

**VILLAGE OF
ARLINGTON HEIGHTS, ILLINOIS**

ADOPTED
BUDGET-IN-BRIEF
8-Month Period Ending December 31, 2015
BEGINNING MAY 1, 2015



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

VILLAGE OF ARLINGTON HEIGHTS

**BUDGET-IN-BRIEF
8-Month Period Ending December 31, 2015
BEGINNING MAY 1, 2015**

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

William C. Dixon

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	Vacant
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

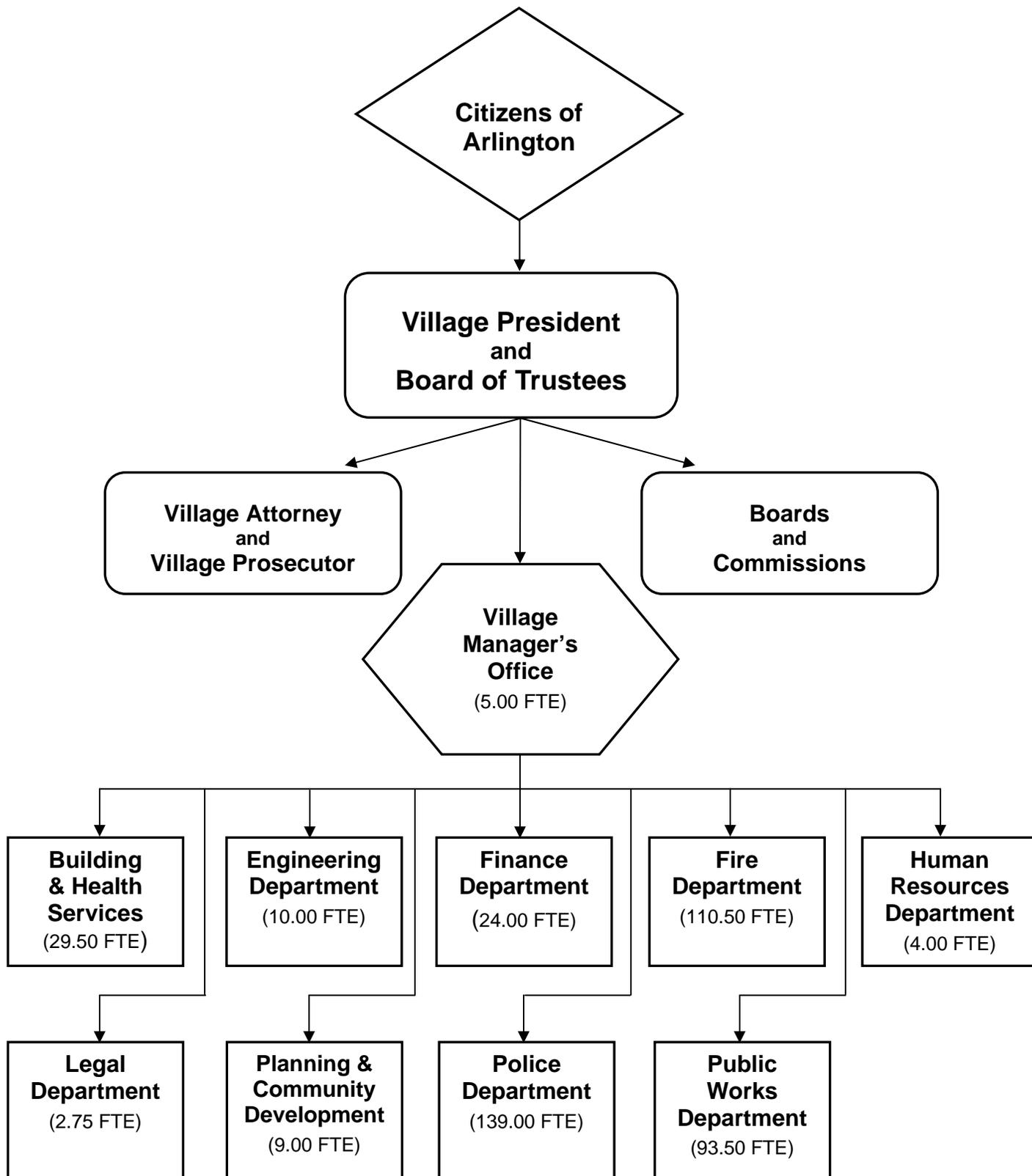
Director of Planning & Community Development	Charles Witherington-Perkins
Director of Engineering	Jim Massarelli

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	Pam Robb





Village of Arlington Heights

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April 20, 2015

Dear President Hayes and Trustees:

I am hereby transmitting the Budget for the 8-Month Period Ending December 31, 2015.

The Village is in the midst of changing its fiscal year from an April 30th year end to a calendar year end of December 31st. To facilitate this process, in July 2014 the Village Board approved the use of an 8-Month transition period running from May 1, 2015 through December 31, 2015. One of the key reasons for changing the fiscal year was to align the budget and property tax levy processes, with the intent of making the tax levy process less confusing for interested parties. Due to the short transition period the Village Board and Staff will work through two budget and audit cycles within one year. The 8-Month transition period budget will be completed upon approval of the budget by the Village Board in April 2015. The budget cycle for the first calendar year budget beginning on January 1, 2016 will commence immediately following the completion of the 8-month transition period budget cycle, with Staff's preparation of the 2016 – 2020 Capital Improvement Plan (CIP) starting in April/May 2015.

The Budget for the 8-Month Period Ending December 31, 2015 maintains existing services and service levels. There are no significant program changes, and most variances are due to the seasonal nature of some expenditure areas. 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. These results, coupled with the aggressive budget actions that have been taken over the last few years have allowed 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, national, and state decisions.

During the economic downturn the Village did not reduce its capital improvements program which includes street rehabilitation and resurfacing, water and sewer main replacements, as well as maintaining our vehicle and equipment replacement schedule. By doing this we avoided creating a large backlog of capital expenditures. Over the last three years the Village also transferred surplus General Fund monies to a number of its capital funds in order to augment our capital program funding. However, our capital infrastructure continues to age and costs continue to rise, which results in ongoing capital funding pressures.

The Village's five-year capital improvement program includes a number of key capital infrastructure projects, including the costs associated with the removal and replacement of parkway trees due to the Emerald Ash Borer infestation, needed improvements to the water and sanitary sewer system, the construction of a new Police Station, and the need to rehabilitate four Village-owned public parking garages. All of these projects are planned to be funded through the use of existing revenue streams and approved water and sewer rate adjustments. Although not part of this 8-Month Budget, during next year's CIP process the Village will be reviewing the results of ongoing studies that contemplate

upgrading the level of the Village's roadway and storm water control infrastructure. Any such infrastructure improvements that are ultimately undertaken will be phased in over a number of years, to combine the planning efforts for both of these projects and avoid completing construction projects on the same street at different times. Alternate funding sources will also need to be determined in order to complete these upgrades to our infrastructure.

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. 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 8-month 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.

Budget Summary – All Funds

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

The total of all operating, capital and other funds for the 8-Month Period Ending December 31, 2015, not including the Arlington Heights Memorial Library, comes to \$119,433,082. As expected, due to the short 8-Month transition period budget this is a decrease of \$41.1 million or 25.6% less than prior fiscal year. If all Village expenses occurred proportionally each month the decrease would have been around 33%. Many items in the budget, including wages and benefits for most employees, follow this pattern. However, it should be noted that 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 8-Month transition period budget are:

- General Fund expenditures include transfers to the Municipal Parking Fund and the Storm Water Control Fund totaling \$2.5 million. These funds are available due to receiving a full year of property taxes during the 8-month transition budget year. The \$2 million transfer to the Municipal Parking Fund will allow the Village to return its four public parking structures, which range in age from 13 to 33 years, back to their original integrity with a new service life of 40 to 50 years. This work will be phased in over the next three years in an effort to minimize interruptions in the use of the garages. The transfer of \$500,000 to the Storm Water Control Fund will continue to augment the Village's efforts to sustain the Neighborhood Drainage Improvement and the Storm Sewer Rehab/Replacement Programs as the Village considers a dedicated source of revenue for this fund.
- Last year's MFT Fund expenditures were higher than normal as \$600,000 in General Fund monies were transferred to this fund in order to increase the amount available for the FY2015 street rehabilitation program. For the 8-month transition period, in lieu of the standard budget for street rehabilitation, the transition period's efforts will be dedicated to the reconstruction of Nichols Road from Arlington Heights Road to Kennicott Avenue, and the reconstruction of Walnut Avenue from Thomas Avenue to Oakton Street. The budget reflects the Village's 20% portion, or \$700,000 of the total \$3.5 million cost of these projects. The balance of the cost of these projects will be covered through Surface Transportation Program (STP) grant funds.
- Prior year Capital Projects Fund expenditures were also higher than normal due in part to additional transfer of \$600,000 in General Fund monies to this fund, which increased the amount available for the FY2015 Street Resurfacing Program. Last year also included the second year of a planned two year transfer of available funds to the Emerald Ash Borer (EAB) Fund.
- The Arts, Entertainment & Events Fund budget for the 8-month transition period is significantly less than the prior year, as last year included a one-time additional payment of \$450,000 to the Metropolis Performing Arts Center.
- The Municipal Parking, Storm Water Control, EAB, and Water and Sewer Funds decreased less than a proportional 8-month period, as most of the capital expenditures accounted for in these funds are completed during the May through December time period. The Debt Service Fund budget is consistent with last year's expenditures as principal and interest payments occur in June and December of each year.

Pension costs and unfunded pension liabilities for the State's five pension funds have continued to be a topic of intense 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 three 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. The benefits of these changes will be longer-term since much of the law is written for employees who commenced work on or after January 1, 2011.

Personnel Changes

No new permanent staff positions are included for the 8-Month Period Ending December 31, 2015, and the Village's personnel count still reflects a net decrease of 45 positions or about a 10% decrease since FY2009.

During the current year there were two staffing shifts that affected three different Departments. The Customer Service Representative (formerly Receptionist) position stationed on the main floor of the Village Hall was moved from the Village Manager's Office to the Finance Department. The Finance Department has provided primary back-up phone answering duties for this position, and the position will now be supervised by Finance Staff. The second staffing shift involved transferring a vacant part-time staff position in the Finance Department to the Building Department. This allowed the Building Department the ability to combine two part-time positions into one full-time front desk position which now provides more consistent service delivery.

Temporary Help in the EAB Fund is increased from one to two 8-month positions. This will help maintain an acceptable level of prompt customer service as the Village finalizes its removal of infected parkway trees and begins to care for the newly planted trees. The temporary help costs and the one full-time position in the EAB Fund will be eliminated after the EAB program is completed over the next couple of years.

Although not directly related to personnel, in order maintain timely and accurate reviews, for the second year the Planning Department budgeted \$36,000 in contractual services to outsource some planning tasks on an as needed basis. This item will help the department keep up with their increasing workload as the economy improves without increasing the number of Village employees.

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 the 8-month transition period are budgeted to increase by only 2.6% for PPO coverage and decrease by 6.9% for HMO coverage. Going forward, the Village's health insurance plan year will coincide with the calendar year.

The balance of this budget message identifies the process that has been followed to prepare this financial plan for the 8-Month Period Ending December 31, 2015, 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 October of each year when the Board reviews and approves a five-year Capital Improvement Program. In November, multi-year projections are provided to the Board for the General and Water & Sewer Funds, which are the Village's largest operating funds. Based on these projections, the Board sets budget ceilings which each department uses as an upper limit when developing its proposed spending plans.

During January and February 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 March, 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 April of each year. A detailed calendar of the budget process immediately follows this transmittal letter. This is the last year for the budget schedule outlined above. The new schedule for the following year's budget will follow the same process but will be adjusted to reflect the new calendar year budget.

Under the Budget Officer Act, 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 approved expenditures for those funds:

	<u>General Fund</u>	<u>Water & Sewer Fund</u>
Budget Ceiling	\$4,992,200	\$12,347,500
Adopted Budget	<u>54,965,900</u>	<u>12,478,000</u>
Over (Under) Ceiling	\$ (26,300)	\$ 130,500

During the department reviews, the budget team and department directors worked to prepare a budget at or below the budget ceilings. The 8-Month Period Ending December 31, 2015 General Fund budget falls within the budget ceiling established by the Village Board in November 2014. The budget for the Water & Sewer Fund is over the budget ceiling due to an increase in the estimated budget for the purchase of water from the Northwest Water Commission (NWC). The budget ceiling estimate included an 8-month proportional cost of water. During the more detailed budget process it was noted that more water is bought and sold during the summer. For this reason, Water & Sewer Fund revenue and expense accounts were increased based on past water usage trends.

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 70% of the total General Fund revenues:

- Property Tax	40% of revenues
- Sales Tax (including Home Rule)	21%
- Income Tax	9%

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, 75% 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 62% of the total General Fund budget.

For the 8-Month Period Ending December 31, 2015, the General Fund budget decreases by 21.6% 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 budgeted based on a proportional 8-month transition period. Other General Fund costs decreases vary primarily due to the seasonal nature of many Village services. Transfers out from the General Fund are much higher than the prior year due to the transfers to the Municipal Parking and Storm Water Control Funds outlined earlier.

The 8-month transition period General Fund budget also 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.

The Village Board previously approved a Zero Interest Loan program, and \$20,000 is included in this year's budget to cover initial program costs. This program is for new and existing Arlington Heights businesses. It is a revolving loan program, which is 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.

Twenty-five downtown decorative light pole brackets and banners to promote entertainment and tourism along the streetscape have been included at a cost of \$9,500, and a budget of \$12,500 for the replacement of banners throughout the community has been included. The update of the Comprehensive Plan has been rebudgeted, although the estimated amount needed to complete this task has been reduced from \$20,000 to \$10,000. The complete revamp of the Village's website was also rebudgeted in the Technology Fund at a cost of \$75,000. This 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 budget includes \$61,900 in funding for Meet Chicago Northwest (Convention Bureau), which is based on 8% of the actual 8-months of hotel tax receipts received by the Village for the period ended December 31, 2013. The Village has had a long-standing partnership with Meet Chicago Northwest, and they plan on making a presentation before the Village Board during next 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 \$7.2 million per year in income tax receipts which represents about 9-10% of total General Fund revenues. During the 8-month transition period the Village expects to receive about \$4.8 million in income tax receipts.

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 is scheduled for late spring or early summer 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 the business has opened and 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 for the 8-Month Period Ending December 31, 2015 through 2019. 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 ten times from around \$485,000 per year to a projected \$4.2 million per year by 2024. 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.

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. Village staff analyzed the cost and eligibility of all the proposed projects, and the Board subsequently examined the requests along with staff recommendations. Certain capital projects are considered only if the persons and property owners are agreeable to special assessment or special service area financing. In other cases projects are included in the CIP since they would benefit the community as a whole. In October 2014, the Village Board reviewed all of the proposed capital projects and approved the Capital Improvement Program for the 8-Month Period Ending December 31, 2015 through 2019.

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 8-month transition period budget. The "CIP/Debt Service" section of the budget shows a summary of the entire five-year capital spending and funding plan. The key 8-month transition period 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 \$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 8-month transition 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 8-month transition period street program includes the following expenditures:

Street Resurfacing Program (\$3,600,000 – Capital Projects Fund) – This is an ongoing program limited to resurfacing existing deteriorated street pavement and curbs.

Street Rehabilitation Program (\$700,000 – MFT Fund) – In lieu of the standard street rehabilitation budget, during the 8-month transition period Staff’s efforts will be dedicated to the reconstruction of Nichols Road from Arlington Heights Road to Kennicott Avenue, and the reconstruction of Walnut Avenue from Thomas Avenue to Oakton Street. The total cost of these reconstruction projects is \$3.5 million with 80% of the cost covered by Surface Transportation Program (STP) grants. The \$700,000 amount shown in the Village’s MFT budget covers the required 20% local cost share of these projects

Some of the other major projects included in the 8-month transition period Capital Projects Fund budget are:

Traffic Signal Improvement at Northwest Highway/Wilke (\$325,000) – This project includes intersection reconstruction and widening to add dedicated turning lanes including drainage improvements, sidewalk construction and traffic signal modernization. The project totals \$2.6 million and is being paid for using federal and state grants along with a local share. Project costs are being administered through the Illinois Department of Transportation (IDOT) and only the Village’s reimbursement to IDOT for the local share is budgeted.

Sidewalk and Curb Replacement (\$345,000) – This program covers the Village’s ongoing efforts to repair trip hazards, and to reduce the Village’s liability exposure. In order to address several streetscape areas in the downtown that require significant reconstruction, during the 8-month transition period and calendar year 2016, 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, pricing will be requested for some alternative designs to the Village’s present cross section, which consists of paver brick set over compacted sand and gravel.

Pavement Crack Sealing Program (\$100,000) – This program was previously budgeted in the Motor Fuel Tax (MFT) Fund but was moved to the Capital Projects Fund for FY2015. This change freed up additional funds for the street rehabilitation program. The annual budget for this program in the MFT Fund had been \$85,000 per year, but due to the need to continue to maintain the condition of Village streets this amount was increased to \$100,000 per year.

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 the next 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 8-month transition period 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.

Sewer Back-up Rebate Program (\$100,000) – The budget includes continued funding of the Sewer Back-Up Rebate program. Under this program single-family homeowners can upgrade their old systems by installing a sewer back-up system to prevent sanitary sewer back-ups into their basements. The average cost to install a sewer back-up system can range from \$10,000 to \$15,000. The Village 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 January 2015, there have been 154 rebates paid to single-family homeowners for a total cost to date of \$732,811.

Storm Water Rehabilitation/Replacement Program (\$500,000) – The budget includes the first 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.

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 sewer 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 late spring or early summer of 2015.

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 would likely 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 8-month transition year budget cannot include an estimate of the cost of a storm sewer improvement plan until the completion of the aforementioned studies.

Public Building Fund – The 8-month transition period budget includes the following significant project:

Police Facility (\$500,000) – This budget amount represents an estimate for a portion of the architectural fees associated with the new Police facility. The existing 38,000 square foot Police facility constructed in 1979 is deteriorating and no longer serves adequately the operational needs of the Department. The building is in need of significant mechanical, electrical, and plumbing (MEP) repairs and replacement exceeding \$9 million, just to maintain it as a serviceable building.

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 is currently developing conceptual cost estimates for the new Police Station. These preliminary cost projections should be available this spring and will include estimates of the total project costs as described above. Based on the size and scope of the Police Station project, a best guess at this time is that total project costs will be something less than \$40 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. The Village is also reviewing other Village owned buildings which may be able to be used to fulfill some of the needs of the Police Department, thus reducing the amount of new construction required and ultimately costs.

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 is expected to 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:

- 2015** Village Board discussion and decision on the new Police facility location
- 2015-16** Develop RFP for architectural services and begin design
- 2017** Finish architectural design/Bid process for construction
- 2017-19** Construction
- 2019-20** 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 .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 8-month transition period costs would be limited to the budgeted amount. Any additional costs would be covered by the co-sponsors of these events. The Village's 8-month transition period budget caps for these two events are outlined at the bottom of the Cost by Event presentation.

As of the date of this budget, the Village Board is in the midst of reviewing the operations of the Metropolis Theater, as well as the annual subsidy to the Theater which is paid out of the A & E Fund. In early February 2015 the Village received the results of a study it commissioned to Johnson Consulting to provide an economic impact analysis of direct and indirect spending caused by the Theater. The study also updated a prior study done on the Theater in 2002 and provided an assessment of various options going forward. Based on the results of their analysis, Johnson Consulting reported that on an annual basis, the total economic and fiscal impact of the Theater is approximately \$3 million in direct spending, \$1.8 million in indirect spending, and \$297,000 in Village, County and State tax revenues. The total direct tax revenues to the Village of Arlington Heights attributable to the Theater are estimated to be about \$84,000 per year. After considering the cost and benefit of each of the options going forward, Johnson Consulting recommended that the Village place the Metropolis operations on probation for one year and to work with the recently retooled management structure at the Theater. They also recommended that the Metropolis Board be revamped and that this Board should provide much more oversight of the Executive Director position.

The Metropolis Performing Arts Center (MPAC) is preparing an 8-Month Budget Ending on December 31, 2015, a 2016 budget projection, and a business plan for the Village Board. The 8-month period subsidy of \$113,900 for MPAC shown in the A & E Fund is a proportional amount of the prior year's subsidy. Based on the Johnson study results, the subsidy level to be proposed by the MPAC will likely be higher than currently shown.

Acknowledgements

The preparation of this year's budget has been somewhat more challenging for the Village Board and staff due to changing the budget year to a calendar year beginning on January 1, 2016. The proposed 8-month transition period budget allows the Village to continue its commitment to basic services while living within our current revenue stream and reserves. I would like to thank the entire staff and especially the budget team consisting of Tom Kuehne, Mary Ellen Juarez, Pam Robb, and Diana Mikula for their efforts. Thanks as well to the Village Board for its ongoing support during the budget cycle and throughout the year.

Sincerely,

A handwritten signature in black ink that reads "Randall R. Recklaus". The signature is written in a cursive, flowing style.

Randall R. Recklaus
Village Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Village of Arlington Heights

Illinois

For the Fiscal Year Beginning

May 1, 2014

A handwritten signature in cursive script, reading "Jeffrey R. Enos".

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Village of Arlington Heights, Illinois for its annual budget for the fiscal year beginning May 1, 2014.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

BUDGET CALENDAR

For Preparation of the Budget for the 8-Month Period Ending December 2015

(May 1, 2015 – December 31, 2015)

DATE	DAY	ACTIVITY
August – September, 2014	–	Capital Improvement Program (CIP) and five-year projections prepared.
October 3, 2014	Friday	CIP released to Village Board for discussion at October 13 Committee-of-the-Whole meeting.
October 13, 2014	Monday	Committee-of-the-Whole reviews CIP.
October 20, 2014	Monday	Board considers any motions stemming from October 13 Committee-of-the-Whole meeting regarding CIP.
November 4, 2014	Tuesday	CAFR, Proposed 2014 Property Tax Levy and the Operating Fund Overview/Recommended Budget Ceilings for the 8-Month Period Ending December 2015 released to Village Board for discussion at November 10, Committee-of-the-Whole meeting.
November 10, 2014	Monday	Committee-of-the-Whole reviews CAFR and discusses Proposed 2014 Property Tax Levy and the Operating Fund Overview/Recommended Budget Ceilings for the 8-Month Period Ending December 2015.
November 17, 2014	Monday	Board considers any motions stemming from November 10 Committee-of-the-Whole meeting regarding CAFR, Proposed 2014 Property Tax Levy and the Operating Fund Overview/Recommended Budget Ceilings for the 8-Month Period Ending December 2015.
November 21, 2014	Friday	Budget worksheets are forwarded to departments. Departments prepare detailed budgets.
December 1, 2014	Monday	Board approves 2014 Tax Levy and Abatement Ordinances.
January 5, 2015	Monday	Department budget requests and projections due.
January 5 - January 16, 2015	–	Finance Department compiles departmental budget submissions.
January 12, 2015	Monday	CDBG Public Hearing #1 for Consolidated Plan / Annual Action Plan at Committee-of-the-Whole.
January 16, 2015	Friday	First draft of Budget for the 8-Month Period Ending December 2015 forwarded to Village Manager, Budget Team and all departments for review.
January 20 – January 30, 2015	–	Departments meet with Village Manager and Budget Team.
February 2 – February 20, 2015	–	Final draft of Budget for the 8-Month Period Ending December 2015 prepared.
February 16, 2015	Monday	Village Board holds CDBG Public Hearing #2 and approves Consolidated Plan / Annual Action Plan including CDBG Budget.
February 20, 2015	Friday	Release final draft of Budget for the 8-Month Period Ending December 2015 to Village Board & departments.
March 9, 2015	Monday	Budget Meeting at Committee-of-the-Whole to discuss the Budget for the 8-Month Period Ending December 2015.
April 6, 2015	Monday	Notice of Public Hearing on Budget for the 8-Month Period Ending December 2015 published in newspaper.
April 20, 2015	Monday	Public Hearing on the Budget for the 8-Month Period Ending December 2015. Approval of Budget at formal meeting.

Financial Summaries

ALL FUNDS SUMMARY

FUND	REVENUES	2012-13 Actual	2013-14 Actual	2014-15 Est Act	2014-15 Budget	8 Month	\$	%
						Per. Ending Dec. 2015 Budget		
101	GENERAL	68,234,868	70,622,889	70,378,800	69,926,242	54,998,800	(14,927,442)	(21.3%)
211	MOTOR FUEL TAX	2,123,187	2,788,331	2,478,700	2,144,500	1,212,900	(931,600)	(43.4%)
215	CDBG	278,924	296,378	446,545	446,545	503,920	57,375	12.8%
225	FIRE ACADEMY	28,158	0	0	0	0	0	N/A
227	FOREIGN FIRE INSURANCE TAX	132,923	148,092	135,200	130,500	131,000	500	0.4%
231	CRIMINAL INVESTIGATIONS	750,484	252,629	160,300	110,600	141,300	30,700	27.8%
235	MUNICIPAL PARKING	1,108,886	1,185,610	1,094,500	1,094,500	2,736,000	1,641,500	150.0%
251	TIF I SOUTH	2,263	1,816	1,200	1,500	800	(700)	(46.7%)
255	TIF II NORTH	7,356	8,500	0	8,000	0	(8,000)	(100.0%)
261	TIF III	276,689	342,154	363,500	275,000	274,000	(1,000)	(0.4%)
263	TIF IV	521,747	453,997	410,300	503,000	402,000	(101,000)	(20.1%)
264	TIF V	324,271	64,795	63,100	306,000	63,100	(242,900)	(79.4%)
266	HICKORY/KENSINGTON TIF	0	0	0	0	0	0	N/A
301	DEBT SERVICE	7,537,260	16,310,654	7,850,863	7,842,863	7,858,821	15,958	0.2%
401	CAPITAL PROJECTS	6,027,165	6,484,819	12,547,900	14,542,500	4,108,500	(10,434,000)	(71.7%)
426	STORM WATER CONTROL	1,009,169	1,209,089	10,800	5,000	505,000	500,000	N/A
431	PUBLIC BUILDING	6,978	46,742	4,100	6,000	3,000	(3,000)	(50.0%)
435	EMERALD ASH BORER (EAB)	2,715,000	600,000	4,620,600	6,435,000	3,404,000	(3,031,000)	(47.1%)
505	WATER & SEWER	14,606,340	14,186,954	15,642,000	16,104,100	11,831,600	(4,272,500)	(26.5%)
511	SOLID WASTE DISPOSAL	1,602,018	1,584,823	1,644,800	1,644,000	1,092,600	(551,400)	(33.5%)
515	ARTS, ENTERTAINMENT & EVENTS	535,282	622,735	797,100	563,100	463,500	(99,600)	(17.7%)
605	HEALTH INSURANCE	8,324,372	9,276,788	9,426,500	9,654,000	6,689,300	(2,964,700)	(30.7%)
606	RETIREE HEALTH INSURANCE	2,741,629	2,652,804	2,961,300	3,396,200	2,286,500	(1,109,700)	(32.7%)
611	GENERAL LIABILITY INSURANCE	677,285	688,747	729,900	720,300	504,200	(216,100)	(30.0%)
615	WORKERS' COMPENSATION	1,849,652	1,985,486	1,996,100	1,903,200	1,309,700	(593,500)	(31.2%)
621	FLEET OPERATIONS	3,525,128	4,971,645	3,344,600	3,324,600	2,755,900	(568,700)	(17.1%)
625	TECHNOLOGY	1,454,653	1,522,606	1,542,500	1,542,500	1,161,800	(380,700)	(24.7%)
705	POLICE PENSION	13,134,844	15,057,137	10,253,400	9,537,400	7,744,500	(1,792,900)	(18.8%)
711	FIRE PENSION	12,696,488	15,098,773	9,872,300	9,886,300	7,814,400	(2,071,900)	(21.0%)
TOTAL REVENUES		152,233,019	168,464,993	158,776,908	162,053,450	119,997,141	(42,056,309)	(26.0%)

FUND	EXPENDITURES	2012-13 Actual	2013-14 Actual	2014-15 Est Act	2014-15 Budget	8 Month	\$	%
						Per. Ending Dec. 2015 Budget		
101	GENERAL	68,097,052	69,795,108	68,210,300	70,141,597	54,965,900	(15,175,697)	(21.6%)
211	MOTOR FUEL TAX	2,051,706	2,546,251	3,146,700	3,196,397	806,500	(2,389,897)	(74.8%)
215	CDBG	278,924	296,378	446,545	446,545	503,920	57,375	12.8%
225	FIRE ACADEMY	195,014	0	0	0	0	0	N/A
227	FOREIGN FIRE INSURANCE TAX	172,862	91,552	100,200	170,200	111,200	(59,000)	(34.7%)
231	CRIMINAL INVESTIGATIONS	597,791	75,781	74,600	123,976	141,300	17,324	14.0%
235	MUNICIPAL PARKING	1,170,524	1,237,608	1,349,900	1,369,365	1,810,500	441,135	32.2%
251	TIF I SOUTH	35,288	19,778	0	13,000	0	(13,000)	(100.0%)
255	TIF II NORTH	7,356	0	8,000	8,000	0	(8,000)	(100.0%)
261	TIF III	282,484	282,975	287,400	310,710	295,100	(15,610)	(5.0%)
263	TIF IV	69,924	530,983	306,500	760,000	551,000	(209,000)	(27.5%)
264	TIF V	409,459	447,562	514,213	1,068,513	994,013	(74,500)	(7.0%)
266	HICKORY/KENSINGTON TIF	0	0	0	0	30,000	30,000	N/A
301	DEBT SERVICE	7,574,404	16,353,454	7,838,856	7,835,800	7,858,549	22,749	0.3%
401	CAPITAL PROJECTS	5,828,949	7,412,077	11,155,848	13,425,195	9,451,900	(3,973,295)	(29.6%)
426	STORM WATER CONTROL	248,757	450,105	726,100	726,508	900,000	173,492	23.9%
431	PUBLIC BUILDING	24,286	59,319	347,500	1,026,455	525,000	(501,455)	(48.9%)
435	EMERALD ASH BORER (EAB)	425,519	1,170,297	3,835,000	3,829,620	2,969,100	(860,520)	(22.5%)
505	WATER & SEWER	14,547,808	14,396,728	16,046,600	16,262,365	12,478,000	(3,784,365)	(23.3%)
511	SOLID WASTE DISPOSAL	1,312,457	1,230,310	1,215,400	1,522,900	924,300	(598,600)	(39.3%)
515	ARTS, ENTERTAINMENT & EVENTS	463,131	641,295	977,000	1,030,900	554,600	(476,300)	(46.2%)
605	HEALTH INSURANCE	8,774,521	9,035,720	9,751,200	11,226,700	7,518,000	(3,708,700)	(33.0%)
606	RETIREE HEALTH INSURANCE	2,741,629	2,652,804	2,961,300	3,396,200	2,286,500	(1,109,700)	(32.7%)
611	GENERAL LIABILITY INSURANCE	537,629	1,288,886	786,000	834,000	735,000	(99,000)	(11.9%)
615	WORKERS' COMPENSATION	2,150,220	1,700,403	1,624,000	1,683,500	1,219,000	(464,500)	(27.6%)
621	FLEET OPERATIONS	3,170,584	4,473,773	6,633,700	6,793,397	2,338,600	(4,454,797)	(65.6%)
625	TECHNOLOGY	1,394,864	1,415,418	1,543,800	1,617,500	1,236,500	(381,000)	(23.6%)
705	POLICE PENSION	4,689,594	5,207,140	5,731,900	5,745,200	3,953,700	(1,791,500)	(31.2%)
711	FIRE PENSION	5,375,897	5,660,749	6,003,200	6,003,600	4,274,900	(1,728,700)	(28.8%)
TOTAL EXPENDITURES		132,628,633	148,472,454	151,621,762	160,568,143	119,433,082	(41,135,061)	(25.6%)

FUND BALANCE SUMMARY (8 Month Period Ending December 2015)

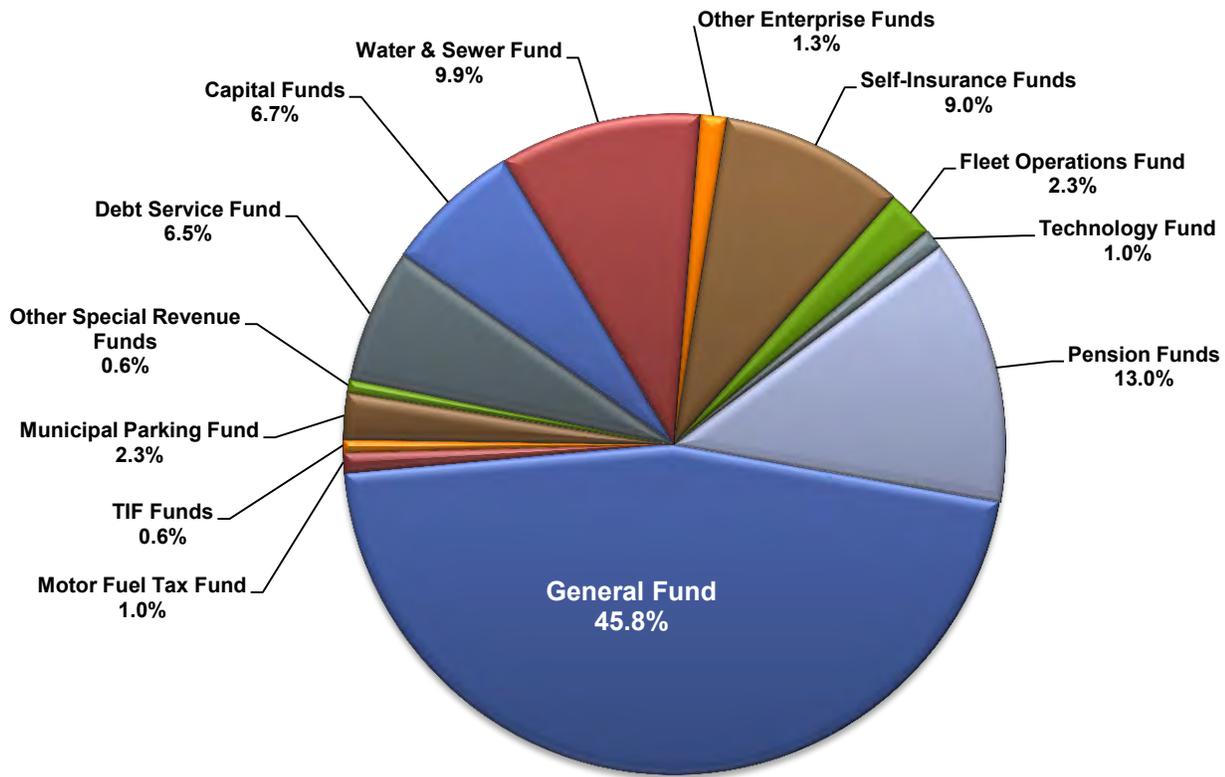
Fund	Fund Name	5/01/15 Projected Beginning Fund Balance (Deficit)	2015 Revenues & Transfers In	2015 Expenditures & Transfers Out	2015 Revenues Over (Under) Expenditures	12/31/15 Estimated Ending Fund Balance (Deficit)
101	General	\$26,177,704	\$54,998,800	\$54,965,900	\$32,900	\$26,210,604
211	Motor Fuel Tax	882,885	1,212,900	806,500	406,400	1,289,285
215	CDBG	0	503,920	503,920	0	0
227	Foreign Fire Insurance Tax	386,650	131,000	111,200	19,800	406,450
231	Criminal Investigations	573,284	141,300	141,300	0	573,284
235	Municipal Parking	4,092,967	2,736,000	1,810,500	925,500	5,018,467
251	TIF I South	214,998	800	0	800	215,798
255	TIF II North	500	0	0	0	500
261	TIF III	1,189,053	274,000	295,100	(21,100)	1,167,953
263	TIF IV	1,115,739	402,000	551,000	(149,000)	966,739
264	TIF V	1,038,334	63,100	994,013	(930,913)	107,421
266	Hickory/Kensington TIF	0	0	30,000	(30,000)	(30,000)
301	Debt Service	1,693,937	7,858,821	7,858,549	272	1,694,209
401	Capital Projects	7,191,983	4,108,500	9,451,900	(5,343,400)	1,848,583
426	Storm Water Control	2,960,674	505,000	900,000	(395,000)	2,565,674
431	Public Building	1,364,192	3,000	525,000	(522,000)	842,192
435	Emerald Ash Borer (EAB) Fund	4,497,249	3,404,000	2,969,100	434,900	4,932,149
505	Water & Sewer	5,048,878	11,831,600	12,478,000	(646,400)	4,402,478
511	Solid Waste Disposal	3,240,711	1,092,600	924,300	168,300	3,409,011
515	Arts, Entertainment & Events	124,939	463,500	554,600	(91,100)	33,839
605	Health Insurance	2,358,538	6,689,300	7,518,000	(828,700)	1,529,838
606	Retiree Health Insurance	0	2,286,500	2,286,500	0	0
611	General Liability Insurance	3,491,197	504,200	735,000	(230,800)	3,260,397
615	Workers' Compensation Insurance	5,321,619	1,309,700	1,219,000	90,700	5,412,319
621	Fleet Operations	2,936,463	2,755,900	2,338,600	417,300	3,353,763
625	Technology	1,599,012	1,161,800	1,236,500	(74,700)	1,524,312
705	Police Pension	104,385,406	7,744,500	3,953,700	3,790,800	108,176,206
711	Fire Pension	89,357,174	7,814,400	4,274,900	3,539,500	92,896,674
TOTAL ALL VILLAGE FUNDS		\$271,244,086	\$119,997,141	\$119,433,082	\$564,059	\$271,808,145

1. The General Fund shows an 8-month transition year budget surplus for operations due to the reduction in staffing levels in 2009 staying in place and receiving a full year of Property Taxes during the 8-month transition year. The current financial condition 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 surplus as a result of the transition year being designated to the reconstruction of Nichols Road and Walnut Avenue in-lieu of the Street Rehabilitation Program. This budget reflects the Village's 20% portion of the \$3.5 million cost of these projects with the balance being funded by the Surface Transportation Program (STP) grant funds and the maintenance of the traffic signal controllers.
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.
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. The surplus in operations during the 8-month transition year is due primarily to the \$2 million operating transfer from the General Fund to subsidize the 3 year project to return the four public parking structures back to their original integrity with a new service life of 40 to 50 years.

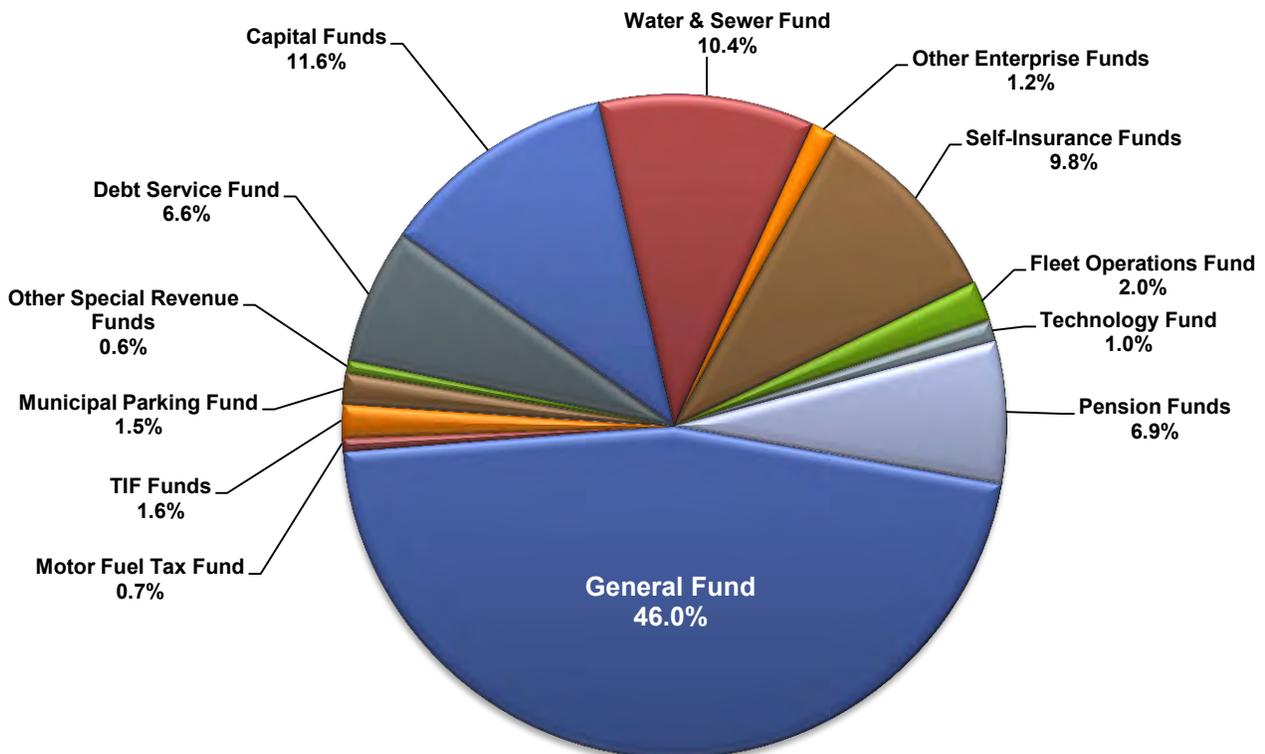
FUND BALANCE SUMMARY (8 Month Period Ending December 2015)

6. The TIF I District ended in 2006. Current litigation and possible refunds create the potential for 8-month transition year activity in the TIF I South Fund. The TIF II District ended in 2009. Possible refunds create the potential for 8-month transition year activity in the TIF II North Fund.
7. TIF III, IV, V and 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 due to street construction project costs outpacing revenues dedicated to this fund and a \$3.4 million transfer to the EAB Fund.
10. 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 provided for the reconstruction of the Public Works Facility, Fire Station #1 and the Village Hall. \$20 million of G.O. Bonds were sold in 2004 to begin financing these projects and an additional \$20 million were sold in 2006 to complete these projects. Remaining fund balance can be reserved for future building projects or can be transferred to other Village funds. Funds are currently being used towards the long-term plan to construct a new Police Facility.
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. The 8-month transition surplus reflects a \$3.4 million transfer in of available monies from the Capital Projects Fund for future EAB program costs.
13. The Water & Sewer Fund deficit in operations this year represents a full year of capital projects completed during the 8-month transition period. The planned service rate increases over the next 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 deficit is mainly from the timing of the expenditures for the events during the 8-month transition year versus receiving only 8 months of revenue. The 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 8-month transition year 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 73% and 65% respectively. Per current State Statute, 90% funding must be reached by 2040.

ALL FUNDS REVENUES 8-MONTH PERIOD ENDING DECEMBER 2015



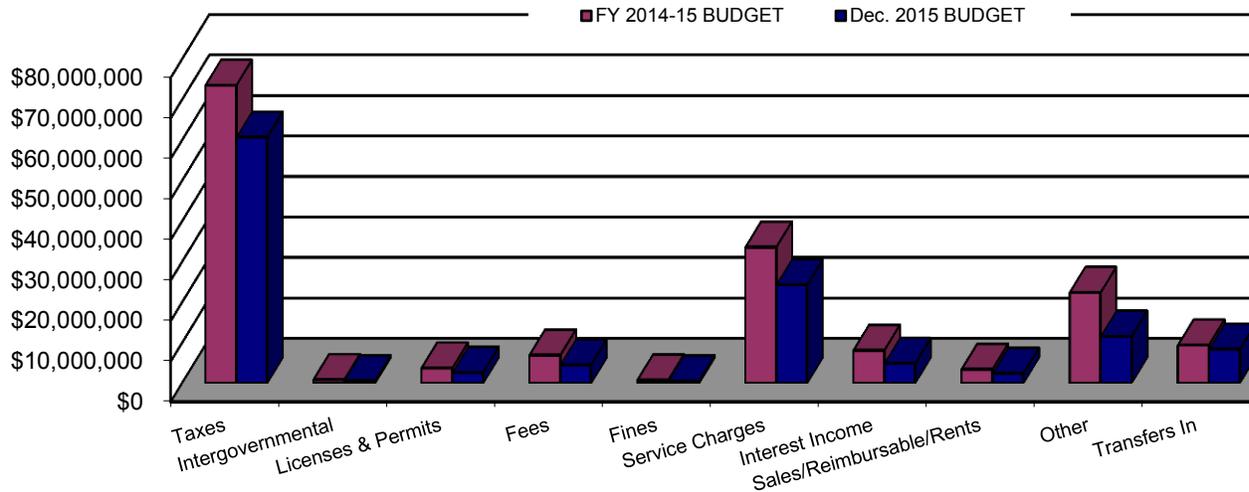
ALL FUNDS EXPENDITURES 8-MONTH PERIOD ENDING DECEMBER 2015



WHERE THE MONEY COMES FROM

ALL FUNDS REVENUES

FY 2014-15 BUDGET vs. 8-MONTH PERIOD ENDING DECEMBER 2015



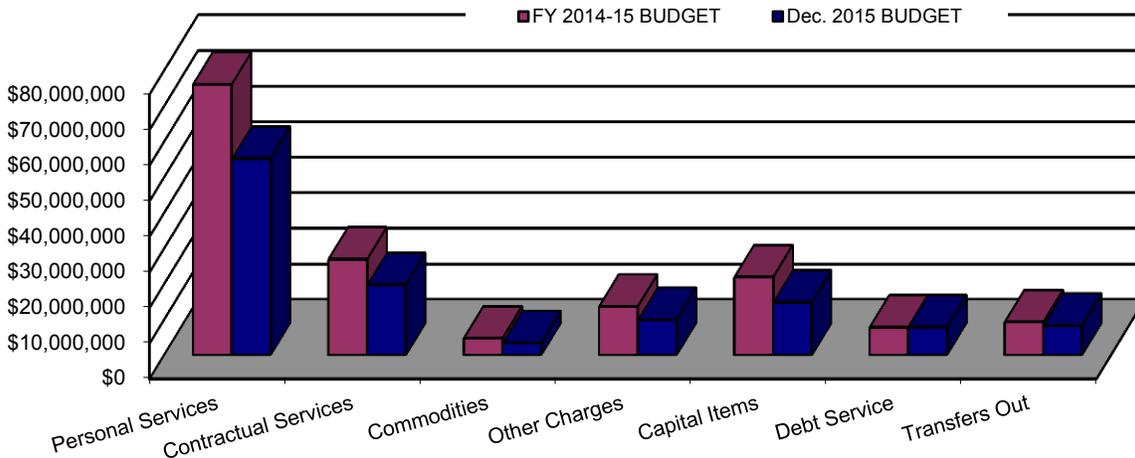
	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 BUDGET	8-Mo. End. Dec. 2015 BUDGET	% CHANGE
Taxes	70,076,448	72,960,156	73,411,450	60,624,908	(17.4%)
Intergovernmental	1,464,992	2,122,005	802,787	539,620	(32.8%)
Licenses & Permits	4,289,920	4,012,111	3,650,500	2,595,200	(28.9%)
Fees	6,938,410	6,793,432	6,873,500	4,471,500	(34.9%)
Fines	761,846	784,782	730,200	456,400	(37.5%)
Service Charges	30,138,401	30,815,209	33,502,400	24,211,300	(27.7%)
Interest Income	14,979,422	19,131,005	8,036,500	4,821,900	(40.0%)
Sales/Reimbursable/Rents	3,612,555	4,299,266	3,364,800	2,373,600	(29.5%)
Other	12,679,064	21,494,848	22,312,000	11,523,600	(48.4%)
	144,941,058	162,412,814	152,684,137	111,618,028	(26.9%)
Reserves	0	0	50,000	50,000	0.0%
Transfers In	7,291,961	6,052,179	9,319,313	8,329,113	(10.6%)
Total Revenues	152,233,019	168,464,993	162,053,450	119,997,141	(26.0%)

NOTE: As a result of the shortened Budget Year to eight months, the expected change between budget years would be a base decrease of 33.4%. **Taxes** did not decrease in proportion to the expected base decrease due to receiving a whole year of Property Taxes in the shortened year. **Intergovernmental** revenues decreased due to the State Grant that was received in the prior year in the Motor Fuel Tax Fund. **Licenses & Permits** increased as a result of the timing of Vehicle Licenses offset by the decrease in Liquor License renewals due to timing. **Fines** decreased primarily from the decrease in Compliance and Ordinance Tickets from lower actuals in the prior year. **Service Charges** increased primarily due to the 5% combined scheduled increase in water and sewer rates. **Interest Income** decreased as a result of lower actuals in the prior year for the Fire Pension Fund. **Rents** increased due to the timing of the NWCDS Building Rent and the employee cost of Health Insurance increasing over prior year. **Other** revenues decreased due to bond proceeds in the Capital Projects Fund in the prior year, but were offset by receiving a whole year of Police and Fire Pension contributions from Property Taxes. **Reserves** reflect the rebudget 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 in to the Emerald Ash Borer (EAB) Fund from the Capital Projects Fund over the prior year, but was offset in part by the transfer from the General Fund to the Parking Garage Fund for maintenance.

WHERE THE MONEY GOES

ALL FUNDS EXPENDITURES

FY 2014-15 BUDGET vs. 8-MONTH PERIOD ENDING DECEMBER 2015



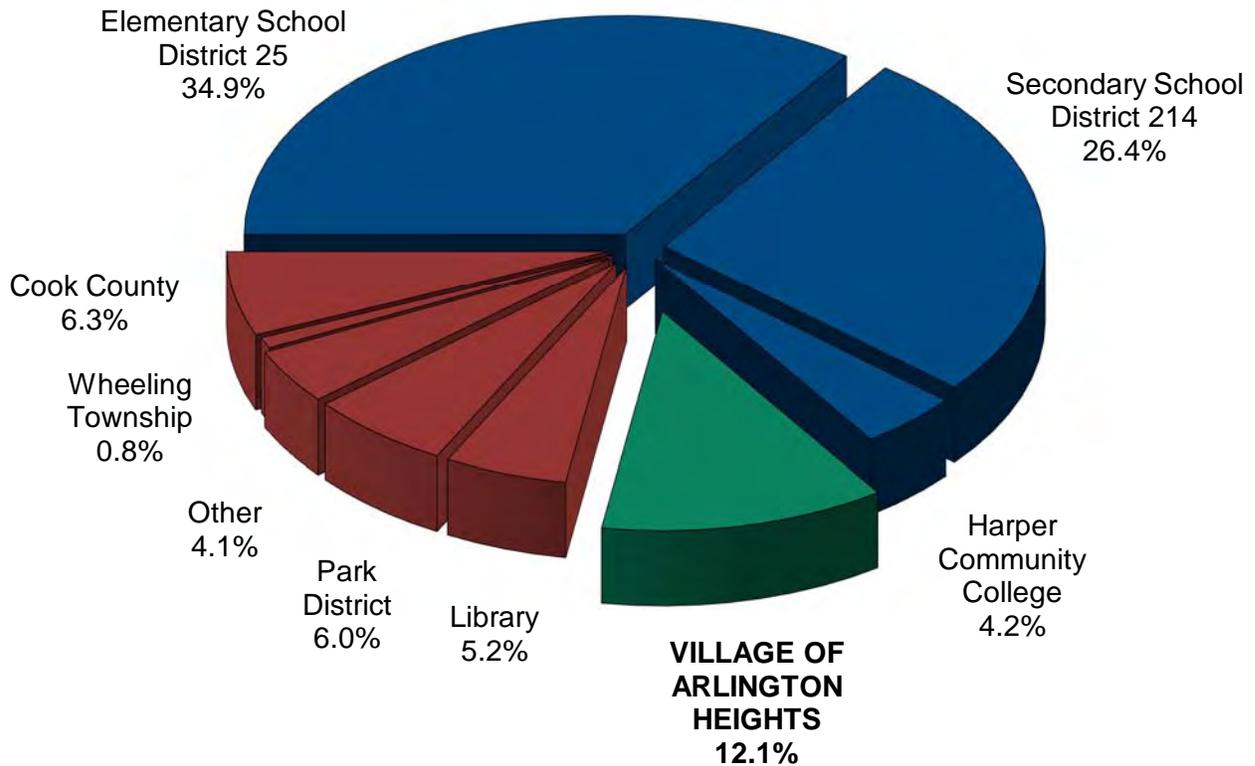
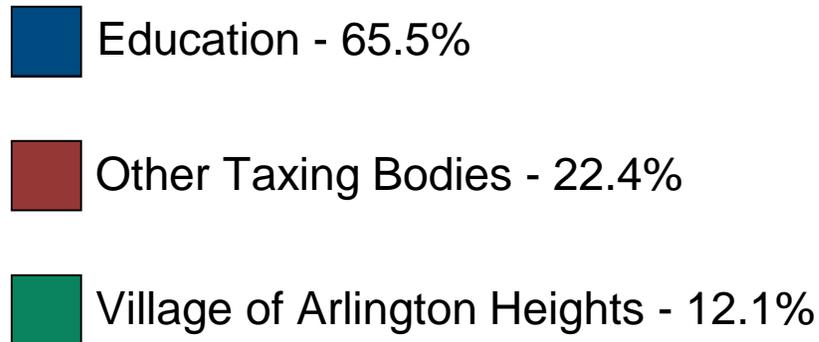
	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 BUDGET	8-Mo. End. Dec. 2015 BUDGET	% CHANGE
Personal Services	68,733,528	72,061,437	76,120,950	55,241,600	(27.4%)
Contractual Services	21,440,034	22,965,137	26,948,300	19,758,000	(26.7%)
Commodities	3,745,438	3,773,025	4,726,707	3,455,000	(26.9%)
Other Charges	12,351,851	11,709,902	13,687,577	9,950,320	(27.3%)
Capital Items	11,491,417	15,684,651	21,929,496	14,840,500	(32.3%)
Debt Service	7,574,404	16,226,123	7,835,800	7,858,549	0.3%
	125,336,672	142,420,275	151,248,830	111,103,969	(26.5%)
Transfers Out	7,291,961	6,052,179	9,319,313	8,329,113	(10.6%)
Total Expenditures	132,628,633	148,472,454	160,568,143	119,433,082	(25.6%)

NOTE: As a result of the shortened Budget Year to eight months, the expected change between budget years would be a base decrease of 33.4%. **Personal Services** increased due to pension, health insurance and wage adjustments. **Contractual Services** increased due the timing of Public Works expenditures for Street and Sidewalk Maintenance, Equipment Rental and Tree Services. Vehicle lease charges also increased for the Fire, Public Works and Water and Sewer Department from replacements of an ambulance, ladder truck, dump truck and chipper. In addition, payments to the Northwest Water Commission also resulted in an increase to the budget year as water usage is higher in the May to December time period. **Commodities** increased due to the timing of the in-house paving program costs. **Other Charges** increased due to the timing of the Sales Tax Abatement and the increase in the Operating Contingency in the General Fund. **Debt Service** expenditures remained unchanged as annual principal and interest payments are made in June and December. **Transfers Out** did not decrease proportionately to the shortened year as a result of the \$2.5 million transfer from the General Fund to the Municipal Parking Fund (\$2 million) and the Storm Water Control Fund (\$500,000) and the \$3.4 million Capital Projects Fund transfer to the Emerald Ash Borer (EAB) Fund.

Village of Arlington Heights

2013 PROPERTY TAX BILL

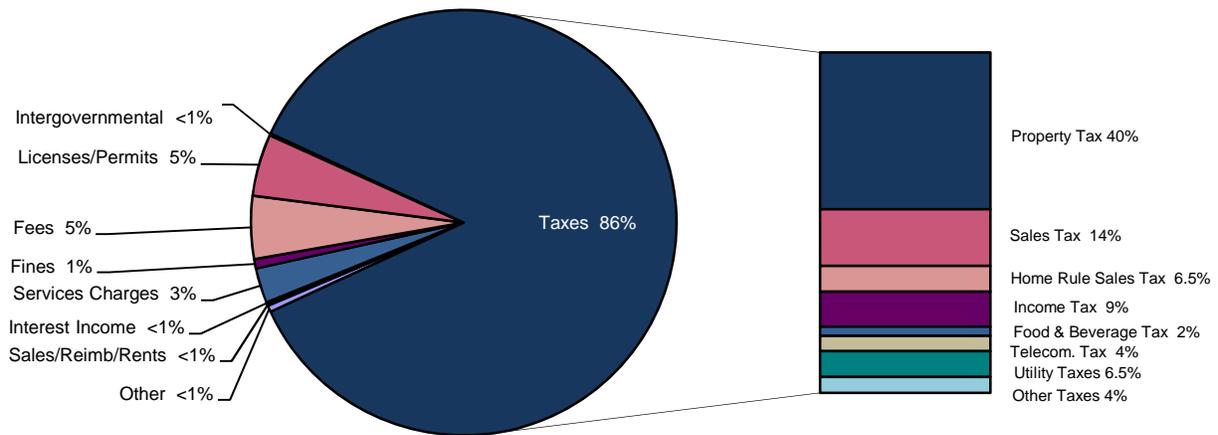
(Depicts the "most" common tax bill, assuming School District 25.
Depends on School District and Township boundaries.)



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

8-MONTH PERIOD ENDING DECEMBER 2015

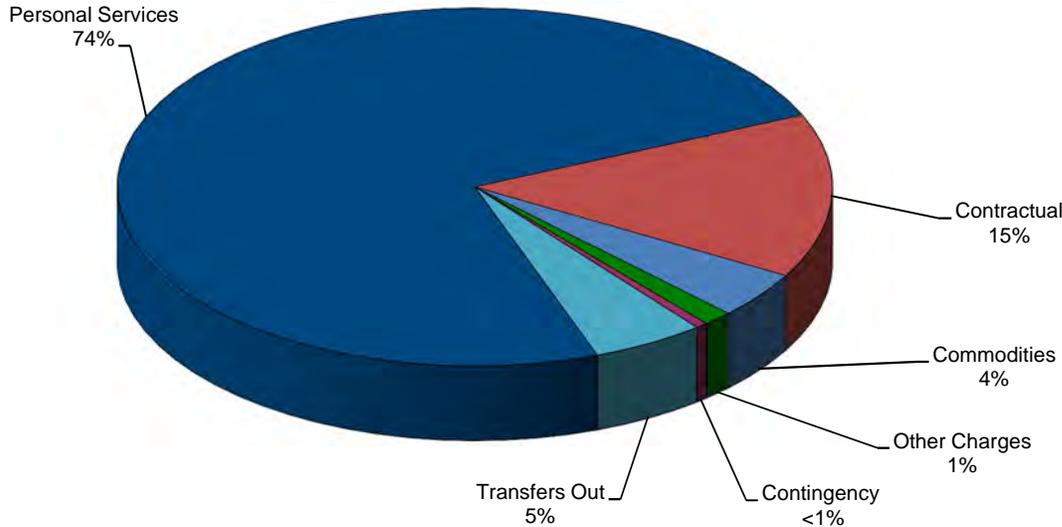


	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 BUDGET	8-Mo. End. Dec. 2015 BUDGET	% CHANGE
Taxes	55,858,027	58,616,016	58,709,900	47,412,300	(19.2%)
Intergovernmental	240,930	154,205	72,142	85,700	18.8%
Licenses/Permits	4,289,920	4,012,111	3,650,500	2,595,200	(28.9%)
Fees	4,264,676	4,095,479	4,189,400	2,628,900	(37.2%)
Fines	669,732	666,060	635,200	392,700	(38.2%)
Service Charges	2,052,554	2,079,339	2,126,100	1,460,900	(31.3%)
Interest Income	92,514	92,574	90,000	64,000	(28.9%)
Sales/Reimb/Rents	436,635	189,151	139,300	85,800	(38.4%)
Other	329,880	717,954	313,700	273,300	(12.9%)
Total Revenue	68,234,868	70,622,889	69,926,242	54,998,800	(21.3%)

NOTE: As a result of the shortened Budget Year to eight months, the expected change between budget years would be a base decrease of 33.4%. **Taxes** did not decrease in relation to the shortened year due to receiving a whole year of Property Taxes in the shortened year. **Intergovernmental** revenues increased due to Police grants that have been awarded for the budget year. **Licenses/Permits** percentage change was mainly from the decrease in Liquor Licenses due to the timing of renewals, but was offset by Vehicle Licenses sales during October through December. **Fees** decreased over the base decrease due to a projected decline in Community Development Fees. **Fines** decreased from lower actual Compliance and Ordinance Fines than were previously budgeted. **Interest Income** has been increased to match actual earnings. However, interest income continues to be much lower than the historical average. **Sales/Reimb/Rents** decrease was due to timing of revenues outside the short budget year. **Other** increased mainly from the timing of the one-time payment in lieu of Real Estate Taxes from Northwest Community Hospital.

WHERE THE MONEY GOES GENERAL FUND EXPENDITURES

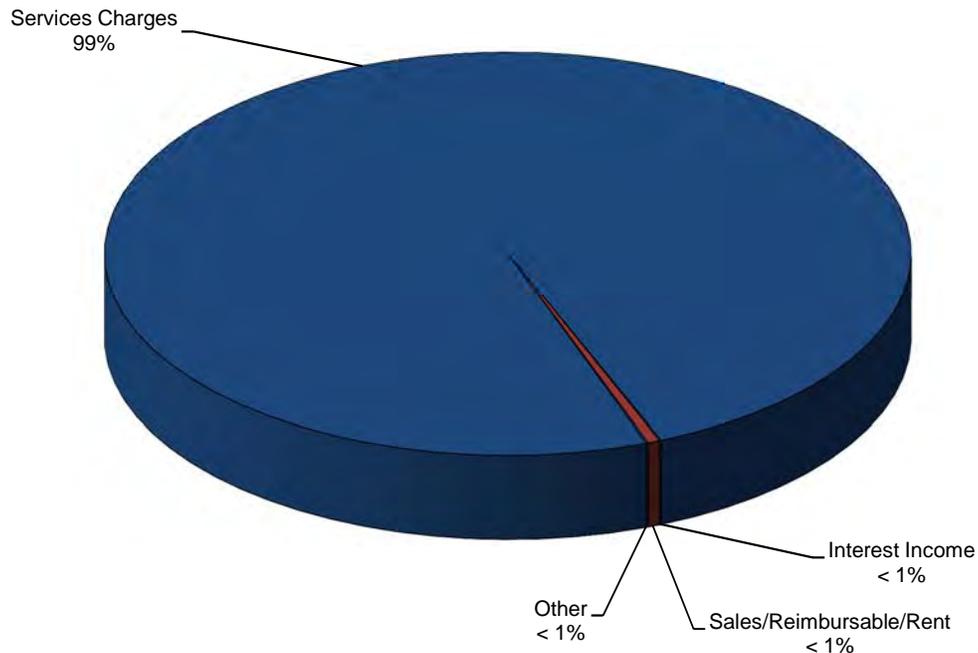
8-MONTH PERIOD ENDING DECEMBER 2015



	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 BUDGET	8-Mo. End. Dec. 2015 BUDGET	% CHANGE
Personal Services	50,588,887	52,867,875	55,250,300	40,656,300	(26.4%)
Contractual Services	8,546,775	9,459,034	10,400,258	8,155,000	(21.6%)
Commodities	2,432,173	2,420,859	3,024,668	2,324,600	(23.1%)
Other Charges	1,157,317	647,340	826,871	730,000	(11.7%)
Contingency	0	0	279,500	300,000	7.3%
Transfers Out	5,371,900	4,400,000	360,000	2,800,000	677.8%
Total Expenditures	68,097,052	69,795,108	70,141,597	54,965,900	(21.6%)

NOTE: As a result of the shortened Budget Year to eight months, the expected change between budget years would be a base decrease of 33.4%. **Personal Services** increased due to pension, health insurance, and wage adjustments. **Contractual Services** increased due to the timing of expenditures during the shorter budget year for Street and Sidewalk Maintenance, Equipment Rental and Tree Services. In Addition, vehicle lease charges increased as a result of higher Fire and Public Works' vehicle lease charges associated with the replacement of an ambulance, ladder truck and dump truck which had reached the end of their useful lives. **Commodities** increased due to the timing of the in-house paving program costs. **Other Charges** include the annual Sales Tax Abatement 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 FY2015 budget shows that there is \$279,500 remaining of the original \$332,500 contingency budget. **Transfers Out** increased due to a \$2,000,000 transfer to the Municipal Parking Fund and a \$500,000 transfer to the Storm Water Control Fund.

WHERE THE MONEY COMES FROM WATER & SEWER FUND REVENUES 8-MONTH PERIOD ENDING DECEMBER 2015



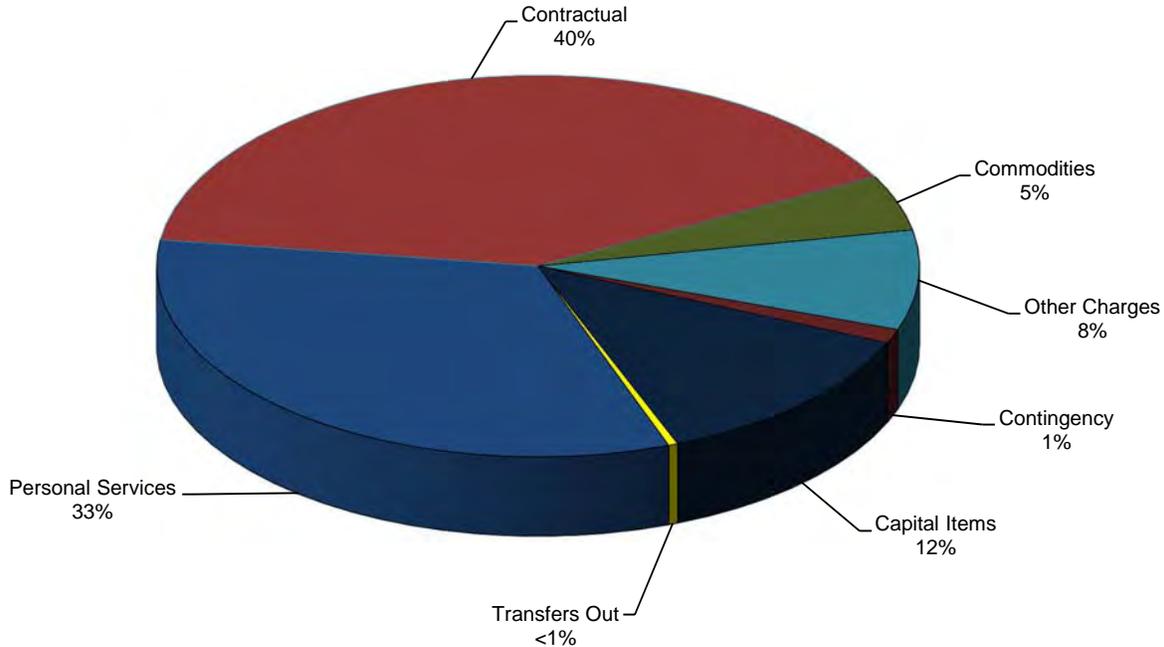
	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 BUDGET	8-Mo. End. Dec. 2015 BUDGET	% CHANGE
Services Charges	14,344,566	14,152,307	15,994,100	11,757,900	(26.5%)
Interest Income	12,455	10,762	11,000	7,400	(32.7%)
Sales/Reimbursable/Rent	143,446	91,314	84,000	56,200	(33.1%)
Other	105,873	(67,429)	15,000	10,100	(32.7%)
Total Revenues	14,606,340	14,186,954	16,104,100	11,831,600	(26.5%)

NOTE: As a result of the shortened Budget Year to eight months, the expected change between budget years would be a base decrease of 33.4%. **Service Charges** include sales for water and sewer service. Water consumption has been projected using a lower anticipated usage based on more recent historical trends. A combined water and sewer rate increase of 5% was previously approved effective as of May 1, 2015.

WHERE THE MONEY GOES

WATER & SEWER FUND EXPENDITURES

8-MONTH PERIOD ENDING DECEMBER 2015



	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 BUDGET	8-Mo. End. Dec. 2015 BUDGET	% CHANGE
Personal Services	5,590,527	5,785,780	6,023,900	4,085,800	(32.2%)
Contractual	5,374,510	5,536,514	6,078,360	4,997,600	(17.8%)
Commodities	741,598	643,909	976,159	589,400	(39.6%)
Other Charges	1,452,805	1,501,686	1,516,000	1,053,700	(30.5%)
Contingency	0	0	138,997	150,000	7.9%
Capital Items	1,388,368	928,839	1,448,949	1,551,500	7.1%
Transfers Out	0	0	80,000	50,000	(37.5%)
Total Expenditures	14,547,808	14,396,728	16,262,365	12,478,000	(23.3%)

NOTE: As a result of the shortened Budget Year to eight months, the expected change between budget years would be a base decrease of 33.4%. **Personal Services** increased due to pension, health insurance, and wage adjustments. **Contractual** increased due to budget detail movement to the Water Distribution System account for water main break, landscape and pavement repairs from Commodities. In addition, payments to the Northwest Water Commission was increased due to higher water usage during the May to December time period. Vehicle lease charges increased as a result of higher vehicle lease charges associated with the replacement of a dump truck which had reached the end of its useful life. Commodities decreased mainly from the budget detail movement from Street and Sidewalk Supplies to Contractual. **Other Charges** include the Administrative Service Charge paid to the General Fund. **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 FY2015 budget shows that \$138,997 remains of the original \$175,900 contingency budget. **Capital Items** increased from the prior year due to budgeted increases for the water tank painting and the automatic meter reading system projects and timing of the work.

VILLAGE OF ARLINGTON HEIGHTS
EMPLOYEE CENSUS

Ten Year Analysis

DEPARTMENT		FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	8 Mon. Per. Ending Dec. 2015
Manager's Office	Full-Time	5.50	5.50	6.50	6.50	6.00	6.00	6.00	6.00	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	4.50	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	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Part-Time	3.00	3.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	Full-Time	19.00	19.00	19.00	18.00	17.00	17.00	17.00	17.00	18.00	18.00
	Part-Time	3.00	3.00	3.00	2.00	2.00	1.00	1.00	1.00	0.00	0.00
IT/GIS	Full-Time	7.00	7.00	7.00	7.00	7.00	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	146.00	148.00	148.00	146.00	138.00	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	3.00	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	105.00	114.00	114.00	113.00	110.00	109.00	109.00	109.00	109.00	109.00
	Part-Time	1.00	1.00	1.00	1.00	1.00	3.00	3.00	3.00	3.00	3.00
Planning & Comm Devlp	Full-Time	11.00	11.00	11.00	11.00	9.00	9.00	9.00	9.00	9.00	9.00
	Part-Time	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building Services	Full-Time	18.00	18.00	19.00	18.00	17.00	15.00	15.00	15.00	17.00	17.00 (1)
	Part-Time	0.00	1.00	1.00	1.00	1.00	3.00	3.00	3.00	0.00	0.00
Health Services	Full-Time	11.00	11.00	11.00	11.00	10.00	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	2.00	0.00	0.00	0.00	0.00	0.00	0.00
	Part-Time	3.00	3.00	3.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Services	Full-Time	2.00	2.00	2.00	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	6.00	5.00	5.00	5.00	5.00
Engineering	Full-Time	13.00	13.00	13.00	12.00	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	49.00	50.00	49.00	44.00	42.00	42.00	42.00	42.00	42.00
	Part-Time	0.00	0.00	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	41.00	40.00	40.00	40.00	40.00	40.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	0.00	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
TOTAL	Full-Time	449.00	458.00	460.00	452.00	426.00	417.00	417.00	417.00	419.00	419.00
	Part-Time	20.00	21.00	23.00	21.00	17.00	20.00	20.00	20.00	16.00	16.00
TOTAL EMPLOYEES		469.00	479.00	483.00	473.00	443.00	437.00	437.00	437.00	435.00	435.00
INCREASE (DECREASE)		(7.00)	10.00	4.00	(10.00)	(30.00)	(6.00)	0.00	0.00	(2.00)	0.00
FULL-TIME EQUIVALENTS (FTE)		458.50	468.25	471.75	462.75	434.50	427.00	427.25	427.25	427.25	427.25
INCREASE (DECREASE)		(5.50)	9.75	3.50	(9.00)	(28.25)	(7.50)	0.25	0.00	0.00	0.00

(1) The full-time Director of Building & Health Services position is split 50/50 between Building Services and Health Services 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
8-Month Period Ending December 31, 2015

OPERATION	STAFFING			EXPENDITURES			
	FY2015 Budget	8 Mo. Per. Ending Dec. 2015 Budget	Inc (Dec)	FY2015 Budget	8 Mo. Per. Ending Dec. 2015 Budget	\$ Inc (Dec)	% Inc (Dec)
Board of Trustees	0.00	0.00		\$202,700	\$139,300	(\$63,400)	(31.3%)
Village Manager	5.00	5.00		985,200	642,000	(343,200)	(34.8%)
Human Resources	4.00	4.00		15,030,900	10,054,100	(4,976,800)	(33.1%)
Legal	2.75	2.75		775,400	534,500	(240,900)	(31.1%)
Finance/T/GIS	24.00	24.00		5,159,000	4,016,400	(1,142,600)	(22.1%)
Boards & Commissions	0.00	0.00		252,000	170,000	(82,000)	(32.5%)
Metropolis Theater	0.00	0.00		722,000	196,900	(525,100)	(72.7%)
Police/Police Grant	139.00	139.00		25,003,178	18,460,100	(6,543,078)	(26.2%)
Fire	110.50	110.50		20,972,958	16,206,000	(4,766,958)	(22.7%)
Planning & Community Development	9.00	9.00		3,205,046	2,408,400	(796,646)	(24.9%)
Building & Health Services	29.50	29.50		4,417,920	3,062,500	(1,355,420)	(30.7%)
Engineering	10.00	10.00		11,077,373	6,785,000	(4,292,373)	(38.7%)
Public Works	42.25	42.25		17,495,347	14,795,600	(2,699,747)	(15.4%)
Criminal Investigations	0.00	0.00		123,976	141,300	17,324	14.0%
Foreign Fire Insurance Tax	0.00	0.00		170,200	111,200	(59,000)	(34.7%)
Comm Development Block Grant Progr	0.00	0.00		239,095	298,420	59,325	24.8%
Water Utility Operations	40.75	40.75		13,825,062	10,276,700	(3,548,362)	(25.7%)
Parking Operations	0.00	0.00		674,800	507,400	(167,400)	(24.8%)
Solid Waste Disposal	0.00	0.00		1,522,900	924,300	(598,600)	(39.3%)
Municipal Fleet Services	10.50	10.50		2,258,689	1,554,000	(704,689)	(31.2%)
Pensions	0.00	0.00		11,748,800	8,228,600	(3,520,200)	(30.0%)
Capital Projects - Water/Sewer	0.00	0.00		1,116,706	1,217,900	101,194	9.1%
Capital Projects - Equipment	0.00	0.00		4,576,897	829,200	(3,747,697)	(81.9%)
Capital Projects - Public Buildings	0.00	0.00		750,000	500,000	(250,000)	(33.3%)
Debt Service	0.00	0.00		7,894,148	7,858,549	(35,599)	(0.5%)
Sub-Total	427.25	427.25	0.00	\$150,200,295	\$109,918,369	(\$40,281,926)	(26.8%)
Non-Operating & Transfers Out	N/A	N/A	N/A	10,367,848	9,514,713	(853,135)	(8.2%)
TOTAL	427.25	427.25	0.00	\$160,568,143	\$119,433,082	(\$41,135,061)	(25.6%)

VILLAGE OF ARLINGTON HEIGHTS

INTERFUND TRANSFERS 8-Month Period Ending December 2015

FUND	IN	OUT	PURPOSE
101 General (Corporate) Fund		300,000	Employee medical insurance (to Fund 605)
		2,000,000	Parking garage maintenance (to Fund 235)
		500,000	Storm water control (to Fund 426)
	<u>\$0</u>	<u>\$2,800,000</u>	
215 CDBG Fund		150,000	2003B debt service for Senior Center (to Fund 301)
	<u>\$0</u>	<u>\$150,000</u>	
235 Parking Fund	2,000,000	0	Parking garage maintenance (from Fund 101)
	<u>\$2,000,000</u>	<u>\$0</u>	
261 TIF III Fund		265,000	2003A debt service (to Fund 301)
	<u>\$0</u>	<u>\$265,000</u>	
264 TIF V Fund		440,513	2005 debt service (to Fund 301)
	<u>\$0</u>	<u>\$440,513</u>	
301 Debt Service Fund	150,000		Abatement of taxes for 2003B (from Fund 215)
	265,000		Abatement of taxes for 2003A (from Fund 261)
	440,513		Abatement of taxes for 2005 (from Fund 264)
	<u>\$855,513</u>	<u>\$0</u>	
401 Capital Projects Fund		3,400,000	Parkway tree replacements (to Fund 435)
	<u>\$0</u>	<u>\$3,400,000</u>	
426 Storm Water Control Fund	500,000		Storm water control (from Fund 101)
	<u>\$500,000</u>	<u>\$0</u>	
435 EAB Fund	3,400,000		Parkway tree replacements (from Fund 401)
	<u>\$3,400,000</u>	<u>\$0</u>	
505 Water & Sewer Fund		50,000	Employee medical insurance (to Fund 605)
	<u>\$0</u>	<u>\$50,000</u>	
605 Health Insurance Fund	300,000		Employee medical insurance (from Fund 101)
	50,000		Employee medical insurance (from Fund 505)
		1,223,600	Retiree medical insurance (to Fund 606)
	<u>\$350,000</u>	<u>\$1,223,600</u>	
606 Retiree Health Ins Fund	1,223,600		Retiree medical insurance (from Fund 605)
	<u>\$1,223,600</u>	<u>\$0</u>	
TOTAL	<u>\$8,329,113</u>	<u>\$8,329,113</u>	

CIP / Debt Service

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

The Village of Arlington Heights prepares annually a Capital Improvement Program (CIP) for the five-year period beginning with the next fiscal year. The CIP is a planning document which is reviewed by the Village Board and is prepared by the Village Manager and Finance Director with the assistance of all Department Heads. Included are capital expenditures projected to cost in excess of \$10,000 and have an expected lifetime of one or more years. The CIP is subject to further review and approval by the Village Board during the final budget process, based on available resources and expenditure requirements of the operations budget. What follows is a summary of all CIP expenditures and projects included in the budget for the 8 Month Period Ending December 2015.

CAPITAL SPENDING

Building & Land	\$ 2,586,200
Equipment	1,197,400
Sewer	1,225,000
Signals	509,000
Streets	7,563,800
Vehicles	829,200
Water	917,900
TOTAL	<u>\$ 14,828,500</u>

CAPITAL FUNDING

Capital Projects Fund	\$ 5,851,900
Water & Sewer Fund	1,576,500
Motor Fuel Tax Fund	806,500
Municipal Parking Operations Fund	912,500
TIF IV	500,000
Storm Water Control Fund	900,000
Public Building Fund	525,000
Emerald Ash Borer (EAB) Fund	2,602,100
Arts, Entertainment & Events (A&E) Fund	83,000
Fleet Operations Fund	829,200
Technology Fund	241,800
TOTAL	<u>\$ 14,828,500</u>

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

CAPITAL SPENDING	FUND	PROJ #	2014-15	2014-15	8 MO. PER.	2016	2017	2018	2019
			EST ACT	BUDGET	ENDING DEC. 2015	BUDGET	BUDGET	BUDGET	BUDGET
Building & Land									
Overhead Door Replacement	Cap Proj	BL-90-04	10,000	10,000	36,700	15,000	20,000	20,000	20,000
Public Works Annex Improvements	Cap Proj	BL-93-02	10,000	10,000	6,700	10,000	10,000	10,000	10,000
Public Works Annex Improvements	Water	BL-93-02	20,000	20,000	13,400	20,000	20,000	20,000	20,000
Building Equipment Replacement	Cap Proj	BL-95-04	30,000	30,000	80,100	30,000	30,000	30,000	30,000
Municipal Buildings Refurbishing	Cap Proj	BL-95-05	32,000	32,000	81,400	32,000	32,000	32,000	32,000
Roof Maintenance Program	Cap Proj	BL-95-06	179,000	179,000	164,000	398,000	403,700	29,500	424,000
Roof Maintenance Program	Water	BL-95-06	38,500	38,500	78,000	103,300	0	0	0
Heating Plant/Air Conditioner Replacement	Cap Proj	BL-96-01	30,000	30,000	50,000	55,000	40,000	45,000	30,000
Ongoing Maintenance to Brick Exterior	Parking	BL-96-03	5,000	5,000	3,500	5,000	5,000	5,000	5,000
Ongoing Maintenance to Brick Exteriors	Cap Proj	BL-96-03	25,000	24,970	23,400	20,000	20,000	30,000	20,000
Historical Society Museum - Building Repairs	Cap Proj	BL-96-04	33,600	33,614	75,000	25,000	100,000	25,000	25,000
Parking Structure Maintenance/Repairs	Parking	BL-00-06	75,000	75,000	819,000	500,000	1,120,000	175,300	14,000
Police Building Maintenance	Pub Bld	BL-10-04	25,000	25,000	25,000	0	0	0	0
Other Building Costs	Pub Bld	BL-11-10	0	0	0	0	1,000,000	1,400,000	2,000,000
Fire Department Training Tower Renovation	Cap Proj	BL-13-10	14,700	14,699	0	0	0	0	0
Phone System Upgrade	Pub Bld	BL-13-15	251,500	251,455	0	0	0	0	0
Security Cameras in Parking Garages	Parking	BL-14-01	0	30,000	0	0	0	0	0
Parking Structure Evaluation	Parking	BL-14-10	1,200	1,176	0	0	0	0	0
Metropolis Theater Lobby	A&E	BL-15-01	0	30,000	30,000	0	0	0	0
Metropolis Theater Seating Repl/Repair	A&E	BL-15-02	0	20,000	20,000	20,000	20,000	0	0
TIF IV Redevelopment	TIF IV	BL-16-05	250,000	500,000	500,000	500,000	500,000	500,000	500,000
North Garage Expansion	Parking	BL-15-20	0	0	80,000	0	0	0	0
Police Station - Architect/CM Fees	Pub Bld	BL-16-01	71,000	750,000	500,000	800,000	550,000	550,000	300,000
Metropolis Theater Stage Curtains Repl	A&E	BL-16-02	0	0	0	30,000	0	0	0
Police Station - Construction	Pub Bld	BL-16-10	0	0	0	0	5,000,000	15,000,000	5,000,000
Police Station - Contingency	Pub Bld	BL-16-20	0	0	0	0	0	0	3,500,000
Metropolis Theater Dressing Rms/Green Rm	A&E	BL-17-01	0	0	0	0	25,000	0	0
Metropolis Theater Storage	A&E	BL-17-02	0	0	0	0	25,000	0	0
Sub-Total Building & Land			1,101,500	2,110,414	2,586,200	2,563,300	8,920,700	17,871,800	11,930,000
Equipment									
Operational Equipment - Public Works	Cap Proj	EQ-94-01	133,800	133,839	163,400	163,800	100,800	75,800	153,800
Operational Equipment - Public Works	Water	EQ-94-01	243,500	243,546	125,400	139,700	211,000	101,000	95,500
Operational Equipment - Police Department	Cap Proj	EQ-95-01	85,700	85,715	61,400	37,500	34,500	43,500	55,000
Operational Equipment - Fire Department	Cap Proj	EQ-95-02	151,600	151,582	134,000	227,000	121,000	136,000	83,000
Office Equipment	Cap Proj	EQ-95-03	40,000	40,000	37,000	35,000	35,000	35,000	35,000
Office Equipment	Water	EQ-95-03	20,200	15,000	12,500	15,000	15,000	15,000	15,000
Operational Equipment - Municipal Fleet Services	Cap Proj	EQ-97-01	42,200	42,189	44,600	42,600	10,500	11,700	31,000
IT Equipment Replacement	IT	EQ-97-08	236,800	236,800	241,800	241,800	241,800	241,800	241,800
Emergency Generator Upgrade	Water	EQ-99-02	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operational Equipment - Information Technology	Cap Proj	EQ-01-03	80,000	80,000	180,000	135,000	80,000	80,000	95,000
Operational Equipment - Engineering Department	Cap Proj	EQ-01-04	5,000	5,000	15,000	5,000	0	5,000	0
Equipment Replacement - Metropolis	A&E	EQ-06-03	7,900	33,000	33,000	34,000	35,000	36,000	37,000
Patrol Vehicle Equipment Replacement Program	Cap Proj	EQ-08-03	38,100	38,053	35,000	35,000	30,000	30,000	30,000
Operational Equipment - Municipal Parking Fund	Parking	EQ-09-01	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Electrical Generator Replacement	Water	EQ-15-20	0	0	25,000	795,700	0	20,000	869,500
SCADA Enhancements	Water	EQ-15-25	0	0	8,000	30,000	10,000	30,000	58,000
Pumps & Motor Controls Rehab/Repl	Water	EQ-15-30	0	0	61,300	94,900	72,700	189,100	155,400
Metropolis Theater Lighting Systems & Equip	A&E	EQ-16-01	0	0	0	40,000	0	0	0
Alternative Fuel System Implementation	Cap Proj	EQ-16-05	0	0	0	30,000	200,000	0	0
Police Station - FF&E / Security	Pub Bld	EQ-16-10	0	0	0	0	0	0	2,500,000
Metropolis Theater Classroom Technology	A&E	EQ-17-01	0	0	0	0	10,000	0	0
Sub-Total Equipment			1,104,800	1,124,724	1,197,400	2,122,000	1,227,300	1,069,900	4,475,000
Sewers									
Sewer Rehab/Replacement Program	Water	SW-90-01	300,000	300,000	300,000	325,000	350,000	375,000	400,000
Neighborhood Drainage Improvements	FLDV	SW-11-02	306,100	305,118	300,000	300,000	300,000	300,000	300,000
Flood Study	FLDV	SW-13-02	112,200	112,213	0	0	0	0	0
Utility Modeling	FLDV	SW-13-03	144,500	144,542	0	0	0	0	0
McDonald Creek Bank Stabilization Project	FLDV	SW-14-01	63,300	64,635	0	0	0	0	0
Sewer Backup Rebate Program	FLDV	SW-15-01	100,000	100,000	100,000	0	0	0	0
Sewer Back-up Rebate Program	Water	SW-15-01	25,000	25,000	25,000	100,000	100,000	100,000	100,000
Storm Water Rehab/Replacement Program	FLDV	SW-15-20	0	0	500,000	500,000	500,000	500,000	500,000
Sub-Total Sewers			1,051,100	1,051,508	1,225,000	1,225,000	1,250,000	1,275,000	1,300,000

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

CAPITAL SPENDING (continued)	FUND	PROJ #	2014-15	2014-15	8 MO. PER.	2016	2017	2018	2019
			EST ACT	BUDGET	ENDING DEC. 2015	BUDGET	BUDGET	BUDGET	BUDGET
Signals									
Traffic Signal Maintenance	MFT	SG-03-02	99,700	116,900	76,500	103,500	105,500	107,700	109,900
Traffic Signal Imprv at Northwest Hwy/Wilke	Cap Proj	SG-08-02	73,600	73,597	325,000	0	0	0	0
Dundee Rd/Kennicott Ave Pedestrian Actuation	Cap Proj	SG-14-05	0	0	0	150,000	0	0	0
Traffic Signal Pedestrian Upgrade - Central at Arthur	Cap Proj	SG-14-10	0	0	50,000	0	0	0	0
Traffic Signals LED Upgrade	Cap Proj	SG-14-15	0	24,310	0	0	0	0	0
Arl Hts Rd - Sigwalt St/Miner St Interconnection	Cap Proj	SG-16-05	0	15,000	15,000	0	0	0	0
Euclid Ave - Arl Hts Rd/Dunton St Interconnection	Cap Proj	SG-16-10	0	0	42,500	0	0	0	0
Sub-Total Signals			173,300	229,807	509,000	253,500	105,500	107,700	109,900
Streets									
Street Resurfacing Program	Cap Proj	ST-90-08	4,254,700	4,202,696	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Street Rehabilitation Program	MFT	ST-90-09	3,047,000	2,912,497	30,000	2,130,000	2,130,000	2,130,000	2,130,000
Sidewalk & Curb Replacement	Cap Proj	ST-90-11	335,000	335,000	345,000	355,000	365,000	375,000	385,000
Pavement Crack Sealing Program	Cap Proj	ST-92-01	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Green Corridor Beautification	TIF IV	ST-99-03	0	0	0	95,000	0	0	0
Green Corridor Beautification	Cap Proj	ST-99-03	11,700	11,682	0	0	0	0	0
Street Light Cable Replacement	Cap Proj	ST-00-01	10,000	10,000	6,700	10,000	10,000	10,000	10,000
Gateway Signs & Beautification	Cap Proj	ST-01-01	34,200	34,249	0	0	0	0	0
Paver Brick Maintenance	Cap Proj	ST-05-01	61,400	61,354	50,000	50,000	50,000	50,000	50,000
Northwest Hwy/Davis Street/Arthur Avenue	Cap Proj	ST-05-03	316,600	694,608	0	0	0	0	0
Parking Lot Resurfacing	Cap Proj	ST-09-01	112,400	112,362	60,000	0	0	0	0
McDonald Creek Bike Trail Repair	Cap Proj	ST-09-03	8,700	8,676	0	0	0	0	0
Douglas Avenue Multi-Use Path	Cap Proj	ST-09-04	22,400	22,354	0	0	0	0	0
Algonquin Road Street Lighting	MFT	ST-09-12	0	167,000	0	0	0	0	0
Commuter Drive Reconstruction	Cap Proj	ST-11-05	100,000	162,000	0	0	0	0	0
Davis/Sigwalt Streets Fencing/Landscape Upgrade	Cap Proj	ST-12-01	11,100	11,060	0	0	0	0	0
Parkway Ash Tree Removal/Replacement Proj	EAB	ST-13-20	3,374,300	3,374,320	2,602,100	726,600	289,900	0	0
Downtown Street Furniture	Cap Proj	ST-14-01	10,000	10,000	35,000	35,000	50,000	10,000	10,000
Nichols Road Reconstruction	MFT	ST-15-05	0	0	450,000	0	0	0	0
Walnut Avenue Reconstruction	MFT	ST-15-10	0	0	250,000	0	0	0	0
Downtown Streetscape Improvements	Cap Proj	ST-15-35	0	0	35,000	0	0	0	0
Sub-Total Streets			11,809,500	12,229,858	7,563,800	7,101,600	6,594,900	6,275,000	6,285,000
Vehicles									
Vehicle and Special Equipment Repl - PW	Fleet	VH-95-01	1,773,800	1,773,849	143,000	924,000	425,000	621,000	1,182,000
Vehicle and Special Equipment Repl - W&S	Fleet	VH-95-02	449,100	449,063	151,000	602,000	358,500	753,000	261,000
Vehicle Replacement - Police Department	Fleet	VH-95-03	200,000	356,840	178,500	228,000	412,000	342,000	379,000
Vehicle Replacement - Fire Department	Fleet	VH-95-04	1,787,400	1,787,360	111,000	23,000	920,000	170,000	213,000
Vehicle Replacement - Municipal Fleet Services	Fleet	VH-95-06	71,800	71,785	0	0	0	0	48,000
Vehicle Replacement - Municipal Parking Operations	Fleet	VH-95-08	0	0	44,000	65,000	0	0	0
Vehicle Replacement - Building & Health Services	Fleet	VH-95-10	66,000	66,000	154,000	22,000	0	0	0
Vehicle Replacement - Engineering Department	Fleet	VH-95-11	50,000	50,000	47,700	25,000	22,000	25,000	0
Vehicle Replacement - Planning Department	Fleet	VH-95-12	22,000	22,000	0	22,000	0	0	0
Vehicle Replacement - IT/GIS Department	Fleet	VH-95-15	0	0	0	23,000	0	0	0
Sub-Total Vehicles			4,420,100	4,576,897	829,200	1,934,000	2,137,500	1,911,000	2,083,000
Water									
Watermain Replacement Program	Water	WA-90-01	485,000	485,000	500,000	1,000,000	1,500,000	2,000,000	2,500,000
Automatic Meter Reading System	Water	WA-03-02	100,000	100,000	154,500	318,300	633,800	652,800	672,400
Water Tank Repainting	Water	WA-11-01	233,500	200,000	237,600	868,200	936,900	0	1,456,900
Deep Well Rehabilitation	Water	WA-11-02	0	0	25,800	291,700	27,300	28,100	0
Sub-Total Water			818,500	785,000	917,900	2,478,200	3,098,000	2,680,900	4,629,300
Total Capital Spending			20,478,800	22,108,208	14,828,500	17,677,600	23,333,900	31,191,300	30,812,200

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

CAPITAL FUNDING BY FUND	2014-15	2014-15	8 MO. PER.	2016	2017	2018	2019
	EST ACT	BUDGET	ENDING DEC. 2015	BUDGET	BUDGET	BUDGET	BUDGET
Capital Projects Fund	6,402,500	6,829,609	5,851,900	5,595,900	5,442,500	4,783,500	5,228,800
Water & Sewer Fund	1,475,700	1,437,046	1,576,500	4,111,800	3,886,700	3,541,000	6,352,700
Motor Fuel Tax Fund	3,146,700	3,196,397	806,500	2,233,500	2,235,500	2,237,700	2,239,900
Municipal Parking Operations Fund	91,200	121,176	912,500	515,000	1,135,000	190,300	29,000
TIF IV Fund	250,000	500,000	500,000	595,000	500,000	500,000	500,000
Storm Water Control Fund	726,100	726,508	900,000	800,000	800,000	800,000	800,000
Public Buildings Fund	347,500	1,026,455	525,000	800,000	6,550,000	16,950,000	13,300,000
Emerald Ash Borer (EAB) Fund	3,374,300	3,374,320	2,602,100	726,600	289,900	0	0
Arts, Entertainment & Events Fund	7,900	83,000	83,000	124,000	115,000	36,000	37,000
Fleet Operations Fund	4,420,100	4,576,897	829,200	1,934,000	2,137,500	1,911,000	2,083,000
Technology Fund	236,800	236,800	241,800	241,800	241,800	241,800	241,800
Total Capital Funding	20,478,800	22,108,208	14,828,500	17,677,600	23,333,900	31,191,300	30,812,200

CAPITAL FUNDING BY REVENUE SOURCE	2014-15	2014-15	8 MO. PER.	2016	2017	2018	2019
	EST ACT	BUDGET	ENDING DEC. 2015	BUDGET	BUDGET	BUDGET	BUDGET
Charges to Operations	3,318,400	3,318,400	1,071,000	2,175,800	2,379,300	2,152,800	2,324,800
Motor Fuel Tax Allotment	1,809,900	1,809,900	806,500	1,809,900	1,809,900	1,809,900	1,809,900
Taxes							
Food & Beverage Tax	7,900	33,000	33,000	34,000	35,000	36,000	37,000
Property Tax	2,800,000	2,800,000	2,900,000	3,000,000	3,100,000	3,200,000	3,300,000
Property Tax Increment	250,000	500,000	400,000	500,000	500,000	500,000	500,000
Sales Tax Home Rule	1,711,000	1,711,000	1,200,000	1,798,000	1,852,000	1,583,500	1,928,800
Water Sales	1,475,700	1,437,046	1,576,500	4,111,800	3,886,700	3,541,000	6,352,700
Bond Proceeds	1,891,500	2,318,609	0	800,000	0	8,000,000	11,500,000
Other (including interest income)	369,600	375,676	18,500	555,000	1,306,000	345,800	184,500
Grants/State/Federal/County/Private	668,300	334,100	0	0	0	0	0
Operating Transfer In	600,000	3,374,320	4,014,600	726,600	0	0	0
Cash on Hand/Reserves	5,576,500	4,096,157	2,808,400	2,166,500	8,465,000	10,022,300	2,874,500
Total Capital Funding	20,478,800	22,108,208	14,828,500	17,677,600	23,333,900	31,191,300	30,812,200

DEBT SUMMARY

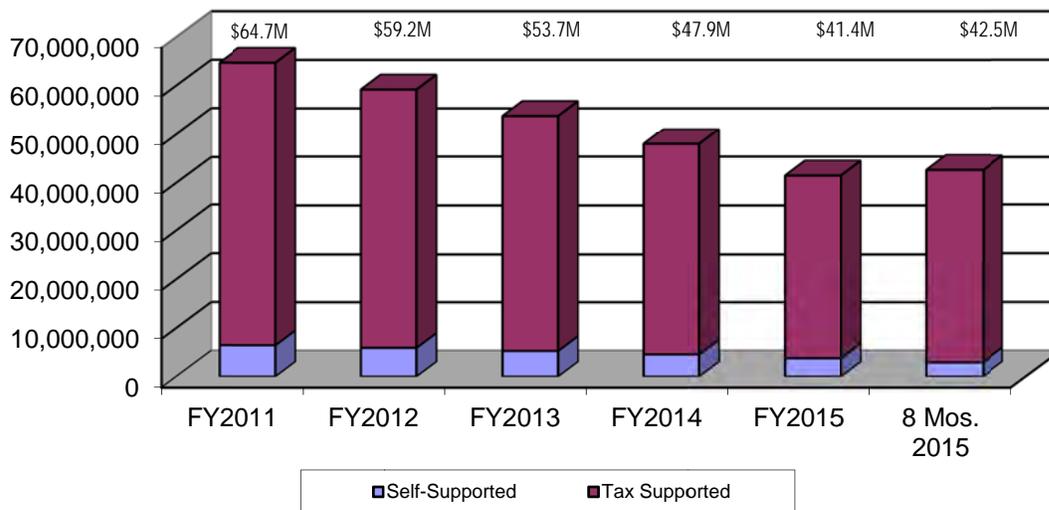
OVERVIEW AND DEBT FINANCING PRINCIPLES

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.

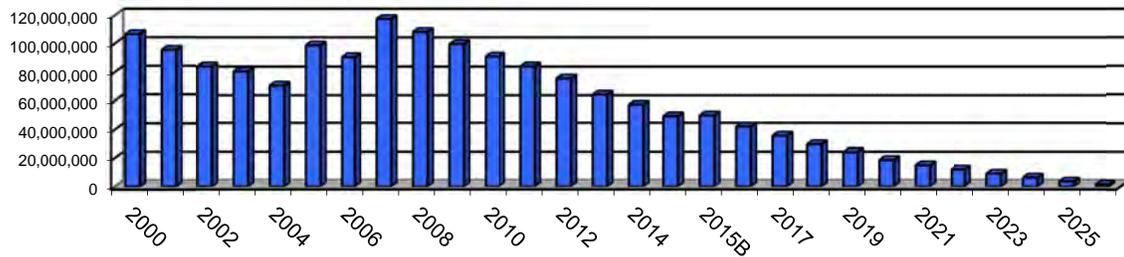
VILLAGE OF ARLINGTON HEIGHTS
Outstanding Bond Debt (Principal Only)
Fiscal Years Ending 2011 through 2015



DEBT SUMMARY

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

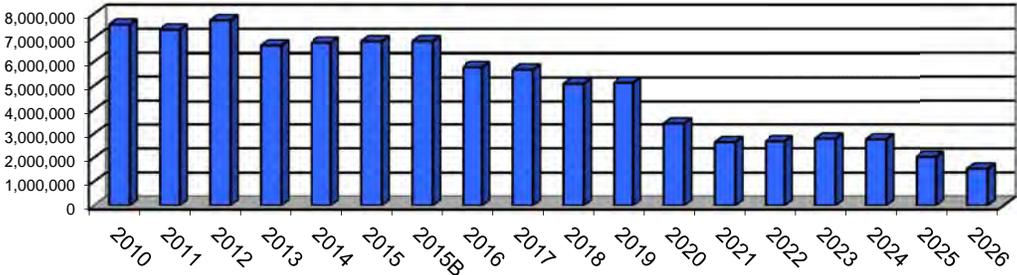
The Village’s general obligation bond rating is Aa1 from Moody’s Investors Service. A general obligation bond has the full faith and credit of the Village pledged. The general obligation alternate revenue bonds, which are a pledge of a specific revenue source, (i.e. utility taxes, sales taxes, water 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

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 APRIL 30, 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	500,000
2003B G. O. Refunding Bonds	Advance Refunding of 1997B Senior Center Bonds	3,330,000	12/1/2016	620,000
2005 G. O. TIF V Bonds	TIF District Improvement	2,235,000	12/1/2015	425,000
2006 G. O. Public Building Bonds	Construction and equipping of the new Village Hall	20,000,000	12/1/2019	3,400,000
2006A G. O. Refunding Bonds	Refunding of 1997C and 1998A Bonds	16,515,000	12/1/2018	1,295,000
2010 G. O. Refunding Bonds	Refunding of 2002A NW Central Dispatch Bonds	2,855,000	12/1/2022	2,000,000
2011 G. O. Refunding Bonds	Partial Refunding of 2004 Public Building Bonds	9,925,000	12/1/2026	9,665,000
2012A G. O. Refunding Bonds	Partial Refunding of 2004 Public Building Bonds	9,670,000	12/1/2022	9,290,000
2013 G. O. Refunding Bonds	Partial Refunding of 2006 Public Building Bonds	7,755,000	12/1/2019	7,720,000
2014 G. O. Road Improvement Bonds	Street resurfacing and sidewalk replacement	8,000,000	12/1/2020	7,625,000
TOTAL ALL BONDS				42,540,000

ANNUAL DEBT SERVICE REQUIREMENTS

(PRINCIPAL AND INTEREST)

ISSUE	FUNDING SOURCE	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	8 Month Period Ending Dec. 2015 BUDGET
2003B Refunding of 1997B Senior Center	Property Tax	378,850	387,794	370,200	352,400	334,800
2004 Public Buildings	Property Tax	797,350	108,000	104,000	0	0
2006 Public Buildings	Property Tax	1,672,000	2,032,000	1,914,000	1,592,000	3,536,000
2006A Refunding of 1997C & 1998A	Property Tax	2,883,600	1,728,000	349,400	353,400	356,800
2009A Refunding of 2001	Property Tax	1,350,900	1,292,400	2,739,600	2,905,875	0
2009B Street Resurfacing	Property Tax	418,325	440,725	462,525	517,625	0
2011 Partial Refunding of 2004 Public Bldg	Property Tax	231,771	424,500	423,700	442,900	441,700
2012A Partial Refunding of 2004 Public Bldg	Property Tax	0	271,167	276,200	374,500	370,800
2013 Partial Refunding of 2006 Public Bldg	Property Tax	0	0	79,847	322,450	321,750
2014 Road Improvements	Property Tax	0	0	0	0	1,501,658
SUBTOTAL - PROPERTY TAX		7,732,796	6,684,585	6,719,472	6,861,150	6,863,508
2003A Refunding of 1997A TIF III	TIF Property Tax Increments	259,163	261,731	263,400	264,400	265,000
2005 TIF V	TIF Property Tax Increments	294,593	351,838	391,788	429,713	440,513
SUBTOTAL - TIF FUNDING		553,756	613,569	655,188	694,113	705,513
2010 Refunding of 2002A NWCDs Building	Northwest Central Dispatch Rent	269,863	271,863	278,788	275,563	281,800
SUBTOTAL - OPERATING REVENUE		269,863	271,863	278,788	275,563	281,800
TOTAL		8,556,414	7,570,017	7,653,447	7,830,825	7,850,821