Long Range Financial Planning Village Workshop Meeting

August 4, 2009

Solutions and Strategies

Long Range Financial Planning Calendar

Date	*Event/Activity*
May 19	General Fund Revenues, Expenses, Reserves and Projections
June 2	•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

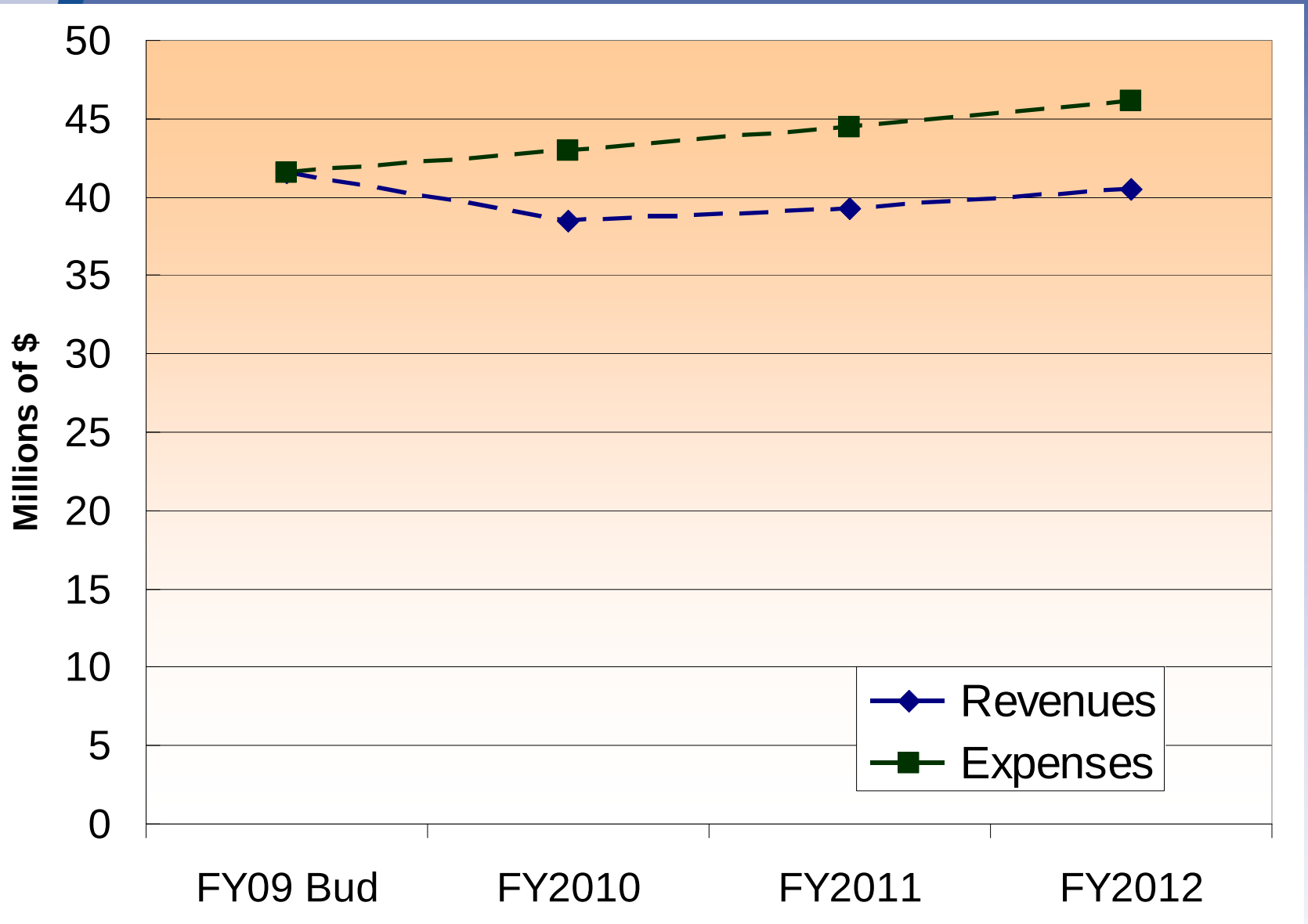
Long Range Financial Planning

- 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 Strategies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Millions of $
Revenues
Expenses
FY09 Bud
FY2010
FY2011
FY2012

General Fund

- Potential Strategies
  - Implement Operating Efficiencies
  - Enhance the Revenue Base
  - Reduce/ Eliminate Village Services
  - Reduce/ Eliminate Village Funding Programs
  - Reduce/ Eliminate Village Events
  - Increase/ Enhance Property Tax Revenue
  - Increase/ Enhance Other Revenue Sources

General Fund Strategies Summary

- All indicated support for using a *mix* of expense reduction & revenue enhancement efforts
- A majority prefer a *balance* of expense reduction and revenue enhancement efforts.
- A majority indicated support for *reductions, or eliminations* to services, events & programs.

General Fund Recommended Strategies

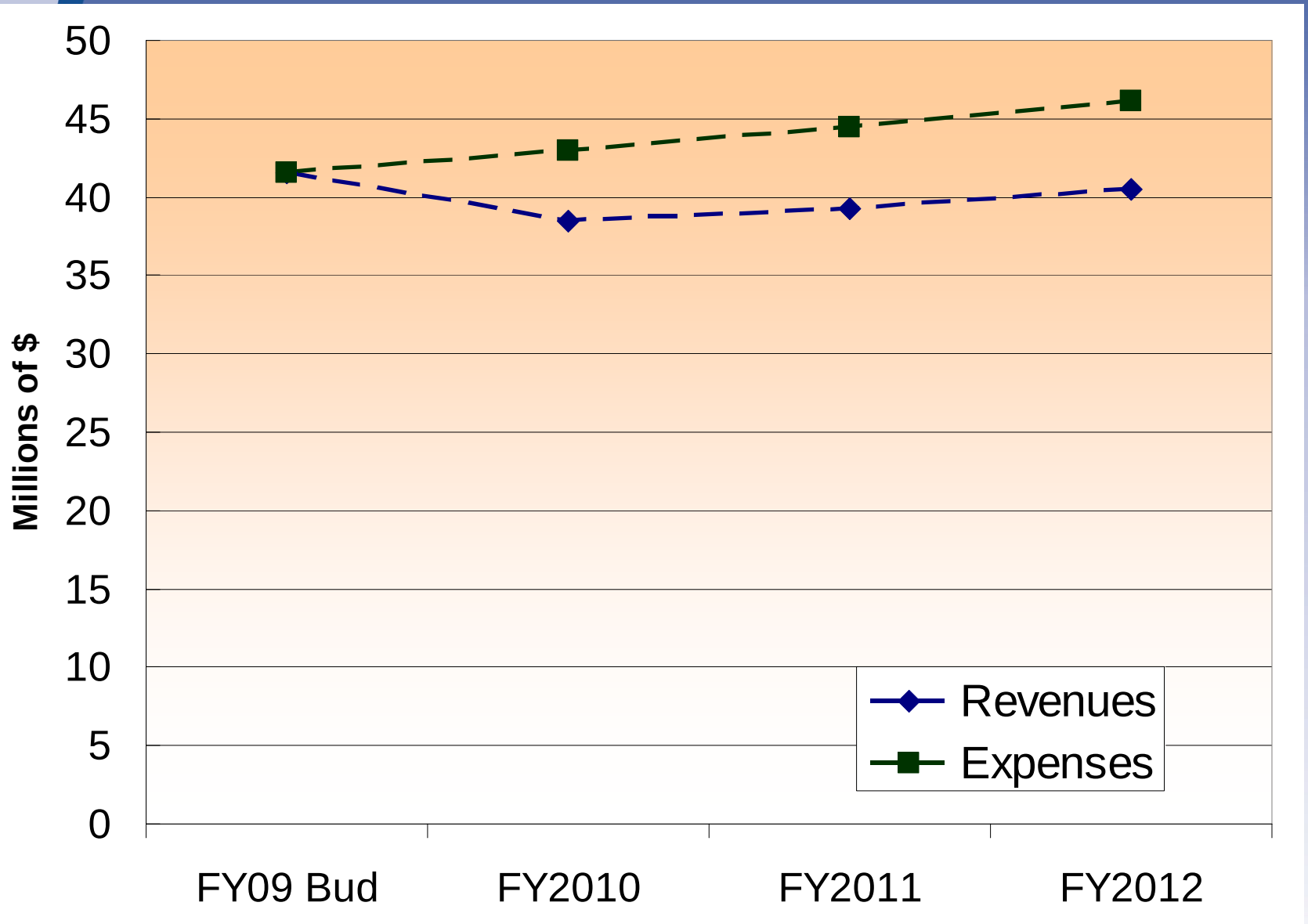
- Directly Related to Financial Issues Previously Presented
- Consistent with Exercises Results
- No Strategies Eliminated, No New Strategies Introduced
- Specificity Added, Moving Towards 3-Year Action Plan

General Fund Recommended Strategies

- Implement Operating Efficiencies
- Enhance the Revenue Base
- Reduce/ Eliminate Services, Events & Programs
- Increase/ Enhance Property Tax Revenue
- Increase/ Enhance Other Revenue Sources
- Reduce Personnel Expenses
- Strategically Use Reserves

General Fund Recommended Strategies

- Expense Reductions
- Property Tax Levy Increase
- Other Revenue Increases
- Use of Reserves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General Fund Recommended Strategies

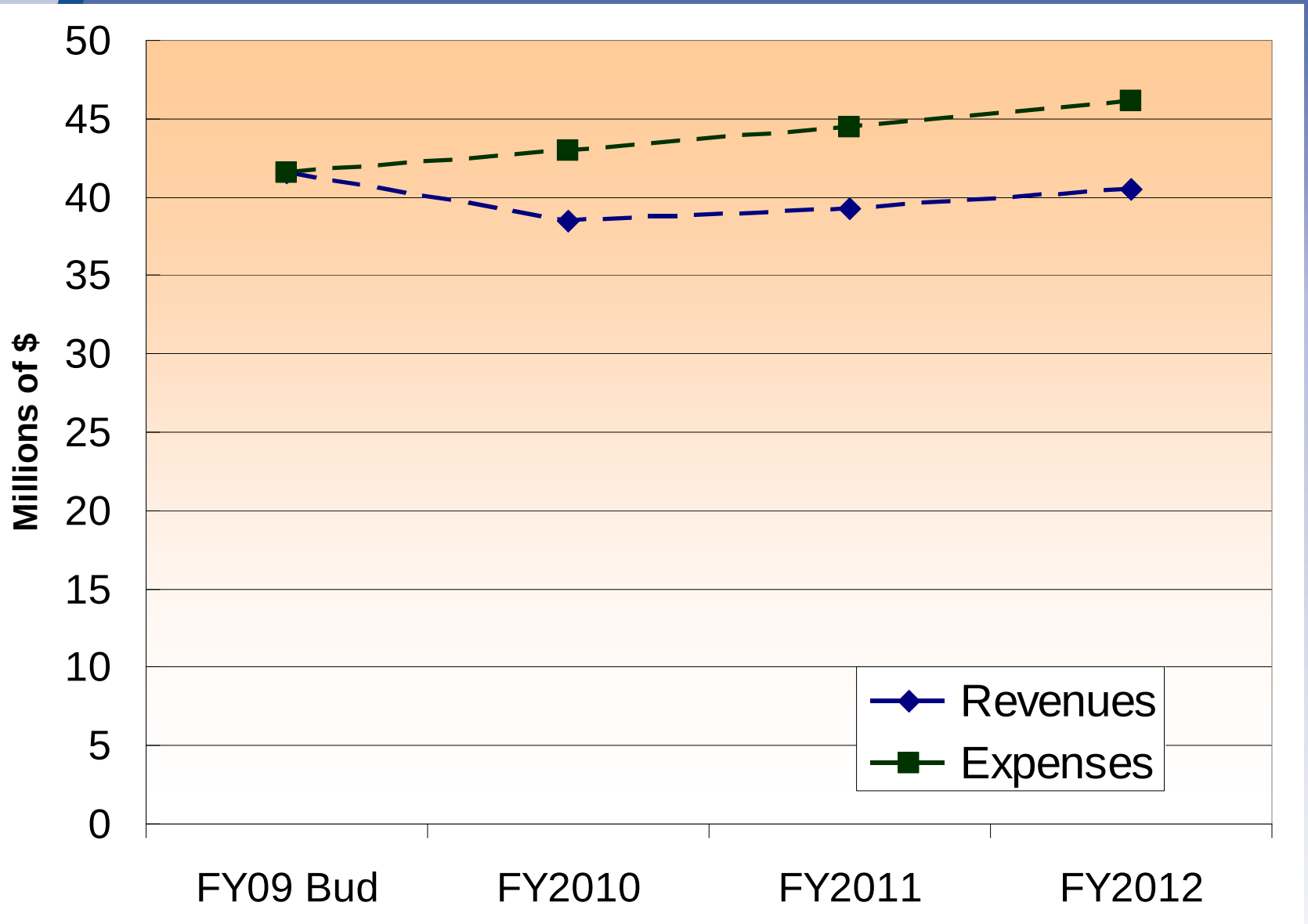
- 2010
  - Reduce Expenses by $2.0 Million
  - Increase the Property Tax Levy for General Fund Operations by $500,000
  - Increase Other Revenue Sources by $1,000,000 (6 months)
  - Use $1.0 Million of Reserves

General Fund Recommended Strategies

- 2011
  - Contain Expenses
  - Increase the Property Tax Levy for General Fund Operations by $500,000
  - Capture Full Year of Other Revenue Increases (Additional $1 Million)
  - Maintain Reserves

General Fund Recommended Strategies

- 2012
  - Contain Expenses
  - Increase the Property Tax Levy for General Fund Operations by $500,000
  - Begin Replenishing Reserves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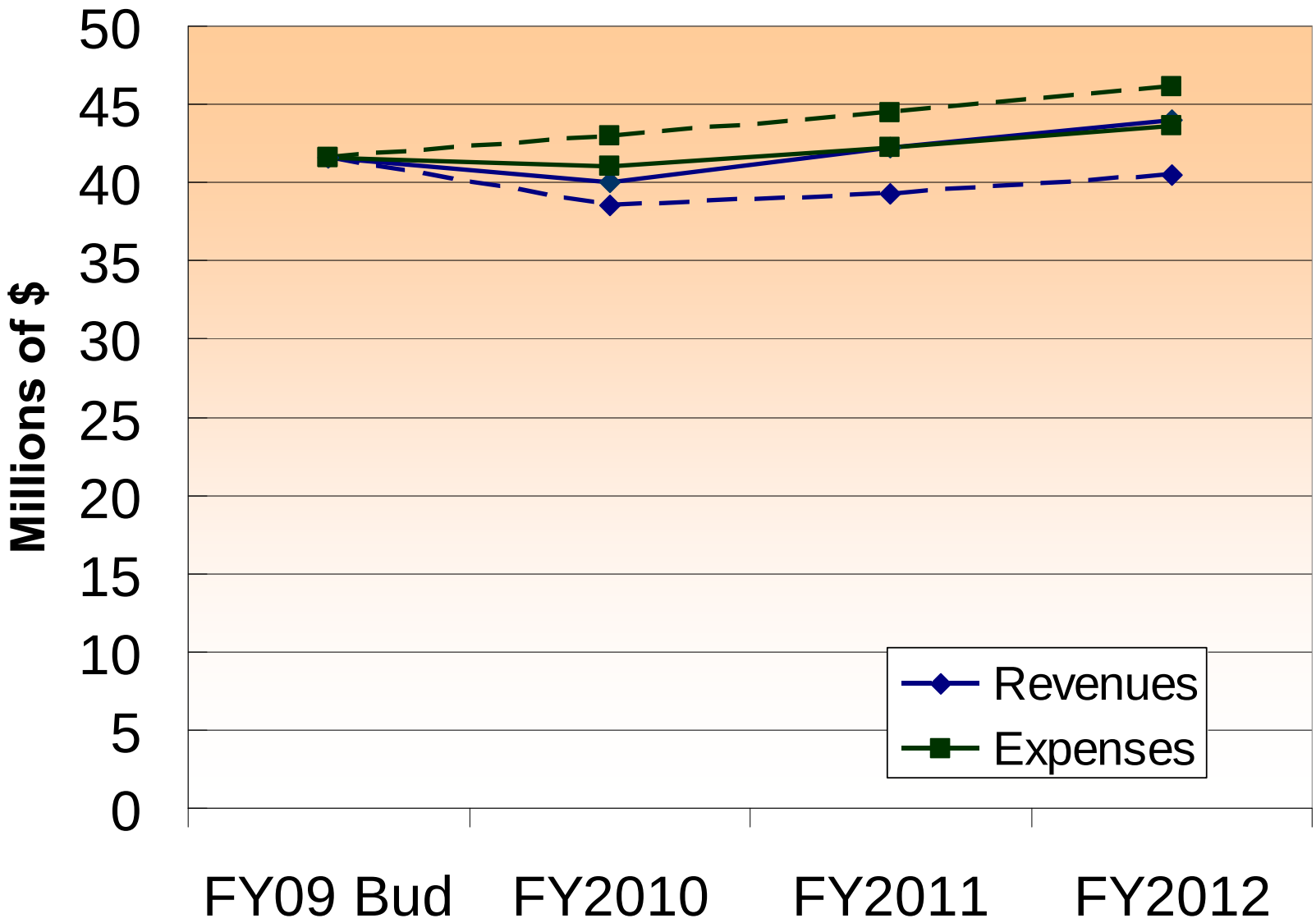
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FY2011
FY2012
Revenues
Expenses

Impact of the Plan

- Expense Reductions
  - Explanation During Annual Budget Process
- Other Revenue Enhancements
  - Alternative Revenue Discussion Tonight
- Property Tax Levy Increases

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 **		
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
= E	103,680
– F	
– S	
– D	
– F E	
– Housing Abatement	
= Net Taxable Value	98,180
x Tax Rate	4.4619
= Total Tax Due	4,380.70

Village of Downers Grove

.2158	211.87
.1127	110.64
.1138	111.72
.4423	**434.23**

4,380.70 = 98,180 x 4.4619 / 100

(Tax) (Value) (Rate)

* S OF A FACTOR 1.059

Impact of Property Tax Levy

- Each $500,000 Increase in the Levy is About $20 per Year Increase in Property Tax (EAV of $100,000)

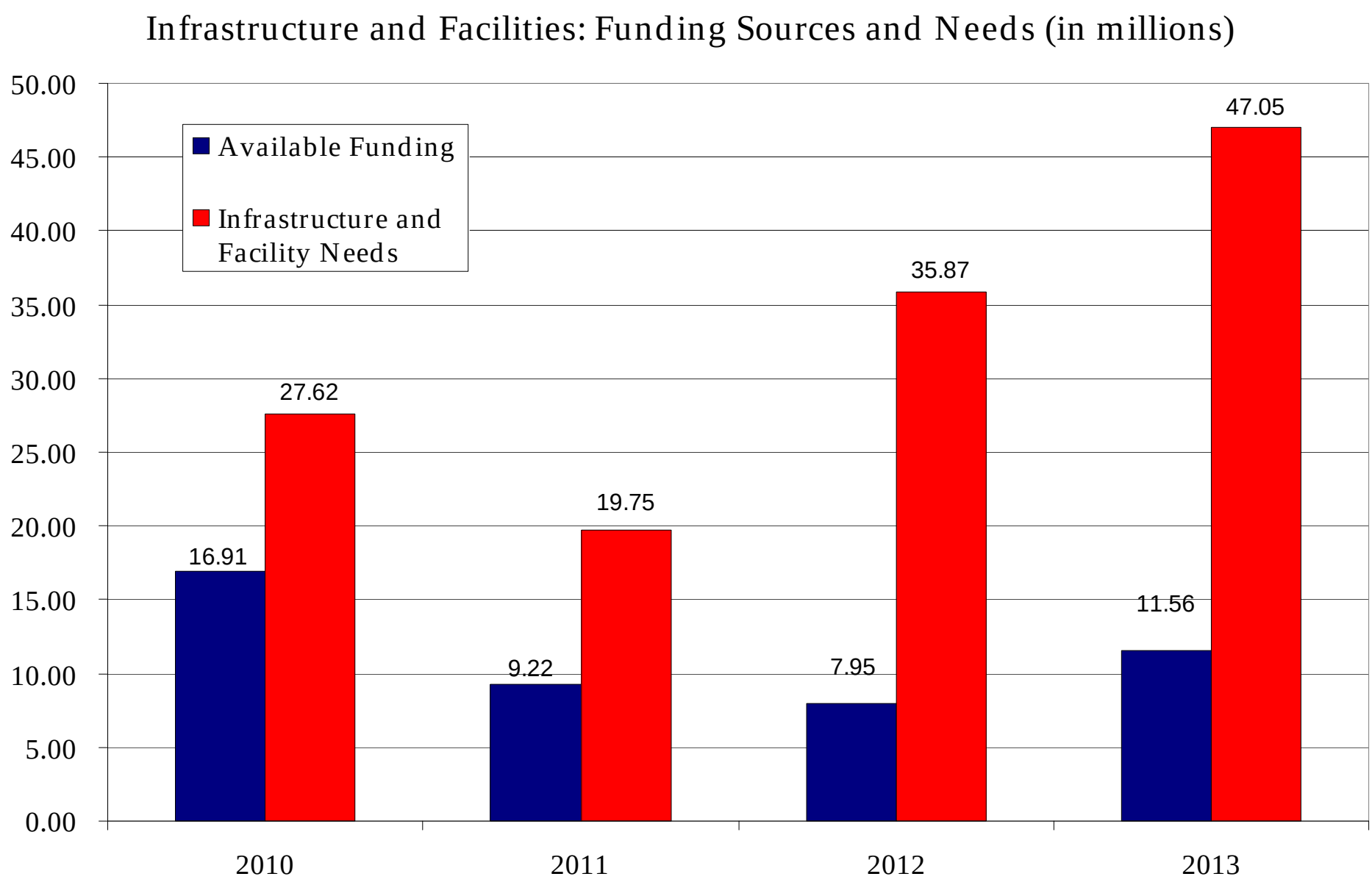
General Fund 3 Year Plan

- 2010
  - Reduce Expenses by $2.0 Million
  - Increase Levy by $500,000, Revenues by $1 M
  - Use $1.0 Million of Reserves
- 2011
  - Contain Expenses
  - Increase Levy by $500,000, Revenues by $1 M
  - Maintain Reserves
- 2012
  - Contain Expenses
  - Increase Levy by $500,000
  - Begin Replenishing Reserves

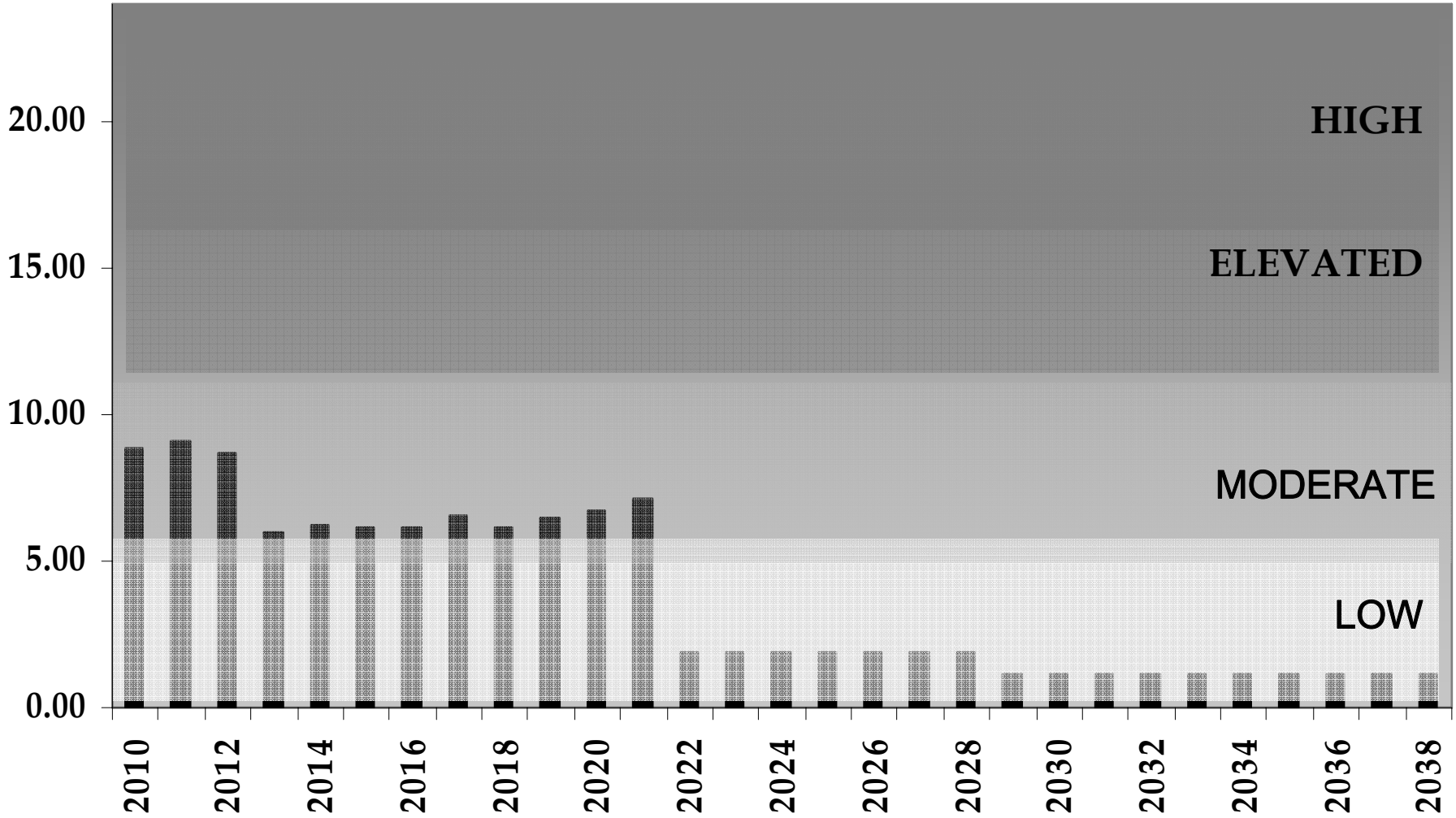
Infrastructure & Facilities Strategies

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


Infrastructure and Facilities: Funding Sources and Needs (in millions)
50.00
45.00
40.00
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
Available Funding
Infrastructure and Facility Needs
16.91
27.62
9.22
19.75
7.95
35.87
11.56
47.05
2010
2011
2012
2013

Debt Service Future Payments (in millions)



Infrastructure & Facilities Recommended Strategies

- Prioritize Infrastructure & Facility Needs
- Issue Debt (Pay As You Use)
  - Regular Intervals, 3 Years
  - Maintain Moderate Debt Level
- Pledge Revenue Sources
  - Existing Revenue Sources
  - Alternative Revenue Sources (Stormwater Utility)
- Implement Beginning in 2012

Alternative Strategy

- Reduce or Defer Investment in Infrastructure & Facilities
- Reduce Maintenance
- Shift Revenue Sources to the General Fund

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Solutions and Strategies