

VILLAGE OF HOFFMAN ESTATES, IL

# Budget in Brief

2023

The **Budget in Brief** summarizes the Village's annual budget. To view the entire budget, visit the Village's website at [hoffmanestates.org/budget](https://hoffmanestates.org/budget).

Each year, the Village of Hoffman Estates establishes an Operating and Capital Budget to guide spending. The operating budget includes funds for services the Village provides to the community, while the capital budget is a long-term plan for larger purchases, such as upgrades to the Village's infrastructure. Together, these documents establish a firm financial foundation for long-term success.

The budget is created over six months, beginning in June. Departments work closely with the Finance Department and the Village Manager's Office to

estimate how much money will be received and spent in the current and upcoming year. After several rounds of review, a draft budget is shared with community stakeholders, including the Village Board and the Capital Improvements Board. Both are comprised of residents who serve to represent the community in budget discussions and decision-making. The Village Board then holds several meetings to review the budget and, if necessary, request changes. At a public hearing, the Board votes to approve and adopt the budget. All budget hearings are open to the public, and community members are invited to participate.

The FY2023 Operating and Capital Budget was approved by the Village Board in early December 2022. The total budget for all funds is **\$167.9 million**.

## VILLAGE BOARD STRATEGIC PRIORITIES

The Village Board has established strategic priorities to guide how the Village allocates resources for the community. During the year, the Village strives to communicate these priorities in a clear, direct and proactive manner that increases understanding of the Village's services, initiatives and programs.

### COMMUNICATION



SUSTAINABILITY



TRANSPORTATION



INFRASTRUCTURE



PUBLIC SAFETY



FISCAL  
RESPONSIBILITY



ECONOMIC  
DEVELOPMENT



TECHNOLOGY



ORGANIZATIONAL  
DEVELOPMENT

## BUDGET FAST FACTS



**\$167.9 MILLION**

TOTAL BUDGET



**14 AWARDS**

FOR BUDGET  
PRESENTATION



**S&P BOND RATING**

FOR "STABLE OUTLOOK"



**PROPERTY TAXES**

NO INCREASE IN LEVY





# REVENUE AT A GLANCE

TOTAL ALL REVENUES

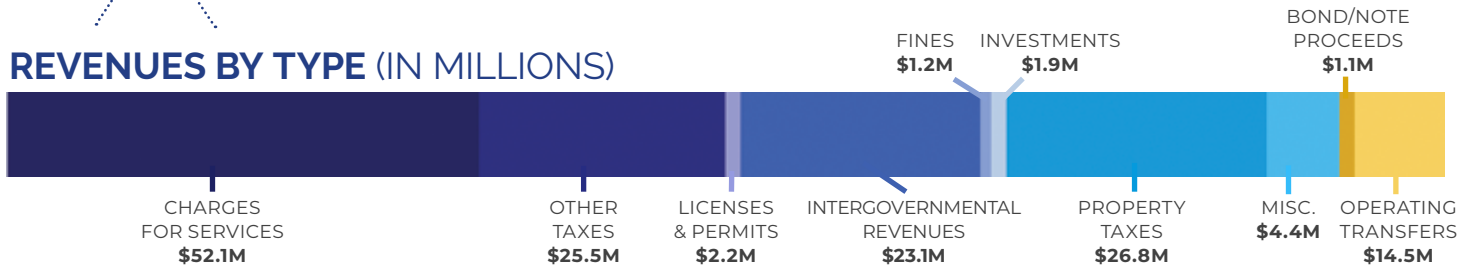
**\$152.8**

MILLION

▲ 2.8% Increase from 2022

## WHERE DOES THE VILLAGE GET ITS MONEY?

There are several sources of revenue for the Village. The largest is “Charges for Services,” like water and sewer charges. “Property Taxes” are the second-largest revenue, followed by “Other Taxes” and “Intergovernmental Revenue.” Note that taxes paid to the State of Illinois that are redistributed to the Village, such as income tax, are included under “Intergovernmental Revenue” rather than “Other Taxes.” To plan the annual budget, staff conservatively estimate how much money will be received during the fiscal year. In 2023, **\$152.8 million** in revenue is expected, a **2.8%** increase from the 2022 budget. This can be attributed to anticipated increases in sales and income taxes and building permit fees.



## REVENUE HIGHLIGHTS

**\$26.8 MILLION**  
PROPERTY TAXES

Property tax is the Village’s second-largest revenue source. **In 2023, there will be no property tax increase for current residents or businesses.** Holding property taxes flat at the previous year level was made possible by positive investment returns in 2021 and strong strategic financial planning.

**\$25.4 MILLION**  
OTHER TAXES

Other municipal taxes, such as electricity, natural gas, and home rule sales tax, make up **17%** of all revenues.

**\$21 MILLION**  
WATER & SEWER FEES

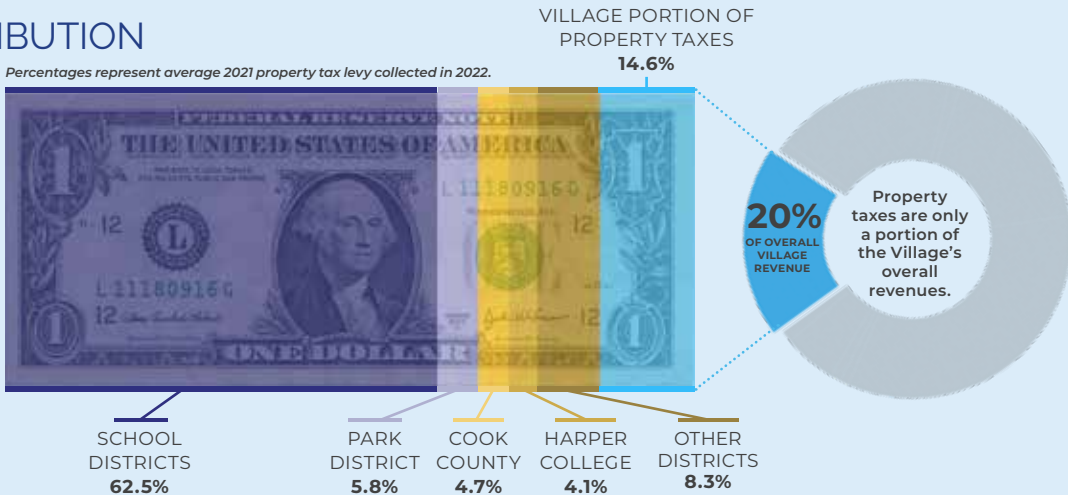
Water and sewer charges are the most significant portion of all Charges for Services, making up **40.3%** of the \$52.1 million in revenue.

**14.5MILLION**  
OPERATING TRANSFERS

Nearly **\$5 million** of General Fund reserves will be used toward the \$23.1 million of total capital needs in FY2023. Additionally, approximately **\$2.5 million** in Motor Fuel Taxes received by the Village will be transferred to the Road Improvement Fund for the street revitalization program this year.

## PROPERTY TAX DISTRIBUTION

The Village receives only a portion of the property taxes that Hoffman Estates residents and businesses pay. Approximately **85%** of the average property tax bill can be attributed to other taxing districts, such as school, libraries, forest preserves, townships and county government.





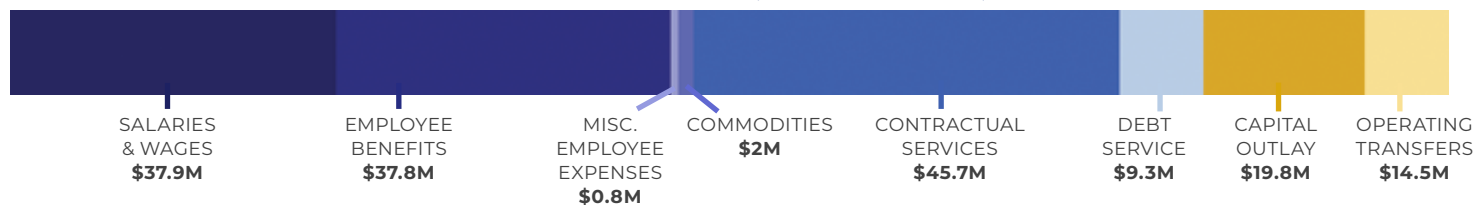
# SPENDING AT A GLANCE

## HOW IS VILLAGE MONEY SPENT?



The Village always makes an effort to anticipate expenses and plan for them within the budget document. Overall, the Village's expenses can be broken down into the categories defined below. Additional detail, such as fund types and how the Village's accounts are structured, can be found in the full budget document. Expenditures in 2023 total **\$167.9 million**, a **5% increase** from the prior year. The increase can largely be attributed to inflation, but is offset by spending less than anticipated on employee benefits for 2023 due to a change in the plan year for the Village's insurance carrier, the Intergovernmental Personnel Benefit Cooperative.

## EXPENDITURES BY TYPE FOR ALL FUNDS (IN MILLIONS)



### EMPLOYEES

Employees and the services they provide are the Village's most valuable investment. Personnel-related costs make up **46%** of the annual budget.

 TOTAL EMPLOYEES  
**363** FULL-TIME EQUIVALENT



### COMMODITIES

Commodities include essential goods and everyday items like small tools, office supplies and photocopies. This category only accounts for about **1%** of the Village's budget.



### CONTRACTUAL SERVICES

Contractual services most often include expenses related to hiring a third party to complete a service. Examples of a contractual service include insurance, vehicle maintenance and 911 dispatch for police and fire services.



### DEBT SERVICE

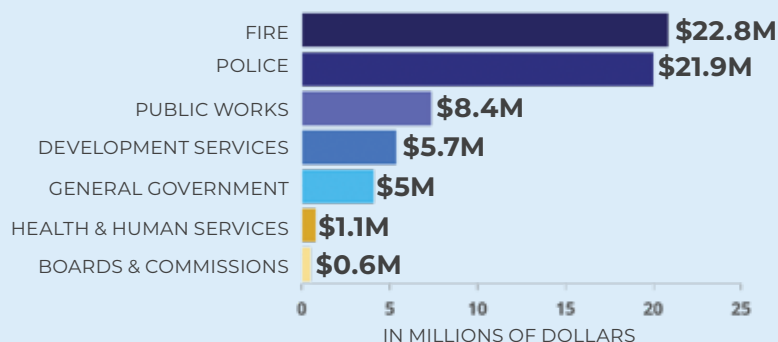
Debt service is the amount of money paid toward principal and interest the Village has incurred from issuing bonds or notes to pay for public projects, like a new building.

## GENERAL FUND EXPLAINED

The Village's General Fund receives money and pays for programs and services not otherwise accounted for in a separate fund, which is most of the day-to-day government operations. Examples of spending types across the departments include employee salaries, commodities like salt used to treat roads during winter events, or contractual services with vendors, such as with the Village's insurance provider. Costs related to public safety make up the largest share of the General Fund.

In 2023, General Fund revenues are estimated to be **\$66.8 million**. Expenditures are expected to be approximately **\$71.7 million**, so a transfer of **\$4.85 million** from the fund balance, or savings, is included in the 2023 budget year. This transfer will be used primarily to fund one-time capital projects.

## EXPENSES BY DEPARTMENT







# CAPITAL EXPENDITURES

## CAPITAL IMPROVEMENTS PROGRAM

TOTAL CAPITAL EXPENDITURES  
**\$23.1**  
MILLION  
▼ 9.1% Decrease from 2022

The Capital Improvements Program is the Village's multi-year plan for major purchases and improvements to facilities, land, and infrastructure. Capital purchases are considered to be largely one-time costs that are \$25,000 or more, except for vehicles, which are always considered capital projects. With the positive financial results from the two prior years, the Village has made it a priority to tackle its growing list of capital needs in FY2023. This year, **\$23.1 million** is budgeted for capital purchases. While this represents a **9.1%** decrease from 2022, the 2022 budget included items carried over from 2021 that were postponed due to economic uncertainty. The Village will focus on important technology upgrades in 2023, as well as projects in the categories highlighted below.

## CAPITAL HIGHLIGHTS



## UPCOMING INITIATIVES FOR 2023



Updated zoning codes are important for attracting development to Hoffman Estates. Public feedback will be sought on the comprehensive update of the Village's zoning codes this year. Visit [VOHEzoning.org](http://VOHEzoning.org) for details.



Business processes will be analyzed as the Village improves usage of technology to best serve the community. Geographical Information Systems (GIS) integration will be a specific focus area for updated implementation.



With a fire station conditions, spaces and locations study concluding in early 2023, recommendations will be reviewed to determine next steps for meeting facility needs for the Hoffman Estates Fire Department.

## WHERE CAN I LEARN MORE?

Details about the FY2023 Operating and Capital Budget is available online at: [hoffmanestates.org/budget](http://hoffmanestates.org/budget).



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FOR MORE FY2023 BUDGET INFORMATION

