



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR SPECIAL MEETING OF DECEMBER 14, 2017

COMMITTEE ON BUDGET AND EMPLOYMENT

Mr. David St. Pierre, Executive Director

Authority to Amend the Tentative 2018 Budget (*As Revised*)

Dear Sir:

The attached Changes to the Tentative 2018 Budget Recommendations (BF-20 budget forms) are submitted for your consideration during adoption of the Budget on December 14, 2017. Requested changes to appropriations are summarized in the table below:

<u>FUND</u>	<u>DEPARTMENT</u>	<u>NET CHANGE</u>
CORPORATE	Board of Commissioners	\$452,000
	General Administration	\$262,700
	Monitoring & Research	\$(271,700)
	Procurement & Materials Management	\$19,100
	Human Resources	\$4,900
	Information Technology	\$900
	Law	\$0
	Maintenance & Operations	<u>\$979,200</u>
	TOTAL CORPORATE FUND	<u>\$1,447,100</u>
CONSTRUCTION		\$1,238,500
CAPITAL IMPROVEMENTS BOND		\$7,876,500
STORMWATER MANAGEMENT		\$0
BOND REDEMPTION & INTEREST		\$0
RETIREMENT		\$0
RESERVE CLAIM		\$0

The 2018 total appropriation request is \$1,148,530,286, including these requested changes. These requested changes represent an increase of \$10,562,100 from the Tentative Budget. Compared to the 2017 total adjusted appropriation of \$1,142,749,813, this represents an increase of \$5,780,473, or 0.5 percent.

The 2018 total tax levy request is \$621,317,594, an increase of \$580,310 from the Tentative Budget.

Compared to the 2017 total adjusted tax levy of \$598,705,062, this represents an increase of \$22,612,532, or 3.8 percent. The increase is due to the addition of two new State Revolving Fund loans for a Streambank Stabilization Project on Oak Lawn Creek and for Slope Stabilization and Retaining Walls at the McCook Reservoir Stage 2. Additionally, due to a higher than originally anticipated TIF surplus declaration by the City of Chicago, the District's Corporate Fund non-tax revenue is increased by \$7,500,000. A net zero change shifts the property tax allocations under the tax cap from the Corporate Fund to the Construction Fund.

The Corporate Fund total appropriation request is \$368,026,900, an increase of \$1,447,100 from the Tentative Budget. The increase is due primarily to the addition of \$1,021,200 for anticipated wage increases for represented employees, an increase of \$452,000 allocated for an Inspector General, the addition of \$117,900 for membership to the Lower Des Plaines Watershed Group, and the addition of \$100,000 for the Green Infrastructure and Stormwater Educational Outreach program discussed at the Committee on Budget and Employment Hearing on November 2, 2017. These increases are offset by position changes, resulting in a net decrease of \$244,000. The position changes include the implementation of the crosshatch #1 on three positions in the Monitoring & Research Department and the addition of an Engineering Technician V and the implementation of the crosshatch #4 on one position in the Maintenance & Operations Department. Compared to the 2017 Corporate Fund total adjusted appropriation of \$368,925,800, this represents a decrease of \$898,900, or 0.2 percent.

The Construction Fund total appropriation request is \$26,080,600, an increase of \$1,238,500 from the Tentative Budget. The increase is due primarily to the addition of non-core projects for auditorium, bathroom, and HVAC improvements at the Stickney WRP Laboratory, the addition of a contract to furnish, deliver, and install influent gate actuators at the O'Brien WRP, and changes in the project schedule and cost estimates. Compared to the 2017 Construction Fund adjusted appropriation of \$34,450,400, this represents a decrease of \$8,369,800, or 24.3 percent.

The Capital Improvements Bond Fund total appropriation request is \$312,344,900, an increase of \$7,876,500 from the Tentative Budget. This increase is due primarily to the timing changes in the expected award of contracts, the addition of a contract to furnish and install an odor control system at the Thornton Reservoir, the change in scope of a project to replace a sludge pipeline in the North Service Area, and a revised estimate for structural repairs and roofing replacement at the 95th Street Pumping Station. Compared to the 2017 Capital Improvements Bond Fund adjusted appropriation of \$354,625,600, this represents a decrease of \$42,280,700, or 11.9 percent.

The Stormwater Management Fund total appropriation request is \$65,880,200, unchanged from the Tentative Budget. The net zero changes include a reduction in the estimate for legal services related to land acquisition and the reduction in the 2018 funding for a flood control/streambank project at Tinley Creek, offset by increases for streambank stabilization at Tinley Creek, Midlothian Creek, and Calumet Union Drainage Ditch. Compared to the 2017 Stormwater Management Fund adjusted appropriation of \$45,800,100, this represents an increase of \$20,080,100, or 43.8 percent.

The Bond Redemption & Interest Fund total appropriation request is \$256,304,186, unchanged from the Tentative Budget. Compared to the 2017 Bond Redemption & Interest Fund adjusted appropriation of \$228,825,813, this represents an increase of \$27,478,373, or 12.0 percent.

The Retirement Fund total appropriation request is \$89,604,000, unchanged from the Tentative Budget. Compared to the 2017 Retirement Fund adjusted appropriation of \$79,505,000, this represents an increase of \$10,099,000, or 12.7 percent.

The Reserve Claim Fund total appropriation request is \$30,289,500, unchanged from the Tentative Budget. Compared to the 2017 Reserve Claim Fund adjusted appropriation of \$30,617,100, this represents a decrease of \$327,600, or 1.1 percent.

The total number of positions requested for 2018 is 1,966, a net decrease of 76 positions from 2017. This number is a net decrease from the Tentative Budget of 2 positions. From the 2017 budgeted Full Time Equivalents (FTEs), there is a net decrease of 50 FTEs in the Human Resources Department due to change in the apprenticeship program, 18 FTEs in the Maintenance & Operations Department as realignment of staff organized by expertise rather than location continued, four FTEs in the Engineering Department, two FTEs in General Administration, two FTEs in the Information Technology Department, and one FTE in the Law Department. These decreases are offset by a net increase of three FTEs in the Monitoring & Research Department. There is a decrease of two FTEs in the Stormwater Management Fund from the 2017 budgeted FTEs.

Revised Tentative Budget pages 8-11 present changes to the appropriations, tax levies, and tax rates, along with account and personnel summary comparison changes.

Revised Tentative Budget page 12 presents the revised 2016-2018 Summary of Revenue, Expenditures, and Net Asset Appropriable. Revised Tentative Budget page 13 presents the revised 2018 Budgeted Summary of Revenue and Expenditures. Revised Tentative Budget page 14 presents 2017 estimated year-end revenues and expenditures.

Revised Executive Director's Recommendations page 85-87 present revised Corporate Fund Balance Sheet, Appropriable Revenue, and Working Cash Financing. Revised Tentative Budget 15-16 present revised Capital Improvements Bond Fund Balance Sheet and Appropriable Revenue. Revised Tentative Budget page 17 presents the Construction Fund Balance Sheet, while revised Executive Director's Recommendations page 93 presents the Appropriable Revenue.

The project lists for the Construction Fund, Capital Improvements Bond Fund, and Stormwater Management Capital Improvements Bond Fund, Tentative Budget pages 49-50, 53-54, and 55, have been revised to reflect project changes.

The attached BF-20 budget forms (pages 1-14) detail all requested changes in appropriation and staffing.

The Executive Director's Budget Recommendations and the Tentative Budget, which include all the budget related Ordinances in their entirety and the Report of the Committee on Budget and Employment adopted in Motion A, are available for review on the District's website, www.mwrd.org <<http://www.mwrd.org>>.

Requested, Eileen M. McElligott, Administrative Services Officer, SAR
Respectfully Submitted, Kari K. Steele, Chairman Committee on Budget and Employment
Disposition of this agenda item will be documented in the official Special Board Meeting Minutes of the Board of Commissioners for December 14, 2017

Attachments

- 1) Revised Tentative Budget pages 8-11, 12-14, 15-16, 17, 49-50A, and 52-54, dated December 6, 2017
- 2) Revised Executive Director's Recommendations Budget pages 85-87 and 93, dated December 6, 2017
- 3) BF-20 budget forms pages 1-14, dated December 6, 2017