



Village of Oak Park, IL
Finance Department

**Unaudited Quarterly
Financial and Performance
Report
September 30, 2021**

Completed in October 2021

QUARTERLY REPORT RATING LEGEND

No significant concerns. Revenues should meet or exceed budget while expenditures fall at or below budget.



Minor (immaterial) variations to budget can be expected.



Major (material) variations are expected. Revenue will either come in well below budget or expenditures will far exceed budget.



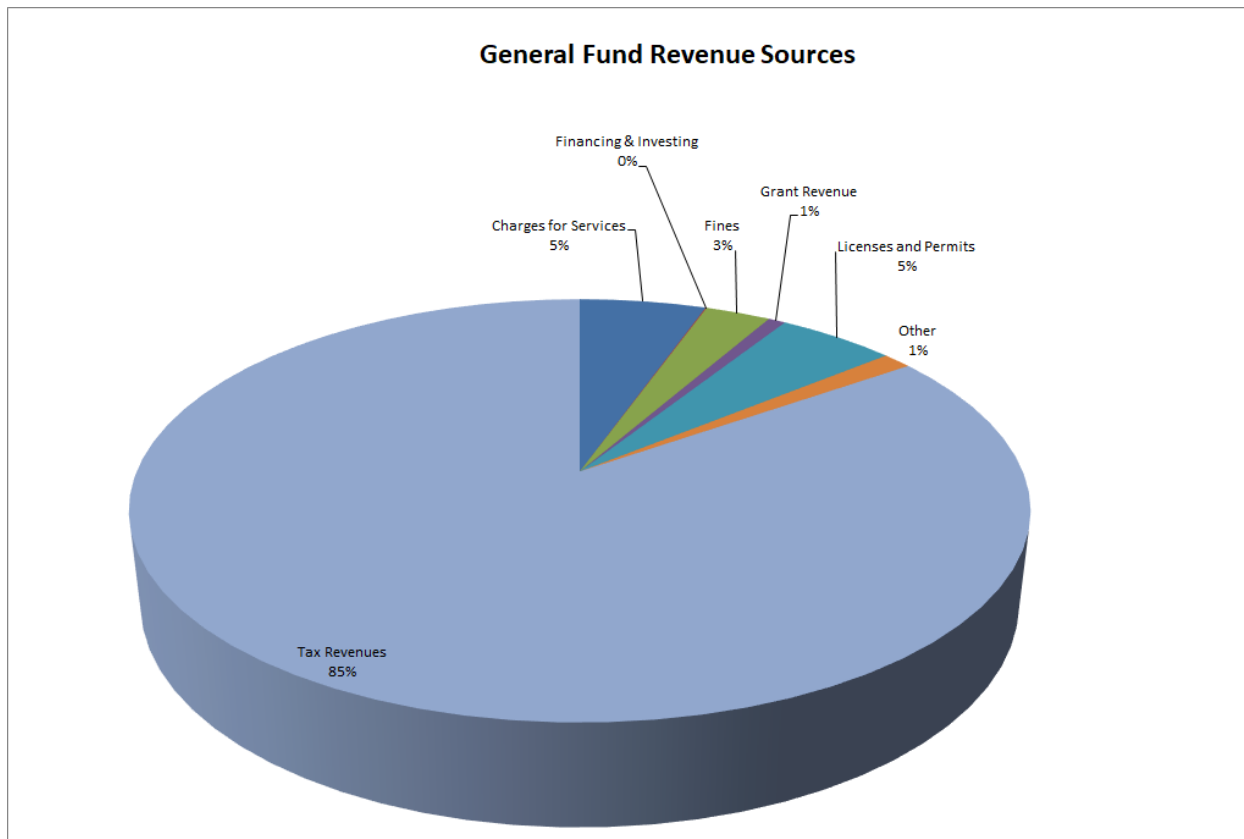
Undetermined (typically used in 1st and 2nd quarters)

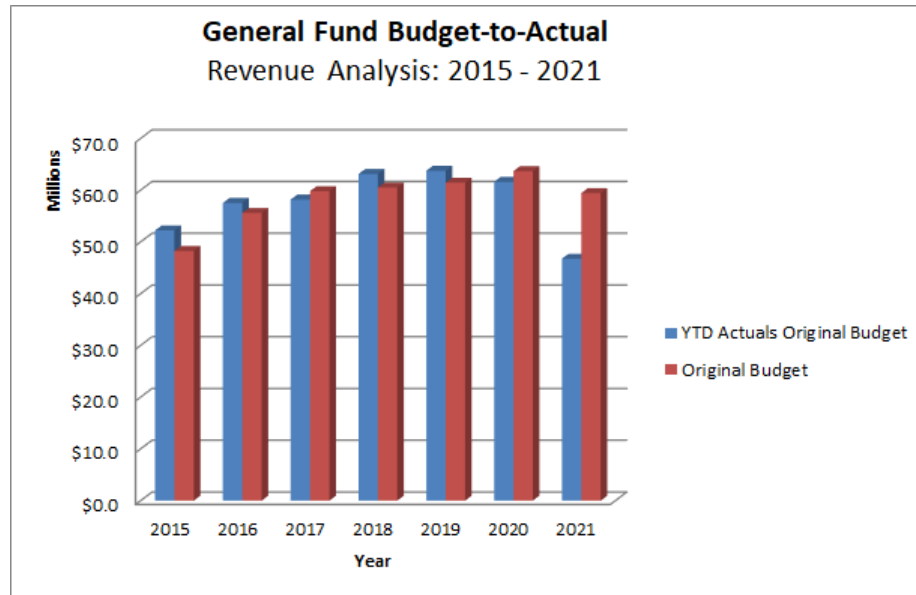


General Fund Revenue Analysis

Brief Description: General Fund Revenues are the taxes, fees, and charges that the Village assesses to provide the majority of services to its citizens. General Fund Revenues are managed within the Village's General Fund, and are comprised the following revenue streams:

- Tax revenues (e.g.- property taxes)
- Licenses and permits (e.g.- business licenses)
- Intergovernmental revenues (e.g.- state shared income taxes)
- Charges for services (e.g.- police reports)
- Fines (e.g.- parking tickets)
- Other financing sources (transfer of resources from other funds)





General Fund Revenues by Category

<u>Description</u>	9/30/21 <u>YTD Actuals</u>	Amended <u>Annual Budget</u>	Original <u>Annual Budget</u>	Amended Remaining <u>Goal</u>
Charges for Services	2,534,524	1,979,100	1,979,100	(555,424)
Financing & Investing	22,296	152,500	152,500	130,204
Fines	1,308,213	2,090,000	2,090,000	781,787
Grant Revenue	344,893	451,250	451,250	106,357
Licenses and Permits	2,364,907	1,999,840	1,999,840	(365,067)
Other	586,146	862,000	862,000	275,854
Tax Revenues	39,590,591	51,910,591	51,910,591	12,320,000
	<u>46,751,570</u>	<u>59,445,281</u>	<u>59,445,281</u>	<u>12,693,711</u>

Property Tax Revenues

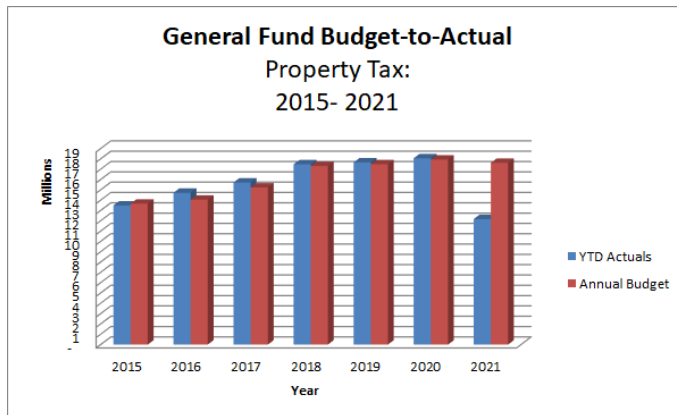
Brief Description: Property tax revenues are proceeds that the Village levies or assesses on real estate. Each year, the Village Board adopts an exact amount for the County to assess on real estate and this levy is used for general operations, debt service payments, and contributions into the police and fire pension funds. In order to account for unpaid property taxes, the County further increases the Village levy by an additional 3% (slightly more for the debt service levy) to account for any potential loss in collections and/or large appeals. In typical years, the Village collects between 98-100% of the amount levied.

Property Tax Revenue Drivers: The following are the drivers that impact property taxes:

- Equalized Assessed Valuation (EAV)
- Local tax rates
- Timing of the assessment and collections process

Comments: As illustrated below, property tax revenue usually comes in at the amount budgeted. Some years there may be a variance of approximately 1 to 2% due to appeals but if the appeal is ultimately rejected, the Village would receive that revenue subsequent to the appeals decision. Please note, the bar chart below reflects only the general operating levy. Details on the other Village levies are shown in the table below.

The first installment every year is always an estimate calculated at 55% of the prior year's levy. The tax year 2019 levy (collected in fiscal year 2020), excluding debt service, was \$30,607,612. Therefore, 55% of this amount, or \$16,834,187, is the amount billed by Cook County as the first installment for tax year 2020. As shown below, approximately \$21.2M had been collected through the end of September and it is expected that the full levy will be collected by year end.



<u>GF Levy Allocation</u>	<u>FY21 Budget</u>	<u>YTD Actual</u>
General Operating Levy	17,624,845	12,175,669
Police Pension Levy	6,973,534	4,822,031
Fire Pension Levy	6,138,212	4,248,134
Total	30,736,591	21,245,834

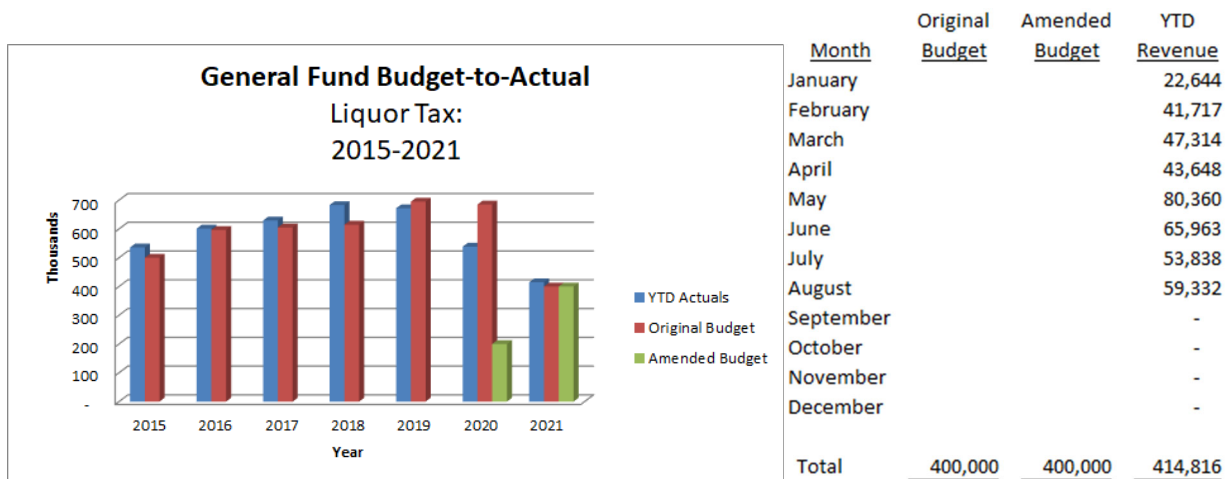
Liquor Tax Revenues

Brief Description: Liquor Tax Revenues are the revenues that the Village collects from vendors who sell liquor within the Village. The current liquor tax rate is 3% of the liquor purchase price and is a pass thru to the customer.

Liquor Tax Revenue Drivers: The following are the drivers that impact liquor taxes:

- Number of liquor-selling establishments within the Village
- Customer volume
- Price of liquor at retail

Comments: Liquor tax is remitted to the Village for the liability period of the prior month and is therefore reported in arrears by one month throughout the course of the fiscal year. This tax has been budgeted assuming a monthly average revenue of approximately \$33K per month due to the pandemic but it has been coming in stronger than anticipated. Through August, this revenue is already exceeding the \$400,000 budget and should easily hit \$600,000 by year end.



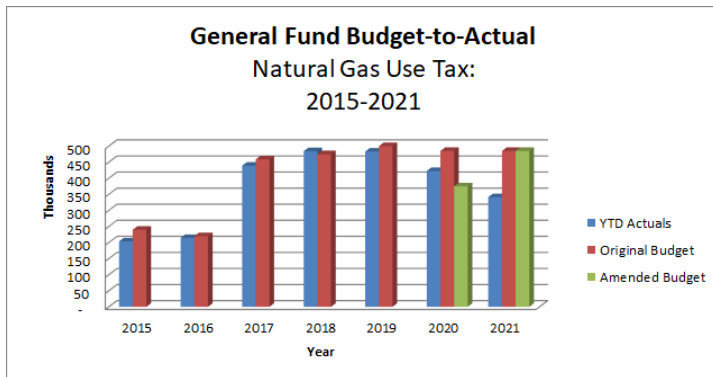
Natural Gas Use Tax Revenues

Brief Description: The natural gas use tax is a tax that the Village charges to users based upon the purchase of natural gas from out-of-State suppliers. This should not be confused with the natural gas tax which is a percent rather than a fixed dollar amount charged on the purchase of natural gas from in-State suppliers.

Natural Gas Use Tax Revenue Drivers: The following are the drivers that impact natural gas use taxes:

- Number of therms consumed
- Weather conditions

Comments: Natural gas use tax is remitted to the Village for the liability period of the prior month and is therefore reported in arrears by one month throughout the course of the fiscal year. Collections from this tax vary throughout the year based on the season, with the larger amounts coming in during the colder months. It appears that this revenue is on track with budget although if the Chicago area experiences warmer than normal weather from October through December, it is possible this revenue could fall just a bit short.



<u>Month</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>YTD Revenue</u>
January			72,585
February			68,959
March			65,669
April			40,422
May			35,533
June			14,685
July			33,154
August			10,249
September			-
October			-
November			-
December			-
Total	<u>485,000</u>	<u>485,000</u>	<u>341,256</u>

Sales and Use Tax Revenues

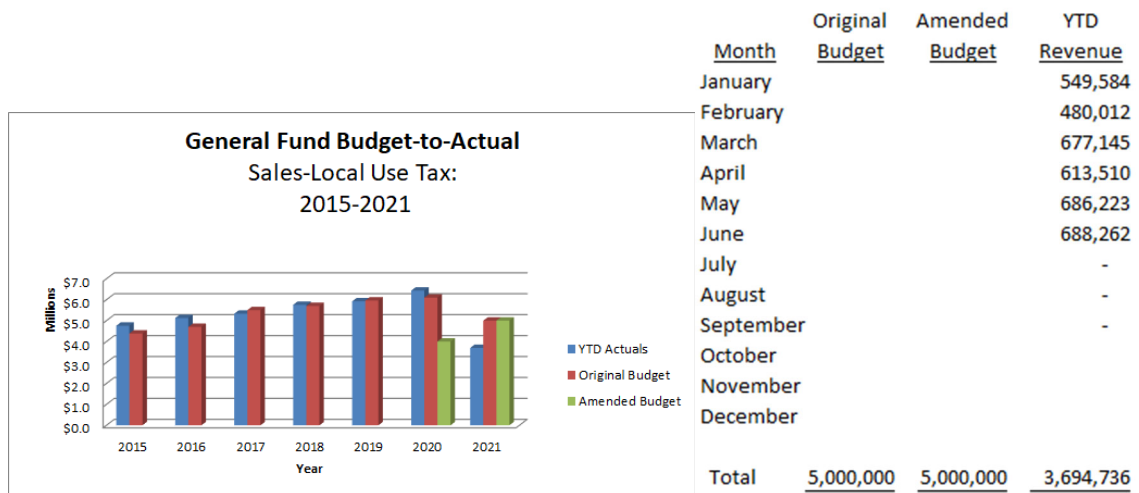
Brief Description: In Illinois, there is a base 6.25 % sales tax on general merchandise. It is administered and collected by the Illinois Department of Revenue. One percent (1%) of this Sales Tax is distributed to the municipality where the sale occurred. This tax, formally referred to as the Retailer’s Occupation Tax (ROT) is captured in the Village’s General Fund and is used for basic Village operations.

The Village also imposes a 1% Home Rule Occupation Tax (HROT). While approved locally, this tax is still administered and collected at the state level. This tax is dedicated for Village capital projects and is accounted for separately in the Capital Improvement Project (CIP) Fund.

Sales and Use Tax Revenue Drivers: The following are the drivers that impact Sales and Use Tax revenue performance:

- Retail sales
- Retail establishments

Comments: Sales tax revenue is remitted to the Village three months in arrears. For example, the tax for January 2021 will not be received by the Village until April 2021, and so on. Although only six months have been collected through September 30th, barring any unforeseen events, it looks like this combined revenue source could exceed the \$5,000,000 budget by \$2,000,000- \$2,500,000.



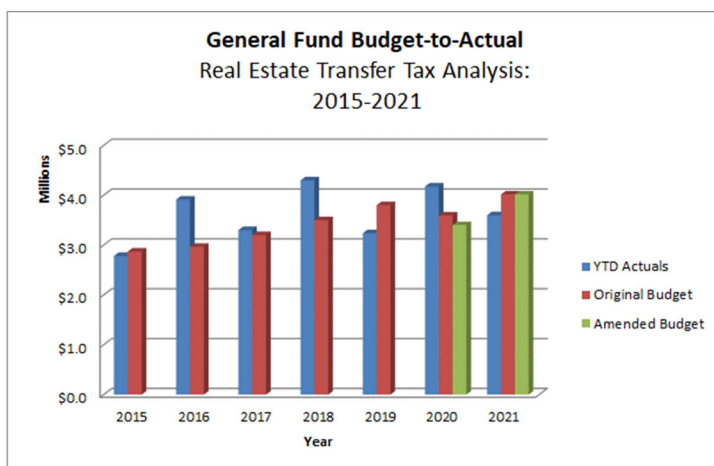
Real Estate Transfer Tax Revenues

Brief Description: The Real Estate Transfer Tax (RETT) is a tax on the seller of property within the Village. The tax is assessed at \$8 for every \$1,000 (or .8%) of the sale or “transfer” price. In addition, there is a flat fee for exempt real estate transfers when no consideration changes hands.

Real Estate Transfer Tax Revenue Drivers: The following are the drivers that impact Real Estate Transfer Tax revenues:

- Number of transactions
- Selling price of property

Comments: Real Estate Transfer Tax is a fixed percentage based on the value of every non-exempt property sale within the Village. Collections from this tax are a result of both volume (number of transactions) as well as average home sales price. Home sales during the summer months were strong and typically slows down starting in October. It does appear like this revenue should exceed budget for the year by at least \$100,000.



Month	Original Budget	Amended Budget	YTD Revenue
January			249,913
February			224,177
March			422,762
April			436,676
May			466,704
June			572,656
July			536,677
August			410,458
September			278,160
October			-
November			-
December			-
Total	<u>4,017,000</u>	<u>4,017,000</u>	<u>3,598,183</u>

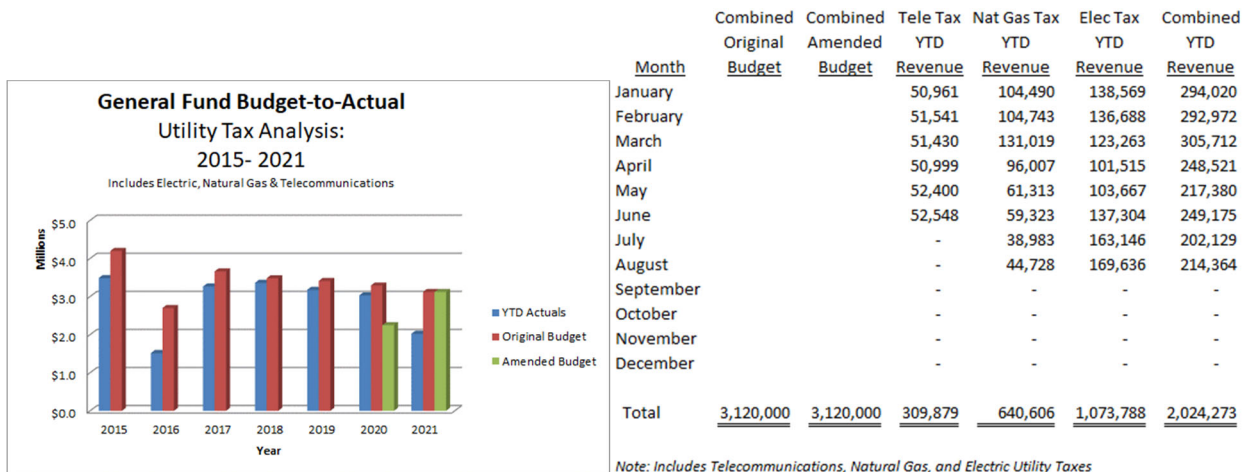
Utility Tax Revenues

Brief Description: The Utility Tax is composed of three taxes: the Electricity Tax, the Natural Gas Tax and the Telecommunication Tax. These taxes are assessed based upon user consumption within the Village. The Electricity Tax is calculated on a sliding scale, based upon usage, of the number of kilowatt hours (kWh) consumed and runs between \$0.0030 and \$0.0061 per kWh. The Natural Gas Tax is assessed at 5.15% on the gross amount of natural gas billed by NICOR, less a 0.15% Nicor administrative fee. The municipal portion of the telecommunication tax is 6% of the bill.

Utility Tax Revenue Drivers: The following are the drivers that impact Utility Taxes:

- Energy consumption
- Weather conditions
- Landline use

Comments: Telecommunications tax revenue has been trending downward every year, as consumers continue to cancel landlines and solely rely on cell phones or internet phone connections. The Natural Gas and Electric utility taxes are largely dependent on the weather in any given year and therefore can be challenging to forecast. As of now, it looks like this combined revenue category should at least meet budget and may possibly even exceed it by \$100,000-\$200,000 for the year.



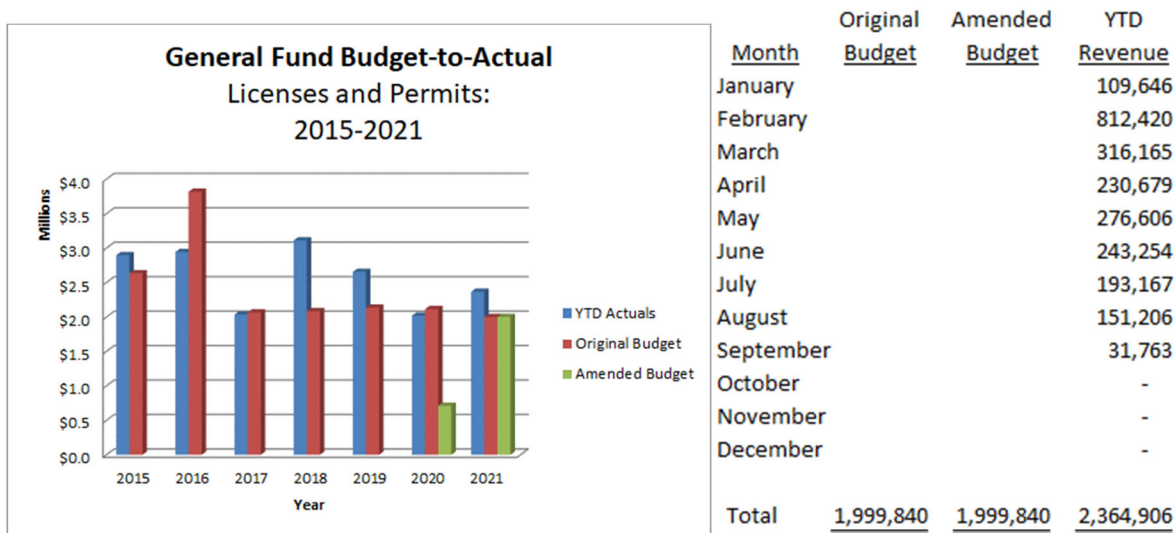
Licenses and Permits

Brief Description: The Village charges fees to individuals, businesses and other entities to conduct certain activities within the Village. Such fees include business/liquor licenses, vehicle stickers, elevator inspection fees, zoning applications, etc.

Licenses and Permits Drivers: The following are the drivers that impact licenses and permits:

- Economic conditions in real estate and retail markets

Comments: For the first three quarters of the year, this revenue is already far exceeding the annual budgeted target, primarily due to the sale of one large permit totaling \$696,000 for the assisted living facility at 703 Madison Street. While this revenue can be challenging to forecast, it does appear that \$2,900,000 appears realistic which would be about \$900,000 over budget.



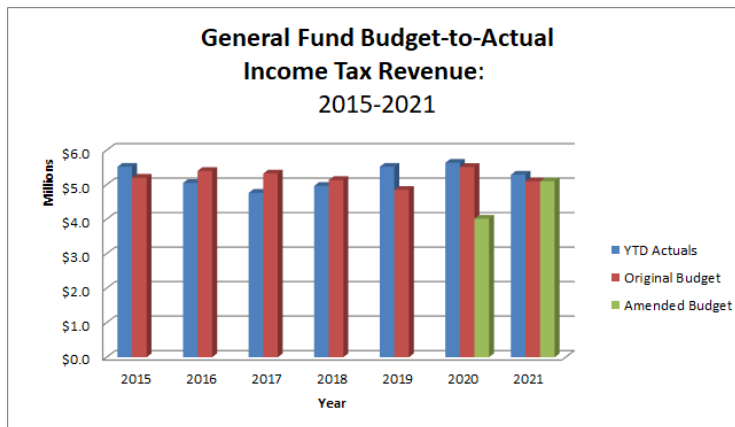
Income Tax Revenue

Brief Description: This particular tax is a share of individual and corporate income taxes paid to the Illinois Department of Revenue with a portion of it redistributed to municipalities on a per capita basis pursuant to the most recent census figures.

Intergovernmental Revenue Drivers: The following are the drivers that impact income tax revenues:

- Individual income and taxable corporate profits

Comments: Income tax revenue is not based on Oak Park residents but rather, it is averaged over the entire State and distributed on a per capita basis to each municipality. This revenue is a good metric for determining the overall strength of the economy since there is a direct correlation between household and business income and State income tax paid to the Illinois Department of Revenue. This revenue for the first three quarters of the year is already exceeding the annual budget. For the full year, income tax should surpass budget by at least \$1 million.



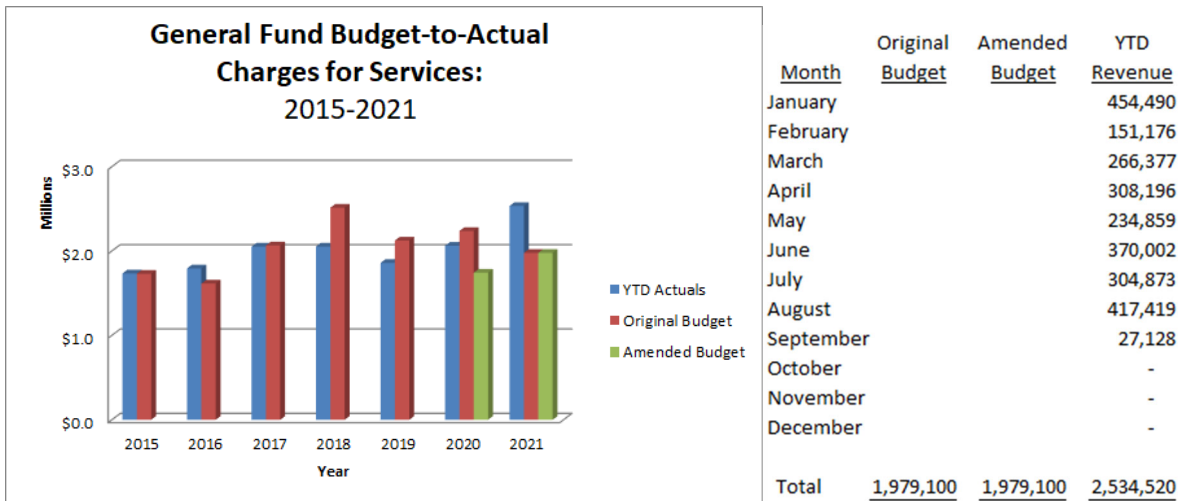
Month	Original Budget	Amended Budget	YTD Revenue
January			550,055
February			581,532
March			400,789
April			639,054
May			872,955
June			765,929
July			687,108
August			385,822
September			407,449
October			-
November			-
December			-
Total	5,100,000	5,100,000	5,290,693

Charges for Services

Brief Description: The Village provides a number of services for which it charges fees directly to customers. Below are some examples of specific revenue types that fall under this broader category:

- Ambulance user fees
- Crossing guard reimbursement
- Police reports
- Alarm service fees
- Charges for repair parts
- Special event fees
- Resale of gasoline to other taxing districts

Comments: This revenue category should exceed budget by at least an estimated \$500,000 for the year.



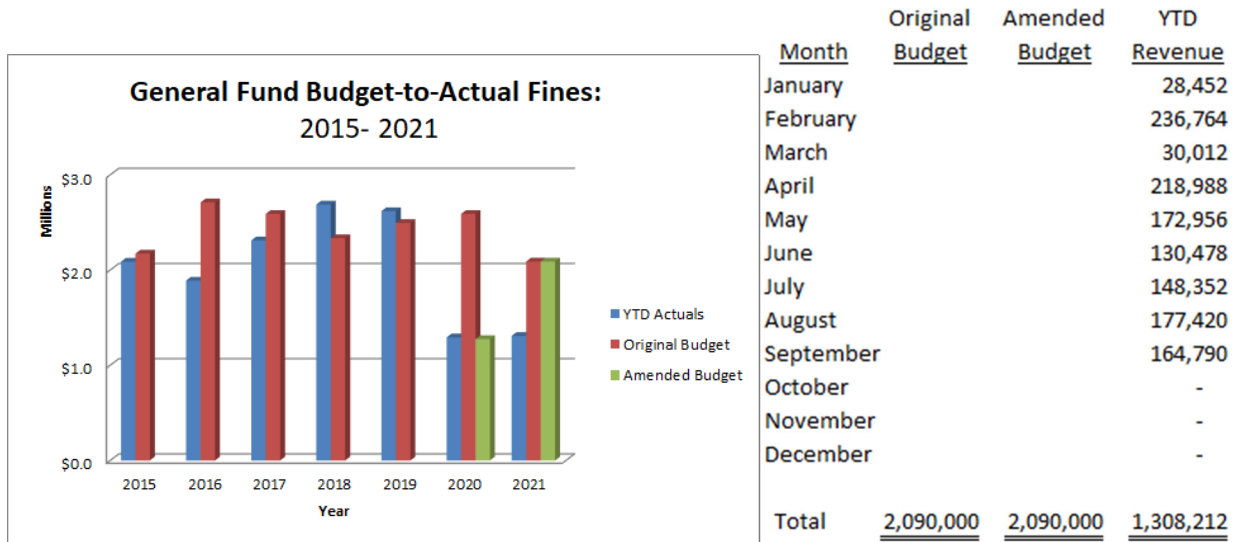
Fines

Brief Description: The Village assesses fines and penalties to individuals and businesses when there is non-compliance with Village rules and regulations. A parking citation is an example of such a fine for which the Village charges a fee directly to an offender.

Drivers of Fines: The following are the drivers that impact fine proceeds:

- Number of tickets issued
- Village parking policy
- Number of parking enforcement officers
- Degree of enforcement by Parking Enforcement Officers
- Adjudication findings
- Resident bankruptcies
- Reductions in vehicles
- Collection rates

Comments: Parking fine revenue continues to be sluggish which may be due to a combination of fewer visitors downtown and a lack of parking enforcement. It appears that this revenue may come in slightly below budget; the holiday season will be the determining factor.



Month	Original Budget	Amended Budget	YTD Revenue
January			28,452
February			236,764
March			30,012
April			218,988
May			172,956
June			130,478
July			148,352
August			177,420
September			164,790
October			-
November			-
December			-
Total	<u>2,090,000</u>	<u>2,090,000</u>	<u>1,308,212</u>

General Fund Expenditure Analysis

General Fund Expenditures

Brief Description: General Fund Expenditures are related to the performance of direct Village services, such as police, fire, public works and administrative services. These expenditures are allocated among four broad categories:

- Personnel & Benefits
- Materials & Supplies
- Contractual Services
- Capital Outlay

Personnel and benefits comprise the majority of the expense within the General Fund and include salaries (regular pay, contractual payouts, overtime, allowances, etc.) and benefits (health/life insurance, FICA, Medicare, pensions (IMRF, police/fire), etc.).

Personnel and Benefits Expenditures

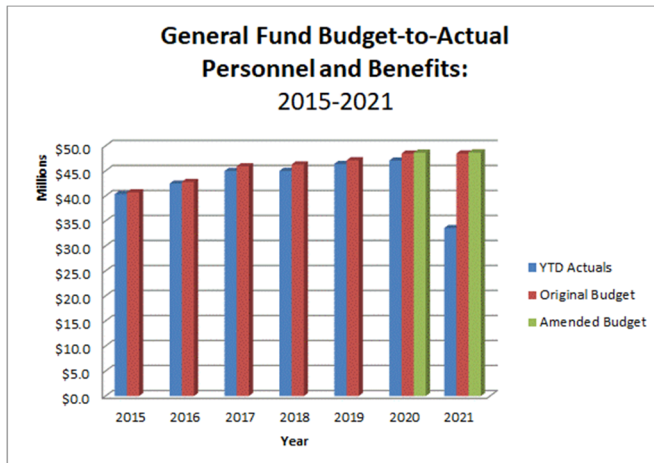
Brief Description: Personnel and Benefit expenditures cover compensation to Village staff. Given the labor-intensive nature of government services, personnel and benefit expenditures typically make up the largest portion of the general fund budget.

Personnel and Benefits Drivers: The following are the drivers that impact personnel and benefits expenditures:

- Changes to labor agreements
- Vacancies
- Health and pension costs

Comments: Finance staff builds into the budget a “contra” expense entitled “turnover savings”. For the current year, this amount was budgeted at \$1,500,000. In any given year, there is a certain amount of employee turnover from the Village for any number of reasons.

Between the time of separation/retirement and the time of hiring a replacement, there is realized savings from the temporary vacancy. If the aggregated savings exceed the budgeted \$1,500,000, this results in a positive for the budget while the opposite is true as well. Savings is determined by both the number of vacancies and the duration of each vacancy. Conversely, accrued vacation and other eligible or contractual payouts for any employee separating from service would reduce the turnover savings. Through the end of the third quarter, it appears that the forecasted annual savings due to turnover may surpass the \$1,500,000 budgeted turnover by \$500,000- \$1,000,000.



Original FY21 <u>Budget</u> 48,481,526	YTD FY21 Actual <u>9/30/2021</u> 33,578,735
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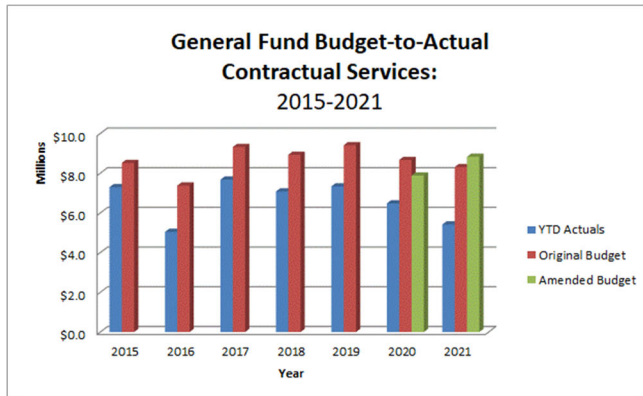
Contractual Services Expenditures

Brief Description: Contractual service expenditures are for independent contractors who have specific expertise or for those contracted as a supplemental to Village staff.

Professional and Technical Services Drivers: The following are the drivers that impact professional and technical services expenditures:

- Availability and ability of Village staff to perform specialized activities
- Skillset of Village staff

Comments: Contractual service expenditures appear to be on target with budget. However, due to normal billing delays by vendors, it is difficult to assess the extent of the favorable variance at this point in the fiscal year.



	YTD Actuals	Original Budget	Amended Budget
2015	7,296,553	8,518,779	
2016	5,044,851	7,380,167	
2017	7,682,248	9,321,993	
2018	7,080,655	8,925,961	
2019	7,339,017	9,409,033	
2020	6,484,363	8,668,818	7,885,197
2021	5,420,026	8,310,889	8,828,270

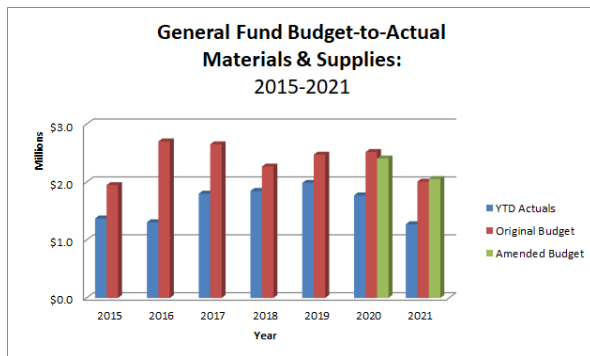
Materials & Supplies

Brief Description: Material and supply expenditures are related to such items as commodities, cleaning supplies, clothing, subscriptions, office supplies, equipment rentals, fuel, routine utility expense, equipment maintenance, etc.

Materials & Supplies Drivers: The following are the drivers that impact material and supply expenditures:

- Usage of village-owned properties
- Maintenance of village-owned facilities and infrastructure

Comments: This expenditure category appears to be on track with budget.



	YTD Actuals	Original Budget	Amended Budget
2015	1,371,758	1,947,936	
2016	1,306,983	2,703,050	
2017	1,800,391	2,652,564	
2018	1,846,987	2,269,041	
2019	1,985,661	2,474,431	
2020	1,769,779	2,519,602	2,407,732
2021	1,272,077	2,008,505	2,053,340

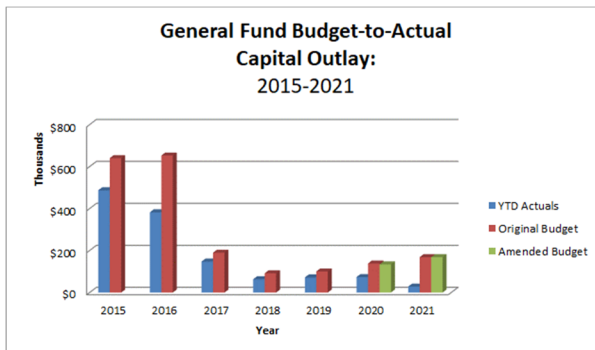
Capital Outlay

Brief Description: Capital Outlay expenditures within the operating budget are typically for smaller ticket office/computer equipment and software purchases which do not meet the capital dollar or useful life thresholds for inclusion in the Capital Improvement Fund budget. These smaller purchases are therefore funded by general operating revenues rather than bond or other debt issuances.

Capital Outlay Drivers: The following are the drivers that impact capital outlay expenditures:

- Routine replacement of computer and office equipment

Comments: This category should not be confused with capital expenditures budgeted in the capital improvement funds which are completely separate and independent from the General Fund. This category is used for relatively small purchases that are not typically considered “materials or supplies” but which also do not qualify pursuant to capitalization thresholds for inclusion in the CIP budget. An example of this might be the purchase of relatively inexpensive computer peripherals or replacement office equipment (i.e. local printers). This expense should end the year well within budget.



	YTD Actuals	Original Budget	Amended Budget
2015	487,304	640,117	
2016	382,460	652,849	
2017	147,460	189,700	
2018	63,252	91,500	
2019	72,046	100,267	
2020	73,471	138,190	133,755
2021	28,303	168,300	168,300

Enterprise Funds

Brief Description: This section provides summaries for the following Enterprise Funds:

- **Water and Sewer Fund**
- **Parking Fund**
- **Environmental Services Fund**

Water and Sewer Fund

Water and Sewer Fund Revenues

Brief Description:

Water Description: The Village purchases water from the City of Chicago and re-sells it to customers throughout the Village using its own infrastructure. The Water Fund accounts for the revenues and expenses of operating the water system, including capital costs.

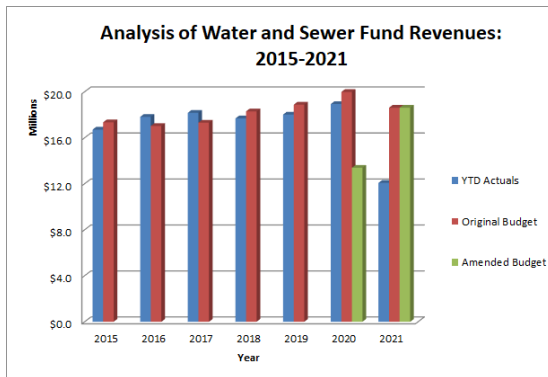
Sewer Description: The Village maintains the system that carries sewage to the Metropolitan Water Reclamation District's system. The sewer charge is based on the amount of water consumed per account.

Water and Sewer Fund Revenue Drivers: The following are drivers that impact Water Fund revenues:

- Water Revenue Drivers
 - Cost of water purchased from the City of Chicago
 - Amount of gallons used by customers

- Sewer Revenues Drivers
 - Sewer charges imposed by local ordinance
 - Amount of gallons used by customers

Comments: Due to the normal billing cycles, especially for residential accounts, there is typically a two to three month delay between water usage and billing/collections. This revenue does appear to be on target to meet the annual budget.



Water Fund				
		Revenues		
		YTD Actuals	Original Budget	Amended Budget
	2015	16,711,300	17,347,721	
	2016	17,818,708	17,026,149	
	2017	18,173,069	17,311,375	
	2018	17,687,386	18,293,000	
	2019	18,017,095	18,880,000	
	2020	18,936,707	19,986,000	13,390,620
	2021	12,078,550	18,617,720	18,617,720

Water and Sewer Fund Expenditures

Brief Description:

Water: The Water Fund maintains the infrastructure required to deliver water to Village residences and businesses throughout the community. Expenditures within the Water Fund reflect the costs related to the labor and equipment that are required to operate the pumping stations and to repair broken water mains.

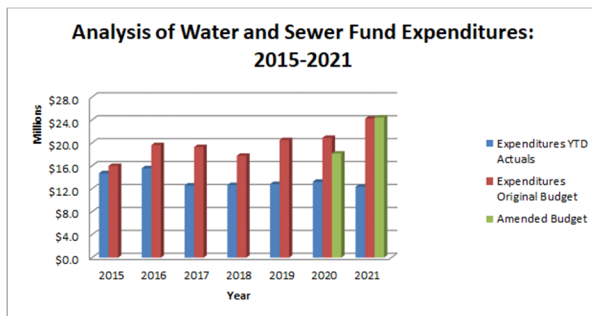
Sewer: The Sewer Fund maintains the infrastructure required to transport sewage from residences and businesses to treatment plants. Sewer Fund expenditures reflect the labor and equipment necessary to repair broken sewer lines.

Water and Sewer Fund Expenditure Drivers: The following are the drivers that impact Water and Sewer Fund expenditures:

- Water Fund Expenditure Drivers
 - Cost of water
 - Personnel costs
 - Outside contractor costs
 - Bill-to-pump ratio

- Sewer Fund Expenditure Drivers
 - Capital requirements
 - Personnel costs
 - Outside contractor costs

Comments: Water/sewer expenditures typically come in at or below budget unless there are a number of costly emergency expenses such as broken water mains. Thus far, it appears that this category will come in below the budgeted expense for the year.



	Expenditures		
	YTD Actuals	Original Budget	Amended Budget
2015	14,717,489	15,982,633	
2016	15,586,815	19,620,257	
2017	12,585,494	19,287,111	
2018	12,654,199	17,755,171	
2019	12,824,964	20,495,992	
2020	13,223,337	20,879,995	18,152,487
2021	12,359,467	24,238,387	24,434,241

Parking Fund

Parking Fund Revenues

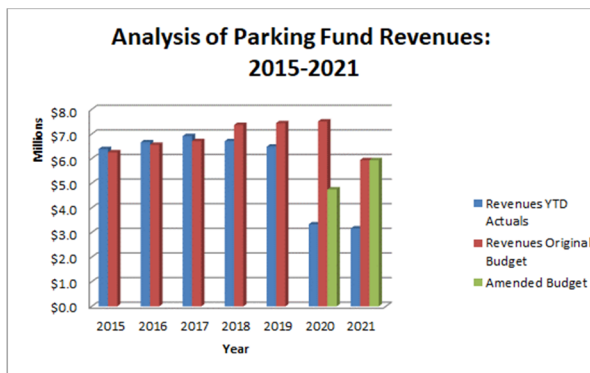
Brief Description: The Village owns and operates the majority of public parking throughout the Village. This includes on-street meters, parking garages located in Downtown Oak Park, as well as a large number of off-street lots.

Parking Fund Revenue Drivers: The following are drivers that “fuel” Parking Fund revenues:

- Parking rates
- Volume of parkers

Comments: As indicated in the Q2 report, this revenue continues to come in light, despite a certain degree of normality returning post-pandemic. A reduction to budgeted parking revenues was made for 2021, but actual revenues are still not keeping pace even at this lowered expectation.

It is possible that this revenue could fall short of budget by up to \$2 million for the year. Fortunately, however, the Village should be able to reimburse itself for “lost” revenue and build reserves back up to pre-pandemic levels using a portion of its American Rescue Plan allotment of \$39 million.



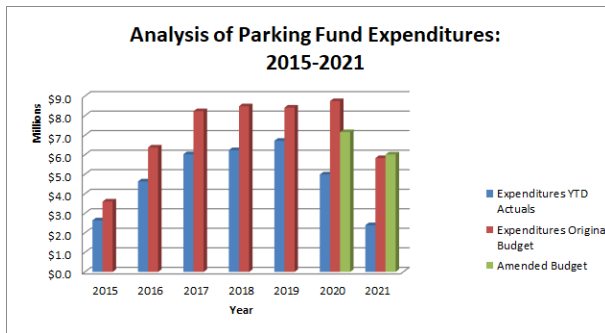
Parking Fund			
	Revenues		
	YTD Actuals	Original Budget	Amended Budget
2015	6,389,430	6,257,167	
2016	6,662,090	6,563,000	
2017	6,918,626	6,714,000	
2018	6,711,206	7,367,350	
2019	6,488,492	7,439,990	
2020	3,332,533	7,510,990	4,749,070
2021	3,165,817	5,940,000	5,940,000

Parking Fund Expenditures

Parking Fund Expenditure Drivers: The following are the drivers that impact Parking Fund expenditures:

- Personnel costs
- Capital costs

Comments: There are no areas of concern at this point and absent any unforeseen expenses, parking expenditures are expected to come in at or even below budget.



Parking Fund

	Expenditures		
	YTD Actuals	Original Budget Amended Budget	
2015	2,639,472	3,602,863	
2016	4,631,300	6,371,564	
2017	6,027,018	8,232,878	
2018	6,235,277	8,484,190	
2019	6,715,695	8,413,071	
2020	4,992,848	8,747,983	7,161,198
2021	2,389,947	5,830,987	6,012,815

Environmental Services Fund

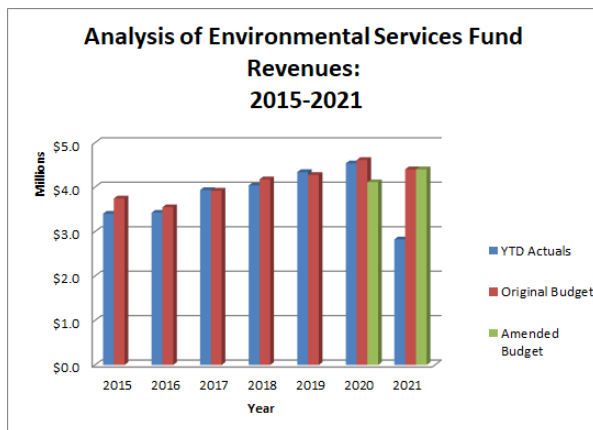
Environmental Services Fund Revenues

Brief Description: The Environmental Services Fund accounts for the Village’s trash removal and recycling programs. As an enterprise fund, the costs are charged to users of the system via charges on utility bills.

Parking Fund Revenue Drivers: The following are the drivers that impact Environmental Service Fund revenues:

- Garbage collection rates
- Sale of yard waste stickers

Comments: Due to the timing of the billing cycles, only seven months of revenue have been recorded by the end of the third quarter. After extrapolating the financial data, it appears that this revenue should come in at budget for the full year.



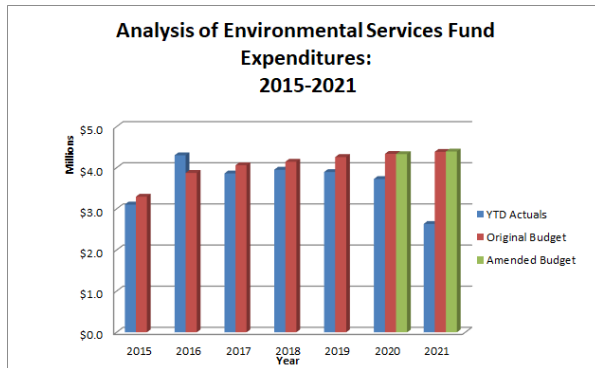
Environmental Services			
	Revenues		
	YTD Actuals	Original Budget	Amended Budget
2015	3,401,319	3,745,500	
2016	3,423,769	3,547,545	
2017	3,934,568	3,920,000	
2018	4,039,827	4,175,525	
2019	4,338,247	4,275,000	
2020	4,534,861	4,610,000	4,110,000
2021	2,824,728	4,400,000	4,400,000

Environmental Services Fund Expenditures

Environmental Services Fund Expenditure Drivers: The following are the drivers that impact Environmental Services Fund expenditures:

- Personnel costs
- Contractual costs of waste disposal

Comments: It appears that expenditures will come in at or below budget for the year.



Expenditures			
	YTD Actuals	Original Budget	Amended Budget
2015	3,106,241	3,296,995	
2016	4,304,540	3,875,976	
2017	3,863,407	4,062,623	
2018	3,953,734	4,148,081	
2019	3,898,002	4,261,832	
2020	3,728,290	4,339,342	4,331,822
2021	2,634,470	4,387,758	4,396,958

Main Capital Improvement Fund Revenue Analysis

Brief Description: The Main Capital Improvement Fund generates revenue through a dedicated 1% home rule sales tax, a six cent per gallon gasoline tax, an allocated 1% telecommunications tax as well as grants and bond proceeds. This section will analyze the performance of the following key revenue sources:

- 1% home rule sales tax
- Six cent per gallon gasoline tax

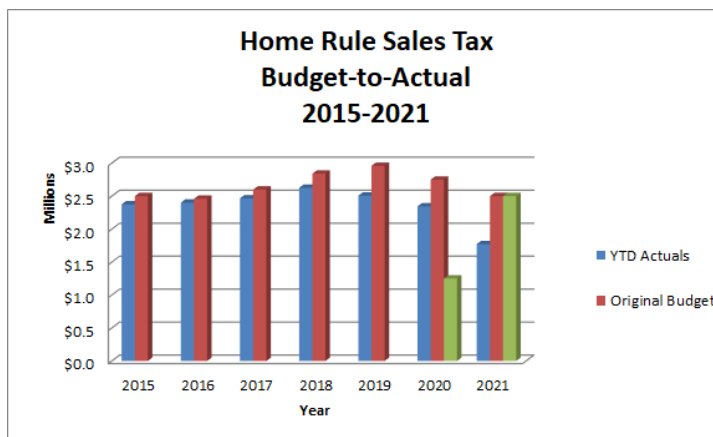
Home Rule Sales Tax Revenue

Brief Description: The Village imposes a 1% Home Rule Occupation Tax (HROT). While approved locally, this tax is also administered and collected at the state level. This tax is dedicated for Village capital projects and is accounted for separately in the Capital Improvement Project (CIP) Fund.

Home Rule Sales Tax Revenue Drivers: The following are drivers that impact Home Rule Sales Tax revenue performance:

- Retail sales
- Retail establishments

Comments: Based on collections for the first half of the year, it appears that this revenue is coming in much stronger than expected and will likely exceed budget for the full year by \$1,000,000 to \$1,200,000.



Month	Original Budget	Amended Budget	YTD Revenue
January			237,871
February			218,487
March			341,624
April			299,449
May			326,659
June			347,827
July			-
August			-
September			-
October			
November			
December			
Total	2,500,000	2,500,000	1,771,917

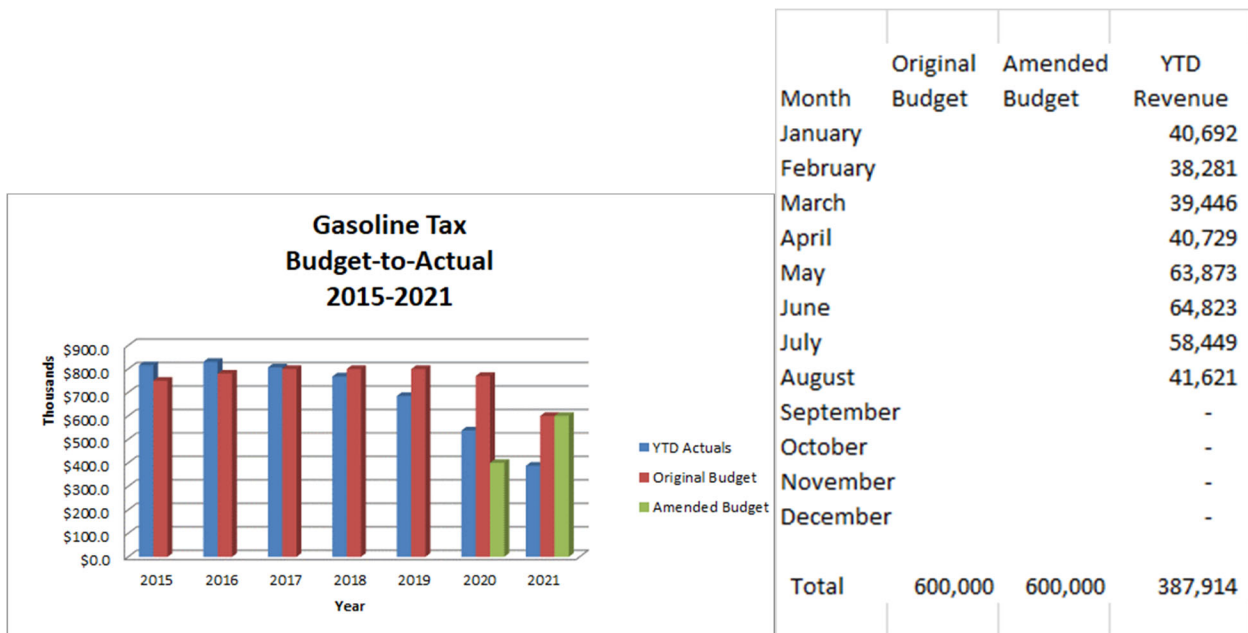
Gasoline Tax Revenue

Brief Description: The Village imposes a tax upon the retail purchase of motor fuel at the rate of six cents (\$0.06) per gallon. This tax is dedicated for Village capital projects and is accounted for separately in the Capital Improvement Project (CIP) Fund.

Gasoline Tax Revenue Drivers: The following are the drivers that impact Gasoline Tax revenue performance:

- Gasoline sales

Comments: Expectations for this revenue were lowered somewhat for 2021 but even so, it still appears that this revenue could fall short of budget by approximately \$50,000 to \$75,000 for the year.



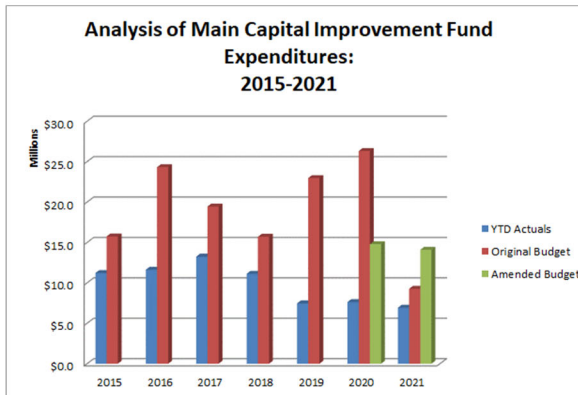
Main Capital Improvement Fund Expenditures

Main Capital Improvement Fund Expenditure Drivers: The following are drivers that impact Capital Improvement Fund expenditures:

- Contract costs
- Large equipment bids

Comments: Most of these large capital and infrastructure projects are overseen by the public works engineering division. Typically in the first quarter, budget amendments are brought to the Board for approval to carry over prior year unspent funds on these large projects which often span over multiple years. Approximately \$4.8M was carried over from 2020, hence, the budgeted was amended from about \$9.3M to \$14.1M.

As depicted in the graph below, actual expenditures usually come in well below budget and the unused amounts are carried forward to subsequent years. There are two factors that result in these carryovers: 1) delays in contractors performing the work for a number of different reasons, 2) routine contractor billing delays for completed work. Large projects are usually billed in installments based on the percentage of completion method. Overall, capital expenditures are expected to come in below budget for the full year.



Main Capital Improvement Fund

	YTD Actuals	Original Budget	Amended Budget
2015	11,228,142	15,752,794	
2016	11,635,970	24,327,307	
2017	13,253,862	19,449,876	
2018	11,127,240	15,713,219	
2019	7,475,191	22,975,484	
2020	7,633,142	26,317,493	14,787,143
2021	6,932,328	9,268,978	14,104,669