



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

File #: 17-1138 **Version:** 1

Type: Report **Status:** Filed

File created: 10/24/2017 **In control:** Budget & Employment Committee

On agenda: 11/2/2017 **Final action:** 11/2/2017

Title: Report on Budgetary Revenues and Expenditures for the third quarter of 2017, ended September 30, 2017

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2017 Third Quarter Attachment - Budgetary Revenue & Expenditure Report.pdf

Date	Ver.	Action By	Action	Result
11/2/2017	1	Board of Commissioners	Published and Filed	Pass
11/2/2017	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 2, 2017

COMMITTEE ON BUDGET AND EMPLOYMENT

Mr. David St. Pierre, Executive Director

Report on Budgetary Revenues and Expenditures for the third quarter of 2017, ended September 30, 2017

Dear Sir:

Attached is a report of revenues and expenditures for the third quarter of 2017, ended September 30, 2017. This report is prepared on an unaudited budgetary basis of accounting.

The actual third quarter Corporate Fund net tax revenue of \$234.8 million is 99.3 percent of the budgeted revenues and is \$0.3 million below the collections for the same period in 2016. Actual Corporate Fund non-tax revenue for the period includes the following: user charge income of \$40.7 million, TIF surplus distributions of \$11.5 million, \$6.0 million in Build America Bonds subsidy transfer from the Capital Improvements Bond Fund, and rental and easement income of \$14.4 million. The third quarter includes receipts from the tax year 2016 second real estate tax installment, which were due on August 1.

Third quarter actual expenditures of \$240.3 million are 65.1 percent of the \$368.9 million Corporate Fund budget. Corporate Fund expenditures through the third quarter are within normal levels. Energy and healthcare costs, two of the primary expenditure drivers, are monitored closely throughout the year. Energy expenditures (electricity and gas) through the third quarter 2017 are 5.5 percent higher than the same period last year. Healthcare costs are running 8.5 percent lower than the same period last year due to the lower than expected active employee claims and implementation of the Medicare Advantage Plan for retirees in 2017.

The two primary economic factors driving the District's revenues are the Consumer Price Index (CPI) and the real estate market. The September Consumer Price Index for All Urban Consumers (CPI-U) rose 0.5 percent over August on a seasonally adjusted basis. Over the last 12 months, the all items index increased 2.2 percent

before seasonal adjustment. The gasoline index increased 13.1 percent. Other major energy component indexes were mixed, and the food index rose slightly.

The equalized assessed property valuation for the District increased by 8.0 percent from 2015 to 2016, a \$10.4 billion increase. The Illinois Association of Realtors reports that August Chicago metropolitan area home sales are down 3.9 percent over August 2016, while the median price has increased 4.3 percent in the same period.

Relatively low inflation over the past two years has resulted in a small annual increase in property tax revenues. Additionally, increases in the Retirement Fund levy necessary to stabilize the pension fund have restricted growth in the Corporate, Construction, and Reserve Claim Fund levies. In order to maintain reserve balances, Construction Fund expenditure controls have been implemented during the first three quarters of 2017.

Respectfully Submitted, Eileen M. McElligott, Administrative Services Officer, SAR

Attachment