

VILLAGE OF HOFFMAN ESTATES, IL

Budget in Brief

2024

The **Budget in Brief** summarizes the Village's annual budget. To view more information, visit the Village's website at 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. Following 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 FY2024 Operating and Capital Budget was approved by the Village Board on December 4, 2023. The total budget for all funds is **\$207.8 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



\$207.8 MILLION
TOTAL BUDGET



15 AWARDS
FOR BUDGET PRESENTATION



S&P BOND RATING
FOR "STABLE OUTLOOK"



\$44.5 MILLION
CAPITAL PROJECTS



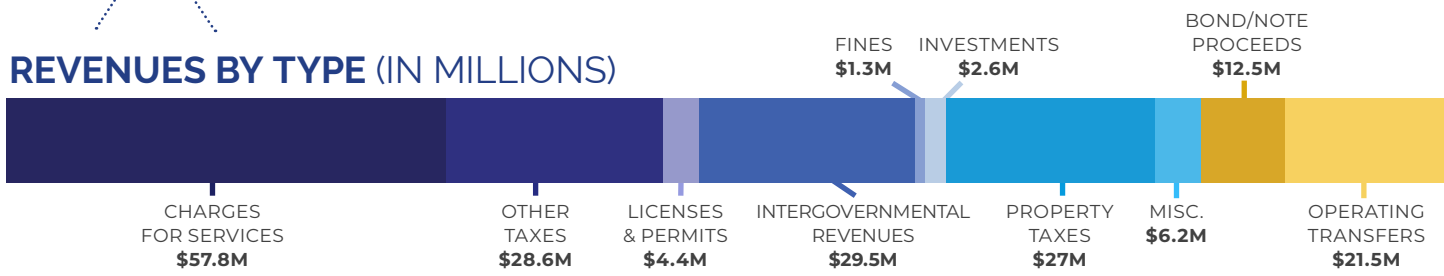


REVENUE AT A GLANCE

WHERE DOES THE VILLAGE GET ITS MONEY?

TOTAL ALL REVENUES
\$191.4
 MILLION
 ▲ 25.3% Increase from 2023

There are several sources of revenue for the Village. The largest is “Charges for Services,” like water and sewer charges. Intergovernmental revenues are the second-largest revenue, followed by property taxes and other taxes. 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 2024, **\$191.4 million** in revenue is expected, a **25.3%** increase from the 2023 budget. This can be attributed to increases in sales taxes, income taxes and interest income, and proceeds from a bond sale for the construction of Fire Station 21.



REVENUE HIGHLIGHTS



\$27 MILLION
 PROPERTY TAXES

Property tax is the Village’s fourth-largest revenue source. The Village’s property tax levy will see a **3.5%** increase for 2024. These funds are specifically used to pay for public safety operations and pensions.



\$28.6 MILLION
 OTHER TAXES

Other municipal taxes, such as electricity, natural gas, and home rule sales tax, make up **15%** of all revenues.



\$22 MILLION
 WATER & SEWER FEES

Water and sewer charges are the most significant portion of charges for services, making up **38%** of the **\$57.8 million** in revenue in that category.

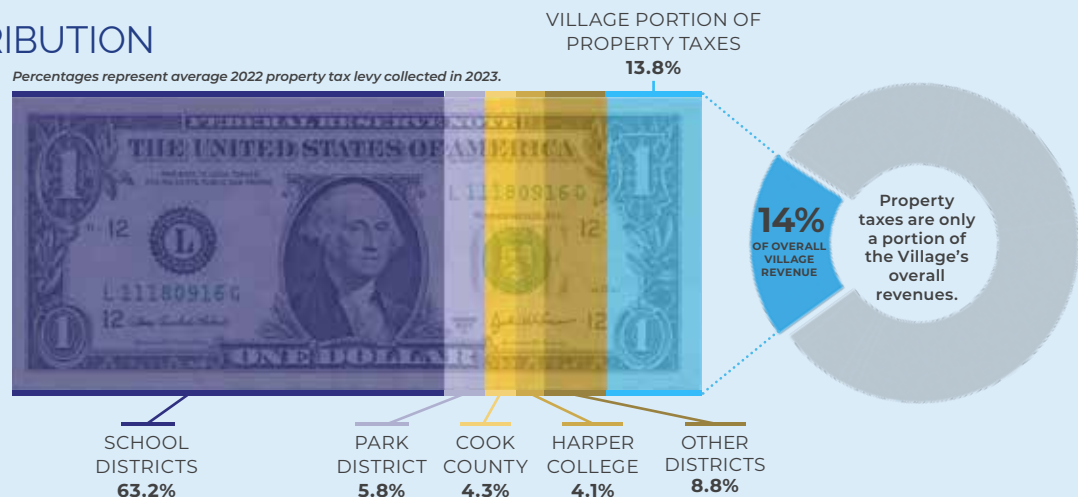


\$21.5 MILLION
 OPERATING TRANSFERS

Nearly **\$6.3 million** of General Fund reserves will be used toward the **\$44.5 million** of total capital needs in FY2024. Even with this use of General Fund reserves, the Village is still projected to maintain a **39%** General Fund balance reserve in 2024, exceeding the **25%** reserve required by Village Board policy.

PROPERTY TAX DISTRIBUTION

The Village receives only a portion of the property taxes that Hoffman Estates residents and businesses pay. Approximately **86%** of the average property tax bill can be attributed to other taxing districts, such as school, libraries, forest preserves, townships and county government.



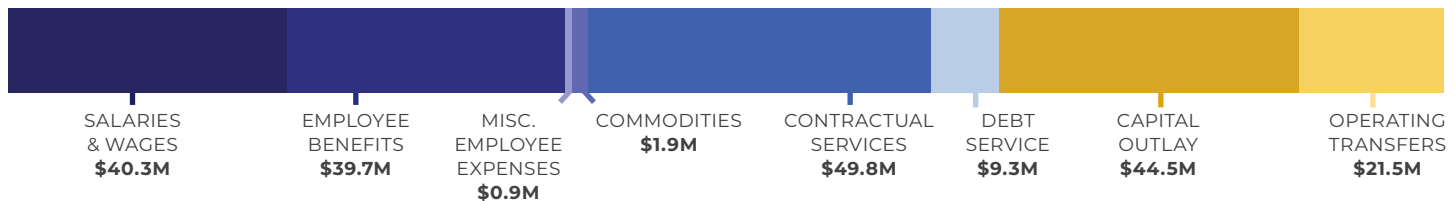
SPENDING AT A GLANCE

HOW IS VILLAGE MONEY SPENT?

The Village always makes an effort to anticipate expenses and plan for them within the annual budget. 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. Budgeted expenditures for 2024 total **\$207.8 million**, a **23.8% increase** from the prior year. Similar to increases in revenues, increases in expenditures can be attributed to costs associated with construction of the new Fire Station 21. Additional capital outlay will also help fund the Village's expanded Capital Improvement Program.

TOTAL EXPENDITURES
\$207.8
 MILLION
 ▲ 23.8% Increase from 2023

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 **39%** of the 2024 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 contractual services include tree removal and replacement and 911 dispatch for police and fire services.

DEBT SERVICE

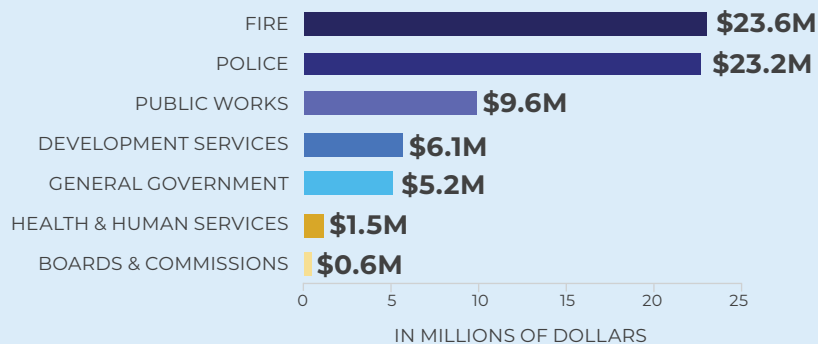
Debt service is the amount of money paid toward principal and interest the Village has incurred from issuing bonds or notes to pay for public projects, like a new building.

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 providers. Costs related to public safety make up the largest share of the General Fund.

In 2024, General Fund revenues are estimated to be **\$73 million**. Expenditures are expected to be approximately **\$79.1 million**, so a transfer of **\$6.3 million** from the fund balance, or savings, is included in the 2024 budget year. This transfer will be used to fund one-time capital projects.

EXPENSES BY DEPARTMENT





CAPITAL EXPENDITURES

CAPITAL IMPROVEMENTS PROGRAM

TOTAL CAPITAL EXPENDITURES
\$44.5
 MILLION
 ▲ 93% Increase from 2023

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 and vehicles, which are always considered capital purchases. Following the evaluation of a Fire Station Location Analysis Study conducted in 2022, the Village has elected to replace aging Fire Stations 21 and 22 with newly constructed facilities. The construction of Fire Station 21 is included as part of this year's **\$44.5 million** in budgeted capital expenses. Capital expenditures also include expanded investments in the Village's water system, street program, and sidewalk replacement program; ongoing stormwater improvements; and a new tree removal and replacement program.

CAPITAL HIGHLIGHTS

 \$11.1 MILLION STREETS & RELATED INFRASTRUCTURE	 \$10.9 MILLION PUBLIC BUILDINGS	 \$9.4 MILLION WATER & SANITARY SEWER	 \$6 MILLION MISC. PUBLIC IMPROVEMENTS	 \$4.3 MILLION EQUIPMENT	 \$2.7 MILLION TECHNOLOGY
 SIDEWALK REPLACEMENT \$1 million	 FIRE STATION 21 CONSTRUCTION \$9.9 million	 WATER MAIN REPLACEMENTS \$3 million	 VILLAGE GREEN IMPROVEMENTS \$2.5 million	 FIRE ENGINE REPLACEMENT \$1.3 million	 SECURITY CAMERA SYSTEM \$480,000

UPCOMING INITIATIVES FOR 2024

REFUSE & RECYCLING



A new residential and commercial refuse and recycling contract will be negotiated this year. The contract with the Village's current vendor expires in May 2025.

TECHNOLOGY & ERP SYSTEM



Business processes will continue to be analyzed as the Village improves usage of technology to best serve the community. An updated Enterprise Resource Planning (ERP) system will be a specific focus area for implementation.

WEBSITE REDESIGN



With a more intuitive interface and better search features in mind, the Village's website will undergo a complete redesign to make information about services, programs and events easy to find.

WHERE CAN I LEARN MORE?

Details about the FY2024 Operating and Capital Budget are available online at: hoffmanestates.org/budget.



SCAN ME

FOR MORE FY2024 BUDGET INFORMATION

