

**VILLAGE OF  
ARLINGTON HEIGHTS, ILLINOIS**

**ADOPTED**  
**BUDGET-IN-BRIEF**  
**FISCAL YEAR 2011-12**  
BEGINNING MAY 1, 2011



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**  
**33 S. Arlington Heights Road**  
**Arlington Heights, Illinois 60005-1499**

# VILLAGE OF ARLINGTON HEIGHTS

BUDGET-IN-BRIEF  
FISCAL YEAR 2011-12  
BEGINNING MAY 1, 2011

**ADOPTED**

## VILLAGE BOARD

Arlene J. Mulder, Village President

Carol Blackwood, Trustee  
Norman Breyer, Trustee  
Joseph C. Farwell, Trustee  
Thomas Glasgow, Trustee

Thomas W. Hayes, Trustee  
Bert Rosenberg, Trustee  
John Scaletta, Trustee  
Thomas F. Stengren, Trustee

## VILLAGE MANAGER

William C. Dixon

## FINANCE DIRECTOR/TREASURER

Thomas F. Kuehne

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# Introduction

## VILLAGE ADMINISTRATION

### *Central Administration*

Village Manager	William C. Dixon
Assistant to the Village Manager	Diana Mikula
Village Attorney	Jack Siegel
Prosecuting Attorney	Ernest R. Blomquist
Assistant Village Attorney	Robin Ward
Village Clerk	Edwina Corso/Becky Hume
Finance Director/Treasurer	Thomas F. Kuehne
Human Resources Manager	Mary Rath

### *Public Safety*

Chief of Police	Gerald Mourning
Fire Chief	Glenn Ericksen

### *Economic & Community Development*

Director of Planning & Community Development	Charles Witherington-Perkins
Acting Building Director	James McCalister
Director of Engineering	Jim Massarelli

### *Services*

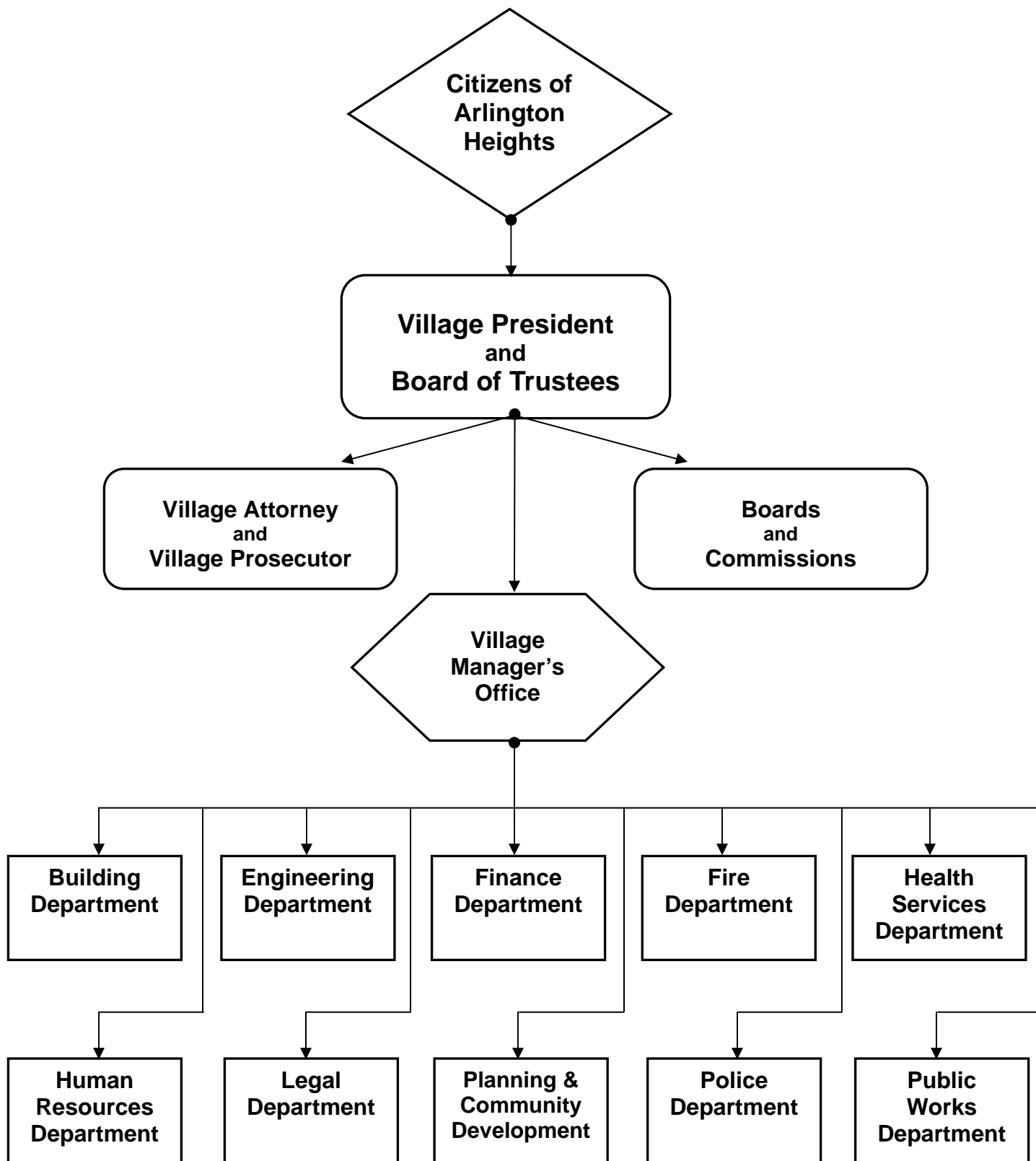
Director of Health Services	James McCalister
Public Works Director	Scott Shirley

### *Budget Preparation*

Finance Director/Treasurer	Thomas F. Kuehne
Deputy Finance Director	Robert C. Buechner, Jr.
Chief Accountant	Mary Juarez
Budget Coordinator	Pam Robb

# VILLAGE OF ARLINGTON HEIGHTS

## ORGANIZATION STRUCTURE





## Village of Arlington Heights

33 S. Arlington Heights Road  
Arlington Heights, Illinois 60005-1499  
(847) 368-5000  
Website: [www.vah.com](http://www.vah.com)

April 11, 2011

Dear President Mulder and Trustees:

I am hereby transmitting the Adopted Budget for the fiscal year beginning May 1, 2011 and ending April 30, 2012 (FY2012). For the third consecutive year the budget has been challenging to develop given the current economic circumstances, versus the need to provide a sustainable financial plan for the Village. From the beginning, the Village has viewed this economic downturn as a long-term problem due to the failure of the country's central financial systems. As such, the Village has taken an aggressive approach to the structural budget deficits that emerged as a result of significant declines in our revenue base and the continued upward pressures on expenditures.

Over the years the Village has worked to maintain a healthy fund balance and has taken steps to decrease expenditures or increase revenues as necessary. Due to these earlier actions, from FY2004 through FY2008 the Village's key operating fund, the General Fund, ended each fiscal year with a surplus. However, the recession changed the financial landscape dramatically by shrinking our revenue base. As a result, during FY2009 and FY2010 the Village had to draw down General Fund reserves by a total of \$4.5 million, in addition to making difficult decisions in regard to revenues, expenditures, and service levels through FY2011. The Adopted Budget for FY2012 does not project a further drawdown of reserves, but it does reflect additional position eliminations, program reductions, and revenue enhancements.

During the FY2010 and FY2011 Budget process the Village reduced its total staffing level through attrition and layoffs. Programs such as the "Too Good for Drugs" and the Teen Center were also eliminated. In prior years administrative staff positions were eliminated and vehicle lives were extended. Expenditures for capital equipment and infrastructure improvements have also been decreased. However, certain capital investments must be continued in order to avoid even higher maintenance and replacement costs in the future. As a result, the FY2012 expenditure cuts will continue to be largely personnel related in nature. The Adopted FY2012 Budget includes the elimination of 7.5 full-time equivalent (FTE) positions bringing the three year total reduction in Village staffing to 46 positions.

In the two prior fiscal years the Village reduced staffing levels through attrition, vacancies, and layoffs. For FY2012 the Village eliminated 2 vacant positions, 1 position through a layoff due to that position's duties being outsourced, and the balance of the position eliminations were accomplished through a voluntary retirement incentive program (VRIP). Under this program the Village offered to provide two years of continued health insurance coverage as a limited time incentive for eligible retirees. The results of the program were positive with a total projected annual savings of \$485,000 due to not replacing 4.5 FTE's of the 13 vacancies created by retirees participating in the VRIP. An additional \$113,000 in short-term savings is credited to replacing the remaining positions with individuals at lower salaries. The cost of the program will be covered by

the Village's Health Insurance Fund, and is expected to total about \$61,000 for premiums and self-insurance payments over the next two years.

Another method some local governments have utilized to reduce personnel costs has been to implement furloughs. However, this type of cost cutting measure is temporary in nature and assumes that the economy will return quickly to its prior level. Unfortunately a return to the previous unsustainable financial behavior by the banking system, businesses, and individuals would undoubtedly pave the way for further financial problems. As a service oriented organization with 79% of our operating costs covering personal expenditures, the Village has had to reduce expenditures by shrinking the size of the government through service reductions and the elimination of positions through early retirement, attrition, vacancies, and layoffs.

The Village develops its budget based on a conservative forecast of revenues, and does not take into account new revenues from growth unless the development is completed and has provided a historical basis for a new projection. A normal operating expense cycle is assumed and includes expenditure increase assumptions. The Village also has access to its reserves, which are maintained in part to ensure our excellent bond rating and lower bond interest charges associated with that rating. Maintaining adequate reserves also provides a source of funds for extraordinary storm or other damages, and to help weather economic downturns such as that now being encountered. The Village's minimum fund balance policy is to maintain a fiscal year-end balance of at least 25% of General Fund expenditures. Being near or above this level is even more important for Arlington Heights due to our reliance on sales and income tax receipts which are subject to economic cycles.

The Village of Arlington Heights' goal is to provide responsive and fiscally responsible services to the community. These services are provided to enhance the safety, health and general welfare of the citizens and businesses within the community. The Village's service oriented philosophy continues to balance various community needs with municipal resources through a planned approach to the governance process. As a result of conservative budgeting practices the Village is fortunate to remain in a strong fund balance position. This has been even more important as the Village has dealt with the difficult and complex issues of position eliminations and service reductions, while remaining committed to the provision of basic municipal services as our priority.

## **Budget Summary – All Funds**

The budget is comprised of operating, capital, internal service and other miscellaneous funds. The Village's operating funds account for the day-to-day expenditures for a variety of services. Among these are police and fire protection, water and sewer services, public parking, building, code review, planning, health, general services, public infrastructure maintenance and many other services. These basic Village services are funded through user fees, taxes, licenses, permits and other charges. The total amount budgeted for the Village's capital needs can vary from year to year depending on the timing and implementation of replacement and construction schedules. Capital expenditures are funded through bond issues, user fees, designated taxes and the budgeted use of accumulated savings.

The total of all operating, capital and other funds appropriated in FY2012, not including the Memorial Library, comes to \$134,885,496, which is 4.3% lower than the prior fiscal year. The decrease is attributable to the elimination of 7.5 staff positions, no budgeted salary schedule

adjustment, reduced capital expenditures, lower debt service costs, and the elimination of some services and programs.

The Adopted FY2012 Budget assumes that we will continue to troll along the bottom part of the recession curve, with short-term Village revenues projected to grow at a slow pace. On the expenditure side the budget assumes that non-union Village personnel will not receive a salary schedule adjustment in FY2012. Police and Fire union contract negotiations are scheduled to commence in late winter of 2011. Those employees represented by these bargaining units are budgeted the same as non-union employees until such time that contract agreements are reached. Another key expenditure area is health insurance, and the Village is fortunate in that the FY2012 estimated blended health insurance plan increase is only 1.4%. This reflects an increase in the HMO rates of 4.5%, a PPO increase of 0%, and no increase in dental rates. Low claims experience and the Village's ongoing wellness programs resulted in this unusually low health insurance renewal for FY2012. However, we cannot expect to continue to experience rate increases this low in the future.

Police and Fire Pension costs have increased significantly, but the recent implementation of a two-tier pension system by the State Legislature, coupled with an improving stock market, will hopefully start to tame this expenditure area. The intent of the new two-tier pension system is to reduce the long-term pension liability for employers who have employees covered under the Police and Fire Pension plans. Most of the benefits of these changes will be longer-term since much of the law is written for new employees who commence work on or after January 1, 2011. However, the law does provide an immediate benefit by altering the amortization period for the Police and Fire Pension unfunded liability, extending it from 100% funding by 2033 to 90% funding by 2040.

In February 2010 the State Legislature also created a second tier of pension benefits for other Village employees covered by the Illinois Municipal Retirement Fund (IMRF). Once again, the intent of this legislation was to reduce the long-term liabilities for IMRF employers. The IMRF Board had also made a change to its actuarial technique in 2009, under which the amortization method for paying down the unfunded obligation was changed from a closed method ending in 2022, to a rolling technique where the amortization period resets to thirty years, each year. This change helped spread out the losses from the 2008 market collapse over more years. These changes, in addition to the Village's actions to prepay its IMRF early retirement incentive program and the elimination of a number of IMRF staff positions, have helped hold down property tax requirements for the IMRF pension plan.

## **Personnel Changes**

Over the last few years the Village has continued to look for ways to work as efficiently as possible. During this time period the Village Board and staff have consistently worked to reduce staffing levels. This has been accomplished by consolidating some positions as well as through efficiency improvements utilizing technology. In other cases, services have been reduced or contracted out on an as-needed basis. In the last three years significant reductions in staffing levels have been required due to the severe recession. The table below summarizes the full-time equivalent (FTE) personnel changes by department for FY2002 compared to FY2012:

## Change in Village FTE Staffing Level FY2002 vs. FY2012

	FY2002	FY2012	+(-)	% of Increase (Decrease)
Manager's Office	6.00	6.00	0.00	0.0% *
Human Resources	4.50	4.00	(0.50)	(11.1%)
Legal	3.50	2.75	(0.75)	(21.4%)
Finance/Village Clerk/IT/GIS	31.00	23.50	(7.50)	(24.2%)
Police/Police Grant	149.00	139.00	(10.00)	(6.7%) *
Fire	105.50	110.50	5.00	4.7%
Planning	12.00	9.00	(3.00)	(25.0%)
Building	19.00	16.50	(2.50)	(13.2%)
Engineering	15.00	10.00	(5.00)	(33.3%)
Health/Youth/Senior Services	19.50	13.75	(5.75)	(29.5%) **
Public Works/Buildings & Grounds/Fleet	68.00	51.75	(16.25)	(23.9%)
Water Utilities	40.00	40.25	0.25	0.6%
	<b>473.00</b>	<b>427.00</b>	<b>(46.00)</b>	<b>(9.7%)</b>

\* In FY2010 the Switchboard Operation position moved from the Police Department to the Manager's Office. Without this move, the Manager's Office staffing level would have shown a decrease of (1.00) or (16.17%) and the Police Department staffing level would have shown a decrease of (9.00) or (6.04%).

\*\* Over half of the Health/Youth/Senior Services decrease, or 3.5 full-time equivalent positions, is due to the Teen Center not being funded in FY2011.

In addition to the 7.5 position eliminations outlined earlier, the Adopted FY2012 Budget includes additional changes by the Building and Fire Departments that will not decrease the total FTE position count, but will decrease the total cost for these positions. In the Building Department the vacant Fire Inspector position is being replaced by a part-time Fire Inspector and a part-time Electrical Inspector. Both of these new part-time positions will not be eligible for medical, vacation, and other benefits. A Building & Property Inspector position which was vacated through the VRIP will be changed to a new Plan Reviewer position, which will also complete some building inspections. In addition to these position changes, the Building Department budget reflects the elimination of the Building & Property Inspections Supervisor position, and a six month vacancy for the Building Director position which is currently unfilled. The Fire Department's Administrative Assistant II position was vacated through the VRIP, and is being replaced by one part-time Administrative Assistant I and one part-time Administrative Assistant II. These positions will also not be eligible for medical, vacation, and other benefits.

The balance of this budget message identifies the process that has been followed to prepare this financial plan for FY2012, a detailed review of the General Fund and a list of expenditure reductions in the General Fund, as well as budget narrative on other Village funds. Additional charts and graphs on the budget as a whole and on selected funds can be found in the Financial Summaries section of the budget.

### Explanation of the Budget Process

The Village of Arlington Heights operates under the Budget Officer Act as outlined in the Illinois Compiled Statutes. Under this law the Village Board is required to adopt the budget prior to the beginning of the fiscal year to which it applies. The law also provides that the budget shall serve

as the Village's annual appropriation ordinance. The Village's budget and financial planning process begins in October of each year when the Board reviews and approves a five-year Capital Improvement Program. In November, multi-year projections are provided to the Board for the General and Water & Sewer Funds, which are the Village's key operating funds. Based on these projections, the Board sets budget ceilings which each department uses as an upper limit when developing its proposed spending plans.

The FY2012 financial planning process was somewhat different than normal this year due to the ongoing effects of the recession. Through the first six months of FY2011, income tax, telecommunication tax, building permits, and interest income were all coming in under budget. This required that the Village take an earlier look at its General Fund revenue and expenditure projections. A review of the General Fund's revenue performance was completed in mid-September 2010. In October 2010 a list of key policy issues, expenditure cuts, and revenue enhancements was proposed by the Village Manager with assistance from the Department Heads and prepared for the Village Board's initial review. This early review was designed to provide the Village Board with the information needed to approve the budget ceiling levels and the 2010 property tax levy amounts by the last Tuesday in December as required by state statute.

During January and February the budget team, consisting of the Village Manager, Assistant to the Village Manager, Finance Director, Deputy Finance Director, and Budget Coordinator, meet with representatives of each department to review their operating and capital spending proposals. As a result of these meetings and based on available resources, a proposed budget is prepared for review by the Village Board. During March, the Village holds a number of public budget meetings at the Committee-of-the-Whole level. The Village Board subsequently holds a Public Hearing prior to adopting the annual budget in April of each year. A detailed calendar of the budget process immediately follows this transmittal letter.

The budget may be amended by the Village Manager in the form of transfers between line items up to \$10,000. Budget transfers above this amount require the approval of the Village Board. This allows the Village the flexibility it needs to operate efficiently due to the scope of its operations. This also serves to increase the accountability of department directors by encouraging them to budget realistically and to keep a close watch on each expenditure line item during the year.

The budget ceilings approved by the Village Board for the General and Water & Sewer Funds at the beginning of the FY2012 budget process, versus the Adopted FY2012 Budget totals for these funds are as follows:

	<u>General Fund</u>	<u>Water &amp; Sewer Fund</u>
Budget Ceiling	\$64,497,000	\$15,155,500
Adopted Budget	<u>63,566,000</u>	<u>14,824,400</u>
Over (Under) Ceiling	\$ (931,000)	\$ (331,100)

In late December 2010 the Village learned that one of its larger restaurants, Pappadeux's, was closing unexpectedly as of mid-January 2011. The FY2012 Budget assumes that this restaurant site will remain closed for the entire fiscal year. It is estimated this will decrease the Village's FY2012 General Fund revenues by about \$150,000 due to lost sales and food and beverage tax receipts. The Village also learned recently that the Lincoln brand would be dropped from a local

car dealer and we estimate an additional loss in sales tax of about \$100,000. Income tax receipts and interest income have also been adjusted downward from earlier projections. To offset a portion of these revenue reductions, additional position eliminations have been included in the Adopted FY2012 Budget due to the positive results of the Village's voluntary retirement incentive program. The budget ceilings had also assumed that health insurance costs would increase by 10% for the next fiscal year. However, as a result of the Village's low claims experience, next year's health insurance renewal is only going up by a blended rate of 1.4%. Some additional expenditure cuts were also made during the department budget reviews. Through these actions the FY2012 General Fund and Water & Sewer Fund budgets are below the budget ceilings established by the Village Board in November 2010.

## General Fund

The General Fund is the all-purpose governmental fund, which handles the operations of the Village not accounted for in a separate fund. Most of the expenditures for Village services are budgeted and accounted for in this fund, except for water and sewer expenses. There are four key revenue sources, which account for 69% of the total General Fund revenues:

- Property Tax	30% of revenues
- Sales Tax (including Home Rule)	23%
- Income Tax	10%
- Telecommunications Tax	6%

The revenues listed above represent the General Fund's primary growth revenues, which pay for annual cost increases. On the expenditure side, as a service organization, 79% of this Fund's expenditures are for Personal Services including benefits. Pension increases over the past few years have put pressure on this expenditure area, and this situation is not unique to the Village of Arlington Heights. On an operational basis, most of the Village's general expenditures are directed toward public safety, with the Police and Fire Departments comprising 63% of the total General Fund budget.

The Village has worked to be very prudent with General Fund monies and as of FY2008 the Village had experienced five straight years of surpluses. This is in stark contrast to the drastic changes that have occurred during the last three fiscal years. The Village's General Fund revenue base has decreased dramatically as sales, income, hotel, and telecommunication tax receipts all declined as a result of the severe economic recession. In response, the Village Board and staff have worked to reduce expenditures by eliminating positions, cutting services and programs, and implementing revenue enhancements. During FY2009 and FY2010 the Village also had to draw down its reserves by a combined \$4.5 million. The FY2011 Budget as amended during the year assumed the use of only \$468,839 in General Fund reserves. However, through the most recent position elimination and revenue enhancement actions taken by the Village Board in November 2010, the revised financial position and projections for the General Fund for the period FY2009 through FY2012 are shown below:

### GENERAL FUND FINANCIAL POSITION

	FY2009 Actual	FY2010 Actual	FY2011 Est. Act.	FY2011 Budget	FY2012 Budget
Revenues	\$57,848,108	\$59,303,291	\$61,436,747	\$61,604,924	\$63,566,000
Expenditures	60,627,317	61,021,789	60,996,900	62,073,763	63,566,000
Surplus (Deficit)	(2,779,209)	(1,718,498)	439,847	(468,839)	0

The expenditure cuts listed below reflect additional expenditure reductions, as well as the cuts that were reviewed and approved by the Village Board in November 2010 in anticipation of approving the 2010 tax levy and in setting the FY2012 budget ceiling.

### FY2012 General Fund Expenditure Cuts:

1. \$860,900 Eliminate 6.5 (FTE) General Fund Village staff positions:  
Wages, insurance and pension benefits for:  
**1 layoff due to outsourcing** – Finance/IT System Administrator;  
**1 vacant position** – Public Works Maintenance Worker II; and  
**4.5 positions through the Voluntary Retirement Incentive Program (VRIP)**  
– Finance/Village Clerk Part-time Administrative Assistant, Building & Property Inspections Supervisor, Police Court Liaison, Electrician II, and Public Works Maintenance Worker II.  
  
(Note: 1 additional vacant position for an Electronics Systems Supervisor in the Water & Sewer Fund is not included in this presentation.)
2. 250,000 Reduce non-union employee wage increase assumption from 2% to 0% for FY2012.
3. 210,000 FY2012 effect of FY2011 reduction in budgeted increases for non-union employees from 3.75% to 2%.
4. 12,000 FY2012 effect of FY2011 reduction in budgeted increase from 3.75% to 2% for Village Manager and to 1% for Department Heads.
5. 16,000 Reduce Public Works overtime.
6. 23,100 Reduce Temporary Help in Village Manager, Human Resource, and Planning areas.
7. 606,900 Insurance premiums lower than anticipated – projected at a 10% increase and came in at a 1.4% blended plan increase.
8. 160,000 Reduced medical insurance contingency from \$360,000 to \$200,000. The contingency has not been used in the last few years.
9. 27,900 Reduce IT/GIS service charges.
10. 24,400 Reduce central dispatch cost.
11. 12,800 Eliminate recycle bin cost – part of new Groot refuse contract.
12. 12,200 Eliminate Planning professional services.
13. 6,500 Reduce projected \$70,000 economic development budget by decreasing contractual services.
14. 6,500 Reduce projected \$50,000 Discover Arlington program budget.
15. 4,000 Reduce employee appreciation program.
16. (87,800) Increase petroleum product cost.
17. 99,900 Other miscellaneous expenditure cuts net of adjustments across all departments.

\$2,245,300	Total FY2012 General Fund Expenditure Cuts
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Of the \$2,245,300 in total expenditure cuts listed above, the first eight items include wage and benefit reductions totaling \$2,138,900, or 95% of the total General Fund cuts. Since 79% of the General Fund budget is for Personal Services and prior year cuts included many other non-personal service cuts, this year's heavier emphasis on personnel reductions was unavoidable.

**Revenue Adjustments** - During the mid-year budget review process in September 2010, General Fund revenues showed declines due primarily to decreases in income, telecommunications, hotel tax receipts, building permits and interest income. After making significant cuts to personnel and services, the Village needed to replace some of the lost revenues in order to close the deficit and maintain most of the Village's core services. The revenue action shown below was enacted by the Village Board in November 2010, and in conjunction with the expenditure cuts helped close the projected deficits for FY2011 and FY2012:

- The utility tax on electric and natural gas services was increased from 3% to 5%. The electric utility tax increase is projected to raise about \$1.3 million in additional receipts and the natural gas utility tax increase should bring in about \$700,000 in additional tax receipts on an annual basis. These revised tax rates were implemented as of February 1, 2011.

**Future General Fund Concern – State of Illinois Budget Deficit** – The State of Illinois' multi-billion dollar deficit will likely affect the overall State economy and could potentially have a more direct affect on local governments. The State has fallen behind on its payments to vendors and various State agencies, causing some businesses and agencies to shutter their doors. As the State works to balance its budget there could be even more delayed or defaulted payments, which can affect businesses and sales tax receipts from those businesses. From a more direct perspective, the Village has continued to receive its portion of sales tax collections from the State, but our income tax receipts are being delayed by the State due to their cash flow problems. Under normal circumstances, there is a one or two month lag time between the voucher months when the State receives income tax receipts and disbursement of the 1/10<sup>th</sup> per capita amount paid to local governments. As of March 2011, there was a three month lag time, and the income tax receivable from the State to the Village equaled \$1.6 million. The Village currently receives about \$6.1 million per year in income tax receipts which represents about 10% of total General Fund revenues.

## **Water & Sewer Fund**

The Water & Sewer Fund remains relatively stable due in large part to the combined 5% rate increases that were approved by the Village Board for FY2011 through FY2015. Even with these planned adjustments the Village's water and sewer rates will likely remain at or below the average for communities in the surrounding area. Capital projects in the Water & Sewer Fund reflect normal Watermain Replacement and Sewer Rehabilitation programs.

The prior year's capital budget for sewer work was higher than normal due to the planned Regent Park Sanitary Relief project. This project entails the construction of a new, gravity sewer from Regent Park to the Village tunnel at Gibbons and Kensington. However, due to the very wet summers over the last two years, the number of gallons of water sold has decreased resulting in revenues coming in less than expected. To ensure that the Water & Sewer Fund maintains an adequate working cash reserve level, the Regent Park project was put on hold. Engineering on the project is still being completed so that the Village will be prepared to move forward with the project when sufficient funding is available.

The budget also includes continued funding of the Sewer Back-Up Rebate program. Under this program single-family homeowners can upgrade their old systems by installing a sewer back-up system to prevent sanitary sewer back-ups into their basements. The average cost to install a sewer back-up system can range from \$10,000 to \$15,000. The Village's rebate amount for the

program is set at a maximum of \$5,000 per qualifying single-family residence, with a maximum annual program budget of \$50,000. To date the program has averaged about three approved projects per year since its inception in FY2007. Installing a sewer back-up system increases an owner's property value, but the significant out-of-pocket expense prohibits some residents from participating in the program.

The Village recognizes that there are different types of flooding concerns in certain areas of the community. Overland flooding is a general Village concern requiring infrastructure improvements and plan approvals by the Metropolitan Water Reclamation District (MWRD). On the other hand, more localized flooding of rear yards or basements are frequently the homeowner's responsibility.

## **Flood Control V Fund**

The FY2012 Budget includes the following significant flood control projects:

*Grove Street Sanitary Sewer (\$500,000)* – The Grove Street sanitary sewer area is prone to sewer back-ups and many residences in this area were not built with a sewer back-up prevention system. The budgeted amount includes funds to cover the Village's portion of the Sewer Back-Up Rebate Program for 100 residences in the Grove Street sanitary sewer area. The Village plans on making a special marketing effort in this area to advise the residents of the benefits of installing a sewer back-up system. This budget reflects additional funding for the rebate program beyond the amount covered for Village-wide program participation in the Water & Sewer Fund.

*Flood Control Program (\$200,000)* – This budget provides funds for public drainage improvements allowing new or improved access for residents to Village storm sewers which can help alleviate chronic neighborhood drainage problems.

*Cypress Detention Basin Flood Control Program (\$150,000)* – This small project connects two storm sewers near the corner of Cypress Street and Arlington Heights Road.

## **Capital Improvement Program (CIP)**

The Village of Arlington Heights has been aggressive in maintaining its roads, providing a drainage system that mitigates flooding in the community, and maintaining its buildings, emergency apparatus, and facilities required to perform essential services. Over the years, Federal and State financial assistance has dwindled thereby expanding local responsibilities in the program area of public infrastructure. This problem has been compounded by new regulations governing the health and environmental standards that regulate design and operations. Balancing the competing demands for limited resources is important to maintain a healthy, safe, viable, and physically attractive community.

The Capital Improvement Program includes a process whereby citizens are asked for input on an annual basis. By communicating through the Village website, citizens are afforded the opportunity to complete a short form describing the type of capital projects they would like the Village to consider in the next five years. Village staff analyzed the cost and eligibility of all the proposed projects, and the Board subsequently examined the requests along with staff recommendations. Certain capital projects are considered only if the persons and property owners are agreeable to special assessment or special service area financing. In other cases projects are included in the CIP since they would benefit the community as a whole. In October 2010, the Village Board

reviewed all of the proposed capital projects and approved the Capital Improvement Program for FY2012 through FY2016.

The capital projects outlined in the CIP are budgeted in a variety of Village funds, depending on the source of revenue. The first year of the multi-year capital plan has been incorporated into the Adopted FY2012 Budget. The "CIP/Debt Service" section of the budget shows a summary of the entire five-year capital spending and funding plan. The key capital projects, outside of the water, sewer, and flood control projects that were identified earlier, include the following:

**Tax Increment Financing (TIF) Fund Projects** – The Village currently has three active TIF Districts. TIF projects are typically financed through a pay as you go mechanism or through issuing debt based on future property tax increment revenue streams. The difference in property tax revenues received in the base year of a TIF District versus the increased property taxes received in subsequent years after improvements are made, result in a property tax increment. The Village's Downtown TIF's, TIF I and TIF II expired in 2006 and 2009 respectively after having been in existence for 23 years. The Village used the \$500,000 it captured from the expiration of TIF I and the \$172,000 it is projected to capture from the expiration of TIF II to help maintain the Street Resurfacing Program. There are no large capital projects currently scheduled for the remaining TIF Districts. However, if a developer brings forth a viable project during the fiscal year, the Village would amend the budget accordingly.

**Capital Projects Fund** – This fund accounts for a variety of capital improvement projects including road improvements, sidewalk repair/replacement, equipment, traffic signals, and other miscellaneous projects. Financing for this fund is provided primarily by property taxes, a ¼% home-rule sales tax, and grant revenues. The recession has continued to squeeze this fund's available resources. At the same time, over the last ten years the cost of the Village's street resurfacing and reconstruction programs have increased at a rate faster than inflation due to the rising cost of oil, a key ingredient in asphalt. As a result, developing a spending plan for the Capital Projects and the MFT Funds has become more challenging each year.

Based on the Village Board's capital spending priorities established in November 2008, the spending plan continues the Village's planned efforts for street resurfacing, but also reflects continuing last year's reductions in some capital programs. The consequences of those reductions will continue to include not funding the arterial street light and downtown site furnishing programs, and most of the green corridor beautification program. The Village also will not be able to expand the pavement patching program, and will continue the reductions in sidewalk & curb replacement, and paver brick maintenance costs.

The FY2012 street expenditures are higher than normal due to the continuation of the Village's annual street resurfacing and reconstruction programs coupled with the Northwest Highway/Davis Street Intersection project and the Commuter Drive Reconstruction project. For nearly twenty years the Village has successfully utilized the PAVER program to assist with pavement management. The FY2012 street program includes the following expenditures:

*Street Resurfacing Program (\$3,200,000 – Capital Projects Fund)* – This is an ongoing program limited to resurfacing existing deteriorated street pavement and curbs.

*Street Rehabilitation Program (\$2,045,000 – MFT Fund)* – This is an ongoing pavement maintenance program analyzed by using the pavement management software. The Street

Rehabilitation Program consists of reconstruction of significantly deteriorated street pavement, curbs, and concrete panels.

Some of the other major projects included in the FY2012 Capital Projects Fund budget are:

*Traffic Signal Improvement at Northwest Highway/Wilke (\$1,000,000)* – This project totaling \$4.1 million includes intersection modifications to improve traffic signal sequencing, provides geometric changes, and upgrades existing signal hardware and signal system interconnect. The Illinois Department of Transportation (IDOT) has approved \$2 million in grant funds for construction which is the balance remaining from the highway portion for the transit improvements that were made to the Arlington Park train facility. Another \$1.5 million in Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) grant funding is being sought by the Village. The project will require the review and approval of numerous agencies including IDOT, the Union Pacific Railroad, Metra Commuter Rail, the Illinois Commerce Commission, and the Cook County Highway Department.

*Northwest Highway/Davis Street/Arthur Avenue Intersection Improvement (\$1,186,900)* – This represents most of the Village's portion of construction costs for the \$3.9 million improvement. The project involves the widening, resurfacing and channelization of roadways, traffic signal modernization and railroad grade crossing widening at this intersection. STP grant funding has been obtained for 50% of the right-of-way costs and 70% of the construction costs. During construction the Village will be billed for its local share of the construction costs.

*Commuter Drive Reconstruction (\$177,000)* – This project represents the Village's portion of the reconstruction of Commuter Drive from the Arlington Heights Train Station to Rohlwing Road. This improvement is being completed with the City of Rolling Meadows which has secured CMAQ funding for the improvement which has a total estimated cost of \$1,294,000.

## **Other Funds**

**Fleet Operations Fund** - This is an internal service fund that provides for the replacement of Village vehicles through an annual vehicle/equipment lease charge to the participating department. The FY2012 Budget for vehicles is somewhat higher than normal due to the planned purchase of a Fire Engine for \$460,000 and two Ambulances for \$230,000 each. The Fire Engine has a scheduled useful life of 20 years and the Ambulance has a scheduled useful life of 8 years (6 years front-line service and 2 years reserve service). The vehicles that are being replaced are 20 and 8 years old respectively.

**Solid Waste Fund – SWANCC** – Residential garbage and recycling services are handled through a contractual agreement with Groot Industries. Residents pay a bi-monthly bill to Groot for these services. This fee is comprised of a garbage hauling charge to Groot and a disposal charge to the Solid Waste Agency of Cook County (SWANCC). Last fiscal year, the garbage hauling portion of the bi-monthly bill to residents was scheduled to increase by 3.5%, but this increase was abated by the Village through the use of Solid Waste Fund reserves. In order to ameliorate this increase in the future without increasing the garbage fees paid by residents, the FY2012 garbage hauling fee will increase, but the SWANCC disposal fee will decrease by the same amount. The net effect will be another year of no increases for garbage services to Village residents.

The new contract with Groot that starts on April 1, 2011 also provides residents with new recycling carts at no charge. The standard 65 gallon carts, which will be delivered in March 2011, are covered and come with wheels. Residents can also opt to use their current bins rather than the new carts, or they can choose to have a 35 gallon or 95 gallon recycling cart delivered at the beginning of the contract period at no extra charge. The new recycling carts are expected to make it easier for residents to bring their recycling materials to the curb, and they will allow for more recycling capacity. Another benefit of recycling is the annual recycling check the Village receives from SWANCC for total recycled amounts over an annual goal established by SWANCC for the community. These funds are deposited in the Solid Waste Fund which helps offset future rate adjustments.

## Acknowledgements

The preparation of this year's budget posed another challenge for the Village Board and staff. The Recession has continued to result in difficult staff and service reductions for the third consecutive year. These reductions were required to craft a budget that lives within our current revenue stream and reserves, while continuing the Village's commitment to basic services. I would like to thank the entire staff and especially the budget team consisting of Tom Kuehne, Bob Buechner, Pam Robb, and Diana Mikula for their efforts. Thanks as well to the Village Board for its ongoing support during the budget cycle and throughout the year.

Sincerely,

A handwritten signature in black ink that reads "Bill Dixon". The signature is written in a cursive, slightly slanted style.

William C. Dixon  
Village Manager

# Financial Summaries

VILLAGE OF ARLINGTON HEIGHTS

**ALL FUNDS SUMMARY**

FUND	REVENUES	2008-09 Actual	2009-10 Actual	2010-11 Est Act	2010-11 Budget	2011-12 Budget	\$ Change	% Change
101	GENERAL	57,848,108	59,303,291	61,436,747	61,604,924	<b>63,566,000</b>	1,961,076	3.2%
211	MOTOR FUEL TAX	2,142,551	1,942,836	2,466,800	2,156,000	<b>1,948,000</b>	(208,000)	(9.6%)
215	CDBG	348,362	447,721	437,410	495,598	<b>416,188</b>	(79,410)	(16.0%)
217	1st TIME HOME BUYERS GRANT	21,554	32,084	0	0	<b>0</b>	0	N/A
225	FIRE ACADEMY	179,541	133,871	133,300	188,000	<b>188,000</b>	0	0.0%
227	FOREIGN FIRE INSURANCE TAX	100,042	110,290	121,500	92,500	<b>121,000</b>	28,500	30.8%
231	CRIMINAL INVESTIGATIONS	160,035	197,246	319,200	0	<b>16,676</b>	16,676	N/A
235	MUNICIPAL PARKING	1,156,033	1,048,556	1,057,900	1,048,800	<b>1,061,200</b>	12,400	1.2%
251	TIF I SOUTH	13,166	0	656,508	425,000	<b>0</b>	(425,000)	(100.0%)
255	TIF II NORTH	2,443,627	1,582,778	10,000	0	<b>0</b>	0	N/A
261	TIF III	407,734	348,127	302,200	390,000	<b>301,800</b>	(88,200)	(22.6%)
263	TIF IV	593,392	560,542	509,100	541,000	<b>496,200</b>	(44,800)	(8.3%)
264	TIF V	1,485,267	1,451,324	713,700	1,466,000	<b>713,700</b>	(752,300)	(51.3%)
301	DEBT SERVICE	8,307,576	16,685,363	11,076,700	11,103,100	<b>8,597,600</b>	(2,505,500)	(22.6%)
401	CAPITAL PROJECTS FUND	5,245,456	6,292,335	4,665,900	6,660,250	<b>5,377,600</b>	(1,282,650)	(19.3%)
426	FLOOD CONTROL V	30,696	24,519	225,000	15,000	<b>5,000</b>	(10,000)	(66.7%)
431	PUBLIC BUILDING	72,743	32,859	25,000	20,000	<b>13,000</b>	(7,000)	(35.0%)
505	WATER & SEWER	12,024,565	12,093,765	12,581,300	13,807,400	<b>14,612,100</b>	804,700	5.8%
511	SOLID WASTE DISPOSAL	1,779,980	1,683,729	1,570,000	1,523,000	<b>1,550,000</b>	27,000	1.8%
515	ARTS, ENTERTAINMENT & EVENTS	527,326	461,108	468,600	491,600	<b>503,700</b>	12,100	2.5%
605	HEALTH INSURANCE	8,092,315	8,169,706	8,100,400	8,646,600	<b>8,382,600</b>	(264,000)	(3.1%)
606	RETIREE HEALTH INSURANCE	2,233,375	2,175,390	2,362,600	2,492,900	<b>2,826,100</b>	333,200	13.4%
611	GENERAL LIABILITY INSURANCE	701,841	664,793	669,700	692,300	<b>988,000</b>	295,700	42.7%
615	WORKERS' COMPENSATION	1,806,145	1,859,474	1,760,700	1,745,200	<b>1,779,600</b>	34,400	2.0%
621	FLEET OPERATIONS	2,805,619	3,022,150	2,924,400	2,855,800	<b>2,868,300</b>	12,500	0.4%
625	TECHNOLOGY	1,628,984	1,544,351	1,535,800	1,531,800	<b>1,410,500</b>	(121,300)	(7.9%)
705	POLICE PENSION	(5,796,942)	13,437,242	7,862,700	8,668,000	<b>8,838,000</b>	170,000	2.0%
711	FIRE PENSION	(2,474,214)	13,910,089	8,940,000	8,183,000	<b>9,009,000</b>	826,000	10.1%
<b>TOTAL REVENUES</b>		<b>103,884,877</b>	<b>149,215,539</b>	<b>132,933,165</b>	<b>136,843,772</b>	<b>135,589,864</b>	<b>(1,253,908)</b>	<b>(0.9%)</b>

FUND	EXPENDITURES	2008-09 Actual	2009-10 Actual	2010-11 Est Act	2010-11 Budget	2011-12 Budget	\$ Change	% Change
101	GENERAL	60,627,317	61,021,789	60,982,500	62,073,763	<b>63,566,000</b>	1,492,237	2.4%
211	MOTOR FUEL TAX	1,877,358	2,499,437	2,141,700	2,563,179	<b>2,446,100</b>	(117,079)	(4.6%)
215	CDBG	348,362	447,721	437,410	495,598	<b>416,188</b>	(79,410)	(16.0%)
217	1st TIME HOME BUYERS GRANT	49,333	58,033	10,147	11,496	<b>0</b>	(11,496)	(100.0%)
225	FIRE ACADEMY	202,127	120,238	216,300	262,200	<b>185,700</b>	(76,500)	(29.2%)
227	FOREIGN FIRE INSURANCE TAX	213,035	147,526	108,500	190,000	<b>135,000</b>	(55,000)	(28.9%)
231	CRIMINAL INVESTIGATIONS	250,164	189,981	245,100	245,151	<b>149,000</b>	(96,151)	(39.2%)
235	MUNICIPAL PARKING	1,172,714	1,158,873	1,118,500	1,250,684	<b>1,208,800</b>	(41,884)	(3.3%)
251	TIF I SOUTH	748,805	0	0	425,000	<b>656,508</b>	231,508	54.5%
255	TIF II NORTH	293,651	612,498	947,541	1,271,154	<b>0</b>	(1,271,154)	(100.0%)
261	TIF III	288,450	282,692	287,400	337,312	<b>324,200</b>	(13,112)	(3.9%)
263	TIF IV	1,657,308	570,468	361,500	661,547	<b>610,000</b>	(51,547)	(7.8%)
264	TIF V	1,202,657	732,018	344,000	413,662	<b>914,600</b>	500,938	121.1%
301	DEBT SERVICE	8,324,144	16,841,847	11,035,854	11,035,884	<b>8,561,400</b>	(2,474,484)	(22.4%)
401	CAPITAL PROJECTS FUND	6,834,799	6,599,503	4,823,600	9,814,049	<b>7,336,600</b>	(2,477,449)	(25.2%)
426	FLOOD CONTROL V	41,186	91,460	241,600	1,931,595	<b>850,000</b>	(1,081,595)	(56.0%)
431	PUBLIC BUILDING	434,503	22,608	122,800	124,841	<b>314,000</b>	189,159	151.5%
505	WATER & SEWER	14,117,495	13,235,573	14,882,000	16,498,733	<b>14,824,400</b>	(1,674,333)	(10.1%)
511	SOLID WASTE DISPOSAL	1,541,944	1,422,141	1,421,300	1,477,300	<b>1,486,400</b>	9,100	0.6%
515	ARTS, ENTERTAINMENT & EVENTS	316,084	655,204	471,000	554,517	<b>494,200</b>	(60,317)	(10.9%)
605	HEALTH INSURANCE	8,479,739	7,767,551	8,290,900	10,248,000	<b>9,847,500</b>	(400,500)	(3.9%)
606	RETIREE HEALTH INSURANCE	2,233,375	2,175,390	2,362,600	2,492,900	<b>2,826,100</b>	333,200	13.4%
611	GENERAL LIABILITY INSURANCE	615,037	649,822	1,689,700	1,819,050	<b>918,200</b>	(900,850)	(49.5%)
615	WORKERS' COMPENSATION	1,685,136	1,250,222	1,528,100	1,469,600	<b>1,749,300</b>	279,700	19.0%
621	FLEET OPERATIONS	4,222,036	2,927,867	2,758,900	3,075,841	<b>4,169,600</b>	1,093,759	35.6%
625	TECHNOLOGY	1,508,209	2,268,026	1,377,000	1,512,300	<b>1,410,500</b>	(101,800)	(6.7%)
705	POLICE PENSION	3,564,970	3,746,170	4,017,200	4,081,400	<b>4,368,100</b>	286,700	7.0%
711	FIRE PENSION	4,087,507	4,322,967	4,626,400	4,606,500	<b>5,117,100</b>	510,600	11.1%
<b>TOTAL EXPENDITURES</b>		<b>126,937,445</b>	<b>131,817,625</b>	<b>126,849,552</b>	<b>140,943,256</b>	<b>134,885,496</b>	<b>(6,057,760)</b>	<b>(4.3%)</b>

# FUND BALANCE SUMMARY FY2012

Fund	Fund Name	5/01/11 Projected Beginning Fund Balance (Deficit)	FY2012 Revenues & Transfers In	FY2012 Expenditures & Transfers Out	FY2012 Revenues Over (Under) Expenditures	4/30/12 Estimated Ending Fund Balance (Deficit)
101	General	\$18,074,210	\$63,566,000	\$63,566,000	\$0	\$18,074,210
211	Motor Fuel Tax	1,115,455	1,948,000	2,446,100	(498,100)	617,355
215	CDBG	0	416,188	416,188	0	0
225	Fire Academy	177,004	188,000	185,700	2,300	179,304
227	Foreign Fire Insurance Tax	337,052	121,000	135,000	(14,000)	323,052
231	Criminal Investigations	132,324	16,676	149,000	(132,324)	0
235	Municipal Parking	4,638,006	1,061,200	1,208,800	(147,600)	4,490,406
251	TIF I South	656,508	0	656,508	(656,508)	0
261	TIF III	1,073,329	301,800	324,200	(22,400)	1,050,929
263	TIF IV	166,157	496,200	610,000	(113,800)	52,357
264	TIF V	1,888,669	713,700	914,600	(200,900)	1,687,769
301	Debt Service	1,830,689	8,597,600	8,561,400	36,200	1,866,889
401	Capital Projects	6,004,392	5,377,600	7,336,600	(1,959,000)	4,045,392
426	Flood Control V	2,491,830	5,000	850,000	(845,000)	1,646,830
431	Public Building	1,607,796	13,000	314,000	(301,000)	1,306,796
505	Water & Sewer	4,830,376	14,612,100	14,824,400	(212,300)	4,618,076
511	Solid Waste Disposal	1,947,996	1,550,000	1,486,400	63,600	2,011,596
515	Arts, Entertainment & Events	286,809	503,700	494,200	9,500	296,309
605	Health Insurance	2,518,374	8,382,600	9,847,500	(1,464,900)	1,053,474
606	Retiree Health Insurance	0	2,826,100	2,826,100	0	0
611	General Liability Insurance	2,670,654	988,000	918,200	69,800	2,740,454
615	Workers' Compensation Insurance	4,200,800	1,779,600	1,749,300	30,300	4,231,100
621	Fleet Operations	5,872,367	2,868,300	4,169,600	(1,301,300)	4,571,067
625	Technology	1,327,658	1,410,500	1,410,500	0	1,327,658
705	Police Pension	75,179,866	8,838,000	4,368,100	4,469,900	79,649,766
711	Fire Pension	63,218,540	9,009,000	5,117,100	3,891,900	67,110,440
<b>TOTAL ALL VILLAGE FUNDS</b>		<b>\$202,246,861</b>	<b>\$135,589,864</b>	<b>\$134,885,496</b>	<b>\$704,368</b>	<b>\$202,951,229</b>

1. The General Fund shows a FY2012 balanced budget for operations due to expenditure cuts of \$2.2 million and increased utility tax rates. The current financial condition of the fund is healthy as it continues to maintain a fund balance over 25% of annual expenditures.
2. The Motor Fuel Tax Fund shows a planned operating deficit to complete various road improvements throughout the Village.
3. Fire Academy Fund - Training of Village public safety personnel as well as recruits throughout the area is provided by this operation. The operation is designed to be self-funding through tuition and provides access to the latest rescue equipment.
4. Foreign Fire Insurance Tax Fund - Insurance companies that do not maintain offices within the State but market fire insurance policies within the State pay an additional tax of 2% to the municipality where the policy is written. These funds are used for the betterment of the fire services and are controlled by a separate Board of Directors including the Fire Chief and firefighters per State Statute. Prior year revenues are being expensed this year, creating the operating deficit.
5. Criminal Investigations Fund - Seized assets under State and Federal statutes are accounted for in this fund and used for the advancement of law enforcement. These funds are not budgeted for day-to-day Police Department operations but are generally one time capital expenditures of prior year revenues.
6. Municipal Parking Fund - Primarily, commuter parking for travel to and from Chicago is provided for in this fund. With Downtown redevelopment, resident parking for large apartment complexes and off-street shopper parking was included. Substantial fund balance is maintained for future parking garage maintenance and repairs. The deficit in operations in FY2012 is due primarily to one-time capital expenditures.
7. The TIF I District ended in 2006. Current litigation creates the potential for FY2012 activity in the TIF I South Fund.
8. TIF III, IV and V Funds reflect a planned drawdown of reserves.

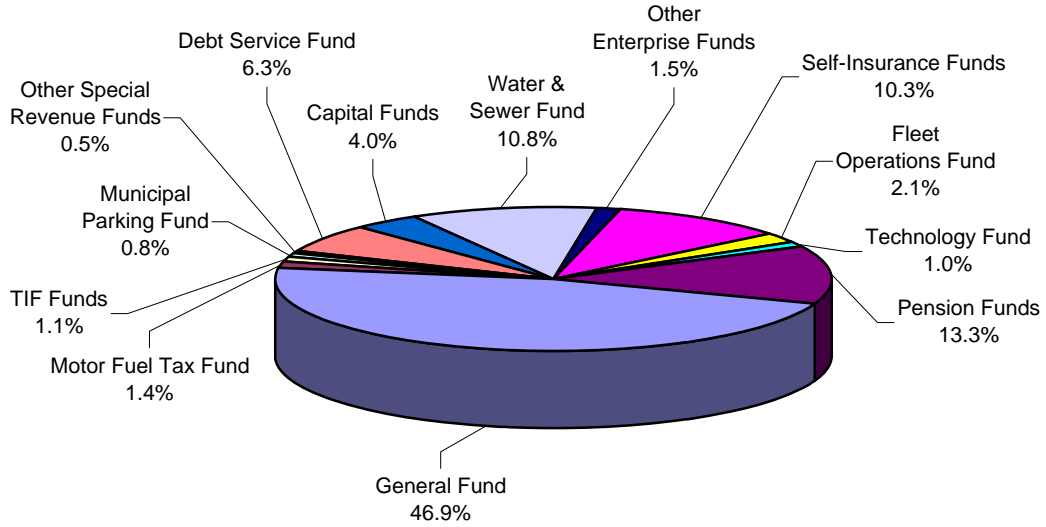
## FUND BALANCE SUMMARY FY2012

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9. The Debt Service Fund accounts for all debt service payments from general obligation bond issuances except those in the Water & Sewer Fund (an enterprise fund).
10. The Capital Projects Fund shows a deficit in operations primarily as a result of street construction project costs outpacing revenues dedicated to this fund.
11. Flood Control V has a planned deficit in operations as these bond proceeds are used for their intended purpose. After all funds are exhausted the fund will be closed.
12. The Public Building Fund provided for the reconstruction of the Public Works Facility, Fire Station #1 and the Village Hall. \$20 million of G.O. Bonds were sold in 2004 to begin financing these projects and an additional \$20 million were sold in 2006 to complete these projects. Remaining fund balance can be reserved for future building projects or can be transferred to other Village funds. Funds are currently being used to extend the life of the existing Police Facility.
13. The Water & Sewer Fund deficit in operations this year represents capital improvement costs that will be amortized with future service fees. A planned service rate increase of 5% per year for the next five years will also improve financial operating performance.
14. Solid Waste Disposal Fund - The operations of the Government Joint Venture Solid Waste Agency of Northern Cook County are provided for in this fund. Efforts to reduce solid waste removal costs and maximize disposal facility useful lives are primary objectives.
15. The Arts, Entertainment & Events Fund is designed for funding special events and the operation of the Metropolis Performing Arts Theater. The primary funding source is a .25% Food & Beverage Tax on prepared food.
16. The Health Insurance Fund has a planned operating deficit due to the potential of large health insurance claims. Actual year end results generally come in better than budgeted. This fund is operated on a pay as you go basis with a reserve for large claims.
17. Retiree Health Insurance Fund - This accounting segregates medical insurance expenses for retirees from those expenses of current staff. Retirees pay 100% of their premium for health insurance. Any operating deficit is funded on a pay-as-you-go basis from the Health Insurance Fund.
18. The General Liability Insurance Fund covers the first \$2M per claim before excess coverage takes effect. Premiums are charged to operating departments to fund operations. Past claims have been varied and actual experience is generally more favorable than budgeted.
19. The Technology Fund provides for the operation of the Village's computer network infrastructure and equipment replacement. Service charges to departments are used to fund these operations.
20. The Fleet Operations Fund provides for major capital replacements. Service charges over the useful life of the equipment will replenish reserves. A healthy fund balance is maintained for vehicle and equipment replacement.
21. Police and Fire Pension Funds are both budgeting positive results from operations this year. Funding for future liabilities of the Police and Fire Pension Funds is currently at 73% and 64% respectively. Per current State Statute, 90% funding must be reached by 2040.

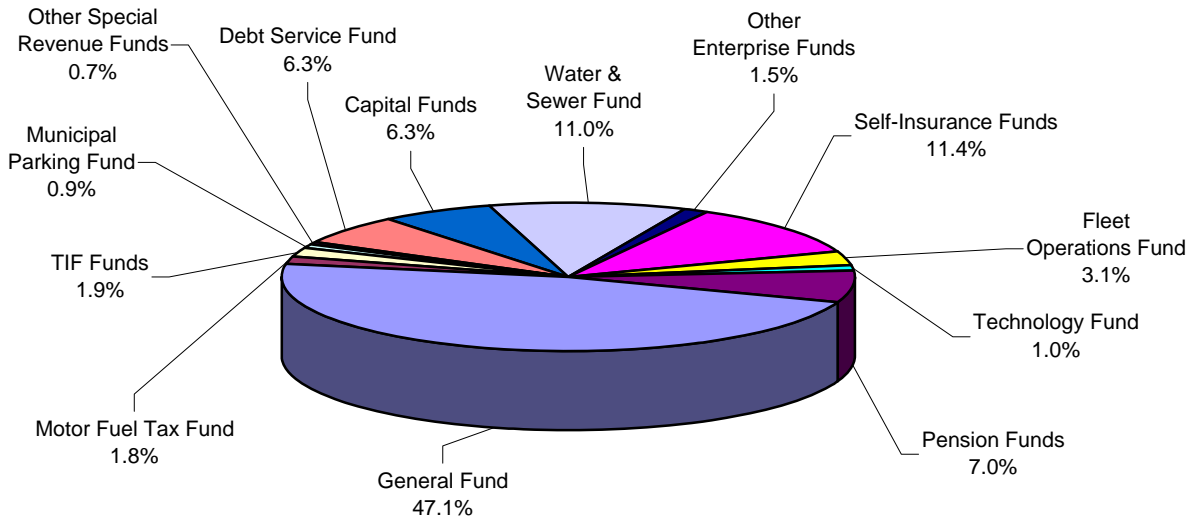
# ALL FUNDS REVENUES

FY2011-2012 Budget



# ALL FUNDS EXPENDITURES

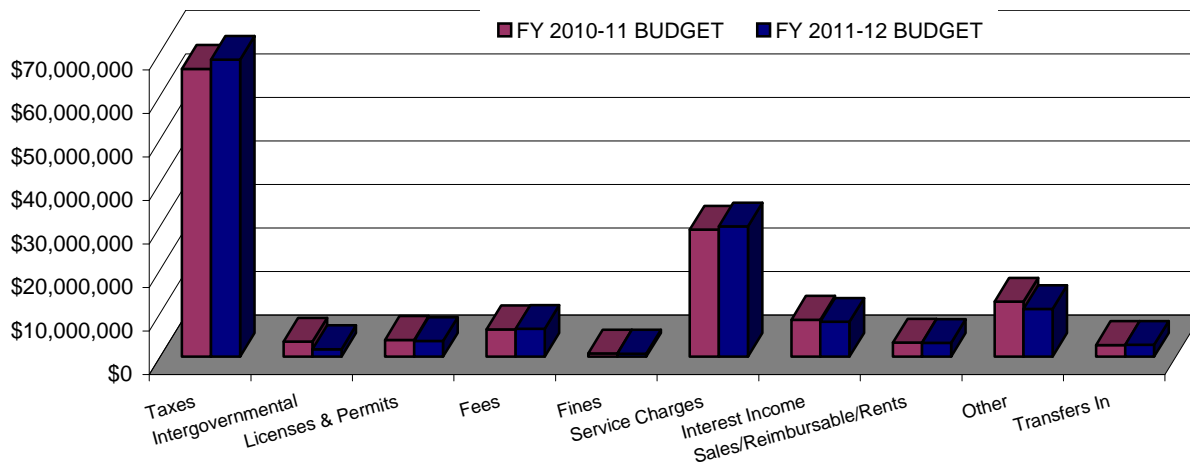
FY2011-2012 Budget



# WHERE THE MONEY COMES FROM

## ALL FUNDS REVENUES

### FY 2010-11 BUDGET vs. FY 2011-12 BUDGET



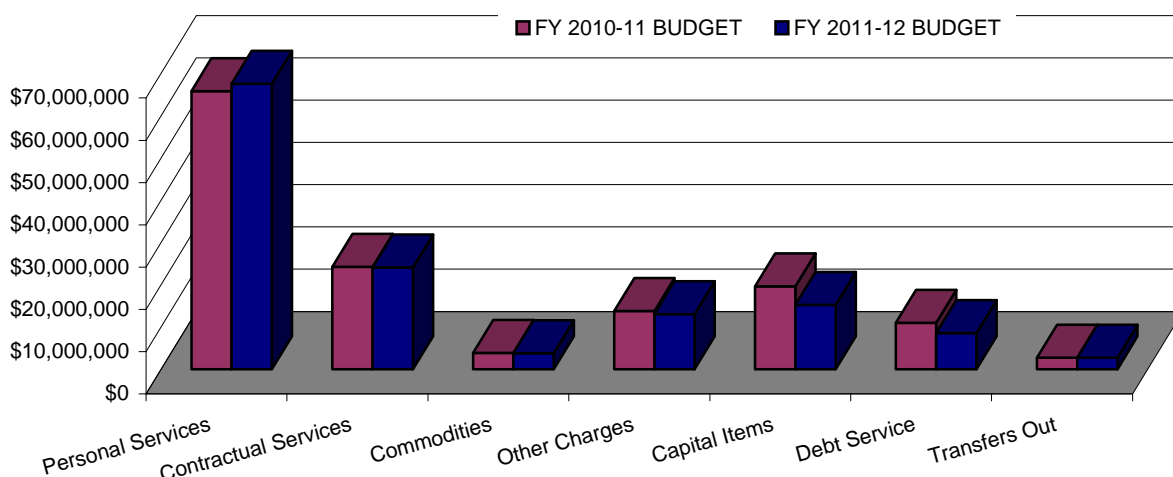
	FY 2008-09 ACTUAL	FY 2009-10 ACTUAL	FY 2010-11 BUDGET	FY 2011-12 BUDGET	% CHANGE
<b>Taxes</b>	63,947,100	61,624,742	66,133,300	<b>68,249,900</b>	3.2%
<b>Intergovernmental</b>	1,439,338	791,608	3,475,476	<b>1,740,188</b>	(49.9%)
<b>Licenses &amp; Permits</b>	3,737,101	3,644,510	3,877,200	<b>3,603,500</b>	(7.1%)
<b>Fees</b>	6,374,320	6,354,422	6,285,700	<b>6,425,800</b>	2.2%
<b>Fines</b>	787,292	731,117	757,600	<b>705,600</b>	(6.9%)
<b>Service Charges</b>	26,088,044	27,044,152	29,182,200	<b>29,927,700</b>	2.6%
<b>Interest Income</b>	(13,941,360)	20,802,865	8,509,500	<b>8,034,000</b>	(5.6%)
<b>Sales/Reimbursable/Rents</b>	3,615,678	3,735,733	3,264,700	<b>3,190,200</b>	(2.3%)
<b>Other</b>	9,057,659	19,348,614	12,661,300	<b>10,983,176</b>	(13.3%)
<b>Transfers In</b>	2,779,705	5,137,776	2,696,796	<b>2,729,800</b>	1.2%
<b>Total Revenues</b>	<b>103,884,877</b>	<b>149,215,539</b>	<b>136,843,772</b>	<b>135,589,864</b>	(0.9%)

NOTE: **Taxes** increased due to an increase in the utility tax rate and an increase in the real estate tax levy, primarily for Public Safety pension funding. **Intergovernmental** revenues decreased due to a \$2 million grant for traffic signal improvements at Northwest Highway and Wilke Roads being budgeted last year. **Licenses/Permits** and **Fines** decreased due to the slowdown in the economy. **Fees** increased due to the cable franchise agreement and the addition of the Village's third cable television provider, AT&T U-Verse. **Service Charges** increased primarily due to the 5% scheduled increase in water and sewer rates. **Sales/Reimbursables/Rents** decreased due to retiree insurance coverage and annual premium fluctuations and reduced rent from Northwest Central Dispatch due to the savings from the bond refinancing. **Other** revenues decreased due to the proceeds of the Northwest Central Dispatch bond refinancing being realized last year. **Transfers In** increased from last year due to the funding of a large insurance claim.

# WHERE THE MONEY GOES

## ALL FUNDS EXPENDITURES

### FY 2010-11 BUDGET vs. FY 2011-12 BUDGET



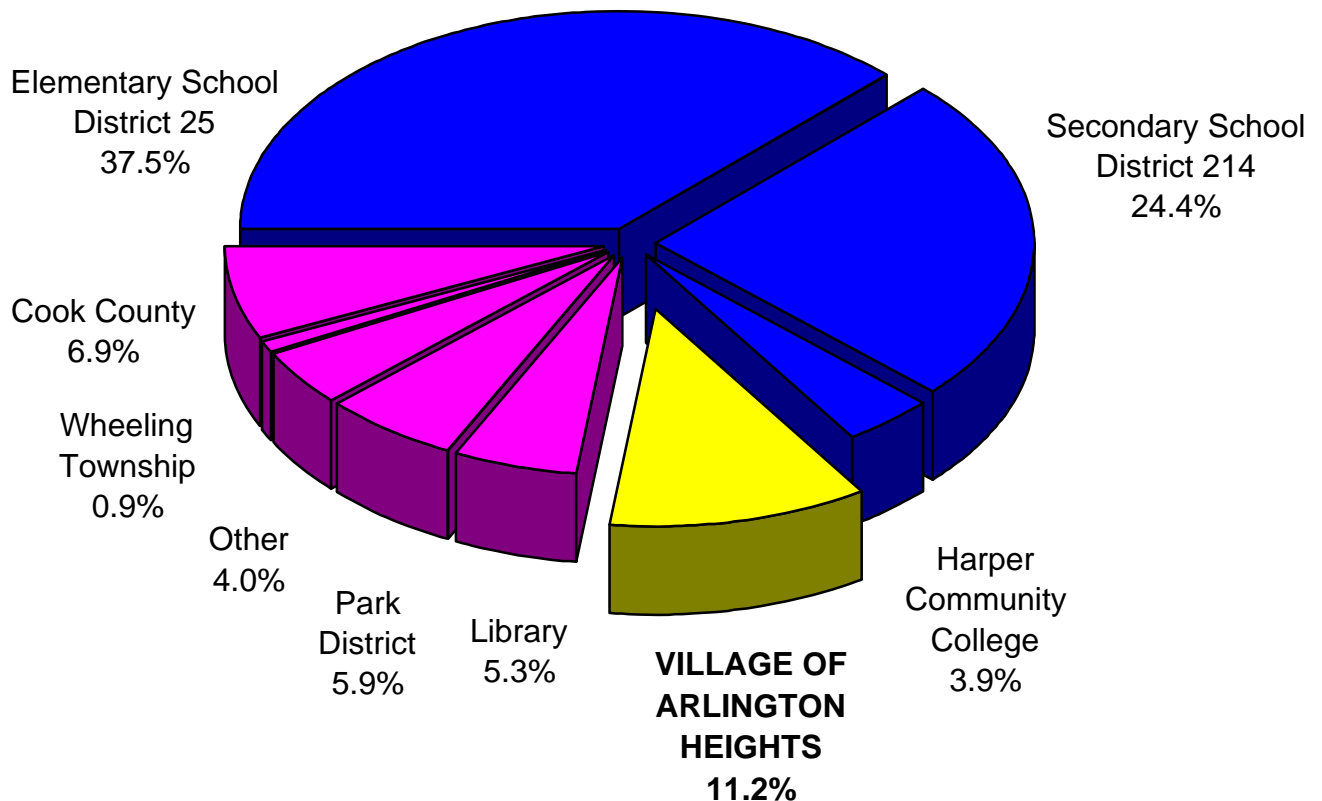
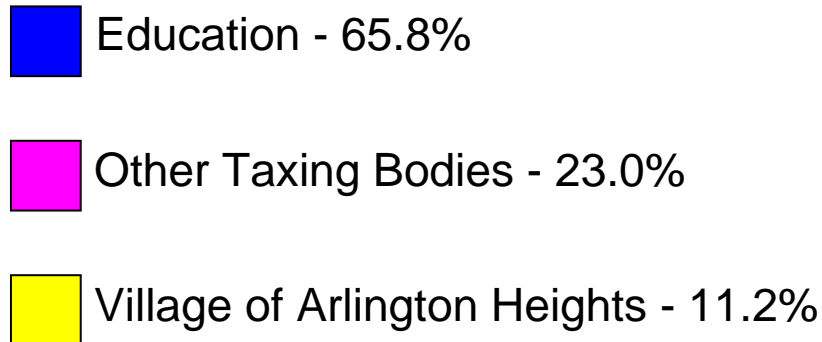
	FY 2008-09 ACTUAL	FY 2009-10 ACTUAL	FY 2010-11 BUDGET	FY 2011-12 BUDGET	% CHANGE
<b>Personal Services</b>	63,334,959	63,228,272	65,782,100	<b>67,543,700</b>	2.7%
<b>Contractual Services</b>	22,667,435	21,621,473	24,239,349	<b>24,062,508</b>	(0.7%)
<b>Commodities</b>	3,876,931	3,390,367	3,834,817	<b>3,761,300</b>	(1.9%)
<b>Other Charges</b>	10,011,614	11,448,174	13,801,097	<b>13,019,788</b>	(5.7%)
<b>Capital Items</b>	14,957,452	9,792,468	19,589,639	<b>15,207,000</b>	(22.4%)
<b>Debt Service</b>	9,309,349	17,199,095	10,999,458	<b>8,561,400</b>	(22.2%)
<b>Transfers Out</b>	2,779,705	5,137,776	2,696,796	<b>2,729,800</b>	1.2%
<b>Total Expenditures</b>	<b>126,937,445</b>	<b>131,817,625</b>	<b>140,943,256</b>	<b>134,885,496</b>	(4.3%)

NOTE: **Personal Services** increased due to the Public Safety Pension funding increases and prior years deferred salary adjustments even though 7.5 staff positions were eliminated. The Village's unemployment costs are not projected to increase significantly due to the Voluntary Retirement Program that registered 13 long-term staff for retirement. **Contractual Services** decreased due to purchasing photocopiers versus leasing them, rebidding billing services for ambulance calls, reducing the contribution to the Woodfield Chicago Northwest Convention Bureau, and reducing the IT service charge to Village departments. **Commodities** decrease reflects prior year encumbrances being completed last year. **Other Charges** decreased due to the payment of a large general liability insurance claim in the previous year. **Capital Items** decreased due to large Water & Sewer Fund projects being completed or deferred, Flood Control projects budgeted last year being phased in during the current year, reduced road project budgets for Northwest Highway & Arthur and Northwest Highway and Wilke to more accurately align them with construction schedules. **Debt Service** expenditures decreased as last fiscal year included an advance refunding payment of almost \$3 million for the Northwest Central Dispatch building addition bond refinancing. **Transfers Out** increased due to the funding of a large insurance claim paid in the prior year.

# Village of Arlington Heights

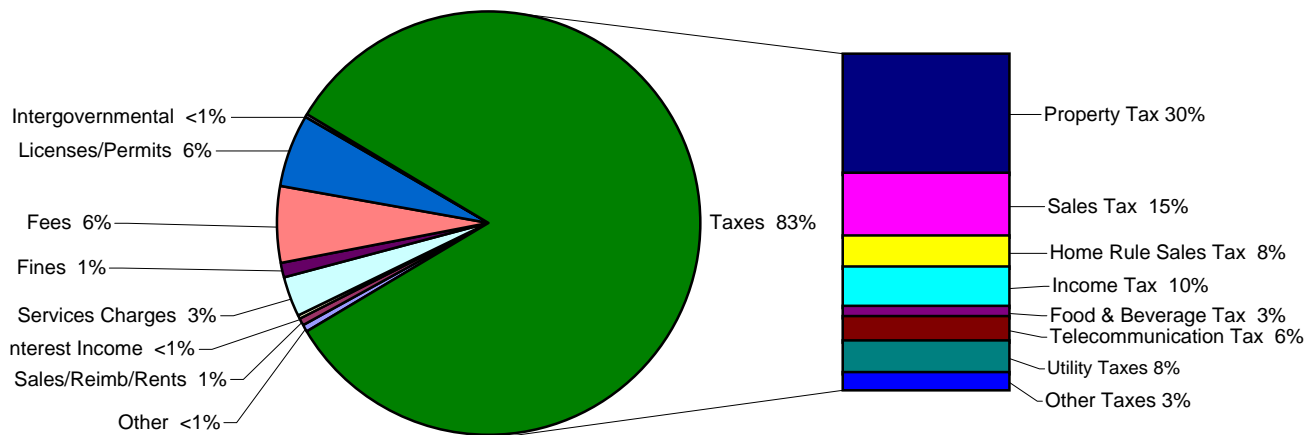
## 2009 PROPERTY TAX BILL

(Depicts the "most" common tax bill, assuming School District 25.  
Depends on School District and Township boundaries.)



AS THE ABOVE PIE CHART ILLUSTRATES, THE VILLAGE OF ARLINGTON HEIGHTS  
CONSISTS OF 11.2% OF THE ENTIRE PROPERTY TAX BILL.

# WHERE THE MONEY COMES FROM GENERAL FUND REVENUES 2011-2012 Fiscal Year



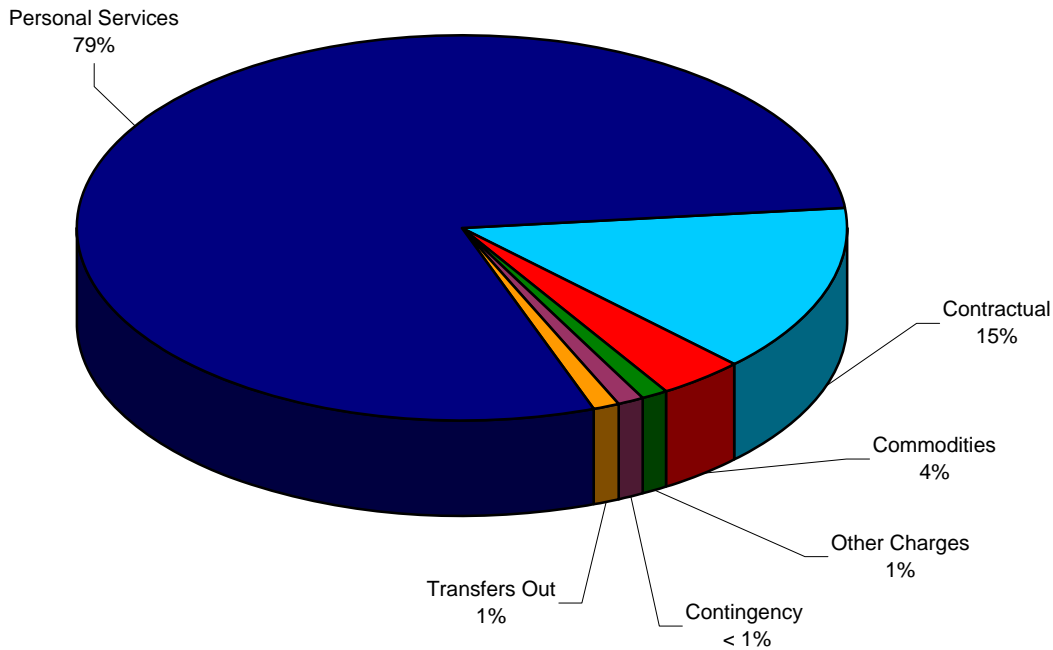
	FY 2008-09 ACTUAL	FY 2009-10 ACTUAL	FY 2010-11 BUDGET	FY 2011-12 BUDGET	% CHANGE
<b>Taxes</b>	46,098,609	44,409,167	50,086,000	<b>52,596,500</b>	5.0%
<b>Intergovernmental</b>	582,646	364,146	124,728	<b>169,400</b>	35.8%
<b>Licenses/Permits</b>	3,737,101	3,644,510	3,877,200	<b>3,603,500</b>	(7.1%)
<b>Fees</b>	3,561,041	3,621,190	3,572,900	<b>3,663,600</b>	2.5%
<b>Fines</b>	721,103	680,269	705,600	<b>645,600</b>	(8.5%)
<b>Service Charges</b>	1,784,442	1,960,514	2,060,400	<b>2,037,700</b>	(1.1%)
<b>Interest Income</b>	452,186	205,407	350,000	<b>150,000</b>	(57.1%)
<b>Sales/Reimb/Rents</b>	462,268	448,573	456,800	<b>418,200</b>	(8.5%)
<b>Other</b>	448,712	369,818	309,800	<b>281,500</b>	(9.1%)
<b>Transfers In</b>	0	3,599,697	61,496	<b>0</b>	(100.0%)
<b>Total Revenue</b>	<b>57,848,108</b>	<b>59,303,291</b>	<b>61,604,924</b>	<b>63,566,000</b>	<b>3.2%</b>

NOTE: **Taxes** increased due to a 2% increase in the utility use tax rate from 3% to 5%, and an increase of 4.3% in the real estate tax levy primarily to fund Public Safety pension fund required contributions. **Intergovernmental** revenues show an increase due to a grant for energy efficient programs from the Federal Government. **Licenses/Permits** and **Fines** decreased due to the slowdown in the economy. **Fees** increased due to the cable franchise fees from the Village's newest and third cable television provider, AT&T U-Verse. **Sales/Reimbursables/Rents** decreased due to reduced rent from Northwest Central Dispatch for debt service payments after the bond refinancing. **Other** income decreased due to the reduced payments from collection agency activities. **Transfers In** decreased due to last year's one time transfer from The AE&E Fund to cover revenue short falls and the closure of the First-Time Homebuyers Fund.

# WHERE THE MONEY GOES

## GENERAL FUND EXPENDITURES

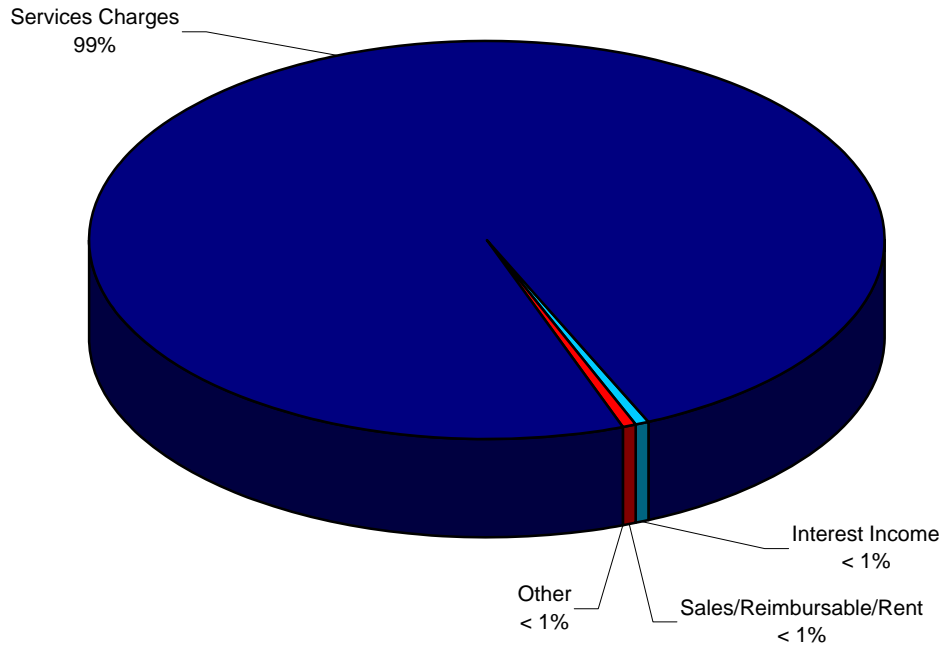
### 2011-2012 FISCAL YEAR



	FY 2008-09 ACTUAL	FY 2009-10 ACTUAL	FY 2010-11 BUDGET	FY 2011-12 BUDGET	% CHANGE
<b>Personal Services</b>	48,180,017	47,614,720	49,077,400	<b>50,134,700</b>	2.2%
<b>Contractual Services</b>	9,010,394	8,594,402	9,175,921	<b>9,078,700</b>	(1.1%)
<b>Commodities</b>	2,574,276	2,027,580	2,355,237	<b>2,313,100</b>	(1.8%)
<b>Other Charges</b>	576,730	2,494,087	625,505	<b>595,500</b>	(4.8%)
<b>Contingency</b>	0	0	189,000	<b>674,100</b>	256.7%
<b>Transfers Out</b>	285,900	291,000	650,700	<b>769,900</b>	18.3%
<b>Total Expenditures</b>	<b>60,627,317</b>	<b>61,021,789</b>	<b>62,073,763</b>	<b>63,566,000</b>	2.4%

NOTE: **Personal Services** increased due primarily to the large public safety pension funding increase of 14% or \$1.17 million required by State statute. **Other Charges** increased slightly due to the addition of a new special event for the 125th anniversary celebration and web site improvements. **Contingency** is budgeted each year but if used, is classified as an expenditure type. If not used it becomes part of available reserves. The FY2011 budget shows that there is still \$189,000 remaining as a contingency as of the date of this writing. A large contingency amount is budgeted in FY2012 due to the unknown potential effects of the State of Illinois' budget issues. **Transfers Out** increased due to additional funds transferred to the General Liability Fund as a result of a large prior year claim settlement.

# WHERE THE MONEY COMES FROM WATER & SEWER FUND REVENUES 2011-2012 FISCAL YEAR



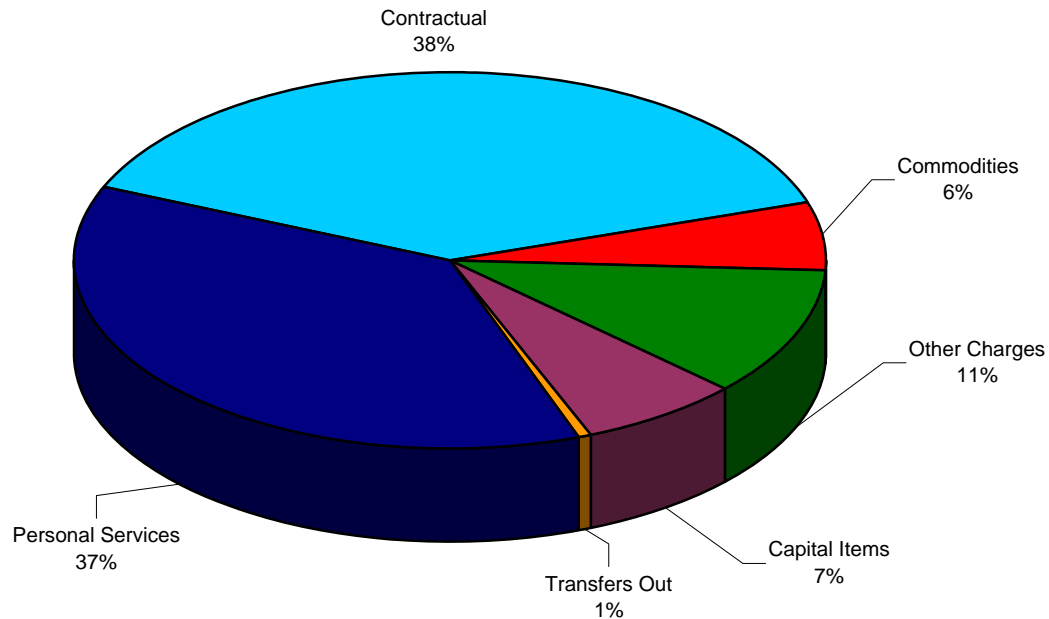
	FY 2008-09 ACTUAL	FY 2009-10 ACTUAL	FY 2010-11 BUDGET	FY 2011-12 BUDGET	% CHANGE
<b>Services Charges</b>	11,789,339	11,908,829	13,600,400	<b>14,455,100</b>	6.3%
<b>Interest Income</b>	188,113	83,884	60,000	<b>60,000</b>	0.0%
<b>Sales/Reimbursable/Rent</b>	90,339	58,309	82,000	<b>82,000</b>	0.0%
<b>Other</b>	(43,226)	42,743	65,000	<b>15,000</b>	(76.9%)
<b>Total Revenues</b>	<b>12,024,565</b>	<b>12,093,765</b>	<b>13,807,400</b>	<b>14,612,100</b>	<b>5.8%</b>

NOTE: **Service Charges** include sales for water and sewer service. Water consumption was projected lower in the prior year based on historical trends and due to the closing of the Sheraton Hotel. A combined water and sewer rate increase of 5% was also approved effective as of May 1, 2011. **Other** revenue decreased due to a \$50,000 Energy Efficiency & Conservation Block Grant (EECBG) awarded last year for the purpose of a water system energy audit.

# WHERE THE MONEY GOES

## WATER & SEWER FUND EXPENDITURES

### 2011-2012 FISCAL YEAR



	FY 2008-09 ACTUAL	FY 2009-10 ACTUAL	FY 2010-11 BUDGET	FY 2011-12 BUDGET	% CHANGE
<b>Personal Services</b>	5,228,043	5,135,245	5,493,300	<b>5,480,800</b>	(0.2%)
<b>Contractual</b>	5,437,837	5,367,100	5,761,233	<b>5,735,800</b>	(0.4%)
<b>Commodities</b>	648,604	841,224	879,783	<b>847,200</b>	(3.7%)
<b>Other Charges</b>	1,225,976	1,311,113	1,519,700	<b>1,649,500</b>	8.5%
<b>Capital Items</b>	1,577,035	580,891	2,764,717	<b>1,031,100</b>	(62.7%)
<b>Transfers Out</b>	0	0	80,000	<b>80,000</b>	0.0%
<b>Total Expenditures</b>	<b>14,117,495</b>	<b>13,235,573</b>	<b>16,498,733</b>	<b>14,824,400</b>	<b>(10.1%)</b>

NOTE: **Other Charges** reflect an increase in the contingency line item for unexpected events and an increase in the administrative service charge to the General Fund. **Capital Items** decreased due to the deferral of the Regent Park Sanitary Relief Sewer Project, prior year encumbrances being completed, and the completion of the rehabilitation of Well 13 last year.

VILLAGE OF ARLINGTON HEIGHTS  
**EMPLOYEE CENSUS**

Ten Year Analysis

DEPARTMENT		FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Manager's Office	Full-Time	6.00	5.00	5.00	5.00	5.50	5.50	6.50	6.50	6.00	6.00
	Part-Time	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Human Resources	Full-Time	4.00	4.00	4.00	4.00	4.50	4.50	4.50	4.50	4.00	4.00
	Part-Time	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Legal	Full-Time	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
	Part-Time	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	3.00	3.00
Finance	Full-Time	19.00	19.00	19.00	19.00	18.00	18.00	18.00	17.00	16.00	17.00
	Part-Time	3.00	3.00	3.00	3.00	2.00	2.00	2.00	1.00	1.00	1.00
Village Clerk	Full-Time	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
	Part-Time	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
IT/GIS	Full-Time	9.00	9.00	9.00	9.00	7.00	7.00	7.00	7.00	7.00	6.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Police	Full-Time	147.00	146.00	146.00	146.00	146.00	148.00	148.00	146.00	138.00	137.00
	Part-Time	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police Grant	Full-Time	2.00	3.00	3.00	3.00	3.00	1.00	1.00	1.00	1.00	1.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire	Full-Time	105.00	105.00	105.00	106.00	105.00	114.00	114.00	113.00	110.00	109.00
	Part-Time	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00
Planning & Comm Devlp	Full-Time	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	9.00	9.00
	Part-Time	2.00	2.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Building	Full-Time	19.00	19.00	19.00	18.00	18.00	18.00	19.00	18.00	17.00	15.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	3.00
Engineering	Full-Time	15.00	14.00	13.00	13.00	13.00	13.00	13.00	12.00	10.00	10.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Health Services	Full-Time	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	10.00	10.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Youth Services	Full-Time	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00
	Part-Time	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00
Senior Services	Full-Time	5.00	4.00	4.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
	Part-Time	1.00	1.00	2.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Public Works	Full-Time	48.00	43.00	42.00	42.00	42.00	42.00	42.00	42.00	37.00	34.00
	Part-Time	0.00	0.00	1.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00 (1)
Buildings & Grounds	Full-Time	8.00	7.00	7.00	7.00	7.00	7.00	8.00	7.00	7.00	7.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water Utility Operations	Full-Time	40.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	40.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 (1)
Fleet Services	Full-Time	12.00	11.00	11.00	11.00	10.00	10.00	10.00	10.00	10.00	10.00
	Part-Time	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>TOTAL</b>	<b>Full-Time</b>	<b>466.00</b>	<b>457.00</b>	<b>455.00</b>	<b>453.00</b>	<b>449.00</b>	<b>458.00</b>	<b>460.00</b>	<b>452.00</b>	<b>426.00</b>	<b>417.00</b>
	<b>Part-Time</b>	<b>16.00</b>	<b>16.00</b>	<b>18.00</b>	<b>23.00</b>	<b>20.00</b>	<b>21.00</b>	<b>23.00</b>	<b>21.00</b>	<b>17.00</b>	<b>20.00</b>
<b>TOTAL EMPLOYEES</b>		<b>482.00</b>	<b>473.00</b>	<b>473.00</b>	<b>476.00</b>	<b>469.00</b>	<b>479.00</b>	<b>483.00</b>	<b>473.00</b>	<b>443.00</b>	<b>437.00</b>
<b>INCREASE (DECREASE)</b>		<b>1.00</b>	<b>(9.00)</b>	<b>0.00</b>	<b>3.00</b>	<b>(7.00)</b>	<b>10.00</b>	<b>4.00</b>	<b>(10.00)</b>	<b>(30.00)</b>	<b>(6.00)</b>
<b>FULL-TIME EQUIVALENTS (FTE)</b>		<b>473.00</b>	<b>465.00</b>	<b>463.50</b>	<b>464.00</b>	<b>458.50</b>	<b>468.25</b>	<b>471.75</b>	<b>462.75</b>	<b>434.50</b>	<b>427.00</b>
<b>INCREASE (DECREASE)</b>		<b>0.00</b>	<b>(8.00)</b>	<b>(1.50)</b>	<b>0.50</b>	<b>(5.50)</b>	<b>9.75</b>	<b>3.50</b>	<b>(9.00)</b>	<b>(28.25)</b>	<b>(7.50)</b>

(1) A part-time employee is shared between Public Works and Water Utility Operations and is shown only in Public Works so as not to skew the total count.

VILLAGE OF ARLINGTON HEIGHTS  
**EXPENDITURES AND STAFFING**  
**SUMMARY BY OPERATION FY2012**

OPERATION	STAFFING			EXPENDITURES		
	Budget FY2011	Budget FY2012	Increase (Decrease)	Budget FY2011	Budget FY2012	Increase (Decrease)
Board of Trustees	0.00	0.00		\$195,500	\$186,900	(\$8,600)
Village Manager	6.00	6.00		887,500	888,400	900
Human Resources	4.00	4.00		13,801,100	13,622,300	(178,800)
Legal	2.75	2.75		710,300	725,200	14,900
Finance/Village Clerk/IT/GIS	25.00	23.50	(1.50)	5,984,862	4,874,300	(1,110,562)
Boards & Commissions	0.00	0.00		239,600	250,700	11,100
Metropolis Theater	0.00	0.00		208,317	180,000	(28,317)
Police/Police Grant	135.00	134.00	(1.00)	21,907,093	22,540,400	633,307
Fire	110.50	110.50		17,946,670	18,716,500	769,830
Planning & Comm. Devlp.	9.00	9.00		4,124,211	3,602,708	(521,503)
Building	17.50	16.50	(1.00)	2,229,384	1,968,000	(261,384)
Engineering	10.00	10.00		13,357,728	10,507,500	(2,850,228)
Health/Youth/Senior Services	13.75	13.75		2,002,800	1,999,100	(3,700)
Public Works/Municipal Blds & Grds	44.25	41.25	(3.00)	12,568,969	12,151,400	(417,569)
Comm Dev Block Grant Prog	0.00	0.00		280,998	197,088	(83,910)
Fire Academy	0.00	0.00		182,200	175,700	(6,500)
Foreign Fire Insurance Tax	0.00	0.00		190,000	135,000	(55,000)
Criminal Investigations	0.00	0.00		245,151	149,000	(96,151)
Parking Operations	5.00	5.00		689,400	618,100	(71,300)
Debt Service	0.00	0.00		11,035,884	8,561,400	(2,474,484)
Capital Projects	0.00	0.00		3,644,508	3,064,300	(580,208)
Water Utility Operations	41.25	40.25	(1.00)	12,699,116	12,662,700	(36,416)
Solid Waste Disposal	0.00	0.00		1,477,300	1,486,400	9,100
Municipal Fleet Services	10.50	10.50		2,083,250	1,973,300	(109,950)
Pensions	0.00	0.00		8,687,900	9,485,200	797,300
<b>Sub-Total Village</b>	<b>434.50</b>	<b>427.00</b>	<b>(7.50)</b>	<b>\$137,379,741</b>	<b>\$130,721,596</b>	<b>(\$6,658,145)</b>
Non-Operating & Transfers Out	N/A	N/A	N/A	3,563,515	4,163,900	600,385
<b>TOTAL VILLAGE</b>	<b>434.50</b>	<b>427.00</b>	<b>(7.50)</b>	<b>\$140,943,256</b>	<b>\$134,885,496</b>	<b>(\$6,057,760)</b>
MEMORIAL LIBRARY	148.90	148.90	0.00	12,956,626	13,607,473	650,847
<b>TOTAL VILLAGE &amp; LIBRARY</b>	<b>583.40</b>	<b>575.90</b>	<b>(7.50)</b>	<b>\$153,899,882</b>	<b>\$148,492,969</b>	<b>(\$5,406,913)</b>

# CIP / Debt Service

**VILLAGE OF ARLINGTON HEIGHTS  
CAPITAL IMPROVEMENT PROGRAM SUMMARY**

The Village of Arlington Heights prepares annually a Capital Improvement Program (CIP) for the five-year period beginning with the next fiscal year. The CIP is a planning document which is reviewed by the Village Board and is prepared by the Village Manager and Finance Director with the assistance of all Department Heads. Included are capital expenditures projected to cost in excess of \$10,000 and have an expected lifetime of one or more years. The CIP is subject to further review and approval by the Village Board during the final budget process, based on available resources and expenditure requirements of the operations budget. What follows is a summary of all CIP expenditures and projects included in the budget for FY 2011-12.

**CAPITAL SPENDING**

Building & Land	\$ 889,000
Equipment	814,100
Sewer	1,110,000
Signals	1,106,100
Streets	7,479,900
Vehicles	2,204,300
Water	600,000
EECBG Capital Projects	135,500
<b>TOTAL</b>	<b><u><u>\$ 14,338,900</u></u></b>

**CAPITAL FUNDING**

Capital Projects Fund	\$ 5,940,100
Public Building Fund	314,000
Water & Sewer Fund	1,031,100
Motor Fuel Tax Fund	2,446,100
Flood Control V Fund	850,000
Fire Academy Fund	10,000
TIF II North Fund	-
Municipal Parking Operations Fund	95,000
Fleet Operations Fund	2,196,200
Technology Fund	221,800
Arts, Entertainment & Events (A&E) Fund	30,000
State/Federal/County & Grant Funds	1,204,600
<b>TOTAL</b>	<b><u><u>\$ 14,338,900</u></u></b>

## CAPITAL IMPROVEMENT PROGRAM (CIP) FIVE YEAR SPENDING AND FUNDING SUMMARY

CAPITAL SPENDING			EST ACT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
FUND	PROJ #		2010-11	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Building &amp; Land</b>									
Overhead Door Replacement	CapProj	BL-90-04	10,000	10,000	<b>10,000</b>	10,000	10,000	10,000	10,000
Public Works Annex Improvements	CapProj	BL-93-02	10,000	10,000	<b>10,000</b>	10,000	10,000	10,000	10,000
Public Works Annex Improvements	Water	BL-93-02	20,000	20,000	<b>20,000</b>	20,000	20,000	20,000	20,000
Building Equipment Replacement	CapProj	BL-95-04	30,000	30,000	<b>30,000</b>	30,000	30,000	30,000	30,000
Municipal Buildings Refurbishing	CapProj	BL-95-05	35,900	35,850	<b>30,000</b>	30,000	30,000	30,000	30,000
Roof Maintenance Program	CapProj	BL-95-06	75,000	75,000	<b>300,000</b>	125,700	267,500	50,000	29,500
Roof Maintenance Program	Water	BL-95-06	52,000	52,000	<b>0</b>	0	0	0	0
Heating Plant/Air Conditioner Replacement	CapProj	BL-96-01	30,000	30,000	<b>30,000</b>	30,000	30,000	30,000	30,000
Ongoing Maintenance to Brick Exterior	Parking	BL-96-03	0	5,000	<b>5,000</b>	5,000	5,000	5,000	5,000
Ongoing Maintenance to Brick Exteriors	CapProj	BL-96-03	20,000	20,000	<b>20,000</b>	20,000	20,000	20,000	20,000
Historical Society Museum - Building Repairs	CapProj	BL-96-04	30,000	25,000	<b>50,000</b>	25,000	25,000	25,000	25,000
Parking Structure Sealer/Sealant Replacement	Parking	BL-00-06	0	5,000	<b>5,000</b>	5,000	5,000	5,000	5,000
Police Station (Space Needs Study)	PubBld	BL-08-04	24,800	24,841	<b>0</b>	0	0	0	0
Fire Academy	FireAcad	BL-10-03	71,000	80,000	<b>10,000</b>	5,000	5,000	5,000	5,000
Police Building Maintenance	CapProj	BL-10-04	2,500	2,500	<b>0</b>	0	0	0	0
Police Building Maintenance	PubBld	BL-10-04	98,000	100,000	<b>314,000</b>	600,000	300,000	120,000	200,000
Vail Garage Elevator Car Refurbishment	Parking	BL-11-01	8,600	8,587	<b>0</b>	0	0	0	0
Paint North Garage	Parking	BL-12-02	0	0	<b>50,000</b>	0	0	0	0
Garage U (Underground) Signage	Parking	BL-12-03	0	0	<b>5,000</b>	0	0	0	0
<b>Sub-total Building &amp; Land</b>			<b>517,800</b>	<b>533,778</b>	<b>889,000</b>	<b>915,700</b>	<b>757,500</b>	<b>360,000</b>	<b>419,500</b>
<b>Equipment</b>									
Oper. Equipment - Public Works/Municipal Bldgs	CapProj	EQ-94-01	68,000	64,028	<b>125,100</b>	123,500	139,900	65,000	72,100
Oper. Equipment - Public Works	Water	EQ-94-01	96,600	96,600	<b>116,100</b>	166,600	209,900	140,000	229,000
Oper. Equipment - Police Department	CapProj	EQ-95-01	106,200	106,235	<b>66,600</b>	58,100	66,100	66,100	66,600
Oper. Equipment - Fire Department	CapProj	EQ-95-02	155,000	170,000	<b>110,000</b>	113,000	117,000	100,000	109,000
Office Equipment	CapProj	EQ-95-03	31,600	31,781	<b>26,500</b>	25,000	25,000	25,000	25,000
Office Equipment	Water	EQ-95-03	10,000	15,000	<b>15,000</b>	15,000	15,000	15,000	15,000
Oper. Equipment - Municipal Fleet Services	CapProj	EQ-97-01	4,000	34,000	<b>8,000</b>	11,100	22,300	30,500	31,000
IT Equipment Replacement	IT	EQ-97-08	160,000	201,000	<b>221,800</b>	231,800	231,800	236,800	241,800
Emergency Generator Upgrade	Water	EQ-99-02	10,000	10,000	<b>10,000</b>	10,000	10,000	10,000	10,000
Oper. Equipment - Information Technology	CapProj	EQ-01-03	79,200	79,157	<b>65,000</b>	85,000	95,000	80,000	150,000
Oper. Equipment - Engineering Department	CapProj	EQ-01-04	5,000	5,000	<b>5,000</b>	5,000	5,000	0	0
Vulnerability Assessment Implementation	Water	EQ-05-02	10,000	10,000	<b>10,000</b>	0	0	0	0
Equipment Replacement - Metropolis	A&E	EQ-06-03	58,300	58,317	<b>30,000</b>	30,000	30,000	30,000	30,000
Patrol Vehicle Equipment Replacement Program	CapProj	EQ-08-03	15,000	15,000	<b>0</b>	35,000	0	0	0
Operational Equipment - Municipal Parking Fund	Parking	EQ-09-01	0	10,000	<b>5,000</b>	10,000	10,000	10,000	10,000
2-Way Mobile Radio Replacement	Water	EQ-09-02	0	0	<b>0</b>	48,000	0	0	0
2-Way Mobile Radio Replacement	CapProj	EQ-09-05	0	0	<b>0</b>	180,000	0	0	0
Computerized Fluid Delivery/Accountability System	CapProj	EQ-10-01	32,000	31,959	<b>0</b>	0	0	0	0
<b>Sub-Total Equipment</b>			<b>840,900</b>	<b>938,077</b>	<b>814,100</b>	<b>1,147,100</b>	<b>977,000</b>	<b>808,400</b>	<b>989,500</b>
<b>Sewers</b>									
Sewer Rehab/Replacement Program	Water	SW-90-01	610,000	610,025	<b>250,000</b>	250,000	300,000	300,000	300,000
Weller Creek Flood Control South Branch	FLDV	SW-91-03	30,000	30,000	<b>0</b>	0	0	0	0
Grove Street Sanitary Sewer	FLDV	SW-97-01	1,600	1,191,595	<b>500,000</b>	500,000	0	0	0
Federal Stormwater Regulation Measures	Water	SW-05-04	10,000	10,000	<b>10,000</b>	0	0	0	0
Regent Park Sanitary Relief Sewer	Water	SW-11-01	15,000	1,006,775	<b>0</b>	0	0	0	0
Flood Control - District Initiative Grant	CapProj	SW-11-02	0	200,000	<b>0</b>	0	0	0	0
Flood Control Program	FLDV	SW-11-02	200,000	0	<b>200,000</b>	200,000	200,000	200,000	200,000
Cypress Detention Basin/Lift Station	FLDV	SW-11-05	10,000	710,000	<b>150,000</b>	0	0	0	0
<b>Sub-Total Sewers</b>			<b>876,600</b>	<b>3,758,395</b>	<b>1,110,000</b>	<b>950,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Signals</b>									
Traffic Signal Maintenance	MFT	SG-03-02	102,700	105,200	<b>106,100</b>	109,100	112,200	115,300	118,600
Traffic Signal Imprv at Northwest Hwy/Wilke	CapProj	SG-08-02	120,900	2,120,947	<b>1,000,000</b>	3,000,000	0	0	0
<b>Sub-Total Signals</b>			<b>223,600</b>	<b>2,226,147</b>	<b>1,106,100</b>	<b>3,109,100</b>	<b>112,200</b>	<b>115,300</b>	<b>118,600</b>

# CAPITAL IMPROVEMENT PROGRAM (CIP) FIVE YEAR SPENDING AND FUNDING SUMMARY

CAPITAL SPENDING (continued)			EST ACT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
	Fund	PROJ #	2010-11	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Streets</b>									
Street Resurfacing Program	CapProj	ST-90-08	3,005,000	3,186,273	<b>3,200,000</b>	3,300,000	3,400,000	3,500,000	3,600,000
Street Rehabilitation Program	MFT	ST-90-09	1,890,000	2,052,979	<b>2,045,000</b>	2,000,000	2,000,000	2,000,000	2,000,000
Sidewalk & Curb Replacement	CapProj	ST-90-11	295,000	303,514	<b>305,000</b>	315,000	325,000	335,000	345,000
Pavement Crack Sealing Program	MFT	ST-92-01	149,000	150,000	<b>85,000</b>	85,000	85,000	85,000	85,000
Green Corridor Beautification	TIF IV	ST-99-03	0	0	<b>0</b>	0	0	0	95,000
Green Corridor Beautification	CapProj	ST-99-03	8,200	53,232	<b>20,000</b>	0	0	0	0
Street Light Cable Replacement	CapProj	ST-00-01	11,400	11,437	<b>10,000</b>	10,000	10,000	10,000	10,000
HPS Street Light Conversion	CapProj	ST-00-03	5,400	5,353	<b>5,000</b>	0	0	0	0
Gateway Signs & Beautification	CapProj	ST-01-01	17,500	17,499	<b>0</b>	0	0	0	0
UPRR Pedestrian Underpass-Kensington/NW Hwy	CapProj	ST-04-03	40,600	40,617	<b>0</b>	0	0	0	0
Paver Brick Maintenance	CapProj	ST-05-01	58,900	58,854	<b>25,000</b>	25,000	25,000	25,000	25,000
Northwest Hwy/Davis Street/Arthur Avenue	CapProj	ST-05-03	6,000	2,162,494	<b>1,186,900</b>	969,600	0	0	0
Solar Bike Shelter	TIF II	ST-07-01	35,903	0	<b>0</b>	0	0	0	0
Downtown Redevelopment	TIF II	ST-07-01	256,130	668,446	<b>0</b>	0	0	0	0
Solar Bike Shelter (Downtown Redevelopment)	CapProj	ST-07-01	78,900	123,300	<b>0</b>	0	0	0	0
Parking Lot Resurfacing	Parking	ST-09-01	25,000	25,000	<b>25,000</b>	40,000	0	0	0
Parking Lot Resurfacing	CapProj	ST-09-01	25,000	25,000	<b>25,000</b>	0	20,000	0	0
McDonald Creek Bike Trail Repair	CapProj	ST-09-03	0	50,000	<b>50,000</b>	0	0	0	0
Douglas Avenue Multi-Use Path	CapProj	ST-09-04	0	30,000	<b>30,000</b>	0	0	0	0
Algonquin Road Street Lighting	MFT	ST-09-12	0	255,000	<b>210,000</b>	0	0	0	0
Commuter Drive Reconstruction	CapProj	ST-11-05	0	177,000	<b>177,000</b>	0	0	0	0
Davis/Sigwalt Streets Fencing/Landscape Upgrade	CapProj	ST-12-01	0	0	<b>81,000</b>	0	0	0	0
<b>Sub-Total Streets</b>			<b>5,907,933</b>	<b>9,395,998</b>	<b>7,479,900</b>	<b>6,744,600</b>	<b>5,865,000</b>	<b>5,955,000</b>	<b>6,160,000</b>
<b>Vehicles</b>									
Police Surveillance Vehicle	Fleet	VH-09-01	0	0	<b>0</b>	0	0	0	0
Vehicle and Special Equipment Repl - Public Works	Fleet	VH-95-01	131,000	133,000	<b>641,000</b>	896,000	1,425,000	1,208,500	303,000
Vehicle and Special Equipment Repl - Water & Sewer	Fleet	VH-95-02	192,400	440,865	<b>226,000</b>	538,000	555,000	272,500	48,500
Vehicle Replacement - Police Department	Fleet	VH-95-03	172,600	243,200	<b>339,300</b>	369,500	297,800	272,000	284,000
Vehicle Replacement - Fire Department	Fleet	VH-95-04	109,800	105,000	<b>973,000</b>	63,000	1,032,500	525,500	541,000
Vehicle Replacement - Municipal Fleet Services	Fleet	VH-95-06	0	0	<b>25,000</b>	0	0	41,000	0
Vehicle Replacement - Municipal Buildings & Grounds	Fleet	VH-95-07	0	0	<b>0</b>	0	0	25,000	0
Vehicle Replacement - Municipal Parking Operations	Fleet	VH-95-08	64,800	80,000	<b>0</b>	0	18,000	23,000	80,000
Vehicle Replacement - Fire Academy	Fleet	VH-95-09	0	0	<b>0</b>	0	32,500	0	0
Vehicle Replacement - Building Department	Fleet	VH-95-10	56,200	56,485	<b>0</b>	81,000	17,000	0	80,000
Vehicle Replacement - Engineering Department	Fleet	VH-95-11	0	0	<b>0</b>	46,000	75,000	0	100,000
Vehicle Replacement - Planning Department	Fleet	VH-95-12	0	0	<b>0</b>	23,000	0	0	23,000
Vehicle Replacement - Village Manager's Office	Fleet	VH-95-13	0	0	<b>0</b>	23,000	0	0	0
Vehicle Replacement - IT/GIS Department	Fleet	VH-95-15	0	0	<b>0</b>	0	0	0	23,000
Vehicle Replacement - Health Services Department	Fleet	VH-95-16	0	0	<b>0</b>	0	46,000	0	69,000
<b>Sub-Total Vehicles</b>			<b>726,800</b>	<b>1,058,550</b>	<b>2,204,300</b>	<b>2,039,500</b>	<b>3,498,800</b>	<b>2,367,500</b>	<b>1,551,500</b>
<b>Water</b>									
Watermain Replacement Program	Water	WA-90-01	609,300	609,317	<b>350,000</b>	350,000	400,000	400,000	400,000
Automatic Meter Reading System	Water	WA-03-02	100,000	100,000	<b>100,000</b>	100,000	100,000	0	0
Water Tank Repainting	Water	WA-11-01	15,000	50,000	<b>150,000</b>	200,000	200,000	0	0
Deep Well Rehabilitation	Water	WA-11-02	315,000	175,000	<b>0</b>	275,000	0	275,000	275,000
<b>Sub-Total Water</b>			<b>1,039,300</b>	<b>934,317</b>	<b>600,000</b>	<b>925,000</b>	<b>700,000</b>	<b>675,000</b>	<b>675,000</b>
<b>EECBG Capital Projects</b>									
North & South Side Decorative Lighting	CapProj	MS-10-01	161,700	142,800	<b>0</b>	0	0	0	0
Downtown LED Lighting	CapProj	MS-10-01	74,800	0	<b>0</b>	0	0	0	0
Underground Garage Lighting	CapProj	MS-10-01	69,900	0	<b>0</b>	0	0	0	0
Municipal Garage Lighting	CapProj	MS-10-01	63,000	0	<b>0</b>	0	0	0	0
GHG Emmissions/Implementation	CapProj	MS-10-02	0	10,000	<b>10,000</b>	0	0	0	0
PW LEED Analysis	CapProj	MS-10-04	5,000	5,000	<b>0</b>	0	0	0	0
Residential Energy Loans	CapProj	MS-10-05	25,000	67,000	<b>46,400</b>	0	0	0	0
Small Business Energy Loans	CapProj	MS-10-06	0	67,000	<b>71,400</b>	0	0	0	0
Teen Center Boiler	CapProj	MS-10-07	12,000	0	<b>0</b>	0	0	0	0
EECBG Projects - Hybrid Vehicles	Fleet	MS-10-08	54,200	0	<b>0</b>	0	0	0	0
Energy Exhibit	CapProj	MS-10-09	0	0	<b>7,700</b>	0	0	0	0
<b>Sub-Total EECBG Capital Projects</b>			<b>465,600</b>	<b>291,800</b>	<b>135,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Capital Spending</b>			<b>10,598,533</b>	<b>19,137,062</b>	<b>14,338,900</b>	<b>15,831,000</b>	<b>12,410,500</b>	<b>10,781,200</b>	<b>10,414,100</b>

## CAPITAL IMPROVEMENT PROGRAM (CIP) FIVE YEAR SPENDING AND FUNDING SUMMARY

CAPITAL FUNDING BY FUND	EST ACT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
	2010-11	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Capital Projects Fund	4,333,300	7,007,780	<b>5,940,100</b>	6,036,000	4,672,800	4,441,600	4,618,200
Water & Sewer Fund	1,847,400	2,714,717	<b>1,031,100</b>	1,434,600	1,254,900	1,160,000	1,249,000
Public Buildings Fund	122,800	124,841	<b>314,000</b>	600,000	300,000	120,000	200,000
Motor Fuel Tax Fund	1,622,600	2,378,179	<b>2,446,100</b>	2,194,100	2,197,200	2,200,300	2,203,600
Flood Control V Fund	41,600	1,931,595	<b>850,000</b>	700,000	200,000	200,000	200,000
TIF II North Fund	292,033	668,446	<b>0</b>	0	0	0	0
TIF IV Fund	0	0	<b>0</b>	0	0	0	95,000
Municipal Parking Operations Fund	33,600	53,587	<b>95,000</b>	60,000	20,000	20,000	20,000
Fleet Operations Fund	726,800	1,013,450	<b>2,204,300</b>	2,039,500	3,498,800	2,367,500	1,551,500
Technology Fund	160,000	201,000	<b>221,800</b>	231,800	231,800	236,800	241,800
Arts, Entertainment & Events Fund	58,300	58,317	<b>30,000</b>	30,000	30,000	30,000	30,000
Fire Academy Fund	71,000	80,000	<b>10,000</b>	5,000	5,000	5,000	5,000
State/Federal/County Funds/Grants/Private	1,289,100	2,905,150	<b>1,196,500</b>	2,500,000	0	0	0
<b>Total Capital Funding</b>	<b>10,598,533</b>	<b>19,137,062</b>	<b>14,338,900</b>	<b>15,831,000</b>	<b>12,410,500</b>	<b>10,781,200</b>	<b>10,414,100</b>

CAPITAL FUNDING BY REVENUE SOURCE	EST ACT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
	2010-11	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Charges to Operations	886,800	1,214,450	<b>2,426,100</b>	2,271,300	3,375,000	2,604,300	1,793,300
Motor Fuel Tax Allotment	1,621,600	1,970,000	<b>1,947,000</b>	1,947,000	1,947,000	1,947,000	1,947,000
Taxes							
Food & Beverage Tax	58,300	58,317	<b>30,000</b>	30,000	30,000	30,000	30,000
Property Tax	2,416,200	2,416,200	<b>2,500,000</b>	2,500,000	2,500,000	2,500,000	2,500,000
Property Tax Increment	0	0	<b>0</b>	0	0	0	95,000
Sales Tax Home Rule	1,609,100	1,550,000	<b>1,609,100</b>	1,636,000	1,686,000	1,736,000	1,788,000
Water Sales	1,493,600	2,714,717	<b>1,031,100</b>	1,434,600	1,254,900	1,160,000	1,249,000
Other (including interest income)	669,700	238,587	<b>196,000</b>	125,000	392,000	71,100	69,100
Grants/State/Federal	1,289,100	2,905,150	<b>1,196,500</b>	2,500,000	0	0	0
Cash on Hand	554,133	6,069,641	<b>3,403,100</b>	3,387,100	1,225,600	732,800	942,700
<b>Total Capital Funding</b>	<b>10,598,533</b>	<b>19,137,062</b>	<b>14,338,900</b>	<b>15,831,000</b>	<b>12,410,500</b>	<b>10,781,200</b>	<b>10,414,100</b>

# DEBT SUMMARY

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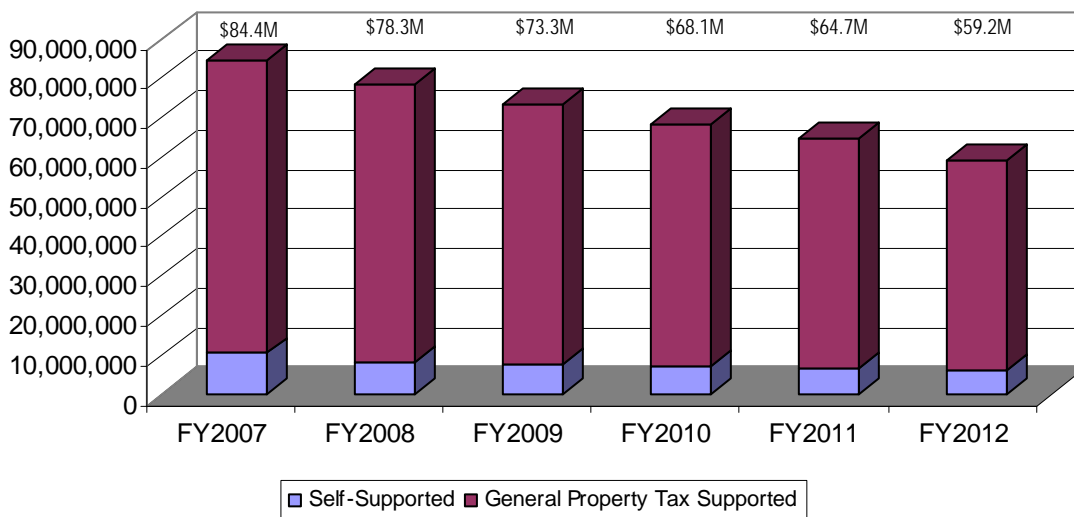
## OVERVIEW AND DEBT FINANCING PRINCIPLES

The Village of Arlington Heights has historically taken a conservative approach to debt financing. The goal of the Village's debt policy is to maintain the ability to provide high quality essential village services in a cost-effective manner. Policy makers weigh this goal against maintaining the ability to borrow at the lowest possible rates. The Village has used the following guidelines before financing projects with long-term debt:

- Staff conservatively projects the revenue sources to pay off the debt.
- The financing of the improvement will not exceed its useful life.
- The benefits of the improvement must outweigh its costs, including the interest costs of financing.

Through the application of these guidelines, the Village Board tests any demand on debt financing. Furthermore, the Village uses debt only to provide financing for essential and necessary capital projects. The chart below shows a brief history of the Village's outstanding bond debt.

**VILLAGE OF ARLINGTON HEIGHTS  
Outstanding Bond Debt (Principal Only)  
Fiscal Years Ending 2007 through 2012**

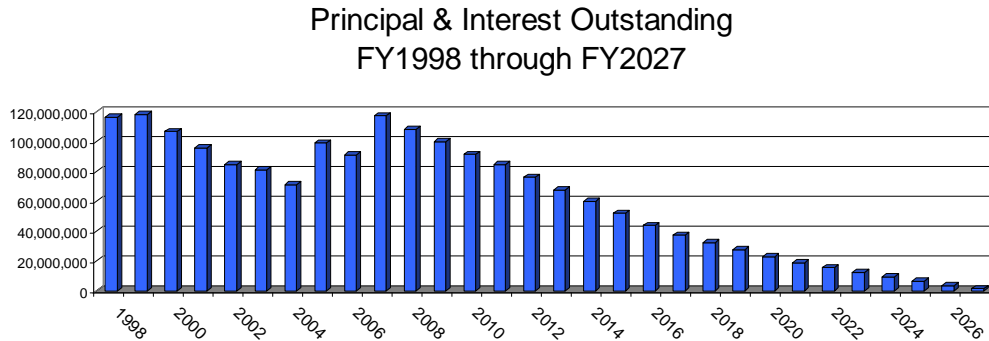


Note: In FY2007 the 2006 Capital Projects G. O. Bonds were issued for the construction of public buildings.

# DEBT SUMMARY

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The Village will be paying down its debt aggressively over the next few years as is show below:



## LEGAL DEBT MARGIN

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property..(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective day (July, 1971) of this constitution or which is thereafter approved by referendum...shall be included in the foregoing percentage amounts.”

To date the General Assembly has set no limits for home rule municipalities.

## TYPES OF VILLAGE DEBT

The Village’s general obligation bond rating is Aa1 from Moody’s Investors Service. A general obligation bond has the full faith and credit of the Village pledged. The general obligation alternate revenue bonds, which are a pledge of a specific revenue source, (i.e. utility taxes, sales taxes, water revenues) and a tax levy, carry the same rating. However, all other types of debt instruments are of a lesser credit quality and therefore have higher relative interest rates. An approximate ranking is as follows:

- General Obligation/General Obligation Alternate Revenue
- Water and Sewer Revenue
- Installment Contract
- Special Service Area
- Special Assessment

# DEBT SUMMARY

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## CONCLUSION

The Village issues new debt only after careful consideration of the benefits of the capital project being financed and a conservative analysis of the revenue sources required to pay off the debt. By following these practices and by monitoring the total debt burden, the Village has been able to maintain a high bond rating, which equates to lower interest costs. The Village's overall financial health is good, and by following sound financial and management policies, the Village's Board and staff will emphasize continued efforts toward maintaining and improving the Village's financial performance in the coming years.

The schedules on the following page provide summaries of outstanding bond issues and future debt service requirements.

VILLAGE OF ARLINGTON HEIGHTS

**SUMMARY OF OUTSTANDING BOND ISSUES**

AS OF APRIL 30, 2011

ISSUE	PURPOSE	AMOUNT ISSUED	MATURITY DATE	PRINCIPAL OUTSTANDING
2003A G. O. Refunding Bonds	Advance Ref of 1997A Capital Proj Bonds (TIF III & Fire Station)	2,175,000	12/1/2016	1,380,000
2003B G. O. Refunding Bonds	Advance Refunding of 1997B Senior Center Bonds	3,330,000	12/1/2016	1,885,000
2004 G. O. Public Building Bonds	Acquisition, construction and equipping of the new Public Works Building and the new Fire Station #1	20,000,000	12/1/2026	18,990,000
2005 G. O. TIF V Bonds	TIF District Improvement	2,235,000	12/1/2015	1,710,000
2006 G. O. Public Building Bonds	Construction and equipping of the new Village Hall	20,000,000	12/1/2019	16,800,000
2006A G. O. Refunding Bonds	Refunding of 1997C and 1998A Bonds	16,515,000	12/1/2018	6,090,000
2009A G. O. Refunding Bonds	Refunding of 2001 (Refunding of 1993 Flood Control V Bonds)	8,380,000	12/1/2014	7,760,000
2009B G. O. Street Resurfacing Bonds	2010 Street Resurfacing Program	2,050,000	12/1/2014	1,735,000
2010 G.O. Refunding Bonds	Refunding of 2002A NW Central Dispatch Bonds	2,855,000	12/1/2022	2,835,000
<b>TOTAL ALL BONDS</b>				<b><u>59,185,000</u></b>

**ANNUAL DEBT SERVICE REQUIREMENTS**

(PRINCIPAL AND INTEREST)

ISSUE	FUNDING SOURCE	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGET
2001 Refunding of 1993 Flood Control V	Property Tax	1,315,525	1,322,325	1,187,962	0	0
2003A Refunding of 1997A Fire Station Land	Property Tax	98,284	0	0	0	0
2003B Refunding of 1997B Senior Center	Property Tax	372,563	375,606	377,356	378,806	378,850
2004 Public Buildings	Property Tax	1,197,475	1,039,975	1,036,975	1,033,725	1,030,225
2006 Public Buildings	Property Tax	1,333,333	1,684,000	1,648,000	1,712,000	1,672,000
2006A Refunding of 1997C & 1998A	Property Tax	3,240,156	3,154,600	3,115,800	2,994,400	2,883,600
2009A Refunding of 2001	Property Tax	0	0	0	851,714	1,350,900
2009B Street Resurfacing	Property Tax	0	0	0	374,500	418,325
<b>SUBTOTAL - PROPERTY TAX</b>		<b>7,557,336</b>	<b>7,576,506</b>	<b>7,366,093</b>	<b>7,345,145</b>	<b>7,733,900</b>
2003A Refunding of 1997A TIF III	TIF Property Tax Increments	227,944	257,162	256,612	260,913	259,163
2005 TIF V	TIF Property Tax Increments	76,918	201,918	262,793	276,523	294,593
<b>SUBTOTAL - TIF FUNDING</b>		<b>304,862</b>	<b>459,080</b>	<b>519,405</b>	<b>537,435</b>	<b>553,755</b>
2002A NWCDS Building	Northwest Central Dispatch Rent	285,595	285,883	291,008	230,751	0
2003A Refunding of 1997A Water Tank	Water & Sewer Fund Revenue	310,371	0	0	0	0
2010 Refunding of 2002A NWCDS Building	Northwest Central Dispatch Rent	0	0	0	33,448	269,863
<b>SUBTOTAL - OPERATING REVENUE</b>		<b>595,966</b>	<b>285,883</b>	<b>291,008</b>	<b>264,199</b>	<b>269,863</b>
<b>TOTAL</b>		<b>8,458,164</b>	<b>8,321,469</b>	<b>8,176,506</b>	<b>8,146,779</b>	<b>8,557,518</b>

# Community Profile

# COMMUNITY PROFILE

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## GOVERNMENT

Incorporated January 18, 1887

The Village is a home-rule municipality governed by a nine-member Board consisting of eight Trustees and one Village President, commonly referred to as Mayor. The Board is elected at large for staggered four-year terms.

The Mayor, with approval of the Village Board, appoints the Village Manager.

The Village employs 418 full-time and 20 part-time employees in 18 operating departments: Village Manager's Office, Human Resources, Legal, Finance, Village Clerk, IT, GIS, Police, Fire, Planning & Community Development, Building, Engineering, Health Services, Senior Services, Public Works, Municipal Buildings & Grounds, Water Utility Operations, and Municipal Fleet Services.

In addition, the Village has the following advisory boards and commissions that advise the Village Board on various issues and proposals under review. The Mayor, with the consent of the Board of Trustees, appoints members to the commissions.

Plan Commission  
Zoning Board of Appeals  
Board of Health  
Board of Local Improvements  
Board of Fire & Police Commissioners  
Electrical Commission  
Design Commission  
Building Code Review Board  
Environmental Control Commission  
Housing Commission  
The Arlington Economic Alliance  
Senior Citizens Commission  
Youth Commission  
Commission for Citizens with Disabilities  
Bicycle Advisory Commission  
Special Events Commission  
Arts Commission

## GOVERNMENT

(Continued)

The Village also operates a public access cable television channel and televises most Board meetings.

**Village Website:** [www.vah.com](http://www.vah.com)

**Additional Website:** [www.discoverarlington.com](http://www.discoverarlington.com)

### Elections

Number of Registered Voters	46,055
Number of Votes Cast in Last Municipal Election 4-07-09	11,632

**Village Bond Rating** Aa1

**Fire ISO Rating** 2 (1/1/2011)

### Various Taxes

Sales Tax	9.50%
Prepared Food & Beverage Tax	1.25%
Telecommunications Tax	6.00%
Hotel Tax	5.00%
Utility Tax (gas/electric)	3.00%

## DEMOGRAPHICS

The Village is comprised of approximately 16.6 square miles.

The Village is located in Cook County, approximately 25 miles northwest of the Chicago loop business district. The Village is home to beautiful Arlington Park Race Track, the world-famous thoroughbred racing destination. Adjacent to the Village to the west are the communities of Palatine and Rolling Meadows; to the east are Wheeling, Prospect Heights, and Mount Prospect; to the north is Buffalo Grove; to the south is Elk Grove Village. O'Hare International Airport is approximately 15 miles southeast of the Village, a 20-minute drive by expressway.

# COMMUNITY PROFILE

(Continued)

## DEMOGRAPHICS (Continued)

### Weather Conditions

Average Winter	25° F
Average Summer	74° F
Average Annual Rainfall	33 Inches
Average Annual Snowfall	36 Inches

### Population

1970	64,884
1980	66,116
1990	75,460
2005 (f)	76,943
2008 Estimate	76,958

### Ethnic Makeup (a)

White	66,252	87.1%
Asian/Pacific islander	4,995	6.6%
Hispanic or Latino	3,393	4.5%
Black	868	1.1%
Other	523	0.7%

### Other Household and Resident Data (a)

Total Households	30,844
Median Household Income	\$74,796
Per Capita Income	\$38,574
Median Age	41.8
% of population over 65	15%
Education (population 25 years & older)	
High school graduate or higher	92.7%
Bachelor's degree or higher	46.5%
Unemployment Percentage (05/2009) (b)	8.2%

### Home Value (a)

Median Home Value	\$240,600
Median Gross Rent	\$933
\$0 to \$99,999	198
\$100,000 to \$149,999	968
\$150,000 to \$199,999	4,546
\$200,000 to \$299,999	8,406
\$300,000 to \$499,000	4,605
\$500,000 to \$999,999	419

## DEMOGRAPHICS (Continued)

### Land Use (c)

	<u>Acres</u>	<u>%</u>
Residential	5,279	50.4
Commercial	505	4.9
Office Only	225	2.2
R&D, Manufacturing, Warehousing	590	5.7
Institutional	285	2.7
Mixed Use	398	3.8
Parks/Schools/Government	1,082	10.3
Streets	2,000	19.0
Open	100	1.0
<b>Total</b>	<b><u>10,464</u></b>	<b><u>100.0</u></b>

### Property Value (d)

Estimated Total Property Value (2008)	\$10,875,203,034
Equalized Assessed Valuation (EAV) (2008)	\$3,625,067,678

### EAV Breakdown by Type of Property

	<u>2008 EAV</u>	<u>% of Total</u>
Residential	\$2,363,924,787	65.2%
Commercial	927,728,746	25.6%
Industrial	332,953,746	9.2%
Railroad	460,399	< 0%
	<u>\$3,625,067,678</u>	<u>100.0%</u>

### Other (d)

Miles of Streets 229

### Water Information:

Municipal water system main water supply  
 Lake Michigan water through the Northwest  
 Water Commission (All wells are secondary  
 and backup sources)

Miles of Water Mains 254  
 Number of Water Customers 20,858  
 Capacity of Waterworks 36,000,000 gal/per day  
 Number of Storage Tanks 10  
 Storage Capacity 31,000,000 gal.

# COMMUNITY PROFILE

(Continued)

## DEMOGRAPHICS (Continued)

Sewer Information:

Miles of Storm Sewers	162
Miles of Sanitary & Combined Sewers	228
Number of Retention/Detention Basins	52
Sewage Treatment – Metropolitan Water Reclamation District	

Number of Fire Stations 4

School Districts 15, 21, 23, 25, 59 and 214 serve the students of the Village of Arlington Heights and neighboring communities.

### Library

Number of Sites	1 (plus Bookmobile)
Number of Volumes	445,104
Number of Registered Borrowers	49,419
2008-2009 Total Circulation	2,472,791

## BUSINESS

The Village has 1,830 businesses paying sales taxes.

### 2009 Kind of Business Report (e)

Sales Category	Sales Volume	%
General Merchandise	\$ 608,256	6.2%
Food	1,597,077	16.3%
Restaurant Dining	1,502,023	15.4%
Apparel	394,653	4.0%
Furniture, Household	737,157	7.5%
Lumber/Building/Hardware	483,180	4.9%
Automotive/Filling Stations	1,741,345	17.8%
Drugs & Misc. Retail	1,273,764	13.0%
Agriculture & All Others	1,154,579	11.8%
Manufacturers	284,102	2.9%
Total	\$ 9,776,136	100.0%

## BUSINESS (Continued)

### Major Employers (500 Employees or more)

Arlington Park Racecourse (seasonal)	4,500
Northwest Community Healthcare	4,000
Motorola, Inc.	3,000
Arlington Heights High School Dist. 214	1,750
GTSS	1,000
Lutheran Home	700
Alexian Brothers Health System	600
Paddock Publications	500

## AWARDS & RECOGNITIONS

GFOA Certificate of Achievement or Excellence in Financial Reporting.....Annually Since 1988

GFOA Distinguished Budget Presentation Award .....Annually Since 2005

Certified Tree City U.S.A. ....Annually Since 1985

James C. Howland Gold Award from National League of Cities ..... 2000

National American Planning Association Excellence in Planning Award ..... 2001

Daniel Burnham Award for Excellence In Planning for Timber Court Condominium Project (affordable housing) ..... 2008

President's Arts Friendly Community Award ..... 2008

Association of Illinois Senior Centers' Awards for Senior Center Program of the Year and Senior Center Director of the Year..... 2008

CALEA Accreditation of Police Dept..... 2008

Chaddick Municipal Development Process Award ..... 2010

### Notes:

- (a) 2000 Census
- (b) Illinois Department of Employment Security
- (c) Village of Arlington Heights Comprehensive Plan
- (d) Village of Arlington Heights & Cook County records
- (e) Illinois Department of Revenue
- (f) Special Census