



AGENDA

President and Board of Trustees

Village of Arlington Heights

Committee-of-the-Whole

Board Room

33 S. Arlington Heights Rd., Arlington Heights, IL 60005

June 27, 2017

7:30 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

IV. NEW BUSINESS

- A. Review of the Proposed 2018-2022 Capital Improvement Program (CIP)
- B. Operating Fund Overview / Recommended Budget Ceilings - 2018

V. OTHER BUSINESS

VI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.



Item: Review of the Proposed 2018-2022 Capital Improvement Program (CIP)

Department: Finance

ATTACHMENTS:

Description	Type
Capital Improvement Program (CIP) Executive Summary	Exhibits



VILLAGE OF ARLINGTON HEIGHTS

2018 - 2022 CAPITAL IMPROVEMENT PROGRAM



"The Capital Improvement Program identifies community goals and needs and can ensure that major capital expenditures are in line with community expectations, anticipated growth, and projected financial capability."

June, 2017



VILLAGE OF ARLINGTON HEIGHTS

2018 - 2022

Capital Improvement Program

June 2017

VILLAGE BOARD

Thomas W. Hayes, Village President

Richard Baldino
Carol Blackwood
Thomas Glasgow
Robin LaBedz

Bert Rosenberg
John Scaletta
Michael J. Sidor
Jim Tinaglia

ADMINISTRATION

Randall R. Recklaus, Village Manager

CAPITAL IMPROVEMENT PROGRAM COMMITTEE

Thomas F. Kuehne (Chairman)	Finance Director/Treasurer
Mary Ellen Juarez	Assistant Finance Director
Randall Recklaus	Village Manager
Diana Mikula	Assistant Village Manager
Jim Massarelli	Director of Engineering
Mike Pagones	Deputy Director of Engineering
Scott Shirley	Director of Public Works
Cris Papierniak	Assistant Director of Public Works
Chester Gorecki	Management Analyst
Jeff Musinski	Superintendent of Utilities
Steve Mullany	Public Works Services Coordinator
Charles Witherington-Perkins	Director of Planning & Community Development
William Enright	Deputy Director of Planning & Community Development
Steve Touloumis	Director of Building Services
Charley Craig	Assistant Building Official
Robert Taraszka	IT Manager
Ken Koeppen	Fire Chief
Bernie Lyons	Deputy Fire Chief
Pete Ahlman	Deputy Fire Chief
Gerald Mourning	Chief of Police
Nick Pecora	Police Captain
Mem Teolis	Police Fiscal Clerk
Denise Ruda	Budget Coordinator

VILLAGE OF ARLINGTON HEIGHTS

2018-2022 CIP

EXECUTIVE SUMMARY

A Capital Improvement Program (CIP) is a financial planning, budgeting, and management tool that identifies public facility, infrastructure, and equipment replacement and repairs, and schedules these requirements for funding and implementation. The development of the CIP consists of staff input, discussions of public input, and a review process leading to two products:

- A capital improvement plan
- A capital improvement budget

The former is the multi-year plan that identifies all capital projects that are proposed for funding during that period (subject to annual revision). The latter is the capital spending budget for the upcoming fiscal year.

The CIP lists each proposed capital project, the year when it is anticipated to start, the amount expected to be expended on the project each year, and the proposed sources of financing. Based on these individual project details, summaries of capital expenditure needs in each year are prepared. These are then matched with funding available from all sources, including current revenues, grants, and other intergovernmental assistance as well as borrowing. Thus, a Capital Improvement Program represents a balance between project requests and current and future financing capabilities.

Roadways, sidewalks, buildings, vehicles, and equipment should be replaced as needed to continue to provide for the safety and well-being of the public and Village employees. Deferral of needed infrastructure maintenance activities would only serve to increase overall costs over the long-term.

This “Executive Summary” provides a general overview of the 2018-2022 Capital Improvement Program for the Village of Arlington Heights. Following this section are multi-year presentations for each Village fund that has capital expenditures, including capital project request sheets for each 2018 through 2022 project listed in the fund. The project request sheets provide a justification for the expenditure, and identify the funding source and the fiscal year the expenditure is anticipated to occur.

CIP PROCESS

Annually, the Village’s CIP Committee assembles information to update the Village’s five-year capital improvement plan, and projects funding sources to pay for them. Existing or ongoing projects included in the five-year CIP are re-evaluated for continued inclusion in the plan. Cost estimates and the

timing of the projects are updated as well. The Village's website is also utilized to generate capital project ideas from Village residents. A number of the suggestions from our residents pertained to several common issues, some of which were already included in the CIP. Other requests will require more analysis, a few were forwarded to the Park District, and some suggestions were more operational in nature.

The annual five-year plan adds another year to the previous year's plan to accommodate new projects as they are identified. This allows the CIP Committee to shift projects between years in order to balance expenditures against current and future revenues. The result of this process is then sent to the Village Board for review, discussion, possible modification, and approval.

Revised Process: In the future, Staff recommends that the current detailed CIP process be completed on a bi-annual basis rather than an annual basis. This would be part of an overall improvement to the Village's business planning and budgeting process. After the local election process that occurs every two years, each Department would prepare a presentation for the "new" Board. This would be followed by the Village's Board's bi-annual goal setting process. After the Board's goals and objectives are established, each Department then develops a business plan that reflects the Board's stated goals. During the non-election years, the five-year CIP can be developed with special emphasis on the first two years of the plan. This change would reflect the multi-year nature of many of the capital projects that are included in the CIP. During the years when there isn't a detailed CIP being presented to the Board, Staff would provide a summary update showing any changes in estimated costs from the prior year. To start this new process, another detailed CIP presentation would be prepared for the Board next year as well.

Projects included in the five-year CIP have been prioritized as follows:

Obligated (OBLG) – the Village has entered into a contract or agreement to complete the project or the project is obligated by State, Federal, or other environmental regulations.

Replacement/Maintenance (R/M) – this is part of an ongoing infrastructure or equipment maintenance program or scheduled replacement program.

Essential (ESST) – projects that, in staff's opinion, are necessary to continue providing basic services, or are necessary to maintain the health, safety, and welfare of the community.

Discretionary (DISC) – projects that are needed or desired, but do not fall into any of the other three categories.

2018-2022 CAPITAL IMPROVEMENT PROGRAM SUMMARY

The Village has continued to prudently plan for the future by investing aggressively in our infrastructure. Over the last few years, the Village has taken steps to identify key infrastructure improvement needs as well as sustainable funding sources for these improvements. These improvements have included the following:

- Implemented a program to remove/replace 13,000 parkway ash trees or 30% of the Village's tree inventory at an original estimated cost of \$11 million.
- Implemented a plan to increase the annual water main replacement program from \$500,000 to \$2.5 million per year by 2020 in order to reduce the high number of water main breaks due to the advanced age of the Village's water main system. Longer term plans anticipate that water main replacement program costs will continue to increase up to an annual \$4.5 million commitment by 2025.
- Completion of a two-year plan to increase the street resurfacing/reconstruction program by \$2.7 million per year to maintain the Village's "good" rating as identified through a recent pavement condition study. Phase-one of the plan increased annual street expenditures by \$2 million. This was accomplished by increasing the 2015 property tax levy by \$1.5 million and allocating \$500,000 of annual Solid Waste Fund monies for street purposes. Phase-two increased the 2016 property tax levy by \$700,000 for street purposes.
- Implemented a multi-year \$2.5 million project to refurbish the Village's four municipal parking garages, which will return these structures to their original integrity with a service life of 40 to 50 years.
- Implemented a financing plan to replace the Village's 38,000 square foot Police Station constructed in 1978 with a new 70,500 square foot building. The new Police Station, which is currently under construction, is scheduled to be completed during 2019.
- Implemented a multi-year plan to improve two of the Village's high visibility corridors which include: the Northwest Highway Corridor Landscaping Plan and the Rand Road Corridor Identification Plan.
- Implemented a six-year plan to complete the Downtown streetscape improvement plan.

The Village's next key infrastructure task is implementing a sustainable revenue source for ongoing maintenance of the Village's storm sewer mains, as well as a funding source for approved one-time storm water control projects. Staff is currently developing a basis for somewhat higher utility

fees for larger buildings as part of a Storm Water Control Fund fee and financing recommendation to the Board in August 2017.

Over the last few years the Village has carefully timed the funding for a number of key capital projects. These plans have included funding for the Parkway Ash Tree Removal & Replacement program and the cost to construct a new Police Station. Both of these projects were funded through bond issues that were sold as existing debt was retired. As a result, these projects will be completed without having to increase the Village's debt service property tax levy. In 2019, the Village will have another opportunity to manage its debt service level as additional bonds will mature. At this time the Village will have to decide whether to reinvest the retiring debt toward needed infrastructure improvements, toward maintaining Village operations, or to reduce taxes.

This decision will likely be influenced by how the economy is performing in 2019. In addition, the State of Illinois' ongoing fiscal crisis is also having a clear effect on the Village's ability to provide reliable projections for its long-term operations and capital planning processes. Should the State act to limit some of the Village's existing revenue streams by either diverting current Village revenues to State coffers or by freezing property taxes, these actions may require the Village to reduce existing service levels and capital plans.

To assist the CIP Committee in the development of the proposed CIP, in April 2015 the Village Board was asked to update its capital project priority list. The results outlined below show that the Village Board's number one priority remains Street Resurfacing and Reconstruction. Flood Control and Storm Sewer projects are the next highest priorities.

Capital Projects Priority List

1. **Street Resurfacing** (Capital Projects Fund)
2. **Street Reconstruction** (MFT Fund)
3. **Flood Control Projects** (Storm Water Control Fund)
4. **Storm Sewer Program** (Storm Water Control Fund)
5. **Operating Equipment Replacement** (Capital Projects Fund)
6. **Neighborhood Drainage Improvements** (Storm Water Control)
7. **Pavement Crack Sealing** (Capital Projects Fund)
8. **Paver Brick Maintenance** (Capital Projects Fund)
9. **Sidewalk & Curb Replacement** (Capital Projects Fund)
10. **Roof Maintenance Program** (Capital Projects Fund)
11. **Traffic Signal Maintenance** (MFT Fund)
12. **Historical Society – Building Repairs** (Capital Projects Fund)

The Village's street resurfacing and reconstruction programs remain as key components of the CIP, with about 23% of the proposed 2018 capital budget expenditures designated for these programs.

At the end of 2017 the Emerald Ash Borer (EAB) Fund will be closed as the Village finalizes the removal and replacement of its parkway ash trees that were infested by the emerald ash borer beetle. It was initially estimated that the cost of this program would be about \$11.2 million. However, competitive bid pricing for removal costs, more in-house removals than originally anticipated, and in-house hydro-seeding all greatly reduced the total cost of the program to an estimated \$8 million. Prior to the 2014 \$8 million EAB bond issue, there were three transfers from the General Fund from 2011 through 2013 totaling \$5.3 million that provided initial temporary funding for the project. Upon completion of the EAB project the intent was to refund the remaining funds back to the General Fund, or to use the funds for other capital project purposes. As of the end of 2017 it is estimated that the remaining fund balance will be approximately \$5.4 million.

During last year's CIP and 2017 Budget process, the Village Board approved the plan to make the following transfers to other funds for Village infrastructure improvements at the end of 2017 when the EAB Fund is closed:

1. \$2.7 million transferred to the Storm Water Control Fund to cover ongoing storm sewer maintenance costs and as seed money toward one-time storm water control project costs.
2. \$2.6 million to the Capital Projects Fund to cover:
 - a. \$1.648 million or \$412,000 per year from 2018-2021 to catch-up on the downtown brick paver maintenance program.
 - b. A five-year \$425,900 program to develop a scaled-down version of a Northwest Highway Corridor beautification project.
 - c. A five-year \$576,600 plan to develop a Rand Road Corridor identification project. An additional \$511,100 is programmed in the TIF V Fund.
3. The balance or approximately \$184,300 transferred back to the General Fund for general government purposes.

The transfer to the Capital Projects Fund allowed the Village to begin to address needed improvements to two of the Village's high visibility corridors which include the Northwest Highway Corridor and the Rand Road Corridor. Another key corridor that was recently highlighted by local business owners as needing improvement is the South Arlington Heights Road Corridor. However, this corridor will require the development of improvement plans before capital funding can be estimated and considered.

Exhibits A, B and C provide CIP summary information and demonstrate the Village's focus on street projects. **Exhibit A** shows a pie chart broken down by expenditure type for 2018. **Exhibit B** is a multi-year bar chart of the 2018-2022 CIP by type of project. **Exhibit C** presents detailed information

on the 2018-2022 CIP by type and by project name. **Exhibit D** is a multi-year presentation of CIP expenditures summarizing actual and projected expenditures from 2014 through 2022.

The Capital Projects Fund accounts for a variety of capital improvement projects including street resurfacing/rehabilitation, sidewalk repair/replacement, operational equipment replacement, traffic signal improvements, and other miscellaneous projects. Financing for this fund is provided primarily by property taxes, a ¼% home-rule sales tax, an annual \$300,000 transfer in from the SWANCC Fund, and grant revenues.

Last year the Village implemented phase-two of a two year plan to increase the annual funding for its street resurfacing/reconstruction program. Two years ago the Engineering Department, with the help of a consultant, completed an in-depth study of the condition of the Village's roadways. The Village had been spending about \$5.8 million per year to resurface, reconstruct and crack seal its streets. However, the pavement study indicated that the Village should be spending at least \$8.5 million per year just to maintain the current condition of our roadways, which are rated in the "good" category by the consultant. To provide the required additional \$2.7 million per year for street purposes the Village used a two-year phased in approach.

Phase-one of the plan increased annual street expenditures by \$2 million. This was accomplished by increasing the 2015 property tax levy by \$1.5 million. In addition, the Village authorized an annual allocation of \$500,000 from the Village's Solid Waste Fund for street purposes. This annual allocation starting in 2016 includes \$200,000 to the General Fund for a new street patching program, and \$300,000 to the Capital Projects Fund for additional street resurfacing/reconstruction projects. The second phase for the planned improvements to the Village's street program was the 2016 property tax levy increase of \$700,000 for street purposes. To provide a consolidated view of the total amount the Village spends on streets each year, the Capital Projects Fund section of the CIP includes a "Summary of Total Street Expenses and Budgets" from FY2015 through 2022. As stated earlier, these increases in funding will only serve to maintain roads in their current overall condition. If it is desired to improve the overall condition of the Village's road network, additional funding will be required.

The Capital Projects Fund also includes ramping up the annual budget amount for the pavement crack sealing program from \$125,000 per year to \$200,000 per year starting in 2019. This program will need to be increased as the Village resurfaces and reconstructs more streets. It should be noted that some of the out year funding budgeted for street resurfacing will be allocated to street rehabilitation depending on the overall requirements of the annual street program.

The Roof Maintenance Program reflects the ongoing maintenance and replacement program for roofing systems of all municipal buildings, including coping and parapet repairs. The intent of this program is to maintain the weather tightness of the municipal buildings in order to prevent structural and equipment damage. During 2018, \$29,500 is budgeted for roof repairs at Fire Station #2 and \$130,000 for the Teen Center roof. The Teen Center is currently being leased out to an after-school and evening social resource provider. Based on the significant cost of the roof repair, the Village must decide whether it wishes to continue to spend public infrastructure dollars to maintain an aging building presently used by a non-Village service provider.

The Sidewalk & Curb Replacement and Paver Brick Maintenance projects reflect the Village's ongoing efforts to repair trip hazards, and to reduce the Village's liability exposure. In order to address several streetscape areas in the Downtown that require significant reconstruction, the majority of the funding for the annual sidewalk replacement program was used for brick paver work in 2016 and 2017. In 2018, the normal Village-wide sidewalk program is budgeted to resume at annual cost of \$375,000. From 2018 - 2021 a new overall Downtown sidewalk repair program is planned to update the pedestrian ways and eliminate trip hazards. The cost of this program is budgeted at \$412,000 per year through 2021, and \$75,000 per year thereafter to maintain the Downtown sidewalks.

The Northwest Highway Corridor plan which started in 2017 and continues through 2021 will remove and replace the landscaping across five acres of land with a native species that blooms throughout the year. During the 2016 CIP the Village Board directed staff to use in-house resources as much as possible to develop a plan for this project rather than budgeting an estimated \$1.15 million for the project. Through the efforts of the Planning and Public Works Departments, the scaled down plan to improve the Northwest Highway Corridor stands at a total five-year cost of \$425,900. The cost to maintain this corridor is expected to be about \$25,000 per year which will be added to the General Fund operations budget.

The Rand Road Corridor Identification program is a five-year program that started in 2017 at a total cost of \$1.088 million, with \$576,600 coming from the Capital Projects Fund and \$511,300 from the TIF V Fund. The goal of this program is to create a separate unifying identity for this shopping district. In addition, enhancing the area will help attract new businesses while making it more aesthetically pleasing for residents, businesses and shoppers who patronize the area. The cost of both the Rand Road and Northwest Highway corridor projects are being covered by the transfer from the EAB Fund to the Capital Projects Fund. Additional funding for the Rand Road Corridor will come from TIF V.

In an effort consistent with the Village Board's goal "To improve the Business District Beautification Program" and to continue to promote Downtown as an entertainment and tourism destination, a Downtown light ceiling is proposed.

The proposed concept would include decorative poles and strand lights. During last year's CIP it was estimated that the cost to install overhead decorative lights at the intersection of Campbell and Vail would be \$19,500, with the installation of a second phase of lights adjacent to Harmony Park in 2018 for an additional \$44,000 (for a total of \$63,500). However, actual quotes for the Campbell and Vail portion of the project came in at \$75,000 alone. As result, Staff has rebudgeted the Campbell and Vail portion of this project for 2018, foregoing the second phase adjacent to Harmony Park for the time being. This will give the Board a chance to reconsider the cost of this project prior to implementation.

The Motor Fuel Tax (MFT) Fund covers the cost of the Village's street rehabilitation program which has been budgeted at about \$1.8 million per year based on annual MFT allotments received through the State. Of the State's .19/gallon tax on fuel purchases, 54.4% is shared with local governments. Of this amount, 49.1% is shared with municipalities based on population. The balance is shared with Counties and Townships.

Additional street rehabilitation work can be programmed from year to year, but the cost of this additional work would be covered in the Capital Projects Fund. In 2016 the Street Rehabilitation program increased to \$3.96 million due to a one-time transfer of \$2 million from the General Fund to the MFT Fund at the end of FY2015.

The Storm Water Control Fund includes an annual budget of \$300,000 for the Neighborhood Drainage Improvements program. As part of the Water and Sewer Rate Study completed in 2014, it was noted that the Village did not have a storm sewer rehabilitation program, and that the Village repairs storm sewer failures as they are identified by either residents or Staff. The storm sewer system is comprised of approximately 212 miles of storm sewer with 9,462 related structures. The first part of establishing a storm sewer rehabilitation program is the overall assessment of the system's condition. Based on the size of the Village's system, the proposed CIP reflects annual storm sewer costs of \$500,000 to lightly clean, televise, and analyze the condition of the Village's system. This portion of the program will take about five more years to complete, after which the entire annual budget would be devoted to storm sewer rehabilitation and replacement work identified during the system assessment.

On July 23, 2011 the Village experienced significant flooding due to a storm that dumped between 5.5 and 7 inches of rain over a four hour period. This storm, which affected communities throughout the northwest suburbs, followed two weeks of substantial rain events which had already saturated the ground. This excessive rainfall taxed the Village's sewer systems, which resulted in a significant number of flooded basements due to sewer system back-ups and some overland flooding. As a result of this historic rain event,

the Village commissioned two separate flood studies to determine if there are affordable infrastructure improvements that could be undertaken that would provide a consistent level of storm water control throughout the community.

The most significant effect of the extraordinary storm event was sewer back-up and street flooding within the combined sewer tributary area. An analysis of this issue required a detailed modeling of the system before any improvements could be designed and priced. The first step in the modeling process was flow monitoring of the existing system. The study then used the flow monitoring data to complete an analysis of the Village's existing combined sewer system.

A second issue that came up as a result of this same extraordinary rain event consisted of storm water capacity and storage issues in separate sewered areas, at locations north of Palatine Road and in areas generally south of Central Road. The recommendations resulting from the storm water study are separate from the larger combined sewer flood study mentioned above.

It should be noted that previously studied problem areas, including the Cypress Area and Grove Street, were updated and included in the overall project discussion.

The Storm Water Control Fund does not presently have a dedicated source of revenue. Recent revenue infusions have come from the General Fund through a transfer-in during FY2014 of \$1 million and a transfer-in of \$500,000 during the 8-month transition year. At the end of 2017 another transfer-in of \$2.7 million is budgeted due to the upcoming closure of the EAB Fund. In March 2017 Staff presented a prioritized list of storm water infrastructure projects as a general strategy for a multi-year improvement program. This presentation included various financing options to pay for the cost of these one-time storm water control projects, as well as to provide a funding source for annual storm sewer maintenance costs.

The five-year CIP for the Storm Water Control Fund is based on the March 2017 COW meeting presentation and includes the following assumptions:

- A storm water utility fee of \$6.25 per month for all single-family residences. (Staff is currently developing a basis for somewhat higher utility fees for larger buildings as part of a Storm Water Control Fund fee and financing recommendation for the Board's consideration in August 2017.)
- The priority project list outlined in a May 2017 memo to the Board was used as the basis for developing a five-year spending plan within the constraints of projected cash flows.

- A 20-year \$10 million bond issue would be needed to cover the first five years of the storm water improvement plan. The principal and interest costs of the bond would be covered by storm water utility fees.

The Water & Sewer Fund - During the summer of 2014, the Village implemented a five-year water and sewer rate increase plan to address the aging of our water system infrastructure. Even with the rate adjustments, the Village's water and sewer rates will be at or below the average for communities in the Chicago area. The Village's water and sanitary sewer infrastructure is over 60 years old, which has resulted in an increasing number of water main breaks each year that is twice that of comparable communities. The revised rate structure will allow the Village to increase the amount spent on its water main replacement program by about five times from about \$500,000 per year to \$2.5 million a year by 2020. Longer term plans beyond the current five-year rate increase plan project that water main replacement program costs will continue to increase up to an annual \$4.5 million commitment by 2025. Once we reach this funding level we will be at the industry standard of replacing 1% of our water mains each year. Other Water & Sewer Fund CIP projects will also be increased including the Sanitary Sewer Replacement, Water Tank Painting, and Automatic Meter Reading programs.

However, it should be noted that the fund's working cash balance has decreased over the last three years due to wetter spring/summer weather. This has resulted in decreased water usage and lower water and sewer revenues than budgeted. Staff has adjusted the timing of some water capital projects to reflect the slower increase in projected water and sewer revenues. To be more conservative, Staff is now using a total projected gallon sold figure for budget purposes that falls between the average water usage for the last twelve years and the lower recent water usage level over the last couple of years.

The Water & Sewer Fund also includes \$100,000 of annual funding as of 2016 to help alleviate single-family residential sanitary sewer back-ups through the Village's Sewer Back-Up Rebate program. Under this program, the Village rebates a single-family homeowner up to \$7,500 for the cost of installing a sewer back-up prevention system. This system can be installed inside or outside a residence and has an average cost of about \$10,000 to \$12,000. As of 2019 and thereafter, it is planned that this ongoing program will be budgeted in the Storm Water Control Fund.

Those residents who have installed a sewer back-up system through this program, or who have an existing system paid for through the purchase price of their home, have been able to prevent significant sanitary sewer flooding events in their homes. A sewer back-up prevention system will not prevent overland flooding issues, but most if not all of the sewer back-up issues from

the 2011 rain event would likely have been prevented with the installation of such a system.

The Municipal Parking Operations Fund covers the costs associated with maintaining the public parking facilities, as well as the operating costs to collect fees and enforce parking regulations.

In September 2014 Village Staff completed a review of the Parking Garage Assessment prepared by Walker Restoration Consultants. The CIP continues to reflect the results of this assessment which provided the Village with a multi-year working plan for the maintenance and repair of the four municipal parking garages. According to the consultant, completing this work will return these structures, which range in age from 15 to 33 years, back to their original integrity with new service lives of 40 to 50 years. The Village has developed a phasing plan that will minimize interruptions in the use of the garages as the repairs are made. Unfortunately, some significant disruption will be unavoidable.

In June 2017 the Village Board approved parking fee increases that will be effective as of September 1, 2017 for the October – December 2017 parking fee sales. This increase was required to address an imbalance between Parking Fund revenues and expenses.

The Public Building Fund - The Village chose Legat Architects and Riley Construction Management as its partners to complete the construction of a new 70,500 square foot Police Station. This state-of-the-art facility will replace the old 38,000 square foot Police facility built in 1978. The Village financed the cost of the new Police Station within our existing debt service level by reinvesting scheduled debt service payment reductions in the 2016 Police Station bond issue.

The following tentative time line shows the steps that are planned to be undertaken over the next few years:

May 2017 – Demolition of existing Police Station/Begin Construction

July 2017 – Guaranteed maximum price (GMP) for the new Police Station

Late 2018/early 2019 – Occupancy of new Police Station

Other Funds include the Criminal Investigations TIF IV, TIF V, TIF Hickory/Kensington, EAB, Arts Entertainment & Events, and Technology

Funds. These funds have sufficient cash balances to cover the proposed capital improvements.

ORGANIZATION OF THE CIP PLAN

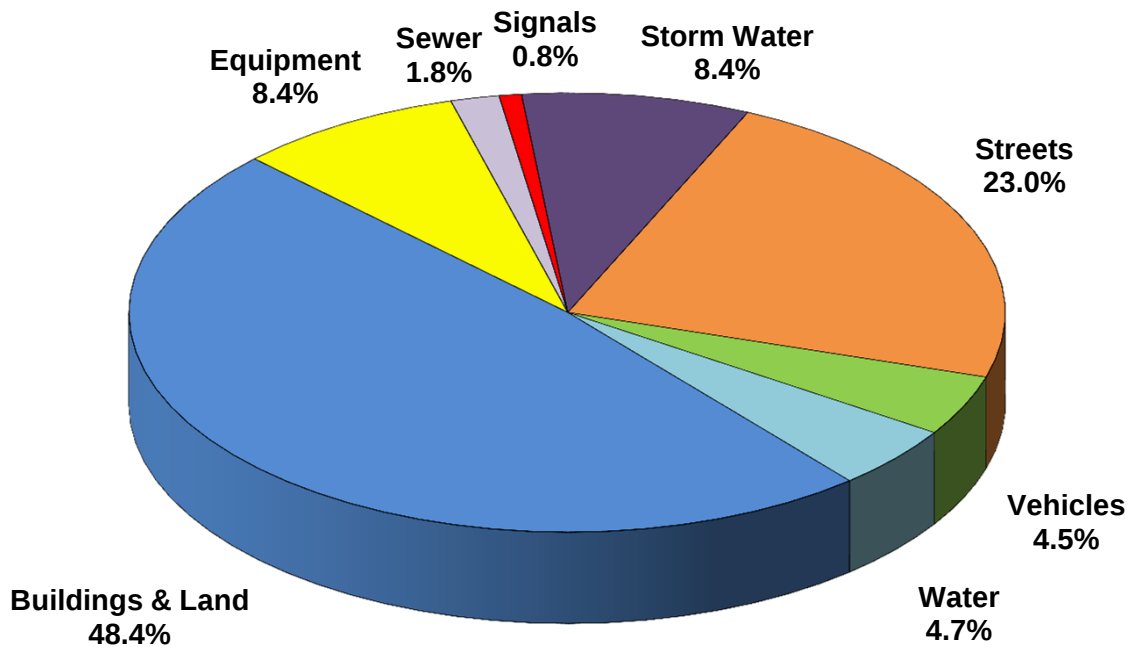
To provide a clear sense of available resources and proposed capital projects, the sections that follow are divided by fund. A narrative summary of each fund's key projects and issues is provided at the beginning of each fund section. As mentioned earlier, multi-year presentations of each fund's revenues and expenditures are included, as well as project request sheets for each 2018 through 2022 project. If a fund includes both operating and capital expenses, projected operating expenses are shown through the last year of the CIP. The last two sections of the CIP show other non-major funds and then a list of unfunded projects which the CIP Committee felt were important to track, but were beyond the five-year horizon of the CIP, or marked as unfunded due to a high expense and an undetermined funding source.

The CIP Committee has reviewed each of these funds and the projects therein, and recommends that the proposed capital improvement budget for 2018 in the amount of \$43,340,400 be accepted. This is the first year of the five-year \$136.6 million Capital Improvement Program.

WHERE THE MONEY GOES

CAPITAL EXPENDITURES BY TYPE

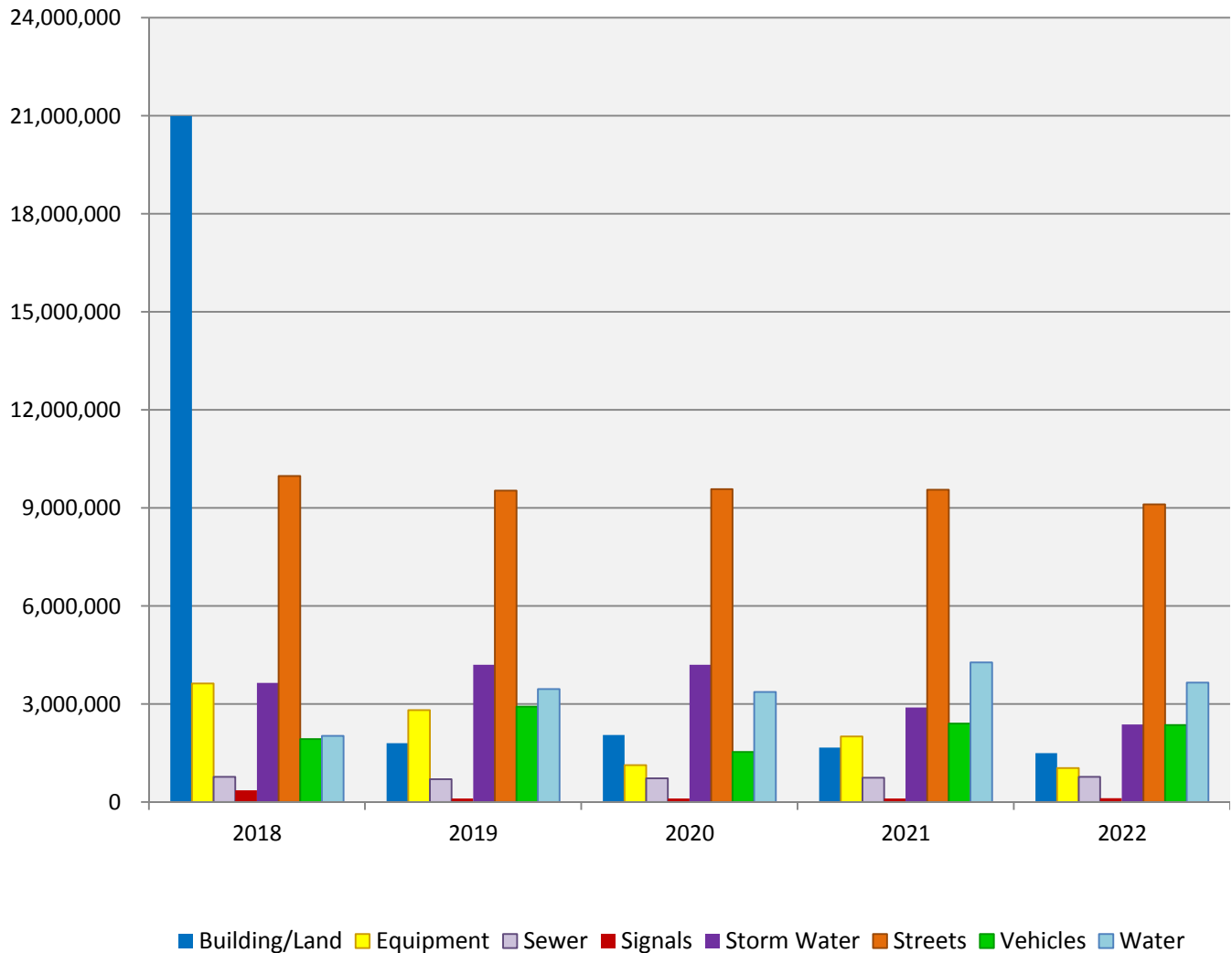
Fiscal Year 2018



CATEGORY	2018 PROPOSED	
	CIP	%
Buildings & Land	\$20,996.3	48.4%
Equipment	3,626.5	8.4%
Sewer	775.0	1.8%
Signals	357.7	0.8%
Storm Water	3,650.0	8.4%
Streets	9,976.3	23.0%
Vehicles	1,930.5	4.5%
Water	2,028.1	4.7%
Total	\$43,340.4	100.0%

(Shown in Thousands)

Village of Arlington Heights 2018-2022 Capital Improvement Program SUMMARY BY TYPE



Village of Arlington Heights
2018-2022 CAPITAL IMPROVEMENT PROGRAM
By Type and Project Name
(shown in thousands)

Project Name	Project #	Total 2018	Total 2019	Total 2020	Total 2021	Total 2022	Total Project
Building/Land							
Overhead Door Replacement/Repair	BL-90-04	20.0	20.0	20.0	20.0	20.0	100.0
Public Works Annex Improvements	BL-93-02	30.0	30.0	30.0	30.0	43.0	163.0
Building Equipment Replacement	BL-95-04	48.6	41.2	36.9	36.0	36.0	198.7
Municipal Buildings Refurbishing	BL-95-05	200.0	286.3	171.0	143.0	75.0	875.3
Roof Maintenance Program	BL-95-06	159.5	241.8	494.5	342.5	150.5	1,388.8
Heating Plant/Air Conditioner Replacement	BL-96-01	51.0	116.0	47.0	42.0	43.0	299.0
Ongoing Maintenance to Brick Exteriors	BL-96-03	35.0	35.0	35.0	35.0	35.0	175.0
Historical Society Museum - Building Repairs	BL-96-04	25.0	25.0	25.0	25.0	25.0	125.0
Parking Structure Maintenance/Repairs	BL-00-06	142.0	0.0	137.0	0.0	75.0	354.0
Other Building Costs	BL-11-10	1,300.0	0.0	0.0	0.0	0.0	1,300.0
Police Station - Architect	BL-16-01	400.2	0.0	0.0	0.0	0.0	400.2
Metropolis Theater Triangle Rooms & Halls Refurbish	BL-17-01	0.0	7.0	0.0	0.0	0.0	7.0
Metropolis Theater Dance Studio Floor	BL-17-05	0.0	0.0	18.0	0.0	0.0	18.0
TIF IV Redevelopment	BL-16-05	500.0	500.0	500.0	500.0	500.0	2,500.0
Metropolis Theater - Replace Flooring MPAC	BL-17-06	0.0	0.0	40.0	0.0	0.0	40.0
Police Station - Construction / CM Fees	BL-16-10	15,985.0	0.0	0.0	0.0	0.0	15,985.0
Police Station - Contingency	BL-16-20	1,600.0	0.0	0.0	0.0	0.0	1,600.0
Hickory Kensington TIF District Redevelopment	BL-18-01	500.0	500.0	500.0	500.0	500.0	2,500.0
		20,996.3	1,802.3	2,054.4	1,673.5	1,502.5	28,029.0
Equipment							
Operational Equipment - Public Works	EQ-94-01	282.2	260.6	222.8	162.7	109.4	1,037.7
Operational Equipment - Police Department	EQ-95-01	470.4	344.0	49.4	44.0	69.0	976.8
Operational Equipment - Fire Department	EQ-95-02	193.0	541.0	114.0	118.5	184.0	1,150.5
Office Equipment	EQ-95-03	41.5	60.0	60.0	65.0	40.0	266.5
Operational Equipment - Municipal Fleet Services	EQ-97-01	50.5	49.0	47.5	43.2	28.2	218.4
IT Equipment Replacement	EQ-97-08	241.8	241.8	241.8	241.8	241.8	1,209.0
Emergency Generator Upgrades and Replacement	EQ-99-02	0.0	879.5	10.0	922.4	0.0	1,811.9
Operational Equipment - Information Technology	EQ-01-03	140.0	108.0	93.0	93.0	93.0	527.0
Operational Equipment - Engineering Department	EQ-01-04	5.0	5.0	5.0	5.0	5.0	25.0
Metropolis Theater Capital Equipment	EQ-06-03	36.0	37.0	38.0	39.0	40.0	190.0
Patrol Vehicle Equipment Replacement Program	EQ-08-03	55.0	35.0	35.0	35.0	35.0	195.0
Operational Equipment - Municipal Parking Fund	EQ-09-01	10.0	10.0	10.0	10.0	10.0	50.0
SCADA Enhancements	EQ-15-25	30.0	58.0	60.0	61.5	63.3	272.8
Pumps & Motor Controls Rehab and Replacement	EQ-15-30	189.1	75.0	141.4	106.0	64.6	576.1
Metropolis Theater Clearcom Equipment	EQ-17-03	17.0	0.0	0.0	0.0	0.0	17.0
Metropolis Theater LED House Lighting	EQ-17-04	61.0	0.0	0.0	0.0	0.0	61.0
Alternative Fuel System Implementation	EQ-16-05	0.0	30.0	0.0	0.0	0.0	30.0
Metropolis Theater Monitors - Audio	EQ-17-05	20.0	0.0	0.0	0.0	0.0	20.0
Metropolis Theater Speaker Towers	EQ-17-06	10.0	0.0	0.0	0.0	0.0	10.0
Metropolis Theater Moving Lights	EQ-17-07	0.0	15.0	0.0	0.0	0.0	15.0
Cable Access Broadcast & Video Streaming	EQ-16-07	9.0	0.0	0.0	0.0	0.0	9.0
Metropolis Theater Edison For Grid	EQ-17-08	0.0	15.0	0.0	0.0	0.0	15.0
Metropolis Theater Sound Console/ Board	EQ-17-09	0.0	35.0	0.0	0.0	0.0	35.0
FF&E / Security / Telephone	EQ-16-10	1,765.0	0.0	0.0	0.0	0.0	1,765.0
Metropolis Theater Replace Smoke Detectors	EQ-17-10	0.0	13.0	0.0	0.0	0.0	13.0
Metropolis Theater LED Series 2	EQ-17-11	0.0	0.0	0.0	60.0	0.0	60.0
Lighting Fixtures in Theater	EQ-18-03	0.0	0.0	0.0	0.0	35.0	35.0
Wireless Microphones	EQ-18-05	0.0	0.0	0.0	0.0	14.0	14.0
New Video Projector System	EQ-18-01	0.0	0.0	0.0	0.0	7.0	7.0
Retractable Hanging Screen	EQ-18-02	0.0	0.0	0.0	0.0	7.0	7.0
		3,626.5	2,811.9	1,127.9	2,007.1	1,046.3	10,619.7
Sewer							
Sewer Rehab/Replacement Program	SW-90-01	375.0	400.0	425.0	450.0	475.0	2,125.0
Neighborhood Drainage Improvements	SW-11-02	300.0	300.0	300.0	300.0	300.0	1,500.0
Sewer Back-up Rebate Program	SW-15-01	100.0	100.0	100.0	100.0	100.0	500.0
		775.0	800.0	825.0	850.0	875.0	4,125.0

Village of Arlington Heights
2018-2022 CAPITAL IMPROVEMENT PROGRAM
By Type and Project Name
 (shown in thousands)

Project Name	Project #	Total 2018	Total 2019	Total 2020	Total 2021	Total 2022	Total Project
Signals							
Traffic Signal Maintenance	SG-03-02	107.7	109.9	112.1	114.5	116.8	561.0
Pedestrian/Bicycle crossing Lake-Cook Rd./Wilke Rd.	SG-18-01	50.0	0.0	0.0	0.0	0.0	50.0
Algonquin Rd. and New Wilke Rd intersection Improvement	SG-17-01	200.0	0.0	0.0	0.0	0.0	200.0
		357.7	109.9	112.1	114.5	116.8	811.0
Storm Water Control							
Storm Sewer Rehab/Replacement Program	SW-15-20	500.0	500.0	500.0	500.0	500.0	2,500.0
Storm Water Control - Cypress Detention Basin/Lift Station	SW-18-02	0.0	2,900.0	2,900.0	0.0	0.0	5,800.0
Enhanced Overhead Sewer Program	SW-18-01	1,050.0	800.0	800.0	800.0	375.0	3,825.0
Greenbriar/ Roanoke/ Wilke	SW-18-03	0.0	0.0	0.0	1,600.0	1,500.0	3,100.0
Campbell/ Sigwalt	SW-18-04	2,100.0	0.0	0.0	0.0	0.0	2,100.0
		3,650.0	4,200.0	4,200.0	2,900.0	2,375.0	17,325.0
Streets							
Street Resurfacing Program	ST-90-08	6,000.0	6,100.0	6,200.0	6,300.0	6,400.0	31,000.0
Street Rehabilitation Program	ST-90-09	1,800.0	1,800.0	1,800.0	1,800.0	1,800.0	9,000.0
Sidewalk & Curb Replacement	ST-90-11	375.0	385.0	395.0	405.0	415.0	1,975.0
Pavement Crack Sealing Program	ST-92-01	150.0	200.0	200.0	200.0	200.0	950.0
Street Light Cable Replacement	ST-00-01	10.0	10.0	10.0	10.0	10.0	50.0
Paver Brick Maintenance	ST-05-01	412.0	412.0	412.0	412.0	75.0	1,723.0
Downtown Street Furniture	ST-14-01	10.0	10.0	10.0	10.0	10.0	50.0
Downtown Streetscape Improvements	ST-15-35	70.0	200.0	0.0	0.0	0.0	270.0
Davis Street/Sigwalt Street Fencing/Landscape Upgrade	ST-17-02	82.7	0.0	0.0	0.0	0.0	82.7
Northwest Highway (Rt. 14) Corridor Landscaping Improvements	ST-16-20	98.0	101.0	75.0	77.0	0.0	351.0
Surface Treatment - Streets	ST-18-02	200.0	200.0	200.0	200.0	200.0	1,000.0
Kensington Road - Roadway Improvements (Windsor to Forest)	ST-18-01	300.0	0.0	0.0	0.0	0.0	300.0
Rand Road Corridor Identification Enhancement	ST-17-20	283.6	111.1	277.6	144.8	0.0	817.1
Downtown Light Ceiling	ST-17-26	75.0	0.0	0.0	0.0	0.0	75.0
Green Corridor Beautification	ST-99-03	110.0	0.0	0.0	0.0	0.0	110.0
		9,976.3	9,529.1	9,579.6	9,558.8	9,110.0	47,753.8
Vehicles							
Vehicle and Special Equipment Replacement - Public Works	VH-95-01	672.2	1,710.4	792.8	1,189.4	701.3	5,066.1
Vehicle and Special Equipment Replacement - Water & Sewer	VH-95-02	660.0	420.9	98.4	382.5	66.8	1,628.6
Vehicle Replacement - Police Department	VH-95-03	288.3	506.4	293.6	207.0	261.0	1,556.3
Vehicle Replacement - Fire Department	VH-95-04	285.0	285.0	138.6	510.3	1,272.8	2,491.7
Vehicle Replacement - Municipal Fleet Services	VH-95-06	0.0	0.0	55.0	48.0	0.0	103.0
Vehicle Replacement - Municipal Parking Operations	VH-95-08	0.0	0.0	87.1	0.0	0.0	87.1
Vehicle Replacement - Building & Health Services Department	VH-95-10	0.0	0.0	73.0	50.0	55.0	178.0
Vehicle Replacement - Engineering Department	VH-95-11	25.0	0.0	0.0	0.0	0.0	25.0
Metropolis Theater - Van	VH-21-01	0.0	0.0	0.0	20.0	0.0	20.0
		1,930.5	2,922.7	1,538.5	2,407.2	2,356.9	11,155.8
Water							
Watermain Replacement Program	WA-90-01	2,000.0	2,000.0	2,500.0	2,500.0	3,000.0	12,000.0
Automatic Meter Reading System	WA-03-02	0.0	0.0	0.0	737.3	129.1	866.4
Water Tank Repainting	WA-11-01	0.0	1,456.9	875.0	1,036.4	525.0	3,893.3
Deep Well Rehabilitation	WA-11-02	28.1	0.0	0.0	0.0	0.0	28.1
		2,028.1	3,456.9	3,375.0	4,273.7	3,654.1	16,787.8
		43,340.4	25,632.8	22,812.5	23,784.8	21,036.6	136,607.1

Village of Arlington Heights
2018-2022 CAPITAL IMPROVEMENT PROGRAM
SUMMARY BY YEAR
(in thousands)

CAPITAL SPENDING	ACTUAL FY2014	ACTUAL FY2015	ACTUAL 8 Mos. 2015	ACTUAL 2016	ESTIMATED ACTUAL 2017	PROP BUDGET 2018	PROP BUDGET 2019	PROP BUDGET 2020	PROP BUDGET 2021	PROP BUDGET 2022	TOTAL 2018-2022
BUILDINGS & LAND	1,018.7	815.5	1,009.8	1,635.8	15,850.1	20,996.3	1,802.3	2,054.4	1,673.5	1,502.5	28,029.0
EQUIPMENT	940.7	834.5	833.8	1,249.7	2,821.2	3,626.5	2,811.9	1,127.9	2,007.1	1,046.3	10,619.7
SEWER	727.7	459.5	250.4	869.6	754.0	775.0	800.0	825.0	850.0	875.0	4,125.0
SIGNALS	188.8	244.2	255.7	778.9	730.2	357.7	109.9	112.1	114.5	116.8	811.0
STORM WATER CONTROL	41.6	310.3	10.7	518.1	2,181.9	3,650.0	4,200.0	4,200.0	2,900.0	2,375.0	17,325.0
STREETS	9,702.6	10,170.2	5,578.8	9,867.8	10,147.8	9,976.3	9,529.1	9,579.6	9,558.8	9,110.0	47,753.8
VEHICLES	2,442.3	1,872.5	1,325.2	520.5	2,851.4	1,930.5	2,922.7	1,538.5	2,407.2	2,356.9	11,155.8
WATER	544.1	643.4	679.9	2,481.0	2,928.4	2,028.1	3,456.9	3,375.0	4,273.7	3,654.1	16,787.8
TOTAL CAPITAL SPENDING	15,606.5	15,350.1	9,944.3	17,921.4	38,265.0	43,340.4	25,632.8	22,812.5	23,784.8	21,036.6	136,607.1

CAPITAL FUNDING	ACTUAL FY2014	ACTUAL FY2015	ACTUAL 8 Mos. 2015	ACTUAL 2016	ESTIMATED ACTUAL 2017	PROP BUDGET 2018	PROP BUDGET 2019	PROP BUDGET 2020	PROP BUDGET 2021	PROP BUDGET 2022	TOTAL 2018-2022
Capital Projects Fund	7,412.2	5,657.6	4,651.1	6,675.7	9,914.8	9,370.2	9,142.0	8,848.1	8,591.9	8,159.1	44,111.3
Motor Fuel Tax Fund	2,546.2	2,719.8	457.5	4,116.6	2,210.5	1,907.7	1,909.9	1,912.1	1,914.5	1,916.8	9,561.0
Storm Water Control Fund	450.1	468.6	29.9	894.5	2,485.9	3,950.0	4,600.0	4,600.0	3,300.0	2,775.0	19,225.0
Water & Sewer Fund	978.8	1,122.0	1,159.3	3,315.2	4,683.2	2,942.2	5,080.5	4,395.2	6,113.6	4,369.0	22,900.5
Municipal Parking Operations Fund	51.2	164.1	774.3	559.8	832.8	157.0	15.0	152.0	15.0	90.0	429.0
Emerald Ash Borer (EAB) Fund	957.5	2,762.7	1,341.9	789.3	356.7	0.0	0.0	0.0	0.0	0.0	0.0
Public Buildings Fund	59.3	349.4	23.2	457.8	13,925.0	21,050.2	0.0	0.0	0.0	0.0	21,050.2
Fleet Operations Fund	2,442.3	1,872.5	1,325.2	520.5	2,851.5	1,930.5	3,041.7	1,538.5	2,387.2	2,356.9	11,254.8
Arts, Entertainment & Events Fund	0.0	25.3	30.7	105.8	162.7	144.0	122.0	96.0	119.0	103.0	584.0
Technology Fund	233.9	208.2	151.2	220.6	241.8	241.8	241.8	241.8	241.8	241.8	1,209.0
TIF IV Fund 263	475.0	0.0	0.0	265.6	400.0	610.0	500.0	500.0	500.0	500.0	2,610.0
TIF V Fund 264	0.0	0.0	0.0	0.0	185.0	141.8	53.9	28.8	101.8	0.0	326.3
TIF HK Fund 266	0.0	0.0	0.0	0.0	0.0	500.0	500.0	500.0	500.0	500.0	2,500.0
Criminal Investigations Fund	0.0	0.0	0.0	0.0	15.1	395.0	300.0	0.0	0.0	25.0	720.0
Foreign Fire Insurance Tax Fund	0.0	0.0	0.0	0.0	0.0	0.0	126.0	0.0	0.0	0.0	126.0
TOTAL CAPITAL FUNDING	15,606.5	15,350.1	9,944.3	17,921.4	38,265.0	43,340.4	25,632.8	22,812.5	23,784.8	21,036.6	136,607.1



Item: Operating Fund Overview / Recommended Budget Ceilings - 2018

Department: Finance

ATTACHMENTS:

Description	Type
Operating Fund Overview / Recommended Budget Ceilings - 2018	Exhibits

I N T E R

O F F I C E

MEMO

To: Randy Recklaus, Village Manager
From: Tom Kuehne, Finance Director/Treasurer
Date: June 21, 2017
Subject: **OPERATING FUND OVERVIEW/RECOMMENDED BUDGET CEILINGS – 2018**

The General Fund and the Water & Sewer Fund are the Village's key operating funds covered in this analysis. As of the end of 2016 the General Fund's ending balance as a percent of expenditures equaled 45%. This is in excess of the Village's minimum fund balance policy of 25% of expenditures. Maintaining adequate reserves helps ensure the Village's excellent bond rating, which lowers bond interest charges associated with that rating. These reserves also provide a source of funds for extraordinary weather related events or other damages, and provide the flexibility needed to make prudent decisions during times of economic uncertainty. Government entities across the State are also experiencing a lot of fiscal uncertainty due to the State of Illinois not passing a balanced budget for the last two years. The State is continuing to run up billions of dollars in unpaid bills by spending more than it brings in. It is likely that the State's fiscal disaster will have some kind of adverse fiscal or political effect on the Village's finances. This could be in the form of a diversion of municipal revenues to the State, or a property tax freeze proposed by State leaders that will have no effect on the State's own finances, but could hamstring local governments including schools.

The Water & Sewer Fund's 2016 ending working cash balance was 18% of expenses. During 2014 the Village implemented a five-year rate increase plan in order to significantly increase our water main replacement program. Based on projections provided in 2014, Staff expected that the Water & Sewer Fund would have a 2016 ending balance of 21% of expenses. Since that time, the number of gallons of water sold per year has been about 9% lower than the average gallons sold over the last 12 years. This has resulted in lower water and sewer revenues than projected. There are likely a few causes of this usage decrease including wetter spring/summer weather, more efficient plumbing systems installed in residential and commercial properties, and a greater awareness by the public of water conservation methods. Some larger, commercial water meters are also being checked and replaced as needed. Staff has adjusted the timing of some of the water capital projects to reflect the decrease in gallons sold and the decrease in projected water and sewer revenues.

For the three-year projections prepared for each of these operating funds, conservative revenue assumptions have been made, and full staffing levels have been assumed without regard to temporary vacancies that occur each year. For this reason the projections can be considered "worst-case" scenarios of the future. This is more evident with the General Fund because of the variety of revenue sources that are dependent on the local economy. On the other hand, the

Water & Sewer Fund's revenue stream is based on user fees, which are somewhat more predictable but vary depending on usage.

General Fund

The Village has continued to maintain a very conservative budgeting and forecasting stance for the General Fund. The 10% reduction in staffing levels implemented since the start of the recession in FY2009 has remained in place. The Village's revenue projections have also remained very conservative due to a national economy that is still operating under artificially low federal interest rates. In addition, the current economic expansion is eight years old, which represents the third longest recovery since World War II. At some point the economy will start to slow down or even retract. The State of Illinois' financial position has also been on a downward spiral for a number of years, and as of July 1, 2017 the State will enter its third consecutive year without a budget. During this time, the State has continued to spend about \$6 billion more than it is taking in each year.

The Village recognizes that the State's fiscal problems could eventually affect adversely the Village's revenue stream. **Exhibit 1** shows that \$31 million or 41% of the Village's projected 2018 General Fund revenues are distributed through the State. Due to our solid financial position the Village could withstand a moderate one-time hit should the State use revenues designated for municipalities to pay its past due bills. However, if the State were to permanently divert current municipal revenues to State coffers, the Village would be required to cut basic services, increase property taxes, or a combination of both. The State's fiscal problems are at a clear crossroads. Social services throughout the State have been starved for funding by the State. While this has been a great burden on many people in need of social services, it hasn't affected the State's general population. However, if the State budget does not authorize sufficient spending for schools it may be questionable whether grade schools through the university system will be able to continue to stay open. This would clearly cause a crisis throughout the State affecting a vast number of families, which may cause the State to make some progress toward a budget agreement.

As of this calendar date it is impossible to predict what will happen to the Village's revenue stream due to political actions or economic headwinds. For this reason, staff has developed a proposed General Fund budget ceiling based on our ongoing conservative budget practices. To provide a sense of the magnitude of possible State actions on the Village's revenue stream, staff has also prepared calculations on the effects of a potential State mandated property tax freeze, or if the State took 25% of the Village's current income tax revenue stream. As is shown later in this memo, either of these actions would have significant adverse effects on the Village's finances and service levels going forward.

Exhibits 2 and 3 show the history of Sales and Income tax receipts respectively. These revenues are the Village's key General Fund growth revenues that cover expenditure increases. However, as shown in these bar charts, Sales and Income tax receipts are susceptible to economic changes, which can make it difficult to balance the budget. After experiencing solid increases following the Great Recession, these revenue sources are now leveling off and are projected to come in under budget in 2017 by a combined \$507,000. Telecommunications tax receipts are also projected to come in under the 2017 budget by \$300,000 as more residents abandon their land lines. This is now putting pressure on the Village's other revenue sources, including property taxes, to pick up the slack.

The historical and three-year projections for the General Fund for 2018 through 2020 (**shown in Exhibits 4 and 5**) reflect past and an estimate of future cash flows from the fund's projected revenues and expenditures. Nearly 80% of the General Fund's expenditures are for Personal Services, which include wages and benefits. To project these expenditures staff prepares detailed spreadsheets which include each authorized position. As noted earlier, these projections conservatively assume that all positions are filled and that there are no vacancies. Some of the key revenue and expenditure assumptions include the following:

General Fund Assumptions

Revenues:

Food & Beverage Tax (FBT)	+ 2% in 2018, 2% in 2019, and 3% in 2020
Home Rule Sales Tax	same as above
Sales Tax	same as above
Income Tax	same as above
Property Tax (Village and Library)	2.98% in 2018, 1.62% in 2019, 1.30% in 2020
Telecommunications Tax	+ 0%
Utility Tax	+ 0%

Expenditures:

Wages	+2.01%, 2018 Projected v. 2017 Budget (includes steps if applicable, 2/3 of employees do not receive)
Health Insurance	+ 8%

Property Tax Projections

One of Staff's key goals is to work to keep any proposed property tax increase as low as possible. As shown in **Exhibit 6**, for the prior six years the Village was able to levy very modest increases. This was due in large part to prior year increases in sales and income taxes. Since the 2011 levy year, four out of the six Village property tax levies included 0% increases for operations. The two most recent levies included increases that were solely attributable to increasing the Village's annual street resurfacing and reconstruction programs. A second key Staff goal is to ensure that sufficient funds are available to provide a consistent, high level of Village services each and every year. This year's 2017 estimated property tax increase has been particularly challenging to develop due to sales and income tax receipts that are leveling off and are now coming in under budget for 2017. In addition, the State's potential property tax freeze would limit the Village's revenue base in future years. It is apparent that the purpose of the State's property tax freeze proposal is to use revenues that aren't even part of its budget to offset the State's proposed income tax increase. The proposed property tax freeze merely helps the State with its messaging on overall taxes, but it constricts a key revenue source that pays for a large part of school, park, library and municipal services.

As shown in **Exhibit 7**, the first step in developing the Village's property tax levy is entering the known debt service payment requirements and the annual required contributions for the Police and Fire Pension levies. For many years the Village has also increased the capital levy by \$100,000 each year to account for cost increases associated with the annual street program. The FICA and IMRF levies are derived from the detailed wage sheets prepared for the 2018-2020 budget projections. Once all of the revenue projections for the General Fund are completed, the remaining gap between the General Fund's estimated revenues and expenditures is divided equally between the Fire and Police Protection levies. It should be noted that this is a property tax estimate for budget ceiling purposes. The final property tax levy amount will be decided by the Board during the 2018 budget meetings held in November 2017.

The 2017 estimated property tax levy increase is 4.20% higher than the prior year extended levy and the Library's current estimated levy increase is 0%, resulting in a total estimated levy increase of 2.98%. The Village's higher estimated increase is due primarily to sales and income tax revenues that are now slowing down. In addition to the normal cyclical elasticity of sales tax, the Village must also contend with the growth of online retail, which will likely continue to erode our revenues permanently. Sales and income tax revenues are projected to come in under the 2017 budget by a combined \$507,000. This amount coupled with normal year to year projected expenditure increases created a larger gap between projected revenues and expenditures for the General Fund.

As the 2018 Budget is prepared over the next few months, it is hoped that health insurance costs will be lower than currently estimated. Staff will also review projected workers' compensation and general liability insurance costs, and will work to identify other viable operational cost reductions in an attempt to out-perform the projections, without lowering Village standards. However, cost savings in these areas may be offset if sales and income tax receipts come in less than currently projected. If the State enacts a temporary property tax freeze, it would be in the Village's best interest to enter into the freeze years from a strong financial position. In the meantime, Staff is looking into saving ideas, as well as ambulance and vehicle sticker fee increase scenarios to help weather such a property tax freeze. However, given the high level of financial uncertainty in which we currently operate, Staff believes that we should hold off making significant new revenue or operational changes at this time. For this reason we recommend that these types of budget changes be held as a hedge against this landscape of State imposed uncertainty.

Magnitude of Potential State Actions

As mentioned earlier, to provide the Board with a sense of the magnitude of the State's potential actions to balance its budget, Staff calculated the effects of a potential State mandated property tax freeze or a 25% reduction in the Village's Income tax receipts. There are no specific State actions to date, but these two ideas have continued to be discussed by State legislators. Each of these scenarios depicts a considerable erosion of the General Fund's financial position if these types of actions were to be taken by the State. A property tax freeze would not help the State balance its budget, but siphoning off some of the Village's income tax receipts would directly benefit the State's finances. However, this latter action would result in dire consequences for the Village's finances.

Based on a State legislative proposal to freeze property taxes, such a freeze could potentially reduce the Village's financial position during 2019 and 2020. The Governor's latest property tax freeze proposal is for an even longer four year period. The General Fund would also be adversely affected by a 25% reduction in the Village's share of the State's Local Government Distributive Fund (LGDF), or Income tax revenue. Either of these scenarios would result in significant annual deficits which would require increases in other revenue sources, basic service cuts, or both. **Exhibit 8** outlines the effects of these potential State actions on the General Fund.

Given the unknown results of the State's current political contest and the potential financial effects on other government entities, staff proposes that the General Fund budget ceiling be developed based on the Village's normal conservative budget practices using current revenue sources. As stated in previous budget years, if the State's financial issues end up affecting the Village's long-term financial position, the Village has sufficient reserves available to get through 2018 and allow us the time to carefully plan for any new realities thereafter.

Water & Sewer Fund

The Water & Sewer Fund is somewhat stable due to the five-year water and sewer rate adjustment plan approved by the Village Board in September 2014. Even with the scheduled rate adjustments through 2019, the Village's water and sewer rates will be at or below the average for communities in the Chicago area. The revised water and sewer rate structure will allow the Village to increase the amount spent on its water main replacement program by about five times from about \$500,000 per year to \$2.5 million a year by 2020. Longer term plans anticipate that water main replacement program costs will continue to increase up to an annual \$4.5 million commitment by 2025. Once we reach this funding level the Village will be at the industry standard of replacing 1% of our water mains each year. However, in order to cover the increasing cost of this program as well as the water tank repainting program, a new water and sewer rate study will need to be completed during 2019.

Estimated 2017 revenues for the Water & Sewer Fund are projected to come in significantly below budget. Over the last few years the Village has experienced relatively wet springs/summers which have resulted in lower overall water usage and lower water revenues. As noted earlier, Staff has adjusted the timing of some of the water capital projects to reflect the decrease in gallons sold and the decrease in projected water and sewer revenues. To be more conservative with our water and sewer revenue estimates, Staff is estimating a lower water usage level for 2017 and beyond. **Exhibit 9** shows gallons of water sold and water and sewer revenues for the last 12 years. **Exhibits 10 and 11** show the historical and three-year projections for this fund.

Proposed Budget Ceilings for 2018

The 2018 budget process began in March 2017 with the preparation of the proposed five-year Capital Improvement Plan (CIP). The first year of the CIP is subsequently included in the proposed budget for further consideration by the Board during its budget deliberations in November.

The second step in the Village's budget process includes the financial review of the two key operating funds, the General Fund and the Water & Sewer Fund, culminating in the establishment of budget ceiling amounts for these two operating funds. As part of this step staff makes various assumptions on revenue, expense, and property tax increases as outlined earlier. These two steps lead to the development of the proposed budget document which is reviewed prior to approval of the final budget. **Exhibit 12** is a draft copy of the budget calendar for 2018.

The recommended expenditure ceilings for the General Fund and the Water & Sewer Fund are based on the following projections:

	<u>General Fund</u>	<u>Water & Sewer Fund</u>
Revenues	\$74,801,100	\$19,510,100
Expenditures	(74,801,100)	(18,646,000)
Surplus (deficit)	0	864,100
Beginning Balance	<u>31,102,147</u>	<u>2,081,814</u>
Ending Balance	\$31,102,147	\$ 2,945,914

Recommendation

It is recommended that the Board approve the proposed budget ceilings for 2018 of \$74,801,100 for the General Fund and \$18,646,000 for the Water & Sewer Fund.

2018 PROJECTED VILLAGE REVENUES RECEIVED THROUGH THE STATE OF ILLINOIS

* \$31 million or 41% of the Village's projected 2018 General Fund revenues are distributed by the State:

Sales Tax	\$12,907,000
Income Tax	\$7,475,000
Home-Rule Sales Tax	\$5,389,000
Telecommunications Tax	\$2,900,000
Use Tax	\$1,835,000
Personal Property Replacement Tax	\$430,000
Auto Rental Tax	\$30,000

Total General Fund revenues through the State	\$30,966,000
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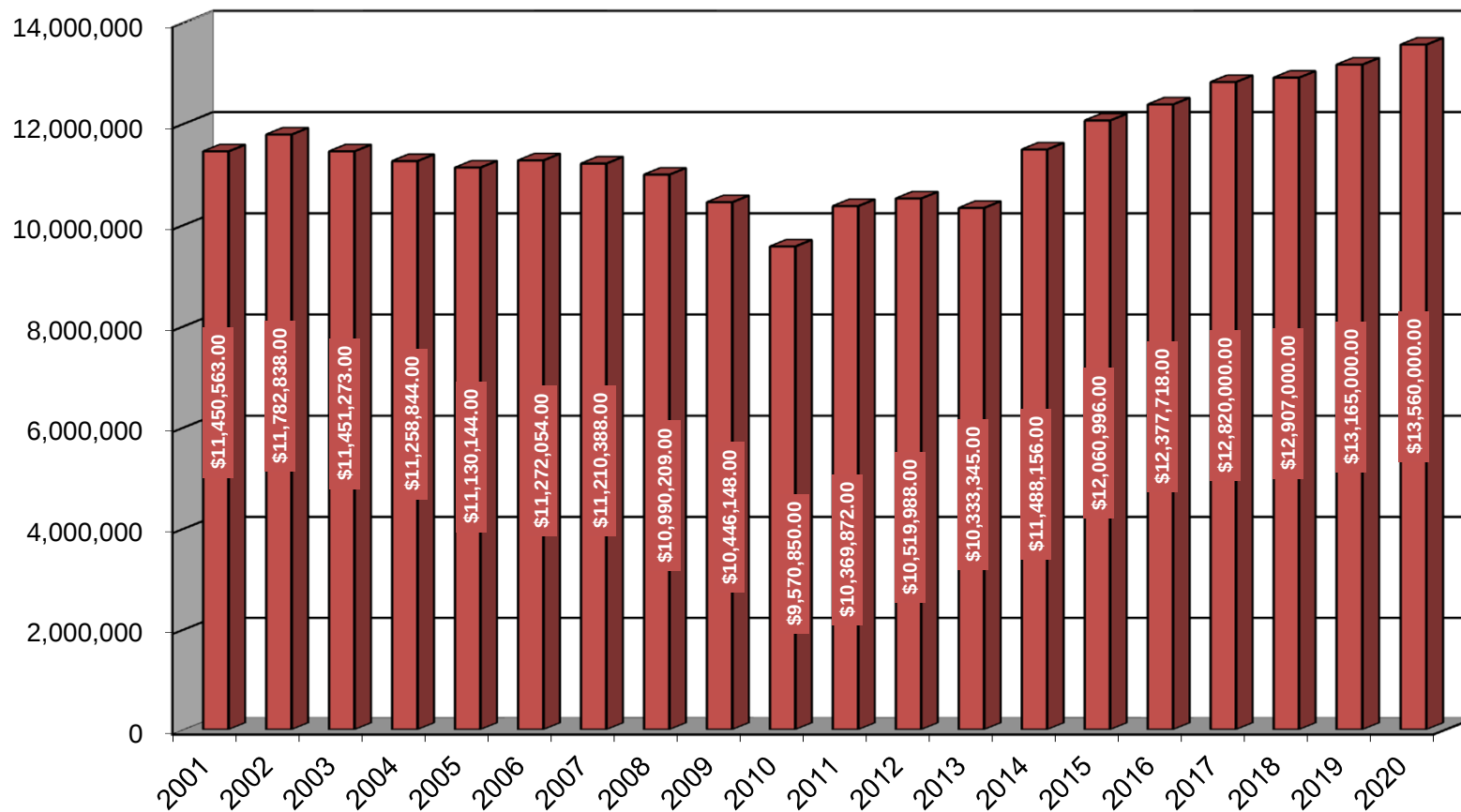
* Motor Fuel Tax (MFT) (Primary source of funding for the Village's street reconstruction program)	\$1,800,000
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* Home-Rule Sales Tax (Capital Projects Fund portion) (25% of the home-rule sales tax is allocated to this fund)	\$1,798,000
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* E-911 Taxes to the Northwest Central Dispatch (The amount of E-911 tax revenues attributable to Arlington Heights residents)	\$612,000
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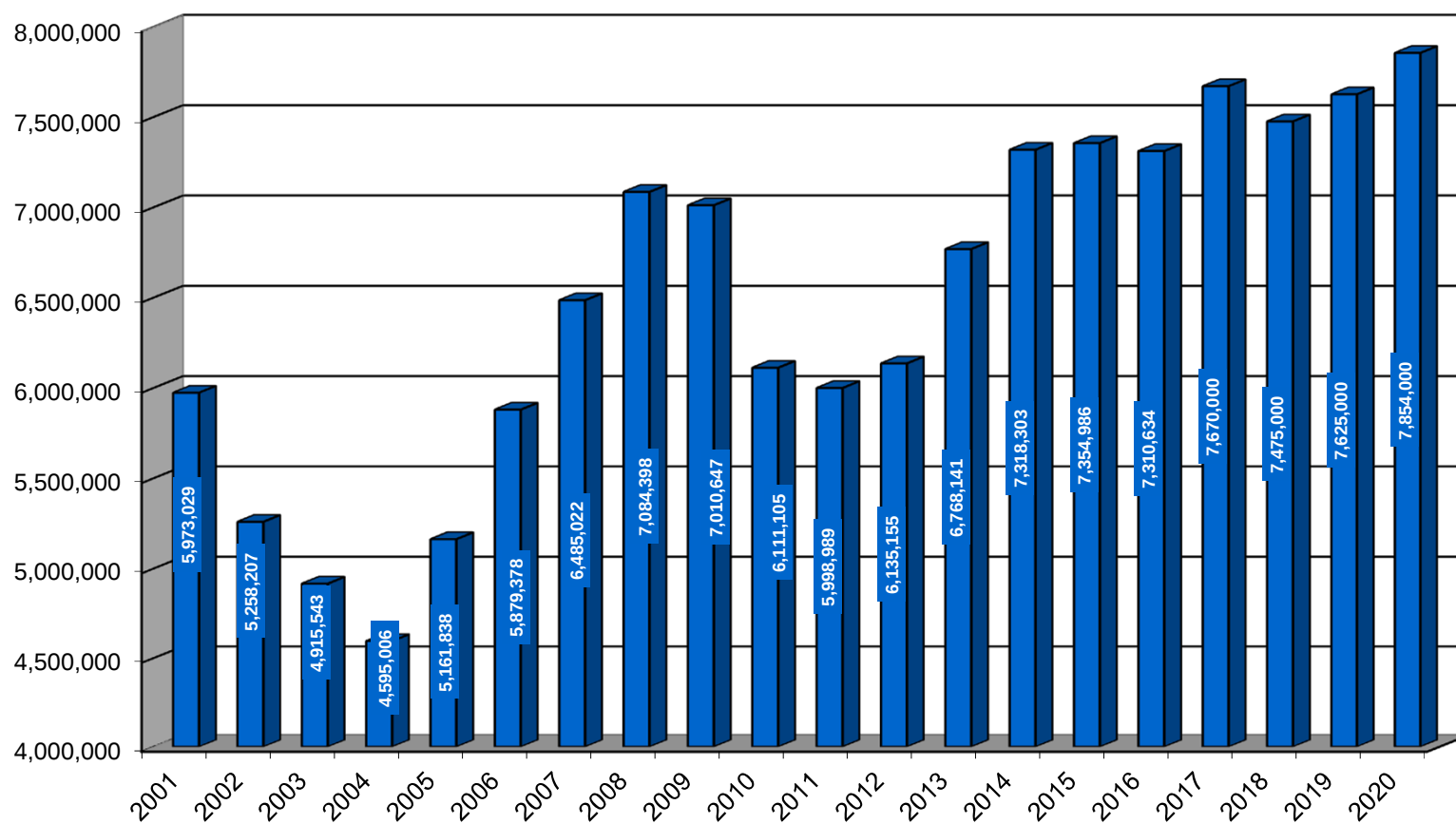
\$35,176,000

Sales Tax History



Note: The 8 month year was removed because of lower amount due to short year.

Income Tax History



Note: The 8 month year was removed because of lower amount due to short year.

GENERAL FUND

THREE YEAR PROJECTIONS

FISCAL YEARS 2018 THROUGH 2020

SOURCES OF FUNDS						
	2016 ACTUAL	2017 EST ACTUAL	2017 CURRENT BUDGET	2018 PROP BUDGET	2019 PROJ BUDGET	2020 PROJ BUDGET
BEGINNING FUND BALANCE	\$28,526,169	\$31,307,834	\$31,307,834	\$31,102,147	\$31,102,147	\$30,383,347
TAXES	\$60,409,197	\$60,917,000	\$61,821,900	\$63,191,000	\$64,453,000	\$66,025,000
INTERGOV'T	203,490	168,000	118,000	168,000	168,000	168,000
LICENSES/PERMITS	4,311,672	3,988,600	3,732,000	3,811,300	3,811,300	3,811,300
FEES	4,367,932	4,214,000	4,178,900	4,212,700	4,220,100	4,227,600
FINES	618,695	621,700	630,700	625,700	625,700	625,700
SERVICE CHG	2,003,713	2,044,700	2,043,700	2,018,200	2,068,200	2,119,700
INTEREST INC.	93,290	88,000	100,000	88,000	88,000	88,000
SALES/REIMB/RENTS	190,291	135,200	140,800	135,600	135,600	135,600
OTHER	356,220	340,500	350,900	350,600	373,800	386,900
SUB-TOTAL	\$72,554,500	\$72,517,700	\$73,116,900	74,601,100	\$75,943,700	\$77,587,800
TRANSFERS IN	200,000	294,000	294,600	200,000	200,000	200,000
TOTAL REVENUES	\$72,754,500	\$72,811,700	\$73,411,500	\$74,801,100	\$76,143,700	\$77,787,800
USES OF FUNDS						
	2016 ACTUAL	2017 EST ACTUAL	2017 CURRENT BUDGET	2018 PROP BUDGET	2019 PROJ BUDGET	2020 PROJ BUDGET
PERSONAL SERVICES	\$56,154,281	\$57,242,800	\$57,800,500	\$59,303,300	\$61,562,700	\$63,795,500
CONTRACTUAL	10,564,377	11,498,930	11,498,930	11,508,400	11,731,800	11,956,900
COMMODITIES	2,199,187	3,320,061	3,320,061	2,689,800	2,716,000	2,742,300
OTHER CHARGES	1,054,990	955,596	1,030,596	949,600	852,000	854,400
SUB-TOTAL	\$69,972,835	\$73,017,387	\$73,650,087	\$74,451,100	\$76,862,500	\$79,349,100
CONTINGENCY	0	0	250,000	350,000	0	0
TRANSFERS OUT	0	0	0	0	0	0
TOTAL EXPENDITURES	\$69,972,835	\$73,017,387	\$73,900,087	\$74,801,100	\$76,862,500	\$79,349,100
SURPLUS(DEFICIT)	2,781,665	(205,687)	(488,587)	0	(718,800)	(1,561,300)
ENDING FUND BALANCE	\$31,307,834	\$31,102,147	\$30,819,247	\$31,102,147	\$30,383,347	\$28,822,047
FUND BALANCE AS % OF EXP.	45%	43%	42%	42%	40%	36%

Note: Village policy is to maintain at least a 25% fund balance.

ASSUMPTIONS:

Expenditures

Salaries increased 2.01% for 2018 Projected v. 2017 Budget (includes steps if applicable; 2/3 of employees do not receive). All years include an estimated 8% health insurance increase. Vehicle Maintenance /Replacement increase at 3%. Contractual Services and Commodities increased 1%.

Revenues

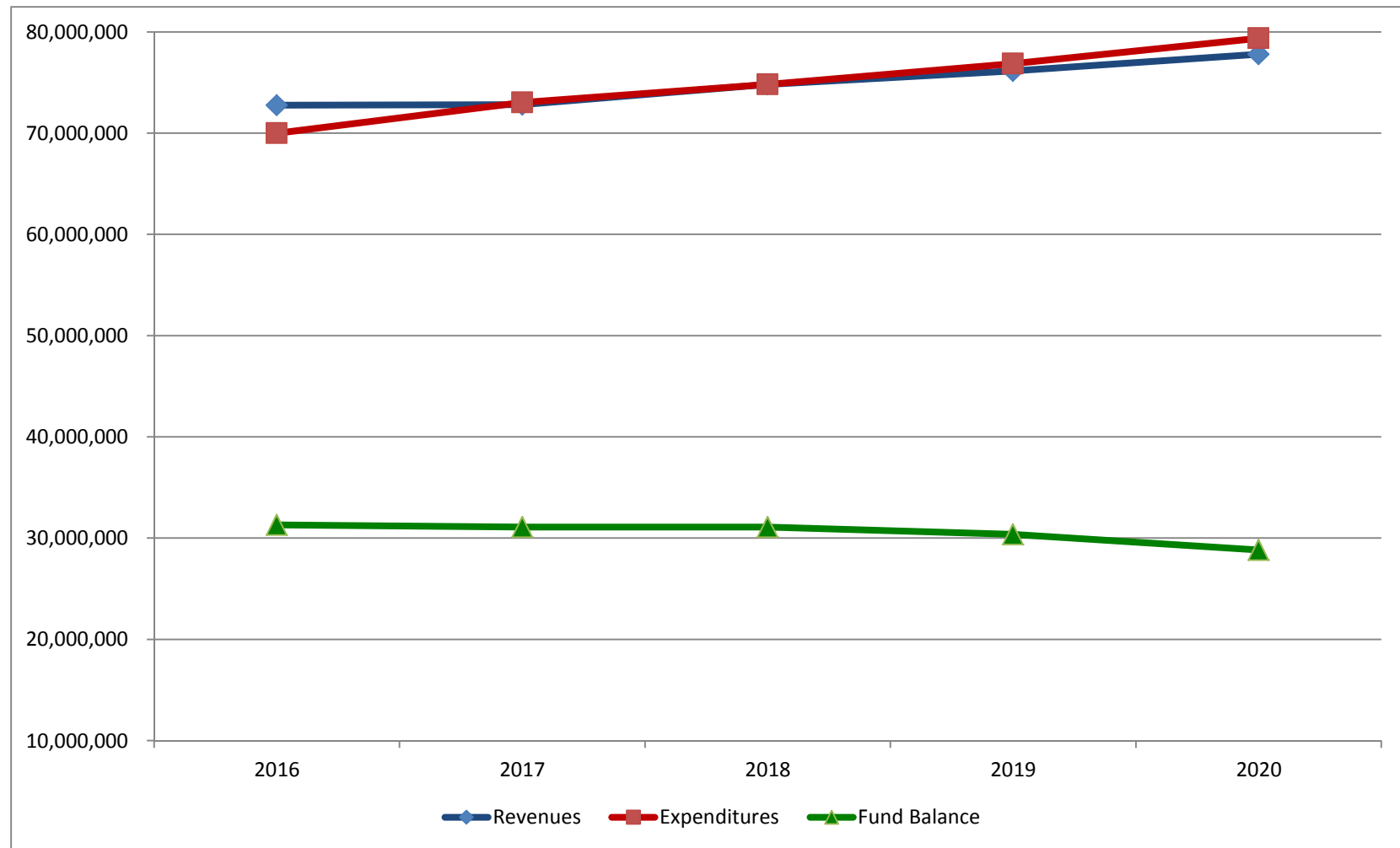
Sales Tax, Home Rule Sales Tax & Income Tax: 2% increase 2018; 2% increase 2019; 3% increase 2020.

GENERAL FUND

REVENUES vs EXPENDITURES 2016-2020

Staff Proposal

Exhibit 5



	ACTUAL 2016	ESTIMATED ACTUAL 2017	PROPOSED BUDGET 2018	PROPOSED BUDGET 2019	PROPOSED BUDGET 2020
Revenues	72,754,500	72,811,700	74,801,100	76,143,700	77,787,800
Expenditures	69,972,835	73,017,387	74,801,100	76,862,500	79,349,100
Surplus/Deficit	2,781,665	(205,687)	0	(718,800)	(1,561,300)
Fund Balance	31,307,834	31,102,147	31,102,147	30,383,347	28,822,047
Fund Bal as % of Expend	45%	43%	42%	40%	36%

PROPERTY TAX LEVY HISTORY

LEVY YEARS 2003 - 2016

<u>LEVY YEAR</u>	<u>VILLAGE % INCREASE</u>	<u>LIBRARY % INCREASE</u>	<u>TOTAL % INCREASE</u>	<u>COMMENTS</u>	<u>BUDGET YEAR</u>
2016	1.95	0.00	1.38	Entire increase for street purposes (Phase 2)	2017
2015	3.59	0.00	2.51	Entire increase for street purposes (Phase 1)	2016
2014	0.00	0.00	0.00		8-mo.
2013	2.65	0.00	1.84		FY2015
2012	1.74	0.00	1.20		FY2014
2011	0.00	0.00	0.00		FY2013
2010	4.30	0.00	2.93	Police/Fire Pension Funds - market crash	FY2012
2009	5.74	1.77	4.44	Police/Fire Pension Funds - market crash	FY2011
2008	0.32	0.00	0.21		FY2010
2007	2.48	4.90	3.26		FY2009
2006	11.14	9.20	10.51	Taxing districts captured expiration of TIF #1	FY2008
2005	14.67	4.99	11.32	Fire Pension benefit increase - State legislation	FY2007
2004	11.98	4.00	9.09	Police/Fire Pension benefit increase - State legislation	FY2006
2003	2.14	0.99	1.72		FY2005

VILLAGE OF ARLINGTON HEIGHTS
TOTAL ESTIMATED VILLAGE AND LIBRARY CALCULATIONS
(2017 Est. Tax Levy for the 2018 Budget with 2016 Extended Tax Levy)

VILLAGE	EXTENDED 2016 LEVY FOR 2017 <u>BUDGET YEAR</u>	PROPOSED 2017 LEVY FOR 2018 <u>BUDGET YEAR</u>	DOLLAR CHANGE	% CHANGE	
POLICE PROTECTION	5,010,913	5,787,000	776,087	15.49%	
FIRE PROTECTION	5,010,913	5,787,000	776,087	15.49%	=> General Fd rev - exp gap
IMRF	1,754,471	1,787,000	32,529	1.85%	2018 wage projections
SOCIAL SECURITY	1,364,813	1,399,000	34,187	2.50%	2018 wage projections
POLICE PENSION FUND	4,033,940	3,879,000	(154,940)	-3.84%	Actuary ARC
FIRE PENSION FUND	4,937,890	4,853,000	(84,890)	-1.72%	Actuary ARC
TOTAL GENERAL FUND	22,112,940	23,492,000	1,379,060	6.24%	
CAPITAL IMPROVEMENT	5,252,000	5,300,000	48,000	0.91%	+\$100K/year
DEBT SERVICE	6,871,990	6,882,800	10,810	0.16%	Bond Documents
TOTAL VILLAGE TAX LEVY	34,236,930	35,674,800	1,437,870	4.20%	
TOTAL LIBRARY TAX LEVY	13,968,392	13,968,392	0	0.00%	
GRAND TOTAL TAX LEVY	48,205,322	49,643,192	1,437,870	2.98%	

POTENTIAL STATE ACTIONS: EFFECTS ON GENERAL FUND FINANCES

Exhibit 8

	<u>2018</u>	<u>2019</u>	<u>2020</u>
AS PROPOSED (6/27/17):			
REVENUES	74,801,100	76,143,700	77,787,800
EXPENDITURES	74,801,100	76,862,500	79,349,100
SURPLUS (DEFICIT)	0	(718,800)	(1,561,300)
ENDING BALANCE	31,102,147	30,383,347	28,822,047
%	42%	40%	36%
STATE PROPERTY TAX FREEZE:			
REVENUES	74,801,100	75,431,700	76,342,800
EXPENDITURES	74,801,100	76,862,500	79,349,100
SURPLUS (DEFICIT)	0	(1,430,800)	(3,006,300)
ENDING BALANCE	31,102,147	29,671,347	26,665,047
%	42%	39%	34%
25% INCOME TAX DIVERSION TO STATE:			
REVENUES	72,932,350	74,237,450	75,824,300
EXPENDITURES	74,801,100	76,862,500	79,349,100
SURPLUS (DEFICIT)	(1,868,750)	(2,625,050)	(3,524,800)
ENDING BALANCE	29,233,397	26,608,347	23,083,547
%	39%	35%	29%

WATER SALES REVENUE FY2005 - 2022

Exhibit 9

		GALLONS PUMPED	GALLONS SOLD	WATER RATE	SEWER RATE	TOTAL RATE	REVENUE			
							WATER SALES	SEWER CHARGE	TOTAL	
FY2005	Actual	3,061,453,800	2,720,209,000	3.68	0.32	4.00	\$10,010,372	\$856,398	\$10,866,770	
FY2006	Actual	3,367,027,800	2,989,144,000	3.68	0.32	4.00	\$11,000,050	\$945,487	\$11,945,537	
FY2007	Actual	3,068,023,700	2,753,010,000	3.68	0.32	4.00	\$10,131,079	\$851,581	\$10,982,660	
FY2008	Actual	3,060,495,400	2,798,325,000	3.68	0.32	4.00	\$10,297,835	\$881,290	\$11,179,125	
FY2009	Actual	3,004,517,500	2,590,607,000	3.79	0.38	4.17	\$9,818,401	\$976,094	\$10,794,495	
FY2010	Actual	2,938,992,000	2,500,534,000	3.90	0.46	4.36	\$9,752,083	\$1,160,038	\$10,912,121	
FY2011	Actual	2,912,509,000	2,560,758,000	4.03	0.55	4.58	\$10,319,857	\$1,392,361	\$11,712,218	
FY2012	Actual	2,826,183,700	2,468,574,000	4.14	0.67	4.81	\$10,223,983	\$1,654,606	\$11,878,589	wet
FY2013	Actual	3,020,832,700	2,625,364,000	4.25	0.80	5.05	\$11,157,800	\$2,100,300	\$13,258,100	dry
FY2014	Actual	2,848,611,900	2,452,807,000	4.35	0.95	5.30	\$10,669,700	\$2,330,200	\$12,999,900	wet
FY2015	Actual	2,729,590,200	2,321,132,000	4.42	1.14	5.56	\$10,259,400	\$2,646,100	\$12,905,500	wet
2016	Actual	2,755,922,700	2,305,838,000	5.52	1.42	6.94	\$12,728,200	\$3,274,300	\$16,002,500	wet spring
Twelve Year Average		2,966,180,033	2,590,525,167							
2017	Estimated	2,900,000,000	2,400,000,000	5.80	1.50	7.30	\$13,920,000	\$3,600,000	\$17,520,000	normal/wet
2018	Projected		2,400,000,000	6.09	1.57	7.66	\$14,616,000	\$3,768,000	\$18,384,000	normal/wet
2019	Projected		2,400,000,000	6.39	1.65	8.04	\$15,336,000	\$3,960,000	\$19,296,000	normal/wet
2020	Projected		2,400,000,000	6.39	1.65	8.04	\$15,336,000	\$3,960,000	\$19,296,000	normal/wet
2021	Projected		2,400,000,000	6.39	1.65	8.04	\$15,336,000	\$3,960,000	\$19,296,000	normal/wet
2022	Projected		2,400,000,000	6.39	1.65	8.04	\$15,336,000	\$3,960,000	\$19,296,000	normal/wet

Gallons pumped provided by G. Voight (Finance) and Public Works/Gallons sold calculated using actual audited water revneues.

WATER AND SEWER FUND

THREE YEAR PROJECTIONS

FISCAL YEARS 2018 THROUGH 2020

(Water and Sewer Rate Increases FY2015 Through 2019)

SOURCES OF FUNDS

	2016 ACTUAL	2017 EST ACTUAL	2017 CURRENT BUDGET	2018 PROP BUDGET	2019 PROJ BUDGET	2020 PROJ BUDGET
BEGINNING WORKING CASH	\$3,662,415	\$3,186,441	\$3,186,441	\$2,081,814	\$2,945,914	\$2,530,814
SERVICE CHG	\$17,169,822	\$18,537,500	\$19,789,600	\$19,402,100	\$20,314,100	\$20,314,100
INTEREST INC.	\$5,603	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
SALES/REIMB/RENTS	\$90,428	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000
OTHER	\$36,253	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
SUB-TOTAL	\$17,302,106	\$18,645,500	\$19,897,600	\$19,510,100	\$20,422,100	\$20,422,100
TRANSFERS IN	0	0	0	0	0	0
TOTAL REVENUES	\$17,302,106	\$18,645,500	\$19,897,600	\$19,510,100	\$20,422,100	\$20,422,100

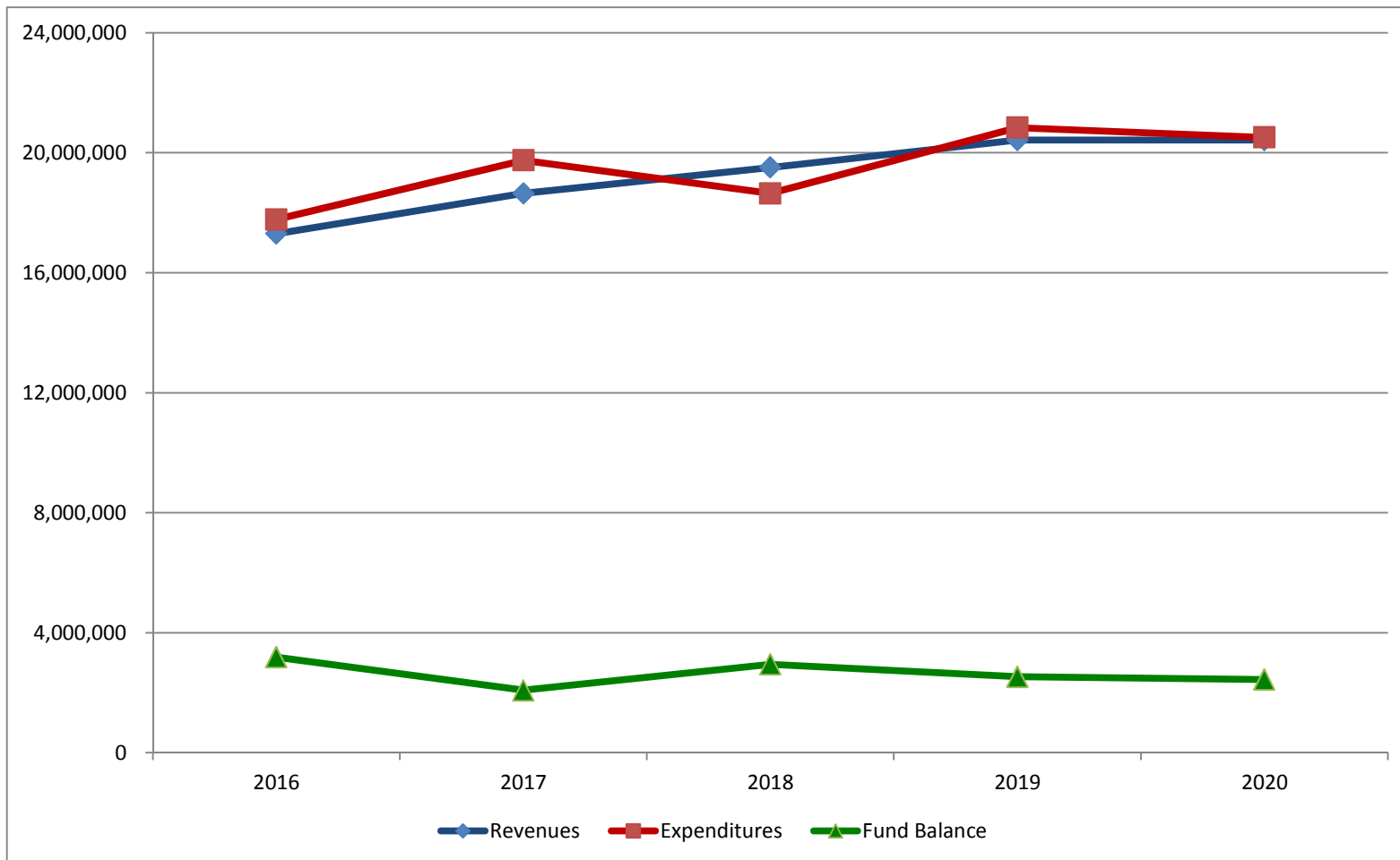
USES OF FUNDS

	2016 ACTUAL	2017 EST ACTUAL	2017 CURRENT BUDGET	2018 PROP BUDGET	2019 PROJ BUDGET	2020 PROJ BUDGET
PERSONAL SERVICES	\$6,018,849	\$6,276,700	\$6,381,800	\$6,569,800	\$6,817,100	\$7,072,200
CONTRACTUAL	2,456,970	2,492,630	2,492,630	2,509,500	2,567,100	2,625,500
NORTHWEST WATER COMMISSION	3,591,064	3,926,000	3,926,000	3,926,000	3,926,000	3,926,000
COMMODITIES	832,609	739,300	739,300	747,800	762,800	777,900
OTHER CHARGES	1,666,990	1,732,300	1,732,300	1,750,700	1,683,700	1,717,400
CAPITAL ITEMS	3,211,598	4,583,197	4,583,197	2,842,200	5,080,500	4,395,200
SUB-TOTAL	\$17,778,080	\$19,750,127	\$19,855,227	\$18,346,000	\$20,837,200	\$20,514,200
CONTINGENCY	0	0	74,000	300,000	0	0
TRANSFERS OUT	0	0	0	0	0	0
TOTAL EXPENDITURES	\$17,778,080	\$19,750,127	\$19,929,227	\$18,646,000	\$20,837,200	\$20,514,200
SURPLUS(DEFICIT)	(475,974)	(1,104,627)	(31,627)	864,100	(415,100)	(92,100)
ENDING WORKING CASH	\$3,186,441	\$2,081,814	\$3,154,814	\$2,945,914	\$2,530,814	\$2,438,714
WORKING CASH AS % OF EXPENDITUR	18%	11%	16%	16%	12%	12%

Note: Village policy is to maintain at least a 25% fund balance.

WATER AND SEWER FUND REVENUES vs EXPENDITURES 2016-2020

Exhibit 11



	ACTUAL 2016	ESTIMATED ACTUAL 2017	PROPOSED BUDGET 2018	PROPOSED BUDGET 2019	PROPOSED BUDGET 2020
Revenues	17,302,106	18,645,500	19,510,100	20,422,100	20,422,100
Expenditures	17,778,080	19,750,127	18,646,000	20,837,200	20,514,200
Surplus/Deficit	(475,974)	(1,104,627)	864,100	(415,100)	(92,100)
Fund Balance	3,186,441	2,081,814	2,945,914	2,530,814	2,438,714
Fund Bal as % of Expend	18%	11%	16%	12%	12%

BUDGET CALENDAR

For Preparation of 2018 Budget

(January 1, 2018 – December 31, 2018)

DATE	DAY	ACTIVITY
March - June, 2017	–	Capital Improvement Program (CIP) and five-year projections prepared.
June 12, 2017	Monday	Committee-of-the-Whole reviews Comprehensive Annual Financial Report.
June 19, 2017	Monday	Board considers motion stemming from June 12 Committee-of-the-Whole meeting regarding the Comprehensive Annual Financial Report.
June 19, 2017	Monday	CIP, Operating Fund Overview/Recommended 2018 Budget Ceilings and Proposed 2017 Property Tax Levy released to Village Board for discussion at June 27 Committee-of-the-Whole meeting.
June 27, 2017	Tuesday	Committee-of-the-Whole reviews CIP and discusses the Operating Fund Overview/Recommended 2018 Budget Ceilings.
July 10, 2017	Tuesday	Board considers any motions stemming from June 27 Committee-of-the-Whole meeting regarding the recommended 2018 Budget Ceilings and CIP.
July 14, 2017	Friday	Budget worksheets are forwarded to departments. Departments prepare detailed budgets.
August 14, 2017	Monday	Department budget requests and projections due.
Aug 14 – Sep 8, 2017	–	Finance Department compiles departmental budget submissions.
September 8, 2017	Friday	First draft of 2018 Budget forwarded to Village Manager, Budget Team and all departments for review.
Sep 13 – Sep 15, 2017	–	Departments meet with Village Manager and Budget Team.
Sep 18 – Oct 19, 2017	–	Final draft of 2018 budget prepared.
October 20, 2017	Friday	Release final draft of 2018 Budget to Village Board.
November 13, 2017	Monday	1st Budget Meeting – AH Memorial Library, Budget Overview, Budgets for Board of Trustees, Integrated Services, HR, Legal, Finance, Building Services, Planning & Community Development, and Police
November 15, 2017	Wednesday	2nd Budget Meeting – Budgets for Metropolis Theater, Health & Human Services, Engineering, Public Works, Water & Sewer, Parking Operations, Fleet Services, and Fire
November 16, 2017	Thursday	3rd Budget Meeting – If needed
November 20, 2017	Monday	Notice of Public Hearing on 2018 Budget published in newspaper.
December 4, 2017	Monday	Board approves 2017 Tax Levy and Abatement Ordinances. Public Hearing on 2018 Budget. Approval of 2018 Budget at formal meeting.