VILLAGE OF GLENCOE

STATE OF THE VILLAGE REPORT

2017 STRATEGIC PLANNING

OCTOBER 10, 2017

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Preface

State of the Village Report

This State of the Village Report has been prepared by the Strategic Visioning Working Group for the Village of Glencoe Board of Trustees as a reference document for use during the 2017 strategic visioning process. Key metrics and summaries in this report were developed by subject matter experts in the organization and cover a wide variety of topics and issues that impact the Village, both as a community and governmental body.

The report is divided into two sections – *External Indicators: Glencoe Community, Region and State* and *Internal Indicators: Village Organization*. Both sections are divided into topics and subtopics, for which metrics and summaries of the current state of affairs are provided. When needed, these key metrics are elaborated on in more detail in various exhibits and documents found in the Appendix.

Strategic Visioning Working Group Members

Lawrence Levin, Village President
Barbara Miller, Village Trustee
Jonathan Vree, Village Trustee
Philip Kiraly, Village Manager
Sharon Tanner, Assistant Village Manager
Cary Lewandowski, Public Safety Director
Mary Saikin, Deputy Chief
David Mau, Public Works Director
Denise Joseph, Assistant to the Finance Director
Adam Hall, Management Analyst
Megan Hoffman, Management Analyst
Jordan Lester, Management Analyst/ Deputy Village Clerk

Metrics presented in this report were developed using the most recent data available to the Village. Sources of data include, but are not limited to, the following: U.S. Census Bureau, American Community Survey, Multiple Listing Services (MLS), Regional Transportation Authority, Chicago Metropolitan Agency for Planning, United States Fire Administration, Illinois Uniform Crime Reporting, Illinois Department of Revenue, Illinois Bureau of Tourism, U.S. Travel Association, U.S. Army Corp of Engineers, Moody's Analytics, Google Analytics, social media and e-mail system analytics (*Facebook, Twitter, Nextdoor, MailChimp*), the Village's Everbridge database as well as various Village financial and planning documents.

The Strategic Visioning Process

In the fall of 2017, the Village Board of Trustees will collaborate with staff on the development of an updated Strategic Plan with the intention of establishing key goals for the community, broken down by initiatives, actions and measures of success. The scope of these goals will extend to the year 2037, so that the resulting Strategic Plan can guide Village staff toward the future desired state of the community in 20 years.

This updated Strategic Plan is intended to build on the Three-Year Strategic Work Plan, adopted in 2014. In 2014, the Village Board focused on areas that have historically been hallmarks for the Village – *financial sustainability, infrastructure replacement* and *community engagement* – while also focusing on the need to adapt the Village organization to deal with the challenges that lie ahead of the community – *commercial vitality, operational effectiveness* and *organizational development.* These six strategic priorities will be used as pillars in the 2017 strategic planning process.

Executive Summary

Executive Summary

Before diving into the emerging trends and considerations in this section, it is important to remember that the Village has a long history of excellence in local government – providing an exceptionally high level of service to our residents. As evidenced by the positive feedback in the 2015 Community Survey, Glencoe residents see the Village in a positive light and our efforts and services are complemented by Glencoe's high performing schools, the Glencoe Park District and a myriad of community service and religious organizations. Our challenge, then, is to consider what we can do now to prepare the Village organization and community for the next 20 years—ensuring that we safeguard that which makes our community attractive to current and prospective residents.

Statistics to Consider

The statistics below have been pulled from the more in-depth analysis in this report to help set the stage for discussion. They highlight both key findings, which include trends the Village has been monitoring already as well as some surprises – learn more about each take-away by following the respective page numbers listed below.

- *In the 2015 Community Survey, 99% of respondents rated Glencoe as an excellent or good place to live*, 95% were very satisfied or satisfied with Public Safety services and 94% were very satisfied or satisfied with the maintenance of the downtown, traffic signals, municipal buildings and streets. ***Learn more on page 30.***
- *Also from the Community Survey, 97% of respondents reported that they were very satisfied or satisfied with their feeling of safety in Glencoe neighborhoods.* This underscores the value of our Public Safety Department, yet at the same time emerging crime trends continue to challenge the department in new ways. ***Learn more on page 26.***
- Glencoe's population has remained constant since the 1990s; however, *the Chicago region is predicted to grow more than 25%, from approximately 8.6 million residents in 2010 to 11 million in 2040*. In particular, Metra Rail's UP-N corridor (which serves communities from Chicago to Kenosha) is projected to attract nearly 250,000 residents alone in the same time period. ***Learn more on page 19.***
- Glencoe's area of 3.78 square miles is completely built out and is comprised primarily of single-family homes. *Over 93% of Glencoe homes sold in 2017 were single-family homes*. ***Learn more on page 16.***
- From Village infrastructure to community housing stock, Glencoe's built environment is aging. Our water production and distribution system, water treatment plant, sanitary sewer system, sidewalks, roadways and public buildings are all well advanced in age and require an aggressive maintenance and replacement schedule. *The water treatment plant and Glencoe Golf Course Clubhouse will both reach over one hundred-years of age within the next ten years*. ***Learn more on page 41.***
- *The Village is financially healthy and is notably one of 17 Illinois communities to have a AAA rating from Standard & Poor's.* Prudent planning has resulted in revenues outpacing expenses, but influences including potential federal and state legislation may impact revenues in the future. ***Learn more on page 35.***
- The Village's *revenue from auto dealerships accounted for approximately 65% of our total sales tax revenues overall*. Over the last 10 years, revenue from the dealerships has increased by approximately $200,000 after dropping below $1 million during the recession. ***Learn more on page 45.***
- *The percentage of staff eligible for retirement will rise to 43% in Fiscal year 2023*, with 21 employees reaching minimum retirement eligibility in the Public Works Department alone. Maintaining full staffing has proven

challenging in recent years as a result of staff turnover, particularly in the Public Safety Department. ***Learn more on page 30.***

- Since implementation of our new Communications Plan and website in the spring of 2017, Village communications have expanded rapidly. Staff are able to reach residents across a variety of social platforms, with *a median of 567 unique visitors to the Village website daily, increasing to a 708 unique visitors on Village eNews Fridays*. ***Learn more on page 55.***

Emerging Trends

The emerging trends summarized below reflect some of the interconnections between topics in this report that the Strategic Visioning Working Group wished to elaborate on in more detail. While the bulk of this report is based on empirical data, the trends below are based on both metrics and observations. The observations are included to stimulate discussion around anticipated changes and conditions the Village may face in the future so that we may consider how to best position the organization and community moving forward. The observations and suggestions included below are meant for discussion purposes only.

Monitoring, Reinforcing and Re-thinking Revenue Sources

A large portion of the analysis of the Village organization in this report is focused on revenue, and rightly so. While being a built-out community gives us a window into the future of property taxes, our major source of revenue, other revenue sources are more susceptible to the actions of the State of Illinois and other uncontrollable factors, and need to be closely monitored.

Major points to consider:

- The State is considering a number of policy changes that could impact our revenues, including a property tax freeze, additional fees for local tax collection services, changes to pension funding requirements and various unfunded mandates. This presents the Village with the challenge of adequately funding operations and critical infrastructure needs in an environment where revenues are not guaranteed into the future. This underscores the importance of continually reviewing our budgeting methodologies and policies. ***Learn more about our budgeting methodologies on page 36.***
- The Village is heavily reliant on the sales tax revenues generated from the three auto dealerships in our community. While we benefit from the success of these dealerships now, this revenue source is not guaranteed in the future. We will benefit from supporting a diverse sales tax base in our community, whether that be through the business and infrastructure services we provide or through other means.
- Thanks to the success of Writers Theatre, over 90,000 people found their way to downtown Glencoe in Writers' first year in their new facility on Tudor Court. The success of Writers only helps to support Glencoe's economy as we enjoy the lowest downtown vacancy rate on the North Shore and have a vibrant retail, restaurant and service economy in our downtown. With this in mind, another means to revenue diversification is to support downtown redevelopment in a way that suits the character of our community, as suggested in the Downtown Plan. A rational redevelopment philosophy has the potential to position Glencoe as the most vibrant local economy on the North Shore. ***Learn more about sales tax revenues on page 45 and the Downtown Plan on page 23.***
- Being a non-home rule community limits the Village in our ability to regulate and adjust financially as needed. The Village may benefit from further analyzing the regulatory and financial considerations

associated with home rule authority. Should the Village further analyze home rule authority, the regulatory and financial freedoms it may provide should be explored at length to determine actual benefits that the Village would be likely to experience, along with potential drawbacks of home rule authority. ***Learn more about the limitations of being non-home rule on page 51.***

Creatively Addressing Capital Needs

Much of the Village's physical infrastructure is decades old, including our water distribution system, water tower, water production facilities, sanitary sewer system, sidewalk system, roadways and public buildings. The 10-Year Community Improvement Program (CIP) addresses the Village's most pressing infrastructure needs, but the Village still has decisions to make about how to best prepare our community for the future. While not initially included in the CIP, the Glencoe Golf Club clubhouse facility is rapidly deteriorating and will be in need of major rehabilitation and/or reconstruction, precipitating the need to commence planning discussions.

Major points to consider:

- While the CIP sets forth a plan for over $37 million in capital investments over the next 10 years, the Village has yet to make a determination on the future of the circa-1928 Water Treatment Plant, the timing for the replacement of the water tower or the Glencoe Golf Club's clubhouse. In the near future, clear direction is needed for these assets. ***Learn more about the CIP and other capital needs on page 41.***
- From the Water Distribution System Analysis, it was determined that an accelerated investment schedule is needed to properly maintain our current system. Similar studies of our roadway network and ongoing evaluation of our sidewalks and sanitary systems are underway or recently completed to help determine if similar accelerated investment schedules are needed in these areas. These data-driven decisions will help the Village set clear priorities and to effectively communicate need to our residents. ***Learn more about recent studies and analysis on page 42.***
- Regulations from outside agencies will impact how much we spend on infrastructure and where, such as the new Metropolitan Water Reclamation District (MWRD) Infiltration/Inflow (I&I) Control Program created through its Watershed Management Ordinance established in 2014. These regulations are not always predictable, which again underscores the importance of addressing capital projects proactively and based on priority so that we can respond quickly and with little interruption to our systems should unplanned spending be necessary.
- While the CIP addresses the next 10 years of capital improvements in our community, other impacts will require the Village to consider how technology and our changing physical environment will impact our built environment. ***These points are further elaborated on in following emerging trends.***

Technology is the Future

Technological advances give the Village the opportunity to review and redesign processes, increase the efficiency of how service is provided and allow us to connect with our residents in new and exciting ways. In addition to changing the way the Village conducts business, technology and other general advances have the effect of changing the way that residents live, work, commute and interact with businesses in the market place. Changes in the way businesses provide services underscores the need to continuously review and update the municipal code so that it is flexible enough to address new types of businesses and land uses.

Major points to consider:

- Village processes continue to be modified by technological advances – from the business processes that will be greatly improved by new Enterprise Resource Planning (ERP) software to implementation of technology that aids criminal investigations, and everywhere in between. While efficiencies are often gained through implementing new technology, the Village should also be diligent in training and recruiting our workforce with an eye to the skills necessary to effectively use the technology. ***Learn more about the Village's use of technology on page 59.***
- Technology is now advancing to the point of requiring new and adaptable infrastructure, particularly in the telecommunications sector. For example, as the wireless society continues to progress, small cell facilities and fiber optics that drive a wireless environment are replacing traditional copper telephone lines and other private infrastructure in our public rights-of-way. New technology has the ability to impact the type and quality of telecommunications services available to residents, and has the potential to impact use and regulation of municipal rights-of-way. Although the Village does not own, operate or maintain telecommunications technology installed in its rights-of-way, the Village must be cognizant of how such installations may impact major infrastructure projects (for example, opportunities for telecommunications companies to install underground infrastructure when the Village commences major excavation projects). Additionally, potential changes in state legislation may impact the Village's future ability to regulate placement of telecommunications infrastructure on municipal rights-of-way.
- Technology has radically changed the way that governments communicate with constituents. The Village is successfully employing this new technology, from an interactive website, to the Village Manager's Blog, to Village eNews, to social media and Glencoe CONNECT. This new emergence of technology makes some communication simpler, reaching residents where they are, but it also has the effect of increasing resident's expectations in terms of timeliness and access to information. Looking to the future, the Village should continue to use best practices in communication to reach our residents while also being conscious of cost. ***Learn more about our communication efforts on page 55.***
- Advances in technology have in effect created a whole new sector of the marketplace – the "sharing" or "collaborative" economy. For example, *Business.com* reports that in 2014 Airbnb's $10 billion valuation surpassed that of Hyatt Hotels, and Uber's $18.2 billion valuation exceeded that of rental car companies Hertz and Avis. However, at the same time, while these sharing economy platforms have done exceedingly well, they are now the subject of on-going debate and a new wave of regulations. The State has been silent on the topic – leaving it to communities to regulate (or not regulate) the sharing economy to varying degrees. For example, while the Village has some authority to regulate short-term rentals, our options for doing so are somewhat limited because we are non-home rule. At the same time, there is also the possibility of State interference with local regulations. ***Learn more about the limitations of being non-home rule on page 51.***
- Driverless cars are on the horizon. At this point in time, they have an unknown impact as their popularity and use has yet to be determined. We will need to remain vigilant. ***Learn more about emerging transportation trends on page 21.***

Changing Staff Demographics

From changing pension obligations, to new skillsets needed to effectively use new technology to a high number of retirement eligible employees – the Village organization is set to face multiple staffing challenges in the near future.

Major points to consider:

- A large portion of Public Works Department employees are going to meet minimum retirement eligibility requirements in the next five years and nearly 45% of all staff members will be eligible by Fiscal Year 2023. This raises questions of succession planning, recruitment of new talent as well as appropriate ways to outsource. ***Learn more on page 30.***
- Recruitment for all Village positions – but particularly in Public Safety – is getting more difficult, more time-consuming and more expensive. This is a phenomenon that all local governments have been facing. Finding a workforce to replace our retirees will remain a challenge.
- The State continues to contemplate changes to pensions for both civilian and Public Safety personnel. Possible changes to pension liabilities continue to put pressure on the Village's budget and ability to hire personnel as needed. Changes include increases to pension funding requirements, valuation of our pension funds and enhancement of various pension benefits, which create a challenge to find the financial resources locally to pay for these changes. ***Learn more about pension obligations on page 38.***
- In order for technology initiatives to be effective, staff must be trained to use the technology. Over the next several years, the Village's technology training needs may change as the workforce changes. ***Learn more about changing skills sets from the technology callouts throughout this report and on page 59.***

Adapting to Shifting Environmental Impacts

Adopting and implementing environmentally sustainable practices has long been a hallmark of the Glencoe community. While the Village cannot single-handedly solve environmental concerns that exist at the regional, national and global levels, we have the ability to lead by example and to empower our residents and business community to be more environmentally conscious. Furthermore, the changing environmental landscape is in need of ongoing monitoring to determine the effects on the Village's built environment.

Major points to consider:

- Sustainability appeals to current and potential new residents, especially millennials, who want their community to reflect their values and to be a leader on one of the most important issues of our time.
- According to CMAP, the "green" economic sector is emerging as a new regional specialty, and Glencoe may benefit from that with its skilled and educated workforce.
- The Village has a long history of being a local leader in recycling and other environmentally sustainable efforts, but our work has a long way to go. Environmental sustainability efforts, such as those promoted by the Sustainability Task Force, should be a main component of any strategic vision and plan moving forward. ***Learn more about national, regional and local environmental impacts on page 25.***
- As made evident by the exposure and subsequent disconnection of the 16-inch water main located on the Perlman Boating Beach, changes to water levels also have the effect of impacting Village infrastructure such as the water distribution system. Similarly, changes to rain patterns have a real impact on the ability of our

storm water drainage systems to adequately capture and drain excess rain and ground water. The CIP should incorporate planning for infrastructure that accommodates our changing environment. ***Learn more about the CIP on page 41.***

Supporting Housing for Glencoe's Dynamic Demographic

While the Glencoe community is predominately residential and built-out, thus limiting development options, the Village can proactively support housing that keeps up with shifts in demographics and best practices in urban planning and design.

- Glencoe's population is aging and regional housing trends seem to indicate that empty-nesters prefer more modest floor plans in walkable locations, with easy access to entertainment, groceries, restaurants, services and health care. At the same time, attracting millennials and younger generations will be critical to the community's success in the future. Determining how to accommodate and appropriately manage these demographic and housing shifts will be a challenge for the community in the coming years. ***Learn more about our businesses on page 22 and access to health care on page 17.***
- Glencoe's housing stock is also aging – according to the 2015 U.S. Census estimate, over 60% of homes in Glencoe were built prior to 1959 and over 1,000 of those homes (30% of our total housing stock) are nearing approximately 75 years in age or more. Many of these homes do not lend themselves to modern floor plans, making demolition and reconstruction likely in many scenarios. A high number of anticipated remodels, demolitions and rebuilds gives the Village an opportunity to modify zoning to take into account changing demographics and lifestyles. However, doing so will have to be carefully considered as it has the potential of challenging the Village to retain its sense of place. Changes in density cannot be considered lightly. ***Learn more about our housing stock on page 50.***
- The Chicago region is predicted to grow more than 25%, from approximately 8.6 million residents in 2010 to 11 million in 2040. In particular, Metra Rail's the UP-N corridor (which serves communities from Chicago to Kenosha) is projected to attract nearly 250,000 residents alone in the same time period. As a completely built-out community, we do not yet know what this means for our housing, schools and infrastructure. Regional population changes should be monitored to help the Village plan for potential impacts. ***Learn more about changing demographics on page 13.***

External Indicators:

Glencoe Community, Region and State

External Indicators: Glencoe Community, Region and State

This section summarizes metrics from the Glencoe community, the region and Illinois overall – highlighting trends and shifts in demographics, housing and real estate, transportation and tourism as well as local businesses and crime. Again, as noted in the Preface, much of this data is drawn from the 2010 U.S. Census and 2015 American Community Survey five-year estimates.

Demographics

Fast Stats	Glencoe	Cook County	CMAP Region
Total Population	8,881	5,236,393	8,505,977
Total Households	3,041	1,942,959	3,067,594
Average Household Size	2.9	2.6	2.7
Population Change, 2000-2010	-0.5%	-3.4%	3.5%
Median Age	44.2	35.9	36.5

Source: 2000 and 2010 Census, 2015 American Community Survey five-year estimates

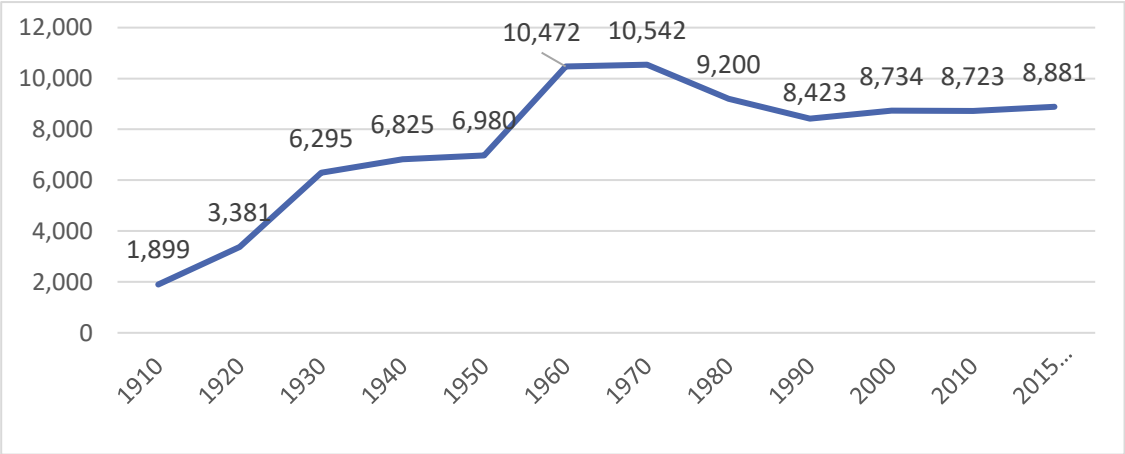
Glencoe's Population

- As seen from Table 1, below, the Glencoe community's population has remained relatively constant since the 1990s after dipping from a high of over 10,500 the 1970s.
- Much like the nation's population as a whole, Glencoe's population is also aging, with the largest age bracket being age 45 to 54 as illustrated in Table 2 on the next page. Also evident from Table 2, Glencoe's population age breakdown is bimodal – with both a younger and older grouping. This presents challenges in that the community needs to continue to plan around strong housing and education for families as well as for empty-nester housing options.

The Country's Aging Demographics

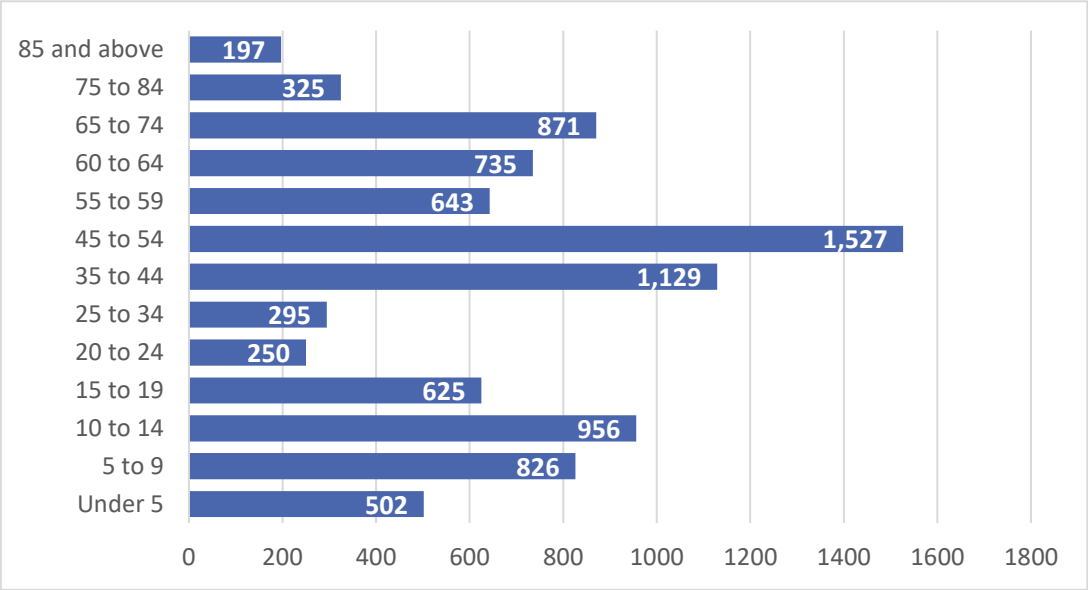
In 2012, 13.4% of the nation's inhabitants were aged 65 and over. By 2040, this age cohort is expected to nearly double in size, accounting for close to 21% of the total population. *(Source: U.S. Department of Housing and Urban Development)*

Table 1. Village of Glencoe Population, 1910-2015 (Estimate)



Source: www.population.us/il/Glencoe

Table 2. Village of Glencoe Population by Age, 2015 Estimates



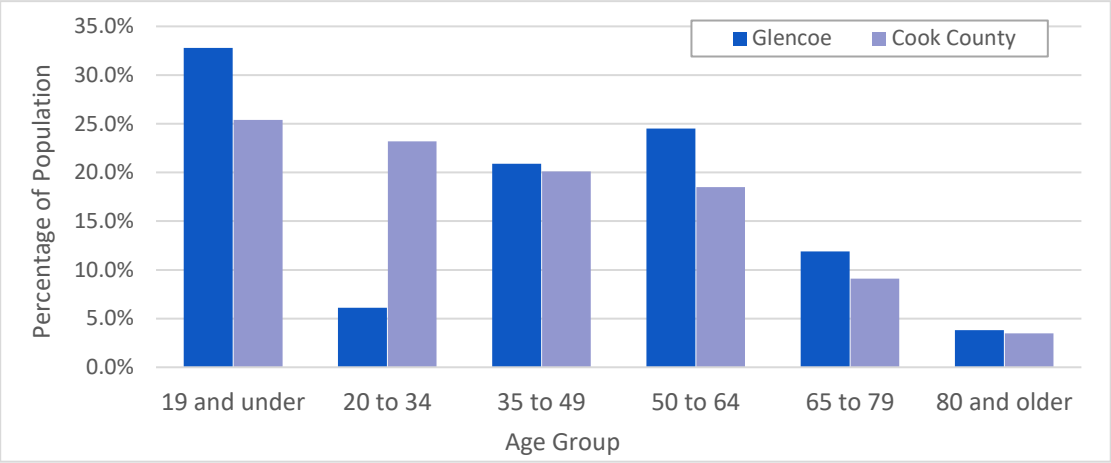
Source: Copyright 2017 Infogroup, Inc. All rights reserved. Esri Total Residential Population forecasts for 2017

Regional Population

The municipalities served by the Chicago Metropolitan Agency for Planning (CMAP), include those in Cook, DuPage, Kane, Kendall, Lake, McHenry and Will Counties. Throughout this report, "region" is often referring to these areas unless otherwise indicated.

- According to the Chicago Metropolitan Agency for Planning (CMAP), the region's population is predicted to grow more than 25%, from approximately 8.6 million residents in 2010 to 11 million in 2040. Rapid growth may strain infrastructure, natural resources and public services both in the region and locally. According to this same study, the Glencoe/Kenilworth/Winnetka region alone may stand to gain as many as 20,000 new residents by 2040. This projected local population increase is one to be monitored, as an increase in the local population has the ability to impact housing, transportation and public services.
- By 2040, the number of residents in the CMAP region between the ages of 65 and 84 is predicted to double, while the number of residents over age 85 will triple. Shifting population demographics may create regional and local challenges in transportation, housing and land use. As seen on the next page in Table 3, Glencoe's percentage of the population in the 50 to 64 age group already outpaces that of Cook County as a whole, indicating that this shift in age may be even more extreme here than in the region as a whole.
- Resident diversity is also expected to shift in the CMAP region in coming decades in terms of age and racial and ethnic groups. Over the next two decades, growth among minority and ethnic groups is projected to shift from the inner city outwards to the suburbs. This presents communities with the opportunity to support new and unique needs for education, employment and other public services.

Table 3. Village of Glencoe and Cook County, Age Group Demographics

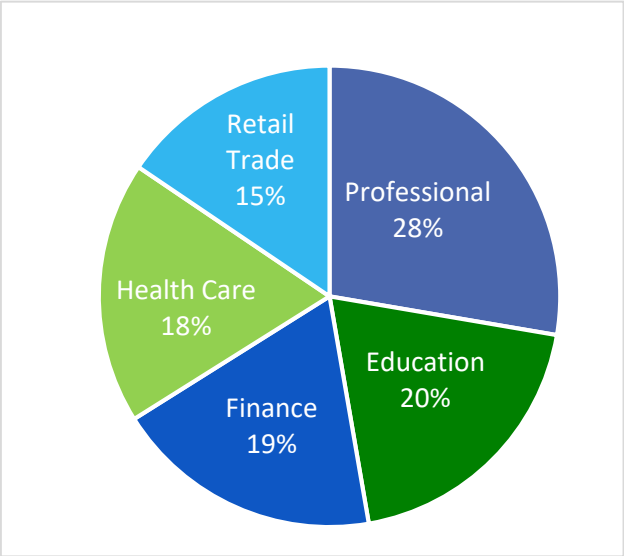


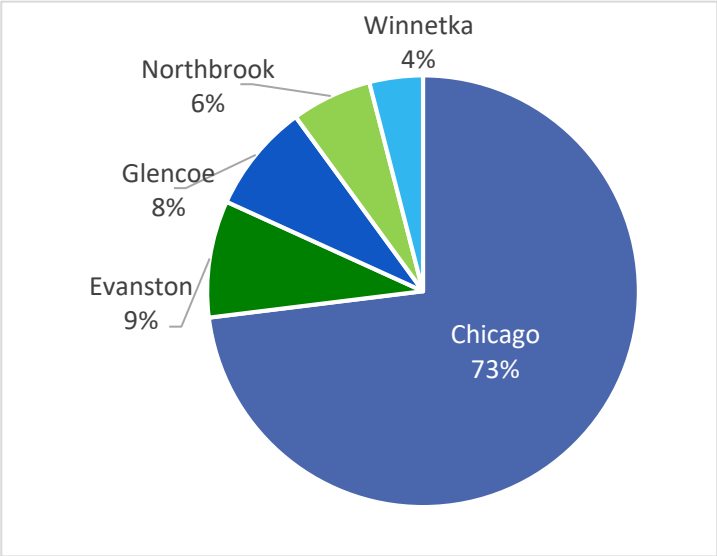
Source: 2015 American Community Survey five-year estimates.

Employment of Glencoe Residents

- As seen from Tables 4 and 5, below, the vast majority (approximately 73%) of residents who commute for work commute to Chicago. Nearly a third of residents in the work force are employed in professional services, followed closely by education (20%), finance (19%) and health care (18%).

Tables 4 and 5. Employment of Glencoe Residents by Sector (Left), and Location (Right) (2014)





Source: U.S. Census Bureau, Longitudinal- Employer Household Dynamics Program, CMAP Glencoe Community Snapshot

Regional Economic Growth

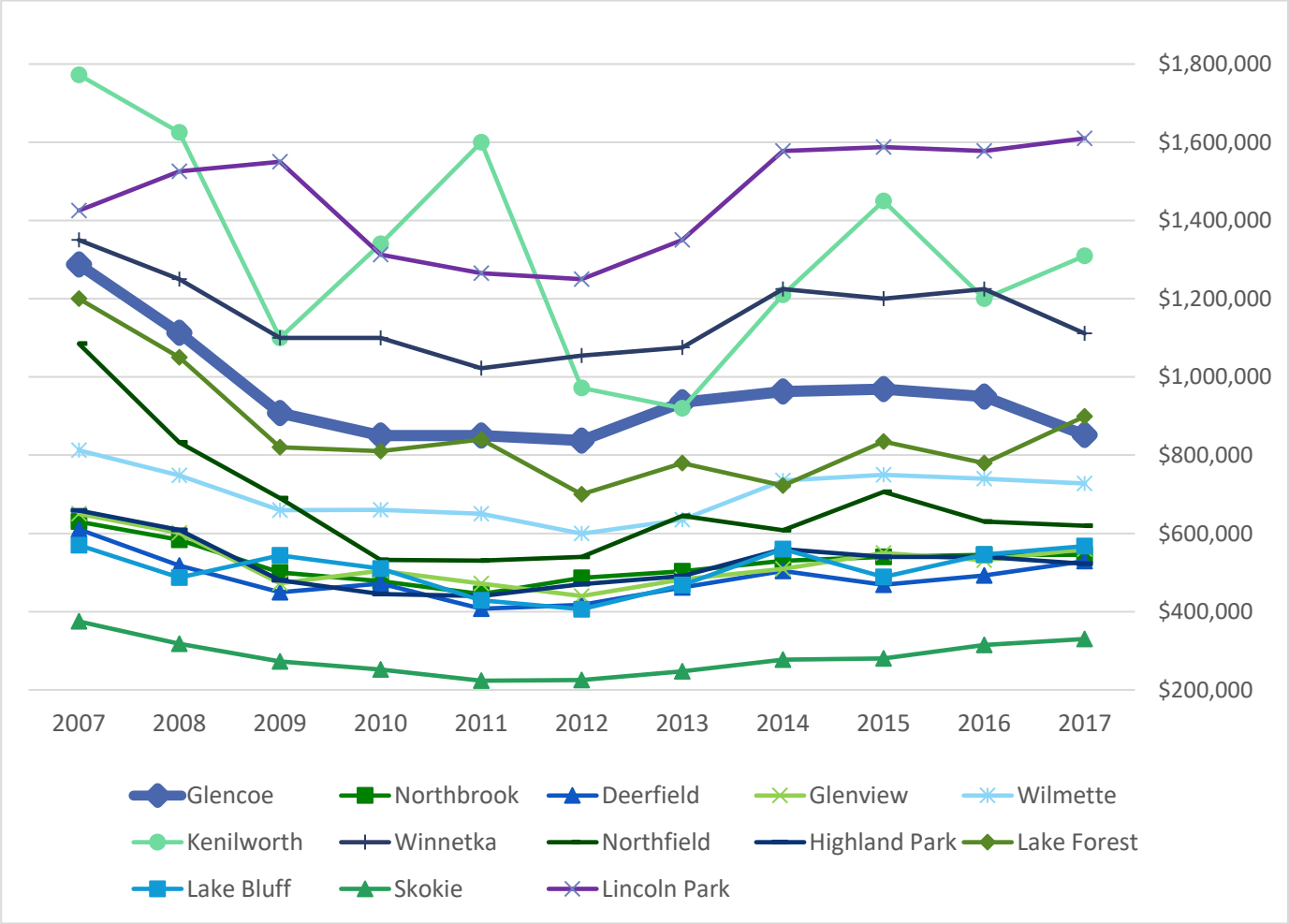
- The CMAP region is expected to add over 1 million new jobs by 2040. In particular, several industries are expected to expand substantially: education, business and financial services and transportation/logistics. According to the U.S. Census Bureau, 29.4% of jobs in the Glencoe community come from education and business services alone.
- Communities with skilled and educated labor forces are more likely to attract businesses and residents alike. The Village will benefit economically through continuing to foster innovation and educational excellence.
- According to CMAP, emerging as new regional specializations are economic activities relating to energy, climate and water supply. The "green" economic sector involves a variety of other industries, such as engineering, manufacturing and construction.
- As the green industry develops, improvements in resource conservation and environmental protection may benefit the prosperity and livability of local communities. ***Read more about the environment and potential impacts on page 25.***

Housing and Real Estate

This section summarizes various metrics that illustrate trends in the housing market, both in Glencoe and in select similarly situated communities in the Chicago-land area.

- As indicated in Table 6, below, Glencoe's housing market saw a decline in median home sale prices during the recession and has yet to return to pre-recession levels. Also seen in Table 6, Lincoln Park is one of the only community areas to have median home sale prices surpassing pre-recession prices. This may be an indication of the growing desirability of urban living and smaller home sizes.
- From a comparison of year-to-date sales for the same communities, as seen in Table 7 on the next page, Glencoe's average days on market (Avg MT), falls right on the median (143 days) for detached homes, and significantly above the median (109) days for attached homes. This may indicate that Glencoe's strength is in our single-family home market and that buyers who are looking for attached or smaller homes are looking elsewhere, either for lack of good options here or for cost reasons. However, with so few attached homes sold year-to-date in 2017, it is difficult to draw meaningful conclusions.

Table 6. Local Communities Median Detached Home Sale Prices (2007-YTD 2017)



Source: MRED LLC compiled by Appraisal Research Counselors, July 27, 2017

Table 7. Comparative Real Estate Data (YTD 2017)

	Detached Homes					Attached Homes				
	No. Sold	% Stock Sold	Avg MT	Median Sold Price	Average Sold Price	No. Sold	% Stock Sold	Avg MT	Median Sold Price	Average Sold Price
Skokie	271	1.98%	76	$329,900	$347,649	173	1.59%	86	185000	$203,615
Northfield	35	2.09%	161	$620,000	$703,360	22	3.39%	111	$230,750	$267,177
Deerfield	140	2.56%	118	$529,500	$606,022	56	3.77%	64	$237,750	$257,232
Lake Forest	153	2.58%	205	$899,000	$1,072,789	34	3.70%	208	$347,250	$429,652
Highland Park	261	2.86%	143	$522,000	$631,472	66	2.17%	138	$317,000	$367,458
Glenview	352	3.01%	111	$560,000	$651,056	181	3.18%	74	$279,000	$305,699
Northbrook	287	3.04%	121	$545,000	$618,823	158	4.21%	78	$280,500	$310,879
Glencoe	94	3.07%	143	$852,000	$1,123,898	7	3.17%	149	$164,000	$215,429
Wilmette	244	3.19%	107	$727,500	$843,227	62	2.79%	102	$368,750	$391,531
Lake Bluff	80	3.82%	129	$567,750	$639,818	22	9.87%	61	$201,000	$211,967
Winnetka	168	3.98%	161	$1,111,250	$1,292,764	17	2.60%	168	$450,000	$452,971
Kenilworth	41	4.89%	227	$1,310,000	$1,450,293	1	3.03%	134	$660,000	$660,000
Lincoln Park	118	n/a	158	$1,610,000	$1,915,445	816	n/a	66	496000	$565,809

Source: MRED LLC compiled by Appraisal Research Counselors, July 27, 2017

NOTES

Avg MT – Average marketing time or days on market

Detached – Single Family residences vs. Attached – Condos and townhomes

Impact of Demographic Shifts on Housing

- While millennials have been predicted to desire smaller dwellings (generally attached homes) more so than previous generations, 2017 showed an increase in millennials purchasing single-family detached homes nationally, according to the National Association of Realtors.
- In contrast with millennials, homebuyers over the age of 60 are less likely to purchase a detached single-family home. CMAP projects a significant increase in older residents in the Chicago metropolitan area during 2010-2040, and therefore, demand for senior housing is expected to grow substantially. Glencoe's attached housing stock is limited and as indicated in Table 8, on the next page, only 7% of home sold year-to-date in 2017 were attached.
- In addition to empty-nester and senior housing, the aging segment of residents will need easy access to health care options and other senior support services.
    - The Glencoe community is situated within short driving distance from several major hospitals, such as North Shore Health System's Highland Park and Evanston locations. Glencoe does not, however, have a primary care physician within municipal boundaries. According to the Journal of Rural Health, research has indicated that the farther patients are from health care services, the less likely they are to travel for medical treatment. Additionally, Johns Hopkins University has found that Americans

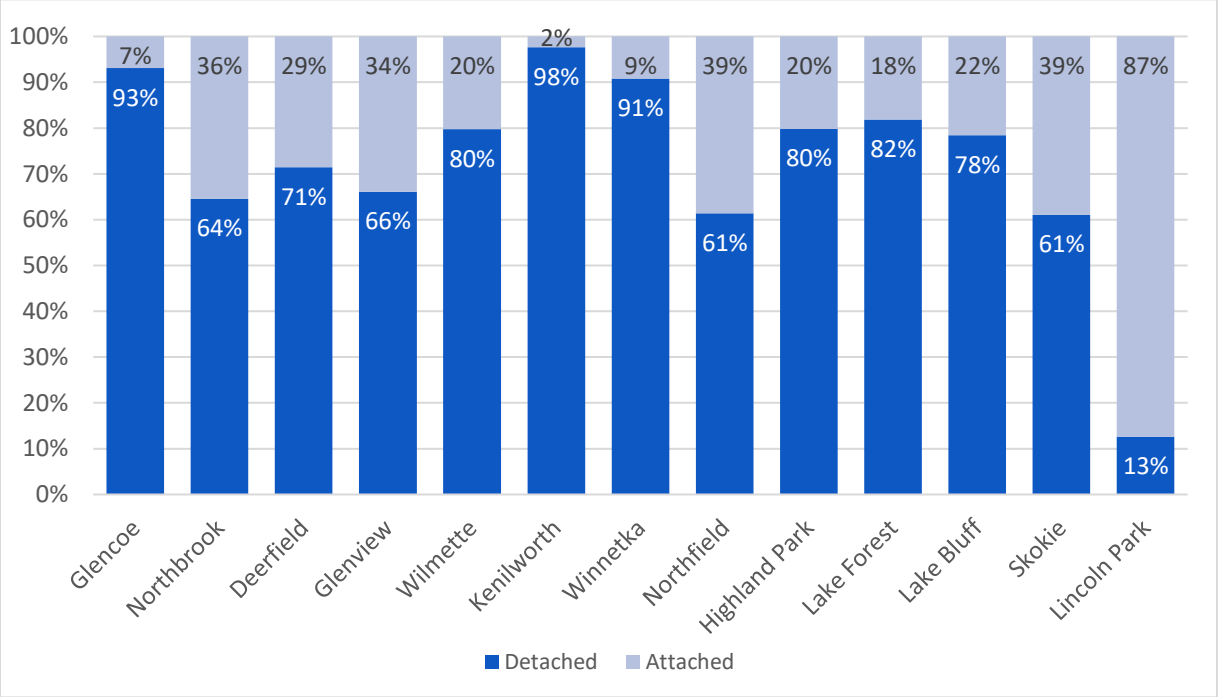
Millennials and Home Buying

The Chicago metropolitan area has experienced a recent influx of millennials (individuals born between the years of 1981 and 1997). According to the National Association of Realtors, millennials represent 36% of home buyers nationally, the largest group of buyers on the market.

with a primary care physician rather than a specialist as their regular source of care are healthier, regardless of initial health or demographic characteristics. As Glencoe increases in population over the next 20 years, the Village may benefit from encouraging medical providers to locate to the community to better provide for the health care needs of residents.

- Additionally, the Village supports Family Service of Glencoe (FSG) through our community grants program, which in turn offers a myriad of resources to seniors in Glencoe. FSG's Committee for Senior Housing Aid helps keep Glencoe seniors in their homes by providing small grant awards to those who meet the program's asset and income criteria to help pay property taxes or monthly rent. This financial assistance allows Glencoe seniors to stay in the community where they have spent much of their lives.

Table 8. Proportion of Detached vs. Attached Homes Sold (YTD 2017)



Transportation

Public Transportation

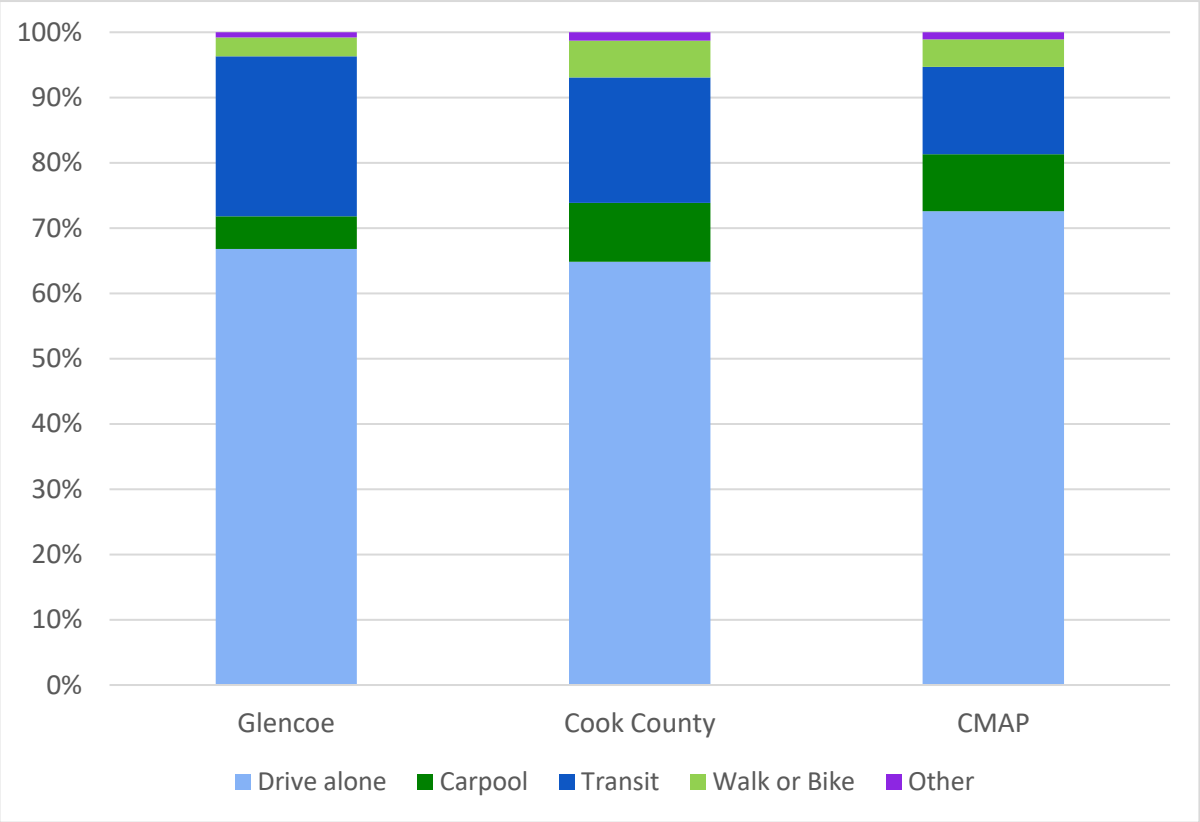
The following observations on regional transportation are adapted from the CMAP Go To 2040 Comprehensive Regional Plan.

- Robust public transportation systems may support growing elderly populations in need of alternative transportation methods, as well as residents moving from the inner-city to suburban areas.
- According to Chicago's Regional Transportation Authority (RTA), $8.4 billion is needed to maintain and enhance existing transportation systems. Similarly, the Illinois Department of Transportation (IDOT) estimates that over 13% of its roadways and 10% of its bridges are in need of repair.
- Several transportation systems have been identified as high priorities for potential improvement if funding is available. These systems include Metra Rail's Union Pacific North line (UP-N), which services Glencoe, and Interstates 94 and 294.

Reliance on Public Transit

According to CMAP, the Chicago region's transportation systems will be strained by rapid population growth. Twenty-four percent of Glencoe residents rely on public transit as a mode of travel for work, so any reductions to service will negatively impact a substantial portion of the Glencoe community.

Table 9. Mode of Travel to Work, Commuters Only (2015)



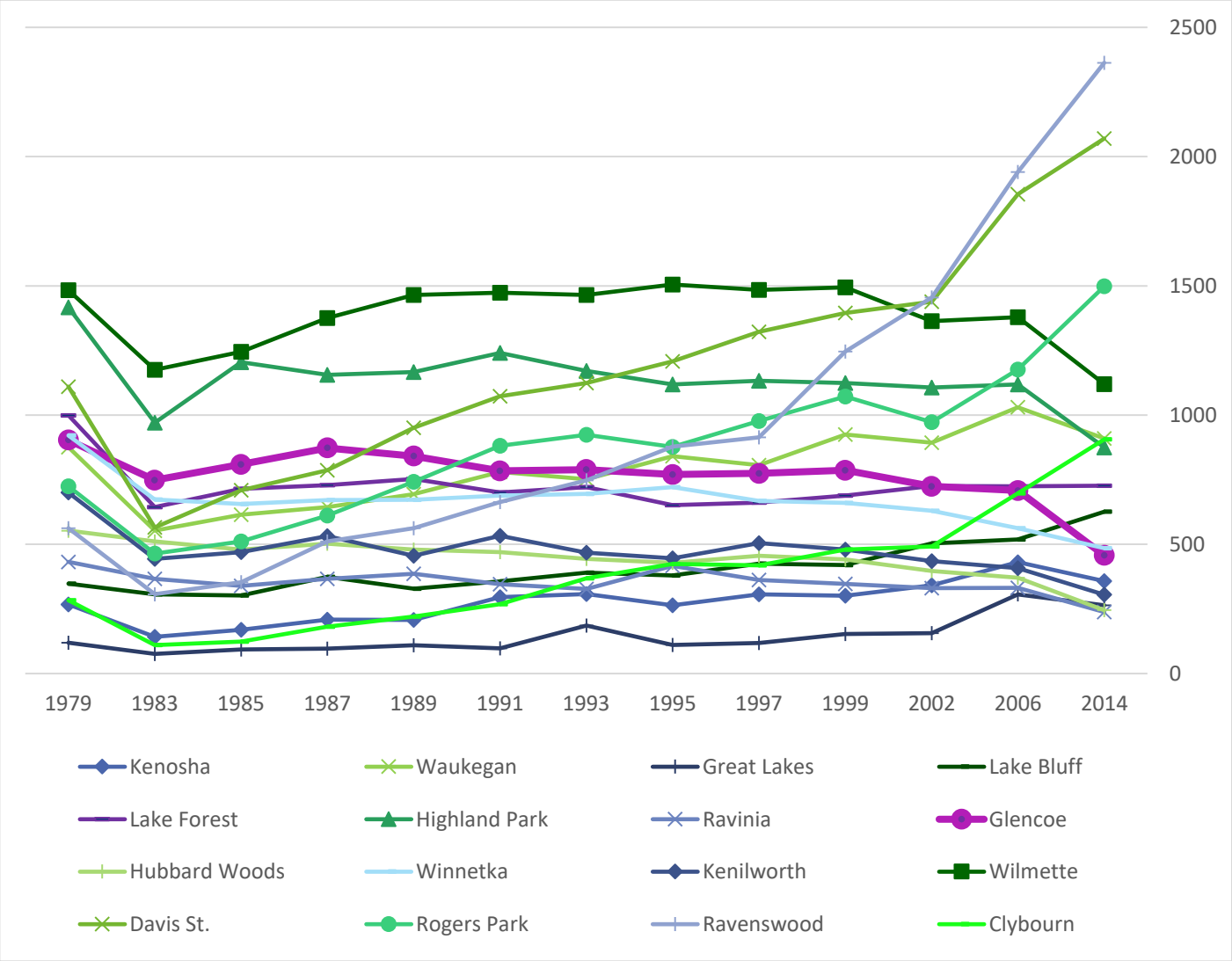
Source: 2015 American Community Survey five-year estimates as stated in the CMAP Glencoe Community Snapshot

CMAP predicts the UP-N corridor (which serves communities from Chicago to Kenosha) will attract nearly 250,000 residents between 2010 and 2040, a 24% increase in area population and a 23% rise in employment. The Glencoe/Kenilworth/Winnetka region alone may gain as many as 20,000 new residents by 2040. A considerably larger local population using public transit may result in larger Village financial contribution to the both upkeep of the Glencoe Metra Station and to regional public transportation systems overall.

Metra

- As seen from Table 10, below, the use of the Glencoe Metra Station falls in line with other stations along the UP-N line. It did, however, experience a dip in boardings in 2014 (more recent data is not currently available).
- As of 2016, ridership on the UP-N line increased 47% since 1983. Passenger trips totaled 9.3 million in 2014, the fourth-highest ridership of any line in the Metra system.

Table 10. Metra Union Pacific North Line Weekday Ridership: Boardings, 1979-2014

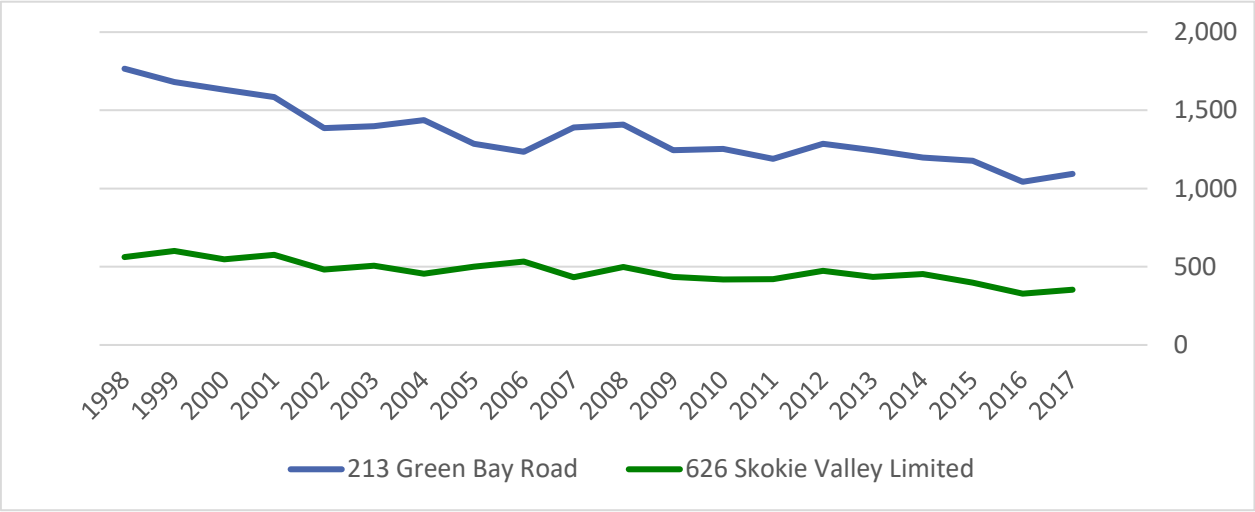


Source: Metra Ridership Reports, www.metrarail.com

PACE

- Ridership on PACE's Route 213/Green Bay Road is anticipated to grow, although ridership has decreased slightly from an average of 1,605 daily weekday riders in 1997 to 1,025 in 2017.
- Ridership may be impacted by the enrollment of Glencoe high schoolers at New Trier. Note that total enrollment at New Trier has decreased by approximately 200 students since the 2012-2013 school year, from a high of 4,232 students.

Table 11. May PACE Ridership, 1997-2017



Source: PACE Bus Ridership Summary, www.rtams.org

Emerging Transportation Trends

Autonomous Cars

- Major automakers have already begun developing self-driving technology. *The New York Times* reports that the first self-driving cars may be ready for the road as early as 2021. Ride-share companies Uber and Lyft have also tested autonomous vehicles in larger cities.
- Concerns for safety are a top priority when using emerging automotive technology. Autopilot systems testing has already caused one fatality in Ohio.
- The Village will need to continue to monitor this trend as it develops to address the potential local impact on Public Safety, parking and zoning ordinances, as well as the nature and volume of auto sales, which may impact local revenues.

Sharing Economy and Transportation

- Launched in 2009, Uber has now provided over five billion trips worldwide and has over 40 million riders and 2 million drivers. Along with its major competitor Lyft, Uber has made a major impact on the transportation industry, taking on the taxi industry and offering pricing competitive with that of public transportation through services such as UberPool (when available). Village staff will continue to monitor the impact of Uber, Lyft and other ridesharing applications in terms of parking, zoning and other regulations.

Glencoe Business Community

- The Village has a thriving business community, generating approximately $2 million in local sales tax annually, which equates to about 9% of the Village's revenues. The addition of the new Writers Theatre facility on Tudor Court (with 90,000 visitors in its first year alone) only bolsters a client base for our downtown businesses.
- As seen from Tables 12 and 13 below, approximately 65% of Glencoe businesses are service-based, or finance, insurance or real estate. These companies employ approximately 70% of those who work in Glencoe.

Table 12. Glencoe Businesses, by SIC Codes (2017 Estimates)

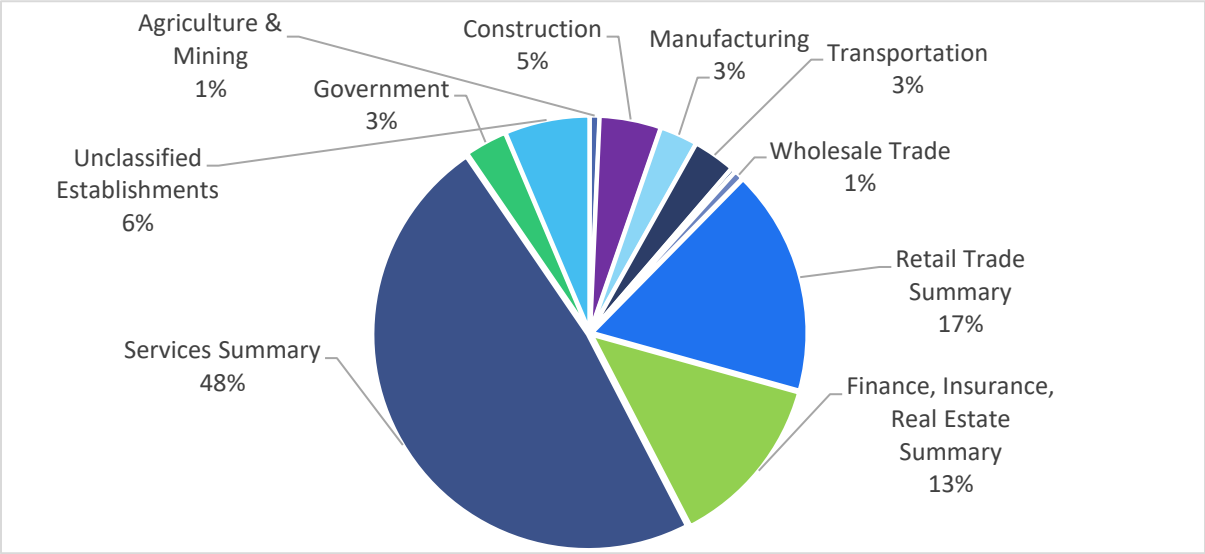
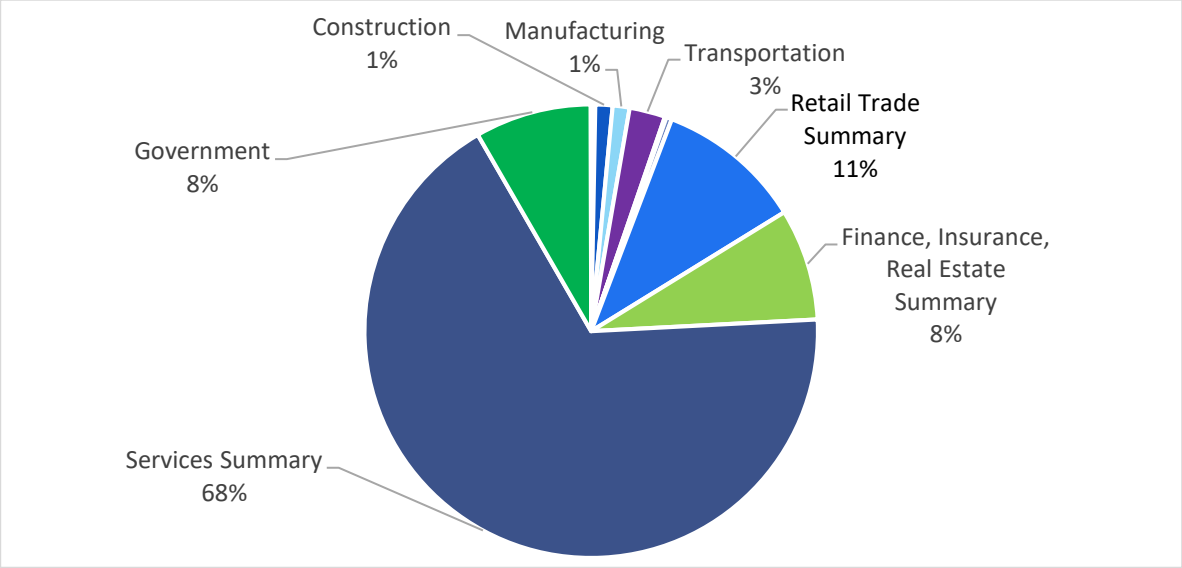


Table 13. Employees of Glencoe Businesses, by SIC Codes (2017 Estimates)



Source: Copyright 2017 Infogroup, Inc. All rights reserved. Esri Total Residential Population forecasts for 2017.
***NOTE**: SIC stands for the Standard Industrial Classification and is the predominate system used by governments to classify industrial areas*

Downtown Plan

This section summarizes findings of the Downtown Plan, adopted by the Village Board in December 2016, which was prepared over a three-year period of engagement among the Plan Commission, residents and the local business community, including experts on culture, education, business, transportation and real estate, through a planning process referred to as the Downtown Tune-Up. The name "Tune-Up" was chosen deliberately in recognition that Downtown Glencoe is not broken, but only in need of updating to address current and future needs. The Downtown Plan is an update to the downtown part of the 1996 Comprehensive Plan for Glencoe. The first update occurred in 2004 as a strategic policy document explain what the Village should do to address the changing environment and context of its retail business district. Learn more about the Downtown Plan, from the Plan's summary in Appendix A.

Main Findings

- *Downtown Glencoe is built at the right size and the right scale.* The size of the downtown area is sustainable, and the Plan does not suggest expanding boundaries. Additionally, the Plan encourages sensitivity to the proportions of building and public spaces, encouraging the protection of current "outdoor rooms," which are both visually attractive and create a sense of comfort and security for residents and visitors.
    - Consideration of redevelopment of the southern portions of downtown should be explored to analyze opportunities to enhance local revenues and provide community amenities.
- *Glencoe's downtown functions as its own economic "ecosystem."* Four distinct markets *(1. Convenience: Downtown Residents, 2. Walk-In: Within a Half-Mile of Downtown, 3. Community-wide: All of Glencoe and 4. Destination: Chicago Metropolitan Area)* support Downtown business, and quality of service is key to maintaining high occupancy rates and business vitality. Flexibility with permitted uses of buildings and a continued emphasis on concierge level support for businesses will better position the Village to compete in today's changing retail and business environment.
- Glencoe has a long tradition of support for arts, culture and civic engagement. The redevelopment of Writers Theatre and the expanding art-business cluster can help bring more visitors to downtown, particularly for additional arts-oriented activities, entertainment and dining. *Creating a special streetscape for Tudor Court will enhance this opportunity.*
    - Work is underway currently on a planning process for Tudor Court given its newfound prominence with Writers Theatre's new theatre facility. The process will develop improvement plan options that can enhance the public space and enhance the commercial and social environment in this part of downtown.
- *Continued enhancement of public spaces, streetscape, wayfinding and other public infrastructure is necessary to enhance community character and reinforce a strong sense of place.* Strategically placed signage, information kiosks and gateway features can make finding stores, parking and places to sit and enjoy the downtown significantly easier for both pedestrians and drivers.
    - Designing downtown wayfinding signage is being planned during the coming fiscal year.

Tourism

Local Tourism

In an effort to promote Glencoe's various attractions, the Village became a member of the Chicago North Shore Convention and Visitors Bureau in 2015. Below is a brief overview of the various attractions and recent trends.

Annual Draw of Local Attractions

Writers Theatre – up to 90,000 annually

Chicago Botanic Garden – 50,000 members and over 1 million visitors annually

- The expansion of Writers Theatre and the opening of its new location on Tudor Court has helped bolster a draw to downtown Glencoe businesses—especially for those that are open late and on weekends, catering to theatre goers. In its first year of operation in its new space, Writers Theatre welcomed over 90,000 visitors to Glencoe.
- An opportunity exists to further partner with the Chicago Botanic Garden, which draws over 1 million visitors a year, whether it be through cross promotion or through capturing the attention of those who travel through Glencoe on their way to the Garden whether by car, bicycle or the UP-N line.
- Special events, such as the Glencoe Grand Prix and the Glencoe Festival of Art continue to expose new visitors to Glencoe. Thousands of visitors attend each event annually.
- Historic architecture representing excellent examples of every genre of design is located throughout Glencoe. For instance, Glencoe is home to the third largest collection of Frank Lloyd Wright-designed structures in the world. Capitalizing on this – and working with surrounding communities – can help bolster appeal of the community to visitors.
- Other draws to Glencoe include the award-winning Glencoe Historical Society, Glencoe Beach and the North Branch and Green Bay bicycle trails. The Glencoe Golf Club also serves as a major public attraction to the community, with over 70% of golfers annually coming from somewhere outside of Glencoe.

Regional and State Tourism

- In 2016, Illinois had 110 million domestic visitors, with over 50 million welcomed by the Chicago area alone. The Illinois Department of Tourism reported that visitors generate $2.6 billion annually in State and local tax revenues and directly support 302,000 jobs in the tourism industry.
- As seen in Table 14, below, the majority of the economic impact of tourism in Illinois benefited Cook County specifically. In Cook County alone, over $604 million in local tax receipts were generated from tourism related activity. While the amount generated outside of the City of Chicago is not reported, the Chicago Botanic Garden continues to pull tourists to areas other than the City of Chicago.

Table 14. Economic Impact of Tourism - Cook County Compared to Illinois (2016 Preliminary)

County	Expenditures ($ Millions)	Payroll ($ Millions)	Employment (Thousands)	State Tax Receipts ($ Millions)	Local Tax Receipts ($ Millions)
Cook County	$23,478.15	$7,574.28	$209.07	$1,111.39	$604.22
Illinois	$35,075.28	$10,243.48	$302.45	$1,763.95	$869.24
Cook County % of total	**66.94%**	**73.94%**	**69.13%**	**63.01%**	**69.51%**

Source: U.S. Travel Association, June 26, 2017

Sustainability and the Environment

Rapid changes to the Midwest and Great Lakes environments pose new challenges for the Glencoe community. Village infrastructure and approaches to sustainable development may need to adapt to ensure that the Village can accommodate future changes to our physical environment and encourage residents and businesses to do the same. Adopting and implementing environmentally-sustainable practices has long been a hallmark of the Glencoe community. Building upon this solid foundation, the Village has local resources available that may help mitigate future environmental problems and reduce the Village's contribution to climate change. When planning for the future, the Village's challenge will be to incorporate environmentally sustainable best practices into our operations while remaining conscious of current and future costs and savings.

- Climate change has introduced a variety of environmental changes to our region, such as changing temperature patterns, ecosystem disturbances and pollution. The U.S. Global Change Research Program states that over the next few decades, these changes are expected to continue, causing erosion, declines in water quality and negative impacts on transportation, agriculture, human health and infrastructure.
- Lake Michigan, a major asset to both Cook County and Glencoe, is particularly vulnerable to climate stresses. The University of Illinois Springfield reports that climate change has caused Lake Michigan water levels to rise to record-high water levels and temperatures, and has introduced toxic species that harm fish and water quality. Negative impacts to Lake Michigan are potentially problematic locally from multiple perspectives including that of tourism, as the *Chicago Tribune* reports that 11% of tourists to Cook and Lake Counties participate in beach or waterfront activities.
- The Village relies on Lake Michigan not only for recreation and tourism but also for providing water to Glencoe's over 3,200 households, businesses and public entities. Made evident by the exposure and subsequent disconnection of the 16-inch water main located on the Perlman Boating Beach due to erosion, changes to Lake Michigan water levels also have the effect of impacting Village infrastructure. In particular, the Village's aging water distribution system is particularly susceptible. More frequent or more intense (or both) rain patterns impact the ability of our storm water drainage systems to adequately capture and drain excess rain and ground water.
- Despite these significant climate-related risks, the Glencoe community has fostered a variety of initiatives and resources that may reduce Village contribution to environmental stressors. While we do not have the scale or resources to make a major impact on global climate change, we do have the ability to lead by example and to mitigate environmental impact on a local scale.
- The community has a long history of being a local leader in recycling efforts, reducing the Village's carbon footprint, strain on area landfills and cost of garbage disposal. The Village's Sustainability Task Force has focused on raising awareness of sustainability efforts currently taking place in our community and has initiated the development of an Active Transportation Plan. The Glencoe Golf Club, Glencoe Park District, Friends of the Green Bay Trail, Writers Theatre and the Glencoe Community Garden have also promoted environmentally-sustainable practices, such as reducing the spread of invasive species and protecting the integrity of our parks, trails and lakeshore.
- To reduce the impacts of ecological stressors upon Village infrastructure, future long-range planning efforts, such as the 10-Year Community Improvement Program, may benefit from a heightened analysis and awareness of investment into infrastructure that accommodates the changing environment, such as bioswales or LEED-certified buildings. An increased focus on implementing preventative measures may also lessen future infrastructure problems caused by the environment.

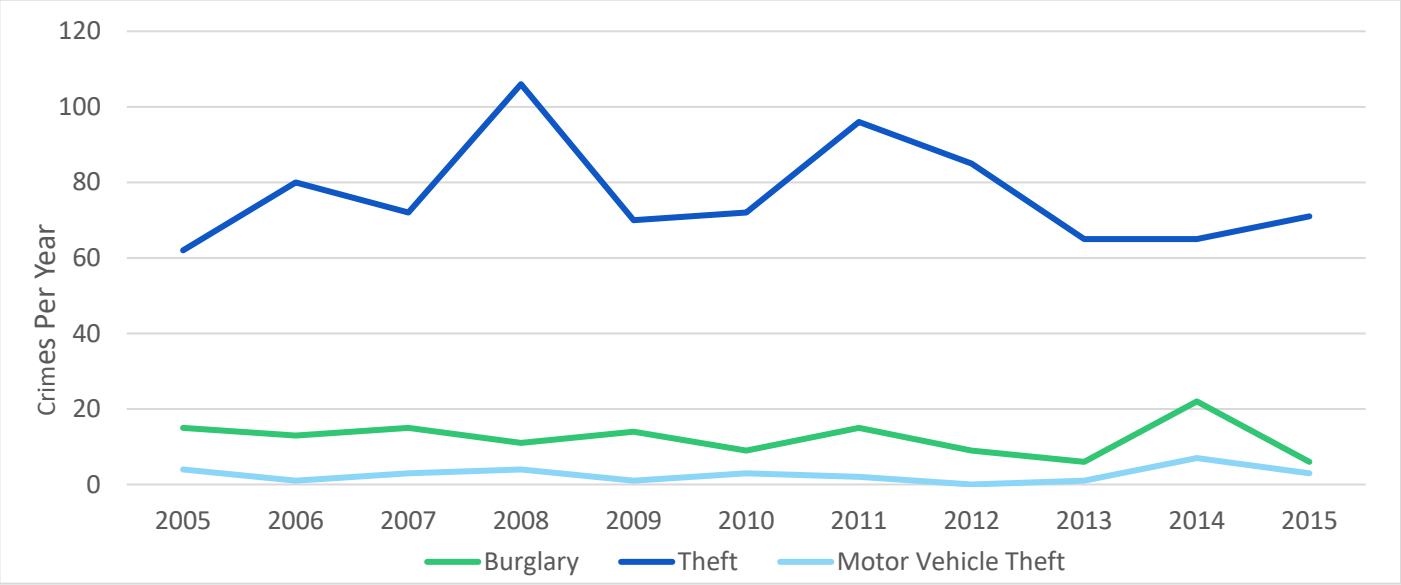
Public Safety: Crime and Calls for Service

The Public Safety Department was established in 1954 when the Village combined the Police and Fire Departments into one single, cross-trained department. Today, our officers are cross-trained as police officers, firefighters and medical first responders. This level of efficiency allows the Village to provide a high level of emergency services to the community at a reduced cost when compared to municipalities using traditional, separate police, fire and emergency medical departments. This section summarizes various trends impacting the department.

Emerging Crime Trends

- While Glencoe enjoys an extremely low crime rate, crime does impact our residents. The most obvious trend of late has centered on auto theft and auto burglary. Most of the incidents involve unlocked cars and most of the offenders are juveniles.
- While there has been an apparent rise in auto thefts across the North Shore, as seen from Table 15, below, there is not an obvious linear trend in the types or general frequency of crimes committed in Glencoe. Most notably, theft seems to have peaked during the recession around 2008.
- Financial crimes, including identity theft, require more and more of Public Safety's resources. These crimes are problematic for a small jurisdiction like Glencoe, as a vast majority of the crimes are committed by criminals in foreign countries. Little support from local, State or federal authorities exist.
- The Cook County State's Attorney has taken a soft approach on certain non-violent crimes and this creates a concern from a law enforcement perspective. The concern Public Safety has is that violent criminals who commit non-violent crimes may not be prosecuted, thereby allowing them to stay on the streets and to continue their actions until becoming violent.

Table 15. Crimes Per Year by Category (2005-2015)



Source: Illinois Uniform Crime Report Statistics Review, 2005-2015

NOTES

The following categories were omitted, due to infrequency of occurrence: Criminal homicide, Criminal sexual assault, Robbery, Aggravated battery/Assault, Arson, Human Sex Acts, Trafficking Servitude, Other

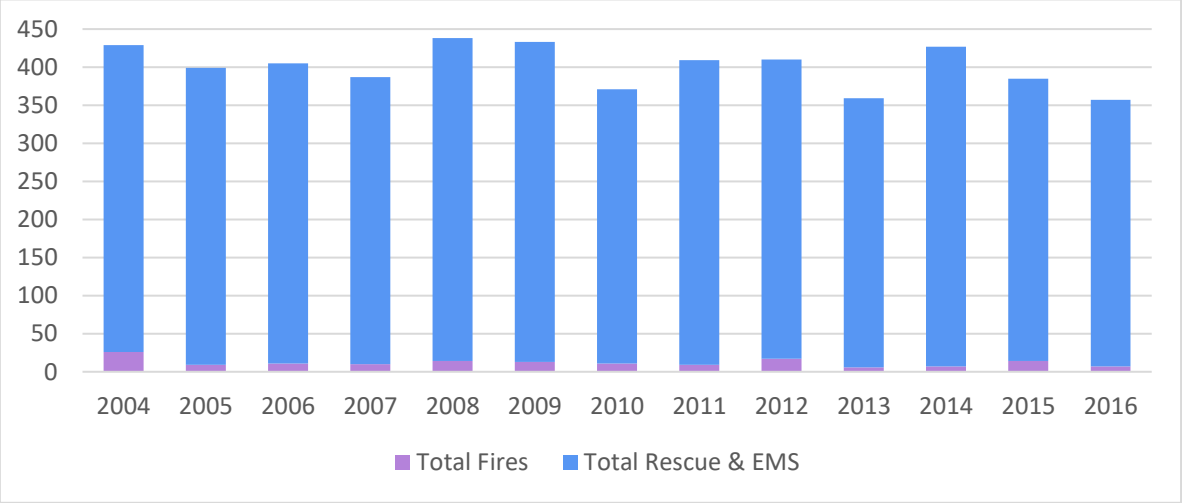
Mutual Aid and Crime Trends

- Mutual aid is the cornerstone of efficient and most importantly, effective law enforcement. The recent spike in auto theft and burglary is a prime example. Police departments throughout the area, including Cook, Lake and DuPage Counties and the Chicago Police, are working together to identify and arrest known offenders. As stated previously, many of those arrested are not being held in custody and are repeat offenders.
- Glencoe is a member of the North Regional Crimes Task Force (NORTAF), a mutual aid organization designed to pool resources for major crimes, including homicide, kidnapping, and burglary. Investigating these crimes properly requires manpower and expertise beyond the capabilities of a single police agency; NORTAF has been extremely successful since its inception in 1997. Residential burglary patterns often affect Glencoe residents, and participation in the task force has resulted in many successful investigations, arrests and recovery of stolen property.
- The State continues to increase the amount of specialized training for police officers, often based on unique and high profile occurrences. This training often requires removing officers from regular duty to attend training, which results in backfill officers working overtime to maintain regular staffing levels, increasing our personnel costs significantly.

Fire and Rescue/EMS Responses

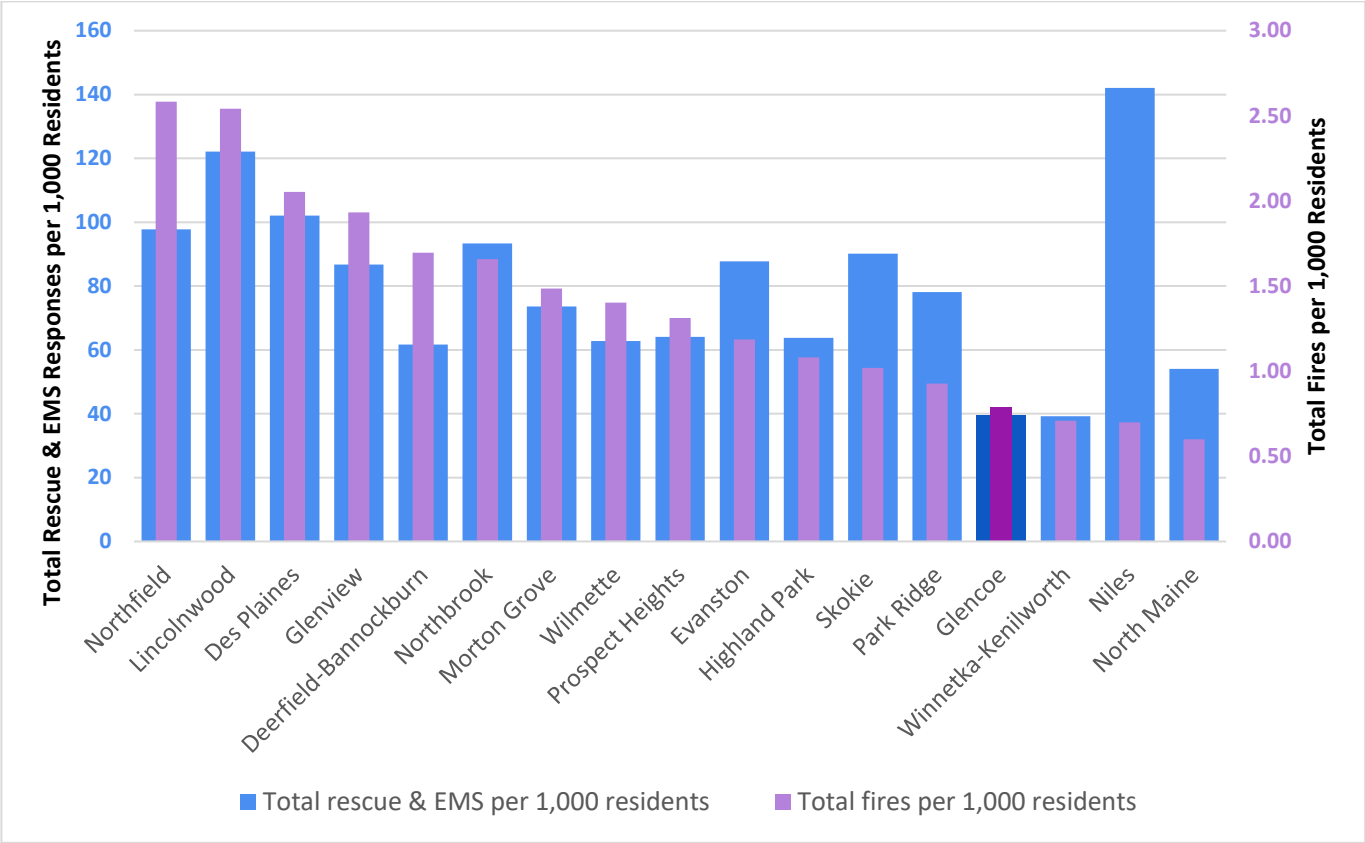
- As seen from Table 16, below, our Public Safety Officers respond to very few fire-related calls and rather expend a vast majority of their efforts on emergency medical services.
- When compared to other areas Mutual Aid Box Alarm System (MABAS) communities, as in Table 17, Glencoe has a relatively low number of incidents involving fire and emergency medical services. This reinforces the cross-trained Public Safety model, as the Village is able to maintain relatively low staffing levels because of our ability to switch PSOs from one function to another in a single shift (i.e. an EMT switches to a police officer to assist with increased patrol needs because of a burglary).
- At the same time, the State continues to increase the amount of fire training required, adding emphasis to training that many PSOs put into practice on a more limited basis than EMT and police officer skills. Fire training will continue to impact Public Safety, especially in relation to the real-world use of these skills.

Table 16. Total Fires and Rescue & EMS Responses in Glencoe, 2004-2016



Source: Mutual Aid Box Alarm System (MABAS) Reports, 2004-2016

Table 17. Total Fires and Rescue & EMS Calls Per 1,000 Residents, 2016



Source: Mutual Aid Box Alarm System (MABAS) Reports, 2016

Technology Impact

- Emerging technology, especially in law enforcement, often requires legislative action. This may affect full utilization and application of the new technology and delay implementation. In addition, new technology is often cost prohibitive, so staff is very mindful to operate within our means and needs.
- As members of numerous mutual aid organizations, Public Safety is often able to utilize new technology and equipment without the capital outlay. Items in this category include criminal investigative aids - vehicle tracking devices, drones, cell phone and computer forensic software. Items related to fire service include water rescue sonar, mobile command posts and specialized apparatus. Staff maintains an awareness of emerging technology and will continue to make decisions based on the needs of the community.
- A basic technology upgrade that would have an immediate impact would be video surveillance of high traffic areas and municipal property – schools, train station, water plant, business district, etc. These upgrades are being considered as part of a larger capital project for Village building security.

Internal Indicators:

Village Organization

Internal Indicators: Village Organization

This section includes data that illustrates resident satisfaction with Village services, trends in Village personnel staffing and costs, financial forecasting and communications and also provides lists of currently known non-home rule impacts, shared service and joint purchasing opportunities, organization capital needs and a summary of the Village's Technology Plan.

Resident Satisfaction with Village Services

In 2015, the Village administered a comprehensive community survey to all Glencoe households. The survey assessed resident perceptions of overall quality of life, satisfaction with Village services and community priorities. Over 600 surveys were completed. A vast majority of residents view the Village and its services in an overwhelmingly positive light.

- Overall, respondents were enthusiastically supportive of the Village and community—99% of respondents rated Glencoe as an excellent or good place to live, with 98% of residents rating the Village as an excellent or good place to raise children.
- Approximately 95% were very satisfied or satisfied with Public Safety services.
- Approximately 94% were very satisfied or satisfied with the maintenance of the downtown, traffic signals, municipal buildings and streets.
- Of the 36% of respondents who had visited the Glencoe Golf Club, 87% were very satisfied or satisfied with the overall playing conditions of the course.
- Residents' top three community priorities are flood prevention and storm water management, crime prevention and strengthening the vibrancy of downtown Glencoe.

Village Employees

- Table 18 shows that in the last 10 fiscal years, there has been little to no change in full-time Village staffing numbers – either in the aggregate or broken down by department and function.
- Table 19, on the next page, illustrates that the number of full-time Village employees meeting the minimum eligibility requirement for retirement is about to steeply rise, from approximately 28% who are currently eligible to 43% in Fiscal Year 2023. The bulk of the eligible employees are in Public Works operations.
- This trend underscores the importance of developing and documenting standard operating procedures for various functions as well as initiating succession planning efforts in the coming fiscal years.

Personnel Costs

In Fiscal Year 2018, personnel costs were budgeted to account for approximately $16.9 million, or 52.6% of the Village's total expenditures, inclusive of pension fund obligations and approximately $12.4 million, or 69.7% of the General Fund expenditures.

Table 18. Full-Time Authorized Staffing by Function - Last Ten Fiscal Years

FUNCTION	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL GOVERNMENT											
Village Manager's Office	3	4	4	4	4	4	4	4	5	5	5
Finance	5	5	5	5	5	5	5	5	5	5	6
GOLF CLUB[1]	7	7	7	6	6	6	6	6	6	6	6
PUBLIC SAFETY											
Sworn Staff	36	36	35	35	33	33	33	33	36	36	36
Civilians	10	10	10	9	9	9	9	9	9	9	6
PUBLIC WORKS											
Administration[2]	9	9	8	8	8	8	8	8	8	8	8
Operations[3]	34	34	35	35	35	34	35	35	35	35	35
Total	**104**	**105**	**104**	**102**	**100**	**99**	**100**	**100**	**104**	**104**	**102**

Data Source: Fiscal Year 2017 Pay Plan

1. Data Source: Golf Club Budget Documents

2. Public Works Administration includes the Director, Community Development, Engineering and administrative support positions.

3. Public Works Operations includes Maintenance Equipment Operators, Mechanics, Water Plant Operators, Supervisors and Superintendents.

Table 19. Minimum Eligibility Retirement of Full-Time Village Employees (Fiscal Year 2018- 2023)

WORK GROUP	FT[1]	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Village Manager's Office[2]	5	1	1	1	1	1	1
Finance[2]	6	1	1	2	3	4	4
Golf Club[2]	6	1	1	1	1	2	2
Public Safety Civilian[2]	6	2	2	3	3	3	3
Public Works Administration[2]	8	3	3	3	3	3	3
Public Works Operations[2]	35	14	14	15	20	21	21
Public Safety Sworn[3]	36	6	6	6	6	7	9
Total	**102**	**28**	**28**	**31**	**37**	**41**	**43**
Percent of FT Workforce		**28%**	**28%**	**30%**	**36%**	**40%**	**42%**

NOTES

1. Number of authorized full-time positions

2. IMRF Tier 1 minimum age 55 as of March 1 each year (total IMRF years of service unavailable and not reflected in eligibility). Table reflects total number of employees eligible and assumes no attrition each year.

3. Police Tier 1 minimum age 50 and minimum 20 years of service, or minimum age 60 and minimum 8 years of service as of March 1 each year. Table reflects total number of employees eligible and assumes no attrition each year.

Public Works Department Personnel

- As seen in Table 19, on the previous page, over the next five years, 21 employees in the Public Works Department will reach minimum retirement eligibility. While not a certainty that turnover of this magnitude will occur during this time period, it underscores the succession planning and training needs that exist – and will likely be exacerbated – in the next several years within the department.
- In addition to operational training, the department's training needs will emphasize customer service skills in order to maintain the Village's customer-centric service delivery approach and technology training to allow staff to effectively utilize new technology tools.
- The Village continually evaluates its service delivery methods and approaches in order to ensure that residents receive high-quality public services in a cost-efficient manner. Components of this evaluation have included – and will include in the future – the following:
    - **Service Levels:** The department's primary goal is to provide high-quality services to residents. In doing so, the department evaluates each operational area in efforts to avoid falling behind in some service areas or over-investing in other service areas with diminishing returns.
    - **Financial and Staffing Resources:** The department reviews the allocation of financial and staffing resources in each operational area to support high-quality service delivery. If the department determines that the community would be better served by reallocating resources from one area of operations to another, it may do so.
    - **Service Delivery Method:** The department evaluates service delivery methods in conjunction with evaluating service levels in order to determine whether a service may be delivered more efficiently by in-house staff or a private contractor, and the impact of staffing changes on the Village's ability to respond to after-hours emergencies, such as snow and ice control operations or water main breaks.

Technology Impact

Over the next five years, technology will continue to be integrated into the Public Works Department's business practices. For example, a key goal in the enterprise resource planning (ERP) software selection and implementation project is to develop a robust work order management system, which will allow the department to efficiently receive and manage service requests, as well as develop full cost accounting for services by integrating personnel, materials and inventory costs.

Public Safety Department Personnel

- Maintaining full staffing has proven challenging for the Public Safety Department in recent years, mainly caused by staff turnover due to retirements. The department is in a state of accelerated hiring, due in large part to this turnover which is likely to continue in the short-term, as the department replaces departing senior officers with new hires. This has the impact of increasing training hours becoming a fully cross-trained Public Safety Officer (PSO) can take up to three years.
- The department has utilized many strategies to accommodate this increased demand for training, including removing PSOs from the general schedule for long-term training, overstaffing shifts to allow for on-duty backfill in lieu of overtime, utilizing in-house trainers to train officers while on-duty and using computer

based training whenever possible. At the same time, due to the reduced number of fully cross-trained PSOs, incurring overtime for backfill is often required. This can be costly, but necessary to maintain staffing levels.

- One of the significant training and staffing issues to be addressed over the next several years is maintaining a compliment of licensed paramedics. Over the last three years, the number of licensed paramedics in the PSO rank has been reduced by six due to retirements and promotions, even when taking into account four PSOs who have recently attended paramedic school. Because of the length of time required to become a paramedic, the department has not been able to add licensed paramedics to the PSO rank as quickly as paramedics have left the rank. To become a licensed paramedic, officers must complete 450 hours of coursework (which typically spans approximately nine months) and 500 hours of clinical training. While in class or completing clinical hours, an officer cannot perform regular PSO duties – in many cases, this requires another officer to be hired back on overtime to fill a shift.
- While a lack of full staffing has required significant overtime, as indicated in Table 20 on the next page, the overages in actual overtime costs for PSOs have generally been absorbed by the reduction in salary costs (due to open positions).
- As outlined in the Fiscal Year 2017 Public Safety Personnel Report, when comparing Glencoe to a similarly sized local community with separate police and fire departments, the Village saves approximately $3 million annually. Those cost savings allow the Village to provide exceptional services at an affordable and sustainable expense, in keeping with the intent of the public safety model.
- Regarding resources, the department has been able to maintain equipment, training and vehicle resources consistent with department need and industry standards while implementing new technology as needed.

Table 20. Public Safety Personnel Salaries, Overtime and Training Costs (Fiscal Year 2010-2017)

FY	Budgeted Salaries	Actual Salaries	Diff	Budgeted OT	Actual OT	% of Salaries	Diff	Budgeted Training	Actual Training	Diff	FY Overall +/-	Notes
2017	$4,234,874	$3,842,666	$392,208	$648,000	$838,198	21.81%	$190,198	$107,841	$109,463	$1,622	$200,388	1
2016	$4,292,674	$4,090,730	$201,944	$530,000	$716,327	17.51%	$186,327	$87,195	$81,453	$5,742	$21,359	2
2015	$3,905,113	$3,834,216	$70,898	$432,539	$762,998	19.90%	$330,458	$79,340	$89,737	$10,397	$269,957	3
2014	$3,925,478	$3,679,330	$246,148	$432,539	$596,571	16.21%	$164,032	$71,648	$58,420	$13,228	$95,344	4
2013	$3,838,251	$3,768,491	$69,761	$426,189	$475,791	12.63%	$49,601	$75,905	$75,869	$37	$20,197	
2012	$3,710,839	$3,698,901	$11,938	$388,706	$521,758	14.11%	$133,052	$84,645	$51,907	$32,739	$88,375	
2011	$3,678,297	$3,675,054	$3,244	$383,000	$392,198	10.67%	$9,198	$81,045	$68,449	$12,596	$6,642	
2010	$3,676,743	$3,668,159	$8,585	$423,498	$384,567	10.48%	$38,932	$66,219	$60,439	$5,780	$53,297	

1 – Fiscal Year 2017	*Five retirements; One resignation* *Three promotions to lieutenant; One promotion to Deputy Chief* *One lieutenant on 9 weeks of light duty* *One lieutenant, one Communications Operator and three officers on FMLA leave for a combined 48 weeks* *One officer on workers' compensation leave for 8 weeks*
2 – Fiscal Year 2016	*Two resignations* *One promotion to lieutenant; One promotion to Deputy Chief* *One lieutenant and two officers on FMLA leave for a combined 42 weeks* *One lieutenant on light duty for 9 weeks* *One Communications Operator on extended illness leave for 18 weeks*
3 – Fiscal Year 2015	*Three retirements; One resignation* *Four officers on FMLA leave for a combined 12 weeks* *One officer on light duty and maternity leave for 9 months* *Four newly-hired officers were in training at various stages of the police/fire/EMS components and therefore were not available as fully functional Public Safety Officers*
4 - Fiscal Year 2014	*Four retirements including that of the Director* *One officer suffered on-duty injuries and missed approximately 3 weeks* *One officer suffered a non-duty injury and was unavailable for shift* *Three officers suffered non-duty injuries and missed a combined 4 weeks* *One officer was scheduled as a fifth fire shift officer to satisfy the Paramedic training requirements. The reassignment caused a shortage in patrol.*

Financial Forecasting

This section summarizes take-aways from the Fiscal Year 2018 Long Range Financial Plan (assumptions for the Fiscal Year 2019 Long Range Plan are currently being reviewed by the Finance Committee). Each year a new five-year financial forecast is crafted taking CPI, State Shared Municipal Revenue estimates, usage patterns (i.e. water consumption, building permits), local revenue and expenditures and the prior year plan into consideration. To read the full Fiscal Year 2018 Long Range Financial Plan, please see Appendix B. Also included in Appendix B are regional and national CPI reports.

Fiscal Challenges

- Legislative threats to property tax, State-shared revenue and further unfunded mandates to provide services without the ability to recover cost (*read more about potential State action below*).
- The uncertainty of the impact of pension reform legislation on local taxpayers and on the ability of the Village to retain employees.
- The continued obligation to fund pension obligations.
- The continued obligation to maintain capital infrastructure.
- The cumulative impact of the recent decline in assessed property valuation.
- The challenges of maintaining a desirable environment for commercial activity.

Potential State Action on the Horizon

- **Property Tax Freeze:** A multi-year property tax freeze is currently being considered at the State level and is championed by the Governor's Office.
- **New Fees on Local Tax Collection:** With the passing of its most recent budget, the State set a new precedent of generating revenue by charging municipalities fees to manage various local tax collections.
- **Local Government Distributive Fund:** The Governor's Office continues to champion a reduction in State funding for local governments.
- **Personal Property Replacement Tax:** In the budget recently adopted by the State, it is estimated that the State took approximately $26,000 from the Village's revenues and may take more in future years.
- **Unfunded Mandates:**
    - Unknown State mandates, such as a situation similar to the requirement to consolidate emergency dispatching services.
    - Possible changes to pension liabilities continue to impose pressure on the Village's budget, including increases to pension funding requirements, valuation of our pension funds and enhancement of various pension benefits.
    - Possible changes to general employee benefits, such as workers compensation also have the effect of upward pressure on the Village budget.

Recent Changes to Fiscal Policies

The following bullets summarize major changes to the Village's financial policies made in advance of the adoption of the Fiscal Year 2018 Budget. For the full financial policy document, see Appendix C.

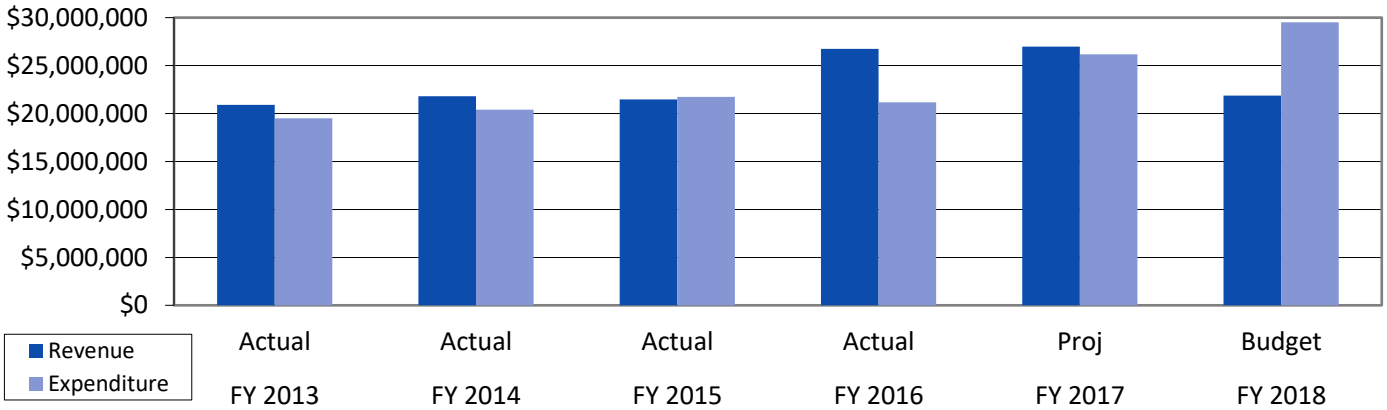
- **Fund Balance Policy:** Increased minimum General Fund balance from $2.0 to $2.5 million. A planned draw down was used to support major Fiscal Year 2018 Community Improvement Program (CIP) projects, however fund balance reserves are still expected to total $4,454,242 by the end of Fiscal Year 2018.

- **Management Fees:** Increased management fees by 2.5% (equal to cost of living adjustments for personnel) (Garbage Fund, Water Fund and Golf Club [if collected]).
- **Funding Pensions**: Fiscal Year 2018 contribution increased 2.7% bringing the amount to the midpoint between the State of Illinois requirement and the requirement suggested by the Village Actuary.
- **Interfund Transfers:** No Fiscal Year 2018 transfer from the General Fund to the Garbage Fund. *Note that as of November 1, 2017, the Village's franchise agreement with Lakeshore Recycling Systems (LRS) for garbage collection services begins. LRS will collect a quarterly General Collection Services Fee on behalf of the Village. This fee will be remitted to the Village and will recover the cost of household garbage and recycling, as well as community-wide special collections and other community-wide garbage program overhead expenses.*
- **Increases in Fees and Charges for Service:** 2.5% (equal to cost of living adjustments for personnel).

Budgeting Methodologies and Fund Balances

- **Revenues:** Village practice has been to conservatively look forward, taking past data and any known future changes into account. Revenues, particularly those beyond the control of the Village, like sales tax and building permits, are budgeted conservatively at average or less-than-average levels. The Village uses its fund balance prudently and only uses fund balance that is in excess of our minimum fund balance requirements, to ensure we maintain sufficient reserves for "rainy days" or for vital projects, such as infrastructure.
- **Expenditures:** Recommendations are conservative—the Village budgets for the norm, and maintains sufficient reserves to handle extraordinary circumstances. Recommendations related to personnel take into account market conditions and comparability, need, workload and cross-training capabilities.
- As seen below in Table 21, historically, the Village's revenues have outpaced expenditures. The deviation seen in Fiscal Year 2018 is due to the drawdown of $4.85 million in bond funds (the second half of a $10 million referendum approved by voters in 2015) and a planned drawdown of reserves in the General Fund, Water Fund and MFT Fund to provide resources for a myriad of community infrastructure improvements and other investments in the Village's operating departments. Absent of these expenditures, the total operating expenditures would have decreased from the Fiscal Year 2017 budget by over $100,000.
- Looking to the future, the Fiscal Year 2018 Long Range Financial Plan indicates that General Fund operating expenditures are likely to outpace revenues, beginning as early as Fiscal Year 2019, growing to a potential operating deficit of over $600,000 by Fiscal Year 2022 (based on current patterns and assumptions).

Table 21. Comparison of Revenues and Expenditures for all Funds



Source: Fiscal Year 2018 Budget

NOTES

Includes revenue and expenditures from bond proceeds

Excludes Pension Funds, Glencoe Golf Club, Foreign Fire Insurance Fund & Agency Fund (Chicago Botanic Garden)

Table 22. Fund Balance Summary (Fiscal Year 2017-2018)

	FISCAL YEAR 2017 PROJECTED					FISCAL YEAR 2018 RECOMMENDED			
FUND	**ACTUAL FUND BALANCE 2/29/2016**	**REVENUE**	**EXPENSE**	**SURPLUS/ (DEFICIT)**	**PROJECTED FUND BALANCE 2/28/2017**	**REVENUE**	**EXPENSE**	**SURPLUS/ (DEFICIT)**	**EXPECTED FUND BALANCE 2/28/2018**
GENERAL	3,985,178	16,244,528	15,655,555	588,973	4,574,151	16,251,144	17,808,377	(1,557,233)	3,016,917
WATER	1,423,612	2,036,917	2,155,822	(118,905)	1,304,707	2,035,425	2,586,043	(550,618)	754,089
GARBAGE	606,918	1,117,046	1,224,931	(107,885)	499,033	1,025,959	1,310,462	(284,503)	214,530
SUB-TOTAL	**6,015,708**	**19,398,491**	**19,036,309**	**362,182**	**6,377,890**	**19,312,528**	**21,704,882**	**(2,392,354)**	**3,985,536**
SPECIAL FUNDS									
MOTOR FUEL TAX	417,147	220,500	56,691	163,809	580,956	211,234	645,368	(434,134)	146,822
E 9-1-1	201,409	147,400	385,184	(237,784)	(36,375)	36,375	-	36,375	(0)
SUB-TOTAL	**618,556**	**367,900**	**441,875**	**(73,975)**	**544,581**	**247,609**	**645,368**	**(397,759)**	**146,822**
CAPITAL/DEBT									
CIP BONDS	4,431,174	5,609,656	5,034,724	574,932	5,006,106	18,405	5,015,239	(4,996,834)	9,272
DEBT SERVICE	137,861	1,604,829	1,583,918	20,911	158,772	2,293,417	2,139,577	153,840	312,612
SUB-TOTAL	**4,569,035**	**7,214,485**	**6,618,642**	**595,843**	**5,164,878**	**2,311,822**	**7,154,816**	**(4,842,994)**	**321,884**
GRAND TOTAL	**11,203,299**	**26,980,876**	**26,096,826**	**884,050**	**12,087,349**	**21,871,959**	**29,505,066**	**(7,633,107)**	**4,454,242**

Pension Obligations

Village employees participate in one of two Illinois statutory pension plans, depending on their position. Pension obligations to employees and eligibility requirements are imposed entirely by State law, but the State provides no resources to the Village to meet those obligations. The pension plans are the Illinois Municipal Retirement Fund and the Police Pension Fund.

Pension Policy

Funding pension obligations is a priority of the Village Board. The growth in the cost of funding pensions has outpaced the ability of property taxes as a sole source of funding due to property tax extension limitation law. Therefore, funding at required levels comes from Village revenues that might otherwise be used for capital improvements or other operating costs.

Illinois Municipal Retirement Fund

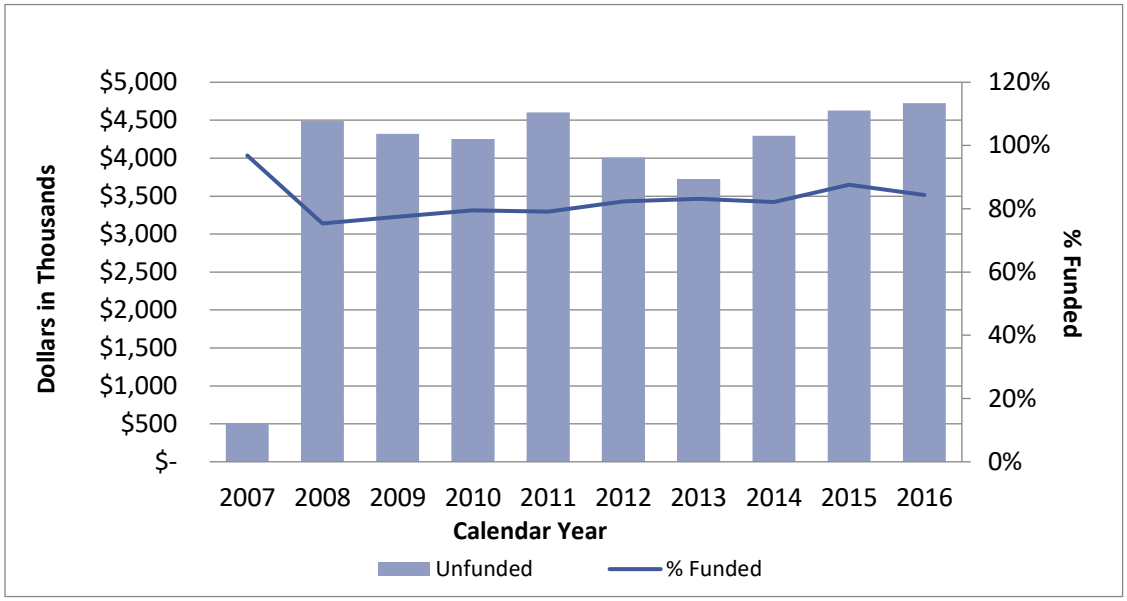
Background

- Village employees (who work more than 1,000 hours per year and are non-sworn employees) participate in the Illinois Municipal Retirement Fund (IMRF).
- Pursuant to State law, employees contribute 4.5% of pay and the Village contributes based upon a rate calculated by IMRF each year. Effective January 1, 2011 a second tier of benefits were created for employees hired after that date. The benefit level for those employees is less than tier one benefits.

Trends

- From the calendar year ending December 31, 2016, IMRF net plan position increased from $32.5 million to $34.3 million. Between 2007 and 2008, the funded ratio decreased from 96.8% to 75.3%. Since year-end 2009, the IMRF plan's funded ratio (for IMRF as a whole, not individual member communities) increased from 77.5% to 84.4%.
- The Village's net pension liability at the end of Fiscal Year 2016 was $4.7 million.
- Since the recession, the Village has funded our liability at approximately 70-80%. During Fiscal Year 2017, the Village contributed $665,364 based on 11.95% of pay, the rate determined by IMRF. Historically, there is movement in the rate paid by the Village. The rate adjusts according to the number of participants, the number of years an employee has participated in IMRF and market conditions.
- Based on the projection of existing trends, IMRF, Social Security and Medicare costs will increase by 3.50% annually over the next 10 years.

Table 23. IMRF Percent Funded (Calendar Year 2007-2016)



Police Pension Fund

Background

- As set forth in State law, police pension funds are local pension funds. This means that the Glencoe Police Pension Fund's membership is limited only to sworn Glencoe Public Safety Department staff and funding comes from employee contributions and contributions made by the Village, as well as investment earnings. The Glencoe Police Pension Fund is managed by the Glencoe Police Pension Fund Board.
- The Police Pension Fund is a defined benefit plan mandated by the State. Beginning January 1, 2011, the State of Illinois established a second tier of benefits for employees hired after that date.
- Pursuant to State law, employees contribute 9.91% of pay. The Village contributes based upon actuarial tax levy estimates from an independent actuary.

Trends

- As of the most recent audit for Fiscal Year 2017, the Police Pension Plan has a total net position of $33.6 million, an increase of $3.5 million or 11.7% from Fiscal Year 2016. Since 2009, the net position of the Police Pension Fund has increased from $16.3 million to $33.6 million, while the unfunded liabilities have increased from $17.9 million to $22.4 million.
- Fiscal Year 2017 was the first year where unfunded liabilities decreased since Fiscal Year 2011.

Table 24. Contribution to Police Pension (Fiscal Year 2008-2017)

- Since Fiscal Year 2008, Village contributions to the Police Pension Fund have been $3.4 million in excess of the annual required contribution (ARC) and have averaged 135.0% of the ARC annually.

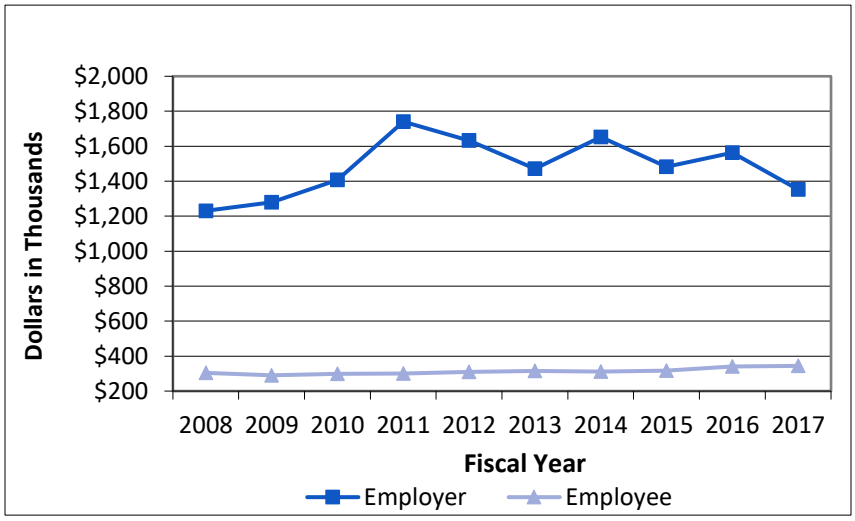
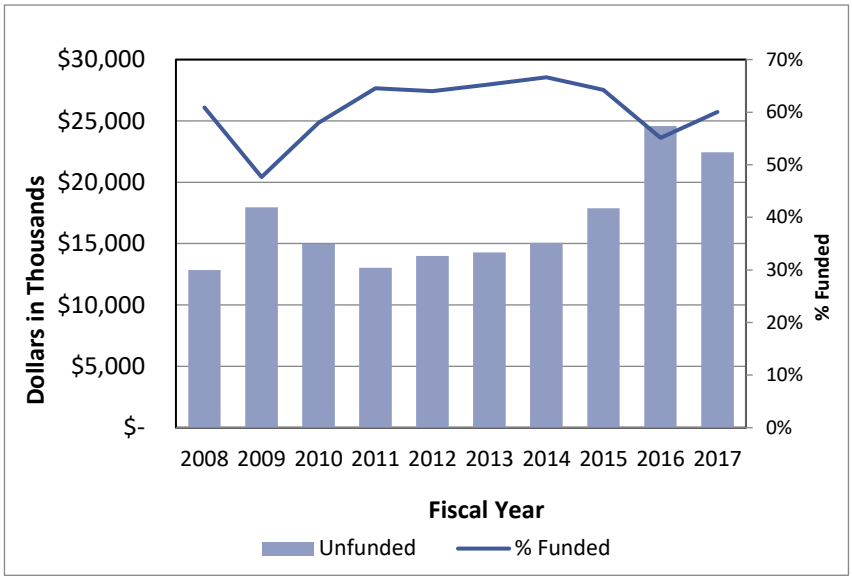


Table 25. Police Pension Percent Funded, Fiscal Year 2008-2017

- During Fiscal Year 2017 the Village contributed 100% of the required annual contribution. This change was based on concerns about potential action by the State that could have adverse impacts on the Village's Police Pension Fund assets and the fact that actuarial assumptions for mortality in recent years have driven required contribution as determined by the State to a sufficient level, no longer requiring the Village to contribute beyond the ARC.



Community Capital and Infrastructure Needs

Full documents summarizing development of the long range 10-Year Community Improvement Program (CIP) that outline all major capital, infrastructure, rolling stock and equipment expenditures planned for the ten year period beginning in Fiscal Year 2018 through Fiscal Year 2027 can be found in Appendix D. An updated CIP is currently under development as part of the Fiscal Year 2019 budget process.

- The CIP includes total projected expenditures of over $37 million. As seen below in Table 26, annual allocations range from a low of $1.9 million in Fiscal Year 2027 to a high of $8.3 million in Fiscal Year 2018.
- As mentioned previously in the Budget Method section, Fiscal Year 2018 spending on CIP projects is being funded by a drawdown of $4.85 million in bond funds (the second half of a $10 million referendum approved by voters in 2015) and a planned drawdown of reserves in the General Fund, Water Fund and MFT Fund.
- Building and grounds improvements, water and sewer system improvements and vehicle replacements represent the largest categories of expenses.

Beyond the 10-Year CIP

While the CIP plans for the maintenance and replacement of Village roadways and bridges, storm sewer and sanitary systems, sidewalk systems, public buildings, vehicles and technology updates, there are notable Village assets that are not included in the CIP such as the Glencoe Water Plant, the Glencoe Golf Clubhouse and the Public Works facility on Hazel Avenue. Planning for the future of these assets will also have major financial impacts on the Village.

Table 26. Capital Plan Spending Summary (Fiscal Year 2018-2027)

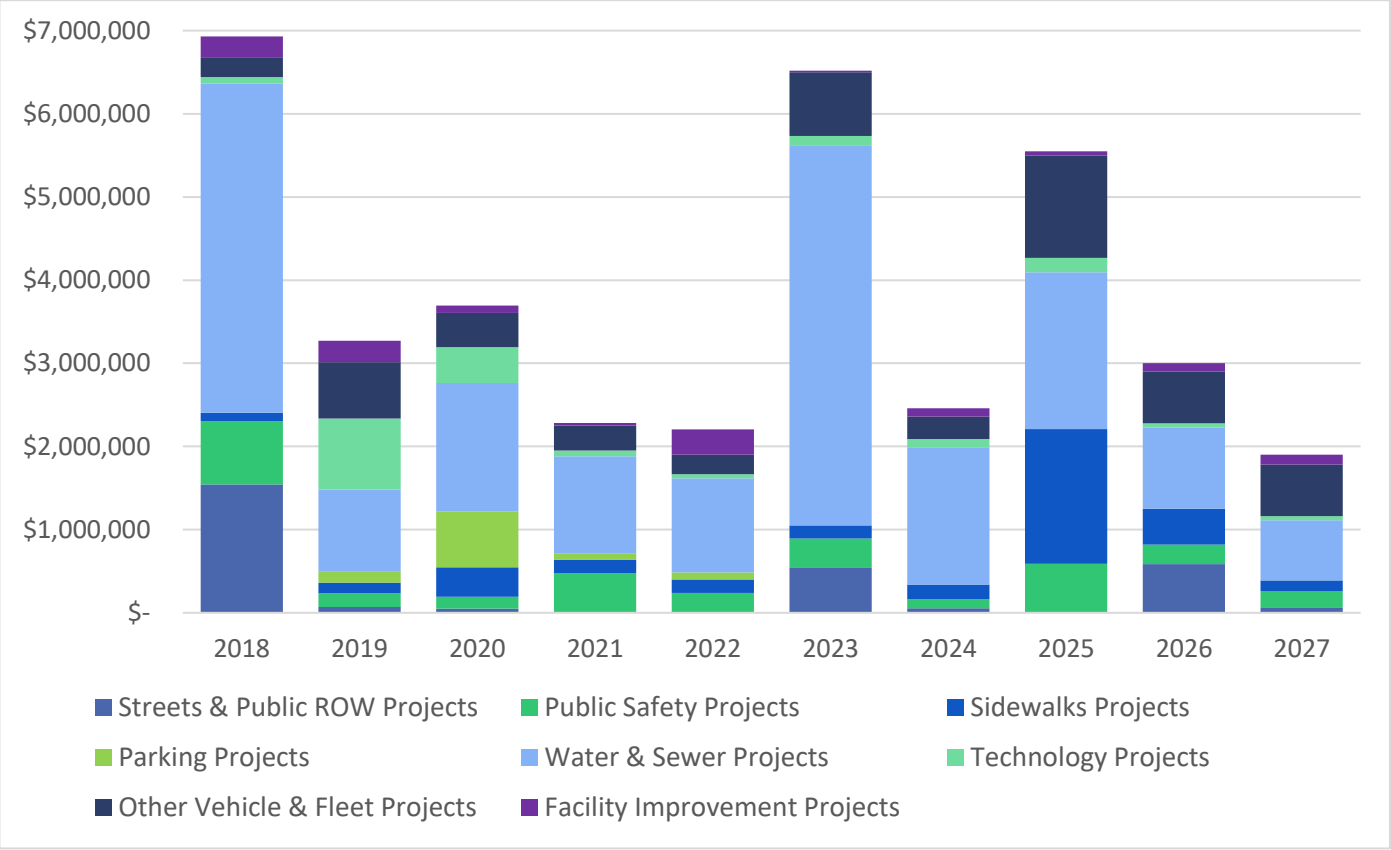


Table 27. Capital Plan Spending Summary by Project Group (Fiscal Year 2018-2027)

Group	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Streets & Public ROW Projects	$1,541,700	$71,200	$50,000	$0	$0	$537,300	$55,150	$0	$587,100	$58,525	$2,900,975
Public Safety Projects	$762,500	$163,000	$141,000	$477,000	$239,000	$354,000	$108,000	$590,000	$234,000	$203,000	$3,271,500
Sidewalks Projects	$100,000	$128,000	$355,350	$160,906	$159,880	$158,105	$176,155	$1,619,490	$430,965	$126,600	$3,415,451
Parking Projects	$0	$130,000	$675,000	$80,000	$85,000	$0	$0	$0	$0	$0	$970,000
Water & Sewer Projects	$3,958,400	$989,300	$1,542,800	$1,162,600	$1,130,800	$4,566,100	$1,651,000	$1,884,200	$974,500	$723,200	$18,582,900
Technology Projects	$77,500	$855,000	$430,000	$70,000	$50,000	$117,500	$100,000	$175,000	$50,000	$50,000	$1,975,000
Other Vehicle & Fleet Projects	$240,000	$677,100	$411,000	$301,200	$237,300	$766,500	$270,600	$1,228,600	$626,500	$621,659	$5,380,459
Facility Improvement Projects	$249,000	$255,800	$90,000	$30,000	$302,000	$20,000	$100,000	$50,000	$100,000	$120,000	$1,316,800
	$6,929,100	**$3,269,400**	**$3,695,150**	**$2,281,706**	**$2,203,980**	**$6,519,505**	**$2,460,905**	**$5,547,290**	**$3,003,065**	**$1,902,984**	**$37,813,085**

To the extent possible, the Village has routinized planned spending on capital projects based on data, as informed by recent studies, conducted both in-house and by consultants. Recent studies include:

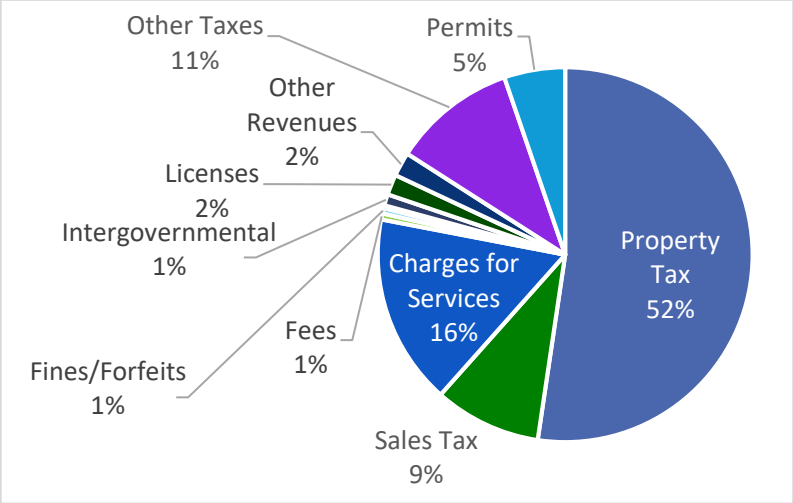
- ***IMS Study*** – Scientific evaluation of pavement condition on roadways; Data was used – along with observational data and maintenance history – to help plan future road improvement projects (resurfacing, etc.).
- ***Water Plant Engineering Feasibility Study*** – Engineering analysis of potential options to rehabilitate, rebuild and/or relocate the water plant; engineering evaluation of infrastructure needs to purchase water from another community.
- ***Water Distribution System Study*** – Engineering study of the condition of the water distribution system and recommended prioritization of infrastructure improvement in the distribution system (water mains, water tower, etc.). Using this data along with maintenance history to plan infrastructure improvement projects.
- ***Water Rate Study*** – Study of our existing water rate and potential future water rate structures, with the goals of understanding how the rate can support water conservation efforts and be used as a funding mechanism for distribution infrastructure improvements.
- ***IT Needs Analysis*** – Evaluation of our current IT environment (hardware, software and policies) compared to industry best practices, provided recommendations to close the gap between current and best practices as applicable. Using this information to prioritize IT infrastructure purchases, policy development, etc.
- ***ERP Needs Analysis*** – Evaluation of how we currently use the ERP compared to industry best practices/systems available in the marketplace today. Outgrowth of this process was the ERP RFP development and issuance.

Revenue Source Trends

The following sections briefly summarize trends and comparisons of the Village's major sources of revenues. As seen from the table at right, the vast majority of the Village's revenues are based on property taxes, sales taxes, charges for services and permits.

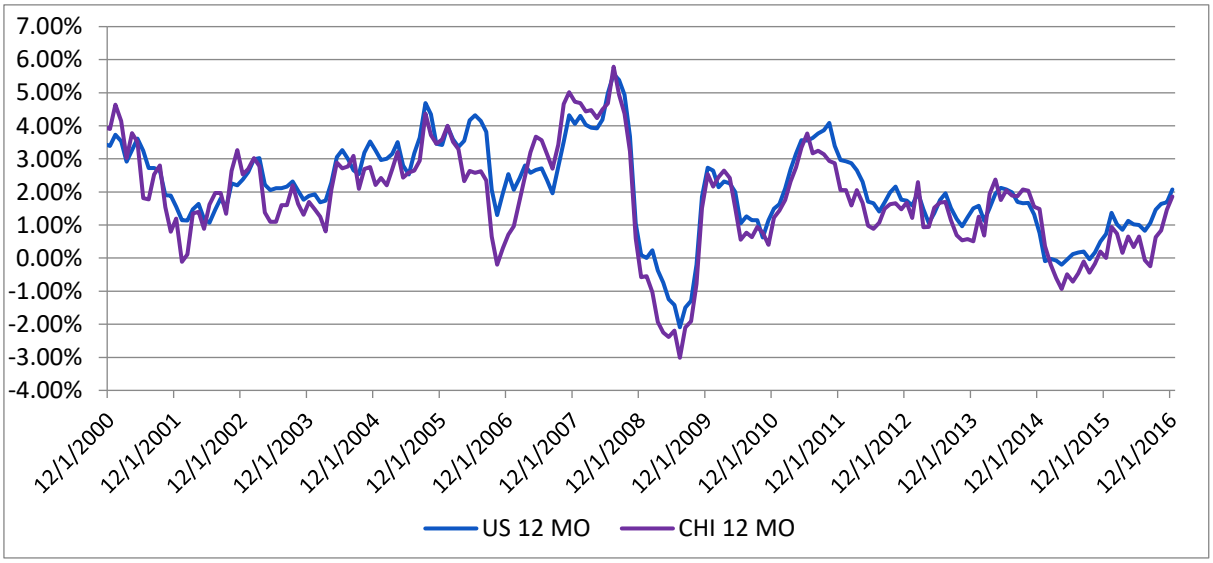
Property Tax Comparisons

Table 28. Fiscal Year 2018 Revenue Budget



- In any given year, property tax collections account for not less (and often more) than 46% of the General Fund budget and are the most predictable source of revenue, with annual increase projections heavily based on the annual change in the United States Consumer Price Index (US CPI-U-All Items).
- Note that approximately 6% of all revenues come from State shared taxes (the Illinois Income Tax, Use Tax, Personal Property Replacement Tax and Motor Fuel Tax Allotments) which are accounted for in various categories in Table 28 above.
- The average annual increase in CPI for tax increases has been 1.54% since 2011. Cost of living adjustments during the same period have averaged 2.17% for non-union employees, 2.07% for AFSCME employees and 2.3% for FOP employees, underscoring the limited growth of the Village's largest revenue source against the growing cost of personnel, the Village's largest expenditure.

Table 29. 12 Month Rolling Change in US & Chicago CPI-U through December 2016



- As indicated in Table 30, on the next page, the Village's share of property taxes is approximately 15%, as compared to School District #35's share of 36% and High School District #203's share of 24% (education total is 63%). At its peak, the Village's portion of the typical property tax bill approached 25%.

- The Village's property tax rate is compared to similarly situated communities in Table 31, on the next page. While difficult to compare due to varying jurisdictions and differences in funds, Glencoe's direct property tax rate and total share of property taxes assessed falls in line with the average rates and shares of total rates assessed by similar communities.

Table 30. Property Tax Breakdown (2015 Tax Levy Year)

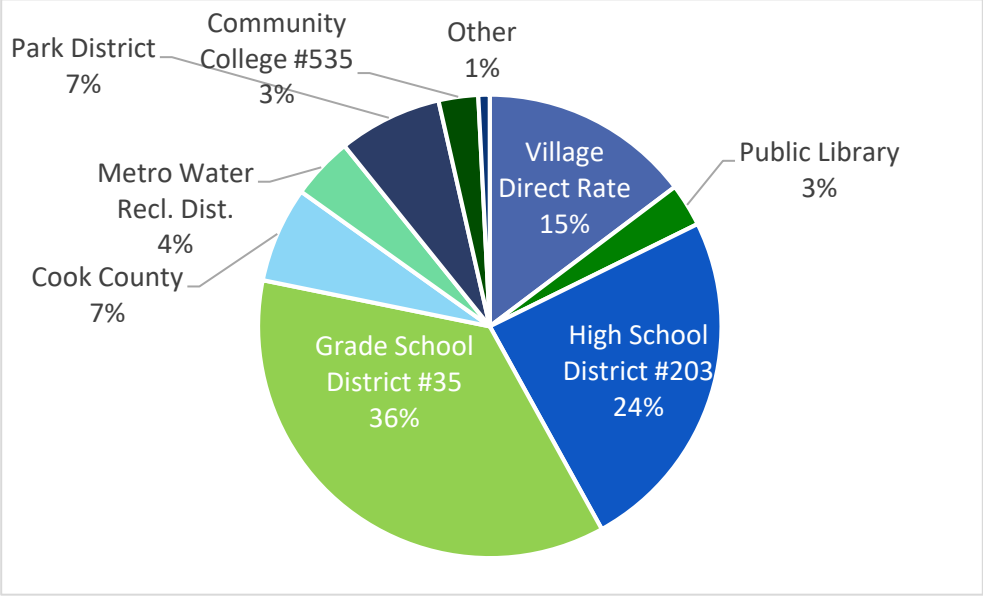


Table 31. Property Tax Rate Comparison (2015 Tax Levy Year)

COMMUNITIES	Fiscal Year	Tax Levy Year	Direct Tax Rate	Total Tax Rate (including direct and overlapping)	Village/City's share of total tax rate
Lake Forest	May 1 - April 30	2015	1.279	5.523	23.2%
Winnetka	Jan 1 - Dec 31	2015	1.836	7.829	23.4%
Kenilworth	Jan 1 – Dec 31	2015	1.679	10.031	16.7%
Glencoe	Mar 1 - Feb 28	2015	1.445	9.815	14.7%
Wilmette	Jan 1 - Dec 31	2015	1.015	8.964	11.3%
Northfield	May 1 - April 30	2015	0.869	8.695	10.0%
Highland Park	Jan 1 - Dec 31	2015	0.749	7.995	9.4%
Skokie	May 1 - April 30	2015	0.748	8.578	8.7%
Northbrook	May 1 - April 30	2015	0.676	34.147	2.0%

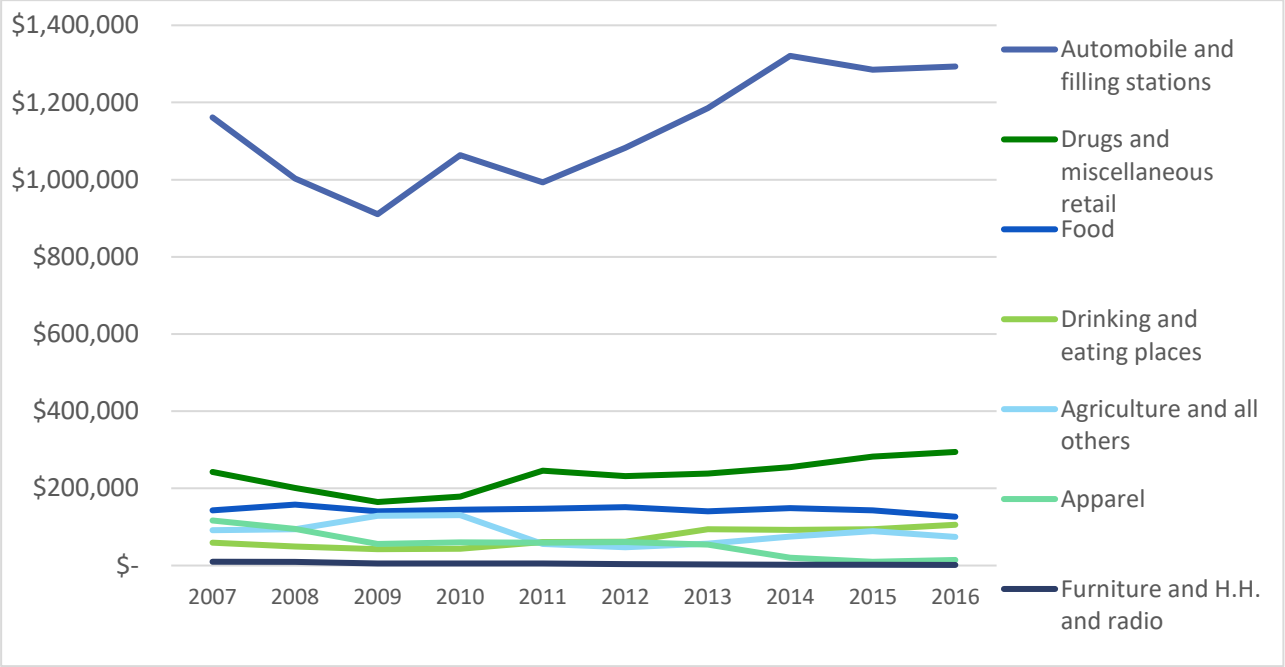
NOTES

Lake Bluff - Due to overlapping jurisdictions, not all village residents are assessed taxes from all government categories.
Deerfield - General fund property tax revenue was transferred to the Infrastructure Replacement Fund in 2016 to help fund an expanded three year CIP. Previously, property tax revenue was approximately 10% of General Fund Revenue.

Sales Tax Revenues

- The Village collects a 1% sales tax rate on all sales that take place within the Village's corporate limits. These are collected by retailers, remitted to the State who in turn remit resources back to Glencoe. The Village could, through referendum, levy an additional sales tax but that tax could not be levied on vehicle or prescription drug sales.
- Total sales tax revenue has remained relatively stable over the past 10 years, with a 10-year median revenue of approximately $1.7 million. In that time, the lowest total revenue was approximately $1.45 million during the recession in 2009. To date, sales tax revenue is maintaining at levels seen prior to the economic downturn. This source of revenue, while relatively stable and growing in this period, is also volatile as it is subject to a variety of factors outside of the Village's control.
- As seen in Table 32, *Automobile and filling stations* (which includes auto dealerships as well as filling stations) is the highest source of sales tax revenue. This category experienced marked growth between 2011 and 2014 and revenues are now exceeding pre-recession levels. And as seen from Table 33, the Village is much more reliant on this category for revenue than other surrounding communities.

Table 32. Top Sales Tax Revenue Generators by Categories (2007-2016)

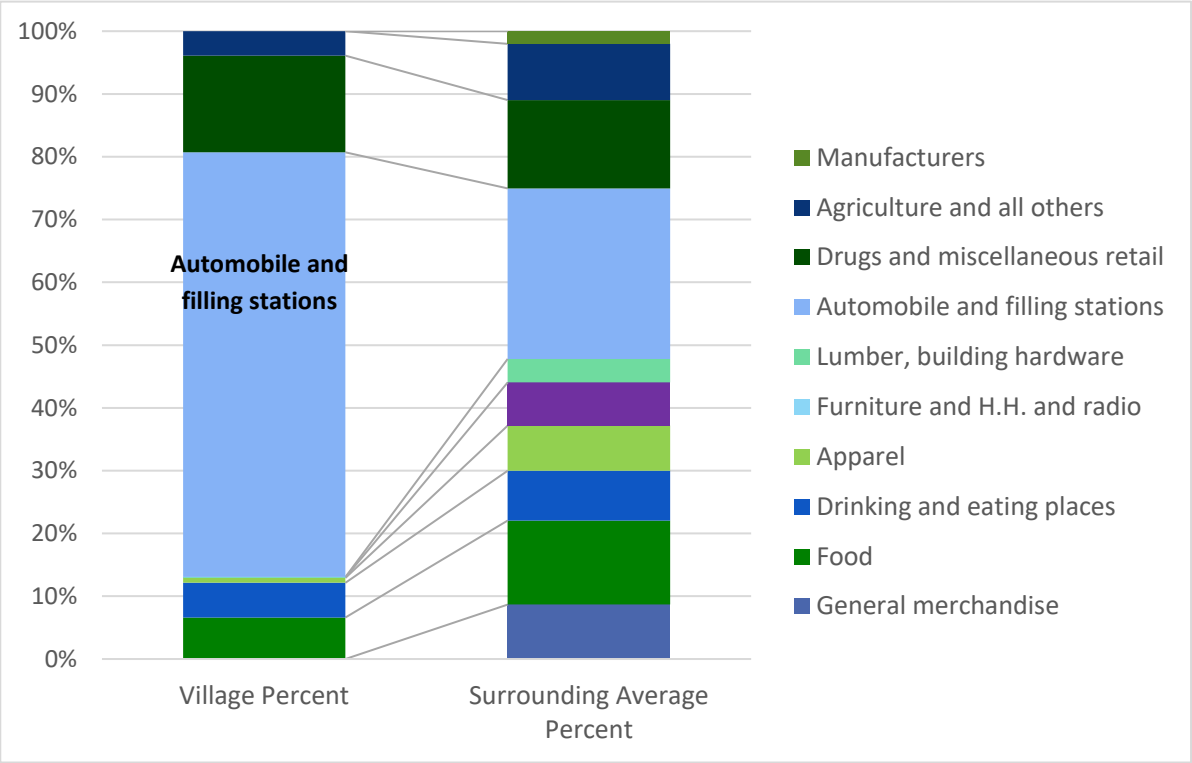


Source: Illinois Department of Revenue, as of February 28, 2017 (Unaudited)

NOTES

Two categories, Lumber, building hardware and Manufacturers generate limited revenue and are not graphed.

Table 33. Sales Tax Percent of Revenue by Category Compared to Surrounding Communities, Fiscal Year 2017



Source: Illinois Department of Revenue, as of February 28, 2017 (Unaudited)

NOTES

Includes sales tax from Highland Park, Kenilworth, Northbrook, Northfield, Wilmette and Winnetka.

Building Permit Revenues

This section summarizes various building permits metrics, both in terms of revenue generated for the Village and total construction value, which are generally categorized into residential single-family, residential multi-family, commercial and public buildings.

- The Village is 3.78 square miles, and is completely built out, comprised of primarily single-family residential homes. There are three commercial areas, with the largest and most active being the downtown business district.
- Building permits are paid by residents/contractors who are building or upgrading homes or places of business. Single-family permits continue to be the largest source of permit revenue for the Village. Commercial building permit revenue is often negligible on average.
- New construction permit fees are based on FAR (Floor Area Ratio), and is calculated at $6.20 multiplied by the gross square feet of FAR. Home renovations and additions are based on the construction cost submitted by the contractor, and our fee is 3% of the construction cost estimate.
- The Village does not generate revenue in excess of reimbursement of outside consultants for improvements to buildings or structures that are considered "eleemosynary" uses. These include such buildings as Writers Theatre, Skokie Country Club, and various improvements to parks or houses of worship.
- As seen in Table 34, on the next page, the Village experienced its highest revenues from building permits pre-recession and we have not yet returned to those same levels. Also, there was a secondary peak in revenue from 2014 to 2016 (likely due to a glut of work that did not take place during the recession years), but this peak trended back down in recent years. The trends from Table 34 are mirrored in Table 35 which shows single-family demolition permits in the same period.
- Table 36, on page 49, illustrates that the highest areas of construction values for single-family homes was for new construction, followed by miscellaneous and single family additions.

Building Permit Revenues

Due to renovations and a stream of residential demolitions and replacements, in any given year, revenue from building permits accounts for approximately 6% of the General Fund budget (practice has been to set this revenue at the five-year average). Permits overall accounted for 5.26% of all revenues in the Fiscal Year 2018 Budget.

Table 34. Building Permit Revenue Trend- All categories (1994-2017)

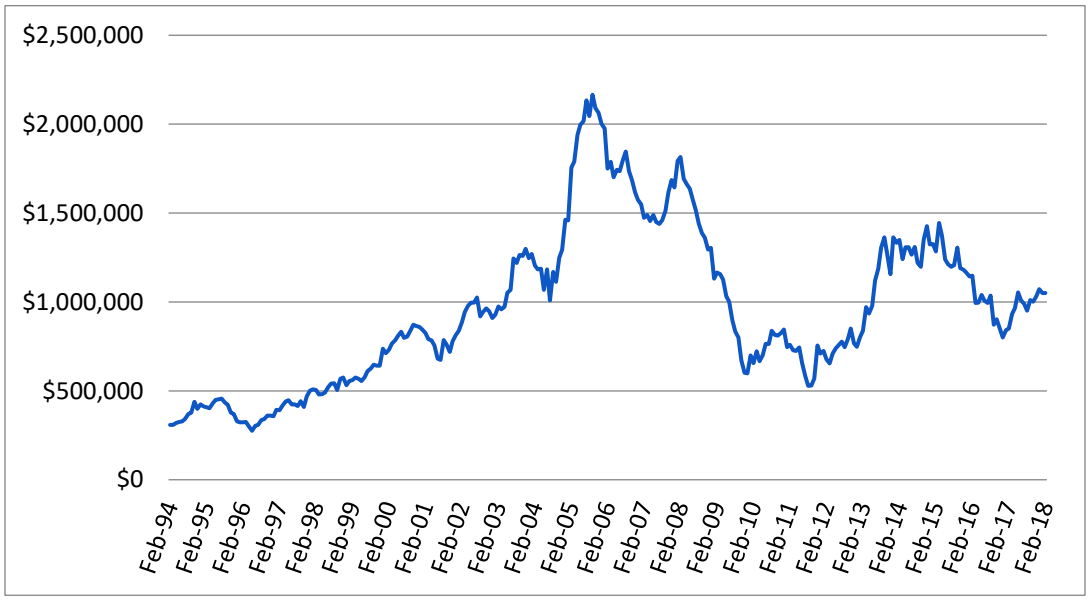


Table 35. Single Family Demolition Permits, 1994-2017

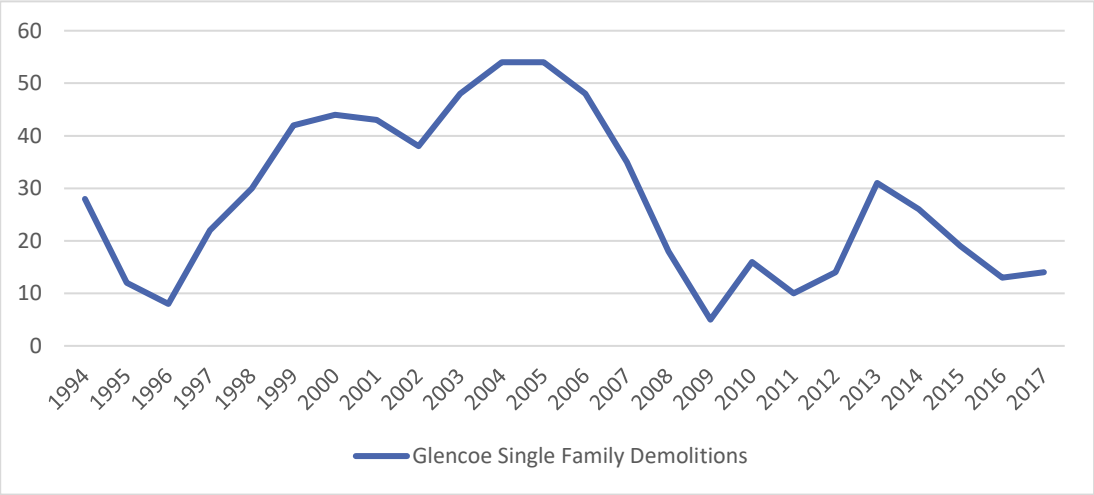
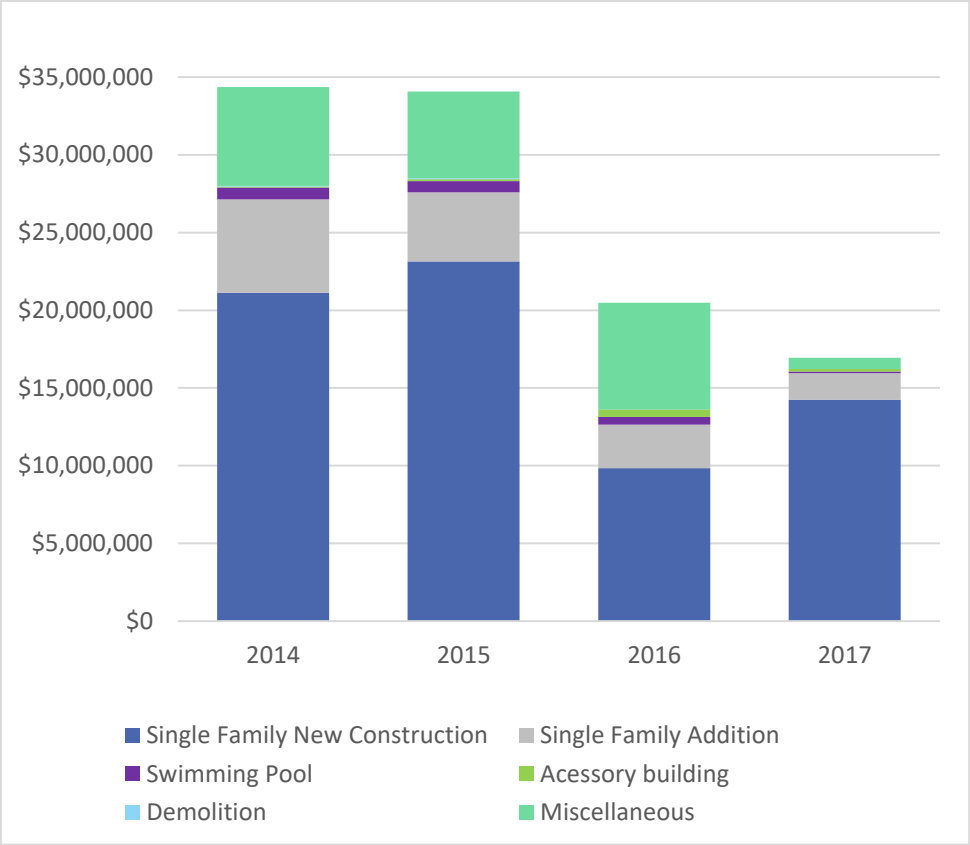


Table 36. Single Family Construction Value by Permit Type, 2014 – Year-to-Date 2017



NOTES

Miscellaneous category includes: AC condenser, deck, driveway resurfacing, electrical service upgrade, elevator, fencing, arbor or pergola, generator, general plumbing, electrical or HVAC, remodeling (interior only), roofing replacement, shed, signage, underground oil tank removal

Age of Housing Stock

- One indicator that has the potential to impact building permit revenue is the age of the housing stock. While longitudinal data of the age of the housing stock was not available, Table 37 below details the age of the housing stock as of the 2015 Census estimate.
- As seen in Table 37, the bulk of homes in Glencoe – over 60% – were built prior to 1959, which means that as of 2015 over 2,050 homes are nearing approximately 60 years of age or more with 1,061 of those homes nearing approximately 75 years of age or more.
- Presuming that a home is not protected as a landmark, this is a large stock of homes that may be in need of potential upgrades, or potential demolition and reconstruction even after taking into account the peak in single-family home demolitions that occurred from 2004-2006.

Table 37. Age of Housing Stock

	2015 Census Estimate	Percent
Built 2014 or later	0	0.00%
Built 2010 to 2013	17	0.52%
Built 2000 to 2009	473	14.39%
Built 1990 to 1999	236	7.18%
Built 1980 to 1989	164	4.99%
Built 1970 to 1979	91	2.77%
Built 1960 to 1969	254	7.73%
Built 1950 to 1959	802	24.41%
Built 1940 to 1949	188	5.72%
Built 1939 or earlier	1,061	32.29%
Total housing units	**3,286**	**3,286**

Source: American FactFinder, www.factfinder.census.gov

NOTE: *The Village maintains records of the age of the housing stock in a non-digital format, and is working to digitize these records in the future.*

Non-Home Rule Impacts

Home Rule Overview

- Home rule powers were established in the 1970 Illinois Constitution, prior to which all local governments were bound by State statute when making decisions on local affairs, which is known as Dillon's Rule. Home rule reverses Dillon's Rule and allows home rule local governments to make decisions that will prevail over State law.
- According to the Illinois Constitution home rule entities *"may exercise any power and perform any function pertaining to its government and affairs including but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; to license; to tax; and to incur debt."*
- In order to become home rule, a local municipality's population must be 25,000 or more or it must be approved by the municipality's residents via referendum. Home rule may also be rescinded by referendum.
- In recent years, the Village has encountered multiple instances where State statute is not keeping pace with emerging trends that could be addressed by local legislation. When the State is silent on an emerging trend (e.g. regulation of short-term rentals), the Village is often limited in the nature and extent of legislation which it may adopt. Or, when State statute specifically delegates authority to home rule municipalities (e.g.. zoning of medical marijuana dispensaries), non-home rule municipalities lack the ability to implement local legislation. Instead, the Village may find work-arounds to address an issue through other means which often results in increased demand for legal services. Additionally, the Village continues to budget conservatively, due in large part to not having the ability to fully control many of our own revenue streams. To this point, Table 38 and Table 39 summarize the various regulatory and financial impacts of being a non-home rule community.

Past Home Rule Initiatives in Glencoe

A home rule ballot referendum was defeated in 1988 and a Home Rule Task Force was formed in 2005 but did not result in Village Board action. More recently, the topic of home rule was brought to the Village Board in 2015, again not resulting in any action. Read the 2015 Home Rule Memo in Appendix E.

Table 38. Regulatory Impacts of Being Non-Home Rule

IMPACT	LIMITATIONS OF BEING NON-HOME RULE
Local Ordinances	Unable to regulate various activities that protect the public health, safety, morals and welfare of the community. Examples of topics include: *Short-term rentals (e.g. Airbnb)* *Peer ridesharing (i.e. Uber, Lyft)* *Vicious dog regulations* *Shoreline construction* *Smoking age* *Minimum wage*
Local Adjudication	Decisions of Village's adjudication system (if the Village operates one) would not be binding; limited to adjudication of local ordinances, and cannot adjudicate building code and traffic moving violations.
Zoning	Zoning authority over other governmental bodies (i.e. Library, Park District, etc.) is limited; must complete formal review processes dictated by the State for zoning variances (cannot create own informal process to expedite review).

Licensing	Limited to licensing specific trades authorized by the State, not including general contractors.
Unfunded Mandates	Limited in the way the Village can capture funds to pay for unfunded mandates (i.e. fees).
Intergovernmental Agreements (IGAs)	Powers of home rule communities in an IGA with the Village cannot transfer to the Village thereby limiting potential shared service opportunities (i.e. another community couldn't adjudicate building code violations for the Village).
Public Safety Officer (PSO) Recruitment Process	The Village is not able to create a lateral entry hiring process (i.e. waiving certain examination elements) for PSO applicants who are already sworn law enforcement officers in another jurisdiction.

Table 39. Financial Impacts of Being Non-Home Rule

IMPACT	LIMITATIONS OF BEING NON-HOME RULE
Property Tax	The Village's property tax rate cannot be raised beyond the lesser of 5% or the increase in the national CPI for the preceding levy year per the Property Tax Extension Law Limit (PTELL) and a referendum would be necessary in order to increase it.
Sales Tax	The Village has the ability to impose a sales tax rate increase in quarter percent increments with a maximum rate increase limit of 1%. With home rule status, the Village would also have the ability to impose sales tax increases in quarter percent increments but would not be subjected to a rate increase maximum.
Food and Beverage Tax	Cannot impose a food and beverage tax above and beyond the sales tax authorized by the State.
Real Estate Transfer Tax	Cannot impose a real estate transfer tax on either the buyer or seller of a property in Glencoe.
Motor Fuel Tax	Cannot adopt a local motor fuel tax above and beyond the tax imposed by the State and County.
Amusement Tax	It is unclear if a non-home rule community can impose a tax on admission fees or ticket sales for amusement events (including theatre shows, art galleries, etc.).
Demolition Tax	Cannot asses a demolition tax, sometimes used to offset external costs of the demolition as well as any effect on affordable housing.
Hotel/Motel Tax	Tax rate limited to 5% and any revenue is limited to promotion of overnight tourism.
Impact Fees	Cannot assess impact fees for new residential or commercial developments, or land donation in lieu of fees, to offset the cost of building new public infrastructure on the development.
Economic Development	Village is limited in our borrowing ability to help finance major economic development incentives (i.e. a substantial sales tax rebate). We also cannot negotiate land use and development agreements as effectively as home rule municipalities.

Shared Service Opportunities

Being mindful of limited resources and the power of joint service provision and purchasing opportunities, the Village participates in multiple shared service programs and joint purchasing programs, as summarized below.

Table 40. Current Local Shared Service Programs

PROGRAM	PROGRAM DESCRIPTION
Glencoe Community Partnerships	
Park District/Public Works Shared Services	The Village and the Park District have multiple shared service agreements including fleet service, tree maintenance, gardening and GIS. In aggregate, the combined savings equal approximately $180,000.
Glencoe Library /Village of Glencoe	The Glencoe Library utilizes the Village's financial software and participates in the Village's health insurance.
Regional Partnerships	
GIS Consortium	The Village is a founding member of the GIS Consortium, which was created as a means for municipalities to jointly purchase and share GIS resources, rather than purchasing individual GIS systems and employing (or contracting with) GIS specialists.
Solid Waste Agency of Northern Cook County (SWANCC)	The Village is a founding member of SWANCC, which is an intergovernmental agency that provides solid waste management services, programs and resource materials for member communities.
Mutual Aid Box Alarm System (MABAS)	MABAS provides additional support and specialized teams for fire operations. MABAS Division 3 communities utilize automatic first response where the closest station responds when an incident occurs. Such automatic aid responses ignore geo-political boundaries between communities in the best interest of citizen service and cost effectiveness.
Northern Illinois Police Alarm System (NIPAS)	NIPAS provides additional support and specialized teams for emergency police operations, such as hostage/barricade incidents, high-risk warrant service, major crime scene searches, search and rescue missions, dignitary protection, civil disorder, crowd control and other Public Safety emergencies.
North Regional Major Crimes Task Force (NORTAF)	NORTAF provides additional support and specialized teams for the investigation of homicides and non-parental kidnappings, investigation of serial burglary crime patterns, and support and specialized resources for investigating fatal and severe injury motor vehicle crashes.
Intergovernmental Risk Management Agency (IRMA)	IRMA is a risk management pool that provides coverage for general liability, automobile liability, property/casualty and workers' compensation, as well as optional additional types of coverage which members may select.
Intergovernmental Personnel Benefits Cooperative (IPBC)	The IPBC is a health insurance risk pool that enables members to purchase health insurance as a pool, rather than as an individual member. It offers members the opportunity to select benefit carriers, plan offerings and plan design, while pooling certain claim expenses.

Table 41. Current Regional Joint Purchasing Programs

JOINT PURCHASING COOPERATIVE	PROGRAM DESCRIPTION
Illinois Department of Central Management Services Joint Purchasing Program	The State of Illinois competitively bids products which are often used by State agencies and municipalities, such as rock salt, vehicles, office supplies and equipment.
Suburban Purchasing Cooperative (SPC)	Regional joint purchasing consortium facilitated by the Northwest Municipal Conference. The SPC issues bids for products and services commonly used by municipalities and offers municipalities the opportunity to use these bids in lieu of issuing individual RFBs, while conforming to competitive bid requirements.
National Joint Powers Alliance (NJPA)	National joint purchasing consortium based in Minnesota. The NJPA issues competitive bids for products commonly used by municipalities and offers municipalities the opportunity to use these bids in lieu of issuing individual RFBs. Often, NJPA contacts provide fixed line item pricing or fixed discounts (from list price), which allows individual municipalities to make customized selections.
Municipal Partnering Initiative (MPI)	A regional joint purchasing effort that began organically with municipalities in northern Cook County and southern Lake County to jointly purchase goods and services, in efforts to reduce redundant purchasing processes among municipalities and take advantage of economies of scale by purchasing larger quantities of goods or services.
IT Supplemental Staffing	The Village issued a request for proposals for supplemental IT staffing services and explored opportunities to partner with other municipalities. The Village entered into an intergovernmental agreement with the Villages of Cary and Libertyville, which allowed the Village to utilize Cary's existing IT staffing services contract at a substantially lower cost than purchasing the services alone.

Communications

The Village launched a new website in March 2017, and since that time has also implemented a newly drafted Communications Plan, which established clear policies and processes for communicating timely, accurate and useful information to all audiences in a clear, consistent and professional manner. The metrics below show engagement with the Village's various online communication tools including the website, Glencoe CONNECT (powered by Everbridge), Village eNews (powered by MailChimp), Facebook, Twitter and NextDoor.

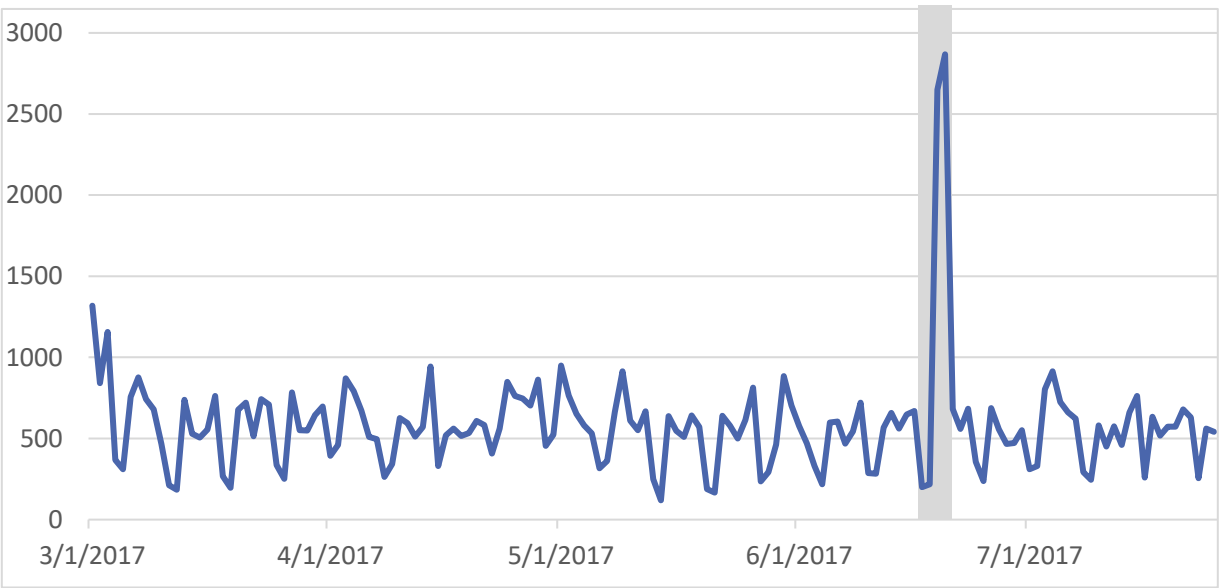
Website

- The new Village website, launched March 1, is now being used as an interactive tool for the Village to communicate with residents and vice versa. The median number of total unique visits a day is over 567, with a range of 119 to 2,868. Highlighted in Table 42, below, are the dates surrounding the precautionary boil order in June 2017.
- When looking at page views on Village eNews Fridays, the median number of unique views jumps to 708, with a range from 623 to 943, which illustrates a successful push of residents from eNews to the website for more information.
- The top 15 most viewed pages are listed at right. Note that Google Analytics does not track the number of views to ancillary pages such as Accela, which hosts Village Board meeting agendas and minutes, or ESRI which hosts the Village's GIS-enabled Community Portal.

Top 15 Webpages

1. Homepage
2. Employment
3. Payment Center
4. Boil Order Notice
5. Special Events
6. Garbage Collection
7. 2017 Construction Projects
8. Building & Zoning
9. Public Works Main
10. Public Safety Main
11. Events Calendar
12. Building Permits
13. Departments Main
14. Glencoe CONNECT/eNews
15. Government Main

Table 42. Total Unique Pageviews to All Website Pages – March 2017-July 2017



Village Manager's Blog

In conjunction with the launch of the new website in March, the Village Manager's Office also began publishing a series of blogs to share information in a more editorialized, informal manner. The top five most popular Village Manager's Blogs, and average time spent reading the blogs, are listed below.

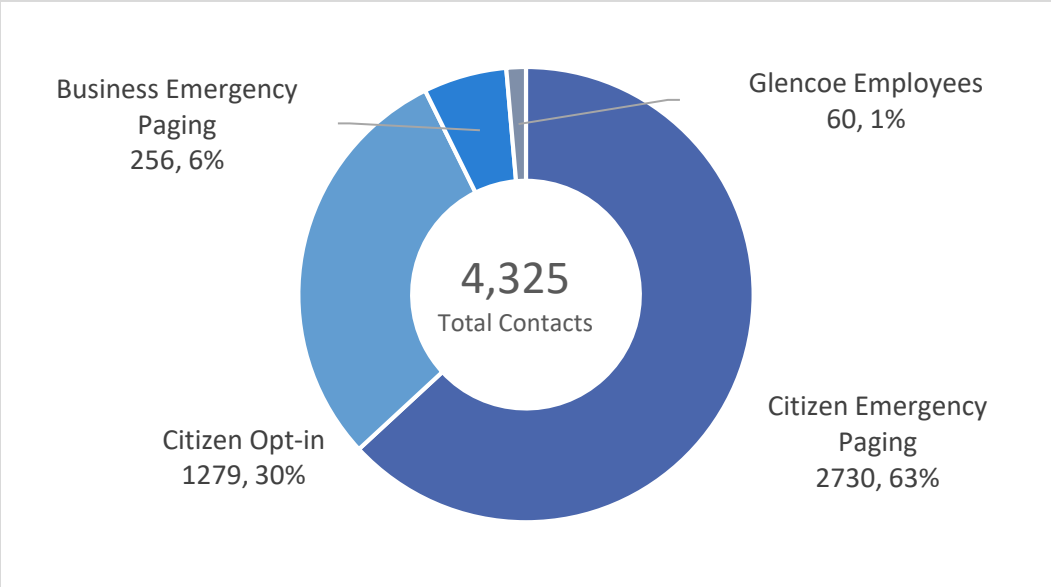
Table 43. Blogs with the Highest Unique Pageviews (Updated September 2017)

BLOG TITLE	Unique Pageviews	Avg. Time on Page (Minutes)
Three Steps to Select Services for the New Garbage Collection Program	435	3:01
Top 10 Things to Explore on the New Website	224	1:34
Trash Talks Underway with LRS	255	2:40
Emergency Dispatch Consolidation	194	2:03
Sesquicentennial Call for Volunteers	189	2:39
Share the Road - Bicyclist Safety Pedestrian Safety	163	1:55

Glencoe CONNECT

- Glencoe CONNECT, the Village's emergency notification system, was launched in 2014 and is used to communicate urgent information as well as general service updates (i.e. construction notices) to residents.
- The importance of encouraging residents to opt-in and to provide e-mail and cell phone information became even more evident in the aftermath of the precautionary boil order notice issued in June 2017. As seen in Table 44 below, only 30% of all current Glencoe CONNECT contacts, or 47% of residential contacts, are Citizen Opt-ins. The balance of contacts were created through Citizen Emergency Paging, or reverse 911, landline phone number information. This landline data becomes less reliable as more residents move toward only having cell phones in their homes and as phone companies, such as AT&T, are taking initial steps toward abandoning old landline technologies.

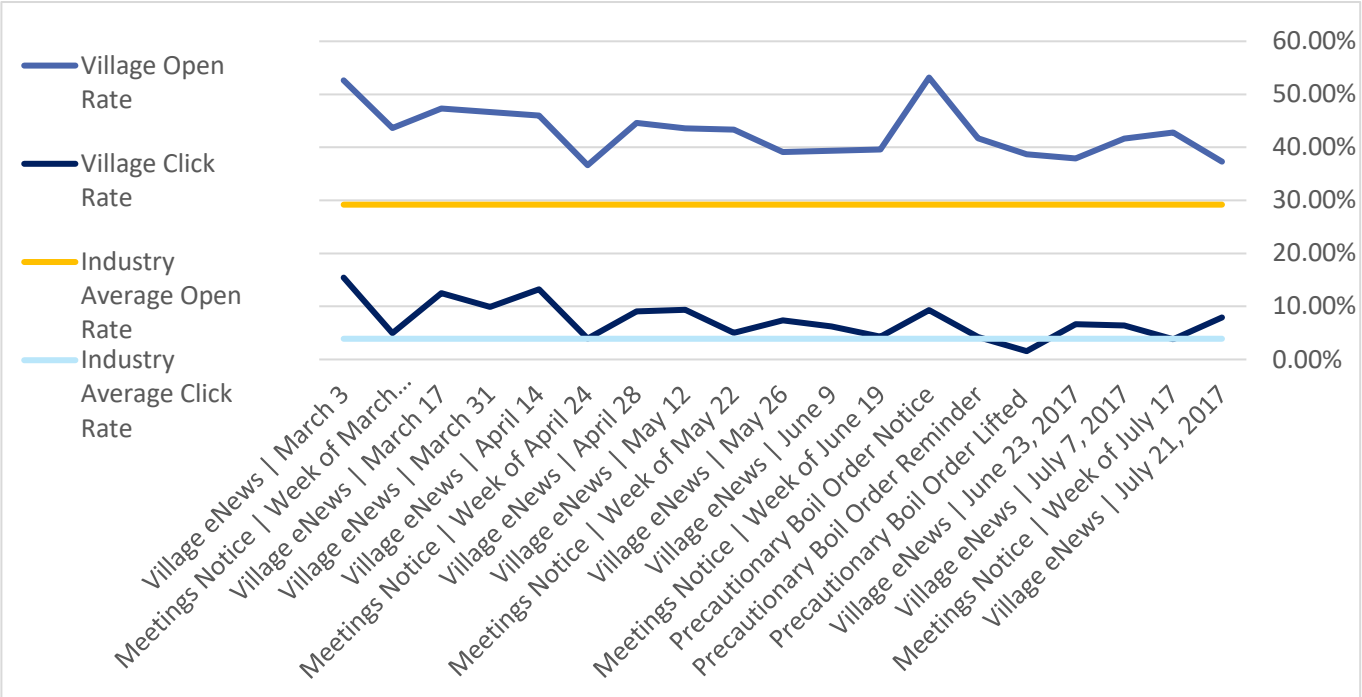
Table 44. Glencoe CONNECT Record Types, July 2017



Village eNews

- The Village began sending a bi-weekly Village eNews in conjunction with the launch of the new website, using MailChimp. Over 2,900 e-mail addresses were loaded into MailChimp in March (pulling from various existing e-mail databases throughout Village departments), with a total of 2,665 remaining as of July (MailChimp automatically cleans the list and residents can subscribe/unsubscribe online). The Village also uses the MailChimp e-mail database to send a Meetings Notice on Village eNews off-weeks as needed.
- As seen from Table 45 below, while the overall open rates and click rates of the various campaigns has trended down since March, both rates are trending above industry standards for government organizations.

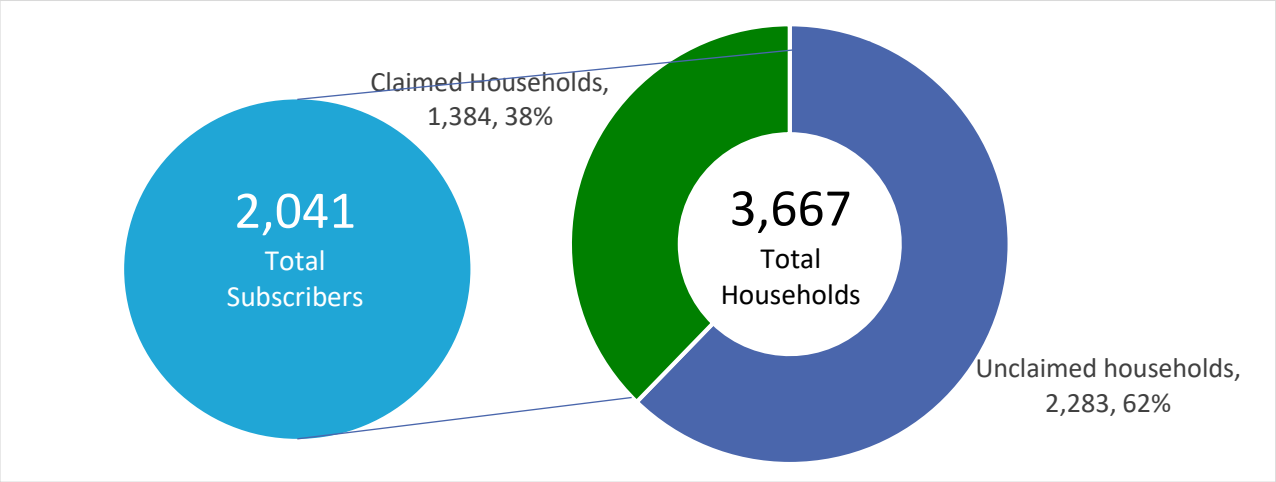
Table 45. Village eNews & Meetings Notice Campaign Performance, July-March 2017



NextDoor

- The Village uses NextDoor in a manner similar to Glencoe CONNECT, focusing on notifying residents of general service information as well as upcoming community events.
- As seen from Table 46, on the next page, 38% of Glencoe households are on NextDoor, with over 2,041 unique contacts. When reviewing the table, note that each claimed household (shown on the right) may have more than one subscriber (shown on the left), as more than one individual from each individual household can subscribe (i.e. a husband and wife both subscribe).

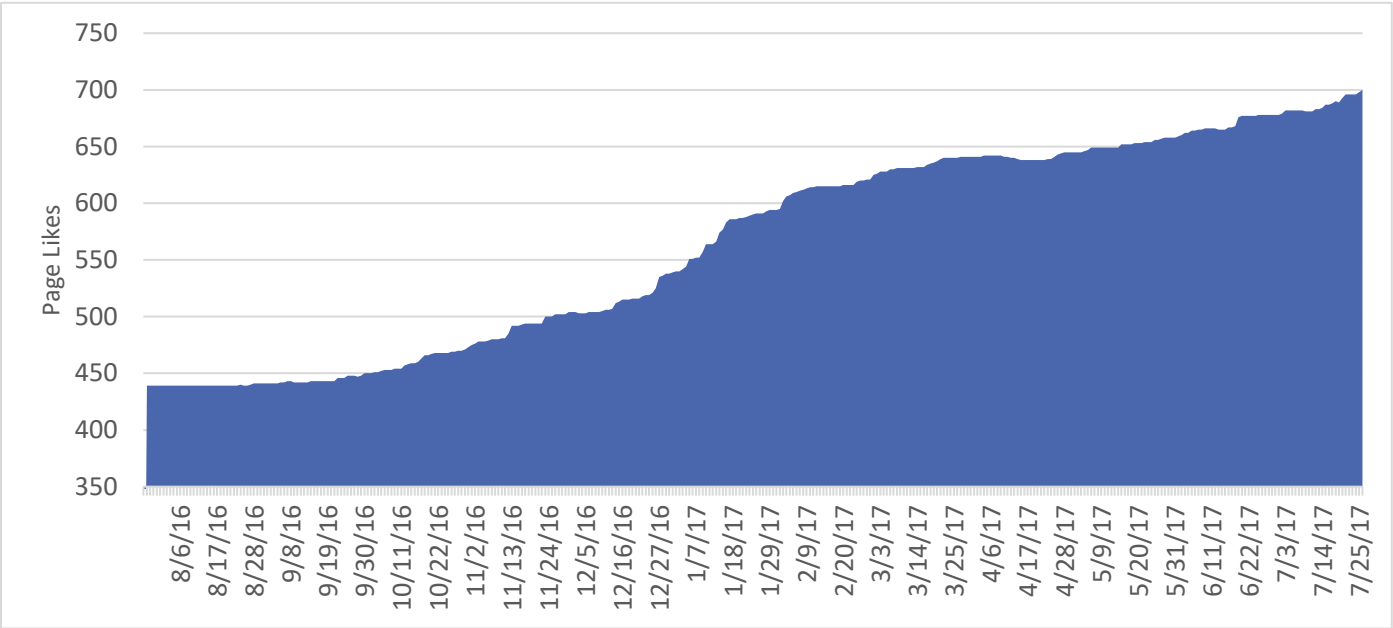
Table 46. NextDoor Subscribers in Village of Glencoe, July 2017



Social Media

- The Village uses Facebook and Twitter as a means of sharing Village Board updates, upcoming event information, Village Manager's Blogs, eNews, Public Safety initiatives and other general information. When appropriate, the Village shares or retweets posts from relevant community organizations.
- As seen from Table 47, the number of Facebook followers has grown substantially in the past year, up by approximately 250 page likes.
- While the growth in Twitter followers has been more modest, it has steadily grown from 244 in November 2016 to 320 in July 2017.

Table 47. Village of Glencoe Facebook Page Likes, July 2016- July 2017



Integrating Technology

Technology is a critical element of the Village's operations. Every service that the Village provides incorporates some type of technology, and staff anticipates that the utilization of technology will continue to increase as the Village evaluates and updates its business processes.
The Village Board has expressed its support for the continued – and increased – investment in technology. In Fiscal Year 2018, the Village planned for an investment of $77,500 in technology operations and equipment, and over $1.975 million is planned for technology initiatives in 10-year Community Improvement Plan.

- **The Village's technology initiatives are guided by four key principles:**
  - **Customer Experience:** The Village would like to provide residents, businesses and employees with the opportunity to have the same information technology experience (i.e. real-time status updates and customer self-service capabilities) when interacting with the Village as they would receive interacting with private sector companies. Critical to this principle is offering the availability of this technology experience – for example, the Village wishes to provide residents the opportunity to submit requests for service via a citizen self-service portal if they wish to do so, while still offering the opportunity for residents to call or stop by Village Hall to make the same request. In short, the Village wishes to offer residents and businesses with options for interacting with the Village.
  - **Operational Efficiency and Effectiveness:** Technology offers the opportunity to streamline many business processes – for example, technology can provide an alternative to paper-based document management systems or workflows, or an opportunity for staff to receive or provide real-time information in the field.
  - **Training:** In order for technology initiatives to be effective, staff must be trained to use the technology. Over the next several years, the Village's technology training needs may change as the workforce changes – employees who have less experience using technology may require more training to become proficient, and employees who are proficient with technology applications may have the capability to become power users, subject matter experts, or trainers within their work groups.
  - **Security:** Maintaining the security and health of the Village's technology infrastructure is as important of maintaining the security and health of the Village's other infrastructure systems. The Village continues to evaluate changing dynamics in cyber security and invest in security initiatives.

- **Over the next several years, the Village anticipates several key technology projects, including:**
  - **Enterprise Resource Planning (ERP) System:** After completing an ERP needs analysis to identify gaps between the Village's present ERP utilization and best practices, the Village issued a request for proposals for ERP systems in August and anticipates selecting a new system in late 2017, to begin implementing in the spring of 2018. The Village hopes to use a new ERP to support increased financial workflow and reporting capabilities, performance reporting, service request/work order management, human resource management, cost accounting of Village services, issuances of permits and licenses, inventory management and other areas of operation.
  - **Document Management and Retention:** The Village continues to increase its utilization of electronic forms, documents and workflows, and is continuing to develop a Village-wide electronic document archival system. The electronic archival system reduces the volume of hard copy that the Village must retain to comply with State record retention requirements and operational best practices, and allows the Village to rapidly retrieve historical documents.

- **Water Plant SCADA Replacement:** The Water Plant uses a supervisory control and data acquisition (SCADA) system to monitor and control equipment and pumps used in the Water Plant, and to collect real-time data about water quality parameters. At more than 20 years old, the current SCADA system is outdated and current SCADA systems offer improved functionality and efficiency.