

***CIVIC FEDERATION COMMENDS  
METROPOLITAN WATER RECLAMATION DISTRICT  
FOR DECREASING PROPOSED PROPERTY TAX LEVY***

***MWRD ANSWERS CALL TO AVOID UNNECESSARY TAX INCREASE***

(Chicago) – At tomorrow’s public hearing on the Metropolitan Water Reclamation District’s (MWRD’s) budget, The Civic Federation will commend the District for decreasing its proposed property tax levy by \$2.7 million. The revised property tax levy is \$2.7 million lower than originally proposed. After the reduction, the District’s property tax levy will still increase by 2.1%, but the Federation is encouraged that the District has avoided increasing its property tax levy to the maximum amount allowable under law. For several years, the Federation has pointed out that the District’s revenues consistently and significantly exceed its expenditures; and because the District maintains significant fund balances and reserve funds it, should not automatically raise its property tax levy.

“We are pleased that the MWRD has taken a first-step toward what we believe is a more fiscally responsible position,” said Laurence Msall, President of the Federation. “During these tough economic times when many taxpayers have lost some of their own income and their property tax bills continue to rise, it is critical for government to do everything it can to control its spending habits before asking the taxpayers for more.”

The key findings of The Civic Federation’s analysis of the MWRD FY2004 finances include:

- The FY2004 proposed budget is \$848 million.
- Twenty-seven vacant positions will be eliminated in FY2004, reducing the total number of positions from 2,186 to 2,159.
- The District’s unreserved, undesignated fund balance totaled \$110 million in FY2002 for an operating fund balance ratio (unreserved fund balance divided by operating expenditures) of 37.4%. The Civic Federation considers this level of fund balance “substantial”.
- Net assets (fund balance) appropriated for the Corporate Fund in FY2004 will be \$41.4 million, 13.9% of proposed appropriations in that fund.
- Reserve Claim Fund expenditures are projected to decrease to \$3.5 million from \$3.6 million while the Fund’s fund balance will increase from \$31 million to \$33 million.
- MWRD bond issues maintain one of the region’s highest local government bond ratings (AAA Fitch, AAA Moody’s, AA+ Standard and Poor’s).

The Civic Federation is a non-partisan government research organization founded in 1894. The Federation’s membership includes business and professional leaders from a wide range of Chicago area companies and institutions. More information about the Civic Federation and a complete analysis of the MWRD’s budget can be found at [www.civicrofederation.org](http://www.civicrofederation.org)