

May 2000

# Waterways for Our Future

Governance and Finance

The Civic Federation

A collaborative study of the water, land,  
and governance/organizational structure  
of the Metropolitan Water Reclamation District  
and their impact on Chicago River waterways

Friends of the Chicago River



The Civic Federation

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## **ABOUT THE CIVIC FEDERATION**

The Civic Federation is a nonpartisan government and fiscal watchdog group and research organization founded in 1894. The Federation provides three primary services. First, it promotes efficiency and economy in the organization and management of public business. Second, it guards against excessive taxation and wasteful expenditure of public funds. Finally, the organization serves as a technical resource providing objective information regarding state and local governmental revenues and expenditures.

The Civic Federation fulfills its mission by analyzing public finance and government service delivery through research reports and public commentary. Recent research reports have assessed the impact of tax increment finance in northeastern Illinois, looked at local government reliance on fees, and analyzed Cook County property tax trends.

The Federation is a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code and is incorporated as a nonprofit Illinois corporation. For more information, please contact The Civic Federation at (312) 341-9603 or visit our website at <http://www.mcs.net/~civicfed/>.

## CONTENTS

Executive Summary	1
Methodology	4
Research Findings	5
A. Governance	5
1. Legal	5
2. Organization	7
3. Commissioners	9
4. Committees	10
5. Policy-making	15
6. Elections	16
B. Management	18
1. General Superintendent	18
2. Personnel	20
3. Annual Reports of Departments	24
C. Finances	24
1. Annual Budget Process	24
2. Budget Changes	27
3. Budget Trends	27
4. Budget Comparison	31
5. Importance as Board of Commissioner's Agenda Items	33
6. Purchasing	35
7. Fiscal Health	36
8. Pension Program	36
D. Public Access	38
1. Legal Obligations	38
2. Notices of District Activities	38
3. Processes	39
4. Public Contacts and Town Meetings	42
5. Access to Information	42
6. Intergovernmental Oversight	43
7. Openness to Researchers	44
Discussion	45
Appendices	46

## EXECUTIVE SUMMARY

Overall, the findings of this report support the two primary findings found in the reports issued respectively by the Friends of the Chicago River and Openlands Project. First, the MWRD is efficient and performs its public service very well. Its contribution to the overall quality of the Chicago River and surrounding waterways is laudable. Second, the MWRD, as a public agency, needs to improve upon its governance structure and public communication mechanisms. It is unclear what real impact the Board of Commissioners, as representatives of the public-at-large, play in the determination of policy. In addition, as the reports will show, the MWRD needs to develop a more succinct and better communication mechanism for conveying to the public information regarding the services it delivers. Improvements in these areas will trigger the kinds of change recommendations in the land and water portions of the study.

In terms of findings and recommendations relating to governance/organizational structure, most sections of this report are divided into two parts. First, each section contains facts about the MWRD found as part of the study's research. These facts are a result of a review of MWRD documents, interviews with officials, and a review of state statutes. Second, each section contains a "*Perspective*" sub-section. These sub-sections are The Civic Federation's description and views of its findings. The Civic Federation views the "*Perspective*" sub-sections to contain combinations of findings and recommendations on specific issues regarding the organizational/management structure of the MWRD.

The following are overall "*Findings*" and "*Recommendations*" found throughout the course of the study:

## ***Findings***

### ***Governance***

- Although commissioners may initiate public policy, most of their policy decisions are based on recommendations forwarded to them by the General Superintendent .
- Neither the MWRD's committee structure nor the support services available to commissioners lend themselves to a process whereby commissioners can initiate policy recommendations.
- Nearly all Board of Commissioners roll call votes are decided 9-0.
- Public participation in Board of Commissioner's meetings is rare.

### ***Organizational Structure***

- The MWRD's budget is subject to wide variances in both revenues and expenditures from year to year.
- The MWRD's financial condition is good and has benefited from good economic conditions.
- The MWRD's fund balance ratios continue to increase.
- Tax levies may be too high for present needs or inappropriately set for funds that do not incur large liabilities.
- The quality of annual reports from MWRD departments varies widely, from extensive reports to brief memos.
- MWRD pay scales for some common positions are consistently higher than those in governments performing similar services.
- The MWRD's communication policies are limiting both in terms of the public's access to advance notification of upcoming MWRD actions and current MWRD policies.

## ***Recommendations***

### ***Governance***

- The Board of Commissioners should have dedicated staff to provide them with analyses of pending policy issues.
- The committee structure and committee procedures need to be restructured to enhance the relevance of the Board of Commissioners as a decisionmaking body.
- Notification of pending policy matters needs to be communicated to the public and the members of the Board of Commissioners well in advance of the current routine.
- Additional opportunities should be created during Board meetings enabling the public to respond to matters before the Board.

### ***Organizational Structure***

- The MWRD needs to develop a long-term funding and expenditure strategy that avoids significant fluctuations in its annual appropriations.
- Annual reports from the MWRD's departments need to be more consistent and report comparable information.
- The MWRD's fund balance ratios suggest the need to reexamine alternative uses, including investments and debt retirement.
- The MWRD should closely examine any future benefit increases to its employee pension fund.

## **METHODOLOGY**

The research on the MWRD has been a one-year project that began on February 1, 1999. Research activities undertaken to gather information on the governance and organizational structure of the MWRD included:

- Research using the MWRD library and public relations offices for information.
- Direct interviews with each of the MWRD commissioners.
- Questionnaire submitted to the General Superintendent on district governance and operations.
- Attending bimonthly board meetings since February 1999.
- Attending study sessions of board committees.
- Attending Illinois Auditor General's report on MWRD.
- Reviewing transcripts of selected board meetings and study sessions.
- Analysis of Board of Commissioner's roll call votes.
- Requesting documents from the MWRD through the Freedom of Information Act.
- Requesting documents from comparative sanitary districts and municipalities.
- Collection and analysis of data from secondary sources.



## RESEARCH FINDINGS

### A. Governance

1. **Legal.** The original law that established the Sanitary District of Chicago (now the MWRD) was passed by the Illinois General Assembly on May 29, 1889. The structure of the MWRD has changed several times since its creation, with significant changes adopted in 1953, 1963, and 1989.<sup>1</sup> The MWRD remains an independent special district government for about 91% of the land area of Cook County (Figure 1.)

According to its annual budgets,

The mission of the District is to keep sewerage pollution out of Lake Michigan, the area's drinking water supply, to treat sewage to avoid contamination of the Chicago, Des Plaines, and Illinois Rivers and to remove obstructions to navigation from these bodies of water. The District, while it exercises no direct control over wastewater collection and transmission systems maintained by cities, towns, and villages in Cook County, does control municipal sewer construction by permits. It also provides the main trunk lines for the collection of wastewater from the local systems together with the treatment and disposal thereof. The District also provides facilities to store, treat and release combined sewage and stormwater runoff within its jurisdiction.<sup>2</sup>

*Perspective: The MWRD's responsibilities are not understood in a consistent fashion by MWRD officials. The MWRD's leadership--Board of Commissioners, Officers, and General Superintendent--do not share a common understanding of the legal authority of the district. The continuing struggle is over the district's statutory mission--providing sanitation services and pollution control--and their de facto authority to manage storm water for the county.*

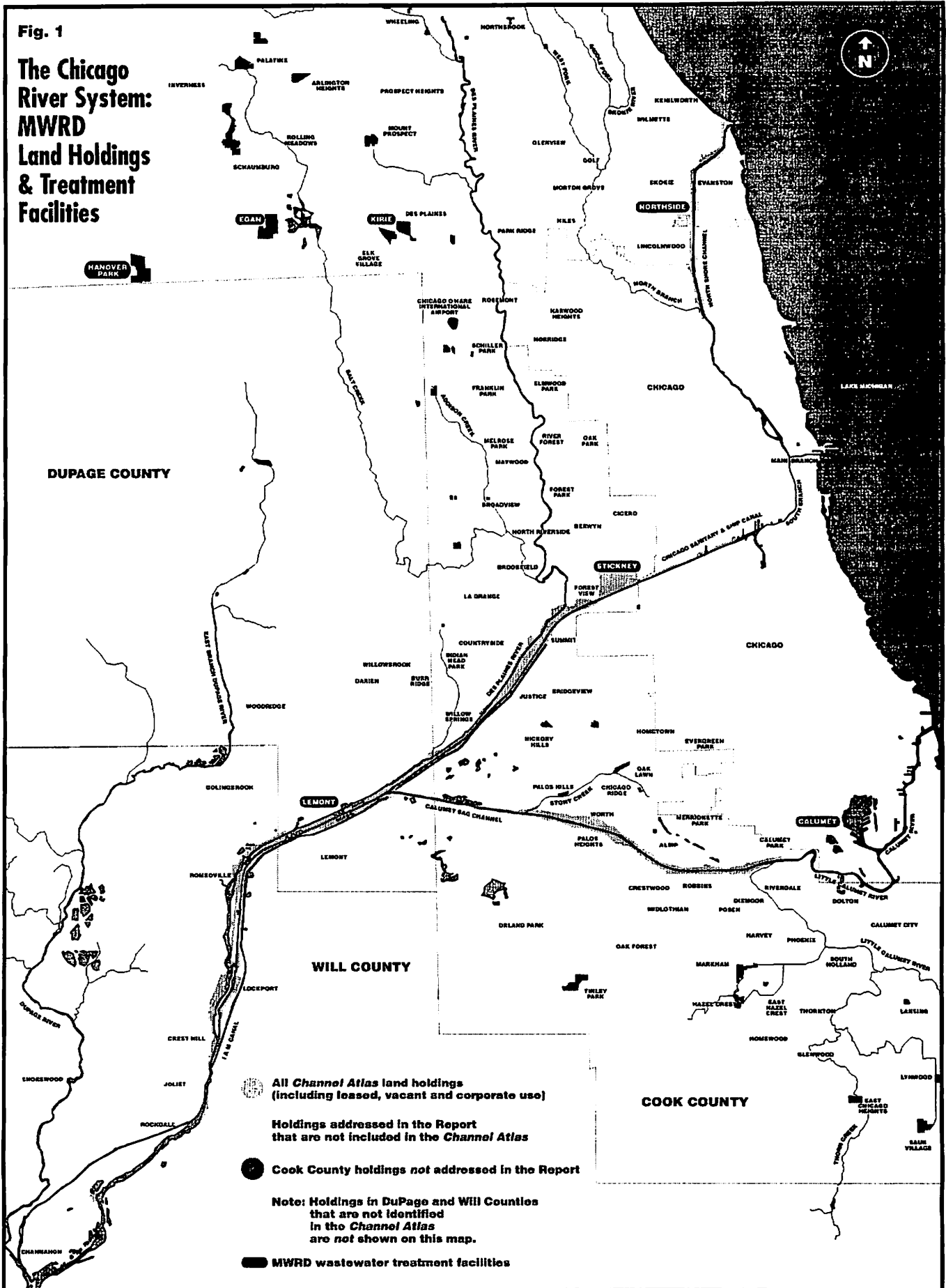
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1 George A. Lane, The Legal Structure of the Metropolitan Sanitary District of Greater Chicago (Chicago: MSD Law Department, 1963). C. Arch Williams, The Sanitary District of Chicago: History of Its Growth and Development (Chicago: Sanitary District of Chicago, 1919).

2 MWRD 1999 Budget, p. iv.

Fig. 1

# The Chicago River System: MWRD Land Holdings & Treatment Facilities



○ All Channel Atlas land holdings  
(including leased, vacant and corporate use)

● Holdings addressed in the Report  
that are not included in the Channel Atlas

■ Cook County holdings not addressed in the Report

Note: Holdings in DuPage and Will Counties  
that are not identified  
in the Channel Atlas  
are not shown on this map.

▭ MWRD wastewater treatment facilities

**2. Organization.** The MWRD is formally governed by a nine-member Board of Commissioners, three of whom are elected every two years and serve six-year terms. (See Figure 2). The elected position of Commissioner is considered a part-time office. Commissioners are paid \$40,000 /year, a salary set by state statute. Commissioners appoint a General Superintendent and a Treasurer. The General Superintendent is responsible for the day-to-day activities of the district.

*Perspective: The organization of the MWRD is similar to that of a municipal council-manager government. In this system, voters elect a council or board to be the policy-making body for the government. The Board in turn appoints an individual to serve as the manager for the day-to day affairs of the government. This structure separates the making of policy, which is a political process, from the implementation of that policy, which is expected to be an administrative process. The structure's "main attribute is its businesslike approach to...government, which presumably maximizes efficiency and technical expertise."<sup>3</sup> There are some common limitations or problems with the council-manager system. The manager is a full-time administrative official and will provide most of the policy recommendations on which the part-time council will act. Yet, many elected council members and their appointed managers will not have a good understanding of what the policy relationship should be between the legislative and executive divisions.<sup>4</sup> Although at times a council member or the board/council president may emerge as the policy leader, "most likely, the council will flounder about or turn to the manager."<sup>5</sup>*

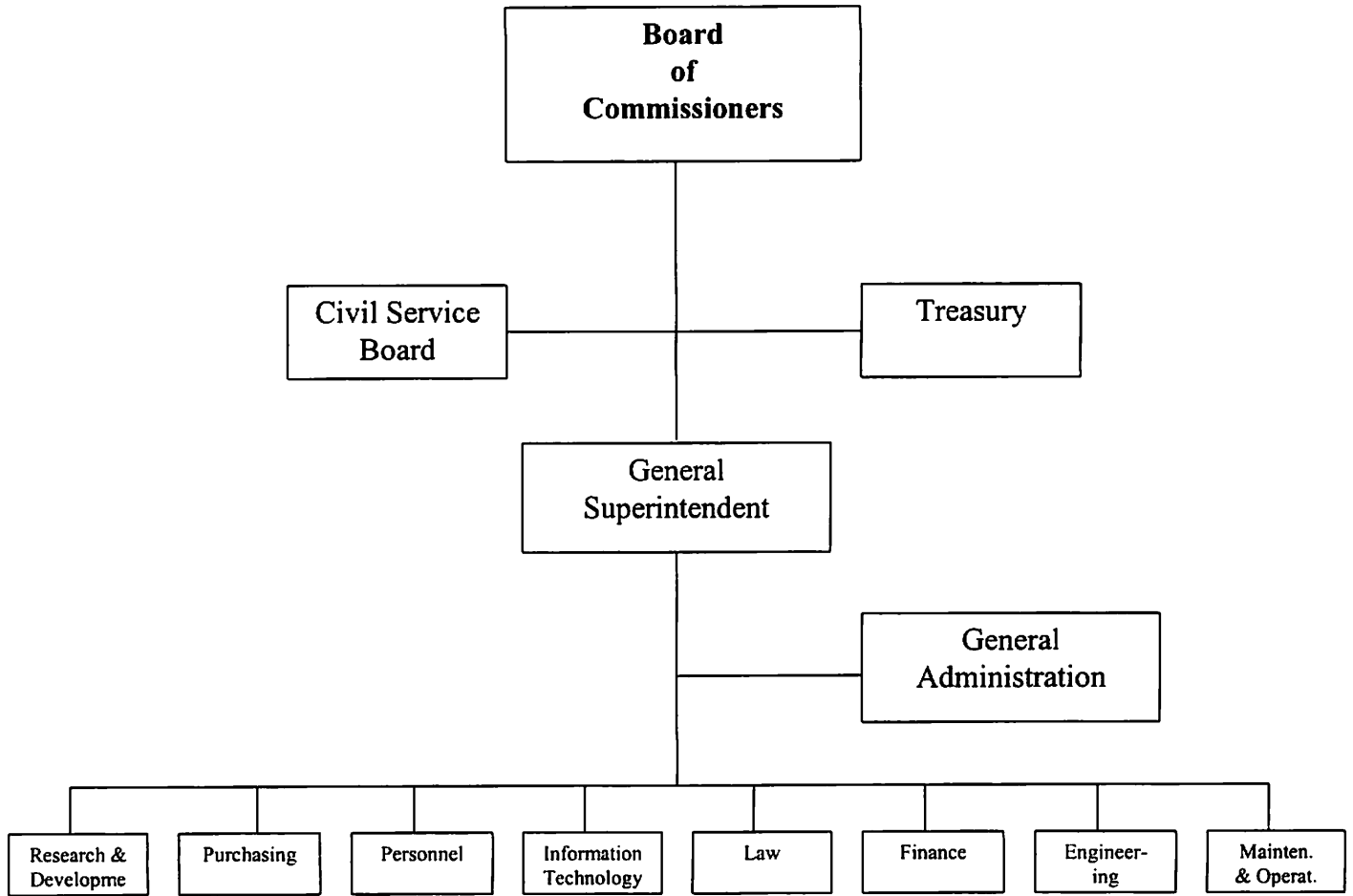
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3 David R. Morgan and Robert E. England, Managing Urban America, 5<sup>th</sup> ed., (New York: Chatham House Publishers, 1999), p. 69.

4 Morgan and England, p. 69.

5 Heywood T. Sanders, "The Government of American Cities: Continuity and Change in Structure," The Municipal Yearbook, 1982 (Washington: International City Management Association, 1982), p. 181.

FIG. 2



Source: Budget for the Year 2000, MWRD, pg. 96.

**3. Commissioners.** (In order to learn about the roles of members of the Board of Commissioners, each commissioner was interviewed by members of the research team. Each interview was conducted in a positive and informative environment. The commissioners and the Board President were generous with their time, interested in our study, and candid in the observations on district governance and policy-making.)

**a. Powers and roles.** Board of Commissioner's members are to (1) serve as the policy-making body on matters related to district mission and finances, and (2) represent an at-large constituency that includes all property holders in the jurisdiction, virtually the whole of Cook County. According to statute, the Board is the policy-making body for the MWRD and the General Superintendent is responsible for policy implementation. Commissioners are paid \$40,000 per year.

*Perspective: Commissioners also serve as ombudsmen for constituents on a wide variety of matters related to district affairs. No significant change in the powers of commissioners has occurred over time.*

**b. Leadership.** The Board of Commissioners has three leadership posts: President, Vice-President, and Chair of the Finance Committee. The Board elects its officers biannually. The Board leaders are paid more than other commissioners. The President's salary is \$50,000, while both the Vice-President and Chairman of the Committee on Finance receive \$45,000.

*Perspective: Leaders appear to function independently in district affairs and do not appear to act as a leadership team or executive committee of the board.*

**c. Staff and roles.** The Board of Commissioners has three divisions: (1) legislative, (2) treasury, and (3) administrative. The legislative section has 28 staff members. Each commissioner has budget authority to hire two or three office staff who are exempt from the

district's merit system. The staff is somewhat larger for the President, Vice-President and Chairman of the Finance Committee.

*Perspective: Typically, the Board of Commissioner's staff function as office receptionists and general clerical staff. Commissioners do not have staff who serve as policy specialists or legislative aides in the sense that those terms are used in other legislative bodies. The effect of this situation is that commissioners do not have policy-making assistance in their individual offices nor is a legislative staff office available for support. The Finance Committee Chair appears to be the only commissioner who uses staff to support policy tasks of the office.*

The Treasury Section is led by a Treasurer, appointed by the Board of Commissioners, who has an Assistant Treasurer, and investment officer and four accounting clerks. The Treasurer is the chief financial officer for the MWRD and is responsible for banking and investments. The Treasurer works closely with the Finance Department, which reports to the General Superintendent. The Director of Finance also serves as the Clerk of the Board of Commissioners. In this role, the Finance Director provides additional administrative support to the Board of Commissioners, particularly in the conduct of board meetings. The Administrative Section of the Board of Commissioners consists of one position, the Administrative Aide to the President.

#### **4. Committees.**

**a. Structure.** The Board of Commissioners organized its policy-making responsibilities into 18 legislative committees for over a decade (see Table 1). An Ethics committee was added in 1999, bringing the total number of committees to 19. Between 1986 and 1993 a series of committee reorganizations took place. An Affirmative Action committee was created in 1989, and the Lake Level Management committee (created in 1987) was dropped. A Public Information committee was added in 1991 and the Centennial committee was abolished.

*Perspective: The 19 committees represent an unusually large number of committees for a board of 9 members.<sup>6</sup> However, the organization of the committee system is designed to mirror the administrative areas from which policy is developed. The current committees are not actively engaged in policy development, policy initiation, and do not meet to vote on policy adoption recommendations. The committees' activities are largely defined by the interests of the committee chair. The most visible actions of committees are apparent in the rare study sessions that are called by the chair. An agenda is rarely prepared in advance of the study session. Study sessions were held in recent years by the committees on Affirmative Action (January 1999, March 1999), Budget (December 1998), Real Estate (October 1998, July 1999), Finance (April 1998), State Legislation and Rules (January 1998). None of these study sessions included more than policy review and public comment on a subject. A review of transcripts of meetings showed that no action was taken or recommended by the committees. Later Board of Commissioners agendas may include policy initiatives related to a study session.*

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6 See John P. Pelissero and Timothy B. Krebs, "City Council Legislative Committees and Policy-making in Large U.S. Cities," American Journal of Political Science 41 (April 1997): 499-518; James A. Svara, A Survey of America's City Councils (Washington, D.C.: National League of Cities, 1991); Victor S. DeSantis, "Council Committees." Baseline Data Report v.19, (4) (Washington, D.C.: ICMA, 1987).

TABLE 1

**MWRD Board Committees:  
Changes from 1986-1999**

YEAR	Number of Committees	Changes
1986	18	<i>Committees:</i> Channel and Soil Bank, Employment, Finance, Engineering, Flood Control, Drainage and Storm Flow, Industrial Waste and Water Pollution, Judiciary, Labor and Industrial Relations, Lake Diversion, Legislation, Maintenance and Operations, Municipalities, Pensions-Personnel Relations-Civil Service, Public Health and Welfare, Purchasing, Real Estate Development, Research and Development, Rules
1987	18	<i>New committees:</i> Centennial, Economic and Community Development, and Lake Level Management. <i>Dissolved committees:</i> Channel and Soil Bank and Lake Diversion. <i>Reorganized:</i> Legislation and Rules committees are combined into Legislation and Rules.
1988	18	No changes.
1989	18	<i>New committees:</i> Affirmative Action. <i>Dissolved committees:</i> Lake Level Management.
1990	18	<i>Reorganized:</i> Public Health and Welfare becomes Public Health.
1991	18	<i>New committees:</i> Public Information. <i>Dissolved committees:</i> Centennial. <i>Reorganized:</i> Public Health becomes Public Health and Welfare.
1992	18	<i>Reorganized:</i> Public Information becomes Public Information and Education.
1993	18	<i>New committees:</i> Budget and Employment, Federal Legislation, and State Legislation and Rules. <i>Dissolved committees:</i> Economic and Community Development, Employment, and Legislation and Rules.
1994	18	No changes.
1995	18	No changes
1996	18	No changes
1997	18	No changes
1998	18	No changes
1999	19	<i>New committees:</i> Ethics.

Source: Annual Meetings, Proceedings of the Board of Commissioners, Metropolitan Water Reclamation District of Greater Chicago, various years.



The last major reorganization took place in 1993 when committees on Budget and Employment, Federal Legislation, and State Legislation and Rules were created, while at the same time the committees on Employment, Economic and Community Development, and Legislation and Rules were abolished.

**b. Chairs.** Each committee consists of a chair, vice chair, and all other commissioners as committee members. The president appoints all committee chairs and vice chairs. Consistent leadership on committees has been rare since 1986 (See Table 2). On average, each committee has had three changes in chair and vice-chair. The Finance Committee, which is the most powerful and important of the committees, has had four different chairs and six vice-chairs since 1986. Engineering has had five different chairs. And the Public Health committee has seen eight chairs in 14 years.

*Perspective: Committees can meet at the call of the chair, but chairs rarely call meetings.*

**c. Staff.** Committees have no staff other than the personal staff assigned to each commissioner, each of whom chairs several committees.

*Perspective: As a practical matter, policy committees have no staff to prepare or study proposed policies. Although the vast majority of board agendas pertain to recommendations of committees, nearly all legislation has been recommended by administrative staff in the name of the relevant committee. The committees do not meet to prepare board policy or to discuss staff transmittals. The practice has been for the administration to prepare the committees' business and have it reviewed by the committee chair before sending it to the Board of Commissioners for approval.*

**TABLE 2**  
**Changes in Committee Leadership from 1986-1999**

<b>Committee</b>	<b>Years</b>	<b>Chairs</b>	<b>Vice-Chairs</b>
<b>Affirmative Action</b>	1989-1999	3	2
<b>Budget and Employment</b>	1993-1999	3	4
<b>Centennial</b>	1987-1990	2	2
<b>Channel and Soil Bank</b>	1986	1	1
<b>Economic and Community</b>	1987-1992	2	3
<b>Employment</b>	1986-1992	1	2
<b>Engineering</b>	1986-1999	5	5
<b>Ethics</b>	1999-	1	1
<b>Federal Legislation</b>	1993-1999	2	3
<b>Finance</b>	1986-1999	4	6
<b>Flood Control Drainage and Storm Flow</b>	1986-1999	3	3
<b>Industrial Waste and Water Pollution</b>	1986-1999	2	6
<b>Judiciary</b>	1986-1999	4	4
<b>Labor and Industrial Relations</b>	1986-1999	3	2
<b>Lake Diversion</b>	1986	1	1
<b>Lake Level Management</b>	1987-1988	1	1
<b>Legislation and Rules (Legislation)</b>	1986-1992	2	2
<b>Maintenance and Operations</b>	1986-1999	3	4
<b>Municipalities</b>	1986-1999	4	7
<b>Pensions, Personnel Relations, and Civil</b>	1986-1999	2	3
<b>Public Health and Welfare (Public Health)</b>	1986-1999	8	3
<b>Public Information</b>	1991-1999	1	4
<b>Purchasing</b>	1986-1999	5	4
<b>Real Estate Development</b>	1986-1999	3	5
<b>Research and Development</b>	1986-1999	3	5
<b>Rules</b>	1986	1	1
<b>State Legislation and Rules</b>	1993-1999	2	4
<b>Average Number</b>		2.6	3.3

Source: Proceedings of the Board of Commissioners, Metropolitan Water Reclamation District of Greater Chicago, various years.

## **5. Policy-making**

**a. Powers.** Commissioners have the legal authority to make policy for the district. A review of all Board of Commissioners agenda for 1998 and 1999 shows that nearly all policy initiatives come from the executive branch and not from commissioners or the committees.

*Perspective: Commissioners must rely upon district administrative staff for information and explanation of policy. Although commissioners may initiate public policy, they tend to engage in writing honorific resolutions and other symbolic activities, while deferring to the administration on substantive policy. In the latter regard, commissioners are in a reactive mode, responding to initiatives of the administration, asking questions, and formally adopting policies developed by their administrators. Because the Board of Commissioners does not have staff for policy assistance, their review of policy recommendations from the administration is not guided by independent legislative expertise. Questions on policy initiatives must be directed to the administration.*

**b. Relationship to General Superintendent.** In a series of interviews with each of the commissioners in 1999, most commissioners described a positive and open relationship with the General Superintendent.

*Perspective: The incumbent General Superintendent<sup>7</sup> has established himself as the point of contact for all commissioners with questions about policy or operations. He seems to expect that commissioners will go through him and not directly to other administrators. Some commissioners have developed their own channels for information and assistance independent of the General Superintendent; the Director of Finance and the Director of Research and Development have frequent and direct contacts with members of the Board of Commissioners.*

**c. Board Meetings.**

**(1) Agenda.** According to answers received during our interviews with commissioners, the Board of Commissioners receive their agenda packets three to six days prior to each board meeting. This process is designed to give them time to review and direct questions to the administration. Items not included in the agenda packet may be added as floor business during the course of board meetings. Any commissioner may request deferral of an agenda item, including floor items, for one meeting without a vote of commissioners.

*Perspective: The Board of Commissioners agenda is put together by the General Superintendent whose department heads prepare the transmittal letters. The General Superintendent expects commissioners to direct questions on the agenda to him prior to board meetings. Some commissioners prefer to ask their questions on the record at the public meeting.*

**(2) Roll call votes.** We examined all Board of Commissioners roll call votes for 1998 and 1999.

*Perspective: Nearly all Board of Commissioners roll call votes are decided 9-0. If votes are not unanimous, the typical pattern is for one commissioner to vote against the item. More commonly, one of the commissioners abstains from a vote. Only 7% of new floor business resulted in divided votes. The number of unanimous votes increased in 1999, with the seating of a new board that was constituted following the 1998 elections.*

**6. Elections.** Elections to the board of commissioners are held every two years, in which three individuals are elected for six-year terms. The elections are held in even-number years on the same dates as the Illinois primary and general elections.

**a. Candidates.** Political parties nominate candidates to stand for the general election through party primaries held in March of even-number years.

*Perspective: Because Democrats have been successful in the general elections for decades, the Democratic Primary generates considerable interest, with 6 to 20 candidates running for nomination. Republicans have rarely had more than the minimal three candidates standing for nomination; there is little competition in a primary when the likelihood of victory in the general election is small.*

**b. Recent results.** We reviewed MWRD election results from records in the Cook County Clerk's office. From 1986 to 1998, 120 different candidates sought election to the Board of Commissioners. Most of the candidates ran in the Democratic Party primary. On average, Democratic candidates have needed 176,382 primary votes to be nominated; Republican candidates have averaged 98,967 primary votes (often in uncontested races). To win a seat on the Board of Commissioners, successful candidates have averaged 820,286 votes in the general election.

**c. Campaign finance.** Examining the campaign finance records of the last nine successful candidates for the Board of Commissioners shows that they have raised and spent more than \$1.1 million on their campaigns for the MWRD board. On average, each commissioner has raised \$20,875 per year since 1993.<sup>8</sup>

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<sup>8</sup> Derived from D-1 and D-2 Election Finance Disclosure forms.

## **B. Management**

### **1. General Superintendent**

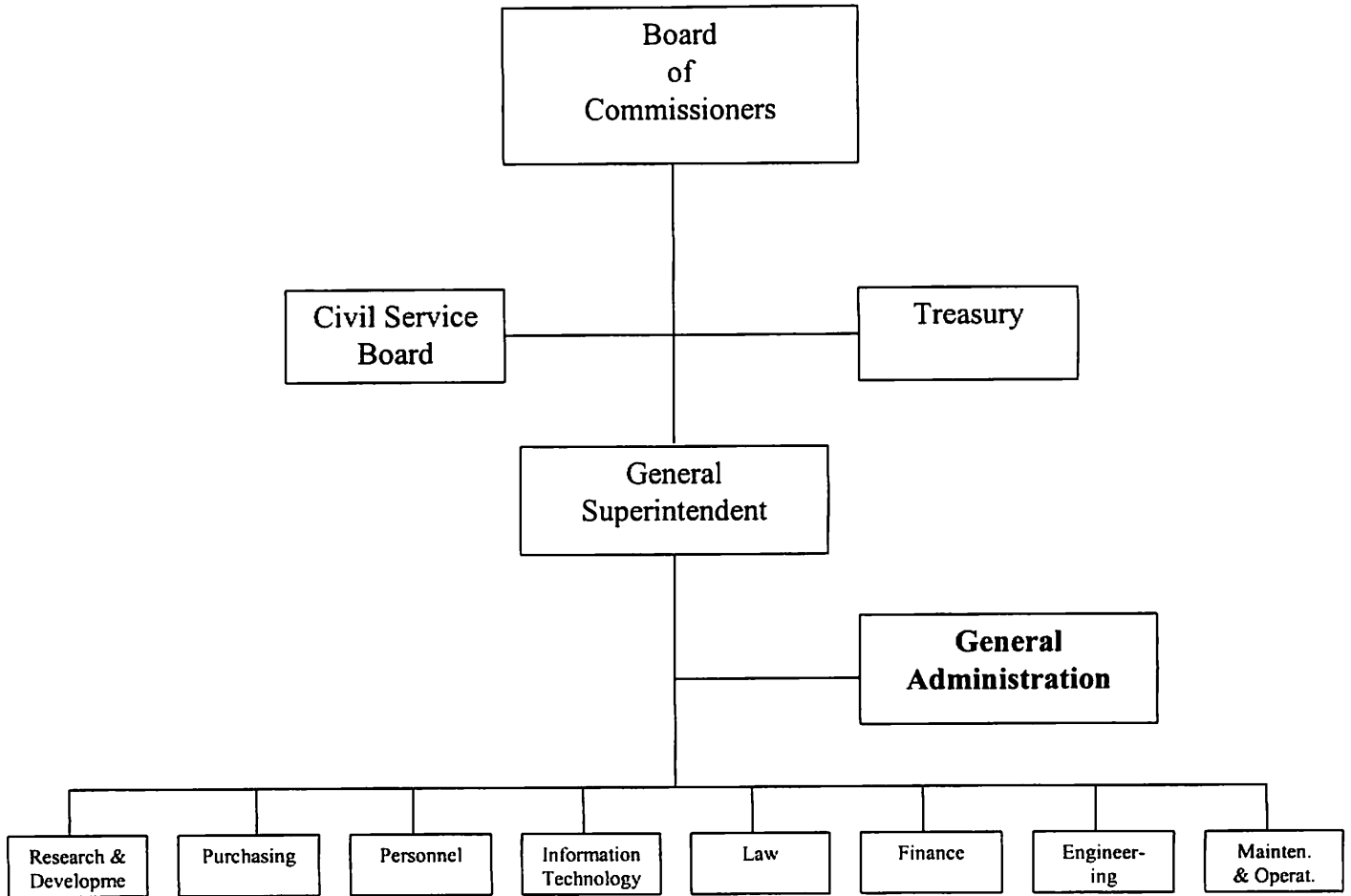
**a. Powers.** The General Superintendent is appointed by the Board of Commissioners and serves at its pleasure. The GS is the chief executive officer of the district and administrative departments report to this position (see Figure 3). The official powers of the General Superintendent are specified in state statute.

*Perspective: The role of the General Superintendent has evolved over time, expanding or contracting with the personality and interests of the incumbent. Although the General Superintendent is to implement the policies and goals of the Board of Commissioners, long-term practice shows that the General Superintendent recommends all major policies and establishes the agenda for the Board of Commissioners.*

### **b. Relationship with board and president.**

*Perspective: The General Superintendent believes that the district president represents the board on most matters and most of the contacts with the Board of Commissioners are through the president. The General Superintendent applies a narrow interpretation of the Open Meetings Act and will not meet with more than two commissioners at a time. The General Superintendent prepares the board packets for Board of Commissioners meetings and will respond to queries from commissioners. The General Superintendent contends that it is the board that “develops and adopts policies” and that the job of the General Superintendent is day-to-day management of the district and implementation of board decisions. According to the General Superintendent, the administrative staff initiates only “technical (engineering) policy” (Appendix A). The General Superintendent states that fiscal policy is jointly developed with the Board of Commissioners. This view is at odds with that of some commissioners, who contend that the General Superintendent and staff develop most or all policy.*

Fig. 3



Source: Budget for the Year 2000, MWRD, pg. 104.

**c. External Research.** The General Superintendent contends that this study is not relevant to the district's governance or operations. We were not permitted to interview the General Superintendent for this study. He refused to make district staff available for interviews with the research team. He requested that questions to him be submitted in writing. Questions were submitted to the General Superintendent on September 9, 1999 and his response was received on October 26, 1999. The General Superintendent's letter of responses provides answers only in areas that he considers to be appropriate to share with the public and our group (Appendix A).

*Perspective: The tone of the letter reflects the uncooperative tone that he adopted toward our study. He refused to answer many questions pertaining to the role of the General Superintendent in policy, administrative, and fiscal matters. Questions to the General Superintendent from the research team and his responses are found in Appendix A.*

## **2. Personnel.**

**a. Staffing levels and change.** The district has 2,252 budgeted position for 2000, an increase of seven positions from FY99 (see Table 3). Staffing levels have increased by 13 positions, or 0.6% since 1998. The largest number of employees works in Maintenance and Operations: 1,193, or 53%. Research and development, a staff agency, has 16% of the workforce. The district has collective bargaining agreements with 17 unions.



**Table 3**  
**MWRD Personnel by Division and Organization, 1999**

<i>Item</i>	<i>Proposed 2000</i>	<i>Budget 2000</i>	<i>Change Prop-Budg</i>	<i>Change %</i>	<i>1999</i>	<i>1998</i>	<i>Change 1998-2000</i>	<i>Change %</i>
<b>Personnel</b>	2,245	2,252	7	0.3%	2245	2239	13	0.6%
Gen Support	476	478	2	0.4%	471	467	11	2.4%
Flood & Pollution Control	93	94	1	1.1%	96	95	-1	-1.1%
Collection	355	354	-1	-0.3%	355	360	-6	-1.7%
Treatment	534	535	1	0.2%	535	525	10	1.9%
Solids Processing	331	330	-1	-0.3%	328	331	-1	-0.3%
Solids Utilization	456	461	5	1.1%	460	461	0	0.0%
<b>Corporate Personnel</b>	2,019	2,029	10	0.5%	2018	2013	16	0.8%
Const & Cap Imp	226	223	-3	-1.3%	227	226	-3	-1.3%
<b>Personnel by Org</b>								
Board of Comm	45	45	0	0.0%	45	45	0	0.0%
Gen Admin	126	127	1	0.8%	123	122	5	4.1%
R&D	350	355	5	1.4%	353	357	-2	-0.6%
Purchasing	79	79	0	0.0%	78	74	5	6.8%
Personnel	44	43	-1	-2.3%	44	49	-6	-12.2%
Info Technology	73	73	0	0.0%	69	63	10	15.9%
Law	41	41	0	0.0%	42	41	0	0.0%
Finance	40	42	2	5.0%	40	40	2	5.0%
Engineering-Corp	31	31	0	0.0%	31	33	-2	-6.1%
Maint & Ops	1,190	1,193	3	0.3%	1193	1189	4	0.3%
<b>Subtotal Corporate</b>	2019	2029	10	0.5%	2018	2013	16	0.8%
<b>Other funds</b>							0	
Engineering-Const	226	223	-3	-1.3%	227	226	-3	-1.3%

Source: MWRD Budgets, 1995-2000

**b. Salary structure.** In October 1999 the district adopted a new classification and compensation system recommended by Hay Associates. A comparison of common job titles and entry level salaries in the MWRD and other districts was conducted to determine any differences in salaries (see Table 4).

*Perspective: Comparing the MWRD with the North Shore Sanitary District on 10 common job titles shows that MWRD starting salaries are lower in four positions (accounting clerk, engineering technician, treatment plant operator, and associate mechanic). MWRD starting salaries are higher than those in the NSSD in six positions (secretary, biologist, chemist, assistant purchasing agent, industrial waste engineer, and budget officer). A comparison was made with starting salaries in the Metropolitan Council of St. Paul, the City of Los Angeles, and the County of Los Angeles. The MWRD generally pays more for positions than the Metropolitan Council, whereas pay scales in Los Angeles governments show wide variation with the MWRD. After adjusting for differences in urban cost of living indices in other governments performing similar services, the MWRD pay scales are found to be consistently higher for positions classified as secretary, assistant purchasing agent, industrial waste engineer, and budget officer.*

**c. Job Announcements.** The district has a position classification system and publishes notices of job vacancies.

*Perspective: Some commissioners take an active role in recruiting and referring candidates for positions. One commissioner mails copies of every position announcement to a list of interested parties, which includes political contacts, community contacts, and individuals known to be interested in the district's personnel opportunities. The General Superintendent opposes commissioners sending out job announcements.*

**Table 4**  
**ENTRY LEVEL SALARY COMPARISON OF MWRD AND OTHER DISTRICTS**

Title of Position	MWRD	North Shore San. Dist	vs. MWRD	Metro Council MSP <sup>(1)</sup>	vs. MWRD	LA City <sup>(1)</sup>	vs. MWRD	LA County <sup>(1)</sup>	vs. MWRD
Accounting Clerk	\$24,376	\$26,070	6.9%	\$21,283	-12.7%	\$28,036	15.0%	\$26,902	10.4%
Senior Civil Engineer	57,848					65,154	12.6%	68,888	19.1%
Engineering Technician	30,852	38,094	23.5%	29,582	-4.1%	32,383	5.0%	35,273	14.3%
Associate Civil Engineer	46,698					48,616	4.1%	61,813	32.4%
Biologist I	42,547	41,349	-2.8%			40,347	-5.2%	43,166	1.5%
Chemist I	42,547	39,235	-7.8%			40,347	-5.2%	43,166	1.5%
Treatment Plant Operator I	34,969	51,687	47.8%			48,819	39.6%	41,917	19.9%
Master Mechanic I	64,930					48,535	-25.2%	46,669	-28.1%
Data Coordinator	34,969			42,037	20.2%			49,016	40.2%
Paymaster	46,698					40,632	-13.0%	50,242	7.6%
Assistant Purchasing Agent	78,068	30,750	-60.6%	31,879	-59.2%			32,553	-58.3%
Associate Electrical Engineer	46,698					48,616	4.1%	61,822	32.4%
Associate Mechanical Engineer	46,698	47,537	1.8%			48,616	4.1%	47,124	0.9%
Senior Personnel Analyst	57,848	58,108	0.4%			53,086	-8.2%	49,751	-14.0%
Microbiologist II	51,825					43,497	-16.1%	48,070	-7.2%
Computer Systems Administrator	57,848					38,851	-32.8%	81,860	41.5%
Industrial Waste Enforcement Supervisor	64,930	47,143	-27.4%	27,649	-57.4%	56,378	-13.2%	54,235	-16.5%
Budget Officer	78,068	63,120	-19.1%			43,839	-43.8%	47,241	-39.5%
Secretary	34,969	31,828	-9.0%	22,274	-36.3%	30,494	-12.8%	32,249	-7.8%
Claims Examiner	46,698			31,879	-31.7%			39,255	-15.9%
(1) Adjusted for CPI									

Sources: MWRD Salary Schedule adopted, November 1999; Reports from other districts for 1999.

**3. Annual reports of departments.** A few district departments issue annual reports on their operations. According to documents found in the MWRD library, annual reports are prepared on Affirmative Action Program, Civil Service Board, Personnel Department, Purchasing Department, and the Research and Development Department.

*Perspective: The quality of annual reports from departments varies widely, from extensive Research and Development Department annual reports to a brief memo on Purchasing Department operations.*

### **C. Finances**

The annual budget process is a 12-month cycle of department-level budget estimates, reviews, formulation of overall budget figures, recommendations by the General Superintendent, hearings by the Budget and Employment Committee, public hearing, budget adoption, and implementation. In many ways, the budget is an expression of a government's short-term and long-term plans for accomplishing its goals. It can be a way for the government to implement a strategic vision or a plan through annual revenue, appropriations, and debt policies.

**1. Annual budget process.** The annual budget process is explained in the published budget (see Figure 4). Although the budget cycle begins with department-level budget estimates in June, the district's formal and public budget process begins in mid-October and ends with budget adoption in mid-December. During the two-month budget adoption process, the Board of Commissioners considers a tentative budget recommended and published by the General Superintendent, schedules hearings for department budget reviews, conducts one public hearing on the budget in early December, and adopts the budget at a public Board of Commissioner's meeting, also in December.

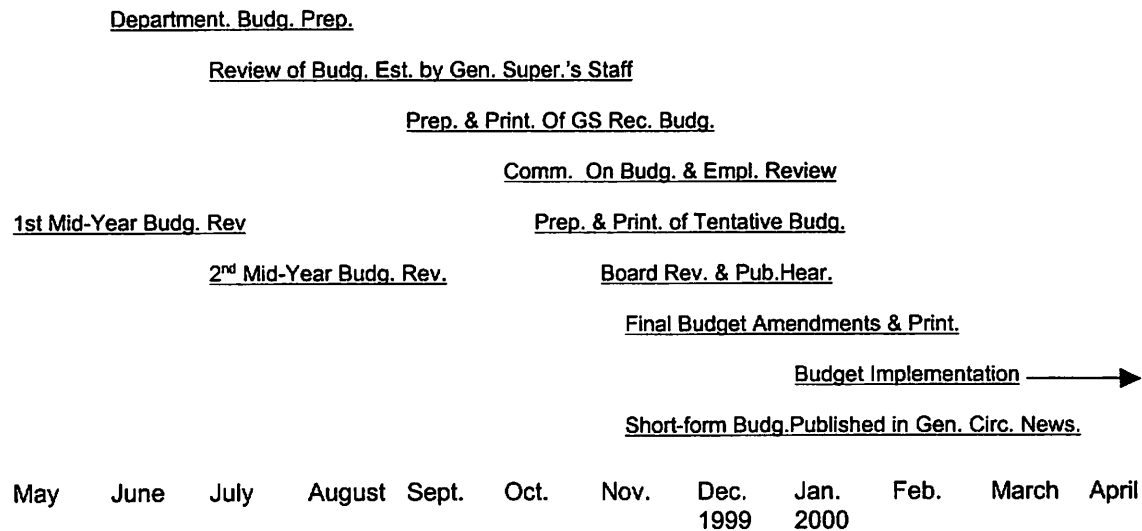
Perspective: Commissioners rarely comment on or ask questions about the proposed budget during public sessions. Public participation and comment on the budget are rare. The Civic Federation was the only group to make a statement at the public hearing on the FY2000 budget; no one testified at the public hearing for either the 1998 or 1999 budgets. During the FY2000 budget hearing a member of The Civic Federation staff testified that this research study would address issues related to the budget in its report to be released early in 2000. Two days later, the chair of the Budget and Employment committee ruled that the testimony was irrelevant to the FY2000 budget and had the comments and written correspondence from The Civic Federation struck from the public record.

Fig. 4

### CALENDAR FOR 2000 BUDGET

General Superintendent's Budget Recommendations Submitted to Board of Commissioners .....	10/18/99
Committee on Budget & Employment Hearings .....	11/04/99
Committee on Budget & Employment Submits Tentative Budget To Board of Commissioners for Public Display .....	11/23/99
Board of Commissioners Holds a Public Hearing On the Budget .....	12/08/99
Board of Commissioners Adopts the Budget.....	12/09/99
Board of Commissioners Amends the Adopted Budget .....	12/16/99

### BUDGET CYCLE



**2. Budget changes.** Tables 5 and 6 display information on the MWRD's tax revenue, tax base, tax rates, and budgeted appropriations for fiscal years 1995-2000. The "proposed" column is that set of fiscal recommendations made by the GS in October. The "adopted" column shows what was actually approved by the Board of Commissioners in December.

*Perspective: Although major changes in appropriations due to capital construction projects are not unusual in government budgets, significant changes between the tentative and final budgets are not typical in government budgets. This is clearly shown on tax levy and tax rate policies for FY2000 in Table 5. But an unusual pattern is observed for FY2000 in Table 6. The MWRD's budget for FY2000 was increased by \$195.4 million (25.4%) between the time of the publication of the tentative budget in October and its final adoption in December 1999. New appropriations of \$183.7 million were added for capital projects, \$10 million for personal services, and \$3.4 million for materials and equipment. Nearly \$200 million was added to the district's budget on December 7, 1999, just two days prior to formal adoption. The budget changes were distributed to the public after the public hearing on the 2000 budget (see details in Appendix B).*

**3. Budget trends.** Table 6 shows the trends in appropriations since FY1995.

*Perspective: The district's budget is subject to wide variances in both revenues and expenditures from year to year. In the 2000 budget, appropriations were increased \$166 million over 1997, an increase of 21%. District spending dropped by \$112 million from 1998 to 1999, a decrease of 12%. The common explanation for these large swings in appropriations is that they are due to changes in construction projects that are active during various years. A growing equalized assessed valuation in real estate property and the Cook County tax caps have kept the district's tax levy fairly constant for five years. The tax rate of \$49.20 in 1996 has dropped to \$47.09 for 2000, a decrease of about five percent. Debt Service has also decreased by 17% since 1995. This is largely due to retirement of debt and refinancing of bonds.*

**Table 5  
MWRD Tax Revenue, Tax Base, and Tax Rates, FY95-FY00**

Item	Proposed 2000	Change		P-A 2000	P-A %	1995-2000					Change 1995- 2000	% Change
		Adopted 2000				1995	1996	1997	1998	1999		
Tax Levy	\$362,887	\$361,456	-\$1,431	-0.39%	\$361,456	\$358,222	\$356,352	\$333,100	\$350,200	\$340,900	\$20,556	6.03%
Tax Rate	\$47.28	\$47.09	-\$0.19	-0.40%	\$47.09	\$48.51	\$48.30	\$45.10	\$49.20	\$49.50	-\$2.41	-4.87%
EAV \$ Billion	\$76.75	\$76.75	\$0.00	0.00%	\$76.75	\$73.86	\$71.18	\$68.87	\$66.31	\$65.27	\$11.48	17.59%
EAV/Real Prop \$B	\$76.44	\$76.44	\$0.00	0.00%	\$76.44	\$73.55	\$70.87	\$68.57	\$66.02	\$65.00	\$11.44	17.60%



**Table 6  
MWRD Budget Changes, FY95-FY00**

Appropriations	Proposed	Adopted	Change	Change	2000	1999	1998	1997	1996	1995	Change	% Change
	2000	2000	P-A	P-A %								
(\$1,000)	\$768,431	\$963,864	\$195,433	25.4%	\$963,864	\$797,983	\$909,498	\$810,800	\$772,800	\$633,400	\$330,464	52.2%
<b>By Fund:</b>												
Corporate	\$318,070	\$314,499	-\$3,571	-1.1%	\$314,499	\$301,872	\$261,229				\$53,270	20.4%
Construction	121,177	103,119	-18,058	-14.9%	103,119	121,143	112,391				-9,272	-8.2%
Cap Improv Bond	152,249	361,042	208,793	137.1%	361,042	178,795	347,682				13,360	3.8%
Retirement	29,627	29,627	0	0.0%	29,627	24,427	23,341				6,286	26.9%
Reserve Claim	15,000	15,000	0	0.0%	15,000	12,600	10,800				4,200	38.9%
Bond & Interest	132,308	140,576	8,268	6.2%	140,576	159,146	154,055				-13,479	-8.7%
<b>By object:</b>												
Personal Svcs	\$213,281	\$223,376	\$10,095	4.7%	\$223,376	\$180,005	\$189,806				\$33,570	17.7%
Contract Svcs	111,138	110,982	-156	-0.1%	110,982	105,064	90,603				20,379	22.5%
Materials/supplies	20,115	22,484	2,369	11.8%	22,484	20,666	20,270				2,214	10.9%
Machine/equip	7,638	8,817	1,179	15.4%	8,817	9,834	12,022				-3,205	-26.7%
Capital projects	182,992	366,688	183,696	100.4%	366,688	235,734	362,459				4,229	1.2%
Land	9,081	9,081	0	0.0%	9,081	10,381	37,250				-28,169	-75.6%
Fixed & other charges	224,186	222,436	-1,750	-0.8%	222,436	236,298	197,087				25,349	12.9%

**Table 6 (continued)**  
**MWRD Budget Changes, FY95-FY00**

Appropriations	Proposed 2000	Adopted 2000	Change P-A	Change P-A %	2000	1999	1998	1997	1996	1995	Change	% Change
<b>By Org or Fund:</b>												
Board of Comm	\$3,010	\$3,173	\$163	5.4%	\$3,173	\$3,021	\$3,048				\$125	4.1%
Gen Admin	18,180	17,108	-1,072	-5.9%	17,108	19,081	15,259				1,849	12.1%
R&D	22,585	24,397	1,812	8.0%	24,397	23,243	22,253				2,144	9.6%
Purchasing	9,322	9,506	184	2.0%	9,506	9,248	8,790				716	8.1%
Personnel	23,791	24,025	234	1.0%	24,025	22,339	21,491				2,534	11.8%
Info Technology	9,538	10,651	1,113	11.7%	10,651	9,350	11,256				-605	-5.4%
Law	4,915	5,133	218	4.4%	5,133	5,064	4,480				653	14.6%
Finance	5,331	5,563	232	4.4%	5,563	4,716	5,617				-54	-1.0%
Engineering-Corp	52,428	38,742	-13,686	-26.1%	38,742	34,648	4,550				34,192	751.5%
Maint & Ops	168,971	176,200	7,229	4.3%	176,200	171,161	164,486				11,714	7.1%
Subtotal Corporate	318,071	314,498	-3,573	-1.1%	314,498	301,871	261,230				53,268	20.4%
<b>Other funds:</b>												
Engineering-Const	\$121,177	\$103,119	-\$18,058	-14.9%	\$103,119	\$121,143	\$112,391				-\$9,272	-8.2%
Engineering-Cap Imp	152,249	361,042	208,793	137.1%	361,042	178,795	347,682				13,360	3.8%
Bond & Int Fund	132,308	140,577	8,269	6.2%	140,577	159,146	154,055				-13,478	-8.7%
Retirement Fund	29,627	29,627	0	0.0%	29,627	24,427	23,341				6,286	26.9%
Reserve Claim Fund	15,000	15,000	0	0.0%	15,000	12,600	10,800				4,200	38.9%
<b>By Programs:</b>												
General Support	\$274,700	\$273,100	-\$1,600	-0.6%	\$273,100	\$281,700	\$298,300				-\$25,200	-8.4%
Flood & Pollution Control	170,000	310,700	140,700	82.8%	310,700	168,500	313,000				-2,300	-0.7%
Collection	101,000	109,700	8,700	8.6%	109,700	83,300	66,600				43,100	64.7%
Treatment	130,500	156,300	25,800	19.8%	156,300	149,600	135,000				21,300	15.8%
Solids Processing	62,200	83,500	21,300	34.2%	83,500	87,000	69,700				13,800	19.8%
Solids Utilization	30,300	30,700	400	1.3%	30,700	27,900	26,900				3,800	14.1%
Debt Service	\$132,300	\$140,600	\$8,300	6.3%	\$140,600	\$159,100	\$154,100	\$150,100	\$146,900	\$167,000	-\$26,400	-15.8%

**4. Budget Comparison.** Table 7 compares the MWRD budget for FY1999 to that of other districts and governments performing similar services.

*Perspective: The table shows that on a per capita basis<sup>9</sup> the MWRD spends more than other governments (except the North Shore Sanitary District). The MWRD appropriations per capita were \$159.60, which was close to Los Angeles (\$153.93), but higher than other comparable districts out of state. The MWRD does have a larger capital and construction program than other comparable districts, which would make total appropriations higher in this comparison. Looking only at non-capital and construction spending per capita in Table 7, one find that third among these districts: -lower than the North Shore District and Philadelphia<sup>10</sup>, but higher than the others. The MWRD also had the highest debt service per capita compared to other governments in Table 7. Again, this is largely due to its capital program. In terms of total personnel per 1,000 population served, the MWRD is on the low side (2.2) compared with other governments.*

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9 Total population is used for each government. No adjustments are made for industrial and commercial clients.

10 Philadelphia did not report its capital spending for the water and sewerage department.

**Table 7  
Budget Comparison of MWRD and Other Districts, FY99**

	MWRD	Detroit	LA City	LA County	Met Council	North Shore SD	Philadelphia
(\$1,000)							
<b>Appropriations</b>	\$797,983	\$261,827	\$536,435	\$412,780	\$156,800	\$54,414	\$186,566
<b>Capital &amp; Construction</b>	\$299,938	\$43,203	\$204,308	\$127,104	\$1,623	\$21,665	\$0
<b>Non-Capital &amp; Constr</b>	\$498,045	\$218,624	\$332,127	\$285,676	\$155,177	\$32,749	\$186,566
<b>Appropriations per capita</b>	\$159.60	\$90.29	\$153.93	\$82.56	\$71.27	\$217.66	\$117.63
<b>Non-Cap &amp; Const per cap</b>	\$99.61	\$75.39	\$95.30	\$57.14	\$70.54	\$131.00	\$117.63
<b>Debt Service</b>	\$159,146	\$58,748	\$42,221	\$27,866	\$63,300	\$1,438	
<b>Debt service per capita</b>	\$31.83	\$20.26	\$12.12	\$5.57	\$28.77	\$5.75	
<b>Personnel</b>	2,245	1,268	2,496	1,400	912	130	2,004
<b>Personnel per 1000 pop</b>	2.2	2.3	1.4	3.6	2.4	1.9	0.8
<b>Population (in 1,000)</b>	5,000	2,900	3,485	5,000	2,200	250	1,586

Sources: MWRD, 1999 Budget, pp. 35-40, 50.

Detroit, 1998-99 Budget, Agency 63, Sewerage, pp. 158-162, 379.

Los Angeles, 1998-99 Budget, Schedule 14, Sewer Construction and Maintenance Fund, Special Purpose Fund, pp. 195-196.

Los Angeles County Sanitation Districts, Sewerage System Final Budgets 1998-99, p. 1.

Metropolitan Council Environmental Services, Budget, 1999, pp. 22-26.

North Shore Sanitary District, 1999 Budget Transmittal Letter, June 23, 1998, p. 1.

Philadelphia Water Department, 1999 Operating Budget, Water Dept. No. 28, p. 71-53B. Includes water and sewerage.

No debt data available by dept.

**5. Importance as Board of Commissioners agenda items.** The financial aspects of the district's operations, including payment of bills, approval of purchasing agreements, approval of bids, and borrowing policies, are the dominant aspects of each Board of Commissioners agenda. Table 8 shows the number and percentage of agenda action items that were presented to the Board of Commissioners in 1999. Financial items dominated the agenda, with Purchasing representing 57% and Finance 6.5% of the items. Real Estate constituted 15.5% of the action items.

*Perspective: Based upon statements made by commissioners in our interviews, it is apparent that the degree to which commissioners understand the financial policies on the agenda is unclear. Commissioners do not have access to the district's financial databases because the GS believes that databases are administrative and not Board of Commissioner's business. Information on financial agenda items is controlled by the administration and, with the exception of the chair of the Finance Committee, commissioners do not have staff with expertise to assist with analysis of financial agenda items. The finance chair relies on the treasurer and finance director for assistance.*

**TABLE 8**  
**Board of Commissioners Agenda Action Items, 1999**

<b>Policy Area</b>	<b>Number</b>	<b>Percentage</b>
<b>Affirmative Action</b>	1	0.1%
<b>Budget and Employment</b>	1	0.1%
<b>Engineering</b>	29	2.9%
<b>Ethics</b>	3	3%
<b>Federal Legislation</b>	0	0%
<b>Finance</b>	65	6.45%
<b>Flood Control Drainage and Storm Flow</b>	5	0.5%
<b>Industrial Waste and Water Pollution</b>	61	6.1%
<b>Judiciary</b>	85	8.5%
<b>Labor and Industrial Relations</b>	1	0.1%
<b>Maintenance and Operations</b>	3	0.3%
<b>Municipalities</b>	0	0%
<b>Pensions, Personnel Relations, and Civil</b>	13	1.3%
<b>Public Health and Welfare (Public Health)</b>	0	0%
<b>Public Information</b>	3	0.3%
<b>Purchasing</b>	574	57%
<b>Real Estate Development</b>	155	15.5%
<b>Research and Development</b>	4	0.4%
<b>State Legislation and Rules</b>	4	0.4%

(N=1,007)

Source: Proceedings of the Board of Commissioners, Metropolitan Water Reclamation District of Greater Chicago, 1999

**6. Purchasing.** The district is governed by purchasing legislation passed in 1963, as amended. Purchases in excess of \$10,000 must follow a formal bid process and must have Board of Commissioners approval. A comparison of MWRD policies with that of other governments was conducted (see Table 9).

*Perspective: Compared to other Chicago-area governments (Chicago Park District, Chicago Housing Authority) and other districts, the MWRD has limited authority to act on purchases without competitive bids or Board of Commissioners approval.*

**TABLE 9  
Purchasing Authority in MWRD and Related Governments, 1999**

<b>Government</b>	<b>Administrator Authority</b>	<b>Board Authority</b>	<b>Bid Required</b>
<b>MWRD</b>	\$ 9,999	+\$ 10,000	\$ 10,000
<b>North Shore Sanitary</b>	\$ 9,999	\$ 10,000+	\$ 10,001
<b>Chicago Park District</b>	\$100,000	\$100,000+	\$ 5,001
<b>Chicago Housing Authority</b>	\$100,000	\$100,000+	\$ 2,501
<b>Detroit City</b>	\$ 4,999	\$ 5,000+	\$ 2,000
<b>Los Angeles City</b>	\$100,000	\$100,000+	\$ 25,000
<b>Los Angeles County</b>	\$ 49,999	\$ 50,000+	\$ 10,001
<b>Metropolitan Council of MSP</b>	\$249,999	\$250,000+	\$ 2,500
<b>Philadelphia City</b>	\$ 15,000	\$ 15,000+	\$ 1,001

Sources: Purchasing reports from selected governments.

**7. Fiscal Health.** A "Financial Indicators Analysis" of the MWRD was conducted by Civic Federation staff for FY93-FY98. This analysis was conducted with information provided in the Comprehensive Annual Financial Reports of the district.

*Perspective: In the opinion of the district's auditors and the analysis performed by the Civic Federation, the district's financial condition is good and has benefited from good economic conditions. Areas of concern are apparent in the report (Appendix C).*

- a. The current fund balance ratios have increased from 25-50% in five years.

*Perspective: An increasing fund balance suggests the need to reexamine alternative uses for surpluses, including investments and debt retirement.*

- b. The district has maintained high ratios of assets to liabilities in recent years.

*Perspective: Tax levies may be too high for present needs or levies are inappropriately set for funds that do not incur large liabilities.*

- c. The district has averaged \$190 million in short term debt since 1993. Use of short-term debt increased by 20% from FY93 to FY98. These were years in which the district also experienced high current fund balances and lower tax levy rates.

*Perspective: The reasons for such large amounts of short- term debt are not clearly established.*

**8. Pension Program.** District employees are eligible to participate in the Metropolitan Water Reclamation District Annuity and Benefit Fund. According to the



1998 MWRD Retirement Fund Comprehensive Annual Financial Report, the Fund's actuarial value of assets for 1998 was over \$969 million, with over \$1,132 million in liabilities.

*Perspective: The Fund is relatively healthy, a funded ratio of 85.6%, compared to other local funds. During the course of the study, the District held a study session to discuss its Optional Plan and Early Retirement Program. The purpose of the study session was to determine if the District should submit legislation to extend these initiatives. During the course of the study session and during a later discussion between The Civic Federation and the District, representatives from the District indicated that the purpose of the programs was "to provide additional incentives for people to work for the District and to encourage them to work more years for the District". In its review of the literature and in discussions with experts, The Civic Federation found that the majority of early retirement programs are designed to facilitate employees leaving their positions and are not used as hiring incentive tools.*

*This issue of the District's views regarding these two programs leads one to a larger discussion of how the District sets retirement benefits. Two issues arise, the cost to the taxpayers of the District's retirement program and the justification for the District's benefit package. First, in the case of the District and a number of other local pension funds, the District's contribution to the Fund on behalf of its employees is based on a statutory multiple times the District's employees' contribution two years prior. This multiple is set by the General Assembly. As Table 10 illustrates, the District's multiple requires a tax levy contribution over two times the amount contributed by its employees.*

Table 10

**Government Requirements Under Illinois Pension Laws**

Government Employer	% of Employee Salary	Statutory Multiple	Tax Levy as % Salary
Fire	9.125	2.26	20.62
<b>MWRD</b>	<b>9.000</b>	<b>2.19</b>	<b>19.71</b>
Police	9.000	2.00	18.00
County	8.500	1.54	13.09
Forest	8.500	1.30	11.05
Municipal	8.500	1.25	10.63
Park	9.000	1.10	9.90
Laborers	8.500	1.00	8.50
Teachers	9.000	0.00	0.00

*Perspective: This required high tax contribution level raises a second issue: are the District's benefits in line with other public and private pension funds? Although this discussion may be beyond the scope of this report in terms of additional required research, it is important to note some issues associated with the District's benefits. First, in 1997, the unfunded liability of the pension fund increased by over \$188 million. Second, the District has a series of benefit options requiring further exploration. For example, the District has an alternative plan of contributions and benefits for its commissioners. Given the Fund's health, now may be an appropriate time to review these benefits and consider lowering the District's tax contribution to its fund.*

**D. Public Access**

**1. Legal obligations.** Under the Open Meetings Act and the Freedom of Information Act, as well as district and state policy, the MWRD is obligated to make information on its processes available to the public.

**2. Notices of district activities.** The district publishes its schedule of Board of Commissioners meetings as the calendar is adopted at its annual meeting in December

(see Figure 5). According to the Board President's office, individuals may request to be placed on the district's mailing list for notification of special Board of Commissioners meetings, budget hearings, and committee study sessions.

*Perspective: After being placed on the notification list, we regularly received notices of meetings. At the same time, we often received notices by mail on the same day as a scheduled meeting. The district also uses fax notifications, which have been received in a more timely fashion.*

### **3. Processes.**

**a. Board information.** The district will not mail information on board agendas to requesting parties. The Board of Commissioners agenda and supporting transmittal letters are only available on the day of the meeting for those in attendance.

*Perspective: The Public Relations department was often helpful in providing us with copies of agenda and transmittal letters when we were unable to obtain such for a meeting.*

**b. Hearings and testimony.** On rare instances in which study sessions are held, the public may comment on policy matters before the committee.

*Perspective: Regular Board of Commissioners meetings do not provide adequate opportunity for public comment on agenda items or other matters related to MWRD affairs.*

**Protecting Our Water Environment**

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Patricia Young

Harry "Bus" Yourell

**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-2803

312 / 751-5600

November 5, 1999

To the Honorable President and  
Members of the Board of Commissioners  
of the Metropolitan Water Reclamation  
District of Greater Chicago

**SCHEDULE OF REGULAR BOARD MEETINGS  
FOR THE YEAR 2000**

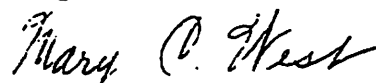
Ladies and Gentlemen:

In compliance with 5 ILCS 120/2.02 and as set forth in the Rules and Regulations of the Metropolitan Water Reclamation District of Greater Chicago, the scheduled meetings, as noted on the reverse side, shall be held at 10:00 AM in the Board Room, 100 East Erie Street, Chicago, Illinois.

Please retain this listing, as no further notices will be issued for the year 2000 unless there is a schedule change.

Recipients of this letter who no longer wish to be notified of the Board meetings may direct removal of their names from the mailing list to this office; it is asked that the address label be returned with the request. Note, too, that agenda for each regular meeting are posted on the District's Internet site at [www.mwrdgc.dst.il.us](http://www.mwrdgc.dst.il.us).

Respectfully,



Mary C. West

Director of Finance/Clerk

MCW:plt

METROPOLITAN WATER RECLAMATION DISTRICT  
OF GREATER CHICAGO

2000 REGULAR BOARD MEETING SCHEDULE

JANUARY	6	20
FEBRUARY	3	17
MARCH	2	16
APRIL	6	20
MAY	4	18
JUNE	1	15
JULY	13	—
AUGUST	10	—
SEPTEMBER	7	21
OCTOBER	5	19
NOVEMBER	2	16
DECEMBER (Annual Meeting)	5	
DECEMBER	7	21

**4. Public Contacts and Town meetings.** In our interviews with commissioners, we asked about their methods of keeping in touch with their constituents.

*Perspective: Commissioners employ varying methods of staying in touch with constituents. Their approaches depend upon who they perceive to be their constituents and their own style of representation. Some commissioners try to organize periodic community meetings, others indicate that they simply field many phone calls and letters from constituents, and still others have most of their contacts with other local government officials served by the MWRD. Commissioners, including the board president, have held meetings in communities affected by MWRD operations. In a district with over five million residents and another equivalent corporate clientele of five million, contacts with district officials through these means are rare.*

**5. Access to information**

**a. Library.** The MWRD library at its headquarters is open to the public.

*Perspective: Library personnel are helpful with searches for information. Although the library has a vast collection of information, current and comparable documents on MWRD affairs are not easy to locate. The public may not make photocopies of any items in the library. FOIA requests must be submitted for any documents in the library.*

**b. Public relations.** The Public Relations department was a regular point of contact for our researchers.

*Perspective: The Public Relations department is cooperative with requests for information. They lack direction and a consistent policy on which items may be given upon request and which information items are subject to the FOIA process.*

c. **FOIA process.** Much of the information that we needed for examination, had to be requested through the FOIA process.

*Perspective: Initial requests for information were denied. We obtained legal assistance with FOIA requests from the law firm of Sidley and Austin, and the district responded again that we were not entitled to information. That decision was retracted and our request was filled. The district rejected our request to waive fees associated with photocopying and reports. In January 2000 the acting General Superintendent<sup>11</sup> informed the research team that FOIA requests would not be required for any future requests related to this study. However, when a request was made in February 2000 for a review of the 1999 Proceedings of the Board of Commissioners meetings, we were told that a FOIA request would have to be submitted before we could examine these minutes of the public Board of Commissioners meetings. This decision was retracted, also. It is clear that the district lacks a consistent policy on FOIA requests. We had to submit a FOIA request to obtain the list of documents available through FOIA requests, a list that the law demands be available to the public. (The list is found in Appendix D.)*

d. **Internet.** The district maintains an Internet website at: [www.mwrdgc.dst.il.us](http://www.mwrdgc.dst.il.us).

*Perspective: The district website is one of the better information sources on government operations and may be the easiest aspect of public access to district information. It is a helpful source of information on MWRD operations, Board of Commissioner's agenda actions, bid notices, and employment opportunities. The district is not effective in promoting its website to the public.*

**6. Intergovernmental oversight.** The governor appoints an Observer of the district to issue an annual report to the General Assembly and Governor on MWRD activities.

---

11 John C. Farnan.

*Perspective: Repeated attempts to obtain copies of recent Observer reports have been unsuccessful, as no office has been able to produce the report. MWRD commissioners state that they have never seen the Observer's report. Governor Ryan has not appointed anyone to this post since taking office in January 1999.*

#### **7. Openness to researchers.**

*Perspective: Although the president declined our request to provide a staff liaison for the project--because they were too busy with district business--he did make himself available on two occasions to meet with the research team. In addition, each commissioner met with us, several more than once, in a cooperative spirit. The district's management has not cooperated, however. The GS refused to meet with us, although he did respond to some written questions. He did not permit any of his staff to be available to our group for interviews. The general attitude of the district toward our study group has been, "if we assist you, other groups and individuals will expect us to assist them." Reaction by the district's officers and management to the study by our group was negative and uncooperative.*



## **DISCUSSION**

The purpose of this research was to provide an overview of governance, management, and finances at the Metropolitan Water Reclamation District of Greater Chicago. The research was conducted in an objective fashion. It was not the intention of this project to focus on problems or issues at the MWRD. Rather, we sought to highlight both effectiveness and problems at the MWRD that were observed during the research project. The final objective is to provide this research to the commissioners of the MWRD for their information and for use in developing plans for good governance in the future.

**APPENDIX A**

**Questions to and responses from the General Superintendent**

**Protecting Our Water Environment**

**BOARD OF COMMISSIONERS**

Terrence J. O'Brien  
*President*  
Kathleen Therese Meany  
*Vice President*  
Gloria Allitto Majewski  
*Chairman of Finance*  
James "Jim" Harris  
Barbara J. McGowan  
Martin A. Sandoval  
Cynthia M. Santos  
Patricia Young  
Harry "Bus" Yourell

**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET CHICAGO, ILLINOIS 60611-2803 312 / 751-5600

Hugh H. McMillan, P.E., DEE  
*General Superintendent*

(312) 751-7900 FAX (312) 751-5681

August 4, 1999


Ms. Laurene von Klan, Executive Director  
Friends of the Chicago River  
407 S. Dearborn - Suite 1580  
Chicago, Illinois 60605

Dear Ms. von Klan:

I am in receipt of your July 30, 1999 letter requesting a meeting to obtain my view of my role in the MWRD's administrative structure, programs, and policy initiatives.

In lieu of a meeting, you are requested to submit specific questions in writing. I will then respond to those questions in writing. Exchanging information in this manner will ensure that you will have a record of my responses.

Very truly yours,

  
Hugh H. McMillan  
General Superintendent

C: President O'Brien

# Friends of the Chicago River

407 S. DEARBORN • SUITE 1580 • CHICAGO ILLINOIS 60605 • (312) 939-0490  
FAX (312) 939-0931

September 23, 1999

Mr. Hugh McMillan  
General Superintendent  
Metropolitan Water Reclamation District  
of Greater Chicago  
100 E. Erie  
Chicago, IL 60611

Dear Mr. McMillan:

In your correspondence of August 4, 1999, you reject the request from the members of the Waterways for Our Future Study Team for a meeting with you. Rather, you ask that in lieu of a meeting, we present specific questions in writing. In response to this request, we submit the following list of questions:

1. a) What is the relationship between the Board of Commissioners and the General Superintendent?  
b) How do you interact with commissioners for board meetings?  
c) What is your official role in setting the agenda for board meetings?  
d) How frequently do you meet with or speak to commissioners on policy matters (e.g. daily, weekly, monthly) ?
2. How are executive responsibilities divided between the President of the District and the General Superintendent of the District?
3. a) How is policy-making conducted in the District?  
b) Explain the relationship between the board of commissioners as the policy-makers and your office as the policy implementor?  
c) Which is the source of most policy initiatives, the board or the general superintendent and staff?  
d) Which entity develops the many technical (e.g., engineering) and fiscal policies for the District?
4. a) How does the District facilitate public input to its policy-making processes?  
b) How is the public informed of District hearings and meetings?
5. a) Explain the budget-making process for the District and the role played by the General Superintendent in this process.  
b) Have you made changes in the budget-making process during your current term as General Superintendent?  
c) How is the public included in the budget-making process?  
d) How do you collect public opinion on District decisions?

*President*  
Fred Axlay  
McCormick Will & Emery  
*Vice President*  
Jaye Nagle  
alt Foods

*Secretary*  
William McBride  
McBride and Kelley Architects, Ltd.

*Treasurer*  
Craig I. Coit  
Bank One

*Directors*  
Richard S. Barteck  
Laurence Burd  
University of Illinois - Chicago  
Kate Chappel  
Illinois Institute of Technology

Grant Crowley  
Crowley's Yacht Yard, Inc.

David Fink  
Allied Metal Company  
Nancy A. Gardner  
Coldwell Banker

Susan Hedman  
Environmental Law and Policy Center

Kevin Jack  
Jenner & Block

Charlie N. Kubert  
KPMG

Paul E. Marks  
Old Town Preservation & Mgmt., Inc.

Constance L. Mortel  
David M. Solzman  
University of Illinois - Chicago

Dale J. Taylor  
WLUP-FM

R.A. Pete Wentz  
William Woolley  
Weiler Engineering

*Executive Director*  
Laurene von Klan

*Technical Advisors*  
Dennis Dreher  
Northeastern Illinois  
Planning Commission

William A. Macaieis  
John R. "Jack" Sheaffer  
Sheaffer International, Ltd.

Dick Sutphen  
R.J. Sutphen, Marine Consultant  
A. Dan Tarlock  
Chicago-Kent College of Law

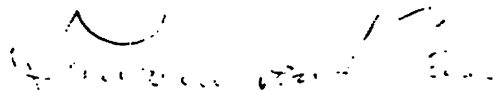
Ed Zotti  
Writer and Planning Consultant

*Advisors*  
Joanne Alter  
Sharon L. Burge  
Robert Cassidy  
John Hogan  
Sheila Leahy  
Norman Ross

6.
  - a) Have you reorganized the District during your current term as General Superintendent?
  - b) What changes were made to benefit the District's management?
  - c) Are changes needed in the current organization to improve the District's operations?
  - d) If changes are needed, how would you implement those changes?
7. In your view, what are the qualifications and skills needed to be successful General Superintendent of the District?
8. What are your most significant accomplishments as General Superintendent of the District?
9. What are the MWRD's goals for the waterways and adjacent lands in terms of environmental quality?
10. How does your role as General Superintendent enable you to achieve the goals of the District?

Thank you in advance for your time. Please contact me at (312) 939-0490 if you have any questions regarding the above list.

Sincerely,



Laurene von Klan  
Executive Director

cc: Terrence O'Brien  
Lance Pressl, Ph.D.  
Joyce O'Keefe

BOARD OF COMMISSIONERS  
Terrence J. O'Brien  
*President*  
Kathleen Therese Meany  
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**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET CHICAGO, ILLINOIS 60611-2803 312 / 751-5600

Terrence J. O'Brien  
*President*

312 / 751-5700 FAX 312 / 751-5670

October 22, 1999

Ms. Laurene Von Klan  
Executive Director, Friends of the  
Chicago River  
407 S. Dearborn  
Suite 1580  
Chicago, IL 60605

Dear Ms. Von Klan

This letter is in response to your letter of September 23, 1999 which included a series of questions concerning various aspects of the District's activities.

In reviewing the questions posed, it appears that more than a few of them are directed toward an evaluation of my performance in the position of General Superintendent. I consider this approach to be presumptive and unrelated to a determination of policy initiatives, administrative structure and programs of the District.

Evaluation of my performance is properly the responsibility of the Board of Commissioners as representatives of the citizens of the District. Inasmuch as I serve at their pleasure, their collective opinion of my performance in implementing their policies and conforming to statutory and regulatory mandates in administering the day-to-day operations of the District determines my tenure.

In that context, I am limiting my response to questions dealing with the functions of the District and the position of the General Superintendent which are generic and would apply to any person holding the position of General Superintendent. Where I feel that a question is personalized, I will so state. I will follow the alpha/numerical identification used in your letter for the purpose of relating my responses to the related question.

1. a) The General Superintendent (GS) is selected by, and serves at the pleasure of the Board of Commissioners (BOC) as established by statute. The language of the statute concerning the GS's responsibilities and authority is as follows: "The general superintendent, in addition to all other powers specified in this Act, shall manage and control all the affairs and property of the sanitary district and shall regularly report to the Board of Commissioners on the activities of the sanitary district in executing the policies and goals established by the board."

b) Board letters are distributed to the BOC on the Friday preceding the Board Meeting. Commissioners then present questions, requests for further information, or clarification on any of the items to the GS if they so choose.

c) Departments provide agenda items related to their functions for review and approval by me. If a policy matter requires determination by the Board, a letter requesting such is prepared. Letters are for matters requiring BOC approval; to provide information to the BOC and the public; to seek guidance or a policy decision; or to report on matters which do not require authority from the BOC but are in keeping with the statutory requirements and/or policy requirements for reporting certain matters to the BOC. During the course of a Board Meeting, any Commissioner may, without discussion, defer any agenda item until the next regular Board Meeting. In the subsequent meeting, deferral of that item may be continued with the approval of a majority.

d) The GS should respond to any request for discussion by members of the BOC. The GS may not meet with more than 2 members at any time or a violation of the Open Meetings Act would occur. The number of contacts depends upon Commissioner's requests or the need of the GS to discuss a particular matter with a Commissioner or Committee Chair. Meetings with outside individuals or groups – again with no more than 2 Commissioners in attendance, may include attendance by the GS if the Commissioner(s) so requests.

2. The duties, according to statute, are described in 1a) above. Essentially, the GS is responsible for the direction of all District employees with the exception of the Commissioners and their staffs, and the Treasurer who is directly appointed by the Board.

The President may be said to represent the Board in exercising executive responsibilities concerning the GS, the Treasurer and the Director of Finance, the latter in matters when the Director of Finance functions as Clerk of the Board. He may also serve as the BOC's contact or spokesperson for the media and other elected officials.

3. a) The Board is provided with an issue for which no policy or regulatory, judicial or legislative mandates exists, or were a policy modification may be indicated. The issue may be presented to the Board by outside interests or from the GS who may determine the need for policy guidance as a result of internal requirements

that may arise from public input, or regulatory or statutory changes. Other sources include determinations by the Civil Service Board, the judiciary and others.

b) The Board develops and adopts policies and the GS's responsibility is to manage and administer the day-to-day affairs of the District in conformity with those policies and applicable statutory, regulatory or judicial requirements.

c) Any answer to this question would be misleading. It is difficult to determine who "initiates" a policy question when it is required by a mandate of the regulators, legislators or judiciary. Requests for policy decisions from the public may be directed to the GS's office or to the office of a Commissioner who generally forwards the matter to the GS for action or a recommendation.

d) In general, it may be said that the staff generates technical (engineering), policy if such a term is even appropriate. Fiscal policy is an amalgam of statutory provisions, BOC action, generally accepted accounting practices, and in some contexts, market conditions. The GS advises the BOC of the fiscal condition and needs of the agency and may make recommendations for adjustment of the condition or provisions for filling the needs.

4. a) A number of avenues are provided for public input to all activities of the District, including policymaking. All meetings of the BOC are public, in keeping with the Open Meetings Act (with the exception of a meeting or portion of a meeting dealing with personnel, purchase of real estate, or judicial matters requiring decisions on settlements or legal strategies that are exempted from the Act).

b) Primarily by advertising in widely circulated publications as well as specific notification to a wide range of governmental and organizational offices. Where a particular segment of the public, e.g. a commercial trade group, may be impacted by a particular policy discussion, they are provided with specific notification of the meeting. All notices of meetings are identified as to the purpose of the meeting. Where extensive input to a policy matter is anticipated, or requested, the BOC may conduct a Study Session chaired by the person who chairs the relevant committee. Public notification as described above is made.

All MWRD public meetings are recorded and transcripts of those meeting records are available for review at the District's offices.

The MWRD maintains a Web Page that is regularly updated and will include many topics and presentations of interest to the general public.

5. a) The GS and his staff determine the resources—financial and human—needed to operate the District in the following year. Further, the staff determines resource availability and Department requests are reviewed by the GS and the Budget Office staff to determine their necessity, their compliance with resource constraints, and for prioritization. Upon completion of departmental reviews and



any modifications to initial requests, the GS's Budget is formatted, printed and provided to the BOC. In addition to requested amounts, information concerning the source of funds, appropriation levels, and levy impacts are provided.

The BOC subsequently holds Hearings with the staff to discuss the budget for the purpose of obtaining additional information concerning the requests or other matters; to suggest revisions; and perhaps to inquire as to the staff philosophies which may be represented by priorities established in the budget.

Upon incorporation of any changes in the GS's Budget, occasioned by the Budget Hearings, a Tentative Budget of the BOC is prepared and made available to the public through distribution to libraries, governmental offices, and information concerning a Public Hearing is provided at this time.

The Public Hearing is intended to provide all parties the opportunity to seek information; make suggestions; and generally critique the proposed budget.

Matters presented at the Public Hearing are generally addressed by the BOC at that time. Where appropriate, direction may be given to staff to modify the Tentative Budget based upon inputs received at the Hearing. A transcript of the record of these meetings is prepared and, as is the case with all meetings of the BOC, is available to the public.

The Tentative Budget is modified as deemed necessary and a Final Budget is produced. This Budget is then adopted by the BOC at the first regular Board Meeting in December. The Final Budget may be subsequently amended at the final, regular Board Meeting of the year.

The Budget, as adopted, is again provided to the public as described above.

The basic processes are prescribed by statute or by Board policy. The internal mechanics of developing the GS's Budget are constantly changing but results provided to the Board and the public remain essentially the same.

- b) My actions in modifying the budget-making process, if any, are not relevant to the discussion, in my opinion.
  - c) See 4a) and 5a) above.
  - d) See 4a) above.
6. a) This question deals with my performance and therefore, in my opinion, is unwarranted in the context of the Study Outline provided to me.
- b) See 6a) above
  - c). See 6a) above.
  - d). For any GS, organizational changes represented by an adding or deleting a department would require statutory changes inasmuch as the department heads are defined in the Statute. Obviously, approval of the BOC would precede a request for legislative action.
7. I do not believe my views are relevant. The statute states that the GS "...must be selected solely upon his administrative and technical qualifications and

without regard to his political affiliations.” Inasmuch as the BOC selects and appoints the GS, their determination as to a candidate’s administrative and technical qualifications is more germane.

8. See 6a) above.
- 9 The District’s statutory mandate is to protect the drinking water supply of the Chicagoland area. It is axiomatic that such efforts should not result in the degradation of the environment, particularly the total water environment within its jurisdictional boundaries. As it has been in the past, it is the District’s goal to continue to protect that environment in the most cost-effective and optimal manner, recognizing that all citizen’s of the District should benefit from the expenditures of the funds provided by its users and from the resources the District has acquired during the conduct of its statutory responsibilities.

While the District has met and exceeded regulatory requirements for discharges to the waterways and, to a large degree the water quality objectives for the waterways, completion of those projects which will result in total achievement and likely exceeding of water quality standards is our objective. Additionally, completion of those projects will significantly result in reduction of flooding in the area, providing benefits that will accrue to the citizens of the area.

The term “environmental quality” in the context of the question is not well defined. Opinions as what constitutes environmental quality can and do vary and may have various degrees of merit depending on one’s point of view. Satisfying all viewpoints is rarely possible so the decisions on policies dealing with this topic must attempt to prevent disenfranchisement of any taxpayer.

10. I consider that the wisdom displayed by the state legislature when it redefined the role of the GS and the BOC to have been a proper response to the abuses that had occurred prior to the legislative initiative in redefining those roles. The GS has specific responsibilities and controls which can and are used to carry out the policies and goals established by the BOC. If the BOC determines that the GS is not satisfactorily meeting the requirements of the position, they may exercise their prerogative of replacement.

A comparison with the organization and management of private sector corporations would show that the structure defined by the legislature provides the CEO/COO with the authority necessary to achievement of the agency’s purposes while providing oversight from persons elected by those who rely upon the services to protect the health and welfare of the community.

While you have identified my desire to have these questions submitted in writing as a “rejection”, I believe that this is a more effective way of communicating. In this way, we can refer to written material if any clarification is required.

Finally, my response to your questions may not be construed as acceptance of the legitimacy of your project, your methodology, the qualifications and associations of those who will constitute the “peer review group”; or conclusions you may publish. The District has long been judged by the public, its peers, and those who officially oversee its operations. In that regard, in its recent history, the District has, by all reasonable

benchmarks, merited its international reputation as an outstanding example of the desirable political, technical, organizational, and managerial attributes of a governmental agency dealing with the water environment. The many awards and honors received from a wide spectrum of civic, peer, and professional organizations with expertise in this industry for its financial, technical, human resource, water quality, and general institutional excellence are, in my and many other's opinion, the best, most unassailable, competitive and critical determinations of the District's accomplishments and effectiveness in dealing with the nation's efforts to clean up our waters.



Hugh H. McMillan, P.E., DEE  
General Superintendent

c: Board of Commissioners w/attachment

**APPENDIX B**

**Revisions to 2000 Tentative Budget,**

**December 7, 1999**

# Protecting Our Water Environment

## BOARD OF COMMISSIONERS

Terrence J. O'Brien  
*President*  
Kathleen Theresa Meany  
*Vice President*  
Gloria Alitto Majewski  
*Chairman of Finance*  
James "Jim" Harris  
Barbara J. McGowan  
Martin A. Sandoval  
Cynthia M. Santos  
Patricia Young  
Harry "Bus" Yourell

## Metropolitan Water Reclamation District of Greater Chicago

100 EAST ERIE STREET CHICAGO, ILLINOIS 60611-2803 312 / 751-5600

Hugh H. McMillan, P.E., DEE  
*General Superintendent*

December 7, 1999

(312) 751-7900 FAX (312) 751-5881

The Honorable Harry "Bus" Yourell  
Chairman, Committee on Budget and Employment,  
The Honorable President, Terrence J. O'Brien,  
and Members of the Board of Commissioners  
O F F I C E

SUBJECT: Revisions to the 2000 Tentative Budget / Budget Motions

Ladies and Gentlemen:

The attached Revisions to the 2000 Budget (BF-20 budget forms) are submitted for your consideration during adoption of the budget on December 9, 1999. Requested revisions to appropriations are summarized below:

<u>FUND</u>	<u>DEPARTMENT</u>	<u>NET CHANGE</u>
CORPORATE	Board of Commissioners	\$4,200
	General Administration	427,800
	Research & Development	505,900
	Purchasing	78,800
	Personnel	99,500
	Information Technology	675,100
	Law	96,700
	Finance	54,600
	Engineering	(4,333,500)
	Maintenance & Operations	(303,700)
	<u>TOTAL CORPORATE FUND</u>	<u>(\$2,694,600)</u>
CONSTRUCTION	Engineering	(\$18,089,600)
CAPITAL IMPROVEMENTS	Engineering	\$208,793,200

The estimated total tax levy for 2000 is \$361.5 million, a decrease of \$1.4 million from the Tentative Budget. The 2000 levy is an increase of \$4.5 million or 1.3 percent, from the 1999 levy, as adjusted. The 1999 levy is adjusted to \$356.9 million from \$363.6 million, a decrease of \$6.7 million, based on the call redemption of two bond issues.

The aggregate levy controlled by the Property Tax Limitation Law remains the same, based on the latest revenue and expenditures estimates. However, there is a \$1 million change in the Corporate and Construction Fund levies to reflect the recognition of connection impact fee revenue in the Construction Fund.

The total 2000 appropriation request is \$963,023,493, an increase of \$196,277,400 from the Tentative Budget.

In the Corporate Fund, the major reasons for the decrease of \$2.7 million are adjustments for carryover obligations, salary adjustments due to the adoption of the new compensation plan and revisions to the amounts necessary for Corporate Fund projects.

In the Construction Fund, the decrease of \$18.1 million is due to finalization of project award schedules for 2000 and adjustments for projects carried forward from 1999. It also reflects the transfer of projects to the Capital Improvements Bond Fund.

In the Capital Improvements Bond Fund, the increase of \$208.8 million is primarily due to the scheduled award of several major projects related to the CUP Reservoir Program. There are also ten projects with a total award value of \$115.5 million that are being transferred from the Construction Fund for award in 2000 and in future years. Limited tax bonds will be used to finance these projects. Sufficient debt service margin is now projected to be available to finance projects with limited tax bonds.

Compared to the Tentative Budget, there is a net decrease of two (2) positions: an increase of one (1) position in the Corporate Fund is offset by a decrease of three (3) positions in the Construction Fund. The recommended number of positions for 2000 is 2,252, an increase of seven (7) from the 1999 budget.

A listing of all positions that are being maintained in the current GS and PM pay plans rather than being moved to the Hay Plan is attached. The salaries of the employees in these positions will not be negatively impacted by the adoption of the new compensation plan. These positions will be identified with a Crosshatch 2 (#2) in the final printing of the budget.

The attached BF-20 forms, pages 1 through 28, and revised budget pages detail all requested revisions. Revised budget pages 40 and 50 are attached that summarize appropriations and levies for 2000 and reflect the proposed revisions. A set of motions for the adoption of the budget is also attached.

Very Truly yours,



Hugh H. McMillan  
General Superintendent

Attachments

- 1) Revised Budget Pages 40, 50, 365 and 373 Dated 12/7/99
- 2) BF20's Budget Forms: Pages 1 -28,
- 3) Listing of Crosshatch Two (#2) Positions
- 4) Budget Motions Dated December 9, 1999

EJC

EJC/KJF/JPF

\\BDPREP2000\BF20 Transmittal memor.doc

## APPENDIX C

# FINANCIAL INDICATORS ANALYSIS OF THE METROPOLITAN WATER RECLAMATION DISTRICT<sup>1</sup>

By  
Roland Calia and Myer Blank  
The Civic Federation

The overall financial condition of the Metropolitan Water Reclamation District (MWRD) for Fiscal Years 1993 through 1998 was good, according to the financial indicators employed in this study. This is, in part, a reflection of the good economic conditions enjoyed by the region in the late 1990s. More specifically, the MWRD:

- had more than sufficient cash reserve funds to pay its bills on time;
- was readily able to meet its financial obligations over an indefinite period, long enough to convert illiquid assets to cash;
- did not rely on potentially risky forms of revenues such as intergovernmental revenues, transfers in, or investment income;
- has maintained a general obligation bond rating of AA, according to Standard & Poor's, indicating that its issuances offered solid investment potential;
- had well funded pension funds, with entry age funding ratios over 85.6%.

However, while the financial condition and practices of the MWRD was exemplary, several cautionary notes are in order.

- The District enjoyed very large current fund balance ratios, doubling in size from 25% to over 50% between FY93 and FY98. Whenever cash solvency ratios are too high, such as above 50%, the government should consider shifting toward longer term asset holdings, retiring debt or adjusting the income streams feeding the funds to bring income in line with current spending requirements.
- The MWRD's acid test ratio for the five years examined was 1.7, ranging from a low of 1.4 in FY94 to a high of 2.1 in FY95. This means that the District had nearly two times the amount of assets needed to cover liabilities in recent years, raising questions about whether it is taxing too much, or maintaining reserves larger than might be necessary. The District might consider shifting some cash and short-term investments into long-term investments, retiring liabilities, or undertaking new projects and paying them off in cash without increasing taxes.

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<sup>1</sup> Source: Comprehensive Annual Financial Reports: Metropolitan Water Reclamation District, 1993-1998.

**A. QUALITY OF REPORTING**

Financial indicators for the MWRD are based upon data from the Comprehensive Annual Financial Reports dated December 31, for fiscal years 1993 through 1998. In order to evaluate the quality of the financial reporting, the study has established a five-point grading scale, drawing upon the standards established by the General Accounting Standards Board (GASB). In order to merit a grade of 5/5 the following criteria must be met:

- 1) The Comprehensive Annual Financial Report (CAFR) format is used;
- 2) Generally Accepted Accounting Principles (GAAP) are used for financial statements;
- 3) There is an Unqualified Audit Opinion;
- 4) Financial Reports are released within six months of the close of the fiscal year; and
- 5) GAAP was used for presenting budgetary data in its General and Special Revenue funds.

The MWRD received a 4/5 rating for all six years evaluated. The District did not receive a 5/5 rating because it uses encumbrance budgeting, a method that is not consistent with GAAP.

**Figure 1  
QUALITY OF REPORTING  
FOR THE MWRD: FY93-FY98**

	1993	1994	1995	1996	1997	1998
<b>CAFR Format</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>GAAP Used For Financial Statements</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Unqualified Audit Opinion</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Financial Report Released in 6 Months</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>GAAP Used for Budget</b>	No	No	No	No	No	No



## B. FINANCIAL INDICATORS

The following section presents indicators that provide benchmarks of the financial condition of the MWRD. They include: liquidity, cash solvency, budgetary solvency, financial stability and risk factors.

### 1. Liquidity

Liquidity is the ready availability of cash, including the ability to convert assets into cash on short notice without loss of value. The following funds are reasonable options for internal borrowing and are therefore grouped together for this analysis: General Fund (GF), Special Revenue Fund (SRF) and Proprietary Funds. Capital funds are not included in this analysis because comparisons would be distorted by the mere timing differences in capital spending and debt financing activity, resulting in the large temporary fund balances. Also, borrowing from Capital Project Funds and Debt Service Funds may be restricted by bond covenants. Even without legal restrictions, the asset level of these funds can be quite volatile, making them an unreliable source of internal financing.

The liquidity ratio is calculated according to the formula below:

$$\text{Liquidity} = \text{Cash \& Short-Term Investments} / \text{Accounts Payable.}$$

If the ratio is at least one the government should have enough to pay its bills as they come due.

As Figure 2 shows, liquidity ratios for the MWRD were much greater than one, increasing substantially in value over the period of this study from 4.2 in FY93 to 7.3 in FY98. For all five years analyzed the liquidity ratio averaged 6.2. Thus, the MWRD consistently maintained adequate funds to pay its bills as they came due.

Figure 2  
**LIQUIDITY RATIOS FOR THE MWRD: FY93-FY98**  
(\$000s)

Fiscal Year	Cash & Short-Term Investments	Accounts Payable	Ratio
1993	\$ 60,921	\$ 14,667	4.2
1994	\$ 101,882	\$ 18,344	5.6
1995	\$ 101,882	\$ 18,109	5.6
1996	\$ 126,214	\$ 17,465	7.2
1997	\$ 131,456	\$ 18,328	7.2
1998	\$ 152,171	\$ 20,880	7.3

## 2. Cash Solvency: Current Fund Balance Ratio

Cash solvency indicators measure the government's ability to meet its financial obligations over an indefinite period, long enough to convert illiquid assets to cash. A current fund balance ratio is used to measure cash solvency for the General and Special Revenue Funds.

$$\text{Current Fund Balance Ratio} = \frac{\text{Unreserved GF and SRF Fund Balance} + \text{that portion of the reserved fund balance earmarked for encumbrances}}{\text{combined GF and SRF Operating Expenditure}}$$

In order to assess the size of the fund balance ratios, the Civic Federation has devised a rating system, which is listed below:

- If the Current Fund Balance Ratio is less than 10%, the government unit under review can be said to have Low Cash Solvency.
- If the Current Fund Balance Ratio is at least 10% but less than 25% of spending, it can be said to have Adequate Cash Solvency.
- If the Current Fund Balance Ratio is at least 25% but less than 50% of spending, it can be said to have Substantial Cash Solvency.
- If the Current Fund Balance Ratio is 50% or greater, it can be said to have High Cash Solvency.

The ratings are offered as a guide to taxpayers to use in raising questions with government officials regarding unreserved fund balances. Whenever cash solvency is too high, the government might alternative strategies financial strategies to maintaining large fund balances.

According to Figure 3, the current fund balance of both the General and Special Revenue Funds for the MWRD for FY93 through FY98 has averaged 42.8%, placing it in the "Substantial" category. Over the period of this analysis, the current fund balance doubled in size, from 25.2% to 55.4%, moving into the "High" category in FY96 and FY98. Because the cash solvency ratios are so high, the MWRD might consider shifting toward longer-term holdings, retiring debt or adjusting the income streams feeding the funds to bring income in line with current spending requirements

**Figure 3**  
**CURRENT FUND BALANCE RATIO**  
**FOR THE MWRD: FY93-FY98**  
(\$000's)

Fiscal Year	Unreserved GF & SRF Fund Balance	GF & SRF Operating Expenditures	Ratio	Rating
1993	\$ 55,317	\$ 219,930	25.2%	Substantial
1994	\$ 73,694	\$ 219,837	33.5%	Substantial
1995	\$ 94,271	\$ 229,727	41.0%	Substantial
1996	\$ 119,642	\$ 233,421	51.3%	High
1997	\$ 123,161	\$ 242,791	50.7%	High
1998	\$ 139,697	\$ 252,318	55.4%	High

### 3. Budgetary Solvency

Budgetary solvency measures a government's ability to generate enough revenue over the course a normal budgetary period to meet its expenditures and prevent deficits. We have measured budgetary solvency through the use of three measures:

- the surplus or deficit trend in fund balances for the General, Special Revenue, Debt Service, and Capital Projects funds;
- an acid test ratio that measure the ratio of liquid assets to liabilities in the Governmental Funds.
- short-term debt trends over time.

- a. **Surpluses or Deficits.** Figure 4 examines fund balances in three of the MWRD's governmental funds for FY93-FY98. During that period, there were no revenues or expenditures in the District's Special Revenue Fund.

**Figure 4**  
**MWRD GOVERNMENTAL FUNDS**  
**GROUP FUND BALANCES: FY93-FY98**  
(\$000's)

Fiscal Year	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Fund
1993	\$ 57,421	\$ -	\$ 217,539	\$ 156,540
1994	\$ 65,758	\$ -	\$ 208,322	\$ 291,411
1995	\$ 84,575	\$ -	\$ 216,267	\$ 230,954
1996	\$ 142,386	\$ -	\$ 169,889	\$ 414,860
1997	\$ 129,748	\$ -	\$ 179,134	\$ 383,165
1998	\$ 135,479	\$ -	\$ 186,562	\$ 380,472

**b. Acid Test Ratio.** The Governmental Funds balance sheet accounts for short- and intermediate-term assets and liabilities. Long-term capital, and the debt used to finance it, are accounted for in account groups. The acid test is the ratio of the Governmental Funds' most liquid assets (cash and marketable securities) to all liabilities of these funds.

<b>Cash + Marketable Securities ÷ Total Liabilities</b>
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It is similar to the quick ratio, or acid test, commonly used by corporate enterprises. But it differs from the quick ratio in two respects. It does not include receivables in the numerator because: 1) governments' receivables can include taxes that may take months or years to recover, and 2) it includes interfund debts in the denominator because corporate enterprises typically do not use fund accounting. However, borrowing from Enterprise Funds by the Governmental Funds is not uncommon. Although the conventional quick ratio uses current liabilities, Governmental Funds exclude long-term debt, so there is no significant difference between current and total liabilities in those funds.

An acid test ratio of one is desirable. It means that a government has enough liquid assets within the governmental funds to cover all liabilities in those funds. A ratio of less than one indicates that the government has more liabilities than liquid assets in the governmental funds. If the ratio is more than one it raises questions as to whether the government is taxing more than necessary. In these cases, governments might consider alternative strategies to increasing taxes or maintaining current levels of taxation.

As Figure 5 shows, the MWRD's acid test ratio for the five years examined was 1.7, ranging from a low of 1.4 in FY94 to a high of 2.1 in FY95. This means that the District had sufficient liquid assets to cover liabilities in the Governmental Funds for every year examined. However, because the MWRD had nearly two times the amount of assets needed to cover liabilities in recent years, it might shifting some cash and short-term investments into long-term investments, retiring liabilities, or undertaking new projects and paying them off in cash without increasing taxes.

**Figure 5**  
**MWRD ACID TEST RATIOS: FY93-FY987**  
 (\$000's)

Fiscal Year	Cash + Investments	Liabilities	Ratio
1993	\$ 561,528	\$ 363,900	1.5
1994	\$ 520,691	\$ 366,692	1.4
1995	\$ 788,784	\$ 380,927	2.1
1996	\$ 677,694	\$ 387,050	1.8
1997	\$ 696,418	\$ 377,349	1.8
1998	\$ 658,205	\$ 402,448	1.6

c. **Short-Term Debt Trends.** Short-term debt is a financial obligation that must be satisfied within one year. An increasing trend in short-term debt may be a warning sign of coming financial difficulties.

Short-term debt in the General and Special Revenue Funds includes obligations such as accounts payable, contracts payable, deposits, advances, interest payable, due to other funds, and liabilities from restricted assets. In sum, it includes everything but accrued salaries and wages, accrued payroll, compensated absences and long-term debt.

Short-term debt for the MWRD rose only by 19% between FY93 and FY98, increasing from \$178 million to \$212 million. Similarly, there was a 5% increase in debt service funds from \$122 million in FY93 to \$128 million during that time period.

**Figure 6**  
**MWRD SHORT-TERM DEBT:**  
**FY93-FY98 (\$000s)**

<b>Fiscal Year</b>	<b>Total Short-Term Debt</b>
1993	\$ 178,314
1994	\$ 186,983
1995	\$ 173,526
1996	\$ 185,041
1997	\$ 203,417
1998	\$ 214,994

#### 4. Financial Stability

Financial stability is the ability of a government to maintain its current financial policies. The following section sets forth some general indicators of financial stability for the MWRD. They include general obligation debt credit ratings, long-term debt per capita, and pension funding ratios.

a. **Credit Rating.** Standard & Poor's has given the MWRD's general obligation bonds an AA rating since 1970. AA bonds are judged to be of high quality by all standards, providing solid investment potential.

b. **Long-Term Debt Per Capita.** Figure 7 presents long-term debt per capita trends for the MWRD for FY93- FY98. The long-term debt analysis takes the total liabilities in the General Long-Term Obligations Account Group divided by population. The MWRD's long-term debt analysis includes bonds payable, claims payable, accounts payable, bond anticipation notes. Increases in this category bear watching as a potential sign of increasing financial risk.

As Figure 7 shows, long-term debt per capita assumed by MWRD has remained relatively constant, increasing only 5%, from \$231 to \$243, between FY93 and FY98. During the same period, the Consumer Price Index for the Chicago metropolitan region rose by 19.5%.<sup>1</sup>

**Figure 7**  
**MWRD LONG-TERM DEBT PER CAPITA: FY93-FY98**

Fiscal Year	Total Long-Term Debt	Population*	Total Long-Term Debt Per Capita
1993	\$ 1,178,709,000	5,105,000	\$ 231
1994	\$ 1,115,911,000	5,105,000	\$ 219
1995	\$ 1,325,102,000	5,105,000	\$ 260
1996	\$ 1,288,331,000	5,153,000	\$ 250
1997	\$ 1,263,123,000	5,090,000	\$ 248
1998	\$ 1,232,936,000	5,074,000	\$ 243

\* Estimated Population from CAFRs

c. **Pension Fund Ratios.** Figure 8 shows the funding status of the MWRD's pension fund in FY96 and FY98. Pension funds use two measurements for determining the net worth of assets, book value (recognizing investments at initial cost or amortized cost) and market value (recognizing investments at current value). GASB has changed its standards to require market value in investment reporting and recommends "smoothed"<sup>2</sup> market value in calculations for reporting pension costs and actuarial liabilities. Because of the reporting change, comparable data

<sup>1</sup> United States Department of Labor, Bureau of Labor Statistics. Consumer Price Index-All Urban Consumers for MWRD-Gary-Kenosha (All items) 1982-84=100.

<sup>2</sup> Accounting for assets at market values by averaging unexpected gains and losses over a period of three to five years.

are not available for all five years examined in this analysis. Therefore, only FY96, FY97, and FY1998 information about the MWRD's projected unit funding credit ratio is presented.<sup>3</sup>

Figure 8 shows that the MWRD had sufficient assets in its pension fund to cover future liabilities.

**Figure 8**  
**MWRD PENSION FUNDING RATIOS: FY96 - FY98**

Fiscal Year	Actuarial Value of Assets	Accrued Actuarial Liability	Entry Age Funding Ratio
1996	\$ 815,821,000	\$ 817,657,000	99.8%
1997	\$ 894,546,000	\$ 1,063,733,000	84.1%
1998	\$ 969,114,000	\$ 1,132,408,000	85.6%

## 5. RISK FACTORS

This portion of the analysis presents calculations for two different types of financial risk faced by local governments: 1) exposure to risk from relying too heavily on potentially unstable sources of revenue, and 2) the possibility of property tax increases due to rising expenditures.

**a. Risk Exposure Factor Ratio.** Risk Exposure Factor ratios measure the percentage by which a government will have to increase property taxes to cover a 1% shortfall in risky revenue sources, if services are to be maintained at current levels and other revenue sources are not available. Some of these sources of revenue and sources of risk are listed below:

- Investment Income is subject to *market* risk.
- Intergovernmental Revenue is subject to *political* risk. Welfare reform provides a good example of this type of risk.
- Transfer In are subject to two kinds of *management* risk, (1) the budget of the fund will not be balanced in the future, given that it is currently out of balance, and (2) the surplus in the originating fund will be eliminated.

The risk exposure factor ratio is calculated according to the following formula:

$$\text{Risk Exposure Factors} = \frac{(\text{Investment Revenue} + \text{Intergovernmental Revenue} + \text{Transfers In})}{\text{Property Tax Revenue.}}$$

Figure 9 shows that the MWRD's risk exposure factor ratio averaged 0.3 for the five years that examined. This means that the District would been required to raise taxes or cut spending by 0.3% on average to cover a 1% shortfall in intergovernmental revenue, had it occurred. In short,

<sup>3</sup> The Unit Credit method assigns in a particular year that portion of the ultimate benefit earned by an employee in that year. Therefore, as an employee nears retirement, costs increase. See Myer Blank, *Status of Local Pension Funding 1996* (The Civic Federation: Chicago, 1997), p. 4.

over the period of this study, the District did not rely on risky forms of revenue to cover expenditures to any appreciable degree.

**Figure 9**  
**MWRD RISK EXPOSURE FACTOR RATIOS: FY93-FY98**  
((\$000's))

Fiscal Year	G & SR IG Revenues & Interest Transfers In	G & SR Funds (Property) Tax Revenue	Risk Exposure Factor Ratio
1993	\$ 2,401	\$ 153,443	0.02
1994	\$ 3,896	\$ 156,682	0.02
1995	\$ 5,401	\$ 163,868	0.03
1996	\$ 7,211	\$ 147,094	0.05
1997	\$ 7,842	\$ 154,947	0.05
1998	\$ 8,005	\$ 171,318	0.05

**b. Tax Leverage Factor Ratio.** The Tax Leverage Factor Ratio is the rate by which government must increase its property taxes to maintain all services at existing levels in response to a one-percent increase in the budget for those funds supported by property tax revenue, assuming no offsetting increases in other revenue. This ratio gives planners a baseline to evaluate their long-term budget balancing efforts.

The Tax leverage factor ratio is measured according to the formula presented below:

$$\text{Tax Leverage Factor} = \frac{\text{Total GF \& SRF Operating Expenditures}}{\text{Property Tax Revenue}}$$

Figure 10 shows that the tax leverage factor ratio for the MWRD remained fairly constant between FY93 and FY98, increasing only slightly from 1.4 in FY95 to 1.6 the following year. Over the six years analyzed, the tax leverage factor ratio averaged 1.5, which means that a 1% increase in the MWRD budget would have required a 1.5% increase in property taxes if other sources of revenue were not available.

**Figure 10**  
**MWRD TAX LEVERAGE**  
**FACTOR RATIOS: FY93-FY98**

Fiscal Year	G & SR Funds Total Operating Expenditures	G & SR Funds (Property) Tax Revenue	Tax Leverage Factor Ratio
1993	\$ 219,930	\$ 153,443	1.4
1994	\$ 219,837	\$ 156,682	1.4
1995	\$ 229,727	\$ 163,868	1.4
1996	\$ 233,421	\$ 147,094	1.6
1997	\$ 242,791	\$ 154,947	1.6
1998	\$ 252,318	\$ 171,318	1.5



**APPENDIX D**

**MWRD Records Available under the  
Freedom of Information Act**

## Disposal Records

ITEM #	DEPT DESCRIPTION
1	Eng Administrative Files
2	Eng Blueprints, Diagrams, etc
3	Eng Correspondence
4	Eng ColFac Flood Control Files
5	Eng ColFac Sewer Design Contract Files
6	Eng Construction Files
7	Eng Construction Site Photographs
8	Eng Cross Section Notes
9	Eng Daily Work Notes
10	Eng Peg Books
11	Eng Pollution and Emission Control Corr
12	Eng ProFac-ColFac Design Computations
13	Eng Tickets for Aggregates
14	Fin Accrued Expense Reports
15	Fin Annual Budget
16	Fin Appropriation Ledger Sheets
17	Fin Basic Four FAS
18	Fin Board Proceedings-Bound Book
19	Fin Budget Trial Balance
20	Fin Budget Work Sheets
21	Fin Checks (cancelled), Bank Statements, Deposit Slips
22	Fin Cash Disbursement Listings-monthly
23	Fin Certified Payroll Registers
24	Fin Clerk's Receipt and Disbursement Report
25	Fin Clerk's Revolving Fund Records, Invoices, etc.
26	Fin Closed Orders Report
27	Fin Contracts
28	Fin Contract Status Ledger
29	Fin Cost Analysis Report - Annual
30	Fin Daily Time Sheets
31	Fin Employee Expense Registers and Invoices
32	Fin Engineering Project Cost Distribution
33	Fin Finance Correspondence File
34	Fin Fixed Assets System Reports
35	Fin Grants Reports
36	Fin Audit (Internal) Documents
37	Fin Journal Entries and Working Ledger Sheet
38	Fin Minutes
39	Fin Board Documents - Official
40	Fin Open Order Report
41	Fin Overtime and Holiday Time Earned Repts
42	Fin Bills and Invoices-Paid w/PO copies
43	Fin Payment Vouchers
44	Fin Payroll - BW Data Books
45	Fin Payroll Distribution System-Annual Rept
46	Fin Payroll Exceptions/Adjustments (BW)
47	Fin Payroll Rept-R&D Sections

## Disposal Records

48	Fin Project Cost Accounting Edits and Updates
49	Fin Project Cost Analysis Reports
50	Fin Real Estate Rental Reports - monthly
51	Fin Sick and Vacation Reports
52	Fin Treasurer's Report - Monthly
53	Fin Unit Cost System (Cost Measurement System)
54	Fin Contracts - Unsuccessful
55	Fin User Charge Billings
56	Fin User Charge Reports
57	Fin Vendor Payment Register - Annual Report
58	Fin Employee Earnings-Year-to-date
59	Law Claims-WC, Accidents, Property Damage
60	Law Lawsuits
61	Law Legal Opinions
62	Law Real Estate Data (Leases, Permits, Easements, etc.)
63	M&O Administrative Files
64	M&O Accounts Payable Records
65	M&O Budget and Work Papers
66	M&O Contract Records
67	M&O Construction Records
68	M&O Crossover Charges
69	M&O Emergency Procedure Manuals
70	M&O Energy Records
71	M&O Equipment Records
72	M&O Expense Reimbursement Records
73	M&O Gate Sheets
74	M&O Material Safety Data Sheets
75	M&O Monthly Operating Reports
76	M&O Operating Log Sheets
77	M&O Operating Reports
78	M&O Operation Check Sheets
79	M&O Partial Receiving Reports
80	M&O Payment Authorizations
81	M&O Personnel Action Forms
82	M&O Personnel Records
83	M&O Personnel Requisition
84	M&O Plant Operating Logs
85	M&O Plant Operating/Maintenance Manuals
86	M&O Probationary Progress Reports
87	M&O Promotional Requests
88	M&O Purchase Orders and Requisitions
89	M&O Purchase Order change Notices
90	M&O Recording Chart Records
91	M&O Requests for Time Sheet Corrections
92	M&O Specifications, Plans, Blueprints and Wiring Data Infor
93	M&O Storeroom Codes
94	M&O Time Records
95	M&O Training Log
96	M&O Transfer Requests

## Disposal Records

- 97 M&O Treatment Process Logs
- 98 M&O Tuition Reimbursement Forms
- 99 M&O Vacancy Notifications
- 100 M&O Work/Job Orders
- 101 M&O Work/Job order Summaries
- 102 Pur Administrative Files
- 103 Pur Automobile Repair Files
- 104 Pur Budget Working Papers
- 105 Pur Contracts
- 106 Pur History Cards
- 107 Pur Material Issue Requests
- 108 Pur Monthly Inventory Activity Reports
- 109 Pur Purchase Orders and Requisitions
- 110 Pur Purchase Order Logs
- 111 Pur Requisition Logs
- 112 TRS Administrative Files
- 113 TRS Bond Records
- 114 TRS Cash Receipts - Daily
- 115 TRS Treasury's Computer Input Forms
- 116 TRS Employee Expense Records
- 117 TRS Insurance Deduction Records
- 118 TRS Investment Inventory Records
- 119 TRS State Federal Tax Statements/Reports
- 120 TRS Tax Anticipation Warrants
- 121 GA Administrative Correspondence Files
- 122 GA-AA Administrative Correspondence Files
- 123 GA-AA Certified Payrolls
- 124 GA-AA Contract Documentation
- 125 GA-Bud Administrative Correspondence Files
- 126 GA-Bud Budgets
- 127 GA-Bud Budget Work Papers
- 128 GA-Bud Performance Audits and Studies
- 129 GA-GS Administrative Correspondence Files
- 130 GA-OfSv Administrative Correspondence Files
- 131 GA-OfSv Building Maintenance Records
- 132 GA-OfSv Equipment Maintenance Records
- 133 GA-Pub Administrative Correspondence Files
- 134 GA-Pub Annual Reports
- 135 GA-Pub Board Proceedings Books
- 136 GA-Pub Brochures
- 137 GA-Pub FOIA Requests and Denials
- 138 GA-Pub News Clippings
- 139 GA-Pub Newsletters
- 140 GA-Pub Photographs and Glass Slides
- 141 GA-Pub Video Tapes, Movies
- 142 GA-Sfty Accident Report of NonDistrict Personnel
- 143 GA-Sfty Acknowledgement of Safety Rules
- 144 GA-Sfty Administrative Correspondence Files
- 145 GA-Sfty Accident Report Files

## Disposal Records

- 146 GA-Sfty Confined Entry Permit
- 147 GA-Sfty Construction Contracts
- 148 GA-Sfty Escape Pack Use Reports
- 149 GA-Sfty Fire Report
- 150 GA-Sfty Job Safety Checklist
- 151 GA-Sfty Material Safety Data Sheets
- 152 GA-Sfty Medical Records and Test Results
- 153 GA-Sfty Monthly First Aid Activity Reports
- 154 GA-Sfty Safety Equipment Deficiency List
- 155 GA-Sfty Safety Inspection Checklist
- 156 GA-Sfty Safety Training Records
- 157 GA-Sfty Safety Training Summary/Training Evaluations
- 158 GA-Sfty Sewer Inspection Truck-Checklist, Gas Log
- 159 GA-Sfty Unsafe Condition Report
- 160 GA-Sfty Work Orders
- 161 GA-Sec Administrative Correspondence Files
- 162 GA-Sec Buildings Entry Register
- 163 GA-Sec Car Check
- 164 GA-Sec Court Appearance Form
- 165 GA-Sec Daily Policy Assignment Sheet
- 166 GA-Sec Field Contact Cards
- 167 GA-Sec Gate Records for District Employees
- 168 GA-Sec Gate Records for Visitors and Trucks
- 169 GA-Sec Juvenile Release Forms
- 170 GA-Sec Material Pass
- 171 GA-Sec Motor Vehicle Incident Report
- 172 GA-Sec Offense/Incident Report
- 173 GA-Sec Police Officers' Daily Activity Log
- 174 GA-Sec Policy Radio Log
- 175 GA-Sec Police Telephone Log
- 176 GA-Sec Report Control Log
- 177 GA-Sec Security Check Records
- 178 GA-Sec Security Vehicle Inspection Report
- 179 GA-Sec Traffic Accident Report
- 180 GA-Sec Traffic Violation Notice 1982-1991
- 181 GA-Sec Vehicle Mileage & Expense Report 82-90
- 182 GA-Sec Watch Commanders Inventory 1982-90
- 183 PER Administrative Correspondence Files 1985
- 184 PER Applications for Employment-Solicited&Unsolicited
- 185 PER Bid Records (Training)
- 186 PER Civil Service Board Minutes
- 187 PER Eligible Lists
- 188 PER Employment History Cards (1976-
- 189 PER Examination Cassette Tapes 1987-
- 190 PER Examination Testing Files
- 191 PER Group Membership Ins Application 1969-
- 192 PER Insurance Policies and Claims
- 193 PER Personnel Action Forms
- 194 PER Personnel Files 1930-

## Disposal Records

195	PER State and Federal Tax Forms
196	ITD Administrative Correspondence Files 1983-
197	R&D Consultant Agreements
198	R&D Contracts, Agreements and Leases
199	R&D Administrative/Correspondence Files
200	R&D Company Files
201	R&D Industrial Waste Generation/Disposal Reports
202	R&D Surveillance Files
203	R&D Rate Determination Letters
204	R&D User Charge "Customer" Files
205	R&D Cyanide and Phenol Charts
206	R&D Industrial Waste Analytical Data Files
207	R&D Industrial Waste Biochemical Oxygen Demand Worksheet
208	R&D Interrogatories
209	R&D Laboratory Bench Books
210	R&D pH Tags
211	R&D Quality Assurance/Quality Control Data
212	R&D Quality Assurance/Quality Control Industrial Waste Spike
213	R&D Sample Receipts
214	R&D Adm Correspondence Ref Files
215	R&D Final Reports of Research Projects
216	R&D Laboratory Log
217	R&D Progress Reports
218	R&D Purchase Requisitions
219	R&D Laboratory Test Results
220	R&D Quality Control Logs
221	R&D Bacterial Lab Data Cards
222	R&D Fish Scale Samples
223	R&D Fisheries Database
224	R&D Ground Water, River, Beach Analytical Base
225	R&D Laboratory Data Logs
226	R&D Special Investigation Reports
227	R&D Water Quality Data Files
228	R&D Analytical Data Files
229	R&D Adm/Correspondence/Reference Files
230	R&D Analytical Raw Data (Operations Monitoring)
231	R&D Analytical Raw Data (Env Monitoring Studies)
232	R&D Class A Sludge Certification Files
233	R&D Drinking Water, Waste Water and Special Analysis Log Books
234	R&D Quality Control Files
235	R&D Air Sample Reports
236	R&D Groundwater Analysis Raw Data
237	R&D Groundwater, River and Analytical Raw Data
238	R&D Lab Notebooks
239	R&D Laboratory Test Results
240	R&D Odor Investigation Reports/Complaints
241	R&D Sludge Quality Control Data
242	R&D Special Studies
243	R&D Sediment Quality Data Files

## Disposal Records

- 244 R&D Water Quality Data Files
- 245 R&D Adm/Correspondence Reference Files
- 246 R&D Fulton County Reservoir Analyses Raw Data
- 247 R&D Plant Analyses Raw Data
- 248 R&D Runoff Retention Basins Raw Data
- 249 R&D Sewage Sludge Analyses Raw Data
- 250 R&D Soil Sampling Raw Data
- 251 R&D Streams and Surface Waters Raw Data
- 252 R&D Employee Radiation Exposure Reports
- 253 R&D Industrial users Pretreatment Program Raw Data
- 254 R&D Instrument Raw Data from Radiology Projects
- 255 R&D Log Books
- 256 R&D Personnel Data/Dosimeters
- 257 R&D Radiation Leak Test Certificates
- 258 R&D Radioactive material Handling License
- 259 R&D Radiology Raw Data
- 260 R&D USEPA Inter Comparison Studies Program
- 261 R&D Water Quality Raw Data
- 262 R&D Analytical Raw Data (Env Monitoring Studies)
- 263 R&D Instrument Service and Repr Files
- 264 R&D Quality Assurance/Quality Control Files
- 265 R&D Sample Custody Log
- 266 R&D Sample Logs
- 267 R&D Sample Progress Log
- 268 R&D Samples Tracking System