

2021 Budget Variance Report

Village of Arlington Heights

October 23, 2020

Budget Variance Explanations
Current Budget vs. Proposed Budget

Board of Trustees Budget Variances 2021

General Fund – Board of Trustees

101-0101-501.

None.

Budget Variance Explanations

Current Budget vs. Proposed Budget

Integrated Services Budget Variances 2021

General Fund – Integrated Services

101-0201-502.

- 19-01 **Workers Compensation** – Increase due to higher interdepartmental charges to support the Workers Compensation Fund.
- 19-05 **Medical Insurance** – Increase due to a change in coverage for an employee
- 21-65 **Other Services** – Decrease due to one-time prior year modification to office set-up.
- 22-02 **Dues** – Decrease due to removal of participation in the benchmarking program
- 22-05 **Postage** – Decrease due to realigning with prior years' actuals
- 22-10 **Printing** – Decrease due to realigning with prior years' actuals

Technology Fund – Integrated Services

625-0601-553.

- 19-05 **Medical Insurance** – Decrease due to a change in coverage for an employee.
- 22-03 **Training** – Decrease due to realigning with prior years' actuals and identified as a cost savings potential to meet budget constraints.
- 22-37 **Vehicle/Equip Lease Charge** – Decrease due to lower maintenance costs and depreciation value of IT Department fleet.
- 30-50 **Petroleum Products** – Decrease due to historical and expected usage and increased fuel efficiency of newer fleet vehicles.
- 50-10 **Office Equipment** – Increase due to expected expenditures for the new Enterprise Resource Planning (ERP) software purchase.

Budget Variance Explanations

Current Budget vs. Proposed Budget

Human Resources Budget Variances 2021

General Fund – Human Resources

101-0301-503.

22-03 **Training** – Decrease due to anticipated training projections

30-05 **Office Supplies & Equipment** – Decrease due to prior year 2020 budget amendment

General Fund – Board of Fire & Police Commissioners

101-1008-502.

20-75 **Examinations** – Decrease due to cyclical testing of entry level and promotional positions in both Fire and Police.

Health Insurance Fund – Human Resources

605-0301-552.

19-06 **Medical Insurance – Police & Fire Duty Disability** – Increase due to additional duty-related disability pensions awarded.

20-45 **Claims Administration** – Increase due to administrative services and network access fixed costs increasing over prior year. Fixed costs are independent of Insurance Premiums.

20-55 **Health Insurance Premiums** – Increase in the stop loss premium due to a number of large claims over the \$145,000 Stop Loss Threshold.

22-05 **Postage** – Decrease due to electronic forms of communication

42-75 **Claims Medical Loss** – Increase due to actual PPO Self Insured experience after carve out.

Workers' Compensation Insurance Fund – Human Resources

615-0301-552.

19-05 **Medical Insurance** – Increase due to a change in coverage for employee(s).

19-12 **Medicare** – Increase due to an increase in salary for employee(s).

Budget Variance Explanations

Current Budget vs. Proposed Budget

Legal Department Budget Variances 2021

General Fund – Legal

101-0401-503.

- 10-01 **Salaries** – Decrease due to the elimination of the In-House Counsel position. This is being replaced by an increase in Village Attorney Legal Services.
- 19-05 **Medical Insurance** – Decrease due to the elimination of the In-House Counsel position.
- 19-10 **IMRF** – Decrease due to the elimination of the In-House Counsel position.
- 19-11 **Social Security** – Decrease due to the elimination of the In-House Counsel position.
- 19-12 **Medicare** – Decrease due to the elimination of the In-House Counsel position.
- 20-10 **Village Attorney Legal Services** – Increase due to the elimination of the In-House Counsel position resulting in an expected increased reliance on the Village Attorney.
- 20-15 **Village Prosecutor Legal Services** – Decrease due to additional cases being handled through the Village’s administrative adjudication program and shifting DUI enforcement from the Village Prosecutor to the State’s Attorney.

Budget Variance Explanations

Current Budget vs. Proposed Budget

Finance Department Budget Variances 2021

General Fund – Finance

101-0501-503.

19-05 **Medical Insurance** – Decrease due to a change in coverage for employee(s).

101-9901-591.

40-93 **PPRT to Library** – Reflects the 24% allocation of Personal Property Replacement Tax revenue to the Arlington Heights Memorial Library. This expenditure is offset by the amount the Library is charged for Village services as shown in revenue account 411.81-00 – Library Services. This accounting/budgeting treatment was confirmed with the Village's auditor.

40-96 **Operating Contingency** – A portion of the 2020 operating contingency was reallocated to Department accounts as needed during the year.

Water & Sewer Fund – Finance

505-0501-503.

19-01 **Workers Compensation** – Increase due to higher interdepartmental charges to support the Workers Compensation Fund.

19-05 **Medical Insurance** – Increase due to a change in coverage for employee(s).

Arts, Entertainment & Events Fund – Finance

515-9901-525.

40-92 **Building Reserve (Metropolis Commercial Condo Association)** – Increase reflects the results of a building reserve study commissioned by the MCCA. The roof of the Metropolis building will need to be replaced in 2024 or 2025, and current reserves are not sufficient to undertake this project. The MCCA plans to increase the owners' building reserve charges over the next few years in addition to a one-time special assessment. The special assessment is currently anticipated to be \$30,000, of which the Village's portion would amount to about \$13,800.

General Liability Fund – Finance

611-0501-552.

20-45 **Claims Administration** – Decrease due to a reduction in the number of old claims handled by our previous insurance provider as they are closed.

20-70 **Insurance Premiums** – Increase due to anticipated increase in rates from IRMA based on the insurance market.

Budget Variance Explanations

Current Budget vs. Proposed Budget

Police Department Budget Variances 2021

General Fund – Police

101-3001-511.

- 18-08 **Overtime Sworn Court** – Decrease due bringing this account in line with prior year actual results.
- 18-09 **Holiday Sworn** – Increase due to the contractual obligation for the additional premium holiday (day after Thanksgiving) pay through the Collective Bargaining Agreement.
- 19-01 **Workers Compensation** – Increase due to higher interdepartmental charges to support the Workers Compensation Fund.
- 21-02 **Equipment Maintenance** – Decrease due transitioning from ID Networks for Records maintenance to the Motorola Premier One CAD/RMS Software System, which resulted in the elimination of the annual maintenance cost.
- 21-65 **Other Services** – Decrease in awarded grant funding agreement with the IL Criminal Justice Information Authority (ICJIA) for the Community Addiction & Recovery Effort (C.A.R.E) Program.
- 22-37 **Vehicle/Equip Lease Charge** – Decrease in maintenance costs and depreciation value of Police Department fleet.
- 30-35 **Clothing** – Increase due to contractual obligation in the annual equipment allowance afforded through the Collective Bargaining Agreement.
- 30-50 **Petroleum Products** – Decrease based on higher fuel efficiency of Police Department fleet and lower fuel costs.
- 33-25 **Operational Supplies** – Decrease resulted from prior year encumbrance(s).

Criminal Investigation Fund – Police

231-3003-511.

- 40-01 **State Awards** – Increase due to equipping a new K-9 Squad. This is a scheduled replacement program for a new utility vehicle.

Municipal Parking Fund

235-3001-532.

- 19-01 **Workers Compensation** – Increase due to higher interdepartmental charges to support the Workers Compensation Fund.
- 22-10 **Printing** – Decrease due to the transition from pre-printed paper parking tickets to digitally printed parking tickets (E-Tickets).
- 22-37 **Vehicle/Equipment Lease Charges** – Decrease in maintenance costs and depreciation value of Parking fleet.
- 30-35 **Clothing** – Decrease resulted from prior year encumbrance(s).
- 30-50 **Petroleum Products** – Decrease based on higher fuel efficiency of Parking fleet and lower fuel costs.
- 33-05 **Other Supplies** – Decrease resulted from prior year encumbrance(s).

Budget Variance Explanations

Current Budget vs. Proposed Budget

Fire Department Budget Variances 2021

General Fund – Fire

101-3501-512.

- 19-01 **Workers Compensation** – Increase due to higher interdepartmental charges to support the Workers Compensation Fund.
- 21-02 **Equipment Maintenance** – Decrease due to reallocation of funds to newly created EMS Maintenance Acct 21-16.
- 22-02 **Dues** – Decrease due to ending agreement with NIPSTA and reallocating funds to EMS Maintenance Acct 21-16 and newly created Community Risk Acct 33-45.
- 22-03 **Training** – Decrease due to reallocation of paramedic training funds to EMS Maintenance Acct 21-16.
- 22-37 **Vehicle/Equipment Lease Charge** – Increase due to higher maintenance costs and depreciation value of Fire Department fleet.
- 30-05 **Office Supplies & Equipment** – Decrease due to COVID19 related budget amendment and reallocation of office furniture fund from 31-65 to 30-05.
- 30-35 **Clothing** – Decrease due to reallocation of FF turnout gear funds to CIP Budget.
- 30-50 **Petroleum Products** – Decrease due to lower fuel costs.
- 31-45 **Janitorial Supplies** – Decrease due to reallocation of funds to newly created Building Maintenance Acct 21-11.
- 31-55 **Building Supplies** – Decrease due to reallocation of funds to newly created Building Maintenance Acct 21-11.
- 31-60 **Chemicals** – Decrease due to reallocation of funds to EMS Maintenance Acct 21-16.
- 31-65 **Other Equipment & Supplies** – Decrease due to reallocation of funds to Accts 21-11, 21-16, and 30-05.
- 33-05 **Other Supplies** – Decrease due to reallocation of Firehouse computer software funds to Acct 21-65 with other computer software line items.
- 33-50 **Medical Supplies** – Decrease due to prior year encumbrance.

Budget Variance Explanations

Current Budget vs. Proposed Budget

Planning Department Budget Variances 2021

General Fund – Planning

101-4001-521.

- 18-01 **Temporary Help** – Increase to permit slightly more summer help.
- 19-05 **Medical Insurance** – Increase due to coverage change for employee(s).
- 20-05 **Professional Services** – Overall decrease Increase due to a prior year encumbrance. This account includes an increase in phase II file scanning for Laserfiche conversion.
- 21-65 **Other Services** – Decrease due to reflect prior year budget minus encumbrance.
- 22-01 **Advertising** – Decrease due to historical trend.
- 22-02 **Dues** – Decrease due to historical trend.
- 22-37 **Vehicle/Equipment Lease Charge** – Decrease due to lower maintenance costs and depreciation value of Planning Department fleet.
- 30-01 **Publications & Periodicals** – Decrease due to historical trend.
- 30-50 **Petroleum Products** – Decrease due to lower fuel costs.
- 33-05 **Other Supplies** – Decrease due to prior year encumbrance.
- 40-40 **Promote Economic Business Development** – Decrease due to cessation of agreement with Chamber of Commerce.

Budget Variance Explanations

Current Budget vs. Proposed Budget

Department of Building & Life Safety Budget Variances 2021

General Fund – Building & Life Safety

101-4501-523.

- 19-01 **Workers Compensation** – Increase due to higher interdepartmental charges to support the Workers Compensation Fund.
- 19-05 **Medical Insurance** – Decrease due to a change in coverage for employee(s).
- 20-05 **Professional Services** – Decrease due to anticipated costs in 2021, based on current utilization of a third party vendor (TPI).
- 21-65 **Other Services** – Decrease due to 2020 budget year encumbrance carryover of \$55,000 which is not included in 2021 budget.
- 22-02 **Dues** – Increase in professional organization membership costs.
- 22-05 **Postage** – Increase due to average amount spent on this line item over past several years.
- 22-10 **Printing** – Increase due to average amount spent on this line item over the past several years.
- 22-15 **Photocopying** – Decrease due to elimination of maintenance contract for photocopier the department no longer has.
- 22-37 **Vehicle/Equipment Lease Charge** – Increase due to higher maintenance costs and depreciation value of Building & Life Safety fleet.
- 30-01 **Publications Periodicals** – Increase due to the annual costs of subscriptions.
- 30-05 **Office Supplies & Equipment** – Decrease due to average amount spent on this line item over the past several years.
- 30-35 **Clothing** – Increase due to increase costs for clothing.
- 30-50 **Petroleum Products** – Decrease due to lower fuel costs and more efficient fleet.

Budget Variance Explanations

Current Budget vs. Proposed Budget

Department of Health & Human Services Budget Variances 2021

General Fund – Health & Human Services Department

101-7001-541.

- 19-01 **Workers Compensation** – Increase due to higher interdepartmental charges to support the Workers Compensation Fund.
- 19-05 **Medical Insurance** – Increase due to a change in coverage for employee(s).
- 22-37 **Vehicle/Equip Lease Charge** – Decrease due to lower maintenance costs and depreciation value of Health Department fleet.
- 30-50 **Petroleum Products** – Decrease due to lower fuel costs.
- 40-57 **AH Emergency Assistance Donations** – Decrease due to expected normalization of donations for emergency assistance. 2020 included a \$25,000 Budget Amendment due to increased donations.

Budget Variance Explanations

Current Budget vs. Proposed Budget

Department of Health - Senior Services Budget Variances 2021

General Fund – Senior Center

101-7007-541.

- 19-05 **Medical Insurance** – Increase due to a change in coverage for employee(s).
- 19-10 **IMRF** – Decrease corresponds to a change in salaries.
- 22-02 **Dues** – Decrease due to removal of an unnecessary line item for the National Institute for Senior Centers Accreditation. Accreditation is renewed every five years.
- 31-65 **Other Equipment & Supplies** – Decrease due to prior year encumbrance(s).

Budget Variance Explanations

Current Budget vs. Proposed Budget

Public Works Department Budget Variances 2021

General Fund – Public Works

101-7101-531.

- 18-01 **Temporary Help** – Decrease due to historical trend.
- 19-01 **Workers Compensation** – Increase due to higher interdepartmental charges to support the Workers Compensation Fund.
- 21-02 **Equipment Maintenance** – Decrease due to prior year encumbrance(s).
- 21-11 **Building Maintenance** – Decrease due to prior year encumbrance(s).
- 21-36 **Equipment Rental** – Increase due to prior year budget transfer that decreased this line item in 2020.
- 21-62 **Disposal Services** – Decrease due to prior year encumbrance(s).
- 22-03 **Training** – Decrease due to elimination of national training events and professional conferences requiring out of state travel.
- 30-50 **Petroleum Products** – Decrease due to lower fuel costs.
- 31-75 **Street Light Supplies** – Decrease due to prior year encumbrance(s).

Water Utility Operations

505-7201-561.

- 19-01 **Workers Compensation** – Increase due to higher interdepartmental charges to support the Workers Compensation Fund.
- 22-37 **Vehicle/Equip Lease Charge** – Increase due to an increase in maintenance costs and depreciation value of the Water Utility Operation's fleet.
- 30-50 **Petroleum Products** – Decrease due to lower fuel costs.

Fleet Operations

621-7501-551.

- 19-05 **Medical Insurance** – Decrease due to a change in coverage for employee(s).
- 21-02 **Equipment Maintenance** – Decrease due to prior year encumbrance(s).
- 21-07 **Vehicle Equipment Maintenance** – Increase due to expanded need for contractual maintenance for first responder vehicles.
- 22-37 **Vehicle/Equip Service Charge** – Increase due to an increase in maintenance costs and depreciation value of the Fleet Operation's fleet.
- 30-50 **Petroleum Products** – Increase due to additional fuel consumption need for fleet operations.
- 30-55 **Non-Village Fuel Resale** – Decrease due to lower fuel costs.
- 31-50 **Vehicle Maintenance Supplies** – Increase due to additional need for fleet maintenance parts that support in-house vehicle maintenance.
- 31-65 **Other Equipment & Supplies** – Increase due to additional need of shop supplies required for in-house vehicle maintenance.
- 31-85 **Small Tools & Equipment** – Increase due to higher tool replacement requests and additional tools and supplies required for in-house vehicle maintenance.

Budget Variance Explanations

Current Budget vs. Proposed Budget

Public Works Department Budget Variances 2021 (Cont.)

- 33-05 **Other Supplies** – Decrease due to funds being moved to the 31-65 account to better reflect department spending.
- 40-95 **Wheeling Bus Maintenance** – Decrease due to lack of bus maintenance requests.

Municipal Parking Operations

235-7101-532.

- 22-37 **Vehicle/Equip Lease Charge** – Decrease due to a decrease in maintenance costs and depreciation value of the Municipal Parking Operation's fleet.

Vail Avenue Garage Operations

235-7302-532.

- 21-02 **Equipment Maintenance** – Increase due to new parking guidance software costs.