Meeting of the Village of Buffalo Grove Village Board
Committee of the Whole
August 3, 2020 at 7:30 PM

Fifty Raupp Blvd
Buffalo Grove, IL 60089-2100
Phone: 847-459-2500

1. Call to Order

A. Open Meetings Act Compliance

Pursuant to Public Act 101-0640 as well as the Disaster Proclamation and Executive Orders issued by Governor Pritzker, this meeting will be held in person with capacity-limited physical attendance. Those not willing or able to physically attend can still fully participate electronically by utilizing the Zoom link below.

Zoom Link: www.vbg.org/august3meeting

Phone Number: 312-626-6799

Meeting ID: 858 3325 1884

Instructions for how the public can see, listen and/or participate in meetings are listed immediately below this statement.

In accordance with the Open Meetings Act, any person shall be permitted an opportunity to address public officials under the rules established and recorded in the Buffalo Grove Municipal Code. The Village President reserves the right to alter the order of the appearance of speakers to maintain decorum during the meeting.

Due to the COVID-19 pandemic and CDC guidelines for social distancing, physical attendance is limited to 20 persons in addition to Elected Officials and Staff. All seats are on a first come, first served basis. All persons physically attending the meeting will be required to don an appropriate face covering during the duration of the meeting and shall be required to undergo a body temperature scan before entering the Jeffrey S. Braiman Council Chambers. The Village of Buffalo Grove reserves the right to deny entry to any person displaying COVID-19 symptoms or a body temperature exceeding 100.4 degrees Fahrenheit. All meeting participants shall observe CDC-published guidelines for social distancing while attending the meeting.

B. Pledge of Allegiance

2. Special Business

A. Fees & Fines Update (Trustee Weidenfeld) (Staff Contact: Julie Kamka)

B. Sunset Home Rule and Utility Taxes (Trustee Weidenfeld) (Staff Contact: Chris Black)

C. Twenty-Year Water Rate Proforma (Trustee Pike) (Staff Contact: Chris Stilling)

D. FY 2020 Six Month Budget Performance Report (Trustee Weidenfeld) (Staff Contact: Chris Black)

3. Questions From the Audience

Questions from the audience are limited to items that are not on the regular agenda. In accordance with Section 2.02.070 of the Municipal Code, discussion on questions from the audience will be limited to 10 minutes and should be limited to concerns or comments regarding issues that are relevant to Village business. All members of the public addressing the Village

Board shall maintain proper decorum and refrain from making disrespectful remarks or comments relating to individuals. Speakers shall use every attempt to not be repetitive of points that have been made by others. The Village Board may refer any matter of public comment to the Village Manager, Village staff or an appropriate agency for review.

4. Adjournment

The Village Board will make every effort to accommodate all items on the agenda by 10:30 p.m. The Board, does, however, reserve the right to defer consideration of matters to another meeting should the discussion run past 10:30 p.m.

The Village of Buffalo Grove, in compliance with the Americans with Disabilities Act, requests that persons with disabilities, who require certain accommodations to allow them to observe and/or participate in this meeting or have questions about the accessibility of the meeting or facilities, contact the ADA Coordinator at 459-2525 to allow the Village to make reasonable accommodations for those persons.

Information Item : Fees & Fines Update

Recommendation of Action

Staff recommends discussion.

As part of the annual budget development process, department directors submit recommendations to update current fees and/or fines that will impact the budget (FY 2021). The recommendations are consolidated and proposed at the same time to provide efficiency and continuity in the process.

There are several reasons why fees and/or fines are changed including; existing rate does not adequately cover the cost of service, no fee/fine existed previously, the fine is no longer a deterrent to non-compliance, the fee is lower than other municipal comparables for similar services.

ATTACHMENTS:

- Memo 7-30-2020 (DOCX)
- 2021 Ambulance Fee Revision (PDF)
- Administrative Fee and Fine Recommendations PD - July 2020 (DOCX)

Trustee Liaison	**Staff Contact**
Weidenfeld	Julie Kamka, Office of the Village Manager

Monday, August 3, 2020	

VILLAGE OF
BUFFALO GROVE

MEMORANDUM

DATE: July 30, 2020

TO: Dane Bragg, Village Manager

FROM: Julie Kamka, Deputy Village Clerk

SUBJECT: Fees & Fines

Overview

As part of the annual budget development process, department directors submit recommendations to update current fees and/or fines that will impact the budget (FY 2021). The recommendations are consolidated and proposed at the same time to provide efficiency and continuity in the process.

There are several reasons why fees and/or fines are changed including; existing rate does not adequately cover the cost of service, no fee/fine existed previously, the fine is no longer a deterrent to non-compliance, the fee is lower than other municipal comparables for similar services.

The Community Development Department will be reviewing the current Residential Rental Inspection Program and will be providing any recommended changes as a separate action item at a later date.

Recommended changes to Chapter 1.16 – Fee Schedule are listed in the Table below:

Code Section	Fee or Fine	Current Amount	Recommended Amount
3.36.030	Resident who utilizes the emergency medical service: BLS	$850	$975
3.36.030	Resident who utilizes the emergency medical service: ALS Level 1	$1,100	$1,275
3.36.030	Resident who utilizes the emergency medical service: ALS Level 2	$1,300	$1,500
3.36.030	Nonresident who utilizes the emergency medical service: BLS	$1,100	$1,300
3.36.030	Nonresident who utilizes the emergency medical service: ALS Level 1	$1,200	$1,475
3.36.030	Nonresident who utilizes the emergency medical service: ASL Level 2	$1,400	$1,675
6.08.030.C.	Animal impound fee per day	$15	$25

Chapter 3.36.030 – Fee Established

The Fire Department has based the recommended amounts based on ambulance fee surveys conducted by the Naperville Fire Department between 2010 and 2019 to estimate the 2021 rate structure. Detailed information is contained in Chief Baker's memo to the Village Board.

Chapter 6.08.030.C – Redemption (animal impound)

Currently, the animal shelter receives the entire $15.00 for animals being impounded. Village staff transports the animals to the shelter. The proposed increase is to recoup staff time and wear and tear on Village vehicles.

Under the same Section 6.08.030.C it is recommended to eliminate the fee for animals not wearing a current license tag since the Village no longer issues animal tags and to eliminate the fees for dogs running at large since those fines are contained in Table 2.62.015-1, Tables of Offenses and Fines.

Recommended changes to Chapter 2.62.015 – Village Code Hearing Jurisdiction are listed in the Table below:

Code Section	Fee or Fine	Current Amount	Recommended Amount
9.16.020	Cannabis Offenses (All 9.16 sections)	$100	$150
9.48.020	Trespass	$100*	$150*
9.48.030.A	Damage to Village Property	$100*	$150*
9.48.040	Graffiti	$75*	$150*
9.52.020			
9.68.010	Curfew	$75*	$100*

*Must Appear Violation

Chapter 9.16.020 - Cannabis

It is recommended to separate each offense by creating sub-sections in order to assist officers when writing tickets and for tracking purposes. It is also recommended to add an additional offense “Possession of Cannabis of persons under 21” which would be a separate sub-section under 9.16.020. A text amendment would be required.

Chapter 9.52.020 – Theft

Currently this section has only one offense for Theft with a minimum fine of $200*. It is recommended to add Retail Theft with a minimum fine of $250*. This would require a text amendment.

The Police Department has also recommended doubling the fine amount, subject to Section 1.08.010, for those who default on a notice of violation. A person who fails to appear at a hearing or fails to contest a notice of violation is determined in default. Currently the Village imposes a $25 fee in addition to the original fine amount. There were a total of 1,153 default orders in 2019 and 310 default orders through July, 2020.

VILLAGE OF
BUFFALO GROVE

DATE: August 13, 2020

TO: President Beverly Sussman and Trustees

FROM: Mike Baker, Fire Chief

SUBJECT: Proposed Ordinance Revision – Chapter 3.36 Emergency Medical Service and Transportation Fee

BACKGROUND

The Buffalo Grove Village Board last updated the fees associated with Emergency Medical Services in July of 2019 to reflect the growing cost of service delivery and to bring Buffalo Grove into alignment with the fees charged by other fire and EMS agencies. As committed to in 2017, staff has continued to monitor the region's ambulance fees and the appropriateness of the Village's current fee structure.

In order to analyze rates in conjunction with the budget cycle and because the results of the 2020 survey will not be released until the first quarter of 2021, staff utilized the ambulance fee surveys conducted by the Naperville Fire Department between 2010 and 2019 to estimate the 2021 rate structure. On average, each billing category experienced 5-8% increase on an annual basis over the last decade. In accordance with the Village Board's 2019 approval of the ambulance user fees, staff has proposed an increase to the level of the estimated 2021 66th percentile.

	BLS-R	ALS 1-R	ALS 2-R	BLS-NR	ALS 1-NR	ALS 2-NR	Mileage-R	Mileage-NR
Current Fees	$850	$1,100	$1,300	$1,100	$1,200	$1,400	$15.00	$15.00
2019 Median	$825	$1000	$1200	$1071	$1200	$1404	$15.00	$15.00
2019 66th Percentile	$900	$1182	$1395	$1200	$1391	$1582	$15.00	$16.00
Est. 2020 66th Percentile	$964	$1,273	$1,485	$1285	$1473	$1667	$15.69	$16.83
Proposed	**$975**	**$1,275**	**$1,500**	**$1,300**	**$1,475**	**$1,675**	**$15.00**	**$15.00**

RECOMMENDATION

After consultation with the Village's billing company and feedback from Village Board members, Staff recommends that rates be increased to better reflect the maximum insurance reimbursement schedules. While there is no definitive way to determine what any one insurance company's maximum reimbursement rate may be due to their proprietary nature, an increase in the Village's BLS, ALS, and ALS 2 fees to reflect the upper third of responding agencies within the Village's comparable population group will help to ensure that the Village is maximizing fee revenue. It is important to note that all current policies regarding collection procedures would remain in place. Residents will not be required to pay any remaining balance after insurance reimbursements, other than any policy specific deductible that may apply. As in the past, only nonresidents will be billed for remaining balances.

BUFFALO GROVE POLICE DEPARTMENT
INTERNAL MEMORANDUM

TO: Steven R. Casstevens, Chief of Police
Michael Szos, Deputy Chief

FROM: Tara Anderson, Lieutenant

DATE: July 24, 2020

SUBJECT: Administrative Fee and Fine Recommendations

After a review of current administrative offenses and fines, the following are recommended adjustments.

Our Municipal Code currently has one offense for Theft (Ordinance 9.52.020 / fine $200*). Consider creating a specific ordinance for "Retail Theft" with a recommended minimum fine $250*. Possession of cannabis offenses are listed under 9.16.020. Each violation should be delineated with its own subsection (9.16.020A, 9.16.020B, etc.). Consider adding a specific ordinance for "Possession of Cannabis – Minor Under Age 21".

For those who default on a notice of violation, the Village imposes a $25 fee in addition to the original fine amount; consider doubling the original fine amount (subject to Section 1.08.010 of the Buffalo Grove Municipal Code). There were **1,153** default orders in 2019 and **310** default orders through July 2020; this disparity is likely due to the COVID-19 pandemic. For reference, a person who fails to appear at a hearing or fails to contest a notice of violation is determined to be in default. The individual may file a motion to set aside a default judgment within twenty-one days of the issuance of a default order.

The following chart provides a list of recommended fine adjustments; refer to attached "Administrative Fines and Fees Comparisons" for local comparables.

Recommended Fine Adjustments

Chapter/Section	Title/Section	Current Fine	Recommended Fine
9.28.010	Disorderly Conduct	$100*	$150*
9.48.020	Trespass	$100*	$150*
9.48.030A	Damage to Village Property	$100*	$150*
9.48.040	Graffiti	$75*	$150*
9.68.010	Curfew	$75*	$100*
9.16.020	Cannabis Offenses (All 9.16 ordinances)	$100	$150

(* Must Appear Violations)

Below are the total number of violations for 2019 and 2020 to date for each of the proposed fine increases:

Chapter/Title	2019	2020	Grand Total
9.16.020 ** ALL CANNABIS ORDINANCES	82	18	100
9.28.010 - Disorderly Conduct	13	2	15
9.48.020 - Trespass	3	2	5
9.48.030A - Damage to Village property	16	10	26
9.48.040 – Graffiti	0	0	0
9.68.010 - Curfew	0	0	0
Grand Total	**114**	**32**	**146**

Respectfully,

Tara Anderson #669

Tara Anderson
Staff Services Lieutenant

ADMINISTRATIVE FINES AND FEES COMPARISONS 7/24/2020

CHAPTER/SECTION	TITLE/SECTION	BUFFALO GROVE FINE	VERNON HILLS FINE	LINCOLNSHIRE FINE	MUNDELEIN FINE	WHEELING FINE
5.20.190.A	Alcohol Underage Poss/Consumption	$150*	$250	$500	$50	$100
5.20.190. B. and C.	Alchool Sale, Give, or Deliver to Underage	$250*	$250	$1,000	$50	$250
Chapter 5.24	Soliciting (all sections)	$100*	$50	$25	$25	$100
5.32.090	Sale Delivery Tobacco to Person under 21	$125	$250	$50	$100	$100
5.32.105	Possession of Tobacco (under 18)	$100	$50	$250 /$500 subseq	$100	$100
9.16.020	Cannabis (All Sections)	$100	$150	$500	$50	POSS Less than 30g $150
	Cannabis Under 21	$100	$150	$500 / $1,000 subseq	$50	POSS Less than 30g $150
9.27.020	Possession of Drug Paraphrenalia	$100	$150	$750	$50	$100
	Sale or Delivery of Drug Paraphrenalia	No Ordinance	$150	$500 / $750 if minor under 18	$500 / $750 if minor under 18	$100
9.28.010	Disorderly Conduct	$100*	$150	$50	$50	$100
9.28.025	Public Nuisance Assemblage / Social Host	$100	$100	$250 min	$25	$100
9.48.020	Trespass	$100*	$150	$50	N/A	$100
9.48.030A	Damage to Village Property	$100*	$150	$250	$50	$100
9.48.040	Graffitti	$75*		$50	$25	$100
9.52.020	Theft	$200*	$150	$50	$50	$250
ADD	Retail Theft	No Ordinance	$150	$50	$50	$250
9.68.010	Curfew	$75*	$50	$50	$10	$100

* **Arlington Heights** is expanding its administrative adjudication program (the system currently focuses on parking and compliance violations).

Information Item : Sunset Home Rule and Utility Taxes

Recommendation of Action

Staff recommends discussion.

Staff recommends the continuation of the additional 0.5 percent Home Rule Sales Tax, Municipal Natural Gas Use Tax, and Municipal Electricity Use Tax in fiscal year 2021. The total $4.81 million or 10.6 percent of the General Fund revenue budget is subject to sunset provisions. Based on the current service levels, lack of surpluses in other revenue streams, and no new sources of revenue, staff recommends no changes to Home Rule, Electricity or Natural Gas Use Taxes.

ATTACHMENTS:

- BOT Memo (DOCX)

Trustee Liaison	**Staff Contact**
Weidenfeld	Chris Black, Finance

Monday, August 3, 2020	

VILLAGE OF
BUFFALO GROVE

TO: Dane C. Bragg, Village Manager

FROM: Chris Black, Director of Finance

DATE: July 27, 2020

RE: Home Rule Sales and Utility Taxes – Sunset Provisions

In 2004, the Village Board adopted Ordinance No. 2004-16 amending Chapter 3.40 of the Municipal Code to increase the Home Rule Sales Tax by 0.5 percent to 1.0 percent effective July 1, 2004. Within the recitals of the ordinance was a requirement that by January 2006 and each January thereafter, a review is to be undertaken to determine if the rate should remain at the current level. The 0.5 percent increase in Home Rule Sales Tax is budgeted at $2.1 million in the 2020 budget.

In 2010 (effective 2011), the Village Board adopted ordinances for the collection of Utility Use Taxes on electricity and natural gas. Within the recitals of the ordinances were requirements that a review is to be undertaken to determine if the rate should remain at the current level. The 2020 budgeted revenue for utility taxes totals $2.71 million.

Staff recommends the continuation of the additional 0.5 percent Home Rule Sales Tax, Municipal Natural Gas Use Tax, and Municipal Electricity Use Tax in fiscal year 2021. The total $4.81 million or 10.6 percent of the General Fund revenue budget is subject to sunset provisions. Based on the current service levels, lack of surpluses in other revenue streams, and no new sources of revenue, staff recommends no changes to Home Rule, Electricity or Natural Gas Use Taxes.

Information Item : Twenty-Year Water Rate Proforma

Recommendation of Action

Staff recommends discussion.

Attached for the Board's discussion is the Twenty-Year Water Rate Proforma which reflect the latest rates and capital expenditures.

ATTACHMENTS:

- BOT Memo 7.30.20 (DOCX)
- 20 year Water Proforma Update 7.30.20 (PDF)

Trustee Liaison	Staff Contact
Pike	Chris Stilling, Community Development

Monday, August 3, 2020	

TO: Dane C. Bragg, Village Manager

FROM: Chris Stilling, Deputy Village Manager

DATE: July 29, 2020

RE: FY 2021 20-year Water Pro-Forma

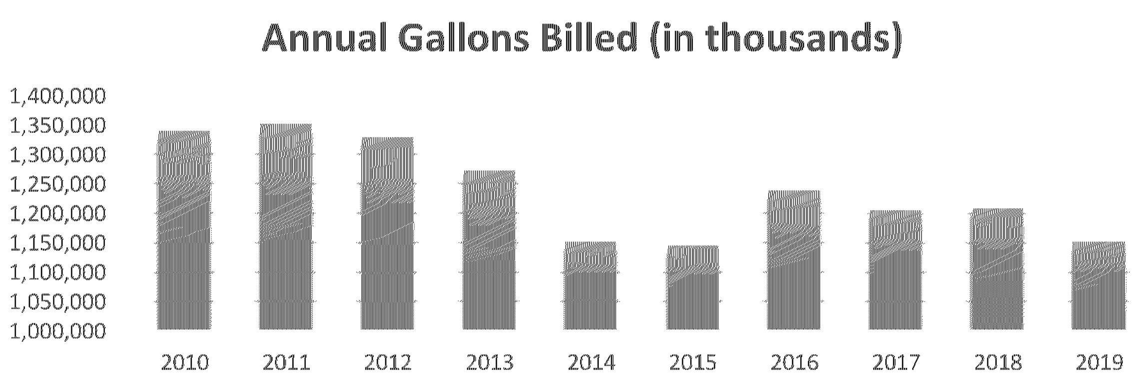
Background

In 2012, the Village developed a 20-year Water and Sewer Fund pro-forma to evaluate the water and sewer system's infrastructure needs. As identified in previous pro-formas, the Village's historical rates were not sufficient to fund water and sewer operations and capital needs. As a result, in 2019, the Village Board directed staff to develop a formal funding strategy for the Water and Sewer Fund that will allow needed capital improvement to occur over the next 20 years. The goal was to develop a funding strategy to cover $150 million of sewer/water infrastructure with no impact to the tax levy and maintain a competitive rate amongst other providers within the region. As a result, the Village Board adopted a new rate structure and fixed facility fee, effective January 2020. Furthermore, the Village implemented a new local motor fuel tax in effort to align roadwork with water/sewer improvements. For the Board's review is an updated 20-year water pro-forma reflecting the new rate structure as well as the recent issuance of debt. The pro-forma shows that Public Works is able to complete over $150 million in water and sewer capital infrastructure through 2039.

Rate and Consumption History

The Village maintained a water and sewer rate of $1.80/1,000 gallons for a period of twenty three years (1983-2005). One significant reason leading to this period of rate stability was due to the age of the water and sewer infrastructure. During the peak growth decades of the 1980's and 1990's, developers donated approximately 53 percent of the water and sewer system assets. Through a combination of minimal capital expenses, receipt of building and development fees, coupled with a period of growing water consumption, the Water Fund was able to generate strong cash reserves to allow for a strategy of pay-as-you-go financing for future infrastructure repair. Funding for future infrastructure replacement (funding depreciation) was never a component of the rate structure.

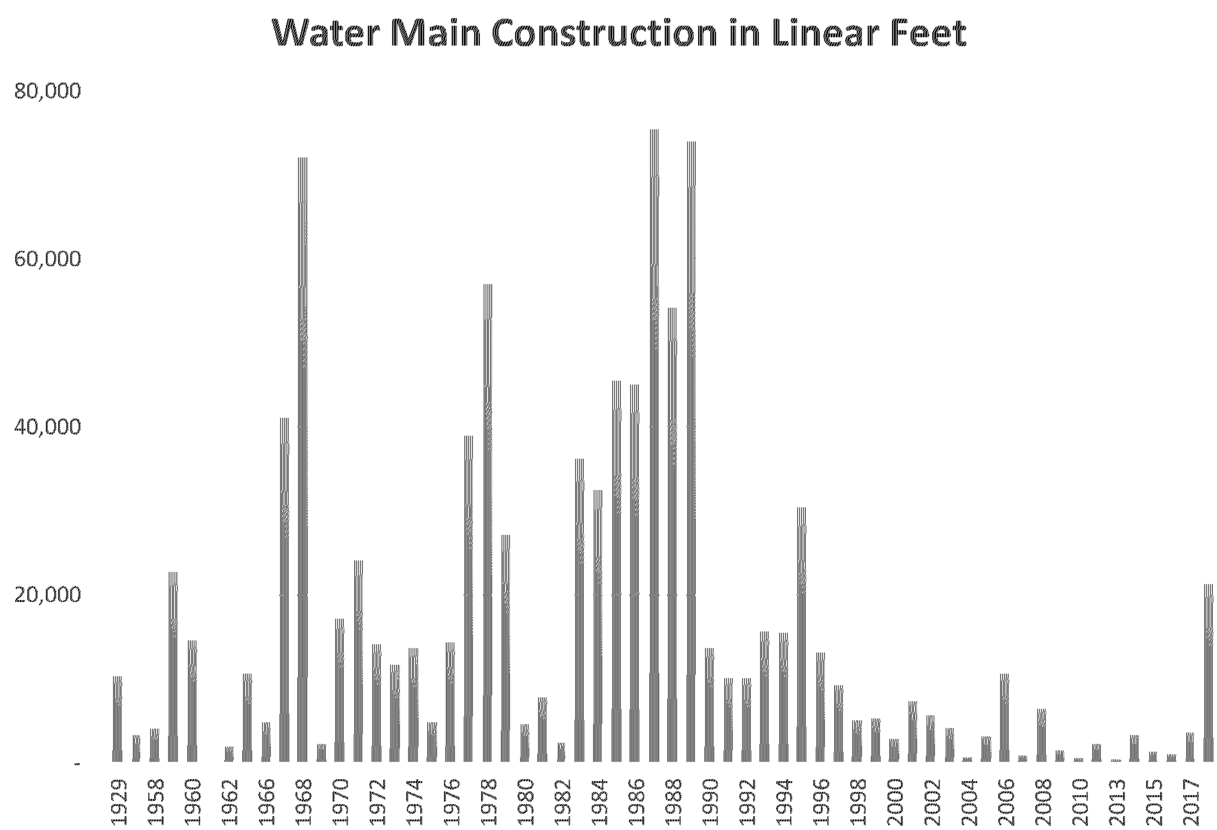
Beginning in 2003, a pattern of declining water usage started. In 2002, 1.63 billion gallons of water were billed. In 2019, 1.15 billion gallons were billed, a decrease of nearly 30%. There is no expectation that the amount of water billed will reach those levels again absent a significant drought or the addition of heavy industrial uses. The following chart shows the annual gallons billed since 2010.



The latest pro-forma uses an estimate of 1.15 billion gallons and will carry forward through the next 20 years. Although there will be an increase in total consumers over the next two decades with Link Crossing and the Lake Cook Corridor Developments, continued conservation efforts, weather patterns, and other impacts on water usage could partially counterbalance that growth.

Water and Sewer System Assets

The utility system consists of 186 linear miles of water and sewer main. Based on actual experience in the field, the service life of the water main infrastructure is 65 years. Over the next 20 years, it is estimated that 24 percent of the water mains will reach their useful life. As the first iterations of infrastructure replacement have come due, the Village has engaged in extensive study of the system and developed a replacement program, culminating in 2020's Infrastructure Modernization Program. The following chart shows the pattern of construction of water main since 1929.



Sewer assets have a longer life span as the structures are not pressurized. The Village's preferred approach is to line existing sanitary sewer mains, thereby extending the life considerably while reducing the life cycle cost of the asset. As a general rule, sanitary sewer lining can extend the life of a gravity-fed main by 50 years.

Recent Rate Changes

Fixed Facility Fee

As recommended in the water and sewer rate analysis prepared by Strand and Associates, the Village Board implemented a new fixed facility fee per metered utility account, starting in 2020. The fixed facility fee is a flat rate assessed to each metered account for access to the water and sewer system.

The fixed fees collected are used for the maintenance and replacement of the capital infrastructure for the delivery of clean water and the removal of the wastewater. The current fee schedule is as follows:

Fixed Facility Fee	Rate per month
All Single-Family Detached, Single-Family Attached Residential/Governmental/Institutional	$17.39
Multi-Family, Commercial/Industrial Based on Meter Size	
1" meters or less	$17.39
1.5" meters	$22.02
2" meters	$45.17
3" meters	$115.68
4" meters	$180.68
6" meters	$199.20

The fixed fee will be evaluated every five years by utilizing the aggregate Consumer Price Index (CPI-U) over the preceding five-year period to determine if the rate must be increased. The 20-Year Water/Sewer Pro-Forma assumes a 10 percent increase to the facility fee to occur in 2025.

Water/Sewer Rate

The Village's consumption model is driven by water rate and consumer use. The fees collected from system users should cover operating expenses such as the cost of the water sourced from the Northwest Water Commission as well as the cost for pumping, storage and distribution. In 2020, the Village Board approved a one-time 11 percent increase to meet and sustain growth in operating expenditures. The combined sewer and water rate per 1000 gallons is $7.07. This rate will increase each year by 4 percent, as adopted by ordinance by the Village Board.

Water and Sewer Fund Financials

Historically, the Water and Sewer Fund addressed infrastructure maintenance and improvement on a pay as you go basis. Due to the relative age of the system, many system repairs and replacements are coming due over the next 20 years based on the growth periods for the Village. Since 2012, $18.7 million in infrastructure repairs and improvements has been spent, including $6 million in water meter replacement costs. The meter replacement costs were funded through an installment note scheduled to be retired in 2033.

As noted, the Village Board approved two revenue streams, a fixed facility fee combined with a water/sewer rate increase and a local motor fuel tax to fund capital improvements. These actions allow the Village to address the first generation of major water and sewer infrastructure replacement as well as street repair and replacement. By combining utility and street improvements, the Village is able to comprehensively address repairs and improvements in neighborhoods and limit disruption to residents.

In May 2020, the Board also approved the issuance of a bond totaling $26 million - $13 million for water/sewer and $13 million for streets, to begin the Infrastructure Modernization Program. Over the next five years, the Village will invest approximately $50 million into water, sanitary sewer and streets. The long-term goal is to transition from a debt/cash strategy to a cash-only strategy (pay-as-you-go) to fund all system replacements.

From 2020 through 2024, the Village has programmed $30 million in water and sewer capital projects.

Many of these projects are identified on the Village's Website as part of the Infrastructure Modernization Program. From 2025 through 2029, the Water and Sewer fund will be self-funded for necessary capital improvements. In 2030 and again in 2033, the Village will need to issue additional debt to keep pace with the water and sewer improvements. As shown, that debt could be fully supported by revenues generated in the Water and Sewer Fund. All debt is scheduled to be retired by 2048.

After completing the largest surge of infrastructure replacement through 2034, the Water and Sewer fund begins to rebuild cash balances exceeding $9.2 million from 2035-2039, while also supporting over $27 million in capital improvements during the same period. As a result of the Village's careful infrastructure planning, Public Works is able to complete over $150 million in water and sewer capital infrastructure through 2039, consistent with the recommendations of the Strand & Associates water/sewer system study.

WATER & SEWER FUND	2019 Ending bal										
BUDGET YEAR	**Est act Cash**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Beginning Cash	3,005,000	3,005,000	14,960,282	11,577,078	3,276,726	3,451,268	2,607,065	2,551,736	2,884,094	3,441,028	4,237,736
Water and Sewer Revenue											
Sale of Water		6,522,915	6,783,832	7,055,185	7,337,392	7,630,888	7,936,123	8,253,568	8,583,711	8,927,060	9,284,142
Fixed Facility Fees		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
Late Charges		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Village Sewer Use Fees		1,608,390	1,672,726	1,739,635	1,809,220	1,881,589	1,956,852	2,035,126	2,116,532	2,201,193	2,289,240
Series 2020 Bonds		13,191,328	-	-	-	-	-	-	-	-	-
Series 2030 Bonds											
Series 2033 Bonds											
Other Charges & Fees		17,500	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Miscellaneous Revenue											
Investment Revenue		26,908	39,696	73,535	32,576	29,119	24,553	25,886	30,252	36,884	47,228
Total Revenue		**23,967,041**	**11,116,253**	**11,488,355**	**11,799,188**	**12,161,596**	**12,787,529**	**13,184,581**	**13,600,494**	**14,035,137**	**14,490,610**
Operating Expenses											
Water Department		3,857,363	3,797,468	3,867,995	3,940,625	4,015,423	4,092,457	4,171,796	4,253,514	4,337,683	4,424,382
Sewer Department		795,427	941,254	969,072	997,749	1,027,314	1,057,794	1,089,218	1,121,617	1,155,022	1,189,465
Total Operating Expenses		**4,652,790**	**4,738,721**	**4,837,067**	**4,938,374**	**5,042,737**	**5,150,251**	**5,261,015**	**5,375,131**	**5,492,705**	**5,613,847**
Capital Expenses											
Capital Projects		5,166,424	6,815,414	11,438,784	3,150,000	4,400,000	4,101,160	4,101,160	4,101,160	4,101,160	4,101,160
Water Meter Debt Service		550,851	591,470	634,502	680,071	728,314	779,373	833,397	890,541	950,969	744,645
Series 2020 Debt Service		589,050	1,281,950	1,241,950	1,201,950	1,161,950	1,121,950	946,950	948,700	946,200	947,075
Series 2030 Debt Service											
Series 2033 Debt Service											
Capital Reserve Contribution		92,644	95,995	97,358	98,748	100,163	101,606	103,076	104,574	106,100	107,656
Total Capital Expenses		**6,398,969**	**8,784,829**	**13,412,594**	**5,130,769**	**6,390,427**	**6,104,089**	**5,984,583**	**6,044,975**	**6,104,429**	**5,900,536**
Operating Transfers											
Water Department - Tax Abatement		180,000	180,000	727,222	727,442	728,012	727,004	727,881	727,135	727,048	727,574
Reimburse General Fund		780,000	795,906	811,824	828,061	844,622	861,514	878,745	896,319	914,246	932,531
Total Operating Transfers		**960,000**	**975,906**	**1,539,046**	**1,555,503**	**1,572,634**	**1,588,518**	**1,606,625**	**1,623,455**	**1,641,293**	**1,660,105**
Revenues over (under) Expenses		11,955,282	(3,383,203)	(8,300,352)	174,542	(844,203)	(55,329)	332,358	556,934	796,708	1,316,122
Unreserved Ending Cash		**14,960,282**	**11,577,078**	**3,276,726**	**3,451,268**	**2,607,065**	**2,551,736**	**2,884,094**	**3,441,028**	**4,237,736**	**5,553,859**
Required Working Cash*		1,163,198	1,184,680	1,209,267	1,234,594	1,260,684	1,287,563	1,315,254	1,343,783	1,373,176	1,403,462
Est Gallons Billed (in thousands)		1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000

WATER & SEWER FUND										
BUDGET YEAR	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**
Beginning Cash	5,553,859	21,555,716	11,372,276	1,617,661	13,345,665	2,088,889	2,482,954	3,299,206	4,809,832	6,789,130
Water and Sewer Revenue										
Sale of Water	9,655,508	10,041,728	10,443,397	10,861,133	11,295,578	11,747,401	12,217,297	12,705,989	13,214,229	13,742,798
Fixed Facility Fees	3,025,000	3,025,000	3,025,000	3,025,000	3,025,000	3,327,500	3,327,500	3,327,500	3,327,500	3,327,500
Late Charges	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Village Sewer Use Fees	2,380,810	2,476,043	2,575,084	2,678,088	2,785,211	2,896,620	3,012,484	3,132,984	3,258,303	3,388,635
Series 2020 Bonds		-	-		-	-	-	-	-	-
Series 2030 Bonds	26,000,000									
Series 2033 Bonds				22,000,000						
Other Charges & Fees	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Miscellaneous Revenue										
Investment Revenue	136,677	169,097	70,565	78,465	77,740	24,366	32,832	45,526	62,635	84,354
Total Revenue	**41,317,994**	**15,831,867**	**16,234,046**	**38,762,686**	**17,303,529**	**18,115,887**	**18,710,114**	**19,331,999**	**19,982,667**	**20,663,287**
Operating Expenses										
Water Department	4,513,689	4,605,687	4,700,459	4,798,093	4,898,680	5,002,312	5,109,085	5,219,098	5,332,455	5,449,769
Sewer Department	1,224,980	1,261,600	1,299,362	1,338,302	1,378,458	1,419,869	1,462,575	1,506,619	1,552,043	1,598,604
Total Operating Expenses	**5,738,669**	**5,867,287**	**5,999,821**	**6,136,395**	**6,277,137**	**6,422,180**	**6,571,660**	**6,725,717**	**6,884,498**	**7,048,373**
Capital Expenses										
Capital Projects	15,765,680	15,265,680	15,265,680	15,265,680	15,765,680	5,706,980	5,706,980	5,456,980	5,456,980	5,456,980
Water Meter Debt Service	26,128	26,128	26,128	26,128	-	-	-	-	-	
Series 2020 Debt Service	947,700	948,175	947,900	946,875	947,600					
Series 2030 Debt Service	1,049,964	2,099,928	2,099,928	2,099,928	2,099,928	2,099,928	2,099,928	2,099,928	2,099,928	2,099,928
Series 2033 Debt Service				888,431	1,776,862	1,776,862	1,776,862	1,776,862	1,776,862	1,776,862
Capital Reserve Contribution	109,241	110,857	112,504	114,182	115,892	117,635	119,411	121,221	123,067	125,528
Total Capital Expenses	**17,898,713**	**18,450,768**	**18,452,139**	**19,341,223**	**20,705,962**	**9,701,405**	**9,703,181**	**9,454,991**	**9,456,837**	**9,459,298**
Operating Transfers										
Water Department - Tax Abatement	727,574	727,048	547,091	547,662	547,618	548,056	547,837	548,056	547,574	547,486
Reimburse General Fund	951,181	970,205	989,609	1,009,401	1,029,589	1,050,181	1,071,185	1,092,608	1,114,461	1,136,750
Total Operating Transfers	**1,678,755**	**1,697,253**	**1,536,701**	**1,557,063**	**1,577,207**	**1,598,237**	**1,619,022**	**1,640,665**	**1,662,034**	**1,684,236**
Revenues over (under) Expenses	16,001,857	(10,183,440)	(9,754,615)	11,728,004	(11,256,776)	394,065	816,252	1,510,626	1,979,298	2,471,380
Unreserved Ending Cash	**21,555,716**	**11,372,276**	**1,617,661**	**13,345,665**	**2,088,889**	**2,482,954**	**3,299,206**	**4,809,832**	**6,789,130**	**9,260,511**
Required Working Cash*	1,434,667	1,466,822	1,499,955	1,534,099	1,569,284	1,605,545	1,642,915	1,681,429	1,721,124	1,762,093
Est Gallons Billed (in thousands)	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000

Information Item : FY 2020 Six Month Budget Performance Report

Recommendation of Action

Discussion of mid-year budget performance.

June 30, 2020 marked the mid-point of the fiscal year. This report provides an overview of current year performance measured against the approved Budget and makes a comparison against the previous year's totals.

ATTACHMENTS:

- Six Month Report FY 2020_final (DOCX)

Trustee Liaison	**Staff Contact**
Weidenfeld	Chris Black, Finance

Monday, August 3, 2020	

VILLAGE OF
BUFFALO GROVE

TO:	Dane C. Bragg, Village Manager Jennifer Maltas, Deputy Village Manager Chris Stilling, Deputy Village Manager
FROM:	Chris Black, Director of Finance
DATE:	July 27, 2020
RE:	FY 2020 BUDGET – SIX MONTH STATUS UPDATE

The six month revenue and expenditure report provides an overview of current year performance measured against the 2020 Budget and the prior year's six month totals. The six month report provides information to make any necessary adjustments in spending and service delivery to respond to an unanticipated revenue decline or unforeseen expenditures.

The Village's 2020 budget consists of $85,755,363 in total revenue and $80,837,127 in total expenses. As a reminder, the approximately $4.9 million dollar surplus is comprised almost entirely of additional pension revenue used to address actuarially determined future pension liabilities.

The COVID-19 pandemic has significantly affected the Village's revenues and expenses. As a result, our overall fiscal operations for the first six months will differ from our 2020 budget assumptions. Several major revenue sources have declined and will continue to do so for the remainder of the year. Expense reductions have been made to mitigate revenue losses. Several measures such as not filling vacant positions, deferring capital equipment purchases, and other operating reductions are reflected in the report.

In a typical year, revenues and expenses would be approximately 50 percent of the annual budget. Some major revenue sources have season variation that could lead to a variance from the expected amount. Expenses traditionally will be less than 50 percent due to the timing of payroll, debt service payments, and construction and equipment purchases.

General Fund Revenue Highlights

Nearly 81 percent of the General Fund's revenue are comprised of five sources of revenue including property tax, sales tax, use tax, income tax and excise taxes. Provided below is a chart of total General Fund Revenue collected to date and a description of the major revenues.

General Fund Revenues	FY 2020 Budget	Revenue @ 6/30/2020	% of Budget	Revenue @ 6/30/2019	% of Budget	% change 2020 vs 2019	Dollar Change 2020 vs 2019
Property Taxes	16,202,772	7,128,579	44.0%	7,655,468	49.4%	-6.9%	(526,889)
Base Sales Tax	6,590,000	3,083,545	46.8%	3,267,392	50.1%	-5.6%	(183,847)
Home Rule Sales Taxes	4,190,000	1,920,514	45.8%	2,000,332	48.2%	-4.0%	(79,818)
Income Taxes	4,168,968	2,166,717	52.0%	2,502,024	61.3%	-13.4%	(335,307)
Use Tax - Local	1,267,279	782,754	61.8%	687,198	58.6%	13.9%	95,556
Use Taxes - Electricity	1,665,000	761,521	45.7%	775,259	46.6%	-1.8%	(13,738)
Use Taxes - Natural Gas	1,050,000	786,806	74.9%	893,520	87.6%	-11.9%	(106,714)
Telecomm/Excise Taxes	1,540,000	487,320	31.6%	1,046,397	74.7%	-53.4%	(559,077)
Fines and Fees	1,740,591	760,440	43.7%	839,014	47.6%	-9.4%	(78,574)
Real Estate Transfer Tax	990,000	358,178	36.2%	435,078	41.8%	-17.7%	(76,900)
Food and Beverage Tax	750,000	315,222	42.0%	370,248	46.3%	-14.9%	(55,026)
Hotel/Motel Tax	125,000	24,159	19.3%	61,592	56.0%	-60.8%	(37,433)
Development Fees & Permits	1,066,000	560,550	52.6%	819,290	82.8%	-31.6%	(258,740)
Business & Liquor Licensing	309,600	118,451	38.3%	228,005	69.3%	-48.0%	(109,554)
Interest Income	290,000	81,438	28.1%	130,561	47.4%	-37.6%	(49,123)
Operating Transfers	780,000	390,000	50.0%	438,500	50.0%	-11.1%	(48,500)
All Other Revenue	2,681,997	1,086,755	40.5%	1,835,860	65.0%	-40.8%	(749,105)
Total	45,407,207	20,812,949	45.8%	23,985,738	53.9%	-13.2%	(3,172,789)

General Fund revenues are trending at 45.8 percent of the 2020 budget. Collections have decreased 13.2 percent, or $3,172,789, from the first six months of 2019. The following is a review of all major sources of revenue.

- **Property Taxes - 44.0%**
  Revenue to date represents the first installments of the 2019 levy extensions for both Lake and Cook Counties. Receipts are less than last year because Lake County has allowed taxpayers to defer 50 percent of their first installment payment 60 days. Historically, 99.8 percent of taxes levied are collected so budget estimates will likely be realized by year-end.

- **Combined Sales Taxes (Base/Home Rule) – 46.4%**
  Base Sales Tax and Home Rule net receipts will likely be under budget for the year due to the effects of the stay-at-home order and business restrictions that occurred earlier in the year and a decline in sales activity. Receipts are approximately 5 percent less than the prior year. The largest generators of sales tax are grocery stores and building and electrical supplies.

- **Income Tax - 52.0%**
  Income tax revenues are performing below budgeted expectations and approximately 13.4 percent less than the prior year. The state postponement of the tax filing deadline from April 15th to July 15th resulted in April 2020 receipts being $415,000 less than April 2019. The revenue shortfall for April is expected to be offset for the most part by July receipts. The revenue source is expected to be slightly under budget for the year.

- **<u>Use and Utility Taxes (Local Use/Electricity/Natural Gas) – 61.8%/45.7%/74.9%</u>**
  Local Use Tax is applicable to purchases made where Illinois sales tax has not been charged and the purchase will be used or consumed in Illinois. The primary example is non-taxed internet sales. Due to the pandemic, internet sales have increased and revenue is 13.9 percent higher than for the same period in 2019. Electricity Use Tax is at the benchmark with higher usage in summer months in the second half of the year. Typically 75 percent of the annual budget of Natural Gas Use Tax revenues are received during the first six months of the year because usage is highest during the winter months. Both revenue sources will likely meet the annual budget target.

- **<u>Real Estate Transfer Tax – 36.2%</u>**
  Receipts from the Real Estate Transfer Tax has decreased 17.7 percent from the last year. The pandemic resulted in limited real estate activity in March through May. June revenues met budget projections. We anticipate the revenue source will end the year below the budget amount.

- **<u>Telecommunications Tax – 31.6%</u>**
  Telecommunications Excise Tax is levied at a rate of 6 percent collected by the retailer and submitted to the State of Illinois. The revenue is down $560,000 from the previous year. The revenue source is expected to perform closer to budget expectations for the last six months of the year. Revenues are expected to end the year at approximately 35 percent under budget.

- **<u>Prepared Food and Beverage Tax – 42.0%</u>**
  Revenue to date generated from the Village's 1 percent Prepared Food and Beverage Tax is $315,200 or $55,000 less than the previous year. Tax receipts have decreased due to pandemic related restrictions on restaurants. Revenues are expected to end the year under budget.

- **<u>Development Fees/ Permits – 52.6%</u>**
  Construction and development related fees and licenses are generated in both the General and Water Funds. This revenue is a strong indicator of the development occurring in Buffalo Grove. Revenue is generated from permits, inspections, and associated development and engineering fees. Total revenue are 31.6 percent less that the first six months of 2019 and 52.6 percent of the 2020 budget amount. Permit activity slowed in March and April but has rebounded the last two months. Revenues are expected to slightly underperform budget expectations for the year.

- **<u>All Other Revenue</u>**
  This line is comprised of cable franchise, medical marijuana, storm water, sale of assets and other fees. These are all expected to come in slightly below forecasted amounts for fiscal year 2020.

Water & Sewer Fund Revenue Highlights

The following chart is the distribution of Water & Sewer Fund revenue and performance to date.

Water Fund Revenues	FY 2020 Budget	Revenue @ 6/30/2020	% of Budget	Revenue @ 6/30/2019	% of Budget	% change 2020 vs 2019	Dollar Change 2020 vs 2019
Sales of Water	12,209,500	6,318,152	51.7%	4,926,340	41.4%	28.3%	1,391,812
Development Fees and Permits	116,000	123,605	106.6%	126,167	109.0%	-2.0%	(2,562)
All other Revenue	60,500	345,429	571.0%	424,513	1883.6%	-18.6%	(79,084)
Total	12,386,000	6,787,186	54.8%	5,477,020	45.2%	23.9%	1,310,166

- **<u>Sales of Water/ Debt Service – 54.8%</u>**
  Revenue is typically less than 50 percent of the annual budget for the first six months of the year. Billing of residential users is two months in arrears and for commercial and multi-family customers the lag is one month. As a result, customers have not been billed for all water consumed in May and June. Revenue is higher than expected, which is typically approximately 42 percent, because the budgeted amount is based on a four percent rate increase (rather than the actual 11 percent increase) and does not include the fixed facility fee.

Golf Enterprise Revenue Highlights

<u>Buffalo Grove Golf Club</u>

Through June 30, 2020, a total of $362,600 or 30.7 percent of the annual budget was generated in operating and non-operating revenue. Revenues are 19.8 percent less than the same time period the prior year. The pandemic resulted in the course being closed in April and with limitations on the number of golfers in May. Receipts rebounded in June and July. Revenue will likely end the year between 10 percent and 20 percent under budget.

BGGC Fund Revenues	FY 2020 Budget	Revenue @ 6/30/2020	% of Budget	Revenue @ 6/30/2019	% of Budget	% change 2020 vs 2019	Dollar Change 2020 vs 2019
Greens Fees	675,000	192,460	28.5%	220,688	33.4%	-12.8%	(28,228)
Power Cart Rental	168,000	39,289	23.4%	53,339	31.8%	-26.3%	(14,050)
Driving Range	70,000	24,666	35.2%	36,816	57.5%	-33.0%	(12,150)
Memberships	58,000	53,435	92.1%	55,405	97.2%	-3.6%	(1,970)
Merchandise Sales	67,000	10,827	16.2%	23,393	34.9%	-53.7%	(12,566)
Rent & Utility Reimbursement	96,000	21,644	22.5%	40,545	42.2%	-46.6%	(18,901)
All Other Revenue	45,950	20,327	44.2%	21,819	35.0%	-6.8%	(1,492)
Total	1,179,950	362,648	30.7%	452,005	38.5%	-19.8%	(89,357)

Revenues at the golf course tend to be less than the 50 percent benchmark as the highest number of rounds are played in July and August. Through the midpoint of the year 10,711 rounds have been played as compared to 11,280 a year ago, a decrease of 5 percent.

<u>Arboretum Golf Club:</u>

Arboretum Golf Club six month operating revenue totaled $392,700 or 30.7 percent of annual budget compared to the previous year's revenue of $452,000, or 33.5 percent of the budget amount. The pandemic resulted in the course being closed in April and with limitations on the number of golfers in May. Receipts rebounded in June and July. Revenue will likely end the year between 10 percent and 20 percent under budget.

AGC Fund Revenues	FY 2020 Budget	Revenue @ 6/30/2020	% of Budget	Revenue @ 6/30/2019	% of Budget	% change 2020 vs 2019	Dollar Change 2020 vs 2019
Greens Fees	750,000	231,711	30.9%	226,580	32.9%	2.3%	5,131
Power Cart Rental	190,000	40,781	21.5%	63,422	38.3%	-35.7%	(22,641)
Memberships	66,000	77,350	117.2%	61,308	105.7%	26.2%	16,042
Merchandise Sales	52,000	13,982	26.9%	20,157	32.5%	-30.6%	(6,175)
Rent & Utility Reimbursement	63,300	8,587	13.6%	19,480	31.9%	-55.9%	(10,893)
Operating Transfer	129,794	0	0.0%	0	0.0%	0.0%	-
All Other Revenue	28,760	20,276	70.5%	61,054	63.1%	-66.8%	(40,778)
Total	1,279,854	392,687	30.7%	452,001	33.5%	-13.1%	(59,314)

The operating transfer is only made if the Arboretum Club expenses exceed its revenue, after the full year is accounted for and reviewed. To date, 9,425 rounds have been played. At the same point last year 10,076 rounds were played, a 6.5 percent decrease. It should be noted that the final debt service payment for the Arboretum Club House improvements will be made in 2020. The debt service is not sourced from the Golf Fund.

All Other Village Fund Revenues

The remaining funds revenues are listed below:

	FY 2020 Budget	Revenue @ 6/30/2020	% of Budget	Revenue @ 6/30/2019	% of Budget	% change 2020 vs 2019	Dollar Change 2020 vs 2019
Parking Lot	215,950	10,119	4.7%	102,625	49.8%	-90.1%	(92,506)
Motor Fuel Tax	1,600,000	1,380,980	86.3%	516,365	51.6%	167.4%	864,615
Capital Projects - Facilities	375,500	0	0.0%	267,598	50.0%	-100.0%	(267,598)
Capital Projects - Streets	1,600,000	800,000	50.0%	552,500	50.0%	44.8%	247,500
Debt Service	1,572,060	396,448	25.2%	515,529	33.5%	-23.1%	(119,081)
Information Technology	1,819,152	909,576	50.0%	871,860	50.0%	4.3%	37,716
Central Garage	1,788,935	894,468	50.0%	889,503	50.0%	0.6%	4,965
Building Maintenance	1,755,455	877,728	50.0%	780,630	50.0%	12.4%	97,098
Police Pension	7,450,353	5,885,779	79.0%	6,766,003	96.7%	-13.0%	(880,224)
Fire Pension	6,251,138	4,938,399	79.0%	5,769,426	97.5%	-14.4%	(831,027)
Refuse	1,060,000	529,471	50.0%	439,876	40.7%	20.4%	89,595
Total	25,488,543	16,622,968	65.2%	17,471,915	74.5%	-4.9%	(848,947)

The largest variances year over year are:

- Police Pension Fund and Fire Pension Fund increases are market-based and investments are not performing as well as the prior year. Year-end revenue reported for 2020 could be less than the current position as these amounts fluctuate in the same manner as the market.

- Capital Projects are funded through operating transfers and at this point half of those funds have been allocated to streets even though the projects may not have begun at this point in the year. The transfer from the General Fund to facilities will likely not be made this year as a cost reduction measure. The dollar change is based on the amount budgeted to complete capital projects in each fiscal year.

Certain revenue, such as inter-fund transfers, generally are not posted until the second half of the period and only based on the need of the receiving fund. All revenue categories will be monitored closely and all efforts maximized to enhance revenue.

General Fund Expenditure Review

Expenditures to date total $18,915,575 or 41.7 percent of the approved budget. This compares to $20,956,658 or 47.1 percent in FY 2019. General Fund expenses will be less than the 2020 budget at year end. The following chart depicts expenditure performance:

General Fund Expenditures	FY 2020 Budget	Expenditure @ 6/30/2020	% of Budget	Expenditure @ 6/30/2019	% of Budget	% change 2020 vs 2019	Dollar Change 2020 vs 2019
Personal Services	22,470,942	9,789,152	43.6%	10,390,448	47.6%	-5.8%	(601,296)
Personal Benefits	11,748,327	5,073,682	43.2%	5,244,530	48.1%	-3.3%	(170,848)
Operating Expenses	3,389,176	1,489,056	43.9%	1,414,800	41.5%	5.2%	74,256
Insurance	862,081	636,862	73.9%	579,732	72.8%	9.9%	57,130
Legal Services	492,400	121,685	24.7%	165,512	32.7%	-26.5%	(43,827)
Committees & Commissions	115,100	29,224	25.4%	13,386	10.4%	118.3%	15,838
Commodities	358,000	235,827	65.9%	208,334	55.3%	13.2%	27,493
Maintenance & Repair - Facilities	1,795,567	244,028	13.6%	689,501	40.9%	-64.6%	(445,473)
Maintenance & Repair - Other	47,750	7,928	16.6%	9,872	17.3%	-19.7%	(1,944)
Maintenance & Repair - Vehicle	1,561,891	780,946	50.0%	766,530	50.0%	1.9%	14,416
Capital Improvement - Facilities	70,000	39,631	56.6%	83,952	28.0%	-52.8%	(44,321)
Capital Equipment	738,569	28,574	3.9%	406,739	54.3%	-93.0%	(378,165)
Operating Transfer	1,228,394	124,197	10.1%	874,304	50.0%	-85.8%	(750,107)
All Other Expenses	498,545	314,783	63.1%	109,018	24.3%	188.7%	205,765
Total	45,376,742	18,915,575	41.7%	20,956,658	47.1%	-9.7%	(2,041,084)

Personal Services / Personal Benefits – 43.6 percent/43.2

Personal Services is the single largest expense account category budgeted by the Village. In terms of total budget, Personal Services and Benefits account for 75.4 percent of expenditures. Salary typically trends just below the 50 percent benchmark due to the timing of payroll and the accrual of the first payroll of the year. Wage and benefit expenditures are approximately 4.9 percent less than the prior year due in part to several vacant positions being unfilled as an expense reduction effort to mitigate revenue losses due to COVID-19.

Most spending categories are below or at expected levels through the first six months of the year. Operating expenses are 5.2 percent above the prior year amount due in part to COVID-19 related expenses that will likely be reimbursed with CARES Act funds. Operating transfers are $750,100 less than the prior year. Capital transfers were eliminated as a cost reduction measure. Capital purchases made through the reserve accounts have been reduced and will be reconciled at year end. Insurance is higher than expected because the annual general liability and worker compensation insurance premium is paid each year in January.

Water & Sewer Fund Expense Review

As of June 30, 2020, the Water and Sewer fund has expended 26.4 percent of its budget.

Water & Sewer Fund Expenditures	FY 2020 Budget	Expenditure @ 6/30/2020	% of Budget	Expenditure @ 6/30/2019	% of Budget	% change 2020 vs 2019	Dollar Change 2020 vs 2019
Personal Services	964,801	445,007	46.1%	481,320	53.1%	-7.5%	(36,313)
Personal Benefits	499,644	189,080	37.8%	189,852	41.5%	-0.4%	(772)
Operating Expenses	2,159,248	909,653	42.1%	932,578	46.8%	-2.5%	(22,925)
Insurance	117,655	1,409	1.2%	-2195	0.0%	-164.2%	3,604
Commodities	3,950,350	255,359	6.5%	1,000,242	25.8%	-74.5%	(744,883)
Maintenance & Repair	615,792	47,908	7.8%	275,422	41.2%	-82.6%	(227,514)
Capital Project - Water	2,992,900	798,217	26.7%	95,067	4.7%	739.6%	703,150
Capital Equipment	92,644	0	0.0%	46,322	49.6%	-100.0%	(46,322)
Debt Service	524,723	275,394	52.5%	256,232	52.7%	7.5%	19,162
Operating Transfer	960,000	480,000	50.0%	472,500	50.0%	1.6%	7,500
Total	12,877,757	3,402,027	26.4%	3,747,340	31.5%	-9.2%	(345,313)

The largest notable variances are in Commodities and Capital Projects-Water. Commodities are less because a payment has not been made to Lake County this year for sanitary sewer fees the Village collects on behalf of the County. Capital Projects–Water has increased because a higher volume of capital project work was completed in 2020 as compared to the previous year.

Golf Enterprise Expense Review

The Buffalo Grove Golf Club and Arboretum Club combined have expended 41 percent of the annual budget in the first six months of fiscal year 2020. Personal expenses are lower for both courses because of a decrease in part-time labor costs due to the courses being closed or having limited operations March through May.

AGC Fund Expenses	FY 2020 Budget	Expenditure @ 6/30/2020	% of Budget	Expenditure @ 6/30/2019	% of Budget	% change 2020 vs 2019	Dollar Change 2020 vs 2019
Personal Services	167,076	51,486	30.8%	70,446	43.2%	-26.9%	(18,960)
Personal Benefits	46,607	8,868	19.0%	10,301	23.8%	-13.9%	(1,433)
Operating Expenses	913,500	409,248	44.8%	454,725	50.9%	-10.0%	(45,477)
Insurance	4,300	0	0.0%	-	0.0%	0.0%	-
Commodities	0	0	0.0%	17,975	30.5%	-100.0%	(17,975)
Maintenance & Repair - Facilities	122,847	61,424	50.0%	71,215	50.0%	-13.7%	(9,791)
Maintenance & Repair - Other	0	0	0.0%	-	0.0%	0.0%	-
Maintenance & Repair - Vehicle	0	0	0.0%	-	0.0%	0.0%	-
Capital Project - Facilities	15,000	0	0.0%	15,245	61.0%	-100.0%	(15,245)
Capital Equipment	10,000	5,000	50.0%	5,000	50.0%	0.0%	-
Operating Transfer	0	0	0.0%	-	0.0%	0.0%	-
All Other Expenses	500	0	0.0%	415	83.0%	-100.0%	(415)
Total	1,279,830	536,026	41.9%	645,322	48.1%	-16.9%	(109,296)

All Other Funds Expenses	FY 2020 Budget	Expenditure @ 6/30/2020	% of Budget	Expenditure @ 6/30/2019	% of Budget	% change 2020 vs 2019	Dollar Change 2020 vs 2019
Parking Lot	214,654	7,776	3.6%	44,229	14.2%	-82.4%	(36,453)
Motor Fuel Tax	1,600,000	(2,322)	-0.1%	(27,007)	0.0%	-91.4%	24,685
Capital Projects Facilities	375,000	416,748	111.1%	76,177	14.2%	447.1%	340,571
Capital Projects Streets	1,600,000	953,065	59.6%	906,773	82.1%	5.1%	46,292
Debt Service	1,586,369	108,969	6.9%	166,834	10.8%	-34.7%	(57,865)
Information Technology	1,819,152	718,835	39.5%	665,575	37.4%	8.0%	53,260
Central Garage	1,788,935	741,907	41.5%	732,380	41.2%	1.3%	9,527
Building Maintenance	1,755,455	676,416	38.5%	756,845	48.5%	-10.6%	(80,429)
Police Pension	4,692,313	2,064,618	44.0%	2,222,948	43.1%	-7.1%	(158,330)
Fire Pension	3,460,545	1,557,245	45.0%	1,772,092	44.8%	-12.1%	(214,847)
Refuse	1,245,000	454,656	36.5%	430,582	31.2%	5.6%	24,074
Total	20,137,423	7,697,914	38.2%	7,747,428	37.2%	-0.6%	(49,514)

All Other Village Fund Expenditures/Expenses

All Other Funds Expenses	FY 2020 Budget	Expenditure @ 6/30/2020	% of Budget	Expenditure @ 6/30/2019	% of Budget	% change 2020 vs 2019	Dollar Change 2020 vs 2019
Parking Lot	214,654	7,776	3.6%	44,229	14.2%	-82.4%	(36,453)
Motor Fuel Tax	1,600,000	(2,322)	-0.1%	(27,007)	0.0%	-91.4%	24,685
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Refuse	1,245,000	454,656	36.5%	430,582	31.2%	5.6%	24,074
Total	20,137,423	7,697,914	38.2%	7,747,428	37.2%	-0.6%	(49,514)

- The Parking lot fund annual major expense for the land lease payment to Com Ed is made in the second half of the year.
- The timing of construction impacts the recognition of the Capital Project Fund's expenditures. These budgets are planned and spent in full.
- MFT expenditures are charged to Public Works departments throughout the year and a reconciliation is completed before the end of the fiscal year to account for the qualifying expenditures which then are reclassed into the MFT Fund.
- The Refuse Fund is billed in arrears by SWANNC and the first quarterly payment is annually accrued back to the prior fiscal period.

The following charts provide the snapshot of budget performance to date for all Village Funds.

Fund	Revenue	Expenses	Surplus/(Deficit)
General	20,812,949	18,915,575	1,897,375
Water & Sewer	6,787,186	3,402,027	3,385,159
BGGC	362,648	463,410	(100,762)
AGC	392,687	536,026	(143,339)
Parking Lot	10,119	7,776	2,343
Motor Fuel Tax	1,380,980	(2,322)	1,383,302
Capital Projects Facilities	0	416,748	(416,748)
Capital Projects Streets	800,000	953,065	(153,065)
Information Technology	909,576	718,835	190,741
Central Garage	894,468	741,907	152,561
Building Maintenance	877,728	676,416	201,312
Debt Service	396,448	108,969	287,479
Police Pension	5,885,779	2,064,618	3,821,161
Fire Pension	4,938,399	1,557,245	3,381,154
Refuse	529,471	454,656	74,815
Total	44,978,438	31,014,951	13,963,487

Department directors will continue to monitor spending on a monthly basis. Staff will present a series of budget amendments in tandem with the development of the FY 2020 budget.