



Village of Glenview 2018 Budget in Brief

2018 Village Budget in Brief Continued Financial Stability and Sustainability

The Village of Glenview's Board of Trustees adopted the Village's Fiscal Year 2018 Budget on December 5, 2017. This year's budget maintains the Village's high service levels, addresses infrastructure needs and continues to control expenditures through disciplined spending and cost reduction. The full budget document can be found on the Village's website at: www.glenview.il.us.

The following pages cover some of the highlights from the budget including prominent initiatives and projects for the coming year and the public input process that takes place every year.

The Village's 2018 budget maintains Glenview's strong financial position while continuing to work towards the budgetary goals of minimizing the financial burden on Glenview taxpayers, identify cost efficiencies and opportunities, responsibly utilizing Village reserves, ensure the sustainability of a structurally balanced budget, and continue to proactively re-design the Village organization structure in order to maximize the level of service that can be provided with the current level of resources.

As a testament to the Village's strong financial operations, Moody's Investors Services recently reaffirmed the Village's AAA credit rating. Moody's recognized the Village's "consistently strong financial operations and robust economic profile" as a reason for their highest rating possible. The higher credit rating allows the Village to take advantage of lower interest rates when the borrowing of funds is needed, resulting in savings to residents. As of April 2017, only 32 out of 1,299 incorporated municipalities in Illinois maintain an AAA rating, which is less than 3 percent.

The annual budget process spans several months and involves an in-depth analysis of revenues and expenditures, examination of service levels across all departments, and opportunities for public input on Village priorities including several public workshops. The chart below shows the cyclical nature of the Village's budget process.



2018 Village of Glenview Corporate Fund

The Village maintains over 25 funds and the Corporate Fund is the Village's main operating fund which is used to account for the resources and activities associated with the core services and day-to-day operations of the Village. The Corporate Fund receives the majority of Village revenues and utilizes these resources to fund general government expenditures including police and fire protection, street maintenance, snow and ice removal, emergency 9-1-1 dispatching, building and zoning code enforcement, economic development, and general administration.

In the 2018 budget, Corporate Fund general revenues total \$69.06 million and operating expenditures and transfers total \$69.02 million for an annual operating surplus of \$38,936. This includes a \$5.25 million transfer to the Village's Capital Improvement Program (CIP) to be used for capital projects (i.e. roads and infrastructure) throughout the Village. There is also a planned use of fund balance of \$374,812 for one-time projects in 2018.

The table below shows the Corporate Fund cash balance and revenue and expense history from 2016 to 2018, with actual and projected figures. Additional detail on Corporate Fund revenues and expenditures is included later in this document.

Village of Glenview Corporate Fund Balance

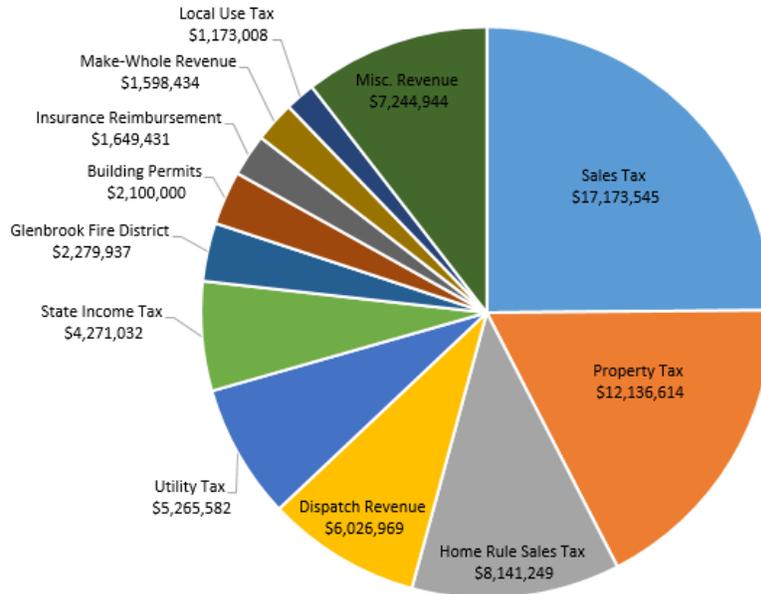
	2016 Actual	2017 Budget	2017 Projected	2018 Budget
Beginning Fund Balance	26,238,872	25,490,346	25,490,346	26,612,480
Total Revenues	65,778,151	69,168,902	69,914,817	69,060,746
Expenditures-Ongoing	60,911,757	64,168,902	63,146,773	63,771,810
Transfer to CIP	5,000,000	5,000,000	5,000,000	5,250,000
Total Operating Expenditures/Transfers	65,911,757	69,168,902	68,146,773	69,021,810
Annual Operating Surplus/(Deficit)	(133,606)	-	1,768,044	38,936
One-Time Expenditures	614,920	378,510	645,910	374,812
Total Expenditures	66,526,677	69,547,412	68,792,683	69,396,622
Net Surplus/(Deficit)	(748,526)	(378,510)	1,122,134	(335,876)
Ending Fund Balance	25,490,346	25,111,836	26,612,480	26,276,604

Like most units of local government, the Village of Glenview levies a property tax to fund certain municipal services. On December 5, 2017 the Village Board approved a Property Tax Levy of \$12,447,810 which represents an increase of \$318,334 (2.62 percent) from the previous year. \$58,709 of the increase is attributable to the increased Equalized Assessed Value (EAV) of new construction and newly annexed property which is captured annually. \$250,000 of this increase will be dedicated the Village's Capital Improvement Program (CIP) to fund additional capital projects and to partially address the widening gap between dedicated funding sources and infrastructure needs. These additional funds will allow three new streets to be resurfaced totaling .65 miles in 2018. The estimated annual impact of the levy increase to a taxpayer with a property valued at \$500,000 is \$13.94.

2018 Corporate Fund - Revenues

The Village receives revenues from a diverse mixture of sources which offers more stability during economic ups and downs than dependence on one or two large types of revenues. Corporate fund revenue sources in the 2018 Budget can be seen below along with descriptions of the Top 8 sources.

2018 Corporate Fund Revenue Sources



- **Sales Tax/Home Rule Sales Tax** – As of January 1, 2018, the total sales tax rate in the Village of Glenview was:

Jurisdiction	Tax Rate
State of Illinois Sales Tax	5.25%
State Municipal Tax Rate Distributed to Glenview	1.00%
Glenview Home Rule	0.75%
Cook County Home Rule	1.75%
Regional Transportation Agency	1.00%
Total:	9.75%

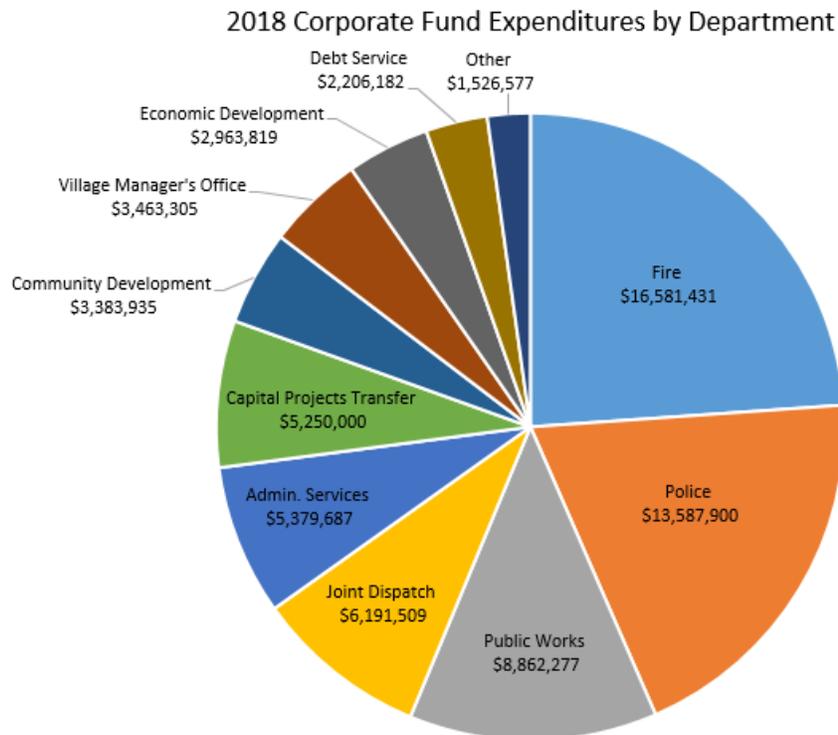
- **Property Tax** –For every \$100 in property tax paid, the Village receives approximately \$6.56 (6.5 percent). The remaining \$93.44 (93.5 percent) goes to various government agencies in the area with the majority supporting the local schools. The graphic below shows the breakdown from the 2017 collection year.



- **Emergency 9-1-1 Dispatch Consolidation Revenue** – The Village receives revenue for providing police and/or fire dispatch services to 13 other communities in the area including Glencoe, Winnetka, Northfield, Kenilworth, and Lindenhurst, all of whom contracted with Glenview in 2017. This additional revenue is used to fund the operation of two dispatch centers and, through consolidation, reduces costs for Glenview and participating agencies.
- **Utility Tax** – The Village receives tax revenue from residents and businesses for the use of various utilities including electric, natural gas, and telecommunications.
- **State Income Tax** – The Village receives a portion of state income tax revenues which is distributed to Illinois communities on a per capita basis.
- **Glenbrook Fire District** – The Village has an intergovernmental agreement with the Glenbrook Fire District which is made up of approximately 2,000 parcels in unincorporated Cook County located adjacent to Village boundaries. The District exists as a taxing body and provides revenue annually to the Village as payment for providing fire protection services. Calls for service within the Fire District area, which is outside the Village boundaries, represents approximately 22 percent of the Village’s total fire and EMS call volume.
- **Building Permits** – These revenues are generated through various fees charged for construction projects throughout the Village. Total building permit revenue can fluctuate based on the economy and construction trends.

2018 Corporate Fund - Expenditures

The Village Corporate Fund pays for the majority of village operations including fire protection, emergency medical services, police protection, street and right of way maintenance, emergency 911 dispatch, building permitting and code compliance, and general government administration. 2018 Budgeted Corporate Fund expenditures rose just 0.88 percent from 2017 year-end projections. A breakdown of 2018 Corporate Fund expenditures can be found below both by department and by expenditure type.



Key Departmental Projects/Initiatives in 2018

- **Fire** – Evaluate the most cost effective solutions for the remodeling or replacement of Fire Station 8, prepare and submit all documentation for an Insurance Services Office (ISO) Public Protection Class evaluation, and fully implement a cancer awareness and prevention program for department employees.
- **Police** – Provide officer training on use of tourniquets, bandages, and occlusive dressings to enable officers to perform potentially lifesaving actions in the field; continue officer training in community based crisis intervention program focused on mental health issues; and participate in SUV driving training to equip officers with skills needed to safely operate and control department issued SUV’s on-the-job.
- **Public Works** – Intensify the management of the Village’s Cross Connection Control Device program, which protects the public water supply from contamination, and manage improvements to the Village’s two train stations including replacement of exterior doors, cooling system and restrooms,
- **Joint Dispatch** – Create a Dispatch Services Strategic Plan and continue to work with all communities towards the implementation of Next Generation 9-1-1.
- **Administrative Services** – Develop a multi-year financial forecast for the 2019 budget, assess the Village’s request for service process and identify strategies to improve response time and performance measurement, coordinate implementation of public Wi-Fi at the Village’s two train stations, conduct address reconciliation in preparation for the 2020 U.S. Census, and support the WaterSmart program for residents to view their water consumption online.
- **Community Development** – Manage the Village’s Capital Improvement Program, monitor Illinois Department of Transportation funding and advocate for construction of local projects, evaluate dedicated funding solutions for roadway maintenance and stormwater projects similar to the Village’s water and sanitary sewer enterprise funds, facilitate discussions regarding the redevelopment of the former Bess site, develop an Economic Development strategic plan, and evaluate potential improvements to the building permit process.
- **Village Manager’s Office** – Coordinate upcoming union contract negotiations and continue to increase communication with the community through GVTV, e-Glenview, and social media.

State of Illinois Revenue Diversions

In July 2017, the State of Illinois adopted their annual budget, which included significant revenues being taken from local governmental units including the Village of Glenview. The State budget included a one-time reduction of State shared income tax of 10 percent (\$220,000 in 2017 and \$220,000 in 2018), a permanent 2-percent administrative fee for collecting the Village’s Home Rule Sales Tax (\$80,000 in 2017, \$160,000 in 2018, and \$166,000 in 2019), and an on-going reduction in the Village’s Personal Property Replacement Tax (\$51,000 in 2018 and \$56,100 in 2019). The most recent State revenue diversions from the Village of Glenview and their impacts detailed below:

Village of Glenview - Impact of State Diversions			
	2017	2018	2019
Income Tax (10% Reduction)	220,000	220,000	-
Home Rule Sales Tax (2% Administrative Fee)	80,000	160,000	166,000
Personal Property Replacement Tax (23% Reduction)	-	51,000	56,100
TOTAL DIVERSIONS BY STATE	300,000	431,000	222,100

The Village Board directed staff to identify additional cost cutting measures to make up for the revenue diversions. Through this process staff reduced 2018 budgeted expenditures by over \$350,000 including the elimination of positions that were vacant and reductions in training.

Water and Sanitary Sewer Rates

The Glenview Water and Sanitary Sewer Funds are self-supporting enterprise funds meaning revenues generated through water and sanitary sewer rates cover the expenses related to operating the utility. During 2017 the Village completed a water and sanitary sewer rate study. The study recommended the Village maintain the current water and sanitary sewer rate structures which include a fixed component plus a consumption component. The study further recommended that the Water Fund fixed component should recover more revenue through the fixed component to add long-term revenue stability. The recommendation was to incrementally increase the fixed portion of the bill from the current 6.7 percent of total water fund costs to 15% over the next five years by 2022. Finally, the study recommended that the fixed rate component for the Sewer Fund rate structure be maintained at the current cost recovery level of 27 percent. All of these recommendations were reviewed and approved by the Village Board.

Key highlights from the Water and Sewer Funds include:

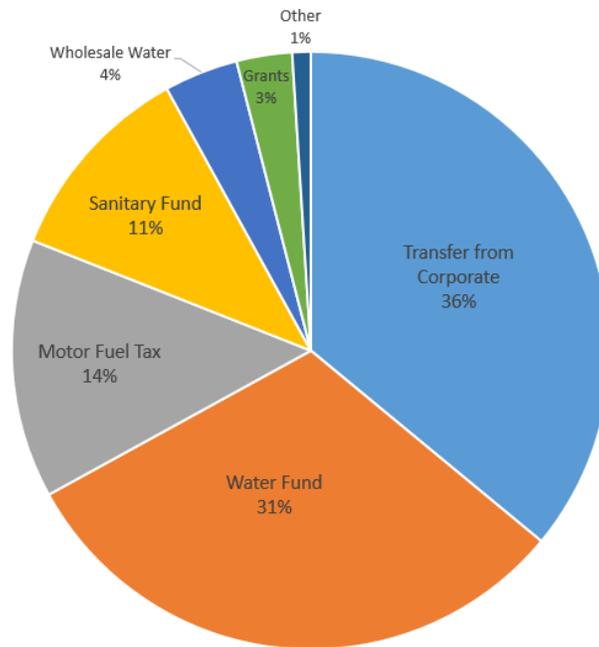
- Wilmette water purchase cost increase estimate of 4.5 percent is contained within the rates; water purchase costs alone account for 29 percent of 2018 expenses.
- Effective January 1, 2018, the 2018 incorporated water consumption rate increased from \$6.47/1,000 gallons to \$6.80/1,000 gallons (5.1 percent) and the sewer consumption rate increased from \$1.35/1,000 gallons to \$1.37/1,000 gallons (1.5 percent). Fixed rate increases varied by meter size and can be found on the Village’s website.
- 2018 Glenview water and sewer rate increases result in an estimated annual bill increase of approximately 5.3 percent (using an assumed usage of 20,000 gallons per quarter and a ¾ “S” meter).
- The Water Fund and Sewer Fund are budgeting \$3.9 million and \$1.3 million, respectively for capital costs, which maintains the practice of fully funding the infrastructure needs in these Enterprise Funds.

Estimated 2018 Water/Sanitary Sewer Rate Changes for 3/4s" Meter				
Gallons used per Quarter	2017 Quarterly Charge	2018 Quarterly Charge	2018 Quarterly Increase	2018 Annual Increase
10,000	\$93.41	\$98.93	\$5.52	\$22.08
20,000	\$171.61	\$180.63	\$9.02	\$36.08
30,000	\$249.81	\$262.33	\$12.52	\$50.08
40,000	\$328.01	\$344.03	\$16.02	\$64.08

2018 Capital Improvement Program (CIP)

The Capital Improvement Program (CIP) prioritizes the Village’s long term capital improvement needs (roads, water system infrastructure, and sanitary and storm sewers) and summarizes all major capital related expenditures over the next five years. Funding for the CIP is generated primarily from the corporate and enterprise funds. Additionally, the Village has aggressively sought funding for capital projects through regional, state and federal grants. From 2014 through 2017, more than \$33.5 million in grant funding was secured, and nearly \$2 million in additional grants will fund projects in 2018.

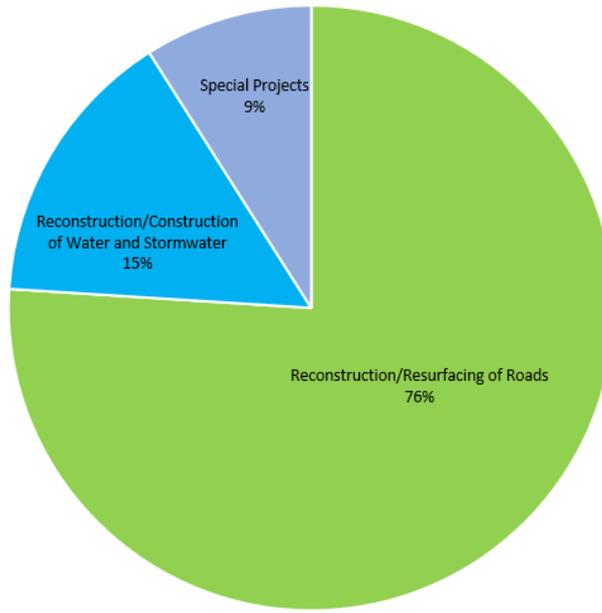
Capital Projects Funding Sources in 2018



The 2018 CIP Budget is \$14,382,641 and approximately 76 percent of the total funding is scheduled to be spent on resurfacing and reconstructing of streets. About 15 percent will be dedicated to maintain and rehabilitate the Village's existing wastewater and stormwater infrastructure. The remaining 9 percent will be used on ancillary projects. A breakdown of the major 2018 projects can be found below.

- **Annual Street Resurfacing: \$1,555,446**
Roads are typically resurfaced after 20 years of use. They are prioritized based on an automated data collection system that a contractor, Infrastructure Management Services (IMS) uses. This data assigns a numerical rating built on the condition and quality of the roadway base and surface.
- **Annual Street Reconstruction: \$7,779,651**
Roads are typically reconstructed after 60 years of use. Similar to the resurfacing program, reconstruction projects are prioritized based on the IMS rating and selected on a "worst-first" condition. Roads with underground utilities in poor condition or advanced age are given a higher priority.
- **Special Projects:**
 - **Shermer Road Path: \$1,300,000**
This project is 80 percent funded by the Illinois Department of Transportation. Construction will start in 2018 and will consist of a 2-mile, off-road path segment, which will connect to existing bike trail systems within Glenview and Northbrook.
 - **Phase II of The Glen main stem road resurfacing project: \$3,486,647**
Phase II of The Glen's resurfacing project includes: Lehigh Avenue from Rugen Road to Patriot Boulevard, West Lake from North Lake Terrance to Patriot Boulevard and the parking spaces at Tower and Navy Boulevard from West Lake Avenue to Old Willow Road.

Where are the funds being spent?

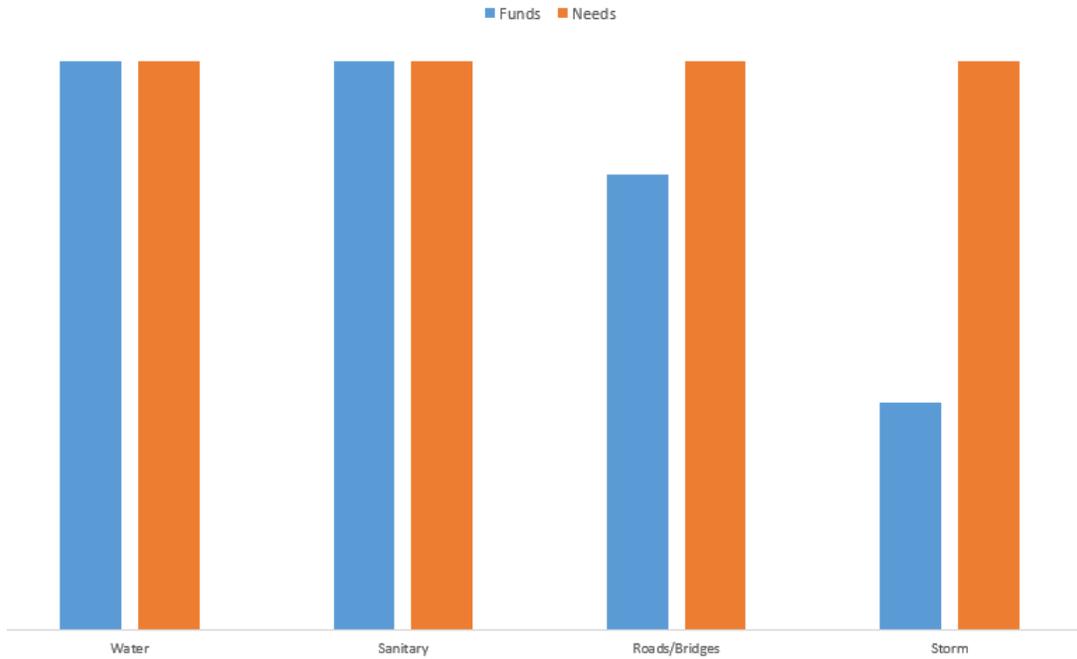


Long-term Capital Project Sustainability

The Village has adopted replacement standards for its infrastructure that dictate which critical community infrastructure should be repaired/replaced and when. The Village currently has \$14.3 million in available funding for capital projects in 2018, therefore projects totaling that amount will be designed and constructed in 2018. Water and sanitary sewer improvements are currently supported by dedicated funding sources and those systems are being maintained to Village standards. Historically, a \$5 million transfer from the Corporate Fund, grant funding, and state and local gas taxes are used to support road resurfacing and reconstruction, and storm sewer infrastructure. The current combined funding sources for both road and storm sewer projects fail to meet the Village's infrastructure replacement needs and, as a result, a \$4.7 million funding gap currently exists for 2018. To begin addressing this shortfall, the Village Board increased the 2018 property tax levy by an additional \$250,000 and will continue conversations with staff and the community to address this funding imbalance in the coming years. This year's transfer from the Village's Corporate Fund to the CIP will total \$5.25 million.

The ongoing challenge is the CIP funding gap widens every year between the amount of infrastructure work needed to meet the Village infrastructure standards and the available dedicated funding for such projects. Even though the Village balances its CIP budget every year for a 5-year cycle, the funding imbalance results in the Village falling short of maintaining the Village's infrastructure to the established standards. In sum, this means that certain infrastructure cannot be replaced when needed based on the established standards. The first chart below shows the types of projects impacted by the funding gap in the 2018 budget year. The shortfall is seen in projects related to stormwater, roads, and bridges. Water and sanitary projects have dedicated funding sources and are fully funded.

Available Funding vs. Needs per CIP Standards - 2018 Budget



This second chart demonstrates the annual available funding sources against the annual needs and the resulting deficit. As previously stated, the Village Board has increased the annual transfer into the CIP for these projects for 2018 and will continue to work with Village staff and the community to address these future needs.

Year	Annual Available Sources	Annual Needs per CIP Standards	Surplus/(Deficit)
2018	\$14.3M	\$19.0M	(\$4.7M)
2019	\$14.3M	\$19.8M	(\$5.5M)
2020	\$14.7M	\$20.6M	(\$5.9M)
2021	\$14.6M	\$21.4M	(\$6.8M)
2022	\$15.3M	\$22.2M	(\$6.9M)
TOTAL	\$73.2M	\$103.0M	(\$29.8M)



The Village of Glenview

2500 East Lake Avenue
 Glenview, IL 60026
 (847) 727-1700
www.glenview.il.us

Village of Glenview Department Directory	Village Board of Trustees
Resolution Center – General information, service requests, trash/recycling carts, pet licenses, business license/permit payments (847) 727-1700 Water Billing (847) 724-3112	Jim Patterson – Village President (847) 904-4370
Village Manager – Freedom of Information Act requests, senior services, block party/special event permits, GVTV, human resources (847) 904-4370	Scott Britton (847) 832-1305
Emergency – Police/Fire/Ambulance – 911 Police non-emergency – Commuter parking/permits (847) 729-5000 Fire non-emergency – (847) 724-2141	John Hinkamp (847) 486-8540
Community Development Department Capital Projects/Engineering – Engineering/Road construction (847) 904-4340 Inspectional Services – Building permits, property maintenance complaints, private tree inspections (847) 904-4340 Inspection requests (847) 904-4320 Planning – Planning, new development, zoning (847) 904-4340	Michael Jenny (847) 904-4508
	Debby Karton (847) 441-5911
	Karim Khoja (847) 791-0572
Public Works – Snow plowing, water/sewer, street signs and maintenance, public tree concerns, and natural resources (847) 904-4371	Philip O’C White (847) 832-0068