

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
APRIL 9, 2013 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
General Fund Final Report and Budget Amendment Ordinance	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

Staff is providing a final report for the FY12 General Fund. An ordinance has been prepared to amend the Village Budget for FY12 to reflect expenses that were not foreseen at the time the budget was adopted. This amendment will formally bring the total budgeted expenses in certain funds in line with actual expenses. Unforeseen circumstances that occurred following budget adoption and during the course of the 2012 fiscal year resulted in these adjustments, and each is described in detail below.

STRATEGIC PLAN ALIGNMENT

The goals for 2011-2018 identified *Steward of Financial and Environmental Sustainability*.

FISCAL IMPACT

Approval of this ordinance carries with it no actual fiscal impact. The ordinance is required to bring the budgeted amounts in line with actual expenses.

UPDATE & RECOMMENDATION

This item was discussed at the April 2, 2013 Village Council meeting. Staff recommends approval on the April 9, 2013 Active Agenda.

BACKGROUND

The Village's FY12 Budget was authorized by ordinance in November 2011 and the Village's fiscal year began on January 1, 2012 and closed on December 31, 2012.

General Fund Final Report

The FY12 budget was balanced with revenues and expenses at \$41.35 million. Actual expenses were less than the budget by \$40,000. Revenues were greater than the budget by \$1.97 million. The higher-than-anticipated revenues were driven by the following:

- Telecom Tax: \$354,000 higher due to state audit
- State Income Tax: \$553,000 higher
- Licenses/Building Permits/Plan Reviews: \$604,000 higher primarily due to Midwestern University construction projects

The following table shows the budgeted vs. actual revenues and expense for the General Fund.

FY 12 General Fund	Budget (in millions)	Actual (in millions)	Difference (in millions)
Revenues	\$41.35	\$43.32	\$1.97
Expenses	\$41.35	\$41.31	\$.04
Change in Fund Balance	-	\$2.01	\$2.01

When, as a result of unforeseen circumstances, expenses in any of the Village's funds exceed the amount authorized in the budget ordinance, the Village is required by law to pass an amendment to the budget ordinance to adjust the budget for the expenses. No amendments are required for revenues.

The explanation for the amendments required in each fund is provided below, followed by a summary table for all of the funds.

Sales Tax Rebate Fund: Increase revenues and expenses by \$60,000 due to greater than budgeted sales tax revenues and related payouts based on the terms of approved rebate agreements.

Risk Fund: Increase expenses by \$600,000. The Risk Fund accounts for financial activity related to the Village's workers' compensation and liability insurance program. The Village self-insures for a substantial amount of workers' compensation (worker injuries) and property risks (e.g. vehicles). In self-insured plans, claims are projected based on historical trends. Due to the unpredictable nature of claims, there is a margin of uncertainty in any given year. Claims experience for FY12 has been higher than anticipated. As a result, a budget amendment is required.

Health Insurance Fund: Increase expenses by \$350,000. The Health Insurance Fund is the Village's self-insured medical, dental, vision and life insurance fund. In self-insured plans, claims are projected based on historical trends. Due to the unpredictable nature of claims, there is a margin of uncertainty in any given year. Although total claims expense are still below 2010 levels as a result of changing to the Blue Cross Blue Shield Plan, claims expense was greater than budgeted. Claims experience for FY12 has been higher than anticipated to date, and FY12 claims are still being processed. As a result, a budget amendment is required.

The following table summarizes the budget amendments by fund.

Fund	FY12 Adopted Budget	Amt of Budget Amendment	FY12 Budget, as Amended
Sales Tax Rebate Fund	750,000	60,000	810,000
Risk Fund	1,872,812	600,000	2,472,812
Health Insurance Fund	6,289,716	350,000	6,639,716
Total Village & Library Budget	\$128,905,256	\$1,010,000	\$129,915,256

ATTACHMENTS
Ordinance

ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #5232 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2012

WHEREAS, on November 8, 2011, the Village Council of the Village of Downers Grove adopted Ordinance #5232 entitled “AN ORDINANCE ADOPTING THE FISCAL YEAR 2012 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE”; and

WHEREAS, proposed amendments to the fiscal 2012 budget have been prepared; and

WHEREAS, the Village Council of the Village of Downers Grove has examined said amendments and have determined that it is necessary, desirable and in the public interest to further amend the fiscal 2012 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 #5232 entitled “AN ORDINANCE ADOPTING THE FISCAL YEAR 2012 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE”, as amended, be and is hereby further amended as follows:

Expenses By Fund	FY 2012 Adopted Budget	FY 2012 Amendment	FY 2012 Amended Budget
111 Sale Tax Rebate Fund	\$750,000	\$60,000	\$810,000
562 Risk Fund	\$1,872,812	\$600,000	\$2,472,812
563 Health Insurance Fund	\$6,289,716	\$350,000	\$6,639,716
Total Village & Library Budget	\$128,905,256	\$1,010,000	\$129,915,256

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

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