

BUDGET RESPONSES – PROPERTY TAX AND OTHER REVENUES

Can staff provide a report showing a 15-year history of the Village property tax levy, including specific information about the pension portion of the levy?

The table below indicates the actual property tax amount levied by the Village since 1995. Please note the levy is applied the following year (ie. the proposed 2009 levy will be collected in 2010):

Levy Year	General Fund Operations	Police & Fire Pensions	General Fund Subtotal*	Debt Service Fund	Stormwater Fund	Total Amount Levied	% Change from Previous Year
1995	\$ 2,509,716	\$ 655,191	\$ 3,164,908	\$ -	\$ -	\$ 3,164,908	NA
1996	\$ 2,533,071	\$ 880,411	\$ 3,413,481	\$ -	\$ -	\$ 3,413,481	7.85%
1997	\$ 2,534,102	\$ 858,462	\$ 3,392,564	\$ -	\$ -	\$ 3,392,564	-0.61%
1998	\$ 2,533,437	\$ 950,834	\$ 3,484,271	\$ -	\$ -	\$ 3,484,271	2.70%
1999	\$ 2,660,641	\$ 1,127,096	\$ 3,787,737	\$ -	\$ -	\$ 3,787,737	8.71%
2000	\$ 1,647,036	\$ 1,212,715	\$ 2,859,751	\$ -	\$ -	\$ 2,859,751	-24.50%
2001	\$ 2,660,479	\$ 1,688,787	\$ 4,349,266	\$ -	\$ -	\$ 4,349,266	52.09%
2002	\$ 2,872,002	\$ 1,810,539	\$ 4,682,540	\$ 1,328,055	\$ -	\$ 6,010,596	38.20%
2003	\$ 4,570,214	\$ 2,198,596	\$ 6,768,811	\$ 863,360	\$ -	\$ 7,632,171	26.98%
2004	\$ 4,963,859	\$ 2,326,396	\$ 7,290,255	\$ 991,641	\$ -	\$ 8,281,896	8.51%
2005	\$ 4,963,016	\$ 2,666,695	\$ 7,629,710	\$ 882,725	\$ -	\$ 8,512,436	2.78%
2006	\$ 5,014,806	\$ 2,685,233	\$ 7,700,040	\$ 744,663	\$ -	\$ 8,444,703	-0.80%
2007	\$ 5,559,654	\$ 2,186,218	\$ 7,745,873	\$ 796,305	\$ 2,630,139	\$ 11,172,316	32.30%
2008	\$ 5,662,347	\$ 2,840,352	\$ 8,490,998	\$ -	\$ 2,630,139	\$ 11,121,137	-0.46%
Proposed 2009	\$ 6,162,347	\$ 3,685,460	\$ 9,848,844	\$ -	\$ 2,630,139	\$ 12,478,983	12.21%

*General Fund Subtotal is Comprised of General Fund Operations and Police and Fire Pensions

Please show the impact of the following items on the property tax bill of an average resident:

- o Police and Fire Pension levies
- o The proposed \$500,000 increase in the property tax levy
- o Certain programs proposed for elimination.

The impact of these three items the property tax levy of an average resident is provided below:

Budget Item	Total Cost	Impact on a Property Tax Bill for a \$300k home
Police and Fire Pensions	\$ 845,108	\$ 30
Increase to Property Tax	\$ 500,000	\$ 18
Counseling and Social Services	\$ 158,000	\$ 6
Police Department reduction	\$ 135,000	\$ 5
Suspension of Community Grants	\$ 72,000	\$ 3
Modification of Taxi Subsidy Program	\$ 50,000	\$ 2
Elimination of DuPage Senior Citizen Grants	\$ 39,000	\$ 1
TOTAL	\$ 1,799,108	\$ 65

Can staff provide a sample property tax bill? How will staff's proposal impact the property taxes of an average household in Village?

Two versions of a Village property tax bill with a fair market value of \$311,100 have been attached for your information. The first version provides a copy of the actual tax bill. The second version identifies the Village portion of the property bill. The table below illustrates how the Village's proposed tax levy in FY10 would impact the property tax bill for this household:

	FY09	FY10
Property Value	\$ 311,100	\$ 311,100
Equalized Assessed Value	\$ 103,680	\$ 103,680
Village Tax Rate	0.4423	0.4898
Village Tax Amount	\$ 458.58	\$ 507.82

When is the next township reassessment?

Assessments in DuPage County are conducted on a quadrennial basis and the next reassessment will occur in 2011.

Can staff provide information comparing the impact of various types of tax increase on the average resident, specifically property tax and utility taxes that result in equal amounts of new revenue?

The table below shows the financial impact of the proposed FY10 property tax increase for an average property in the Village with a value of \$300,000 and for a smaller property with a value of \$200,000. The proposed Village property tax increase in FY10 is anticipated to generate an additional \$1,345,108 in revenue for the Village:

	Average Property		Smaller Property	
	FY09	FY10	FY09	FY10
Property Value	\$ 300,000	\$ 300,000	\$ 200,000	\$ 200,000
Equalized Assessed Value	\$ 100,000	\$ 100,000	\$ 66,667	\$ 66,667
Village Tax Rate	0.4423	0.4898	0.4423	0.4898
Village Tax Amount	\$ 442.30	\$ 489.80	\$ 294.87	\$ 326.53
Est. Annual Change in Property Tax FY09 - FY10	\$ 47.50		\$ 31.67	

The next table summarizes the estimated impact of the proposed FY10 increases in electricity and natural gas use taxes on an average \$300,000 household and a smaller \$200,000 household in the Village. Increasing the electricity tax from 3.5% of gross charges to 5% would result in an estimated electricity tax revenue increase of \$500,000 for the Village. Increasing the charge for natural gas from \$0.015 per therm to \$0.025 per therm would result in an estimated natural gas use tax revenue increase of \$330,000 for the Village.

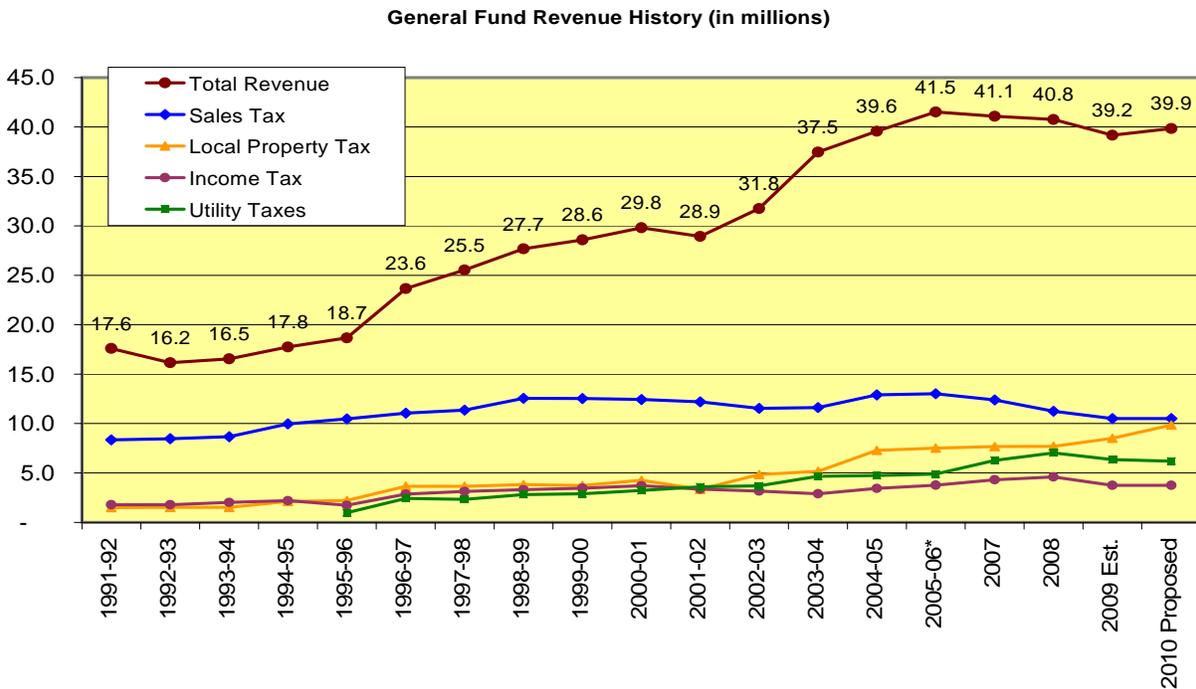
	Average Household		Smaller Household	
	FY09	FY10	FY09	FY10
Estimated Annual Village Electricity Tax Amount	\$ 37.50	\$ 46.50	\$ 19.01	\$ 23.57
Estimated Annual Natural Gas Tax Amount	\$ 22.50	\$ 37.50	\$ 11.42	\$ 19.03
Est. Total Annual Utility Charges (Electric / Gas)	\$ 60.00	\$ 84.00	\$ 30.43	\$ 42.60
Est. Change in Annual Utility Taxes from FY09 - FY10	\$ 24.00		\$ 12.17	

Are we receiving all the proper funds from the area in Oak Brook our FD services

No, the amount levied by the Fairview Avenue Fire Protection District does not cover the Village's cost to provide fire services to residents in this area. The Village should have received \$30,056 from these residents. The Village actually received \$16,078 for a shortfall of \$13,978.

Please provide information pertaining to the Village's key revenue trends history.

The chart below tracks the Village's major revenue sources for a period beginning in 1991. The revenue sources included in the chart are sales tax, property tax, income tax and utility taxes.



* Fiscal year ended April 30, 2006. An 8-month stub year (not shown in graph) was used to transition to a calendar Fiscal year starting January 1, 2007.

Sources: Comprehensive Annual Financial Reports, FY09 Budget and Manager's Budget Implementation Presentation

Fees, as a Home Rule municipality can we increase our fees for things like DUI, traffic violations, local ordinance violations?

The Village has a range of fines which may be imposed for DUI, traffic violations and local ordinance violations. The ranges are listed below:

- o Local Ordinance Violations: \$ 75 - \$ 750
- o DUI: \$ 1,000 - \$ 2,500
- o Vehicle Code Violations \$ 75 - \$ 1,000

These fines must be approved by a judge during court cases. In most instances, judges impose the minimum fine to account for high court costs. While the Village does have the authority to increase these fines, a judge could dismiss the case entirely or impose court costs only if the minimum fine for a minor infraction is found to be exorbitant.

What are some of our neighboring communities charging non-residents for ambulance fees?

The table below summarizes the non-resident ambulance charges assessed by nearby communities:

Ambulance Services	Downers			Darien -	Lisle -
	Grove	Lombard	Westmont	Woodridge	Woodridge
Basic Life Services (BLS)	\$ 450	\$ 460	\$ 650	\$ 1,000	\$ 700
Advanced Life Service Treatment / No Transport					\$ 200
Advanced Life Services I (ALS I)	\$ 650	\$ 530	\$ 850	\$ 1,250	\$ 1,000
Advanced Life Services II (ALS II)	\$ 700				\$ 1,200
Per Mile Transport Charge	\$ 5	\$ -	\$ 9	\$ 15	\$ 15
Extrication				\$ 500	

From the DGFOP letter to Council, can we add more offenses to the Administrative Tow program?

The Village could broaden the scope of offenses which the administrative tow fee is charged for. However, the list of offenses is defined by ordinance, and any additional offenses would have to be added to the ordinance and approved by the Village Council.

Page 1-8 #44 other fees, charges fines the 2009 estimate is much higher than the 2010 budget why?

The 2009 estimate for “other fees, charges and fines” is higher than the FY10 budget due to the following items:

- o In 2009 the Village took \$517,000 into income for old unclaimed construction bonds. This was a one-time revenue enhancement which will not be available in future years.
- o In addition, 2009 reflects \$131,000 that relates to Primeco. Under the Primeco settlement, the funds received by the Village had to be spent on unbudgeted items. The accounting for these transactions shows an unbudgeted expense in the General Fund with offsetting unbudgeted revenue in the General Fund.
- o The 2009 budget contains \$39,000 in revenues for Counseling and Social Services. This program was eliminated in the proposed FY10 budget.

What can the Village expect from red light cameras in terms of revenue?

Please find attached an informational memorandum from the Police Department regarding projected red light camera revenues.

What is the potential revenue stream associated with a vehicle sticker program?

Based on an approximation of 36,456 vehicles being housed within the Village, the estimated revenues of a vehicle sticker program are provided below:

Sticker Price	Annual Sticker Revenue
\$ 20	\$ 729,000
\$ 25	\$ 911,000
\$ 30	\$ 1,094,000
\$ 35	\$ 1,276,000
\$ 40	\$ 1,458,000

How much would a liquor tax generate?

The chart below summarizes the estimated potential liquor tax revenues for the Village:

Potential Tax Rate	Liquor Tax Projection
0.50%	\$ 150,000
1.00%	\$ 300,000
1.50%	\$ 450,000

How much revenue has the Village received in the General Fund from the sale of vehicles seized by the Police Department?

To date in 2009, the Village has received a total of \$22,922.21 in the General Fund from the sale of seized vehicles.

Is the offer for a DGPD officer to join the DEA / ICE task force still available if so what type of revenue could we estimate as an outcome? We would still incur the officers salary and benefit expense but it may be time to look at the revenues associated with the program.

Involvement in a federal task force requires a letter of intent from the municipality. The department is then put on a waiting list for involvement in the task force, which could take up to several years to get selected. Once selected, the agency is asked to provide the officer for at least a 3 year assignment. The revenue varies for each government branch and the dollar amount depends on the activity of the task force since asset forfeiture is divided equally within the team (typically 8 officers). Most branches of the government will offer reimbursement for some overtime expenses, but the salary and benefits are the responsibility of the municipality. Staff does not recommend this option as the Village would incur significant and fixed costs and the revenues would be uncertain.

How much would be generated if we charged \$5,000 for each school participating in the DARE program?

Staff currently teaches DARE in fourteen (11 public / 3 private) schools across the Village. If each school were to donate a total of \$5,000 for the program, this would equate to a total of \$70,000.

Can the Village increase the CNG surcharge to other government entities if the Village proceeds with the CNG station upgrades?

Per the agreements, the Village retains the right to increase the surcharge to other government entities for use of the Village's CNG fueling station. This CNG fueling surcharge may be increased regardless of whether the Village upgrades its CNG station. A summary of the Village's CNG agreements with other government entities is provided below:

IGA Entity	Agreement date	Term	Surcharge amount	Fuel type	Notice upon increase
DG Sanitary District	1998	No term-terminable with 30 days notice	.10 per gallon*	gasoline and diesel fuel	No
Forest Preserve District of DuPage County	2001	No term-terminable with 30 days notice	.10 per gallon*	CNG, gasoline and diesel fuel	No

DuPage County	2002	Expired Dec. 2005	.15 per gallon*	CNG, gasoline and diesel fuel	Yes and only one increase per year
Lisle	2002	No term-terminable with 30 days notice	.15 per gallon*	CNG, gasoline and diesel fuel.	No
Westmont	2005	No term-terminable with 30 days notice	.10 per gallon *	Gasoline and diesel fuel	No

Attachment
Red Light Camera Memo
Sample Property Tax Bill

DOWNERS GROVE POLICE DEPARTMENT DEPUTY CHIEF KURT BLUDER



Memorandum

Date: October 6th, 2009

To: Chief Robert Porter

RE: RED LIGHT CAMERA ENFORCEMENT REVENUE ANALYSIS

As you requested, I conducted an updated analysis of possible revenue that the Village would receive if a red light photo enforcement system were implemented at one intersection within Downers Grove. The amount of revenue generated will be dependent upon the business practices or criteria established by the police department as to what constitutes a violation. In speaking with other area police departments, a projection of 10 violations per day, per intersection would be a reasonable assumption.

This would equate to approximately 300 violations per month for total of \$30,000 per month. The vendor that the police department feels provides the most complete system charges a transaction fee for capturing the violation, handling the initial review process, forwarding records to the police department and finally issuing the citation. The transaction fees for processing one citation are approximately \$30. That leaves \$70 per citation in revenue. However, staff has determined that anywhere from 25% to 50% of the violators will fail to pay the fine. This can cause a loss of about a quarter to half the revenue. Once all fees are deducted from the total amount generated by the fines and a 30% non-payment is assumed, total initial revenue for the Village would be \$12,000 per month.

With time, drivers will become aware of the camera enforcement program, which would lead to a reduction in violations. Staff has determined that for the first two months after the initial 30-day grace period, the number of violations would remain constant. In months three and four an agency will typically see a 30% decrease in the overall violations. After month four, violations tend to increase approximately 15% or to about 85% of the original numbers and remain somewhat stable from that point forward. Ideally, the Village would want to see red light violations cease but that may not be the case. If that does occur, the equipment can be relocated to another intersection where it is needed. Below is a table depicting both the fines, fees and decrease in violations for a one-year period. With all these factors considered, the Village would receive approximately \$122,400 in revenue per year from one active intersection.

Revenue Projections for One Year

Description of Item	Vendor Costs
Total citations per month based on 10 violations per day/per intersection	300

Gross Revenue per month based on \$100 per citation	\$30,000
Maintenance for cameras per month	\$0
Total vendor fees for 300 citations per month	(\$9,000)
Cost of hearing officer per month	(\$300)
30% non-payment	(\$9,000)
Total revenue per vendor, per month	\$12,000
First two months of revenue	\$24,000
Third & fourth months of revenue (assumed 30% drop)	\$16,800
Fifth through twelfth month (increase of about 15% or 85% of original numbers)	\$81,600
Total revenue per year	\$122,400

I would like to add that these are very preliminary numbers based on the experiences of other municipalities. If this program were approved, the police department would like to implement the system at the highest accident intersection within the Village. If a contract is signed with a vendor, the vendor will be able to provide better numbers based on their initial engineering analysis.

I hope this provides you with the information you were seeking but if not, please do not hesitate to contact me for further.

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 **		
G S DIST 58-EX BDS	1.4803	1,453.35
PENSION FUND	.0448	43.98
G S DIST 58-JJ BD	.0462	45.35
HIGH SCHOOL DIST 99	1.3804	1,355.27
PENSION FUND	.0410	40.25
COLLEGE DU PAGE 502	.1858	182.41
PENSION FUND		0.13
TOTALS	4.4619	<u>4,380.70</u>

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
- Residential Exemption	5,500
- Senior Exemption	
- Senior Freeze	
- Veterans Exemption	
- Disability Exemption	
- Returning Veterans Exemption	
- Housing Abatement	
= Net Taxable Value	98,180
x Tax Rate	4.4619
= Total Tax Due	4,380.70

* S OF A FACTOR 1.059

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 SR EX PRS	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
	.1138 111.72
	<u>.4423 434.23</u>
- 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

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

(Tax) (Value) (Rate)

* S OF A FACTOR 1.059