

VILLAGE OF GLENCOE
FINANCE COMMITTEE

Thursday, November 17, 2011
6:00 p.m.

Village Hall Conference Room
675 Village Court

AGENDA

The Village of Glencoe is subject to the requirements of the Americans With Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact the Village of Glencoe at least 72 hours in advance of the meeting at (847) 835-4114, or please contact the Illinois Relay Center at (800) 526-0844, to allow the Village of Glencoe to make reasonable accommodations for those persons.

1. CALL TO ORDER AND ROLL CALL

Bruce Cowans, Chairman
Scott Feldman, President
Keki Bhote
Andrew Hayek
Joseph Keefe
Lawrence Levin
Joel Solomon

2. APPROVAL OF SEPTEMBER 15, 2011 AND OCTOBER 20, 2011 MINUTES

3. PUBLIC COMMENT TIME

4. DISCUSS GASB 54 RELATED TO GOVERNMENTAL FUND BALANCES

5. REVIEW 2011 ACTUARIAL REPORTS FOR 2011 TAX LEVY

6. REVIEW 2012 IRMA CLAIM DEDUCTIBLE LEVEL

7. REVIEW PRELIMINARY FISCAL YEAR 2013 BUDGET

8. ADJOURNMENT

VILLAGE OF GLENCOE
FINANCE COMMITTEE

Meeting Minutes
September 15, 2011

1. CALL TO ORDER AND ROLL CALL

The Finance Committee was called to order at 6:30 p.m. in the Conference Room at Village Hall. The following members were present:

Keki Bhote
Andrew Hayek
Lawrence Levin
Joel Solomon,

Trustee Cowans was absent.

The following Village staff was present:

Paul Harlow, Village Manager
William Jones, Assistant Village Manager
David Clark, Director of Finance

2. APPROVAL OF AUGUST 18, 2011 MINUTES

Trustee Hayek moved, seconded by Trustee Levin, to approve the August 18, 2011 minutes. The motion was unanimously adopted by a roll call vote.

3. PUBLIC COMMENT TIME

There were no comments from the public.

4. REVIEW MONTHLY FINANCIAL REPORT FORMAT

The Director of Finance introduced a suggested monthly report modification to provide the Village Board with greater detail about various revenue and expense items included in the various tables included in the monthly report. The Director of Finance also provided an explanation concerning the method for developing the monthly revenue and expenditure budget. He explained that the monthly budget is calculated by taking the total budget for each item individually and multiplying it by a 4-year average of historic activity during each month. The summary pages of the new report will be included in the monthly financial report in place of certain other tables presently included.

5. DISCUSS GASB 54 RELATED TO GOVERNMENTAL FUND BALANCES

The Director of Finance introduced an illustration of the current fund balance practice with the required GASB 54 practice. The change in fund balance practice will introduce a greater level of specificity in fund balance classification and will also include items previously not included based upon policy intent to expend the items for a certain purpose. The impact of the change is a decrease in “unreserved” fund balance. The illustration will be shared with the Auditors and is therefore subject to further refinement prior to implementation. The amounts illustrated were used as the beginning balance in the long range financial forecast.

6. CONSIDER PREPARATION OF AN ARTICLE FOR THE GLENCOE MEMO ON THE STATE OF GLENCOE PENSIONS

This item was deferred to the next meeting.

7. ADJOURNMENT

There being no further business to come before the Finance Committee, upon motion made and seconded, the meeting was adjourned at 7:00 p.m.

VILLAGE OF GLENCOE
FINANCE COMMITTEE

Meeting Minutes
October 20, 2011

1. CALL TO ORDER AND ROLL CALL

The Finance Committee was called to order at 6:30 p.m. in the Conference Room at Village Hall. The following members were present:

Bruce Cowans
Keki Bhote
Andrew Hayek
Lawrence Levin
Joel Solomon,

The following Village staff was present:

Paul Harlow, Village Manager
William Jones, Assistant Village Manager
David Clark, Director of Finance

2. PUBLIC COMMENT TIME

There were no comments from the public.

3. REVIEW MONTHLY FINANCIAL REPORT FORMAT

Members of the Committee reviewed the format of the monthly financial report and made the following suggestions:

- a) Include projections for the end of the year with narrative explanation of variances.
- b) Include percentages of revenue to budget and expenditures to budget.
- c) Add lines to the cash table in order to enhance prior period comparability.

Other issues discussed by the Committee included:


- a) Develop performance measure strategy for further review by the Committee. Such strategy should include internal comparability to prior periods and external comparability to other communities.

4. ADJOURNMENT

There being no further business to come before the Finance Committee, upon motion made and seconded, the meeting was adjourned at 7:00 p.m.

VILLAGE OF GLENCOE

MEMORANDUM

TO: Paul M. Harlow, Village Manager
FROM: David A. Clark, Director of Finance 
DATE: November 10, 2011
SUBJECT: GASB 54 Analysis

At the last Village Board meeting as part of the consideration of the long range financial forecast, Village staff introduced the impact of the implementation of GASB 54 on the fund balances of the Village. Attached is a section of the Fiscal Year 2011 Auditor's Management Letter addressing GASB 54. Staff's analysis resulted in a potential implementation of GASB 54 which would reduce the "unassigned" fund balance of the General Fund from \$2,550,921 to \$2,048,055 and reduce the "unassigned" fund balance of the Garbage Fund from \$229,865 to \$179,865 had GASB 54 been implemented as of the end of Fiscal Year 2011 (see attached summaries). GASB 54 is required to be implemented with the Village's Fiscal Year 2012 Comprehensive Annual Financial Report.

During the Board discussion of this matter, the following questions were posed:

1. To what extent are items within the Village's discretion to determine?
2. A loan guarantee for the Women's Library Club was included as a restricted item. Does the Village have discretion to omit this item since it is perceived to have a low risk of occurring?
3. The Firefighter's Pension Fund is a terminal fund with three beneficiaries. At present the funds in the pension fund have been exhausted. Resources have been allocated under the General Corporate tax levy for the benefit of the Firefighters Pension Fund. The assets have been "committed" by policy direction of the Village Board. The Village Board is concerned that assets held for the benefit of the Firefighter's Pension Fund may be claimed by the State of Illinois once the activities of the pension fund cease. Does the fund balance classification create any greater claim than may have already existed?
4. The basic methods used to determine if classification is appropriate includes: 1) is the item is measurable and 2) is the timing to fulfill the underlying obligation known?
5. Are there any other items that the Board should be concerned about (i.e. capital budgets, accrued leave balances, etc.)?

Village Auditor Ronald Amen will be in attendance at the Finance Committee meeting to address the requirements associated with the implementation of GASB 54 and to answer any questions.

Cc: Village Auditor
Village Attorney

PRIOR RECOMMENDATIONS

1. GASB STATEMENT NO. 54 – FUND BALANCE REPORTING AND GOVERNMENTAL FUND TYPE DESCRIPTIONS

Comment

GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Descriptions* presents improved fund balance classifications for governmental funds, providing increased uniformity in financial reporting. The Statement also provides a more concise definition of the governmental fund types.

Fund Balance Reporting. The Statement creates new classifications of governmental fund balance based on the extent of constraints on the use of funds. Governmental fund balance upon the implementation of GASB Statement No. 54 will be classified under the following categories: *nonspendable, restricted, committed, assigned, and unassigned.*

Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact (Ex: inventories or prepaids).

Restricted – amounts that are (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation (Ex: property taxes).

Committed – amounts that can only be used for specific purposes by constraints imposed by formal action of the Board – usually by passage of ordinance/resolution (Ex: hotel/motel taxes committed to Board specified expenditures).

Assigned – any remaining positive amounts not classified as nonspendable, restricted, or committed (for all governmental funds other than the General Fund). For the General Fund, amounts constrained for the intent to be used for a specific purpose by (a) governing body itself or (b) a body or official with authority (Ex: Finance Director assigning fund balance to specific future capital projects).

Unassigned – amounts of positive residual fund balance for the General Fund and negative fund balances for all other governmental funds.

Governmental Fund Types Definitions. The Statement also provides more concise definitions of governmental fund types, particularly for special revenue funds. Under GASB Statement No. 54, special revenue funds are to be used to account for the proceeds of revenue sources that are *restricted* or *committed* (as defined above) for specific purposes other than debt service or capital projects. The specific revenue source reported in the special revenue fund should be expected to make up a substantial portion of the revenue in the fund. Special revenue funds that do not have a significant *restricted* or *committed* (as defined above) revenue source or special revenue funds that receive most or all of their revenue as a transfer from another fund do not meet the new criteria for special revenue funds under GASB Statement No. 54, and generally the activity of these funds should be reported within the General Fund.

PRIOR RECOMMENDATIONS – Continued

1. GASB STATEMENT NO. 54 – FUND BALANCE REPORTING AND GOVERNMENTAL FUND TYPE DESCRIPTIONS – Continued

Comment – Continued

GASB Statement No. 54 is effective for periods beginning after June 15, 2011. The Village will be required to implement the provisions of GASB Statement No. 54 for the fiscal year ended February 28, 2012.

Recommendation

We recommended that the Village conduct a review of its current fund balance classifications. This review should include an understanding of current fiscal policies that have been approved by the Board, as well as fiscal policies followed by management. An analysis should be conducted to determine the type of potential constraint and the corresponding dollar amount that will need to be reported in the financial statements. Further, we recommended the Village review its current governmental fund structure, with a specific assessment of the significant revenue source reported in each special revenue fund to determine compliance with the Statement's special revenue fund reporting requirements.

Status

The Village is aware of the implementation of GASB Statement No. 54 for the fiscal year ended February 28, 2012 and will be working to review the current fund balance classifications as well as the current governmental fund structure to ensure compliance with the new Statement.

Village of Glencoe
General Fund - Fiscal Year 2011 ending balances

CURRENT - PRIOR TO IMPLEMENTATION OF GASB 54

	<u>General</u>	<u>Type</u>
Total Fund Balance	4,330,682.00	
Prepays	223,478.00	Reserved
Management Fee Receivable	380,905.00	Reserved
Due from Golf Club	960,006.11	Reserved
Int Recivable due from Golf Club	<u>215,371.04</u>	Reserved
Total	1,779,760.15	
Unreserved	2,550,921.85	

PROPOSED - WITH IMPLEMENTATION OF GASB 54

	<u>General Fund</u>	<u>Type</u>
Total Fund Balance	4,330,682.00	
Management Fee Receivable	380,905.00	Nonspendable
Due from Golf Club	960,006.11	Nonspendable
Int Receivable due from Golf Club	215,371.04	Nonspendable
Prepays	<u>223,478.00</u>	Nonspendable
	1,779,760.15	
Reserved for Fire Benevolent Fund	569.00	Restricted
Reserved for Public Safety	73,865.28	Restricted
Reserved for Drug Abuse Prevention	2,872.00	Restricted
Reserved for IRMA Claim Deductibles	61,041.00	Restricted
Reserved for Women's Library Club (1)	<u>280,246.00</u>	Restricted
	418,593.28	
Reserved for Fire Pension	<u>84,272.64</u>	Committed
	84,272.64	
Unassigned Fund Balance	2,048,055.93	

Notes

(1) Loan guarantee.

Village of Glencoe

Garbage Fund - Fiscal Year 2011 ending balances

CURRENT - PRIOR TO IMPLEMENTATION OF GASB 54

	<u>Garbage Fund</u>	<u>Type</u>
Total Fund Balance	274,147.00	
Prepays	39,665.00	Reserved
Reserved for Inventory	<u>4,617.00</u>	Reserved
Total	44,282.00	
Unreserved	229,865.00	

PROPOSED - WITH IMPLEMENTATION OF GASB 54

	<u>Garbage Fund</u>	<u>Type</u>
Total Fund Balance	274,147.00	
Prepays	39,665.00	Nonspendable
Inventories	<u>4,617.00</u>	Nonspendable
	44,282.00	
Reserved for IRMA Claim Deductibles	<u>50,000.00</u>	Restricted
	50,000.00	
Unassigned Fund Balance	179,865.00	

VILLAGE OF GLENCOE

MEMORANDUM

TO: Paul M. Harlow, Village Manager

FROM: David A. Clark, Director of Finance *DAC*

DATE: October 13, 2011 (Revised November 9, 2011)

SUBJECT: Actuarial Results for 2011 Tax Levy

Attached is a summary of the 2011 Actuarial Results for the Police Pension Fund. This information is based upon audited financial data as of February 28, 2011. The policy of the Board is to report actuarial results in the annual financial report based upon assumptions used by the State of Illinois, but to actually fund pensions based upon more current assumptions.

The 2010 report included \$1,216,128 based on State of Illinois assumptions but the Fiscal Year 2012 budget actually includes \$1,626,363. Typically the difference between the figure in the report and the amount budgeted is contributed to the Police Pension Fund during February of each year. Since adopting this policy, the Village has funded Police Pension obligation at the budget level.

The 2011 report includes \$982,468 based on State of Illinois assumptions. There are various alternatives listed for the annual budget amount. The financial forecast includes \$1,463,727. I recommend the following for the 2011 contribution:

1. Continue to report based on present policy at \$982,468.
2. Change interest rate assumption from 6.5% to 6.0% (actual average since 1993 is 6.1%)
3. Change salary assumption from 5.5% to 4.5% (actual average since 1998 has been 3.5%)
4. Establish Fiscal Year 2013 Budget contribution at \$1,465,318.
5. Continue practice of contributing difference during last month of fiscal year.

Also attached are the results from Timothy W. Sharpe, the Village Actuary showing the information listed on the summary tables in greater detail. Mr. Sharpe also provided an option using a salary assumption of 3.5% rather than 4.5%. Changing the salary assumption reduces the funding requirement from \$1,463,727 to \$1,416,021, an expenditure reduction of \$47,706 from the figure presently included in the preliminary budget.

Village of Northfield
Pension Assumptions
Surrounding Communities
2011

DRAFT - Data as of 10/25/2011

<u>City/Village</u>	<u>Investment Rate of Return</u>	<u>Salary Growth</u>	<u>Comments</u>
Deerfield	7.50%	5.00%	Investment rate is on its way to 7.5% (was 8% two years ago); Actuarial UP 84 set forward 1 year. Salary growth estm., was 5.50% last year.
Glencoe	6.00%	4.50%	For CAFR reporting uses 7% / 5.5% and 1971 GAM (\$982,468 contribution). For tax levy purposes, uses 6% interest, 4.5% salary, and 1994 UP (\$1,465,318 tax levy recommendation). Budget amount shown.
Glenview	7.50%	5.50%	Has not determined methods or assumptions for 2011
Highland Park	7.50%	5.50%	1984 unisex pensioners mortality table.
Kenilworth	6.50%	5.00%	Estimated rates, both down 0.50% from last year. 1971 Group Annuity table.
Northbrook	8.00%	4.00%	
Wilmette	7.35%	5.50%	Wilmette is gradually dropping rate of return to 7.25% by reducing it .05% annually for a five year period. The 12/31/08 valuations were at 7.45%; 12/31/09 7.40%; 12/31/10 7.35%. Will re-evaluate at the end of the five year period . UP 1994 mortality table.
Winnetka	6.25%	5.50%	Using actuarial methods in effect prior to recent changes, 1971 mortality table.
Northfield	7.00%	4.25%	Reduced Rate of return from 7.25% in 2010. 30 Yr amortization in 2011. 1971 mortality table.
Average	7.07%	4.97%	

Village of Glencoe
 Police Pension Fund
Summary of Actuarial Results

Reported ARC	2010	2011	2011	2011
Interest	7.00%	7.00%	6.50%	6.00%
Salary	5.50%	5.50%	5.00%	4.50%
Mortality	1971	1971	1971	1971

Levy Amount 1,216,128 982,468 1,094,962 1,217,432

Budgeted Contribution	2010	2011	2011	2011	2011
Interest	6.50%	7.00%	6.50%	6.00%	6.00%
Salary	5.50%	5.50%	5.00%	4.50%	3.50%
Mortality	1994	1994	1994	1994	1994

Levy Amount 1,626,363 1,189,277 1,321,070 1,465,318 1,416,021

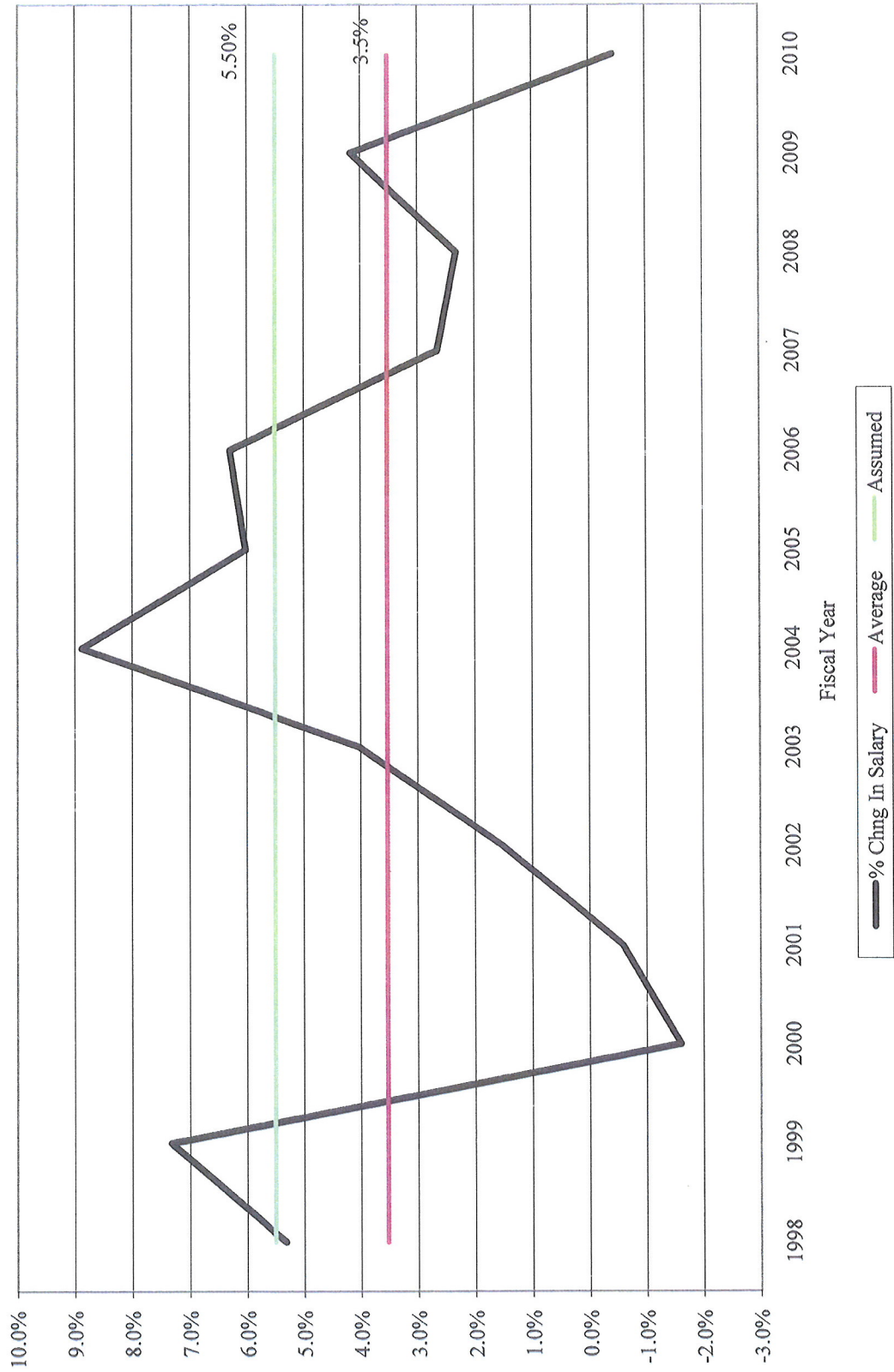
	Amount	Interest	Salary	Mortality
FY 2011 Budget	1,734,339	7.00%	5.50%	1994
FY 2012 Budget	1,626,363	6.50%	5.50%	1994
FY 2013 Plan	1,463,727	6.00%	4.50%	1994

Average Actual Salary 3.50%
 Avg. Return-2005-11 5.97%
 Avg. Return Since 1993 6.12%

Recommendation

	ARC		
	<u>Report</u>	<u>Budget</u>	<u>Budget Alt.</u>
Interest	7.00%	6.00%	6.00%
Salary	5.50%	4.50%	3.50%
Mortality	1971	1994	1994
Levy Amount	982,468	1,465,318	1,416,021
Additional Contribution		482,850	433,553
Budget as % of ARC		149%	144%

% Change in Annual Salary for Police Pension



Village of Glencoe
 Police Pension Fund
 Rate of Return History

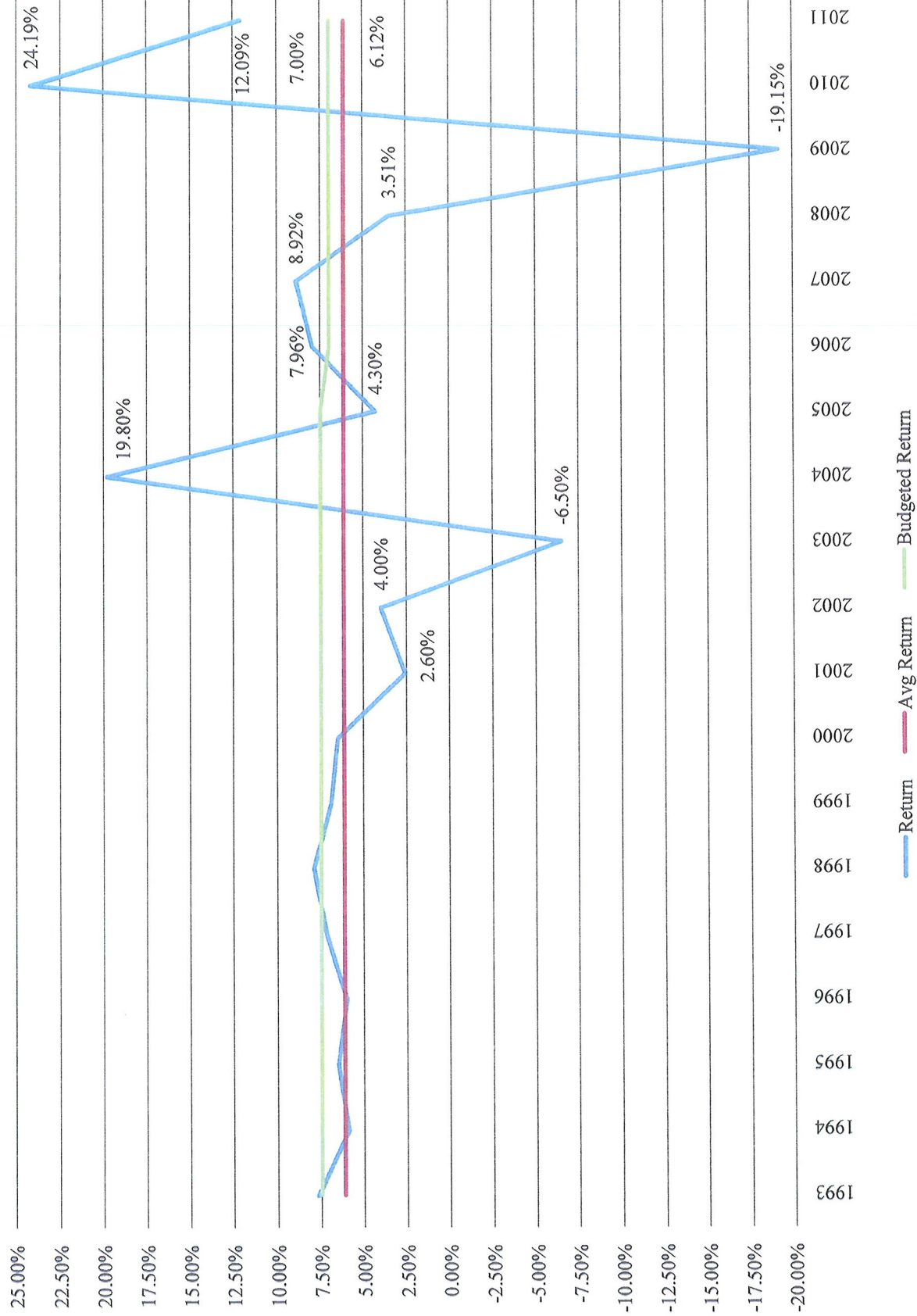
<u>FY</u>	<u>Return</u>	<u>3 Yr Avg</u>	<u>5 Yr Avg</u>	<u>10 Yr Avg</u>
1993	7.70%			
1994	5.90%			
1995	6.50%	6.70%		
1996	6.00%	6.13%		
1997	7.20%	6.57%	6.66%	
1998	7.90%	7.03%	6.70%	
1999	6.90%	7.33%	6.90%	
2000	6.50%	7.10%	6.90%	
2001	2.60%	5.33%	6.22%	
2002	4.00%	4.37%	5.58%	6.12%
2003	-6.50%	0.03%	2.70%	4.70%
2004	19.80%	5.77%	5.28%	6.09%
2005	4.30%	5.87%	4.84%	5.87%
2006	7.96%	10.69%	5.91%	6.07%
2007	8.92%	7.06%	6.90%	6.24%
2008	3.51%	6.80%	8.90%	5.80%
2009	-19.15%	-2.24%	1.11%	3.19%
2010	24.19%	2.85%	5.09%	4.96%
2011	12.09%	5.71%	5.91%	5.91%
Avg	6.12%			
Minimum	-19.15%	-2.24%	1.11%	3.19%
Maximum	24.19%	10.69%	8.90%	6.24%
Median	6.50%	6.13%	5.91%	5.89%

Source: Actuarial Valuation Reports

Total Return & Asset Percentage

<u>FY</u>	<u>Return</u>	<u>Stan. Dev.</u>	<u>% of Assets</u>
1993-98	6.87%	0.9%	N/A
1999-04	5.55%	8.5%	36.11%
2005-11	5.97%	13.1%	43.04%

Police Pension Rate of Return



October 13, 2011

**VILLAGE OF GLENCOE
Actuarial Valuation Results**

POLICE	<u>3/1/10</u>	<u>3/1/11¹</u>		
	Int: 7.00% <u>Sal: 5.50%</u>	Int: 7.00% <u>Sal: 5.50%</u>	Int: 6.50% <u>Sal: 5.00%</u>	Int: 6.00% <u>Sal: 4.50%</u>
1. Village Normal Cost	379,404	389,553	425,244	464,565
2. Accrued Liability	35,633,310	36,720,564	38,535,931	40,515,545
3. Assets	20,658,001	23,700,436	23,700,436	23,700,436
4. Unfunded Liability/(Surplus)	14,975,309	13,020,128	14,835,495	16,815,109
5. Amortization of UL	757,164	528,641	602,889	683,956
6. Interest for One Year	79,560	64,274	66,829	68,911
7. Tax Levy Requirement (1+5+6)	<u>1,216,128</u>	<u>982,468</u>	<u>1,094,962</u>	<u>1,217,432</u>
8. Payroll	2,998,929	3,036,145	3,036,145	3,036,145
9. Percent Funded (3/2)	58.0%	64.5%	61.5%	58.5%

¹ Reflects Entry Age, 30-year amortization, 1971 GAM

Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600

October 13, 2011

**VILLAGE OF GLENCOE
Actuarial Valuation Results**

POLICE	<u>3/1/10</u>	<u>3/1/11¹</u>		
	Int: 7.00% <u>Sal: 5.50%</u>	Int: 7.00% <u>Sal: 5.50%</u>	Int: 6.50% <u>Sal: 5.00%</u>	Int: 6.00% <u>Sal: 4.50%</u>
1. Village Normal Cost	379,404	451,845	493,950	540,587
2. Accrued Liability	35,633,310	39,946,749	42,069,601	44,395,872
3. Assets	20,658,001	23,700,436	23,700,436	23,700,436
4. Unfunded Liability/(Surplus)	14,975,309	16,246,313	18,369,165	20,695,436
5. Amortization of UL	757,164	659,629	746,491	841,788
6. Interest for One Year	79,560	77,803	80,629	82,943
7. Tax Levy Requirement (1+5+6)	<u>1,216,128</u>	<u>1,189,277</u>	<u>1,321,070</u>	<u>1,465,318</u>
8. Payroll	2,998,929	3,036,145	3,036,145	3,036,145
9. Percent Funded (3/2)	58.0%	59.3%	56.3%	53.4%

¹ Reflects Entry Age, 30-year amortization, 1994 UP

Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600

October 22, 2011

**VILLAGE OF GLENCOE
Actuarial Valuation Results**

POLICE	<u>3/1/10</u>	<u>3/1/11¹</u>
	Int: 7.00%	Int: 6.00%
	<u>Sal: 5.50%</u>	<u>Sal: 3.50%</u>
1. Village Normal Cost	379,404	420,381
2. Accrued Liability	35,633,310	43,547,745
3. Assets	20,658,001	23,700,436
4. Unfunded Liability/(Surplus)	14,975,309	19,847,309
5. Amortization of UL	757,164	915,488
6. Interest for One Year	79,560	80,152
7. Tax Levy Requirement (1+5+6)	<u>1,216,128</u>	<u>1,416,021</u>
8. Payroll	2,998,929	3,036,145
9. Percent Funded (3/2)	58.0%	54.4%

¹ Reflects Entry Age, 30-year amortization, 1994 UP.

Village of Glencoe
Employer Contribution to Police Pension Fund

<u>FY</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
<u>AUDITED FISCAL YEARS</u>			
2006	900,527	792,217	113.67%
2007	1,033,821	855,034	120.91%
2008	1,230,790	911,136	135.08%
2009	1,279,790	910,453	140.57%
2010	1,407,637	1,037,562	135.67%
2011	1,740,339	1,342,900	129.60%
<u>CURRENT BUDGET YEAR (FISCAL YEAR 2012)</u>			
2012	1,626,363	1,216,128	133.73%
<u>PROPOSED FISCAL YEAR 2013</u>			
2013	1,465,318	982,468	149.15%
Total	10,684,585	8,047,898	132.76%
Diff	2,636,687		

VILLAGE OF GLENCOE

MEMORANDUM

TO: Paul M. Harlow, Village Manager

FROM: David A. Clark, Director of Finance *DAC*

DATE: November 10, 2011

SUBJECT: IRMA Member Deductible

Background

The Village participates in the Intergovernmental Risk management Agency (IRMA). IRMA is a public entity risk pool whose members are Illinois municipalities. IRMA manages and funds covered liability claims of its members. Annually IRMA offers an opportunity to its members to modify its deductible. The minimum deductible is \$2,500. Beginning Fiscal Year 2006, the Village moved to a \$10,000 deductible. Beginning Fiscal Year 2009, the Village moved to a \$25,000 deductible. Beginning Fiscal Year 2010 the Village moved to the \$50,000 deductible. Starting Fiscal Year 2012, the Village increased from the \$50,000 deductible to the \$100,000 deductible. Of the 71 members of IRMA, the Village is the only member at the \$100,000 deductible.

IRMA now offers optional deductibles ranging from \$10,000 to \$250,000. A percentage credit on the on the annual contribution to IRMA based on the deductible selected.

Each year the Village has an opportunity to select its deductible level. The deductible for a particular claim is based on the deductible level in effect during that particular claim year. Once selected, the deductible level is binding for the year. The following year the Village could choose to revert all the way back to a \$2,500 deductible.

Analysis

IRMA has provided the Village loss data for the last five completed years of coverage. The data includes the credit per year, the losses applicable to the deductible and the difference between the credit and the deductible (see attached).

Table I shows the savings accumulated by the Village by increasing its deductible level since 2004 claim year. Since that time the Village has accumulated savings of contribution versus annual deductible expense of \$85,963. During that period of time, the Village of Glencoe increased its deductible from \$2,500 to \$100,000 per claim.

Table II highlights the additional contribution savings by switching from the \$100,000 deductible to the \$250,000 deductible. By selecting the \$250,000 deductible, the Village would save \$58,240 on its 2012 annual contribution.

Table III compares losses subject to the \$100,000 deductible level and losses subject to the \$250,000 deductible level if the Village had been at those levels since Claim Year 2006. For three of the five years there would have been no additional deductible expense. Overall, however, there would have been \$138,448 in additional claim cost subject to deductible over that 5 year period of time ranging from \$47,762 to \$90,686 in years where the claim cost occurred.

Table IV compares the ratio of losses to credit. Had the Village been at the \$250,000 deductible level since 2006 claim year as opposed to being at the \$100,000 deductible since the 2006 claim year, the Village would have saved \$163,022 versus losses.

If the Village had been at the \$250,000 deductible level versus the \$10,000 level since 2006, the Village would have saved \$393,244.

Table V shows the \$250,000 deductible as a percent of unrestricted ending balance for the operating funds as audited for the year ending February 28, 2011. Moving to the \$250,000 deductible introduces the potential for a financial occurrence that would be unmanageable for the Garbage Fund (a single \$250,000 claim being 91.2% of unrestricted fund balance) and a significant potential burden for the Water Fund (58%) and Golf Club (32.2%). The funds with the greatest likelihood of actually having a \$250,000 claim are the General Fund and the Garbage Fund. The Village does levy as part of the General Corporate property taxes approximately \$700,000 previously levied as a restricted Garbage Fund purpose. Annually \$350,000 of amount is returned to the Garbage Fund. In the event of a \$250,000 claim, the General Fund could return a greater amount to the Garbage Fund to smooth the impact of such a claim. But such action would reduce unrestricted assets in the General Fund.

Recommendation

The Village staff recommends that the Village remain at the \$100,000 deductible for 2012. Moving to the \$250,000 deductible this year would increase the potential burden to the Garbage Fund and/or the General Fund. If the goal is to eventually increase to the \$250,000 deductible, then the fund balance policies for the Water Fund, Garbage Fund and Golf Club should be revisited.

Village of Glencoe
2012 Optional Deductible Analysis

Table I

<u>Claim Year</u>	<u>Deductible Level</u>	<u>Deductible Expense</u>	<u>Contribution Savings</u>	<u>Accumulated Cost (Savings)</u>
2004	2,500	22,247	-	22,247
2005	10,000	29,894	44,086	8,055
2006	10,000	36,967	47,886	(2,864)
2007	10,000	64,554	38,909	22,781
2008	25,000	89,436	94,400	17,817
2009	50,000	66,963	136,363	(51,583)
2010	50,000	84,711	132,133	(99,005)
2011	100,000	174,797	161,755	(85,963)

Table II Options for 2012

<u>Claim Year</u>	<u>Deductible Level</u>	<u>Deductible Expense</u>	<u>Contribution Savings</u>	<u>Accumulated Cost (Savings)</u>
2012	100,000	181,242	158,009	(62,730)
2012	250,000	221,242	<u>216,219</u>	(80,940)
Potential Budget Savings			58,210	

Table III Losses Subject to Deductible

<u>Claim Year</u>	<u>\$100K Losses</u>	<u>\$250K Losses</u>	<u>Difference</u>
2006	123,876	214,562	90,686
2007	60,629	60,629	-
2008	242,229	289,991	47,762
2009	83,457	83,457	-
2010	114,460	114,460	-
Total	624,651	763,099	138,448

Table IV Ratio of Losses to Credit

<u>Claim Yrs</u>	<u>Deductible</u>	<u>Credit</u>	<u>Losses</u>	<u>Difference</u>	<u>Ratio</u>
2006-10	10,000	226,579	151,060	75,519	66.67%
2006-10	100,000	930,394	624,653	305,741	67.14%
2006-10	250,000	1,231,864	763,101	<u>468,763</u>	61.95%
				163,022	

Net Savings from \$10,000 Deductible 393,244 (at \$250,000)

Table V

Deductible as Ratio of Fund Balance

<u>Fund</u>	<u>FY 2011 Ending Bal.</u>	<u>\$250 Claim as % of Bal.</u>
General Fund	2,550,922	9.8%
Water Fund (1)	430,746	58.0%
Garbage Fund	274,147	91.2%
Golf Club (2)	777,154	32.2%

Notes

(1) Unrestricted net assets.

(2) Cash and investments.



M E M O R A N D U M

TO: Village of Glencoe
FROM: Laura Vesecky, Director of Financial Services
DATE: October 31, 2011
RE: **2012 Member Deductible**

The minimum IRMA deductible for 2012 is \$2,500. You are being given the opportunity to select a higher deductible, which will have an accompanying credit.

To help you make your decision, attached is a table showing what your credits and losses would have been for 2006 – 2010 at the various deductibles. **If the difference is a negative, you would have paid more in the past with a higher deductible. If the difference is a positive, you would have saved money with a higher deductible.**

When selecting your deductible for 2012, you should take into consideration your experience modifier and total contribution to IRMA. While the report may show that you would not have benefited from a higher deductible in the past, if you are experiencing a large experience modifier or much higher revenue base, it may now be beneficial to you to take a higher deductible. However, you must be able to withstand the risk associated with the higher deductible.

If you would like to discuss these options with the IRMA staff, please contact either Laura Vesecky at laurav@irmarisk.org - (708) 236-6335 or Larry Bush at larry@irmarisk.org - (708) 236-6333. Your preliminary contribution and experience modifier for 2012 are:

Initial Contribution \$496,774
Experience Modifier \$-80,968
Contribution with Experience Modifier \$415,806

Optional Deductible:

Deductible	Credit (percentage)	Credit (dollars)
\$ 10,000	9%	\$37,423
\$ 25,000	19%	\$79,003
\$ 50,000	28%	\$116,426
\$100,000	38%	\$158,006
\$250,000	52%	\$216,219

Please complete the form in the body of the email by clicking on “reply”. Fill in the form and send it back no later than November 25, 2011. If we do not receive your response by the deadline, we will assume that you want to remain at your 2011 deductible of \$100,000.

Dave Clark

From: Henzler, Mary [maryh@irmarisk.org]
Sent: Tuesday, November 01, 2011 8:55 AM
To: Dave Clark
Subject: IRMA-2012 IRMA Member Deductible
Attachments: Glencoe-Optional Deductible Memo-21.pdf; GLENCOE.pdf

Attached is a memo on your entity's 2012 IRMA Member Deductible. You are being given the opportunity to select a higher deductible. Also attached is a table showing what your entity's credits and losses would have been for 2006 - 2010 at the various deductibles.

After you have had a chance to review the material, please fill out the following form by clicking on "Reply" and filling in the blanks.

2012 DEDUCTIBLE

MEMBER NAME:

WE CHOOSE TO REMAIN AT OUR 2011 DEDUCTIBLE

NOTE: IF WE DO NOT HEAR BACK FROM YOU BY NOVEMBER 25th, WE WILL ASSUME THAT YOU WANT TO REMAIN AT YOUR 2011 DEDUCTIBLE.

Laura Vesecky
Director, Financial Services & Administration
Four Westbrook Corporate Center
Suite 940
Westchester, IL 60154
(708) 236-6335 (p)
(708) 236-6336 (f)
laurav@irmarisk.org



Sent via Mary Henzler
Executive Secretary



Village of Glencoe

Board Agenda Memorandum

DATE PREPARED: November 10, 2011

MEETING DATE: November 17, 2011

AGENDA SUBJECT: Review of Preliminary Fiscal Year 2013 Budget

RECOMMENDATION: That the Village Board review the Fiscal Year 2013 Preliminary Budget

Background:

At the October 20, 2011 meeting, the Village Board reviewed the long range financial forecast. Budget requests have now been received from department heads and staff is beginning the process of reviewing and preparing a recommended budget. The budget distributed with this agenda is the requested budget. The personnel budget included is based upon the long range financial plan assumptions and should not be considered a recommended personnel plan at this point.

The primary purpose of reviewing the preliminary budget is to get a sense of the needs of the Village as indicated by the preliminary budget as compared to the proposed 2011 tax levy. The preliminary budget also introduces issues to consider and provides an opportunity to review financial policies.

The primary issues to consider for this budget discussion are:

- (1) Implementation of GASB Statement 54 and its impact on unassigned fund balances;
- (2) 2012 Intergovernmental Risk Management Agency (IRMA) Deductible level; and
- (3) Consideration of actuarial valuation reports prepared by Village Actuary Timothy W. Sharpe.

Information concerning GASB 54, the IRMA deductible level, and actuarial valuation reports are included in detail on the Finance Committee agenda.

Other Issues

Other issues to consider during the budget development process include:

1. Use of the IMRF actuarially required rate (ARC) instead of the phase in rate beginning January 1, 2012;
2. Continuation of community grant 5% reduction program;
3. Continuation of the sewer rebate program;
4. Increase in major fees of 1.5%;
5. Review concept of making Garbage Fund operations an enterprise supported entirely by fees (this would require a 53% increase in fees) and any resources collected beyond budgetary need could be used to abate debt service;
6. Consider potential modifications to the spring clean-up program;
7. Consider amendments to fund balance policy to increase minimum fund balance requirements;
8. Continue program of not abating (reducing) property taxes for debt service in order to provide resources necessary in the event Cook County is late with tax bills;
9. Conduct annual review of the water, garbage and Golf Club Management Fees;
10. Determine best use of IRMA's excess distribution. It can be used to reduce contribution or remain on balance with IRMA and used to reduce future contributions; and
11. Review elements of the Fiscal Year 2013 Requested Capital Budget.

2011 Tax Levy

The Village represented 15.6% of the total 2010 Village tax levy, this compares to 15.9% the year prior. The extended 2010 taxes (paid during 2011) were approximately \$326,000 (or 3.0%) less than 2009 taxes. The proposed 2011 tax levy (to be paid in 2012) is nearly \$549,000 (or 5.2%) less than 2010 taxes. The primary reason for the decrease is retiring debt service. The 2009 tax levy for debt service was nearly \$2.8 Million and the 2011 levy is nearly 1.4 Million.

Budget Summary

The preliminary Fiscal Year 2013 Budget includes \$21,972,715 in financing sources and \$22,743,147 in financing uses.

General Fund

The General Fund is projected to finish the Fiscal Year 2012 with revenues of \$14.6 Million which is \$337,631 less than budget and with expenditures \$98,952 less than budget. Included in the year-end revenue projections as noteworthy variances from the 2012 budget are:

1. Building Permits - \$98,772 less than budget.
2. Utility Tax - \$125,901 less than budget.
3. Income Tax - \$85,581 less than budget.
4. Sales Tax - \$58,262 less than budget.

The proposed revenue budget of \$14,896,900 is \$64,700 less than the Fiscal Year 2012 Budget.

The proposed expenditure budget of \$15,047,573 is \$69,711 less than Fiscal Year 2012 Budget. The General Fund is projected to finish both Fiscal Year 2012 and 2013 ahead of \$1.4 Million unassigned fund balance (with GASB 54 adjustments).

Water Fund

The following budgetary information excludes financial activity related to the IEPA loan. The Water Fund is projected to finish Fiscal Year 2012 with revenues of \$2,078,237 which is \$62,622 greater than budget, primarily due to water sales. Water Fund expenditures during Fiscal Year 2012 are projected to be \$20,657 less than budget.

Fiscal Year 2013 revenues are proposed at a level 1.1% greater than Fiscal Year 2012. The Fiscal Year 2013 expenditure budget is 7.4% greater than Fiscal Year 2012. The primary reason is an increase in the capital budget from the first IEPA Loan repayment of \$96,595.

Garbage Fund

The Garbage Fund is projected to finish Fiscal Year 2012 with revenues \$1,368,903, which is \$11,019 greater than budgeted. Expenditures in the Garbage Fund are projected to be \$1,529,285, which is \$2,620 greater than budgeted. Fund balance in the Garbage Fund is projected to be \$19,483 as compared to the fund balance target of \$126,329. The primary reason for the decrease in fund balance is the purchase of a refuse packer in the amount of \$250,000.

Fiscal Year 2013

All operating funds would produce an operating surplus based on the preliminary budget presented. Use of the surplus plus some fund balance would be required to fund the requested capital projects included in the preliminary budget. Capital projects are subject to further review prior to being considered recommended.

Recommendation: That the Village Board review the Fiscal Year 2011 Preliminary Budget.

Motion: No motion.

Village of Glencoe
Fiscal Year 2012 Year End Projection
And
Fiscal Year 2013 Preliminary Budget

November 11, 2011

Village of Glencoe										
Fiscal Year 2013 Budget Summary -- Including all sources and uses										
	Projected Fiscal Year 2012					FY 2013 Budget				
	Beginning	Revised			Ending		Operating	Capital	Ending	%
Fund	Balance	Beg. Bal.	Revenue	Expense	Balance	Revenue	Expense	Expense	Balance	Fund Bal.
Operating Funds										
General Fund	2,550,922	2,048,056	14,623,969	15,018,332	1,653,693	14,896,900	14,471,573	576,000	1,503,020	10.4%
Water Fund	430,746	430,746	2,078,237	1,785,288	723,695	2,039,582	1,843,995	170,000	749,282	40.6%
Garbage Fund	229,865	179,865	1,368,903	1,529,285	19,483	1,383,599	1,298,298	36,000	68,784	5.3%
Sub-Total	3,211,533	2,658,667	18,071,109	18,332,905	2,396,871	18,320,081	17,613,866	782,000	2,321,086	13.2%
Special Funds										
Motor Fuel Tax	478,302	478,302	255,431	298,930	434,803	208,200	451,303	-	191,700	42.5%
E911 Fund	414,420	414,420	141,954	179,199	377,175	141,100	196,730	30,000	291,545	148.2%
Sub-Total	892,722	892,722	397,385	478,129	811,978	349,300	648,033	30,000	483,245	74.6%
Debt & Capital Funds										
Debt Service	89,387	89,387	2,113,477	2,053,071	149,793	1,400,602	1,333,556	-	216,839	16.3%
Bond Construction	387,416	387,416	36,017	423,433	-	-	-	-	-	N/A
Sub-Total	476,803	476,803	2,149,494	2,476,504	149,793	1,400,602	(923,799)		216,839	(67,046)
GRAND TOTAL	4,581,058	4,028,192	20,617,988	21,287,538	3,358,642	20,069,983	17,338,100		3,021,170	(67,045)

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1. General Issues and Economic Assumptions
2. Issues to Consider by Fund
3. Major Financial Policies
4. Tax Levy Table (From 2010 Extension to 2011 Levy)
5. Fiscal Year 2013 Operating Statements
6. Fiscal Year 2013 Capital Expenditure

GENERAL ISSUES AND ECONOMIC ASSUMPTIONS

1. 2011 tax extension base can increase by 1.5% from the 2010 extended amount (or by approximately \$203,000).
2. The equalized assessed value from the 2009 Tax Levy to the 2010 Tax Levy decreased from \$1.23 Billion to \$1.04 Billion, a 15.5% decrease. This change did not impact the taxes extended but did result in a rate increase from \$0.874 per \$100 EAV to \$1.004 per \$100 EAV.
3. From 2009 Tax Levy to 2010 Tax Levy, the Village portion of the total tax bill decreased from 15.97% to 15.59%.
4. The preliminary budget does not include impact related to potential legislation to limit the ability of non-home rule communities to increase taxes in years where the equalized assessed value of the Village declines.
5. Public Works bargaining unit contract expires February 28, 2013. A wage contract re-opening is going to be conducted for Fiscal Year 2013 Public Works bargaining unit wages.
6. The budget for wages and benefits is based upon the long range financial plan with the removal of the attrition factor. The final wage and benefit budget will be considered by the Village Board after presentation of the Annual Personnel Report. The preliminary budget assumes status quo service levels. (Major expenditure assumptions included in this report.)
7. Implementation of GASB 54. This item was discussed by the Village Board. The operating statements presented represent starting balances consistent with GASB 54 as reviewed by the Village Auditor. The Village Auditor will be in attendance to discuss this matter specifically.
8. The long range capital inventory will be revisited during the first quarter of 2012 in order to further evaluate the potential and need for a capital improvement program subject to voter approval in November 2012.
9. The IMRF 2012 funding requirement will be paid based on the actuarially required contribution (ARC) rate instead of the phase-in rate.

ISSUES TO CONSIDER
FOR
FISCAL YEAR 2013 BUDGET

General Fund

The following are issues to consider during development of the Fiscal Year 2013 Budget:

1. 2011 Property taxes for Fiscal Year 2013 can increase by 1.5% from the 2010 tax levy extension (for Fiscal Year 2012) based upon the change in the United States CPI-U (All Item Index) from December 31, 2009 to December 31 2010. The total dollar increase in extension base will be approximately \$203,000.
2. The Fiscal Year 2012 Budget includes over \$1.6 Million for the cost of funding the Police Pension Fund. It is projected that the base for Fiscal Year 2013 will decrease from \$1.6 Million to \$1.463 Million.
3. The \$1.463 projected budget is based upon certain actuarial assumptions including a 4.5% payroll increase factor. The actual average since Fiscal Year 1998 has been 3.5%. Using the 3.5% factor will decreased the projected budget from \$1.463 to \$1.418.
4. Building permits are projected to be \$531,575 of the \$635,000 budgeted during Fiscal Year 2012. The preliminary budget includes \$536,310 for Fiscal Year 2013.
5. Municipal sales tax is projected to be \$1,607,991 of the \$1,622,537 budgeted for Fiscal Year 2012. The preliminary budget includes \$1,626,100 for Fiscal Year 2013.
6. Income tax revenue is projected to be \$630,029 of the \$711,400 budgeted during Fiscal Year 2012. The preliminary budget includes \$636,300 for Fiscal Year 2013.
7. Municipal utility tax is projected to be \$716,633 of the \$771,120 budgeted during Fiscal Year 2012. The preliminary includes \$730,932 for Fiscal Year 2013.
8. Major fee categories subject to increases according to the same terms as the tax cap, with a minimum of 1.5%.
9. Status of golf club management fee and amount owed to the Village of Glencoe subject to further discussion by the Village Board
10. Sales tax rebate with Autohaus will end August of 2012.
11. Preliminary budget includes community grant 5% reduction program. Grant applications pending review by the Grant Committee.
12. Preliminary budget includes resources for sewer rebate program which reimburses residents for a portion of cost related to upgrading sewer systems in home to prevent flooding occurrences.

13. Preliminary budget includes increase in management fees of 1.5%. Actual fee increases will be based upon increase in operating cost in the General Fund.

Garbage Fund

The following are issues to consider during development of the Fiscal Year 2012 Budget:

1. Services accounted for from the Garbage Fund are subject to review during the development of the Fiscal Year 2013 Budget.
2. Garbage fees subject to an increase of 2.0% of the change in CPI whichever is less. The change in CPI for Fiscal Year 2013 is 1.5%.
3. The former Garbage Fund tax levy is now included in the General Corporate in the amount of \$687,000 with the General Fund paying \$350,000 back to the Garbage Fund for operations. This allows the Village to maintain flexibility over use of funds. The practice of levying for garbage purposes would restrict the tax revenue to garbage fund operations.
4. Alternative, supporting the entire operation of the garbage fund by fees (without the \$350,000 from the General Fund) would require a 53% rate increase in commercial garbage fees, base garbage collection fees and special refuse collection fees.
5. Garbage Fund pays a \$40,440 management fee to the Village. That fee is increased by 1.5% to \$41,047.
6. A garbage rate increase ordinance will be presented to the Village Board at the January Village Board Meeting for consideration with a March 1, 2012 effective rate start date on bills mailed after May 1, 2011 to avoid bill proration issues.
7. Consider changes to spring clean-up program to specify that clean up is for large and bulky items otherwise requiring a special pick-up and potentially make the program a biennial program.

Water Fund

The following are issues to consider during development of the Fiscal Year 2012 Budget:

1. Water rates subject to an increase of 5% or the change in CPI whichever is less. The CPI factor for Fiscal Year 2013 is 1.5% and therefore the recommended increase is 1.5%
2. Management fee amount of \$40,440, subject to annual CPI increase to \$41,047.
3. Preliminary budget includes first loan repayment in February 2012. The loan is subject to repayment semi-annually in August and February each year.
4. A water rate increase ordinance to be presented at the January Village Board Meeting with an rate effective date of March 1, 2012 effective will quarterly bills prepared during May 2012 to avoid proration issues.

Motor Fuel Tax Fund-

1. The allotment for motor fuel is a surcharge on gallons pumped not on the cost of fuel. The projected revenue for Fiscal Year 2012 is \$254,431 as compared to a budget of \$228,550. The increase from budget is due to the State of Illinois releasing the second \$100 Million of the local government component of the State's Capital Program. The total program calls for \$500 Million in capital program funding through 2012. Additional supplemental payments are not included in the Fiscal Year 2013 Budget. The preliminary budget includes \$207,200.
2. Motor fuel tax revenue is typically accumulated for street infrastructure projects and the preliminary budget includes the use of \$400,000 of Motor Fuel Tax revenue for street improvement projects.
3. Increase the amount of reimbursement to the General Fund in a fashion consistent with the costs of providing maintenance services.

Enhanced 911 Fund

1. During Fiscal Year 2010, the cost of salary increases attributed to Communications operators was included in this fund. For prior years, no personnel costs were included in this fund
2. In recent years, the surcharge on physical phone lines has decreased and the cellular 911 service charge has increased.
3. Evaluate the ability of the E911 Fund to meet future emergency communication needs.

Debt Service Fund

1. The taxes extended for debt service will be decreasing from \$2.0 Million to \$1.3 Million during Fiscal Year 2013.

MAJOR FINANCIAL POLICIES

Fund Balance Policy

It is the policy of the Village to maintain an undesignated unreserved fund balance in the General Fund of 10% of current operating expenditures, excluding capital, but no lower than \$1,000,000. The minimum targets for the Water Fund and Garbage Fund is also 10% of current operating expenditures with no absolute dollar minimum.

The fund balance of the Water Fund will be measured using unrestricted net assets as stated in the annual audit. The Village will maintain an unrestricted net asset balance in the Water Fund of 10% of operating expenditures including depreciation.

The Village will maintain a balance in the Garbage Fund of 10% of operating expenditures, excluding capital, but no lower than \$75,000.

The Village will maintain a minimum balance in the Debt Service Fund of 25% of the required December principal and interest payments.

Policy Considerations

1. With changes presented by GASB 54 and other financial demands on reserves, consider raising the minimum fund balance in the General Fund from \$1.0 Million to \$1.4 Million

Balanced Budget Policy

It is the policy of the Village to adopt an annual budget that is balanced. A balanced budget has expenditures and financing uses that do not exceed the revenues and financing sources. The use of fund balance as a financing source is acceptable if the fund balance is determined to be in excess of the minimum fund balance targets.

Policy Considerations – NONE PROPOSED

Property Taxes

It has been the policy of the Village since Property Tax Extension Limitation Law (PTELL) to levy the maximum in the capped tax levy purposes. If it is determined that the amount collected is in excess of budgetary need than any excess would be used as an alternative source of revenue to abate (reduce) the property tax levy for debt service. This policy allows the Village to maintain its ability to levy taxes in a property tax cap environment.

Policy Considerations – NONE PROPOSED

Abatement of Taxes

It has been the long-term policy of the Village Board to abate (reduce) its annual request for property tax revenue to be used to pay debt service by substituting other sources of revenue available. The tax levy for debt service is established when the bond ordinance is approved by the Village Board (at the time of the issuance of bonds). Cook County automatically levies the amount in the approved ordinance unless the Village submits an abatement ordinance which informs the county that a portion of

the approved debt ordinance will be paid from other financing sources. During January of each year, the Village Board is presented with an abatement ordinance. Two sources of abatement have been the loss in collection amount collected by Cook County and remitted to the Village. The debt ordinance is levied at 105% without reduction by tax caps. Each year this extra portion is abated. The other source is any other source of revenue determined to be in excess of budgetary need.

Policy Considerations

1. Last year the Village did not abatement in order to build debt service fund balance as a protection against receiving property taxes late from the County. This would minimize potential impact to operating funds and reduce any short-term tax anticipation borrowing issues that may otherwise occur. It is recommended that this practice is continued until a sufficient reserve against late taxes is produced.
2. Conduct annual review.

Debt Policy – Use of Limited Tax Authority

The Village is able to issue non-referendum bonds subject to the following constraints:

- Amount cannot exceed ½ of 1.0% of its equalized assessed valuation (EAV); and
- The total annual payment extension is no more than \$515,612 (last year the annual maximum was \$502,056).

It is the policy of the Village to maintain this authority as a capital reserve in order to provide resources in the event of an unanticipated financial need.

Policy Considerations – NONE PROPOSED

Repayment of Amount Due to the Village from the Glencoe Golf Club

Annually, the Village Board reviews the amount due to the Village from the Glencoe Golf Club as part of the budget development process. The Village considers whether the golf club is financially able to begin to repay the amount due and whether or not it is in the best interests of the Village to do so.

Policy Considerations

1. Conduct annual review.

Glencoe Golf Club Management Fee

The Village charges a management fee for the Village costs of assistance to the Glencoe Golf Club. The present policy is to accrue the fee but not collect the fee. This increases the amount due to the Village from the Glencoe Golf Club each year. Annually, the Village Board reviews the management fee as part of the budget development process.

Policy Considerations

1. Consider implementation of an annual increase based on the change in CPI.

Funding Pension Obligations

By policy, the Village Funds its pension obligations based upon actuarially determined funding requirements. For funding the Police Pension, the Village uses actuarial assumptions that are more current than those used by the State of Illinois. The property tax levy is based upon the State of Illinois required levy and the actual contribution is based on the requirement determined by the Village actuary. The gap in funding has to date been from fund balance.

Policy Considerations

1. What is the ability of the Village to continue to fund based on the Village actuary's numbers.

Funding Firefighters Pension Fund

Statutorily, the Village is responsible for funding obligations of the Firefighters Pension Fund. This fund is now a terminal fund with no active members. Once there are no beneficiaries in the fund, any resources remaining in the fund will be subject to claim by the State of Illinois. Annually, the Village determines the required funding of this pension obligation with the assistance of an actuary. At present, the annual pension annuity cost is at about \$100,000. The Village will allocate between \$70,000 and \$100,000 in the General Fund towards future obligations. Once resources in the Pension Fund are exhausted, accumulated resources in the General Fund will be used. To the extent possible, only taxes that are not subject to tax cap will be levied for the benefit of the Firefighters Pension Fund.

Policy Considerations – NONE PROPOSED

Liability Deductible Policy (AMENDED)

Implementation of GASB 54 requires that resources intended to be used for reserved liability claims to be assigned as a claim on fund balance that would otherwise be unassigned. Village staff monitors annual IRMA contribution savings due to having a higher deductible versus claim losses. The current deductible level is \$100,000 with the \$250,000 level being evaluated at the November Village Board Meeting. Each year this deductible level will be re-evaluated.

IRMA Excess Surplus (NEW)

Each year IRMA evaluates resources on hand for operations and services. In years where a determination is made that there is an excess beyond need, a member can credit their annual contribution or leave the reserve on hand with IRMA. Last year, the Village left the reserve at IRMA where the prior practice had been to apply any reserve to annual contributions. Staff recommends the continued accumulation of reserve at IRMA. In the event the Village has a adverse claim year with higher than expected deductible losses, the Village can apply accumulated credit to the following year annual contribution amount.

IMRF Pension Policy (AMENDED)

Beginning January 1, 2010, the Illinois Municipal Retirement Fund (IMRF) gave participating governmental units the option of funding based on the actuarially

required contribution (ARC) or based on a phase in rate (limited to 10% annual increase. The Village opted for the phase in rate with the understanding that full funding to the ARC level could follow during the year if financial conditions of the Village allow.

During Fiscal Year 2011, the Village budgeted at the phase in level. It is recommended that the Village Board evaluate funding to the full ARC level. Paying up to the ARC level would increase FY 2011 projected expenditures by approximately \$135,000.

During Fiscal Year 2012, the Village budgeted at the ARC level and funded at the phase in level and will decide whether or not to make a catch-up contribution later in the year. Each year this funding strategy will be re-evaluated. Paying up to the ARC level during Fiscal Year 2012 is included in the proposed budget. The differential between phase in and ARC during Fiscal Year 2012 is approximately \$76,000.

Policy Consideration

Given that the difference between the 2012 ARC rate and the phase in rate is .25%, the Village staff recommends funding 2012 (Fiscal Year 2013 at the ARC rate without the end of year catch up.

TAX LEVY TABLE

Exhibit VIII

Total Glencoe Tax Rate
(Per \$100 of Assessed Value)

Taxing Unit	2007 Tax Levy (Received in 2008)		2008 Tax Levy (Received in 2009)		2009 Tax Levy (Received in 2010)		2010 Tax Levy (Received in 2011)	
	Rate	Percent	Rate	Percent	Rate	Percent	Rate	Percent
Village	0.904	15.75%	0.921	16.19%	0.874	15.97%	1.004	15.59%
Public Library	0.164	2.86%	0.165	2.90%	0.157	2.87%	0.19	2.95%
High School District #203	1.299	22.63%	1.290	22.67%	1.237	22.60%	1.474	22.89%
Grade School District #35	1.997	34.78%	1.997	35.10%	1.901	34.73%	2.329	36.17%
Cook County	0.499	8.69%	0.466	8.19%	0.464	8.48%	0.474	7.36%
Metropolitan Water Reclamation District	0.263	4.58%	0.252	4.43%	0.261	4.77%	0.274	4.26%
Park District	0.42	7.32%	0.417	7.33%	0.398	7.27%	0.484	7.52%
Community College District #535	0.141	2.46%	0.14	2.46%	0.14	2.56%	0.16	2.48%
Other	0.054	0.94%	0.042	0.74%	0.041	0.75%	0.05	0.78%
	5.7410	100.00%	5.6900	100.00%	5.4730	100.00%	6.4390	100.00%

Breakdown of Village Tax Levy

	2008 Tax Ext.	2009 Tax Ext.	2010 Tax Ext.	2011 Tax Levy (1)
General Corporate	6,218,443	7,058,995	7,316,379	7,494,924
Garbage Fund	686,556	-	-	-
Police Pension	973,008	993,736	1,029,797	1,054,244
Fire Pension (2)	-	-	-	-
I.M.R.F. (3)	-	-	-	-
Social Security (3)	-	-	-	-
Sub-Total	7,878,007	8,052,731	8,346,176	8,549,168
% Change	5.04%	2.22%	3.64%	2.43%
Debt Service	2,799,734	2,774,791	2,155,067	1,399,462
Fire Pension			1,836	3,840
Grand Total	\$ 10,677,741	\$ 10,827,522	\$ 10,501,243	\$ 9,952,470
% Change	6.55%	1.40%	-3.01%	-5.23%

(1) Per proposed levy ordinance and pending abatement ordinance (abatement not included).

(2) Fire Pension Levy now included in General Corporate Levy.

(3) I.M.R.F. and Social Security Levy now included in General Corporate Levy.

Equalized Assessed Valuation

	2007 Tax Levy	2008 Tax Levy	2009 Tax Levy	2010 Tax Levy
Total	\$ 1,109,274,339	\$ 1,159,724,579	\$ 1,239,072,464	\$ 1,046,542,615
% Change	37.71%	4.55%	6.84%	-15.54%
IDOR Equalization Factor	2.8439	2.9786	3.3701	3.3000

VILLAGE OF GLENCOE
EXTENDED 2010 LEVY VERSUS PRELIMINARY 2011 TAX LEVY

	EXTENDED 2010		PRELIMINARY 2011		% CHANGE 2010		\$ CHANGE 2010		RATE CHANGE 2010	
	TAX EXTENDED	TAX RATE	TAX LEVY	PRELIM TAX RATE	TO 2011	TO 2011	TO 2011	TO 2011	TO 2011	TO 2011
GENERAL CORPORATE										
New EAV (1)	6,550,659	0.6259	6,648,919	0.6186	1.50%	\$98,260	(0.0073)			
Garbage Fund										
New EAV (1)	690,064	0.0659	700,415	0.0652	1.50%	\$10,351	(0.0008)			
Fire Pension Fund (2)										
New EAV - Fire (1)	75,655	0.0072	76,790	0.0071	1.50%	\$1,135	(0.0001)			
Total General Corporate	7,316,379	0.6991	7,494,924	0.6973	2.44%	\$178,545	(0.0018)			
POLICE PENSION										
New EAV (1)	1,029,797	0.0984	1,045,244	0.0973	1.50%	\$15,447	(0.0011)			
Total Police Pension (3)	1,029,797	0.0984	1,054,244	0.0981	2.37%	\$24,447	(0.0003)			
VILLAGE SUB-TOTAL(1)	8,346,176	0.7975	8,549,168	0.7954	2.43%	\$202,992	(0.0021)			
DEBT SERVICE (4)	2,155,068	0.2059	1,399,462	0.1302	-35.06%	(\$755,606)	(0.0757)			
FIRE PENSION (P.A. 93-0689)	1,836	0.0002	3,840	0.0004	N/A	\$2,004	0.0002			
VILLAGE TOTAL	10,503,080	1.0036	9,952,470	0.9260	-5.24%	(\$550,610)	(0.0776)			
LIBRARY TOTAL (5)	1,984,244	0.1896	2,014,008	0.1874	1.50%	\$29,764	(0.0022)			
GRAND TOTAL	12,487,324	1.1932	11,966,478	1.1134	-4.17%	(\$520,846)	(0.0798)			

NOTES

- (1) New EAV estimated at \$77,800 and allocated to General, Garbage and Police Pension. Actual limited to PTELL.
- (2) Allocated for future potential use by Firefighters Pension Fund, but General Fund to retain until needed.
- (3) Total funding target is nearly \$1,400,000, balance to come from other financing sources in the General Fund.
- (4) Debt service listed does not include abatement, but includes 5% loss in collection factor.
- (5) Estimated.

FISCAL YEAR 2013 OPERATING STATEMENTS

Village of Glencoe						
General Fund						
Fiscal Year 2013 Budget						
		<u>2012 YTD</u>	<u>2012 Bud</u>	<u>2012 Prj</u>	<u>\$ from Bud</u>	<u>2013 Bud</u>
<u>Operating Revenue</u>						
Charges for Service						
	Sewer Charge	381,986	527,858	535,000	7,142	535,819
	Ambulance Fees	97,064	148,944	148,944	-	151,178
	Special Services	646	-	-	-	-
	Sub-Total	479,696	676,802	683,944	7,142	686,997
				101.1%		1.5%
Permits						
	Building Permits	416,526	667,485	568,713	(98,772)	563,637
	Alarm Permits	17,600	77,040	80,000	2,960	80,000
	Sub-Total	434,126	744,525	648,713	(95,812)	643,637
				87.1%		-13.6%
Licenses						
	Liquor Licenses	22,400	21,571	22,400	829	22,400
	Vehicle Licenses	276,090	260,000	276,000	16,000	276,000
	Business Licenses	22,405	24,750	24,750	-	24,750
	Animal Licenses	7,356	6,600	7,390	790	7,100
	Sub-Total	328,251	312,921	330,540	17,619	330,540
				105.6%		5.6%
Fees						
	Parking Fees	64,928	110,172	103,829	(6,343)	103,806
	Sub-Total	64,928	110,172	103,829	(6,343)	103,806
				94.2%		-5.8%
Other Revenue						
	Reimbursement	60,194	122,990	116,998	(5,992)	75,195
	Special Services	52,605	48,542	52,605	4,063	49,270
	Sub-Total	112,799	171,532	169,603	(1,929)	124,465
				98.9%		-27.4%
	Total Operating Rev.	1,419,800	2,015,952	1,936,629	(79,323)	1,889,445
<u>Operating Expenses</u>						
Personnel						
	Salaries	4,924,464	7,369,144	7,368,498	(646)	7,549,147
	Benefits	953,244	1,296,692	1,296,703	11	1,361,537
	Pension Cost	1,326,698	2,391,799	2,391,849	50	2,343,389
	Unemp. Ins.	25,115	20,000	25,115	5,115	25,000
	Sub-Total	7,229,521	11,077,635	11,082,165	4,530	11,279,073
				100.0%		1.8%
	Services	1,067,788	1,713,922	1,638,059	(75,863)	1,688,077
	Commodities	463,794	895,612	873,397	(22,215)	923,773
Other Expense						
	Community Grants	65,006	81,935	77,841	(4,094)	90,150
	Professional Servc.	12,682	31,400	26,400	(5,000)	26,700
	Employment Exp.	790	6,980	4,200	(2,780)	15,000

	<u>2012 YTD</u>	<u>2012 Bud</u>	<u>2012 Prj</u>	<u>\$ from Bud</u>	<u>2013 Bud</u>
Other	758	192,000	192,000	-	96,000
Misc. Refunds	8,900	2,800	9,000	6,200	2,800
Transfers Out	177,161	350,000	350,000	-	350,000
Uncollectible	-	-	-	-	-
Sub-Total	1,796,879	3,274,649	3,170,897	(103,752)	3,192,500
			96.8%		-2.5%
Total Operating Exp.	9,026,400	14,352,284	14,253,062	(99,222)	14,471,573
NET OPERATIONS	(7,606,600)	(12,336,332)	(12,316,433)	19,899	(12,582,128)
<u>General Revenue</u>					
Taxes					
Property Tax	6,423,088	7,586,386	7,586,386	-	7,746,396
Property Tax - Garbage	577,863	687,243	687,243	-	697,951
Cable Revenue	135,078	171,335	177,911	6,576	178,000
Utility Tax	831,148	1,324,120	1,198,219	(125,901)	1,259,292
Income Tax	489,228	711,440	625,859	(85,581)	636,300
Sales Tax	1,097,767	1,731,477	1,673,215	(58,262)	1,720,000
PPRT	59,591	78,074	76,387	(1,687)	71,273
Sub-Total	9,613,763	12,290,075	12,025,220	(264,855)	12,309,212
			97.8%		0.2%
Fines & Forfeits	94,399	143,800	143,800	-	143,800
Interest	12,573	97,348	75,735	(21,613)	75,735
Other Revenue					
Grants	25,000	-	25,000	25,000	50,000
Other	125,702	144,216	147,376	3,160	153,983
Gifts/Contributions	50	1,500	1,500	-	1,500
Leases	77,619	96,839	96,839	-	98,776
Other Sources	-	-	-	-	-
Sale of Assets	-	-	-	-	-
Interfund Revenue	114,580	171,870	171,870	-	174,449
Sub-Total	449,923	655,573	662,120	6,547	698,243
			101.0%		6.5%
Total General Rev.	10,063,686	12,945,648	12,687,340	(258,308)	13,007,455
TOTAL OPERATING EXCESS (DEFICIT)	2,457,086	609,316	370,907	(238,409)	425,327
<u>Capital Expenses</u>					
Capital					
Bldg & Grounds	16,415	-	21,300	21,300	-
Equipment	11,837	30,000	30,000	-	30,000
Vehicles	50,006	735,000	713,970	(21,030)	421,000
Sewers	-	-	-	-	50,000
Streets	-	-	-	-	75,000
Sidewalks	-	-	-	-	-
Bridges	-	-	-	-	-

	<u>2012 YTD</u>	<u>2012 Bud</u>	<u>2012 Prj</u>	<u>\$ from Bud</u>	<u>2013 Bud</u>
Sub-Total	78,258	765,000	765,270	270	576,000
TOTAL CAPITAL INVENTORY					-
TOTAL EXCESS (DEFICIT)	2,378,828	(155,684)	(394,363)	(238,679)	(150,673)
General Fund Summary					
	<u>2012 YTD</u>	<u>2012 Bud</u>	<u>2012 Prj</u>		<u>2013 Bud</u>
Beginning Balance		2,048,056	2,048,056		1,653,693
Ending Balance		1,892,372	1,653,693		1,503,020
Target (10% of Operations)		1,435,228	1,425,306		1,447,157
Budget Reconciliation					
Revenue	11,483,486	14,961,600	14,623,969	(337,631)	14,896,900
Expenditure	9,104,658	15,117,284	15,018,332	(98,952)	15,047,573
Excess/(Deficit)	2,378,828	(155,684)	(394,363)	(238,679)	(150,673)
					14,471,573

Village of Glencoe			
Water Fund			
Statement of Cash Flows			
		<u>2012 Prj</u>	<u>2013 Bud</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts from Customers	2,002,212	1,965,834
	Misc. Revenues	76,025	73,748
	Payments to Suppliers		
	Commodities	(107,442)	(164,050)
	Service Fees	(358,398)	(412,175)
	Other	-	-
	Payments to Employees	(1,068,448)	(1,102,175)
	Payment of Debt	-	(96,595)
	Other Cash Uses - Prepays	(23,000)	-
CASH FLOWS FROM NONCAPITAL		520,949	264,587
	Purchase of Capital Assets (Excluding IEPA Capital)	(228,000)	(170,000)
CAPITAL INVENTORY			-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		292,949	94,587
CASH AND EQUIVALENTS, MARCH 1		557,691	850,640
CASH AND EQUIVALENTS, FEBRUARY 28 (29)		850,640	945,227
Unrestricted Net Assets, March 1		430,746	
10% of Payments to Suppliers		153,429	177,500
Budget Reconciliation			
	Revenue	2,078,237	2,039,582
	Expense	1,785,288	1,944,995
	less capital	228,000	170,000
	less prepaid	23,000	-
	less loan payment	-	96,595
	plus depreciation	69,000	69,000
	Operating Expense	1,603,288	1,747,400

Village of Glencoe						
Water Fund						
Fiscal Year 2013 Budget						
		<u>2012 YTD</u>	<u>2012 Bud</u>	<u>2012 Prj</u>	<u>\$ from Bud</u>	<u>2013 Bud</u>
<u>Operating Revenue</u>						
Charges for Service						
Water Sales	1,431,948	1,933,200	1,994,212	61,012	1,959,834	
Meter Sales	7,702	10,000	8,000	(2,000)	6,000	
Sub-Total	1,439,650	1,943,200	2,002,212	59,012	1,965,834	
			103.0%		1.2%	
Total Operating Rev.	1,439,650	1,943,200	2,002,212	59,012	1,965,834	
<u>Operating Expenses</u>						
Personnel						
Salaries	515,966	802,563	792,581	(9,982)	817,935	
Benefits	100,202	133,403	125,539	(7,864)	131,816	
Pension Cost	92,948	151,436	150,328	(1,108)	152,424	
Sub-Total	709,116	1,087,402	1,068,448	(18,954)	1,102,175	
			98.3%		1.4%	
Services	216,580	388,833	358,398	(30,435)	412,175	
Commodities	85,125	124,710	107,442	(17,268)	164,050	
Depreciation	-	69,000	69,000	-	69,000	
Other Expense	-	-	-	-	-	
Sub-Total	301,705	582,543	534,840	(47,703)	645,225	
			91.8%		10.8%	
Total Operating Exp.	1,010,821	1,669,945	1,603,288	(66,657)	1,747,400	
NET OPERATIONS	428,829	273,255	398,924	125,669	218,434	
<u>General Revenue</u>						
Interest	895	1,010	1,010	-	1,015	
Other Revenue						
Other	8610	5,000	8,610	3,610	5,000	
Leases	47,019	66,405	66,405	-	67,733	
Other Sources	-	-	-	-	-	
Sale of Assets	-	-	-	-	-	
Transfers In	-	-	-	-	-	
Sub-Total	56,524	72,415	76,025	3,610	73,748	
			105.0%		1.8%	
Total General Rev.	56,524	72,415	76,025	3,610	73,748	
CHANGE IN NET ASSETS	485,353	345,670	474,949	129,279	292,182	

Village of Glencoe					
Garbage Fund					
Fiscal Year 2013 Budget					
	<u>2012 YTD</u>	<u>2012 Bud</u>	<u>2012 Pri</u>	<u>\$ from Bud</u>	<u>2013 Bud</u>
<u>Operating Revenue</u>					
Charges for Service					
Garbage Service Fees	498,542	763,838	763,838	-	774,962
Recycling Service Fees	127,883	188,506	188,506	-	191,334
Yard Waste Program Fees	25,985	30,040	31,475	1,435	31,869
Sub-Total	652,410	982,384	983,819	1,435	998,165
			100.1%		1.6%
Total Operating Rev.	652,410	982,384	983,819	1,435	998,165
<u>Operating Expenses</u>					
Personnel					
Salaries	271,683	476,961	468,011	(8,950)	484,309
Benefits	62,821	82,982	82,982	-	87,131
Pension Cost	47,014	83,469	83,469	-	83,741
Sub-Total	381,518	643,412	634,462	(8,950)	655,181
			98.6%		1.8%
Services	364,816	493,363	527,323	33,960	509,127
Commodities	64,248	115,990	101,500	(14,490)	115,990
Other Expense	-	-	-	-	-
Sub-Total	429,064	609,353	628,823	19,470	625,117
			103.2%		2.6%
Total Operating Exp.	810,582	1,252,765	1,263,285	10,520	1,280,298
NET OPERATIONS	(158,172)	(270,381)	(279,466)	(9,085)	(282,133)
<u>General Revenue</u>					
Taxes	7,000	7,000	7,000	-	7,000
Interest	363	1,500	600	(900)	600
Transfers In	177,161	350,000	350,000	-	350,000
Other Revenue	25,417	17,000	27,484	10,484	27,834
Sub-Total	209,941	375,500	385,084	9,584	385,434
			102.6%		2.6%
Total General Rev.	209,941	375,500	385,084	9,584	385,434
TOTAL OPERATING EXCESS (DEFICIT)	51,769	105,119	105,618	499	103,301
<u>Capital Expenses</u>					
Capital					

	<u>2012 YTD</u>	<u>2012 Bud</u>	<u>2012 Prj</u>	<u>\$ from Bud</u>	<u>2013 Bud</u>
Bldg & Grounds	-	-	-	-	-
Equipment	-	-	-	-	-
Vehicles	-	255,900	250,000	(5,900)	36,000
Sub-Total	-	255,900	250,000	(5,900)	36,000
CAPITAL INVENTORY					
Debt Expense					
Debt Expense	10154	18,000	16,000	(2,000)	18,000
TOTAL EXCESS	41,615	(168,781)	(160,382)	8,399	49,301
(DEFICIT)					
Garbage Fund Summary					
		<u>2012 Bud</u>	<u>2012 Prj</u>		<u>2013 Bud</u>
Beginning Balance		179,865	179,865		19,483
Ending Balance		11,084	19,483		68,784
Target (10% of Operations)		125,277	126,329		128,030
Budget Reconciliation					
Revenue	862,351	1,357,884	1,368,903	11,019	1,383,599
Expenditure	820,736	1,526,665	1,529,285	2,620	1,334,298
Excess/(Deficit)		(168,781)	(160,382)	8,399	49,301

Village of Glencoe				
Debt Service Fund				
Fiscal Year 2013 Budget				
	<u>2012 Bud</u>	<u>2012 Prj</u>	<u>\$ from Bud</u>	<u>2013 Bud</u>
Revenues				
Taxes				
Property Taxes	2,052,446	2,111,967	59,521	1,399,462
Interest	5,760	1,510	(4,250)	1,140
Sub-Total	2,058,206	2,113,477	55,271	1,400,602
		102.7%		-32.0%
Total Operating Rev.	2,058,206	2,113,477	55,271	1,400,602
Expenditures				
Debt Service				
Principal Retirement	1,805,000	1,805,000	-	1,140,000
Interest	247,446	247,446	-	192,821
Fees	850	625	(225)	735
Sub-Total	2,053,296	2,053,071	(225)	1,333,556
Total Operating Exp.	2,053,296	2,053,071	(225)	1,333,556
NET OPERATIONS	4,910	60,406	55,496	67,046
Other Sources (Uses)				
Payment to Escrow Agent	-	-	-	-
Administrative Services	-	-	-	-
Bond Proceeds	-	-	-	-
Sub-Total	-	-	-	-
Total Sources (Uses)	-	-	-	-
TOTAL OPERATING EXCESS (DEFICIT)	4,910	60,406	55,496	67,046
Debt Service Fund Summary				
	<u>2012 Bud</u>	<u>2012 Prj</u>		<u>2013 Bud</u>
Beginning Balance	89,387	89,387		149,793
Ending Balance	94,297	149,793		216,839
Target (10% of Operations)	205,330	205,307		133,356
Budget Reconciliation				
Revenue	2,058,206	2,113,477	55,271	1,400,602
Expenditure	2,053,296	2,053,071	(225)	1,333,556
Excess/(Deficit)	4,910	60,406	55,496	67,046

Village of Glencoe					
Motor Fuel Tax Fund					
Fiscal Year 2013 Budget					
		<u>2012 Bud</u>	<u>2012 Prj</u>	<u>\$ from Bud</u>	<u>2013 Bud</u>
Revenues					
Allotment		228,550	254,431	25,881	207,200
Interest		1,500	1,000	(500)	1,000
Sub-Total		230,050	255,431	25,381	208,200
			111.0%		-9.5%
Total Operating Rev.		230,050	255,431	25,381	208,200
Expenditures					
Services		0	700	700	20700
Capital Projects		500,000	267,900	(232,100)	400,000
Sub-Total		500,000	268,600	(231,400)	420,700
Total Operating Exp.		500,000	268,600	(231,400)	420,700
NET OPERATIONS		(269,950)	(13,169)	256,781	(212,500)
Other Sources (Uses)					
Transfer to General Fund		(30,330)	(30,330)	-	(30,603)
Bond Proceeds		-	-	-	-
Sub-Total		(30,330)	(30,330)	-	(30,603)
Total Sources (Uses)		(30,330)	(30,330)	-	(30,603)
TOTAL OPERATING EXCESS (DEFICIT)		(300,280)	(43,499)	256,781	(243,103)
Motor Fuel Tax Fund Summary					
		<u>2012 Bud</u>	<u>2012 Prj</u>		<u>2013 Bud</u>
Beginning Balance		478,302	478,302		434,803
Ending Balance		178,022	434,803		191,700
Target (10% of Operations)		50,000	26,860		42,070
Budget Reconciliation					
Revenue		230,050	255,431	25,381	208,200
Expenditure		530,330	298,930	(231,400)	451,303
Excess/(Deficit)		(300,280)	(43,499)	256,781	(243,103)

Village of Glencoe					
Enhanced 911 Fund					
Fiscal Year 2013 Budget					
		<u>2012 Bud</u>	<u>2012 Prj</u>	<u>\$ from Bud</u>	<u>2013 Bud</u>
Revenues					
Surcharge		140,670	140,954	284	140,100
Interest		3,900	1,000	(2,900)	1,000
Sub-Total		144,570	141,954	(2,616)	141,100
			98.2%		-2.4%
Total Operating Rev.		144,570	141,954	(2,616)	141,100
Expenditures					
Personnel		46,349	46,349	-	47,190
Services		54,900	54,850	(50)	71,869
Commodities		33,000	33,000	-	77,671
Sub-Total		134,249	134,199	(50)	196,730
Total Operating Exp.		134,249	134,199	(50)	196,730
NET OPERATIONS		10,321	7,755	(2,566)	(55,630)
Other Sources (Uses)					
Capital Projects		(65,000)	(45,000)	20,000	(30,000)
Sub-Total		(65,000)	(45,000)	20,000	(30,000)
Total Sources (Uses)		(65,000)	(45,000)	20,000	(30,000)
TOTAL OPERATING EXCESS (DEFICIT)		(54,679)	(37,245)	17,434	(85,630)
Enhanced 911 Fund Summary					
		<u>2012 Bud</u>	<u>2012 Prj</u>		<u>2013 Bud</u>
Beginning Balance		414,420	414,420		377,175
Ending Balance		359,741	377,175		291,545
Target (10% of Operations)		13,425	13,420		19,673
Budget Reconciliation					
Revenue		144,570	141,954	(2,616)	141,100
Expenditure		199,249	179,199	(20,050)	226,730
Excess/(Deficit)		(54,679)	(37,245)	17,434	(85,630)

FISCAL YEAR 2013 CAPITAL EXPENDITURE

**VILLAGE OF GLENCOE
CAPITAL PLAN 2022 (FY 2013)
AS COMPARED TO FY 2013 BUDGET**

	CIP 2022 (FY 2013)	FY 2013 REQUEST	\$ CHANGE FROM CIP
E911			
NORCOM BASE REPLACEMENT 1/5 SHARE	60,000	-	(60,000)
ADD MAPPING & GIS SOFTWARE TO EXISTING CAD	60,000	-	(60,000)
SERVER VIRTUALIZATION	30,000	30,000	-
	150,000	30,000	(120,000)
GARBAGE			
REFUSE HAULER UNIT # 66	36,000	36,000	-
REFUSE PACKER UNIT #17	195,000	-	(195,000)
	231,000	36,000	(195,000)
GENERAL			
1-1/2 TON TRUCK UNIT #36	70,000	70,000	-
2-1/2 TON DUMP TRUCK UNIT #38	120,000	120,000	-
SERVICE TRUCK UNIT #6	58,000	58,000	-
FITNESS EQUIPMENT	13,000	-	(13,000)
PS VEHICLE REPLACEMENT UNIT # 651	31,000	40,000	9,000
PS VEHICLE REPLACEMENT UNIT # 653	31,000	40,000	9,000
PS VEHICLE REPLACEMENT UNIT # 650	31,000	40,000	9,000
RESIDENTIAL SIDEWALKS	85,000	-	(85,000)
REPLACEMENT OF TRACK EXCAVATOR UNIT #52	-	53,000	53,000
STAND-BY EMERGENCY GENERATOR FOR LIFT STATION	-	35,000	35,000
HARBOR STREET LAKE WALL	25,000	-	(25,000)
2012 STORMWATER DRAINAGE STUDY	-	15,000	15,000
REMOVE STAIRS TO WATER PLANT	20,000	-	(20,000)
STREET IMPR. - RESURFACE DUNDEE ROAD	400,000	-	(400,000)
SHERIDAN RD BRIDGE STONE RAILING REPAIRS	-	75,000	75,000
AED REPLACEMENT	25,000	-	(25,000)
SERVER VIRTUALIZATION	30,000	30,000	-
	939,000	576,000	(363,000)
WATER FUND			
WATER MAIN REPLACEMENT - IEPA	2,150,000	2,800,000	650,000
WATER MAIN REPLACEMENT -INELIGIBLE	-	10,000	10,000
REHAB WATER TANK FOUNDATION	-	60,000	60,000
HVAC UPGRADE - WATER PLANT	100,000	100,000	-
FILTER VALVES	40,000	-	(40,000)
	2,290,000	2,970,000	680,000
MOTOR FUEL TAX FUND			
MAINTENANCE STREET RESURFACING	-	400,000	400,000
	-	400,000	400,000
GRAND TOTAL	3,610,000	4,012,000	402,000