

Village of Downers Grove

Long-Range Plan
Summary & Results
2009 - 2015



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Introduction

Since 2009, the Village has used a Long-Range Planning process to identify and address major policy issues affecting the long-term future of the Village. The Long-Range Plan establishes the Village's goals, objectives and priority actions that guide annual budgets, daily operations and service delivery.

Proven Results in Support of Strategic Goals

In 2010, the Village Council identified the following five goals to guide Village actions and policies:

- Steward of Financial and Environmental Sustainability
- Exceptional Municipal Services
- Top Quality Infrastructure
- Diverse Local Economy
- Continual Innovation

The Long-Range Plan has delivered proven results and is a key component to the Village's recent and sustained success. Since implementing the Long-Range Planning process, the Village has:

- Completed more than 50 Village Council priority action items.
- Eliminated a structural deficit in the General Fund.
- Reduced or maintained the property tax levy for operations for five consecutive years.
- Reduced staffing levels by 13.4%.
- Achieved a AAA bond rating, reducing the cost of borrowing money to fund infrastructure improvements.
- Improved the condition of the street system, lowering the total cost of owning and maintaining streets.
- Expanded the stormwater management system, reducing the frequency and severity of flooding.
- Improved the condition of the water system, reducing the total cost of owning and maintaining the system.
- Eliminated a \$1.9 million deficit in the Transportation Fund and turned over the commuter bus system to Pace, eliminating all Village expenses.
- Reduced the size of the vehicle fleet by 15% and the amount of annual fuel consumption by more than 85,000 gallons per year.

The Long-Range Planning process has helped the Village:

- **Complete the Village Council's priority action items.**
- **Provide top quality services in a more cost effective manner.**
- **Improve the condition of public infrastructure and commit funding sources to future maintenance and improvements.**

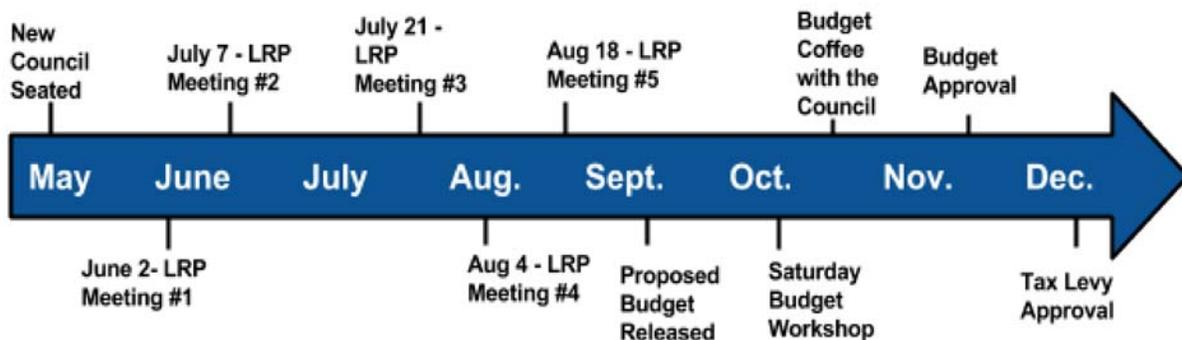
Long-Range Planning Process and Schedule

From 2009-2012, the Long-Range Plan meetings focused primarily on Village financial issues and the process was known as Long-Range Financial Planning. In 2013, the Village combined Long-Range Financial Planning with Strategic Planning expanding the discussion to include the overall priorities of the Village Council, as well as major trends and issues affecting the Village financially. Combining strategic planning with financial planning ensures the right level of resources are in place to achieve the Village Council’s vision for Downers Grove.



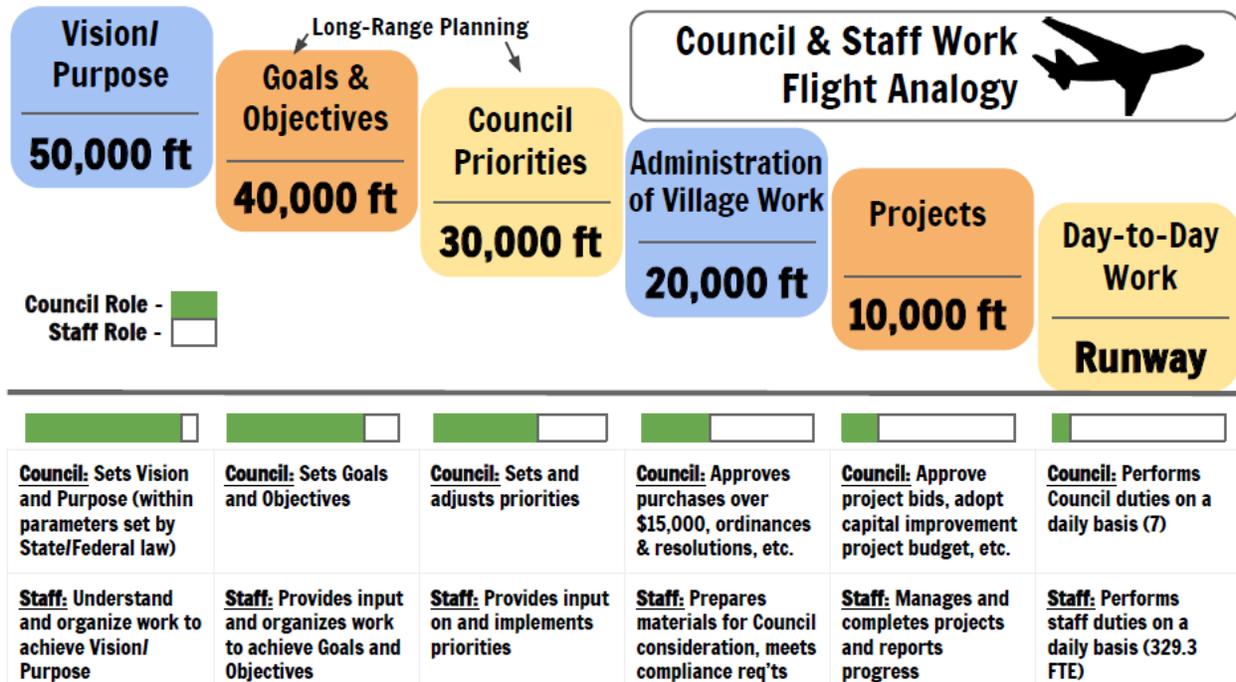
The meetings take place in the summer months and the results are used to prepare the annual budget discussion, which takes place in the fall. Meetings are scheduled to take place after regular Tuesday evening Council meetings.

2015 Long-Range Plan Timeline



Long-Range Planning Roles and Responsibilities

The Long-Range Planning process focuses on creating and achieving the Village’s goals and objectives and priority actions. The graphic below compares the roles of the Village Council and staff with an airline flight. The Long-Range Planning process takes place at the 30,000-40,000 foot level. The Council and community also have opportunities for input at the lower levels throughout the rest of the year, such as during regular Council Meetings, as part of the budget process, and in communicating formally and informally with members of the Village Council and staff.



The Long-Range Plan Drives Performance in All Village Services and Operations

The Village of Downers Grove is a large, complex organization that provides hundreds of distinct public services through the efforts of 329 full-time equivalent staff members working in 12 departments and spending \$135 million. Providing clear direction to Village staff members by establishing goals, objectives and action priorities during the Long-Range Planning process drives exceptional performance throughout the organization. The LRP is used by staff to direct daily operations. The Village relies on engaged, informed and empowered staff members working at runway to 20,000 foot levels to achieve the results expressed by the Village Council.

Identified and Completed Village Council Priority Actions

In the five-year period from 2010 through 2014, the Village completed more than 50 priority action items. All of these action items were identified by the Village Council during Long-Range Planning. (Long-Range Plan, Long-Range Financial Plan or Strategic Plan). The completed priority action items, listed below, support the Village's Strategic Goals.

Completed Priority Action Items, 2010 to 2014

2014-2015

Lead Role in Partnerships	Enforce the Sign Ordinance Deadline
Continue to Improve Resident Engagement and Communication	Take a Lead Role in Partnerships
Develop an Employee Compensation Strategy	Negotiate Collective Bargaining Agreements
Consider Amendments to Fowl Regulations	Consider Amendments to Stormwater Management Regulations
Continue to Implement Recommendations of the Downtown Parking Plan	Explore Options of Methadone Clinic Relocation
Leverage Membership in the DuPage Mayors and Managers Conference	Update the Policy of Construction of Sidewalks on Ogden Avenue

2013

Complete Historic Building Survey	Reconstruct Streets in Disrepair
Construct Downtown Dumpster Enclosure	Update the Zoning Ordinance and Subdivision Code
Refund Library Bonds	Implement Wireless Alarm System
Prepare for Healthcare Reform	Implement Fire Protection SSA for Fairview Fire Protection District
Complete Neighborhood Traffic Studies	Negotiate Collective Bargaining Agreements

2012

Implement a Stormwater Utility or Other Additional Revenue	Address the Sign Ordinance Compliance Deadline
Implement Recommendations of the Comprehensive Plan	Implement Recommendations of the Downtown Parking Plan
Issue Bonds for Infrastructure Improvements	Evaluate Options for Electrical Aggregation
Develop an Existing Facility Maintenance/Management Plan	Negotiate Collective Bargaining Agreements

2011

Implement VOC Consolidation with Village of Westmont	Adopt the Updated Comprehensive Plan
Construct Stormwater Improvement Projects	Prepare for 2012 Bond Issuance
Complete Downtown Parking Study and Implement Recommendations	Complete Pilot Neighborhood Traffic Study
Implement Recommendations of Sustainability Best Practices Report	Study Concept of Stormwater Utility

2010

Update Fees for Services	Analyze and Consider Annexations within Planning Boundary
Improve Risk Management	Complete Comprehensive Plan
Implement Customer Service Enhancement	Implement Capital Project Outreach
Update Reserve Policy	Implement Economic Development Plan
Change the Community Events Model	Execute Solid Waste Disposal Contract
Complete and Implement TCD3	Eliminate the Transportation Fund Deficit
Establish Permanent Funding for Capital Projects	Improve Vehicle Fleet Management
Respond to Economic Changes of 2009	Create a Facade Improvement Program
Develop an Ogden Avenue Improvement Strategy	Improve Health Benefits Program
Update Building Codes	Create a Long Range Financial Plan

Identified and Completed Actions Consistent with the LRP

Using the Long-Range Plan goals, the Village also completed numerous actions not specifically identified as priorities. The results were achieved by using the following approaches:

- Increased Use of Technology to Make Existing Staff More Efficient
- Applied a Lean Approach to Operations
- Increased Use of Partnerships and Privatization
- Made and Implemented Difficult Decisions to Cut Services and Enhance Revenues

Increased Use of Technology

The Village has explored and implemented technology solutions that make employees more efficient and reduce operating costs.

Applied a Lean Approach

The Village employs a Lean approach to government, reducing waste, extra costs and duplication of efforts where possible. The Village has used both formal and informal Lean processes to explore ways to do existing work differently.

Increased Use of Partnerships and Privatization

The Village entered into partnerships with community groups and other local governments to reduce costs. In addition, the Village has entered into contracts with private companies to provide some services at a lower cost.

Made and Implemented Difficult Policy Decisions

The Long-Range Planning process provided an opportunity for the Village Council, community and staff to discuss trends and issues impacting the Village. By deliberating and making difficult policy decisions, the Village Council has kept the Village on track to achieve the strategic goal of financial sustainability.

Examples of the Village's achievements can be found in the Annual Reports on the Village's website: <http://www.downers.us/govt/village-managers-office/annual-report>.

Strategic Goals

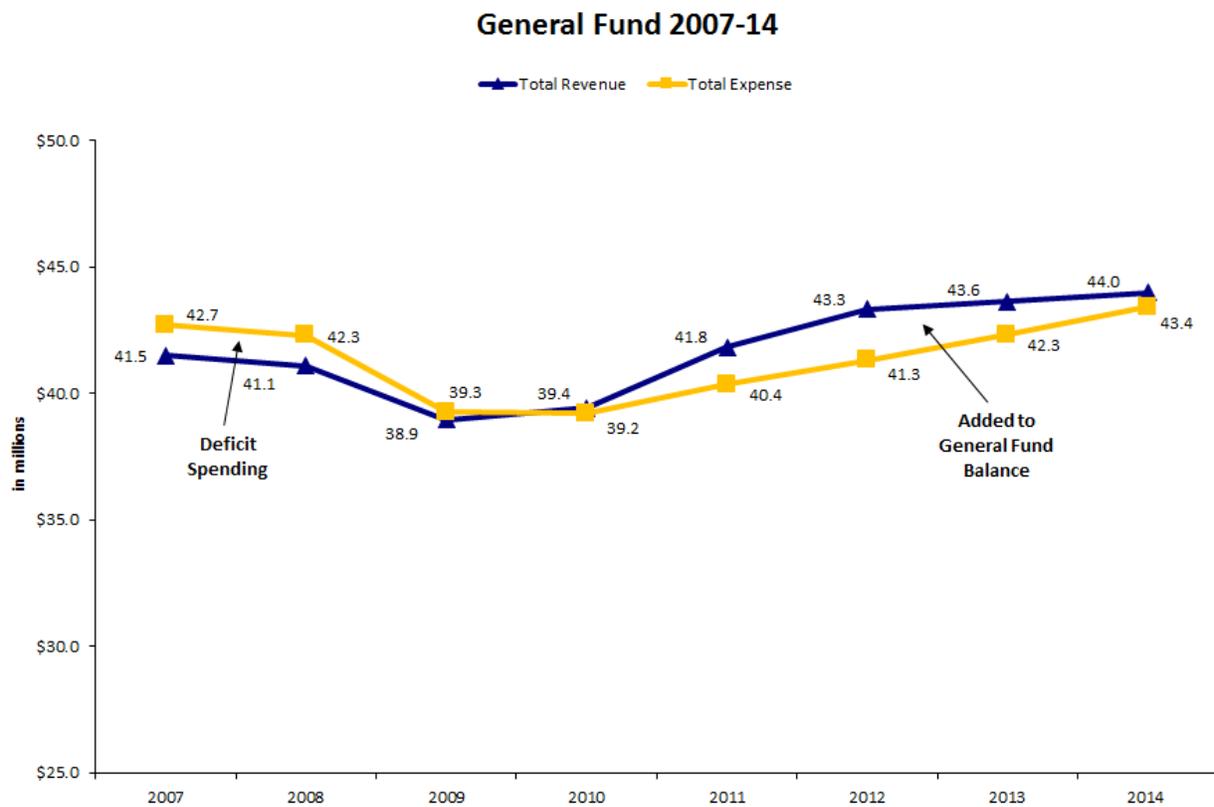
- Steward of Financial and Environmental Sustainability
- Exceptional Municipal Services
- Top Quality Infrastructure
- Diverse Local Economy
- Continuous Innovation

GENERAL FUND

Village Eliminated Structural Gap

The General Fund is the Village’s main operating fund and includes the budget for most Village operations. In 2009, the Village identified a structural gap in the General Fund resulting from the growth in expenses outpacing the growth in revenues. From 2007-2009, annual expenses exceeded revenues. Since 2010, revenues have exceeded expenses, which have grown modestly.

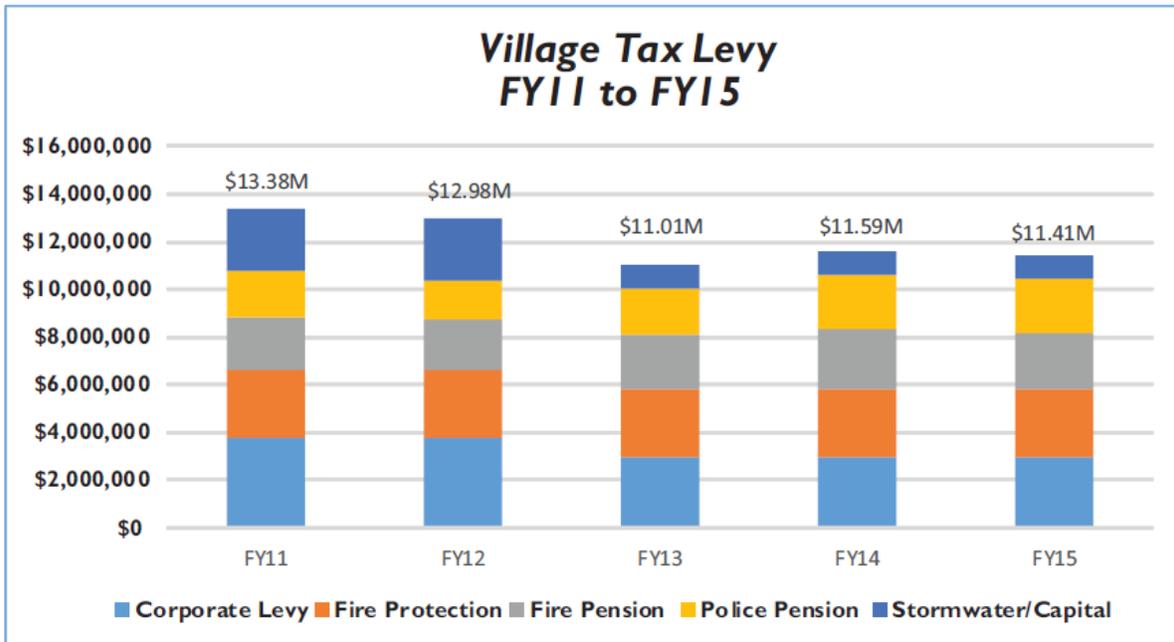
The chart below shows the Village’s General Fund revenues and expenses from 2007 to the present. For the past four years expenses have grown by an average of only 2.7% per year. If the Village had not taken action to resolve the structural gap, expenses would have grown by approximately 4% per year. During the same period, revenues increased by 3.3% per year.



TAX LEVY

Village Tax Levy Decreased in Three of the Last Four Years

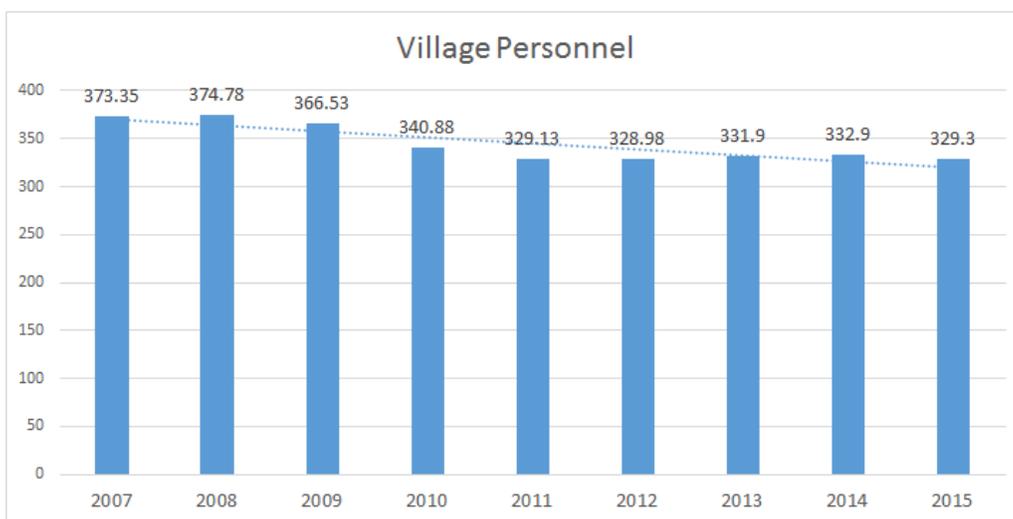
The total municipal budget relies on several sources of revenue, but the property tax levy is one of the most significant sources. Property taxes account for approximately 23% of the General Fund budget. In FY15, the Village's tax levy declined for the third time in four years.



PERSONNEL EXPENSES

Village Reduced Pace of Growth of Personnel Expenses

Personnel expenses (salaries and related benefits) are 78% of the Village's General Fund budget. The Village reduced its staffing levels by 13.4%, eliminating 45 positions since 2008.



In addition to reducing staffing levels, the Village implemented other ways to reduce salary and benefit costs, including:

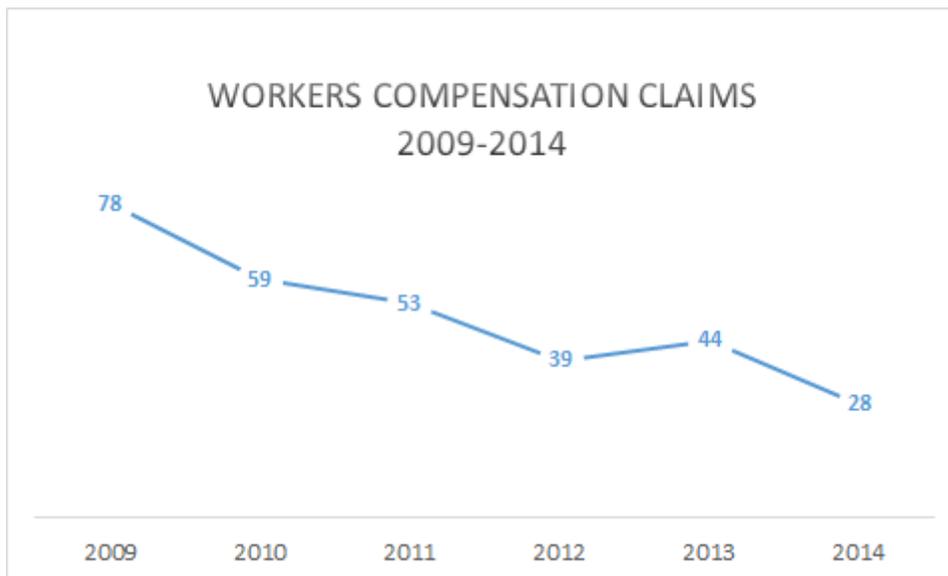
- Reducing the use of overtime by alternative scheduling or outsourcing
- Changing the third-party administrator and benefits consultant
- Changing the health insurance plan designs

RISK MANAGEMENT

Improved Condition of Risk Fund and Risk Management Practices

The Village is self-insured and maintains a Risk Management Fund to account for financial activities related to risk, such as Workers Compensation and general liability claims. During the 2014 Long-Range Plan process, staff identified a negative cash balance in the Risk Fund as a potential long-term issue for the General Fund.

In 2014, the Village transferred a portion of the General Fund balance to the Risk Fund, increased annual contributions to the fund and continued strong Risk Management practices that have been put in place since 2011. As a result of the improved Risk Management processes and emphasis on a culture of safety, the Village's workers compensation claims have been drastically reduced.



TRANSPORTATION FUND

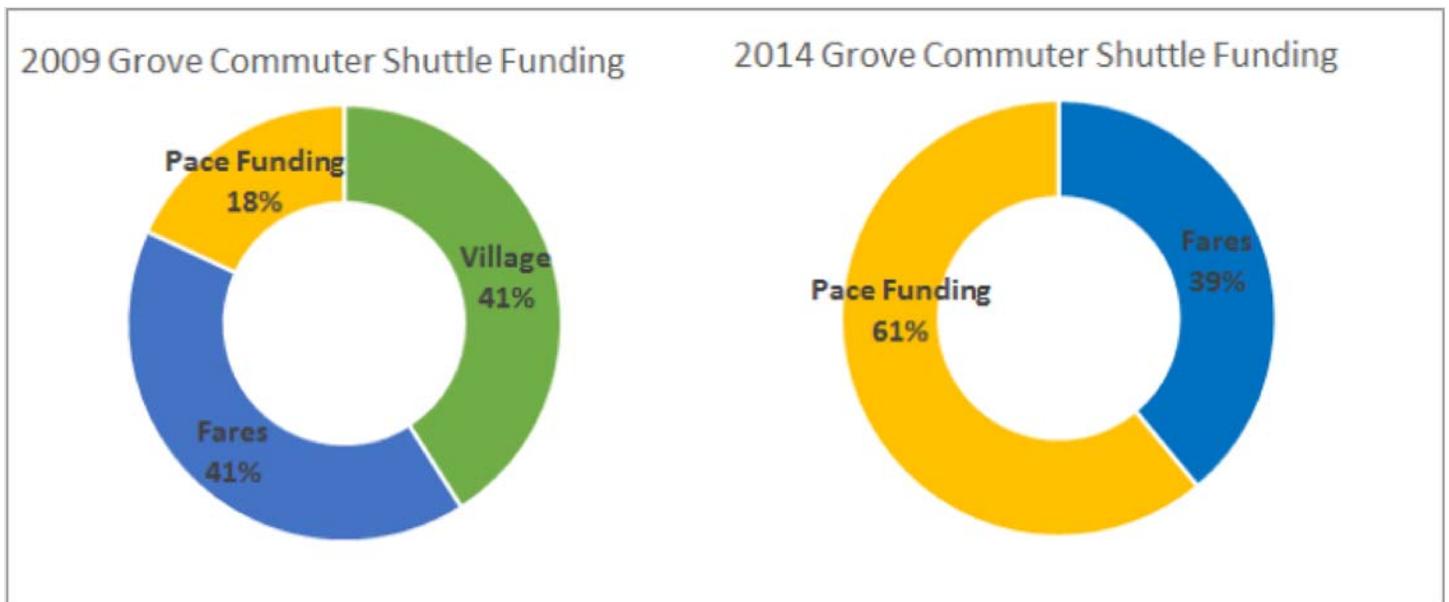
Eliminated Accumulated and Operational Transportation Fund Deficit

The Village operated the Grove Commuter Shuttle from 1974 to 2014. The bus transported riders from stops around the Village to the commuter train stations. The annual cost of the service was \$270,000, with fares covering approximately \$110,000 of the cost. As a result, the Village's Transportation Fund accumulated an operating deficit of \$1.9 million.

Over the course of several years of Long-Range Planning, the Village Council directed staff to take action to reduce the operating deficit and address the annual deficit. As a result of this direction, staff explored ways to reduce the cost burden, including working with Pace to reach an agreement for a subsidy. In 2014, the Village resolved the longstanding issue in two ways:

- Transferring \$1.9 million of General Fund Reserves in excess of the Fund Balance policy to the Transportation Fund to eliminate the Accumulated Deficit.
- Turning over management of the system to Pace, which eliminated all Village expenses related to the commuter shuttle.

The charts below show the change in sources of Grove Commuter Shuttle funding from 2009 to 2014. From 2012 to 2014, the Village's contributions were reduced each year. In 2014, Pace took over both funding and management of the Grove Commuter Shuttle.



AAA BOND RATING

Lowered the Cost of Borrowing

The Long-Range Plan was key to achieving the AAA bond rating. The Village's strong planning was cited by Standard and Poor's when it upgraded the Village's bond rating to AAA. The Village of Downers Grove is one of 23 Illinois communities with this highly respected bond rating.

Downers Grove's financial management practices are considered "very strong" under Standard & Poor's Financial Management Assessment, indicating that practices are strong, well embedded, and likely sustainable. The Village develops its budget using various sources of data, both historical and current, to support its revenue and expense assumptions. Downers Grove's long-term financial plan and capital improvement plan both span at least three years and are updated annually.



**\$1.61 Million =
Net Present Value Savings of Refinancing Bonds Since
AAA Rating**

A high bond rating saves the Village money on both new bonds and existing bonds. The Village has issued bonds three times since 2009. In addition, the Village has been able to refinance seven previous bond issuances under more favorable interest rates. By refinancing these bonds, the Village saved \$3.07 million. By refunding existing bonds to take advantage of more favorable interest rates with the new AAA rating, the Village has saved \$1.61 million. The Village's AAA rating results in lower interest rates over the life of the bond.

STREET SYSTEM

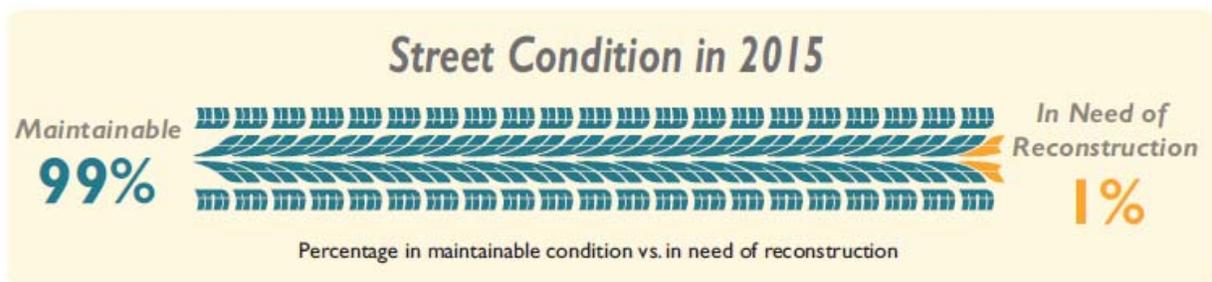
Improved Condition of Street System

One of the most visible parts of the Village’s infrastructure is its road system. In 2010, the Village completed an assessment of all 167 miles of streets with two key findings:

- 22% of streets were *In Need of Complete Reconstruction*.
- 78% of streets were *Maintainable*.

Maintainable condition refers to a street that is crack-filled, patched and resurfaced on a regular schedule, allowing it to continue to function. Streets that do not receive that level of maintenance investment eventually fall into the category of *In Need of Reconstruction*. This means that the pavement has failed and is not salvageable. Reconstruction is the most expensive and disruptive type of pavement project and it is four times as expensive to reconstruct a street segment as it is to maintain it regularly.

Based on the 2010 road assessment, the Village issued \$25 million in bonds to finance reconstruction projects and used existing funding for increased maintenance activities. In 2015, the Village will finish the road reconstruction projects. The Village’s roads have been brought up to a maintainable condition.



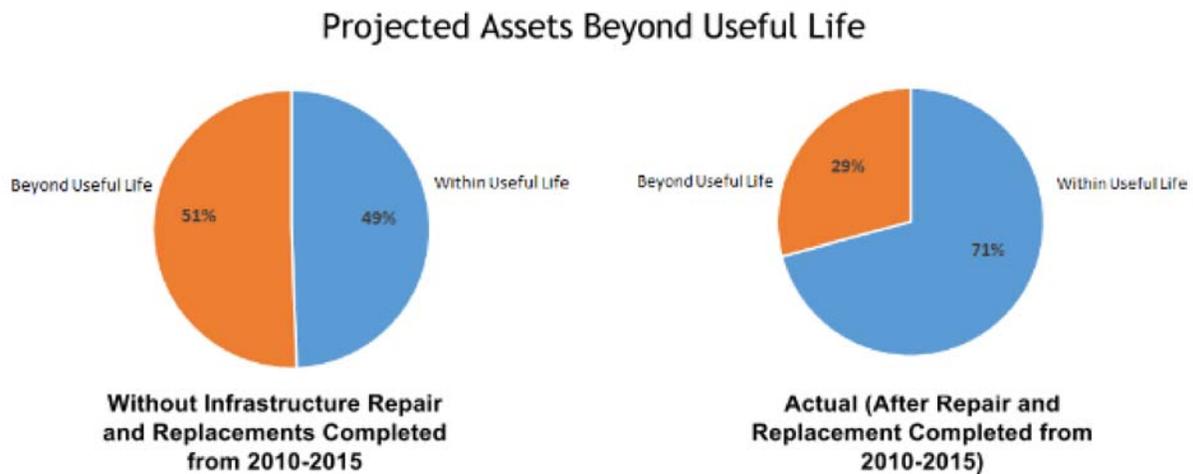
WATER SYSTEM

Ensured the Sustainability of the Water System

The water system is made up of the physical infrastructure to deliver water (200 miles of water main, aboveground storage facilities, valves and hydrants) as well as a monitoring and metering system. The water system’s operation and maintenance is funded solely through user fees, which means that all costs must be covered by water billing revenues.

In 2010, the Village completed a study of its water infrastructure and billing rates. The study found that the Village’s water rates were not enough to maintain the infrastructure. If the Village did not make the necessary improvements, more than 50% of its assets were projected to be beyond their useful life by 2020.

The Village increased water rates and issued \$10 million in bonds in both 2012 and 2015 to fund infrastructure improvements. As a result of the five-year plan for raising water rates, the Village was able to make \$18.9 million in capital improvements to replace or refurbish infrastructure that had outlived or was close to the end of its useful life. The pie chart below compares how much of the Village’s infrastructure was projected to be beyond its useful life before and after the implementation of the new water rates.



STORMWATER SYSTEM

Implemented a Utility that will Cover the Cost of Operating and Maintaining the System

The Village owns and maintains a stormwater system made up of detention facilities, storm sewer pipes, streams, ditches, and culverts. Without proper management of the system, rain can cause flooding on roads and private property. In 2012, the Village compared its existing revenues and corresponding expenses to what is actually needed to maintain the system. The study found that the existing revenues were insufficient to cover the costs of maintaining the system.

Since 2010, the Village has added **11 million gallons of stormwater storage** to the system - an amount equivalent to more than 16 Olympic-sized swimming pools.

As a result of Long-Range Planning, the Village created a stormwater utility and a plan to raise the stormwater fees over time to a level that will cover adequate investment in new stormwater infrastructure and maintain the existing infrastructure.

Completed Stormwater Projects - 2010 - 2014

Watershed Improvements - Warren and Wallbank and Lee and Warren	Storm Sewer Improvements - Davis Street from Douglas to Grant
Watershed Improvements - McCollum Park	Storm Sewer Improvements - Washington from Grant to Ogden
Watershed Improvements - St. Joseph Creek near Randall Park (Benton Ave Underground Storage)	Storm Sewer Improvements - Prospect from Chicago to Lincoln
Watershed Improvements - 8th and Victor	St. Joseph Creek South Branch Stabilization
Watershed Improvements - Washington Park	Storm Sewer Improvements - Wisconsin and Janes
Storm Sewer Improvements - Pershing north of Warren	Green Streets/Sustainable Stormwater - Washington north of 59th and Grove Street
Storm Sewer Improvements - Oakwood north of Chicago	Stormwater Sewer Improvements - Elm Street from Lincoln to Grant
St. Joseph Creek North Branch Stabilization	Fire Station #3 Bio-Swale
2nd and Cumnor Stormwater Facility	Barth Pond Dredging
Valley View Pond Improvements	Prentiss Creek - Kensington Online Storage
Hill and Grand Headwall Replacement	Drainage Improvements - Brook and Centre
Drainage Improvements - Lincoln and Stanley	Drainage Improvements - Downers Grove Estates
Storm Sewer Improvements - Forest Ave from 41st to Herbert	Drainage Improvements - 35th Street between Saratoga and Venard
Drainage Improvements - 40th and Washington	Storm Sewer Improvements - Sterling Rd between 40th and 41st

INFRASTRUCTURE HIGHLIGHTS



Roadway Resurfacing



Accessibility and Sidewalk Improvements



Roadway Reconstruction



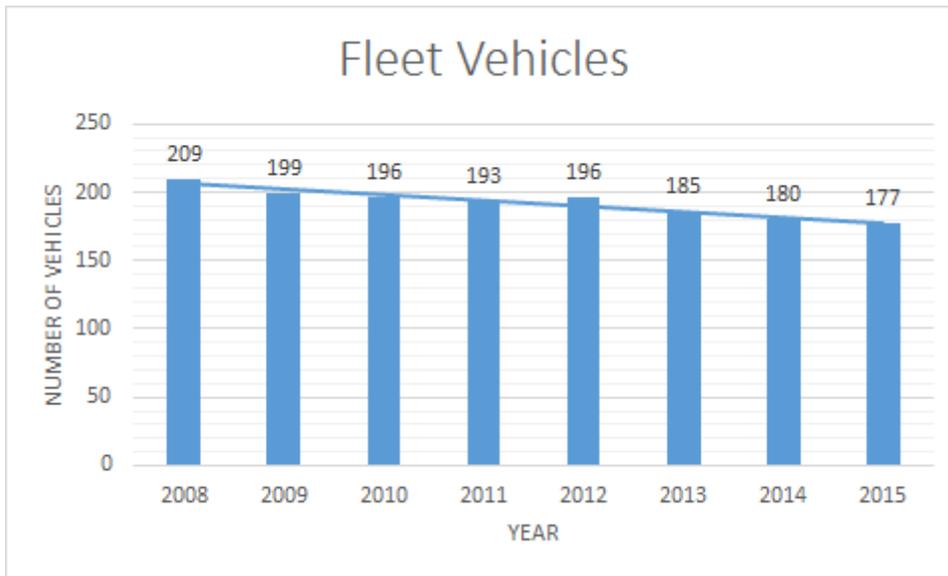
Stormwater Improvements

FLEET AND FUEL CONSUMPTION

Reduced the Size of the Village Fleet and Reduced Fuel Expenses

The Village re-examined the size of the fleet and looked for new ways to reduce the long-term costs of owning and maintaining vehicles. The Village's fleet is 15% smaller than it was in 2009. In addition, the Village has continually reduced both fuel consumption and fuel costs by switching to alternative fuel vehicles, such as compressed natural gas (CNG), and buying more fuel efficient vehicles. The Village's efforts to make its fleet more environmentally friendly were recognized by the Clean Cities Coalition, which named the Village's fleet the nation's #2 Greenest Fleet.

Fleet Size 2009-2015



Fuel Consumption

