

VILLAGE OF HOFFMAN ESTATES, IL

Budget in Brief

2025



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 foundation for long-term financial success.

The budget creation process spans six months, with departments working 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. The Village Board then reviews the draft budget and, if necessary, requests changes.

Following a public hearing, the Board votes to approve and adopt the final budget. All budget hearings are open to the public, and community members are invited to participate.

The FY2025 Operating and Capital Budget was approved by the Village Board on December 2, 2024. The total budget for all funds is **\$227.2 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



\$227.2 MILLION
TOTAL BUDGET



16 AWARDS
FOR BUDGET
PRESENTATION



S&P BOND RATING
REAFFIRMED FOR "STABLE
OUTLOOK"



\$49.9 MILLION
CAPITAL PROJECTS





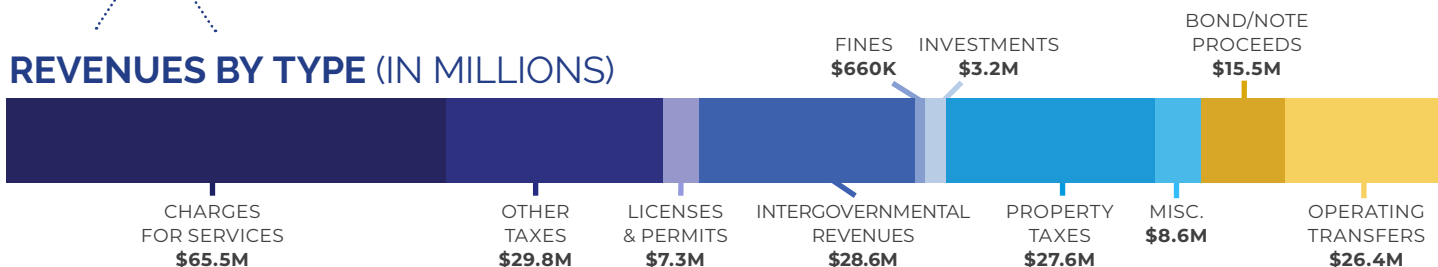
REVENUE AT A GLANCE

WHERE DOES THE VILLAGE GET ITS MONEY?



The Village has several sources of revenue. 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. Taxes paid to the State of Illinois that are redistributed to the Village, such as income tax, are included in intergovernmental revenue rather than other taxes. For the budget, conservative estimates are made on how much money will be received during the fiscal year. In 2025, **\$213.1 million** in revenue is expected, a **11.3%** increase from last year. This can be attributed to increases in sales taxes, income taxes, interest income, building permit fees and proceeds from a bond sale for the construction of Fire Station 22.

REVENUES BY TYPE (IN MILLIONS)



REVENUE HIGHLIGHTS



\$27.6 MILLION
PROPERTY TAXES

Property tax is the Village’s fourth-largest revenue source. Close to 90% of the property tax levy, which will see a modest **2.1%** increase for 2025, is used to pay for public safety operations and police and fire pensions. Approximately 10% of property taxes collected will go toward paying a portion of the Village’s outstanding debt.



\$29.8 MILLION
OTHER TAXES

Other municipal taxes, such as electricity, natural gas, and home rule sales tax, make up **14%** of all revenues.



\$24.3 MILLION
WATER & SEWER FEES

Water and sewer charges are the most significant portion of charges for services, making up **37%** of the **\$65.5 million** in revenue in that category.

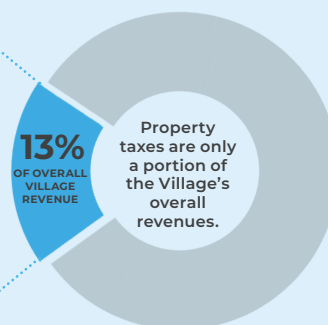
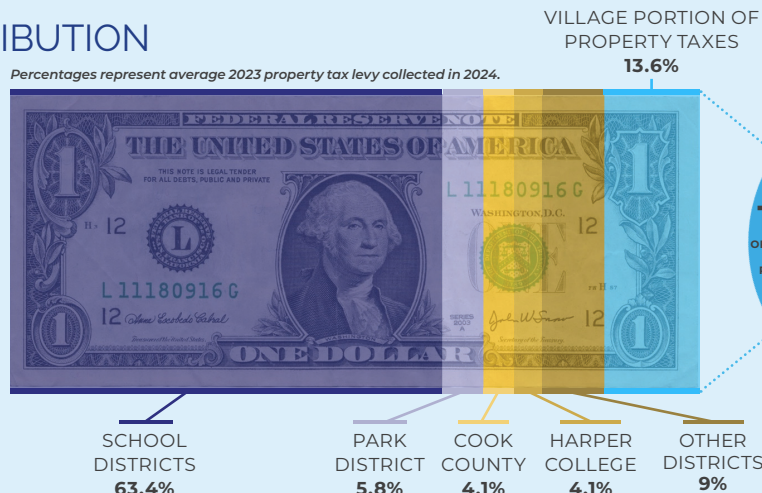


\$26.4 MILLION
OPERATING TRANSFERS

Approximately **\$8.8 million** from the General Fund will be used toward the **\$49.9 million** of total capital needs and toward the Village’s debt service in FY2025. Even with this use of General Fund dollars, the Village is still projected to maintain a **36.9%** General Fund balance reserve in 2025, 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 **86.4%** 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 2025 total **\$227.2 million**, a **9.3% increase** from the prior year. With positive financial results over the last several years, the Village has made it a priority to fund projects that address the Village's aging infrastructure. Nearly **\$50 million** is budgeted for capital outlay for FY2025.

EXPENDITURES BY TYPE FOR ALL FUNDS (IN MILLIONS)



Employees and the services they provide are the Village's most valuable investment. Personnel-related costs make up **37.5%** of the 2025 budget.



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.



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.



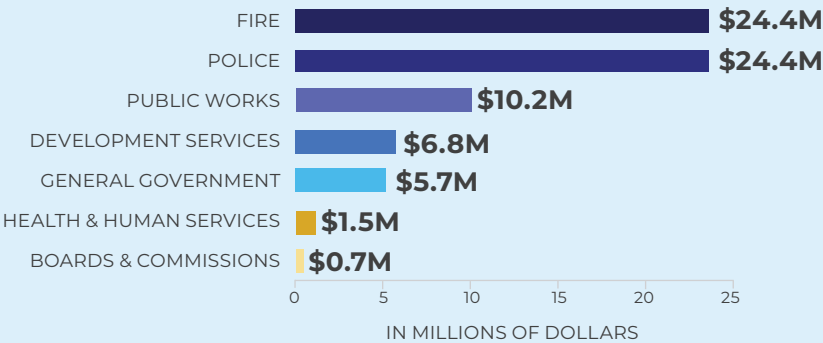
Different revenue sources are accounted separately, but are transferred to other accounts for specific projects. Motor Fuel Tax (**\$3.3M**) and Water/ Sewer funds (**\$900K**) will be transferred to help pay for the Street Program in 2025.

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 2025, General Fund revenues are estimated to be **\$77.1 million**. With expenditures expected to be **\$82.5 million**, a transfer of **\$8.8 million**, which includes **\$5.4 million** from fund balance reserves (savings) is included in the 2025 budget year. This transfer will be used to fund capital projects and go toward debt service.

EXPENSES BY DEPARTMENT





CAPITAL EXPENDITURES

CAPITAL IMPROVEMENTS PROGRAM

TOTAL CAPITAL EXPENDITURES
\$49.9 MILLION
▲ 12.1% Increase from 2024

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. Water, sewer and stormwater work to address aging infrastructure in the community is part of the **\$49.9 million** in budgeted capital expenses for 2025. In accordance with a recent five-year water and sewer system study, ongoing preventative maintenance projects for these systems will be funded through a combination of rate increases, low-interest loans from the Illinois Environmental Protection Agency, and transfers from General Fund reserves.

CAPITAL HIGHLIGHTS

 \$13.4 MILLION STREETS & RELATED INFRASTRUCTURE	 \$9.9 MILLION PUBLIC BUILDINGS	 \$9.3 MILLION WATER & SANITARY SEWER	 \$3 MILLION MISC. PUBLIC IMPROVEMENTS	 \$4.4 MILLION EQUIPMENT	 \$1.1 MILLION TECHNOLOGY
 STREET PROGRAM \$7.1 million	 VILLAGE HALL PARKING LOT \$2.5 million	 SANITARY LIFT STATION REHAB \$2.7 million	 STORMWATER IMPROVEMENTS \$2.7 million	 FIRE LADDER TOWER TRUCK \$2.5 million	 SECURITY CAMERA SYSTEM \$350,000

UPCOMING INITIATIVES FOR 2025



REFUSE & RECYCLING

A new residential and commercial refuse and recycling contract goes into effect in May 2025. Yard waste stickers will be eliminated and an updated composting program will be offered along with unlimited yard waste pickup.



COMPREHENSIVE PLAN UPDATE

Last approved in 2007, work will begin to update the Village's Comprehensive Plan this year. The Comprehensive Plan establishes long-range development policies and guidelines for the entire community.



DEMENTIA FRIENDLY COMMUNITY

The Village's Health & Human Services Department is spearheading an initiative for Hoffman Estates to become a certified Dementia Friendly Community. Public-private partnerships are being forged to attain this goal.

WHERE CAN I LEARN MORE?

Details about the FY2025 Operating and Capital Budget are available online at: hoffmanestates.org/budget.



 **SCAN ME**

FOR MORE FY2025 BUDGET INFORMATION

