



JOHN F. MAHONEY

Mayor

MARIE ARRIGONI

Village Clerk

JIM PAVLATOS

Accounts and Finance

DAN POLK

Public Health and Safety

G. DARRYL REED

Building and Public Property

NICOLE MILOVICH-WALTERS

Public Works and Streets

RICHARD BOEHM

Village Manager

JOSEPH MILLER

Chief of Police

MOSE RICKY

Recreation Director

MICHAEL SIBRAVA

Public Works Director

BARBARA MAZIAREK

Finance Director and Treasurer

LAUREN PRUSS

Community Development Director

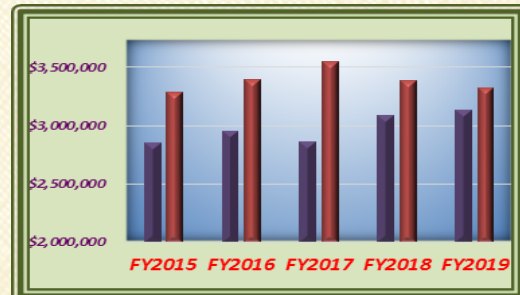
THIRD QUARTER BUDGET REVIEW

We are pleased to offer this financial report of the Village operations for your review. This financial report highlights and summarizes the unaudited financial performance and position of the Village of Palos Park for the period starting May 1, 2018 and ending January 31, 2019. This report will focus on the actual revenues and expenditures compared to our Fiscal Year 2019 approved budget; as well as, actual revenues and expenditures compared to our previous fiscal year.

The purpose of this report is to provide the Elected Officials, Department Directors, and the Citizens of Palos Park an update on the Village's fiscal status based on the most recent financial information available. This report provides a highly summarized presentation of how the Village allocates your tax dollars to deliver the essential public services you deserve and expect from the Village of Palos Park.

The Village appreciates the time you take to review this report and welcomes your comments and suggestions. Do not hesitate to contact the Village with any questions or comments at (708) 671-3700 or via email from the Village's website at www.palospark.org

GENERAL FUND REVENUE AND EXPENSES FOR THE PERIOD MAY 1 THROUGH JANUARY 31 FOR FISCAL YEARS 2015 THROUGH 2019



	FY2015	FY2016	FY2017	FY2018	FY2019
REVENUE	\$ 2,859,579	\$ 2,955,437	\$ 2,861,217	\$ 3,091,302	\$ 3,136,311
EXPENSES	\$ 3,290,895	\$ 3,400,761	\$ 3,556,820	\$ 3,387,714	\$ 3,330,745

VILLAGE OF PALOS PARK

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*SERVICE TO OUR RESIDENTS AND DEDICATION
TO THE PRESERVATION OF PALOS PARK*

**“LOOKING TO THE VILLAGE’S PAST MAKES ME
PROUD TO BE PART OF ITS’ FUTURE.”**

John F. Mahoney

VILLAGE OF PALOS PARK

GENERAL FUND REVENUE

JANUARY, 2019

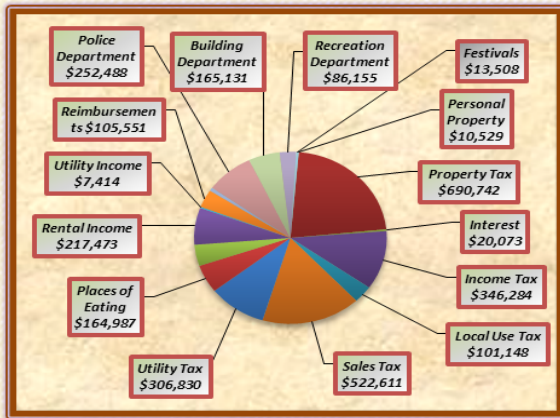
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The Village ended the third quarter of Fiscal Year 2019 with the General Fund expenditures exceeding revenue by approximately \$194,434. Although overall operating revenue in the General Fund came in under budget by 6.93%, operating expenditures came in 2.16% under budget in the third quarter of Fiscal Year 2019.

Current fiscal year revenue is up as compared to the prior fiscal year by 1.46% or \$45,009. Contributing to this slight increase is the collection of sales taxes, personal property taxes, utility income, use tax, license and fees, and the Police and Building Departments revenue.

The Village's governmental fund revenues totaled \$3,136,311 at the end of the third quarter of Fiscal Year 2019. The chart below shows revenue by major categories and departments. The Village's revenue stream is diverse; however, the sluggish economy continues to have an impact on the Village's revenues. Revenue continues to be stagnant, at lower levels, since the recession officially ended several years ago.

SALES TAX collection is a large revenue source for the Village, and generates 14.26% of the total General Fund Revenue. Currently, State Sales Tax revenue collection is up in the amount of \$34,488 or 6.63% as compared to the previous fiscal year. Total Sales Tax Revenue collections amount to \$522,611 for this fiscal year. Collections to date are 4.56% over the original \$656,850 budget projection at the close of the third quarter of Fiscal Year 2019.



**GENERAL FUND REVENUE
AS OF JANUARY 31, 2019 -- FISCAL YEAR 2019**

SALES TAX COLLECTIONS



INCOME TAX revenue, as compared to the previous fiscal year, is down \$45,860 or 11.69%. Financial issues of the State of Illinois have impacted collections these last several fiscal years substantially. Our Fiscal Year 2019 budget projections for Income Tax revenue was based on IML estimates of a 4.59% increase over the prior year. Total Income Tax revenue collection for Fiscal Year 2019 is budgeted at \$464,343; however, collections to date are \$346,284 or 0.42% less than the original budget projection at the end of the third quarter.

INCOME TAX COLLECTIONS



PROPERTY TAX revenue is the largest and most stable of the Village's revenue source in the General Fund. Property taxes contribute 26% of the total General Fund Revenue. This revenue source follows a strict formula for a non-home rule community under the State of Illinois Tax Cap Law. These tax cap laws allow for an increase in the total real estate levy equal to the change in the Consumer Price Index (CPI). Property tax revenue will increase by CPI each year in total. The Village receives only 5.6 cents on every dollar paid for property taxes. Other taxing bodies receive the remaining 94.4 cents of these tax dollars. The other taxing bodies include the school districts, fire district, Cook County, Library, MWRD, and Moraine Valley Community College. Collection of Property Tax revenue to date is **\$690,742 for Fiscal Year 2019**; representing **48.20%** of the budget projection.

VILLAGE OF PALOS PARK

GENERAL FUND EXPENDITURES

JANUARY, 2019

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The budgeted General Fund expenditures were \$4,572,846 for Fiscal Year 2019, and the actual expenditures for the third quarter of the fiscal year totaled \$3,330,745; representing 72.84% of the budget for the year. At this point in the fiscal year Administration, Building, and Public Works are exceeding their budget projects for the fiscal year, 79%, 82%, and 79% respectively. However, these over budget expenses, for the most part, are due to seasonal spending, and should remain within budget constraints for the remainder of the fiscal year.

We are at 75% through the fiscal year. It should be noted, while several departments are over budget for the third quarter of the fiscal year, spending for the remainder of the fiscal year will be monitored so as to not exceed their original budget amounts. We will continue to monitor expenditures next quarters to watch for the appearance of any adverse trends. Overall, the Village is on track not to exceed the budgeted expenses for Fiscal Year 2019.

The charts below show the General Fund expenditures by department; as well as, each department's year-to-date actual and fiscal year budget amounts.



The General Fund for the Village of Palos Park accounts for the day-to-day operations of the Village which pertain to the general administration and services traditionally provided to its residents, except for those specifically accounted for elsewhere. The General Fund is the largest of the General Government Operating Funds. It is primarily tax supported and accounts for basic services; such as, public safety, recreation, and community development. The General Fund accounts for all of the expenditures for the operating departments; including: administration, police, public services, building, recreation, finance, public affairs, public grounds, the rental house, and village debt.

The Villages expenditures in the General Fund have been controlled in an effort to operate in a lower revenue environment during the continued economic slowdown. The Village Council and Staff's objective is to maintain an acceptable level of service for the Village's residents within the limitations of revenue sources that are available to support these activities which are accounted for in the General Fund.

FISCAL YEAR 2019			
DEPARTMENT	BUDGET	YTD ACTUAL	% BUDGET
Administration	533,426	419,861	78.71%
Public Affairs	119,950	56,158	46.82%
Police	2,191,025	1,546,655	70.59%
Public Works	543,026	430,920	79.36%
Building	410,228	337,690	82.32%
Recreation	424,172	274,102	64.62%
Public Grounds	109,490	112,564	102.81%
Capital Expenses	2,750	-	0.00%
Finance	222,354	135,281	60.84%
Sluis Property	2,500	1,904	76.16%
Festivals	11,925	13,611	114.14%
Debt Obligations	2,000	2,000	100.00%
Total	\$ 4,572,846	\$ 3,330,745	72.84%



GENERAL FUND EXPENSES	
2015	\$ 3,290,895
2016	\$ 3,400,761
2017	\$ 3,556,820
2018	\$ 3,387,714
2019	\$ 3,330,745

We caution the reader that these projections are preliminary and based only on the nine months of activity. Significant variations could occur due to events beyond the Village's control; as well as, policy decisions can impact revenues and expenditures.

VILLAGE OF PALOS PARK OTHER GOVERNMENTAL FUNDS

MOTOR FUEL TAX FUND

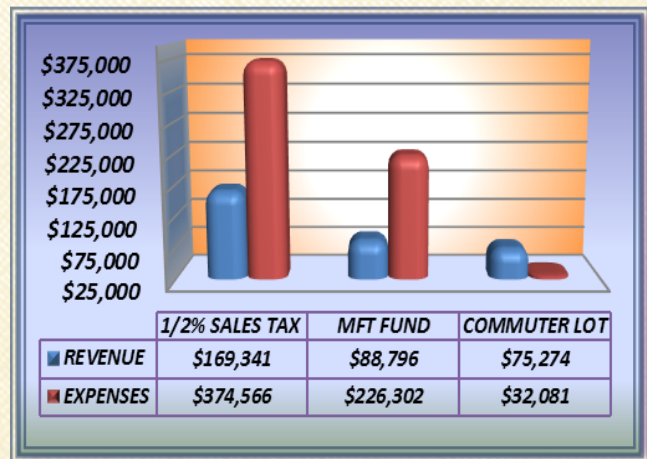
This fund is used to account for the operation of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. The allotment represents the Village's share of gasoline taxes. Revenue collections continue to be very stable. At the close of the third quarter, fiscal year revenue collections of \$88,796 represent 69.6% of the budget projection. The expenses in the MFT Fund were \$226,302 for street maintenance, and represents 77.8% of the budget estimate for Fiscal Year 2019. The revenue received was less than expensed in the quarter, and this fund shows a budgeted deficit of \$137,506 at the end of the third quarter of Fiscal Year 2019.

COMMUTER PARKING LOT FUND

This fund is used to account for the provision of public parking services at the Metra Commuter Lot located in the Village. Revenue of \$75,274 is up \$5,896 from the same time period in the prior fiscal year. Revenue collections are over budget at the end of the third quarter, representing 88.3% of the budget for the fiscal year. Expenses in this fund represent operational and maintenance costs of the commuter lot, and have increased \$2,803 from the prior fiscal year. Contractual services, grounds maintenance, and concession expenses at the station contributes to this minor increase. Total expenses were \$32,081 for the fiscal year, and this fund represents only 30.6% of the total budget. Revenue exceeded expenses producing a surplus of \$43,194 at the close of third quarter of Fiscal Year 2019.

1/2 % SALES TAX FUND

This fund is used to account for the proceeds of non-home rule sales tax, and these funds are restricted for use by Public Works for streets, road resurfacing, and drainage capital projects. Revenues in the third quarter of the fiscal year are up \$21,357 or 15.30% over the same time frame in the prior fiscal year. However, collections to date represent 84.6% of the budget estimate of \$190,000 for the fiscal year. Total collection of non-home rule sales tax for the third quarter of the fiscal year was \$160,963. Total expenses for the Fiscal Year 2019 to date were \$374,566. This fund is showing a budgeted deficit of \$205,225 for the fiscal year to date.



First installment property tax bills to Cook County were due Wednesday, March 1, 2019. Payments can be made at Chase Bank, by mail or in person, on-line, and at one of the 178 participating community banks. To subscribe to the Cook County Treasurer's Office eNotification Program visit www.cookcountytreasurer.com/signupforemailnotifications. The program is designed to keep you advised of important dates and other important tax information.

VILLAGE OF PALOS PARK

ENTERPRISE FUNDS

JANUARY, 2019

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Water Storage Capacity:
1,300,000 Gallons

**Fire Hydrants
In the Village: 731**

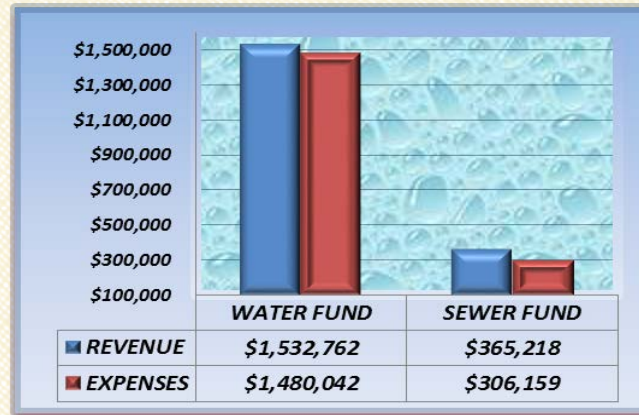
Miles of Infrastructure:

Streets: 14.70

Sanitary Sewer Mains: 39.37

Water Mains: 52.24

Storm Sewer Mains: 7.67

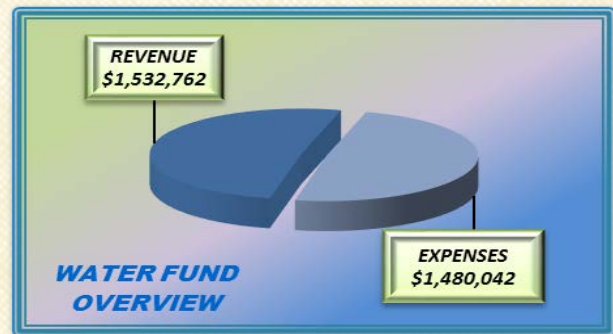


WATER FUND

This fund accounts for activities relating to the operation of the Village's water system, and it is used to account for operational costs and maintenance associated with the water distribution system within the village boundaries. Total Water Fund revenue collection to date is \$1,532,762. Water receipts are down \$11,734 or 0.759% compared to the third quarter of the prior fiscal year.

Expenditures are estimated to be \$2,355,850 for Fiscal Year 2019. Total expenses to date were \$1,480,042 or 12.2% under budget. Water Fund revenue exceeded expenses at the end of the third quarter of the fiscal year, and the fund is showing a surplus in the amount of \$52,720 for the fiscal year to date. The surplus is due to budgeted equipment and utility improvements in the water fund which have not yet been completed.

The Enterprise Funds of the Village are used to report functions which are intended to recover most or all of the fund's costs through user fees and charges. The Enterprise Funds of the Village are the Water, Sewer, Commuter Lot, and Refuse Funds. One of the biggest differences between the General Fund and an Enterprise Fund is that the Enterprise Fund is more like a business-related fund, which supports itself through its fees.



On March 26, 2018 the Village Council passed Ordinance 2018-08 increasing the Village water rates by the same amount as is being passed on to Palos Park by the Village of Oak Lawn and ultimately by the City of Chicago. Council amended the Village Code to increase the water rate by \$0.027 per thousand gallons. Effective April 20, 2018 all customers shall pay \$12.33 per 1,000 gallons of water supplied by the Village, and all customers shall pay a minimum monthly water usage charge of \$43.49 per month (inclusive of the water system capital improvements fee.) The increase to the water rate and the refuse rate will be reflected in your utility bills over several billing cycles.

VILLAGE OF PALOS PARK

ENTERPRISE FUNDS

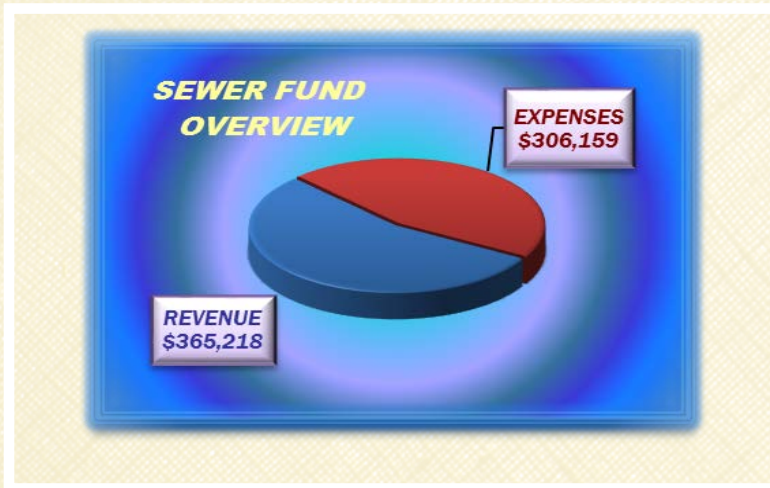
JANUARY, 2019

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SEWER FUND

The Sewer Department operates and maintains sanitary sewer collection mains and the pumping stations in the Village. Money in this fund shall be used solely to pay the administrative and operational costs of the department. Revenue collections at the end of the third quarter came in \$365,218 or 2.2% under budget. Revenue of \$501,500 is budgeted for the fiscal year.

Total expenses to date were \$306,157 and 37.0% under budget. These expenses represent only 38.00% of the budget projection of \$804,326 for the fiscal year. Revenue collections exceeded expenditures producing a surplus of \$59,058 at the end of the third quarter of Fiscal Year 2019 for the Sewer Fund.



While many of the Village's capital assets are readily apparent; such as, the Village Hall Building, Police squad cars, or Public Works snowplows. It's easy to understand that some of the Village's infrastructure is out-of-sight; and therefore, largely out-of-mind. While less visible assets; such as, water and sewer mains, they are a necessary part of the Village's services.



The Village website is a great resource for all Village services and events. Financial documents, meeting agendas, minutes, and newsletters can be found online on the Village website. You can also sign up to receive weekly email updates to stay up to date on Village news and information.

If you should have any questions regarding the information contained in this, or any other Village financial report, please contact the Village's Finance Director and Treasurer, Barbara Maziarek at 708-671-3715 or bmaziarek@palospark.org

The Village receives an additional ¼% of the sales tax on purchases made with the Village. Shopping Palos helps keep the local business community vibrant and healthy, helps fund Village services, and helps maintain Palos Park's property tax base. Everyday needs, such as groceries and gas, can and should be purchased right here in town. Help support your Village and local businesses.

**** SHOP PALOS PARK FIRST ****

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www.Palospark.org



