issue** Several buildings on the Village Campus are nearing the end of their useful life and do not fit the space or configuration required for current Village operations.

**Solution** In 2017, the Village used Wold Architects to begin a space needs assessment of the current buildings. 2019 work will continue to evaluate solutions for either major renovations and remodeling, or a move to new buildings.

10 Year Financial Trend

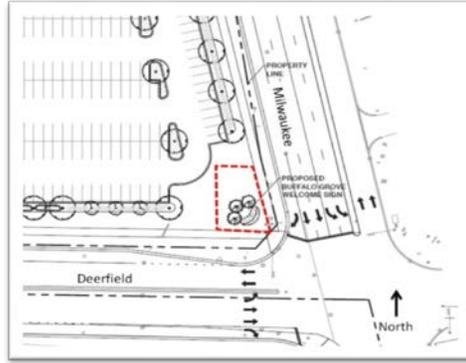


<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
		Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
	Long Term	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000





## Village Gateway Feature (Milwaukee Ave/Deerfield Ave)

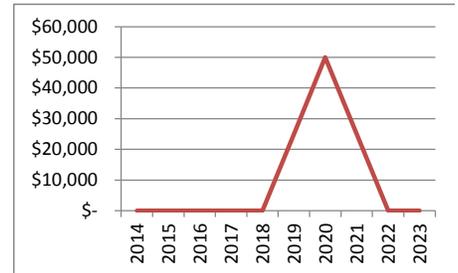


Project #	1009
Category	1-Buildings and Grounds
Priority	4-Contributory
Useful Life	20 Years
Origination	New
User Department	Community Development
Coordinator	Community Development
Current Budget	\$ 25,000
Initial Proposal Date	2017
Design Work	2019
Project Work	2020
Reoccurrence	2030 (First Maintenance)
Asset Valuation	\$ 100,000
Last Deferred	2018
Last Incurred	N/A
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

<b>Location</b>	Corner of Milwaukee Ave and Deerfield Ave
<b>Issue</b>	As part of the Woodman's project, staff has proposed the replacement of the Village entrance sign with a new "gateway" feature.

<b>Solution</b>	A new gateway feature, possibly including a new sign, landscaping, and pedestrian amenities would be designed in 2019 for construction in 2020-2021.
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10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
	Short Term	2019	2020	2021	2022	2023	Short Term
	Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 25,000	\$ 50,000	\$ 25,000	\$ -	\$ -	\$ 100,000
		\$ -	\$ 10,000	\$ -	\$ 10,000	\$ 100,000	\$ 110,000





## Police Headquarters

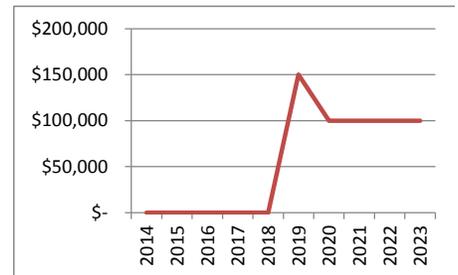


Project #	1010
Category	1-Buildings and Grounds
Priority	4-Contributory
Useful Life	15 Years
Origination	Major Maintenance
User Department	Police
Coordinator	PW
Current Budget	\$ -
Initial Proposal Date	2019
Design Work	2019
Project Work	2019
Reoccurrence	2034
Asset Valuation	\$ 11,920,340
Last Deferred	N/A
Last Incurred	N/A
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

<b>Location</b>	Police Headquarters
<b>Issue</b>	Police Headquarters was originally built in 1988, with the last major addition in 1997. Major maintenance and remodeling are required.

<b>Solution</b>	For 2019, Police is requesting two areas of major work. First, the locker room shower areas, in both the men's and women's locker rooms needs a full remodel with work to reconfigure the space to add privacy. All tile work and plumbing is original and showing wear and tear beyond what regular maintenance can repair. Second, the patio area outside of the training room needs work to repair or replace heaved sections of concrete and eliminate trip hazards. Some landscaping work is needed to keep dirt off the walkway and patio, through landscaped terrace work. Finally, the patio furnishings need replacement.
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10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 550,000	550,000
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ 9,540,000	\$ 850,000	\$ -	\$ 10,390,000	\$ 550,000	\$ 10,940,000	10,940,000





## Fire Station #26 Addition



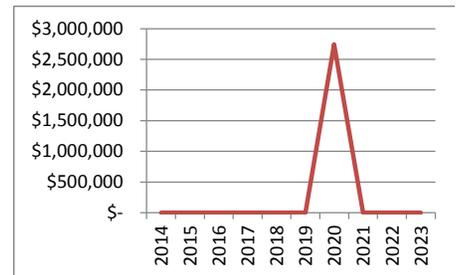
Project #	1011
Category	1-Buildings and Grounds
Priority	3-Sustaining
Useful Life	20 Years
Origination	Major Maintenance
User Department	Fire
Coordinator	Fire
Current Budget	\$ -
Initial Proposal Date	2019
Design Work	2019
Project Work	2020
Reoccurrence	2035 (First Renovation)
Asset Valuation	\$ -
Last Deferred	2009
Last Incurred	N/A
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

**Location** Fire Station 26

**Issue** Fire Station 26 was built in 1980. The fire station has been remodeled a number of times including an administrative wing addition in 1993. The 2014 and 2017 space needs assessments, both defined the need for both renovated and additional space.

**Solution** Wold Architects recommended a major renovation (7,000 sq ft/\$301,00) and adding an additional 1,500 square feet (\$1,175,000). The apparatus bays and support areas would be remodeled but would remain substantially the same. Other costs identified by Wold included Soft Costs (\$265,152), Facility analysis (\$733,600), Furniture & Equipment (\$50,000) and contingency (\$220,960) for a total of \$2,745,712.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ -	\$ 2,745,712	\$ -	\$ -	\$ -	\$ -	2,745,712
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 2,745,712	\$ 2,995,712	





## Public Works Facility



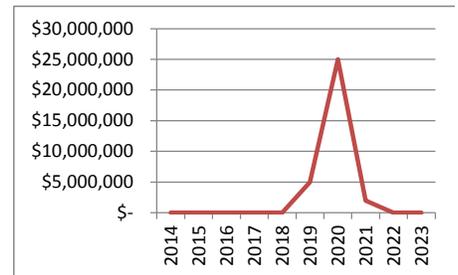
Project #	1012
Category	1-Buildings and Grounds
Priority	2-Essential
Useful Life	40 Years
Origination	New
User Department	PW
Coordinator	PW
Current Budget	\$ -
Initial Proposal Date	2019
Design Work	2019
Project Work	2020-2021
Reoccurrence	2035 (First Renovation)
Asset Valuation	\$ 30,000,000
Last Deferred	2008-2018
Last Incurred	N/A
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

**Location** TBD

**Issue** The Public Service Center was constructed in 1976, with major remodeling in 1988 and 1992. Major building additions have been deferred since 2007.

**Solution** Public Works has outgrown both its facility and the yard space available on the current parcel as discussed in detail in the 2017 Facility Space Needs Assessment. This project would move Public Works to a new site, with all associated land acquisition, land development, and building expenses. Land Acquisition, planning and engineering are programmed for 2019, with major facility construction programmed for 2020.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 5,000,000	\$ 25,000,000	\$ 2,000,000	\$ -	\$ -	\$ 32,000,000	
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 32,000,000	\$ 32,250,000	





## Village Hall - Office Remodel

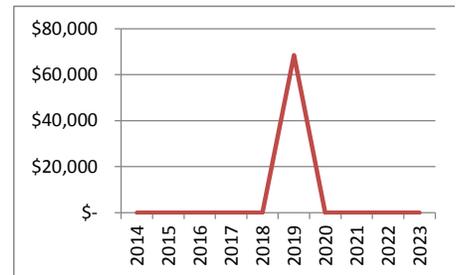


Project #	1013
Category	1-Buildings and Grounds
Priority	4-Contributory
Useful Life	15 Years
Origination	Major Maintenance
User Department	OVM
Coordinator	PW
Current Budget	\$ -
Initial Proposal Date	2019
Design Work	2019
Project Work	2019
Reoccurrence	2034
Asset Valuation	\$ 3,847,200
Last Deferred	N/A
Last Incurred	N/A
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

<b>Location</b>	Village Hall
<b>Issue</b>	Village Hall was built in 1970 and underwent major renovations in 1988 and 1993. With the OVM office area due for remodeling, rearrangement of workspaces and security improvements through keycard access control are requested.

<b>Solution</b>	Project would include design work, construction, and key card access control for the space. Design and construction are being programmed for 2019.
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10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 68,425	\$ -	\$ -	\$ -	\$ -	\$ -	68,425
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ 4,300,000	\$ -	\$ -	\$ 4,300,000	\$ 68,425	\$ 4,368,425	





## Fire Station 25 Replacement



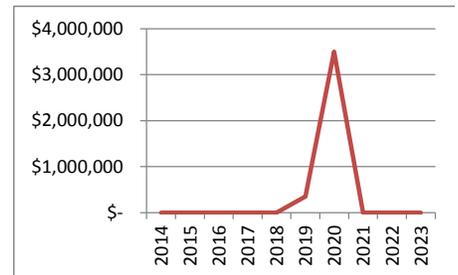
Project #	1014
Category	1-Buildings and Grounds
Priority	4-Contributory
Useful Life	40 Years
Origination	New
User Department	Fire
Coordinator	Fire
Current Budget	\$ -
Initial Proposal Date	2019
Design Work	2019
Project Work	2020
Reoccurrence	2060
Asset Valuation	\$ 4,457,930
Last Deferred	N/A
Last Incurred	N/A
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

**Location** Fire Station 25

**Issue** Fire Station 25 was built in 1972 and underwent major renovations in 1992, 1997, and 2004. As Buffalo Grove and surrounding communities grew, the location of the fire station is not optimal for fire and EMS response times. The building and infrastructure is 44 years old.

**Solution** Relocating and building a replacement Fire Station 25 would provide a building that would be more energy efficient, designed for its intended purpose as a full time fire station, would better serve the citizens by being better located for the current Buffalo Grove boundaries and would have a useful life of 50 years. Construction costs are based on a 10,000 square foot fire station at \$350 per square foot. Costs do not include the property values of the current Fire Station 25 location and its relocated property.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 350,000	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 3,850,000	
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ -	\$ -	\$ -	\$ -	\$ 3,850,000	\$ 3,850,000	





## Golf Course Improvements



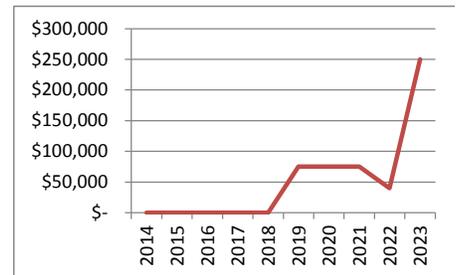
Project #	2001
Category	2-Golf Course Improvements
Priority	3-Sustaining
Useful Life	20 Years
Origination	Major Maintenance
User Department	Golf
Coordinator	Golf
Current Budget	\$ 25,000
Initial Proposal Date	2016
Design Work	2019
Project Work	2019
Reoccurrence	2039
Asset Valuation	\$ -
Last Deferred	N/A
Last Incurred	N/A
Fund	Golf Reserves
Account Number	0

**Location** Golf Courses

**Issue** Due to the age of the courses, several land restoration projects are needed to maintain golfability.

**Solution** In 2019 through 2021, a three year project to restore all 69 sand traps at Arboretum is being programed (\$75k each year). Proposed for 2022 is the design for the removal of sediment from the pond at the 15th hole at Arboretum (\$40k) with construction planned for 2023 (\$250k).

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 75,000	\$ 75,000	\$ 75,000	\$ 40,000	\$ 250,000	\$ 515,000	
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ -	\$ -	\$ -	\$ -	\$ 515,000	\$ 515,000	





## Golf Course Irrigation Improvements



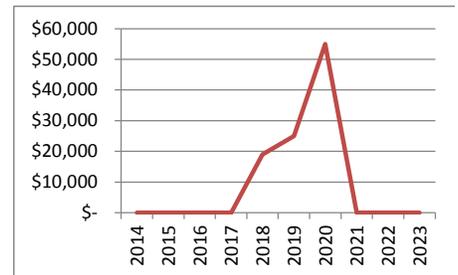
Project #	2002
Category	2-Golf Course Improvements
Priority	3-Sustaining
Useful Life	20 Years
Origination	Major Maintenance
User Department	Golf
Coordinator	Golf
Current Budget	\$ 33,000
Initial Proposal Date	2016
Design Work	2019
Project Work	2019
Reoccurrence	2039
Asset Valuation	\$ -
Last Deferred	N/A
Last Incurred	N/A
Fund	Golf Reserves
Account Number	0

**Location** Golf Courses

**Issue** Irrigation repairs and piping replacements are due at both golf courses.

**Solution** For 2019, the irrigation pumps at Arboretum are planned for replacement. Additional work to irrigation pumps and control systems is being programmed through 2020.

10 Year Financial Trend



<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ -	\$ -	\$ -	\$ -	\$ 19,000	\$ 19,000
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ 25,000	\$ 55,000	\$ -	\$ -	\$ -	\$ 80,000
		Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
	Long Term	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000





## Golf Course Parking Lot Maintenance

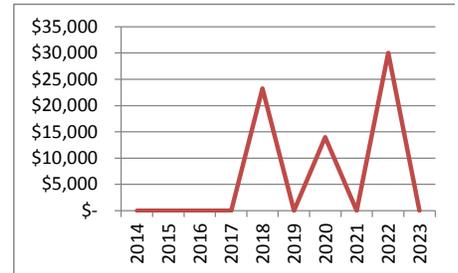


Project #	2003
Category	2-Golf Course Improvements
Priority	3-Sustaining
Useful Life	20 Years
Origination	Major Maintenance
User Department	Golf
Coordinator	Engineering
Current Budget	\$ -
Initial Proposal Date	2018
Design Work	2019
Project Work	2019
Reoccurrence	2039
Asset Valuation	\$ -
Last Deferred	N/A
Last Incurred	N/A
Fund	Golf Reserves
Account Number	0

<b>Location</b>	Golf Courses
<b>Issue</b>	Golf course parking lots require routine sealing, restriping, and reconstruction in order to maintain driveability. This includes two lots at BGGC and one lot at Arboretum. In total, 231,372 sqft of parking lot requires ongoing maintenance.

<b>Solution</b>	The 2018 improvements included the Buffalo Grove Golf Course main lot maintenance (\$8k) and Arboretum Golf Course parking lot maintenance (\$15k). There are no improvements scheduled for 2019.
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10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ 23,225	\$ 23,225
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ -	\$ 14,000	\$ -	\$ 30,000	\$ -	\$ 44,000	
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ 40,000	\$ 25,000	\$ 25,000	\$ 90,000	\$ 44,000	\$ 134,000	





## Annual Sidewalk/Bike Path Maintenance



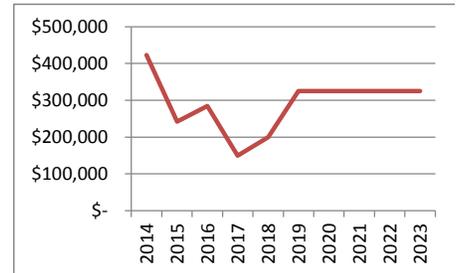
Project #	3001
Category	3-Street, Sidewalk & Bikepath
Priority	1-Mandatory
Useful Life	30 Years
Origination	Major Maintenance
User Department	PW
Coordinator	Engineering
Current Budget	\$ 200,000
Initial Proposal Date	Ongoing
Design Work	2018
Project Work	2019
Reoccurrence	Yearly
Asset Valuation	\$ 26,913,277
Last Deferred	2017 (\$125,000)
Last Incurred	2017 (\$200,000)
Fund	General Fund
Account Number	100.55.10.535.05

**Location** Village Right of Way

**Issue** A sidewalk and bikepath repair program helps maintain the pedestrian and bicycle routes within the village

**Solution** The Village performs an annual sidewalk and bikepath maintenance program. The 2019 project is currently focusing on sidewalk and bikepath repair located primarily in the southern section of the Village.

10 Year Financial Trend



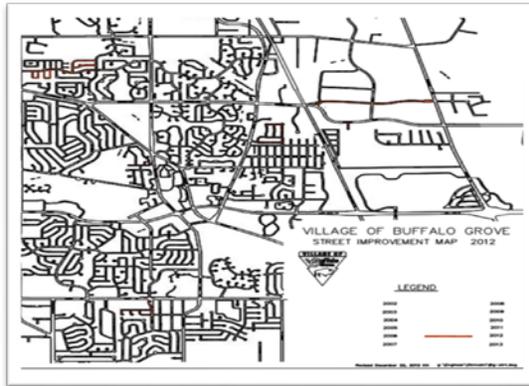
**Financial Impact**

	2014	2015	2016	2017	(Estimated) 2018	Historical
Historical	\$ 422,421	\$ 242,094	\$ 284,223	\$ 150,000	\$ 200,000	\$ 1,298,738
	2019	2020	2021	2022	2023	Short Term
Short Term	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 1,625,000
	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
Long Term	\$ 1,625,000	\$ 1,750,000	\$ 1,750,000	\$ 5,125,000	\$ 1,625,000	\$ 6,750,000





## Annual Street Maintenance



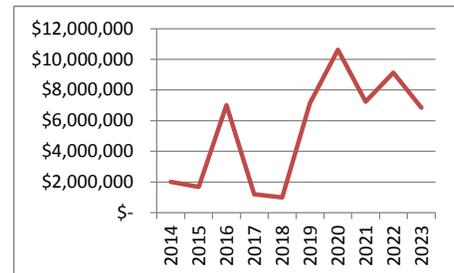
Project #	3002
Category	3-Street, Sidewalk & Bikepath
Priority	3-Sustaining
Useful Life	20 Years
Origination	Major Maintenance
User Department	Engineering
Coordinator	Engineering
Current Budget	\$ 1,000,000
Initial Proposal Date	Ongoing
Design Work	2018
Project Work	2019
Reoccurrence	Yearly
Asset Valuation	\$ 190,080,000
Last Deferred	2017 (\$3,800,000)
Last Incurred	2017 (1,200,000)
Fund	Capital Projects - Streets
Account Number	160.75.560.20

**Location** Village Right of Way

**Issue** The Villages streets need to be maintained on a reoccurring basis.

**Solution** The annual street maintenance and rehabilitation program is covered in each year's CIP. The Village streets are reviewed annual and evaluated for all types of maintenance or improvement, with the annual budgetary need set at about \$9,504,000 per year.

10 Year Financial Trend



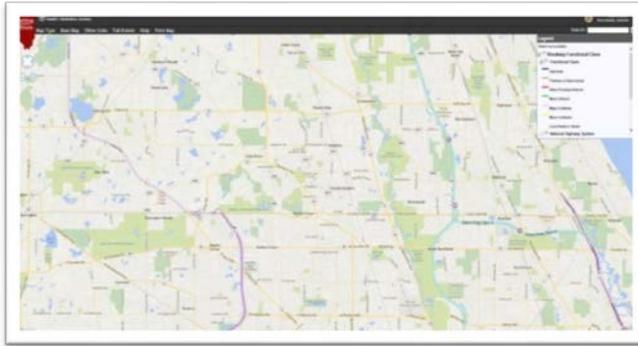
**Financial Impact**

	2014	2015	2016	2017	(Estimated) 2018	Historical
Historical	\$ 2,014,665	\$ 1,688,228	\$ 7,011,616	\$ 1,201,000	\$ 1,000,000	\$ 12,915,509
	2019	2020	2021	2022	2023	Short Term
Short Term	\$ 7,140,000	\$ 10,633,200	\$ 7,251,600	\$ 9,123,600	\$ 6,856,000	\$ 41,004,400
	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
Long Term	\$ 33,085,200	\$ 20,000,000	\$ 20,000,000	\$ 73,085,200	\$ 41,004,400	\$ 114,089,600





## Collector Route Maintenance & Rehabilitation Project



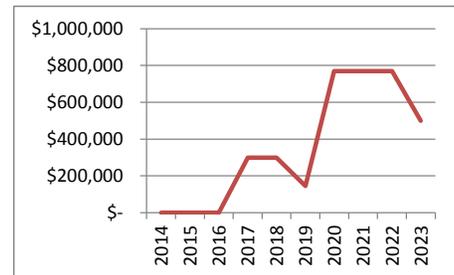
Project #	3003
Category	3-Street, Sidewalk & Bikepath
Priority	3-Sustaining
Useful Life	20 Years
Origination	Major Maintenance
User Department	Engineering
Coordinator	Engineering
Current Budget	\$ 300,000
Initial Proposal Date	2017
Design Work	2017-2019
Project Work	2020-2021
Reoccurrence	Yearly
Asset Valuation	N/A
Last Deferred	N/A
Last Incurred	N/A
Fund	Capital Projects - Streets
Account Number	160.75.560.20

**Location** Village Right of Way

**Issue** The Villages streets need to be maintained on a reoccurring basis.

**Solution** 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 Blvd are in design for anticipated 2020 and 2021 construction and has been awarded \$10 million in grant funds. Bernard Drive is proposed to begin the Phase I process in 2019.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ 600,000
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 145,000	\$ 770,000	\$ 770,000	\$ 770,000	\$ 500,000	\$ 2,955,000	
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ 2,500,000	\$ 1,200,000	\$ 1,550,000	\$ 5,250,000	\$ 2,955,000	\$ 8,205,000	





## Lake Cook Road Improvement



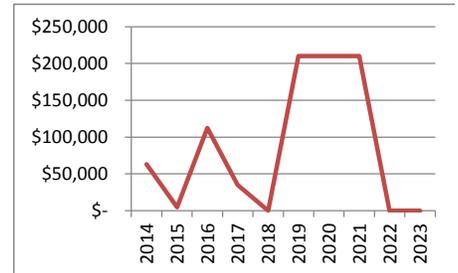
Project #	3004
Category	3-Street, Sidewalk & Bikepath
Priority	1-Mandatory
Useful Life	20 Years
Origination	Major Maintenance
User Department	Engineering
Coordinator	Engineering
Current Budget	\$ -
Initial Proposal Date	2008
Design Work	2008-2018
Project Work	2018-2021
Reoccurrence	N/A
Asset Valuation	N/A
Last Deferred	N/A
Last Incurred	2017
Fund	Capital Projects - Streets
Account Number	160.75.560.20

**Location** County Right of Way

**Issue** The Cook County Highway Department is planning on improving Lake Cook Road from Lexington Drive to Raupp Blvd.

**Solution** 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 Grant which reduced the total to \$630,000 over three years.

10 Year Financial Trend



<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ 63,000	\$ 5,000	\$ 112,556	\$ 35,000	\$ -	\$ 215,556
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ 210,000	\$ 210,000	\$ 210,000	\$ -	\$ -	\$ 630,000
		Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
	Long Term	\$ -	\$ -	\$ -	\$ -	\$ 630,000	\$ 630,000





## Weiland/Prairie Road Improvements



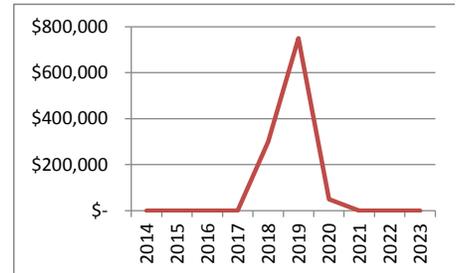
Project #	3005
Category	3-Street, Sidewalk & Bikepath
Priority	1-Mandatory
Useful Life	20 Years
Origination	Major Maintenance
User Department	Engineering
Coordinator	Engineering
Current Budget	\$ 300,000
Initial Proposal Date	2008
Design Work	2008-2018
Project Work	2018-2020
Reoccurrence	N/A
Asset Valuation	N/A
Last Deferred	N/A
Last Incurred	2013
Fund	Capital Projects - Streets
Account Number	160.75.560.20

**Location** County Right of Way

**Issue** The Lake County Department of Transportation is planning on improving Weiland Road and Prairie Road from Route 22 to Lake Cook Road.

**Solution** The Village is responsible for a local share of the cost for such items as pedestrian facilities, street lights, and utility relocations.

10 Year Financial Trend



<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ 750,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 800,000
		Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
	Long Term	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ 800,000





## Municipal Parking Facility Maintenance



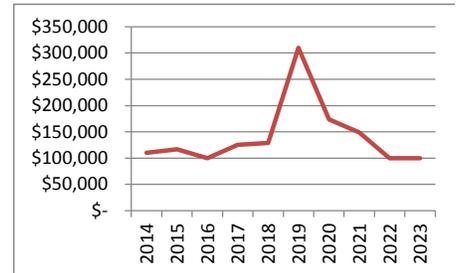
Project #	3006
Category	3-Street, Sidewalk & Bikepath
Priority	3-Sustaining
Useful Life	20 Years
Origination	Major Maintenance
User Department	Engineering
Coordinator	Engineering
Current Budget	\$ 276,850
Initial Proposal Date	Ongoing
Design Work	2018
Project Work	2019
Reoccurrence	Yearly
Asset Valuation	\$ -
Last Deferred	N/A
Last Incurred	N/A
Fund	Capital Projects - Facilities
Account Number	150.75.560.30

**Location** Village Parking Lots

**Issue** Routine sealing, restriping, and reconstruction of municipal lots is required.

**Solution** The 2019 planned improvements include parking lots at the Metra Station (\$30k), Police Station (\$50k), the Public Service Center (\$185k), Fire Station #25 (50k) and #26 (\$3k), and Village Reservoirs #1, #2, and #6 (\$2k).

10 Year Financial Trend



<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ 110,000	\$ 116,828	\$ 99,787	\$ 125,000	\$ 129,187	\$ 580,802
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ 310,000	\$ 174,000	\$ 149,000	\$ 100,000	\$ 100,000	\$ 833,000
		Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
	Long Term	\$ 625,000	\$ 700,000	\$ 750,000	\$ 2,075,000	\$ 833,000	\$ 2,908,000





## Storm Water System Upgrades



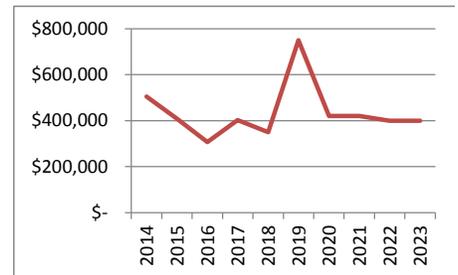
Project #	4001
Category	4-Storm Water Management
Priority	2-Essential
Useful Life	50 Years
Origination	Major Maintenance
User Department	PW
Coordinator	Engineering
Current Budget	\$ 300,000
Initial Proposal Date	Ongoing
Design Work	2018
Project Work	2019
Reoccurrence	Yearly
Asset Valuation	\$ 250,078,002
Last Deferred	N/A
Last Incurred	2017
Fund	General Fund
Account Number	100.55.25.560.40

**Location** Village Easements and ROW

**Issue** The storm sewer system requires annual maintenance.

**Solution** This program provides for the annual televising inspection program and the resulting storm sewer lining, point repairs, or replacements at priority locations within the Village's storm sewer network as identified through this program. Additionally, this includes the rear yard storm sewer repairs, repairs associated with road improvement projects by the Village as well as other jurisdictions and limited streambank restoration efforts. The 2019 amount also includes \$170,000 for a storm water study.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ 505,031	\$ 408,162	\$ 307,639	\$ 402,239	\$ 349,660	\$ 2,506,071
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 750,000	\$ 420,000	\$ 420,000	\$ 400,000	\$ 400,000	\$ 2,390,000	
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ 2,125,000	\$ 2,250,000	\$ 3,500,000	\$ 7,875,000	\$ 2,390,000	\$ 10,265,000	





## SCADA Improvements



Project #	5001
Category	5-Technology
Priority	2-Essential
Useful Life	8 Years
Origination	Major Maintenance
User Department	PW
Coordinator	PW
Current Budget	\$ -
Initial Proposal Date	2012
Design Work	2013
Project Work	2014-2020
Reoccurrence	Yearly
Asset Valuation	\$ 1,500,000
Last Deferred	2017-2018
Last Incurred	2016
Fund	Water & Sewer Fund
Account Number	170.55.35.560.60

**Location** Public Works Infrastructure

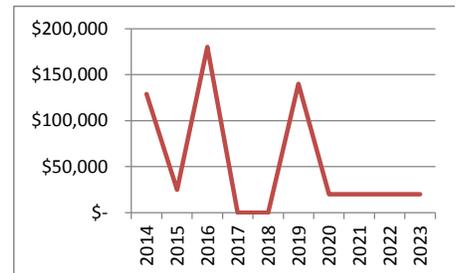
### Issue

Improvements and component upgrades are detailed in the SCADA System Master Plan. Supervisory Control and Data Acquisition are a vital function of both the water pumping stations and sanitary lift stations.

### Solution

This work was deferred in 2017 and 2018, and is being requested again in 2019. Work is needed for hardware and software 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.

10 Year Financial Trend



### Financial Impact

	2014	2015	2016	2017	(Estimated) 2018	Historical
Historical	\$ 129,042	\$ 25,000	\$ 180,000	\$ -	\$ -	\$ 334,042
	2019	2020	2021	2022	2023	Short Term
Short Term	\$ 140,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 220,000
	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
Long Term	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	\$ 220,000	\$ 520,000





# Laserfiche



Project # 5003  
 Category 5-Technology  
 Priority 2-Essential

Useful Life 5 Years  
 Origination Scheduled Upgrades  
 User Department IT  
 Coordinator IT

Current Budget \$ -  
 Initial Proposal Date 0  
 Design Work 2018  
 Project Work 2019  
 Reoccurrence 2024

Asset Valuation \$ -  
 Last Deferred N/A  
 Last Incurred N/A

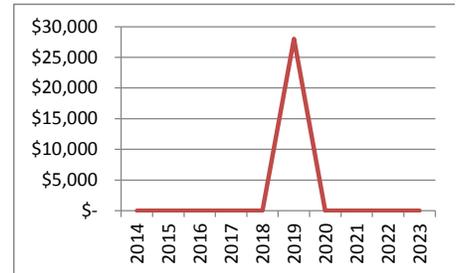
Fund IT Fund  
 Account Number 211.92.555.40

**Location** Village Network

**Issue** In order to maintain Laserfiche functionality through upgrade cycles, and also to open up a public portal to access Freedom of Information Act (FOIA) documents, infrastructure upgrades are needed.

**Solution** Laserfiche required upgrades include file storage (9TB for \$15,000), Server 2016 licensing (\$3500), SQL Server 2018 (\$4500), plus training and authorized reseller support.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 28,000	\$ -	\$ -	\$ -	\$ -	\$ -	28,000
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ -	\$ -	\$ -	\$ -	\$ 28,000	\$ 28,000	





## Microsoft Licensing



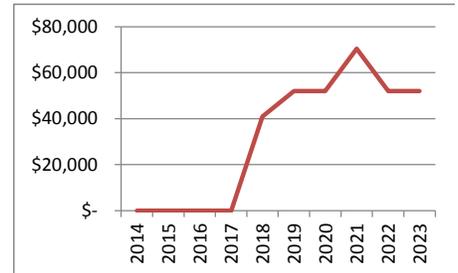
Project #	5004
Category	5-Technology
Priority	2-Essential
Useful Life	5 Years
Origination	Scheduled Upgrades
User Department	IT
Coordinator	IT
Current Budget	\$ -
Initial Proposal Date	0
Design Work	2018
Project Work	2019
Reoccurrence	2024
Asset Valuation	\$ -
Last Deferred	2015
Last Incurred	2010
Fund	IT Fund
Account Number	211.92.555.40

<b>Location</b>	Village Network
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<b>Issue</b>	Microsoft software requires regular updates. The office suite was last upgraded in 2010.
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<b>Solution</b>	For 2019, IT will migrate to Office 365. 250 licenses will cost \$52,000 per year.
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10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ 41,000	\$ 41,000
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 52,000	\$ 52,000	\$ 70,450	\$ 52,000	\$ 52,000	\$ 278,450	
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000	\$ 278,450	\$ 1,028,450	





## Multiple Area Network



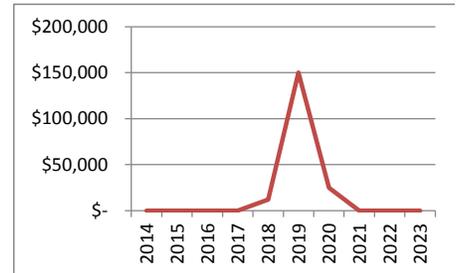
Project #	5005
Category	5-Technology
Priority	2-Essential
Useful Life	7 Years
Origination	Major Maintenance
User Department	IT
Coordinator	IT
Current Budget	\$ -
Initial Proposal Date	2018
Design Work	2018
Project Work	2018-2019
Reoccurrence	2026
Asset Valuation	\$ 200,000
Last Deferred	N/A
Last Incurred	0
Fund	IT Fund
Account Number	211.92.555.40

**Location** Antenna Towers

**Issue** The current Radwin network is experiencing issues due to bandwidth limitations.

**Solution** All four sectors require new antennas.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000
	Short Term	2019	2020	2021	2022	2023	Short Term
		\$ 150,000	\$ 25,000	\$ -	\$ -	\$ -	\$ 175,000
	Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
		\$ 200,000	\$ 250,000	\$ 300,000	\$ 750,000	\$ 175,000	\$ 925,000





## Police Mobile Computers



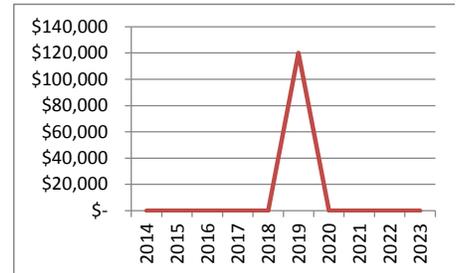
Project #	5006	
Category	5-Technology	
Priority	2-Essential	
Useful Life	5 Years	
Origination	Major Maintenance	
User Department	Police	
Coordinator	IT	
Current Budget	\$	-
Initial Proposal Date	2013	
Design Work	2018	
Project Work	2019	
Reoccurrence	2024	
Asset Valuation	\$	120,000
Last Deferred	N/A	
Last Incurred	2013	
Fund	DUI Fund	
Account Number	211.92.555.40	

**Location** Police Vehicles

**Issue** Ruggedized laptops in the Police vehicles are on a 5 year replacement schedule per the standards set by the GovIT Consortium. In 2019, new CAD software will be implemented by Northwest Central Dispatch.

**Solution** In conjunction with the CAD implementation in 2019, all twenty-two mobile laptops in the Police vehicles are up for replacement. The current computers will be 7 years old at the time of replacement. In addition, there may be other hardware needs as the CAD system is implemented.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
		\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000
	Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
		\$ 120,000	\$ 120,000	\$ 120,000	\$ 360,000	\$ 120,000	\$ 480,000





## Server Replacements



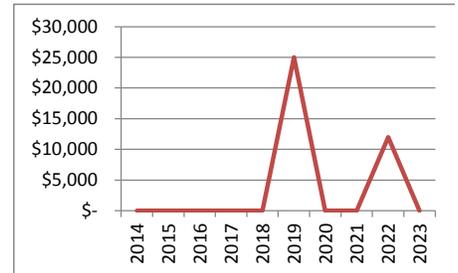
Project #	5007
Category	5-Technology
Priority	2-Essential
Useful Life	5 years
Origination	Scheduled Upgrades
User Department	IT
Coordinator	IT
Current Budget	\$ -
Initial Proposal Date	2019
Design Work	2019
Project Work	2019
Reoccurrence	2024
Asset Valuation	\$ 100,000
Last Deferred	2017
Last Incurred	2016
Fund	IT Fund
Account Number	211.92.555.40

**Location** Village Network

**Issue** Computer Server Rack Equipment is scheduled for replacement on a 5 year cycle.

**Solution** For 2019, three servers are up for replacement. They will be replaced by two upgraded servers at \$12,500 each.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
		\$ 25,000	\$ -	\$ -	\$ 12,000	\$ -	\$ 37,000
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000	\$ 37,000	\$ 187,000	





## Telephone System



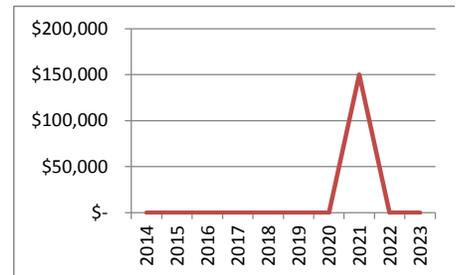
Project #	5009
Category	5-Technology
Priority	2-Essential
Useful Life	10 Years
Origination	Scheduled Upgrades
User Department	IT
Coordinator	IT
Current Budget	\$ -
Initial Proposal Date	0
Design Work	2020
Project Work	2021
Reoccurrence	2031
Asset Valuation	\$ 150,000
Last Deferred	N/A
Last Incurred	2010
Fund	IT Fund
Account Number	211.92.555.40

**Location** Village Facilities

**Issue** The telephone system was installed in 2011 and will need to be upgraded in 2021.

**Solution** This project plans to begin the search for the next phone system in 2020 in order to budget for Villagewide replacement in 2021.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ 150,000	
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	\$ 300,000	





## Antenna Towers



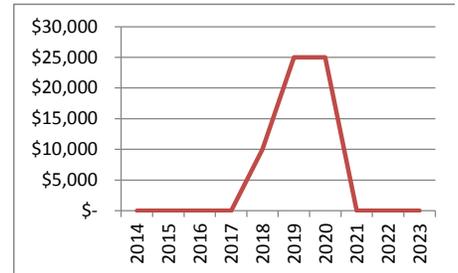
Project #	5011
Category	5-Technology
Priority	2-Essential
Useful Life	30 Years
Origination	Major Maintenance
User Department	IT
Coordinator	IT
Current Budget	\$ -
Initial Proposal Date	2018
Design Work	2019
Project Work	2020
Reoccurrence	2050
Asset Valuation	\$ -
Last Deferred	N/A
Last Incurred	N/A
Fund	IT Fund
Account Number	211.92.555.40

**Location** Various Village Sites

**Issue** There are nine (9) antenna towers installed at Village facilities. These towers need regular inspection and maintenance.

**Solution** For 2019, IT will coordinate a review and engineering inspection of all tower sites so that any major upcoming maintenance work or replacements can be scheduled for 2020 and beyond.

10 Year Financial Trend

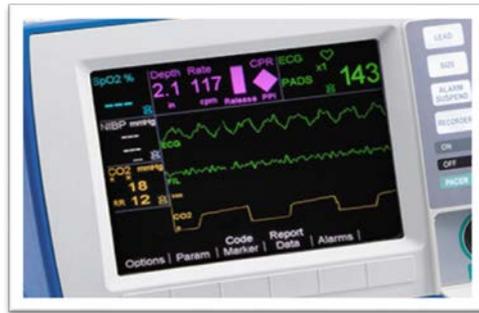


<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ 50,000
		Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
	Long Term	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	\$ 50,000	\$ 350,000





## Fire - Cardiac Monitors



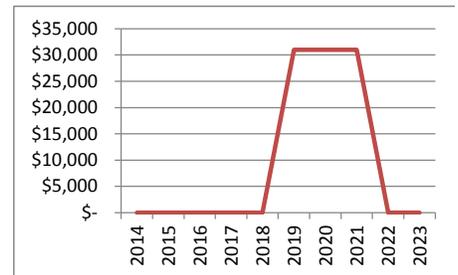
Project #	5012
Category	5-Technology
Priority	2-Essential
Useful Life	10 Years
Origination	Scheduled Upgrades
User Department	Fire
Coordinator	Fire
Current Budget	\$ -
Initial Proposal Date	2019
Design Work	2019
Project Work	2019-2021
Reoccurrence	2029
Asset Valuation	\$ 93,000
Last Deferred	N/A
Last Incurred	N/A
Fund	General Fund
Account Number	0

**Location** BGFD Fire Apparatus

**Issue** The cardiac monitors in use on the fire apparatus are at the end of their useful life. The fire apparatus cardiac monitors are not capable of providing real time recording of a cardiac event.

**Solution** Purchase one replacement cardiac monitor each year for the next three years to upgrade the Advanced Life Support capabilities of the fire apparatus.

10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
		\$ 31,000	\$ 31,000	\$ 31,000	\$ -	\$ -	\$ 93,000
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ -	\$ 93,000	\$ -	\$ 93,000	\$ 93,000	\$ 186,000	





## Fire - EOC Radio Replacement

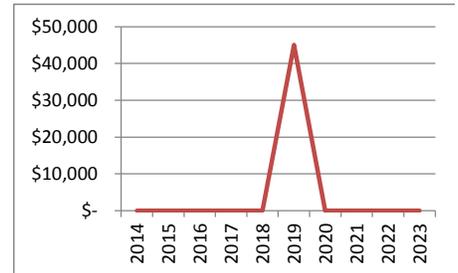


Project #	5013
Category	5-Technology
Priority	3-Sustaining
Useful Life	10 Years
Origination	Scheduled Upgrades
User Department	Fire
Coordinator	Fire
Current Budget	\$ -
Initial Proposal Date	2019
Design Work	2019
Project Work	2019
Reoccurrence	2029
Asset Valuation	\$ 45,000
Last Deferred	N/A
Last Incurred	N/A
Fund	General Fund
Account Number	0

<b>Location</b>	Emergency Management Agency
<b>Issue</b>	The radios in MobileComm and the EOC are at the end of their useful life. For the Village to effectively respond to and mitigate a variety of natural and man made events, the ability to provide communications is critical to life safety and property conservation.

<b>Solution</b>	MobileComm (8 radios), Emergency Operations Center (8 radios), and two spare radios (1-UHF, 1-VHF) radios are being requested for replacement in 2019.
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10 Year Financial Trend



<b>Financial Impact</b>	Historical	2014	2015	2016	2017	(Estimated) 2018	Historical
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Short Term	2019	2020	2021	2022	2023	Short Term
	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000	
Long Term	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year	
	\$ -	\$ 45,000	\$ -	\$ 45,000	\$ 45,000	\$ 90,000	





## Capacity Management Operations and Maintenance



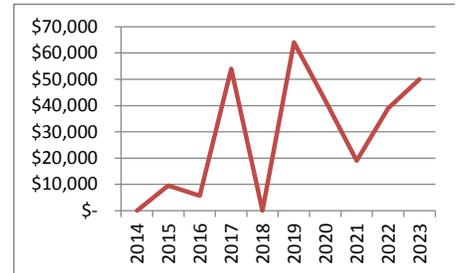
Project #	6001
Category	6-Water & Sanitary Sewer
Priority	1-Mandatory
Useful Life	Ongoing
Origination	MWRD Requirement
User Department	PW
Coordinator	PW
Current Budget	\$ 54,000
Initial Proposal Date	2017
Design Work	N/A
Project Work	2018-2022
Reoccurrence	Yearly
Asset Valuation	\$ 300,000
Last Deferred	N/A
Last Incurred	2017
Fund	Water & Sewer Fund
Account Number	170.55.35.560.70

**Location** Cook County Sewer System

**Issue** 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.

**Solution** 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.

**10 Year Financial Trend**



**Financial Impact**

	2014	2015	2016	2017	(Estimated) 2018	Historical
Historical	\$ -	\$ 9,600	\$ 5,700	\$ 54,000	\$ -	\$ 69,300
	2019	2020	2021	2022	2023	Short Term
Short Term	\$ 64,000	\$ 42,000	\$ 19,000	\$ 39,000	\$ 50,000	\$ 214,000
	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
Long Term	\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000	\$ 214,000	\$ 964,000





## Lift Station Repair and Rehabilitation



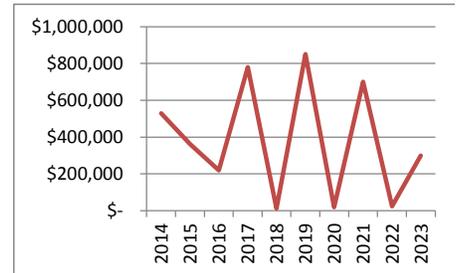
Project #	6002
Category	6-Water & Sanitary Sewer
Priority	2-Essential
Useful Life	30 Years
Origination	Major Maintenance
User Department	PW
Coordinator	PW
Current Budget	\$ 70,000
Initial Proposal Date	2001
Design Work	2018
Project Work	2019
Reoccurrence	Yearly
Asset Valuation	\$ 7,000,000
Last Deferred	2018 (\$370,000)
Last Incurred	2018 (\$12,000)
Fund	Water & Sewer Fund
Account Number	170.55.35.560.70

**Location** Twelve Lift Station Sites

**Issue** Chatham Lift Station has reached end of life and will need to be replaced or rehabilitated depending on the results of the 2018 engineering study.

**Solution** This program continues the work identified at the Village's 12 lift station sites, such as condition evaluations, pump repairs, cathodic protection system renovations, maintenance lift repairs, and contractural painting. In 2018, design for rehabilitation of Chatham Lift Station will be completed and major construction is planned for 2019. Over the next 20 years, 9 more lift stations are planned for review and rehabilitation.

10 Year Financial Trend



<b>Financial Impact</b>		2014	2015	2016	2017	(Estimated) 2018	Historical
	Historical	\$ 530,000	\$ 363,432	\$ 220,000	\$ 780,000	\$ 12,000	\$ 1,905,432
		2019	2020	2021	2022	2023	Short Term
	Short Term	\$ 850,000	\$ 20,000	\$ 700,000	\$ 25,000	\$ 300,000	\$ 1,895,000
		Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
	Long Term	\$ 662,000	\$ 1,350,000	\$ 1,500,000	\$ 3,512,000	\$ 1,895,000	\$ 5,407,000





## Pump House Repairs and Upgrades



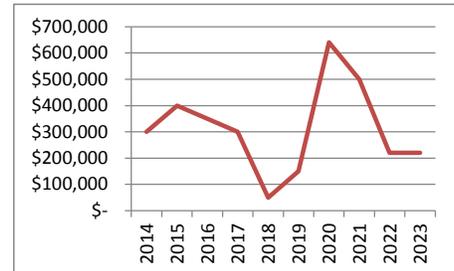
Project #	6003
Category	6-Water & Sanitary Sewer
Priority	3-Sustaining
Useful Life	50 Years
Origination	Major Maintenance
User Department	PW
Coordinator	PW
Current Budget	\$ 300,000
Initial Proposal Date	2010
Design Work	2019
Project Work	2019
Reoccurrence	Yearly
Asset Valuation	\$ 30,000,000
Last Deferred	N/A
Last Incurred	2017
Fund	Water & Sewer Fund
Account Number	170.55.35.560.60

**Location** Four Water Pumping Stations

**Issue** Pump House repair projects were identified in the 2008 Comprehensive Water Study Update and improvements identified in the federally mandated vulnerability study. In addition, two back-up deep aquifer wells will require maintenance in the next five years.

**Solution** In 2019, 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 2019 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 2020. Well maintenance at Stations #1 and #2 are being programmed at this time for completion in future years 2020 and 2021.

10 Year Financial Trend



**Financial Impact**

	2014	2015	2016	2017	(Estimated) 2018	Historical
Historical	\$ 300,000	\$ 400,000	\$ 350,000	\$ 300,000	\$ 50,000	\$ 1,400,000
	2019	2020	2021	2022	2023	Short Term
Short Term	\$ 150,000	\$ 640,000	\$ 500,000	\$ 220,000	\$ 220,000	\$ 1,730,000
	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
Long Term	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 5,000,000	\$ 1,730,000	\$ 6,730,000





## Villagewide Sanitary Sewer Replacement



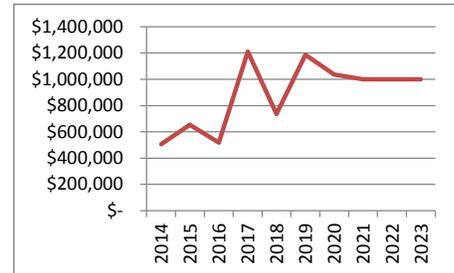
Project #	6004
Category	6-Water & Sanitary Sewer
Priority	3-Sustaining
Useful Life	75 Years
Origination	Major Maintenance
User Department	Engineering
Coordinator	Engineering
Current Budget	\$ 735,000
Initial Proposal Date	2012
Design Work	2018
Project Work	2019
Reoccurrence	Yearly
Asset Valuation	\$ 172,920,000
Last Deferred	N/A
Last Incurred	2017
Fund	Water & Sewer Fund
Account Number	170.55.35.560.70

**Location** Village Right of Way and Easements

**Issue** A program is needed to maintain sanitary sewer systems which have a projected life of 60 years.

**Solution** This program provides for sanitary sewer lining, point repairs, or replacements as identified through the sewer televising program and from maintenance and flushing reports. Funding is being requested for sanitary sewer lining and manhole repair (\$1,000,000 per year for 30 years). The annual sewer televising program is planned to review approximately 10% of the total Village's sanitary sewer system (\$100k). For major road work 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 2019.

10 Year Financial Trend



**Financial Impact**

	2014	2015	2016	2017	(Estimated) 2018	Historical
Historical	\$ 505,031	\$ 652,934	\$ 517,346	\$ 1,210,000	\$ 735,000	\$ 3,620,311
	2019	2020	2021	2022	2023	Short Term
Short Term	\$ 1,185,000	\$ 1,035,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,220,000
	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
Long Term	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 15,000,000	\$ 5,220,000	\$ 20,220,000





## Villagewide Water Main Replacement



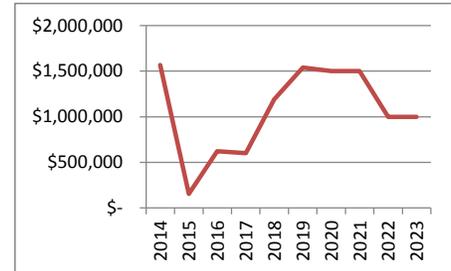
Project #	6005
Category	6-Water & Sanitary Sewer
Priority	3-Sustaining
Useful Life	60 Years
Origination	Major Maintenance
User Department	Engineering
Coordinator	Engineering
Current Budget	\$ 1,190,000
Initial Proposal Date	2012
Design Work	2018
Project Work	2019
Reoccurrence	Yearly
Asset Valuation	\$ 207,600,000
Last Deferred	N/A
Last Incurred	2017
Fund	Water & Sewer Fund
Account Number	170.55.35.560.60

**Location** Village Right of Way and Easements

**Issue** Water mains have reached the end of their useful life throughout the Village.

**Solution** Upcoming projects are adding a second water main feed near Aptakisic Road and Prairie Road, a second feed near Lucinda Lane and the Mike Rylko Park 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 each year in 2019, 2020 and 2021. The estimated cost for relocation within Weiland Road is \$40k in 2019. An additional \$50k is proposed for water main leak detection in 2019.

10 Year Financial Trend



**Financial Impact**

	2014	2015	2016	2017	(Estimated) 2018	Historical
Historical	\$ 1,566,560	\$ 154,779	\$ 620,764	\$ 600,000	\$ 1,190,000	\$ 4,132,103
	2019	2020	2021	2022	2023	Short Term
Short Term	\$ 1,540,000	\$ 1,500,000	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000	\$ 6,540,000
	Year 6-10	Year 11-15	Year 16-20	Long Term	Short Term	Total 20 Year
Long Term	\$ 5,125,000	\$ 5,250,000	\$ 5,375,000	\$ 15,750,000	\$ 6,540,000	\$ 22,290,000



## RESERVE FOR CAPITAL REPLACEMENT - EQUIPMENT AND VEHICLES

The Village maintains specialized 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.

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. 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. Listed below are the capital equipment purchases in FY2019:

Unit #	Description of Current Unit	Department	Projected 2019 Replacement Cost
422	Dump Truck 32,000 GVW	Public Works - Street	\$220,300
430	Utility Truck - 3/4 Ton	Public Works - Central Garage	\$117,000
439	Dump Truck 32,000 GVW	Public Works - Street	\$220,300
E14	Boss Floor Scrubber	Public Works - Building Maintenance	\$20,000
F01	Extend a Jet Flusher	Public Works - Sewer	\$20,000
TR03	Extend a Jet Trailer	Public Works - Sewer	\$8,000
443	Dodge Sprinter	Public Works - Building Maintenance	\$44,000
TH1	Bobcat Compact Excavator	Public Works - Water	\$60,000
NEW	Dump Truck 32,000 GVW	Public Works - Water	\$97,500
713	Ford Explorer 4WD - PD Package	Police	\$38,000
717	Ford Explorer 4WD - PD Package	Police	\$38,000
729	Ford Explorer 4WD - PD Package	Police	\$38,000
237	Quint 237 Tower	Fire	\$1,500,000
299	Incident Command Van	Fire	\$100,000
294	Ford Explorer 4WD	Fire	\$30,000
748	Dodge Durango 4WD	Police (Seizure Funds)	\$34,000
<b>TOTAL</b>			<b>\$2,585,100</b>

All purchases listed above will be funded through the Village's capital reserve funds except unit 748 for the Police Department. The Village will utilize seizure funds to purchase the vehicle.

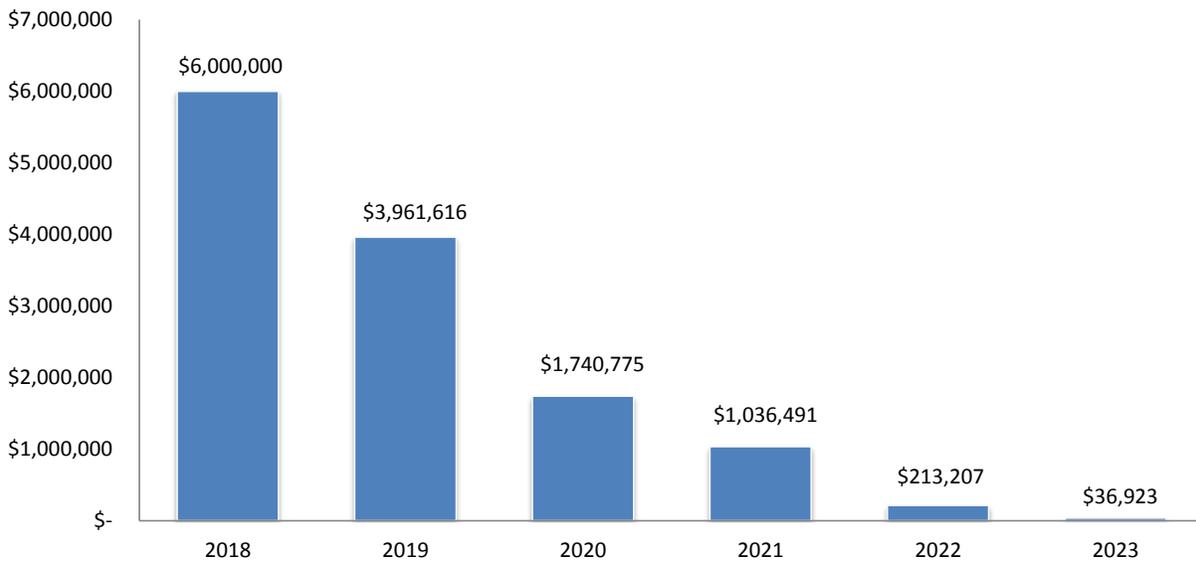
The 2019 budget includes a \$512,716 transfer to replenish the account. The Village projects to have a reserve balance for vehicle replacement of \$6 million as of December 31, 2018. The table below shows the projected vehicle replacement costs through 2023. It is important that the reserve be funded in order to minimize impact to future budgets.

## PLANNED CAPITAL RESERVE REPLACEMENTS BY DEPARTMENT - VEHICLES (IN DOLLARS)

Department	2019	2020	2021	2022	2023	Subtotal
<b>OVM</b>	-	17,557	-	-	-	<b>17,557</b>
<b>Fire</b>	1,630,000	780,000	690,000	315,000	535,000	<b>3,950,000</b>
<b>Police</b>	114,000	418,000	152,000	-	112,000	<b>796,000</b>
<b>Comm Development</b>	-	20,000	-	-	-	<b>20,000</b>
<b>Engineering</b>	-	70,000	-	-	42,000	<b>112,000</b>
<b>Building Maintenance</b>	64,000	38,000	45,000	-	-	<b>147,000</b>
<b>Streets</b>	440,600	247,000	170,000	230,000	-	<b>1,087,600</b>
<b>Forestry</b>	-	420,000	-	417,000	-	<b>837,000</b>
<b>Drainage</b>	-	500,000	160,000	-	-	<b>660,000</b>
<b>Water</b>	157,500	203,000	-	374,000	-	<b>734,500</b>
<b>Sanitary Sewer</b>	28,000	20,000	-	-	-	<b>48,000</b>
<b>Central Garage</b>	117,000	-	-	-	-	<b>117,000</b>
<b>Total</b>	<b>\$2,551,100</b>	<b>\$2,733,557</b>	<b>\$1,217,000</b>	<b>\$1,336,000</b>	<b>\$689,000</b>	<b>\$8,526,657</b>

The following graph projects the balance of the Reserve for Capital Replacement for Vehicles assuming a yearly funding level of \$512,716.

**Projected Reserve Balance - Vehicles**



# CAPITAL PROJECTS - STREETS FUND

Capital Projects – Streets is a program that funds for improvements, repair, and replacement of village roadways. The elements of this program have been identified and recommended as part of the Village’s Capital Improvement Plan. Proceeds for the street maintenance fund are funded through transfers from the General Fund.

## CAPITAL PROJECTS STREETS: REVENUE COLLECTION

Revenue for this fund comes from a transfer from the General Fund.

Fund: Cap Proj Streets	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18
Operating Transfers	1,049,727	1,537,950	360,000	360,000	1,105,000	206.94%
All other Revenue	6,125,000	-	-	-	-	0.00%
<b>Total</b>	<b>\$7,174,727</b>	<b>\$1,537,950</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$1,105,000</b>	<b>206.94%</b>

## SERVICE: STREET IMPROVEMENT AND REPAIR

The Village is responsible for street, curb, and gutter throughout the Village. The maintenance, repair, and replacement of these assets are funded through this fund.

Fund: Cap Proj Streets	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18
Personnel Wages	-	-	-	-	-	0.00%
Personnel Benefits	-	-	-	-	-	0.00%
Operating Expenses	13,588	-	-	-	-	0.00%
Commodities	-	-	-	-	-	0.00%
Repairs & Maintenance	-	-	-	-	-	0.00%
Capital Outlay	7,615,426	-	360,000	360,000	1,105,000	206.94%
Contractual Services	-	-	-	-	-	0.00%
<b>Total Street Repair and Maintenance</b>	<b>\$7,629,014</b>	<b>-</b>	<b>\$360,000</b>	<b>\$360,000</b>	<b>\$1,105,000</b>	<b>206.94%</b>

## STREETS VARIANCES

Capital Projects - Streets	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18	Comments
Capital Outlay	\$360,000	\$360,000	\$1,105,000	206.94%	Increase in available funding for capital projects

# CAPITAL PROJECTS - FACILITIES FUND

This fund provides for the accounting of design, acquisition, and construction costs of various Village capital facilities and equipment. The Village has multiple buildings and structures for which it is responsible for maintenance, repair, and replacement.

## CAPITAL PROJECTS FACILITIES : REVENUE COLLECTION

<b>Fund: Cap Proj Facilities</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>
Operating Transfers	928,356	875,147	701,768	990,000	535,195	-23.74%
All other Revenue	-	-	875,195	-	-	0.00%
<b>Total</b>	<b>\$928,356</b>	<b>\$875,147</b>	<b>1,576,963</b>	<b>\$990,000</b>	<b>\$535,195</b>	<b>-66.06%</b>

## SERVICE: FACILITIES MAINTENANCE

The identified projects have been previously planned for as part of the FY 2019 portion of the Village’s Capital Improvement Plan. Funding will come from General Fund operating reserves.

<b>Fund: Cap Proj Facilities</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>
Personnel Wages	-	-	-	-	-	0.00%
Personnel Benefits	-	-	-	-	-	0.00%
Operating Expenses	-	-	-	-	-	0.00%
Commodities	-	-	-	-	-	0.00%
Repairs & Maintenance	-	-	-	-	-	0.00%
Capital Outlay	846,995	875,147	1,576,963	700,000	535,195	-66.06%
Contractual Services	-	-	-	-	-	0.00%
<b>Total Street Repair and Maintenance</b>	<b>\$846,995</b>	<b>\$875,147</b>	<b>\$1,576,963</b>	<b>\$700,000</b>	<b>\$535,195</b>	<b>-66.06%</b>

## FACILITIES VARIANCES

<b>Capital Projects - Facilities</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>	<b>Comments</b>
Capital Outlay	\$1,576,963	\$700,000	\$535,195	-66.06%	Decrease in available funding for capital projects

# 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 Village-owned streets.

## MFT: REVENUE COLLECTION

Motor Fuel Tax is distributed through the Illinois Department of Transportation on a per capita basis.

<b>Fund: MFT</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>
State Shared Taxes	1,056,515	1,058,421	1,000,000	1,075,000	1,000,000	0.00%
Operating Transfers	-	-	-	-	-	0.00%
<b>Total</b>	<b>\$1,056,515</b>	<b>\$1,058,421</b>	<b>\$1,000,000</b>	<b>\$1,075,000</b>	<b>\$1,000,000</b>	<b>0.00%</b>

## 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.

<b>Fund: MFT</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>
Personnel Wages	-	-	-	-	-	0.00%
Personnel Benefits	-	-	-	-	-	0.00%
Operating Expenses	-	76,268	-	-	-	0.00%
Commodities	-	196,065	-	-	-	0.00%
Repairs & Maintenance	-	815,787	-	-	-	0.00%
Capital Outlay	1,282,619	-	1,000,000	1,200,000	1,500,000	50.00%
Contractual Services	-	-	-	-	-	0.00%
<b>Total Street Repair and Maintenance</b>	<b>\$1,282,619</b>	<b>\$1,088,120</b>	<b>\$1,000,000</b>	<b>\$1,200,000</b>	<b>\$1,500,000</b>	<b>50.00%</b>

## MOTOR FUEL TAX VARIANCES

<b>Motor Fuel Tax</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>	<b>Comments</b>
Capital Outlay	\$1,000,000	\$1,200,000	\$1,500,000	50.00%	Current year budget will spend down fund balance for projects.

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# SECTION SEVEN: ENTERPRISE FUND

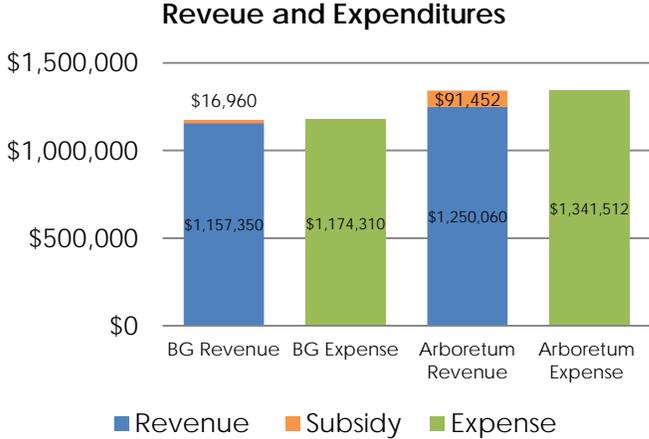


GOLF OPERATIONS – WATER AND SEWER – REFUSE

# ENTERPRISE FUND:

## GOLF

The Village of Buffalo Grove operates two municipal golf courses, each in their own fund. The overall objective of the funds is to maintain the quality of two 18-hole golf courses, a driving range and practice areas in a manner that is enjoyable 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 sales. Expenditures that exceed revenues are funded through an operating transfer from the General Fund.



### MAJOR SERVICE PERFORMANCE MEASURES

**Key Performance Measures**

# Golf Fund

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**Weekday Outings**

**59 weekday outings were played during the 2017 golf season**

**Rounds Played**

There were **10,100** rounds of golf played at the Buffalo Grove Golf Course and **12,100** rounds of golf played at the Arboretum Club by June 30, 2018.

**Revenue and Expense per Round in Dollars**

Category	Revenue per Round	Expense per Round
BG Revenue	30.12	
BG Expense		27.87
Arbo Revenue	40.34	
Arbo Expense		37.12

## PROGRAM AREA: BUFFALO GROVE GOLF COURSE

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, pro shop, locker rooms, and a full service restaurant operated by a private contractor.

### BUFFALO GROVE GOLF COURSE: REVENUE

Fund: Golf	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
Charges for Service	1,043,742	1,043,335	1,129,180	1,109,800	1,155,150	2.30%
Other Revenue	3,515	310	2,200	-	2,200	0.00%
Operating Transfer	174,359	206,496	77,186	78,891	16,960	-78.03%
<b>Total Revenue Collection</b>	<b>\$1,221,616</b>	<b>\$1,250,141</b>	<b>\$1,208,566</b>	<b>\$1,188,691</b>	<b>\$1,174,310</b>	<b>-2.83%</b>

### BUFFALO GROVE GOLF COURSE: EXPENSE

Buffalo Grove Golf Course	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
Personnel Wages	328,875	329,280	291,880	280,880	271,200	-7.09%
Personnel Benefits	110,203	108,359	99,185	89,653	68,979	-30.45%
Operating Expenses	171,420	173,465	144,568	147,077	157,238	8.76%
Commodities	47,343	51,457	51,000	52,000	52,000	1.96%
Repairs and Maintenance	22,435	17,940	19,000	15,120	17,000	-10.53%
Capital Outlay	5,167	3,865	20,000	15,000	15,000	-25.00%
Reserve Transfers	2,031	-	70,600	70,600	70,600	0.00%
Contractual Services	382,652	390,785	393,294	393,294	397,226	1.00%
Internal Services	83,409	53,067	118,761	125,067	125,067	5.31%
Operating Transfers	70,600	70,600	-	-	-	0.00%
Depreciation	32,784	58,946	-	-	-	0.00%
<b>Total</b>	<b>\$1,256,919</b>	<b>\$1,257,764</b>	<b>\$1,208,288</b>	<b>\$1,188,691</b>	<b>\$1,174,310</b>	<b>-2.81%</b>

## PROGRAM AREA: ARBORETUM CLUB

The Arboretum Club opened in 1990. The 27,000 square foot clubhouse boasts spacious locker rooms; a pro shop offering a fine selection of clubs, shoes, golf apparel, and accessories; there is a privately operated snack shop for quick refreshments, a bar and restaurant for leisurely enjoyment before or after a round, and a banquet space for events.

### ARBORETUM CLUB: REVENUE

<b>Fund: Golf</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY18-FY19</b>
Charges for Service	1,193,608	1,157,818	1,263,320	1,229,760	1,250,060	-1.05%
Operating Transfer	202,095	548,833	227,647	78,220	91,452	-59.83%
<b>Total Revenue Collection</b>	<b>\$1,395,703</b>	<b>\$1,706,651</b>	<b>\$1,490,967</b>	<b>\$1,307,980</b>	<b>\$1,341,512</b>	<b>-10.02%</b>

### ARBORETUM CLUB: EXPENSE

<b>Arboretum Club</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY18-FY19</b>
Personnel Wages	163,395	140,393	173,900	159,900	163,200	-6.15%
Personnel Benefits	29,990	21,841	49,001	45,532	47,326	-3.42%
Operating Expenses	196,198	208,198	170,147	170,147	180,170	5.89%
Commodities	42,822	61,456	53,000	59,000	59,000	11.32%
Repairs and Maintenance	3,043	11,208	8,500	8,500	6,500	-23.53%
Capital Outlay	9,732	26,305	55,000	55,000	25,000	-54.55%
Reserve Transfers	-	-	10,000	10,000	10,000	0.00%
Contractual Services	669,661	684,164	688,931	687,395	694,268	0.77%
Internal Services	173,197	65,954	282,765	112,506	156,048	-44.81%
Operating Transfers	-	-	-	-	-	0.00%
Depreciation	457,109	431,732	-	-	-	0.00%
<b>Total</b>	<b>\$1,745,147</b>	<b>\$1,651,251</b>	<b>\$1,491,244</b>	<b>\$1,307,980</b>	<b>\$1,341,512</b>	<b>-10.04%</b>

**BUFFALO GROVE GOLF COURSE VARIANCES**

<b>Buffalo Grove Golf Club</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY18-FY19</b>	<b>Comments</b>
Personnel Benefits	\$99,185	\$89,653	\$68,979	-30.45%	Reduction in staffing
Repairs and Maintenance	\$19,000	\$15,120	\$17,000	-10.53%	Based on historical usage
<b>Capital Outlay</b>	\$20,000	\$15,000	\$15,000	-25.00%	No available funds for capital improvements

**ARBORETUM CLUB VARIANCES**

<b>Arboretum Golf Club</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY18-FY19</b>	<b>Comments</b>
Commodities	\$53,000	\$59,000	\$59,000	11.32%	Increase in cost of materials
Repairs and Maintenance	\$8,500	\$8,500	\$6,500	-23.53%	Based on historical usage
Capital Outlay	\$55,000	\$55,000	\$25,000	-54.55%	No available funds for capital improvements
Internal Services	\$282,765	\$112,506	\$156,048	-44.81%	Decrease in building maintenance contribution

**ORGANIZATIONAL CHART**



# ENTERPRISE FUND:

## WATER AND SEWER

Water usage is projected to be equal with the current trend of actual usage in 2017 and 2018. Water Fund revenues include building fees, sales of water, investment income and all other revenues.

Sales of Water: Significant revenue accrues from the metered sale of water along with sanitary sewer treatment fees collected and remitted to Lake County. The combined water and sewer rate for 2019 adjusts to \$6.39/1,000 gallons. The water rate is \$5.13 and Sewer is \$1.26. 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. There is a comprehensive Water Rate Study taking place in 2019. Over the last three years, water usage has stabilized and no significant growth in consumption was factored for FY 2019.

The last line item of significance is Lake County Sanitary Sewer Treatment Fees. Lake County residents will pay an increased amount of \$4.08/1,000 gallons of water metered for sanitary sewer treatment. The rate is set by Lake County. The Village bills on behalf of the county to save administrative costs and remits payment to Lake County. Cook County residents pay for sanitary sewer treatment through a property tax levied by the Metropolitan Water Reclamation District of Chicago. The largest expenditures from this fund are to Lake County as well as the Northwest Water Commission. The staffing summary and staff time by functional area can be found under the Public Works department in Section 5.

### WATER FUND VARIANCES

Water	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Comments
Commodities	\$192,100	\$254,000	\$253,800	32.12%	Increase in cost of materials
Repairs & Maintenance	\$119,474	\$134,774	\$143,174	19.84%	Based on historical usage
Capital Outlay	1,176,889	\$1,176,889	1,476,889	25.49%	Decrease in budgeted capital needed
Internal Service Transfers	\$435,825	\$435,825	\$ 366,864	-15.82%	Decrease in building maintenance contribution

### SEWER FUND VARIANCE

Sewer	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Comments
Personnel Wages	\$294,221	\$294,221	\$248,912	-15.40%	Retirement of long tenured employee

### PROGRAM CHANGES OF NOTE

None

## PROGRAM AREA: WATER

Water Revenue	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19- FY18
Building Revenue & Fees Water Connection Fees	10,700	10,325	5,000	5,000	5,000	0.00%
Building Revenue & Fees Water Meter Sales	11,172	11,392	5,000	7,500	5,000	0.00%
Building Revenue & Fees System Improvement Fees	18,382	27,029	5,000	10,000	5,000	0.00%
Sales of Water -Regular	5,586,896	5,832,761	6,397,092	6,400,000	6,656,000	4.05%
Sales of Water Debt Service Charge	47	-	-	-	-	0.00%
Sales of Water Penalties	109,156	13,118	110,000	115,000	110,000	0.00%
Sales of Water Construction Water	423	-	250	-	-	-100.00%
Sales of Water Fees-Turn On	1,605	2,787	3,000	1,000	1,000	-66.67%
Investment Revenue	14,157	27,783	16,500	20,500	20,500	24.24%
All Other Revenue Grants	94,326	-	-	-	-	0.00%
All Other Revenue Miscellaneous Income	249,945	393,325	-	-	-	0.00%
<b>Total Water Revenue</b>	<b>\$6,096,809</b>	<b>\$6,318,520</b>	<b>\$6,541,842</b>	<b>\$6,559,000</b>	<b>\$6,802,500</b>	<b>3.98%</b>

Water Expense	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19- FY18
Personnel Wages	612,624	679,146	637,803	638,330	658,383	3.22%
Personnel Benefits	264,530	312,627	340,599	342,206	312,258	-8.32%
Operating Expenses	73,328	38,743	72,369	74,869	77,368	6.91%
Commodities	1,877,135	1,915,385	1,954,000	1,917,100	1,978,800	1.27%
Repairs & Maintenance	58,442	53,348	1,346,500	119,200	142,900	6.25%
Capital Outlay	809,030	-2,918	1,175,000	1,240,000	1,475,000	25.53%
Reserve Transfers	0	0	61,700	61,700	61,700	0.00%
Contractual Services	40,552	95,114	122,005	115,000	122,005	0.00%
Internal Service Transfers	329,207	274,251	427,289	427,289	357,702	-16.29%
Debit Service	286,332	168,387	450,233	450,233	486,390	8.03%
Transfers	1,037,644	1,037,644	945,000	945,000	945,000	0.00%
Depreciation	1,342,484	1,523,581	0	0	0	0.00%
<b>Total Water</b>	<b>\$6,003,181</b>	<b>\$6,113,308</b>	<b>\$6,320,525</b>	<b>\$6,330,927</b>	<b>\$6,617,506</b>	<b>4.70%</b>

### SERVICE: CUSTOMER SERVICE METERS

This service 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 water customers of the Village.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18
Fund: General						
Personnel Wages	82,349	95,987	86,675	86,750	89,757	3.56%
Personnel Benefits	39,534	46,694	50,715	50,956	46,434	-8.44%
Operating Expenses	10,435	5,443	10,205	10,730	10,955	7.35%
Commodities	249,907	258,696	275,570	271,200	279,290	1.35%
Repairs & Maintenance	2,722	10,274	17,475	5,830	18,075	3.43%
Capital Outlay	12,135	(438)	176,250	186,000	221,250	25.53%
Reserve Transfers	-	-	9,255	9,255	9,255	0.00%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	21,674	21,477	41,995	41,995	32,518	-22.57%
Debt Service	71,583	42,097	112,558	112,558	121,598	8.03%
Transfers	259,411	640,306	236,250	236,250	236,250	0.00%
Depreciation	335,621	380,895	0	0	0	0.00%
<b>Total Water Meter Service</b>	<b>\$1,085,371</b>	<b>\$1,120,536</b>	<b>\$1,016,948</b>	<b>\$1,011,524</b>	<b>\$1,065,382</b>	<b>4.76%</b>

### 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 1.2 billion gallons of water.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY19-FY18
Fund: General						
Personnel Wages	143,612	165,702	150,458	150,583	155,596	3.42%
Personnel Benefits	65,840	77,757	84,400	84,802	77,255	-8.47%
Operating Expenses	19,742	10,609	19,717	19,967	20,967	6.34%
Commodities	627,599	628,788	656,150	609,100	662,350	0.00%
Repairs & Maintenance	19,510	14,867	30,125	32,050	32,525	7.97%
Capital Outlay	20,226	(730)	293,750	310,000	368,750	25.53%
Reserve Transfers	-	-	15,425	15,425	15,425	0.00%
Contractual Services	30,414	71,336	91,504	86,250	91,504	0.00%
Internal Service Transfers	128,481	101,331	143,654	143,654	124,655	-13.23%
Debt Service	71,583	42,097	112,558	112,558	121,598	8.03%
Transfers	595,032	640,306	236,250	236,250	236,250	0.00%
<b>Total Pumpage and Purification</b>	<b>\$1,722,040</b>	<b>\$1,752,063</b>	<b>\$1,833,990</b>	<b>\$1,800,638</b>	<b>\$1,906,873</b>	<b>3.97%</b>

## SERVICE: DISTRIBUTION

This service provides for the repair, maintenance and operation of the water distribution system. The system consists of 182 miles of watermain, 2,566 fire hydrants and 2,162 water valves. Annually, the section addresses approximately 56 service interruptions. Tasks include annual fire hydrant flow testing, valve turning and exercising, system repairs and assisting contractors on new watermain installations.

<b>Account</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>
Fund: General						
Personnel Wages	386,663	435,457	400,698	400,998	413,030	3.08%
Personnel Benefits	159,157	188,177	205,484	206,449	188,570	-8.23%
Operating Expenses	43,151	22,693	42,446	44,171	45,446	7.07%
Commodities	999,629	1,027,901	1,022,280	1,036,800	1,037,160	0.00%
Repairs & Maintenance	36,210	28,207	86,900	81,320	92,300	6.21%
Capital Outlay	48,542	(1,751)	705,000	744,000	885,000	25.53%
Reserve Transfers	-	-	37,020	37,020	37,020	0.00%
Contractual Services	10,138	23,779	30,501	28,750	30,501	0.00%
Internal Service Transfers	179,053	151,444	241,641	241,641	200,530	-17.01%
Debt Service	143,166	84,194	225,117	225,117	243,195	8.03%
Transfers	1,190,064	1,280,613	472,500	472,500	472,500	0.00%
<b>Total Distribution</b>	<b>\$3,195,773</b>	<b>\$3,240,713</b>	<b>\$3,469,587</b>	<b>\$3,518,765</b>	<b>\$3,645,251</b>	<b>5.06%</b>

## PROGRAM AREA: SEWER

This service provides for the inspection, cleaning and maintenance of 134 miles of sanitary gravity sewer, five miles of force main, 12 sanitary lift stations and 3,515 manholes that comprise the 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. The Village will begin to utilize fund balance to fund upcoming projects.

<b>Sewer Revenue</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>
Lake County Sewer Tap On Fees	159,740	599,275	100,000	225,000	100,000	0.00%
Village Sewer Tap On Fees	5,050	1,200	1,000	800	800	-20%
Village Sewer Resident	1,378,819	1,405,815	1,577,547	1,580,000	1,643,200	4.16%
Lake County Sewer Sanitary Service Fees	3,022,647	3,157,236	3,485,000	3,485,000	3,485,000	0.00%
<b>Total Sewer Revenue</b>	<b>\$4,566,256</b>	<b>\$5,163,526</b>	<b>\$5,163,547</b>	<b>\$5,290,800</b>	<b>\$5,229,000</b>	<b>1.27%</b>

<b>Sewer Expenditures</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>
Personnel Wages	331,468	359,619	294,221	294,221	248,912	-15.40%
Personnel Benefits	156,480	178,593	179,205	178,250	163,384	-8.83%
Operating Expenses	39,144	22,031	48,577	47,177	48,477	-0.21%
Commodities	3,116,247	3,353,396	3,626,600	3,617,500	3,626,750	0.00%
Repairs & Maintenance	29,928	30,235	42,800	33,350	42,800	0.00%
Capital Outlay	19,012	21,589	954,700	747,700	954,700	0.00%
Reserve Transfers	-	-	30,944	30,944	30,944	0.00%
Contractual Services	35,589	12,792	24,000	24,000	24,000	0.00%
Internal Service Transfers	183,764	192,677	205,777	205,777	207,049	0.62%
<b>Total Sewer</b>	<b>\$3,911,632</b>	<b>\$4,170,932</b>	<b>\$5,406,824</b>	<b>\$5,178,919</b>	<b>\$5,347,016</b>	<b>-1.11%</b>

**SERVICE: SEWERAGE SYSTEM MAINTENANCE**

The sanitary sewer program goals account for the cleaning of the entire system on a six year basis in accordance with MWRD and Lake County maintenance guidelines. This program is established to provide inspection, cleaning and maintenance of the sanitary sewer system. 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.

<b>Sewerage System Maintenance</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>
Personnel Wages	82,867	89,905	73,555	73,555	62,228	-15.40%
Personnel Benefits	39,120	44,648	44,801	44,563	40,846	-8.83%
Operating Expenses	9,786	5,508	12,144	11,794	12,119	-0.21%
Commodities	769,978	829,181	896,650	896,625	896,687	0.00%
Repairs & Maintenance	1,384	4,369	17,700	16,963	17,700	0.00%
Capital Outlay	-	-	175	175	175	0.00%
Reserve Transfers	-	-	7,736	7,736	7,736	0.00%
Contractual Services	-	-	-	-	-	0.00%
Internal Service Transfers	14,461	19,802	20,180	20,180	22,111	9.57%
<b>Sewerage System Maintenance</b>	<b>\$917,596</b>	<b>\$993,413</b>	<b>\$1,072,941</b>	<b>\$1,071,591</b>	<b>\$1,059,602</b>	<b>-1.24%</b>

**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 performed weekly.

<b>Sewage Lift Station Maintenance</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>
Personnel Wages	165,734	179,809	147,111	147,111	124,456	-15.40%
Personnel Benefits	78,240	89,297	89,603	89,124	81,692	-8.83%
Operating Expenses	19,572	11,015	24,289	23,589	24,239	-0.21%
Commodities	1,576,291	1,695,034	1,833,300	1,824,250	1,833,375	0.00%
Repairs & Maintenance	28,408	24,402	23,400	14,925	23,400	0.00%
Capital Outlay	19,012	21,589	954,350	747,350	954,350	0.00%
Reserve Transfers	-	-	15,472	15,472	15,472	0.00%
Contractual Services	21,353	7,675	14,400	14,400	14,400	0.00%
Internal Service Transfers	154,842	153,073	165,417	165,417	162,828	-1.57%
<b>Sewage Lift Station Maintenance</b>	<b>\$2,063,452</b>	<b>\$2,181,894</b>	<b>\$3,267,342</b>	<b>\$3,041,637</b>	<b>\$3,234,212</b>	<b>-1.01%</b>

**SERVICE: UNDERGROUND UTILITY LOCATING**

Activities in the program are performed by a Maintenance Worker that require up 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 16,797 locate requests.

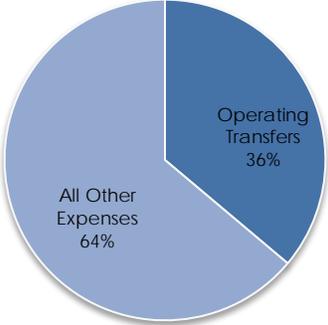
<b>Underground Utility Locating</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>
Personnel Wages	82,867	89,905	73,555	73,555	62,228	-15.40%
Personnel Benefits	39,120	44,648	44,801	44,563	40,846	-8.83%
Operating Expenses	9,786	5,508	12,144	11,794	12,119	-0.21%
Commodities	769,978	829,181	896,650	896,625	896,688	0.00%
Repairs & Maintenance	136	1,464	1,700	1,463	1,700	0.00%
Capital Outlay	-	-	175	175	175	0.00%
Reserve Transfers	-	-	7,736	7,736	7,736	0.00%
Contractual Services	14,236	5,117	9,600	9,600	9,600	0.00%
Internal Service Transfers	14,461	19,802	20,180	20,180	22,110	9.569%
<b>Underground Utility Locating</b>	<b>\$930,584</b>	<b>\$995,625</b>	<b>\$1,066,541</b>	<b>\$1,065,691</b>	<b>\$1,053,202</b>	<b>-1.25%</b>

# ENTERPRISE FUND: REFUSE

The Refuse Fund was established as required by a project use agreement between the Village and the Solid Waste Agency of Northern Cook County (SWANCC). The fund accounts for all user fees collected on behalf of SWANCC for transfer and waste disposal services. The budget is based on the FY 2018-2019 commitment by the Village of an estimated 16,663 tons of refuse to be processed at a rate of \$46.87/ton.

The Village of Buffalo Grove contracted with Waste Management for refuse services. This contract is set to expire April 30, 2019. Waste Management has been the Village’s hauling provider since 2012 through two separate contract amendments and extensions during that time. The effective rates are noted below.

2018 Refuse Collection Expenditure



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*	-
Tipping Fee	\$5.65	\$4.50
Total - 1 Collection per Week	\$20.15	\$12.42
Total - 2 Collections per Week	\$24.61*	-

\* Optional service

REFUSE: REVENUE

<b>Fund: Refuse</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY18-FY19</b>
All Other Revenue	1,135,748	970,268	1,080,000	1,052,000	1,080,000	0.00%
<b>Total Revenue Collection</b>	<b>\$1,135,748</b>	<b>\$970,268</b>	<b>\$1,080,000</b>	<b>\$1,052,000</b>	<b>\$1,080,000</b>	<b>0.00%</b>

REFUSE: EXPENSE

<b>Expenditures</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY18-FY19</b>
Refuse Collection	703,565	705,393	1,060,000	781,350	781,000	-26.32%
All Other Expenses	275,000	550,000	600,000	600,000	600,000	0.00%
<b>Total</b>	<b>\$978,565</b>	<b>\$1,255,393</b>	<b>\$1,660,000</b>	<b>\$1,381,350</b>	<b>\$1,381,000</b>	<b>-16.81%</b>

Expenditures that exceed revenues are funded through fund equity.

REFUSE FUND VARIANCES

<b>Refuse Fund</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY19-FY18</b>	<b>Comments</b>
Operating Transfers	1,060,000	781,350	781,000	-26.32%	Transfer for capital street funding was reduced

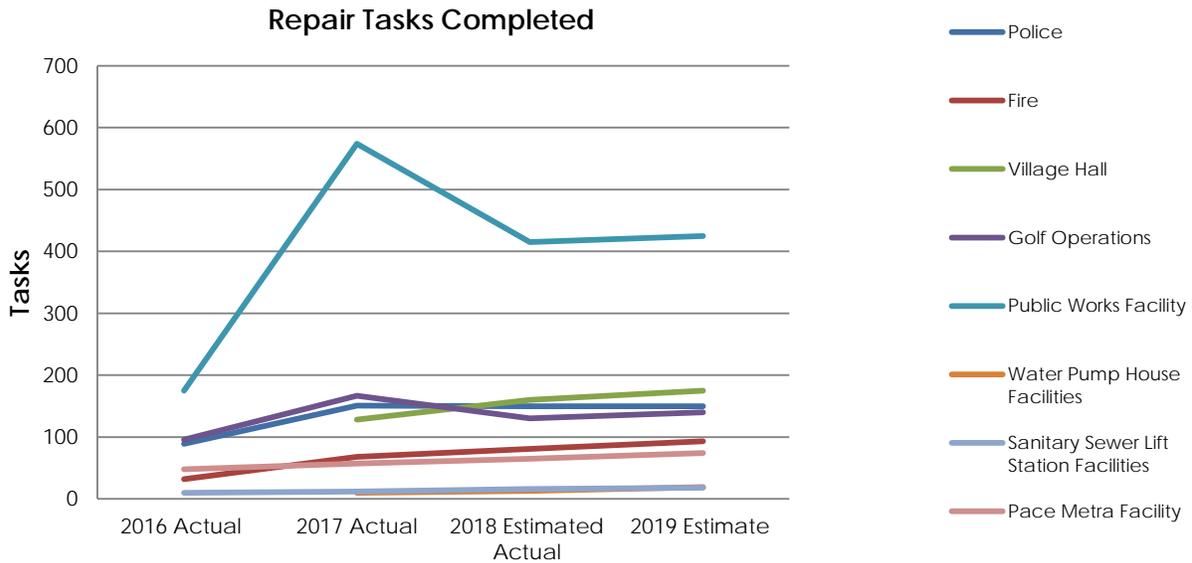
# SECTION EIGHT: INTERNAL SERVICE FUND



BUILDING MAINTENANCE – CENTRAL GARAGE – INFORMATION  
TECHNOLOGY

# INTERNAL SERVICE FUND: BUILDING MAINTENANCE

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 services include HVAC, plumbing and electrical repairs, street light maintenance, and building custodial service contract administration.



## VARIANCES

Building Maintenance	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Comments
Personnel Wages	491,040	491,039	415,666	-15.35%	Reallocation of administrative costs
Operating Expenses	81,601	96,143	102,151	25.18%	Based on historical and trend data
Commodities	142,306	105,650	103,150	-27.52%	Based on historical and trend data
Repairs and Maintenance	421,725	421,925	491,835	16.62%	Based on historical and trend data
Contractual Services	191,300	191,300	210,800	10.19%	Increase in the street light contract
Internal Services	24,021	24,021	28,850	20.10%	Based on historical and trend data

**BUILDING MAINTENANCE REVENUES**

<b>Building Maintenance</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY18-FY19</b>
Building Maintenance Fund	1,198,562	1,258,750	1,577,570	1,549,275	1,561,259	-1.03%
<b>Total</b>	<b>\$1,198,562</b>	<b>\$1,258,750</b>	<b>\$1,577,570</b>	<b>\$1,549,275</b>	<b>\$1,561,259</b>	<b>-1.03%</b>

**PROGRAM AREA: SUPPORT VILLAGE OPERATIONS**

This program focuses on the maintenance of all HVAC units, electrical, plumbing, and flooring. It also supports the yearly elevator and all fire alarm inspections, sprinkler testing, street light maintenance and custodial contract management. This area includes Building Maintenance staff's daily activities, which include inspection of mechanical and electrical operations.

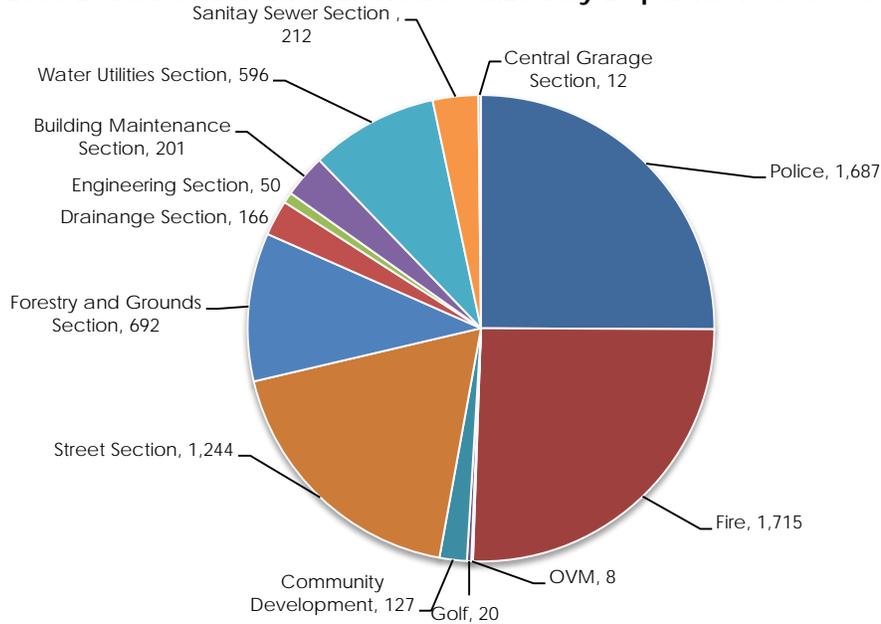
<b>Building Maintenance</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY18-FY19</b>
Personnel Wages	408,149	427,430	491,040	491,039	415,666	-15.35%
Personnel Benefits	219,267	226,893	200,532	194,152	183,767	-8.36%
Operating Expenses	38,639	69,503	81,601	96,143	102,151	25.18%
Commodities	94,676	76,098	142,306	105,650	103,150	-27.52%
Repairs and Maintenance	318,134	279,014	421,725	421,925	491,835	16.62%
Capital Outlay	-	31,129	5,918	5,918	5,923	0.08%
Reserve Transfers	-	0	19,127	19,127	19,127	0.00%
Contractual Services	92,483	129,556	191,300	191,300	210,800	10.19%
Internal Services	-	0	24,021	24,021	28,850	20.10%
<b>Total</b>	<b>\$1,171,348</b>	<b>\$1,239,623</b>	<b>\$1,577,570</b>	<b>\$1,549,275</b>	<b>\$1,561,269</b>	<b>-1.03%</b>

# INTERNAL SERVICE FUND:

## CENTRAL GARAGE

The Central Garage Section provides for the repair and maintenance of a fleet of 166 vehicles and 83 pieces of equipment. This section is also responsible for managing the vehicle and equipment fueling system in accordance with the requirements established by the Office of the Illinois State Fire Marshal (OSFM). The Central Garage staffing summary and staff time by functional area can be found under the Public Works department in *Section 5*.

**2018 Estimated Actual Staff Hours Utilized by Department or Section**



### VARIANCES

Central Garage	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19	Comments
Personnel Wages	511,623	524,407	571,690	11.74%	Reclassification of position
Operating Expenses	46,727	53,422	53,422	14.33%	Based on historical and trend data
Repairs and Maintenance	744,930	740,875	843,766	13.27%	Based on historical and trend data
Reserve Transfers	35,075	5,075	5,075	-85.53%	Reallocation of project costs

## CENTRAL GARAGE REVENUE

Central Garage	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
Central Garage Fund	1,456,984	1,553,271	1,652,632	1,629,091	1,779,005	7.65%
<b>Total</b>	<b>\$1,456,984</b>	<b>\$1,553,271</b>	<b>\$1,652,632</b>	<b>\$1,629,091</b>	<b>\$1,779,005</b>	<b>7.65%</b>

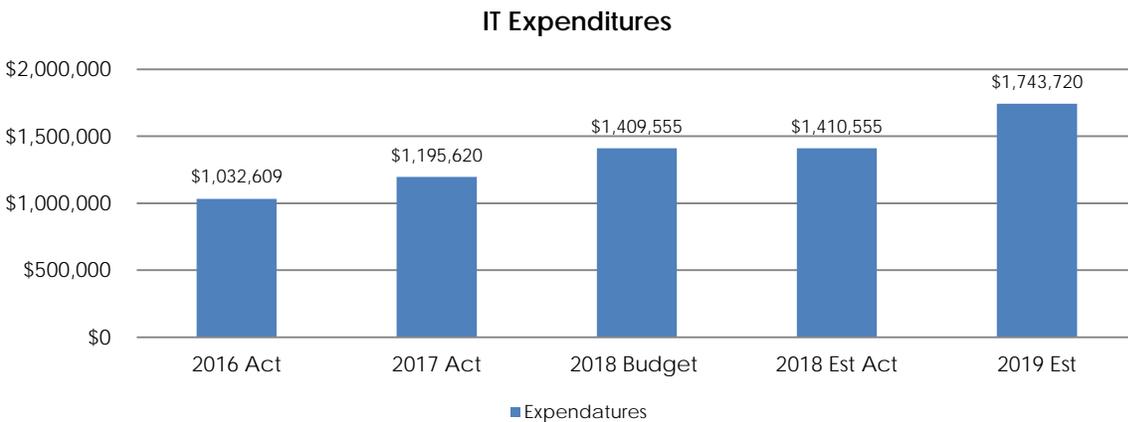
## PROGRAM AREA: SUPPORT VILLAGE OPERATIONS

Maintenance services support operations by providing each department with cost-effective service for each vehicle and piece of equipment. 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.

Central Garage	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
Personnel Wages	554,425	567,458	511,623	524,407	571,690	11.74%
Personnel Benefits	269,789	270,265	257,852	244,832	241,301	-6.42%
Operating Expenses	16,983	43,806	46,727	53,422	53,422	14.33%
Commodities	6,119	4,023	5,000	5,000	5,000	0.00%
Repairs and Maintenance	573,468	591,501	744,930	740,875	843,766	13.27%
Capital Outlay	-	36,542	20,143	20,143	20,143	0.00%
Reserve Transfers	4,375	0	35,075	5,075	5,075	-85.53%
Contractual Services	2,260	4,601	3,500	3,500	3,500	0.00%
Internal Services	-	0	27,782	27,782	35,108	26.37%
<b>Total</b>	<b>\$1,427,419</b>	<b>\$1,518,196</b>	<b>\$1,652,632</b>	<b>\$1,625,036</b>	<b>\$1,779,005</b>	<b>7.65%</b>

# INTERNAL SERVICE FUND: INFORMATION TECHNOLOGY

Information Technology provides management, review, and oversight of each Village Department's information system needs. Information Technology is responsible for the set-up, maintenance, and security of technology devices and software ensuring that Village employees have the access they require. Information Technology is provided through the Government IT Consortium of which the Village of Buffalo Grove is a founding member. Each member of the consortium shares the same contractor for IT services. The administration of the contract is a function of the Director of IT, an assigned Village employee, under oversight by the Public Works Department. The IT fund allocations are distributed by function based on applications used by each benefiting department. Most of the costs budgeted in the fund are contracted service or maintenance agreements the Village utilizes.



## CHANGES OF NOTE

A portion of the 2019 budget request for IT includes the reinstatement of a travel and training budget specific to IT. This would include training for the Director of IT and power users within individual departments so that training opportunities are budgeted as a portion of overall software costs. This supports the goal of separating the IT contract work, installing software and making sure it is secure and operating properly, from Village staff responsibilities for utilizing and maintaining the data within each software package.

**PROGRAM AREA: SUPPORT VILLAGE OPERATIONS**

IT then supports power users in each department who are responsible for the day to day management of software packages and who maintain data quality and user training at a department level. The IT fund allocations are distributed by function based on applications used by each benefiting department. Most of the costs budgeted in the fund are contracted service or maintenance agreements the Village utilizes.

<b>IT Fund</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY18-FY19</b>
Personnel Wages	-	-	-	-	-	-
Personnel Benefits	-	-	-	-	10,000	100.00%
Operating Expenses	132,910	292,940	408,989	408,989	565,933	38.37%
Commodities	-	-	-	-	-	-
Repairs and Maintenance	4,267	19,162	5,000	6,000	6,000	20.00%
Capital Outlay	35,689	4,726	-	-	-	-
Reserve Transfers	-	-	-	-	-	-
Contractual Services	859,743	878,792	995,566	995,566	1,161,787	16.70%
Internal Services	-	-	-	-	-	-
<b>Total</b>	<b>\$1,032,609</b>	<b>\$1,195,620</b>	<b>\$1,409,555</b>	<b>\$1,410,555</b>	<b>\$1,743,720</b>	<b>23.71%</b>

**VARIANCES**

<b>Information Technology</b>	<b>2018 Budget</b>	<b>2018 Est. Actual</b>	<b>2019 Budget</b>	<b>% Change FY18-FY19</b>	<b>Comments</b>
Personnel Benefits	-	-	10,000	100.00%	Training
Operating Expenses	408,989	408,989	565,933	38.37%	Scheduled replacement of hardware
Repairs and Maintenance	5,000	6,000	6,000	20.00%	Historical Usage
Contractual Services	\$995,566	\$995,566	\$1,161,787	16.70%	Annual escalation in service

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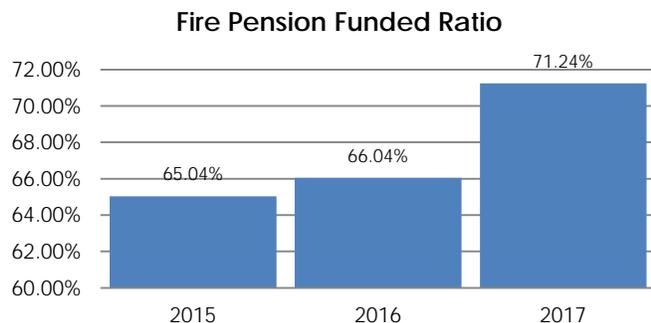
# SECTION NINE: FIDUCIARY FUNDS



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, which is set by state statute.



## FIRE PENSION: REVENUE COLLECTION

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 salary increase assumption remains at 4.00 to 9.73 percent. The Firefighters Pension Board has invested 63.17 percent of its portfolio in equity related instruments (mutual funds and separate stocks) and 36.83 percent in fixed income investments (money market funds, certificates of deposit, treasury bonds, and government agencies). The rate of return for the last fiscal year is 14.34 percent, net of investment fees. The prior year rate of return was 6.54 percent, and the five-year return is 13.13 percent.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
State Shared Taxes	12,761	11,911	6,556	8,700	8,000	22.03%
Investment Revenue	3,557,060	7,721,806	3,400,000	3,000,000	3,400,000	0.00%
Property Tax	2,153,279	1,852,000	1,897,942	1,897,942	1,933,212	1.86%
All Other Revenue	507,302	546,331	575,000	575,000	575,000	0.00%
<b>Total Revenue Collection</b>	<b>\$6,230,402</b>	<b>\$10,132,048</b>	<b>\$5,879,498</b>	<b>\$5,481,642</b>	<b>\$5,916,212</b>	<b>0.62%</b>

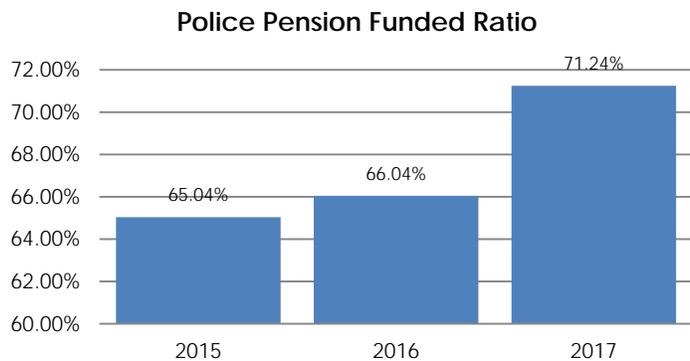
## FIRE PENSION: FUND MANAGEMENT

The 2019 budget includes pensions for 40 annuitants. Twenty-four are traditional retirements, four are disability pensions, and five are surviving spouse/children pensions. The Fire Pension Fund currently has 57 active plan members and 31 inactive plan members entitled to, but not receiving, benefits.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
Personnel Benefits	2,225,410	2,540,913	2,983,000	2,928,684	3,016,545	1.12%
All Other Expenses	174,712	207,109	215,000	225,000	250,000	16.28%
<b>Total Pension Fund Management</b>	<b>\$2,400,122</b>	<b>\$2,748,022</b>	<b>\$3,198,000</b>	<b>\$3,153,684</b>	<b>\$3,266,545</b>	<b>2.14%</b>

# 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, which is set by state statute.



## POLICE PENSION: REVENUE COLLECTION

Employer contributions are calculated by an independent actuary. The annual benchmark for investment returns is 7.0 percent. The annual salary increase assumption remains at 4.00-8.67 percent. The Police Pension Board has invested 58.48 percent of its investment portfolio in equity related instruments (mutual funds and separate stocks) and 41.52 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 14.02 percent, net of investment fees. The previous fiscal year return was 6.40 percent, with a five-year return of 7.82 percent.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
State Shared Taxes	12,702	11,911	6,557	8,700	8,000	22.01%
Investment Revenue	3,582,393	8,528,720	3,400,000	2,110,000	3,350,000	-1.47%
Property Tax	2,416,010	2,511,111	2,673,256	2,673,256	2,925,672	9.44%
All Other Revenue	648,215	751,249	702,000	702,000	714,550	1.79%
<b>Total Revenue Collection</b>	<b>\$6,659,320</b>	<b>\$11,802,991</b>	<b>\$6,781,813</b>	<b>\$5,493,956</b>	<b>\$6,998,222</b>	<b>3.19%</b>

## POLICE PENSION: FUND MANAGEMENT

The 2019 budget includes pensions for 49 annuitants, 43 are traditional retirements, one disability pension, and five surviving spouse/ children. The Police Pension Fund currently has 61 active plan members and five inactive/terminated plan members, four are entitled to, but not receiving, benefits while one is not eligible for pension benefits.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
Personnel Benefits	3,283,543	3,602,087	3,950,000	3,830,258	4,039,912	2.28%
All Other Expenses	232,959	296,195	315,000	260,000	315,000	0.00%
<b>Total Pension Fund Management</b>	<b>\$3,516,502</b>	<b>\$3,898,282</b>	<b>\$4,265,000</b>	<b>\$4,090,258</b>	<b>\$4,354,912</b>	<b>2.11%</b>

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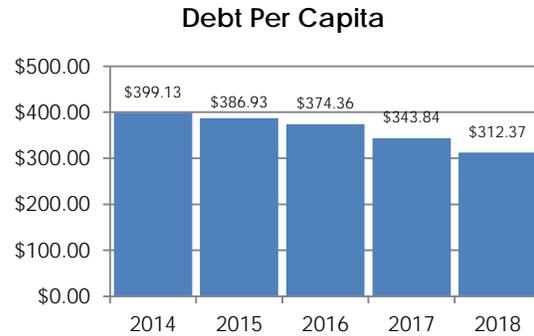
# SECTION TEN: OTHER FUNDS



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.



## DEBT SERVICE: REVENUE

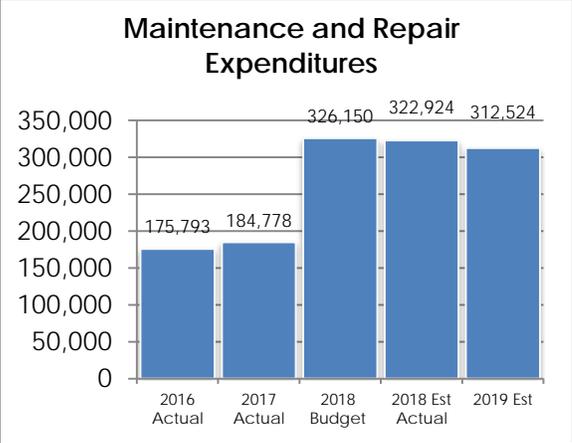
Fund: Debt Service	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
Property Taxes - Lake County	451,332	769,104	892,978	892,978	777,839	-12.89%
Property Taxes - Cook County	142,041	245,188	285,715	285,715	259,280	-9.25%
Interfund Transfer	267,447	630,000	504,000	504,000	504,000	0.00%
Other Revenue - Misc	8,219	-	-	-	-	-
<b>Total Revenue Collection</b>	<b>\$869,039</b>	<b>\$1,644,292</b>	<b>\$1,682,693</b>	<b>\$1,682,693</b>	<b>\$1,541,119</b>	<b>-8.41%</b>

## DEBT SERVICE PAYMENTS

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
Debt Service Payments	896,456	1,676,608	1,687,694	1,687,694	1,546,119	-8.39%
<b>Total Debt Service</b>	<b>\$896,456</b>	<b>\$1,676,608</b>	<b>\$1,687,694</b>	<b>\$1,687,694</b>	<b>\$1,546,119</b>	<b>-8.39%</b>

# PARKING LOT FUND

The Parking Lot Fund provides for the accounting of both revenues and expenditures related to the 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 an app on supporting smart phone devices.



## PARKING LOT FUND: 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.

Fund: Parking Lot	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
Parking Fees - Daily	93,631	115,686	82,000	80,000	80,000	-2.44%
Parking Fees - Passes	113,109	93,694	125,000	125,000	125,000	0.00%
Facility Rental	1,134	1,241	1,200	1,000	1,000	-16.67%
<b>Total Revenue Collection</b>	<b>\$207,874</b>	<b>\$210,621</b>	<b>\$208,200</b>	<b>\$206,000</b>	<b>\$206,000</b>	<b>-1.06%</b>

## 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.

Account	2016 Actual	2017 Actual	2018 Budget	2018 Est. Actual	2019 Budget	% Change FY18-FY19
Operating Expenses	175,793	184,778	167,637	164,411	168,221	0.35%
Commodities	-	-	13,750	13,750	13,750	0.00%
Repairs & Maintenance	-	-	90,000	90,000	90,000	0.00%
Internal Services	-	-	54,763	54,763	40,553	-25.95%
<b>Total Parking Lot Fund</b>	<b>\$175,793</b>	<b>\$184,778</b>	<b>\$326,150</b>	<b>\$322,924</b>	<b>\$312,524</b>	<b>-4.18%</b>

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# APPENDIX A: COMPREHENSIVE FEE AND FINE SCHEDULE



FEE SCHEDULE – FINE SCHEDULE

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
	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 × 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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
	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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
	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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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;

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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.

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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.

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
		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

<b>Buffalo Grove Municipal Code Section</b>	<b>Classification</b>	<b>Fee</b>
		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

<b>Chapter/Section</b>	<b>Title/Offenses</b>	<b>Minimum Fine/Fine Paid Before Hearing</b>	<b>Maximum Fine*</b>	<b>Minimum Fine – Must Appear at Hearing</b>
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			\$200
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	\$125		
5.24.080	Soliciting—Failure to leave when requested	\$125		
5.24.090	Soliciting where posted "No Soliciting"	\$125		
5.24.100	Soliciting in violation of soliciting hours/days	\$125		
Chapter 5.32	Tobacco			
5.32.090	Sale/delivery of tobacco products to a minor			\$125
5.32.105	Possession of tobacco products by minor			\$125
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		
6.12.060	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		

<b>Chapter/Section</b>	<b>Title/Offenses</b>	<b>Minimum Fine/Fine Paid Before Hearing</b>	<b>Maximum Fine*</b>	<b>Minimum Fine – Must Appear at Hearing</b>
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	\$150		
Chapter 9.28	Disorderly Conduct			
9.28.010	Disorderly conduct			\$100
9.28.010.C	Possession of fireworks	\$100		
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		

<b>Chapter/Section</b>	<b>Title/Offenses</b>	<b>Minimum Fine/Fine Paid Before Hearing</b>	<b>Maximum Fine*</b>	<b>Minimum Fine – Must Appear at Hearing</b>
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			\$125
Chapter 9.52	Theft			
9.52.020	Theft			\$200
Chapter 9.68	Curfew			
9.68.010	Curfew			\$125
Chapter 9.70	Truancy			
9.70.010	Truancy			\$125
Chapter 9.80	Weapons			
9.80.010	Air rifle/BB gun/Gun discharge			\$125
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	

<b>Chapter/Section</b>	<b>Title/Offenses</b>	<b>Minimum Fine/Fine Paid Before Hearing</b>	<b>Maximum Fine*</b>	<b>Minimum Fine – Must Appear at Hearing</b>
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			

<b>Chapter/Section</b>	<b>Title/Offenses</b>	<b>Minimum Fine/Fine Paid Before Hearing</b>	<b>Maximum Fine*</b>	<b>Minimum Fine – Must Appear at Hearing</b>
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		

<b>Chapter/Section</b>	<b>Title/Offenses</b>	<b>Minimum Fine/Fine Paid Before Hearing</b>	<b>Maximum Fine*</b>	<b>Minimum Fine – Must Appear at Hearing</b>
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 – CURRENT VILLAGE  
FUNDS 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**

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**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 1<sup>st</sup> and liquor licenses due May 1<sup>st</sup> 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 15<sup>th</sup> 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.

## 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 & Sewer	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.

## 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 (15) indicate the Program.

<p>XXX.10 – Legislative</p> <p>XXX.11 – Human Resources</p> <p>XXX.12 – Finance</p> <p>XXX.15 – Office of the Village Manager</p> <p>XXX.21 – Police Administration</p> <p>XXX.22 – Police Operations</p> <p>XXX.23 – Police Administrative Service and Support</p> <p>XXX.31 – Community Development Administration</p> <p>XXX.32 – Planning and Economic Development</p> <p>XXX.33 – Property Maintenance and Code Enforcement</p> <p>XXX.34 – Health Services</p> <p>XXX.40 – Fire Administration</p> <p>XXX.41 – Fire Operations</p>	<p>XXX.42 – Fire Prevention</p> <p>XXX.43 – Fire Support Services</p> <p>XXX.44 – Emergency Management Agency</p> <p>XXX.56 – Forestry</p> <p>XXX.57 – Drainage</p> <p>XXX.58 – Water</p> <p>XXX.59 – Sewer</p> <p>XXX.60 – Engineering</p> <p>XXX.61 – Streets</p> <p>XXX.70 – Transfer Non-Operating</p> <p>XXX.75 – Capital Improvement</p> <p>XXX.81 – Metra Parking</p> <p>XXX.84 – Golf</p> <p>XXX.85 – Debt</p> <p>XXX.86 – Refuse</p> <p>XXX.88 – Police Pension</p> <p>XXX.89 – Fire Pension</p>
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The Major Services are two digits represented between the program and account number. Some major services are shared amongst departments while others are department specific. The current major services are budgeted in FY 2019 are as follows:

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

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

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

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



Village of Buffalo Grove

Finance Department



# **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

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## INTRODUCTION

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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.

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**PROCUREMENT GUIDELINES & SUMMARY**

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<b>Amount Of Purchase</b>	<b>Procurement Method</b>	<b>Notification</b>	<b>Approval</b>
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

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### THE PURCHASING MANAGER'S RESPONSIBILITIES

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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.

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## THE VILLAGE MANAGER'S RESPONSIBILITIES

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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

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## DEPARTMENT AND EMPLOYEE RESPONSIBILITIES

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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.

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## THE PURCHASING MANAGER'S RESPONSIBILITIES TO VENDORS

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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.

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## THE VENDOR'S RESPONSIBILITIES TO VILLAGE OF BUFFALO GROVE

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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

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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

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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.

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## GIFTS AND FAVORS

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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.

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## PROCUREMENT METHODS

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### PETTY CASH

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**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.

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### ADVANCE CHECK REQUEST

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**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.

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### PURCHASE ORDERS

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**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.

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## BLANKET PURCHASE ORDERS

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**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.

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## PROCUREMENT CARD PROGRAM

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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

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### ELECTRONIC EQUIPMENT

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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

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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

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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.

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## BUILDINGS

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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.

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## MAINTENANCE AGREEMENTS

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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.

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## ENVIRONMENTALLY PREFERABLE PURCHASING

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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.

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## WRITTEN CONTRACTS

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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.

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## MULTI-YEAR CONTRACTS

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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.

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## INFORMAL PURCHASES

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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.

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### INFORMAL BUYING REQUIREMENTS – PURCHASES OF \$250.00 OR LESS

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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.

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### INFORMAL QUOTE REQUIREMENTS – PURCHASES BETWEEN \$250.01 & \$3499.99

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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.

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### INFORMAL PROPOSAL REQUIREMENTS – PURCHASES BETWEEN \$3500.00 & \$20,000.00

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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.

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### INFORMAL PURCHASE EXCEPTIONS

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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

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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.

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### COMPETITIVE SEALED BIDS

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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.

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## STANDARD FOR AWARDING BID

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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.

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## BID/QUOTE RECORDS

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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.

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## REQUESTS FOR PROPOSALS

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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.

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## REQUEST FOR PROPOSAL

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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.

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## EXCEPTIONS TO BID/ PROCUREMENT REQUIREMENTS

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### SOLE SOURCE PROCUREMENT

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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.

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### EMERGENCY PROCUREMENTS

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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.

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### PROFESSIONAL SERVICES

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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.

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### FUEL PROCUREMENT

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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.

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## COOPERATIVE PROCUREMENT

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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 3<sup>rd</sup> Party\* Bids for \_\_\_\_\_ and purchase using a joint procurement agency bid*”.

The Illinois State Intergovernmental Cooperation Act (5 ILCS 220) allows for cooperative procurement.

\* 3<sup>rd</sup> 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)

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## ASSET SHARING POLICY

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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

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#### 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.

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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

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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

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Qualified Vendor

PDF form

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## Automated Clearing House

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PDF form

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Tax Exempt Letter

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PDF Form

## APPENDIX F

### PROCUREMENT CARD POLICY

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#### PURPOSE

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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

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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

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- 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.

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## AUTHORIZATIONS AND SPENDING LIMITS

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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

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## RESPONSIBILITIES OF CARDHOLDERS

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- 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.

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## RESPONSIBILITIES OF FINANCE DEPARTMENT

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- 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.

<b>Date</b>		<b>Department</b>	
<b>Amount of Reimbursement</b>		<b>Requested By</b>	
<b>Description of Expense</b>			
<b>Account Number</b>		<b>Approved By</b>	
<b>Signature</b>			
<b>Amount Approved</b>		<b>Received By</b>	
<b>Signature</b>			

\*A receipt for goods purchased, must be attached to this form.

APPENDIX H

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ADVANCE CHECK REQUEST FORM

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Vendor:

Date:

Requested By:

Purpose:

Check Amount:

Distribution of Charges:

Account:

Amount:

Account:

Amount:

Account:	Amount:	Account:	Amount:

For use when payment is required in advance of normal accounts payable cycle.

Note: Check Number

Approved By:

\_\_\_\_\_

## APPENDIX I

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### PREVAILING WAGE RIDER

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#### 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

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### ASSET SHARING POLICY

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#### 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
<b>Total Revenues</b>	<b>42,146,331</b>	<b>43,516,231</b>	<b>44,842,319</b>	<b>46,197,507</b>	<b>47,082,455</b>	
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
<b>Total Expenditures</b>	<b>39,065,516</b>	<b>40,510,982</b>	<b>42,011,599</b>	<b>43,569,513</b>	<b>45,186,953</b>	
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	
<b>Total Transfers</b>	<b>3,565,276</b>	<b>3,400,320</b>	<b>4,773,905</b>	<b>4,831,044</b>	<b>2,832,282</b>	
<b>Total Fund Surplus/(Deficit)</b>	<b>(484,461)</b>	<b>(395,071)</b>	<b>(1,943,186)</b>	<b>(2,203,049)</b>	<b>(936,781)</b>	

## 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.

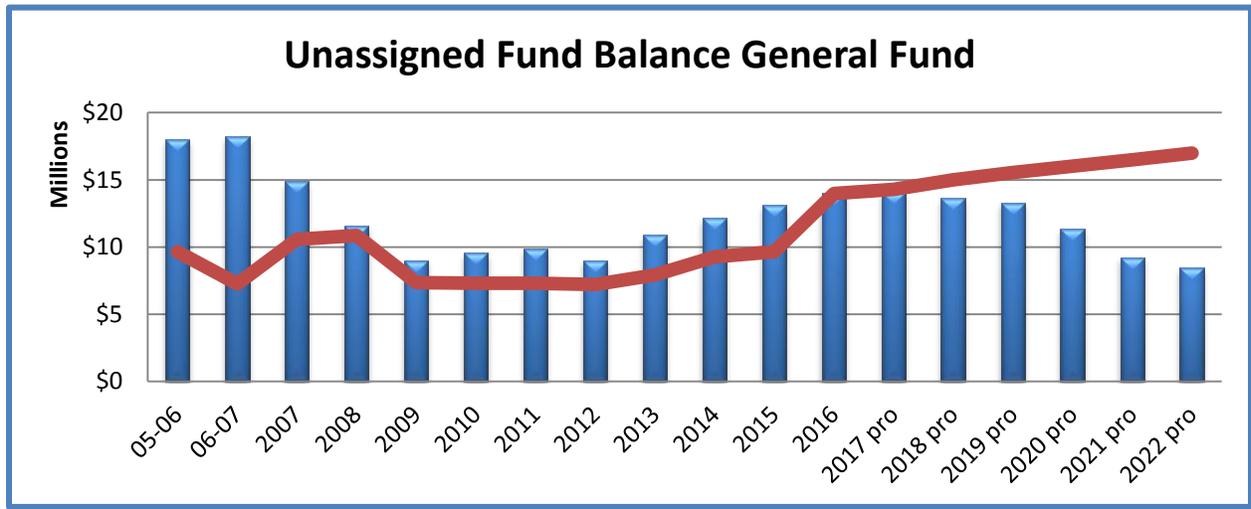
## RESERVES

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.

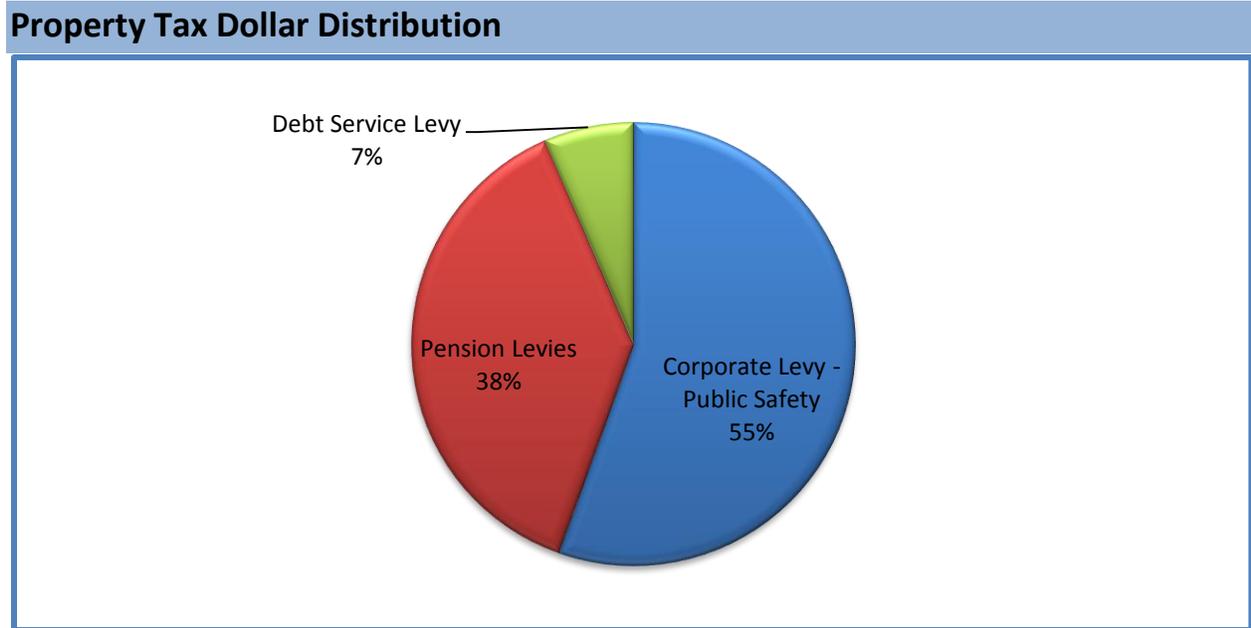
The tax levies for the three pension funds (Police, Firefighters, and IMRF) are calculated by independent actuaries. The levies are structured to cover the normal cost of the pension, an amortized annual amount of the unfunded actuarial liability, and the interest cost on that liability. Unfunded liability 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.

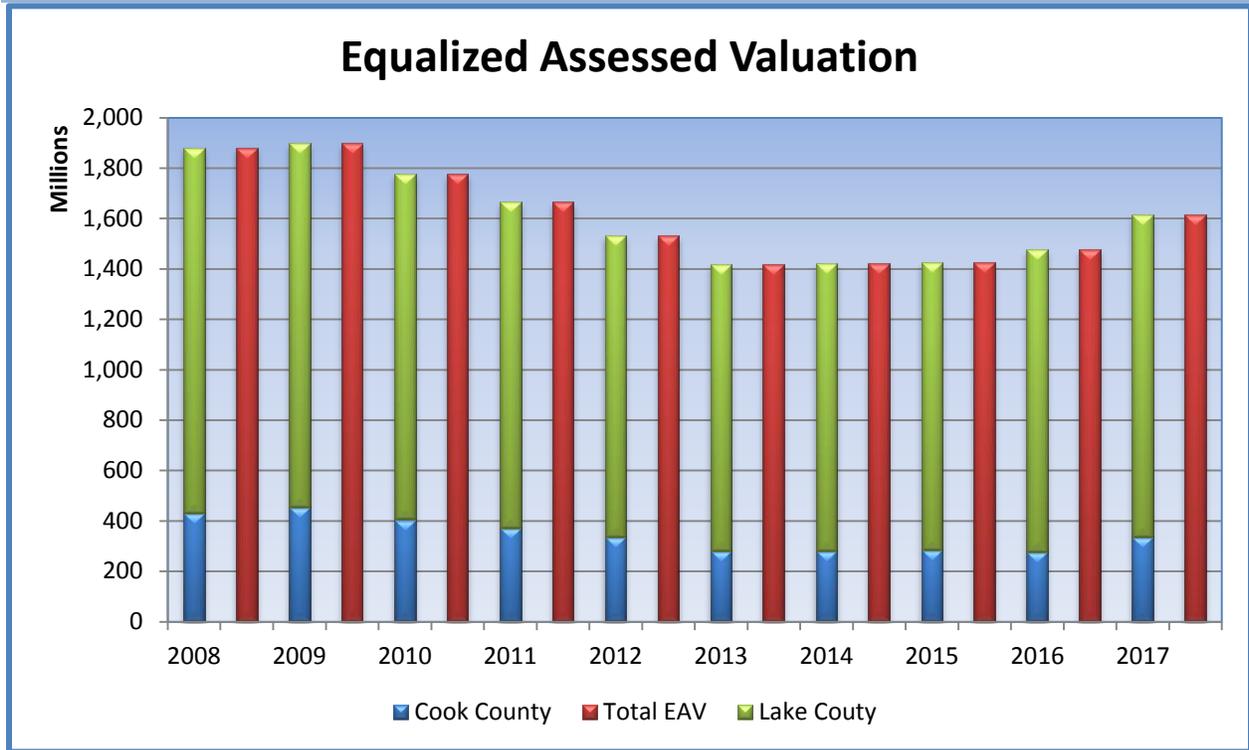


The levy request is then applied to the equalized assessed value of all property within the Village to determine a tax rate. Assuming the same tax levy amount, if the values go up the rate goes down and conversely the rate goes up if the values decline.

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

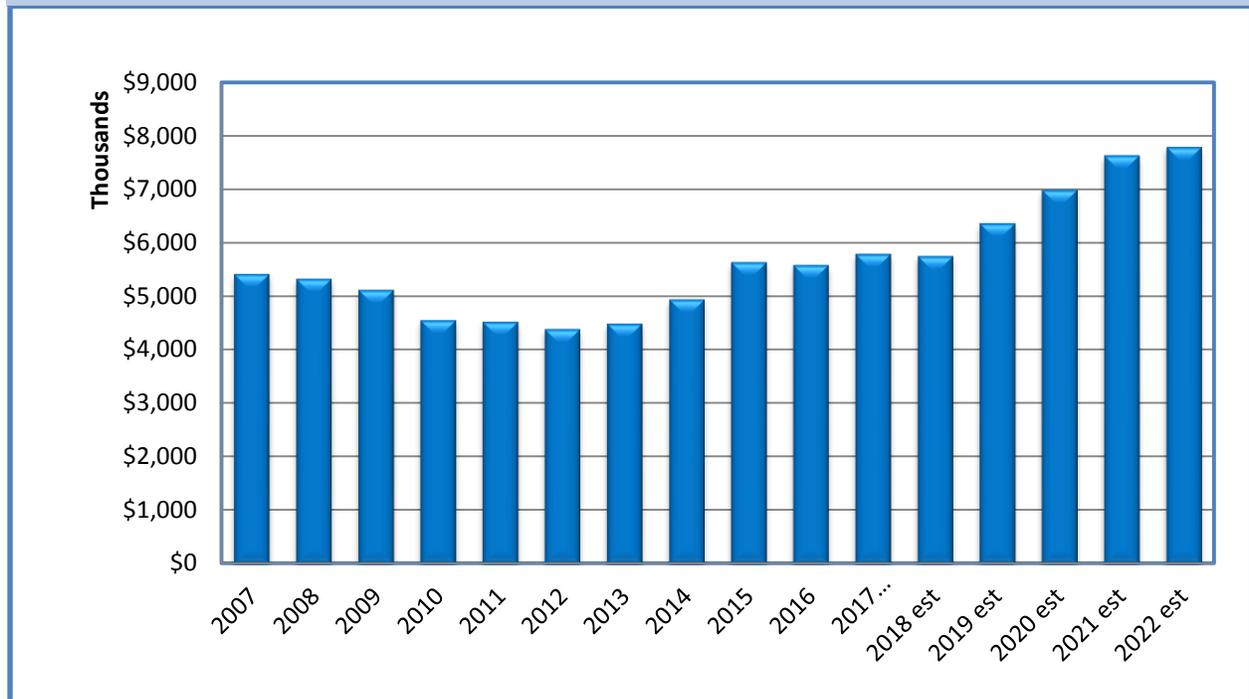


## SALES TAX

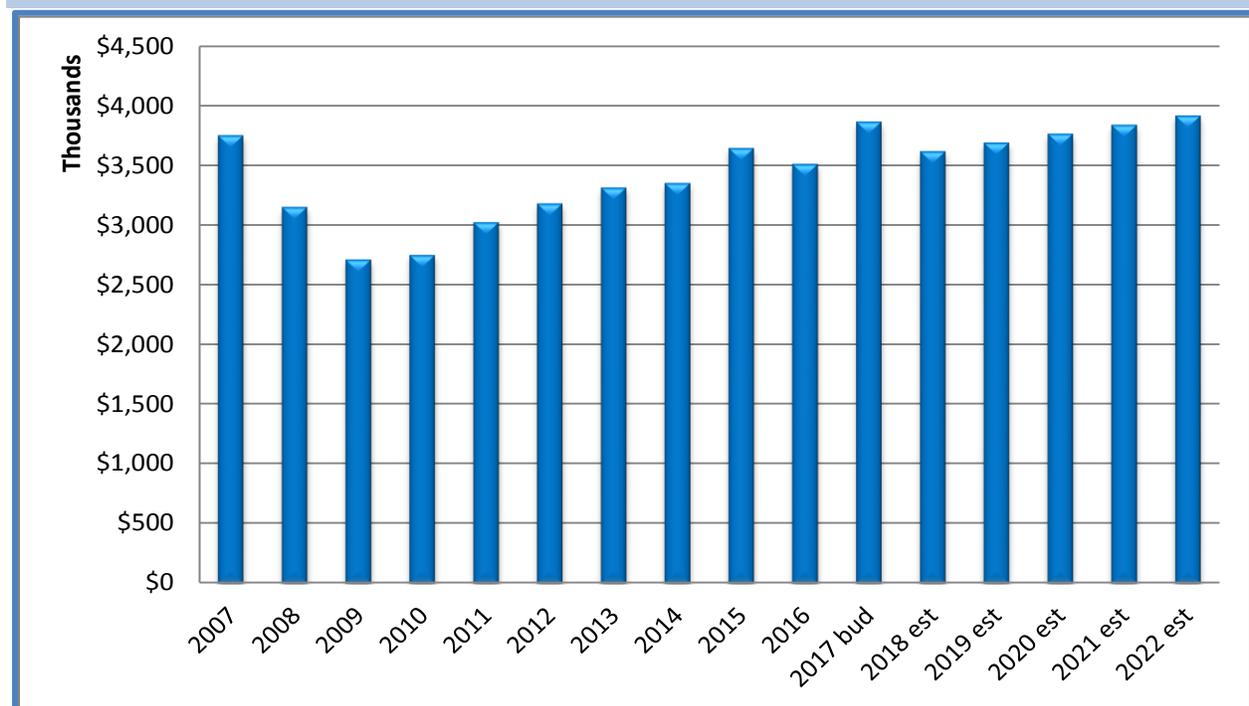
Inflation sets the growth baseline for both the base (2%) and home rule sales taxes (2%). Combined, this is the second largest revenue source for the Village. The base sales tax revenue is directly related to the dollar value of sales made within the Village. Home rule sales tax applies to the same transactions 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

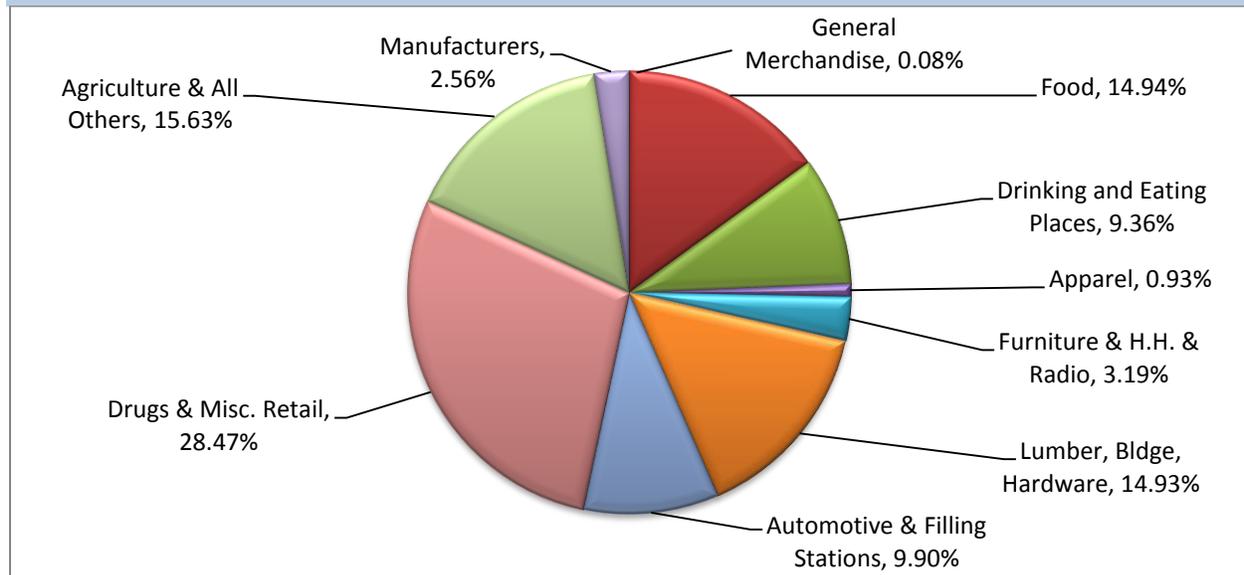


## Home Rule Sales Tax



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

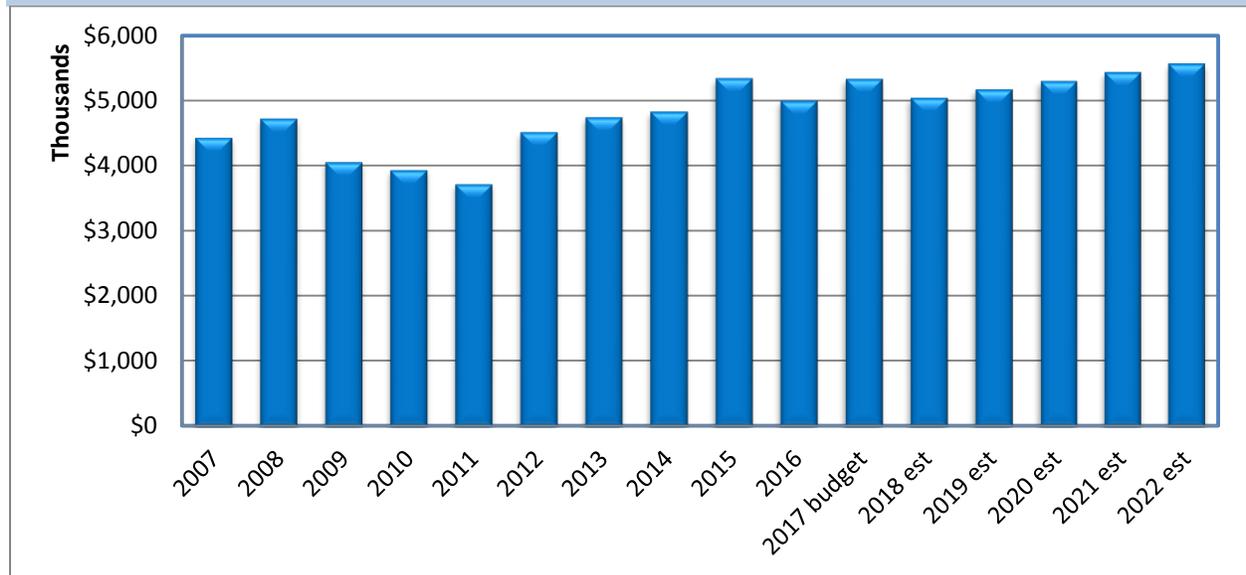


## INCOME TAX

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.

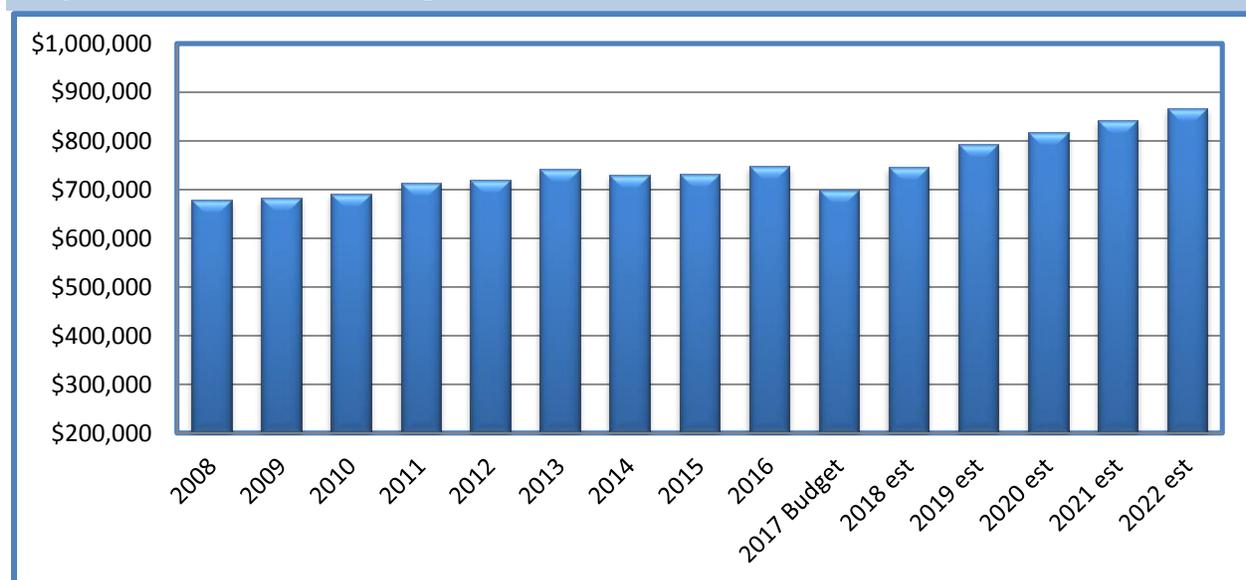
## Income & Use Tax



## 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.

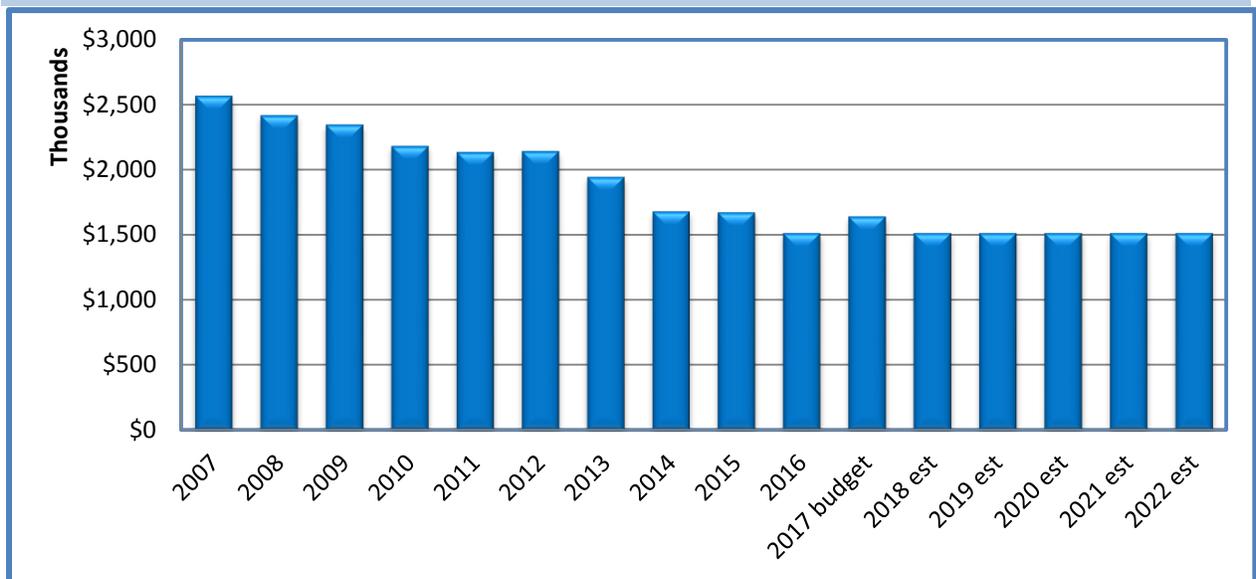
## Prepared Food and Beverage Tax



## 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)

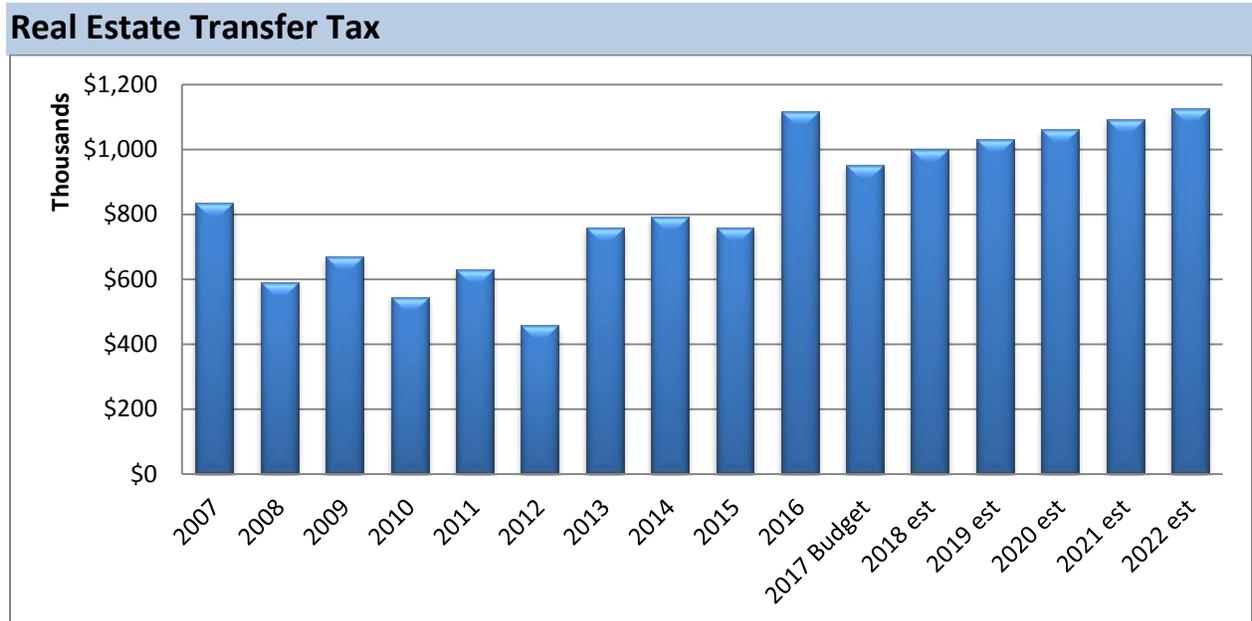
Natural gas and electricity charges are based on consumption and fluctuate with seasonal demands. The Village is charging the highest statutory rate. Growth is projected over the next five years to be one percent annually. Any new growth will be predicated on adding square footage to houses or buildings 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.

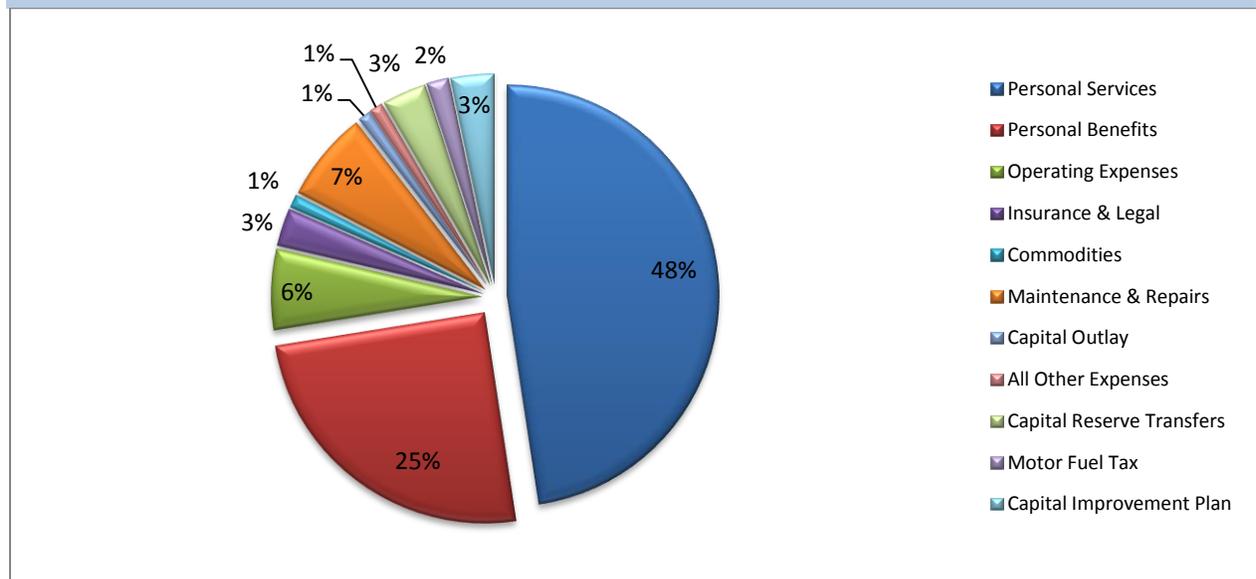
Based upon the chart below (provided by Realtor.com), the median days on market is the lowest in the last three years future reflecting a strengthening housing market.



## 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 1<sup>st</sup> and liquor licenses due May 1<sup>st</sup> 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 15<sup>th</sup> 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

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### 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).

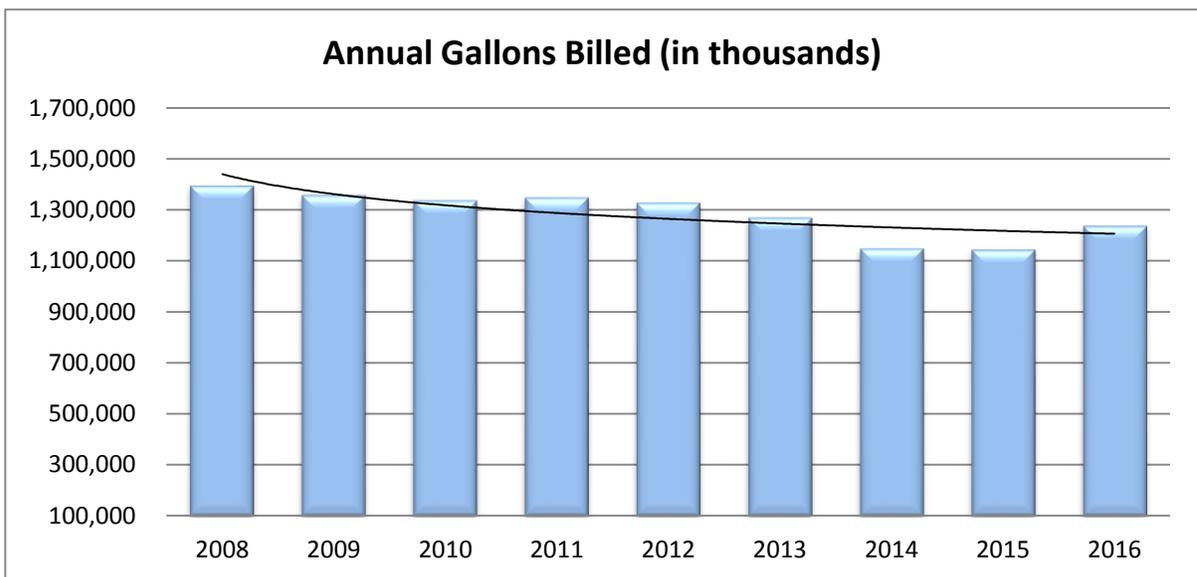
The rate increase in the current year was \$.23, increasing the water rate from \$5.69/1,000 gallons to \$5.91/1,000 gallons.

### 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

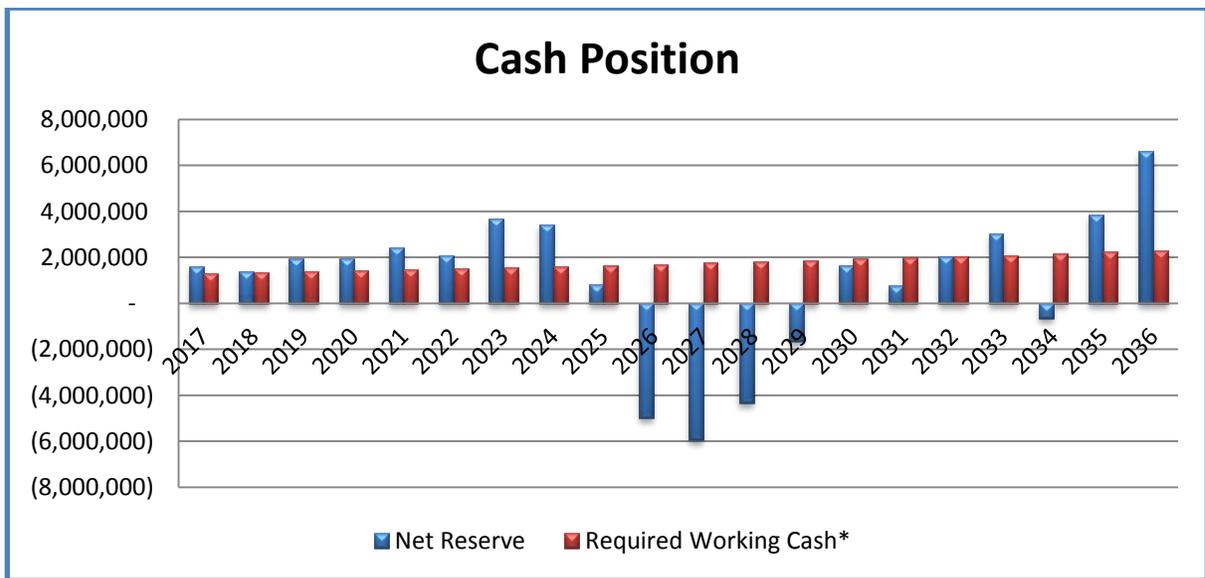
During the high growth years of the water system, the Water and Sewer Fund was able to amass a cash balance that allowed for a reserve to address infrastructure maintenance and improvement. Due to the relative age of the system, over a fifteen year span (1993-2007) the only capital expense was \$229,527 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.

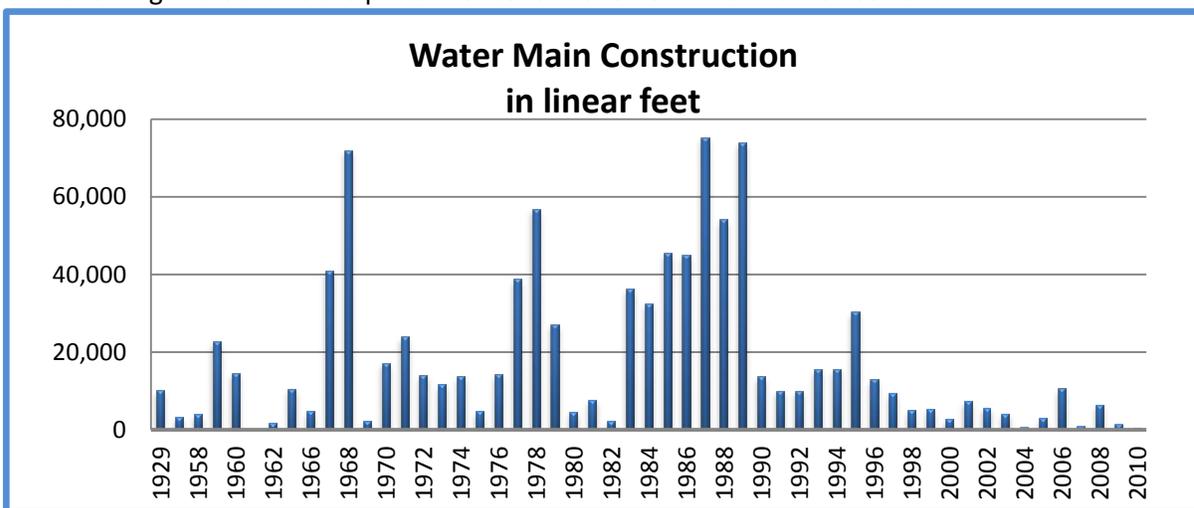
### Water and Sewer System Assets

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.

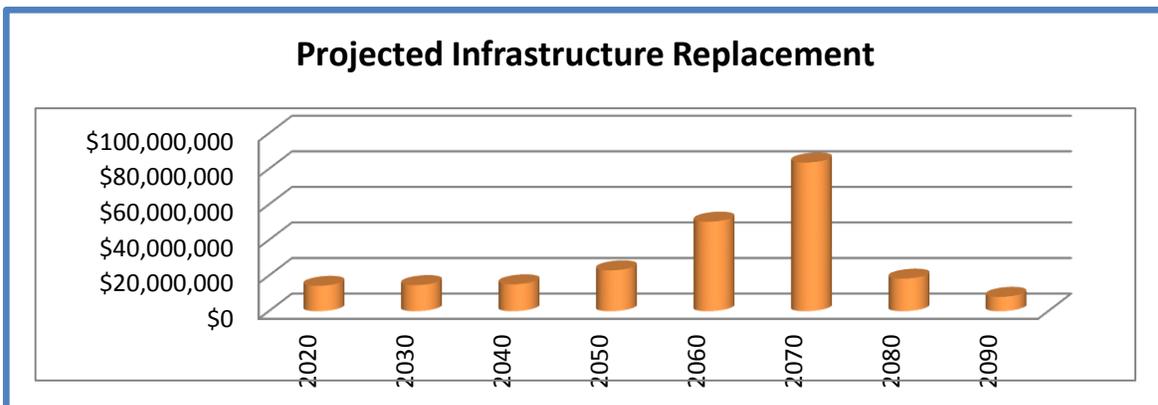
Within the straight-line depreciation calculation beginning with the oldest main constructed in 1929, the first replacement should have occurred in 1979. Approximately \$18 million in water mains have 'expired' but have not needed to be repaired. Estimating the actual asset life at times is more abstract 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

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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)  
 $\$0.006950 \times \text{Median Lot Size (8,771.66 square footage)} = \text{Annual Fee (\$60.96)}$

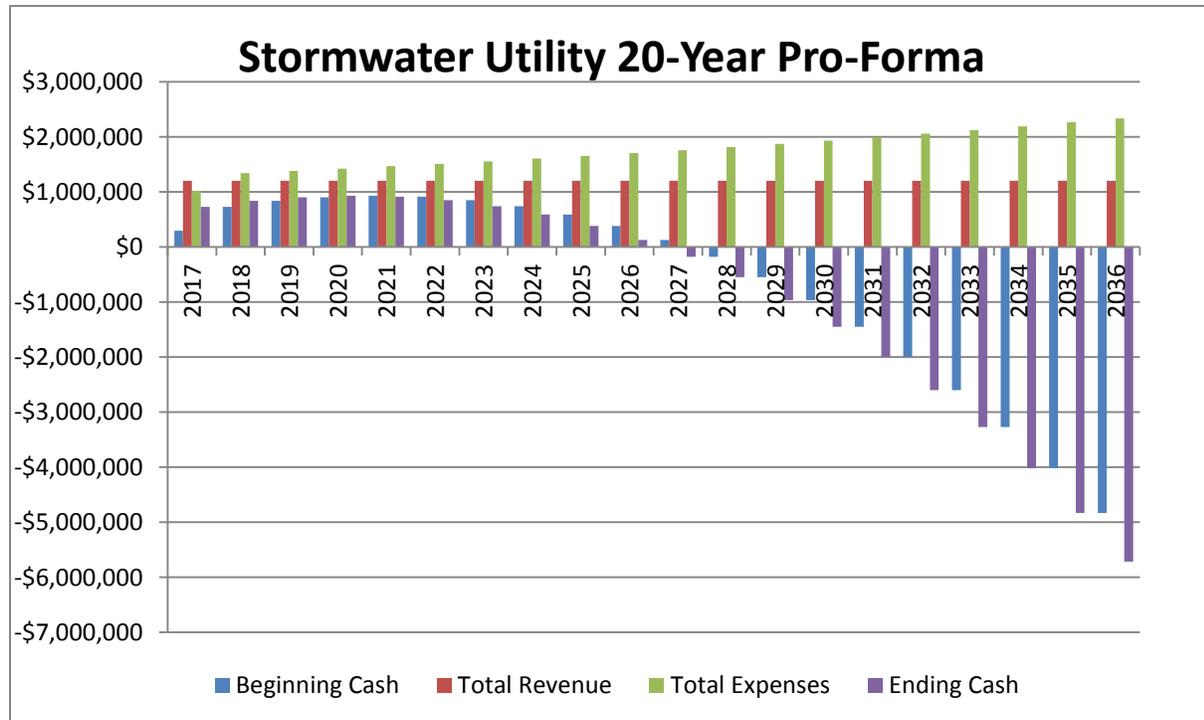
Tier 2 - Multi-Family & Commercial / Industrial / Government/Non-Profit (calculated fee)  
 $\$0.006950 \times \text{Property Square Footage} = \text{Annual Fee (varies as calculated)}$

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.

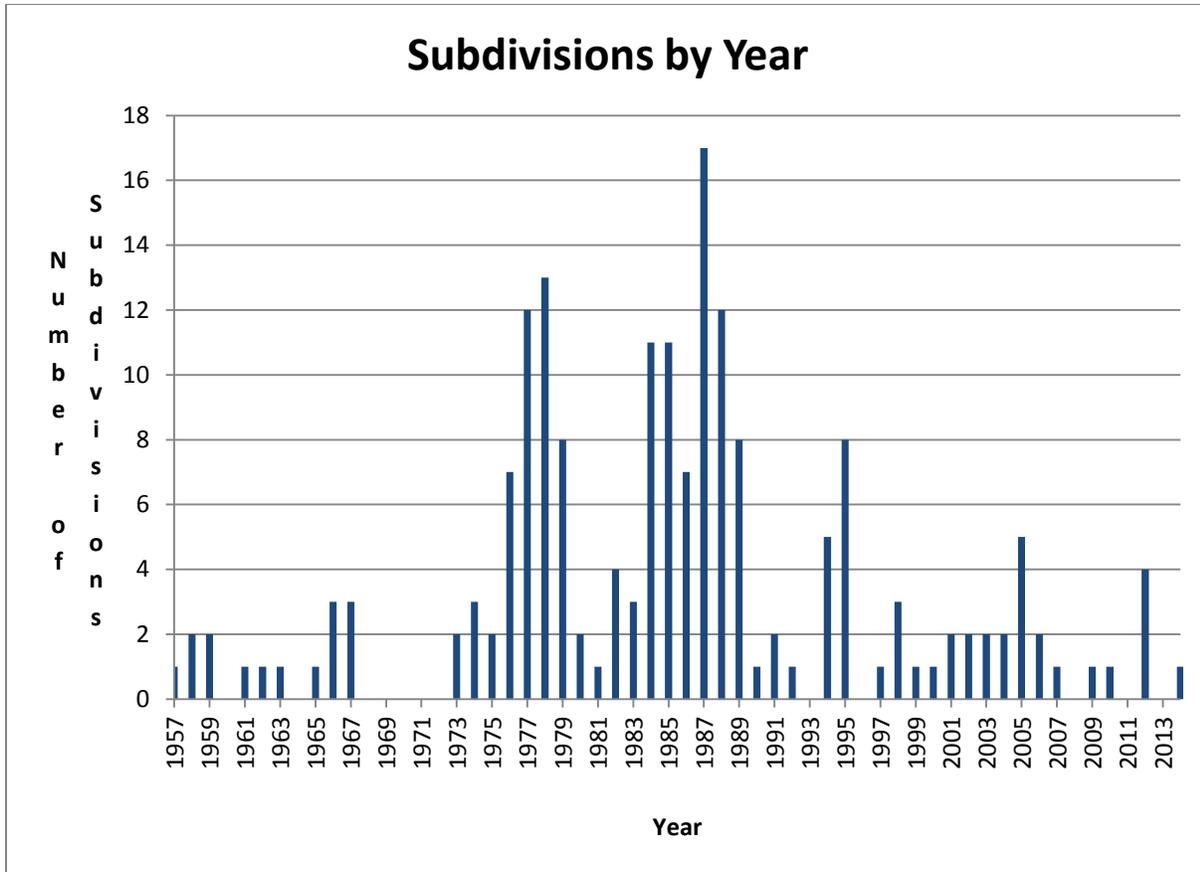
### Stormwater System Assets

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

Appendix B-2 – List of Disposed Bond - Financed Property

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

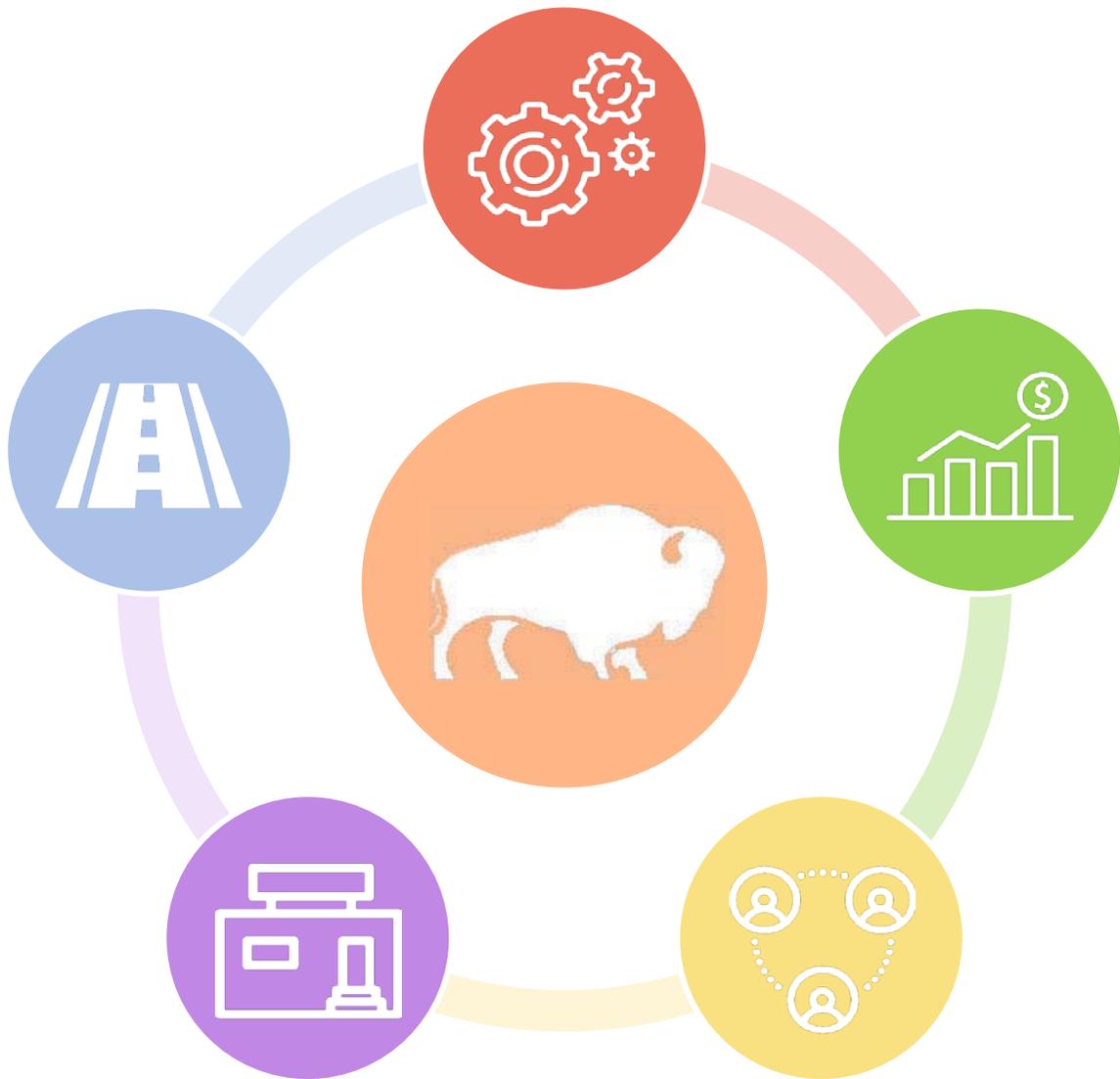
actions, the issuer must satisfy certain pre-conditions. In addition, remedial actions are only able to be taken within a specified time frame before or after the action causing Private Business Use.

#### 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, Dental insurance coverage on a self-funded, pooled basis through MetLife and Vision insurance coverage on a fully insured based through Vision Service Plan.

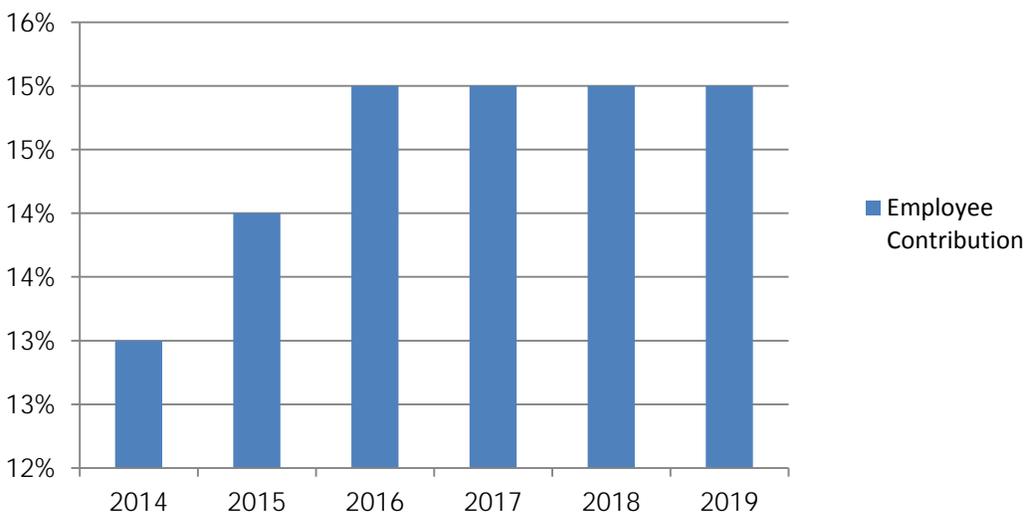
On January 1, 2012, the Village entered the Intergovernmental Personnel Benefits Cooperative (IPBC). Established in 1978, the IPBC is a benefits pool, created under Illinois Law and regulated by the Illinois Department of insurance. Comprised of approximately 130 municipalities and similar units of local government, the IPBC covers over 17,000 active employees and retiree lives. Participation in the IPBC provides the Village with great benefits, including, but not limited to the following:

1. IPBC rate increases have historically trended lower than industry benchmarks.
2. Economies of scale are experienced from negotiating and purchasing insurance products in intergovernmental consortiums.
3. The IPBC has expanded access to more effective cost containment options by negotiating contracts with BlueCross BlueShield, Cigna, and United Healthcare.
4. The IPBC provided a wealth of information and support services to assist the Village in regard to the impact of Healthcare Reform, compliance, and cost analysis.
5. IPBC provides reimbursement for a range of wellness services including our PUSH Wellness program and annual employee flu shots.

### MULTI-YEAR APPROACH TO EMPLOYEE HEALTH CARE PREMIUM CONTRIBUTIONS

The FY2012-FY2019 medical insurance premium contribution schedule that has been adopted for all eligible Village employees, including those in bargaining units, is as follows:

### Employee Healthcare Premium Contributions 2014-2019



2018 VERSUS 2019 PREMIUM STRUCTURE (\$)

**Medical Plans**

	2018 Monthly rates			2019 Monthly rates		
	Employee	Village	Total	Employee	Village	Total
PPO Medical Plan						
90% In-Network / 70% Out of network benefit						
Single employee	\$104.37	\$591.46	\$695.84	\$101.25	\$573.74	\$674.99
Single + 1 dependent	\$210.84	\$1,194.76	\$1,405.61	\$204.53	\$1,158.98	\$1,363.51
Family	\$372.62	\$2,111.52	\$2,484.15	\$361.46	\$2,048.28	\$2,409.74

	2018 Monthly Rates			2019 Monthly Rates		
	Employee	Village	Total	Employee	Village	Total
HMO Medical Plan						
Single employee	\$81.83	\$463.71	\$545.54	\$81.42	\$461.39	\$542.81
Single + 1 dependent	\$165.30	\$936.71	\$1,102.01	\$164.47	\$932.03	\$1,096.50
Family +2 dependents	\$294.03	\$1,655.44	\$1,947.58	\$290.68	\$1,647.16	\$1,937.84

**Dental Plan**

	2018 Monthly Rates			2019 Monthly Rates		
	Employee	Village	Total Premium	Employee	Village	Total
No employee contribution						
Single employee	0	\$51.30	\$51.30	0	\$56.13	\$56.13
Single + 1 dependent	0	\$86.35	\$86.35	0	\$94.47	\$94.47
Family + 2 dependents	0	\$144.82	\$144.82	0	\$158.43	\$158.43

**Vision Plan**

	2018 Monthly Rates			2019 Monthly Rates		
	Employee	Village	Total Premium	Employee	Village	Total
No employee contribution						
Single employee	0	\$4.78	\$4.78	0	\$4.78	\$4.78
Single + 1 dependent	0	\$7.81	\$7.81	0	\$7.81	\$7.81
Single + spouse	0	\$7.65	\$7.65	0	\$7.65	\$7.65
Family	0	\$12.59	\$12.59	0	\$12.59	\$12.59

**EMPLOYEE STAFFING LEVELS**

<b>Office of the Village Manager/ Administration</b>	<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	
	<b>FT</b>	<b>PT</b>	<b>FT</b>	<b>PT</b>	<b>FT</b>	<b>PT</b>
Village Manager	1	0	1	0	1	0
Deputy Village Manager	1	0	1	0	1	0
Assistant to the Village Manager	0	0	1	0	1	0
Management Analyst	1	0	0	0	0	0
Administrative Assistant	0	1	0	1	0	1
Deputy Village Clerk	0	0	0	0	1	0
Community Engagement Manager	0	0	0	0	1	0
<b>Total</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>5</b>	<b>1</b>
<b>Full &amp; Part-Time Total</b>	<b>4</b>		<b>4</b>		<b>6</b>	

<b>Human Resources</b>	<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	
	<b>FT</b>	<b>PT</b>	<b>FT</b>	<b>PT</b>	<b>FT</b>	<b>PT</b>
Director of Human Resources	1	0	1	0	1	0
Management Analyst	1	0	1	0	1	0
<b>Total</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>Full &amp; Part-Time Total</b>	<b>2</b>		<b>2</b>		<b>2</b>	

<b>Finance &amp; General Services</b>	<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	
	<b>FT</b>	<b>PT</b>	<b>FT</b>	<b>PT</b>	<b>FT</b>	<b>PT</b>
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
<b>Total</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>0</b>
<b>Full &amp; Part-Time Total</b>	<b>9</b>		<b>9</b>		<b>9</b>	

Community Development	FY 2017		FY 2018		FY 2019	
	FT	PT	FT	PT	FT	PT
Administrative Assistant	2	0	2	0	2	0
Planner I	0	0	1	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	0
Permit Coordinator	0	0	0	0	1	0
Community Development Director	1	0	1	0	1	0
Deputy Village Clerk	1	0	1	0	0	0
Electrical Inspector	1	0	1	0	1	0
Health Inspector	1	0	1	0	1	0
Principal 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	1	1	1
Total	12	1	13	2	13	1
Full & Part-Time Total	13		15		14	

Fire Services	FY 2017		FY 2018		FY 2019	
	FT	PT	FT	PT	FT	PT
Battalion Chief	4	0	5	0	4	0
Deputy Fire Chief	1	0	1	0	1	0
EMA Coordinator	0	1	0	1	0	1
Fire Chief	1	0	1	0	1	0
Fire Inspector	1	0	0	1	0	1
Deputy Fire Marshal	0	0	1	0	1	0
Public Education Officer	0	1	0	1	0	1
Fire Lieutenant	9	0	9	0	9	0
Firefighter/Paramedic	42	0	42	0	43	0
Administrative Assistant	1	0	1	0	1	0
EMS Educator	0	0	0	0	1	0
Management Analyst	0	0	0	0	1	0
Total	59	2	60	3	62	3
Full & Part-Time Total	61		63		65	

Police Services	FY 2017		FY 2018		FY 2019	
	FT	PT	FT	PT	FT	PT
Chief of Police	1	0	1	0	1	0
Clerk	3	0	3	0	3	0
Community Service Officer	2	0	2	0	2	0
Crossing Guard	0	5	0	5	0	5
Deputy Police Chief	2	0	2	0	2	0
Desk Officer	2	2	2	3	2	3
Evidence Custodian	1	0	1	0	1	0
Lieutenant	4	0	4	0	4	0
Patrol Officer	46	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	1	0	1	0	1	0
Technical Services Administrator	1	0	1	0	1	0
Administrative Assistant	1	0	1	0	1	0
Total	75	7	75	8	75	8
Full & Part-Time Total	82		83		83	

Golf Operations	FY 2017		FY 2018		FY 2019	
	FT	PT	FT	PT	FT	PT
Head Golf Professional	2	0	2	0	2	0
Assistant Golf Professional	1	2	1	2	0	2
Golf Course Attendants- Seasonal	0	30	0	30	0	30
Total	3	32	3	32	2	32
Full & Part-Time Total	35		35		34	

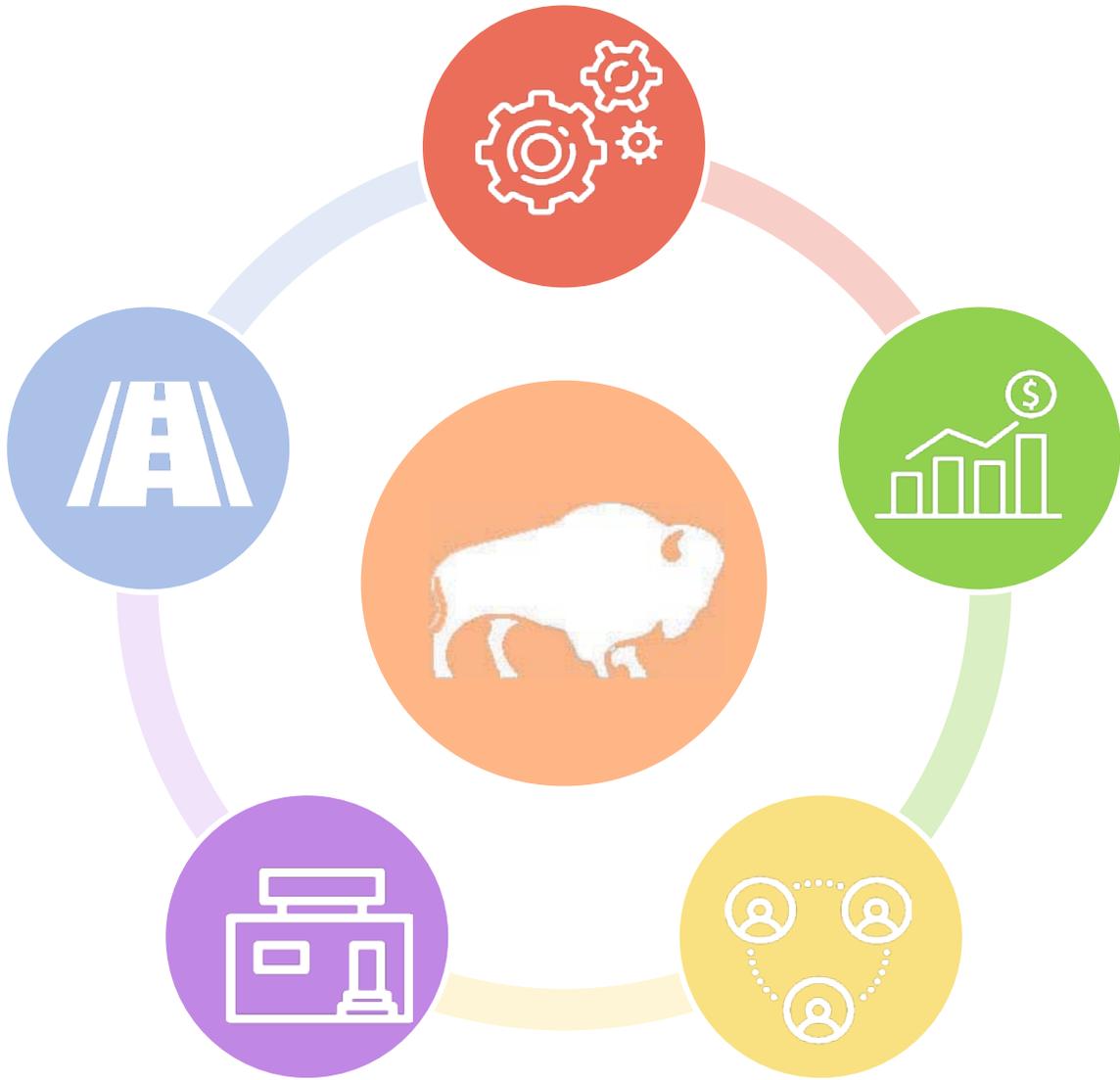
Public Works/Engineering	FY 2017		FY 2018		FY 2019	
	FT	PT	FT	PT	FT	PT
Administrative Assistant	2	1	2	0	2	0
Automotive Mechanic II	3	0	3	0	3	0
Automotive Mechanic III	1	0	1	0	1	0
Automotive Shop Assistant	0	1	0	1	0	1
Building Maintenance Manager	1	0	1	0	1	0
Building Maintenance Worker I	1	0	1	0	1	0
Building Maintenance Worker II	1	0	1	0	1	0
Building Maintenance Worker II – CL	1	0	1	0	1	0
Civil Engineer I	1	0	0	0	1	0
Civil Engineer II	1	0	2	0	2	0
Deputy Director of Public Works	1	0	1	0	1	0
Director of Public Works	1	0	1	0	1	0
Engineering Intern	0	2	0	2	0	2
Engineering Technician	1	0	1	0	1	0
Fleet Manager	1	0	1	0	1	0
Forestry & Grounds Manager	1	0	1	0	1	0
Laborer – Seasonal	0	6	0	4	0	4
Laborer – Part Time	0	0	0	2	0	2
Maintenance Worker I	7	0	8	0	8	0
Maintenance Worker II	13	0	12	0	11	0
Maintenance Worker II – CL	6	0	5	0	6	0
Management Analyst	0	0	1	0	1	0
Superintendent of Maintenance	1	0	1	0	1	0
Seasonal Snow Plow Driver	0	1	0	1	0	1
Sewer & Drainage Manager	1	0	1	0	1	0
Streets Manager	1	0	1	0	1	0
Superintendent of Utilities	1	0	1	0	1	0
Village Engineer	1	0	1	0	1	0
Water Manager	1	0	1	0	1	0
Total	49	11	49	10	50	10
<b>Full &amp; Part-Time Total</b>	<b>60</b>		<b>59</b>		<b>60</b>	

**TOTAL EMPLOYEE COUNT**

Village of Buffalo Grove	FY 2017		FY 2018		FY 2019	
	FT	PT	FT	PT	FT	PT
Total	212	54	214	56	218	55
<b>Full &amp; Part-Time Total</b>	<b>266</b>		<b>270</b>		<b>273</b>	

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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 issuer's 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.

**Grant:**

A sum of money given by an organization, especially a government, for a particular purpose.

**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

<b>CAD:</b>	Computer Aided Dispatch	<b>IRMA:</b>	Intergovernmental Risk Management Agency
<b>CAFR:</b>	Certified Annual Financial Report	<b>MCSC3:</b>	Mobile Comm Support Center 3
<b>CAFT:</b>	Combined Area Fire Training	<b>MDC:</b>	Mobile Data Computer
<b>CIF:</b>	Capital Improvement Fund	<b>MFT:</b>	Motor Fuel Tax
<b>CIP:</b>	Capital Improvement Plan	<b>NWCDS:</b>	Northwest Central Dispatch System
<b>EAB:</b>	Emerald Ash Borer	<b>NWWC:</b>	Northwest Water Commission
<b>EAV:</b>	Equalized Assessed Valuation	<b>OTSW:</b>	Opportunities, Threats, Strengths, and Weaknesses
<b>EMA:</b>	Emergency Management Agency	<b>PAFR:</b>	Popular Annual Financial Report
<b>FLSA:</b>	Fair Labor Standards Act	<b>RETT:</b>	Real Estate Transfer Tax
<b>GAAP:</b>	Generally Accepted Accounting Principals	<b>SLIP:</b>	Suburban Insurance Liability Pool
<b>GFOA:</b>	Government Finance Officers Association	<b>SOP:</b>	Standard Operating Procedure
<b>GovITC:</b>	Government Information Technology Consortium	<b>SWANCC:</b>	Solid Waste Agency of Northern Cook County
<b>HVAC:</b>	Heating, Ventilation Air Conditioning	<b>TERF:</b>	Technology Equipment and Replacement Fund
<b>IEPA:</b>	Illinois Environmental Protection Agency	<b>TIF:</b>	Tax Increment Financing
<b>IMF:</b>	Infrastructure Maintenance Fee	<b>VSI:</b>	Voluntary Separation Incentive
<b>IMRF:</b>	Illinois Municipal Retirement Fund		