

**BOARD OF TRUSTEES WORK SESSION**  
**11004 Carpenter Street, Mokena, Illinois 60448**  
**Monday, April 11, 2022**

**CALL TO ORDER**

Mayor Pro Tem Metanias called the Board of Trustees work session to order at 7:41 p.m.

**ROLL CALL**

The following Trustees were present:

Joseph Budzyn  
Rob Dauphinais  
Debbie Engler  
Melissa Fedora  
George Metanias (Mayor Pro Tem)  
Jim Richmond

Absent: Mayor Frank A. Fleischer

Also present were the following: Village Clerk Melissa Martini; Village Administrator John Tomazoski; Assistant Village Administrator Kirk Zoellner; Village Attorney Carl Buck; Finance Director Sharon Dangles; Community and Economic Development Director Matt Ziska; Interim Chief of Police Brian Benton; Director of Public Works Jim Kulesa; and Assistant Public Works Director Dan Peloquin


**Police Station**

Village Administrator John Tomazoski introduced presentations for the police station project, indicating there were three items to be addressed by the Board: 1) whether to accept or reject bids, 2) if accepting bids, at what level, and 3) possible options for financing.

**Police Station Committee and Studio GC/Public Safety Facility Bids/Options**

Assistant Village Administrator Kirk Zoellner and Pat Callahan of Studio GC presented the following PowerPoint presentation:





**Mokena**  
Illinois

**POLICE STATION**

BASE BID ONLY

4/11/22

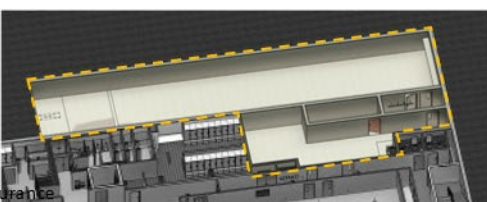

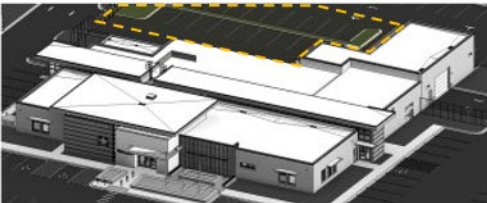
	Base Bid
<b>Construction Cost</b>	\$15,994,000
Less Construction Contingency	(\$580,000)
Less IT/AV Allowance	(\$162,180)
Architect's Construction Fees	\$424,868
Furniture Costs	\$271,890
Architect's Furniture Fees	\$20,392
Other IT/AV Costs *	\$114,480
Owner Other Costs **	\$285,840
<b>Subtotal</b>	<b>\$16,369,290</b>
<b>Contingencies &amp; Allowances</b>	
Construction Contingency	\$580,000
IT/AV Allowance ***	\$162,180
Owner Allowance ****	\$150,000
<b>Subtotal</b>	<b>\$892,180</b>
<b>Project Total</b>	<b>\$17,261,470</b>

\* Server Relocations and other unforeseen AV/IT needs

\*\* Material Testing, Interview System, Responder Repeater, Insurance

\*\*\* Monitors, Cabling, Server Racks, AV Equipment

\*\*\*\* Other unforeseen items





**Mokena**  
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**POLICE STATION**

GUN RANGE HVAC & CLEANING ROOM

4/11/22

	Gun Range Only
<b>Construction Cost</b>	\$15,994,000
Less Construction Contingency	(\$580,000)
Less IT/AV Allowance	(\$162,180)
Gun Range (HVAC + Cleaning Room)	\$1,050,000
Architect's Construction Fees	\$429,399
Furniture Costs	\$271,890
Architect's Furniture Fees	\$20,392
Other IT/AV Costs *	\$114,480
Owner Other Costs **	\$693,940
<b>Subtotal</b>	<b>\$17,831,921</b>
<b>Contingencies &amp; Allowances</b>	
Construction Contingency	\$580,000
IT/AV Allowance ***	\$162,180
Owner Allowance ****	\$150,000
<b>Subtotal</b>	<b>\$892,180</b>
<b>Project Total</b>	<b>\$18,724,101</b>


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\*\*\*\* Other unforeseen items





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**POLICE STATION**

COVERED PARKING ONLY

4/11/22

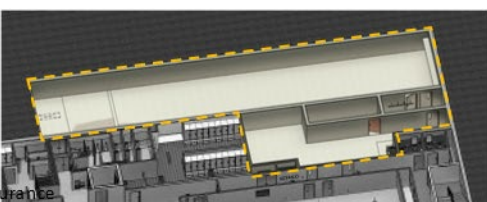
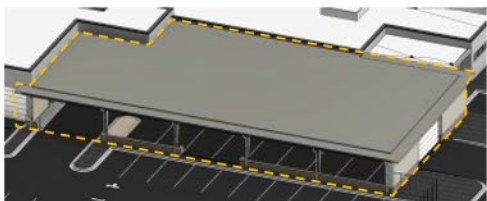

	Covered Parking Only
<b>Construction Cost</b>	\$15,994,000
Less Construction Contingency	(\$580,000)
Less IT/AV Allowance	(\$162,180)
Covered Parking	\$947,000
Architect's Construction Fees	\$431,227
Furniture Costs	\$271,890
Architect's Furniture Fees	\$20,392
Other IT/AV Costs *	\$114,480
Owner Other Costs **	\$285,840
<b>Subtotal</b>	<b>\$17,322,649</b>
<b>Contingencies &amp; Allowances</b>	
Construction Contingency	\$580,000
IT/AV Allowance ***	\$162,180
Owner Allowance ****	\$150,000
<b>Subtotal</b>	<b>\$892,180</b>
<b>Project Total</b>	<b>\$18,214,829</b>

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**POLICE STATION**

COVERED PARKING + GUN RANGE

HVAC AND CLEANING ROOM

4/11/22

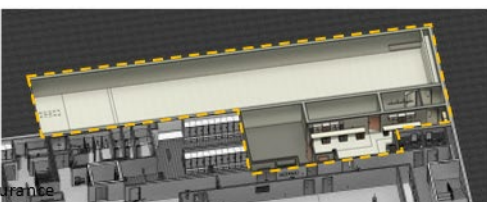
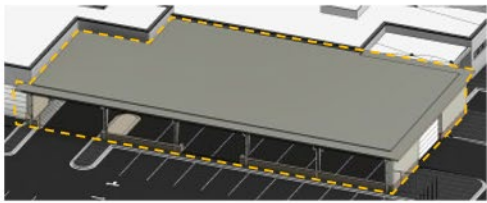

Covered Parking + Gun Range	
Construction Cost	\$15,994,000
Less Construction Contingency	(\$580,000)
Less IT/AV Allowance	(\$162,180)
Gun Range (HVAC + Cleaning Room)	\$1,050,000
Covered Parking	\$947,000
Architect's Construction Fees	\$435,759
Furniture Costs	\$271,890
Architect's Furniture Fees	\$20,392
Other IT/AV Costs *	\$114,480
Owner Other Costs **	\$693,940
Subtotal	\$18,785,281
Contingencies & Allowances	
Construction Contingency	\$580,000
IT/AV Allowance ***	\$162,180
Owner Allowance ****	\$150,000
Subtotal	\$892,180
Project Total	\$19,677,461


\* Server Relocations and other unforeseen AV/IT needs

\*\* Material Testing, Interview System, Responder Repeater, Insurance

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**POLICE STATION**

ENCLOSED GARAGE ONLY

4/11/22

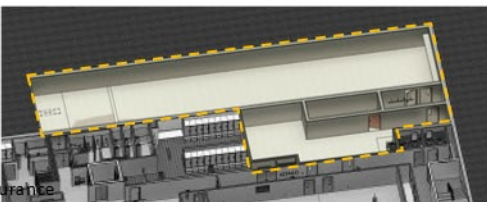
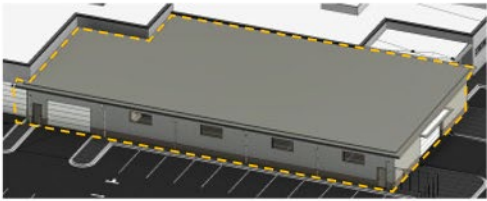

Enclosed Garage	
Construction Cost	\$15,994,000
Less Construction Contingency	(\$580,000)
Less IT/AV Allowance	(\$162,180)
Enclosed Garage	\$1,400,000
Architect's Construction Fees	\$442,558
Furniture Costs	\$271,890
Architect's Furniture Fees	\$20,392
Other IT/AV Costs *	\$114,480
Owner Other Costs **	\$285,840
Subtotal	\$17,786,980
Contingencies & Allowances	
Construction Contingency	\$580,000
IT/AV Allowance ***	\$162,180
Owner Allowance ****	\$150,000
Subtotal	\$892,180
Project Total	\$18,679,160


\* Server Relocations and other unforeseen AV/IT needs

\*\* Material Testing, Interview System, Responder Repeater, Insurance

\*\*\* Monitors, Cabling, Server Racks, AV Equipment

\*\*\*\* Other unforeseen items





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**POLICE STATION**

ENCLOSED GARAGE AND GUN RANGE

HVAC AND CLEANING ROOM

4/11/22

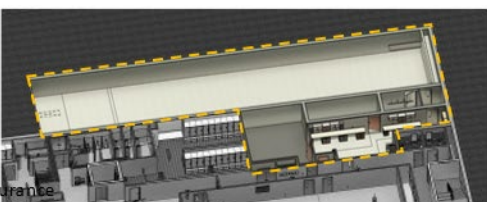
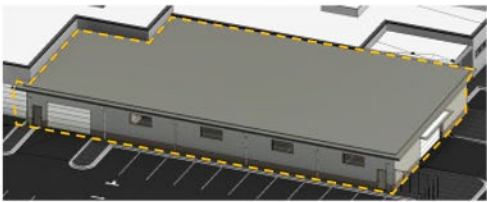

Enclosed Garage + Gun Range	
Construction Cost	\$15,994,000
Less Construction Contingency	(\$580,000)
Less IT/AV Allowance	(\$162,180)
Gun Range (HVAC + Cleaning Room)	\$1,050,000
Enclosed Garage	\$1,400,000
Architect's Construction Fees	\$447,090
Furniture Costs	\$271,890
Architect's Furniture Fees	\$20,392
Other IT/AV Costs *	\$114,480
Owner Other Costs **	\$693,940
Subtotal	\$19,249,612
Contingencies & Allowances	
Construction Contingency	\$580,000
IT/AV Allowance ***	\$162,180
Owner Allowance ****	\$150,000
Subtotal	\$892,180
Project Total	\$20,141,792

\* Server Relocations and other unforeseen AV/IT needs

\*\* Material Testing, Interview System, Responder Repeater, Insurance

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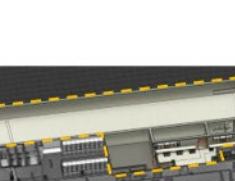
\*\*\*\* Other unforeseen items






	Base Bid	Gun Range Only	Covered Parking Only	Covered Parking/Range	Enclosed Garage	Enclosed Garage/Range
<b>Construction cost</b>	15,994,000	15,994,000	15,994,000	15,994,000	15,994,000	15,994,000
Less construction contingency	(580,000)	(580,000)	(580,000)	(580,000)	(580,000)	(580,000)
Less IT/AV allowance	(162,180)	(162,180)	(162,180)	(162,180)	(162,180)	(162,180)
Gun Range (HVAC & Cleaning Room)		1,050,000		1,050,000		1,050,000
Covered Parking			947,000	947,000		
Enclosed Garage					1,400,000	1,400,000
Architect's construction fees	424,868	429,399	431,227	435,759	442,558	447,090
Furniture costs	271,890	271,890	271,890	271,890	271,890	271,890
Architect's furniture fees	20,392	20,392	20,392	20,392	20,392	20,392
Other IT/AV costs*	114,480	114,480	114,480	114,480	114,480	114,480
Owner Other Costs **	285,840	693,940	285,840	693,940	285,840	693,940
<b>Subtotal:</b>	<b>16,369,290</b>	<b>17,831,921</b>	<b>17,322,649</b>	<b>18,785,281</b>	<b>17,786,980</b>	<b>19,249,612</b>
<b>Contingencies &amp; Allowances</b>						
Construction contingency	580,000	580,000	580,000	580,000	580,000	580,000
IT/AV allowance **	162,180	162,180	162,180	162,180	162,180	162,180
Owner allowance **	150,000	150,000	150,000	150,000	150,000	150,000
<b>Subtotal Contingency &amp; Allowances:</b>	<b>892,180</b>	<b>892,180</b>	<b>892,180</b>	<b>892,180</b>	<b>892,180</b>	<b>892,180</b>
<b>Project Total:</b>	<b>17,261,470</b>	<b>18,724,101</b>	<b>18,214,829</b>	<b>19,677,461</b>	<b>18,679,160</b>	<b>20,141,792</b>

\* Server Relocations and other unforeseen AV/IT needs  
 \*\* Material Testing, Interview System, Responder Repeater, Insurance  
 \*\*\* Monitors, Cabling, Server Racks, AV Equipment  
 \*\*\*\* Other unforeseen items



Village of  
**Mokena**  
Illinois


# POLICE STATION

## VILLAGE CUSTOM RANGE

4/11/22

	Base Bid
<b>Construction cost</b>	15,994,000
Less construction contingency	(580,000)
Less IT/AV allowance	(162,180)
Gun range (by Village):	
HVAC	285,000
Ballistics	361,591
Cleaning room	160,000
Covered Parking	
Enclosed Garage	
Architect's construction fees	424,868
Furniture costs	271,890
Architect's furniture fees	20,392
Other IT/AV costs*	114,480
Owner Other Costs**	285,840
<b>Subtotal:</b>	<b>17,175,881</b>
<b>Contingencies &amp; Allowances</b>	
Construction contingency	580,000
IT/AV allowance ***	162,180
Gun range (by Village) contingency	100,000
Owner allowance ****	150,000
<b>Subtotal Contingency &amp; Allowances:</b>	<b>992,180</b>
<b>Project Total:</b>	<b>18,168,061</b>
<b>Henry Bros. bid</b>	<b>18,724,101</b>
<b>Difference:</b>	<b>(556,040)</b>

\* Server Relocations and other unforeseen AV/IT needs  
 \*\* Material Testing, Interview System, Responder Repeater, Insurance  
 \*\*\* Monitors, Cabling, Server Racks, AV Equipment  
 \*\*\*\* Other unforeseen items



Village of  
**Mokena**  
Illinois


# POLICE STATION

## COVERED PARKING + CUSTOM RANGE

4/11/22

Covered Parking/Range	
Construction cost	15,994,000
Less construction contingency	(580,000)
Less IT/AV allowance	(162,180)
Gun range (by Village):	
HVAC	285,000
Ballistics	361,591
Cleaning room	160,000
Covered Parking	947,000
Enclosed Garage	
Architect's construction fees	431,227
Furniture costs	271,890
Architect's furniture fees	20,392
Other IT/AV costs*	114,480
Owner Other Costs**	285,840
<b>Subtotal:</b>	<b>18,129,240</b>
<b>Contingencies &amp; Allowances</b>	
Construction contingency	580,000
IT/AV allowance ***	162,180
Gun range (by Village) contingency	100,000
Owner allowance ****	150,000
<b>Subtotal Contingency &amp; Allowances:</b>	<b>992,180</b>
<b>Project Total:</b>	<b>19,121,420</b>
Henry Bros. bid	19,677,461
<b>Difference:</b>	<b>(556,041)</b>

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**Mokena**  
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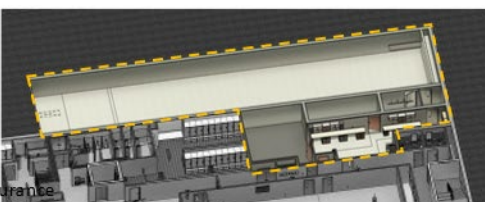
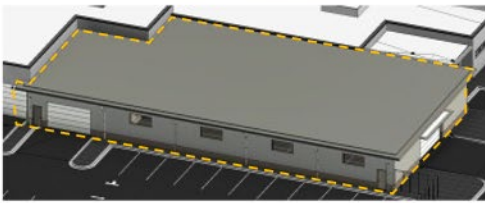

**POLICE STATION**


**ENCLOSED GARAGE + CUSTOM RANGE**

4/11/22

	Enclosed Garage/Range
<b>Construction cost</b>	15,994,000
Less construction contingency	(580,000)
Less IT/AV allowance	(162,180)
Gun range (by Village):	
HVAC	285,000
Ballistics	361,591
Cleaning room	160,000
Covered Parking	
Enclosed Garage	1,400,000
Architect's construction fees	442,558
Furniture costs	271,890
Architect's furniture fees	20,392
Other IT/AV costs*	114,480
Owner Other Costs**	285,840
<b>Subtotal:</b>	<b>18,593,571</b>
<b>Contingencies &amp; Allowances</b>	
Construction contingency	580,000
IT/AV allowance ***	162,180
Gun range (by Village) contingency	100,000
Owner allowance ****	150,000
<b>Subtotal Contingency &amp; Allowances:</b>	<b>992,180</b>
<b>Project Total:</b>	<b>19,585,751</b>
Henry Bros. bid	20,141,792
<b>Difference:</b>	<b>(556,041)</b>

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\*\*\* Monitors, Cabling, Server Racks, AV Equipment  
\*\*\*\* Other unforeseen items





**Mokena**  
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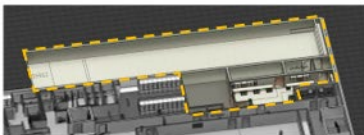
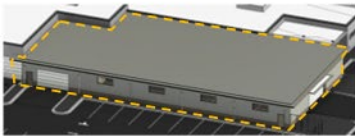

**POLICE STATION**


**CUSTOM RANGE OPTIONS- SUMMARY**

4/11/22

	Base Bid	Covered Parking/Range	Enclosed Garage/Range
<b>Construction cost</b>	15,994,000	15,994,000	15,994,000
Less construction contingency	(580,000)	(580,000)	(580,000)
Less IT/AV allowance	(162,180)	(162,180)	(162,180)
Gun range (by Village):			
HVAC	285,000	285,000	285,000
Ballistics	361,591	361,591	361,591
Cleaning room	160,000	160,000	160,000
Covered Parking		947,000	
Enclosed Garage			1,400,000
Architect's construction fees	424,868	431,227	442,558
Furniture costs	271,890	271,890	271,890
Architect's furniture fees	20,392	20,392	20,392
Other IT/AV costs*	114,480	114,480	114,480
Owner Other Costs^	285,840	285,840	285,840
<b>Subtotal:</b>	<b>17,175,881</b>	<b>18,129,240</b>	<b>18,593,571</b>
<b>Contingencies &amp; Allowances</b>			
Construction contingency	580,000	580,000	580,000
IT/AV allowance#	162,180	162,180	162,180
Gun range (by Village) contingency	100,000	100,000	100,000
Owner allowance+	150,000	150,000	150,000
<b>Subtotal Contingency &amp; Allowances:</b>	<b>992,180</b>	<b>992,180</b>	<b>992,180</b>
<b>Project Total:</b>	<b>18,168,061</b>	<b>19,121,420</b>	<b>19,585,751</b>
Henry Bros. bid	18,724,101	19,677,461	20,141,792
<b>Difference:</b>	<b>(556,040)</b>	<b>(556,041)</b>	<b>(556,041)</b>

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**Mokena**  
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**POLICE STATION**

4/11/22

**QUESTIONS?**

**COMMENTS?**



Discussion:

Trustee Budzyn emphasized all the work the Public Safety Facility Planning Committee and Police staff had put into the project. He said the Village could save a substantial amount of money by constructing the gun range itself. Committee Chairman Joe Siwinski agreed and said the base bid provided Mokena's police officers and the community with a modern structure it could be proud of. He commended the work of the Committee and Police staff. He said the Committee supported the gun range and it being constructed by the Village. Commander Randal Stumpf commented that the facility was being constructed for the younger officers and future officers and would be useful as a recruiting tool. He said he enjoyed serving on the Committee and that the facility was well-designed. Interim Chief Brian Benton referenced the increasing difficulty in getting range time at Statesville, and that the department having its own range would be extremely helpful in getting officers qualified and kept current with their training.

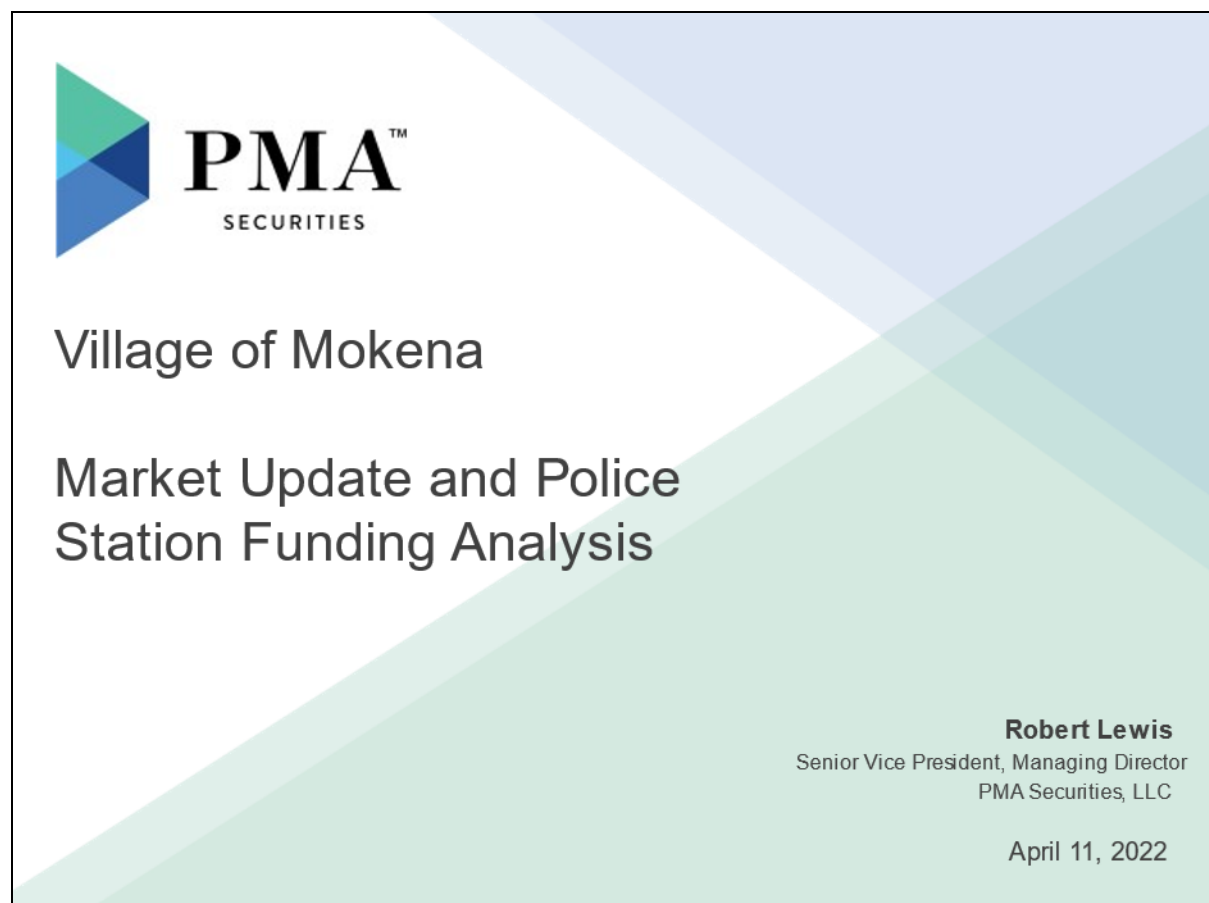
Mayor Pro Tem Metanias indicated he supported a gun range constructed by the Village and referenced the cost savings.

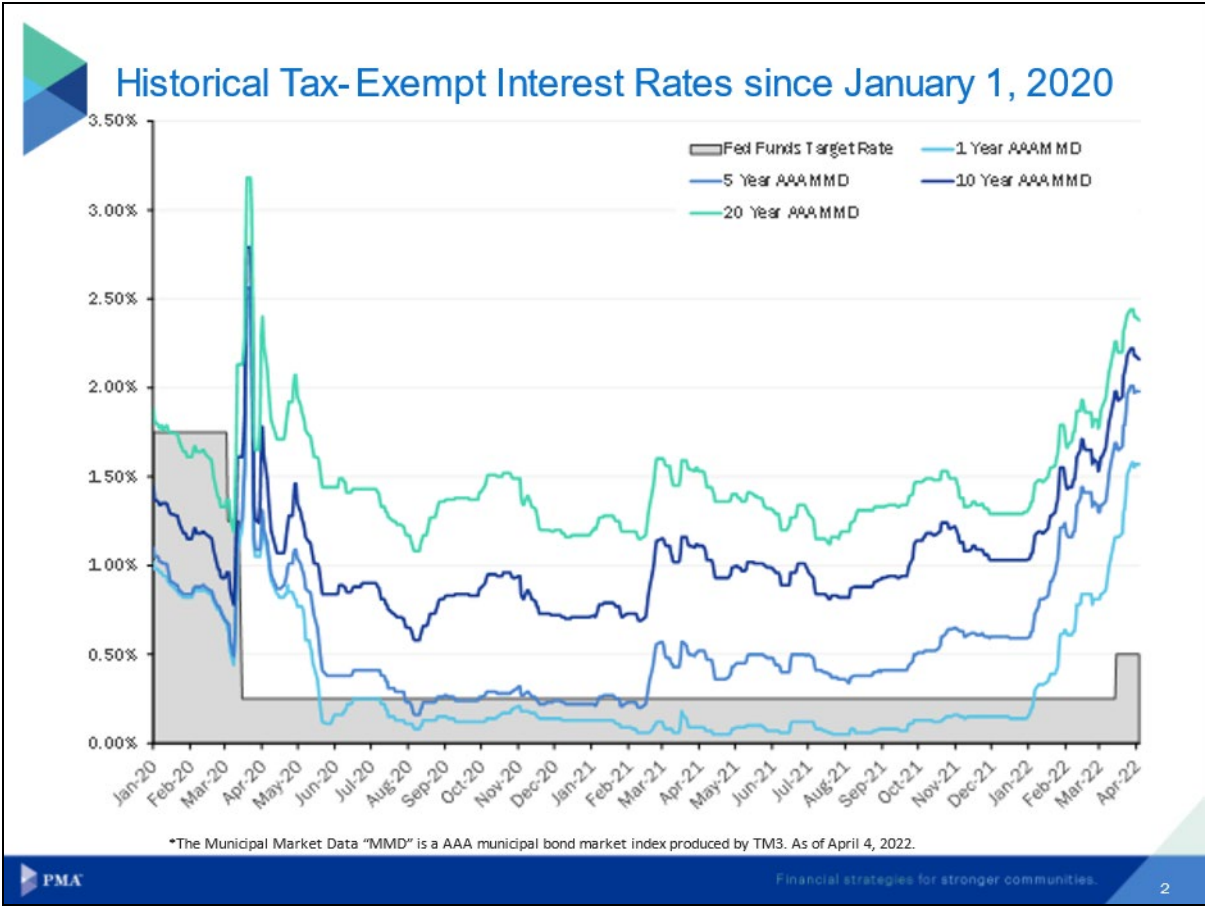
Village Administrator Tomasoski said that based on previous feedback from the Board, staff anticipated some type of scenario that would include a Village-built gun range as part of the project. As such, PMA Securities and staff would be presenting financing options not only for each of the original Henry Bros. bid alternates, but additionally for three "hybrid" alternatives pairing a Village-built gun range with the Henry Bros. base bid.

Mayor Pro Tem Metanias requested that Administrator Tomasoski provide information on financing prior to further discussion by the Board.

**PMA Securities and Village Staff/ Police Facility Financing Analysis**

Village Administrator John Tomasoski and Bob Lewis of PMA Securities presented the following item:





## New Money Capital Funding Analysis

**Key Assumptions:**

- Interest Rates Calculated at Current Market Plus 0.25%
- Additional Assumption Variations Described for Each Project Summary

3

Updated Project Options - 8 Years

	Enclosed Garage & Range	Enclosed Garage	Covered Parking + Range	Firing Range Only	Covered Parking	Base Bid
	8 Payments	8 Payments	8 Payments	8 Payments	8 Payments	8 Payments
Fiscal Year (June 30)	Estimated Debt Service (1)	Estimated Debt Service (1)	Estimated Debt Service (1)	Estimated Debt Service (1)	Estimated Debt Service (1)	Estimated Debt Service (1)
2023	\$ 965,080	\$ 753,300	\$ 898,863	\$ 758,953	\$ 691,413	\$ 552,203
2024	965,015	757,025	897,980	763,185	689,845	550,050
2025	967,105	754,045	896,665	760,060	688,460	552,000
2026	963,470	755,630	899,770	761,500	686,640	553,515
2027	964,255	756,635	897,150	762,360	689,385	554,595
2028	964,315	752,060	898,950	762,640	686,550	550,240
2029	963,650	757,050	900,025	762,340	688,280	550,595
2030	967,260	756,315	900,375	761,460	689,430	550,515
	\$ 7,720,120	\$ 6,042,060	\$ 7,189,078	\$ 6,092,498	\$ 5,510,003	\$ 4,413,713
Estimated TIC (1)	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Other Funding (2):	\$ 6,724,175	\$ 5,261,543	\$ 6,259,844	\$ 5,306,484	\$ 4,797,212	\$ 3,843,853
Estimated Cash on Hand as of April 11, 2022:	6,989,287	6,989,287	6,989,287	6,989,287	6,989,287	6,989,287
Potential Surplus for FYE June 30, 2022:	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Estimated Grant Money:	685,000	685,000	685,000	685,000	685,000	685,000
Fund Balance Policy 25%:	-	-	-	-	-	-
Estimated ARPA Funds:	2,743,330	2,743,330	2,743,330	2,743,330	2,743,330	2,743,330
	\$ 10,141,792	\$ 18,679,160	\$ 19,677,461	\$ 18,724,101	\$ 18,214,829	\$ 17,261,470

(1) Analysis assumes current market tax-exempt rates plus 0.25% as of April 4, 2022.

(2) Each option includes: \$500,000 construction contingency and \$150,000 owner's allowance.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.

Overview of Changes Since March 14<sup>th</sup> Presentation

The construction cost in the bids were higher than the pre-bid estimates

The larger amount necessitates a financing to complete the project

Due to concerns about the overall macro economy, there is a greater reluctance to use \$1.3 million of General Fund reserves, which would have reduced the fund balance to 25%; so, this amount was removed as a source of funding

There is an option for the Village to manage the construction of the gun range to lower its cost

Reduces the number of options provided on the next slide


The gun range was included in all options at an estimated cost of \$906,571



Alternate Project Options - 8 Years			
	Enclosed Garage - Including Village Built Gun Range	Covered Parking - Including Village Built Gun Range	Base Bid - Including Village Built Gun Range
	8 Payments	8 Payments	8 Payments
Fiscal Year (June 30)	Estimated Debt Service (1)	Estimated Debt Service (1)	Estimated Debt Service (1)
2023	\$ 881,640	\$ 814,753	\$ 680,615
2024	885,370	818,335	683,540
2025	884,345	818,905	682,300
2026	882,740	818,895	680,625
2027	885,555	818,305	678,515
2028	882,645	817,135	680,970
2029	884,155	815,385	682,845
2030	884,940	818,055	679,140
	\$ 7,071,390	\$ 6,539,768	\$ 5,448,550
Estimated TIC (1)	2.90%	2.90%	2.90%
Other Funding (2):	\$ 6,168,134	\$ 5,703,803	\$ 4,750,444
Estimated Cash on Hand as of April 11, 2022:	6,989,287	6,989,287	6,989,287
Potential Surplus for FY June 30, 2022:	3,000,000	3,000,000	3,000,000
Estimated Grant Money:	685,000	685,000	685,000
Fund Balance Policy 25%:	-	-	-
Estimated ARPA Funds:	2,743,330	2,743,330	2,743,330
	\$ 19,585,751	\$ 19,121,420	\$ 18,168,061


(1) Analysis assumes current market tax-exempt rates plus 0.25% as of April 4, 2022.  
(2) Each option includes 5% construction contingency and \$150,000 owner's allowance.  
NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.

Estimated 2022 Surplus			
The table below reflects the administration's estimate for the FY 2022 surplus as of March 2022 and is subject to change based upon factors that could occur between now and the end of the fiscal year			
SALES AND LOCAL USE TAX			
FY '22 BUDGET	ACTUAL AS OF 3/31/22	ESTIMATED AS OF 6/30/22	SURPLUS
\$ 7,617,324	\$ 7,417,642	\$ 9,488,255	\$ 1,870,931
STATE INCOME TAX			
FY '22 BUDGET	ACTUAL AS OF 3/31/22	ESTIMATED AS OF 6/30/22	SURPLUS
\$ 1,125,912	\$ 1,942,822	\$ 2,278,167	\$ 1,152,255
GENERAL FUND FY '21 SURPLUS			\$ 715,000
TOTAL SURPLUS			\$ 3,738,186



## "Other Funding" and Plan of Finance

- ▶ FY 2022 surplus is expected to be between \$3 and \$4 million which can be used on the project
  - ▶ \$3.0 million included as a source of funding on a prior slide
  - ▶ See prior slide for more detail on FY 2022
  - ▶ A FY 2023 surplus may be available for the project or for reduction of debt
- ▶ Given the changes previously described, PMA would recommend a process to bid out a promissory note (the "Note") to banks with the following terms:
  - ▶ Accept bids in mid 2022 to minimize interest rate risk
  - ▶ Eight-year payback to keep the annual payment around \$675,000 to \$900,000 which is about 20% to 30% of the estimated annual surplus for FY 2022
  - ▶ Accept bids with early redemption options that begin two, three and four years after issuance, and select the one that balances out flexibility and interest expense
  - ▶ Spend Note proceeds first due to tax exemption spend down requirements, and remaining "Other Funds" can be used to retire Notes early or be allocated to other project(s)

 PMA Financial strategies for stronger communities. 8

# Questions?

# Comments?

 PMA Financial strategies for stronger communities. 9

### Discussion:

Mayor Pro Tem Metanias asked the Board whether it wanted to rebid the project or accept the Henry Bros. bid. The consensus of the Board was to accept the bid.

Trustee Dauphinais said he supported accepting the base bid from Henry Bros., with the Village to build its own gun range within the new facility later in the project.

Trustee Fedora indicated she also supported accepting the base bid from Henry Bros. and the Village building its own gun range.



Trustee Budzyn said he did not know the Board was going to be talking about the bids this evening. He stated that he supported accepting the Henry Bros. bid, inclusive of the alternate for an enclosed garage. He pointed to cost savings from the Village constructing the gun range on its own and said those savings could be put towards paying for the enclosed garage.

Trustee Engler said that she supported accepting the Henry Bros. base bid, with the Village to build its own gun range.

Trustee Richmond indicated his support for the Henry Bros. bid and additionally acceptance of the alternate for an enclosed garage. He further supported the Village building its own gun range within the new facility.

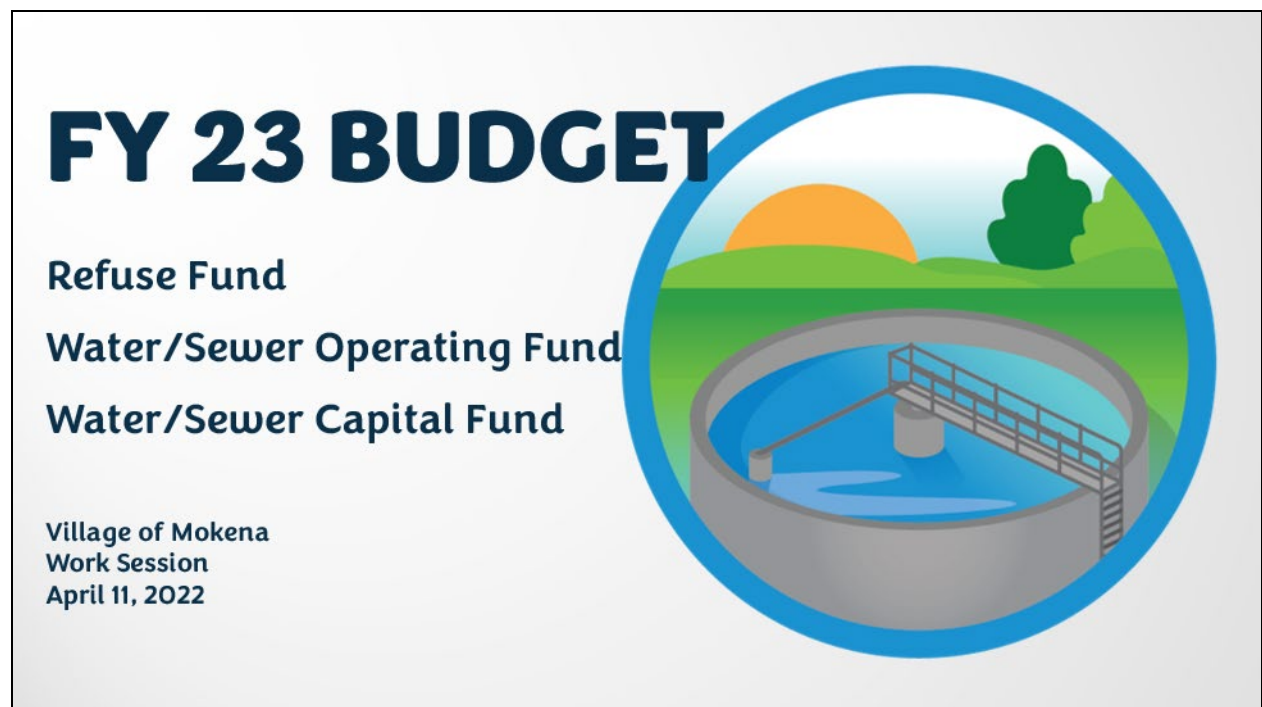
Mayor Pro Tem Metanias said he supported acceptance of the Henry Bros. bid, as well as allocating funding for the Village to construct its own gun range within the new facility. He stated the new police station as designed would provide a state-of-the-art facility that Mokena and its officers could be proud of. At the same time, he said there are other projects that need funding.

Following discussion, it was the direction of the majority of the Board to accept the base bid from Henry Bros., and to set aside further funding allowing for Village build-out of a gun range during the latter stages of the project.

There were no questions or comments on financing.

**Fiscal Year 23 Budget: Refuse Fund; Water and Sewer Capital and Operating Funds**

Village Administrator John Tomasoski presented the following item:



# FY 23 Budget Progress

## What's been done so far?

- 1) Road and Infrastructure Maintenance
- 2) Fleet Maintenance



## Tonight's Discussion

- 1) Refuse Fund
- 2) Water
  - a. Rate
  - b. Operating Fund
  - c. Capital Improvements
- 3) Sewer
  - a. Operating Fund
  - b. Capital Improvements
  - c. WWTP Repair & Replacement Fund
  - d. WWTP Expansion Fund

# Refuse Fund

## FY 23 Revenue

**\$1.690M**  
•+\$60.2K  
•+3.70%

## FY 23 Expenses

**\$1.686M**  
•+\$57.8K  
•+3.55%



**FY 23 FUND  
BALANCE**

**\$208.5K**

# Rate Components

Costs/1000	Current	July 1, 2022	Change
1) Lake Water	\$4.13	\$4.34	+\$0.21
2) Delivery	\$0.54	\$0.55	+\$0.01
3) Local	\$3.22	\$3.25	+\$0.03
<b>TOTAL</b>	<b>\$7.89+/-</b>	<b>\$8.14+/-</b>	<b>+/-\$.25</b>



# FY 23 Water/Sewer Rate Variables

### Water Rates

- Chicago rate increase June 1, 2022 – 5% or \$.21/1,000
- Delivery component increase – \$.01/1,000 (Oak Lawn)
- Local component increase – \$.03/1,000 (Tinley Park)
- Total proposed rate increase of \$.25/1,000 for FY 23

### Sewer Rates

- No proposed increase in FY 23

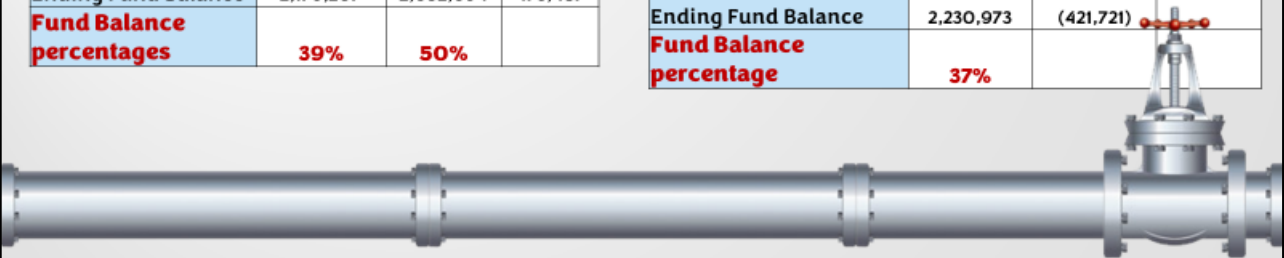
BREAKDOWN	
CHICAGO	\$0.21
TINLEY PARK	\$0.03
OAK LAWN	\$0.01
TOTAL	\$0.25



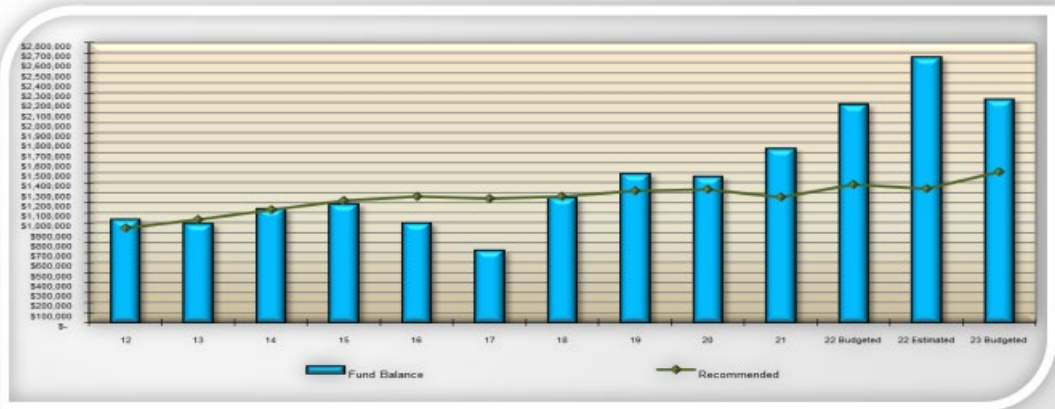
# Water Operating Fund Summary

FY 22 REVIEW			
	Budget	Expected	Changes
Beg. Fund Balance	2,247,652	2,312,111	64,459
Revenue	5,451,421	5,692,943	241,522
Expenses	5,519,866	5,352,360	167,506
Ending Fund Balance	2,179,207	2,652,694	473,487
Fund Balance percentages	39%	50%	

FY 23 REVIEW			
	Budget	Change from FY 22	
Beg. Fund Balance	2,652,694	340,583	Increase
Revenue	5,611,968	(80,975)	Decrease
Expenses	6,033,689	681,329	Increase
Ending Fund Balance	2,230,973	(421,721)	
Fund Balance percentage	37%		



# Water Operating Fund



### TALKING POINTS

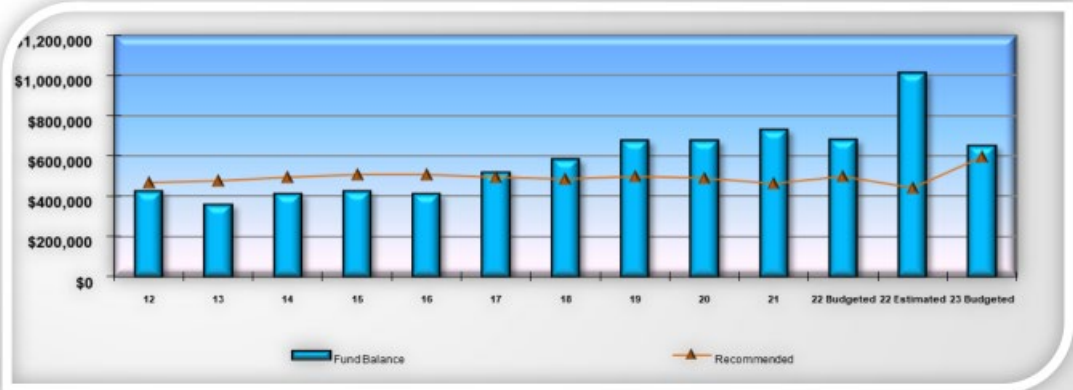
- FY 22 Budgeted fund balance \$2.179M with estimated fund balance of \$2.653M or 39%
- FY 23 Fund balance to decrease by (\$422K) to \$2.231M or 37% which is above the target level of 25%
- Water costs equal 56% of budget

# Sewer Operating Fund

FY 22 REVIEW			
	Budget	Expected	Changes
Beg. Fund Balance	644,698	683,475	38,777
Revenue	2,018,623	2,088,110	69,487
Expenses	1,985,910	1,761,493	224,417
Ending Fund Balance	677,411	1,010,092	332,681
Fund Balance percentages	34%	57%	

FY 23 REVIEW			
	Budget	Change from FY 22	
Beg. Fund Balance	1,010,092	326,617	Increase
Revenue	2,020,051	(68,059)	Decrease
Expenses	2,383,974	622,481	Increase
Ending Fund Balance	646,169	(363,923)	
Fund Balance percentage	27%		

# Sewer Operating Fund Summary



### TALKING POINTS

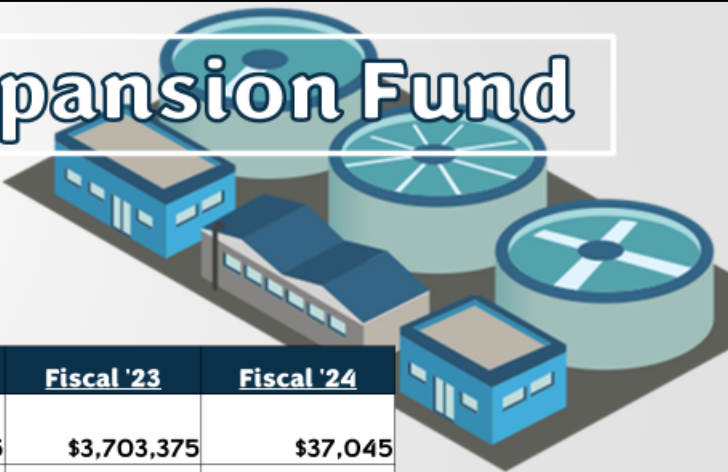
- FY 22 budgeted fund balance \$677K with estimated fund balance of \$1.0M or 57%
- FY 23 fund balance expected to decrease by (\$364K) to \$646K or 27%
- The FY 23 fund balance is above the 25% target level
- No proposed rate adjustment for FY 23

# WWTP Upgrades Anticipated Timeline

Month/Year	Process
February 2021	Bid Awarded to Williams Brothers Construction
March 2021	Notice to Proceed and Pre-Construction Meeting
April 2021	Shop Drawings submittals and Mobilization
July 2022	Substantial Completion of construction
First Quarter 2023	Final Completion of Project




WWTP Expansion Fund



	Fiscal '22	Fiscal '23	Fiscal '24
Beginning Balance	\$10,796,285	\$3,703,375	\$37,045
Revenues	7,090	3,500	700
Expenses	7,100,000	3,669,830	
Ending Balance	\$3,703,375	\$37,045	\$37,745

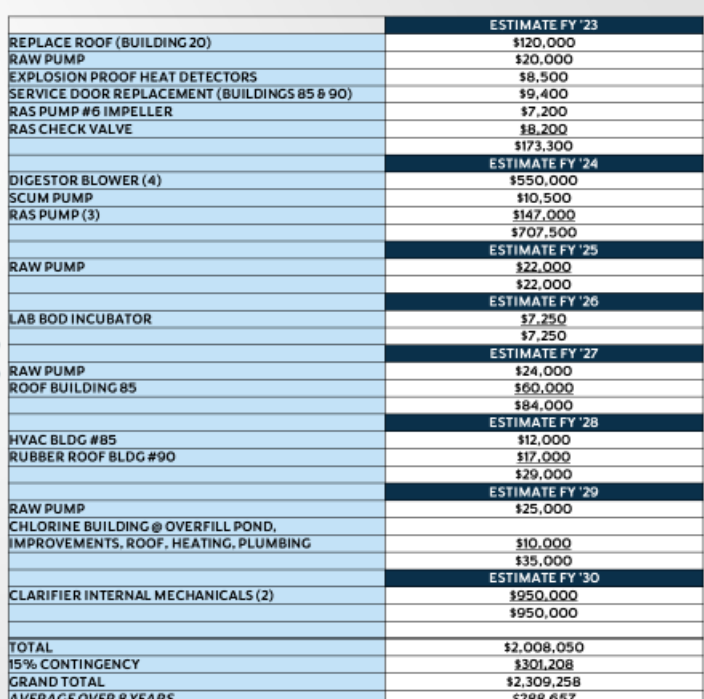
WWTP Repair and Replacement Fund



- Plant repair fund is separate and has a projected balance of \$1.43M+/- at the end of FY 22
- Projected average annual expenditures over next 8 years-\$289K+/-
- This fund has performed as designed over past decade (plus)

BREAKDOWN	
\$8,500	Explosion Proof Heat Detectors
\$20,000	Raw Pump
\$120,000	Replace Roof Building 2
\$9,400	Replace Doors Buildings 85 and 90
\$7,200	RAS Pump #6 Impeller
\$8,200	RAS Check Valve
\$173,300	TOTAL

Multi-Year Replacement Plan



	ESTIMATE FY '23
REPLACE ROOF (BUILDING 20)	\$120,000
RAW PUMP	\$20,000
EXPLOSION PROOF HEAT DETECTORS	\$8,500
SERVICE DOOR REPLACEMENT (BUILDINGS 85 & 90)	\$9,400
RAS PUMP #6 IMPELLER	\$7,200
RAS CHECK VALVE	\$8,200
	\$173,300
	ESTIMATE FY '24
DIGESTOR BLOWER (4)	\$550,000
SCUM PUMP	\$10,500
RAS PUMP (3)	\$147,000
	\$707,500
	ESTIMATE FY '25
RAW PUMP	\$22,000
	\$22,000
	ESTIMATE FY '26
LAB BOD INCUBATOR	\$7,250
	\$7,250
	ESTIMATE FY '27
RAW PUMP	\$24,000
ROOF BUILDING 85	\$60,000
	\$84,000
	ESTIMATE FY '28
HVAC BLDG #85	\$12,000
RUBBER ROOF BLDG #90	\$17,000
	\$29,000
	ESTIMATE FY '29
RAW PUMP	\$25,000
CHLORINE BUILDING @ OVERFILL POND, IMPROVEMENTS, ROOF, HEATING, PLUMBING	\$10,000
	\$35,000
	ESTIMATE FY '30
CLARIFIER INTERNAL MECHANICALS (2)	\$950,000
	\$950,000
TOTAL	\$2,008,050
15% CONTINGENCY	\$301,208
GRAND TOTAL	\$2,309,258
AVERAGE OVER 8 YEARS	\$288,657

## WWTP Repair and Replacement Fund Balance Projections - FY 23

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balance	1,493,591	1,429,191	1,207,391	500,641	479,391	472,891	389,591	361,266	326,916
Revenue:									
Interest	1,600	1,500	750	750	750	700	675	650	-
Total Revenue	1,600	1,500	750	750	750	700	675	650	-
Total Available for Spending	1,495,191	1,430,691	1,208,141	501,391	480,141	473,591	390,266	361,916	326,916
Expenditures:									
Improvements - Facilities	-	137,900	-	-	-	60,000	29,000	10,000	-
Machinery & Equipment	66,000	35,400	707,500	22,000	7,250	24,000	-	25,000	950,000
Contingency	-	50,000	-	-	-	-	-	-	-
Total Expenditures	66,000	223,300	707,500	22,000	7,250	84,000	29,000	35,000	950,000
Ending Fund Balance	1,429,191	1,207,391	500,641	479,391	472,891	389,591	361,266	326,916	(623,084)

## Water System Capital Improvements

### Revenue Assumptions:

- Annual increase of 1.5% built into fee structure for Fiscal 2023 and Fiscal 2024
  - Connection fee\* = FY 23 - \$9,404; FY 24 - \$9,545; FY 25 - \$9,545; FY 26 - \$9,545; and FY 27 - \$9,545
- Fiscal 2023 = 35-1" and 2-1.5" connections (\$358.1K)
- Fiscal 2024-2027 = 20-1" connections (\$191K)

\*75% Tap - on fees for Water System Capital

## Water System Capital Projects

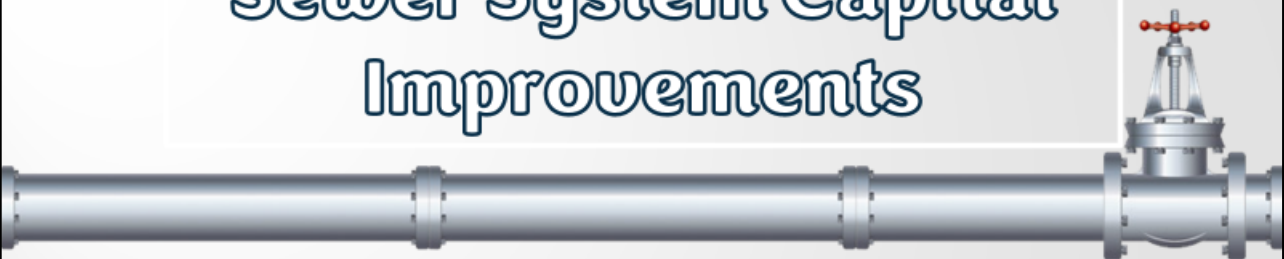
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
East Tower Painting		\$850,000				
Engineering	\$22,000					
Valve Replacement (2)	\$13,500	\$28,000	\$29,000	\$30,000	\$31,000	\$31,000
Village Wide Leak Survey	\$20,000	\$28,000	\$29,400	\$30,870	\$32,414	\$34,034
Revere Road (Midland to Wolf)			\$280,000			
Engineering		\$21,000				
Bryant Road & Bryant Ct. (Midland to Third)			\$260,000			
Engineering		\$19,000				
Union Avenue (Revere to Bryant)			\$115,000			
Engineering		\$8,625				
Alta Vista (Wolf to Owens)		\$400,000				
Engineering	\$71,250					
SCADA Improvements	\$181,000	\$25,000				
187th Tank Refurbish & Paint	\$210,000					
Water Tank Dive Inspections					\$12,500	\$12,500
Water Vault Meter Replacement		\$20,000	\$20,000	\$20,000	\$20,000	
Engineering Water Vault Meter Replacement		\$5,000	\$5,000	\$5,000	\$5,000	
Well #2 Repairs/Improvements		\$30,000				
System Fire Flow Testing and Analysis						\$35,000
Estimated Construction Costs/Leak Survey	\$424,500	\$1,381,000	\$733,400	\$80,870	\$83,414	\$65,034
Engineering	\$93,250	\$53,625	\$5,000	\$5,000	\$17,500	\$47,500
Total Costs	\$517,750	\$1,434,625	\$738,400	\$85,870	\$100,914	\$112,534



## Water System Capital Improvements

	2022	2023	2024	2025	2026	2027
Beginning Fund Balance	\$3,243,991	\$2,811,396	\$1,538,633	\$843,133	\$800,063	\$741,849
Revenue:						
Tap-on Fees	\$230,000	\$358,112	\$190,900	\$190,900	\$190,900	\$190,900
Interest Earnings	\$5,155	\$4,000	\$2,000	\$1,900	\$1,800	\$2,000
Total Revenue	\$235,155	\$362,112	\$192,900	\$192,800	\$192,700	\$192,900
Total Available For Spending	\$3,479,146	\$3,173,508	\$1,731,533	\$1,035,933	\$992,763	\$934,749
Operating Expenses:						
Contractual Services	\$93,250	\$53,875	\$5,000	\$5,000	\$17,500	\$47,500
Capital Outlay	\$424,500	\$1,381,000	\$733,400	\$80,870	\$83,414	\$65,034
Other Financing Uses	\$150,000	\$200,000	\$150,000	\$150,000	\$150,000	\$0
Total Expenses	\$667,750	\$1,634,875	\$888,400	\$235,870	\$250,914	\$112,534
Ending Fund Balance	\$2,811,396	\$1,538,633	\$843,133	\$800,063	\$741,849	\$822,215

## Sewer System Capital Improvements



### Revenue Assumptions:

- Annual increase of 1.5% built into fee structure for Fiscal 2023 and Fiscal 2024
  - Connection fee\* = FY 23 - \$3,135; FY 24 - \$3,182; FY 25 - \$3,182; FY 26 - \$3,182; and FY 27 - \$3,182
- Fiscal 2023 = 35-1" and 2-1.5" connections (\$119.4K)
- Fiscal 2024-2027 = 20-1" connections (\$63.6K)

\*25% Tap-on fees for Sewer System Capital

## Sewer System Capital Projects

	2022	2023	2024	2025	2026	2027
Capital Projects:						
Engineering CMOM		\$5,000				
Televis, Clean & Reline Sanitary Sewers*					\$50,000	\$50,000
Lift Station Pumps	\$22,000	\$23,000	\$24,000	\$25,000	\$26,000	\$26,000
Control Box Replacement		\$9,000				\$15,000
SCADA Improvements	\$335,000	\$30,000	\$400,000	\$400,000		
Total Projects	\$357,000	\$67,000	\$424,000	\$425,000	\$76,000	\$91,000

# Sewer System Capital Improvements

	2022	2023	2024	2025	2026	2027
Beginning Fund Balance	\$1,820,885	\$1,696,996	\$1,701,667	\$1,343,607	\$984,247	\$973,887
Revenue:						
Tap-on Fees	\$230,000	\$119,371	\$63,640	\$63,640	\$63,640	\$63,640
Interest Earnings	\$3,111	\$2,500	\$2,300	\$2,000	\$2,000	\$1,900
Total Revenue	\$233,111	\$121,871	\$65,940	\$65,640	\$65,640	\$65,540
Total Available For Spending	\$2,053,996	\$1,818,867	\$1,767,607	\$1,409,247	\$1,049,887	\$1,039,427
Operating Expenses:						
Contractual Services	\$0	\$5,200	\$0	\$0	\$0	\$0
Capital Outlay	\$357,000	\$62,000	\$424,000	\$425,000	\$76,000	\$91,000
Other Financing Uses	\$0	\$50,000	\$0	\$0	\$0	\$0
Total Expenses	\$357,000	\$117,200	\$424,000	\$425,000	\$76,000	\$91,000
Ending Fund Balance	\$1,696,996	\$1,701,667	\$1,343,607	\$984,247	\$973,887	\$948,427

# Summary

- Prepare ordinance for water rate increase to \$8.14 at the June 27th Board meeting?
- Proceed with capital projects as prepared tonight?

Questions  
&  
Comments





Discussion:

Trustee Budzyn asked if the Village had a fund balance policy for the water and sewer funds.

Village Administrator Tomasoski stated the Village did not have a formal policy; however, a 25% fund balance has been recommended by former auditing firms.

The Board directed staff to prepare an ordinance for a water rate increase of \$8.14 to be submitted for approval at the June 27, 2022 Board meeting, and to proceed with capital projects as presented.

There being no further business to bring before the Mayor and Board of Trustees, Mayor Pro Tem Metanias adjourned the work session at 9:14 p.m.