

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
DECEMBER 11, 2007 AGENDA

| SUBJECT: | TYPE: | SUBMITTED BY: |
|---------------------------------------|--|---------------------------------|
| Budget Amendment for Fiscal Year 2007 | ✓ Resolution Ordinance Motion Discussion Only | Judy Buttny Finance Director |

SYNOPSIS

An ordinance has been prepared to amend the adopted budget for the current FY 2007 for activities that generated additional revenues and/or expenditures that were not considered in the original budget and therefore exceeded the adopted budget.

STRATEGIC PLAN ALIGNMENT

The Five Year plan and Goals for 2006-2011 identified *Exceptional Municipal Organization*. A supporting objective of this goal is *Financially Sound and Sustainable Village Government*.

FISCAL IMPACT

The ordinance amendment will increase budgeted authorization in all funds in FY 2007 by \$1,346,000.

RECOMMENDATION

Approval on the December 18, 2007 active agenda.

BACKGROUND

The attached ordinance details the following changes to the adopted budget by fund:

1. General Fund: While there is no net change, it should be noted that employee wage increases in FY07 were budgeted in the Manager’s Contingency. In addition, wages were not budgeted at 100%, rather a vacancy factor was also included in the FY07 budget, and allocated between the Public Works, Police, and Fire Department budgets (this allocation was made as these are the largest departments by employee count and often experience the highest percentage of employee positions that are vacant). Budget dollars need to be adjusted annually at year end in order to move the budgeted wage increases from the Manager’s Contingency into the appropriate departments, and also reflect the vacancy factor in the departments that experienced the salary savings due to job vacancies. The following departments are being adjusted:
 - a. General Government- reduce by \$910,000
 - b. Public Works-increase by- \$160,000
 - c. Community Development- reduce by \$235,000
 - d. Police Department- increase by \$460,000
 - e. Fire Department increase by \$725,000
 - f. Community Operations-reduce by \$200,000

As noted above, all of these changes net to a zero impact on the General Fund.

2. General Fund: Transfer \$200,000 into the Risk Fund to reduce the deficit balance from the increased worker’s compensation claims.
3. General Fund: \$15,000 for AEDs for the Fire Department. This amount is offset by \$15,000 in revenues from the Primeco settlement, which can only be spent on unbudgeted items.

4. CBD TIF Fund: Increase expenditures by \$213,000 for the installation of underground utilities for Acadia on the Green and the upgrades of additional CBD crosswalks.
5. Risk Management Fund: Increase expenditures by a total of \$725,000 based on actual claims experience coming in at a higher amount than anticipated (\$300,000), and an increase in the year end reserve (\$425,000). The majority of this increase is due to worker's compensation claims. As described in this list as item no. 2, in order to offset the increased expenditures in this fund, revenues will be increased by \$200,000 from a General Fund transfer.
6. Parking Fund: Increase expenditures by a total of \$60,000 for additional funds for a rate increase from ComEd for the downtown parking deck (\$35,000), and for construction costs of parking lot I, which exceeded the budgeted amount by \$25,000.
7. Fire Pension Fund: Increase expenditures by \$133,000 as a result of unanticipated disability pensions and legal and medical costs related to those pensions.

It is important to note, then when expenditures exceeded budget during the fiscal year, advance authorization was obtained by Council when required, and the Council action noted that Council would additionally be required to amend the budget at year end.

ATTACHMENTS
Ordinance

ORDINANCE NO. _____

**AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #4866 AND
THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2007**

WHEREAS, the Village Council of the Village of Downers Grove has previously adopted Ordinance #4866 entitled “AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #4820 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2007; and;

WHEREAS, a proposed amendment to the fiscal 2007 budget has been prepared; and

WHEREAS, the Village Council of the Village of Downers Grove has examined said amendment and has determined that it is necessary, desirable and in the public interest to further amend the fiscal 2007 budget as provided herein.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Downers Grove, in DuPage County, Illinois, as follows:

SECTION 1. That Ordinance #4866 entitled “AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE 4820 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2007”, as amended, be and is hereby further amended as follows:

| Expenses By Fund | FY 2007 Adopted Budget | FY 2007 Amendment | FY 2007 Amended Budget |
|---|-------------------------------|--------------------------|-------------------------------|
| 001 General Fund | \$42,933,391 | \$215,000 | \$43,148,391 |
| 107 Downtown TIF Fund | \$1,991,328 | \$213,000 | \$2,204,328 |
| 562 Risk Management Fund | \$1,672,991 | \$725,000 | \$2,397,991 |
| 471 Parking Fund | \$1,101,591 | \$60,000 | \$1,161,591 |
| 652 Fire Pension Fund | \$1,214,984 | \$133,000 | \$1,347,984 |
| Total Village & Library Budget | \$99,285,033 | \$1,346,000 | \$100,631,033 |

SECTION 2. That, except as amended herein, the original budget ordinance shall remain in full force and effect.

SECTION 3. That this Ordinance shall be in full force and effect from and after its adoption and publication as required by law.

Mayor

Passed:

Published:

Attest: _____

Village Clerk