2015 ADOPTED BUDGET

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

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Village of Downers Grove

Illinois

For the Fiscal Year Beginning

January 1, 2014

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Village of Downers Grove, Illinois for its Annual Budget for the fiscal year beginning January 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

Village Officials and Management Staff

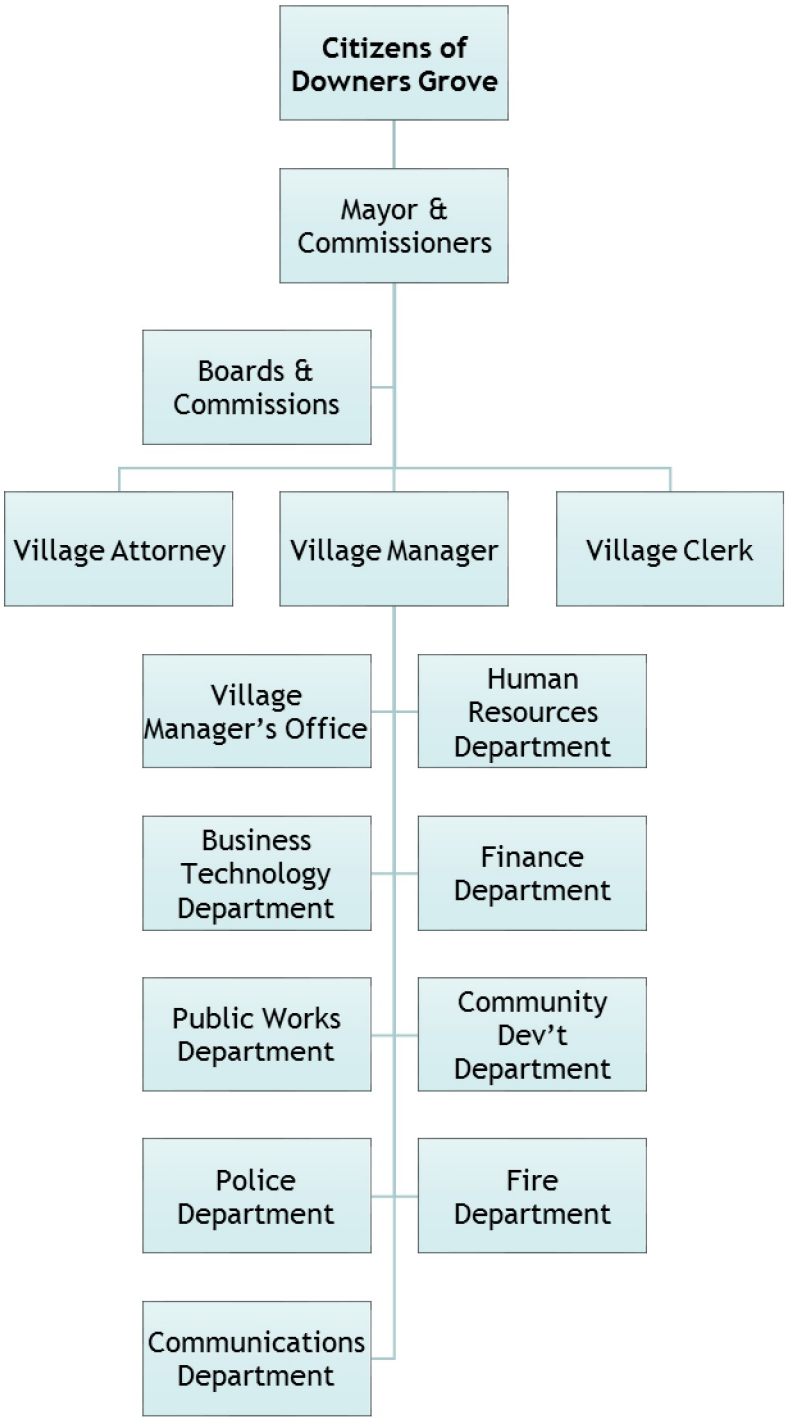
Mayor & Village Council

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

Management Staff

Village Manager	David Fieldman
Village Attorney	Enza Petrarca
Village Clerk	April Holden
Deputy Village Manager	Michael Baker
Building Division Manager	Alex Pellicano
Communications Director	Douglas Kozlowski
Finance Director	Judy Buttny
Fire Chief	James Jackson
Human Resources Director	Dennis Burke
Planning Manager	Stan Popovich
Police Chief	Robert Porter
Public Works Director	Naneil Newlon
Purchasing Agent	Theresa Tarka

Village Organizational Chart



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SOURCES AND USES BY FUND

The chart below shows the FY15 budgeted revenues and expenses by category and fund.

Sources By Fund, FY2015 Proposed Budget

		41	42	43	44
Fund #	**Fund Description**	**41-Local Taxes**	**42-Licenses & Permits**	**43-Intergov'tal Revenues**	**44-Sales Revenues**
001	General Fund	19,500,769	1,659,550	17,890,000	50
102	Motor Fuel Tax	-	-	1,130,000	-
107	CBD-TIF	2,901,132	-	-	-
109	Foreign Fire Insurance	78,000	-	-	-
110	Ogden TIF	573,606	-	-	-
111	Tax Rebate	-	-	1,000,000	-
114	Asset Forfeiture	-	-	-	-
220	Capital Projects	7,701,524	-	-	-
223	Major Buildings	-	-	-	-
226	Real Estate	-	-	-	-
337	Fairview Avenue Debt Service	195,000	-	-	-
338	CBD-TIF Debt Service	-	-	-	-
339	Stormw ater/Facilities Debt	-	-	-	-
443	Stormw ater Utility	-	-	-	-
471	Parking	-	-	-	1,321,000
481	Water	-	1,000	-	15,029,483
530	Equipment Replacement	-	-	-	-
531	Fleet Services	-	-	-	167,300
562	Risk Management	-	-	-	-
563	Health Insurance	-	-	-	1,844,300
651	Police Pension	-	-	-	-
652	Fire Pension	-	-	-	-
805	Library	4,662,087	-	50,000	2,000
821	Library Construction Fund	-	-	-	-
836	Library Debt	614,076	-	-	-
	TOTAL	**36,226,194**	**1,660,550**	**20,070,000**	**18,364,133**

Uses by Fund, FY2015 ProposedBudget

		51	52	53	54
Fund #	**Fund Description**	**51-Personnel Expenses**	**52-Supplies**	**53-Professional & Tech Services**	**54-Other Contr Srcvs**
001	General Fund	34,473,223	1,073,613	1,409,500	1,762,381
102	Motor Fuel Tax	-	-	-	-
107	CBD-TIF	-	-	1,960	-
109	Foreign Fire Insurance	-	49,100	27,850	10,800
110	Ogden TIF	-	-	1,674	-
111	Tax Rebate	-	-	-	-
114	Asset Forfeiture	-	-	1,515,000	-
220	Capital Projects	382,522	115,000	255,060	261,300
223	Major Buildings	-	-	150,000	-
226	Real Estate	-	2,000	3,000	28,000
337	Fairview Avenue Debt Service	-	-	-	-
338	CBD-TIF Debt Service	-	-	-	-
339	Capital Debt	-	-	-	-
443	Stormw ater Utility	903,375	68,895	137,035	376,273
471	Parking	175,990	18,588	83,884	145,680
481	Water	1,523,604	9,332,822	237,291	610,372
530	Equipment Replacement	-	-	-	-
531	Fleet Services	720,263	847,779	11,645	117,001
562	Risk Management	125,729	800	131,035	603,660
563	Health Insurance	121,898	-	430,060	799,124
651	Police Pension	-	-	193,800	-
652	Fire Pension	-	-	164,800	-
805	Library	3,625,400	127,500	230,100	265,000
821	Library Construction Fund	-	-	-	-
836	Library Debt	-	-	-	-
	TOTAL	**42,052,004**	**11,636,097**	**4,983,694**	**4,979,591**

45	46	47	48	49		
45-Fees & Charges	46-Grants	47-Interest & Claims	48-Misc. & Contributions	49-Other Fin. Resources	TOTAL	Fund #
5,053,255	621,000	100,000	-	-	**44,824,624**	001
-	-	50	-	-	**1,130,050**	102
-	-	-	-	-	**2,901,132**	107
-	-	300	-	-	**78,300**	109
-	-	4,000	-	-	**577,606**	110
-	-	-	-	-	**1,000,000**	111
500,000	-	-	-	-	**500,000**	114
-	650,000	500	20,000	-	**8,372,024**	220
-	-	-	-	500,000	**500,000**	223
20,400	-	-	-	-	**20,400**	226
-	-	-	-	-	**195,000**	337
-	-	-	-	3,269,888	**3,269,888**	338
-	-	-	-	3,151,454	**3,151,454**	339
3,652,290	825,000	2,500	105,000	-	**4,584,790**	443
120,000	880,000	-	-	-	**2,321,000**	471
160,500	-	10,000	-	10,000,000	**25,200,983**	481
1,262,976	-	-	-	25,000	**1,287,976**	530
1,749,679	-	-	-	-	**1,916,979**	531
2,656,510	-	-	-	-	**2,656,510**	562
5,284,671	-	-	-	-	**7,128,971**	563
-	-	1,500,000	2,961,516	-	**4,461,516**	651
-	-	1,700,000	3,030,108	-	**4,730,108**	652
157,000	55,000	2,100	70,000	-	**4,998,187**	805
-	-	-	-	-	**-**	821
-	-	-	-	-	**614,076**	836
20,617,281	**3,031,000**	**3,319,450**	**6,186,624**	**16,946,342**	**126,421,574**	

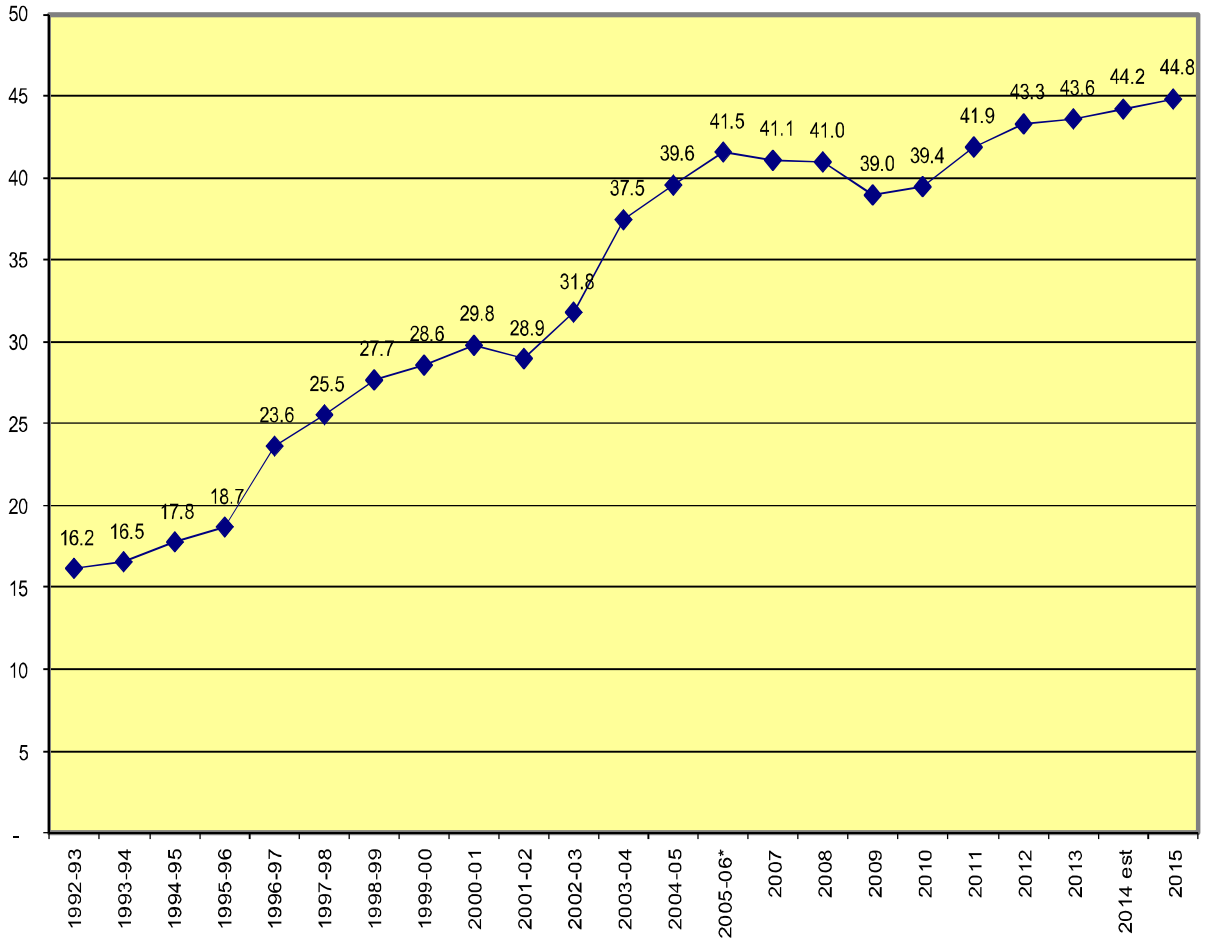
	56	57	58	59		
	56-Claims, Grants, & Debt	57-Controlled Assets	58-Capital Assets	59-Other Financial Uses	TOTAL	Fund #
	5,862,545	80,600	160,400	-	**44,822,262**	001
	-	1,130,000	-	-	**1,130,000**	102
	60,000	-	-	2,969,888	**3,031,848**	107
	49,200	30,000	-	-	**166,950**	109
	775,000	-	4,476,333	84,413	**5,337,420**	110
	1,000,000	-	-	-	**1,000,000**	111
	-	35,000	-	-	**1,550,000**	114
	48,196	3,251,000	5,707,500	3,651,454	**13,672,032**	220
	-	326,000	485,000	-	**961,000**	223
	7,000	-	-	53,045	**93,045**	226
	200,000	-	-	-	**200,000**	337
	3,269,888	-	-	-	**3,269,888**	338
	3,151,454	-	-	-	**3,151,454**	339
	1,554,287	846,000	3,742,000	-	**7,627,865**	443
	31,590	164,000	1,500,000	842,987	**2,962,719**	471
	903,759	524,500	5,105,000	1,139,656	**19,377,004**	481
	-	84,220	1,737,000	-	**1,821,220**	530
	38,760	7,500	-	116,826	**1,859,774**	531
	1,794,919	-	-	-	**2,656,143**	562
	5,672,174	-	-	80,403	**7,103,659**	563
	3,712,636	-	-	-	**3,906,436**	651
	3,618,779	-	-	-	**3,783,579**	652
	33,000	36,000	725,500	-	**5,042,500**	805
	-	-	-	-	**-**	821
	614,076	-	-	-	**614,076**	836
	32,397,263	**6,514,820**	**23,638,733**	**8,938,672**	**135,140,874**	

REVENUE ASSUMPTIONS

In developing the revenue estimates for the Village, each department provides data that is then reviewed by the finance department and manager's office. Historical trends over many years are used with the current economic climate to generate conservative realistic amounts. No set percentages are used to forecast the out years for each line item; an analysis is completed for each revenue with known facts and reasonable expectations. This process includes ongoing scrutiny of the Village's current financial position; changes and modifications in assumptions; and variations in the economic climate affecting the community. These factors translate into an anticipated modest rate of growth of General Fund Revenues of about 1-2% per year over the next few years.

Total General Fund Revenues

This chart presents a history of all General Fund Revenues in the Village of Downers Grove. It shows the estimated collection for FY14 and budgeted collection for FY15. The decline in 2013 is due to the creation of the stormwater utility, and the shift from property tax in the General Fund ($815,000) to fees in the Stormwater Fund.



REVENUE ASSUMPTIONS

Enterprise Fund Revenues

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

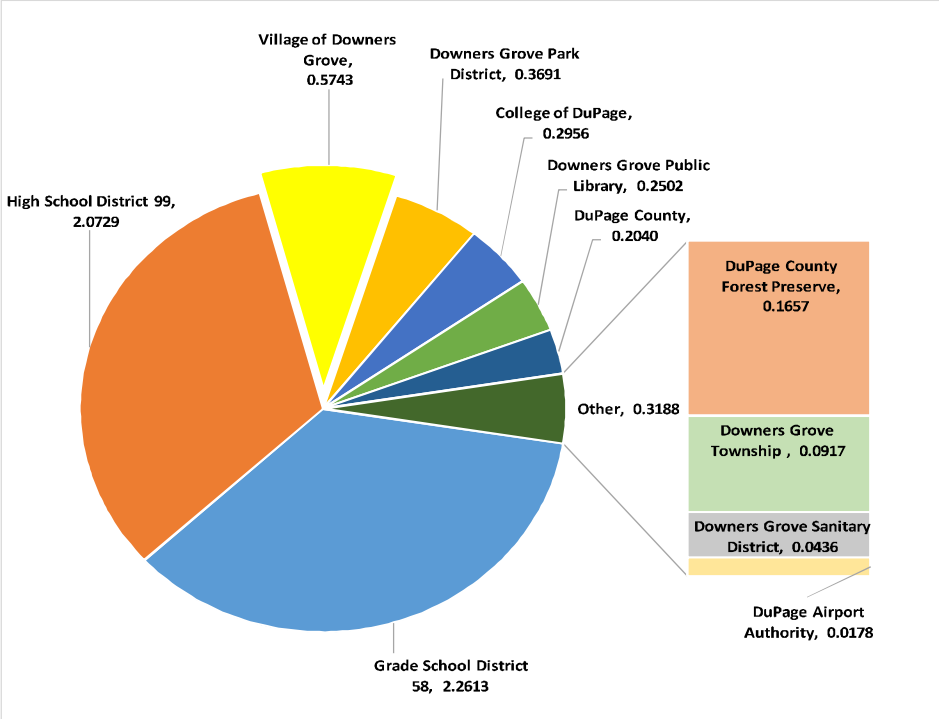
Parking Fund-In 2011 the Village authorized a downtown parking study which was conducted by Rich & Associates. The Parking Fund, which is the repository for all commuter and downtown parking activities, should benefit from this study. The purpose of the study is to manage available parking in a manner that best serves downtown Downers Grove. The Village has begun implementing recommendations from this study, including a rate increase in 2013 for commuter parking permits. Rates will be reviewed in mid 2015.

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

Stormwater Fund– During the LRFP process in 2012, a maintenance gap in infrastructure was identified. The LRFP recommended considering the creation of a stormwater utility to address the infrastructure maintenance gap. In 2012, the Village Council authorized the creation of a stormwater utility system. Revenues from this system will cover maintenance and operating costs of the stormwater infrastructure. Beginning in 2013, all property owners in the Village began to pay a monthly fee based on a property's impervious area. The current plan is to increase the fees each year for 15 years to fund the stormwater system in a manner consistent with the Stormwater Master Plan. In 2014, the Village Council voted to exempt all Property Tax Exempt parcels from the stormwater utility fee. This will become effective January 1, 2015.

PROPERTY TAXES

Downers Grove Property Tax Rates 2013



Distribution of 2013 Tax Levy

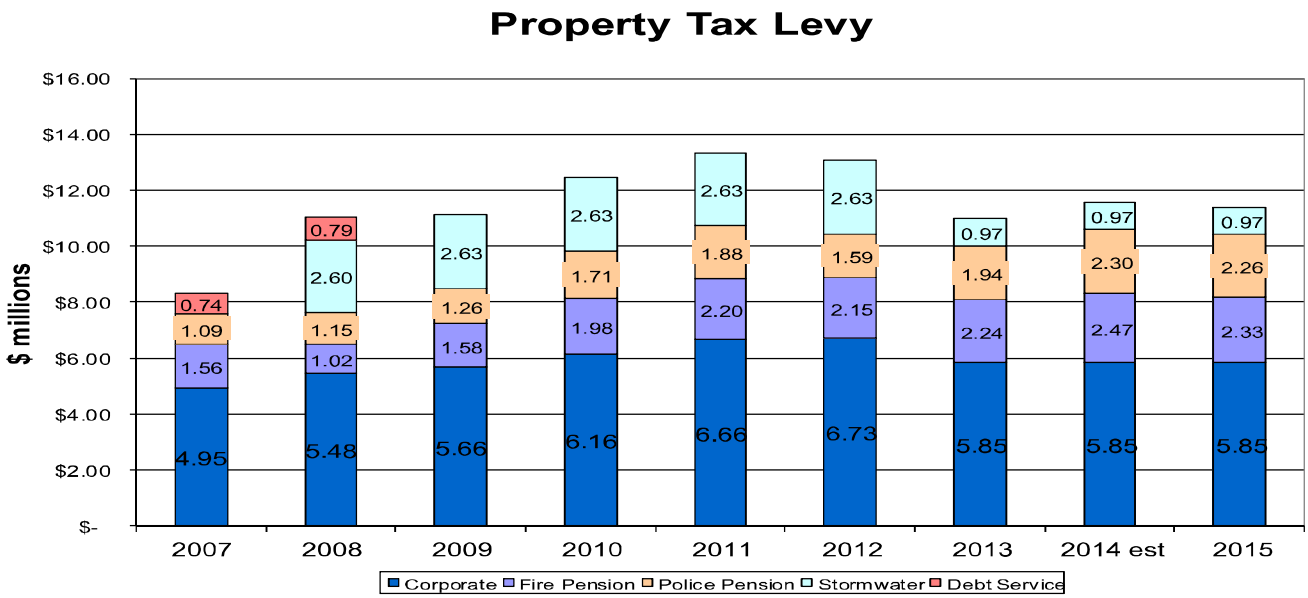
Taxing Unit	2013 Tax Rate*	% of Tax Bill
Grade School District 58	2.2613	35.63%
High School District 99	2.0729	32.66%
Village of Downers Grove	**0.5743**	**9.05%**
Downers Grove Park District	0.3691	5.82%
College of DuPage	0.2956	4.66%
Downers Grove Public Library	0.2502	3.94%
DuPage County	0.2040	3.21%
DuPage County Forest Preserve	0.1657	2.61%
Downers Grove Township	0.0917	1.44%
Downers Grove Sanitary District	0.0436	0.69%
DuPage Airport Authority	0.0178	0.28%
Total	6.3462	

* Levied in 2014

MAJOR REVENUE TRENDS

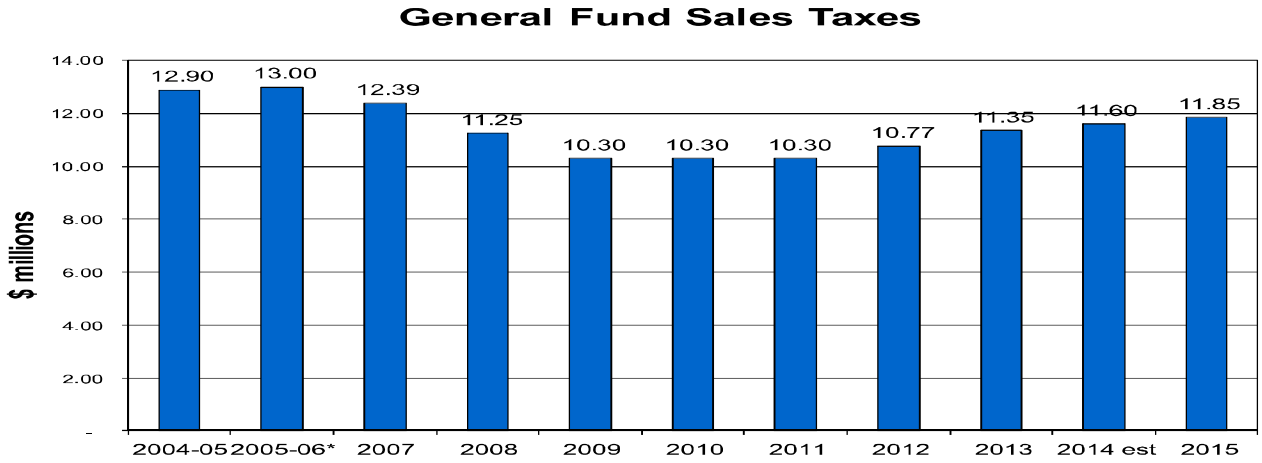
Property Tax Levy History

The Village's property tax rate has been historically one of the lowest rates for DuPage County municipalities. Starting in 2009, the Village has abated all of it's debt service; revenues from other sources were used to pay debt service obligations. In 2013, the property tax levy decreased due to the creation of the stormwater utility and shift from property taxes to stormwater fees. The 2015 decrease is due to the levy for Police and Fire Pensions ($180,000 decrease).



Sales Tax Revenue History

This chart presents a complete ten year history of the 1% Municipal sales tax collection for the Village of Downers Grove and also shows the estimated collection for FY14 and budgeted collection for FY15. Sales tax is projected at 26% of the FY15 General Fund operating revenue. The Village relies on sales taxes to provide quality services to the residents of the Village of Downers Grove. Sales taxes are paid by both Village residents and non-residents. In cooperation with the Economic Development Corporation (EDC) the Village implemented a strategy in 2009 designed to retain existing automobile dealers and attract new ones. Auto dealerships generate significant sales tax revenue and are a vital component of the local economy.

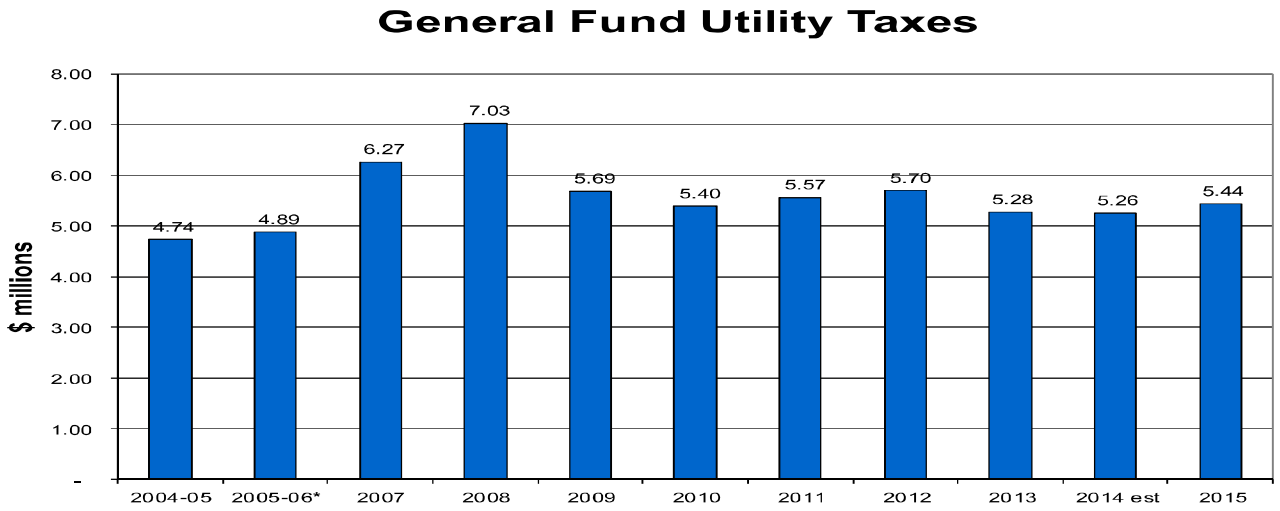


*The Village switched its Fiscal Year to a calendar year in 2007. Prior to that time the Fiscal Year was May 1 through April 30.

MAJOR REVENUE TRENDS

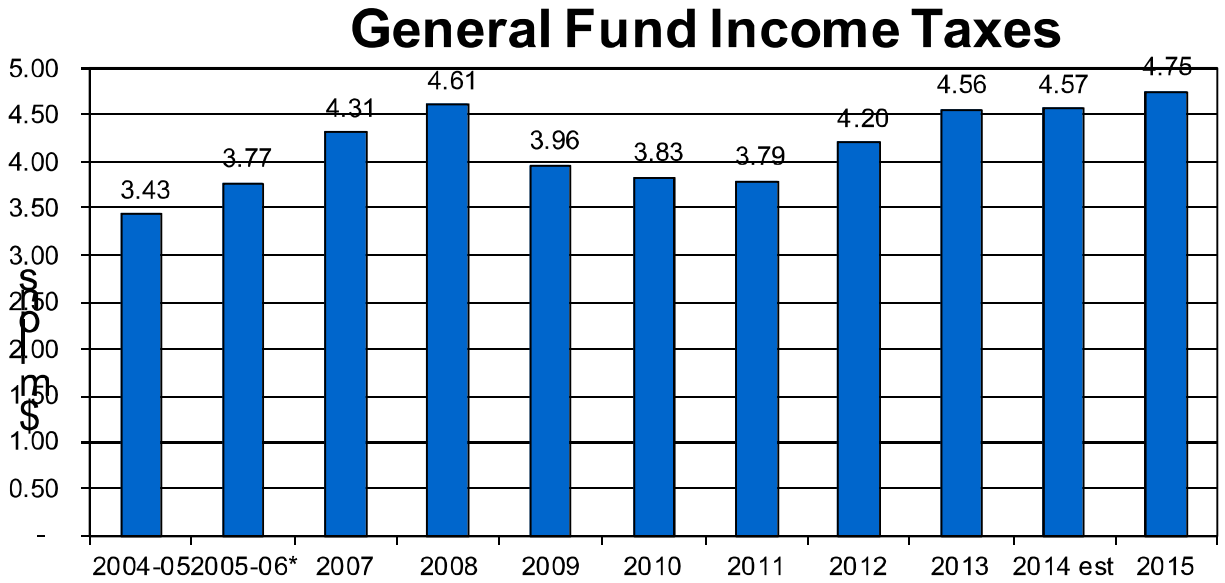
Utility Tax History

These include Natural Gas Use Tax, the Electricity Tax and the Telecommunications Tax. Electricity and Natural Gas taxes vary relative to the weather. The Telecommunications Tax grew dramatically from 2006-2008 due to the proliferation of cell phones and internet use. These revenues started declining in 2009 due to a number of factors: The elimination of land lines, businesses moving to Voice over Internet Protocol (VOIP), and call centers leaving the Village. In 2014, utility taxes were reduced by $175,000 as a result of a class action settlement against AT&T for over charging Telecommunications Tax.



State Income Tax History

The Village of Downers Grove receives a percentage of the income tax received by the state based on the Village's population. Income taxes are impacted by the economic climate and any changes in state funding formula. After many years of substantial growth, this revenue declined dramatically in 2009 due to the recession. Recovery has been stronger than anticipated and is approaching levels prior to the recession.



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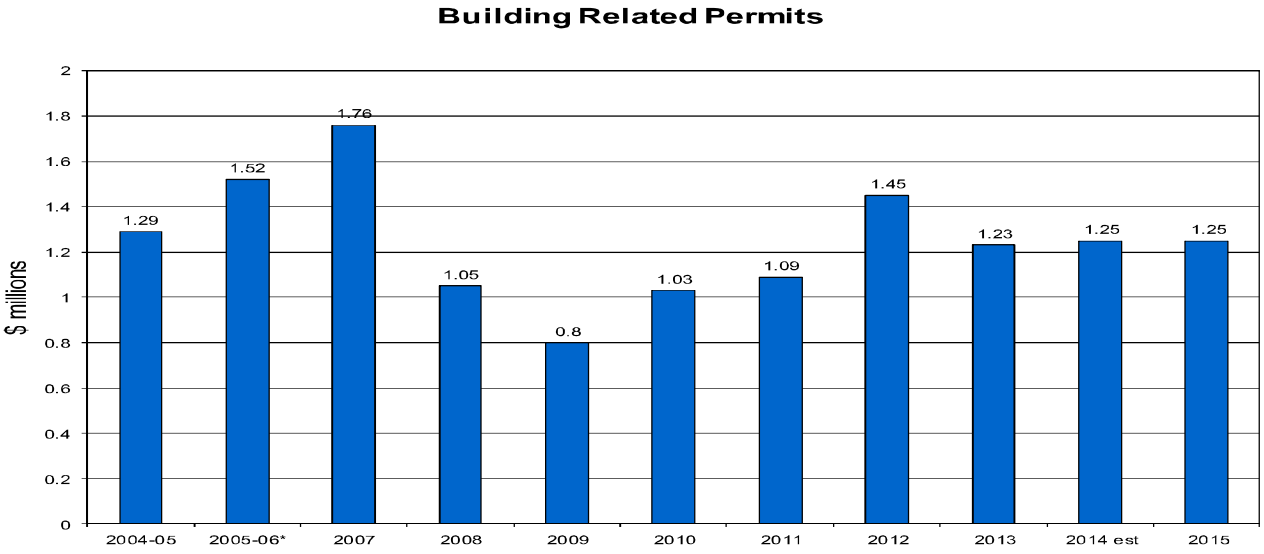
MAJOR REVENUE TRENDS

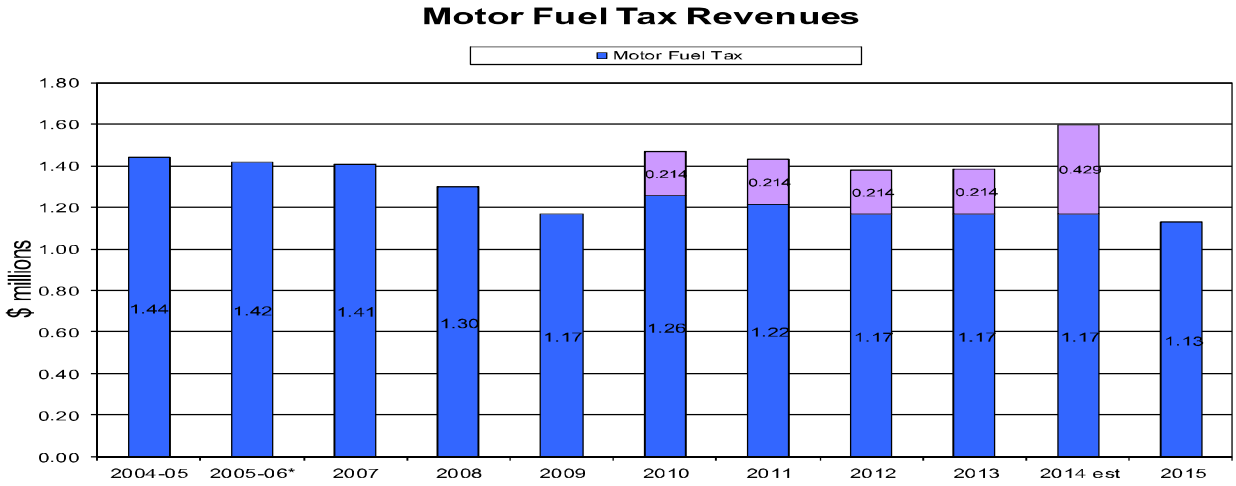
Building Related Permits

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



Motor Fuel Tax (MFT)

The Village of Downers Grove receives a percentage of the motor fuel tax received by the state based on the Village's population. MFT revenues have been declining in recent years due to a decrease in total miles driven and improvements in the average fuel economy of vehicles. Offsetting this decline are additional distributions from the state for the Illinois Jobs Now Program. The Village has received $214,000 per year from 2010-2014 from this program. These funds are used for roadway maintenance. In addition, the Village received an additional $200,000 payment from the state of Illinois through the 2014 Capital Bill Program in 2014.



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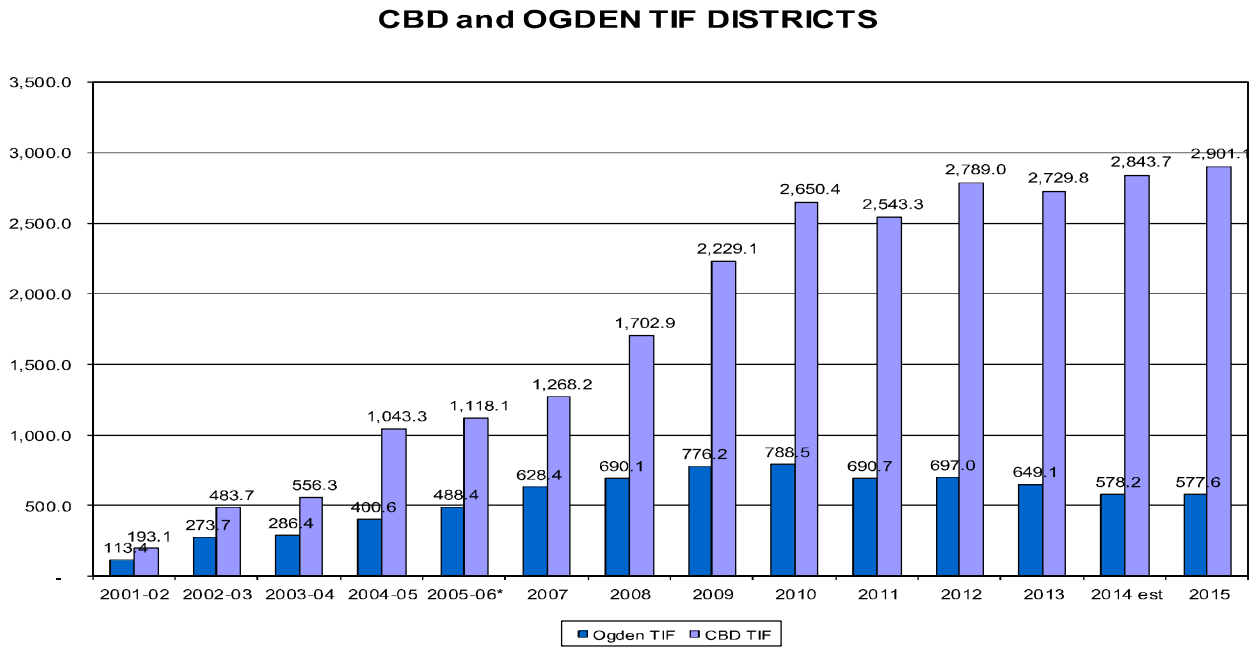
MAJOR REVENUE TRENDS

Central Business District and Ogden Avenue Tax Increment

The Downtown TIF was created in 1997. The value of the properties located within the district has increased from $16.3 million (1996 EAV) to $52.5 million (2013 EAV). The Ogden TIF was created in 2001. The value of the properties located within the district increased from $29.3 million (2000 EAV) to $37.2 million (2013 EAV).