

# Morton Grove Park District

## Annual Working Budget Fiscal Year 2011-12 Year Ending April 30, 2012

The screenshot shows the Morton Grove Park District website homepage. At the top, there is a green header with a tree logo and the text "MORTON GROVE PARK DISTRICT Committed to Quality Park and Recreation Services". Below the header is a navigation menu with links for Home, General Info, Programs & Registration, Parks & Facilities, Photo Gallery, Site Map, Links, and Calendar. The main content area features three large photos: a woman and a child with a basket (labeled "Experience"), a group of children in a pool (labeled "Family"), and a child in a pool (labeled "Fun"). Below these photos are three columns of content: "LATEST NEWS" with two articles about a focus group and a fitness package; "MORTON GROVE PARK DISTRICT EVENTS" with a list of events for September 25, October 4-10, October 10, and October 11; and a sidebar with four buttons: "REGISTRATION & BROCHURE", "SIGN UP FOR E-NEWSLETTER", "CLUB FITNESS PROGRAMS & SCHEDULES", and "LEAGUE STANDINGS & SCHEDULES". At the bottom, there is a search bar, a Facebook link, and a logo for mb financial.

*“Committed to Quality Park and Recreation Services”*

# **Morton Grove Park District**

**Annual Budget**

**Fiscal Year 2011-12**

**Year Ending April 30, 2012**

## **Board of Commissioners**

Dominick Burdi

Jerry Coursey

Eileen M. Coursey

Betty Fergus

Kevin Lochner

## **Administrative Staff**

Brian Sullivan	Executive Director
Kelly Smith	Recreation/Facilities Manager
Greg Jayne	Park Manager
Les Preuss	Finance Manager
Laurie Larson	Human Resource Generalist
Sue Braubach	Marketing & Public Information Mgr.



Honorable Commissioners  
Morton Grove Park District  
Morton Grove, IL 60053

We are pleased to submit a copy of the Fiscal Year 2011/12 Annual Working Budget. This document provides a detailed outline for the allocation of financial resources. The Working Budget is a tool to provide services at the highest level and at the lowest possible cost.

Budgetary appropriations for the operations of various District departments are established through the adoption of an annual combined budget and appropriation ordinance by the Board of Commissioners after public hearings. The appropriation is prepared on the same basis and using the same accounting practices as is used to account and prepare financial reports for the funds. All appropriated amounts lapse at the end of the fiscal year. Spending control for funds are established by the amount of the total appropriation for the fund, but management control is exercised at appropriation line item levels.

Budgetary control is employed as a management control device during the year through an internal reporting process. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's governing body. Activities of the general fund, special revenue funds, debt service fund and capital project's fund are included in the annual appropriated budget. In addition, the District utilizes its Five-Year Capital Projects Guide to determine capital project's expenditures. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

The Budgetary Control process includes verification of appropriation amounts prior to expenditures and a monthly review of all account totals compared with the appropriations. Variances between expenditures and appropriations are identified rapidly for appropriate corrective measures. The District maintains a detailed procurement policy for the authorization of all expenditures. Ultimately all expenditures are reviewed or approved by the Board of Commissioners.

The Park Board established a fund retention policy in the event tax dollars were late or the District's cash flow was disrupted. Because of this policy, the District has been able to maintain its services at the current level. The Morton Grove Park District remains committed to sound financial management as well as providing quality park and recreation services.

## **BUDGET HIGHLIGHTS**

Significant items included in this budget are:

- 1) Over the past 24 months, the Morton Grove Park District has felt the same economic pressures affecting all government agencies and businesses. Realizing residents of the Village of Morton Grove have experienced tight budgets during this downturn, the Morton Grove Park District worked hard to present a budget that was balanced and only had a small overall increase from the 2011-12.
- 2) The 2011 levy increase was limited to 2.7%. The amount budgeted for property taxes increased by \$93,000. This increase is due to the Cook County CPI and the addition of new construction developments, which add to the EAV.
- 3) In light of economic conditions, staff salary increases averaged 1.5% over the past two years.
- 4) Recreation programs contribute 30% of their revenue as cost recovery. This money covers a portion of the overhead expenses of the Park District incurs.
- 5) Debt service payments of \$750,000 for principal and \$37,500 for interest are included in this budget. This is the second principal payment for the two-year issue sold in December 2009.
- 6) Repaving the Harrer Park North parking lot, refurbishing the Harrer Park playground, replacing Club Fitness exercise equipment and a new maintenance truck are included within the capital accounts of this budget.
- 7) With supplier contracts in place, anticipated utility costs were held to 2010 levels.
- 8) The District's investment portfolio is diversified in longer-term secure financial instruments at several local financial institutions. The strategy is to take advantage of short-term (under 1 year) CD specials at secure financial institutions.
- 9) This budget recognizes income from our tenant Maine-Niles Association of Special Recreation.
- 10) This budget includes revenues and expenses for improved services, facilities and programs for Morton Grove residents.

## BUDGET SUMMARY

The proposed operating budget for fiscal year 2011/2012 totals \$4,680,190. This represents a 2.0% increase from fiscal year 2010/2011.

The **operating** totals for each fund are as follows:

<u>FUND</u>	<u>PROPOSED BUDGET FY 2011/2012</u>	<u>PROPOSED BUDGET FY 2010/2011</u>	<u>PERCENT CHANGE</u>
Corporate	\$ 947,500	\$ 913,000	3.7
Recreation	2,126,000	2,097,850	1.3
Police	100,000	95,000	5.3
Paving & Lighting	4,850	5,000	0
Museum	70,000	70,000	0
IMRF	165,000	135,000	18
FICA	160,000	163,000	-1.8
Liability Insurance	175,000	156,000	12.2
Special Recreation	149,500	150,000	0
Audit	13,000	14,000	-7.1
Bond & Interest	<u>768,765</u>	<u>787,500</u>	<u>-2.5</u>
Totals	<u>\$4,680,190</u>	<u>\$4,586,350</u>	<u>2.0%</u>

There are no capital expenditures included in this summary.

## **MAJOR FUND CATEGORIES**

### **GENERAL FUND**

The general fund is the general operating fund for governmental units. The general fund for the Morton Grove Park District has the title of Corporate Fund. The Corporate fund is a taxing fund, which includes Administrative and Parks' maintenance expenses, and other financial transactions, which are not directly attributable to any other fund.

Corporate Fund - Taxes represent 85% of Corporate Fund revenues in the 2011/2012 Working Budget. The remainder of revenue for the Corporate Fund comes from investment income, building rental fees and other miscellaneous income. Non-tax revenue is expected to be \$140,000. This is a slight increase from 2010/2011 due to investment income. Budgeted investment rates for 2011/2012 are 1.5% compared to 1% in the 2010/2011 budget. The Maine-Niles Association of Special Recreation is budgeted for a full-year occupancy in the addition. This is a new long-term lease arrangement for the district and provides a revenue source

Budgeted expenditures for the Administration Center of the Corporate Fund in FY 2011/2012 are \$427,622. This represents a reduction from last year due to an adjustment of salaries to the Capital Fund.

Budgeted expenditures for the Park's Maintenance portion of the Corporate Fund decreased \$8,000 from the prior year to \$427,622. The Park Maintenance expenditures are monitored closely.

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds of specific activities as required by law or administrative regulations. The Park District's special revenue funds are as follows: Recreation, Police, Paving and Lighting, Museum, Illinois Municipal Retirement Fund (IMRF), Social Security (FICA), Liability Insurance, Special Recreation and Audit.

Recreation Fund - The Recreation fund accounts for the operation of all recreation programs, swimming pools and community center. The recreation fund is the District's largest special revenue fund. The proposed budget for 2011/2012 increased by .1% to \$2,126,665. Program fees are the largest revenue source for the Recreation Fund and the second largest funding source for the District as a whole. Program Fees are budgeted to generate \$943,277 of the District's total revenue or 20%. The increase in program revenue from last year is due to new programs. The District decided to raise program fees in 2011/2012 by 1%. Taxes are the second largest revenue source for the Recreation Fund and remained the same from the previous year.

Community Center revenue consisting of guest fees, racquetball court fees, season reserve time and fitness memberships account for \$417,804 or 8.9% of this year's total budget. Fitness memberships are expected to increase due to marketing plans even though the amount of competition has increased in the past year. The increased competition has only had a marginal effect on the number of memberships sold.

Pool revenue of \$246,090 is 5% of this years' budget. This is a decrease of \$20,000 from the prior years' budget. The budget calls for a slight decrease in attendance due to the economy.

Total expenditures for fiscal year 2010/2011 for the Recreation Fund are \$2,126,663.

Police Protection - The Police Protection Fund accounts for expenditures related to the police protection for its parks and other District property. Budgeted expenditures in this fund are \$100,000 for 2011-2012. The budgeted expense for this fund includes a part-time police supervisor

Paving and Lighting - The Paving and Lighting Fund accounts for expenditures for paving and lighting maintenance and repair on the District's parks, pools, and community center grounds. Expenditures are at \$4,850 in 2011/2012. In order to provide longer life for the paved areas in the District, the focus of this fund has been changed from capital improvement to maintenance of operations. In other words, these funds are budgeted to maintain the District's current improvements instead of expanding the infrastructure.

Museum - The Museum Fund accounts for expenditures related to maintaining and operating the Morton Grove Historical Museum. Budgeted expenditures, for 2011-12 remained the same as the previous year.

Retirement Funds - The Retirement Funds accounts for expenditures paid for Social Security and Illinois Municipal Retirement Fund (IMRF) benefits. Budgeted expenditures for IMRF in 2011/2012 are \$165,000. This is a 20% increase from the prior year. The IMRF investment result for 2010 has not been declared by the IMRF as of the date of this writing. The District has a planned fund surplus to weather the ups and downs of market cycles over extended periods of time in the IMRF fund.

Liability Insurance Fund - The Liability Insurance Fund accounts for expenditures made to the Park District Risk Management Agency (PDRMA). Included in this are premiums for liability insurance, unemployment insurance and worker's compensation insurance. Also included are certain other risk management costs. Budgeted expenditures for this fund are \$175,000. This is an increase of \$19,000 or 22% from the prior year. The District planned for additional unemployment compensation costs.

Special Recreation Fund - The Special Recreation Fund accounts for expenditures made to the Maine-Niles Association of Special Recreation (M-NASR). M-NASR provides recreational programs for the physically and mentally challenged. Budgeted expenditures for this fund are at \$149,500. This includes a line item for Inclusion Programming with a budgeted amount of \$32,500. The inclusion budget is the expense related to including challenged individuals in regular programs with the help of M-NASR staff members.

Audit Fund - The Audit Fund accounts for expenditures related to the annual audit. Also included are expenditures for the preparation of the Comprehensive Annual Financial Report that is submitted to the Government Finance Officers Association for its Certificate of Achievement award. Budgeted expenditures for this fund are \$13,000.

## **DEBT SERVICE FUND**

Bond and Interest Fund - The Bond and Interest Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Payment for principal of \$750,000 and interest of \$18,675 are budgeted for fiscal year 2011/2012. This is the second of two principal payments for the December 2009 Limited Bond issue. Interest is due semi-annually on June 1 and December 1 with principal due December 1. The District's strategy of utilizing short-term debt ensures parks and facilities are maintained and has allowed for very competitive interest rates.

## **CAPITAL PROJECTS FUND**

Capital Improvements Fund - The Capital Improvements Fund accounts for purchases or construction expenditures related to the acquisition of major capital facilities and equipment. Capital fund expenditures for 2011/2012 include repaving Harrer Park parking lot, refurbishing playgrounds, replacing exercise equipment and purchasing new vehicles.

## **CONCLUSION**

The mission of the Morton Grove Park District continues as this budget forecasts the District's ability to provide quality and safe recreation programs, parks and facilities to our residents during the 2011/2012 fiscal year beginning May 1, 2011 and ending April 30, 2012.

Prudent usage of tax dollars being paid by residents to make improvements to parks, facilities and recreation programs is of paramount importance. Since 1988, the Park Board has had a policy in place to limit its tax rate. Additionally, a fund retention policy was established in case tax dollars are late or the District's cash flow has been disrupted. Due to this policy, the District continues to be able to maintain our services at their current level despite the tax cap, which has limited the District's tax revenue. The Morton Grove Park District remains committed to sound financial management as well as providing quality park and recreation services.

Respectfully submitted,

Morton Grove Park District

**MORTON GROVE PARK DISTRICT**  
**2011/2012**

**PROPOSED REVENUE / EXPENSE COMPARISON**  
**ALL FUND TYPES**

FUND	CENTER	DESCRIPTION	BUDGET FY 11-12			BUDGET FY 10-11			Revenue	Expense
			REVENUE	EXPENSE	VARIANCE	REVENUE	EXPENSE	VARIANCE	Yr to Yr Variance	Yr to Yr Variance
01	10	CORPORATE - ADMINISTRATION	\$947,500	\$519,878	\$427,622	\$913,000	\$477,408	\$435,592	\$34,500	\$42,470
	20	CORPORATE - PARKS	0	427,622	(427,622)	0	435,592	(435,592)	\$0	(\$7,970)
		CORPORATE	\$947,500	\$947,500	\$0	\$913,000	\$913,000	\$0	\$34,500	\$34,500
02	10	RECREATION - ADMINISTRATION	\$655,183	\$702,830	(\$47,647)	\$607,500	\$684,222	(\$76,722)	\$47,683	\$18,608
	20	RECREATION - PROGRAMS	\$943,277	\$604,624	338,653	\$936,300	\$588,564	347,736	\$6,977	\$16,060
	40	RECREATION - POOLS	\$246,090	\$401,406	(155,316)	\$267,355	\$393,020	(125,665)	(\$21,265)	\$8,386
	50	RECREATION - PVCC RECREATION	\$282,115 \$2,126,665	\$417,804 \$2,126,665	(135,689) \$0	\$286,695 \$2,097,850	\$432,043 \$2,097,850	(145,348) \$0	(\$4,580) \$28,815	(\$14,239) \$28,815
05	10	POLICE PROTECTION	\$100,000	\$100,000	\$0	\$95,000	\$95,000	\$0	\$5,000	\$5,000
10	10	PAVING AND LIGHTING	\$4,850	\$4,850	\$0	\$5,000	\$5,000	\$0	(\$150)	(\$150)
15	10	MUSEUM	\$70,000	\$70,000	\$0	\$70,000	\$70,000	\$0	\$0	\$0
20	10	IMRF	\$165,000	\$165,000	\$0	\$135,000	\$135,000	\$0	\$30,000	\$30,000
22	10	FICA	\$160,000	\$160,000	\$0	\$163,000	\$163,000	\$0	(\$3,000)	(\$3,000)
25	10	DEBT SERVICE	\$768,765	\$768,765	\$0	\$787,500	\$787,500	\$0	(\$18,735)	(\$18,735)
30	10	LIABILITY INSURANCE	\$175,000	\$175,000	\$0	\$156,000	\$156,000	\$0	\$19,000	\$19,000
35	10	SPECIAL RECREATION	\$149,500	\$149,500	\$0	\$150,000	\$150,000	\$0	(\$500)	(\$500)
40	10	AUDIT	\$13,000	\$13,000	\$0	\$14,000	\$14,000	\$0	(\$1,000)	(\$1,000)
			\$1,606,115	\$1,606,115	\$0	\$1,575,500	\$1,575,500	\$0	\$30,615	\$30,615
		<b>TOTAL</b>	<b>\$4,680,280</b>	<b>\$4,680,280</b>	<b>\$0</b>	<b>\$4,586,350</b>	<b>\$4,586,350</b>	<b>\$0</b>	<b>\$93,930</b>	<b>\$93,930</b>

# MORTON GROVE PARK DISTRICT

2011 / 2012

## REVENUE AND EXPENSE COMPARISON BY SOURCE

### REVENUE COMPARISON

### EXPENSE COMPARISON

SOURCE	FY 11-12		FY 10-11		FUNCTION	FY 11-12		FY 10-11	
	PROPOSED	CURRENT	VARIANCE	PERCENT CHANGE		PROPOSED	CURRENT	VARIANCE	PERCENT CHANGE
Property Tax	\$2,859,000	\$2,776,500	\$82,500	2.97%	Salaries & Wages FT & PT	\$2,043,415	\$2,022,652	\$20,763	1.03%
Replacement Tax	\$179,199	\$170,000	\$9,199		Debt Service	\$768,675	787,500	(\$18,825)	
Bond Proceeds	\$750,000	\$750,000	\$0		Contractual Services	\$298,113	273,179	\$24,934	
Recreation Programs	\$943,277	\$936,300	\$6,977		Materials & Supplies	\$230,678	229,023	\$1,655	
Community Center	\$282,114	\$286,695	(\$4,581)		Utilities	\$306,810	333,400	(\$26,590)	
Swimming Pools	\$247,090	\$267,355	(\$20,265)		IMRF & FICA	\$325,000	298,000	\$27,000	
Interest	\$50,000	\$45,000	\$5,000		Health Insurance	\$239,681	222,219	\$17,462	7.86%
MNASR	\$92,000	\$88,000	\$4,000		Liability Insurance	\$92,486	74,318	\$18,168	
Other	\$13,600	\$4,500	\$9,100		Building & Landscape	\$201,666	163,873	\$37,793	
Marketing Agreement	\$14,000	\$12,000	\$2,000		Special Recreation	\$149,500	150,000	(\$500)	
Total	<u>\$5,430,280</u>	<u>\$5,336,350</u>	<u>\$93,930</u>		Equipment	\$24,255	32,186	(\$7,931)	
Bond Proceeds	<u>(\$750,000)</u>	<u>(\$750,000)</u>	<u>\$0</u>		TOTAL	<u>\$4,680,280</u>	<u>\$4,586,350</u>	<u>\$93,930</u>	<u>2.05%</u>
Net operating changes	<u>\$4,680,280</u>	<u>\$4,586,350</u>	<u>\$93,930</u>	<u>2.05%</u>	Surplus or (Deficit)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	