

# **2016 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, 2015**

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, 2015. 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

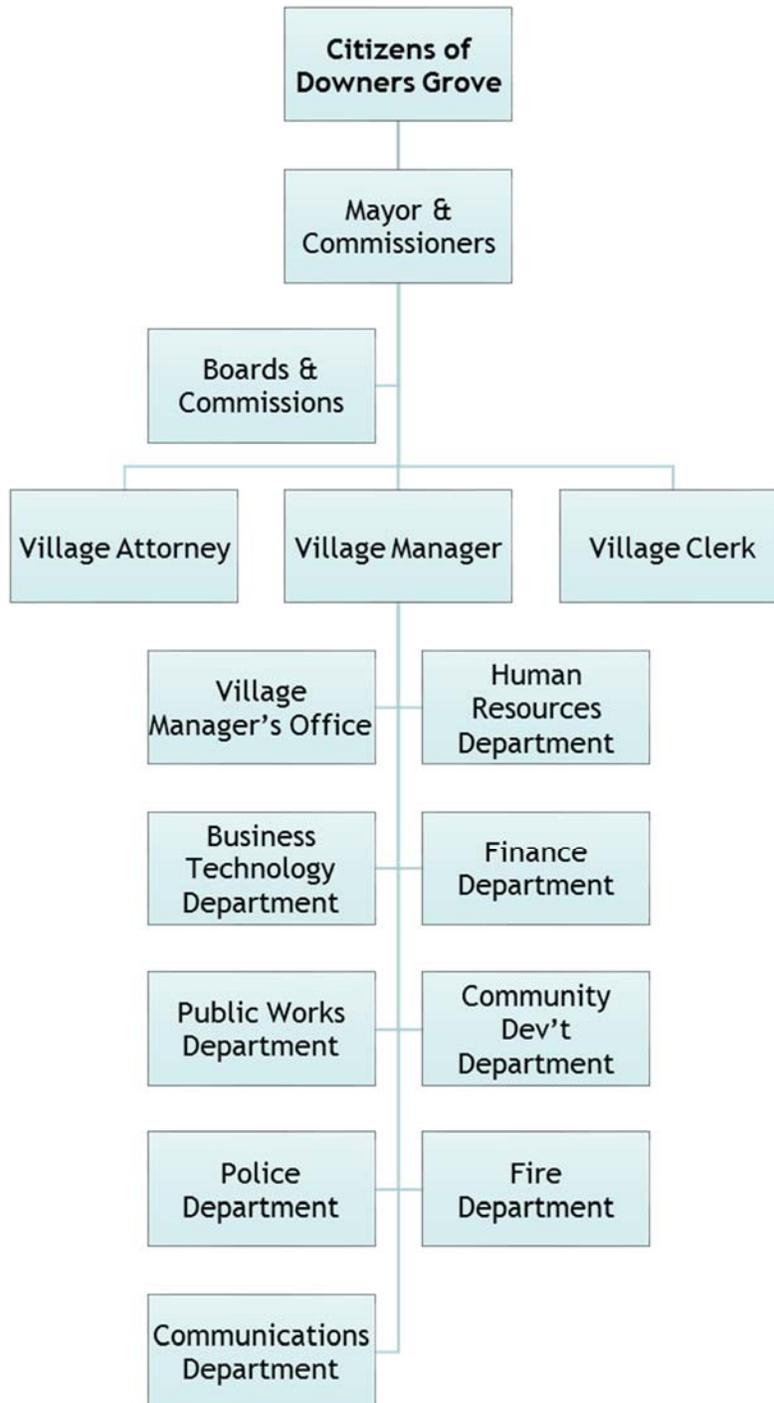
## Mayor & Village Council

Mayor	Martin Tully
Commissioners	Robert Barnett
	Greg Hosé
	David S. Olsen
	Gina Vattimo
	William Waldack
	Bill White

## Management Staff

Village Manager	David Fieldman
Village Attorney	Enza Petrarca
Village Clerk	April Holden
Deputy Village Manager	Michael Baker
Acting Business Technology Director	Bill Herman
Community Development Director	Stan Popovich
Communications Director	Douglas Kozlowski
Finance Director	Judy Buttny
Fire Chief	James Jackson
Human Resources Director	Dennis Burke
Police Chief	Kurt Bluder
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 FY16 budgeted revenues and expenses by category and fund.

Fund #	Fund Description	41	42	43	44
		41-Local Taxes	42-Licenses & Permits	43-Intergov'tal Revenues	44-Sales Revenues
001	General Fund	20,229,060	1,822,850	18,447,000	50
102	Motor Fuel Tax	-	-	1,130,000	-
107	CBD-TIF	2,893,292	-	-	-
109	Foreign Fire Insurance	78,000	-	-	-
110	Ogden TIF	608,385	-	-	-
111	Tax Rebate	-	-	1,300,000	-
114	Asset Forfeiture	-	-	-	-
220	Capital Projects	7,381,524	-	-	-
223	Major Buildings	-	-	-	-
226	Real Estate	-	-	-	-
337	Fairview Avenue Debt Service	200,000	-	-	-
338	CBD-TIF Debt Service	-	-	-	-
339	Stormwater/Facilities Debt	-	-	-	-
443	Stormwater Utility	-	-	135,000	-
471	Parking	-	-	-	1,372,000
481	Water	-	1,000	-	15,151,443
530	Equipment Replacement	-	-	-	-
531	Fleet Services	-	-	-	92,000
562	Risk Management	-	-	-	-
563	Health Insurance	-	-	-	2,026,800
651	Police Pension	-	-	-	-
652	Fire Pension	-	-	-	-
805	Library	4,826,100	-	50,000	6,000
836	Library Debt	328,583	-	-	-
<b>TOTAL</b>		<b>36,544,944</b>	<b>1,823,850</b>	<b>21,062,000</b>	<b>18,648,293</b>

## Uses by Fund, FY2016 Adopted Budget

Fund #	Fund Description	51	52	53	54
		51-Personnel Expenses	52-Supplies	53-Professional & Tech Services	54-Other Contr Svcs
001	General Fund	36,174,526	1,078,558	1,423,480	1,701,716
102	Motor Fuel Tax	-	-	-	-
107	CBD-TIF	-	-	17,060	-
109	Foreign Fire Insurance	-	49,100	29,850	11,800
110	Ogden TIF	-	-	26,750	-
111	Tax Rebate	-	-	-	-
114	Asset Forfeiture	-	-	35,000	-
220	Capital Projects	393,039	120,000	218,700	261,300
223	Major Buildings	-	-	50,000	-
226	Real Estate	-	2,000	3,000	19,000
337	Fairview Avenue Debt Service	-	-	-	-
338	CBD-TIF Debt Service	-	-	-	-
339	Capital Debt	-	-	-	-
443	Stormwater Utility	935,662	68,595	218,075	303,030
471	Parking	181,613	12,588	92,440	134,166
481	Water	1,594,503	9,224,508	296,083	606,990
530	Equipment Replacement	-	-	-	-
531	Fleet Services	751,535	689,941	27,645	206,126
562	Risk Management	128,991	1,050	152,850	597,538
563	Health Insurance	125,630	-	387,740	786,786
651	Police Pension	-	-	193,225	-
652	Fire Pension	-	-	170,300	-
805	Library	3,618,413	138,920	243,200	304,000
836	Library Debt	-	-	-	-
<b>TOTAL</b>		<b>43,903,912</b>	<b>11,385,260</b>	<b>3,585,428</b>	<b>4,932,452</b>

45	46	47	48	49	TOTAL	Fund #
45-Fees & Charges	46-Grants	47-Interest & Claims	48-Misc. & Contributions	49-Other Fin. Resources		
4,898,370	657,500	170,000	-	69,363	46,294,213	001
-	-	50	-	-	1,130,050	102
-	-	-	-	-	2,893,292	107
-	-	300	-	-	78,300	109
-	-	3,000	-	-	611,385	110
-	-	-	-	-	1,300,000	111
500,000	-	-	-	-	500,000	114
-	-	10,000	30,000	-	7,421,524	220
-	-	-	-	500,000	500,000	223
20,800	-	-	-	-	20,800	226
-	-	-	-	-	200,000	337
-	-	-	-	3,207,463	3,207,463	338
-	-	-	-	1,912,494	1,912,494	339
3,644,739	225,000	20,000	108,150	300,000	4,432,889	443
165,000	-	-	-	-	1,537,000	471
175,500	-	10,000	-	3,000,000	18,337,943	481
1,353,739	-	200	-	29,000	1,382,939	530
1,637,008	-	-	-	-	1,729,008	531
2,612,194	-	-	-	-	2,612,194	562
5,570,957	-	-	-	-	7,597,757	563
-	-	1,500,000	3,389,453	-	4,889,453	651
-	-	1,300,000	3,545,461	-	4,845,461	652
154,000	60,000	2,100	10,000	-	5,108,200	805
-	-	-	-	-	328,583	836
<b>20,732,307</b>	<b>942,500</b>	<b>3,015,650</b>	<b>7,083,064</b>	<b>9,018,340</b>	<b>118,870,948</b>	

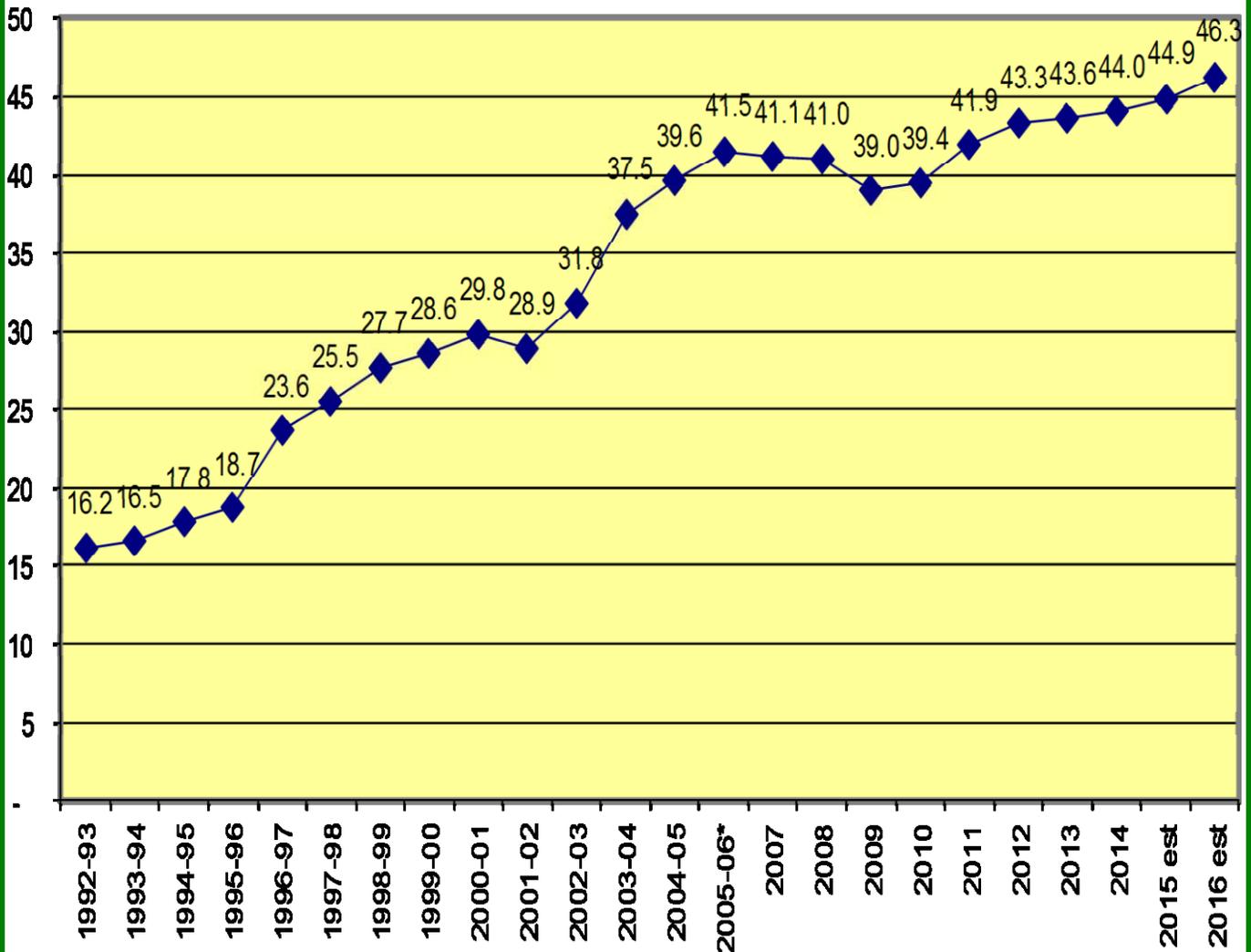
56	57	58	59	TOTAL	Fund #
56-Claims, Grants, & Debt	57-Controlled Assets	58-Capital Assets	59-Other Financial Uses		
5,799,260	95,150	51,400	-	46,324,090	001
-	1,130,000	-	-	1,130,000	102
60,000	-	-	2,907,463	2,984,523	107
59,200	30,000	-	-	179,950	109
2,500,000	-	690,000	84,413	3,301,163	110
1,300,000	-	-	-	1,300,000	111
-	25,000	1,500,000	-	1,560,000	114
16,496	3,351,000	2,835,000	2,712,494	9,908,029	220
-	201,000	450,000	-	701,000	223
2,500	-	-	53,045	79,545	226
75,000	-	-	-	75,000	337
3,407,463	-	-	-	3,407,463	338
1,912,494	-	-	-	1,912,494	339
1,669,646	1,317,000	2,975,000	-	7,487,008	443
28,454	463,000	400,000	842,987	2,155,248	471
1,655,327	421,500	3,680,000	1,169,656	18,648,567	481
-	548,465	2,321,160	-	2,869,625	530
36,375	11,000	-	116,826	1,839,448	531
1,831,462	-	-	-	2,711,921	562
6,198,084	-	-	80,403	7,578,643	563
3,955,300	-	-	-	4,151,525	651
3,656,841	-	-	-	3,827,141	652
37,600	46,000	827,500	-	5,215,633	805
623,487	-	-	-	623,487	836
<b>34,827,989</b>	<b>7,639,115</b>	<b>15,730,060</b>	<b>7,967,287</b>	<b>129,971,503</b>	

# 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 FY15 and budgeted collection for FY16. 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—Water Fund, Stormwater Fund, Parking Fund—derive their revenue directly from the users of the services provided through water fees, stormwater fees and parking fees.

*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 Village worked with MFSG in 2015 to update the 2010 study. The study assumes that the Village will make on-going investments in capital infrastructure to maintain its current infrastructure and replace the infrastructure beyond its useful life. The rate model has the following key points:

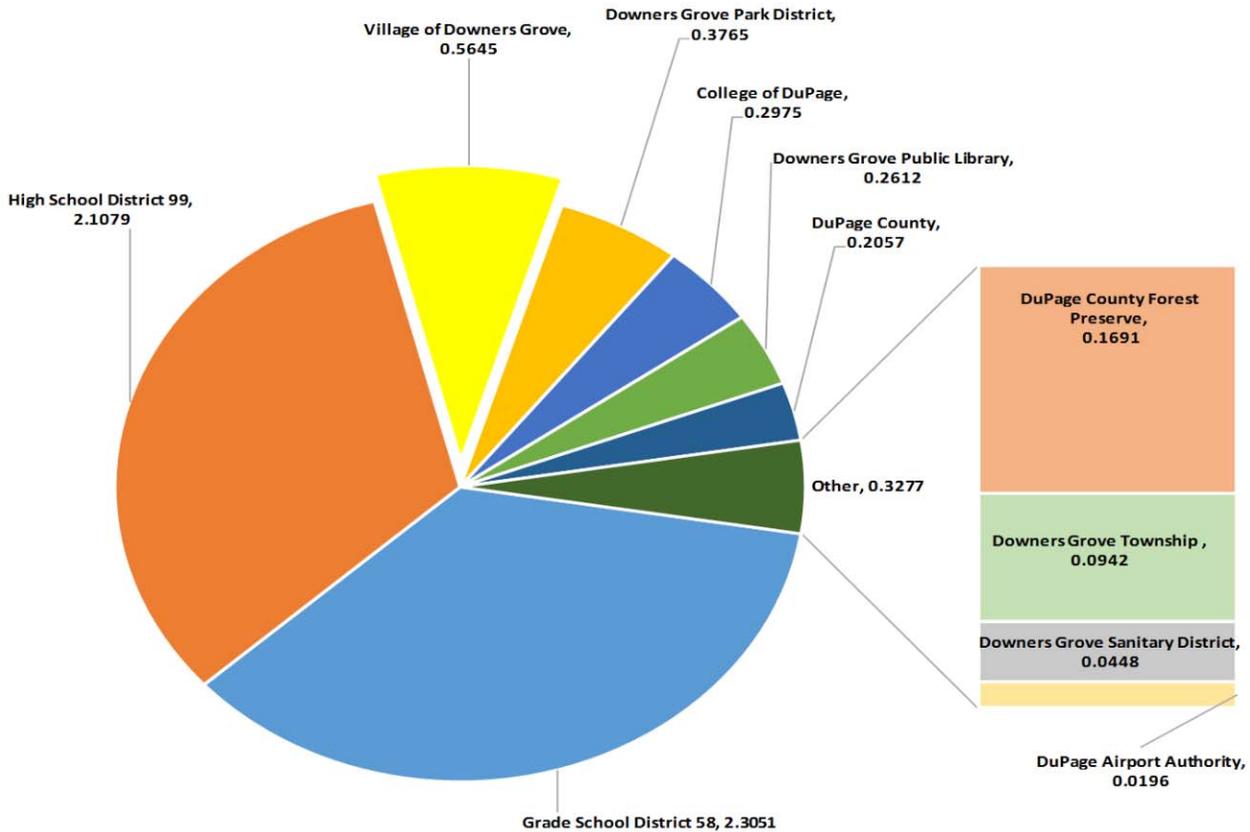
- A 6% increase in 2016, followed by 5% increases through 2020.
- The 'pass-through cost of water' is 60-65% of the rate each year. If the cost of water did not increase, the Village would have to increase the rate by 3.0% to 3.5%.
- The 'pass-through cost of water' is assumed to increase by 4%. If the cost of water increases by more than 4% annually, the Village will have to increase rates accordingly.
- Rate increases are smoothed. The actual revenue requirement might vary from year-to-year to accommodate capital projects or other expenses.

*Stormwater Fund-* During the LRP process in 2012, a maintenance gap in infrastructure was identified. The LRP 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, which became effective January 1, 2015. In 2015, the Council voted to suspend the increase in the Stormwater Utility, using a \$300,000 transfer from the Capital Fund to continue to maintain the system. The Council plans on discussing the future of the Stormwater Utility in 2016.

*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. A fee increase is proposed on commuter parking mid year 2016.

# PROPERTY TAXES

## Downers Grove Property Tax Rates 2014



### Distribution of 2014 Tax Levy

Taxing Unit	2014 Tax Rate*	% of Tax Bill
Grade School District 58	2.3051	35.76%
High School District 99	2.1079	32.70%
<b>Village of Downers Grove</b>	<b>0.5645</b>	<b>8.76%</b>
Downers Grove Park District	0.3765	5.84%
College of DuPage	0.2975	4.62%
Downers Grove Public Library	0.2612	4.05%
DuPage County	0.2057	3.19%
DuPage County Forest Preserve	0.1691	2.62%
Downers Grove Township	0.0942	1.46%
Downers Grove Sanitary District	0.0448	0.69%
DuPage Airport Authority	0.0196	0.30%
<b>Total</b>	<b>6.4461</b>	

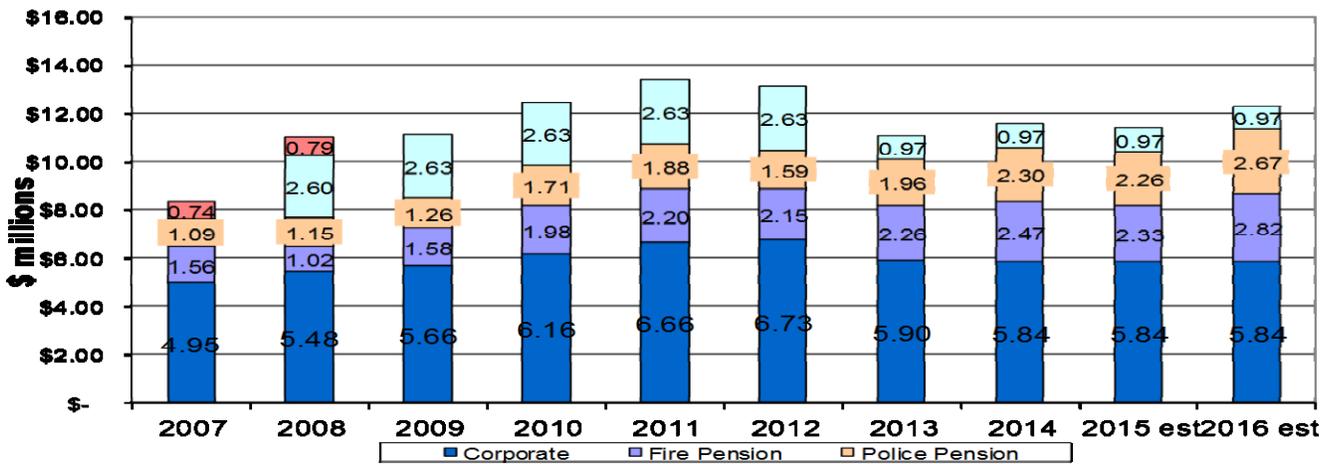
\* Levied in 2015

# MAJOR REVENUE TRENDS

## Property Tax Levy History

The Village's property tax rate has been historically one of the lowest rates for DuPage County municipalities. Starting in 2009, the Village has abated all of its debt service; revenues from other sources were used to pay debt service obligations. In 2013, the property tax levy decreased due to the creation of the stormwater utility and shift from property taxes to stormwater fees. The 2016 increase is due to the levy for Police and Fire Pensions (\$893,000 increase).

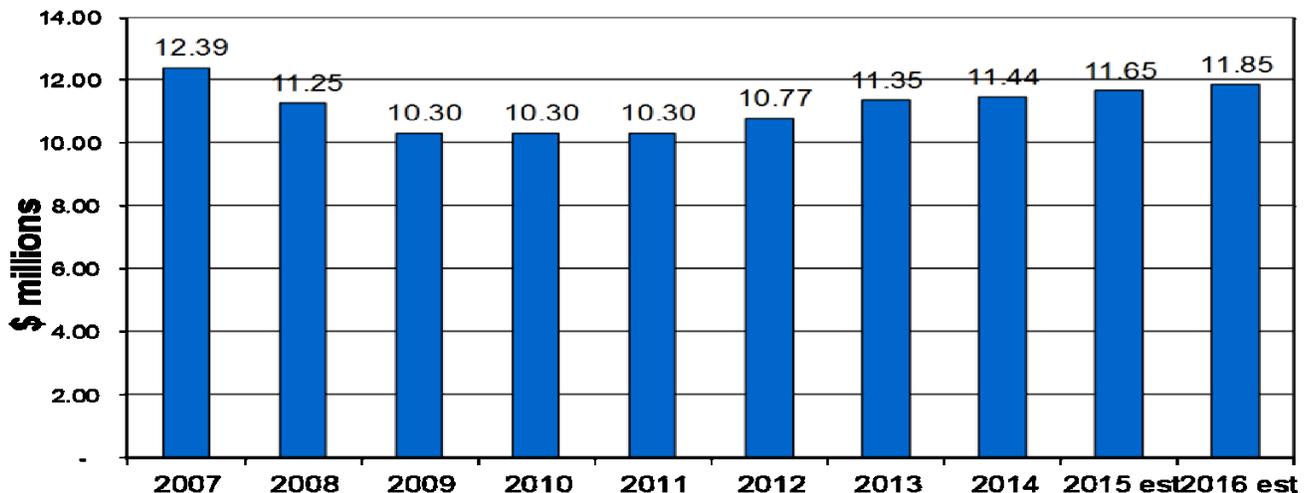
**Property Tax Levy**



## Sales Tax Revenue History

This chart presents a complete ten year history of the 1% Municipal sales tax collection for the Village of Downers Grove and also shows the estimated collection for FY15 and budgeted collection for FY16. 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.

**General Fund Sales Taxes**

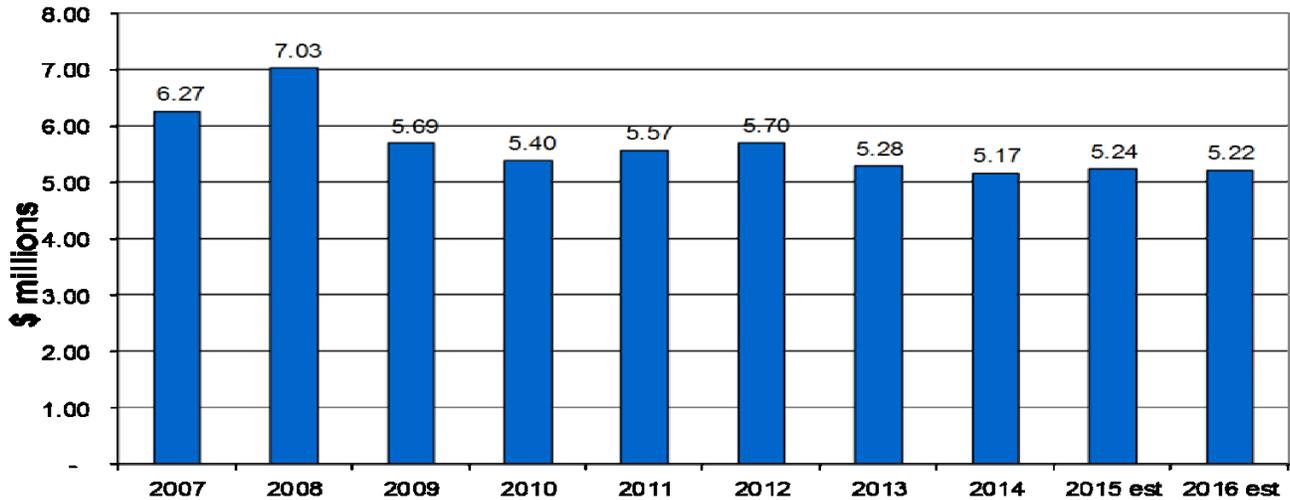


# MAJOR REVENUE TRENDS

## 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), bundling of telecom services resulting in lower rates and call centers leaving the Village

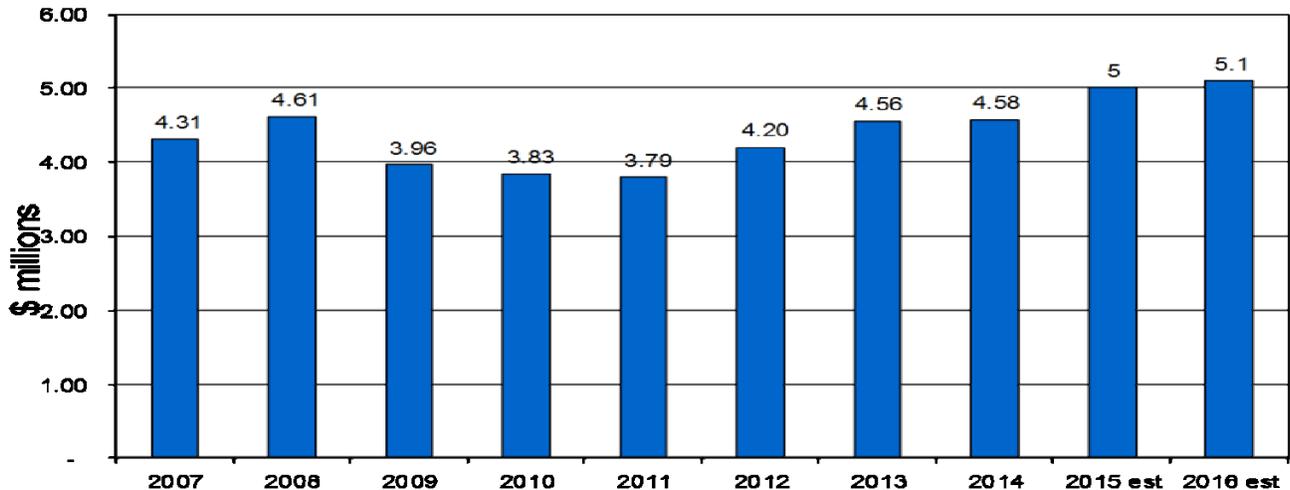
### General Fund Utility Taxes



## State Income Tax History

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

### General Fund Income Taxes

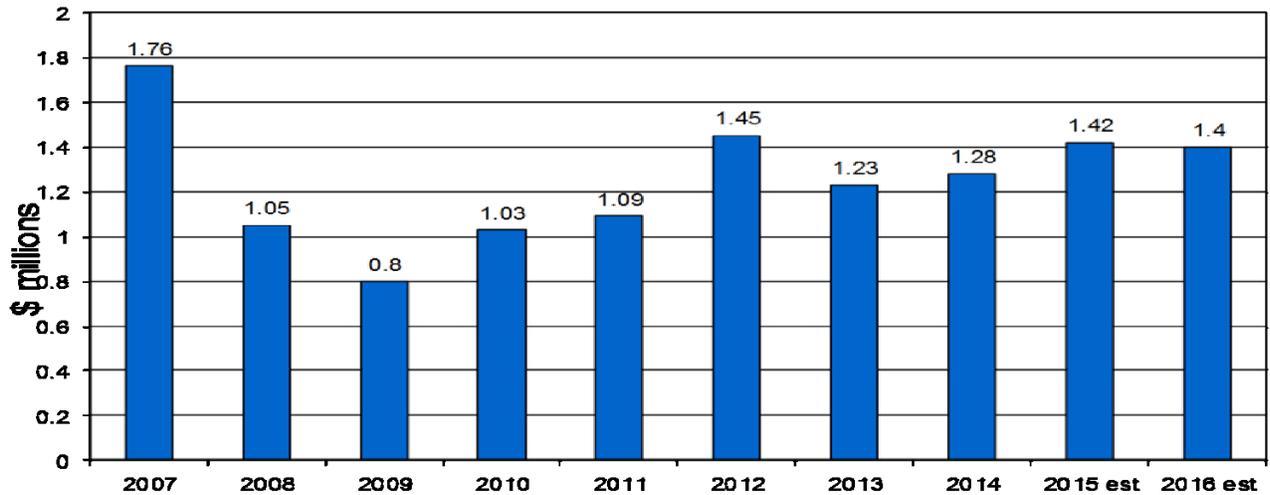


# MAJOR REVENUE TRENDS

## 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. There have been large commercial permits in recent years.

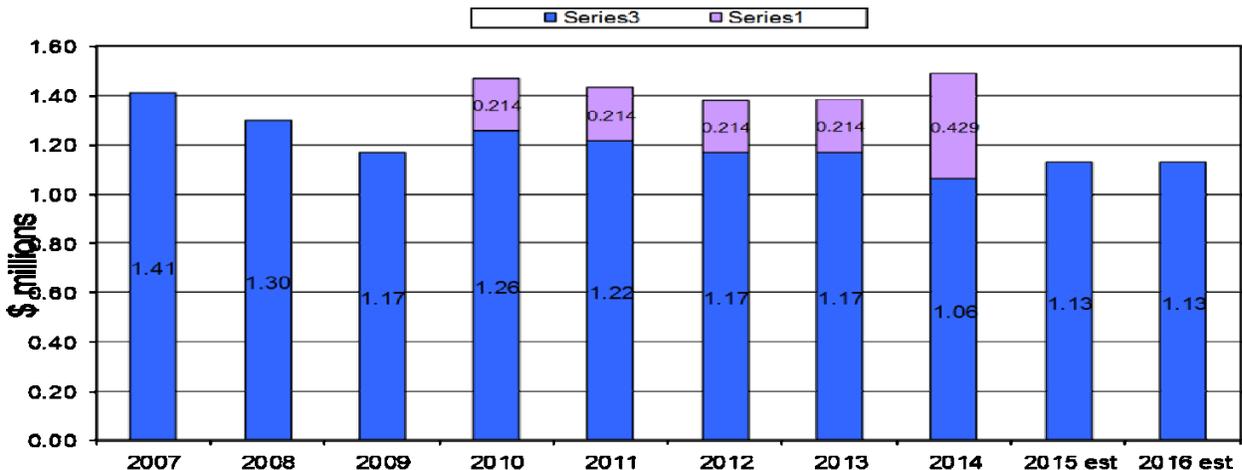
**Building Related Permits**



## Motor Fuel Tax (MFT)

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

**Motor Fuel Tax Revenues**



# 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 \$52.2 million (2014 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 \$37.3 million (2014 EAV).

### CBD and OGDEN TIF DISTRICTS

