



Village of Oak Park, IL
Finance Department

**Unaudited Quarterly
Financial and Performance
Report
June 30, 2020**

Completed in July 2020

QUARTERLY REPORT RATING LEGEND

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



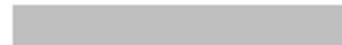
Minor (immaterial) variations to budget can be expected.



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



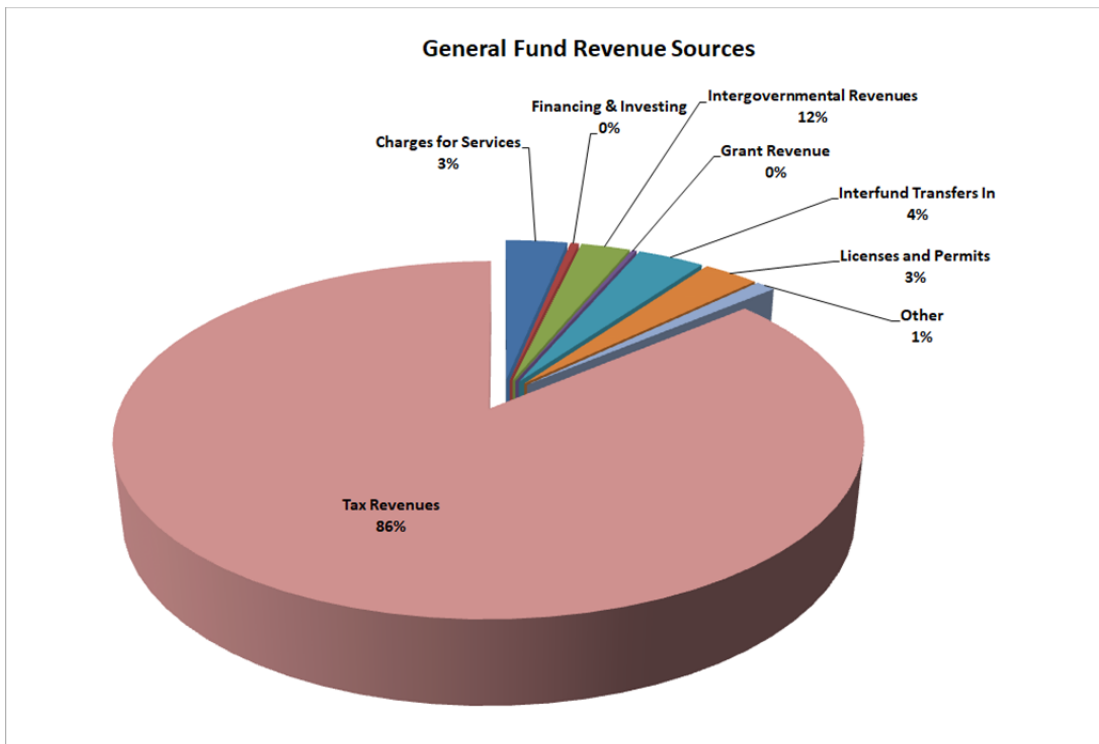
Undetermined (typically used in 1st and 2nd quarters)

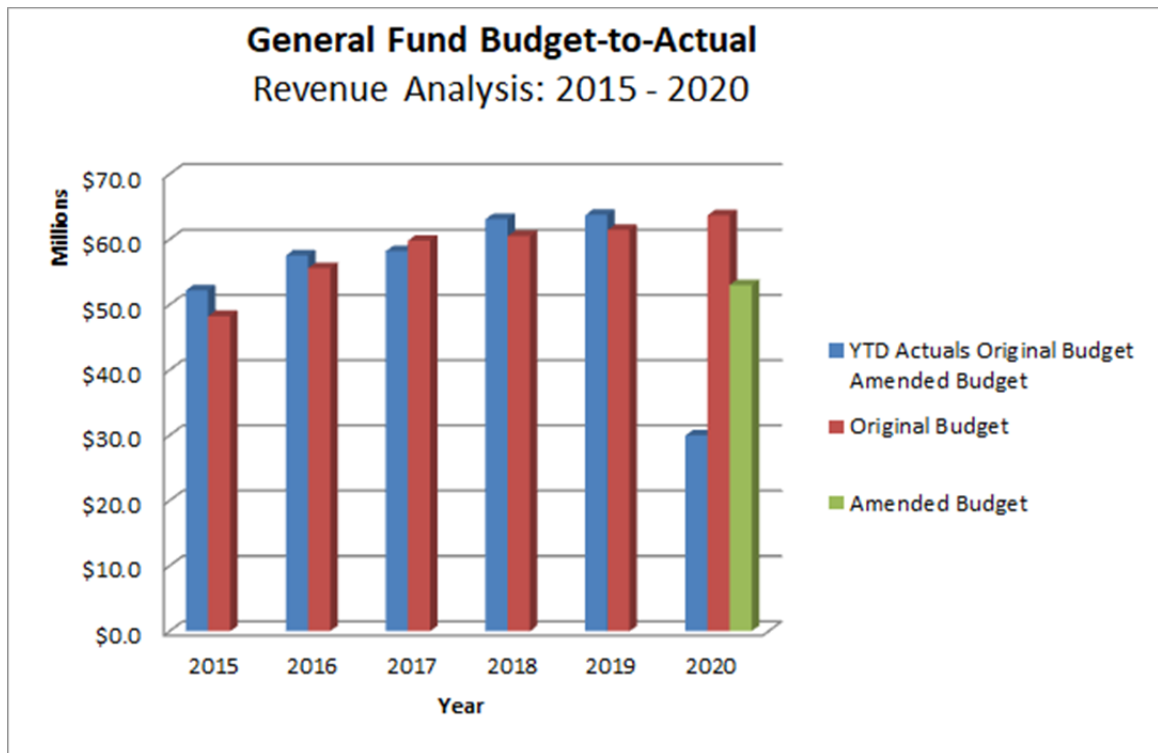


General Fund Revenue Analysis

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>	<u>6/30/20</u>	<u>Amended</u>	<u>Original</u>	<u>Amended</u>
	<u>YTD Actuals</u>	<u>Annual Budget</u>	<u>Annual Budget</u>	<u>Remaining Goal</u>
Charges for Services	962,685	1,743,900	2,238,400	781,215
Financing & Investing	130,245	52,500	602,500	(77,745)
Fines	770,192	1,275,000	2,590,000	504,808
Grant Revenue	75,952	190,250	21,250	114,298
Interfund Transfers In	1,040,000	1,580,000	2,080,000	540,000
Licenses and Permits	870,400	711,100	2,114,073	(159,300)
Other	308,614	862,000	1,012,000	553,386
Tax Revenues	25,804,751	46,597,129	53,024,743	20,792,378
	<u>29,962,839</u>	<u>53,011,879</u>	<u>63,682,966</u>	<u>33,720,127</u>

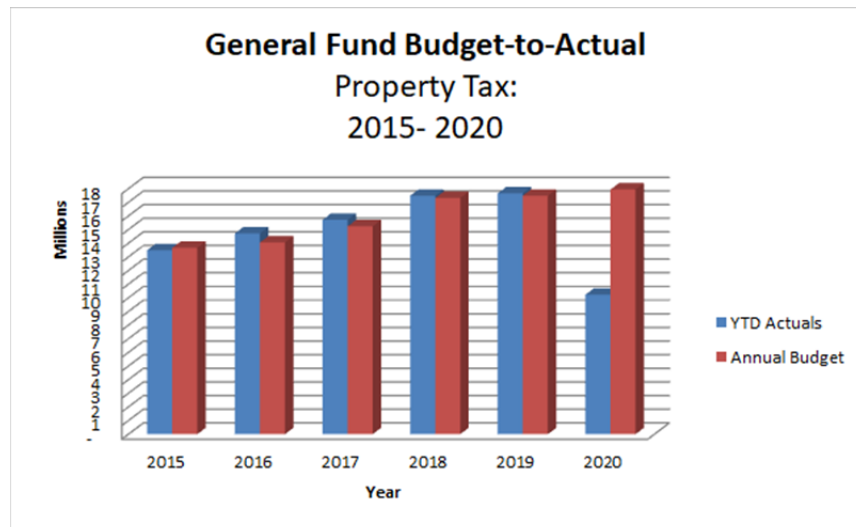
Property Tax Revenues

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% 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. Detail on the other Village levies is in the table below. The first installment every year is always an estimate calculated at 55% of the prior year's levy.



	FY20 Budget	YTD Actual
<u>GF Levy Allocation</u>		
General Operating Levy	17,938,940	10,229,027
Police Pension Levy	6,338,241	3,643,389
Fire Pension Levy	5,438,948	3,024,653
Total	29,716,129	16,897,069

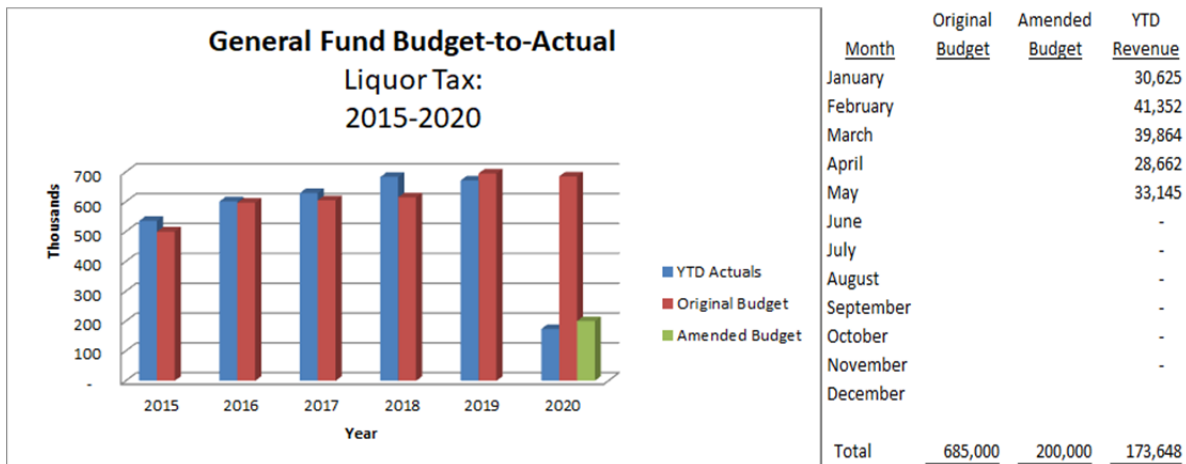
Liquor Tax Revenues

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. It is projected that this revenue will come at approximately \$400,000 for the year which is \$285,000 under original budget but \$200,000 greater than amended budget.



Month	Original Budget	Amended Budget	YTD Revenue
January			30,625
February			41,352
March			39,864
April			28,662
May			33,145
June			-
July			-
August			-
September			-
October			-
November			-
December			-
Total	685,000	200,000	173,648

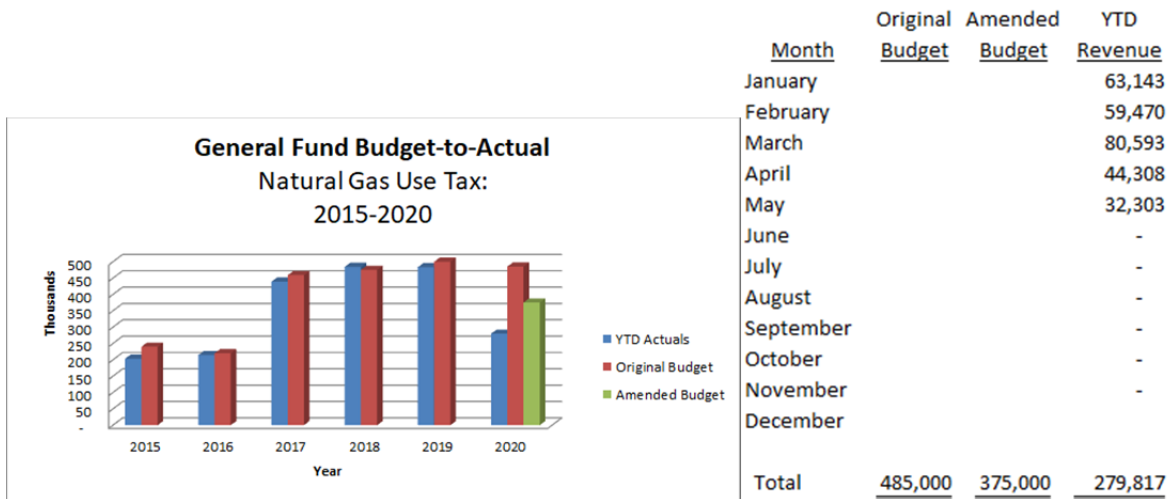
Natural Gas Use Tax Revenues

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. The projection for this revenue will ultimately depend on how cold or mild the weather is from October-December. A conservative annual projection is \$400,000 which is \$85,000 less than original budget and \$25,000 more than amended budget.



Month	Original Budget	Amended Budget	YTD Revenue
January			63,143
February			59,470
March			80,593
April			44,308
May			32,303
June			-
July			-
August			-
September			-
October			-
November			-
December			-
Total	485,000	375,000	279,817

Sales and Use Tax Revenues

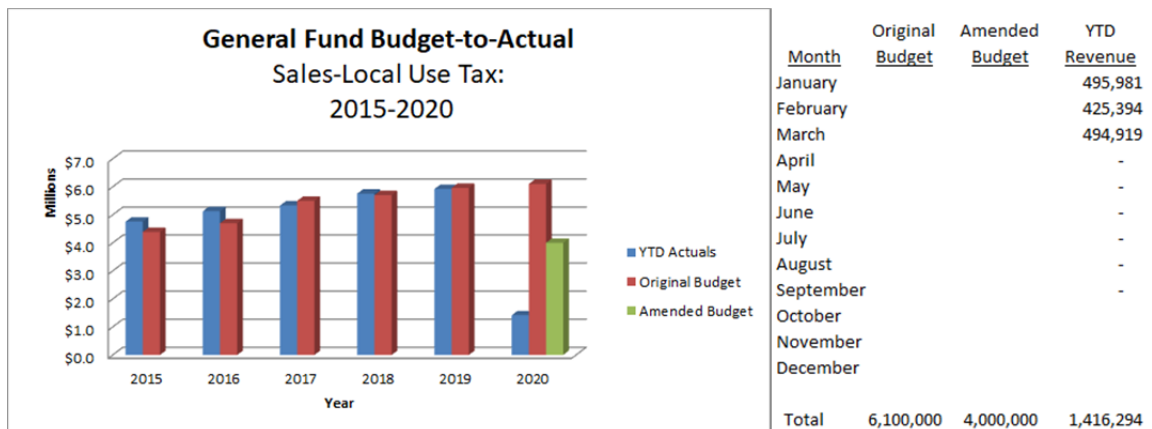
Brief Description: In Illinois, there is a base 6.25 % sales tax on general merchandise. It is administered and collected by the Illinois Department of Revenue. One percent (1%) of this Sales Tax is distributed to the municipality where the sale occurred. This tax, formally referred to as the Retailer’s 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 and the full year will not be collected until March 2021. Since the months collected are prior to the start of the pandemic, it is still too early to develop a trend. However, based on very limited data, it does appear that the annual projection may exceed the amended budget by at least \$500,000.



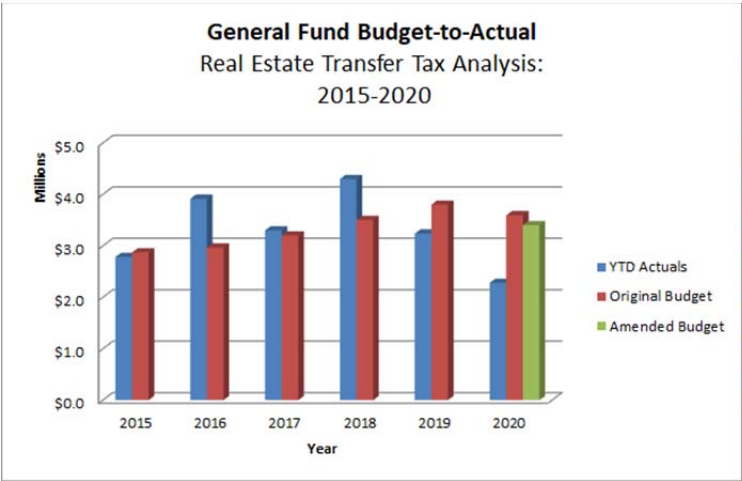
Real Estate Transfer Tax Revenues

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
- Price of transactions

Comments: Real Estate Transfer Tax is a fixed percentage on the value of every non-exempt property sale within the Village. This revenue is doing well and barring an unexpected downturn in the housing market, it should hit the original budget by year end.



Month	Original Budget	Amended Budget	YTD Revenue
January			265,848
February			150,392
March			513,798
April			235,118
May			878,576
June			235,122
July			-
August			-
September			-
October			-
November			-
December			-
Total	3,594,008	3,400,000	2,278,854

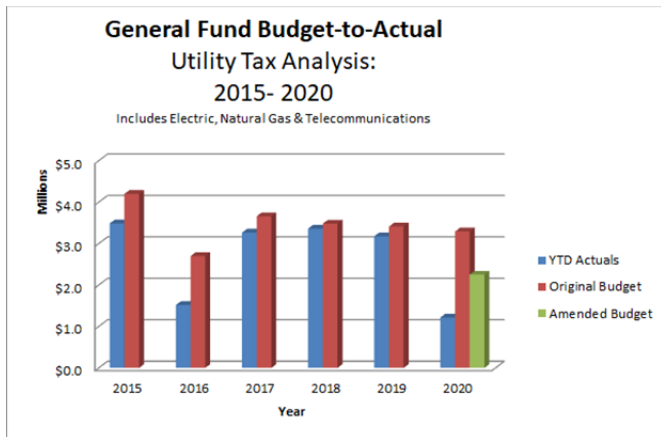
Utility Tax Revenues

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 more and more consumers cancel landlines and solely utilize cell phones. The Natural Gas and Electric utility taxes are largely dependent on the weather in any given year and are therefore challenging to forecast. It appears that these combined revenues should meet or slightly exceed the amended budget.



Month	Combined	Combined	Tele Tax	Nat Gas Tax	Elec Tax	Combined
	Original Budget	Amended Budget	YTD Revenue	YTD Revenue	YTD Revenue	YTD Revenue
January			65,456	82,643	173,639	321,738
February			60,828	84,296	127,840	272,964
March			62,121	101,436	117,757	281,314
April			-	87,002	104,565	191,567
May			-	47,466	101,262	148,728
June			-	-	-	-
July			-	-	-	-
August			-	-	-	-
September			-	-	-	-
October			-	-	-	-
November			-	-	-	-
December			-	-	-	-
Total	3,290,000	2,250,000	188,405	402,843	625,063	1,216,311

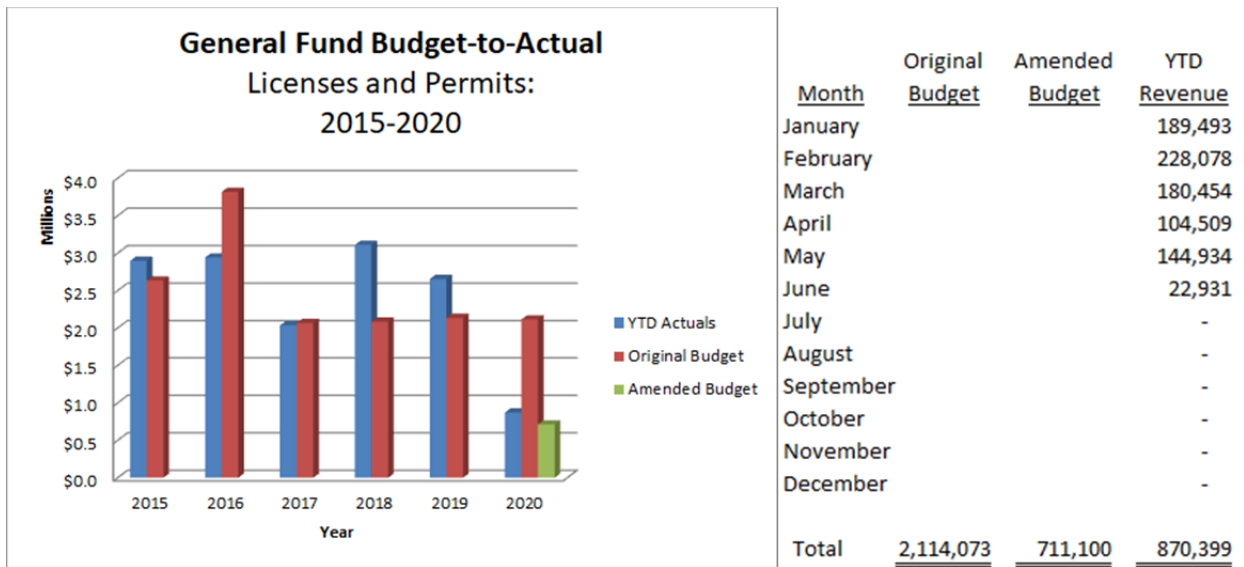
Licenses and Permits

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: It appears that this revenue may exceed the amended budget by as much as \$800,000. However, even if this projection materializes, it would still be approximately \$600,000 below the original budget.



<u>Month</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>YTD Revenue</u>
January			189,493
February			228,078
March			180,454
April			104,509
May			144,934
June			22,931
July			-
August			-
September			-
October			-
November			-
December			-
Total	<u>2,114,073</u>	<u>711,100</u>	<u>870,399</u>

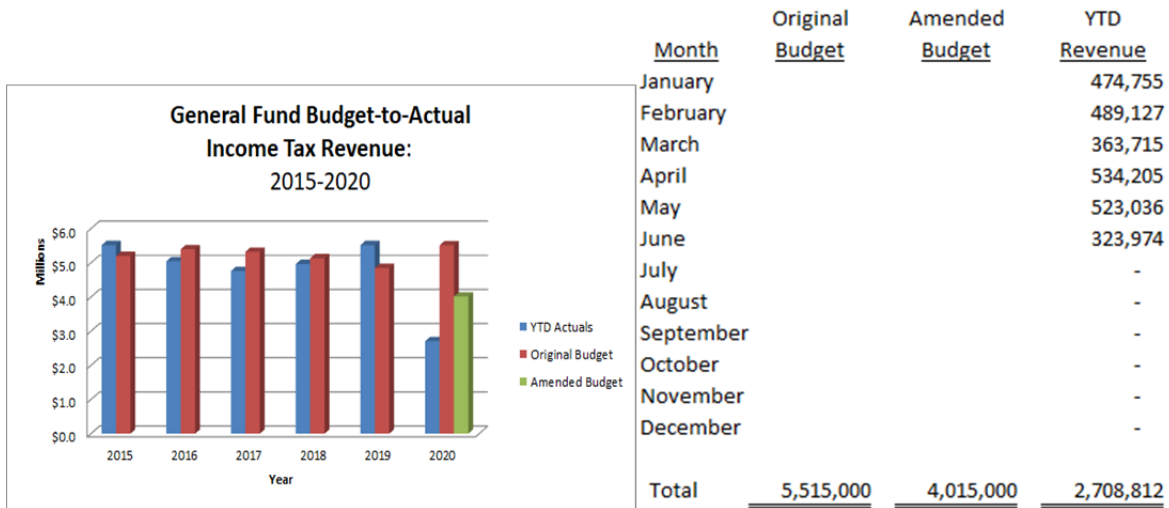
Income Tax Revenue

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: Based on updated IML per capita estimates, this revenue is expected to come in at approximately \$5,000,000 which is about \$1M more than the amended budget but \$500,000 below the original budget.



Month	Original Budget	Amended Budget	YTD Revenue
January			474,755
February			489,127
March			363,715
April			534,205
May			523,036
June			323,974
July			-
August			-
September			-
October			-
November			-
December			-
Total	5,515,000	4,015,000	2,708,812

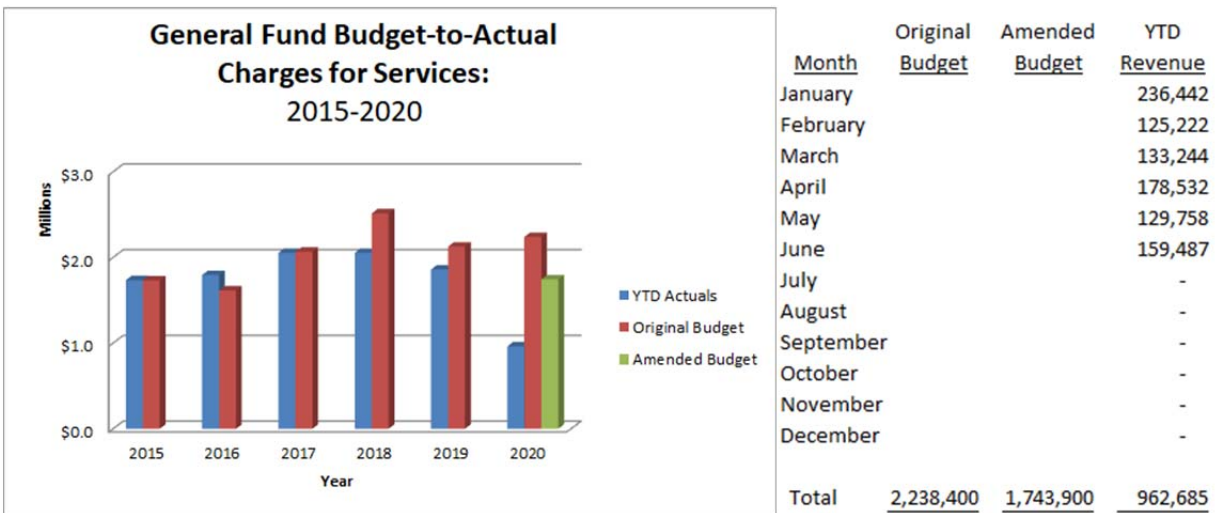
Charges for Services

Brief Description: The Village provides a number of services for which it charges fees directly to customers. Such services include: drafting of police reports, property sales inspections, ambulance services, intergovernmental services, and environmental health services.

Drivers for Charges for Services: The following are some the drivers that impact Charges for Services:

- **Public Safety:**
 - Vehicular accidents
 - Traffic and other insurance-related claims
- **Health**
 - Number of health-related inspections
- **Info Tech support:**
 - Reimbursement for services provided to other taxing bodies
- **Public works**
 - Services volume and maintenance service related to the public way
- **Buildings**
 - Condo inspection fees
- **Cable TV**
 - Number of cable subscribers
 - Cost of cable service
- **Other**
 - Miscellaneous demands for services

Comments: It is projected that this revenue should exceed the amended budget by approximately \$200,000 but this would be about \$300,000 below the original budget.



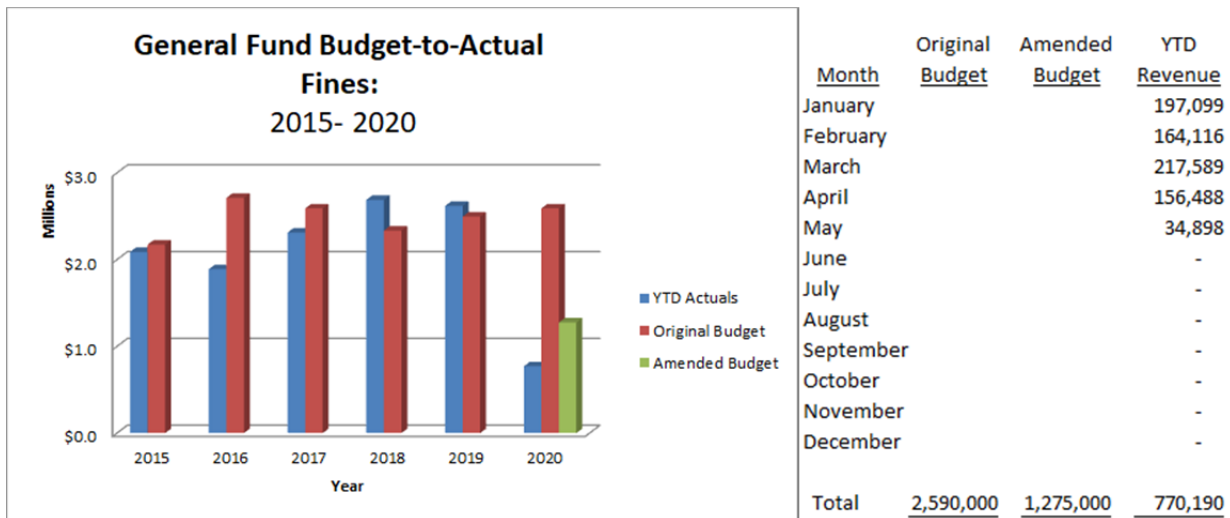
Fines

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: Fine revenue is expected to decline, as adjudication hearings have been deferred during the pandemic. A reasonable annual projection for this revenue is in the \$1.2M- \$1.4M range which matches the amended amount and is approximately \$1.1M below original budget.



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.).

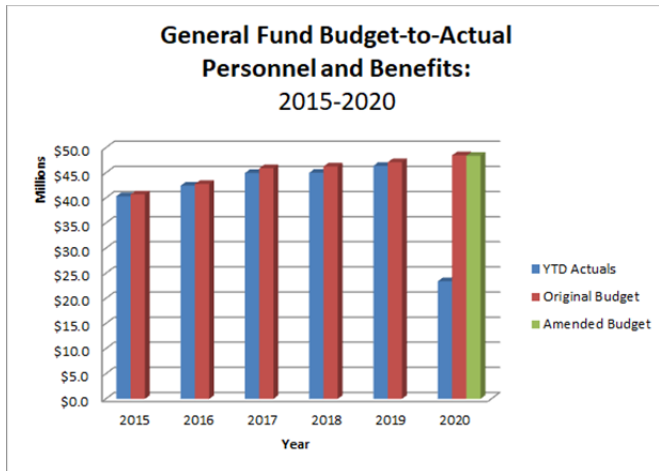
Personnel and Benefits Expenditures

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: Personnel and benefits is projected to come in below budget and vacancies should exceed the \$1.8 million dollar estimate used and budgeted as “turnover” savings.



	Original FY20 <u>Budget</u>	YTD FY20 Actual <u>6/30/2020</u>
Regular/Comp/Payouts	28,069,209	12,937,871
Overtime	1,464,083	687,838
Social Security/Medicare	1,045,326	449,990
Health/Life Insurance	5,266,615	2,169,284
Pension Contributions	12,630,015	7,151,418
Total	48,475,248	23,396,401

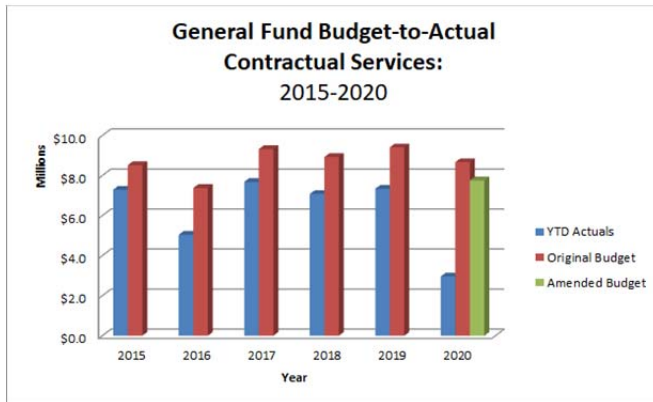
Contractual Services Expenditures

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: Overall, the budget for contractual services has been reduced by approximately \$900,000 and year to date actual is on track to match this amount.



	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	2,962,188	8,668,818	7,758,614

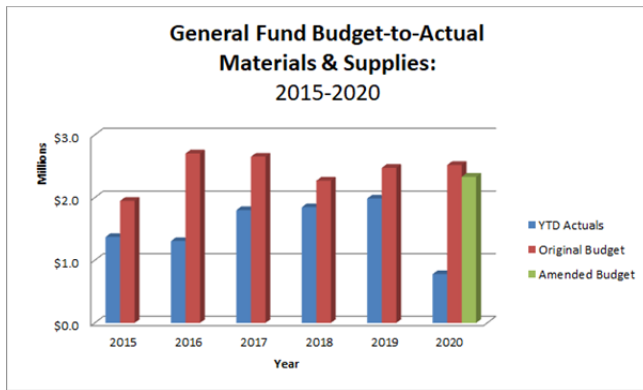
Materials & Supplies

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: Expenditures in this category will likely come in at or slightly below the amended budget for the year.



	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	778,848	2,519,602	2,330,732

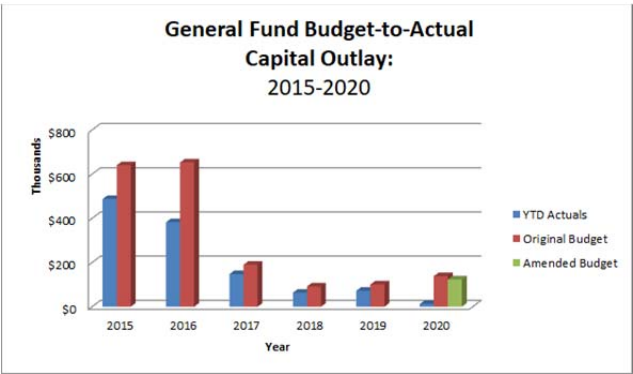
Capital Outlay

Brief Description: Capital Outlay expenditures are for the purchase of smaller ticket office/computer equipment and software 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 issuances.

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

- Routine replacement of computer and office equipment

Comments: This category is a relatively small amount because the majority of capital is expensed out of the designated capital improvement funds. Thus far, this account category appears to be running well under 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	11,901	138,190	123,450

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.

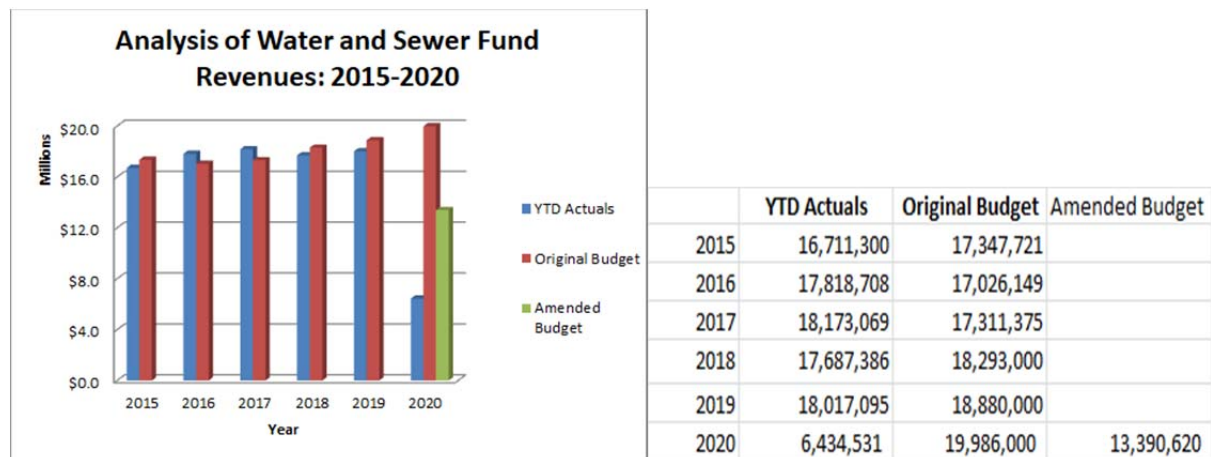
Sewer Description: The Village maintains the system that carries sewage to the Metropolitan Water Reclamation District's system. The sewer charge is based on the amount of water consumed per account.

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 many residents and businesses using less water or not having the ability to pay for water, this revenue is expected to come in well below budget. However, it does not appear to be quite as dire as indicated by the amended budget. Conservatively, this revenue is projected to come in at approximately \$16M for the year which is midpoint between the original and amended budget. As past due account balances increase, some of this revenue is expected to eventually be collected in FY21 or if/when properties are sold.



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.

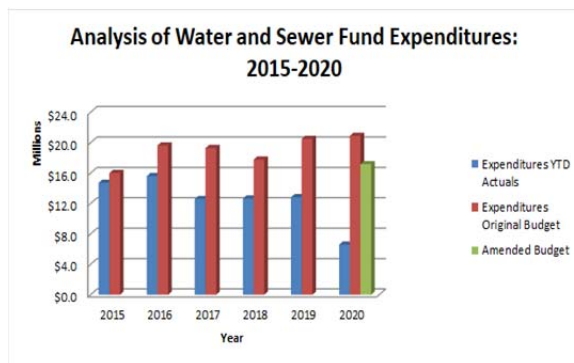
Sewer: The Sewer Fund maintains the infrastructure required to transport sewage from residences and businesses to treatment plants. Sewer Fund expenditures reflect the labor and equipment necessary to repair broken sewer lines.

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: Almost \$4 million has been cut from the budget and it appears that actual expenditures are on track to come in at or below this reduced amount.



	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	6,578,219	20,879,995	17,141,487

Parking Fund

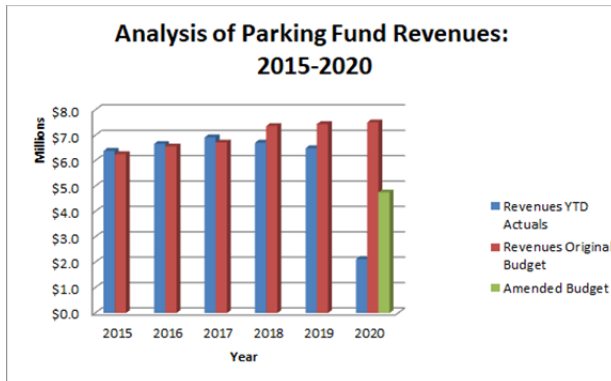
Parking Fund Revenues

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: Due to the pandemic and severe lack of shopping and dining in the downtown district, parking fees are projected to come in well below the original budget and possibly even slightly under the amended budget.



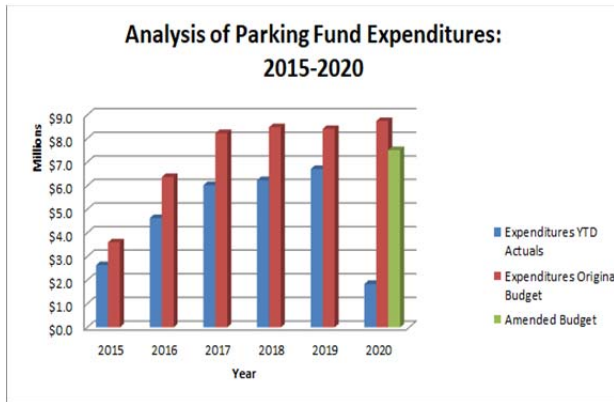
	YTD Actuals	Original Budget	Amended Budget
2015	6,389,430	6,257,167	
2016	6,662,090	6,563,000	
2017	6,918,626	6,714,000	
2018	6,711,206	7,367,350	
2019	6,488,492	7,439,990	
2020	2,122,073	7,510,990	4,749,070

Parking Fund Expenditures

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

- Personnel costs
- Capital costs

Comments: Several capital projects have been deferred in order to offset the downturn in parking revenues. Therefore, overall parking expenditures are expected to come in at or below the amended budget.



	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	1,842,693	8,747,983	7,511,865

Environmental Services Fund

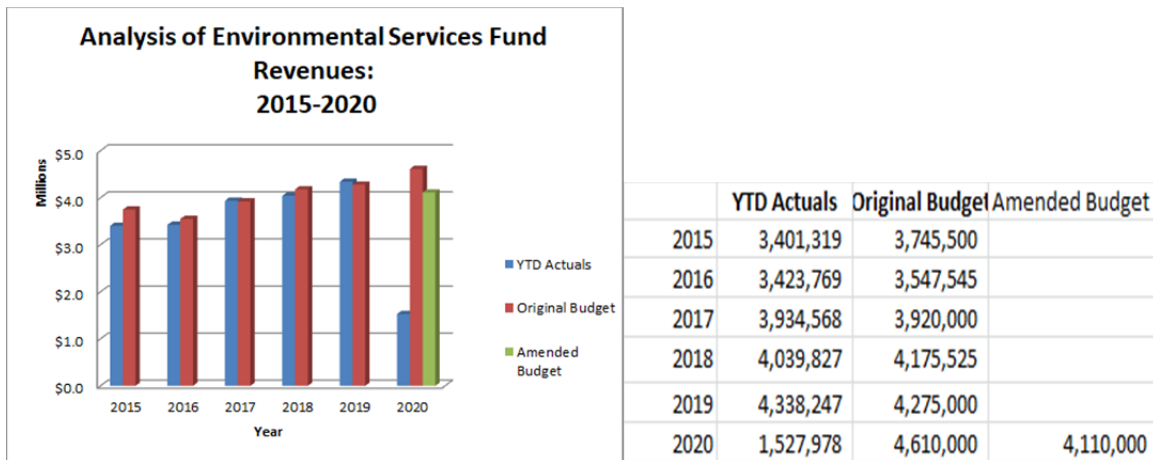
Environmental Services Fund Revenues

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: It appears that this revenue should meet or slightly exceed the reduced amended budget.

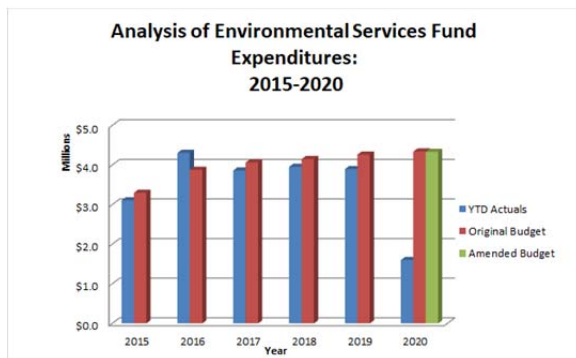


Environmental Services Fund Expenditures

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

- Personnel costs
- Contractual costs of waste disposal

Comments: Expenditures are expected to come in at or slightly below the amended budget for the year.



	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	1,597,993	4,339,342	4,331,822

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

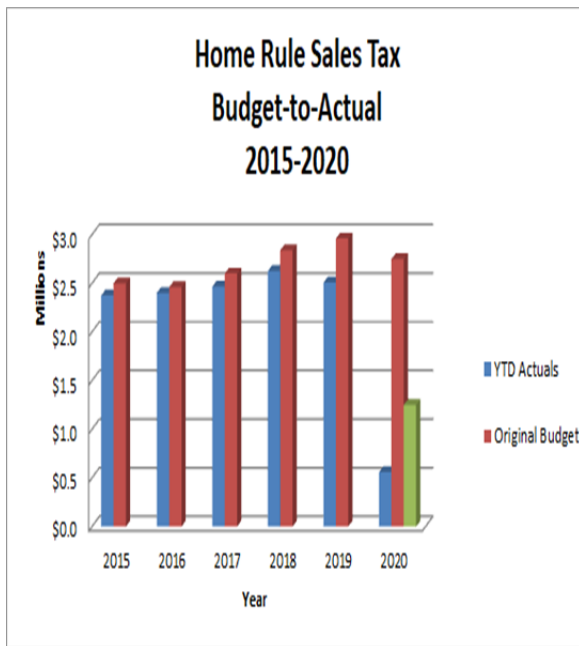
Home Rule Sales Tax Revenue

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: Conservatively, it is projected that this revenue may hit at least \$1,500,000 for the year which would be \$250,000 over the amended budget but considerably less than original budget.



Month	Original Budget	Amended Budget	YTD Revenue
January			211,424
February			173,363
March			174,501
April			-
May			-
June			-
July			-
August			-
September			-
October			-
November			-
December			-
Total	2,750,000	1,250,000	559,288

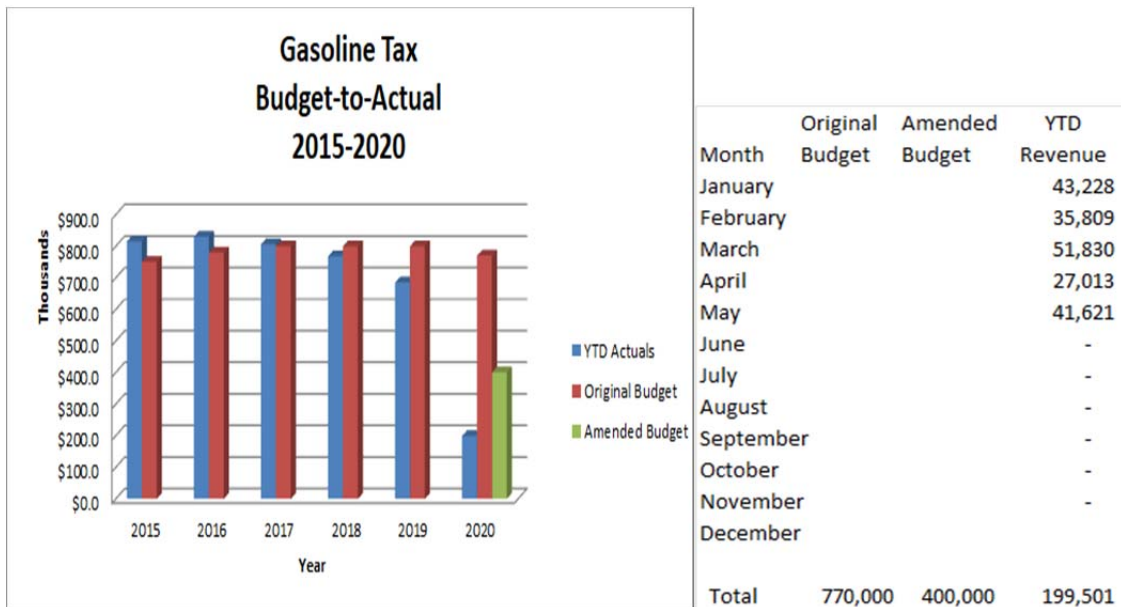
Gasoline Tax Revenue

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: This revenue is expected to meet or slightly exceed the amended budget of \$400,000. It is possible that most of the shortfall in this revenue may be deferred and eventually collected in FY21 assuming businesses recover post-pandemic.



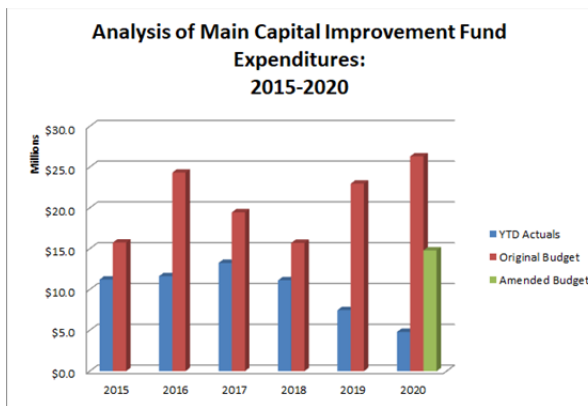
Month	Original Budget	Amended Budget	YTD Revenue
January			43,228
February			35,809
March			51,830
April			27,013
May			41,621
June			-
July			-
August			-
September			-
October			-
November			-
December			-
Total	770,000	400,000	199,501

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: Significant reductions to capital project budgets have been made due to the pandemic and it is expected that actual expenditures will come in at or below this reduced amount.



	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	4,805,661	26,317,493	14,787,143