



AGENDA

President and Board of Trustees
Village of Arlington Heights
Committee-of-the-Whole
Board Room
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
August 25, 2014
7:30 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

IV. NEW BUSINESS

- A. TIF IV Developer Selection
- B. Police Station Study - Selection of Architectural Services
- C. Proposed 5-Year Water & Sewer Rate Adjustment

V. OTHER BUSINESS

VI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.



Item: TIF IV Developer Selection

Department: Planning & Community Development

Background

Over the past several months there has been interest from two developers in development of the portion of TIF District 4 south of Council Trail through to Golf Road. In June both developers were asked to provide a summary of their development team and ideas for development. Recently, one of the developers indicated that they no longer have an interest in developing the site. The other developer, Steve Leonard, has continued to express an interest in developing this portion of TIF 4 and did provide a response, which is attached and dated June 27, 2014. Mr. Leonard intends at this time to team with Sterling Bay Companies.

The Village previously entered into a development agreement in 2005 with Mr. Leonard and Target Corporation, however due to the uncertainty of the TIF District at that time due to several law suits challenging the TIF, the development agreement was terminated. Subsequently, the Village did prevail in the law suits and the TIF District was upheld by the Circuit Court and the Court of Appeals. In addition, redevelopment of the area was further delayed by the economic recession which began in 2007. However, during this time the Village has moved forward with the acquisition of three properties near the corner of Arlington Heights Road and Gold Road, and removed two buildings to prepare the site for future development.

As a result of the delays, the Village commenced a process to extend the TIF District by 12 years. The Village first obtained support for the 12 year extension from various taxing districts including School District 59 and School District 214. A Bill was introduced in January, 2014 in the State of Illinois House to consider the extension. The Legislation was approved by the House in March, 2014 by a 108-3 vote and in May, 2014 by the State Senate by a 55-0 vote. The Governor recently signed the legislation into law.

Next Steps

At this point the Village would like to commence negotiations with Mr. Leonard on a development agreement. The first step in that process is to formally designate Mr. Leonard as developer. If designated, Staff and Mr. Leonard will commence negotiations on a development agreement, and Mr. Leonard will also commence discussions with possible tenants. Also, conceptual site plans will be developed. Staff and Mr. Leonard concur that designation should not be indefinite, and that a

time period of 12 months with one, 3 month extension, be included in any motion to designate a developer. This will allow adequate time to reach out to prospective tenants and to negotiate a development agreement. If an agreement is not reached within the 15 month time period, then the designation would lapse unless extended by the Board.

Recommendation

It is recommended that the Board designate Steve Leonard as developer of the portion of TIF 4 south of Council Trail through to Golf Road, for a period of 12 months with one 3 month extension. Further the Board directs Staff to commence negotiations on a development agreement with Mr. Leonard.

ATTACHMENTS:

Description	Type
Strategic Real Estate Service Corp Letter	Correspondence



Sent via electronic and U.S. Mail

June 27, 2014

Mr. Bill Enright
Deputy Director
Planning and Community Development
Village of Arlington Heights
33 South Arlington Heights Road
Arlington Heights, IL 60005-1499

Re: International Plaza Project

Dear Bill:

I am in receipt of your letter date June 20, 2014 where you request further information on the four topics below. Accordingly, I have reviewed my notes and spreadsheets, and have the following responses.

Please keep in mind, due to the preliminary and speculative nature of this project, all the financial projections and estimates are approximate based on industry rules of thumb and market knowledge. It is probable that as the project moves closer to reality, the site plan, tenant mix, and all related costs will change substantially to reflect the market at the time of development.

The first question related to the background of the development team.

Strategic Real Estate Services Corp and Sterling Bay Companies have teamed up to pursue this exciting development. Strategic Real Estate is a fourteen year old, entrepreneurial development firm specializing in shopping center projects usually occupied by mostly national retailers. Strategic has focused on major regional and national retail project located in the Midwestern states, Washington, Oregon, and numerous projects in Florida. Clients include The Home Depot, Target, Wal Mart, Meijer, Menards, Kohl's, Gander Mountain, Office Depot, and many more. Over 3,000,000 sf of new

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development projects have been completed by Strategic Real Estate during this timeframe.

Sterling Bay Companies is one of the most active and successful developers in the Chicago area. Specializing in major office redevelopment projects, Sterling Bay has been at the forefront recently of the rebirth of the West Randolph Street office market. Although their projects are too numerous to mention, they have recently completed deals with Google and Hillshire Brands in the west loop, contracted to redevelop the long dormant "Old Post Office" and purchased the Oprah Studios. Sterling has been extremely financially successful and in addition to their development acumen, will provide a great deal of the financial backing required for this project.

Together, Strategic and Sterling Bay recently completed a major regional shopping center project in Evergreen Park, including approximately 500,000 square feet of retail space. Anchors were Meijer, Menard, Ross and Michaels Arts and Crafts. Evergreen Marketplace is in the process of being finalized and sold, after a three year development process.

Regarding question number two, Sterling Bay, as the main financial backer of this project, has enjoyed unparalleled success in Chicago area development for over thirty years. Each deal involved both bank financing and invested equity, which is generally provided by Sterling Bay principals. They also have utilized institutional equity sources in some of their larger projects. At the appropriate time, we will provide bank references to more specifically demonstrate financial wherewithal both in equity and debt. Current Sterling projects involve investments greatly exceeding that required for this deal.

Question number three asks for a description of the development plan for the property. Although this is highly preliminary, we have attached a site plan demonstrating one potential layout where medium sized retail boxes are presented along the rear of the site, while the frontage is populated by outlots and small shops. Assuming there is adequate retail demand for this layout when leasing actually commences, this site plan would make sense.

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However, retailers feel strongly about their prototypical layouts and positions on site plans, so demand will clearly drive layout and density as we proceed.

We will seek to attract high quality national retailers who can drive sales to the center. This will be vital both for the health of the center, and the funding of the TIF and sales tax programs. Our first choice for anchor will be a grocer of some variety. Grocery anchored shopping centers are the most successful and valuable in today's market. Local and existing tenants will also be included as appropriate to create a shopping experience that will work well for all those involved.

The last question pertained to the project proforma and financing, both conventional and TIF. Clearly, as mentioned above, the capital sources will change significantly depending on actual tenancies and other circumstances. However, looking at the attached site plan, and utilizing rules of thumb and current market conditions, the project budget would very loosely approximate the attached spreadsheet.

As you review the numbers, which are very similar to the gap analysis we discussed late last year with updated values, please keep in mind there is no line item for profit or return. This spreadsheet is just third party arm's length cash outflows and anticipated resultant values in the end marketplace. The clear shortfall represents the municipal assistance required. As we proceed and better understand the actual numbers and other parameters, we will be able to also anticipate where equity return requirements will drop into the picture and adjust accordingly. Today, equity returns all-in are approximating 12-15%.

Regarding the TIF, unless market conditions change significantly between now and the completion of this project, this project will require approximately \$19-20 million in TIF proceeds to successfully attract the debt and equity needed to make this shopping center a reality. This requirement will be revisited as we proceed and may be adjusted downward if conditions warrant.

Mr. Bill Enright
June 27, 2014
Page 4

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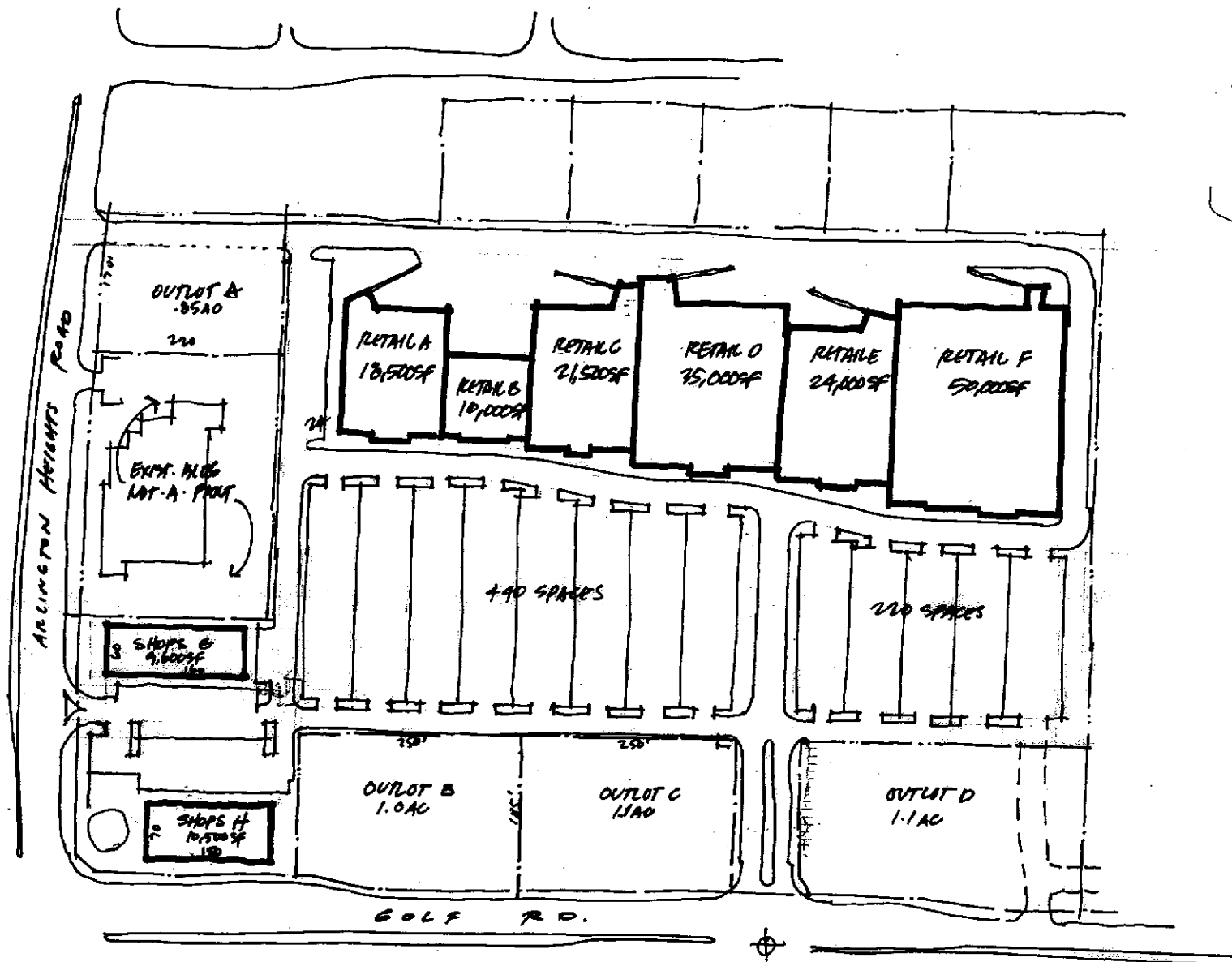
In summary, we are very excited to be considered for this project and look forward to getting started as soon as possible. Thank you.

Sincerely yours,

A handwritten signature in cursive script that reads "Stephen M. Leonard".

Stephen M. Leonard
Principal

CC: Scott Goodman- Sterling Bay Companies



PROPOSED SITE PLAN

1"=100'-0"

0 50 150



2.6.13

ARLINGTON HEIGHTS SHOPPING CENTER

CEW ARCHITECTS, INC



Item: Police Station Study - Selection of Architectural Services

Department: Planning & Community Development

Architectural Services Summary

The Village Board authorized the preparation of a Request for Proposal (RFP) to select an architectural firm which specializes in Police Station and Law Enforcement architectural design. The objective is to hire an architectural firm to prepare a feasibility study for utilizing the current Police Station site and Municipal Campus including Village Hall.

The selected architectural consultant shall review the most recent Space Needs study from 2010 and revalidate the space required based upon changes in employment, technology, and law enforcement standards. Schematic concept plans shall be developed providing a "best fit" police station option on the existing Municipal Campus. The overriding goal is to determine whether a new Police Station meeting modern day standards can be feasibly developed upon the existing Municipal Campus.

Recommendation

It is recommended that the Committee-of-the-Whole recommend to the Village Board that the Village Manager be authorized to execute a contract with FGM Architects in the amount of \$70,355 to be funded from account #431-9013-571-20-05 to prepare a Police Station feasibility study.

ATTACHMENTS:

Description	Type
Police Station Study	Exhibits
Police Facility Comparison	Exhibits
Firm History	Exhibits
FGM Approach	Exhibits
FGM Experience	Exhibits
FGM Team	Exhibits
Power Point Presentation	Exhibits
VAH Police Station Short Presentation	Exhibits

Architectural Services Summary

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Background

The existing Police building was constructed in 1978 (opened in 1979) and is located at 200 E. Sigwalt Avenue. Since then, the Police Department has grown to 139 full time employees. In 1996, the Village retained the services of an architectural firm to perform a Space Needs Study of municipal facilities for the Village. This study was subsequently updated on several occasions.

From the initial Space Study in 1996, there have been significant changes over the past 18 years in police operations and security needs. In 2006, the need to expand the existing garage for the Police building was noted. However, it was determined not to proceed with a piecemeal approach to addressing the Police Department needs. Due to increased space deficiencies, Police Forensics was moved to the fourth floor of Village Hall.

The existing 38,000 square foot Police facility is deteriorating and it no longer adequately serves the operational needs of a 24/7, 365 days a year Department. The building is in need of significant mechanical, electrical, and plumbing (MEP) repairs and replacement, just to maintain it as a serviceable building.

In 2010, a Space Needs Assessment of the Police Department and an evaluation of the Police facility was completed by consultants retained by the Village. The results of this study showed that the current Police facility is outdated and inadequate in size. The study recommended that a new 75,000 foot facility be built, which is comparable to other area Police facilities that have been recently constructed. For the past few years, a decision on how to approach the deteriorating Police facility has been postponed, first pending the outcome of the Police facility Needs Assessment Study, and then due to the recent recession.

By delaying the decision to move forward on constructing a new Police facility over the last few years, the Village is now in a good position to utilize an approaching window of opportunity to finance most, if not all, of the costs of a new Police Station within our existing debt service level. During the past year, the Village Board agreed to not spend an estimated \$8.78 million needed to just maintain the existing, outdated and inadequate Police facility over the next three fiscal years. Instead, the Village plans to manage its existing resources, by utilizing an approaching window of opportunity to conduct this conceptual review and feasibility study to begin to move forward with redevelopment of a new Police Station.

Summary of why the Village is looking at a new Police Station

The following is a summary of existing Police Station deficits and why a new Police Station is needed.

- Current 38,000 square foot facility was opened in 1979 and is a 24/7 facility operating 365 days a year.
- Some of the shortcomings of the police station include the following:
 - Because of its 24/7 usage and 36 years since it was built – the station's real age is 108 years.
 - Roof and windows are beyond their useful lives
 - Facility is not handicap accessible
 - Facility is not compliant with current codes
 - Private areas are not secured from public areas
 - HVAC system and controls are beyond their useful life
 - Sally Port (controlled entryway into Police Station) safety is not adequate
 - Holding cells do not meet current Illinois Dept. of Corrections standards
 - Security and surveillance are deficient
- Significant lack of space for a Police Department of its size
 - Capacity of facility is at maximum
 - Police Departments of similar or smaller size have substantially larger facilities e.g. Palatine 70,000 sq. ft.; Hoffman Estates 79,000 sq. ft.

Request for Proposal (RFP)

On May 27, 2014, a Request for Proposals was issued to selected architectural firms that specialize in law enforcement and architectural design. A mandatory pre-proposal meeting was held on June 5. On June 23, nine architectural firms submitted responses to the Request for Proposals. The architectural firms were required to respond to their ability and approach to the project and specifically address the detailed scope of work. The firms were also required to provide background information on similar projects, their firm history, approach to the project and caliber of the principals of their firm who would be engaged in the Arlington Heights Police Station analysis.

Selection Process/Selection Criteria

The Police Station committee that has been working on this project consists of the following representatives:

- Charles Witherington-Perkins: Director of Planning & Community Development
- Diana Mikula: Interim Village Manager
- Gerald Mourning: Chief of Police
- Nick Pecora: Police Captain
- Thomas Kuehne: Director of Finance
- Cris Papierniak: Assistant Director of Public Works
- Steve Hautzinger: Design Planner

The Committee reviewed the responses from each of the nine architectural firms individually and then met on several occasions as a committee to review these in more detail. The firms were ranked based upon their responsiveness to the Request for Proposals, their knowledge of Police facilities, approach to the project and history working on similar on police stations. After initial ranking, the fee proposals for each firm were opened.

The Committee Considered the factors listed below when deciding which teams were to be selected for interviews and awarded the project.

- Approach to project in general
- Approach to tasks outlined in the Scope of Work
- Responsiveness and comprehensiveness of submission to RFP
- Firm qualifications and reputation in general
- Qualification of Staff
- Direct experience in analysis of Police Department functions such as operations, storage, firing range, forensic, detention, evidence etc.
- Related experience of the project manager and team members
- Project scheduling
- Information gained from references
- Prior experience dealing with multiple public agencies
- Objectivity of Proposal
- Cost of Consultant Services

The following three firms were selected for interview:

- o FGM Architects \$70,355 - 542 hours
- o Dewberry Architects, Inc. \$99,690 - 772 hours
- o Wold Architects Engineers \$40,500 - 426 hours

After the interviews were concluded, detailed reference checks were conducted.

Recommended Architectural Firm

The Police Station Committee unanimously recommends FGM Architects in the amount of \$70,355. The principals and Staff involved in the proposed Arlington Heights study were formerly with SRBL Architects. In 2011, FGM made a strategic acquisition of SRBL Architects to strengthen their municipal practice area especially in the area of police design. Previously, FGM had relied upon outside consultants for its police expertise. Due to the SRBL Staff's broad and deep expertise in police station design, the entire team proposed for the Arlington Heights study project is made up of former SRBL Staff including, Ray Lee as Principal in charge, Louise Kowalczyk as Project Designer, Ryan Rathman as Project Manager and Carol Sente as Client Advocate. While all firms were well qualified, the Committee ranked FGM Architects as the preferred consultant. The reference checks for FGM Architects and in particular the principals formerly SRBL Architects, were all extremely positive. This team is well known in the Chicago area for their expertise and work on countless police station studies and implementation projects. In particular, this team worked on the following projects:

- o Palatine - new Police Station
- o Elk Grove - Police Station rebuild & Village Hall renovation
- o Skokie - Police Station study and conversion of a Pepsi Bottling plant into a new Police Station.
- o Glendale Heights - Civic Complex and Police Station expansion, plus many more
- o Highland Park - new Police Station

Fees/Budget

The current FY 2014/15 budget includes \$750,000 for the Police facility.

Fees from the consulting firms range from \$40,500 – to \$283,533.

FGM Architects proposal is \$70,355. As this was a Request for Proposal for professional services, each architectural firm approached the project from a different view point, allocating different resources to different components of the scope of work. The committee evaluated each fee proposal and the number of hours devoted to the project in making their recommendation.

Recommendation

It is recommended that the Committee-of-the-Whole recommend to the Village Board that the Village Manager be authorized to execute a contract with FGM Architects in the amount of \$70,355 to be funded from account #431-9013-571-20-05 to prepare a Police Station feasibility study.

NW Suburban Police Facility Comparison

	Arlington Heights	Palatine	Hoffman Estates	Elk Grove	Hanover Park	Skokie
Population (2012)	75,777	69,144	52,305	33,350	38,273	65,074
Sworn Officers	109	112	93	91	61	91
Civilians	30	41	45	32	38	39
Total Department Employment	139	153	138	123	99	130
Police Station Size	38,000 sq. ft.	70,000 sq. ft.	79,000 sq. ft.	80,000 sq. ft.	53,000 sq. ft.	79,300 sq. ft.
Year Built	1978	2012	2010	2009	2011	2010

FIRM OVERVIEW

Designing successful police stations is a specialty that your department should not entrust to just any architect. You are making a significant outlay of funds and in return deserve to work with a specialist that walks you confidently through every step of the process to develop a facility that is not only on budget and on schedule but invites the public in, keeps officer safety in high priority, is functional, environmentally sustainable, low maintenance and uniquely suits your community's needs. FGM has worked hard to develop and deliver a reputation for exactly that.

Our staff members are professionally qualified architects and planners with extensive experience in FGM's practice areas. Our individuals are locally and nationally renowned for their expertise in the planning and design of facilities in community-based architecture. Additionally, FGM is a member of the U.S. Green Building Council and 33 of our architects are LEED (Leadership in Energy and Environmental Design) Accredited Professionals. This accreditation recognizes expertise in sustainable design. Our staff is committed to providing quality environments for our clients.

PURPOSE, MISSION & VALUES

FGM's qualifications are enhanced by our core purpose, mission and values. They are the cornerstones for how we manage our company, support the needs of our clients and support the professional development of our associates. Our history and our approach to projects is based on these values; we truly are a community-based architectural firm.

Core Purpose: FGM exists to enhance communities by creating quality environments.

Mission: We provide architecture and planning services to a diverse clientele by assembling an integrated professional team that develops strong relationships and works corroboratively with the client to meet their present and future needs.

Values:

- 1. Commitment to our clients:** We build long-term relationships by providing quality design and service that meets our client's needs, values and interests.
- 2. Commitment to the people of FGM:** We offer opportunity for quality professional life and support for quality personal life to all.
- 3. Ethical Conduct:** We bring integrity, respect, fairness and honesty to all our interactions.
- 4. Commitment to FGM:** We apply sustainable business practices. These include responsible fiscal management, market diversity and development of future leaders.

FIRM ADDRESS, PHONE, EMAIL AND FAX NUMBERS

FGM Architects Inc. (Headquarters)
1211 West 22nd Street, Suite 705
Oak Brook, Illinois 60523
Email: rayl@fgmarchitects.com
Phone: 630.574.8300
Fax: 630.574.9292

STAFF COUNT

Architectural Staff	69
Landscape Architects	1
Interior Designers	5
Administrative	19
Total FGM Staff Count	94



Municipal Practice Area has 16 team members.

POLICE EXPERTS

FGM is a specialty firm that partners with communities to plan, design and construct police stations. Each of our design solutions uniquely suits each department's needs and takes their operations to the next level of excellence. Our project specialists work closely with your command staff and division supervisors to lead you through the design process.

We bring our years of experience in successfully designing police stations to your project, making sure that you look good, don't forget anything and get you thinking about new and better ways to do your job. Police officer safety is very important to us; we understand the distinct levels of security within a police station and its 24/7 operation. We have worked with very small communities up to a 250-person sworn police department. We have designed many police stations, emergency operation centers and 911 facilities. Our first project was the conversion of Maine North High School into a state of the art facility for the Illinois State Police in 1990. Since then, we have been privileged to work with more than 50 police departments.

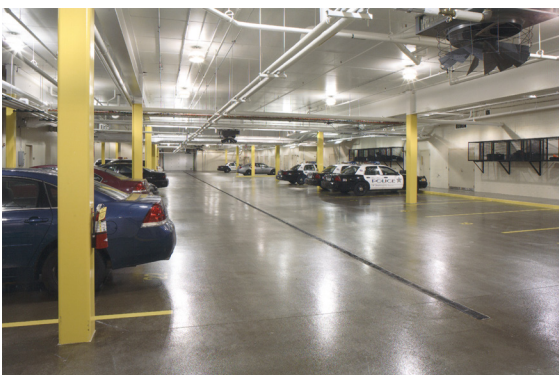
- Two Decades of Experience Specializing in Police Station Design; Nationally Recognized Practice with over 100 Local, State and National Police Projects
- Over 60 Police Consulting Projects including Existing Conditions Analyses, Space Needs Studies, Preliminary Design, Site Selection and Feasibility Studies
- First LEED Gold Police Station in the United States with Six Additional Completed LEED Gold Public Safety Projects
- Since 2003, FGM designed 18 New Police Stations Totaling over 840,000 sf and \$185M in Construction

POLICE STATION DESIGN

The design of a state-of-the-art police station is an ever evolving process. FGM's goal is to bring a greater depth of knowledge to our next project by learning something new from each Chief we work with and each successful station we complete. We not only learn through actual project experience but also by probing chiefs' thoughts, studying law enforcement developments and brainstorming new solutions. Some elements of good police station design are tried and true such as officer safety, understanding the multiple levels of station security, creating a functional path through the building for a patrol officer from the start of his/her shift to the conclusion and navigating through Illinois Department of Corrections and CALEA standards.

There are other items that are evolving, such as the sophistication of evidence processing and handling including safely and permanently storing the vast array of items connected with a case. The technology used in law enforcement has grown and finding effective ways to transport and store these tools in the vehicles and facility has become increasingly creative. Prisoner processing for high crime communities, juvenile offenders, suburban and rural areas each brings its own challenges and finding an operationally effective way to design the path from sally port to processing to lockup and bond out is critical. Today's stations welcome the public at large by opening up certain portions of the station to community meetings and incorporating exterior plazas that are welcoming and subtly secure the entries. More and more departments and communities are combining to take advantage of the benefits of joint dispatch centers and so the design of 911 call centers is an art in itself whether stand alone or part of a police station. Emergency operations centers have gone from a large multi-use conference room with heavy data and power requirements to fully hardened, dedicated facilities with the latest in cutting edge technology and support amenities.

When designing a police station, it is important to hire a police expert versus your local generalist architect. Police buildings are too sophisticated not to rely on the guidance of a partner like FGM who can lead you through the process.



POLICE STATION STUDY EXPERIENCE

FGM is particularly proud of our police station and municipal space needs studies, which are well-recognized as the most comprehensive in the industry. We take study projects very seriously and consider them a success only if the final report is succinct, thorough, written in layman's language, dog-eared from frequent use and reference and provides an excellent tool for a municipality to make a well-informed decision based on needs and costs. We are also known for our abilities to cost estimate police and municipal projects.

While we realize that our role in your project is to review an existing program and confirm the necessary square footage, our project team's background as a programming and study expert will provide a fresh set of eyes and confirmation that we are moving in the right direction before we explore any design solutions. The FGM project team has reviewed many other firms' space needs studies and often found different solutions than the firm that originally completed the study. We believe that we have the largest volume of police study and planning projects of any architectural firm in Illinois. We take the assignment of completing a space programming exercise seriously and have assigned a senior, principal-led team. Space needs evaluations and programs serve as an outline for a municipality's long-term course of action and therefore need to be handled by someone skilled in asking questions, probing for information, evaluating conditions and site use alternatives and with an impressive industry-specific background. FGM's police expertise is all in-house; we do not need to rely on police consultants for our expertise.

FGM offers our clients more than architectural services. We partner with our clients to provide strategic consulting, planning and operational services. Studies are among FGM's most favorite consulting assignments because it provides us the opportunity to delve into your operation and help you determine how to most effectively meet your long-term service needs. Our team's approach is to lead you through each step of the study, asking the tough operational questions to really get you thinking about how you do things today and how you could improve your operations tomorrow. We are not merely order-takers. Our team brings with them the experiences and lessons learned on each prior police station project. We make suggestions and offer solutions for your operational challenges.

SERVICES OFFERED BY FGM ARCHITECTS



Pre-Design Consulting

- Strategic Facility Planning
- Sustainable Design/LEED Planning
- Programming
- Site Analysis
- Capital Improvements Master Planning
- Facilities Master Planning
- Grant Writing Assistance
- Referendum Planning & Management
- Alternative Financing
- Alternative Project Delivery Systems
- Program Management

Interior Architecture

- Pre-Design
- Programming
- Space Planning
- Interior Design
- Color & Material Coordination
- Furniture Selection & Specifications
- Equipment Planning
- Graphics & Signage/Wayfinding
- Move Management

Architectural Planning & Design

- Facilities Long Range Planning
- Facilities Master Planning
- Facilities Assessment & Programming
- Financial Feasibility Analysis
- Facilities Programming
- Facilities Pre-Design/Planning
- Recreational Equipment Programming, Planning & Coordination
- Architectural Design
- Urban Design
- Restoration & Preservation
- Construction Administration
- 3D Rendering & Animation

Landscape Architecture

- Site Analysis
- Programming
- Code Analysis
- Landscape Architectural Design
- Recreation Planning
- Master Planning
- Construction Administration

INSURANCE REQUIREMENTS



FGM can meet all of the insurance requirements for this project as outlined in the RFP.

ACORD **CERTIFICATE OF LIABILITY INSURANCE** OP ID: CD

DATE (MM/DD/YYYY) 10/01/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION is WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsements.

PRODUCER: M. G. Weibel & Associates, Inc.
160 Dundee Rd., Suite 170
Northbrook, IL 60062
Michael G. Weibel
Phone: 847-412-1414
Fax: 847-412-1013

CONTRACT NO.: []
DATE OF EXP.: []
INSURER: []
PRODUCER: []
COVERAGE: FGMIN-1

INSURED: FGM Architects, Inc.
1211 W. 22nd St., #705
Oak Brook, IL 60523

INSURER(S) AFFORDING COVERAGE:

INSURER A	INSURER B	INSURER C	INSURER D	INSURER E	INSURER F
RLI Insurance Company	13055				
Continental Casualty Company	20443				

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	INSURER	POLICY NUMBER	DATE OF EXP.	DATE OF EXP.	COVERAGE	LIMITS
A GENERAL LIABILITY	☒ COMMERCIAL GENERAL LIABILITY CLAIMS MADE ☒ OCCUR ☒ PRIMARY & ☐ NON-CONTRIBUTORY ☒ SUBJECT TO ☐ WRITTEN CONTRACT	PSB0001771	10/01/2013	10/01/2014	NON CONTRIBUTUTORY WRITTEN CONTRACT	1,000,000 1,000,000 10,000 1,000,000 2,000,000 2,000,000
A AUTOMOBILE LIABILITY	☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ☒ NON-OWNED AUTOS	PSB0001771	10/01/2013	10/01/2014	COMBINED SINGLE LIMIT (Ex accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	1,000,000 \$ \$ \$ \$
A UMBRELLA / EXCESS	☒ UMBRELLA / EXCESS EXCESS LIMIT ☒ CLAIMS MADE ☐ RETENTION ☐	PSE0001447	10/01/2013	10/01/2014	EACH OCCURRENCE AGGREGATE	2,000,000 2,000,000
A WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY EMPLOYEE OF THE INSURED EMPLOYERS' LIABILITY EMPLOYERS' LIABILITY EMPLOYERS' LIABILITY EMPLOYERS' LIABILITY	PSW0001597	10/01/2013	10/01/2014	WORKERS COMPENSATION EMPLOYERS' LIABILITY EMPLOYERS' LIABILITY EMPLOYERS' LIABILITY EMPLOYERS' LIABILITY	500,000 500,000 500,000 500,000 500,000
B PROFESSIONAL LIABILITY	☒ PROFESSIONAL LIABILITY DEFENSE OF OPERATIONS / DEFENSE OF OPERATIONS / DEFENSE OF OPERATIONS / DEFENSE OF OPERATIONS / DEFENSE OF OPERATIONS	AEH 114077912	10/01/2013	10/01/2014	Per Claim Aggregate	2,000,000 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Schedule, if more space is required)
Re: All projects of the insured, wherever, subject to policy terms and conditions.

CERTIFICATE HOLDER: FGM INC

CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE: Michael G. Weibel

ACORD 25 (2009/09) The ACORD name and logo are registered marks of ACORD.

SCOPE OF REQUIRED SERVICES



The Village of Arlington Heights would like an architectural design firm specializing in the design of police stations in Illinois to prepare a facility study of the current police station site and the municipal campus including the village hall. We believe the goal of the study is to provide the Village with the information necessary to make an informed decision on how to best address the facility needs of the police department. The Village is seeking recommendations and would like answers to the following:

1. Is the space needs study, completed in 2010, still valid based on changes in employment and policing methodology?
2. What is the best option for providing a police station on the municipal campus? There are many options that need to be explored including: renovating and adding an addition onto the existing police station, utilizing portions of the existing village hall for police functions, building new, etc.
3. What are the best solutions for providing public, staff and police department parking?
4. Does offsite storage for police vehicles and equipment make sense?
5. What will the various solutions for keeping the police station on the municipal campus cost?
6. What will it cost to relocate the police department temporarily if the chosen solution keeps the police station on the municipal campus?
7. How much will it cost to build a new police station on a new site?
8. If the police station is moved to a new site, how much will it cost to demolish the existing police station and restore the site, or to renovate the building for lease to another user?

FGM's project approach, outlined below, will answer these questions and will provide the Village with the necessary information required on how to best address the needs of the police department.



PROJECT APPROACH



We believe from the Request for Proposal and discussions at the pre-proposal meeting, we have a good understanding of your project and the overall goals for the Conceptual Review and Feasibility Study for the police station. The following is a synopsis of our Project Approach which highlights how we will work with the Village to develop the study.

1. Pre-Meeting Preparation

To be most efficient in preparation of the facility assessment, upfront preparation is critical. We will have initial discussions with key village and police staff members to discuss the particulars of the Arlington Heights Police Department. During the pre-meeting preparation, FGM's in-house team of police station design experts will review the previously completed Space Needs Report, Existing Facility Analysis, Confidential Site Evaluation Report, site plans, photographs, plans of the existing police station, Fire Station No. 1, village hall and other pertinent documentation.

- Based on input from the police station Task Force, FGM will establish an initial schedule to meet with various members of the police department, village staff and elected officials so we can begin the Feasibility Study.

2. Project Kick-Off Meeting

We begin every project with a kick-off meeting to establish the project goals by which the Village will measure the project's success upon completion. FGM goes beyond an owner's basic expectations of meeting the project budget and time schedule to delve into key desires and concerns for the feasibility assessment. At the kick-off meeting we:

- Introduce the team and their roles
- Develop the project's goals—these are overarching goals that will drive the direction of solutions and project decisions
- Identify all questions that must be answered as part of this study
- Discuss the Task Force's and Architect's preferred communication chain of command
- Confirm the initial project schedule
- Set a date/frequency for update meetings to keep the project moving at an enthusiastic and appropriate pace

Deliverables:

- Written project goal statement
- Written questions that must be answered by the study
- Project team directory
- Project schedule

3. Village Board "Goals" Input Workshop

Prior to delving into the Feasibility Study, we suggest a big picture meeting and Goals Workshop with the Village Board to garner input about their expectations and goals for the feasibility study including an understanding of:

- Long-term goals for police department
- What are their main concerns and what questions do they need answered in this assessment?
- How we can best help the Village make informed planning decision

Deliverables:

- Minutes from workshop

PROJECT APPROACH
CONTINUED**4. Confirm if the Space Needs Study Completed in 2010 is Still Valid Based on Changes in Employment and Policing Methodology**

FGM can truly offer the Village of Arlington Heights a “fresh eye” to review the 2010 Space Needs Study. For the 2010 study, FGM collaborated on the study with MWL Consulting, LLC (MWL), a Phoenix based consulting firm specializing in public safety projects. MWL led the space needs study while FGM led the existing building assessment. With the acquisition of SRBL Architects in 2011, FGM now has the leading in-house team of specialists in Illinois for police station design. The team assigned to this project has worked with many of the Arlington Heights Police Department’s peers, including Palatine, Skokie, Hoffman Estates and Elk Grove Police Departments, all of which are similar sized departments. As specialists working with police agencies, we understand and speak their language. We have been described by some communities as “police geeks” and continuously study the changes and trends in policing. We are skilled at engaging even the staunchest police officers which truly aids our ability to determine actual space needs versus wants. We will review the previous study with a critical eye and validate or adjust the needs based on changes within the department and in policing methodology.

FGM will meet with police department staff members to discuss functions within each department. Some areas of focus due to changes in policing since the 2010 study will include recent Department of Justice recommendations for interview rooms and current trends in roll call and training. We will discuss local issues, such as requests from the Cook County State’s Attorney and regional Homeland Security initiatives. Current technology requirements and needs of the maintenance staff will also be reviewed. Using the previous study as a guide, we will ask questions about:

- Future planning
- Functionality
- Security
- Spatial relationships and adjacencies
- Work space furnishings
- Equipment and storage needs
- Parking requirements, etc.

Much of the time spent in our meetings will be used for discussing future changes, current challenges and functional issues. When discussing space, we like to hold the interviews in the actual work area of the person/department so we can have a firsthand look at areas of concern. We use our experience to suggest solutions and potential methods to allow the staff to function more efficiently.

During this phase of work, FGM also spends time observing how the department actually works. We have found through conducting many assessments that we can find ways to increase operational efficiency by observing with a “outsider’s viewpoint.”

With the interviews completed, FGM will confirm and/or adjust space needs requirements as required. The space needs are then reviewed with the police department and then refined to incorporate requested changes or additions. It is very important that we get the “recipe” for the space needs correct as the program is the most important starting point for a successful project.

Deliverables:

- Validated Space Needs Program (spreadsheet) detailing recommended square footage for all spaces required by police department

**PROJECT APPROACH
CONTINUED****5. Evaluate and Understand the Existing Building, Site Function and Workflow**

FGM's police team including structural, mechanical and electrical engineers will review the 2010 Existing Facility Analysis in order to understand the building's implications relative to the potential options to be studied. The team will also conduct field surveys to confirm existing conditions, verifying opportunities and obstacles and fully understanding how the municipal campus functions. The project team has extensive experience working with multiple agencies on the same site. For Arlington Heights, this experience will be valuable because we not only understand the needs of the police department, but also operational needs of the village hall and fire department.

For this work, FGM's police team will also draw on knowledge from staff members who worked on the 2010 Existing Facility Analysis and the police station Exterior Remodeling Project in 2011–2012 (which was deferred). By having a team that had no involvement on previous study and yet can draw on prior knowledge, we have the best of both worlds: a fresh perspective and prior knowledge. As part of this work, we will document any changes to the 2010 Existing Facility Analysis.

Deliverables:

- Document any changes to the 2010 Existing Building Analysis

6. Develop Concept Plans to Determine the Best Solutions for Placing a Police Station on the Municipal Campus

With a thorough understanding of the police department's space needs, opportunities and obstacles for the existing police station and municipal campus, FGM will evaluate options and develop conceptual plans seeking the best solution for the Village on how to address the needs of the police department. FGM will review the following:

- Investigate how to best utilize the police station property and municipal campus
- Explore potential to use a portion of the village hall for police functions
- Review practicality of building over the access drive and connecting the existing police station to the village hall
- Utilize the parking lot on the south side of Sigwalt Street
- Explore possibilities, in conjunction with the village's parking consultant, what options are possible if additional capacity can be added to the parking deck
- Utilize the north plaza site area
- Evaluate the feasibility of underground parking
- Evaluate concepts for off-site storage of police vehicles and equipment in a village owner lot
- Consider other options as they materialize during the course of the study

Initial exploration will be performed in the form of site plan sketches. This work is performed interactively with significant input from the Village. For each option explored, a simple conceptual budget will be developed to identify the potential difference in magnitude of costs which must be considered in any solution. We anticipate a series of several meetings with our police team to thoroughly evaluate all the potential options.

Once the initial concept plans are narrowed down, FGM will further develop four to eight options with conceptual floor plans and other drawings as necessary to convey the intent of the option. The conceptual plans will be diagrammatic in nature and illustrate where the various divisions of the police station will be located.

**PROJECT APPROACH
CONTINUED**

For the further developed options, FGM will utilize all information generated and will provide a square footage construction estimate and total project budget which includes site and building construction costs, furniture, fixtures and equipment costs, fees and other soft costs. As a comparison, FGM will also develop a conceptual budget for a new station located on another site. This along with the costs developed in items seven and eight, the cost of a temporary facility during construction and options for the existing building if the police station is relocated, will provide the Village with comprehensive costs for the entire project.

FGM understands the importance for an accurate, all-inclusive project budget that the Village can rely upon as a reasonably anticipated ($\pm$) budget for the project as it will be used to secure funding. With our extensive experience in the design and construction of police facilities locally, we have amassed an extensive knowledge base of construction costs. In addition, we monitor global economic conditions, forecasting what may affect the cost of a facility in the future. Our experience and understanding of police station costs will help the Village to make informed choices to determine the best solution.

With all information available, including conceptual site and floor plans and total project budgets, FGM will develop a pros and cons list for each option and ultimately provide a recommendation for which option will best serve the Village of Arlington Heights.

Deliverables:

- Four to eight conceptual site and floor plan drawings
- Budgets for each option

7. Develop Costs for Providing Temporary Facility for the Police Department During Construction

If the police station is to remain at the municipal campus site, it is likely that the solution will require the police department to temporarily relocate during construction. We developed plans for a temporary facility when we re-built the Elk Grove Village Hall and Police Station on the same site. Therefore, we can provide insight and cost data to the Village on this endeavor. Our team will assist the Village in selecting potential locations, review with the police department what their "temporary needs" may be and then develop a conceptual cost estimate for the work required.

Deliverables:

- Conceptual budget for temporary facility

**PROJECT APPROACH
CONTINUED****8. Assist the Village in Developing an Analysis of What Can Be Done with the Existing Police Station if the Village Chooses to Relocate it to Another Site**

To provide a complete picture to the Village if the police station is relocated to another site, two options must be studied.

The first option is to identify costs to demolish the building and restore the site for an alternate use. For this, FGM will have discussions with the Village, which may include the Village Board, to determine what functions are desired for the existing site. We believe possibilities may include parking, a civic gathering space, a memorial, park space or some combination of each. We would develop a program for what is desired, review the program with the Task Force and provide a total project budget for the project.

Secondly, we would develop costs for renovating the existing building for potential lease to another user. FGM has extensive experience in renovating buildings and has a large database of costs. Furthermore, our team members have recent knowledge of the condition of the exterior of the building having completed the 2012 plans for renovating the exterior. We will discuss with the Village how they view leasing space. Is the intent to lease the entire building or sub-divide the building and lease to multiple users? Once we establish the goals, we will prepare budgets accordingly.

Deliverables:

- Conceptual budgets for demolishing and restoring the site and renovating the existing building

9. Site Analysis (Optional)

If desired, FGM can evaluate potential sites, as selected by the Village, to determine the most suitable sites for a new police station. This would be recommended if the Village chooses to relocate the police station off the municipal campus. Functional considerations such as size, access and location will be considered. We can also review the potential costs to build on different sites as part of the assessment. This work typically includes preliminary conceptual site plans showing a possible building location, parking lots and drive aisles, green space, site ingress and egress and other site features.

Deliverables:

- Site analysis
- Cost comparisons for building on different sites
- Brief report of findings

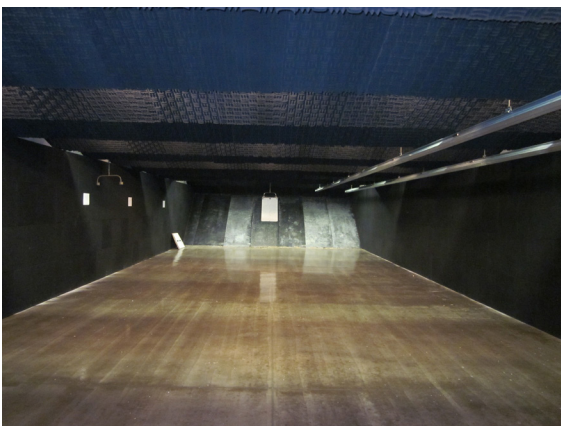
10. Final Report and Presentation to Village

From information gathered and generated, we will prepare a summary report that will detail our methodology, findings and recommendations. FGM's philosophy for studies includes preparation of a clear, concise and easy to understand. The report will contain an executive summary, a synopsis of all items studied, budgets and recommendations. We will develop a draft report for the Task Force to review and then incorporate any changes requested.

FGM will make a presentation to the village board to discuss the findings of the assessment and recommendations for their consideration.

Deliverables:

- PowerPoint presentation
- Report of findings

MOST RECENT/SIMILAR EXPERIENCE TO THE ARLINGTON HEIGHTS PROJECT

With a long and diverse expertise in the planning, design and construction of police stations, FGM has highlighted projects that are most similar to the Arlington Heights Police Station 2014 Study.

Because your project entails the following elements, we will focus primarily on projects that involve at least three of these project elements:

- Large police department of 100+ sworn staff
- Decision between an existing site and a new location
- Multiple site options
- Review of an existing space needs study
- Multi-building municipal campus
- Complex project requiring creative solutions

Six very recent FGM municipal projects closely parallel many of the aspects expressed by the Village of Arlington Heights and involved the project team we have proposed for this study. Please note that our team has dozens of additional Illinois police station projects beyond this immediate list of six. Please find project fact sheets in this section and project lists featured in the Appendix.

- Elk Grove Police Station Rebuild and Village Hall Expansion (on same site)
- Skokie Police Station Conversion of Existing Warehouse (on new site with extensive site study)
- Glendale Heights Civic Complex Renovation and Police Station Expansion
- New Palatine Police Station (on new site after study of expanding at existing site)
- Rockford Police Station Study (of multiple sites for satellite station locations)
- Cape Girardeau, Missouri Study of Police Station, Village Hall (at existing site)

Elk Grove Village Police Station Rebuild and Village Hall Renovation (on same site)

The Police and Village Administration outgrew their respective areas. This was one of the most complex renovation projects that SRBL (now FGM) had ever designed. What made the project so complex was that the police department occupied the center of a combined building that housed a village hall to the west and a fire station to the east. The team had to design the building in a way to keep the village administration and fire station in continual operation. With a police department the size of Elk Grove's, the best solution was to temporarily relocate to a warehouse facility for the duration of the construction; simple modifications were made to that building as well. The center of the existing village hall/police station was demolished and the new police station was constructed in its place.

At the Mayor's request, Elk Grove was the first LEED Gold certified Village Hall in Illinois. Because he was so passionate about sustainability, our design solution relocated the administrative offices to the second floor of the building expansion and each office had ample natural light and overlooked the green roof. The board room was entirely renovated with a focus on aesthetics, technology and security, including a bullet proof dais, and moving the speaker's podium further back to allow a comfortable yet still intimate distance between the elected officials and the public. The exterior of the fire station was also remodeled to match the rest of the campus.

**MOST RECENT/SIMILAR EXPERIENCE TO THE
ARLINGTON HEIGHTS PROJECT
CONTINUED****Skokie Police Station Conversion of Existing Warehouse (on new site with extensive site study)**

SRBL was hired to conduct a space needs study, including seven site options all on the existing site. Options included closing a street, taking possession of residences to expand the site footprint and expanding or reconstructing the existing police station. Like Arlington Heights, the Skokie Police Department is a 100+ sworn department. Part of the study included identifying pros and cons for each solution and weighing not only cost and practicality issues but also political ramifications. Ultimately none of the existing on-site options seemed desirable to the Board. After the study was completed, an existing site with a closed warehouse bottling plant became more appealing to the elected officials. The Village decided to purchase this site for their future police station. The warehouse footprint was actually larger than the square footage required for the future police station allowing for some creative elements that really made the project a success. The entire building was on one floor offering an extremely functional layout. The station has extensive natural light via indoor courtyards created from the former truck loading docks. A former \ exterior warehouse wall became part of the design solution and serves as a visual barrier for additional police parking. The building received LEED Gold Certification. A visually appealing station, this project's cost per square foot was very cost effective and the owner received significant value for the dollars spent.

**Glendale Heights Civic Complex Renovation and Police Station Expansion**

The Village of Glendale Heights had a dated municipal campus that included three distinct buildings: a combined Civic Center, Municipal Court and Police Station, a recently constructed Senior Center and a Sports Hub. FGM was contracted to work on four projects on the municipal campus including a police station expansion, a civic center renovation, a Sports Hub expansion/renovation and an outdoor aquatic center expansion. The Village needed more space and wanted to change the dated look of the campus architecture. FGM designed two large expansions that complemented the existing municipal campus' architecture while dramatically improving the campus aesthetics. The police expansion was located in such a way to retain the natural light entering into the existing civic center and to add natural light into the police expansion. The U-shaped design also allowed for employee amenities including a private outdoor patio and balcony areas.



The combined Civic Center/Police Station lacked an identifiable entry and had unclear way-finding through the building. Our design solution relocated the main entrance to the west side of the building, closer to the parking lot, and cleared up space in the existing building for a new main lobby that placed service counters for Community Development, Finance and Police all within clear view of the main lobby so citizens aren't wandering through the building wondering where to go. The building re-design allows for finish improvements to the municipal court, a refinishing of the terrazzo floor throughout the corridors and improved functionality of the floor plan.

New Palatine Police Station (on new site after study of expanding at existing site)

The Village hired SRBL to conduct a village-wide space needs study for the police station, village hall, public works building and fire stations. The police station study involved the review of an existing municipal campus that housed the village hall and police station in a very dated existing high school facility that had been remodeled numerous times over many decades. The campus also housed the Palatine Park District and numerous outdoor recreational amenities. Ultimately, the Village determined the best solution for the 100+ sworn police department was to relocate them to a new property and design and construct a new building. It is our understanding that the Village of Arlington Heights has toured this station as a group.

**MOST RECENT/SIMILAR EXPERIENCE TO THE
ARLINGTON HEIGHTS PROJECT
CONTINUED****Rockford Police Department Study (multiple options and sites)**

The Rockford Police Department is currently in a restructuring mode to move towards a district policing model. The Department engaged FGM to analyze numerous options for sites, renovations or new facilities, to prepare budgets, prioritize their space needs and support the operations of their very large department. The many options and possibilities for the Department make up a very complex study that balances many concerns, options and functions. Rockford's large metro area and population will factor into FGM's analysis to determine how the Department can best serve its citizens.

Cape Girardeau, Missouri Study of Police Station & Village Hall (on existing site)

Cape Girardeau hired FGM to analyze their long term needs for the police department and village hall as the community continues to grow. The City asked FGM to consider adding a municipal court to the existing campus and evaluate how to best accommodate the City's jail space requirements. FGM reviewed the following options, remaining on the existing site and considering an expansion/remodeling of the existing police station, building a new Police Station on the existing site and renovating an existing building and site, converting it into a police station. Because the City required double that amount of space as the current police station to meet their long term needs, the City determined that building a new police station on the existing site and acquiring an adjacent parcel of land for the needed parking is their best course of action.

PROJECT TEAM INTRODUCTION

Nothing plays a greater role in the success of a capital project than the actual team members assigned to that project. It is a team of individuals, not a firm, who collectively oversee, listen, manage, guide, produce and deliver a great police station study and building project. Therefore, FGM has assembled the best and most senior team for the Village of Arlington Heights Police Station Study assignment.

We have selected the following members for your project:

Principal-in-Charge: Ray Lee, AIA, LEED AP

Project Designer: Louise Kowalczyk, AIA, LEED AP

Project Manager: Ryan Rathman, AIA, CSI, LEED AP BD+C

Client Advocate: Carol Sente

These individuals have worked together at the same company (SRBL Architects and now FGM) for a total of 12 years. This exact team has worked together on numerous Illinois police station projects with 100+ sworn personnel departments similar to Arlington Heights and large municipal projects. Each team member was selected for their unique abilities and police expertise.



There are many individuals who will be part of various architectural teams vying for your project who have had some involvement with the Village of Arlington Heights village hall and police station. We mention this because our choice was to present an entirely different team than the one who worked with MWL on the police station study. We believe that a second set of eyes to review the study, program and cost estimate is highly valuable and will demonstrate to the public that the Village really listened to community feedback. The team selected is not only a fresh, very experienced team, but also as a team they were part of the SRBL group selected for your police renovation project that was put on hold after bidding (which came in on budget).

Ray Lee has specialized in police station studies, design, remodeling, expansion, conversion and construction since 1990. His first project was the State of Illinois District Chicago conversion of Maine North High School in Des Plaines into their Headquarters. Since then, he has become one of Illinois' most knowledgeable architects in law enforcement design. Over the past 24 years, Ray has personally advanced from a Project Manager to a Principal and has trained the entire former SRBL staff as well as now FGM's staff in police design. He continues to learn about and research the latest trends and developments in police station design nationwide, and he brings his expertise to each police department. He has particular expertise in the planning and design of large police stations for over 100 sworn officers. Ray will lead the review of the Arlington Heights Police Station Planning Study, develop the revised program, oversee the design solutions and personally prepare each cost estimate. We strongly encourage you to contact the long list of police chiefs for whom Ray has worked tirelessly to help their department reach its next level of excellence.



Louise Kowalczyk graduated from the University of Illinois at Chicago with Ray. He thought so highly of Louise's design talents that he brought her to SRBL and they have been working together for over 18 years. Louise has worked closely with Ray to program, study and develop aesthetic, functional and cost effective design solutions for approximately three dozen Illinois police station studies and projects across northern Illinois, as well as police stations in other states. She also is an expert in working with 100+ sworn staff members. Louise will participate in the review of the Arlington Heights Police Station Planning Study, develop each of the various site/design solutions requested by the Village, and be an active voice at client meetings. Louise designed the Palatine, Skokie, Glenview, Glendale Heights, Streamwood, Orland Park and Highland Park Police Stations, among others. She worked with Ray on each of these projects.

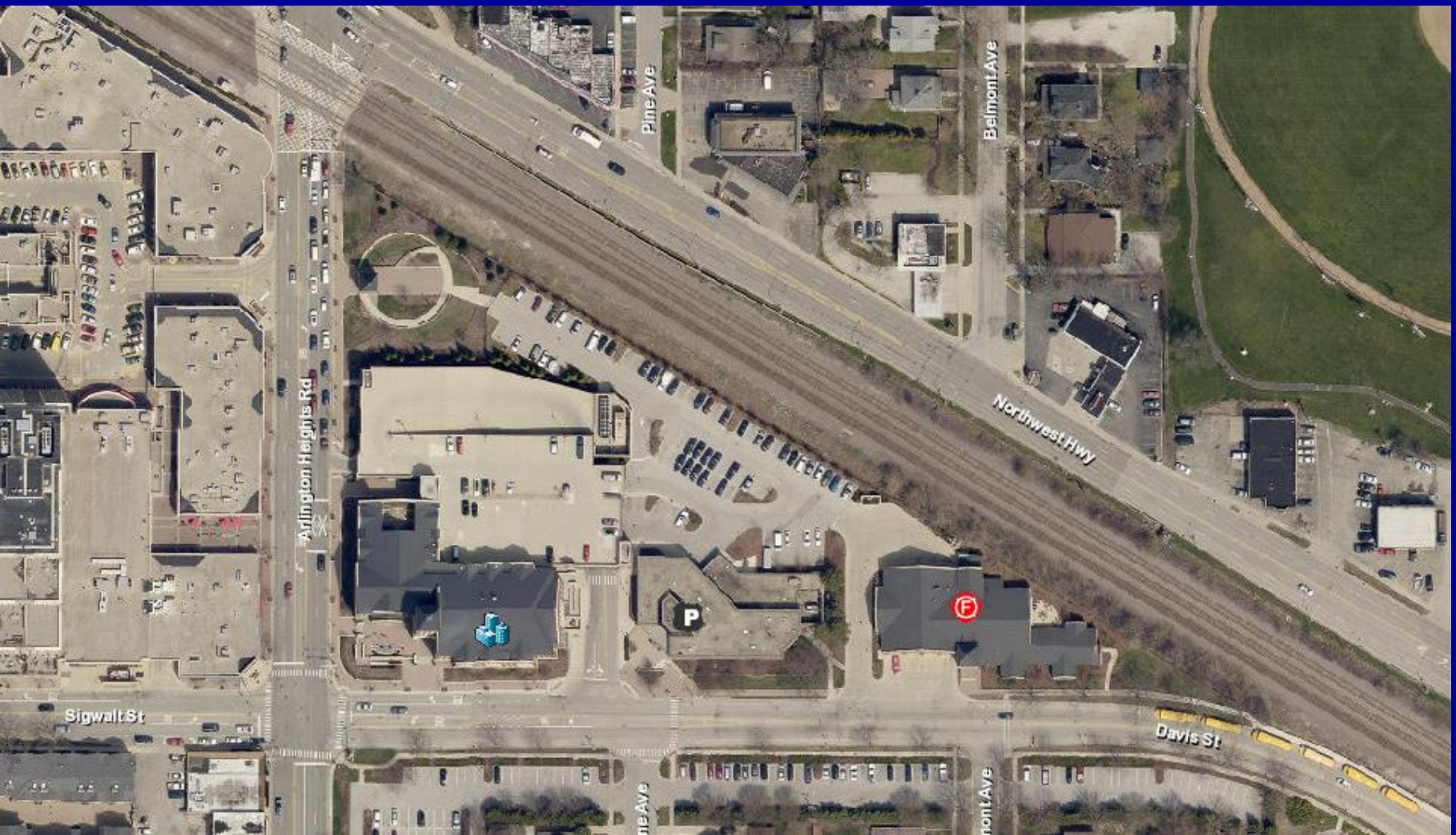
PROJECT TEAM INTRODUCTION CONTINUED



Ryan Rathman graduated from the University of Illinois at Urbana-Champaign and joined SRBL Architects as a summer intern in 2002. With his father's and his own background in construction, Ryan is an extremely practical and technically proficient architect. He quickly identified himself as a self-starter and someone on a steep career trajectory. Ryan was given considerable experience for his age and became not only the firm's best Project Manager but oversaw SRBL's early entry into REVIT software, the development of SRBL's technical details/ standards and led SRBL's quality control process. Although Ryan's involvement on the study portion of your project will be smaller, he will have a very important role working with Ray and Louise when the project moves into implementation and therefore he will be involved from day one. His role in the study will be leading the evaluation of the 2010 Existing Facility Analysis. He will work closely with Ray and Louise to review all existing drawings and reports, as well as coordinate the work of the engineering team.

Carol Sente has been the Principal-in-Charge of police station projects for Glendale Heights, Hoffman Estates and Highland Park. She has served as the Client Advocate for numerous projects and was integrally involved in the review and production of the Skokie Police Station Study and report. Carol's role on your project will be to review potential solutions from a clients' perspective during internal critique meetings. She will also work closely with Ray to prepare the actual report and findings. We like to be sure that our studies are concise, well written and in executive summary format for the easy digestion of both types of elected officials: those who want to get right to the point and those who will peruse through the appendices for more details.

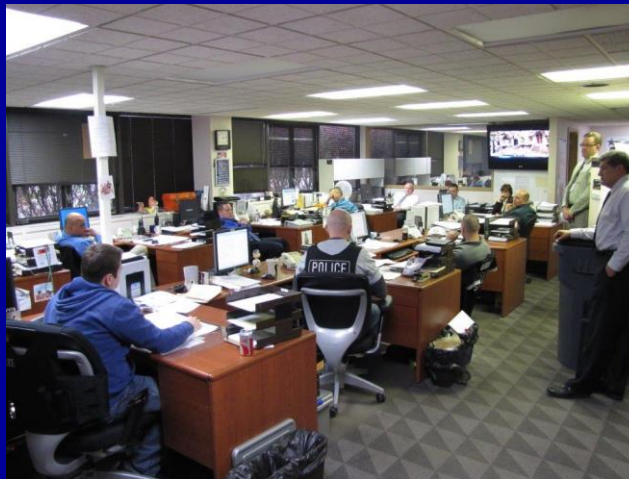
Village of Arlington Heights, Municipal Campus – Police Station



Physical Building Analysis Summary from 2010 Analysis

Significant Lack of Space - 38,000 sq. ft.

- Capacity is beyond maximum.
- When built Police Department was 80. Current Department 139 employees.
- Similar Police Departments substantially larger e.g. Palatine 70,000 sq. ft. Hoffman Estates 79,000 sq. ft.



NW Suburban Police Facility Comparison

	Arlington Heights	Palatine	Hoffman Estates	Elk Grove	Hanover Park	Skokie
Population (2012)	75,777	69,144	52,305	33,350	38,273	65,074
Sworn Officers	109	112	93	91	61	91
Civilians	30	41	45	32	38	39
Total Department Employment	139	153	138	123	99	130
Police Station Size	38,000 sq. ft.	70,000 sq. ft.	79,000 sq. ft.	80,000 sq. ft.	53,000 sq. ft.	79,300 sq. ft.
Year Built	1978	2012	2010	2009	2011	2010

Locker Room Comparison



Physical Building Analysis Summary from 2010 Analysis

Architectural / Building

- Roof and windows are beyond their useful lives.
- Facility is not handicap accessible.
- Facility is not compliant with current code.
- Building finishes are marginal to deficient.
- Range is not up to current standards.
- Public vs. private areas are not secured.
- Divisions are not contiguous and Division adjacencies are marginal.
- Sally port safety is questionable.
- Capacity of facility is at a maximum.
- Low floor to floor heights limit new state of the art systems.



Physical Building Analysis Summary from 2010 Analysis

Structural

- Facility is not an essential structure per code.
- Garage is not an essential structure per code.
- Condition of certain floor slabs and foundation walls is marginal.
- Facility will not accept vertical expansion.



Mechanical

- HVAC systems and controls are beyond their useful lives.
- HVAC systems have no extra capacity.
- There is no smoke evacuation system in the atrium.



Plumbing

- Plumbing systems have no extra capacity and lack backflow preventers.



Physical Building Analysis Summary from 2010 Analysis

Fire Protection

- Sprinklers are at a minimum in the facility.

Electrical

- Electrical capacity is at a maximum.
- Electrical service is deficient.
- Systems do not meet current code.
- Condition of equipment is beyond its useful life.
- Lack of adequate outlets and energy efficient lighting.

Fire Alarm

- Lacks visual notification.
- System is not serviceable.
- Capacity, number of devices and smoke detection is marginal.

Generator

- Well beyond its useful life.
- Installed with original building.
- Removal & replacement challenging & costly.

Storage

- Severe lack of storage.



Physical Building Analysis Summary from 2010 Analysis

Technology

- Technology installation and distribution is deficient.

Paging

- Inadequate speakers throughout.

Audiovisual

- Deficient throughout.

Security & Surveillance

- Deficient throughout.





VILLAGE OF ARLINGTON HEIGHTS

Police Station Study

Presented by:

Ray Lee, AIA, LEED AP

Carol Sente



August 25, 2014

About FGM

- **Public Safety Experts with a commitment to enhancing communities**
- **SRBL Architects joined FGM in January 2012**
- **Bolstered FGM's ability to serve public safety clients and bring clients outstanding facilities**



FGM Today

- LOCAL Midwest leader in police facility design





Ray Lee, AIA, LEED AP
Principal-in-Charge



Louise Kowalczyk,
AIA, LEED AP
Designer



Ryan Rathman, AIA, CSI,
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Project Manager

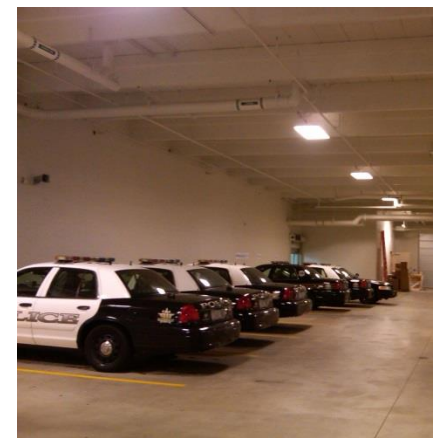


Carol Sente
Client Advocate

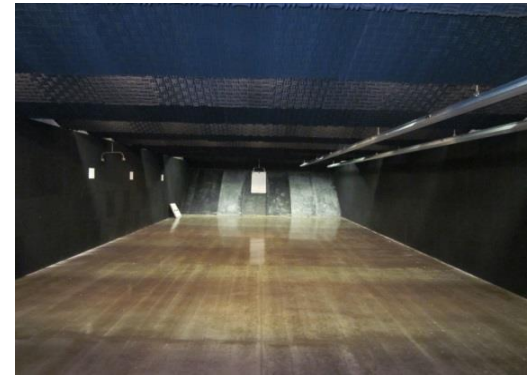
- **20+ Years** Serving Police Departments
- Designed over **\$185,000,000** in Police Station Projects in the past 10 years
- Designed Over **840,000 sf** in Police Station Projects
- Over **100** Police Station Projects including seven conversion projects
- Dozens of Police Remodeling Projects
- Over **50** Police Department Clients



POLICE EXPERIENCE



POLICE EXPERIENCE



POLICE EXPERIENCE



A Feasibility Study Must . . .

Be Useful

Answer Questions

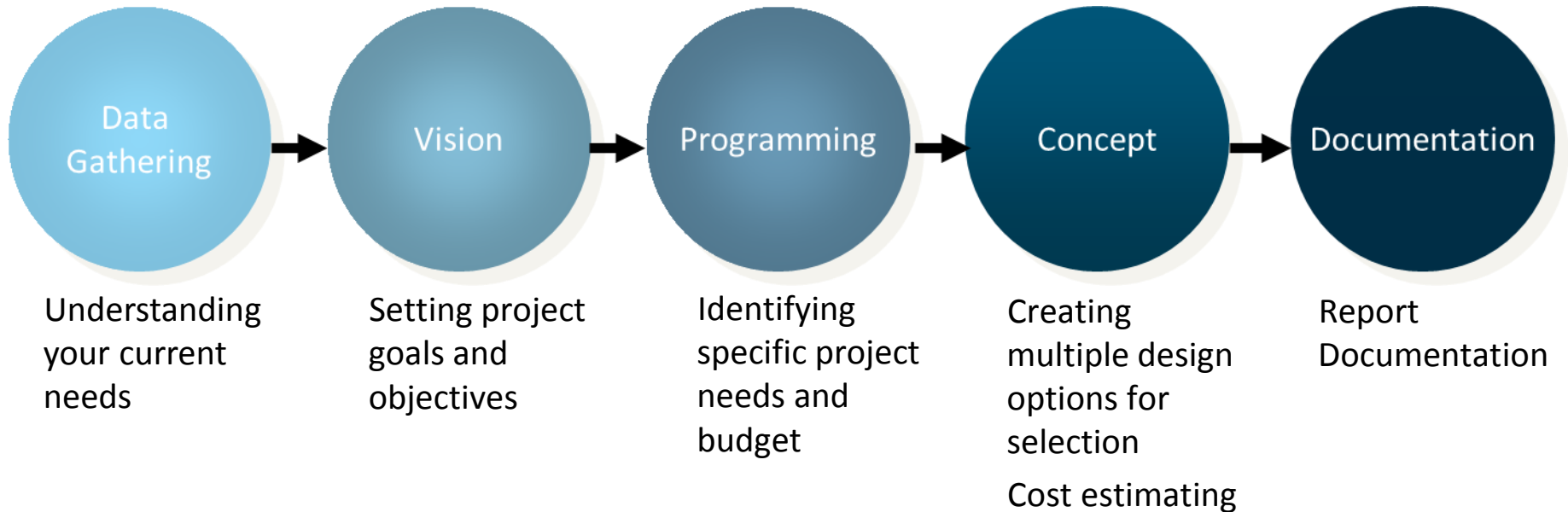
**Be Easy to Read &
Understand**

**Challenge the Status
Quo**

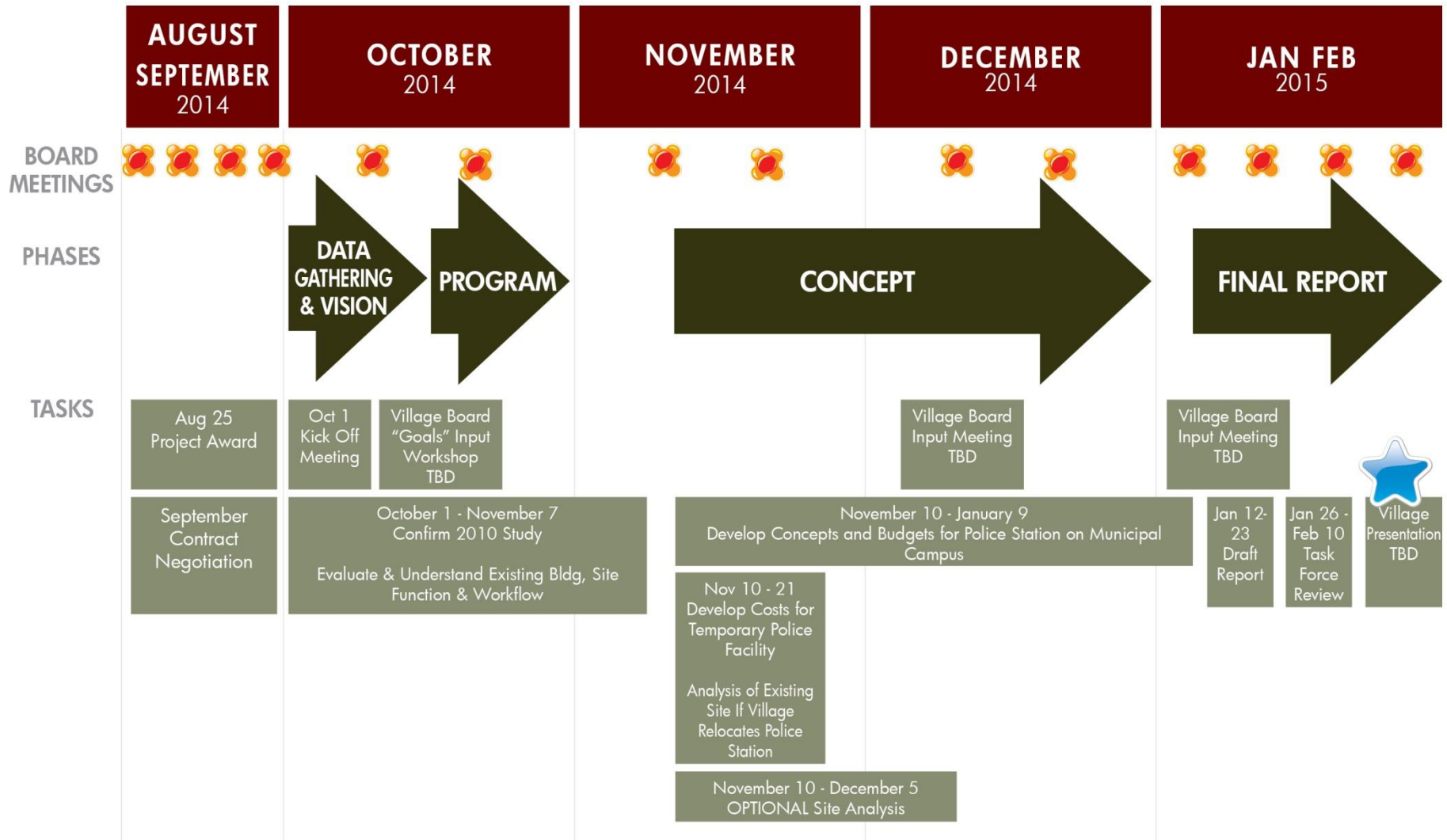
**Provide a Solid
Recommendation**



Planning Process



PROJECT SCHEDULE



“We were **confident** the firm was differentiated in their field and would present the most **detailed and innovative** recommendations for our community’s consideration.” – Chief Frank Kosman, Bensenville

“FGM brought a level knowledge and law enforcement expertise that has proven to be **indispensable** to the process. The ultimate police station design met or **exceeded every expectation** we had. Frankly I was surprised by their **depth of knowledge** regarding police operations and the future direction of law enforcement.” – Chief Bob Sterba, New Lenox

“**From Day One** FGM helped our staff with the process of building our new facility and **made it simple.**” – Chief Michael Witz, Franklin Park



“We work primarily with Principal Raymond Lee and his team and **they understand our operational needs** and conduct **thorough** reviews of projects. The team is **easy to communicate** with and provide **flexibility** and **accessibility** throughout the work process.” – Brian Tegtmeier, DU-COMM

WHY SELECT THE FGM TEAM?

- **Illinois Police Experience**

Longest, broadest track record of successful Illinois Police Stations

- **Proven Team** - Unique abilities and experience of team

ARLINGTON HEIGHTS KNOWLEDGE + FRESH SET OF EYES

- **Study Experience**

Solution to take your operation to the next level

WE WANT TO CONTINUE OUR RELATIONSHIP



Item: Proposed 5-Year Water & Sewer Rate Adjustment

Department: Finance

Please see attached memo and exhibits.

ATTACHMENTS:

Description	Type
Water & Sewer Rate Study - 2014 Memo	Memorandum
Exhibits A - C	Exhibits
Alternatives 1 4	Exhibits

I N T E R

O F F I C E

MEMO

To: Diana Mikula, Interim-Village Manager
From: Scott Shirley, Director of Public Works
Thomas F. Kuehne, Finance Director/Treasurer
Date: August 15, 2014
Subject: **PROPOSED FIVE-YEAR WATER AND SEWER RATE ADJUSTMENT**

OVERVIEW

The Village of Arlington Heights owns and operates its Water Storage, Distribution, and Sewer Collection Systems. The Village receives treated water from Lake Michigan through the Northwest Water Commission (NWC) transmission lines. The Village receives, monitors, and redistributes the Lake water into the water distribution system. The Water System is comprised of emergency water wells, potable water booster pumps, water storage tanks, water mains, hydrants, meters and the Supervisory Control and Data Acquisition (SCADA) System.

The sanitary sewer system is comprised of combined sanitary and storm sewer mains and sanitary-only mains. Combined sewers handle residential and commercial waste as well as storm water, while sanitary-only systems handle only residential and commercial waste. The sanitary system is comprised of sewer lift stations and sewer mains with their associated structures. The Village's storm water-only system is comprised of storm water lift stations, storm water mains with associated structures and detention/retention basins for temporary storage. The SCADA system also monitors the operation of all sanitary sewer and storm water lift stations.

POTABLE WATER SYSTEM

Water Mains - The Village has 260 miles of water main and approximately 32 million gallons of available water storage. The Water System's average age for water mains is 61 years. The design life expectancy of a water main is 100 years. The Village currently replaces less than ½ mile per year at an estimated annual cost of about \$400,000. At this rate, the Village will not replace the existing water main system before the end of its useful life. As you can see on **Exhibit A** (Graph of Water Main Age), the Village had significant expansion during the 1920-1930's and then again in 1950-1970's. As a result of these concentrated expansions, we are approaching the useful life on a significant portion of the system's water main. Water main breaks are used as an indicator of system condition. According to the American Water Works Association, water utilities should strive for between 25 and 30 water main breaks per 100 miles of water main per year. The table below depicts the past five years of repairs for the Village of Arlington Heights:

	2009	2010	2011	2012	2013
Number of Water Main Breaks	163	284	226	347	205
Number of Water Main Breaks per 100 miles of main	63	109	87	133	79

Over the last 5 years, the Village is averaging 94 breaks per 100 miles of water main. Based on the results of a Northwest Municipal Conference (NWMC) survey, the average number of breaks per 100 miles of water main was 42 for the seventeen communities who responded. The average annual breaks for the nine communities whose water mains are 50 years or older is 46 breaks per 100 miles of water main per year.

In an effort to combat the excessive water main breaks, the Village has developed several programs over the years including an aggressive Leak Detection Program, a Surge Suppressor Installation Program, and a Sacrificial Anode Installation Program. The Village also continues to phase in the installation of variable frequency drives at our booster stations. Although these programs have been successful, they are preventative measures only and can aid in extending the life of the watermain, but cannot substitute needed replacements.

The Illinois Department of Natural Resources (IDNR) – The IDNR has recently implemented changes to the Lake Michigan Water Allocation program, which is a federally mandated program that regulates lake water use. The most significant change is the Unaccounted for Flow (UAF). Unaccounted for Flows are allowable water losses that reduce our reportable water loss due to age, size and material of our water main. Proposed rules eliminate these factors leading to stricter requirements. The new rule requires reportable water loss to be no greater than 12 % of total pumpage in 2015 decreasing to 10 % by 2019 without any allowable water loss factors. During FY2014, the difference between water pumped and water sold for the Village was 12%.

The IDNR is forcing this trend down through its Maximum Unavoidable Leakage (MUL) rating. Any system with a MUL above 8% will be required to submit a plan on how to reduce the total loss to no more than 8% in the future. Although “tightening” the system is a good practice, this regulation creates a mandatory expense. At this point Staff believes that the Village should increase its funding to allow for replacement of 1% of its system per year. This would require an increase in annual water main replacement cost from the current average of about \$400,000 per year to an estimated annual program cost of \$3,700,000. The attached Alternatives 1 and 2 show this level of funding being reached after five years, and over an eight year time period in Alternatives 3 and 4.

Water Tank Storage - The Village’s 32 million gallons of water storage is contained in a series of elevated and ground (stand style) tanks. The water tanks are all constructed of painted steel. Coatings for steel tanks typically last 15 to 25 years depending on completed yearly maintenance. The major expense for re-coating tanks is when work-site containment is necessary when removal of an exterior coating is required. The cost to repaint a water storage tank depends upon the size and construction type and can range anywhere from \$300,000 – \$900,000. Elevated storage tanks store the majority of water in a sphere elevated in the air while stand pipes are cylindrical in shape

and provide the same amount of storage throughout the height of the structure. The estimated future cost of tank maintenance is included in the attached Alternatives 1 through 4.

SCADA System - The SCADA system is the computer hardware and software platform that monitors and controls all of the Village's critical water, sewer and storm water facilities throughout the Village. The hardware portion of the system is comprised of Programmable Logic Controllers or PLC's. The PLC's were last upgraded in 2003 and are expected to last 15 to 20 years. The Village will need to start a phased replacement program beginning in February 2019. The estimated costs will be \$50,000/year with the program expected to last 10 years.

Deep Wells - The Village maintains six deep wells in case of emergency. These wells are pumped monthly into the sewer system and are tested regularly for water quality. The Village has excellent water storage capacity, but with one main connection to NWC, the Village remains susceptible to catastrophic loss if a break occurs. The emergency wells provide the Village with needed additional capacity in case of such a catastrophic loss of service. At this present time, five of our six wells have been recently rehabilitated and the sixth is producing an acceptable amount of water.

Water Meters - The Water System accounts for water usage through the use of residential, commercial, and industrial meters. These meters measure the water flowing through a service and are used for billing purpose. Residential meters consist of a meter and radio. The meters typically last about 20-25 years before accuracy is reduced below a reasonable level. The radios are used to send the signal to our water meter readers as they drive down the street once every other month. The radio unit's batteries last roughly 15 to 20 years until they have to be replaced.

SANITARY/COMBINED SEWER SYSTEM

The Village owns and maintains approximately 254 miles of sanitary sewer and 212 miles of storm sewer. The sanitary sewer system is comprised of combined sanitary and storm sewer mains and sanitary-only mains. The average age of the combined sewer system is 88 years old and the average age of the sanitary only system is 54 years old. The sewers are made of clay, which has an estimated life expectancy of 100 years. The Village started a rehabilitation program about four years ago and has been completing roughly 1.3 miles per year. At this rate, the Village will not replace the sanitary sewer system prior to the estimated end of its service life.

The Village maintains 13 sewer lift stations. These lift stations handle either storm or sanitary waste and are typically comprised of a Motor Control Cabinet, submersible pumps and a holding tank. The pumps and equipment work in a harsh environment and can be expected to last between 15 and 20 years prior to either rehabilitation or replacement. The future cost to maintain these facilities are also included in the attached Alternatives 1 through 4.

STORM SEWER SYSTEM

The Storm Sewer System is comprised of approximately 212 miles of storm sewer with 9,462 related structures. The Village does not currently have a storm sewer rehabilitation program. The Village repairs failures as they are identified by either residents or Staff. The first part of establishing a rehabilitation program would be an overall assessment of the system's condition. Based on the size of the system, an analysis will most likely take two years to complete. Four million dollars, (roughly \$2.68/Ft and \$100/structure) would be needed for a program to lightly clean, televise and analyze the condition of the Village's entire storm sewer system. Storm sewer-only work is not part of the Water and Sewer system, and revenues in the Water and Sewer Fund do

not support storm sewer-only or detention/retention basin expenses. Costs for these systems would need to be budgeted in the Village's Flood V Fund. It is recommended that discussion of a storm sewer system maintenance program be held in conjunction with the Village's upcoming presentation of the flood study results.

FUTURE NEEDS

Over the next five years Staff believes that the Water System's most pressing needs are to provide sufficient funding for water tank maintenance and to enhance the water main replacement program.

If the Village continues the current practice of replacing less than 0.1% of the existing water main within the Village, the possible ramifications will increase exponentially, as the existing water main continues to age beyond its useful life. As the system ages, it is fair to assume that the rate of failure will also increase. Additional failures increase the potential for injuries to repair personnel and extend the time customers are without water. This can be a nuisance to residents, but can become a significant problem to critical customers such as the Northwest Community Hospital and local assisted care living centers.

Large water main failures could potentially result in system-wide boil order notices that could lead to diminished customer confidence and potential health issues. Increased water losses caused by the failures could also negatively impact our State mandates for water conservation and our State ISO (Insurance Services Office) rating. Water conservation mandates are associated with our Lake Water allocation permit, and failure to maintain these requirements could lead to State mandated system repairs.

Water tanks are designed for peak water use and fire protection. Delaying required maintenance increases the chance for reduced fire protection in an emergency. The eleven Village-owned water tanks are made of painted metal that need continued maintenance both inside and outside to ensure containment integrity.

PROPOSED WATER AND SEWER RATE ALTERNATIVES

As outlined above, the Village's water and sanitary sewer infrastructure is over 60 years old, and the current level of investment to maintain these systems is inadequate. One of the results of the aging of our water system is an increase in water main breaks. The average number of water main breaks per 100 miles of water main per year in the Village of Arlington Heights is twice that of comparable communities.

To cover the cost of the significant increase in the Village's investment in its water and sewer infrastructure as proposed by the Public Works Department, four water and sewer rate alternatives were developed by Public Works and Finance Staff for the Board's consideration. These recommendations continue the Village's "pay as you go" funding philosophy for the water and sewer system's annual operating and capital costs. To develop these alternatives, Staff used the first ten years of the Public Works Department's 20-year infrastructure replacement cost projections. Revenue projections are based on 2.6 billion gallons of water sold per year, which reflects the lower usage trend that the Village has experienced over the last ten years.

Increasing the scale of water and sewer infrastructure improvements would take the Public Works Department a couple of years to engineer and plan out. As such, the first year of each five-year rate increase alternative starts with a 5% increase. The second year of Alternatives 2 through 4 shows a

larger increase to reflect the significant increase in planned sewer rehabilitation, water main replacement, and water tank painting expenses. Although data for ten years is reflected in the attached projections, Staff recommends that a five-year water and sewer rate plan be implemented, as projections beyond five-years include more uncertainty about the economy, weather cycles, and changes in technology.

FY2015 is the final year of the Village's previous water and sewer rate plan that included increasing rates by a combined 5% per year for five years. **Exhibit B** shows the results of the Village's recent Water & Sewer Rate Survey of area communities. As shown in this attachment, the Village's current combined rate of \$5.56 per 1,000 gallons is much lower than the current average combined rate for comparable communities of \$8.31 per 1,000 gallons. **Exhibit C** provides a summary of the proposed alternative rate increases for an average homeowner. The proposed five-year water and sewer rate alternatives are as follows:

Alternative 1: 5% per year over 5 years - Alternative 1 would cover the Village's current low level of infrastructure costs however; it would not cover the recommended increase in annual water and sanitary sewer infrastructure improvements.

Alternative 2: Five year percent increase amounts of 5-25-5-5-5 - Alternative 2 would allow the Village to reach the recommended annual water and sanitary sewer infrastructure expense level by 2019.

Alternative 3: Five year percent increase amounts of 5-19-5-5-5 - By increasing the annual water and sanitary sewer infrastructure expenses more gradually, the Village would reach the recommend annual infrastructure improvement level by 2022.

Alternative 4: Five year percent increase amounts of 5-10-10-10-5 - By increasing the annual water and sanitary sewer infrastructure expenses more gradually and spreading out the water and sewer rate increases, the Village would reach the recommend annual infrastructure improvement level by 2022.

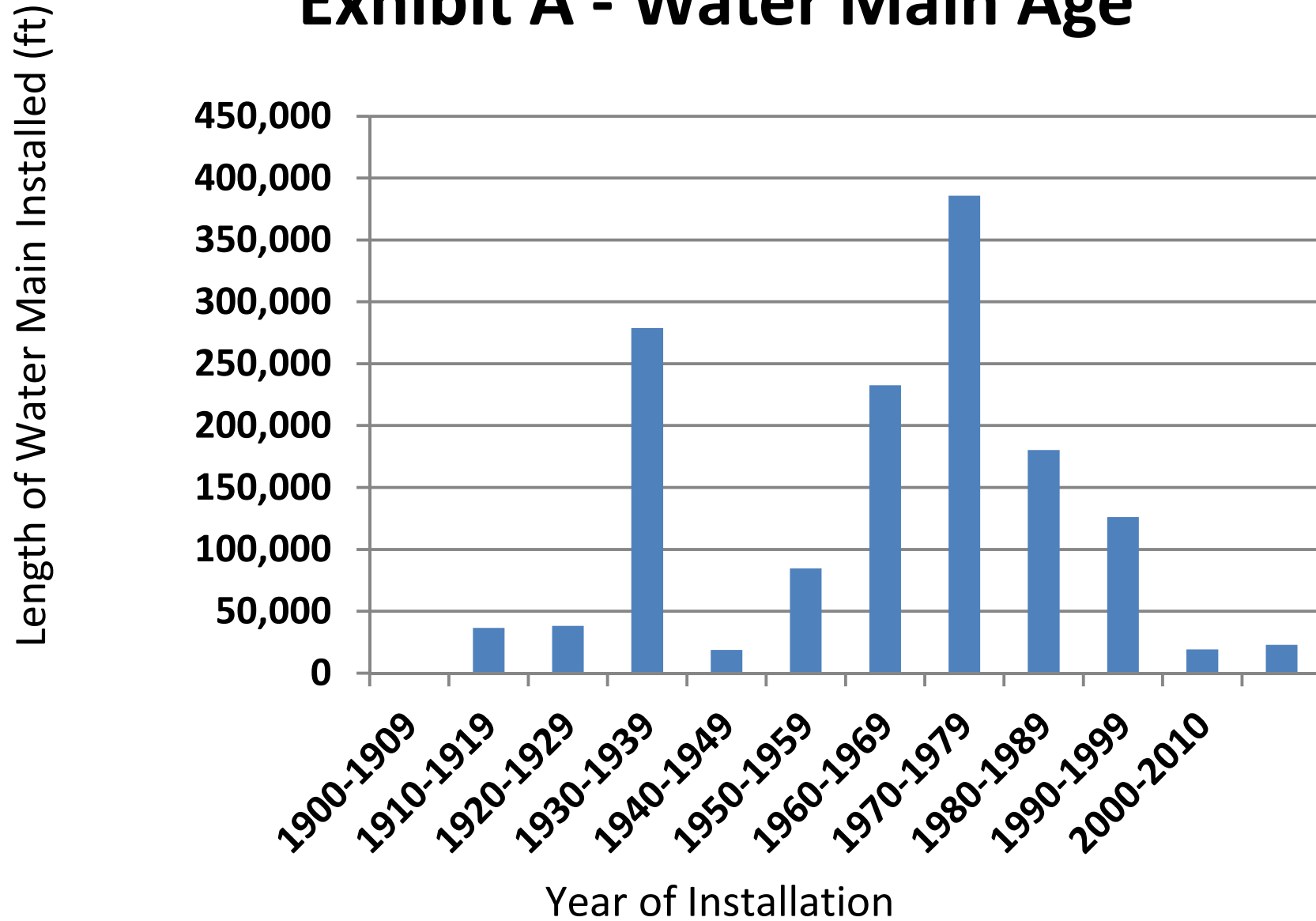
RECOMMENDATION

Due to the advanced age of the Village's water and sanitary sewer systems, the high number of annual water main breaks, and the need to increase significantly the annual water and sewer infrastructure improvements, Staff recommends Alternative 2 or 3. Both of these alternatives present a sustainable plan to fund the recommended improvements. Alternative 2 would reach the recommended level by 2019 and Alternative 3 reaches the recommended level by 2022.

It should also be noted that the 2014 Water and Sewer Rate Survey shows the average combined rate for area communities is currently \$8.31 per 1,000 gallons. After five years, the Village's combined rate under Alternative 3 would still be below this level at \$8.04 per 1,000 gallons and slightly above at \$8.45 per 1,000 gallons under Alternative 2. It could also easily be assumed that the other area communities listed in the survey will increase their water and sewer rates further over the next five years.

C: C. Papierniak, J. Musinski
M. Juarez, P. Robb, A. Fashoda, P. Van Kampen

Exhibit A - Water Main Age



Water and Sewer Rate Survey

(with current Village of Arlington Heights rate)

EXHIBIT B
July 2014

Municipality	Water/Sewer Rate	Water Rate (per 1,000 gallons)	Sewer Rate (per 1,000 gallons)	Service Charges	Storm Sewer Charges	Comments
Rolling Meadows	\$11.60	\$8.76	\$2.84	Access Fees \$2.00/month - water \$1.00/month - sewer	\$3.71/month	No planned increases at this time
Palatine	\$11.41	\$9.14	\$2.27	\$2.04/month - water \$2.04/month - sewer	\$5.00/month flood control surcharge	Palatine's combined rate (\$4.29) is subsidized through property taxes per a 1985 referendum. For comparison purposes Palatine's tax exempt non-property tax paying rate is used here.
Elk Grove	\$10.75	\$8.75	\$2.00	No	No	Increases in January 2015 to: \$9.75 Water, \$2.25 Sewer
Schaumburg	\$9.37	\$7.76	\$1.61	\$3.17/month	Included in rate	Increases in May 2015
Mt. Prospect	\$9.22	\$7.51	\$1.71	No	\$5.00/month (sewer constrctioun project fee - 15 years)	Increase in January 2015 Some of Mount Prosect gets serviced and billed by Illinois American Water.
Park Ridge	\$8.12	\$6.75	\$1.37	\$3.22 - sewer \$9.26-\$898 - water (bi-monthly-based on water meter size)	No	Sewer Charge to Sewer Fund Water Meter Charge to Water Fund Increases in May 2015
Des Plaines	\$7.47	\$6.25	\$1.22	No	\$1.20/1000 gallons	Converted from rate per 100 cubic feet. Increases in January 2015
Wheeling	\$6.75	\$5.41	\$1.34	No	No	No planned increases at this time
Northbrook*	\$5.95	\$4.90	\$1.05	No	\$1.00/month	*Rates effective September 2014
Arlington Heights	\$5.56	\$4.42	\$1.14	\$5.20 bi-monthly	No	
Buffalo Grove	\$5.26	\$4.21	\$1.05	No	No	4% Increase Annually

Average Combined Rate \$8.31	Average Water Rate \$6.71	Average Sewer Rate \$1.60
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SUMMARY OF RATE INCREASE EFFECTS ON AN AVERAGE HOMEOWNER

(Average usage = 3,000 gallons per person per month; 4 people bi-monthly usage: 24,000 gallons)

	FY2015	Average Bi-monthly Bill	Average Annual Bill
Water Rate	4.42	106.08	636.48
Sewer Rate	1.14	27.36	164.16
Combined Rate	5.56	133.44	800.64

ALTERNATIVE 1	8 Mos.	2016	2017	2018	2019
Water Rate	4.64	4.87	5.12	5.37	5.64
Sewer Rate	1.20	1.26	1.32	1.39	1.45
Combined Rate	\$5.84	\$6.13	\$6.44	\$6.76	\$7.10
Water	111.38	116.95	122.80	128.94	135.39
Sewer	28.73	30.16	31.67	33.26	34.92
Average Bi-monthly Bill: Combined	140.11	147.12	154.47	162.20	170.31
Combined % Increase	5.00%	5.00%	5.00%	5.00%	5.00%
Average Increase: Bi-monthly	6.67	7.01	7.36	7.72	8.11
Annually	40.03	42.03	44.14	46.34	48.66

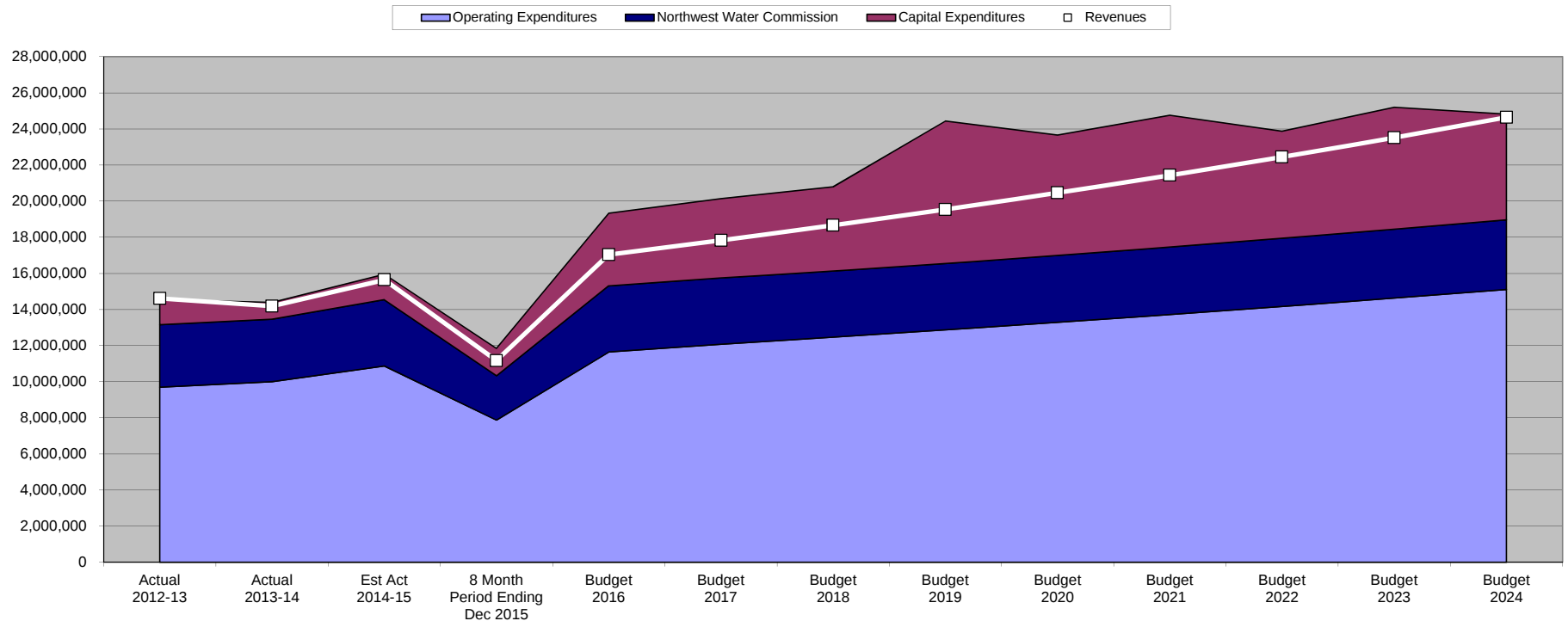
ALTERNATIVE 2	8 Mos.	2016	2017	2018	2019
Water Rate	4.64	5.80	6.09	6.40	6.72
Sewer Rate	1.20	1.50	1.57	1.65	1.73
Combined Rate	\$5.84	\$7.30	\$7.66	\$8.05	\$8.45
Water	111.38	139.23	146.19	153.50	161.18
Sewer	28.73	35.91	37.71	39.59	41.57
Average Bi-monthly Bill: Combined	140.11	175.14	183.90	193.09	202.75
Combined % Increase	5.00%	25.00%	5.00%	5.00%	5.00%
Average Increase: Bi-monthly	6.67	35.03	8.76	9.19	9.65
Annually	40.03	210.17	52.54	55.17	57.93

ALTERNATIVE 3	8 Mos.	2016	2017	2018	2019
Water Rate	4.64	5.52	5.80	6.09	6.39
Sewer Rate	1.20	1.42	1.50	1.57	1.65
Combined Rate	\$5.84	\$6.95	\$7.29	\$7.66	\$8.04
Water	111.38	132.55	139.17	146.13	153.44
Sewer	28.73	34.19	35.90	37.69	39.57
Average Bi-monthly Bill: Combined	140.11	166.73	175.07	183.82	193.01
Combined % Increase	5.00%	19.00%	5.00%	5.00%	5.00%
Average Increase: Bi-monthly	6.67	26.62	8.34	8.75	9.19
Annually	40.03	159.73	50.02	52.52	55.15

ALTERNATIVE 4	8 Mos.	2016	2017	2018	2019
Water Rate	4.64	5.11	5.62	6.18	6.79
Sewer Rate	1.20	1.32	1.45	1.59	1.75
Combined Rate	\$5.84	\$6.42	\$7.06	\$7.77	\$8.55
Water	111.38	122.52	134.77	148.25	163.08
Sewer	28.73	31.60	34.76	38.24	42.06
Average Bi-monthly Bill: Combined	140.11	154.12	169.54	186.49	205.14
Combined % Increase	5.00%	10.00%	10.00%	10.00%	5.00%
Average Increase: Bi-monthly	6.67	14.01	15.41	16.95	18.65
Annually	40.03	84.07	92.47	101.72	111.89

ALTERNATIVE 1

Water & Sewer Fund With a 5% Rate Increases (Current Combined Rate: \$5.56/1,000 gallons)



Increase: 5% 5% 5% 5% 5% 5% 5% 5% 5%

	Actual 2012-13	Actual 2013-14	Est Act 2014-15	8 Month Period Ending Dec 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024
Water Sales & Sewer Charge	13,241,795	13,024,900	14,456,000	10,169,800	15,937,700	16,734,585	17,571,314	18,449,880	19,372,374	20,340,993	21,358,042	22,425,944	23,547,242
Other Revenue	1,364,545	1,162,064	1,186,000	994,750	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100
Total Revenue	14,606,340	14,186,964	15,642,000	11,164,550	17,029,800	17,826,685	18,663,414	19,541,980	20,464,474	21,433,093	22,450,142	23,518,044	24,639,342
Operating Expenditures	9,695,534	9,996,792	10,872,519	7,878,200	11,644,900	12,080,600	12,469,600	12,872,200	13,289,000	13,720,400	14,166,900	14,629,400	15,108,100
Northwest Water Commission	3,463,906	3,471,097	3,667,200	2,457,000	3,667,200	3,667,200	3,667,200	3,667,200	3,703,900	3,740,900	3,778,300	3,816,100	3,854,300
Capital Expenditures	1,388,378	928,839	1,412,046	1,509,200	4,017,500	4,396,700	4,660,000	7,892,200	6,674,200	7,303,400	5,935,300	6,751,800	5,863,100
Total Expenditures	14,547,818	14,396,728	15,951,765	11,844,400	19,329,600	20,144,500	20,796,800	24,431,600	23,667,100	24,764,700	23,880,500	25,197,300	24,825,500
Beginning Working Cash	5,261,554	5,320,076	5,110,312	4,800,547	4,120,697	1,820,897	(496,918)	(2,630,304)	(7,519,924)	(10,722,550)	(14,054,157)	(15,484,515)	(17,163,770)
Revenues Over/(Under) Exp	58,522	(209,764)	(309,765)	(679,850)	(2,299,800)	(2,317,815)	(2,133,386)	(4,889,620)	(3,202,626)	(3,331,607)	(1,430,358)	(1,679,256)	(186,158)
Ending Working Cash	5,320,076	5,110,312	4,800,547	4,120,697	1,820,897	(496,918)	(2,630,304)	(7,519,924)	(10,722,550)	(14,054,157)	(15,484,515)	(17,163,770)	(17,349,929)
Working Cash as % of Expenditures	37%	35%	30%	35%	9%	-2%	-13%	-31%	-45%	-57%	-65%	-68%	-70%

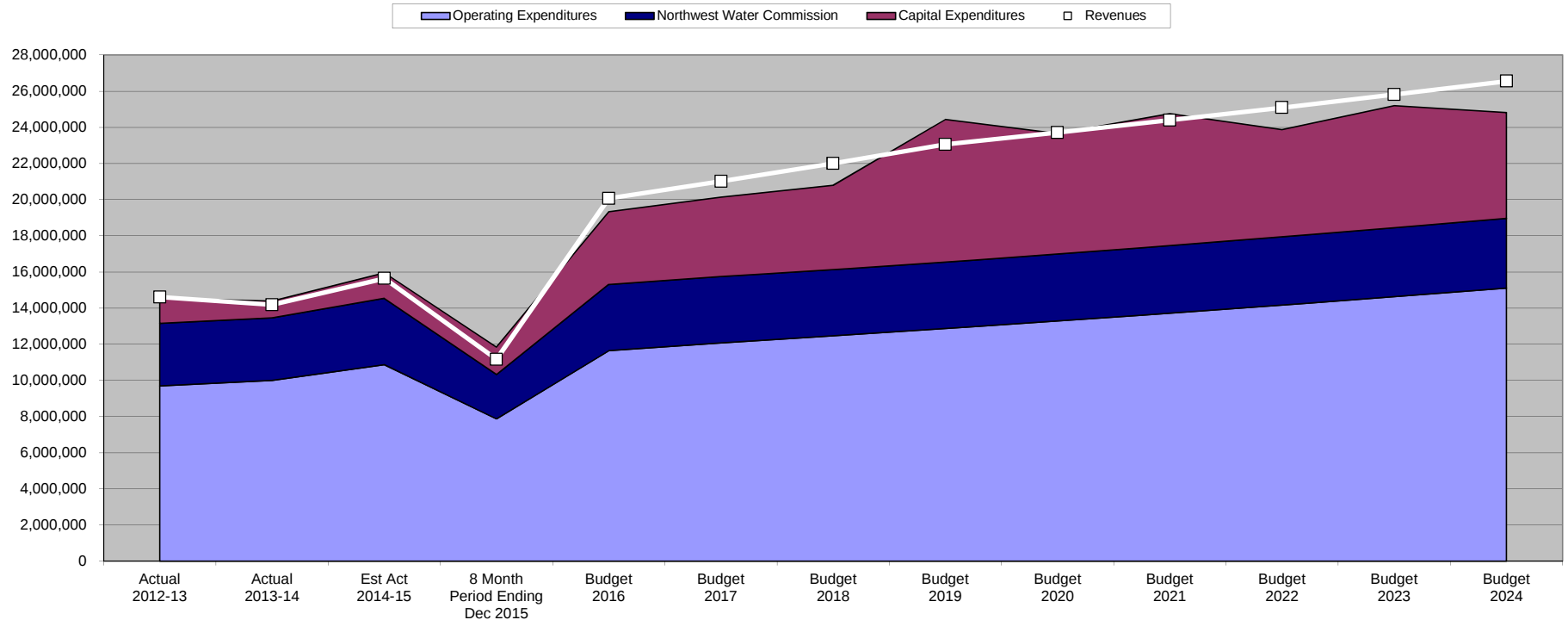
WATER & SEWER FUND

ALTERNATIVE 1

		8 MONTH PERIOD													
ACCOUNT DESCRIPTION	PROJ #	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 EST ACT	FY2015 BUDGET	ENDING DEC 2015	2016 BUDGET	2017 BUDGET	2018 BUDGET	2019 BUDGET	2020 BUDGET	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET
REVENUES		Combined Water & Sewer Rate Increase:				5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Water Sales		11,157,796	10,669,713	11,492,000	11,934,000	8,084,600	12,669,900	13,303,395	13,968,565	14,666,993	15,400,343	16,170,360	16,978,878	17,827,822	18,719,213
Sewer Charge		2,083,999	2,355,187	2,964,000	3,078,000	2,085,200	3,267,800	3,431,190	3,602,750	3,782,887	3,972,031	4,170,633	4,379,165	4,598,123	4,828,029
TOTAL REVENUES		14,606,340	14,186,964	15,642,000	16,104,100	11,164,550	17,029,800	17,826,685	18,663,414	19,541,980	20,464,474	21,433,093	22,450,142	23,518,044	24,639,342
EXPENDITURES															
OPERATING EXPENDITURES															
Finance															
Personal Services		709,899	736,958	778,500	800,800	551,900	844,900	883,200	918,500	955,200	993,400	1,033,100	1,074,400	1,117,400	1,162,100
Contractual Services		258,627	248,422	271,800	271,800	185,700	282,800	288,500	294,300	300,200	306,200	312,300	318,500	324,900	331,400
Commodities		2,193	1,241	4,000	4,000	2,700	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000
Sewer Back-up Rebate Program	SW-15-01	50,000	50,000	25,000	25,000	25,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Subtotal Finance		1,020,719	1,036,621	1,079,300	1,101,600	765,300	1,231,900	1,276,000	1,317,200	1,359,900	1,404,200	1,450,100	1,497,700	1,547,200	1,598,500
Water Utility Operation															
Personal Services		4,880,628	5,061,262	5,140,700	5,223,100	3,607,600	5,544,000	5,823,400	6,056,300	6,298,600	6,550,500	6,812,500	7,085,000	7,368,400	7,663,100
Contractual Services (except NWWC)		1,651,977	1,816,995	2,139,360	2,139,360	1,462,000	2,225,800	2,270,300	2,315,700	2,362,000	2,409,200	2,457,400	2,506,500	2,556,600	2,607,700
Northwest Water Commission		3,463,906	3,471,097	3,667,200	3,667,200	2,457,000	3,667,200	3,667,200	3,667,200	3,667,200	3,703,900	3,740,900	3,778,300	3,816,100	3,854,300
Commodities		739,405	642,668	972,159	972,159	664,400	1,011,400	1,031,600	1,052,200	1,073,200	1,094,700	1,116,600	1,138,900	1,161,700	1,184,900
Other Charges		1,402,805	1,439,246	1,491,000	1,491,000	1,028,900	1,581,800	1,629,300	1,678,200	1,728,500	1,780,400	1,833,800	1,888,800	1,945,500	2,003,900
Subtotal Water Utility Operation		12,138,721	12,431,268	13,410,419	13,492,819	9,219,900	14,030,200	14,421,800	14,769,600	15,129,500	15,538,700	15,961,200	16,397,500	16,848,300	17,313,900
TOTAL OPERATING EXPENDITURES		13,159,440	13,467,889	14,489,719	14,594,419	9,985,200	15,262,100	15,697,800	16,086,800	16,489,400	16,942,900	17,411,300	17,895,200	18,395,500	18,912,400
BUILDING & LAND															
Public Works Annex Improvements	BL-93-02	11,108	17,096	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Roof Maintenance Program	BL-95-06	0	0	38,500	38,500	0	0	0	60,000	0	0	0	0	0	0
SUBTOTAL - BUILDING & LAND		11,108	17,096	58,500	58,500	20,000	20,000	20,000	80,000	20,000	20,000	20,000	20,000	20,000	20,000
EQUIPMENT															
Operational Equipment	EQ-94-01	97,243	87,727	138,546	138,546	118,000	139,700	211,000	101,000	125,000	125,000	125,000	125,000	125,000	125,000
Pumps - Submersible & Booster		0	0	80,000	80,000	7,700	47,200	0	94,000	86,400	50,700	105,200	64,600	94,600	67,200
SCADA Enhancements		0	0	25,000	25,000	8,000	30,000	10,000	30,000	58,000	59,700	61,500	63,300	65,200	67,200
Motor Controls - Water & Sewer		0	0	0	0	53,600	47,700	72,700	95,100	69,000	90,700	0	0	0	0
Office Equipment	EQ-95-03	4,396	10,740	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Emergency Generator Upgrade	EQ-99-02	16,244	0	10,000	10,000	25,000	795,700	0	20,000	869,500	0	922,400	0	521,900	0
2-Way Mobile Radio Replacement	EQ-09-05	28,750	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL - EQUIPMENT		146,633	98,467	268,546	268,546	227,300	1,075,300	308,700	355,100	1,222,900	341,100	1,229,100	267,900	821,700	274,400
SEWER															
Sewer Rehab/Replacement Program	SW-90-01	291,571	269,204	300,000	300,000	300,000	400,000	450,000	500,000	520,000	540,800	562,400	584,900	608,300	632,600
SUBTOTAL - SEWER		291,571	269,204	300,000	300,000	300,000	400,000	450,000	500,000	520,000	540,800	562,400	584,900	608,300	632,600
WATER															
Watermain Replacement Program	WA-90-01	251,387	322,193	485,000	485,000	544,000	1,044,000	2,020,000	3,044,000	4,000,000	4,160,000	4,326,400	4,499,500	4,679,500	4,866,700
Automatic Meter Reading System	WA-03-02	0	0	100,000	100,000	154,500	318,300	633,800	652,800	672,400	737,300	129,100	38,000	58,700	40,300
Water Tank Repainting	WA-11-01	430,038	0	200,000	200,000	237,600	868,200	936,900	0	1,456,900	875,000	1,036,400	525,000	563,600	29,100
Deep Well Rehabilitation	WA-11-02	257,641	221,879	0	0	25,800	291,700	27,300	28,100	0	0	0	0	0	0
SUBTOTAL - WATER		939,066	544,072	785,000	785,000	961,900	2,522,200	3,618,000	3,724,900	6,129,300	5,772,300	5,491,900	5,062,500	5,301,800	4,936,100
TOTAL CAPITAL EXPENDITURES		1,388,378	928,839	1,412,046	1,412,046	1,509,200	4,017,500	4,396,700	4,660,000	7,892,200	6,674,200	7,303,400	5,935,300	6,751,800	5,863,100
TRANSFER TO HEALTH INSURANCE FUND															
		0		0	80,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
OPERATING CONTINGENCY		0		50,000	175,900	300,000	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES		14,547,818	14,396,728	15,951,765	16,262,365	11,844,400	19,329,600	20,144,500	20,796,800	24,431,600	23,667,100	24,764,700	23,880,500	25,197,300	24,825,500
BEGINNING WORKING CASH		5,261,554	5,320,076	5,110,312		4,800,547	4,120,697	1,820,897	(496,918)	(2,630,304)	(7,519,924)	(10,722,550)	(14,054,157)	(15,484,515)	(17,163,770)
REVENUES OVER (UNDER) EXPENDS.		58,522	(209,764)	(309,765)	(158,265)	(679,850)	(2,299,800)	(2,317,815)	(2,133,386)	(4,889,620)	(3,202,626)	(3,331,607)	(1,430,358)	(1,679,256)	(186,158)
ENDING WORKING CASH		5,320,076	5,110,312	4,800,547		4,120,697	1,820,897	(496,918)	(2,630,304)	(7,519,924)	(10,722,550)	(14,054,157)	(15,484,515)	(17,163,770)	(17,349,929)
Working Cash as % of Expenditures		37%	35%	30%		35%	9%	-2%	-13%	-31%	-45%	-57%	-65%	-68%	-70%

ALTERNATIVE 2

Water & Sewer Fund With a 5%-25%-5%-5%-5% Rate Increases (Current Combined Rate: \$5.56/1,000 gallons)



Increase:	5%	25%	5%	5%	5%	3%	3%	3%	3%	3%
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	Actual 2012-13	Actual 2013-14	Est Act 2014-15	8 Month Period Ending Dec 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024
Water Sales & Sewer Charge	13,241,795	13,024,900	14,456,000	10,169,800	18,973,600	19,922,280	20,918,394	21,964,314	22,623,243	23,301,940	24,000,999	24,721,029	25,462,659
Other Revenue	1,364,545	1,162,064	1,186,000	994,750	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100
Total Revenue	14,606,340	14,186,964	15,642,000	11,164,550	20,065,700	21,014,380	22,010,494	23,056,414	23,715,343	24,394,040	25,093,099	25,813,129	26,554,759
Operating Expenditures	9,695,534	9,996,792	10,872,519	7,878,200	11,644,900	12,080,600	12,469,600	12,872,200	13,289,000	13,720,400	14,166,900	14,629,400	15,108,100
Northwest Water Commission	3,463,906	3,471,097	3,667,200	2,457,000	3,667,200	3,667,200	3,667,200	3,667,200	3,703,900	3,740,900	3,778,300	3,816,100	3,854,300
Capital Expenditures	1,388,378	928,839	1,412,046	1,509,200	4,017,500	4,396,700	4,660,000	7,892,200	6,674,200	7,303,400	5,935,300	6,751,800	5,863,100
Total Expenditures	14,547,818	14,396,728	15,951,765	11,844,400	19,329,600	20,144,500	20,796,800	24,431,600	23,667,100	24,764,700	23,880,500	25,197,300	24,825,500
Beginning Working Cash	5,261,554	5,320,076	5,110,312	4,800,547	4,120,697	4,856,797	5,726,677	6,940,371	5,565,185	5,613,428	5,242,768	6,455,367	7,071,195
Revenues Over/(Under) Exp	58,522	(209,764)	(309,765)	(679,850)	736,100	869,880	1,213,694	(1,375,186)	48,243	(370,660)	1,212,599	615,829	1,729,259
Ending Working Cash	5,320,076	5,110,312	4,800,547	4,120,697	4,856,797	5,726,677	6,940,371	5,565,185	5,613,428	5,242,768	6,455,367	7,071,195	8,800,455
Working Cash as % of Expenditures	37%	35%	30%	35%	25%	28%	33%	23%	24%	21%	27%	28%	35%

WATER & SEWER FUND

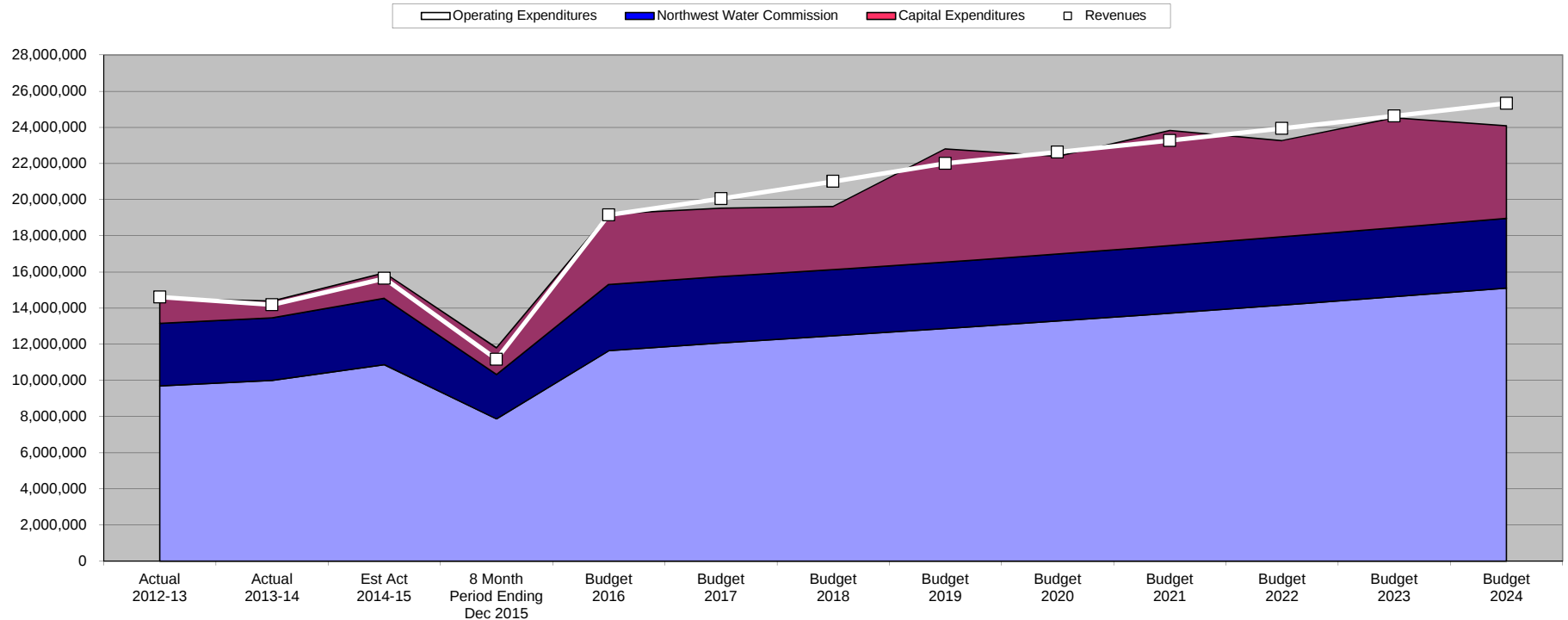
ALTERNATIVE 2

		8 MONTH PERIOD													
ACCOUNT DESCRIPTION	PROJ #	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 EST ACT	FY2015 BUDGET	ENDING DEC 2015	2016 BUDGET	2017 BUDGET	2018 BUDGET	2019 BUDGET	2020 BUDGET	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET
REVENUES		Combined Water & Sewer Rate Increase:				5%	25%	5%	5%	5%	3%	3%	3%	3%	3%
Water Sales		11,157,796	10,669,713	11,492,000	11,934,000	8,084,600	15,083,300	15,837,465	16,629,338	17,460,805	17,984,629	18,524,168	19,079,893	19,652,290	20,241,859
Sewer Charge		2,083,999	2,355,187	2,964,000	3,078,000	2,085,200	3,890,300	4,084,815	4,289,056	4,503,509	4,638,614	4,777,772	4,921,105	5,068,739	5,220,801
TOTAL REVENUES		14,606,340	14,186,964	15,642,000	16,104,100	11,164,550	20,065,700	21,014,380	22,010,494	23,056,414	23,715,343	24,394,040	25,093,099	25,813,129	26,554,759
EXPENDITURES															
OPERATING EXPENDITURES															
Finance															
Personal Services		709,899	736,958	778,500	800,800	551,900	844,900	883,200	918,500	955,200	993,400	1,033,100	1,074,400	1,117,400	1,162,100
Contractual Services		258,627	248,422	271,800	271,800	185,700	282,800	288,500	294,300	300,200	306,200	312,300	318,500	324,900	331,400
Commodities		2,193	1,241	4,000	4,000	2,700	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000
Sewer Back-up Rebate Program	SW-15-01	50,000	50,000	25,000	25,000	25,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Subtotal Finance		1,020,719	1,036,621	1,079,300	1,101,600	765,300	1,231,900	1,276,000	1,317,200	1,359,900	1,404,200	1,450,100	1,497,700	1,547,200	1,598,500
Water Utility Operation															
Personal Services		4,880,628	5,061,262	5,140,700	5,223,100	3,607,600	5,544,000	5,823,400	6,056,300	6,298,600	6,550,500	6,812,500	7,085,000	7,368,400	7,663,100
Contractual Services (except NWWC)		1,651,977	1,816,995	2,139,360	2,139,360	1,462,000	2,225,800	2,270,300	2,315,700	2,362,000	2,409,200	2,457,400	2,506,500	2,556,600	2,607,700
Northwest Water Commission		3,463,906	3,471,097	3,667,200	3,667,200	2,457,000	3,667,200	3,667,200	3,667,200	3,667,200	3,703,900	3,740,900	3,778,300	3,816,100	3,854,300
Commodities		739,405	642,668	972,159	972,159	664,400	1,011,400	1,031,600	1,052,200	1,073,200	1,094,700	1,116,600	1,138,900	1,161,700	1,184,900
Other Charges		1,402,805	1,439,246	1,491,000	1,491,000	1,028,900	1,581,800	1,629,300	1,678,200	1,728,500	1,780,400	1,833,800	1,888,800	1,945,500	2,003,900
Subtotal Water Utility Operation		12,138,721	12,431,268	13,410,419	13,492,819	9,219,900	14,030,200	14,421,800	14,769,600	15,129,500	15,538,700	15,961,200	16,397,500	16,848,300	17,313,900
TOTAL OPERATING EXPENDITURES		13,159,440	13,467,889	14,489,719	14,594,419	9,985,200	15,262,100	15,697,800	16,086,800	16,489,400	16,942,900	17,411,300	17,895,200	18,395,500	18,912,400
BUILDING & LAND															
Public Works Annex Improvements	BL-93-02	11,108	17,096	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Roof Maintenance Program	BL-95-06	0	0	38,500	38,500	0	0	0	60,000	0	0	0	0	0	0
SUBTOTAL - BUILDING & LAND		11,108	17,096	58,500	58,500	20,000	20,000	20,000	80,000	20,000	20,000	20,000	20,000	20,000	20,000
EQUIPMENT															
Operational Equipment	EQ-94-01	97,243	87,727	138,546	138,546	118,000	139,700	211,000	101,000	125,000	125,000	125,000	125,000	125,000	125,000
Pumps - Submersible & Booster		0	0	80,000	80,000	7,700	47,200	0	94,000	86,400	50,700	105,200	64,600	94,600	67,200
SCADA Enhancements		0	0	25,000	25,000	8,000	30,000	10,000	30,000	58,000	59,700	61,500	63,300	65,200	67,200
Motor Controls - Water & Sewer		0	0	0	0	53,600	47,700	72,700	95,100	69,000	90,700	0	0	0	0
Office Equipment	EQ-95-03	4,396	10,740	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Emergency Generator Upgrade	EQ-99-02	16,244	0	10,000	10,000	25,000	795,700	0	20,000	869,500	0	922,400	0	521,900	0
2-Way Mobile Radio Replacement	EQ-09-05	28,750	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL - EQUIPMENT		146,633	98,467	268,546	268,546	227,300	1,075,300	308,700	355,100	1,222,900	341,100	1,229,100	267,900	821,700	274,400
SEWER															
Sewer Rehab/Replacement Program	SW-90-01	291,571	269,204	300,000	300,000	300,000	400,000	450,000	500,000	520,000	540,800	562,400	584,900	608,300	632,600
SUBTOTAL - SEWER		291,571	269,204	300,000	300,000	300,000	400,000	450,000	500,000	520,000	540,800	562,400	584,900	608,300	632,600
WATER															
Watermain Replacement Program	WA-90-01	251,387	322,193	485,000	485,000	544,000	1,044,000	2,020,000	3,044,000	4,000,000	4,160,000	4,326,400	4,499,500	4,679,500	4,866,700
Automatic Meter Reading System	WA-03-02	0	0	100,000	100,000	154,500	318,300	633,800	652,800	672,400	737,300	129,100	38,000	58,700	40,300
Water Tank Repainting	WA-11-01	430,038	0	200,000	200,000	237,600	868,200	936,900	0	1,456,900	875,000	1,036,400	525,000	563,600	29,100
Deep Well Rehabilitation	WA-11-02	257,641	221,879	0	0	25,800	291,700	27,300	28,100	0	0	0	0	0	0
SUBTOTAL - WATER		939,066	544,072	785,000	785,000	961,900	2,522,200	3,618,000	3,724,900	6,129,300	5,772,300	5,491,900	5,062,500	5,301,800	4,936,100
TOTAL CAPITAL EXPENDITURES		1,388,378	928,839	1,412,046	1,412,046	1,509,200	4,017,500	4,396,700	4,660,000	7,892,200	6,674,200	7,303,400	5,935,300	6,751,800	5,863,100
TRANSFER TO HEALTH INSURANCE FUND		0		0	80,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
OPERATING CONTINGENCY		0		50,000	175,900	300,000	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES		14,547,818	14,396,728	15,951,765	16,262,365	11,844,400	19,329,600	20,144,500	20,796,800	24,431,600	23,667,100	24,764,700	23,880,500	25,197,300	24,825,500
BEGINNING WORKING CASH		5,261,554	5,320,076	5,110,312		4,800,547	4,120,697	4,856,797	5,726,677	6,940,371	5,565,185	5,613,428	5,242,768	6,455,367	7,071,195
REVENUES OVER (UNDER) EXPENDS.		58,522	(209,764)	(309,765)	(158,265)	(679,850)	736,100	869,880	1,213,694	(1,375,186)	48,243	(370,660)	1,212,599	615,829	1,729,259
ENDING WORKING CASH		5,320,076	5,110,312	4,800,547		4,120,697	4,856,797	5,726,677	6,940,371	5,565,185	5,613,428	5,242,768	6,455,367	7,071,195	8,800,455
Working Cash as % of Expenditures		37%	35%	30%		35%	25%	28%	33%	23%	24%	21%	27%	28%	35%

ALTERNATIVE 3

GRADUAL INCREASE IN CAPITAL COSTS

Water & Sewer Fund With a 5%-19%-5%-5%-5% Rate Increases (Current Combined Rate: \$5.56/1,000 gallons)



Increase:	5%	19%	5%	5%	5%	3%	3%	3%	3%	3%
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	Actual 2012-13	Actual 2013-14	Est Act 2014-15	8 Month Period Ending Dec 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024
Water Sales & Sewer Charge	13,241,795	13,024,900	14,456,000	10,169,800	18,062,800	18,965,940	19,914,237	20,909,949	21,537,247	22,183,365	22,848,866	23,534,332	24,240,362
Other Revenue	1,364,545	1,162,064	1,186,000	994,750	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100
Total Revenue	14,606,340	14,186,964	15,642,000	11,164,550	19,154,900	20,058,040	21,006,337	22,002,049	22,629,347	23,275,465	23,940,966	24,626,432	25,332,462
Operating Expenditures	9,695,534	9,996,792	10,872,519	7,878,200	11,644,900	12,080,600	12,469,600	12,872,200	13,289,000	13,720,400	14,166,900	14,629,400	15,108,100
Northwest Water Commission	3,463,906	3,471,097	3,667,200	2,457,000	3,667,200	3,667,200	3,667,200	3,667,200	3,703,900	3,740,900	3,778,300	3,816,100	3,854,300
Capital Expenditures	1,388,378	928,839	1,412,046	1,465,200	3,898,500	3,776,700	3,491,000	6,272,200	5,398,400	6,364,600	5,325,900	6,084,000	5,122,400
Total Expenditures	14,547,818	14,396,728	15,951,765	11,800,400	19,210,600	19,524,500	19,627,800	22,811,600	22,391,300	23,825,900	23,271,100	24,529,500	24,084,800
Beginning Working Cash	5,261,554	5,320,076	5,110,312	4,800,547	4,164,697	4,108,997	4,642,537	6,021,074	5,211,523	5,449,570	4,899,135	5,569,001	5,665,932
Revenues Over/(Under) Exp	58,522	(209,764)	(309,765)	(635,850)	(55,700)	533,540	1,378,537	(809,551)	238,047	(550,435)	669,866	96,932	1,247,662
Ending Working Cash	5,320,076	5,110,312	4,800,547	4,164,697	4,108,997	4,642,537	6,021,074	5,211,523	5,449,570	4,899,135	5,569,001	5,665,932	6,913,594
Working Cash as % of Expenditures	37%	35%	30%	35%	21%	24%	31%	23%	24%	21%	24%	23%	29%

WATER & SEWER FUND

ALTERNATIVE 3

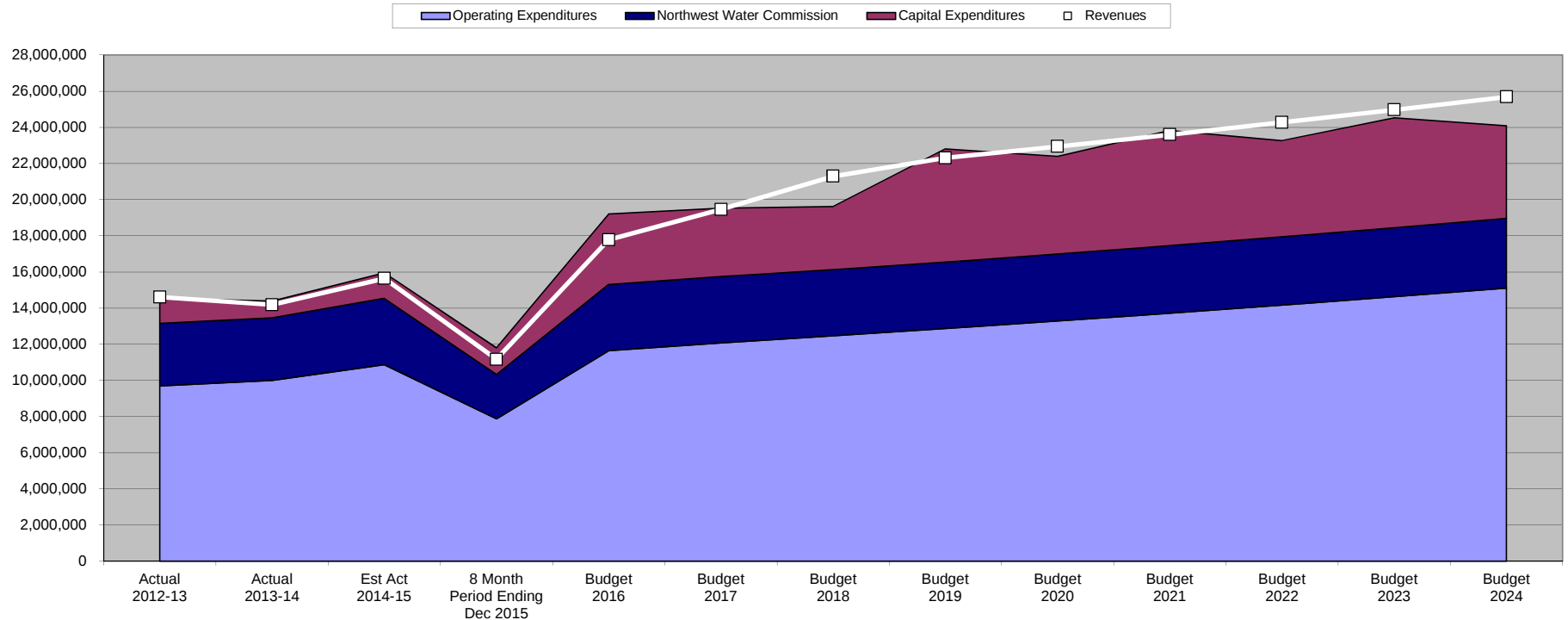
		8 MONTH PERIOD ENDING DEC 2015													
ACCOUNT DESCRIPTION	PROJ #	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 EST ACT	FY2015 BUDGET	2016 BUDGET	2017 BUDGET	2018 BUDGET	2019 BUDGET	2020 BUDGET	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET	
REVENUES		Combined Water & Sewer Rate Increase:				5%	19%	5%	5%	5%	3%	3%	3%	3%	
Water Sales		11,157,796	10,669,713	11,492,000	11,934,000	8,084,600	14,359,300	15,077,265	15,831,128	16,622,685	17,121,365	17,635,006	18,164,056	18,708,978	
Sewer Charge		2,083,999	2,355,187	2,964,000	3,078,000	2,085,200	3,703,500	3,888,675	4,083,109	4,287,264	4,415,882	4,548,359	4,684,809	4,825,354	
TOTAL REVENUES		14,606,340	14,186,964	15,642,000	16,104,100	11,164,550	19,154,900	20,058,040	21,006,337	22,002,049	22,629,347	23,275,465	23,940,966	24,626,432	
EXPENDITURES															
OPERATING EXPENDITURES															
Finance															
Personal Services		709,899	736,958	778,500	800,800	551,900	844,900	883,200	918,500	955,200	993,400	1,033,100	1,074,400	1,117,400	
Contractual Services		258,627	248,422	271,800	271,800	185,700	282,800	288,500	294,300	300,200	306,200	312,300	318,500	324,900	
Commodities		2,193	1,241	4,000	4,000	2,700	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	
Sewer Back-up Rebate Program	SW-15-01	50,000	50,000	25,000	25,000	25,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Subtotal Finance		1,020,719	1,036,621	1,079,300	1,101,600	765,300	1,231,900	1,276,000	1,317,200	1,359,900	1,404,200	1,450,100	1,497,700	1,547,200	
Water Utility Operation															
Personal Services		4,880,628	5,061,262	5,140,700	5,223,100	3,607,600	5,544,000	5,823,400	6,056,300	6,298,600	6,550,500	6,812,500	7,085,000	7,368,400	
Contractual Services (except NWWC)		1,651,977	1,816,995	2,139,360	2,139,360	1,462,000	2,225,800	2,270,300	2,315,700	2,362,000	2,409,200	2,457,400	2,506,500	2,556,600	
Northwest Water Commission		3,463,906	3,471,097	3,667,200	3,667,200	2,457,000	3,667,200	3,667,200	3,667,200	3,667,200	3,703,900	3,740,900	3,778,300	3,816,100	
Commodities		739,405	642,668	972,159	972,159	664,400	1,011,400	1,031,600	1,052,200	1,073,200	1,094,700	1,116,600	1,138,900	1,161,700	
Other Charges		1,402,805	1,439,246	1,491,000	1,491,000	1,028,900	1,581,800	1,629,300	1,678,200	1,728,500	1,780,400	1,833,800	1,888,800	1,945,500	
Subtotal Water Utility Operation		12,138,721	12,431,268	13,410,419	13,492,819	9,219,900	14,030,200	14,421,800	14,769,600	15,129,500	15,538,700	15,961,200	16,397,500	16,848,300	
TOTAL OPERATING EXPENDITURES		13,159,440	13,467,889	14,489,719	14,594,419	9,985,200	15,262,100	15,697,800	16,086,800	16,489,400	16,942,900	17,411,300	17,895,200	18,395,500	
BUILDING & LAND															
Public Works Annex Improvements	BL-93-02	11,108	17,096	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Roof Maintenance Program	BL-95-06	0	0	38,500	38,500	0	0	0	60,000	0	0	0	0	0	
SUBTOTAL - BUILDING & LAND		11,108	17,096	58,500	58,500	20,000	20,000	20,000	80,000	20,000	20,000	20,000	20,000	20,000	
EQUIPMENT															
Operational Equipment	EQ-94-01	97,243	87,727	138,546	138,546	118,000	139,700	211,000	101,000	125,000	125,000	125,000	125,000	125,000	
Pumps - Submersible & Booster		0	0	80,000	80,000	7,700	47,200	0	94,000	86,400	50,700	105,200	64,600	94,600	
SCADA Enhancements		0	0	25,000	25,000	8,000	30,000	10,000	30,000	58,000	59,700	61,500	63,300	65,200	
Motor Controls - Water & Sewer		0	0	0	0	53,600	47,700	72,700	95,100	69,000	90,700	0	0	0	
Office Equipment	EQ-95-03	4,396	10,740	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Emergency Generator Upgrade	EQ-99-02	16,244	0	10,000	10,000	25,000	795,700	0	20,000	869,500	0	922,400	0	521,900	
2-Way Mobile Radio Replacement	EQ-09-05	28,750	0	0	0	0	0	0	0	0	0	0	0	0	
SUBTOTAL - EQUIPMENT		146,633	98,467	268,546	268,546	227,300	1,075,300	308,700	355,100	1,222,900	341,100	1,229,100	267,900	821,700	
SEWER															
Sewer Rehab/Replacement Program	SW-90-01	291,571	269,204	300,000	300,000	300,000	325,000	350,000	375,000	400,000	425,000	450,000	475,000	500,000	
SUBTOTAL - SEWER		291,571	269,204	300,000	300,000	300,000	325,000	350,000	375,000	400,000	425,000	450,000	475,000	500,000	
WATER															
Watermain Replacement Program	WA-90-01	251,387	322,193	485,000	485,000	500,000	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	4,120,000	
Automatic Meter Reading System	WA-03-02	0	0	100,000	100,000	154,500	318,300	633,800	652,800	672,400	737,300	129,100	38,000	58,700	
Water Tank Repainting	WA-11-01	430,038	0	200,000	200,000	237,600	868,200	936,900	0	1,456,900	875,000	1,036,400	525,000	563,600	
Deep Well Rehabilitation	WA-11-02	257,641	221,879	0	0	25,800	291,700	27,300	28,100	0	0	0	0	0	
SUBTOTAL - WATER		939,066	544,072	785,000	785,000	917,900	2,478,200	3,098,000	2,680,900	4,629,300	4,612,300	4,665,500	4,563,000	4,742,300	
TOTAL CAPITAL EXPENDITURES		1,388,378	928,839	1,412,046	1,412,046	1,465,200	3,898,500	3,776,700	3,491,000	6,272,200	5,398,400	6,364,600	5,325,900	6,084,000	
TRANSFER TO HEALTH INSURANCE FUND		0		0	80,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
OPERATING CONTINGENCY		0		50,000	175,900	300,000	0	0	0	0	0	0	0	0	
TOTAL EXPENDITURES		14,547,818	14,396,728	15,951,765	16,262,365	11,800,400	19,210,600	19,524,500	19,627,800	22,811,600	22,391,300	23,825,900	23,271,100	24,529,500	
BEGINNING WORKING CASH		5,261,554	5,320,076	5,110,312		4,800,547	4,164,697	4,108,997	4,642,537	6,021,074	5,211,523	5,449,570	4,899,135	5,569,001	
REVENUES OVER (UNDER) EXPENDS.		58,522	(209,764)	(309,765)	(158,265)	(635,850)	(55,700)	533,540	1,378,537	(809,551)	238,047	(550,435)	669,866	96,932	
ENDING WORKING CASH		5,320,076	5,110,312	4,800,547		4,164,697	4,108,997	4,642,537	6,021,074	5,211,523	5,449,570	4,899,135	5,569,001	5,665,932	
Working Cash as % of Expenditures		37%	35%	30%		35%	21%	24%	31%	23%	24%	21%	24%	23%	

ALTERNATIVE 4

GRADUAL INCREASE IN CAPITAL COSTS

Water & Sewer Fund

With a 5%-10%-10%-10%-5% Rate Increases
(Current Combined Rate: \$5.56/1,000 gallons)



Increase: 5% 10% 10% 10% 5% 3% 3% 3% 3% 3%

	Actual 2012-13	Actual 2013-14	Est Act 2014-15	8 Month Period Ending Dec 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024
Water Sales & Sewer Charge	13,241,795	13,024,900	14,456,000	10,169,800	16,696,700	18,366,370	20,203,007	21,213,157	21,849,552	22,505,039	23,180,190	23,875,595	24,591,863
Other Revenue	1,364,545	1,162,064	1,186,000	994,750	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100	1,092,100
Total Revenue	14,606,340	14,186,964	15,642,000	11,164,550	17,788,800	19,458,470	21,295,107	22,305,257	22,941,652	23,597,139	24,272,290	24,967,695	25,683,963
Operating Expenditures	9,695,534	9,996,792	10,872,519	7,878,200	11,644,900	12,080,600	12,469,600	12,872,200	13,289,000	13,720,400	14,166,900	14,629,400	15,108,100
Northwest Water Commission	3,463,906	3,471,097	3,667,200	2,457,000	3,667,200	3,667,200	3,667,200	3,667,200	3,703,900	3,740,900	3,778,300	3,816,100	3,854,300
Capital Expenditures	1,388,378	928,839	1,412,046	1,465,200	3,898,500	3,776,700	3,491,000	6,272,200	5,398,400	6,364,600	5,325,900	6,084,000	5,122,400
Total Expenditures	14,547,818	14,396,728	15,951,765	11,800,400	19,210,600	19,524,500	19,627,800	22,811,600	22,391,300	23,825,900	23,271,100	24,529,500	24,084,800
Beginning Working Cash	5,261,554	5,320,076	5,110,312	4,800,547	4,164,697	2,742,897	2,676,867	4,344,174	3,837,831	4,388,183	4,159,422	5,160,612	5,598,807
Revenues Over/(Under) Exp	58,522	(209,764)	(309,765)	(635,850)	(1,421,800)	(66,030)	1,667,307	(506,343)	550,352	(228,761)	1,001,190	438,195	1,599,163
Ending Working Cash	5,320,076	5,110,312	4,800,547	4,164,697	2,742,897	2,676,867	4,344,174	3,837,831	4,388,183	4,159,422	5,160,612	5,598,807	7,197,971
Working Cash as % of Expenditures	37%	35%	30%	35%	14%	14%	22%	17%	20%	17%	22%	23%	30%

WATER & SEWER FUND

ALTERNATIVE 4

ACCOUNT DESCRIPTION	PROJ #	8 MONTH PERIOD					2016	2017	2018	2019	2020	2021	2022	2023	2024
		FY2013	FY2014	FY2015	FY2015	ENDING									
		ACTUAL	ACTUAL	EST ACT	BUDGET	DEC 2015	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
		Combined Water & Sewer Rate Increase:				5%	10%	10%	10%	5%	3%	3%	3%	3%	3%
REVENUES															
Water Sales		11,157,796	10,669,713	11,492,000	11,934,000	8,084,600	13,273,300	14,600,630	16,060,693	16,863,728	17,369,639	17,890,729	18,427,451	18,980,274	19,549,682
Sewer Charge		2,083,999	2,355,187	2,964,000	3,078,000	2,085,200	3,423,400	3,765,740	4,142,314	4,349,430	4,479,913	4,614,310	4,752,739	4,895,321	5,042,181
TOTAL REVENUES		14,606,340	14,186,964	15,642,000	16,104,100	11,164,550	17,788,800	19,458,470	21,295,107	22,305,257	22,941,652	23,597,139	24,272,290	24,967,695	25,683,963
EXPENDITURES															
OPERATING EXPENDITURES															
Finance															
Personal Services		709,899	736,958	778,500	800,800	551,900	844,900	883,200	918,500	955,200	993,400	1,033,100	1,074,400	1,117,400	1,162,100
Contractual Services		258,627	248,422	271,800	271,800	185,700	282,800	288,500	294,300	300,200	306,200	312,300	318,500	324,900	331,400
Commodities		2,193	1,241	4,000	4,000	2,700	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000
Sewer Back-up Rebate Program	SW-15-01	50,000	50,000	25,000	25,000	25,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Subtotal Finance		1,020,719	1,036,621	1,079,300	1,101,600	765,300	1,231,900	1,276,000	1,317,200	1,359,900	1,404,200	1,450,100	1,497,700	1,547,200	1,598,500
Water Utility Operation															
Personal Services		4,880,628	5,061,262	5,140,700	5,223,100	3,607,600	5,544,000	5,823,400	6,056,300	6,298,600	6,550,500	6,812,500	7,085,000	7,368,400	7,663,100
Contractual Services (except NWWC)		1,651,977	1,816,995	2,139,360	2,139,360	1,462,000	2,225,800	2,270,300	2,315,700	2,362,000	2,409,200	2,457,400	2,506,500	2,556,600	2,607,700
Northwest Water Commission		3,463,906	3,471,097	3,667,200	3,667,200	2,457,000	3,667,200	3,667,200	3,667,200	3,667,200	3,703,900	3,740,900	3,778,300	3,816,100	3,854,300
Commodities		739,405	642,668	972,159	972,159	664,400	1,011,400	1,031,600	1,052,200	1,073,200	1,094,700	1,116,600	1,138,900	1,161,700	1,184,900
Other Charges		1,402,805	1,439,246	1,491,000	1,491,000	1,028,900	1,581,800	1,629,300	1,678,200	1,728,500	1,780,400	1,833,800	1,888,800	1,945,500	2,003,900
Subtotal Water Utility Operation		12,138,721	12,431,268	13,410,419	13,492,819	9,219,900	14,030,200	14,421,800	14,769,600	15,129,500	15,538,700	15,961,200	16,397,500	16,848,300	17,313,900
TOTAL OPERATING EXPENDITURES		13,159,440	13,467,889	14,489,719	14,594,419	9,985,200	15,262,100	15,697,800	16,086,800	16,489,400	16,942,900	17,411,300	17,895,200	18,395,500	18,912,400
BUILDING & LAND															
Public Works Annex Improvements	BL-93-02	11,108	17,096	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Roof Maintenance Program	BL-95-06	0	0	38,500	38,500	0	0	0	60,000	0	0	0	0	0	0
SUBTOTAL - BUILDING & LAND		11,108	17,096	58,500	58,500	20,000	20,000	20,000	80,000	20,000	20,000	20,000	20,000	20,000	20,000
EQUIPMENT															
Operational Equipment	EQ-94-01	97,243	87,727	138,546	138,546	118,000	139,700	211,000	101,000	125,000	125,000	125,000	125,000	125,000	125,000
Pumps - Submersible & Booster		0	0	80,000	80,000	7,700	47,200	0	94,000	86,400	50,700	105,200	64,600	94,600	67,200
SCADA Enhancements		0	0	25,000	25,000	8,000	30,000	10,000	30,000	58,000	59,700	61,500	63,300	65,200	67,200
Motor Controls - Water & Sewer		0	0	0	0	53,600	47,700	72,700	95,100	69,000	90,700	0	0	0	0
Office Equipment	EQ-95-03	4,396	10,740	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Emergency Generator Upgrade	EQ-99-02	16,244	0	10,000	10,000	25,000	795,700	0	20,000	869,500	0	922,400	0	521,900	0
2-Way Mobile Radio Replacement	EQ-09-05	28,750	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL - EQUIPMENT		146,633	98,467	268,546	268,546	227,300	1,075,300	308,700	355,100	1,222,900	341,100	1,229,100	267,900	821,700	274,400
SEWER															
Sewer Rehab/Replacement Program	SW-90-01	291,571	269,204	300,000	300,000	300,000	325,000	350,000	375,000	400,000	425,000	450,000	475,000	500,000	515,000
SUBTOTAL - SEWER		291,571	269,204	300,000	300,000	300,000	325,000	350,000	375,000	400,000	425,000	450,000	475,000	500,000	515,000
WATER															
Watermain Replacement Program	WA-90-01	251,387	322,193	485,000	485,000	500,000	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	4,120,000	4,243,600
Automatic Meter Reading System	WA-03-02	0	0	100,000	100,000	154,500	318,300	633,800	652,800	672,400	737,300	129,100	38,000	58,700	40,300
Water Tank Repainting	WA-11-01	430,038	0	200,000	200,000	237,600	868,200	936,900	0	1,456,900	875,000	1,036,400	525,000	563,600	29,100
Deep Well Rehabilitation	WA-11-02	257,641	221,879	0	0	25,800	291,700	27,300	28,100	0	0	0	0	0	0
SUBTOTAL - WATER		939,066	544,072	785,000	785,000	917,900	2,478,200	3,098,000	2,680,900	4,629,300	4,612,300	4,665,500	4,563,000	4,742,300	4,313,000
TOTAL CAPITAL EXPENDITURES		1,388,378	928,839	1,412,046	1,412,046	1,465,200	3,898,500	3,776,700	3,491,000	6,272,200	5,398,400	6,364,600	5,325,900	6,084,000	5,122,400
TRANSFER TO HEALTH INSURANCE FUND		0		0	80,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
OPERATING CONTINGENCY		0		50,000	175,900	300,000	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES		14,547,818	14,396,728	15,951,765	16,262,365	11,800,400	19,210,600	19,524,500	19,627,800	22,811,600	22,391,300	23,825,900	23,271,100	24,529,500	24,084,800
BEGINNING WORKING CASH		5,261,554	5,320,076	5,110,312		4,800,547	4,164,697	2,742,897	2,676,867	4,344,174	3,837,831	4,388,183	4,159,422	5,160,612	5,598,807
REVENUES OVER (UNDER) EXPENDS.		58,522	(209,764)	(309,765)	(158,265)	(635,850)	(1,421,800)	(66,030)	1,667,307	(506,343)	550,352	(228,761)	1,001,190	438,195	1,599,163
ENDING WORKING CASH		5,320,076	5,110,312	4,800,547		4,164,697	2,742,897	2,676,867	4,344,174	3,837,831	4,388,183	4,159,422	5,160,612	5,598,807	7,197,971
Working Cash as % of Expenditures		37%	35%	30%		35%	14%	14%	22%	17%	20%	17%	22%	23%	30%