

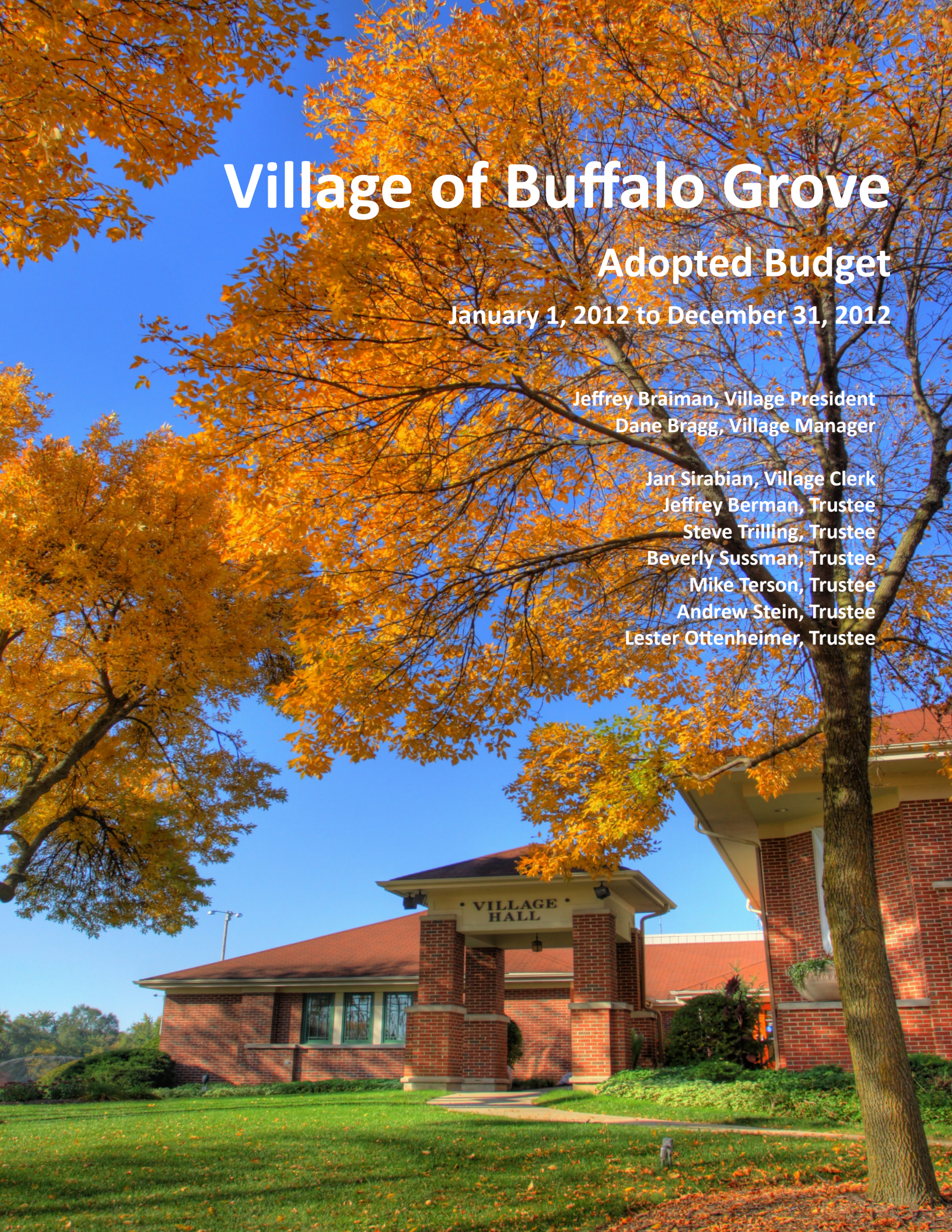
Village of Buffalo Grove

Adopted Budget

January 1, 2012 to December 31, 2012

Jeffrey Braiman, Village President
Dane Bragg, Village Manager

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



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Section 1

Transmittal Letter

Dane C. Bragg, Village Manager





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

November 18, 2011

Honorable President Jeffrey S. Braiman and Board of Trustees:

It is my pleasure to submit to the Village Board the proposed budget for the Village of Buffalo Grove for the Fiscal Year ending December 31, 2012. Primarily due to the efficiency initiatives undertaken in the prior year, the Village will enter 2012 with a balanced operating budget while maintaining essential services to its residents. While the Village's revenue profile remains stagnant in the current economy, a continued strong financial position permits the Village to maintain predictable levels of service. The proposed budget reflects a continued commitment to maintaining sufficient reserves to cover the Village's operating needs, meet long-term financial goals and plan for the growth and development of the Village.

The 2012 Village Budget continues the evolution of many of the 2011 initiatives including in-depth analysis of organizational processes, personnel, services and long-term liability management. During the past year, Village staff has prepared and discussed several long-term financial variables with the Village Board including operating revenue and expense projections, water and sewer utility capital reinvestment, leveraging the organization's buying power for goods and services, increasing efficiency and reducing unnecessary or redundant processes. Many of these initiatives involve the deployment of new technologies to improve and maximize work flows, reduce overall costs of delivering essential services, automate processes and further develop the Village's multiple high-quality communication modalities. Working together, the Village Board and staff have been able to accomplish several elements of longer-term goals related to proactively managing the organization's service delivery model and balance sheet. The fruits of these efforts are reflected in the attached budget which is both lean and highly-focused on the service expectations of our diverse residents and businesses.

The Village has benefited from a history of sound financial planning and current initiatives focus more specifically on organizational efficiency, maintaining a stable tax environment, rehabilitating infrastructure and stimulating new development and redevelopment. Village staff members have worked diligently to provide for a balanced

tax structure with no new taxes proposed, a steady ad valorem tax rate for the forthcoming year and appropriate public safety, infrastructure and general services.

The 2012 budget represents a significant enhancement to prior budget preparation and documentation. The draft budget follows the Government Finance Officers Association (GFOA) standards for Distinguished Budget Presentation, a guide designed to provide for enhanced transparency, alignment of budget objectives with long-term planning efforts and enhanced supporting data upon which sound financial decisions can be made. Staff is very proud of this reformatted and enhanced document and believes that it will provide a more readily accessible and understandable picture of the Village's financial plan for residents, staff and elected officials. The entire budget will also be published electronically with PDF bookmarks for the upcoming year, an improvement for those searching for information within the document.

STRATEGIC PLANNING AND MANAGEMENT

The Village will continue its commitment to strategic planning and management in 2012. During 2011, executive leadership completed the Certificate in Strategic Management (CSM) program. Currently, staff is developing a scope for the development of a full-scale strategic plan to be completed largely in-house. It is anticipated that the strategic planning effort will include all levels of the organization, from elected officials to line staff. The timeline of the strategic planning process is designed to yield a fully-developed goals strategy in concert with the 2013 budget, with the ongoing development of performance metrics as part of a three-year initiative to improve organizational performance. For 2012, the following core values have guided the development of the budget, as a function of the Village's vision and mission: **Strategy, Efficiency, Culture and Technology**. These core values are reflected throughout this document. A more detailed analysis of the strategic initiatives can be found in the *Section 4: Executive Summary* and *Section 5: Corporate Fund Summary and Detail* sections. In addition, each of the departmental goals is tied to the Village's core values and includes performance measures which form the basis of the 2012 work plan.



GENERAL OPERATIONS

The Village's 2012 outlook focuses specifically on maintaining current levels of service with capital investments precisely targeted in the most needed areas, such as sidewalk, street and facility repairs that have been delayed for multiple years. Within the area of general operations, staffing levels are projected to remain level from 2011, although the Voluntary Separation Incentive (VSI) program has reduced the overall full-time position count from 234 to 228 during 2011. It is anticipated that some of the vacant positions, specifically in the Fire Department, will be filled in the first quarter of 2012. The

implementation of the Tier II wage classification, combined with Tier II pensions, will moderate future wage and benefit costs for the Village.

Village staff continues to explore energy efficiency initiatives where appropriate, with the Village Campus facilities undergoing lighting upgrades in 2011, as well as HVAC upgrades to improve efficiency in the Police Department. Window replacement is scheduled to occur at the Police Department in 2012, along with energy efficient lighting upgrades at Police and Fire stations, limited carpet replacement at various facilities and domicile improvements at fire stations.

For 2012, no significant service modifications are anticipated. The Village will continue its efforts to deploy new technologies that permit the conduct of Village business via the web, acceptance of credit/debit forms of payment and automation of processes. The purpose of these initiatives is three-fold: 1) to improve the services available to residents and those conducting business with the Village, 2) to reduce dual entry and streamline processes, thereby reducing costs, and 3) to improve internal controls over the Village's numerous financial transactions. To that end, the upgrade of financial software will be a major thrust of technology enhancement in 2012, with the accounts receivable, accounts payable, cash receipting and utility billing modules scheduled for implementation. Based on the capabilities of the selected software, additional modules related to timekeeping and procurement may be deployed, but at a later date.

Economic development activities for 2012 will continue to be modified and targeted to the areas of greatest potential success. The Village continues to be hampered in its economic development efforts by a generally tepid but slowly improving expansion of retailers in the metro area and extraordinary asking prices for strategic development/redevelopment tracts. Continued emphasis will be placed on the Milwaukee Avenue and Dundee Road corridors as these areas contain the largest and most desirable tracts. For the coming year, staff proposes to address these corridors comprehensively, including strategies for annexation and incentives for multiple sites along the Milwaukee Avenue corridor and the design of redevelopment concepts for currently vacant and underutilized sites in the Dundee Road corridor. The recent closure of Prestige Auto Leasing leaves the Village absent any automobile dealerships, which has historically represented a significant revenue source for general operations. In addition, the further extension of the post-closure permit application for the Land & Lakes site leaves this redevelopment tract in a state of suspense in terms of economic development activity.

While golf operations have not yet fully recovered from the economic downturn, revenue and expenses for both the Arboretum and Buffalo Grove courses have improved significantly in 2011. Continued efforts to increase round play and revenue per round will be imperative to close the funding gap at these facilities in the coming year. In addition, the Village will consider lease negotiations or extensions for the food service operations at both courses in 2012. Overall, cost containment and aggressive marketing strategies will be the primary focus in this area for the foreseeable future.

Corporate Fund Revenues

FY 2012 Corporate Fund revenue is expected to increase slightly by \$145,908, or 0.45 percent, over 2011 budget and to increase \$73,664, or 0.23 percent from 2011 estimated actual. Total Corporate Fund revenues for 2012 are estimated at \$33,507,100. Within the Corporate Fund tax revenue source profile, state and home rule sales tax returns are projected to increase two percent from 2011 estimated actual, income tax is projected to continue its steady decline since 2009 with a 2012 decrease of 8.6 percent from 2011 estimated actual, and utility use taxes for natural gas and electric are expected to remain level. Building revenues and fees are anticipated to remain strong with a 19 percent projected increase over 2011, equating to a total of \$900,000 in permit and inspection fees. This revenue has remained strong in recent years with existing facility expansions, relocations and residential remodeling in light of declining new home starts.

Other Corporate Fund revenues of note include the prepared food and beverage tax, which accounts for 2.5 percent of the operating revenue and is steadily increasing at a rate of 2.5 percent and the real estate transfer tax, which is slowly recovering from the 2008 residential housing meltdown at a projected rate of increase of five percent for 2012, for a net revenue of \$500,000. The ad valorem (property tax) levy is discussed in further detail within this correspondence and within *Section 4: Executive Overview*.

The Corporate Fund revenue projections included in the 2012 budget are consistent with the five-year projections presented to the Village Board on July 18, 2011, with 0.58 percent variation from overall projection. Additional information concerning revenue projections and trends may be reviewed in *Section 4: Executive Overview*.

Corporate Fund Expenditures

The Village has been diligent in monitoring operating expenses and has budgeted its expenses wisely. Corporate Fund actual expenditure as a percentage of budget for 2009 and 2010 was 91.4 and 99.6 percent, respectively, and is expected to finish at 97.9 percent for 2011. The 2012 Corporate Fund budget will remain steady at \$33.43 million (\$74,657 net increase year-over-year), including planned personnel wages and benefits, increased commodity costs and general increases in the cost of operations. The compromised revenue scenario of recent years has necessitated an innovative approach to balancing the budget. Village staff has instituted a series of key strategies to control expenditures in 2012, including the following assumptions:

1. Replacement reserve contributions are approached on a pay-as-you-go basis, excess fund balance and better-than-expected financial performance establish the vehicle for reserve funding, reviewed on an annual cycle;
2. Village staff will continue to seek ways to reduce aggregate personnel expenses, carefully assessing all vacant positions, evaluating organizational efficiencies and recommending policies that maintain a competitive wage and benefit program;
3. An across-the-board 2.0 percent wage increase is factored in to salaries for the 2012 fiscal year. In addition, it is recommended that the Village Board review a 1.0 percent merit pool mid-year 2012 based upon financial performance;
4. Golf operating deficits have decreased substantially, estimated at \$60,000 for 2011 and breakeven for 2012. Staff will continue to monitor revenue and expense

- performance in this enterprise unit to minimize reliance on general operating revenues;
5. Certain capital projects will utilize reserve funds in order to expedite project completion; and
 6. Budget compliance will be a significant issue for Village management in 2012, ensuring that reduced or flat line-item growth can continue, if possible.

Fund Balance

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

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

For 2012, an unreserved, undesignated fund balance of \$7.3 million is required to maintain sufficient operating cash within the Corporate Fund. Unreserved, undesignated fund balance is projected to be \$10.4 million, or 35 percent of the 2012 budget, less pension transfers as of December 31, 2012. The proposed budget does not anticipate the use of unreserved fund balance for general operations. Use of fund balance is proposed for non-operating funds and for capital expenditures, including the computer replacement reserve, capital projects-streets, the Motor Fuel Tax Fund and the Water and Sanitary Sewerage Fund.

ECONOMIC AND POLITICAL CLIMATE:

Area unemployment rates have remained steadily high since peaking in early 2010. Cook County current unemployment is consistently greater than 10 percent, while Lake County unemployment has ranked between a low of 7.8 percent in May, 2011 to the current 9.0 percent rate, with an annual peak of 10.8 percent in February, 2011.

Other economic factors, as evidenced in the Village's revenue profile, remain moderately improved but weak in trend performance. The real estate transfer tax and sales taxes have not been able to rebound to pre-2008 levels. As a unit of local government, there is a significant lag between private-sector market adjustments and public-sector revenue impacts. Perhaps the best indicator of the economy at the present time is the relatively flat-to-slightly increasing revenue curve projected for the Village, indicating that the real estate and consumer goods markets have reached their weakest points and, for the time being, are stable.

The 2012 budget anticipates corporate investment returns of 0.75 percent, exclusive of pensions. The Village has maintained an aggressive portfolio with regard to liquidity, holding as much as 60 percent of investments in short-term funds and in anticipation of a future investment rate increase. Given the volatility of state shared revenues, it is

imperative that sufficient cash be held in short-term investments, which ultimately reduces the Village's investment yields. Pension performance has rebounded to a degree better than expected, with the Police and Fire pensions earning 9.42 and 8.52 percent returns, respectively, for the period ending December 31, 2010. This contrasts to substantial market losses exceeding \$5.2 million for the combined funds in 2008.

Politically, the Village continues to struggle with threats to its state shared revenue sources, including Motor Fuel Tax, State Income Tax and Personal Property Replacement Tax. As of this writing, the Illinois General Assembly is considering a bill to reduce municipal shares of PPRT proceeds for the purpose of funding administrative salaries for superintendents of regional offices of education. As the State's financial condition remains compromised, the Village is both narrowly focused and strategic in defending challenges to its shared revenues.

COMPREHENSIVE BUDGET

All Fund Revenue, Expense and Fund Balance

The Village relies heavily on state shared revenues. Eighty-seven percent of Corporate Fund expenditures are financed with a variety of tax revenues including property, replacement, state income and sales, local use and other miscellaneous taxes. The total budget will decrease 1 percent, or \$596,000, from 2011. Capital projects will decrease from 12.6 percent to 10.1 percent of the total budget for the upcoming year, primarily due to completion of previously committed projects in the new fiscal year. The following table provides a summary of all funds.

Fund	12/31/12 Revenue & Other Sources
Corporate Fund	\$33,507,100
Special Revenue Funds	3,512,820
Debt Service Funds	1,138,756
Capital Project Funds	1,146,946
Enterprise Funds	11,659,679
Permanent/Pension Funds	8,206,176
Total	<u><u>\$59,171,477</u></u>

Balance Sheet Considerations

The Village issued two bond series in 2010, a \$5,160,000 general obligation refunding series and a \$2,600,000 general obligation series for drainage system improvements. The Village continues to take an aggressive approach to managing debt, having retired \$1,055,000 in debt obligations in FY 2011. For 2012, the Village will retire an additional \$920,000 on the Series 2003, Series 2010-A and Series 2010-B issues. By year-end 2012, the Village will have outstanding debt totaling \$6,280,000 with all current debt maturing no later than 2025. An analysis of debt options to clear backlogged street projects will be presented to the Village Board for consideration in 2012.

The Village's ability to fund long term depreciation for capital facilities and equipment has been dependent on budget surpluses in recent years and will continue in 2012. At this time, it is anticipated that a reserve allocation from surplus in the amount of \$700,000 will occur in 2011 and an additional \$72,451 reserve allocation is planned for surplus in 2012.

STRATEGIC INITIATIVES:

The Village made significant progress in 2011 toward restructuring its operations, communications and technology platforms. Efforts in 2012 will continue with the development of minimal capital improvement projects for the upcoming year with funds allocated to specific high-priority projects and programs deemed essential for ongoing operations. Specific strategic initiatives for 2012 include:

1. **Street, Sidewalk and Bike Path Maintenance.** A total of \$2.025 million is allocated for resurfacing, sidewalk repair and maintenance and bike path maintenance projects for the year.
2. **Dundee Road Streetscape Improvements.** In accordance with the Dundee Road Streetscape Plan, pedestrian accessibility and sidewalk/bike path infill projects totaling \$101,013 are planned for 2012.
3. **Raupp Boulevard Bridge Reconstruction.** Funds are designated for design services for the bridge replacement. Total project cost is estimated at \$835,000, with \$688,000 eligible for reimbursement under the Highway Bridge Replacement and Rehabilitation Program.
4. **Sanitary Sewer Lift Station Repairs.** The Village continues to work with the Metropolitan Water Reclamation District to affect repairs to aging lift stations in the Cook County portion of the Village. For 2012, \$300,000 is designated for emergency repairs and generator improvements.
5. **Arlington Heights Road Water Main Replacement.** This project, totaling \$980,000, is under construction and will be completed in 2012. A total of \$275,000 is budgeted for final payment and will be paid from the Water and Sewer Fund.
6. **Pump House No. 7 Deep Well Project.** Consistent with long-term plans to provide for sufficient emergency water supply, the \$454,000 balance of this \$1,470,000 project is budgeted from the Water and Sewer Fund to finish the Village's fourth deep well. The Village Board approved the award of a design contract for this project on October 4, 2010.
7. **Pump House Repairs/Security Improvements.** Various projects totaling \$600,000 are planned at the Village's pump houses to improve security of the potable water supply and other improvements identified in the 2008 system study. The completion of this project is subject to available funds in the Water and Sewer Fund.
8. **Financial System Software Upgrade.** It is proposed to continue with the selection of a financial management software system, with emphasis on adding point-of-sale debit/credit card capabilities, online billing services and a comprehensive budget development module. The expenditure for this software will occur in 2011, with implementation scheduled for 2012 and 2013.

9. **Weiland Road / Lake Cook Road Improvements.** As the phase one study continues on this project, \$234,054 is earmarked to complete engineering. Funding allocations for project construction by Lake and Cook counties are not finalized at this time.
10. **Board Strategic Planning.** Funds have been included in the budget to provide for strategic planning activities with the Board and Village personnel.
11. **Communications Initiatives.** Several communications initiatives are planned for 2012, including:
 - a. **Development of “App” Presence.** For 2012, staff will be exploring the development of a mobile device “app” in concert with area governmental agencies. Staff will first garner support for a multi-agency deployment, standards for communications and a cost projection to develop and maintain this modality.
 - b. **Communications Handbook.** A guide for effective and consistent Village communications will be developed.
 - c. **Redesigned Budget Document.** Staff undertook a comprehensive review of the budget document and prepared the 2012 budget as a communications, strategic management and reporting device, with a goal of achieving a GFOA Distinguished Budget Presentation Award in 2012. Further review and enhancement will occur in preparation for the 2013 financial plan.
 - d. **Redesigned Monthly Management Report.** As a component of the strategic planning and performance measures, an updated and streamlined monthly management report will be developed.
 - e. **Upgrade to BGTV Server Software.** Staff will implement the conversion of the BGTV programming software to allow easy-access and deployment of programming. As such, Village departments will be able to develop programming more frequently and communicate initiatives to Village residents.

The Public Service Center expansion project will remain deferred until at least 2014.

ENTERPRISE ACTIVITIES:

Water and Sewerage Utility

No changes to the water and storm sewer rate structure are proposed for 2012. The water rate will remain at \$2.40 per 1,000 gallons consumed and the sewer rate will remain at \$0.60 per 1,000 gallons consumed. Staff will review water rates, projections and future rate strategies with the Board mid-year.

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

The following rate/tax amendments are proposed in the FY 2012 budget:

Property Tax Levy

The 2012 tax levy includes fully funded Fire, Police and IMRF pension allocations as well as funding for general operations and debt service, for a total corporate levy of \$14.4

million. Of the total levy request, \$1,138,696 will be used to service debt on the Series 2003, Series 2010-A and Series 2010-B bonds. The total dollars levied in 2012 will decrease versus 2011 based on the final levy approved by the Village Board.

Given projected equalized assessed valuation for Cook and Lake Counties, it is anticipated that the ad valorem tax rate would increase 6.3 cents per \$100 of assessed valuation. It should be noted that the entire levy increase is attributable to a decline in the assessed value of property. No additional fee, rate or tax amendments are proposed for the year.

PERSONNEL FACTORS:

Staffing

Personnel levels have decreased significantly in 2011 as a result of the Village's Voluntary Separation Incentive (VSI) program, with 228 full-time positions and 92 part-time positions included in the budget. It is anticipated that personnel levels will vary throughout the year and may average less than the budgeted amount due to planned retirements, reorganization and the second planned voluntary separation incentive program.

Wages

It is desirable that the Village provide for a wage enhancement in 2012 in order to maintain a competitive environment for talented individuals. As noted in the Corporate Fund Expenditure strategy, a 2.0 percent general wage increase has been included in the salaries of full-time and part-time personnel. An additional 1.0 percent merit pool is recommended for review by the Village Board mid-year. The Village has been unable to provide for salary progression for those employees moving through the salary ranges since 2009. It is further proposed to include a five percent average salary increase for those employees who were frozen in range in 2009, exclusive of any pay range adjustments as a result of the 2010 Position Classification and Compensation Plan or general wage increases. The salary progression component of the compensation plan is important to retention efforts and has created a significant gap for the Village's shorter-tenured employees. As proposed in 2011, the reduction in the Village's total personnel is the catalyst to make salary progression for all employees possible.

The Village will undertake a wage reopener with IAFF Local 3177 concerning wage increases for represented firefighter/paramedic and lieutenant positions in February, 2012. As the outcome of this contract re-opener is unknown, no additional funds beyond the previously approved general wage increase (3.0 percent, effective December 31, 2010, 3.5 percent, effective December 31, 2011) have been earmarked in the budget for wages associated with these positions.

The budget also reflects a phase-out of the deferred compensation program for senior management employees. The current contribution made by the Village to employees of up to five percent of gross earnings will be contributed at a rate of 33.3 percent in 2012 and will be eliminated in 2013.

Training

It remains a high priority to provide necessary training and professional development for Village personnel, both in terms of providing for a well-rounded workforce and to develop the next generation of leaders within the organization. To that end, the budget includes training and professional development for employees based on operational needs. In addition, out-of-state travel has been budgeted to provide such travel where no other options exist to obtain sufficient training. When utilizing out-of-state travel, the Village Manager must first approve the training based on established criteria. In addition, the Village will pay up to \$100 for travel-related transportation, with the balance of the travel expense being the responsibility of the employee.

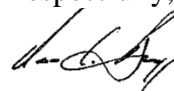
Employee Health & Wellness

For 2012, the Village will implement the recommendations of staff and the Employee Health and Wellness Committee to join the Intergovernmental Personnel Benefits Cooperative (IPBC) with network access provided through Blue Cross Blue Shield of Illinois. The Village's re-association with IPBC represents a significant step to provide balance and predictability to the Village's self-funded health plan, with the incorporation of a nine percent fund reserve mandated by the cooperative. For 2012, various premium changes will take effect, including an increase in employee percentage of premium contribution, the introduction of the HMO Illinois network product and re-pricing strategies to reflect the level of service of each of the three network options. For additional information on the health plan changes, please review *Appendix C: Human Resources*.

Acknowledgements:

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

Respectfully,



Dane Bragg,
Village Manager

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Section 2

Organization & Services

Village of Buffalo Grove Map

List of Principal Officials

Vision and Mission Statements

Core Values

Organizational Chart

Village Commissions, Committees & Boards

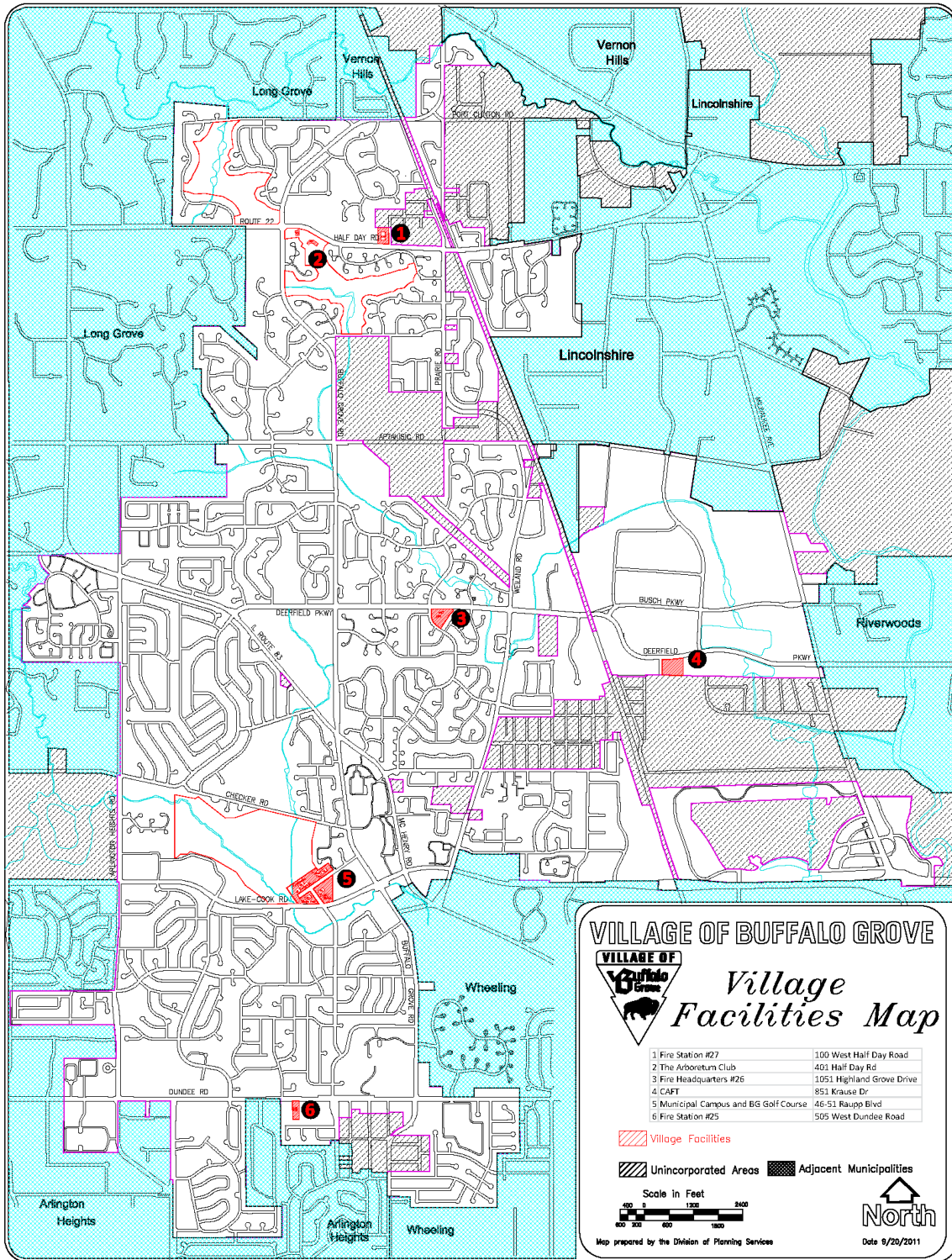
Village Overview



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Village of Buffalo Grove Map



Principal Officials

Elected Officials



Jeffrey Braiman
Village President



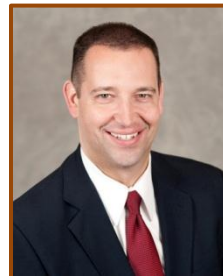
Jeffrey Berman
Village Trustee



Steve Trilling
Village Trustee



Beverly Sussman
Village Trustee



Mike Terson
Village Trustee



Andrew Stein
Village Trustee



Lester Ottenheimer
Village Trustee



Janet Sirabian
Village Clerk

Principal Officials

Appointed Officials/Department Directors



Dane Bragg
Village Manager



Ghida Neukirch
Deputy Village Manager



Scott Anderson
Finance Director



Steve Balinski
Police Chief



Terry Vavra
Fire Chief



Greg Boysen
Public Works Director



Carmen Molinaro
Golf Director



Art Malinowski
Human Resources Director

Vision and Mission Statements



Vision

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

Mission

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

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

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

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



Core Values

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



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



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.

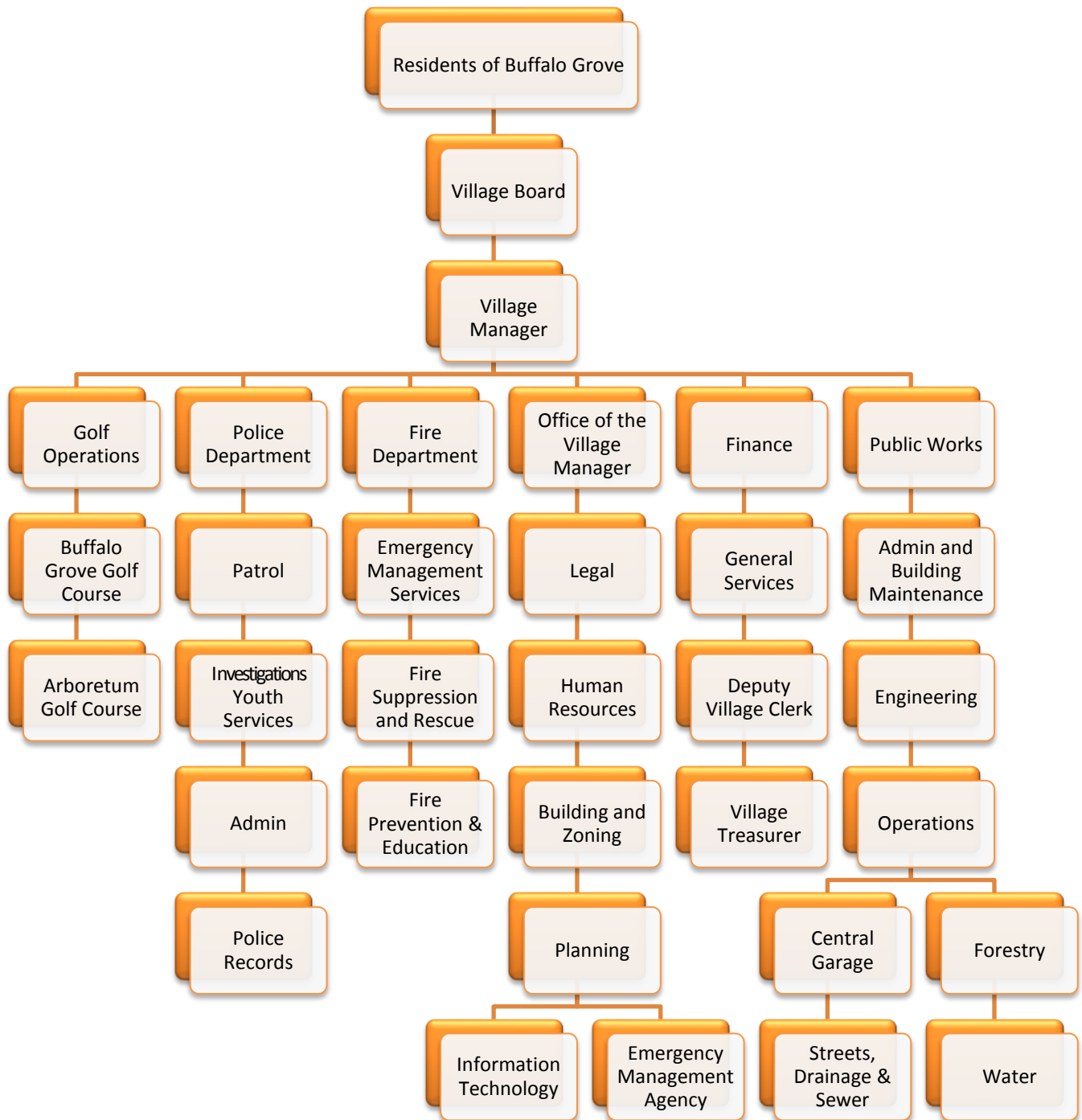


The Village maintains a culture of service, loyalty and dedication to our competencies through adherence to a series of performance metrics and accountability.



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.

Organizational Chart



Village Commissions, Committees & Boards

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

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

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

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

Village Overview

The Village of Buffalo Grove is located approximately 35 miles northwest of downtown Chicago and includes portions of Cook and Lake Counties. In Cook County, neighboring communities include the Village of Arlington Heights and the Village of Wheeling. In Lake County, neighboring communities include Long Grove, Vernon Hills, Lincolnshire, and Riverwoods.



Buffalo Grove has been one of the fastest growing communities in the Northwest suburbs since its incorporation in 1958, when on March 27; the first Village officials were elected. The Village's Comprehensive Plan projects that the Village will ultimately reach 7,202 acres, over 100 times its original size. The Plan also estimates an eventual population of approximately 48,000 residents. When the Village was established in 1958, the Village's population was 164 residents. Currently, the Village's population is 41,496 and covers approximately 9.25 square miles.

The Village of Buffalo Grove is proud to be one of the finest communities in Illinois with a diversified mix of retail, business and residential development. The retail community includes twenty-one shopping centers offering a wide variety of stores, specialty shops and eating establishments. The Village's business parks and office centers contain some of the most successful and reputable business organizations in the Chicagoland area. The community also boasts more than 400 acres of parks and open space throughout the Village featuring playgrounds, sports fields, bicycle trails, and picnic areas. Buffalo Grove is easily accessible and traversable through a constantly improving road and transportation network including the Illinois Route 53 corridor, Interstate 94, U.S. Highway 45 and State Routes 22 and 68, as well as the North Central Commuter Rail Service to the Chicago Loop with connections to O'Hare International Airport. The Village is served by two full service Library Districts, two Park Districts with comprehensive programs for all ages, two golf courses, an abundance of community support services, and over 30 thriving community organizations and clubs. The schools serving Buffalo Grove are a constant source of pride having been regularly recognized as among the best in the nation. Buffalo Grove residents and businesses take pride in the community and are committed to a continued effort of providing efficient and effective programs and services.

Community Characteristics

The following information reflects the most frequently asked questions relating to the Village's community statistical information. The information is obtained from the 2000 Census unless otherwise noted:

- Population: 41,496 (2010 Census)
- Median age: 38.1 (2004 NIU - Center for Government Studies Estimate)
- Median household income: \$80,525
- Per capita income: \$39,794 (2004 NIU - Center for Government Studies Estimate)
- Total housing units: 17,104 (2000 Census plus approved units through December 31, 2008)
- Person per household: 2.72
- Owner occupied: 2.8
- Renter occupied: 2.13
- Total area of the Village: 5,960.7 acres or 9.3135 square miles (Village Annexation Records, July 1, 2008)

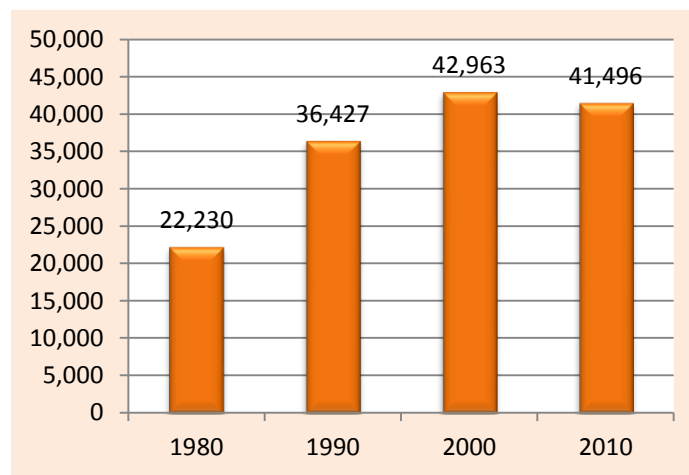
Housing Value

The following information provides the average and median residential sale price from Village Real Estate Transfer Tax Records, January 2008 - December 2008:

- Multi-family: \$161,226
- Single family attached: \$270,832
- Single family detached: \$403,385
- Median home value: \$311,000

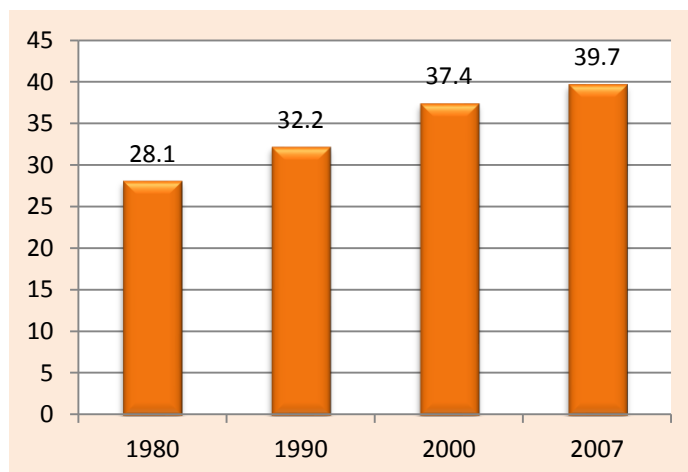
Village of Buffalo Grove Total Population

Source: U.S. Bureau of Census



Median Age

Source: U.S. Bureau of Census



Village Government

Home Rule Authority

The Village of Buffalo Grove is a Home Rule Unit by virtue of the provisions of the Constitution of the State of Illinois of 1970. The Constitution states that a home rule authority must pertain to its government affairs. At the most basic level, Home Rule allows communities in Illinois to take actions not specifically prohibited by the State Statutes. Conversely, a Non-Home Rule community can only under take those actions specifically allowed for in the Statutes. Home rule is the power of a local city, village 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 and ultimately to the local electors. A home rule charter is, in essence, a local constitution. 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 council-manager form is the system of local government that combines the strong political leadership of elected officials in the form of a council or board, with the strong managerial experience of an appointed local government manager. The form establishes a representative system where all policy is concentrated in the elected board and the board hires a professionally trained manager to oversee the delivery of public services. Under council-manager form, those duties not specifically reserved by the elected body pass to the Village Manager and his/her professional staff.

Equalized Assessed Value

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

Below are the Cook County, Lake County and total EAV of property within the Village. For Cook and Lake Counties, the assumption is for no growth post triennial reassessment. This would be reflective a moderating residential and commercial/industrial development in the Lake County portion of the community.

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

Economic Development

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

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

Following are two target areas whereby the Village staff works with property owners, brokers, developers and others in the real estate industry to promote development.

Milwaukee Avenue Corridor

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

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



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



Pictured at left is the **Land & Lakes property**. Village staff coordinates on a regular basis with the Land & Lakes team on development of the subject property on the west side of Milwaukee Avenue. The property is currently awaiting approval from the Illinois Environmental Protection Agency for the post-closure landfill permit.

Dundee Road Corridor

The Dundee Road corridor has two designated redevelopment sites. The first is 15.94 acres and was occupied by three automotive dealerships; the second is 4.71 acres and commonly known as Cambridge Commons shopping center. The corridor also consists of several other redevelopment opportunities. The southwest corner of Dundee Road and Arlington Heights Road was approved in 2010 for redevelopment and will include three new retail tenants, across from Buffalo Grove High School. The Village of Buffalo Grove is currently preparing designs for streetscape improvements to the corridor to improve pedestrian and bicycle access to the commercial district, scheduled for construction in 2012.

Major Employers

The Village is proud to be home to several quality and professional businesses in the community. Following is the list of major employers in the community.

Business	Employees	Industry Segment
Siemens Industry, Inc.	1030	Electronics Manufacturing
Rexam	745	Plastic Product Manufacturing
International Services, Inc.	573	Marketing/Office
Dominick's Finer Foods	483	Commercial Food Sales
Plexus Corporation	475	Technology/Manufacturing
Harris Bank - Buffalo Grove	371	Financial/Banking
SMS-NA, LLC	354	Marketing/Offices
FedEx Express	289	Logistics
Baxter Global Technical Services	250	Medical Devices
Caremark, LLC	230	Medical Devices

Source: 2011 Business License Data, Village of Buffalo Grove

Section 3

Budget Process & Structure

Budget Process

Budget Timeline

Budget Sections

Basis of Budgeting

Annual Budget vs. Financial Statements

Fund Structure

Account Numbers

Current Village Funds



Budget Process

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

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

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

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

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

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

Budget Timeline

Date	Event	Requirement/Action
Wednesday, July 06, 2011	Budget Instructions To Departments	Budget instructions provided to Department Directors
Tuesday, July 12, 2011	Finance Staff to Distribute Budget Worksheets	Worksheets provided to begin building estimated actuals and budget figures.
Thursday, July 14, 2011	Distribute FY 2011 CIP Status Update Packet	FY 2011 projects and assignments distributed for completion
Monday, July 18, 2011	Committee of the Whole	Presentation of five year proforma Operating Revenue & Expenditures. Five-Year Water Rate Recommendation
Monday, July 25, 2011	Village Board Meeting	Presentation of mid-year 2011 budget report to the Village Board
July 5 - July 31, 2011	Revenue Development	Staff develops revenue estimates
Tuesday, July 19, 2011	Finance/HR Distribute Salary Worksheets	Department are provided with wage estimates for review and inclusion in the department budget.
Friday, July 22, 2011	Distribute FY 2012-2016 CIP program update	Department Directors begin compiling requests for the next five year capital program
August 1 - August 22, 2011	Department Meetings	Village Manager & staff revisit requests; department directors meet with manager
Monday, August 08, 2011	Village Board Meeting	Health plan alternatives - analysis and recommendations
Tuesday, August 09, 2011	FY 2011 CIP Status Updates Due to Finance	Reports due.
Monday, August 22, 2011	Village Board Meeting	FY 2011 CIP project status updates provided to the Village Board
Thursday, August 25, 2011	CIP Review	Village Manager & staff review capital requests
Thursday, September 01, 2011	Health Insurance Calculations for Departments	Staff to provide budgets for health insurance.
Wednesday, September 07, 2011	FY 2012-2016 CIP Submittals Due to Finance	Reports due.
September 26-October 14	Final Budget Preparation	Final document is compiled for distribution.
Monday, September 26, 2011	Village Board Meeting	Presentation of the FY 2012-2016 Capital Improvement Plan to the Village Board.
Monday, October 17, 2011	Village Board Meeting	FY 2012-2016 CIP presentation.
Monday, November 07, 2011	Village Board Meeting	FY 2012-2016 CIP adopted by Resolution. FY 2012 draft budget distributed.
Monday, November 07, 2011	Village Board Meeting	FY 2012 Truth in Taxation Determination.
Monday, November 21, 2011	Village Board Meeting	FY 2012 draft budget presentation
Monday, December 05, 2011	Village Board Meeting	FY 2011 tax levy (public hearing). FY 2012 budget adopted by resolution.
Monday, December 19, 2011	Village Board Meeting	FY 2012 Appropriation Ordinance (public hearing).

Budget Sections

The Budget is divided into nine sections and four appendices:

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

Basis of Budgeting

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

The Village uses the three following fund types:

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

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

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

All funds presented in the 2012 Budget are appropriated.

Annual Budget vs. Financial Statements

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

Fund Structure

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

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

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

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

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

Financial Policies and Goals

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

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

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

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

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

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

Budgetary Goals:

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

Account Numbers

The account numbers used by the Village of Buffalo Grove identify the type of account, the department making the expenditure, the general category to be charged and the type of purchase. Account numbers look like this:

421-3014

The first digit (4) indicates whether this is an income or expense account.

2XX – Income

4XX – Corporate Fund Expenditure

5XX – Non-Corporate Fund Expenditure/Expense

The second two numbers (21) indicate the department.

X01 – Legislative

X05 – Office of the Village Manager

X07 – Management Information Systems

X08 – Legal Services

X10 – Finance and General Services

X11 – Human Resources

X21 – Fire Services

X31 – Police Services

X41 – Building & Zoning

X45 – Engineering Services

X51 – Building Services/Street Lighting

X61 – Street Operations and Maintenance

X62 – Public Works Administration

X63 – Forestry/Parkway/Landscape Maintenance

X65 – Central Garage

X66 – Drainage System

X71 – Emergency Management Agency

X81 – Transfer Non-Operating

The next two numbers (30XX) indicate the general category to be charged.

30XX - Personal Services

31XX – Personal Benefits

32XX – Operating Expenses

38XX – Commodities

39XX – Maintenance & Repair – Facilities

40XX – Maintenance & Repair – Water & Sewer

41XX – Maintenance & Repair – Other Equipment

42XX – Maintenance & Repair – Vehicles

43XX – Capital Equipment

44XX – Capital Projects – Water

45XX – Capital Projects – Streets

46XX – Capital Projects – Facility

47XX – Debt Service

48XX – Operating Transfers

49XX – All Other Expenses

The last two numbers (11) indicate the object within the category. In this case, 3014 is Salaries – Part-Time.

Current Village Funds

Type	Fund Name	Fund No.	Description
General	Corporate	10	The Village's chief operating fund. Accounts for all financial resources except those required to be accounted for in another fund.
Special Revenue	Illinois Municipal Retirement	12	Accounts for revenues derived from a separate property tax levy and employee contributions which are subsequently paid to the state-sponsored Illinois Municipal Retirement Fund.
	Parking Lot	14	Accounts for fees collected at the Village's mass transit train station site and expenditures required to maintain the lot.
	Motor Fuel Tax	20	Accounts for the use of the Village's share of state gasoline taxes and 20% of the Home Rule Sales Tax. State law requires the MFT to be used for the Village street program.
Debt Service	Facilities Development	33	Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
Capital Projects	Facilities	21	Accounts for the acquisition or construction of major capital facilities (other than those in Enterprise Funds).
	Street Maintenance	22	Accounts for the costs of design, construction, and construction engineering for various street maintenance and construction projects.
Enterprise	Waterworks & Sewerage	51	Accounts for the provision of water and sewer services to customers of the village
	Arboretum Golf Course	57	Accounts for the operations of a municipal golf course.
	Buffalo Grove Golf Course	55	Accounts for the operations of a municipal golf course.
	Refuse Service	59	Accounts for the provision of refuse disposal services to customers of the village.
Fiduciary	Police Pension	41	Accounts for the accumulation of resources to be used for the retirement annuity payments to sworn police officers.
	Fire Pension	42	Accounts for the accumulation of resources to be used for the retirement annuity payments to firefighters and firefighter/paramedics.

Section 4

Executive Overview

Budget in Brief

Strategic Planning

Revenue Trends and Projections Summary

Expenditure Trends and Projections Summary

Debt Position

Fund Balance Projections by Fund



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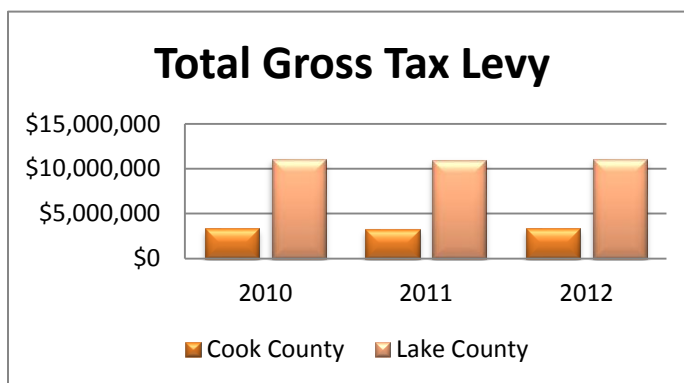
Budget in Brief

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

The budget document serves the following purposes:

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

For fiscal year 2012, the Village's proposed budget is balanced and does not contemplate the implementation of new taxes. The property tax levy will decrease for the 2011 levy, payable 2012. The proposed tax levy includes fully funded requests for pension contributions, the appropriation of funds to service existing debt obligations and sufficient funds for the general operation of the Village. The following table illustrates the history of total property tax levies for the years 2010, 2011 and 2012 (proposed) for the Cook and Lake County portions of the Village.



The basis for developing the overall budget relies upon the initial forecast of anticipated revenues derived from taxes, fees, licenses, intergovernmental revenue, fines, investment proceeds and interfund transfers. The following table depicts total revenues by category for all funds for the years 2010, 2011 and 2012 (proposed).

Revenues by Category

The total revenue budget for 2012 is \$59,171,477. This budget is a 3.3 percent increase over the 2011 estimated actual and 8.3 percent less than the 2010 actual.

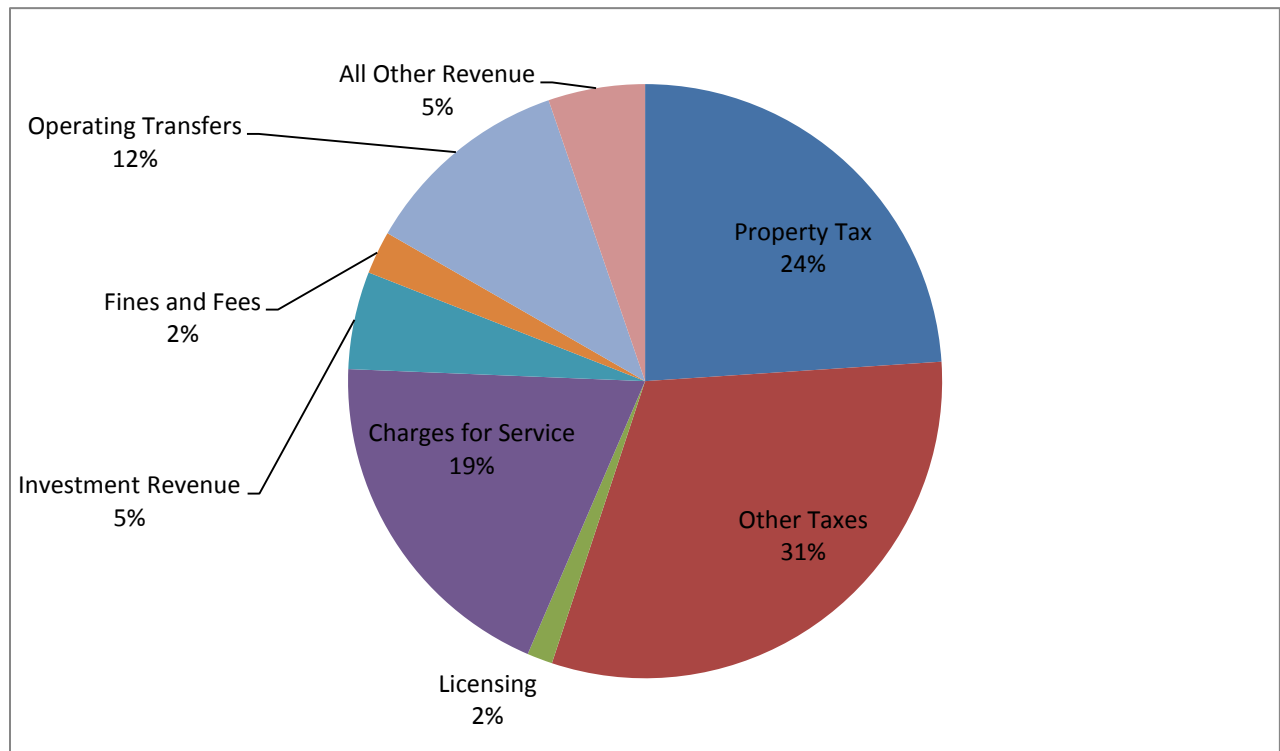
Account Category	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Property Taxes	\$13,657,590	\$14,189,238	\$14,162,061
Other Taxes-State	\$8,859,209	\$9,481,212	\$9,179,143
Other Taxes-Local	\$8,780,097	\$9,160,385	\$9,220,747
Business Licenses	\$146,903	\$144,025	\$144,025
Liquor Licenses	\$121,835	\$125,495	\$126,145
Animal Licenses	\$9,426	\$9,050	\$9,050
Building Revenue & Fees	\$950,675	\$768,849	\$916,331
Intergovernmental Revenue-Local	\$242,082	\$251,565	\$254,796
Sales of Water	\$8,906,781	\$8,044,632	\$8,046,611
Golf Course Fees	\$2,086,489	\$2,292,170	\$2,430,400
Investment Revenue	\$6,215,956	\$1,724,561	\$3,140,655
Fines & Fees-Police & Fire	\$1,419,761	\$1,382,381	\$1,382,650
Operating Transfers	\$6,630,700	\$6,037,642	\$6,759,534
All Other Revenue	\$6,487,428	\$3,664,167	\$3,399,329
Grand Total - All Fund Revenue	\$64,514,932	\$57,275,372	\$59,171,477

Summary of Revenues by Source - All Funds

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

Description	General	IMRF	Parking Lot	Motor Fuel	Facilities Development Debt Service	Capital Projects Facilities	Capital Projects Streets
Property Tax	\$11,656,497	\$1,566,868			\$938,696		
Other Taxes	\$17,414,360			\$985,530			
Licensing	\$279,220						
Charges for Service	\$878,331						
Investment Revenue	\$131,663	\$50		\$100	\$60		\$400
Fines and Fees	\$1,382,650						
Operating Transfers	\$705,000			\$608,820	\$200,000	\$412,013	\$600,000
All Other Revenue	\$1,059,379		\$163,870	\$187,582			\$134,533
FY 2012 Budget	\$33,507,100	\$1,566,918	\$163,870	\$1,782,032	\$1,138,756	\$412,013	\$734,933
FY 2011 Budget	\$33,361,192	\$1,547,072	\$147,100	\$1,841,741	\$1,313,169	\$875,212	\$245,908

Revenues by Source – All Funds



Summary of Revenues by Source - All Funds *continued*

Description	Water & Sewer	Arboretum Golf Course	Buffalo Grove Golf Course	Refuse	Police Pension	Firefighters Pension	All Funds
Property Tax							\$14,162,061
Other Taxes							\$18,399,890
Licensing							\$279,220
Charges for Service	\$8,084,611	\$1,171,700	\$1,258,700				\$11,393,342
Investment Revenue	\$31,675				\$1,585,176	\$1,391,531	\$3,140,655
Fines and Fees							\$1,382,650
Operating Transfers		\$70,106			\$2,159,838	\$2,003,757	\$6,759,534
All Other Revenue	\$2,500		\$1,000	\$1,039,387	\$569,300	\$496,574	\$3,654,125
FY 2012 Budget	\$8,118,786	\$1,241,806	\$1,259,700	\$1,039,387	\$4,314,314	\$3,891,862	\$59,171,477
FY 2011 Budget	\$9,304,458	\$1,148,904	\$1,329,300	1,046,730	\$4,060,777	\$3,545,915	\$59,767,478

Revenues by Source Summarized - All Funds

Summary by Funds	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Trust & Agency	Total
Property Tax	\$11,656,497	\$1,566,868		\$938,696			\$14,162,061
Other Taxes	\$17,414,360	\$985,530					\$18,399,890
Licensing	\$279,220						\$279,220
Charges for Service	\$878,331				\$10,515,011		\$11,393,342
Investment Revenue	\$131,663	\$150	\$400	\$60	\$31,675	\$2,976,707	\$3,140,655
Fines and Fees	\$1,382,650						\$1,382,650
Operating Transfers	\$705,000	\$608,820	\$1,012,013	\$200,000	\$70,106	\$4,163,595	\$6,759,534
All Other Revenue	\$1,059,379	\$351,452	\$134,533		\$1,042,887	\$1,065,874	\$3,654,125
FY 2012 Budget	\$33,507,100	\$3,512,820	\$1,146,946	\$1,138,756	\$11,659,679	\$8,206,176	\$59,171,477
FY 2011 Budget	\$33,361,192	\$3,535,913	\$1,121,120	\$1,313,169	\$12,829,392	\$7,606,692	\$59,767,478

Total Revenues by Fund

Fund	Fund #	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	% of Prior Year Budget
Corporate	10	\$ 29,741,391	\$ 32,210,648	\$33,361,192	\$33,507,100	100.44%
Illinois Municipal Retirement	12	\$ 1,384,621	\$ 1,586,067	\$ 1,547,072	\$ 1,566,918	101.28%
Parking Lot	14	\$ 139,696	\$ 151,900	\$ 147,100	\$ 163,870	111.40%
Motor Fuel Tax	20	\$ 2,336,570	\$ 2,328,569	\$ 1,841,741	\$ 1,782,032	96.76%
Capital Projects - Facilities	21	\$ 478,468	\$ 3,200,900	\$ 875,212	\$ 412,013	47.08%
Capital Projects - Streets	22	\$ 96,843	\$ 765	\$ 245,908	\$ 734,933	298.87%
Facilities Dev Debt Service	33	\$ 1,378,005	\$ 1,207,897	\$ 1,313,169	\$ 1,138,756	86.72%
Police Pension	41	\$ 4,831,197	\$ 6,114,915	\$ 4,060,777	\$ 4,314,314	106.24%
Fire Pension	42	\$ 5,467,601	\$ 4,816,079	\$ 3,545,915	\$ 3,891,862	109.76%
Water & Sewer	51	\$ 7,722,195	\$ 9,174,861	\$ 9,304,458	\$ 8,118,786	87.26%
Buffalo Grove Golf Course	55	\$ 1,233,514	\$ 1,375,231	\$ 1,329,300	\$ 1,259,700	94.76%
Arboretum Golf Course	57	\$ 1,083,703	\$ 1,380,562	\$ 1,148,904	\$ 1,241,806	108.09%
Refuse Service	59	\$ 1,004,431	\$ 966,538	\$ 1,046,730	\$ 1,039,387	99.30%
Grand Total		\$ 56,898,233	\$ 64,514,932	\$59,767,478	\$59,171,477	99.00%

Expenditures by Category

The development of projected expenses relies upon the forecasting of categorical expenditures in the areas of personnel salaries and benefits, professional services, contractual services, commodities, insurance and liability expenses, maintenance, capital development expenses and interfund transfers. As a service provider, the majority of the Village's budget (52.6 percent) is apportioned to personnel salaries, benefits and other human resource expenses. Thus, a great deal of effort is expended in managing collective bargaining activities, wage and compensation programs and employee benefits as a core cost containment strategy. The following table depicts total expenses by category for all funds for the years 2010, 2011 and 2012 (proposed).

Account Category	FY 2010 Actual	FY 2011 Est. Actual	FY 2012 Budget
Personal Services	21,239,634	21,084,487	21,289,331
Personal Benefits	7,785,107	8,636,694	9,359,688
Operating Expenses	1,368,010	1,502,373	1,563,992
Insurance	549,723	604,615	603,655
Legal Services	301,828	276,781	282,150
Commissions & Committees	70,877	87,250	85,650
Commodities	5,760,459	4,761,275	4,833,764
Maintenance & Repairs-Facilities	644,752	719,609	975,293
Maintenance & Repairs-Water & Sewer	59,915	74,700	92,700
Maintenance & Repairs-Other	122,327	121,323	161,946
Maintenance & Repairs-Vehicles	677,529	780,228	850,570
Capital Equipment	225,392	169,650	292,618
Capital Projects-Water	76,490	1,975,000	2,444,000
Capital Projects-Streets & Roads	2,121,137	1,847,392	2,748,247
Capital Projects-Facilities	2,731,449	651,094	634,338
Debt Service	1,603,796	1,730,261	1,578,858
Operating Transfers	6,630,300	6,097,999	6,724,602
All Other Expenses	3,652,049	3,674,616	3,800,115
Grand Total All Fund Expense	55,620,775	54,795,348	58,321,517

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

Summary of Expenditures by Source - All Funds

The following chart provides a summary of expenditures by source. Approximately 53 percent of all expenditures are allocated to personal services. Operating transfers represent the next largest percentage of the total Village budget. Over 60 percent of the transfers are for property tax revenues due the police and firefighter pension funds that are accounted for within the Corporate Fund. There is a transfer to the Corporate Fund of \$705,000 paid by the Water and Sewer Fund to reimburse for administrative and operation expenditures accounted for outside of the Water and Sewer Fund.

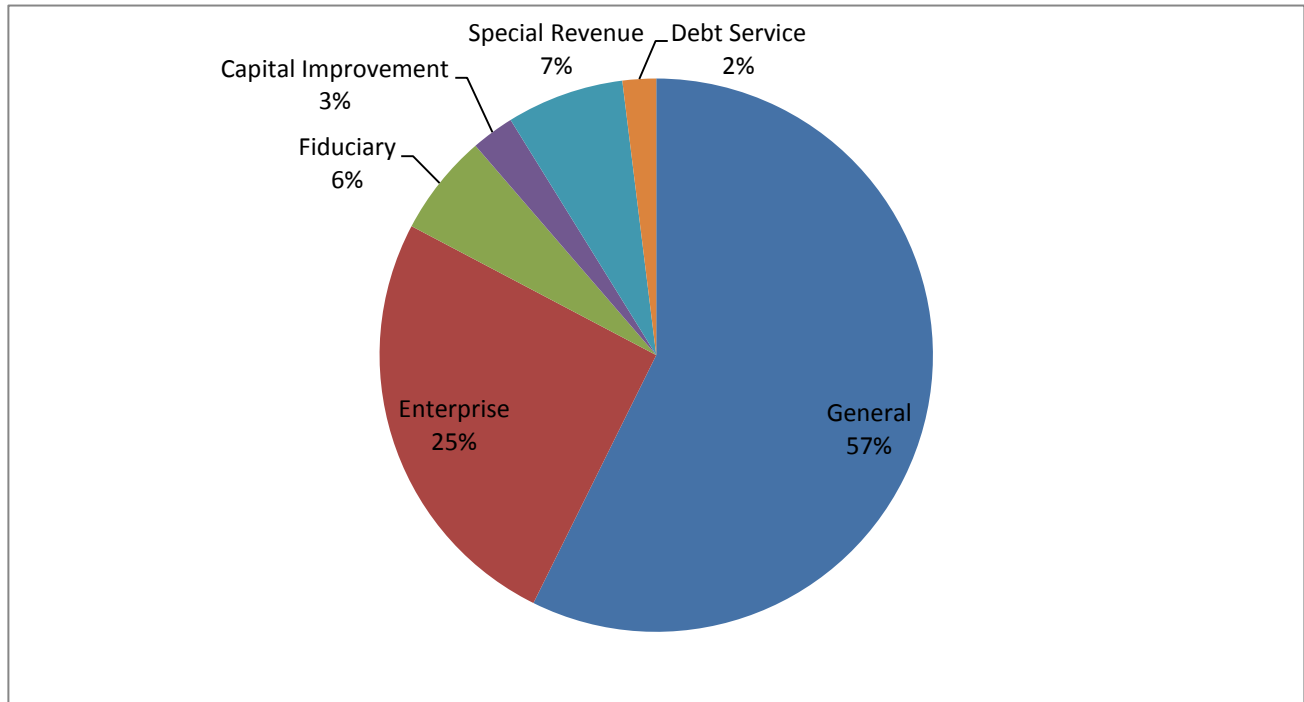
In 2012, it is anticipated that \$6.1 million in capital projects and equipment acquisitions are scheduled. Significant projects include the completion of a deep well, water and sewer main repairs and lift station improvements in the Water and Sewer Fund and the annual street maintenance program in the Motor Fuel Tax Fund. Of the \$4.8 million budgeted to be spent on commodities in 2012, over 75 percent of that total is for sanitary sewer collections on behalf of Lake County Public Works.

The debt service obligations paid through the Facilities Development Debt Service Fund and the Water and Sewer Fund, for financial obligations to the Northwest Water Commission, total \$1,578,858 in 2012.

Summary of Expenditures by Source - All Funds

Description	Personal Services	Operating Expenses	Legal Services	Commodities	Maintenance & Repairs
General Fund Corporate	22,920,227	1,076,108	282,150	481,363	1,553,196
Illinois Municipal Retirement	1,530,321				
Parking Lot	13,155	3,300		16,600	2,500
Motor Fuel Tax					
Total Special Revenue Funds	1,543,476	3,300		16,600	2,500
Capital Projects - Facilities					
Capital Projects - Streets					
Total Capital Projects Funds					
Debt Service Fund		1,875			
Police Pension	2,003,663				
Fire Pension	1,215,766				
Total Fiduciary Funds	3,219,429				
Water & Sewer	1,511,792	147,959		4,033,301	321,313
Buffalo Grove Golf Course	715,688	126,650		136,000	114,500
Arboretum Golf Course	738,406	178,100		166,500	94,000
Refuse Service					
Total Enterprise Funds	2,965,887	482,709		4,335,801	529,813
All Funds	30,590,619	1,563,992	282,150	4,833,764	2,085,509

Budget by Fund Type



Summary of Expenditures by Source - All Funds *continued*

Description	Capital Equipment & Projects	Debt Service	Operating Transfers	All Other Expenses	Grand Total
General Fund - Corporate	427,443		5,169,496	1,524,666	33,434,649
Illinois Municipal Retirement					1,530,321
Parking Lot				128,160	163,715
Motor Fuel Tax	1,700,000		600,000		2,300,000
Total Special Revenue Funds	1,700,000		600,000	128,160	3,994,036
Capital Projects - Facilities	412,013				412,013
Capital Projects - Streets	1,048,247				1,048,247
Total Capital Projects Funds	1,460,260				1,460,260
Debt Service Fund		1,138,695			1,140,570
Police Pension				137,000	2,140,663
Fire Pension				103,738	1,319,504
Total Fiduciary Funds				240,738	3,460,167
Water & Sewer	2,457,500	440,163	885,000	1,567,435	11,364,463
Buffalo Grove Golf Course	42,000		70,106	31,300	1,256,244
Arboretum Golf Course	37,000			27,800	1,241,806
Refuse Service				969,321	969,321
Total Enterprise Funds	2,536,500	440,163	955,106	2,595,856	14,797,835
All Funds	6,124,203	1,578,858	6,724,602	4,465,235	58,321,517

Total Expenditures by Fund and by Category

The chart below provides expenditure summary for all thirteen Village funds and further divides those fund totals into expenditures by category. The total budget for all Village expenditures in 2012 is \$58,321,517. That total is 1.8 percent less than the 2011 budget and 4.9 percent more than what was spent in 2010. Fifty-seven percent of all expenditures support the Corporate Fund. The Corporate Fund is the main operating fund of the Village and accounts for critical core services such as police, fire and public works.

	Fund	Fund #	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	% of Prior Year Budget
By Fund	Corporate	10	\$31,590,005	\$32,863,770	\$33,359,992	\$33,434,649	100.22%
	Illinois Municipal Retirement	12	\$1,435,217	\$1,495,548	\$1,553,221	\$1,530,321	98.53%
	Parking Lot	14	\$163,977	\$138,897	\$183,221	\$163,715	89.35%
	Motor Fuel Tax	20	\$2,243,128	\$1,512,258	\$1,750,000	\$2,300,000	131.43%
	Capital Projects - Facilities	21	\$856,294	\$2,653,342	\$875,212	\$412,013	47.08%
	Capital Projects - Streets	22	\$443,798	\$608,879	\$1,271,215	\$1,048,247	82.46%
	Facilities Dev Debt Service	33	\$1,499,143	\$1,174,197	\$1,303,633	\$1,140,570	87.49%
	Police Pension	41	\$1,598,221	\$1,691,764	\$1,650,460	\$2,140,663	129.70%
	Fire Pension	42	\$652,335	\$641,333	\$855,315	\$1,319,504	154.27%
	Water & Sewer	51	\$9,211,163	\$9,382,668	\$13,019,805	\$11,364,463	87.29%
	Buffalo Grove Golf Course	55	\$1,312,198	\$1,287,448	\$1,329,300	\$1,256,244	94.50%
	Arboretum Golf Course	57	\$1,209,215	\$1,234,474	\$1,253,047	\$1,241,806	99.10%
	Refuse Service	59	\$944,393	\$936,197	\$961,691	\$969,321	100.79%
	Grand Total		\$53,159,087	\$55,620,775	\$59,366,112	\$58,321,517	98.24%
By Category	Personal Services		\$28,855,073	\$29,024,741	\$30,228,435	\$30,649,019	101.39%
	Operating Expenses		\$1,368,724	\$1,368,010	\$1,581,172	\$1,563,992	98.91%
	Legal Services		\$297,958	\$301,828	\$272,450	\$282,150	103.56%
	Commodities		\$5,495,783	\$5,760,459	\$5,671,420	\$4,833,764	85.23%
	Maintenance & Repairs		\$1,454,211	\$1,504,523	\$1,712,176	\$2,080,509	121.51%
	Capital Equipment & Projects		\$4,086,177	\$5,154,468	\$7,687,499	\$6,119,203	79.60%
	Debt Service		\$1,931,145	\$1,603,796	\$1,730,261	\$1,578,858	91.25%
	Operating Transfers		\$5,062,215	\$6,630,300	\$6,053,218	\$6,724,602	111.09%
	All Other Expenses		\$4,607,801	\$4,272,649	\$4,429,481	\$4,489,420	101.35%
	Grand Total		\$53,159,087	\$55,620,775	\$59,366,112	\$58,321,517	98.24%

Summary of Revenue and Expenditures by Category

Account Category	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Property Taxes	\$13,657,590	\$14,189,238	\$14,162,061
Other Taxes-State	\$8,859,209	\$9,481,212	\$9,179,143
Other Taxes-Local	\$8,780,097	\$9,160,385	\$9,220,747
Business Licenses	\$146,903	\$144,025	\$144,025
Liquor Licenses	\$121,835	\$125,495	\$126,145
Animal Licenses	\$9,426	\$9,050	\$9,050
Building Revenue & Fees	\$950,675	\$768,849	\$916,331
Intergovernmental Revenue-Local	\$242,082	\$251,565	\$254,796
Sales of Water	\$8,906,781	\$8,044,632	\$8,046,611
Golf Course Fees	\$2,086,489	\$2,292,170	\$2,430,400
Investment Revenue	\$6,215,956	\$1,724,561	\$3,140,655
Fines & Fees-Police & Fire	\$1,419,761	\$1,382,381	\$1,382,650
Operating Transfers	\$6,630,700	\$6,037,642	\$6,759,534
All Other Revenue	\$6,487,428	\$3,664,167	\$3,399,329
Grand Total - All Fund Revenue	\$64,514,932	\$57,275,372	\$59,171,477

Account Category	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	21,239,634	21,084,487	21,289,331
Personal Benefits	7,785,107	8,636,694	9,359,688
Operating Expenses	1,368,010	1,502,373	1,563,992
Insurance	549,723	604,615	603,655
Legal Services	301,828	276,781	282,150
Commissions & Committees	70,877	87,250	85,650
Commodities	5,760,459	4,761,275	4,833,764
Maintenance & Repairs-Facilities	644,752	719,609	975,293
Maintenance & Repairs-Water & Sewer	59,915	74,700	92,700
Maintenance & Repairs-Other	122,327	121,323	161,946
Maintenance & Repairs-Vehicles	677,529	780,228	850,570
Capital Equipment	225,392	169,650	292,618
Capital Projects-Water	76,490	1,975,000	2,444,000
Capital Projects-Streets & Roads	2,121,137	1,847,392	2,748,247
Capital Projects-Facilities	2,731,449	651,094	634,338
Debt Service	1,603,796	1,730,261	1,578,858
Operating Transfers	6,630,300	6,097,999	6,724,602
All Other Expenses	3,652,049	3,674,616	3,800,115
Grand Total - All Fund Expense	55,620,775	54,795,348	58,321,517

Personnel and Benefits

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

The reduced personnel levels in recent years as well as the proposed reduced staffing for 2012 is the direct result of targeted position reductions accomplished through attrition and the offering of the Village's Voluntary Separation Incentive (VSI) program to encourage reductions in force. Village administration has employed a two-pronged approach to reduce personnel costs and benefits upon the separation of employees by 1) reprogramming or eliminating positions where possible and 2) implementing revised pay and benefit structures for positions filled by replacement. In terms of revising pay and benefit structures, the Village has taken aggressive steps to provide for long-term cost reductions, including the implementation of a Tier II wage for new hires, increasing the employee contribution to health insurance premiums from 10 to 15 percent of premiums over a five-year period and transferring the Village's self-funded healthcare program to the Intergovernmental Personnel Benefits Cooperative (IPBC). Additional information concerning the healthcare benefit plan, premium structure and total cost may be reviewed in *Section C: Human Resources*.

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

1. Reducing 2012 personnel expenses by \$105,044 from 2011; and
2. Maintaining the overall healthcare exposure for 2012 at 2011 levels of \$3.7 million, avoiding an estimated 18 percent increase in medical and dental expenses.

For 2012, the Village proposes a full-time staff complement of 228 personnel and a part-time complement of 92. The VSI program will be offered again in the first quarter of the fiscal year, with separation of voluntary candidates to occur no later than the end of the second quarter. Savings from VSI elections has not been included in the budget due to the difficulty in projecting the number or category of employees who may elect to separate. The following table depicts total employees by department for 2011 and 2012.

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
OFFICE OF THE VILLAGE MANAGER/ADMIN.	5	5	5	4	6	3
BUILDING & ZONING	9	2	9	2	9	2
FINANCE & GENERAL SERVICES	7	2	7	2	7	1
FIRE SERVICES	67	0	67	0	65	1
GOLF OPERATIONS	8	52	8	52	8	52
INFORMATION TECHNOLOGY	3	1	3	1	3	1
POLICE SERVICES	86	14	84	15	79	15
PUBLIC WORKS/ENGINEERING	51	15	51	18	51	17
TOTAL	236	91	234	94	228	92
FULL & PART-TIME GRAND TOTAL	327		328		320	

Additional information on specific staffing changes within each department can be found in *Section 5: Corporate Fund Summary and Detail*, a comprehensive list of organization-wide position counts by year may be reviewed in *Appendix C: Human Resources*.

Strategic Planning

For 2012, it is proposed to further develop the Village's strategic planning process. Specifically, the completion of an Opportunities, Threats, Strengths and Weaknesses (OTSW) analysis is proposed, along with an environmental scan and a review of the Village's core mission, vision, values and strategies. Together, these items will be presented as an overall strategic plan for an approximate ten-year planning horizon. To date, the executive team has completed the Certificate in Strategic Management program to ready facilitators in the development of the analysis and recommendations. A final scope and work plan will be presented to the Village Board during the fourth quarter of 2011 for review and concurrence. The project is estimated to kickoff in January, 2012.

In addition, the Village strives to align its financial plan with its core values. For 2012, the core values are defined as Strategy, Efficiency, Culture and Technology. The mission, vision and core values are fully described in *Section 2: Organization and Services*. As a means of aligning departmental priorities to the core values, the strategic goals shown on the following pages provide the guide for the development of departmental work plans, strategies, tasks and performance measures. Within each departmental summary in *Section 5: Corporate Fund Summary and Detail*, an organized listing of these work plan items may be reviewed.

Non-Financial Goals





It should be noted that the strategic goals as defined by the core values include both financial and non-financial goals. At the organization-wide level, strategies are defined with respect to internal and external customers, as well as level of service, impact on financial resources and long-term community priorities. Within the strategic goals, the following non-financial plans are contemplated for 2012:





1. Development of the Strategic Plan;
2. Development of the Bicycle Plan;
3. Implementation of the Emerald Ash Borer Management Plan;
4. Development of a Technology Plan; and
5. Development of a Communications Policy.

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

Asset Management Goals

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

	 Strategy	 Efficiency	 Culture	 Technology
Building & Zoning	Improve public awareness of services offered by the Building and Zoning Department, as well as quality of services to protect life and property.	Improve project completion and reporting.	Integrate inspections and fire prevention staff to deliver comprehensive services to residents and businesses.	Improve service delivery through implementation of web-based application and payment for certain permit types.
Finance	Develop and enhance existing long-term financing strategies that support the Village's infrastructure, operations and enterprise functions.	Improve purchasing activities to leverage buying power, manage vendor relationships and strengthen internal controls.	Improve capabilities within Village staff to research, inquire and report performance metrics.	Automate processes and provide for web-based services to residents and businesses, improve internal controls and reporting functions.
Fire	Provide high-quality fire prevention, suppression and emergency medical services to residents and businesses.	Evaluate opportunities to consolidate functions, processes and equipment to reduce operating costs.	Maintain a culture that respects traditions of the department while fostering innovation, efficiency and merit-based leadership development.	Deploy communications and reporting systems that meet applicable requirements, provide for stable communications infrastructure, assist operational activities and provide relevant statistical analysis.
Golf	Maintain existing level of service while increasing round play and ancillary activities at Buffalo Grove and Arboretum courses.	Establish profitability for golf operations and reinvest in facility infrastructure.	Provide for continuity in operations and succession planning due to upcoming retirements.	Utilize technology to promote the golf courses and increase market share.
Human Resources	Develop sustainable policies for human capital recruitment and retention	Integrate existing salary and benefit information into enterprise financial system(s).	Implement performance evaluation system, with emphasis on competencies and goal development.	Increase availability of electronic resources for salary and benefit management.

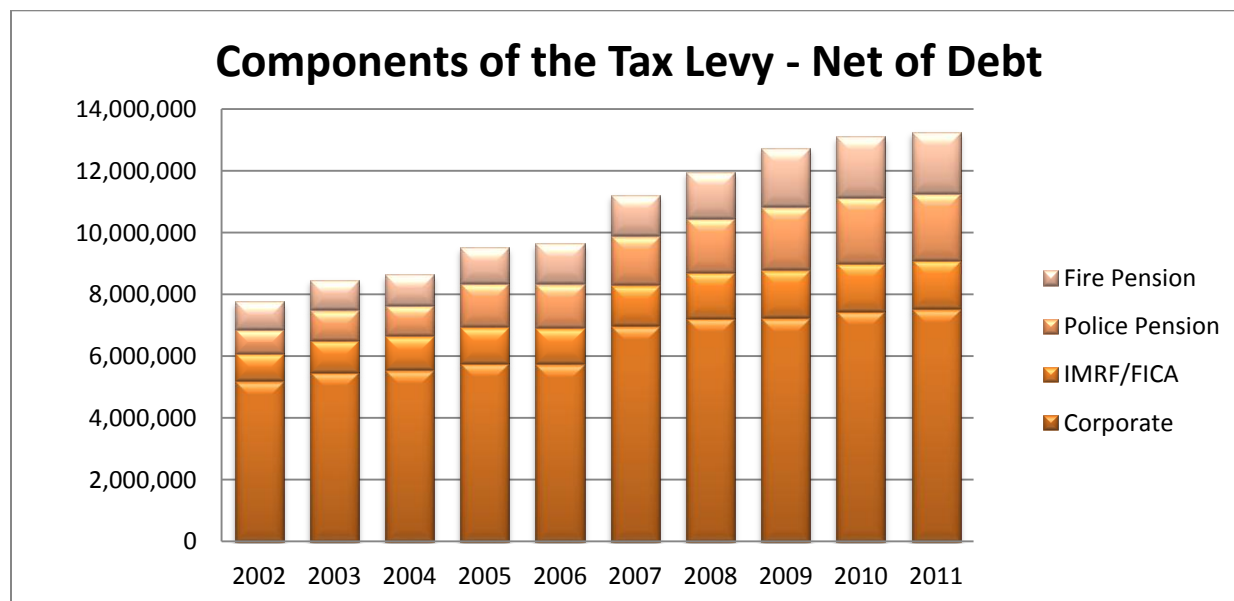
	 Strategy	 Efficiency	 Culture	 Technology
Information Technology	Provide a stable and scalable information technology infrastructure that supports current and future needs.	Automate IT functions and supported application environments to reduce labor inputs and process costs.	Provide systems that enable knowledge transfer and enhanced analysis tools.	Deploy systems that improve process flow, stability and accessibility for all users.
Office of the Village Manager	Provide for a comprehensive approach to the delivery of services, development of the community and advancing the interests of the Village in a diverse and inclusive environment.	Assess and implement changes in process work flows, staffing and operations to provide for the greatest efficiency in delivering services at expected levels.	Develop strategies to maintain a highly-qualified, motivated, innovative, skilled and well-trained workforce within a competitive environment.	Deploy appropriate technologies that contribute positively to service delivery, efficiency and communications.
Police	Provide high-quality patrol, investigation and records management services to residents and businesses and at an adequate level of service.	Evaluate opportunities to consolidate functions, processes and equipment to reduce operating costs.	Cultivate a talent pool of new and existing employees with diverse backgrounds and experiences, encourage innovation and new perspectives. Provide leadership development opportunities.	Deploy communications and reporting systems that meet applicable requirements, provide for stable communications infrastructure, assist operational activities and provide relevant statistical analysis.
Public Works	Maintain and enhance the Village's core infrastructure including streets, sewers, water system and urban forest and with adequate levels of service for each asset category.	Develop and explore opportunities to minimize the use of resources, both labor and capital, where adequate levels of service can be maintained. Seek multi-agency cooperation where economies of scale may be realized.	Maintain a highly-trained workforce with diverse skill sets, providing flexibility in times of need and adaptability to changing infrastructure conditions.	Utilize automated systems where possible to improve asset management, provide stability in service delivery and improve efficiency in the utilization of resources.

Revenue Trends and Projections

Property taxes (net of Road and Bridge taxes) are anticipated to be approximately \$14.4 million and will be levied in 2011. This is referred to as the 2011 property tax levy, payable in 2012. Property taxes account for about 24 percent of all budgeted revenues.

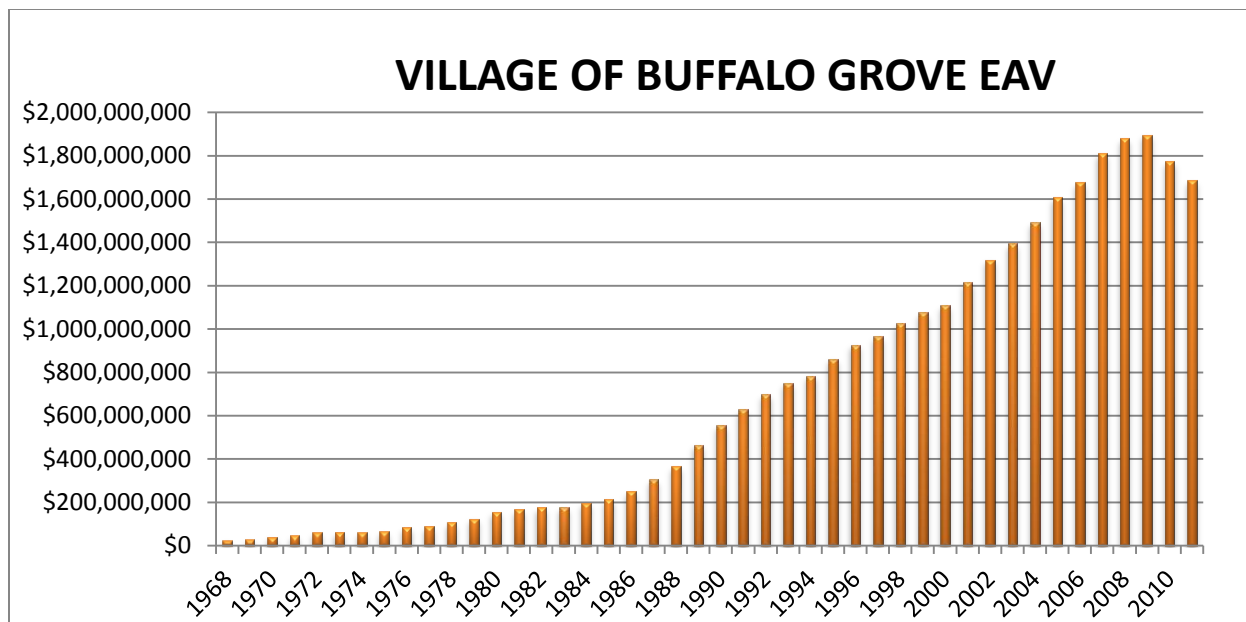
There are three components to the property tax levy, the Corporate Tax Levy, the Pension and Special Purpose Levies, and the Debt Service Levy. The Corporate Tax Levy helps to support the core functions of the Village including public safety and health, public works, and general administration. The Village traditionally uses an inflation metric published as the Municipal Cost Index to set the growth target for the Corporate Tax Levy. The Municipal Cost Index is an amalgam of combined inflationary indices (Consumer Price Index-Urban, Producer Price Index and Employer Cost Index) applied to how a local government typically spends its resources. The trailing twelve month inflation rate is 4.9 percent. The Village is sensitive to current economic conditions and the shifting tax burden to residential properties, particularly in Cook County, and is recommending a Corporate levy that will not exceed 1.125 percent.

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

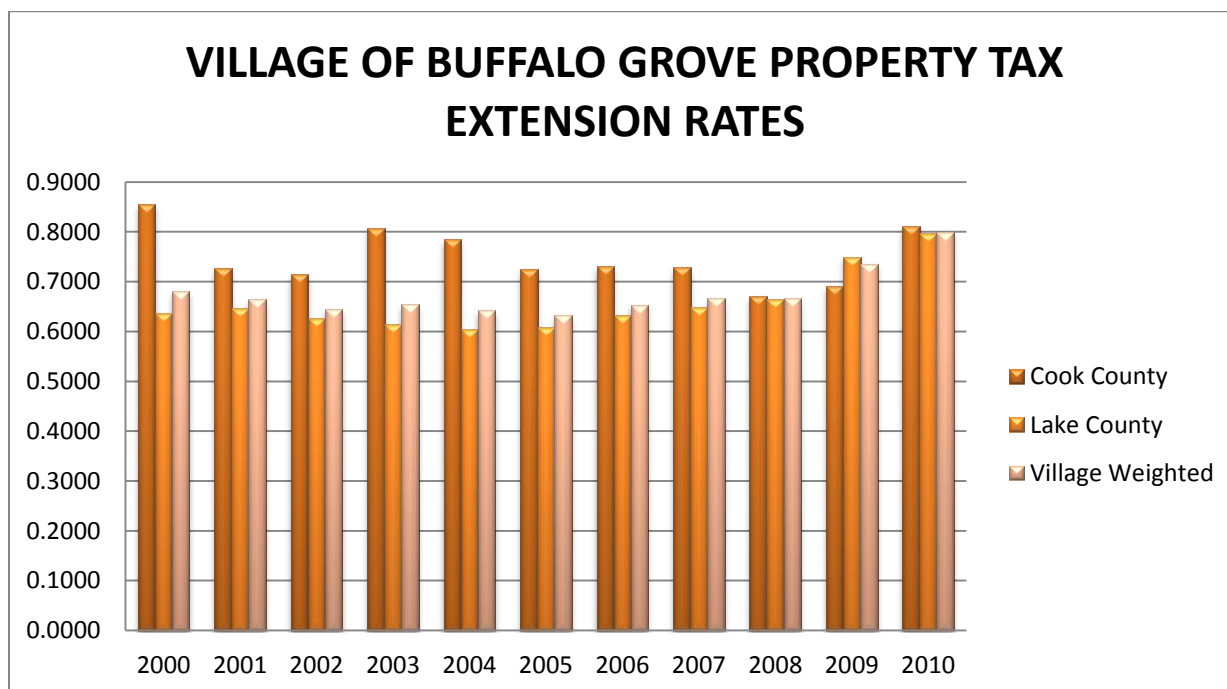


The final component of the tax levy is for debt service obligations. Revenues collected through this levy are used to pay principal and interest on the Village's outstanding general obligation bonds. Principal and interest due in 2012 is \$1,138,696.

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 2011 property tax levy, 76.9 percent of all assessed valuation is located in Lake County and 23.1 percent is located in Cook County. The following chart shows the growth of all real property in the Village since 1968.



Falling market values as a result of the Cook County tri-annual property reassessment in 2010 and the 2009 quadrennial assessment in Lake County will lead to an estimated tax rate of \$0.85 per \$100 of equalized assessed valuation. The chart below provided a history of tax rate weighted for both counties.



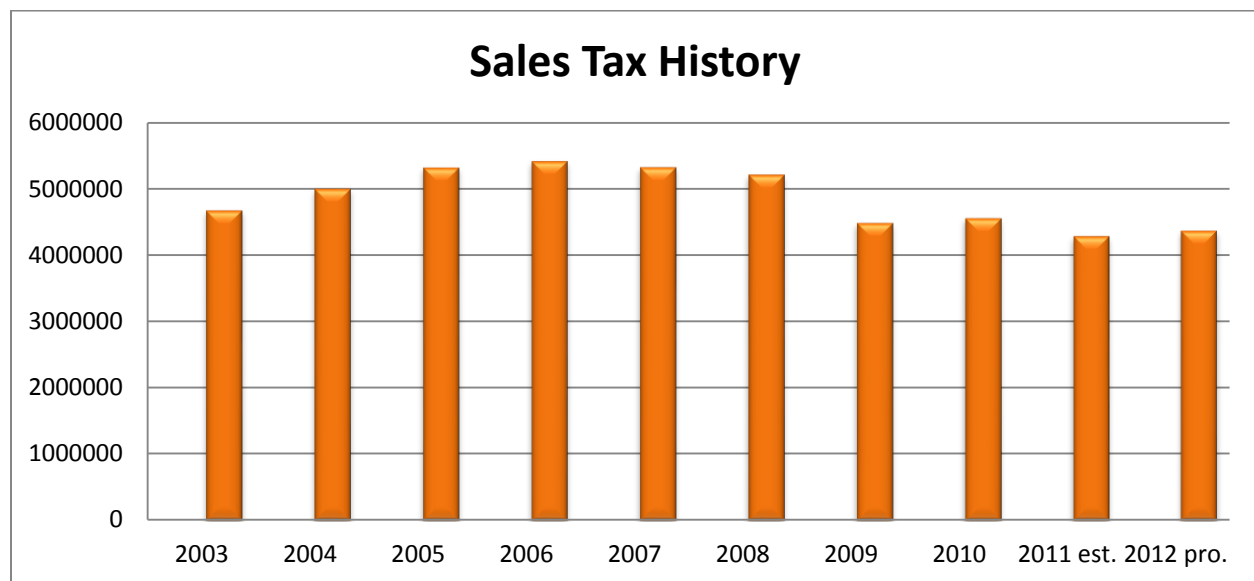
The rate at which property taxes are levied is determined by dividing the amount requested by the total equalized assessed valuation (EAV). The EAV is defined as one-third of the market value of all real property in the Village of Buffalo Grove. The Village levies the dollars needed to fund operations,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

change in this manner. In Cook County, commercial property values in aggregate have dropped quicker than residential properties resulting in a shift in tax burden.

Sales Tax

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

The impact of the recession continues to affect all retailers as revenues are down 21 percent from the pre-recessionary peak in 2006. Largely contributing to the precipitous decline was the loss of three auto dealerships. Those parcels remain in private ownership and Village staff continues to work closely with property representatives to regain occupancy. These properties are significant strategic parcels along the Dundee Road corridor. The FY 2011 budget anticipated \$4.55 million in sales tax revenue. The estimated actual will be approximately six percent less or \$4.29 million. For 2012, the budget is anticipated to be \$4.37 million. Growth is based on two percent inflation of the 2011 estimated actual and a five percent reduction from the 2011 budget. The Village is still concerned about the loss of market share in the food/grocery business to other municipalities and the continuing impact of untaxed internet sales and the disparate impact on brick and mortar businesses. The following chart summarizes sales tax collections over the last ten years.



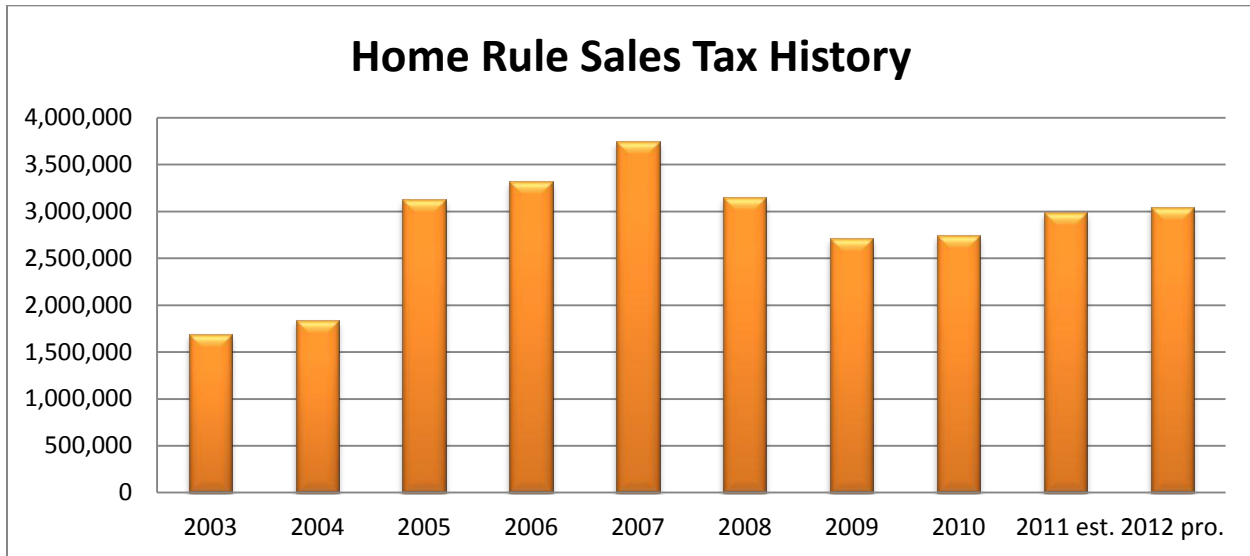
Home Rule Sales Tax

In 1992, the Village assessed a one-half cent (\$0.005) local option sales tax against all retail sales except food and drug items and personal property titled with the State of Illinois. Performance of this revenue tends to mirror performance of the above referenced municipal sales tax, except for those excluded retail classes.

The Village Board voted in 2004, effective for January 1, 2005, to increase the home rule sales tax to one percent (1%). As a condition of that increase, 20 percent of all home rule sales taxes are transferred to the Motor Fuel Tax Fund to supplement state shared motor fuel tax remittances to fund the annual street maintenance program.

For 2012, revenues are anticipated to increase by two percent from the 2011 estimated actual amount of \$2.98 million to \$3.04 million. The assumptions for both the municipal and home rule sales tax do not include any new sales tax generators to locate within the Village during 2012.

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



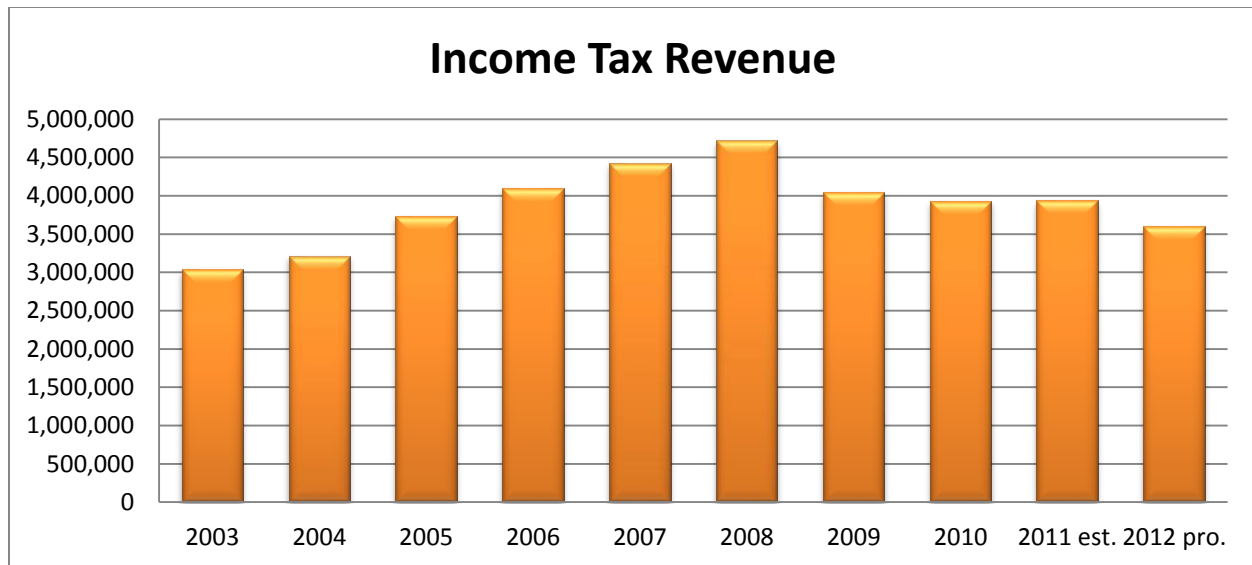
Prepared Food & Beverage Tax

The Village receives one cent (\$0.01) for each dollar of prepared food and beverage sales. This tax is levied on the purchase of prepared food for immediate consumption and the sale of liquor either for consumption on premises or packaged. Similar to sales tax, inflationary growth is the central driver of revenue increases for the next year. There are 116 restaurants/businesses that are subject to this tax. This revenue has held constant as a large percentage of the dining options within the Village are value oriented. The estimated revenue for 2011 is 2.5 percent above the budget target and 2012 is forecast to grow an additional 2.5 percent to \$739,356. This tax was enacted in 2008.

Illinois Income & Use Tax

The Village receives a pro rata allocation from the State of Illinois based on six percent of net personal and corporate taxes. This allocation percentage changed in 2011, from 10 percent of net receipts, as the personal income tax rate increased to five percent and the corporate tax increased to seven percent. There is a perennial concern that the Illinois legislature will reduce the amount remitted to municipalities to address state budget deficits. Based upon data provided by the Illinois Municipal League, the FY 2012 budget is \$3.6 million (\$86.80 per capita) down 8.6 percent from the FY 2011 estimated actual revenue of \$3.9 million (\$91.27 per capita) and down 5.2 percent from the 2011 budget amount. The greater than expected revenue in 2011 was due to a tax amnesty program administered by the state that is considered a non recurring source of revenue going into the next year. Similar to Motor Fuel Tax, this revenue is adversely impacted in 2012 due to a four percent decline in population.

Income and Use Tax peaked in FY 2008 at \$109.31 per capita just prior to the collapse of the economy and the effect of high unemployment on this revenue source.



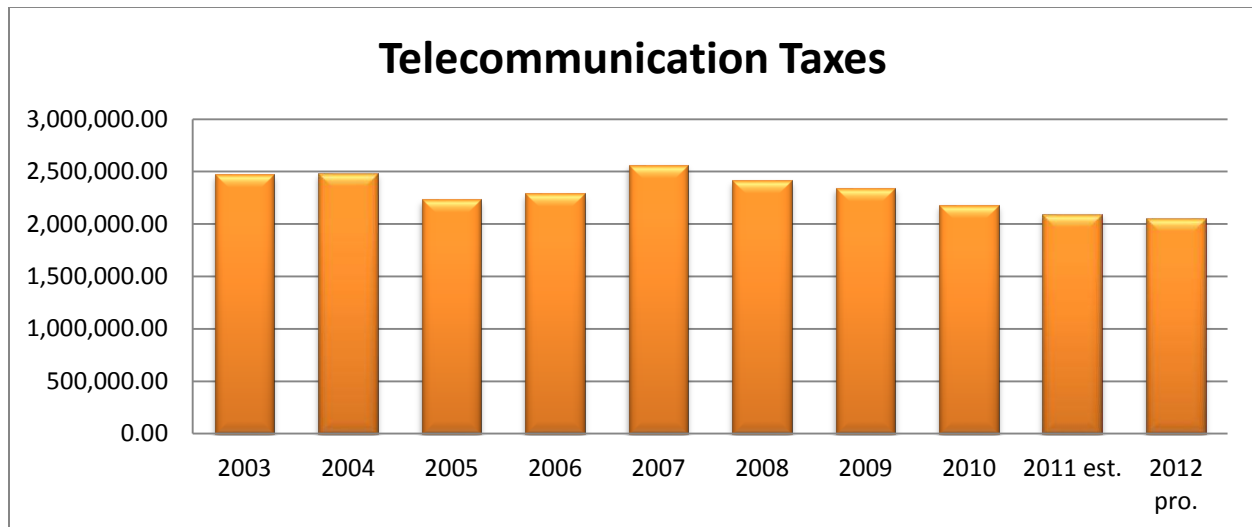
Utility Use Taxes

The Village of Buffalo Grove levies three utility taxes for electricity, natural gas, and telecommunications. The amount levied for electricity is the maximum amount allowed by state statute and is based on a sliding scale that nets approximately \$0.005 per kilowatt hour. Revenue is estimated to be \$1.62 million for 2011 and budget unchanged for 2012. Utility taxes for natural gas are levied at a rate of \$0.05 per therm. Similar to electricity use tax, the estimated amount for 2011 (\$1 million) will be budgeted for 2012.

Since both electricity and natural gas use taxes are based on unit pricing there is no fluctuation due to energy pricing. Variables to consider are demand driven, based upon weather conditions and conservation efforts. These taxes were imposed in 2010.

Telecommunications Tax

This tax levied at six percent on all types of telecommunications except for digital subscriber lines (DSL) purchased, used, or sold by a provider of internet service (effective July 1, 2008). The exemption of DSL service has had a significant negative impact on collections. Combined with the economic decisions to consolidate, or eliminate, additional phone lines, revenue is down 15 percent from the peak in 2007. Voice over Internet Protocol (VoIP) phone services such as those provided by Xfinity/Comcast and Vonage are subject to this taxation. Revenues are expected to drop eight percent from the budget to \$2.1 million and decrease an additional two percent in 2012 to \$2 million.



Real Estate Transfer Tax

Real estate transfer tax is collected at the rate of \$3 per \$1,000 of sales consideration. This revenue reached a peak in 2005 at \$1.3 million. Since 2005, collections have dropped 60 percent as a result of the collapse of the housing market. In recent years, this revenue has relied heavily on the sale of large commercial properties (sales consideration > \$1 million). In 2011, these extraordinary transactions accounted for over 30 percent of all sales. As foreclosed properties cycle through the system and a true market bottom is reached, there should be some recovery in this revenue. The budget for 2012 anticipates growth of five percent against the estimated revenue for 2011 of \$475,500.

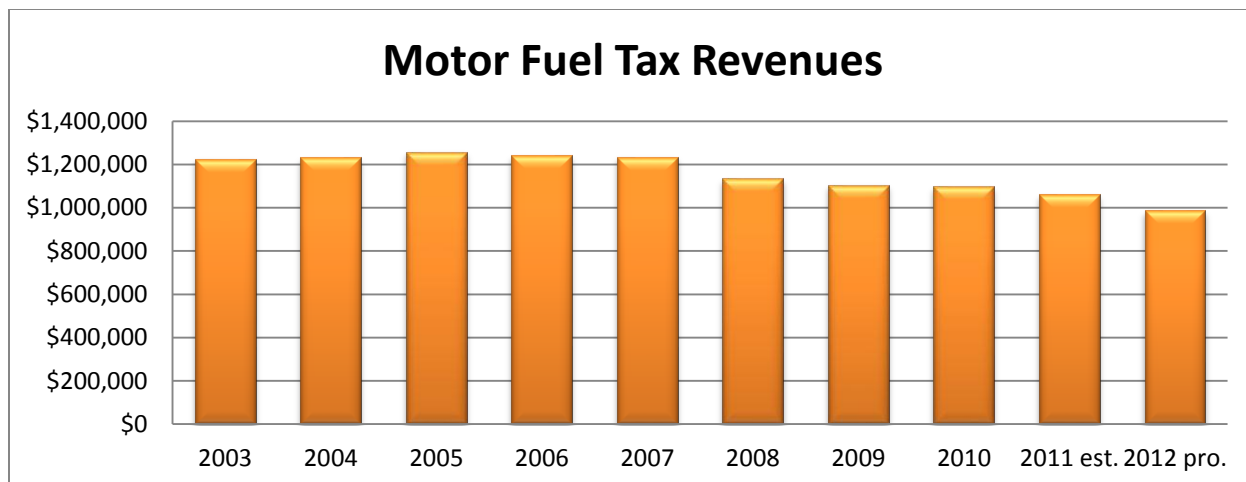
Building Revenue & Fees

A significant percentage of this revenue should be considered as non-recurring and is reliant upon the economic conditions. Total building revenues and fees are estimated to be \$.9 million an increase of 19 percent over 2011 revenues but a .5 percent decrease from 2010. The most significant project targeted for 2012 construction is the Riverwalk North apartment building. It is anticipated, in total, that 2,000 permits will be issued in 2012.

Motor Fuel Tax

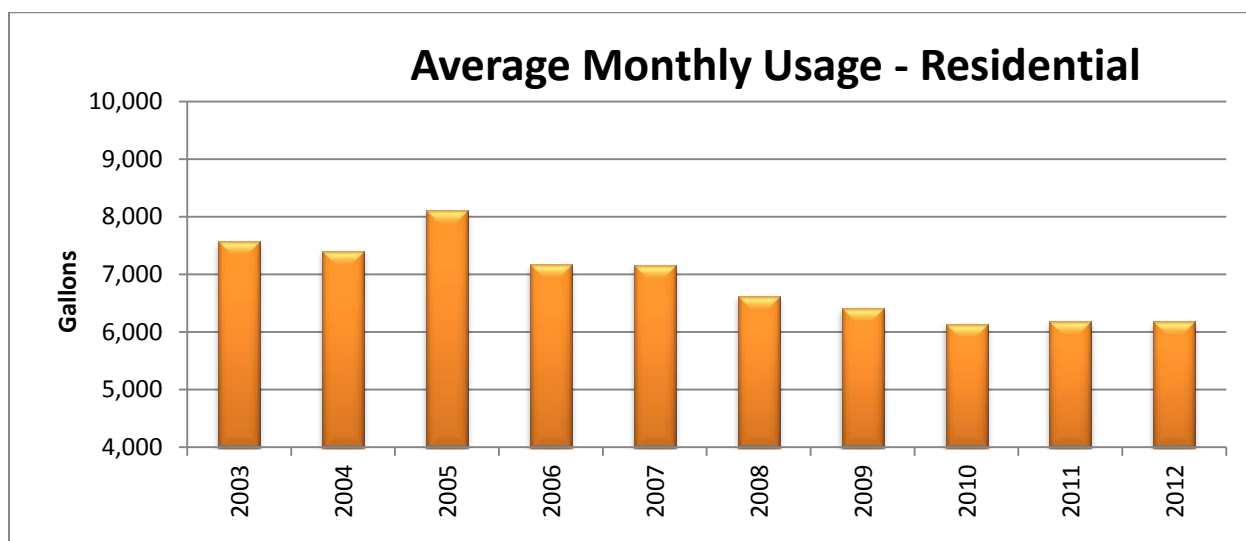
For FY 2012, the Village anticipates \$985,530 in Motor Fuel Tax proceeds as estimated by the Illinois Municipal League. This revenue is distributed on a per capita basis. That amount represents an 11 percent decrease from the 2011 budget and a four percent decline against the estimated actual revenue for 2011. Combined with those taxes are a home rule sales tax transfer of \$608,820 and the Village's allocation of the Illinois Jobs Now capital grant (\$187,582) for MFT expenditures.

Elevated fuel costs, alternative energy, high unemployment numbers, and technological advancement that allow for more employees to telecommute, will continue to impact growth in this revenue. These revenues are used to fund the annual street maintenance program. Revenue is adversely impacted in 2012 due to a four percent decline in population as reported in the 2010 census to 41,496 residents.



Water and Sewer Fees

Total fees collected for the sale of water combined with revenue collected on behalf of Lake County Public Works for 2012 is \$8.05 million. 46 percent of the revenue is a pass through collection for Lake County. The anticipated revenue for 2011 is 12 percent less than the budget. The recent weakness in the revenue is due to a drop in water consumption based upon a confluence of factors including weather, eco-friendly landscape designs, energy efficient appliances and a decrease in average household size. It is estimated that the total amount of water consumed by the village will remain unchanged in 2012.



Although the current water and sewer rate structure does not adequately address the needs of the utility system, no water rate increases are initially proposed for 2012. A formal rate study will occur during the year to set a recommended course of action for a series of rate increases that will better align revenues with both operating expenses and address the future need to build additional reserves to maintain a maturing infrastructure.

The Village has been prudent in advancing water rate increases as evident by a twenty-three year rate freeze from 1984-2007. During those years, the Water and Sewer Fund was able to amass a working cash balance that allowed for a reserve to address infrastructure maintenance and improvement. Due to the relative age of the system, over a fifteen year span (1993-2007) the only capital expense was \$229,527 for the St. Mary's Road water main replacement. Since 2007 the fund is due to expend approximately \$6 million through 2012 to address capital maintenance and improvement projects.

Lake County sanitary sewer fees have decreased 17 percent from the 2011 budget and are expected to be unchanged entering 2012. The reason for the significant drop in revenue is due to a change in the methodology in billing. The Village has the option to bill customers a flat rate or based on consumption. For 2011, the Village moved to consumption billing to promote equity and water conservation.

Golf Course Fees

Total golf course fees at the Arboretum Golf Club are expected to increase by 5.3 percent in 2012 as measured against the 2011 budget and increase 2.4 percent from the 2011 expected revenue. Total paid rounds are expected to grow by seven percent due primarily to increased and expanded marketing efforts. The golf industry remains challenged by the downturn in the economy as there is much competition for discretionary income. The state of the industry is challenging because the region is saturated with golf courses without corresponding increases in the number of players. During this down economic period per-round revenue is strained as customers are shopping for discounts to play, bypassing the power carts, and not spending additional dollars in the pro shop. There are no rate increases proposed in 2012. There are no greens fee rate increases.

Total golf course fees at the Buffalo Grove Golf Club are down 5.2 percent against the current budget and are estimated to increase by 9.8 percent against estimated actual for 2011. Similar economic conditions impact the Buffalo Grove Golf Club in the same manner as the Arboretum, but weather factors as a more significant obstacle for the Buffalo Grove Golf Course. A large percentage of the course is developed within a flood plain and it performs that role well during strong rain events, although the course may be closed for a period of hours to days due to severe rainfall. FY 2011 was a difficult weather year and it is estimated the revenue will rebound by 7.4 percent in the coming year. GPS revenues were also eliminated in 2012.

Investment Revenues

The Village's investments are guided by three investment policies guiding the portfolios of the Police Pension Fund, Firefighter Pension Funds, and all other funds. Total revenue is expected to be \$3,140,655. All funds other than pension funds have durations less than three years with an expected yield of .75 percent. Both pension funds have interest rate targets of 7 percent for their actuarial assumption. The pension funds are the only Village funds that purchase equity investments.

Pension Revenues

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

Revenues received by the Police and Firefighter Pension Funds are calculated by an independent actuary. The property tax levies for the Police and Firefighter Pension Funds are anticipated to increase by 0.7 percent and 1.7 percent respectively. The levy for IMRF will increase by 1.45 percent. Employees contribute 9.91 percent of salary for police and 9.455 percent for firefighters. Employees contribute 4.5 percent of salary for IMRF. For FY 2012, the actuarial investment return assumption was lowered from 7.5 percent to 7.0 percent to reflect the current investment environment. Over the last seven years, the Police Pension Fund's portfolio yield is 4.49 percent while the Firefighter Pension Fund's is 4.53 percent. Skewing that average is the FY 2008 performance of -4.96 percent for police and -12.93 percent for fire.

Other Revenue Sources

The above information highlights the key revenue sources of the Village. Other revenues are less material and are projected to be in line with inflation or other economic driven trending.

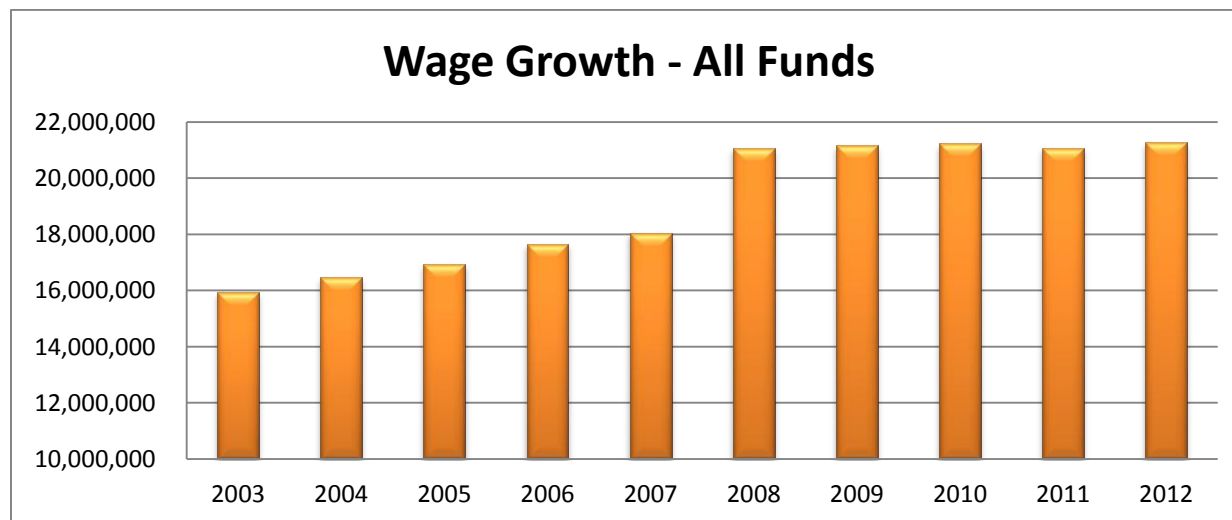
Expenditure Trends and Projections

Personnel Services

The primary purpose of the Village of Buffalo Grove is to provide high quality services to the residents and those employed within its boundaries. To accomplish that purpose in 2012, 36.5 percent of all Village expenditures are allocated to salaries and wages, up 1 percent from 2011.

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

There is one unionized labor group subject to a collective bargaining agreement – International Association of Firefighters Local #3177 – representing 54 firefighters. The current contract expires May 1, 2013 with a wage reopener on May 1, 2012. Those represented will receive wage adjustments that are dictated by contract and based upon a comparable wage formula. The remainder of the work force will receive a two percent general wage adjustment matching the increase awarded in 2011. A merit pool of one percent is recommended for review by the Village Board during mid-year 2012 and based upon overall financial performance. In 2010, all non-represented employees' pay was frozen.

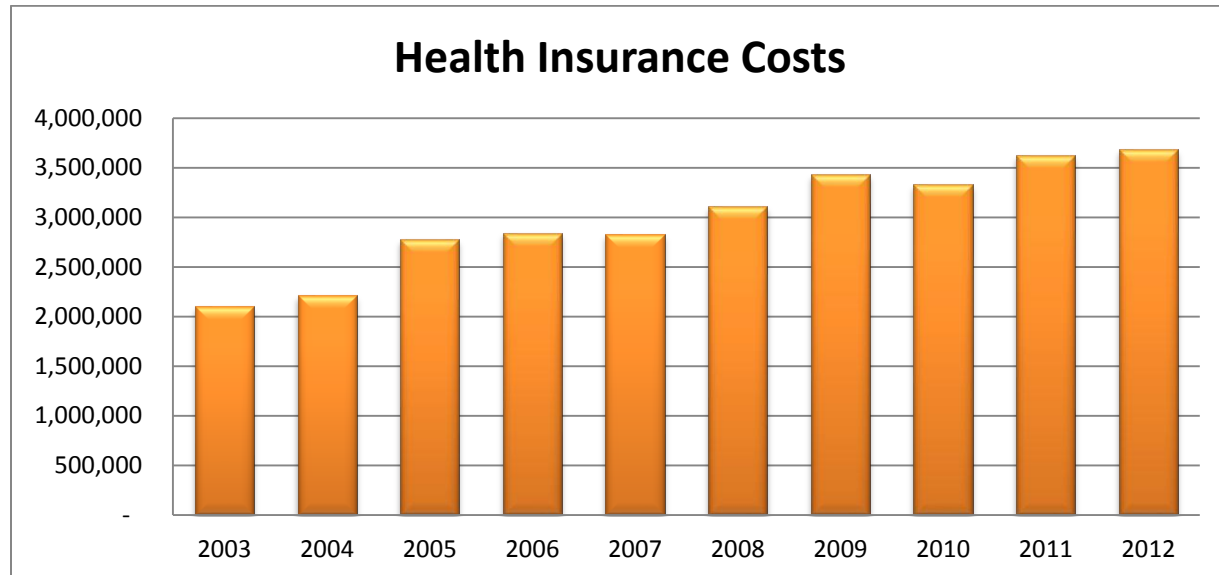


The spike in wages from 2007 to 2008 encompasses the change of the fiscal year from an April 30 year end to December 31. The period in review is twenty months.

Personnel Benefits

The Village of Buffalo Grove will re-enter the Intergovernmental Profession Benefits Cooperative (IPBC) in 2012. The IPBC is a pooled benefits cooperative with approximately sixty-two member communities. Over the last six years the Village has tried to self insure its stand alone health program with limited success. In 2011, the Village incurred a health insurance premium increase of 18 percent. The shifting of the plan to IPBC will cost the Village in 2012 an additional \$90,000 that will include reserve funding of nine percent of total premium. With additional premium contribution by employees and an eventual migration of approximately twenty percent of employees to a lower cost HMO plan the \$90,000 will be offset for a net neutral change in expense from 2011 to 2012.

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



Commodities

Approximately eight percent of the entire Village budget is allocated to commodities. The single largest expense is for the sanitary sewer fees collected on behalf of Lake County. There is corresponding revenue to offset this expense. The next most significant expenses are related to cost associated with the snow and ice removal program. Over the last two years, the cost of salt and liquid calcium chloride have moderated after an 80 percent price spike several years ago. The Village purchases salt and other routine equipment through the Northwest Municipal Conference's Joint Purchasing Cooperative. This cooperative creates economies of scale and leverages buying power. In 2012, the Village will be experimenting with Geo-melt to try and reduce the cost of the snow and ice control program.

Capital Projects

Just over ten percent of all expenditures will address capital projects identified in the 2012 component of the 2012-2016 Capital Improvement Plan as shown in *Section 6: Capital Improvement Budget Summary*. Capital projects are those that typically exceed \$25,000. Each year, all proposed capital projects are assessed in terms of reliability, performance and forecast maintenance experience and a plan is developed to maintain the asset, extending its service life or place a new asset in service.

A recurring project within Capital Projects is the annual street maintenance program. This program has continued to be a top priority of the Village Board over the last two decades. The resources directed to maintaining and improving the Village's roadway system are received from the State of Illinois pro rata share of Motor Fuel Tax and a 20 percent transfer of Home Rule Sales Tax.

Pavement analysis is completed every five years to assess the condition of the pavement and develop a maintenance list. Due to declining revenues and increasing infrastructure age, the growing cost of streets scheduled to be repaired is nearly \$7 million through 2011. The variance over the last few years in the amount of pavement recommended to be maintained is scaled down in scope to match revenues available. Subsequent

discussions will be held with the Village Board in 2012 regarding a debt issuance to reduce the amount of deferred miles of repair.

Other Operating Expenditures

In general, when prices cannot be accurately determined or specific quantities identified, an incremental analysis is performed comparing the estimated actual expense for 2011 along with expenditure trend information. A reasonable estimation of expenditure is developed for 2012 and included within the line item budget.

Debt Service Expenditures

The Village currently has three bond issues outstanding as of January 1, 2012, all being General Obligation Bonds (Series 2010A, Series 2010B, and Series 2003). Bond descriptions and amortization schedules are listed within the *Debt Profile* of this section. The amount paid to the Northwest Water Commission to pay the Village's percentage of the water system debt is included. Most Village debt service revenues are obtained through property tax. The Water and Sewer Fund provides a \$200,000 operating transfer to abate a portion of the taxes attributed to the Public Service Center improvements.

Capital Equipment

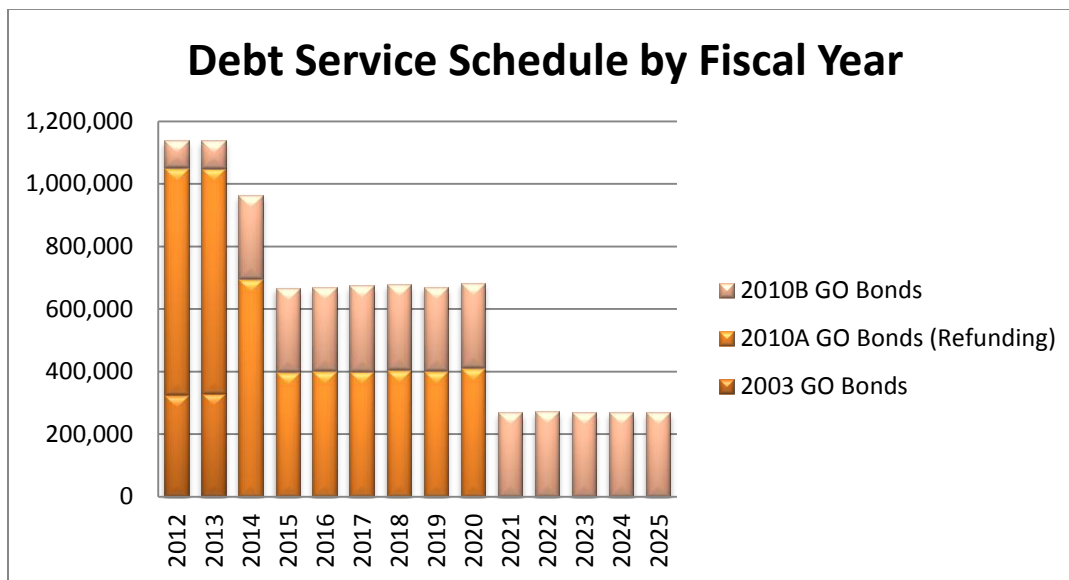
The Village maintains capital reserve accounts for vehicles, building mechanicals, and technology improvements. The reserves provide a funding mechanism for the eventual replacement of these assets. Vehicles are scheduled for replacement based on their anticipated life at purchase. Ultimate replacement decisions are based upon age, mileage and physical conditions. The Village aggressively recovers the salvage value of the retired asset through online auctions.

Enterprise Fund Expenses

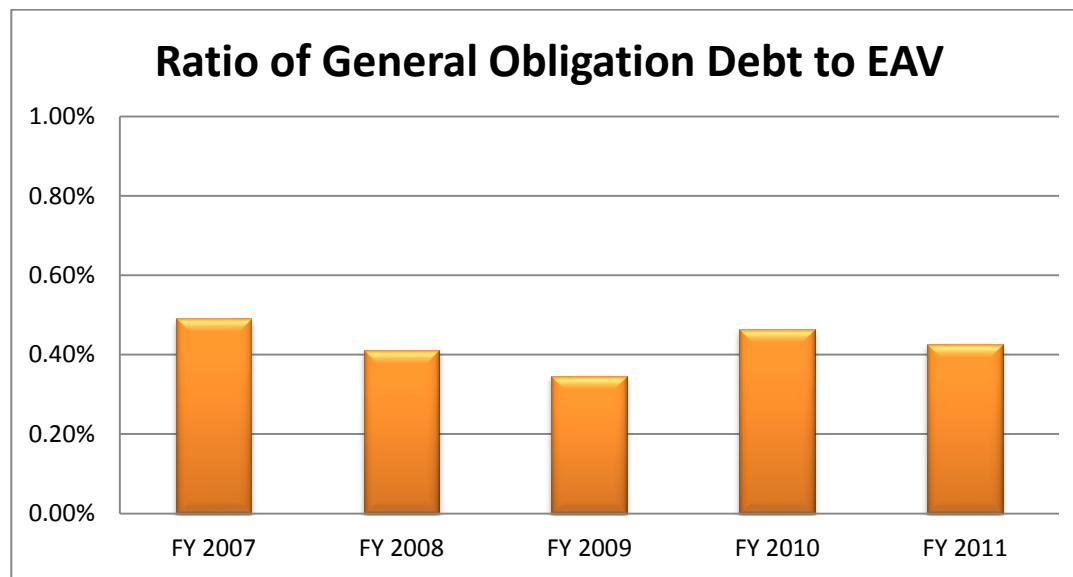
The Water and Sewer, Refuse, and Golf Funds are considered enterprise funds. Rate structures and user fees should be set at levels that are sufficient to pay for related expenses. Property tax subsidies are not used to balance enterprise fund operations. In 2012, there are no anticipated advances to any of the enterprise funds from the Corporate Fund. As noted, the Water and Sewer Fund will need a series of rate increases to provide sufficient operating revenues and capital reserves.

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 2012, debt service consists of \$325,008 for Series 2003, \$725,425 for Series 2010A, and \$88,263 for Series 2010B. Total debt outstanding as of December 31, 2011 is \$7.2 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. As of December 31, 2011, the Village's ratio of General Obligation Bonded Debt to EAV was 0.43 percent. This continues the Village's historical trend of low debt-to-EAV ratios. In 2010 the Village issued new debt to fund the Village wide Drainage Improvement Project and refunded Series 2001A and 2001B to take advantage of historically low interest rates. Please see Appendix B: Financial Policies and Projections for a copy of the Village's Debt Policy. Below is a five year chart depicting debt as a percentage of EAV.



Debt Service Schedules

Overview

The following summarizes the debt service obligations of the Village as of December 31, 2011.

2003 General Obligation Bonds

Purpose:	Proceeds used to complete street improvement projects identified in the FY 2003/2004 Capital Improvement Plan including: Dundee Road intersection lighting, Deerfield Parkway street improvement, and Illinois Route 22 street improvement.
Maturity Date:	December 30, 2013
Original Principal Amount:	\$2,600,000
Investment Rating:	Moody's Investors Service: AAA Standard & Poor's AAA
Principal Outstanding:	\$625,000
Interest:	\$ 30,408

2010A General Obligation Refunding Bonds

Purpose:	Refunding all of the Village's outstanding debt: Series 2001A and Series 2001B. The 2001A Bonds were issued to partially finance the rehabilitation and improvement of existing golf course facilities and the 2001B proceeds were used to finance the refunding of the Village's outstanding debt at that time.
Maturity Date:	12/30/2020
Original Principal Amount:	\$5,310,000
Investment Rating:	Moody's Investors Service: AAA Standard & Poor's AAA
Principal Outstanding:	\$3,975,000
Interest:	\$ 579,950

2010B General Obligation Bonds

Purpose:	Proceeds used to finance public capital infrastructure improvements including storm water drainage, the construction of water detention facilities, installation of storm sewers and storm box culverts, roadway reconstruction, landscape walls reconstruction, and sidewalk removal and restoration.
Maturity Date:	12/30/2025
Original Principal Amount:	\$2,600,000
Investment Rating:	Moody's Investors Service: AAA Standard & Poor's AAA
Principal Outstanding:	\$2,600,000
Interest:	\$ 819,335

In 2012, an analysis of Annual Street Maintenance funding will include a report from staff to the Village Board regarding the potential for new debt issuance.

Debt Service Schedules

Annual Payments - General Obligation Debt

Fiscal Year	Principal			Interest			Total
	Series 2003	Series 2010A	Series 2010B	Series 2003	Series 2010A	Series 2010B	
2012	305,000	615,000	-	20,008	110,425	88,263	1,138,695
2013	320,000	620,000	-	10,400	98,125	88,263	1,136,788
2014	-	610,000	180,000	-	85,725	88,263	963,988
2015	-	325,000	185,000	-	73,525	83,763	667,288
2016	-	335,000	190,000	-	65,400	79,138	669,538
2017	-	345,000	200,000	-	55,350	73,438	673,788
2018	-	360,000	205,000	-	45,000	66,938	676,938
2019	-	370,000	210,000	-	30,600	59,763	670,363
2020	-	395,000	220,000	-	15,800	52,413	683,213
2021	-	-	225,000	-	-	44,713	269,713
2022	-	-	235,000	-	-	36,725	271,725
2023	-	-	240,000	-	-	28,265	268,265
2024	-	-	250,000	-	-	19,385	269,385
2025	-	-	260,000	-	-	10,010	270,010
Total	625,000	3,975,000	2,600,000	30,408	579,950	819,335	8,629,693

Fund Balance Projections by Fund

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

The Village of Buffalo Grove uses cash and investments as a proxy for fund equity in the enterprise funds. The following table depicts the proposed revenues and expenditures by fund for the FY 2012 budget, with surplus (deficit) shown for each fund.

Fund	Fund Balance January 1, 2012	2012 Revenue	2012 Expenditures	Excess of Revenue over Expenditures	Fund Balance December 31, 2012
General Fund	10,306,145	33,507,100	(33,352,064)	155,036	10,461,181
Special Revenue Funds					
IMRF	144,780	1,566,918	(1,530,321)	36,597	181,377
Parking Lot	150,034	163,870	(163,715)	155	150,189
Motor Fuel Tax	1,413,610	1,782,032	(2,300,000)	(517,968)	895,642
Debt Service Fund					
Facilities Dev. Debt Service	30,485	1,138,756	(1,140,570)	(1,814)	28,671
Capital Project Funds					
Facilities	534,859	412,013	(412,013)		534,859
Streets	371,698	734,933	(1,048,247)	(313,314)	58,384
Enterprise Funds					
Water & Sewer	3,774,733	8,118,786	(11,364,463)	(3,245,677)	529,056
Arboretum Golf Course	(48,774)	1,241,806	(1,241,806)		(48,774)
Buffalo Grove Golf Course	(22,036)	1,239,700	(1,236,244)	3,456	(18,580)
Refuse Service	278,104	1,039,387	(969,321)	70,066	348,170
Trust & Agency Funds					
Police Pension	43,690,614	4,314,314	(2,140,663)	2,173,651	45,864,265
Firefighter Pension	35,585,554	3,891,862	(1,319,504)	2,572,358	38,157,912
Total All Funds	96,209,806	59,171,477	(58,321,516)	849,961	97,059,767

There are five funds that are budgeted to have greater than a ten percent variance in fund balance during 2012. The first fund is IMRF. Due to the implementation of a VSI in 2012, there is the potential for several retirements that will lessen the impact on the retirement funding for next year. Motor Fuel Tax has a planned transfer of reserves, acquired through home rule sales tax transfers, to the Capital Project Streets Fund for capital improvements. Capital Project Streets has a \$313,314 decrease in fund balance allocated to capital improvements. Water and Sewer cash and investments will drop by \$3.2 million to fund several projects in the Capital Improvement Plan. A rate study will proceed in 2012 to ensure the water and sewer rate remains at level that addresses both operating expenses and capital. The Refuse Fund is will generate \$70,066 is surplus that will be used to moderate the next phased rate increase.

Section 5

Corporate Fund Summary and Detail

Corporate Fund Revenue

Office of the Village Manager

Legislative

Legal Services

Information Technology/Emergency Management

Finance and General Services

Human Resources

Fire Service

Police Services

Building and Zoning

Public Works Management and Administration

Engineering Services

Building Services/Street Lighting

Street Operations and Maintenance

Non-Operating Transfers



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Corporate Fund Revenue

The Corporate Fund Revenue Budget for 2012 is \$33,507,100 representing a .44 percent increase over 2011 and a .22 percent increase over the 2011 estimated actual. Eighty-four percent of the budget is comprised of property taxes, state shared taxes (sales tax and income tax), home-rule sales tax, telecommunications tax, and utility use taxes. For a more detailed description on revenues and assumptions refer to Section 4 Executive Overview.

Corporate Fund Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Property Taxes:						
1011	Corporate Levy-Cook	459,279	440,505	505,045	500,088	510,727
1012	Corporate Levy-Lake	1,640,487	1,688,382	1,666,887	1,669,225	1,685,639
1013	Police Protection Levy-Cook	109,915	105,615	121,556	119,905	122,924
1014	Police Protection Levy-Lake	393,337	404,820	401,194	400,227	405,707
1015	Crossing Guard Levy-Cook	10,726	10,306	11,885	11,769	12,019
1016	Crossing Guard Levy-Lake	38,605	39,733	39,228	39,283	39,669
1017	Fire Service-Cook	785,977	755,231	865,915	857,416	875,657
1018	Fire Service-Lake	2,812,666	2,896,020	2,857,933	2,861,935	2,890,085
1019	Street & Bridge Levy-Cook	146,219	140,500	161,056	159,475	162,868
1020	Street & Bridge Levy-Lake	523,144	538,417	531,563	532,307	537,543
1021	Street Lighting Levy-Cook	49,595	47,655	54,604	54,068	55,218
1022	Street Lighting Levy-Lake	177,366	182,545	180,220	180,472	182,247
1023	ESDA Levy-Cook	2,720	2,614	2,928	2,900	2,930
1024	ESDA Levy-Lake	9,513	9,788	9,665	9,678	9,671
1031	Police Pension Levy-Cook	404,005	432,492	496,351	491,216	498,490
1032	Police Pension Levy-Lake	1,318,981	1,630,638	1,638,193	1,655,934	1,661,347
1033	Fire Pension Levy-Cook	344,179	403,525	455,872	451,398	462,467
1034	Fire Pension Levy-Lake	1,145,431	1,514,840	1,504,595	1,532,763	1,541,289
Sub-total-Property Taxes		10,372,145	11,243,626	11,504,690	11,530,059	11,656,497
Percent Change 2012 vs. 2011 Budget						1.32%
Other Taxes-State:						
1051	State Income Taxes	3,601,619	3,009,024	3,801,160	3,942,390	3,629,853
1052	State Sales Tax	4,488,916	4,563,161	4,585,193	4,288,979	4,374,760
1055	Township Transfer-Wheeling	25,250	24,447	28,000	27,887	28,000
1056	Township Transfer-Vernon	159,916	165,783	166,000	160,520	161,000
Sub-total-Other Taxes-State		8,275,701	7,762,415	8,580,353	8,419,776	8,193,613
Percent Change 2012 vs. 2011 Budget						-4.51%
Other Taxes-Local:						
1066	Home Rule Sales Tax	2,708,022	2,746,638	2,741,583	2,984,327	3,044,100
1067	Real Estate Transfer Tax	670,763	545,515	439,000	475,503	500,000
1068	Hotel/Motel Tax	118,739	129,712	120,000	121,000	121,000
1070	Telecommunications Excise Tax	2,345,249	2,183,190	2,284,416	2,097,014	2,055,073
1071	Prepared Food and Beverage Tax	680,462	691,114	703,716	721,323	739,356
1072	Automobile Rental Tax	7,778	6,556	7,750	10,000	10,000
1074	Para Mutual Tax	15,874	84,032	65,000	80,000	80,000
1075	Utility Tax-Electric Service	-	1,637,267	1,604,060	1,619,000	1,619,000
1076	Utility Tax-Natural Gas Therms	32,302	756,073	920,309	1,052,218	1,052,218
Sub-total-Other Taxes-Local		6,579,189	8,780,097	8,885,834	9,160,385	9,220,747
Percent Change 2012 vs. 2011 Budget						3.77%
Business Licenses:						
1091	Business Licenses	94,710	102,728	95,000	100,000	100,000
1092	Tobacco Licenses	1,950	1,800	1,800	1,800	1,800
1094	Vending Machine Licenses	1,320	2,185	2,200	2,200	2,200
1095	Chauffer Licenses	2,715	2,650	2,500	2,650	2,650
1096	All Other Licenses	6,115	9,165	7,400	9,000	9,000
1097	Alarm Permits	27,183	28,375	25,000	28,375	28,375
Sub-total-Business Licenses		133,993	146,903	133,900	144,025	144,025
Percent Change 2012 vs. 2011 Budget						7.56%

Corporate Fund Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Liquor Licenses:						
1101	Liquor Licenses-Class A	54,800	52,500	52,500	53,400	52,500
1102	Liquor Licenses-Class B	23,300	21,550	23,000	19,550	18,400
1103	Liquor Licenses-Class C	26,075	26,250	27,500	34,800	37,500
1104	Liquor Licenses-Class D	9,000	7,200	7,200	5,400	5,400
1105	Liquor Licenses-Class E	9,750	10,500	12,000	7,500	7,500
1106	Liquor Licenses-Class F	2,000	2,000	2,000	2,000	2,000
1109	Liquor Licenses-Tasting	1,240	1,345	300	2,345	2,345
1110	Liquor License Violations	500	0	500	0	0
1111	Liquor Application Fee	3,000	490	1,500	500	500
Sub-total-Liquor Licenses		129,665	121,835	126,500	125,495	126,145
Percent Change 2012 vs. 2011 Budget						-0.28%
Animal Licenses:						
1121	Animal Licenses-Dogs	8,843	8,746	11,000	8,250	8,250
1122	Animal Licenses-Cats	2,357	680	3,000	800	800
Sub-total-Animal Licenses		11,200	9,426	14,000	9,050	9,050
Percent Change 2012 vs. 2011 Budget						-35.36%
Building Revenue & Fees:						
1131	Building Permit Fees	23,768	170,737	220,400	64,078	232,800
1132	Engineering Fees	153,508	40,163	66,388	66,338	50,081
1133	Contractor Reg. Fees	5,295	61,770	60,000	71,085	70,000
1134	Plan Review Fees	47,535	64,962	45,000	71,823	60,000
1135	Filing Fees	3,125	5,200	2,500	2,200	2,500
1136	Annexation Fees	4,900	20,300	5,600	5,600	65,800
1137	Building Inspection Fees	171,748	223,612	175,000	262,655	225,000
1138	Plumbing Inspection Fees	26,069	29,180	25,000	29,121	28,000
1139	Electrical Inspection Fees	31,698	50,527	35,000	46,397	40,000
1140	Mechanical Inspection Fees	16,900	17,585	15,000	16,400	15,000
1141	Sign Inspection Fees	5,400	6,322	5,000	7,675	5,000
1142	Elevator Inspection Fees	27,920	35,533	30,000	35,727	35,000
1143	Pavement Inspection Fees	-	-	500	0	0
1144	Other Inspections	40,527	37,406	35,000	45,716	45,000
1145	Fire Suppression Inspection Fees	2,490	2,639	1,000	4,150	4,150
1145	Rental Inspection Fees	-	-	0	0	0
Sub-total-Building Revenue & Fees		560,883	765,936	721,388	728,965	878,331
Percent Change 2012 vs. 2011 Budget						21.76%
Intergovernmental Revenue-Local:						
1181	Reimb.-Police Training	3,153	4,692	0	-	-
1182	Reimb.-Fire Training	-	-	500	-	-
1183	High School Police Counselor	84,239	63,346	80,798	80,798	82,414
1184	Gasoline Sales-Park/School	50,709	71,606	52,000	80,000	80,000
1185	D.A.R.E. Program	108,734	80,771	80,771	80,771	82,386
1186	Police Grant Program	23,645	7,500	-	-	-
1187	Fire Training Reimbursement-Local	-	-	-	-	-
1188	IGA Reimbursement-IT Services	23,039	14,167	9,996	9,996	9,996
Sub-total-Intergovernmental Revenue		293,519	242,082	224,065	251,565	254,796
Percent Change 2012 vs. 2011 Budget						13.72%

Corporate Fund Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Investment Revenue:						
1241	Interest Income-Savings	5,516	6,640	5,000	1,250	1,250
1242	Interest Income-Investment Pool	870	809	1,000	500	500
1243	Interest Income-Money Market	411	273	250	125	100
1244	Interest Income-Certificates of Deposit	427,580	182,711	182,762	131,250	98,313
1245	Interest Income-Government Securities	49,373	56,464	65,000	31,500	31,500
1246	Amortization-Security Discount or Prem	-	-	-	-	-
Sub-total-Investment Revenue		483,750	246,897	254,012	164,625	131,663
Percent Change 2012 vs. 2011 Budget						-48.17%
Fines & Fees-Police & Fire:						
1251	Circuit Court Fines-Cook	26,002	19,320	18,000	18,950	18,950
1252	Circuit Court Fines-Lake	567,317	515,524	525,000	510,000	510,000
1253	Village Ordinance Fines	69,226	39,152	40,000	35,456	35,500
1254	Alarm Service Calls	38,419	30,308	40,000	26,775	27,000
1255	Accident Reports	5,601	4,560	6,000	4,450	4,450
1258	Impounding Fees	750	775	1,200	900	900
1259	Ambulance Transport Fees	697,875	661,904	727,000	668,000	668,000
1260	Video Subpoena Fees	3,550	2,715	2,500	1,850	1,850
1261	DUI Assessments	25,226	29,351	30,500	30,000	30,000
1262	Impounding Penalties	125,225	116,152	124,500	86,000	86,000
Sub-total-Fines & Fees-Police & Fire		1,559,191	1,419,761	1,514,700	1,382,381	1,382,650
Percent Change 2012 vs. 2011 Budget						-8.72%
Operating Transfers:						
1272	Transfers From Water Fund	705,000	705,000	705,000	705,000	705,000
1273	Transfers From Golf Fund	0	0	0	0	0
Sub-total-Operating Transfers		705,000	705,000	705,000	705,000	705,000
Percent Change 2012 vs. 2011 Budget						0.00%
All Other Revenue:						
1291	Cable Television Fees	519,033	601,829	576,500	665,760	685,733
1292	Snow & Ice Control	-	-	1,000	0	0
1293	Manuals, Maps & Books	-	-	250	0	0
1294	Facilities Rental	4,012	3,850	4,000	3,850	3,850
1299	All Other Income	37,716	73,450	40,000	50,000	40,000
1311	Central Garage Reimbursements	76,394	87,540	75,000	92,500	75,000
Sub-total-All Other Revenue		637,155	766,669	696,750	812,110	804,583
Percent Change 2012 vs. 2011 Budget						15.48%
Grand Total-Corporate Fund						
Grand Total-Corporate Fund		29,741,391	32,210,648	33,361,192	33,433,436	33,507,100
Percent Change 2012 vs. 2011 Budget						0.44%
Net Operating Revenue						
Grand Total-Corporate Fund		29,741,391	32,210,648	33,361,192	33,433,436	33,507,100
Less: Police & Fire Pension Levies		3,212,596	3,981,495	4,095,011	4,131,311	4,163,593
Net Operating Revenue		26,528,795	28,229,153	29,266,181	29,302,125	29,343,507

Office of the Village Manager

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

- supervision, coordination and evaluation of all departmental activities and responsibilities;
- analysis and policy recommendations concerning land use and development proposals, zoning and development regulations and transportation issues;
- participation in activities of community organizations, other governmental agencies and the private sector to represent the Village and provide information and assistance;
- research and development of new or improved management systems;
- staff support to designated standing and ad hoc commissions and committees; and
- coordination of communications with the community, including residents, businesses and other organizations, concerning Village programs and policies.



The Office of the Village Manager oversees four discrete cost centers: Legislative 401, Office of the Village Manager 405, Legal 408, Information Technology 407, and Emergency Management 471.

Legislative

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

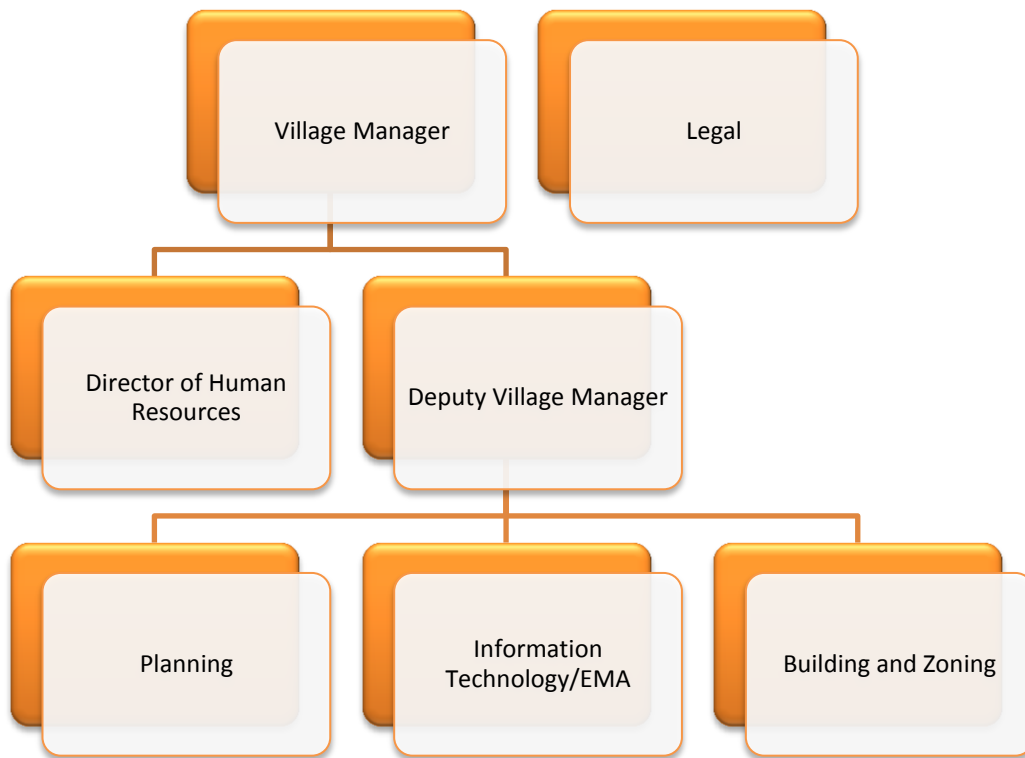
Members of the Board are assigned specific program or functional areas of responsibility by the Village President, and represent the Village at meetings, workshops and public hearings related to their assigned responsibilities. The Village Board maintains membership and participates in programs and activities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

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

Legal

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

Department Structure



2011 Accomplishments

1. Coordinated with property owners, developers, brokers and other business representatives to promote available property in Buffalo Grove, retain quality businesses, and assist businesses with the permit and development process. Buffalo Grove welcomed a number of prominent businesses to the community including but not limited to LG Electronics USA, PrimeSource Healthcare, Leica Microsystems, Xtreme Trampolines, and Connexion.
2. Implemented the Village's 2011 Environmental Plan which set forth an ambitious action plan relating to water conservation, waste reduction, energy efficiency, land use, and education and promotion. Achieved and awarded Platinum level recognition with Clean Air Counts - a northeastern Illinois regional initiative to reduce ozone-causing emissions and improve air quality.
3. Coordinated successful community programs to enrich the quality of life of Buffalo Grove including but not limited to Buffalo Grove Days, Buffalo Grove Invitational Fine Art Festival, Farmers Market and others.
4. Coordinated with volunteer appointees and carried out the objectives of the Bicycle Path System Ad Hoc Committee which was established in October, 2010. The Committee reviewed bicycle and walking programs in other communities; coordinated with appropriate parties to improve signage and remove landscape barriers along the trail system; initiated means and methods to promote the Village's bike and walking paths and trails as an amenity and transportation resource; and started an assessment of resources necessary to draft a comprehensive plan for the Village bicycle and pedestrian system.

Office of the Village Manager



Strategic Goal:

Provide for a comprehensive approach to the delivery of services, development of the community and advancing the interests of the Village in a diverse and inclusive environment

Outcome	Strategies	Performance Measures
Comprehensive Strategic Plan	<ul style="list-style-type: none"> Conduct Opportunity, Threats, Strength, Weakness (OTSW) analysis and environmental scan. Prepare competencies and goals for 2013 budget cycle. Establish organization-wide performance measures 	<ul style="list-style-type: none"> Development of scope and timeline (December 2011). Interim background research report (April 2012). Final report and adoption (July 2012).
Electric aggregation program for the benefit of residential and small business electric customers.	<ul style="list-style-type: none"> Lead an intergovernmental initiative with area municipalities utilizing economies of scale to obtain more aggressive electric prices from contract suppliers. Submit resolution authorizing referendum (November 2011). Coordinate selection of energy procurement consultant. Develop public education materials for use by collaboration (web, press release) Conduct required public meetings. If approved by referendum, issue requests for proposals for electric services. Award bid (June 2012). 	<ul style="list-style-type: none"> Completion of RFP for electric services (March 2012). Public referendum (March 20, 2012). Submission of two or more proposals by electric service vendors (May 2012). Award a one-year contract (or greater) to the preferred provider ensuring cost savings from ComEd standard rates greater than 7% for residents and small businesses.
Bicycle Plan for existing and future facilities within the Village.	<ul style="list-style-type: none"> Codify the Bicycle Path System Committee by the fourth quarter, 2011. Review Village ordinances to identify if revisions are needed to support bicycle use. Develop a plan for enhanced signage for the system. Develop programs and events to increase community knowledge and support for the bicycle and pedestrian system. 	<ul style="list-style-type: none"> Develop a map which communicates the locations of existing paths and routes, including connections between off-street paths and sidewalks. Coordinate a minimum of two activities to promote bicycling and the path system.

**Strategic Goal:**

Provide for a comprehensive approach to the delivery of services, development of the community and advancing the interests of the Village in a diverse and inclusive environment

Enhanced economic development program with specific emphasis on the Milwaukee Avenue and Dundee Road corridors.

- Assess Dundee Road and Milwaukee Avenue properties for potential incentives (January 2012).
- Conduct strategic marketing campaign with targeted retailers.
- Explore opportunities to develop revolving loan or other business development incentives (March 2012).

- Provide for Board review an incentive package for retail development and redevelopment initiatives specific to development corridors.
- Improve presence on Village web site with site information and trade area analysis (February 2012).
- Conduct at least three direct contacts with identified retailers per quarter (on-going).
- Provide regular reports and detail to Village Board concerning activities.

Updated Village Sign Code

- Present the draft updated Sign Code to the Plan Commission and Zoning Board (December, 2011/January, 2012)
- Present the updated Sign Code for Village Board adoption (by February, 2012).
- Update forms, documents as appropriate to comply with the Sign Code (February, 2012)

- Provide an overview of the major changes and business opportunities to all shopping center property managers, sign code professionals serving Buffalo Grove, and business owners who provided feedback as part of the Sign Code Update (March, 2012)
- Conduct education campaign promoting the updated Sign Code in local media outlets including but not limited to the Village newsletter, Chamber newsletter (March, 2012)

2012 Environmental Plan Implementation

Provide a summary of 2011 accomplishments and present a 2012 Plan for Board approval (January, 2012).

- Coordinate, plan and execute the initiatives and programs as part of the 2012 Environmental Plan including but not limited to the following:
- Highlight Village environmental practices.
- Promote EPA programs such as Water Sense and Waste Wise, and promote local and regional organizations and partnerships such as Clean Air Counts and SWANCC.
- Coordinate the annual Electronics Recycling Event in the community;
- Promote the environmentally friendly Bagster program to residents.
- Continue to make available sharps, medication, lighting and battery recycling program at Village Hall.

**Strategic Goal:**

Provide for a comprehensive approach to the delivery of services, development of the community and advancing the interests of the Village in a diverse and inclusive environment

Refuse & Recycling Contract

- Present for Board consideration a Request for Proposal for Refuse, Recycling and Landscape services to residential customers in Buffalo Grove (November, 2011).
- Issue the RFP to potential contractors, collect, compile and analyze results.
- Provide a contract for services for Board approval (March, 2012)
- Implement contract to be effective May, 2012.

**Strategic Goal:**

Assess and implement changes in process work flows, staffing and operations to provide for the greatest efficiency in delivering services at expected levels.

Outcome	Strategies	Performance Measures
Improved Monthly Management Report which provides quantifiable and qualitative information of all department operations.	Deconstruction analysis of each operating department to review core and noncore tasks to be conducted with integrated management team of Village senior staff.	Management Report modifications completed and provided to Village Board by August, 2012.

**Strategic Goal:**

Deploy appropriate technologies that contribute positively to service delivery, efficiency and communications.

Outcome	Strategies	Performance Measures
Develop and implement multi-jurisdictional mobile "app".	<ul style="list-style-type: none">▪ Coordinate the development of a policy with multiple public entities to determine application service needs and desired outcomes.▪ Develop and approve intergovernmental agreement covering the responsibilities of the parties and cost-sharing.▪ Solicit proposals for public-private solutions to provide the desired application environment.▪ Deploy mobile app in iPhone and Android platforms.	<ul style="list-style-type: none">▪ Policy governing communication standards for mobile device apps.▪ Approval of intergovernmental cooperation agreement.▪ Request for proposals.▪ Deploy application.
New BGVTV server software and hardware to enhance communications via cable television.	<ul style="list-style-type: none">▪ Install and deploy Rushworks Media software (January, 2012)▪ Upgrade server hardware.▪ Train department staff on preparing presentations and loading to BGVTV servers (March, 2012)	Departmental programming enhanced (minimum of one presentation per department per month).

**Strategic Goal:**

Deploy appropriate technologies that contribute positively to service delivery, efficiency and communications.

Increased opportunities for English as second language residents to interact with the Village.

Deploy language translation service on the Village's web site.

CivicPlus language translation services available to residents by March, 2012.

2012 Staffing Summary

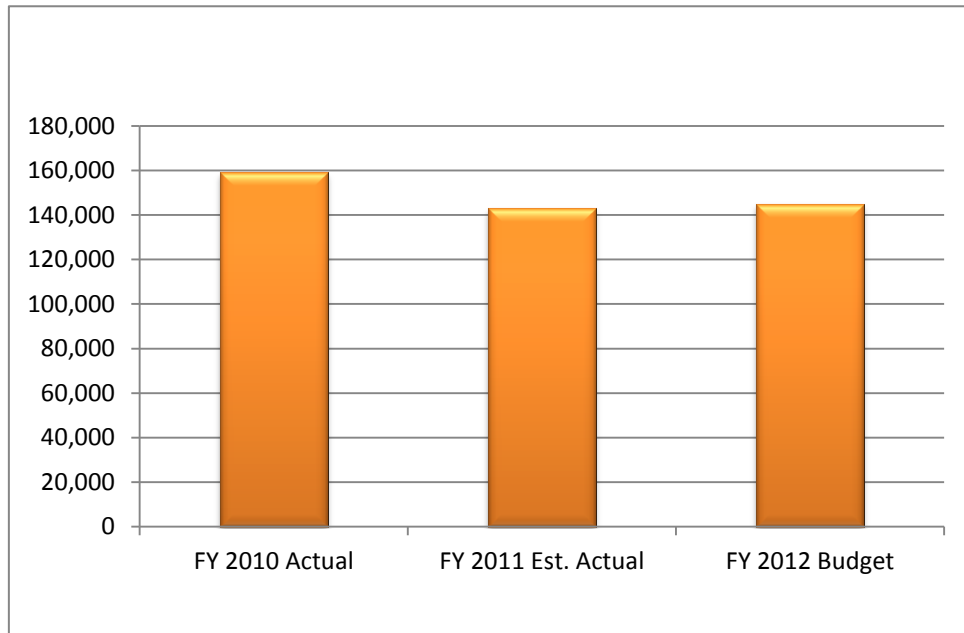
In 2011, the part-time position of Administrative Intern was eliminated. Village staff has mentored three non-paid interns and will continue to entertain non-paid internship opportunities in fiscal year 2012.

The fiscal year 2012 budget reflects an increase in hourly wage and work hours of the part-time secretary from 20 hours per week to 32 hours per week. The increased hours were approved in the fall, 2011 and have allowed for greater support of Human Resources functions including but not limited to assisting with open enrollment of employees, assisting in the management of the insurance program for employees, supporting the Human Resource Director in the recruitment process, and maintaining and organizing files relating to personnel, medical, incident, liability and workers compensation.

The fiscal year 2012 also reflects a modification of the Assistant to the Village Manager position from part-time (32 hours) to full-time. The modification will be subject to operations and financial impact review. The increased hours will allow for greater work efforts to enhance Village communications such as BGTV and a new mobile communications application, implementation of the new performance appraisal system and assistance with strategic planning efforts and performance measurement initiatives.

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
ADMINISTRATIVE INTERN	0	1	0	0	0	0
ASSISTANT TO THE VILLAGE MANAGER	0	1	0	1	1	0
ASSOCIATE PLANNER	0	1	0	1	0	1
DEPUTY VILLAGE MANAGER	1	0	1	0	1	0
DIRECTOR OF HUMAN RESOURCES	1	0	1	0	1	0
EMERGENCY RESPONSE COORDINATOR	0	1	0	1	0	1
VILLAGE MANAGER	1	0	1	0	1	0
VILLAGE PLANNER	1	0	1	0	1	0
SECRETARY	1	1	1	1	1	1
TOTAL	5	5	5	4	6	3
FULL & PART-TIME TOTAL	10		9		9	

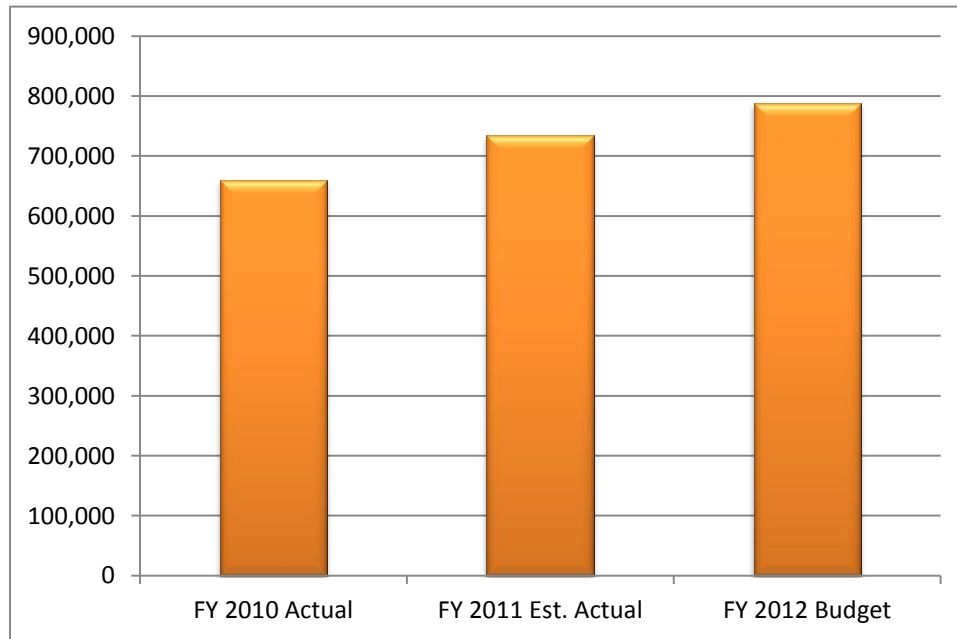
2012 Budget Summary
401 Legislative



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	32,600	33,200	33,000
Personal Benefits	33,014	34,450	38,150
Operating Expenses	4,810	8,455	7,750
Commissions & Committees	28,061	33,950	30,150
Capital Equipment	0	0	0
All Other Expenses	60,708	32,800	35,800
	159,193	142,855	144,850

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3014	Salaries-Part Time	0	0	300	200	0
3015	Salaries-Elected Officials	33,300	32,600	33,000	33,000	33,000
	Sub-total-Personal Services	33,300	32,600	33,300	33,200	33,000
	Percent Change 2012 vs. 2011 Budget					-0.90%
Personal Benefits:						
3112	Professional Training	350	600	700	250	500
3113	Dues & Memberships	30,189	32,414	34,140	34,200	37,650
	Sub-total-Personal Benefits	30,539	33,014	34,840	34,450	38,150
	Percent Change 2012 vs. 2011 Budget					9.50%
Operating Expenses:						
3211	Telephone	6	460	100	780	100
3213	Travel	19	9	100	100	100
3215	Reception & Community Affairs	3,629	3,989	6,000	7,400	7,300
3218	Subscriptions & Publications	653	250	100	25	100
3240	Supplies-Office	246	102	100	150	150
	Sub-total-Operating Expenses	4,552	4,810	6,400	8,455	7,750
	Percent Change 2012 vs. 2011 Budget					21.09%
Commissions & Committees:						
3712	Blood Commission	78	72	100	50	100
3715	Fireworks for the Fourth	20,000	20,000	20,000	20,000	20,000
3716	Plan Commission	44	0	100	0	100
3717	Residents with Disabilities	1,289	1,472	1,000	800	800
3718	Arts Commission	3,713	1,706	8,000	6,000	7,000
3719	Zoning Board of Appeals	0	0	50	0	50
3720	Other Boards/Commissions	0	(3,602)	100	0	100
3721	Village Board	639	784	200	3,100	1,700
3722	BG Symphonic Band	1,131	7,634	0	0	0
3723	50th Anniversary Committee	-398	(5)	300	4,000	300
	Sub-total-Commissions & Committees	26,497	28,061	29,850	33,950	30,150
	Percent Change 2012 vs. 2011 Budget					1.01%
Capital Equipment:						
4312	Office Furniture	0	0	0	0	0
4313	Office Equipment	0	0	0	0	0
	Sub-total-Capital Equipment	0	0	0	0	0
	Percent Change 2012 vs. 2011 Budget					0.00%
All Other Expenses:						
4913	Consulting Fees-Other	0	4,139	5,000	5,000	7,000
4935	All Other Expenses	311	31,320	550	200	500
4941	Cable Television Programming	16,085	21,999	26,700	25,600	26,000
4942	Senior Citizen Taxi Program	2,850	3,250	2,600	2,000	2,300
	Sub-total-All Other Expenses	19,246	60,708	34,850	32,800	35,800
	Percent Change 2012 vs. 2011 Budget					2.73%
	Grand Total-Legislative	114,135	159,193	139,240	142,855	144,850
	Percent Change 2012 vs. 2011 Budget					4.03%

405 Office of the Village Manager

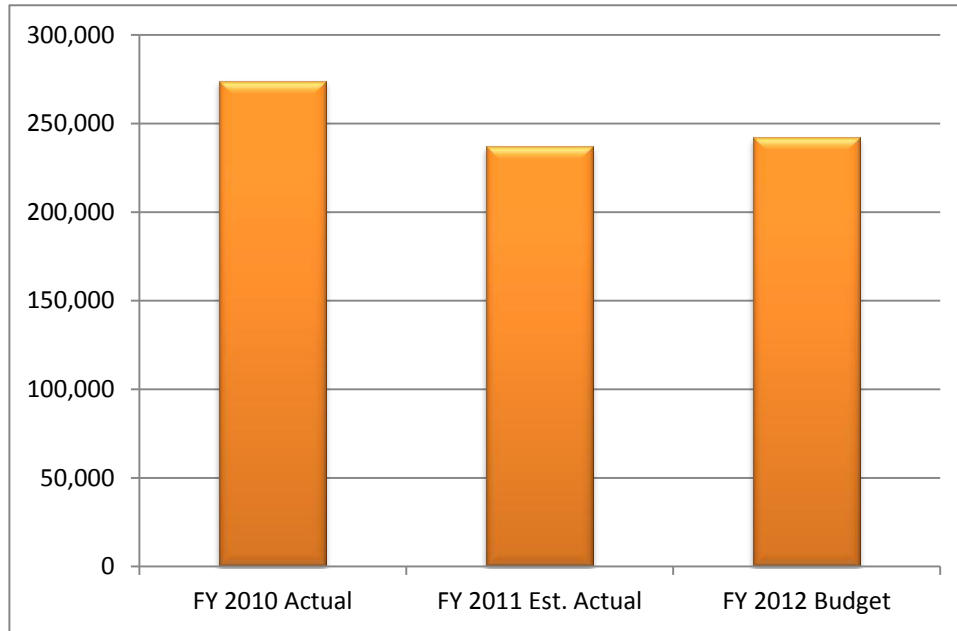


	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	551,710	602,326	656,923
Personal Benefits	55,554	75,791	74,308
Operating Expenses	44,509	52,827	54,025
Insurance	1,600	800	800
Maintenance & Repairs-Other	0	0	500
Capital Equipment	1,927	0	0
All Other Expenses	4,924	3,800	1,800
	660,225	735,544	788,356

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	533,338	457,901	470,362	473,256	569,700
3014	Salaries-Part Time	106,901	91,209	131,580	127,470	85,223
3018	Longevity Pay	3,600	2,600	2,800	1,600	2,000
	Sub-total-Personal Services	643,839	551,710	604,742	602,326	656,923
	Percent Change 2012 vs. 2011 Budget					8.63%
Personal Benefits:						
3111	Group Medical & Life Insurance	61,792	38,710	81,381	60,000	60,500
3112	Professional Training	2,381	464	4,300	3,000	4,500
3113	Dues & Memberships	5,338	6,197	5,655	5,600	5,750
3129	ICMA/RC Deferred Compensation	9,870	10,184	7,117	7,191	3,558
	Sub-total-Personal Benefits	79,381	55,554	98,453	75,791	74,308
	Percent Change 2012 vs. 2011 Budget					-24.52%
Operating Expenses:						
3211	Telephone	3,821	3,542	3,500	2,800	3,000
3212	Postage	49	68	250	0	0
3213	Travel	212	302	800	600	800
3214	Per Diem Allowance	0	0	1,100	700	800
3215	Reception & Community Affairs	587	618	1,000	1,100	1,300
3216	Maintenance Contracts	6,100	6,499	9,200	8,227	9,600
3218	Subscriptions & Publications	1,656	124	1,775	1,600	1,775
3219	Printing	665	536	1,950	1,000	1,250
3220	Village Newsletter	29,174	28,477	33,000	34,500	33,000
3240	Supplies-Office	2,636	4,343	3,000	2,300	2,500
	Sub-total-Operating Expenses	44,900	44,509	55,575	52,827	54,025
	Percent Change 2012 vs. 2011 Budget					-2.79%
Insurance:						
3512	Unemployment Insurance	640	1,600	800	800	800
	Sub-total-Insurance	640	1,600	800	800	800
	Percent Change 2012 vs. 2011 Budget					0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	0	0	500	0	500
	Sub-total-Maintenance & Repairs-Other	0	0	500	0	500
	Percent Change 2012 vs. 2011 Budget					0.00%
Capital Equipment:						
4312	Office Furniture	0	0	0	0	0
4313	Office Equipment	5,036	1,470	0	0	0
4315	Reserve - Capital Replacement	0	0	0	0	0
4316	Operating Equipment-Department	234	457	0	0	0
4317	Reserve - Computer Replacement	0	0	0	0	0
	Sub-total-Capital Equipment	5,270	1,927	0	0	0
	Percent Change 2012 vs. 2011 Budget					0.00%
All Other Expenses:						
4913	Consultant Fees-Other	0	0	0	0	0
4935	All Other Expenses	3,289	4,924	1,100	3,800	1,800
	Sub-total-All Other Expenses	3,289	4,924	1,100	3,800	1,800
	Percent Change 2012 vs. 2011 Budget					63.64%

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
<hr/>						
	Grand Total-Office of Village Manager	777,319	660,225	761,170	735,544	788,356
	Percent Change 2012 vs. 2011 Budget					3.57%

408 Legal



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Sub-total-Legal Services	274,127	237,150	242,150

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Legal Services:						
3611	Retainer Fee	54,167	50,000	50,000	50,000	50,000
3612	Prosecutor Fee	66,775	70,120	68,000	74,000	68,000
3613	Attorney's Fees	137,160	128,023	97,000	100,000	106,700
3614	Recording Fees	427	180	500	350	500
3615	Legal Notices	6,974	5,397	5,000	3,800	5,000
3616	Litigation Reserve	16,425	6,904	6,750	6,000	6,750
3617	Messenger Fees	485	473	700	500	700
3618	Special Counsel	-350	10,944	2,000	0	2,000
3619	Legal Reimbursables	2,333	2,086	2,500	2,500	2,500
Sub-total-Legal Services		284,396	274,127	232,450	237,150	242,150
Percent Change 2012 vs. 2011 Budget						4.17%
<hr/>						
Grand Total-Legal Services		284,396	274,127	232,450	237,150	242,150
Percent Change 2012 vs. 2011 Budget						4.17%

Information Technology

Emergency Management Agency



Information Technology

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

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

Emergency Management Agency (EMA)

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

Department Structure



2011 Accomplishments

1. Village staff now has anytime, anyplace access to the village data network.
2. Implemented an electronic packet system for Village Board agendas.
3. New communications truck delivered under budget with the help of over 800 hours of volunteer time by community residents
4. New telephone system deployed as a joint project between the Park District and the Village will save tax payers thousands of dollars in telephone bills.
5. As a continuing green initiative, the Information Technology Department consolidated network servers eliminating 10 physical servers and implements power saving features on local PC's which saves electricity.
6. To streamline the performance review process and provide consistency across departments, the Village implemented and enhanced its performance review system.
7. To improve efficiency, employees were trained on the current Microsoft Office Software Suite.

2012 Goals - Information Technology



Strategic Goal:

Provide a stable and scalable information technology infrastructure that supports current and future needs.

Outcome	Strategies	Performance Measures
Upgrade network monitoring	In an effort to provide a stable and reliable technology infrastructure, review core infrastructure devices to ensure that all key devices are able to be remotely monitored 365 days/year 24/hours per day	By July 2012, a new network monitoring solution will be configured and implemented in the technology office.
Support operating departments	<ul style="list-style-type: none"> ▪ Work with Fire department to help replace incident management software. ▪ Work with Police Department to help upgrade records management software. ▪ Work with Police Department to help replace dispatch software. ▪ Work with Finance Department to help replace financial software. 	<ul style="list-style-type: none"> ▪ Completed incident management software installation. ▪ Completed Police dispatch software installation. ▪ IDC software is replaced by new financial software.
Technology Plan	Work with departments on a quarterly basis to better understand their technology vision in an effort to position the current and future environment to fit their needs.	<ul style="list-style-type: none"> ▪ Meet with department representatives quarterly. ▪ Provide summary notes and recommendations to the Village Manager for review with a 5-7 year planning horizon.

**Strategic Goal:**

Automate IT functions and supported application environments to reduce labor inputs and process costs.

Outcome	Strategies	Performance Measures
Reduce cell phone expenses by a minimum of 5%, while still maintaining acceptable cell phone coverage.	Review cell phone carriers to identify if there are more cost effective offerings from a tier 1 cell phone carrier.	By April 2012 a comprehensive study will be provided to the Village Manager of cell phone carrier options and costs associated with each option.
Implement video conferencing for Fire Department.	Reduce travel cost and enable shift-wide meetings by using video conferencing technology.	System installed by June 2012.
Technology Department Employee training.	Provide at least one training opportunity for each full time IT employee in their area of specialization.	Each employee will complete one training event or seminar.

**Strategic Goal:**

Provide systems that enable knowledge transfer and enhanced analysis tools.

Outcome	Strategies	Performance Measures
Conduct internal customer computer use and satisfaction survey.	Create comprehensive survey of IT needs and uses and solicit user feedback.	<ul style="list-style-type: none">Complete survey by November 2012.Submit report and action plan to Village Manager by December 2012.
Provide a strategy or solution to reorganize the current network file share.	<p>As this project will affect all employees and fundamentally change the location of 18 years of data, the following strategy is proposed:</p> <ul style="list-style-type: none">Research best industry practiceReview solutions from other municipalitiesDevelop an internal IMT to understand user requirementsPropose solution	

**Strategic Goal:**

Deploy systems that improve process flow, stability and accessibility for all users.

Outcome	Strategies	Performance Measures
Upgrade the video surveillance.	Review industry best practices. Expand use by village departments by providing a consistent platform.	By March 2012 install video hardware and software at Village Hall, Police Department, and Public Works.
Improve GIS capabilities.	Work with Public Works Department and a third-party vendor to leverage existing data assets.	Successfully integrate two existing Lotus Notes databases into the new GIS platform by September 2012.
View I-Pad and tablet output on big-screen TV in council chambers, improve media capabilities in Council Chambers.	Research and deploy adequate iOS and AppleTV software and hardware to allow instantaneous broadcast on chamber devices.	Integrate Apple iPad-type devices into the current video solution in the council chambers by February 2012.

2012 Goals – Emergency Management Agency

Emergency Management Agency

**Strategic Goal:**

Ensure operational readiness for emergency resources in the event that they are required by village departments

Outcome	Strategies	Performance Measures
Ensure that all members of EMA are knowledgeable with the operations of the new MCSC3.	Develop a new set of SOP's for the use of the new MobileComm.	By August 2012 all members of EMA will be able to set up every function of the new truck including Truck Start-up procedures, turning on all equipment in the vehicle and connecting all networking equipment on top of the truck to establish a radio and data connection.

**Strategic Goal:**

Enable first responders the resource and technology that MobileComm provides via wireless connections.

Outcome	Strategies	Performance Measures
Establish a wireless connection from MobileComm to the Police and Fire Incident Command vehicles.	Create a detail design document that will describe available resources in MCSC3 and devices in the Incident command vehicles. This documentation will detail how to connect between the two vehicles.	By September 2012 the incident command vehicles will be able to connect via a wireless connection to MCSC3.



Strategic Goal:

Enable village staff the flexibility and functionality of accessing technology resources remotely

Outcome	Strategies	Performance Measures
Establish a wireless viewing station such that first responders can see the videos that MobileComm is capturing within the vehicle.	Acquire wireless equipment and fabricate a computer monitor such that it can be disconnected from MobileComm and provide remote viewing of the video resources in the truck	By May, 2012 a remote viewing station will be created to see all video streams passing through MCSC3.

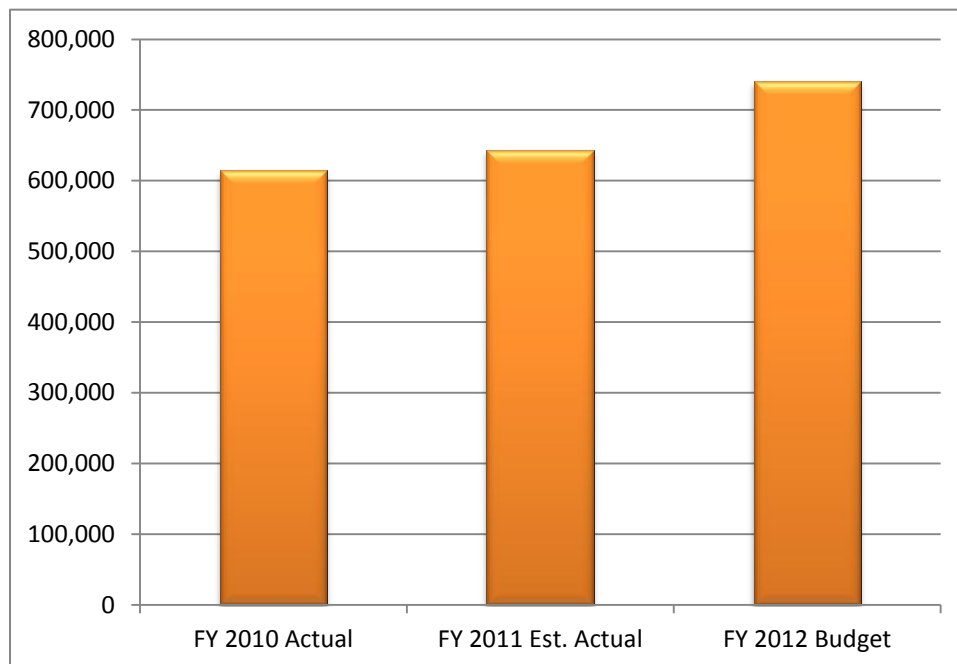
2012 Staffing Summary

Information Technology Department/Emergency Management Agency – For 2012, there will be no programmed staffing changes in this department.

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
DIRECTOR OF INFO. TECHNOLOGY/EMA COOR.	1	0	1	0	1	0
INFORMATION TECHNOLOGY ANALYST	1	0	1	0	1	0
INFORMATION TECHNOLOGY ASSISTANT	1	0	1	0	1	0
PROGRAMMER	0	1	0	1	0	1
TOTAL	3	1	3	1	3	1
FULL & PART-TIME TOTAL	4		4		4	

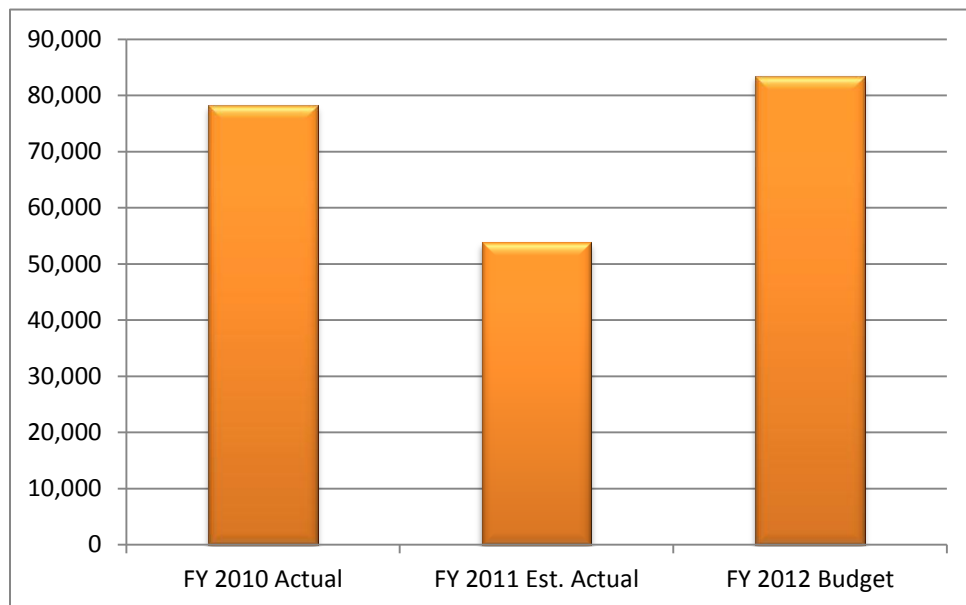
2012 Budget Summary

407 Information Technology



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	348,225	346,800	357,792
Personal Benefits	64,690	78,125	80,368
Operating Expenses	155,956	192,600	199,065
Insurance	960	480	480
Maintenance & Repairs-Other	0	500	500
Capital Equipment	44,432	24,200	101,400
All Other Expenses	194	700	600
	614,457	643,405	740,205

471 Emergency Management Agency



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	47,831	15,000	22,440
Personal Benefits	6,375	2,675	3,200
Operating Expenses	10,904	16,800	16,600
Commodities	0	500	500
Maintenance & Repairs-Other	0	1,000	2,200
Capital Equipment	13,026	17,500	38,200
All Other Expenses	96	300	300
	78,232	53,775	83,440

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	309,043	287,057	284,024	284,000	290,072
3014	Salaries-Part Time	13,308	59,368	61,250	61,000	65,921
3018	Longevity Pay	1,600	1,800	1,800	1,800	1,800
	Sub-total-Personal Services	323,951	348,225	347,074	346,800	357,792
	Percent Change 2012 vs. 2011 Budget					3.09%
Personal Benefits:						
3111	Group Medical & Life Insurance	58,691	59,572	67,843	68,000	67,843
3112	Professional Training	356	716	7,100	7,000	10,850
3113	Dues & Memberships	75	75	225	225	225
3129	ICMA/RC Deferred Compensation	4,373	4,327	2,915	2,900	1,450
	Sub-total-Personal Benefits	63,495	64,690	78,083	78,125	80,368
	Percent Change 2012 vs. 2011 Budget					2.93%
Operating Expenses:						
3211	Telephone	10,683	12,742	13,934	14,000	14,040
3213	Travel	92	676	150	500	200
3214	Per Diem Allowance	60	6	125	0	125
3215	Reception & Community Affairs	0	0	150	150	150
3216	Maintenance Contracts	94,503	54,310	41,900	47,000	43,700
3218	Subscriptions & Publications	0	0	350	350	350
3221	Computer Services	88,711	87,716	80,200	130,000	140,000
3240	Supplies-Office	1,751	506	500	600	500
	Sub-total-Operating Expenses	195,800	155,956	137,309	192,600	199,065
	Percent Change 2012 vs. 2011 Budget					44.98%
Insurance:						
3512	Unemployment Insurance	480	960	480	480	480
	Sub-total-Insurance	480	960	480	480	480
	Percent Change 2012 vs. 2011 Budget					0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	0	0	500	500	500
	Sub-total-Maintenance & Repairs-Other	0	0	500	500	500
	Percent Change 2012 vs. 2011 Budget					0.00%
Capital Equipment:						
4312	Office Furniture	0	0	200	200	200
4313	Office Equipment	23,783	43,706	9,000	24,000	71,200
4317	Reserve -Computer Replacement	49,923	726	10,000	0	30,000
	Sub-total-Capital Equipment	73,706	44,432	19,200	24,200	101,400
	Percent Change 2012 vs. 2011 Budget					428.13%
All Other Expenses:						
4935	All Other Expenses	217	194	600	700	600
	Sub-total-All Other Expenses	217	194	600	700	600
	Percent Change 2012 vs. 2011 Budget					0.00%
GRAND TOTAL-INFORMATION TECHNOLOGY						
	Percent Change 2012 vs. 2011 Budget	657,649	614,457	583,246	643,405	740,205
						26.91%

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	25,192	25,504	0	0	0
3012	Salaries-Overtime	0	700	0	0	0
3014	Salaries-Part Time	22,136	21,627	0	15,000	22,440
	Sub-total-Personal Services	47,328	47,831	0	15,000	22,440
	Percent Change 2012 vs. 2011 Budget					#DIV/0!
Personal Benefits:						
3111	Group Medical & Life Insurance	8,875	5,833	0	0	0
3112	Professional Training	1,226	0	1,400	1,000	1,400
3113	Dues & Memberships	145	65	300	275	300
3115	Clothing Allowance	0	477	1,500	1,400	1,500
	Sub-total-Personal Benefits	10,246	6,375	3,200	2,675	3,200
	Percent Change 2012 vs. 2011 Budget					0.00%
Operating Expenses:						
3211	Telephone	2,934	2,920	6,400	6,200	6,100
3213	Travel	40	0	500	400	500
3214	Per Diem Allowance	0	0	400	400	400
3215	Reception & Community Affairs	71	33	150	150	150
3216	Maintenance Contracts	5,425	4,425	6,000	6,200	6,000
3218	Subscriptions & Publications	0	0	50	50	50
3221	Computer Services	4,575	3,480	0	0	0
3235	Homeland Security	-120	0	100	0	100
3240	Supplies-Office	488	46	3,300	3,400	3,300
	Sub-total-Operating Expenses	13,413	10,904	16,900	16,800	16,600
	Percent Change 2012 vs. 2011 Budget					-1.78%
Commodities:						
3824	Small Equipment Tools & Hardware	0	0	500	500	500
	Sub-total-Commodities	0	0	500	500	500
	Percent Change 2012 vs. 2011 Budget					0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	0	0	200	1,000	2,200
	Sub-total-Maintenance & Repairs-Other	0	0	200	1,000	2,200
	Percent Change 2012 vs. 2011 Budget					1000.00%
Capital Equipment:						
4313	Office Equipment	4,891	11,849	3,000	2,500	3,000
4315	Reserve for Capital Replacement	0	0	0	0	20,000
4316	Operating Equipment-Department	9,845	1,177	15,200	15,000	15,200
4317	Reserve for Computer Replacement	0	0	0	0	0
	Sub-total-Capital Equipment	14,736	13,026	18,200	17,500	38,200
	Percent Change 2012 vs. 2011 Budget					109.89%
All Other Expenses:						
4935	All Other Expenses	397	96	300	300	300
	Sub-total-All Other Expenses	397	96	300	300	300
	Percent Change 2012 vs. 2011 Budget					0.00%
	Grand Total-Emergency Management Agency	86,120	78,232	39,300	53,775	83,440
	Percent Change 2012 vs. 2011 Budget					112.32%

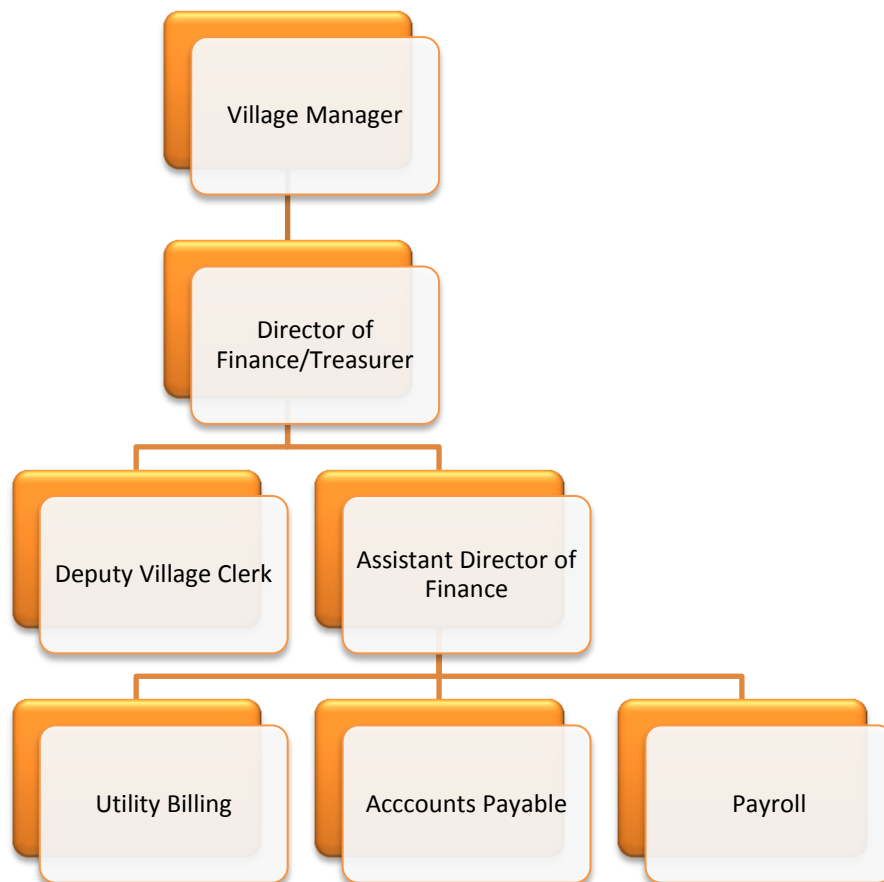
Finance

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



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

Department Structure



2011 Accomplishments

1. Conducted vendor meetings with select departmental users and selected a new financial software vendor (December, 2011). An implementation plan for 2012 was drafted.
2. Created a Five Year Financial Forecast and presented to the Village Board. This forecast will be updated annually and will serve as a tool to help craft long-range financial strategies.
3. Compiled a Twenty-Year Water Pro Forma to identify trends in the Water and Sewer Fund and to be used as a basis for water rate adequacy discussions in 2012.
4. Served on a team to reinvent the budget for 2012 with the intention to create a more user friendly document. This budget will be submitted to the Government Finance Officers' Association for consideration of the Distinguished Budget Award.
5. Redeveloped the Capital Improvement Plan to improve document navigation and project reporting.
6. Worked directly with human resources to evaluate health insurance brokers and pooled options for the Village's health insurance. A recommendation was made and the Village will be reentering the Intergovernmental Professional Benefits Cooperative (IPBC).

2012 Goals



Strategic Goal:

Develop and enhance existing long-term financing strategies that support the Village's infrastructure, operations and enterprise functions.

Outcome	Strategies	Performance Measures
Develop communications strategy for Lake County sewer rate and solutions.	Work with Lake County staff to establish the permanency of the Summer Sewer Credit or other rate considerations to maximize cost efficiency for Lake County residents of the Village.	<ul style="list-style-type: none"> Obtain direction from Lake County Public Works Department regarding summer sewer billing. If cap is not continued, work with Public works to establish protocol for residents wanting to purchase an irrigation meter. Publicize the solution through water bill mailings, website, newsletter and e-news.
Comprehensive Water Rate Recommendation	Work with public works to evaluate the capital needs of the water and sewer system as noted in the 20 Year Water Pro Forma.	<ul style="list-style-type: none"> Establish a working group with public works staff to evaluate water rate adequacy. Determine if rate evaluation should be completed in-house by March 2012. Prepare a recommendation for either a mid-year 2012 rate increase or for FY 2013. Prepare ordinance and present to the Village Board by September 2012.

**Strategic Goal:**

Improve purchasing activities to leverage buying power, manage vendor relationships and strengthen internal controls.

Outcome	Strategies	Performance Measures
Centralize Purchasing for all Village procurement	<p>Work with all department directors to understand the change in philosophy and the intended results of greater efficiency, tighter controls, and leveraging purchase power.</p> <p>Structure the payroll specialist's position to incorporate key functions of purchasing.</p>	<p>March 2012</p> <ul style="list-style-type: none">Review and amend purchase policies to reflect strategic direction.Orient payroll specialist's position to establish the framework for conversion to purchasing agent or future hiring. In part, this will be addressed by the purchasing policy, internal documents and working with the new software vendor to develop work flow plans. <p>June 2012</p> <ul style="list-style-type: none">Recommendation of centralized purchasing agent. <p>November 2012</p> <ul style="list-style-type: none">Create reporting documents that captures savings attributed to centralized purchasing to use over the next few years.

**Strategic Goal:**

Improve capabilities within Village staff to research, inquire and report performance metrics.

Outcome	Strategies	Performance Measures
Review Buffalo Grove Days committee structure and staff assignments.	<ul style="list-style-type: none">Reduce the amount of committee members without losing volunteers. Concentrate responsibility in function chairs.Village staff becomes more active in decision making.	<p>March 2012</p> <ul style="list-style-type: none">Staff meet with committee co-chair to draft plan of action for 2012.Restructure committee.



Strategic Goal:

Automate processes and provide for web-based services to residents and businesses, improve internal controls and reporting functions.

Outcome	Strategies	Performance Measures
Implement electronic recordkeeping for all license reviews.	<ul style="list-style-type: none"> Assess current licensing functions. Document work flow to create record keeping efficiency. Create electronic documents for internal/external use. Facilitate the electronic sharing of information between departments. 	<p>March 2012</p> <ul style="list-style-type: none"> Create new job function reports. Identify all reports to be converted to online documents. Determine if new financial software provides a licensing function. Review new functions against existing technology. <p>June 2012</p> <ul style="list-style-type: none"> Work with Village Attorney and Village President to solicit input on liquor licensing process. If internal solution is warranted, work with IT to develop database to be completed by the end of October 2012.
Financial software upgrade.	<ul style="list-style-type: none"> Roll out new financial software for core financial, budgeting, accounts payable, payroll and utility billing. Make a determination of historical data necessary for conversion. 	<p>March 2012</p> <ul style="list-style-type: none"> Develop a training plan for all departments. Work closely with IT to ensure infrastructure support. Remainder of the year. Phase in new software modules as appropriate.
Increase online presence for payment and utility accounts	Work with software vendor to establish payment portal.	<ul style="list-style-type: none"> Roll out new payment option by March 2012. Develop online access to utility billing accounts.

2012 Staffing Summary

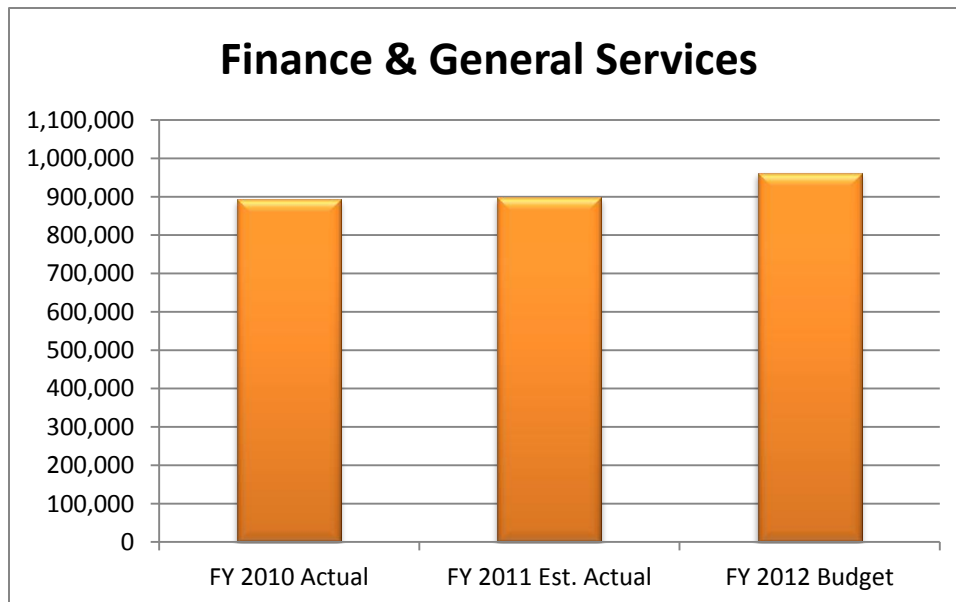
Finance Department – Beginning in 2011 and continuing into 2012, this department’s restructuring initiatives have resulted in the elimination of a Secretary (Full-Time), the creation of a Payroll/Accounting Specialist (Full-Time), and the elimination of a Clerk II (Part-Time) position.

The position of the Payroll/Accounting Specialist, in addition to traditional payroll and accounting functions, will be used to develop the framework for a centralized purchasing program. Dependent upon the success of these initiatives and the ability of the Payroll/Accounting Specialist to integrate the functions of a purchasing manager into daily responsibilities, the roles may be combined into one position. Centralized purchasing will be phased as resources permit and existing vendor relationships/purchasing practices can be reviewed and modified.

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
ASSISTANT FINANCE DIRECTOR	1	0	1	0	1	0
DIR. OF FINANCE / TREASURER.	1	0	1	0	1	0
SECRETARY	1	0	1	0	0	0
CLERK III	2	0	2	0	4	0
CLERK II	2	2	2	2	1	1
TOTAL	7	2	7	2	7	1
FULL & PART-TIME TOTAL	9		9		8	

2012 Budget Summary

410 Finance and General Services



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	555,399	549,935	598,742
Personal Benefits	91,195	98,886	132,738
Operating Expenses	178,646	174,815	155,256
Insurance	2,240	1,120	960
Committees & Commissions	34,803	36,800	39,000
Maintenance & Repairs-Other	0	500	1,000
Capital Equipment	307	0	1,000
All Other Expenses	32,416	37,157	34,542
	895,006	899,213	963,238

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	502,251	482,697	490,874	474,355	546,883
3012	Salaries-Overtime	7,259	4,270	4,800	4,610	4,500
3014	Salaries-Part Time	36,312	57,432	34,244	59,970	36,960
3015	Salaries-Elected Officials	6,000	6,000	6,000	6,000	6,000
3018	Longevity Pay	4,800	5,000	5,000	5,000	4,400
Sub-total-Personal Services		556,622	555,399	540,918	549,935	598,742
Percent Change 2012 vs. 2011 Budget						10.69%
Personal Benefits:						
3111	Group Medical & Life Insurance	91,947	83,793	103,916	92,799	127,584
3112	Professional Training	2,205	1,200	2,530	1,475	2,280
3113	Dues & Memberships	870	1,160	1,230	1,150	1,150
3129	ICMA/RC Deferred Compensation	4,267	5,042	3,462	3,462	1,724
3137	Employee Recognition	0	0	0	0	0
Sub-total-Personal Benefits		99,289	91,195	111,138	98,886	132,738
Percent Change 2012 vs. 2011 Budget						19.44%
Operating Expenses:						
3211	Telephone	8,845	12,682	10,000	10,000	10,000
3212	Postage	69,130	67,743	73,775	69,280	70,575
3213	Travel	396	186	1,710	750	1,460
3214	Per Diem Allowance	100	110	350	100	270
3215	Reception & Community Affairs	765	617	630	500	630
3216	Maintenance Contracts	5,210	32,424	30,140	31,116	5,595
3217	Equipment Rental	2,619	2,619	2,619	2,619	3,276
3218	Subscriptions & Publications	316	354	200	150	150
3219	Printing	14,201	11,354	13,000	11,000	11,000
3224	Recruitment Charges	0	0	0	0	0
3230	Audit Fees	45,000	36,300	39,300	36,300	39,300
3240	Supplies-Office	15,257	14,257	14,000	13,000	13,000
Sub-total-Operating Expenses		161,839	178,646	185,724	174,815	155,256
Percent Change 2012 vs. 2011 Budget						-16.40%
Insurance:						
3511	Risk Management Pool	0	0	0	0	0
3512	Unemployment Insurance	1,440	2,240	1,120	1,120	960
Sub-total-Insurance		1,440	2,240	1,120	1,120	960
Percent Change 2012 vs. 2011 Budget						-14.29%
Committees & Commissions:						
3713	Buffalo Grove Days	47,484	34,803	39,000	36,800	39,000
3714	Fire and Police Commission	0	0	0	0	0
Sub-total Committees & Commissions		47,484	34,803	39,000	36,800	39,000
Percent Change 2012 vs. 2011 Budget						0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	0	0	1,000	500	1,000
Sub-total-Maintenance & Repairs-Other		0	0	1,000	500	1,000
Percent Change 2012 vs. 2011 Budget						0.00%

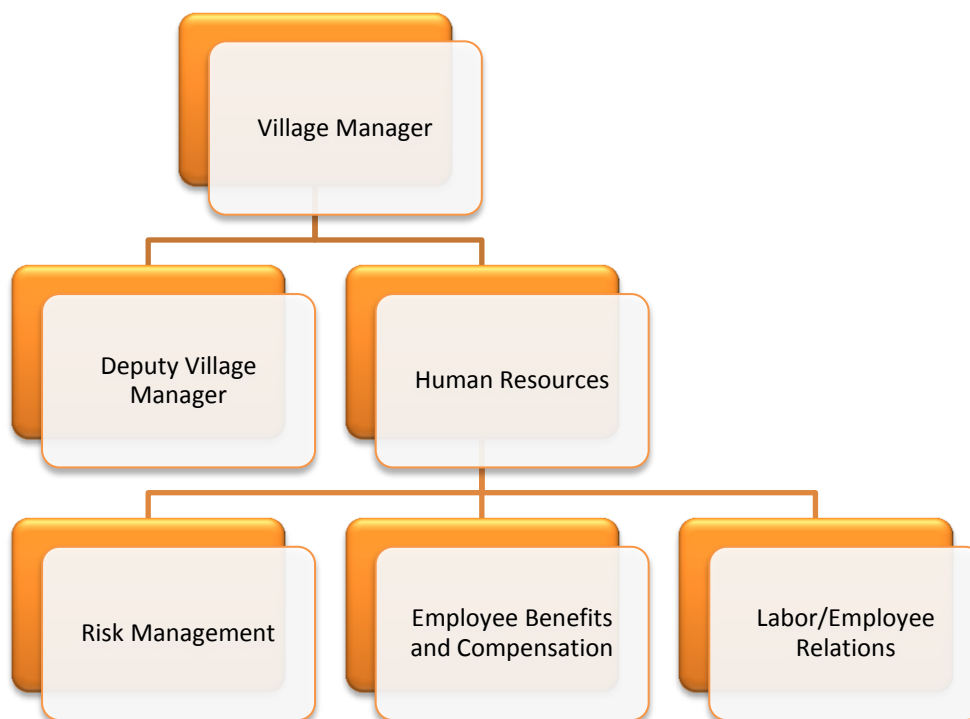
Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Capital Equipment:						
4313	Office Equipment	712	307	1,000	0	1,000
4317	Reserve - Computer Replacement	0	0	0	0	0
	Sub-total-Capital Equipment	712	307	1,000	0	1,000
	Percent Change 2012 vs. 2011 Budget					0.00%
All Other Expenses:						
4913	Consultant Fees-Other	26,572	31,694	34,342	36,000	33,342
4935	All Other Expenses	2,712	722	1,500	1,157	1,200
	Sub-total-All Other Expenses	29,284	32,416	35,842	37,157	34,542
	Percent Change 2012 vs. 2011 Budget					-3.63%
	Grand Total-Finance & General Services	896,670	895,006	915,742	899,213	963,238
	Percent Change 2012 vs. 2011 Budget					5.19%

Human Resources

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



Department Structure



2011 Accomplishments

1. Completed an analysis of the Village's current health plan and recommend health and wellness initiatives to staff and the Village Board, which will culminate on January 1, 2012 with the Village changing providers (IPBC). Designed and implemented increased employee healthcare premium contribution program, effective January 1, 2012.
2. Completed the 2010 and 2011 contract reopeners with IAFF, which included a multi-year agreement and a Tier II salary system.
3. Instituted a Tier II salary system for non-represented employees.
4. Completed a comprehensive review of the Personnel Manual.
5. Created, implemented and coordinated a successful VSI program for represented and non-represented employees.

2012 Goals



Strategic Goal:

Develop sustainable policies for human capital recruitment and retention.

Outcome	Strategies	Performance Measures
Complete the 2012 wage Reopener with IAFF, which will close the current Agreement on April 30, 2013.	<ul style="list-style-type: none"> Review comparable wage negotiations for specified communities. Conduct meetings with Union to discern appropriate compensation scenario. Review and recommend wage reopener provisions for Village Board approval. 	Completed wage package approved by Village Board (May, 2012, subject to negotiations).
Issue the revised Personnel Manual document and provide guidance and training to employees as necessary.	<ul style="list-style-type: none"> Coordinate review of relevant changes by departments (December, 2012). Present recommended changes to Village Board for approval (January, 2012). Review personnel manual changes with Village departments (January, 2012). 	Approved personal manual with updates (January, 2012).



Strategic Goal:

Integrate existing salary and benefit information into enterprise financial system(s).

Outcome	Strategies	Performance Measures
Integrate existing wage and benefit information into new financial systems software.	<ul style="list-style-type: none"> Coordinate data conversion from existing database to new software format. Update wage and benefit information for employees. 	<p>Ability to forecast and develop wage and benefit calculations for what-if scenarios during budget development (June, 2012, subject to deployment of financial software).</p> <p>Direct generation of wage and benefit calculations for budget development module (July, 2012, subject to deployment of financial software).</p>

**Strategic Goal:**

Implement performance evaluation system, with emphasis on competencies and goal development.

Outcome	Strategies	Performance Measures
Create and implement a compensation system for non-represented employees.	<ul style="list-style-type: none">Review past and existing policies.Develop strategies to achieve entry-to-midpoint salary range progression.Develop strategies for merit-based pay from midpoint-to-top of salary range.Recommend compensation plan to Village Board.Communicate compensation plan guidelines and principles to Village employees.	Complete and published compensation plan (March, 2012).
Fully electronic performance evaluation system with established competencies and performance measures.	<ul style="list-style-type: none">Complete performance evaluation pilot, review and recommend changes as appropriate.Conduct secondary training for department supervisors.Develop integrated performance measures consistent with strategic plan objectives.Establish schedule for performance evaluations to be completed.	Complete evaluation cycle in electronic system with performance measurement outputs (December, 2012).

**Strategic Goal:**

Increase availability of electronic resources for salary and benefit management.

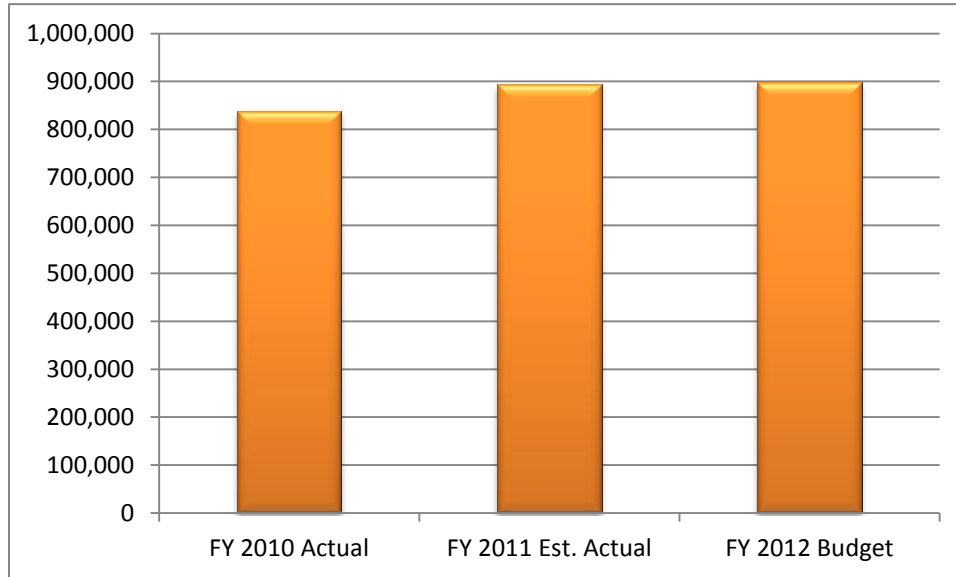
Outcome	Strategies	Performance Measures
Develop consistent electronic forms for employee benefits, employment and process flows (advice of status, exit interview, security access).	<ul style="list-style-type: none">Review all existing forms and create new forms as appropriate with applicable laws and regulations.Establish protocol for delivery of forms and information online.Develop master form guide, and create individual forms.	Establish and promote an employee intranet with all applicable forms, providing staff the ability to submit and monitor forms electronically (May, 2012).

2012 Staffing Summary

In the fall, 2012, the OVM part-time secretary position hours were increased from 20 hours weekly to 32 hours weekly for the purpose of coordinating employee benefits, salary and benefit records and status and standardizing communications, forms and delivery of benefits.

2012 Budget Summary

411 Human Resources



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	116,480	118,276	120,630
Personal Benefits	85,797	102,518	97,469
Operating Expenses	5,576	7,030	10,165
Insurance	306,803	375,585	375,585
Legal Fees	27,701	39,631	40,000
Committees & Commissions	8,013	16,500	16,500
Capital Equipment	1,607	1,000	1,000
All Other Expenses	287,314	234,500	237,000
	839,291	895,040	898,349

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	115,791	115,880	117,676	117,676	120,030
3018	Longevity Pay	600	600	600	600	600
	Sub-total-Personal Services	116,391	116,480	118,276	118,276	120,630
	Percent Change 2012 vs. 2011 Budget					1.99%
Personal Benefits:						
3111	Group Medical & Life Insurance	45,052	46,211	55,007	54,500	54,482
3112	Professional Training	895	2,247	6,035	6,000	6,035
3113	Dues & Memberships	460	885	895	900	895
3118	Tuition Reimbursement	54,628	27,425	30,000	30,000	30,000
3129	ICMA/RC Deferred Compensation	3,883	4,540	3,118	3,118	1,557
3137	Employee Recognition	4,625	4,489	9,500	8,000	4,500
	Sub-total-Personal Benefits	109,543	85,797	104,555	102,518	97,469
	Percent Change 2012 vs. 2011 Budget					-6.78%
Operating Expenses:						
3211	Telephone	676	857	840	840	800
3213	Travel	740	760	715	700	715
3214	Per Diem Allowance	150	150	200	200	200
3218	Subscriptions & Publications	400	116	5,150	1,650	5,150
3224	Recruitment Charges	0	1,517	2,000	2,650	2,000
3225	CDL Testing Consortium	1,380	2,120	1,000	870	1,000
3240	Office Supplies	560	56	300	120	300
	Sub-total-Operating Expenses	3,906	5,576	10,205	7,030	10,165
	Percent Change 2012 vs. 2011 Budget					-0.39%
Insurance:						
3511	Risk Management Pool	301,348	306,483	375,425	375,425	375,425
3512	Unemployment Insurance	160	320	160	160	160
	Sub-total-Insurance	301,508	306,803	375,585	375,585	375,585
	Percent Change 2012 vs. 2011 Budget					0.00%
Legal Fees:						
3618	Special Counsel	13,562	27,701	40,000	39,631	40,000
	Sub-total-Legal Fees	13,562	27,701	40,000	39,631	40,000
	Percent Change 2012 vs. 2011 Budget					0.00%
Committees & Commissions:						
3714	Fire and Police Commission	12,267	8,013	16,500	16,500	16,500
	Sub-total Committees & Commissions	12,267	8,013	16,500	16,500	16,500
	Percent Change 2012 vs. 2011 Budget					0.00%
Capital Equipment:						
4313	Office Equipment	0	1,607	1,000	1,000	1,000
4317	Reserve - Computer Replacement	0	0	0	0	0
	Sub-total-Capital Equipment	0	1,607	1,000	1,000	1,000
	Percent Change 2012 vs. 2011 Budget					0.00%
4928	IRMA Deductible - Worker's Compensation	134,772	176,934	170,000	142,500	145,000
4929	IRMA Deductible - Non Worker's Comp.	76,143	110,189	45,000	91,000	91,000
4935	All Other Expenses	0	191	1,000	1,000	1,000
	Sub-total-All Other Expenses	210,915	287,314	216,000	234,500	237,000
	Percent Change 2012 vs. 2011 Budget					9.72%
	Grand Total-Human Resources	768,092	839,291	882,121	895,040	898,349
	Percent Change 2012 vs. 2011 Budget					1.84%

Fire

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

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

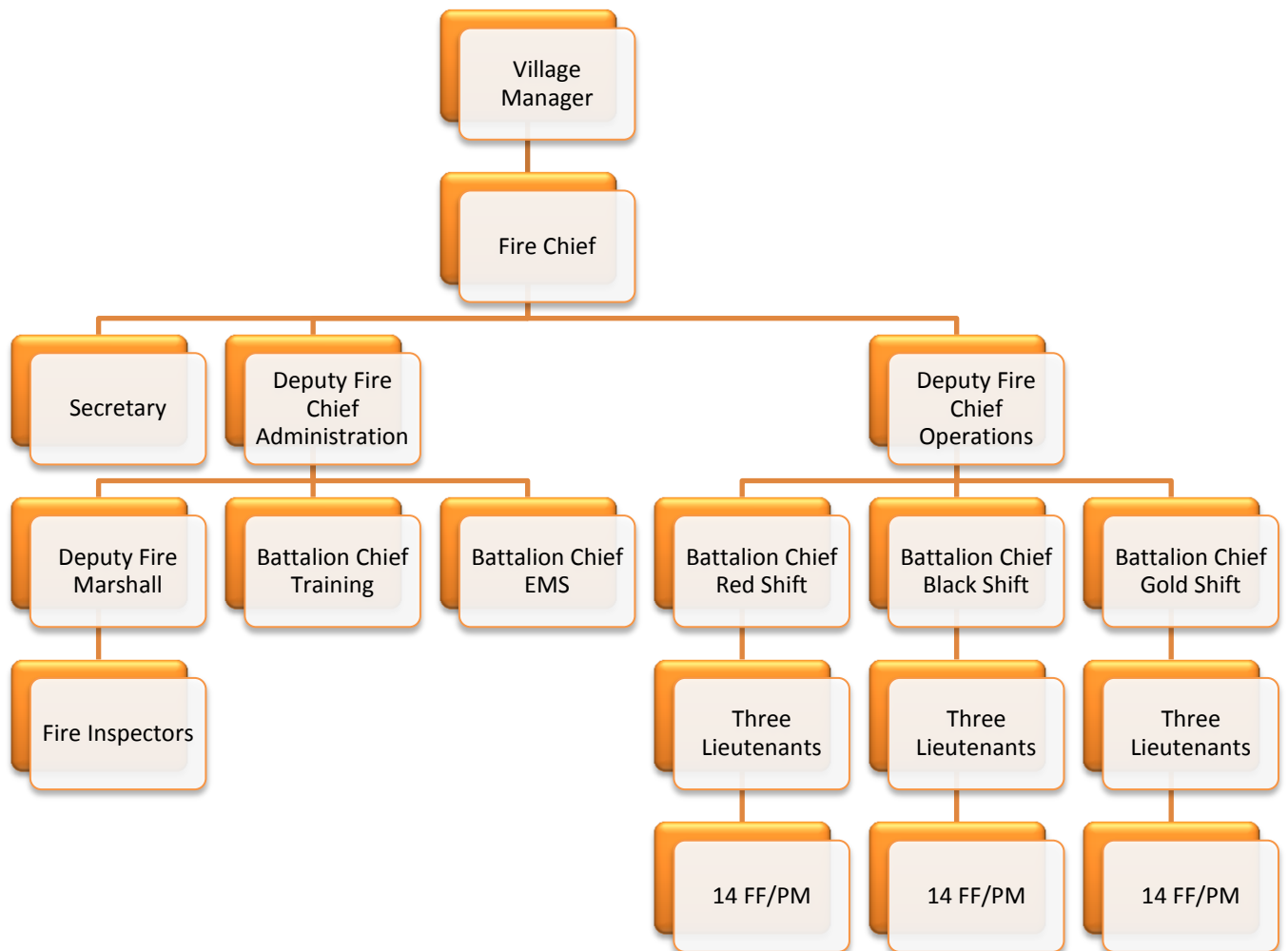


The Department continued its focus on public education, conducting an open house, participating in Buffalo Grove Days and conducting a Citizen's Fire Academy. In addition to these large programs the members of the Buffalo Grove Fire Department conducted school drills and attended many block parties and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

A series of retirements that began in 2010 continues into 2011 and 2012. This provides opportunities for new personnel, promotions and for professional growth. The level of experience has decreased because of the influx of new personnel and changing roles. This will place a larger emphasis in the coming years on training.



Department Structure



2011 Accomplishments

Strategic

1. Managed the retirement of 14 Fire Department and subsequent transition of positions. The retirees include a Fire Prevention Clerk, a Public Education Officer, the Department Secretary, a Deputy Chief, two Battalion Chiefs, one Lieutenant and seven Fire Fighter/Paramedics.
2. The long term process of succession planning proved successful as the Fire Department made several promotions from within their ranks to fill the vacancies left by retirements.
3. Began hiring new employees to replace the vacancies from retirements and promotions.

Efficiency

1. Settled the collective bargaining agreement wage reopeners for 2010-2011 and 2011-2012 with IAFF Local 3177.
2. Reduced fuel costs, wear on the tower truck and per mile costs by utilizing a smaller response vehicle to respond to EMS calls.

Culture

1. Began an academy for new employees in order to better acclimate them to the Village of Buffalo Grove and the Fire Department operations.
2. Practiced continuing development of our leadership structure by holding six officer trainings on topics from leadership to incident review.
3. The Fire Department is proud of the support offered by the members to community organizations by their involvement in the United Way, Buffalo Grove High School Scholarship program, Cancer Awareness and the Pink Heals Tour and support of active military through the Red Shirt project.

Technology

1. Secured \$72,000 in grant funding from FEMA with the Combined Area Fire Training partners for an incident command simulator. The software and hardware purchased through this grant will permits the simulation of situations to develop both tactical and strategic decision-making skills.

2012 Goals



Strategic Goal:

Provide high-quality fire prevention, suppression, rescue and emergency medical services to residents and businesses following the mission of the Buffalo Grove Fire Department.

Outcome	Strategies	Performance Measures
Provide premier customer service delivery and professional care to the residents and visitors of the Village of Buffalo Grove.	Maintain service profile capable of providing rapid response to all areas of the village.	Response time of 8 minutes or less 90% of the time.
Ten-Year infrastructure/facility plan.	Coordinate with Public Works and a small internal committee to determine the long term facility needs of the fire department and create a plan to meet those needs over time.	Complete infrastructure / facility review and create plan by end of fourth quarter 2012.
Score 85 on the ISO review	<ul style="list-style-type: none"> ▪ Increase average number of training hours per person per month. ▪ Review equipment lists on all vehicles to assure complete inventory as suggested by ISO. 	<ul style="list-style-type: none"> ▪ Attain 18 hours of documented training hours per month per person during 2012. Attain 20 hours of documented training per person in 2013. ▪ Equipment inventory will match ISO list by June 30, 2012.



Strategic Goal:

Evaluate opportunities to consolidate functions, processes and equipment to reduce operating costs.

Outcome	Strategies	Performance Measures
A comprehensive service model capable of delivering appropriate customer service to all areas of village	Evaluate service model and modify as needed based on call volume, demographics and logistics	Recommend adjustments to service model to meet the needs of the Village by the third quarter of 2012
Overtime costs that total less than 5% of total Fire Department Budget.	<ul style="list-style-type: none"> ▪ Fill vacancies created by retirements to authorized staffing level. ▪ Review alternate work/pay schedules. ▪ Reduce training costs paid to attend classes at outside agencies. 	<ul style="list-style-type: none"> ▪ Reduction in overtime costs per month accruing through September 2012. ▪ Create alternative pay rates for current employees when working outside their normal job description by the third quarter of 2012 ▪ Utilize department instructors to teach new programs to accomplish state mandated certification level.

**Strategic Goal:**

Evaluate opportunities to consolidate functions, processes and equipment to reduce operating costs.

An effective Departmental Communication model.

- Standardize formats for intradepartmental and external communications.
- Include SOPs that direct communications to proper personnel for action.
- Work with the IT group to utilize technology for communicating important information via a video conferencing environment.
- Deploy, train and implement communications model by June 2012
- SOPs that direct communications to appropriate authorities by June 2012.
- Working video conferencing process by April 1, 2012.

**Strategic Goal:**

Maintain a culture that respects the tradition of the department while fostering the vision of the Buffalo Grove Fire Department.

Outcome	Strategies	Performance Measures
Consistency across all three shifts for emergent responses, training and communication.	Complete review Standard Operating Guidelines.	<ul style="list-style-type: none">• Deploy approved SOP manual in June 2012.• Complete training by all members by October 2012.
Leaders with critical thinking ability to address rapidly changing challenges of the local fire department.	<ul style="list-style-type: none">▪ Develop critical thinking abilities in all officers and acting officers through use of simulation and scenario challenges.▪ Instruct all members on decision making processes and challenge their ability to adapt to changing environment through role playing scenarios.▪ Encourage group discussion and review of national journal articles, state offered classes, local news and regional information to stay abreast of the changing fire culture.	<ul style="list-style-type: none">▪ 85% scores on simulation exercises.▪ Correct decision making 90% of the time on training ground when faced with changing environment scenario.▪ Members conversant in changing fire culture.
Departmental policies, procedures and practices that are in line with international accreditation standards.	Utilize committee to review IAFC Accreditation standards and create a plan to achieve the standards.	Review the standards and set a course of action for completion in FY2012. Complete standards of cover and statistical data review FY 2013. Adjust policies, procedures and practices as needed to Meet the standards for International Association of Fire Chiefs accreditation



Strategic Goal:

Employ systems that improve process flow, stability and accessibility for all users.

Outcome	Strategies	Performance Measures
Improved radio communication capabilities throughout the village, automatic aid response districts and mutual aid response areas creating a safer working environment.	Replace current 800Mhz radios with multi-band capable radios as part of Northwest Central Dispatch cooperative.	<ul style="list-style-type: none"> 100% radio coverage in all areas of village and within all structures within the village boundaries on all operating frequencies. Deploy new radios within narrowband implementation constraints, as dictated by FCC.
Improved analysis of statistical data and village wide sharing of occupancy information.	Replace current Fire House software with Image Trend NFIRS reporting product.	<ul style="list-style-type: none"> Better statistical sorting and reporting abilities. Ability to share occupancy information with other departments in the village.

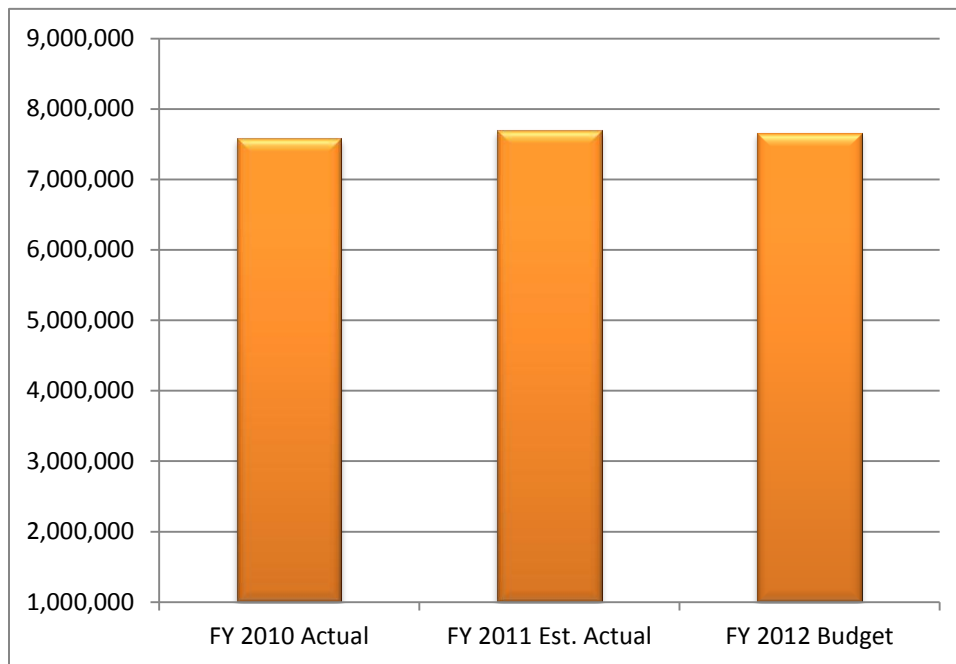
2012 Staffing Summary

Fire Department – Currently, this department is going through a staff level restructuring initiative, which will ultimately result in the elimination of a Deputy Chief (Full-Time) position (late 2012). Additionally, a vacant Fire Inspector/Public Education Officer (Full-Time) was recently reduced to a part-time position and a Clerk II (Full-Time) was recently eliminated upon transfer of the Fire Prevention section to Village Hall.

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
BATTALION CHIEF	5	0	5	0	5	0
DEPUTY FIRE CHIEF	2	0	2	0	2	0
DEPUTY FIRE MARSHALL	1	0	1	0	1	0
FIRE CHIEF	1	0	1	0	1	0
FIRE INSPECTOR *	1	0	1	0	1	0
FIRE INSPECTOR/PUBLIC EDUCATION OFFICER	1	0	1	0	0	1
FIRE LIEUTENANT	9	0	9	0	9	0
FIREFIGHTER/PARAMEDIC	45	0	45	0	45	0
SECRETARY	1	0	1	0	1	0
CLERK III	1	0	1	0	0	0
TOTAL	67	0	67	0	65	1
FULL & PART-TIME TOTAL	67		67		66	

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

2012 Budget Summary
421 Fire Services



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	6,043,462	6,124,106	5,941,199
Personal Benefits	1,117,287	1,178,749	1,228,193
Operating Expenses	92,798	78,741	119,091
Insurance	21,845	10,720	10,400
Commodities	11,304	12,500	19,598
Maintenance & Repairs-	2,596	4,500	5,443
Maintenance & Repairs-Other	22,591	25,000	33,780
Maintenance & Repairs-Vehicles	18,264	19,000	20,241
Capital Equipment	59,488	60,535	77,288
Capital Projects-Facilities	513	800	2,325
All Other Expenses	193,451	184,351	199,871
	7,583,599	7,699,002	7,657,429

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	368,843	383,986	373,672	375,312	248,900
3012	Salaries-Overtime	143,003	156,102	219,044	437,794	357,927
3013	Salaries-Sworn	5,317,548	5,454,390	5,592,258	5,249,310	5,264,972
3014	Salaries-Part Time	0	0	0	8,690	26,000
3016	Special Duty Pay	0	-1,416	0	0	0
3018	Longevity Pay	48,000	50,400	53,000	53,000	43,400
Sub-total-Personal Services		5,877,394	6,043,462	6,237,974	6,124,106	5,941,199
Percent Change 2012 vs. 2011 Budget						-4.76%
Personal Benefits:						
3111	Group Medical & Life Insurance	1,068,399	1,043,021	1,167,497	1,099,482	1,091,431
3112	Professional Training	16,898	18,398	38,569	18,693	42,345
3113	Dues & Memberships	2,235	4,050	3,225	2,612	3,260
3115	Clothing Allowance	21,979	28,607	37,158	28,883	39,142
3117	Safety Equipment	27,752	14,859	48,454	25,550	50,787
3129	ICMA/RC Deferred Compensation	7,798	8,352	5,728	3,529	1,228
Sub-total-Personal Benefits		1,145,061	1,117,287	1,300,631	1,178,749	1,228,193
Percent Change 2012 vs. 2011 Budget						-5.57%
Operating Expenses:						
3211	Telephone	22,418	23,679	17,957	14,200	14,000
3213	Travel	2,029	2,246	5,091	3,000	5,370
3214	Per Diem Allowance	727	183	2,000	93	2,050
3216	Maintenance Contracts	23,015	27,469	41,834	26,000	41,634
3217	Equipment Rental	6,808	6,120	6,120	5,748	5,748
3218	Subscriptions & Publications	2,242	1,342	4,979	1,800	5,585
3219	Printing	1,897	1,390	4,565	2,600	3,957
3240	Supplies-Office	6,637	7,144	11,236	5,300	11,247
3250	Supplies-All Other	17,229	23,225	25,942	20,000	29,500
Sub-total-Operating Expenses		83,002	92,798	119,724	78,741	119,091
Percent Change 2012 vs. 2011 Budget						-0.53%
Insurance:						
3512	Unemployment Insurance	10,560	21,845	10,720	10,720	10,400
Sub-total-Insurance		10,560	21,845	10,720	10,720	10,400
Percent Change 2012 vs. 2011 Budget						-2.99%
Commodities:						
3824	Small Equipment Tools & Hardware	15,826	11,304	19,165	12,500	19,598
Sub-total-Commodities		15,826	11,304	19,165	12,500	19,598
Percent Change 2012 vs. 2011 Budget						2.26%
Maintenance & Repairs-Facilities:						
3916	Buildings & Facilities	4,030	2,596	4,813	4,500	5,443
Sub-total-Maintenance & Repairs		4,030	2,596	4,813	4,500	5,443
Percent Change 2012 vs. 2011 Budget						13.09%
Maintenance & Repairs-Other:						
4111	Department Equipment	15,207	22,591	32,820	25,000	33,780
Sub-total-Maintenance & Repairs-Other		15,207	22,591	32,820	25,000	33,780
Percent Change 2012 vs. 2011 Budget						2.93%

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Maintenance & Repairs-Vehicles:						
4211	Gasoline		0	0	0	0
4213	Automotive Parts	1,381	983	1,250	1,000	1,500
4217	Body Work	187	4,619	5,000	5,000	5,000
4218	Contractual Auto Services	11,693	12,662	14,300	13,000	13,741
Sub-total-Maintenance & Repairs-Vehicles		13,261	18,264	20,550	19,000	20,241
Percent Change 2012 vs. 2011 Budget						-1.50%
Capital Equipment:						
4312	Office Furniture	0	0	1,085	750	1,000
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment-Departmental	51,747	59,488	80,272	59,785	76,288
4317	Reserve for Computer Replacement	0	0	0	0	0
Sub-total-Capital Equipment		51,747	59,488	81,357	60,535	77,288
Percent Change 2012 vs. 2011 Budget						-5.00%
Capital Projects-Facilities:						
4611	Building Improvements	356	513	800	800	1,000
4612	Public Grounds Improvements	0	0	525	0	1,325
Sub-total-Capital Projects-Facilities		356	513	1,325	800	2,325
Percent Change 2012 vs. 2011 Budget						75.47%
All Other Expenses:						
4914	Northwest Central Dispatch	154,877	160,870	170,477	140,000	148,089
4923	CAFT Site Expenditures	64,326	-3,270		0	0
4932	NWCH Administration Fee	13,001	14,589	14,581	14,851	15,080
4933	CAFT Operations	5,000	0	5,000	5,000	5,000
4935	All Other Expenses	7,366	3,439	7,217	5,500	7,217
4936	Contractual Services	15,855	17,823	31,051	19,000	24,485
Sub-total-All Other Expenses		260,425	193,451	228,326	184,351	199,871
Percent Change 2012 vs. 2011 Budget						-12.46%
<hr/>						
Grand Total - Fire Services		7,476,869	7,583,599	8,057,405	7,699,002	7,657,429
Percent Change 2012 vs. 2011 Budget						-4.96%

Police

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

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



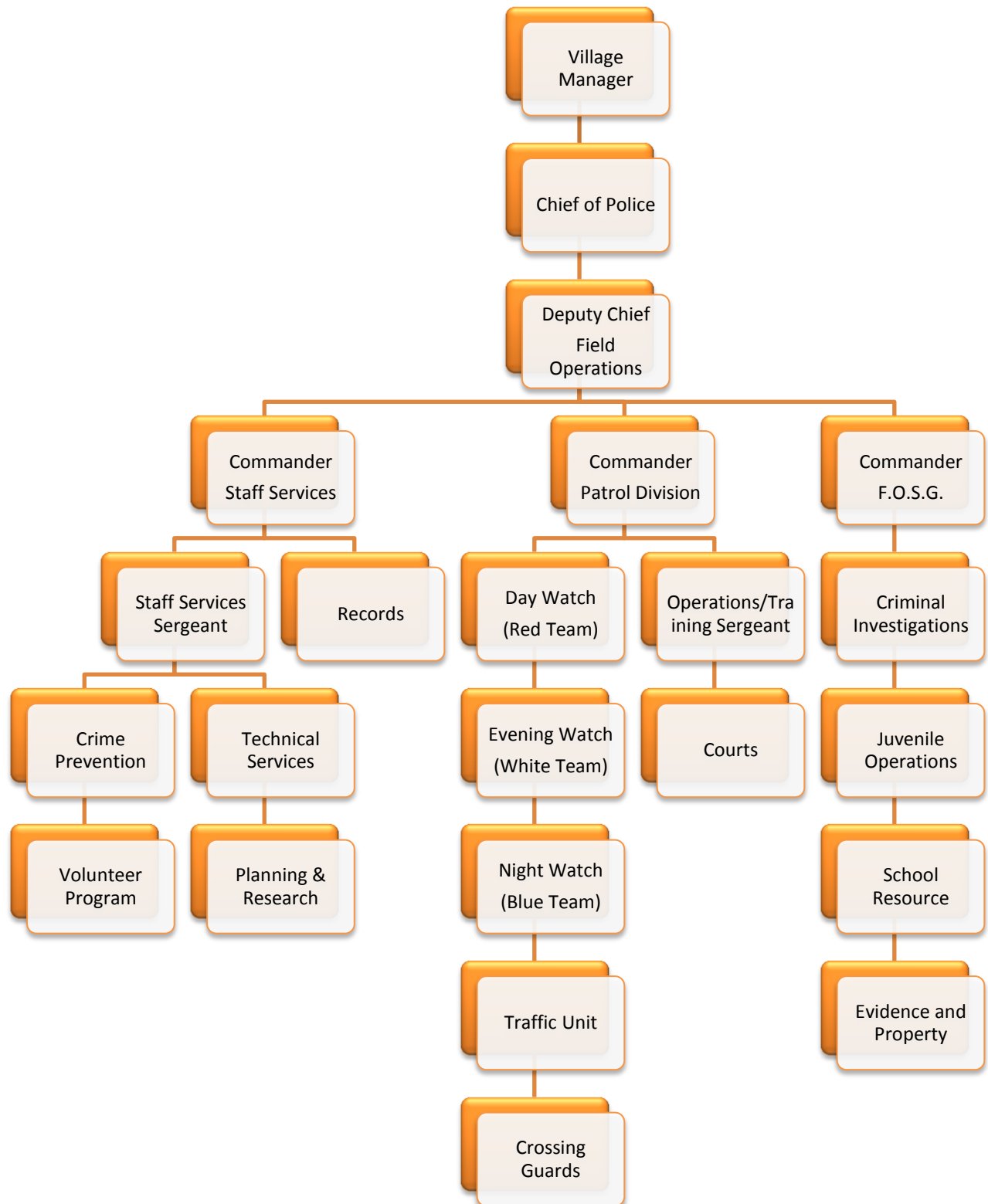
Police services include matters concerning crime, traffic, order maintenance, ordinance enforcement and emergency assistance. The mission of the Buffalo Grove Police Department is "As an accredited and innovative leader in law enforcement, it is the mission of the Buffalo Grove Police Department to provide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

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

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



Department Structure



2011 Accomplishments

1. The Police Department achieved its 7th National Accreditation Award through the Commission on Accreditation for Law Enforcement Agencies. The Department was first recognized by the Commission in 1987 and has successfully been reaccredited six times.
2. The Police Department exceeded financial goals by operating 4% below the 2011 approved budget.
3. The Police Department secured two grants in 2011; one through the Illinois Department of Transportation and one from D.A.S. Charitable Fund. Total Grant Funding for 2011: \$68,439.20.
4. The Police Department was successful with succession of leadership planning through various promotions. The Department also realigned its organizational structure reducing a Deputy Chief and Sergeant position.
5. The Police Department met all goals relating to proficiency training. Monthly, the department conducted proficiency training in the following areas; Ethics, Law Review, Use of Force, Rapid Deployment, Firearms (qualification and outdoor training), Officer Down/High Profile Rescue, Simulated Use of Force Decision Making, Building Searches, Emergency Vehicle Operations, Animal Control, and Blood Borne Pathogens. The Department will have a total of 1,867 hours of proficiency training for 2011.
6. The Buffalo Grove Police Department will complete its annual Citizen's Survey by December 15, 2011. The survey helps evaluate the Department's overall performance and establishes future community policing goals. The Citizen's Survey also helps measure competency of agency employees, assists with understanding citizen's perceptions of officer's attitudes and behavior, creates awareness for the department concerning citizen safety and security within the community, and acts as a platform for citizen's recommendations and suggestions for improvements.



Strategic Goal:

Provide high-quality patrol, investigation and records management services to residents and businesses.

Outcome	Strategies	Performance Measures
Remain as one of the 5 communities in the state with the lowest crime rate based on population.	Provide 24 hour police patrol and investigation utilizing community oriented policing strategies	2011 Reported crime rates for Illinois municipalities.
Reduce the number of crashes at high risk locations within the Village. <ul style="list-style-type: none"> ▪ Lake Cook/Buffalo Grove Rds. ▪ Arlington Heights/McHenry Rds. ▪ Lake Cook/Arlington Heights Rds. ▪ Lake Cook/McHenry Rds. ▪ Buffalo Grove/ Dundee Rds. 	Focus enforcement and education on crash causing violations by deploying police motorcycles, drone cars, covert enforcement initiatives at these locations.	Reduction in the number of personal injury and property damage crashes reported in the Village (110 Injury, 842 Property Damage) July 2010 – June 2011.

**Strategic Goal:**

Evaluate opportunities to consolidate functions, processes and equipment to reduce operating costs.

Outcome	Strategies	Performance Measures
Maintain grant funding levels (2011 - \$68,439.20)	<ul style="list-style-type: none">Research and submit applications for grant opportunitiesIDOT STEP (Sustained Traffic Enforcement Program)K-9 GrantCOPS Grant	Compare funds received to previous years
Improve officer response to citizen needs through location based resources	Deploy enhanced Automatic Vehicle Location technology	Conduct a statistical analysis of officer response time based on existing protocol vs. closest unit dispatch

**Strategic Goal:**

Cultivate a talent pool of new and existing employees with diverse backgrounds and experiences, encourage innovation and new perspectives. Provide leadership development opportunities.

Outcome	Strategies	Performance Measures
Enhance career development training for all employees	Revise Comprehensive Training Plan to increase career development training	Increase career development training by 25%
Comply with CALEA standards and maintain accreditation status	Adhere to updates and maintain policies and documentation as required	The department will seek its 7 th reaccreditation award in 2013

**Strategic Goal:**

Deploy communications and reporting systems that meet applicable requirements, provide for stable communications infrastructure, assist operational activities and provide relevant statistical analysis.

Outcome	Strategies	Performance Measures
Enhance reliability of mobile communication with the dispatch center, fellow officers and Records Division	Replace all existing mobile data units by the end of 2012	Reduce billable service hours and work orders for mobile data computers
Improve service delivery of traffic crash reporting to citizens while streamlining submission of crash reports to IDOT	Implement automated crash reporting in the mobile environment	Utilize automated crash reporting in 90% of all reported motor vehicle crashes

2012 Staffing Summary

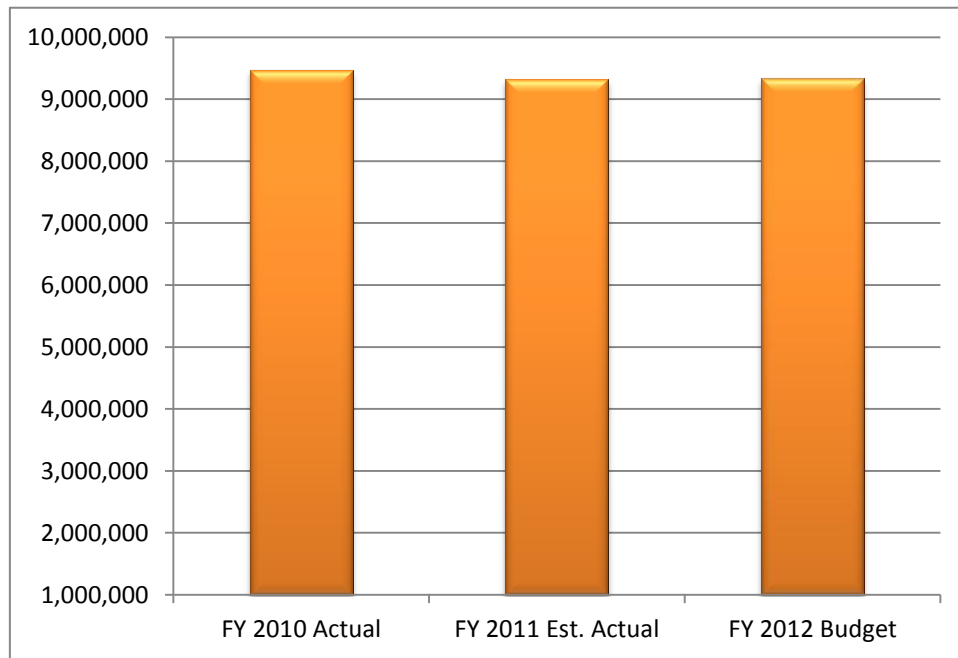
As a result of the VSI program, one Secretary (Part-Time) and one Clerk II (Part-Time) position was eliminated in 2011. The position of Police Social Worker also became vacant through attrition; the Department restructured the position and increased its work with Omni Youth Services to provide social work services on behalf of the Department.

For 2012, the following personnel modifications are proposed:

- The position of Deputy Chief for Staff has been eliminated;
- One Clerk III (Full-Time) has been eliminated;
- One Desk Officer II (Full-Time) will remain unfilled;
- One Sergeant in the Investigations/Youth Division will remain unfilled;
- The Court Supervisor (Part-Time) position is proposed to be reduced from 20 hours to 15 hours per week.

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
CHIEF OF POLICE	1	0	1	0	1	0
CLERK III	4	0	4	0	3	0
CLERK II	0	2	0	2	0	1
COMMUNITY SERVICE OFFICER	3	0	3	0	3	0
COURT SUPERVISOR	0	1	0	1	0	1
CRIME PREVENTION/COMMUNITY RELATIONS	0	1	0	1	0	1
CROSSING GUARD	0	9	0	9	0	9
DEPUTY POLICE CHIEF	2	0	2	0	1	0
DESK OFFICER I	0	1	0	2	0	2
DESK OFFICER II	4	0	4	0	3	0
EVIDENCE CUSTODIAN	0	1	0	1	0	1
PATROL OFFICER	54	0	54	0	53	0
POLICE COMMANDER	3	0	3	0	3	0
POLICE SERGEANT	11	0	11	0	10	0
POLICE SOCIAL WORKER	1	0	0	0	0	0
RECORDS SUPERVISOR	1	0	1	0	1	0
RESEARCH AND PLANNING SPECIALIST	1	0	0	0	0	0
SECRETARY	1	1	1	1	1	0
TOTAL	86	14	84	15	79	15
FULL & PART-TIME TOTAL	100		99		94	

2012 Budget Summary
431 Police Services



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	7,552,859	7,371,837	7,322,220
Personal Benefits	1,219,717	1,286,064	1,339,208
Operating Expenses	82,332	133,487	138,715
Insurance	26,645	13,120	12,640
Legal Services	0	0	0
Maintenance & Repairs-Other	18,428	17,143	17,143
Capital Equipment	80,739	31,140	33,080
All Other Expenses	496,681	472,124	477,958
	9,477,401	9,324,915	9,340,964

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	827,863	731,382	636,113	634,963	633,733
3012	Salaries-Overtime	184,558	311,922	332,000	315,900	338,640
3013	Salaries-Sworn	6,146,700	6,049,501	6,240,452	5,975,439	5,912,433
3014	Salaries-Part Time	423,251	406,854	396,975	388,535	379,813
3016	Special Duty Pay	0	0	0	0	0
3018	Longevity Pay	52,800	53,200	58,000	57,000	57,600
Sub-total-Personal Services		7,635,172	7,552,859	7,663,540	7,371,837	7,322,220
Percent Change 2012 vs. 2011 Budget						-4.45%
Personal Benefits:						
3111	Group Medical & Life Insurance	1,128,549	1,108,910	1,263,245	1,181,698	1,236,300
3112	Professional Training	26,736	32,266	33,950	33,900	34,450
3113	Dues & Memberships	2,096	2,255	2,175	2,175	2,000
3115	Clothing Allowance	34,993	33,160	33,875	30,875	32,775
3116	Uniform Maintenance	23,970	30,032	30,852	30,852	28,032
3119	Recruit Uniforms	500	1,765	800	800	3,800
3129	ICMA/RC Deferred Compensation	10,854	11,329	7,618	5,764	1,851
Sub-total-Personal Benefits		1,227,698	1,219,717	1,372,515	1,286,064	1,339,208
Percent Change 2012 vs. 2011 Budget						-2.43%
Operating Expenses:						
3211	Telephone	31,908	29,242	34,360	34,360	34,360
3213	Travel	2,712	1,208	3,090	2,500	2,640
3214	Per Diem Allowance	1,379	1,380	1,500	1,500	1,500
3216	Maintenance Contracts	0	0	40,000	40,000	40,000
3218	Subscriptions & Publications	935	950	1,080	1,080	1,000
3224	Recruitment	698	872	1,500	1,200	1,500
3275	Physical Fitness Equipment	0	405	400	400	400
3332	Printing-Staff	8,301	9,236	9,850	9,850	9,850
3336	Safety Equipment-Patrol	2,997	3,173	3,195	3,195	3,195
3337	Safety Equipment-F.O.S.G.	64	96	500	400	500
3340	Equipment Rental-Communications	458	50	0	0	0
3343	Supplies-Patrol	2,882	2,503	2,900	2,900	2,900
3345	Supplies-F.O.S.G.	3,653	5,106	4,560	4,560	4,560
3346	Supplies-Communications	1,580	2,444	2,400	2,400	2,400
3347	Supplies-Records	8,168	7,230	10,500	9,500	10,500
3348	Supplies-O.C.O.P.	626	196	600	600	500
3349	Supplies-Training	8,440	8,551	8,550	8,550	8,550
3350	Supplies-C/P-C/R	2,551	4,812	4,600	4,600	4,600
3351	Supplies-Detention	1,179	1,761	1,300	1,300	1,300
3352	Operating Equip.-Patrol	538	1,259	1,000	1,000	1,000
3353	Operating Equip.-F.O.S.G.	0	0	0	0	3,468
3354	Operating Equip.-Communications	307	612	550	550	550
3355	Operating Equip.-Records	675	1,154	1,072	1,072	1,072
3356	Operating Equip.-O.C.O.P.	188	0	200	200	200
3357	Operating Equip.-Training	911	0	720	620	720
3358	Operating Equip.-Detention	0	0	150	150	150
3359	Operating Equip.-C/P-C/R	0	92	1,300	1,000	1,300
Sub-total-Operating Expenses		81,150	82,332	135,877	133,487	138,715
Percent Change 2012 vs. 2011 Budget						2.09%

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Insurance:						
3512	Unemployment Insurance	13,760	26,645	13,120	13,120	12,640
	Sub-total-Insurance	13,760	26,645	13,120	13,120	12,640
	Percent Change 2012 vs. 2011 Budget					-3.66%
Legal Services:						
3611	Retainer Fee	0	0	0	0	0
	Sub-total-Legal Services	0	0	0	0	0
	Percent Change 2012 vs. 2011 Budget					0.00%
Maintenance & Repairs - Other:						
4112	Radios	3,383	3,510	4,424	4,424	4,424
4113	Mobile Data Terminals	3,952	3,894	3,894	3,894	3,894
4116	Patrol Equipment-Police	5,544	5,250	5,375	5,375	5,375
4117	F.O.S.G. Equipment-Police	203	716	700	700	700
4118	Staff Equipment-Police	4,844	5,058	2,750	2,750	2,750
	Sub-total-Maintenance & Repairs-Other	17,926	18,428	17,143	17,143	17,143
	Percent Change 2012 vs. 2011 Budget					0.00%
Capital Equipment:						
4311	Automobiles & Trucks					
4313	Office Equipment	19,223	19,688	18,500	18,000	18,500
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment-Department	11,695	11,500	10,800	10,800	12,240
4317	Reserve for Computer Replacement	0	0	0	0	0
4318	DUI Assessment Purchases	14,636	44,746	0	0	0
4329	Vehicle Safety Equipment		0	0	0	0
4335	Operating Equipment-Patrol	1,151	4,495	1,840	1,840	1,840
4337	Operating Equipment-Staff	314	310	500	500	500
	Sub-total-Capital Equipment	47,019	80,739	31,640	31,140	33,080
	Percent Change 2012 vs. 2011 Budget					4.55%
All Other Expenses:						
4911	Consulting Services		0	0	0	0
4914	Northwest Central Dispatch	349,208	362,902	335,520	335,520	339,854
4915	Omni Youth Services	34,920	35,000	35,000	35,000	35,000
4918	Animal Control	1,215	4,358	4,900	4,000	4,900
4919	Prisoner Care	1,213	1,067	1,335	1,335	1,335
4928	IRMA Deductible-Workers Comp.	0	0	0	0	0
4929	IRMA Deductible-All Other	0	0	0	0	0
4931	Illinois Criminal Justice Information Author	19,000	6,850	10,350	10,350	10,350
4934	Commission on Accreditation	4,673	4,259	6,000	6,000	5,500
4935	All Other Expenses	7,646	7,084	6,800	6,500	6,800
4938	Northern Illinois Crime Lab	56,701	58,238	57,949	57,949	58,749
4949	NIPAS	778	6,574	5,010	5,010	5,010
4952	Police Grant Charges	7,960	8,250	8,250	8,250	8,250
4954	Overweight Truck Enforcement	1,506	2,099	2,210	2,210	2,210
	Sub-total-All Other Expenses	484,820	496,681	473,324	472,124	477,958
	Percent Change 2012 vs. 2011 Budget					0.98%
	Grand Total-Police Services	9,507,545	9,477,401	9,707,159	9,324,915	9,340,964
	Percent Change 2012 vs. 2011 Budget					-3.77%

Building and Zoning, Health Department

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



Department Structure



2011 Accomplishments

1. **Amendments to Title 15:** Staff amended this village ordinance to include permit fees for patios, parking lot repairs/re-stripping. The amendments adopted the International Energy Conservation Code, clarified the use of ornamental fences, amended the fence code to allow 6 foot fences in certain residential situations and updated the fire codes.
2. **Implementation of the Inspection Database:** The new database is linked to the permit allowing for historical information and inspection information to be viewed easily by staff.
3. **The Fire Prevention Bureau moved to Village Hall:** This integration allowed for more direct communication, shared meetings with contractors/developers and quicker plan reviews and sharing of administrative staff.
4. **Contractor Registration Program:** By mid-September over 1,000 contractors have been registered which enhanced the permit and development process. The budgeted goal of \$60,000 in revenue from this program in 2011 was met by the end of August.
5. **Closing Open Permits:** Staff implemented various systems with the goal of having all permits properly inspected and closed upon completion.
6. **Public Service Programs Coordinated by the Health Department:** The Health Department coordinated many inter-agency programs in 2011, such as the annual document destruction event, the annual electronic recycling event, the seasonal recycling of holiday lights, and ongoing programs for the safe disposal of outdated/unused medicine, sharps containers/disposal for injection devices, and recycling programs for mercury thermometers/switches, batteries and all types of fluorescent light bulbs.

2012 Goals



Strategic Goal:

Improve public awareness of services offered by the Building and Zoning Department, as well as quality of services to protect life and property.

Outcome	Strategies	Performance Measures
Increase public awareness of Building and Zoning services.	<ul style="list-style-type: none"> ▪ Deploy PowerPoint presentation on BGTV during months of March and April. ▪ Include updated stories for E-news on a quarterly basis. ▪ Develop article for spring edition of Village News. ▪ Continue to provide valuable information for residents/contractors on the department's portion of the Village website. 	Successful completion of each of the strategies outlined during FY 2012.

**Strategic Goal:**

Improve project completion and reporting.

Outcome	Strategies	Performance Measures
Reduce the number of open permits that have not had the required inspections.	<ul style="list-style-type: none">Follow up with homeowners/business owners to insure they understand the necessity for a final inspection and permit closure. This can be in the form of letters and phone calls.Increase field inspection follow-up at the late stages of construction projects.Revoke contractor registrations for repeat offenders.	A decrease in the number of open inactive permits by 15% by the end of FY 2012 as compared to the end of FY 2011.

**Strategic Goal:**

Coordinate building inspectors and the fire prevention staff to deliver comprehensive services to residents and businesses.

Outcome	Strategies	Performance Measures
The Building & Zoning Department and the Fire Prevention Bureau shall work as a team for the betterment of the community.	<ul style="list-style-type: none">Integrate the Health Inspector into the Fire Prevention Bureau's annual inspection program.The Administrative Staff of the Building Department will support Fire Prevention on their programs and procedures.Coordinate inspections and pre-construction meetings between the two departments.	To continue to assist the Fire Prevention Bureau in inspecting 100% of the required businesses/schools/ multi-family housing inspections each year.

**Strategic Goal:**

Improve service delivery through implementation of web-based application and payment for certain permit types.

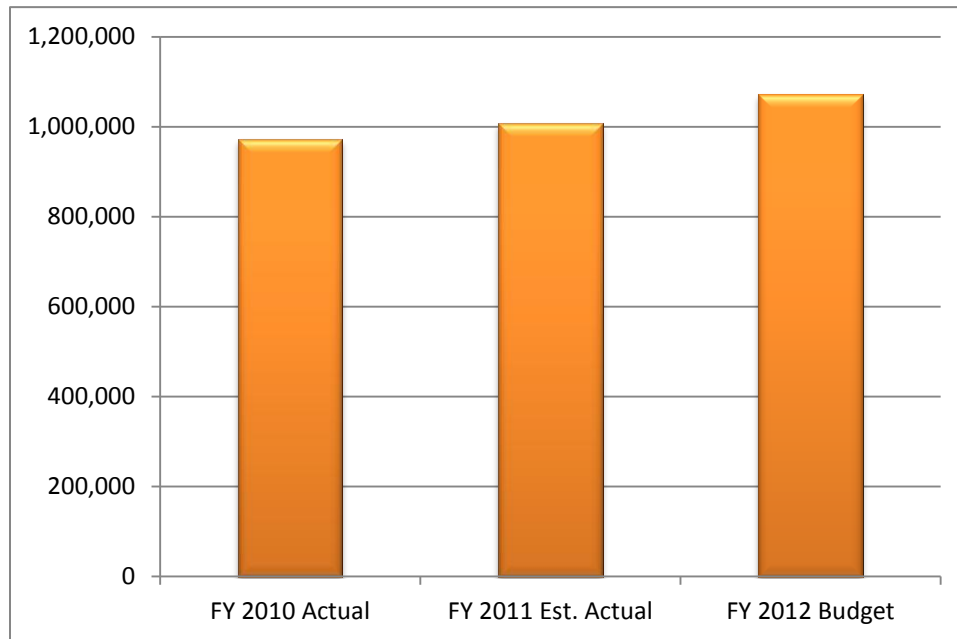
Outcome	Strategies	Performance Measures
Deploy an online permit application and approval process for specific permits including driveways, water heaters, burglar alarms, AC/furnaces, and roofs.	<ul style="list-style-type: none">Work with IT to develop an on-line permit application.Develop an in-house notification system for staff to receive and acknowledge receipt of the permit application.Accept credit card payment for permit and return approved permit to requestor electronically.	Track the number of permits processed through the online application process from the beginning of the program to the end of the year.

FY 2012 Staffing Summary

The budget for personal services increased due to the proposed two percent general wage adjustment and pay range adjustments for certain positions per the 2011 compensation review. Following the retirement of the Fire Prevention Bureau Secretary, the two Building & Zoning clerks increased their work hours from four hours to six hours each per work day in an effort to support the Fire Prevention Bureau following their relocation to Village Hall. The increase in the budget for personnel also includes overtime for inspectors who work at Buffalo Grove Days and the Fire Department Open House on behalf of the Fire Department. No additional staffing changes are contemplated for 2012.

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
BUILDING INSPECTOR	1	0	1	0	1	0
DEPUTY BUILDING COMMISSIONER	2	0	2	0	2	0
ELECTRICAL INSPECTOR	1	0	1	0	1	0
HEALTH INSPECTOR	1	0	1	0	1	0
PLAN REVIEWER	1	0	1	0	1	0
PLUMBING INSPECTOR	1	0	1	0	1	0
PROPERTY MAINTENANCE INSPECTOR	1	0	1	0	1	0
CLERK II	0	2	0	2	0	2
SECRETARY	1	0	1	0	1	0
TOTAL	9	2	9	2	9	2
FULL & PART-TIME TOTAL	11		11		11	

2012 Budget Summary
441 Building Zoning/Health



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	758,209	767,047	825,991
Personal Benefits	124,333	143,083	151,724
Operating Expenses	59,695	61,371	62,183
Insurance	2,880	1,440	1,440
Commodities	81	500	600
Maintenance & Repairs-Other	2,208	2,420	3,033
Capital Equipment	738	0	0
All Other Expenses	23,248	32,003	26,000
	971,392	1,007,864	1,070,971

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	658,964	705,115	714,047	714,047	743,351
3012	Salaries-Overtime	3,061	3,280	2,890	2,800	5,288
3014	Salaries-Part Time	45,747	43,614	44,558	44,000	71,153
3018	Longevity Pay	6,000	6,200	6,200	6,200	6,200
	Sub-total-Personal Services	713,772	758,209	767,695	767,047	825,991
	Percent Change 2012 vs. 2011 Budget					7.59%
Personal Benefits:						
3111	Group Medical & Life Insurance	110,781	114,857	146,841	134,127	143,497
3112	Professional Training	2,879	3,277	5,208	4,300	5,206
3113	Dues & Memberships	857	1,282	1,387	1,387	1,387
3115	Clothing Allowance	0	0	0	0	0
3117	Safety Equipment	0	103	100	0	0
3129	ICMA/RC Deferred Compensation	4,908	4,814	3,269	3,269	1,634
	Sub-total-Personal Benefits	119,425	124,333	156,805	143,083	151,724
	Percent Change 2012 vs. 2011 Budget					-3.24%
Operating Expenses:						
3211	Telephone	5,561	5,680	7,500	6,000	5,000
3213	Travel	626	813	850	850	850
3214	Per Diem Allowance	210	134	600	470	600
3215	Reception & Community Affairs	509	631	750	700	1,100
3216	Maintenance Contracts	48,399	48,400	48,399	48,401	49,467
3217	Equipment Rental	0	0	100	0	100
3218	Subscriptions & Publications	697	667	841	976	976
3219	Printing	769	1,290	1,285	1,289	1,400
3240	Supplies-Office	2,110	2,080	2,700	2,685	2,690
	Sub-total-Operating Expenses	58,881	59,695	63,025	61,371	62,183
	Percent Change 2012 vs. 2011 Budget					-1.34%
Insurance:						
3512	Unemployment Insurance	1,440	2,880	1,440	1,440	1,440
	Sub-total-Insurance	1,440	2,880	1,440	1,440	1,440
	Percent Change 2012 vs. 2011 Budget					0.00%
Commodities:						
3824	Small Equipment Tools & Hardware	194	81	600	500	600
	Sub-total-Commodities	194	81	600	500	600
	Percent Change 2012 vs. 2011 Budget					0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	2,152	2,208	3,253	2,420	3,033
4112	Radios	0	0	0	0	0
	Sub-total-Maintenance & Repairs-Other	2,152	2,208	3,253	2,420	3,033
	Percent Change 2012 vs. 2011 Budget					-6.76%
Capital Equipment:						
4312	Office Furniture	0	738	0	0	0
4313	Office Equipment	0	0	0	0	0
4315	Reserve for Capital Replacement	0	0	0	0	0
4317	Reserve for Computer Replacement	0	0	0	0	0
	Sub-total-Capital Equipment	0	738	0	0	0
	Percent Change 2012 vs. 2011 Budget					0.00%

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
All Other Expenses:						
4913	Consultant Fees-Other	20,795	22,296	16,543	31,203	25,000
4921	Exterminating Services	0	0	0	0	0
4928	IRMA Deductible-Workers Comp		0	0	0	0
4935	All Other Expenses	698	952	1,250	800	1,000
Sub-total-All Other Expenses		21,493	23,248	17,793	32,003	26,000
Percent Change 2012 vs. 2011 Budget						46.12%
Grand Total-Building & Zoning		917,357	971,392	1,010,611	1,007,864	1,070,971
Percent Change 2012 vs. 2011 Budget						5.97%

Public Works

Engineering

Engineering consists of subdivision and development control, capital improvement engineering, staff and general engineering services, and the necessary management of the division. It includes the engineering of new capital improvement construction and reconstruction projects and major contractual maintenance projects such as the sidewalk maintenance project, municipal facilities improvements, and coordination of consulting and construction on certain major capital improvements projects. This program also includes the provision of information in order to facilitate the design and construction of private or other agency projects to protect Village utilities from damage, Flood Insurance Program activities, utility map updating, drainage problem investigation, and the administration of the Division.



Building Maintenance Division

The Building Maintenance Division provides a clean, healthy, safe and efficient working environment in each facility for village employees and to provide a clean appearance in public areas and meeting places utilized by the public and the various committees and commissions of the Village government structure. The Division provides predictive, preventative and emergency maintenance on all building systems. The Division also oversees maintenance and operation of the street lighting system in order to aid pedestrian and vehicular traffic along major streets and throughout the community at intersections and crosswalks after dark.

Street Division

The Street Division oversees the maintenance of 120.70 centerline miles of street and approximately 241.40 miles of curb and gutter so as to insure that they are smooth, clean, safe, and structurally sound for vehicular travel in a variety of weather conditions. Whenever street conditions are unsafe, it is necessary to take measures that will ensure continuous safe vehicle travel through the community. The Division also provides for safe and efficient vehicular traffic movement through the use of traffic control devices, pavement markings, and signage to inform operators of motor vehicles and pedestrians of conditions and regulations so as to minimize traffic accidents while accommodating smooth and reasonably rapid traffic movements.

Public Works Administration

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

Forestry and Grounds Division

The Forestry and Grounds Division provides for the maintenance and care of parkway trees. Several tasks are performed to insure the vitality of parkway trees and nursery stock including spraying to arrest or prevent disease; trimming to shape and improve aesthetics; tree removal in the event of storm damage, disease, or insect infestation (the confirmation of the Emerald Ash Borer in Buffalo Grove); and tree replacement for those trees that have been removed. Recommendations concerning general climatic and environmental suitability of all private and public plantings are submitted to and approved by the Village Forester who manages this Division.

The Division also performs various activities on Village parkways due to village utility repairs or damage due to salt, snowplows, and other vehicles. The activities include maintaining medians and detention areas for aesthetic appearance and flood control purposes, providing aquatic weed control for several ponds, and maintaining landscape of Village owned properties and right-of-way.

Central Garage Division

The Central Garage Division provides maintenance services for the Village fleet in order to maintain a cost-effective service life for each vehicle and piece of equipment. In addition, in-house service allows for immediate attention to any mechanical failure that could critically hamper the ability of a vehicle or piece of equipment to operate effectively to deliver services to Village residents.

Drainage Division

The Draining Division provides for the preventive maintenance for the Village storm sewer and drainage system consistent with the program guidelines for the sanitary sewer system program. 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. In addition the program includes the maintenance and stream bank rehabilitation of approximately 11 miles of streams, creeks, tributaries and other above ground drainage.

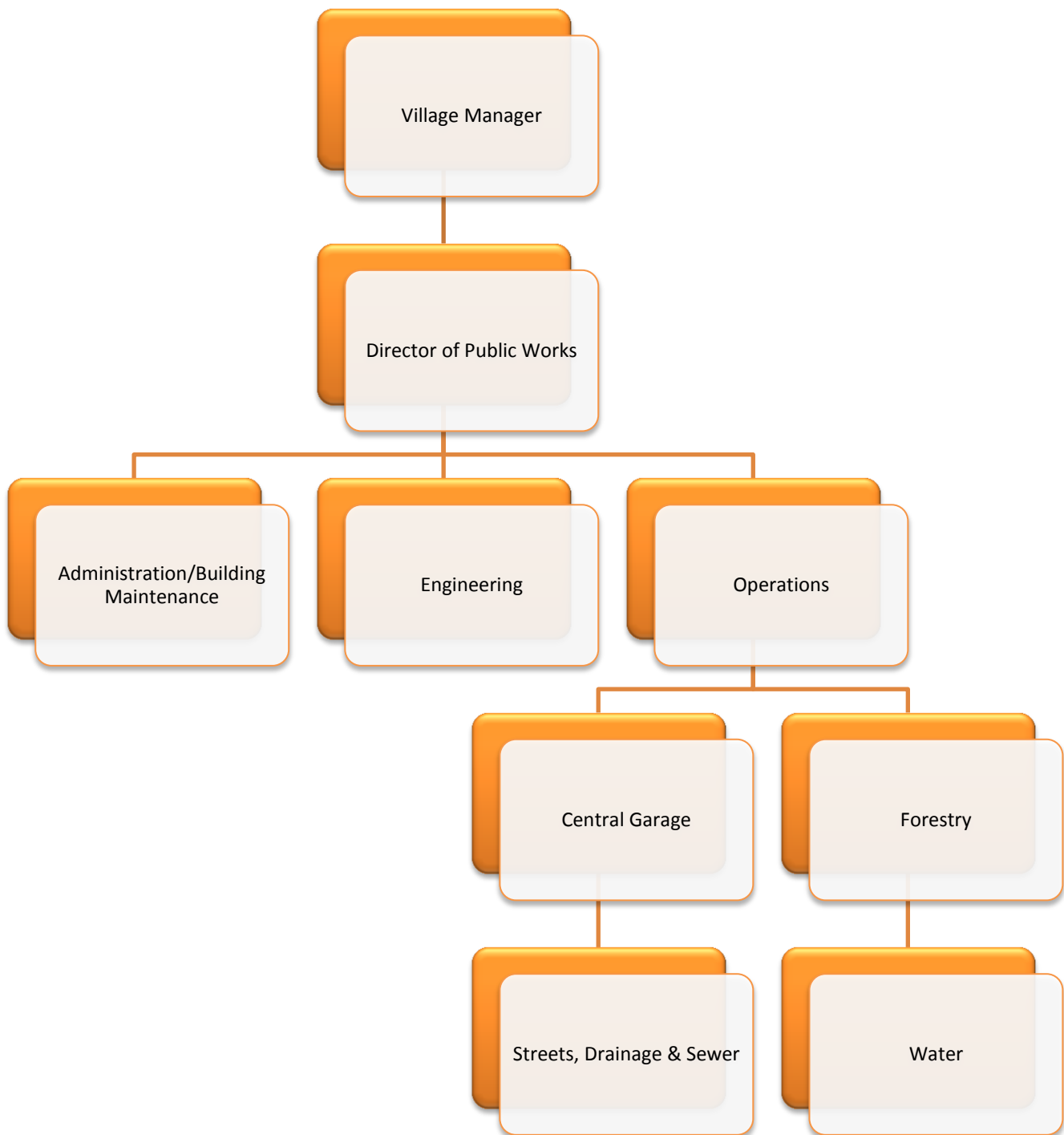
Water Division

The Water Division provides a safe, high quality, uninterrupted potable water supply for all Village residents, and contract water users. Water is also a vital part of fire protection throughout the Village. Pumps, water mains, and fire hydrants must be capable of disbursing large quantities of water when needed. The Division also provides the basis for producing revenues to finance utility operation and maintenance. It provides for the accounting of water distribution to water users by reading 10,916 meters, six (6) times per year and 778 commercial meters monthly. The Division also provides meter testing and repairs to assure meter accuracy according to AWWA standard C-700. This standard provides an accurate basis for billing the costs of water service to the water users and also for the purpose of complying with Illinois Department of Natural Resources, Lake Michigan Water Allocation water usage accounting regulations.

Sewerage Division

The Sewerage Division provides inspection, cleaning and maintenance of the Village's sanitary sewer system to provide a safe and efficient system, which has the potential to operate at 100% of the designed flow capacity and reduce the possibility of sewage back up in residences. As required pursuant to the "Agreement for Sewage Disposal" dated August 18, 1972 between the Village and Lake County, the Village collects from residents who are served by Lake County's sewerage facilities and pays Lake County pursuant to the agreement. This funding is managed through the Sewerage Division and the Sewer Fund. For Buffalo Grove residents in Cook County, the Metropolitan Water Reclamation District of Greater Chicago (MWRDGC) provides sanitary interceptor transmission and sewage treatment services. The MWRDGC has direct property taxing authority to provide the funding for services and as a result, the Village does not collect and remit taxes similar to Lake County.

Department Structure



2011 Accomplishments

1. Completion of the construction of the Villagewide Drainage Improvements Project.
2. Successful coordination with the Cook County Highway Department on the reconstruction of Arlington Heights Road from Lake Cook Road to the southern Village limits, including cost effective construction of the Arlington Heights Road water main and incorporation of storm sewer reconfigurations required to make elements of the Villagewide Drainage Improvements Project fully effective.
3. Initiation of the emergency standby well construction at Pump Station No. 7. (The project should be substantially completed near the end of 2011 or the early part of 2012.)

2012 Goals



Strategic Goal:

Maintain and enhance the Village's core infrastructure including streets, sewers, water system and urban forest with adequate levels of service for each asset category.

Outcome	Strategies	Performance Measures
Achieve completion of a federally approved Phase I Study/Report for the improvements to Weiland road and Prairie Road (from Lake Cook Road to Illinois Route 22).	Oversee the Phase I process to maintain the identified schedule.	Provide complete documentation which is acceptable to Lake County Division of Transportation for jurisdiction acceptance and Village Board approval.
Achieve the completion of a federally approved Phase I Study/Report for the improvements of Lake Cook Road between the Canadian National Railroad overpass and Raupp Boulevard.	Oversee the Phase I process to maintain identified schedule.	Define a project which will address long-term traffic demand requirements and which will be eligible for Federal Highway funding. Project approved by the Village Board and accepted by the Cook County Highway Department.
Village streets, sidewalks and curbs are maintained in a safe, reasonable and cost effective manner.	Develop accurate contract documents and construct defined project with budget guidelines.	Rehabilitate 6 miles of streets, 60,000 sq. ft. of sidewalks and 1.5 miles of bike paths.
Maintain Village-owned facility assets.	Complete all facility related CIP projects and remodeling projects before January, 2013.	All projects completed by the end of FY 2012.

**Strategic Goal:**

Develop and explore opportunities to minimize the use of resources, both labor and capital, where adequate levels of service can be maintained. Seek multi-agency cooperation where economies of scale may be realized.

Outcome	Strategies	Performance Measures
Maintain Village-owned facilities in a proactive and cost effective manner	Work with IT and Finance to create a computerized maintenance management system (CMMS) and a capital reserve to efficiently direct resources to maintain the Village facility infrastructure.	<ul style="list-style-type: none">Review of internal vs. external CMMS by June 2012.Recommendation of CCMS by June 2012.Creation of reserve fund by end of fiscal year, dependent on financial resources available.
Provide departments and divisions with equipment and vehicles that are appropriate for mission, service, delivery	Develop capital reserve for replacement table and related recommendations for use in development of budget for FY 2013.	Complete creation of documents by August, 2012.

**Strategic Goal:**

Maintain a highly-trained workforce with diverse skill sets, providing flexibility in times of need and adaptability to changing infrastructure conditions.

Outcome	Strategies	Performance Measures
Achieve public works agency reaccreditation from the APWA	Complete applicable management practices and undergo site visit by APWA.	Achieve reaccreditation by June 2012.
Complete in-house training of middle management personnel through ICMA's "Effective Supervisory Practices", 4 th Edition	Train middle management personnel for future succession planning	Completion of course by end of fiscal year.
Management of Emerald Ash Borer – removal and re-establish of urban forest.	<ul style="list-style-type: none">Continue to maintain the Urban Forest and stay abreast of best practices and industry standards.Adhere to the scope of the Urban Forestry Plan and Emerald Ash Borer Management Plan.	<ul style="list-style-type: none">Complete scheduled maintenance of Urban Forest.Review funding strategies for EAB funding and replacement.
Provide departments and divisions with equipment and vehicles that are appropriate for mission, service, delivery	Develop capital reserve for replacement table and related recommendations for use in development of budget for FY 2013	Complete creation of documents by August, 2012

**Strategic Goal:**

Utilize automated systems where possible to improve asset management, provide stability in service delivery and improve efficiency in the utilization of resources.

Outcome	Strategies	Performance Measures
Maintain Village-owned underground storm sewer system to 100% design flow capacity	Populate newly created storm sewer database with 150,000 feet of data as maintenance occurs.	Data entry of 150,000 feet of storm sewer by the end of 2012.
Maintain Village-owned underground sanitary sewer system to 100% design flow capacity	Populate newly created sanitary sewer database with 300,000 feet of data as maintenance occurs.	Data entry of 300,000 feet of sanitary sewer by the end of 2012.
To provide a safe, high-quality potable water supply to Village residents and contract water consumers without interruption	Review and evaluate SCADA system design.	Development of a comprehensive SCADA study by March of 2012.
Maintain street lighting system to ensure well lit roadways in a reasonable and cost effective manner	Create GIS link to street light database to enable a more accurate predictive maintenance schedule.	Create of street light GIS map by August 2012.
To ensure the accuracy of water meters in accordance to standards established by AWWA so as to provide to accurate basis for water billing	Meter testing of 6" meters and above through municipal partnering to maintain accuracy.	Complete testing of 6 – 6" meters by the end of 2012.

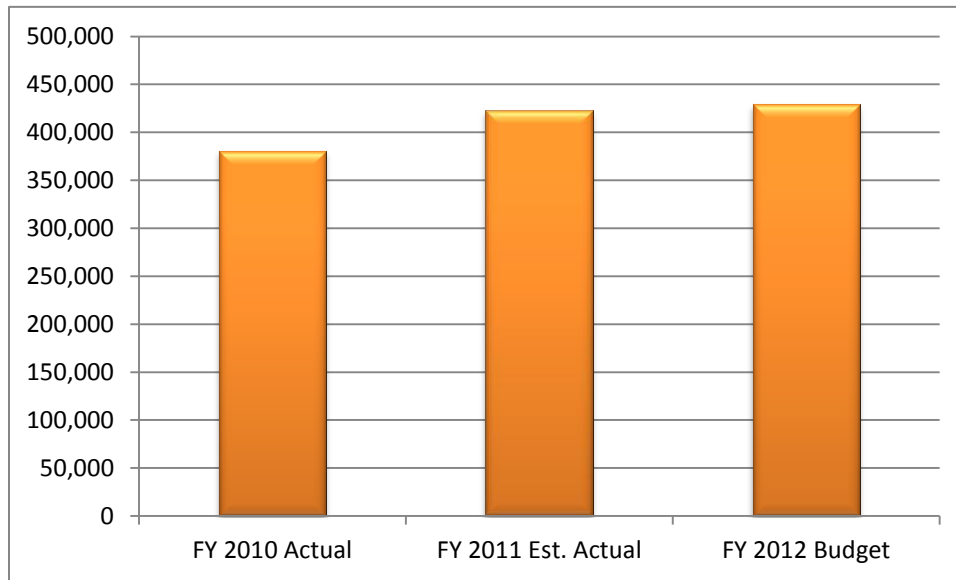
2012 Staffing Summary

Public Works Department – Beginning in 2010, several positions within the Department have been eliminated or remain unfilled. These positions include: a Secretary (Part-Time), a Clerk I (Part-Time), a Maintenance Worker I (Full-Time), and several Seasonal Laborer positions. For Fiscal Year 2012, the Water Customer Service Worker I position will be reclassified to Maintenance Worker I; this lateral change does not impact the budget.

Engineering Department - For 2012, there will be no programmed staffing changes.

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
AUTOMOTIVE MECHANIC II	3	0	3	0	3	0
AUTOMOTIVE MECHANIC III	1	0	1	0	1	0
AUTOMOTIVE SHOP ASSISTANT	0	1	0	1	0	1
BUILDING MAINTENANCE SUPERVISOR	1	0	1	0	1	0
BUILDING MAINTENANCE WORKER	2	0	2	0	2	0
BUILDING MAINTENANCE WORKER II - CL	1	0	1	0	1	0
CIVIL ENGINEER II	2	1	2	1	2	1
CLERK II	1	1	1	1	1	1
CLERK I	0	0	0	1	0	0
DEPUTY DIRECTOR OF PUBLIC WORKS	1	0	1	0	1	0
DIRECTOR OF PUBLIC WORKS	1	0	1	0	1	0
ENGINEERING AIDE	0	1	0	1	0	1
ENGINEERING TECHNICIAN	1	1	1	1	1	1
FLEET MANAGER	1	0	1	0	1	0
FORESTRY AND GROUNDS SUPERVISOR	1	0	1	0	1	0
FACILITY COORDINATOR	1	0	1	0	1	0
LABORER - SEASONAL	0	7	0	9	0	9
MAINTENANCE WORKER I	9	0	9	0	10	0
MAINTENANCE WORKER II	8	0	8	0	8	0
MAINTENANCE WORKER II - CL	8	0	8	0	8	0
MAINTENANCE WORKER III	1	0	1	0	1	0
METRA STATION ATTENDANT	0	1	0	1	0	1
OPERATIONS MGR - STREETS, DRAINAGE, SANITARY SEWER	1	0	1	0	1	0
SECRETARY	3	0	3	0	3	0
SUPERINTENDENT OF WATER OPERATIONS	1	0	1	0	1	0
TECHNICAL SERVICES MANAGER	1	0	1	0	1	0
TECHNICAL SERVICES SPECIALIST	0	2	0	2	0	2
VILLAGE ENGINEER	1	0	1	0	1	0
WATER CUSTOMER SERVICE WORKER I	1	0	1	0	0	0
TOTAL	51	15	51	18	51	17
FULL & PART-TIME TOTAL	66		69		68	

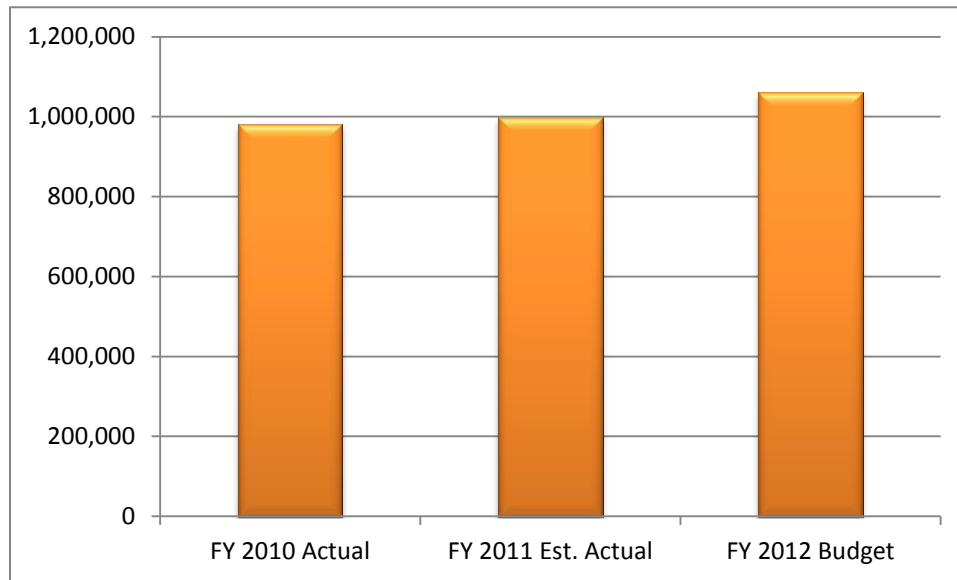
2012 Budget Summary
462 Public Works Administration



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	289,284	297,402	306,217
Personal Benefits	67,733	91,874	89,488
Operating Expenses	7,853	10,500	10,500
Insurance	1,920	960	960
Maintenance & Repairs-Other	6,883	7,940	7,940
Capital Equipment	6,861	13,800	13,800
All Other Expenses	0	0	0
	380,534	422,476	428,905

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	260,360	255,566	258,153	258,153	263,316
3012	Salaries-Overtime	0	0	400	400	400
3014	Salaries-Part Time	35,786	32,118	0	35,849	39,501
3018	Longevity Pay	1,800	1,600	3,000	3,000	3,000
Sub-total-Personal Services		297,946	289,284	261,553	297,402	306,217
Percent Change 2012 vs. 2011 Budget						17.08%
Personal Benefits:						
3111	Group Medical & Life Insurance	58,630	55,334	78,594	78,594	78,594
3112	Professional Training	3,325	1,707	3,350	3,350	3,350
3113	Dues & Memberships	4,369	3,925	4,408	4,408	4,458
3114	Uniform Rental	0	0	0	0	0
3115	Clothing Allowance	249	-148	250	250	250
3117	Safety Equipment	230	114	400	400	400
3129	ICMA/RC Deferred Compensation	6,876	6,801	4,872	4,872	2,436
Sub-total-Personal Benefits		73,679	67,733	91,874	91,874	89,488
Percent Change 2012 vs. 2011 Budget						-2.60%
Operating Expenses:						
3211	Telephone	2,536	1,475	2,800	2,800	2,800
3213	Travel	56	88	300	300	300
3216	Maintenance Contracts	0	0	0	0	0
3217	Equipment Rental	0	0	0	0	0
3218	Subscriptions & Publications	1,778	1,784	1,800	1,800	1,800
3240	Supplies-Office	5,358	4,506	5,600	5,600	5,600
3250	Supplies-All Other	0	0	0	0	0
Sub-total-Operating Expenses		9,728	7,853	10,500	10,500	10,500
Percent Change 2012 vs. 2011 Budget						0.00%
Insurance:						
3512	Unemployment Insurance	960	1,920	960	960	960
Sub-total-Insurance		960	1,920	960	960	960
Percent Change 2012 vs. 2011 Budget						0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	3,902	6,883	7,940	7,940	7,940
Sub-total-Maintenance & Repairs-Other		3,902	6,883	7,940	7,940	7,940
Percent Change 2012 vs. 2011 Budget						0.00%
Capital Equipment:						
4312	Office Furniture	1,190	0	1,300	1,300	1,300
4313	Office Equipment	16,771	6,861	12,500	12,500	12,500
4315	Reserve for Capital Replacement	0	0	0	0	0
4317	Reserve for Computer Replacement	0	0	0	0	0
Sub-total-Capital Equipment		17,961	6,861	13,800	13,800	13,800
Percent Change 2012 vs. 2011 Budget						0.00%
All Other Expenses:						
4935	All Other Expenses	0	0	0	0	0
Sub-total-All Other Expenses		0	0	0	0	0
Percent Change 2012 vs. 2011 Budget						0.00%
Grand Total-Public Works Administration		404,176	380,534	386,627	422,476	428,905
Percent Change 2012 vs. 2011 Budget						10.93%

463 Forestry and Grounds

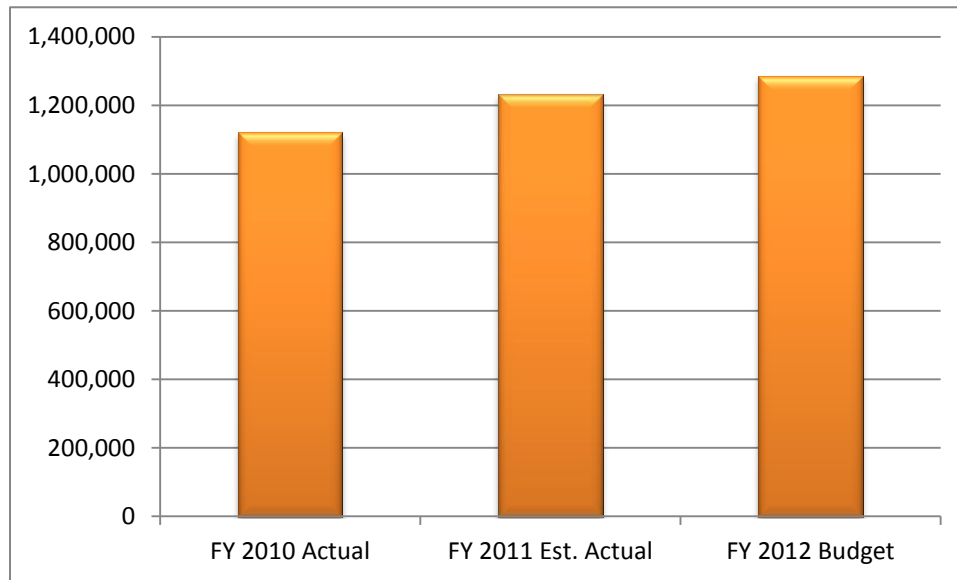


	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	752,497	745,698	806,540
Personal Benefits	176,626	198,412	198,487
Operating Expenses	15,160	16,141	16,825
Insurance	3,520	1,760	1,760
Commodities	4,166	3,100	3,100
Maintenance & Repairs-Facilities	24,369	30,000	30,000
Maintenance & Repairs-Other	576	650	1,100
Capital Equipment	2,823	3,000	3,000
All Other Expenses	0	75	75
	979,737	998,836	1,060,887

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	728,099	719,807	728,126	728,126	749,137
3012	Salaries-Overtime	5,061	6,790	5,043	2,982	5,144
3014	Salaries-Part Time	2,331	19,800	44,078	8,090	44,960
3018	Longevity Pay	5,730	6,100	6,500	6,500	7,300
Sub-total-Personal Services		741,221	752,497	783,747	745,698	806,540
Percent Change 2012 vs. 2011 Budget						2.91%
Personal Benefits:						
3111	Group Medical & Life Insurance	175,010	166,429	189,183	189,183	189,183
3112	Professional Training	1,763	2,759	2,250	2,250	2,250
3113	Dues & Memberships	1,211	1,397	1,455	1,455	1,670
3114	Uniform Rental	3,386	3,290	4,531	2,758	2,503
3115	Clothing Allowance	1,297	1,342	2,539	1,240	1,539
3117	Safety Equipment	806	1,003	1,250	1,250	1,250
3129	ICMA/RC Deferred Compensation	947	406	275	276	92
Sub-total-Personal Benefits		184,420	176,626	201,483	198,412	198,487
Percent Change 2012 vs. 2011 Budget						-1.49%
Operating Expenses:						
3211	Telephone	1,712	2,992	2,615	2,210	2,615
3213	Travel	0	0	0	0	0
3216	Maintenance Contracts	7,844	6,485	7,750	7,750	7,750
3217	Equipment Rental	433	500	835	696	835
3218	Subscriptions & Publications	0	0	100	50	100
3240	Supplies-Office	432	373	525	435	525
3250	Supplies-All Other	3,681	4,810	5,000	5,000	5,000
Sub-total-Operating Expenses		14,102	15,160	16,825	16,141	16,825
Percent Change 2012 vs. 2011 Budget						0.00%
Insurance:						
3512	Unemployment Insurance	1,920	3,520	1,760	1,760	1,760
Sub-total-Insurance		1,920	3,520	1,760	1,760	1,760
Percent Change 2012 vs. 2011 Budget						0.00%
Commodities:						
3823	Chemicals and Fertilizers	32	3,834	2,500	2,500	2,500
3824	Small Equipment Tools & Hardware	542	332	600	600	600
Sub-total-Commodities		574	4,166	3,100	3,100	3,100
Percent Change 2012 vs. 2011 Budget						0.00%
Maintenance & Repairs-Facilities:						
3918	Parkway Trees	-273	24,369	30,000	30,000	30,000
Sub-total-Maintenance & Repairs-Facilities		-273	24,369	30,000	30,000	30,000
Percent Change 2012 vs. 2011 Budget						0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	148	0	600	600	600
4112	Radios	163	576	500	50	500
Sub-total-Maintenance & Repairs-Other		311	576	1,100	650	1,100
Percent Change 2012 vs. 2011 Budget						0.00%

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Capital Equipment:						
4311	Automobiles & Trucks	0	0	0	0	0
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment-Department	0	2,823	3,000	3,000	3,000
4317	Reserve for Computer Replacement	0	0	0	0	0
Sub-total-Capital Equipment		0	2,823	3,000	3,000	3,000
Percent Change 2012 vs. 2011 Budget						0.00%
All Other Expenses:						
4928	IRMA Deductible-Work Comp	0	0	0	0	0
4935	All Other Expenses	38	0	75	75	75
Sub-total-All Other Expenses		38	0	75	75	75
Percent Change 2012 vs. 2011 Budget						0.00%
<hr/>						
Grand Total-Forestry/Parkway/Landscape Maintenance		942,313	979,737	1,041,090	998,836	1,060,887
Percent Change 2012 vs. 2011 Budget						1.90%

465 Central Garage

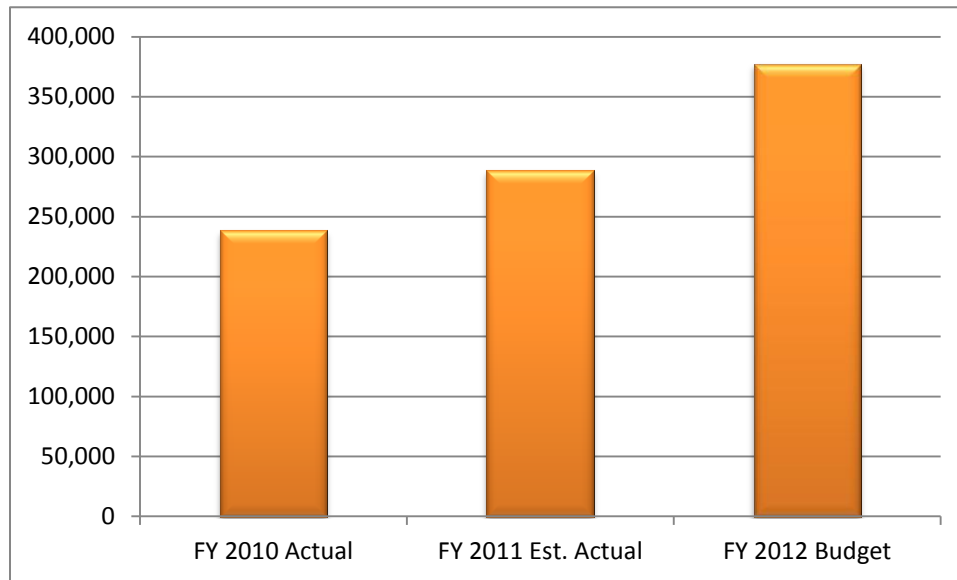


	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	454,692	460,130	473,849
Personal Benefits	104,739	118,718	120,071
Operating Expenses	10,507	13,575	14,975
Insurance	1,600	800	800
Commodities	3,001	3,000	3,000
Maintenance & Repairs-Other	4,626	4,200	3,400
Maintenance & Repairs-Vehicles	540,393	633,012	669,616
Capital Equipment	0	0	0
All Other Expenses	183	75	75
	1,119,741	1,233,510	1,285,786

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	436,230	431,045	436,252	436,252	448,836
3012	Overtime	7,877	4,138	4,421	4,212	4,509
3014	Salaries-Part Time	16,121	15,419	15,896	15,976	16,214
3018	Longevity Pay	3,730	4,090	4,090	3,690	4,290
Sub-total-Personal Services		463,958	454,692	460,659	460,130	473,849
Percent Change 2012 vs. 2011 Budget						2.86%
Personal Benefits:						
3111	Group Medical & Life Insurance	97,670	99,604	114,182	113,253	114,182
3112	Professional Training	215	0	700	0	700
3113	Dues & Memberships	183	126	183	126	243
3114	Uniform Rental	3,454	3,510	2,785	3,171	3,036
3115	Clothing Allowance	346	767	1,069	1,069	1,069
3117	Safety Equipment	301	350	750	521	750
3129	ICMA/RC Deferred Compensation	480	382	259	578	91
Sub-total-Personal Benefits		102,649	104,739	119,928	118,718	120,071
Percent Change 2012 vs. 2011 Budget						0.12%
Operation Expenses:						
3211	Telephone	2,134	2,835	3,004	1,750	2,500
3213	Travel	0	0	0	0	0
3216	Maintenance Contracts	1,193	0	3,500	3,500	3,500
3217	Equipment Rental	160	169	450	300	450
3218	Subscriptions & Publications	3,124	1,595	2,500	2,500	2,800
3240	Supplies-Office	432	425	525	525	525
3250	Supplies-All Other	5,455	5,483	5,200	5,000	5,200
Sub-total-Operating Expenses		12,498	10,507	15,179	13,575	14,975
Percent Change 2012 vs. 2011 Budget						-1.34%
Insurance:						
3512	Unemployment Insurance	800	1,600	800	800	800
Sub-total-Insurance		800	1,600	800	800	800
Percent Change 2012 vs. 2011 Budget						0.00%
Commodities:						
3824	Small Equipment Tools & Hardware	2,485	3,001	3,000	3,000	3,000
Sub-total-Commodities		2,485	3,001	3,000	3,000	3,000
Percent Change 2012 vs. 2011 Budget						0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	2,015	4,626	3,200	4,000	3,200
4112	Radios	0	0	200	200	200
Sub-total-Maintenance & Repairs-Other		2,015	4,626	3,400	4,200	3,400
Percent Change 2012 vs. 2011 Budget						0.00%
Maintenance & Repairs-Vehicles:						
4211	Gasoline	140,070	179,798	204,403	207,428	250,827
4212	Diesel Fuel	116,252	146,959	151,788	195,000	200,998
4213	Automotive Parts	126,723	138,826	129,315	117,724	126,549
4214	Garage Labor	0	0	0	0	0
4215	Lubricants	10,372	10,592	15,125	6,876	17,848
4218	Contractual Auto Services	105,102	64,218	86,000	105,984	73,394
Sub-total-Maintenance & Repairs-Vehicles		498,519	540,393	586,631	633,012	669,616
Percent Change 2012 vs. 2011 Budget						14.15%

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Capital Equipment:						
4311	Automobiles & Trucks	0	0	0	0	0
4313	Office Equipment	0	0	0	0	0
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment-Department	0	0	0	0	0
4317	Reserve for Computer Replacement	0	0	0	0	0
Sub-total-Capital Equipment		0	0	0	0	0
Percent Change 2012 vs. 2011 Budget						0.00%
All Other Expenses:						
4935	All Other Expenses	0	183	75	75	75
Sub-total-All Other Expenses		0	183	75	75	75
Percent Change 2012 vs. 2011 Budget						0.00%
<hr/>						
Grand Total-Central Garage		1,082,924	1,119,741	1,189,672	1,233,510	1,285,786
Percent Change 2012 vs. 2011 Budget						8.08%

466 Drainage Services

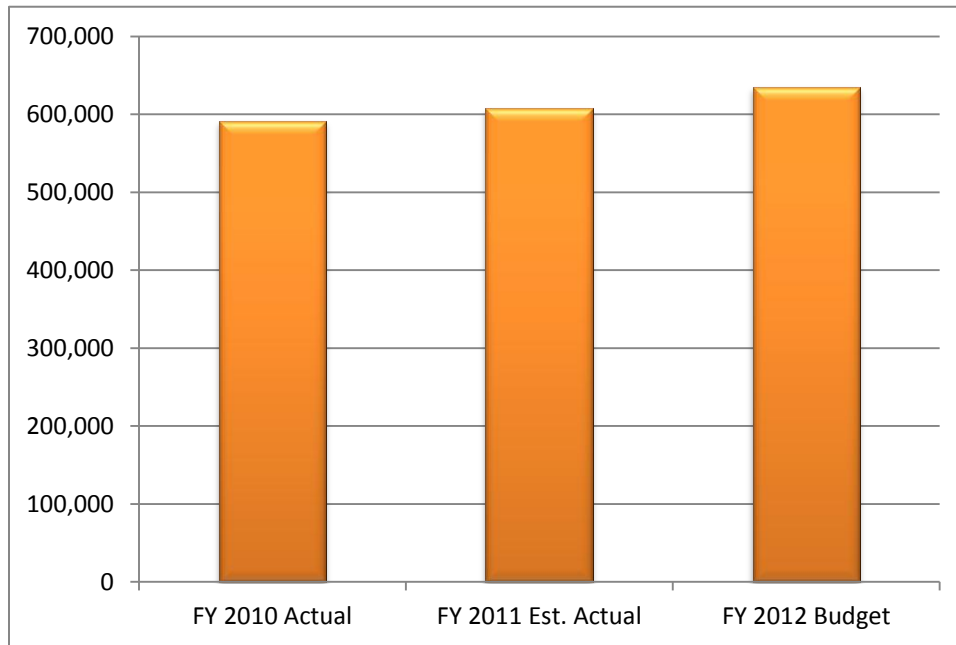


	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	189,745	192,470	200,792
Personal Benefits	9,717	11,538	11,222
Operating Expenses	2,367	4,875	2,811
Insurance	640	320	320
Commodities	0	1,000	1,000
Maintenance & Repairs- Water &	4,880	6,000	8,000
Maintenance & Repairs-Other	2,473	2,200	2,700
Capital Equipment	298	300	600
Capital Projects-Facilities	28,663	70,000	150,000
All Other Expenses	0	75	75
	238,783	288,778	377,520

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	155,020	187,428	189,916	189,906	196,939
3012	Salaries-Overtime	4,013	753	2,289	1,000	2,289
3014	Salaries-Part Time	0	0	0	0	0
3018	Longevity Pay	1,330	1,564	1,564	1,564	1,564
Sub-total-Personal Services		160,363	189,745	193,769	192,470	200,792
Percent Change 2012 vs. 2011 Budget						3.62%
Personal Benefits:						
3111	Group Medical & Life Insurance	7,426	7,892	8,723	8,723	8,723
3112	Professional Training	304	73	200	200	200
3113	Dues & Memberships	98	63	40	40	40
3114	Uniform Rental	729	729	811	600	375
3115	Clothing Allowance	328	288	492	400	492
3117	Safety Equipment	307	266	1,300	1,300	1,300
3129	ICMA/RC Deferred Compensation	449	406	275	275	92
Sub-total-Personal Benefits		9,641	9,717	11,841	11,538	11,222
Percent Change 2012 vs. 2011 Budget						-5.23%
Operating Expenses:						
3211	Telephone	651	451	720	500	780
3216	Maintenance Contracts	0	1,060	5,000	2,500	0
3217	Equipment Rental	144	108	492	300	456
3218	Subscriptions & Publications	0	0	75	75	75
3240	Supplies-Office	463	400	500	500	500
3250	Supplies-All Other	615	348	1,000	1,000	1,000
Sub-total-Operating Expenses		1,873	2,367	7,787	4,875	2,811
Percent Change 2012 vs. 2011 Budget						-63.90%
Insurance:						
3512	Unemployment Insurance	320	640	320	320	320
Sub-total-Insurance		320	640	320	320	320
Percent Change 2012 vs. 2011 Budget						0.00%
Commodities:						
3824	Small Equipment Tools & Hardware	67	0	1,000	1,000	1,000
Sub-total-Commodities		67	0	1,000	1,000	1,000
Percent Change 2012 vs. 2011 Budget						0.00%
Maintenance & Repairs-Water & Sewer:						
4017	Storm & Sanitary Sewers	1,047	4,880	8,000	6,000	8,000
Sub-total-Maintenance & Repairs- Water		1,047	4,880	8,000	6,000	8,000
Percent Change 2012 vs. 2011 Budget						0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	694	2,473	2,500	2,000	2,500
4112	Radios	0	0	200	200	200
Sub-total-Maintenance & Repairs-Other		694	2,473	2,700	2,200	2,700
Percent Change 2012 vs. 2011 Budget						0.00%
Capital Equipment:						
4311	Automobiles & Trucks	0	0	0	0	0
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment-Department	0	298	300	300	600
4317	Reserve for Computer Replacement	0	0	0	0	0
Sub-total-Capital Equipment		0	298	300	300	600
Percent Change 2012 vs. 2011 Budget						100.00%

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Capital Projects-Facilities:						
4611	Building/Public Ground Improvements	65,467	28,663	70,000	70,000	150,000
	Sub-total-Capital Projects-Facilities	65,467	28,663	70,000	70,000	150,000
	Percent Change 2012 vs. 2011 Budget					114.29%
All Other Expenses:						
4928	IRMA Deductible-Work Comp	0	0	0	0	0
4935	All Other Expenses	36	0	75	75	75
	Sub-total-All Other Expenses	36	0	75	75	75
	Percent Change 2012 vs. 2011 Budget					0.00%
	Grand Total-Drainage System	239,508	238,783	295,792	288,778	377,520
	Percent Change 2012 vs. 2011 Budget					27.63%

445 Engineering Services

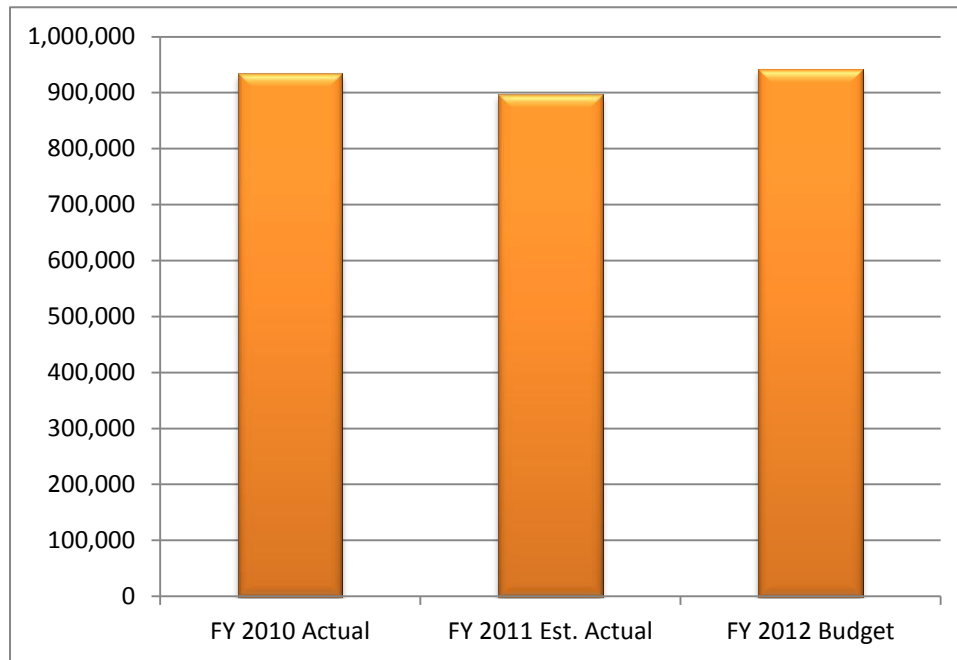


	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	510,361	517,069	534,952
Personal Benefits	65,999	71,737	73,638
Operating Expenses	6,768	13,110	13,675
Insurance	1,600	800	800
Commodities	645	600	750
Maintenance & Repairs-Other	1,307	2,000	5,575
Capital Equipment	4,459	2,300	4,500
All Other Expenses	172	175	1,300
	591,311	607,791	635,190

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	440,990	447,836	453,469	453,469	466,845
3012	Salaries-Overtime	0	0	600	0	600
3014	Salaries-Part Time	62,550	59,325	62,654	60,000	63,907
3018	Longevity Pay	3,200	3,200	3,600	3,600	3,600
Sub-total-Personal Services		506,740	510,361	520,323	517,069	534,952
Percent Change 2012 vs. 2011 Budget						2.81%
Personal Benefits:						
3111	Group Medical & Life Insurance	53,901	54,970	62,616	61,797	62,616
3112	Professional Training	955	3,813	7,150	4,000	6,900
3113	Dues & Memberships	1,024	896	900	900	900
3115	Clothing Allowance	126	163	400	350	400
3117	Employee Safety Equipment	317	182	650	350	650
3129	ICMA/RC Deferred Compensation	6,039	5,975	4,301	4,340	2,172
Sub-total-Personal Benefits		62,362	65,999	76,017	71,737	73,638
Percent Change 2012 vs. 2011 Budget						-3.13%
Operating Expenses:						
3211	Telephone	557	600	1,500	1,500	1,000
3213	Travel	0	0	75	10	75
3214	Per Diem Allowance	0	0	250	25	250
3218	Subscriptions & Publications	432	311	800	425	800
3219	Printing	2,268	3,231	3,800	3,800	3,800
3221	Computer Services	0	0	4,000	4,000	4,000
3240	Supplies-Office	1,088	1,387	3,000	2,000	2,000
3250	Supplies-All Other	1,318	1,239	2,000	1,350	1,750
Sub-total-Operating Expenses		5,663	6,768	15,425	13,110	13,675
Percent Change 2012 vs. 2011 Budget						-11.35%
Insurance:						
3512	Unemployment Insurance	800	1,600	800	800	800
Sub-total-Insurance		800	1,600	800	800	800
Percent Change 2012 vs. 2011 Budget						0.00%
Commodities:						
3824	Small Equip. Tools & Hardware	608	645	750	600	750
Sub-total-Commodities		608	645	750	600	750
Percent Change 2012 vs. 2011 Budget						0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	4,141	1,307	5,275	2,000	5,275
4112	Radios	0	0	300	0	300
Sub-total-Maintenance & Repairs-Other		4,141	1,307	5,575	2,000	5,575
Percent Change 2012 vs. 2011 Budget						0.00%
Capital Equipment:						
4312	Office Furniture	0	0	0	0	0
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment	4,493	4,459	4,500	2,300	4,500
4317	Reserve for Computer Replacement	0	0	0	0	0
Sub-total-Capital Equipment:		4,493	4,459	4,500	2,300	4,500
Percent Change 2012 vs. 2011 Budget						0.00%

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
All Other Expenses:						
4913	Consultant Fees-Other	1,538	0	3,275	0	1,000
4935	All Other Expenses	110	172	300	175	300
	Sub-total-All Other Expenses	1,648	172	3,575	175	1,300
	Percent Change 2012 vs. 2011 Budget					-63.64%
	Grand Total-Engineering Services	586,455	591,311	626,965	607,791	635,190
	Percent Change 2012 vs. 2011 Budget					1.31%

451 Building Maintenance

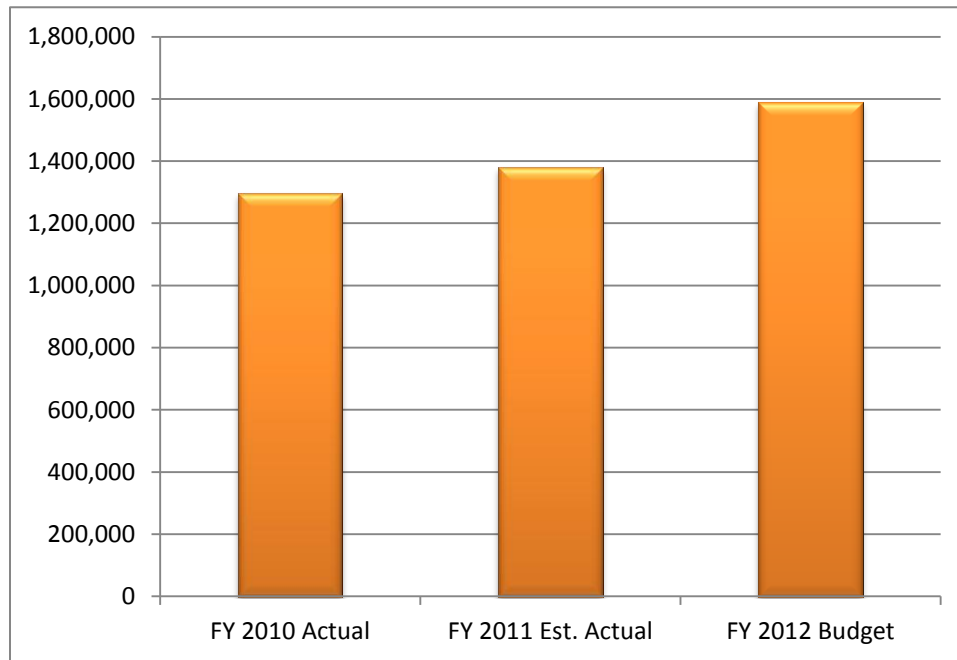


	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	306,529	313,595	324,452
Personal Benefits	77,656	88,594	89,751
Operating Expenses	156,975	141,625	147,055
Insurance	1,280	640	640
Commodities	122,902	105,795	121,295
Maintenance & Repairs-	269,154	246,000	257,850
Maintenance & Repairs-Other	0	470	575
Capital Equipment	0	250	250
All Other Expenses	0	0	0
	934,496	896,969	941,868

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	298,741	301,679	304,265	304,265	313,913
3012	Salaries-Overtime	4,371	2,120	4,838	6,400	7,208
3014	Salaries-Part Time	0	0	0	0	0
3018	Longevity Pay	2,730	2,730	2,930	2,930	3,330
	Sub-total-Personal Services	305,842	306,529	312,033	313,595	324,452
	Percent Change 2012 vs. 2011 Budget					3.98%
Personal Benefits:						
3111	Group Medical & Life Insurance	69,858	71,419	81,644	81,644	81,644
3112	Professional Training	195	240	400	250	400
3113	Dues & Memberships	268	236	315	300	315
3114	Uniform Rental	4,046	4,162	6,020	4,750	5,220
3115	Clothing Allowance	525	729	872	650	872
3117	Safety Equipment	174	870	1,300	1,000	1,300
3129	ICMA/RC Deferred Compensation	0	0	0	0	0
	Sub-total-Personal Benefits	75,066	77,656	90,551	88,594	89,751
	Percent Change 2012 vs. 2011 Budget					-0.88%
Operating Expenses:						
3211	Telephone	1,555	2,020	2,500	2,200	2,500
3216	Maintenance Contracts	116,326	122,883	115,600	110,000	113,000
3217	Equipment Rental	0	306	475	300	475
3218	Subscriptions & Publications	0	25	225	175	200
3240	Supplies-Office	432	382	530	450	530
3250	Supplies-All Other	26,733	31,359	31,350	28,500	30,350
	Sub-total-Operating Expenses	145,046	156,975	150,680	141,625	147,055
	Percent Change 2012 vs. 2011 Budget					-2.41%
Insurance:						
3512	Unemployment Insurance	640	1,280	640	640	640
	Sub-total-Insurance	640	1,280	640	640	640
	Percent Change 2012 vs. 2011 Budget					0.00%
Commodities:						
3812	Gas-Facilities	-14,342	-762	10,000	8,000	10,000
3824	Small Equipment Tools & Hardware	67	330	295	295	295
3825	Electric-Street Lights	81,423	117,141	103,000	90,000	103,000
3826	Gas-Street Lights	5,097	6,193	8,000	7,500	8,000
	Sub-total-Commodities	72,245	122,902	121,295	105,795	121,295
	Percent Change 2012 vs. 2011 Budget					0.00%
Maintenance & Repairs-Facilities:						
3912	Streets & Highways	1,510	0	0	0	0
3913	Streetlights	173,472	242,829	206,000	206,000	206,000
3916	Buildings & Facilities	18,841	26,325	44,200	40,000	51,850
	Sub-total-Maintenance & Repairs	193,823	269,154	250,200	246,000	257,850
	Percent Change 2012 vs. 2011 Budget					3.06%
Maintenance & Repairs-Other:						
4111	Department Equipment	0	0	500	395	500

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
4112	Radios	0	0	75	75	75
	Sub-total-Maintenance & Repairs-Other	0	0	575	470	575
	Percent Change 2012 vs. 2011 Budget					0.00%
Capital Equipment:						
4311	Automobiles & Trucks	0	0	0	0	0
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment-Department	0	0	250	250	250
4317	Reserve for Computer Replacement	0	0	0	0	0
	Sub-total-Capital Equipment	0	0	250	250	250
	Percent Change 2012 vs. 2011 Budget					0.00%
All Other Expenses:						
4935	All Other Expenses	0	0	0	0	0
	Sub-total-All Other Expenses	0	0	0	0	0
	Percent Change 2012 vs. 2011 Budget					0.00%
<hr/>						
	Grand Total-Building Services/Street lighting	792,662	934,496	926,224	896,969	941,868
	Percent Change 2012 vs. 2011 Budget					1.69%

461 Street Operations and Maintenance



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	568,641	563,023	560,795
Personal Benefits	109,511	105,998	105,679
Operating Expenses	80,455	103,268	107,417
Insurance	2,560	960	960
Commodities	272,744	330,500	331,520
Maint. & Repairs-Facilities	249,882	268,000	473,000
Maintenance & Repairs-Other	10,715	8,600	9,600
Capital Equipment	998	0	1,000
All Other Expenses	580	75	75
	1,296,086	1,380,424	1,590,046

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	501,455	453,733	468,451	468,451	484,268
3012	Salaries-Overtime	128,170	110,336	70,348	90,000	71,755
3014	Salaries-Part Time	0	0	0	0	0
3018	Longevity Pay	4,330	4,572	4,572	4,572	4,772
	Sub-total-Personal Services	633,955	568,641	543,371	563,023	560,795
	Percent Change 2012 vs. 2011 Budget					3.21%
Personal Benefits:						
3111	Group Medical & Life Insurance	118,288	103,448	101,313	101,313	101,313
3112	Professional Training	1,339	1,007	700	500	700
3113	Dues & Memberships	98	123	160	160	160
3114	Uniform Rental	2,637	2,683	2,649	2,000	1,236
3115	Clothing Allowance	667	1,065	1,328	900	1,328
3117	Safety Equipment	398	779	850	850	850
3129	ICMA/RC Deferred Compensation	947	406	275	275	92
	Sub-total-Personal Benefits	124,374	109,511	107,275	105,998	105,679
	Percent Change 2012 vs. 2011 Budget					-1.49%
Operating Expenses:						
3211	Telephone	925	2,746	3,395	2,600	2,615
3216	Maintenance Contracts	46,556	73,322	94,886	94,886	98,386
3217	Equipment Rental	590	347	782	782	816
3218	Subscriptions & Publications	0	0	75	0	75
3240	Supplies-Office	432	438	525	500	525
3250	Supplies-All Other	2,667	3,602	5,000	4,500	5,000
	Sub-total-Operating Expenses	51,170	80,455	104,663	103,268	107,417
	Percent Change 2012 vs. 2011 Budget					2.63%
Insurance:						
3512	Unemployment Insurance	1,280	2,560	960	960	960
	Sub-total-Insurance	1,280	2,560	960	960	960
	Percent Change 2012 vs. 2011 Budget					0.00%
Commodities:						
3821	Snow & Ice Control Mix	241,873	276,672	362,520	300,000	286,020
3822	Traffic & Street Signs	25,929	-4,641	30,000	30,000	45,000
3824	Small Equip. Tools & Hardware	4,517	713	500	500	500
	Sub-total-Commodities	272,319	272,744	393,020	330,500	331,520
	Percent Change 2012 vs. 2011 Budget					-15.65%
Maintenance & Repairs-Facilities:						
3911	Sidewalks, Curbs & Bikeways	148,926	142,902	150,000	150,000	325,000
3912	Streets & Highways	209,219	106,980	108,000	118,000	148,000
	Sub-total-Maint. & Repairs-Facilities	358,145	249,882	258,000	268,000	473,000
	Percent Change 2012 vs. 2011 Budget					83.33%
Maintenance & Repairs-Other:						
4111	Department Equipment	7,411	10,394	9,000	8,000	9,000
4112	Radios	48	321	600	600	600
	Sub-total-Maintenance & Repairs-Other	7,459	10,715	9,600	8,600	9,600
	Percent Change 2012 vs. 2011 Budget					0.00%

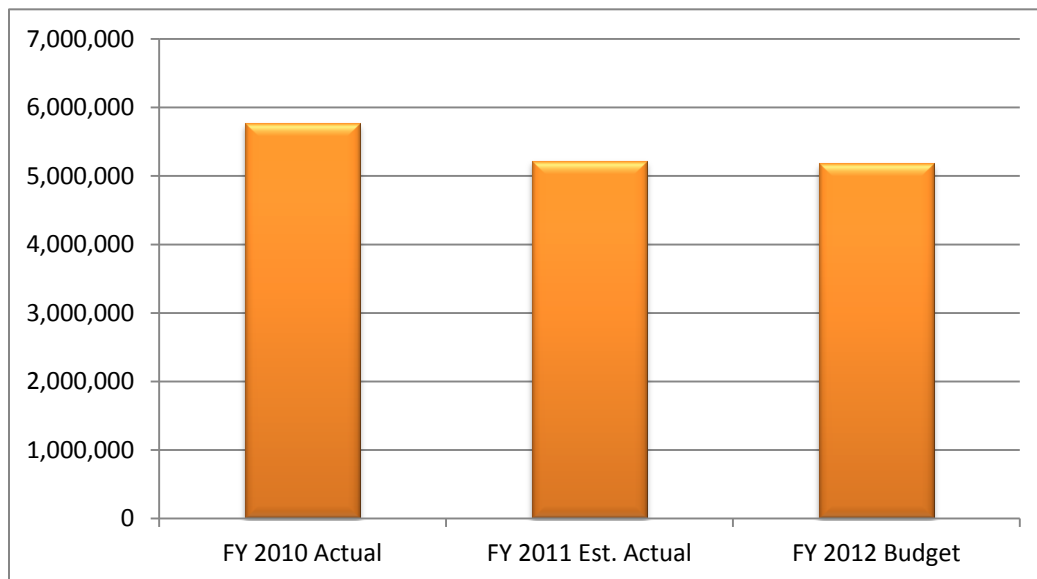
Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Capital Equipment:						
4311	Automobiles & Trucks	0	0	0	0	0
4315	Reserve - Capital Replacement	0	0	0	0	0
4316	Operating Equipment-Department	0	998	1,000	0	1,000
4317	Reserve - Computer Replacement	0	0	0	0	0
Sub-total-Capital Equipment		0	998	1,000	0	1,000
Percent Change 2012 vs. 2011 Budget						0.00%
All Other Expenses:						
4935	All Other Expenses	106	580	75	75	75
Sub-total-All Other Expenses		106	580	75	75	75
Percent Change 2012 vs. 2011 Budget						0.00%
<hr/>						
Grand Total-Street Operations and Maintenance		1,448,808	1,296,086	1,417,964	1,380,424	1,590,046
Percent Change 2012 vs. 2011 Budget						12.14%

Non-Operating Transfers – 481

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

Additionally, funds will be transferred to the Facilities Development Capital Project Fund for various capital development programs authorized by the Corporate Authorities as part of the Village's FY 2012 through FY 2016 Capital Improvement Plan. Funding for these transfers will come from prior accumulation of unreserved Corporate Fund reserves.

A transfer is proposed to supplement Motor Fuel Tax entitlements received from the State of Illinois to provide for the anticipated scope of work to be undertaken in 2012. A transfer of \$593,888 represents estimated receipts equal to 20% of anticipated Home Rule Sales Tax collections



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Operating Transfers	5,745,300	5,212,999	5,169,496
All Other Expenses	24,859	10,000	15,000
	5,770,159	5,222,999	5,184,496

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Operating Transfers:						
4812	Transfer-Debt Service Fund	525,000	200,000	0	0	0
4813	Transfer-Capital Projects Fund	295,342	512,160	384,743	427,463	412,013
4815	Transfer-Motor Fuel Tax Fund	0	0	0	0	0
4815	Transfer-Motor Fuel Tax Fund-HRST	905,625	556,030	548,317	582,244	593,888
4816	Transfer-Arboretum Golf Course Fund	0	453,000	104,143	49,624	0
4817	Transfer-Buffalo Grove Golf Club	0	215,000	0	22,357	0
4819	Transfer-Refuse Service Fund	-50,000	0		0	0
4822	Transfer-Police Pension Fund	1,423,862	1,955,825	2,134,544	2,147,150	2,159,838
4823	Transfer-Fire Pension Fund	1,077,386	1,853,285	1,960,467	1,984,161	2,003,757
Sub-total-Operating Transfers		4,177,215	5,745,300	5,132,214	5,212,999	5,169,496
Percent Change 2012 vs. 2011 Budget						0.73%
All Other Expenses:						
4935	All Other Expenses	175,745	24,859	15,000	10,000	15,000
Sub-total-All Other Expenses		175,745	24,859	15,000	10,000	15,000
Percent Change 2012 vs. 2011 Budget						0.00%
<hr/>						
Grand Total-Transfer Non-Operating		4,352,960	5,770,159	5,147,214	5,222,999	5,184,496
Percent Change 2012 vs. 2011 Budget						0.72%
Net Transfer Non-Operating:						
Grand Total-Transfer Non-Operating		4,352,960	5,770,159	5,147,214	5,222,999	5,184,496
Less: Home Rule Sales Tax Transfer		905,625	556,030	548,317	582,244	593,888
Less: Fire & Police Pension Transfers		2,501,248	3,809,110	4,095,011	4,131,311	4,163,595
Net Transfer Non-Operating		946,087	1,405,019	503,886	509,444	427,013
Percent Change 2012 vs. 2011 Budget						-15.26%

Section 6

Capital Improvement Budget Summary

Capital Improvement Summary

Summary Sheet

Overview of Building & Grounds Improvements

Detailed Project Sheets

Overview of Street, Sidewalk & Bike Path Maintenance

Detailed Project Sheets

Overview of Water Main & Sanitary Sewer

Detailed Project Sheets

Criteria List and Scoring Matrix

Motor Fuel Tax Fund

Capital Projects - Facilities Fund

Capital Projects - Streets Fund



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Capital Improvement Summary

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

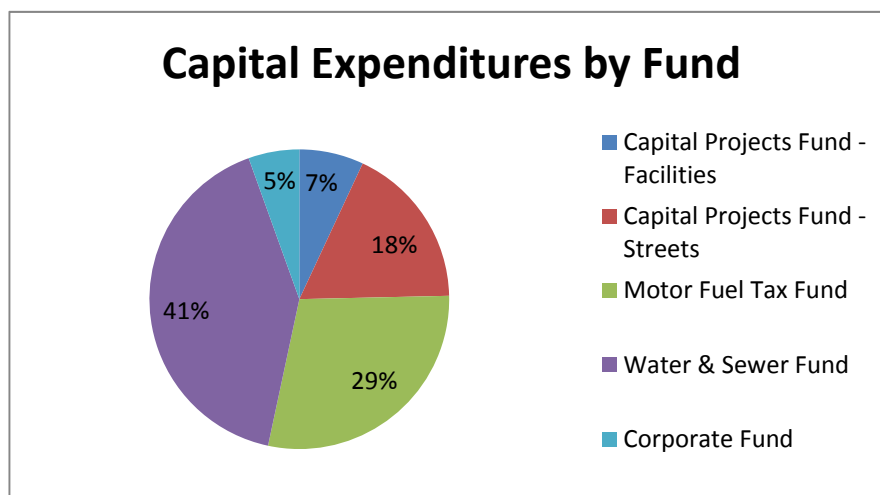
The Village Board's approval of the CIP does not authorize spending on the included projects. Each project must still be accepted for the current year's budget. Projects must then go through the procurement process including Board authorization to bid and Board award of bid. This insures that the project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

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

Projects are also categorized as customer/non-customer facing, obligated, and deferred. Customer facing projects offer a direct, or tangible, benefit to residents/visitors in the community. Non-customer facing projects support internal operations and typically either address maintenance deficiencies or improvement in departmental efficiencies. Obligated projects are those whereby the Village is obligated to proceed with the projects based upon contractual commitment or where a debt issuance was the funding instrument. The majority of all projects are customer-facing (90 percent in FY 2012).

The proposed capital projects have no significant financial impact on current and future years' operating budgets. Any additional maintenance will be minimal and there are no anticipated savings or revenues expected to result from these projects. The non-financial impact of these projects include improved access to bike paths, back-up drinking water for emergencies, safer streets, and improved aesthetics.

Projects identified for FY 2012 total \$5,924,260 allocated over five funds. The following chart illustrates each fund's percentage as it relates to funding the capital program for FY 2012.



Capital Projects by Fund

	Score	Type	Budget FY 2012
Capital Projects Fund - Facilities			
Municipal Parking Facility Maintenance	16	N	\$ 65,000
Village Facilities Window Replacement	10	N	\$ 162,000
Carpet Replacement (Police/Fire/OVM)	10	N	\$ 52,000
Dundee Road Streetscape Improvement	19	C	\$ 101,013
Raupp Boulevard Bridge Reconstruction	19	C	\$ 32,000
Subtotal			\$ 412,013
Capital Projects Fund - Streets			
Weiland Road/Prairie Road Street Improvement	25	O	\$ 234,054
Illinois Route 22 Street Improvement*	C	O	\$ 210,454
Deerfield Parkway Street Improvement*	32	C	\$ 569,150
Aptakisic Road Traffic Signal Improvement*	26	C	\$ 34,589
Subtotal			\$ 1,048,247
Motor Fuel Tax Fund			
Annual Street Maintenance^	19	C	\$ 1,700,000
Subtotal			\$ 1,700,000
Water & Sewer Fund			
Villagewide Sanitary Sewer Replacement	14	C	\$ 650,000
Villagewide Water Main Replacement	14	C	\$ 160,000
Lift Station Repair and Rehabilitation	21	C	\$ 300,000
Pump House Repairs and Security Improvements	19	C	\$ 600,000
Well at Pump House #7	20	C	\$ 454,000
Arlington Hts Road Water Main Reinforcement	24	C	\$ 275,000
Subtotal			\$ 2,439,000
Corporate Fund			
Sidewalk/Bike Path Maintenance	20	C	\$ 325,000
Subtotal			\$ 325,000
Grand Total			\$ 5,924,260

C - Customer Facing

N - Non-Customer Facing

D - Deferred

O - Obligated

*Project complete - awaiting final bill.

^The expense scope for the CIP is determined by engineering consultants while the budgeted amount represents funds currently available.

Overview of Building & Grounds Improvements

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

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

The Village's facilities include:

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

Municipal Parking Facility Maintenance



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 511-4657

Priority Score: 16

Project Type: Non-Customer Facing

Initial Proposal Date: Ongoing

Project Coordinator: Public Works/Engineering

Summary: This program provides for the routine sealing, restriping, and reconstruction of municipal lots. The 2012 planned maintenance includes lots at the Buffalo Grove Golf Course Maintenance Building, Village Hall, Fire Station #26, and the Metra Station.

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

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ 101,950	\$ 42,750	\$ 43,000	\$ 359,000	\$ 48,000	\$ 594,700
Actual Expenditures	\$ 101,936	\$ 35,317	\$ 47,327	\$ 54,700	\$ 50,000	\$ 289,280

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering						\$ -
Construction	\$ 65,000	\$ 358,500	\$ 101,000	\$ 33,000	\$ 53,600	\$ 611,100
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 65,000	\$ 358,500	\$ 101,000	\$ 33,000	\$ 53,600	\$ 611,100

Village Facilities Window Replacement



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 511-4611

Priority Score: 10

Project Type: Non-Customer Facing

Initial Proposal Date: 2011

Project Coordinator: Public Works

Summary: This line item is for fixing and replacing windows at the Police Department. In FY 2011, an engineering firm completed an exploratory inspection of the windows at the Police Headquarters and developed this cost estimate to solve various problems with the windows.

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

5 Year Expenditure History						
	FY 2007	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
Budgeted Amount	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000
Actual Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering						\$ -
Construction	\$ 162,000	\$ -	\$ -	\$ -	\$ -	\$ 162,000
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 162,000	\$ -	\$ -	\$ -	\$ -	\$ 162,000

Carpet Replacement



Category: Buildings & Grounds Improvements

Fund: Capital Projects - Facilities

Account Number: 511-4698

Priority Score: 10

Project Type: Non-Customer Facing

Initial Proposal Date: 2012

Project Coordinator: Public Works

Summary: This program provides for replacement of floor coverings at the Police Department (Patrol Offices), Fire Administration Building (hallway) and spaces to be remodeled at Village Hall. The Fire Department carpet was previously requested and deferred in 2010 and 2011. This project only addresses the most severe carpet issues in high traffic areas and fixes 13% of the needed carpet repairs in the Village.

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

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering						\$ -
Construction	\$ 52,000	\$ -	\$ -	\$ -	\$ -	\$ 52,000
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 52,000	\$ -	\$ -	\$ -	\$ -	\$ 52,000

Overview of Street, Sidewalk & Bike Path Maintenance

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

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

Municipal Roadways are evaluated every five years and recommendations for the next five years of street projects are developed. The projects involve traditional maintenance and rehabilitation of local streets based upon a defined service life. The defined service life is designed to maintain quality surface conditions and avoid more costly roadway rebuilds. Due to funding issues, since 2008 not all streets identified for maintenance have been repaired. Cuts in the program were necessary given the current economic climate and funding limitation both internally, and from the State of Illinois. The majority of work to be performed during the 2012 construction season will be for the rehabilitation of street surface and curb/gutter along various identified local streets.

The following streets are scheduled for repair in 2012:

Street	Miles	Street	Miles
Horatio Boulevard	0.50	Busch Parkway	1.00
Joel Lane	0.15	Krause Drive	0.08
Parkchester Road	0.24	Gardenia Lane	0.28
Newtown Drive	0.26	Windover Circle	0.07
Golfview Terrace	0.18	Common Way	0.06
Parkview Terrace	0.27	Rose Boulevard	0.36
Covington Terrace	0.13	Rose Court East	0.10
Brentwood Circle	0.06	Rose Court West	0.09
Thompson Boulevard	0.60	Cameron Way	0.16
Kingsbridge Way	0.31	Rachel Lane	0.24
Heatherdown Way	0.18	Countryside Drive	0.33
Logsdon Lane	0.20	Nichols Road (S)	0.20
Larchmont Drive	0.20	Pine Tree Circle North	0.14
		Pine Tree Circle South	0.08
Total			6.47

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

Raupp Boulevard Bridge Reconstruction



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Facilities

Account Number: 511-4695

Priority Score: 19

Project Type: Customer Facing

Initial Proposal Date: 2011

Project Coordinator: Public Works/Engineering

Summary: This project covers the evaluation and subsequent design and construction of needed improvements to the Raupp Boulevard Bridge.

Budget Impact: Significant funding (80%) is provided by the Highway Bridge Replacement and Rehabilitation Program administered by the USDOT Federal Highway Administration. The remaining 20% is funded through an internal transfer from the General Fund Fund's operating revenues.

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ -	\$ -	\$ -	\$ -	\$ 23,000	\$ 23,000
Actual Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ 160,000
Construction	\$ -	\$ 660,000	\$ -	\$ -	\$ -	\$ 660,000
Equipment						\$ -
Contingency	\$ (128,000)	\$ (528,000)	\$ -	\$ -	\$ -	\$ (656,000)
Sub-Total	\$ 32,000	\$ 132,000	\$ -	\$ -	\$ -	\$ 164,000

Weiland Road/Prairie Road Improvement



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Streets

Account Number: 511-4542

Priority Score: 25

Project Type: Obligated

Initial Proposal Date: 2008

Project Coordinator: Public Works/Engineering

Summary: This project covers Village expenses related to a proposed project to reconfigure the Weiland Road/Prairie Road Corridor from Lake Cook Road to IL Route 22.

Budget Impact: Lake County Department of Transportation is to provide an 83% reimbursement of the original full study cost after completion of the Phase I Study. The Cook County Highway Department is paying 100% of the supplemental expenses which resulting from expanding the study along the Lake Cook Road Corridor. The remaining expenditures are being funded through an internal transfer from the General Fund.

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ 933,475	\$ 884,104	\$ 640,000	\$ 496,390	\$ 335,633	\$ 3,289,602
Actual Expenditures	\$ 151,564	\$ (141,377)	\$ 356,448	\$ 361,579	\$ 100,000	\$ 828,214

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering	\$ 234,054	\$ -	\$ -	\$ -	\$ -	\$ 234,054
Construction						\$ -
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 234,054	\$ -	\$ -	\$ -	\$ -	\$ 234,054

Dundee Road Streetscape Improvement



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Capital Projects - Streets

Account Number: 511-4693

Priority Score: 19

Project Type: Customer Facing

Initial Proposal Date: 2009

Project Coordinator: Public Works/Engineering

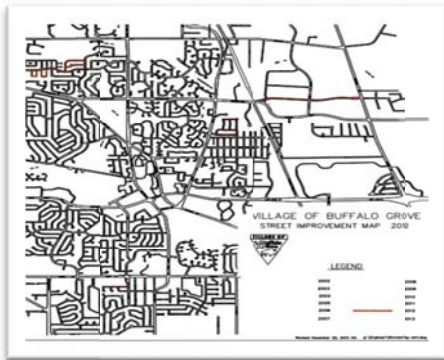
Summary: This project includes installation of sidewalk and multi-use path along the Dundee Road corridor. The proposed sidewalk locations were selected to complete bike routes already in place along Dundee Road, provide access to schools, heavy commercial districts and numerous town parks.

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

5 Year Expenditure History						
	FY 2007	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
Budgeted Amount	\$ -	\$ -	\$ 16,000	\$ 650,211	\$ 634,212	\$ 3,701,731
Actual Expenditures	\$ -	\$ -	\$ -	\$ 26,084	\$ 5,000	\$ 15,000

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering						\$ -
Construction	\$ 101,013	\$ -	\$ -	\$ -	\$ -	\$ 101,013
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 101,013	\$ -	\$ -	\$ -	\$ -	\$ 101,013

Annual Street Maintenance



Category: Street, Sidewalk & Bike Path Maintenance

Fund: Motor Fuel Tax Fund

Account Number: 511-4511

Priority Score: 19

Project Type: Customer Facing

Initial Proposal Date: Ongoing

Project Coordinator: Public Works/Engineering

Summary: Annual street maintenance and rehabilitation program.

Budget Impact: The Village's percentage of the State's Motor Fuel Tax along with 20% of home rule sales tax funds this project. Additionally, due to decreasing revenues an operating fund transfer or debt financing will be required.

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ 2,765,000	\$ 2,990,000	\$2,300,000	\$ 2,679,045	\$ 1,750,000	\$12,484,045
Actual Expenditures	\$ 2,463,706	\$ 2,914,130	\$ 2,243,128	\$ 1,512,258	\$ 1,366,200	\$10,499,422

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering	\$ 350,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 2,050,000
Construction	\$ 3,650,000	\$ 4,575,000	\$ 4,575,000	\$ 4,575,000	\$ 4,575,000	\$21,950,000
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 4,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$24,000,000

Annual Sidewalk/Bike Path Maintenance



Category: Street, Sidewalk & Bike Path Maintenance

Fund: General Fund

Account Number: 461-3911

Priority Score: 20

Project Type: Customer Facing

Initial Proposal Date: Ongoing

Project Coordinator: Public Works/Engineering

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

Budget Impact: This project is funded through the General Fund.

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ 200,000	\$ 250,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 900,000
Actual Expenditures	\$ 226,521	\$ 255,759	\$ 148,926	\$ 142,902	\$ 151,491	\$ 925,599

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering						\$ -
Construction	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 1,625,000
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 1,625,000

Overview of Water Main & Sanitary Sewer

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

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

Due to the relatively young age of the water system, between 1993 and 2007 the only capital expense was \$229,527 for the St. Mary's Road water main replacement. Since 2007 there has been \$3,085,995 capital expenses related to water system replacements and improvements.

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

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

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

Village Wide Sanitary Sewer Replacement Program



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 542-4611

Priority Score: 14

Project Type: Customer Facing

Initial Proposal Date: 2012

Project Coordinator: Public Works

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

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

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering						\$ -
Construction	\$ 650,000	\$ -	\$ 700,000	\$ -	\$ 700,000	\$ 2,050,000
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 650,000	\$ -	\$ 700,000	\$ -	\$ 700,000	\$ 2,050,000

Village Wide Water Main Replacement Program



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 541-4412

Priority Score: 14

Project Type: Customer Facing

Initial Proposal Date: 2012

Project Coordinator: Public Works

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

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

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering						\$ -
Construction	\$ 160,000	\$ -	\$ 700,000	\$ -	\$ 700,000	\$ 1,560,000
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 160,000	\$ -	\$ 700,000	\$ -	\$ 700,000	\$ 1,560,000

Lift Station Repair & Rehabilitation Program



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 541-4412

Priority Score: 21

Project Type: Customer Facing

Initial Proposal Date: 2001

Project Coordinator: Public Works

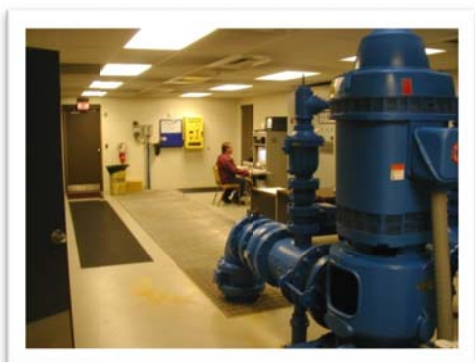
Summary: This program provides for permanently installed standby emergency generators at the OTP and Cambridge on the Lake Lift Stations and will complete other required work identified at other lift stations, such as condition evaluations, cathodic protection system renovations, maintenance lift repairs,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

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

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ 437,092	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,637,092
Actual Expenditures	\$ -	\$ -	\$ 669,606	\$ 133,455	\$ 290,000	\$ 1,093,061

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 150,000
Construction	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 1,350,000
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000

Pump House Repairs & Security Improvements



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 541-4412

Priority Score: 19

Project Type: Customer Facing

Initial Proposal Date: 2010

Project Coordinator: Public Works

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

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

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ -	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000
Actual Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering						\$ -
Construction	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000

Deep Well At Reservoir #7



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 541-4412

Priority Score: 20

Project Type: Customer Facing

Initial Proposal Date: 2010

Project Coordinator: Public Works

Summary: This project provides for the construction of a deep well at Pump House #7. This project also includes the installation of a replacement water level sensing system to replace the original Well #1, #2, and #6 systems which have failed.

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

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,470,000	\$ 2,470,000
Actual Expenditures	\$ -	\$ -	\$ -	\$ 57,192	\$ 1,200,000	\$ 1,257,192

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering						\$ -
Construction	\$ 454,000	\$ -	\$ -	\$ -	\$ -	\$ 454,000
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 454,000	\$ -	\$ -	\$ -	\$ -	\$ 454,000

Arlington Heights Road Water Main Reinforcement



Category: Water Main & Sanitary Sewer

Fund: Water & Sewer Fund

Account Number: 541-4412

Priority Score: 24

Project Type: Customer Facing

Initial Proposal Date: 2009

Project Coordinator: Public Works

Summary: This project provides for water main system reinforcement in the Arlington Heights Road corridor from Pump House No. 1 to Lake Cook Road. This project also includes a reinforcement segment on the north ROW of Dundee Road across Grove Drive.

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

5 Year Expenditure History						
Budgeted Amount	FY 2007 (8 month yr)	FY 2008	FY 2009	FY 2010	Estimated FY 2011	TOTAL
	\$ -	\$ -	\$ 680,000	\$ 980,000	\$ 980,000	\$ 2,640,000
Actual Expenditures	\$ -	\$ -	\$ 62,271	\$ 84,387	\$ 280,000	\$ 426,658

5 Year Projected Expenditures						
Expense Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
Land						\$ -
Engineering						\$ -
Construction	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ 275,000
Equipment						\$ -
Contingency						\$ -
Sub-Total	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ 275,000

Criteria List and Scoring Matrix

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

Motor Fuel Tax Fund - 504

Motor Fuel Tax improvements and projects are needed to provide for safety and capacity improvements for Village roadways. They also provide for the ongoing maintenance and improvement of local Village-owned streets, where designed and required. In FY 2012, emphasis will be directed towards engineering and construction recommended for work in 2012. Detailed plans and specifications will be prepared for the identified streets including surface treatments, base repairs and any necessary drainage and curb improvement. Construction will be performed by a contractor selected through a competitive bidding process with construction engineering to be performed by a consulting engineer. The Village Engineer will perform administration of the engineering service and construction contract.

Motor Fuel Tax Fund Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Other Taxes-State:						
1054	Motor Fuel Tax Allotment	1,106,234	1,096,794	1,105,792	1,061,436	985,530
	Sub-total-Other Taxes-State	1,106,234	1,096,794	1,105,792	1,061,436	985,530
	Percent Change 2012 vs. 2011 Budget					-10.88%
Investment Revenue:						
1242	Interest Income-Investment Pool	272	150	50	121	100
	Sub-total-Investment Revenue	272	150	50	121	100
	Percent Change 2012 vs. 2011 Budget					100.00%
Operating Transfers:						
1271	Corporate Fund Transfers-HRST	868,540	556,030	548,317	573,868	608,820
1271	Corporate Fund Transfers-Other	37,085	0	0	0	0
1275	Capital Projects Fund Transfers	298,415	0	0	0	0
	Sub-total-Operating Transfers	1,204,040	556,030	548,317	573,868	608,820
	Percent Change 2012 vs. 2011 Budget					11.03%
All Other Revenue:						
1299	All Other Revenue	26,024	488,014	0	0	0
1299	Illinois Jobs Now Capital Grant	0	187,582	187,582	187,582	187,582
	Sub-total-All Other Revenue	26,024	675,596	187,582	187,582	187,582
	Percent Change 2012 vs. 2011 Budget					0.00%
	Grand Total-Motor Fuel Tax Fund	2,336,570	2,328,569	1,841,741	1,823,007	1,782,032
	Percent Change 2012 vs. 2011 Budget					-3.24%

Notes:

Estimated December 31, 2011 cash and investment balance: \$1,285,466

Motor Fuel Tax Fund Expenditures

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Capital Projects-Streets & Roads:						
4511	Street Maintenance/Engineering & Design	384,536	259,244	300,000	200,000	400,000
4511	Street Maintenance/Construction	1,858,592	1,253,014	1,450,000	1,166,200	1,300,000
	Sub-total-Capital Projects-Streets	2,243,128	1,512,258	1,750,000	1,366,200	1,700,000
	Percent Change 2012 vs. 2011 Budget					-2.86%
Operating Transfers:						
4813	Transfer-Capital Projects Fund (Streets)	0	0	0	0	600,000
	Percent Change 2012 vs. 2011 Budget					0.00%
	Grand Total-Motor Fuel Tax Fund	2,243,128	1,512,258	1,750,000	1,366,200	2,300,000
	Percent Change 2012 vs. 2011 Budget					31.43%

Facilities Development Capital Projects Fund – 511

This Fund provides for the accounting of design, acquisition and construction elements of various Village capital facilities and equipment. The identified projects have been previously planned for as part of the FY 2012 portion of the Village's comprehensive Capital Improvement Plan for the FY 2012 through FY 2016. Funding will come from several sources, most notably the transfer of prior accumulations of unreserved Corporate Fund Balance and Water and Sewer Fund equity as authorized under current Village use policies.

Capital Projects - Facilities Revenues

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Operating Transfers:						
1271	Transfers-Corporate Fund	295,342	512,460	384,743	427,463	412,013
	Sub-total-Operating Transfers	295,342	512,460	384,743	427,463	412,013
	Percent Change 2012 vs. 2011 Budget					7.09%
All Other Income:						
1299	1299 All Other Income-Capital Financing	183,126	0	0	0	0
1299	1299 All Other Income-Pace Lot Reimbursemen	0	0	0	0	0
1299	1299 All Other Income-Grants-Dundee Road	0	2,688,440	490,469	6,911	0
	Sub-total-All Other Income	183,126	2,688,440	490,469	6,911	0
	Percent Change 2012 vs. 2011 Budget					-100.00%
<hr/>						
Grand Total-Capital Projects Fund - Facilities Development		478,468	3,200,900	875,212	434,374	412,013
	Percent Change 2012 vs. 2011 Budget					-52.92%

Capital Projects - Facilities Expenditures

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Capital Projects-Facilities:						
4611	Building/Public Ground Improvements	26,909	63,962	15,000	15,000	214,000
4645	Telephone System Upgrade	0	54,170	0	0	0
4657	Municipal Parking Facility Maintenance	47,327	54,700	48,000	50,000	65,000
4659	HVAC Replacement	0	216,783	0	1,906	0
4681	Bikeway ComEd ROW	5,200	0	0	0	0
4682	White Pine Drainage	65,541	0	0	0	0
4684	Public Service Center Expansion	76,147	101,988	0	0	0
4685	Fire Station 26 Bunkroom Improvement	28,111	0	0	0	0
4688	First Station 27 Basement Improvement	216	0	0	0	0
4689	EOC Remodeling/Antenna	103,210	0	0	0	0
4691	Old Checker Culvert	89,021	0	0	0	0
4692	Police Range Electronics	50,100	0	0	0	0
4693	Dundee Road Streetscape Improvement	0	26,084	634,212	11,533	101,013
4694	Storm Water Drainage Improvement	364,512	2,135,655	0	102,855	0
4695	Raupp Boulevard Bridge Construction	0	0	23,000	15,000	32,000
4696	Financial Software System Upgrade	0	0	125,000	300,000	0
4697	Station #26 - Raise Rear Appartatus Bay Door	0	0	30,000	30,000	0
Sub-total-Capital Projects-Facilities		856,294	2,653,342	875,212	526,294	412,013
Percent Change 2012 vs. 2011 Budget						-52.92%
Grand Total-Capital Projects Facilities Development Fund		856,294	2,653,342	875,212	526,294	412,013
Percent Change 2012 vs. 2011 Budget						-52.92%

Capital Projects – Streets Fund – 512

The elements of this program have been identified and recommended as part of the Village's comprehensive Capital Improvement Plan for the period FY 2012 through FY 2016. Proceeds for the street maintenance fund are funded through the following bond issues: Series 2003 plus certain of the proceeds from the Corporate Purpose General Obligation Bonds-Series 1995.

Capital Projects - Streets Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Investment Revenue:						
1241	Interest Income-Savings	416	0	0	0	0
1242	Interest Income-Investment Pool	3,431	765	400	230	400
	Sub-total-Investment Revenue	3,848	765	400	230	400
	Percent Change 2012 vs. 2011 Budget					0.00%
Operating Transfers:						
1274	Transfer from Motor Fuel Tax Fund	0	0	0	0	600,000
	Sub-total-Operating Transfer	0	0	0	0	600,000
	Percent Change 2012 vs. 2011 Budget					0.00%
All Other Income:						
1299	All Other Income-Cook County Hgwy Dept	92,995	0	245,508	110,975	134,533
	Sub-total-All Other Income	92,995	0	245,508	110,975	134,533
	Percent Change 2012 vs. 2011 Budget					-45.20%
	Grand Total-Capital Projects Fund	96,843	765	245,908	111,205	734,933
	Percent Change 2012 vs. 2011 Budget					198.87%

NOTES:

Capital Projects-Streets & Highway Programs funded with partial proceeds of Series 1994 Corporate Purpose General Obligation Bonds (Original Proceeds-\$705,000)

Capital Projects-Streets & Highway Programs funded with partial proceeds of Series 1995 Corporate Purpose General Obligation Bonds (Original Proceeds-\$2,775,850)

Capital Projects-Streets & Highway Programs funded with partial proceeds of Series 2003 Corporate Purpose General Obligation Bonds (Original Proceeds-\$2,601,260)

Debt proceeds to fund Street & Road Projects per FY 2012 through FY 2016 Capital Improvement Plan

Illinois Route 22 Project based on estimated local share as established within Joint Agency Participation Agreements as of 12/31/11.

Weiland Road/Prairie Road Project represents Phase I Engineering Costs to be reimbursed by County Of Lake per Intergovernmental Agreement; Village advancing funds for this phase of project in order to preserve other funding commitments.

Capital Projects - Streets Expenditures

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Capital Projects-Streets & Roads:						
4537	Deerfield Parkway Street Improvement	9,591	0	576,497	0	569,150
4538	Dundee Road Lighting Improvement	44,561	42,576	114,042	285,827	0
4539	Il Route 22 Street Improvement	0	0	210,454	0	210,454
4541	Aptakisic Road Traffic Signal Improvement	33,198	0	34,589	0	34,589
4542	Weiland Road/Prairie Road Street	356,448	361,579	335,633	195,365	234,054
4543	Aptakisic & Brandywyn Traffic Signal Improvement		204,725	0	0	0
Sub-total-Capital Projects-Streets & Roads		443,798	608,879	1,271,215	481,192	1,048,247
Percent Change 2012 vs. 2011 Budget						-17.54%
Operating Transfers:						
4815	Transfer-Motor Fuel Tax Fund	0	0	0	0	0
Sub-total-Operating Transfers		0	0	0	0	0
Percent Change 2012 vs. 2011 Budget						0.00%
Grand Total-Capital Projects Village		443,798	608,879	1,271,215	481,192	1,048,247
Percent Change 2012 vs. 2011 Budget						-17.54%

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Section 7

Enterprise Fund Summary and Detail

Golf Course Fund

Water & Sewer Operating

Refuse Fund



Golf

The Buffalo Grove Golf Club Fund provides the entire scope of staff and administrative services necessary to operate the Buffalo Grove Golf Club on an annual basis. The majority of the services are of a physical nature in that the programs identified provide for the efficient and effective operations of a golf course. Overall objectives of the Fund are to maintain the physical quality of the golf course grounds in a manner that is acceptable to the patron and to enhance the enjoyment of the game. Pro Shop activities provide support services to the patron in the form of a retail activity.



To accomplish the above tasks, the following programs are required to be performed:

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

Department Structure



2011 Accomplishments

Arboretum

1. Green Fee Revenues for the Arboretum are up 15% or \$90,000 year over year.
2. Coupon sales show an increase of \$11,000 year over year.
3. Cart Fee rentals show an increase of 20% or \$22,000 year over year.
4. The Arboretum will meet budgeted goals for 85% of all Revenue Categories in 2011.

Buffalo Grove

1. Effectively implemented the first ever Reserved Starting Time tournament schedule to assist in generating additional merchandise revenues.
2. Successfully administered numerous golf clinics and camps to adult and junior golfers.
3. Strongly marketed to weekday golfers achieving a more equitable balance between amounts of paid round versus the amount of pass rounds.
4. Increased coupon revenue in slow periods which generated additional green fee income.

2012 Goals



Strategic Goal:

Maintain existing level of service while increasing round play and ancillary activities at Buffalo Grove and Arboretum courses.

Outcome	Strategies	Performance Measures
Increase green fee revenues by 5% at Arboretum and Buffalo Grove Golf by the end of 2012.	Continue to use a comprehensive, but flexible, marketing plan for both courses.	Revenues above \$2,407,000, compared to 2011 level of \$2,292,000.
Continue to market the Arboretum and Buffalo Grove Golf to increase new customer base by 10% by the end of 2012.	Use E-marketing, text marketing as well as the Chicago Golf Show in Rosemont to expand customer base.	Quantify number of new reserved time customers, new outing customers, and new league players as well as new pass holders compared to 2011.
Increase reserves to \$200,000 by 2014.	Maintain budgeted golf revenues while lowering expenses through evaluation of staffing.	Measure the golf reserve account at year end of 2014.
Maintain healthy club environment and goodwill with the residents of the village.	Be good neighbors with residents that live on both golf courses. Promote local golf programs for all residents of Buffalo Grove.	All neighbor complaints are handled at Department level. Golf programs made available through Village News Letter, golf web sites, as well as golf e-mailings.



Strategic Goal:

Establish profitability for golf operations and reinvest in facility infrastructure.

Outcome	Strategies	Performance Measures
Decrease full time labor expense per round by 15% by 2014.	Continue to review and make appropriate adjustments to full time staffing.	Full time salary levels in 2014 should be at \$540,000, compared to 2012 full time salary level of \$640,000.

**Strategic Goal:**

Provide for continuity in operations and succession planning due to upcoming retirements.

Outcome	Strategies	Performance Measures
Succession plan and training schedule.	Formulate and share with Village Manager succession plan for years 2012 through 2016.	Plan finalized by end of year 2012.

**Strategic Goal:**

Utilize technology to promote the golf courses and increase market share.

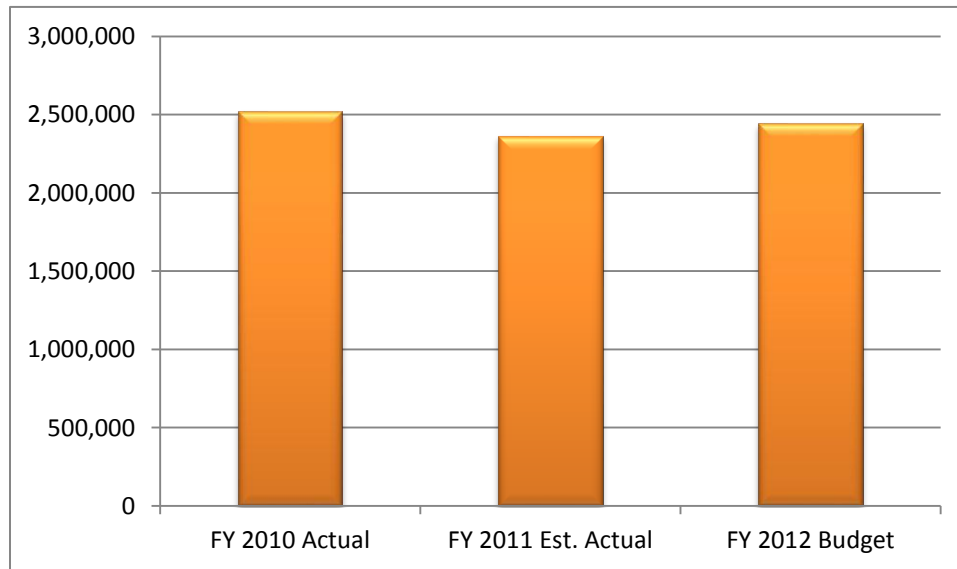
Outcome	Strategies	Performance Measures
A fully developed text marketing program promoting both courses.	Promote participation at the Chicago Golf Show in Rosemont, through the Village News, and all forms of golf communication text messaging program.	Have a customer base of at least 1,000 text message customers by the end of 2012.

2012 Staffing Summary

Golf Department - For 2012, the position of Golf Course Supervisor (Full-Time) is being eliminated and a lower grade Golf Course Maintenance Worker II (Full-Time) is being created.

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
ASSISTANT DIRECTOR OF GOLF OPERATIONS	1	0	1	0	1	0
ASSISTANT GOLF PROFESSIONAL	1	0	1	0	1	0
ASSISTANT GOLF PROFESSIONAL	0	2	0	2	0	2
DIRECTOR OF GOLF OPERATIONS	1	0	1	0	1	0
GOLF COURSE ATTENDANT - SEASONAL	0	15	0	15	0	15
GOLF COURSE CASHIER - SEASONAL	0	9	0	9	0	9
GOLF COURSE MAINTENANCE WORKER	0	1	0	1	0	1
GOLF COURSE MAINTENANCE WORKER - SEASONAL	0	14	0	14	0	14
GOLF COURSE MAINTENANCE WORKER II	0	0	0	0	1	0
GOLF COURSE MAINTENANCE WORKER III	1	0	1	0	1	0
GOLF COURSE STARTER/RANGER - SEASONAL	0	11	0	11	0	11
GOLF COURSE SUPERINTENDENT	1	0	1	0	1	0
GOLF COURSE SUPERVISOR	1	0	1	0	0	0
HEAD GOLF PROFESSIONAL	1	0	1	0	1	0
HORTICULTURIST	1	0	1	0	1	0
TOTAL	8	52	8	52	8	52
FULL & PART-TIME TOTAL	60		60		60	

2012 Budget Summary



	FY 2010 Actual	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services	1,157,557	1,109,100	1,117,607
Personal Benefits	356,162	352,550	336,488
Operating Expenses	380,631	341,750	334,750
Insurance & Pensions	23,200	21,600	21,600
Commodities	338,915	289,217	302,500
Maintenance & Repairs-Other	85,791	90,209	111,500
Maintenance & Repairs-Other	49,286	35,000	50,000
Maintenance & Repairs-Vehicles	39,394	37,000	42,000
Capital Equipment	0	1,125	4,000
Capital Projects-Facilities	48,931	54,000	70,000
Operating Transfers	0	0	70,106
All Other Expenses	42,055	33,100	37,500
Total	2,521,922	2,364,651	2,498,051

Buffalo Grove Golf Course Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
GOLF COURSE FEES:						
1221	Greens Fees	767,695	716,818	800,000	715,000	770,000
1222	Power Cart Rental	163,472	152,595	170,000	135,000	150,000
1223	Pull Cart Rental	6,301	5,839	6,000	5,000	5,000
1224	Driving Range Fees	70,439	64,948	72,000	56,000	70,000
1225	Memberships/Passes	88,265	81,807	90,000	82,000	85,000
1226	Club Storage Fees	395	425	500	395	400
1227	Locker Room Fees	335	150	300	225	300
1228	Merchandise Sales	66,702	68,230	75,000	65,000	70,000
1229	State Sales Taxes	6,804	6,701	7,500	5,500	7,000
1230	Club Rental Fees	3,374	1,441	1,500	750	1,000
1232	Rental Income	24,618	38,227	65,000	60,000	65,000
1233	Utility Reimbursements	15,170	4,755	15,000	12,000	15,000
1234	GPS Rental Fees	20,005	17,141	25,000	16,000	20,000
Sub-total-Golf Course Fees		1,233,575	1,159,077	1,327,800	1,152,870	1,258,700
Percent Change 2012 vs. 2011 Budget						-5.20%
						9.18%
INVESTMENT REVENUE:						
1241	Interest Income-Savings	-24	-314	500	0	0
1242	Interest Income-Investment Pool	0	0	0	0	0
Sub-total-Investment Revenue		-24	-314	500	0	0
Percent Change 2012 vs. 2011 Budget						-100.00%
OPERATING TRANSFERS:						
1271	Transfer From Corporate Fund	0	215,000	0	0	0
Sub-total-Operating Transfers		0	215,000	0	0	0
Percent Change 2012 vs. 2011 Budget						0.00%
ALL OTHER REVENUE:						
1299	Miscellaneous Revenue	-37	1,468	1,000	500	1,000
Sub-total-All Other Revenue		-37	1,468	1,000	500	1,000
Percent Change 2012 vs. 2011 Budget						0.00%
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GRAND TOTAL-BUFFALO GROVE GOLF CLUB		1,233,514	1,375,231	1,329,300	1,153,370	1,259,700
Percent Change 2012 vs. 2011 Budget						-5.24%

Buffalo Grove Golf Course Expense

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
PERSONAL SERVICES:						
3011	Salaries-Full Time	322,841	321,600	321,418	298,000	287,395
3012	Salaries-Overtime	25,902	24,144	23,000	21,000	24,480
3021	Salaries-Seasonal Grounds	24,899	31,592	6,000	26,000	12,240
3022	Salaries-Seasonal Clubhouse	58,998	53,050	58,000	78,000	81,600
3023	Salaries-Part Time Grounds	89,259	95,949	116,000	85,000	96,900
3024	Salaries-Part Time Clubhouse	80,298	70,218	68,000	35,000	37,740
3018	Longevity	3,800	3,800	3,800	3,800	3,000
Sub-total-Personal Services		605,997	600,353	596,218	546,800	543,355
Percent Change 2012 vs. 2011 Budget						-8.87%
PERSONAL BENEFITS:						
3111	Group Medical & Life Insurance	64,589	65,672	74,345	69,000	64,748
3112	Professional Training	0	401	500	0	1,000
3113	Dues & Memberships	989	3,156	3,200	3,200	3,200
3114	Uniform Rentals	4,088	3,773	3,500	3,500	3,500
3117	Safety Equipment	531	799	1,000	100	1,000
3125	Employer's Contribution-Pension	103,401	114,164	114,983	108,000	97,085
3129	ICMA/RC Deferred Compensation	2,873	2,843	3,600	3,600	1,800
Sub-total-Personal Benefits		176,471	190,808	201,128	187,400	172,333
Percent Change 2012 vs. 2011 Budget						-14.32%
OPERATING EXPENSES:						
3211	Telephone	5,488	4,687	5,000	4,500	4,500
3212	Postage	99	9	150	150	150
3213	Travel	0	0	500	0	500
3216	Maintenance Contracts	0	5,543	0	0	0
3219	Printing	414	539	500	200	500
3221	Computer Services	4,761	4,897	5,300	7,600	8,000
3230	Audit Fees	1,500	1,500	1,500	1,500	1,500
3240	Supplies-Clubhouse	9,688	6,537	7,000	6,500	7,000
3260	Supplies-Golf Course	7,709	6,725	7,000	5,500	7,000
3370	Merchandise Purchases	69,577	47,850	50,000	46,500	45,000
3380	Golf Cart Rental	40,288	35,768	36,000	29,000	33,000
3390	Driving Range	2,378	2,776	3,000	3,200	3,000
3391	Advertising & Promotions	9,848	10,063	10,000	9,000	10,000
3392	GPS Expense	43,194	34,938	36,000	36,000	30,000
3395	State Sales Tax	6,011	7,362	6,700	5,000	6,500
Sub-total-Operating Expenses		200,955	169,194	168,650	154,650	156,650
Percent Change 2012 vs. 2011 Budget						-7.12%
INSURANCE & PENSIONS:						
3511	Risk Management Pool	10,000	10,000	10,000	10,000	10,000
3512	Unemployment Insurance	1,600	1,600	800	800	800
Sub-total-Insurance & Pensions		11,600	11,600	10,800	10,800	10,800
Percent Change 2012 vs. 2011 Budget						0.00%
COMMODITIES:						
3811	Electric-Facilities	93,938	76,268	65,000	58,000	60,000
3812	Gas-Facilities	8,137	9,586	12,000	9,000	10,000
3823	Chemicals & Fertilizers	62,310	71,050	65,000	60,000	65,000
3824	Small Equipment Tools & Hardware	1,300	429	1,000	300	1,000
Sub-total-Commodities		165,685	157,333	143,000	127,300	136,000
Percent Change 2012 vs. 2011 Budget						-4.90%

Buffalo Grove Golf Course Expense

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
MAINTENANCE & REPAIRS-FACILITIES:						
3916	Buildings & Facilities	9,642	12,504	10,000	7,000	10,000
3917	Golf Course	43,948	38,689	35,500	34,000	34,500
3919	Irrigation Systems	5,749	3,676	5,000	8,177	10,000
	Sub-total-Maintenance & Repairs-Other	59,339	54,869	50,500	49,177	54,500
	Percent Change 2012 vs. 2011 Budget					7.92%
MAINTENANCE & REPAIRS-OTHER:						
4111	Department Equipment	32,426	27,122	25,000	23,000	30,000
	Sub-total-Maintenance & Repairs-Other	32,426	27,122	25,000	23,000	30,000
	Percent Change 2012 vs. 2011 Budget					20.00%
MAINTENANCE & REPAIRS-VEHICLES:						
4211	Gasoline	15,764	25,511	24,000	22,000	25,000
	Sub-total-Maintenance & Repairs-Vehicles	15,764	25,511	24,000	22,000	25,000
	Percent Change 2012 vs. 2011 Budget					4.17%
CAPITAL EQUIPMENT:						
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment	0	0	1,000	0	1,000
4317	Reserve for Computer Replacement	0	0	0	0	1,000
4325	Depreciation-Other	0	0	0	0	0
	Sub-total-Capital Equipment	0	0	1,000	0	2,000
	Percent Change 2012 vs. 2011 Budget					100.00%
CAPITAL PROJECTS-FACILITIES:						
4611	Building Improvements	0	0	3,000	1,000	3,000
4613	Golf Course Improvements	20,827	26,941	48,500	35,500	32,000
	Sub-total-Capital Projects-Facilities	20,827	26,941	51,500	36,500	35,000
	Percent Change 2012 vs. 2011 Budget					-32.04%
OPERATING TRANSFERS:						
4811	Trans-Corporate Fund	0	0	0	0	0
4812	Trans-Debt Service Fund	0	0	0	0	0
4816	Trans-Arboretum Golf Course Fund	0	0	36,004	0	70,106
	Sub-total-Operating Transfers	0	0	36,004	0	70,106
	Percent Change 2012 vs. 2011 Budget					94.72%
ALL OTHER EXPENSES:						
4928	IRMA Deductible-Workers Comp	0	0	0	0	0
4953	Credit Card Fees/Charges	23,134	23,627	21,000	18,000	20,000
4935	All Other Expenses	0	90	500	100	500
	Sub-total-All Other Expenses	23,134	23,717	21,500	18,100	20,500
	Percent Change 2012 vs. 2011 Budget					-4.65%
GRAND TOTAL-BUFFALO GROVE GOLF CLUB						
	Percent Change 2012 vs. 2011 Budget	1,312,198	1,287,448	1,329,300	1,175,727	1,256,244
						-5.50%

Arboretum Golf Course Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
GOLF COURSE FEES:						
1221	Greens Fees	723,886	634,129	724,000	775,000	775,000
1222	Power Cart Rental	150,921	129,014	160,000	155,000	194,000
1223	Pull Cart Rental	1,262	403	750	700	700
1225	Memberships/Passes	30,381	30,381	35,000	35,000	35,000
1227	Locker Room Fees	0	0	500	100	200
1228	Merchandise Sales	42,618	38,931	60,000	48,000	60,000
1229	Sales Tax Revenue	3,288	3,268	4,800	3,800	4,800
1230	Club Rentals	3,100	2,770	3,600	1,700	2,000
1232	Rental Income	80,773	53,418	54,000	50,000	55,000
1233	Utility Reimbursements	6,346	3,551	30,000	25,000	25,000
1234	GPS Income	33,343	27,224	30,000	25,000	0
1235	Coupon Sales	7,785	4,323	10,000	20,000	20,000
Sub-total-Golf Course Fees		1,083,703	927,412	1,112,650	1,139,300	1,171,700
Percent Change 2012 vs. 2011 Budget						5.31%
						2.84%
INVESTMENT REVENUE:						
1241	Interest Income-Savings	0	0	0	0	0
1242	Interest Income-Investment Pool	0	0	250	0	0
Sub-total-Investment Revenue		0	0	250	0	0
Percent Change 2012 vs. 2011 Budget						-100.00%
OPERATING TRANSFERS:						
1271	Transfer From Corporate Fund-Contingency	0	453,000	0	0	0
1273	Transfer From Golf Fund	0	0	36,004	0	70,106
Sub-total-Operating Transfers		0	453,000	36,004	0	70,106
Percent Change 2012 vs. 2011 Budget						94.72%
ALL OTHER REVENUE:						
1299	Miscellaneous Revenue	0	150	0	0	0
1299	GPS Advertising	0	0	0	0	0
Sub-total-All Other Revenue		0	150	0	0	0
Percent Change 2012 vs. 2011 Budget						0.00%
<hr/>						
GRAND TOTAL-ARBORETUM GOLF COURSE		1,083,703	1,380,562	1,148,904	1,139,300	1,241,806
Percent Change 2012 vs. 2011 Budget						8.09%

Arboretum Golf Course Expense

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
PERSONAL SERVICES:						
3011	Salaries-Full Time	349,441	354,821	358,266	360,000	365,431
3012	Salaries-Overtime	28,924	29,283	26,000	26,500	28,560
3021	Salaries-Seasonal Grounds	0	1,872	5,000	4,000	5,100
3022	Salaries-Seasonal Clubhouse	74,012	67,869	72,000	72,000	73,440
3023	Salaries-Part Time Grounds	93,920	99,359	106,000	96,000	97,920
3018	Longevity	3,400	4,000	3,800	3,800	3,800
Sub-total-Personal Services		549,697	557,204	571,066	562,300	574,251
Percent Change 2012 vs. 2011 Budget						0.56%
PERSONAL BENEFITS:						
3111	Group Medical & Life Insurance	47,249	43,611	48,571	49,000	48,571
3112	Professional Training	885	893	500	400	500
3113	Dues & Memberships	4,429	3,329	2,500	3,000	2,500
3114	Uniform Rentals	5,685	6,983	3,500	6,000	3,500
3117	Safety Equipment	238	809	500	250	500
3125	Employer's Contribution-Pension	96,188	106,886	107,510	106,500	108,584
3129	ICMA/RC Deferred Compensation	2,873	2,843	0	0	0
Sub-total-Personal Benefits		157,548	165,354	163,081	165,150	164,155
Percent Change 2012 vs. 2011 Budget						0.66%
OPERATING EXPENSES:						
3211	Telephone	6,183	5,264	5,000	4,500	4,000
3212	Postage	75	0	100	0	100
3213	Travel	189	0	500	0	500
3219	Printing	410	0	500	200	500
3221	Computer Services	4,280	4,403	6,000	3,000	6,000
3230	Audit Fees	1,500	1,500	1,500	1,500	1,500
3231	Fiscal Agent Fees	0	0	0	0	0
3240	Supplies-Clubhouse	6,795	6,136	5,000	5,200	5,000
3260	Supplies-Golf Course	10,956	17,150	13,000	9,000	15,000
3370	Merchandise Purchases	47,958	58,187	45,000	44,500	45,000
3380	Golf Cart Rental	45,336	43,686	42,000	43,000	76,000
3391	Advertising & Promotions	19,991	18,407	20,000	18,500	20,000
3392	GPS Expense	58,539	53,746	54,000	54,000	0
3395	Sales Tax	3,178	2,958	4,500	3,700	4,500
Sub-total-Operating Expenses		205,388	211,437	197,100	187,100	178,100
Percent Change 2012 vs. 2011 Budget						-9.64%
INSURANCE & PENSIONS:						
3511	Risk Management Pool	10,000	10,000	10,000	10,000	10,000
3512	Unemployment Insurance	1,600	1,600	800	800	800
Sub-total-Insurance & Pensions		11,600	11,600	10,800	10,800	10,800
Percent Change 2012 vs. 2011 Budget						0.00%
COMMODITIES:						
3811	Electric-Facilities	67,166	65,087	60,000	53,000	55,000
3812	Gas-Facilities	15,622	20,702	18,000	16,000	18,000
3823	Chemicals & Fertilizers	89,056	95,664	93,000	92,600	93,000
3824	Small Equipment Tools & Hardware	521	129	500	317	500
Sub-total-Commodities		172,364	181,582	171,500	161,917	166,500
Percent Change 2012 vs. 2011 Budget						-2.92%

Arboretum Golf Course Expense

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
MAINTENANCE & REPAIRS-FACILITIES:						
3916	Buildings & Facilities	10,577	10,100	10,000	19,000	15,000
3917	Golf Course	16,546	11,733	25,500	19,000	29,000
3919	Irrigation Systems	4,793	9,089	13,000	3,032	13,000
	Sub-total-Maintenance & Repairs-Other	31,916	30,922	48,500	41,032	57,000
	Percent Change 2012 vs. 2011 Budget					17.53%
MAINTENANCE & REPAIRS-OTHER:						
4111	Department Equipment	18,563	22,164	25,000	12,000	20,000
	Sub-total-Maintenance & Repairs-Other	18,563	22,164	25,000	12,000	20,000
	Percent Change 2012 vs. 2011 Budget					-20.00%
MAINTENANCE & REPAIRS-VEHICLES:						
4211	Gasoline	12,395	13,883	15,000	15,000	17,000
	Sub-total-Maintenance & Repairs-Vehicles	12,395	13,883	15,000	15,000	17,000
	Percent Change 2012 vs. 2011 Budget					13.33%
CAPITAL EQUIPMENT:						
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment	0	0	2,000	1,125	2,000
4325	Depreciation-Other	0	0	0	0	0
	Sub-total-Capital Equipment	0	0	2,000	1,125	2,000
	Percent Change 2012 vs. 2011 Budget					0.00%
CAPITAL PROJECTS-FACILITIES:						
4611	Building Improvements	0	0	1,000	0	2,000
4613	Golf Course Improvements	29,742	21,990	30,500	17,500	33,000
	Sub-total-Capital Projects-Facilities	29,742	21,990	31,500	17,500	35,000
	Percent Change 2012 vs. 2011 Budget					11.11%
OPERATING TRANSFERS:						
4812	Trans-Debt Service Fund	0	0	0	0	0
	Sub-total-Operating Transfers	0	0	0	0	0
	Percent Change 2012 vs. 2011 Budget					0.00%
ALL OTHER EXPENSES:						
4928	IRMA Deductible-Workers Comp	0	0	0		
4953	Credit Card Fee/Charges	20,003	18,238	17,000	15,000	17,000
4935	All Other Expenses	0	100	500	0	0
	Sub-total-All Other Expenses	20,003	18,338	17,500	15,000	17,000
	Percent Change 2012 vs. 2011 Budget					-2.86%
<hr/>						
	GRAND TOTAL-ARBORETUM GOLF COURSE	1,209,215	1,234,474	1,253,047	1,188,924	1,241,806
	Percent Change 2012 vs. 2011 Budget					-0.90%

Water and Sewer Fund

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

For FY 2012, the proposed revenue budget for the Village's Water and Sewer Fund totals \$8,118,786 compared to \$9,304,458 for FY 2011, a decrease of \$1,185,672 or 12.7 percent. When compared to the FY 2011 Estimated Actual of \$8,134,266, the proposed budget is \$15,480 lower.

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

Building Revenue & Fees: The revenue forecast totals less than a percent of the proposed Budget. This account group takes into consideration anticipated building and development plans, tempered by analysis and review by staff in a manner comparable to that followed for the development of the Corporate Fund budget. Review incorporates a conservative, realistic outlook using factors such as economics, current development trends, status relative to the overall review process of the Village prior to final permitting along with the feasibility of the project assumed by a developer versus the goals and desires of the Village in meeting comprehensive planning targets. Total fees are expected to be 41 percent less than the 2011 budget.

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

Sales of Water and Village Sewer Use Charges are based on the current metered consumption rate (\$3.00/1,000 gallons), further allocating the charge at \$2.40 and \$.60/1,000 gallons respectively. Over the last three years, the consumption of water has decreased by 15 percent. Given the significant drop in usage, due to both economic and weather conditions, no growth in consumption was factored for FY 2012.

Overall calendar 2011, residential consumption is averaging 6,200 gallons/month compared to 7,469 since calendar 1976). As noted, the village experienced a cool and wet spring coupled with a mild summer that impacted the use of water for irrigation purposes. The economy has impacted the revenue as there is a growing amount of vacant homes in the Village. The 2010 Census indicates that the Village's population is shrinking. From a broader perspective, the Village's efforts towards water conservation, the maturity of the community, the use of native plantings, and more efficient appliances have all played a significant role in the decline in the amount of water consumed.

Bond fee revenue is based upon fiscal year debt service requirements adjusted for other non-fee/rate sources of funds used to moderate the requirements downward. As of January 1, 2012, the monthly flat fee charged to each user/consumer within the Village is \$1.90 per month.

The last line item of significance is Lake County Sanitary Sewer Treatment Fees. There is a significant decrease in revenue related to the Village's collection of sanitary sewer fees on behalf of the Lake County. Revenue dropped by \$761,589 due to the change in billing methodology from a fixed fee to a fee based on actual consumption. The fixed fee was based on a residential equivalent assumption of 7,500 gallons of water per month. Many households did not actually use that much water and it is demonstrated in the revenue decline.

A rate increase is not proposed for the start of FY 2012. A rate analysis will be conducted during the year with a recommendation to be made either mid-year or for 2013. The current rate structure is not aligned with fund expenses and the need to build reserves for future infrastructure improvements.

Water and Sewer Fund Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Building Revenue & Fees:						
1150	Water Connection Fees	3,905	7,430	2,500	1,500	1,500
1151	Lake County Sewer Tap-On Fees	46,920	133,995	40,000	27,350	25,000
1152	Village Sewer Tap-On Fees	580	2,252	500	500	500
1153	Water Meter Sales	4,337	11,642	1,500	3,034	3,500
1154	System Improvement Fees	16,331	27,120	17,500	7,500	7,500
1155	Sewer T.V. Inspection Fees	-	2,300	2,300	0	0
1156	Recapture Fees	58,388	0	0	0	0
Sub-total-Building Revenue & Fees		130,461	184,739	64,300	39,884	38,000
Percent Change 2012 vs. 2011 Budget						-40.90%
Sales of Water:						
1201	Sales Of Water	2,628,274	3,134,017	3,455,430	3,145,944	3,146,000
1202	Late Charges	17,888	27,049	24,000	27,040	27,000
1204	Construction Water	558	2,469	1,000	750	750
1205	Village Sewer Use Fees	583,392	780,110	863,858	793,129	795,000
1206	Lake County Sewer Fees	4,325,654	4,558,903	4,435,350	3,673,761	3,673,761
1210	Other Service Charges & Fees	-	0	0	0	0
1211	Revenue Bond Fees-Northwest Water Comm	424,286	404,233	407,000	404,008	404,100
Sub-total-Sales of Water		7,980,052	8,906,781	9,186,638	8,044,632	8,046,611
Percent Change 2012 vs. 2011 Budget						-12.41%
Investment Revenue:						
1241	Interest Income-Savings	1,969	1,652	1,700	1,000	500
1242	Interest Income-Investment Pool	3,442	495	300	150	75
1243	Interest Income-Money Market	71	15	20	100	100
1244	Interest Income-Certificates of Deposit	64,122	61,203	32,000	30,000	20,000
1245	Interest Income-Government Securities	13,688	17,843	17,000	12,500	11,000
Sub-total-Investment Revenue		83,292	81,208	51,020	43,750	31,675
Percent Change 2012 vs. 2011 Budget						-37.92%
All Other Revenue:						
1299	All Other Income	(471,610)	2,133	2,500	6,000	2,500
Sub-total-All Other Revenue		(471,610)	2,133	2,500	6,000	2,500
Percent Change 2012 vs. 2011 Budget						0.00%
Grand Total-Water Fund Revenue		7,722,195	9,174,861	9,304,458	8,134,266	8,118,786
Percent Change 2012 vs. 2011 Budget						-12.74%

Water Operation Expenses

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	566,758	648,217	663,964	638,430	685,649
3012	Salaries-Overtime	65,536	56,289	49,678	49,793	51,096
3014	Salaries-Part Time	778	0	37,448	0	38,197
3018	Longevity Pay	4,750	5,510	4,960	4,960	5,560
Sub-total-Personal Services		637,822	710,016	756,050	693,183	780,502
Percent Change 2012 vs. 2011 Budget						3.23%
Personal Benefits:						
3111	Group Medical & Life Insurance	94,448	93,533	113,628	89,310	113,628
3112	Professional Training	1,178	179	1,800	1,200	1,800
3113	Dues & Memberships	243	246	774	600	774
3114	Uniform Rental	2,905	2,519	2,985	2,100	2,169
3115	Clothing Allowance	1,097	1,017	1,880	1,500	1,880
3117	Safety Equipment	2,007	6,558	6,900	3,500	6,900
3125	Employer's Contribution-Pension	119,191	140,204	150,681	152,135	151,238
3129	ICMA/RC Deferred Compensation	1,396	2,607	1,770	1,770	847
Sub-total-Personal Benefits		222,465	246,863	280,418	252,115	279,236
Percent Change 2012 vs. 2011 Budget						-0.42%
Operating Expenses:						
3211	Telephone	4,825	4,333	7,536	5,800	7,536
3216	Maintenance Contracts	34,638	15,642	89,765	75,000	89,765
3217	Equipment Rental	396	431	1,018	500	1,018
3218	Subscriptions & Publications	0	0	0	0	0
3219	Printing	0	120	4,000	2,000	4,000
3240	Supplies-Office	463	441	500	500	500
3250	Supplies-All Other	1,261	1,358	2,800	2,300	2,800
Sub-total-Operating Expenses		41,583	22,325	105,619	86,100	105,619
Percent Change 2012 vs. 2011 Budget						0.00%
Insurance:						
3511	Risk Management Pool	109,942	109,942	129,942	129,942	129,942
3512	Unemployment Insurance	1,920	2,560	1,280	1,280	1,280
Sub-total-Insurance		111,862	112,502	131,222	131,222	131,222
Percent Change 2012 vs. 2011 Budget						0.00%
Commodities:						
3814	Electric-Water & Sewer	234,373	249,117	230,000	217,362	230,000
3815	Gas-Water & Sewer	1,776	1,465	3,000	1,800	3,000
3817	Water Sample Analysis	7,835	11,693	11,720	10,000	11,720
3820	Water Meter Purchases	15,420	11,169	16,600	18,000	21,500
3823	Chemicals & Fertilizers	3,691	2,220	5,220	3,000	5,220
3824	Small Equipment Tools & Hardware	1,040	1,323	1,600	1,500	1,600
Sub-total-Commodities		264,135	276,987	268,140	251,662	273,040
Percent Change 2012 vs. 2011 Budget						1.83%
Maintenance & Repairs-Facilities:						
3911	Sidewalks/Bikeways	18,558	8,056	25,000	19,000	25,000
3916	Buildings & Facilities	10,736	132	70,000	60,000	70,000
Sub-total-Maintenance & Facilities		29,294	8,188	95,000	79,000	95,000
Percent Change 2012 vs. 2011 Budget						0.00%

Water Operation Expenses

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Maintenance & Repairs-Water & Sewer:						
4011	Well Equipment	2,463	4,195	8,000	6,000	8,000
4012	Pumping Stations	2,463	5,953	5,000	4,200	5,000
4013	Watermains & Services	14,092	13,456	12,000	12,000	16,000
4014	Reservoirs	1,169	1,831	5,000	3,000	5,000
4015	Water Meters	5,819	7,254	9,500	8,000	14,000
4016	Hydrants & Valves	21,853	7,900	15,000	15,000	20,000
Sub-total-Maintenance & Repairs-Water & Sewer		47,859	40,589	54,500	48,200	68,000
Percent Change 2012 vs. 2011 Budget						24.77%
Maintenance & Repairs-Other:						
4111	Department Equipment	1,697	265	2,000	7,200	16,000
4112	Radios	0	306	500	300	500
Sub-total-Maintenance & Repairs-Other		1,697	571	2,500	7,500	16,500
Percent Change 2012 vs. 2011 Budget						560.00%
Maintenance & Repairs-Vehicles:						
4211	Gasoline	4,424	3,890	6,331	6,685	8,396
4212	Diesel Fuel	6,151	10,101	14,297	13,200	17,299
4213	Automotive Parts	7,859	9,748	13,915	7,714	9,486
4214	Garage Labor	28,219	29,461	27,380	27,428	32,897
4215	Lubricants	0	2,498	875	0	1,033
4216	Garage Overhead	0	0	0	0	0
4218	Contractual Auto Services	11,224	3,992	5,000	8,057	9,394
Sub-total-Maintenance & Repairs-Vehicles		57,877	59,690	67,798	63,084	78,505
Percent Change 2012 vs. 2011 Budget						15.79%
Capital Equipment:						
4311	Automobiles & Trucks	0	0	0	0	0
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment-Department	0	600	6,000	6,000	6,000
4317	Reserve for Computer Replacement	0	0	0	1,500	0
4325	Depreciation-Other	0	0	0	0	0
Sub-total-Capital Equipment		0	600	6,000	7,500	6,000
Percent Change 2012 vs. 2011 Budget						0.00%
Capital Projects-Water:						
4412	System Improvements	129,067	48,944	3,070,000	1,480,000	1,489,000
4413	Reserve-Well Improvements	0	0	5,000	5,000	5,000
4414	Recapture Payments	0	0	0	120,000	0
Sub-total-Capital Projects-Water		129,067	48,944	3,075,000	1,605,000	1,494,000
Percent Change 2012 vs. 2011 Budget						-51.41%
Debt Service:						
4722	Payments to Northwest Water Commission	434,260	430,699	429,428	429,428	440,163
Sub-total-Debt Service		434,260	430,699	429,428	429,428	440,163
Percent Change 2012 vs. 2011 Budget						2.50%
Operating Transfers:						
4811	Transfer-Corporate Fund	705,000	705,000	705,000	705,000	705,000
4812	Transfer-Debt Service Fund	180,000	180,000	180,000	180,000	180,000
Sub-total-Operating Transfers		885,000	885,000	885,000	885,000	885,000
Percent Change 2012 vs. 2011 Budget						0.00%

Water Operation Expenses

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
All Other Expenses:						
4924	Northwest Water Commission	1,229,727	1,267,270	1,382,005	1,349,084	1,393,850
4935	All Other Expenses	36	0	0	0	0
Sub-total-All Other Expenses		1,229,763	1,267,270	1,382,005	1,349,084	1,393,850
Percent Change 2012 vs. 2011 Budget						-0.86%
Grand Total-Water & Sewer Enterprise		4,092,684	4,110,244	7,538,680	5,888,078	6,046,637
Percent Change 2012 vs. 2011 Budget						-19.79%

Sewer Operation Expenses

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3011	Salaries-Full Time	278,122	255,208	270,704	232,549	278,320
3012	Salaries-Overtime	26,437	23,878	11,549	18,000	11,780
3018	Longevity Pay	1,800	2,034	1,969	1,969	2,369
	Sub-total-Personal Services	306,359	281,120	284,222	252,518	292,469
	Percent Change 2012 vs. 2011 Budget					2.90%
Personal Benefits:						
3111	Group Medical & Life Insurance	71,507	64,729	90,805	90,503	90,805
3112	Professional Training	304	73	400	300	400
3113	Dues & Memberships	0	120	160	160	160
3114	Uniform Rental	1,364	1,259	1,622	1,250	1,100
3115	Clothing Allowance	442	448	701	501	701
3117	Safety Equipment	1,222	5,017	7,780	6,000	7,780
3125	Employer's Contribution-Pension	58,021	59,302	58,464	58,464	58,547
3129	ICMA/RC Deferred Compensation	449	405	275	275	92
	Sub-total-Personal Benefits	133,309	131,353	160,207	157,453	159,585
	Percent Change 2012 vs. 2011 Budget					-0.39%
Operating Expenses:						
3211	Telephone	18,326	15,343	16,355	15,000	14,795
3216	Maintenance Contracts	0	17,633	23,112	21,000	23,112
3217	Equipment Rental	5,035	6,799	488	400	433
3218	Subscriptions & Publications	0	0	150	150	0
3240	Supplies-Office	432	383	500	500	500
3250	Supplies-All Other	1,147	2,343	3,500	3,200	3,500
	Sub-total-Operating Expenses	24,940	42,501	44,105	40,250	42,340
	Percent Change 2012 vs. 2011 Budget					-4.00%
Insurance:						
3511	Risk Management Pool	36,648	36,648	41,648	41,648	41,648
3512	Unemployment Insurance	1,280	1,280	640	640	640
	Sub-total-Insurance	37,928	37,928	42,288	42,288	42,288
	Percent Change 2012 vs. 2011 Budget					0.00%
Commodities:						
3814	Electric-Water & Sewer	38,342	47,563	45,000	45,000	45,000
3818	Lake County Tap-On Fees	23,800	125,800	40,000	27,350	40,000
3819	Lake County Treatment Fees	4,448,485	4,533,134	4,435,350	3,673,761	3,673,761
3824	Small Equipment Tools & Hardware	500	1,493	1,500	1,250	1,500
	Sub-total-Commodities	4,511,127	4,707,990	4,521,850	3,747,361	3,760,261
	Percent Change 2012 vs. 2011 Budget					-16.84%
Maintenance & Repairs-Water & Sewer:						
4017	Storm and Sanitary Sewers	4	737	2,500	2,500	2,500
4018	Lift Stations	11,171	13,709	14,200	18,000	14,200
	Sub-total-Maintenance & Repairs- Water & Sewer	11,175	14,446	16,700	20,500	16,700
	Percent Change 2012 vs. 2011 Budget					0.00%
Maintenance & Repairs-Other:						
4111	Department Equipment	2,740	2,663	6,200	6,000	6,200
4112	Radios	0	0	200	200	200
	Sub-total-Maintenance & Repairs-Other	2,740	2,663	6,400	6,200	6,400
	Percent Change 2012 vs. 2011 Budget					0.00%

Sewer Operation Expenses

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Maintenance & Repairs-Vehicles:						
4211	Gasoline	200	2,008	2,400	2,400	2,751
4212	Diesel Fuel	1,213	5,182	7,280	7,280	8,979
4213	Automotive Parts	468	4,522	3,521	4,000	5,264
4214	Garage Labor	4,960	7,803	10,952	10,952	18,476
4215	Lubricants	0	0	625	500	738
4218	Contractual Auto Services	2,206	273	3,000	3,000	4,000
Sub-total-Maintenance & Repairs-Vehicles		9,047	19,788	27,778	28,132	40,208
Percent Change 2012 vs. 2011 Budget						44.75%
Capital Equipment:						
4311	Automobiles & Trucks	0	0	0	0	0
4315	Reserve for Capital Replacement	0	0	0	0	0
4316	Operating Equipment-Department	0	7,089	7,500	7,000	7,500
4317	Reserve for Computer Replacement	0	0	0	0	0
Sub-total-Capital Equipment		0	7,089	7,500	7,000	7,500
Percent Change 2012 vs. 2011 Budget						0.00%
Capital Projects-Sewer:						
4412	System Improvements	26,555	27,546	370,000	370,000	950,000
4414	Recapture Fees	55,299	0	0	0	0
Sub-total-Capital Projects-Sewer		81,854	27,546	370,000	370,000	950,000
Percent Change 2012 vs. 2011 Budget						156.76%
All Other Expenses:						
4935	All Other Expenses	0	0	75	75	75
Sub-total-All Other Expenses		0	0	75	75	75
Percent Change 2012 vs. 2011 Budget						0.00%
Grand Total-Sewer Operations						
Grand Total-Sewer Operations		5,118,479	5,272,424	5,481,125	4,671,777	5,317,826
Percent Change 2012 vs. 2011 Budget						-2.98%

Refuse Fund

The Refuse Fund was established as required by the project use agreement between the Village and the Solid Waste Agency of Northern Cook County (SWANCC). The Fund accounts for all user fees collected by the Village on behalf of the Agency for transfer and waste disposal services. The budget is based on the FY 2012-2013 commitment by the Village of an estimated 16,716 tons of refuse to be process at a rate of \$57.53/ton.

Refuse Service Fund Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
All Other Income:						
1298	SWANCC User Fees	1,004,431	966,538	1,046,730	1,037,025	1,039,387
	Sub-total-All Other Income	1,004,431	966,538	1,046,730	1,037,025	1,039,387
	Percent Change 2012 vs. 2011 Budget					-0.70%
	GRAND TOTAL-REFUSE SERVICE FUND	1,004,431	966,538	1,046,730	1,037,025	1,039,387
	Percent Change 2012 vs. 2011 Budget					-0.70%

Refuse Service Fund Expense

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
All Other Expenses:						
4922	SWANCC User Fees	944,393	936,197	961,691	946,684	969,321
	Sub-total-All Other Expenses	944,393	936,197	961,691	946,684	969,321
	Percent Change 2012 vs. 2011 Budget					0.79%
	Grand Total-Refuse Service Fund	944,393	936,197	961,691	946,684	969,321
	Percent Change 2012 vs. 2011 Budget					0.79%

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Section 8

Fiduciary Funds

Police Pension Fund

Firefighters Pension Fund



Police Pension Fund

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

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

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

The 2012 budget includes pensions for 34 annuitants. 29 are traditional retirements, two are disability pensions, two are surviving spouses, and one deferred pensioner.

Performance Activities and Measures

	2010 Actual	2011 Estimate	2012 Projected
Unfunded Liability (in thousands)	\$27,561	\$29,125	\$31,000
Assets (in thousands)	\$41,427	\$43,500	\$45,500
Percent Funded	60.0%	62.5%	65.0%
Number of Active Participants	70	68	68
Number of Inactive Participants	30	34	37
Average Five-Year Investment Rate of Return	5.10%		
Average Seven-Year Investment Rate of Return	4.49%		

Police Pension Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Investment Revenue:						
1241	Interest Income-Savings	3,533	12,532	1,200	2,000	1,200
1242	Interest Income-Investment Pool	15,075	2,955	2,000	620	100
1243	Interest Income-Money Market	40	17	25	60	60
1245	Interest Income-Government Securities	10,000	60,097	10,000	48,000	35,000
1246	Amortization-Security Discount/(Premium)	777,460	596,301	449,579	473,749	371,816
1247	Loss/Gain-Security Transactions	-922,123	411,903	0	0	0
1248	Annuity Gain/Losses	2,421,821	2,082,115	675,000	200,000	967,000
1249	Stock Dividends	175,507	287,230	170,000	210,000	210,000
Sub-total-Investment Revenue		2,481,313	3,453,150	1,307,804	934,429	1,585,176
Percent Change 2012 vs. 2011 Budget						21.21%
Operating Transfers:						
1271	Transfers From Corporate Fund	1,723,425	1,955,925	2,134,544	2,147,150	2,159,838
Sub-total-Operating Transfers		1,723,425	1,955,925	2,134,544	2,147,150	2,159,838
Percent Change 2012 vs. 2011 Budget						1.18%
All Other Revenue:						
1296	Pension Withheld	601,882	636,117	618,429	602,789	569,300
1299	All Other Income	24,577	69,723	0	229,523	0
Sub-total-All Other Revenue		626,459	705,840	618,429	832,312	569,300
Percent Change 2012 vs. 2011 Budget						-7.94%
Grand Total-Police Pension Fund		4,831,197	6,114,915	4,060,777	3,913,891	4,314,314
Percent Change 2012 vs. 2011 Budget						6.24%

Revenue in excess of amounts necessary to provide for benefits and fund expenditures will be applied toward the satisfaction of both future and past service benefit obligations as determined as the output of annual fund actuarial analysis.

Police Pension Expense

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Benefits:						
3131	Survivor Pension-Police	-	98,534	98,534	98,534	98,534
3133	Pension Payments-Police	1,369,312	1,372,018	1,349,398	1,608,313	1,815,601
3135	Disability Payments-Police	89,528	89,528	89,528	89,528	89,528
3138	Pension Refund-Police	-	-	-	-	-
Sub-total-Personal Benefits		1,458,840	1,560,080	1,537,460	1,796,375	2,003,663
Percent Change 2012 vs. 2011 Budget						30.32%
All Other Expenses:						
4935	All Other Expenses	55,674	34,895	13,000	18,000	32,000
4958	Investment/Broker Fees	83,707	96,789	100,000	105,000	105,000
Sub-total-All Other Expenses		139,381	131,684	113,000	123,000	137,000
Percent Change 2012 vs. 2011 Budget						21.24%
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Grand Total-Police Pension Fund		1,598,221	1,691,764	1,650,460	1,919,375	2,140,663
Percent Change 2012 vs. 2011 Budget						29.70%

Firefighters Pension Fund

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

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

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

The 2012 budget includes pensions for 20 annuitants. 15 are traditional retirements, three are disability pensions and two are surviving spouses.

Performance Activities and Measures

	2010 Actual	2011 Estimate	2012 Projected
Unfunded Liability (in thousands)	\$19,384	\$21,125	\$23,000
Assets (in thousands)	\$29,149	\$31,100	\$33,500
Percent Funded	63.3%	65.3%	67.3%
Number of Active Participants	62	61	61
Number of Inactive Participants	12	20	22
Average Five-Year Investment			
Rate of Return	3.92%		
Average Seven-Year Investment			
Rate of Return	4.53%		

Departmental Staffing

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

Fire Pension Fund Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Investment Revenue:						
1241	Interest Income-Savings	1,369	2,208	500	400	250
1242	Interest Income-Investment Pool	1,201	27	100	0	0
1243	Interest Income-Money Market	(848)	21	100	20	20
1244	Interest Income-Certificates of Deposit	378,382	715,743	150,000	320,926	310,000
1245	Interest Income-Government Securities	20,400	8,255	0	50,000	50,000
1246	Amortization-Security Discount or Premium	541,857	-	100,000	110,000	120,252
1247	Loss/Gain-Security Transactions	(604,780)	(32,107)	0	0	0
1248	Annuity Gain/Losses	2,746,161	1,739,953	806,000	100,000	911,009
Sub-total-Investment Revenue		3,083,742	2,434,100	1,056,700	581,346	1,391,531
Percent Change 2012 vs. 2011 Budget						31.69%
Operating Transfers:						
1271	Transfers From Corporate Fund	1,876,726	1,853,285	1,960,467	1,984,161	2,003,757
Sub-total-Operating Transfers		1,876,726	1,853,285	1,960,467	1,984,161	2,003,757
Percent Change 2012 vs. 2011 Budget						2.21%
All Other Revenue:						
1296	Pension Withheld	506,386	518,788	528,748	507,022	496,574
1299	All Other Income	747	9,906	0	0	0
Sub-total-All Other Revenue		507,133	528,694	528,748	507,022	496,574
Percent Change 2012 vs. 2011 Budget						-6.08%
Grand Total-Fire Pension Fund		5,467,601	4,816,079	3,545,915	3,072,529	3,891,862
Percent Change 2012 vs. 2011 Budget						9.76%

Fire Pension Fund Expense

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Benefits:						
3132	Survivor Pension-Fire	-	88,855	88,855	88,855	88,855
3134	Pension Payments-Fire	367,591	372,078	551,222	684,999	1,003,673
3136	Disability Payments-Fire	212,279	123,238	123,238	123,238	123,238
3139	Pension Refund-Fire	-		0		
Sub-total-Personal Benefits		579,870	584,171	763,315	897,092	1,215,766
Percent Change 2012 vs. 2011 Budget						59.27%
All Other Expenses:						
4935	All Other Expenses	72,465	46,448	42,000	43,738	58,738
4958	Investment/Broker Fees	-	10,714	50,000	45,000	45,000
Sub-total-All Other Expenses		72,465	57,162	92,000	88,738	103,738
Percent Change 2012 vs. 2011 Budget						12.76%
Grand Total-Fire Pension Fund		652,335	641,333	855,315	985,830	1,319,504
Percent Change 2012 vs. 2011 Budget						54.27%

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Section 9

Other Funds

Illinois Municipal Retirement Fund

Parking Lot Fund

Facility Development Debt Service



Illinois Municipal Retirement Fund

The Village's Illinois Municipal Retirement Fund (IMRF) provides for the funding of employer contributions for FICA (Social Security), Medicare for those employees that participate in that program only, and the Illinois Municipal Retirement Fund retirement and disability programs. All expenditures represent the Village's obligation to contribute for employee retirement and disability costs in 2012.

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

The tax rate for 2012 is 6.2 percent for all FICA eligible wages up to \$110,100 and 1.45 percent for all wages for employees participating in the Medicare system. The Village's obligation to IMRF is 13.01 percent of total wages for Tier I employees with wages being capped for Tier II employees at \$110,100.

As of 12/31/2010, IMRF is 73.23 percent funded with the value of assets at \$20.1 million and an unfunded liability of \$7.3 million.

Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Property Taxes:						
1025	IMRF Levy-Cook	326,924	331,185	357,815	357,810	359,682
1026	IMRF Levy-Lake	1,057,697	1,254,882	1,189,157	1,188,500	1,207,186
1040	Prior Years Taxes	0	0	0	0	0
	Sub-total-Property Taxes	1,384,621	1,586,067	1,546,972	1,546,310	1,566,868
	Percent Change 2012 vs. 2011 Budget					1.29%
Other Taxes-State:						
1057	Corp. Personal Property Replacement Taxes	0	0	0	0	0
	Sub-total-Other Taxes-State	0	0	0	0	0
	Percent Change 2012 vs. 2011 Budget					0.00%
Investment Revenue:						
1242	Interest Income-Investment Pool	0	0	100	0	50
	Sub-total-Investment Revenue	0	0	100	0	50
	Percent Change 2012 vs. 2011 Budget					-50.00%
Operating Transfers:						
1271	Transfers From Corporate Fund	0	0	0	0	0
	Sub-total-Operating Transfers	0	0	0	0	0
	Percent Change 2012 vs. 2011 Budget					0.00%
	Grand Total-IMRF Fund	1,384,621	1,586,067	1,547,072	1,546,310	1,566,918
	Percent Change 2012 vs. 2011 Budget					1.28%

Expense

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Benefits:						
3126	Employer's Contribution-FICA	428,500	424,658	448,658	427,923	438,621
3127	Employer's Contribution-IMRF	759,785	822,298	825,750	819,311	839,794
3128	Employer's Contribution-Medicare	246,932	248,592	278,813	245,762	251,906
	Sub-total-Personal Benefits	1,435,217	1,495,548	1,553,221	1,492,996	1,530,321
	Percent Change 2012 vs. 2011 Budget					-1.47%
	Sub-total-Personal Benefits	1,435,217	1,495,548	1,553,221	1,492,996	1,530,321
	Percent Change 2012 vs. 2011 Budget					-1.47%

Parking Lot Fund

The Parking Lot Fund provides for the accounting of both revenues and expenditures related to the Village's operation of the commuter station parking lot at the Canadian National/METRA site. Rates for daily parking are \$1.75/day. The Village offers a bi-monthly prepaid parking pass for \$50/two months. The trend of commuters opting for the parking pass is budgeted to continue in 2012 with the total relative number of commuters remaining close to 2011 numbers. Spikes in fuel costs and/or employment factors will affect revenue performance. Total parking stall days will be approximately 87,000.

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

Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
All Other Income:						
1294	Rental Income	1,300	1,107	1,100	1,320	1,320
1299	All Other Income	0	0	0	0	0
1300	Parking Lot Fees-Monthly Passes	81,297	98,499	96,000	105,860	106,000
1301	Parking Lot Fees-Daily Rates	57,099	52,295	50,000	56,550	56,550
	Sub-total-All Other Income	139,696	151,900	147,100	163,730	163,870
	Percent Change 2012 vs. 2011 Budget					11.40%
	GRAND TOTAL-PARKING LOT FUND	139,696	151,900	147,100	163,730	163,870
	Percent Change 2012 vs. 2011 Budget					11.40%

Expense

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Personal Services:						
3014	Salaries-Part Time	15,830	12,417	12,899	11,772	12,220
	Sub-total-Personal Services	15,830	12,417	12,899	11,772	12,220
	Percent Change 2012 vs. 2011 Budget					-5.26%
Personal Benefits:						
3126	Employer's Contribution-FICA	800	800	800	730	758
3128	Employer's Contribution-Medicare	187	187	187	171	177
	Sub-total-Personal Benefits	987	987	987	901	935
	Percent Change 2012 vs. 2011 Budget					-5.29%
Operating Expenses:						
3211	Telephone	0	0	0	0	0
3216	Maintenance Contracts	495	496	5,000	478	500
3250	Supplies-All Other	5,581	5,646	6,100	2,703	2,800
	Sub-total-Operating Expenses	6,076	6,142	11,100	3,181	3,300
	Percent Change 2012 vs. 2011 Budget					-70.27%
Commodities:						
3811	Facilities-Electric	11,384	19,606	16,000	13,650	13,650
3812	Facilities-Gas	1,770	2,118	2,500	1,890	1,950
3822	Traffic & Street Signs	0	0	0	0	0
3823	Chemicals & Fertilizers	0	0	2,000	0	0
3825	Electric-Street Lighting	5,000	0	4,000	0	1,000
	Sub-total-Commodities	18,154	21,724	24,500	15,540	16,600
	Percent Change 2012 vs. 2011 Budget					-32.24%
Maintenance & Repairs-Facilities:						
3913	Parking Lot Lights	0	0	2,000	0	0
3916	Building & Facilities	1,760	4,772	5,000	1,900	1,250
3918	Parkway Trees	0	0	1,000	0	500
3920	Parking Lots	0	0	1,000	0	750
	Sub-total-Maintenance & Repairs-Facilities	1,760	4,772	9,000	1,900	2,500
	Percent Change 2012 vs. 2011 Budget					-72.22%
All Other Expenses:						
4935	All Other Expenses	0	0	200	0	200
4950	Lease Payments	107,387	76,818	109,535	111,725	113,960
4951	Pace Parking Lot Fees	13,783	16,037	15,000	14,000	14,000
	Sub-total-All Other Expenses	121,170	92,855	124,735	125,725	128,160
	Percent Change 2012 vs. 2011 Budget					2.75%
	Grand Total-Parking Lot Fund	163,977	138,897	183,221	159,019	163,715
	Percent Change 2012 vs. 2011 Budget					-10.65%

Facilities Development Debt Service Fund

The Facilities Development Debt Service Fund provides for the payment of principal, interest and fiscal agent fees on corporate purpose general obligation bonds. All bonds were issued to fund various capital development and construction projects in the Village. As of January 1, 2012, the Village has \$7.2 million in outstanding general obligation debt with an average interest rate of 3.13 percent. Property taxes will be levied as the primary funding source for the annual principal and interest payments. There was no debt issued in 2011.

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

The Village's bond rating was upgraded in 2010 to AAA by Standard & Poor's and Moody's Investor Services.

There will be discussion of a general obligation bond issue in 2012 and 2013 to address several years of deficits in the annual street maintenance program. Approximately \$15 million would be required to eliminate the back log of projects by 2016.

Performance Activities and Measures

	2010 Actual	2011 Estimated	2012 Projected
Village's Equalized Assessed Valuation (in millions)	1,774	1,685	1,600
Tax Rate per \$100 EAV for GO debt	\$0.066	\$0.077	\$0.071

Revenue

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Property Taxes:						
1027	Corporate Purpose Bond Levy-Cook	171,273	164,234	257,253	257,253	216,651
1028	Corporate Purpose Bond Levy-Lake	576,470	663,663	855,616	855,616	722,045
1040	Prior Years Taxes	0	0	0	0	0
	Sub-total-Property Taxes	747,743	827,897	1,112,869	1,112,869	938,696
	Percent Change 2012 vs. 2011 Budget					-15.65%
Investment Revenue:						
1241	Interest Income-Savings	178	0	200	50	50
1242	Interest Income-Investment Pool	84	0	100	10	10
	Sub-total-Investment Revenue	262	0	300	60	60
	Percent Change 2012 vs. 2011 Budget					-80.00%
Operating Transfers:						
1271	Transfers From Corporate Fund	450,000	200,000	0	0	0
1272	Transfers From Water Fund	180,000	180,000	200,000	200,000	200,000
1273	Transfers From Golf Course Fund	0	0	0	0	0
	Sub-total-Operating Transfers	630,000	380,000	200,000	200,000	200,000
	Percent Change 2012 vs. 2011 Budget					0.00%
	Grand Total-Debt Service Fund Facilities Development	1,378,005	1,207,897	1,313,169	1,312,929	1,138,756
	Percent Change 2012 vs. 2011 Budget					-13.28%

Expense

Account	Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Est. Actuals	FY 2012 Budget
Operating Expenses:						
3231	Fiscal Agent Fees	2,258	1,100	2,800	1,872	1,875
	Sub-total-Operating Expenses	2,258	1,100	2,800	1,872	1,875
	Percent Change 2012 vs. 2011 Budget					-33.04%
Debt Service:						
4711	Principal Payments-General Obligations Bonds	1,165,000	980,000	1,055,000	1,055,000	920,000
4716	Interest Payments-General Obligation Bonds	331,885	193,097	245,833	245,833	218,695
	Sub-total-Debt Service	1,496,885	1,173,097	1,300,833	1,300,833	1,138,695
	Percent Change 2012 vs. 2011 Budget					-12.46%
	Grand Total-Debt Service Fund Facilities Development	1,499,143	1,174,197	1,303,633	1,302,705	1,140,570
	Percent Change 2012 vs. 2011 Budget					-12.51%

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Appendix A

Comprehensive Fee & Tax Schedule

Administrative Fees

Building & Development/Health Fees

Planning & Zoning Fees

Police Department Fees

Fire Department Fees

Engineering Fees

Water Connection Fees

Business Taxes, Licenses and Regulations

Taxes Schedule



ADMINISTRATIVE FEES SCHEDULE				
<u>Description</u>	<u>Amount</u>			<u>Reference</u>
Municipal Commuter Station parking lot fees	Daily fee \$1.75			BGMC 3.52 (Ord. No. 2009-72, § 1, 11-2-2009)
Citation and Compliance Violations	The violation described on the citation may be settled in the amount set forth in the Table of Settlement Amounts in Section 10.18.040 of this Chapter, as follows: SEE CITATION list below			BGMC 10.18(Ord. No. 2009-66, § 2, 10-5-2009)
Vehicle Seizure and Impoundment	\$500.00 to the Village and all applicable towing fees are paid to the towing agent.			BGMC 10.20(Ord. No. 2009-70, § 5, 11-2-2009)
Citation	Municipal Code Section or Title or Vehicle Code Section*	Column A	Column B	Column C
Parking				
Failure to Pay Daily Parking Fee-Metra	3.52.020	\$20.00	\$25.00	\$50.00
Resident Parking Only Violation-Metra	3.52.040	\$20.00	\$25.00	\$50.00
Failure to Pay Daily Parking Fee-Township	3.52.055	\$20.00	\$25.00	\$50.00
Parking—After 2 inch Snow	10.08.010	\$20.00	\$25.00	\$45.00
Abandoned Auto Over 7 Days	BG 4-101E.1	\$20.00	\$25.00	\$45.00
Parking on Parkway or Median	BG-11-1303.C.1.	\$20.00	\$25.00	\$45.00
Parking—Blocking Driveway	BG-11-1303.C.2.b	\$20.00	\$25.00	\$45.00
Parking in Posted Fire Lane	BG-11-1303.C.2.c.	\$20.00	\$25.00	\$45.00
Parking on Street 2 am to 6 am	BG-11-1308.1.	\$20.00	\$25.00	\$45.00
Selling Vehicle on Street	BG-11-1311	\$20.00	\$25.00	\$45.00
Handicapped Zone Parking	IVC-5/11-1301.3	\$250.00	\$300.00	\$350.00

ADMINISTRATIVE FEES SCHEDULE				
<u>Description</u>	<u>Amount</u>			<u>Reference</u>
Parking—Blocking Sidewalk	IVC-5/11-1303.(a).1.b.	\$20.00	\$25.00	\$45.00
Parking—Within 15 feet of Fire Hydrant	IVC-5/11-1303.(a).2.b.	\$20.00	\$25.00	\$45.00
Parking—Within 20 feet of Crosswalk	IVC-5/11-1303.(a).2.c.	\$20.00	\$25.00	\$45.00
Parking—Within 30 feet of Traffic Control Device	IVC-5/11-1303.(a).2.d.	\$20.00	\$25.00	\$45.00
Parking Where Prohibited	IVC-5/11-1303.(a).3.b.	\$20.00	\$25.00	\$45.00
Parking in Loading Zone	IVC-5/11-1303.(a).3.b.	\$20.00	\$25.00	\$45.00
Parking over 12 inches from Curb	IVC-5/11-1304.a.	\$20.00	\$25.00	\$45.00
Parking - Left Wheels to Curb	IVC-5/11-1304.a.	\$20.00	\$25.00	\$45.00
Improper Recreational Vehicle Parking	17.36.030	\$20.00	\$25.00	\$45.00
Miscellaneous Traffic Code Violations	IVC-5/1-100 et seq.	\$20.00	\$25.00	\$45.00
Animals				
No Rabies Vaccination	6.12.010	\$20.00	\$25.00	\$45.00
No Dog or Cat License	6.12.020	\$100.00	\$100.00	\$100.00
Failure to Remove Excrement	6.12.060	\$20.00	\$45.00	\$125.00
Dog or Cat at Large	6.12.070	\$50.00	\$50.00	\$50.00
Dog or Cat at Large-Subsequent Offense	6.12.070	\$100.00	\$100.00	\$100.00
Excessive Number of Animals	6.12.080	\$20.00	\$25.00	\$45.00
Prohibited Animal	6.12.090	\$20.00	\$25.00	\$45.00
Excessive Dog Barking	6.12.150.D	\$20.00	\$25.00	\$45.00
Miscellaneous				
Garbage-Out Too Early	8.20.070	\$20.00	\$25.00	\$45.00

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

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

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

BUILDING AND DEVELOPMENT/HEALTH FEES SCHEDULE		
<u>Description</u>	<u>Amount</u>	<u>Reference</u>
Elevator Permit Fees		
New installation:		
Each elevator, dumbwaiter, moving walk, escalator, conveyor or manlit (includes initial inspection)	\$125.00	Ord. 2008-048
Semi-annual inspection/Certificate of compliance:		
Each elevator, dumbwaiter, moving walk, escalator, conveyor or manlit	\$80.00 per inspection	Ord. 2008-048
Repairs and reinspections	\$80.00 per inspection	Ord. 2008-048
Plan review fee:		
Each elevator, dumbwaiter, moving walk, escalator, conveyor or manlit for building of four stories or less	\$175.00	Ord. 2008-048
Additional fee per floor for every story above four stories	\$10.00	Ord. 2008-048
Fire Protection Fees		
New automatic sprinkler system:		
Each system, 1-100 heads	\$125.00	Ord. 2008-048
Every 100 additional heads or fraction thereof	\$50.00	Ord. 2008-048
Renovation to an existing system:		
20 heads or less	\$25.00	Ord. 2008-048
20-100 heads	\$50.00	Ord. 2008-048
Every 100 additional heads or fraction thereof	\$50.00	Ord. 2008-048
Partial system of the domestic water system	\$50.00	Ord. 2008-048
Standpipes (each)	\$50.00	Ord. 2008-048
Fire pumps (each)	\$50.00	Ord. 2008-04
Hood suppression systems	\$50.00	Ord. 2008-048
Clean agent extinguishing systems	\$50.00	Ord. 2008-048
Alternative fire extinguishing systems	\$50.00	Ord. 2008-048
Means of egress access control systems	\$50.00	Ord. 2008-048
Plan review/inspection fee	\$100.00	Ord. 2008-048
Fire alarm systems:		
New or modification to an existing system	\$60.00	Ord. 2008-048
Plan review /inspection fee:		
5,000 sq. ft. or less	\$50.00	Ord. 2008-048

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

BUILDING AND DEVELOPMENT/HEALTH FEES SCHEDULE		
<u>Description</u>	<u>Amount</u>	<u>Reference</u>
Variation – other than principal structure	\$125.00	
Fence Permit Fees		
First 100 lineal feet	\$20.00	Ord. 1995-015
Each addition 100 lineal feet or portion thereof	\$5.00	Ord. 1995-015
Fence Code Variation		
Fence variation application fee	\$75.00	Ord. 2003-032
Sign Permit Fees		
Wall sign non-illuminated	\$32.50 plus \$0.25 a sf. ft.	Ord. 1999-069
Wall sign illuminated	\$45.50 plus \$0.25 a sf. ft.	Ord. 1999-069
Ground sign	\$65.00 plus \$0.25 a sf. ft.	Ord. 1999-069
Plan review fee	\$50.00	Ord. 1999-069
Electrical fee – illuminated sign	\$12.00	Ord. 2008-048
Boulevard banners	\$25.00	Ord. 1999-069
Banners, pennants, searchlights, balloons Or gas filled figures	\$25.00	Ord. 1999-069
Temporary identification sign	\$25.00	Ord. 1999-069
Permit renewal for special sign	\$75.00	Ord. 1999-069
Sign Code Variation		
Sign variation application fee	\$125.00	Ord. 2003-032
Recovery of Cost Escrow	\$2,000.00	Ord. 2003-032

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

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

FIRE DEPARTMENT FEE SCHEDULE		
Non - Residents		
<u>Description</u>	<u>Amount</u>	<u>Reference</u>
BLS	575.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
ALS Level 1	625.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
ALS Level 2	900.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
Treat, Non-Transport	150.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
Mileage/mile	7.50	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
EMERGENCY MEDICAL SERVICE AND TRANSPORTATION FEE		
Residents		
BLS	425.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
ALS Level 1	500.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
ALS Level 2	600.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
Treat, Non-Transport 0.00	0.00	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
Mileage/mile	7.50	BGMC 3.36(Ord. No. 2009-23, § 1, 4-20-2009)
HAZAROUS SUBSTANCE REMOVAL AND ABATEMENT		
	Actual	BGMC 8.48 (Ord. No. 1989-92)
SPECIALIZED EMERGENCY RESPONSE SERVICES		
Actual personnel cost, including benefits, consultant, cost of equipment tht is contaminated, material costs, contract or mutual aid costs, and attorneys fees.		BGMC 8.56 (Ord. No. 2004-33)
CPR AND FIRST AID TRAINING		
Heartsaver AED	50.00	Authorized by the Fire Chief
BLS for HCP	50.00	Authorized by the Fire Chief
First Aid	50.00	Authorized by the Fire Chief
Heartsaver AED Recert	35.00	Authorized by the Fire Chief
BLS for HCP Recert	35.00	Authorized by the Fire Chief

Tv. 10/5/2011

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

WATER CONNECTION FEES			
<u>Description</u>	<u>Amount</u>		
Size of Water Service Connection	Fee	Size of Water Meter	Cost of Meter
1 inch	\$100	¾ inch	\$143
1 ¼ inch	\$125	1 inch	\$180
1 ½ inch	\$150	1 ½ inch	\$1,145
2 inch	\$400	2 inch	\$1,336
2 ½ inch	\$625	3 inch	\$1,720
3 inch	\$900	4 inch	\$2,936
4 inch	\$1,600	6 inch	On call (currently 5,051.00)
6 inch	\$1,800		
8 inch	\$2,000		
10 inch	\$2,200		

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

CONSTRUCTION WATER CHARGES	
Construction Values	Fee
\$0.00 - \$29,999.99	\$17.50
\$30,000.00 - \$49,999.99	\$18.50
\$50,000.00 - \$74,999.99	\$20.00
\$75,000.00 and up	\$20.00 + .25¢/\$1,000 in excess of \$75,000
VILLAGE SANITARY SEWER TAP-ON FEES	
Size of Connection	Fee
6 inch	\$50.00
8 inch	\$200.00
10 inch	\$300.00
WATER SYSTEMS IMPROVEMENT	
Structure	Fee
Single Family Dwelling (includes Duplex Units)	\$680.00 per unit
Townhomes	\$585.00 per unit
Condominiums (Carriage Homes)	\$485.00 per unit
Multi-family Apartments	\$390.00 per unit

WATER CONNECTION FEES	
Business, Commercial, Industrial	\$95.00 per 100 gallons of Maximum Daily Usage (gpd). (gpd) figure obtained from MSD Permit, etc.
LAKE COUNTY SEWER TAP-ON FEE	
\$3,400.00 per unit (one unit equivalent to 250 gpd)	

BUSINESS TAXES, LICENSES AND REGULATIONS		
Description	Amount	Reference
Amusement Activities	A nonreturnable fee of \$50.00.	BGMC 5.08 (Ord. 79-51 § 4, 1979)
Raffles	The license fee, if any, shall be established by the Corporate Authorities for each raffle.	BGMC 5.09 (Ord. 88-73 § 1 (part), 1988).
Arts and Crafts Vendor License	\$20.00 for six days or fewer	(Ord. 2003-24 § 1, 2003: Ord. 2003-19 § 2 (part), 2003).
	\$50.00 per week	
	\$75.00 per month	
	\$150.00 per year	
Coin-Operated Amusement Devices	Annual fee of \$50.00 for each such amusement device. Any license issued between November 1st and April 30th of the following calendar year, the fee is \$25.00 for each such amusement device	BGMC 5.12 (Ord. 2002-41 § 1 (part), 2002)
Liquor License Application Fee	\$500.00	BGMC 5.20 (Ord. 2008-13 § 1, 2008) (Ord. 2004-83 § 1, 2004;)
Annual Liquor License Fees		
Class A	\$2,500.00	
Class B	\$2,300.00	
Class C	\$2,500.00	
Class D	\$1,800.00	
Class E	\$1,500.00	
Class F	\$2,000.00	
Class G	\$100.00	
Class H	\$250.00	
Public passenger vehcile license	The annual fee for a public passenger vehicle license is \$20.00. Llicenses issued July 1st or after shall be\$10.00.	BGMC 5.28 (Ord. 94-85 § 11 (part), 1994
Tobacco	\$75.00 per annum. Every tobacco dealer having a mechanical device on his premises in addition to the sale of tobacco shall be required to pay an annual fee of fifty dollars for each mechanical device.	BGMC 5.32 (Ord. 95-105 § 2 (part), 1995;(Ord. 95-105 § 2 (part), 1995:
Massage Establishments	A \$250.00 nonrefundable application fee .	BGMC 5.44 (Ord. 2004-106 § 1 (part), 2004).
Food and Beverage Vending Machines	\$30.00 each license and \$15.00 for a half of a year.	BGMC 5.52 (Ord. 95-105 § 1, 1995:)
Cable/Video Service Provider Fee and Peg Access Support Fee	5.00% of the holder's gross revenues. The amount of the PEG access support fee imposed hereby shall be one percent of the holder's gross revenues or, if greater, the percentage of gross revenues that incumbent cable operators pay to the Village or its designee for PEG access support in the Village.	BGMC 5.74 (Ord. 2007-59 § 2 (part), 2007)

TAXES SCHEDULE		
<u>Description</u>	<u>Amount</u>	<u>Reference</u>
Hotel & Motel Tax	6.00% of the gross rental receipts from such a rental, leasing or letting.	BGMC 3.28 (Ord. 2007-49 § 1, 2007)
Foreign Fire Insurance Tax	2% per annum of the gross receipts received as premiums upon fire insurance policies on property located in the Village.	BGMC 3.32 ((Ord. 91-34 § 1 (part), 1991)
Home Rule Municipal Retailers & Service Occupation	1.00% of the gross receipts from all business sales made in the course of such business while this Chapter is in effect; and a tax is imposed upon all persons engaged in the Village of Buffalo Grove in the business of making sales of service, at the rate of one percent of the selling price of all tangible personal property transferred by such serviceman as an incident to the sale of service.	BGMC 3.40 ((Ord. 2004-16 § 1, 2004)
Real Estate Transfer Tax	Three dollars for every one thousand dollars value thereof as stated in the declaration. If the value of the fraction of every one thousand dollars is five hundred dollars or less, the value shall be rounded down to the nearest one thousand dollars. If the value of the fraction is five hundred dollars and one cent or more, the value shall be rounded up to the nearest one thousand dollars.	BGMC 3.44 (Ord. 91-89 § 1 (part), 1991)
Prepared Food and Beverage Tax	1.00% of the purchase price of prepared food and alcoholic liquor at any prepared food facility or liquor facility within the Village	BGMC 3.48 (Ord. 2007-62 § 2 (part), 2007)
Municipal Telecommunications Infrastructure Maintenance Fee	1.00% of all gross charges charged by the telecommunications retailer to service addresses within the Village for telecommunications originating or received in the Village.	BGMC 3.56 (Ord. 97-71 § 2 (part), 1997)
Simplified Municipal Telecommunications Tax	6.00% of the gross charges for such telecommunications purchased at retail from a retailer.	BGMC 3.64 (Ord. 2002-50 § 4 (part), 2002)
Municipal Gas Use Tax	\$0.05 per therm.	BGMC 3.65(Ord. No. 2009-89, § 2, 12-21-2009)
Municipal Electricity Use Tax	Next 500,000 0.34	
	Next 2,000,000 0.32	
	Next 2,000,000 0.315	
	Next 5,000,000 0.31	
	Next 10,000,000 0.305	
	Excess of 20,000,000 0.30	

TAXES SCHEDULE		
<u>Description</u>	<u>Amount</u>	<u>Reference</u>
	The tax is in addition to all taxes, fees and other revenue measure imposed by the Village, the State of Illinois, or any other political subdivision of the State.	BGMC 3.66(Ord. No. 2009-90, § 2, 12-21-2009)
Municipal Automobile Renting Occupation Tax and Municipal Automobile Renting Use Tax	1.00% of the rental price of such automobile while this chapter is in effect	BGMC 3.68 (Ord. 2001-79 § 1, 2001: 2001-78 § 1 (part), 2001)

Appendix B

Financial Policies & Projections

Fund Policy

Purchasing Policy

Investment Policy

Debt Policy

Fixed Asset and Capital Equipment Capitalization Policy

Five-Year Operating Forecast

Twenty-Year Water and Sewer Utility Forecast



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Fund Balance Use

Corporate Fund

A major policy decision required of the Village is the establishment of an appropriate level of undesignated fund balance in the Corporate Fund. The difficulty arose due to a situation where no authoritative guidelines are available to either plan for or use these balances. To this end, the Government Finance Officers Association published a guide entitled Fund Balance and Net Assets, which in part discusses this matter and offers some level of guidance for local government.

Research approaches unreserved fund balance from an aspect of both budgetary development and control in periods of economic uncertainty. Essentially, the focus on the use of unreserved fund balance is to provide for operating contingencies. Such unreserved balances can provide for operations and continued tax stability should budgetary short falls develop. However, the development of any policies or guidelines that establish the proper level of unreserved fund balance is a difficult task, especially in light of the fact that there is no uniform standard regarding the appropriate level of unreserved fund balance.

There are several reasons that an unreserved fund balance should be maintained and are generally related to the management of economic uncertainty. Points cited are as follows:

1. Unreserved fund balance can permit the temporary match in revenue to growth in expenditures. The temporary nature of this match relationship is that some permanent revenue enhancement or expenditure controls must be put in place at an early point beyond the period of balance.
2. Balances can be committed within the budgetary period because of the necessary reliance upon certain economically sensitive and therefore at times unpredictable revenue sources such as sales and income taxes along with building fees and licenses.
3. Errors in revenue and expenditure estimation could arise due to the difficulty in identifying the turning point in a given business cycle.
4. A drop in non-recurring, but previously budget supporting, revenues.

The adequacy of an unreserved fund balance depends upon an accurate assessment of what fiscal uncertainty the Village faces from time to time. It should be noted that if an unreserved fund balance is to be maintained, it could become a target for those who will either call for tax reduction or for increased spending, depending upon the particular viewpoint of the observer.

The consensus of the opinion is that local government, as part of it's overall policy development, should establish a formal policy regarding the level of unreserved fund balance that is to be held for both contingencies and for any other approved purpose. The policy provides a purpose for maintaining such balances along with the conditions when the balances would be expended or committed. The policy would include, but not be limited to the following:

1. When should resources be set aside for contingencies.
2. Under what circumstances would financial resources be committed to unreserved fund balance.
3. How will balances be used.
4. Determining the appropriate size of the fund balance.

Due to changing fiscal and financial conditions, this policy must and should be dynamic and reflect changes in condition or philosophies.

The key policy determinant is how Unreserved Fund Balance shall be measured and when necessary, used. Several options have been cited:

1. Development of a formula to determine an adequate amount such as a fixed percent of budget.
2. The transfer of any annual surplus into unreserved fund balance as an increment to the base established formula.

The policy should then address how unreserved fund balances shall be utilized. The policy should address under what circumstances resources would be used and who should make the decision regarding that use. The primary reason for this balance is to alleviate unanticipated short-term budgetary problems.

Resource allocation should be grounded in the philosophy of both stabilizing the tax structure and continuing services. The use of unreserved fund balances should not be used to solve long-term budgetary management problems. The most difficult task in the development of a policy of this type is determining the appropriate fund size. There appears to be two traditional methods employed in determining the size of unreserved fund balances:

1. Allocating financial resources equal to a percentage of annual operating expenditures.
2. Allocating financial resources equal to a certain number of months operating expenditures.

The Village will continue to follow method one where the goal is to peg fund balance as a percentage a subsequent fiscal year's total approved expenditures. Surprisingly, rating agencies such as Moody's and Standard and Poors view a 5% of expenditures unreserved fund balance as "adequate." However, they both temper their comments on the overall economic sensitivity of the revenue base of the particular community under rating review.

As a word of caution, a standard may not be appropriate in the absolute case. To date, there has been no uniform national standard or rule for use in measuring the amount of resources to set aside since all governments differ to some extent in terms of their economic and financial characteristics. It has been found appropriate for a unit of government to make its own decision about whether to set aside more or less funds based on the perception and assessment of the economic uncertainty facing it. What level should therefore be maintained? The balance relates to the degree of budgetary uncertainty and exposure anticipated to be faced. Government must evaluate the degree of risk it faces on an annual basis and make a decision as to the level of financial resources that it wishes to maintain not only for contingencies but for any transitional budgetary shortfalls. In short, determining the appropriate level of unreserved fund balance is a difficult task.

The ability to recognize an exposure to economic uncertainty as a component of both budget execution and development, and the commitment to sound levels of financial resources in response to such uncertainty will make units of government better able to deal with the realities of slowing or stabilizing economies.

Corporate Fund Fund Balance

The Village of Buffalo Grove has analyzed and managed the Corporate Fund Fund Balance as a vehicle for operational stability for the Fund while providing planned resources for capital development, property tax abatement and pension cost stability. While much research has gone on in order to determine what the proper level of Fund Balance should be, any thoughts are tempered knowing that the level must not only follow any set standard(s), but must also consider what is best for Buffalo Grove.

The Corporate Authorities as well as the Village's Finance Committee have reviewed the issue of unreserved Fund Balance in the Corporate Fund. They have discussed the level of Fund Balance, evaluation of what Fund Balance is and should be and the difference between cash and investments and Fund Balance.

Additionally, they have considered the prudent use of cash and investment reserves for purposes that are of a recurring nature while such reserves are theoretically non-recurring. After review and discussion, both the Finance Committee and President and Board of Trustees recommend the following guidelines:

- Cash and investment reserves will be maintained at a level equal to 25% of the operational budget beginning as of January 1 of any fiscal period. Unreserved Fund Balance will equal, at a minimum, 25% of the subsequent year's Corporate Fund budget.
- Should the Undesignated Fund Balance drop below 25% of the same year's Corporate Fund budget, 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.
- Draws for operational (recurring) purposes will be only to cover extraordinary circumstances or to bridge a revenue gap to be resolved by either implementing a new, recurring source of revenue or to permit staff the time to plan an orderly reduction in expenditure levels.
- Permanent draws would be for "investment" or capital purposes or to provide some direct tax levy abatement funding for capital-related debt service.
- Some resources may be committed to cover pension fund shortfalls in annual funding that are determined at the end of any given calendar accounting period.
- These uses of Unreserved Fund Fund Balance are meant to be a guide for direction of identified balances. To effectively manage the intent of this Policy in light of the changing accounting nature of Fund Balance, an annual review of Fund Balance shall be undertaken.

Retained Earnings Water and Sewer Fund

The balance to be maintained as Undesignated Retained Earnings within the Water and Sewer Fund shall be equal to an amount necessary to provide sufficient cash flow for operations as well as providing a reserve accumulation to pay for unanticipated capital replacement and repair.

As a operational goal, cash and investment reserves will be maintained in an amount equal to 25% of the water and sewer operational budgets beginning as of January 1 of any given fiscal period. With this said, the Water and Sewer Fund cash and investment guideline will be:

1. Cash and investment reserves equal to 25% of the operational budget beginning as of January 1 of any fiscal period. Unreserved Retained Earnings would at least equal that amount.

Balanced Budget Definition

Budgetary balance is a comprehensive view of year end balances. The Village views a budget as balanced in any given year when the available resources meet or exceed the uses of those resources.

Purchasing Policy

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

The purchasing procedures will encompass the following guidelines:

Authority to Purchase Under \$100.00:

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

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

A Purchase Order Requisition should be processed for services or merchandise to be acquired for which funds have been provided for within an annual budget. The Requisition must be prepared and forwarded as designated within the Village's Lotus Notes based Purchase Order Requisition program to authorized departmental personnel for approval with pertinent information included. The Requisition will be forwarded to the Village Manager for approval, further forwarded to the Department of Finance and General Services for final processing. Purchase Order Requisitions will only be mailed to a vendor as indicated on the Requisition.

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

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

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

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

Purchase Orders \$15,000.00 and Over:

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

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

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

Open Purchase Orders:

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

Non Purchase Order Requisition Purchasing:

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

Check Requests/Advance Check Requests:

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

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

Conclusion:

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

Investment Policy

I. Policy:

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

II. Scope:

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

1. Pooling of Funds

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

III. General Objectives:

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

1. Safety

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

a) (a). Credit Risk

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

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

(b). Interest Rate Risk

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

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

2. Liquidity

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

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

3. Yield

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

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

IV. Standards of Care:

1. Prudence

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

2. Ethics and Conflicts of Interest

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

3. Delegation of Authority

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

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

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

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

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

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

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

VI. Safekeeping and Custody:

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

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

1. Internal Controls

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

The internal controls structure shall address the following points:

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

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

VII. Suitable and Authorized Investments:

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

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

1. Collateralization:

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

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

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

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

VIII. Investment Parameters:

1. Diversification

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

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

2. Maximum Maturities

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

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

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

IX. Reporting:

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

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

1. Performance Standards

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

2. Market Yield

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

3. Marking to Market

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

X. Investment Policy Adoption:

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

Debt Policy

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

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

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

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

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

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

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

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

Policy on Revenue Based Debt:

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

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

Village Board Authorizations:

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

Alternative Financing:

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

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

Other Agency Financing:

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

Bond Covenants and Laws:

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

Debt Policy and Rating Agencies:

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

Fixed Asset and Capital Equipment Capitalization

Purpose and Overview:

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

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

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

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

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

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

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

Asset Control Policy:

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

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

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

Costing of General Fixed Assets:

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

Maintaining the System:

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

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

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

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

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

Tagging of Assets:

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

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

Inventory Control Record:

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



**VILAGE OF BUFFALO GROVE
FIVE YEAR FINANCIAL FORECAST
FISCAL YEARS 2012-2016**

The goal of the Five-Year Financial Forecast is to assess the Village's ability over the next five years to continue current service levels based on projected growth, preserve our long-term fiscal health, cease the draw on balance reserves, and resume reserve funding for capital equipment and facility improvements.

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

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

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

strategies and short term spending adjustments to a more strategic progress of addressing systemic costs focusing on sustainability of services.

Financial Focus

The Corporate Fund is the operating fund which pays for the core services provided by the Village including public safety (police & fire), public works, building & zoning, and administration. All the major discretionary revenues such as property taxes, sales tax, income taxes, telecommunications, and utility use taxes, are accounted for within the Corporate Fund. The forecast reflects final figures for fiscal year 2010. For purposes of the analysis, forecasted numbers are built off of the 2010 actual revenue/expenditures and adjusted if necessary for FY 2011.

The Corporate fund is the primary focus of the forecast. In future years it will be expanded to include the Water and Sewer Fund and various other funds which are key components that play into the Village's long term financial viability.

Overview of Fiscal Year 2010 & 2011

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

- Wage freeze of all non-represented employees (2010) resulting in \$.7 million in reductions
- Eliminated or deferred \$3.9 million in capital improvements
- Reduced transfers to capital reserve funds by \$.6 million
- Maintained vacant positions upon employee separations
- Made significant reductions to most spending accounts
- Instituted a Natural Gas and Electricity Use Tax generating approximately \$2.4 million

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

- Eliminated or deferred \$2 million in capital improvements
- Reduced transfers to capital reserve funds by \$.6 million
- Created a Voluntary Separation Initiative (VSI) to incent retirement and reduce employee counts through attrition

- Construction of a Tier II compensation plan to lower entry level salaries across all pay grades.

The Village will continue to face many financial challenges for the remainder of FY2011 and for the next several years including:

- 1. Impact of the real estate market.** Impact of high inventory levels, foreclosures, and short sales continue to depress market values. The next wave is the 'shadow house inventory' or those owners waiting for some positive news to enter the market.
- 2. State of Illinois budget crisis.** The delay in income tax distributions to the Village. The State of Illinois has proposed a 30% reduction in the distribution of income taxes to local governments. The Village would lose an estimated \$.9 million in revenue.
- 3. Health Care Reform Bill.** The future financial impact of the new Bill and increasing health care costs
- 4. Commercial/Retail Development.** The economy's impact on both existing sales tax generators as well as development or redevelopment of Dundee and Milwaukee Road corridors.
- 5. 2010 Census.** The impact on per capita funding (income, local use, or motor fuel taxes) due to the decline in population. In 2010, the US Census Bureau conducted the decennial census, which includes the US population count and statistic data report. As a result, the Village of Buffalo Grove's population decreased by 3.9% to 41,496. The effect is that the Village's State-shared revenues will decrease by a corresponding percentage.
- 6. Infrastructure.** The deferral of capital spending and the funding impacts upon roads, sidewalks and bike paths, water system, and Village facilities.

Corporate Fund Reserves

The Corporate Fund Balance Reserve Policy sets forth a minimum reserve level of 25% of the subsequent year's Budget (less pension transfers). That policy was amended in FY 2009, from 35%, to reflect both the state of the economy and a policy stance that perhaps 35% is not a reasonable or warranted target in the 'New Economy'. Reserves are important in order to mitigate the negative impact on revenues from economic fluctuations, to withstand unfunded mandates, to temper lags in payables from the State of Illinois and to fund unforeseen expenditure requirements.

The Village, through cautious and prudent spending plans, was able to build substantial reserves during the last two decades. Approximately \$5.3 million of those reserves were used from 2007 to 2009 allow for the Village to provide uninterrupted high quality services to the community. At the end of the Fiscal year 2010, the reserve stood at \$9,563,654 and represents 32.2% of the annual budget.

Forecast Assumptions

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

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
<u>Revenues</u>					
Property Tax					
Corporate	2.90%	2.90%	2.90%	2.90%	2.90%
Police Pension	3.00%	5.00%	5.00%	5.00%	5.00%
Fire Pension	3.00%	5.00%	5.00%	5.00%	5.00%
Base Sales Tax	1.50%	1.50%	2.00%	2.00%	2.00%
Home Rule Sales Tax	1.50%	1.50%	2.00%	2.00%	2.00%
Prepared Food & Beverage Tax	1.50%	1.50%	2.00%	2.00%	2.00%
Income & Use Tax	-2.00%	2.00%	2.00%	2.00%	2.00%
Utility Use Tax	0.00%	0.00%	0.00%	0.00%	0.00%
Telecommunications Tax	-5.00%	-2.00%	0.00%	0.00%	0.00%
Licensing	0.00%	0.00%	1.00%	1.00%	1.00%
Developer Fees & Permits	1.00%	1.00%	1.00%	2.00%	2.00%
Real Estate Transfer Tax	5.00%	5.00%	5.00%	5.00%	5.00%
Fines and Fees	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Transfers	2.00%	2.00%	2.00%	2.00%	2.00%
All Other Revenues	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Expenditures</u>					
Personal Services	2.95%	1.50%	2.00%	2.00%	2.00%
Personal Benefits	4.74%	3.98%	4.63%	4.64%	4.65%
Operating Expenses	3.46%	1.50%	1.50%	1.50%	1.50%
Insurance	8.00%	7.00%	6.00%	5.00%	5.00%
Legal Services	2.00%	2.00%	2.00%	2.00%	2.00%
Commissions & Committees	2.00%	2.00%	2.00%	2.00%	2.00%
Commodities	2.00%	2.00%	2.00%	2.00%	2.00%
Maintenance & Repair					
Facilities	10.11%	5.00%	5.00%	5.00%	5.00%
Other	1.50%	1.50%	1.50%	1.50%	1.50%
Vehicles	2.00%	2.00%	2.00%	2.00%	2.00%
Capital Equipment	217%	1.00%	1.00%	1.00%	1.00%
Capital Projects-Facilities	107%	1.00%	1.00%	1.00%	1.00%
Operating Transfers	-2.10%	-7.08%	2.54%	4.52%	4.49%
All Other Expenses	-2.30%	2.00%	2.00%	2.00%	2.00%

This financial forecast does take into consideration that the worse of the recession has passed and that there are some small signs of recovery. The Survey of Professional Forecasters, as administered by the Federal Reserve Bank of Philadelphia, conducts a quarterly survey of macroeconomic forecasts, the following is a summary through the second quarter of 2011:

- Forecasters predict slower real GDP growth over the next four years including 3.0% in 2012, 2.8% in 2013, 3.3% in 2014.
- Forecasters see a brighter picture for the unemployment rate over the next four years with the rate dropping from 8.7 in 2011 to 7.0 in 2014.
- Long-Term Headline Inflation is expected to be 2.35% through 2015.

The impact of the five year growth assumptions produces the following results,

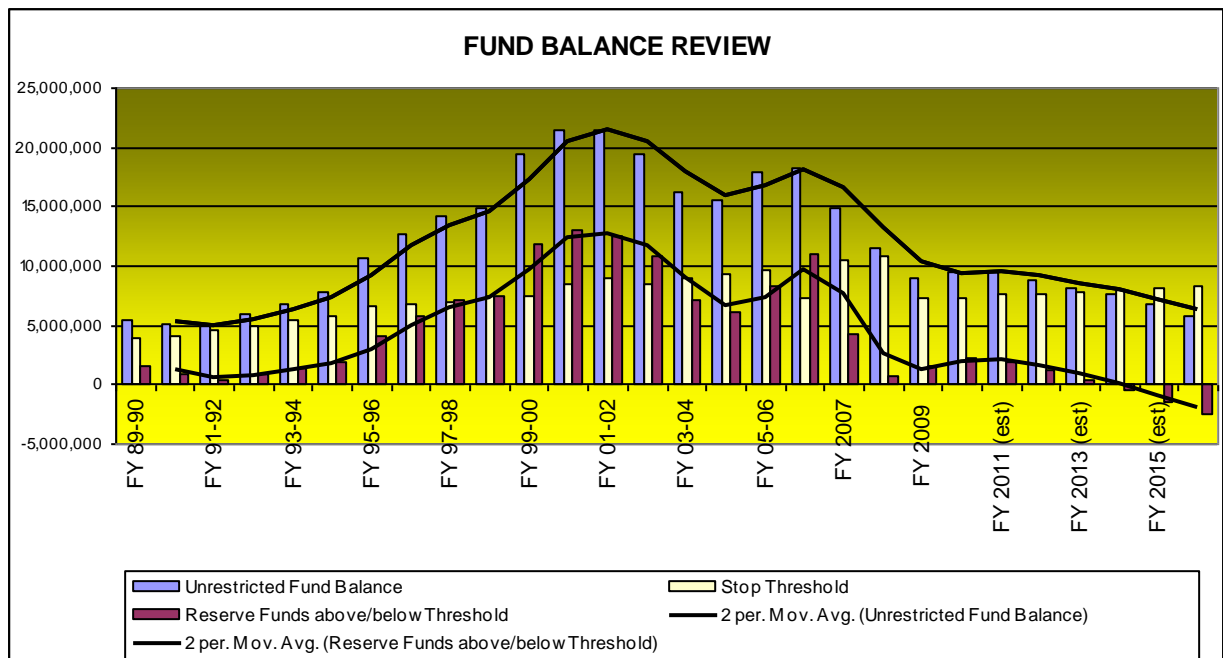
	2012	2013	2014	2015	2016
<u>Corporate Fund Revenues</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
Property Taxes	11,869,191	12,089,953	12,528,006	12,983,191	13,456,227
State Income Taxes	3,725,137	3,799,640	3,875,632	3,953,145	4,032,208
State Sales Tax	4,653,971	4,723,780	4,818,256	4,914,621	5,012,914
Home Rule Sales Tax	2,782,707	2,824,447	2,880,936	2,938,555	2,997,326
Real Estate Transfer Tax	500,000	525,000	551,250	578,813	607,753
Telecommunications Excise Tax	2,170,195	2,126,791	2,126,791	2,126,791	2,126,791
Prepared Food and Beverage Tax	714,272	724,986	739,486	754,275	769,361
Para Mutual Tax	80,000	80,800	81,608	82,424	83,248
Utility Tax-Electric Service	1,604,060	1,604,060	1,604,060	1,604,060	1,604,060
Utility Tax-Natural Gas Therms	920,309	920,309	920,309	920,309	920,309
Business Licenses	133,900	133,900	133,900	133,900	133,900
Liquor Licenses	126,500	126,500	126,500	126,500	126,500
Building Revenue & Fees	730,802	738,110	745,491	760,401	775,609
Intergovernmental Revenue-Local	226,625	229,756	232,960	236,239	239,595
Investment Revenue	207,922	197,218	212,722	251,279	298,745
Fines & Fees-Police & Fire	1,487,700	1,487,700	1,487,700	1,487,700	1,487,700
Operating Transfers	719,100	733,482	748,152	763,115	778,377
All Other Revenue	709,780	723,071	736,627	750,455	764,559
Miscellaneous Revenue	336,846	336,926	335,185	336,477	337,781
Total Revenues	33,699,016	34,126,429	34,885,571	35,702,250	36,552,962
	2012	2013	2014	2015	2016
<u>Corporate Fund Expenditures</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
Personal Services	19,639,810	19,933,822	20,331,718	20,737,573	21,151,544
Personal Benefits	4,056,903	4,223,237	4,420,592	4,627,691	4,845,018
Operating Expenses	949,093	963,300	977,720	992,357	1,007,213
Insurance	442,265	473,224	501,617	526,698	553,033
Legal Services	173,662	175,379	177,114	178,866	180,635
Commissions & Committees	80,479	82,089	83,730	85,405	87,113
Commodities	488,308	498,074	508,036	518,197	528,560
Maintenance & Repairs-Facilities	551,200	578,760	607,698	638,083	669,987
Maintenance & Repairs -Water & Sewer	5,500	5,775	6,064	6,367	6,685
Maintenance & Repairs-Other	79,303	80,493	81,700	82,926	84,170

Maintenance & Repairs-Vehicles	619,325	631,711	644,345	657,232	670,377
Capital Equipment	616,899	619,068	621,259	623,472	625,706
Capital Projects-Facilities	60,530	61,136	61,747	62,364	62,988
Operating Transfers	5,624,403	5,226,255	5,358,946	5,600,908	5,852,172
All Other Expenses	1,102,160	1,124,203	1,146,687	1,169,621	1,193,014
Total Expenditures	34,489,840	34,676,526	35,528,975	36,507,759	37,518,216
 Surplus/(Deficit)	 (790,824)	 (550,096)	 (643,404)	 (805,509)	 (965,254)

Unreserved / Undesignated Fund Balance

December 31, 2010 (audited)	9,563,654
December 31, 2011 (estimated)	9,563,654
December 31, 2012 (estimated)	8,772,830
December 31, 2013 (estimated)	8,222,733
December 31, 2014 (estimated)	7,579,329
December 31, 2015 (estimated)	6,773,820
December 31, 2016 (estimated)	5,808,566

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



Revenue Review

Approximately 85% of all Corporate Fund revenue is generated from seven revenue sources including property tax, sales (base and home rule) tax, income & use tax, prepared food and

beverage 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 and provide increasing/(decreasing) revenues corresponding to the current economic cycle. A balance between elastic and inelastic revenue is desired as a hedge against market volatility. The Corporate Fund revenues considered to be elastic include: sales and use taxes, income taxes, telecommunications tax, real estate transfer tax, building revenue and fees, and investment interest. The property tax is an example of a non-elastic source of revenue.

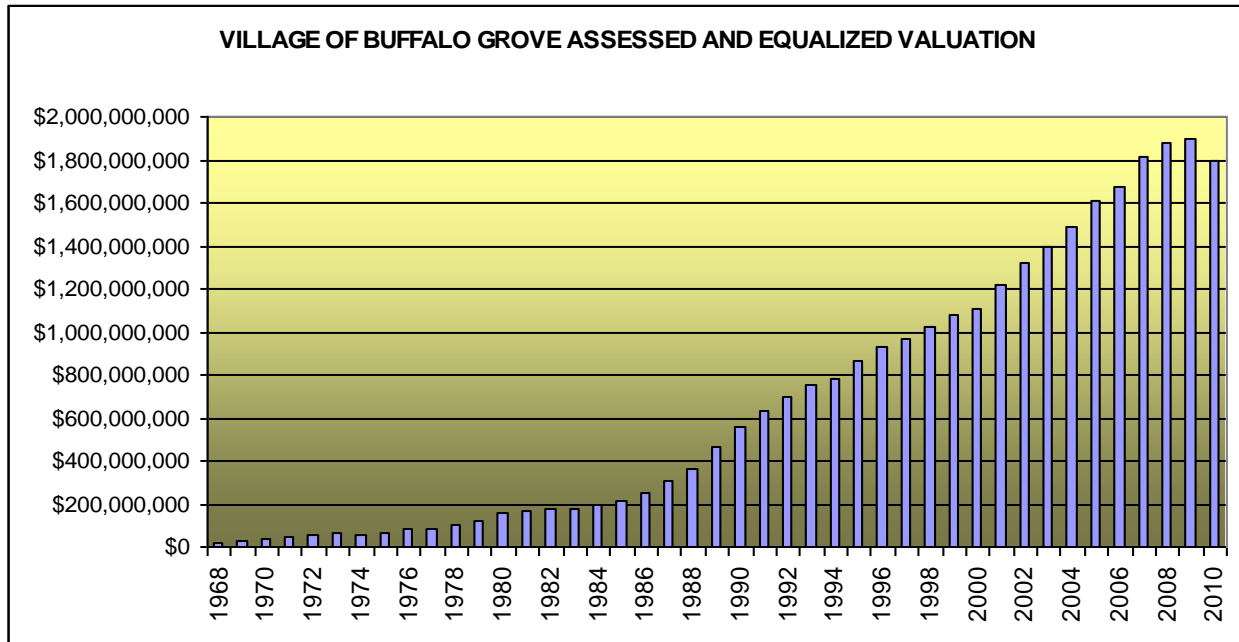
The following is a summary of significant Village revenue sources.

- Property Tax

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

A continuing concern is growth in the property tax base. Tax year 2010 produced the first drop in assessed valuation since 1974. Because the Village levies dollars, a uniform change across all property classifications has no financial impact to tax payers. The concern is the shifting of tax burden from commercial/industrial properties to residential parcels as commercial/industrial properties tend to be better represented in the appeal process.

Following is a history of equalized assessed valuations since 1968.



- Sales Tax

Inflation sets the growth baseline for both the base (1%) and home rule sales taxes (1%). Combined, this is the second largest revenue source for the Village. The base sales tax revenue is directly related to the dollar value of sales made within the Village limits. Home rule sales tax applies to the same transactions as the base sales tax except in the following transactions, food for human consumption off the premises where sold (groceries), prescription and non-prescription medicines and tangible personal property that is titled with an agency of the State of Illinois.

The assumption for the five year analysis is that the retail mix will remain substantially similar to what is present today. Adjusted for inflation, sales tax revenues are still down 26% from the peak in the mid 2000s. The assumption for growth for the five years is 1.5%, 1.5%, 2.0%, 2.0%, 2.0%.

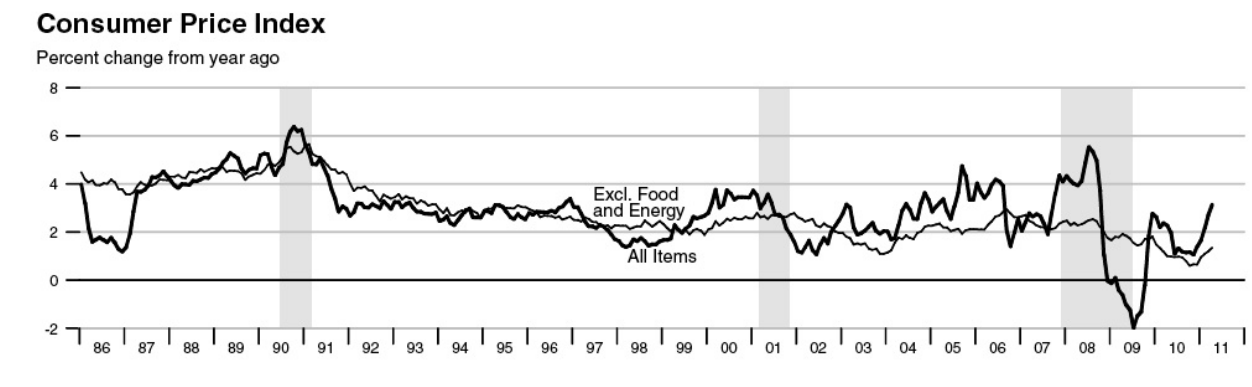
- Income Tax

As noted early in this report, the impact of the 2010 US Census is going to have a deleterious impact on revenues. As a result of the census data, the Village is down 1,699 residents. Since income tax is distributed on a per capita basis the immediate impact for 2011 is about a \$150,000 drop in revenue holding all else constant. The Village's estimated unemployment rate is 8%, Lake County is 10.5%, and the State of Illinois is 10.3%. The forecast does not account for much change during FY 2012 in the level of reported wages and corporate earnings. 2% growth is estimated for the years

2013-2016. What is not factored is the potential for Springfield to pass a reduction in the Local Government Distributive Fund during the fall veto session that could reduce the Village's per capita allotment by as much as \$900,000. Although the potential is less now than several months ago it is an issue that merits contemplation as budgets, and the use of fund balance, are considered.

- Prepared Food and Beverage Tax

This tax is levied on the purchase of prepared food for immediate consumption and the sale of liquor. Similar to sales tax inflationary growth is the central driver of revenue increases with five year increases projected at 1.5%, 1.5%, 2%, 2%, 2%. Food is typically removed from core inflation (due to volatility) and noted in the CPI graph depicted below.



Although headline inflation (includes food and energy) typically runs higher than core, staff believes it still prudent to forecast the lower growth number. At the time of this report, there are 116 restaurants/businesses that are subject to this tax.

- Telecommunications Tax

This tax levied at 6% 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. Combined with the economic decisions to consolidate, or eliminate, additional phone lines revenue is down 15% from the peak in 2007. VOIP is subject to this taxation. It is projected that revenue will drop 5% in 2012, drop 2% in 2013 and level out the remaining three years.

- Utility Use Tax (Natural Gas & Electricity)

Natural gas and electricity charges are based on consumption and will fluctuate with seasonal demands. There is no flexibility in the revenue (absent Mother Nature). The Village is charging the highest statutory rate. No growth is projected over the next five years.

- Real Estate Transfer Tax

Real estate transfer tax is collected at the rate of \$3 per \$1,000 of sales consideration. This revenue reached a peak in 2005 at \$1.3 million. Since 2005, collections have dropped 60% as a result of the collapse of the housing market. As foreclosed properties cycle through the system and a true market bottom is reached (hopefully this year), it is expected that some growth will occur (5% per year over the next five).

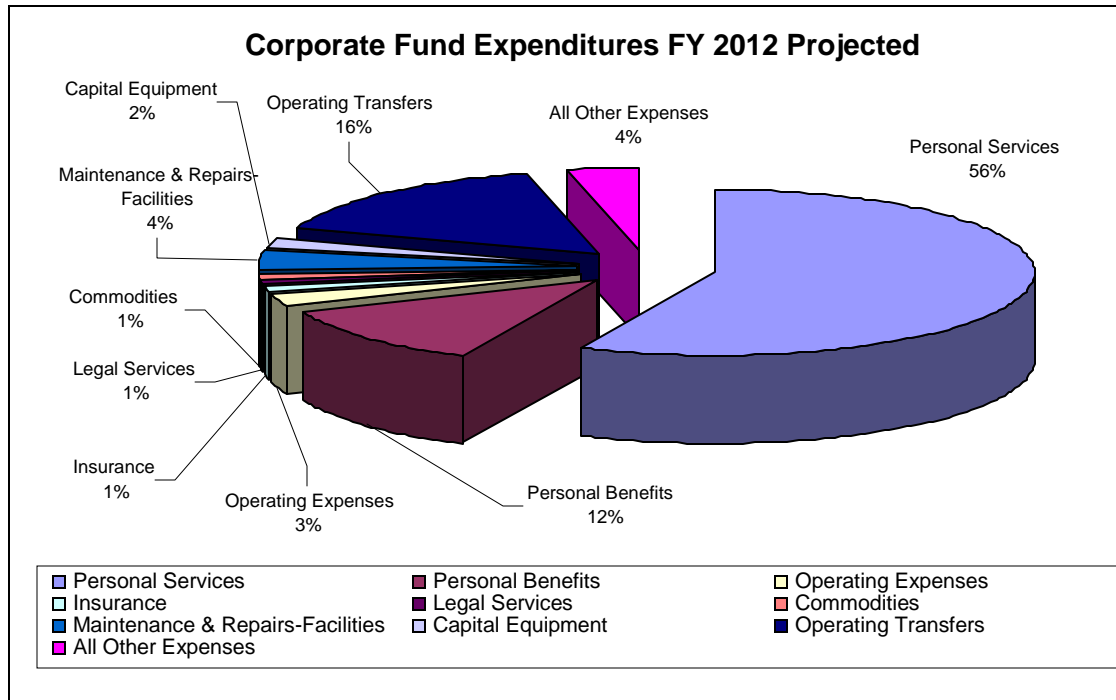
The total growth in Corporate Fund revenue over the next five years is estimated to be;

<u>Year</u>	<u>Growth</u>
2012	2.44%
2013	1.27%
2014	2.23%
2015	2.34%
2016	2.38%

The average growth in revenue over the five year review period is 2.23%

Expenditure Review

The average increase in expenditures over the next five years is 2.7%. In each of the next five years, wages and benefits account for nearly 70% of all expenditures. The next largest expenditure account group is for operating transfers (16%). For FY 2012 the distribution of Corporate Fund expenditures is,



Noted below are some of the more significant expenditures within the Corporate Fund.

- Personal Services

Wages are anticipated to increase by a factor of 1.5% for the first two years and 2.0% the last three years. The wage forecast anticipates the Corporate wage increase awards plus possible merit adjustments, where appropriate, offset by lower entry salaries under a new pay grade system (Tier II). The Tier II pay grade will lower all starting salaries for employees hired after 1/1/2011 by approximately 10%. This strategy, in conjunction, with a Voluntary Separation Incentive (VSI) will have the potential to significantly reduce Personal Service Expenditures. The five year forecast will likely need several iterations to reflect new data as the impact of retirements, the effect of any service realignments, and any hiring decisions become more evident.

- Personal Benefits

The largest single expenditure within Personal Benefits is for group medical and life insurance. Effective for FY 2012, the Village has committed to 3 years with the Intergovernmental Professional Benefits Cooperative (IPBC) to help stabilize medical costs through risk pooling and provide for a mechanism to help establish positive cash flow and rebuild reserves. The forecast calls for 5% growth each year in premium expenses. Growth attempts to factor for medical inflation, migration

to/from different health plans, stepped increases in employee contributions, and status changes (single/family) for coverage.

- Insurance

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

- Commodities

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

- Maintenance & Repair – Facilities

Expenditure growth in this account group is estimated to be 5% per year. Included in these expenditures are costs related to the maintenance and repair of sidewalks and bike paths, street patching, street lights, building facilities, and parkway trees. The budget set forth for parkway trees does not adequately address rapid reforestation of EAB infested trees, staff will be presenting reforestation options for board consideration.

- Capital Equipment

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

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

<u>FY</u>	<u>Reserve</u>	<u>Transfer In</u>	<u>Purchase</u>	<u>Balance</u>
2010	7,930,045			7,930,045
2011	7,930,045	0.00	(600,000)	7,330,045
2012	7,330,045	400,000	(1,149,400)	6,580,645
2013	6,580,645	400,000	(1,230,000)	5,750,645
2014	5,750,645	400,000	(1,151,000)	4,999,645
2015	4,999,645	400,000	(375,000)	5,024,645
2016	5,024,645	400,000	(490,000)	4,934,645

A copy of the schedule is attached.

- Operating Transfers

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

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

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

Nearly \$2 million in equity transfers have been made to the golf courses over the last five years. Perhaps not germane to this report but consideration may have to be given to fold the golf enterprise into the Corporate Fund. The intent of an Enterprise Fund is to cover its expenditures primarily with user fees. Given the extent of the subsidy, that is not occurring.

The total growth in Corporate Fund expenditures over the next five years is estimated to be;

<u>Year</u>	<u>Growth</u>
2012	2.76%
2013	2.54%
2014	2.46%
2015	2.75%
2016	2.77%

The Five Year Financial Forecast calls for a deficit of \$3.76 million over the review period. Given the state of the economy and the precipitous drop in revenue, this is not unexpected. The intent of the report is to communicate that there is still significant work to be done on both sides of the ledger. On the expenditure side, the number one priority is to reduce the percentage of the budget allocated to wages and benefits. A giant leap was taken with the ratification of the firefighters' most recent contract as a door was opened to increase employee participation in health care and the institution of a Tier II pay scale. The Tier II scale combined with a Voluntary Separation Initiative has created an opportunity to save in wages and will, in some cases, reenergize the workplace.

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. Staff must ensure that each revenue is 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. Opportunities for economic development must be mined and aggressively pursued.

This report will be used as a guide for the development of the FY 2012 Budget and will help shape the discussion about how Village adapt to the current and future financial landscape.

	2012	2013	2014	2015	2016
<u>General Fund Revenues</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
Property Taxes	11,869,191	12,089,953	12,528,006	12,983,191	13,456,227
State Income Taxes	3,725,137	3,799,640	3,875,632	3,953,145	4,032,208
State Sales Tax	4,653,971	4,723,780	4,818,256	4,914,621	5,012,914
Home Rule Sales Tax	2,782,707	2,824,447	2,880,936	2,938,555	2,997,326
Real Estate Transfer Tax	500,000	525,000	551,250	578,813	607,753
Telecommunications Excise Tax	2,170,195	2,126,791	2,126,791	2,126,791	2,126,791
Prepared Food and Beverage Tax	714,272	724,986	739,486	754,275	769,361
Para Mutual Tax	80,000	80,800	81,608	82,424	83,248
Utility Tax-Electric Service	1,604,060	1,604,060	1,604,060	1,604,060	1,604,060
Utility Tax-Natural Gas Therms	920,309	920,309	920,309	920,309	920,309

Business Licenses	133,900	133,900	133,900	133,900	133,900
Liquor Licenses	126,500	126,500	126,500	126,500	126,500
Building Revenue & Fees	730,802	738,110	745,491	760,401	775,609
Intergovernmental Revenue-Local	226,625	229,756	232,960	236,239	239,595
Investment Revenue	207,922	197,218	212,722	251,279	298,745
Fines & Fees-Police & Fire	1,487,700	1,487,700	1,487,700	1,487,700	1,487,700
Operating Transfers	719,100	733,482	748,152	763,115	778,377
All Other Revenue	709,780	723,071	736,627	750,455	764,559
Miscellaneous Revenue	336,846	336,926	335,185	336,477	337,781
Total Revenues	33,699,016	34,126,429	34,885,571	35,702,250	36,552,962
<u>General Fund Expenditures</u>	2012 Projected	2013 Projected	2014 Projected	2015 Projected	2016 Projected
Personal Services	19,639,810	19,933,822	20,331,718	20,737,573	21,151,544
Personal Benefits	4,056,903	4,223,237	4,420,592	4,627,691	4,845,018
Operating Expenses	949,093	963,300	977,720	992,357	1,007,213
Insurance	442,265	473,224	501,617	526,698	553,033
Legal Services	173,662	175,379	177,114	178,866	180,635
Commissions & Committees	80,479	82,089	83,730	85,405	87,113
Commodities	488,308	498,074	508,036	518,197	528,560
Maintenance & Repairs-Facilities	551,200	578,760	607,698	638,083	669,987
Maintenance & Repairs -Water & Sewer	5,500	5,775	6,064	6,367	6,685
Maintenance & Repairs-Other	79,303	80,493	81,700	82,926	84,170
Maintenance & Repairs-Vehicles	619,325	631,711	644,345	657,232	670,377
Capital Equipment	616,899	619,068	621,259	623,472	625,706
Capital Projects-Facilities	60,530	61,136	61,747	62,364	62,988
Operating Transfers	5,624,403	5,226,255	5,358,946	5,600,908	5,852,172
All Other Expenses	1,102,160	1,124,203	1,146,687	1,169,621	1,193,014
Total Expenditures	34,489,840	34,676,526	35,528,975	36,507,759	37,518,216
Surplus/(Deficit)	(790,824)	(550,096)	(643,404)	(805,509)	(965,254)
Unreserved / Undesignated Fund Balance					
December 31, 2010 (audited)	9,563,654				
December 31, 2011 (estimated)	9,563,654				
December 31, 2012 (estimated)	8,772,830				
December 31, 2013 (estimated)	8,222,733				
December 31, 2014 (estimated)	7,579,329				
December 31, 2015 (estimated)	6,773,820				
December 31, 2016 (estimated)	5,808,566				

TO: Dane C. Bragg, Village Manager

FROM: Scott D. Anderson, Finance Director

DATE: September 14, 2011

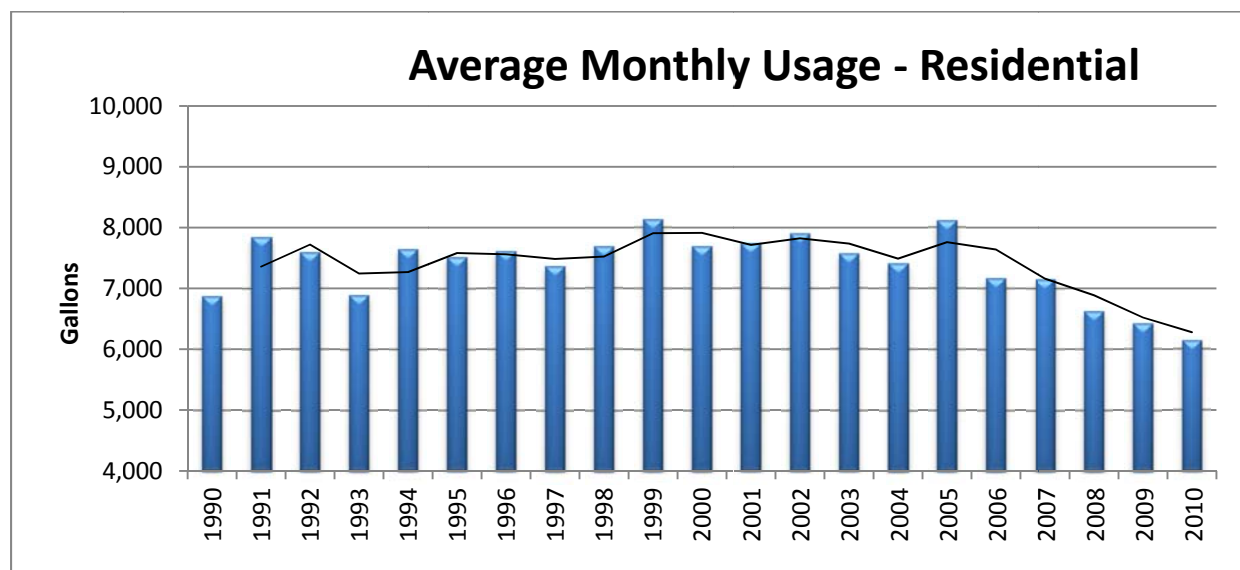
RE: Water Fund 20 Year Pro Forma / Rate Recommendations

History of Water and Sewer Rate Adjustments

The Village has had a long history of being a community with consistently low user rates; in fact, the Village maintained a combined water and sewer rate of \$1.80/1,000 gallons for a period of twenty three years (1983-2005). One significant reason leading to this period of rate stability was due to the age of the water and sewer infrastructure. During the peak growth decades of the 1980's and 1990's, developers paid for, and donated, approximately 53% of the water and sewer system assets. Through a combination of minimal capital expenses coupled with a period of growing water consumption, the Water Fund was able to generate healthy cash reserves to allow for a strategy of pay-as-you-go financing for future infrastructure repair.

In FY 2003, a pattern of declining water usage began. In 2002, 1.63 billion gallons of water were metered with the average monthly consumption at 7,906 gallons. In 2010, 1.3 billion gallons were metered with an average monthly consumption of 6,140 gallons.

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



The outlier in FY 2005 was drought induced. Absent that year, a fairly linear decline began after FY 2002. Even with the decline, the Water Fund was able to cover its operating expenses and generate a small surplus each year until 2006. A rate recommendation was made to increase the rate by 33% to

\$2.40/1,000. The increase stabilized the fund from an operating standpoint but did not address future capital needs. A second rate increase (25% to \$3.00/\$1,000) was proposed for 2010. Again the increase helped to ensure that water sales would offset operating expenditures. The extent of the decline in consumption was expected to bottom out during 2007-2008 but a confluence of factors including, economic, meteorological, and ecologic have continued to put a strain on water sales. For future estimates, it is estimated that the current fiscal year will close at 1.31 billion gallons sold and will carry forward through the 20 year pro forma. Although there will be an increase in total consumers over the next two decades, continued conservation efforts will likely counterbalance that growth. One factor that has not been integrated into this analysis is any potential impact of replacing worn out meters in homes. As these devices start to fail and are replaced, there is the potential for more accurate (higher) reads. At this point I cannot quantify an improvement in metering efficiency.

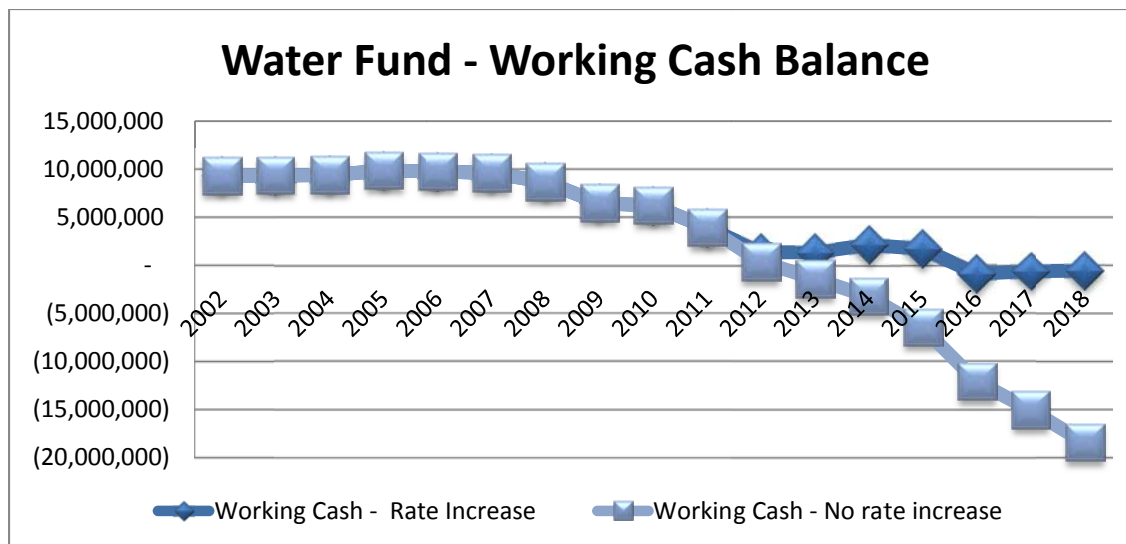
Current Financial Position of the Water and Sewer Fund

The Village has been prudent about requesting water rate increases as evident by a twenty-three year rate freeze. During those years, the Water and Sewer Fund was able to amass a working cash balance that allowed for a reserve to address infrastructure maintenance and improvement. Due to the relative age of the system, over a fifteen year span (1993-2007) the only capital expense was \$229,527 for the St. Mary's Road water main replacement. Since 2007 the following capital expenses have occurred;

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

Until FY 2007, the Water and Sewer Fund maintained a cash and investment balance of approximately \$10 million. That balance was accrued with the intention to cash finance capital projects in the future. As planned, those reserves are being used to pay for almost \$4 million in infrastructure repairs and improvements. The additional challenge of managing the use of reserves is that as consumption began to plummet, working cash balances moved in tandem. The current rate structure is no longer funding operating expenses and therefore is not in a position to rebuild reserves.

The following chart depicts both the trend of the Water Fund cash balance if no action is taken and a possible rate increase to stabilize the fund's working cash.



On the current course, the Water and Sewer Fund will be in a deficit position in FY 2013. With the proposed rate increase, the fund will maintain a positive balance until FY 2016. While both scenarios sound ominous there are several assumptions that factor into the analysis.

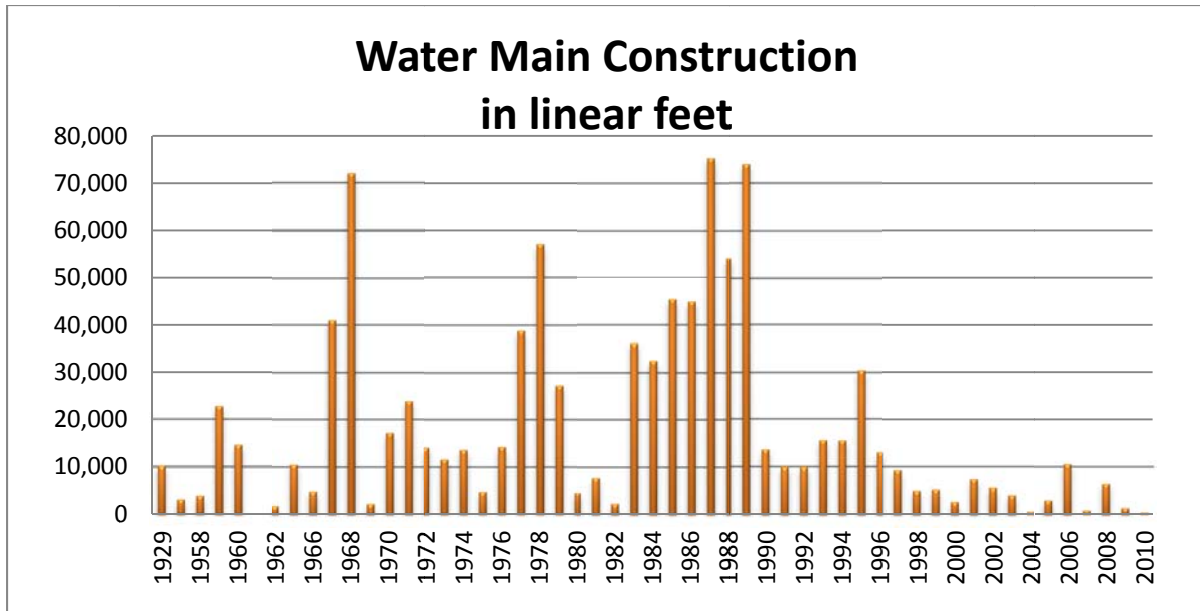
The finance department has prepared a twenty year pro forma of the Water and Sewer Fund that factors for not only anticipated revenues and operating expenses but also capital expenditures that go beyond the revolving five-year Capital Improvement Plan.

Water and Sewer System Assets

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

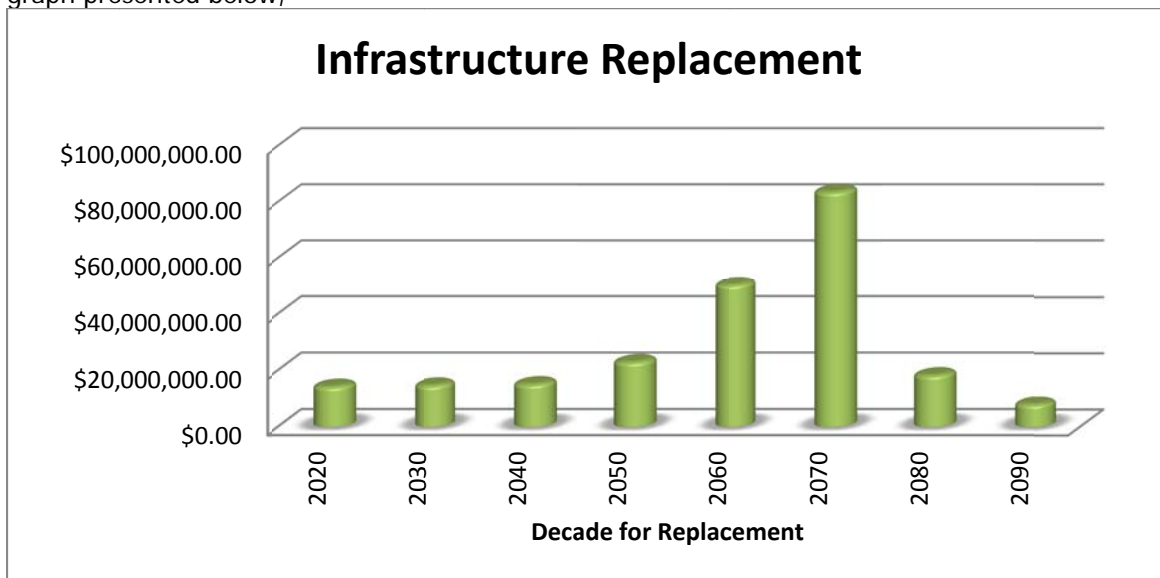
Within the straight line depreciation calculation beginning with the oldest main constructed in 1929, the first replacement should have occurred in 1979. Approximately \$10 million in water mains have 'expired' but have not needed to be repaired. Trying to predict the actual asset life at times is more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

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



During the thirteen years spanning 1983-1996, almost 50% of the water system was constructed. Fortunately during those years, the more resilient ductile iron was used.

The age distribution of the water main leads to the cost estimates to replace the system noted in the graph presented below,



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

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

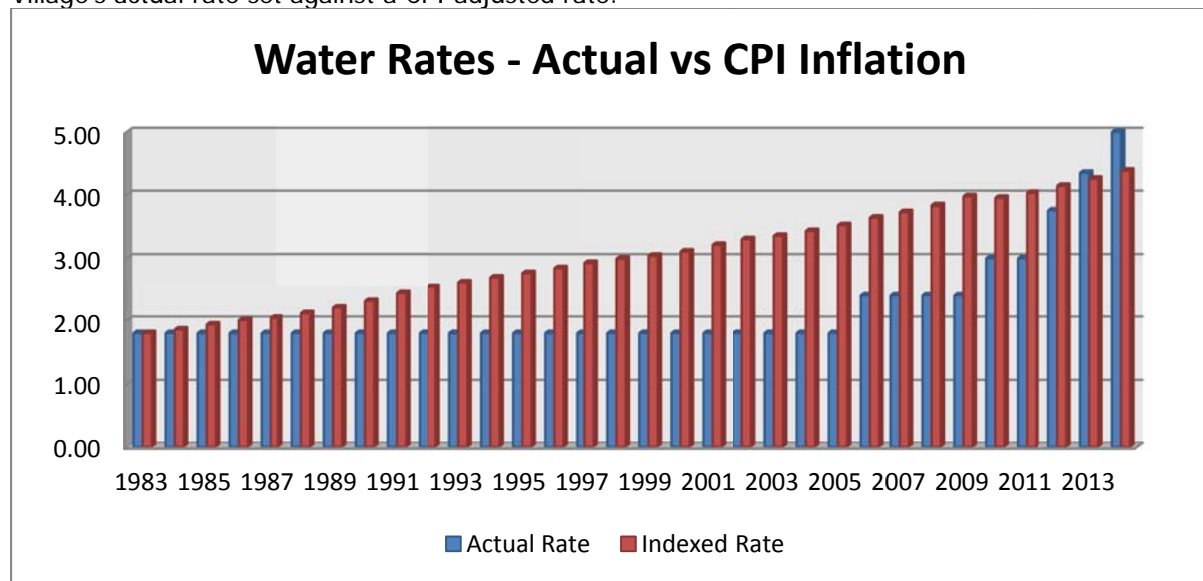
Pro Forma and Rate Recommendations

The pro forma was developed around an annual consumption base of 1.31 billion gallons. Operating expenses were built upon the FY 2011 and 2012 budgets and indexed for inflation. As part of the analysis, a working cash threshold was established at 25% of the operating budget of the water and sewer fund net of expenses related to Lake County Public Works as there are pass through revenues that offset those expenses. At minimum, the fund must strive to always have three months worth of expenses in the bank.

It is estimated that the Water Fund will have nearly \$3.9 million at the end of this year. The threshold is \$1.2 million. The difference between the two represents cash available for infrastructure. It is anticipated the much of the \$2.7 million difference will be used to complete the deep well construction at reservoir #7 and improvements to lift stations.

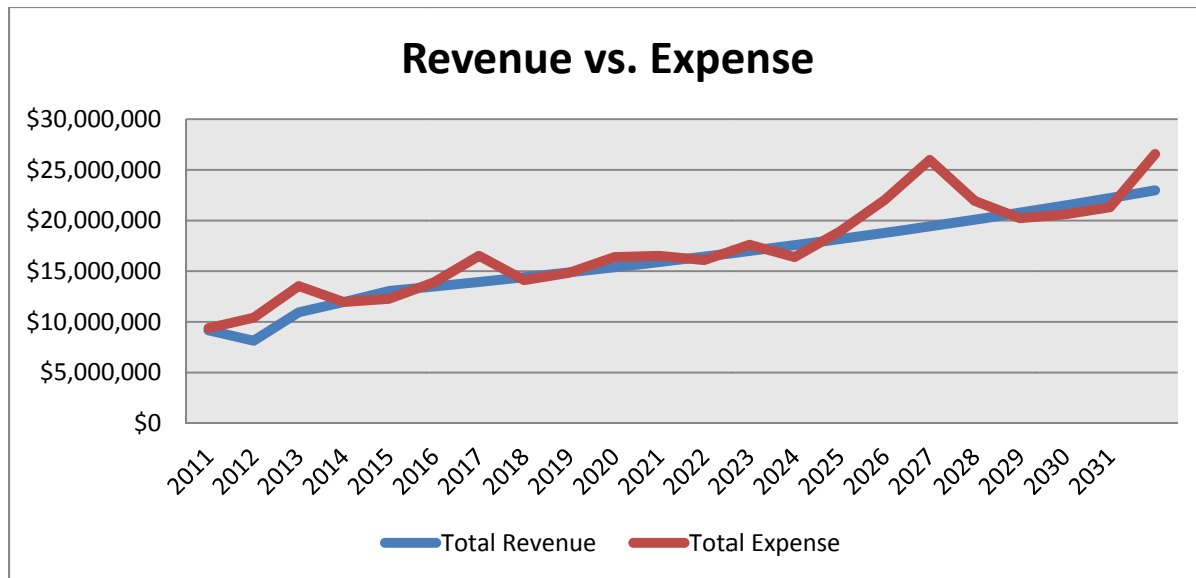
Although this analysis attempts to identify the financial condition of the fund over the next two decades, the rate recommendation focuses on the next three years. Staff is recommending a 56% rate increase phased in over the next three years. The first year would be 25% (3.76/1,000), year two would be 16% (4.35/1,000), and the final year 15% (5.00/1,000). For the outlying years, I factored a CPI adjustment of 3% per year.

Below is a graph that sets as a baseline the Village's water rate in 1983. A data set represents the Village's actual rate set against a CPI adjusted rate.

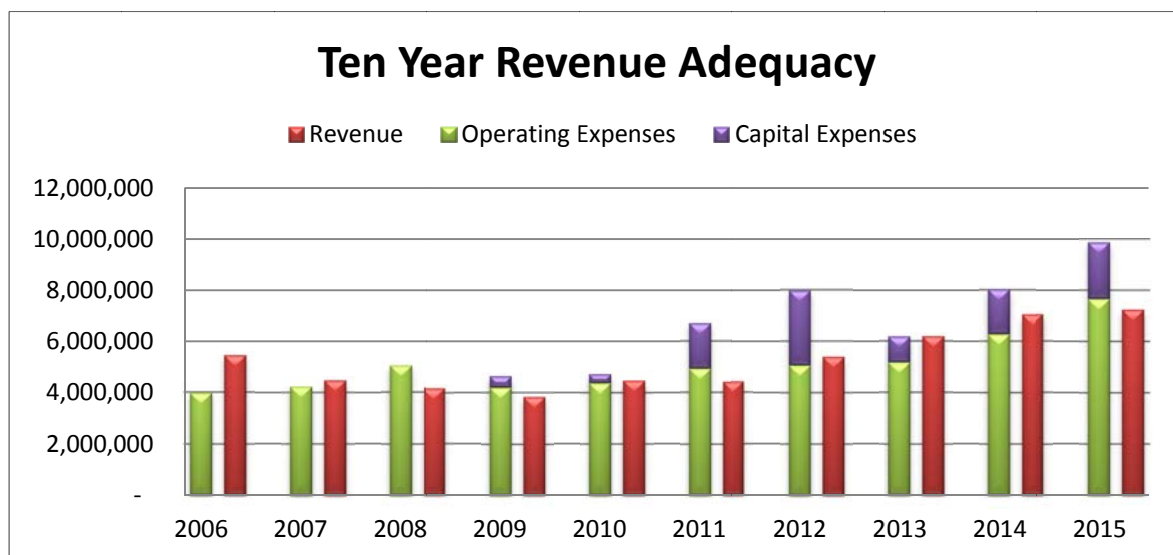


With the recommended increases, the rate will surpass inflationary growth in 2013. What is not measured on the chart is the value of the variance between the two data sets. Had the village charged a rate based solely on inflation during those years the cost to customers would have been an additional \$42 million in user charges.

The effect of the rate increase on the revenue and expense profile is noted below.



As you can see, the rate increase allows revenues to move in lockstep with expenses. What it doesn't do is start to rebuild the capital reserves (surplus over working cash threshold see chart below) and as discussed previously will not avoid the fund going into a negative cash position into FY 2017.



Staff recognizes the challenges associated with what is a significant series of rate increases. That being said, these recommended increases do not address infrastructure improvements in any meaningful manner. The water rate increases are structured to stabilize operating losses, maintain for the next

several years the working cash threshold, and allow time to revisit infrastructure to determine if pay-as-you go financing is still preferred, prudent, and attainable.

On a more positive note, the current and past board should be commended on maintaining a water and sewer utility system with an engineering value of about a half a billion dollars that is debt free. Going forward, funding solutions in the future may need to incorporate the issuance of revenue or general obligation bonds.

This report, similar to the Corporate Fund Five Year Forecast, will be reviewed at least annually and updated to reflect the fund's most current position.

It is recommended that an infrastructure reserve funding formula be developed over the next two years as part of a comprehensive water/sewer utility strategy.

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Appendix C

Human Resources

Health Plan Benefits

Employee Staffing Levels



Health Plan Benefits

Change in Benefits Providers, January 1, 2012

The Village offers two health insurance coverage options, on a self-insured basis using the Professional Health Care Systems (PHCS) Preferred Provider Option (PPO) network and Professional Benefit Administrators (PBA) as the plans Third Party Administrator (TPA). The Village also offers Basic Life / AD&D through Aetna and Dental insurance coverage on a self-funded basis.

Effective January 1, 2012, the Village will enter the Intergovernmental Personnel Benefits Cooperative (IPBC) for the period of January 1, 2012 to July 1, 2014. The Village will be moving its Medical, Dental, Life/AD&D and Flexible Spending Account programs to the IPBC. The IPBC was established in 1978. It is an employee benefits pool, created under Illinois state laws and regulated by the Illinois Department of Labor and Illinois Department of Insurance. The IPBC includes 63 municipalities and municipal entities and covers over 10,000 active employee and retiree lives. Participation in IPBC provides the Village voluminous benefits including but not limited to the following:

- IPBC rate increases have trended lower than industry standards.
- Economies of scale are experienced from negotiating and purchasing insurance products in intergovernmental consortiums.
- The IPBC has expanded access to more effective cost containment options by negotiating contracts with Blue Cross Blue Shield of Illinois, Cigna and United Healthcare. These companies offer an extensive network of physicians and hospitals that help reduce overall plan costs.
- The IPBC provides a wealth of information and support to assist the Village in regard to the impact of Healthcare Reform, compliance, and cost analysis.

Multi-Year Approach to Employee Health Care Premium Contributions.

For a decade, the Village has charged its eligible employees 10% of the premium for their medical insurance benefit. Effective January 1, 2012, the Village will begin a multi-year approach to increasing medical premium contribution to 15%. The new medical insurance premium contribution schedule that has been adopted for all eligible Village employees, including those in the bargaining unit, is as follows:

- 2012 – 11% employee contribution to health insurance premium.
- 2013 – 12% employee contribution to health insurance premium.
- 2014 – 13% employee contribution to health insurance premium.
- 2015 – 14% employee contribution to health insurance premium.
- 2016 – 15% employee contribution to health insurance premium.

2011 versus 2012 Premium Structure (\$)

	2011 rates		2012 rates	
<u>PPO-A Medical Plan</u>				
90% In-Network /				
70% Out of network benefit				
	<u>Monthly</u>	<u>Total Premium</u>	<u>Monthly</u>	<u>Total Premium</u>
Single employee	4.18	541.82	61.14	555.83
Single + 1 dependent	109.45	1,094.47	123.5	1122.77
Family	193.43	1,934.28	218.27	1984.29

	2011 rates		2012 rates	
<u>PPO-B Medical Plan</u>				
100% In-Network /				
0% Out of network benefit	<u>Monthly</u>	<u>Total Premium</u>	<u>Monthly</u>	<u>Total Premium</u>
Single employee	54.18	541.82	64.36	585.01
Single + 1 dependent	109.45	1,094.47	129.99	1181.71
Family	193.43	1,934.28	229.73	2088.47

	2011 rates		2012 rates	
<u>HMO Medical Plan</u>	<u>Monthly</u>	<u>Total Premium</u>	<u>Monthly</u>	<u>Total Premium</u>
Single employee	n/a	n/a	56.23	511.16
Single + 1 dependent	n/a	n/a	113.58	1032.54
Family	n/a	n/a	200.73	1824.83

	2011 rates		2012 rates	
<u>DENTAL</u>				
No employee contribution	<u>Monthly</u>	<u>Total Premium</u>	<u>Monthly</u>	<u>Total Premium</u>
Single employee		\$44.22		43.64
Single + 1 dependent		\$74.44		73.47
Family		\$124.84		123.21

Employee Staffing Level

Seasonal employees are included with part-time employee counts.

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
OFFICE OF THE VILLAGE MANAGER/ADMINISTRATION						
ADMINISTRATIVE INTERN	0	1	0	0	0	0
ASSISTANT TO THE VILLAGE MANAGER	0	1	0	1	1	0
ASSOCIATE PLANNER	0	1	0	1	0	1
DEPUTY VILLAGE MANAGER	1	0	1	0	1	0
DIRECTOR OF HUMAN RESOURCES	1	0	1	0	1	0
EMERGENCY RESPONSE COORDINATOR	0	1	0	1	0	1
VILLAGE MANAGER	1	0	1	0	1	0
VILLAGE PLANNER	1	0	1	0	1	0
SECRETARY	1	1	1	1	1	1
TOTAL	5	5	5	4	6	3
FULL & PART-TIME TOTAL	10		9		9	

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
BUILDING & ZONING						
BUILDING INSPECTOR	1	0	1	0	1	0
CLERK II	0	2	0	2	0	2
DEPUTY BUILDING COMMISSIONER	2	0	2	0	2	0
ELECTRICAL INSPECTOR	1	0	1	0	1	0
HEALTH INSPECTOR	1	0	1	0	1	0
PLAN REVIEWER	1	0	1	0	1	0
PLUMBING INSPECTOR	1	0	1	0	1	0
PERMIT COORDINATOR	0	0	0	0	0	0
PROPERTY MAINTENANCE INSPECTOR	1	0	1	0	1	0
SECRETARY	1	0	1	0	1	0
TOTAL	9	2	9	2	9	2
FULL & PART-TIME TOTAL	11		11		11	

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
FINANCE & GENERAL SERVICES						
ASSISTANT FINANCE DIRECTOR	1	0	1	0	1	0
CLERK II	2	2	2	2	1	1
CLERK III	2	0	2	0	4	0
DIR. OF FINANCE AND GENERAL SERVICES / TREAS.	1	0	1	0	1	0
SECRETARY	1	0	1	0	0	0
TOTAL	7	2	7	2	7	1

FULL & PART-TIME TOTAL	9	9	8
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	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
GOLF OPERATIONS						
ASSISTANT DIRECTOR OF GOLF OPERATIONS	1	0	1	0	1	0
ASSISTANT GOLF PROFESSIONAL	1	0	1	0	1	0
ASSISTANT GOLF PROFESSIONAL	0	2	0	2	0	2
DIRECTOR OF GOLF OPERATIONS	1	0	1	0	1	0
GOLF COURSE ATTENDANT - SEASONAL	0	15	0	15	0	15
GOLF COURSE CASHIER - SEASONAL	0	9	0	9	0	9
GOLF COURSE MAINTENANCE WORKER	0	1	0	1	0	1
GOLF COURSE MAINTENANCE WORKER - SEASONAL	0	14	0	14	0	14
GOLF COURSE MAINTENANCE WORKER II	0	0	0	0	1	0
GOLF COURSE MAINTENANCE WORKER III	1	0	1	0	1	0
GOLF COURSE STARTER/RANGER - SEASONAL	0	11	0	11	0	11
GOLF COURSE SUPERINTENDENT	1	0	1	0	1	0
GOLF COURSE SUPERVISOR	1	0	1	0	0	0
HEAD GOLF PROFESSIONAL	1	0	1	0	1	0
HORTICULTURIST	1	0	1	0	1	0
TOTAL	8	52	8	52	8	52

FULL & PART-TIME TOTAL	60	60	60
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	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
INFORMATION TECHNOLOGY						
DIRECTOR OF INFO. TECHNOLOGY/EMA COOR.	1	0	1	0	1	0
INFORMATION TECHNOLOGY ANALYST	1	0	1	0	1	0
INFORMATION TECHNOLOGY ASSISTANT	1	0	1	0	1	0
PROGRAMMER	0	1	0	1	0	1
TOTAL	3	1	3	1	3	1
FULL & PART-TIME TOTAL						
	4		4		4	

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
FIRE SERVICES						
BATTALION CHIEF	5	0	5	0	5	0
CLERK III	1	0	1	0	0	0
DEPUTY FIRE CHIEF	2	0	2	0	2	0
DEPUTY FIRE MARSHALL	1	0	1	0	1	0
FIRE CHIEF	1	0	1	0	1	0
FIRE INSPECTOR *	1	0	1	0	1	0
FIRE INSPECTOR/PUBLIC EDUCATION OFFICER	1	0	1	0	0	1
FIRE LIEUTENANT	9	0	9	0	9	0
FIREFIGHTER/PARAMEDIC	45	0	45	0	45	0
SECRETARY	1	0	1	0	1	0
TOTAL	67	0	67	0	65	1
FULL & PART-TIME TOTAL						
	67		67		66	

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

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
POLICE SERVICES						
CHIEF OF POLICE	1	0	1	0	1	0
CLERK III	4	0	4	0	3	0
CLERK II	0	2	0	2	0	1
COMMUNITY SERVICE OFFICER	3	0	3	0	3	0
COURT SUPERVISOR	0	1	0	1	0	1
CRIME PREVENTION/COMMUNITY RELATIONS	0	1	0	1	0	1
CROSSING GUARD	0	9	0	9	0	9
DEPUTY POLICE CHIEF	2	0	2	0	1	0
DESK OFFICER I	0	1	0	2	0	2
DESK OFFICER II	4	0	4	0	3	0
EVIDENCE CUSTODIAN	0	1	0	1	0	1
PATROL OFFICER	54	0	54	0	53	0
POLICE COMMANDER	3	0	3	0	3	0
POLICE SERGEANT	11	0	11	0	10	0
POLICE SOCIAL WORKER	1	0	0	0	0	0
RECORDS SUPERVISOR	1	0	1	0	1	0
RESEARCH AND PLANNING SPECIALIST	1	0	0	0	0	0
SECRETARY	1	1	1	1	1	0
TOTAL	86	14	84	15	79	15
FULL & PART-TIME TOTAL	100		99		94	

	FY 2010		FY 2011		FY 2012	
	FT	PT	FT	PT	FT	PT
PUBLIC WORKS/ENGINEERING						
AUTOMOTIVE MECHANIC II	3	0	3	0	3	0
AUTOMOTIVE MECHANIC III	1	0	1	0	1	0
AUTOMOTIVE SHOP ASSISTANT	0	1	0	1	0	1
BUILDING MAINTENANCE SUPERVISOR	1	0	1	0	1	0
BUILDING MAINTENANCE WORKER	2	0	2	0	2	0
BUILDING MAINTENANCE WORKER II - CL	1	0	1	0	1	0
CIVIL ENGINEER II	2	1	2	1	2	1
CLERK II	1	1	1	1	1	1
CLERK I	0	0	0	1	0	0
DEPUTY DIRECTOR OF PUBLIC WORKS	1	0	1	0	1	0
DIRECTOR OF PUBLIC WORKS	1	0	1	0	1	0
ENGINEERING AIDE	0	1	0	1	0	1
ENGINEERING TECHNICIAN	1	1	1	1	1	1
FLEET MANAGER	1	0	1	0	1	0
FORESTRY AND GROUNDS SUPERVISOR	1	0	1	0	1	0
FACILITY COORDINATOR	1	0	1	0	1	0
LABORER - SEASONAL	0	7	0	9	0	9
MAINTENANCE WORKER I	9	0	9	0	10	0
MAINTENANCE WORKER II	8	0	8	0	8	0
MAINTENANCE WORKER II - CL	8	0	8	0	8	0
MAINTENANCE WORKER III	1	0	1	0	1	0
METRA STATION ATTENDANT	0	1	0	1	0	1
OPERATIONS MGR - STREETS, DRAINAGE, SANITARY						
SEWER	1	0	1	0	1	0
SECRETARY	3	0	3	0	3	0
SUPERINTENDENT OF WATER OPERATIONS	1	0	1	0	1	0
TECHNICAL SERVICES MANAGER	1	0	1	0	1	0
TECHNICAL SERVICES SPECIALIST	0	2	0	2	0	2
VILLAGE ENGINEER	1	0	1	0	1	0
WATER CUSTOMER SERVICE WORKER I	1	0	1	0	0	0
TOTAL	51	15	51	18	51	17
FULL & PART-TIME TOTAL	66		69		68	
GRAND TOTAL	236	91	234	94	228	92
FULL & PART-TIME GRAND TOTAL	327		328		320	

Appendix D

Document Definitions

Glossary
Acronyms



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Glossary

The Annual Budget contains terminology unique to public finance and budgeting. This glossary was prepared to assist the reader of this document in the understanding of some of these terms.

Abatement:

A partial or complete cancellation of a levy imposed by the Village. Abatements usually apply to tax levies special assessments and service charges.

Agency Fund:

A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

Appropriation:

A legal authorization granted by the Village Board to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

Assessed Valuation:

A value that is established for real or personal property and used as a basis for levying property taxes. (Note: Property values are established by the Township Assessor.)

Assets:

Property owned by a government.

Audit:

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation.

Balance Sheet:

That portion of the Village's financial statement that discloses the assets, liabilities, reserves and balances of a specific governmental fund as of a specific date.

Basis of Accounting:

A term used when revenues, expenditures, expenses, transfers, assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on the cash, modified accrual or the accrual method.

Bond:

A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for the financing of capital improvements.

Budget:

A plan of Village financial operations which includes an estimate of proposed expenditures and a proposed means of financing them. The term used without any modifier usually indicates a financial plan for a single operating year. The budget is the primary means by which the expenditure and service levels of the Village are controlled.

Budget Message:

The opening section of the budget which provides the Village Board and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Village Administrator.

Cash Management:

The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the balance of the highest interest and return, liquidity and minimal risk with these temporary cash balances.

Certificate of Deposit:

A negotiable or non-negotiable receipt for monies deposited in a bank or financial institution for a specified period for a specified rate of interest.

Charges for Service:

User charges for services provided by the Village to those specifically benefiting from those services.

Debt:

A financial obligation resulting from the borrowing of money. Debts of government include bonds, notes, and land contracts.

Deficit:

The excess of expenditures or expenses over revenues or income during a single accounting period.

Department:

A major administrative division of the Village which indicates overall management responsibility for an operation.

Depreciation:

The allocation of the cost of a fixed asset over the asset's useful life. Through this process the entire cost of this asset less any salvage value is ultimately charged off as an expense. This method of cost allocation is used in proprietary funds.

Distinguished Budget Award Program:

Award program that recognizes exemplary budget documentation run by Government Finance Officers Association. Budgets are reviewed using a comprehensive checklist and those judged proficient receive the award.

Enterprise Fund:

A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Expenditures:

Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental transfers.

Expenses:

Charges incurred, whether paid or unpaid, resulting from the delivery of Village services.

Fiscal Policy:

The Village's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year:

A 12 month period to which the Village's annual operating budget applies and at the end to which the Village determines its financial position and the results of its operation. The Village has specified January 1 to December 31 as its fiscal year.

Fixed Assets:

Assets of a long term character which are intended to continue to be held or used. Examples of fixed assets include items such as land, buildings, machinery, furniture, and other equipment.

Fund:

An accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance:

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

Generally Accepted Accounting Principles (GAAP):

Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

General Obligation Bonds:

Bonds that finance a variety of public projects such as streets, buildings, and improvements; the repayment of these bonds is usually made from the Debt Service Fund, and these bonds are backed by the full faith and credit of the issuing government.

Governmental Fund Types:

Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities, except those accounted for in proprietary and trust funds. In essence, these funds are accounting segregation of financial resources. Expendable assets are assigned to a particular governmental fund type according to the purposes for which they may or must be used. Current liabilities are assigned to the fund

type from which they are to be paid. The difference between the assets and the liabilities of governmental fund types is referred to as fund balance. The measurement focus in this fund types is on the determination of financial position and changes in financial position (sources, uses and balances of financial resources), rather than on net income determination. The statement of revenues, expenditures and changes in fund balance is the primary governmental fund type operating statement. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers and other changes in fund balance. Under current GAAP, there are four governmental fund types: general, special revenue, debt service and capital projects.

Income:

A term used in proprietary fund type accounting to represent (1) revenues, or (2) the excess of revenues over expenses.

IRMA (Intergovernmental Risk Management Agency):

An organization of 75 municipalities in the six county collar area around Chicago which joined together to pool insurance risk, cost, and coverage. IRMA, through its risk-sharing provisions, provides the Village with coverage for liability, property damage, automobile, and worker's compensation insurance.

Intergovernmental Revenue:

Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Levy:

(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments or service charges imposed by the Village.

Liability:

Debt or other legal obligations arising out of transactions in the past which must be liquidated renewed or refunded at some future date.

Modified Accrual Basis:

The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual that is when they become both "measurable" and "available" to financial expenditures of the current period: "Available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditure either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

Net Income:

Proprietary fund excess of operating revenues, non-operating revenues, and operating transfers in over operating expenses, non-operating expenses, and operating transfers out.

Property Tax:

Property taxes are levied on real property according to the property's valuation and the tax rate.

Proprietary Fund Types:

The classification used to account for a Village's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position. However, where the GASB has issued pronouncements applicable to those entities and activities, they should be guided by these pronouncements.

Retained Earnings:

An equity account reflecting the accumulated earnings of the Village's Proprietary Funds.

Revenue:

Funds that the government receives as income. It includes such items as tax receipts, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Tax Increment District:

A legal entity created by local resolution to promote improvements, jobs, etc. The taxes generated from the assessed value "increment" above the base year is used to finance the costs of the improvements which generate the increased assessed valuation.

Tax Levy:

The total amount to be raised by general property taxes for operating and debt service purposes.

Tax Rate:

The amount of tax levied for each \$100 of assessed valuation.

Trust Funds:

Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

Acronyms

<u>CAD:</u>	Computer Aided Dispatch
<u>CIF:</u>	Capital Improvement Fund
<u>CIP:</u>	Capital Improvement Plan
<u>EAV:</u>	Equalized Assessed Valuation
<u>EMA:</u>	Emergency Management Agency
<u>FLSA:</u>	Fair Labor Standards Act
<u>GAAP:</u>	Generally Accepted Accounting Principals
<u>GFOA:</u>	Government Finance Officers Association
<u>HVAC:</u>	Heating, Ventilation Air Conditioning
<u>IMF:</u>	Infrastructure Maintenance Fee
<u>IMRF:</u>	Illinois Municipal Retirement Fund
<u>IRMA:</u>	Intergovernmental Risk Management Agency
<u>MCSC3:</u>	Mobile Comm Support Center 3
<u>MDC:</u>	Mobile Data Computer
<u>MFT:</u>	Motor Fuel Tax
<u>OTSW:</u>	Opportunities, Threats, Strengths and Weaknesses
<u>SOP:</u>	Standard Operating Procedure
<u>SWANCC:</u>	Solid Waste Agency of Northern Cook County
<u>TERF:</u>	Technology Equipment and Replacement Fund
<u>TIF:</u>	Tax Increment Financing
<u>VSI:</u>	Voluntary Separation Incentive



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