



Finance and Administration

A

Village of Bloomingdale

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MEMORANDUM

Date: March 19, 2020

To: Pietro Scalera, Village Administrator

From: Gary L. Szott, Finance Director/Treasurer 

Subject: Water & Sewer Fund Proposed FY21 Budget and 5-Year Forecast

Annually and coincident with the annual budget process and in cooperation with the Director of Public Works, the Water & Sewer Fund's (the "Fund") annual budget and 5-Year Forecast (the "Forecast") is updated for the purpose of assessing the Fund's financial position and ability to sustain operations, service levels and finance anticipated capital improvement projects. When read in conjunction with the information contained in the separately released FY21 budget document, the Forecast, and its format, provides the structure to measure the Fund's fiscal objectives of:

1. Operate with a net income from operations of \$200,000, before depreciation,
2. Maintain an operating reserve (i.e. – working capital) equal to 25% of Total Operating Expenses,
3. Maintain a 1:1 ratio of functional rates to functional operating expenses, and
4. Follow a "Cash" financing approach for capital projects.

Ultimately, the Forecast can provide a financial framework from which collaborative discussion amongst elected officials, Village staff and the public can revolve. This could then provide guidance and direction to develop and refine strategic plans - both operating and capital - to ensure adherence to the Village's Vision and Mission, financial strength and viability, and avoidance of unwelcome financial situations.

The Government Finance Officers Association (GFOA) recommends to regularly engage in long-term financial planning that encompass key elements. These elements are listed below and are incorporated into the Forecast to varying degrees.

- A. Time Horizon** – A plan should look at least five to ten years into the future.
- B. Scope** – A plan should consider all appropriated funds, in this case the Water & Sewer Fund.
- C. Frequency** – A plan should be updated as needed in order to provide direction to the budget process.

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- D. Content** – A plan should include an analysis of the financial environment, revenue and expenditure forecast, debt position and other key points.
- E. Visibility** – The public and elected officials should be able to easily learn about the long-term financial prospects of the government, in this case the Water & Sewer Fund, and strategies for financial balance.

The Forecast is meant to provide guidance in prioritizing and aligning service objectives and capital outlays with financial resources, but it is not a final plan. It is a framework from which further discussions can evolve to better assure that desired service levels are attained, capital projects are planned and completed, and financial position remains strong. The Forecast has been developed using the data available, an awareness of the current economy, and assumptions that are based on the knowledge and instincts of staff as well as historical trends specific to the Village's water & sewer operations. As such, the Forecast's projections are subject to certain assumptions, uncertainties and risks and there could be a variety of factors that could cause the projections to differ materially from the anticipated results expressed herein. No obligation or commitment is established by the Forecast and continuous adjustments and improvements are considered a normal part of the "process."

To arrive at the results of this Forecast the following data, assumptions and methodologies were used.

1. The FY16 through FY19 amounts reflect actual, audited amounts. The FY20 and FY21 amounts represent the amounts that are in the proposed FY21 Budget.
2. The FY22 through FY25 Forecast amounts represent projections made by staff based upon trend history, and other knowledge, vision or cautious perspective of what is occurring now or what may be reasonably expected to occur based upon reliable information.
3. Operating revenue, comprised primarily of water and sewer rate revenue, is forecasted using the current water and sewer rates applied to the five year historical average annual gallons of water sold to customers. No significant changes have been assumed with respect to the volume of water sold or the number of system customers. See #s 5 and 6 below for discussion on rate change assumptions.
4. Operating expenses, excluding water costs, are projected by using the proposed FY21 budget as the "base" year and then adding an annual increase of 2.00%, which would appear to be a conservative level. The Fund's actual average annual increase of operating expenses over the past five years (FY16 through FY20) has been less than 1.00%. Actual expense activity, specific categories, or line items may vary.

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5. The FY21 water costs, or the cost of water that the Village is charged by the DuPage Water Commission (DWC), assumes and reflects a 3%, or a 15¢/1,000 gallons of water purchased, increase effective May 1, 2020. This translates to a cost of \$5.12/1,000 gallons of water purchased. The FY20 water costs were \$4.97/1,000 gallons of water purchased.

*** Subsequent to the compilation and release of the proposed FY21 Budget, the DWC's FY21 tentative budget was received. It reflected no change in the cost of water purchased. The Village's cost per 1,000 gallons will remain at \$4.97 during FY21. The DWC is anticipating an increase from the City of Chicago and it is based on the change in the CPI for the period December 2018 to December 2019.*

Because the Village's cost of water purchased will not be changing, unless otherwise directed, it is not anticipated that the Village will change the water rate charged to its customers.

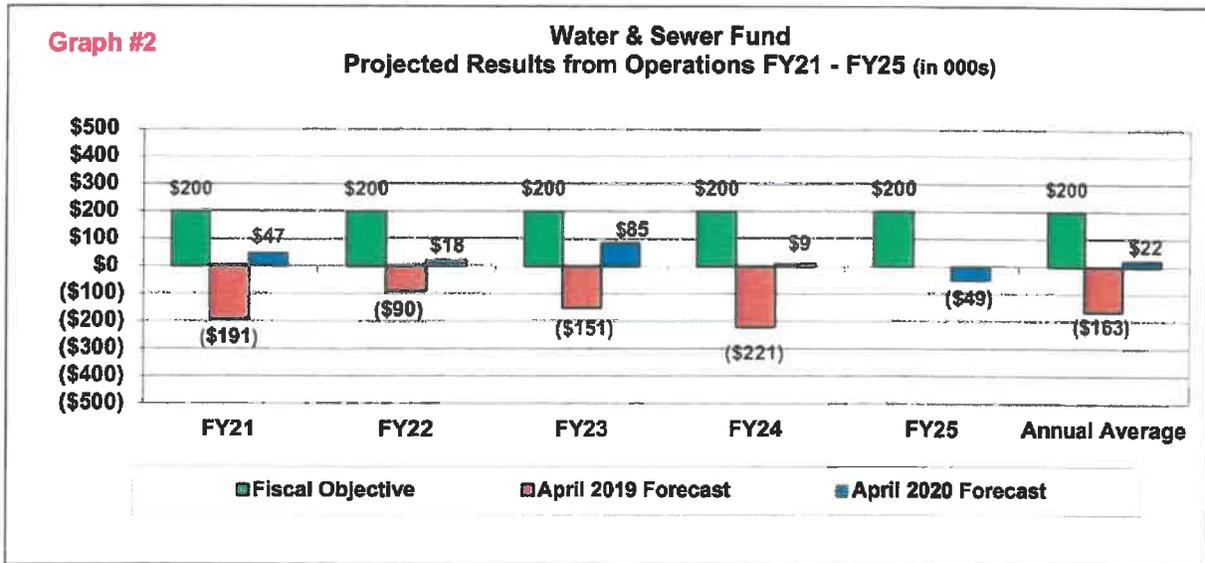
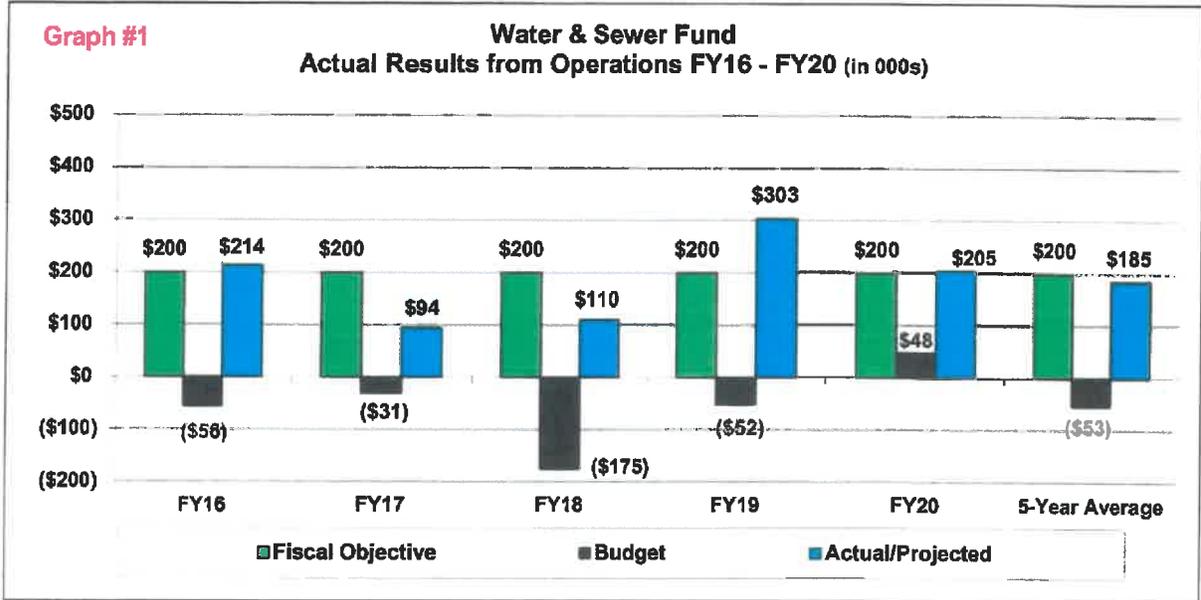
6. The water rates charged to Village utility customers adjust annually in correlation with the increases imposed by the City of Chicago/DWC through FY25. The FY22 through FY25 Forecast includes annual water cost increases of 2% each year through FY25.

Fiscal Objective #1 – Operate with a Net Income from Operations of \$200,000, before Depreciation –

Over the past five fiscal years (FY16 through FY20), the Fund will have attained an average annual operating income, before depreciation, of \$185,000. Further, in each of the past five fiscal years the Fund has produced a net income. It also performed well when measured against the average annual budgeted income from operations, before depreciation, which was approximately (\$53,000). Graph #1 on the following page provides an illustration of this performance.

The proposed FY21 Budget reflects the Fund to operate with a net income, before depreciation, of \$47,225. Further, through FY25, the Fund is forecasted to attain an average annual operating income, before depreciation, of \$22,000. A year ago, the Fund was projected to generate an average annual loss from operations, before depreciation, of approximately \$163,000. Graph #2 on the following page illustrates these forecasts and includes a comparison to the April 2019 Forecast for perspective.

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The improved forecasted performance can be primarily attributable to the water reclamation facility (WRF) division's FY20 operating expenses declining by approximately \$204,000, or 11%, when compared to FY19. Virtually all categories of expenses within the WRF division declined. Further, when compared to budget, the Fund has performed well over the past five fiscal years, outperforming budget by an average annual amount of \$238,000 during this time period.

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While the Fund is forecasted to generate a net income, before depreciation, over the next five fiscal years, it is not expected to achieve its fiscal objective in any of those years. Additionally, as reported later in the section titled, "Fiscal Objective #3 - Maintain a 1:1 Ratio of Rates to Expenses, the 1:1 ratio can be improved. Therefore, to better position the Fund to more likely achieve its fiscal objectives, consideration should be given to an operating rate increase, more specifically a sewer rate increase. An increase in FY21 may be particularly strategic given the fact that a water rate increase related to the DWC will not be needed. This would assist in tempering the impact on customers of a potentially necessary larger rate increase were it to be combined with an increase from the DWC. The last time water or sewer rates were increased for operational needs, other than City of Chicago/DWC needs, was in June 2012; nearly eight years ago.

Based on the average annual amount of sewer gallons that are billed to customers, a 27¢, or 6%, sewer rate increase should be considered. This increase is estimated to provide an additional \$172,000 of revenue each year to the Fund. It would assist in obtaining the fiscal objectives referenced above. Implementation could occur as a one-time event or phased-in over a period of time. The monthly impact to a residential customer using an average of 6,000 gallons of water each month, would be approximately \$19 annually.

Fiscal Objective #2 – Maintain an Operating Reserve Equal to 25% -

A targeted operating reserve or working capital amount equal to 25% of Total Operating Expenses (3 months or 90 days of operating expenses) has been established to provide for the delivery of ongoing services, short-term cash flow disparities, unbudgeted and unexpected system repairs or equipment replacements and other unforeseen events.

Operating reserves or working capital is not intended to and does not provide "permanent" funding for operating expenses or capital projects. The purpose of operating reserves is to allow for the day-to-day activities of the Fund to continue in an orderly manner without regard to the ebbs and flows of the receipt of revenues and the payment of operating expenses.

Maintaining a 25% operating reserve or working capital balance is a reasonable and responsible level given the characteristics of the Water & Sewer Fund. The GFOA's position is that 90 days is a "baseline" level of working capital for an Enterprise Fund, which the Water & Sewer Fund is. GFOA recommends that, under no conditions, the target for working capital be less than 45 days of annual operating expenses.

In April 2019, it was projected that the Fund would end FY19 with operating reserves of 90 days or 25% and it did. Additionally, the Fund is projected to achieve a 90 day or 25% operating reserve each year through FY25.

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Fiscal Objective #3 – Maintain a 1:1 Ratio of Rates to Expenses -

The Fund strives to achieve a 1:1 ratio or allocation of water rate revenues to water function operating expenses and sewer rate revenues to sewer function operating expenses. Over the past five fiscal years (FY16 through FY20) water rate revenue has exceeded water function expenses by an annual average of approximately \$187,000 and sewer rate revenue has exceeded sewer function expenses by an annual average of approximately (\$2,000).

Over the next five fiscal years (FY21 through FY25), it is projected that water rate revenue will be less than water function expenses by an annual average of approximately \$138,000 and sewer rate revenue has exceeded sewer function expenses by an annual average of approximately (\$108,000).

While the fiscal objective has generally been achieved over the past five years and is expected to be generally achieved over the next five years, there is a trend of an imbalance between the two functions. The previously suggested sewer rate increase would assist in addressing this imbalance.

Fiscal Objective #4 – Follow a “Cash” Financing Approach for Capital Projects -

Historically, the Village has funded its capital projects on a “pay-as-you-go”, or cash, basis. This has been accomplished, with a few exceptions, as the Fund has had sufficient “excess” cash from certain revenue sources that have been designated, or committed, toward capital projects. The exceptions that have occurred involved capital projects of significant cost. In these instances, debt financing occurred to construct the project and then certain revenue sources were identified and designated or committed toward repaying the debt.

A summary listing of the Fund’s 103 individual proposed capital projects is included in this report. The list reflects all of the projects that are contained in the proposed FY21 Capital Improvement Plan (CIP). For analysis purposes, the individual projects have been grouped into five “projects” or categories. The groups or projects have been color coded in an effort to ease referencing from this correspondence to the summary listing. The following provides a brief description of each of these five groups/projects and a suggested approach to pay for the project.

1. Capital Outlay - WRF Construction - 

- a. **Phase 2B Grit Screening Removal Facility & Filter Upgrade** – this project involves the upgrade of the grit screening and removal facility and disc filters. It began in FY19 with engineering design and construction is scheduled to begin in FY21. The project will enable efficient and effective removal of non-biodegradable grit and debris, as well as, upgrading an antiquated bridge filter system. The cost of the project is in excess of \$9.00 million and funding is

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anticipated to come from an IL EPA loan. The loan would be repaid over a 20-year term and require annual debt service payments of approximately \$583,000. To provide the monies to repay the loan, an annual allocation of home rule sales tax will be used. For perspective, to generate sufficient revenue to repay the loan from sewer rates, an approximate 92¢ per 1,000 gallons, or 21%, sewer rate increase would be needed. The increase, to a residential customer using the average of 6,000 gallons of water each month, would be approximately \$66 annually.

- b. **WRF FPA Phosphorus Compliance** – this project involves constructing improvements estimated to cost \$5.53 million which are necessary to comply with EPA standards. Funding for the project is anticipated to come from an IL EPA loan. Annual debt service payments to repay the loan are estimated to be approximately \$369,000. To provide the monies to repay the loan, an annual allocation of home rule sales tax will be used. For perspective, to generate sufficient revenue to repay the loan from sewer rates, an approximate 58¢ per 1,000 gallons, or 13%, sewer rate increase would be needed. The increase to a residential customer, using the average of 6,000 gallons of water each month, would be approximately \$42 annually.

In addition to the construction component of this project, there will be additional operating costs that are estimated to be in excess of \$300,000 annually. To generate sufficient revenue through sewer rates to support the additional operating costs, an approximate 48¢, or 11%, sewer rate increase would be needed beginning in approximately FY25. The increase to a residential customer, using the average of 6,000 gallons of water each month, would be approximately \$35 annually.

2. **Capital Outlay – Non WRF Construction** – this group consists of capital projects that are not directly related to the WRF's facility plan upgrades and improvements. These projects are funded with water tap-on fees, sewer tap-on fees, gain on sale of assets, and other one-time revenues. Over the next five fiscal years, these revenue sources are projected to generate an approximate average of \$399,000 annually. Projecting tap-on fees is subject to significant variation and volatility based on development activity.

The projects in this group are estimated to cost, on average, \$570,000 annually over the period FY21 through FY25. As such, there is a projected average annual shortfall of \$171,000. In FY23, there are three projects that may merit alternative funding. These projects are the replacement of the Vector truck (\$460,000), the purchase of a new 2 ½ ton dump truck (\$180,000), and the replacement of the mini excavator (\$110,000). One such alternative funding source could be an allocation of home rule

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sales tax. If these three projects obtain alternative funding, the aforementioned \$171,000 projected average annual shortfall becomes a manageable \$21,000 average annual shortfall.

Staff will continue to review, and revise as appropriate, the scheduling or timing of the capital projects, which may assist in more evenly matching capital revenues with capital expenses.

3. **Major Maintenance (i.e. – operating costs)** – [redacted] this group consists of individual projects that are each significant in amount (> \$20,000) and meet the definition of, and are included in, the CIP. While the projects are included in the CIP, the individual projects do not meet the financial reporting (i.e. – GAAP) definition of a capital outlay or project. GAAP considers these major maintenance “projects” to be operating costs for financial reporting purposes. Therefore, for the purposes of this Forecast, these projects are considered as part of the operations analysis in Fiscal Objective #1; not the capital, “cash” financing analysis. These projects are funded with water and sewer operating rate revenue.
4. **Water Meter Replacement & Upgrade** – [redacted] this project is to replace and upgrade all of the water meters together with enhancements as to how, and how often, meter readings are, or can be, obtained. The existing water meters and meter reading equipment was installed in approximately 2003 and are being phased-out, or made obsolete, by the manufacturer. The first component of the project occurred in FY20 and involved the installation of two antennas and a regional network interface system. The second component of the project will be the replacement of approximately 7,500 water meters. Funding for the approximate \$3.00 million costs of the new water meters is anticipated to come from a short-term (5 year) bank loan. Annual debt service payments to repay the loan are estimated to be \$651,000. To provide the monies to repay the loan, an annual allocation of home rule sales tax will be used. For perspective, to generate sufficient revenue to repay the loan from water and sewer rates, an approximate 99¢ per 1,000 gallons, or 8%, water (68¢) and sewer (31¢) rate increase would be needed beginning in FY23 and ending in FY28. The increase to a residential customer, using the average of 6,000 gallons of water each month, would be approximately \$71 annually.
5. **Depreciation** – [redacted] this group consists of the annual depreciation, or systematic and rationale use or consumption of the water and sewer system’s infrastructure, most notably the water and sewer mains (the “system”). This project recognizes and represents the gradual use and deterioration of the “system” (i.e. - water and sewer mains). Depreciation is a method or systematic and rationale means to recognize the wear and tear of an asset because of its use by current customers augmented

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by the lapse of time, eventually resulting in the expiration of the service life of that asset. Over time and as the existing system ages it will eventually need to be replaced and the cost of replacement or rehabilitation, for even a small component or length, can be significant. The annual cost or depreciation is estimated to be \$820,000. No revenue sources have been identified and committed to this project and no monies have been accumulated. For perspective, to generate sufficient revenue through water and sewer rates, an approximate \$1.26 per 1,000 gallons, or 10%, water (66¢) and sewer (60¢) rate increase would be needed, beginning in FY20, to generate sufficient annual revenues to offset the depreciation. The increase to a residential customer, using the average of 6,000 gallons of water each month, would be approximately \$91 annually.

Continuing a “cash” financing approach has been achieved through FY20 and is projected to continue through FY25 except for instances where capital projects have a significant cost. In these instances, alternative revenue sources or debt financing is anticipated and with respect to the repayment of any debt financing, certain revenue sources have been identified. With respect to depreciation, historically the Village has not funded depreciation through rate revenue. Consideration to do so would require further discussion.

Summary and Recommendation –

The purpose of this Forecast is to assess the Fund’s financial position through the measurement of how it has performed, and how it is projected to perform, against its multiple fiscal objectives as stated at the beginning of this report. The conclusions reached summarized as follows:

1. The Fund has generally achieved the fiscal objective of **generating income, before depreciation, of \$200,000**, on an average annual basis, over the past five fiscal years (FY16 through FY20); however, it is not projected to achieve the objective over the next five fiscal years (FY21 through FY25).
2. The Fund has maintained, and will be able to continue to maintain, **operating reserves (i.e. - working capital)** equal to 25% of Total Operating Expenses through FY25.
3. The Fund is experiencing an imbalance in its **revenue to expense ratio**, by function, of 1:1 for the past five fiscal years (FY16 through FY20) and it is projected this imbalance will continue over the next five fiscal years (FY21 through FY25).
4. The Fund has been able to maintain a **“cash” financing** approach for capital outlays, over the past five fiscal years (FY16 through FY20) with limited exceptions. It is projected that the Fund will be able to continue to maintain this financing

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approach over the next five fiscal years (FY21 through FY25) except for certain projects of significant costs. These projects will require an alternative revenue source or debt financing consistent with the Fund's objectives.

It is respectfully recommended the Village Board review this Water & Sewer Fund Proposed FY21 Budget and 5-Year Forecast report to gain an understanding of the current and future financial position of the Fund. Further, it is recommended that a 27¢ sewer rate increase be implemented effective for sewer use beginning on or after June 1, 2020. The need for this increase is to provide the Fund an opportunity to achieve its stated fiscal objectives.

VILLAGE OF BLOOMINGDALE
WATER & SEWER FUND 5-YEAR FORECAST
SUMMARY OF OPERATING REVENUES AND EXPENSES

04/08/20

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	
	(audited)	(budget)	(EOY)	(budget)	(forecast)	(forecast)	(forecast)	(forecast)	
	FY	FY	FY	FY	FY	FY	FY	FY	SOURCE, COMMENTS
OPERATING REVENUES	04/30/19	04/30/20	04/30/21	04/30/22	04/30/23	04/30/24	04/30/25		or ASSUMPTIONS
1 Water/Sewer Rate Revenue	8,321,757	8,383,750	8,189,025	8,355,730	8,469,800	8,585,700	8,704,000	8,824,700	5-year ave gallons billed & annual 2% water rate incre
2 Late Fees, Meter Fees, etc.	163,276	174,100	200,310	179,200	180,200	177,500	180,100	183,500	5-year average
3 Interest Income	177,798	125,000	141,030	130,000	147,000	139,000	116,000	116,000	2.00% yield assumption FY22-FY25
4 Miscellaneous	72,349	77,780	81,250	57,710	71,500	66,200	69,800	69,300	5-year average; IRMA surplus
5 TOTAL OPERATING REVENUES	8,735,180	8,760,630	8,611,615	8,722,640	8,868,500	8,968,400	9,069,900	9,193,500	
OPERATING EXPENSES									
6 Finance	270,200	275,990	267,140	269,005	274,400	279,900	285,500	291,200	5-year ave change < 1%; 2% applied to FY22-FY25
7 Source of Supply	769,545	774,130	806,045	781,245	796,900	772,000	787,400	803,100	5-year ave change < 1%; 2% applied to FY22-FY25
8 DWC O&M Costs	3,553,604	3,736,060	3,542,315	3,717,120	3,791,500	3,867,300	3,944,600	4,023,500	5 Yr Ave gals purch & annual 2% CPI increases
9 Distribution System	1,162,496	1,300,940	1,327,860	1,250,670	1,214,500	1,238,800	1,263,600	1,288,900	5-year ave change < 1%; 2% applied to FY22-FY25
10 Sanitary Collection System	781,165	745,065	778,550	879,800	858,600	875,800	893,300	911,200	5-year ave change < 1%; 2% applied to FY22-FY25
11 Water Reclamation Facility	1,895,540	1,880,910	1,684,990	1,777,575	1,915,100	1,849,400	1,886,400	1,924,100	5-year ave change < 1%; 2% applied to FY22-FY25
12 TOTAL OPERATING EXPENSES	8,432,550	8,713,095	8,406,900	8,675,415	8,851,000	8,883,200	9,060,800	9,242,000	
OPERATING NET INCOME (LOSS)									
13 BEFORE DEPRECIATION	302,630	47,535	204,715	47,225	17,500	85,200	9,100	(48,500)	FISCAL OBJECTIVE Generate income of \$200,000
14 Depreciation Expense	1,758,926	0	1,700,490	0	1,700,490	1,700,490	1,700,490	1,700,490	
15 OPERATING NET INCOME (LOSS)	(1,456,296)	47,535	(1,495,775)	47,225	(1,682,990)	(1,615,290)	(1,691,390)	(1,748,990)	

VILLAGE OF BLOOMINGDALE
WATER & SEWER FUND 5-YEAR FORECAST
SUMMARY OF CAPITAL PROJECTS' REVENUES AND EXPENSES by Source

04/08/20

	[A] (audited) FY	[B] (budget) FY	[C] (EOY) FY	[D] (budget) FY	[E] (forecast) FY	[F] (forecast) FY	[G] (forecast) FY	[H] (forecast) FY	SOURCE, COMMENTS or ASSUMPTIONS
	04/30/19	04/30/20	04/30/21	04/30/22	04/30/23	04/30/24	04/30/25		
CAPITAL REVENUES									
1 Sewer Rate Revenue - FPA Phase 2A (5/1/09)	170,271	173,070	184,410	172,260	172,165	172,165	172,165	172,165	27¢ Committed to Debt Service; WRF FPA Phase 2
2 Operating Transfers In - from HR Sales Tax	360,000	360,000	360,000	363,000	363,000	363,000	363,000	363,000	Committed to FPA Phase 1 Debt Service
3 Operating Transfers In - from HR Sales Tax	95,000	95,000	95,000	92,000	92,000	92,000	92,000	92,000	Committed to FPA Phase 2A Debt Service
4 Operating Transfers In - from HR Sales Tax	0	0	0	0	0	583,293	583,293	583,293	Committed to FPA Phase 2B Debt Service
5 Operating Transfers In - from HR Sales Tax	0	0	0	0	0	0	650,605	650,605	Committed to Water Meter Replacement Debt Servi
6 Operating Transfers In - from HR Sales Tax	0	0	0	0	0	0	0	369,369	Committed to Phosphorus Compliance Debt Service
7 Operating Transfers In - from HR Sales Tax	0	0	0	0	0	460,000	0	0	Committed to non-WRF FPA capital projects
8 Tap-On Fees - Water	38,628	45,600	41,610	110,055	40,000	26,220	26,220	26,220	Committed to non-WRF FPA capital projects
9 Tap-On Fees - Sewer	359,117	424,000	386,900	620,450	375,000	243,800	243,800	243,800	Committed to non-WRF FPA capital projects
10 Loan Proceeds - Grit Screening/Removal & Filters	0	2,681,200	0	3,180,275	6,395,845	0	0	0	Committed to Grit Screen/Remove & Filters Project
11 Loan Proceeds - Fixed Point AMI & Water Meter Replace	0	0	0	0	0	3,000,000	0	0	Committed to Water Meter Replace/Upgrade Projec
12 Loan Proceeds - Phosphorus Compliance	0	0	0	0	0	0	5,525,000	0	Committed to Phosphorus Compliance Project
13 Gain on Sale of Assets and Other	5,636	7,000	10,390	5,000	8,400	8,400	8,400	8,400	Committed to non-WRF FPA capital projects
14 TOTAL CAPITAL REVENUES	1,028,652	3,785,870	1,078,310	4,543,040	7,446,410	4,948,878	7,664,483	2,508,852	
CAPITAL EXPENSES									
15 Capital Projects excluding Major Maintenance -									
16 Non WRF FPA	243,824	283,000	122,910	574,895	407,900	1,030,600	325,400	512,080	FY21 CIP - excludes Major Mtc & Depreciation
17 WRF FPA Grit Screening/Removal Facility & Filters	505,496	2,138,150	50,450	2,670,030	6,395,845	0	0	0	FY21 CIP - Grit Screening/Removal Facility & Filte
18 Fixed Point AMI System & Water Meter Replacements	0	0	0	0	0	3,000,000	0	0	FY21 CIP - Fixed Point & Water Meter Replacemen
19 WRF FPA Phosphorus Compliance	0	0	0	0	0	485,000	5,040,000	0	FY21 CIP - Phosphorous Compliance
20 Sub-Total Capital Projects	749,320	2,421,150	173,360	3,244,925	6,803,745	4,515,600	5,365,400	512,080	
21 Debt Service -									
22 FPA Phase 1 - 2008 IEPA Loan - P & I	799,262	799,265	799,265	799,265	799,265	799,265	799,265	799,265	WRF FPA Phase 1 - retired in FY29
23 FPA Phase 2A - 2011 IEPA Loan P & I	271,980	271,985	271,985	271,980	271,980	271,980	271,980	271,980	WRF FPA Phase 2A - retired in FY32
24 FPA Phase 2B - 2020 IEPA Loan P & I	0	0	0	0	0	583,293	583,293	583,293	Grit Screening/Removal & Filters - retired in FY43
25 Fixed Point AMI System & Water Meter Replacements	0	0	0	0	0	0	650,605	650,605	Water Meter Replacements - retired in FY28
26 Phosphorus Compliance - Loan P & I	0	0	0	0	0	0	0	369,369	Phosphorus Compliance - retired in FY45
27 Sub-Total Debt Service	1,071,243	1,071,250	1,071,250	1,071,245	1,071,245	1,654,538	2,305,143	2,674,512	
28 TOTAL CAPITAL & DEBT SERVICE	1,820,563	3,492,400	1,244,610	4,316,170	7,874,990	6,170,138	7,670,543	3,186,592	
EXCESS/(DEFICIENCY) OF CAPITAL REVENUES OVER CAPITAL & DEBT SERVICE EXPENSES									
29	(791,910)	293,470	(166,300)	226,870	(428,580)	(1,221,260)	(6,060)	(677,740)	FISCAL OBJECTIVE "Cash" Financing

VILLAGE OF BLOOMINGDALE
 WATER & SEWER FUND 5-YEAR FORECAST
 SUMMARY OF CASH BALANCES

04/08/20

SUMMARY OF ACTIVITY	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	SOURCE, COMMENTS or ASSUMPTIONS
	(audited)	(budget)	(EOY)	(budget)	(forecast)	(forecast)	(forecast)	(forecast)	
	FY 04/30/19	FY 04/30/20	FY	FY	FY	FY	FY	FY	
1 BEGINNING CASH BALANCE	7,519,757	7,030,477	7,030,477	7,068,892	7,342,987	6,931,907	5,795,846	5,798,886	Prior year's ending balance
OPERATING NET INCOME (LOSS)									
2 BEFORE DEPRECIATION	302,630	47,535	204,715	47,225	17,500	85,200	9,100	(48,500)	
EXCESS/(DEFICIENCY) OF CAPITAL									
3 REVENUES OVER CAPITAL EXPENSES	(791,910)	293,470	(166,300)	226,870	(428,580)	(1,221,260)	(6,060)	(677,740)	
4 NET CHANGE from Operations & Capital	(489,280)	341,005	38,415	274,095	(411,080)	(1,136,060)	3,040	(726,240)	Annual Impact to Cash Balance
5 ENDING CASH BALANCE	7,030,477	7,371,482	7,068,892	7,342,987	6,931,907	5,795,846	5,798,886	5,072,646	
ALLOCATION OF ENDING CASH BALANCE									
	90	90	90	90	90	90	90	90	# of days working capital
	25%	25%	25%	25%	25%	25%	25%	25%	% of working capital
6 COMMITTED									
7 Operating Reserves/Working Capital	2,108,138	2,178,274	2,101,725	2,168,854	2,212,750	2,220,800	2,265,200	2,310,500	25% of Total Operating Expenses
8 WRF FPA Phase 1 - 2008 IEPA Loan	4,331,071	3,891,806	3,891,806	3,455,541	3,019,276	2,583,011	2,146,746	1,710,481	cumulative; beg bal plus rev less debt svc
9 WRF FPA Phase 2A - 2011 IEPA Loan	85,386	81,471	92,811	85,091	77,276	69,460	61,645	53,830	cumulative; beg bal plus rev less debt svc
11 Total Committed	6,524,595	6,151,551	6,086,342	5,709,486	5,309,302	4,873,272	4,473,591	4,074,811	
12 "EXCESS" AVAILABLE FOR CAPITAL	505,882	1,219,931	982,550	1,633,501	1,622,605	922,575	1,325,295	997,835	
13 ENDING CASH BALANCE	7,030,477	7,371,482	7,068,892	7,342,987	6,931,907	5,795,846	5,798,886	5,072,646	

VILLAGE OF BLOOMINGDALE
WATER & SEWER FUND 5-YEAR FORECAST
SUMMARY OF RATE REVENUES TO OPERATING EXPENSES

04/08/20

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]		
	(audited)	(budget)	(EOY)	(budget)	(forecast)	(forecast)	(forecast)	(forecast)	SOURCE, COMMENTS	
	FY	FY	FY	FY	FY	FY	FY	FY	or ASSUMPTIONS	
	04/30/19	04/30/20	04/30/21	04/30/22	04/30/23	04/30/24	04/30/25			
SUMMARY										
WATER FUNCTION										
1	Rate revenues	5,960,113	5,953,069	5,899,322	5,969,902	6,049,215	6,188,639	6,297,515	6,408,052	
2	Operating expenses	5,620,745	5,949,125	5,809,790	5,883,538	5,940,100	6,018,050	6,138,350	6,261,100	
	Excess/(Deficiency) of Water Revenues									
3	Over/(Under) Water Expenses	339,368	3,944	89,532	86,365	109,115	170,589	159,165	146,952	Average Excess FY16 through FY20 \$187,072
										Average Excess FY21 through FY25 \$134,437
SEWER FUNCTION										
4	Rate revenues	2,775,067	2,807,561	2,712,293	2,752,738	2,819,285	2,779,761	2,772,385	2,785,448	
5	Operating expenses	2,811,805	2,763,970	2,597,110	2,791,878	2,910,900	2,865,150	2,922,450	2,980,900	
	Excess/(Deficiency) of Sewer Revenues									
6	Over/(Under) Water Expenses	(36,738)	43,591	115,183	(39,140)	(91,615)	(85,389)	(150,065)	(195,452)	Average Excess FY16 through FY20 (\$2,077)
										Average Excess FY21 through FY25 (\$112,332)
OPERATING NET INCOME (LOSS)										
7	BEFORE DEBT SERVICE EXPENSES	302,630	47,535	204,715	47,225	17,500	85,200	9,100	(48,500)	Same as Part 1 - Row 19

Village of Bloomingdale
Water & Sewer Fund
Summary of Capital Improvement Projects (CIP) - FY21 through FY25

Fund Type	Prj #	ProjectTitle	CO MM Depr	FY21 Budget	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	Total
Summary									
Water & Sewer	1	Capital Outlay - WRF Construction	CO	2,670,030	6,395,845	485,000	5,040,000	-	14,590,875
Water & Sewer	2	Capital Outlay - Non WRF Construction	CO	574,895	407,900	1,030,600	325,400	512,080	2,850,875
Water & Sewer	3	Major Maintenance	MM	364,595	434,420	349,285	321,210	363,195	1,832,705
Water & Sewer	4	Fixed-Point AMI System & Water Meter Replacements	MM	-	-	3,000,000	-	-	3,000,000
Water & Sewer	5	Depreciation	depr	-	819,900	819,900	819,900	819,900	3,279,600
Total				3,609,520	8,058,065	5,684,785	6,506,510	1,695,175	25,554,055
Detail									
Water & Sewer	474	WRF Grit-Screening Removal Facility	CO	\$ 2,670,030	6,395,845	-	-	-	9,065,875
Water & Sewer	1	Winston Water Tower Maintenance	CO	223,225	-	-	-	-	223,225
Water & Sewer	68	North Circle Ave Lift Station Control Cabinet	CO	150,000	-	-	-	-	150,000
Water & Sewer	310	2003 Ford F450 Dump Truck Vehicle #703	CO	95,000	-	-	-	-	95,000
Water & Sewer	551	Pretreatment Program	MM	84,000	55,000	40,000	40,000	40,000	259,000
Water & Sewer	348	Water Quality Improvement Assessment (DRSCW)	MM	60,595	62,420	64,285	66,210	68,195	321,705
Water & Sewer	518	Water System Condition and Reliability Study	MM	60,000	-	-	-	-	60,000
Water & Sewer	296	Ford F250 pick up Vehicle # 208	CO	55,000	-	-	-	-	55,000
Water & Sewer	238	Fire Hydrant Replacement Program	MM	45,000	100,000	100,000	100,000	100,000	445,000
Water & Sewer	237	Main Line Water Valve Replacement Program	MM	45,000	45,000	45,000	45,000	45,000	225,000
Water & Sewer	285	Sanitary Sewer Wye & Manhole Sealing	MM	40,000	40,000	40,000	40,000	40,000	200,000
Water & Sewer	349	Sanitary Wye Replacement & Point Repair Program	MM	30,000	30,000	30,000	30,000	30,000	150,000
Water & Sewer	555	WRF Additional/Emergency Chlorine Feed Building	CO	20,000	-	-	-	-	20,000
Water & Sewer	191	SCADA Replacement/Upgrade	CO	17,670	-	-	-	-	17,670
Water & Sewer	561	Pump Station Chlorine Feeders (4)	CO	14,000	14,000	-	-	-	28,000
Water & Sewer	63	Water Main Major Maintenance Improvements	depr	-	434,900	434,900	434,900	434,900	1,739,600
Water & Sewer	72	Sanitary Sewer Main Major Maintenance Improvements	depr	-	385,000	385,000	385,000	385,000	1,540,000
Water & Sewer	524	Facility Plan Amendment (FPA) Update	MM	-	102,000	-	-	-	102,000
Water & Sewer	77	WRF - New & Replacement Equipment	CO	-	50,000	50,000	50,000	50,000	200,000
Water & Sewer	531	Sanitary Sewer Lining Program - Various Locations	CO	-	50,000	50,000	-	-	100,000
Water & Sewer	510	Eastside Ground Storage Tank Sump Pump Replacement	CO	-	50,000	-	-	-	50,000
Water & Sewer	549	SCADA System Replacement	CO	-	26,000	-	-	-	26,000
Water & Sewer	556	Elevated/Ground Storage Tank Maintenance	CO	-	25,000	-	-	-	25,000
Water & Sewer	73	Sanitary Collection - New & Replacement Equipment	CO	-	23,400	23,400	23,400	23,400	93,600
Water & Sewer	554	Gary Avenue Pump Station roof replacement	CO	-	21,000	-	-	-	21,000
Water & Sewer	192	Main Control Building "C" Roof	CO	-	20,000	-	-	-	20,000
Water & Sewer	369	WRF Post Aeration System - Submersible Aspirating Aerator	CO	-	20,000	-	-	-	20,000
Water & Sewer	198	WRF 4X4 Utility Vehicle	CO	-	20,000	-	-	-	20,000

Village of Bloomingdale
Water & Sewer Fund
Summary of Capital Improvement Projects (CIP) - FY21 through FY25

Fund Type	Prj #	ProjectTitle	CO MM Depr	FY21 Budget	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	Total
Water & Sewer	560	Hydromatic 30 HP Submersible Pump - S68771U	CO	-	20,000	-	-	-	20,000
Water & Sewer	547	Trench Shoring Boxes	CO	-	16,000	-	-	-	16,000
Water & Sewer	463	Bulk Water Dispensing System at Public Works	CO	-	15,500	-	-	-	15,500
Water & Sewer	477	Mini Message Board #2 - NEW	CO	-	15,000	-	-	-	15,000
Water & Sewer	189	Skylights - Various Buildings	MM	-	15,000	-	-	-	15,000
Water & Sewer	548	Utility Trailer - Pavement Saw	CO	-	7,000	-	-	-	7,000
Water & Sewer	492	Fixed-Point AMI System & Water Meter Replacements	MM	-	-	3,000,000	-	-	3,000,000
Water & Sewer	74	WRF Phosphorus Compliance	CO	-	-	485,000	5,040,000	-	5,525,000
Water & Sewer	329	2009 International 7400 Truck w/ Vactor 2112 #109	CO	-	-	460,000	-	-	460,000
Water & Sewer	514	2 1/2 Ton Dump Truck - NEW	CO	-	-	180,000	-	-	180,000
Water & Sewer	356	Mini Excavator - CAT305	CO	-	-	110,000	-	-	110,000
Water & Sewer	56	MPI - Bloomingdale Rd (Loop)	CO	-	-	52,000	-	-	52,000
Water & Sewer	377	WRF (6) DWF Sewage Pumps	MM	-	-	30,000	-	-	30,000
Water & Sewer	361	Trailer (Rolls Rite- 25KP25HD-LP) #T408	CO	-	-	25,000	-	-	25,000
Water & Sewer	57	MPI - Schick, Cardinal, Villa (Loop)	CO	-	-	23,000	-	-	23,000
Water & Sewer	294	Chlorination System Upgrade	CO	-	-	20,000	-	-	20,000
Water & Sewer	354	Handheld Meter Readers (2)	CO	-	-	13,000	-	-	13,000
Water & Sewer	259	GPS Units for WS Utility Vehicles	CO	-	-	12,000	-	-	12,000
Water & Sewer	150	Chemical Vacuum Induction Pump	CO	-	-	7,200	-	-	7,200
Water & Sewer	373	WRF Digital Process Control Computers	CO	-	-	5,000	-	-	5,000
Water & Sewer	316	2008 International Flat Bed #108	CO	-	-	-	150,000	-	150,000
Water & Sewer	53	MPI - Lake and Fairfield	CO	-	-	-	40,000	-	40,000
Water & Sewer	332	2014 Dodge Tradesman Van, Vehicle #314	CO	-	-	-	32,000	-	32,000
Water & Sewer	69	Lawrence Ave Lift Station	CO	-	-	-	25,000	-	25,000
Water & Sewer	197	Laboratory Incubator	CO	-	-	-	5,000	-	5,000
Water & Sewer	2	Cardinal Water Tower Maintenance	CO	-	-	-	-	300,000	300,000
Water & Sewer	331	2012 Ford 1 Ton Pick-up, Vehicle #612	CO	-	-	-	-	55,000	55,000
Water & Sewer	358	Kubota 4WD Tractor #B2106	CO	-	-	-	-	33,680	33,680
Water & Sewer	71	Springfield Dr Lift Station	CO	-	-	-	-	25,000	25,000
Water & Sewer	70	Eastgate Lift Station	CO	-	-	-	-	25,000	25,000
Water & Sewer	374	WRF Biosolids Sludge Pump CDQ DAA (East)	MM	-	-	-	-	20,000	20,000
Water & Sewer	375	WRF Biosolids Sludge Pump CDQ DAA (West)	MM	-	-	-	-	20,000	20,000
Water & Sewer	534	North Circle Avenue Water and Sewer Extension	-	-	-	-	-	-	-
Water & Sewer	512	2017 Ford F-350 One-Ton Pickup - Truck #917	-	-	-	-	-	-	-
Water & Sewer	520	WRF Biosolids Polymer/Chemical Mixing and Feed System -2	-	-	-	-	-	-	-
Water & Sewer	521	WRF - Excess Flow Polymer/Chemical Mixing and Feed System	-	-	-	-	-	-	-
Water & Sewer	67	Bloomingdale Rd Lift Station	-	-	-	-	-	-	-
Water & Sewer	66	East Army Trail Rd Redevelopment Area	-	-	-	-	-	-	-
Water & Sewer	522	Chemical Feed System	-	-	-	-	-	-	-
Water & Sewer	62	MPI - Dee Ct - Morningside (Loop)	-	-	-	-	-	-	-

Village of Bloomingdale
Water & Sewer Fund
Summary of Capital Improvement Projects (CIP) - FY21 through FY25

Fund Type	Prj #	ProjectTitle	CO MM Depr	FY21	FY22	FY23	FY24	FY25	Total
				Budget	Projected	Projected	Projected	Projected	
Water & Sewer	511	2017 Ford F-350 One-Ton Pickup - Truck #817		-	-	-	-	-	-
Water & Sewer	60	MPI - N Bloomingdale Rd (Loop)		-	-	-	-	-	-
Water & Sewer	76	WRF FPA Improvements - Phase 3		-	-	-	-	-	-
Water & Sewer	539	Sealcoat Water & Sewer Utilities Driveways & Parking Lots		-	-	-	-	-	-
Water & Sewer	55	MPI - Medinah Rd (Loop)		-	-	-	-	-	-
Water & Sewer	54	MPI - Cavalry Drive Area		-	-	-	-	-	-
Water & Sewer	550	Vehicle #552 - Chevy Tahoe		-	-	-	-	-	-
Water & Sewer	52	MPI - East Army Trail Rd (loop)		-	-	-	-	-	-
Water & Sewer	5	MPI - Glenwood between Gary Ave & Schick Rd		-	-	-	-	-	-
Water & Sewer	3	Water Storage		-	-	-	-	-	-
Water & Sewer	553	Pump Station #8 Roof Replacement		-	-	-	-	-	-
Water & Sewer	61	MPI - Brighton Dr (Loop)		-	-	-	-	-	-
Water & Sewer	444	Gorman-Rupp 6" Pump Unit #688		-	-	-	-	-	-
Water & Sewer	363	Ingersol Rand Air Compressor Unit #692		-	-	-	-	-	-
Water & Sewer	365	Hydromatic 15 HP Submersible Pump - S10065171		-	-	-	-	-	-
Water & Sewer	367	WRF 6" Dri-Prime Portable Pump & Trailer		-	-	-	-	-	-
Water & Sewer	368	WRF Influent Odor Control Activated Carbon Drum Scrubber		-	-	-	-	-	-
Water & Sewer	370	WRF Biosolids Polymer/Chemical Mixing and Feed System -1		-	-	-	-	-	-
Water & Sewer	300	2005 Chevrolet Colorado Vehicle #531		-	-	-	-	-	-
Water & Sewer	421	2016 Ford F59 Step Van #316		-	-	-	-	-	-
Water & Sewer	431	Mac-Lander Trailer #UT104		-	-	-	-	-	-
Water & Sewer	441	MQ Generator DB138IJ Unit #501		-	-	-	-	-	-
Water & Sewer	495	2017 E.H. Wachs Valve Maintenance Trailer Unit #VMT2		-	-	-	-	-	-
Water & Sewer	443	Doosan Generator G125WCU-3Q-T4i Unit #414		-	-	-	-	-	-
Water & Sewer	362	Hydraulics Saw Package - ICS		-	-	-	-	-	-
Water & Sewer	462	Small Meter Bench Test Equipment		-	-	-	-	-	-
Water & Sewer	193	SCADA for Filter Process		-	-	-	-	-	-
Water & Sewer	464	Emergency Generator at Station #8		-	-	-	-	-	-
Water & Sewer	465	Domestic Diesel Engine		-	-	-	-	-	-
Water & Sewer	190	Valve Actuators Controller Upgrades		-	-	-	-	-	-
Water & Sewer	475	2016 CAT430F2 IT Combination Backhoe Loader		-	-	-	-	-	-
Water & Sewer	476	2016 Doosan Generator G125WCU-3Q-T4i Unit #516		-	-	-	-	-	-
Water & Sewer	478	2017 Peterbilt 2 1/2 Ton Dump Truck #317		-	-	-	-	-	-
Water & Sewer	75	WRF FPA Improvements - Phase 4		-	-	-	-	-	-
Water & Sewer	442	MQ Generator 31089-USTB Unit #704		-	-	-	-	-	-
108		Total		\$ 3,609,520	\$ 8,058,065	\$ 5,684,785	\$ 6,506,510	\$ 1,695,175	\$ 25,554,055