

# Revenue Detail

# GENERAL FUND REVENUE SUMMARY

Description	FY 2009 Actual	FY 2010 Actual	FY 2011 Budgeted	FY 2011 Estimate	FY 2012 Budget
Property Taxes	5,723,605	6,246,186	6,662,347	6,662,347	6,662,346
Property Taxes - Police & Fire Pension	2,861,688	3,690,574	4,083,851	4,083,851	3,690,747
Property Taxes - Downtown SSA	246,446	246,351	246,446	250,000	246,446
Property Taxes - Twp Road & Bridge	343,016	347,830	340,000	350,000	350,000
Home Rule Sales Tax	-	971,936	1,800,000	1,875,000	1,950,000
Hotel Use Tax	702,555	728,913	700,000	770,000	770,000
Municipal Gas Use Tax	482,958	446,926	480,000	480,000	480,000
Electricity Tax	1,839,555	1,921,278	1,900,000	1,925,000	1,925,000
Telecommunications Tax	3,372,389	3,027,169	3,000,000	3,025,000	3,025,000
Other Local Taxes	37,197	41,852	37,128	37,128	40,000
<b>41 Subtotal Local Taxes</b>	<b>15,609,409</b>	<b>17,669,015</b>	<b>19,249,772</b>	<b>19,458,326</b>	<b>19,139,539</b>
Building Related Permits	809,909	1,029,223	870,000	950,000	950,000
Alcohol Beverage License	186,747	206,159	194,000	195,000	200,000
Professional & Occupational Licenses	94,225	113,530	118,600	115,000	123,961
Other Licenses and Permits	59,552	63,664	24,000	50,000	48,750
<b>42 Subtotal Licenses &amp; Permits</b>	<b>1,150,433</b>	<b>1,412,576</b>	<b>1,206,600</b>	<b>1,310,000</b>	<b>1,322,711</b>
Sales Tax <sup>(1)</sup>	10,300,409	10,308,322	10,200,000	10,600,000	10,800,000
State Income Tax	3,960,237	3,834,683	3,500,000	3,600,000	3,650,000
Personal Property Replacement Tax	408,628	439,796	350,000	375,000	375,000
State Shared Local Use Tax	590,394	659,072	550,000	575,000	625,000
Other State Shared Revenues	35,654	30,662	33,000	33,000	33,000
<b>43 Subtotal State Shared Revenues</b>	<b>15,295,322</b>	<b>15,272,535</b>	<b>14,633,000</b>	<b>15,183,000</b>	<b>15,483,000</b>
<b>44 All Sales Revenue</b>	<b>30,844</b>	<b>23,880</b>	<b>5,000</b>	<b>24,050</b>	<b>20,000</b>
Ambulance Fees - Residents	584,287	773,432	625,000	700,000	772,500
Ambulance Fees - Non-Residents	202,474	219,517	225,000	275,000	283,000
Plan Review & Inspection Fees	171,348	190,704	124,000	163,000	167,890
Administrative Fees	423,115	349,008	405,000	310,000	298,000
Fines	799,596	721,233	775,000	815,000	795,590
Cable Franchise Fees	624,660	700,851	660,000	745,000	745,000
Cellular Equipment Rental Fees	880,956	986,835	998,400	1,050,000	1,092,000
Heritage Fest Fees	217,348	-	-	-	-
Other Fees, Charges & Fines	1,618,925	698,678	643,069	589,350	590,082
<b>45 Subtotal Fees, Charges &amp; Fines</b>	<b>5,522,709</b>	<b>4,640,258</b>	<b>4,455,469</b>	<b>4,647,350</b>	<b>4,744,062</b>
<b>46 All Intergovernmental</b>	<b>95,997</b>	<b>123,225</b>	<b>375,000</b>	<b>347,500</b>	<b>540,000</b>
<b>47 All Interest and Claims</b>	<b>299,304</b>	<b>285,101</b>	<b>150,000</b>	<b>339,030</b>	<b>100,000</b>
<b>48 All Donations and Contributions</b>	<b>76,521</b>	<b>10,739</b>	<b>-</b>	<b>7,680</b>	<b>-</b>
<b>49 Other Financial Resources</b>	<b>867,973</b>	<b>-</b>	<b>-</b>	<b>20,700</b>	<b>-</b>
<b>Total General Fund Revenues</b>	<b>38,948,513</b>	<b>39,437,329</b>	<b>40,074,841</b>	<b>41,337,636</b>	<b>41,349,312</b>

Fiscal Year 2012 Adopted Budget

(1) Does not include sales tax revenue that is expended as a result of sales tax reimbursement agreements

# TOP 10 GENERAL FUND REVENUES SOURCES

RANK	SOURCE	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATE	FY 2012 ADOPTED
1	Sales Tax	\$ 10,300,409	\$ 10,308,322	\$ 10,200,000	\$10,600,000	\$10,800,000
2	Property Taxes - Operations	\$ 5,723,605	\$ 6,246,186	\$ 6,662,347	\$ 6,662,347	\$ 6,662,347
3	Utility Taxes	\$ 5,694,902	\$ 5,395,373	\$ 5,380,000	\$ 5,430,000	\$ 5,430,000
4	State Income Tax	\$ 3,960,237	\$ 3,834,683	\$ 3,500,000	\$ 3,600,000	\$ 3,650,000
5	Property Taxes - Pensions	\$ 2,861,688	\$ 3,690,574	\$ 4,083,851	\$ 4,083,851	\$ 3,690,747
6	Home Rule Sales Tax	\$ -	\$ 971,936	\$ 1,800,000	\$ 1,875,000	\$ 1,950,000
7	Cellular Equipment Rental Fees	\$ 880,956	\$ 986,835	\$ 998,400	\$ 1,050,000	\$ 1,092,000
8	Fines	\$ 799,596	\$ 721,233	\$ 775,000	\$ 815,000	\$ 795,590
9	Building Related Permits	\$ 809,909	\$ 1,029,223	\$ 870,000	\$ 950,000	\$ 950,000
10	Hotel Tax	\$ 702,555	\$ 728,913	\$ 700,000	\$ 770,000	\$ 770,000
<b>SUB-TOTAL</b>		<b>\$ 31,733,857</b>	<b>\$ 33,913,278</b>	<b>\$ 34,969,598</b>	<b>\$35,836,198</b>	<b>\$35,790,684</b>
<b>ALL OTHER TOTAL</b>		<b>\$ 7,214,656</b>	<b>\$ 5,524,051</b>	<b>\$ 5,105,243</b>	<b>\$ 5,501,438</b>	<b>\$ 5,558,628</b>
<b>TOTAL GENERAL FUND REVENUES</b>		<b>\$ 38,948,513</b>	<b>\$ 39,437,329</b>	<b>\$ 40,074,841</b>	<b>\$41,337,636</b>	<b>\$41,349,312</b>

The table above illustrates the top ten General Fund revenue sources for the Village of Downers Grove. In FY12, these top ten revenue sources will represent approximately 87% of all revenue allocated to the General Fund. A brief description of some major General Fund revenue sources is provided below:

1% Sales Tax - Imposed on a seller's receipts for the sale of tangible personal property for use or consumption. Sales tax on general merchandise is 8.25% broken down as follows:

State of Illinois	5.00%
Village of Downers Grove	1.00%
DuPage County	0.25%
DuPage Water Commission	0.25%
Regional Trans. Authority	0.75%
<u>Downers Grove Home Rule*</u>	<u>1.00%</u>
<b>Total Current Tax Rate</b>	<b>8.25%</b>

\* Downers Grove Home Rule Sales Tax Distribution = 0.50% to Capital Projects, 0.25% to Stormwater Improvements, and 0.25% to the general fund

Qualifying food, drugs and medical appliance sales tax is 1%. These revenues are typically earmarked for the funding of the day-to-day operations of the Village. The Village expects to receive approximately \$10,600,000 in sales tax in 2011. The Village forecasts sales tax revenues to increase slightly next year.

Utility Tax - Utility taxes are comprised of the Natural Gas Use Tax, the Electricity Tax and the Telecommunications Tax. The Natural Gas Use Tax is a fee charged to residents and businesses for the purchase of natural gas. The electricity tax is paid by incorporated residents for the use of electricity in their homes. The telecommunications tax is imposed on gross charges for all intrastate and interstate messages. This tax includes charges for home phones,

cellular phones, internet and pagers. It is anticipated the Village will receive approximately \$5,430,000 in utility taxes in FY11. In 2012, staff forecasts the Village will collect approximately \$5,430,000 in utility taxes.

Property Tax - Taxes that an owner of real estate or other property pays on the value of their own property. The local townships (Downers Grove, Lisle, York & Milton) perform an appraisal of the monetary value of the property, and tax is assessed in proportion to that value. The Village's property tax revenue is divided into the following categories: general property taxes (operations) and police and fire pensions. When combining these categories, the total property tax collected by the Village will account for approximately 25% of its entire General Fund revenue in 2011. In FY12, the Village forecasts a total revenue generation of approximately \$10,353,000.

State Income Tax - Imposed on the privilege of earning or receiving income as a resident of the state of Illinois. Local government entities receive one-tenth of the net collections of all income tax received. The amount that each municipality receives is based on its population in proportion to the population of the entire state of Illinois. The state income tax accounts for approximately 9% of the Village's total revenue. In 2011, the Village of Downers Grove will receive approximately \$3,600,000 in revenue from state income taxes. In 2012, the Village forecasts a revenue stream of approximately \$3,650,000 to be generated from state income taxes.

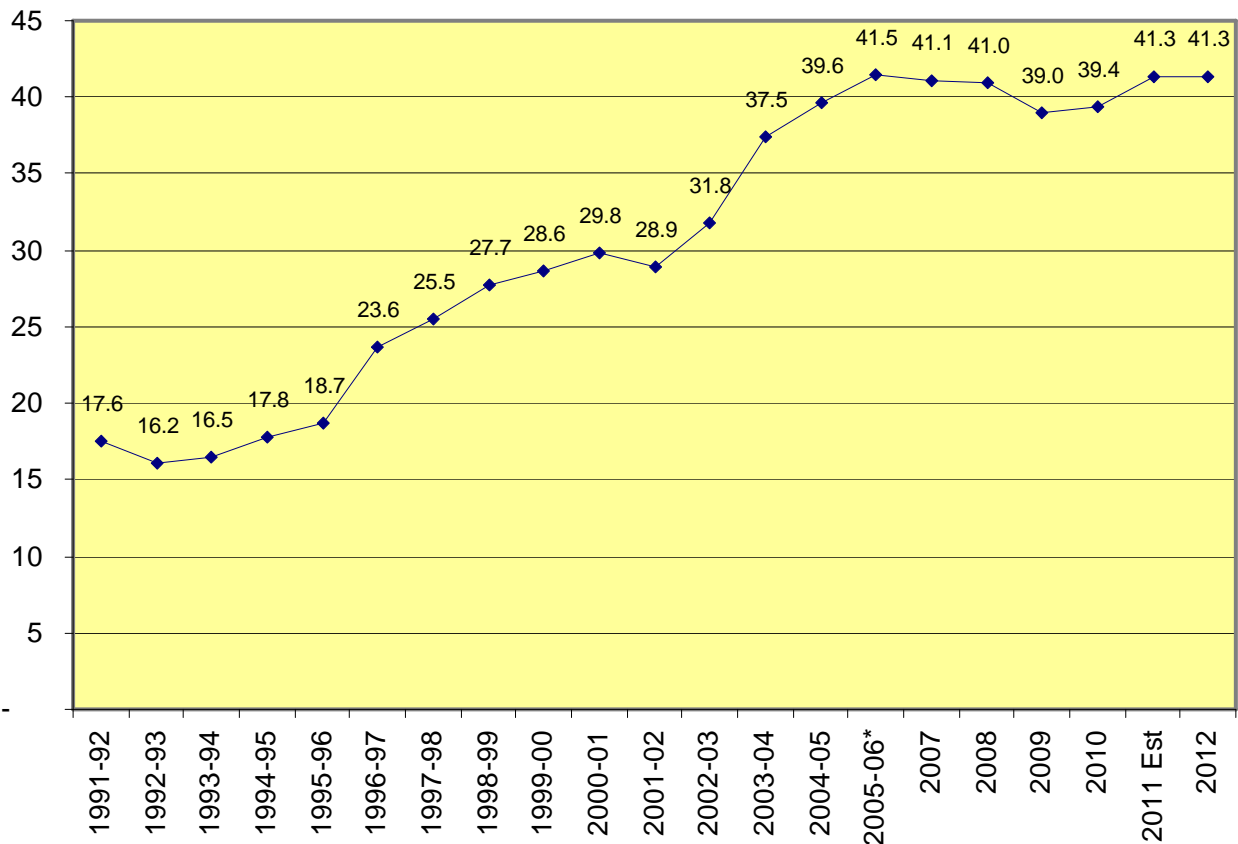
# Revenue Methods & Assumptions

In developing the revenue estimates for the Village, each department provides their initial assessment, and then it is reviewed by the finance department and manager's office. Historical trends over many years are used with the current economic climate to generate conservative realistic amounts. No set percentages are used to forecast the out years for each line item; an analysis is completed for each revenue with known facts and reasonable expectations. This process includes ongoing scrutiny of the Village's current financial position; changes and modifications in assumptions; variations in the economic climate affecting the community; increases or decreases in program and staffing levels; as well as policy decisions relating to the delivery of services in the community. The distribution of resources between operating expenditures and capital improvements is continually reviewed to assure that all the needs of the community are being met. Serious consideration must be given to developing funding alternatives that provide a stable and reliable revenue flow to those funds where cost increases in future years will exceed available revenues. In addition, serious deliberations must be given to developing revenue strategies that provide the funds necessary to continue the uninterrupted delivery of services to the residents and businesses of the Village of Downers Grove. The out years in the Financial Plan are fluid numbers that are subject to further adjustments based on many factors.

## Total General Fund Revenues

This chart presents a history of all General Fund Revenues in the Village of Downers Grove. It shows the estimated collection for FY11 and projected collection for FY12.

Total General Fund Revenues (in millions)



## Enterprise Fund Revenues

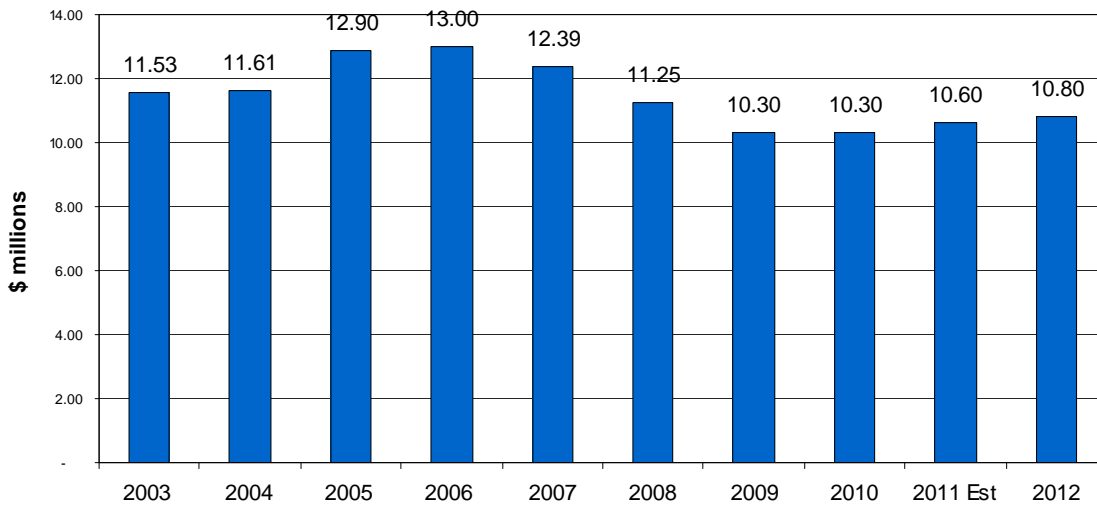
The Village's two enterprise funds—Parking Fund and Water Fund—derive their revenue directly from the users of the services provided through parking fees and water fees.

# Major Revenue Trends

## Sales Tax Revenue History

This chart presents a complete ten year history of the 1% Municipal sales tax collection for the Village of Downers Grove. It also shows the estimated collection for FY11 and projected collection for FY12. Sales tax is projected at 26% of the FY11 General Fund operating revenue. The Village relies heavily on sales taxes to provide quality services to the Village of Downers Grove. Sales taxes are paid by both Village residents and non-residents. Modest recovery recently has not approached levels five years ago.

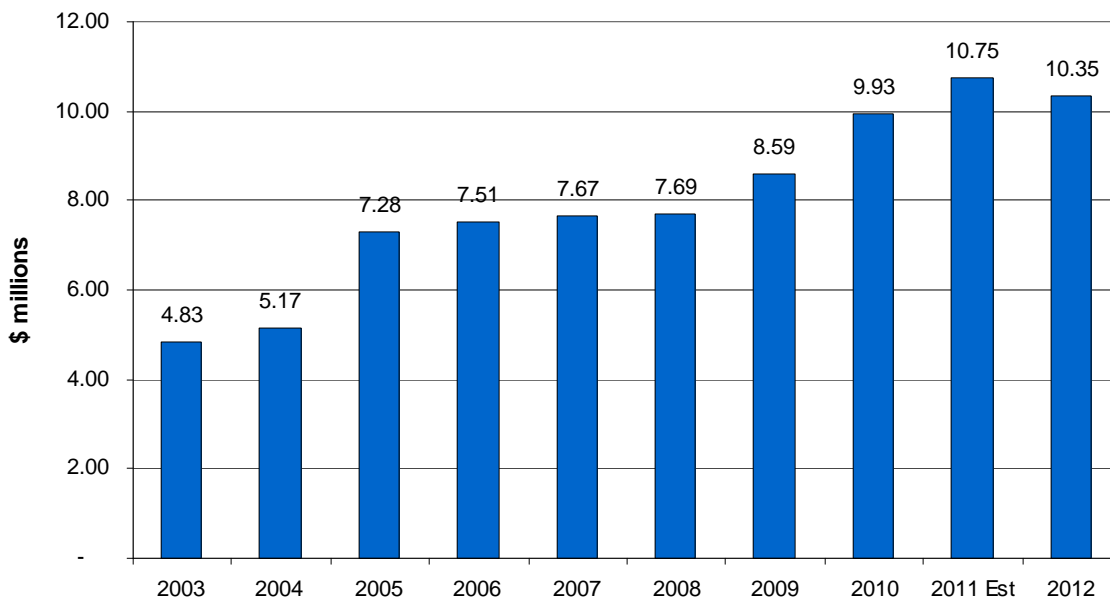
**General Fund Sales Taxes**



## Property Tax Revenue History

The Village's property tax rate has been historically one of the lowest rates for DuPage County municipalities. Significant investment losses in 2008 increased the levy portion related to pensions nearly 30% for 2010.

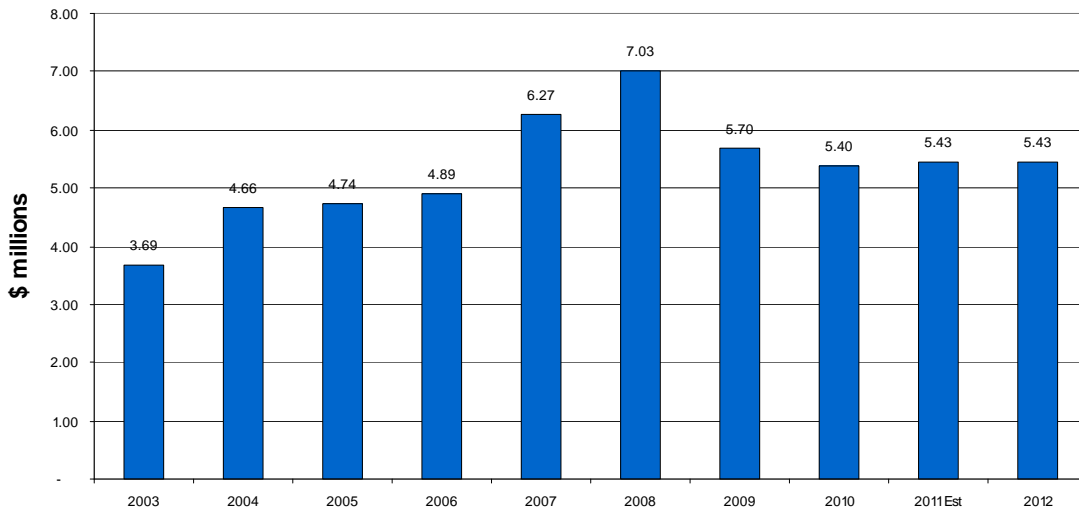
**General Fund Property Taxes**



## Utility Tax History

The Village's telecommunications tax has decreased since 2008. In 2007, the Village shifted some utility tax from the capital fund to the general fund, while shifting its home rule tax into the capital projects fund. Electricity and natural gas taxes vary relative to the weather.

### General Fund Utility Taxes



## State Income Tax History

The Village of Downers Grove receives a percentage of the income tax received by the State based on the Village's population. Income taxes are impacted by the economic climate and any changes in state funding formula. After many years of substantial growth, this revenue has declined in recent years.

### General Fund Income Taxes

