



Village of Oak Park, IL  
Finance Department

**Unaudited Quarterly  
Financial and Performance  
Report  
March 31, 2021**

Completed in April 2021

## QUARTERLY REPORT RATING LEGEND

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



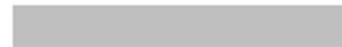
Minor (immaterial) variations to budget can be expected.



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



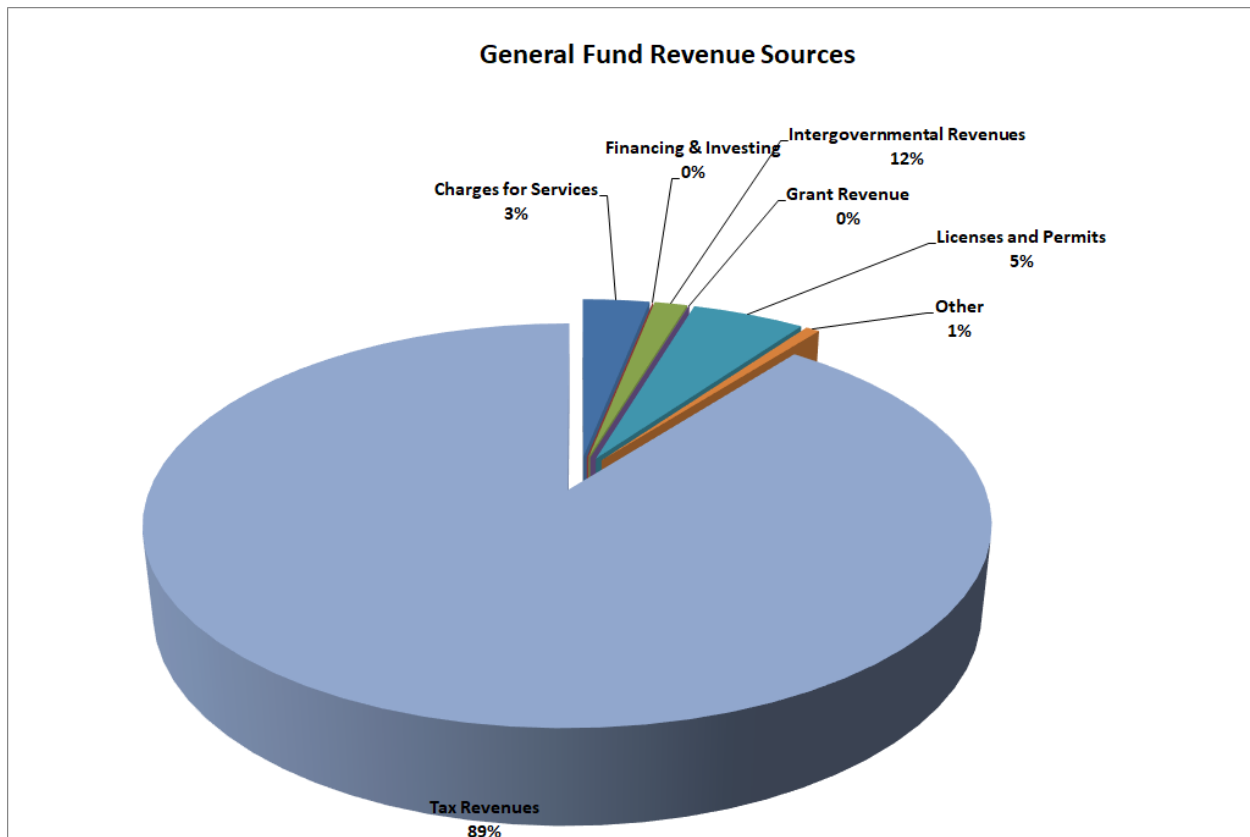
Undetermined (typically used in 1st and 2nd quarters)

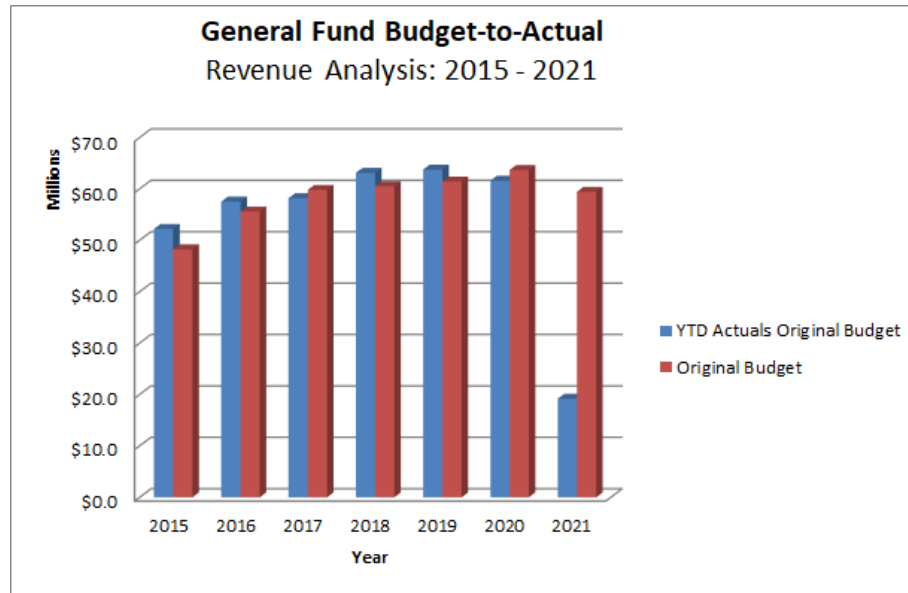


## General Fund Revenue Analysis

**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>	<u>03/31/21</u> YTD Actuals	<u>Amended</u> Annual Budget	<u>Original</u> Annual Budget	<u>Amended</u> Remaining Goal
Charges for Services	592,227	1,979,100	1,979,100	1,386,873
Financing & Investing	3,377	152,500	152,500	149,123
Fines	291,941	2,090,000	2,090,000	1,798,059
Grant Revenue	6,337	451,250	451,250	444,913
Licenses and Permits	1,000,045	1,999,840	1,999,840	999,795
Other	123,553	862,000	862,000	738,447
Tax Revenues	17,169,971	51,910,591	51,910,591	34,740,620
	<u>19,187,451</u>	<u>59,445,281</u>	<u>59,445,281</u>	<u>40,257,830</u>

# Property Tax Revenues

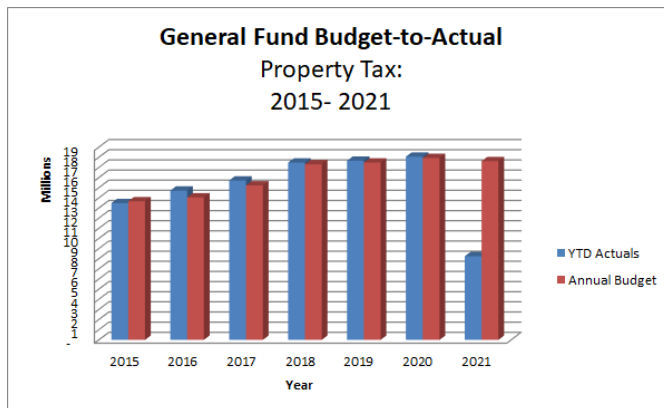
**Brief Description:** Property tax revenues are proceeds that the Village levies or assesses on real estate. Each year, the Village Board adopts an exact amount for the County to assess on real estate and this levy is used for general operations, debt service payments, and contributions into the police 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. 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. However, as seen below, only about \$13.7M had been collected by March 31<sup>st</sup>. The reason for this is likely due to the deferment of the first installment due date to May 3, 2021 and thus, the remainder of the first installment should show up in the Q2 report.



	FY21 Budget	YTD Actual
<b>GF Levy Allocation</b>		
General Operating Levy	17,624,845	8,252,839
Police Pension Levy	6,973,534	2,929,391
Fire Pension Levy	6,138,212	2,511,410
<b>Total</b>	<b>30,736,591</b>	<b>13,693,640</b>

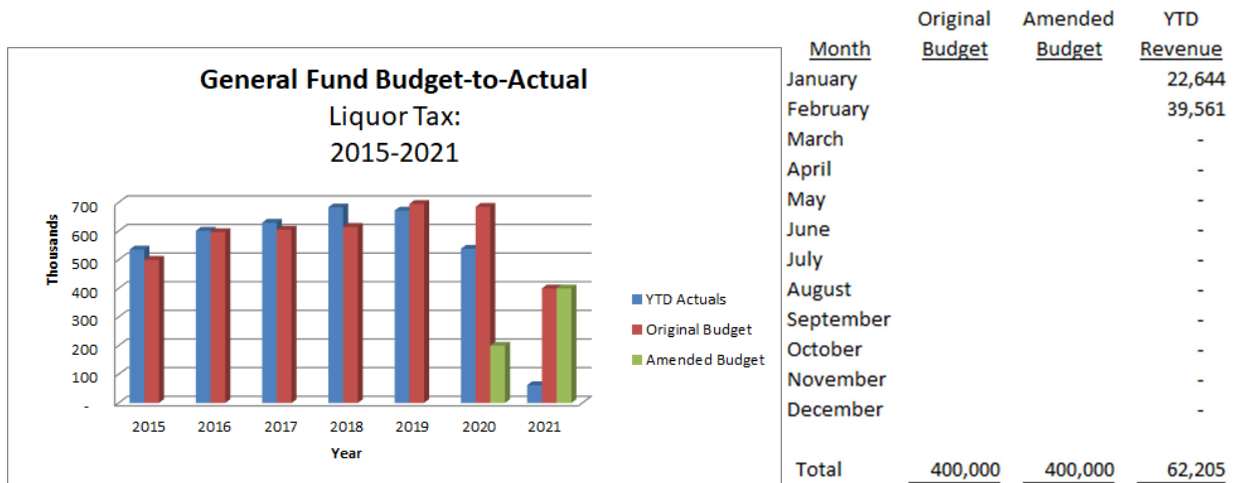
## Liquor Tax Revenues

**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 which is less than in prior years. A conservative approach was taken with the budget since it is anticipated that at least some bars/restaurants may not reopen once the pandemic ends.



Month	Original Budget	Amended Budget	YTD Revenue
January			22,644
February			39,561
March			-
April			-
May			-
June			-
July			-
August			-
September			-
October			-
November			-
December			-
<b>Total</b>	<b>400,000</b>	<b>400,000</b>	<b>62,205</b>

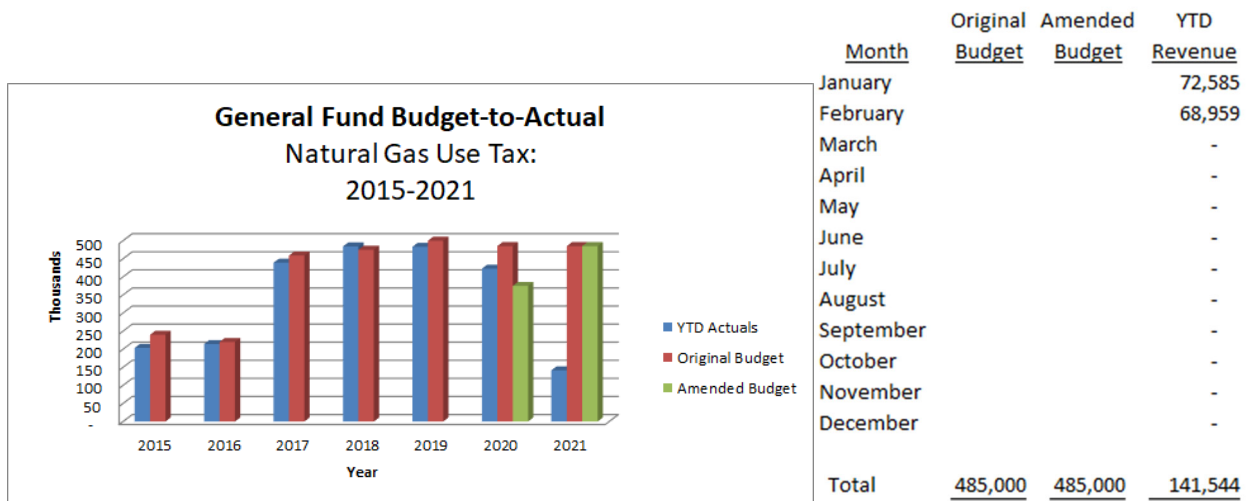
# Natural Gas Use Tax Revenues

**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 and varies based on the season, with the larger amounts coming in during the colder months.



<u>Month</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>YTD Revenue</u>
January			72,585
February			68,959
March			-
April			-
May			-
June			-
July			-
August			-
September			-
October			-
November			-
December			-
<b>Total</b>	<b><u>485,000</u></b>	<b><u>485,000</u></b>	<b><u>141,544</u></b>

## Sales and Use Tax Revenues

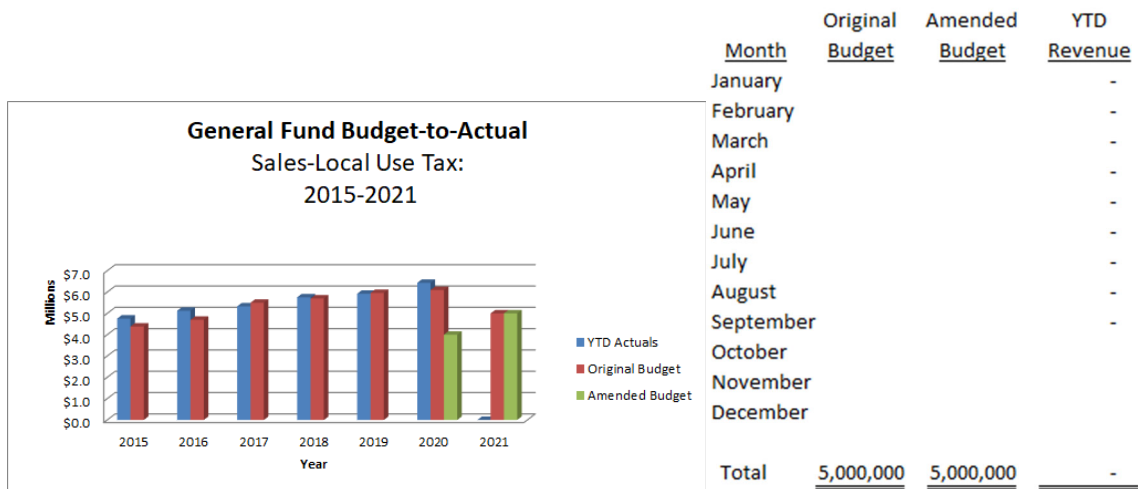
**Brief Description:** In Illinois, there is a base 6.25 % sales tax on general merchandise. It is administered and collected by the Illinois Department of Revenue. One percent (1%) of this Sales Tax is distributed to the municipality where the sale occurred. This tax, formally referred to as the Retailer’s 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. Therefore, no tax has been collected as of March 31<sup>st</sup> and in the Q2 report for the period ending June 30<sup>th</sup>, three months of tax will be collected at that point. The \$5M combined budgeted sales and use tax is a fairly conservative estimate and this amount will hopefully be surpassed if the economy begins to accelerate due to a release of pent up demand, assuming of course that the pandemic ends within the next few months.





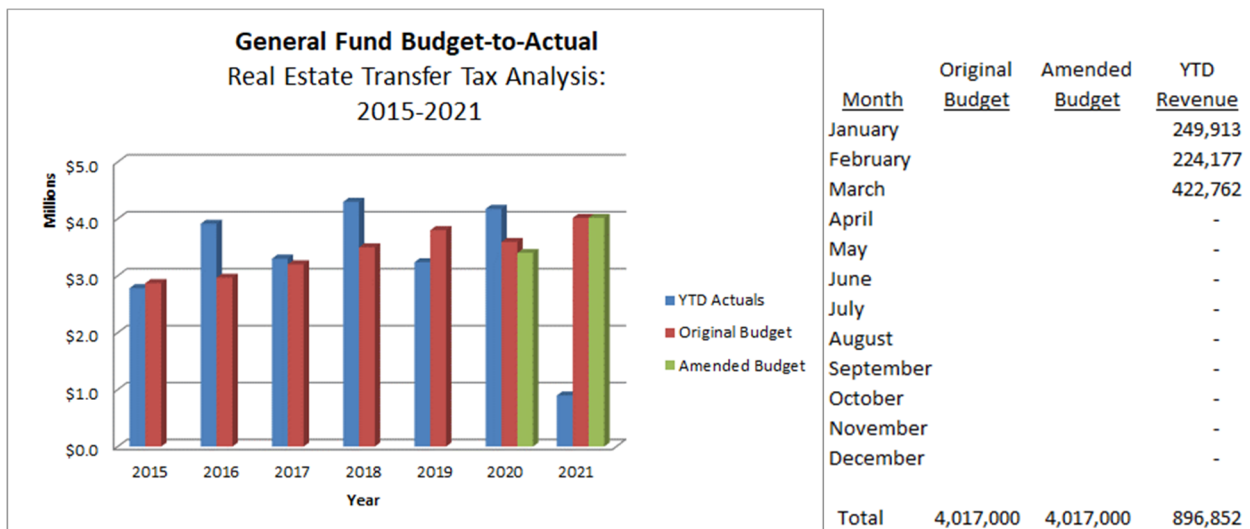
## Real Estate Transfer Tax Revenues

**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 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. The first quarter of the year is typically the slowest month for home sales and this tax revenue usually picks up pace over the spring and summer.



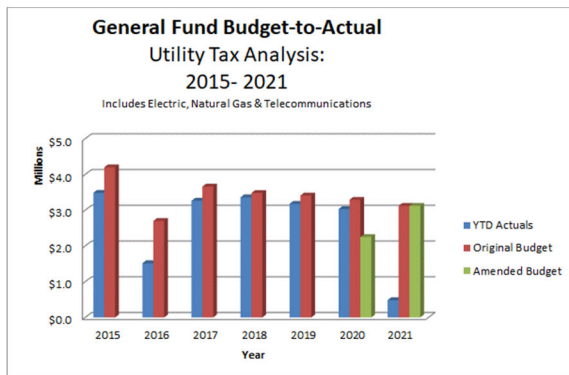
# Utility Tax Revenues

**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 are therefore challenging to forecast. For the prior year, the combined utility taxes came in at slightly below the original budget. It is too early to forecast what may happen with this revenue in 2021.



Month	Combined	Combined	Tele Tax	Nat Gas Tax	Elec Tax	Combined
	Original	Amended	YTD	YTD	YTD	YTD
	Budget	Budget	Revenue	Revenue	Revenue	Revenue
January			-	104,490	138,569	243,059
February			-	104,743	136,688	241,431
March			-	-	-	-
April			-	-	-	-
May			-	-	-	-
June			-	-	-	-
July			-	-	-	-
August			-	-	-	-
September			-	-	-	-
October			-	-	-	-
November			-	-	-	-
December			-	-	-	-
<b>Total</b>	<b>3,120,000</b>	<b>3,120,000</b>	<b>-</b>	<b>209,233</b>	<b>275,257</b>	<b>484,490</b>

*Note: Includes Telecommunications, Natural Gas, and Electric Utility Taxes*

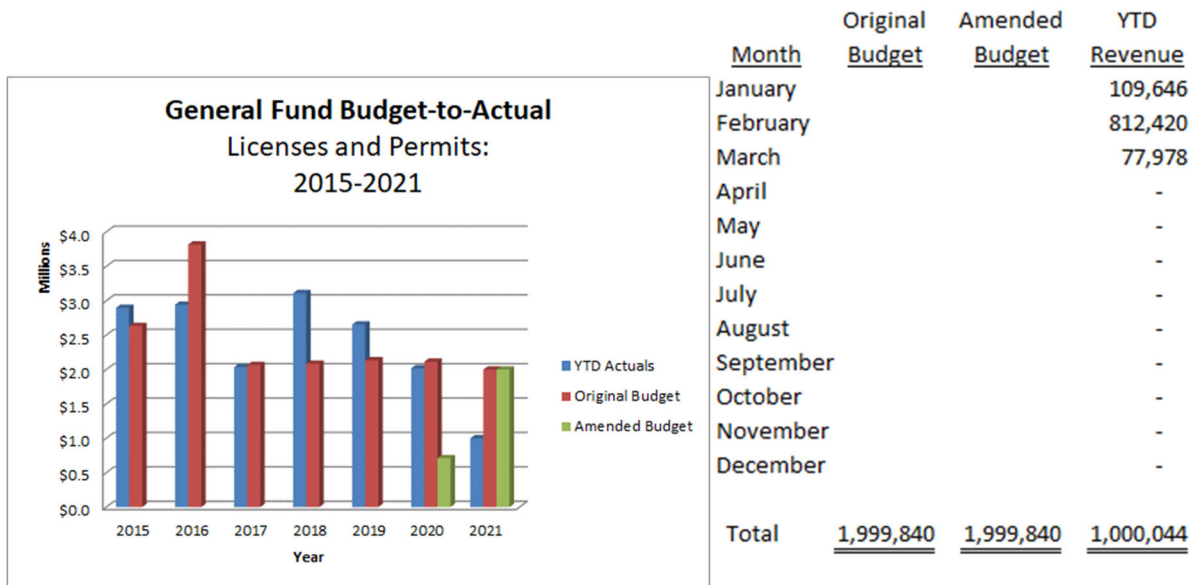
## Licenses and Permits

**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:** Although only three months of the year has elapsed, this revenue category is already at 50% of the annual budget due to the sale of one large permit totaling \$696,000 for the assisted living facility at 703 Madison Street. This revenue is expected to exceed budget by year end.



Month	Original Budget	Amended Budget	YTD Revenue
January			109,646
February			812,420
March			77,978
April			-
May			-
June			-
July			-
August			-
September			-
October			-
November			-
December			-
<b>Total</b>	<b><u>1,999,840</u></b>	<b><u>1,999,840</u></b>	<b><u>1,000,044</u></b>

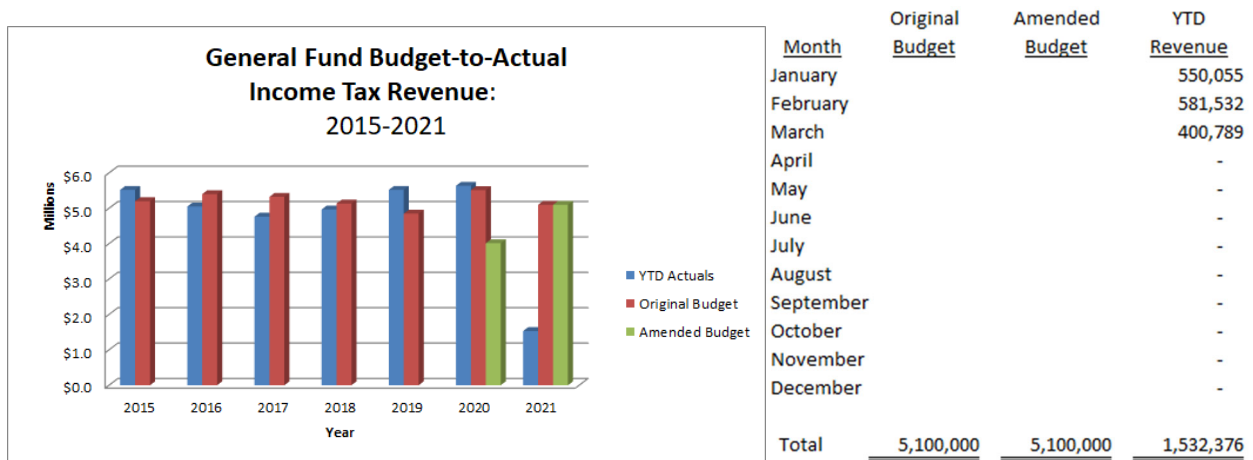
## Income Tax Revenue

**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. Surprisingly, even with the pandemic, this revenue exceeded the original budget in the prior year and appears to be on pace with budget in the current year.



## Charges for Services

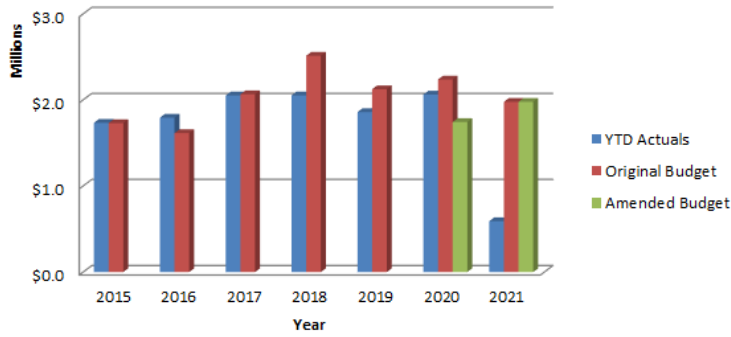
**Brief Description:** The Village provides a number of services for which it charges fees directly to customers. Such services include: drafting of police reports, property sales inspections, ambulance services, intergovernmental services, and environmental health services.

**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:** This revenue category thus far appears to be on track to meet budget, absent any unforeseen negative events.

**General Fund Budget-to-Actual  
Charges for Services:  
2015-2021**



<u>Month</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>YTD Revenue</u>
January			447,455
February			142,304
March			2,748
April			-
May			-
June			-
July			-
August			-
September			-
October			-
November			-
December			-
<b>Total</b>	<u>1,979,100</u>	<u>1,979,100</u>	<u>592,507</u>

# Fines

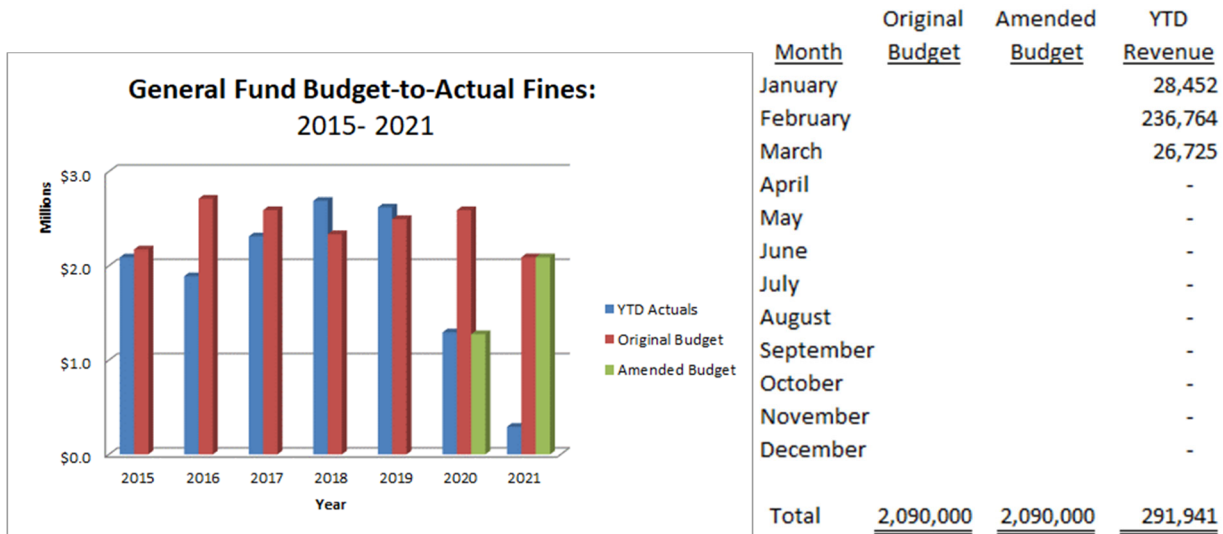
**Brief Description:** The Village assesses fines and penalties to individuals and businesses when there is non-compliance with Village rules and regulations. A parking citation is an example of such a fine for which the Village charges a fee directly to an offender.

**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 primarily related to the issuance of parking tickets and this revenue took a big hit last year as a result of the pandemic. The budget for 2021 was adjusted downward to reflect the fact that normality may not return until mid 2021.

While it is necessary for the village to issue citations to encourage compliance, it is also important to keep in mind that overly aggressive enforcement could dissuade people from visiting, eating, and shopping within the downtown business district. There must be a reasonable balance between enforcement and exercising a certain level of latitude for issuing citations. Finally, a reduction in citation late-payment penalties previously adopted by the Board this year is expected to adversely affect this revenue source.



Month	Original Budget	Amended Budget	YTD Revenue
January			28,452
February			236,764
March			26,725
April			-
May			-
June			-
July			-
August			-
September			-
October			-
November			-
December			-
<b>Total</b>	<b>2,090,000</b>	<b>2,090,000</b>	<b>291,941</b>

## 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

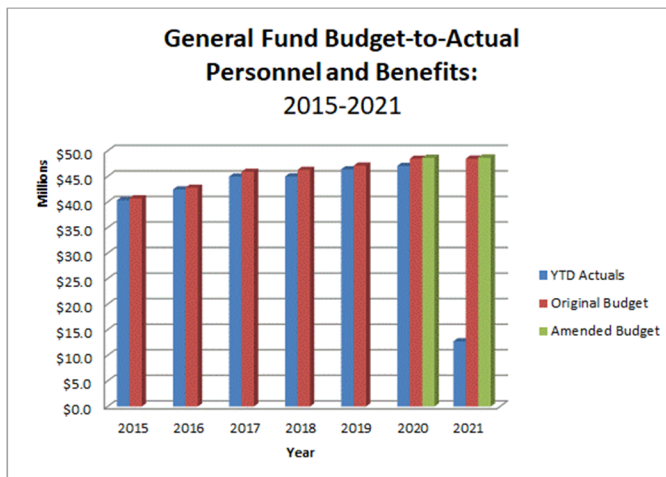
**Brief Description:** Personnel and Benefit expenditures cover compensation to Village staff. Given the labor-intensive nature of government services, personnel and benefit expenditures typically make up the largest portion of the general fund budget.

**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:** It is important to know that 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. In the first quarter, the Village had a total of eight full-time vacancies due to employee separations/retirements. Obviously, longer term vacancies translate to greater savings.



	YTD Actuals	Original Budget	Amended Budget
2015	40,358,967	40,712,489	
2016	42,456,188	42,789,943	
2017	44,973,368	45,924,460	
2018	45,011,203	46,274,806	
2019	46,405,201	47,119,303	
2020	47,081,828	48,475,248	48,651,833
2021	12,735,507	48,481,526	48,713,182

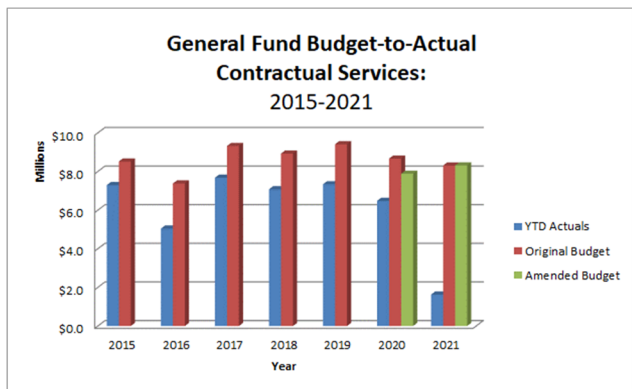
## Contractual Services Expenditures

**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 are currently on target with budget, however, it is too early in the year to forecast or project this expenditure category. It is also important to realize that there is often anywhere from a one to three month timing delay between the time when a contractual vendor service is provided and when the invoice is remitted to the village for payment.



	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	1,629,270	8,310,889	8,314,750

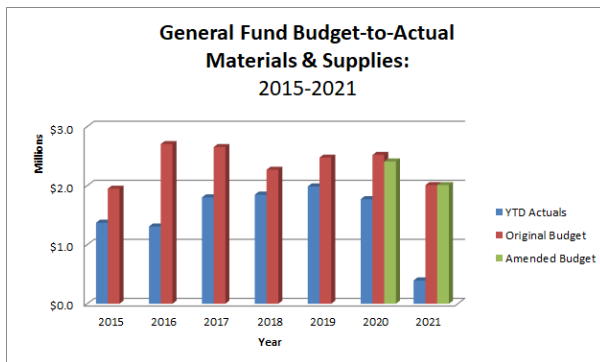
## Materials & Supplies

**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:** Similar to contractual services, it is too early in the year to make any forecasts or projections but typically, this expenditure category comes in at or below budget and shown in the graph below.



	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	394,014	2,008,505	2,008,840

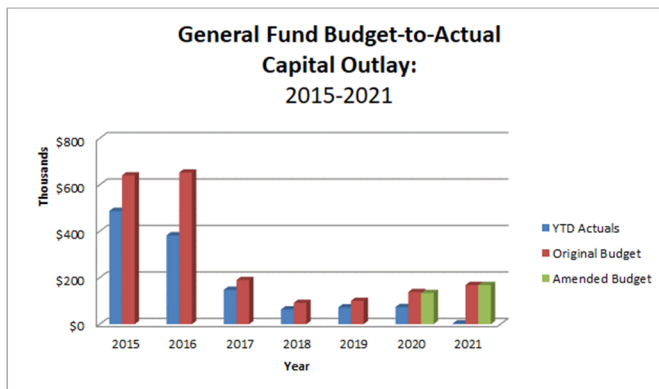
## Capital Outlay

**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).



	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	3,145	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:

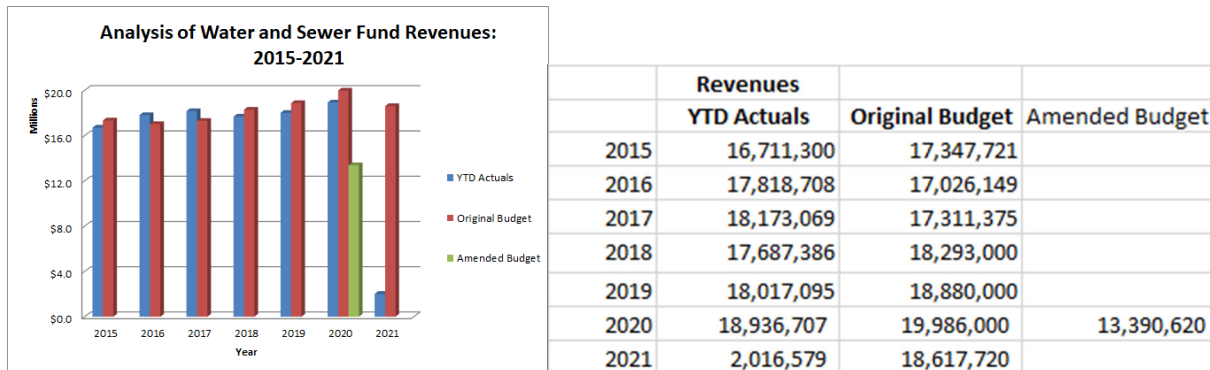
**Water Description:** The Village purchases water from the City of Chicago and re-sells it to customers throughout the Village using its own infrastructure. The Water Fund accounts for the revenues and expenses of operating the water system, including capital costs.

**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:** This revenue category came in slightly below original budget last year. Limited data is available for the first quarter, as water is billed out in cycles and during the first quarter, a large portion of the billed water usage is classified as prior year revenue. More information on this revenue will be forthcoming as the year progresses.



# Water and Sewer Fund Expenditures

**Brief Description:**

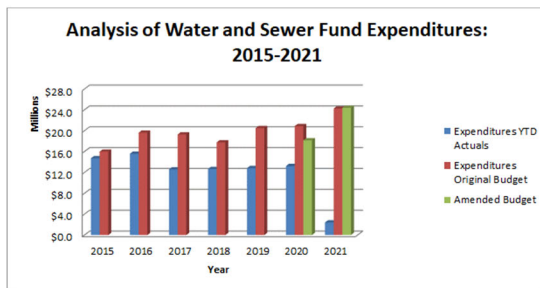
**Water:** The Water Fund maintains the infrastructure required to deliver water to Village residences and businesses throughout the community. Expenditures within the Water Fund reflect the costs related to the labor and equipment that are required to operate the pumping stations and to repair broken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



	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	2,413,225	24,238,387	24,387,141

# Parking Fund

## Parking Fund Revenues

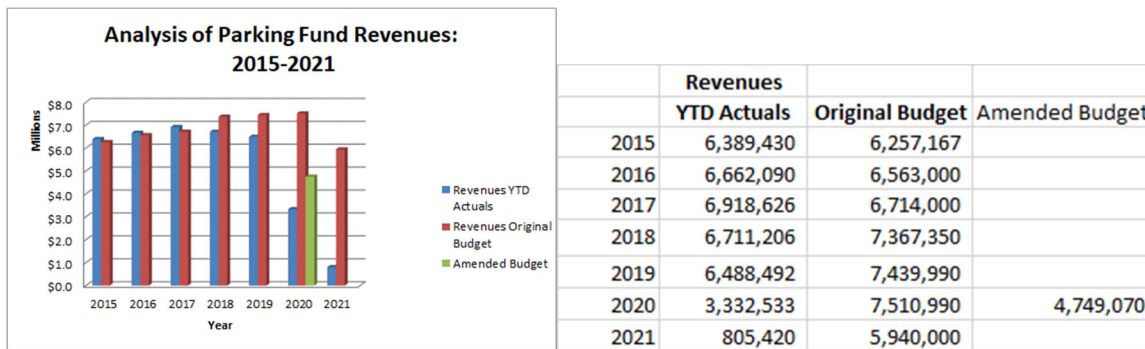
**Brief Description:** The Village owns and operates the majority of public parking throughout the Village. This includes on-street meters, parking garages located in Downtown Oak Park, as well as a large number of off-street lots.

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

- Parking rates
- Volume of parkers

**Comments:** This revenue continues to come in light, despite a certain degree of normality returning as more and more people become vaccinated and begin dining out and shopping again. A reduction to budgeted parking revenues was made for 2021, but actual revenues are still not keeping pace even at this lowered expectation.

Things may still turn around in the next few months once everyone who wants to be vaccinated against COVID receives that opportunity. However, it appears at this time that even the most optimistic forecast may not be able to meet the amount budgeted as revenue for this year.



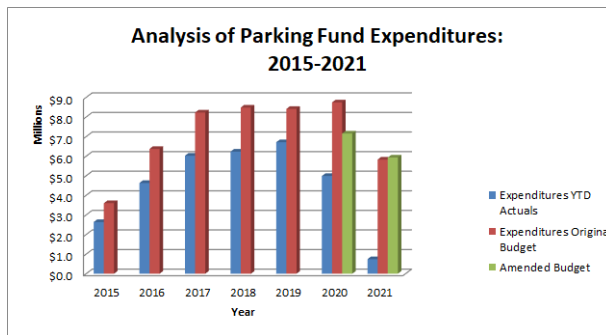


## Parking Fund Expenditures

**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 should come in at or even below budget.



	<b>Expenditures</b>		
	<b>YTD Actuals</b>	<b>Original Budget</b>	<b>Amended Budget</b>
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	741,579	5,830,987	5,930,987

# Environmental Services Fund

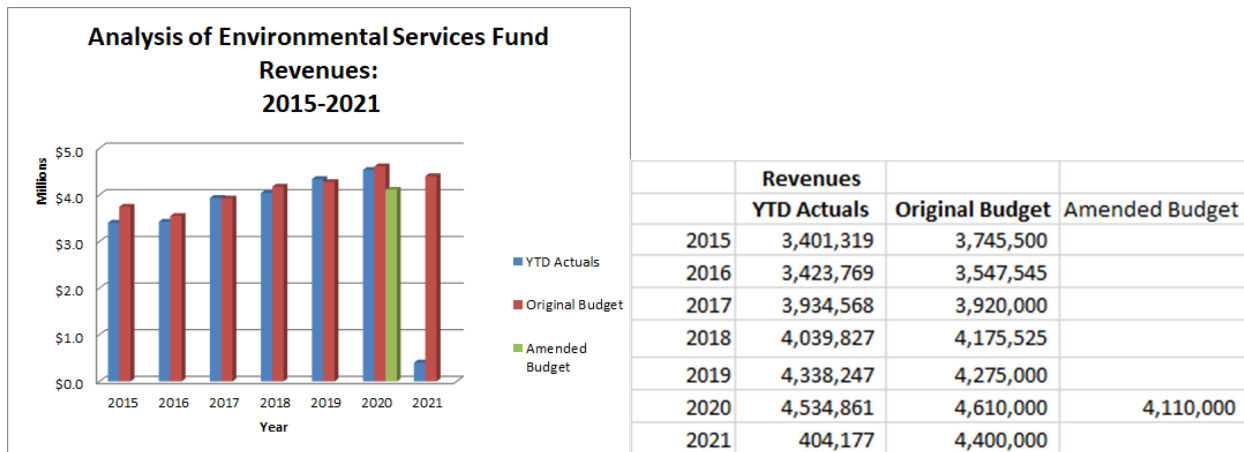
## Environmental Services Fund Revenues

**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 approximately one month of revenue has been recorded in the first quarter. It will take at least until the end of the third quarter to determine if this revenue is expected to meet budget. At this point there is no reason for concern.

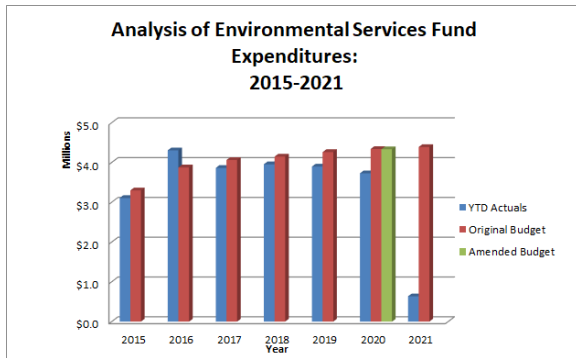


## Environmental Services Fund Expenditures

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

- Personnel costs
- Contractual costs of waste disposal

**Comments:** Although it is still too early in the year to forecast, there is no reason why expenditures in this Fund should exceed budget for the year.



<b>Expenditures</b>			
	<b>YTD Actuals</b>	<b>Original Budget</b>	<b>Amended Budget</b>
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	634,666	4,387,758	

## 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

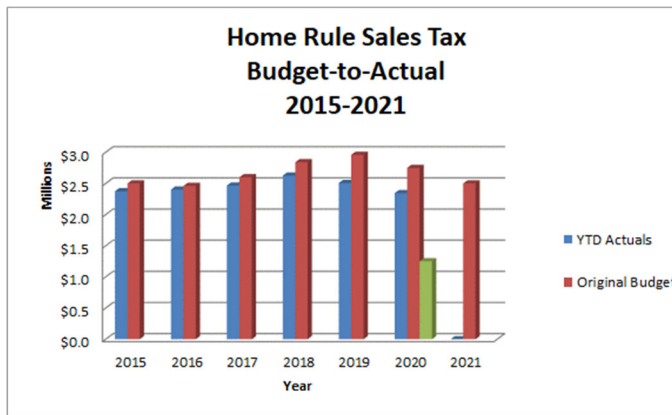
## Home Rule Sales Tax Revenue

**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:** This revenue came in short last year due to the pandemic and expectations were reduced for the current fiscal year. With a three month delay in collecting monthly sales tax, the first month of this tax will be received in April and show up in the second quarter report.



Month	Original Budget	Amended Budget	YTD Revenue
January			-
February			-
March			-
April			-
May			-
June			-
July			-
August			-
September			-
October			-
November			-
December			-
<b>Total</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>-</b>

## Gasoline Tax Revenue

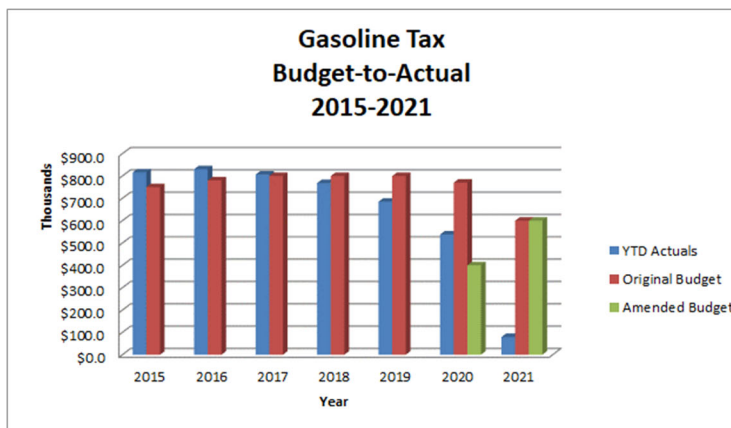
**Brief Description:** The Village imposes a tax upon the retail purchase of motor fuel at the rate of six cents (\$0.06) per gallon. This tax is dedicated for Village capital projects and is accounted for separately in the Capital Improvement Project (CIP) Fund.

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

- Gasoline sales

**Comments:** As expected with the high percentage of the population working remotely last year (and thus driving less), this revenue came in well below original budget but beat the amended budget.

Expectations for this revenue were lowered somewhat for 2021 but even so, the first two months come in lower than reduced expectations (\$600,000 per year averages to \$50,000 per month). There is still ample time in the year for this revenue to turn around but at this point, it is too early to make any determinations.



Month	Original Budget	Amended Budget	YTD Revenue
January			40,692
February			38,281
March			-
April			-
May			-
June			-
July			-
August			-
September			-
October			-
November			-
December			-
<b>Total</b>	<b>600,000</b>	<b>600,000</b>	<b>78,973</b>

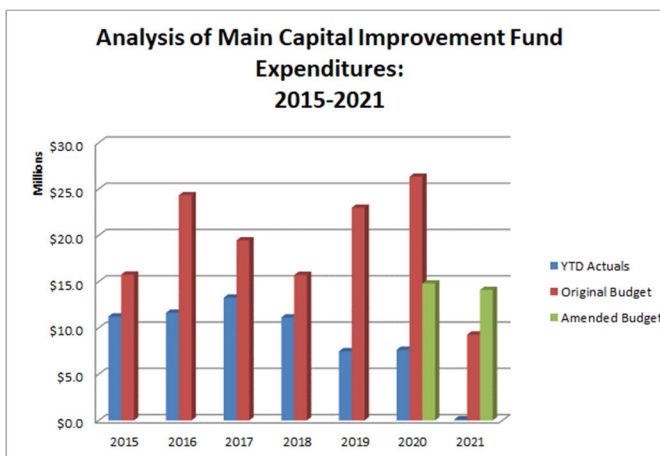
## Main Capital Improvement Fund Expenditures

**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.



	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	112,994	9,268,978	14,088,169