

AGENDA
SPECIAL FINANCE COMMITTEE
Village of Hoffman Estates
November 14, 2019

6:00 p.m. – Ed and Mary Hennessey Conference Room

Members: Gary Pilafas, Chairperson
Anna Newell, Vice Chairperson
Michael Gaeta, Trustee
Karen Mills, Trustee
Gary Stanton, Trustee
Karen Arnet, Trustee
William McLeod, Mayor

- I. Roll Call**
- II. Approval of Minutes - None**

NEW BUSINESS

1. Review and discussion of the Proposed FY2020 Operating & Capital Budget.
2. Request approval of the FY2020-FY2027 Capital Improvements Program.
3. An ordinance amending section 5-6-9, Personnel, Hoffman Estates Fire Department, of the Hoffman Estates Municipal Code.
4. An ordinance amending section 5-5-7, Personnel, Hoffman Estates Police Department, of the Hoffman Estates Municipal Code.
5. Request approval of an ordinance amending the water and sewer rates effective January 1, 2020 through December 31, 2024.
6. Direct staff to publish the Notice of Availability of Budget and Public Hearing on the FY2020 Proposed Budget. With Committee's concurrence, the Public Hearing will be scheduled for Monday, December 2, 2019 at 6:55 p.m. in the Council Chambers prior to the Village Board Meeting. (Notice of the public hearing will be given at least one week prior to the hearing date.)
7. Direct staff to draft the Tax Levy and Tax Abatement Ordinances, which will appear on the December 2, 2019 Village Board Agenda.

II. Adjournment

Further details and information can be found in the agenda packet attached hereto and incorporated herein and can also be viewed online at www.hoffmanestates.org and/or in person in the Village Clerk's office.

The Village of Hoffman Estates complies with the Americans with Disabilities Act (ADA). For accessibility assistance, call the ADA Coordinator at 847/882-9100.

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: 2020-2027 Capital Improvements Program

MEETING DATE: November 14, 2019

COMMITTEE: Finance

FROM: Rachel Musiala, Director of Finance

PURPOSE: To present the 2020-2027 Capital Improvements Program (CIP) for adoption by the Village Board.

BACKGROUND: The Village's management team has identified future project requests based on capital needs and priorities. The CIP is the result of an ongoing infrastructure and vehicles/equipment planning process. These planning decisions are made with regard to both existing and new facilities and equipment. For existing facilities, the planning process addresses appropriate maintenance strategies and repair versus replacement of facilities. New service demands are also considered since they will affect capital facility requirements as well. The CIP document serves as a budgeting tool for the Management Team. However, changes can be made to the projects and funding listed in the CIP as part of the Village's operating budget process.

On November 06, 2019, the Capital Improvements Board reviewed and approved the draft CIP for the years 2020-2027.

DISCUSSION: In the 2020-2027 CIP approved by the CIB, projects totaling \$162,937,906 are included for the eight-year period. Total projects for FY2020 are \$23,114,670 with \$2,549,620 coming from General Fund reserves to fund vehicles, equipment, Street Program, Sears Centre capital, and building improvements. Street and related infrastructure improvements are the largest part of the CIP at \$87,828,990, representing over 54% of the total eight-year plan.

Attached are the summaries for the proposed 2020-2027 Capital Improvements Program recommended by the CIB on November 06, 2019. The full document was previously distributed to all Finance Committee members (also on C.D. in budget books) prior to the November 6th CIB meeting and there were no changes made to that document by the CIB.

RECOMMENDATION: Request approval of the 2020-2027 Capital Improvements Program as recommended by the Capital Improvements Board.

ATTACHMENTS

Village of Hoffman Estates, Illinois
2020 - 2027 Capital Improvements Program
Summary of Capital Requests
by Project Type Group

Project Type Group	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027
Water & Sanitary Sewer	5,032,500	4,970,000	9,559,310	2,315,310	1,433,000	906,000	689,000	950,000	981,000	21,803,620
Street & Related Infrastructure	7,422,270	10,701,110	20,156,300	13,442,500	8,125,940	8,892,260	7,121,600	12,401,960	6,987,320	87,828,990
Public Buildings	340,500	1,123,150	4,476,390	9,219,000	724,000	879,500	419,000	89,000	114,000	17,044,040
Miscellaneous Public Improvements	2,510,800	3,731,000	2,584,300	1,365,100	1,476,100	1,189,700	1,884,700	1,703,300	3,205,300	17,139,500
Equipment	1,809,220	1,842,410	2,322,300	4,059,860	1,305,640	1,581,778	833,722	1,244,762	724,284	13,914,756
Technology	594,900	747,000	590,000	815,500	709,500	644,500	479,500	761,500	459,500	5,207,000
TOTAL COSTS	\$ 17,710,190	\$ 23,114,670	\$ 39,688,600	\$ 31,217,270	\$ 13,774,180	\$ 14,093,738	\$ 11,427,522	\$ 17,150,522	\$ 12,471,404	\$ 162,937,906
Proposed Source of Funds										
General Fund	1,434,870	2,549,620	2,237,720	4,158,750	1,708,330	1,746,478	1,148,422	1,247,612	834,584	15,631,516
Water & Sewer Fund	535,070	1,158,500	3,985,250	2,218,640	1,192,730	893,500	549,000	861,800	841,000	11,700,420
Motor Fuel Tax Fund	2,030,000	2,600,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	18,000,000
CDBG Fund	215,000	248,500	275,000	75,000	275,000	75,000	275,000	75,000	275,000	1,573,500
Asset Seizure - Federal	106,420	-	55,940	11,880	51,680	-	-	55,650	-	175,150
Prairie Stone Capital Funds:	667,500	1,452,500	440,000	25,000	-	-	-	-	-	1,917,500
2017 Bond Proceeds	2,037,500	947,000	-	-	-	-	-	-	-	947,000
State of Illinois Loan	2,395,000	2,639,000	-	-	-	-	-	-	-	2,639,000
Roselle Rd TIF Funds	900,000	900,000	200,000	200,000	200,000	200,000	200,000	200,000	1,600,000	3,700,000
Lakewood Center TIF Fund	-	110,000	115,000	148,500	10,940	382,260	11,600	1,086,960	12,320	1,877,580
Capital Replacement Fund	300,000	48,000	51,300	-	-	-	-	-	-	99,300
Capital Improvements Fund	151,350	244,550	160,000	40,000	40,000	40,000	45,000	45,000	-	614,550
Capital Veh & Equip Repl Fund Balance	174,500	-	-	-	-	-	-	-	-	-
Electric Utility Tax	1,790,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	14,400,000
Municipal Motor Fuel Tax	450,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	3,400,000
Municipal Gas Use Tax	1,150,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	10,000,000
Packaged Liquor Tax	306,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	2,520,000
Stormwater Management Fund	610,000	470,000	735,000	395,000	595,000	280,000	711,000	425,000	479,000	4,090,000
Road Improvement Fund Balance	340,000	500,000	-	-	-	-	-	-	-	500,000
Information Systems User Charges	447,500	769,500	802,500	807,500	731,500	1,116,500	501,500	748,500	481,500	5,959,000
Information Systems Fund Balance	150,000	50,000	10,000	30,000	-	70,000	-	35,000	-	195,000
Central Road Corridor Fund	75,000	-	-	-	-	-	-	-	-	-
Western Corridor Fund	55,000	280,000	2,265,000	1,350,000	-	-	-	-	-	3,895,000
Terminal Reserve	150,000	-	-	-	-	-	-	-	-	-
DUI Reimbursement	40,000	-	-	-	-	-	-	-	-	-
Grant Funding	512,180	770,000	328,290	660,000	600,000	600,000	-	-	-	2,958,290
Hoffman Blvd Bridge Maintenance	-	52,000	250,000	-	-	-	-	-	-	302,000
Hoffman Estates Park District	20,000	20,000	7,500	7,500	75,000	-	-	-	-	110,000
Forest Preserve Dist. of Cook County	40,000	40,000	-	-	-	-	-	-	-	40,000
Cook County	120,000	450,000	6,000,000	2,550,000	-	-	-	-	-	9,000,000
Rebuild Illinois Capital Funds	-	850,000	300,000	-	-	-	-	-	-	1,150,000
Levy 2% Capital Fund	10,000	30,000	25,000	10,000	75,000	30,000	20,000	10,000	60,000	260,000
SCA Operating Budget	27,300	26,500	14,300	15,000	19,000	22,000	22,000	7,000	7,000	132,800
Unfunded	470,000	2,119,000	15,440,800	12,524,500	2,210,000	2,648,000	1,954,000	6,363,000	1,891,000	45,150,300
TOTAL FUNDS	\$ 17,710,190	\$ 23,114,670	\$ 39,688,600	\$ 31,217,270	\$ 13,774,180	\$ 14,093,738	\$ 11,427,522	\$ 17,150,522	\$ 12,471,404	\$ 162,937,906

Village of Hoffman Estates, Illinois
2020 - 2027 Capital Improvements Program
by Department

Department	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027
General Government	188,290	60,140	40,140	75,140	45,140	93,168	111,802	76,162	121,394	623,086
Police	399,500	491,720	458,310	423,440	533,690	503,150	517,320	533,000	544,190	4,004,820
Fire	851,700	725,400	4,809,900	11,650,400	84,000	672,000	140,900	54,000	54,000	18,190,600
Public Works	5,882,000	6,704,200	10,947,050	3,461,790	2,874,910	1,774,160	1,048,400	1,736,900	1,161,000	29,708,410
Development Services	9,248,900	13,217,210	22,298,400	14,485,000	9,375,940	9,832,260	8,430,600	13,499,960	9,812,320	100,951,690
Economic Development Area	555,000	725,000	100,000	25,000	-	-	-	-	-	850,000
Information Systems	447,500	769,500	802,500	907,500	731,500	1,027,000	501,500	748,500	481,500	5,969,500
Sears Centre Arena	137,300	421,500	232,300	189,000	129,000	192,000	677,000	502,000	297,000	2,639,800
TOTAL COSTS	\$ 17,710,190	\$ 23,114,670	\$ 39,688,600	\$ 31,217,270	\$ 13,774,180	\$ 14,093,738	\$ 11,427,522	\$ 17,150,522	\$ 12,471,404	\$ 162,937,906

**Village of Hoffman Estates, Illinois
2020- 2027 Capital Improvements Program
Summary of General Fund and General Fund Fund Balance Requests**

Project	Project Type	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027
General Government Requests:											
Copier Replacement Program	90	20,000	15,140	15,140	15,140	15,140	18,168	21,802	26,162	31,394	158,086
Replacement of Video Systems	90	90,000	45,000	25,000	60,000	30,000	75,000	90,000	50,000	90,000	465,000
Subtotal		110,000	60,140	40,140	75,140	45,140	93,168	111,802	76,162	121,394	623,086
Police Department Requests:											
Patrol Vehicles	80	-	366,570	334,520	342,030	352,160	417,030	378,900	387,310	399,060	2,977,580
Traffic Section Vehicle	80	-	-	-	-	46,780	-	50,450	-	53,180	150,410
Tornado Siren Replacement	50	20,000	23,500	23,500	24,100	24,100	24,700	24,700	25,300	25,300	195,200
Emergency Overhead Lighting Systems	80	-	11,300	-	-	12,190	12,500	12,820	13,140	13,470	75,420
Vehicles - Investigations Division	80	-	47,500	-	-	-	-	-	-	-	47,500
Administrative Vehicles	80	-	42,850	44,350	45,430	46,780	48,920	50,450	51,600	53,180	383,560
Subtotal		20,000	491,720	402,370	411,560	482,010	503,150	517,320	477,350	544,190	3,829,670
Fire Department Requests:											
Protective Clothing	90	45,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	432,000
Fitness Equipment at Fire Stations	90	10,000	-	30,000	-	30,000	-	30,000	-	-	90,000
Rapid Response Unit	80	-	199,300	-	-	-	-	-	-	-	199,300
Reserve Ambulance 23 (RA23)	80	-	372,100	-	-	-	-	-	-	-	372,100
Reserve Engine 21 (RE21)	80	-	-	725,900	-	-	-	-	-	-	725,900
Reserve Tower 22	80	-	-	-	1,870,500	-	-	-	-	-	1,870,500
Reserve Engine 23 (RE23)	80	-	-	-	725,900	-	-	-	-	-	725,900
Emergency Medical Services - Cardiac Monitors	80	-	-	-	-	-	76,000	-	-	-	76,000
Apparatus Refurbishment Program	80	-	-	-	-	-	-	56,900	-	-	56,900
Dive Rescue Boat	90	-	-	-	-	-	22,000	-	-	-	22,000
Subtotal		55,000	625,400	809,900	2,650,400	84,000	152,000	140,900	54,000	54,000	4,570,600

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Village of Hoffman Estates, Illinois
2020- 2027 Capital Improvements Program
Summary of General Fund and General Fund Fund Balance Requests

Project	Project Type	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027
Public Works Department Requests:											
Roof Replacements	60	-	-	58,600	-	317,000	-	-	-	-	375,600
Village Hall Masonry Cleaning	60	-	50,600	-	-	-	-	-	-	-	50,600
PW EOC Furniture Replacement	60	-	50,000	-	-	-	-	-	-	-	50,000
Ajudication/EOC Audio-Visual System Upgrade	60	-	-	70,000	-	-	-	-	-	-	70,000
Fire Station 24 Lighting Upgrade	60	-	-	25,500	-	-	-	-	-	-	25,500
Tuckpointing	60	-	-	40,000	-	-	-	40,000	-	-	80,000
Replacement of Village Hall Chiller Valves	60	-	-	-	55,000	120,000	230,000	-	-	-	405,000
Replacement Boilers Fire Station 24	60	-	-	-	-	-	35,000	35,000	-	-	70,000
Replacement Backup Generator-PWC	60	-	-	-	-	-	35,000	-	-	-	35,000
Replacement AC Chiller Fire Station 24	60	-	-	-	-	-	30,000	-	-	-	30,000
Replacement Server Room AC Roof Top Unit	60	-	-	-	-	-	20,000	-	-	-	20,000
Sunderlage House Building Repairs	60	-	-	-	-	-	-	45,000	-	-	45,000
Replacement Backup Generator-Fleet	60	-	-	-	-	-	-	35,000	-	-	35,000
PCMS Message Boards	90	40,000	20,000	-	-	-	-	-	-	-	20,000
Village Hall Plantings	50	10,000	10,000	30,000	-	-	-	-	-	-	40,000
Dump Truck Unit #6	80	-	189,720	-	-	-	-	-	-	-	189,720
Branch/Brush Chipper Unit #126	90	-	71,000	-	-	-	-	-	-	-	71,000
Message Center Board Replacements	50	-	61,500	-	-	-	-	-	-	-	61,500
Stake Body Truck, Unit #43	80	-	51,300	-	-	-	-	-	-	-	51,300
4x4 Pick-up Truck Unit #36	80	-	39,470	-	-	-	-	-	-	-	39,470
Dump Truck Unit #7	80	-	-	189,800	-	-	-	-	-	-	189,800
Front End Loader Unit #50	80	-	-	186,000	-	-	-	-	-	-	186,000
4x4 Pick-up Truck Unit #30	80	-	-	49,000	-	-	-	-	-	-	49,000
Mini-Dump Truck Unit #41	80	-	-	48,550	-	-	-	-	-	-	48,550
4X4 Pick Up Truck Unit #38	80	-	-	40,290	-	-	-	-	-	-	40,290
4x4 Pick-up Truck Unit #31	80	-	-	39,470	-	-	-	-	-	-	39,470
Dump Truck Unit #16	80	-	-	-	194,620	-	-	-	-	-	194,620
4x4 Stake Body Crew Cab Truck, Unit #64	80	-	-	-	54,440	-	-	-	-	-	54,440
Village Creek Drainage Improvement	20	-	-	-	60,000	60,000	60,000	60,000	60,000	60,000	360,000
4x4 Pick-Up Truck Unit #37	80	-	-	-	43,710	-	-	-	-	-	43,710
4x4 Pick-Up Truck, Unit #22	80	-	-	-	21,570	-	-	-	-	-	21,570
4x4 Pick-up Truck Unit #32	80	-	-	-	40,560	-	-	-	-	-	40,560
4x4 Pick-up Truck Unit #39	20	-	-	-	40,560	-	-	-	-	-	40,560
Service Van #92	80	-	-	-	26,850	-	-	-	-	-	26,850

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**Village of Hoffman Estates, Illinois
2020- 2027 Capital Improvements Program
Summary of General Fund and General Fund Fund Balance Requests**

Project	Project Type	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027	
2.5 Ton HD Dump Truck	80	-	-	-	-	196,620	-	-	-	-	196,620	
Sign Truck Stake Body 2 WD Truck Unit #47	80	-	-	-	-	150,500	-	-	-	-	150,500	
4x4 Mini Dump Truck Unit #46	80	-	-	-	-	15,970	-	-	-	-	15,970	
4x4 Stake Body Truck, Unit #44	80	-	-	-	-	63,650	-	-	-	-	63,650	
Pavement Rollor Unit #51	80	-	-	-	-	52,340	-	-	-	-	52,340	
4x4 Pick-up Truck	90	-	-	-	-	46,100	-	-	-	-	46,100	
Tandem Axle Dump Truck Unit #17	80	-	-	-	-	-	220,000	-	-	-	220,000	
Tractor/Mower Unit #144	90	-	-	-	-	-	43,160	-	-	-	43,160	
Crash Attenuator Unit #610	90	-	-	-	-	-	-	24,400	-	-	24,400	
Loader Backhoe Unit #53	90	-	-	-	-	-	-	-	190,000	-	190,000	
4X4 Pickup Truck Unit #29	80	-	-	-	-	-	-	-	71,500	-	71,500	
Pickup Truck Unit #35	80	-	-	-	-	-	-	-	57,000	-	57,000	
Portable Light Tower Unit #312	90	-	-	-	-	-	-	-	18,200	-	18,200	
Pickup Truck Unit #34	80	-	-	-	-	-	-	-	49,500	-	49,500	
Tractor Unit #57	90	-	-	-	-	-	-	-	48,400	-	48,400	
Portable Compressor Unit #58	90	-	-	-	-	-	-	-	26,700	-	26,700	
Trailer Unit #107	90	-	-	-	-	-	-	-	19,000	-	19,000	
Pump Unit #132	90	-	-	-	-	-	-	-	57,000	-	57,000	
Utility Task Vehicle (UTV) Unit #164	80	-	-	-	-	-	-	-	17,800	-	17,800	
4x4 Pick-Up Truck w Plow Unit #26	80	-	15,030	-	-	-	-	-	-	-	15,030	
4x4 Mini Dump Truck Unit #61	80	-	-	15,500	-	-	-	-	-	-	15,500	
4x2 3/4 Ton Pick-Up Truck Unit #18	80	-	-	15,500	-	-	-	-	-	-	15,500	
Semi Tractor Truck & Dump Trailer Unit #68	80	-	-	-	78,400	-	-	-	-	-	78,400	
4x4 Pick-Up Truck w Plow Unit #19	80	-	-	-	15,970	-	-	-	-	-	15,970	
4x4 Flat Bed Truck Unit #62	80	-	-	-	15,970	-	-	-	-	-	15,970	
Sky Jack Scissors Lift Unit #301	90	-	-	-	15,500	-	-	-	-	-	15,500	
4x4 Pick-up Utility Truck Unit #70	80	-	15,030	-	-	-	-	-	-	-	15,030	
Subtotal			50,000	573,650	808,210	673,150	1,022,180	673,160	239,400	615,100	60,000	4,664,850
Development Services Requests:												
Code Enforcement Division Vehicles	80	21,630	22,100	22,100	23,500	-	-	-	-	30,000	-	97,700
STP Resurfacing	40	85,000	-	130,000	300,000	50,000	300,000	50,000	-	-	-	830,000
Transportation/Engineering Vehicle Replacement	80	-	-	-	-	-	-	64,000	-	-	-	64,000
Street Revitalization	40	431,270	456,610	-	-	-	-	-	-	-	-	456,610
Stormwater Projects	20	80,000	-	-	-	-	-	-	-	-	-	-
Subtotal		617,900	478,710	152,100	323,500	50,000	300,000	114,000	-	-	30,000	1,448,310
Sears Centre Arena Requests:												
SCA Equipment - Snow Removal Equipment	00	-	50,000	-	-	-	-	-	-	-	-	50,000
SCA Interior - Replacements	00	-	40,000	-	-	-	-	-	-	-	-	40,000
SCA Interior - Replacements to FF&E	60	-	-	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	150,000
SCA - Replace Public Address System Amplifiers	00	-	25,000	25,000	-	-	-	-	-	-	-	50,000
SCA Mechanical systems - HVAC Controls	00	-	205,000	-	-	-	-	-	-	-	-	205,000
Subtotal		-	320,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	495,000
Total General Fund		\$ 852,900	\$ 2,549,620	\$ 2,237,720	\$ 4,158,750	\$ 1,708,330	\$ 1,746,478	\$ 1,148,422	\$ 1,247,612	\$ 834,584	\$ 15,631,516	

Village of Hoffman Estates, Illinois
2020 - 2027 Capital Improvements Program
Summary of Funding Sources

Fund	Project Type	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027
General Fund:											
General Government Requests:		110,000	60,140	40,140	75,140	45,140	93,168	111,802	76,162	121,394	623,086
Police Department Requests:		20,000	491,720	402,370	411,560	482,010	503,150	517,320	477,350	544,190	3,829,670
Fire Department Requests:		55,000	625,400	809,900	2,650,400	84,000	152,000	140,900	54,000	54,000	4,570,600
Public Works Department Requests:		50,000	573,650	808,210	673,150	1,022,180	673,160	239,400	615,100	60,000	4,664,850
Development Services Requests:		617,900	478,710	152,100	323,500	50,000	300,000	114,000	-	30,000	1,448,310
Sears Centre Arena Requests:		-	320,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	495,000
Subtotal		852,900	2,549,620	2,237,720	4,158,750	1,708,330	1,746,478	1,148,422	1,247,612	834,584	15,631,516
DUI Reimbursement:											
In-Car Digital Video Cameras	70	40,000	-	-	-	-	-	-	-	-	-
Subtotal		40,000	-	-	-	-	-	-	-	-	-
Motor Fuel Tax Fund:											
Street Revitalization	40	2,030,000	2,600,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	18,000,000
Subtotal		2,030,000	2,600,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	18,000,000
Rebuild Illinois Capital Funds:											
Street Revitalization	40	-	300,000	-	-	-	-	-	-	-	300,000
Stormwater Projects	20	-	550,000	300,000	-	-	-	-	-	-	850,000
Subtotal		-	850,000	300,000	-	-	-	-	-	-	1,150,000
CDBG Funds:											
Street Revitalization	40	150,000	144,500	200,000	-	200,000	-	200,000	-	200,000	944,500
CDBG Projects	50	65,000	104,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	629,000
Subtotal		215,000	248,500	275,000	75,000	275,000	75,000	275,000	75,000	275,000	1,573,500
Hoffman Blvd Bridge Maintenance Fund:											
Hoffman Boulevard Bridge Maintenance	50	-	52,000	250,000	-	-	-	-	-	-	302,000
Subtotal		-	52,000	250,000	-	-	-	-	-	-	302,000
Asset Seizure Fund, Federal:											
Emergency Overhead Lighting Systems	80	15,400	-	11,590	11,880	-	-	-	-	-	23,470
In-Car Digital Video Cameras	70	18,900	-	-	-	-	-	-	-	-	-
Traffic Section Vehicle	80	35,900	-	44,350	-	-	-	-	-	-	44,350
Vehicles - Investigations Division	80	-	-	-	-	51,680	-	-	55,650	-	107,330
Subtotal		70,200	-	55,940	11,880	51,680	-	-	55,650	-	175,150
Road Improvement Fund Balance:											
Street Revitalization	40	-	225,000	-	-	-	-	-	-	-	225,000
STP Resurfacing	40	-	175,000	-	-	-	-	-	-	-	175,000
IDOT Barrington Road / Golf Road	40	-	100,000	-	-	-	-	-	-	-	100,000
Subtotal		-	500,000	-	-	-	-	-	-	-	500,000

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**Village of Hoffman Estates, Illinois
2020 - 2027 Capital Improvements Program
Summary of Funding Sources**

Fund	Project Type	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027
Western Corridor Fund:											
Shoe Factory Road	40	40,000	250,000	2,000,000	1,350,000	-	-	-	-	-	3,600,000
Beverly Rd Bicycle Path and Resurfacing	30	15,000	30,000	265,000	-	-	-	-	-	-	295,000
Subtotal		55,000	280,000	2,265,000	1,350,000	-	-	-	-	-	3,895,000
Prairie Stone Capital Funds:											
Village Storage Building	60	112,500	777,500	-	-	-	-	-	-	-	777,500
Western Area Emergency Water Supply	10	60,000	30,000	340,000	-	-	-	-	-	-	370,000
Prairie Stone Signage	50	400,000	100,000	100,000	-	-	-	-	-	-	200,000
Shoe Factory Road & I-90 Undercrossing Path	30	20,000	20,000	-	-	-	-	-	-	-	20,000
Village Green/Amphitheater Improvements	50	75,000	525,000	-	-	-	-	-	-	-	525,000
Rt. 59/Hoffman Turn Lane	40	-	-	-	25,000	-	-	-	-	-	25,000
Subtotal		667,500	1,452,500	440,000	25,000	-	-	-	-	-	1,917,500
2017 Bond Proceeds:											
Sanitary Sewer Rehabilitation	10	407,500	-	-	-	-	-	-	-	-	-
Valve Replacement	10	27,000	27,000	-	-	-	-	-	-	-	27,000
Annual SCADA System Upgrade	10	35,000	-	-	-	-	-	-	-	-	-
Sanitary and Storm Sewer Televising/Construction	10	100,000	100,000	-	-	-	-	-	-	-	100,000
Water Meters / New Construction	10	50,000	50,000	-	-	-	-	-	-	-	50,000
Water Main Replacement I-90	10	-	200,000	-	-	-	-	-	-	-	200,000
Meter Change-Outs & Radio Read MIU Installations	10	175,000	-	-	-	-	-	-	-	-	-
Lift Station Pump System Rehabilitation	10	18,000	50,000	-	-	-	-	-	-	-	50,000
Water Main Replacement	10	350,000	-	-	-	-	-	-	-	-	-
North Zone Emergency Water Supply	10	350,000	300,000	-	-	-	-	-	-	-	300,000
Abbeywood Pump Replacement & Control Upgrade	10	-	220,000	-	-	-	-	-	-	-	220,000
Subtotal		1,512,500	947,000	-	-	-	-	-	-	-	947,000
State of Illinois Loan:											
Lift Station Pump System Rehabilitation	10	1,870,000	1,877,000	-	-	-	-	-	-	-	1,877,000
Interior & Exterior Painting/Maint Repair of T-2	10	226,000	459,000	-	-	-	-	-	-	-	459,000
Interior & Exterior Painting/Maint Repair of T-4	10	299,000	303,000	-	-	-	-	-	-	-	303,000
Subtotal		2,395,000	2,639,000	-	-	-	-	-	-	-	2,639,000
Electric Utility Tax											
Street Revitalization	40	1,790,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	14,400,000
Subtotal		1,790,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	14,400,000
Municipal Motor Fuel Tax											
Street Revitalization	40	450,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	3,400,000
Subtotal		450,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	3,400,000
Municipal Gas Use Tax											
Sanitary and Storm Sewer Televising/Construction	10	-	-	100,000	140,000	140,000	140,000	140,000	140,000	140,000	940,000
Street Revitalization	40	1,150,000	1,250,000	1,150,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	9,060,000
Subtotal		1,150,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	10,000,000

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**Village of Hoffman Estates, Illinois
2020 - 2027 Capital Improvements Program
Summary of Funding Sources**

Fund	Project Type	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027
Packaged Liquor Tax:											
Sidewalk/Curb Replacement Program	30	100,000	115,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	955,000
Street Revitalization	40	206,000	200,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	1,565,000
Subtotal		306,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	2,520,000
Stormwater Management Fees:											
Stormwater Projects	20	610,000	470,000	735,000	395,000	595,000	280,000	711,000	425,000	479,000	4,090,000
Subtotal		610,000	470,000	735,000	395,000	595,000	280,000	711,000	425,000	479,000	4,090,000
Information Systems User Charges:											
In-Car Digital Video Cameras	70	-	-	-	21,000	-	-	-	250,000	-	271,000
Emergency Medical Services - Cardiac Monitors	90	-	-	-	-	-	520,000	-	-	-	520,000
Personal Computer and Printer Replacements	70	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	904,000
Network File Server Replacements	70	47,500	47,500	40,000	270,000	40,000	75,000	40,000	40,000	40,000	592,500
Emergency Operation Center Infrastructure	70	-	27,000	-	-	-	20,000	-	7,000	-	54,000
Wireless Infrastructure	70	-	-	80,000	-	-	60,000	-	40,000	-	180,000
Infrastructure upgrades	70	30,000	50,000	50,000	55,000	250,000	-	-	-	-	405,000
Telephone System	70	49,000	179,000	30,000	50,000	30,000	30,000	50,000	-	30,000	399,000
Central Square upgrades	70	151,000	299,000	235,500	244,500	244,500	244,500	244,500	244,500	244,500	2,001,500
Records Digitization and Document Management	70	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	200,000
Camera Syst. Replace. - Municipal Buildings	60	18,000	29,000	229,000	29,000	29,000	29,000	29,000	29,000	29,000	432,000
Subtotal		433,500	769,500	802,500	807,500	731,500	1,116,500	501,500	748,500	481,500	5,959,000
Information Systems Fund Balance:											
Asset Management Software	10	50,000	50,000	-	-	-	-	-	-	-	50,000
SCA I.T. - Projects	70	100,000	-	10,000	30,000	-	70,000	-	35,000	-	145,000
Subtotal		150,000	50,000	10,000	30,000	-	70,000	-	35,000	-	195,000
Capital Replacement Fund:											
Patrol Vehicles	80	269,300	-	-	-	-	-	-	-	-	-
Transportation/Engineering Vehicle Replacement	80	-	33,000	-	-	-	-	-	-	-	33,000
Branch/Brush Chipper Unit #126	90	-	15,000	-	-	-	-	-	-	-	15,000
Mini Dump Truck, Unit #49	80	-	-	51,300	-	-	-	-	-	-	51,300
Subtotal		269,300	48,000	51,300	-	-	-	-	-	-	99,300
Capital Improvements Fund											
Roof Replacements	60	35,000	36,050	-	-	-	-	-	-	-	36,050
Fleet Services Bldg - Floor Drainage Improve	60	20,100	33,500	-	-	-	-	-	-	-	33,500
Sidewalk & Bicycle Improvements	30	40,000	40,000	40,000	40,000	40,000	40,000	45,000	45,000	-	290,000
Central Road Bicycle Path	30	-	135,000	120,000	-	-	-	-	-	-	255,000
Subtotal		95,100	244,550	160,000	40,000	40,000	40,000	45,000	45,000	-	614,550

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**Village of Hoffman Estates, Illinois
2020 - 2027 Capital Improvements Program
Summary of Funding Sources**

Fund	Project Type	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027
Grant Revenue:											
SCA Mechanical systems - HVAC Controls	00	-	45,000	-	-	-	-	-	-	-	45,000
Shoe Factory Road & I-90 Undercrossing Path	30	320,000	320,000	-	-	-	-	-	-	-	320,000
STP Resurfacing	40	-	405,000	240,000	600,000	-	600,000	-	-	-	1,845,000
Huntington Boulevard Bicycle Path & Route-CMAQ	30	-	-	60,000	60,000	600,000	-	-	-	-	720,000
Fire Station 24 Lighting Upgrade	60	-	-	28,290	-	-	-	-	-	-	28,290
Subtotal		320,000	770,000	328,290	660,000	600,000	600,000	-	-	-	2,958,290
Water & Sewer Fund:											
Roof Replacements	60	-	-	-	-	158,000	-	-	-	-	158,000
Fleet Services Bldg - Floor Drainage Improve	60	9,900	16,500	-	-	-	-	-	-	-	16,500
Asset Management Software	10	50,000	50,000	-	-	-	-	-	-	-	50,000
4x4 Pick-Up Truck, Unit #22	80	-	-	-	21,570	-	-	-	-	-	21,570
4x4 Mini Dump Truck Unit #46	80	-	-	-	-	75,480	-	-	-	-	75,480
Sanitary Sewer Rehabilitation	10	-	85,000	1,075,000	1,185,000	195,000	195,000	85,000	85,000	195,000	3,100,000
Valve Replacement	10	30,000	30,000	58,000	59,000	60,000	61,000	62,000	63,000	64,000	457,000
Annual SCADA System Upgrade	10	-	65,000	36,000	37,000	38,000	40,000	42,000	42,000	42,000	342,000
Sanitary and Storm Sewer Televising/Construction	10	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	480,000
Water Meters / New Construction	10	-	-	60,000	60,000	60,000	60,000	60,000	60,000	60,000	420,000
Meter Change-Outs & Radio Read MIU Installations	10	-	175,000	175,000	225,000	225,000	175,000	125,000	125,000	125,000	1,350,000
Lift Station Pump System Rehabilitation	10	60,000	60,000	660,000	18,000	180,000	100,000	40,000	300,000	220,000	1,578,000
Western Area Emergency Water Supply	10	-	30,000	340,000	-	-	-	-	-	-	370,000
Water Main Replacement	10	-	315,000	40,000	100,000	-	-	-	-	-	455,000
Sanitary Sewer Improvements - Route 59	10	-	30,000	-	-	-	-	-	-	-	30,000
Water Main Replacement I-90	10	-	-	800,000	-	-	-	-	-	-	800,000
Hydrant Replacements	10	-	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	600,000
2.5 c.y. Front End Loader	80	-	55,000	-	-	-	-	-	-	-	55,000
Compact Track Excavator	80	-	45,000	-	-	-	-	-	-	-	45,000
Sky Jack Scissors Lift Unit #301	90	-	-	-	15,500	-	-	-	-	-	15,500
Well 10 Rehabilitation	10	-	-	200,000	-	-	-	-	-	-	200,000
Fork-Lift Truck Unit #303	90	-	-	-	32,500	-	-	-	-	-	32,500
4x2 heavy Duty Service Truck Unit #20	80	-	-	134,500	-	-	-	-	-	-	134,500
4x4 Pick-Up Truck w Plow Unit #26	80	-	30,000	-	-	-	-	-	-	-	30,000
4x4 Pick-up Utility Truck Unit #70	80	-	37,000	-	-	-	-	-	-	-	37,000
WDA Lift Station Pump & Control Replacement	10	-	-	86,310	46,310	-	-	-	-	-	132,620
4x2 3/4 Ton Pick-Up Truck Unit #18	80	-	-	31,830	-	-	-	-	-	-	31,830
4x4 Pick-Up Truck Unit #25	80	-	-	47,330	-	-	-	-	-	-	47,330
4x4 Mini Dump Truck Unit #61	80	-	-	73,280	-	-	-	-	-	-	73,280
Utility Locator Van Unit #77	80	-	-	33,000	-	-	-	-	-	-	33,000
4x4 Pick-Up Truck w Plow Unit #19	80	-	-	-	52,500	-	-	-	-	-	52,500
4x2 Full Size Service Van Unit #28	80	-	-	-	33,200	-	-	-	-	-	33,200
4x4 Flat Bed Truck Unit #62	80	-	-	-	39,740	-	-	-	-	-	39,740
4x4 Mini SUV Unit # 23	80	-	-	-	40,720	-	-	-	-	-	40,720
Semi Tractor Truck & Dump Trailer Unit #68	80	-	-	-	117,600	-	-	-	-	-	117,600

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**Village of Hoffman Estates, Illinois
2020 - 2027 Capital Improvements Program
Summary of Funding Sources**

Fund	Project Type	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027
4x2 Pick Up Truck, Unit #21	80	-	-	-	-	23,750	-	-	-	-	23,750
4x2 1/2 Ton Pick-Up Truck Unit #24	80	-	-	-	-	42,500	-	-	-	-	42,500
Utility Van; Unit #60	80	-	-	-	-	-	75,000	-	-	-	75,000
Water Pump; Unit #131	80	-	-	-	-	-	-	-	51,800	-	51,800
Camera Syst. Replace. - Municipal Buildings	60	-	-	-	-	-	52,500	-	-	-	52,500
Subtotal		209,900	1,158,500	3,985,250	2,218,640	1,192,730	893,500	549,000	861,800	841,000	11,700,420
Hoffman Estates Park District:											
Shoe Factory Road & I-90 Undercrossing Path	30	20,000	20,000	-	-	-	-	-	-	-	20,000
Huntington Boulevard Bicycle Path & Route-CMAQ	30	-	-	7,500	7,500	75,000	-	-	-	-	90,000
Subtotal		20,000	20,000	7,500	7,500	75,000	-	-	-	-	110,000
Forest Preserve District of Cook County:											
Shoe Factory Road & I-90 Undercrossing Path	30	40,000	40,000	-	-	-	-	-	-	-	40,000
Subtotal		40,000	40,000	-	-	-	-	-	-	-	40,000
Cook County:											
Shoe Factory Road	40	60,000	450,000	6,000,000	2,550,000	-	-	-	-	-	9,000,000
Beverly Rd Bicycle Path and Resurfacing	30	60,000	-	-	-	-	-	-	-	-	-
Subtotal		120,000	450,000	6,000,000	2,550,000	-	-	-	-	-	9,000,000
Central Road Corridor Fund:											
Central Road Bicycle Path	30	75,000	-	-	-	-	-	-	-	-	-
Subtotal		75,000	-	-	-	-	-	-	-	-	-
Roselle Road TIF Fund:											
Roselle Road Business District/TIF District	50	900,000	900,000	200,000	200,000	200,000	200,000	200,000	200,000	1,600,000	3,700,000
Subtotal		900,000	900,000	200,000	200,000	200,000	200,000	200,000	200,000	1,600,000	3,700,000
Lakewood Center TIF Fund:											
Lakewood Center TIF	40	-	110,000	115,000	148,500	10,940	382,260	11,600	1,086,960	12,320	1,877,580
Subtotal		-	110,000	115,000	148,500	10,940	382,260	11,600	1,086,960	12,320	1,877,580
Levy 2% Capital Fund:											
Food & Beverage - Concession Stands & Kitchen (Part 1)	60	10,000	30,000	25,000	10,000	75,000	30,000	20,000	10,000	60,000	260,000
Subtotal		10,000	30,000	25,000	10,000	75,000	30,000	20,000	10,000	60,000	260,000
SCA Operating Budget:											
SCA I.T. - Projects	70	6,500	6,500	6,500	7,000	7,000	7,000	7,000	7,000	7,000	55,000
SCA Interior - Upgrades to Club Room	00	7,800	-	7,800	-	-	-	-	-	-	7,800
SCA - Replace Backflow Prevention	00	8,000	-	-	8,000	12,000	-	-	-	-	20,000
SCA Equipment - Snow Removal Equipment	00	-	-	-	-	-	-	-	-	-	-
SCA Interior - Upgrades	60	-	-	-	-	-	15,000	15,000	-	-	30,000
SCA Interior - Replacements	00	-	20,000	-	-	-	-	-	-	-	20,000
Subtotal		22,300	26,500	14,300	15,000	19,000	22,000	22,000	7,000	7,000	132,800

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Village of Hoffman Estates, Illinois
2020 - 2027 Capital Improvements Program
Summary of Funding Sources

Fund	Project Type	Prior Year	2020	2021	2022	2023	2024	2025	2026	2027	Total 2020-2027	
Requests Currently Unfunded:												
	Construction of Fire Stations	60	100,000	100,000	4,000,000	9,000,000	-	-	-	-	13,100,000	
	Interior & Exterior Painting/Maintenance Repair of T-1	10	10,000	329,000	-	-	-	-	-	-	329,000	
	Replacement of Existing T-1	10	30,000	-	4,990,000	-	-	-	-	-	4,990,000	
	University Lift Station Pump Improvement	10	-	-	-	60,000	-	-	-	-	60,000	
	Western Area Water System Improvements	10	-	-	45,000	250,000	400,000	-	-	-	695,000	
	Interior & Exterior Painting/Maintenance Repair of T-5	10	-	-	419,000	-	-	-	-	-	419,000	
	Shoe Factory Road	40	-	-	-	400,000	-	-	-	-	400,000	
	Street Revitalization	40	-	-	1,480,000	720,000	520,000	720,000	520,000	720,000	5,200,000	
	Sidewalk & Bicycle Improvements	30	-	300,000	50,000	300,000	250,000	250,000	50,000	300,000	1,500,000	
	Central Road Bicycle Path	30	-	540,000	480,000	-	-	-	-	-	1,020,000	
	Beverly Rd Bicycle Path and Resurfacing	30	-	120,000	1,060,000	-	-	-	-	-	1,180,000	
	Huntington Boulevard Bicycle Path & Route-CMAQ	30	-	-	7,500	7,500	75,000	-	-	-	90,000	
	Safe Routes to School - former Federal Program	30	-	-	50,000	-	50,000	-	50,000	50,000	200,000	
	Intersection Improvements - Signals	40	-	-	155,000	400,000	155,000	400,000	155,000	400,000	1,820,000	
	Stormwater Projects	20	-	-	-	-	-	69,000	15,000	261,000	345,000	
	Transit Improvements	50	250,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000	
	IDOT Barrington Road / Golf Road	40	-	-	660,000	-	-	-	-	-	660,000	
	Beverly Interchange	40	-	-	-	-	-	-	3,000,000	-	3,000,000	
	Shoe Factory Road & I-90 Undercrossing Path	30	-	-	75,000	400,000	-	-	-	-	475,000	
	Village Green/Amphitheater Improvements	50	80,000	100,000	-	-	-	-	-	-	100,000	
	Camera Syst. Replace. - Municipal Buildings	60	-	-	-	100,000	-	378,000	-	-	478,000	
	SCA Structural - Concourse Floor	00	-	-	-	-	10,000	10,000	20,000	-	40,000	
	SCA site - Outside Pre-Event Space	00	-	-	-	100,000	-	-	-	-	100,000	
	SCA Site - Parking Lot Improvements	40	-	-	20,000	9,000	-	-	190,000	-	219,000	
	SCA Mechanical Systems - Extend A/C to Suite Level	00	-	-	138,000	-	-	-	-	-	138,000	
	Sports Player Box/Bench Replacement	60	-	-	-	-	-	-	25,000	-	25,000	
	SCA Mechanical systems - Air Conditioning Chillers	00	-	-	-	-	35,000	225,000	175,000	175,000	610,000	
	SCA Structural - Roof Replacement	00	-	-	-	-	-	-	225,000	-	225,000	
	SCA Interior - Replacements	00	25,000	-	-	-	-	-	-	30,000	30,000	
	SCA Exterior - Marquee sign	60	-	-	-	-	-	175,000	-	-	175,000	
	Lakewood Center TIF	40	-	-	101,300	-	-	-	-	-	101,300	
	Parking Lots	40	-	80,000	450,000	275,000	250,000	350,000	-	1,000,000	2,605,000	
	Streetscape and Corridor Improvements	40	-	50,000	500,000	-	-	-	-	-	550,000	
	Hoffman Boulevard Bridge Maintenance	50	-	-	200,000	3,000	-	5,000	-	3,000	211,000	
	Trailer Mounted Hydro-Excavator	80	-	-	60,000	-	-	-	-	-	60,000	
	Subtotal		495,000	2,119,000	15,440,800	12,524,500	2,210,000	2,648,000	1,954,000	6,363,000	1,891,000	45,150,300
	Total Funding Sources		\$ 15,304,200	\$ 23,114,670	\$ 39,688,600	\$ 31,217,270	\$ 13,774,180	\$ 14,093,738	\$ 11,427,522	\$ 17,150,522	\$ 12,471,404	\$ 162,937,906

COMMITTEE AGENDA ITEM

VILLAGE OF HOFFMAN ESTATES

SUBJECT: Request Approval of Amendments to Section 5-5-7, Sworn Personnel, Hoffman Estates Police Department, and Section 5-6-9, Sworn Personnel, Hoffman Estates Fire Department, of the Hoffman Estates Municipal Code

MEETING DATE: November 14, 2019

COMMITTEE: Special Finance

FROM: James H. Norris, Village Manager

PURPOSE: Request approval of amendments to Section 5-5-7, Sworn Personnel, Hoffman Estates Police Department, and Section 5-6-9, Sworn Personnel, Hoffman Estates Fire Department, of the Hoffman Estates Municipal Code.

BACKGROUND: As part of the proposed FY2020 budget, the Fire and Police Departments are proposing to restructure their staffing allocation authorized by the Municipal Code.

DISCUSSION: The Police Department is requesting a change in staffing allocation to reduce the number of Lieutenants to three (3), and increased the number of Sergeants to twelve (12) pursuant to their restructuring plan.

The Fire Department requested a change in staffing last month as phase I of their restricting plan which reduced Captains to three (3). Phase II increases the number of Deputy Chiefs from one (1) to two (2), eliminates one (1) Assistant Chief, increases the number of Battalion Chiefs from three (3) to four (4), increases the number of Lieutenants from eleven (11) to twelve (12) and increases Firefighter/Paramedics to seventy-six (76).

FINANCIAL IMPACT: Pursuant to the FY2020 Budget presentation.

RECOMMENDATION: Approve an ordinance amending Section 5-5-7, Sworn Personnel, Hoffman Estates Police Department, and Section 5-6-9, Sworn Personnel, Hoffman Estates Fire Department, of the Hoffman Estates Municipal Code pursuant to the attached ordinances.

VILLAGE OF HOFFMAN ESTATES

AN ORDINANCE AMENDING SECTION 5-5-7, SWORN PERSONNEL,
HOFFMAN ESTATES POLICE DEPARTMENT,
OF THE HOFFMAN ESTATES MUNICIPAL CODE

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

Section 1: That Section 5-5-7, SWORN PERSONNEL, of the Hoffman Estates Municipal Code be amended to read as follows:

Section 5-5-7. SWORN PERSONNEL

The sworn personnel of the Police Department shall consist of one (1) Chief of Police; two (2) Assistant Chiefs of Police; three (3) Lieutenants; 12 Sergeants and 74 Patrol Officers.

Section 2: The Village Clerk is hereby authorized to publish this ordinance in pamphlet form.

Section 3: This Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS _____ day of _____, 2019

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

APPROVED THIS _____ DAY OF _____, 2019

Village President

ATTEST:

Village Clerk

Published in pamphlet form this _____ day of _____, 2019.

VILLAGE OF HOFFMAN ESTATES

AN ORDINANCE AMENDING SECTION 5-6-9, PERSONNEL,
HOFFMAN ESTATES FIRE DEPARTMENT,
OF THE HOFFMAN ESTATES MUNICIPAL CODE

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

Section 1: That Section 5-6-9, PERSONNEL, of the Hoffman Estates Municipal Code be amended to read as follows:

Section 5-6-9. SWORN PERSONNEL

A. The Fire Department shall consist of the following full-time sworn personnel; one (1) Fire Chief; two (2) Deputy Fire Chiefs; four (4) Battalion Chiefs; three (3) Captains; twelve (12) Lieutenants; and seventy-six (76) Firefighters.

B. The Village Manager shall have the authority to increase the number of full-time sworn firefighters upon a finding that one or more of the full-time sworn firefighters is inactive under the Public Employee Disability Act and is not likely to return to active service or is inactive pending an announced retirement date. Such increase shall be limited in duration to the time the full-time sworn firefighter is or the full-time sworn firefighters are inactive under the Public Employee Disability Act or pending an announced retirement date.

C. The Fire Chief shall have the authority to determine service levels on a day-to-day basis.

Section 2: The Village Clerk is hereby authorized to publish this ordinance in pamphlet form.

Section 3: This Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS _____ day of _____, 2019

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

APPROVED THIS _____ DAY OF _____, 2019

Village President

ATTEST:

Village Clerk

Published in pamphlet form this _____ day of _____, 2019.

COMMITTEE AGENDA ITEM

VILLAGE OF HOFFMAN ESTATES

SUBJECT: Review of the Water Rate Study Prepared by Clark Dietz, Inc, and Approval of Ordinance Amending Water and Sewer Rates

MEETING DATE: November 14, 2019

COMMITTEE: Finance

FROM: James H. Norris, Village Manager
Rachel Musiala, Director of Finance

PURPOSE: Request approval of an ordinance amending the water and sewer rates effective January 1, 2020 through December 31, 2024.

BACKGROUND: The Village has established the responsible practice of conducting rate studies every five years since 1999 and planned rate increases have occurred regularly since then to meet operating and capital needs of the water and sewer operations of the Village.

As you may recall, the last Water Rate study was completed in May, 2014 by Baxter & Woodman. This study was right on the heels of the large City of Chicago JAWA rate increases (70% increase from 2012-2015).

At that time, it was apparent that the Village was facing some major issues relating to its Water and Sewer Fund. Fund reserves had been depleted and there was no funding mechanism for capital and infrastructure. Under the rate structure in 2014, the Fund would not be able to support projected operating and capital expenses.

Because of these issues, it was determined that a fund reserve target of 25% of expenses, about \$3.5 million, would be an appropriate goal to work towards. Baxter & Woodman recommended this target, and staff agreed that it would allow more room to address unexpected circumstances or emergency repairs that may arise.

As a result of the 2014 Water Rate Study, the option recommended by Baxter & Woodman and chosen by the Village Board was a 16% rate increase effective March 2015 to help offset the aforementioned City of Chicago rate increases. It was also recommended at that time to

hold off on establishing any future rate increases until the Village's new Municipal Advisor had reviewed the water rate study results and recommended a financing plan for our water and sewer capital needs.

After that had occurred, the Board implemented the following rate increases: 6% in January 2016, 6% in January 2017, 4.25% in January 2018 and 4.25% in January 2019.

DISCUSSION:

In July, 2019, the Village entered into a contract with Clark Dietz, Inc. to perform a water rate study to take a comprehensive look at water and sewer needs, including capital projects and debt funding.

Clark Dietz, Inc. conducted several meetings with Village staff to review trend information, budgets, capital plans, current debt levels, and assumptions for the future. After their initial analysis, based on anticipated expenses, in order to maintain the 25% fund reserve target, the Water and Sewer Fund would need to maintain about \$4 - \$4.5 million in reserves. Using that new fund reserve target, it was found that, due to upcoming large capital projects, the Fund would not only dip below the 25% fund reserve target, but fully run out of reserves if no rate increases were considered. There is a \$5 million water tower project to be started in 2021 that would cause the Fund to use all of its cash. In addition to the water tower, the Fund has some other large anticipated projects in 2021 and 2022: water main replacement under I-90, sanitary sewer rehabilitations, and various water main replacements throughout the Village. With annual debt payments of \$1.8 million already planned for 2020-2024, the Village is trying to avoid issuing more debt for the Fund.

Factoring in the large anticipated capital projects and annual debt payments, numerous water rate scenarios for the Village were considered:

Baseline scenario: No rate increases occurring at all in the five-year period. Under this scenario, fund reserves are projected to be negative by 2022 and continuing through 2024.

Scenario 1: Due to how soon the large capital projects are anticipated, this scenario proposes a 4% rate increase in 2020, 2021, and 2022, then 3.5% in 2023 and 2024. The larger increases in the first few years provide enough fund reserves to use for payment of those large projects without having to issue any new debt. Then, once the Village is back to "normal" annual capital project levels, the rate increase is smaller to help build the fund reserves back up again. Using this scenario, the fund reserve drops down below 25% to about \$3 million in 2022 but builds back up to \$5 million by the end of 2024.

Scenario 2: This scenario proposes a 3.5% rate increase in 2020, 3.75% increase in 2021 and then a 4% increase in 2022, 2023, and 2024. The logic behind this structure is to do enough in a rate increase to be able to fund the anticipated large capital projects in 2020-2022 without issuing debt. Then, the 2023 and 2024 rate increases would help bring up the cash balance quickly. Using this scenario, fund reserves drop down below 25% target to about \$2.6 million in 2022, but rebounds back to \$4.6 million, which is near target levels.

After review of the water rate study results, the consultant is recommending that the Village implement Scenario 1 due to the level of fund reserves throughout the term:

Effective Date	% Increase
January 1, 2020	4%
January 1, 2021	4%
January 1, 2022	4%
January 1, 2023	3.5%
January 1, 2024	3.5%

It is important to note that increasing the Village's water rate in FY2020 places us on the low end of rates when compared to surrounding communities utilizing JAWA. The Village's current rate is the second lowest and the recommended rate for FY2020 is the third lowest of those surveyed:

Community	Average User Bill (5,000/month)
Elk Grove	\$60
Hoffman Estates, current rate	\$67
Hoffman Estates, Scenario 1	\$70
Hanover Park (Cook County)	\$70
Mount Prospect	\$71
Streamwood	\$72
Schaumburg	\$75
Rolling Meadows	\$83
Hanover Park (DuPage County)	\$87

RECOMMENDATION: Request approval of an ordinance amending the water and sewer rates effective January 1, 2020 through December 31, 2024.

Attachments:

- Water Rate Study from Clark Dietz, Inc.
- Water Rate Ordinance



2019 Water and Sewer Rate Study

Prepared for: Village of Hoffman Estates, Illinois

Prepared by: Clark Dietz, Inc.

Date: 11.8.2019

Professional Consulting and Design Services

Clark>Dietz

Engineering Quality of Life™

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EXECUTIVE SUMMARY

INTRODUCTION

Clark Dietz, Inc. has completed an analysis of the Village of Hoffman Estate's water and sewer rates. The purpose of this study is to provide the Village with various feasible scenarios for setting utility rates to cover operating, debt service and capital improvement expenses while maintaining appropriate cash balances in the Water and Sewer Fund (water and sewer services). The scope of this report includes:

- Analyzing the current water usage trends;
- Preparing a 5-year projection of water and sewer expenses, including incorporation of the Village's 5-year capital improvement plan;
- Preparing a 5-year projection of revenues necessary to meet water and sewer utility expenses; and
- Identifying systems of equitable water and sewer rates to meet revenue requirements for the next 5 years.
- Review of connection fees for new development,

RESERVE POLICY

The Village of Hoffman Estates should keep maintaining its "Operating Reserve Balance" (ORB) Policy. The American Water Works Association (AWWA) and the Government Finance Officers Association (GFOA) recommend utilities maintain an operating reserve of sufficient amount to cover unforeseen situations. The actual reserve amount to be established by a municipality should be based on historical risk management assessment and can be different for each entity. However, a common reserve goal utilized is 25% of the annual operating expenses (excluding capital and debt service), which the Village established after the previous rate study report. Throughout this report, the ORB is approximately \$4.0 million.

COST OF SERVICE AND RATE SCENARIOS

The study analyzed the Village's Cost of Service, which is the full cost for providing Water and Sewer services to residents, commercial, industrial properties and institutions (schools, etc) as well as the Village's facilities. The total Water and Sewer Cost of Service includes all associated revenues, such as water and sewer volumetric (water-used) charges, surcharges, penalties, interest income and debt financing such as bonds and loans. Expenses include operations, billing, debt service, and capital infrastructure renewal.

The Cost of Service considered the following parameters:

- Water supply costs from NSM-JAWA at 3.0% per annum,
- Inflationary operating expenses for operations, commodities, and other items.
- \$20M in capital improvements over 5 years.
- \$10M in bonds from 2015 and 2017 as well as a \$3M Illinois IEPA State Revolving Loan (SRF).
- Annual debt service principal and interest payments on bonds and loans.

Based on the Cost of Service, several scenarios were reviewed for achieving a sustainable fund balance:

1. **The Baseline Scenario – “Do Nothing”** This scenario looks at the fund balance with no rate increases over the study period. The fund balance is projected to be negative within a year and will continue to decline over the next five years reaching a projected deficit of \$4.6 million by the end of 2024. This fund decline is due to substantial capital improvements investment as well as overall increases in JAWA water supply purchase costs (approximately 3% per year) as well as overall inflationary increases.
2. **Scenario No. 1 – This Scenario utilizes a “declining rate structure”:** Water and sewer volumetric rates are increased (monthly fixed charge remains the same) as follows:
 - FY 2020 to FY 2022: 4.00%
 - FY 2023 to FY 2024: 3.50%.

The declining rate pattern provides for sufficient funds initially to accommodate the capital improvements, especially the new \$5M water tower in FY 2022 and FY 2023, as well as increased annual debt service payments. The result of this scenario is that the water and sewer fund balance dips below the \$4M ORB threshold in FY 2022 to an estimated fund balance of ~\$3M. The fund recovers back above the ORB on a positive trend by FY 2024 with an estimated balance of \$5M.

3. **Scenario No. 2 – This Scenario utilizes an “inclining rate structure”:** Water and sewer volumetric rates are increased (monthly fixed charge remains the same) as follows:
 - FY 2020: 3.50%
 - FY 2021 and FY2022: 3.75%
 - FY 2023 and 2024: 4.00%

This scenario avoids the higher annual rate increase initially at the expense of the fund being depleted further below the \$4M ORB threshold to an estimated balance of \$2.6M in FY 2022. The fund balance recovers in a similar fashion as Scenario 1 FY 2024 but with a slightly lower balance of \$4.6M.

Table 1 and Table 2 provide a summary of water and sewer billing rates for Scenarios No. 1 and 2. Table 3 presents the expected monthly bill for residents using low, average commercial and industrial volumes of water under the Baseline Scenario, Scenario No. 1, and Scenario No. 2. Table 4 provides a comparison of the current and proposed rate scenarios versus other communities. These tables provide a direct comparison of the impacts of the two proposed rate structure options.

Of the two Scenarios evaluated, Scenario 1 is recommended for implementation with the following advantages:

- While involving higher rate increases initially, Scenario 1 reduces the Water and Sewer fund below the ORB threshold to a lesser degree than Scenario 2.
- The Water and Sewer fund balance has a higher estimated balance in FY 2024 than Scenario No. 2.

Connection Charges: The Village's connection charges for water and sewer connections were also reviewed. Based on current asset valuation and comparison of other communities, the Village's current connection charges are adequate.

The Village of Hoffman Estates should discuss any information and material contained in this report with any and all internal or external advisors and experts that the Village deems appropriate before acting on this information. Clark Dietz is not acting as a financial advisor to the Village and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to the Village of Hoffman Estates with respect to the information and material contained in this report.

TABLE 1: PROPOSED BILLING RATES - SCENARIO 1

RATE STRUCTURE	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
% Increase in Volume Rate		4.00%	4.00%	4.00%	3.50%	3.50%
Water Volumetric Rate per 1,000 gallons						
Residential / Commercial	\$10.57	\$10.99	\$11.43	\$11.89	\$12.31	\$12.74
Sewer Volumetric Charge per 1,000 gallons						
Residential/Commercial	\$1.52	\$1.58	\$1.64	\$1.71	\$1.77	\$1.83
Monthly Fixed Charge						
5/8"	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73
3/4"	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08
1"	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
1.5"	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04
2"	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29
3"	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75
4"	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45
6"	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11
8"	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02
10"	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10
12"	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29

TABLE 2: PROPOSED BILLING RATES – SCENARIO 2

RATE STRUCTURE	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
% Increase in Volume Rate		3.50%	3.75%	3.75%	4.00%	4.00%
Water Volumetric Rate per 1000 gallons						
Residential / Commercial	\$10.57	\$10.94	\$11.35	\$11.78	\$12.25	\$12.74
Sewer Volumetric Charge per 1000 gallons						
Residential/Commercial	\$1.52	\$1.57	\$1.63	\$1.69	\$1.76	\$1.83
Monthly Fixed Charge (Unchanged)						
5/8"	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73
3/4"	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08
1"	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
1.5"	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04
2"	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29
3"	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75
4"	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45
6"	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11
8"	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02
10"	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10
12"	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29

TABLE 3: PROJECTED WATER AND SEWER MONTHLY USER BILLS BETWEEN SCENARIOS

ITEM	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Low Usage (2,000 gal/month)						
Baseline	\$30.9	\$30.9	\$30.9	\$30.9	\$30.9	\$30.9
Scenario 1	\$30.9	\$31.9	\$32.9	\$33.9	\$34.9	\$35.9
Scenario 2	\$30.9	\$31.8	\$32.7	\$33.7	\$34.8	\$35.9
Average Usage (5,000 gal/month)						
Baseline	\$67.2	\$67.2	\$67.2	\$67.2	\$67.2	\$67.2
Scenario 1	\$67.2	\$69.6	\$72.1	\$74.7	\$77.1	\$79.6
Scenario 2	\$67.2	\$62.3	\$71.6	\$74.1	\$76.8	\$79.6

Commercial Usage (23,000 gal/month)						
Baseline	\$290	\$290	\$290	\$290	\$290	\$290
Scenario 1	\$290	\$301	\$313	\$325	\$336	\$347
Scenario 2	\$290	\$300	\$311	\$322	\$334	\$347
Industrial/High Commercial Usage (83,000 gal/month)						
Baseline	\$1,186	\$1,186	\$1,186	\$1,186	\$1,186	\$1,186
Scenario 1	\$1,186	\$1,225	\$1,266	\$1,311	\$1,351	\$1,391
Scenario 2	\$1,186	\$1,220	\$1,259	\$1,300	\$1,345	\$1,391

TABLE 4: RATE COMPARISONS - NSM-JAWA COMMUNITIES¹

Community	Average User Water & Sewer Bill FY 2020 (5,000 Gal/Month)
Hoffman Estates (2019)	\$67
Hoffman Estates (Scenario 1)	\$69
Hoffman Estates (Scenario 2)	\$69
Schaumburg	\$71
Streamwood	\$72
Rolling Meadows	\$83
Hanover Park	\$87
Bartlett	\$98

¹ Based on a residential average monthly usage of 5,000 gallons of water.

1. EXISTING WATER AND SEWER SYSTEMS

The Village of Hoffman Estates operates a public water distribution system, a sanitary sewer collection system, and a storm sewer collection system under the jurisdiction of the Village's Public Works Department.

The water system consists of:

- Seven (7) elevated towers,
- Four (4) reservoirs
- Two (2) high service pumping stations,
- Two (2) booster stations and
- Approximately 240 miles of water mains.
- Approximately 15,000 water meters.

Water is pumped into Village's water distribution system by the Northwest Suburban Municipal Joint Action Water Agency (NSM-JAWA), which purchases water from the City of Chicago. The Village also has seven (7) emergency water supply wells to be used in case of disruption of the Lake Michigan water supply.

The Village currently has more than 15,000 water meters which are being replaced over the next few years with more accurate Automatic Meter Reading (AMR) type meters. This project will provide the advantages of more accurate and timely water meter readings, which, based on previous projects, should help boost revenues once completed.

The sanitary sewage collection system consists of sixteen (16) sewage lift stations and approximately 187 miles of sanitary sewer mains. Sewage is transported to the Metropolitan Water Reclamation District of Greater Chicago (MWRDGC) facilities for treatment. The Village provides service for operating and maintaining the sewer system only.

The Village land use is predominately residential but also has considerable commercial, industrial and institutional land uses. These areas are largely developed but there are some large commercial areas that may be re-developed in the future.

2. CURRENT WATER AND SEWER RATES

This section describes the water and sanitary sewer utility structure. The stormwater portion of the Village is under a separate fund than the water and sewer utility.

The Village invoices monthly for water and sewer services with the intent of collecting sufficient revenue to allow these utilities to be self-sustaining and self-renewing. All fees relating to water and sewer utility operation, including usage revenues, surcharges, water meter fees, late payment penalties, water turn on/off fees and interest income, are deposited in the Water and Sewer Fund. This enterprise fund pays operation and routine maintenance costs for the water and sewer systems, as well as debt payments and costs for replacement and rehabilitation of existing infrastructure and equipment.

The Village bills customers based on the volume of water used as measured by a water meter for each billing account (which could mean multiple meters for a particular property location). Table 5 summarizes the billing rates under the current rate ordinance.

TABLE 5: EXISTING BILLING RATES STRUCTURE

Item	Charge
Volumetric Based Charges (per 1000 gallons)	
Residential Water	\$10.57
Commercial, Industrial, Institutional Water	\$10.57
Sewer(1)	\$1.52
Monthly Fixed Charge	
5/8"	\$6.73
3/4"	\$7.08
1"	\$8.50
1.5"	\$12.04
2"	\$16.29
3"	\$29.75
4"	\$47.45
6"	\$104.11
8"	\$182.02
10"	\$274.10
12"	\$419.29

Note: Does not include Food Processor Surcharge of 30% over billed amount due to wastewater characteristics.

The Village currently has the ability to use a tiered water usage structure which could require one usage rate for low to average users and a higher rate for higher volume users. However, the Village has elected not to pursue this type of rate structure at this time.

The rates listed in Table 5 contain the reimbursement rate for purchasing water from NSM-JAWA, which is the largest single expense in the Water and Sewer Fund. The purchase of water is based on a usage rate per 1,000 gallons. Table 6 below shows the breakdown of the NSM-JAWA water supply rate and the Village's water storage and distribution usage rate.

TABLE 6: EXISTING WATER SUPPLY RATE STRUCTURE

Rate	FY 2018	Percentage of Total Rate
Water Usage Rate per 1,000 gallons		
JAWA Usage Rate	\$5.63	53.30%
Village Usage Rate	\$4.94	46.70%
Total Usage Rate	\$10.57	100%

The Village and NSM-JAWA have a 10-year contract which helps to stabilize the water supply rates. However, NSM-JAWA can increase rates based on documented need. NSM-JAWA is planning to release a rate update in January 2020, so for the purposes of this study, it was assumed that the water supply increases would be 3% per year. The following table shows the projected future increases in the cost of water purchased from NSM-JAWA.

TABLE 7: NSM-JAWA ESTIMATED WATER RATE SCHEDULE

Year	NSM-JAWA Rate Charge
2019	\$5.63
2020	\$5.73
2021	\$5.90
2022	\$6.08
2023	\$6.26
2024	\$6.45

3. PROJECTED WATER AND SEWER USAGE

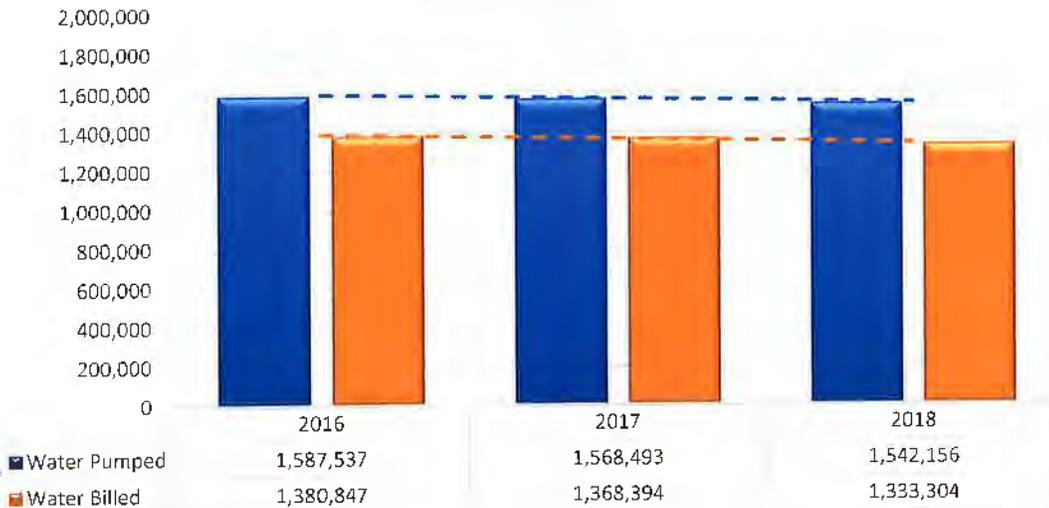
Revenues for water and sewer services are largely based on water usage. As a basis for projecting the future water usage and thus the system revenues, Clark Dietz reviewed data related to the volume of water purchased from NSM-JAWA as well as the amount of water sold to customers and utilized by the Village over the past three years. Table 8 and Figure 1 summarize this information.

TABLE 8: SUMMARY OF WATER PURCHASED AND WATER SOLD

Billing Period	Water Purchased (Gal)(1)	Water Billed (Gal)(1)	Unaccounted Water (%)
2016 -2017	1,587,537,000	1,380,847,000	14.0%
2017 -2018	1,568,493,000	1,368,394,000	12.5%
2018 -2019*	1,542,156,000	1,333,304,000	13.8%
Rate Study Assumed Value	1,566,000,000	1,336,000,000	14.2%

Note: 1. Data is from LMO-2 and water billing

**FIGURE 1: ANNUAL WATER PURCHASED VS. BILLED
(1000 GALLONS)**



Note the overall declining trend in water usage over the last few years. This trend is typical for northern Illinois communities.

Water usage is slightly downward, which is better than most communities that are experiencing a more significant reduction in water usage. This would suggest the Village is balancing the typical industry reduction in water usage with growth in usage from an increase in population and/or commercial activities.

However, as the Village is not anticipating significant population growth per planning, the revenue projections in this analysis have been made utilizing the average water usage from 2016-2019 and assuming zero growth in projecting water usage over the term of the study. These assumptions are intended to avoid over-estimating revenue.

4. PROJECTED WATER AND SEWER OPERATING REVENUES

Utilizing the assumed water consumption discussed above, Clark Dietz prepared baseline revenue projections assuming no rate increases over the next 5 years. This is intended to show how the fund responds utilizing only revenue from the recent bond and SRF loan revenues over the last several years.

In order to fund expenditures, the Village obtained approximately \$10 million in General Obligation Bonds (GOB), which were issued in 2015 and 2017. Additional capital investment financing is being obtained in 2020 with a new low interest, \$3M State Revolving Loan (SRF). Debt financed capital revenue will thus total \$13M by end of FY 2020.

5. PROJECTED UTILITIES FUND EXPENSES

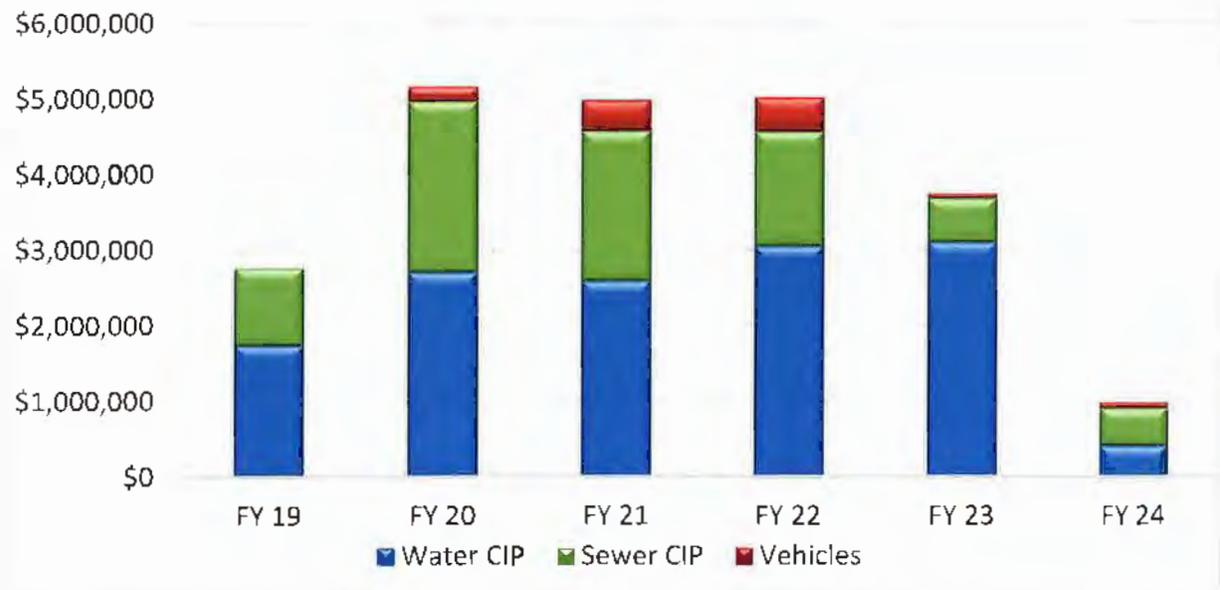
The projected expenses for this analysis are divided into three basic categories: operation & maintenance, capital expenditures, and non-operating expenses such as administration and debt service. There are no major operational changes anticipated at this time, therefore current manpower and equipment needs are not anticipated to change significantly. As such, budget line items in these areas are only adjusted for inflation.

Expenses related to capital expenditures were taken from the Capital Improvements Plan. This plan was prepared by Village staff and is based on their knowledge of system components which must be replaced to maintain the water and sewer systems.

Per Figure 2, the average annual expenditures for capital improvements over the study period is ~\$5 million or ~\$20 million over five years. It should be noted that one major capital expense, the new \$5.5M water tower, was originally planned for FY 2021 but was delayed and the total cost split between FY 22 and FY 23 due to impact on cash flows. A detailed summary of the Capital Improvements Plan expenditures is provided in Appendix A.

Non-operating expenses include transfers out of the Water and Sewer Fund to various other Village funds in support of debt service or other expenses which in some way benefit the water and sewer systems. It should be noted that these transfers are extensive, amounting to about \$1.6M annually or 10% of the fund operating expenses per year. Another source of revenue has been interest income from the General Obligation bonds in CD's and money markets accounts. This revenue source is expected to decline as bond funds are used for capital expenses.

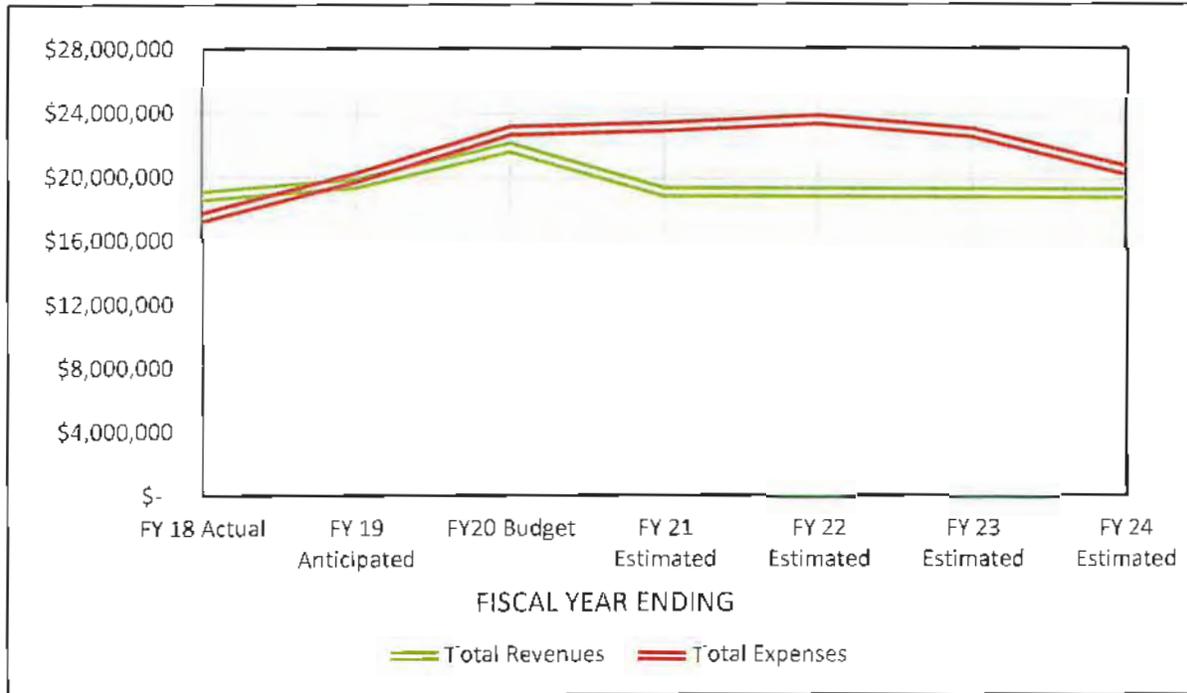
FIGURE 2: HOFFMAN ESTATES CAPITAL IMPROVEMENTS PLAN (FY2019-FY2024)



6. BASELINE REVENUE AND EXPENSE ANALYSIS

Under the Baseline Scenario, rates are not increased. The baseline revenue projections are summarized in Figure 3 below with detailed projections provided in Appendix B.

FIGURE 3: ANNUAL REVENUE/EXPENSES – BASELINE SCENARIO



As shown in Figure 3, revenue from the water and sewer system ranges from approximately \$19 million to \$23 million with the increase in revenue from bonds and State Revolving Loan in FY 2020. Expenses are projected to increase and will exceed revenues in FY 2020 with a continued deficit throughout the study period. The main cause of expenses exceeding revenues is the investment in the Capital Plan as well as debt service.

FIGURE 4: PROJECTED FUND BALANCE – BASELINE SCENARIO

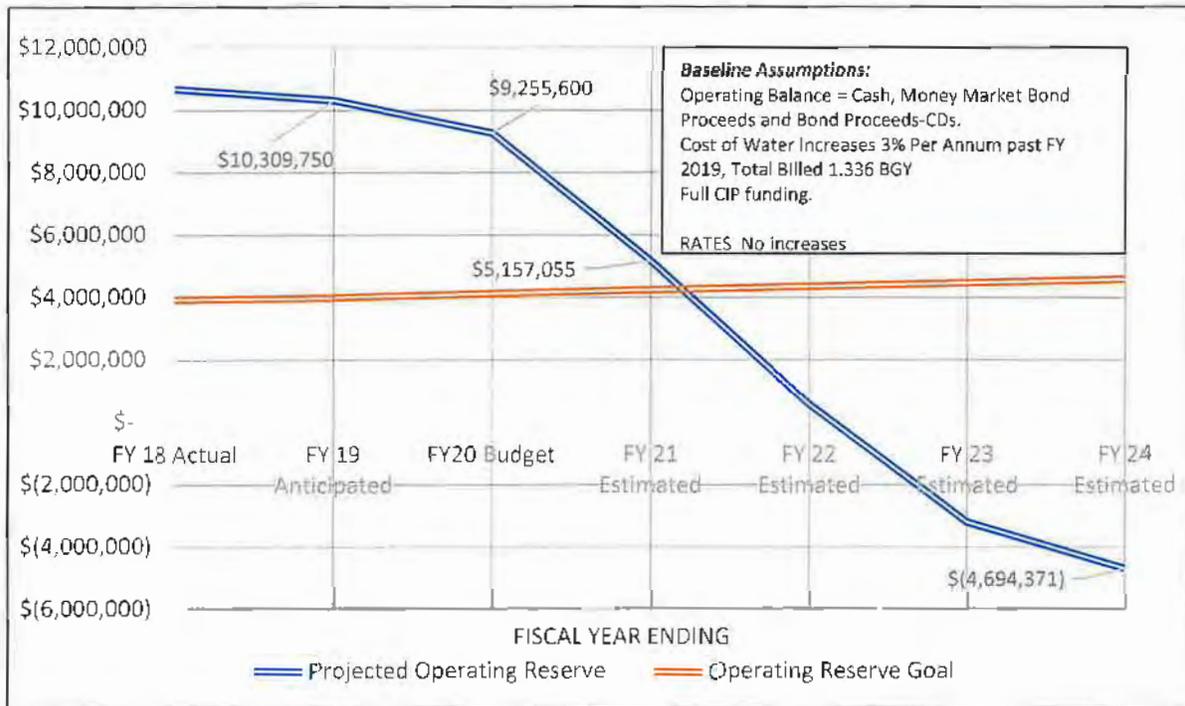


Figure 4 projects the Water and Sewer Fund balance over the next five years under the Baseline Scenario as compared to an “Operating Reserve Balance” (ORB). As mentioned previously, the Village of Hoffman Estates has made it an operating priority to maintain a minimum ORB.

From the previous Water and Sewer study, the Operating Reserve Balance (ORB) goal was established at 25% of operating expenses, not including capital and debt service. This is a common balance amount typically reported by AWWA and GFOA for municipalities, although each community should perform its own risk management analysis. Throughout this report, the ORB is approximately \$4.0 million.

Between FY 2021 and 2023, the expense deficit is projected to exceed revenues by more than \$3 million each year. Under this scenario, the Water & Sewer fund balance will decline from the projected year-end balance of \$10 million in 2019 to a projected \$4.6 million deficit at 2024 year-end.

7. WATER AND SEWER RATE SCENARIO OVERVIEW

Clark Dietz prepared revenue projections assuming an annual increase in water and sewer rates for two Rate Scenarios. These percentages are the minimum required to stabilize the fund with the large value of capital projects in the next few years. We also assumed no appreciable growth or decline in the customer base.

In working with Village staff, two (2) rate increase scenarios were evaluated to support the fund as follows:

1. Meet projected expenses and stabilize the fund over the next few years.
2. All rate increases are assumed to take place on January 1 annually, which coincides with the Village's fiscal year (in actuality, revenues from rate increases won't be realized until around February due to the billing delay).
3. The basic assumptions discussed in the Baseline Scenario above (full CIP funding, steady water usage and inflationary increases for expenses) are held the same for each scenario.
4. The goal of each scenario is to meet or exceed the recommended ORB at the end of the five-year study period and provide for a positive upward fund balance trend (revenues exceeding expenses).

Due to the needed investment in capital infrastructure over the next five (5) years, the existing bonds and SRF loan are insufficient to fund all project expenses and thus moderate increases in volumetric water and sewer rates were evaluated.

7.1 RATE SCENARIO 1

Rates for water and sewer usage are increased in a "declining rate structure" with rates changed annually as follows:

- FY 2020 to FY 2022: 4.00%
- FY 2023 to FY 2024 3.50%.

Table 9 shows the projected rates under Scenario 1 and Figure 5 shows the resultant fund balance projections. As Figure 5 shows, the fund balance drops below the ORB threshold in FY 2022 with a Water and Sewer fund balance of about \$3M. The fund then recovers on an upward trend, exceeding the ORB goal by FY 2024 with a projected fund balance of around \$5M. Table 10 shows the resultant monthly water and sewer bills associated with Scenario 1.

Only Water and Sewer volumetric rates are increased; the monthly fixed charge is not changed over the study period. While fixed charges can be a stabilizing revenue source, it has the disadvantage of potentially impacting low water users.

Detailed calculations are shown in Appendix C.

TABLE 9: PROPOSED BILLING RATES – SCENARIO 1

RATE STRUCTURE	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
% Increase in Volume Rate		4.00%	4.00%	4.00%	3.50%	3.50%
Water Volume Rate per 1000 gallons						
Residential / Commercial	\$10.57	\$10.99	\$11.43	\$11.89	\$12.31	\$12.74
Sewer Volumetric Charge per 1000 gallons						
Residential/Commercial	\$1.52	\$1.58	\$1.64	\$1.71	\$1.77	\$1.83
Monthly Fixed Charge (Unchanged)						
5/8"	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73
3/4"	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08
1"	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
1.5"	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04
2"	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29
3"	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75
4"	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45
6"	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11
8"	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02
10"	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10
12"	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29

FIGURE 5: WATER & SEWER UTILITY FUND BALANCE PROJECTION - SCENARIO 1

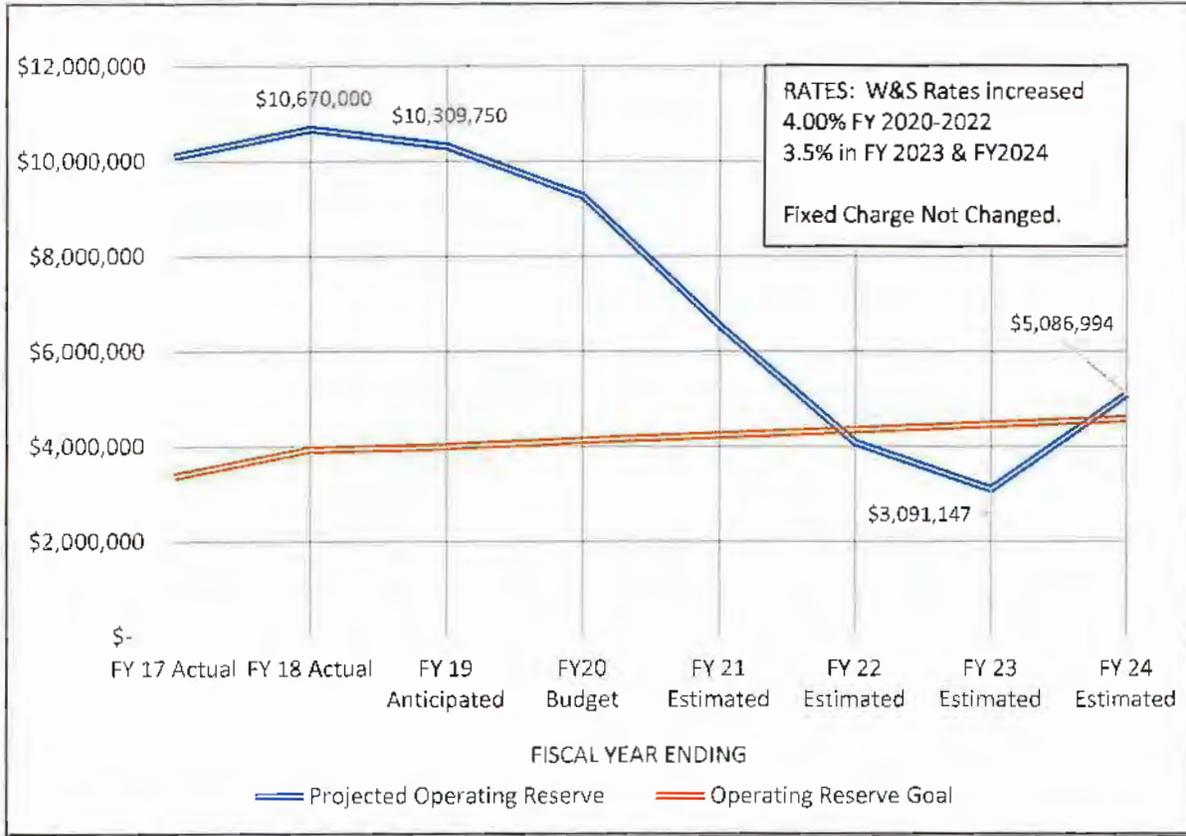


TABLE 10: WATER & SEWER MONTHLY BILLS - SCENARIO 1

ITEM	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Low Usage (2,000 Gal/month)	\$30.91	\$31.87	\$32.87	\$33.93	\$34.89	\$35.87
Average Residential Usage (5,000 Gal/month)	\$67.18	\$69.58	\$72.08	\$74.73	\$77.13	\$79.58
Commercial Usage (23,000 Gal/month)	\$290.11	\$301.15	\$312.65	\$324.84	\$335.88	\$347.15
Industrial/High Commercial Usage (83,000 Gal/month)	\$1,185.49	\$1,225.33	\$1,266.83	\$1,310.82	\$1,350.66	\$1,391.33

Per Table 10, the average monthly water and sewer bill under Scenario 1 would increase by about 7% between FY2019 and FY2021 and have an overall increase of 18% over five years.

7.2 RATE SCENARIO 2

Rates for water and sewer usage for Scenario 2 are increased in an “inclining rate structure” method with annual rate changes as follows:

- 3.50% for FY 2020
- 3.75% for FY 2021 and FY 2022
- 4.00% for FY 2023 and FY 2024

Table 11 shows the projected rates under Scenario 2 and Figure 6 shows the resultant fund balance projections. As with Scenario 1, the fund balance drops below the ORB threshold in FY 2022 but the Water and Sewer fund balance is lower by about \$500K to approximately \$2.6M. The fund then recovers on an upward trend just meeting the ORB goal by FY 2024 with a projected fund balance of around \$4.6M. Table 11 shows the resultant monthly water and sewer bills associated with Scenario 1.

Similar to Scenario 1, only Water and Sewer volumetric rates are increased; the monthly fixed charge is not changed over the study period.

Detailed calculations are shown in Appendix D.

TABLE 11: PROPOSED BILLING RATES – SCENARIO 2

RATE STRUCTURE	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
% Increase in Volume Rate		3.50%	3.75%	3.75%	4.00%	4.00%
Water Volume Rate per 1000 gallons						
Residential / Commercial	\$10.57	\$10.94	\$11.35	\$11.78	\$12.25	\$12.74
Sewer Volumetric Charge per 1000 gallons						
Residential/Commercial	\$1.52	\$1.57	\$1.63	\$1.69	\$1.76	\$1.83
Monthly Fixed Charge (Unchanged)						
5/8"	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73
3/4"	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08
1"	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
1.5"	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04
2"	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29
3"	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75
4"	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45
6"	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11
8"	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02
10"	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10
12"	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29

FIGURE 6: WATER & SEWER UTILITY FUND BALANCE PROJECTION - SCENARIO 2

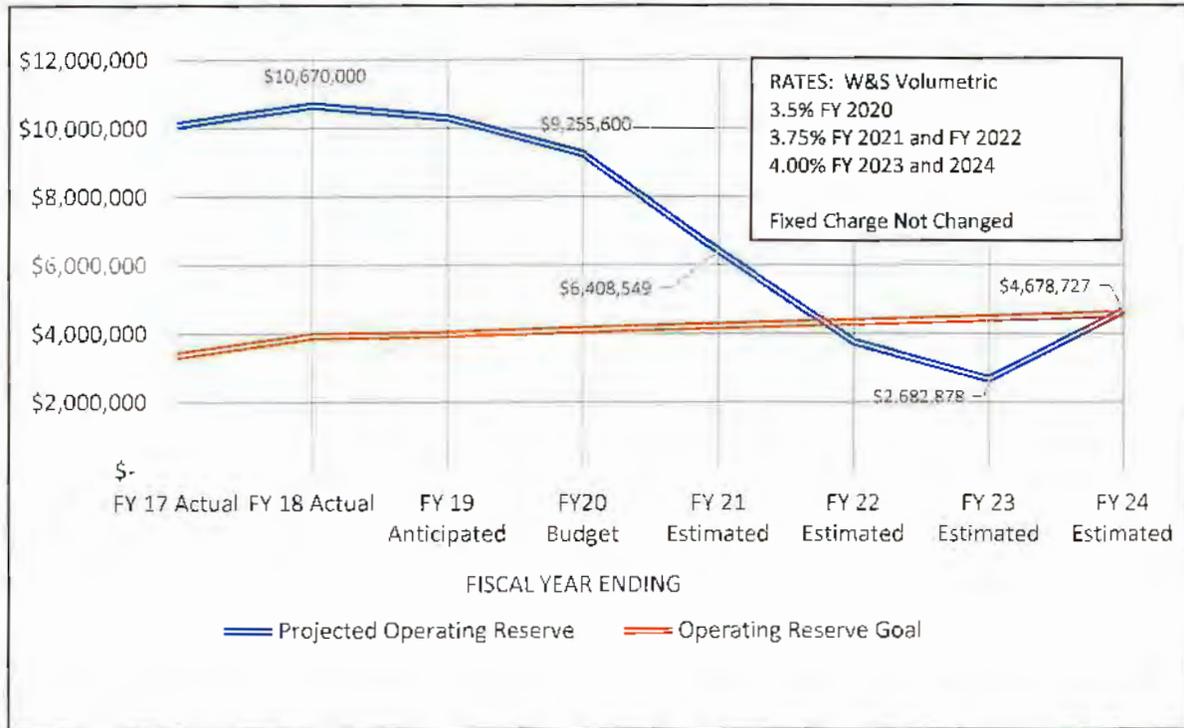


Table 12 shows the estimated monthly water and sewer bills per usage, based on Scenario 2:

TABLE 12: SCENARIO 2: WATER & SEWER MONTHLY BILLS - SCENARIO 2

ITEM	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Low Usage (2,000 Gal/month)	\$30.91	\$31.75	\$32.69	\$33.67	\$34.75	\$35.87
Average Residential Usage (5,000 Gal/month)	\$67.18	\$69.28	\$71.63	\$74.08	\$76.78	\$79.58
Commercial Usage (23,000 Gal/month)	\$290.11	\$299.77	\$310.58	\$321.85	\$334.27	\$347.15
Industrial/High Commercial Usage (83,000 Gal/month)	\$1,185.49	\$1,220.35	\$1,259.36	\$1,300.03	\$1,344.85	\$1,391.33

8. CONNECTION FEE ANALYSIS

This section describes the connection fee analysis of the Water and Sewer fund. Connection fees are intended to reimburse the Village for new connections to the water and sewer system from users who have not contributed to the capital asset value of the water and sewer infrastructure installed to date.

Generally, connection fees are based on the total, long term asset value of the water and sewer system divided by the total capacity of the system or, equally, the total number of potential users. Following Village Ordinance, users are organized according to a fixed water volume equivalent, commonly referred to as an Equivalent Dwelling Unit (or EDU), which present a unit of typical usage. Any usage or fees above a single EDU is determined by a multiplication factor (Usage/EDU x No. of EDUs). Per Ordinance and for this analysis, it is assumed that a Water EDU = Sewer EDU.

The total asset value of the water and sewer system includes all the long-term physical components of the system, including land, buildings, tanks, equipment, and pipes. Short term assets in the Water and Sewer Fund, such as cash on hand, short-term investments and other items such as water meter inventory are typically not included. New or planned construction increases the total asset value while depreciation decreases it, adjusted on an annual basis.

The total capacity of the water system is assumed to equal the Village's allocation of Lake Michigan Water, which is 6.528 mgd. The Village is currently averaging about 3.77 mgd of water usage (including water loss) or roughly 58% of the total allocation.

For the connection fee analysis, the following equations are used:

Total Asset Value of Water and Sewer System in Gallons per Day

$$= \frac{\text{Total Water and Sewer Capital Asset Value}}{\text{Total Water Capacity (Allocation) (gallons per day)}}$$

Table 13 summarizes the total water and sewer capital asset value and the calculation of asset value per gallons per day of water usage. Per the Table, the Village's asset value per gallon of total allocated water usage is around \$10/gallon.

TABLE 13: CONNECTION FEE ASSET SUMMARY

ITEM	VALUE	REMARKS
Short Term Assets	\$14,195,309	
Land	\$499,000	
Buildings and Improvements	\$1,684,055	
Department Equipment	\$666,762	
Vehicles	\$2,034,602	
Water and Sewer Infrastructure	\$56,166,974	
Construction in Progress	\$75,800	
TOTAL WATER AND SEWER ASSETS	\$75,322,502	
TOTAL WATER AND SEWER CAPITAL ONLY ASSETS (ROUNDED)	\$61,130,000	Excluding short term assets. Only capital asset typically used for connection fee assessment
IDNR Maximum Lake Michigan Water Allocation, mgd	6.528	Assumed to be the total capacity of the water and sewer system.
TOTAL WATER AND SEWER ASSET VALUE PER GPD	\$9.36	Total Asset Value / Total Capacity of W&S System

Calculation of a base connection fee is then based on the following:

1) **Water Connection Fee** = Total Asset Value of Water and Sewer per GPD x Equivalent Usage (gpd) x % of Total Assets Attributable to Water

2) **Sewer Connection Fee** = Total Asset Value of Water and Sewer per GPD x Equivalent Usage (gpd) x % of Total Assets Attributable to Sewer

However, the Village does not have individual values for water and sewer assets delineated. Water and sewer connection fees will thus be determined by estimating the percentage of asset value attributable to water and sewer based on a cursory review of the infrastructure pertaining to each. Based on existing Water and Sewer fund revenues and assets, the percentage split of total assets between water and sewer is estimated to be 60% water / 40% sewer.

The amount of water to be considered as an Equivalent Dwelling Unit (EDU) is also not clearly identified in the Ordinances. Therefore, three (3) options for connection fees based on varying EDU's are presented for comparison in Table 14:

TABLE 14: CONNECTION FEE CALCULATION COMPARISON

ITEM	VALUE	REMARKS
<i>Current Connection Fees</i>		
Total	\$1,740	
Water	\$1,115	
Sewer	\$665	
<i>Option 1: Based on HE Average Residential Usage EDU (5,000 gallons per month, 164 gpd)</i>		
Total	\$1,535	(Asset Value per Gallon x Option 1 EDU Usage Gallons per Day Prorated per Asset Value %
Water	\$921	Prorated per Asset Value %
Sewer	\$614	Prorated per Asset Value %
<i>Option 2: Based on HE Ordinance Usage EDU (7,250 gallons per month, 238 gpd)</i>		
Total	\$2,226	Asset Value per Gallon x Option 2 EDU Gallons per per Day Prorated per Asset Value %
Water	\$1,335	Prorated per Asset Value %
Sewer	\$890	Prorated per Asset Value %
<i>Option 3: Based on IEPA EDU (10,675 gallons per Month, 350 gpd)</i>		
Total	\$3,277	Asset Value per Gallon x Option 3 EDU Gallons per per Day Prorated per Asset Value %
Water	\$1,966	Prorated per Asset Value %
Sewer	\$1,311	Prorated per Asset Value %

The analysis suggests that the Village's current connection fees are in-line with current asset valuation, especially considering the addition of about \$20M in CIP asset value in the next five years.

Table 15 represents a comparison of the water and sewer connection fee options against comparable communities.

TABLE 15: CONNECTION FEE OPTION COMPARISON BY COMMUNITY

Location	Water	Sewer	Total	Remarks
Hanover Park	\$740	\$725	\$1,425	
Schaumburg	\$880	\$660	\$1,540	Plus meter fee
Hoffman Estates Option 1	\$921	\$614	\$1,535	Current residential average monthly usage (5,000 gallons per month)
Current Hoffman Estates	\$1,115	\$625	\$1,740	
Streamwood	\$835 + \$150 per bedroom above 2	\$1,250	\$2,085	Plus reading fee and water meter fee
Hoffman Estates Option 2	\$1,355	\$890	\$2,226	Water Connection Volume in Ordinance (7,250 gallons per month)
Bartlett	\$1,680	\$1,250	\$2,930	
IEPA Option 3	\$1,966	\$1,311	\$3,277	10,675 per month usage equivalent
Rolling Meadows	\$5,250		\$5,250	No sewer connection listed. Water connection fee assumed for both

9. CONCLUSION AND RECOMMENDATIONS

Scenario 1 and 2 will each achieve the goals of supporting projected operating expenses and capital improvements over the five-year study period while maintaining a positive Water and Sewer Fund balance, although the operating fund balance in both scenarios goes below the Operating Reserve Balance (ORB).

All Scenarios require increases to the volumetric water and sewer rates; the difference relates to how and when the rates increases are enacted.

In Scenario 1, with the declining rate structure:

1. The average residential user will see a \$2.10 increase in their monthly water and sewer bill in 2020 and a \$12.40 total increase by 2024.
2. The Water and Sewer Fund balance will dip below the recommended level ORB threshold of \$4M to an estimated balance of \$3M.
3. At the end of FY 2024, the Water & Sewer Fund balance is projected to be just above the recommended level ORB level with an estimated operating fund balance of \$5M, with revenues exceeding expenses by about \$2.0M.

In Scenario 2, with the inclining rate structure:

1. The average residential user will see a \$2 increase in their monthly water and sewer bill in 2020 and a \$12.40 total increase by 2024.
2. The Water and Sewer Fund balance will dip below the recommended level ORB level to an operating balance of \$2.6M, slightly lower than in Scenario 1.
3. At the end of the five-year study period, the Water & Sewer Fund is projected to be slightly above the ORB with an operating balance of \$4.6M, with revenues exceeding expenses by about the same amount as Scenario 1.

Table 16 compares monthly water and sewer bills for various customer classes under Scenario 1 and Scenario 2.

TABLE 16: COMPARISON OF MONTHLY WATER AND SEWER BILLS

ITEM	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Low Usage (2,000 gal/month)						
Baseline	\$30.9	\$30.9	\$30.9	\$30.9	\$30.9	\$30.9
Scenario 1	\$30.9	\$31.9	\$32.9	\$33.9	\$34.9	\$35.9
Scenario 2	\$30.9	\$31.8	\$32.7	\$33.7	\$34.8	\$35.9
Average Usage (5,000 gal/month)						
Baseline	\$67.2	\$67.2	\$67.2	\$67.2	\$67.2	\$67.2
Scenario 1	\$67.2	\$69.6	\$72.1	\$74.7	\$77.1	\$79.6
Scenario 2	\$67.2	\$62.3	\$71.6	\$74.1	\$76.8	\$79.6
Commercial Usage (23,000 gal/month)						
Baseline	\$290	\$290	\$290	\$290	\$290	\$290
Scenario 1	\$290	\$301	\$313	\$325	\$336	\$347
Scenario 2	\$290	\$300	\$311	\$322	\$334	\$347
Industrial/High Commercial Usage (83,000 gal/month)						
Baseline	\$1,186	\$1,186	\$1,186	\$1,186	\$1,186	\$1,186
Scenario 1	\$1,186	\$1,225	\$1,266	\$1,227	\$1,311	\$1,391
Scenario 2	\$1,186	\$1,220	\$1,259	\$1,300	\$1,345	\$1,391

9.1 RECOMMENDATION

We recommend the Village implement Rate Scenario 1 to ensure that water and sewer usage rates appropriately reflect the current cost of service to operate the water and sewer utilities. While requiring a slightly higher rate increase initially, this scenario provides for a healthier fund balance in FY 2024 with minimal impacts on customers.

The rates are designed to allow the Village to cover projected operation and maintenance costs, all projects in the 5-year Capital Improvement Plan and annual debt service, while maintaining an acceptable reserve balance in the Water and Sewer Fund. This scenario option also does not deplete the Water and Sewer balance below the ORB as much as Scenario 2.

While operating below the ORB is not ideal, it is not detrimental to the fund as long as the entire rate plan is followed to ensure the fund is restored. As such, cash management will be essential to maintaining an adequate operating reserve, particularly in the next three to four years of the study period when cash balances are projected to be relatively low.

Regarding connection fees, the Village's current connection fee valuation appears to adequately match the current asset value of the infrastructure. However, the valuation should be reviewed in five years when the full value of the new, planned CIP assets are recognized.

9.2 RATE COMPARISON

Table 17 shows the typical monthly water bill for a Hoffman Estates resident compared to equivalent monthly water and sewer costs for residents in other nearby communities. Most, but not all, of these communities receive their water supply from NSM-JAWA and utilize MWRDGC for sewage treatment.

TABLE 17: RATE COMPARISONS – NSM-JAWA COMMUNITIES

Community	Average User Water & Sewer Bill FY 2020 (5,000 Gal/Month)
Hoffman Estates (2019)	\$67
Hoffman Estates (Scenario 1)	\$69
Hoffman Estates (Scenario 2)	\$69
Schaumburg	\$71
Streamwood	\$72
Rolling Meadows	\$83
Hanover Park	\$87
Bartlett	\$98

The rate comparison shows that the Village currently is comparable to other communities that are providing similar services. It is difficult to predict where the Village rates will fall within this ranking scale for years beyond 2024.

The need for continued investment in water infrastructure is prevalent throughout all communities and is not unique to the Village of Hoffman Estates. The industry trend is that communities are actively increasing their rates each year to keep pace with the true cost of providing clean, safe, reliable drinking water and treating wastewater to comply with regulatory agency requirements and maintain a healthy environment. Therefore, it can be expected that other communities will continue to raise utility rates in the coming years.

9.3 RECOMMENDED ACTION PLAN

Clark Dietz recommends that the Village thoroughly review this report and consult with Village staff and any financial advisors which are familiar with all aspects of the Village’s finances. Our review focused on the Water & Sewer Fund, however, those familiar with the overall finances of the Village should also be consulted. Provided the Village financial advisors are in agreement with the information contained in this report, the Village should select and implement Scenario1 by adopting an ordinance revising the current rate structure to reflect the selected option. The proposed rate increases should become effective on January 1, 2020.

Once rate increases are in place, the Village should monitor fund values against the projected balances and identify any significant discrepancies. The plan should be monitored on at least an annual basis and adjustments made to the plan in the event there are material differences from the forecast.

As the fund balances return to desired levels, it is recommended that the Village give additional consideration to funding for the long-term capital needs of the water and sewer systems. This includes funding system renewal to allow for infrastructure replacement prior to failure which is vital to the overall reliability of this infrastructure system and is critical to the health and safety of the public.

Clark Dietz, Inc.
1815 South Meyers Avenue, Suite 470
Oakbrook Terrace, IL 60181

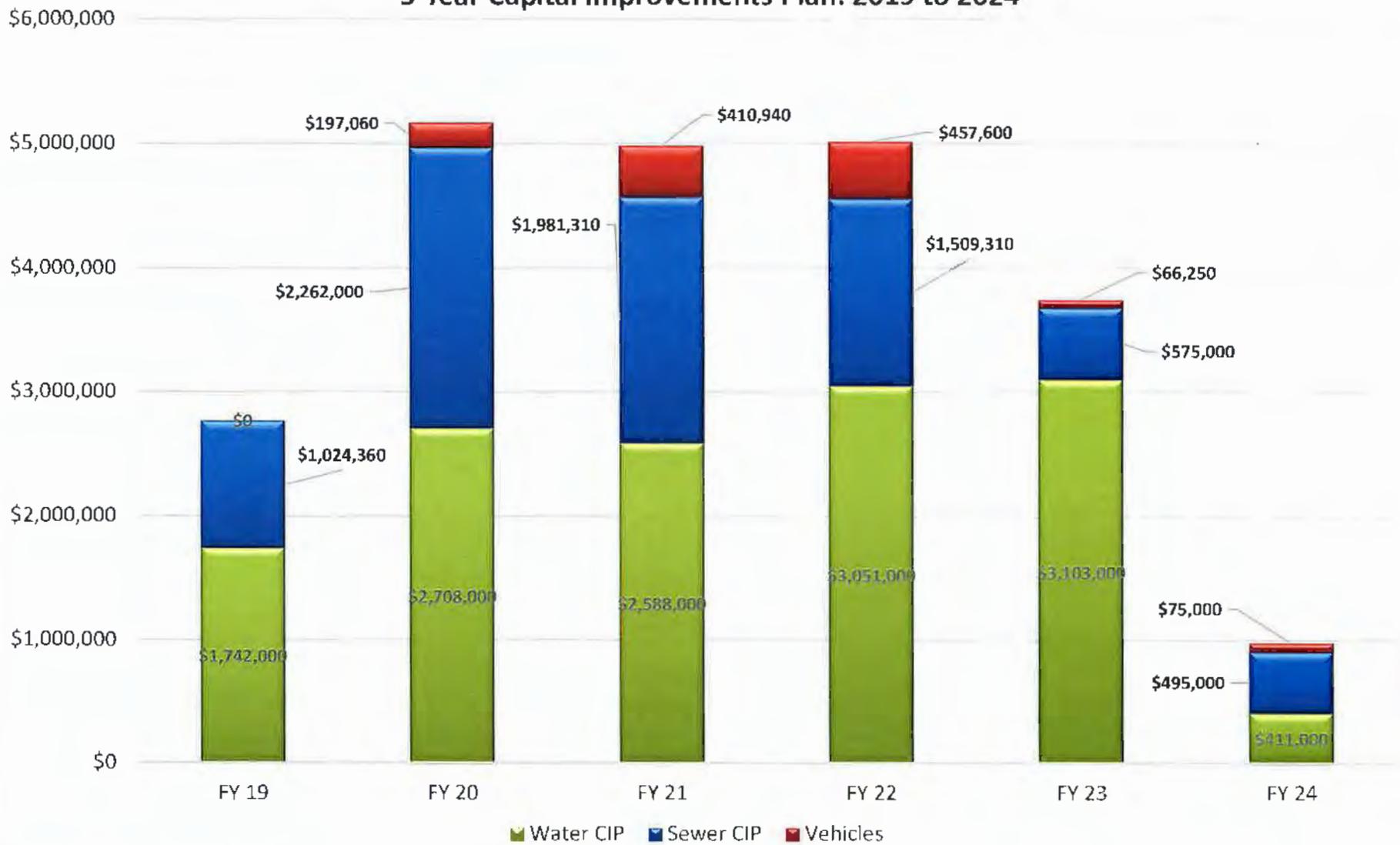
630-607-1515
www.clarkdietz.com

Clark>Dietz

Engineering Quality of Life®

Village of Hoffman Estates
 2019 Water and Sewer Study
 APPENDIX A

5-Year Capital Improvements Plan: 2019 to 2024



VILLAGE OF HOFFMAN ESTATES
2019 Water and Sewer Rate Study

Created by: CFB
Updated: 8/20/2019
Revised: 11/4/2019
Checked by: CFB

FIVE-YEAR CAPITAL IMPROVEMENT PLAN - WATER & SEWER

DESCRIPTION	FY 19 Actual	FY 20 Budget	FY 21 Projected	FY 22 Projected	FY 23 Projected	FY 24 Projected
Water CIP						
Valve Replacement	\$ 57,000	\$ 57,000	\$ 58,000	\$ 59,000	\$ 60,000	\$ 61,000
Annual SCADA System Upgrade	\$ 35,000	\$ 65,000	\$ 36,000	\$ 37,000	\$ 38,000	\$ 40,000
Water Meters / New Construction	\$ 50,000	\$ 50,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Water Main Replacement	\$ 350,000	\$ 315,000	\$ 40,000	\$ 100,000	\$ -	\$ -
Water Main Replacement I-90	\$ -	\$ 200,000	\$ 800,000	\$ -	\$ -	\$ -
Meter Change-Outs & Radio Read MIU Installations	\$ 175,000	\$ 175,000	\$ 175,000	\$ 225,000	\$ 225,000	\$ 175,000
Western Area Emergency Water Supply	\$ 60,000	\$ 60,000	\$ 680,000	\$ -	\$ -	\$ -
Western Area Water Improvements			\$ 45,000	\$ 250,000	\$ 400,000	\$ -
<i>Poplar Creek Water Main Abandonment</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement of Existing T-1	\$ 30,000	\$ -		\$ 2,245,000	\$ 2,245,000	\$ -
Interior & Exterior Painting/Maintenance Repair of T-1	\$ 10,000	\$ 329,000	\$ -	\$ -	\$ -	\$ -
Interior & Exterior Painting/Maint Repair of T-2	\$ 226,000	\$ 459,000	\$ -	\$ -	\$ -	\$ -
Interior & Exterior Painting/Maint Repair of T-4	\$ 299,000	\$ 303,000	\$ -	\$ -	\$ -	\$ -
Interior & Exterior Painting/Maintenance Repair of T-5			\$ 419,000	\$ -	\$ -	\$ -
<i>Moonlake Lift Wet Well Grinder/Restrainer</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
North Zone Emergency Water Supply	\$ 350,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Hydrant Replacements	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Asset Management Software	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Well 10 Rehabilitation	\$ -		\$ 200,000	\$ -	\$ -	\$ -
Abbeywood Pump Replacement & Control Upgrade	\$ -	\$ 220,000	\$ -	\$ -	\$ -	\$ -
<i>Portable Video Inspection Unit</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Leak Correlator</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DESCRIPTION	FY 19 Actual	FY 20 Budget	FY 21 Projected	FY 22 Projected	FY 23 Projected	FY 24 Projected
Sewer CIP						
Lift Station Pump System Rehabilitation	\$ 456,860	\$ 1,987,000	\$ 660,000	\$ 18,000	\$ 180,000	\$ 100,000
Sanitary Sewer Rehabilitation	\$ 407,500	\$ 85,000	\$ 1,075,000	\$ 1,185,000	\$ 195,000	\$ 195,000
Sanitary and Storm Sewer Televising/Construction	\$ 160,000	\$ 160,000	\$ 160,000	\$ 200,000	\$ 200,000	\$ 200,000
Sanitary Sewer Improvements Route 59		\$ 30,000				
WDA Lift Station Pump & Control Replacement	\$ -	\$ -	\$ 86,310	\$ 46,310	\$ -	\$ -
University Lift Station Pump Improvement	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ -
Westbury Lift Station Generator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alhambra Sanitary Sewer Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles						
2.5 CY Front End Loader		\$ 55,000				
Compact Track Excavator		\$ 45,000				
4x2 3/4 Ton Pick-Up Truck Unit #18	\$ -	\$ -	\$ 47,330	\$ -	\$ -	\$ -
4x2 Mini Pick-Up Truck Unit #25	\$ -	\$ -	\$ 47,330	\$ -	\$ -	\$ -
4x4 Mini Dump Truck Unit #61	\$ -	\$ -	\$ 88,780	\$ -	\$ -	\$ -
Trailer Mounted Hydro-Excavator			\$ 60,000			
4x2 Mini Pick-Up Truck Unit #77	\$ -	\$ -	\$ 33,000	\$ -	\$ -	\$ -
4x4 Pick-Up Truck w Plow Unit #19	\$ -	\$ -	\$ -	\$ 68,470	\$ -	\$ -
4x2 Full Size Service Van Unit #28	\$ -	\$ -	\$ -	\$ 33,200	\$ -	\$ -
4x4 Flat Bed Truck Unit #62	\$ -	\$ -	\$ -	\$ 55,710	\$ -	\$ -
4x4 Mini SUV Unit #23	\$ -	\$ -	\$ -	\$ 40,720	\$ -	\$ -
Semi Tractor Truck & Dump Trailer Unit #68	\$ -	\$ -	\$ -	\$ 196,000	\$ -	\$ -
4x2 Pick Up Truck, Unit #21	\$ -	\$ -	\$ -	\$ -	\$ 23,750	\$ -
4x2 1/2 Ton Pick-Up Truck Unit #24	\$ -	\$ -	\$ -	\$ -	\$ 42,500	\$ -
4x4 Pick-Up Truck w Plow Unit #27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4x4 Pick-Up Truck w Plow Unit #63	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sky Jack Scissors Lift Unit #301	\$ -	\$ -	\$ -	\$ 31,000	\$ -	\$ -
Fork-Lift Truck Unit #303	\$ -	\$ -	\$ -	\$ 32,500	\$ -	\$ -

DESCRIPTION	FY 19 Actual	FY 20 Budget	FY 21 Projected	FY 22 Projected	FY 23 Projected	FY 24 Projected
4x2 Heavy Duty Service Truck Unit #20	\$ -	\$ -	\$ 134,500	\$ -	\$ -	\$ -
4x4 Pick-up Truck w Plow Unit #26	\$ -	\$ 45,030	\$ -	\$ -	\$ -	\$ -
4x4 Pick-up Truck w Plow Unit #70	\$ -	\$ 52,030	\$ -	\$ -	\$ -	\$ -
Utility Van, Unit #60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
TOTAL WATER CIP	\$1,742,000	\$2,708,000	\$2,588,000	\$3,051,000	\$3,103,000	\$411,000
TOTAL SEWER CIP	\$1,024,360	\$2,262,000	\$1,981,310	\$1,509,310	\$575,000	\$495,000
TOTAL VEHICLE CIP	\$0	\$197,060	\$410,940	\$457,600	\$66,250	\$75,000
TOTAL WATER / SEWER / VEHICLE CIP	\$2,766,360	\$5,167,060	\$4,980,250	\$5,017,910	\$3,744,250	\$981,000
Notes: Information Source: VHE Capital Plan						

Village of Hoffman Estates
2019 Water and Sewer Study
BASELINE REVENUE AND EXPENSE PROJECTIONS

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
REVENUES								
Water Volume Billed (gallons) = Sewer Volume		1,336,371,000	1,336,371,000	1,336,371,000	1,336,000,000	1,336,000,000	1,336,000,000	1,336,000,000
Water Rate per 1000 gallons		\$ 10.14	\$ 10.57	\$ 10.57	\$ 10.57	\$ 10.57	\$ 10.57	\$ 10.57
Sewer Rate per 1000 gallons		\$ 1.45	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52
Total Rate		\$ 11.59	\$ 12.09	\$ 12.09	\$ 12.09	\$ 12.09	\$ 12.09	\$ 12.09
Modeled Water and Sewer Check								
Base Charge		\$ 1,633,590	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046
Water Volume Sales		\$ 13,550,802	\$ 14,125,441	\$ 14,125,441	\$ 14,121,520	\$ 14,121,520	\$ 14,121,520	\$ 14,121,520
Sewer Volume Sales		\$ 1,938,000	\$ 2,031,000	\$ 2,031,000	\$ 2,031,000	\$ 2,031,000	\$ 2,031,000	\$ 2,031,000
Other								
Line Surcharge		\$ 19,226	\$ 19,995	\$ 20,795	\$ 20,194	\$ 21,002	\$ 21,642	\$ 22,715
Sewer Surcharge		\$ 59,193	\$ 61,561	\$ 64,023	\$ 62,352	\$ 62,352	\$ 62,352	\$ 62,352
Water Surcharge		\$ 392,941	\$ 408,659	\$ 425,005	\$ 413,478	\$ 413,478	\$ 413,478	\$ 413,478
Unit Surcharge		\$ 358,434	\$ 372,771	\$ 387,682	\$ 388,916	\$ 388,916	\$ 388,916	\$ 388,916
Modeled Water and Sewer Total		\$ 17,952,187	\$ 18,723,474	\$ 18,757,993	\$ 18,741,506	\$ 18,742,313	\$ 18,743,153	\$ 18,744,027
Water Tower Recapt. Fees	N/A	\$ 50,588	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sale of Water Constr.	N/A	\$ 2,189	\$ 1,500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Connection/Tap on Fees	N/A	\$ 141,209	\$ 80,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Late Penalties	N/A	\$ 123,307	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Turn On Fees	N/A	\$ 21,810	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Meter Sales	N/A	\$ 38,231	\$ 35,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Cross Connection Fee	N/A	\$ 38,833	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
Other Operating Water and Sewer Subtotal		\$ 416,166	\$ 324,500	\$ 264,000				
Total Operating Revenues W&S		\$ 18,491,334	\$ 19,175,800	\$ 19,115,300	\$ 19,005,506	\$ 19,006,313	\$ 19,007,153	\$ 19,008,027
Non-Operating - Water & Sewer								
Interest Income	N/A	\$ -	\$ 80,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Interest Income (2015 Bond)	N/A	\$ 38,184	\$ 3,000					
Interest Income (2017 Bonds)	N/A	\$ 9,151	\$ 80,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Interest Income	N/A	\$ 82,593	\$ -					
Unrealized Gain on Interest	N/A	\$ -	\$ -					
Reimburse/Recoveries	N/A	\$ 208,661	\$ 9,280					
Miscellaneous Revenue / Grants	N/A	\$ 6,201	\$ 4,000					
Contributions of Assets	N/A	\$ -	\$ -					

Village of Hoffman Estates
 2019 Water and Sewer Study
BASELINE REVENUE AND EXPENSE PROJECTIONS

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
2015 Bond Proceeds	N/A	\$ -	\$ -					
2017 Bond Proceeds	N/A		\$ -					
2018 Bond Proceeds	N/A	\$ -	\$ -					
SRF Loan Proceeds	N/A		\$ 296,170	\$ 2,664,000				
TRANSFER REVENUES								
TRSF From Prairie Stone	N/A	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
TRSF From Stormwater Mgt	N/A	\$ -						
TRSF From 2015 Cap Proj	N/A	\$ -	\$ -	\$ -				
TRSF From General	N/A							
Total Non-Operating W&S		\$ 344,788	\$ 472,450	\$ 2,804,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
TOTAL REVENUES		\$ 18,836,122	\$ 19,648,250	\$ 21,919,300	\$ 19,145,506	\$ 19,146,313	\$ 19,147,153	\$ 19,148,027
<i>Actual per Hoffman Estates</i>		\$ 18,491,334	\$ 19,175,800	\$ 19,115,300				
		\$ 344,788	\$ 472,450	\$ 2,804,000				
ADMIN AND TRANSFER EXPENSES								
Water & Sewer								
20 -Salaries and Wages								
Salaries & Wages F/T	3%	\$ 97,775	\$ 100,760	\$ 106,330	\$ 109,500	\$ 112,800	\$ 116,200	\$ 119,700
Salaries & Wages P/T	3%	\$ 56,803	\$ 57,760	\$ 60,920	\$ 62,700	\$ 64,600	\$ 66,500	\$ 68,500
Salaries & Wages O/T	3%	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
21 -Employee Benefits								
Health Insurance	3%	\$ 27,610	\$ 28,320	\$ 30,400	\$ 31,300	\$ 32,200	\$ 33,200	\$ 34,200
Life Insurance	3%	\$ 101	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Social Security Expense	5%	\$ 9,110	\$ 9,640	\$ 10,380	\$ 10,900	\$ 11,400	\$ 12,000	\$ 12,600
Medicare Expense	2%	\$ 2,131	\$ 2,250	\$ 2,430	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800
IMRF Pension	2%	\$ 20,005	\$ 16,700	\$ 19,360	\$ 19,700	\$ 20,100	\$ 20,500	\$ 20,900
22 - Misc. Benefits								
Travel/Training Expenses	2%	\$ 95	\$ 190	\$ 250	\$ 300	\$ 300	\$ 300	\$ 300
23 - Commodities								
Postage	1%	\$ 80,133	\$ 80,500	\$ 80,500	\$ 81,300	\$ 82,100	\$ 82,900	\$ 83,700
Printing & Binding	1%	\$ 1,346	\$ 2,060	\$ 2,160	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
Other Supplies	1%	\$ 320	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
24 - Contractual Services								
Maintenance Equip	1%	\$ 4,487	\$ 8,950	\$ 9,100	\$ 9,200	\$ 9,300	\$ 9,400	\$ 9,500
Other Contractual Svcs	2%	\$ 97,732	\$ 49,920	\$ 49,200	\$ 50,200	\$ 51,200	\$ 52,200	\$ 53,200
Workers Comp Insurance	2%	\$ 310	\$ 320	\$ 310	\$ 320	\$ 330	\$ 340	\$ 350

Village of Hoffman Estates
 2019 Water and Sewer Study
BASELINE REVENUE AND EXPENSE PROJECTIONS

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
25 - Capital Outlay								
Other Furn & Equip	1%	\$ 94	\$ 800	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
Cost of Issuance	2%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28 - Cost Allocation								
Water Cost Allocation	2%	\$ 461,480	\$ 463,090	\$ 505,620	\$ 515,700	\$ 526,000	\$ 536,500	\$ 547,200
Subtotal Billing		\$ 859,533	\$ 821,710	\$ 878,060	\$ 896,920	\$ 916,230	\$ 936,040	\$ 956,250
TRANSFER EXPENSES								
TRSFR To Capital Improve.	2%	\$ -	\$ 40,000	\$ 16,500	\$ 16,800	\$ 17,100	\$ 17,400	\$ 17,700
TRSFR To Capital V&E	2%	\$ 16,800	\$ 8,060	\$ -	\$ -	\$ -	\$ -	\$ -
TRSF to Stormwater	2%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRSFR To Information Systems Fund	2%	\$ 8,700	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
TRSFR to Road IMPR Fund	2%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Transfer Expenses		\$ 25,500	\$ 98,060	\$ 16,500	\$ 16,800	\$ 17,100	\$ 17,400	\$ 17,700
TOTAL ADMIN AND TRANSFER EXPENSES		\$ 885,033	\$ 919,770	\$ 894,560	\$ 913,720	\$ 933,330	\$ 953,440	\$ 973,950
WATER OPERATIONS								
20 -Salaries and Wages								
Salaries & Wages F/T	3%	\$ 1,633,776	\$ 1,607,270	\$ 1,719,000	\$ 1,770,600	\$ 1,823,700	\$ 1,878,400	\$ 1,934,800
Salaries & Wages P/T	2%	\$ 70,700	\$ 117,890	\$ 125,000	\$ 127,500	\$ 130,100	\$ 132,700	\$ 135,400
Salaries & Wages O/T	2%	\$ 158,881	\$ 170,640	\$ 171,770	\$ 175,200	\$ 178,700	\$ 182,300	\$ 185,900
21 Employee Benefits								
Health Insurance	3%	\$ 301,241	\$ 383,570	\$ 383,850	\$ 395,400	\$ 407,300	\$ 419,500	\$ 432,100
Life Insurance	2%	\$ 1,475	\$ 1,430	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Social Security Expense	2%	\$ 112,542	\$ 116,590	\$ 124,980	\$ 127,500	\$ 130,100	\$ 132,700	\$ 135,400
Medicare Expense	2%	\$ 26,472	\$ 27,270	\$ 29,230	\$ 29,800	\$ 30,400	\$ 31,000	\$ 31,600
IMRF Pension	2%	\$ 253,769	\$ 200,430	\$ 224,230	\$ 228,700	\$ 233,300	\$ 238,000	\$ 242,800
22 - Misc. Employee Benefits								
Travel/Training Expenses	2%	\$ 4,001	\$ 9,220	\$ 10,370	\$ 10,600	\$ 10,800	\$ 11,000	\$ 11,200
Dues & Memberships	1%	\$ 496	\$ 1,350	\$ 1,350	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
Uniforms	1%	\$ 22,496	\$ 21,840	\$ 22,040	\$ 22,300	\$ 22,500	\$ 22,700	\$ 22,900
23 - Commodities								
Postage	1%	\$ 1,422	\$ 1,600	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Office Supplies	1%	\$ 1,276	\$ 1,030	\$ 1,710	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
Printing & Binding	1%	\$ 200	\$ 1,910	\$ 2,220	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
Small Tools/Minor Equip.	1%	\$ 8,283	\$ 6,300	\$ 8,450	\$ 8,500	\$ 8,600	\$ 8,700	\$ 8,800
Other Supplies	1%	\$ 5,904	\$ 6,650	\$ 6,750	\$ 6,800	\$ 6,900	\$ 7,000	\$ 7,100
Photocopy Expense	1%	\$ -	\$ 50	\$ 50	\$ 100	\$ 100	\$ 100	\$ 100

Village of Hoffman Estates
2019 Water and Sewer Study
BASELINE REVENUE AND EXPENSE PROJECTIONS

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
Meters	2%	\$ 15,597	\$ 18,200	\$ 20,000	\$ 20,400	\$ 20,800	\$ 21,200	\$ 21,600
24 - Contractual Services								
Telephone Expense	2%	\$ 44,142	\$ 52,910	\$ 50,830	\$ 51,800	\$ 52,800	\$ 53,900	\$ 55,000
Electricity Expense	2%	\$ 87,231	\$ 97,350	\$ 95,000	\$ 96,900	\$ 98,800	\$ 100,800	\$ 102,800
Natural Gas Expense	2%	\$ 10,660	\$ 17,000	\$ 12,600	\$ 12,900	\$ 13,200	\$ 13,500	\$ 13,800
Professional Services	2%	\$ 58,321	\$ 85,080	\$ 58,980	\$ 60,200	\$ 61,400	\$ 62,600	\$ 63,900
Equipment Rental	1%	\$ 1,595	\$ 3,600	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Maintenance, Equipment	2%	\$ 24,724	\$ 23,160	\$ 24,160	\$ 24,600	\$ 25,100	\$ 25,600	\$ 26,100
Maintenance, Telemetry	1%	\$ 2,744	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Maintenance, Structures	2%	\$ 35,746	\$ 21,950	\$ 29,330	\$ 29,900	\$ 30,500	\$ 31,100	\$ 31,700
Maintenance, Tanks	2%	\$ 11,796	\$ 20,000	\$ 20,530	\$ 20,900	\$ 21,300	\$ 21,700	\$ 22,100
Maintenance, Hydrants	2%	\$ 18,019	\$ 21,500	\$ 21,500	\$ 21,900	\$ 22,300	\$ 22,700	\$ 23,200
Maintenance, Water Mains	2%	\$ 95,999	\$ 92,450	\$ 98,650	\$ 100,600	\$ 102,600	\$ 104,700	\$ 106,800
Maintenance, Wells/Pumps	2%	\$ 19,542	\$ 11,000	\$ 11,000	\$ 11,200	\$ 11,400	\$ 11,600	\$ 11,800
Lake Michigan Water (JAWA Payments)	3.0%	\$ 8,711,114	\$ 8,600,000	\$ 8,860,000	\$ 9,125,800	\$ 9,399,600	\$ 9,681,600	\$ 9,972,000
Employee Safety	1%	\$ 4,920	\$ 5,500	\$ 7,000	\$ 7,100	\$ 7,200	\$ 7,300	\$ 7,400
Liability Insurance	2%	\$ 63,070	\$ 60,340	\$ 55,490	\$ 56,600	\$ 57,700	\$ 58,900	\$ 60,100
Workers Comp Insurance	2%	\$ 55,630	\$ 56,420	\$ 56,320	\$ 57,400	\$ 58,500	\$ 59,700	\$ 60,900
Equipment Usage	2%	\$ 102,259	\$ 115,000	\$ 100,000	\$ 102,000	\$ 104,000	\$ 106,100	\$ 108,200
Maintenance, Vehicles	2%	\$ 23,343	\$ 28,000	\$ 31,000	\$ 31,600	\$ 32,200	\$ 32,800	\$ 33,500
25 -Capital Outlay								
Department Equip	2%	\$ 33,905	\$ 13,300	\$ 21,750	\$ 22,200	\$ 22,600	\$ 23,100	\$ 23,600
28- Cost Allocation								
NPO- Water and Sewer		\$ (35,666)						
Water Cost Allocation	2%	\$ 713,980	\$ 817,400	\$ 931,050	\$ 949,700	\$ 968,700	\$ 988,100	\$ 1,007,900
WATER OPERATIONS EXPENSES		\$ 12,701,505	\$ 12,837,700	\$ 13,346,190	\$ 13,722,000	\$ 14,108,500	\$ 14,506,400	\$ 14,915,800
SEWER OPERATIONS								
20 -Salaries and Wages								
Salaries & Wages F/T	2%	\$ 954,200	\$ 959,280	\$ 995,010	\$ 1,014,900	\$ 1,035,200	\$ 1,055,900	\$ 1,077,000
Salries & Wages O/T	2%	\$ 27,958	\$ 19,000	\$ 30,000	\$ 30,600	\$ 31,200	\$ 31,800	\$ 32,400
21-Employee Benefits								
Health Insurance	2%	\$ 156,828	\$ 222,180	\$ 214,820	\$ 219,100	\$ 223,500	\$ 228,000	\$ 232,600
Life Insurance	2%	\$ 813	\$ 820	\$ 860	\$ 900	\$ 900	\$ 900	\$ 900
Social Security Expense	2%	\$ 58,121	\$ 59,720	\$ 63,550	\$ 64,800	\$ 66,100	\$ 67,400	\$ 68,700
Medicare Expense	2%	\$ 13,624	\$ 13,970	\$ 14,860	\$ 15,200	\$ 15,500	\$ 15,800	\$ 16,100
IMRF Pension	2%	\$ 131,670	\$ 107,160	\$ 118,920	\$ 121,300	\$ 123,700	\$ 126,200	\$ 128,700

Village of Hoffman Estates
2019 Water and Sewer Study
BASELINE REVENUE AND EXPENSE PROJECTIONS

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
23 - Commodities								
Small Tools/Minor Equip.	1%	\$ 2,266	\$ 2,200	\$ 2,370	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
24 - Commodities								
Telephone Expense	1%	\$ 454	\$ 550	\$ 550	\$ 600	\$ 600	\$ 600	\$ 600
Electricity Expense	2%	\$ 101,122	\$ 96,800	\$ 100,000	\$ 102,000	\$ 104,000	\$ 106,100	\$ 108,200
Professional Services	2%	\$ 16,232	\$ 29,500	\$ 25,800	\$ 26,100	\$ 26,600	\$ 27,100	\$ 27,600
Maintenance, Equipment	2%	\$ 24,145	\$ 20,810	\$ 17,900	\$ 18,300	\$ 18,700	\$ 19,100	\$ 19,500
Maintenance, Telemetry	2%	\$ 4,181	\$ 4,000	\$ 4,000	\$ 4,100	\$ 4,200	\$ 4,300	\$ 4,400
Maintenance, Lifts	2%	\$ 58,086	\$ 105,230	\$ 56,780	\$ 57,900	\$ 59,100	\$ 60,300	\$ 61,500
Maintenance, San. Sewers	1%	\$ 55,518	\$ 56,880	\$ 63,380	\$ 64,000	\$ 64,600	\$ 65,200	\$ 65,900
Sewer Backup & Cleaning	2%	\$ 3,616	\$ 4,000	\$ 8,000	\$ 8,200	\$ 8,400	\$ 8,600	\$ 8,800
Liability Insurance	2%	\$ 35,560	\$ 34,950	\$ 32,140	\$ 32,800	\$ 33,500	\$ 34,200	\$ 34,900
Workers Comp Insurance	2%	\$ 31,890	\$ 32,340	\$ 32,280	\$ 32,900	\$ 33,600	\$ 34,300	\$ 35,000
24 - Capital Outlay								
Department Equip	2%	\$ 17,675	\$ 23,100	\$ 25,000	\$ 25,500	\$ 26,000	\$ 26,500	\$ 27,000
Other Furn & Equip	1%	\$ -	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Sanitary Sewer Improvements			\$ 8,000					
24 - Cost Allocation								
Water Cost Allocation	2%	\$ 444,260	\$ 404,500	\$ 435,890	\$ 444,700	\$ 453,600	\$ 462,700	\$ 472,000
SEWER OPERATIONS EXPENSES		\$ 2,138,220	\$ 2,205,290	\$ 2,242,310	\$ 2,286,600	\$ 2,331,700	\$ 2,377,700	\$ 2,424,500
CAPITAL PROJECTS								
Water System Improvements		\$ 474,811	\$ 1,742,000	\$ 2,708,000	\$ 2,588,000	\$ 3,051,000	\$ 3,103,000	\$ 411,000
Sanitary System Improvements		\$ 685,684	\$ 1,024,360	\$ 2,262,000	\$ 1,981,310	\$ 1,509,310	\$ 575,000	\$ 495,000
Other		\$ -	\$ -	\$ 43,000				
Vehicle Improvements		\$ -	\$ -	\$ 197,060	\$ 410,940	\$ 457,600	\$ 66,250	\$ 75,000
TOTAL CAPITAL		\$ 1,160,495	\$ 2,766,360	\$ 5,210,060	\$ 4,980,250	\$ 5,017,910	\$ 3,744,250	\$ 981,000
DEBT SERVICE								
Water & Sewer Debt Service								
2008 Interest Expense		\$ 146,313						
2015B Debt Service-Principal			\$ 285,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000
2015B Debt Service-Interest		\$ 137,303	\$ 139,800	\$ 131,250	\$ 131,250	\$ 131,250	\$ 131,250	\$ 131,250
Actual Subtotal Per Trial Balance		\$ 137,303	\$ 424,800	\$ 421,250				
2017A Debt Service - Principal			\$ 270,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000
2017A Debt Service - Interest		\$ 217,076	\$ 178,020	\$ 172,620	\$ 172,620	\$ 172,620	\$ 172,620	\$ 172,620
Actual Subtotal Per Trial Balance		\$ 217,076	\$ 448,020	\$ 452,620				

Village of Hoffman Estates
 2019 Water and Sewer Study
BASELINE REVENUE AND EXPENSE PROJECTIONS

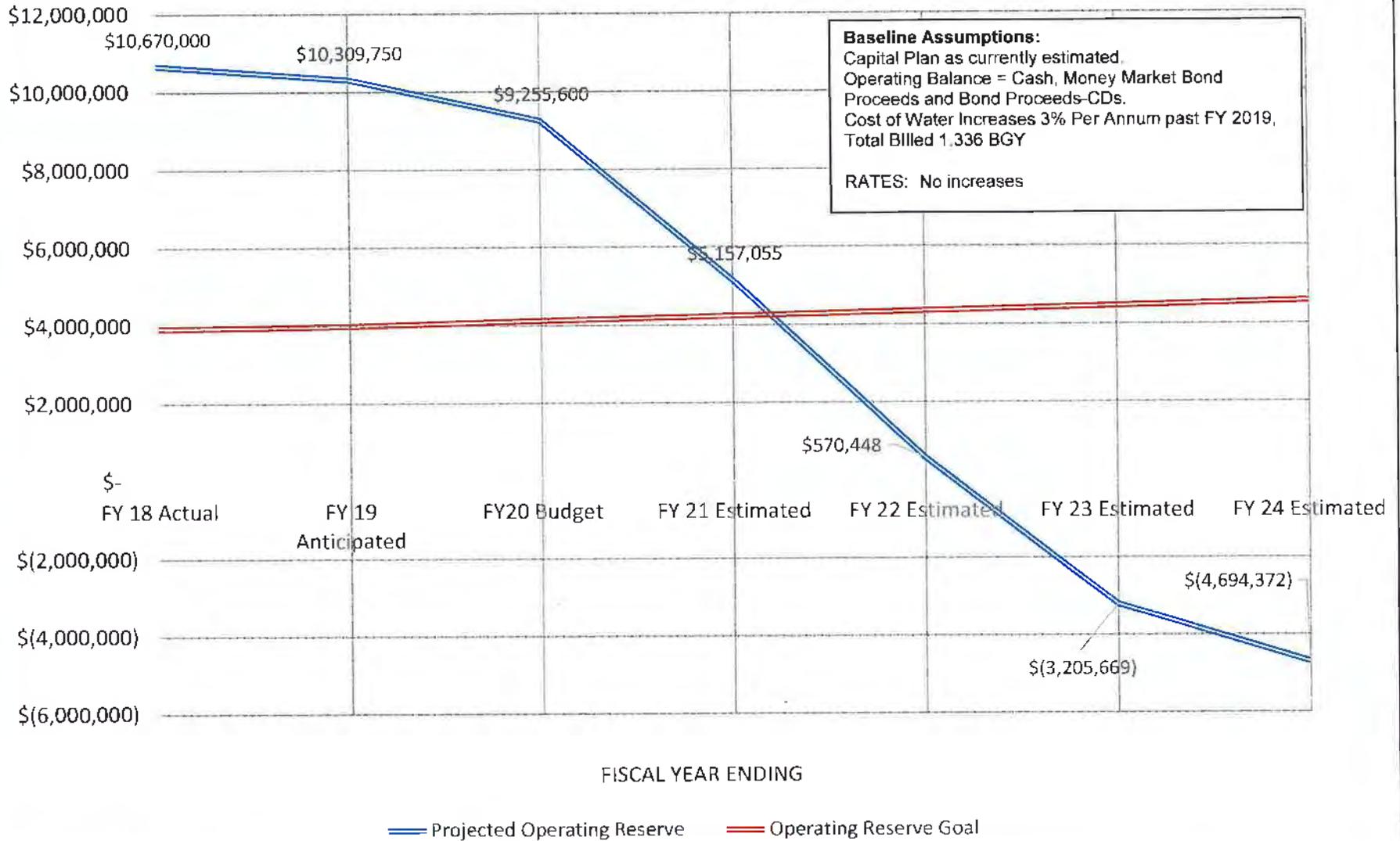
WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
2017B Debt Service - Principal		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
2017B Debt Service - Interest		\$ 38,020	\$ 31,600	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500
Actual Subtotal Per Trial Balance		\$ 38,020	\$ 36,600	\$ 36,500				
2018 Debt Service - Principal		\$ -						
2018 Debt Service - Interest		\$ 59,158	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640
Actual Subtotal Per Trial Balance		\$ 59,158	\$ 247,640					
SRF Loan Interest and Principal		\$ 122,320	\$ 122,320	\$ 183,470				
TOTAL DEBT SERVICE		\$ 597,870	\$ 1,279,380	\$ 1,280,330	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480
<i>Per Summary</i>		<i>583,850</i>	<i>1,157,850</i>	<i>1,182,000</i>	<i>1,155,000</i>	<i>1,155,100</i>	<i>1,155,000</i>	<i>1,154,900</i>

Village of Hoffman Estates
2019 Water and Sewer Study
BASELINE REVENUE AND EXPENSE PROJECTIONS

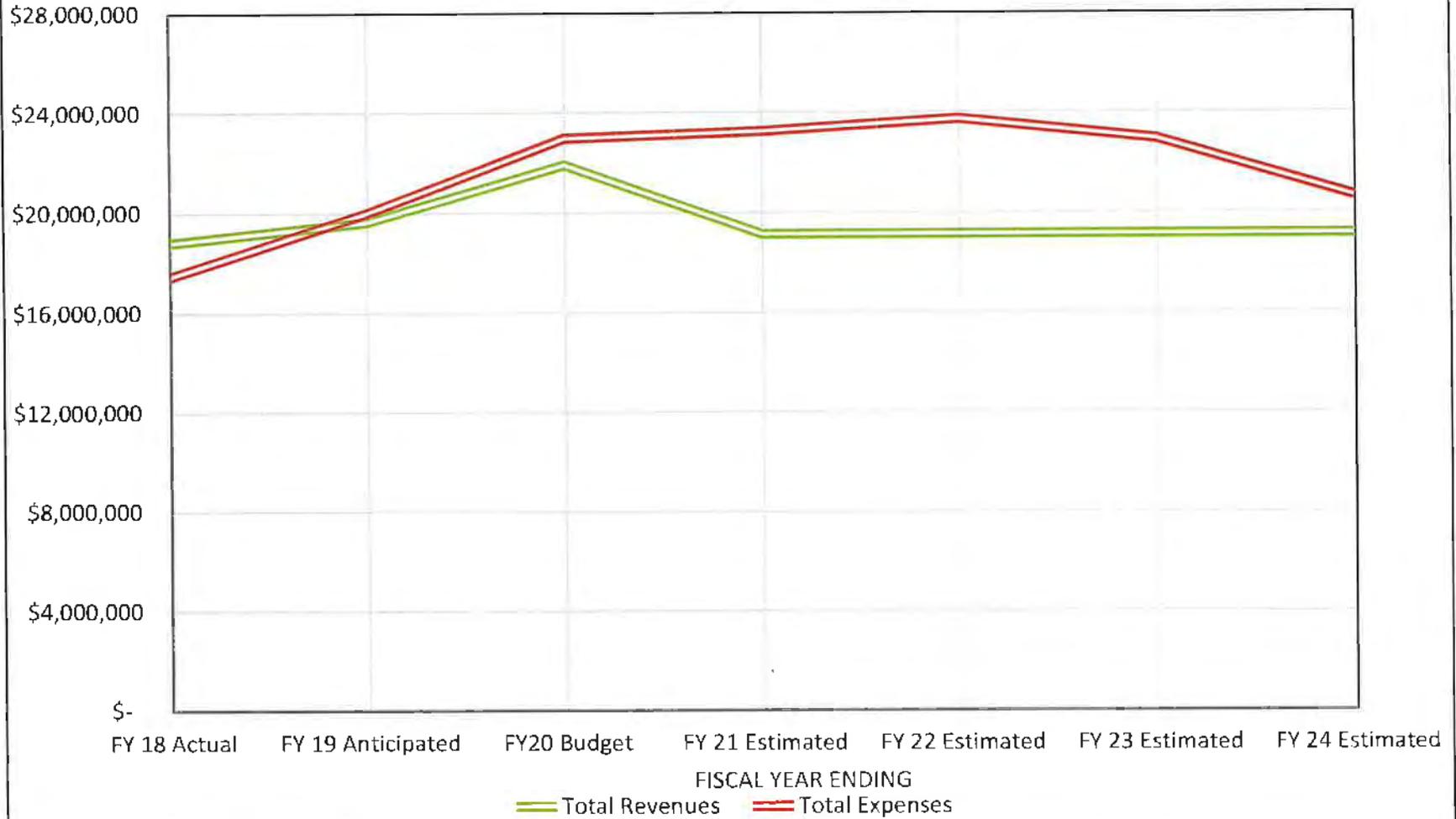
WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
SUMMARY								
REVENUE								
W&S OPERATING CHARGES		\$ 18,075,168	\$ 18,851,300	\$ 18,851,300	\$ 18,741,506	\$ 18,742,313	\$ 18,743,153	\$ 18,744,027
W&S OPERATING OTHER REVENUE		\$ 416,166	\$ 324,500	\$ 264,000	\$ 264,000	\$ 264,000	\$ 264,000	\$ 264,000
W&S Operating Revenue Subtotal		\$ 18,491,334	\$ 19,175,800	\$ 19,115,300	\$ 19,005,506	\$ 19,006,313	\$ 19,007,153	\$ 19,008,027
W&S NON-OPERATING REVENUE		\$ 344,788	\$ 472,450	\$ 2,804,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
TOTAL REVENUE		\$ 18,836,122	\$ 19,648,250	\$ 21,919,300	\$ 19,145,506	\$ 19,146,313	\$ 19,147,153	\$ 19,148,027
EXPENSES								
W&S OPERATING EXPENSES								
ADMIN AND TRANSFER EXPENSES		\$ 885,033	\$ 919,770	\$ 894,560	\$ 913,720	\$ 933,330	\$ 959,440	\$ 973,950
WATER OPERATIONS		\$ 12,701,505	\$ 12,837,700	\$ 13,346,190	\$ 13,722,000	\$ 14,108,500	\$ 14,506,400	\$ 14,915,800
SEWER OPERATIONS		\$ 2,138,220	\$ 2,205,290	\$ 2,242,310	\$ 2,286,600	\$ 2,331,700	\$ 2,377,700	\$ 2,424,500
W&S OPERATING EXPENSES TOTAL		\$ 15,724,757	\$ 15,962,760	\$ 16,483,060	\$ 16,922,320	\$ 17,373,530	\$ 17,837,540	\$ 18,314,250
CAPITAL		\$ 1,180,495	\$ 2,766,360	\$ 5,210,060	\$ 4,980,250	\$ 5,017,910	\$ 3,744,250	\$ 981,000
W&S OPERATING AND CAPITAL EXPENSES SUBTOTAL		\$ 16,885,252	\$ 18,729,120	\$ 21,693,120	\$ 21,902,570	\$ 22,391,440	\$ 21,581,790	\$ 19,295,250
Operating Net Income (Total Revenue- Operating Expenses and Capital, <u>NIC Depreciation</u>)		\$ 1,950,870	\$ 919,130	\$ 226,180	\$ (2,757,064)	\$ (3,245,127)	\$ (2,434,637)	\$ (147,223)
W&S NON-OPERATING EXPENSES								
DEBT SERVICE INTEREST AND PRINCIPAL		\$ 597,870	\$ 1,279,380	\$ 1,280,330	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480
W&S NON-OPERATING EXPENSES SUBTOTAL		\$ 597,870	\$ 1,279,380	\$ 1,280,330	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480
TOTAL EXPENSES		\$ 17,483,122	\$ 20,008,500	\$ 22,973,450	\$ 23,244,050	\$ 23,732,920	\$ 22,923,270	\$ 20,636,730
Beginning Operating Balance		\$ 10,100,000	\$ 10,670,000	\$ 10,309,750	\$ 9,255,600	\$ 5,157,055	\$ 570,448	\$ (3,205,669)
Total Revenues		\$ 18,836,122	\$ 19,648,250	\$ 21,919,300	\$ 19,145,506	\$ 19,146,313	\$ 19,147,153	\$ 19,148,027
Total Expenses		\$ 17,483,122	\$ 20,008,500	\$ 22,973,450	\$ 23,244,050	\$ 23,732,920	\$ 22,923,270	\$ 20,636,730
Net Operating Income (Loss)		\$ 1,353,000	\$ (960,250)	\$ (1,054,150)	\$ (4,098,545)	\$ (4,586,607)	\$ (3,776,117)	\$ (1,488,703)
Adjustment		\$ (783,000)						
Ending Operating Balance		\$ 10,670,000	\$ 10,309,750	\$ 9,255,600	\$ 5,157,055	\$ 570,448	\$ (3,205,669)	\$ (4,694,372)
Ending Operating Balance Goal**		\$ 3,931,189	\$ 3,990,690	\$ 4,120,765	\$ 4,230,580	\$ 4,343,383	\$ 4,459,385	\$ 4,578,563

** Recommended year-end operating balance goal is the equivalent of 25% of annual operating expenses (not including capital construction and debt service items).

VILLAGE OF HOFFMAN ESTATES
 2019 WATER AND SEWER RATE STUDY
 WATER AND SEWER UTILITY FUND CASH FLOW PROJECTION
 BASELINE SCENARIO



VILLAGE OF HOFFMAN MEADOWS
 2019 WATER AND SEWER RATE STUDY
 WATER AND SEWER UTILITY FUND CASH FLOW PROJECTION
 BASELINE SCENARIO



APPENDIX C:
SCENARIO 1 DECLINING RATE STRUCTURE
REVENUE AND EXPENSE PROJECTIONS

Data from Village

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
REVENUES								
Water Volume Billed (gallons) = Sewer Volume		1,336,371,000	1,336,371,000	1,336,371,000	1,336,000,000	1,336,000,000	1,336,000,000	1,336,000,000
Water Rate per 1000 gallons		\$ 10.14	\$ 10.57	\$ 10.57	\$ 10.99	\$ 11.43	\$ 11.89	\$ 12.31
Sewer Rate per 1000 gallons		\$ 1.45	\$ 1.52	\$ 1.52	\$ 1.58	\$ 1.64	\$ 1.71	\$ 1.77
Modeled Water and Sewer Check								
Base Charge		\$ 1,633,590	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046
Water Volume Sales		\$ 13,550,802	\$ 14,125,441	\$ 14,686,717	\$ 15,270,480	\$ 15,885,040	\$ 16,446,160	\$ 17,020,640
Sewer Volume Sales		\$ 1,938,000	\$ 2,031,000	\$ 2,111,000	\$ 2,191,000	\$ 2,285,000	\$ 2,365,000	\$ 2,445,000
Other								
Line Surcharge		\$ 19,226	\$ 19,995	\$ 20,795	\$ 21,837	\$ 22,710	\$ 23,619	\$ 24,563
Sewer Surcharge		\$ 59,193	\$ 61,561	\$ 64,023	\$ 67,264	\$ 70,150	\$ 72,606	\$ 75,062
Water Surcharge		\$ 392,941	\$ 408,659	\$ 425,005	\$ 447,120	\$ 465,114	\$ 481,544	\$ 498,364
Unit Surcharge		\$ 358,434	\$ 372,771	\$ 387,682	\$ 417,425	\$ 432,858	\$ 446,821	\$ 461,076
Modeled Water and Sewer Total		\$ 17,952,187	\$ 18,723,474	\$ 19,399,269	\$ 20,119,171	\$ 20,864,917	\$ 21,539,795	\$ 22,228,751
Water Tower Recapt. Fees	N/A	\$ 50,588	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sale of Water Constr.	N/A	\$ 2,189	\$ 1,500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Connection/Tap on Fees	N/A	\$ 141,209	\$ 80,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Late Penalties	N/A	\$ 123,307	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Turn On Fees	N/A	\$ 21,810	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Meter Sales	N/A	\$ 38,231	\$ 35,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Cross Connection Fee	N/A	\$ 38,833	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
Other Operating Water and Sewer Subtotal		\$ 416,166	\$ 324,500	\$ 264,000				
Total Operating Revenues W&S		\$ 18,491,334	\$ 19,175,800	\$ 19,115,300	\$ 20,383,171	\$ 21,128,917	\$ 21,803,795	\$ 22,492,751
Non-Operating - Water & Sewer								
Interest Income	N/A	\$ -	\$ 80,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Interest Income (2015 Bond)	N/A	\$ 38,184	\$ 3,000					
Interest Income (2017 Bonds)	N/A	\$ 9,151	\$ 80,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Interest Income	N/A	\$ 82,593	\$ -					
Unrealized Gain on Interest	N/A	\$ -	\$ -					
Reimburse/Recoveries	N/A	\$ 208,661	\$ 9,280					
Miscellaneous Revenue / Grants	N/A	\$ 6,201	\$ 4,000					

APPENDIX C:
SCENARIO 1 DECLINING RATE STRUCTURE
REVENUE AND EXPENSE PROJECTIONS

Data from Village								
WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
Contributions of Assets	N/A	\$ -	\$ -					
2015 Bond Proceeds	N/A	\$ -	\$ -					
2017 Bond Proceeds	N/A		\$ -					
2018 Bond Proceeds	N/A	\$ -	\$ -					
SRF Loan Proceeds	N/A		\$ 296,170	\$ 2,654,000				
TRANSFER REVENUES								
TRSF From Prairie Stone	N/A	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
TRSF From Stormwater Mgt	N/A	\$ -						
TRSF From 2015 Cap Proj	N/A	\$ -	\$ -	\$ -				
TRSF From General	N/A							
Total Non-Operating W&S		\$ 344,788	\$ 472,450	\$ 2,804,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
TOTAL REVENUES		\$ 18,836,122	\$ 19,648,250	\$ 21,919,300	\$ 20,259,171	\$ 21,004,917	\$ 21,679,795	\$ 22,368,751
ADMIN AND TRANSFER EXPENSES								
Water & Sewer								
20 -Salaries and Wages								
Salaries & Wages F/T	3%	\$ 97,775	\$ 100,760	\$ 106,330	\$ 109,500	\$ 112,800	\$ 116,200	\$ 119,700
Salaries & Wages P/T	3%	\$ 56,803	\$ 57,760	\$ 60,920	\$ 62,700	\$ 64,600	\$ 66,500	\$ 68,500
Salaries & Wages O/T	3%	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
21 -Employee Benefits								
Health Insurance	3%	\$ 27,610	\$ 28,320	\$ 30,400	\$ 31,300	\$ 32,200	\$ 33,200	\$ 34,200
Life Insurance	3%	\$ 101	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Social Security Expense	5%	\$ 9,110	\$ 9,640	\$ 10,380	\$ 10,900	\$ 11,400	\$ 12,000	\$ 12,600
Medicare Expense	2%	\$ 2,131	\$ 2,250	\$ 2,430	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800
IMRF Pension	2%	\$ 20,005	\$ 16,700	\$ 19,360	\$ 19,700	\$ 20,100	\$ 20,500	\$ 20,900
22 - Misc. Benefits								
Travel/Training Expenses	2%	\$ 95	\$ 190	\$ 250	\$ 300	\$ 300	\$ 300	\$ 300
23 - Commodities								
Postage	1%	\$ 80,133	\$ 80,500	\$ 80,500	\$ 81,300	\$ 82,100	\$ 82,900	\$ 83,700
Printing & Binding	1%	\$ 1,346	\$ 2,060	\$ 2,160	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
Other Supplies	1%	\$ 320	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
24 - Contractual Services								
Maintenance Equip	1%	\$ 4,487	\$ 8,950	\$ 9,100	\$ 9,200	\$ 9,300	\$ 9,400	\$ 9,500
Other Contractual Svcs	2%	\$ 97,732	\$ 49,920	\$ 49,200	\$ 50,200	\$ 51,200	\$ 52,200	\$ 53,200
Workers Comp Insurance	2%	\$ 310	\$ 320	\$ 310	\$ 320	\$ 330	\$ 340	\$ 350

APPENDIX C:
SCENARIO 1 DECLINING RATE STRUCTURE
REVENUE AND EXPENSE PROJECTIONS

Data from Village

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
25 - Capital Outlay								
Other Furn & Equip	1%	\$ 94	\$ 800	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
Cost of Issuance	2%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28 - Cost Allocation								
Water Cost Allocation	2%	\$ 461,480	\$ 463,090	\$ 505,620	\$ 515,700	\$ 526,000	\$ 536,500	\$ 547,200
Subtotal Billing		\$ 859,533	\$ 821,710	\$ 878,060	\$ 896,920	\$ 916,230	\$ 936,040	\$ 956,250
TRANSFER EXPENSES								
TRSF To Capital Improve.	2%	\$ -	\$ 40,000	\$ 16,500	\$ 16,800	\$ 17,100	\$ 17,400	\$ 17,700
TRSF To Capital V&E	2%	\$ 16,800	\$ 8,060	\$ -	\$ -	\$ -	\$ -	\$ -
TRSF to Stormwater	2%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRSF To Information Systems Fund	2%	\$ 8,700	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
TRSF to Road IMPR Fund	2%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Transfer Expenses		\$ 25,500	\$ 98,060	\$ 16,500	\$ 16,800	\$ 17,100	\$ 17,400	\$ 17,700
TOTAL ADMIN AND TRANSFER EXPENSES		\$ 885,033	\$ 919,770	\$ 894,560	\$ 913,720	\$ 933,330	\$ 953,440	\$ 973,950
WATER OPERATIONS								
20 -Salaries and Wages								
Salaries & Wages F/T	3%	\$ 1,633,776	\$ 1,607,270	\$ 1,719,000	\$ 1,770,600	\$ 1,823,700	\$ 1,878,400	\$ 1,934,800
Salaries & Wages P/T	2%	\$ 70,700	\$ 117,890	\$ 125,000	\$ 127,500	\$ 130,100	\$ 132,700	\$ 135,400
Salaries & Wages O/T	2%	\$ 158,881	\$ 170,640	\$ 171,770	\$ 175,200	\$ 178,700	\$ 182,300	\$ 185,900
21 Employee Benefits								
Health Insurance	3%	\$ 301,241	\$ 383,570	\$ 383,850	\$ 395,400	\$ 407,300	\$ 419,500	\$ 432,100
Life Insurance	2%	\$ 1,475	\$ 1,430	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Social Security Expense	2%	\$ 112,542	\$ 116,590	\$ 124,980	\$ 127,500	\$ 130,100	\$ 132,700	\$ 135,400
Medicare Expense	2%	\$ 26,472	\$ 27,270	\$ 29,230	\$ 29,800	\$ 30,400	\$ 31,000	\$ 31,600
IMRF Pension	2%	\$ 253,769	\$ 200,430	\$ 224,230	\$ 228,700	\$ 233,300	\$ 238,000	\$ 242,800
22 - Misc. Employee Benefits								
Travel/Training Expenses	2%	\$ 4,001	\$ 9,220	\$ 10,370	\$ 10,600	\$ 10,800	\$ 11,000	\$ 11,200
Dues & Memberships	1%	\$ 496	\$ 1,350	\$ 1,350	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
Uniforms	1%	\$ 22,496	\$ 21,840	\$ 22,040	\$ 22,300	\$ 22,500	\$ 22,700	\$ 22,900

APPENDIX C:
SCENARIO 1 DECLINING RATE STRUCTURE
REVENUE AND EXPENSE PROJECTIONS

Data from Village

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
23 - Commodities								
Postage	1%	\$ 1,422	\$ 1,600	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Office Supplies	1%	\$ 1,276	\$ 1,030	\$ 1,710	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
Printing & Binding	1%	\$ 200	\$ 1,910	\$ 2,220	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
Small Tools/Minor Equip.	1%	\$ 8,283	\$ 6,300	\$ 8,450	\$ 8,500	\$ 8,600	\$ 8,700	\$ 8,800
Other Supplies	1%	\$ 5,904	\$ 6,650	\$ 6,750	\$ 6,800	\$ 6,900	\$ 7,000	\$ 7,100
Photocopy Expense	1%	\$ -	\$ 50	\$ 50	\$ 100	\$ 100	\$ 100	\$ 100
Meters	2%	\$ 15,597	\$ 18,200	\$ 20,000	\$ 20,400	\$ 20,800	\$ 21,200	\$ 21,600
24 - Contractual Services								
Telephone Expense	2%	\$ 44,142	\$ 52,910	\$ 50,830	\$ 51,800	\$ 52,800	\$ 53,800	\$ 55,000
Electricity Expense	2%	\$ 87,231	\$ 97,350	\$ 95,000	\$ 96,900	\$ 98,800	\$ 100,800	\$ 102,800
Natural Gas Expense	2%	\$ 10,660	\$ 17,000	\$ 12,600	\$ 12,900	\$ 13,200	\$ 13,500	\$ 13,800
Professional Services	2%	\$ 58,321	\$ 85,080	\$ 58,980	\$ 60,200	\$ 61,400	\$ 62,600	\$ 63,900
Equipment Rental	1%	\$ 1,595	\$ 3,600	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Maintenance, Equipment	2%	\$ 24,724	\$ 23,160	\$ 24,160	\$ 24,600	\$ 25,100	\$ 25,600	\$ 26,100
Maintenance, Telemetry	1%	\$ 2,744	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Maintenance, Structures	2%	\$ 35,746	\$ 21,950	\$ 28,330	\$ 29,900	\$ 30,500	\$ 31,100	\$ 31,700
Maintenance, Tanks	2%	\$ 11,796	\$ 20,000	\$ 20,530	\$ 20,900	\$ 21,300	\$ 21,700	\$ 22,100
Maintenance, Hydrants	2%	\$ 18,019	\$ 21,500	\$ 21,500	\$ 21,900	\$ 22,300	\$ 22,700	\$ 23,200
Maintenance, Water Mains	2%	\$ 95,999	\$ 92,450	\$ 98,650	\$ 100,600	\$ 102,600	\$ 104,700	\$ 106,800
Maintenance, Wells/Pumps	2%	\$ 19,542	\$ 11,000	\$ 11,000	\$ 11,200	\$ 11,400	\$ 11,600	\$ 11,800
Lake Michigan Water (JAWA Payments)	3.0%	\$ 8,711,114	\$ 8,600,000	\$ 8,860,000	\$ 9,125,800	\$ 9,399,600	\$ 9,681,600	\$ 9,972,000
Employee Safety	1%	\$ 4,920	\$ 5,500	\$ 7,000	\$ 7,100	\$ 7,200	\$ 7,300	\$ 7,400
Liability Insurance	2%	\$ 63,070	\$ 60,340	\$ 55,490	\$ 56,600	\$ 57,700	\$ 58,900	\$ 60,100
Workers Comp Insurance	2%	\$ 55,630	\$ 56,420	\$ 56,320	\$ 57,400	\$ 58,500	\$ 59,700	\$ 60,900
Equipment Usage	2%	\$ 102,259	\$ 115,000	\$ 100,000	\$ 102,000	\$ 104,000	\$ 106,100	\$ 108,200
Maintenance, Vehicles	2%	\$ 23,343	\$ 28,000	\$ 31,000	\$ 31,600	\$ 32,200	\$ 32,800	\$ 33,500
25 -Capital Outlay								
Department Equip	2%	\$ 33,805	\$ 13,300	\$ 21,750	\$ 22,200	\$ 22,600	\$ 23,100	\$ 23,600
28- Cost Allocation								
NPO- Water and Sewer		\$ (35,666)						
Water Cost Allocation	2%	\$ 713,980	\$ 817,400	\$ 931,050	\$ 949,700	\$ 968,700	\$ 988,100	\$ 1,007,900
WATER OPERATIONS EXPENSES		\$ 12,701,505	\$ 12,837,700	\$ 13,346,190	\$ 13,722,000	\$ 14,108,500	\$ 14,506,400	\$ 14,915,800

APPENDIX C:
SCENARIO 1 DECLINING RATE STRUCTURE
REVENUE AND EXPENSE PROJECTIONS

Data from Village

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
SEWER OPERATIONS								
20 -Salaries and Wages								
Salaries & Wages F/T	2%	\$ 954,200	\$ 959,280	\$ 995,010	\$ 1,014,900	\$ 1,035,200	\$ 1,055,900	\$ 1,077,000
Salries & Wages O/T	2%	\$ 27,958	\$ 19,000	\$ 30,000	\$ 30,600	\$ 31,200	\$ 31,800	\$ 32,400
21-Employee Benefits								
Health Insurance	2%	\$ 156,828	\$ 222,180	\$ 214,820	\$ 219,100	\$ 223,500	\$ 228,000	\$ 232,600
Life Insurance	2%	\$ 813	\$ 820	\$ 860	\$ 900	\$ 900	\$ 900	\$ 900
Social Security Expense	2%	\$ 58,121	\$ 59,720	\$ 63,550	\$ 64,800	\$ 66,100	\$ 67,400	\$ 68,700
Medicare Expense	2%	\$ 13,624	\$ 13,970	\$ 14,850	\$ 15,200	\$ 15,500	\$ 15,800	\$ 16,100
IMRF Pension	2%	\$ 131,670	\$ 107,160	\$ 118,920	\$ 121,300	\$ 123,700	\$ 126,200	\$ 128,700
23 - Commodities								
Small Tools/Minor Equip.	1%	\$ 2,266	\$ 2,200	\$ 2,370	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
24 - Commodities								
Telephone Expense	1%	\$ 454	\$ 550	\$ 550	\$ 600	\$ 600	\$ 600	\$ 600
Electricity Expense	2%	\$ 101,122	\$ 96,800	\$ 100,000	\$ 102,000	\$ 104,000	\$ 106,100	\$ 108,200
Professional Services	2%	\$ 16,232	\$ 29,500	\$ 25,600	\$ 26,100	\$ 26,600	\$ 27,100	\$ 27,600
Maintenance, Equipment	2%	\$ 24,145	\$ 20,810	\$ 17,900	\$ 18,300	\$ 18,700	\$ 19,100	\$ 19,500
Maintenance, Telemetry	2%	\$ 4,181	\$ 4,000	\$ 4,000	\$ 4,100	\$ 4,200	\$ 4,300	\$ 4,400
Maintenance, Lifts	2%	\$ 58,086	\$ 105,230	\$ 56,780	\$ 57,900	\$ 59,100	\$ 60,300	\$ 61,500
Maintenance, San. Sewers	1%	\$ 55,518	\$ 56,880	\$ 63,380	\$ 64,000	\$ 64,600	\$ 65,200	\$ 65,900
Sewer Backup & Cleaning	2%	\$ 3,616	\$ 4,000	\$ 8,000	\$ 8,200	\$ 8,400	\$ 8,600	\$ 8,800
Liability Insurance	2%	\$ 35,560	\$ 34,950	\$ 32,140	\$ 32,800	\$ 33,500	\$ 34,200	\$ 34,900
Workers Comp Insurance	2%	\$ 31,890	\$ 32,340	\$ 32,290	\$ 32,900	\$ 33,600	\$ 34,300	\$ 35,000
24 - Capital Outlay								
Department Equip	2%	\$ 17,675	\$ 23,100	\$ 25,000	\$ 25,500	\$ 26,000	\$ 26,500	\$ 27,000
Other Furn & Equip	1%	\$ -	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Sanitary Sewer Improvements			\$ 8,000					
24 - Cost Allocation								
Water Cost Allocation	2%	\$ 444,260	\$ 404,500	\$ 435,990	\$ 444,700	\$ 453,600	\$ 462,700	\$ 472,000
SEWER OPERATIONS EXPENSES		\$ 2,138,220	\$ 2,205,290	\$ 2,242,310	\$ 2,286,600	\$ 2,331,700	\$ 2,377,700	\$ 2,424,500
CAPITAL PROJECTS								
Water System Improvements		\$ 474,811	\$ 1,742,000	\$ 2,708,000	\$ 2,588,000	\$ 3,051,000	\$ 3,103,000	\$ 411,000
Sanitary System Improvements		\$ 685,684	\$ 1,024,360	\$ 2,262,000	\$ 1,981,310	\$ 1,509,310	\$ 575,000	\$ 495,000
Other		\$ -	\$ -	\$ 43,000				
Vehicle Improvements		\$ -	\$ -	\$ 197,060	\$ 410,940	\$ 457,600	\$ 66,250	\$ 75,000
TOTAL CAPITAL		\$ 1,160,495	\$ 2,766,360	\$ 5,210,060	\$ 4,980,250	\$ 5,017,910	\$ 3,744,250	\$ 981,000

APPENDIX C:
SCENARIO 1 DECLINING RATE STRUCTURE
REVENUE AND EXPENSE PROJECTIONS

Data from Village

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
DEBT SERVICE								
Water & Sewer Debt Service								
2008 Interest Expense		\$ 146,313						
2015B Debt Service-Principal		\$ 285,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000
2015B Debt Service-Interest		\$ 137,303	\$ 139,800	\$ 131,250	\$ 131,250	\$ 131,250	\$ 131,250	\$ 131,250
Actual Subtotal Per Trial Balance		\$ 137,303	\$ 424,800	\$ 421,250				
2017A Debt Service - Principal		\$ 270,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000
2017A Debt Service - Interest		\$ 217,076	\$ 178,020	\$ 172,620	\$ 172,620	\$ 172,620	\$ 172,620	\$ 172,620
Actual Subtotal Per Trial Balance		\$ 217,076	\$ 448,020	\$ 452,620				
2017B Debt Service - Principal		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
2017B Debt Service - Interest		\$ 38,020	\$ 31,600	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500
Actual Subtotal Per Trial Balance		\$ 38,020	\$ 36,600	\$ 36,500				
2018 Debt Service - Principal		\$ -						
2018 Debt Service - Interest		\$ 59,158	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640
Actual Subtotal Per Trial Balance		\$ 59,158	\$ 247,640					
SRF Loan Interest and Principal		\$ 122,320	\$ 122,320	\$ 183,470	\$ 183,470	\$ 183,470	\$ 183,470	\$ 183,470
TOTAL DEBT SERVICE		\$ 597,870	\$ 1,279,380	\$ 1,280,330	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480

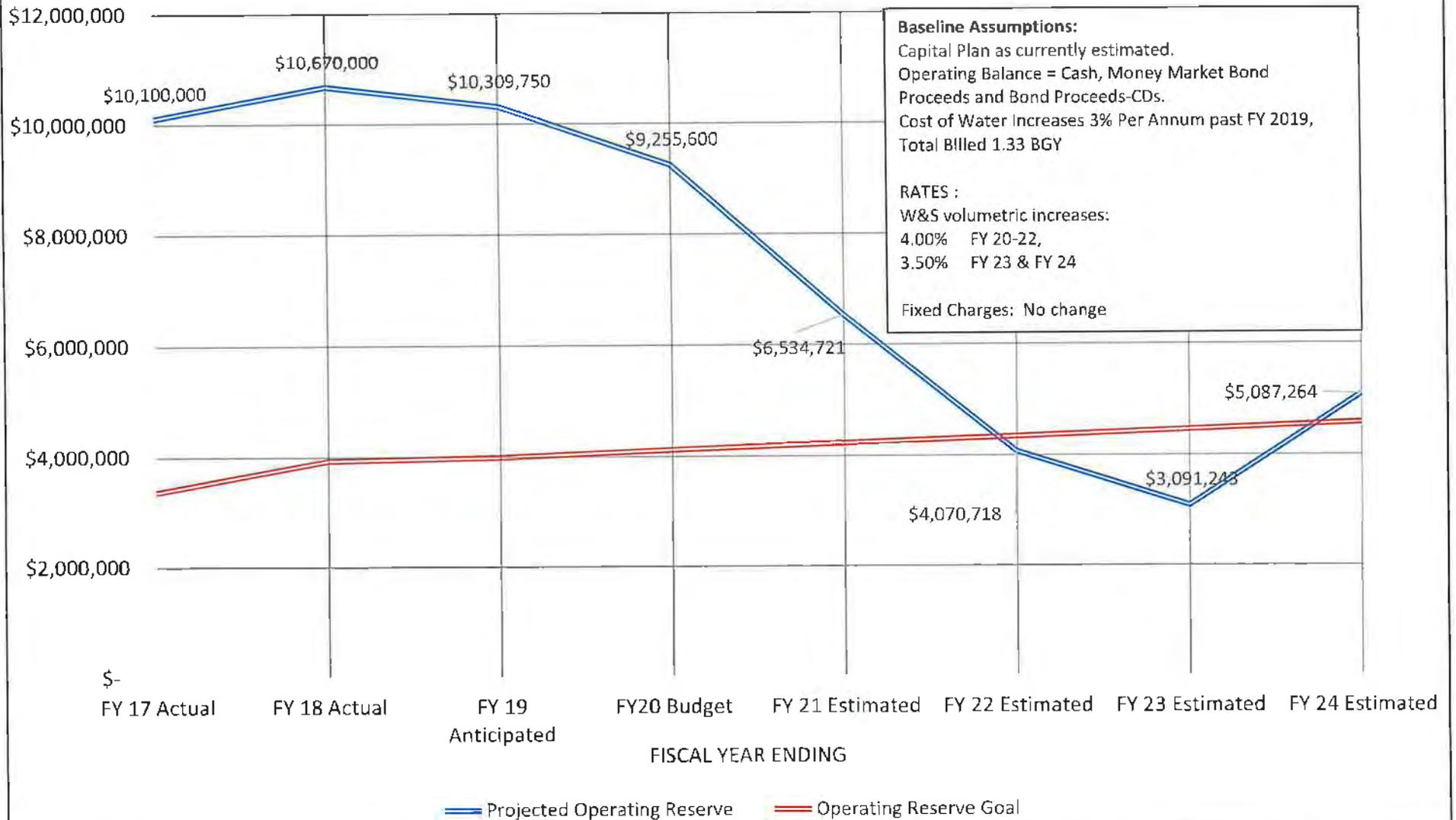
APPENDIX C:
SCENARIO 1 DECLINING RATE STRUCTURE
REVENUE AND EXPENSE PROJECTIONS

Data from Village

WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
SUMMARY								
REVENUE								
W&S OPERATING CHARGES		\$ 18,075,168	\$ 18,851,300	\$ 18,851,300	\$ 20,119,171	\$ 20,864,917	\$ 21,539,795	\$ 22,228,751
W&S OPERATING OTHER REVENUE		\$ 416,166	\$ 324,500	\$ 264,000	\$ 264,000	\$ 264,000	\$ 264,000	\$ 264,000
W&S Operating Revenue Subtotal		\$ 18,491,334	\$ 19,175,800	\$ 19,115,300	\$ 20,383,171	\$ 21,128,917	\$ 21,803,795	\$ 22,492,751
W&S NON-OPERATING REVENUE		\$ 344,788	\$ 472,450	\$ 2,804,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
TOTAL REVENUE		\$ 18,836,122	\$ 19,648,250	\$ 21,919,300	\$ 20,523,171	\$ 21,268,917	\$ 21,943,795	\$ 22,632,751
EXPENSES								
W&S OPERATING EXPENSES								
ADMIN AND TRANSFER EXPENSES		\$ 885,033	\$ 919,770	\$ 894,560	\$ 913,720	\$ 933,330	\$ 953,440	\$ 973,950
WATER OPERATIONS		\$ 12,701,505	\$ 12,837,700	\$ 13,346,190	\$ 13,722,000	\$ 14,108,500	\$ 14,506,400	\$ 14,915,800
SEWER OPERATIONS		\$ 2,138,220	\$ 2,205,290	\$ 2,242,310	\$ 2,286,600	\$ 2,331,700	\$ 2,377,700	\$ 2,424,500
W&S OPERATING EXPENSES TOTAL		\$ 15,724,757	\$ 15,962,760	\$ 16,483,060	\$ 16,922,320	\$ 17,373,530	\$ 17,837,540	\$ 18,314,250
CAPITAL		\$ 1,160,495	\$ 2,766,360	\$ 5,210,060	\$ 4,980,250	\$ 5,017,910	\$ 3,744,250	\$ 981,000
W&S OPERATING AND CAPITAL EXPENSES SUBTOTAL		\$ 16,885,252	\$ 18,729,120	\$ 21,693,120	\$ 21,902,570	\$ 22,391,440	\$ 21,581,790	\$ 19,295,250
Operating Net Income (Total Revenue- Operating Expenses and Capital, NIC, Depreciation)		\$ 1,950,870	\$ 919,130	\$ 226,180	\$ (1,379,399)	\$ (1,122,523)	\$ 362,005	\$ 3,337,501
W&S NON-OPERATING EXPENSES								
DEBT SERVICE INTEREST AND PRINCIPAL		\$ 597,870	\$ 1,279,380	\$ 1,280,330	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480
W&S NON-OPERATING EXPENSES SUBTOTAL		\$ 597,870	\$ 1,279,380	\$ 1,280,330	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480
TOTAL EXPENSES		\$ 17,483,122	\$ 20,008,500	\$ 22,973,450	\$ 23,244,050	\$ 23,732,920	\$ 22,923,270	\$ 20,636,730
Beginning Operating Balance		\$ 10,100,000	\$ 10,670,000	\$ 10,309,750	\$ 9,255,600	\$ 6,534,721	\$ 4,070,718	\$ 3,091,243
Total Revenues		\$ 18,836,122	\$ 19,648,250	\$ 21,919,300	\$ 20,523,171	\$ 21,268,917	\$ 21,943,795	\$ 22,632,751
Total Expenses		\$ 17,483,122	\$ 20,008,500	\$ 22,973,450	\$ 23,244,050	\$ 23,732,920	\$ 22,923,270	\$ 20,636,730
Net Operating Income (Loss)		\$ 1,353,000	\$ (360,250)	\$ (1,054,150)	\$ (2,720,879)	\$ (2,464,003)	\$ (979,475)	\$ 1,996,021
Adjustment		\$ (783,000)						
Ending Operating Balance		\$ 10,670,000	\$ 10,309,750	\$ 9,255,600	\$ 6,534,721	\$ 4,070,718	\$ 3,091,243	\$ 5,087,263
Ending Operating Balance Goal**		\$ 3,931,189	\$ 3,990,690	\$ 4,120,765	\$ 4,230,580	\$ 4,343,383	\$ 4,459,385	\$ 4,578,563

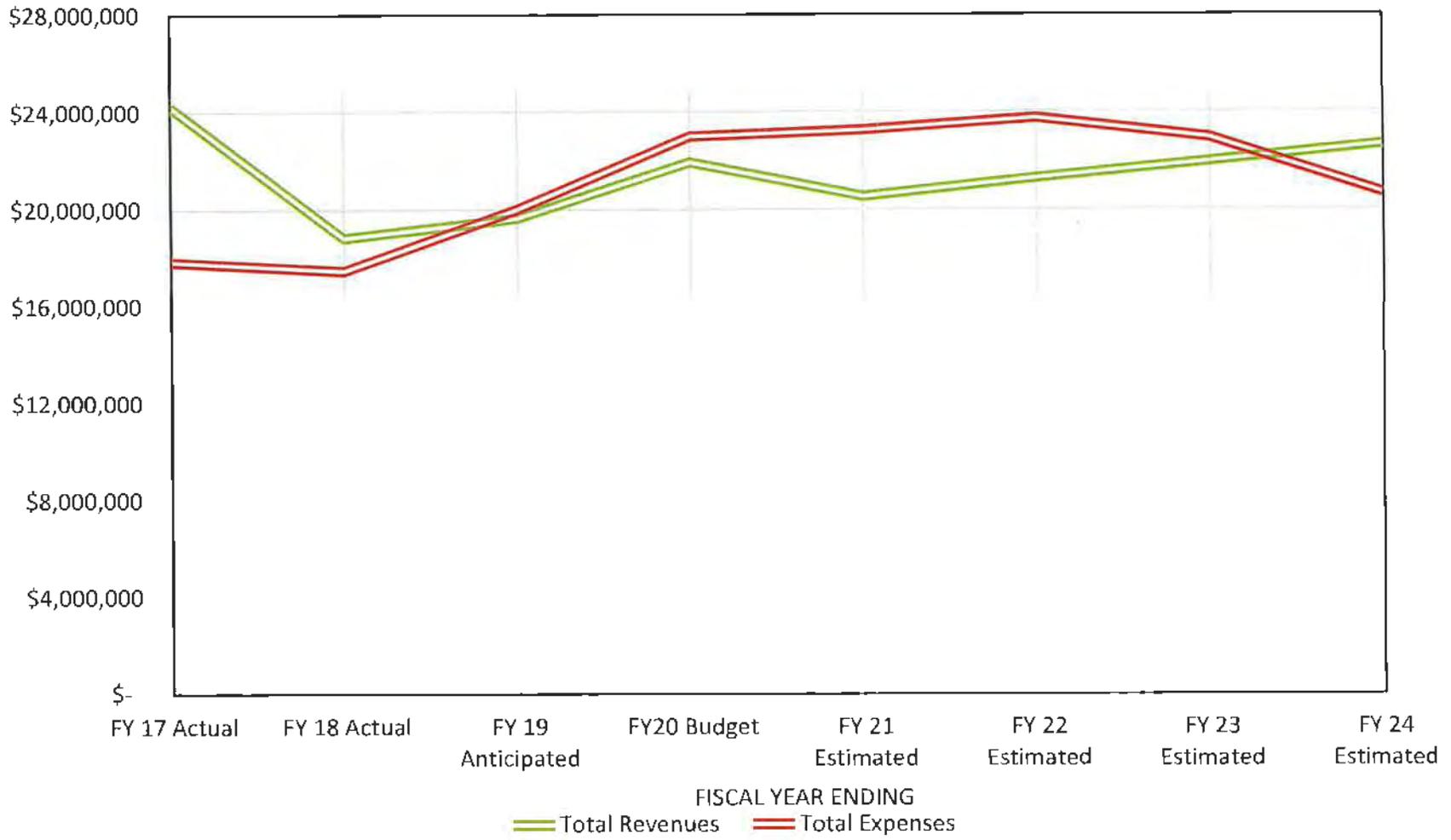
** Recommended year-end operating balance goal is the equivalent of 25% of annual operating expenses (not including capital construction and debt service items).

**VILLAGE OF HOFFMAN ESTATES
2019 WATER AND SEWER RATE STUDY
WATER AND SEWER UTILITY FUND CASH FLOW PROJECTION
SCENARIO 1: DECLINING RATE STRUCTURE**



VILLAGE OF HOFFMAN MEADOWS
 2019 WATER AND SEWER RATE STUDY
 WATER AND SEWER UTILITY FUND CASH FLOW PROJECTION

SCENARIO 1: REVENUES AND EXPENSES



Village of Hoffman Estates
 Water and Sewer Rate Study

Created by: CFB
 Updated: 8/12/2019
 Revised: 11/9/2019

FUTURE WATER RATE INCREASES: SCENARIO 1

Water Rate Increases	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
JAWA Charge Increases			3.00%	3.00%	3.00%	3.00%
Fixed Base Charge Increases	4.34%	0.0%	0.0%	0.0%	0.0%	0.0%
Residential Volume Rate Increases	4.24%	4.00%	4.00%	4.00%	3.50%	3.50%
Commercial Volume Rate Increases	4.24%	4.00%	4.00%	4.00%	3.50%	3.50%
Water Rate Schedule	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
JAWA Water Rates	\$5.63	\$5.73	\$5.90	\$6.08	\$6.26	\$6.45
Total Water Usage Rates						
Residential Volume Rate	\$10.57	\$10.99	\$11.43	\$11.89	\$12.31	\$12.74
Commercial/Industrial/Apartment/Institutional/ Municipal Volume Rate	\$10.57	\$10.99	\$11.43	\$11.89	\$12.31	\$12.74
Hoffman Estates Monthly Fixed Charges						
5/8" Connection - 6,000 gallons	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73
3/4" Connection - 7,000 gallons	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08
1" Connection - 11,000 gallons	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
1.5" Connection - 23,000 gallons	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04
2" Connection - 43,000 gallons	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29
3" Connection - 130,000 gallons	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75
4" Connection - 225,000 gallons	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45

Water Rate Increases	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
6" Connection - 300,000 gallons	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11
8" Connection - 400,000 gallons	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02
10" Connection - 300,000 gallons	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10
12" Connection - 630,000 gallons	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29

FUTURE SEWER RATE INCREASES

Sewer Rate Increases	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Fixed Base Charge Increases		0%	0%	0%	0%	0%
Residential Volume Rate Increases	4.83%	4.00%	4.00%	4.00%	3.50%	3.50%
Commercial Volume Rate Increases	4.83%	4.00%	4.00%	4.00%	3.50%	3.50%
Sewer Usage Rates						
Residential Rate	\$1.52	\$1.58	\$1.64	\$1.71	\$1.77	\$1.83
Commercial/Industrial/Apartment/Institutional/ Municipal	\$1.52	\$1.58	\$1.64	\$1.71	\$1.77	\$1.83
Total Residential Usage	\$1.52	\$1.58	\$1.64	\$1.71	\$1.77	\$1.83
Total Commercial Usage	\$1.52	\$1.58	\$1.64	\$1.71	\$1.77	\$1.83

PROJECTED FINANCIAL IMPACTS TO RATE PAYERS: SCENARIO 1

Water Monthly Bills	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Low 5/8" Conn - 2,000 gallons	\$ 27.87	\$ 28.71	\$ 29.59	\$ 30.51	\$ 31.35	\$ 32.21
5/8" Connection - 5,000 gallons	\$ 59.58	\$ 61.68	\$ 63.88	\$ 66.18	\$ 68.28	\$ 70.43
3/4" Connection - 7,000 gallons	\$ 81.07	\$ 84.01	\$ 87.09	\$ 90.31	\$ 93.25	\$ 96.26
1" Connection -11,000 gallons	\$ 124.77	\$ 129.39	\$ 134.23	\$ 139.29	\$ 143.91	\$ 148.64
1.5" Connection - 23,000 gallons	\$ 255.15	\$ 264.81	\$ 274.93	\$ 285.51	\$ 295.17	\$ 305.06
2" Connection - 43,000 gallons	\$ 470.80	\$ 488.86	\$ 507.78	\$ 527.56	\$ 545.62	\$ 564.11
3" Connection - 160,000 gallons	\$ 1,720.95	\$ 1,788.15	\$ 1,858.55	\$ 1,932.15	\$ 1,999.35	\$ 2,068.15
4" Connection - 104,000 gallons	\$ 1,146.73	\$ 1,190.41	\$ 1,236.17	\$ 1,284.01	\$ 1,327.69	\$ 1,372.41
6" Connection - 50,000 gallons	\$ 632.61	\$ 653.61	\$ 675.61	\$ 698.61	\$ 719.61	\$ 741.11
8" Connection - 83,000 gallons	\$ 1,059.33	\$ 1,094.19	\$ 1,130.71	\$ 1,168.89	\$ 1,203.75	\$ 1,239.44
10" Connection - 300,000 gallons	\$ 3,445.10	\$ 3,571.10	\$ 3,703.10	\$ 3,841.10	\$ 3,967.10	\$ 4,096.10
12" Connection - 630,000 gallons	\$ 7,078.39	\$ 7,342.99	\$ 7,620.19	\$ 7,909.99	\$ 8,174.59	\$ 8,445.49

Sewer Monthly Bills	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Low 5/8" Conn - 2,000 gallons	\$ 3.04	\$ 3.16	\$ 3.28	\$ 3.42	\$ 3.54	\$ 3.66
5/8" Connection - 5,000 gallons	\$ 7.60	\$ 7.90	\$ 8.20	\$ 8.55	\$ 8.85	\$ 9.15
3/4" Connection - 7,000 gallons	\$ 10.64	\$ 11.06	\$ 11.48	\$ 11.97	\$ 12.39	\$ 12.81
1" Connection -11,000 gallons	\$ 16.72	\$ 17.38	\$ 18.04	\$ 18.81	\$ 19.47	\$ 20.13
1.5" Connection - 23,000 gallons	\$ 34.96	\$ 36.34	\$ 37.72	\$ 39.33	\$ 40.71	\$ 42.09
2" Connection - 43,000 gallons	\$ 65.36	\$ 67.94	\$ 70.52	\$ 73.53	\$ 76.11	\$ 78.69
3" Connection - 160,000 gallons	\$ 243.20	\$ 252.80	\$ 262.40	\$ 273.60	\$ 283.20	\$ 292.80
4" Connection - 104,000 gallons	\$ 158.08	\$ 164.32	\$ 170.56	\$ 177.84	\$ 184.08	\$ 190.32
6" Connection - 50,000 gallons	\$ 76.00	\$ 79.00	\$ 82.00	\$ 85.50	\$ 88.50	\$ 91.50
8" Connection - 83,000 gallons	\$ 126.16	\$ 131.14	\$ 136.12	\$ 141.93	\$ 146.91	\$ 151.89
10" Connection - 300,000 gallons	\$ 456.00	\$ 474.00	\$ 492.00	\$ 513.00	\$ 531.00	\$ 549.00
12" Connection - 630,000 gallons	\$ 957.60	\$ 995.40	\$ 1,033.20	\$ 1,077.30	\$ 1,115.10	\$ 1,152.90

PROJECTED FINANCIAL IMPACTS TO RATE PAYERS: SCENARIO 1

Water and Sewer Monthly Bills	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Low 5/8" Conn - 2,000 gallons	\$ 30.91	\$ 31.87	\$ 32.87	\$ 33.93	\$ 34.89	\$ 35.87
5/8" Connection - 6,000 gallons	\$ 67.18	\$ 69.58	\$ 72.08	\$ 74.73	\$ 77.13	\$ 79.58
3/4" Connection - 7,000 gallons	\$ 91.71	\$ 95.07	\$ 98.57	\$ 102.28	\$ 105.64	\$ 109.07
1" Connection - 11,000 gallons	\$ 141.49	\$ 146.77	\$ 152.27	\$ 158.10	\$ 163.38	\$ 168.77
1.5" Connection - 23,000 gallons	\$ 290.11	\$ 301.15	\$ 312.65	\$ 324.84	\$ 335.88	\$ 347.15
2" Connection - 43,000 gallons	\$ 536.16	\$ 556.80	\$ 578.30	\$ 601.09	\$ 621.73	\$ 642.80
3" Connection - 160,000 gallons	\$ 1,964.15	\$ 2,040.95	\$ 2,120.95	\$ 2,205.75	\$ 2,282.55	\$ 2,360.95
4" Connection - 104,000 gallons	\$ 1,304.81	\$ 1,354.73	\$ 1,406.73	\$ 1,461.85	\$ 1,511.77	\$ 1,562.73
6" Connection - 50,000 gallons	\$ 708.61	\$ 732.61	\$ 757.61	\$ 784.11	\$ 808.11	\$ 832.61
8" Connection - 83,000 gallons	\$ 1,185.49	\$ 1,225.33	\$ 1,266.83	\$ 1,310.82	\$ 1,350.66	\$ 1,391.33
10" Connection - 300,000 gallons	\$ 3,901.10	\$ 4,045.10	\$ 4,195.10	\$ 4,354.10	\$ 4,498.10	\$ 4,645.10
12" Connection - 630,000 gallons	\$ 8,035.99	\$ 8,338.39	\$ 8,653.39	\$ 8,987.29	\$ 9,289.69	\$ 9,598.39

SCENARIO 2: INCLINING RATE STRUCTURE

Data from Village		SCENARIO 2: INCLINING RATE STRUCTURE							
WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated	
REVENUES									
Water Volume Billed (gallons) = Sewer Volume		1,336,371,000	1,336,371,000	1,336,371,000	1,336,000,000	1,336,000,000	1,336,000,000	1,336,000,000	
Water Rate per 1000 gallons		\$ 10.14	\$ 10.57	\$ 10.94	\$ 11.35	\$ 11.78	\$ 12.25	\$ 12.74	
Sewer Rate per 1000 gallons		\$ 1.45	\$ 1.52	\$ 1.57	\$ 1.63	\$ 1.69	\$ 1.76	\$ 1.83	
Modeled Water and Sewer Check									
Base Charge		\$ 1,633,590	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046	\$ 1,704,046	
Water Volume Sales		\$ 13,550,802	\$ 14,125,441	\$ 14,619,899	\$ 15,163,600	\$ 15,738,080	\$ 16,366,000	\$ 17,020,640	
Sewer Volume Sales		\$ 1,938,000	\$ 2,031,000	\$ 2,098,000	\$ 2,178,000	\$ 2,258,000	\$ 2,351,000	\$ 2,445,000	
Other									
Line Surcharge		\$ 19,226	\$ 19,995	\$ 20,795	\$ 21,684	\$ 22,551	\$ 23,453	\$ 24,391	
Sewer Surcharge		\$ 59,193	\$ 61,561	\$ 64,023	\$ 66,865	\$ 69,321	\$ 72,176	\$ 75,062	
Water Surcharge		\$ 392,941	\$ 408,659	\$ 425,005	\$ 443,990	\$ 460,811	\$ 479,196	\$ 498,364	
Unit Surcharge		\$ 358,434	\$ 372,771	\$ 387,682	\$ 414,814	\$ 429,069	\$ 444,770	\$ 461,076	
Modeled Water and Sewer Total		\$ 17,952,187	\$ 18,723,474	\$ 19,319,450	\$ 19,992,999	\$ 20,681,878	\$ 21,440,642	\$ 22,228,579	
Water Tower Recapt. Fees	N/A	\$ 50,588	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	
Sale of Water Constr.	N/A	\$ 2,189	\$ 1,500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	
Connection/Tap on Fees	N/A	\$ 141,209	\$ 80,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
Late Penalties	N/A	\$ 123,307	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
Turn On Fees	N/A	\$ 21,810	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
Meter Sales	N/A	\$ 38,231	\$ 35,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	
Cross Connection Fee	N/A	\$ 38,833	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	
Other Operating Water and Sewer Subtotal		\$ 416,166	\$ 324,500	\$ 264,000					
Total Operating Revenues W&S		\$ 18,491,334	\$ 19,175,800	\$ 19,115,300	\$ 20,256,999	\$ 20,945,878	\$ 21,704,642	\$ 22,492,579	
Non-Operating - Water & Sewer									
Interest Income	N/A	\$ -	\$ 80,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	
Interest Income (2015 Bond)	N/A	\$ 38,184	\$ 3,000						
Interest Income (2017 Bonds)	N/A	\$ 9,151	\$ 80,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
Interest Income	N/A	\$ 82,593	\$ -						
Unrealized Gain on Interest	N/A	\$ -	\$ -						
Reimburse/Recoveries	N/A	\$ 208,661	\$ 9,280						

SCENARIO 2: INCLINING RATE STRUCTURE

Data from Village		SCENARIO 2: INCLINING RATE STRUCTURE						
WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
Miscellaneous Revenue / Grants	N/A	\$ 6,201	\$ 4,000					
Contributions of Assets	N/A	\$ -	\$ -					
2015 Bond Proceeds	N/A	\$ -	\$ -					
2017 Bond Proceeds	N/A	\$ -	\$ -					
2018 Bond Proceeds	N/A	\$ -	\$ -					
SRF Loan Proceeds	N/A		\$ 296,170	\$ 2,664,000				
TRANSER REVENUES								
TRSF From Prairie Stone	N/A	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
TRSF From Stormwater Mgt	N/A	\$ -	\$ -					
TRSF From 2015 Cap Proj	N/A	\$ -	\$ -	\$ -				
TRSF From General	N/A							
Total Non-Operating W&S		\$ 344,788	\$ 472,450	\$ 2,804,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
TOTAL REVENUES		\$ 18,836,122	\$ 19,648,250	\$ 21,919,300	\$ 20,132,999	\$ 20,821,878	\$ 21,580,642	\$ 22,368,579
ADMIN AND TRANSFER EXPENSES								
Water & Sewer								
20 -Salaries and Wages								
Salaries & Wages F/T	3%	\$ 97,775	\$ 100,760	\$ 108,330	\$ 109,500	\$ 112,800	\$ 116,200	\$ 119,700
Salaries & Wages P/T	3%	\$ 56,803	\$ 57,760	\$ 60,920	\$ 62,700	\$ 64,600	\$ 66,500	\$ 68,500
Salaries & Wages O/T	3%	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
21 -Employee Benefits								
Health Insurance	3%	\$ 27,610	\$ 28,320	\$ 30,400	\$ 31,300	\$ 32,200	\$ 33,200	\$ 34,200
Life Insurance	3%	\$ 101	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Social Security Expense	5%	\$ 9,110	\$ 9,640	\$ 10,380	\$ 10,900	\$ 11,400	\$ 12,000	\$ 12,600
Medicare Expense	2%	\$ 2,131	\$ 2,250	\$ 2,430	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800
IMRF Pension	2%	\$ 20,005	\$ 16,700	\$ 19,360	\$ 19,700	\$ 20,100	\$ 20,500	\$ 20,900
22 - Misc. Benefits								
Travel/Training Expenses	2%	\$ 95	\$ 190	\$ 250	\$ 300	\$ 300	\$ 300	\$ 300
23 - Commodities								
Postage	1%	\$ 80,133	\$ 80,500	\$ 80,500	\$ 81,300	\$ 82,100	\$ 82,900	\$ 83,700
Printing & Binding	1%	\$ 1,346	\$ 2,060	\$ 2,160	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
Other Supplies	1%	\$ 320	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500

APPENDIX D:
SCENARIO 2: INCLINING RATE STRUCTURE

Data from Village									
WATER UTILITY REVENUES AND EXPENSE PROJECTIONS		Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
24 - Contractual Services									
Maintenance Equip	1%	\$ 4,487	\$ 8,950	\$ 9,100	\$ 9,200	\$ 9,300	\$ 9,400	\$ 9,500	
Other Contractual Svcs	2%	\$ 97,732	\$ 49,920	\$ 49,200	\$ 50,200	\$ 51,200	\$ 52,200	\$ 53,200	
Workers Comp Insurance	2%	\$ 310	\$ 320	\$ 310	\$ 320	\$ 330	\$ 340	\$ 350	
25 - Capital Outlay									
Other Furn & Equip	1%	\$ 94	\$ 800	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	
Cost of Issuance	2%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
28 - Cost Allocation									
Water Cost Allocation	2%	\$ 461,480	\$ 463,090	\$ 505,620	\$ 515,700	\$ 526,000	\$ 536,500	\$ 547,200	
Subtotal Billing		\$ 859,533	\$ 821,710	\$ 878,060	\$ 896,920	\$ 916,230	\$ 936,040	\$ 956,250	
TRANSFER EXPENSES									
TRSF To Capital Improve.	2%	\$ -	\$ 40,000	\$ 16,500	\$ 16,800	\$ 17,100	\$ 17,400	\$ 17,700	
TRSF To Capital V&E	2%	\$ 16,800	\$ 8,060	\$ -	\$ -	\$ -	\$ -	\$ -	
TRSF to Stormwater	2%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TRSF To Information Systems Fund	2%	\$ 8,700	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	
TRSF To Road IMPR Fund	2%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal Transfer Expenses		\$ 25,500	\$ 98,060	\$ 16,500	\$ 16,800	\$ 17,100	\$ 17,400	\$ 17,700	
TOTAL ADMIN AND TRANSFER EXPENSES		\$ 885,033	\$ 919,770	\$ 894,560	\$ 913,720	\$ 933,330	\$ 953,440	\$ 973,950	
WATER OPERATIONS									
20 -Salaries and Wages									
Salaries & Wages F/T	3%	\$ 1,633,776	\$ 1,607,270	\$ 1,719,000	\$ 1,770,600	\$ 1,823,700	\$ 1,878,400	\$ 1,934,800	
Salaries & Wages P/T	2%	\$ 70,700	\$ 117,890	\$ 125,000	\$ 127,500	\$ 130,100	\$ 132,700	\$ 135,400	
Salaries & Wages O/T	2%	\$ 158,881	\$ 170,640	\$ 171,770	\$ 175,200	\$ 178,700	\$ 182,300	\$ 185,900	
21 Employee Benefits									
Health Insurance	3%	\$ 301,241	\$ 383,570	\$ 383,850	\$ 395,400	\$ 407,300	\$ 419,500	\$ 432,100	
Life Insurance	2%	\$ 1,475	\$ 1,430	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	
Social Security Expense	2%	\$ 112,542	\$ 116,590	\$ 124,980	\$ 127,500	\$ 130,100	\$ 132,700	\$ 135,400	
Medicare Expense	2%	\$ 26,472	\$ 27,270	\$ 29,230	\$ 29,800	\$ 30,400	\$ 31,000	\$ 31,600	
IMRF Pension	2%	\$ 253,769	\$ 200,430	\$ 224,230	\$ 228,700	\$ 233,300	\$ 238,000	\$ 242,800	
22 - Misc. Employee Benefits									
Travel/Training Expenses	2%	\$ 4,001	\$ 9,220	\$ 10,370	\$ 10,600	\$ 10,800	\$ 11,000	\$ 11,200	
Dues & Memberships	1%	\$ 496	\$ 1,350	\$ 1,350	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	
Uniforms	1%	\$ 22,496	\$ 21,840	\$ 22,040	\$ 22,300	\$ 22,500	\$ 22,700	\$ 22,900	

APPENDIX D:
SCENARIO 2: INCLINING RATE STRUCTURE

Data from Village									
WATER UTILITY REVENUES AND EXPENSE PROJECTIONS		Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
23 - Commodities									
Postage	1%	\$ 1,422	\$ 1,600	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Office Supplies	1%	\$ 1,276	\$ 1,030	\$ 1,710	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
Printing & Binding	1%	\$ 200	\$ 1,910	\$ 2,220	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
Small Tools/Minor Equip.	1%	\$ 8,283	\$ 6,300	\$ 8,450	\$ 8,500	\$ 8,600	\$ 8,700	\$ 8,700	\$ 8,800
Other Supplies	1%	\$ 5,904	\$ 6,650	\$ 6,750	\$ 6,800	\$ 6,900	\$ 7,000	\$ 7,000	\$ 7,100
Photocopy Expense	1%	\$ -	\$ 50	\$ 50	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Meters	2%	\$ 15,597	\$ 18,200	\$ 20,000	\$ 20,400	\$ 20,800	\$ 21,200	\$ 21,200	\$ 21,600
24 - Contractual Services									
Telephone Expense	2%	\$ 44,142	\$ 52,910	\$ 50,830	\$ 51,800	\$ 52,800	\$ 53,900	\$ 53,900	\$ 55,000
Electricity Expense	2%	\$ 87,231	\$ 97,350	\$ 95,000	\$ 96,900	\$ 98,800	\$ 100,800	\$ 100,800	\$ 102,800
Natural Gas Expense	2%	\$ 10,660	\$ 17,000	\$ 12,600	\$ 12,900	\$ 13,200	\$ 13,500	\$ 13,500	\$ 13,800
Professional Services	2%	\$ 58,321	\$ 85,080	\$ 58,980	\$ 60,200	\$ 61,400	\$ 62,600	\$ 62,600	\$ 63,900
Equipment Rental	1%	\$ 1,595	\$ 3,600	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Maintenance, Equipment	2%	\$ 24,724	\$ 23,160	\$ 24,160	\$ 24,600	\$ 25,100	\$ 25,600	\$ 25,600	\$ 26,100
Maintenance, Telemetry	1%	\$ 2,744	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Maintenance, Structures	2%	\$ 35,746	\$ 21,950	\$ 29,330	\$ 29,900	\$ 30,500	\$ 31,100	\$ 31,100	\$ 31,700
Maintenance, Tanks	2%	\$ 11,796	\$ 20,000	\$ 20,530	\$ 20,900	\$ 21,300	\$ 21,700	\$ 21,700	\$ 22,100
Maintenance, Hydrants	2%	\$ 18,019	\$ 21,500	\$ 21,500	\$ 21,900	\$ 22,300	\$ 22,700	\$ 22,700	\$ 23,200
Maintenance, Water Mains	2%	\$ 95,999	\$ 92,450	\$ 98,650	\$ 100,600	\$ 102,600	\$ 104,700	\$ 104,700	\$ 106,800
Maintenance, Wells/Pumps	2%	\$ 19,542	\$ 11,000	\$ 11,000	\$ 11,200	\$ 11,400	\$ 11,600	\$ 11,600	\$ 11,800
Lake Michigan Water (JAWA Payments)	3.0%	\$ 8,711,114	\$ 8,600,000	\$ 8,860,000	\$ 9,125,800	\$ 9,399,600	\$ 9,681,600	\$ 9,681,600	\$ 9,972,000
Employee Safety	1%	\$ 4,920	\$ 5,500	\$ 7,000	\$ 7,100	\$ 7,200	\$ 7,300	\$ 7,300	\$ 7,400
Liability Insurance	2%	\$ 63,070	\$ 60,340	\$ 55,490	\$ 56,600	\$ 57,700	\$ 58,900	\$ 58,900	\$ 60,100
Workers Comp Insurance	2%	\$ 55,630	\$ 56,420	\$ 56,320	\$ 57,400	\$ 58,500	\$ 59,700	\$ 59,700	\$ 60,900
Equipment Usage	2%	\$ 102,259	\$ 115,000	\$ 100,000	\$ 102,000	\$ 104,000	\$ 106,100	\$ 106,100	\$ 108,200
Maintenance, Vehicles	2%	\$ 23,343	\$ 28,000	\$ 31,000	\$ 31,600	\$ 32,200	\$ 32,800	\$ 32,800	\$ 33,500
25 -Capital Outlay									
Department Equip	2%	\$ 33,805	\$ 13,300	\$ 21,750	\$ 22,200	\$ 22,600	\$ 23,100	\$ 23,100	\$ 23,600
28- Cost Allocation									
NPO- Water and Sewer		\$ (35,666)							
Water Cost Allocation	2%	\$ 713,980	\$ 817,400	\$ 931,050	\$ 949,700	\$ 968,700	\$ 988,100	\$ 988,100	\$ 1,007,900
WATER OPERATIONS EXPENSES		\$ 12,701,505	\$ 12,837,700	\$ 13,346,190	\$ 13,722,000	\$ 14,108,500	\$ 14,506,400	\$ 14,506,400	\$ 14,915,800

APPENDIX D:
SCENARIO 2: INCLINING RATE STRUCTURE

Data from Village			FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
WATER UTILITY REVENUES AND EXPENSE PROJECTIONS		Inflation Rate							
SEWER OPERATIONS									
20 -Salaries and Wages									
Salaries & Wages F/T	2%	\$	954,200	\$ 959,280	\$ 995,010	\$ 1,014,900	\$ 1,035,200	\$ 1,055,900	\$ 1,077,000
Salries & Wages O/T	2%	\$	27,958	\$ 19,000	\$ 30,000	\$ 30,600	\$ 31,200	\$ 31,800	\$ 32,400
21-Employee Benefits									
Health Insurance	2%	\$	156,828	\$ 222,180	\$ 214,820	\$ 219,100	\$ 223,500	\$ 228,000	\$ 232,600
Life Insurance	2%	\$	813	\$ 820	\$ 860	\$ 900	\$ 900	\$ 900	\$ 900
Social Security Expense	2%	\$	58,121	\$ 59,720	\$ 63,550	\$ 64,800	\$ 66,100	\$ 67,400	\$ 68,700
Medicare Expense	2%	\$	13,624	\$ 13,970	\$ 14,860	\$ 15,200	\$ 15,500	\$ 15,800	\$ 16,100
IMRF Pension	2%	\$	131,670	\$ 107,160	\$ 118,920	\$ 121,300	\$ 123,700	\$ 126,200	\$ 128,700
23 - Commodities									
Small Tools/Minor Equip.	1%	\$	2,266	\$ 2,200	\$ 2,370	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
24 - Commodities									
Telephone Expense	1%	\$	454	\$ 550	\$ 550	\$ 600	\$ 600	\$ 600	\$ 600
Electricity Expense	2%	\$	101,122	\$ 96,800	\$ 100,000	\$ 102,000	\$ 104,000	\$ 106,100	\$ 108,200
Professional Services	2%	\$	16,232	\$ 29,500	\$ 25,600	\$ 26,100	\$ 26,600	\$ 27,100	\$ 27,600
Maintenance, Equipment	2%	\$	24,145	\$ 20,810	\$ 17,900	\$ 18,300	\$ 18,700	\$ 19,100	\$ 19,500
Maintenance, Telemetry	2%	\$	4,181	\$ 4,000	\$ 4,000	\$ 4,100	\$ 4,200	\$ 4,300	\$ 4,400
Maintenance, Lifts	2%	\$	58,086	\$ 105,230	\$ 58,780	\$ 57,900	\$ 59,100	\$ 60,300	\$ 61,500
Maintenance, San. Sewers	1%	\$	55,518	\$ 56,880	\$ 63,380	\$ 64,000	\$ 64,600	\$ 65,200	\$ 65,900
Sewer Backup & Cleaning	2%	\$	3,616	\$ 4,000	\$ 8,000	\$ 8,200	\$ 8,400	\$ 8,600	\$ 8,800
Liability Insurance	2%	\$	35,560	\$ 34,950	\$ 32,140	\$ 32,800	\$ 33,500	\$ 34,200	\$ 34,900
Workers Comp Insurance	2%	\$	31,890	\$ 32,340	\$ 32,280	\$ 32,900	\$ 33,600	\$ 34,300	\$ 35,000
24 - Capital Outlay									
Department Equip	2%	\$	17,675	\$ 23,100	\$ 25,000	\$ 25,500	\$ 26,000	\$ 26,500	\$ 27,000
Other Furn & Equip	1%	\$	-	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Sanitary Sewer Improvements				\$ 8,000					
24 - Cost Allocation									
Water Cost Allocation	2%	\$	444,260	\$ 404,500	\$ 435,990	\$ 444,700	\$ 453,600	\$ 462,700	\$ 472,000
SEWER OPERATIONS EXPENSES			\$ 2,138,220	\$ 2,205,290	\$ 2,242,310	\$ 2,286,600	\$ 2,331,700	\$ 2,377,700	\$ 2,424,500
CAPITAL PROJECTS									
Water System Improvements		\$	474,811	\$ 1,742,000	\$ 2,708,000	\$ 2,588,000	\$ 3,051,000	\$ 3,103,000	\$ 411,000
Sanitary System Improvements		\$	685,684	\$ 1,024,360	\$ 2,262,000	\$ 1,981,310	\$ 1,509,310	\$ 575,000	\$ 495,000
Other		\$		\$ -	\$ 43,000				
Vehicle Improvements		\$	-	\$ -	\$ 197,060	\$ 410,940	\$ 457,600	\$ 66,250	\$ 75,000
TOTAL CAPITAL			\$ 1,160,495	\$ 2,766,360	\$ 5,210,060	\$ 4,980,250	\$ 5,017,910	\$ 3,744,250	\$ 981,000
DEBT SERVICE									

APPENDIX D:
SCENARIO 2: INCLINING RATE STRUCTURE

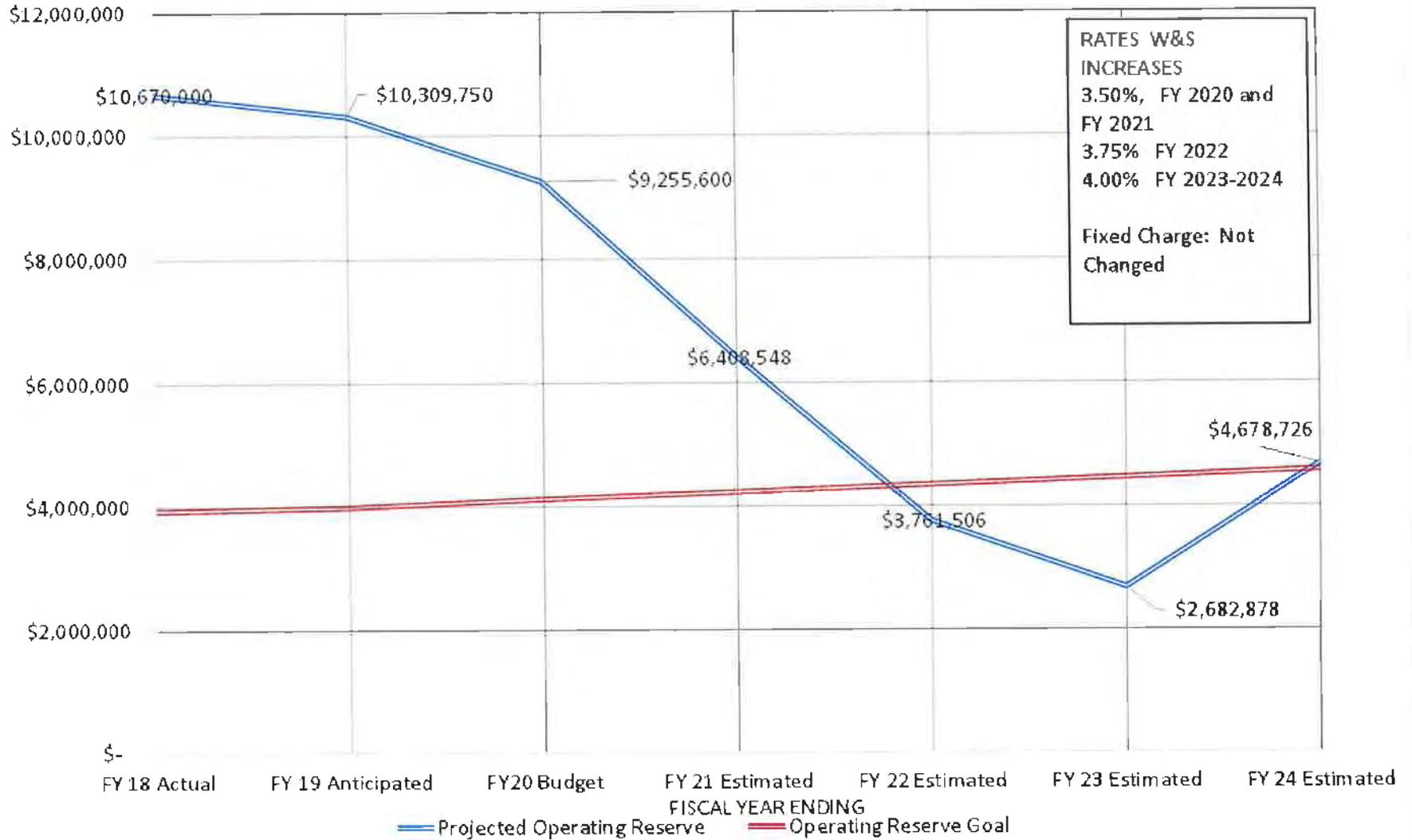
Data from Village		SCENARIO 2: INCLINING RATE STRUCTURE						
WATER UTILITY REVENUES AND EXPENSE PROJECTIONS	Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
Water & Sewer Debt Service								
2008 Interest Expense		\$ 146,313						
2015B Debt Service-Principal		\$ 285,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000
2015B Debt Service-Interest		\$ 137,303	\$ 139,800	\$ 131,250	\$ 131,250	\$ 131,250	\$ 131,250	\$ 131,250
Actual Subtotal Per Trial Balance		\$ 137,303	\$ 424,800	\$ 421,250	\$ 421,250	\$ 421,250	\$ 421,250	\$ 421,250
2017A Debt Service - Principal		\$ 270,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000
2017A Debt Service - Interest		\$ 217,076	\$ 178,020	\$ 172,620	\$ 172,620	\$ 172,620	\$ 172,620	\$ 172,620
Actual Subtotal Per Trial Balance		\$ 217,076	\$ 448,020	\$ 452,620	\$ 452,620	\$ 452,620	\$ 452,620	\$ 452,620
2017B Debt Service - Principal		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
2017B Debt Service - Interest		\$ 38,020	\$ 31,600	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500
Actual Subtotal Per Trial Balance		\$ 38,020	\$ 36,600	\$ 36,500	\$ 36,500	\$ 36,500	\$ 36,500	\$ 36,500
2018 Debt Service - Principal		\$ -						
2018 Debt Service - Interest		\$ 59,158	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640
Actual Subtotal Per Trial Balance		\$ 59,158	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640	\$ 247,640
SRF Loan Interest and Principal		\$ 122,320	\$ 122,320	\$ 183,470	\$ 183,470	\$ 183,470	\$ 183,470	\$ 183,470
New SRF Loan?								
TOTAL DEBT SERVICE		\$ 597,870	\$ 1,279,380	\$ 1,280,330	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480

SCENARIO 2: INCLINING RATE STRUCTURE

Data from Village		Inflation Rate	FY 18 Actual	FY 19 Anticipated	FY20 Budget	FY 21 Estimated	FY 22 Estimated	FY 23 Estimated	FY 24 Estimated
WATER UTILITY REVENUES AND EXPENSE PROJECTIONS									
SUMMARY									
REVENUE									
W&S OPERATING CHARGES			\$ 18,075,168	\$ 18,851,300	\$ 18,851,300	\$ 19,992,999	\$ 20,681,878	\$ 21,440,642	\$ 22,228,579
W&S OPERATING OTHER REVENUE			\$ 416,166	\$ 324,500	\$ 264,000	\$ 264,000	\$ 264,000	\$ 264,000	\$ 264,000
W&S Operating Revenue Subtotal			\$ 18,491,334	\$ 19,175,800	\$ 19,115,300	\$ 20,256,999	\$ 20,945,878	\$ 21,704,642	\$ 22,492,579
W&S NON-OPERATING REVENUE			\$ 344,788	\$ 472,450	\$ 2,804,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
TOTAL REVENUE			\$ 18,836,122	\$ 19,648,250	\$ 21,919,300	\$ 20,396,999	\$ 21,085,878	\$ 21,844,642	\$ 22,632,579
EXPENSES									
W&S OPERATING EXPENSES									
ADMIN AND TRANSFER EXPENSES			\$ 885,033	\$ 919,770	\$ 894,560	\$ 913,720	\$ 933,330	\$ 953,440	\$ 973,950
WATER OPERATIONS			\$ 12,701,505	\$ 12,837,700	\$ 13,346,190	\$ 13,722,000	\$ 14,108,500	\$ 14,506,400	\$ 14,915,800
SEWER OPERATIONS			\$ 2,138,220	\$ 2,205,290	\$ 2,242,310	\$ 2,286,600	\$ 2,331,700	\$ 2,377,700	\$ 2,424,500
W&S OPERATING EXPENSES TOTAL			\$ 15,724,757	\$ 15,962,760	\$ 16,483,060	\$ 16,922,320	\$ 17,373,530	\$ 17,837,540	\$ 18,314,250
CAPITAL			\$ 1,160,495	\$ 2,786,360	\$ 5,210,060	\$ 4,980,250	\$ 5,017,910	\$ 3,744,250	\$ 981,000
W&S OPERATING AND CAPITAL EXPENSES SUBTOTAL			\$ 16,885,252	\$ 18,729,120	\$ 21,693,120	\$ 21,902,570	\$ 22,391,440	\$ 21,581,790	\$ 19,295,250
<i>Operating Net Income (Total Revenue- Operating Expenses and Capital, <u>NIC Depreciation</u>)</i>			\$ 1,950,870	\$ 919,130	\$ 226,180	\$ (1,505,571)	\$ (1,305,562)	\$ 262,852	\$ 3,337,329
W&S NON-OPERATING EXPENSES									
DEBT SERVICE INTEREST AND PRINCIPAL			\$ 597,870	\$ 1,279,380	\$ 1,280,330	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480
W&S NON-OPERATING EXPENSES SUBTOTAL			\$ 597,870	\$ 1,279,380	\$ 1,280,330	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480	\$ 1,341,480
TOTAL EXPENSES			\$ 17,483,122	\$ 20,008,500	\$ 22,973,450	\$ 23,244,050	\$ 23,732,920	\$ 22,923,270	\$ 20,636,730
Beginning Operating Balance			\$ 10,100,000	\$ 10,670,000	\$ 10,309,750	\$ 9,255,600	\$ 6,408,548	\$ 3,761,506	\$ 2,682,878
Total Revenues			\$ 18,836,122	\$ 19,648,250	\$ 21,919,300	\$ 20,396,999	\$ 21,085,878	\$ 21,844,642	\$ 22,632,579
Total Expenses			\$ 17,483,122	\$ 20,008,500	\$ 22,973,450	\$ 23,244,050	\$ 23,732,920	\$ 22,923,270	\$ 20,636,730
Net Operating Income (Loss)			\$ 1,353,000	\$ (360,250)	\$ (1,054,150)	\$ (2,847,051)	\$ (2,647,043)	\$ (1,078,628)	\$ 1,995,849
Adjustment			\$ (783,000)						
Ending Operating Balance			\$ 10,870,000	\$ 10,309,750	\$ 9,255,600	\$ 6,408,548	\$ 3,761,506	\$ 2,682,878	\$ 4,678,726
Ending Operating Balance Goal**			\$ 3,931,189	\$ 3,990,690	\$ 4,120,765	\$ 4,230,580	\$ 4,343,383	\$ 4,459,385	\$ 4,578,563

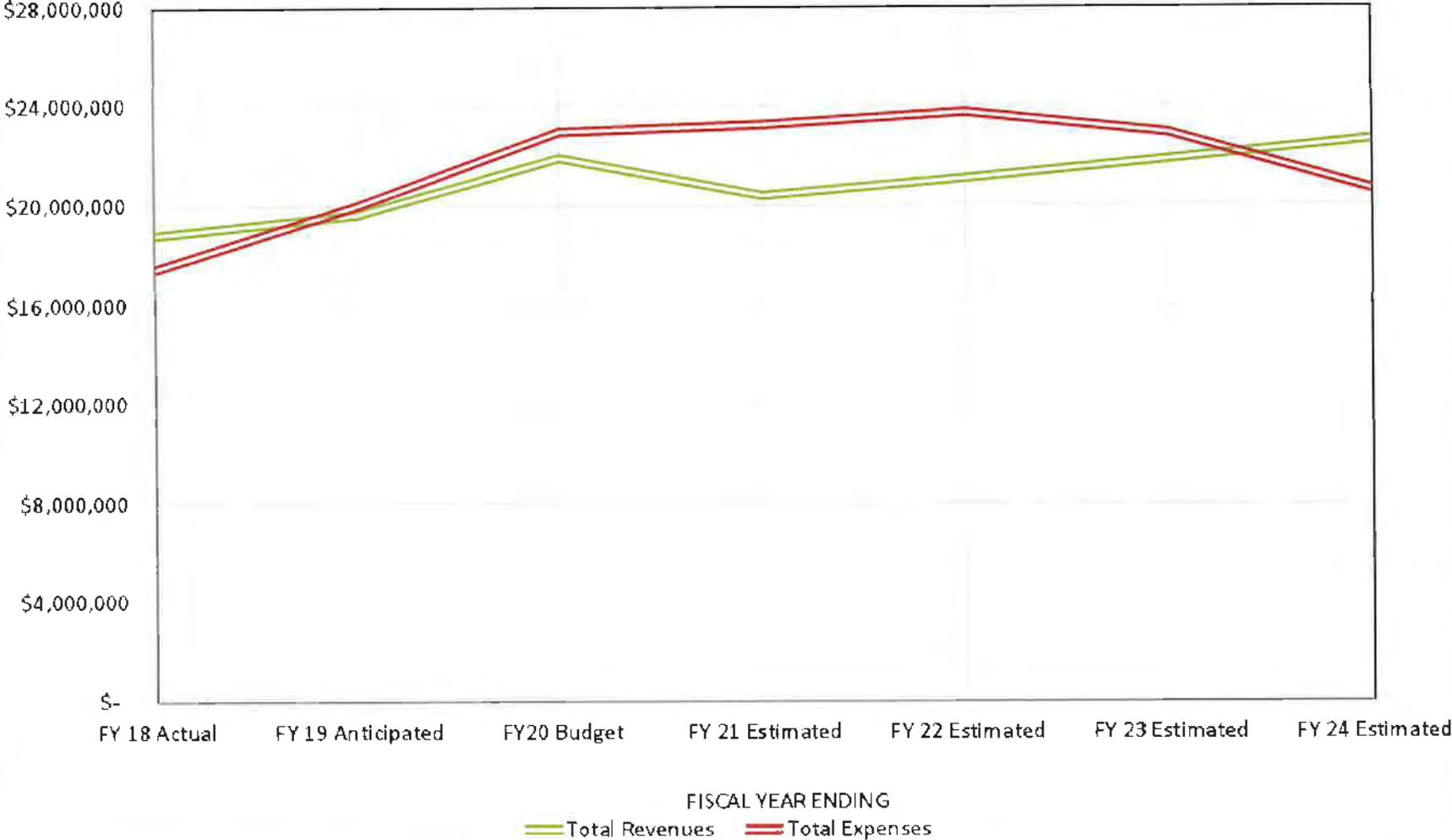
** Recommended year-end operating balance goal is the equivalent of 25% of annual operating expenses (not including capital construction and debt service items).

**VILLAGE OF HOFFMAN ESTATES
2019 WATER AND SEWER RATE STUDY
WATER AND SEWER UTILITY FUND CASH FLOW PROJECTION
SCENARIO 2: INCLINING RATE STRUCTURE**



VILLAGE OF HOFFMAN MEADOWS
 2019 WATER AND SEWER RATE STUDY
 WATER AND SEWER UTILITY FUND CASH FLOW PROJECTION

SCENARIO 2: REVENUES AND EXPENSES



Village of Hoffman Estates
Water and Sewer Rate Study

Created by: CFB
Updated: 8/12/2019
Revised: 11/9/2019

FUTURE WATER RATE INCREASES: SCENARIO 2

Water Rate Increases	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
JAWA Charge Increases		0.00%	3.00%	3.00%	3.00%	3.00%
Fixed Base Charge Increases	4.34%	0.0%	0.0%	0.0%	0.0%	0.0%
Residential Volume Rate Increases	4.24%	3.50%	3.75%	3.75%	4.00%	4.00%
Commercial Volume Rate Increases	4.24%	3.50%	3.75%	3.75%	4.00%	4.00%
Water Rate Schedule	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
JAWA Water Rates	\$5.63	\$5.73	\$5.90	\$6.08	\$6.26	\$6.45
Hoffman Estates Water Usage Rates						
Residential Volume Rate	\$10.57	\$10.94	\$11.35	\$11.78	\$12.25	\$12.74
Commercial/Industrial/Apartment/Institutional/ Municipal Volume Rate	\$10.57	\$10.94	\$11.35	\$11.78	\$12.25	\$12.74
Hoffman Estates Monthly Fixed Charges						
5/8" Connection - 6,000 gallons	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73
3/4" Connection - 7,000 gallons	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08
1" Connection - 11,000 gallons	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
1.5" Connection - 23,000 gallons	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04
2" Connection - 43,000 gallons	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29
3" Connection - 130,000 gallons	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75
4" Connection - 225,000 gallons	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45

6" Connection - 300,000 gallons	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11
8" Connection - 400,000 gallons	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02
10" Connection - 300,000 gallons	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10
12" Connection - 630,000 gallons	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29

FUTURE SEWER RATE INCREASES

Sewer Rate Increases	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Fixed Base Charge Increases		0%	0%	0%	0%	0%
Residential Volume Rate Increases	4.83%	3.50%	3.75%	3.75%	4.00%	4.00%
Commercial Volume Rate Increases	4.83%	3.50%	3.75%	3.75%	4.00%	4.00%
Cross Connection Fee	0%	0%	0%	0%	0%	0%
Sewer Usage Rates						
Residential Rate	\$1.52	\$1.57	\$1.63	\$1.69	\$1.76	\$1.83
Commercial/Industrial/Apartment/Institutional/ Municipal	\$1.52	\$1.57	\$1.63	\$1.69	\$1.76	\$1.83
Total Residential Usage	\$1.52	\$1.57	\$1.63	\$1.69	\$1.76	\$1.83
Total Commercial Usage	\$1.52	\$1.57	\$1.63	\$1.69	\$1.76	\$1.83

PROJECTED FINANCIAL IMPACTS TO RATE PAYERS: SCENARIO 2

Water Monthly Bills	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Low 5/8" Conn - 2,000 gallons	\$ 27.87	\$ 28.61	\$ 29.43	\$ 30.29	\$ 31.23	\$ 32.21
5/8" Connection - 5,000 gallons	\$ 59.58	\$ 61.43	\$ 63.48	\$ 65.63	\$ 67.98	\$ 70.43
3/4" Connection - 7,000 gallons	\$ 81.07	\$ 83.66	\$ 86.53	\$ 89.54	\$ 92.83	\$ 96.26
1" Connection -11,000 gallons	\$ 124.77	\$ 128.84	\$ 133.35	\$ 138.08	\$ 143.25	\$ 148.64
1.5" Connection - 23,000 gallons	\$ 255.15	\$ 263.66	\$ 273.09	\$ 282.98	\$ 293.79	\$ 305.06
2" Connection - 43,000 gallons	\$ 470.80	\$ 486.71	\$ 504.34	\$ 522.83	\$ 543.04	\$ 564.11
3" Connection - 160,000 gallons	\$ 1,720.95	\$ 1,780.15	\$ 1,845.75	\$ 1,914.55	\$ 1,989.75	\$ 2,068.15
4" Connection - 104,000 gallons	\$ 1,146.73	\$ 1,185.21	\$ 1,227.85	\$ 1,272.57	\$ 1,321.45	\$ 1,372.41
6" Connection - 50,000 gallons	\$ 632.61	\$ 651.11	\$ 671.61	\$ 693.11	\$ 716.61	\$ 741.11
8" Connection - 83,000 gallons	\$ 1,059.33	\$ 1,090.04	\$ 1,124.07	\$ 1,159.76	\$ 1,198.77	\$ 1,239.44
10" Connection - 300,000 gallons	\$ 3,445.10	\$ 3,556.10	\$ 3,679.10	\$ 3,808.10	\$ 3,949.10	\$ 4,096.10
12" Connection - 630,000 gallons	\$ 7,078.39	\$ 7,311.49	\$ 7,569.79	\$ 7,840.69	\$ 8,136.79	\$ 8,445.49

Sewer Monthly Bills	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Low 5/8" Conn - 2,000 gallons	\$ 3.04	\$ 3.14	\$ 3.26	\$ 3.38	\$ 3.52	\$ 3.66
5/8" Connection - 5,000 gallons	\$ 7.60	\$ 7.85	\$ 8.15	\$ 8.45	\$ 8.80	\$ 9.15
3/4" Connection - 7,000 gallons	\$ 10.64	\$ 10.99	\$ 11.41	\$ 11.83	\$ 12.32	\$ 12.81
1" Connection -11,000 gallons	\$ 16.72	\$ 17.27	\$ 17.93	\$ 18.59	\$ 19.36	\$ 20.13
1.5" Connection - 23,000 gallons	\$ 34.96	\$ 36.11	\$ 37.49	\$ 38.87	\$ 40.48	\$ 42.09
2" Connection - 43,000 gallons	\$ 65.36	\$ 67.51	\$ 70.09	\$ 72.67	\$ 75.68	\$ 78.69
3" Connection - 160,000 gallons	\$ 243.20	\$ 251.20	\$ 260.80	\$ 270.40	\$ 281.60	\$ 292.80
4" Connection - 104,000 gallons	\$ 158.08	\$ 163.28	\$ 169.52	\$ 175.76	\$ 183.04	\$ 190.32
6" Connection - 50,000 gallons	\$ 76.00	\$ 78.50	\$ 81.50	\$ 84.50	\$ 88.00	\$ 91.50
8" Connection - 83,000 gallons	\$ 126.16	\$ 130.31	\$ 135.29	\$ 140.27	\$ 146.08	\$ 151.89
10" Connection - 300,000 gallons	\$ 456.00	\$ 471.00	\$ 489.00	\$ 507.00	\$ 528.00	\$ 549.00
12" Connection - 630,000 gallons	\$ 957.60	\$ 989.10	\$ 1,026.90	\$ 1,064.70	\$ 1,108.80	\$ 1,152.90

PROJECTED FINANCIAL IMPACTS TO RATE PAYERS: SCENARIO 2

Water and Sewer Monthly Bills	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Low 5/8" Conn - 2,000 gallons	\$ 30.91	\$ 31.75	\$ 32.69	\$ 33.67	\$ 34.75	\$ 35.87
5/8" Connection - 6,000 gallons	\$ 67.18	\$ 69.28	\$ 71.63	\$ 74.08	\$ 76.78	\$ 79.58
3/4" Connection - 7,000 gallons	\$ 91.71	\$ 94.65	\$ 97.94	\$ 101.37	\$ 105.15	\$ 109.07
1" Connection - 11,000 gallons	\$ 141.49	\$ 146.11	\$ 151.28	\$ 156.67	\$ 162.61	\$ 168.77
1.5" Connection - 23,000 gallons	\$ 290.11	\$ 299.77	\$ 310.58	\$ 321.85	\$ 334.27	\$ 347.15
2" Connection - 43,000 gallons	\$ 536.16	\$ 554.22	\$ 574.43	\$ 595.50	\$ 618.72	\$ 642.80
3" Connection - 160,000 gallons	\$ 1,964.15	\$ 2,031.35	\$ 2,106.55	\$ 2,184.95	\$ 2,271.35	\$ 2,360.95
4" Connection - 104,000 gallons	\$ 1,304.81	\$ 1,348.49	\$ 1,397.37	\$ 1,448.33	\$ 1,504.49	\$ 1,562.73
6" Connection - 50,000 gallons	\$ 708.61	\$ 729.61	\$ 753.11	\$ 777.61	\$ 804.61	\$ 832.61
8" Connection - 83,000 gallons	\$ 1,185.49	\$ 1,220.35	\$ 1,259.36	\$ 1,300.03	\$ 1,344.85	\$ 1,391.33
10" Connection - 300,000 gallons	\$ 3,901.10	\$ 4,027.10	\$ 4,168.10	\$ 4,315.10	\$ 4,477.10	\$ 4,645.10
12" Connection - 630,000 gallons	\$ 8,035.99	\$ 8,300.59	\$ 8,596.69	\$ 8,905.39	\$ 9,245.59	\$ 9,598.39

APPENDIX
CONNECTION FEE ANALYSIS

ITEM	VALUE	REMARKS
Short Term Assets	\$ 14,195,309	
Land	\$ 499,000	
Buildings and Improvements	\$ 1,684,055	
Department Equipment	\$ 666,762	
Vehicles	\$ 2,034,602	
Water and Sewer Infrastructure	\$ 56,166,974	
Construction in Progress	\$ 75,800	
TOTAL ASSETS	\$ 75,322,502	
TOTAL CAPITAL ONLY ASSETS	\$ 61,127,193	Excluding short term assets. Only capital asset typically used for connection fee assessment
IDNR Maximum Lake Michigan Water Allocation , mgd	6.528	Assumed to be total capacity of water and sewer system.
Total Water and Sewer Asset Cost per gpd	\$ 9.36	Total Asset Value / Total Capacity of W&S System
EDU Valuation		
Hoffman Estates EDU Option 1		
gpd	164	
gallons per month	5,000	Current equivalent usage volume in Ordinance
Hoffman Estates EDU Option 2		
gpd	238	
gallons per month	7250	Current average residential water usage
IEPA Population Equivalent Option 3		
gpd	350	IEPA standard for new connections
gallons per month	10,675	
Connection Fee Options		
<i>Based on IEPA</i>		
Total	\$ 3,277	
Water	\$ 1,966	
Sewer	\$ 1,311	
<i>Based on HE Option 1</i>		
Total	\$ 1,535	
Water	\$ 921	
Sewer	\$ 614	
<i>Based on HE Option 2</i>		
Total	\$ 2,226	
Water	\$ 1,335	
Sewer	\$ 890	

VILLAGE OF HOFFMAN ESTATES

**AN ORDINANCE AMENDING SECTION 12-4-2,
RATES FOR WATER AND SEWER SERVICE,
OF THE HOFFMAN ESTATES MUNICIPAL CODE**

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

Section 1: That sub-section A of Section 12-4-2, Rates for Water and Sewer Service, of the Hoffman Estates Municipal Code, be and is hereby amended to read as follows:

Section 12-4-2. RATES FOR WATER AND SEWER SERVICE

A. There shall be and there are hereby established rates or charges for the use of and for the water service supplied by the system of the Village of Hoffman Estates within the Village limits and for the sewer service supplied by the Village of Hoffman Estates based upon the base rate and the amount of water consumption billed, as shown on the water meters:

BASE RATE SCHEDULE

Diameter of Water Service (inches)	Date effective from and after bills issued:				
	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
5/8"	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73
3/4"	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08
1"	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
1 1/2"	\$12.04	\$12.04	\$12.04	\$12.04	\$12.04
2"	\$16.29	\$16.29	\$16.29	\$16.29	\$16.29
3"	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75
4"	\$47.45	\$47.45	\$47.45	\$47.45	\$47.45
6"	\$104.11	\$104.11	\$104.11	\$104.11	\$104.11
8"	\$182.02	\$182.02	\$182.02	\$182.02	\$182.02
10"	\$274.10	\$274.10	\$274.10	\$274.10	\$274.10
12"	\$419.29	\$419.29	\$419.29	\$419.29	\$419.29

WATER AND SEWER CONSUMPTION SCHEDULE

	<u>Water Rate Charge</u>	<u>Sewer Rate Charge</u>	<u>Combined Rate Charge</u>
<u>Residential Users, Monthly Billing:</u>			
Water usage per 1000 gallons (from and after bills issued January 1, 2020)	\$10.99	\$1.58	\$12.57
Water usage per 1,000 gallons (from and after bills issued January 1, 2021)	\$11.43	\$1.64	\$13.07
Water usage per 1,000 gallons (from and after bills issued January 1, 2022)	\$11.89	\$1.71	\$13.60
Water usage per 1,000 gallons (from and after bills issued January 1, 2023)	\$12.31	\$1.77	\$14.08
Water usage per 1,000 gallons (from and after bills issued January 1, 2024)	\$12.74	\$1.83	\$14.57

Commercial/Industrial - Apartment - Institutional/Governmental Users
Monthly Billings:

Water usage per 1000 gallons (from and after bills issued January 1, 2020)	\$10.99	\$1.58	\$12.57
Water usage per 1,000 gallons (from and after bills issued January 1, 2021)	\$11.43	\$1.64	\$13.07
Water usage per 1,000 gallons (from and after bills issued January 1, 2022)	\$11.89	\$1.71	\$13.60
Water usage per 1,000 gallons (from and after bills issued January 1, 2023)	\$12.31	\$1.77	\$14.08
Water usage per 1,000 gallons (from and after bills issued January 1, 2024)	\$12.74	\$1.83	\$14.57

Food Processor Surcharge Thirty percent (30%) over and above computed usage billing due to additional sewer maintenance required because of wastewater characteristics.

Cross Connection Program Fee \$3.50 per month

When several non-residential units, each with water usage of less than fifteen thousand (15,000) gallons per month, are included in one building under single ownership, they may, at the Director of Public Works' option, be served by a single service and a single meter and will then be billed to a single address. In such cases, the minimum charges and the quantities of water at each rate shall be multiplied by the number of non-residential units being served by that service.

Section 2: The Village Clerk is hereby authorized to publish this ordinance in pamphlet form.

Section 3: This Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS _____ day of _____, 2019

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

APPROVED THIS _____ DAY OF _____, 2019

 Village President

ATTEST:

Village Clerk

Published in pamphlet form this _____ day of _____, 2019.