

# *Village of Carol Stream*

**SPECIAL WORKSHOP MEETING**

**MONDAY DECEMBER 1, 2014**

**6:00 P.M.**

**GREGORY J. BIELAWSKI MUNICIPAL CENTER**

**500 N. GARY AVENUE  
CAROL STREAM, ILLINOIS 60188**

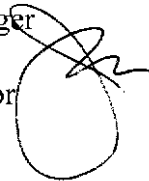
**LOWER LEVEL TRAINING ROOM**

## **AGENDA**

1. CALL TO ORDER
2. ATTENDANCE
3. REVIEW OF WATER & SEWER FUND
4. OTHER BUSINESS
5. ADJOURNMENT

*Village of Carol Stream*  
Interdepartmental Memo

**TO:** Joe Breinig, Village Manager

**FROM:** Jon Batek, Finance Director 

**DATE:** November 25, 2014

**RE:** Village Board Budget Workshop #1 on December 1, 2014  
Water and Sewer Fund

Transmitted with this memorandum are PowerPoint slides for our upcoming Village Board workshop review of the proposed fiscal year 2015/16 Water and Sewer Fund Budget.

Also attached, but not formally included in the presentation for next Monday evening are line item budgets for Water and Sewer Fund revenues and expenses for each operating division. We would be happy to address specific questions the Mayor and Village Board may have at the individual line item level should they arise.

You will recall that following the 2011 announcement of a multi-year January 1 rate hike by the City of Chicago we began accelerating the preparation of the proposed Water and Sewer Fund budget with the primary purpose of reviewing and making a recommendation on rates for the coming January 1st.

That said, we have completed preliminary FY15/16 budget projections at a high level. While these projections will be subject to further refinement as the budget process continues, we are confident that the preliminary draft Water and Sewer Budget presented herewith is sufficiently accurate to support the rate recommendations proposed and we do not anticipate any major changes to the budget as proposed.

We will of course follow up with the Mayor and Village Board of any notable adjustments as the budget process continues over the coming months.

# Village of Carol Stream

## WATER AND SEWER FUND

## Revenues

Description	Actual FY 13/14	Revised Budget FY 14/15	Estimated FY 14/15	Proposed Budget FY 15/16	Projected FY 16/17	Projected FY 17/18
<b>Water &amp; Sewer Fund Revenues</b>						
43415 Grants	\$ 0	\$ 63,000	\$ 63,000	\$ 0	\$ 0	\$ 0
44220 Water Billings	6,029,931	6,650,000	6,340,000	6,720,000	6,660,000	6,600,000
44221 Water Penalties	62,238	70,000	65,000	67,000	66,000	66,000
44223 Connect - Water	7,000	6,000	12,000	10,000	5,000	5,000
44224 Meter Sales	27,303	20,000	25,000	20,000	10,000	10,000
44225 Sewer Billings	2,357,704	2,315,000	2,200,000	2,130,000	2,070,000	2,005,000
44226 Sewer Penalties	40,587	35,000	36,000	32,000	31,000	30,000
44227 Connect - Sewer	7,960	5,000	9,000	8,000	5,000	5,000
44228 Expansion Fee	104,959	80,000	125,000	75,000	5,000	5,000
44255 Admin.Fee	66,985	70,000	65,000	65,000	65,000	65,000
46501 Interest Income	50,593	50,000	(325,000)	14,000	20,000	40,000
47406 Wheaton Sanitary	6,771	7,000	6,800	7,000	7,000	7,000
47407 Misc. Revenue	21,053	5,000	7,400	5,000	5,000	5,000
47410 DPC Reimb.	61,795	61,000	60,800	60,000	59,000	58,000
47517 Rental Income	170,456	200,000	190,000	152,000	156,000	160,000
<b>Total Revenues</b>	<b>\$ 9,015,335</b>	<b>\$ 9,637,000</b>	<b>\$ 8,880,000</b>	<b>\$ 9,365,000</b>	<b>\$ 9,164,000</b>	<b>\$ 9,061,000</b>

# Village of Carol Stream

## WATER AND SEWER FUND

## Summary Expenses - Water and Sewer Divisions

	Actual FY 13/14	Revised Budget FY 14/15	Estimated FY 14/15	Proposed Budget FY 15/16	Projected FY 16/17	Projected FY 17/18
<b><u>EXPENSES</u></b>						
<b>Operating Expenses</b>						
<b>Salaries &amp; Wages</b>						
Salaries & Wages	1,168,424	1,244,536	1,253,106	1,338,888	1,340,247	1,341,889
WRC Contract	1,577,508	1,736,807	1,736,807	1,765,013	1,814,213	1,869,890
DuPage Water Commission	4,530,823	5,290,000	5,085,000	5,535,000	5,535,000	5,535,000
Contractual Services	678,830	1,151,250	1,025,480	1,172,647	1,119,829	976,402
Commodities	282,739	347,861	276,118	350,344	347,717	352,476
<b>Total Operating Expenses</b>	<b>8,238,324</b>	<b>9,770,454</b>	<b>9,376,511</b>	<b>10,161,892</b>	<b>10,157,006</b>	<b>10,075,657</b>
<b>Capital/Debt Expenses</b>						
Other Capital/Debt	181,493	515,665	516,615	604,724	487,744	563,763
Construction	532,552	5,629,000	3,288,000	3,302,000	904,000	1,358,000
<b>Total Capital</b>	<b>714,045</b>	<b>6,144,665</b>	<b>3,804,615</b>	<b>3,906,724</b>	<b>1,391,744</b>	<b>1,921,763</b>
<b>Total Expenses</b>	<b>8,952,369</b>	<b>15,915,119</b>	<b>13,181,126</b>	<b>14,068,616</b>	<b>11,548,750</b>	<b>11,997,420</b>

**WATER AND SEWER FUND**

**PUBLIC WORKS**

**Wastewater Collection & Treatment Center – Summary Detail**

**EXPENSE**

Acct. #/Description	Actual FY 13/14	Revised Budget FY 14/15	Estimated Expenses FY 14/15	Proposed Budget FY 15/16	Projected FY 16/17	Projected FY 17/18
<b>Salaries &amp; Wages</b>						
51102 Personal Services	\$ 147,065	\$ 278,026	\$ 278,026	\$ 303,290	\$ 303,290	\$ 303,290
51106 Seasonal Help	0	0	70	2,000	2,100	2,200
51109 Overtime	1,539	8,000	9,500	7,500	7,500	7,500
51111 Group Insurance	45,967	53,382	53,382	53,382	53,382	53,382
51112 IMRF	22,750	42,079	42,079	42,221	42,221	42,221
51113 FICA	10,618	21,480	21,480	23,697	23,697	23,697
51114 Workers Comp.	5,246	6,364	6,364	5,888	6,372	6,902
<b>Subtotal</b>	<b>233,185</b>	<b>409,331</b>	<b>410,901</b>	<b>437,978</b>	<b>438,562</b>	<b>439,192</b>
<b>Contractual Services</b>						
52212 Auto Maint. & Repair	23,971	16,506	16,506	21,320	19,180	19,610
52221 Utility Bill Processing	56,572	58,000	60,000	62,000	61,500	63,500
52222 Meetings	0	50	50	50	50	50
52223 Training	68	1,600	1,600	1,870	1,870	1,870
52224 Vehicle Insurance	802	974	974	1,023	1,074	1,128
52229 Postage	28,134	27,350	27,650	29,650	31,150	32,650
52230 Telephone	1,486	2,160	2,010	2,060	2,060	2,060
52231 Copy Expense	221	405	405	405	405	405
52234 Dues & Subscriptions	307	310	310	550	550	550
52237 Audit Fees	3,700	4,000	4,000	5,000	5,200	5,400
52238 Legal Fees	6,613	2,000	2,800	2,000	2,000	2,000
52244 Maintenance and Repair	36,935	200,000	200,330	192,500	192,500	12,500
52253 Consultant	458	70,000	70,000	5,000	0	0
52255 Software Maintenance	5,606	31,100	11,000	36,000	10,600	11,000
52256 Banking Services	4,390	4,000	3,400	4,000	4,000	4,000
52261 Liability Insurance	21,873	26,584	26,584	27,913	29,309	30,774
52262 WRC Contract	1,577,508	1,736,807	1,736,807	1,765,013	1,814,213	1,869,890
52263 Property Insurance	19,539	24,217	24,217	20,514	21,539	22,616
52272 NPDES Permit Fee	32,199	49,100	33,000	32,000	32,000	32,000
52274 Community Svc. Pgms.	0	0	0	1,500	1,500	1,500
52280 Municipal Service Char;	95,000	100,000	100,000	140,000	145,000	150,000
<b>Subtotal</b>	<b>1,915,382</b>	<b>2,355,163</b>	<b>2,321,643</b>	<b>2,350,368</b>	<b>2,375,700</b>	<b>2,263,503</b>
<b>Commodities</b>						
53210 Electricity	9,661	12,600	12,600	13,230	13,890	14,585
53220 Water	2,736	550	2,220	550	550	550
53230 Natural Gas	1,096	1,500	1,500	1,500	1,500	1,500
53313 Auto Gas	9,155	4,876	5,413	4,316	4,338	4,392
53317 Operating Supplies	9,945	10,000	10,000	8,000	8,000	8,000
53324 Uniforms	903	2,320	2,320	2,320	2,320	2,320
53350 Small Equipment	309	800	400	0	0	0
<b>Subtotal</b>	<b>33,805</b>	<b>32,646</b>	<b>34,453</b>	<b>29,916</b>	<b>30,598</b>	<b>31,347</b>

**WATER AND SEWER FUND**

**PUBLIC WORKS**

**Wastewater Collection & Treatment Center – Summary Detail**

**EXPENSE**

<b>Acct. #/Description</b>	<b>Actual FY 13/14</b>	<b>Revised Budget FY 14/15</b>	<b>Estimated Expenses FY 14/15</b>	<b>Proposed Budget FY 15/16</b>	<b>Projected FY 16/17</b>	<b>Projected FY 17/18</b>
<b>Capital Outlay</b>						
54411 Office Equipment	597	2,850	2,850	0	0	0
54412 Other Equipment	20,679	8,000	8,000	29,000	0	0
54480 Construction	429,953	1,968,000	1,968,000	927,000	651,000	100,000
56490 Loan Principal	0	335,568	335,568	344,247	353,152	362,286
56491 Loan Interest	101,216	93,082	93,082	84,403	75,499	66,365
<b>Subtotal</b>	<b>552,445</b>	<b>2,407,500</b>	<b>2,407,500</b>	<b>1,384,650</b>	<b>1,079,651</b>	<b>528,651</b>
<b>Totals</b>	<b>\$ 2,734,817</b>	<b>\$ 5,204,640</b>	<b>\$ 5,174,497</b>	<b>\$ 4,202,912</b>	<b>\$ 3,924,511</b>	<b>\$ 3,262,693</b>

**WATER AND SEWER FUND**

**PUBLIC WORKS**

**Water Division – Summary Detail**

**EXPENSE**

Acct.#	Description	Actual FY 13/14	Revised Budget FY 14/15	Estimated Expenses FY 14/15	Proposed Budget FY 15/16	Projected FY 16/17	Projected FY 17/18
<b>Salaries &amp; Wages</b>							
51102	Personal Services	\$ 605,224	\$ 526,437	\$ 526,437	\$ 581,122	\$ 581,122	\$ 581,122
51106	Seasonal Help	2,236	3,780	3,780	2,000	2,000	2,200
51109	Overtime	52,907	51,000	58,000	58,000	58,000	58,000
51111	Group Insurance	109,161	108,499	108,499	108,499	108,499	108,499
51112	IMRF	97,434	86,480	86,480	87,006	87,006	87,006
51113	FICA	45,468	44,062	44,062	48,601	48,601	48,601
51114	Workers Comp.	12,319	14,947	14,947	15,682	16,457	17,269
51117	Compensated Absences	6,887	0	0	0	0	0
51118	OPEB Obligation	3,603	0	0	0	0	0
	<b>Subtotal</b>	<b>935,239</b>	<b>835,205</b>	<b>842,205</b>	<b>900,910</b>	<b>901,685</b>	<b>902,697</b>
<b>Contractual Services</b>							
52212	Auto Maint. & Repair	34,225	33,011	33,011	49,273	44,328	45,320
52221	Utility Bill Processing	56,572	58,000	60,000	62,000	61,500	63,500
52222	Meetings	209	200	200	250	250	250
52223	Training	1,759	1,850	1,850	2,160	2,160	2,160
52224	Vehicle Insurance	8,388	10,197	10,197	10,583	11,111	11,666
52229	Postage	28,147	27,300	27,600	29,600	31,100	32,600
52230	Telephone	3,462	3,260	2,910	2,960	2,960	2,960
52231	Copy Expense	198	175	175	175	175	175
52234	Dues & Subscriptions	1,000	1,200	1,200	1,750	1,750	1,750
52237	Audit Fees	3,600	4,000	4,000	5,000	5,200	5,400
52238	Legal Fees	887	3,000	3,000	4,000	4,000	4,000
52240	Public Notices/Informat	0	2,000	2,100	2,000	2,000	2,000
52244	Maintenance and Repai	25,172	115,000	70,000	125,000	117,000	125,000
52253	Consultant	2,000	5,000	8,500	0	0	0
52255	Software Maintenance	5,606	31,100	11,000	36,000	10,600	11,000
52256	Banking Services	4,390	4,000	3,400	4,000	4,000	4,000
52261	Liability Insurance	21,873	26,584	26,584	27,913	29,309	30,774
52263	Property Insurance	19,539	24,217	24,217	25,428	26,699	28,034
52264	Equipment Rental	0	500	500	500	500	500
52265	Hauling	4,141	12,000	12,000	12,000	12,000	12,000
52272	Property Maintenance	2,172	19,100	2,000	2,000	2,000	2,000
52274	Community Svc. Pgms.	0	0	0	1,500	1,500	1,500
52279	Lab Services	9,998	15,000	15,000	12,000	12,000	15,000
52280	Municipal Service Char	95,000	100,000	100,000	140,000	145,000	150,000
52282	Meter Maintenance	8,118	25,000	15,000	25,000	25,000	25,000
52283	DuPage Water Com.	4,530,823	5,290,000	5,085,000	5,535,000	5,535,000	5,535,000
52284	Equipment Maintenance	0	1,200	1,200	1,200	1,200	1,200
52286	Pavement Restoration	4,500	10,000	5,000	5,000	5,000	5,000
	<b>Subtotal</b>	<b>4,871,779</b>	<b>5,822,894</b>	<b>5,525,644</b>	<b>6,122,292</b>	<b>6,093,342</b>	<b>6,117,789</b>
<b>Commodities</b>							
53210	Electricity	70,120	67,000	67,000	70,350	73,865	77,561
53230	Natural Gas	859	1,200	1,400	1,200	1,200	1,200
53313	Auto Gas	26,405	30,315	30,315	24,828	24,954	25,268

**WATER AND SEWER FUND**

**PUBLIC WORKS**

**Water Division – Summary Detail**

**EXPENSE**

<b>Acct.#</b>	<b>Description</b>	<b>Actual FY 13/14</b>	<b>Revised Budget FY 14/15</b>	<b>Estimated Expenses FY 14/15</b>	<b>Proposed Budget FY 15/16</b>	<b>Projected FY 16/17</b>	<b>Projected FY 17/18</b>
53314	Office Supplies	742	500	525	500	500	500
53315	Printed Materials	174	200	200	200	200	200
53316	Small Tools	1,253	1,600	1,600	2,000	2,000	2,000
53317	Operating Supplies	50,720	60,000	60,000	60,000	60,000	60,000
53324	Uniforms	3,411	2,900	3,300	2,900	2,900	2,900
53331	Chemicals	250	1,500	1,500	1,500	1,500	1,500
53333	Meters	91,408	150,000	75,000	156,000	150,000	150,000
53350	Small Equipment	3,592	0	825	950	0	0
	<b>Subtotal</b>	<b>248,934</b>	<b>315,215</b>	<b>241,665</b>	<b>320,428</b>	<b>317,119</b>	<b>321,129</b>
<b>Capital Outlay</b>							
54411	Office Equipment	0	2,850	2,850	0	0	0
54412	Other Equipment	12,850	12,500	12,500	63,000	0	42,000
54413	Computer Equipment	597	0	950	240	240	240
54415	Vehicles	33,456	0	0	24,000	0	35,000
54480	Construction	102,599	3,661,000	1,320,000	2,375,000	253,000	1,258,000
56490	Loan Principal (DWC)	0	49,044	49,044	49,044	49,044	49,044
56491	Loan Interest (DWC)	12,098	11,771	11,771	10,790	9,809	8,828
	<b>Subtotal</b>	<b>161,600</b>	<b>3,737,165</b>	<b>1,397,115</b>	<b>2,522,074</b>	<b>312,093</b>	<b>1,393,112</b>
<b>Totals</b>		<b>\$ 6,217,552</b>	<b>\$ 10,710,479</b>	<b>\$ 8,006,629</b>	<b>\$ 9,865,704</b>	<b>\$ 7,624,239</b>	<b>\$ 8,734,727</b>





*Village of Carol Stream*

**FY 15/16**

**Budget Workshop #1**

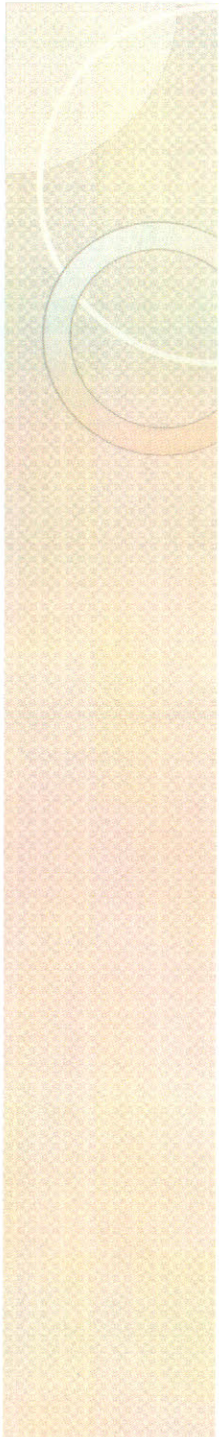
**WATER & SEWER FUND**

**December 1, 2014**



# Village of Carol Stream Proposed FY15/16 Water & Sewer Budget Agenda

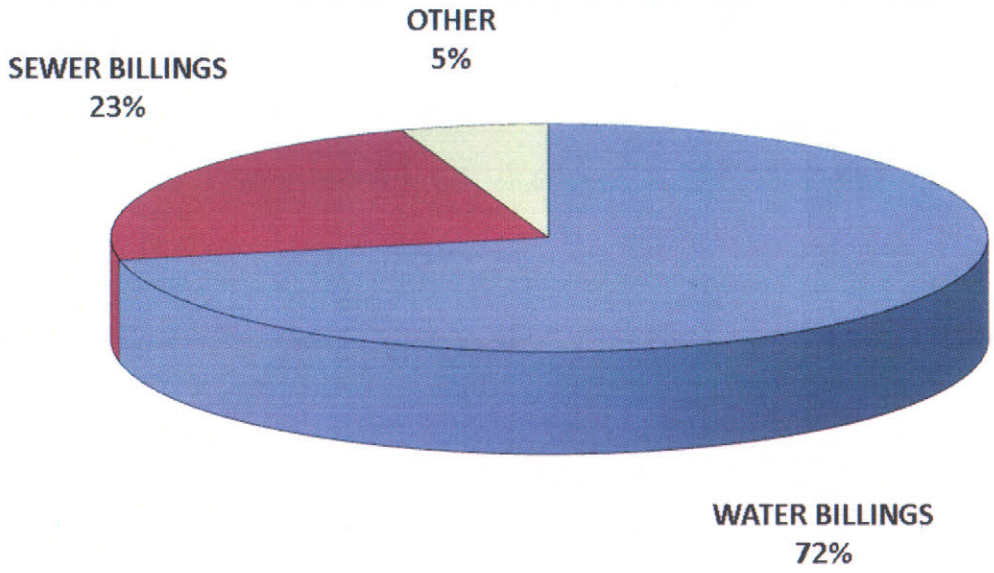
- Fund Overview and Funding Objectives
- Revenue Highlights, Trends and Assumptions
  - Water
  - Sanitary Sewer
- Expense Summaries and Notable Changes/Trends
  - Operating Costs
  - Capital Overview
- January 1, 2015 Rate Recommendation



## Village of Carol Stream Water & Sewer Budget FY15/16

- Enterprise fund - Supported by User Fees, not taxes.
- Water & Sewer rates need to cover the following costs:
  - **Water Operations**
    - Village staffing and general system maintenance
    - Purchase of Lake Michigan Water
  - **Water Capital**
    - Main replacements/rehabilitations
    - Other Infrastructure (reservoirs/pumping stns.)
  - **Sewer Operations**
    - WRC Operations Contract (treatment)
    - Collection System Maintenance
  - **Sewer Capital**
    - WRC Rehabilitations, Expansions
    - Infrastructure Rehab/Repl. - Mains/Lift Stns./"I/I"
- Overall Objective - Maintain systems in good working order now, and into the future with as minimal impact on rate payers as possible.

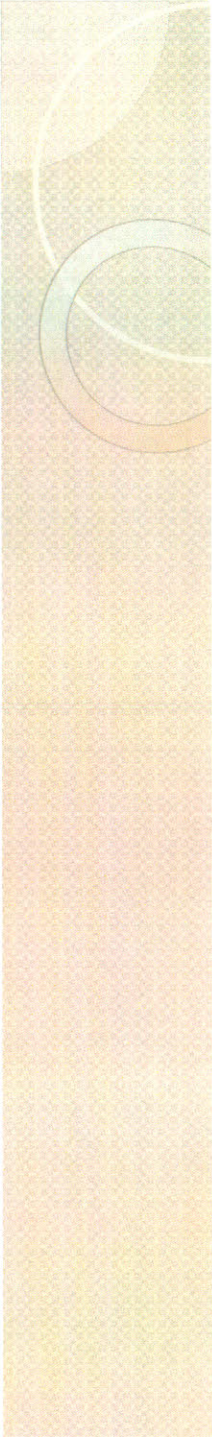
# Village of Carol Stream Water & Sewer Fund FY15/16



The "other" revenue category includes revenues such as penalties, shut-off notice revenue, meter sales, water tower rental agreements and interest income.



# REVENUES



# Village of Carol Stream Water & Sewer Fund – FY15/16 Budget Highlights, Trends and Key Assumptions

## WATER REVENUES

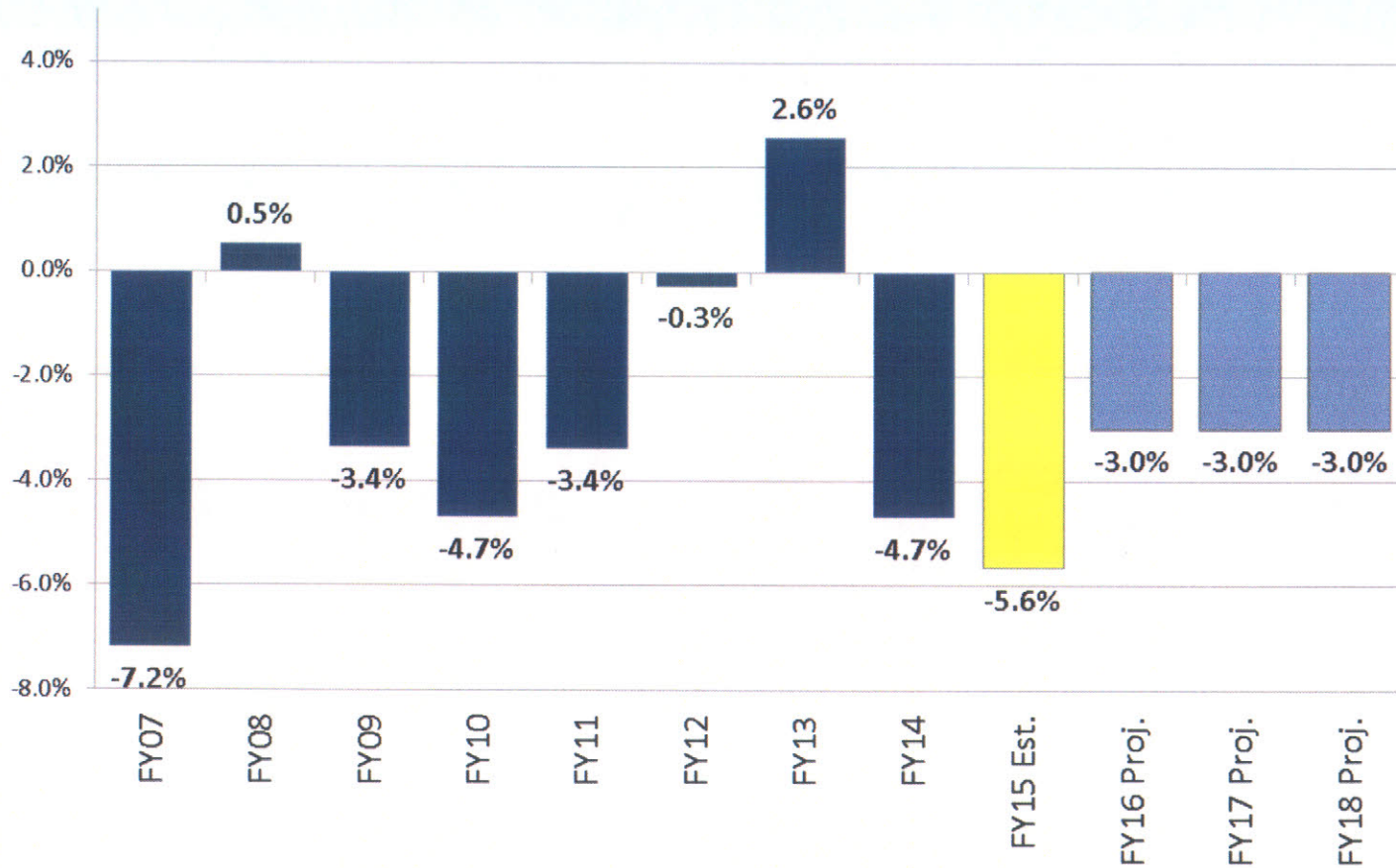
### Current FY14/15

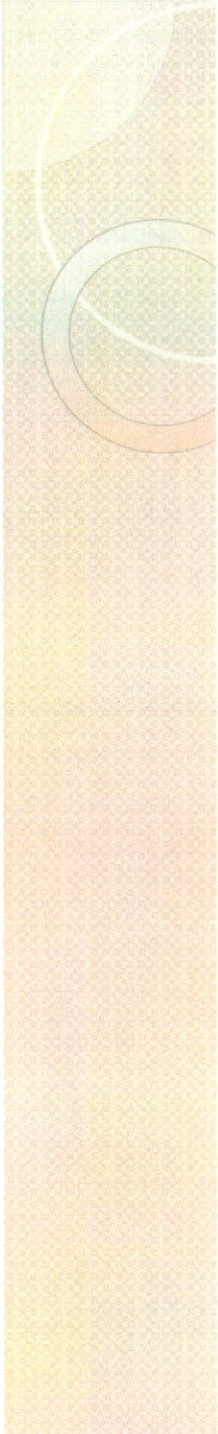
- Water consumption continues to decline in current FY14/15 (continuing long-term trend).
- Total FY14/15 water revenues will be about \$481,000 (6.8%) below budget. (This includes full recognition of IMET loss of \$190,000, but subject to future recoveries).
- Projected water consumption decrease for FY14/15 is 5.6% compared to prior year.
- Decreased consumption in seven of last nine years, averaging 2.9% per year.

### Next FY15/16 and 3 Year Plan

- FY15/16 assumes decreased consumption of 3.0%.  
FY16/17 assumes decreased consumption of 3.0%.  
FY17/18 assumes decreased consumption of 3.0%.

## Village of Carol Stream Annual Change in Billed Water Consumption Last 8 Fiscal Years, Current Year and Next 3 Projected





# Village of Carol Stream Water & Sewer Fund – FY15/16 Budget Highlights, Trends and Key Assumptions

## WATER REVENUES

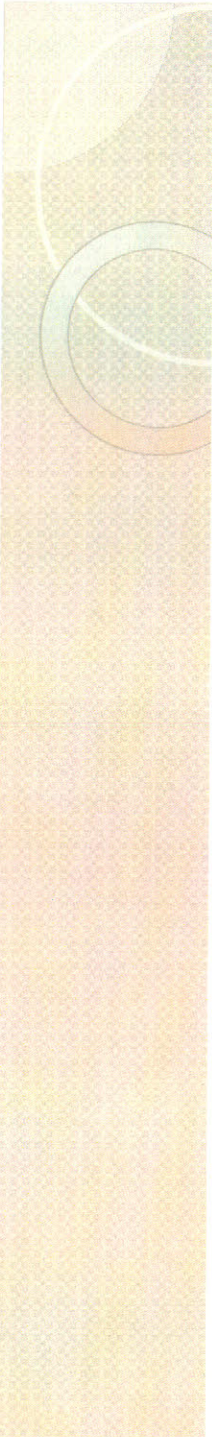
- 1/1/15 marks year four of four of Chicago/DWC approved 2001 rate increase.
- In each of those four years, Carol Stream only passed DWC rate increases to its customers. No additional increases.
- **Recommend water rate increase of \$0.71 per 1,000 gallons for 1/1/15, reflecting Carol Stream's additional cost of purchasing water.**
- Future rate increases of Chicago/DWC are not known at this time. FY15/16 - FY17/18 financial plan assumes future minimum increases of \$0.15 on January 1 each year (approx. 3% of water cost).



# Village of Carol Stream Schedule of Projected Water Rates Calendar Years 2012 to 2015

Calendar Year	Chicago Charge to DWC			DWC Charges to Municipalities					Carol Stream Charges to Customers		
	Rate	\$ Inc.	% Inc.	Variable	Fixed	Total	\$ Inc.	% Inc.	Rate	\$ Inc.	% Inc.
2011	\$ 2.01			\$ 2.04	\$ 0.26	\$ 2.30			\$ 4.09		
2012	2.51	0.50	25%	2.73	0.26	2.99	0.69	30%	4.78	0.69	17%
2013	2.89	0.38	15%	3.32	0.26	3.58	0.59	20%	5.37	0.59	12%
2014	3.32	0.43	15%	3.97	0.26	4.23	0.65	18%	6.02	0.65	12%
2015	3.82	0.50	15%	4.68	0.26	4.94	<b>0.71</b>	17%	<b>6.73</b>	<b>0.71</b>	12%





# Village of Carol Stream Water & Sewer Fund – FY15/16 Budget Highlights, Trends and Key Assumptions

## WATER REVENUES

- Decreased consumption coupled with water-only cost increases negatively impacts the Fund. We are gradually losing ground.
- FY15/16 draft budget shows projected revenues will not fully cover operating expenses by approx. \$210,000.
- Cost increases in expense areas other than Lake Michigan water:
  - Payroll and benefits.
  - Billing software, processing and postage.
  - Insurance (property/liability).
  - General system maintenance costs.
- Cash reserve balances are sufficient to cover this deficit short-term.
- **Future water rate increases in addition to our water cost increases will likely be necessary, perhaps as early as 1/1/16.**



# Village of Carol Stream Water & Sewer Fund – FY15/16 Budget Highlights, Trends and Key Assumptions

## SEWER REVENUES

### Current FY14/15

- Sewer Revenues directly tied to water consumption. Thus, sewer revenues following water trend.
- Total FY14/15 sewer revenues will be about \$276,000 (11.0%) below budget. (This includes full recognition of IMET loss of \$190,000).
- Projected sewer revenue base decrease for FY14/15 is 6.1% over prior year.
- There have been no sewer rate increases in the last 5 years (5/1/2010).
  - We began signaling the need for sewer rate increase 3 years ago (FY12/13).
  - The Sewer Fund has not raised sufficient revenue to fund operating expenses.
  - **A rate increase of \$0.50 is recommended for January 1, 2015.**

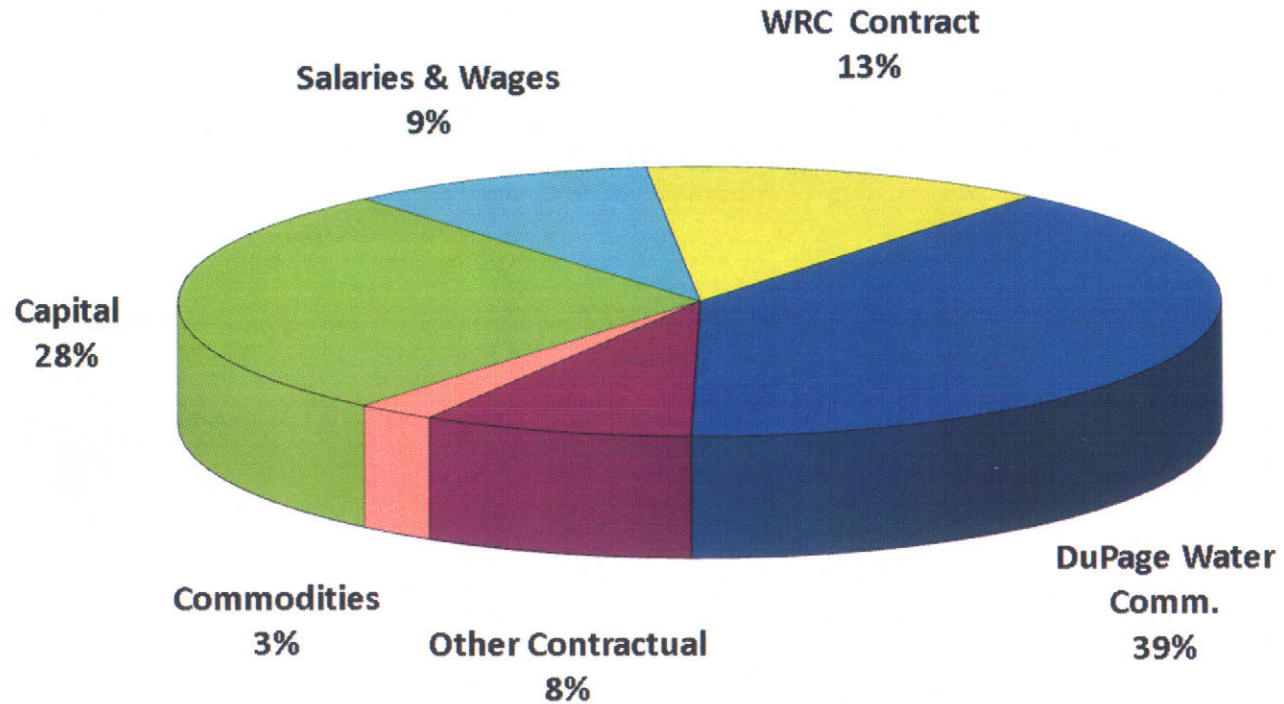
### Next FY15/16 and 3 Year Plan

- Similar to Water Fund, projected 3% annual decrease in sewer revenue base.
- Additional rate adjustments will be evaluated each year moving forward.



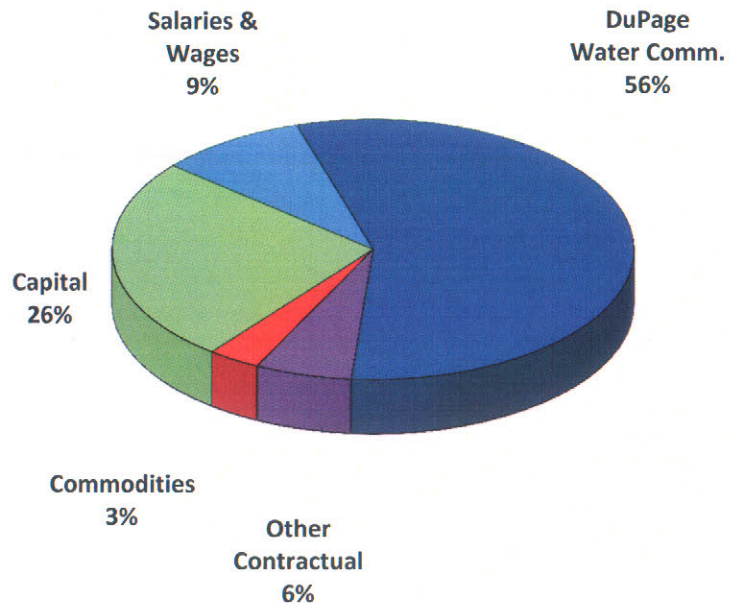
# EXPENSES

# Village of Carol Stream Water & Sewer Fund Proposed Expenses by Category FY15/16

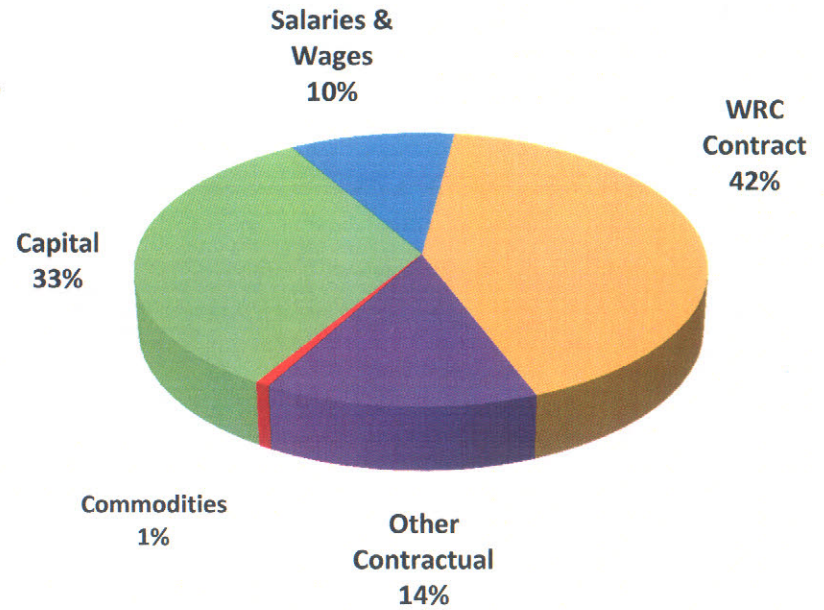


# Village of Carol Stream Water & Sewer Fund Proposed Expenses by Category FY15/16

Water Division



Sewer Division



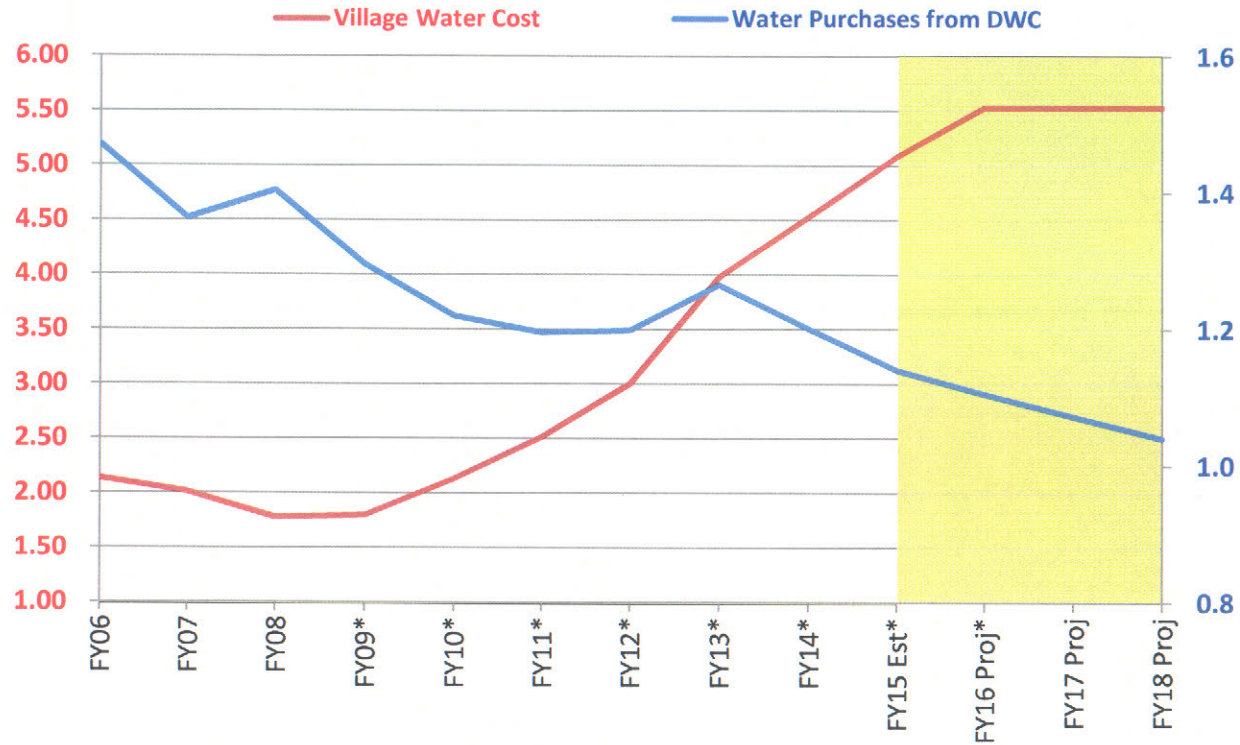
# Village of Carol Stream

## Draft Water & Sewer Fund Budget Expenditures FY15/16 Proposed Compared to FY14/15 Budget

	Actual FY13/14	Revised Budget FY14/15	Estimated FY14/15	Proposed Budget FY15/16	FY15/16 Proposed to FY14/15 Budget	
<b>OPERATING COSTS</b>						
<b>Salaries &amp; Wages</b>	1,168,424	1,244,536	1,253,106	1,338,888	94,352	7.6%
<b>Contractual Services</b>						
Water Commission	4,530,823	5,290,000	5,085,000	5,535,000	245,000	4.6%
WRC Contract	1,577,508	1,736,807	1,736,807	1,765,013	28,206	1.6%
All Other	<u>678,830</u>	<u>1,151,250</u>	<u>1,025,480</u>	<u>1,172,647</u>	<u>21,397</u>	1.9%
Total Contractual	6,787,161	8,178,057	7,847,287	8,472,660	294,603	3.6%
<b>Commodities</b>	<u>282,739</u>	<u>347,861</u>	<u>276,118</u>	<u>350,344</u>	<u>2,483</u>	0.7%
<b>TOTAL OPERATING</b>	<b>8,238,324</b>	<b>9,770,454</b>	<b>9,376,511</b>	<b>10,161,892</b>	<b>391,438</b>	<b>4.0%</b>
<b>CAPITAL COSTS</b>	<u>714,045</u>	<u>6,144,665</u>	<u>3,804,615</u>	<u>3,906,724</u>	<u>(2,237,941)</u>	-36.4%
<b>Total</b>	<u>\$ 8,952,369</u>	<u>\$ 15,915,119</u>	<u>\$ 13,181,126</u>	<u>\$ 14,068,616</u>	<u>(1,846,503)</u>	-11.6%

# Village of Carol Stream

## Historical and Projected Water Purchases and Cost Last 9 Fiscal Years, Current Year and Next 3 Projected



\* Year of Chicago/DWC Rate Increase (current announced schedule ends 1/1/15).



# Village of Carol Stream

## Water & Sewer Capital Summary

### FY15/16

#### Water System

Schmale Road Water Main Repl. (cont'd)	\$	2,278,000
Vehicle Replacements/Rehabs		72,000
Other Equipment		15,240
Water System Study		97,000
DWC Loan P&I - Riviera/Judith Water Main		59,834
<b>Total Water</b>	<b>\$</b>	<b>2,522,074</b>

#### Sewer System

Phase II Pump Station Improvements	\$	650,000
Admin/Blower Bldgs. Roof Replacement		180,000
Aztec Drive Sewer Reconstruct (Design)		52,000
IEPA Loan P&I (2002 WRC Rehab)		428,650
Other Equipment		74,000
<b>Total Sewer</b>	<b>\$</b>	<b>1,384,650</b>

Total Capital Improvement	<b>\$</b>	<b><u>3,906,724</u></b>
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# Village of Carol Stream

## Draft Water & Sewer Fund Budget Expenses FY15/16 Proposed Budget by Division

	Sewer Division	Water Division	Total Proposed FY15/16
<b>Revenues</b>	2,249,500	7,115,500	9,365,000
<b>Expenses</b>			
Salaries & Wages	437,978	900,910	1,338,888
Contractual Services			
Water Commission	-	5,535,000	5,535,000
WRC Contract	1,765,013	-	1,765,013
All Other	585,355	587,292	1,172,647
	<u>2,350,368</u>	<u>6,122,292</u>	<u>8,472,660</u>
Commodities	29,916	320,428	258,468
Total Operating	<u>2,818,262</u>	<u>7,343,630</u>	<u>10,161,892</u>
Gain/(Loss) before Capital/Debt	(568,762)	(228,130)	(796,892)
Capital/Debt	<u>1,384,650</u>	<u>2,522,074</u>	<u>1,523,945</u>
Total Expenses	<u>4,202,912</u>	<u>9,865,704</u>	<u>14,068,616</u>
Fund Gain/(Loss)	<u>\$ (1,953,412)</u>	<u>\$ (2,750,204)</u>	<u>\$ (4,703,616)</u>

Rate increase needed. \$0.50 sewer increase will reduce deficit by approx \$400,000.  
Includes pass-through of \$0.71 water rate increase 1-1-15. Future increases likely.



**RATE RECOMMENDATION**  
**1/1/2015**

# Village of Carol Stream

## Proposed Sewer Rate Increase 1/1/15

- Current Sewer rate of \$2.62 has been unchanged since 5/1/2010.
- Revenue loss at 3% revenue base reduction is approx. \$64,000/yr.
- Increases in operating costs expand the gap quickly.
- Based on projected billed water consumption for FY15/16:

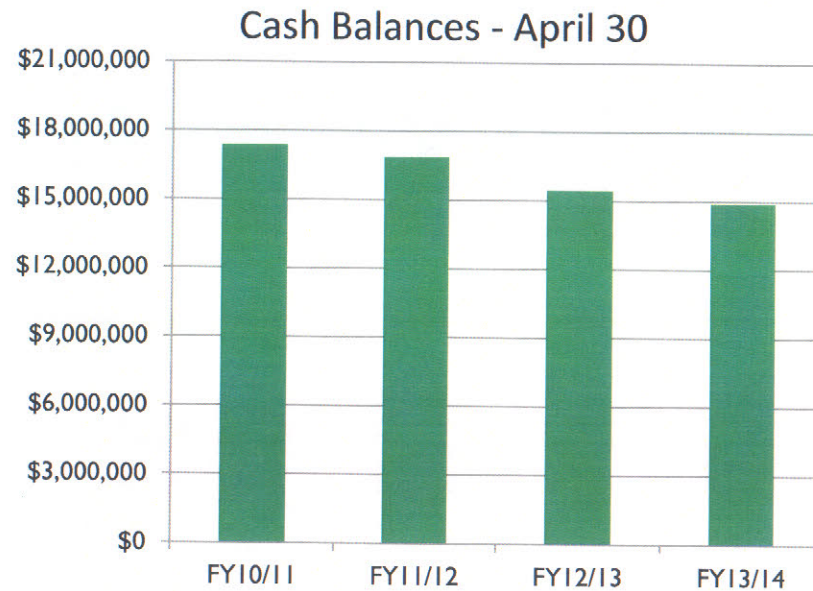
1 cent of Sewer rate = approx. \$8,100 in revenues

	FY13/14	Rate	FY15/16	Rate
	<u>Actual Exp.</u>	<u>Needed</u>	<u>Budget Exp.</u>	<u>Needed</u>
WRC Operating Contract	\$ 1,577,508	\$ 1.95	\$ 1,765,013	\$ 2.18
IEPA Loan Obligation	428,650	0.53	428,650	0.53
	2,006,158	\$ 2.48	2,193,663	\$ 2.71

- The FY13/14 example leaves only 14 cents to cover all other expenses.  
The FY15/16 example illustrates current rates are insufficient to pay our WRC operating contract and IEPA debt obligation, leaving nothing to cover payroll, contractuals, commodities and capital.

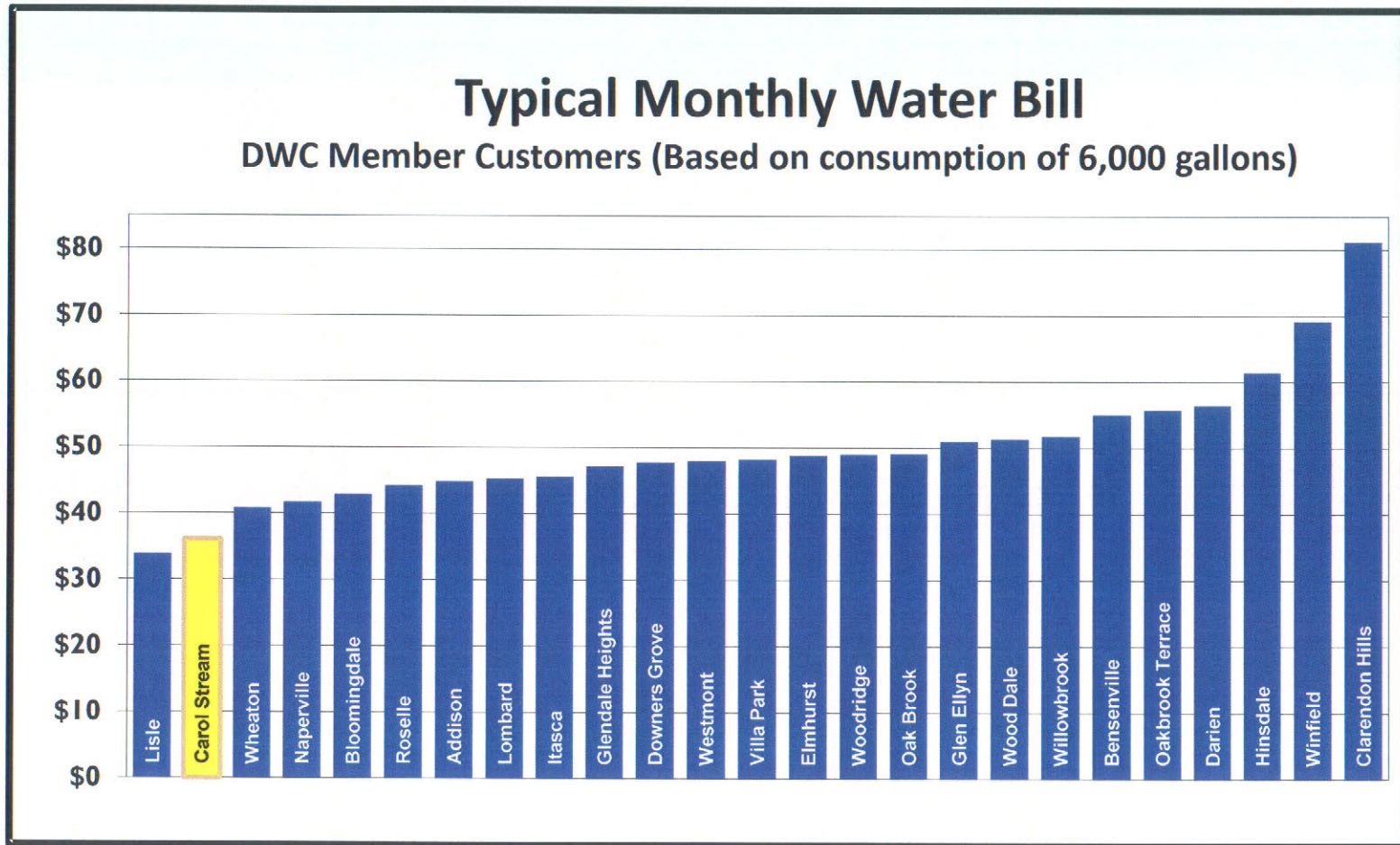
# Village of Carol Stream Proposed Rate Increase 1/1/15

- Water and Sewer Fund cash reserves still strong but declining.



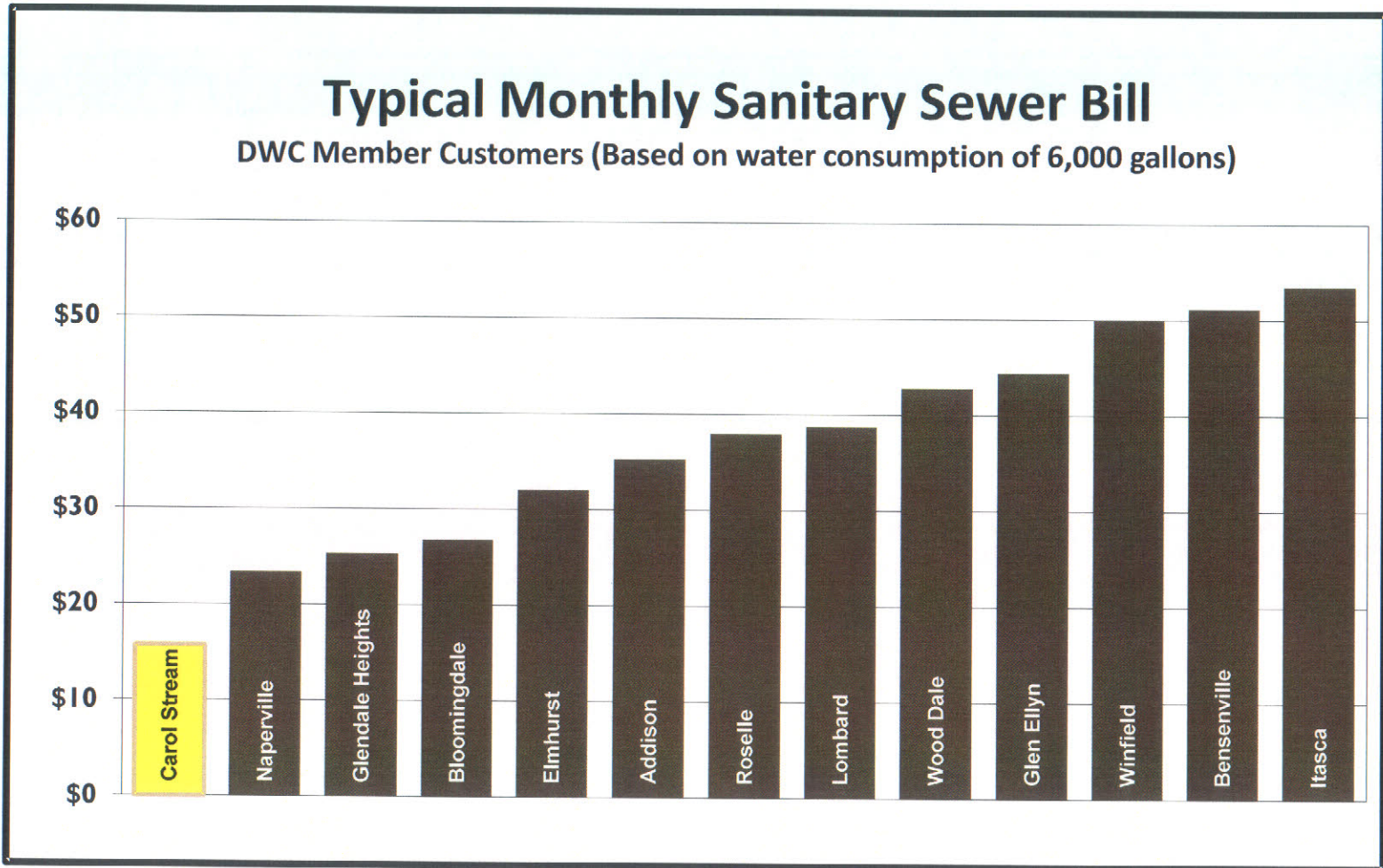
- Declines primarily due to capital projects, however we are beginning to see operating cost coverage gaps.
- We should not be using reserves to cover operating cost gaps. (per adopted Village Financial Policies)

# Village of Carol Stream Proposed Sewer Rate Increase 1/1/15



Source: 2014 DuPage Water Commission member survey and Municipal web sites.

# Village of Carol Stream Proposed Sewer Rate Increase 1/1/15



Source: 2014 DuPage Water Commission member survey and Municipal web sites.  
Includes those municipal members that bill for sewage treatment or operate sewage treatment facilities.

# Village of Carol Stream Proposed Sewer Rate Increase 1/1/15

## January 1, 2015 Recommended Rates:

Water: Increase of \$0.71, from \$6.02 to \$6.73  
 Sewer: Increase of \$0.50, from \$2.62 to \$3.12

	Monthly Bill* Before Increase	Monthly Bill* After 1/1/15	Net Monthly Increase
Water	\$ 36.12	\$ 40.38	\$ 4.26
Sewer	<u>15.72</u>	<u>18.72</u>	<u>3.00</u>
Total	<u>\$ 51.84</u>	<u>\$ 59.10</u>	<u>\$ 7.26</u>

\* Based on 6,000 gallons of water consumption / mo.

Proposed action on December 15 Village Board meeting.