

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.

Fund Name	Type
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
Asset Forfeiture	Special Revenue
Capital	Capital
Major Buildings	Capital
Real Estate	Capital
Debt Service	Debt Service
Stormwater	Enterprise
Water	Enterprise
Parking	Enterprise
Equipment Replacement	Internal Service
Fleet Service	Internal Service
Risk Management	Internal Service
Health Insurance	Internal Service
Police Pension Fund	Trust & Agency
Fire Pension Fund	Trust & Agency
OPEB Trust Fund	Trust & Agency
Library Funds	Component Unit

GENERAL FUND

Fund Type: Governmental

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

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 Adopted FY18 Budget is prepared pursuant to the Long-Range Plan.. The development of the Long-Range Plan took place during multiple public meetings from February through August 2017. The Village Council, staff and the public participated in these meetings.

In the past several years, the Village has made significant changes to the General Fund to reduce costs and address a substantial structural financial gap. Typical growth in General Fund revenues does not keep up with the growth in expenses. Therefore, the Village must continually address rising costs.

To address the issues currently facing the sustainability of the General Fund, the Village will pursue the following solutions and strategies:

- Implement a 1% Food and Beverage Tax
- Increase the Property Tax Levy for operations as necessary

In addition, the Village will continue to:

- Implement cost-cutting measures
- Enhance the existing revenue base
- Seek out new and sustainable revenue sources
- Monitor state budget actions that could impact the Village and work to protect municipal revenues
- Reduce reliance on state shared revenues
- Maintain reserve balances within policies
- Work with the Downers Grove Economic Development Corporation (DGEDC) to increase the sales tax base and Village sales tax revenue

FY18 Budget Considerations-

- The General Fund is balanced with revenues and expenses at \$47.37 million. The General Fund balance will be maintained at the recommended level of 40% of annual expenses - an amount consistent with Standard & Poor's guidelines to maintain the Village's AAA bond rating.
- Revenue from Newly Implemented Food & Beverage Tax: The FY18 Adopted Budget includes \$1.5 million in General Fund revenue from the food and beverage tax. At the July 18, 2017 Village Council meeting, the Village Council adopted a 1% Food and Beverage Tax to replace the declining sales tax revenue brought on by the increase in on-line retail purchases. This tax, which will go into effect January 1, 2018, applies to the purchase price of prepared foods and non-alcoholic and alcoholic beverages for immediate consumption, as well as packaged alcohol sales.
- No Increase in the Property Tax Levy for Operations: For the seventh year in a row, the adopted budget does not increase the property tax levy for operations
- Property Tax Levy Increase for Required Contributions to Public Safety Pensions: The adopted budget includes a \$553,850 increase in the levy for police and fire pensions - a 9.3% increase in this portion of the levy. The Village's required funding level for pensions is set by state statute. The increase for FY18 is related to both pension funds lowering their actuarial model assumptions for investment return interest rates from 7.25% to 7%.
- Reduction in Staffing: The staffing plan includes a net reduction of 2.0 FTE. A new 0.5 FTE Accounting Specialist is proposed to perform work attributed to the newly adopted food and beverage tax. The reduction comes from the elimination of three currently vacant positions (Building Maintenance Worker, Community Development Administrative Secretary and Communications Specialist).

GENERAL FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	18,700,383	18,881,920	18,881,920	18,929,986	18,925,821	18,168,218
3	Revenue						
4	Local Taxes	19,960,776	20,820,460	20,320,906	22,664,310	23,001,253	23,630,535
5	License & Permit Revenues	1,796,468	1,659,950	1,807,736	1,765,500	1,773,534	1,781,809
6	Intergovernmental Revenues	17,838,104	18,860,000	17,570,000	17,510,000	17,760,000	17,810,000
7	Sales	-	50	-	-	-	-
8	Fees, Charges & Fines	5,298,942	4,973,350	5,063,650	5,121,650	5,217,410	5,300,000
9	Grants	671,025	371,291	571,887	30,000	30,000	30,000
10	Interest & Claims	279,565	190,000	280,000	280,000	280,000	280,000
11	Contributions	712	-	-	-	-	-
12	Other Financial Resources	177,974	-	-	-	-	-
13	Total Revenue	46,023,566	46,875,101	45,614,179	47,371,460	48,062,197	48,832,344
14	Expenses						
15	Personnel	35,337,423	35,733,064	35,318,371	36,159,997	37,050,281	38,356,552
16	Supplies	1,101,390	1,071,075	839,688	1,064,383	1,052,736	1,077,193
17	Professional Services	1,298,163	2,379,513	2,351,109	2,603,186	2,618,527	2,644,974
18	Other Contractual Services	1,452,062	1,671,521	1,530,170	1,649,559	1,677,644	1,691,884
19	Claims, Grants, & Debt	6,360,827	5,834,015	5,385,049	5,793,780	6,338,732	6,547,411
20	Controlled Assets	107,172	79,725	50,900	94,320	65,920	66,783
21	Capital Assets	43,326	85,203	90,826	10,400	15,960	18,522
22	Other Financial Uses	141,666	-	-	-	-	-
23	Total Expenses	45,842,029	46,854,116	45,566,113	47,375,625	48,819,800	50,403,318
24	Net Change	181,537	20,985	48,066	(4,165)	(757,604)	(1,570,975)
25	Ending Fund Balance	18,881,920	18,902,905	18,929,986	18,925,821	18,168,218	16,597,243

Noteworthy Changes from 2017 and Other Explanations

- Local Taxes (row 4) increased primarily due to the implementation of a Food & Beverage Tax and an increase in Property Tax for public safety pensions (\$553,850)
- Licenses & Permits (row 5) are expected to remain strong
- Intergovernmental Revenues (row 6) includes Sales Tax and Income Tax; these revenues are under 2017 budgeted levels and the 2018 budget is expected to be under 2017 levels
- Fees, Charges & Fines (row 8) are expected to be relatively flat in 2018.
- Grants (row 9) is primarily comprised of revenues from Westmont for Joint Dispatch in 2016. 2017 also includes reimbursements from the ETSB for one time Du-Comm consolidation costs.

See the following pages for additional information on revenues.

- Personnel (row 15) accounts for 76% of General Fund expenses. 2018 public safety pension costs are increasing by \$553,850 over 2017. Salary increases were offset by a reduction in personnel costs due to the outsourcing of the Village dispatch center (16 person reduction) and elimination of two additional positions.
- Supplies (row 16) includes salt for snow plowing which was under budgeted levels due to the mild winter
- Professional Services (row 17) includes costs related to Du-Comm for dispatching starting in 2017: 2017 includes costs for dispatching services starting May 1 and one-time costs for the transition. 2018 reflects a full year of dispatching costs.
- Contractual Services (row 18) includes costs for street sweeping, tree planting, removal and pruning; pest eradication, debris hauling, computer maintenance, utility costs, traffic signal maintenance and snow removal.
- Claims, Grants & Debt (row 19) reflects costs for equipment, fleet maintenance and risk.

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 FY18, these sources account for about 86% of all revenue budgeted in the General Fund.

RANK	SOURCE	FY 2015 Actual	FY 2016 Actual	FY 2017 Budgeted	FY 2017 Estimate	FY 2018 Adopted
1	Sales Tax	\$ 11,994,828	\$ 11,468,741	\$12,300,000	\$11,360,000	\$11,400,000
2	Property Taxes - Pensions	\$ 4,618,976	\$ 5,534,009	\$ 5,976,315	\$ 5,976,315	\$ 6,530,165
3	Property Taxes - Operations	\$ 5,887,788	\$ 5,912,318	\$ 5,847,145	\$ 5,847,145	\$ 5,847,145
4	Utility Taxes	\$ 5,083,496	\$ 4,793,517	\$ 5,100,000	\$ 4,750,000	\$ 5,070,000
5	State Income Tax	\$ 5,199,605	\$ 4,756,910	\$ 5,000,000	\$ 4,500,000	\$ 4,400,000
6	Home Rule Sales Tax	\$ 1,955,389	\$ 1,989,897	\$ 2,050,000	\$ 1,990,000	\$ 1,950,000
7	Food & Beverage Tax	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
8	Building Related Permits	\$ 1,321,686	\$ 1,431,718	\$ 1,350,000	\$ 1,450,000	\$ 1,400,000
9	Ambulance Fees	\$ 1,236,125	\$ 1,342,002	\$ 1,265,000	\$ 1,300,000	\$ 1,340,000
10	State Shared Local Use Tax	\$ 1,086,895	\$ 1,186,902	\$ 1,200,000	\$ 1,200,000	\$ 1,250,000
SUB-TOTAL		\$ 38,384,788	\$ 38,416,014	\$40,088,460	\$38,373,460	\$40,687,310
ALL OTHER TOTAL		\$ 7,220,977	\$ 7,607,552	\$ 6,786,641	\$ 7,240,719	\$ 6,684,150
TOTAL GENERAL FUND REVENUES		\$ 45,605,765	\$ 46,023,566	\$46,875,101	\$45,614,179	\$47,371,460

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 8.00%, broken down as follows:

State of Illinois	5.00%
Village of Downers Grove	1.00%
DuPage County	0.25%
Regional Trans. Authority	0.75%
<u>Downers Grove Home Rule*</u>	<u>1.00%</u>
Total Current Tax Rate	8.00%

* 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 \$11,360,000 in sales tax in 2017. The Village forecasts sales tax revenues to increase to \$11,400,000 next year.

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 \$11,823,000 of its entire General Fund revenue in 2017. The forecast for FY2018 is approximately \$12,377,000.

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 pagers. It is anticipated the Village will receive approximately \$4,750,000 in utility taxes in FY17 and staff forecasts the Village will collect \$5,070,000 in 2018.

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 a portion 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 9.4% of the Village's total revenue. In 2017, the Village of Downers Grove will receive approximately \$4,500,000 in revenue from state income taxes. In 2018 the Village forecasts a revenue stream of approximately \$4,400,000 to be generated from state income taxes.

Food & Beverage Tax- The tax is 1% and applies to the purchase price of prepared foods and non-alcoholic and alcoholic beverages for immediate consumption, as well as packaged alcohol sales. This tax will be implemented in 2018 to help cover the shortfall due to the declining sales and income tax revenues.

GENERAL FUND REVENUE SUMMARY

Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Budgeted	FY 2017 Estimate	FY 2018 Adopted
Property Taxes	5,887,788	5,912,318	5,847,145	5,847,145	5,847,145
Property Taxes - Police & Fire Pension	4,618,976	5,534,009	5,976,315	5,976,315	6,530,165
Property Taxes - Downtown SSA	240,134	235,613	247,000	237,446	247,000
Property Taxes - Fairview Fire SSA	75,213	72,775	75,000	75,000	75,000
Property Taxes - Twp Road & Bridge	405,070	422,120	435,000	445,000	445,000
Home Rule Sales Tax	1,955,389	1,989,897	2,050,000	1,990,000	1,950,000
Hotel Use Tax	973,506	947,481	1,050,000	950,000	950,000
Municipal Gas Use Tax	477,557	437,621	500,000	450,000	450,000
Electricity Tax	1,846,209	1,863,488	1,900,000	1,900,000	1,900,000
Telecommunications Tax	2,759,730	2,492,408	2,700,000	2,400,000	2,520,000
Food and Beverage Tax					1,500,000
Other Local Taxes	50,866	53,050	40,000	50,000	250,000
41 Subtotal Local Taxes	19,290,438	19,960,780	20,820,460	20,320,906	22,664,310
Building Related Permits	1,321,686	1,431,718	1,350,000	1,450,000	1,400,000
Alcohol Beverage License	243,050	252,580	245,000	260,000	267,800
Professional & Occupational Licenses	125,353	20,885	9,100	10,286	10,250
Other Licenses and Permits	79,129	91,284	55,850	87,450	87,450
42 Subtotal Licenses & Permits	1,769,218	1,796,467	1,659,950	1,807,736	1,765,500
Sales Tax ⁽¹⁾	11,994,828	11,468,741	12,300,000	11,360,000	11,400,000
State Income Tax	5,199,605	4,756,910	5,000,000	4,500,000	4,400,000
Personal Property Replacement Tax	418,001	417,651	350,000	500,000	450,000
State Shared Local Use Tax	1,086,895	1,186,902	1,200,000	1,200,000	1,250,000
Other State Shared Revenues	18,500	7,900	10,000	10,000	10,000
43 Subtotal State Shared Revenues	18,717,829	17,838,104	18,860,000	17,570,000	17,510,000
44 All Sales Revenue	60	-	50	-	-
Ambulance Fees - Residents	859,177	927,584	880,000	900,000	930,000
Ambulance Fees - Non-Residents	376,948	414,418	385,000	400,000	410,000
Plan Review & Inspection Fees	260,700	336,993	269,000	272,000	272,000
Administrative Fees	141,375	157,075	150,000	150,000	150,000
Fines	518,397	456,314	475,700	487,000	488,000
Cable Franchise Fees	930,643	1,031,102	945,000	945,000	950,000
Cellular Equipment Rental Fees	1,122,670	1,061,783	1,100,000	1,100,000	1,144,000
Other Fees, Charges & Fines	824,452	913,669	768,650	809,650	777,650
45 Subtotal Fees, Charges & Fines	5,034,362	5,298,938	4,973,350	5,063,650	5,121,650
46 All Intergovernmental	673,432	671,026	371,291	571,887	30,000
47 All Interest and Claims	188,941	279,565	190,000	280,000	280,000
48 All Donations and Contributions	438	712	-	-	-
49 Other Financial Resources	(68,953)	177,974	-	-	-
Total General Fund Revenues	45,605,765	46,023,566	46,875,101	45,614,179	47,371,460

(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 declined over historical levels. The total miles driven and the average fuel economy of vehicles are the principal "drivers" of MFT receipts.

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	462,449	580,122	580,122	591,122	496,122	501,122
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	1,244,185	1,150,000	1,200,000	1,200,000	1,200,000	1,200,000
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	3,488	100	6,000	5,000	5,000	5,000
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	1,247,673	1,150,100	1,206,000	1,205,000	1,205,000	1,205,000
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-	-
20	Controlled Assets	1,130,000	1,195,000	1,195,000	1,300,000	1,200,000	1,200,000
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	1,130,000	1,195,000	1,195,000	1,300,000	1,200,000	1,200,000
24	Net Change	117,673	(44,900)	11,000	(95,000)	5,000	5,000
25	Ending Fund Balance	580,122	535,222	591,122	496,122	501,122	506,122

Noteworthy Changes from 2017 and Other Explanations

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



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 Downtown TIF Redevelopment Plan and the Village's Comprehensive Plan. The TIF was created in 1997.

Recent History and Trends- The value of all of the properties located within the district has increased from \$16.1 million (1996 EAV) to \$58.7 million (2016 EAV). In FY18, no funds from the general property tax levy will be required to pay the debt service for downtown public improvements.

Long-Range Plan - The Village must make debt service payments on bonds that were issued to make improvements in the downtown including new streets, public utilities and the parking deck. Annual payments will be made in 2018 through 2021. Recently planned and/or approved redevelopment projects within downtown Downers Grove are expected to generate enough in property tax increment revenue over the next five years - from now until the expiration of the district in 2021 to allow the Village to make all downtown debt service payments from the TIF Fund.

DOWNTOWN TIF FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	1,059,819	1,206,705	1,206,705	818,568	358,885	293,495
3	Revenue						
4	Local Taxes	2,947,562	3,151,869	3,118,072	3,450,000	4,100,000	4,500,000
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	177,663	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	599	-	-	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	3,125,824	3,151,869	3,118,072	3,450,000	4,100,000	4,500,000
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	16,241	17,200	1,913	26,550	1,600	1,650
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	55,234	60,000	60,000	60,000	60,000	60,000
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	2,907,463	3,445,353	3,444,296	3,823,133	4,103,790	4,417,296
23	Total Expenses	2,978,938	3,522,553	3,506,209	3,909,683	4,165,390	4,478,946
24	Net Change	146,886	(370,684)	(388,137)	(459,683)	(65,390)	21,054
25	Ending Fund Balance	1,206,705	836,021	818,568	358,885	293,495	314,549

Noteworthy Changes from 2017 and Other Explanations

- Local Taxes (row 4) reflects TIF increment.
- Fees Charges and Fines (row 8) reflect proceeds from the sale of Main and Maple.
- Professional Services (row 17) are for audit fees and Downtown Zoning.
- 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.

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	285,196	303,537	303,537	260,837	5,337	27,337
3	Revenue						
4	Local Taxes	103,403	80,000	100,000	100,000	100,000	100,000
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	93	-	-	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	103,496	80,000	100,000	100,000	100,000	100,000
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	23,627	49,100	29,100	39,350	24,350	24,350
17	Professional Services	15,654	44,350	22,000	43,850	43,850	43,850
18	Other Contractual Services	6,938	11,800	9,600	9,800	9,800	9,800
19	Claims, Grants, & Debt	24,905	59,200	50,000	47,500	-	-
20	Controlled Assets	3,938	30,000	32,000	30,000	-	-
21	Capital Assets	10,093	-	-	185,000	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	85,155	194,450	142,700	355,500	78,000	78,000
24	Net Change	18,341	(114,450)	(42,700)	(255,500)	22,000	22,000
25	Ending Fund Balance	303,537	189,087	260,837	5,337	27,337	49,337

Noteworthy Changes from 2017 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) is for equipment for fire department, training aids, gear washers, and physical fitness equipment.
- Controlled Assets (row 20) is for infrastructure improvements to the Fire Stations.
- Capital Assets (row 21) is for a training tower at Fire Station 1

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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 \$40.5 million (2016 EAV).

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

The Village continues to authorize redevelopment agreements that facilitate funding for property improvements with the assistance of the Economic Development Corporation. Redevelopment agreements are approved by the Village Council.

In 2016, the Village entered into an agreement with 1815 Ogden LLC to develop a Packey Webb Ford dealership on the south side of Ogden between Lee and Stonewall. Under this agreement the Village will reimburse the Developer up to \$5 million for extraordinary redevelopment expenses from Oden TIF increment.

FUND 110 OGDEN AVENUE TIF

S-005	Ogden Avenue Sidewalk Installation	300,000
	Totals:	300,000



OGDEN AVENUE TIF FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	4,727,569	5,061,987	5,061,987	5,694,621	627,808	578,412
3	Revenue						
4	Local Taxes	637,399	645,000	712,397	730,000	750,000	775,000
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	360,000	-	-	-	-
10	Interest & Claims	18,046	-	7,000	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	(637)	-	-	-	-	-
13	Total Revenue	654,808	1,005,000	719,397	730,000	750,000	775,000
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	9,668	1,900	2,350	2,400	2,450	2,500
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	225,000	750,000	-	5,410,000	310,000	310,000
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	1,314	455,000	-	300,000	400,000	-
22	Other Financial Uses	84,408	84,413	84,413	84,413	86,946	89,554
23	Total Expenses	320,390	1,291,313	86,763	5,796,813	799,396	402,054
24	Net Change	334,418	(286,313)	632,634	(5,066,813)	(49,396)	372,946
25	Ending Fund Balance	5,061,987	4,775,674	5,694,621	627,808	578,412	951,358

Noteworthy Changes from 2017 and Other Explanations

- Local Taxes (row 4) reflects TIF increment.
- Professional Services (row 17) includes audit fees.
- Claims, Grants, & Debt (row 19) includes economic development incentives; in 2018 \$5.0 million is budgeted for the Packey Webb agreement. The remainder is for redevelopment agreements for Vequity (Main and Ogden) and Lincoln.
- Capital Assets (row 21) reflects costs for CIP.
- Other Financial Uses (row 22) is primarily for economic development costs related to the Ogden TIF.



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, Pugi Mazda, DeVry University, Zeigler Auto Group, Packey Webb Ford, Perillo Motor Imports, Napleton Aston Martin and Art Van.

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	-	-	-	-	-	-
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	1,114,274	1,500,000	1,250,000	1,400,000	1,400,000	1,400,000
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	-	-	-	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	1,114,274	1,500,000	1,250,000	1,400,000	1,400,000	1,400,000
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	1,114,274	1,500,000	1,250,000	1,400,000	1,400,000	1,400,000
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	1,114,274	1,500,000	1,250,000	1,400,000	1,400,000	1,400,000
24	Net Change	-	-	-	-	-	-
25	Ending Fund Balance	-	-	-	-	-	-

Noteworthy Changes from 2017 and Other Explanations

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

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.

	FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
1						
2	Beginning Fund Balance	1,290,472	1,608,258	1,608,258	2,041,024	1,891,024
3	Revenue					
4	Local Taxes	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-
7	Sales	-	-	-	-	-
8	Fees, Charges & Fines	197,320	310,000	530,259	-	-
9	Grants	-	-	-	-	-
10	Interest & Claims	4,655	-	2,537	-	-
11	Contributions	-	-	-	-	-
12	Other Financial Resources	141,666	-	-	-	-
13	Total Revenue	343,641	310,000	532,796	-	-
14	Expenses					
15	Personnel	-	-	-	-	-
16	Supplies	-	-	4,944	-	-
17	Professional Services	12,658	35,000	21,433	75,000	-
18	Other Contractual Services	-	-	10,653	-	-
19	Claims, Grants, & Debt	-	-	-	-	-
20	Controlled Assets	4,753	25,000	63,000	75,000	-
21	Capital Assets	8,444	1,750,000	-	-	-
22	Other Financial Uses	-	-	-	-	-
23	Total Expenses	25,855	1,810,000	100,030	150,000	-
24	Net Change	317,786	(1,500,000)	432,766	(150,000)	-
25	Ending Fund Balance	1,608,258	108,258	2,041,024	1,891,024	1,891,024

Noteworthy Changes from 2017 and Other Explanations

- Fees, Charges & Fines (row 8) reflects the cash received from asset seizures. All expenditures in the fund will be spent following the Department of Justice Guidelines for asset forfeitures, under the Guide to Equitable Sharing for State and Local Law Enforcement Agencies.
- 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.
- Capital Assets (row 21) in the budget was for the police station project that was suspended

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 and Telecom Tax. The Village also aggressively pursues grant opportunities whenever they are available.

Recent History and Trends- In FY12 the Village authorized the creation of a Stormwater Utility to be funded by fees based on a property's impervious area. This Utility addresses the stormwater infrastructure needs of the Village. 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.

The 1/4 cent Home Rule Sales Tax and a portion of the Property Tax previously dedicated to the Stormwater Fund were moved to the Capital Fund to pay for the \$25 million street construction bonds issued in 2012. Projects completed include the reconstruction of the Knottingham subdivision, Esterbrook, Concorde Square, Brooke and Centre, Valley View Estates, Grove Street, and Chase Avenue.

FY18 Budget Considerations

Historically, \$500,000 has been transferred annually from the Capital Fund to the Municipal Buildings Fund to fund projects. This transfer was suspended in 2018 since the facilities plan calls for minimal investments in Village Hall and the Police Station over a two year period. Also, during long range planning in 2017, it was proposed that the \$300,000 that was previously dedicated to funding new sidewalks would be allocated to fund the OPEB liability.



CAPITAL PROJECTS FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	4,077,237	4,108,294	4,108,294	2,502,622	1,626,238	(733,214)
3	Revenue						
4	Local Taxes	7,439,701	7,661,524	7,421,524	7,181,524	7,421,524	7,421,524
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	11,663	-	-	-	-	-
9	Grants	-	1,017,750	502,500	922,400	-	3,600,000
10	Interest & Claims	33,906	10,000	25,000	10,000	10,000	10,000
11	Contributions	296,138	30,000	30,000	30,000	30,000	30,000
12	Other Financial Resources	1,318	-	-	-	-	-
13	Total Revenue	7,782,726	8,719,274	7,979,024	8,143,924	7,461,524	11,061,524
14	Expenses						
15	Personnel	395,533	392,975	399,512	405,633	417,652	430,032
16	Supplies	22,966	120,000	120,000	139,000	125,000	135,000
17	Professional Services	185,293	233,200	280,435	226,216	146,216	106,216
18	Other Contractual Services	256,458	233,000	230,000	185,500	185,500	93,000
19	Claims, Grants, & Debt	16,476	11,105	11,105	51,939	57,014	58,891
20	Controlled Assets	3,287,904	4,956,850	4,847,115	4,369,800	3,991,200	3,954,000
21	Capital Assets	874,529	1,460,000	1,285,000	1,432,500	2,187,500	4,000,000
22	Other Financial Uses	2,712,510	2,411,531	2,411,530	2,209,719	2,710,894	2,708,744
23	Total Expenses	7,751,669	9,818,661	9,584,696	9,020,307	9,820,976	11,485,883
24	Net Change	31,057	(1,099,387)	(1,605,672)	(876,383)	(2,359,452)	(424,359)
25	Ending Fund Balance	4,108,294	3,008,907	2,502,622	1,626,238	(733,214)	(1,157,573)

Noteworthy Changes from FY17 and Other Explanations

- Local Taxes (row 4) includes Home Rule Sales Tax, Property Tax and Telecom tax. \$120,000 of Telecom Tax will be recorded in the General Fund in 2017.
- Grants (row 9) in 2018 include Roadway Resurfacing (\$897,400) and Bicycle and Pedestrian Improvements (\$25,000)
- Contributions (row 11) is Developer Contributions for sidewalks. 2016 included a one time contribution for recapture fees for subdivision public improvements.
- Personnel (row 15): There are 3.5 employees: 1/4 GIS Specialist, 1/2 Administrative Assistant, 1 PW Technician-Engineering, 1/4 Engineering Manager, 1.5 Staff Engineer II.
- Rows 16 through 21 are primarily for CIP projects, details on following page. Also \$14,000 for Lyman Woods maintenance.
- Other Contractual Services (row 18) is for Emerald Ash Borer Eradication.
- Other Financial Uses (row 22) in 2018 includes \$1.25 million for the roadway reconstruction debt payments, \$660,000 for Fire Station 2 debt payments, and \$300,000 transfer for the OPEB liability.

CAPITAL FUND

FUND 220 - Capital Projects Fund

FO-001	Emerald Ash Borer (EAB) Eradication	185,500
S-006	Replacement/Rehabilitation Sidewalk Program	244,000
S-007	DBD Crosswalk & Accessibility Upgrades	100,000
S-008	Right of Way Accessibility Improvements	150,000
S-010	West Burlington Area Sidewalks	330,000
ST-004	Roadway Maintenance Program	2,625,000
ST-025	Road Reconstruction; Brookbank Rd, 59th to 60th St	485,000
ST-047	Roadway Resurfacing (LAFO), Maple Ave, Main to Fairview	392,000
ST-049	Roadway Resurfacing (LAFO), Main, Ogden to Franklin	900,000
ST-051	Intersection Improvements at Main St and 59th St	50,000
ST-056	Pavement Condition Assessment Upgrade	75,000
TR-023	Pavement Striping Maintenance	90,000
TR-024	Neighborhood Traffic Management	30,000
TR-026	Traffic Signal Modernization, Finley Rd at Finley Mall	325,000
TR-027	Fiber Optic Cable - Main/Maple to Fire Station #2	65,000
TR-030	Traffic Signal Modernization, Downers Drive at Finley Mall	40,000
BW-005	31st Street Bike Path	87,500
BW-007	Bicycle and Pedestrian Improvements	50,000
	Totals:	6,224,000



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 / Fleet Garage
- Police Station
- Fire Stations (4)
- Public Works Facility
- Train Stations

Recent History and Trends- In 2012, the Village completed an facility condition assessment of all major Village facilities. Two of the buildings (Police Station and Village Hall) were determined to be in “below average” condition and are in need of major repair and renovation. Between 2013 and 2017, the Village identified a priority action item of “Develop a Facility Sustainability Plan” to determine the best long-term solution to address the condition of these two buildings.

After a lengthy discussion of the Facilities Sustainability Plan, the Village Council directed that the Village:

- In 2019, reevaluate options for the replacement of the Police Station and Village Hall with a new building in conjunction with a private sector redevelopment project.
- Maintain the existing buildings at the lowest cost possible until replacement options are reevaluated.
- Continue saving money now to be used for building improvements in 2019 and beyond.

Long-Range Plan- Addressing long-range facility needs for the Police Station and Village Hall will be pursued in 2019. In the meantime, the budget was prepared to minimize maintenance costs for these buildings. The only substantial project appearing in the FY2018 Budget is Village Hall Roof Repairs in the amount of \$150,000.

FUND 223 - Major Buildings

MB-043	Facility Improvements/Maintenance - Fire Stations	95,000
MB-051	Facility Improvements/Maintenance - Civic Center	150,000
MB-052	Facility Improvements/Maintenance - Public Works	96,000
MB-054	Facility Improvements/Maintenance - Train Stations	120,000
MB-100	Emergency Repair Project Contingency	50,000
	Totals:	511,000

MAJOR BUILDINGS FUND

	FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
1						
2	Beginning Fund Balance	969,910	1,173,686	1,173,686	1,644,041	1,164,041
3	Revenue					
4	Local Taxes	152,046	200,000	200,000	-	200,000
5	License & Permit Revenues	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-
7	Sales	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-
9	Grants	-	-	-	-	-
10	Interest & Claims	1,822	-	5,000	-	-
11	Contributions	-	-	-	-	-
12	Other Financial Resources	500,004	500,000	500,000	-	500,000
13	Total Revenue	653,872	700,000	705,000	-	700,000
14	Expenses					
15	Personnel	-	-	-	-	-
16	Supplies	-	-	-	-	-
17	Professional Services	5,479	-	18,145	-	-
18	Other Contractual Services	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-
20	Controlled Assets	44,233	139,500	121,500	111,000	299,000
21	Capital Assets	400,384	235,000	95,000	400,000	370,000
22	Other Financial Uses	-	-	-	-	-
23	Total Expenses	450,096	374,500	234,645	511,000	669,000
24	Net Change	203,776	325,500	470,355	(511,000)	31,000
25	Ending Fund Balance	1,173,686	1,499,186	1,644,041	1,133,041	1,164,041

Noteworthy Changes from FY17 and Other Explanations

- Local Taxes (row 4) reflects gasoline tax previously used to retire Fairview Avenue debt service, used in the General Fund in 2018.
- Other Financial Resources (row 12) reflects transfers from the Capital Fund which are suspended in 2018 due to a reduction in spending on Village Hall and Police Department facilities
- Controlled Assets and Capital Assets are for expenditures 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 which includes the Fairview and Main Street train stations.

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

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	102,758	49,922	49,922	39,352	23,064	24,776
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	20,712	20,712	20,712	20,712	20,712	20,712
9	Grants	-	-	-	-	-	-
10	Interest & Claims	191	-	350	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	20,903	20,712	21,062	20,712	20,712	20,712
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	1,198	1,500	1,500	20,000	2,000	2,000
17	Professional Services	254	2,000	132	-	-	-
18	Other Contractual Services	17,338	19,000	15,000	17,000	17,000	17,000
19	Claims, Grants, & Debt	1,909	2,500	-	-	-	-
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	53,040	15,000	15,000	-	-	-
23	Total Expenses	73,739	40,000	31,632	37,000	19,000	19,000
24	Net Change	(52,836)	(19,288)	(10,570)	(16,288)	1,712	1,712
25	Ending Fund Balance	49,922	30,634	39,352	23,064	24,776	26,488

Noteworthy Changes from 2017 and Other Explanations

- Fees, Charges & Fines (row 8) reflects lease payments.
- Other Contractual Services (row 18) included in this line are utilities and building maintenance services.
- Other Financial Uses reflects transfers for costs from the Building Services Department.

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.

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	393,749	194,804	194,804	(0)	(0)	(0)
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	1,055	-	-	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	3,207,463	3,745,353	5,999,296	4,123,133	4,403,790	4,717,296
13	Total Revenue	3,208,518	3,745,353	5,999,296	4,123,133	4,403,790	4,717,296
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	3,407,463	3,939,101	6,153,100	4,123,133	4,403,790	4,717,296
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	41,000	-	-	-
23	Total Expenses	3,407,463	3,939,101	6,194,100	4,123,133	4,403,790	4,717,296
24	Net Change	(198,945)	(193,748)	(194,804)	-	-	-
25	Ending Fund Balance	194,804	1,056	(0)	(0)	(0)	(0)

Noteworthy Changes from 2017 and Other Explanations

- Other Financial Resources (row 12) reflects transfers from the Downtown TIF Fund and the Parking Fund for TIF debt payments, and in 2017 transactions for the 2008 Refunding.
- Claims, Grants, & Debt (row 19) reflects the debt payments, and in 2017 transactions for the 2008 Refunding.
- Other Financial Uses (row 22) reflects issuance costs for the 2008 Refunding

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.

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	1,289	1,289	1,289	(0)	(0)	(0)
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	1,912,494	1,911,531	1,911,530	1,909,719	1,910,894	1,908,744
13	Total Revenue	1,912,494	1,911,531	1,911,530	1,909,719	1,910,894	1,908,744
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	1,912,494	1,912,819	1,912,819	1,909,719	1,910,894	1,908,744
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	1,912,494	1,912,819	1,912,819	1,909,719	1,910,894	1,908,744
24	Net Change	-	(1,288)	(1,289)	-	-	-
25	Ending Fund Balance	1,289	1	(0)	(0)	(0)	(0)

Noteworthy Changes from 2017 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 2009	Series 2010A	Series 2010B	Series 2013A	Series 2017	Subtotal TIF	Series 2008A	Series 2012A
Type	G.O.	G.O.	G.O.	G.O.	G.O.		G.O.	G.O.
Auth. Issue	9,030,000	5,805,000	5,150,000	8,360,000	2,255,000		25,000,000	10,000,000
Outstanding Principal	1,975,000	4,770,000	3,750,000	4,305,000	2,255,000	17,055,000	415,000	7,950,000
Purpose	Refund 2003 Bonds	Refund '00, '01 Bonds	Refund 2002 Bonds	Refund 2005 Bonds	Refund 2008 B Bonds		Stormwater Improvements	Water System Maintenance
Funding Source	TIF Increment (Prop. Taxes)		Stormwater Utility Revenues	Water Fund Revenues				
Remaining Debt Service Payments (Principal & Interest):								
FY 2018	1,028,388	413,200	840,900	1,796,900	43,745	4,123,133	423,300	671,575
FY 2019	1,025,100	538,000	949,900	1,817,563	73,227	4,403,790	-	673,600
FY 2020	-	1,710,400	1,058,200	825,187	1,123,509	4,717,296	-	670,250
FY 2021	-	2,757,250	1,234,200	-	1,119,546	5,110,996	-	671,525
FY 2022	-	-	-	-	-	-	-	672,350
FY 2023	-	-	-	-	-	-	-	672,725
FY 2024	-	-	-	-	-	-	-	672,650
FY 2025	-	-	-	-	-	-	-	672,125
FY 2026	-	-	-	-	-	-	-	670,812
FY 2027	-	-	-	-	-	-	-	668,356
FY 2028	-	-	-	-	-	-	-	669,994
FY 2029-2033	-	-	-	-	-	-	-	2,666,638
Totals	2,053,488	5,418,850	4,083,200	4,439,650	2,360,027	18,355,215	423,300	10,052,600

	Series 2012B	Series 2014A	Series 2014B	Series 2015A	Series 2015B	Series 2016	Series 2016	Series 2017	Total
Type	G.O.	G.O.	G.O.	G.O.	G.O.	G.O.	IEPA LOAN	IEPA LOAN	
Auth. Issue	25,000,000	6,725,000	2,935,000	5,000,000	4,535,000	7,585,000	18,000,000	18,000,000	
Outstanding Principal	18,225,000	6,170,000	2,870,000	4,565,000	4,450,000	7,470,000	1,206,973	1,800,000	72,176,973
Purpose	Road Improvements	Refund Portion Series '07 Bonds	Refund Portion Series '08A Bonds	Water Improvements	Refund Portion Series '08A Bonds	Refund Portion Series '08A Bonds	Water Improvements	Water Improvements	
Funding Source	Capital Proj. Fund Revenues	Capital Proj. Fund Revenues	Stormwater Utility Revenues	Water Fund Revenues	Stormwater Utility Revenues	Stormwater Utility Revenues	Water Fund Revenues	Water Fund Revenues	
Remaining Debt Service Payments (Principal & Interest):									
FY 2018	1,249,494	660,225	121,150	336,100	173,350	279,100	77,409	106,318	8,221,154
FY 2019	1,245,519	665,375	120,550	337,050	172,950	737,125	77,409	106,318	8,539,686
FY 2020	1,246,019	662,725	119,800	337,900	172,550	737,950	77,409	106,318	8,848,217
FY 2021	1,245,919	652,350	118,900	338,650	172,150	738,325	77,409	106,318	9,232,542
FY 2022	1,245,218	661,525	118,000	339,300	176,700	735,700	77,409	106,318	4,132,520
FY 2023	1,243,918	665,025	117,100	338,725	176,075	737,550	77,409	106,318	4,134,845
FY 2024	1,246,943	663,000	116,200	336,900	175,325	733,700	77,409	106,318	4,128,445
FY 2025	1,244,293	665,450	691,525	334,925	174,575	177,800	77,409	106,318	4,144,420
FY 2026	1,245,475	662,375	687,850	337,725	173,825	177,800	77,409	106,318	4,139,589
FY 2027	1,244,888	662,988	687,837	335,300	173,075	177,800	77,409	106,318	4,133,971
FY 2028	1,242,994	661,375	680,638	337,000	172,263	177,800	77,409	106,318	4,125,791
FY 2029-2033	6,202,628	-	102,000	1,666,063	4,251,412	889,000	387,045	531,590	16,696,376
FY 2034-2038	6,177,400	-	-	667,837	366,300	4,936,100	193,523	425,272	12,766,432
Totals	26,080,708	7,282,413	3,681,550	6,043,475	6,530,550	11,235,750	1,432,067	2,126,360	93,243,988

AAA

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. Since 2013 the Stormwater Fund has been supported solely through fees with revenues generated through utility bills. These revenues are used for capital improvements as well as 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 identified stormwater capital projects. Revenues from property taxes and from the home rule sales tax were used for this bond's debt repayment. Between 2008 and 2015 the Village completed 50 stormwater infrastructure projects at a cost of more than \$30 million. These projects included system capital maintenance as well as projects that increased the capacity of the system.

In 2012 the Village worked with the Municipal and Financial Services Group to create a plan for the implementation of a 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. In 2013 the fund was converted to an enterprise fund when the Village created the stormwater utility. The utility is an equitable method of collecting revenue based on each property's impact to the stormwater system and provides credits and incentives to reduce the cost of the fee for property owners who take action to reduce runoff from their property.

FY18 Budget Considerations- Per the Stormwater Utility Report, dated January 29, 2016, this budget includes revenue and expenses for capital projects and operations and maintenance. Capital projects include new stormwater storage, streambank stabilization, storm sewer expansion and replacement, major refurbishment or repairs to existing assets, property acquisition and debt service payments. Operations and maintenance includes in-house operations (such as engineering and customer service) street sweeping, ditch maintenance, stream cleaning and maintenance, storm sewer inspection and cleaning and detention basin cleaning and vegetation management.

Capital Projects- The Stormwater Utility Report includes 29 capital projects with a total estimated cost of \$42 million to be completed by FY24. Twenty-two of these projects were identified in the 2014 Stormwater Project Analysis, which was completed following flooding events in 2013.

Five of the identified Stormwater Project Analysis projects were constructed in 2017 at a cost of over \$2 million. Seven other projects were designed in 2017 for future construction, for a cost of \$350,000. The Village also completed the following capital improvements to the stormwater system in 2017:

- Storm sewer replacement on Grant Street and new storm sewer on Webster Street
- New storm sewer on Chase and Francisco Avenues, north of Burlington Avenue
- New storm sewer on Middaugh Avenue and Blanchard Street
- Purchase of 5639 Webster Street and demolition of structures at 5631 and 5639 Webster Street
- Meadow Lane culvert removal and replacement
- Cost share projects with residents
- Comprehensive studies in LPDA areas

In 2018 six capital projects from the Stormwater Project Report are planned to be constructed at an estimated cost of \$2,600,000 and five additional projects will be studied or designed. See the Community Investment Plan in Section 6 for more details.

STORMWATER FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Cash Balance	7,031,448	6,605,136	6,605,136	2,826,302	680,492	3,928,257
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	3,659,459	3,935,000	3,981,849	4,235,000	4,595,000	4,985,000
9	Grants	232,384	135,000	196,398	10,000	140,000	-
10	Interest & Claims	38,448	10,000	45,000	10,000	20,000	10,000
11	Contributions	165,790	110,000	110,000	110,000	110,000	110,000
12	Other Financial Resources	300,000	-	-	-	10,000,000	-
13	Total Revenue	4,396,081	4,190,000	4,333,247	4,365,000	14,865,000	5,105,000
14	Expenses						
15	Personnel	974,121	921,085	928,782	1,055,416	1,082,312	1,114,135
16	Supplies	67,359	69,195	69,095	72,245	72,245	72,245
17	Professional Services	239,153	100,235	782,600	98,855	449,585	449,300
18	Other Contractual Services	239,556	324,350	240,126	327,250	448,150	564,150
19	Claims, Grants, & Debt	1,007,124	1,521,908	2,683,908	1,416,544	1,484,944	2,502,848
20	Controlled Assets	1,006,959	515,000	545,000	182,500	1,660,000	1,160,000
21	Capital Assets	333,844	3,320,000	2,862,570	3,358,000	6,420,000	6,370,000
22	Other Financial Uses	96,196	-	-	-	-	-
23	Total Expenses	3,964,312	6,771,773	8,112,081	6,510,810	11,617,236	12,232,678
24	Net Change		(2,581,773)	(3,778,834)	(2,145,810)	3,247,764	(7,127,678)
25	Ending Cash Balance	6,605,136	4,023,363	2,826,302	680,492	3,928,257	(3,199,422)

Noteworthy Changes from FY17 and Other Explanations

- Fees, Charges & Fines (row 8) are stormwater fees of \$4.2 million in 2018
- Grants (row 9) in 2018 is for capital project SW-082 Belmont Pollinator Garden.
- Contributions (row 11) are Developer Contributions for Site Run-off.
- Other Financial Resources (row 12) FY2019 includes a \$10.0 million debt issuance.
- Personnel (row 15): There are 11.25 employees in this fund- 4 Maintenance Worker I, 2 Maintenance Worker II, .50 Engineering Manager, 1.0 PW Technician, 1.25 Stormwater Administrators, 2 Staff Engineer II, and .50 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.
- Claims, Grants & Debt (row 19) includes \$1.1 million for stormwater debt plus transfers for fleet maintenance and equipment. 2017 Estimates include payment for a settlement for a stormwater matter. 2020 also includes debt service payments for 2018 debt issuance.
- Controlled Assets (row 20) and Capital Assets (row 21) are primarily for capital projects in the Community Investment Plan.

STORMWATER FUND

FUND 443 - Stormwater Fund

DR-024	Streambank Improvements, St Joseph Creek, Main Branch	60,000
SW-051	Neighborhood Drainage Improvements Cost-Share Program	60,000
SW-069	Green Streets/Sustainable Storm Water Program	65,000
SW-070	Storm Sewer Replacement, Annual Element	500,000
SW-073	Downtown Water Quality Improvements	50,000
SW-080	Identified Future Drainage and Floodplain Improvements	2,393,000
SW-082	Belmont Pollinator Garden	20,000
SW-083	Brookbank Storm Water Improvements	350,000
	Sub Totals:	3,498,000





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 implemented recommendations from this study. Also 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 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.

In 2004 the Village constructed the parking deck in the Downtown Business District. It consists of five floors and 778 parking stalls. Twelve years after its construction, the deck began to require increased maintenance efforts as some of its structure and systems begin to age and wear. To provide a functional facility and extend the service life of the deck, the proper preventive and proactive maintenance repairs are being applied to minimize more costly future repairs. In 2015 the Village commissioned the development of a Parking Deck Maintenance Plan. This plan consists of an assessment of the current condition of the parking deck along with an annual repair plan forecasting the next ten years of recommended maintenance activities and estimated costs for budgeting purposes. The plan also discusses significant longer-term maintenance and replacement requirements so that planning may begin for some of these more costly items. Phase 1 of recommended maintenance activities was completed in 2016 and Phase 2 was completed in 2017. Additional maintenance work is planned for 2018. The Village is launching a pilot, premium parking program in late 2017 which will allow parkers to reserve daily parking spaces through the use of an app. This program is targeted to commuters.

FY18 Budget Considerations- The 2018 CIP includes reconstruction of Forest North Lot, and continued Parking Deck maintenance.

FUND 471 - Parking Fund

ST-056	Pavement Condition Assessment Upgrade	25,000
P-010	Parking Lot Improvements, Annual Element	55,000
P-013	Parking Deck Maintenance	105,000
P-017	Forest North Lot Reconstruction	400,000
Totals:		585,000

PARKING FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Cash Balance	1,241,195	1,083,395	1,083,395	1,249,775	946,995	1,049,756
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	46,875	-	-	-	-	-
7	Sales	1,432,499	1,423,000	1,435,000	1,440,000	1,440,000	1,440,000
8	Fees, Charges & Fines	183,990	205,000	195,115	195,000	195,000	195,000
9	Grants	-	-	-	-	-	-
10	Interest & Claims	8,977	4,000	8,500	4,000	4,000	4,000
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	(334,090)	-	-	-	-	-
13	Total Revenue	1,338,251	1,632,000	1,638,615	1,639,000	1,639,000	1,639,000
14	Expenses						
15	Personnel	204,437	183,643	180,861	189,618	195,172	200,892
16	Supplies	11,414	13,088	10,988	14,738	14,738	14,738
17	Professional Services	99,693	82,585	82,585	113,760	88,760	88,760
18	Other Contractual Services	129,615	123,582	123,942	134,555	134,870	135,190
19	Claims, Grants, & Debt	28,440	21,872	21,872	26,122	28,424	29,517
20	Controlled Assets	261,495	225,000	209,000	220,000	215,000	165,000
21	Capital Assets	26,183	-	-	400,000	-	-
22	Other Financial Uses	842,988	842,987	842,987	842,987	859,276	876,055
23	Total Expenses	1,604,265	1,492,757	1,472,235	1,941,780	1,536,239	1,510,152
24	Net Change		139,243	166,380	(302,780)	102,761	128,848
25	Ending Cash Balance	1,083,395	1,222,638	1,249,775	946,995	1,049,756	1,178,604

Noteworthy Changes from 2017 and Other Explanations

- Sales (row 7) reflects parking fees.
- Fees, Charges & Fines (row 8) reflects revenues from parking fines.
- Personnel (row 15): There are 2.5 employees in this fund, 1 CSO I, and 1.5 CSO II.
- Professional Services (row 17) primarily includes charges for phone lines and credit card processing fees. In 2018, \$25,000 has been budgeted for parking lot pavement assessment services.
- 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 primarily 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 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 (M&FSG). 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, 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 subsequent years. To continue to construct replacement water mains throughout the system, the Village issued \$10 million in bonds in 2012 and \$5 million in 2015. In 2016 the Village entered into an agreement with the IEPA for low interest water loans from 2016-2020. The debt service payments on these borrowings are funded by the revenue from water rates. Since the cost of these borrowings are below market rates and are less than projected in the M&FSG model the Village has been able to defer a rate increase in 2018 since the cost of maintaining the infrastructure has decreased.

FY18 Budget Considerations- Based on discussions with the DuPage Water Commission (DWC), it is expected that the City of Chicago rate increase will be under 2%, which will be passed along by the DWC to its members. As such, the 2018 budget includes a small pass-through rate increase for Downers Grove customers.

FUND 481 Water Fund

WA-006	Watermain Replacement, 55th Street	750,000
WA-028	Watermain Replacement, Annual Element	6,932,000
WP-010	Water Facility Maintenance, Annual Element	100,000
WP-011	Existing Well Rehab	200,000
WP-019	Water Storage Tank Rehabilitation & Maintenance	650,000
Totals:		8,632,000

	FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
1						
2	Beginning Cash Balance	9,039,359	9,451,884	9,451,884	9,666,832	7,270,173
3	Revenue					
4	Local Taxes	-	-	-	-	-
5	License & Permit Revenues	350	500	500	500	500
6	Intergovernmental Revenues	-	-	-	-	-
7	Sales	15,075,626	14,819,871	14,944,129	14,920,373	15,439,307
8	Fees, Charges & Fines	210,026	187,000	178,600	181,000	181,000
9	Grants	-	-	-	-	-
10	Interest & Claims	46,947	38,000	74,535	70,000	70,000
11	Contributions	-	-	-	-	-
12	Other Financial Resources	-	4,000,000	1,805,456	6,058,000	1,939,000
13	Total Revenue	15,332,949	19,045,371	17,003,220	21,229,873	17,629,807
14	Expenses					
15	Personnel	1,743,288	1,557,795	1,595,959	1,675,614	1,768,787
16	Supplies	8,656,792	8,686,366	8,727,058	8,747,497	8,922,084
17	Professional Services	222,414	262,015	255,599	286,938	272,928
18	Other Contractual Services	379,519	648,953	649,010	659,140	665,805
19	Claims, Grants, & Debt	753,882	1,464,045	1,446,290	1,331,937	2,050,649
20	Controlled Assets	79,647	1,259,700	201,700	149,700	123,500
21	Capital Assets	1,369,201	4,438,000	2,794,000	8,532,000	4,139,000
22	Other Financial Uses	1,147,652	1,118,656	1,118,656	1,071,440	1,136,691
23	Total Expenses	14,352,395	19,435,530	16,788,272	22,454,266	19,079,444
24	Net Change		(390,159)	214,948	(1,224,393)	(1,449,637)
25	Ending Cash Balance	9,451,884	9,061,725	9,666,832	8,442,439	5,820,536

MAJOR CHANGES FROM FY17 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) reflects proceeds from the IEPA loan.
- Personnel (row 15): There are 16.5 employees in this fund 1 Water Billing Specialist, 3/4 Admin Secretary II, 1/4 Finance Manager, 1/4 GIS Specialist, 6 Maintenance Worker I, 2 Maintenance Worker II, 1 Manager, 1 PW Technician, 1/4 Engineering Manager, 1 Staff Engineer, 1 Water Supply Specialist, 1 Permit Technician, 1/2 GIS Technician, 1/2 FTE Seasonal employees.
- Supplies (row 16): The purchase of water from the DWC is in this account. There is a small rate increase anticipated for 2018, and consumption is assumed to decrease by 1% based on historical trends.
- 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.
- **NOTE-Cash balances were built up to allow for cash funding of Capital projects, which are being spent starting in 2018.**

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 warranted 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 2018 total \$1,797,050.

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 28 Compressed Natural Gas (CNG) vehicles including two 5-ton snow plows, two 1-ton snow plows and 9 bi-fuel Chevy Tahoes. 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.

Moving forward, the Village will continue to purchase 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		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Cash Balance	2,656,893	2,659,318	2,659,318	2,399,797	2,031,942	1,959,947
3	<u>Revenue</u>						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	1,643,119	1,400,421	1,100,421	1,399,995	1,600,005	1,700,005
9	Grants	10,000	-	-	-	-	-
10	Interest & Claims	14,460	200	15,000	200	200	200
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	(46,569)	29,000	45,400	29,000	29,000	29,000
13	Total Revenue	1,621,010	1,429,621	1,160,821	1,429,195	1,629,205	1,729,205
14	<u>Expenses</u>						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-	-
20	Controlled Assets	442,821	275,800	175,657	474,050	254,200	213,617
21	Capital Assets	860,870	1,932,000	1,244,685	1,323,000	1,447,000	1,840,000
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	1,303,691	2,207,800	1,420,342	1,797,050	1,701,200	2,053,617
24	Net Change		(778,179)	(259,521)	(367,855)	(71,995)	(324,412)
25	Ending Cash Balance	2,659,318	1,881,139	2,399,797	2,031,942	1,959,947	1,635,535

2016 represents the audited year end numbers determined on an accrual basis and consistent with the 2016 Comprehensive Annual Financial Report. Figures in every other fiscal year are presented on a cash basis.

Noteworthy Changes from 2017 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.

FLEET SERVICES FUND

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

Fund Type: Internal Service Fund

Fund Number: 531

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 (6.25 FTEs), a Fleet Services Manager, 5 Fleet Maintenance Technicians, 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. Examples of these 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.

The Village's conversion to alternative fuels has reduced costs. In addition, the Village has experienced a reduction in fuel usage since installation of DriveCam technology, a driver safety program, in all non-emergency vehicles.

In FY15, the Village outsourced its fleet parts management and inventory program to the NAPA vendor-managed inventory program, reducing headcount by .60 FTE and improving efficiencies in the Fleet Department. The FY18 budget includes \$70,000 for CNG Compressor.

FLEET SERVICES FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Cash Balance	608,853	704,918	704,918	512,651	279,886	241,692
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	76,700	69,500	53,000	53,000	53,000	53,000
8	Fees, Charges & Fines	1,649,263	1,537,008	1,452,008	1,628,108	1,780,000	1,830,000
9	Grants	-	-	-	-	-	-
10	Interest & Claims	971	500	2,000	500	500	500
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	1,726,934	1,607,008	1,507,008	1,681,608	1,833,500	1,883,500
14	Expenses						
15	Personnel	831,735	738,602	723,071	735,771	756,494	777,839
16	Supplies	643,067	755,776	588,703	693,401	693,401	693,401
17	Professional Services	34,017	31,730	34,745	38,931	38,931	38,931
18	Other Contractual Services	159,583	183,226	161,626	183,226	183,226	183,226
19	Claims, Grants, & Debt	36,440	33,605	33,604	43,715	46,809	48,539
20	Controlled Assets	57,788	33,700	40,700	32,503	32,503	32,503
21	Capital Assets	37,799	-	-	70,000	-	-
22	Other Financial Uses	116,832	116,826	116,826	116,826	120,330	123,940
23	Total Expenses	1,917,261	1,893,465	1,699,275	1,914,373	1,871,694	1,898,379
24	Net Change		(286,457)	(192,267)	(232,765)	(38,194)	(14,879)
25	Ending Cash Balance	704,918	418,461	512,651	279,886	241,692	226,813

Noteworthy Changes from 2017 and Other Explanations

- Sales (row 7) reflects monies received from other government agencies for the joint purchasing of fuel. This number was lower than budgeted due to lower fuel costs.
- 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. 2017 savings were passed along to Village departments in the 2018 Budget.
- Personnel Costs (row 15) 1 Fleet Manager, 5 Fleet Maintenance Technicians, and .25 Administrative Secretary II. The Shop Assistant was eliminated from the budget in 2016 as a result of the vendor managed inventory contract.
- Supplies (row 16): Included in this line item is the cost of fuel, which was lower than budgeted in 2017.
- Professional Services (row 17) includes a management fee for the vendor managed inventory contract.
- Other Contractual Services (row 18) includes costs for outside labor for vehicle repair, and starting in 2016 operational costs for the vendor managed inventory contract.
- Claims, Grants, & Debt (row 19) includes workers compensation costs.
- Controlled Assets (row 20) includes costs for maintenance of the fuel island.
- Capital Assets (row 21) the 2018 budget includes \$70,000 for a CNG Compressor

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– The Risk Management Fund accounts for financial activity related to the Village's workers' compensation and liability insurance program, management of all Village liability claims, and employee safety training programs.

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– 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
- Reduced legal costs by using the Staff Attorney for workers' compensation claims
- 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
- Trained all Village employees in the risk reduction strategy and concepts of workers compensation
- Implemented the driver risk management program DriveCam
- In 2017, held first annual Safety Superbowl and first annual Nationals Safety Month Education and Awareness Campaign
- Reduced claims frequency which led to a reduction in the annual service fee from claims processor
- Initiated a strategic partnership with Fire Senior Staff
- Held Slip/Trip/Fall awareness training which led to a 40% reduction from 2016 to 2017

Long Range Plan– In 2014, the Village addressed a cash deficit in the Risk Fund by transferring \$1.9 million of General Fund fund balance to the Risk Fund. This ensured that the Risk Fund remained sustainable.

Future Actions-

- Implement a Near Miss program
- Implement Risk Assessment practices

RISK MANAGEMENT FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Cash Balance	905,586	600,933	600,933	507,597	97,643	64,008
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	2,915,121	2,562,271	2,564,752	2,322,954	2,562,271	2,640,000
9	Grants	-	-	-	-	-	-
10	Interest & Claims	-	-	5,485	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	2,915,121	2,562,271	2,570,237	2,322,954	2,562,271	2,640,000
14	Expenses						
15	Personnel	159,460	130,801	130,241	133,426	137,429	141,552
16	Supplies	646	800	660	800	800	800
17	Professional Services	114,096	152,535	120,870	135,535	152,535	152,535
18	Other Contractual Services	522,151	649,892	580,736	632,084	674,062	705,940
19	Claims, Grants, & Debt	1,541,481	1,831,066	1,831,066	1,831,063	1,631,081	1,631,098
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	2,337,834	2,765,094	2,663,573	2,732,908	2,595,906	2,631,925
24	Net Change		(202,823)	(93,336)	(409,954)	(33,635)	8,075
25	Ending Cash Balance	600,933	398,110	507,597	97,643	64,008	72,083

Noteworthy Changes from 2017 and Other Explanations

- Fees, Charges and Fines (row 8) reflects charges to Village departments.
- Personnel Expenses (row 15) are costs for one Risk Manager.
- Professional Services (row 17) includes fees for the risk broker, third party claims administrator, and costs for appraisals and assessments.
- Other Contractual Services (row 18) in the 2018 budget includes premiums for insurance coverage (\$561,500), DriveCam monitoring fee (\$40,000) and funds to be used by the Accident Review Team for safety (\$30,000).
- 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.

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, an Assistant Human Resources Director.

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

- Converted to Blue Cross Blue Shield (BCBS) as the Village's health provider network in 2011
- Renewed BCBS as the Village's Health Provider Network
- Created employee wellness initiative in 2012
- Implemented a fully insured program for retirees over 65 in 2014 which reduced GASB 45 liability by 40%
- Created employee tiered premium structure in 2014
- Implemented BCBS Benefits Value Advisor program which assists employees and their family with health care decision-making to help improve quality of care and achieve cost savings
- Added Virtual Visits to the plan, as a low cost option for simple non-emergency medical and behavioral conditions that can be addressed via telephone, online video or mobile app

Future actions:

- Continue to work with health insurance consultant on wellness initiatives
- Monitor for changes to the Affordable Care Act
- Build on partnerships to achieve strategies

HEALTH INSURANCE FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Cash Balance	1,444,657	1,995,798	1,995,798	1,883,449	1,962,954	2,060,994
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	1,759,967	2,172,700	2,142,700	2,344,400	2,346,900	2,349,400
8	Fees, Charges & Fines	5,243,942	5,277,563	5,114,703	5,505,496	5,667,091	5,826,800
9	Grants	-	-	-	-	-	-
10	Interest & Claims	8,657	6,000	9,000	6,000	6,000	6,000
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	7,012,566	7,456,263	7,266,403	7,855,896	8,019,991	8,182,200
14	Expenses						
15	Personnel	137,191	120,949	154,936	99,547	102,533	105,609
16	Supplies	164	-	-	-	-	-
17	Professional Services	497,453	434,138	519,494	529,041	514,620	519,520
18	Other Contractual Services	792,952	817,815	840,787	860,937	870,000	877,000
19	Claims, Grants, & Debt	4,755,230	5,992,675	5,783,132	6,206,464	6,351,981	6,501,999
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	80,400	80,403	80,403	80,403	82,816	85,300
23	Total Expenses	6,263,390	7,445,980	7,378,752	7,776,391	7,921,951	8,089,429
24	Net Change		10,283	(112,349)	79,505	98,040	92,772
25	Ending Cash Balance	1,995,798	2,006,081	1,883,449	1,962,954	2,060,994	2,153,765

Noteworthy Changes from 2017 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 Assistant HR Director 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.
- Other Contractual Services (row 18) is for premiums for stop-loss coverage, Life, LTD and AD&D and Vision.
- 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 2016 audit, the Police Pension Plan has \$50.1 million in net assets and was 57% funded. Pensions are funded by employees contributions of 9.91% 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 required contribution 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 76% 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 73 in 2018.

POLICE PENSION FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	47,652,863	50,087,042	50,087,042	53,005,718	53,479,706	53,668,089
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	1,061,240	943,606	1,100,122	1,000,000	1,030,000	1,435,900
11	Contributions	3,461,936	3,635,698	3,623,179	3,856,344	4,118,134	4,390,578
12	Other Financial Resources	1,863,284	500,000	2,500,000	500,000	500,000	500,000
13	Total Revenue	6,386,460	5,079,304	7,223,301	5,356,344	5,648,134	6,326,478
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	100	100	100	100	100
17	Professional Services	181,890	192,575	190,857	197,993	203,459	209,089
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	3,770,391	4,267,676	4,113,669	4,684,263	5,256,192	5,845,277
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	3,952,281	4,460,351	4,304,626	4,882,356	5,459,751	6,054,466
24	Net Change	2,434,179	618,953	2,918,676	473,988	188,383	272,012
25	Ending Fund Balance	50,087,042	50,705,995	53,005,718	53,479,706	53,668,089	53,940,101

Noteworthy Changes from 2017 and Other Explanations

- Interest & Claims (row 10) reflects earnings of the pension fund.
- Contributions (row 11) reflects contributions of employees (\$726,000 in 2018) and the Village contribution of (\$3,130,000 in 2018). The Village contribution will increase by \$214,000 in 2018 due to a reduction in the interest rate.
- Professional Services (row 17) is for the fund's actuary, investment managers, attorney, accountants, 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 2016 audit, the Fire Pension Plan has \$48.7 million in assets and was 57% 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 required contribution 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 76% 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 2018.

FIRE PENSION FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	45,693,574	48,730,241	48,730,241	52,193,332	52,921,598	53,285,930
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	933,093	1,324,000	766,848	789,853	813,549	887,956
11	Contributions	3,510,158	3,736,811	3,735,822	4,099,123	4,270,092	4,441,690
12	Other Financial Resources	2,177,685	200,000	3,000,000	500,000	500,000	500,000
13	Total Revenue	6,620,936	5,260,811	7,502,670	5,388,976	5,583,641	5,829,646
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	126,891	162,557	158,078	161,170	165,382	169,567
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	3,457,378	3,993,478	3,881,501	4,499,540	5,053,927	5,624,945
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	3,584,269	4,156,035	4,039,579	4,660,710	5,219,309	5,794,512
24	Net Change	3,036,667	1,104,776	3,463,091	728,266	364,332	35,134
25	Ending Fund Balance	48,730,241	49,835,017	52,193,332	52,921,598	53,285,930	53,321,064

Noteworthy Changes from FY17 and Other Explanations

- Interest & Claims (row 10) reflects earnings of the pension fund.
- Contributions (row 11) reflects contributions of employees (\$699,000 in 2018) and the Village contribution of (\$3,400,000 in 2018). The Village contribution will increase by \$339,000 in 2018 due a decreased interest rate.
- Professional Services (row 17) is for the fund's actuary, investment managers, attorney, accountant, and custodian for plan assets.
- Claims Grants & Debt (row 19) is pension payments to retirees.

OPEB TRUST FUND

Fund Type: Trust & Agency Fund

Fund Number: 653

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

Description– An OPEB (Other Post Employment Benefits) Trust will be set up in 2018. The purpose of the trust is to prefund the Village's obligations for postemployment benefits for health insurance. The benefits of a trust fund are:

- Prefunding should reduce the long term costs of the benefits by harnessing investment returns to help pay for benefits
- Trust funds are viewed favorably by ratings agencies

Long-Range Plan– The Village's OPEB liability was discussed during long range planning in 2017. The Village has an unfunded liability of \$11.5 million. *Develop a Plan to Address Other Post Employment Benefits Unfunded Liability* is a Priority Action Item for 2018. While the complete plan will be presented to the Council for consideration in 2018, the FY18 Adopted Budget provides initial funding for this initiative in a newly created OPEB Trust Fund. This fund will be used to cover the costs of providing required health benefits to retirees including the accrued unfunded liability. The FY18 Adopted Budget includes a \$300,000 contribution from the Capital Fund.

OPEB TRUST FUND

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	-	-	-	-	303,000	618,000
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	-	-	-	3,000	15,000	15,000
11	Contributions	-	-	-	300,000	300,000	300,000
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	-	-	-	303,000	315,000	315,000
14	<u>Expenses</u>						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-	-
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	-	-	-	-	-	-
24	Net Change	-	-	-	303,000	315,000	315,000
25	Ending Fund Balance	-	-	-	303,000	618,000	933,000

Noteworthy Changes from FY17 and Other Explanations

- This fund will be established in 2018
- The \$300,000 contribution comes from the Capital Fund

LIBRARY

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 Board has no statutory authority to direct the use of the resources of this fund.

Recent History and Trends: Downers Grove continues to be one of the busiest public libraries in the Chicago area, with a 9% increase in items checked out and 25% in meeting and study room use. Reliant on property taxes for 96% of its operating revenue, meeting demand for service, with a primary revenue source that is not tied to use, challenges the Library Board and staff. A staff reorganization in late 2017 reallocated staff to address the goals of the Library's Strategic Plan 2017-2020 while continuing its high level of service to the community. This reorganization includes streamlining administration and adding capacity to address facility needs in house.

Long Range Plans: In 2018, the Library implement its Strategic Plan 2017-2020 and begin addressing needs identified in its Capital Assessment Report. Development of a Financial Management Plan, based on the goals of the Strategic Plan 2017-2020 and need identified in the Capital Assessment Report, will occur in the first quarter of 2018.

	FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection	
1							
2	Beginning Fund Balance	2,105,536	2,259,024	2,259,024	890,050	512,216	202,337
3	Revenue						
4	Local Taxes	4,876,235	5,043,615	5,044,400	5,182,414	5,337,884	5,498,017
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	59,659	55,000	60,000	60,000	61,530	63,068
7	Sales	10,565	8,000	10,000	10,000	8,200	8,405
8	Fees, Charges & Fines	171,690	165,000	111,150	92,500	94,813	97,182
9	Grants	37,936	36,910	36,910	36,910	36,910	36,910
10	Interest & Claims	5,312	2,000	3,923	2,000	2,050	2,101
11	Contributions	10,967	5,000	5,000	5,000	7,500	10,000
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	5,172,364	5,315,525	5,271,383	5,388,824	5,548,887	5,715,683
14	Expenses						
15	Personnel	3,530,364	3,691,920	3,685,089	3,794,033	3,869,915	3,947,316
16	Supplies	124,791	143,400	137,300	139,800	141,198	142,609
17	Professional Services	242,301	262,625	247,625	283,950	286,789	289,656
18	Other Contractual Services	248,952	306,500	278,740	290,375	293,279	296,211
19	Claims, Grants, & Debt	1,767	20,000	3,000	24,000	24,240	24,482
20	Controlled Assets	36,297	63,500	66,103	60,000	60,600	61,206
21	Capital Assets	834,404	826,200	822,500	824,500	832,745	841,074
22	Other Financial Uses	-	1,400,000	1,400,000	350,000	350,000	350,000
23	Total Expenses	5,018,876	6,714,145	6,640,357	5,766,658	5,858,766	5,952,554
24	Net Change	153,488	(1,398,620)	(1,368,974)	(377,834)	(309,879)	(236,871)
25	Ending Fund Balance	2,259,024	860,404	890,050	512,216	202,337	(34,534)

Noteworthy Changes: Transfer of \$350,000 from the Library Fund to Library Building and Equipment Replacement Fund supports future capital needs identified in Facilities Assessment.

LIBRARY CAPITAL REPLACEMENT FUND

Fund Type: Component Unit

Fund Number 821

To provide for the financial needs of the Library's Capital Projects

Description: This fund is established under 75 ILCS 5/5-8 for the purpose of setting apart and providing monies for a library's capital needs or emergency expenditures. It is funded by transfers from the Library Fund. Under this statute, the Library Board of Trustees must adopt a spending plan within two years of the adoption of a resolution establishing a special reserve fund.

Recent History and Trends: Open to the public 7 days a week, 355 days per year, the Library building is heavily used. With a facility nearing its 20th year, many building systems are past or approaching their expected useful life, resulting in increased maintenance, repair, and replacement costs. The Library Board of Trustees has a precedent of long range planning for capital needs without incurring debt, as demonstrated by the 2014 interior renovation project and 2016 lighting and acoustical panel project, both completed without incurring debt. These projects did not address any building system needs, such as the roof and rooftop HVAC units. The proposed 2018 project addresses public area lighting and restroom renovations not included in the 2014 and 2016 interior projects.

Long Range Plans: In 2017, a Capital Assessment Report identified the long-term needs for capital repair and replacements. This assessment will inform the development of the Financial Management Plan, which will be the basis of the spending plan for this Fund. These will provide a framework by which the Library Board will continue its cycle of saving and reinvesting in its facility to meet long-term capital needs.

1		FY2016 Actual	FY2017 Budget	FY2017 Estimate	2018 Adopted	FY2019 Projection	FY2020 Projection
2	Beginning Fund Balance	-	-	-	1,400,000	1,090,000	450,000
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	-	1,400,000	1,400,000	350,000	350,000	350,000
13	Total Revenue	-	1,400,000	1,400,000	350,000	350,000	350,000
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-	-
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	600,000	-	660,000	990,000	60,000
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	-	600,000	-	660,000	990,000	60,000
24	Net Change	-	800,000	1,400,000	(310,000)	(640,000)	290,000
25	Ending Fund Balance	-	800,000	1,400,000	1,090,000	450,000	740,000

Noteworthy Changes: This fund was established in 2017 for the accumulation of funds to maintain the building and its systems and provide for replacement of equipment, furnishings, and fixtures. A spending plan for the fund, based on the Capital Assessment Report and Financial Management Plan will be developed in 2018.

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