

**VILLAGE OF  
ARLINGTON HEIGHTS, ILLINOIS**

**ADOPTED**  
**BUDGET-IN-BRIEF**  
**FISCAL YEAR 2016**  
BEGINNING JANUARY 1, 2016



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

# VILLAGE OF ARLINGTON HEIGHTS

## BUDGET-IN-BRIEF 2016 **ADOPTED**

### VILLAGE BOARD

Thomas W. Hayes, Village President

Carol Blackwood, Trustee

Joseph C. Farwell, Trustee

Thomas Glasgow, Trustee

Robin La Bedz, Trustee

Bert Rosenberg, Trustee

John Scaletta, Trustee

Michael Sidor, Trustee

Jim Tinaglia, Trustee

### VILLAGE MANAGER

Randall R. Recklaus

### FINANCE DIRECTOR/TREASURER

Thomas F. Kuehne

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# Introduction

# VILLAGE ADMINISTRATION

## *Central Administration*

Village Manager	Randall R. Recklaus
Assistant Village Manager	Diana Mikula
Village Attorney	Mark Burkland
Prosecuting Attorney	Ernest R. Blomquist
In-House Counsel	Robin Ward
Village Clerk	Becky Hume
Finance Director/Treasurer	Thomas F. Kuehne
Director of Human Resources	Mary Rath

## *Public Safety*

Chief of Police	Gerald Mourning
Fire Chief	Kenneth Koeppen

## *Economic & Community Development*

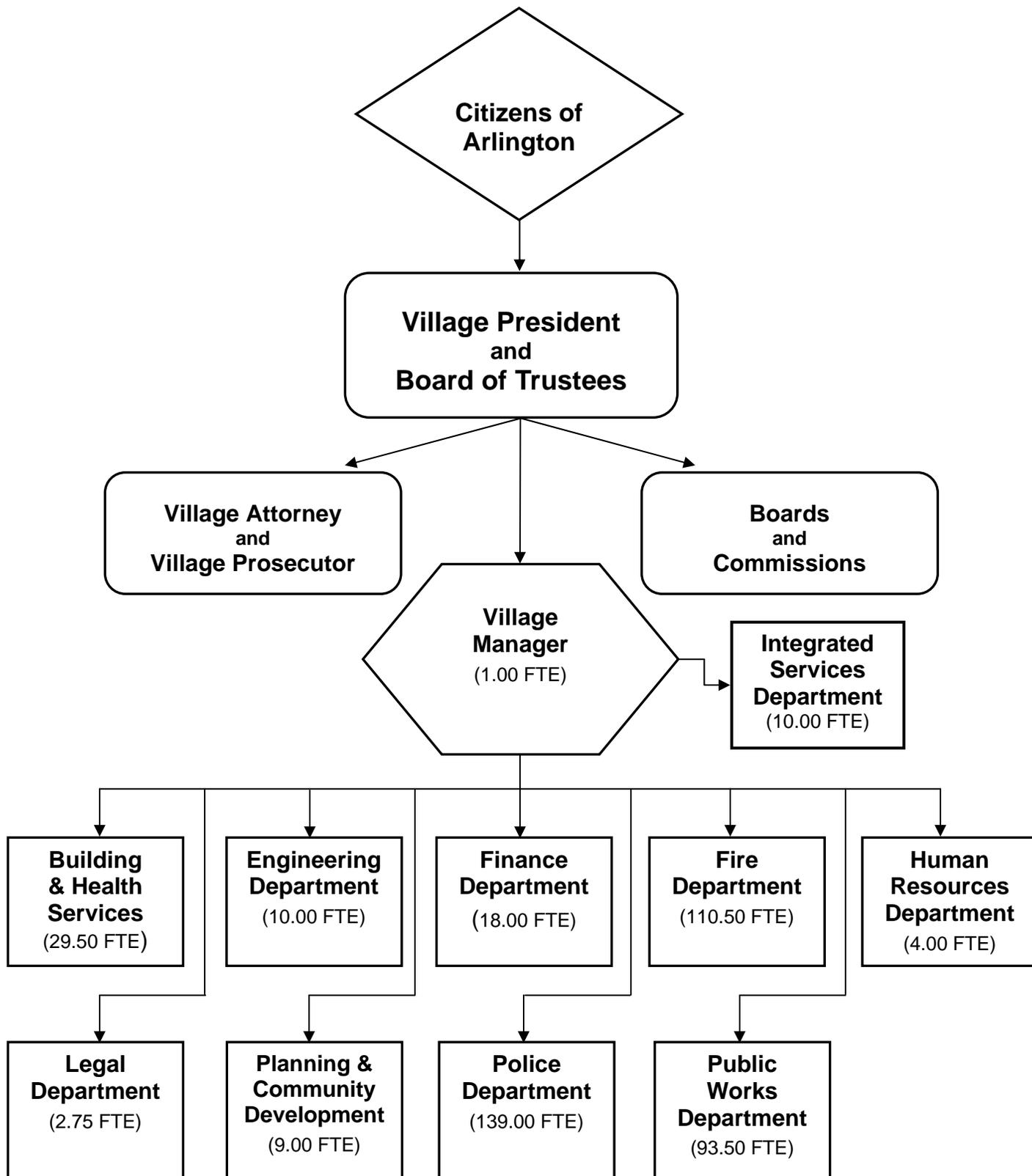
Director of Planning & Community Development	Charles Witherington-Perkins
Director of Engineering	Jim Massarelli

## *Services*

Director of Building & Health Services	James McCalister
Public Works Director	Scott Shirley

## *Budget Preparation*

Finance Director/Treasurer	Thomas F. Kuehne
Assistant Finance Director	Mary Juarez
Budget Coordinator	Denise Ruda





## Village of Arlington Heights

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Arlington Heights, IL 60005-1499  
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Website: [www.vah.com](http://www.vah.com)

December 7, 2015

Dear President Hayes and Trustees:

I am hereby transmitting the Budget for calendar year 2016.

The 2016 Budget is the Village's first calendar year budget after changing the fiscal year from an April 30<sup>th</sup> year end. To facilitate this change an eight-month transition year was used which ran from May 1, 2015 through December 31, 2015. As a result, a number of the year to year comparisons reflect a budget increase of about 50% due to comparing the short eight-month transition year budget to a normal 12-month budget. On the other hand, some expenditure types including capital expenditures normally occur during the May through December time period and do not exhibit a proportional increase.

### Overview of 2016 Budget Plan

As the Village has done over the last eight years, the 2016 Budget maintains our existing day to day operations. Once again, there are no new permanent staff positions, which mean that the 10% reduction in staffing levels implemented since the start of the recession in FY2009 will remain in place. Over the last couple of years the Village's sales tax, income tax, and building permit fee revenue have improved which allowed the Village to pass a 0% property tax levy last year. These results have helped the Village to maintain a solid financial position for its key operating fund, the General Fund. However; our local economy and the Village's financial position will continue to be susceptible to the effects of international and national decisions, and especially the State of Illinois' current budget issues.

The State's budget impasse is causing funding problems for its own state-wide services, and there will likely be ramifications on local school, park, library and municipal government budgets. In the absence of an approved State budget, the Motor Fuel Tax (MFT), Use Tax, video gaming, casino, and 911 funding are all revenues that are being collected by the State, but not distributed to local governments because of a lack of appropriation authority. Of these taxes, the ones that affect the Village directly are the MFT and Use taxes. The State has not remitted the Village's share of Motor Fuel Tax (MFT) payments since July 2015 and has not remitted the Use Tax monies since September 2015. The Village's portion of MFT receipts are used for street reconstruction purposes and amount to about \$150,800 per month or \$1,809,900 per year. The Use Tax receipts are used for general operations and equal roughly \$121,800 per month or \$1,462,000 per year. It should also be noted that while 911 taxes flow directly from the State to the Northwest Central Dispatch System, continued lack of payment by the State may require additional unbudgeted payments from the Village to the Dispatch center in 2016. According to the Illinois Municipal League, the State is currently spending at a rate of nearly \$38 billion per year, while only bringing in about \$33 billion per year. This unsustainable situation is effecting the State's cash flow position which will likely result in the State "holding back" some additional tax payments from local governments within six months on either a temporary or permanent basis. Due to the aggressive budget actions the Village has taken over the last eight years the Village is fortunate to be in

a financial position that allows us to plan for the 2016 Budget. However, if the State budget impasse continues for a prolonged period of time, the Village's longer term financial plans will be affected.

During this past summer, the Governor and a number of State Legislators from both sides of the aisle proposed freezing property taxes in 2017 and 2018 for Cook County taxing agencies. Senate Bill 318, which is currently assigned to a legislative committee, provides for a two-year property tax freeze. The bill includes an exception for public safety related tax levies during the two-year freeze period. It should be noted that if this proposal was approved, this action would not help the State with its financial situation in any way. On the other hand, the revenue raising abilities of school, park, and library districts, as well as many municipalities would be squeezed during those two years. The adopted 2016 Village Budget reflects an awareness of the State's uncertain political and fiscal environment. The uncertainty of the property tax freeze proposals in particular has influenced the property tax increase included in this plan. In light of the proposed legislation, the 2015 property tax levy clarifies the Village's actual use of its corporate levy for public safety purposes.

Even with this unsettling political environment the Village has recognized that it is critical that we continue to focus on our basic infrastructure in order to maintain safe, reliable roads, water mains and sewer lines. Deferral of needed infrastructure maintenance activities only serves to increase overall costs as impairment to our roads, water mains, and other assets accelerates when left unchecked. Maintaining existing infrastructure is not just a Village issue but is a national concern as well. Over the last few years the Village has carefully timed the funding of a number of key capital projects. These plans have included funding the Parkway Ash Tree Removal & Replacement program and the cost to construct a new Police Station. Both of these projects are being funded through bond issues that are being sold as existing debt is retired. As a result, these projects are expected to be completed without having to increase the Village's debt service property tax levy.

During the summer of 2014 the Village implemented a five-year water and sewer rate increase plan to address the Village's aging water and sanitary sewer system infrastructure. The design life expectancy of a water main is 100 years, and the Village currently replaces less than ½ mile per year of the total 260 miles of water main. As a result of the significant expansion of the Village's water main system in the 1920 – 30's we are approaching the useful life of a significant portion of the system. According to the American Water Works Association, water utilities should strive for between 25 and 30 water main breaks per 100 miles per year. The Village's older water and sanitary sewer infrastructure has been experiencing a much higher than average number of water main breaks. Over the last few years the Village has averaged 94 breaks per 100 miles of water main per year. Based on the results of a Northwest Municipal Conference (NWMC) survey, the average number of breaks per 100 miles of water main was 42 for the seventeen communities who responded. The average annual breaks for the nine communities whose water mains are 50 years or older is 46 breaks per 100 miles of water main per year.

As part of the water & sewer rate plan approved in 2014 the Village will increase by six times the amount spent on the water main replacement program by ramping it up from \$500,000 per year to \$3 million per year by 2020. Longer term plans beyond the five-year Capital Improvement Plan project that water main replacement program costs will continue to increase up to an annual \$4 million commitment by 2022. Other Water & Sewer Fund projects will also be increased including the Sanitary Sewer Replacement, Water Tank Painting, and Automatic Meter Reading programs. To cover the costs of these significant water and sanitary system improvements the approved five-year water and sewer rate increase plan reflects the 5% increase in 2015, 19% in 2016, and 5% in 2017, 2018, and 2019. Even with these

increases the Village's water and sewer rates will remain in the lower half of comparable communities as shown in the community revenue survey immediately following this transmittal letter on page 18.

Another key project that is currently under way is the Public Parking Garage Maintenance and Rehabilitation project. The first phase of the five-year \$2.5 million project to repair the Village's four municipal garages began in May 2015. Completing this work will return these structures, which range in age from 15 to 33 years, back to their original integrity with a new service life of 40 to 50 years.

As mentioned above, the Village has funding plans in place for a number of key capital projects. However, additional capital needs have been identified which will require the Village to develop multi-year plans for the timing and funding of these projects that integrate with existing plans. In the spring of 2015 the Village's Engineering Department, with the help of a consultant, completed the first phase of an in-depth study of the condition of the Village's roadways. The Village currently spends about \$5.8 million per year to resurface, reconstruct and crack seal its streets. However, the pavement study indicates that the Village should be spending at least \$8.5 million per year just to maintain the current condition of our roadways, which are rated in the "good" category by the consultant. If the Village were to continue to just maintain its current level of spending, the overall condition of the Village's streets will deteriorate over time, further increasing our costs to maintain them.

In an ongoing effort to allocate as much funding as possible to the Village's street program, this past summer the Village Board approved transferring \$4 million of General Fund surplus monies to the Capital Projects and MFT Funds for street purposes. This surplus was due to expenditures coming in under budget and sales, home-rule sales, income, and food & beverage taxes all coming in higher than projected during FY2015. These revenue increases were subsequently built into the revenue base for the 2016 Budget, but the one-year surplus was allocated to the Village's street program. This one-year additional allocation of resources will increase the 2016 street program expenditures significantly, but a sustainable street program beyond 2016 will require an additional funding source for the recommended \$2.7 million expansion of the Village's annual street program from \$5.8 million to \$8.5 million.

During September 2015 the Village Board took an additional action to provide some ongoing funding for the Village's roadways by authorizing an annual allocation of \$500,000 from the Village's Solid Waste Agency of Northern Cook County (SWANCC) Fund for street purposes. This annual allocation starting in 2016 includes \$200,000 to the General Fund for a new street patching program and \$300,000 to the Capital Projects Fund for additional street resurfacing work. The additional allocation of \$500,000 reduces the target expansion for the Village's street program to \$2.2 million. A funding plan for this remaining target amount is outlined in the 2015 property tax levy section of this transmittal letter.

For the last few years the Village has also engaged consultants to review its storm sewer and storm water detention systems. These studies are scheduled to be finalized by January 2016, and it is expected that the potential total one-time cost of flood control improvements could be in the tens of millions of dollars. The Village must carefully evaluate both the costs and benefits of any improvements identified, as some of the projects identified may be deemed to be unfeasible or too costly. Once the scope and funding sources of the potential street and storm water improvements can be determined, these projects will have to be carefully coordinated along with the Village's planned ramp up of the water main replacement program. A number of Village streets will be under construction as a result of these projects and the goal will be to limit the disruption as much as possible.

The Village develops its operating and capital 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 an historical basis for a new projection. A normal operating expense cycle is anticipated 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 provide a buffer during economic downturns. Having adequate reserves would also allow the Village the time needed to digest and plan around potential actions by the State that may divert some of the Village's revenues to State coffers. 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 2016 Budget will allow the Village to maintain a fund balance in excess of 25% of a typical year's General Fund expenditures.

The Village of Arlington Heights' mission is to provide high quality services to the community in a fiscally responsible manner. 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 financial position.

### **2015 Property Tax Levy Payable in 2016**

As mentioned earlier, the prior year's 2014 property tax levy increase was 0%. Over the past year, sales and income tax revenues have come in higher than projected, and these increases were incorporated into the 2016 Budget. Some expenditures, such as projected increases in health care costs have been lower than expected. As a result, the property tax revenue required to fund Village operations has actually decreased from last year. However, the cost of increasing the pace of our street resurfacing and reconstruction program to a sustainable level, and the uncertainty presented by State proposals relating to property taxes both provide upward pressure on our overall property tax rate. The Village's 2015 levy payable in 2016 which is incorporated in this 2016 Budget reflects an increase of 3.99%. This is higher than the 1.39% levy increase that was estimated during the budget ceiling process in July 2015 due to the increase in the Capital Improvement levy for street purposes.

According to the recent pavement study the Village would need to spend an additional \$2.7 million per year just to maintain its current "good" street rating. In September 2015 the Village Board approved an annual transfer of \$500,000 from the Solid Waste Fund for street purposes. This year's Village property tax increase of \$1.27 million or an increase of 3.99% will be devoted toward the Village's annual street infrastructure program. This increase reflects an additional \$1.5 million for streets netted against an overall decrease for other Village levies. It is also proposed that the Village make plans to levy an additional \$700,000 in the following year in order to reach the remaining additional annual funding for streets as recommended by the pavement management consultants. By phasing these increases in it provides for more moderate increases on an annual basis. If the State's property tax freeze proposal wasn't being considered, the Village would have been in a better position to phase-in the needed increase for street infrastructure over three to four years. However, if these increases are completed during the 2015 and 2016 levy years, the Village will have proactively put in place the recommended spending level and property tax levies for annual street work prior to the State's proposed property tax

freeze for Cook County municipalities in levy years 2017 and 2018. By increasing and reallocating the levy in this manner, Staff believes the Village will be in the best possible position to fund infrastructure needs while minimizing the impact of any proposed property tax freeze in future years.

The 2015 property tax levy payable in 2016 is summarized below:

	Extended 2014 Levy	2015 Levy For 2016	Dollar Change	% Change
Village				
Capital Improvement	\$ 2,929,000	\$ 4,500,000	\$1,571,000	10.36%
Other Village Levies	<u>28,849,207</u>	<u>28,545,643</u>	<u>(303,564)</u>	<u>(1.05%)</u>
Total Estimated Village Levy	\$31,778,207	\$33,045,643	\$1,267,436	3.99%
Library	<u>\$13,693,159</u>	<u>\$13,693,159</u>	0	0.00%
Grand Total Tax Levy	\$45,471,366	\$46,738,802	\$1,267,436	2.79%

### 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 expenditures for all operating, capital and other funds for 2016, not including the Arlington Heights Memorial Library, comes to \$157,216,100. As expected, due to the prior year's short 8-month transition period budget this is an increase of \$32.6 million or 26.2%. If all Village expenses occurred proportionally each month the increase would have been around 50%. Many items in the 2016 budget, including wages and benefits for most employees, follow this pattern. However, other budgeted items such as contractual expenditures for street and sidewalk maintenance, tree services, engineering services, the cost of seasonal employees, overtime expenses for special events, as well as a good portion of the Village's annual capital expenditures normally occur during the May through December time period and will not exhibit the same proportional decrease. Some specific expenditure areas that affect the proportionality of the 2016 budget are:

- Last year's 8-month transition year General Fund expenditures included transfers to the Municipal Parking Fund and the Storm Water Control Fund totaling \$2.5 million. These funds were available due to receiving a full year of property taxes during the 8-month transition budget year. The 2016 Budget shows a normal year's transfer amount of \$175,000 to the Health Insurance Fund.

- MFT Fund expenditures for the 2016 budget are much higher than normal due to the one-time transfer of \$2 million from the General Fund at the end of FY2015. Per the 2016-2020 Capital Improvement Plan (CIP), the Village Board directed that this additional one-time funding be used to increase the amount available for the 2016 street rehabilitation program. Assuming that annual State MFT funds totaling \$1.8 million are paid to the Village during 2016, the 2016 Budget for the Village's street reconstruction program in the MFT Fund totals \$4,100,000. In addition to these funds, the 2016 Budget includes \$4,900,000 budgeted in the Capital Projects Fund for street resurfacing.
- Debt Service Fund expenditures currently reflect a decrease in 2016, however this will likely be amended when the Village issues bonds for the new Police Station during 2016.
- Capital Projects Fund expenditures decrease as last year included a \$3.4 million transfer for the second year of a planned two year transfer of available funds to the Emerald Ash Borer (EAB) Fund. The EAB Fund was established to account for the costs associated with the removal and replacement of roughly 13,000 diseased parkway ash trees. This program is scheduled to wind down and to be completed during 2017.
- Water and Sewer Fund capital expense increases during 2016 include doubling the annual water main replacement program to \$1 million. This program is scheduled to be increased over the next five years eventually reaching an annual program cost of \$3 million per year by 2020. Fund expenses also increase in 2016 due to \$868,000 budgeted for water tank painting, and \$806,000 slated for emergency generator upgrades.

Pension costs and unfunded pension liabilities for the State's five pension funds have continued to be a topic of public conversation. It should be noted that pension benefits for Village employees are separate from the underfunded State of Illinois pension plans. Village pension plans are covered through the Police Pension Fund, the Firefighters' Pension Fund, and the Illinois Municipal Retirement Fund (IMRF). Through the years, the Village has continued to pay the actuarially required contribution for each of these funds. Along with all pension funds nationwide, the Village's pension funds experienced significant losses during the great recession. However, over the last few years the stock market has improved and the funding levels of the Village's pension plans have risen.

In addition to the improved investment returns, in 2010 the State Legislature mandated a two-tier pension system for IMRF and all municipal Police and Fire pension plans. The intent of the new two-tier pension system is to reduce the long-term pension liability for employers who have employees covered under these plans.

### **Personnel Changes**

There are no new permanent staff positions in the 2016 Budget, and the Village's personnel count still reflects a net decrease of 45 positions or about a 10% decrease since FY2009. The 2016 budget for all wages reflects an increase of 1.5 % over the prior year's wage base. This increase is somewhat lower due to budgeting for increases to be effective as of May 1<sup>st</sup> which is consistent with existing union contracts. When the current union contracts expire it is expected that the next contracts will follow the Village's new calendar year.

Although not directly related to personnel, in order maintain timely and accurate reviews, for the third year the Planning Department budgeted \$75,000 in contractual services to outsource some planning tasks on an as needed basis. The intent of contracting out this service is to help the department keep up with their increasing workload as the economy improves without increasing the number of Village employees. However, since this contract agreement has been in place, the Village has found it difficult to retain our existing planning professionals due to the expected workload, as contract service personnel cannot take on more involved longer term projects. As a result, over the next year the Village will need to evaluate the cost efficiency of using contract services in this particular area.

The 2016 Budget also includes an additional \$100,000 in professional services in the Engineering Department. Currently, the day-to-day oversight of the Village's street program falls to our two full-time Civil Engineers. This is a full-time endeavor during construction season. However as outlined earlier, the 2016 street program is much larger than normal, totaling \$9 million for street reconstruction and resurfacing. Rather than hire additional staff, the Engineering Department will be outsourcing some of the day-to-day "resident engineer" work for the expansion of the street program.

In recent years the Village has been fortunate that our blended health insurance costs have increased moderately. To be conservative the Village's long-term projections typically assume an increase in health insurance costs of 8% per year. Based on recent discussions with the Village's health insurance carrier, medical premium costs for 2016 are budgeted to increase by 6.7% for PPO coverage and by 5.1% for HMO coverage or a blended rate increase of 6.2%.

The balance of this budget message identifies the process that has been followed to prepare this financial plan for 2016, a detailed review of 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 June of each year when the Board reviews and approves a five-year Capital Improvement Program. In July, multi-year projections are provided to the Board for the General and Water & Sewer Funds, which are the Village's largest operating funds. These projections include an estimated property tax levy amount. Based on these projections, the Board sets budget ceilings which each department uses as an upper limit when developing its proposed spending plans. As the proposed budget is developed the estimated property tax levy may be increased or decreased depending on budget proposals for the Village Board's review.

During September and October the budget team, consisting of the Village Manager, Assistant Village Manager, Finance Director, Assistant 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 November, the Village holds a public budget meeting(s) at the Committee-of-the-

Whole level. The Village Board subsequently holds a Public Hearing prior to adopting the annual budget in December of each year. A detailed calendar of the budget process immediately follows this transmittal letter.

Under the Budget Officer Act and the Village's purchasing guidelines, 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 current budget process for these funds are shown here compared to the proposed expenditures for those funds:

	<u>General Fund</u>	<u>Water &amp; Sewer Fund</u>
Budget Ceiling	\$72,253,100	\$19,526,700
2016 Budget	<u>72,245,100</u>	<u>19,288,900</u>
Over (Under) Ceiling	\$ (8,000)	\$ (237,800)

During the department reviews, the budget team and department directors worked to prepare a budget at or below the budget ceilings. The 2016 budgets for the General Fund and the Water & Sewer Fund both fall below the budget ceilings established by the Village Board in July 2015.

### 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 three key revenue sources, which account for 66% of the total General Fund revenues:

- Property Tax	30% of revenues
- Sales Tax (including Home Rule)	25%
- Income Tax	11%

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, 78% of this Fund's expenditures are for Personal Services including benefits. On an operational basis, most of the Village's general expenditures are directed toward public safety, with the Police and Fire Departments comprising 64% of the total General Fund budget.

For the 2016 Budget the General Fund budget increases by 31% compared to the prior year. As noted earlier, with the exception of temporary summer help and overtime associated with special Village events, wages and benefits are proportionally higher for the normal 12-month year when compared to the 8-month transition period. Other General Fund cost increases vary primarily due to the seasonal nature of many Village services. Transfers out from the General Fund are much lower than the prior

year due to the 8-month transition year transfers to the Municipal Parking and Storm Water Control Funds outlined earlier.

The 2016 General Fund budget includes \$6,500 for a community-wide Customer Service Survey. This survey will help identify community needs and priorities. Information gathered from the survey will help the Village make data driven decisions and prioritize actions based on objective data. Regular surveys will also provide a benchmark to compare community attitudes and perceptions over time.

Under Boards and Commissions, the Board of Fire and Police Commissioners budget was increased by \$21,900 to provide for both entry level testing for Fire and Police as well as promotional testing for Police Sergeant and Fire Lieutenant. These testing cycles occur every two years and there are currently about seven vacancies for Police Officer and one vacancy for Firefighter.

In the Human Resources Department the 2016 Budget includes \$40,000 in professional services for a classification and compensation study for non-bargaining employees. The last formal study was conducted in 1998, and the salary level and job classification system needs to be updated to reflect market and internal organizational changes.

The Village Board previously approved a Zero Interest Loan program for new businesses, and \$40,000 is included in this year's budget to cover program costs. This program is for new and existing Arlington Heights businesses. It is a revolving loan program, which was established based on a repayment schedule of no longer than five years. The primary funding sources for the program are the Class 6b application fee of \$1,000 and the 10% rebate to the Village of savings from all approved Class 6b property tax abatements and renewals over the first five years of their existence. Repayment receipts from any approved zero interest loans will also be reinvested in the program.

For the last few years the Village has budgeted \$30,000 in the Health Department each year for emergency property maintenance clean-up efforts. This budget has only been utilized once over the last five years. Instead of tying up these funds each year the 2016 Budget no longer provides a budget for this activity, but instead it will be handled on a case by case basis through the allocation of contingency funds or General Fund reserves. As noted earlier, an additional \$100,000 is budgeted for professional services in the Engineering Department to provide the department with additional contractual engineering services needed to complete the proposed increase in street infrastructure projects. The projected cost of sales tax abatements in the Non-Operating section of the General Fund budget was also increased by \$100,000 to cover the requirements of the sales tax abatement agreement with the new Lexus dealership which opened during the summer of 2015.

The complete revamp of the Village's website was rebudgeted in the Technology Fund at a cost of \$75,000. An additional \$5,000 for the Discover Arlington website was also transferred from the Arlington Economic Alliance's budget to the Technology Fund for inclusion in the Village's website upgrades. The total budget amount is based on website re-engineering costs incurred by neighboring Villages. Potential new functions that our website does not currently have include user-friendly navigation, fillable forms, an interactive meeting calendar, online permits, multiple templates for page design that can be tailored to specific departments, and a design that allows the site to be viewable across various platforms. The Village's current website went live in March 2009 and there have been minor modifications to its design and functionality since that time.

The 2016 budget includes \$77,600 in funding for Meet Chicago Northwest (Convention Bureau), which is based on 8% of the actual 12-months of hotel tax receipts received by the Village for the period ended December 31, 2014. The Village has had a long-standing partnership with Meet Chicago Northwest, and they plan on making a presentation before the Village Board during this year's budget hearings as part of a three year funding request.

#### **Future General Fund Issues:**

*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 effect 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. From a more direct perspective, local governments in Illinois currently receive 8 percent of net revenue received from the State's 3.75% individual income tax rate and 9.14 percent of the 5.25% corporate rate. Income tax receipts are then disbursed to communities on a per capita basis. This arrangement has been in place since 1969 when the State agreed to share income tax revenues with municipalities in exchange for a prohibition on municipal income taxes. Over the last couple of years various State Legislators have proposed legislation that would allow the State to keep a larger share of these tax receipts in order to help balance the State's budget, without providing alternative ways for municipalities to raise revenues. The Illinois Municipal League and communities across the State successfully fought off these efforts in the past, but similar legislation is likely to be brought up again as the State continues to look for ways to balance its budget. The Village receives about \$7.6 million per year in income tax receipts which represents about 11% of total General Fund revenues. As noted earlier, the State is currently experiencing cash flow problems and they have stopped remitting MFT and Use tax receipts to the Village.

*Proposed State Gambling Expansion - Slots at Arlington Park Racetrack* – Over the last few years the State Legislature has considered various proposals to expand gambling in Illinois. Most of these proposals have included allowing slots at horse racing tracks throughout Illinois which would include Arlington Park Racetrack. It has been estimated that the Village could potentially receive about \$3 million per year in fees if slots are allowed at the Racetrack. If such a bill were to be passed, it has been staff's recommendation that any potential local gambling fee revenue not be used to fund any ongoing operating expenses. If the State Legislature were to approve slots at racetracks, it is recommended that any potential new revenues be used for specific, one-time capital projects and to pay down the Village's unfunded pension liabilities. Using a portion of any potential new revenues to pay down pension liabilities would help stabilize the Village's annual required contribution to our pension funds, lessening the upward pressure on the Village's portion of property taxes directed toward our pension funds.

*Opening of the Rohrman Lexus Dealership* – The long-awaited opening of the new Lexus vehicle dealership occurred during the summer of 2015. However, to maintain our conservative approach to budgeting, any revenues generated by this new business will not be included in the Village's budget projections until there is an historical basis for the revenue projection.

#### **Water & Sewer Fund**

The Water & Sewer Fund remains stable due to the water and sewer rate adjustments that were approved by the Village Board. 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.

The Village's water and sanitary sewer infrastructure is over 60 years old, which has resulted in the average number of water main breaks being twice that of comparable communities. The revised rate structure will allow the Village to increase the amount spent on its water main replacement program by about six times from around \$500,000 per year to a about \$3 million per year by 2020. During this same time period the sanitary sewer main replacement program will increase by nearly two times from around \$300,000 per year to a projected \$515,000 per year.

The 2016 Water & Sewer Fund budget includes continued funding in the amount of \$100,000 for 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 currently rebates 50% of the cost of installing a sewer back-up system up to a maximum rebate amount of \$7,500 per qualifying single-family residence. 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. From the inception of the program in FY2007 through October 2015, there have been only 160 rebates paid to single-family homeowners for a total cost to date of \$761,129. An expansion or update to this program may be considered as part of the stormwater studies currently underway.

### Capital Improvement Program (CIP)

The Village of Arlington Heights has historically been diligent 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. **The top two capital infrastructure issues identified through the community response process and through a recent survey of Village Board members were: Streets and Storm Water Control.** 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 June 2015, the Village Board reviewed all of the proposed capital projects and approved the five-year Capital Improvement Program for 2016 - 2020.

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 2016 Budget. The "CIP/Debt Service" section of the budget shows a summary of the entire five-year capital spending and funding plan. The key 2016 capital projects, outside of the water and sewer projects that were identified earlier, include the following:

**Tax Increment Financing (TIF) Fund Projects** – The Village currently has four 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. Other than \$150,000 for a reserve for tax refunds in TIF III and \$500,000 budget place holder amounts shown in the TIF IV and V Funds, there are no large capital projects currently scheduled for the TIF Districts during the 2016 Budget period. 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. Over the last ten years the cost of the Village's street resurfacing and reconstruction programs has increased at a rate faster than inflation. 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, the spending plan continues the Village's efforts for street resurfacing, but also reflects continuing the last few years' reductions in some non-essential capital programs. The consequences of those reductions will continue to include not funding the arterial street light program and most of the green corridor beautification program.

The 2016 street program includes the following expenditures:

*Street Resurfacing Program (\$4,900,000 – Capital Projects Fund)* – This is an ongoing program limited to resurfacing existing deteriorated street pavement and curbs.

*Street Rehabilitation Program (\$4,130,000 – MFT Fund)* – This is an ongoing street rehabilitation program consisting of the reconstruction of significantly deteriorated street pavement, curbs, and concrete panels. The 2016 Budget reflects a substantial increase over the standard street rehabilitation budget due to a prior year one-time transfer of \$2 million from the General Fund.

Some of the other major projects included in the 2016 Capital Projects Fund budget are:

*Roof Maintenance Program (\$398,000)* – This program includes annual funds to replace the roofing systems of all municipal buildings, including coping and parapet repairs. The 2016 program includes the replacement of roofs at Fire Station #3 (\$98,000) and the downtown train station (\$300,000).

*Sidewalk and Curb Replacement (\$50,000) and Brick Paver Maintenance (\$395,000)* – This program covers the Village's ongoing efforts to repair trip hazards, and to reduce the Village's liability exposure to trips and falls. In order to address several streetscape areas in the downtown that require significant reconstruction, during 2016 and 2017, the majority of the funding for the annual sidewalk replacement program will be used for paver brick work. These areas have not seen significant work since they were installed a number of years ago. As part of these streetscape projects, alternative designs to the Village's present cross section are being evaluated.

**Emerald Ash Borer (EAB) Fund** – The Emerald Ash Borer (EAB) beetle infestation has been especially burdensome for the Village of Arlington Heights because 13,000 or 36% of our 36,000 parkway trees are Ash trees. The cost to remove and replace all of the Village's parkway Ash trees on a one for one basis is estimated at \$11.5 million as the EAB infestation works its way through the community. In FY2012 the Village established an EAB Fund to account for the parkway Ash tree removal and replacement costs, as well as funding for the one-time "People's Choice" treatment option. Under this program residents were reimbursed up to a maximum of \$50 per tree if they chose to treat their parkway Ash tree(s).

During FY2014 the Village Board approved a final extension of the "People's Choice" treatment option through October 31, 2014. Only those residents who received their first treatment through this date will be allowed a second treatment by October 31, 2016. No further extensions of this temporary program have been authorized. The estimated total cost of this extension will be approximately \$230,000. Initial funding for the EAB Fund came through prior year transfers from the General Fund. In late summer of 2014 an \$8 million bond issue was sold which covers the Village's street resurfacing costs for three years. This freed up available money in the Capital Projects Fund to be transferred to the EAB Fund, which will be used to cover a majority of the projected \$11.5 million cost of the EAB program.

**Storm Water Control Fund** – The 2016 Budget includes the following significant flood control projects:

*Neighborhood Drainage Improvements (\$300,000)* – This budget provides funds for public drainage improvements allowing new or improved access for residents to Village storm sewers. The program only covers work on public right-of-way with any connections or work on private property being the responsibility of the property owner.

*Storm Water Rehabilitation/Replacement Program (\$500,000)* – The budget includes the second year costs of a multi-year program to lightly clean, televise, and analyze the condition of the Village's system. This portion of the program will take about eight years to complete, after which the budget for this program will be devoted to storm rehabilitation and replacement work identified by televising the system.

*Arlington Knolls Storm Sewer Extension (\$400,000)* – This project would provide adequate drainage to the public right-of-way on the 1600 block of North Highland Avenue. The proposed storm sewer would reduce localized street and yard flooding, help reduce the deterioration of the street pavement, and help mitigate overland structure flooding.

**Future Storm Water Control Fund Issue:**

*Flood Study Results* – The Village has conducted a flow monitoring of its existing sewer systems. This information was used to perform a detailed modeling of the system and a complete analysis of the Village's existing combined sewer system. A second study is also being completed to analyze the storm water capacity and storage issues in some of the Village's separate sewered areas. Once both of these studies are completed, the Village will be in a position to determine the level of flood mitigation improvements that can be reasonably afforded, as well as possible funding mechanisms for the implementation of any potential improvements or program changes. It is anticipated that the results of these studies will be presented to the Village Board in January 2016.

Given the significant operating and capital improvement cutbacks made over the last few years as a result of the recession, the Village's long-term capital plan now includes only the highest priority projects.

Over half of the funds available for capital projects are directed toward needed street improvements. Possible storm sewer system improvements may require a Village bond issue paid by all residents, a special service area(s) paid by those residents from areas prone to flooding during extraordinary rain events, a new storm sewer utility fee put on all customer's water and sewer bills, or some combination of these funding mechanisms. At this point the proposed 2016 Budget cannot include an estimate of the cost of any additional storm sewer improvements until the completion of the aforementioned studies and the determination of the feasibility and desirability of the alternatives identified.

**Public Building Fund** – The 2016 Budget includes the following significant project:

*Police Facility (\$1,025,000)* – This budget amount primarily represents an estimate for a portion of the architectural fees associated with the new Police facility. A small budget of \$25,000 has been allocated for building life safety issues that may arise over the next couple of years.

During 2014 the Village hired FGM Architects to review and update an earlier space needs study for our Police Department, with the goal to provide for a basic, but functional Police Station. FGM completed the space needs portion of the study and determined that a new Police Station could be constructed on the current site. They were also able to reduce the size requirement of the new Police Station from the 2009 study to 72,565 square feet representing a 5% decrease. FGM also developed conceptual cost estimates for the new Police Station. The cost to construct the new Police Station is estimated to be around \$27.9 million. Based on the size and scope of the Police Station project, a best guess at this time is that total project costs will be around \$35 million in 2017 dollars, which is a significant reduction from the 2009 estimate, which equals \$46 million in 2017 dollars. These estimates include the actual construction budget, architectural and engineering costs, furniture, and equipment, the cost of a temporary Police Station, demolition costs, and parking.

Based on this very conceptual cost estimate, most if not all of the new Police Station costs will be covered by reinvesting maturing debt, making it possible to construct the new Police Station without requiring a property tax increase to complete this project. The cost to construct a new Police Station in Arlington Heights will be comparable to other recently built Police Stations in the area. However, it should be noted that cost comparisons can be made between construction, architectural and engineering costs, but providing for a temporary Police Station and additional parking costs may not have been part of the other Police Station construction budgets. In addition, the other area Police stations were completed 3-8 years ago, thus the projected cost to build a Police Station in 2017 will be proportionally higher due to inflation.

Based on the Village Board's prior direction, the following tentative time line shows the steps that are planned to be undertaken over the next few years:

<b>2015-16</b>	Develop RFP for architectural services and begin design
<b>2017</b>	Finish architectural design/Bid process for construction
<b>2017-19</b>	Construction
<b>2019-20</b>	Occupancy of new Police facility

(This is a tentative timeline that is subject to changing conditions, but it does provide a basic schedule for financial planning purposes.)

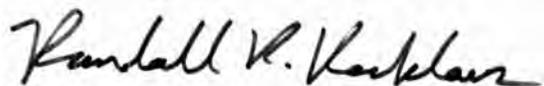
**Arts, Entertainment & Events** – The Arts, Entertainment & Events (A&E) Fund was established to account for the Village's costs associated with Village presentation and participation in arts, theatrical and other community events. A quarter of the Village's 1.25% Food & Beverage Tax (FBT) is used as a dedicated source of revenue for this fund. To help control the cost of these events the Village utilizes the two presentations that can be found behind the A & E Fund section. These presentations are the "Special Events – Cost by Event" and the "Special Events – Cost by Department". In the case of a shared-cost event such as Promenade of the Arts which has been produced by an outside firm, or the Taste of Arlington which has been spearheaded by the Arlington Heights Chamber of Commerce, the Village's 2016 costs would be limited to the budgeted amount. Any additional costs would be covered by the co-sponsors of these events. The Village's 2016 Budget caps for these two events are outlined at the bottom of the Cost by Event presentation.

The Metropolis Performing Arts Center (MPAC) prepared its 2016 Budget and is requesting a 2016 operating contribution of \$250,000. The Village has set aside \$300,000 to be used toward the 2016 operating contribution and toward the establishment of an adequate reserve for Theater operations. As of the end of FY2015 the Theater had a negative working cash position of (\$79,608), as available cash and other current assets was less than total current liabilities including accounts payable and deferred revenues. Per prior Village Board direction, the remaining \$50,000 in 2016 will be kept in a restricted reserve account in the Village's Arts, Entertainment & Events Fund.

#### **Acknowledgements**

The preparation of this year's budget has been more challenging for the Village Board and staff due to changing the budget year to a calendar year beginning on January 1, 2016. The 2016 Budget allows the Village to continue its commitment to basic services and provides for a significant increase in the Village's commitment to providing safe, reliable roadways. I would like to thank the entire staff and especially the budget team consisting of Tom Kuehne, Mary Ellen Juarez, Denise Ruda, 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,



Randall R. Recklaus  
Village Manager

**SURVEY OF COMPARABLE MUNICIPALITIES  
ESTIMATED ANNUAL REVENUES RECEIVED FROM AN AVERAGE HOME  
(Includes Water & Sewer Rate increase and proposed 3.99% Village property tax increase)**

**ANNUAL ESTIMATED PAYMENTS:**

<u>Municipality</u>	<u>2015 Passenger Veh. Stickers</u>	<u>Garbage Bill*</u>	<u>Yard Waste Bill</u>	<u>Combined** Residential Water &amp; Sewer Bill</u>	<u>Storm Water Fee</u>	<u>Home*** Rule Sales Tax</u>	<u>Food &amp; Beverage Sales Tax</u>	<u>Municipal Motor Fuel Tax</u>	<u>Entertain. Tax</u>	<u>Electric Utility Tax</u> 12,300 kWh/Yr	<u>Gas Utility Tax</u> 1,700 therms/Yr	<u>Telecom Tax</u>	<u>2014**** Municipal Property Tax</u>	<u>Total Estimated Annual Homeowner Costs</u>
Assumptions for Average Family	2 Cars	12 /Yr	48 Bags/Yr	144,000 Gallons/Yr	Estimated Fee/Yr	\$6,000 /Year	\$3,000 /Year	650 Gallons/Yr	\$2,400 /Year	\$1,400 /Year	\$1,650 /Year	\$1,200 /Year	\$73,766 EAV	
1. Rolling Meadows	60.00	\$359.40	\$0.00	1,821.60	46.80	60.00	60.00	19.50	0.00	75.03	0.00	72.00	1268.04	\$3,842.37
2. Hoffman Estates	0.00	\$192.00	\$132.00	1,256.88	24.00	60.00	60.00	162.50	144.00	69.00	85.00	72.00	1064.44	\$3,321.83
3. Mount Prospect	80.00	\$189.96	\$120.00	1,507.20	0.00	60.00	30.00	26.00	0.00	43.17	24.99	72.00	941.25	\$3,094.58
4. Elk Grove Village	50.00	218.28	\$96.00	1,728.00	0.00	60.00	30.00	0.00	0.00	75.03	17.00	60.00	701.51	\$3,035.82
5. Park Ridge	90.00	\$0.00	\$0.00	1,552.32	0.00	60.00	30.00	26.00	0.00	68.63	34.00	72.00	939.04	\$2,872.00
6. Des Plaines	60.00	\$196.56	\$0.00	1,147.68	109.44	60.00	30.00	26.00	0.00	70.23	42.50	72.00	1021.66	\$2,836.07
<b>7. Arlington Heights</b>	<b>60.00</b>	<b>\$302.52</b>	<b>\$110.40</b>	<b>1,030.56</b>	<b>0.00</b>	<b>60.00</b>	<b>37.50</b>	<b>0.00</b>	<b>0.00</b>	<b>75.03</b>	<b>85.00</b>	<b>72.00</b>	<b>973.42</b>	<b>\$2,806.43</b>
8. Wheeling	0.00	\$239.16	\$0.00	1,015.20	0.00	60.00	30.00	0.00	0.00	75.03	85.00	72.00	1118.66	\$2,695.05
9. Palatine	60.00	\$240.00	\$0.00	739.20	60.00	60.00	30.00	0.00	0.00	52.52	0.00	72.00	1009.12	\$2,322.84
10. Schaumburg	0.00	\$0.00	\$0.00	1,485.12	0.00	60.00	60.00	0.00	120.00	0.00	0.00	72.00	510.46	\$2,307.58
11. Buffalo Grove	0.00	\$233.52	\$0.00	787.68	0.00	60.00	30.00	0.00	0.00	75.03	85.00	72.00	900.24	\$2,243.47

\*AH Garbage Bill based on twice per week pick-up cost, all other survey communities have once per week pick-up.  
 \*\* Rate/100 cubic ft. x 1.3367197 = rate/1000 gals.  
 \*\*\*Home/Rules Sales Taxes are on general merchandise only, not applied against vehicles or qualifying food, drugs, or medical appliances.  
 \*\*\*\* Municipal tax only, does not include libraries, schools, special districts, or other taxing authorities.  
 Sources: Surveys: Arlington Heights (08/15), / Cook County Clerk website / Municipal websites / Codes

**RATES:**

<u>Municipality</u>	<u>2015 Passenger Veh. Stickers</u>	<u>Est. Monthly Garbage Rate (1x/week)</u>	<u>Yard Waste Rate /Bag</u>	<u>Combined Water &amp; Sewer Rate/ 1000 Gallons + fixed fees</u>	<u>Estimated Storm Water Fee/Month</u>	<u>Home Rule Sales Tax Rate</u>	<u>Food &amp; Beverage Sales Tax Rate</u>	<u>Municipal Motor Fuel Tax Cents/Gal</u>	<u>Entertain. Tax Rate</u>	<u>Electric Utility Tax /kWh</u>	<u>Gas Utility Tax /Therm</u>	<u>Telecom Tax Rate</u>	<u>2014 Municipal Property Tax Rate</u>
Arlington Heights	30.00	25.21	2.30	6.94 31.20	0.00	1.00%	1.25%	0.00	0.00%	0.00610	0.050	6.00%	1.3196 (2015 proposed VAH levy)
Buffalo Grove	0.00	19.46	0.00	5.47	0.00	1.00%	1.00%	0.00	0.00%	0.00610	0.050	6.00%	1.2204
Des Plaines	30.00	16.38	0.00	7.97	9.12	1.00%	1.00%	0.04	0.00%	0.00571	0.025	6.00%	1.3850
Elk Grove Village	25.00	18.19	2.00	12.00	0.00	1.00%	1.00%	0.00	0.00%	0.00610	0.010	5.00%	0.9510
Hoffman Estates	0.00	16.00	2.75	8.53 28.56	2.00	1.00%	2.00%	0.25	6.00%	0.00561	0.050	6.00%	1.4430
Mount Prospect	40.00	15.83	2.50	10.05 60.00	0.00	1.00%	1.00%	0.04	0.00%	0.00351	0.015	6.00%	1.2760
Palatine	30.00	20.00	0.00	4.51 89.76	5.00	1.00%	1.00%	0.00	0.00%	0.00427	0.000	6.00%	1.3680
Park Ridge	45.00	0.00	0.00	8.74 293.76	0.00	1.00%	1.00%	0.04	0.00%	0.00558	0.020	6.00%	1.2730
Rolling Meadows	30.00	29.95	0.00	12.40 36.00	3.90	1.00%	2.00%	0.03	0.00%	0.00610	0.000	6.00%	1.7190
Schaumburg	0.00	0.00	0.00	10.03 40.80	0.00	1.00%	2.00%	0.00	5.00%	0.00000	0.000	6.00%	0.6920
Wheeling	0.00	19.93	0.00	7.05	0.00	1.00%	1.00%	0.00	0.00%	0.00610	0.050	6.00%	1.5165

# Financial Summaries

# ALL FUNDS SUMMARY

FUND	REVENUES	2013-14 Actual	2014-15 Actual	8 Month	8 Month	2016 Budget	\$ Change	%
				Per. Ending Dec. 2015 Est Act	Per. Ending Dec. 2015 Budget			
101	GENERAL	70,622,889	72,033,674	55,401,900	55,001,300	<b>72,252,500</b>	17,251,200	31.4%
211	MOTOR FUEL TAX	2,788,331	4,508,877	1,212,900	1,212,900	<b>1,810,400</b>	597,500	49.3%
215	CDBG	296,378	315,185	432,185	503,920	<b>387,600</b>	(116,320)	(23.1%)
227	FOREIGN FIRE INSURANCE TAX	148,092	135,489	130,700	131,000	<b>130,600</b>	(400)	(0.3%)
231	CRIMINAL INVESTIGATIONS	252,629	1,727,821	78,700	141,300	<b>83,000</b>	(58,300)	(41.3%)
235	MUNICIPAL PARKING	1,185,610	1,162,329	2,736,000	2,736,000	<b>1,116,000</b>	(1,620,000)	(59.2%)
251	TIF I SOUTH	1,816	1,685	500	800	<b>800</b>	0	0.0%
255	TIF II NORTH	8,500	0	0	0	<b>0</b>	0	N/A
261	TIF III	342,154	364,782	373,000	274,000	<b>327,000</b>	53,000	19.3%
263	TIF IV	453,997	410,432	408,300	402,000	<b>503,000</b>	101,000	25.1%
264	TIF V	64,795	4,777	78,100	63,100	<b>61,000</b>	(2,100)	(3.3%)
266	HICKORY/KENSINGTON TIF	0	0	23,600	0	<b>25,000</b>	25,000	N/A
301	DEBT SERVICE	16,310,654	7,771,424	7,755,100	7,858,821	<b>6,370,700</b>	(1,488,121)	(18.9%)
401	CAPITAL PROJECTS	6,484,819	14,896,166	4,104,100	4,108,500	<b>6,699,500</b>	2,591,000	63.1%
426	STORM WATER CONTROL	1,209,089	12,165	501,000	505,000	<b>3,000</b>	(502,000)	(99.4%)
431	PUBLIC BUILDING	46,742	5,514	1,000	3,000	<b>35,150,000</b>	35,147,000	N/A
435	EMERALD ASH BORER (EAB)	600,000	4,612,866	3,404,000	3,404,000	<b>3,000</b>	(3,401,000)	(99.9%)
505	WATER & SEWER	14,186,954	14,312,323	9,878,000	11,831,600	<b>19,136,100</b>	7,304,500	61.7%
511	SOLID WASTE DISPOSAL	1,584,823	1,769,596	1,092,700	1,092,600	<b>1,768,000</b>	675,400	61.8%
515	ARTS, ENTERTAINMENT & EVENTS	622,735	555,320	556,637	547,500	<b>872,500</b>	325,000	59.4%
605	HEALTH INSURANCE	9,276,788	9,595,783	6,456,400	6,689,300	<b>9,721,700</b>	3,032,400	45.3%
606	RETIREE HEALTH INSURANCE	2,652,804	2,702,149	1,809,100	2,286,500	<b>3,993,000</b>	1,706,500	74.6%
611	GENERAL LIABILITY INSURANCE	688,747	733,444	502,500	504,200	<b>787,000</b>	282,800	56.1%
615	WORKERS' COMPENSATION	1,985,486	2,038,651	1,346,600	1,309,700	<b>2,008,100</b>	698,400	53.3%
621	FLEET OPERATIONS	4,971,645	3,592,419	2,804,700	2,755,900	<b>3,402,700</b>	646,800	23.5%
625	TECHNOLOGY	1,522,606	1,546,870	1,161,800	1,161,800	<b>1,625,400</b>	463,600	39.9%
705	POLICE PENSION	15,057,137	13,921,271	7,677,000	7,744,500	<b>9,537,000</b>	1,792,500	23.1%
711	FIRE PENSION	15,098,773	12,424,203	7,738,600	7,814,400	<b>10,004,000</b>	2,189,600	28.0%
<b>TOTAL REVENUES</b>		<b>168,464,993</b>	<b>171,155,215</b>	<b>117,665,122</b>	<b>120,083,641</b>	<b>187,778,600</b>	<b>67,694,959</b>	<b>56.4%</b>

FUND	EXPENDITURES	2013-14 Actual	2014-15 Actual	8 Month	8 Month	2016 Budget	\$ Change	%
				Per. Ending Dec. 2015 Est Act	Per. Ending Dec. 2015 Budget			
101	GENERAL	69,795,108	71,726,287	54,488,123	55,136,180	<b>72,245,100</b>	17,108,920	31.0%
211	MOTOR FUEL TAX	2,546,251	2,719,819	1,271,997	1,271,997	<b>4,233,500</b>	2,961,503	232.8%
215	CDBG	296,378	315,185	432,185	503,920	<b>387,600</b>	(116,320)	(23.1%)
227	FOREIGN FIRE INSURANCE TAX	91,552	100,678	111,200	111,200	<b>150,200</b>	39,000	35.1%
231	CRIMINAL INVESTIGATIONS	75,781	205,418	138,300	141,300	<b>196,600</b>	55,300	39.1%
235	MUNICIPAL PARKING	1,237,608	1,436,080	1,819,982	1,819,982	<b>1,829,500</b>	9,518	0.5%
251	TIF I SOUTH	19,778	50,627	15,000	25,000	<b>25,000</b>	0	0.0%
255	TIF II NORTH	0	7,517	0	0	<b>0</b>	0	N/A
261	TIF III	282,975	291,877	278,200	296,822	<b>440,200</b>	143,378	48.3%
263	TIF IV	530,983	59,552	34,770	551,000	<b>630,000</b>	79,000	14.3%
264	TIF V	447,562	520,001	488,500	1,001,872	<b>570,000</b>	(431,872)	(43.1%)
266	HICKORY/KENSINGTON TIF	0	0	25,000	30,000	<b>40,000</b>	10,000	33.3%
301	DEBT SERVICE	16,353,454	7,867,268	7,858,549	7,858,549	<b>6,363,700</b>	(1,494,849)	(19.0%)
401	CAPITAL PROJECTS	7,412,077	10,367,469	10,470,029	10,570,949	<b>7,361,100</b>	(3,209,849)	(30.4%)
426	STORM WATER CONTROL	450,105	487,877	932,750	972,750	<b>1,200,000</b>	227,250	23.4%
431	PUBLIC BUILDING	59,319	357,671	234,443	534,443	<b>1,025,000</b>	490,557	91.8%
435	EMERALD ASH BORER (EAB)	1,170,297	3,083,963	3,601,027	3,601,027	<b>1,145,800</b>	(2,455,227)	(68.2%)
505	WATER & SEWER	14,396,728	14,900,500	12,488,802	12,684,399	<b>19,288,900</b>	6,604,501	52.1%
511	SOLID WASTE DISPOSAL	1,230,310	1,274,637	924,300	924,300	<b>1,670,700</b>	746,400	80.8%
515	ARTS, ENTERTAINMENT & EVENTS	641,295	923,206	654,238	665,220	<b>839,400</b>	174,180	26.2%
605	HEALTH INSURANCE	9,035,720	9,932,135	5,979,100	7,518,000	<b>12,553,000</b>	5,035,000	67.0%
606	RETIREE HEALTH INSURANCE	2,652,804	2,702,149	1,809,100	2,286,500	<b>3,993,000</b>	1,706,500	74.6%
611	GENERAL LIABILITY INSURANCE	1,288,886	978,960	1,028,100	793,152	<b>1,040,500</b>	247,348	31.2%
615	WORKERS' COMPENSATION	1,700,403	2,060,590	1,253,500	1,388,583	<b>2,158,100</b>	769,517	55.4%
621	FLEET OPERATIONS	4,473,773	3,873,448	4,430,055	4,449,905	<b>3,201,200</b>	(1,248,705)	(28.1%)
625	TECHNOLOGY	1,415,418	1,411,378	1,161,500	1,236,500	<b>1,700,600</b>	464,100	37.5%
705	POLICE PENSION	5,207,140	5,745,776	4,003,425	4,009,700	<b>6,381,200</b>	2,371,500	59.1%
711	FIRE PENSION	5,660,749	6,015,428	4,120,900	4,281,900	<b>6,546,200</b>	2,264,300	52.9%
<b>TOTAL EXPENDITURES</b>		<b>148,472,454</b>	<b>149,415,496</b>	<b>120,053,075</b>	<b>124,665,150</b>	<b>157,216,100</b>	<b>32,550,950</b>	<b>26.1%</b>

# FUND BALANCE SUMMARY 2016

Fund	Fund Name	1/01/16 Projected Beginning Fund Balance (Deficit)	2016 Revenues & Transfers In	2016 Expenditures & Transfers Out	2016 Revenues Over (Under) Expenditures	12/31/16 Estimated Ending Fund Balance (Deficit)
101	General	\$25,230,368	\$72,252,500	\$72,245,100	\$7,400	\$25,237,768
211	Motor Fuel Tax	3,280,846	1,810,400	4,233,500	(2,423,100)	857,746
215	CDBG	0	387,600	387,600	0	0
227	Foreign Fire Insurance Tax	405,961	130,600	150,200	(19,600)	386,361
231	Criminal Investigations	1,950,387	83,000	196,600	(113,600)	1,836,787
235	Municipal Parking	4,990,634	1,116,000	1,829,500	(713,500)	4,277,134
251	TIF I South	150,356	800	25,000	(24,200)	126,156
255	TIF II North	983	0	0	0	983
261	TIF III	1,280,658	327,000	440,200	(113,200)	1,167,458
263	TIF IV	1,736,349	503,000	630,000	(127,000)	1,609,349
264	TIF V	563,823	61,000	570,000	(509,000)	54,823
266	Hickory/Kensington TIF	(1,400)	25,000	40,000	(15,000)	(16,400)
301	Debt Service	1,482,637	6,370,700	6,363,700	7,000	1,489,637
401	Capital Projects	3,962,699	6,699,500	7,361,100	(661,600)	3,301,099
426	Storm Water Control	2,768,512	3,000	1,200,000	(1,197,000)	1,571,512
431	Public Building	1,121,992	35,150,000	1,025,000	34,125,000	35,246,992
435	Emerald Ash Borer (EAB) Fund	5,043,525	3,000	1,145,800	(1,142,800)	3,900,725
505	Water & Sewer	2,128,622	19,136,100	19,288,900	(152,800)	1,975,822
511	Solid Waste Disposal	3,474,670	1,768,000	1,670,700	97,300	3,571,970
515	Arts, Entertainment & Events	14,352	872,500	839,400	33,100	47,452
605	Health Insurance	2,824,186	9,721,700	12,553,000	(2,831,300)	(7,114)
606	Retiree Health Insurance	0	3,993,000	3,993,000	0	0
611	General Liability Insurance	2,776,181	787,000	1,040,500	(253,500)	2,522,681
615	Workers' Compensation Insurance	5,020,680	2,008,100	2,158,100	(150,000)	4,870,680
621	Fleet Operations	4,319,179	3,402,700	3,201,200	201,500	4,520,679
625	Technology	1,625,634	1,625,400	1,700,600	(75,200)	1,550,434
705	Police Pension	111,712,976	9,537,000	6,381,200	3,155,800	114,868,776
711	Fire Pension	95,514,549	10,004,000	6,546,200	3,457,800	98,972,349
<b>TOTAL ALL VILLAGE FUNDS</b>		<b>\$283,379,359</b>	<b>\$187,778,600</b>	<b>\$157,216,100</b>	<b>\$30,562,500</b>	<b>\$313,941,859</b>

1. The General Fund shows a 2016 positive results of operations. 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. 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.
4. Criminal Investigations Fund - Assets seized 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 current and prior year revenues.
5. Municipal Parking Fund - Primarily, commuter parking for train 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 2016 is due primarily to the expenditures from the remaining two year project to return the four public parking structures back to their original integrity with a new service life of 40 to 50 years.
6. The TIF I District ended in 2006. Current litigation and possible refunds create the potential for 2016 activity in the TIF I South Fund. The TIF II District ended in 2009. Possible refunds create the potential for 2016 activity in the TIF II North Fund.

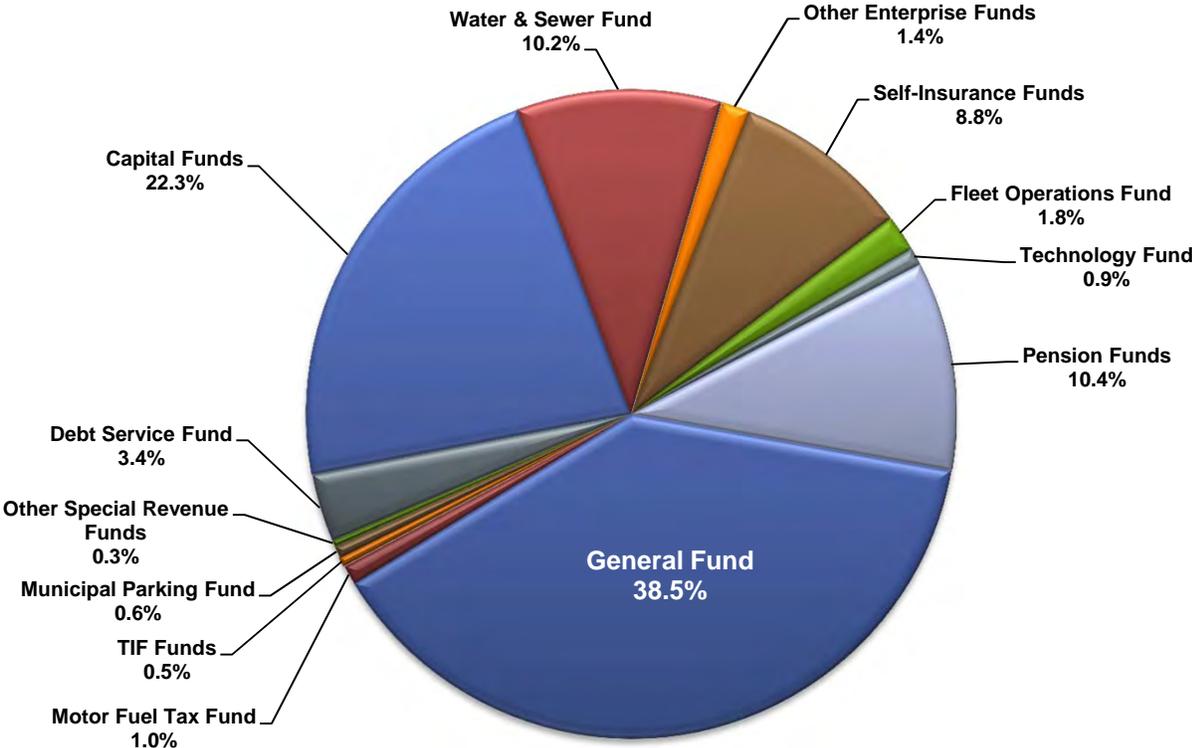
## FUND BALANCE SUMMARY 2016

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7. TIF III, IV, V and the Hickory/Kensington Funds reflect a planned drawdown of reserves.
8. 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).
9. The Capital Projects Fund shows a deficit in operations primarily as a result of street construction project costs outpacing revenues dedicated to this fund.
10. The Storm Water Control Fund has a planned deficit in operations to cover the cost of the Neighborhood Drainage Improvement and Storm Water Rehab/Replacement Programs. To sustain this fund's programs in the future an alternative revenue source will be required.
11. The Public Building Fund will provide for the construction of the new Police Facility which will be funded by a G.O. Bond issue in 2016.
12. Emerald Ash Borer (EAB) Fund - The Emerald Ash Borer is an insect that kills Ash trees. This fund accounts for the costs associated with the removal and replacement of the Village's 13,000 parkway Ash trees.
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 19% in 2016 and then a 5% increase for the next three years will allow the Village to increase the amount spent on its water main replacement program.
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 \$1M 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 Workers' Compensation Insurance Fund provides for workers' compensation claims as the Village is self-insured.
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. 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. The 2016 deficit represents a drawdown of fund reserves to be used for a complete revamp of the Village's website.
22. 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 74% and 67% respectively. Per current State Statute, 90% funding must be reached by 2040.

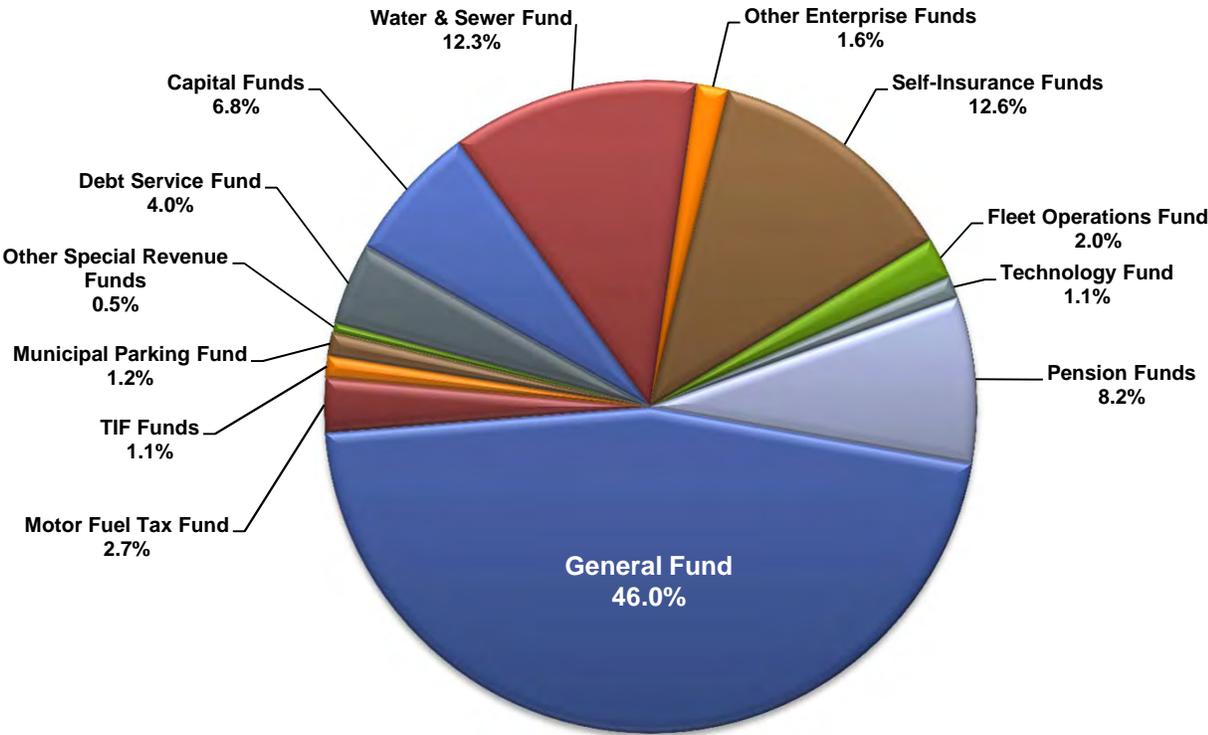
# ALL FUNDS REVENUES

## 2016 Budget



# ALL FUNDS EXPENDITURES

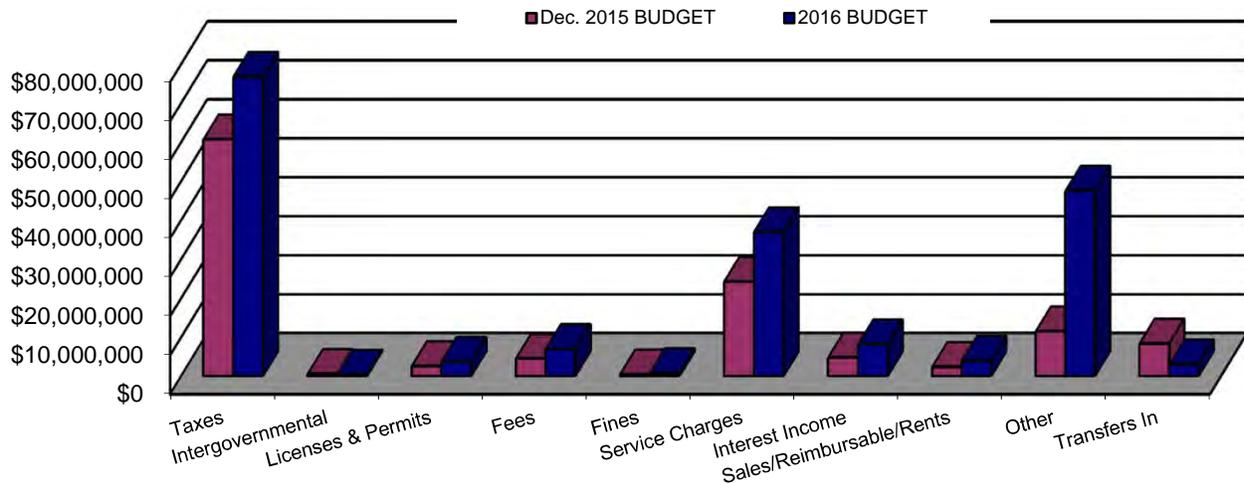
## 2016 Budget



# WHERE THE MONEY COMES FROM

## ALL FUNDS REVENUES

8-MONTH PERIOD ENDING DECEMBER 2015 vs. 2016 Budget



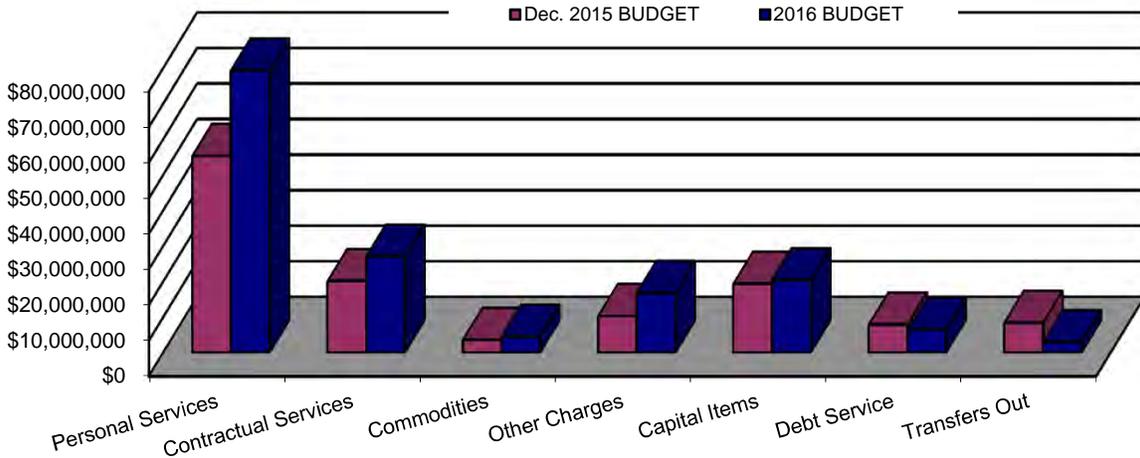
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	8-Mo. End. Dec. 2015 BUDGET	2016 BUDGET	% CHANGE
<b>Taxes</b>	72,960,156	74,773,284	60,708,908	<b>76,673,400</b>	26.3%
<b>Intergovernmental</b>	2,122,005	1,242,290	542,120	<b>385,600</b>	(28.9%)
<b>Licenses &amp; Permits</b>	4,012,111	3,795,020	2,595,200	<b>3,631,400</b>	39.9%
<b>Fees</b>	6,793,432	6,962,268	4,471,500	<b>6,921,000</b>	54.8%
<b>Fines</b>	784,782	820,942	456,400	<b>715,200</b>	56.7%
<b>Service Charges</b>	30,815,209	31,410,476	24,211,300	<b>36,884,800</b>	52.3%
<b>Interest Income</b>	19,131,005	14,850,375	4,821,900	<b>8,113,900</b>	68.3%
<b>Sales/Reimbursable/Rents</b>	4,299,266	4,420,273	2,373,600	<b>3,905,900</b>	64.6%
<b>Other</b>	21,494,848	22,601,051	11,523,600	<b>47,465,200</b>	311.9%
	162,412,814	160,875,979	111,704,528	<b>184,696,400</b>	65.3%
<b>Reserves</b>	0	0	50,000	<b>87,000</b>	74.0%
<b>Transfers In</b>	6,052,179	10,279,236	8,329,113	<b>2,995,200</b>	(64.0%)
<b>Total Revenues</b>	168,464,993	171,155,215	120,083,641	<b>187,778,600</b>	56.4%

NOTE: As a result of the 12 month budget year from the shortened eight months budget year, the expected change between budget years would be a base increase of 50%. **Taxes** did not increase in proportion to the expected base increase due to receiving a whole year of Property Taxes in the shortened year. **Intergovernmental** revenues decreased due to grants that were received in the prior year not being awarded for the 2016 Budget Year. **Licenses & Permits** percentage change was mainly from the increase in Liquor Licenses, but offset by the nominal change in Vehicle and Building Licenses due to the timing of renewals. **Fines** increased primarily from the increase in Traffic Court and Parking Fines over prior year. **Interest** has been increased to match actual earnings. However, interest income continues to be much lower than the historical average. **Sales/Reimbursable/Rents** increased due to the retiree insurance coverage and annual premium fluctuations. **Other** revenues increased due to bond proceeds in the Public Building Fund for the Police Station. **Reserves** reflect the planned use of Arts, Entertainment & Events Fund reserves for the repair and replacement of Village infrastructure at the Metropolis Theater. **Transfers In** change was from the decreased transfer into the Emerald Ash Borer (EAB) Fund from the Capital Projects Fund and the decreased transfer from the General Fund to the Parking Garage Fund for maintenance in the prior year.

# WHERE THE MONEY GOES

## ALL FUNDS EXPENDITURES

**8-MONTH PERIOD ENDING DECEMBER 2015 vs. 2016 Budget**



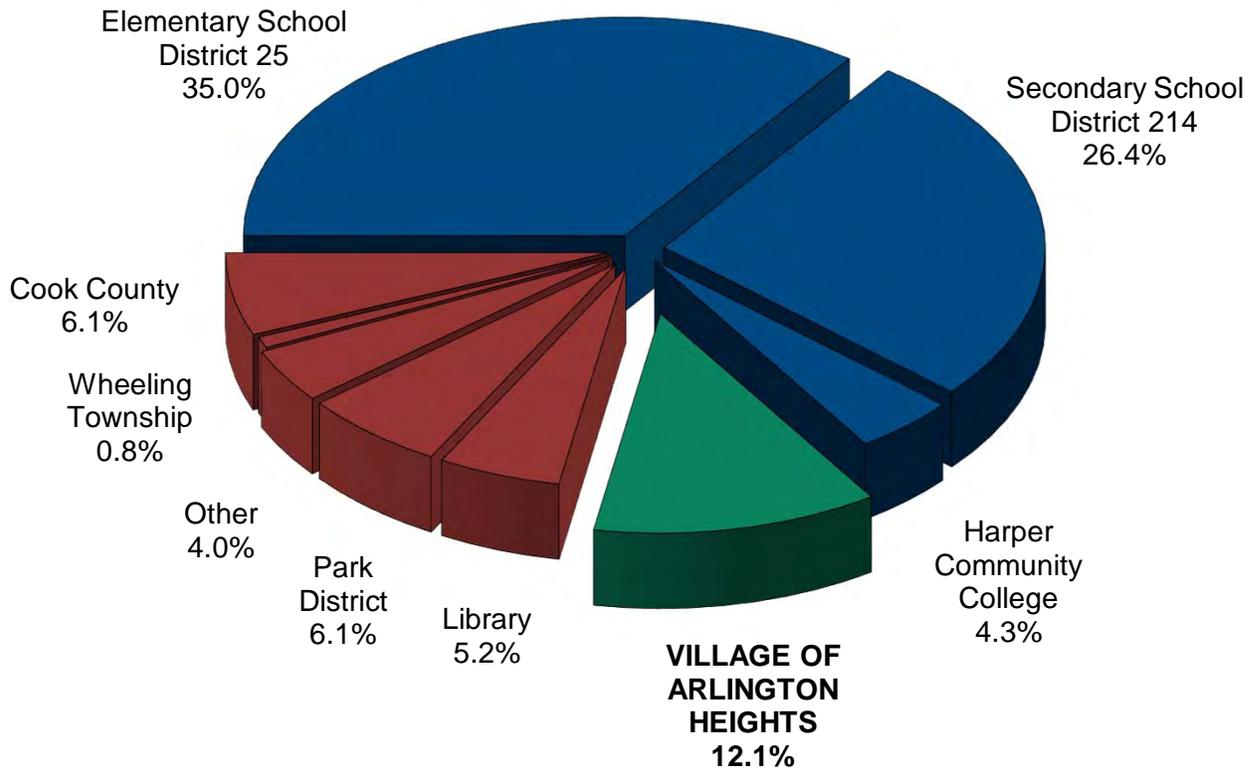
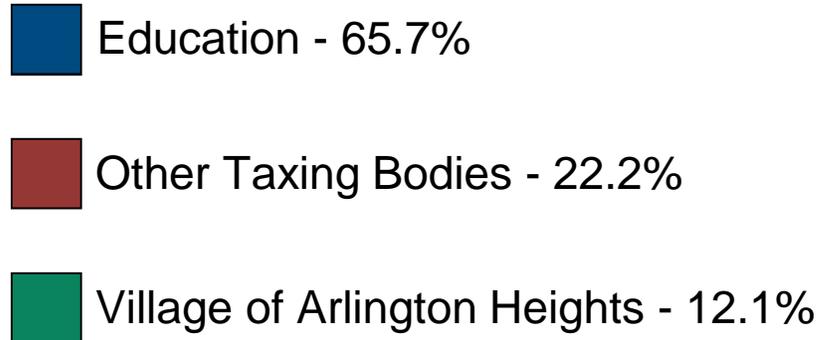
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	8-Mo. End. Dec. 2015 BUDGET	2016 BUDGET	% CHANGE
<b>Personal Services</b>	72,061,437	74,698,941	55,241,600	<b>79,290,600</b>	43.5%
<b>Contractual Services</b>	22,965,137	23,592,787	20,086,974	<b>26,974,300</b>	34.3%
<b>Commodities</b>	3,773,025	3,987,446	3,560,011	<b>4,473,100</b>	25.6%
<b>Other Charges</b>	11,709,902	13,715,529	10,219,934	<b>16,758,200</b>	64.0%
<b>Capital Items</b>	15,684,651	15,304,549	19,368,969	<b>20,361,000</b>	5.1%
<b>Debt Service</b>	16,226,123	7,837,009	7,858,549	<b>6,363,700</b>	(19.0%)
	142,420,275	139,136,261	116,336,037	<b>154,220,900</b>	32.6%
<b>Transfers Out</b>	6,052,179	10,279,235	8,329,113	<b>2,995,200</b>	(64.0%)
<b>Total Expenditures</b>	148,472,454	149,415,496	124,665,150	<b>157,216,100</b>	26.1%

NOTE: As a result of the 12 month budget year from the shortened eight months budget year, the expected change between budget years would be a base increase of 50%. **Personal Services** increased due to pension, health insurance and wage adjustments. **Contractual Services** change was due to the Public Works' and the Water and Sewer's expenditures becoming more in line with lower actual historical costs. **Commodities** percentage change was lower than expected due to a full year of Public Works' expenditures taking place in the construction season of the shortened eight month year. **Other Charges** increased due to the projected Sales Tax Abatement increase and the increase in insurance claims that are budgeted at maximum exposure. **Capital Items** did not increase proportionately to the expected percentage change due to a full year of expenditures taking place in the construction season of the shortened eight month year. **Debt Service** decreased due to the pay-off of two bond issues in the prior year. **Transfers Out** percentage was low as a result of the decreased transfer into the Emerald Ash Borer (EAB) Fund from the Capital Projects Fund and the decreased transfer from the General Fund to the Parking Garage Fund for maintenance in the prior year.

# Village of Arlington Heights

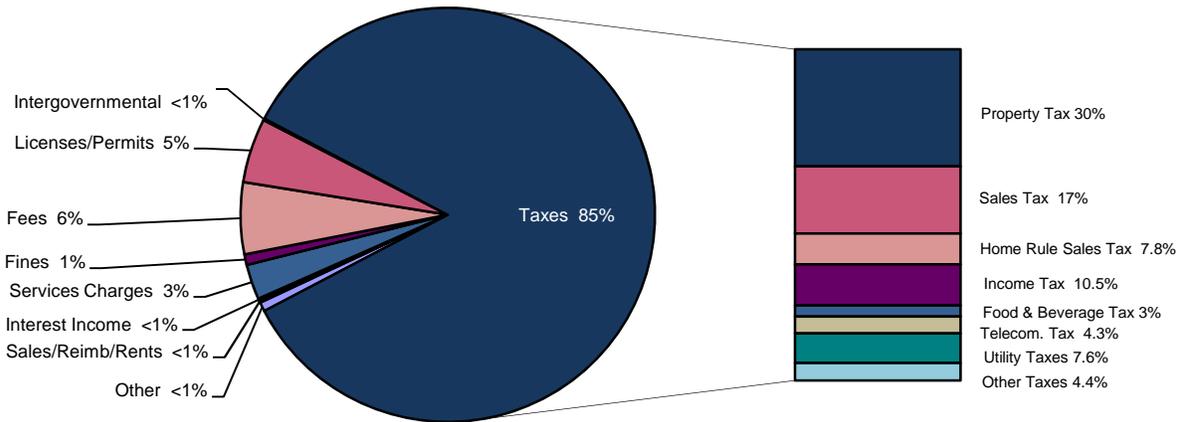
## 2014 PROPERTY TAX BILL

(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 12.1% OF THE ENTIRE PROPERTY TAX BILL.

# WHERE THE MONEY COMES FROM GENERAL FUND REVENUES 2016



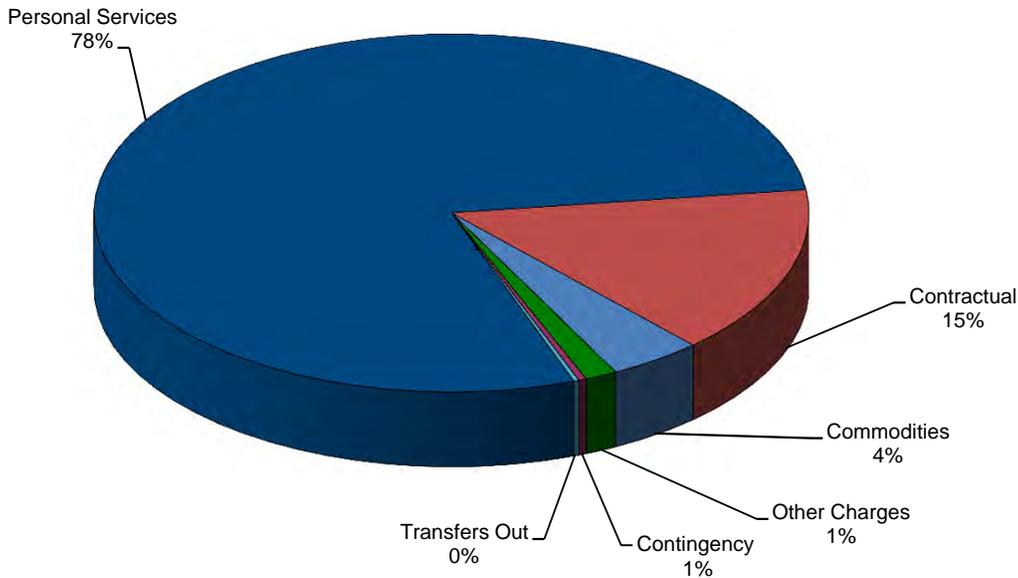
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	8-Mo. End. Dec. 2015 BUDGET	2016 BUDGET	% CHANGE
<b>Taxes</b>	58,616,016	60,311,368	47,412,300	<b>61,137,300</b>	28.9%
<b>Intergovernmental</b>	154,205	238,365	88,200	<b>98,000</b>	11.1%
<b>Licenses/Permits</b>	4,012,111	3,795,020	2,595,200	<b>3,631,400</b>	39.9%
<b>Fees</b>	4,095,479	4,139,809	2,628,900	<b>4,037,900</b>	53.6%
<b>Fines</b>	666,060	690,999	392,700	<b>603,200</b>	53.6%
<b>Service Charges</b>	2,079,339	2,127,561	1,460,900	<b>1,986,200</b>	36.0%
<b>Interest Income</b>	92,574	86,869	64,000	<b>100,000</b>	56.3%
<b>Sales/Reimb/Rents</b>	189,151	188,682	85,800	<b>142,800</b>	66.4%
<b>Other</b>	717,954	455,001	273,300	<b>315,700</b>	15.5%
<b>Other Financing</b>	0	0	0	<b>200,000</b>	0.0%
<b>Total Revenue</b>	<b>70,622,889</b>	<b>72,033,674</b>	<b>55,001,300</b>	<b>72,252,500</b>	<b>31.4%</b>

NOTE: As a result of the 12 month budget year from the shortened eight months budget year, the expected change between budget years would be a base increase of 50%. **Taxes** did not increase in relation to the expected percentage base increase due to receiving a whole year of Property Taxes in the shortened year. **Intergovernmental** revenues decreased due to Police grants that were received in the prior year but have not been awarded for the 2016 Budget Year. **Licenses/Permits** percentage change was mainly from the increase in Liquor Licenses, but offset by the nominal change in Vehicle and Building Licenses due to the timing of renewals. **Service Charges** percentage was primarily lower than the expected 50% due to the deletion of the SWANCC Service Charge and a decrease in the TIF Service Charge. SWANCC monies are now under other financing. **Interest Income** has been increased to match actual earnings. However, interest income continues to be much lower than the historical average. **Sales/Reimb/Rents** increase was due to timing of revenues. **Other** percentage increase was low mainly from the timing of the one-time payment in lieu of Real Estate Taxes from Northwest Community Hospital which occurred in the eight month year and the 12 month year. Other Financing reflects \$200,000 in SWANCC fees to cover the new pavement patching program.

# WHERE THE MONEY GOES

## GENERAL FUND EXPENDITURES

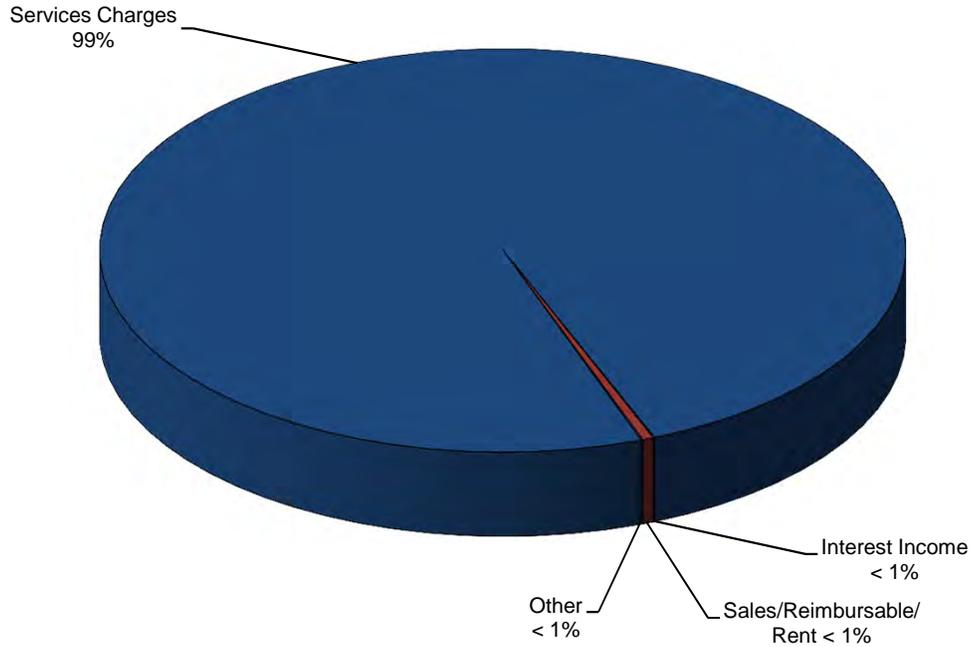
### 2016



	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	8-Mo. End. Dec. 2015 BUDGET	2016 BUDGET	% CHANGE
<b>Personal Services</b>	52,867,875	54,279,961	40,656,300	<b>56,705,500</b>	39.5%
<b>Contractual Services</b>	9,459,034	9,773,925	8,277,915	<b>11,039,700</b>	33.4%
<b>Commodities</b>	2,420,859	2,725,194	2,383,351	<b>3,028,200</b>	27.1%
<b>Other Charges</b>	647,340	947,207	759,366	<b>1,046,700</b>	37.8%
<b>Contingency</b>	0	0	259,248	<b>250,000</b>	(3.6%)
<b>Transfers Out</b>	4,400,000	4,000,000	2,800,000	<b>175,000</b>	(93.8%)
<b>Total Expenditures</b>	<b>69,795,108</b>	<b>71,726,287</b>	<b>55,136,180</b>	<b>72,245,100</b>	31.0%

NOTE: As a result of the 12 month Budget year from the shortened eight months budget year, the expected change between budget years would be a base increase of 50%. **Personal Services** increased due to pension, health insurance, and wage adjustments. **Contractual Services** did not increase as expected mainly due to budgeted costs decreasing to be more in line with lower actual historical costs for Public Works' expenditures. This decrease was offset somewhat by an increase in Engineering Professional Services for assistance with street reconstruction projects. **Commodities** percentage change was not as significant as the expected base increase due to a full year of Public Works' expenditures taking place in the construction season of the shortened eight month year. **Other Charges percentage** change was lower due to the timing of the Sales Tax Abatement, Promote Economic Business Development and Discover Arlington payments. **Contingency** is budgeted each year but if used, is classified as an expenditure type. If not used it becomes part of available reserves. As of the date of this writing, the eight month year ending December 31, 2015 budget shows that there is \$259,250 remaining of the original \$300,000 contingency budget. **Transfers Out** decreased due to the decreased transfer from the General Fund to the Parking Garage Fund for maintenance in the prior year.

# WHERE THE MONEY COMES FROM WATER & SEWER FUND REVENUES 2016



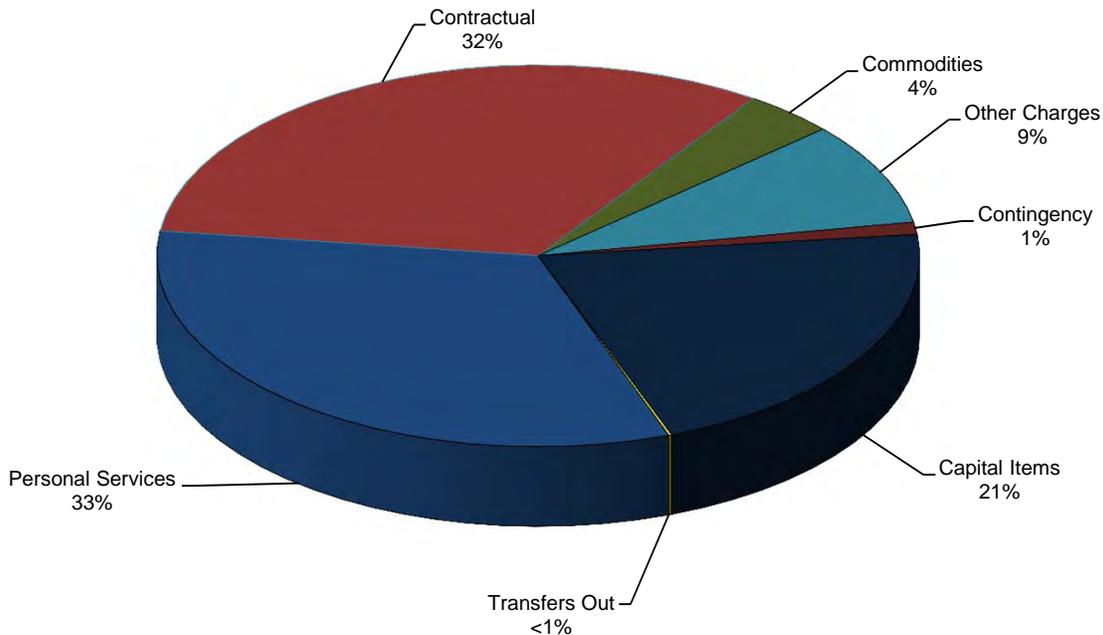
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	8-Mo. End. Dec. 2015 BUDGET	<b>2016 BUDGET</b>	% CHANGE
<b>Services Charges</b>	14,152,307	14,020,948	11,757,900	<b>19,026,100</b>	61.8%
<b>Interest Income</b>	10,762	9,300	7,400	<b>11,000</b>	48.6%
<b>Sales/Reimbursable/Rent</b>	91,314	104,614	56,200	<b>84,000</b>	49.5%
<b>Other</b>	(67,429)	177,461	10,100	<b>15,000</b>	48.5%
<b>Total Revenues</b>	<b>14,186,954</b>	<b>14,312,323</b>	<b>11,831,600</b>	<b>19,136,100</b>	<b>61.7%</b>

NOTE: As a result of the 12 month Budget year from the shortened eight months Budget year, the expected change between budget years would be a base increase of 50%. **Service Charges** include sales for water and sewer service. Water consumption has been projected on the anticipated usage. A combined water and sewer rate increase of 19% was previously approved effective as of January 1, 2016.

# WHERE THE MONEY GOES

## WATER & SEWER FUND EXPENDITURES

### 2016



	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	8-Mo. End. Dec. 2015 BUDGET	2016 BUDGET	% CHANGE
<b>Personal Services</b>	5,785,780	5,894,818	4,085,800	<b>6,294,300</b>	54.1%
<b>Contractual</b>	5,536,514	5,700,510	5,010,589	<b>6,264,500</b>	25.0%
<b>Commodities</b>	643,909	668,879	635,660	<b>749,400</b>	17.9%
<b>Other Charges</b>	1,501,686	1,539,347	1,053,700	<b>1,685,200</b>	59.9%
<b>Contingency</b>	0	0	150,000	<b>200,000</b>	33.3%
<b>Capital Items</b>	928,839	1,096,946	1,698,650	<b>4,070,500</b>	139.6%
<b>Transfers Out</b>	0	0	50,000	<b>25,000</b>	(50.0%)
<b>Total Expenditures</b>	<b>14,396,728</b>	<b>14,900,500</b>	<b>12,684,399</b>	<b>19,288,900</b>	<b>52.1%</b>

NOTE: As a result of the 12 month Budget year from the shortened eight months Budget year, the expected change between budget years would be a base increase of 50%. **Personal Services** increased due to pension, health insurance, and wage adjustments. **Contractual** did not increase in relation to the expected base increase mainly due to a full year of expenditures taking place in the construction season of the shortened eight month year and the anticipated usage decrease of water from the Northwest Water Commission. **Commodities** percentage increase was less than the expected base percentage increase due to budgeted costs based on lower actual historical costs. **Other Charges** increased from the full-year expense for Other Post-Employment Benefit Liability increase. **Contingency** is budgeted each year but if used, is classified as an expense type. If not used it becomes part of available reserves. As of the date of this writing, the eight month year ending December 31, 2015 shows that \$150,000 remains of the \$150,000 contingency budget. **Capital Items** increased from the prior year due to the budgeted increase for the Emergency Generator Upgrades, Water Tank Repainting and the Water Main Replacement Program.

VILLAGE OF ARLINGTON HEIGHTS  
**EMPLOYEE CENSUS**

Ten Year Analysis

DEPARTMENT		FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	8 Mon. Per. Ending Dec. 2015	2016
Manager's Office	Full-Time	5.50	6.50	6.50	6.00	6.00	6.00	6.00	5.00	5.00	5.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Human Resources	Full-Time	4.50	4.50	4.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Legal	Full-Time	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Part-Time	3.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	Full-Time	19.00	19.00	18.00	17.00	17.00	17.00	17.00	18.00	18.00	18.00
	Part-Time	3.00	3.00	2.00	2.00	1.00	1.00	1.00	0.00	0.00	0.00
IT/GIS	Full-Time	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	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	148.00	148.00	146.00	138.00	137.00	137.00	137.00	137.00	137.00	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	1.00	1.00	1.00	1.00	1.00	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	114.00	114.00	113.00	110.00	109.00	109.00	109.00	109.00	109.00	109.00
	Part-Time	1.00	1.00	1.00	1.00	3.00	3.00	3.00	3.00	3.00	3.00
Planning & Comm Devlp	Full-Time	11.00	11.00	11.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
	Part-Time	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building Services	Full-Time	18.00	19.00	18.00	17.00	15.00	15.00	15.00	17.00	17.00	17.00 (1)
	Part-Time	1.00	1.00	1.00	1.00	3.00	3.00	3.00	0.00	0.00	0.00
Health Services	Full-Time	11.00	11.00	11.00	10.00	9.00	9.00	9.00	9.00	9.00	9.00 (1)
	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Part-Time	3.00	3.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Services	Full-Time	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Part-Time	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00
Engineering	Full-Time	13.00	13.00	12.00	10.00	10.00	10.00	10.00	10.00	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
Public Works	Full-Time	49.00	50.00	49.00	44.00	42.00	42.00	42.00	42.00	42.00	42.00
	Part-Time	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00 (2)
Water Utility Operations	Full-Time	41.00	41.00	41.00	41.00	40.00	40.00	40.00	40.00	40.00	40.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Fleet Services	Full-Time	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
	Part-Time	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>TOTAL</b>	<b>Full-Time</b>	<b>458.00</b>	<b>460.00</b>	<b>452.00</b>	<b>426.00</b>	<b>417.00</b>	<b>417.00</b>	<b>417.00</b>	<b>419.00</b>	<b>419.00</b>	<b>419.00</b>
	<b>Part-Time</b>	<b>21.00</b>	<b>23.00</b>	<b>21.00</b>	<b>17.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>16.00</b>	<b>16.00</b>	<b>16.00</b>
<b>TOTAL EMPLOYEES</b>		<b>479.00</b>	<b>483.00</b>	<b>473.00</b>	<b>443.00</b>	<b>437.00</b>	<b>437.00</b>	<b>437.00</b>	<b>435.00</b>	<b>435.00</b>	<b>435.00</b>
<b>INCREASE (DECREASE)</b>		<b>10.00</b>	<b>4.00</b>	<b>(10.00)</b>	<b>(30.00)</b>	<b>(6.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(2.00)</b>	<b>0.00</b>	<b>0.00</b>
<b>FULL-TIME EQUIVALENTS (FTE)</b>		<b>468.25</b>	<b>471.75</b>	<b>462.75</b>	<b>434.50</b>	<b>427.00</b>	<b>427.25</b>	<b>427.25</b>	<b>427.25</b>	<b>427.25</b>	<b>427.25</b>
<b>INCREASE (DECREASE)</b>		<b>9.75</b>	<b>3.50</b>	<b>(9.00)</b>	<b>(28.25)</b>	<b>(7.50)</b>	<b>0.25</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

(1) The full-time Director of Building & Health Services position is split 50/50 between Building Services and Building Services so as not to skew the total count.

(2) 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 2016**

OPERATION	STAFFING			EXPENDITURES			
	8 Mo. Per. Ending Dec. 2015	2016	Inc (Dec)	8 Mo. Per. Ending Dec. 2015	2016	\$	%
	Budget	Budget		Budget	Budget	Inc (Dec)	Inc (Dec)
Board of Trustees	0.00	0.00		\$139,300	\$182,200	\$42,900	30.8%
Village Manager	11.00	11.00		2,058,500	2,772,800	714,300	34.7%
Human Resources	4.00	4.00		10,223,683	17,240,100	7,016,417	68.6%
Legal	2.75	2.75		534,500	796,600	262,100	49.0%
Finance	18.00	18.00		2,658,052	3,792,400	1,134,348	42.7%
Boards & Commissions	0.00	0.00		170,000	253,700	83,700	49.2%
Metropolis Theater	0.00	0.00		307,520	421,000	113,480	36.9%
Police/Police Grant	139.00	139.00		18,501,310	25,402,500	6,901,190	37.3%
Fire	110.50	110.50		16,230,095	21,792,500	5,562,405	34.3%
Planning & Community Development	9.00	9.00		2,493,719	3,004,700	510,981	20.5%
Building & Health Services	29.50	29.50		3,065,000	4,524,700	1,459,700	47.6%
Engineering	10.00	10.00		8,254,562	11,822,400	3,567,838	43.2%
Public Works	42.25	42.25		15,709,812	16,764,100	1,054,288	6.7%
Criminal Investigations	0.00	0.00		141,300	196,600	55,300	39.1%
Foreign Fire Insurance Tax	0.00	0.00		111,200	150,200	39,000	35.1%
Comm Development Block Grant Progr	0.00	0.00		298,420	182,100	(116,320)	(39.0%)
Water Utility Operations	0.00	0.00		10,396,961	15,083,400	4,686,439	45.1%
Parking Operations	40.75	40.75		511,900	704,000	192,100	37.5%
Solid Waste Disposal	0.00	0.00		924,300	1,170,700	246,400	26.7%
Municipal Fleet Services	0.00	0.00		1,566,866	2,287,500	720,634	46.0%
Pensions	10.50	10.50		8,291,600	12,927,400	4,635,800	55.9%
Capital Projects - Water/Sewer	0.00	0.00		1,304,038	2,803,200	1,499,162	115.0%
Capital Projects - Equipment	0.00	0.00		2,930,559	966,500	(1,964,059)	(67.0%)
Capital Projects - Public Buildings	0.00	0.00		509,443	1,000,000	490,557	96.3%
Debt Service	0.00	0.00		7,858,549	6,363,700	(1,494,849)	(19.0%)
<b>Sub-Total</b>	<b>427.25</b>	<b>427.25</b>	<b>0.00</b>	<b>\$115,191,189</b>	<b>\$152,605,000</b>	<b>\$37,413,811</b>	<b>32.5%</b>
Non-Operating & Transfers Out	N/A	N/A	N/A	9,473,961	4,611,100	(4,862,861)	(51.3%)
<b>TOTAL</b>	<b>427.25</b>	<b>427.25</b>	<b>0.00</b>	<b>\$124,665,150</b>	<b>\$157,216,100</b>	<b>\$32,550,950</b>	<b>26.1%</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 2016 budget.

**CAPITAL SPENDING**

Building & Land	\$ 2,868,300
Equipment	2,277,900
Sewer	1,625,000
Signals	253,500
Streets	10,421,600
Vehicles	966,500
Water	<u>2,478,200</u>
<b>TOTAL</b>	<b><u>\$ 20,891,000</u></b>

**CAPITAL FUNDING**

Capital Projects Fund	\$ 7,161,100
Water & Sewer Fund	4,170,500
Motor Fuel Tax Fund	4,233,500
Municipal Parking Operations Fund	545,000
TIF IV	500,000
Storm Water Control Fund	1,200,000
Public Building Fund	1,025,000
Emerald Ash Borer (EAB) Fund	726,600
Arts, Entertainment & Events (A&E) Fund	121,000
Fleet Operations Fund	966,500
Technology Fund	<u>241,800</u>
<b>TOTAL</b>	<b><u>\$ 20,891,000</u></b>

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

CAPITAL SPENDING	FUND	PROJ #	8 MO. PER. 2015		8 MO. PER. 2015	2016	2017	2018	2019	2020
			EST	ACTUAL	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
<b>Building &amp; Land</b>										
Overhead Door Replacement	Cap Proj	BL-90-04	36,700	36,700	15,000	20,000	20,000	20,000	20,000	20,000
Public Works Annex Improvements	Cap Proj	BL-93-02	6,700	6,700	10,000	10,000	10,000	10,000	10,000	10,000
Public Works Annex Improvements	Water	BL-93-02	23,379	23,379	20,000	20,000	20,000	20,000	20,000	20,000
Building Equipment Replacement	Cap Proj	BL-95-04	89,915	89,915	30,000	30,000	30,000	30,000	30,000	35,000
Municipal Buildings Refurbishing	Cap Proj	BL-95-05	83,695	83,695	32,000	32,000	140,000	212,300	147,000	
Roof Maintenance Program	Cap Proj	BL-95-06	164,000	164,000	398,000	403,700	29,500	254,000	296,700	
Roof Maintenance Program	Water	BL-95-06	78,000	78,000	103,300	0	0	170,000	197,800	
Heating Plant/Air Conditioner Replacement	Cap Proj	BL-96-01	50,000	50,000	55,000	40,000	45,000	30,000	30,000	
Ongoing Maintenance to Brick Exterior	Parking	BL-96-03	3,500	3,500	5,000	5,000	5,000	5,000	5,000	
Ongoing Maintenance to Brick Exteriors	Cap Proj	BL-96-03	27,000	27,000	20,000	20,000	30,000	30,000	30,000	
Historical Society Museum - Building Repairs	Cap Proj	BL-96-04	89,736	89,736	25,000	100,000	25,000	25,000	25,000	
Parking Structure Maintenance/Repairs	Parking	BL-00-06	828,482	828,482	530,000	800,000	117,000	14,000	0	
Police Building Maintenance	Pub Bld	BL-10-04	25,000	25,000	25,000	25,000	0	0	0	
Other Building Costs	Pub Bld	BL-11-10	0	0	0	1,000,000	600,000	100,000	0	
Metropolis Theater Lobby Bar	A&E	BL-15-01	7,500	7,500	0	0	0	0	0	
Metropolis Theater Green Room Reurbishment	A&E	BL-15-03	6,000	6,000	0	0	0	0	0	
Metropolis Theater Security	A&E	BL-15-04	15,000	15,000	0	0	0	0	0	
North Garage Expansion	Parking	BL-15-20	80,000	80,000	0	0	0	0	0	
Police Station - Architect/CM Fees	Pub Bld	BL-16-01	209,443	509,443	1,000,000	400,000	300,000	300,000	0	
Metropolis Theater Exterior Marquee	A&E	BL-16-04	0	0	20,000	0	0	0	0	
TIF IV Redevelopment	TIF IV	BL-16-05	270	500,000	500,000	500,000	500,000	500,000	500,000	
Police Station - Construction	Pub Bld	BL-16-10	0	0	0	15,000,000	12,985,000	0	0	
Police Station - Contingency	Pub Bld	BL-16-20	0	0	0	0	0	1,500,000	0	
Paint Municipal Complex Garage (M)	Cap Proj	BL-16-30	0	0	80,000	0	0	0	0	
Metropolis Theater Lobby Refurbishment	A&E	BL-17-03	0	0	0	26,000	0	0	0	
Metropolis Theater Seat Replacement	A&E	BL-17-04	0	0	0	20,000	20,000	20,000	0	
<b>Sub-Total Building &amp; Land</b>			<b>1,824,320</b>	<b>2,624,050</b>	<b>2,868,300</b>	<b>18,451,700</b>	<b>14,876,500</b>	<b>3,240,300</b>	<b>1,316,500</b>	
<b>Equipment</b>										
Operational Equipment - Public Works	Cap Proj	EQ-94-01	220,407	220,407	152,300	148,000	84,400	122,100	125,000	
Operational Equipment - Public Works	Water	EQ-94-01	176,433	176,433	139,700	211,000	101,000	124,500	150,000	
Operational Equipment - Police Department	Cap Proj	EQ-95-01	65,842	65,842	55,000	34,500	43,500	55,000	55,000	
Operational Equipment - Fire Department	Cap Proj	EQ-95-02	131,000	134,000	223,500	225,000	238,000	153,000	98,000	
Office Equipment	Cap Proj	EQ-95-03	54,266	54,266	37,700	35,000	35,000	35,000	35,000	
Office Equipment	Water	EQ-95-03	12,500	12,500	22,500	15,000	15,000	15,000	15,000	
Operational Equipment - Municipal Fleet Services	Cap Proj	EQ-97-01	44,600	47,520	52,800	13,200	20,700	40,600	41,500	
IT Equipment Replacement	IT	EQ-97-08	241,800	241,800	241,800	241,800	241,800	241,800	241,800	
Emergency Generator Upgrade	Water	EQ-99-02	35,000	35,000	805,700	10,000	30,000	879,500	10,000	
Operational Equipment - Information Technology	Cap Proj	EQ-01-03	180,000	180,000	135,000	108,000	80,000	95,000	95,000	
Operational Equipment - Engineering Department	Cap Proj	EQ-01-04	15,000	15,000	13,000	5,000	5,000	0	0	
Equipment Replacement - Metropolis	A&E	EQ-06-03	34,020	34,020	34,000	35,000	36,000	37,000	38,000	
Patrol Vehicle Equipment Replacement Program	Cap Proj	EQ-08-03	35,000	35,000	35,000	30,000	30,000	30,000	35,000	
Operational Equipment - Municipal Parking Fund	Parking	EQ-09-01	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Metropolis Theater Website Replacement	A&E	EQ-15-01	20,000	20,000	0	0	0	0	0	
SCADA Enhancements	Water	EQ-15-25	8,000	8,000	30,000	10,000	30,000	58,000	60,000	
Pumps & Motor Controls Rehab/Repl	Water	EQ-15-30	61,300	61,300	94,900	72,700	189,100	155,400	141,400	
Metropolis Theater Lighting Systems & Equip	A&E	EQ-16-01	0	0	34,000	0	0	0	0	
Metropolis Theater Phone/Intercom System	A&E	EQ-16-02	0	0	15,000	0	0	0	0	
Metropolis Theater Sound System Upgrade	A&E	EQ-16-03	0	0	18,000	0	0	0	0	
Alternative Fuel System Implementation	Cap Proj	EQ-16-05	0	0	0	30,000	0	0	0	
Police Station - FF&E / Security	Pub Bld	EQ-16-10	0	0	0	0	1,300,000	0	0	
Asset Based Work Management System	Cap Proj	EQ-16-15	0	0	76,800	0	0	0	0	
Asset Based Work Management System	Water	EQ-16-15	0	0	51,200	0	0	0	0	
<b>Sub-Total Equipment</b>			<b>1,345,168</b>	<b>1,351,088</b>	<b>2,277,900</b>	<b>1,234,200</b>	<b>2,489,500</b>	<b>2,051,900</b>	<b>1,150,700</b>	
<b>Sewers</b>										
Sewer Rehab/Replacement Program	Water	SW-90-01	300,000	300,000	325,000	350,000	375,000	400,000	425,000	
Neighborhood Drainage Improvements	FLDV	SW-11-02	301,304	301,304	300,000	300,000	300,000	300,000	300,000	
Flood Study	FLDV	SW-13-02	31,446	31,446	-	-	-	-	-	
Sewer Backup Rebate Program	FLDV	SW-15-01	100,000	100,000	-	-	-	-	-	
Sewer Back-up Rebate Program	Water	SW-15-01	25,000	25,000	100,000	100,000	100,000	100,000	100,000	
Storm Water Rehab/Replacement Program	FLDV	SW-15-20	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
Storm Water Rehab/Replacement Program	FLDV	SW-16-01	-	-	400,000	-	-	-	-	
Regent Park Gravity Sewer	Water	SW-20-01	-	-	-	-	-	-	80,000	
<b>Sub-Total Sewers</b>			<b>1,257,750</b>	<b>1,257,750</b>	<b>1,625,000</b>	<b>1,250,000</b>	<b>1,275,000</b>	<b>1,300,000</b>	<b>1,405,000</b>	

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

CAPITAL SPENDING (continued)	FUND	PROJ #	8 MO. PER. 2015		2016 BUDGET	2017 BUDGET	2018 BUDGET	2019 BUDGET	2020 BUDGET
			EST	ACTUAL					
<b>Signals</b>									
Traffic Signal Maintenance	MFT	SG-03-02	76,500	76,500	103,500	105,500	107,700	109,900	112,100
Traffic Signal Imprv at Northwest Hwy/Wilke	Cap Proj	SG-08-02	328,296	328,296	-	-	-	-	-
Dundee Rd/Kennicott Ave Pedestrian Actuation	Cap Proj	SG-14-05	-	-	150,000	-	-	-	-
Traffic Signal Pedestrian Upgrade - Central at Arthur	Cap Proj	SG-14-10	50,000	50,000	-	-	-	-	-
Traffic Signals LED Upgrade	Cap Proj	SG-14-15	24,310	24,310	-	-	-	-	-
Arl Hts Rd - Sigwalt St/Miner St Interconnection	Cap Proj	SG-16-05	-	15,000	-	-	-	-	-
Euclid Ave - Arl Hts Rd/Dunton St Interconnection	Cap Proj	SG-16-10	42,500	42,500	-	-	-	-	-
<b>Sub-Total Signals</b>			<b>521,606</b>	<b>536,606</b>	<b>253,500</b>	<b>105,500</b>	<b>107,700</b>	<b>109,900</b>	<b>112,100</b>
<b>Streets</b>									
Street Resurfacing Program	Cap Proj	ST-90-08	3,963,145	3,963,145	4,900,000	5,500,000	5,600,000	5,700,000	5,800,000
Street Rehabilitation Program	MFT	ST-90-09	328,497	328,497	4,130,000	2,130,000	2,130,000	2,130,000	2,130,000
Sidewalk & Curb Replacement	Cap Proj	ST-90-11	345,000	345,000	50,000	50,000	375,000	385,000	395,000
Pavement Crack Sealing Program	Cap Proj	ST-92-01	100,000	100,000	125,000	125,000	125,000	125,000	125,000
Green Corridor Beautification	TIF IV	ST-99-03	-	-	-	95,000	-	-	-
Street Light Cable Replacement	Cap Proj	ST-00-01	6,700	6,700	10,000	10,000	10,000	10,000	10,000
Gateway Signs & Beautification	Cap Proj	ST-01-01	19,749	19,749	-	-	-	-	-
Paver Brick Maintenance	Cap Proj	ST-05-01	123,854	123,854	395,000	395,000	50,000	50,000	50,000
Northwest Hwy/Davis Street/Arthur Avenue	Cap Proj	ST-05-03	338,524	338,524	-	-	-	-	-
Parking Lot Resurfacing	Cap Proj	ST-09-01	60,000	60,000	-	-	-	-	-
McDonald Creek Bike Trail Repair	Cap Proj	ST-09-03	8,676	8,676	-	-	-	-	-
Douglas Avenue Multi-Use Path	Cap Proj	ST-09-04	22,354	22,354	-	-	-	-	-
Algonquin Road Street Lighting	MFT	ST-09-12	167,000	167,000	-	-	-	-	-
Commuter Drive Reconstruction	Cap Proj	ST-11-05	162,000	162,000	-	-	-	-	-
Davis/Sigwalt Streets Fencing/Landscape Upgrade	Cap Proj	ST-12-01	11,060	11,060	-	-	-	-	-
Parkway Ash Tree Removal/Replacement Prog	EAB	ST-13-20	3,234,027	3,234,027	726,600	289,900	-	-	-
Downtown Street Furniture	Cap Proj	ST-14-01	35,000	35,000	35,000	50,000	10,000	10,000	10,000
Nichols Road Reconstruction	MFT	ST-15-05	450,000	450,000	-	-	-	-	-
Walnut Avenue Reconstruction	MFT	ST-15-10	250,000	250,000	-	-	-	-	-
Downtown Streetscape Improvements	Cap Proj	ST-15-35	35,000	35,000	-	-	-	-	-
Northwest Hwy (Rt. 14) Corridor Landscaping Impr	Cap Proj	ST-16-20	-	-	50,000	-	-	-	-
<b>Sub-Total Streets</b>			<b>9,660,586</b>	<b>9,660,586</b>	<b>10,421,600</b>	<b>8,644,900</b>	<b>8,300,000</b>	<b>8,410,000</b>	<b>8,520,000</b>
<b>Vehicles</b>									
Vehicle and Special Equipment Repl - PW	Fleet	VH-95-01	1,474,414	1,474,414	545,000	425,000	621,000	1,374,000	655,700
Vehicle and Special Equipment Repl - W&S	Fleet	VH-95-02	429,081	429,081	109,000	358,500	753,000	261,000	98,300
Vehicle Replacement - Police Department	Fleet	VH-95-03	211,700	211,700	145,500	412,000	342,000	379,000	96,200
Vehicle Replacement - Fire Department	Fleet	VH-95-04	569,664	569,664	23,000	920,000	170,000	213,000	138,600
Vehicle Replacement - Municipal Fleet Services	Fleet	VH-95-06	-	-	-	-	52,000	48,000	-
Vehicle Replacement - Municipal Parking Operations	Fleet	VH-95-08	44,000	44,000	75,000	-	-	-	87,100
Vehicle Replacement - Building & Health Services	Fleet	VH-95-10	154,000	154,000	22,000	-	-	-	93,300
Vehicle Replacement - Engineering Department	Fleet	VH-95-11	47,700	47,700	25,000	22,000	25,000	-	-
Vehicle Replacement - Planning Department	Fleet	VH-95-12	-	-	22,000	-	-	-	-
Vehicle Replacement - IT/GIS Department	Fleet	VH-95-15	-	-	-	-	-	-	-
<b>Sub-Total Vehicles</b>			<b>2,930,559</b>	<b>2,930,559</b>	<b>966,500</b>	<b>2,137,500</b>	<b>1,963,000</b>	<b>2,275,000</b>	<b>1,169,200</b>
<b>Water</b>									
Watermain Replacement Program	Water	WA-90-01	566,414	566,414	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000
Automatic Meter Reading System	Water	WA-03-02	174,224	174,224	318,300	633,800	652,800	672,400	737,300
Water Tank Repainting	Water	WA-11-01	237,600	237,600	868,200	936,900	-	1,456,900	875,000
Deep Well Rehabilitation	Water	WA-11-02	25,800	25,800	291,700	27,300	28,100	-	-
<b>Sub-Total Water</b>			<b>1,004,038</b>	<b>1,004,038</b>	<b>2,478,200</b>	<b>3,098,000</b>	<b>2,680,900</b>	<b>4,629,300</b>	<b>4,612,300</b>
<b>Total Capital Spending</b>			<b>18,544,027</b>	<b>19,364,677</b>	<b>20,891,000</b>	<b>34,921,800</b>	<b>31,692,600</b>	<b>22,016,400</b>	<b>18,285,800</b>

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

CAPITAL FUNDING BY FUND	8 MO. PER.	8 MO. PER.	2016	2017	2018	2019	2020
	2015	2015					
	EST ACTUAL	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
Capital Projects Fund	6,970,029	6,990,949	<b>7,161,100</b>	7,414,400	7,036,100	7,422,000	7,468,200
Water & Sewer Fund	1,723,650	1,723,650	<b>4,170,500</b>	3,886,700	3,541,000	6,551,700	5,811,500
Motor Fuel Tax Fund	1,271,997	1,271,997	<b>4,233,500</b>	2,235,500	2,237,700	2,239,900	2,242,100
Municipal Parking Operations Fund	921,982	921,982	<b>545,000</b>	815,000	132,000	29,000	15,000
TIF IV Fund	270	500,000	<b>500,000</b>	595,000	500,000	500,000	500,000
Storm Water Control Fund	932,750	932,750	<b>1,200,000</b>	800,000	800,000	800,000	800,000
Public Buildings Fund	234,443	534,443	<b>1,025,000</b>	16,425,000	15,185,000	1,900,000	0
Emerald Ash Borer (EAB) Fund	3,234,027	3,234,027	<b>726,600</b>	289,900	0	0	0
Arts, Entertainment & Events Fund	82,520	82,520	<b>121,000</b>	81,000	56,000	57,000	38,000
Fleet Operations Fund	2,930,559	2,930,559	<b>966,500</b>	2,137,500	1,963,000	2,275,000	1,169,200
Technology Fund	241,800	241,800	<b>241,800</b>	241,800	241,800	241,800	241,800
<b>Total Capital Funding</b>	<b>18,544,027</b>	<b>19,364,677</b>	<b>20,891,000</b>	<b>34,921,800</b>	<b>31,692,600</b>	<b>22,016,400</b>	<b>18,285,800</b>

CAPITAL FUNDING BY REVENUE SOURCE	8 MO. PER.	8 MO. PER.	2016	2017	2018	2019	2020
	2015	2015					
	EST ACTUAL	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
Charges to Operations	3,917,700	3,172,359	<b>2,175,800</b>	2,379,300	2,204,800	2,516,800	1,411,000
Motor Fuel Tax Allotment	1,212,900	1,212,900	<b>1,810,400</b>	1,810,400	1,810,400	1,810,400	1,810,400
Taxes							
Food & Beverage Tax	82,520	82,520	<b>121,000</b>	81,000	56,000	57,000	38,000
Property Tax	2,856,500	2,900,000	<b>4,500,000</b>	4,600,000	4,700,000	4,800,000	4,900,000
Property Tax Increment	270	500,000	<b>500,000</b>	595,000	500,000	500,000	500,000
Sales Tax Home Rule	1,231,000	1,200,000	<b>1,883,000</b>	1,920,500	1,978,100	2,037,500	2,098,600
Water Sales	1,723,650	1,723,650	<b>4,170,500</b>	3,886,700	3,541,000	6,551,700	5,811,500
Bond Proceeds	0	0	<b>1,025,000</b>	16,425,000	15,185,000	1,900,000	0
Other (including parking fees & interest income)	760,900	758,800	<b>1,100,000</b>	1,100,000	1,100,000	1,100,000	1,100,000
Grants/State/Federal/County/Private	0	0	<b>0</b>	0	0	0	0
Operating Transfer In	5,900,000	5,734,027	<b>300,000</b>	300,000	300,000	300,000	300,000
Cash on Hand/Reserves	858,587	2,080,421	<b>3,305,300</b>	1,823,900	317,300	443,000	316,300
<b>Total Capital Funding</b>	<b>18,544,027</b>	<b>19,364,677</b>	<b>20,891,000</b>	<b>34,921,800</b>	<b>31,692,600</b>	<b>22,016,400</b>	<b>18,285,800</b>

CAPITAL IMPROVEMENT PROGRAM (CIP)  
IMPACT ON THE FY 2016 OPERATING BUDGET

Most of the capital improvement projects listed in the Village's CIP ***Five Year Spending and Funding Summary*** will not cause an increase or a decrease in operating expenses. There is one project, however, that will affect operating expenses. These projects include the following:

**STREETS**

**Project Name:** Parkway Ash Tree Removal/Replacement (ST-13-20)

**Description:** Removal and replacement of diseased parkway Ash trees. About 13,000 of the Village's 36,000 parkway trees are Ash trees that are susceptible to the Emerald Ash Borer infestation.

**Budget:** \$726,000 (Total Project Cost: \$11,500,000)

**Operating Budget Impact:** In the near future, overtime for tree trimming should be reduced for a number of years until the replacement trees need significant pruning.

# DEBT SUMMARY

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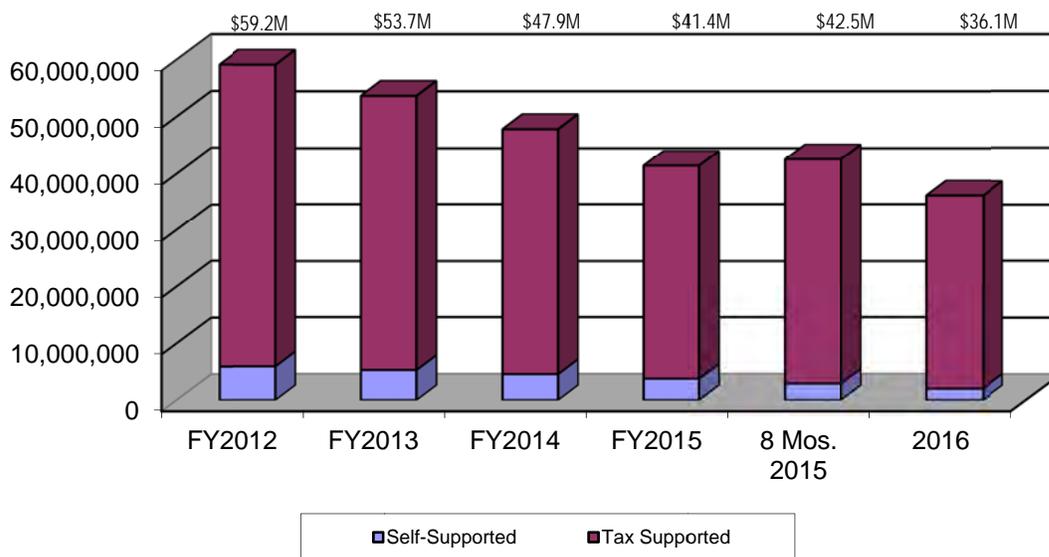
## OVERVIEW AND DEBT FINANCING PRINCIPLES

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 2012 through 2016**

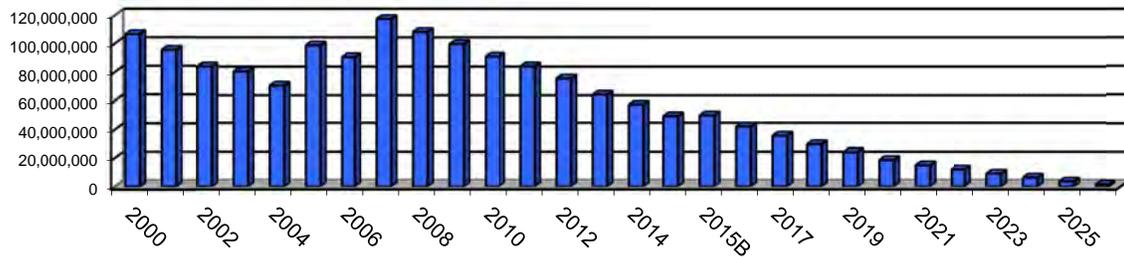


# DEBT SUMMARY

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

**Total Principal & Interest Outstanding  
2000 through 2026**  
Includes Self-Supported (TIF, NWCD) and Tax Supported Debt



## 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 not 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:

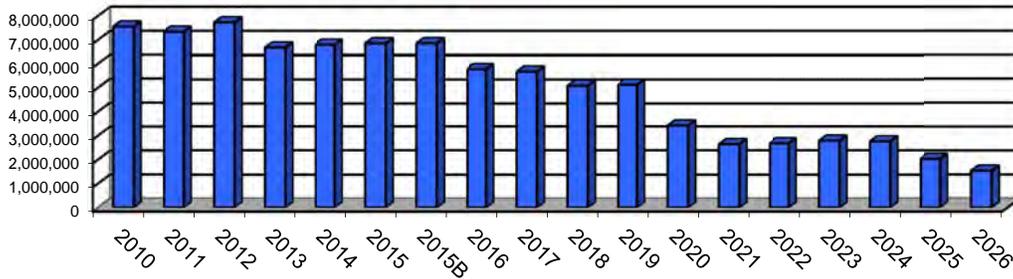
- General Obligation/General Obligation Alternate Revenue
- Water and Sewer Revenue
- Installment Contract
- Special Service Area
- Special Assessment

# DEBT SUMMARY

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The chart below will help us visualize and manage our annual tax supported debt service:

## Tax Supported Debt Service Payments by Fiscal Year 2010 Through 2026



### 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 December 31, 2015

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	255,000
2003B G. O. Refunding Bonds	Advance Refunding of 1997B Senior Center Bonds	3,330,000	12/1/2016	310,000
2006A G. O. Refunding Bonds	Refunding of 1997C and 1998A Bonds	16,515,000	12/1/2018	990,000
2010 G. O. Refunding Bonds	Refunding of 2002A NW Central Dispatch Bonds	2,855,000	12/1/2022	1,775,000
2011 G. O. Refunding Bonds	Partial Refunding of 2004 Public Building Bonds	9,925,000	12/1/2026	9,605,000
2012A G. O. Refunding Bonds	Partial Refunding of 2004 Public Building Bonds	9,670,000	12/1/2022	9,105,000
2013 G. O. Refunding Bonds	Partial Refunding of 2006 Public Building Bonds	7,755,000	12/1/2019	7,685,000
2014 G. O. Road Improvement Bonds	Street resurfacing and sidewalk replacement	8,000,000	12/1/2020	6,360,000
<b>TOTAL ALL BONDS</b>				<b><u>36,085,000</u></b>

**ANNUAL DEBT SERVICE REQUIREMENTS**

(PRINCIPAL AND INTEREST)

ISSUE	FUNDING SOURCE	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	8 Month Period Ending	FY2016 BUDGET
					Dec. 2015 ACTUAL	
2003B Refunding of 1997B Senior Center	Property Tax	387,794	370,200	352,400	334,800	<b>322,400</b>
2004 Public Buildings	Property Tax	108,000	104,000	0	0	<b>0</b>
2006 Public Buildings	Property Tax	2,032,000	1,914,000	1,592,000	3,536,000	<b>0</b>
2006A Refunding of 1997C & 1998A	Property Tax	1,728,000	349,400	353,400	356,800	<b>354,600</b>
2009A Refunding of 2001	Property Tax	1,292,400	2,739,600	2,905,875	0	<b>0</b>
2009B Street Resurfacing	Property Tax	440,725	462,525	517,625	0	<b>0</b>
2011 Partial Refunding of 2004 Public Bldg	Property Tax	424,500	423,700	442,900	441,700	<b>440,500</b>
2012A Partial Refunding of 2004 Public Bldg	Property Tax	271,167	276,200	374,500	370,800	<b>767,100</b>
2013 Partial Refunding of 2006 Public Bldg	Property Tax	0	79,847	322,450	321,750	<b>2,421,050</b>
2014 Road Improvements	Property Tax	0	0	0	1,501,658	<b>1,502,550</b>
<b>SUBTOTAL - PROPERTY TAX</b>		<b>6,684,585</b>	<b>6,719,472</b>	<b>6,861,150</b>	<b>6,863,508</b>	<b>5,808,200</b>
2003A Refunding of 1997A TIF III	TIF Property Tax Increments	261,731	263,400	264,400	265,000	<b>265,200</b>
2005 TIF V	TIF Property Tax Increments	351,838	391,788	429,713	440,513	<b>0</b>
<b>SUBTOTAL - TIF FUNDING</b>		<b>613,569</b>	<b>655,188</b>	<b>694,113</b>	<b>705,513</b>	<b>265,200</b>
2010 Refunding of 2002A NWCDS Building	Northwest Central Dispatch Rent	271,863	278,788	275,563	281,800	<b>282,300</b>
<b>SUBTOTAL - OPERATING REVENUE</b>		<b>271,863</b>	<b>278,788</b>	<b>275,563</b>	<b>281,800</b>	<b>282,300</b>
<b>TOTAL</b>		<b>7,570,017</b>	<b>7,653,447</b>	<b>7,830,825</b>	<b>7,850,821</b>	<b>6,355,700</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 419 full-time and 16 part-time employees in 14 operating departments: Village Manager's Office, Human Resources, Legal, Finance, IT/GIS, Police, Fire, Planning & Community Development, Building & Health Services, Engineering, Public Works, 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 Commission  
Housing Commission  
The Arlington Economic Alliance  
Senior Citizens Commission  
Youth Commission  
Commission for Citizens with Disabilities  
Bicycle & Pedestrian 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	48,618
Number of Ballots Cast in Last Municipal Election 4-7-15	20,989

### Village Bond Rating

Aa1

### Fire ISO Rating

2 (1/1/2015)

### Various Taxes

Sales Tax	9.00%
Prepared Food & Beverage Tax	1.25%
Telecommunications Tax	6.00%
Hotel Tax	5.00%
Utility Tax (gas/electric)	5.00%

## 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	71° F
Average Annual Rainfall	34 Inches
Average Annual Snowfall	34 Inches

### Population

1970	64,884
1980	66,116
1990	75,460
2005 (f)	76,943
2010 (a)	75,101

### Age

0 – 19	17,935
20 – 24	3,400
25 – 34	8,511
35 – 49	16,224
50 – 64	16,111
65 & over	12,920

### Ethnic Makeup (a)

White	66,266	88.2%
African American	984	1.3%
American Indian/Alaskan Native	95	0.1%
Asian/Pacific Islander	5,357	7.1%
Some Other Race	1,289	1.7%
Two or More Races	1,110	1.5%
Hispanic or Latino	4,306	5.7%

NOTE: Hispanic/Latino ethnicity overlaps categories therefore figures do not add up to 100%

### Other Household and Resident Data (a)

Total Households	31,409
Median Household Income	\$77,195
Per Capita Income	\$40,189
Median Age	41.9
% of population over 65	17%
Education (population 25 years & older)	
High school graduate or higher	95.6%
Bachelor's degree or higher	52.2%
Unemployment Percentage (12/2014) (b)	5.4%

## DEMOGRAPHICS (Continued)

### Home Value (a)

Median Home Value	\$325,200
Median Gross Rent	\$1,150
\$0 to \$99,999	1475
\$100,000 to \$149,999	1,443
\$150,000 to \$199,999	1,611
\$200,000 to \$299,999	5,448
\$300,000 to \$499,000	9,414
\$500,000 to \$999,999	3,187
\$1,000,000 or more	301

### 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>10,464</b>	<b>100.0</b>

### Property Value (d)

Estimated Total Property Value (2013)	\$7,433,740,458
Equalized Assessed Valuation (EAV) (2013)	\$2,477,913,486

### EAV Breakdown by Type of Property

	<u>2013 EAV</u>	<u>% of Total</u>
Residential	\$1,704,562,752	68.8%
Commercial	573,721,999	23.2%
Industrial	198,631,738	8.0%
Railroad	996,997	< 0%
	<u>\$2,477,913,486</u>	<u>100.0%</u>

# COMMUNITY PROFILE

(Continued)

## DEMOGRAPHICS (Continued)

### Top Five Property Taxpayers (d)

Luther Village	Retirement Facility
Arlington Int'l Racecourse	Entertainment
New Plan Excel Realty Trust	Real Estate
Town & Country Mall	Shopping
Northpoint Mall	Shopping

### Other (d)

Miles of Streets 230

### 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	260
Number of Water Customers	21,019
Capacity of Waterworks	36,000,000 gal/per day
Number of Storage Tanks	10
Storage Capacity	32,000,000 gal.

### Sewer Information:

Miles of Storm Sewers	213
Miles of Sanitary & Combined Sewers	255
Number of Retention/Detention Basins	56
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	344,839
Number of Registered Borrowers	57,077
FY2014 Total Circulation	2,450,612

## BUSINESS

The Village has 1,708 businesses paying sales taxes.

### 2014 Kind of Business Report (e)

Sales Category	Sales Volume	%
General Merchandise	\$ 685,164	5.7%
Food	2,001,297	16.8%
Restaurant Dining	1,467,262	12.3%
Apparel	367,335	3.1%
Furniture, Household	875,219	7.3%
Lumber/Building/Hardware	492,361	4.1%
Automotive/Filling Stations	2,802,950	23.5%
Drugs & Misc. Retail	1,622,476	13.6%
Agriculture & All Others	1,369,306	11.5%
Manufacturers	251,004	2.1%
<b>Total</b>	<b>\$ 11,934,374</b>	<b>100.0%</b>

### Major Employers (500 Employees or more)

Arlington Park Racecourse (seasonal)	4,500
Northwest Community Healthcare	3,617
Arlington Heights High School Dist. 214	1,670
Nokia Siemens Networks	1,267
Lutheran Home	800
Paylocity Corp.	670
Alexian Brothers Health System	500
Paddock Publications	500

# COMMUNITY PROFILE

(Continued)

## 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

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

Chaddick Municipal Development  
Process Award ..... 2010

Designated as a Member of the Safe  
Communities America Program ..... 2010-2015

CALEA Accreditation of Police Dept. .... 2015

Governor's Sustainability Award ..... 2013

Community Partnership Award                      2013

### Notes:

- (a) 2010 Census & US Census Bureau Website
- (b) Illinois Department of Employment Security
- (c) Village of Arlington Hts Comprehensive Plan
- (d) Village of Arlington Hts & Cook County Records
- (e) Illinois Department of Revenue
- (f) Special Census