

FUND SUMMARIES

OVERVIEW

The Village of Downers Grove uses fund accounting, which means that the budget and all related revenues and expenditures are organized in funds that appropriately reflect the purpose and use. Each fund is considered a separate accounting entity. The Village Council adopts an annual budget for each fund, which means that there is a separate allocation in each fund for assets, liabilities, fund equity, revenues and expenditures (expenses).

Funds are classified in the following way:

- General: The main operating fund of the Village
- Special Revenue: A fund used to account for the proceeds of specific revenue that are legally restricted for expenditures for specific uses
- Capital: Funds used to account for the acquisition or addition of fixed assets with an estimated useful life of greater than one year
- Debt Service: A fund established to account for the accumulation of funds and payment of principal and interest on long-term debt
- Enterprise: A fund that is used to account for operations that are financed and operated in a manner similar to private business enterprises
- Internal Service: A fund used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis
- Trust and Agency: A fund used to account for assets held by the Village in a trustee capacity
- Component Unit: Legally separate organization for which the elected officials of the primary government are financially accountable

The budget for all funds listed below is found in this section.

<u>Fund Name</u>	<u>Type</u>
General Fund	General
Motor Fuel Tax	Special Revenue
Downtown TIF	Special Revenue
Foreign Fire Insurance	Special Revenue
Ogden TIF	Special Revenue
Tax Rebate	Special Revenue
Transportation	Special Revenue
Asset Forfeiture	Special Revenue
Capital	Capital
Major Buildings	Capital
Real Estate	Capital
Fairview-Debt Service	Debt Service
CBD TIF-Debt Service	Debt Service
Capital-Debt Service	Debt Service
Stormwater	Enterprise
Parking	Enterprise
Water	Enterprise
Equipment Replacement	Internal Service
Fleet Service	Internal Service
Risk Management	Internal Service
Health Insurance	Internal Service
Fire Pension Fund	Trust & Agency
Library Funds	Component Unit

GENERAL FUND

The principal operating fund of the Village, accounting for most of the services provided by the Village

Fund Type: Governmental
Fund Number: 001

Description- The General Fund is the main operating fund for the Village, accounting for most Village services including Police, Fire, Public Works, Community Development, and other administrative and community service departments. The fund is also the repository for most general tax revenues including Property, Sales, Utility, Village distribution of the State Income Tax, as well as some other fees and charges.

Recent History and Trends- The Proposed FY14 Budget is the first annual budget prepared using the Long-Range Planning process. The development of the Long-Range Plan took place over three public meetings between the Village Council, staff and the public. The Long-Range Plan combined elements of the Long-Range Financial Plan and the Strategic Plan and resulted in an outcome-driven plan that also addresses financial issues and constraints.

In the past four years, the Village has made significant changes to the General Fund to reduce costs and address a substantial structural financial gap. The shortfall was the result of the impacts of the worldwide recession on local revenues, including sales tax, income tax and property taxes.

From 2009 to 2012, the Village prepared the General Fund budgets based on the following four strategies:

- Increase operating efficiencies
- Reduce personnel expenses
- Partner with others
- Enhance the revenue base.

Following these strategies, the Village achieved reductions and eliminations of Village services and programs, voluntary and involuntary staffing reductions and revenue enhancements. The efforts resulted in expenditure decreases of 1.7% per year from FY09 to FY12, revenue increases of 3.7% from FY09 to FY12 and a fund balance that has increased by \$3.7 million during that time.

FY14 Budget Considerations- General Fund expenses are budgeted at \$43.70 million for FY14. Overall, General Fund expenses will increase 5.0% (\$2.07 million). The increase is primarily due to a mandatory increase in pension contributions resulting from revisions to actuarial calculations. If not for this increase, expenses would increase at a rate of approximately 3% over the FY13 adopted budget. This increase is consistent with the trends identified in the Long-Range Financial Plan.

Key Budget Considerations for the FY14 Budget include:

- Personnel expenses, including salaries, health benefits and post-employment benefits such as pensions, account for more than 78% of the General Fund. There are no new employees budgeted in the FY14 General Fund.
- Non-personnel expenses are budgeted to increase by 4.2%.
- Revenues are budgeted to increase by 6.46% over the FY13 budget (2.88% over the FY13 year-end estimate). The Village anticipated modest growth in sales tax, income tax, licenses, and permits. Consistent with Long-Range Financial Plan strategies for the General Fund identified in 2010, user fees, licenses and permits found in the *User-Fee, License and Fine Schedule*, will be adjusted at a rate similar to personnel expenses to align with the costs of providing services.
- The FY Beginning Fund Balance will decrease by \$4.2 million to \$15.82 million due to a transfer to the Risk Management Fund.

GENERAL FUND

	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1						
2	Beginning Fund Balance	17,184,158	19,202,249	19,202,249	15,822,619	15,905,448
3	Revenue					
4	Local Taxes	19,513,393	18,926,623	18,970,575	19,689,969	20,224,015
5	License & Permit Revenues	1,863,381	1,284,830	1,496,896	1,447,296	1,460,080
6	Intergovernmental Revenues	16,150,615	16,003,000	16,491,000	16,900,000	18,080,000
7	Sales	48,932	20,000	20,000	20,000	20,000
8	Fees, Charges & Fines	4,880,471	4,816,695	4,893,995	5,022,553	5,196,194
9	Grants	685,212	530,000	593,000	613,000	646,000
10	Interest & Claims	100,007	50,000	100,000	100,000	100,000
11	Contributions	7,683	-	2,288	-	-
12	Other Financial Resources	73,681	-	-	-	-
13	Total Revenue	43,323,375	41,631,148	42,567,754	43,792,818	44,716,400
14	Expenses					
15	Personnel	32,332,518	32,706,054	32,647,655	34,399,433	35,443,692
16	Supplies	932,006	1,088,112	1,248,590	1,099,355	1,065,901
17	Professional Services	1,260,269	1,510,961	1,467,567	1,499,657	1,443,672
18	Other Contractual Services	1,484,978	1,712,476	1,788,330	1,915,992	1,878,472
19	Claims, Grants, & Debt	5,031,383	4,518,315	4,499,997	4,676,866	4,801,828
20	Controlled Assets	64,130	84,560	90,045	96,910	83,811
21	Capital Assets	-	10,400	5,200	10,400	10,400
22	Other Financial Uses	200,000	-	4,200,000	-	-
23	Total Expenses	41,305,284	41,630,878	45,947,384	43,698,613	44,727,776
24	Net Change	2,018,091	270	(3,379,630)	94,205	(11,376)
25	Ending Fund Balance	19,202,249	19,202,519	15,822,619	15,916,824	15,696,671

Noteworthy Changes from 2013 and Other Explanations

- Local Taxes (row 4) increased due to an increase in property tax for police and fire pensions (\$583,000) from a change in mortality tables used to calculate pensions and modest growth in other areas.
- Licenses & Permits (row 5) are expected to remain strong.
- Intergovernmental Revenues (row 6) reflect increases in Sales Tax and Income Tax.
- Fees, Charges & Fines (row 8) includes a fee increase of 3% in 2014.
- Grants (row 9) is primarily comprised of revenues from Westmont for Joint Dispatch.

See the following pages for additional information on revenues.

- Personnel (row 15) accounts for over 78% of General Fund expenses. This line item increases by 5.2%. Without the increase in pension costs, this line item would have increased approximately 3% reflecting modest wage increases and increased medical costs.
- Other Contractual Services (row 18) is increasing by approximately \$200,000 over the 2013 budget from increased tree removal and planting due to Emerald Ash Borer (\$55,000) and \$108,000 from privatization of Downtown snow removal. This increase of \$108,000 is offset by savings in other areas for a net benefit to this budget of approximately \$8,000.
- Claims, Grants & Debt (row 19) reflects costs for equipment, fleet maintenance and risk. This is projected to increase by about 3% due to inflation.
- Other Financial Uses (row 22) is for a \$4.2 million transfer to the Risk Fund to increase fund balance.

The individual department schedules in the Department Summary section provide additional information.

GENERAL FUND REVENUE SOURCES

The table below shows the top sources of revenue for the General Fund. In FY14, these sources account for 86% of all revenue budgeted in the General Fund.

RANK	SOURCE	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Estimate	FY 2014 Budget
1	Sales Tax	\$ 10,311,333	\$ 10,772,180	\$10,850,000	\$11,000,000	\$11,300,000
2	Property Taxes - Operations	\$ 6,720,950	\$ 6,728,914	\$ 5,847,145	\$ 5,847,145	\$ 5,847,145
3	Utility Taxes	\$ 5,571,335	\$ 5,690,708	\$ 5,505,000	\$ 5,505,000	\$ 5,505,000
5	Property Taxes - Pensions	\$ 4,109,732	\$ 3,747,734	\$ 4,188,032	\$ 4,188,032	\$ 4,771,379
4	State Income Tax	\$ 3,787,095	\$ 4,203,160	\$ 3,990,000	\$ 4,300,000	\$ 4,400,000
6	Home Rule Sales Tax	\$ 971,936	\$ 1,862,873	\$ 1,950,000	\$ 1,950,000	\$ 1,975,000
7	Cellular Equipment Rental Fees	\$ 1,057,074	\$ 1,105,625	\$ 1,148,813	\$ 1,149,850	\$ 1,195,844
8	Building Related Permits	\$ 1,089,621	\$ 1,445,138	\$ 900,000	\$ 1,044,152	\$ 1,023,000
9	Hotel Tax	\$ 795,531	\$ 832,460	\$ 800,000	\$ 850,000	\$ 860,000
10	Fines	\$ 732,241	\$ 706,717	\$ 760,000	\$ 760,000	\$ 760,000
SUB-TOTAL		\$ 35,146,848	\$ 37,095,509	\$35,938,990	\$36,594,179	\$37,637,368
ALL OTHER TOTAL		\$ 6,710,765	\$ 6,227,865	\$ 5,692,157	\$ 5,973,575	\$ 6,155,451
TOTAL GENERAL FUND REVENUES		\$ 41,857,613	\$ 43,323,374	\$41,631,147	\$42,567,754	\$43,792,819

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>
Total Current Tax Rate	8.25%

* Downers Grove Home Rule Sales Tax Distribution = 0.75% to Capital Projects, 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 \$11,300,000 in sales tax in 2014. 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

paggers. It is anticipated the Village will receive approximately \$5,505,000 in utility taxes in FY13. In 2014, staff forecasts the Village will collect approximately \$5,505,000 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 and Milton) perform an appraisal of the monetary value of the property, and a 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 \$10,035,000 of its entire General Fund revenue in 2013. The forecast for FY2014 is approximately \$10,619,000.

State Income Tax- Taxes 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 10% of the Village's total revenue. In 2013, the Village of Downers Grove will receive approximately \$4,300,000 in revenue from state income taxes. In 2014 the Village forecasts a revenue stream of approximately \$4,400,000 to be generated from state income taxes.

GENERAL FUND REVENUE SUMMARY

Description	FY 2011 Actual	FY 2012 Actual	FY 2013 Budgeted	FY 2013 Estimate	FY 2014 Adopted
Property Taxes	6,720,950	6,728,914	5,847,145	5,847,145	5,847,145
Property Taxes - Police & Fire Pension	4,109,732	3,747,734	4,188,032	4,188,032	4,771,379
Property Taxes - Downtown SSA	238,718	248,776	246,446	240,398	246,446
Property Taxes - Fairview Fire SSA					85,000
Property Taxes - Twp Road & Bridge	355,965	358,167	350,000	350,000	360,000
Home Rule Sales Tax	1,855,030	1,862,873	1,950,000	1,950,000	1,975,000
Hotel Use Tax	795,531	832,460	800,000	850,000	860,000
Municipal Gas Use Tax	472,818	400,693	480,000	480,000	480,000
Electricity Tax	1,908,437	1,911,358	1,925,000	1,925,000	1,925,000
Telecommunications Tax	3,190,080	3,378,657	3,100,000	3,100,000	3,100,000
Other Local Taxes	47,305	43,761	40,000	40,000	40,000
41 Subtotal Local Taxes	19,694,566	19,513,393	18,926,623	18,970,575	19,689,970
Building Related Permits	1,089,621	1,445,138	900,000	1,044,152	1,023,000
Alcohol Beverage License	187,414	196,867	195,000	199,000	203,000
Professional & Occupational Licenses	126,800	121,286	129,730	130,594	132,996
Other Licenses and Permits	74,757	100,090	60,100	123,150	88,300
42 Subtotal Licenses & Permits	1,478,592	1,863,381	1,284,830	1,496,896	1,447,296
Sales Tax ⁽¹⁾	10,311,333	10,772,180	10,850,000	11,000,000	11,300,000
State Income Tax	3,787,095	4,203,160	3,990,000	4,300,000	4,400,000
Personal Property Replacement Tax	387,949	388,185	375,000	400,000	420,000
State Shared Local Use Tax	701,431	752,856	755,000	758,000	770,000
Other State Shared Revenues	26,748	34,235	33,000	33,000	10,000
43 Subtotal State Shared Revenues	15,214,556	16,150,616	16,003,000	16,491,000	16,900,000
44 All Sales Revenue	38,867	48,932	20,000	20,000	20,000
Ambulance Fees - Residents	770,546	768,531	775,000	775,000	775,000
Ambulance Fees - Non-Residents	327,359	344,328	296,000	325,000	325,000
Plan Review & Inspection Fees	202,649	225,219	172,927	206,000	206,000
Administrative Fees	294,570	263,655	298,000	265,000	265,000
Fines	732,241	706,717	760,000	760,000	760,000
Cable Franchise Fees	760,523	817,417	760,000	820,000	830,000
Cellular Equipment Rental Fees	1,057,074	1,105,625	1,148,813	1,149,850	1,195,844
Other Fees, Charges & Fines	670,406	648,979	605,954	593,145	665,709
45 Subtotal Fees, Charges & Fines	4,815,368	4,880,471	4,816,694	4,893,995	5,022,553
46 All Intergovernmental	467,865	685,212	530,000	593,000	613,000
47 All Interest and Claims	115,421	100,005	50,000	100,000	100,000
48 All Donations and Contributions	8,555	7,683	-	2,288	-
49 Other Financial Resources	23,823	73,681	-	-	-
Total General Fund Revenues	41,857,613	43,323,374	41,631,147	42,567,754	43,792,819

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

MOTOR FUEL TAX FUND

Fund Type: Special Revenue Fund
Fund Number: 102

*Accounts for all financial activity
related to the Motor Fuel Tax (MFT)
received from the state*

Description- The Motor Fuel Tax (MFT) Fund is a state-required funding mechanism for the receipt and use of state revenues for roadway maintenance and construction purposes. MFT revenues are distributed by the State of Illinois from state-wide taxes on gas and diesel fuel. These revenues are distributed to municipalities based on the ratio of the municipality's population to the population of the state.

Revenue projections are based on information provided by the Illinois Municipal League. Expense projections are based on planned roadway maintenance activities that meet the requirements of Motor Fuel Tax receipts as defined by state statutes.

Recent History and Trends- The MFT revenues have been declining over recent years. The total miles driven and the average fuel economy of vehicles are the principal "drivers" of MFT receipts. In previous years, this decline had been offset by additional distributions from the State through the Illinois Jobs Now Program. The Village received \$214,000 per year in 2010, 2011 and 2012 through this program.

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	366,366	448,158	448,158	289,758	70,058	70,108
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	1,381,028	1,150,000	1,341,000	1,130,000	1,130,000	1,130,000
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	764	300	600	300	50	50
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	1,381,792	1,150,300	1,341,600	1,130,300	1,130,050	1,130,050
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-	-
20	Controlled Assets	1,300,000	1,500,000	1,500,000	1,350,000	1,130,000	1,130,000
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	1,300,000	1,500,000	1,500,000	1,350,000	1,130,000	1,130,000
24	Net Change	81,792	(349,700)	(158,400)	(219,700)	50	50
25	Ending Fund Balance	448,158	98,458	289,758	70,058	70,108	70,158

Noteworthy Changes from 2013 and Other Explanations

- Intergovernmental Revenues (row 6) are MFT receipts from the state.
- Controlled Assets (row 20) are expenditures on roadway maintenance.

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DOWNTOWN TIF FUND

Accounts for all financial activity related to the Downtown TIF

Fund Type: Special Revenue Fund
Fund Number: 107

Description- The Downtown Redevelopment Tax Increment Financing Fund accounts for the Village's Downtown Redevelopment Tax Increment Financing District resources and activities. TIF fund resources are provided through the collection of the TIF property tax increment created from the increase in the value of property within the district. TIF resources are used to facilitate redevelopment in the Central Business District in accordance with the Redevelopment plan, the Villages' Strategic Plan, and the Downtown Strategy. The TIF was created in 1997.

Recent History and Trends- The value of all of the properties located within the district has increased from \$16.3 million (1996 EAV) to \$53.5 million (2012 EAV). In FY14 no funds from the general property tax levy will be required to pay the debt service for downtown public improvements. There are no capital improvements in this fund. The only expenditures in this fund are for maintenance and debt service.

Long-Range Plan- Strategies for managing the Downtown TIF were identified in the 2011 Long Range Financial Plan.

Strategies identified:

- Monitor TIF performance and regularly update projections
- Pursue actions that defer and minimize any use of the general property tax levy to fund the gap
- Take advantage of refunding opportunities as they become available
- Control TIF expenses
- Explore parking fee adjustments to provide additional revenue in future years
- Pursue redevelopment and reinvestment opportunities in the TIF
- Explore the extension of the TIF and restructuring of debt
- Adjust the property tax levy as needed



DOWNTOWN TIF FUND

	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1						
2	Beginning Fund Balance	776,737	1,179,966	1,179,966	1,253,399	413,431
3	<u>Revenue</u>					
4	Local Taxes	2,789,017	2,850,000	2,733,430	2,726,506	2,733,609
5	License & Permit Revenues	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-
7	Sales	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-
9	Grants	-	-	-	-	-
10	Interest & Claims	785	225	229	225	225
11	Contributions	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-
13	Total Revenue	2,789,802	2,850,225	2,733,659	2,726,731	2,733,834
14	<u>Expenses</u>					
15	Personnel	-	-	-	-	-
16	Supplies	11,675	40,500	22,500	40,500	40,500
17	Professional Services	1,585	22,200	21,800	2,300	2,300
18	Other Contractual Services	-	-	-	-	-
19	Claims, Grants, & Debt	-	50,000	60,000	60,000	60,000
20	Controlled Assets	-	45,500	6,800	-	-
21	Capital Assets	-	-	35,000	-	-
22	Other Financial Uses	2,373,313	2,514,126	2,514,126	3,017,751	3,077,182
23	Total Expenses	2,386,573	2,672,326	2,660,226	3,120,551	3,179,982
24	Net Change	403,229	177,899	73,433	(393,820)	(330,566)
25	Ending Fund Balance	1,179,966	1,357,865	1,253,399	859,579	82,865

Noteworthy Changes from 2013 and Other Explanations

- Local Taxes (row 4) reflects TIF increment.
- Supplies (row 16) includes CBD planting materials (\$15,000) and Downtown Corner Enhancements (\$25,000) for 2014.
- Professional Services (row 17) includes \$20,000 for the zoning ordinance in 2013.
- Claims, Grants, & Debt (row 19) reflects costs for redevelopment agreements.
- Other Financial Uses (row 22) reflects transfers to the Debt Service Fund for TIF debt.

FOREIGN FIRE INSURANCE FUND

Fund Type: Special Revenue Fund
Fund Number: 109

Accounts for all financial activity related to funds provided by the state of Illinois for Foreign Fire Insurance

Description- This fund was created to account for the funds provided by the State of Illinois for Foreign Fire Insurance. The expenditures for this program are evaluated and determined by the Foreign Fire Insurance Board, which is comprised of Fire Department members, per state statute. Pursuant to state law, the Foreign Fire Insurance Fund receives its monies from a state tax imposed on fire insurance policies written by insurance companies located outside of the state of Illinois. These funds are intended to provide for the needs of the department as the department see fit to compensate for what is not provided for by the municipality. The Village Council is required to adopt this budget and appropriate these funds. Additionally, these expenditures must be audited as part of the Municipal Audit.

	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1						
2	Beginning Fund Balance	237,138	255,438	255,438	218,688	129,988
3	Revenue					
4	Local Taxes	78,079	78,000	78,000	78,000	78,000
5	License & Permit Revenues	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-
7	Sales	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-
9	Grants	-	-	-	-	-
10	Interest & Claims	173	300	200	300	300
11	Contributions	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-
13	Total Revenue	78,252	78,300	78,200	78,300	78,300
14	Expenses					
15	Personnel	-	-	-	-	-
16	Supplies	31,503	50,700	36,450	50,600	43,600
17	Professional Services	12,930	28,850	19,900	31,850	25,850
18	Other Contractual Services	6,986	9,200	7,100	9,200	9,200
19	Claims, Grants, & Debt	8,533	31,250	24,000	45,000	-
20	Controlled Assets	-	30,000	27,500	30,000	-
21	Capital Assets	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-
23	Total Expenses	59,952	150,000	114,950	166,650	78,650
24	Net Change	18,300	(71,700)	(36,750)	(88,350)	(350)
25	Ending Fund Balance	255,438	183,738	218,688	130,338	129,638

Noteworthy Changes from 2013 and Other Explanations

- Local Taxes (row 4) reflects the cash received from the state.
- Supplies (row 16) reflects expenditures for supplies for all four fire stations.
- Professional Services (row 17) primarily includes education costs and wellness expenses for firefighters.
- Claims, Grants & Debt (row 19) in 2013 is for equipment for fire department reserve vehicle, training aids, gear washers, and physical fitness equipment.
- Controlled Assets (row 20) in 2013 is for infrastructure improvements to the Fire Stations.

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OGDEN AVENUE TIF FUND

Accounts for all financial activity related to the Ogden TIF

Fund Type: Special Revenue Fund

Fund Number: 110

Description- The Ogden Avenue TIF Fund exists to account for all financial activity related to the Ogden Avenue Tax Increment Financing District, which is defined by a designated boundary along Ogden Avenue from Stonewall Avenue on the west to Cumnor Avenue on the East. TIF revenues are provided through the collection of property taxes, or TIF increment, created from the increasing value of property within the district. The revenues are used to facilitate redevelopment along the corridor in accordance with applicable Illinois TIF statutes. The TIF was created in 2001.

Recent History and Trends- The value of all of the properties located within the district has increased from \$29.3 million (2000 EAV) to \$39.2 million (2012 EAV). In FY14, no funds from the general property tax levy will be required to pay the debt service for downtown public improvements.

Extensive planning for the corridor has occurred prior to and since the creation of the Ogden Avenue TIF and includes the following:

- Ogden Avenue Master Plan
- Ogden Avenue Master Right-of-Way Plan
- Comprehensive Plan

In 2013 the Village Council voted to repeal the OASIS program. The Village may continue to authorize redevelopment agreements that facilitate funding for property improvements with the assistance of the Economic Development Corporation. Redevelopment agreements would be approved by the Village Council.

Recommendations from the Economic Development Corporation Executive Committee for the most appropriate uses of future TIF Revenues in previous years included the construction of streetscape improvements in the public right-of-way and facilitation of targeted private property redevelopment opportunities along the corridor. FY2014 budget reflects the repeal of the OASIS Program and the budgeting of \$1.5 million for site-specific redevelopment assistance in the district. Projects identified for the use of this funding will be brought before the Village Council for consideration at the appropriate time.

OGDEN AVENUE TIF FUND

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	3,928,226	4,253,550	4,253,550	4,729,766	3,663,057	2,566,921
3	<u>Revenue</u>						
4	Local Taxes	696,980	715,000	629,826	553,866	522,946	528,177
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Reve-	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	7,254	5,005	-	4,005	3,005	2,005
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	704,234	720,005	629,826	557,871	525,951	530,182
14	<u>Expenses</u>						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	1,000	-	1,000	1,000	1,000
17	Professional Services	1,560	21,590	16,590	6,625	1,674	1,724
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	297,778	285,000	57,452	35,000	35,000	-
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	700,000	-	-	-	-
22	Other Financial Uses	79,572	1,079,568	79,568	1,581,955	1,584,413	1,586,946
23	Total Expenses	378,910	2,087,158	153,610	1,624,580	1,622,087	1,589,670
24	Net Change	325,324	(1,367,153)	476,216	(1,066,709)	(1,096,136)	(1,059,488)
25	Ending Fund Balance	4,253,550	2,886,397	4,729,766	3,663,057	2,566,921	1,507,433

Noteworthy Changes from 2013 and Other Explanations

- Local Taxes (row 4) reflects TIF increment.
- Claims, Grants, & Debt (row 19) includes the Bill Kay agreement. The OASIS program was repealed in 2013.
- Other Financial Uses (row 22) is primarily for redevelopment (\$1,500,000) based on input from the EDC for 2014.

TAX REBATE FUND

Fund Type: Special Revenue Fund
Fund Number: 111

Accounts for all financial activity related to the Village's tax rebate agreements

Description- As part of the Village's economic development efforts, the Village has entered into tax rebate agreements with local businesses. These agreements assist in the attraction and retention of retail businesses. Each of the agreements includes performance standards that must be met prior to the payment of any tax rebate.

Recent History and Trends- Current Tax Rebate Agreements include: Fry's Electronics, Bill Kay Nissan, Pugi Mazda, DeVry University, Zeigler Auto Group, Lemon Tree, Packey Webb Ford, Perillo Motor Imports, and Napleton Aston Martin. To date seven of these businesses have achieved their standards and are receiving rebate payments. In FY14 it is anticipated that all of the businesses will meet their standards and receive rebates.

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	-	-	-	-	-	-
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	796,174	825,000	825,000	900,000	925,000	975,000
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	-	-	-	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	796,174	825,000	825,000	900,000	925,000	975,000
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	796,174	825,000	825,000	900,000	925,000	975,000
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	796,174	825,000	825,000	900,000	925,000	975,000
24	Net Change	-	-	-	-	-	-
25	Ending Fund Balance	-	-	-	-	-	-

Noteworthy Changes from 2013 and Other Explanations

- Intergovernmental Revenues (row 6) reflects a transfer from the General Fund for taxes to be rebated.
- Claims, Grants, & Debt (row 19) reflects payments to businesses receiving rebates.

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TRANSPORTATION FUND

Fund Type: Special Revenue Fund
Fund Number: 112

Accounts for all financial activity related to the operation and maintenance of the Grove Commuter Shuttle

Description- The Transportation Fund derives its revenues from bus fees and Pace funding. The Grove Commuter Shuttle operates Monday through Friday during the morning and evening rush hours, providing service to the Main Street and Belmont Train Stations, offering four routes.

Recent History and Trends- Since FY99-00, the Village has received grant funds from Pace to support the operation of the Village's Grove Commuter Shuttle Bus System. This grant funding, along with bus fees and a one cent per gallon gasoline tax was not enough to operate the system at a break even. The Fund has had an accumulated deficit for many years. Additionally, the one cent per gallon gasoline tax that previously supported the Transportation Fund was dedicated to the Capital Fund.

The 2012 Long-Range Financial Plan identified two issues in the Transportation Fund: annual operating expenses were exceeding revenues resulting in an annual operating deficit and an accumulated deficit of approximately \$1.9 million. The recommended strategies from 2012 LRF were to amend the Village's agreement with Pace so that revenues from Pace and bus fares cover all annual operating expenses.

In March of 2012, the Village entered into an agreement with Pace. Under this agreement, no Village funds are used to operate the system and operational expenses were to be paid entirely by fare box revenue and Pace funding. The agreement assured the financial sustainability of the Transportation Fund for the foreseeable future.

Moving forward, General Fund interest income will be dedicated to retire the accumulated deficit over time. When General Fund interest income exceeds \$100,000, the excess amount will be transferred to the Transportation Fund to reduce the accumulated deficit. There were transfers in 2012 and 2013 of approximately \$17,000 and \$10,000 respectively.

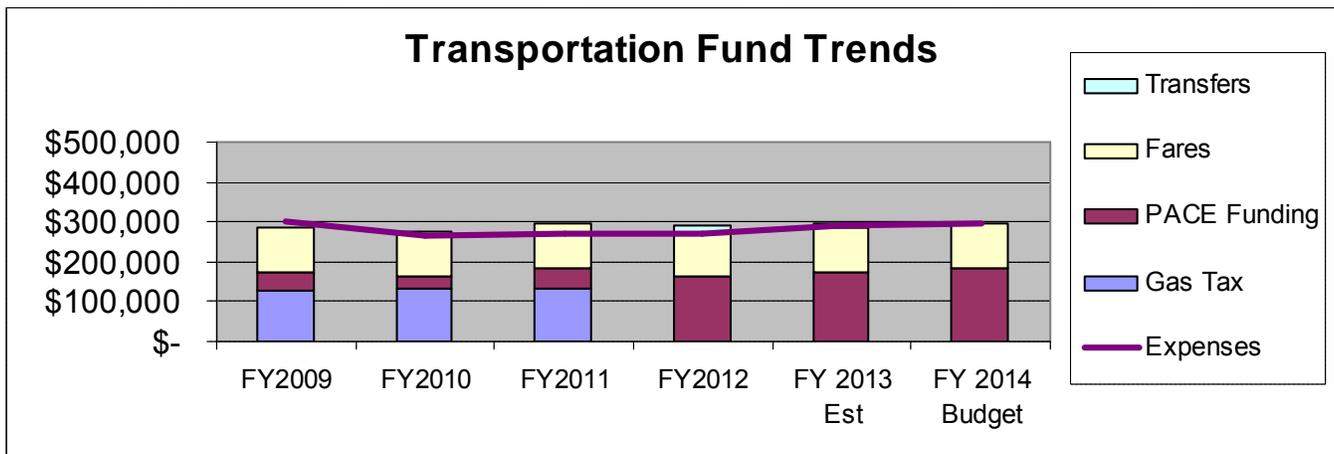


TRANSPORTATION FUND

	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1						
2	Beginning Fund Balance	(1,922,473)	(1,905,226)	(1,905,226)	(1,895,226)	(1,895,226)
3	Revenue					
4	Local Taxes	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-
6	Intergovernmental Revenues	163,629	171,187	179,353	183,032	185,288
7	Sales	-	-	-	-	-
8	Fees, Charges & Fines	107,204	111,672	112,378	114,626	119,256
9	Grants	-	-	-	-	-
10	Interest & Claims	17,489	-	10,000	-	-
11	Contributions	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-
13	Total Revenue	288,322	282,859	301,731	297,658	304,544
14	Expenses					
15	Personnel	213,507	214,517	219,881	219,555	230,144
16	Supplies	55,233	45,685	51,650	55,150	58,400
17	Professional Services	676	2,400	2,300	2,200	2,400
18	Other Contractual Services	1,659	19,537	13,800	12,900	13,600
19	Claims, Grants, & Debt	-	-	4,100	7,853	-
20	Controlled Assets	-	-	-	-	-
21	Capital Assets	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-
23	Total Expenses	271,075	282,139	291,731	297,658	304,544
24	Net Change	17,247	720	10,000	-	-
25	Ending Fund Balance	(1,905,226)	(1,904,506)	(1,895,226)	(1,895,226)	(1,895,226)

Noteworthy Changes from 2013 and Other Explanations

- Intergovernmental Revenues (row 6) reflects the funding from Pace.
- Fees, Charges & Fines (row 8) reflects the bus fees.
- Interest and Claims (row 10) reflects the transfer of interest income from the General Fund to eliminate the accumulated deficit.
- Personnel (row 15) charged to this fund include the Full Time Equivalent of 3.8 employees, 3.2 Bus Operators, and allocations of .30 Fleet Services Manager, .20 Fleet Maintenance Technician, and .10 Cashier.



ASSET FORFEITURE FUND

Fund Type: Special Revenue Fund
Fund Number: 114

Accounts for all financial activity related to asset seizures from criminal activity

Description- This fund was established in 2012 to account for the revenues and expenditures of proceeds from asset seizures. It is the result of the equitable sharing agreement the police department has with the Department of Justice. These funds are generated through joint investigations with the federal government that result in the seizure of currency or property utilized in criminal enterprises. Money seized under this agreement can only be used for law enforcement purposes and cannot be utilized to replace or supplant budgeted items.

		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1							
2	Beginning Fund Balance	-	126,037	126,037	880,037	1,032,537	1,185,287
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	126,037	50,000	803,000	200,000	200,000	200,000
9	Grants	-	-	-	-	-	-
10	Interest & Claims	-	-	1,000	2,500	2,750	3,000
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	126,037	50,000	804,000	202,500	202,750	203,000
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	15,000	15,000	15,000	15,000	15,000
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-	-
20	Controlled Assets	-	35,000	35,000	35,000	35,000	35,000
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	-	50,000	50,000	50,000	50,000	50,000
24	Net Change	126,037	-	754,000	152,500	152,750	153,000
25	Ending Fund Balance	126,037	126,037	880,037	1,032,537	1,185,287	1,338,287

Noteworthy Changes from 2013 and Other Explanations

- Fees, Charges & Fines (row 8) reflects the cash received from asset seizures.
- Professional Services (row 17) and Controlled Assets (row 20) reflect estimates of seized assets that will be spent by the Village on police enforcement activities allowable by the federal government.

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CAPITAL PROJECTS FUND

Fund Type: Capital Fund
Fund Number: 220

Accounts for financial activity for general construction and capital improvement activity of several capital related programs

Description- The Capital Fund accounts for general construction and capital improvement activity of several capital-related programs including roadway maintenance, sidewalks, bikeways, traffic signals, and other projects. A separate Community Investment Program (CIP) document within this budget document provides detailed information regarding all capital projects proposed over the next five years. (See Section 6)

Primary revenue sources in this fund are Home Rule Sales Tax, Property Tax, Telecom Tax and Local Gasoline Tax. The Village also aggressively pursues grant opportunities whenever they are available.

Recent History and Trends- In FY06 the Village Council rededicated the half-cent Home Rule Sales Tax for infrastructure needs while shifting Utility tax revenues into the General Fund. In FY08, stormwater improvements were no longer provided for in this fund. Funding for those improvements was shifted to the newly created Stormwater Fund. Beginning in FY08, the Village also increased revenues in the Capital Fund by increasing the Telecom Tax by one percent.

In FY12, the Village authorized the creation of a Stormwater Utility, to be funded by fees based on a property's impervious area. The LRFPP identified that the Village's infrastructure investment needs exceed the revenue available from existing revenue sources. On April 10, 2012, the Village Council approved the issuance of \$25 million of bonds to pay for street construction projects. Due to a favorable interest rate environment in 2012, the annual debt service bonds were approximately \$300,000 less than was originally projected. These funds were allocated to street maintenance. Additionally, the 1% local gasoline tax that previously supported the Downers Grove Commuter Shuttle(\$100,000) was moved to the Capital fund for street maintenance.

The 1/4 cent Home Rule Sales Tax and a portion of the Property Tax previously dedicated to the Stormwater Fund have been moved to the Capital Fund to pay for the \$25 million street construction bonds issued in 2012. In 2012 and 2013, \$6.9 million and \$5.3 million was spent respectively. Projects completed include the reconstruction of the Nottingham subdivision, Valley View Estates, Grove Street, and Chase Avenue. It is anticipated that \$9.3 million of the street construction bonds will be spent in 2014.

Long-Range Plan- In 2013, the Village Council completed the Long-Range Planning process which identified issues and strategies for the Capital Projects fund.

Issues identified:

- An annual infrastructure maintenance gap of approximately \$1.2 million exists. The cost of maintaining the Village's existing infrastructure systems to the established service level exceeds the revenue generated by the existing revenue sources dedicated to infrastructure. This maintenance gap will appear in FY15 when the Village has completed the reconstruction of streets using the proceeds from the 2012 bond issuance.

Actions taken:

- Improved the condition of the street system
- Shifted local gasoline tax revenue to pay for the street maintenance expenses
- Captured savings from low bond interest payments
- Created a stormwater utility

Strategies identified:

- Continue to reduce the cost of maintaining infrastructure systems by:
 - Coordinating Village construction projects to achieve economies of scale
 - Exploring partnerships with other municipalities and governments
- Use existing revenues of \$1.2 million to fund infrastructure maintenance beginning in 2015

CAPITAL PROJECTS FUND

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	3,617,455	21,957,020	21,957,020	14,482,399	3,744,718	(1,168,129)
3	Revenue						
4	Local Taxes	4,545,345	7,574,195	7,577,524	7,652,524	7,802,524	7,877,524
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Reve-	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	594,791	190,000	7,749	200,000	720,000	270,000
10	Interest & Claims	66,974	125,000	25,000	15,000	5,000	5,000
11	Contributions	64,602	20,000	60,000	20,000	20,000	20,000
12	Other Financial Resources	25,283,534	-	-	-	-	-
13	Total Revenue	30,555,246	7,909,195	7,670,273	7,887,524	8,547,524	8,172,524
14	Expenses						
15	Personnel	286,876	290,647	273,077	299,769	310,984	320,162
16	Supplies	21,155	100,000	35,000	115,000	115,000	120,000
17	Professional Services	226,049	209,050	168,191	213,380	153,380	183,380
18	Other Contractual Services	-	16,500	-	-	16,500	-
19	Claims, Grants, & Debt	9,516	9,699	9,699	12,505	12,681	12,813
20	Controlled Assets	3,019,521	4,137,000	4,113,806	4,006,075	4,306,000	3,731,000
21	Capital Assets	7,564,364	10,482,600	6,562,575	10,257,500	4,837,500	1,245,000
22	Other Financial Uses	1,088,200	3,982,546	3,982,546	3,720,976	3,708,326	2,439,627
23	Total Expenses	12,215,681	19,228,042	15,144,894	18,625,205	13,460,371	8,051,982
24	Net Change	18,339,565	(11,318,847)	(7,474,621)	(10,737,681)	(4,912,847)	120,542
25	Ending Fund Balance	21,957,020	10,638,173	14,482,399	3,744,718	(1,168,129)	(1,047,587)

Noteworthy Changes from 2013 and Other Explanations

- Local Taxes (row 4) includes Home Rule Sales Tax, Property Tax, Telecom tax, and Local Gasoline Tax. In 2013, Property Tax of \$971,524 and Home Rule Sales Tax of \$1,950,000 (1/4 cent) was moved from the Stormwater Fund.
- Grants (row 9) for 2014 includes \$200,000 for Paver Crosswalk Upgrades (S-007).
- Contributions (row 11) is Developer Contributions for sidewalks.
- Other Financial Resources (row 12) reflects the \$25 million debt issuance in 2012 for roadway reconstruction
- Personnel (row 15): There are 2.75 employees: 1/4 GPS Technician, 1/2 Administrative Assistant, 1 PW Technician-Engineering, 1 Staff Engineer.
- Rows 16 through 21 are primarily for CIP projects.
- Other Financial Uses (row 22) in 2014 includes \$2.5 million for the roadway reconstruction debt payments, \$700,000 for Fire Station 2 debt payments, and \$500,000 transfer to the Municipal Buildings Fund to fund facilities projects.

CAPITAL FUND

2014 CIP Projects - Capital Fund

S-004	New Sidewalk Installation Program	650,000
S-006	Replacement Sidewalk Program	201,075
S-007	Paver Crosswalk Upgrades	275,000
S-008	Right of Way Accessibility Improvements	75,000
ST-004	Roadway Maintenance Program	3,545,000
ST-025	Roadway Reconstruction, Brookbank Rd, 59th to 60th St	435,000
ST-027	Roadway Reconstruction, Esterbrook Subdivision, Unit 1	1,500,000
ST-029	Grade Separation - Downtown/Fairview Area	50,000
ST-034	Roadway Reconstruction, Clyde Estates	175,000
ST-037	Roadway Resurfacing (LAFO), Fairview, 55th St to 75th St	35,000
ST-039	Roadway Reconstruction, Orchard Brook East (east of Saratoga)	100,000
ST-040	Roadway Reconstruction, Brook & Centre	3,040,000
ST-044	Roadway Reconstruction, Maple, Fairview to Cumnor	925,000
ST-045	IDOT Bridge Compliance Improvements	175,000
ST-046	Roadway Reconstruction, Downers Grove Estates	3,100,000
TR-021	Traffic Detection Camera Replacement	20,000
TR-023	Pavement Striping Maintenance	35,000
TR-024	Neighborhood Traffic Study	50,000
TR-027	Fiber Optic Cable - Main/Maple to Fire Station #2	45,000
BW-005	31st Street Bike Path	87,500
BW-008	Grade Separated Pedestrian Crossing	25,000
PS-003	Uninterrupted Power Supply (UPS) at 801 Tower	45,000

Total: 14,588,575



MAJOR BUILDINGS FUND

Accounts for all financial activity related to municipal building projects

Fund Type: Capital Fund
Fund Number: 223

Description- The Major Building Fund exists to account for planned, project-oriented maintenance activities related to the Village's facilities. The projects included in this fund help to ensure that the following facilities are maintained and serve the employees and general public that use and rely on them:

- Village Hall and Fleet Garage
- Police Station
- Four Fire Stations
- Public Works Facility

Recent History and Trends- The Village completed a Facility Condition Assessment in 2012 to accurately determine the condition of each major facility as well as future improvements. Five building are in a maintainable condition of excellent, good or fair. However, the report concluded that the Police Station and Village Hall are in below-average condition. **Both facilities have outdated major building systems that will require significant investment to replace. Both buildings are in need of major renovation.**

Long-Range Plan- In 2013 the Village Council completed the Long-Range Planning process which identified issues and strategies for the Major Buildings Fund.

Issues identified:

- **The Police Station and Village Hall have outdated major building systems that will require significant investment to replace. Both buildings are in need of major renovation.**
- The Village has invested \$250,000 to \$450,000 annually in facilities maintenance activities since 2010.

Strategies identified:

- Continue to maintain the five facilities in maintainable condition using existing revenues
- Evaluate options ranging from renovation of existing facilities to new construction of the facilities in below-average condition (Police Station and Village Hall)
- Draft specific action plan
- Pursue partnerships with other government agencies
- Use existing resources to pay for improvements
- Sell assets and use proceeds
- Pursue alternative revenues

2014 CIP Projects - Major Buildings Fund

MB-043	Facility Improvements/Maintenance - Fire Stations	286,000
MB-050	Facility Improvements/Maintenance - Police Station	20,000
MB-051	Facility Improvements/Maintenance - Civic Center	7,000
MB-052	Facility Improvements/Maintenance - Public Works	417,000
MB-054	Facility Improvements/Maintenance - Main Street Station	15,000
MB-061	ADA/Safety Improvements	50,000
MB-100	Building Project Contingency	40,000

Total: 835,000

MAJOR BUILDINGS FUND

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	170,739	298,993	298,993	446,993	111,993	326,993
3	<u>Revenue</u>						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	37	-	-	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	265,091	350,000	350,000	500,000	500,000	500,000
13	Total Revenue	265,128	350,000	350,000	500,000	500,000	500,000
14	<u>Expenses</u>						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	7,000	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-	-
20	Controlled Assets	136,874	352,000	202,000	426,000	125,000	60,000
21	Capital Assets	-	-	-	402,000	160,000	290,000
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	136,874	352,000	202,000	835,000	285,000	350,000
24	Net Change	128,254	(2,000)	148,000	(335,000)	215,000	150,000
25	Ending Fund Balance	298,993	296,993	446,993	111,993	326,993	476,993

Noteworthy Changes from 2013 and Other Explanations

- Other Financial Resources (row 12) reflects transfers from the Capital Fund.
- Controlled Assets (row 20) and Capital Assets (row 21) reflect expenditures for projects on Village facilities.

REAL ESTATE FUND

Fund Type: Capital Fund
Fund Number: 226

Accounts for all financial activity related to the non-operational Village owned parcels

Description- This fund tracks property management activities for all non-operational Village owned parcels including the Fairview and Main Street train stations and commercial property within the Central Business District that was purchased for redevelopment purposes.

Recent History and Trends- Revenues are from the leases at the Main Street Station and the commercial property.

	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1						
2	Beginning Fund Balance	265,832	251,475	251,475	197,541	38,364
3	Revenue					
4	Local Taxes	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-
7	Sales	-	-	-	-	-
8	Fees, Charges & Fines	67,689	67,740	63,676	20,400	20,400
9	Grants	-	-	-	-	-
10	Interest & Claims	35	-	12	-	-
11	Contributions	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-
13	Total Revenue	67,724	67,740	63,688	20,400	20,400
14	Expenses					
15	Personnel	-	-	-	-	-
16	Supplies	1,125	4,000	4,000	4,000	2,000
17	Professional Services	1,236	3,000	2,480	3,000	3,000
18	Other Contractual Services	20,729	66,600	52,901	27,000	15,000
19	Claims, Grants, & Debt	5,951	7,200	5,196	6,500	5,700
20	Controlled Assets	-	-	-	-	-
21	Capital Assets	-	65,000	-	-	65,000
22	Other Financial Uses	53,040	53,045	53,045	53,045	15,732
23	Total Expenses	82,081	198,845	117,622	93,545	106,432
24	Net Change	(14,357)	(131,105)	(53,934)	(73,145)	(11,232)
25	Ending Fund Balance	251,475	120,370	197,541	124,396	38,364

Noteworthy Changes from 2013 and Other Explanations

- Fees, Charges & Fines (row 8) reflects lease payments. The 5117 Main Street building will not be leased in 2014.
- Other Contractual Services (row 18) included in this line are utilities and building maintenance services.
- Capital Assets (row 21) The roof replacement at the Main Street Train Station was deferred until 2015 after repairs were made in 2013 that extended its useful life.
- Other Financial Uses reflects transfers for costs from the Building Services Department.

DEBT SERVICE FUND FAIRVIEW AVE

Fund Type: Debt Service Fund
Fund Number 337

To account for the financial activity of
the Fairview Avenue Debt Service

Description- This fund is used to track revenues and expenditures associated with debt service payments on the \$3.0 million 1998 series General Obligation Bond Issue for the reconstruction of Fairview Avenue from 63rd Street to 75th Street. Revenues for this fund are derived from a portion of the gasoline tax levied on fuel purchased at the retail level in Downers Grove. Expenses in this fund are for principal and interest payments made on a semi-annual basis.

Recent History and Trends- These bonds were refunded in 2009 to take advantage of favorable interest rates. In FY13 the Village was upgraded to a AAA bond rating with a stable outlook. Local gasoline tax revenue, which is the dedicated funding source for this fund, is projected to remain below historical averages.

	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1						
2	Beginning Fund Balance	4,238	7,054	7,054	11,054	19,054
3	Revenue					
4	Local Taxes	202,816	186,000	204,000	204,000	55,946
5	License & Permit Revenues	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-
7	Sales	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-
9	Grants	-	-	-	-	-
10	Interest & Claims	-	-	-	-	-
11	Contributions	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-
13	Total Revenue	202,816	186,000	204,000	204,000	55,946
14	Expenses					
15	Personnel	-	-	-	-	-
16	Supplies	-	-	-	-	-
17	Professional Services	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-
19	Claims, Grants, & Debt	200,000	200,000	200,000	200,000	75,000
20	Controlled Assets	-	-	-	-	-
21	Capital Assets	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-
23	Total Expenses	200,000	200,000	200,000	200,000	75,000
24	Net Change	2,816	(14,000)	4,000	4,000	(19,054)
25	Ending Fund Balance	7,054	(6,946)	11,054	19,054	-

Noteworthy Changes from 2013 and Other Explanations

- Local Taxes (row 4) reflects the local gasoline tax. This revenue has been declining.
- Claims, Grants, & Debt (row 19) reflects the debt payments. This debt series expires in 2016.

DEBT SERVICE FUND DOWNTOWN TIF

Fund Type: Debt Service Fund
Fund Number 338

*To account for the financial activity of
the Downtown TIF Debt Service*

Description- The Downtown TIF Debt Service Fund is used to account for the principal and interest payments associated with all of the Village's outstanding debt series related to the improvements in the downtown TIF. The Village has sold general obligation bonds for a variety of reasons dating back to the mid-nineties for downtown improvements including the replacement of infrastructure and the construction of the parking facility.

Recent History and Trends- In FY14 revenues from this fund are derived from property tax increment from the Downtown TIF Fund and the Parking Fund. No property taxes will be levied in 2014 to pay the downtown TIF debt service payments. There has been no levy for this debt service since 2008. These series of bonds have been refunded over the past several years to take advantage of favorable interest rates. In FY13, the Village was upgraded to a AAA bond rating with a stable outlook.

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	742,280	542,445	542,445	542,500	542,500	542,500
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	165	-	55	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	2,673,313	2,814,126	2,814,126	3,317,751	3,377,182	3,279,881
13	Total Revenue	2,673,478	2,814,126	2,814,181	3,317,751	3,377,182	3,279,881
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	2,873,313	2,814,126	2,814,126	3,317,751	3,377,182	3,479,881
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	2,873,313	2,814,126	2,814,126	3,317,751	3,377,182	3,479,881
24	Net Change	(199,835)	-	55	-	-	(200,000)
25	Ending Fund Balance	542,445	542,445	542,500	542,500	542,500	342,500

Noteworthy Changes from 2013 and Other Explanations

- Other Financial Resources (row 12) reflects transfers from the Downtown TIF Fund and the Parking Fund for TIF debt payments.
- Claims, Grants, & Debt (row 19) reflects the debt payments.

DEBT SERVICE FUND CAPITAL

Fund Type: Debt Service Fund
Fund Number 339

*To account for the financial activity of
Capital Debt Service*

Description- The Capital Debt Service Fund is used to account for the principal and interest payments associated with all of the Village's outstanding debt related to the Fire Station 2 and the roadway improvements.

Recent History and Trends- In FY12 the Village issued \$25 million in bonds for roadway improvements. In FY13, the Village was upgraded to a AAA bond rating with a stable outlook.

	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1						
2	Beginning Fund Balance	-	-	-	-	-
3	Revenue					
4	Local Taxes	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-
7	Sales	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-
9	Grants	-	-	-	-	-
10	Interest & Claims	-	-	-	-	-
11	Contributions	-	-	-	-	-
12	Other Financial Resources	4,163,871	3,632,546	3,632,546	3,220,977	3,208,327
13	Total Revenue	4,163,871	3,632,546	3,632,546	3,220,977	3,208,327
14	Expenses					
15	Personnel	-	-	-	-	-
16	Supplies	-	-	-	-	-
17	Professional Services	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-
19	Claims, Grants, & Debt	4,163,871	3,632,546	3,632,546	3,220,977	3,208,327
20	Controlled Assets	-	-	-	-	-
21	Capital Assets	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-
23	Total Expenses	4,163,871	3,632,546	3,632,546	3,220,977	3,208,327
24	Net Change	-	-	-	-	-
25	Ending Fund Balance	-	-	-	-	-

Noteworthy Changes from 2013 and Other Explanations

- Other Financial Resources (row 12) reflects transfers from the Capital Fund for debt payments.
- Claims, Grants, & Debt (row 19) reflects the debt payments.

DEBT SERVICE SUMMARY

	Series 2008B	Series 2009	Series 2010A	Series 2010B	Series 2013A	Subtotal TIF
Type	G.O.	G.O.	G.O.	G.O.	G.O.	
Auth. Issue	3,900,000	9,030,000(a)	5,805,000	5,150,000	8,360,000	
Outstanding Principal	2,205,000	5,435,000	5,575,000	5,150,000	9,200,000(b)	27,565,000
Purpose	Refund '99, '00, '03 Bonds	Refund 2003 Bonds	Refund '00, '01 Bonds	Refund 2002 Bonds	Refund 2005 Bonds	
Funding Source	TIF Increment (Prop. Taxes)					
Remaining Debt Service Payments (Principal & Interest):						
FY 2014	153,788	1,112,400	490,513	394,800	985,342	3,136,843
FY 2015	108,000	832,250	405,138	566,100	1,358,400	3,269,888
FY 2016	108,000	959,263	385,550	416,800	1,537,850	3,407,463
FY 2017	108,000	1,033,026	434,925	741,600	1,621,550	3,939,101
FY 2018	108,000	1,028,388	413,200	840,900	1,796,900	4,187,388
FY 2019	108,000	1,025,100	538,000	949,900	1,817,563	4,438,563
FY 2020	1,136,624	-	1,710,400	1,058,200	825,187	4,730,411
FY 2021	1,132,624	-	2,757,250	1,234,200	-	5,124,074
Totals	2,963,036	5,990,427	7,134,976	6,202,500	9,942,792	32,233,731

	Series 2009	Series 2007	Series 2008A	Series 2012A	Series 2012B	Total
Type	G.O.	G.O.	G.O.	G.O.	G.O.	
Auth. Issue	(a)	9,250,000	25,000,000	10,000,000	25,000,000	
Outstanding Principal	400,000	7,730,000	16,245,000	9,530,000	23,010,000	84,480,000
Purpose	Fairview Ave. Improvements	Construct Fire Station #2	Stormwater Improvements	Water System Maintenance	Road Improvements	
Funding Source	\$.015/gallon Gasoline Tax	Capital Proj. Fund Revenues	Stormwater Utility Revenues	Water Fund Revenues	Capital Proj. Fund Revenues	
Remaining Debt Service Payments (Principal & Interest):						
FY 2014	200,000	700,108	1,144,800	669,725	2,520,869	8,372,345
FY 2015	200,000	691,308	1,146,187	673,250	2,517,019	8,497,652
FY 2016	75,000	688,758	1,146,087	671,400	1,250,869	7,239,577
FY 2017	-	684,051	1,145,387	674,175	1,247,944	7,690,658
FY 2018	-	682,345	1,144,087	671,575	1,249,494	7,934,889
FY 2019	-	684,748	1,140,038	673,600	1,245,519	8,182,468
FY 2020	-	686,268	1,142,913	670,250	1,246,019	8,475,861
FY 2021	-	677,085	1,139,663	671,525	1,245,919	8,858,266
FY 2022	-	681,835	1,140,288	672,350	1,245,218	3,739,691
FY 2023	-	685,335	1,139,663	672,725	1,243,918	3,741,641
FY 2024-2028	-	3,421,508	5,680,047	3,353,937	6,224,593	18,680,085
FY 2029-2033	-	-	5,658,875	2,666,638	6,202,628	14,528,141
FY 2034-2038	-	-	5,632,371	-	6,177,400	11,809,771
Totals	475,000	10,283,349	28,400,406	12,741,150	33,617,409	117,751,045

(a) These two bond issuances were refinanced together in 2009.

(b) \$840,000 is 1/1/2014 principal payment from the refunded bonds

DEBT SERVICE SUMMARY

	Series 2008B	Series 2009	Series 2010A	Series 2010B	Series 2013A	Subtotal TIF
Type	G.O.	G.O.	G.O.	G.O.	G.O.	
Auth. Issue	3,900,000	9,030,000(a)	5,805,000	5,150,000	8,360,000	
Outstanding Principal	2,205,000	5,435,000	5,575,000	5,150,000	9,200,000(b)	27,565,000
Purpose	Refund '99, '00, '03 Bonds	Refund 2003 Bonds	Refund '00, '01 Bonds	Refund 2002 Bonds	Refund 2005 Bonds	
Funding Source	TIF Increment (Prop. Taxes)					
Remaining Debt Service Payments (Principal & Interest):						
FY 2014	153,788	1,112,400	490,513	394,800	985,342	3,136,843
FY 2015	108,000	832,250	405,138	566,100	1,358,400	3,269,888
FY 2016	108,000	959,263	385,550	416,800	1,537,850	3,407,463
FY 2017	108,000	1,033,026	434,925	741,600	1,621,550	3,939,101
FY 2018	108,000	1,028,388	413,200	840,900	1,796,900	4,187,388
FY 2019	108,000	1,025,100	538,000	949,900	1,817,563	4,438,563
FY 2020	1,136,624	-	1,710,400	1,058,200	825,187	4,730,411
FY 2021	1,132,624	-	2,757,250	1,234,200	-	5,124,074
Totals	2,963,036	5,990,427	7,134,976	6,202,500	9,942,792	32,233,731

	Series 2009	Series 2007	Series 2008A	Series 2012A	Series 2012B	Total
Type	G.O.	G.O.	G.O.	G.O.	G.O.	
Auth. Issue	(a)	9,250,000	25,000,000	10,000,000	25,000,000	
Outstanding Principal	400,000	7,730,000	16,245,000	9,530,000	23,010,000	84,480,000
Purpose	Fairview Ave. Improvements	Construct Fire Station #2	Stormwater Improvements	Water System Maintenance	Road Improvements	
Funding Source	\$.015/gallon Gasoline Tax	Capital Proj. Fund Revenues	Stormwater Utility Revenues	Water Fund Revenues	Capital Proj. Fund Revenues	
Remaining Debt Service Payments (Principal & Interest):						
FY 2014	200,000	700,108	1,144,800	669,725	2,520,869	8,372,345
FY 2015	200,000	691,308	1,146,187	673,250	2,517,019	8,497,652
FY 2016	75,000	688,758	1,146,087	671,400	1,250,869	7,239,577
FY 2017	-	684,051	1,145,387	674,175	1,247,944	7,690,658
FY 2018	-	682,345	1,144,087	671,575	1,249,494	7,934,889
FY 2019	-	684,748	1,140,038	673,600	1,245,519	8,182,468
FY 2020	-	686,268	1,142,913	670,250	1,246,019	8,475,861
FY 2021	-	677,085	1,139,663	671,525	1,245,919	8,858,266
FY 2022	-	681,835	1,140,288	672,350	1,245,218	3,739,691
FY 2023	-	685,335	1,139,663	672,725	1,243,918	3,741,641
FY 2024-2028	-	3,421,508	5,680,047	3,353,937	6,224,593	18,680,085
FY 2029-2033	-	-	5,658,875	2,666,638	6,202,628	14,528,141
FY 2034-2038	-	-	5,632,371	-	6,177,400	11,809,771
Totals	475,000	10,283,349	28,400,406	12,741,150	33,617,409	117,751,045

(a) These two bond issuances were refinanced together in 2009.

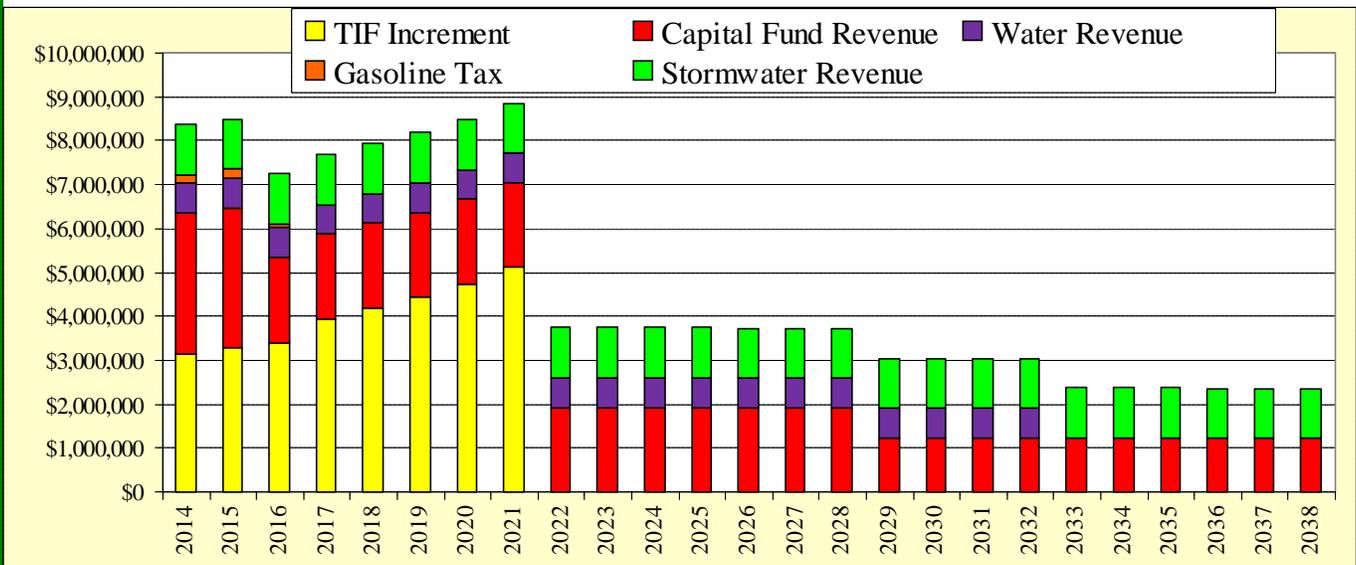
(b) \$840,000 is 1/1/2014 principal payment from the refunded bonds

DEBT SERVICE PAYMENTS

Future debt service payments are summarized below by Governmental and Business-type Activities.

	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2014	\$ 4,630,000	\$ 1,927,820	\$ 730,000	\$ 1,084,525	\$ 8,372,345
2015	\$ 4,830,000	\$ 1,848,215	\$ 760,000	\$ 1,059,437	\$ 8,497,652
2016	\$ 3,700,000	\$ 1,722,090	\$ 785,000	\$ 1,032,487	\$ 7,239,577
2017	\$ 4,275,000	\$ 1,596,096	\$ 815,000	\$ 1,004,562	\$ 7,690,658
2018	\$ 4,665,000	\$ 1,454,227	\$ 840,000	\$ 975,662	\$ 7,934,889
2019	\$ 5,070,000	\$ 1,298,830	\$ 870,000	\$ 943,638	\$ 8,182,468
2020	\$ 5,555,000	\$ 1,107,698	\$ 905,000	\$ 908,163	\$ 8,475,861
2021	\$ 6,185,000	\$ 862,078	\$ 940,000	\$ 871,188	\$ 8,858,266
2022	\$ 1,225,000	\$ 702,053	\$ 980,000	\$ 832,638	\$ 3,739,691
2023	\$ 1,270,000	\$ 659,253	\$ 1,020,000	\$ 792,388	\$ 3,741,641
2024-2028	\$ 7,055,000	\$ 2,591,101	\$ 5,750,000	\$ 3,283,984	\$ 18,680,085
2029-2033	\$ 4,645,000	\$ 1,557,628	\$ 6,395,000	\$ 1,930,513	\$ 14,528,141
2034-2038	\$ 5,600,000	\$ 577,400	\$ 4,985,000	\$ 647,371	\$ 11,809,771
	\$ 58,705,000	\$ 17,904,489	\$ 25,775,000	\$ 15,366,556	\$ 117,751,045

Debt Service Future Payments By Source



STORMWATER FUND

Fund Type: Enterprise Fund
Fund Number: 443

To account for revenues and expenses associated with operating the Village's stormwater system

Description- The Stormwater Fund accounts for all stormwater-related revenues and expenses including the maintenance of stormwater infrastructure and personnel expenses.

As an Enterprise Fund, the Stormwater Fund is supported solely through fees. Revenues are generated through utility bills every two months. Revenues generated by the fee will be used for the maintenance and operating costs of the stormwater infrastructure system, which consists of:

- Approximately 7,000 drainage structures
- 315 stormwater detention facilities
- 130 miles of storm sewer pipes
- 12 miles of streams
- 140 miles of roadway ditches
- 47,000 feet of culverts

Recent History and Trends- The Stormwater Fund was created in 2008 as a Capital Fund to address stormwater infrastructure needs. \$25 million was issued for Stormwater bonds in 2008 to pay for High-Priority projects identified in the Watershed Infrastructure Improvement Plan (WIIP). Revenues for this debt issuance were funded from Property Taxes and Home Rule Sales Tax. Between 2008 and 2013, the Village completed 26 stormwater management infrastructure projects at a cost of more than \$20.3 million. These projects included storm sewer rehabilitation and replacement, as well as new stormwater detention projects.

In 2013, the fund was converted into an Enterprise Fund when the Village created the stormwater utility. The stormwater utility is an equitable method of collecting revenue that assesses a fee to each property owner based on the property's impact to the stormwater system, measured by the impermeable surface on the property. The stormwater utility also provides credits and incentives to reduce the cost of the stormwater fee for property owners who take actions to reduce runoff from their property.

In FY13, the Village will collect approximately \$3.4 million in the stormwater fund, with net revenue of \$3.3 million after credits and incentives. Total expenditures in the fund will total \$7.3 million, reflecting debt service payments and spending down of existing fund balance, in addition to the use of the revenue collected in 2013 for capital and operations and maintenance.

FY14 Budget Considerations- In 2012, the Village worked with a consultant, the Municipal and Financial Services Group, to create a plan for the implementation of the stormwater utility. The plan called for a stormwater fee that would cover the cost of future capital projects, debt service related to those projects, and operations and maintenance costs.

Key Budget Considerations for the FY14 Budget include:

- Recommended fee increase - The FY14 proposed budget includes a stormwater utility fee increase of 10% or \$0.84 per equivalent runoff unit (ERU) per month. The increase is necessary to continue with the capital improvements and ongoing maintenance required for sustainability of the stormwater system. The increase also includes funding for the design and construction of projects recommended in the report issued after the April 2013 storm event.
- Project management staffing - The recommended fee increase includes funding for one additional stormwater engineer to meet the increased demand for project management and customer service related to stormwater and drainage projects.

STORMWATER FUND

	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1						
2	Beginning Cash Balance	16,195,647	14,353,402	14,353,402	10,495,087	143,115
3	Revenue					
4	Local Taxes	4,492,857	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-
7	Sales	-	-	3,344,400	-	-
8	Fees, Charges & Fines	-	3,314,976	-	3,502,720	4,236,357
9	Grants	17,495	-	-	-	-
10	Interest & Claims	40,417	20,000	35,000	5,000	1,000
11	Contributions	168,247	50,000	100,000	50,000	50,000
12	Other Financial Resources	203,718	-	-	-	-
13	Total Revenue	4,922,734	3,384,976	3,479,400	3,557,720	4,287,357
14	Expenses					
15	Personnel	509,789	1,028,363	1,005,145	1,099,546	1,171,795
16	Supplies	58,527	69,695	68,245	69,895	69,895
17	Professional Services	55,996	97,662	145,049	136,639	136,962
18	Other Contractual Services	192,359	163,500	152,500	220,949	386,746
19	Claims, Grants, & Debt	9,851	1,571,377	1,571,377	1,523,884	1,533,552
20	Controlled Assets	566,781	2,474,500	2,167,992	886,000	1,306,500
21	Capital Assets	1,283,492	552,000	2,227,407	8,662,000	1,655,000
22	Other Financial Uses	3,463,763	-	-	-	-
23	Total Expenses	6,140,558	5,957,097	7,337,715	12,598,913	6,260,450
24	Net Change		(2,572,121)	(3,858,315)	(9,041,193)	(1,973,093)
25	Ending Fund Balance	14,353,402	11,781,281	10,495,087	1,453,894	(1,829,978)

Noteworthy Changes from 2013 and Other Explanations

- Fees, Charges & Fines (row 8) reflects gross stormwater fees of \$3,828,000 net of credits of \$180,000 and incentives of \$20,000 for a total of \$3,628,000 in 2014.
- Contributions (row 8) are Developer Contributions for Site Run-off.
- Personnel (row 15): There are 12 employees in this fund- 4 Maintenance Worker I, 2 Maintenance Worker II, a Stormwater Administrator, 4 Staff Engineers, 1/2 GPS Technician, and 1/2 GIS Technician.
- Supplies (row 16) includes costs of drainage inlets, drainage structures, backfill material, pipes, restoration material.
- Professional Services (row 17) is primarily for engineering services.
- Other Contractual Services (row 18) includes roadway ditch cleaning, street sweeping, catch basin restoration and hauling. These maintenance activities are being increased according to the Stormwater Master Plan.
- Claims, Grants & Debt (row 19) includes \$1.1 million for stormwater debt plus transfers for fleet maintenance and equipment.
- Controlled Assets (row 20) and Capital Assets (row 21) is for capital projects in the CIP.
- Other Financial Uses (row 22): Prior to becoming a utility in 2013, this reflected the transfer to the debt service fund for the Stormwater debt which is now in row 19.

STORMWATER FUND

2014 CIP Projects - Stormwater

DR-011	Streambank Stabilization, St Joseph Creek, North Branch	8,000
DR-022	Streambank Improvements, St Joseph Creek, South Branch	10,000
DR-032	Drainage Improvement - Cumnor Rd,between Sheldon and Chicago	50,000
DR-035	Valley View Pond Improvements	80,000
DR-037	Existing Drain Tile Investigation	25,000
DR-039	Prentiss Creek (Sub E), Kensington Place Online Storage	250,000
DR-040	Watershed Improvements, Lacey Creek, Sub G	413,000
SW-033	Watershed Improvements, St Joseph Creek, North Branch Sub C	3,900,000
SW-035	Watershed Improvements, St Joseph Creek, South Branch Sub J	5,000
SW-039	Watershed Improvements, Prentiss Creek, Sub B (DG Estates)	800,000
SW-040	Watershed Improvements, PrentissCreek, Sub C (DG Estates)	800,000
SW-041	Drainage Improvements, 40th and Washington	660,000
SW-042	Watershed Improvements, St Joseph Creek, North Branch Sub E	345,000
SW-051	Neighborhood Drainage Improvements Cost-Share Program	50,000
SW-052	Drainage Improvements, Brook Drive & Centre Circle	500,000
SW-053	Drainage Improvements, Clyde Estates	50,000
SW-056	Headwall Replacement, Hill and Grand	205,000
SW-057	Headwall Replacement, Gilbert and Brookbank	60,000
SW-063	Drainage Improvements at Fire Station #3	2,000
SW-067	Lacey Creek (Sub G) - 35th St. between Saratoga and Venard	55,000
SW-069	Green Streets/Sustainable Storm Water Program	65,000
SW-070	Storm Sewer Replacement, Annual Element	500,000
SW-073	Downtown Business District Water Quality Enhancements	50,000
SW-078	Headwall Replacement, Grand at 55th Street	65,000
SW-080	Analysis of Identified Future Drainage and Floodplain Improvements	600,000
Totals:		9,548,000

STORMWATER FUND

Before and After Pictures-St. Josephs Creek South



PARKING FUND

Fund Type: Enterprise Fund
Fund Number: 471

To account for revenues and expenses associated with maintaining the parking deck and all on/off-street parking facilities

Description- The Parking Fund accounts for all parking-related revenues and expenses including parking enforcement, utilities for the parking deck, maintenance costs and infrastructure.

As an Enterprise Fund, the Parking Fund is supported through fees for parking and parking tickets. The Main Street, Belmont Road and Fairview train stations provide Metra rail service from Aurora to Chicago. Parking is available at all three stations through a combination of permits, daily parking and parking meters.

Recent History and Trends - In 2011 a Parking Study was undertaken to provide a comprehensive review of current and future parking needs in the downtown. The Village has begun implementing recommendations from this study and will continue to do so after review of specific items by the Transportation and Parking Commission (TAP) and approval by the Village Council.

In 2011 the Village purchased a License Plate Recognition System which integrates vehicle-mounted cameras with software on an in-vehicle laptop computer to digitally process images of license plates on parked vehicles. This allows the officer to quickly identify vehicles that are parked in violation of regulations and enable more checks per day for more effective and efficient enforcement efforts. It has also resulted in the reduction of two Parking Enforcement Officers. The Village also implemented a pay-by-phone option for daily parking that allows customers to bypass the pay stations and pay for their parking space by phone or via their mobile device.

In 2013 the Village increased parking fees at all commuter lots effective July 2013. The Village also purchased two additional pay units to increase customer service. One unit was placed in the Downtown Parking Deck and the other at the Belmont train station. In 2013 the Village changed pay-by-phone vendors to increase the level of customer service commuters received. Parking fee increases will continue to coincide with the annual update of the Village's fee schedule into the future.

2014 CIP Projects - Parking Fund		
P-001	Parking Lot Improvements, Lot G, West of Belmont	90,000
P-005	Parking Lot Improvements, Lot H	1,400,000
P-010	Parking Lot Improvements, Annual Element	130,000
P-013	Parking Deck Maintenance	50,000
P-017	Forest North Lot Reconstruction	100,000
P-018	Electric Vehicle Charging Stations	12,000
Totals		1,782,000

PARKING FUND

	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1						
2	Beginning Cash Balance	1,276,566	1,149,198	1,149,198	1,218,133	426,606
3	Revenue					
4	Local Taxes	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-
6	Intergovernmental Revenues	46,875	-	-	-	-
7	Sales	1,169,524	1,174,000	1,288,300	1,290,000	1,290,000
8	Fees, Charges & Fines	95,094	110,000	106,195	110,000	110,000
9	Grants	-	75,000	-	900,000	-
10	Interest & Claims	152	75	35	30	30
11	Contributions	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-
13	Total Revenue	1,311,645	1,359,075	1,394,530	2,300,030	1,400,030
14	Expenses					
15	Personnel	163,208	169,873	167,890	173,041	185,059
16	Supplies	10,391	10,488	9,988	9,788	9,788
17	Professional Services	54,083	42,493	60,350	73,084	73,084
18	Other Contractual Services	92,587	128,432	135,730	143,988	147,870
19	Claims, Grants, & Debt	5,724	19,542	19,542	18,101	18,334
20	Controlled Assets	67,945	310,000	72,923	282,000	187,000
21	Capital Assets	23,893	175,000	25,000	1,500,000	-
22	Other Financial Uses	834,168	834,172	834,172	827,172	850,197
23	Total Expenses	1,251,999	1,690,000	1,325,595	3,027,174	1,464,413
24	Net Change		(330,925)	68,935	(727,144)	(64,383)
25	Ending Cash Balance	1,149,198	818,273	1,218,133	490,989	360,695

Noteworthy Changes from 2013 and Other Explanations

- Sales (row 7) reflects parking fees.
- Fees, Charges & Fines (row 8) reflects revenues from parking fines.
- Grants (row 9) reflect \$900,000 for Parking Lot Improvement, Lot H (P-005).
- Personnel (row 15): Charged to this fund 2.5 employees, 1 CSO I, and 1.5 CSO II.
- Professional Services (row 17) primarily includes charges for phone lines and increasing credit card processing fees.
- Other Contractual Services (row 18) includes utilities in the Parking Deck, plus maintenance services (security cameras, pay stations, parking fare terminals, deck).
- Claims, Grants, & Debt (row 19) includes transfers for fleet, equipment, and risk.
- Controlled Assets (row 20) and Capital Assets (row 21) is for capital projects in the CIP.
- Other Financial Uses (row 22) includes a transfer for debt service of \$300,000 for the Parking Deck and Administrative Transfers.

WATER FUND

A fund to account for all revenues and expenses associated with the delivering water to customers

Fund Type: Enterprise

Fund Number: 481

Description- The Water Fund accounts for all water-related revenues and expenses including the purchase of water, maintenance of water distribution infrastructure and personnel expenses. As an Enterprise Fund, the Water Fund is supported solely through fees for water sales and services. Revenues are generated through bi-monthly utility bills. The Village purchases water from the DuPage Water Commission (DWC), an independent unit of government responsible for providing Lake Michigan water to municipalities and other customers in DuPage County. The Village, along with 23 other municipalities, entered into a wholesale water purchase agreement with the Water Commission in 1986.

Recent History and Trends- In 2010 the Village conducted a water rate study with the assistance of the consultant Municipal & Financial Services Group. 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 and increased rates in 2011, 2012 and 2013. In 2012, the Village issued \$10 million in bonds to construct replacement watermains throughout the system. The debt service payments on the bonds will be funded by the revenue from water rates. In 2013 the Village replaced watermains on Washington Street, Wisconsin Avenue, in the Esterbrook Subdivision and in other areas throughout the Village.

Long-Range Plan- Issues and strategies were identified by the Village Council in the 2012 Long-Range Financial Plan.

Issues identified:

- Water rates as of 2010 were not generating adequate revenues to cover the costs of operating and maintaining the water system. In 2010 the Village Council approved a Water Rate Study Report which included the actions and strategies below.

Actions taken:

- The Village adopted a new water rate structure in 2011 that increased rates and added a fixed meter charge
- Continued to complete necessary capital improvements and on-going maintenance

Strategies identified:

- Continue water rate increases- The plan for the Village's water utility calls for a 14% increase in water rates to cover the cost of increased maintenance of the water system. Due to lower-than-anticipated costs in operations and maintenance projects that have allowed the Village to build a strong fund balance, the FY14 proposed budget reduces the recommended increase from 14% to 7%. The fixed meter charge will be increased as anticipated, but the increase to the per-unit charge will not be as high as previously recommended.

2014 CIP Projects - Water Fund

WP-006	Storage Building Rehabilitation, Maple Tower	50,000
WP-008	Water System Security Enhancements	250,000
WP-010	Water Facility Maintenance, Annual Element	100,000
WP-011	Existing Well Rehab	50,000
WA-006	Watermain Replacement, Maple Avenue & 55th Street	525,000
WA-019	Watermain Replacement, Esterbrook Subdivision, Unit 1	825,000
WA-028	Watermain Replacement, Annual Element	3,000,000
WA-037	AMR MTU Replacement	100,000
Total:		4,900,000

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Cash Balance	2,188,604	9,047,042	9,047,042	7,347,241	3,633,818	11,433,537
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	2,128	2,881	1,000	2,968	2,975	2,985
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	11,931,829	13,155,110	12,728,595	13,424,387	14,957,424	16,236,390
8	Fees, Charges & Fines	336,916	111,882	187,400	158,500	163,500	168,500
9	Grants	80,225	400,000	(12,800)	-	-	-
10	Interest & Claims	19,209	40,000	21,000	10,000	10,000	10,000
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	10,000,000	-
13	Total Revenue	12,370,307	13,709,873	12,925,195	13,595,855	25,133,899	16,417,875
14	Expenses						
15	Personnel	1,437,576	1,322,050	1,338,896	1,387,960	1,436,023	1,478,731
16	Supplies	6,415,616	7,391,693	6,956,681	8,124,225	9,357,750	10,127,532
17	Professional Services	245,398	201,678	171,240	203,888	193,791	201,801
18	Other Contractual Services	425,654	531,332	526,034	583,839	585,859	586,879
19	Claims, Grants, & Debt	503,043	1,121,266	1,117,314	981,404	999,601	998,635
20	Controlled Assets	1,211	211,500	403,436	471,500	221,500	121,500
21	Capital Assets	935,799	6,170,000	3,004,933	4,450,000	3,400,000	3,500,000
22	Other Financial Uses	1,106,460	1,106,462	1,106,462	1,106,462	1,139,656	1,173,846
23	Total Expenses	11,070,757	18,055,981	14,624,996	17,309,278	17,334,180	18,188,924
24	Net Change		(4,346,108)	(1,699,801)	(3,713,423)	7,799,719	(1,771,049)
25	Ending Cash Balance	9,047,042	4,700,934	7,347,241	3,633,818	11,433,537	9,662,488

MAJOR CHANGES FROM FY13 AND OTHER NOTES

- Sales (row 7) is from the sale of water.
- Fees Charges & fines (row 8) is from commercial water permit activity.
- Other Financial Resources (row 12) is the anticipated issuance in 2015 of \$10.0 million.
- Personnel (row 15): There are 14.25 employees in this fund 1 Water Billing Specialist, 3/4 Admin Secretary II, 1/4 Accounting Supervisor, 1/4 GPS Technician, 6 Maintenance Worker I, 2 Maintenance Worker II, 1 Manager, 1 PW Technician, 1/2 Staff Engineer, 1 Water Supply Specialist, 1/2 FTE Seasonal employees.
- Supplies (row 16): The purchase of water from the DWC is in this account.
- Professional Services (row 17) includes water tower inspections, backflow/cross connections control, water samples and leak detection.
- Other Contractual Services (row 18) includes large meter testing, water valve assessment, hydrant inspection and painting, and street/parkway restoration.
- Claims, Grant, & Debt (row 19) reflects debt payments, plus transfers for costs for fleet maintenance, equipment, and risk.
- Controlled Assets (row 20) and Capital Assets (row 21) are primarily for capital projects in the CIP.
- Other Financial Uses (row 22) is for Administrative Transfers.

EQUIPMENT REPLACEMENT

Fund Type: Internal Service Fund
Fund Number: 530

Provides a systematic method of replacing equipment and leveling the costs of replacing such equipment

Description- This fund provides a dedicated funding source for equipment that is replaced on a routine basis. It allows for items to be replaced when they need to be versus when funds are available. Village departments “pre-fund” for equipment purchases by making payments to this fund for equipment that they use. This fund is used to purchase vehicles, computer equipment and fire equipment.

Each year, the schedule of equipment to be replaced is assessed to determine if an item should be replaced or deferred to a future year. Vehicles and equipment budgeted to be purchased in FY 2014 total \$1,465,480.

Recent History and Trends- The Village identified strategies to maximize the impact of equipment replacement. The Village has identified operating efficiencies and continues to improve by replacing equipment at the optimum point in its lifecycle to avoid unplanned down time of equipment that is being repaired and prevent maintenance costs from increasing due to labor and replacement parts.

The Village currently owns 23 Compressed Natural Gas (CNG) vehicles including two 5-ton snow plows. The CNG vehicles in the fleet have a longer useful life than vehicles that run on diesel and unleaded fuel, since they run cleaner and more efficiently. This also results in savings on maintenance.

The Village also implemented server virtualization in 2011. Server virtualization reduced the total number of servers from 28 to 12 and allowed the Village to operate more efficiently with fewer replacements and lower maintenance costs over time. It also allowed for a better environment for Disaster Recovery.

Moving forward, the Village will continue to purchase CNG and other alternative fuel vehicles, monitor trends in computer hardware to find other opportunities for cost savings, and explore new avenues to increase efficiencies.



EQUIPMENT REPLACEMENT

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Cash Balance	1,421,874	1,404,576	1,404,576	1,165,625	1,009,830	766,828
3	<u>Revenue</u>						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	12,000	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	1,186,660	1,250,478	1,250,478	1,280,485	1,311,218	1,341,374
9	Grants	-	-	-	-	-	-
10	Interest & Claims	310	200	100	200	200	200
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	55,070	29,000	29,000	29,000	29,000	29,000
13	Total Revenue	1,254,040	1,279,678	1,279,578	1,309,685	1,340,418	1,370,574
14	<u>Expenses</u>						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-	-
20	Controlled Assets	311,973	27,900	100,278	249,300	146,420	416,865
21	Capital Assets	687,267	1,638,800	1,418,251	1,216,180	1,437,000	637,000
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	999,240	1,666,700	1,518,529	1,465,480	1,583,420	1,053,865
24	Net Change		(387,022)	(238,951)	(155,795)	(243,002)	316,709
25	Ending Cash Balance	1,404,576	1,017,554	1,165,625	1,009,830	766,828	1,083,537

Noteworthy Changes from 2013 and Other Explanations

- Fees, Charges & Fines (row 8) reflects charges to Village departments for their costs of equipment.
- Other Financial Resources (row 12) reflects the proceeds on disposal of equipment.
- Controlled Assets (row 20) and Capital Assets (row 21) reflects the equipment purchases.

EQUIPMENT REPLACEMENT

Cost Center	Unit #	Description	Life	Budget
<u>Vehicle Replacements</u>				
Public Works	31	2007 Tennant Floor Scrubber	7	\$ 45,000
Public Works	199	2001 Ford F150 Pick-Up	13	\$ 35,000
Public Works	292	1998 Intern'l 5 Ton Dump Body	16	\$ 60,000
Public Works	297	2000 Ford F350 1 Ton Dump	13	\$ 110,000
Public Works	298	2000 Ford F350 1 Ton Dump	13	\$ 110,000
Public Works	654	2001 Ford F150 Pick-Up	13	\$ 35,000
Public Works	655	2001 Ford F150 Pick-Up	13	\$ 35,000
Police	815	2007 Crown Victoria Sedan	7	\$ 27,000
Police	830	2010 Crown Victoria Sedan	4	\$ 35,000
Police	831	2010 Crown Victoria Sedan	4	\$ 35,000
Police	843	2010 Crown Victoria Sedan	4	\$ 45,000
Police	844	2010 Crown Victoria Sedan	4	\$ 45,000
Police	854	2008 Chevy Impala	7	\$ 45,000
Police	868	2001 Chevy G2500 Van	11	\$ 35,000
Fire	928	2006 Ford Expedition	8	\$ 50,000
Fleet	30	1998 CAT GP 25 Forklift	16	\$ 20,000
Fleet		CNG Storage Sphere for Fueling	20	\$ 35,000
Fleet		4 Lift Stations	15	\$ 30,000
Subtotal				\$ 832,000
<u>Technology Replacements</u>				
Various		Replacement Firewall	10	\$35,000
Police		Telestaff	5	\$ 7,500
Public Works		AMR	5	\$ 7,500
Fire		Upgrade Firehouse Software	20	\$53,000
Various		Laptops	4	\$ 9,600
Various		Desktops	4	\$ 43,000
Various		MS Office Upgrade	10	\$ 65,000
Village Hall		Virtual 4	10	\$ 15,000
Various		Interoperability Equipment	20	\$ 30,000
Various		Disaster Recovery	20	\$ 196,180
Subtotal				\$ 461,780
<u>Other</u>				
Fire		Power Cot Loading Systems	10	\$ 78,000
Fire		Thermal Imaging Camera	5	\$ 32,000
Fire		Turnout Gear	5	\$ 33,700
Fire		Portable Radios	5	\$ 28,000
Subtotal				\$ 171,700
TOTAL EQUIPMENT REPLACEMENT FUND EXPENSES				\$ 1,465,480



FLEET SERVICES FUND

Fund Type: Internal Service Fund
Fund Number: 531

Accounts for the costs of maintaining and operating the Village's fleet

Description- The Village provides services that require the use of vehicles and equipment. From fire and police to watermain repairs, services cannot be provided without a well-maintained and efficient fleet. To ensure this occurs, Public Works operates a garage for vehicle and equipment maintenance and repair. The Public Works facility also has a fueling station with pumps for Bio-Diesel, E-85, unleaded gas, and Compressed Natural Gas (CNG). The Village has a fleet of 185 vehicles and equipment. There are 7 employees in this fund (6.35 FTEs), a Fleet Services Manager, 5 Fleet Maintenance Technicians, a part-time Shop Assistant, and costs for an Administrative Secretary.

The primary revenue to this fund is from charges to Village departments for maintenance performed on their vehicles and equipment. The revenue budget is based on anticipated service requirements based on historical analysis.

Recent History and Trends- Past long-range planning processes identified several strategies for the Fleet Services fund.

Strategies identified:

- Increase Operating Efficiencies
- Continuous Improvement
- Culture of Lean
- Increase Use of Technology
- Capture Economy of Scale
- Enhance Revenues
- Reduce Net Operating Expenses

Fleet Operations staff have been proactive in developing and implementing innovative ideas aimed at maintaining and improving the fleet. Recently implemented ideas include nitrogen tire fills for all Village vehicles for improved gas mileage and longer life of tires, installing interior cab warming devices in snowplows to avoid idling in cold weather, installing a higher-capacity CNG station at Public Works to increase Village capacity for additional CNG vehicles, and heating of fleet operations with used motor oil. The Village has also installed solar heating panels on the side of the fleet facility, continued purchasing fuel-efficient vehicles as older vehicles are replaced, including the first 5-ton



CNG snowplow in the Midwest, and entered into intergovernmental agreements with SEASPAR, Park District, and District 58 for fleet maintenance. In spite of rising fuel prices, the Village has been able to contain costs due to a 6% reduction in fuel usage in 2012 and a 3% reduction in 2013 compared to 2011 levels.

FLEET SERVICES FUND

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Cash Balance	88,014	263,165	263,165	273,424	246,066	232,138
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	23,302	-	-	-	-	-
7	Sales	153,242	113,800	113,800	117,214	120,730	124,352
8	Fees, Charges & Fines	1,696,092	1,666,463	1,676,463	1,703,494	1,713,494	1,723,494
9	Grants	-	-	-	-	-	-
10	Interest & Claims	-	-	-	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	1,872,636	1,780,263	1,790,263	1,820,708	1,834,224	1,847,846
14	Expenses						
15	Personnel	586,461	636,074	616,084	650,616	676,208	695,595
16	Supplies	705,384	807,382	796,000	810,222	807,382	807,382
17	Professional Services	7,732	12,100	11,585	14,580	12,000	12,000
18	Other Contractual Services	89,344	122,285	121,340	132,285	122,285	122,285
19	Claims, Grants, & Debt	102,804	99,072	99,072	99,440	105,951	106,182
20	Controlled Assets	18,514	22,500	22,500	27,500	7,500	7,500
21	Capital Assets	39,451	-	-	-	-	-
22	Other Financial Uses	113,424	113,423	113,423	113,423	116,826	120,330
23	Total Expenses	1,663,114	1,812,836	1,780,004	1,848,066	1,848,152	1,871,274
24	Net Change		(32,573)	10,259	(27,358)	(13,928)	(23,428)
25	Ending Cash Balance	263,165	230,592	273,424	246,066	232,138	208,710

Noteworthy Changes from 2013 and Other Explanations

- Sales (row 7) reflects monies received from other government agencies for the joint purchasing of fuel.
- Fees, Charges & Fines (row 8) reflects charges to Village departments for their costs of vehicle maintenance and the fees charged to SEASPAR, District 58 and the Park District for the maintenance of their fleets.
- Personnel Costs (row 15) 1 Fleet Manager, 5 Fleet Maintenance Technicians, .6 Shop Assistant and .25 Administrative Secretary II.
- Supplies (row 16): Included in this line item is the cost of fuel.

RISK MANAGEMENT FUND

Fund Type: Internal Service Fund
Fund Number: 562

Accounts for all financial activity related to the Village's Risk Management program

Description- Beginning in FY14, the Risk Management Fund will account for financial activity related to the Village's workers' compensation and liability insurance program, management of all Village liability claims, as well as unanticipated costs of emergency and disaster response.

Prior the FY14, the Risk Management fund only accounted for financial activity related worker's compensation or liability claims and employee safety training programs. The change in strategies for the Risk Management fund will allow for more strategic use of reserves, increase transparency, and eliminate the negative fund balance in the Risk Fund.

The Village is self-insured for health insurance and risk. This means that it pays for claims (healthcare costs, workers compensation claims and other liabilities) on a cash basis, rather than by paying premiums to an insurance company. The Village sets aside money each year to pay for claims.

Recent History and Trends- As part of previous long-range planning efforts, the Village has taken steps to enhance employee safety and training while simultaneously reducing the cost of claims. These actions include:

- The creation of a risk-reduction program as a strategy for reducing personnel expenses
- Hired a full-time risk manager in 2011
- Reduced legal costs by using the Staff Attorney for workers' compensation claims
- Selected a new third-party claims administrator in 2011
- Selected a new broker and risk consultant in 2012
- Conducted a loss-control audit of Village departments
- Created an employee safety committee
- Implemented a supervisor safety training course
- Developed Village-wide risk management plan
- Brought Property and Casualty insurance program into concurrence with the Village's fiscal year calendar
- Established the Internal Risk Management Strategy team

FY 2014 Budget Considerations- During the Village's Long-Range Planning process, the Village Council directed staff to investigate other options that would allow for the strategic use of the Village's reserves. It is proposed that a transfer of \$4.2 million from the General Fund to the Risk Fund occur in FY13 as part of a new Risk Fund strategy. There will also be an expansion in the uses of Risk Fund monies.

This transfer of funds to the Risk Fund provides a more strategic use of reserves, increases transparency, and eliminates the negative fund balance. The primary benefit of the new strategy is to ensure the Village is prepared in the event of a major emergency without impacting ongoing operations and stabilize General Fund expenses for claims related to workers' compensation and liability.

The existing uses of the fund relate only to financial support for liability and workers compensation claims. The Risk Fund will continue to be used for those purposes as well as unanticipated costs of emergencies and disasters.

The following steps will be taken to implement the new strategy for the Risk Fund:

- Adopt a Council policy outlining the uses of Risk Fund reserves
- Transfer \$4.2 million from the General Fund into the Risk Fund

RISK MANAGEMENT FUND

	FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Proposed	FY2015 Projection	FY2016 Projection	
1							
2	Beginning Fund Balance	(340,860)	(1,727,096)	(1,727,096)	2,185,010	1,131,738	1,162,199
3	Revenue						
4	Local Taxes	-	-	-	-	-	
5	License & Permit Revenues	-	-	-	-	-	
6	Intergovernmental Revenues	-	-	-	-	-	
7	Sales	-	-	-	-	-	
8	Fees, Charges & Fines	1,659,036	1,459,000	1,463,100	1,466,853	1,561,130	
9	Grants	-	-	-	-	-	
10	Interest & Claims	13,151	30,000	10,020	30,000	30,000	
11	Contributions	-	-	-	-	-	
12	Other Financial Resources	200,000	-	4,200,000	-	-	
13	Total Revenue	1,872,187	1,489,000	5,673,120	1,496,853	1,591,130	1,591,130
14	Expenses						
15	Personnel	127,868	123,560	123,857	127,827	132,200	136,167
16	Supplies	645	550	550	600	600	600
17	Professional Services	53,501	76,120	76,120	87,785	86,620	86,620
18	Other Contractual Services	563,037	485,250	345,250	570,170	511,000	511,000
19	Claims, Grants, & Debt	2,513,372	800,237	1,215,237	1,680,243	830,249	830,255
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	83,500	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	3,258,423	1,485,717	1,761,014	2,550,125	1,560,669	1,564,642
24	Net Change		3,283	3,912,106	(1,053,272)	30,461	26,488
25	Ending Fund Balance	(1,727,096)	(1,723,813)	2,185,010	1,131,738	1,162,199	1,188,687

Noteworthy Changes from 2013 and Other Explanations

- Fees, Charges and Fines (row 8) reflects charges to Village departments.
- Other Financial Resources (row 12) is a transfer from the General Fund to increase fund balance
- Personnel Expenses (row 15) are costs for one Risk Manager.
- Professional Services (row 17) increase due to \$10,000 budgeted for additional safety training in 2014.
- Other Contractual Services (row 18) includes premiums for insurance coverage. In 2013 the Village changed to a calendar year renewal resulting in approximately 2/3 of premium costs in that year.
- Claims, Grants & Debt (row 19) Since the Village is self-insured, claims fluctuate based on accident history. Due to the various Risk Management initiatives, claims are expected to decrease in the out years.
- Capital Assets (row 21) shows the purchase of DriveCam software for Public Works vehicles as a part of the Village's safety program.

HEALTH INSURANCE FUND

Fund Type: Internal Service Fund
Fund Number: 563

Accounts for all financial activity related to the Village-administered health plan for employees and participating partner agencies

Description- The Health Insurance Fund accounts for financial activity related to the Village's self-insured medical, dental, vision and life insurance plans. Claims and program administration is managed through a combination of internal staff and contractual support. The Village provides coverage for the following entities in addition to eligible Village employees and retirees:

- Downers Grove Public Library
- Downers Grove Park District
- Economic Development Corporation

There is one employee in this fund, a Benefits Coordinator.

Long-Range Plan- Recent activity and future plans in this fund relate directly to the following General Fund LRFP strategies:

- Reduce personnel expenses
- Partner with others

The following describes how specific strategies and actions have improved results related to the issues as they apply to this fund.

Issues identified:

- Health insurance costs represent a significant personnel expense which, if not effectively managed, will continue to grow at the industry trend of 7-8% per year.

Strategies identified:

- Initiate and maintain an interdepartmental and inter-agency focus on improving employee well-being and driving down costs related to health insurance expenses.

Actions taken:

- Implemented plan design changes in 2010
- Converted to Blue Cross Blue Shield as the Village's health provider network in 2011
- Renewed Blue Cross/Blue Shield as the Village's Health Provider Network through 2014
- Created employee wellness initiative in 2012

Future actions:

- Implement fully insured program for retirees over 65 in FY14 to control costs
- Continue to work with health insurance consultant on wellness initiatives
- Continue implementation of requirements under Health Care Reform
- Build on partnerships to achieve strategies
- Create employee tiered premium costs

HEALTH INSURANCE FUND

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	551,924	302,420	302,420	244,643	249,702	392,572
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	1,856,996	1,945,000	2,132,200	2,132,200	2,134,300	2,139,400
8	Fees, Charges & Fines	4,480,956	4,456,397	4,522,558	4,697,536	5,049,928	5,205,528
9	Grants	-	-	-	-	-	-
10	Interest & Claims	404	-	400	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	6,338,356	6,401,397	6,655,158	6,829,736	7,184,228	7,344,928
14	Expenses						
15	Personnel	112,296	113,894	115,292	118,962	123,436	127,139
16	Supplies	-	760	760	760	760	760
17	Professional Services	484,599	488,592	492,800	398,382	407,490	457,518
18	Other Contractual Services	553,526	543,000	545,500	676,513	684,880	696,800
19	Claims, Grants, & Debt	5,359,379	5,175,521	5,480,521	5,551,998	5,744,379	5,853,213
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	78,060	78,062	78,062	78,062	80,413	82,816
23	Total Expenses	6,587,860	6,399,829	6,712,935	6,824,677	7,041,358	7,218,246
24	Net Change		1,568	(57,777)	5,059	142,870	126,682
25	Ending Fund Balance	302,420	303,988	244,643	249,702	392,572	519,254

Noteworthy Changes from 2013 and Other Explanations

- Sales (row 7) reflects employee portion of premium plus payments from the Library, Park District, and EDC.
- Fees, Charges & Fines (row 8) reflects employer (the Village of Downers Grove) contribution for employee health premiums.
- Personnel (row 15): Charged to this fund is the Benefits Coordinator in the Human Resources Department.
- Professional Services (row 17) primarily includes costs for the plan administration, the health insurance consultant, Employee Assistance Program (EAP), and the wellness initiative. The decrease in 2014 is from a reduction in the BCBS claims administration fee for retirees that will move to the fully insured plan.
- Other Contractual Services (row 18) is for premiums for stop-loss coverage, Life, LTD and AD&D and Vision. 2014 reflects costs for a new fully insured program for retirees over age 65. These employees were previously part of the self-insured program.
- Claims, Grants, & Debt (row 19) reflects claims paid by the Village's self-insured plan through the Blue Cross Blue Shield network and for dental claims through Delta Dental.

POLICE PENSION FUND

Fund Type: Trust & Agency Fund
Fund Number: 651

A designated trust fund for the safe-keeping and operations of the local Police Pension system

Description- Sworn police officers participate in the Police Pension Plan. The plan provides retirement benefits as well as death and disability benefits. It is a single-employer defined benefit plan whose benefits and employee and employer contribution levels are mandated by the State of Illinois.

As of the 2012 audit, the Police Pension Plan has \$41.4 million in assets and was 59% funded. Pensions are funded by employees contributions of 9.91% of pay, earnings on fund investments, and the Village contribution is based upon actuarial tax levy estimates from an independent actuary through a property tax levy. The Village contributes 100% of the annual required contribution (ARC) each year.

The fund is administered by a separate Police pension board, composed of two active officers, one retired officer, two appointees of the Mayor, and the Treasurer of the Village is an ex-officio member. The pension fund investments are managed by professional investment managers.

Long-Range Plan- Previous long-range planning sessions identified reducing personnel expenses as a high priority. The following describes how specific strategies and actions have improved results related to the issues as they apply to this fund.

Issues identified:

- Personnel expenses comprise close to 80% of the General Fund budget.
- The Village is unable to adjust the benefit levels of this plan, as levels are mandated by the state.

Strategies identified:

- Maintain health of fund by complying with state law
- Continue to monitor staffing levels

Actions taken:

- Sworn officers have been reduced from 81 in 2008 to 74 in 2013.

POLICE PENSION FUND

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	38,273,011	41,443,217	41,443,217	42,625,541	43,002,697	43,351,080
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	3,645,746	1,000,000	1,600,000	950,000	950,000	950,000
11	Contributions	2,358,788	2,643,836	2,666,067	3,003,858	3,113,291	3,227,922
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	6,004,534	3,643,836	4,266,067	3,953,858	4,063,291	4,177,922
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	18	600	50	50	50	50
17	Professional Services	143,156	170,800	150,266	189,800	192,800	194,800
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	2,684,302	2,995,000	2,926,575	3,380,000	3,515,000	3,725,000
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	6,852	6,852	6,852	6,852	7,058	7,269
23	Total Expenses	2,834,328	3,173,252	3,083,743	3,576,702	3,714,908	3,927,119
24	Net Change	3,170,206	470,584	1,182,324	377,156	348,383	250,803
25	Ending Fund Balance	41,443,217	41,913,801	42,625,541	43,002,697	43,351,080	43,601,883

Noteworthy Changes from 2013 and Other Explanations

- Interest & Claims (row 10) reflects earnings of the pension fund.
- Contributions (row 11) reflects contributions of employees (\$700,000 in 2014) and the Village contribution of (\$2,303,858 in 2014).
- Professional Services (row 17) is for the fund's actuary, investment managers, attorney, and custodian for plan assets.
- Claims Grants & Debt (row 19) is pension payments to retirees.

FIRE PENSION FUND

Fund Type: Trust & Agency Fund
Fund Number: 652

A designated trust fund for the safe-keeping and operations of the local Fire Pension system

Description- Sworn fire personnel participate in the Fire Pension Plan. The plan provides retirement benefits as well as death and disability benefits. It is a single-employer defined benefit plan whose benefits and employee and employer contribution levels are mandated by the State of Illinois.

As of the 2012 audit, the Fire Pension Plan has \$37.5 million in assets and was 58% funded. Pensions are funded by employee contributions of 9.46% of pay, earnings on fund investments, and the Village contribution based upon actuarial tax levy estimates from an independent actuary through a property tax levy. The Village contributes 100% of the annual required contribution (ARC) each year.

The fund is administered by a separate Fire pension board, composed of two active members, one retired member, two appointees of the Mayor, and the Treasurer of the Village is an ex-officio member. The pension fund investments are managed by professional investment managers.

Long-Range Plan- Previous long-range planning sessions identified reducing personnel expenses as a high priority. The following describes how specific strategies and actions have improved results related to the issues as they apply to this fund.

Issues identified:

- Personnel expenses comprise close to 80% of the General Fund budget
- The Village is unable to adjust the benefit levels of this plan, as benefit levels are mandated by the state

Strategies identified:

- Maintain health of fund by complying with state law
- Continue to monitor staffing levels

Actions taken:

- Sworn personnel has been reduced from 83 in 2008 to 77 in 2013

FIRE PENSION FUND

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	33,963,582	37,564,102	37,564,102	38,255,298	39,211,166	40,145,035
3	<u>Revenue</u>						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	3,215,202	950,000	582,763	950,000	950,000	950,000
11	Contributions	2,783,860	2,894,196	2,901,514	3,142,520	3,284,727	3,432,502
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	5,999,062	3,844,196	3,484,277	4,092,520	4,234,727	4,382,502
14	<u>Expenses</u>						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	124,467	135,800	127,277	154,800	158,800	160,800
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	2,267,223	2,775,000	2,658,952	2,975,000	3,135,000	3,315,000
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	6,852	6,852	6,852	6,852	7,058	7,269
23	Total Expenses	2,398,542	2,917,652	2,793,081	3,136,652	3,300,858	3,483,069
24	Net Change	3,600,520	926,544	691,196	955,868	933,869	899,433
25	Ending Fund Balance	37,564,102	38,490,646	38,255,298	39,211,166	40,145,035	41,044,468

Noteworthy Changes from 2013 and Other Explanations

- Interest & Claims (row 10) reflects earnings of the pension fund.
- Contributions (row 11) reflects contributions of employees (\$675,000 in 2014) and the Village contribution of (\$2,467,520 in 2014).
- Professional Services (row 17) is for the fund's actuary, investment managers, attorney, and custodian for plan assets.
- Claims Grants & Debt (row 19) is pension payments to retirees.

LIBRARY

Fund Type: Component Unit

Description- This fund accounts for all of the revenue and expenditures related to the operation of the Downers Grove Public Library. The fund is approved by the Library Board and incorporated into the overall Village Budget even though the Village Council has no statutory authority to direct the resources of this fund.

Recent History and Trends- The 2014 Operating Budget of the Downers Grove Public Library is \$4,770,933. This includes all normal operating expenditures for personnel, library materials and technology support. In addition, the budget includes various planned one-time expenditures for equipment and furnishings for the library building. Other salient features of the budget include ongoing upgrades to computer hardware and software for public and staff use. The Library will complete the implementation of Radio Frequency Identification technology for circulation and materials handling. This project was initiated in 2012.

Funding of the budget is provided by a property tax levy of \$ 4,440,083, minor revenue sources, and accumulated reserves.



LIBRARY FUND

Fund Type: Component Unit
Fund Number 805

*To account for the financial activity of
the Downers Grove Public Library*

Description- This fund accounts for all of the revenue and expenditures related to the operation of the Downers Grove Public Library. The fund is approved by the Library Board and incorporated into the overall Village Budget, even though the Village Council has no statutory authority to direct the use of the resources of this fund.

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	3,710,361	3,978,648	3,978,648	3,754,645	1,862,095	1,907,551
3	Revenue						
4	Local Taxes	4,187,297	4,306,580	4,349,300	4,440,083	4,617,686	4,802,393
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	55,482	52,000	49,536	50,000	50,000	52,000
7	Sales	189	200	200	200	200	208
8	Fees, Charges & Fines	132,266	138,500	161,000	157,000	157,000	163,280
9	Grants	49,053	40,000	49,155	48,000	48,000	49,920
10	Interest & Claims	8,455	6,100	11,100	3,100	3,100	3,224
11	Contributions	11,650	10,000	10,000	10,000	10,000	10,400
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	4,444,392	4,553,380	4,630,291	4,708,383	4,885,986	5,081,425
14	Expenses						
15	Personnel	2,834,578	3,097,500	3,119,700	3,268,933	3,399,690	3,535,681
16	Supplies	189,711	123,000	129,258	121,500	126,360	131,415
17	Professional Services	114,651	165,400	176,876	215,000	223,600	232,545
18	Other Contractual Services	293,893	286,000	274,400	267,000	277,680	288,790
19	Claims, Grants, & Debt	14,387	33,000	29,960	149,000	33,720	35,068
20	Controlled Assets	64,832	95,000	49,100	35,000	36,400	37,856
21	Capital Assets	664,053	1,104,000	1,075,000	714,500	743,080	772,803
22	Other Financial Uses	-	-	-	1,830,000	-	-
23	Total Expenses	4,176,105	4,903,900	4,854,294	6,600,933	4,840,530	5,034,158
24	Net Change	268,287	(350,520)	(224,003)	(1,892,550)	45,456	47,267
25	Ending Fund Balance	3,978,648	3,628,128	3,754,645	1,862,095	1,907,551	1,954,818

LIBRARY CONSTRUCTION FUND

Fund Type: Component Unit
Fund Number 821

*To account for the financial activity of
the Library building construction*

Description-This fund accounts for building construction for Library facilities. Revenues in this fund come from general obligation bond issue proceeds or other designated revenue sources, and expenses are for construction activities.

The Library Construction Fund includes a balance retained after the conclusion of the 1999 building renovation project. In addition, \$1,830,000 will be transferred from accumulated operating reserves into the Construction Fund. The full amount of the fund will be spent for a major building renovation project in 2014.

		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
1							
2	Beginning Fund Balance	243,566	243,566	243,566	243,566	-	-
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	-	600	-	100	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	1,830,000	-	-
13	Total Revenue	-	600	-	1,830,100	-	-
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-	-
20	Controlled Assets	-	220,000	-	-	-	-
21	Capital Assets	-	-	-	2,073,666	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	-	220,000	-	2,073,666	-	-
24	Net Change	-	(219,400)	-	(243,566)	-	-
25	Ending Fund Balance	243,566	24,166	243,566	-	-	-

LIBRARY DEBT SERVICE FUND

Fund Type: Component Unit
Fund Number 836

To account for the financial activity of
Library Debt Service

Description- The Library Debt Service Fund is used to account for the principal and interest payments associated with the General Obligation Bond Issue for improvements to the Downers Grove Public Library. Revenues for the fund are derived from property taxes levied on all property in the Village of Downers Grove. Expenses in this fund are for principal and interest payments made on a semi-annual basis. The Library expects to retire the remaining debt on schedule and close out this fund in 2017.

1		FY2012 Actual	FY2013 Budget	FY2013 Estimate	FY2014 Adopted	FY2015 Projection	FY2016 Projection
2	Beginning Fund Balance	872,642	872,998	872,998	910,732	910,732	910,732
3	Revenue						
4	Local Taxes	646,780	649,340	649,340	621,052	616,836	626,316
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	356	-	50	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	2,430,000	-	-	-
13	Total Revenue	647,136	649,340	3,079,390	621,052	616,836	626,316
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	25,187	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	646,780	649,340	621,469	621,052	616,836	626,316
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	2,395,000	-	-	-
23	Total Expenses	646,780	649,340	3,041,656	621,052	616,836	626,316
24	Net Change	356	-	37,734	-	-	-
25	Ending Fund Balance	872,998	872,998	910,732	910,732	910,732	910,732

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