

The Village of Downers Grove

LRP Issue: General Fund Sustainability

Priority Action Item

Consider Creating New Revenue Sources or Enhancing Existing Revenues Consistent with the Modern Economy



General Fund Sustainability

Overview

Issue

Expense Trends

Revenue Trends

Recommendations

Overview

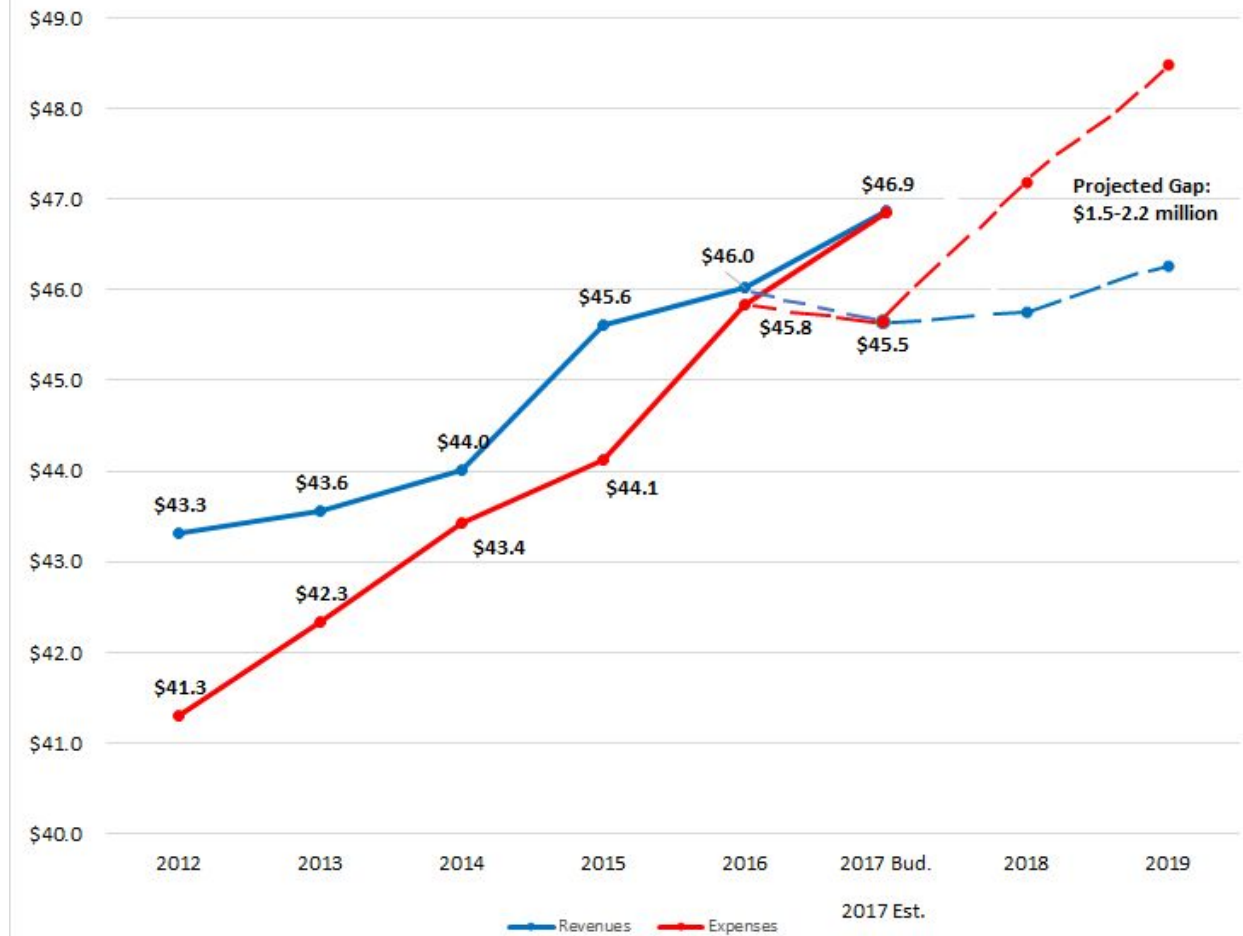
Issue	<p>Revenues are not growing at a rate comparable to expenses</p> <p>Expenses will exceed revenues if changes are not made</p>
Strategies and Solutions	<p>2017 Priority Action Item - Consider creating new revenue sources or enhancing existing revenues consistent with the modern economy</p>
Recommendations	<p>Implement a 1% Food & Beverage Tax</p> <p>Increase the Property Tax Levy for Operations as Necessary</p>

Issue

Revenues are not growing at a rate comparable to expenses

Expenses will exceed revenues if changes are not made

General Fund Revenues and Expenses 2012-2019



Expense Trends

Expense Trends

Comparing 2017 to 2008:

Department	Expenses	Staffing
Police	21% Higher	22% Lower
Fire	29% Higher	9% Lower
Public Works	6% Higher	13% Lower
Community Development	15% Higher	13% Lower
All Others	21% Lower	28% Lower

- General Fund total expenses are **11% higher** (1.2%/year average)
- Public Safety pension expenses are **177% higher** (19.67%/year average)

Expense Trends

General Fund Expenses by Department				
	2008	2017	Diff.	%
Police Department	\$13.67	\$16.53	2.86	20.92%
Fire Department	\$12.28	\$15.80	3.52	28.66%
Public Works	\$6.47	\$6.08	(0.39)	(6.03)%
Community Development	\$1.80	\$2.07	0.27	15.00%
All Other Departments	\$8.03	\$6.37	(1.66)	(20.67)%
Total	\$42.25	\$46.85	4.6	10.89%

Expense Trends

Staffing by Department (All Village Funds)					Department Expenses per FTE			
	2008	2017	Diff.	%	2008	2017	Diff.	%
Police Department	120.60	94.23	(26.37)	(21.87)%	94,000	146,135	52,135	55.46%
Fire Department	91.75	83.50	(8.25)	(8.99)%	109,233	155,938	46,705	42.76%
Public Works	78.75	68.25	(10.50)	(13.33)%	69,342	87,591	18,249	26.32%
Community Development	19.50	17.00	(2.50)	(12.82)%	80,081	104,299	24,218	30.24%
All Other Departments	64.18	46.50	(17.68)	(27.55)%	66,674	87,298	20,624	30.93%
	374.78	309.48	(65.30)	(17.42)%				

Expense Trends

Public Safety Pension Expenses (Required by State Law)

2008	2017	Difference	%
2.16 million	5.98 million	3.82 million	176.85%

Expense Reduction Efforts: 2010-2017

Reduced Staffing by 67 FTE from 375 to 308 (18% reduction)	Eliminated the electrical licensing and testing program
Reduced the number of Hometown Times newsletters	Eliminated person-operated video cameras at Council meetings
Reduced the Public Service Response Team hours of operation	Eliminated the EDC Tourism stipend
Reduced the amount of Fire Department Overtime by changing the way staffing is scheduled (rule of 5)	Consolidated emergency dispatching with Westmont (2011-2017)
Reduced vehicle fleet by 16 from 196 to 180	Outsourced emergency dispatching by joining DU-COMM (2017)
Reduced apparatus responses to certain fire calls	Entered into agreements with other governments for vehicle maintenance
Reduced the funding for taxi subsidy	Privatized some building permit plan reviews and inspections
Eliminated Heritage Festival (now operated by Rotary)	Privatized the vehicle fleet parts inventory management
Eliminated the Pro-Criterium bicycle race	Privatized downtown area snow and ice control
Eliminated community grants program	Changed health benefits provider
Eliminated the Ice Sculpture Festival (now operated by Downtown Management Corporation)	Changed health insurance plan design
Eliminated the DARE program	Changed retiree benefit plan to a 3rd party to reduce OPEB liability
Eliminated the Grove Commuter Shuttle (now operated by PACE)	Restructured the Fire Prevention Bureau to reduce full time staffing and use off duty fire dept staff
Eliminated the Counseling & Social Services Department	Restructured DMMC building loan and repayment

Staffing Changes since 2008

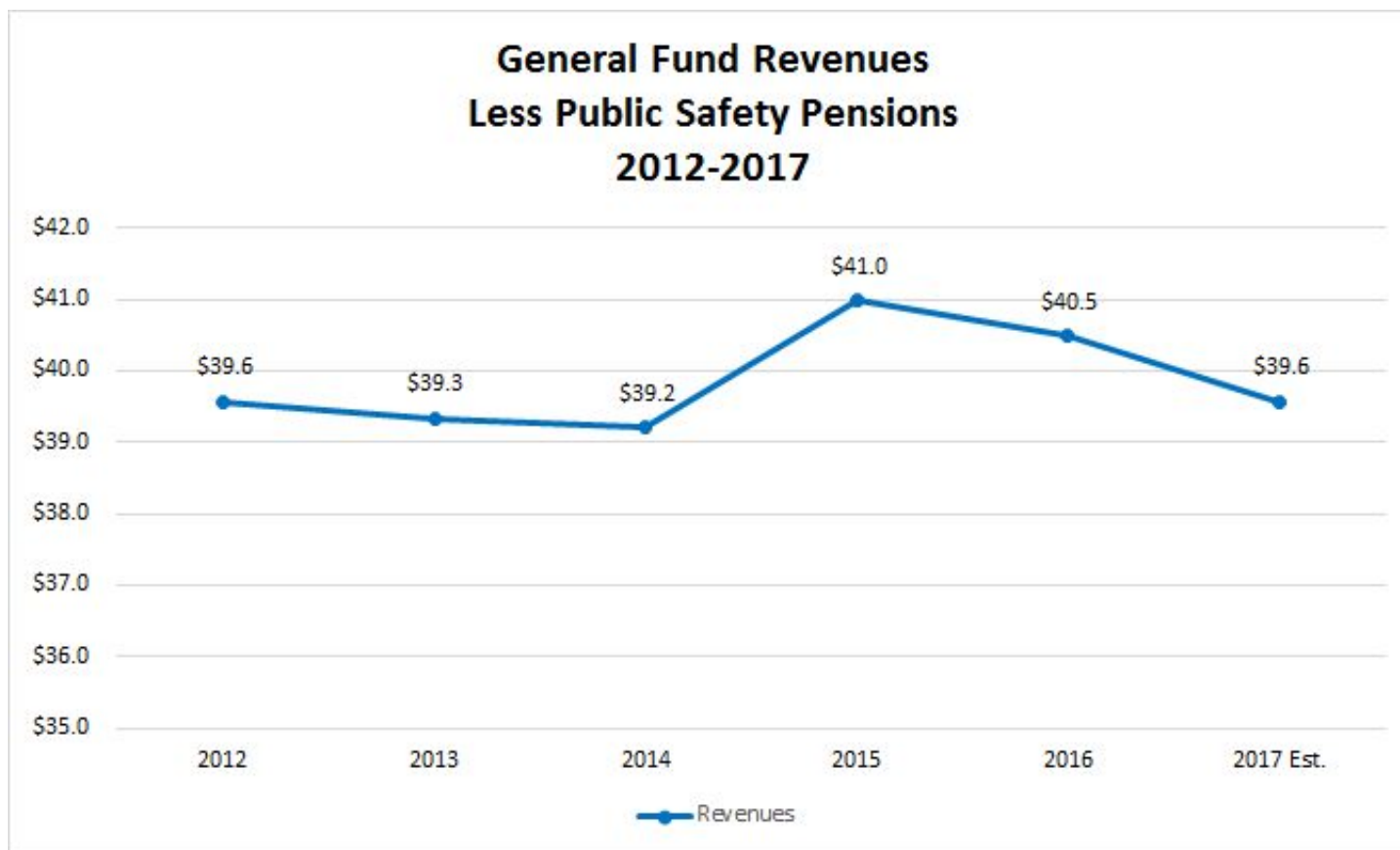
STAFFING CHANGES SINCE FY2008					
Positions Eliminated	(72.6)	Positions Added	5.8	Year	Total FTE
PD					
Police Lieutenant	(1.0)			2008	120.6
Police Sergeant	(1.0)			2017	94.2
Police Officer	(5.0)				
VOC Supervisor	(1.0)				
VOC Operator	(14.0)				
Crime Prev. Specialist	(0.4)				
Records Specialist	(1.0)				
CSO II	(1.0)				
CSO I	(2.0)				
	(26.4)		0.0		-21.9%
FD					
Battalion Chief - Support Services	(1.0)			2008	91.8
Fire Lieutenant	(3.0)			2017	83.5
Firefighter/Paramedic	(2.0)				
Fire Inspector	(1.5)				
Admin. Specialist	(0.5)				
Fire Intern	(0.3)				
	(8.3)		0.0		-9.0%
PW					
Transportation Coordinator	(1.0)	Stormwater Admin.	1.3	2008	78.8
Bus Operator	(3.4)	Management Fellow	0.5	2017	68.3
Admin. Secretary II	(1.0)				
Seasonal (Eng/Field)	(2.8)				
PW Tech	(1.0)				
Maintenance Worker II	(1.0)				
Fleet Shop Assistant	(0.6)				
Parts Inventory Technician	(1.0)				
Public Service Specialist	(0.5)				
	(12.3)		1.8		-13.3%

Staffing Changes since 2008

STAFFING CHANGES SINCE FY2008					
Positions Eliminated	(72.6)	Positions Added	5.8	Year	Total FTE
CD					
Inspector	(2.0)			2008	19.5
Admin. Secretary II (0.5 in 2017)	(1.0)			2017	16.5
	(3.0)		0.0		-15.4%
All Other					
Community Events Director	(1.0)	Emergency Mgmt Coordinator	1.0	2008	64.2
Community Events Coordinator	(2.0)	Content Producer	1.0	2017	45.5
Counseling & Social Services Director	(1.0)	Risk Manager	1.0		
Counselor	(1.2)	Document Management Tech	0.5		
Resource Center Coordinator	(0.8)	Management Fellow	0.5		
Resource Center Mentor	(0.5)				
Intern Counselor	(0.5)				
Budget Officer	(1.0)				
Accounting Specialist I	(1.5)				
Cashier/Receptionist	(0.2)				
Production Assistant	(2.5)				
Municipal Media Assistant	(0.8)				
Communications Specialist (2017)	(1.0)				
Publications Technician	(1.0)				
Deputy Village Clerk	(1.0)				
Assistant Village Manager	(1.0)				
Performance Manager	(1.0)				
Admin Secretary II	(1.0)				
Management Intern	(0.6)				
Staff Attorney	(0.8)				
Building Maintenance Worker	(1.0)				
Benefits Coordinator	(1.0)				
Administrative Secretary II	(0.5)				
	(22.7)		4.0		-29.1%
Total					
	(72.6)		5.8	2008	374.8
				2017	308.0
					-17.8%

Revenue Trends

Revenue Trends



Revenue Trends

Revenue Source	2012	2013	2014	2015	2016	2017 Est.
Sales Tax	\$10.8	\$11.3	\$11.4	\$12.0	\$11.5 *	\$11.4
Property Taxes (Ops)	\$6.7	\$5.9	\$5.9	\$5.9	\$5.9	\$5.8
Utility Taxes	\$5.7	\$5.3	\$5.2	\$5.1	\$4.8	\$4.8
State Income Tax	\$4.2	\$4.6	\$4.6	\$5.2	\$4.8	\$4.6
Home Rule Sales Tax	\$1.9	\$1.9	\$1.9	\$2.0	\$2.0	\$2.0
Building Related Permits	\$1.4	\$1.2	\$1.3	\$1.3	\$1.4	\$1.4
Ambulance Fees	\$1.1	\$1.1	\$1.1	\$1.2	\$1.3	\$1.3
Local Use Tax	\$0.8	\$0.8	\$0.9	\$1.1	\$1.2	\$1.2
Cellular eqp. Rental Fees	\$1.1	\$1.2	\$1.2	\$1.1	\$1.1	\$1.1
Hotel Tax	\$0.8	\$0.9	\$0.9	\$1.0	\$0.9	\$0.9
Other	\$5.1	\$5.2	\$4.8	\$5.1	\$5.6	\$5.1
Total	\$39.6	\$39.3	\$39.2	\$41.0	\$40.5	\$39.6

*The Village received a one-time adjustment from the state in 2016 in the amount of \$316,650

Recommendations

- **Implement a 1% Food and Beverage Tax**
- **Increase the Property Tax Levy for Operations as Necessary**
- Continue to...
 - Increase Operating Efficiencies
 - Reduce Personnel Expenses
 - Enhance Revenue Base
 - Work with the EDC to Increase Sales Tax Base and Revenue
 - Reduce Reliance on State Shared Revenue
 - Maintain Reserve Balances within Policy
 - Monitor State Budget Actions
 - Partner with Others

Recommendations

- Implement a 1% Food and Beverage Tax

Drinking and Eating Establishments				
Year	Amount	Increase	% Increase	Village Revenue at 1% Tax
2010	\$119,328,000			\$1,193,280
2011	\$125,270,000	\$5,942,000	4.98%	\$1,252,700
2012	\$128,369,000	\$3,099,000	2.47%	\$1,283,690
2013	\$132,809,000	\$4,440,000	3.46%	\$1,328,090
2014	\$137,168,000	\$4,359,000	3.28%	\$1,371,680
2015	\$143,236,000	\$6,068,000	4.42%	\$1,432,360
2016	\$150,194,000	\$6,958,000	4.86%	\$1,501,940

Recommendations

Increase the Property Tax Levy for Operations as Necessary

- **2017 Operations Levy is \$5.85 Million**
- **Typical Residential Property (\$300,000 Value) Pays \$560**
- **Each 1% Increase in Operations Levy...**
 - **Generates \$58,500 in Revenue**
 - **Increases Typical Residential Property Payment by \$5.60**

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