



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 6, 2015

COMMITTEE ON BUDGET AND EMPLOYMENT

Mr. David St. Pierre, Executive Director

Report on Budgetary Revenues and Expenditures through the First Quarter of March 2015

Dear Sir:

Attached is a report of revenues and expenditures for the first quarter ended March 31, 2015. This report is prepared on an unaudited budgetary basis of accounting.

The first quarter of 2015 includes receipts from the tax year 2014 first real estate tax installment, which were due on March 3. First quarter receipts are within normal levels.

Preliminary Corporate Fund expenditures for the first quarter are within normal levels. Energy and healthcare costs, two of the primary expenditure drivers, will be monitored closely throughout the year as additional expenditure data becomes available.

The two primary economic factors driving the District's revenues are the Consumer Price Index (CPI) and the real estate market. The CPI declined 0.3 percent in the first three months of 2015 and 0.1 percent over the previous twelve months. The energy index decreased by 9.7 percent in January, increased 1.0 percent in February, and rose 1.1 percent in March. Over the past twelve months, the energy index has decreased 18.3 percent.

As reported by the Federal Reserve Bank for the Chicago District, the relative Midwest Economy Index growth for the end of the first quarter was moderately higher than would be typically expected compared to the growth rate for the national economy. The Illinois Association of Realtors (IAR) reported a rise in Chicago Area residential home sales. The IAR reported home sales in March 2015 of 2,118 homes or an increase of 13.0 percent, from March 2014 home sales of 1,875.

A conservative approach used to develop the 2015 five-year financial plan is expected to maintain budgetary fund balances at policy levels.

Respectfully Submitted, Eileen McElligott, Administrative Services Manager, JPN

Attachment