

2014 ADOPTED BUDGET

**GFOA BUDGET AWARD
VILLAGE OFFICIALS AND MANAGEMENT STAFF
VILLAGE ORGANIZATIONAL CHART
SOURCES AND USES BY FUND
REVENUE ASSUMPTIONS
PROPERTY TAXES
MAJOR REVENUE TRENDS**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Village of Downers Grove
Illinois**

For the Fiscal Year Beginning

January 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Village of Downers Grove, Illinois for its Annual Budget for the fiscal year beginning January 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

VILLAGE OFFICIALS AND MANAGEMENT STAFF

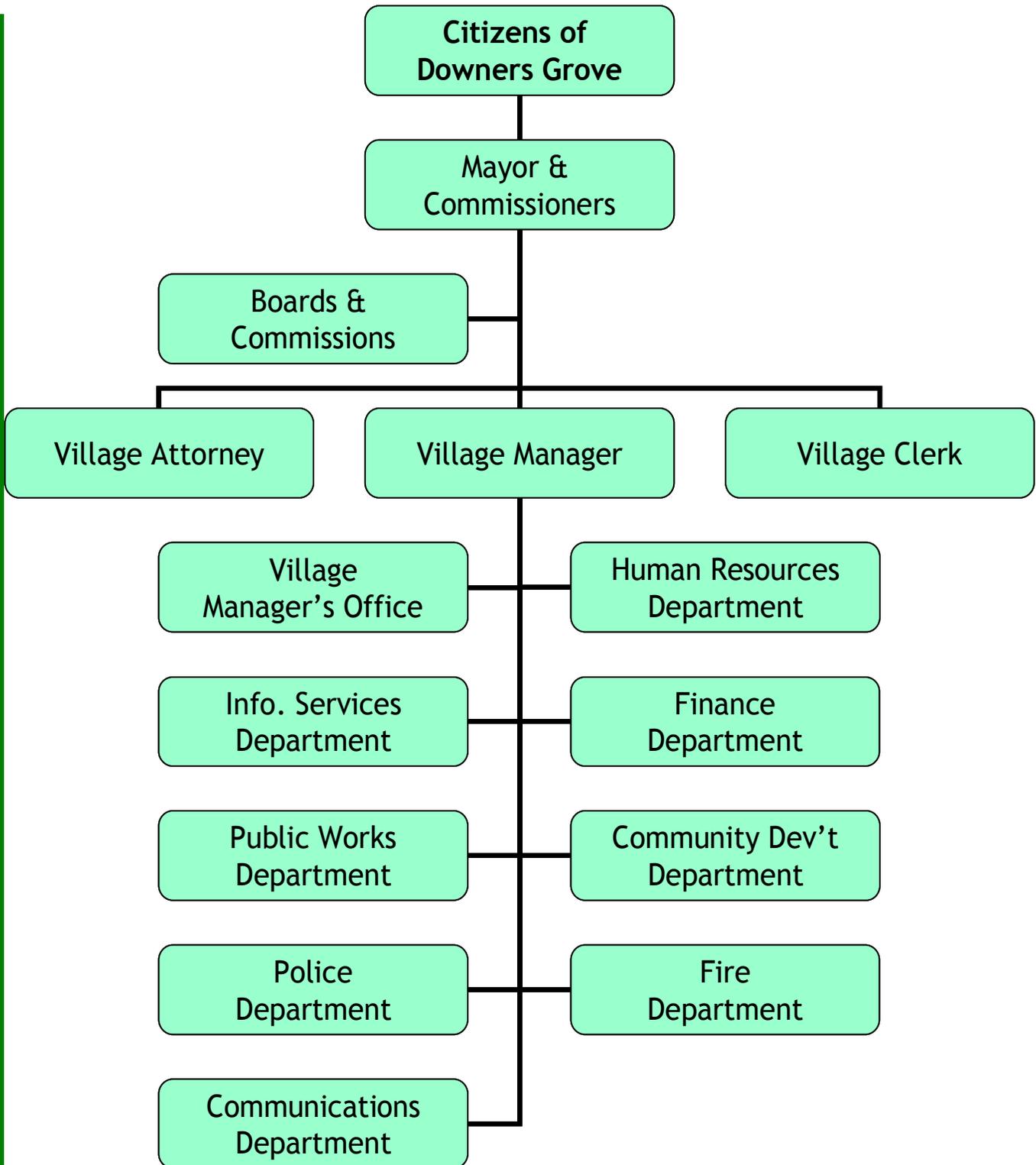
Mayor & Village Council

Mayor	Martin Tully
Commissioners	Robert Barnett
	Sean Patrick Durkin
	Greg Hosé
	Geoff Neustadt
	David S. Olsen
	Becky Rheintgen

Management Staff

Village Manager	David Fieldman
Village Attorney	Enza Petrarca
Village Clerk	April Holden
Deputy Village Manager	Michael Baker
Communications Director	Douglas Kozlowski
Community Development Director	Thomas Dabareiner
Finance Director	Judy Buttny
Fire Chief	James Jackson
Human Resources Director	Dennis Burke
Information Services Director	Liangfu Wu
Police Chief	Robert Porter
Public Works Director	Naneil Newlon
Purchasing Agent	Theresa Tarka

VILLAGE ORGANIZATIONAL CHART



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SOURCES AND USES BY FUND

The chart below shows the FY14 budgeted revenues and expenses by category and fund.

Fund #	Fund Description	41	42	43	44
		41-Local Taxes	42-Licenses & Permits	43-Intergov'tal Revenues	44-Sales Revenues
001	General Fund	19,689,969	1,447,296	16,900,000	20,000
102	Motor Fuel Tax	-	-	1,130,000	-
107	CBD-TIF	2,726,506	-	-	-
109	Foreign Fire Insurance	78,000	-	-	-
110	Ogden TIF	553,866	-	-	-
111	Tax Rebate	-	-	900,000	-
112	Transportation	-	-	183,032	-
114	Asset Forfeiture	-	-	-	-
220	Capital Projects	7,652,524	-	-	-
223	Major Buildings	-	-	-	-
226	Real Estate	-	-	-	-
337	Fairview Avenue Debt Service	204,000	-	-	-
338	CBD-TIF Debt Service	-	-	-	-
339	Stormwater/Facilities Debt	-	-	-	-
443	Stormwater Utility	-	-	-	-
471	Parking	-	-	-	1,290,000
481	Water	-	2,968	-	13,424,387
530	Equipment Replacement	-	-	-	-
531	Fleet Services	-	-	-	117,214
562	Risk Management	-	-	-	-
563	Health Insurance	-	-	-	2,132,200
651	Police Pension	-	-	-	-
652	Fire Pension	-	-	-	-
805	Library	4,440,083	-	50,000	200
821	Library Construction Fund	-	-	-	-
836	Library Debt	621,052	-	-	-
TOTAL		35,966,000	1,450,264	19,163,032	16,984,001

Uses by Fund, FY2014 Adopted Budget

Fund #	Fund Description	51	52	53	54
		51-Personnel Expenses	52-Supplies	53-Professional & Tech Services	54-Other Contr Srcvs
001	General Fund	34,399,433	1,099,355	1,499,657	1,915,992
102	Motor Fuel Tax	-	-	-	-
107	CBD-TIF	-	40,500	2,300	-
109	Foreign Fire Insurance	-	50,600	31,850	9,200
110	Ogden TIF	-	1,000	6,625	-
111	Tax Rebate	-	-	-	-
112	Transportation	219,555	55,150	2,200	12,900
114	Asset Forfeiture	-	-	15,000	-
220	Capital Projects	299,769	115,000	213,380	-
223	Major Buildings	-	-	7,000	-
226	Real Estate	-	4,000	3,000	27,000
337	Fairview Avenue Debt Service	-	-	-	-
338	CBD-TIF Debt Service	-	-	-	-
339	Capital Debt	-	-	-	-
443	Stormwater Utility	1,099,546	69,895	136,639	220,949
471	Parking	173,041	9,788	73,084	143,988
481	Water	1,387,960	8,124,225	203,888	583,839
530	Equipment Replacement	-	-	-	-
531	Fleet Services	650,616	810,222	14,580	132,285
562	Risk Management	127,827	600	87,785	570,170
563	Health Insurance	118,962	760	398,382	676,513
651	Police Pension	-	50	189,800	-
652	Fire Pension	-	-	154,800	-
805	Library	3,268,933	121,500	215,000	267,000
821	Library Construction Fund	-	-	-	-
836	Library Debt	-	-	-	-
TOTAL		41,745,642	10,502,645	3,254,970	4,559,836

45	46	47	48	49	TOTAL	Fund #
45-Fees & Charges	46-Grants	47-Interest & Claims	48-Misc. & Contributions	49-Other Fin. Resources		
5,022,553	613,000	100,000	-	-	43,792,818	001
-	-	300	-	-	1,130,300	102
-	-	225	-	-	2,726,731	107
-	-	300	-	-	78,300	109
-	-	4,005	-	-	557,871	110
-	-	-	-	-	900,000	111
114,626	-	-	-	-	297,658	112
200,000	-	2,500	-	-	202,500	114
-	200,000	15,000	20,000	-	7,887,524	220
-	-	-	-	500,000	500,000	223
20,400	-	-	-	-	20,400	226
-	-	-	-	-	204,000	337
-	-	-	-	3,317,751	3,317,751	338
-	-	-	-	3,220,977	3,220,977	339
3,502,720	-	5,000	50,000	-	3,557,720	443
110,000	900,000	30	-	-	2,300,030	471
158,500	-	10,000	-	-	13,595,855	481
1,280,485	-	200	-	29,000	1,309,685	530
1,703,494	-	-	-	-	1,820,708	531
1,466,853	-	30,000	-	-	1,496,853	562
4,697,536	-	-	-	-	6,829,736	563
-	-	950,000	3,003,858	-	3,953,858	651
-	-	950,000	3,142,520	-	4,092,520	652
157,000	48,000	3,100	10,000	-	4,708,383	805
-	-	100	-	1,830,000	1,830,100	821
-	-	-	-	-	621,052	836
18,434,167	1,761,000	2,070,760	6,226,378	8,897,728	110,953,330	

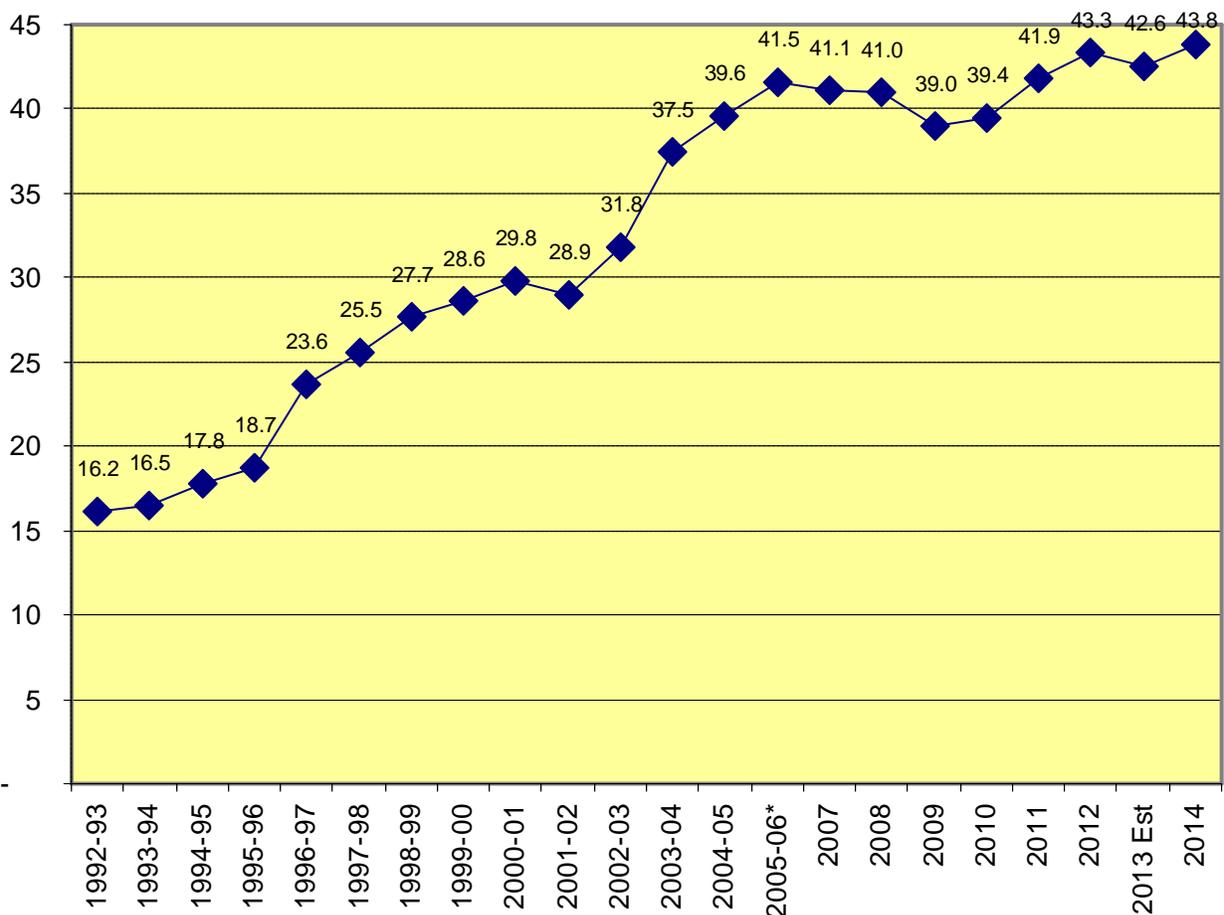
56	57	58	59	TOTAL	Fund #
56-Claims, Grants, & Debt	57-Controlled Assets	58-Capital Assets	59-Other Financial Uses		
4,676,866	96,910	10,400	-	43,698,613	001
-	1,350,000	-	-	1,350,000	102
60,000	-	-	3,017,751	3,120,551	107
45,000	30,000	-	-	166,650	109
35,000	-	-	1,581,955	1,624,580	110
900,000	-	-	-	900,000	111
7,853	-	-	-	297,658	112
-	35,000	-	-	50,000	114
12,505	4,006,075	10,257,500	3,720,976	18,625,205	220
-	426,000	402,000	-	835,000	223
6,500	-	-	53,045	93,545	226
200,000	-	-	-	200,000	337
3,317,751	-	-	-	3,317,751	338
3,220,977	-	-	-	3,220,977	339
1,523,884	886,000	8,662,000	-	12,598,913	443
18,101	282,000	1,500,000	827,172	3,027,174	471
981,404	471,500	4,450,000	1,106,462	17,309,278	481
-	249,300	1,216,180	-	1,465,480	530
99,440	27,500	-	113,423	1,848,066	531
1,680,243	-	83,500	-	2,550,125	562
5,551,998	-	-	78,062	6,824,677	563
3,380,000	-	-	6,852	3,576,702	651
2,975,000	-	-	6,852	3,136,652	652
149,000	35,000	714,500	1,830,000	6,600,933	805
-	-	2,073,666	-	2,073,666	821
621,052	-	-	-	621,052	836
29,462,574	7,895,285	29,369,746	12,342,550	139,133,248	

REVENUE ASSUMPTIONS

In developing the revenue estimates for the Village, each department provides data that is then 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; and variations in the economic climate affecting the community. These factors translate into an anticipated modest rate of growth of General Fund Revenues of about 2% per year over the next few years.

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 FY13 and budgeted collection for FY14. The decline in 2013 is due to the creation of the stormwater utility, and the shift from property tax in the General Fund (\$815,000) to fees in the Stormwater Fund.



REVENUE ASSUMPTIONS

Enterprise Fund Revenues

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

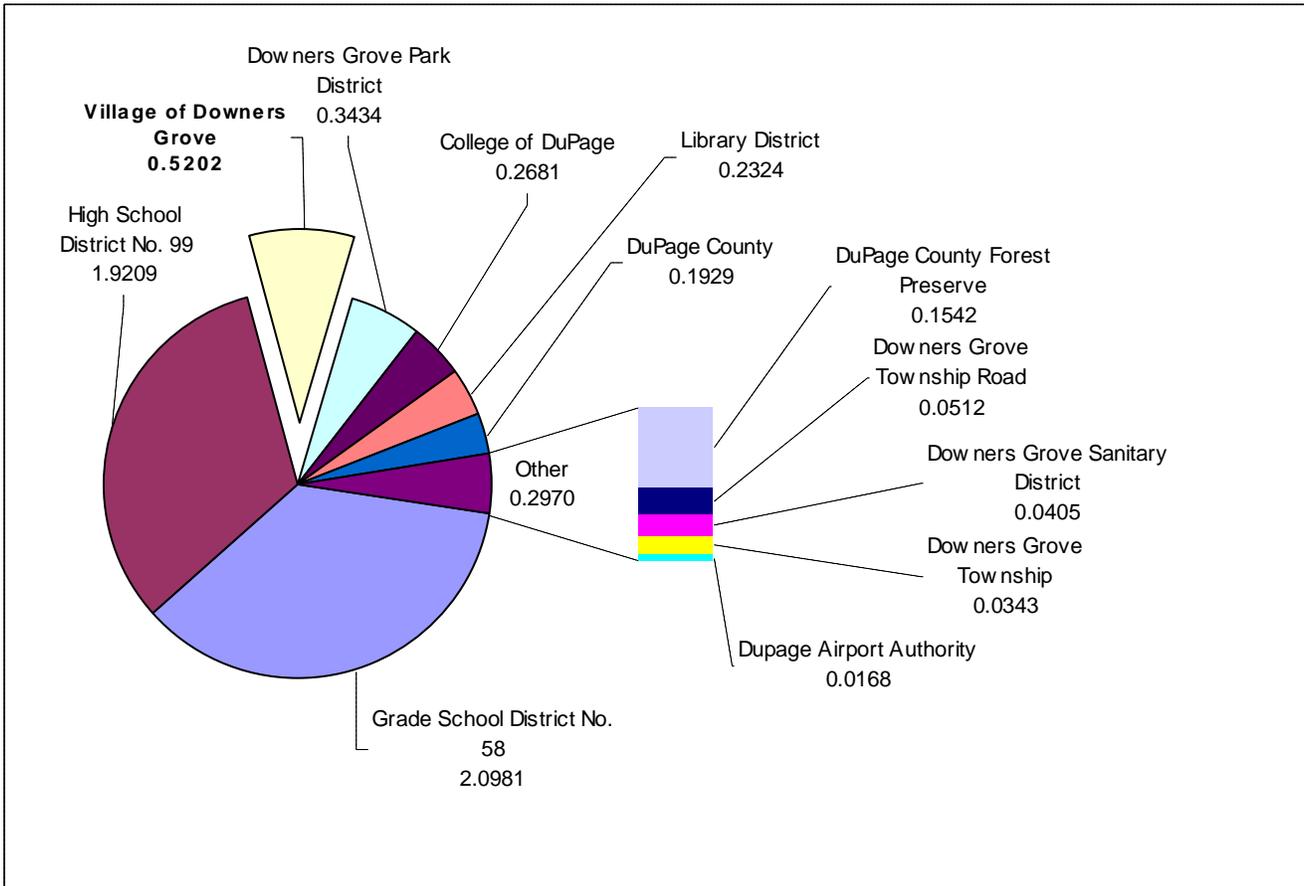
Parking Fund-In 2011 the Village authorized a downtown parking study which was conducted by Rich & Associates. The Parking Fund, which is the repository for all commuter and downtown parking activities, should benefit from this study. The purpose of the study is to manage available parking in a manner that best serves downtown Downers Grove. The Village has begun implementing recommendations from this study, including a rate increase in 2013 for commuter parking permits.

Water Fund- In 2010, the Village conducted a water rate study with the assistance of the consultant Municipal & Financial Services Group (MFSG). Through the study, the Village determined that water rates as of 2010 were not generating adequate revenues to cover the costs of operating and maintaining the water system in 2011 or during subsequent years. The study concluded that the Village should restructure the water rates to include a fixed rate fee based on meter size, increase water rates over a five-year period, make needed improvements to the water system and issue bonds at regular intervals to pay for water system improvements. The Village changed the water billing structure in 2011. In 2012, the MFSG model had to be adjusted to cover the increased cost of purchasing water from the DuPage Water Commission triggered by unexpected rate increases by the City of Chicago. The long-range financial plan (LRFP) strategy for the Water Fund is to continue to implement the 2010 Water Rate Study, which includes increasing water rates to ensure that revenues cover the cost of water as well as maintenance and improvements to the water infrastructure.

Stormwater Fund- During the LRFP process in 2012, a maintenance gap in infrastructure was identified. The LRFP recommended considering the creation of a stormwater utility to address the infrastructure maintenance gap. In 2012, the Village Council authorized the creation of a stormwater utility system. Revenues from this system will cover maintenance and operating costs of the stormwater infrastructure. Beginning in 2013, all property owners in the Village began to pay a monthly fee based on a property's impervious area. The current plan is to increase the fees each year for 15 years to fund the stormwater system in a manner consistent with the Stormwater Master Plan.

PROPERTY TAXES

Downers Grove Property Tax Rates 2012



Distribution of 2012 Tax Levy

Taxing Unit	2012 Tax	
	Rate*	% of Tax Bill
Grade School District 58	2.0981	35.72%
High School District 99	1.9209	32.71%
Village of Downers Grove	0.5202	8.86%
Downers Grove Park District	0.3434	5.85%
College of DuPage	0.2681	4.56%
Downers Grove Public Library	0.2324	3.96%
DuPage County	0.1929	3.28%
DuPage County Forest Preserve	0.1542	2.63%
Downers Grove Township	0.0855	1.46%
Downers Grove Sanitary District	0.0405	0.69%
DuPage Airport Authority	0.0168	0.29%
Total	5.8730	

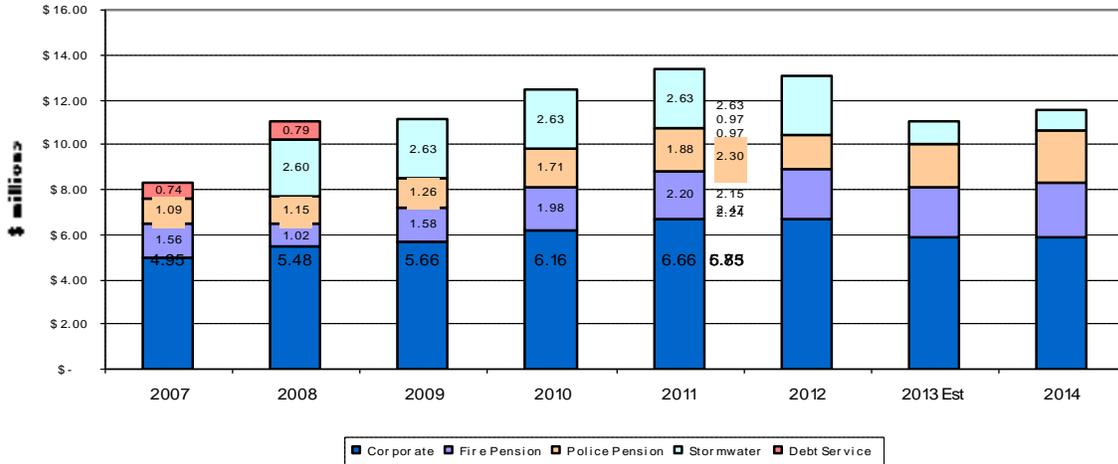
* Levied in 2013

MAJOR REVENUE TRENDS

Property Tax Levy History

The Village's property tax rate has been historically one of the lowest rates for DuPage County municipalities. Starting in 2009, the Village has abated all of its debt service; revenues from other sources were used to pay debt service obligations. In 2013, the property tax levy decreased due to the creation of the stormwater utility and shift from property taxes to stormwater fees. The 2014 increase is due to the levy for Police and Fire Pensions (\$583,000).

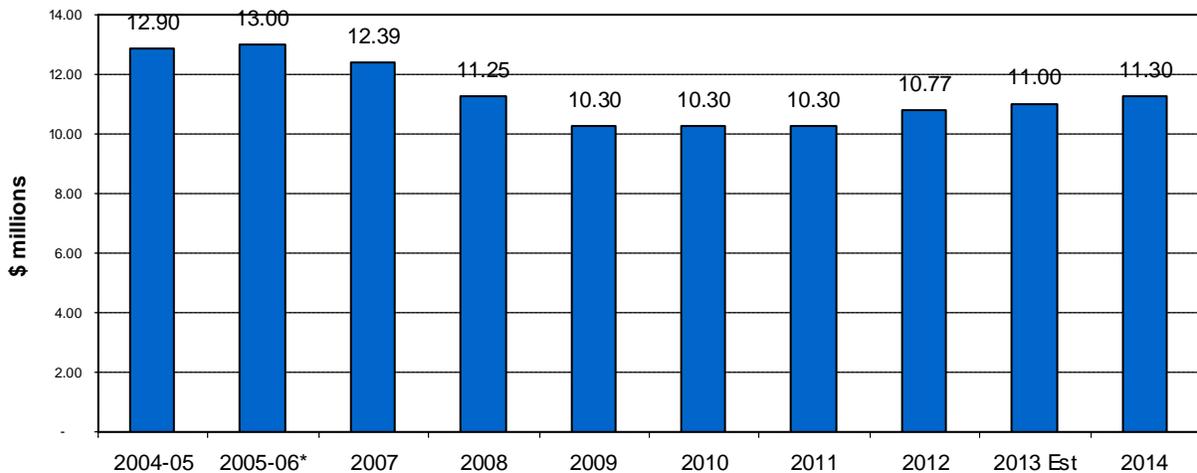
Property Tax Levy



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 and also shows the estimated collection for FY13 and budgeted collection for FY14. Sales tax is projected at 26% of the FY14 General Fund operating revenue. The Village relies on sales taxes to provide quality services to the residents of the Village of Downers Grove. Sales taxes are paid by both Village residents and non-residents. In cooperation with the Economic Development Corporation (EDC) the Village implemented a strategy in 2009 designed to retain existing automobile dealers and attract new ones. Auto dealerships generate significant sales tax revenue, are a vital component of the local economy.

General Fund Sales Taxes



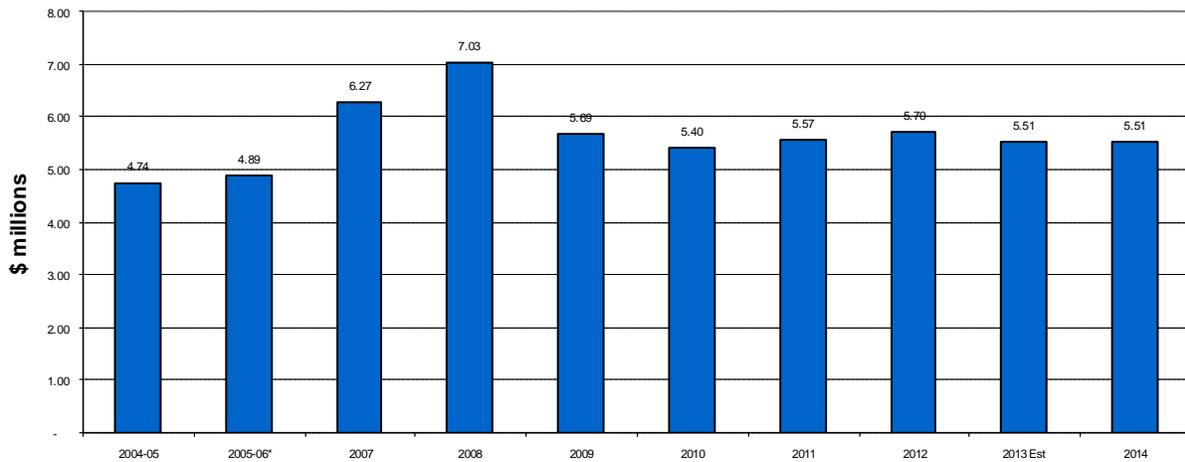
*The Village switched its Fiscal Year to a calendar year in 2007. Prior to that time the Fiscal Year was May 1 through April 30.

MAJOR REVENUE TRENDS

Utility Tax History

These include Natural Gas Use Tax, the Electricity Tax and the Telecommunications Tax. Electricity and Natural Gas taxes vary relative to the weather. The Telecommunications Tax grew dramatically from 2006-2008 due to the proliferation of cell phones and internet use. These revenues started declining in 2009 due to a number of factors: The elimination of land lines, businesses moving to Voice over Internet Protocol (VOIP), and call centers leaving the Village.

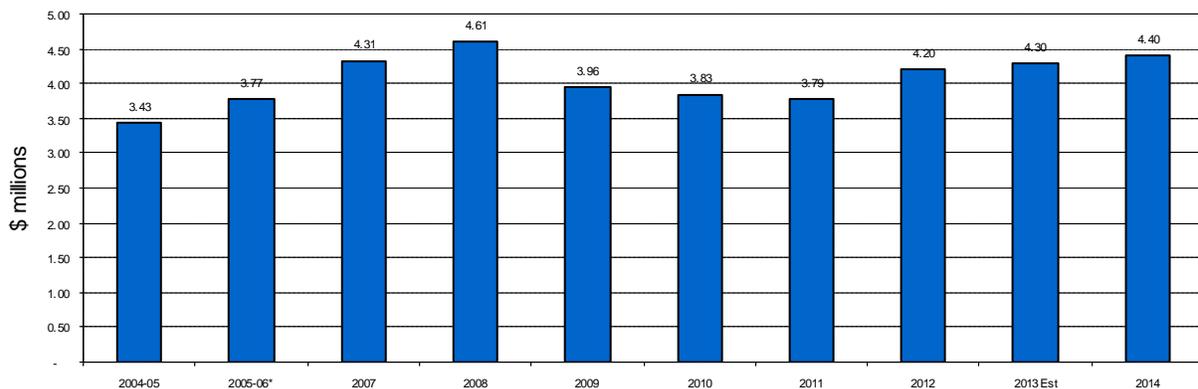
General Fund Utility Taxes



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 declined dramatically in 2009 due to the recession. Recovery has been stronger than anticipated and is approaching levels prior to the recession.

General Fund Income Taxes



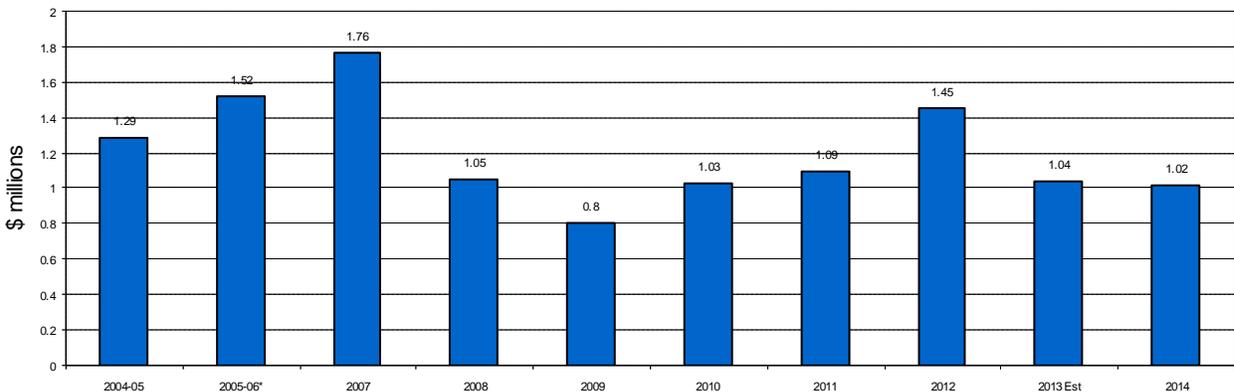
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MAJOR REVENUE TRENDS

Building Related Permits

In the early 2000's, the Village's building related permit revenues were strong due to the housing market boom and tear-down activity. With the recession and downturn in the housing market there was a substantial drop in this revenue from 2007 to 2008 and 2009 with a leveling off in recent years. 2012 includes large commercial permits for Midwestern University.

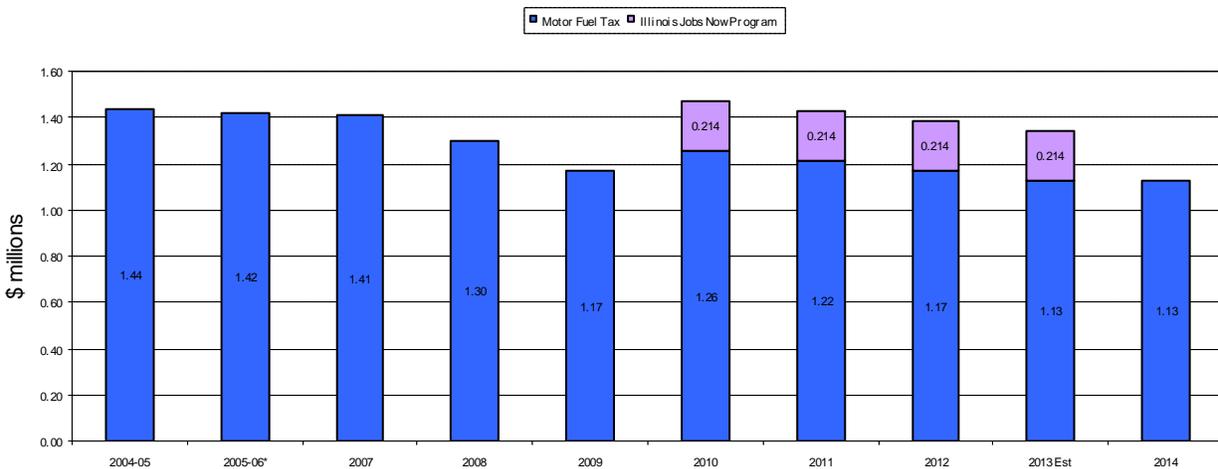
Building Related Permits



Motor Fuel Tax (MFT)

The Village of Downers Grove receives a percentage of the motor fuel tax received by the state based on the Village's population. MFT revenues have been declining in recent years due to a decrease in total miles driven and improvements in the average fuel economy of vehicles. Offsetting this decline are additional distributions from the state for the Illinois Jobs Now Program. The Village has received \$214,000 per year from 2010-2013 from this program. These funds are used for roadway maintenance.

Motor Fuel Tax Revenues



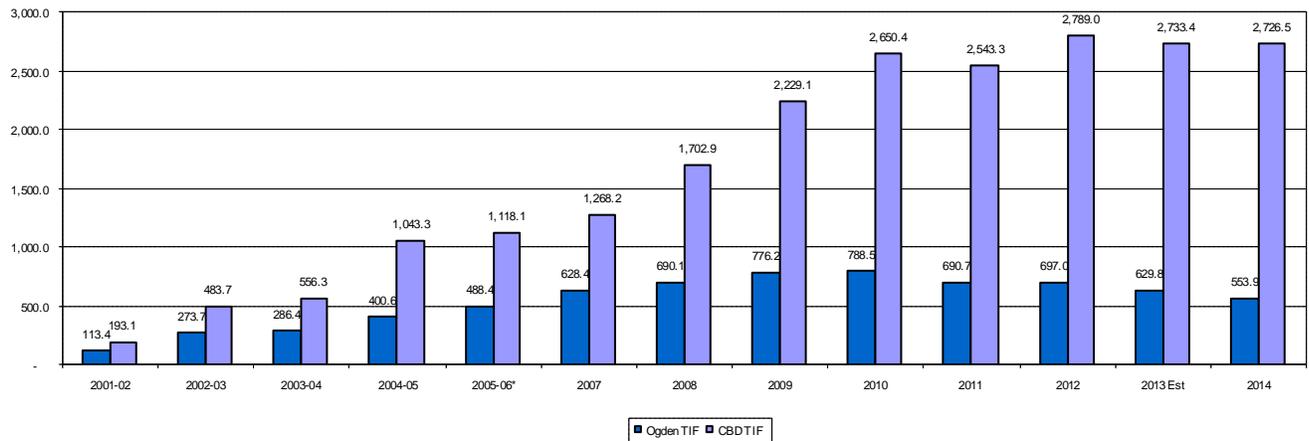
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MAJOR REVENUE TRENDS

Central Business District and Ogden Avenue Tax Increment

The Downtown TIF was created in 1997. The value of the properties located within the district has increased from \$16.3 million (1996 EAV) to \$53.5 million (2012 EAV). The Ogden TIF was created in 2001. The value of the properties located within the district increased from \$29.3 million (2000 EAV) to \$39.2 million (2012 EAV).

CBD and OGDEN TIF DISTRICTS



*The Village switched its Fiscal Year to a calendar year in 2007. Prior to that time the Fiscal Year was May 1 through April 30.