

**AGENDA  
FINANCE COMMITTEE  
Village of Hoffman Estates  
December 21, 2015**

**Immediately Following Public Health & Safety**

<b>Members:</b> Gary Pilafas, Chairperson	Karen Mills, Trustee
Anna Newell, Vice Chairperson	Gary Stanton, Trustee
Michael Gaeta, Trustee	Gayle Vandenberg, Trustee
	William McLeod, Mayor

**I. Roll Call**

**II. Approval of Minutes – November 23, 2015  
November 25, 2015 (Special Meeting)**

**NEW BUSINESS**

1. Request approval of a resolution establishing hire back rates for Fire personnel for the period January 1 through December 31, 2016.
2. Request authorization to declare \$21,526,434.41 as the developer and taxing district allocation for tax levy year 2014 within the EDA Special Tax Allocation Fund, and direct the Treasurer to remit said funds to the developer and taxing districts per SB0397.
3. Request authorization to award the professional financial audit services contract for the Village and the Sears Centre Arena, to run concurrently with the EDA Special Tax Allocation Fund audit, for the 2015 fiscal year to Sikich LLP for a cost not to exceed \$82,882.
4. Request authorization to purchase excess property and liability insurance and excess worker's compensation insurance from Mesirow Financial Services.
5. Request acceptance of Finance Department Monthly Report.
6. Request acceptance of Information System Department Monthly Report.
7. Request acceptance of Sears Centre Monthly Report.

**III. President's Report**

**IV. Other**

**V. Items in Review**

**VI. Adjournment**

**Village of Hoffman Estates**

**FINANCE COMMITTEE MEETING MINUTES**

**November 23, 2015**

**I. Roll call**

**Members in Attendance:**

**Gary Pilafas, Chairperson  
Trustee Anna Newell, Vice Chairperson  
Trustee Michael Gaeta  
Trustee Karen Mills  
Trustee Gary Stanton  
Trustee Gayle Vandenberg  
Mayor William McLeod**

**Management Team Members  
in Attendance:**

**Jim Norris, Village Manager  
Art Janura, Corporation Counsel  
Dan O'Malley, Deputy Village Manager  
Mark Koplín, Asst. Vlg. Mgr.-Dev. Services  
Gary Salavitch, Director of Engineering  
Jeff Jorian, Fire Chief  
Ted Bos, Police Chief  
Joseph Nebel, Dir. of Public Works  
Rachel Musiala, Director of Finance  
Bruce Anderson, CATV Coordinator  
Fred Besenhoffer, Director of IS  
Ashley Monroe, Asst. to Village Manager  
Austin Pollack, Admin. Intern  
Ben Gibbs, GM of Sears Arena  
Patti Cross, Asst. Corporation Counsel**

The Finance Committee meeting was called to order at 7:00 p.m.

**I. Roll Call**

**II. Approval of Minutes – October 26, 2015**

**November 2, 2015 (Special Meeting)**

Motion by Trustee Gaeta, seconded by Trustee Vandenberg, to approve the minutes from October 26, 2015. Voice vote taken. All ayes. Motion carried.

Motion by Trustee Gaeta, seconded by Trustee Stanton, to approve the minutes from November 2, 2015. Voice vote taken. All ayes. Motion carried.

**NEW BUSINESS**

- 1. Request authorization to waive formal bidding and renew a one year contract with CallOne for local and long distance telephone services.**

Motion by Trustee Gaeta, seconded by Trustee Stanton, to waive formal bidding and renew a one year contract with CallOne for local and long distance telephone services. Voice vote taken. All ayes. Motion carried.

- 2. Request authorization to go out to bid for a natural gas supplier, select a supplier based on the recommendation of Energy Choices and allow the Village Manager to enter into a contract with a third party supplier for the Sears Centre Arena.**

Motion by Trustee Gaeta, seconded by Trustee Mills, to go out to bid for a natural gas supplier, select a supplier based on the recommendation of Energy Choices and allow the Village Manager to enter into a contract with a third party supplier for the Sears Centre Arena. Voice vote taken. All ayes. Motion carried.

- 3. Request authorization to waive formal bidding and award contract to upgrade the Police Department's security system's management software and core hardware infrastructure (Server, Switches and Storage) to Current Technologies in an amount not to exceed \$34,440.12.**

Trustee Stanton asked if the Village would be utilizing the old technology or replacing all of it. Mr. Besenhofer indicated the current proposal is to simply upgrade the system and get it back to working condition as the system is failing on a daily basis. The cameras will stay in place. Mr. Besenhofer indicated Mr. Paul Petrenko, Director of Facilities, is working on an RFP to include further upgrades to the entire Village.

Trustee Pilafas inquired if the security software would tie into the rest of the Village's systems. Mr. Besenhofer indicated it would.

Motion by Trustee Gaeta, seconded by Trustee Mills, to waive formal bidding and award contract to upgrade the Police Department's security system's management software and core hardware infrastructure (Server, Switches and Storage) to Current Technologies in an amount not to exceed \$34,440.12.. Voice vote taken. All ayes. Motion carried.

- 4. Request authorization to award a contract for the 2016 Northwest Fourth Fest fireworks display to Melrose Pyrotechnics, Inc., Kingsbury, IN in an amount not to exceed \$35,000.**

Trustee Stanton inquired about the extra \$20,000 and where it would come from. Mr. O'Malley indicated this would be covered by partner communities, the same amount they paid last year.

Trustee Gaeta expressed concern about the show's length. Mr. O'Malley indicated the proposal from last year stated the show would be 26 minutes. It will be the same for 2016.

Motion by Trustee Gaeta, seconded by Trustee Stanton, to award a contract for the 2016 Northwest Fourth Fest fireworks display to Melrose Pyrotechnics, Inc., Kingsbury, IN in an amount not to exceed \$35,000. Voice vote taken. All ayes. Motion carried.

- 5. Request acceptance of the Finance Department Monthly Report.**

The Finance Department Monthly Report was presented to Committee.

Trustee Stanton asked if there was a concern about the hotel tax being low the last quarter. Mrs. Musiala indicated this was a timing issue and said there is nothing to be concerned about. The department will report the tax monthly going forward.

Motion by Trustee Gaeta, seconded by Trustee Mills, accept the Finance Department Monthly Report. Voice vote taken. All ayes. Motion carried.

**6. Request acceptance of the Information System Department Monthly Report.**

The Information System Department Monthly Report was presented to Committee.

Motion by Trustee Gaeta, seconded by Trustee Newell, to accept the Information System Department Monthly Report. Voice vote taken. All ayes. Motion carried.

**7. Request acceptance of the Sears Centre Monthly Report.**

The Sears Centre Monthly Report was presented to Committee.

Motion by Trustee Gaeta, seconded by Trustee Stanton, to accept the Sears Centre Monthly Report. Voice vote taken. All ayes. Motion carried.

**III. President's Report**

On November 12<sup>th</sup> Mayor McLeod attended the WINGS Annual Meeting Luncheon and the Hanover Township education reception. On November 18 he attended the D.A.R.E. graduation at Lincoln Elementary, the Business after Hours Shop with a Cop event at the Chicago Marriott and the Alzheimer's Association fundraiser at the Saddle Room. On November 20<sup>th</sup> he attended the Harvest Luncheon at Stonegate and participated with other elected officials at the Haverford Open House on November 21<sup>st</sup> with Hanover Township. The Friendship Tree Lighting Ceremony, also on the 21<sup>st</sup>, was well attended. Mayor McLeod recently attended the Chamber Board meeting and helped celebrate Trustee Vandenberg's upcoming birthday.

**IV. Other**

**V. Items in Review**

**VI. Adjournment**

Motion by Trustee Gaeta, seconded by Trustee Mills, to adjourn the meeting at 7:08 p.m. Voice vote taken. All ayes. Motion carried.

Minutes submitted by:

---

Jennifer Djordjevic, Director of Operations  
& Outreach / Office of the Mayor and Board

---

Date

**Village of Hoffman Estates**

**FINANCE COMMITTEE MEETING MINUTES**

**November 25, 2015**

**I. Roll call**

**Members in Attendance:**

**Gary Pilafas, Chairperson  
Trustee Anna Newell, Vice Chairperson  
Trustee Michael Gaeta  
Trustee Karen Mills  
Trustee Gary Stanton  
Trustee Gayle Vandenberg  
Mayor William McLeod**

**Management Team Members  
in Attendance:**

**Jim Norris, Village Manager  
Dan O'Malley, Deputy Village Manager  
Ken Gomoll,  
Patti Cross, Asst. Corporation Counsel  
Mark Koplin, Asst. Vlg. Mgr.-Dev. Services  
Patrick Seger, Director HRM  
Fred Besenhoffer, Director of IS  
Joseph Nebel, Dir. of Public Works  
Jeff Jorian, Fire Chief  
Rachel Musiala, Director of Finance  
Ben Gibbs, GM of Sears Arena  
Ted Bos, Police Chief  
Peter Gugliotta, Dir. Planning  
Michael Hankey, Dir. Trans & Eng  
Monica Saavedra, Int. Dir. HHS  
Kevin Kramer, Dir of Economic Dev  
Ashley Monroe, Asst. to Village Manager  
Clayton Black, Dev. Service Analyst  
Austin Pollack, Admin. Intern**

The Finance Committee meeting was called to order at 6:00 p.m.

**II. Approval of Minutes – None**

**NEW BUSINESS**

1. Review and discussion of the Proposed FY2016 Operating & Capital Budget.

Mr. Norris provided a thorough explanation of the budget process, noted the budget is monitored year round and provided extensive detail on how the budgets are developed.

Mr. Norris indicated there were two goals: Balance budget within current revenues and to only utilize fund reserves for short term capital projects and non-recurring operating issues.

Departments were requested to keep their budgets at 0% growth. Mr. Norris indicated the budget is balanced with the exception of the \$592,000 to be used for Emerald Ash Borer. Economic development continues to stay strong. Mr. Norris stated some cost of commodities were down. The Village is concerned about a negative impact from the State.

Mr. Norris explained the impact of moving funds around to address the Emerald Ash Borer and the State's withholding of local use tax and motor fuel tax. Mr. Norris noted the general fund reserves have rebounded post-recession. The Village is over the 25% fund balance policy and will recommend moving \$1.2 million into capital.

Mr. Norris detailed the Village's discretionary spending category and overview of general fund and explained the increases and decreases in specific categories. A snapshot of expenditures was provided showing salary and wages going up 1.5% and employee benefits increasing by 5.6% most of which is mostly related to contributions to the pension fund. Mr. Norris provided explanation of property tax increase mostly due to pension contribution increases.

Mr. Norris provided an update on Ambulance fees and efforts to better recoup costs going forward. Mr. Norris requested the committee take out the rate increase for solid waste collection out of the 2016 budget as it was determined it won't be needed.

Mr. Norris noted the Village will budget a 2.5% increase for non-union merit employees. The Village is currently negotiating with police and fire unions.

**General Government** – Ashley Monroe presented the overview for General Government and discussed accomplishments highlights and priorities. Mrs. Monroe reported the Finance department received the Distinguished Budget Award for the 7<sup>th</sup> consecutive year from the Government Officers Finance Association. General Government successfully negotiated with the Chicago Bulls and the organizations' newly formed D-League team to be based at the Sears Centre Arena. A new personnel policy will be presented to the committee in early 2016. A communications guide was established to complement the strategies of the business tourism, economic development and Mayor's Office.

**Police** – Chief Bos presented the Police Department's proposed budget for 2016 and reviewed 2015 accomplishments including new hires and promotions. The department consists of 93 sworn including the Chief, Assistant Chief, 5 Lieutenants, 11 Sergeants, 75 patrol officers and 47 non-sworn employees. The department invested heavily in the Northwestern University Center for Public Safety to make sure all newly promoted Sergeants were prepared to handle their responsibilities in their new positions. All officers were trained in the use of Naloxone, an anti-overdose medication, which contributed the department helping save one life in 2015. The department established a Facebook page to engage citizens. The department is seeking to hire additional part-time, front desk employees to reduce overtime while enhancing public safety by allowing sworn officers to remain available to the community. The Chief addressed the impact of future police pension and hiring expenses and cost reduction efforts. Information on the paperless subpoena process was provided.

**Fire Department** – Chief Jorian presented the Fire Department’s proposed budget for 2016 and reviewed 2015 accomplishments. There are currently 96 sworn personnel, 3 staff chiefs and 90 shift members spread out amongst four stations. Two new firefighters were hired. The department completed promotion negotiations and maintained public education training through the Citizens Fire Academy program. More than 1,100 adults and children were reached through various community events. The Chief discussed repairs and funding of renovations at stations 21 and 23 and provided detail on the retirement and purchase of department vehicles. The budget increased 2.2% overall mainly due to employer contributions to the fire pension. Chief Jorian noted funding is needed for upgrades on various equipment and that the department continues to look for grant opportunities to help offset costs. The department will conduct promotional testing in the fall of 2016 and new hire testing in the spring. The committee inquired about the impact of the number of people on the injury list and the VSP. Chief Jorian and Mr. Norris provided a response and included comments about the State budget crisis and the impact on this issue.

**Public Works** – Joe Nebel presented the Public Works Department’s proposed budget for 2016 and recapped the accomplishments for 2015. There are currently 60 employees in the department including 6 supervisors, a water superintendent, a facilities manager, assistant director, 4 part-time employees, 2 temporary full-time employees. Each year 10 seasonal employees are added to the roster. The department’s brush pick-up program was successful, achieving a total of 4,000 residential stops which produced 1,800 cubic yards of debris. The department made significant strides on the Ash Borer problem. Mr. Nebel addressed quests about the age of the fleet and noted the department took delivery of a new snow plow truck. From January 1 to March 31, 2015 the department managed 48” of snow. Mr. Nebel stated the roofs at the public works center and fleet services were replaced. New GPS systems were installed on the vehicles which helped significantly. It was noted there was a 23.1% decrease in budgeted salt cost due to overage from last season and pre-ordering for the 2015/2016 season. The department plans to replace over 1,200 parkway trees in 2016. Mr. Nebel provided comments on the tollway widening project and utility crossing work. The department found 40 valves that needed repair and Mr. Nebel noted the staff surveyed 550 water bill files and discovered 9 leaks with an estimated 47,000 gallons per day lost. Mr. Norris stated the leak detection will help shrink the unaccounted for water number to a safer margin. Mr. Nebel indicated more than 600 water meters were replaced. The department continues to work with the Transportation and Engineering department on road work projects. Well air monitors were replaced.

Motion by Trustee Mills, seconded by Trustee Newell, for a 5 minute recess. Voice vote taken. All ayes. Motion carried.

Chairman Pilafas called the meeting back to order at 7:41 p.m. Roll call vote taken. All present.

**Development Services** – Mark Koplín presented 2015 highlights from Development Services to the committee. Mr. Koplín noted the addition of a pedestrian overpass to compliment the park n ride services at the Barrington Road Interchange. Mr. Koplín provided several street revitalization cost savings examples that took place in 2015 including 21 street segments across the Village and work done on Bode Road. Building continues to increase at a steady rate. Mr. Koplín noted the Village has experienced the second highest building permit revenue generated since 2008. Mr. Norris noted there would be no income generated from specific properties in 2016. The department completed the CN Noise Mitigation program which ultimately helped

distribute \$1.7 million to residents for sound reduction improvements. Code inspections and demand continues to increase. Entertainment district created an attractive new website to promote retail and restaurant offerings. The business retention program continues to thrive. The department is working to expand the enterprise zone for Hoffman Estates. Mr. Koplin noted a slight increase in overall department budget for 2016 and noted street resurfacing projects to be done. Mr. Koplin indicated the storm sewer assessment will be done in 2016. Commercial developments continue to build momentum. Mr. Norris provided comments on the inspection compliance process.

]

**Sears Centre Arena** – Ben Gibbs recapped the accomplishments for 2015 including the work done to secure the new Bulls D-League team. The arena experienced the third highest event income ever for the building. Mr. Gibbs noted this was significant as not one mainstream concert was held in 2015. Several sporting and sold out ethnic events contributed to the success of the arena. Combined with the parking lot events this made up 51% of all profitable events for the arena. Mr. Gibbs pointed out 2016 highlights and priorities and mentioned there would be the same number of events as 2015. The Bulls will start in mid-November. Mr. Gibbs stated there would be one-time expenses incurred for the D-league including repairs on the basketball court and various power upgrades. The Sears Centre Arena is entering its 10<sup>th</sup> year and various maintenance issues will be addressed including the HVAC system, scoreboard and chilling system. New staff openings will be filled including an AGM and Operations Manager. Every graduation and every sporting event uses the scoreboard equipment Mr. Gibbs noted. The curtain will also be replaced. Mr. Gibbs mentioned the staff will continue to generate sponsorship dollars to offset costs.

**Health and Human Services** – Monica Saavedra presented 2015 Health and Human Services highlights to the committee including staff and intern levels. The nursing staff provided 4,646 patient visits, a significant jump from 2014. The department continues to reach out to the community via partnership activities with local schools and St. Alexius. Mrs. Saavedra noted the department provided several hundred hours of community education and participated in the American Cancer Society efforts in 2015. Mrs. Saavedra noted the departments awards and accreditations. The department will work to grow relationships with the Salvation Army, POC and Higgins Education Center as well as District 211 and District 54.

**Information Services** – Fred Besenhoffer presented the IS Department proposed budget for 2016 and recapped the accomplishments for 2015. The Department successfully integrated the new Interactive Voice Response pay-over-the-phone system with SunGard Utility Billing as well as implemented the new online payment platform through PayPal. Several improvements were made to the Village's network infrastructure and a total of 2,191 service requests were resolved. As for 2016, projects planned include an audit of SunGard and current workflow and processes. A new SunGard upgrade will be happening that will allow the Village to be field ready and a new payroll system will be implemented Village-wide. Finally, the Village's microwave wireless system will be replaced and there will be a major overhaul to the Village's Intranet system during 2016.

Mr. Norris provided a recap of boards and commissions activities. Trustee Pilafas thanked all departments for their efforts.

2. Request approval of the FY2016-FY2023 Capital Improvements Program as recommended by the Capital Improvements Board.



Motion by Trustee Gaeta, seconded by Trustee Stanton, to approve the FY2016-FY2023 Capital Improvements Program as recommended by the Capital Improvements Board. Voice vote taken. All ayes. Motion carried.

3. Discussion regarding the Water Rate Study Update conducted by Baxter & Woodman and request approval of an ordinance amending the water and sewer rates effective January 1, 2016 through December 31, 2019.

Mr. Norris discussed the current water bond issue and the process of the Baxter & Woodman rate study. Mr. Norris stated the Village continues to maintain a healthy fund balance but that the City of Chicago and JAWA can impact water rates going forward.

Trustee Pilafas expressed concern about the recommended water rate increase over four years as opposed to 5% per year over 5 years. Mr. Norris provided explanation of the bond issue and noted the increases passed along to the Village via Chicago and JAWA (Joint Action Water Agency.)

Mr. Norris and committee discussed alternate scenarios for paying the current bond issue. There was concern among the committee about rates and impact on residents and future bond issues.

Mr. Norris noted the ordinance would be updated for the board meeting on December 21, 2015.

Motion by Trustee Mills, seconded by Trustee Gaeta, to approve a water rate increase of 6% in 2016 and 2017. Voice vote taken. All ayes. Motion carried.

4. Request approval of an ordinance amending Chapter 7-12-2 (Ambulance Fees - Rates) of the Hoffman Estates Municipal Code.

Motion by Trustee Gaeta, seconded by Trustee McLeod, to approve an ordinance amending Chapter 7-12-2 (Ambulance Fees - Rates) of the Hoffman Estates Municipal Code. Voice vote taken. All ayes. Motion carried.

5. Direct staff to publish the Notice of Availability of Budget and Public Hearing on the 2016 Proposed Budget. With Committee's concurrence, the Public Hearing will be scheduled for Monday, December 7, 2015 at 6:55 p.m. in the Council Chambers prior to the Village Board Meeting. (Notice of this public hearing will be given at least one week prior to the hearing date).

Motion by Trustee Gaeta, seconded by Trustee McLeod, to publish the Notice of Availability of Budget and Public Hearing on the 2016 Proposed Budget. With Committee's concurrence, the Public Hearing will be scheduled for Monday, December 7, 2015 at 6:55 p.m. in the Council Chambers prior to the Village Board Meeting. (Notice of this public hearing will be given at least one week prior to the hearing date). Voice vote taken. All ayes. Motion carried.

6. Direct staff to draft the Tax Levy and Tax Abatement Ordinances, which will appear on the December 7, 2015 Village Board Agenda.

Motion by Trustee Gaeta, seconded by Trustee McLeod, to draft the Tax Levy and Tax Abatement Ordinances, which will appear on the December 7, 2015 Village Board Agenda. Voice vote taken. All ayes. Motion carried.

**III. President's Report**

**IV. Other**

Motion by Trustee Gaeta, seconded by Mayor McLeod, to subtract the municipal rate increase out of the 2016 budget. Voice vote taken. All ayes. Motion carried.

**V. Items in Review**

**VI. Adjournment**

Motion by Trustee Gaeta, seconded by Trustee Vandenberg, to adjourn the meeting at 8:39 p.m. Voice vote taken. All ayes. Motion carried.

Minutes submitted by:

---

Jennifer Djordjevic, Director of Operations  
& Outreach / Office of the Mayor and Board

---

Date

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Fire Hire Back Rates

**MEETING DATE:** December 21, 2015

**COMMITTEE:** Finance

**FROM:** Rachel Musiala, Director of Finance

---

**PURPOSE:** To establish Fire hire back rates for the period January 1 through December 31, 2016.

**BACKGROUND:** Each year the Village Board passes a resolution establishing hire back rates for Police and Fire Personnel. The Fire rates are being presented here, and when the Police contract negotiations are finalized, those rates will be brought to Committee for approval at that time.

**DISCUSSION:** The attached schedules present the calculations for hire back rates for Firefighter, Fire Lieutenant, and Fire Captain. Due to a contractual increase in the Fire contract effective July 1, 2016, Fire personnel will have a new rate as of that date as shown below.

The hire back rates are as follows:

	1/1/16-6/30/16	7/1/16-12/31/16
Firefighters/Paramedics	\$96.62	\$97.46
Fire Lieutenants/Paramedics	\$105.45	\$106.37
Fire Captains/Paramedics	\$110.28	\$111.28

The hire back rates for organizations having 501(c)(3) status:

	1/1/16-6/30/16	7/1/16-12/31/16
Firefighters/Paramedics	\$70.30	\$70.99
Fire Lieutenants/Paramedics	\$77.59	\$78.34
Fire Captains/Paramedics	\$81.56	\$82.37

**RECOMMENDATION:** Request approval of a resolution establishing hire back rates for Fire personnel for the period January 1 through December 31, 2016.

ATTACHMENT (Resolution)

RESOLUTION NO. \_\_\_\_\_ - 2015

VILLAGE OF HOFFMAN ESTATES

**A RESOLUTION ESTABLISHING FEES  
FOR POLICE AND FIRE PERSONNEL**

WHEREAS, members of the Hoffman Estates Fire Department are hired back by private and/or public employers; and

WHEREAS, costs of salary, fringe and administrative costs have been calculated.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

Section 1: That the Hoffman Estates Fire Department is hereby authorized to charge fees for services under hire back arrangements for the period January 1, 2016 through June 30, 2016 as follows:

- Firefighter/Paramedic -- \$ 96.62
- Fire Lieutenant/Paramedic -- \$105.45
- Fire Captain/Paramedic -- \$110.28

However, upon a proof of a grant of 501(c)(3) status by the Internal Revenue Service, the fees for services under hire back arrangements for the period from January 1, 2016 through June 30, 2016 are as follows:

- Firefighter/Paramedic -- \$70.30
- Fire Lieutenant/Paramedic -- \$77.59
- Fire Captain/Paramedic -- \$81.56

Section 2: That the Hoffman Estates Fire Department is hereby authorized to charge fees for services under hire back arrangements for the period July 1, 2016 through December 31, 2016 as follows:

- Firefighter/Paramedic -- \$ 97.46
- Fire Lieutenant/Paramedic -- \$106.37
- Fire Captain/Paramedic -- \$111.28

However, upon a proof of a grant of 501(c)(3) status by the Internal Revenue Service, the fees for services under hire back arrangements for the period from July 1, 2016 through December 31, 2016 are as follows:

- Firefighter/Paramedic -- \$70.99
- Fire Lieutenant/Paramedic -- \$78.34
- Fire Captain/Paramedic -- \$82.37

Section 3: That this Resolution shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2015

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills	_____	_____	_____	_____
Trustee Anna Newell	_____	_____	_____	_____
Trustee Gary J. Pilafas	_____	_____	_____	_____
Trustee Gary G. Stanton	_____	_____	_____	_____
Trustee Michael Gaeta	_____	_____	_____	_____
Trustee Gayle Vandenberg	_____	_____	_____	_____
Mayor William D. McLeod	_____	_____	_____	_____

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015

\_\_\_\_\_  
Village President

ATTEST:

\_\_\_\_\_  
Village Clerk

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** FY2015 EDA Distribution Declaration  
**MEETING DATE:** December 21, 2015  
**COMMITTEE:** Finance Committee  
**FROM:** Rachel Musiala, Director of Finance

**PURPOSE:** To declare the developer and taxing district allocations within the Economic Development Area Special Tax Allocation Fund, and direct the Treasurer to remit said funds to the developer and appropriate taxing bodies.

**BACKGROUND** Effective June, 2012, the Illinois Legislature extended the Economic Development Area (EDA) for an additional 15 years. The new legislation established a new formula for distributing the incremental property taxes received for the EDA. The legislation states that the first \$350,000 received will be deposited by the Village into an escrow account to be used solely for expenses related to reporting requirements of the legislation (including the audit) and for legal expenses incurred in defense of any civil action brought against the Village related to the economic development agreement. It then states the next \$5,000,000 of incremental tax received will be allocated to the Village. Both of these disbursements happened earlier this year.

The legislation goes on to state that after these allocations are completed, 55% of the remaining receipts will be allocated to the developer to pay down outstanding EDA notes and obligations, and 45% will be allocated to the taxing districts, excluding the Village of Hoffman Estates. And if the amount of property taxes received is in excess of the tax levy year 2013 Base Amount (as defined by the legislation), then 75% of that increase shall be payable to the developer and the remaining 25% shall be distributed to the taxing districts, including the Village of Hoffman Estates.

**DISCUSSION** The FY2015 allocation calculation, which is related to tax levy year 2014 and is the second year under the new legislation, is summarized below and detailed out on the attached schedule:

	Base Distribution
TLY2013 Base Taxes	\$25,765,709.03
Incremental Taxes (base)	\$25,765,709.03
Interest Income	\$27,371.04
Less Legal & Reporting Expenses	(\$350,000.00)
Less Distribution to Village	(\$5,000,000.00)
Less Refunds, Appeals & Non-payments	(\$953,094.83)
<b>Total Distribution</b>	<b>\$19,489,985.24</b>
55% to Developer (EDA obligations)	\$10,719,491.88
45% to Taxing Districts (exclude. VOHE)	\$8,770,493.36

	<u>Growth Distribution</u>
TLY2013 Base Taxes	\$25,765,709.03
Incremental Taxes (growth above base)	\$2,036,449.17
Total Distribution	\$2,036,449.17
75% to Developer (EDA obligations)	\$1,527,336.88
25% to Taxing Districts (including VOHE)	\$509,112.29

Based on the taxing districts proportion of the incremental taxes calculated, the total distribution to each taxing district will be as follows:

<u>Taxing District</u>	<u>Amount</u>
School District 300	\$6,526,108.17
Barrington Public Library	\$247,566.95
Hoffman Estates Park District	\$656,136.77
Village of Hoffman Estates	\$67,448.29
Elgin Community College Dist. 509	\$622,013.75
N.W. Mosquito Abatement	\$12,674.26
MWRD	\$419,225.55
Barrington Township Gen. Assistance	\$974.94
Barrington Township	\$31,198.19
Cook County Forest Preserve	\$67,271.08
Cook County	\$553,767.73
School District U-46	\$65,498.94
Poplar Creek Library District	\$9,721.03
<b>Total</b>	<b>\$9,279,605.65</b>

Additionally, the legislation requires that on December 31<sup>st</sup> of each year, any unobligated balance in the escrow account (\$350,000) established for legal and reporting expenses be distributed to the taxing districts in the same manner and proportion as the most recent distribution by the county collector. This amount, which is unknown at this time, will be calculated and distributed per the legislation on December 31, 2015.

**RECOMMENDATION:** Request authorization to declare \$21,526,434.41 as the developer and taxing district allocation for tax levy year 2014 within the EDA Special Tax Allocation Fund, and direct the Treasurer to remit said funds to the developer and taxing districts per SB0397.

ATTACHMENT

VILLAGE OF HOFFMAN ESTATES  
 EDA DISTRIBUTION DECLARATION - NEW LEGISLATION  
 2014 TAX LEVY YEAR - 2015 FISCAL YEAR

TLY2013 Base Amount 25,765,709.03 (from Cook County TIF Summary Report)

Total Distribution: 21,526,434.41

**Distribution of Base:**

		% of Total Incremental Tax			
		10019	10071	10078	
Incremental Taxes	25,765,709.03				
Interest Received	27,371.04	266,670.39	27,080,761.88	455,242.87	27,802,675.14
Less Legal & Reporting	(350,000.00)	0.96%	97.40%	1.64%	100.00%
Less Distribution to VOHE	(5,000,000.00)				
Less Refunds & Appeals	(953,094.83)				
<b>Total Distribution</b>	<b>19,489,985.24</b>				
55% to Sears	10,719,491.88				
45% to Taxing Districts	8,770,493.36				
	<b>19,489,985.24</b>				

Taxing District	Tax Code 10019			Tax Code 10071			Tax Code 10078			FY2015 Distribution
	Tax Rate	%	Distribution 84,122.51	Tax Rate	%	Distribution 8,542,762.20	Tax Rate	%	Distribution 143,608.65	
School District 300				6.753	71.57%	6,114,390.36	6.753	68.84%	98,867.29	6,213,257.65
Barrington Public Library	0.258	2.49%	2,096.97	0.258	2.73%	233,601.76				235,698.73
Hoffman Est. Park District	0.673	6.50%	5,470.00	0.673	7.13%	609,356.54	0.673	6.86%	9,853.06	624,679.60
Elgin Comm College Dist. 509	0.638	6.16%	5,185.52	0.638	6.76%	577,666.38	0.638	6.50%	9,340.64	592,192.54
N.W. Mosquito Abatement	0.013	0.13%	105.66	0.013	0.14%	11,770.63	0.013	0.13%	190.33	12,066.62
MWRD	0.430	4.15%	3,494.94	0.430	4.56%	389,336.27	0.430	4.38%	6,295.41	399,126.62
Barrington Twp. Gen Asst.	0.001	0.01%	8.13	0.001	0.01%	905.43	0.001	0.01%	14.64	928.20
Barrington Twp.	0.032	0.31%	260.09	0.032	0.34%	28,973.86	0.032	0.33%	468.50	29,702.45
Cook County Forest Preserve	0.069	0.67%	560.82	0.069	0.73%	62,474.89	0.069	0.70%	1,010.19	64,045.90
Cook County	0.568	5.49%	4,616.58	0.568	6.02%	514,286.06	0.568	5.79%	8,315.80	527,218.44
Consolidated Elections	0.000	0.00%	-	0.000	0.00%	-	0.000	0.00%	-	0.00
School District U-46	7.668	74.09%	62,323.81							62,323.81
Poplar Creek Library District							0.632	6.44%	9,252.80	9,252.80
<b>Subtotal</b>	<b>10.3500</b>	<b>100.00%</b>	<b>84,122.52</b>	<b>9.435</b>	<b>100.00%</b>	<b>8,542,762.18</b>	<b>9.809</b>	<b>100.00%</b>	<b>143,608.66</b>	<b>8,770,493.36</b>
Village of Hoffman Est.	1.443			1.443			1.443			0.00
<b>Total</b>	<b>11.7930</b>			<b>10.8780</b>			<b>11.2520</b>			

VILLAGE OF HOFFMAN ESTATES  
 EDA DISTRIBUTION DECLARATION - NEW LEGISLATION  
 2014 TAX LEVY YEAR - 2015 FISCAL YEAR

**Distribution of Amount Above Base:**

Incremental Taxes	2,036,449.17
Interest Received	-
Less Refunds & Appeals	-
<b>Total Distribution</b>	<b>2,036,449.17</b>
75% to Sears	1,527,336.88
25% to Taxing Districts	509,112.29
	<b>2,036,449.17</b>

Taxing District	Tax Code 10019			Tax Code 10071			Tax Code 10078			FY2015 Distribution
	Tax Rate	%	Distribution 4,883.17	Tax Rate	%	Distribution 495,892.88	Tax Rate	%	Distribution 8,336.24	
School District 300				6.753	62.08%	307,847.43	6.753	60.02%	5,003.09	312,850.52
Barrington Public Library	0.258	2.19%	106.83	0.258	2.37%	11,761.39				11,868.22
Hoffman Est. Park District	0.673	5.71%	278.67	0.673	6.19%	30,679.90	0.673	5.98%	498.60	31,457.17
Village of Hoffman Est.	1.443	12.24%	597.51	1.443	13.27%	65,781.71	1.443	12.82%	1,069.07	67,448.29
Elgin Comm College Dist. 509	0.638	5.41%	264.18	0.638	5.87%	29,084.36	0.638	5.67%	472.67	29,821.21
N.W. Mosquito Abatement	0.013	0.11%	5.38	0.013	0.12%	592.63	0.013	0.12%	9.63	607.64
MWRD	0.430	3.65%	178.05	0.430	3.95%	19,602.31	0.430	3.82%	318.57	20,098.93
Barrington Twp. Gen Asst.	0.001	0.01%	0.41	0.001	0.01%	45.59	0.001	0.01%	0.74	46.74
Barrington Twp.	0.032	0.27%	13.25	0.032	0.29%	1,458.78	0.032	0.28%	23.71	1,495.74
Cook County Forest Preserve	0.069	0.59%	28.57	0.069	0.63%	3,145.49	0.069	0.61%	51.12	3,225.18
Cook County	0.568	4.82%	235.19	0.568	5.22%	25,893.29	0.568	5.05%	420.81	26,549.29
Consolidated Elections	0.000	0.00%	-	0.000	0.00%	-	0.000	0.00%	-	0.00
School District U-46	7.668	65.02%	3,175.13							3,175.13
Poplar Creek Library District							0.632	5.62%	468.23	468.23
<b>Subtotal</b>	<b>11.7930</b>	<b>100.00%</b>	<b>4,883.17</b>	<b>10.878</b>	<b>100.00%</b>	<b>495,892.88</b>	<b>11.252</b>	<b>100.00%</b>	<b>8,336.24</b>	<b>509,112.29</b>
<b>Total</b>	<b>11.7930</b>			<b>10.8780</b>			<b>11.2520</b>			



VILLAGE OF HOFFMAN ESTATES  
EDA DISTRIBUTION DECLARATION - NEW LEGISLATION  
2014 TAX LEVY YEAR - 2015 FISCAL YEAR

**Grand Totals:**

Sears	12,246,828.76	-
<u>Taxing Districts:</u>		
School District 300	6,526,108.17	
Barrington Public Library	247,566.95	
Hoffman Est. Park District	656,136.77	
Village of Hoffman Est.	67,448.29	
Elgin Comm College Dist. 509	622,013.75	
N.W. Mosquito Abatement	12,674.26	
MWRD	419,225.55	
Barrington Twp. Gen Asst.	974.94	
Barrington Twp.	31,198.19	
Cook County Forest Preserve	67,271.08	
Cook County	553,767.73	
Consolidated Elections	0.00	
School District U-46	65,498.94	
Poplar Creek Library District	9,721.03	
Subtotal	9,279,605.65	-
Total	21,526,434.41	-

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Approval of Audit Contract for Fiscal Year 2015  
**MEETING DATE:** December 21, 2015  
**COMMITTEE:** Finance  
**FROM:** Rachel Musiala, Director of Finance

---

**PURPOSE:** Request authorization to award the professional financial audit services contract for the Village and the Sears Centre Arena, to run concurrently with the EDA Special Tax Allocation Fund audit, for the 2015 fiscal year to Sikich LLP for a cost not to exceed \$82,882.

**BACKGROUND:** In 2014, the Village approved a contract with Sikich LLP for the Village's annual financial audit (including the Sears Centre Arena), to run concurrently with the EDA Special Tax Allocation Fund audit. The approval was for the FY2014 audit, with the option to extend the contract for each of the years 2015, 2016, 2017, and 2018.

Although Sikich was not the lowest priced firm that sent the Village a proposal in 2014, factors such as the number of other municipal clients and the number of audit hours being proposed caused us concern with the lowest-priced firm.

One of the first things that our audit team (made up of the Village Treasurer, Director of Finance, and Assistant Director of Finance) looked at to analyze the proposals was how many audit hours the firm was proposing versus their price to see a price per hour. We looked to make sure the auditors were projecting to spend a sufficient amount of time on our audit, and this price per hour reflected the true value we were getting out of the audit that had been proposed:

<u>Firm</u>	<u># Hours</u>	<u>Price/Hour</u>
Baker Tilly	577	\$118.00
Sikich LLP	800	\$101.31
Miller Cooper & Co	700	\$120.86
Wolf & Company	725	\$120.83
Plante & Moran	780	\$113.59
McGladrey LLP	810	\$116.05

Based on the preliminary pricing information (in total), the Village Treasurer suggested we interview the two lowest priced firms. During

these interviews, questions were asked pertaining to firm and staff qualifications as well as specific audit approaches. The Village Treasurer focused part of his review on the firms' systems for internal control review and risk assessment.

In terms of audit approach, internal control review, risk assessment, and firm expertise, the audit team felt Sikich would provide the best auditing services at the lowest cost. We came away from the interviews with a firm belief that Sikich had a much more in-depth audit approach and would do a more thorough review of our internal controls and risk exposure.

Additionally, Sikich is a proven leader in the municipal finance industry. For example, the Village will have to implement two new GASB standards in FY2015. Where other firms are unsure as to what this will mean for us, Sikich had already early implemented these new standards with two other municipalities and are fully aware of what the new standards will mean for the Village.

Based on this information, as well as information directly from the proposals, a scoring system was applied to each of the firms. Firms were scored based on price, municipal client experience, GFOA award experience, number of audit hours proposed, partner involvement, staff qualifications, level of risk assessment performed, and references, with a maximum score possible of 87. Of the two firms we interviewed, Sikich scored 84 and Baker Tilly scored 76. Although Baker Tilly received more points for having the lowest price, Sikich excelled in municipal experience and partner involvement, as well as having an extensive review of our internal controls and their level of risk assessment.

**DISCUSSION:**

The FY2014 audits performed by Sikich were thorough, extensive, and professional in every aspect. Staff reached out to Sikich to discuss the possibility of extending our contract as originally proposed for FY2015. Sikich sent the attached engagement letter to the Village for review and approval. If this contract is approved, FY2015 preliminary audit fieldwork will begin before the end of December, with final fieldwork scheduled for the first three weeks of March, 2016.

**FINANCIAL IMPACT:**

As you may recall, Sikich awarded the Village a 10% discount to their pricing due to the fact that the EDA Special Tax Allocation Fund audit could be run concurrently with the regular audit. Pricing for FY2015 is proposed as:

<u>Audit Item</u>	<u>Amount</u>
Financial Audit	\$35,978
GASB 68 Implementation	\$4,800
Arena Fieldwork *	\$23,575
Single Audit (grants)	\$4,330
Comptroller's Report	\$769
Pension DOI Reports (2) *	\$5,126
TIF Compliance Reports (3) *	\$8,304
<b>Total</b>	<b>\$82,882</b>

\* The arena fieldwork will be paid for by the Sears Centre Arena; the Pension DOI reports are paid for by each of the Pension Funds; and the TIF compliance reports are paid for out of funds for each TIF.

**RECOMMENDATION:** Request authorization to award the professional financial audit services contract for the Village and the Sears Centre Arena, to run concurrently with the EDA Special Tax Allocation Fund audit, for the 2015 fiscal year to Sikich LLP for a cost not to exceed \$82,882.

ATTACHMENT:

ENGAGEMENT LETTER FOR THE VILLAGE AUDIT (INCLUDING ARENA AUDIT)



630.566.8400 // [www.sikich.com](http://www.sikich.com)

1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

Certified Public Accountants & Advisors  
*Members of American Institute of Certified Public Accountants*

October 12, 2015

Mr. James H. Norris  
Village Manager  
Village of Hoffman Estates  
1900 Hassell Road  
Hoffman Estates, Illinois 60169

Dear Mr. Norris:

We are pleased to confirm our understanding of the services we are to provide the Village of Hoffman Estates (the Village) for the year ended December 31, 2015. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of the Village as of and for the year ended December 31, 2015.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Village's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Village's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual, for the General Fund and any major special revenue funds
3. Schedule of Funding Progress and Schedule of Employer Contributions for the Illinois Municipal Retirement Fund, Police Pension Fund, Firefighters' Pension Fund, and Other Postemployment Benefit Plan

4. Schedule of Changes in the Employer's Net Pension Liability and Related Ratios for the Illinois Municipal Retirement Fund, Police Pension Fund and Firefighters' Pension Fund
5. Schedule of Investment Returns for the Illinois Municipal Retirement Fund, Police Pension Fund and Firefighters' Pension Fund
6. Notes to Required Supplementary Information

We have also been engaged to report on supplementary information other than RSI that accompanies the Village's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

1. Schedule of Expenditures of Federal Awards
2. Combining and Individual Fund Financial Statements and Schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditor's report will not provide an opinion or any assurance on that other information.

1. Supplemental Data
2. Introductory Section
3. Statistical Section

### **Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. If required, the objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and, if applicable, in accordance with any state or regulatory audit requirements.

If required, the *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Village's internal control or on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. If required, the Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; and if required, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such opinions and to render the required reports. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

#### **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial

statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and, if required, *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. If required, we will include such matters in the reports required for a Single Audit.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal awards programs; compliance with laws, regulations, contracts and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures - Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.



As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, and if required, *Government Auditing Standards* and the Uniform Guidance.

### **Audit Procedures - Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Village's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures, if required, will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Village's major programs. The purpose of these procedures will be to express an opinion on the Village's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Examination of Management's Assertion of Compliance**

We will also examine management's assertion that the Village complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2015. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include tests of your records and other procedures we consider necessary to enable us to express an opinion as to whether management's assertion that the Village complied with the aforementioned requirements is fairly stated, in all material respects. If, for any reason, we are unable to complete the examination, we will not issue a report as a result of this engagement. The management of the Village is responsible for its assertion and for its compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, fraud, or other illegal acts, that may exist. However, we will inform you of any material errors or fraud that comes to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential.

At the end of the examination engagement, we will require additional representations from management which can be included with the representations made in relation to the audit of the financial statements.

### Other Services

[REDACTED] If expenditures of federal  
[REDACTED] accounting  
[REDACTED] and other  
nonaudit services provided do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Other nonaudit services expected to be performed during our audit of the financial statements as of and for the year ended December 31, 2015 and other deliverables are as follows:

1. Prepare thirty (30) copies and one electronic copy (PDF) of the comprehensive annual financial report (CAFR) of the Village (report covers, dividers, introductory section, Management's Discussion and Analysis, and certain statistical section information to be provided by Village).
2. Prepare fifteen (15) copies of the management letter.
3. Prepare one (1) copy of and electronic filing of the Illinois Comptroller's Annual Financial Report (AFR).
4. Prepare twelve (12) copies of a separate Single Audit Report (if required).
5. Prepare one copy (1) and electronic filing of the Police Pension Annual Statement required by the State Department of Insurance (investment activity, interrogatories and census data completed by the Village).
6. Prepare one copy (1) and electronic filing of the Firefighters Pension Annual Statement required by the State Department of Insurance (investment activity, interrogatories and census data completed by the Village).
7. Prepare twelve copies (12) of the Barrington/Higgins TIF District Fund Financial and Compliance Report.
8. Prepare twelve copies (12) of the Roselle Road TIF District Fund Financial and Compliance Report.
9. Prepare twelve copies (12) of the Higgins/Hassell TIF District Fund Financial and Compliance Report.

10. Assist the Village in submitting its comprehensive annual financial report (CAFR) to the Certificate of Achievement for Excellence in Financial Reporting Program, including preparation of the GFOA Certificate Responses and review of the application materials.

### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met, following laws and regulations, and ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for ensuring that management and financial information is reliable and properly reported. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements and grants. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance, if required. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objective section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions, for the report and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them

#### **Engagement Administration, Fees and Other**

In accordance with professional standards, any discussions during the period of the engagement between any individual representing your Village and a member of the Sikich engagement team regarding potential employment or association with the Village creates an impairment of independence for the Sikich employee and possibly the firm. Such a situation could require us to temporarily or permanently remove that person from your engagement or to perform additional procedures or re-perform procedures, which would increase our fees. Should we not become aware of the impairment until after the conclusion of the engagement, the firm's independence would be deemed to have been impaired. Please inform appropriate personnel in your Village to refrain from any such discussions with any Sikich staff while the engagement is ongoing and notify Brian LeFevre immediately if you or anyone else in your Village becomes aware that any such discussions may have occurred.

In the event that you desire to hire a member of the Sikich LLP staff within one year of the completion of this engagement, a recruiting fee will be assessed at 30% of the first year salary per hire and paid to Sikich LLP upon our notification of such hiring.

We may from time-to-time and depending on the circumstances, use third party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third party service provider. Furthermore, we will remain responsible for the work provided by any such third party service providers.

The assistance to be supplied by Village personnel is described in the workpaper request lists for preliminary (interim) and final fieldwork, which outline the specific schedules and information we are requesting for this engagement. The workpaper request list will be discussed with and coordinated with Rachel Musiala, Director of Finance. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report. This engagement letter assumes that all records, documentation and information we requested in connection with our audit (and outlined in the workpaper request lists) are complete and available at the beginning of the respective phases of the engagement. It also assumes that key personnel are available to us during the duration of the audit. The accuracy of these assumptions will allow us to conduct our audit without any delays or inefficiencies for the fee noted in our engagement letter. If the assumptions are not accurate and you fail to provide the records, documentation, information and key personnel required, there may be additional fees to cover our cost for the delays and possible rescheduling of the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We understand that your employees will prepare all cash, accounts receivable and other confirmations we request and will locate any documents selected by us for testing.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter. Notwithstanding the foregoing, this engagement letter will not include any services related to the Affordable Care Act or consideration of taxable fringe benefits including those impacted by Affordable Care Act; in all circumstances, services related to the Affordable Care Act and other taxable fringe benefit reporting will be the subject of a separate engagement letter and will be billable under a separate hourly rate structure than the services provided hereunder.

At the conclusion of the engagement, if required, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the Village; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our report are to be made available for public inspection.

The audit and examination documentation for this engagement is the property of Sikich LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Sikich LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, regulatory inquiry (other than that mentioned in the previous paragraph) or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

The audit and examination documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the cognizant or oversight agency for audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. Sikich LLP does not keep any original client records so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

Final reports will be issued upon your approval of the preliminary drafts. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service. Brian LeFevre is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services is consistent with our proposal dated August 24, 2014, and will not exceed \$82,882 with the following breakdown: \$35,978 for the financial audit including preparation of the CAFR and management letter of the Village; \$4,800 for the implementation of GASB Statement No. 68; \$23,575 for Arena Fieldwork, \$4,330 for the Single Audit (if required); \$769 for the Comptroller Report; \$2,563 for the police pension DOI report; \$2,563 for the fire pension DOI report, \$2,768 for the Barrington Higgins TIF financial and compliance report; \$2,768 for the Roselle Road TIF financial and compliance report; and \$2,768 for the Higgins/Hassell TIF financial and compliance report, which includes out-of-pocket costs such as report reproduction, postage, etc.

Services will be invoiced to you from time-to-time as work progresses. In accordance with Illinois Compiled Statutes, payments for all services are due within sixty days of receipt of an invoice. Invoices not paid within sixty days are subject to finance charges of 1% per month (12% annually).

We reserve the right to suspend or terminate services for reasonable cause, such as failure to pay our invoices on a timely basis or failure to provide the information or cooperation necessary for successful performance of our services. Our engagement will be deemed to be completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for the time expended to that point and to reimburse us for all out-of-pocket expenditures through the date of termination.

You hereby agree to indemnify and hold harmless Sikich LLP and its partners, directors, employees, agents or subcontractors against all costs, expenses, losses, judgments, damages and liabilities (including reasonable attorneys' fees and expenses) associated with any third party claim, threat or proceeding relating to the performance of any services by Sikich LLP under this engagement, other than as determined through mediation to have been caused by our own gross negligence or willful misconduct.

You agree that our maximum liability to you for any negligent errors or omissions committed by us in the performance of the engagement will be limited to the amount of fees we receive from you for this engagement, except to the extent determined to result from our gross negligence or willful misconduct. You agree that this limitation applies to any and all liability or cause of action against us, however alleged or arising, unless otherwise prohibited by law or professional standards. Additionally, our liability as auditors shall be limited to the period covered by our audit and shall not extend to later periods for which we are not engaged as auditors or prior periods before we were engaged as auditors. In no event will Sikich be liable to you or any third party, whether a claim be in tort, contract or otherwise, for any amount in excess of the total professional fees paid pursuant to this agreement to which the claim relates, or for any consequential, indirect, lost profit, punitive or similar damages relating to Sikich's services provided under this agreement.

If any dispute, controversy or claim arises in connection with the performance or breach of the agreement, either party may, on written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the Mediation Rules of the American Arbitration Association. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties.



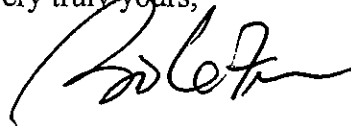
**Acceptance**

You acknowledge having read this agreement in its entirety, have had full opportunity to consider its terms in consultation with your attorney, have had full and satisfactory explanation of the same and fully understand and agree to be bound by the terms of this agreement.

Please indicate your understanding and acceptance of this agreement and your intention to be legally bound by executing this agreement in the space provided below where indicated and return it to our offices, indicating your authorization for us to proceed on the above terms and conditions.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

Very truly yours,



By: Brian D. LeFevre, CPA, MBA  
Partner  
On behalf of Sikich LLP

**RESPONSE:**

This letter correctly sets forth the understanding of the Village of Hoffman Estates.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** REQUEST AUTHORIZATION TO PURCHASE  
EXCESS PROPERTY AND LIABILITY INSURANCE AND EXCESS  
WORKERS' COMPENSATION INSURANCE FROM  
MESIROW FINANCIAL SERVICES

**DATE:** DECEMBER 21, 2015

**COMMITTEE:** FINANCE COMMITTEE

**FROM:** KEN KOOP, RISK MANAGER

---

**PURPOSE:** To discuss the results of the market test related to the Village's excess property and casualty and excess workers' compensation insurance coverage.

**I. PROPERTY AND LIABILITY**

**BACKGROUND:** Since 1985 the Village has used conventional insurance and a "protected self-insurance" package to insure property and liability losses. For coverage such as property, auto liability, general liability and crime losses, the Village has assumed a self-insured retention (SIR) limit per claim. A cap known as the "loss fund" has been used to limit the total exposure under this program. Excess coverage has been purchased to protect the Village from catastrophic losses. This excess coverage protects the Village against individual losses above \$100,000 and combined losses in excess of \$400,000.

Over the past year the property and casualty insurance public sector insurance market has continued to soften. Carriers are now more competitive in the public sector market place as compared to years past. One of the benefits of a soft insurance market is the availability of more insurance products for less premium cost. Soft market conditions are expected to continue for the next several years.

The Village requires that all conventional and excess insurance companies possess a minimum "A.M. Best" rating of "A". This rating reflects the financial stability of the insurance company. In addition, it is a prudent risk management technique to recommend that the carriers submitting proposals be "admitted" in the State of Illinois. Those

carriers not “admitted” in this State are not covered under the State’s insurance fund if for some reason they become insolvent.

The current primary comprehensive property and liability excess insurance program has been placed primarily with Alteris Insurance Company, through Mesirow Financial Services. This program has been in place since January 1, 2015. The 2016 budget for Liability Fixed Costs is \$467,700.

For losses above the excess insurance carrier limit of \$2,000,000, the Village participates as a member of the High-Level Excess Liability Pool (HELP). This pool provides an additional level of coverage to the Village which attaches above the coverage provided by the standard excess insurance market. HELP was created in the 1980’s as a result of an insurance crisis that caused the public sector liability insurance market to quickly become unavailable. HELP initially offered \$5,000,000 of coverage to its members, and now offers \$10,000,000 of coverage. The Village is now participating in the third term of HELP. The current term of HELP (HELP III) will expire April 30, 2018. The 2016 budget for the HELP Pool is \$95,330.

On September 16, 2013 the Village distributed a Request for Proposal (RFP) for property and liability insurance coverage and brokerage services, for the policy term of January 1, 2014 through January 1, 2015. Mesirow Financial Services (incumbent broker) was authorized by the Village Board as the Village’s broker until January 1, 2019. In the years the Village does not participate in the formal RFP process, the market is reviewed and evaluated through the services of the approved broker, currently Mesirow Financial Services.

**DISCUSSION:** In order to obtain competitive insurance program indications to replace the expiring 2015 insurance program, Mesirow Financial Services has recently approached several insurance markets on the Village’s behalf (see attached exhibit). Due to the very competitive terms of the existing coverages, many markets declined to quote on the Village’s renewal. There were competitive insurance packages submitted to the broker but one of them were able to match the Village’s current SIRs or deductables.

#### **Alteris/Affiliated FM Package**

The renewal coverage package is identical to the program currently in place. The total premium of \$350,641 reflects a **3% decrease** from last year.

## **II. EXCESS WORKERS’ COMPENSATION COVERAGE**

**BACKGROUND:** Since 1997 the Village has maintained a self-insured workers' compensation program requiring a self-insured retention (SIR). The current SIR per claim is \$650,000. Excess coverage above the retention level has been purchased from Safety National Insurance Company, through Mesirow Financial Services, to protect the Village from catastrophic losses. This excess coverage protects the Village against individual losses above \$650,000 for workers' compensation. The policy limit for these coverages is Statutory (unlimited) for workers' compensation and \$2,000,000 for employer's liability. These limits are per each injury occurrence or employee disease.

The current cost of these coverages is based on a rate of .2679 per \$100 of payroll. The rate is determined by the insurance company's underwriter, taking into account the Village's claims frequency, severity, loss prevention programs and payroll, among other factors. The total cost for the Village's excess workers' compensation insurance coverage for 2015 was \$89,318. The current excess insurance policy with Safety National expires on December 31, 2015.

In September of 2013 the Village submitted Request for Proposals for excess workers compensation insurance coverage to four insurance brokers. Mesirow Financial Services (incumbent broker) was authorized by the Village Board as the Village's broker until January 1, 2019

The 2016 budget for Workers' Compensation Fixed Costs is \$114,360.

**DISCUSSION:** Mesirow Financial Services submitted two (2) coverage options from the incumbent carrier for the 2016 renewal.

Mirroring the existing program, Safety National Insurance Company did increase their rate from .2769 per \$100 of payroll to .2820 for the renewal. The cost to the Village for excess workers' compensation coverage would be \$92,229 for coverage with a \$650,000 self-insured retention and \$87,618 for coverage with a \$750,000 retention, using 2014-15 payroll figures.

**FINANCIAL IMPACT:** The recommendations presented below represent a **22% decrease** in the overall amount budgeted related to these programs for 2016, and a **2% overall premium reduction** compared to the previous year.

**RECOMMENDATION:** Staff requests approval of the following 2 recommendations.

**RECOMMENDATION I: Property and Casualty**

Staff recommends the Village purchase the Alteris/Affiliated FM property and liability insurance package from Mesirow Financial Services, as outlined in the attached exhibit for the policy year January 1, 2015 through January 1, 2016, for a total fixed cost of \$350,641.

## **RECOMMENDATION II: Workers' Compensation**

Staff recommends the Village purchase excess workers' compensation insurance coverage with statutory limits and a single \$650,000 self-insured retention, from Mesirow Financial Services, for the policy period of December 31, 2015 through December 31, 2016. Safety National Insurance Company will underwrite the excess workers' compensation insurance policy at a rate of .2820 per \$100 of actual payroll. The annual deposit premium will be \$92,229, subject to an annual premium adjustment based on audited payroll figures.

# Premium Summary and Comparison

	Expiring Annual 1/01/2015 - 1/1/2016	Renewal 1/01/2016 - 1/1/2017 - Option 1	Renewal 1/01/2016 - 1/1/2017 - Option 2	Renewal 1/01/2016 - 1/1/2017 - Option 3
	Affiliated FM/Alteris Hanover/Ace + Lloyd's Casualty - \$100,000 SIR / EPL-POL \$50,000 SIR APD - \$100,000 Ded SIR Agg: \$400,000	Affiliated FM/Alteris Hanover/Ace + Lloyd's Casualty - \$100,000 SIR / EPL-POL \$50,000 SIR APD - \$100,000 Ded SIR Agg: \$400,000	Affiliated FM/Alteris Hanover/Ace + Lloyd's Casualty - \$100,000 SIR / EPL-POL \$100,000 SIR APD - \$100,000 Ded SIR Agg: \$400,000	Affiliated FM/Safety National Hanover/Ace + Lloyd's Casualty - \$100,000 SIR / EPL-POL \$100,000 SIR APD - \$100,000 Ded SIR Agg: \$400,000
Property Premium	\$ 90,507	\$ 90,507	\$ 90,507	\$ 90,507
Property Engineering fee	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Property Costs	\$ 93,007	\$ 93,007	\$ 93,007	\$ 93,007
Sears Property Premium	Included	Included	Included	Included
Liability Package Premium	\$ 262,987	\$ 251,842	\$ 227,305	\$ 234,183
Crime	\$ 2,524	\$ 2,524	\$ 2,524	\$ 2,524
Underground Storage Tank	\$ 1,438	\$ 1,568	\$ 1,568	\$ 1,568
Liquor Liability	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
<b>Total Property, Casualty, Crime, UST + Liquor Premiums</b>	<b>\$ 361,656</b>	<b>\$ 350,641</b>	<b>\$ 326,104</b>	<b>\$ 332,982</b>
Premium Savings vs. Expiring		\$ (11,015)	\$ (35,552)	\$ (28,674)
Stand Alone - Terrorism	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000
Surplus lines, taxes, fees	\$ 517	\$ 517	\$ 517	\$ 517
Excess Work Comp Retentions	\$650,000 - all classes w/ Safety National	\$650,000 - all classes w/ Safety National	\$650,000 - all classes w/ Safety National	\$650,000 - all classes w/ Safety National
<b>Total Est Excess WC premium</b>	<b>\$ 89,318</b>	<b>\$ 92,229</b>	<b>\$ 92,229</b>	<b>\$ 87,618</b>
<b>Total Estimated Annual Premiums</b>	<b>\$ 462,491</b>	<b>\$ 454,387</b>	<b>\$ 429,850</b>	<b>\$ 432,117</b>
Premium Savings vs. Expiring		\$ (8,104)	\$ (32,641)	\$ (30,374)
Percent Reduction		-2%	-7%	-7%

All coverages and exclusions are not included on this page. Please refer to policy for all applicable terms and conditions. Additional limits and/or changes may be available after review and acceptance by insurer.

Property, Casualty and Workers' Compensation

**Casualty Coverages**

Carrier	Status	AM Best Admitted / Non	Comment
Alteris (Incumbent)	Quoted	A XII Admitted	Quoted refer to Mesirow proposal
Safety National	Quoted	A XIII Admitted	Quoted a \$100 SIR option

**Property**

Carrier	Status	AM Best Admitted / Non	Comment
Affiliated FM (Incumbent)	Quoted	A+ XV Admitted	Quoted refer to Mesirow proposal
Hartford	Declined	A, XV Admitted	Could not compete

**Crime**

Carrier	Status	AM Best Rating Admitted / Non	Comment
Hanover (Incumbent)	Quoted	A+ XV Admitted	Second Year of a three year deal

**Underground Storage Tank Liability**

Carrier	Status	AM Best Rating Admitted / Non	Comment
Ace (Incumbent)	Quoted	A XIV Admitted	Quoted refer to Mesirow proposal

**Liquor Liability**

Carrier	Status	AM Best Rating Admitted / Non	Comment
Lloyd's (Incumbent)	Quoted	A+ XV Admitted	Quoted refer to Mesirow proposal

Village of Hoffman Estates – Market Responses – 1/01/2015 – 1/01/2016

**Terrorism (Stand Alone) Coverage**

Carrier	Status	AM Best Rating Admitted / Non	Comment
Hiscox / Lloyd's (Incumbent)	Quoted	A+ XV Non - Admitted	Quoted refer to Mesirow proposal

**Excess Workers Compensation – Policy Period: 12/31/2012-2013**

Carrier	Status	AM Best Admitted / Non	Comment
Safety National (Incumbent)	Quoted	A XI Admitted	Quoted refer to Mesirow proposal
Midlands	Indicated	A XV Admitted	Cannot compete against Safety National





# HOFFMAN ESTATES

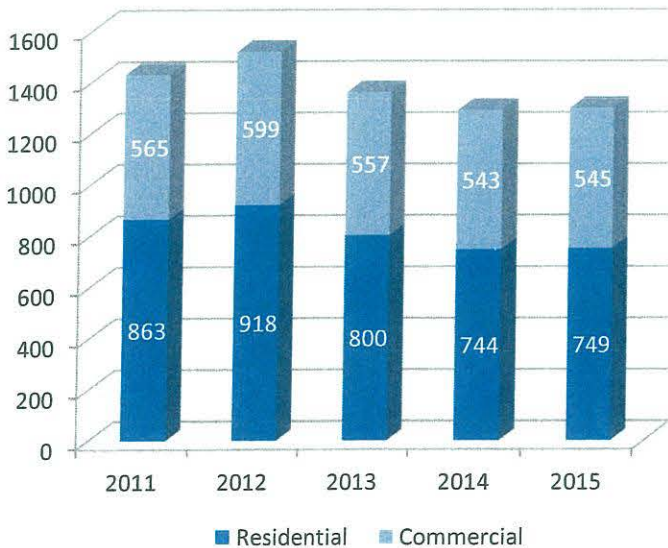
GROWING TO GREATNESS

## DEPARTMENT OF FINANCE MONTHLY REPORT NOVEMBER 2015

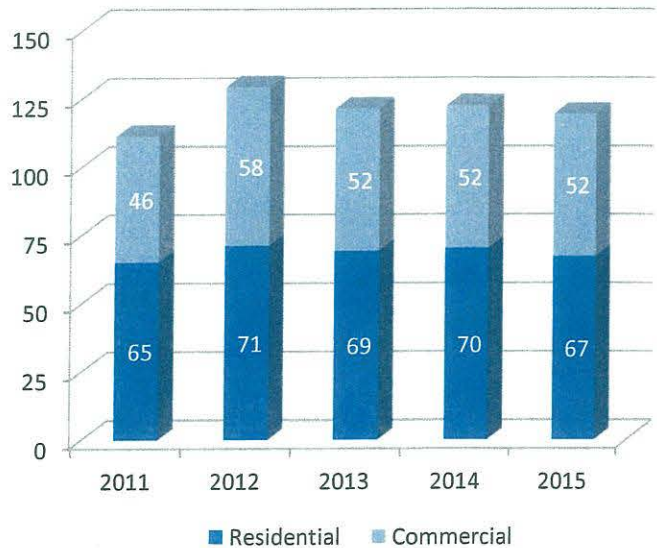
### Water Billing

A total of 14,596 residential water bills were mailed on November 1st for September's water consumption. Average consumption was 4,590 gallons, resulting in an average residential water bill of \$50.89. Total consumption for all customers was 119 million gallons, with 67 million gallons attributable to residential consumption. When compared to the November 2014 billing, residential consumption decreased by 4.5%.

**Total Water Consumption  
Year-To-Date Comparison  
Month of November**

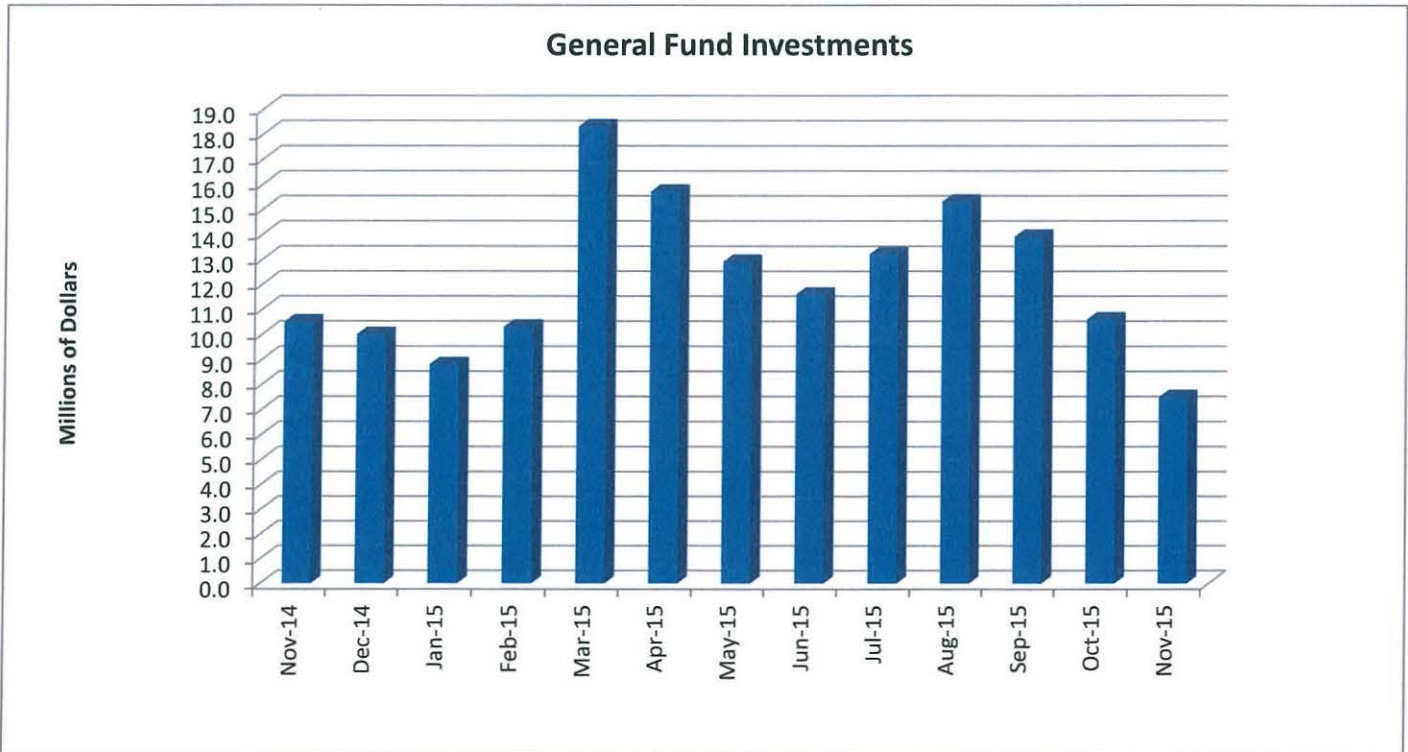
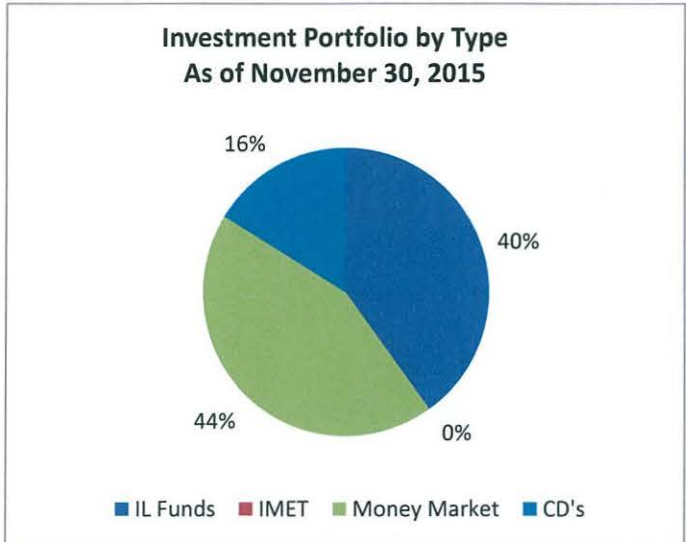
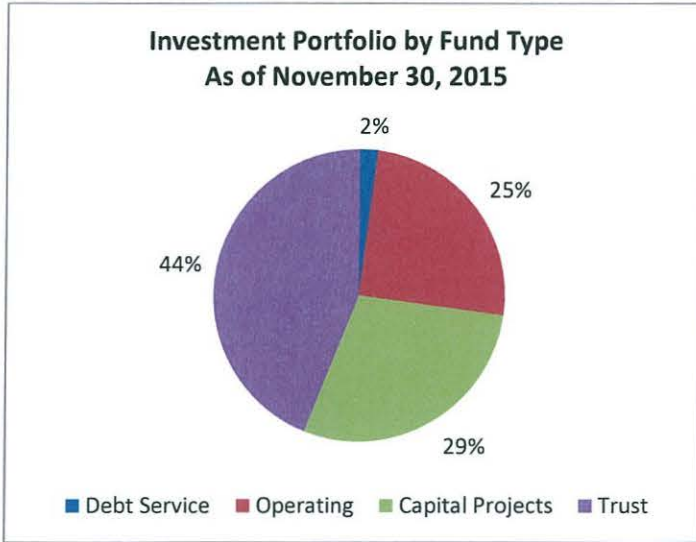


**Total Water Consumption  
Month of November**



## Village Investments

As of November 30, 2015, the Village's investment portfolio (not including pension trust funds) totaled \$50.8 million. Of this amount, \$12.8 million pertained to the various operating funds. As can be seen in the following graphs, the remaining \$38 million is related to debt service, capital projects and trust funds.



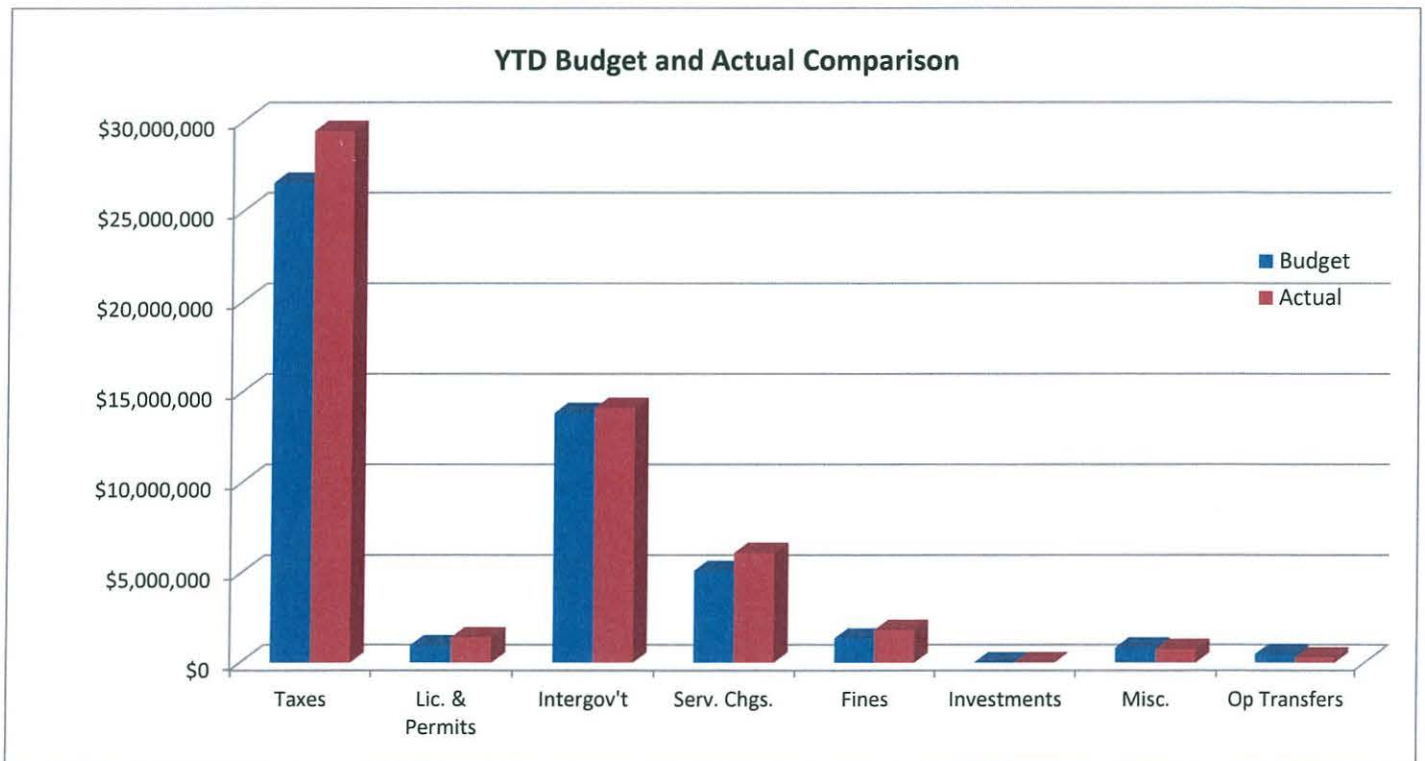
## Operating Funds

### General Fund

For the month of November, General Fund revenues totaled \$2,681,095 and expenditures totaled \$4,430,661 resulting in a deficit of \$1,624,566.

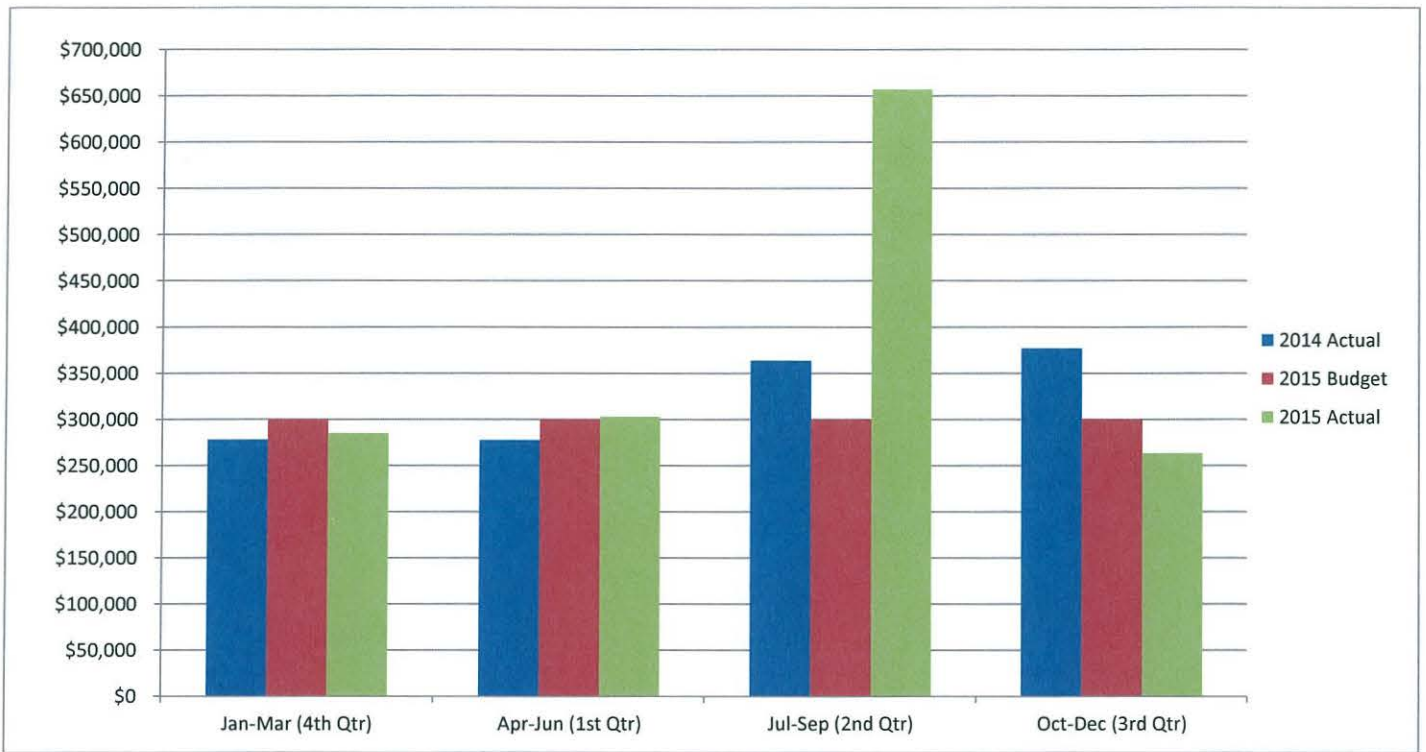
**Revenues:** November year-to-date figures are detailed in the table below. Operating transfers do not occur until the underlying expense is realized. Most miscellaneous revenues are not received on a monthly basis.

REVENUES	YEAR-TO-DATE	YEAR-TO-DATE	VARIANCE
	BUDGET	ACTUAL	
Taxes	\$ 26,567,897	\$ 29,430,657	10.8%
Licenses & Permits	970,750	1,413,602	45.6%
Intergovernmental	13,847,167	14,123,581	2.0%
Charges for Services	5,120,552	6,127,321	19.7%
Fines & Forfeits	1,350,250	1,824,502	35.1%
Investments	27,500	25,294	-8.0%
Miscellaneous	836,743	753,056	-10.0%
Operating Transfers	481,250	300,000	-37.7%
<b>TOTAL</b>	<b>\$ 49,202,108</b>	<b>\$ 53,998,012</b>	<b>9.7%</b>



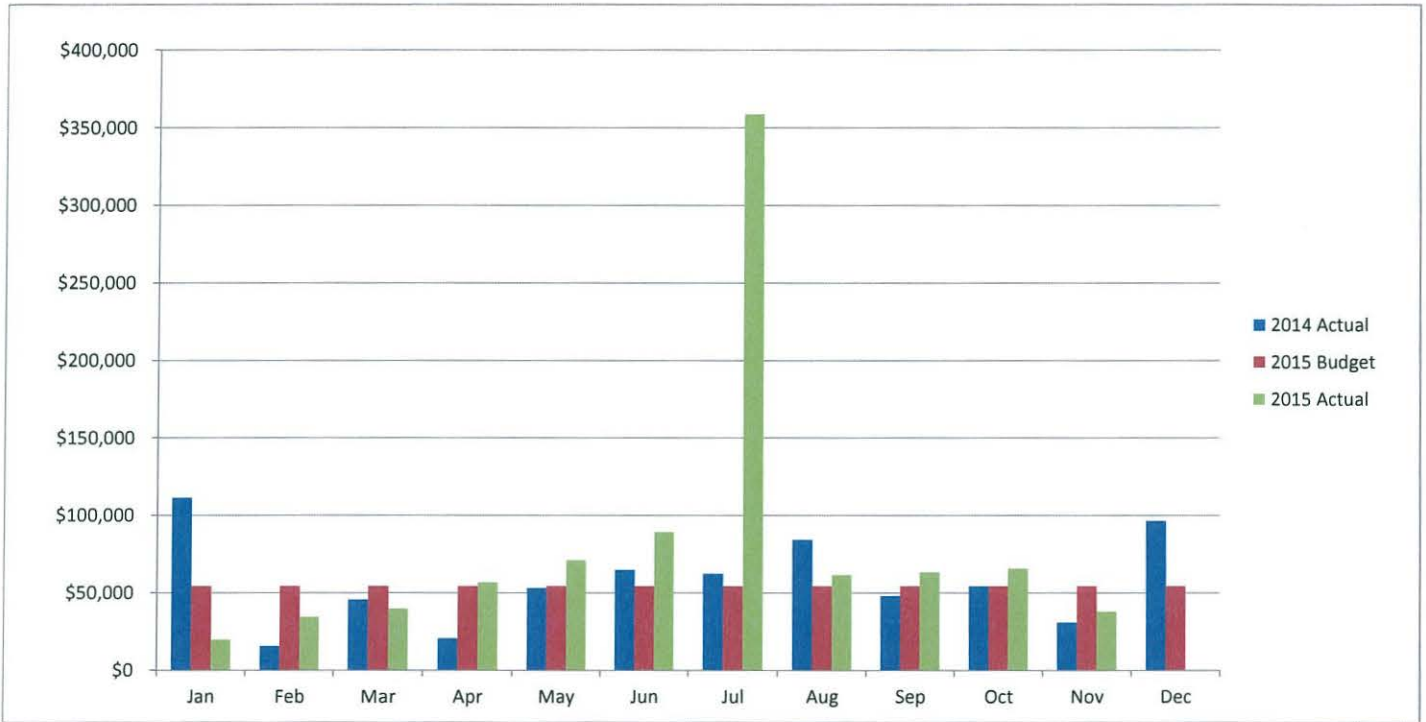


## Hotel Tax



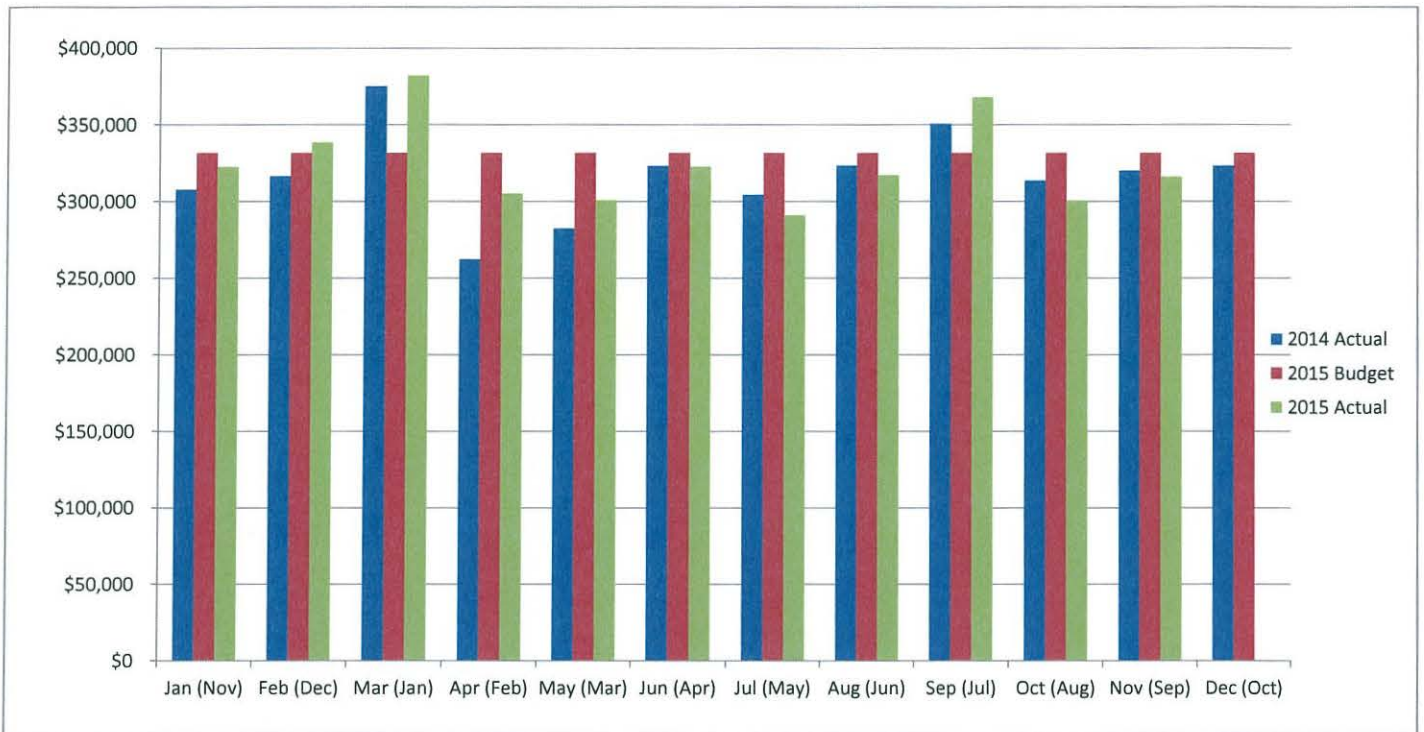
<b>Quarter Received (Liability Period)</b>	<b><u>2014 Actual</u></b>	<b><u>2015 Budget</u></b>	<b><u>2015 Actual</u></b>	<b>Cumulative Variance 2015 Actual vs. Budget</b>
Jan-Mar (4th Qtr)	\$ 278,210	\$ 300,000	\$ 285,231	\$ (14,769)
Apr-Jun (1st Qtr)	277,860	300,000	303,072	\$ (11,697)
Jul-Sep (2nd Qtr)	363,759	300,000	657,156	\$ 345,459
Oct-Dec (3rd Qtr)	377,144	300,000	263,456	\$ 308,915
<b>YTD Totals</b>	<b><u>\$ 1,296,973</u></b>	<b><u>\$ 1,200,000</u></b>	<b><u>\$ 1,508,915</u></b>	

## Real Estate Transfer Tax



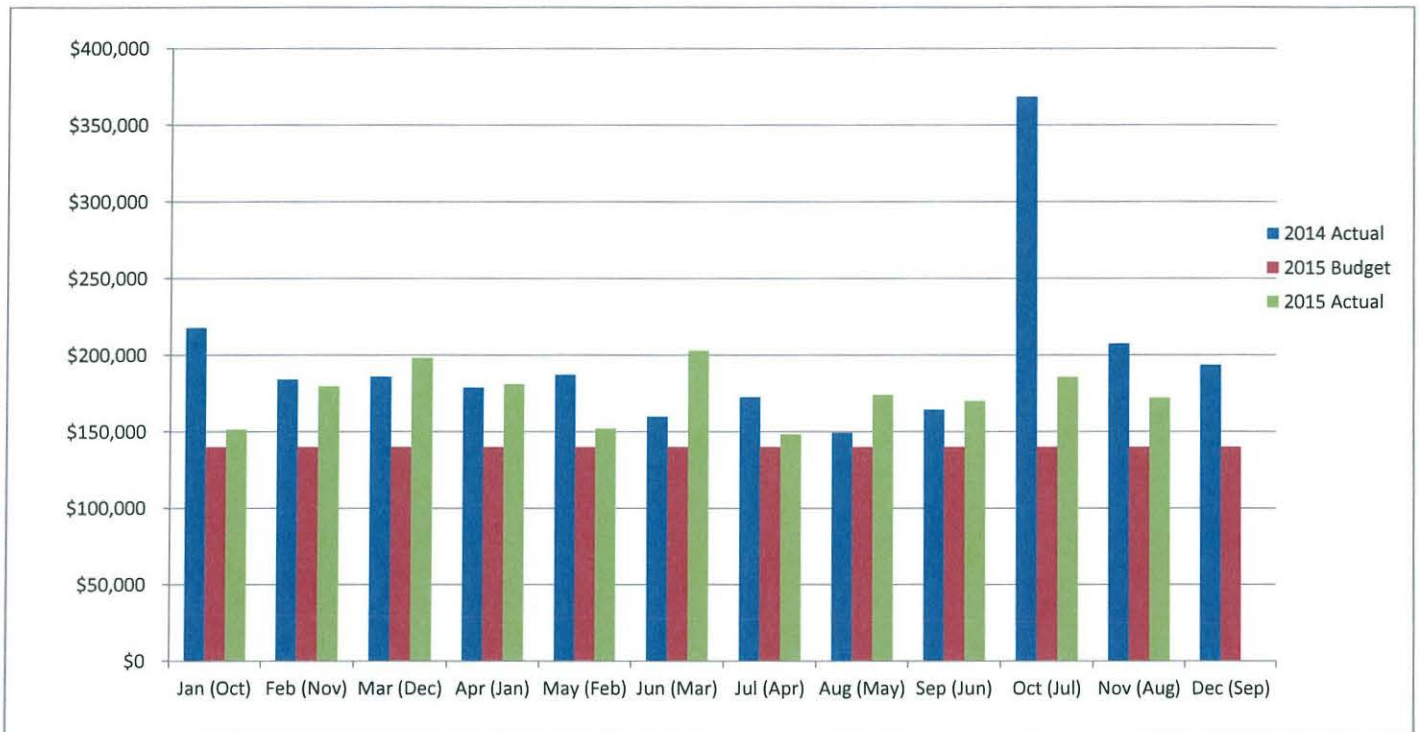
<u>Month Received</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>Cumulative Variance 2015 Actual vs. Budget</u>
Jan	\$ 111,124	\$ 54,167	\$ 19,551	\$ (34,616)
Feb	15,488	54,167	34,172	\$ (54,610)
Mar	45,493	54,167	39,643	\$ (69,134)
Apr	20,396	54,167	56,623	\$ (66,678)
May	52,944	54,167	70,889	\$ (49,955)
Jun	64,570	54,167	89,044	\$ (15,078)
Jul	62,156	54,167	358,525	\$ 289,280
Aug	84,034	54,167	61,377	\$ 296,491
Sep	47,823	54,167	63,270	\$ 305,594
Oct	54,065	54,167	65,550	\$ 316,977
Nov	30,714	54,167	37,796	\$ 300,607
Dec	96,249	54,167		
<b>YTD Totals</b>	<u>\$ 685,055</u>	<u>\$ 650,000</u>	<u>\$ 896,440</u>	

## Home Rule Sales Tax



<b>Month Received (Liability Period)</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>Cumulative Variance 2015 Actual vs. Budget</b>
Jan (Nov)	\$ 307,526	\$ 331,500	\$ 322,359	\$ (9,141)
Feb (Dec)	316,409	331,500	338,435	(2,206)
Mar (Jan)	374,960	331,500	381,857	48,151
Apr (Feb)	262,216	331,500	305,139	21,790
May (Mar)	282,254	331,500	300,617	(9,093)
Jun (Apr)	322,997	331,500	322,770	(17,823)
Jul (May)	304,214	331,500	290,790	(58,533)
Aug (Jun)	323,203	331,500	317,104	(72,929)
Sep (Jul)	350,513	331,500	367,835	(36,594)
Oct (Aug)	313,422	331,500	300,462	(67,632)
Nov (Sep)	319,890	331,500	315,938	(83,194)
Dec (Oct)	323,034	331,500		
<b>YTD Totals</b>	<b>\$ 3,800,637</b>	<b>\$ 3,978,000</b>	<b>\$ 3,563,306</b>	

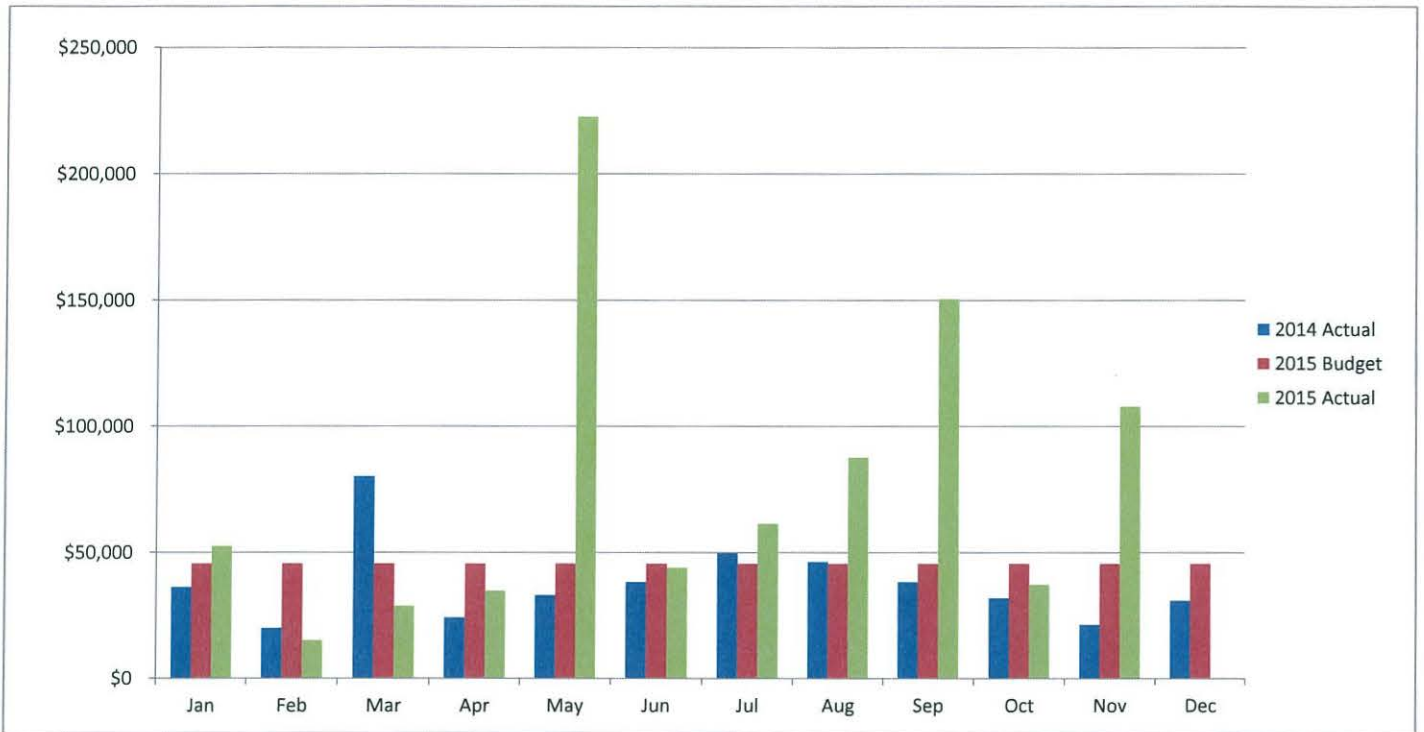
## Telecommunications Tax



<u>Month Received (Liability Period)</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>Cumulative Variance 2015 Actual vs. Budget</u>
Jan (Oct)	\$ 217,663	\$ 139,770	\$ 151,174	\$ 11,404
Feb (Nov)	183,773	139,770	179,510	51,144
Mar (Dec)	185,835	139,770	197,794	109,168
Apr (Jan)	178,574	139,770	180,871	150,269
May (Feb)	186,926	139,770	151,902	162,401
Jun (Mar)	159,526	139,770	202,762	225,393
Jul (Apr)	172,370	139,770	148,153	233,776
Aug (May)	149,175	139,770	173,922	267,928
Sep (Jun)	164,213	139,770	169,902	298,060
Oct (Jul)	368,360	139,770	185,463	343,753
Nov (Aug)	207,238	139,770	171,987	375,970
Dec (Sep)	193,337	139,770		
<b>YTD Totals</b>	<u><u>\$ 2,366,988</u></u>	<u><u>\$ 1,677,240</u></u>	<u><u>\$ 1,913,440</u></u>	



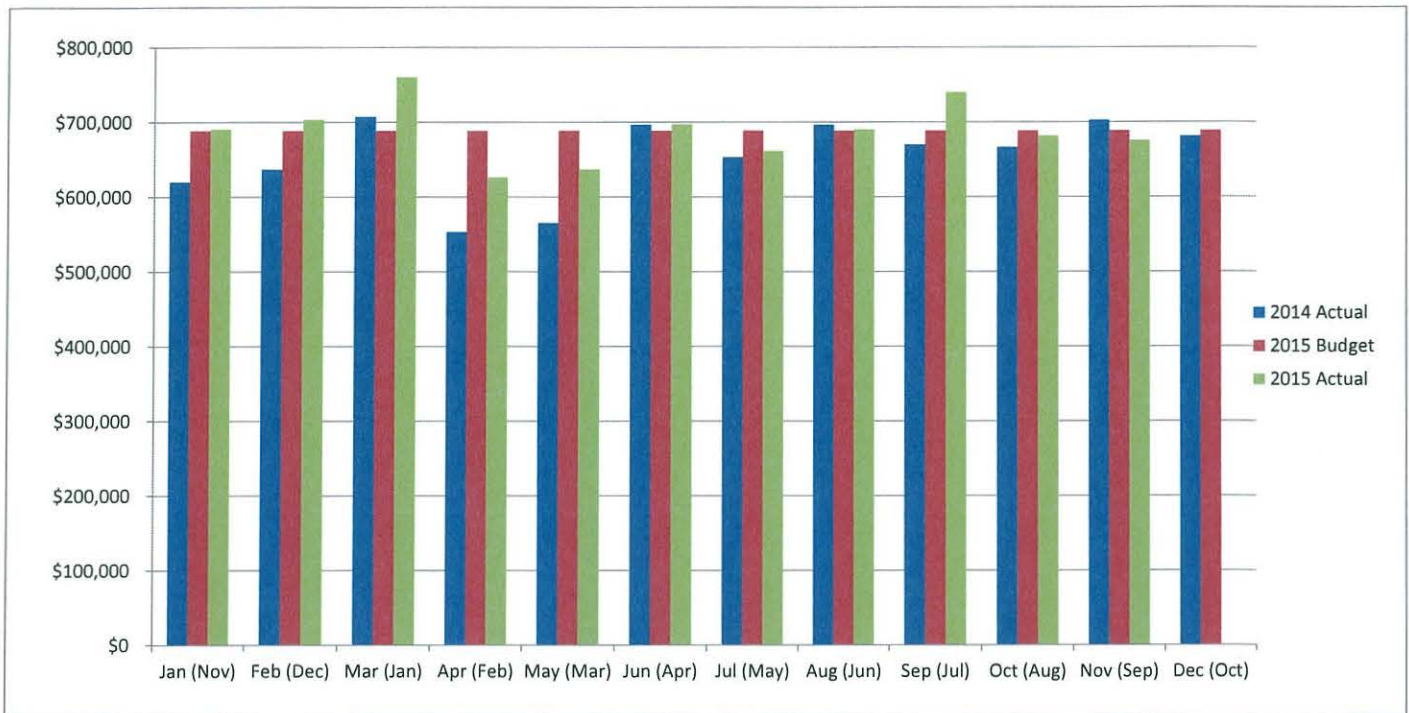
## Building Permits



<u>Month Received</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>Cumulative Variance 2015 Actual vs. Budget</u>
Jan	\$ 36,105	\$ 45,417	\$ 52,379	\$ 6,962
Feb	19,912	45,417	15,057	(23,397)
Mar	80,125	45,417	28,634	(40,180)
Apr	24,117	45,417	34,707	(50,890)
May	32,990	45,417	222,499	126,193
Jun	38,217	45,417	43,889	124,665
Jul	49,588	45,417	61,332	140,580
Aug	46,229	45,417	87,653	182,817
Sep	38,118	45,417	150,295	287,695
Oct	31,809	45,417	37,126	279,404
Nov	21,300	45,417	107,773	341,761
Dec	30,828	45,417		
<b>YTD Totals</b>	<u>\$ 449,339</u>	<u>\$ 545,000</u>	<u>\$ 841,345</u>	

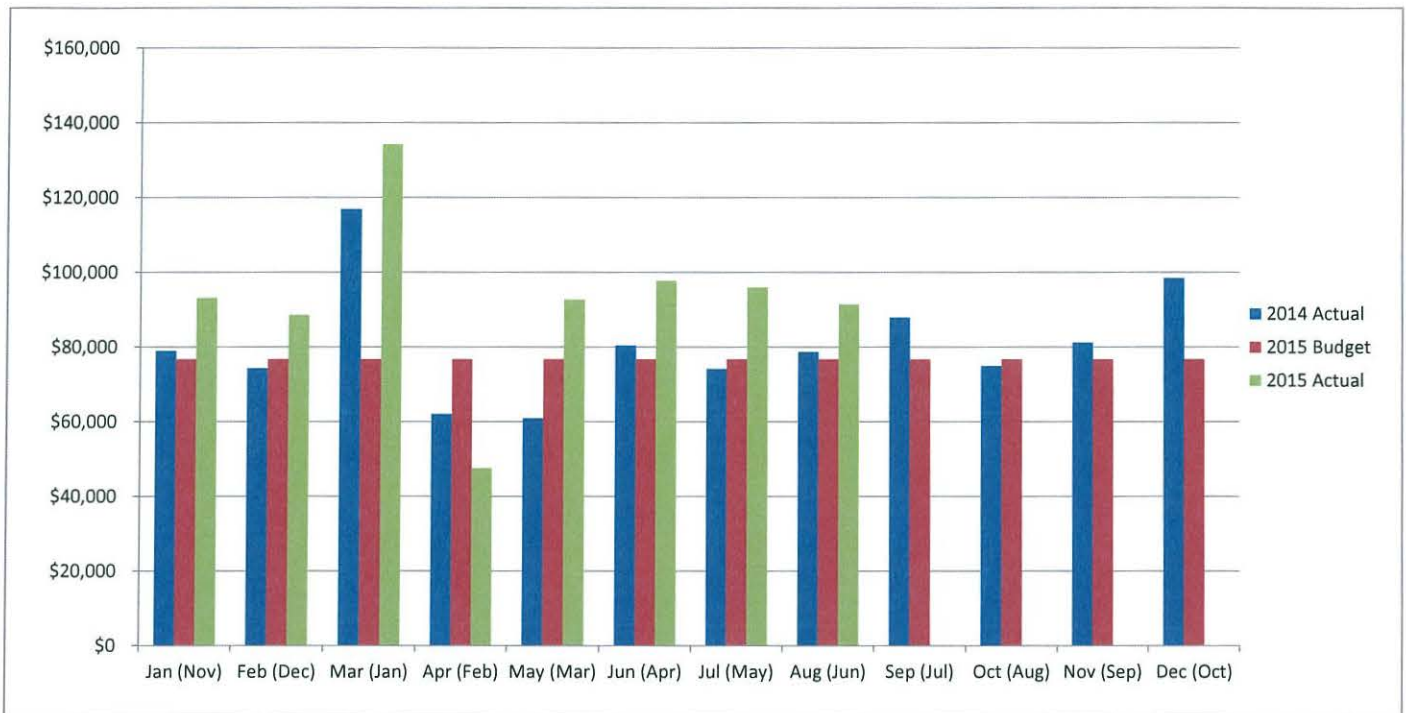


## State Sales Tax



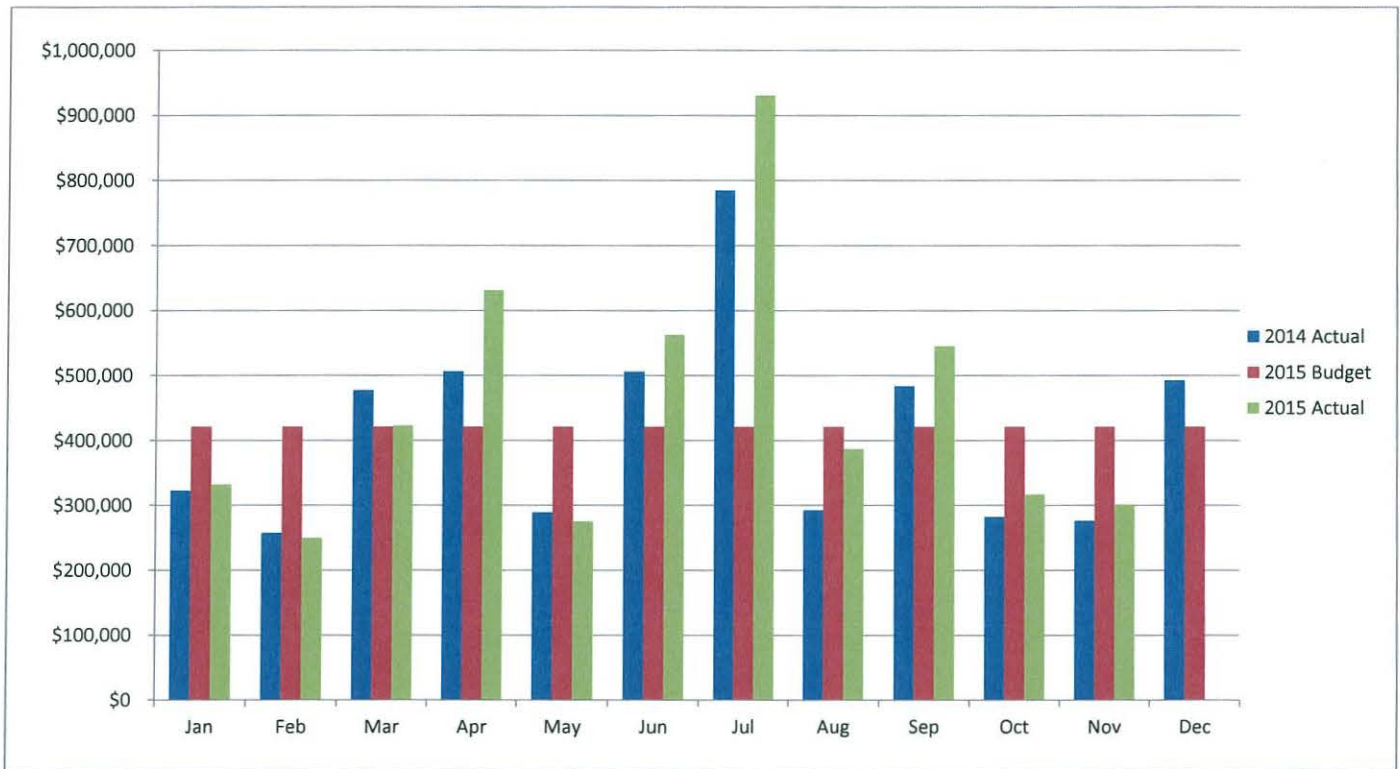
<b>Month Received (Liability Period)</b>	<b><u>2014 Actual</u></b>	<b><u>2015 Budget</u></b>	<b><u>2015 Actual</u></b>	<b>Cumulative Variance 2015 Actual vs. Budget</b>
Jan (Nov)	\$ 619,702	\$ 688,083	\$ 690,471	\$ 2,388
Feb (Dec)	636,411	688,083	703,305	17,609
Mar (Jan)	706,857	688,083	759,870	89,396
Apr (Feb)	552,833	688,083	625,945	27,258
May (Mar)	564,732	688,083	636,692	(24,134)
Jun (Apr)	696,379	688,083	696,765	(15,452)
Jul (May)	652,928	688,083	660,897	(42,638)
Aug (Jun)	696,080	688,083	689,914	(40,808)
Sep (Jul)	669,646	688,083	739,532	10,641
Oct (Aug)	666,102	688,083	681,218	3,776
Nov (Sep)	702,393	688,083	675,132	(9,176)
Dec (Oct)	680,754	688,083		
<b>YTD Totals</b>	<b><u>\$ 7,844,814</u></b>	<b><u>\$ 8,257,000</u></b>	<b><u>\$ 7,559,741</u></b>	

## Local Use Tax



<b>Month Received (Liability Period)</b>	<b><u>2014 Actual</u></b>	<b><u>2015 Budget</u></b>	<b><u>2015 Actual</u></b>	<b>Cumulative Variance 2015 Actual vs. Budget</b>
Jan (Nov)	\$ 78,904	\$ 76,667	\$ 93,103	\$ 16,436
Feb (Dec)	74,283	\$ 76,667	88,514	28,284
Mar (Jan)	116,875	\$ 76,667	134,166	85,783
Apr (Feb)	61,973	\$ 76,667	47,468	56,584
May (Mar)	60,840	\$ 76,667	92,649	72,567
Jun (Apr)	80,325	\$ 76,667	97,684	93,584
Jul (May)	74,050	\$ 76,667	95,885	112,802
Aug (Jun)	78,676	\$ 76,667	91,333	127,469
Sep (Jul)	87,819	\$ 76,667	-	50,802
Oct (Aug)	74,884	\$ 76,667	-	(25,865)
Nov (Sep)	81,096	\$ 76,667	-	(102,531)
Dec (Oct)	98,402	\$ 76,667	-	
<b>YTD Totals</b>	<b><u>\$ 968,124</u></b>	<b><u>\$ 920,000</u></b>	<b><u>\$ 740,801</u></b>	

## Income Tax



2013-2014		
Month		
<u>Received</u>	<u>Liab Pd</u>	<u>2014 Actual</u>
Jan	Oct-13	\$ 322,575
Feb	Nov-13	257,475
Mar	Dec-13	476,802
Apr	Jan-14	506,008
May	Feb-14	289,011
Jun	Mar-14	505,396
Jul	Apr-14	784,363
Aug	May-14	292,152
Sep	Jun-14	483,521
Oct	Jul-14	282,065
Nov	Aug-14	275,829
Dec	Sep-14	492,162
<b>YTD Totals</b>		<b><u>\$ 4,967,359</u></b>

2014-2015			
Month			
<u>Received</u>	<u>2015 Budget</u>	<u>Liab Pd</u>	<u>2015 Actual</u>
Jan	\$ 420,833	Oct-14	\$ 331,813
Feb	420,833	Nov-14	249,502
Mar	420,833	Dec-14	422,739
Apr	420,833	Jan-15	630,730
May	420,833	Feb-15	275,154
Jun	420,833	Mar-15	562,284
Jul	420,833	Apr-15	930,248
Aug	420,833	May-15	386,317
Sep	420,833	Jun-15	545,070
Oct	420,833	Jul-15	316,314
Nov	420,833	Aug-15	301,271
Dec	420,833	Sep-15	
	<b><u>\$ 5,050,000</u></b>		<b><u>\$ 4,951,442</u></b>

Cumulative Variance 2015 Actual vs. Budget
\$ (89,021)
(260,352)
(258,446)
(48,549)
(194,229)
(52,778)
456,637
422,120
546,357
441,838
322,275



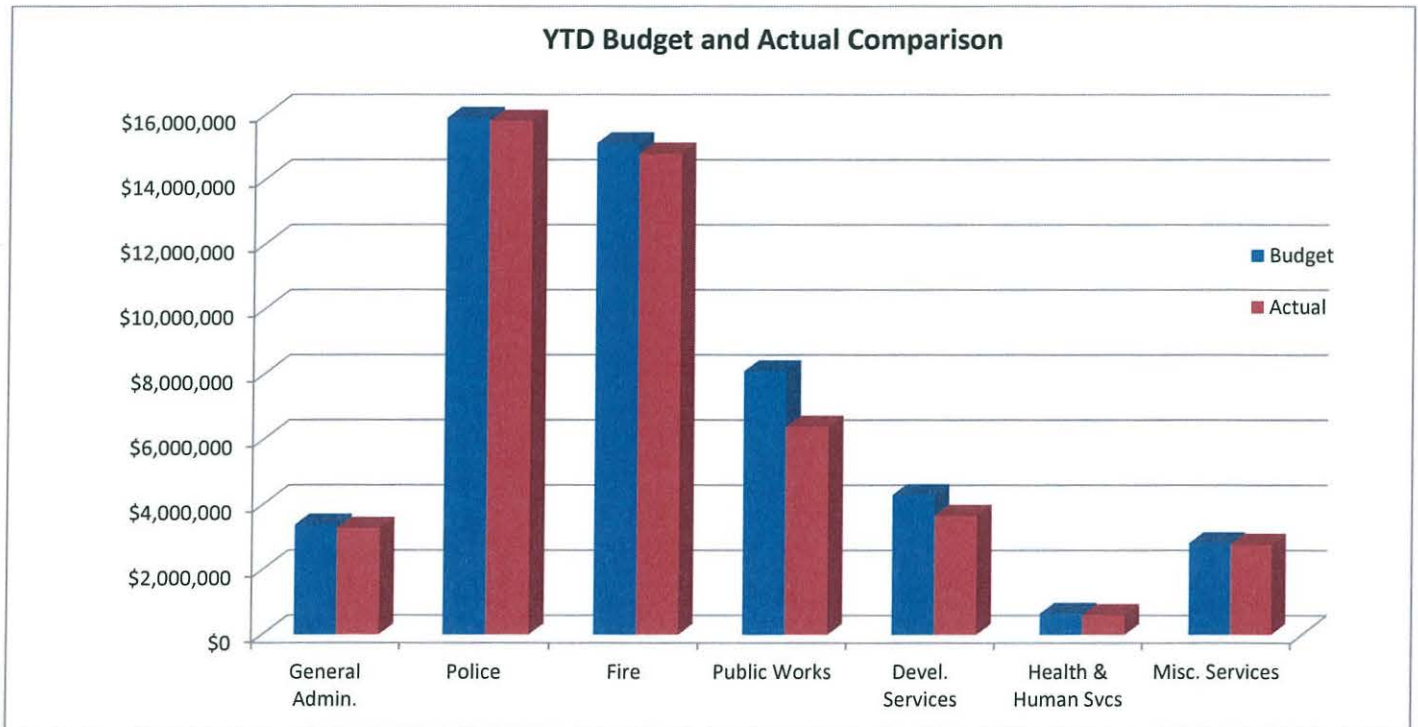
## Fines



<u>Month Received</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>Cumulative Variance 2015 Actual vs. Budget</u>
Jan	\$ 101,340	\$ 125,667	\$ 147,164	\$ 21,497
Feb	134,238	125,667	119,030	14,861
Mar	152,398	125,667	157,442	46,636
Apr	139,804	125,667	134,391	55,360
May	157,855	125,667	216,003	145,697
Jun	102,025	125,667	155,813	175,843
Jul	141,250	125,667	193,717	243,893
Aug	138,189	125,667	180,388	298,615
Sep	139,771	125,667	178,846	351,794
Oct	158,832	125,667	183,246	409,373
Nov	168,915	125,667	158,462	442,169
Dec	156,671	125,667		
<b>YTD Totals</b>	<u><u>\$ 1,691,288</u></u>	<u><u>\$ 1,508,000</u></u>	<u><u>\$ 1,824,503</u></u>	

**Expenditures:** General Fund expenditures in November were \$242,613 below the budgeted figure of \$4,548,274. The summary of year-to-date actuals versus budgeted expenditures shown reflect mostly positive variances for the Village departments for the year.

EXPENDITURES	YEAR-TO-DATE		VARIANCE
	BUDGET	ACTUAL	
Legislative	\$ 345,253	\$ 332,894	3.6%
Administration	563,732	561,039	0.5%
Legal	452,577	447,770	1.1%
Finance	972,712	943,062	3.0%
Village Clerk	190,016	182,079	4.2%
HRM	505,120	470,227	6.9%
Communications	201,254	204,091	-1.4%
Cable TV	142,633	129,763	9.0%
Police	15,872,074	15,787,486	0.5%
Fire	15,103,908	14,778,466	2.2%
Public Works	8,085,733	6,387,829	21.0%
Development Services	4,291,393	3,655,843	14.8%
H&HS	645,948	601,683	6.9%
Miscellaneous	2,812,382	2,768,991	1.5%
<b>TOTAL</b>	<b>\$ 50,184,734</b>	<b>\$ 47,251,223</b>	<b>5.8%</b>



## Department News

During the month of November, the following training sessions were attended by Finance staff:

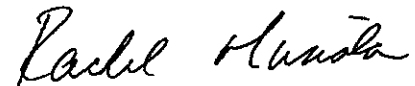
- Attended the annual IGFOA Payroll and Workman's Compensation Regional Webcast (Payroll Coordinator, Fiscal Operations Manager).

Also during the month, Finance staff participated in the following events and planning meetings:

- Participated in the annual Capital Improvements Board Meeting and the annual Budget Workshop with the Finance Committee (Finance Director, Assistant Director, other village staff).
- Attended multiple IGFOA Professional Education Committee planning meetings and conference planning meetings, as well as the IGFOA Executive Board meeting to update the Executive Board on training planning for the entire State through IGFOA (Finance Director).

Finally, we are excited to welcome our new Assistant Director of Finance, Anthony Fashoda, who started with the Village in November.

Respectfully Submitted,



Rachel Musiala  
Director of Finance

## MONTHLY REPORT STATISTICS

November-15

	Nov-15	YTD Nov-15	Nov-14	YTD Nov-14	% Inc / Dec	
					Month	Year
<b>Credit Card Transactions</b>						
Finance and Code Front Counter						
Number	605	7,591	556	6,095	8.8%	24.5%
Amount	\$ 75,826	993,477	\$ 69,342	747,396	9.4%	32.9%
Internet Sales						
Number	2,122	23,227	1,887	21,324	12.5%	8.9%
Amount	\$ 216,081	2,178,701	\$ 152,924	1,681,585	41.3%	29.6%
Total						
Number	2,727	30,818	2,443	27,419	11.6%	12.4%
Amount	\$ 291,907	3,172,177	\$ 222,266	2,218,723	31.3%	43.0%
Credit Card Company Fees						
General Fund	\$ 1,305	17,173	\$ 1,224	12,068	6.6%	42.3%
Municipal Waste Fund	-	22	1	12	-100.0%	86.3%
Water Fund	6,914	47,792	2,877	22,934	140.3%	108.4%
Total Fees	\$ 8,219	\$ 64,988	\$ 4,102	\$ 35,014	100.4%	85.6%
<b>Accounts Receivable</b>						
Invoices Mailed						
Number	54	823	151	984	-64.2%	-16.4%
Amount	\$ 209,131	1,567,574	\$ 123,942	1,078,531	68.7%	45.3%
Invoices Paid						
Number	43	781	95	956	-54.7%	-18.3%
Amount	\$ 56,579	1,433,586	\$ 84,739	1,042,141	-33.2%	37.6%
Reminders Sent						
Number	6	208	19	182	-68.4%	14.3%
Amount	\$ 552	93,152	\$ 56,909	171,672	-99.0%	-45.7%
<b>Accounts Payable</b>						
Checks Issued						
Number	339	3,923	323	3,825	5.0%	2.6%
Amount	\$ 2,111,134	32,745,095	\$ 2,262,024	19,655,328	-6.7%	66.6%
Manual Checks Issued						
Number	34	455	34	572	0.0%	-20.5%
As % of Total Checks	10.03%	11.60%	10.53%	14.95%	-4.7%	-22.4%
Amount	\$ 53,034	11,298,324	\$ 88,773	2,798,534	-40.3%	303.7%
As % of Total Checks	2.51%	34.50%	3.92%	14.24%	-36.0%	142.3%
<b>Utility Billing</b>						
New Utility Accounts	122	1,663	139	1,795	-12.2%	-7.4%
Bills Mailed / Active Accounts	15,502	170,283	15,466	166,555	0.2%	2.2%
Final Bills Mailed	122	1,663	139	1,792	-12.2%	-7.2%
Shut-Off Notices	1,400	15,700	1,450	15,649	-3.4%	0.3%
Actual Shut-Offs	116	1,217	98	1,077	18.4%	13.0%
Total Billings	\$ 1,673,951	17,471,089	\$ 1,292,090	13,942,566	29.6%	25.3%
Direct Debit (ACH) Program						
New Accounts	24	550	21	321	14.3%	71.3%
Closed Accounts	29	207	16	273	-18.8%	-24.2%
Total Accounts	2,651	27,564	2,302	25,184	15.2%	9.5%
As % of Active Accounts	17.10%	16.19%	14.88%	15.12%	2.2%	7.1%
Water Payments Received in Current Month						
Total Bills Mailed	15,502	170,283	15,466	170,131	0.2%	0.1%
ACH Payments	2,651	27,564	2,302	25,178	15.2%	9.5%
ACH Payments-% of Total Bills	17.10%	16.19%	14.88%	14.80%	14.9%	9.4%
On-line Payments (Internet Sales)	1,885	20,032	1,626	17,786	15.9%	12.6%
On-line Payments-% of Total Bills	12.16%	11.76%	10.51%	10.45%	15.7%	12.5%
Mail-in Payments	12,527	137,321	11,904	132,084	5.2%	4.0%
Mail-in Payments-% of Total Bills	80.81%	80.64%	76.97%	77.64%	5.0%	3.9%



**WATER BILLING ANALYSIS**  
November 30, 2015

**Residential Billings**  
**Average Monthly Consumption/Customer**

<u>Month Billed</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
November	4,907	4,706	4,818
December	4,818	4,636	3,978
January	5,047	5,047	5,288
February	4,772	4,137	4,347
March	4,057	4,293	4,126
April	4,736	4,485	4,327
May	4,502	4,283	4,601
June	8,166	4,283	4,434
July	8,325	5,138	4,597
August	6,797	4,873	5,376
September	4,760	5,497	5,073
October	4,907	4,595	4,643
November	4,706	4,818	4,590
13 Month Average -	5,423	4,676	4,631
% Change -	-1.9%	-13.8%	-1.0%

**Total Water Customers**

<u>Customer Type</u>	<u>Nov-14</u>	<u>Nov-15</u>	<u>% Change</u>
Residential	14,560	14,596	0.2%
Commercial	916	906	-1.1%
Total	15,476	15,502	0.2%

**Average Bill**

<u>Customer Type</u>	<u>Nov-14</u>	<u>Nov-15</u>	<u>% Change</u>
Residential	\$ 45.84	\$ 50.89	11.0%

**Total Consumption - All Customers (000,000's)**

	<u>Month-To-Date</u>			<u>Year-To-Date</u>		
	<u>Nov-14</u>	<u>Nov-15</u>	<u>% Change</u>	<u>Nov-14</u>	<u>Nov-15</u>	<u>% Change</u>
Residential	70	67	-4.5%	748	749	0.1%
Commercial	52	52	0.0%	544	545	0.2%
	121	119	-1.7%	1,292	1,294	0.2%



**STATEMENT OF INVESTMENTS-VILLAGE**  
**As of November 30, 2015**

<b>Fund</b>	<b>Investment Date</b>	<b>Maturity Date</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Maturity Value</b>	<b>Rate of Interest</b>
<b><u>General Fund</u></b>						
Illinois Funds - General	09/30/86		1,470,164.19			0.012
Illinois Funds - Veterans Memorial	05/01/92		294.31			0.012
IMET Convenience Fund	10/20/05		2,695.88			0.430
HE Community Bank-MaxSafe	07/13/04		763,642.79			0.100
Virginia Heritage Bank	11/07/08		3,743,902.92			0.100
CD with PMA	08/22/13		1,490,882.01	1,491,226.75	1,503,740.47	0.375
			<u>7,471,582.10</u>			
<b><u>Motor Fuel Tax</u></b>						
Illinois Funds	09/30/86		894,454.02			0.012
Virginia Heritage Bank	11/07/08		71,422.46			0.100
CD with PMA	08/22/13		94,312.26	94,225.87	95,016.57	0.375
			<u>1,060,188.74</u>			
<b><u>EDA Administration</u></b>						
Illinois Funds	01/02/91		273.03			0.012
Virginia Heritage Bank	11/07/08		522,287.27			0.100
			<u>522,560.30</u>			
<b><u>E-911</u></b>						
Illinois Funds	07/01/00		11,697.99			0.012
Virginia Heritage Bank	11/07/08		52,443.57			0.100
			<u>64,141.56</u>			
<b><u>Asset Seizure - Federal</u></b>						
Illinois Funds	06/09/99		312.56			0.012
<b><u>Asset Seizure - State</u></b>						
Illinois Funds	11/30/98		52,747.50			0.012
<b><u>Asset Seizure - BATTLE</u></b>						
Illinois Funds	07/10/08		57,782.10			0.012
<b><u>Municipal Waste System</u></b>						
Illinois Funds	08/31/98		1,586.90			0.012
<b><u>2005A G.O. Debt Serv.</u></b>						
Illinois Funds	11/30/04		991,219.36			0.012
<b><u>2009 G.O. Debt Serv.</u></b>						
Illinois Funds	04/01/09		4,694.78			0.012
<b><u>Central Road Corridor Improv.</u></b>						
Illinois Funds	12/15/88		14,041.61			0.012
Virginia Heritage Bank	11/07/08		233,335.70			0.100
			<u>247,377.31</u>			
<b><u>Hoffman Blvd Bridge Maintenance</u></b>						
Illinois Funds	07/01/98		10,546.01			0.012
CD with PMA	08/22/13		90,634.13	90,501.52	91,260.97	0.375
Virginia Heritage Bank	02/10/11		232,473.86		-	0.100
			<u>333,654.00</u>			

<b>STATEMENT OF INVESTMENTS-VILLAGE</b>
<b>As of November 30, 2015</b>

Fund	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
<b><u>Western Corridor</u></b>						
Illinois Funds	06/30/01		36,147.86			0.012
CD with PMA	08/22/13		803,351.81	803,340.68	810,081.97	
Virginia Heritage Bank	01/07/09		1,730,263.23			0.100
			2,569,762.90			
<b><u>Traffic Improvement</u></b>						
Illinois Funds	03/24/89		13,595.40			0.012
Virginia Heritage Bank	01/07/09		284,824.57			0.012
			298,419.97			
<b><u>EDA Series 1991 Project</u></b>						
Illinois Funds	08/22/91		1,157,217.17			0.012
Virginia Heritage Bank	02/10/11		1,560,207.46		-	-
			2,717,424.63			
<b><u>Road Improvement</u></b>						
Illinois Funds	01/01/15		313,499.75			
Virginia Heritage Bank			95,798.66			0.430
			409,298.41			
<b><u>Western Area Traffic Improvement</u></b>						
Illinois Funds	11/01/92		12,287.78			0.012
Virginia Heritage Bank	01/07/09		128,854.43			0.100
			141,142.21			
<b><u>Western Area Rd Impr Impact Fees</u></b>						
Illinois Funds	08/01/98		13,949.88			0.012
Virginia Heritage Bank	01/07/09		133,200.39			0.100
			147,150.27			
<b><u>Capital Improvements</u></b>						
Illinois Funds	12/31/96		16.28			0.012
Virginia Heritage Bank	01/07/09		194,973.20		-	0.100
			194,989.48			
<b><u>Capital Vehicle &amp; Equipment</u></b>						
Illinois Funds	12/31/96		9,181.08			0.012
Virginia Heritage Bank	01/07/09		64,776.28			0.100
			73,957.36			
<b><u>Capital Replacement</u></b>						
Illinois Funds	02/01/98		3,106.24			0.012
HE Community Bank-MaxSafe	07/13/04		382,863.66			0.100
Virginia Heritage Bank	11/07/08		378,611.70			0.100
CD with PMA	08/22/13		482,069.56	481,929.92	485,974.07	0.375
			1,246,651.16			
<b><u>2015 Capital Project</u></b>						
Citibank Savings Deposit Account	08/12/15		451,305.71			-
CD with PMA	08/12/15		749,100.00	3,736,947.56	3,738,578.82	
			1,200,405.71			
<b><u>Water and Sewer</u></b>						
Illinois Funds	09/30/86		10,196.44			0.012
Virginia Heritage Bank	11/07/08		3,136.50			0.100
			13,332.94			

**STATEMENT OF INVESTMENTS-VILLAGE**  
**As of November 30, 2015**

<b>Fund</b>	<b>Investment Date</b>	<b>Maturity Date</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Maturity Value</b>	<b>Rate of Interest</b>
<b><u>Water and Sewer-Capital Projects</u></b>						
Virginia Heritage Bank	03/20/08		66,305.06			0.012
<b><u>Water and Sewer-2015 Bond Projects</u></b>						
Citibank Savings Deposit Account	08/12/15		782,436.05			0.100
CD with PMA	08/12/15		3,737,768.37	749,100.00	749,841.30	
			<u>4,520,204.42</u>			
<b><u>Stormwater</u></b>						
Citibank Savings Deposit Account	08/12/15		503,566.31			0.100
<b><u>Sears Centre</u></b>						
Illinois Funds			(659,236.98)			0.012
<b><u>Insurance</u></b>						
Illinois Funds	11/10/87		351,668.61			0.012
Virginia Heritage Bank	11/07/08		1,363,079.59			0.100
CD with PMA	08/22/13		667,517.57	667,402.18	673,002.73	0.375
			<u>2,382,265.77</u>			
<b><u>Information Systems</u></b>						
Illinois Funds	02/01/98		173,397.42			0.012
Virginia Heritage Bank	11/07/08		711,959.35			
			<u>885,356.77</u>			
<b><u>EDA Special Tax Alloc.</u></b>						
Illinois Funds	05/15/92		14,850,318.75			0.012
Virginia Heritage Bank	11/07/08		7,006,771.70			
			<u>21,857,090.45</u>			
<b><u>Roselle Road TIF</u></b>						
Illinois Funds	09/30/03		60,230.66			0.012
CD with PMA	08/22/13		95,743.22	95,715.60	96,518.81	0.375
Virginia Heritage Bank	11/07/08		751,960.43			0.100
			<u>907,934.31</u>			
<b><u>Barr./Higgins TIF</u></b>						
Illinois Funds	08/26/91		450,284.97			0.012
<b><u>2005 EDA TIF Bond &amp; Int.</u></b>						
Illinois Funds	11/07/02		35,349.60			0.012
<b>Total Investments</b>			<u>\$ 50,769,502.93</u>			
<b>Total Invested Per Institution</b>				<b>Percent Invested</b>		
Illinois Funds			20,341,025.27	40.07		
IMET Convenience Fund			2,695.88	0.01		
CD with PMA			8,211,378.93	16.17		
HE Community Bank-MaxSafe			1,146,506.45	2.26		
Bank of New York Money Market			0.00	-		
Virginia Heritage Bank/Citibank with PMA			21,067,896.40	41.50		
			<u>\$50,769,502.93</u>	100.00		

<b>STATEMENT OF INVESTMENTS-VILLAGE</b> <b>As of November 30, 2015</b>
---

Fund	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
<b>Total Invested Per Institution Excluding all Trust and EDA Funds</b>				<b>Percent Invested</b>		
Illinois Funds			3,847,581.75	15.28		
IMET			2,695.88	0.01		
HE Community Bank-MaxSafe			1,146,506.45	4.55		
CD with PMA			8,211,378.93	32.60		
Virginia Heritage Bank/Citibank with PMA			11,978,629.97	47.56		
			<b>\$25,186,792.98</b>	<b>100.00</b>		
<b>Total Invested Per Fund</b>						
Total Investments - Operating Funds				\$12,760,554.57		
Total Investments - Debt Service Funds				\$1,031,263.74		
Total Investments - Trust Funds				\$22,307,375.42		
Total Investments - Capital Projects Funds				\$14,670,309.20		
Total Investments - All Funds				<b>\$50,769,502.93</b>		

**OPERATING REPORT SUMMARY**

**REVENUES**

**November 30, 2015**

	CURRENT MONTH		YEAR-TO-DATE		ANNUAL BUDGET	% ACTUAL TO BUDGET	BENCH-MARK
	BUDGET	ACTUAL	BUDGET	ACTUAL			
<b>General Fund</b>							
Property Taxes	1,358,709	33,904	14,945,801	16,332,061	16,304,510	100.2%	
Hotel Tax	100,000	130,508	1,100,000	1,508,914	1,200,000	125.7%	
Real Estate Transfer Tax	54,167	37,796	595,833	896,438	650,000	137.9%	
Home Rule Sales Tax	331,500	315,938	3,646,500	3,563,306	3,978,000	89.6%	
Telecommunications Tax	139,770	171,987	1,537,470	1,913,441	1,677,240	114.1%	
Property Tax - Fire	210,232	8,452	2,312,548	2,546,388	2,522,780	100.9%	
Property Tax - Police	216,719	8,064	2,383,911	2,619,467	2,600,630	100.7%	
Other Taxes	4,167	-	45,833	50,642	50,000	101.3%	
<b>Total Taxes</b>	<b>2,415,263</b>	<b>706,649</b>	<b>26,567,897</b>	<b>29,430,657</b>	<b>28,983,160</b>	<b>101.5%</b>	
Business Licenses	22,500	4,246	247,500	305,758	270,000	113.2%	
Liquor Licenses	18,583	8,660	204,417	250,977	223,000	112.5%	
Building Permits	45,417	107,773	499,583	841,342	545,000	154.4%	
Other Licenses & Permits	1,750	1,515	19,250	15,525	21,000	73.9%	
<b>Total Licenses &amp; Permits</b>	<b>88,250</b>	<b>122,194</b>	<b>970,750</b>	<b>1,413,602</b>	<b>1,059,000</b>	<b>133.5%</b>	
Sales Tax	688,083	675,132	7,568,917	7,559,739	8,257,000	91.6%	
Local Use Tax	76,667	-	843,333	740,802	920,000	80.5%	
State Income Tax	420,833	301,271	4,629,167	4,951,442	5,050,000	98.0%	
Replacement Tax	20,833	617	229,167	297,589	250,000	119.0%	
Other Intergovernmental	52,417	5,019	576,583	574,008	629,000	91.3%	
<b>Total Intergovernmental</b>	<b>1,258,833</b>	<b>982,039</b>	<b>13,847,167</b>	<b>14,123,581</b>	<b>15,106,000</b>	<b>93.5%</b>	
Engineering Fees	4,167	22,621	45,833	534,988	50,000	1070.0%	
Ambulance Fees	83,333	89,717	916,667	1,069,917	1,000,000	107.0%	
Police Hireback	33,333	49,485	366,667	403,304	400,000	100.8%	
Lease Payments	67,833	87,735	746,167	801,170	814,000	98.4%	
Cable TV Fees	63,583	209,858	699,417	855,362	763,000	112.1%	
4th of July Proceeds	-	-	123,051	123,051	144,280	85.3%	
Employee Payments	90,106	106,446	991,164	963,852	1,081,270	89.1%	
Hireback - Arena	9,713	13,639	106,838	175,775	116,550	150.8%	
Rental Inspection Fees	18,750	2,850	206,250	283,150	225,000	125.8%	
Other Charges for Services	83,500	69,133	918,500	916,753	1,002,000	91.5%	
<b>Total Charges for Services</b>	<b>454,318</b>	<b>651,484</b>	<b>5,120,552</b>	<b>6,127,321</b>	<b>5,596,100</b>	<b>109.5%</b>	
Court Fines-County	16,667	29,608	183,333	218,173	200,000	109.1%	
Ticket Fines-Village	58,333	47,155	641,667	568,566	700,000	81.2%	
Overweight Truck Fines	250	700	2,750	4,360	3,000	145.3%	
Red Light Camera Revenue	47,500	77,989	522,500	886,552	570,000	155.5%	
Local Debt Recovery	2,917	3,010	32,083	146,850	35,000	419.6%	
<b>Total Fines &amp; Forfeits</b>	<b>122,750</b>	<b>158,462</b>	<b>1,350,250</b>	<b>1,824,502</b>	<b>1,508,000</b>	<b>121.0%</b>	
Total Investment Earnings	2,500	2,418	27,500	25,294	30,000	84.3%	
Reimburse/Recoveries	12,500	4,485	137,500	96,131	150,000	64.1%	
S.Barrington Fuel Reimbursement	5,000	2,463	55,000	22,260	60,000	37.1%	
Tollway Payments	1,854	3,700	20,396	25,457	22,250	114.4%	
Benefit Fund	41,667	41,666	458,333	458,326	500,000	91.7%	
Other Miscellaneous	15,047	5,534	165,513	150,882	180,560	83.6%	
<b>Total Miscellaneous</b>	<b>76,068</b>	<b>57,848</b>	<b>836,743</b>	<b>753,056</b>	<b>912,810</b>	<b>82.5%</b>	
Total Operating Transfers In	43,750	-	481,250	300,000	525,000	57.1%	
<b>Total General Fund</b>	<b>4,461,734</b>	<b>2,681,095</b>	<b>49,202,108</b>	<b>53,998,012</b>	<b>53,720,070</b>	<b>100.5%</b>	<b>91.7%</b>
<b>Water &amp; Sewer Fund</b>							
Water Sales	1,261,276	1,349,583	13,874,034	14,646,634	15,135,310	96.8%	
Connection Fees	167	22,692	1,833	106,282	2,000	5314.1%	
Cross Connection Fees	3,167	3,171	34,833	35,406	38,000	93.2%	
Penalties	5,000	8,755	55,000	96,973	60,000	161.6%	
Investment Earnings	8	5,569	92	6,461	100	6461.2%	
Other Revenue Sources	41,513	16,865	456,638	147,486	498,150	29.6%	
Bond Proceeds	-	-	4,744,540	4,744,540	5,000,000	94.9%	
<b>Total Water Fund</b>	<b>1,311,130</b>	<b>1,406,636</b>	<b>19,166,970</b>	<b>19,783,783</b>	<b>20,733,560</b>	<b>95.4%</b>	<b>91.7%</b>



**OPERATING REPORT SUMMARY**

**REVENUES**

**November 30, 2015**

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>% ACTUAL TO BUDGET</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
Motor Fuel Tax Fund	102,333	152	1,125,667	741,362	1,228,000	60.4%	
Community Dev. Block Grant Fund	46,667	-	513,333	290,504	560,000	51.9%	
EDA Administration Fund	125	61	1,375	2,328	1,500	0.0%	
E-911 Surcharge	1,800	1,863	19,800	19,750	21,600	91.4%	
Asset Seizure Fund	28,897	14,220	317,863	201,240	346,760	58.0%	
Municipal Waste System Fund	247,298	235,817	2,720,282	2,576,997	2,967,580	86.8%	
Sears Centre Operating Fund	405,642	852,777	4,462,058	4,799,515	4,867,700	98.6%	
Stormwater Management	39,592	43,103	435,508	987,204	475,100	207.8%	
Insurance Fund	123,338	123,908	1,356,722	1,361,656	1,480,060	92.0%	
Roselle Road TIF	-	(5,939)	-	(4,424)	-	0.0%	
Higgins/Hassell TIF	-	-	-	1,976	-	0.0%	
Information Systems	107,081	105,416	1,177,889	1,174,248	1,284,970	91.4%	
Total Spec Rev. & Int. Svc. Fund	1,102,773	1,371,377	12,130,498	12,152,357	13,233,270	91.8%	
<b>TOTAL OPERATING FUNDS</b>	<b>6,875,636</b>	<b>5,459,108</b>	<b>80,499,576</b>	<b>85,934,152</b>	<b>87,686,900</b>	<b>98.0%</b>	<b>91.7%</b>
SCA Debt Service	1,603,320	1,603,320	48,760,980	48,760,980	3,904,270	1248.9%	
2005 EDA TIF Bond Fund	-	1	-	44	-	0.0%	
2008 G.O.D.S. Fund	111,022	333,063	1,221,238	999,188	1,332,260	75.0%	
2009 G.O.D.S. Fund	217,188	212,225	2,389,063	2,492,461	2,606,250	95.6%	
<b>TOTAL DEBT SERV. FUNDS</b>	<b>1,931,529</b>	<b>2,148,608</b>	<b>52,371,280</b>	<b>52,252,672</b>	<b>7,842,780</b>	<b>666.3%</b>	<b>91.7%</b>
Central Rd. Corridor Fund	50	28	550	710	600	118.4%	
Hoffman Blvd Bridge Maintenance	8,389	138	92,281	1,170	100,670	1.2%	
Western Corridor Fund	667	1,181	7,333	9,236	8,000	115.5%	
Traffic Improvement Fund	38	34	413	714	450	158.6%	
EDA Series 1991 Project	125	220	1,375	511,377	1,500	34091.8%	
Central Area Rd. Impr. Imp. Fee	67	-	733	-	800	0.0%	
Western Area Traffic Impr.	17	16	183	177	200	88.3%	
Western Area Traffic Impr. Impact Fee	-	16	-	183	-	0.0%	
Capital Improvements Fund	174,435	86,510	1,918,785	1,772,402	2,093,220	84.7%	
Capital Vehicle & Equipment Fund	54,505	8	599,555	545,794	654,060	83.4%	
Capital Replacement Fund	167	662	1,833	4,519	2,000	225.9%	
Road Improvement Fund	890,723	155,556	9,797,948	4,577,676	10,688,670	42.8%	
2015 Capital Projects Fund	-	532	-	1,224,449	-	N/A	
<b>TOTAL CAP. PROJECT FUNDS</b>	<b>1,129,181</b>	<b>244,899</b>	<b>12,421,823</b>	<b>8,648,408</b>	<b>13,550,170</b>	<b>63.8%</b>	<b>91.7%</b>
Police Pension Fund	392,120	74,475	4,313,320	4,239,383	4,705,440	90.1%	
Fire Pension Fund	388,362	75,658	4,271,978	4,704,192	4,660,340	100.9%	
<b>TOTAL TRUST FUNDS</b>	<b>780,482</b>	<b>150,133</b>	<b>8,585,298</b>	<b>8,943,575</b>	<b>9,365,780</b>	<b>95.5%</b>	<b>91.7%</b>
<b>TOTAL ALL FUNDS</b>	<b>10,716,827</b>	<b>8,002,748</b>	<b>153,877,977</b>	<b>155,778,807</b>	<b>118,445,630</b>	<b>131.5%</b>	<b>91.7%</b>

**OPERATING REPORT SUMMARY**  
**EXPENDITURES**  
**November 30, 2015**

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>%</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
General Fund							
General Admin.							
Legislative	31,387	29,145	345,253	332,894	376,640	88.4%	
Administration	51,248	49,020	563,732	561,039	614,980	91.2%	
Legal	41,143	44,573	452,577	447,770	493,720	90.7%	
Finance	88,428	70,594	972,712	943,062	1,061,140	88.9%	
Village Clerk	17,274	15,332	190,016	182,079	207,290	87.8%	
Human Resource Mgmt.	45,920	39,675	505,120	470,227	551,040	85.3%	
Communications	18,296	17,805	201,254	204,091	219,550	93.0%	
Cable TV	12,967	10,588	142,633	129,763	155,600	83.4%	
Total General Admin.	306,663	276,733	3,373,297	3,270,924	3,679,960	88.9%	91.7%
Police Department							
Administration	113,108	96,172	1,244,192	1,199,812	1,357,300	88.4%	
Juvenile Investigations	42,450	32,360	466,950	467,779	509,400	91.8%	
Tactical	54,279	41,295	597,071	565,363	651,350	86.8%	
Patrol and Response	810,546	684,075	8,916,004	9,041,790	9,726,550	93.0%	
Traffic	136,531	81,040	1,501,839	1,395,770	1,638,370	85.2%	
Investigations	101,473	81,021	1,116,198	1,128,370	1,217,670	92.7%	
Community Relations	1,107	214	12,173	7,279	13,280	54.8%	
Communications	61,322	62,402	674,538	729,485	735,860	99.1%	
Canine	13,498	10,239	148,482	151,073	161,980	93.3%	
Special Services	12,723	10,378	139,957	189,853	152,680	124.3%	
Records	26,831	23,556	295,139	271,901	321,970	84.4%	
Administrative Services	58,625	54,098	644,875	599,152	703,500	85.2%	
Emergency Operations	10,423	4,600	114,657	39,860	125,080	31.9%	
Total Police	1,442,916	1,181,449	15,872,074	15,787,486	17,314,990	91.2%	91.7%
Fire Department							
Administration	64,644	58,064	711,086	687,871	775,730	88.7%	
Public Education	2,924	4,053	32,166	32,541	35,090	92.7%	
Suppression	669,697	531,550	7,366,663	7,183,077	8,036,360	89.4%	
Emer. Med. Serv.	588,376	452,648	6,472,134	6,459,449	7,060,510	91.5%	
Prevention	45,292	19,773	498,208	396,168	543,500	72.9%	
Fire Stations	2,150	3,794	23,650	19,360	25,800	75.0%	
Total Fire	1,373,083	1,069,881	15,103,908	14,778,466	16,476,990	89.7%	91.7%
Public Works Department							
Administration	22,041	20,791	242,449	239,622	264,490	90.6%	
Snow/Ice Control	155,664	111,950	1,712,306	1,401,815	1,867,970	75.0%	
Pavement Maintenance	35,098	31,673	386,073	380,370	421,170	90.3%	
Forestry	210,399	127,236	2,314,391	1,646,463	2,524,790	65.2%	
Facilities	88,467	75,687	973,133	783,087	1,061,600	73.8%	
Fleet Services	122,483	89,883	1,347,317	915,329	1,469,800	62.3%	
F.A.S.T.	25,833	57,820	284,167	253,677	310,000	81.8%	
Storm Sewers	18,754	18,430	206,296	190,201	225,050	84.5%	
Traffic Control	56,328	46,576	619,603	577,265	675,930	85.4%	
Total Public Works	735,067	580,045	8,085,733	6,387,829	8,820,800	72.4%	91.7%



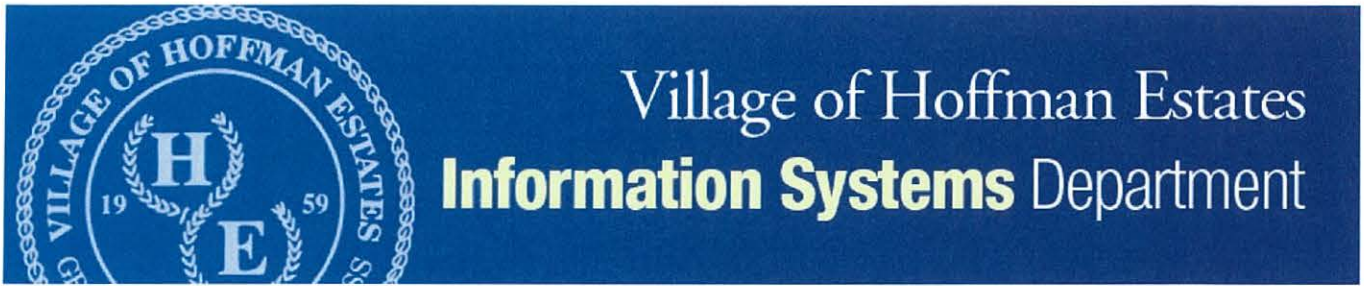
**OPERATING REPORT SUMMARY**  
**EXPENDITURES**  
**November 30, 2015**

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>%</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
Development Services							
Administration	32,203	29,642	354,228	348,102	386,430	90.1%	
Planning	43,556	41,787	479,114	453,868	522,670	86.8%	
Code Enforcement	99,667	83,440	1,096,333	1,019,912	1,196,000	85.3%	
Transportation & Engineering	105,745	94,143	1,163,195	1,102,841	1,268,940	86.9%	
Economic Development	108,957	20,322	1,198,523	731,119	1,307,480	55.9%	
<b>Total Development Services</b>	<b>390,127</b>	<b>269,334</b>	<b>4,291,393</b>	<b>3,655,843</b>	<b>4,681,520</b>	<b>78.1%</b>	<b>91.7%</b>
Health & Human Services	58,723	43,648	645,948	601,683	704,670	85.4%	91.7%
Miscellaneous							
4th of July	-	-	153,718	153,718	175,280	87.7%	
Police & Fire Comm.	7,932	375	87,248	22,894	95,180	24.1%	
Misc. Boards & Comm.	16,849	13,096	185,341	151,244	202,190	74.8%	
Misc. Public Improvements	216,916	871,100	2,386,074	2,441,135	2,602,990	93.8%	
<b>Total Miscellaneous</b>	<b>241,697</b>	<b>884,571</b>	<b>2,812,382</b>	<b>2,768,991</b>	<b>3,075,640</b>	<b>90.0%</b>	<b>91.7%</b>
<b>Total General Fund</b>	<b>4,548,274</b>	<b>4,305,661</b>	<b>50,184,734</b>	<b>47,251,223</b>	<b>54,754,570</b>	<b>86.3%</b>	<b>91.7%</b>
Water & Sewer Fund							
Water Department	1,297,574	1,041,446	14,273,316	11,957,468	15,570,890	76.8%	
Sewer Department	202,966	190,022	2,232,624	1,964,112	2,435,590	80.6%	
Billing Division	52,623	46,028	578,857	558,636	631,480	88.5%	
Debt Service Division	-	333,063	-	333,063	2,560	N/A	
2015 Bond Capital Projects	-	57,561	-	119,679	-	N/A	
<b>Total Water &amp; Sewer</b>	<b>1,553,163</b>	<b>1,668,120</b>	<b>17,084,797</b>	<b>14,932,958</b>	<b>18,640,520</b>	<b>80.1%</b>	<b>91.7%</b>
Motor Fuel Tax	2,258	2,258	984,812	984,812	2,281,360	43.2%	
Community Dev. Block Grant Fund	-	-	292,784	292,784	560,000	52.3%	
EDA Administration Fund	28,830	26,671	317,130	317,799	345,960	91.9%	
E-911 Fund	2,202	2,217	24,218	24,410	26,420	92.4%	
Asset Seizure Fund	30,309	14,348	333,401	201,168	363,710	55.3%	
Municipal Waste System	245,641	241,700	2,702,049	2,207,890	2,947,690	74.9%	
Sears Centre Operating Fund	445,005	1,802,717	4,895,055	4,660,818	5,340,060	87.3%	
Stormwater Management	40,417	-	444,583	886,764	485,000	182.8%	
Insurance	150,547	142,357	1,656,013	1,651,655	1,806,560	91.4%	
Information Systems	132,081	53,682	1,452,889	1,049,050	1,584,970	66.2%	
Roselle Road TIF	80,225	9,191	882,475	68,331	962,700	7.1%	
Higgins/Hassell TIF	288	-	3,163	3,899	3,450	113.0%	
<b>TOTAL OPERATING FUNDS</b>	<b>7,259,238</b>	<b>8,268,922</b>	<b>81,258,104</b>	<b>74,533,563</b>	<b>90,102,970</b>	<b>82.7%</b>	<b>91.7%</b>
2005A G.O. Debt Service	2,127,793	2,127,793	48,761,154	48,761,154	3,904,270	1248.9%	
2008 G.O.D.S. Fund	111,063	333,063	1,221,688	999,688	1,332,750	75.0%	
2009 G.O.D.S. Fund	226,225	2,004,597	2,488,475	2,714,694	2,714,700	100.0%	
<b>TOTAL DEBT SERV. FUNDS</b>	<b>2,465,080</b>	<b>4,465,452</b>	<b>52,471,317</b>	<b>52,475,536</b>	<b>7,951,720</b>	<b>659.9%</b>	<b>91.7%</b>



**OPERATING REPORT SUMMARY**  
**EXPENDITURES**  
**November 30, 2015**

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>%</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
Hoffman Blvd Bridge Maintenance	8,667	-	95,333	-	104,000	0.0%	
Traffic Improvement Fund	833	-	9,167	-	10,000	0.0%	
EDA Series 1991 Project	110,083	8,171	1,210,917	91,773	1,321,000	6.9%	
2015 Capital Project Fund	100,000	1,145,631	200,000	1,169,172	1,200,000	N/A	
Capital Improvements Fund	187,734	24,250	2,065,076	2,032,400	2,252,810	90.2%	
Capital Vehicle & Equipment Fund	50,874	15,657	559,616	527,073	610,490	86.3%	
Capital Replacement Fund	33,040	46,887	363,440	235,001	396,480	59.3%	
Road Improvement Fund	909,306	1,240,231	10,002,364	6,305,877	10,911,670	57.8%	
<b>TOTAL CAP. PROJECT FUNDS</b>	<b>1,400,538</b>	<b>2,480,828</b>	<b>14,505,913</b>	<b>10,361,297</b>	<b>16,806,450</b>	<b>61.7%</b>	<b>91.7%</b>
Police Pension Fund	335,508	348,834	3,690,583	3,879,069	4,026,090	96.3%	
Fire Pension Fund	340,333	324,764	3,743,667	3,711,002	4,084,000	90.9%	
<b>TOTAL TRUST FUNDS</b>	<b>675,841</b>	<b>673,598</b>	<b>7,434,249</b>	<b>7,590,071</b>	<b>8,110,090</b>	<b>93.6%</b>	<b>91.7%</b>
<b>TOTAL ALL FUNDS</b>	<b>11,800,697</b>	<b>15,888,800</b>	<b>155,669,582</b>	<b>144,960,467</b>	<b>122,971,230</b>	<b>117.9%</b>	<b>91.7%</b>



# 2015 NOVEMBER MONTHLY REPORT

## Contents

SPS/GovQA Monthly Review .....	2
Technical Support, Hardware & Software Review .....	4
Project Activities .....	4
Total Work Orders by Priority by Month .....	6
Savings on Printer Repairs .....	9
System and Data Functions .....	9
Email Spam Report.....	10

---

## SPS/GovQA Monthly Review

### ASP Issues

- The servers in SunGard's hosted environment were replaced in early November, and our databases were moved to the new servers. As a result, there were issues for several days that impacted our ability to connect. In addition, our Scheduled Tasks and some Scheduled Reports did not run for three nights during this period and those processes had to be run manually.
- There was an unrelated issue later in the month that affected our ability to run Cognos reports from any database, and that outage lasted the better part of a day.

### Controlled Burn Notification

- Researched the feasibility of using GovQA for Controlled Burn Notifications. Met with Jeff Jorian to discuss the process that could be implemented and to advise that it would fit well with GovQA's capabilities. Created a Process Flowchart to show the details of the workflow and how GovQA would fit into it. Waiting for their decision to go forward with this project.

### GovQA

- There have been quite a few changes to GovQA since we implemented it in 2008, and our general request types have not been updated to take advantage of the newer features. Worked with WebQA support to determine what the new features do and which ones would benefit us in the processing of our requests and make it easier for our residents to use the software. Analyzed the 25 request types that are candidates for optimization and began implementing some of the changes. This process will take a couple of months to complete. This doesn't include the FOIA request type, or Fire or Public Works internal request types
- WebQA Support approach me to begin implementation of their new version of the web-browser version of the GovQA software, which is scalable to all devices. That will be deployed shortly.
- Worked on the creation of two new public-facing request types that would replace the request types that are being used internally-only by Public Works for reporting dead animals and request wood chips. There were several questions that arose during the setup that are related to some of the requirements Public Works has to provide lots of information to the requestor when they choose one of these request types. The pop-up notifications that were requested are not feasible. As a result, I continued to research other ways to fulfill their requirements.
- By contract, once per year our GovQA Mobile App is eligible for an upgrade to the latest build of the app. WebQA support contacted me to discuss what our options were and the new features available. I am setting up a meeting with WebQA and with General Government staff to determine what features we would like to implement and discuss any changes we would like, since this is our annual opportunity to do so free of charge.

## RRL Issues and Renewal

- At the request of Development Services staff, I devised a method to email Residential Rental License owners who have not yet scheduled their inspections and are nearing the deadline. Created a report to extract their email addresses and created an Outlook Template and tested it. We met to review the process, and they will be implementing it in the coming weeks.
- Met with Development Services staff to discuss plans and challenges for the 2016 RRL Renewal.
- Created reports to check on the RRL business records to verify that they were ready for renewal and to identify those for which I needed to run the FormEasy printing process to enable them for renewal. Renewal will be scheduled at the beginning of December.

## Miscellany

- Created two new Cognos reports for HR.
- Training provided for completing Inspections and closing Permits.
- Spent a considerable amount of time in November cleaning up CommunityPLUS Location data to correct changed PIN numbers, particularly for locations on Hoffman Boulevard and in the Poplar Creek Crossing shopping area.
- In November, I was responsible for 45 Track-It tickets for SunGard, GovQA, or general IS Department Helpdesk issues, and all but three were closed by month's end.

---

## **Technical Support, Hardware & Software Review**

### **Project Activities**

#### **Project – Track-IT Self Service**

- User group members were asked to test the Self Service feature in Track-IT which will allow Village employees to open their own problem tickets for non-emergency issues. This feature will be available to all employees in January.

#### **Project – Scanning to Secure Department Folders at Village Hall**

- Testing was completed for scanning documents directly into Department folders. This will provide a more secure method of scanning allowing only authorized users of Department folders to view scanned documents. It will also eliminate the need for moving scanned documents from a common folder to department folders. User group members were asked to test this feature on the 2nd floor Village Hall Copier. Feedback has been positive and Fire Admin and General Government have begun scanning into their respective Department folders. Instructions will be emailed to all departments in December after the setup has been completed on the 2 first floor copiers.

#### **Project – Firmware updates AirLink**

- All of the Sierra 440GX modems (53) in use by both the Police and Fire departments had their firmware updated. The updates resolved a number of deficiencies and bugs:
  - Security
    - All passwords in the UI are masked.
    - The number of port forwarding rules has been increased to 48.
    - Access to diagnostic and AAF development accounts is disabled by default.
  - Serial
    - Support for Serial Line Internet Protocol (SLIP)
  - GPS
    - New GPS option allows the user to select between different levels of precision for UTC time, latitude, and longitude in GPS reports.
  - Bug Fix
    - Resolved a problem where an AirLink GX400 with an I/O X-Card installed was not including the additional I/O information from the X-Card in Events Reporting.

#### **Project – EMS Tablets**

- Eleven Microsoft Surface Pro 3 EMS tablets were configured and delivered to the Fire department. These devices replace the Panasonic CF 19 units currently in service.

### **Technical Support, Hardware & Software Activities**

- Add and remove user accounts from Active Directory, Exchange and the telephone systems as needed.
- Setup, configuration and removal of equipment as needed.

- Applied necessary software updates as needed.
- Provided assistance to Police and Fire personnel with device connectivity issues.
- Opened a total of 124 help desk tickets.
- Closed a total of 119 help desk tickets.
- Self Service Password Resets or Account Unlocks: 1
- Email passwords reset: 1
- SunGard passwords reset: 4
- Voicemail passwords reset: 1
- User accounts unlocked: 1
- Active Directory Password Resets: 1

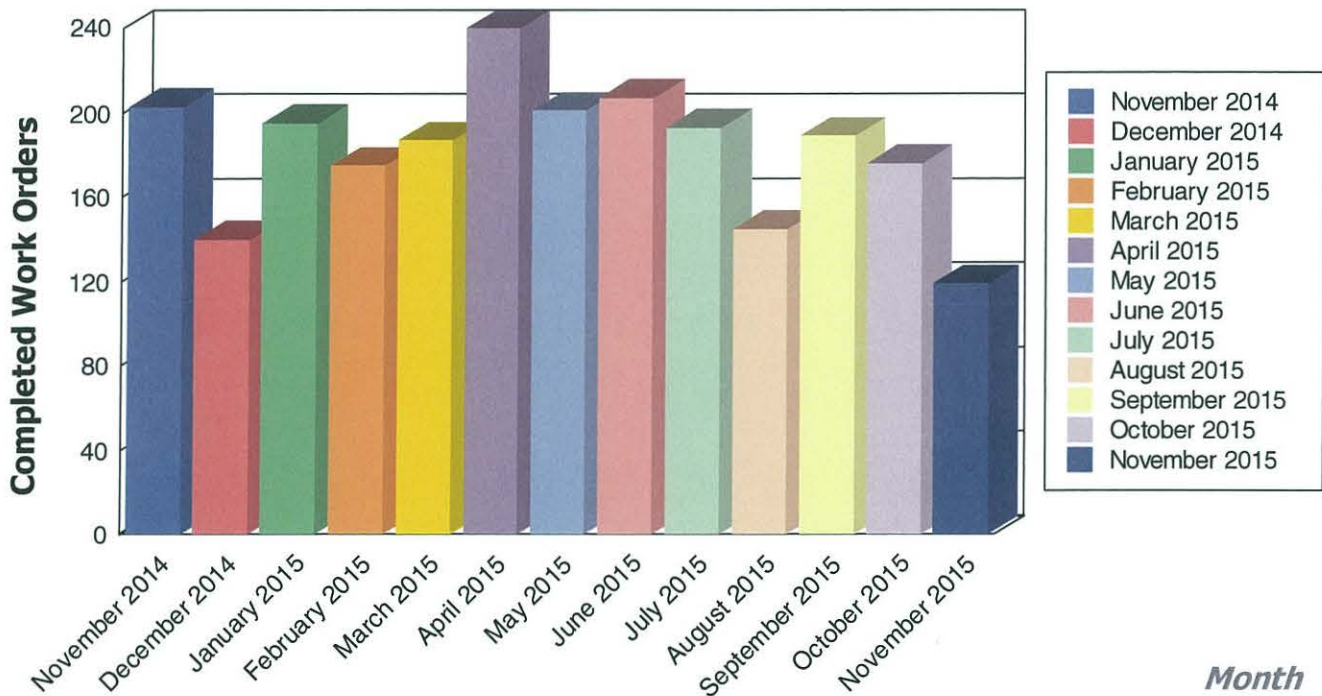
## Miscellany

- Finalized the plan to reroute the Village fiber from NIU directly into the Beverly Road Water Tower. This will give us a direct path to Station 24.

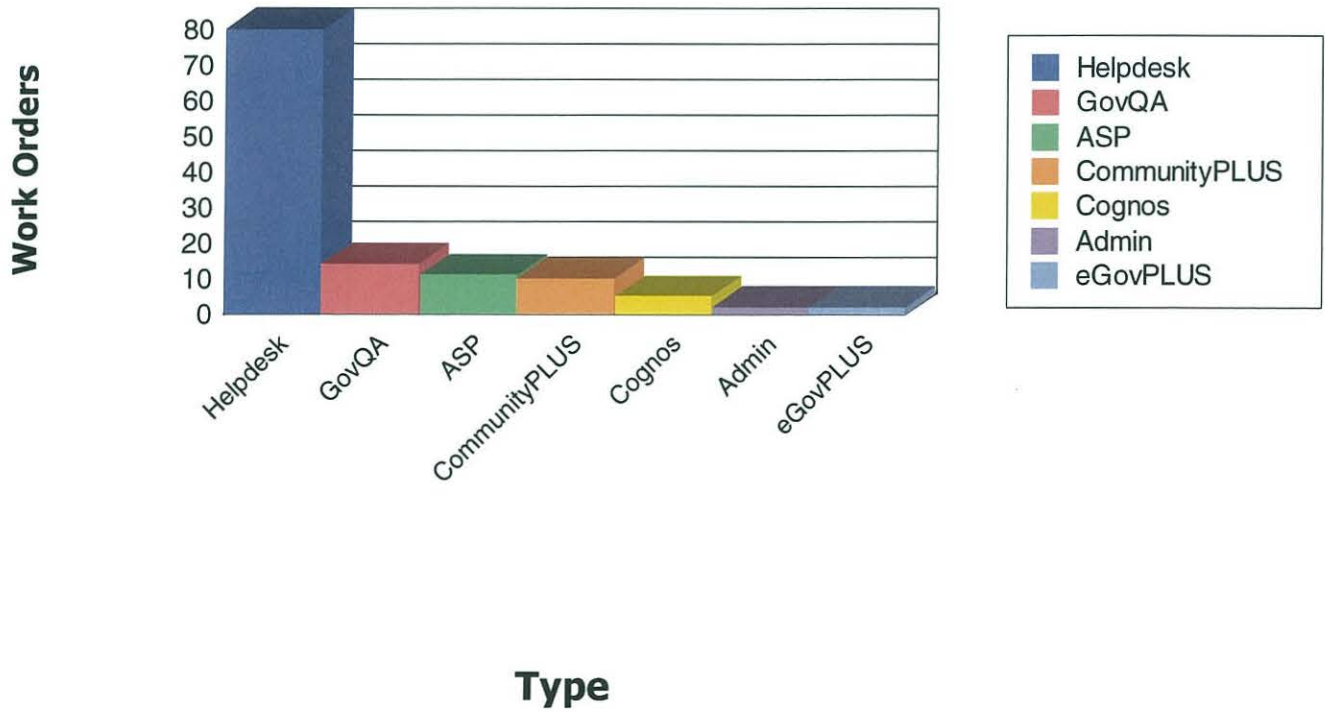
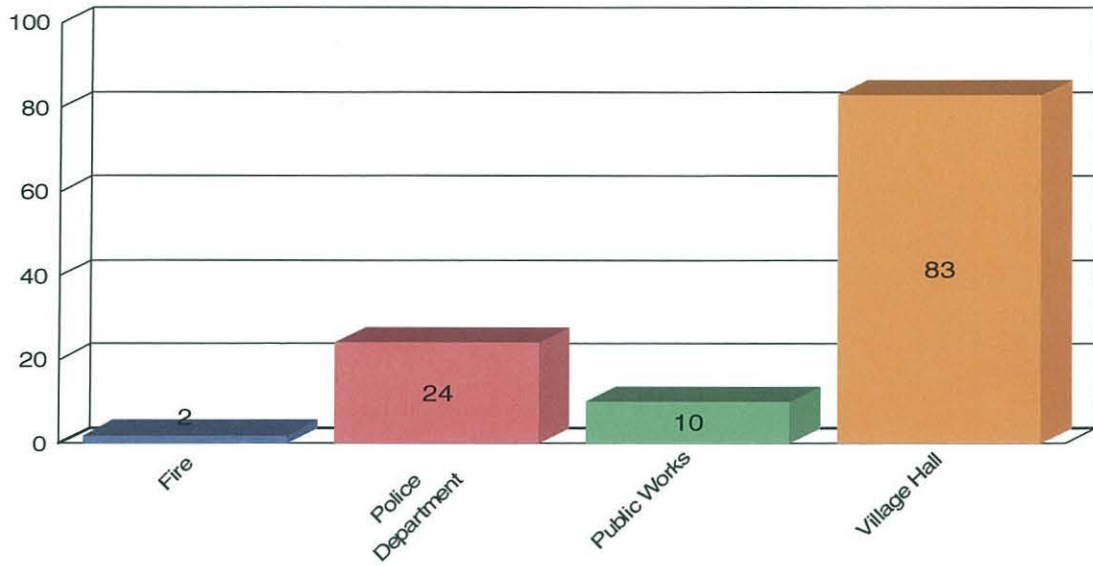
# Total Work Orders by Priority by Month

## Total Work Orders by Priority by Month

Month	11/2015
2 - High	4
3 - Medium	1
4 - Normal	91
Informational Only	1
Project	4
Scheduled Event	11
Vendor intervention required	12
<b>Total for Month</b>	<b>124</b>



### Completed Work Orders by Location

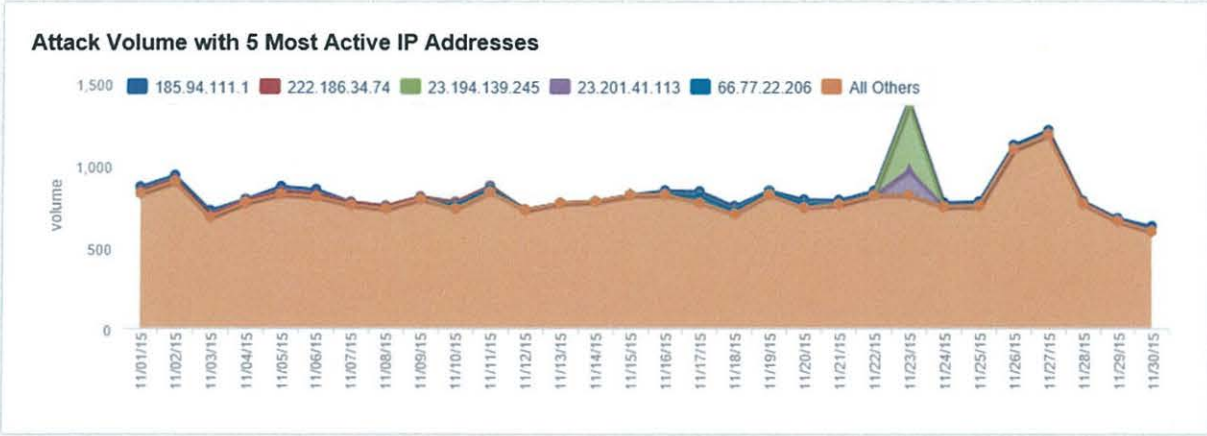




The Village network was attacked 25067 times during the month of November by external parties.

### Activity Summary Reporting

11/01/2015 11/30/2015 apply date filter **25067** total attacks from **42** unique attack types



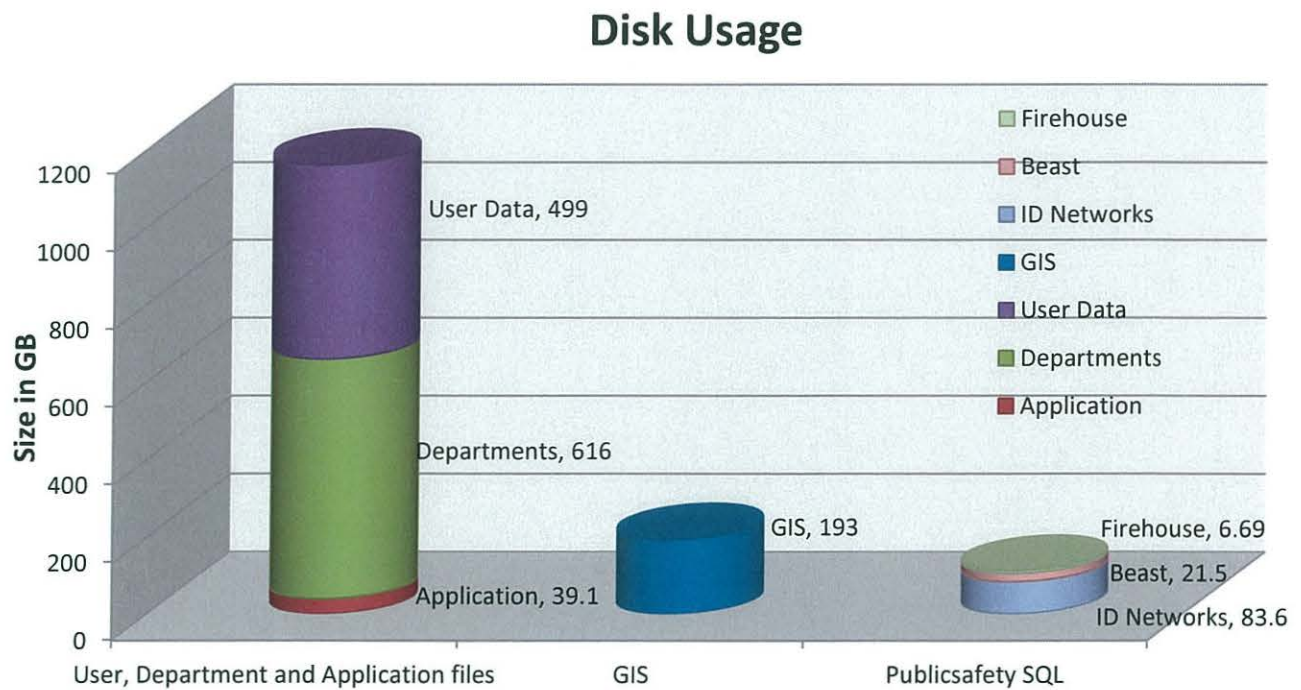
---

## Savings on Printer Repairs

Since the beginning of the year Village of Hoffman Estates is enrolled in DID's Printer Sense program. One of the advantages of the program is included maintenance for our printers. In the month of November we asked for 2 printer repairs and the cost associated with this repair totaled \$332.50 including parts and labor.

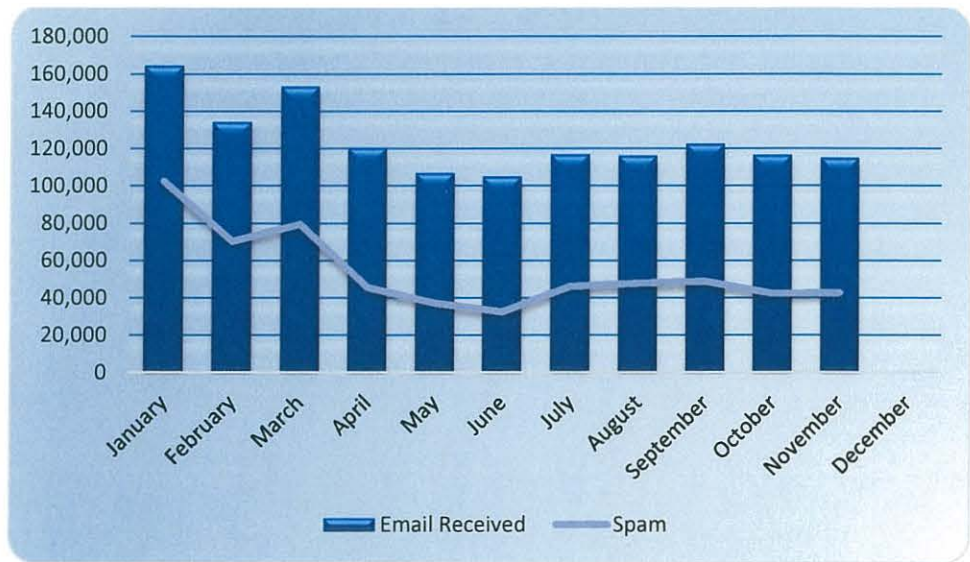
---

## System and Data Functions



# Email Spam Report

Month	Email Received	Spam	Percent Spam
January	164,247	102,431	62%
February	134,141	70,395	52%
March	153,129	79,577	52%
April	120,374	45,671	38%
May	106,740	37,216	35%
June	104,930	32,628	31%
July	116,708	46,245	40%
August	116,043	47,925	41%
September	122,402	48,931	40%
October	116,350	42,411	36%
November	114,879	42,824	37%
December			
<b>Total</b>	<b>1,369,943</b>	<b>596,254</b>	<b>44%</b>



Fred Besenhoffer, Director of Information Systems

# VILLAGE OF HOFFMAN ESTATES

## Memo

**TO:** Finance Committee  
**FROM:** Mark Koplin, Assistant Village Manager-Development Services  
**RE:** **OWNER'S REPRESENTATIVE MONTHLY REPORT - DECEMBER 2015**  
**DATE:** December 18, 2015

---

1. SCA budget presented at the November 25, Finance Committee meeting.
2. Discussions with Levy regarding food and beverage sales, concession staffing, and a potential contract extension. Levy's three year contract expires April 2016, but the contract includes a two year extension at the Village's option.
3. Continued discussions related to the Naming Rights contract that expires in 2016.
4. Tech meeting to be scheduled in early December to follow-up on projects.
5. Review of monthly financial reports and staffing/operational costs.
6. Conducted weekly meetings with Ben Gibbs to discuss bookings, holds, and operational items.



---

Mark Koplin  
Assistant Village Manager  
Department of Development Services

Attachment

MAK/kr

cc: J. Norris  
Ben Gibbs (Global Spectrum)

**Sears Centre Arena**  
**General Manager Update**  
 Dec 2015

<b>Event Highlights</b>	<b>Notes</b>
Dec 4 - 6: IRCA Cheer Dec 8: Medieval Times Holiday Party Dec 11: Mustangs Dec 12: Beer Fest Beatdown Dec 19: Mustangs Various: Parking lot rentals	
<b>Finance Department</b>	
General	Arena finished Dec financials. Arena is ahead of budget by \$246,506
Monthly Financial Statement	Building Event Revenue YTD: \$1,673,929
	Building Sponsor/Other Revenue YTD: \$257,477
	Building Expenses YTD: \$2,016,680
	Building Income YTD: (\$85,274) vs. YTD Budget: (\$331,780)
<b>Operations Department</b>	
General	Completing several year end projects including HVAC repair, concrete work, generator repair and roof repair
Positions to Fill	N/A
Third Party Providers	Working with Yesco to address maintenance issues with scoreboard.
Village Support	Parking lot light pole maintenance and landscape support
<b>Events Department</b>	
General	n/a
<b>Marketing Department</b>	
General	Handling marketing for Circus, Monster Truck, Bull Riding, Sesame Street Live
Positions to Fill	Marketing Director to remain open.
<b>Group Sales Department</b>	
General	Group sales will be handled by a third party company.
<b>Box Office Department</b>	
General	N/A
<b>Food &amp; Beverage Department</b>	
General	N/A
<b>Premium Seating Department</b>	
General	Working on renewals for several large sponsor categories including beer. Creating premium seating plan to promote suite sales for upcoming Bulls D League season.
Positions to Fill	N/A
<b>Sponsorship Department</b>	
General	Concentrating on unsold categories including insurance, hospitals and liquor
Monthly Financial Statement	Corporate Sales: \$159,521
	Suites Sales: \$71,083
	Loge Sales: \$30,417
	Club Seat Sales: \$7,333
<b>General</b>	
Capital Improvements/Repairs	Received quotes for additional curtain coverage on backwall, repair of concourse concrete, replacement of several exterior doors, concourse concrete staining, carpet replacement and seating retract inspection, etc. Consulting with engineer regarding foundation settling.





Event Announcement

**What:** *Chris Tomlin presents: Worship Night in America*

**When:**

EVENT SPACE		
Date	Event Space Description	Event Start Time(s)
SAT JULY 16 2016	Arena	DOORS: 6:30pm EVENT START: 7:30pm EVENT END: 11:30pm

**Where:** Sears Centre Arena

**Tickets:** Ticketed: PL1 – \$69.75, PL2 – \$49.75, PL3 – \$39.75, PL4 - \$29.75

**On Sale:** *Public Presale: Thursday, December 17 @ 8:00am*  
*Password: WORSHIP16*

*Public Onsale: Friday, December 18 @ 12:00pm*

**Marketing:** Website & Marquee

**Parking:** \$20

**Levy:** Concessions

**SCA Event Mgr:** TBD

**Event Contact:** Stacey Petersen  
Awakening Events  
414.839.5380  
Email: [stacey@awakeningevents.com](mailto:stacey@awakeningevents.com)

Dan Fife  
Awakening Events  
Office: 501.514.1717  
Email: [dan@awakeningevents.com](mailto:dan@awakeningevents.com)

**Notes:** With Special Guests Matt Redman, Matt Maher, Israel Houghton, Phil Wickham, Louie Giglio & Max Lucado

**Comps:** Yes