



Third 2017 Budget Workshop

November 22, 2016
6:00PM

Village of Oak Lawn Management Team

Agenda – November 22, 2016



6:00 Street Program

6:20 Other Infrastructure and Capital Needs

6:40 Debt Pay down

6:50 Pension Funding & Retiree Health
Obligations

7:00 Highlights and Recap

Infrastructure & Capital

Infrastructure

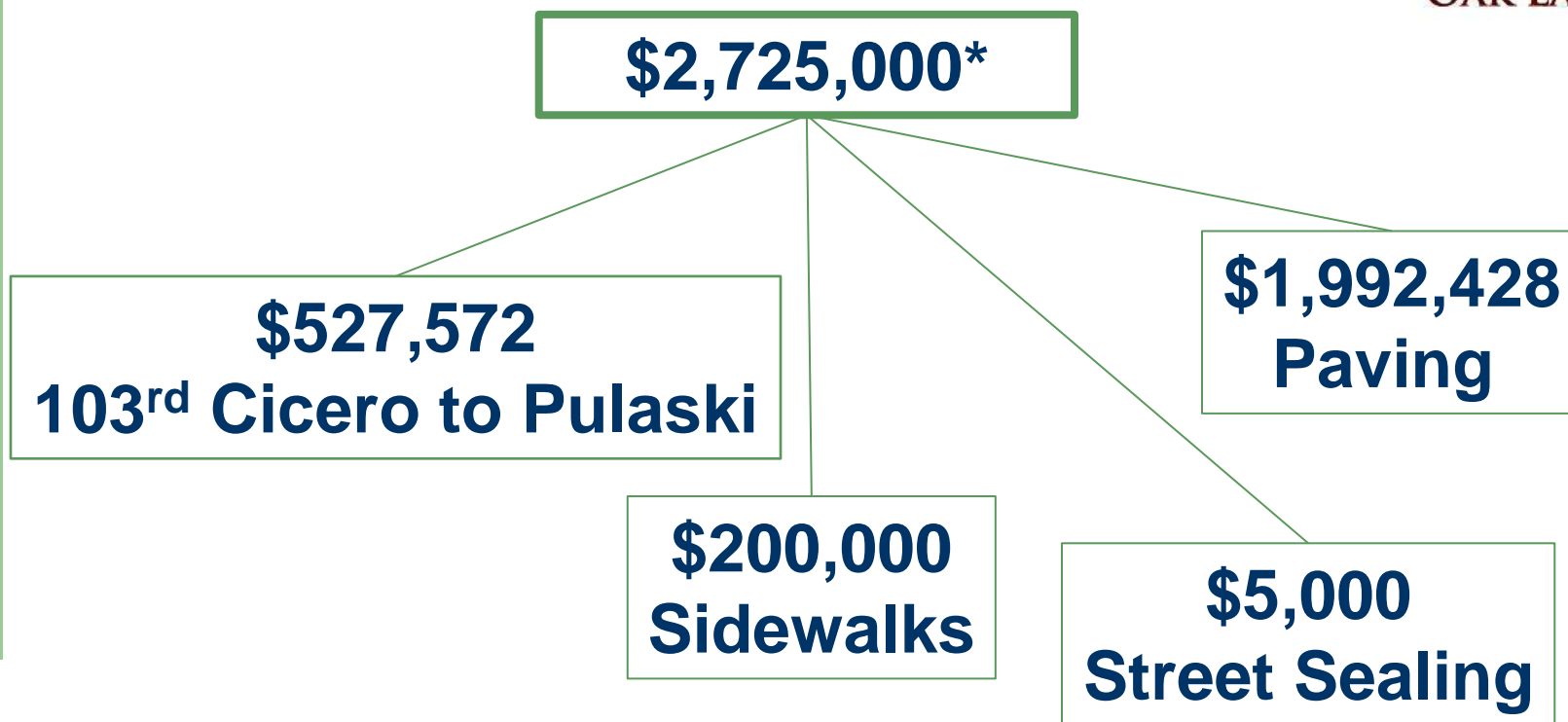


Project	\$ Amount
Street Paving	\$2,725,000
Light Poles*	50,000
Sewer Infrastructure	1,200,000
Water Infrastructure	894,378
Commuter Parking Tower**	683,000
Vehicles	

* Over 10 Years

** Over Three Years

Street Pavement Infrastructure



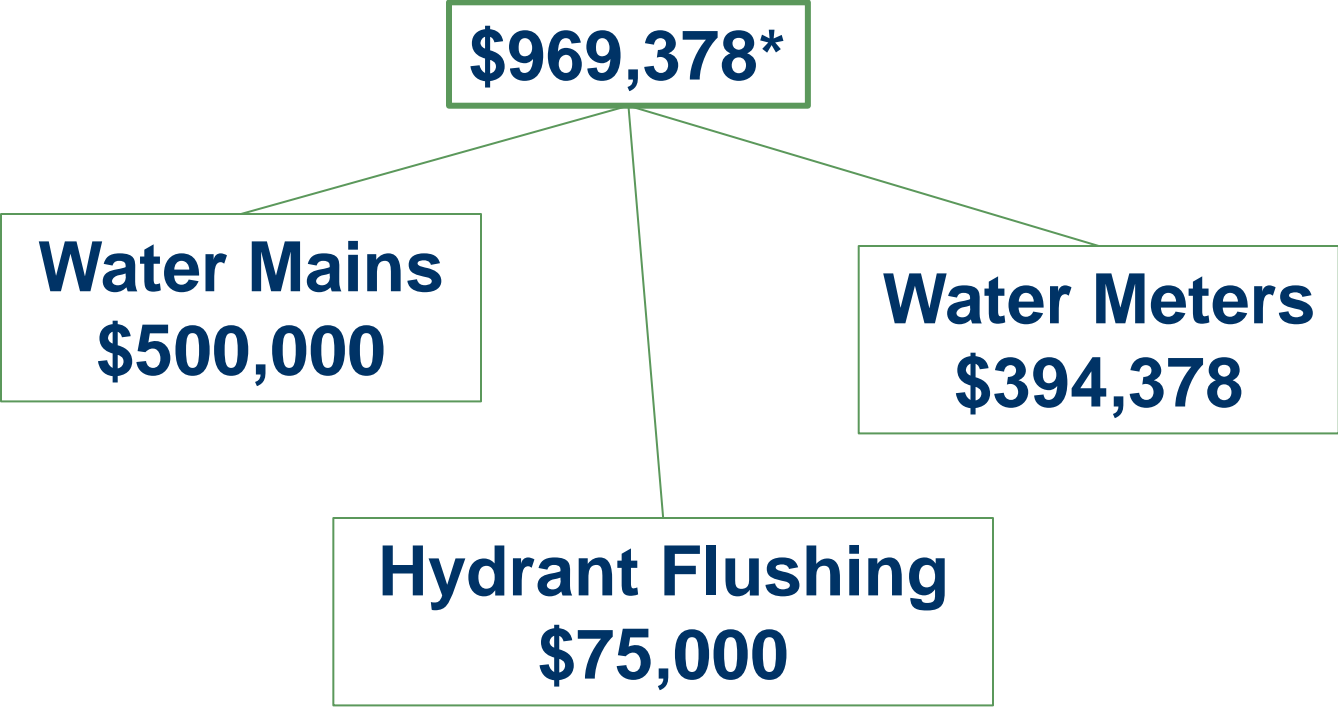
*Funding \$2,500,000 Capital Improvement Fund and \$225,000 CDBG

Sewer Infrastructure



Does not include \$450,000 project funded in 2016 with the Army Corps of Engineers to be completed in 2017.

Water Retail Infrastructure



*Funding \$575,000 2017 Budget, \$394,378 2013 Lease/Loan Standard

Debt Pay down

Debt Retirement



YEAR	AMOUNT
2013	\$4,447,160
2014	\$4,891,992
2015	\$4,910,981
2016	\$6,711,667

System Debt

IEPA Debt

- Harker Facility
 - \$12,689,237
 - Amount drawn and outstanding \$12,472,090
 - 90% complete
 - Rate: 1.94%
 - Anticipated first debt payment in June 2017
- Reich Facility
 - \$27,631,015
 - Amount drawn and outstanding \$12,285,377
 - 50% complete
 - Rate: 1.995%
 - Anticipated first debt payment in June 2018

Booster Station

- Booster Station
 - \$3,273,149
 - Amount drawn and outstanding \$398,300
 - 10% complete
 - Rate: 1.86%
 - Anticipated first debt payment in December 2018

Other Debt

- Northern Trust Line
 - Outstanding as of November 1, 2016
 - Tax-exempt (\$18 million): \$12,680,579 drawn
 - Taxable (\$2 million) : \$701,524 drawn
 - Rate: LIBOR +60 bps – Approximately 0.6% and 0.8%
 - Extension subject to rating agency discussion

Pension Funding and Retiree Health Obligation

Pension Funding



Year	Actual Employer Contributions			Total
	Police	Fire	IMRF*	
2017	3,456,103	3,446,219	1,140,443	8,042,765
2016	2,957,525	2,957,525	1,150,615	7,065,665
2015	2,457,525	2,461,238	1,130,809	6,049,572
2014	1,712,766	1,713,395	1,161,442	4,587,603
2013	1,196,279	1,196,975	1,148,141	3,541,395
2012	1,004,965	992,584	1,042,180	3,039,729
2011	839,883	526,846	931,759	2,298,488

* Includes OLREC & Water & Sewer Fund employees



HIGHLIGHTS & RECAP

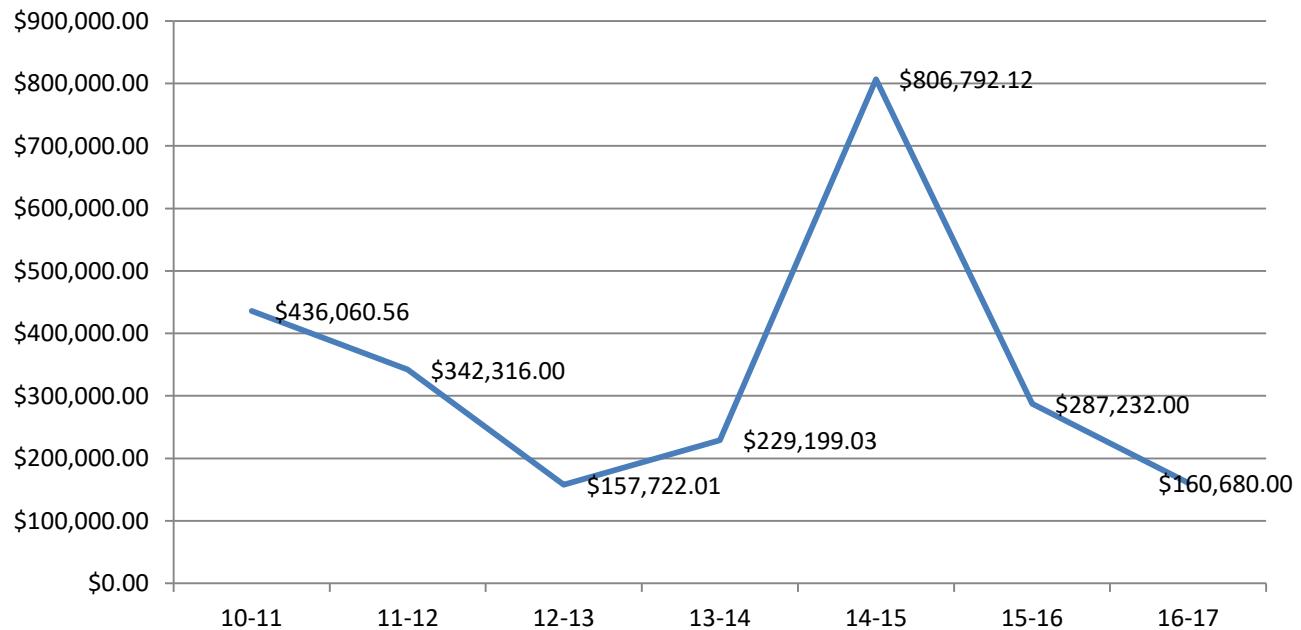
- **Balanced Budget**
 - **\$56.8 Million in Revenues as compared to \$54.7**
 - **Property Tax Levy below 2016**
 - **Hospital Pilot \$1,000,000**
 - **Sale of Karas \$900,000**
 - **Full Year Sales Tax Revenue Cicero Gateway**

Continued HIGHLIGHTS & RECAP



5.1 % Increase over 2016	\$2,142,314
Salary contractual increases 2.5%	835,000
Medical Increase 3%	180,000
Police & Fire Pension funding increase	1,000,000
Rodent Control	35,000
IT Projects (Street Camera & Wiring)	92,000

Salt Costs Comparison



Regional Water Rates Recap

Indicative 2017 Regional Water Rate Components by Municipal Customer ⁽¹⁾

O&M Cost Component	Chicago Ridge	Country Club Hills	Matteson	Oak Lawn	Olympia Fields	Palos Hills	Palos Park
Chicago Water	3.815	3.815	3.815	3.815	3.815	3.815	3.815
Electricity Costs	0.021	0.095	0.139	0.054	0.103	0.020	0.039
Pump Station Maintenance	0.073	0.121	0.088	0.018	0.258	0.065	0.213
Transmission Main Maintenance	0.012	0.074	0.057	0.003	0.176	0.052	0.171
System Operations Cost	0.103	0.103	0.103	0.103	0.103	0.103	0.103
O&M Reserve	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Renewal, Repair, & Replacement Reserve	0.072	0.072	0.072	0.072	0.072	0.072	0.072
Equitable Return	0.050	0.050	0.050	0.050	0.050	0.050	0.050
TOTAL REGIONAL RATE	4.226	4.410	4.404	4.195	4.657	4.257	4.543

O&M Cost Component	Oak Forest	Orland Park	Tinley Park (ALL)	Tinley Park (ONLY)	Mokena	New Lenox	Orland Hills (IA)
Chicago Water	3.815	3.815	3.815	3.815	3.815	3.815	3.815
Electricity Costs	0.059	0.069	0.115	0.115	0.115	0.115	0.115
Pump Station Maintenance	0.041	0.015	0.015	0.015	0.015	0.015	0.015
Transmission Main Maintenance	0.033	0.013	0.009	0.009	0.009	0.009	0.009
System Operations Cost	0.103	0.103	0.103	0.103	0.103	0.103	0.103
O&M Reserve	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Renewal, Repair, & Replacement Reserve	0.072	0.072	0.072	0.072	0.072	0.072	0.072
Equitable Return	0.050	0.050	0.050	0.050	0.050	0.050	0.050
TOTAL REGIONAL RATE	4.253	4.217	4.259	4.259	4.259	4.259	4.259

Indicative 2016 Regional Water Rate Components by Municipal Customer ⁽¹⁾

O&M Cost Component	Chicago Ridge	Country Club Hills	Matteson	Oak Lawn	Olympia Fields	Palos Hills	Palos Park
Chicago Water	3.815	3.815	3.815	3.815	3.815	3.815	3.815
Electricity Costs	0.018	0.080	0.117	0.045	0.087	0.017	0.033
Pump Station Maintenance	0.057	0.094	0.068	0.014	0.201	0.051	0.166
Transmission Main Maintenance	0.013	0.079	0.060	0.003	0.188	0.056	0.183
System Operations Cost	0.088	0.088	0.088	0.088	0.088	0.088	0.088
O&M Reserve	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Renewal, Repair, & Replacement Reserve	0.069	0.069	0.069	0.069	0.069	0.069	0.069
Supplemental Reserve	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Equitable Return	0.050	0.050	0.050	0.050	0.050	0.050	0.050
TOTAL REGIONAL RATE	4.220	4.385	4.377	4.194	4.608	4.256	4.514

O&M Cost Component	Oak Forest	Orland Park	Tinley Park (ALL)	Tinley Park (ONLY)	Mokena	New Lenox	Orland Hills (IA)
Chicago Water	3.815	3.815	3.815	3.815	3.815	3.815	3.815
Electricity Costs	0.049	0.057	0.097	0.097	0.097	0.097	0.097
Pump Station Maintenance	0.031	0.011	0.012	0.012	0.012	0.012	0.012
Transmission Main Maintenance	0.034	0.014	0.009	0.009	0.009	0.009	0.009
System Operations Cost	0.088	0.088	0.088	0.088	0.088	0.088	0.088
O&M Reserve	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Renewal, Repair, & Replacement Reserve	0.069	0.069	0.069	0.069	0.069	0.069	0.069
Supplemental Reserve	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Equitable Return	0.050	0.050	0.050	0.050	0.050	0.050	0.050
TOTAL REGIONAL RATE	4.246	4.214	4.250	4.250	4.250	4.250	4.250

Indicative 2015 Regional True Up by Municipal Customer

- True Up to be paid or collected by Oak Lawn in equal monthly amounts

	2015 True Up
ELECTRICITY TOTAL COST	(\$27,105)
PUMP STATION TOTAL COST	\$118,029
TRANSMISSION TOTAL COST	\$13,418
WHOLESALE OPERATION TOTAL COST	(\$126,970)
Total True Up	(\$22,628)

True Up	Chicago Ridge	Country Club Hills	Matteson	Oak Lawn	Olympia Fields	Palos Hills	Palos Park
Electricity Costs	(\$306)	(\$1,254)	(\$2,552)	(\$3,272)	(\$643)	(\$327)	(\$196)
% share	1.128%	4.625%	9.416%	12.072%	2.372%	1.207%	0.722%
Pump Station Maintenance	\$9,835	\$14,754	\$14,754	\$9,835	\$14,754	\$9,835	\$9,835
% share	8.333%	12.500%	12.500%	8.333%	12.500%	8.333%	8.333%
Transmission Main Maintenance	\$308	\$1,653	\$1,756	\$302	\$1,859	\$1,456	\$1,454
% share	2.296%	12.317%	13.084%	2.247%	13.852%	10.851%	10.837%
System Operations Cost	(\$5,621)	(\$5,122)	(\$7,057)	(\$22,548)	(\$2,372)	(\$6,535)	(\$1,900)
% share	4.427%	4.034%	5.558%	17.759%	1.868%	5.147%	1.497%
TOTAL TRUE UP	\$4,217	\$10,031	\$6,901	(\$15,683)	\$13,598	\$4,430	\$9,194

True Up	Oak Forest	Orland Park	Tinley Park (ALL)	Tinley Park (ONLY)	Mokena	New Lenox	Orland Hills (IA)
Electricity Costs	(\$1,556)	(\$4,982)	(\$12,018)	(\$6,659)	(\$2,165)	(\$2,597)	(\$598)
% share	5.741%	18.379%	44.339%	24.566%	7.986%	9.580%	2.207%
Pump Station Maintenance	\$9,835	\$9,835	\$14,754	\$8,175	\$2,658	\$3,188	\$734
% share	8.333%	8.333%	12.500%	6.926%	2.252%	2.701%	0.622%
Transmission Main Maintenance	\$1,455	\$1,607	\$1,569	\$869	\$283	\$339	\$78
% share	10.844%	11.975%	11.696%	6.480%	2.107%	2.527%	0.582%
System Operations Cost	(\$9,460)	(\$25,942)	(\$40,412)	(\$21,161)	(\$7,600)	(\$9,411)	(\$2,240)
% share	7.451%	20.432%	31.828%	16.666%	5.986%	7.412%	1.764%
TOTAL TRUE UP	\$274	(\$19,482)	(\$36,108)	(\$18,776)	(\$6,824)	(\$8,481)	(\$2,027)