

# **2017 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, 2016**

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, 2016. 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

Margaret Earl

Greg Hosé

William Waldack

Nicole Walus

Bill White

## Management Staff

Village Manager

David Fieldman

Village Attorney

Enza Petrarca

Village Clerk

April Holden

Deputy Village Manager

Michael Baker

Information Technology Director

Dave Kenny

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

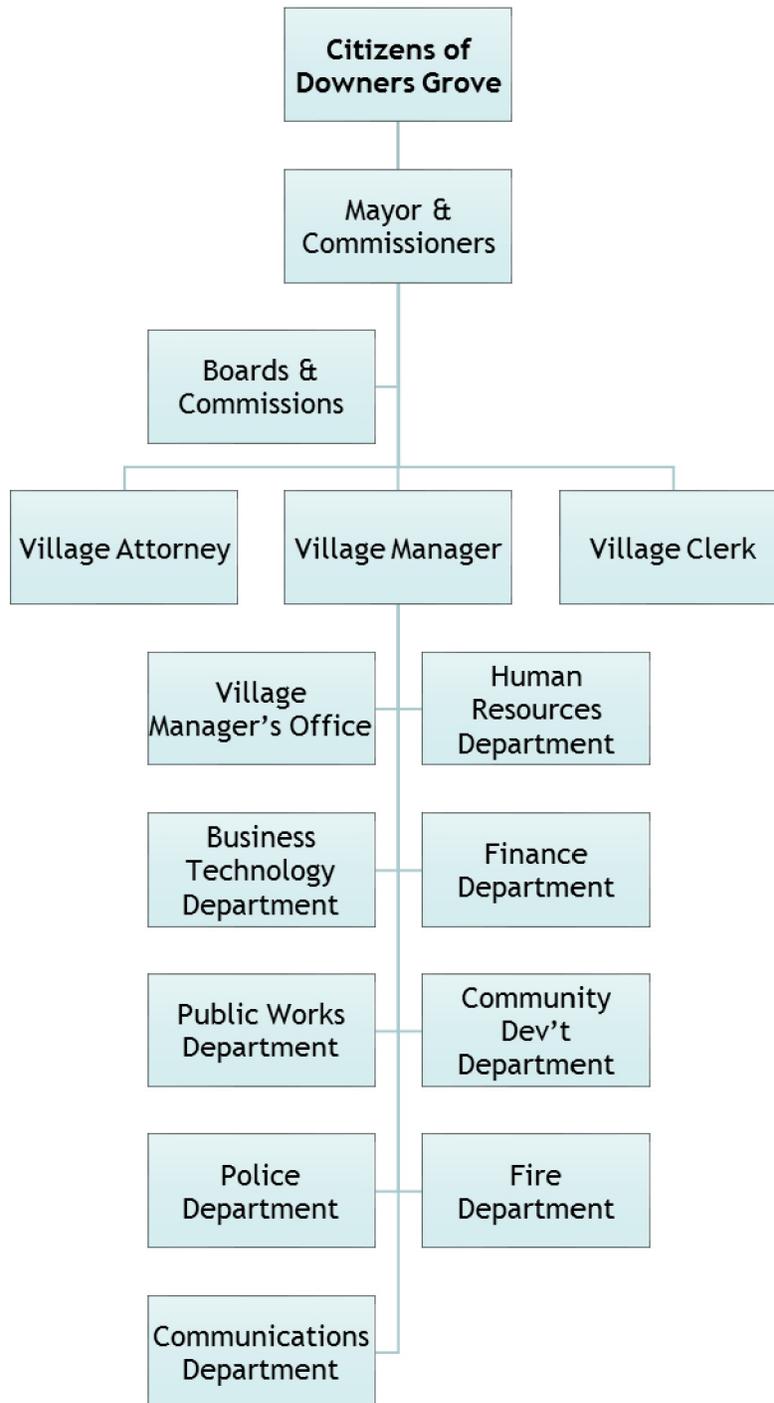
Public Works Director

Naneil Newlon

Purchasing Agent

Theresa Tarka

# VILLAGE ORGANIZATIONAL CHART



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# SOURCES AND USES BY FUND

The chart below shows the FY17 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	20,820,460	1,659,950	18,860,000	50
102	Motor Fuel Tax	-	-	1,150,000	-
107	CBD-TIF	3,151,869	-	-	-
109	Foreign Fire Insurance	80,000	-	-	-
110	Ogden TIF	645,000	-	-	-
111	Tax Rebate	-	-	1,500,000	-
114	Asset Forfeiture	-	-	-	-
220	Capital Projects	7,661,524	-	-	-
223	Major Buildings	200,000	-	-	-
226	Real Estate	-	-	-	-
338	CBD-TIF Debt Service	-	-	-	-
339	Stormwater/Facilities Debt	-	-	-	-
443	Stormwater Utility	-	-	-	-
471	Parking	-	-	-	1,423,000
481	Water	-	500	-	14,819,871
530	Equipment Replacement	-	-	-	-
531	Fleet Services	-	-	-	69,500
562	Risk Management	-	-	-	-
563	Health Insurance	-	-	-	2,172,700
651	Police Pension	-	-	-	-
652	Fire Pension	-	-	-	-
805	Library	5,043,615	-	55,000	8,000
821	Library Bldg & Equip Replacement	-	-	-	-
836	Library Debt	-	-	-	-
<b>TOTAL</b>		<b>37,602,468</b>	<b>1,660,450</b>	<b>21,565,000</b>	<b>18,493,121</b>

## Uses by Fund, FY2017 Adopted Budget

Fund #	Fund Description	51	52	53	54
		51-Personnel Expenses	52-Supplies	53-Professional & Tech Services	54-Other Contr Srcvs
001	General Fund	35,733,064	1,071,075	2,379,513	1,671,521
102	Motor Fuel Tax	-	-	-	-
107	CBD-TIF	-	-	17,200	-
109	Foreign Fire Insurance	-	49,100	44,350	11,800
110	Ogden TIF	-	-	1,900	-
111	Tax Rebate	-	-	-	-
114	Asset Forfeiture	-	-	35,000	-
220	Capital Projects	392,975	120,000	233,200	233,000
223	Major Buildings	-	-	-	-
226	Real Estate	-	1,500	2,000	19,000
338	CBD-TIF Debt Service	-	-	-	-
339	Capital Debt	-	-	-	-
443	Stormwater Utility	921,085	69,195	100,235	324,350
471	Parking	183,643	13,088	82,585	123,582
481	Water	1,557,795	8,686,366	262,015	648,953
530	Equipment Replacement	-	-	-	-
531	Fleet Services	738,602	755,776	31,730	183,226
562	Risk Management	130,801	800	152,535	649,892
563	Health Insurance	120,949	-	434,138	817,815
651	Police Pension	-	100	192,575	-
652	Fire Pension	-	-	162,557	-
805	Library	3,691,920	143,400	262,625	306,500
821	Library Bldg & Equip Replacement	-	-	-	-
836	Library Debt	-	-	-	-
<b>TOTAL</b>		<b>43,470,834</b>	<b>10,910,400</b>	<b>4,394,158</b>	<b>4,989,639</b>

45	46	47	48	49	TOTAL	Fund #
45-Fees & Charges	46-Grants	47-Interest & Claims	48-Misc. & Contributions	49-Other Fin. Resources		
4,973,350	371,291	190,000	-	-	46,875,101	001
-	-	100	-	-	1,150,100	102
-	-	-	-	-	3,151,869	107
-	-	-	-	-	80,000	109
-	360,000	-	-	-	1,005,000	110
-	-	-	-	-	1,500,000	111
310,000	-	-	-	-	310,000	114
-	1,017,750	10,000	30,000	-	8,719,274	220
-	-	-	-	500,000	700,000	223
20,712	-	-	-	-	20,712	226
-	-	-	-	3,745,353	3,745,353	338
-	-	-	-	1,911,531	1,911,531	339
3,935,000	135,000	10,000	110,000	-	4,190,000	443
205,000	-	4,000	-	-	1,632,000	471
187,000	-	38,000	-	4,000,000	19,045,371	481
1,400,421	-	200	-	29,000	1,429,621	530
1,537,008	-	500	-	-	1,607,008	531
2,562,271	-	-	-	-	2,562,271	562
5,277,563	-	6,000	-	-	7,456,263	563
-	-	943,606	3,635,698	500,000	5,079,304	651
-	-	1,324,000	3,736,811	200,000	5,260,811	652
165,000	36,910	2,000	5,000	-	5,315,525	805
-	-	-	-	1,400,000	1,400,000	821
-	-	-	-	-	-	836
<b>20,573,325</b>	<b>1,920,951</b>	<b>2,528,406</b>	<b>7,517,509</b>	<b>12,285,884</b>	<b>124,147,114</b>	

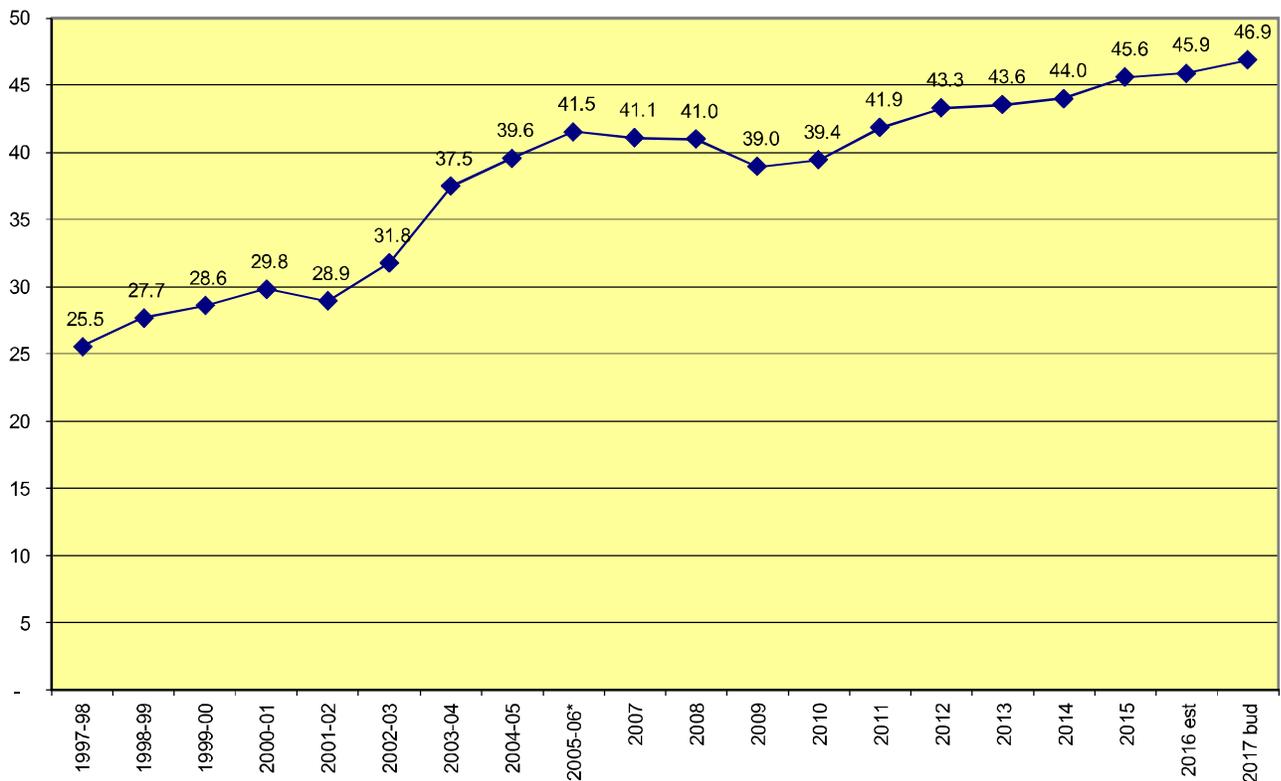
56	57	58	59	TOTAL	Fund #
56-Claims, Grants, & Debt	57-Controlled Assets	58-Capital Assets	59-Other Financial Uses		
5,834,015	79,725	85,203	-	46,854,116	001
-	1,195,000	-	-	1,195,000	102
60,000	-	-	3,445,353	3,522,553	107
59,200	30,000	-	-	194,450	109
750,000	-	455,000	84,413	1,291,313	110
1,500,000	-	-	-	1,500,000	111
-	25,000	1,750,000	-	1,810,000	114
11,105	4,956,850	1,460,000	2,411,531	9,818,661	220
-	139,500	235,000	-	374,500	223
2,500	-	-	15,000	40,000	226
3,939,101	-	-	-	3,939,101	338
1,912,819	-	-	-	1,912,819	339
1,521,908	515,000	3,320,000	-	6,771,773	443
21,872	225,000	-	842,987	1,492,757	471
1,464,045	1,259,700	4,438,000	1,118,656	19,435,530	481
-	275,800	1,932,000	-	2,207,800	530
33,605	33,700	-	116,826	1,893,465	531
1,831,066	-	-	-	2,765,094	562
5,992,675	-	-	80,403	7,445,980	563
4,267,676	-	-	-	4,460,351	651
3,993,478	-	-	-	4,156,035	652
20,000	63,500	826,200	1,400,000	6,714,145	805
-	-	600,000	-	600,000	821
617,829	-	-	-	617,829	836
<b>33,832,894</b>	<b>8,798,775</b>	<b>15,101,403</b>	<b>9,515,169</b>	<b>131,013,272</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 FY16 and budgeted collection for FY17. 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.

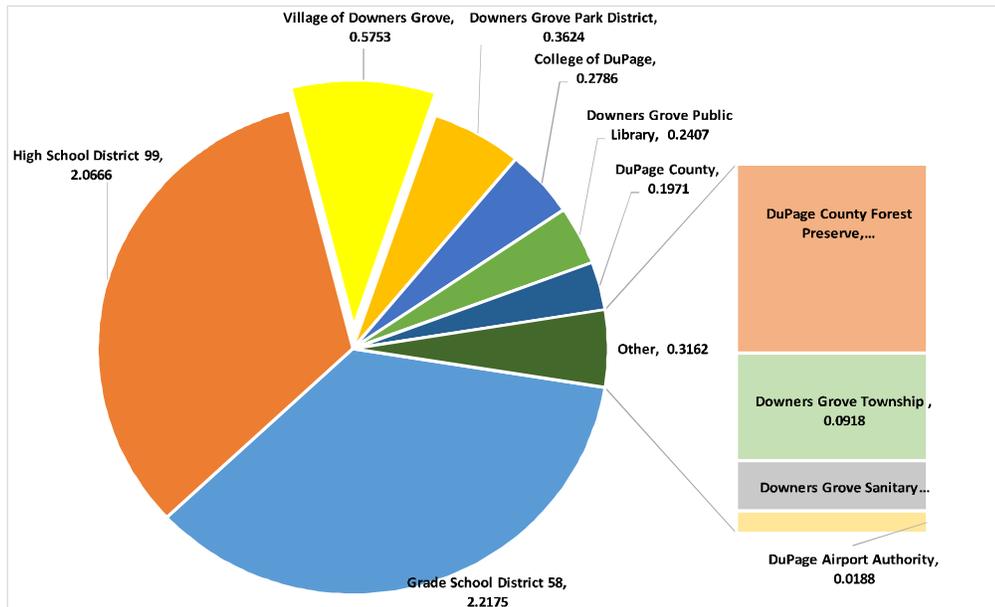
The Dupage Water Commission (DWC) did not raise rates in 2016, and is not expected to do so in 2017. As such, the Village is not planning a rate increase in 2017. If the DWC raises rates in 2017, it will be passed along to Downers Grove customers.

*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. Prior to this time, these monies came from property taxes. 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, and discuss the merits of the fee system. After discussion in 2016 based on feedback received in an advisory referendum, it was decided to continue to bill stormwater through fees in the Stormwater Utility, and not return to the property tax model.

*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 on commuter parking takes effect January 1, 2017.

# PROPERTY TAXES

## Downers Grove Property Tax Rates 2015



### Distribution of 2015 Tax Levy

Taxing Unit	2015 Tax Rate*	% of Tax Bill
Grade School District 58	2.2175	34.40%
High School District 99	2.0666	32.06%
<b>Village of Downers Grove</b>	<b>0.5753</b>	<b>8.92%</b>
Downers Grove Park District	0.3624	5.62%
College of DuPage	0.2786	4.32%
Downers Grove Public Library	0.2407	3.73%
DuPage County	0.1971	3.06%
DuPage County Forest Preserve	0.1622	2.52%
Downers Grove Township	0.0918	1.42%
Downers Grove Sanitary District	0.0434	0.67%
DuPage Airport Authority	0.0188	0.29%
<b>Total</b>	<b>6.2544</b>	

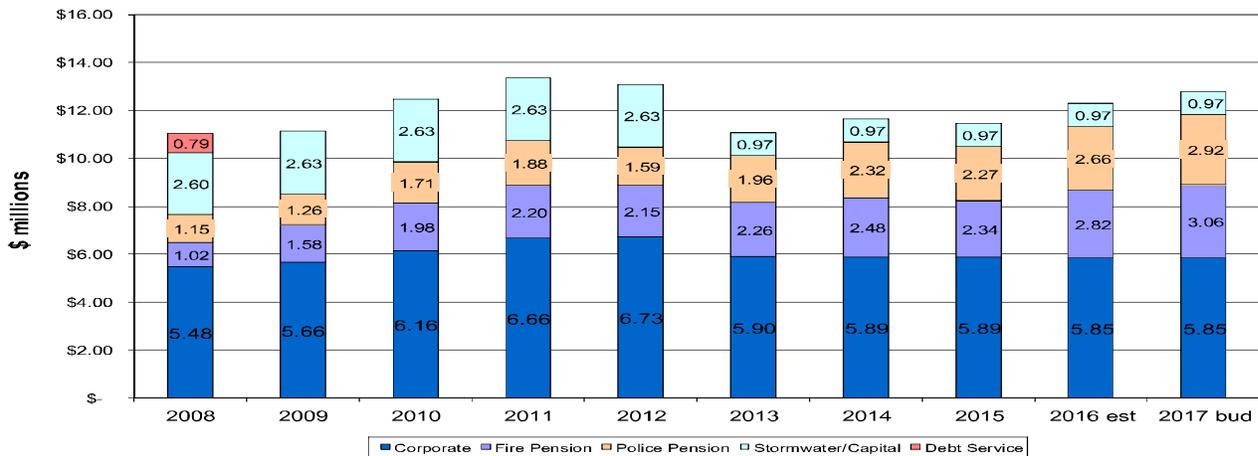
\* Levied in 2016

# 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 2017 increase is due to the levy for Police and Fire Pensions (\$491,000 increase).

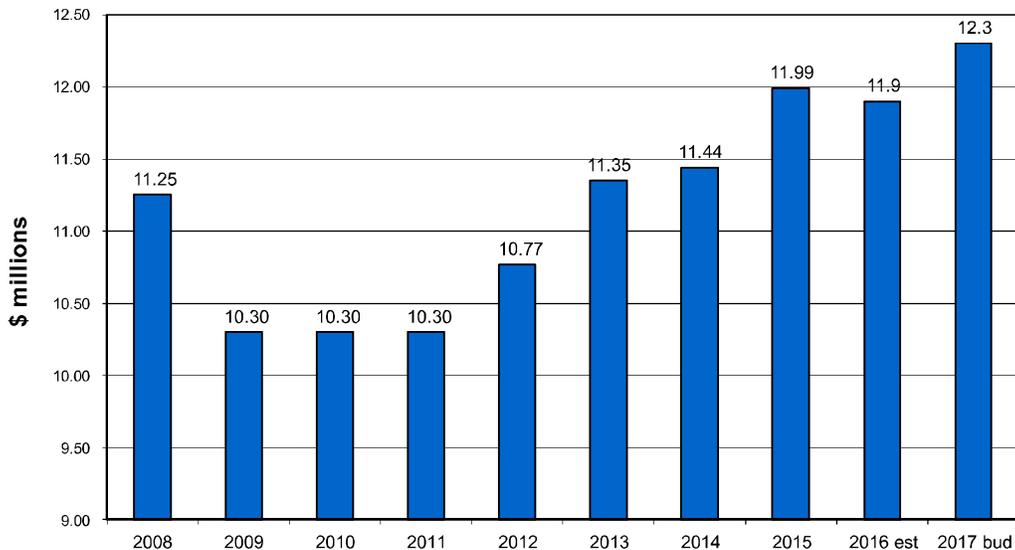
Property Tax Levy



## 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 FY16 and budgeted collection for FY17. 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

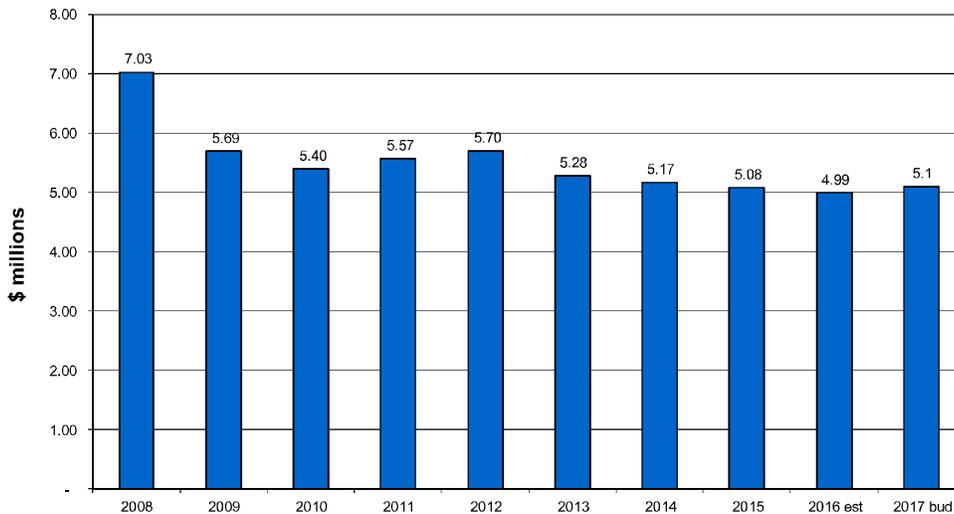


# MAJOR REVENUE TRENDS

## 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

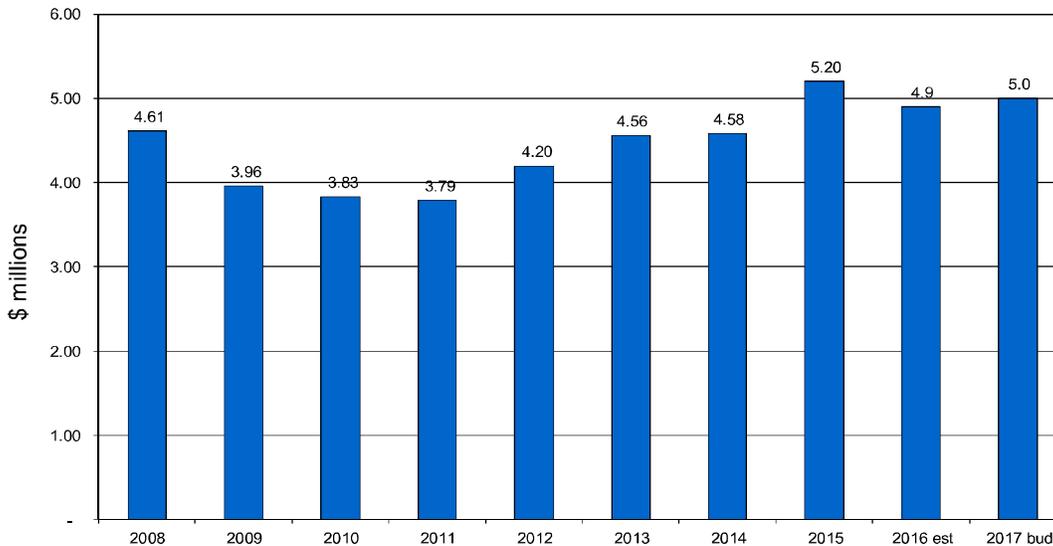
**General Fund Utility Taxes**



## 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. 2015 income was greater than the trend due to a one time bump from a change in allocation rates, and capital gains received in 2015 from 2014 returns .

**General Fund Income Taxes**

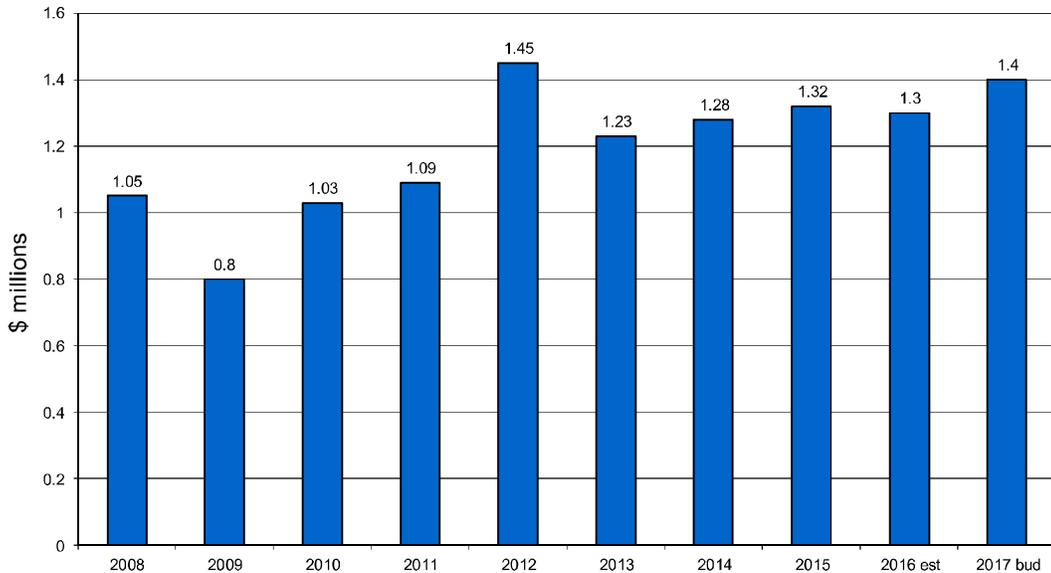


# MAJOR REVENUE TRENDS

## Building Related Permits

Permit activity was impacted from the downturn in the housing market and bottomed out in 2009. These revenues have been growing since 2010. There have been large commercial permits in recent years.

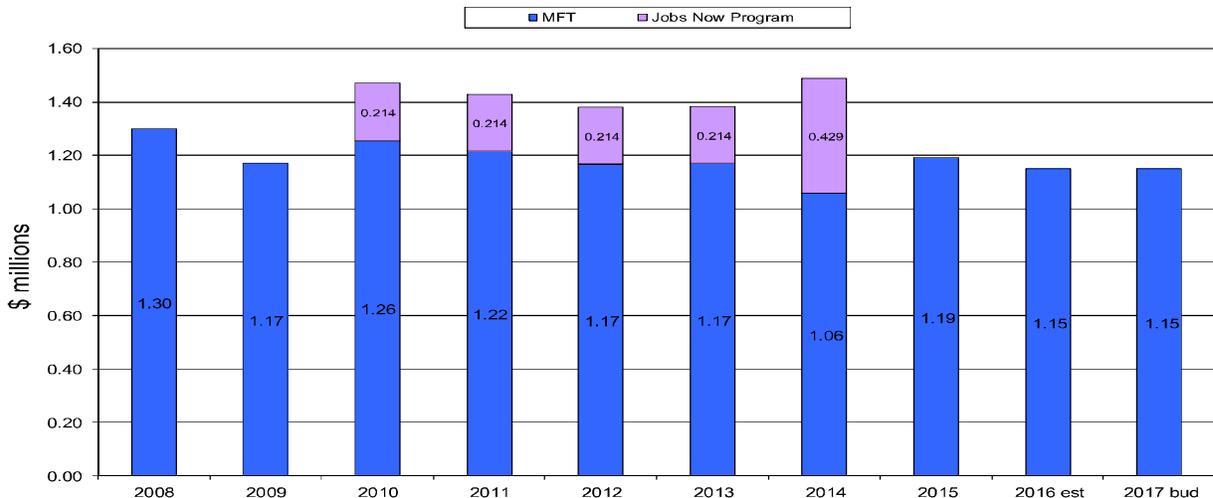
Building Related Permits



## 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. These funds are used for roadway maintenance. MFT revenues have been stagnant 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. 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 \$16.1 million (1996 EAV) to \$54.5 million (2015 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 \$38.3 million (2015 EAV).

**CBD and OGDEN TIF DISTRICTS**

