

**VILLAGE OF  
ARLINGTON HEIGHTS, ILLINOIS**

**ADOPTED**  
**BUDGET-IN-BRIEF**  
**FISCAL YEAR 2014-15**  
BEGINNING MAY 1, 2014



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

# VILLAGE OF ARLINGTON HEIGHTS

BUDGET-IN-BRIEF  
FISCAL YEAR 2014-15  
BEGINNING MAY 1, 2014

**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	William C. Dixon
Assistant to the Village Manager	Diana Mikula
Village Attorney	Jack Siegel
Prosecuting Attorney	Ernest R. Blomquist
Assistant Village Attorney	Robin Ward
Village Clerk	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*

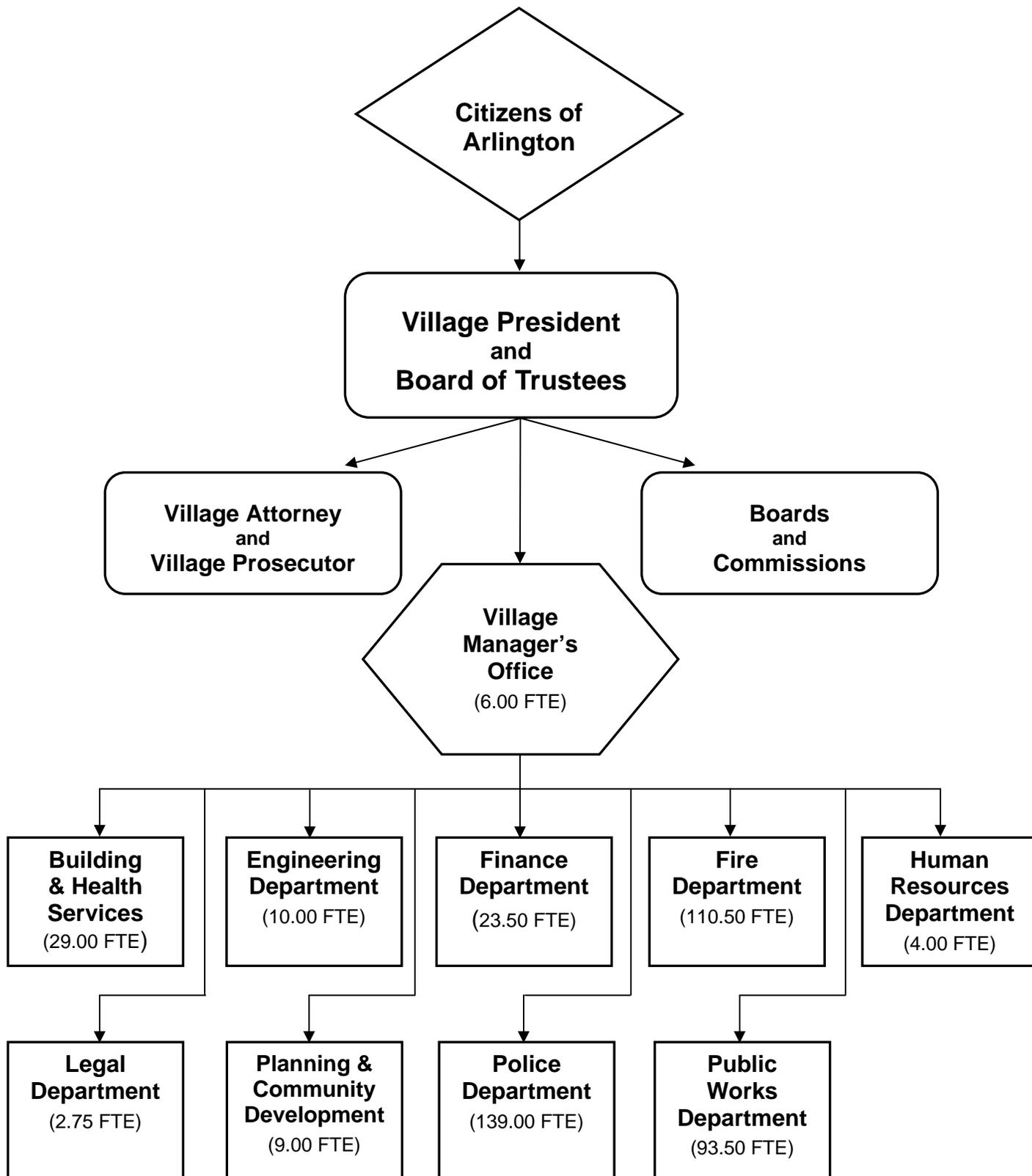
Director of Planning & Community Development	Charles Witherington-Perkins
Director of Engineering	Jim Massarelli

## *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

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

April 7, 2014

Dear President Hayes and Trustees:

I am hereby transmitting the Adopted Budget for the fiscal year beginning May 1, 2014 and ending April 30, 2015 (FY2015).

The Adopted FY2015 Budget assumes moderate improvements in our operating revenues for the foreseeable future. However, our local economy will continue to be susceptible to the effects of international, national, and state decisions. Once again, there are no new staff positions which mean that the 10% reduction in staffing levels implemented since the start of the recession in FY2009 will remain in place. Through this budget the Village seeks to maintain existing services and service levels. These results, coupled with the aggressive budget actions that have been taken over the last few years have allowed the Village to maintain its solid financial position.

During the economic downturn the Village continued to expend monies on capital improvements, including street rehabilitation and resurfacing, water and sewer main replacements, as well as maintaining our vehicle and equipment replacement schedule. By doing this we have avoided creating a backlog of capital expenditures which could have created fiscal stress in the future. The Village's capital projects continue to be a key priority for the Village, with capital and related debt service expenses representing nearly 20% of total FY2015 budget expenses.

A capital project challenge that will continue to require significant funding over the next couple of years is the cost associated with the arrival of the Emerald Ash Borer (EAB) beetle. The EAB problem is 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 FY2015 cost of this extension will be approximately \$135,000. However, this final extension will provide a benefit to the Village by helping advance staff's efforts beyond the crest of the EAB infestation. Initial funding for the EAB Fund came through prior year transfers from the General Fund. In late summer of 2014 a \$10 million bond issue is planned to be sold which will cover the Village's street resurfacing costs for the next three

years. This will free 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.

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 help survive 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 Village of Arlington Heights' goal is to provide responsive and fiscally responsible services to the community. These services are provided to enhance the safety, health and general welfare of the citizens and businesses within the community. The Village's service oriented philosophy continues to balance various community needs with municipal resources through a planned approach to the governance process. As a result of conservative budgeting practices, the Village is fortunate to remain in a strong 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 in FY2015, not including the Arlington Heights Memorial Library, comes to \$154,550,004, or a decrease of \$5.5 million or 3.4% less than prior fiscal year. This decrease is primarily attributable to three expenditure areas:

- The expenditures for the FY2015 Debt Service Fund are \$8.7 million less than the prior year. During FY2014 the Village refinanced its 2006 bonds at a lower interest rate in order to save \$493,000 over the remaining seven year life of the bonds. The entire cost of the refinancing, or about \$8.57 million was shown as an expenditure in FY2014 along with corresponding bond proceed revenue of \$8.62 million.
- The FY2015 Budget for vehicle replacements is about \$1.3 million lower than the prior year due to last fiscal year's replacement of a large Fire Department vehicle. The Fire Department's 1993 Pierce Aerial Tower was replaced at a cost of \$1,350,000.
- These decreases are offset somewhat by FY2015 Capital Projects Fund expenditures which are \$2.1 million higher than the prior year. As described above, available funds are

being transferred from the Capital Projects Fund to the EAB Fund to cover a portion of the costs to replace the Village's inventory of parkway ash trees. During FY2015 \$6.4 million is planned to be transferred from the Capital Projects Fund for this purpose. Outside of this transfer, the total of other Capital Project Fund expenditures decreased due to the completion of the Northwest Highway/Davis Street/Arthur Avenue Intersection Improvement project. Other Village funds increased by a net amount of \$2.4 million due increases in personal services, contractual services and the cost of commodities.

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 not part of the underfunded State 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 two years the stock market has improved and the funding levels of the Village's pension plans have risen.

In addition to the recently 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. The law also provided an immediate benefit by altering the amortization period for the Police and Fire Pension unfunded liabilities, extending it from 100% funding by 2033 to 90% funding by 2040. Although State statutes determine the structure of the Village's pension plans, over the last two years the Village Board and the Police and Fire Pension Boards have worked together to reduce the actuarial interest rate assumption for these plans from 7.5% to 6.75%. This is significantly lower than the national average interest rate assumption for public pension plans of about 8%. The goal of this internal change to the actuary's interest rate assumption was to present a more accurate funding position based on more recent long-term investment returns. This will help hold down the long-term growth of the unfunded public safety pension obligation and future Village contribution requirements.

### **Personnel Changes**

The Village has continued to look for ways to work as efficiently as possible. During the recent recession the Village reduced staffing levels while maintaining most of the Village's programs and service levels. This was accomplished by consolidating some positions as well as through efficiency improvements utilizing technology. In other cases, services were reduced or contracted out on an as-needed basis. Full-time equivalent (FTE) personnel changes from FY2009 compared to the FY2015 Budget still reflects a net decrease of 45 positions or about a 10% decrease.

A retirement in the Finance Department prompted a review during FY2013 of existing leadership positions in the department. The newly appointed Assistant Finance Director retained some of her prior Chief Accountant duties. The Chief Accountant position was then downgraded to an Accounting Manager position. This position was filled internally by an existing Village Accountant, and this position was subsequently downgraded to an Accounting Assistant position based on the

needs of the department. These changes resulted in a net annual savings of \$28,000 due to reduced wage and benefit costs.

There are also two changes that are personnel related, but do not increase the Village's personnel count. The Planning Department identified the need for additional staffing to maintain timely and accurate reviews. In lieu of hiring an additional temporary position, the FY2015 budget includes \$38,000 in contractual services to hire temporary planning consultants on an as needed basis. The Engineering Department also noted that additional assistance was needed during the busy construction season to ensure that all phone calls and walk-in customers are handled efficiently. Due to recent staff reductions the Village has received some complaints in regard to this Department's ability to handle calls when almost all of the Department's staff is in the field. To address this issue, \$10,900 is included in the Engineering Department's temporary help line item.

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 10% per year. Based on recent discussions with the Village's health insurance carrier, FY2015 health insurance costs are budgeted to increase by about 5.6% due to higher claims experience this past year, and as a result of the new required fees associated with the federal Affordable Care Act.

The balance of this budget message identifies the process that has been followed to prepare this financial plan for FY2015, 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 to the 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 number of public budget meetings at the Committee-of-the-Whole level. The Village Board subsequently holds a Public Hearing prior to adopting the annual budget in April of each year. A detailed calendar of the budget process immediately follows this transmittal letter.

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 FY2015 budget process for these funds are as follows:

	<u>General Fund</u>	<u>Water &amp; Sewer Fund</u>
Budget Ceiling	\$69,887,100	\$16,104,100
Adopted Budget	<u>69,887,100</u>	<u>16,104,100</u>
Over (Under) Ceiling	\$ 0	\$ 0

During the department reviews, the budget team and department directors worked to prepare a budget at or below the budget ceilings. The FY2015 General Fund and Water & Sewer Fund budgets fall within the budget ceilings established by the Village Board in November 2013.

During the Village's budget ceiling process described above, the Village Board lowered staff's originally proposed General Fund budget ceiling by cutting the contingency account budget by \$100,000. This was done so that the 2013 property tax levy could be reduced. It was hoped that as the FY2015 Budget was put together, staff could find other areas for savings in order to reinstate the reduced contingency amount. This was substantially accomplished even though this past season's extreme winter weather required the Village to increase its FY2015 salt expenditures by \$236,000 in order to restock the salt inventory. The changes made while developing the budget that affected the General Fund contingency account are shown below:

General Fund Contingency Account:

\$358,700	Staff proposed during budget ceiling process
<u>(100,000)</u>	<u>Village Board reduction</u>
\$258,700	Sub-total as of November 2013
\$326,200	Health insurance less than projection
43,800	Initial Department budget requests less than the ceiling
	<u>Expanded and other budget adjustments:</u>
8,700	Other miscellaneous budget adjustments
(38,000)	Planning – professional service budget
(20,000)	Planning – Comprehensive Plan
(10,900)	Engineering – Temporary Help
<u>(236,000)</u>	Replenish rock salt inventory
<u>\$332,500</u>	General Fund contingency account budget

## General Fund

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

- Property Tax	31% of revenues
- Sales Tax (including Home Rule)	23%
- Income Tax	10%
- Telecommunications Tax	5%

The revenues listed above represent the General Fund's primary growth revenues, which pay for annual cost increases. On the expenditure side, as a service organization, 79% of this Fund's expenditures are for Personal Services including benefits. On an operational basis, most of the Village's general expenditures are directed toward public safety, with the Police and Fire Departments comprising 65% of the total General Fund budget.

The Village has worked to be very prudent with General Fund monies. During the recent recession the Village drew down its reserves in FY2009 and FY2010. Over these two years the Village's General Fund revenue base decreased dramatically as sales, income, hotel, and telecommunication tax receipts all declined. In response, the Village Board and staff worked to reduce expenditures by eliminating positions, cutting some services and programs, and implementing revenue enhancements. During FY2009 and FY2010 the Village drew down its reserves by a combined \$4.5 million. In FY2011 the economy started to improve and slow but steady growth has continued through FY2014, and is expected to continue through FY2015.

In FY2015 the General Fund budget increases by 2.8% compared to the prior year. This is due primarily to increases in personal services, contractual services, and the cost of commodities. As noted above, the recent extreme winter weather has depleted the Village's salt inventory. Additional salt was purchased during FY2014, but its availability was limited. To replenish the Village's salt storage facility during FY2015, the Public Works Department has estimated an additional cost of \$236,000 over the normal annual budget of about \$250,000 will be required.

The FY2015 General Fund budget includes the third year of a limited in-house paving program with a total budgeted cost of \$394,100. The in-house paving program is intended to be an intermediate step to help prolong the life of streets that are not currently on the Village's street resurfacing and rehabilitation programs within the next five to seven years. The Village's Street Unit has found the roadway edge grinding and paving to be well received by residents. The expenditure for this program is shown in three separate Public Works Department line items: Street & Sidewalk Supplies, Other Services, and Rental Equipment.

The FY2015 budget reflects the third year of a three-year funding plan with Meet Chicago Northwest, formerly called the Woodfield Chicago Northwest Convention Bureau. The Village has had a long-standing partnership with Meet Chicago Northwest (Convention Bureau), but the Village's funding level had been uneven in recent years until the aforementioned three year agreement was implemented. As part of the Village's FY2010 General Fund expenditure cuts, funding to the Convention Bureau was decreased from 10% to 6% of Village hotel receipts. As the economy improved the Village and Convention Bureau established a funding plan that increased

the Village's contribution level to 7% of hotel receipts in FY2013 and 8% of hotel receipts in FY2014 and FY2015.

One of the Village's key goals is to continue to improve communications to and from our residents and businesses. During FY2014 the Village added functionalities to our website including a meeting agenda system that includes online access to agendas, background information on each agenda item, and meeting minutes. The Village also expanded online access to a web portal that allows visitors to search for and print out information found in the Village's Municipal Code, as well as ordinances and resolutions passed by the Board.

The FY2015 Budget includes funds for a complete revamp of the Village's website. Ever-changing technology offers opportunities which could enhance the ease of use and accessibility of information found on our website. Based on website re-engineering costs incurred by neighboring Villages, \$75,000 has been included in the budget for this project. Potential new functions that our website does not currently have include user-friendly navigation, fillable forms, 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 design and functionality since that time.

The budget seeks to maintain adequate funds for training, but also to hold the line on increases. An exception to this is the Fire Department budget which shows a training line item increase for two primary reasons. The Northwest Community Hospital EMS System has increased the cost to provide continuing education on a monthly basis to all Paramedics. These continuing education classes are taken by our Paramedics in order to maintain proficiency and licensure requirements. The Fire Department's training expenditure increase is also attributable to last year's closure of the Arlington Heights Fire Academy which previously covered basic Firefighter training. The Village now pays tuition through the Northern Illinois Public Safety Training Academy (NIPSTA) to train new firefighters. There are also training funds set aside for Instructor Training that will only be paid if the Department receives sufficient tuition reimbursements from outside students who attend training classes the Department may teach.

#### **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 affect on local governments. The State has fallen behind on its payments to vendors and various State agencies, causing some businesses and agencies to shutter their doors. As the State works to balance its budget there could be even more delayed or defaulted payments, which can affect businesses and sales tax receipts from those businesses. From a more direct perspective, the Village has continued to receive its portion of sales tax collections from the State, but our income tax receipts are being delayed by the State due to their cash flow problems. Under normal circumstances, there is a one or two month lag time between the voucher months when the State receives income tax receipts and disbursement of the 1/10<sup>th</sup> per capita amount paid to local governments. As of December 2013, the income tax receivable from the State to the Village equaled \$839,000. The Village currently receives about \$7.1 million per year in income tax receipts which represents about 10% of total General Fund revenues.

*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 primarily to pay down the Village's unfunded pension liabilities. This 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.

### **Water & Sewer Fund**

The Water & Sewer Fund remains relatively stable due in large part to the combined 5% rate increases that were approved by the Village Board for FY2011 through FY2015. Even with these planned adjustments the Village's water and sewer rates will likely remain at or below the average for communities in the surrounding area. Capital projects in the Water & Sewer Fund include a \$485,000 Watermain Replacement program, a \$300,000 Sewer Rehabilitation program, an ongoing priority based plan to repaint the inside and outside of the water tanks, and a multi-year plan to replace the automatic water meter reading system.

### **Future Water & Sewer Fund Issues:**

*Working Cash Reserve* - To ensure that the Water & Sewer Fund maintains an adequate working cash reserve level of around 25% of expenses over the long-term, during the summer of 2014 Village staff will plan on preparing a rate analysis and provide a survey of water and sewer rates charged by other communities prior to the development of the FY2016 budget.

During the CIP Committee's discussions in August 2013 it was noted by Public Works /Water Division staff that three key areas will put upward pressure on Village's water and sewer rates due to the age of our systems:

- a. The Village's investment in its watermain replacement schedule will need to be increased significantly due to the age of the system and the higher number of watermain breaks that are being experienced. Proposed budget amounts for this increased effort for FY2016 and beyond will be developed in time for the upcoming rate increase study.
- b. The automatic water meter reading system will have to be replaced over time. The batteries in these units are reaching the end of their useful life, and as they expire the radios will be replaced. Funds have been incorporated into the FY2015 – FY2019 budget to reflect this cost.
- c. The Village will need to maintain a more aggressive water tank repainting schedule than is currently shown in the out-year projections to ensure the integrity of the inside and outside of our storage tanks. Updated estimates will be developed for the upcoming rate increase study.

## Capital Improvement Program (CIP)

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

The Capital Improvement Program includes a process whereby citizens are asked for input on an annual basis. By communicating through the Village website, citizens are afforded the opportunity to complete a short form describing the type of capital projects they would like the Village to consider in the next five years. Village staff analyzed the cost and eligibility of all the proposed projects, and the Board subsequently examined the requests along with staff recommendations. Certain capital projects are considered only if the persons and property owners are agreeable to special assessment or special service area financing. In other cases projects are included in the CIP since they would benefit the community as a whole. In October 2013, the Village Board reviewed all of the proposed capital projects and approved the Capital Improvement Program for FY2015 through FY2019.

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 FY2015 Budget. The "CIP/Debt Service" section of the budget shows a summary of the entire five-year capital spending and funding plan. The key FY2015 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 three active TIF Districts. TIF projects are typically financed through a pay as you go mechanism or through issuing debt based on future property tax increment revenue streams. The difference in property tax revenues received in the base year of a TIF District versus the increased property taxes received in subsequent years after improvements are made, result in a property tax increment. There is no large capital project currently scheduled for the TIF Districts. However, if a developer brings forth a viable project during the fiscal year, the Village would amend the budget accordingly.

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

Based on the Village Board's capital spending priorities, 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 and Downtown site furnishing programs, and most of the green corridor beautification program.

The FY2015 street program includes the following expenditures:

*Street Resurfacing Program (\$3,500,000 – Capital Projects Fund)* – This is an ongoing program limited to resurfacing existing deteriorated street pavement and curbs.

*Street Rehabilitation Program (\$2,130,000 – MFT Fund)* – This is an ongoing pavement maintenance program analyzed by using the pavement management software. The Street Rehabilitation Program consists of reconstruction of significantly deteriorated street pavement, curbs, and concrete panels.

Some of the other major projects included in the FY2015 Capital Projects Fund budget are:

*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.

*Parking Lot Resurfacing (\$100,000)* – This project represents the cost to resurface the parking lot at the Senior Center. A CIP request was made by some residents for this project, and it was supported by the Senior Center staff as well as the Village's Engineering and Public Works staff. The condition of the parking area and the ingress and egress lanes is deteriorating and needs to be resurfaced.

Also of note, Capital Projects Fund revenues for FY2015 reflect a \$10 million budget for general obligation bond proceeds. As discussed earlier in this budget message, corresponding transfers to the Emerald Ash Borer (EAB) Fund of \$10 million spread over FY2015 and FY2016 are shown as an expense. It has been the Village's long-term plan to reinvest the scheduled debt service decrease in levy year 2014 in a new \$10 million bond issue for this purpose.

**Flood Control V Fund** – The FY2015 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 Backup 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 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. An annual budget of \$100,000 is included in the Village's Flood Control V Fund and an additional \$25,000 is budgeted

in the Water & Sewer Fund for the program. 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 2014, there have been 128 rebates paid to single-family homeowners for a total cost to date of \$593,600.

**Future Flood Control V 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 any potential improvements. It is anticipated that the results of these studies will be presented to the Village Board in Spring of 2014.

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 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 FY2015 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 FY2015 Budget includes the following significant projects:

*Phone System Upgrade (\$250,000)* – This project includes expenditures for the replacement of the Village voice mail/auto attendant system, as well as the Village-wide phone switch which is no longer supported by the manufacturer. The phone switch will also be moved from the Police Building to the basement of the Village Hall. Due to higher than expected bid prices, this project was re-budgeted from FY2014.

*Police Facility (\$750,000)* – This budget amount represents an estimate for a portion of the architectural fees associated with the new Police facility. As part of the FY2014 Budget the Village Board approved a long-term plan of action to construct a 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, just to maintain it as a serviceable building.

In 2008-09 the Village hired FGM Architects/McClaren, Wilson & Laurie to conduct a space needs assessment of the Police Department and an evaluation of the Police facility. The results of this study showed that the current Police facility was outdated and inadequate in size. The study recommended that a new 75,000 square foot facility be built, which is comparable to other area Police facilities that have recently been constructed. For the past few years a decision on how to approach the deteriorating Police facility has been postponed, first pending the outcome of the Police facility needs assessment study, and then due to the recent recession.

By holding off on the decision to move forward on constructing a new Police facility over the last few years, the Village is now in a good position to utilize an approaching window of opportunity to finance most, if not all, of the costs of a new Police facility within our existing debt service level. During last year's CIP Committee and subsequent FY2014 budget discussions, the Village Board agreed to move forward by not spending the estimated \$8.78 million needed to just maintain the existing, outdated and inadequate Police facility over the next three fiscal years. Instead, the Village plans to manage its existing resources, by utilizing an approaching window of opportunity to reinvest the upcoming reductions in scheduled debt service payments in levy years 2015, 2018 and 2019 into a new Police facility.

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:

- FY2014 Village Board discussion and decision on the new Police facility location
- FY2015-16 Develop RFP for architectural services and begin design
- FY2017-18 Finish architectural design/Bid process for construction
- FY2018 Begin Construction
- FY2020 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 tab. 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 FY2015 costs would be limited to the budgeted amount. Any additional costs would be covered by the co-sponsors of these events. The Village's FY2015 budget caps for these two events are outlined at the bottom of the Cost by Event presentation.

### Acknowledgements

The preparation of this year's budget has been challenging for the Village Board and staff. The 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,



William C. Dixon  
Village Manager

# Financial Summaries

# ALL FUNDS SUMMARY

FUND	REVENUES	2011-12 Actual	2012-13 Actual	2013-14 Est Act	2013-14 Budget	2014-15 Budget	\$ Change	% Change
101	GENERAL	66,163,718	68,234,868	68,986,900	67,625,400	<b>69,887,100</b>	2,261,700	3.3%
211	MOTOR FUEL TAX	2,195,727	2,123,187	2,541,610	2,541,610	<b>2,144,500</b>	(397,110)	(15.6%)
215	CDBG	362,244	278,924	368,256	368,256	<b>447,591</b>	79,335	21.5%
225	FIRE ACADEMY	20,737	28,158	0	0	<b>0</b>	0	N/A
227	FOREIGN FIRE INSURANCE TAX	125,198	132,923	130,500	130,500	<b>130,500</b>	0	0.0%
231	CRIMINAL INVESTIGATIONS	188,246	750,484	146,600	132,500	<b>110,600</b>	(21,900)	(16.5%)
235	MUNICIPAL PARKING	1,056,924	1,108,886	1,094,500	1,077,200	<b>1,094,500</b>	17,300	1.6%
251	TIF I SOUTH	3,275	2,263	1,500	1,800	<b>1,500</b>	(300)	(16.7%)
255	TIF II NORTH	8,325	7,356	8,500	8,500	<b>8,000</b>	(500)	(5.9%)
261	TIF III	271,005	276,689	275,000	276,500	<b>275,000</b>	(1,500)	(0.5%)
263	TIF IV	692,480	521,747	503,000	534,000	<b>503,000</b>	(31,000)	(5.8%)
264	TIF V	507,045	324,271	306,000	326,300	<b>306,000</b>	(20,300)	(6.2%)
301	DEBT SERVICE	28,535,513	7,537,260	16,282,617	16,376,783	<b>7,842,863</b>	(8,533,920)	(52.1%)
401	CAPITAL PROJECTS	4,533,911	6,027,165	5,707,300	5,671,100	<b>14,542,500</b>	8,871,400	156.4%
426	FLOOD CONTROL V	11,920	1,009,169	155,000	205,000	<b>5,000</b>	(200,000)	(97.6%)
431	PUBLIC BUILDING	166,195	6,978	6,000	8,500	<b>6,000</b>	(2,500)	(29.4%)
435	EMERALD ASH BORER (EAB)	2,000,000	2,715,000	0	0	<b>6,435,000</b>	6,435,000	N/A
505	WATER & SEWER	13,608,580	14,606,340	13,953,000	15,409,100	<b>16,104,100</b>	695,000	4.5%
511	SOLID WASTE DISPOSAL	1,859,403	1,602,018	1,644,000	1,545,700	<b>1,644,000</b>	98,300	6.4%
515	ARTS, ENTERTAINMENT & EVENTS	885,811	535,282	637,400	622,000	<b>563,100</b>	(58,900)	(9.5%)
605	HEALTH INSURANCE	8,233,395	8,324,372	9,734,400	9,222,600	<b>9,654,000</b>	431,400	4.7%
606	RETIREE HEALTH INSURANCE	2,713,172	2,741,629	2,739,700	2,724,200	<b>3,396,200</b>	672,000	24.7%
611	GENERAL LIABILITY INSURANCE	982,549	677,285	686,600	688,600	<b>720,300</b>	31,700	4.6%
615	WORKERS' COMPENSATION	1,962,702	1,849,652	1,846,400	1,848,400	<b>1,903,200</b>	54,800	3.0%
621	FLEET OPERATIONS	2,930,854	3,525,128	3,351,400	3,393,400	<b>3,324,600</b>	(68,800)	(2.0%)
625	TECHNOLOGY	1,403,288	1,454,653	1,522,400	1,522,400	<b>1,542,500</b>	20,100	1.3%
705	POLICE PENSION	7,684,256	13,134,844	9,610,900	9,310,880	<b>9,537,400</b>	226,520	2.4%
711	FIRE PENSION	7,868,358	12,696,488	10,256,000	9,556,000	<b>9,886,300</b>	330,300	3.5%
<b>TOTAL REVENUES</b>		<b>156,974,831</b>	<b>152,233,019</b>	<b>152,495,483</b>	<b>151,127,229</b>	<b>162,015,354</b>	<b>10,888,125</b>	<b>7.2%</b>

FUND	EXPENDITURES	2011-12 Actual	2012-13 Actual	2013-14 Est Act	2013-14 Budget	2014-15 Budget	\$ Change	% Change
101	GENERAL	63,531,600	68,097,052	67,310,600	67,955,262	<b>69,887,100</b>	1,931,838	2.8%
211	MOTOR FUEL TAX	2,026,504	2,051,706	2,444,600	2,818,431	<b>2,246,900</b>	(571,531)	(20.3%)
215	CDBG	362,244	278,924	368,256	368,256	<b>447,591</b>	79,335	21.5%
225	FIRE ACADEMY	97,031	195,014	0	0	<b>0</b>	0	N/A
227	FOREIGN FIRE INSURANCE TAX	119,093	172,862	137,000	145,000	<b>170,200</b>	25,200	17.4%
231	CRIMINAL INVESTIGATIONS	112,054	597,791	146,600	146,093	<b>110,100</b>	(35,993)	(24.6%)
235	MUNICIPAL PARKING	1,195,152	1,170,524	1,302,000	1,264,891	<b>1,363,200</b>	98,309	7.8%
251	TIF I SOUTH	354,132	35,288	17,300	17,353	<b>13,000</b>	(4,353)	(25.1%)
255	TIF II NORTH	8,325	7,356	8,500	8,500	<b>8,000</b>	(500)	(5.9%)
261	TIF III	274,200	282,484	303,400	326,775	<b>304,400</b>	(22,375)	(6.8%)
263	TIF IV	59,666	69,924	688,000	1,686,498	<b>760,000</b>	(926,498)	(54.9%)
264	TIF V	351,841	409,459	476,788	1,015,163	<b>1,039,713</b>	24,550	2.4%
301	DEBT SERVICE	28,517,946	7,574,404	16,353,508	16,516,205	<b>7,835,800</b>	(8,680,405)	(52.6%)
401	CAPITAL PROJECTS	4,404,935	5,828,949	9,056,010	9,479,716	<b>11,613,400</b>	2,133,684	22.5%
426	FLOOD CONTROL V	356,599	248,757	1,063,900	1,389,023	<b>400,000</b>	(989,023)	(71.2%)
431	PUBLIC BUILDING	135,611	24,286	25,000	325,292	<b>1,025,000</b>	699,708	215.1%
435	EMERALD ASH BORER (EAB)	7,535	425,519	2,913,200	3,002,220	<b>3,279,400</b>	277,180	9.2%
505	WATER & SEWER	13,961,819	14,547,808	15,539,300	15,871,890	<b>16,104,100</b>	232,210	1.5%
511	SOLID WASTE DISPOSAL	1,529,106	1,312,457	1,226,800	1,301,700	<b>1,522,900</b>	221,200	17.0%
515	ARTS, ENTERTAINMENT & EVENTS	756,284	463,131	629,100	623,800	<b>556,900</b>	(66,900)	(10.7%)
605	HEALTH INSURANCE	8,473,076	8,774,521	8,940,100	10,850,500	<b>11,226,700</b>	376,200	3.5%
606	RETIREE HEALTH INSURANCE	2,713,172	2,741,629	2,739,700	2,724,200	<b>3,396,200</b>	672,000	24.7%
611	GENERAL LIABILITY INSURANCE	662,549	537,629	1,483,000	1,583,000	<b>834,000</b>	(749,000)	(47.3%)
615	WORKERS' COMPENSATION	1,176,771	2,150,220	1,251,100	1,680,800	<b>1,683,500</b>	2,700	0.2%
621	FLEET OPERATIONS	3,458,027	3,170,584	5,849,700	6,608,063	<b>5,355,600</b>	(1,252,463)	(19.0%)
625	TECHNOLOGY	1,304,773	1,394,864	1,382,400	1,522,400	<b>1,617,500</b>	95,100	6.2%
705	POLICE PENSION	4,452,747	4,689,594	5,247,200	5,087,000	<b>5,745,200</b>	658,200	12.9%
711	FIRE PENSION	5,088,133	5,375,897	5,638,400	5,701,400	<b>6,003,600</b>	302,200	5.3%
<b>TOTAL EXPENDITURES</b>		<b>145,490,925</b>	<b>132,628,633</b>	<b>152,541,462</b>	<b>160,019,431</b>	<b>154,550,004</b>	<b>(5,469,427)</b>	<b>(3.4%)</b>

# FUND BALANCE SUMMARY FY2015

Fund	Fund Name	5/01/14 Projected Beginning Fund Balance (Deficit)	FY2015 Revenues & Transfers In	FY2015 Expenditures & Transfers Out	FY2015 Revenues Over (Under) Expenditures	4/30/15 Estimated Ending Fund Balance (Deficit)
101	General	\$24,857,723	\$69,887,100	\$69,887,100	\$0	\$24,857,723
211	Motor Fuel Tax	1,405,815	2,144,500	2,246,900	(102,400)	1,303,415
215	CDBG	0	447,591	447,591	0	0
227	Foreign Fire Insurance Tax	288,610	130,500	170,200	(39,700)	248,910
231	Criminal Investigations	310,736	110,600	110,100	500	311,236
235	Municipal Parking	4,192,865	1,094,500	1,363,200	(268,700)	3,924,165
251	TIF I South	215,960	1,500	13,000	(11,500)	204,460
255	TIF II North	0	8,000	8,000	0	0
261	TIF III	1,025,374	275,000	304,400	(29,400)	995,974
263	TIF IV	903,925	503,000	760,000	(257,000)	646,925
264	TIF V	1,701,426	306,000	1,039,713	(733,713)	967,713
301	Debt Service	1,653,839	7,842,863	7,835,800	7,063	1,660,902
401	Capital Projects	3,378,479	14,542,500	11,613,400	2,929,100	6,307,579
426	Flood Control V	2,008,090	5,000	400,000	(395,000)	1,613,090
431	Public Building	1,701,169	6,000	1,025,000	(1,019,000)	682,169
435	Emerald Ash Borer (EAB) Fund	1,368,746	6,435,000	3,279,400	3,155,600	4,524,346
505	Water & Sewer	3,990,797	16,104,100	16,104,100	0	3,990,797
511	Solid Waste Disposal	2,873,998	1,644,000	1,522,900	121,100	2,995,098
515	Arts, Entertainment & Events	281,699	563,100	556,900	6,200	287,899
605	Health Insurance	3,234,185	9,654,000	11,226,700	(1,572,700)	1,661,485
606	Retiree Health Insurance	0	3,396,200	3,396,200	0	0
611	General Liability Insurance	3,351,036	720,300	834,000	(113,700)	3,237,336
615	Workers' Compensation Insurance	5,258,010	1,903,200	1,683,500	219,700	5,477,710
621	Fleet Operations	3,304,627	3,324,600	5,355,600	(2,031,000)	1,273,627
625	Technology	1,630,288	1,542,500	1,617,500	(75,000)	1,555,288
705	Police Pension	94,377,609	9,537,400	5,745,200	3,792,200	98,169,809
711	Fire Pension	80,667,650	9,886,300	6,003,600	3,882,700	84,550,350
<b>TOTAL ALL VILLAGE FUNDS</b>		<b>\$243,982,656</b>	<b>\$162,015,354</b>	<b>\$154,550,004</b>	<b>\$7,465,350</b>	<b>\$251,448,006</b>

1. The General Fund's 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 deficit to complete various road improvements throughout the Village.
3. Foreign Fire Insurance Tax Fund - Insurance companies that do not maintain offices within the State but market fire insurance policies within the State pay an additional tax of 2% to the municipality where the policy is written. These funds are used for the betterment of the fire services and are controlled by a separate Board of Directors including the Fire Chief and firefighters per State Statute. Prior year revenues are being expensed this year, creating the operating deficit.
4. Criminal Investigations Fund - Assets seized under State and Federal statutes are accounted for in this fund and used for the advancement of law enforcement. These funds are not budgeted for day-to-day Police Department operations but are generally one time capital expenditures of current and prior year revenues.
5. Municipal Parking Fund - Primarily, commuter parking for train travel to and from Chicago is provided for in this fund. With Downtown redevelopment, resident parking for large apartment complexes and off-street shopper parking was included. Substantial fund balance is maintained for future parking garage maintenance and repairs. The deficit in operations in FY2015 is due primarily to building maintenance and improvements, as well as Police administrative changes.
6. The TIF I District ended in 2006. Current litigation and possible refunds create the potential for FY2015 activity in the TIF I South Fund. The TIF II District ended in 2009. Possible refunds create the potential for FY2015 activity in the TIF II North Fund.
7. TIF III, IV and V Funds reflect a planned drawdown of reserves.

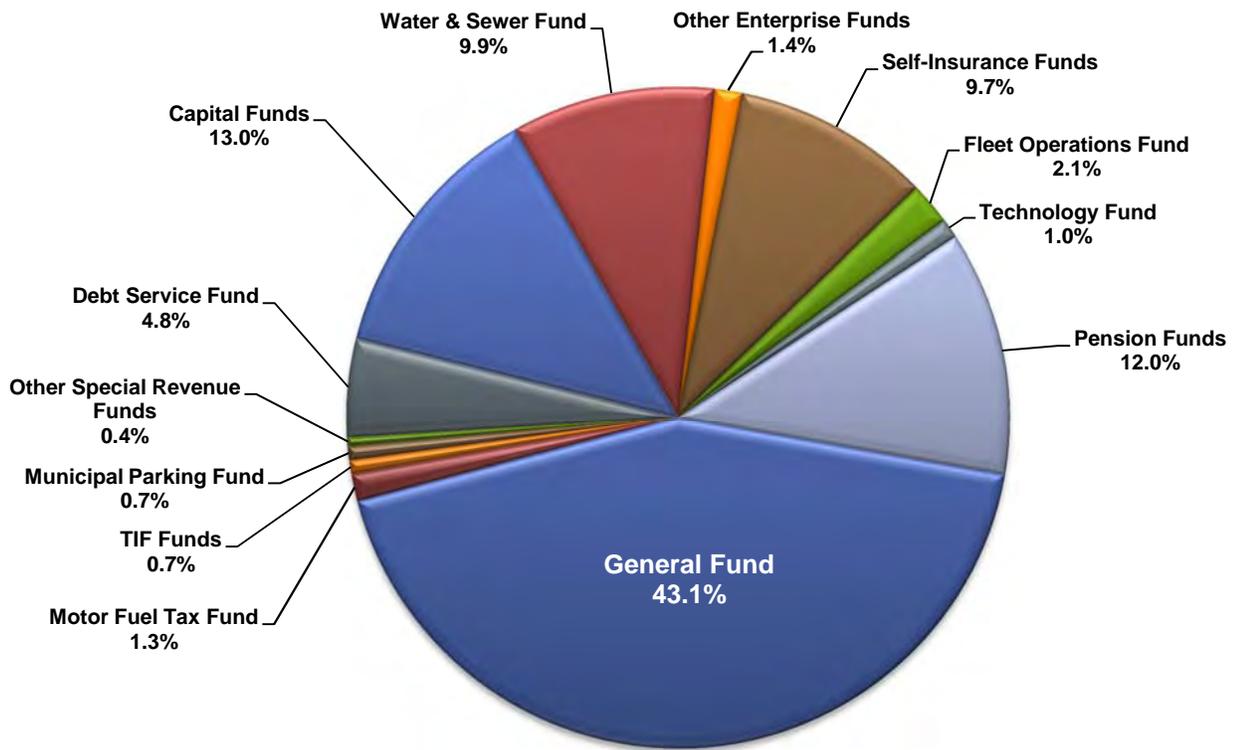
## FUND BALANCE SUMMARY FY2015

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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 surplus in operations due to the \$10 million bond issue for street purposes.
10. Flood Control V has a planned deficit in operations as these bond proceeds are used for their intended purpose. After all funds are exhausted the fund will be closed.
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 and the replacement of the Village-wide phone switch.
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 FY2015 surplus reflects a transfer in of available monies from the Capital Projects Fund for future EAB program costs.
13. Water & Sewer Fund - A planned service rate increase of 5% will maintain financial operating performance. Historically, low water consumption due to wet seasons has reduced revenue.
14. Solid Waste Disposal Fund - The operations of the Government Joint Venture Solid Waste Agency of Northern Cook County are provided for in this fund. Efforts to reduce solid waste removal costs and maximize disposal facility useful lives are primary objectives.
15. The Arts, Entertainment & Events Fund is designed for funding special events and the operation of the Metropolis Performing Arts Theater. The primary funding source is a .25% Food & Beverage Tax on prepared food.
16. The Health Insurance Fund has a planned operating deficit due to the potential of large health insurance claims. Actual year end results generally come in better than budgeted. This fund is operated on a pay as you go basis with a reserve for large claims.
17. Retiree Health Insurance Fund - This accounting segregates medical insurance expenses for retirees from those expenses of current staff. Retirees pay 100% of their premium for health insurance. Any operating deficit is funded on a pay-as-you-go basis from the Health Insurance Fund.
18. The General Liability Insurance Fund covers the first \$1M per claim before excess coverage takes effect. Premiums are charged to operating departments to fund operations. Past claims have been varied and actual experience is generally more favorable than budgeted.
19. The Workers' Compensation Insurance Fund provides for workers' compensation claims as the Village is self-insured.
20. The Fleet Operations Fund provides for major capital replacements. Service charges over the useful life of the equipment will replenish reserves. A healthy fund balance is maintained for vehicle and equipment replacement. The deficit in operations in FY2015 is due to the planned replacement of vehicles.
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 FY2015 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 72% and 64% respectively. Per current State Statute, 90% funding must be reached by 2040.

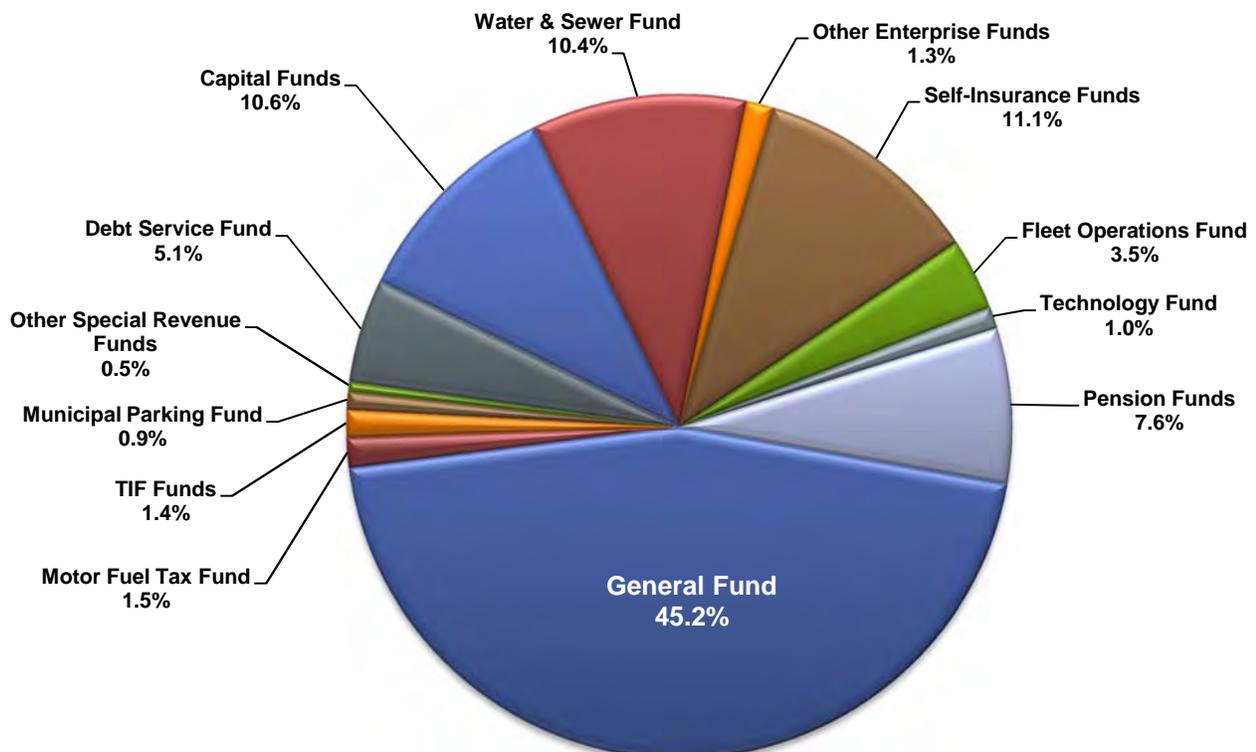
# ALL FUNDS REVENUES

## FY2014-2015 Budget



# ALL FUNDS EXPENDITURES

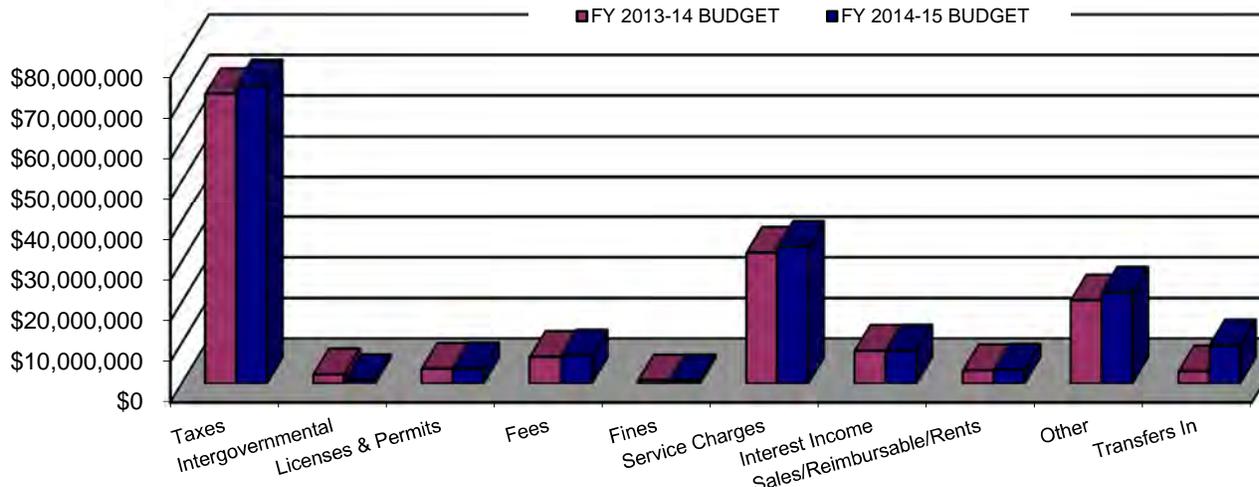
## FY2014-2015 Budget



# WHERE THE MONEY COMES FROM

## ALL FUNDS REVENUES

### FY 2013-14 BUDGET vs. FY 2014-15 BUDGET



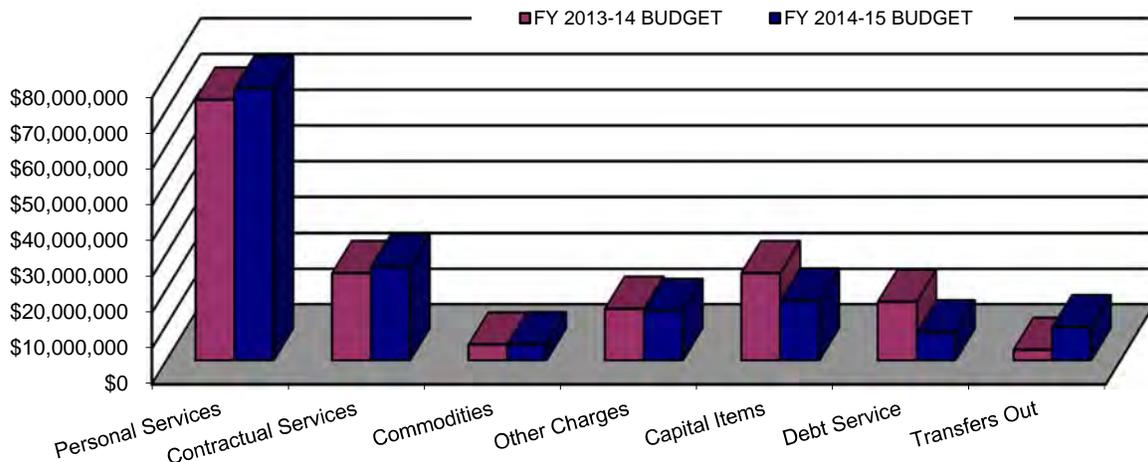
	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 BUDGET	FY 2014-15 BUDGET	% CHANGE
<b>Taxes</b>	70,408,718	70,076,448	71,305,225	<b>73,411,450</b>	3.0%
<b>Intergovernmental</b>	1,173,358	1,464,992	2,205,256	<b>764,691</b>	(65.3%)
<b>Licenses &amp; Permits</b>	3,618,724	4,289,920	3,590,500	<b>3,650,500</b>	1.7%
<b>Fees</b>	6,514,779	6,938,410	6,516,000	<b>6,873,500</b>	5.5%
<b>Fines</b>	843,042	761,846	725,200	<b>730,200</b>	0.7%
<b>Service Charges</b>	28,335,927	30,138,401	32,075,100	<b>33,502,400</b>	4.4%
<b>Interest Income</b>	5,299,594	14,979,422	8,011,800	<b>8,036,500</b>	0.3%
<b>Sales/Reimbursable/Rents</b>	3,636,495	3,612,555	3,202,300	<b>3,364,800</b>	5.1%
<b>Other</b>	32,377,477	12,679,064	20,395,450	<b>22,312,000</b>	9.4%
	152,208,114	144,941,058	148,026,831	<b>152,646,041</b>	3.1%
<b>Reserves</b>	0	0	125,000	<b>50,000</b>	(60.0%)
<b>Transfers In</b>	4,766,717	7,291,961	2,975,398	<b>9,319,313</b>	213.2%
<b>Total Revenues</b>	156,974,831	152,233,019	151,127,229	<b>162,015,354</b>	7.2%

NOTE: **Intergovernmental** revenues decreased due to the completion of the State grant funded Northwest Highway/Davis Street/Arthur Avenue project. **Fees** increased due to higher cable franchise fee receipts and from higher budgeted solid waste disposal fees. **Service Charges** increased primarily due to the 5% combined scheduled increase in water and sewer rates. **Other** revenues increased due to bond proceeds recognized in the Capital Projects Fund. **Reserves** reflect the planned use of Arts, Entertainment & Events Fund reserves for the repair and replacement of Village infrastructure at the Metropolis Theater. **Transfers In** increased due to the planned \$6.4 million transfer in to the Emerald Ash Borer (EAB) Fund from the Capital Projects Fund.

# WHERE THE MONEY GOES

## ALL FUNDS EXPENDITURES

### FY 2013-14 BUDGET vs. FY 2014-15 BUDGET



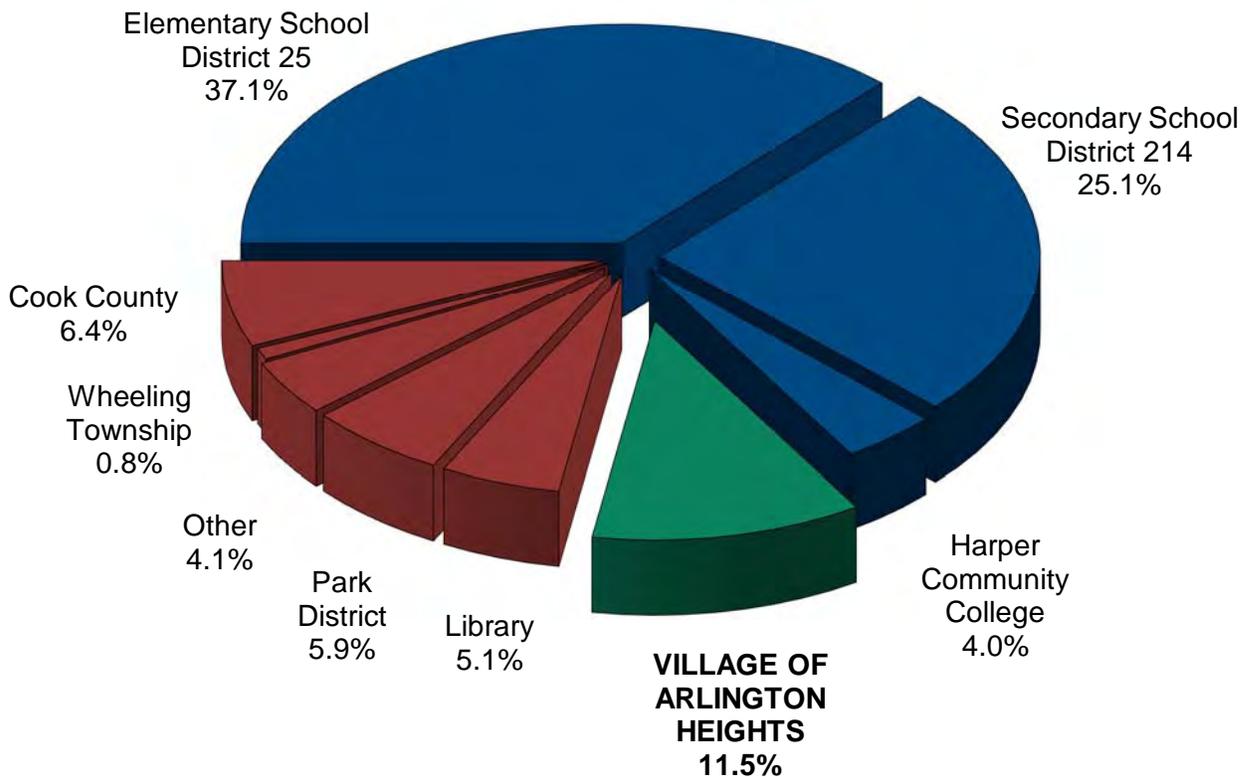
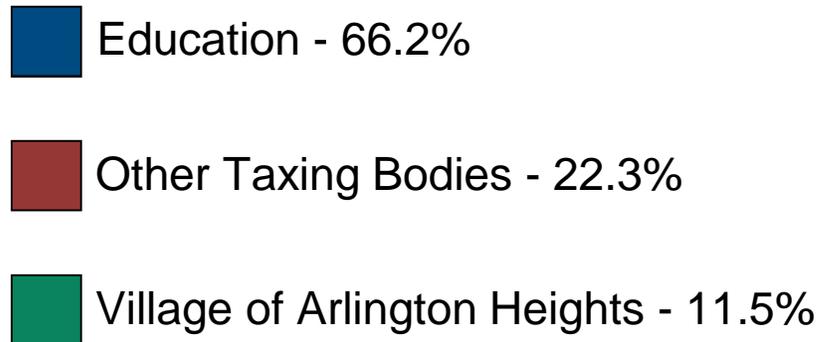
	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 BUDGET	FY 2014-15 BUDGET	% CHANGE
<b>Personal Services</b>	66,665,660	68,733,528	72,882,300	<b>76,079,950</b>	4.4%
<b>Contractual Services</b>	22,287,777	21,440,034	24,464,221	<b>26,219,400</b>	7.2%
<b>Commodities</b>	3,340,101	3,745,438	4,410,339	<b>4,546,100</b>	3.1%
<b>Other Charges</b>	10,175,942	12,351,851	14,445,759	<b>13,814,141</b>	(4.4%)
<b>Capital Items</b>	9,884,677	11,491,417	24,452,590	<b>16,735,300</b>	(31.6%)
<b>Debt Service</b>	28,370,051	7,574,404	16,388,824	<b>7,835,800</b>	(52.2%)
	140,724,208	125,336,672	157,044,033	<b>145,230,691</b>	(7.5%)
<b>Transfers Out</b>	4,766,717	7,291,961	2,975,398	<b>9,319,313</b>	213.2%
<b>Total Expenditures</b>	145,490,925	132,628,633	160,019,431	<b>154,550,004</b>	(3.4%)

NOTE: **Personal Services** increased due to pension, health insurance and wage adjustments. **Contractual Services** increased due in part to higher Public Works Department vehicle lease charges associated with the planned replacement of dump trucks which had reached the end of their useful lives. Additional funds have also been budgeted in the Public Building Fund for a portion of the architectural fees for the new Police Facility. **Other Charges** were lower due to an extraordinary liability loss recognized in the prior fiscal year. **Capital Items** expenditures were higher than normal in the prior fiscal year due to a one-time transfer from the General Fund for street resurfacing purposes, the final costs of the Northwest Highway/Davis Street/Arthur Avenue project, as well as the replacement of a costly aerial tower truck in the Fire Department. **Debt Service** expenditures decreased due to an advanced refunding payment of \$8.6 million in the prior year. **Transfers Out** is higher due to the \$6.4 million transfer out from the Capital Projects Fund to the Emerald Ash Borer (EAB) Fund.

# Village of Arlington Heights

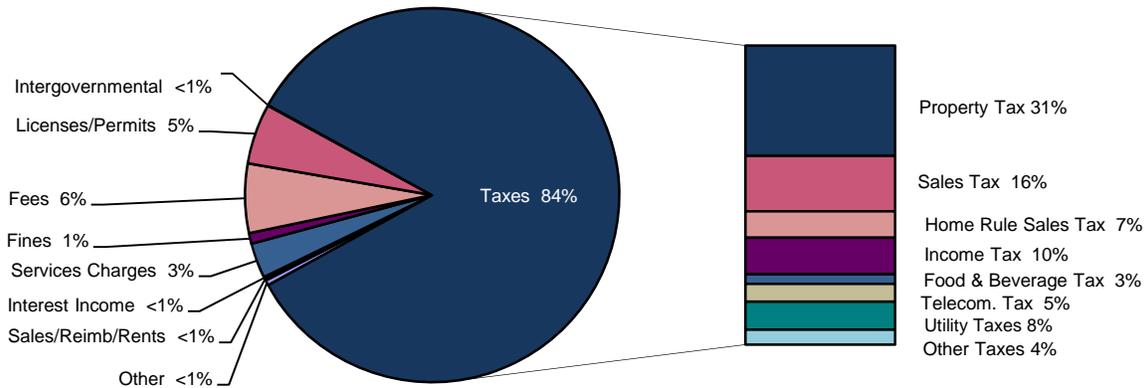
## 2012 PROPERTY TAX BILL

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



AS THE ABOVE PIE CHART ILLUSTRATES, THE VILLAGE OF ARLINGTON HEIGHTS  
CONSISTS OF 11.5% OF THE ENTIRE PROPERTY TAX BILL.

# WHERE THE MONEY COMES FROM GENERAL FUND REVENUES 2014-2015 Fiscal Year



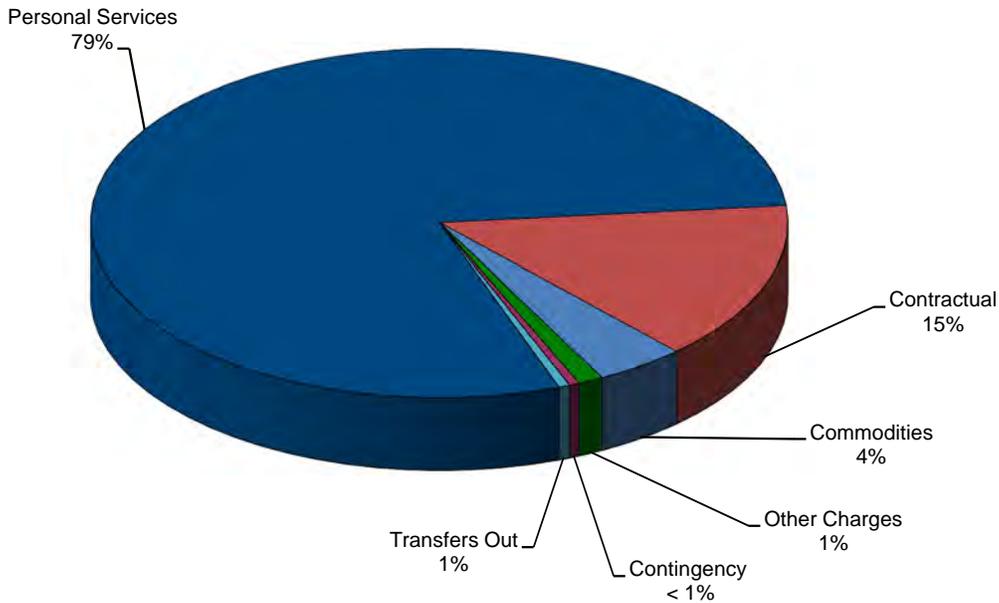
	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 BUDGET	FY 2014-15 BUDGET	% CHANGE
<b>Taxes</b>	54,828,925	55,858,027	56,706,700	<b>58,709,900</b>	3.5%
<b>Intergovernmental</b>	261,065	240,930	164,900	<b>33,000</b>	(80.0%)
<b>Licenses/Permits</b>	3,618,724	4,289,920	3,590,500	<b>3,650,500</b>	1.7%
<b>Fees</b>	3,816,241	4,264,676	3,943,100	<b>4,189,400</b>	6.2%
<b>Fines</b>	725,654	669,732	625,200	<b>635,200</b>	1.6%
<b>Service Charges</b>	2,030,165	2,052,554	2,079,800	<b>2,126,100</b>	2.2%
<b>Interest Income</b>	87,784	92,514	68,000	<b>90,000</b>	32.4%
<b>Sales/Reimb/Rents</b>	431,381	436,635	142,300	<b>139,300</b>	(2.1%)
<b>Other</b>	363,779	329,880	304,900	<b>313,700</b>	2.9%
<b>Total Revenue</b>	<b>66,163,718</b>	<b>68,234,868</b>	<b>67,625,400</b>	<b>69,887,100</b>	<b>3.3%</b>

NOTE: **Taxes** increased due primarily to increases in sales, income and property tax receipts. **Intergovernmental** revenues decreased due to Police grants that were received in the prior year, but have not yet been awarded for FY2015. **Fees** increased due to higher actual cable franchise fee revenues being received than were previously budgeted. This may be due to residents choosing higher cost cable services for their HDTV broadcasts. **Interest Income** has been increased to match actual earnings. However, interest income continues to be much lower than the historical average.

# WHERE THE MONEY GOES

## GENERAL FUND EXPENDITURES

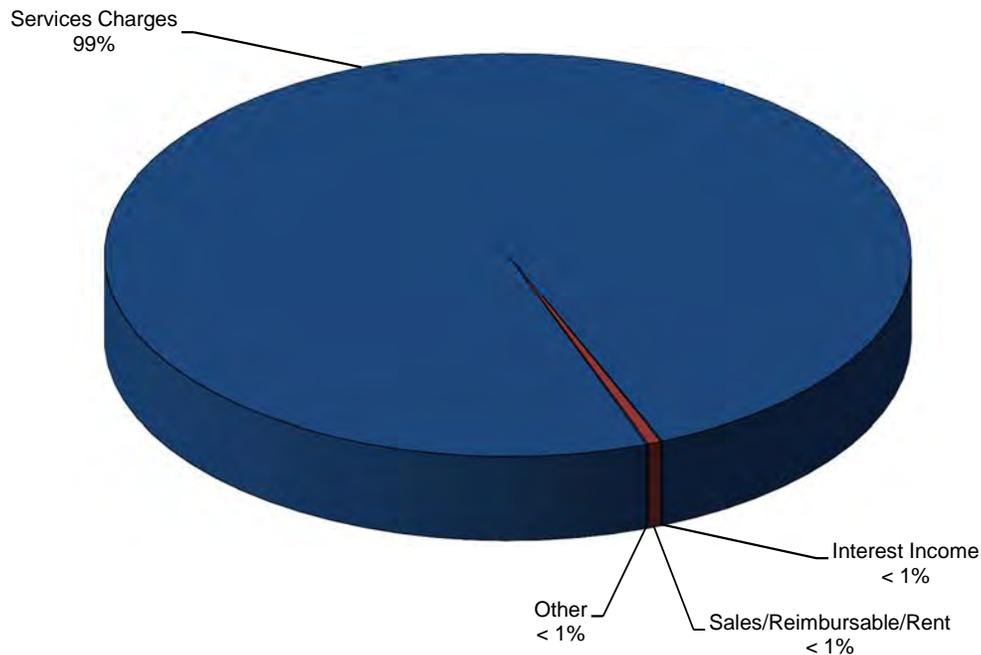
### 2014-2015 FISCAL YEAR



	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 BUDGET	FY 2014-15 BUDGET	% CHANGE
<b>Personal Services</b>	49,522,320	50,588,887	53,495,300	<b>55,209,100</b>	3.2%
<b>Contractual Services</b>	8,571,746	8,546,775	10,011,614	<b>10,265,100</b>	2.5%
<b>Commodities</b>	2,057,910	2,432,173	2,821,282	<b>2,911,200</b>	3.2%
<b>Other Charges</b>	509,724	1,157,317	813,885	<b>809,200</b>	(0.6%)
<b>Contingency</b>	0	0	253,181	<b>332,500</b>	31.3%
<b>Transfers Out</b>	2,869,900	5,371,900	560,000	<b>360,000</b>	(35.7%)
<b>Total Expenditures</b>	<b>63,531,600</b>	<b>68,097,052</b>	<b>67,955,262</b>	<b>69,887,100</b>	2.8%

NOTE: **Personal Services** increased due to pension, health insurance, and wage adjustments. **Contractual Services** increased due primarily to higher Public Works vehicle lease charges associated with the replacement of dump trucks which had reached the end of their useful lives. **Commodities** increased in order to restock the Village's rock salt inventory which was depleted by the past season's extreme winter weather. **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 FY2014 budget shows that there is \$253,181 remaining of the original \$300,000 contingency budget. **Transfers Out** decreased due to \$200,000 transferred to the Fleet Fund in the prior year as the result of a private donation that was used toward the purchase of a new ambulance

# WHERE THE MONEY COMES FROM WATER & SEWER FUND REVENUES 2014-2015 FISCAL YEAR



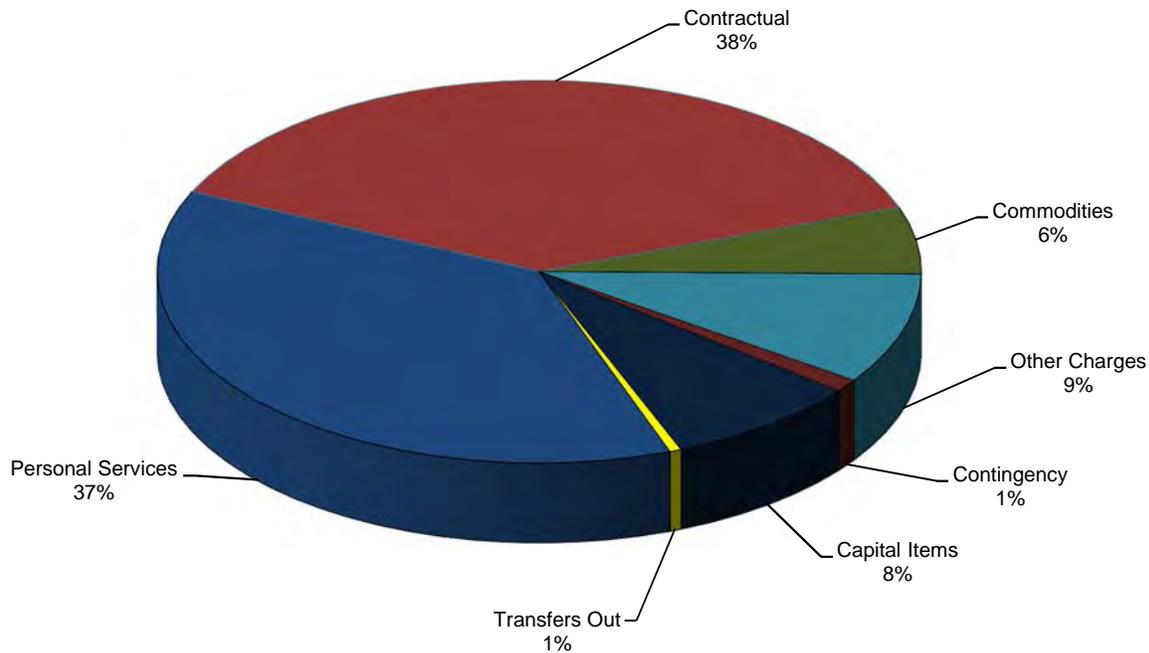
	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 BUDGET	FY 2014-15 BUDGET	% CHANGE
<b>Services Charges</b>	12,960,678	14,344,566	15,292,100	<b>15,994,100</b>	4.6%
<b>Interest Income</b>	17,137	12,455	20,000	<b>11,000</b>	(45.0%)
<b>Sales/Reimbursable/Rent</b>	116,255	143,446	82,000	<b>84,000</b>	2.4%
<b>Other</b>	514,510	105,873	15,000	<b>15,000</b>	0.0%
<b>Total Revenues</b>	<b>13,608,580</b>	<b>14,606,340</b>	<b>15,409,100</b>	<b>16,104,100</b>	<b>4.5%</b>

NOTE: **Service Charges** include sales for water and sewer service. Water consumption has been projected based on historical usage which has been trending somewhat lower. A combined water and sewer rate increase of 5% was previously approved effective as of May 1, 2014. **Interest Income** has been reduced due to ongoing lower short-term interest rates.

# WHERE THE MONEY GOES

## WATER & SEWER FUND EXPENDITURES

### 2014-2015 FISCAL YEAR



	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 BUDGET	FY 2014-15 BUDGET	% CHANGE
<b>Personal Services</b>	5,262,789	5,590,527	5,875,600	<b>6,023,900</b>	2.5%
<b>Contractual</b>	5,488,870	5,374,510	6,048,104	<b>6,070,700</b>	0.4%
<b>Commodities</b>	665,643	741,598	904,810	<b>910,600</b>	0.6%
<b>Other Charges</b>	1,389,695	1,452,805	1,502,900	<b>1,516,000</b>	0.9%
<b>Contingency</b>	0	0	174,942	<b>175,900</b>	0.5%
<b>Capital Items</b>	1,154,822	1,388,368	1,285,534	<b>1,327,000</b>	3.2%
<b>Transfers Out</b>	0	0	80,000	<b>80,000</b>	0.0%
<b>Total Expenditures</b>	<b>13,961,819</b>	<b>14,547,808</b>	<b>15,871,890</b>	<b>16,104,100</b>	<b>1.5%</b>

NOTE: **Personal Services** increased due to pension, health insurance, and wage adjustments. **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 FY2014 budget shows that \$174,942 remains of the original \$182,900 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.

VILLAGE OF ARLINGTON HEIGHTS  
**EMPLOYEE CENSUS**

Ten Year Analysis

DEPARTMENT		FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Manager's Office	Full-Time	5.00	5.50	5.50	6.50	6.50	6.00	6.00	6.00	6.00	6.00
	Part-Time	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Human Resources	Full-Time	4.00	4.50	4.50	4.50	4.50	4.00	4.00	4.00	4.00	4.00
	Part-Time	1.00	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	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Part-Time	3.00	3.00	3.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Finance	Full-Time	20.00	19.00	19.00	19.00	18.00	17.00	17.00	17.00	17.00	17.00
	Part-Time	4.00	3.00	3.00	3.00	2.00	2.00	1.00	1.00	1.00	1.00
IT/GIS	Full-Time	9.00	7.00	7.00	7.00	7.00	7.00	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	146.00	148.00	148.00	146.00	138.00	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	3.00	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	106.00	105.00	114.00	114.00	113.00	110.00	109.00	109.00	109.00	109.00
	Part-Time	1.00	1.00	1.00	1.00	1.00	1.00	3.00	3.00	3.00	3.00
Planning & Comm Devlp	Full-Time	11.00	11.00	11.00	11.00	11.00	9.00	9.00	9.00	9.00	9.00
	Part-Time	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Building Services	Full-Time	18.00	18.00	18.00	19.00	18.00	17.00	15.00	15.00	15.00	15.00 (1)
	Part-Time	0.00	0.00	1.00	1.00	1.00	1.00	3.00	3.00	3.00	3.00
Health Services	Full-Time	11.00	11.00	11.00	11.00	11.00	10.00	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	2.00	0.00	0.00	0.00	0.00	0.00
	Part-Time	3.00	3.00	3.00	3.00	3.00	0.00	0.00	0.00	0.00	0.00
Senior Services	Full-Time	2.00	2.00	2.00	2.00	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	6.00	5.00	5.00	5.00
Engineering	Full-Time	13.00	13.00	13.00	13.00	12.00	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	49.00	50.00	49.00	44.00	42.00	42.00	42.00	42.00
	Part-Time	0.00	0.00	0.00	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	41.00	40.00	40.00	40.00	40.00
	Part-Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Fleet Services	Full-Time	11.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
	Part-Time	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>TOTAL</b>	<b>Full-Time</b>	<b>453.00</b>	<b>449.00</b>	<b>458.00</b>	<b>460.00</b>	<b>452.00</b>	<b>426.00</b>	<b>417.00</b>	<b>417.00</b>	<b>417.00</b>	<b>417.00</b>
	<b>Part-Time</b>	<b>23.00</b>	<b>20.00</b>	<b>21.00</b>	<b>23.00</b>	<b>21.00</b>	<b>17.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>
<b>TOTAL EMPLOYEES</b>		<b>476.00</b>	<b>469.00</b>	<b>479.00</b>	<b>483.00</b>	<b>473.00</b>	<b>443.00</b>	<b>437.00</b>	<b>437.00</b>	<b>437.00</b>	<b>437.00</b>
<b>INCREASE (DECREASE)</b>		<b>3.00</b>	<b>(7.00)</b>	<b>10.00</b>	<b>4.00</b>	<b>(10.00)</b>	<b>(30.00)</b>	<b>(6.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>FULL-TIME EQUIVALENTS (FTE)</b>		<b>464.00</b>	<b>458.50</b>	<b>468.25</b>	<b>471.75</b>	<b>462.75</b>	<b>434.50</b>	<b>427.00</b>	<b>427.25</b>	<b>427.25</b>	<b>427.25</b>
<b>INCREASE (DECREASE)</b>		<b>0.50</b>	<b>(5.50)</b>	<b>9.75</b>	<b>3.50</b>	<b>(9.00)</b>	<b>(28.25)</b>	<b>(7.50)</b>	<b>0.25</b>	<b>0.00</b>	<b>0.00</b>

(1) The full-time Director of Building & Health Services position is split 50/50 between Building Services and Health Services and is shown 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 FY2015**

OPERATION	STAFFING			EXPENDITURES		
	Budget FY2014	Budget FY2015	Increase (Decrease)	Budget FY2014	Budget FY2015	Increase (Decrease)
Board of Trustees	0.00	0.00		\$182,000	\$180,700	(\$1,300)
Village Manager	6.00	6.00		965,469	982,200	16,731
Human Resources	4.00	4.00		14,634,775	15,030,900	396,125
Legal	2.75	2.75		770,800	775,400	4,600
Finance/T/GIS	23.50	23.50		5,860,404	5,159,000	(701,404)
Boards & Commissions	0.00	0.00		237,885	234,000	(3,885)
Metropolis Theater	0.00	0.00		328,500	248,000	(80,500)
Police/Police Grant	139.00	139.00		24,186,692	24,940,700	754,008
Fire	110.50	110.50		20,202,866	20,916,900	714,034
Planning & Community Development	9.00	9.00		3,498,485	3,101,050	(397,435)
Building & Health Services	29.00	29.00		4,263,525	4,417,900	154,375
Engineering	10.00	10.00		13,685,749	8,215,400	(5,470,349)
Public Works	42.25	42.25		16,253,506	16,637,000	383,494
Criminal Investigations	0.00	0.00		146,093	110,100	(35,993)
Foreign Fire Insurance Tax	0.00	0.00		145,000	170,200	25,200
Comm Development Block Grant Program	0.00	0.00		162,256	239,941	77,685
Water Utility Operations	40.75	40.75		13,540,048	13,661,600	121,552
Parking Operations	0.00	0.00		621,637	674,800	53,163
Solid Waste Disposal	0.00	0.00		1,301,700	1,522,900	221,200
Municipal Fleet Services	10.50	10.50		2,220,034	2,247,500	27,466
Pensions	0.00	0.00		10,788,400	11,748,800	960,400
Capital Projects - Water/Sewer	0.00	0.00		984,500	1,085,000	100,500
Capital Projects - Equipment	0.00	0.00		4,462,663	3,139,100	(1,323,563)
Capital Projects - Public Buildings	0.00	0.00		18,966	750,000	731,034
Debt Service	0.00	0.00		16,516,205	7,835,800	(8,680,405)
Sub-Total	427.25	427.25	0.00	\$155,978,158	\$144,024,891	(\$11,953,267)
Non-Operating & Transfers Out	N/A	N/A	N/A	4,041,273	10,525,113	6,483,840
<b>TOTAL</b>	<b>427.25</b>	<b>427.25</b>	<b>0.00</b>	<b>\$160,019,431</b>	<b>\$154,550,004</b>	<b>(\$5,469,427)</b>

# CIP / Debt Service

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

The Village of Arlington Heights prepares annually a Capital Improvement Program (CIP) for the five-year period beginning with the next fiscal year. The CIP is a planning document which is reviewed by the Village Board and is prepared by the Village Manager and Finance Director with the assistance of all Department Heads. Included are capital expenditures projected to cost in excess of \$10,000 and have an expected lifetime of one or more years. The CIP is subject to further review and approval by the Village Board during the final budget process, based on available resources and expenditure requirements of the operations budget. What follows is a summary of all CIP expenditures and projects included in the budget for FY 2014-15.

**CAPITAL SPENDING**

Building & Land	\$ 1,541,000
Equipment	1,005,600
Sewer	725,000
Signals	181,900
Streets	9,058,100
Vehicles	3,139,100
Water	785,000
<b>TOTAL</b>	<b><u>\$ 16,435,700</u></b>

**CAPITAL FUNDING**

Capital Projects Fund	\$ 4,674,700
Water & Sewer Fund	1,352,000
Motor Fuel Tax Fund	2,246,900
Municipal Parking Operations Fund	120,000
Flood Control V Fund	400,000
Public Building Fund	1,025,000
Emerald Ash Borer (EAB) Fund	2,824,100
Arts, Entertainment & Events (A&E) Fund	83,000
Fleet Operations Fund	3,139,100
Technology Fund	236,800
State/Federal/County & Grant Funds	334,100
<b>TOTAL</b>	<b><u>\$ 16,435,700</u></b>

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

CAPITAL SPENDING			EST ACT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
FUND	PROJ #		2013-14	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Building &amp; Land</b>									
Overhead Door Replacement	Cap Proj	BL-90-04	10,000	10,000	10,000	10,000	10,000	15,000	20,000
Public Works Annex Improvements	Cap Proj	BL-93-02	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Public Works Annex Improvements	Water	BL-93-02	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Building Equipment Replacement	Cap Proj	BL-95-04	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Municipal Buildings Refurbishing	Cap Proj	BL-95-05	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Roof Maintenance Program	Cap Proj	BL-95-06	239,900	227,347	179,000	29,500	391,000	10,200	60,000
Roof Maintenance Program	Water	BL-95-06	0	0	0	0	0	0	0
Heating Plant/Air Conditioner Replacement	Cap Proj	BL-96-01	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Ongoing Maintenance to Brick Exterior	Parking	BL-96-03	5,900	5,900	5,000	5,000	5,000	5,000	5,000
Ongoing Maintenance to Brick Exteriors	Cap Proj	BL-96-03	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Historical Society Museum - Building Repairs	Cap Proj	BL-96-04	25,000	25,000	25,000	75,000	25,000	100,000	25,000
Parking Structure Maintenance/Repairs	Parking	BL-00-06	10,600	9,844	75,000	75,000	5,000	5,000	5,000
Police Station (Space Needs Study)	Pub Bld	BL-08-04	0	18,966	0	0	0	0	0
Police Building Maintenance	Pub Bld	BL-10-04	25,000	100,000	25,000	25,000	25,000	25,000	25,000
Paint North Garage	Parking	BL-12-02	0	0	0	0	0	0	0
Garage U (Underground) Signage	Parking	BL-12-03	0	0	0	0	0	0	0
Fire Department Training Tower Renovation	Cap Proj	BL-13-10	135,000	150,000	0	0	0	0	0
Phone System Upgrade	Pub Bld	BL-13-15	0	206,326	250,000	0	0	0	0
Security Cameras in Parking Garages	Parking	BL-14-01	30,000	30,000	30,000	30,000	0	0	0
Paint Municipal Complex Garage (M)	Parking	BL-14-02	12,500	12,500	0	0	0	0	0
Paint Municipal Complex Garage (M)	Cap Proj	BL-14-02	30,000	37,500	0	0	0	0	0
Parking Structure Evaluation	Parking	BL-14-10	35,000	50,000	0	0	0	0	0
Metropolis Theater 2nd Floor Refurbishment	A&E	BL-14-15	55,000	55,000	0	0	0	0	0
Metropolis Theater Lobby	A&E	BL-15-01	0	0	30,000	0	0	0	0
Metropolis Theater Seating Repl/Repair	A&E	BL-15-02	0	0	20,000	20,000	20,000	0	0
Police Facility	Pub Bld	BL-16-01	0	0	750,000	750,000	1,500,000	4,000,000	15,000,000
Metropolis Theater Stage Curtains Repl	A&E	BL-16-02	0	0	0	30,000	0	0	0
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
<b>Sub-Total Building &amp; Land</b>			<b>755,900</b>	<b>1,080,383</b>	<b>1,541,000</b>	<b>1,191,500</b>	<b>2,173,000</b>	<b>4,302,200</b>	<b>15,282,000</b>
<b>Equipment</b>									
Operational Equipment - Public Works	Cap Proj	EQ-94-01	240,500	240,450	104,000	114,800	163,800	98,800	74,800
Operational Equipment - Public Works	EAB	EQ-94-01	7,000	7,000	0	0	0	0	0
Operational Equipment - Public Works	Water	EQ-94-01	256,000	256,034	197,000	224,000	209,700	221,000	131,000
Operational Equipment - Police Department	Cap Proj	EQ-95-01	86,700	86,700	81,600	42,000	37,500	34,500	43,500
Operational Equipment - Fire Department	Cap Proj	EQ-95-02	115,000	138,470	127,200	119,000	107,000	116,000	111,000
Office Equipment	Cap Proj	EQ-95-03	29,700	40,984	40,000	40,000	40,000	35,000	40,000
Office Equipment	Water	EQ-95-03	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Operational Equipment - Municipal Fleet Services	Cap Proj	EQ-97-01	74,600	74,634	31,000	38,900	38,900	14,500	1,700
IT Equipment Replacement	IT	EQ-97-08	230,000	231,800	236,800	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	104,000	104,929	80,000	150,000	135,000	80,000	80,000
Operational Equipment - Engineering Department	Cap Proj	EQ-01-04	5,000	5,000	5,000	15,000	0	0	5,000
Equipment Replacement - Metropolis	A&E	EQ-06-03	43,500	43,500	33,000	34,000	35,000	36,000	37,000
Patrol Vehicle Equipment Replacement Program	Cap Proj	EQ-08-03	20,000	20,000	35,000	35,000	40,000	60,000	90,000
Operational Equipment - Municipal Parking Fund	Parking	EQ-09-01	10,000	10,000	10,000	10,000	10,000	10,000	10,000
2-Way Mobile Radio Replacement - Public Works	Cap Proj	EQ-09-05	0	0	0	0	0	0	0
2-Way Mobile Radio Replacement	Water	EQ-09-05	0	0	0	0	0	0	0
Radio System Replacement - Police & Fire	Cap Proj	EQ-13-01	0	0	0	0	0	0	0
Metropolis Theater Sound System Upgrade	A&E	EQ-14-05	30,000	30,000	0	0	0	0	0
Metropolis Theater Ticketing/IT Replacement	A&E	EQ-14-10	40,000	40,000	0	0	0	0	0
Metropolis Theater Lighting Systems & Equip	A&E	EQ-16-01	0	0	0	40,000	0	0	0
Metropolis Theater Classroom Technology	A&E	EQ-17-01	0	0	0	0	10,000	0	0
<b>Sub-Total Equipment</b>			<b>1,317,000</b>	<b>1,354,501</b>	<b>1,005,600</b>	<b>1,129,500</b>	<b>1,093,700</b>	<b>972,600</b>	<b>890,800</b>
<b>Sewers</b>									
Sewer Rehab/Replacement Program	Water	SW-90-01	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Grove Street Sanitary Sewer	FLDV	SW-97-01	175,000	175,000	0	0	0	0	0
Neighborhood Drainage Improvements	FLDV	SW-11-02	243,000	568,088	300,000	300,000	300,000	300,000	300,000
Cypress Detention Basin/Lift Station	FLDV	SW-11-05	80,000	80,000	0	0	0	0	0
Council Trail Sewer & Street Improvements	TIF IV	SW-13-01	150,000	600,000	0	0	0	0	0
Flood Study	FLDV	SW-13-02	405,900	405,935	0	0	0	0	0
Utility Modeling	FLDV	SW-13-03	160,000	160,000	0	0	0	0	0
Sewer Backup Rebate Program	FLDV	SW-15-01	0	0	100,000	100,000	100,000	100,000	100,000
Sewer Back-up Rebate Program	Water	SW-15-01	50,000	50,000	25,000	25,000	25,000	25,000	25,000
<b>Sub-Total Sewers</b>			<b>1,563,900</b>	<b>2,339,023</b>	<b>725,000</b>	<b>725,000</b>	<b>725,000</b>	<b>725,000</b>	<b>725,000</b>

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

CAPITAL SPENDING (continued)			EST ACT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
Fund	PROJ #		2013-14	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Signals</b>									
Traffic Signal Maintenance	MFT	SG-03-02	114,600	113,800	116,900	119,200	121,500	124,000	126,500
Traffic Signal Imprv at Northwest Hwy/Wilke	Cap Proj	SG-08-02	505,800	505,849	50,000	0	0	0	0
Dundee Rd/Kennicott Ave Pedestrian Actuation	Cap Proj	SG-14-05	20,000	20,000	0	0	0	0	0
Traffic Signal Pedestrian Upgrade - Central at Arthur	Cap Proj	SG-14-10	0	0	0	0	100,000	0	0
Traffic Signals LED Upgrade	Cap Proj	SG-14-15	41,000	41,000	0	0	0	0	0
Arl Hts Rd - Sigwalt St/Miner St Interconnection	Cap Proj	SG-16-05	0	0	15,000	0	0	0	0
Euclid Ave - Arl Hts Rd/Dunton St Interconnection	Cap Proj	SG-16-10	0	0	0	42,500	0	0	0
<b>Sub-Total Signals</b>			<b>681,400</b>	<b>680,649</b>	<b>181,900</b>	<b>161,700</b>	<b>221,500</b>	<b>124,000</b>	<b>126,500</b>
<b>Streets</b>									
Street Resurfacing Program	Cap Proj	ST-90-08	3,875,000	4,095,531	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000
Street Rehabilitation Program	MFT	ST-90-09	2,130,000	2,452,631	2,130,000	0	2,100,000	2,100,000	2,100,000
Sidewalk & Curb Replacement	Cap Proj	ST-90-11	325,000	325,000	335,000	345,000	355,000	365,000	375,000
Pavement Crack Sealing Program	MFT	ST-92-01	85,000	85,000	0	0	0	0	0
Pavement Crack Sealing Program	Cap Proj	ST-92-01	0	0	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	10,000	10,000	10,000	10,000	10,000
HPS Street Light Conversion	Cap Proj	ST-00-03	0	0	0	0	0	0	0
Gateway Signs & Beautification	Cap Proj	ST-01-01	10,300	10,249	24,000	0	0	0	0
Paver Brick Maintenance	Cap Proj	ST-05-01	25,000	68,354	25,000	25,000	25,000	25,000	25,000
Northwest Hwy/Davis Street/Arthur Avenue	Cap Proj	ST-05-03	2,333,100	2,333,085	0	0	0	0	0
Parking Lot Resurfacing	Parking	ST-09-01	0	0	0	0	0	0	0
Parking Lot Resurfacing	Cap Proj	ST-09-01	0	20,000	100,000	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	115,000	167,000	0	0	0	0	0
Commuter Drive Reconstruction	Cap Proj	ST-11-05	162,000	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 Prog	EAB	ST-13-20	2,638,400	2,638,420	2,824,100	2,964,300	1,011,000	209,400	0
Downtown Street Furniture	Cap Proj	ST-14-01	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Nichols Road Reconstruction	MFT	ST-15-05	0	0	0	450,000	0	0	0
Walnut Avenue Reconstruction	MFT	ST-15-10	0	0	0	250,000	0	0	0
<b>Sub-Total Streets</b>			<b>11,772,700</b>	<b>12,431,042</b>	<b>9,058,100</b>	<b>7,849,300</b>	<b>7,311,000</b>	<b>6,619,400</b>	<b>6,520,000</b>
<b>Vehicles</b>									
Vehicle and Special Equipment Repl - PW	Fleet	VH-95-01	1,660,600	1,796,585	1,737,100	807,000	276,000	589,000	84,000
Vehicle and Special Equipment Repl - W&S	Fleet	VH-95-02	503,500	503,471	343,500	617,000	367,500	778,000	141,000
Vehicle Replacement - Police Department	Fleet	VH-95-03	24,300	242,664	315,000	292,500	300,000	500,500	467,500
Vehicle Replacement - Fire Department	Fleet	VH-95-04	1,459,900	1,811,972	557,500	101,500	920,000	170,000	213,000
Vehicle Replacement - Municipal Fleet Services	Fleet	VH-95-06	26,000	26,000	48,000	0	0	0	48,000
Vehicle Replacement - Municipal Parking Operations	Fleet	VH-95-08	18,000	16,000	0	93,000	0	0	0
Vehicle Replacement - Building & Health Services	Fleet	VH-95-10	16,000	15,971	66,000	132,000	0	0	0
Vehicle Replacement - Engineering Department	Fleet	VH-95-11	46,700	50,000	50,000	47,000	22,000	25,000	0
Vehicle Replacement - Planning Department	Fleet	VH-95-12	0	0	22,000	0	0	0	0
Vehicle Replacement - Village Manager's Office	Fleet	VH-95-13	0	0	0	0	0	0	0
Vehicle Replacement - IT/GIS Department	Fleet	VH-95-15	0	0	0	23,000	0	0	0
<b>Sub-Total Vehicles</b>			<b>3,755,000</b>	<b>4,462,663</b>	<b>3,139,100</b>	<b>2,113,000</b>	<b>1,885,500</b>	<b>2,062,500</b>	<b>953,500</b>
<b>Water</b>									
Watermain Replacement Program	Water	WA-90-01	324,500	409,500	485,000	450,000	475,000	500,000	525,000
Automatic Meter Reading System	Water	WA-03-02	0	0	100,000	200,000	200,000	100,000	100,000
Water Tank Repainting	Water	WA-11-01	0	0	200,000	200,000	200,000	200,000	350,000
Deep Well Rehabilitation	Water	WA-11-02	275,000	275,000	0	0	0	0	0
<b>Sub-Total Water</b>			<b>599,500</b>	<b>684,500</b>	<b>785,000</b>	<b>850,000</b>	<b>875,000</b>	<b>800,000</b>	<b>975,000</b>
<b>Total Capital Spending</b>			<b>20,445,400</b>	<b>23,032,761</b>	<b>16,435,700</b>	<b>14,020,000</b>	<b>14,284,700</b>	<b>15,605,700</b>	<b>25,472,800</b>

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

<b>CAPITAL FUNDING BY FUND</b>	<b>EST ACT</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
	<b>2013-14</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Capital Projects Fund	8,608,500	8,937,854	<b>5,008,800</b>	4,923,700	5,410,200	4,996,000	5,093,000
Water & Sewer Fund	1,250,500	1,335,534	<b>1,352,000</b>	1,444,000	1,454,700	1,391,000	1,476,000
Motor Fuel Tax Fund	2,444,600	2,818,431	<b>2,246,900</b>	819,200	2,221,500	2,224,000	2,226,500
Municipal Parking Operations Fund	104,000	118,244	<b>120,000</b>	120,000	20,000	20,000	20,000
TIF IV Fund	150,000	600,000	<b>0</b>	95,000	0	0	0
Flood Control V Fund	1,063,900	1,389,023	<b>400,000</b>	400,000	400,000	400,000	400,000
Public Buildings Fund	25,000	325,292	<b>1,025,000</b>	775,000	1,525,000	4,025,000	15,025,000
Emerald Ash Borer (EAB) Fund	2,645,400	2,645,420	<b>2,824,100</b>	2,964,300	1,011,000	209,400	0
Arts, Entertainment & Events Fund	168,500	168,500	<b>83,000</b>	124,000	115,000	36,000	37,000
Fleet Operations Fund	3,755,000	4,462,663	<b>3,139,100</b>	2,113,000	1,885,500	2,062,500	953,500
Technology Fund	230,000	231,800	<b>236,800</b>	241,800	241,800	241,800	241,800
<b>Total Capital Funding</b>	<b>20,445,400</b>	<b>23,032,761</b>	<b>16,435,700</b>	<b>14,020,000</b>	<b>14,284,700</b>	<b>15,605,700</b>	<b>25,472,800</b>

<b>CAPITAL FUNDING BY REVENUE SOURCE</b>	<b>EST ACT</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
	<b>2013-14</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Charges to Operations	3,140,400	3,142,200	<b>3,318,400</b>	2,354,800	2,127,300	2,304,300	1,195,300
Motor Fuel Tax Allotment	1,712,890	1,809,900	<b>1,809,900</b>	819,200	1,809,900	1,809,900	1,809,900
Taxes							
Food & Beverage Tax	168,500	168,500	<b>83,000</b>	124,000	115,000	36,000	37,000
Property Tax	2,700,000	2,700,000	<b>2,800,000</b>	2,900,000	3,000,000	3,100,000	3,200,000
Property Tax Increment	150,000	533,000	<b>0</b>	95,000	0	0	0
Sales Tax Home Rule	1,694,000	1,727,100	<b>1,711,000</b>	1,746,000	1,798,000	1,852,000	1,893,000
Water Sales	1,250,500	1,335,534	<b>1,352,000</b>	1,444,000	1,454,700	1,391,000	1,476,000
Bond Proceeds	0	0	<b>0</b>	775,000	1,500,000	4,000,000	15,000,000
Other (including interest income)	400,100	471,844	<b>220,500</b>	156,500	82,000	82,000	50,500
Grants/State/Federal/County/Private	1,753,400	1,722,100	<b>334,100</b>	0	0	0	0
Operating Transfer In	597,510	597,510	<b>2,824,100</b>	2,964,300	1,011,000	209,400	0
Cash on Hand	6,878,100	8,825,073	<b>1,982,700</b>	641,200	1,386,800	821,100	811,100
<b>Total Capital Funding</b>	<b>20,445,400</b>	<b>23,032,761</b>	<b>16,435,700</b>	<b>14,020,000</b>	<b>14,284,700</b>	<b>15,605,700</b>	<b>25,472,800</b>

**CAPITAL IMPROVEMENT PROGRAM (CIP)  
IMPACT ON FY2014-15 OPERATING BUDGET**

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

**BUILDING & LAND**

**Project Name:** Security Cameras in Parking Garages (BL-14-01)

**Description:** Installation of a video surveillance camera system on all floors, stairwells and elevators of the Vail Avenue Garage, North Garage and Evergreen Underground Garage over the next three years.

**FY2014-15 Budget:** \$30,000 (Total Project Cost: \$90,000)

**Operating Budget Impact:** When completed these three new systems will require some additional annual maintenance costs.

**STREETS**

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

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

**FY2014-15 Budget:** \$2,820,000 (Total Project Cost: \$11,500,000)

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

# DEBT SUMMARY

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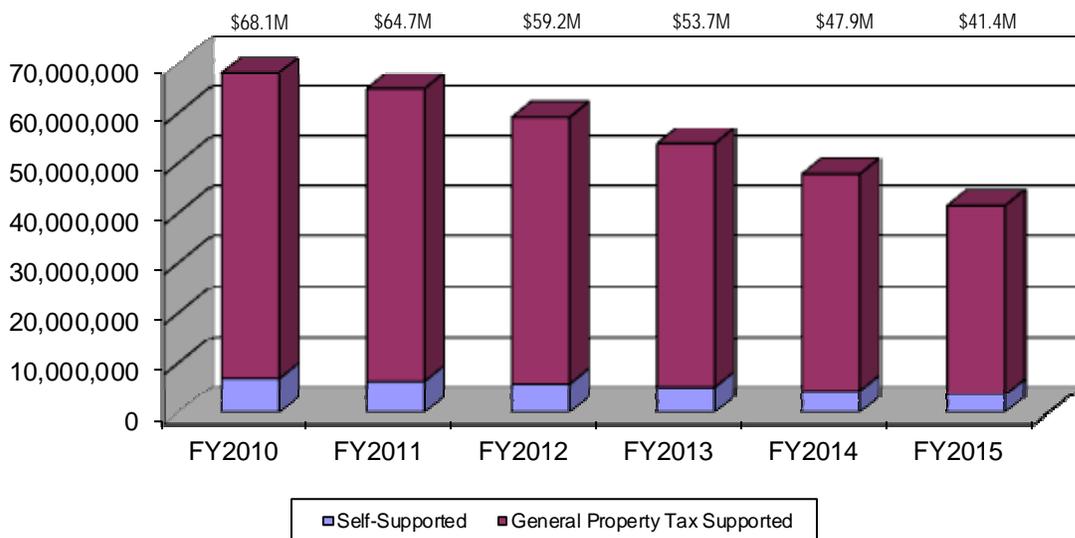
## OVERVIEW AND DEBT FINANCING PRINCIPLES

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

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

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

**VILLAGE OF ARLINGTON HEIGHTS**  
**Outstanding Bond Debt (Principal Only)**  
**Fiscal Years Ending 2010 through 2015**

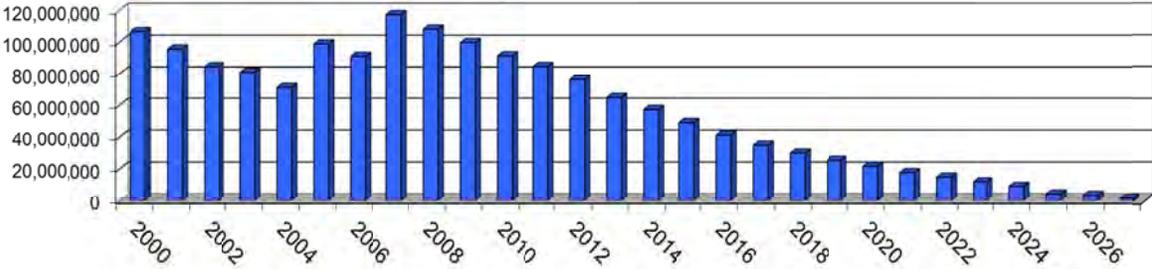


# DEBT SUMMARY

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

**Total Principal & Interest Outstanding  
FY2000 through FY2027**  
Includes Self-Supported (TIF, NWCD) and Tax Supported Debt



## LEGAL DEBT MARGIN

The Village is a home rule municipality.

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

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...Indebtedness which is outstanding on the effective day (July, 1971) of this Constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.”

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

## TYPES OF VILLAGE DEBT

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

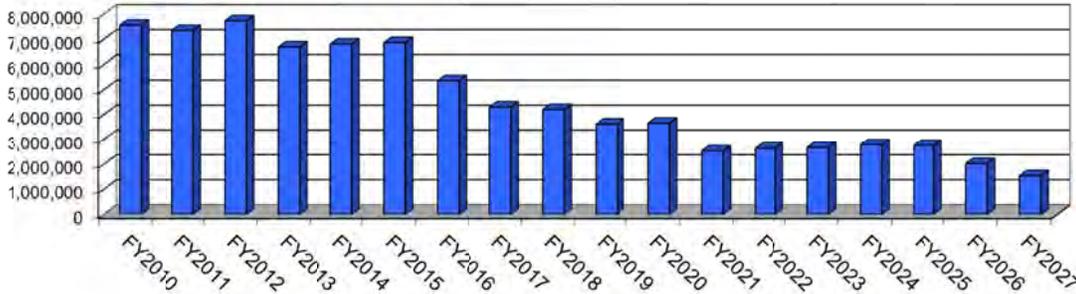
- General Obligation/General Obligation Alternate Revenue
- Water and Sewer Revenue
- Installment Contract
- Special Service Area
- Special Assessment

# DEBT SUMMARY

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

**Tax Supported Debt Service Payments by Year  
FY2010 Through FY2027**



## 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, 2014

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	735,000
2003B G. O. Refunding Bonds	Advance Refunding of 1997B Senior Center Bonds	3,330,000	12/1/2016	935,000
2005 G. O. TIF V Bonds	TIF District Improvement	2,235,000	12/1/2015	825,000
2006 G. O. Public Building Bonds	Construction and equipping of the new Village Hall	20,000,000	12/1/2019	4,800,000
2006A G. O. Refunding Bonds	Refunding of 1997C and 1998A Bonds	16,515,000	12/1/2018	1,585,000
2009A G. O. Refunding Bonds	Refunding of 2001 (Refunding of 1993 Flood Control V Bonds)	8,380,000	12/1/2014	2,835,000
2009B G. O. Street Resurfacing Bonds	2010 Street Resurfacing Program	2,050,000	12/1/2014	505,000
2010 G. O. Refunding Bonds	Refunding of 2002A NW Central Dispatch Bonds	2,855,000	12/1/2022	2,215,000
2011 G. O. Refunding Bonds	Partial Refunding of 2004 Public Building Bonds	9,925,000	12/1/2026	9,725,000
2012A G. O. Refunding Bonds	Partial Refunding of 2004 Public Building Bonds	9,670,000	12/1/2022	9,475,000
2013 G. O. Refunding Bonds	Partial Refunding of 2006 Public Building Bonds	7,755,000	12/1/2019	7,755,000
<b>TOTAL ALL BONDS</b>				<b>41,390,000</b>

**ANNUAL DEBT SERVICE REQUIREMENTS**

(PRINCIPAL AND INTEREST)

ISSUE	FUNDING SOURCE	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015 BUDGET
2003B Refunding of 1997B Senior Center	Property Tax	378,806	378,850	387,794	370,200	352,400
2004 Public Buildings	Property Tax	1,033,725	797,350	108,000	104,000	0
2006 Public Buildings	Property Tax	1,712,000	1,672,000	2,032,000	1,914,000	1,592,000
2006A Refunding of 1997C & 1998A	Property Tax	2,994,400	2,883,600	1,728,000	349,400	353,400
2009A Refunding of 2001	Property Tax	851,714	1,350,900	1,292,400	2,739,600	2,905,875
2009B Street Resurfacing	Property Tax	374,500	418,325	440,725	462,525	517,625
2011 Partial Refunding of 2004 Public Bldg	Property Tax	0	231,771	424,500	423,700	442,900
2012A Partial Refunding of 2004 Public Bldg	Property Tax	0	0	271,167	276,200	374,500
2013 Partial Refunding of 2006 Public Bldg	Property Tax	0	0	0	79,847	322,450
<b>SUBTOTAL - PROPERTY TAX</b>		<b>7,345,145</b>	<b>7,732,796</b>	<b>6,684,585</b>	<b>6,719,472</b>	<b>6,861,150</b>
2003A Refunding of 1997A TIF III	TIF Property Tax Increments	260,913	259,163	261,731	263,400	264,400
2005 TIF V	TIF Property Tax Increments	276,523	294,593	351,838	391,788	429,713
<b>SUBTOTAL - TIF FUNDING</b>		<b>537,435</b>	<b>553,755</b>	<b>613,569</b>	<b>655,188</b>	<b>694,113</b>
2002A NWCDS Building	Northwest Central Dispatch Rent	230,751	0	0	0	0
2010 Refunding of 2002A NWCDS Building	Northwest Central Dispatch Rent	33,448	269,863	271,863	278,788	275,563
<b>SUBTOTAL - OPERATING REVENUE</b>		<b>264,199</b>	<b>269,863</b>	<b>271,863</b>	<b>278,788</b>	<b>275,563</b>
<b>TOTAL</b>		<b>8,146,779</b>	<b>8,556,414</b>	<b>7,570,017</b>	<b>7,653,447</b>	<b>7,830,825</b>

# Community Profile

# COMMUNITY PROFILE

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## GOVERNMENT

Incorporated January 18, 1887

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

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

The Village employs 417 full-time and 20 part-time employees in 14 operating departments: Village Manager's Office, Human Resources, Legal, Finance, IT, GIS, Police, Fire, Planning & Community Development, Building & Health Services, Engineering, Public Works, Water Utility Operations, and Municipal Fleet Services.

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

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

## GOVERNMENT

(Continued)

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

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

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

### Elections

Number of Registered Voters	47,669
Number of Ballots Cast in Last Municipal Election 4-9-13	11,575

### Village Bond Rating

Aa1

### Fire ISO Rating

2 (1/1/2014)

### Various Taxes

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

## DEMOGRAPHICS

The Village is comprised of approximately 16.6 square miles.

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

# COMMUNITY PROFILE

(Continued)

## DEMOGRAPHICS (Continued)

### Weather Conditions

Average Winter	21° F
Average Summer	70° F
Average Annual Rainfall	34 Inches
Average Annual Snowfall	34 Inches

### Population

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

### Age

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

### Ethnic Makeup (a)

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

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

### Other Household and Resident Data (a)

Total Households	32,795
Median Household Income	\$78,494
Per Capita Income	\$41,654
Median Age	42.7
% of population over 65	17%
Education (population 25 years & older)	
High school graduate or higher	94.7%
Bachelor's degree or higher	51.6%
Unemployment Percentage (12/2013) (b)	5.6%

## DEMOGRAPHICS (Continued)

### Home Value (a)

Median Home Value	\$358,000
Median Gross Rent	\$1,101
\$0 to \$99,999	815
\$100,000 to \$149,999	1,039
\$150,000 to \$199,999	1,715
\$200,000 to \$299,999	4,393
\$300,000 to \$499,000	10,422
\$500,000 to \$999,999	4,418
\$1,000,000 or more	330

### Land Use (c)

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

### Property Value (d)

Estimated Total Property Value (2011)	\$9,282,235,191
Equalized Assessed Valuation (EAV) (2011)	\$3,093,768,989

### EAV Breakdown by Type of Property

	<u>2011 EAV</u>	<u>% of Total</u>
Residential	\$2,181,305,538	70.5%
Commercial	687,378,788	22.2%
Industrial	224,364,941	7.3%
Railroad	719,722	< 0%
	<b>\$3,093,768,989</b>	<b>100.0%</b>

# COMMUNITY PROFILE

(Continued)

## DEMOGRAPHICS (Continued)

### Top Five Property Taxpayers (d)

Luther Village	Retirement Facility
Nokia Siemens Networks	Technology
Arlington Int'l Racecourse	Entertainment
Town & Country Mall	Shopping
Northpoint Mall	Shopping

### Other (d)

Miles of Streets 230

### Water Information:

Municipal water system main water supply	
Lake Michigan water through the Northwest	
Water Commission (All wells are secondary and backup sources)	
Miles of Water Mains	253
Number of Water Customers	20,969
Capacity of Waterworks	36,000,000 gal/per day
Number of Storage Tanks	10
Storage Capacity	31,000,000 gal.

### Sewer Information:

Miles of Storm Sewers	163
Miles of Sanitary & Combined Sewers	227
Number of Retention/Detention Basins	56
Sewage Treatment – Metropolitan Water Reclamation District	

Number of Fire Stations 4

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

### Library

Number of Sites	1 (plus Bookmobile)
Number of Volumes	354,363
Number of Registered Borrowers	51,889
FY2010-2011 Total Circulation	2,664,382

## BUSINESS

The Village has 1,720 businesses paying sales taxes.

### 2012 Kind of Business Report (e)

Sales Category	Sales Volume	%
General Merchandise	\$ 684,152	6.6%
Food	1,940,299	18.7%
Restaurant Dining	1,450,277	14.0%
Apparel	338,314	3.3%
Furniture, Household	791,372	7.6%
Lumber/Building/Hardware	416,502	4.0%
Automotive/Filling Stations	1,897,485	18.3%
Drugs & Misc. Retail	1,397,958	13.5%
Agriculture & All Others	1,193,223	11.5%
Manufacturers	248,348	2.4%
Total	\$ 10,357,930	100.0%

### Major Employers (500 Employees or more)

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

# COMMUNITY PROFILE

(Continued)

## AWARDS & RECOGNITIONS

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

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

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

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

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

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

Chaddick Municipal Development  
Process Award ..... 2010

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

CALEA Accreditation of Police Dept. .... 2011

Governor's Sustainability Award ..... 2013

### Notes:

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