

# FY2019 Mid-Year Budget Review

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## Recorder of Deeds

**Objective:** Update on FY2019 Goals and Objectives, review FY2019 YTD budget, FY2019 year-end projections and discuss challenges and opportunities impacting the FY2020 budget.

### I. Highlights of 2019 – Review of Goals and Objectives

- **FY2019 Goal #1 as listed in the Budget Book**
  - Current Status of Goal – **New Recording System not implemented – goal remains under review.**
- **FY2019 Goal #2 as listed in the Budget Book**
  - Current Status of Goal – **The Recorder's Office has not moved forward with establishing a Research Department.**
- **FY2019 Goal #3 as listed in the Budget Book**
  - Current Status of Goal – **The Recorder's Office is on pace to meet or exceed 50 outreach events for FY 2019.**

### II. Comparison of YTD budget (as of 5/31/2019) vs expense projections with explanations for major variances and corrective action steps

Operating Expenses	FY 2019 YTD Budget	FY2019 YTD Actuals	\$ Variance	% Variance
Personnel	\$3,110,402	\$2,486,986	\$623,416	20.0%
Contractual Services	\$281,970	\$87,357	\$194,613	69.0%
Supplies and Materials	\$104,912	\$29,915	\$74,997	71.5%
Operations and Maintenance	\$85,458	\$35,711	\$49,747	58.2%
Capital Expenditures	\$-	\$-	\$-	0.0%
Rental and Leasing	\$21,411	\$22,084	(\$673)	-3.1%
Total	\$3,604,154	\$2,662,053	\$942,101	26.1%

- Explanation of variances greater than 1% and \$1 million – **There are no variances greater than \$1 million dollars, but there are several variances greater than 1%. The main variances are in personnel services and contractual services. Personnel services are lower than expected due to the fact that there has been employee attrition in which the employees leaving service have not been replaced. The variance regarding**

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contractual services is temporary. We are in the process of procuring services which would erase this variance. This procurement relates to the digitization and retrieval of historical ROD records.

- What corrective action will be taken if required? **The variances to the expense projections do not require corrective action. The Recorder's Office is working to carefully work within the established budget and the variances reflect spending less than the projected expenses. With this said and as mentioned above, the Recorder's Office needs to address several issues (including the digitization of its historical records) and is in the process of completing a procurement for said services. This procurement may eliminate any variances relating to expense projections in the 2019 budget.**

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## III. Comparison of YTD budget (as of 5/31/2019) vs revenue projections (if applicable) with explanations for major variances and corrective action steps

Revenue	FY 2019 YTD Budget	FY2019 YTD Actuals	\$ Variance	% Variance
402200 - County Recorder and Registrar	\$19,827,000	\$13,650,000	(\$6,177,000)	-31.2%
402250 - Recorder Audit Revenues	\$25,000	\$0	(\$25,000)	-100.0%

- Explanation of variances greater than 1% and \$1 million - **The revenue for the Recorder of Deeds office is based on the number of document recordings received in the Recorder's office. To date, the number of recorded documents is lower than in previous years. Although the cause of the decline cannot be stated with certainty without more thorough analysis, for the year to date, a review of existing recording data would show that the number of mortgages and mortgage releases are lower than in prior years. This may be attributable to a rise in interest rates, which would discourage mortgage refinancing. There also continues to be fewer foreclosure related documents recorded than in previous years. Additionally, technological issues involving our e-recording platform and State of Illinois' MyDec system have caused delays in the recording of documents. With this said, these technological issues have been resolved and are not expected to delay recordings going forward. It is expected that the summer months will see a higher number of recordings since more real estate sales activity usually occurs during the summer months. Finally, on May 20, 2019, the Recorder's Office began successfully implementing a new predictable fee structure. This new fee structure should erase any negative variances to ROD revenue projections by the end of the year.**
- What corrective action will be taken? **No corrective action is needed as there will not likely to be a variance at the end of the year with the revenues from the new Predictable Fee structure.**

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## IV. Year-End Projections (How do you believe you will end the year?)

Revenue	FY 2019 Adopted Budget	FY2019 Year End Estimate	\$ Variance	% Variance
<b>402200 - County Recorder and Registrar</b>	\$39,654,000	\$39,478,341	(\$175,659)	-0.4%
<b>402250 - Recorder Audit Revenues</b>	\$50,000	\$15,000	(\$35,000)	-70.0%

	FY 2019 Adopted Budget	FY2019 Year End Estimate	\$ Variance	% Variance
<b>Operating Expenses</b>				
<b>Personnel</b>	\$6,402,959	\$5,782,621	\$620,338	9.7%
<b>Contractual Services</b>	\$546,368	\$516,366	\$30,002	5.5%
<b>Supplies and Materials</b>	\$163,768	\$192,269	\$(28,501)	-17.4%
<b>Operations and Maintenance</b>	\$153,413	\$39,705	\$113,708	74.1%
<b>Capital Expenditures</b>	\$-	\$-	\$-	0.0%
<b>Rental and Leasing</b>	22,084	22,084	\$-	0.0%
<b>Contingencies and Special Purposes</b>	\$-	\$-	\$-	0.0%
<b>Total</b>	\$7,288,592	\$6,553,045	\$735,547	10.1%

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## Challenges/Opportunities to be addressed in FY2020 budget

Describe any challenges that will be addressed in the upcoming budget. Include operational impact, solution, key performance indicators that will be impacted and fiscal impact of the solution (if applicable). **The biggest challenges to be addressed through the FY 2020 budget involve an ongoing need to digitize historical ROD records and to replace the ROD core recording application. How these two challenges are resolved will have a direct, long term impact on the Recorder's operations. The fiscal impact for these projects are not yet known, and is currently under review.**

Describe any opportunities (increased efficiencies, increased revenue) that will be addressed in the upcoming budget. Include operational impact, key performance indicators that will be impacted and fiscal impact of the opportunity (if applicable). **As employee attrition continues, the Recorder's Office will continue to evaluate ways to streamline operations and utilize current staff to achieve its operational goals and needs. The Recorder's Office is also engaged in discussions with the Clerk's to discuss ways to achieve operational efficiencies and/or increased revenues through the consolidation process.**