2018 Adopted Budget

GFOA Budget Award
Village Officials and Management Staff
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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, 2017

Christopher P. Morrill

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, 2017. 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

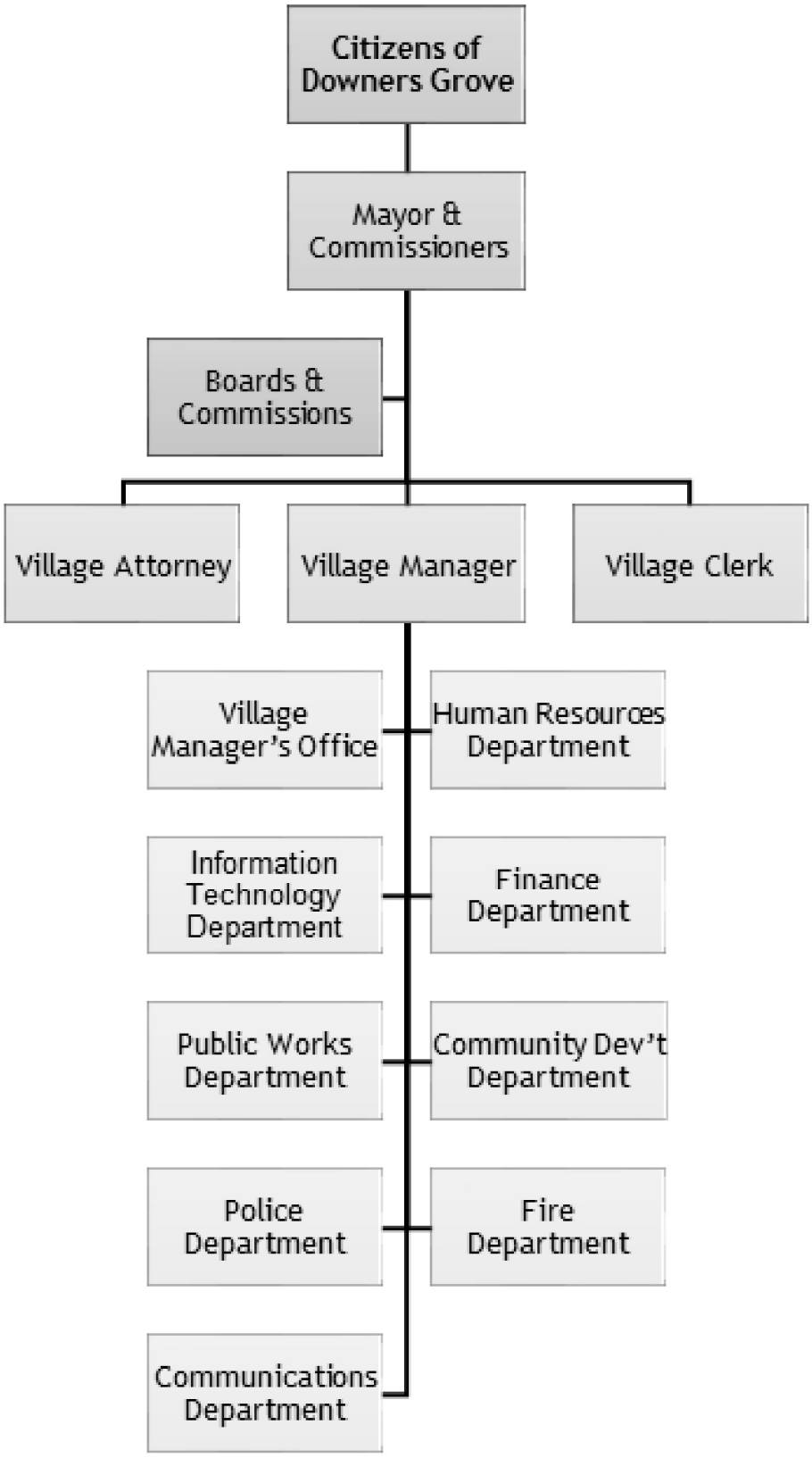
Mayor & Village Council

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	Jeff Pindelski
Human Resources Director	Dennis Burke
Police Chief	Shanon Gillette
Public Works Director	Naneil Newlon
Purchasing Agent	Theresa Tarka

Village Organizational Chart



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Sources and Uses by Fund

Sources By Fund, FY2018 Adopted Budget

Fund #	Fund Description	41 41-Local Taxes	42 42-Licenses & Permits	43 43-Intergov'tal Revenues	44 44-Sales Revenues
001	General Fund	22,664,310	1,765,500	17,510,000	-
102	Motor Fuel Tax	-	-	1,200,000	-
107	CBD-TIF	3,450,000	-	-	-
109	Foreign Fire Insurance	100,000	-	-	-
110	Ogden TIF	730,000	-	-	-
111	Tax Rebate	-	-	1,400,000	-
114	Asset Forfeiture	-	-	-	-
220	Capital Projects	7,181,524	-	-	-
223	Major Buildings	-	-	-	-
226	Real Estate	-	-	-	-
338	CBD-TIF Debt Service	-	-	-	-
339	Stormwater/Facilities Debt	-	-	-	-
443	Stormwater Utility	-	-	-	-
471	Parking	-	-	-	1,440,000
481	Water	-	500	-	14,920,373
530	Equipment Replacement	-	-	-	-
531	Fleet Services	-	-	-	53,000
562	Risk Management	-	-	-	-
563	Health Insurance	-	-	-	2,344,400
651	Police Pension	-	-	-	-
652	Fire Pension	-	-	-	-
653	OPEB Trust	-	-	-	-
805	Library	5,182,414	-	60,000	10,000
821	Library Bldg & Equip Replacement	-	-	-	-
	TOTAL	**39,308,248**	**1,766,000**	**20,170,000**	**18,767,773**

Uses by Fund, FY2018 Adopted Budget

Fund #	Fund Description	51 51-Personnel Expenses	52 52-Supplies	53 53-Professional & Tech Services	54 54-Other Contr Srcvs
001	General Fund	36,159,997	1,064,383	2,603,186	1,649,559
102	Motor Fuel Tax	-	-	-	-
107	CBD-TIF	-	-	26,550	-
109	Foreign Fire Insurance	-	39,350	43,850	9,800
110	Ogden TIF	-	-	2,400	-
111	Tax Rebate	-	-	-	-
114	Asset Forfeiture	-	-	75,000	-
220	Capital Projects	405,633	139,000	226,216	185,500
223	Major Buildings	-	-	-	-
226	Real Estate	-	20,000	-	17,000
338	CBD-TIF Debt Service	-	-	-	-
339	Capital Debt	-	-	-	-
443	Stormwater Utility	1,055,416	72,245	98,855	327,250
471	Parking	189,618	14,738	113,760	134,555
481	Water	1,675,614	8,747,497	286,938	659,140
530	Equipment Replacement	-	-	-	-
531	Fleet Services	735,771	693,401	38,931	183,226
562	Risk Management	133,426	800	135,535	632,084
563	Health Insurance	99,547	-	529,041	860,937
651	Police Pension	-	100	197,993	-
652	Fire Pension	-	-	161,170	-
653	OPEB Trust	-	-	-	-
805	Library	3,794,033	139,800	283,950	290,375
821	Library Bldg & Equip Replacement	-	-	-	-
	TOTAL	**44,249,055**	**10,931,314**	**4,823,374**	**4,949,426**

The chart below shows the FY18 budgeted revenues and expenses by category and fund.

45	46	47	48	49		
45-Fees & Charges	**46-Grants**	**47-Interest & Claims**	**48-Misc. & Contributions**	**49-Other Fin. Resources**	**TOTAL**	**Fund #**
5,121,650	30,000	280,000	-	-	**47,371,460**	001
-	-	5,000	-	-	**1,205,000**	102
-	-	-	-	-	**3,450,000**	107
-	-	-	-	-	**100,000**	109
-	-	-	-	-	**730,000**	110
-	-	-	-	-	**1,400,000**	111
-	-	-	-	-	**-**	114
-	922,400	10,000	30,000	-	**8,143,924**	220
-	-	-	-	-	**-**	223
20,712	-	-	-	-	**20,712**	226
-	-	-	-	4,123,133	**4,123,133**	338
-	-	-	-	1,909,719	**1,909,719**	339
4,235,000	10,000	10,000	110,000	-	**4,365,000**	443
195,000	-	4,000	-	-	**1,639,000**	471
181,000	-	70,000	-	6,058,000	**21,229,873**	481
1,399,995	-	200	-	29,000	**1,429,195**	530
1,628,108	-	500	-	-	**1,681,608**	531
2,322,954	-	-	-	-	**2,322,954**	562
5,505,496	-	6,000	-	-	**7,855,896**	563
-	-	1,000,000	3,856,344	500,000	**5,356,344**	651
-	-	789,853	4,099,123	500,000	**5,388,976**	652
-	-	3,000	300,000	-	**303,000**	653
92,500	36,910	2,000	5,000	-	**5,388,824**	805
-	-	-	-	350,000	**350,000**	821
20,702,415	**999,310**	**2,180,553**	**8,400,467**	**13,469,852**	**125,764,618**	

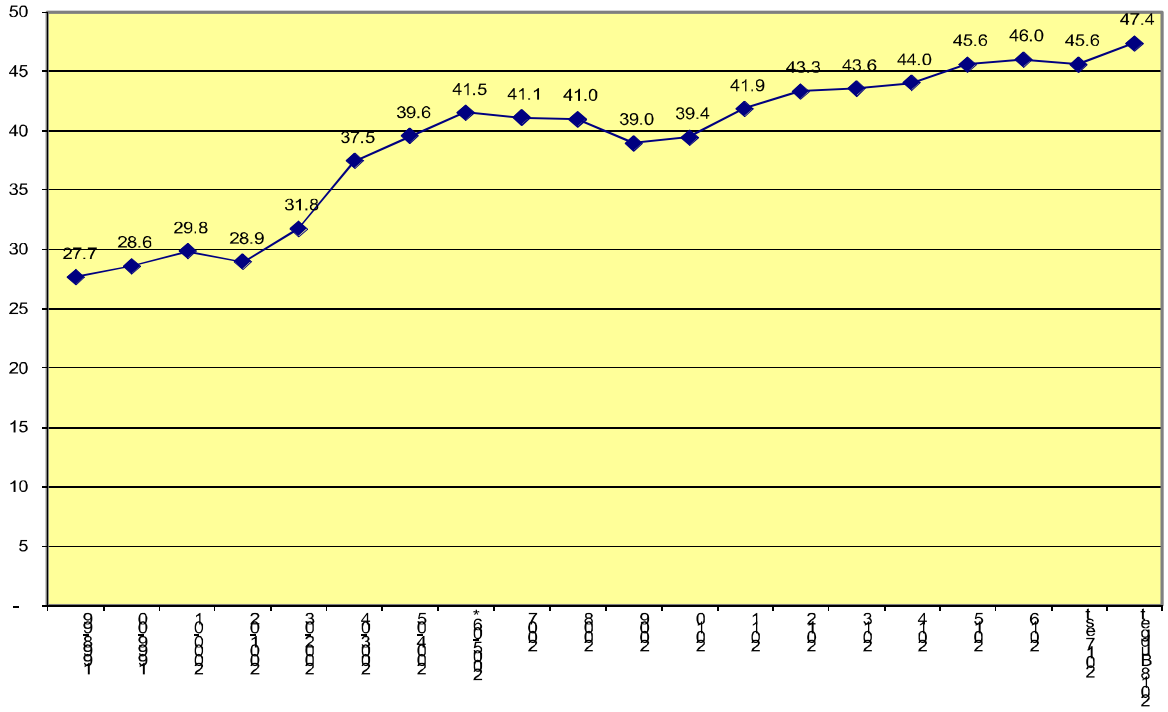
56	57	58	59		
56-Claims, Grants, & Debt	**57-Controlled Assets**	**58-Capital Assets**	**59-Other Financial Uses**	**TOTAL**	**Fund #**
5,793,780	94,320	10,400	-	**47,375,625**	001
-	1,300,000	-	-	**1,300,000**	102
60,000	-	-	3,823,133	**3,909,683**	107
47,500	30,000	185,000	-	**355,500**	109
5,410,000	-	300,000	84,413	**5,796,813**	110
1,400,000	-	-	-	**1,400,000**	111
-	75,000	-	-	**150,000**	114
51,939	4,369,800	1,432,500	2,209,719	**9,020,307**	220
-	111,000	400,000	-	**511,000**	223
-	-	-	-	**37,000**	226
4,123,133	-	-	-	**4,123,133**	338
1,909,719	-	-	-	**1,909,719**	339
1,416,544	182,500	3,358,000	-	**6,510,810**	443
26,122	220,000	400,000	842,987	**1,941,780**	471
1,331,937	149,700	8,532,000	1,071,440	**22,454,266**	481
-	474,050	1,323,000	-	**1,797,050**	530
43,715	32,503	70,000	116,826	**1,914,373**	531
1,831,063	-	-	-	**2,732,908**	562
6,206,464	-	-	80,403	**7,776,391**	563
4,684,263	-	-	-	**4,882,356**	651
4,499,540	-	-	-	**4,660,710**	652
-	-	-	-	**-**	653
24,000	60,000	824,500	350,000	**5,766,658**	805
-	-	660,000	-	**660,000**	821
38,859,720	**7,098,873**	**17,495,400**	**8,578,921**	**136,986,082**	

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.

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 FY17 and budgeted collection for FY18. 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. Sales Taxes and Income Taxes are declining in 2016 recent years



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.

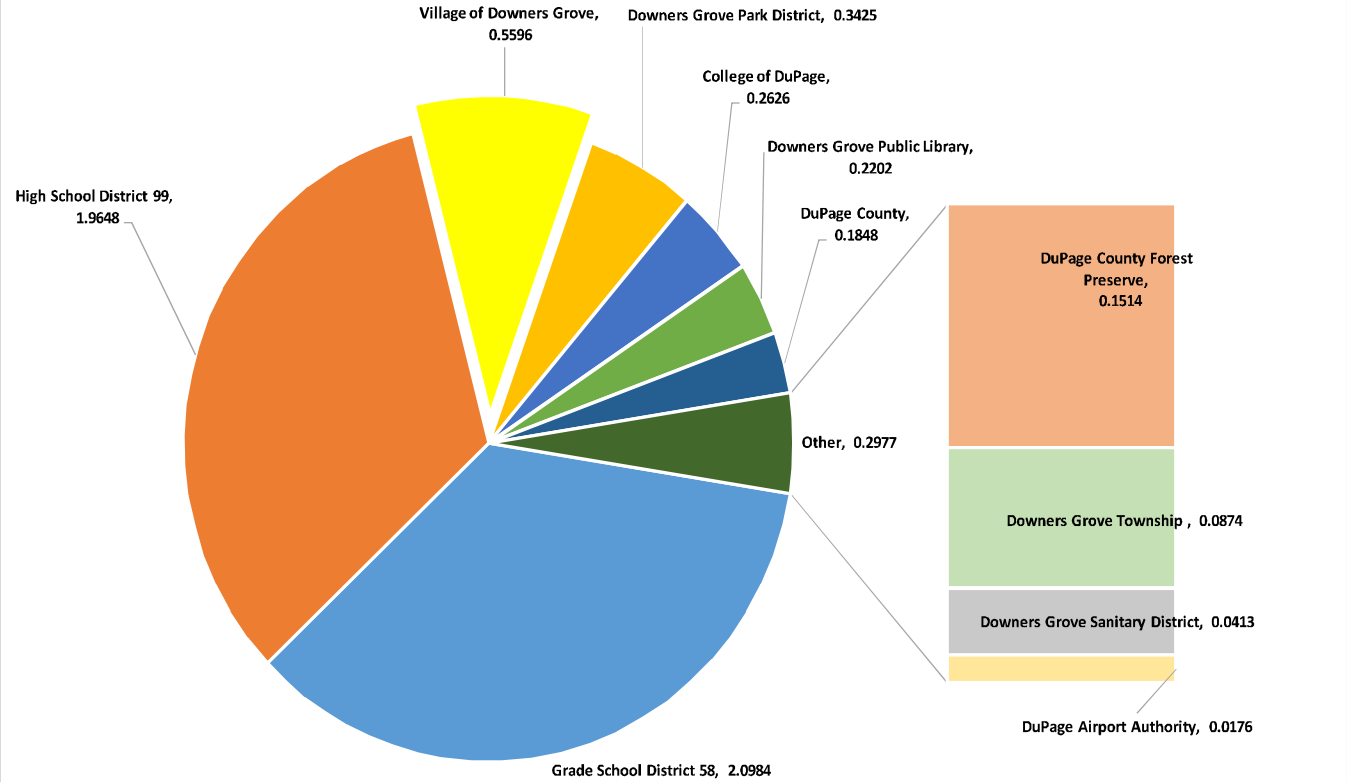
The Dupage Water Commission (DWC) did not raise rates in 2016, and in 2017 the DWC raised rates by 1.67%. Another small increase is expected in 2018, which will be passed along to Downers Grove customers.

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. The 2018 budget includes another 8.5% fee increase.

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, has benefitted from this study. The purpose of the study was 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 increases, which are to be implemented on a regular basis.

PROPERTY TAXES

Downers Grove Property Tax Rates 2016



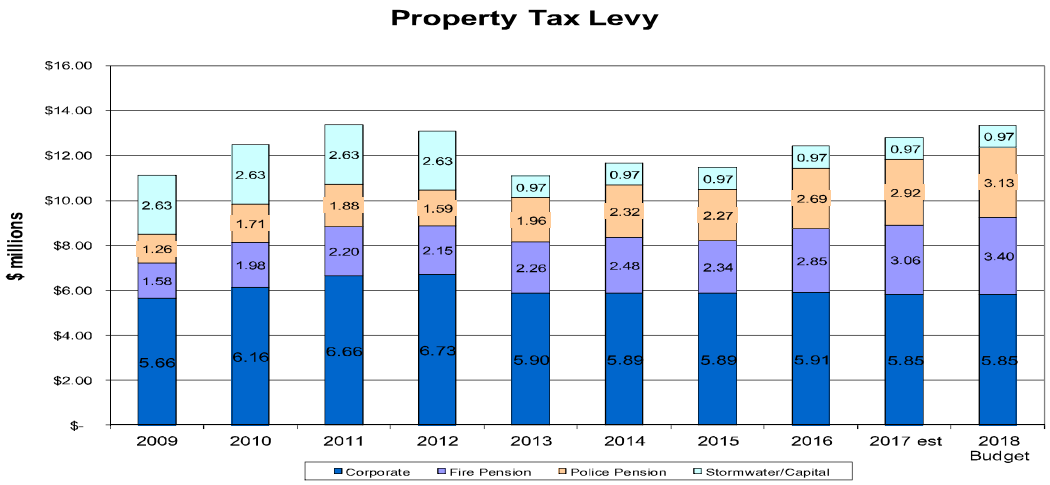
Distribution of 2016 Tax Levy

Taxing Unit	2016 Ta Rate*	% of Tax Bill
Grade School District 58	2.0984	35.38%
High School District 99	1.9648	33.13%
Village of Downers Grove	**0.5596**	9.44%
Downers Grove Park District	0.3425	5.78%
College of DuPage	0.2626	4.43%
Downers Grove Public Library	0.2202	3.71%
DuPage County	0.1848	3.12%
DuPage County Forest Preserve	0.1514	2.55%
Downers Grove Township	0.0874	1.47%
Downers Grove Sanitary District	0.0413	0.70%
DuPage Airport Authority	0.0176	0.30%
Total	5.9306	
* Levied in 2017		

MAJOR REVENUE TRENDS

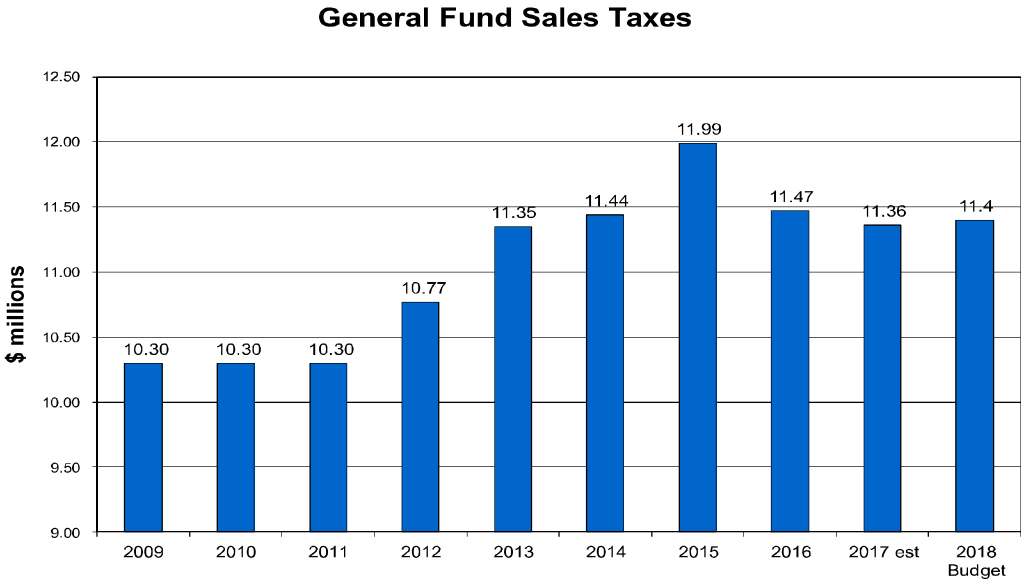
Property Tax Levy History

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 2018 increase is due to the levy for Police and Fire Pensions ($554,000 increase).



Sales Tax Revenue History

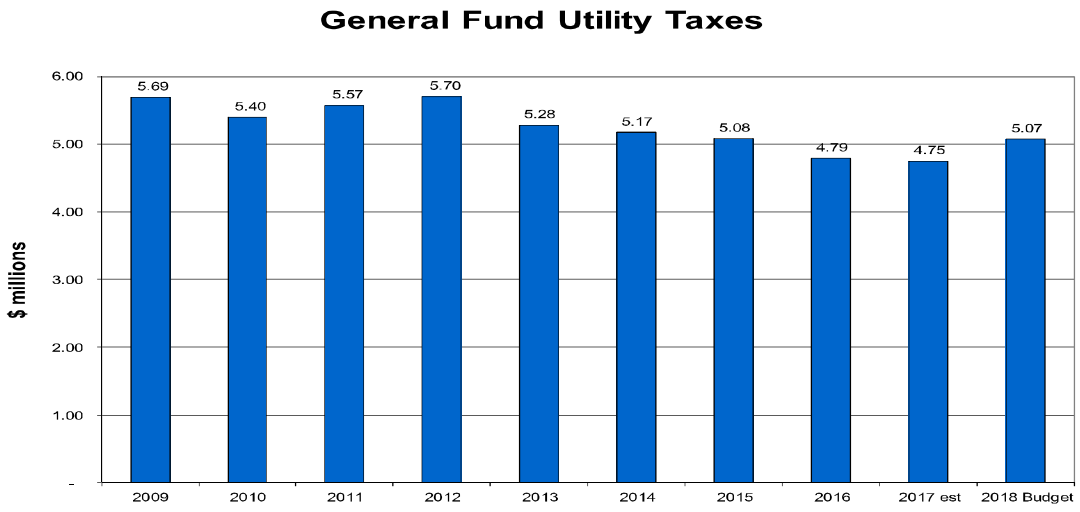
This chart presents a complete ten year history of the 1% Municipal sales tax collection for the Village of Downers Grove and also shows the estimated collection for FY17 and budgeted collection for FY18. Sales tax is projected at 24% of the FY18 General Fund operating revenue. The Village relies on 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. After a big bump in 2015, Sales Taxes have tapered off due to competition from on-line sales.



MAJOR REVENUE TRENDS

Utility Tax History

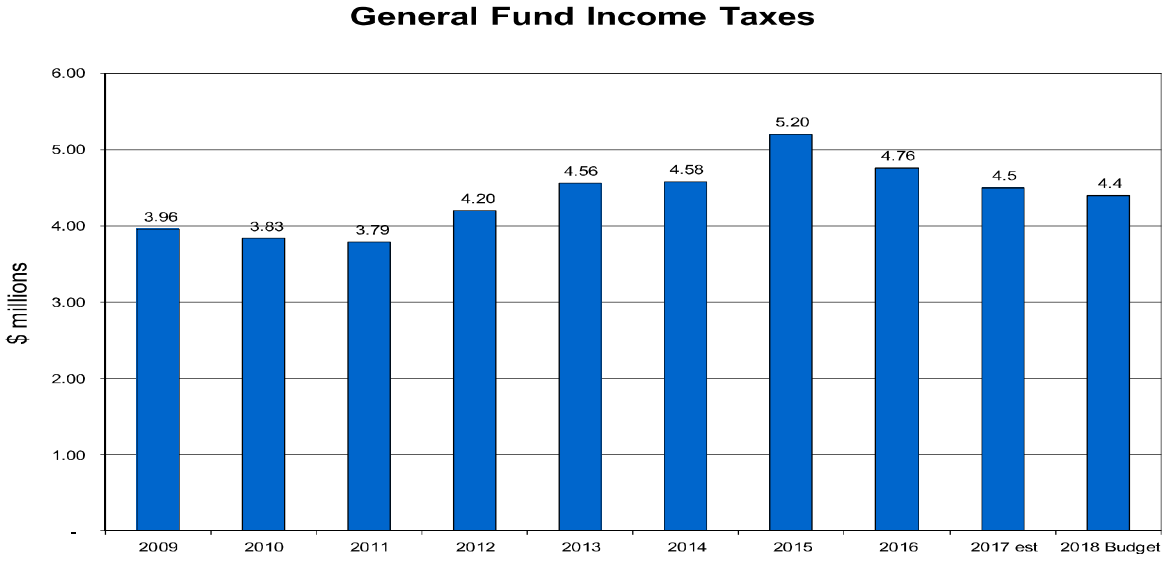
These include Natural Gas Use Tax, the Electricity Tax and the Telecommunications Tax. Electricity and Natural Gas taxes vary relative to the weather. The Telecommunications Tax has declining due to a number of factors: The elimination of land lines, businesses moving to Voice over Internet Protocol (VOIP), bundling of telecom services resulting in lower rates and call centers leaving the Village



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. Income Taxes have declined in recent years due to a few factors:

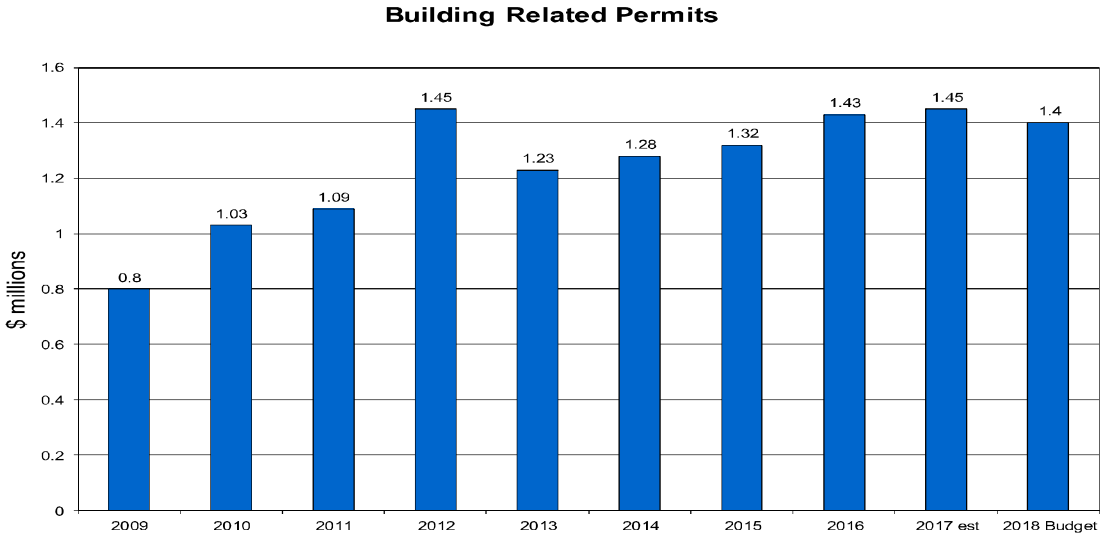
- Removal of the cap on Net Operating Losses
- A shift from corporations to "pass-through" entities (LLCs and LPs)
- Increase in Tax Credits



MAJOR REVENUE TRENDS

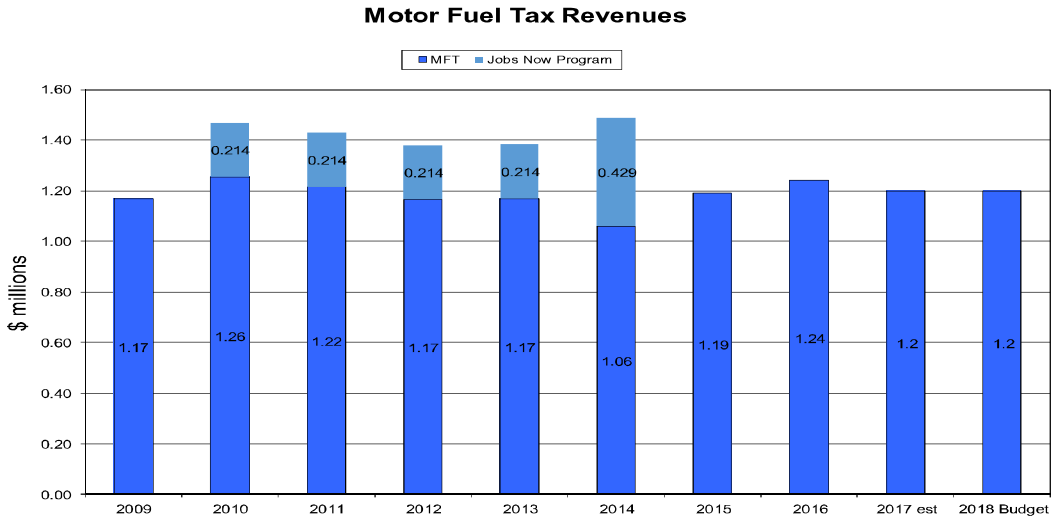
Building Related Permits

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.

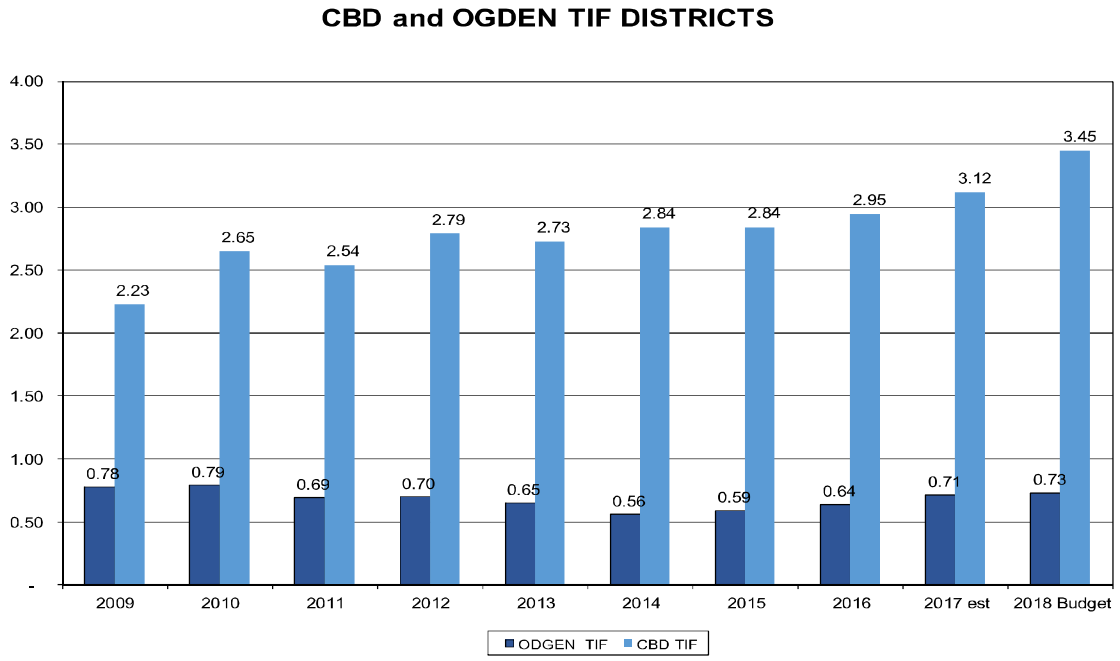


Motor Fuel Tax (MFT)

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.



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 $58.7 million (2016 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 $40.5 million (2016 EAV).