

Long Range Financial Planning
Village Workshop Meeting
June 2, 2009

Tax Levy, Infrastructure and
Facilities, and Debt Capacity



Long Range Financial Planning Calendar

<i>Date</i>	<i>Event/Activity</i>
May 19	General Fund Revenues, Expenses, Reserves and Projections
June 2	<ul style="list-style-type: none">• Tax Levy• Infrastructure and Facilities• Debt Capacity
July 7	Village Services Discussion, Solutions and Strategies
July 21	Solutions and Strategies
Aug. 4	Solutions and Strategies, Strategic Plan, TCD 3
Aug. 18	Strategic Plan, TCD 3, Conclusions

Long Range Financial Planning

- Multiple Opportunities for Input & Discussion
- Allow for a Dialogue Among Community, Council & Staff
- Create Awareness of Issues and Potential Solutions
- Consensus for Solutions and Strategies
- Create a 3 to 5 Year Plan

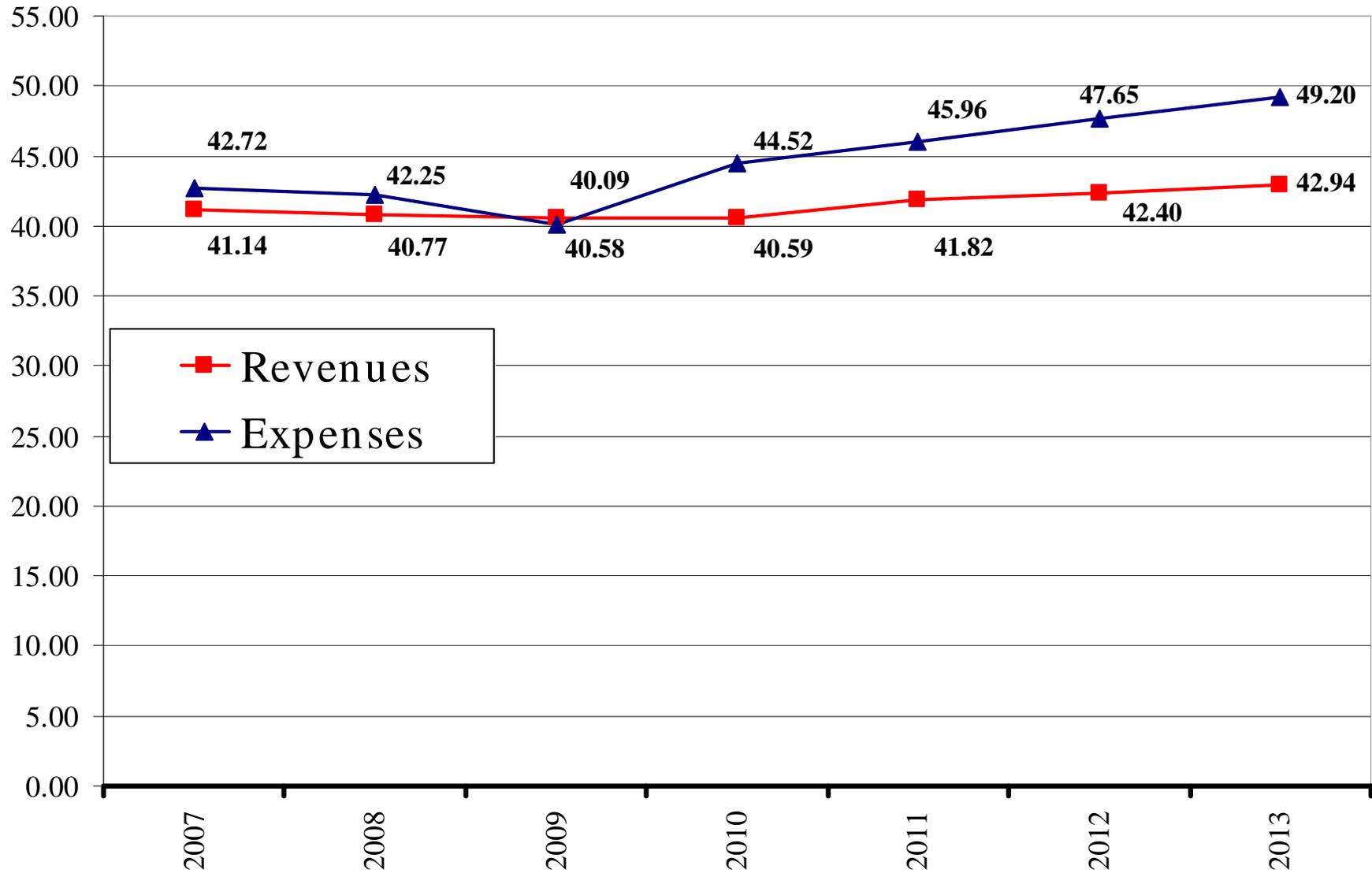


Long Range Financial Planning

- Difficult and Complicated Decisions
- Manageable
 - Issues Presented and Discussed Early in Process
 - Staff Prepared Potential Solutions and Strategies
 - Solutions and Strategies Discussed Later in Process



General Fund Projections (in millions)



Long Range Financial Planning

- Meeting 1 Key Findings
 - Projected General Fund Expenses Exceed Projected Revenues
 - Need to Change Expenses and Revenues
 - Short Term
 - Sustainable
 - Need to Change Village Business Model



Long Range Financial Planning

- Tax Levy
- Infrastructure and Facilities
- Debt Capacity



Tax Levy



Property Tax Overview

- Village sets tax levy amount
- Levy amount is distributed across EAV
- Rate is a function of levy and EAV

$$\text{Levy} = \text{EAV} \times \text{Rate} / 100$$

- County collects and distributes taxes
- Risk of non-payment rests with County



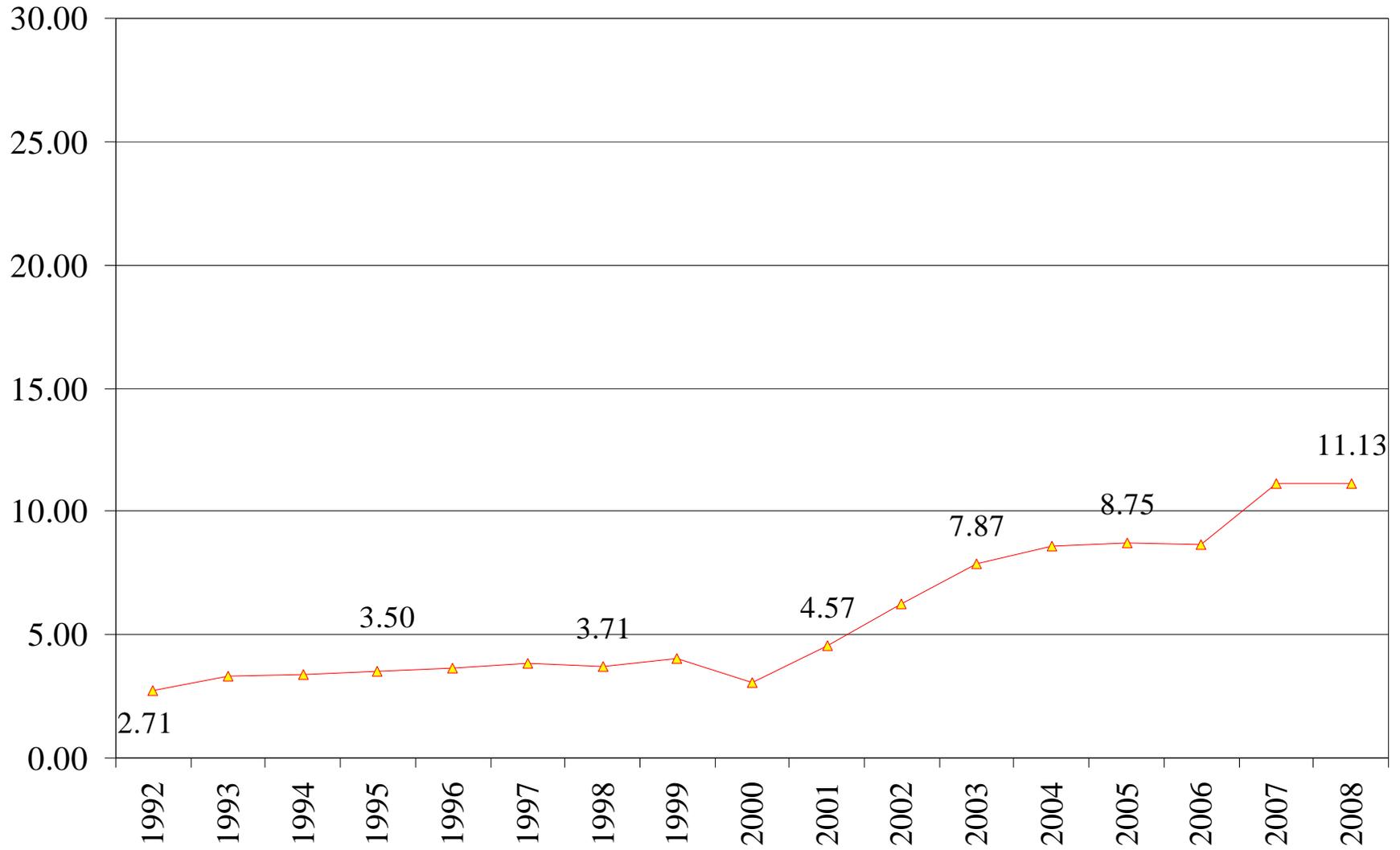
2008 Tax Levy (in millions of \$)

Corporate/Police	2.81	
Fire Protection	2.85	
▶ Fire & Police Pension	2.84	▶
Stormwater Improvements	2.63	
▶ Debt Service	0	▶
Total Village Levy	\$11.13	

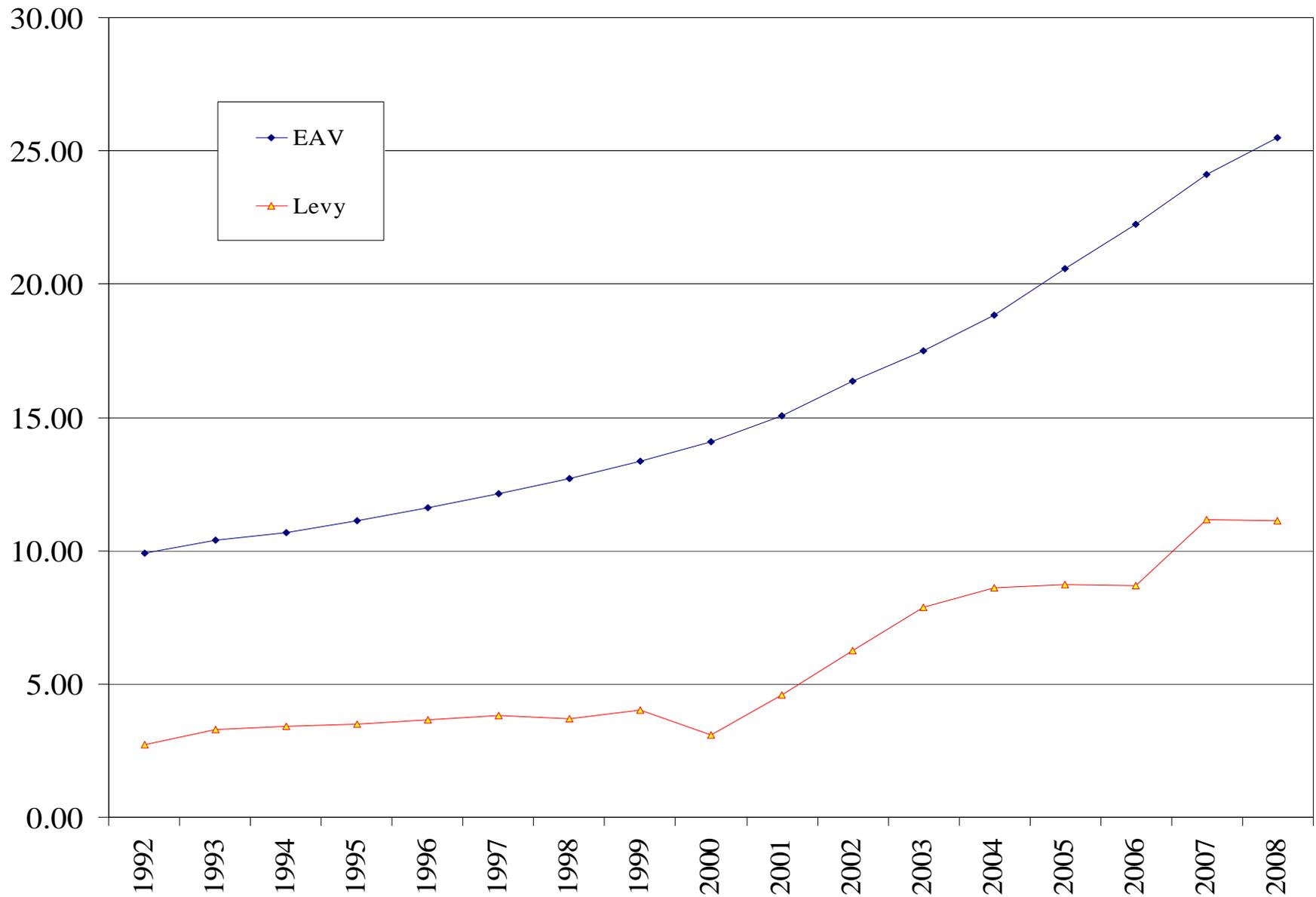
Results in Village Rate of 0.4423



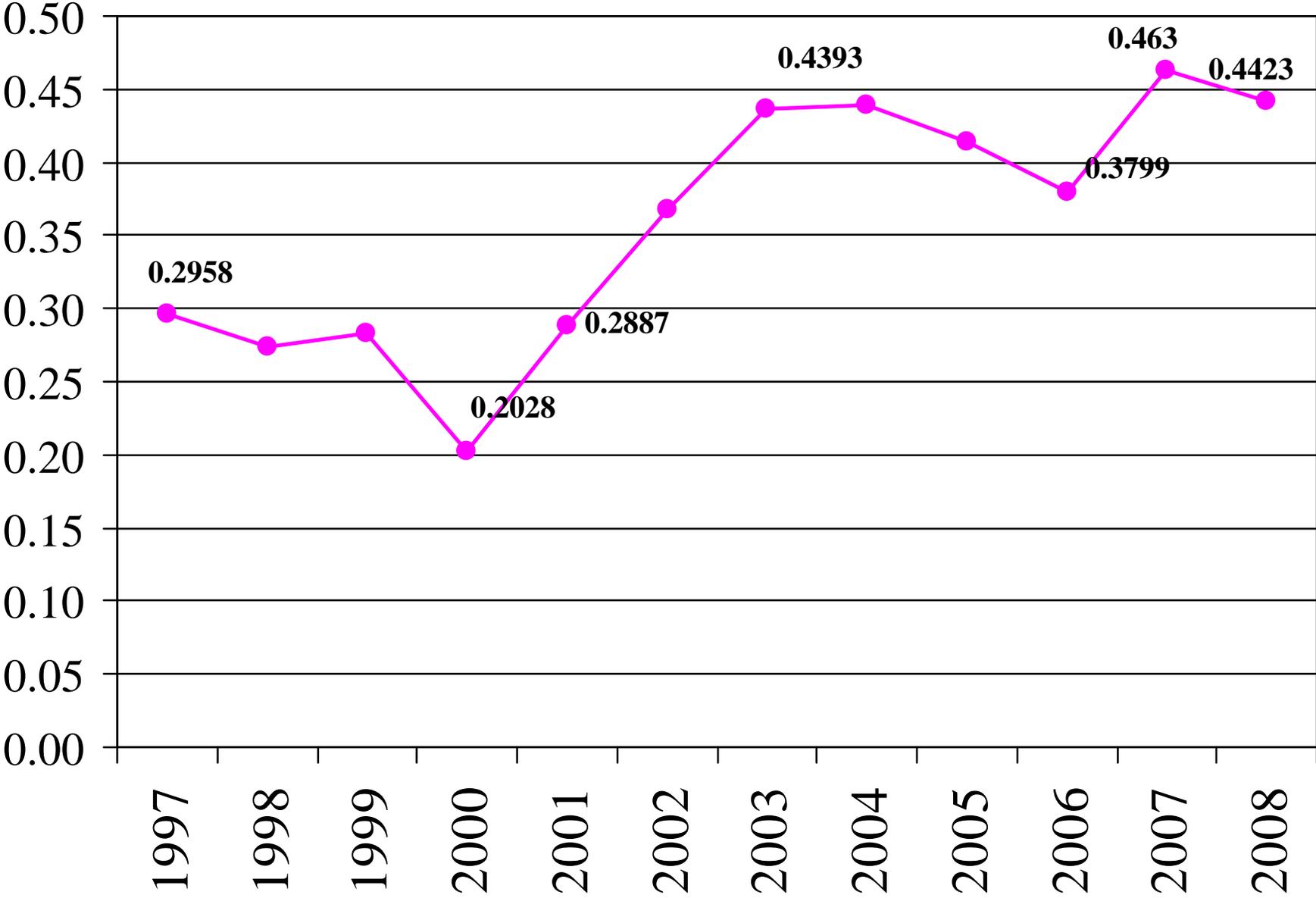
Property Tax History: Levy (in millions)



Property Tax History



Property Tax Rate



Taxing District	Rate 2008	Tax 2008
** COUNTY **		
COUNTY OF DU PAGE	.0934	91.70
PENSION FUND	.0203	19.93
COUNTY HEALTH DEPT	.0317	31.12
PENSION FUND	.0103	10.11
FOREST PRESERVE DIST	.1130	110.94
PENSION FUND	.0076	7.46
DU PAGE AIRPORT AUTH	.0160	15.70
** LOCAL **		
DU PAGE WATER COMM	NO LEVY	
DOWNERS GROVE TWP	.0243	23.85
PENSION FUND	.0011	1.07
DOWNERS GR TWP RD	.0367	36.03
PENSION FUND	.0012	1.17
VLG DWNRS GR-EX FIRE	.2158	211.87
PENSION FUND	.1127	110.64
VLG DWNRS GR FIRE	.1138	111.72
VLG DWNRS GR LIBR	.1773	174.07
DOWNERS GROVE PARK	.2537	249.08
PENSION FUND	.0244	23.95
DOWNERS GR SAN DIST	.0301	29.55
** EDUCATION **		
C. S. DIST. 58 - EX. 888	4.4619	4,380.70
PENSION FUND		0.13
TOTALS	4.4619	4,380.70

TIF Frozen Value	
Fair Cash Value	311,100
Land Value	62,230
+ Building Value	41,450
= Assessed Value	103,680
x State Multiplier	1.0000
= Equalized Value	103,680
- F	
- S	
	.2158 211.87
	.1127 110.64
- D	
	.1138 111.72
- F	
E	
	.4423 434.23
- Housing Abatement	
= Net Taxable Value	98,180
x Tax Rate	4.4619
= Total Tax Due	4,380.70

Village of Downers Grove

$$4,380.70 = 98,180 \times 4.4619 / 100$$

(Tax) (Value) (Rate)

* S OF A FACTOR 1.059

Property Tax Rates: DuPage County

Levy Year	<u>2007</u>	<u>2008</u>
Addison	1.0375	1.0297
Lisle	0.9579	0.9535
Warrenville	0.9548	0.9461
Saint Charles	0.9263	0.9076
Woodridge	0.8345	0.8306
Wheaton	0.7695	0.7682
Villa Park	0.7256	0.7055
Elk Grove	0.6634	0.7018
Darien	0.6283	0.6729
Bensenville	0.6408	0.6518
Carol Stream	0.5731	0.5729
Bloomingtondale	0.5552	0.5580
Westmont	0.5320	0.5370
Clarendon Hills	0.5416	0.5366
Naperville	0.4953	0.5178
Lombard	0.4664	0.4560
Downers Grove	0.4630	0.4423
Glen Ellyn	0.4041	0.3918
Hinsdale	0.2773	0.2745
Elmhurst	0.2636	0.2416



Tax Levy Key Findings

- Strong Historic Growth in EAV
- Flat/ Declining EAV Projections
- Pressure of 2009 Levy from Pensions and Debt Service
- Village Tax Rate Has Varied
- Village Tax Rate Remains Low Compared to Other DuPage Municipalities
- Property Tax Levy Could Be Increased and Remain Competitive



Infrastructure & Facilities



Infrastructure and Facilities

- Four Year Investment Needs by Category
 - Streets \$40.6 Million
 - Stormwater System \$36.4 Million
 - Facilities \$33.5 Million
 - Water System \$12.1 Million
 - Sidewalks \$4.3 Million
 - Other \$3.3 Million



Infrastructure and Facilities

- New Construction
- On-Going Maintenance

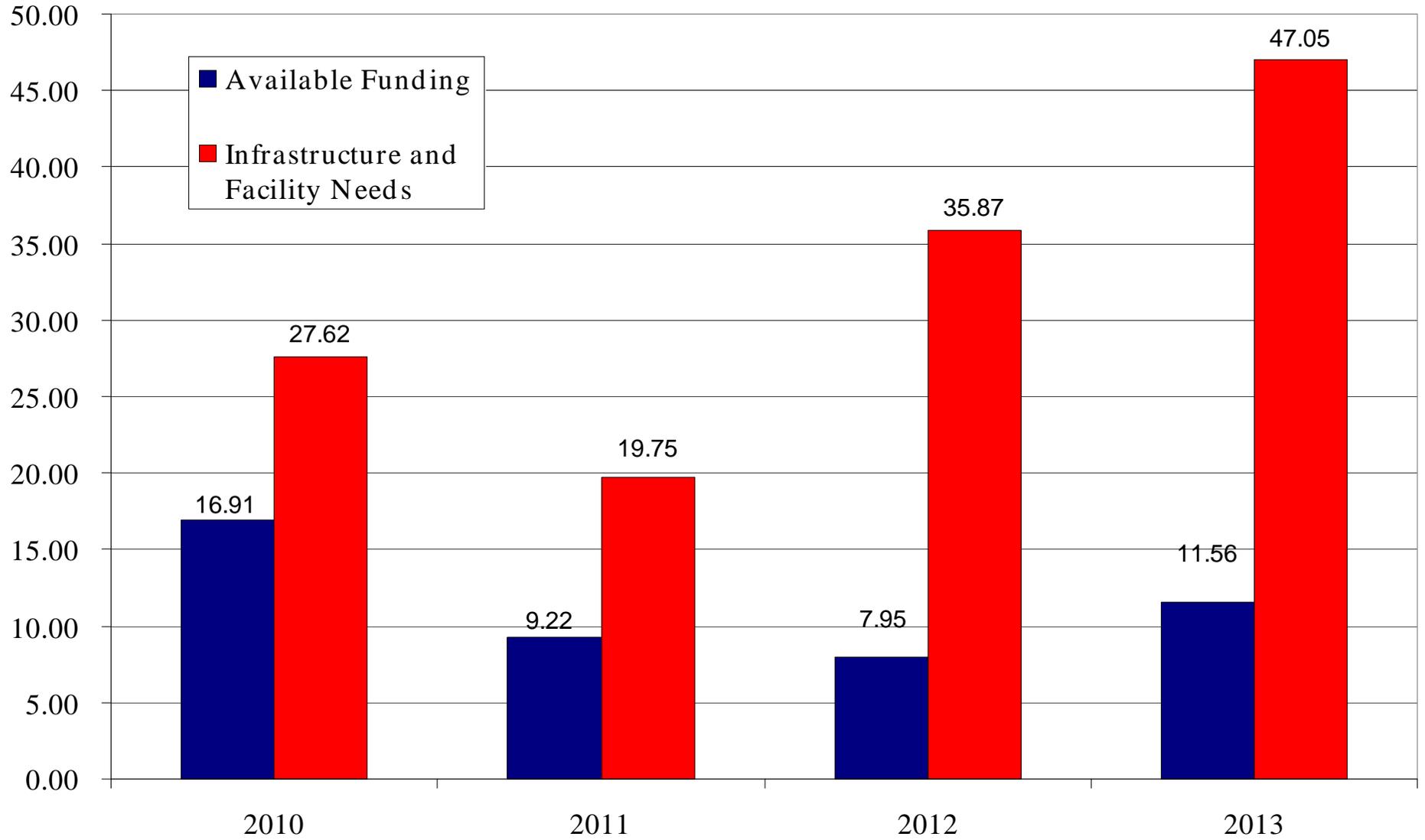


Infrastructure and Facilities

- Multiple Sources of Funds
 - Home Rule Sales Tax
 - Motor Fuel Tax
 - Utility Tax
 - Property Tax
 - Fees
 - Intergovernmental Funding
 - Bond Proceeds



Infrastructure and Facilities: Funding Sources and Needs (in millions)



Infrastructure and Facilities

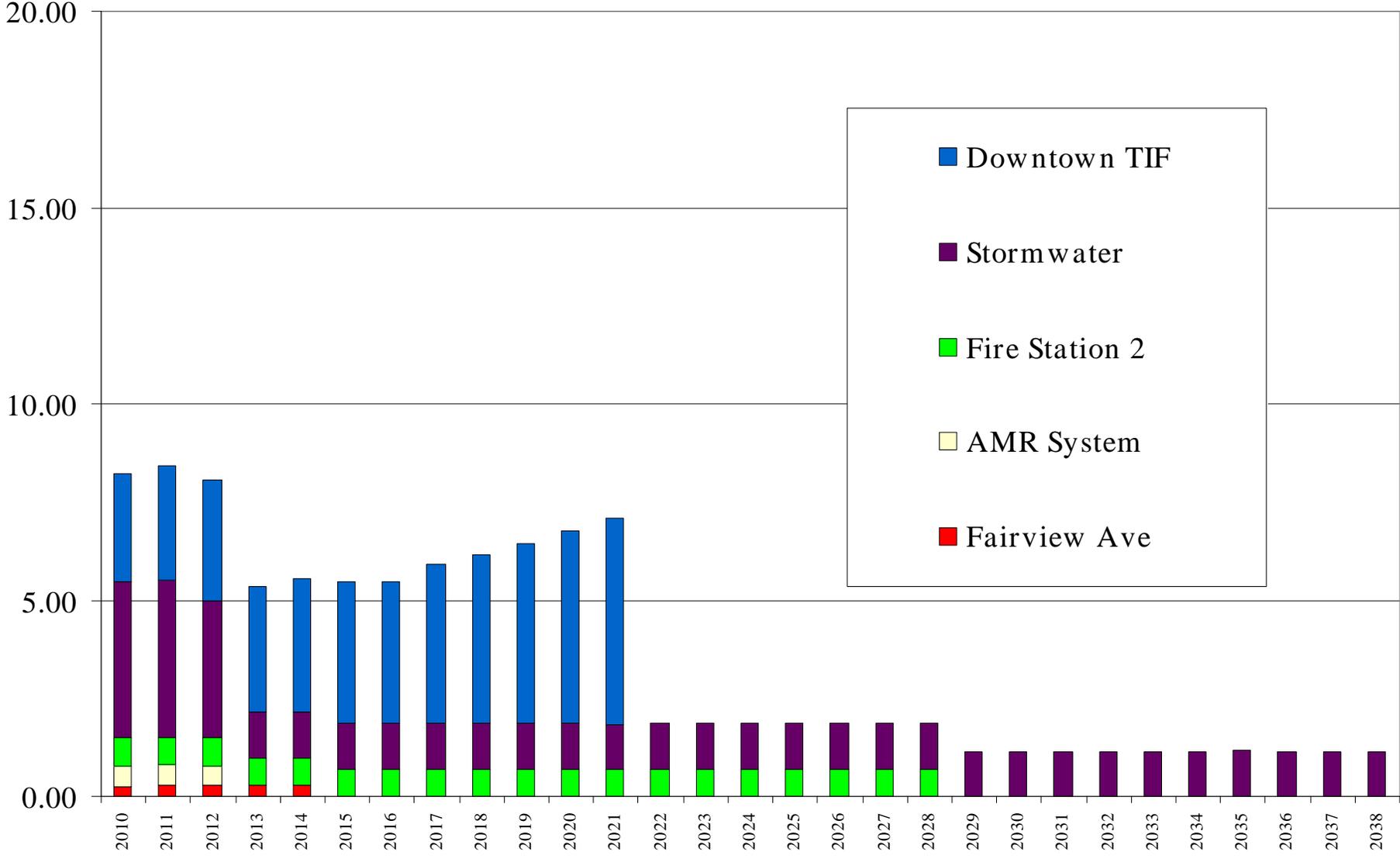
- Multiple Components of Infrastructure and Facilities
- New Construction and Maintenance
- Annual Expenses are “Lumpy”
- Multiple Sources of Funding
- Infrastructure and Facilities Investment Needs Exceed Existing Sources of Funding



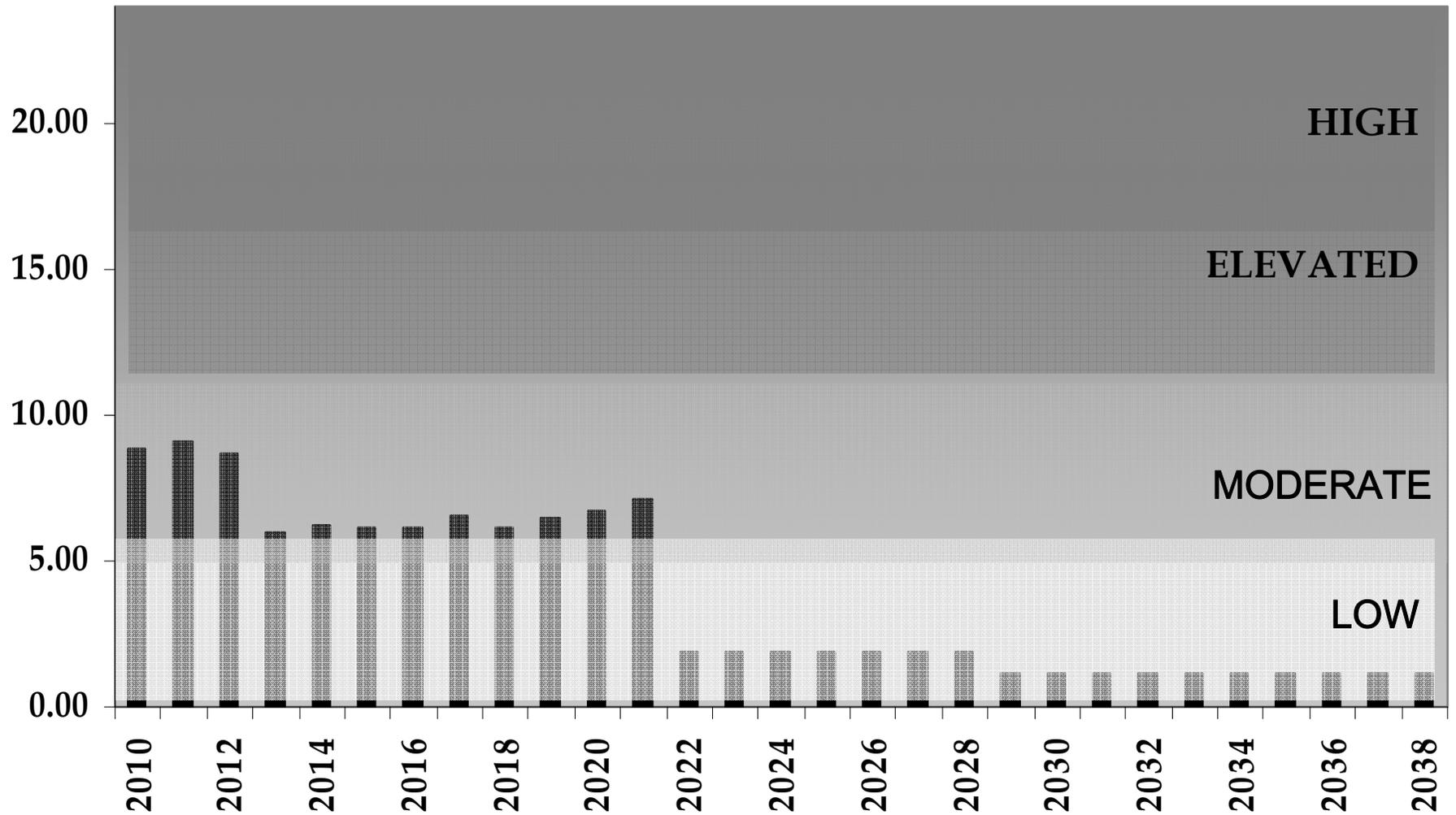
Debt Capacity



Debt Service Future Payments by Type (in millions)



Debt Service Future Payments (in millions)



Debt Capacity

- Current debt obligations
 - Moderate level of debt in short-term
 - Low level of debt in future years
- Debt Capacity Available in Future Years
- Need to Pledge Revenue Sources



Infrastructure & Facilities and Debt Capacity

- Need to Invest in Infrastructure & Facilities
- Investment can be “Lumpy”
- Debt Capacity Available
- Need to Pledge a Revenue Source
- Suggests
 - Issue Debt for Infrastructure and Facility Investment
 - Prioritize Infrastructure and Facility Needs



Solutions and Strategies



Solutions and Strategies

- 3 Approaches
 - Increase Revenues to Pay for Current Services
 - Reduce Services to Match Revenues
 - Combination of Increased Revenues, Expense Reductions and Planned Use of Reserves
- All Approaches Include Continued Efficiency Improvements
 - Implementation Efficiencies
 - Policy Level Efficiencies



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