

Village of Downers Grove

2010 Annual Report



VILLAGE MANAGER'S MESSAGE

The 2010 Annual Report highlights the successes of the past year across all areas of Village operations. The strong commitment to financial stewardship and innovation has resulted in the delivery of services in a fiscally responsible and cost-effective manner.

The best example of financial stewardship is the continued use of the Long Range Financial Plan (LRFP) to guide decision making during challenging economic times. Continued implementation of LRFP strategies in 2010 resulted in the receipt of a AA+ Bond rating and underscores the Village's strong financial position.

Encouraging the use of innovative approaches for service delivery, such as partnering with the Village of Westmont for emergency dispatch services, will reduce annual expenses and improve operating efficiencies. This, as well as other innovative approaches featured in the Annual Report, is the direct result of an organization-wide emphasis on consolidation, privatization and operational efficiency.

Many of the accomplishments in 2010 have received professional accolades, positioning Downers Grove as a recognized leader in municipal government. For example, the Village was awarded the Outstanding Community Project Award for the Long Range Financial Plan by the Illinois Association of Municipal Management Assistants. Many other recognition awards are listed herein.

I invite you to continue reading more about Village achievements and successes over the past year in this 2010 Annual Report.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Fulk". The signature is fluid and cursive, with the first name "Dan" and the last name "Fulk" clearly distinguishable.



*Mayor
Ron Sandack*



*Commissioner
Marilyn Schnell*



*Commissioner
William W. Waldack*



*Commissioner
Sean Patrick Durkin*



*Commissioner
Geoff Neustadt*



*Commissioner
Bruce E. Beckman*



*Commissioner
Robert T. Barnett*



*Village Manager
David Fieldman*

VILLAGE LEADERSHIP

Mayor

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Robert T. Barnett

Village Manager

David Fieldman

Directors

Deputy Village Manager Michael Baker

Village Attorney Enza Petrarca

Village Clerk April Holden

Communications Director Douglas Kozlowski

Emergency Management Coordinator Mary Scalzetti

Finance Director Judy Buttny

Director of Community Development Tom Dabareiner

Police Chief Robert Porter

Fire Chief James G. Jackson, Sr.

Director of Public Works Naneil Newlon

Director of Information Services Liangfu Wu

Director of Human Resources Wesley Morgan



AA+ Bond Rating

I. FINANCIAL STEWARDSHIP

The Long Range Financial Plan (LRFP) helps to ensure the present and future financial stability of the Village organization. The plan is derived from a financial analysis of the Village's expenses, revenues and debt capacity and takes into consideration current and future economic conditions. The plan is a key component of financial decision making and planning of the annual budget.

As a result of the recommendations within the current LRFP, the FY11 Budget provides for a balanced General Fund, (the main operating fund of the Village which includes the majority of Village services), no use of reserves, no changes in service levels and a continued investment in the Village's infrastructure.

Expense Control

Expense reductions are a major part of the mix of recommendations made in the LRFP. Since 2009, the Village has reduced spending by \$8 million. While some savings were the result of service reductions or eliminations, most were due to gains in operational efficiencies.

Personnel expenses are the largest expense of any municipal budget. In the last three years, the Village has reduced the workforce by 45 positions, or 13%.

Expense reductions will continue to be part of the FY11 Budget, with savings of \$2.4 million driven by the following initiatives:

- Partnering with the Village of Westmont to consolidate emergency dispatch services: **-\$225,000**
- Reduction in staff of 11.5 FTE (full-time equivalent) positions, through attrition: **-\$880,000**
- Changing the Village's health care provider network. **-\$1.3 million**

Declining Revenues

Village revenue is generated in various forms including sales tax, utility taxes, State income tax, hotel tax and property tax. While the Village's portfolio is diverse, many of these revenue sources have declined.

Revenues from the aforementioned sources have declined by \$4.1 million since 2007. In response, the Village has needed to rebalance revenues with a greater reliance on property tax - the only predictable and reliable revenue source.

The total property tax levy increased by approximately 12.08% in FY10. This increase was for operational expenses and pension obligations, per the Long Range Financial Plan. Property taxes in the Village for 2010 were paid at a rate of \$0.4952 per \$100 of equalized assessed value (EAV). This means that a home valued at \$300,000 paid \$495.20 to the Village or approximately \$52.90 more than last year. It is important to note that the Village portion of the tax bill is generally about 10% of the total tax bill.

Expenses

Total

\$39.3 million

A	General Government	11%
B	Public Works	14%
C	Community Development	5%
D	Public Safety	68%
E	Community Services	2%

Expenses



Revenues

Total
\$39 million

A	Property Taxes	27%
B	Sales Taxes	29%
C	Other Taxes	21%
D	Charges for Services	15%
E	Miscellaneous	8%

Revenues



Investment in Infrastructure

The LRFP calls for continued investment in Village infrastructure, such as roads, sidewalks, and water mains to keep basic systems operational.

In 2010, the Village completed 20 major infrastructure projects, which included:

- \$3.5 million in road improvements
- \$5.4 million in stormwater improvements
- \$1 million in water system improvements

Stormwater Projects

A. 8th and Cumnor (July –Nov. 2010)

Construction of a detention pond between 8th St. and 55th St. Also included replacement storm sewer and sewer structures.

B. Benton Avenue (June – Oct. 2010)

This project involved construction of underground detention, new and replacement storm sewers and the installation of replacement curb and gutter.

C. McCollum Park (April 2009-Nov. 2010)

The Village partnered with the Downers Grove Park District to provide stormwater and recreational improvements. The project included excavation of a stormwater detention basin at the northeast corner of McCollum Park. Following excavation, underdrain & irrigation systems, modular block retaining walls, soccer field equipment, a new sand volleyball court, a new basketball court, and landscaping were constructed. The basin now serves as a soccer field in addition to storing stormwater after large rain events.

D. Washington Park (April 2009- Sept. 2010)



This project provided improvements to the neighborhood stormwater and drainage. Work included the excavation of two stormwater

detention basins, plus the construction of concrete perimeter retaining walls and an underdrain irrigation system. Enhanced park features include a fountain, soccer and baseball field equipment, playground equipment, and landscaping. The basins will be used as softball & soccer fields and serve to hold stormwater after large rain events.

By partnering with the Downers Grove Park District on this project, \$4.9 million was saved.

<i>Washington Park Improvements</i>	Land Acquisition	Basin Construction	Park Improvements (in lieu of land acquisition)	PROJECT COST
w/o Partnership	\$6.2 million †	\$1.7 million	N/A	\$7.9 million (estimated)
w/ Partnership	N/A	\$1.7 million	\$1.3 million	\$3.0 million (actual)
SAVINGS				\$4.9 million

† (19 homes = 3 acres)

The success of this project is evidenced by the recognition it has garnered.

1. *Outstanding Civil Engineering Achievement Award* from the American Society of Civil Engineers.
2. *Crown Communities Award* by American City and County, which recognizes cooperation, creativity and leadership in a municipal government project.

Roadway Resurfacing

In 2010, the Village used the software program, Micropaver, to assess and rank the condition of all Village streets, which amounts to 167 miles. This process has helped to prepare and fine tune the road maintenance program and has been extremely useful for budgeting purposes.



Water Rate Study

The provision of clean, safe, water is a basic Village service. The Village's water system maintains:

- 200 miles of pipe
- 3,000 main distribution valves
- 2,600 fire hydrants
- Six pump houses and seven water towers

In April 2010, the Village hired Municipal and Financial Services Group (M&FSG), a firm with expertise in the financial needs of water utilities. They completed a water rate study to evaluate current water rates and make recommendations to ensure that adequate funding is available for the current and future operation of the Village's water system.

The study identified the annual revenue requirements of the water system and compared those requirements with the annual revenues projected to be collected with current water rates. If the Village maintains water pricing at the current level, there will be a \$2.75 million deficit by 2011 which will increase to almost \$5 million by 2015. Put simply, the expenses needed to properly maintain the water system exceed the water revenues currently collected by the Village.

There are three main reasons causing the need for change:

- **People are using less water.** Water consumption has declined by about 1% annually over the past five years and is projected to continue along this trend in the future.
- **The cost of water is increasing.** The price of water that the Village buys from the DuPage Water Commission has significantly increased and is expected to continue at a rate of 10% per year.
- **The water system infrastructure is aging.** Large portions of the system have reached their useful life. This includes water main pipes that deliver water to homes and businesses, as well as water towers. A significant investment is needed to avoid disruptions in water service due to failed equipment.

In November, the Village Council agreed to implement recommendations made in the report. As of January 1, 2011, accounts are now charged a fixed-rate fee, based on the water meter size.

Economic Development

The Downers Grove Economic Development Corporation (EDC) is an independent not-for-profit entity supported by the Village of Downers Grove and over 20 private-sector businesses. The focus of the EDC is to leverage available resources to attract jobs and employers to Downers Grove, as well as retain established businesses.

With their help, the Village continues to work to strengthen the local economy, generate revenue for the Village and create opportunity for the community.



O.A.S.I.S. Strategy

In 2010, the Village, EDC and the Downers Grove Area Chamber of Commerce & Industry launched the Ogden Avenue Site Improvement Strategy. This program seeks to improve the economic performance and physical appearance of the Ogden Avenue business district by offering matching grants to businesses for site and building improvements.

Business Development



- A. Midwestern University will be constructing a new dental clinic in 2011, resulting in 200 construction jobs and 100 new employees needed to staff the facility.
- B. DeVry University relocated their corporate headquarters to Downers Grove in 2010, along with 700 jobs.
- C. Dover Corporation relocated their corporate headquarters to 3005 Highland Avenue in 2010, plus 125 new jobs.



- D. Zeigler Motors arrived in Downers Grove in 2009 and expanded operations on Ogden Avenue in 2010. This brought 40 new jobs and \$100,000 in new sales tax revenue.



- E. Packey Webb Ford has also expanded, creating 10 new jobs and \$130,000 in sales tax revenue.



- F. Pugi Hyundai relocated within Downers Grove and expanded on Ogden Avenue. Ten jobs were created and the Village expects to reap \$50,000 in incremental sales tax growth.



- G. Lemon Tree Grocer opened its doors in Downtown in 2010. Twenty staff members were hired and the Village will add \$20,000 of sales tax to revenues.

- H. Michael's Fresh Market opened in early 2010 at 75th and Lemont Road, creating 40 new jobs resulting in approximately \$100,000 in sales tax revenue.



Strong Financial Position

Financial diligence by the Village over the last several years has proven to be a smart strategy. Standard and Poor's has recognized this by granting the Village an impressive AA+ bond rating.



Solar heated well house.

II. INNOVATION

The Village is in a strong financial position largely due to the innovative thinking of our staff and the approaches implemented during 2010.

Privatization of Counseling Services

In 2010, the Village eliminated this service, one that was valued but we could no longer afford to provide. A lease agreement for the building at 842 Curtiss St was enacted with Associates in Family Care (AFC) of Naperville. In exchange for below market rent, AFC agreed to provide counseling services to the same customers, employing the same counselors previously in service to the Village.

Operational Efficiencies

Talks with Westmont began in 2010 to consolidate their emergency dispatch services with the Village of Downers Grove. This partnership will result in \$300,000 annual savings for Downers Grove, as well as improved operating efficiency for both municipalities. When fully enacted later in 2011, dispatch for Westmont will be jointly operated out of the Village's dispatch center.

Environmental Sustainability

Fleet Services

- An anti-idling policy was implemented.
- Warming devices were installed in Village vehicles, eliminating the need to idle the engine for heat.
- Staff converted to the use of nitrogen to inflate tires on Village vehicles, resulting in improved mileage, vehicle performance and less labor.
- Alternative fuel usage continues with 76% of Village vehicles using fuels other than gas.
- Diesel consumption is down by 33,000 gallons.

Solar Heated Well Houses

The Village is in the process of installing solar heating panels at the six well houses. This change should be completed by the end of March and will improve energy efficiency by reducing the amount of gas and electricity used to heat the facilities. A grant from the U.S. Department of Energy has made this conversion possible.

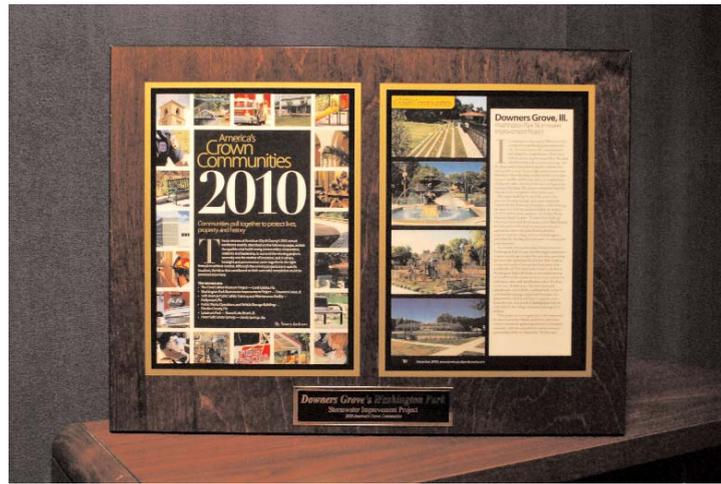
The Public Works garage and Fleet Services garage near Village Hall will also install the same type of solar heating panels in 2011.



Rain Barrel Program

In April 2010, the Village partnered with the Conservation Foundation to promote the sale and use of rain barrels. A rain barrel will save the average homeowner about 1,300 gallons of water during the peak summer months or 40% of total household use. The promotional period included educational rain barrel displays throughout the Village and an informational rain barrel presentation at the library.

The sale exceeded expectations with 544 rain barrels sold. The Village is working to facilitate this type of event again in 2011.



Crown Communities Award - Washington Park



*National Law Enforcement Challenge
Top Municipal Agency- Traffic Safety*



*Outstanding Community Project Award
Long Range Financial Plan.*

III. RECOGNIZED LEADER IN GOVERNMENT

The following highlights demonstrate the Village's commitment to providing exceptional municipal services:

- In 2010, the Illinois Association of Municipal Management Assistants awarded the Outstanding Community Project Award to the Village for the Long Range Financial Plan.
- For the first time, the Government Finance Officers Association awarded the Village their Distinguished Budget Award for the 2010 Budget.
- Downers Grove was named Top Municipal Agency in the category of municipal agencies with 76-100 sworn officers by the International Association of Chiefs of Police for their overall approach to traffic safety.
- Village staff were named for several other awards and accolades in 2010:

State of Illinois Traffic Safety Challenge

American Public Works Association (APWA) Technical Innovation Award

APWA End Loader Competition

Alliance for Innovation Recognition of Employee Engagement Efforts

Northern Illinois University Intern Supervisor of the Year

Illinois Chapter of the American Planning Association "Best Planning Tool" Award

Illinois Metropolitan Enforcement Group Director's Award

American Society of Civil Engineers (ASCE) Award

National Recognition in Fire Education

Illinois Crime Prevention Officer of the Year 2010

