

Village Council Pre-Wires Budget 2018

Property Tax Levy

Does a typical detached single family house have a market value of \$300,000, or does this number include other types of residential units (single family attached and multi-family)?

The phrase “typical residential property” refers to all types of residential units. The median value of all residential properties in the Village is approximately \$300,000.

By my estimate, the average increase in expenses is about \$20 on average home based on \$521,509. The Property Tax Levy is an increase of \$553,850 or about \$21.30 average household.

Staff estimates that the \$553,850 increase in the property tax levy would cost the typical residential property with a market value of \$300,000 (taxable value of \$100,000) approximately \$583.84. This estimate was based on the information that, currently a property with a taxable value of \$100,000 pays \$559.60 in Village taxes. The Village total levy would increase by 4.32%. Applying this increase to the tax bill of a typical residential property results in a tax bill of \$583.84 (an increase of \$24.22).

This translates to a rule of thumb - each \$500,000 increase in the levy costs the typical residential property about \$21.87.

When presenting an increase in the property tax levy and the reduction in sales tax, what kind of news do we have on property values? How is that relationship working out? Is that all explained lower in the EAV? Is that where emphasis should be?

Based on a conversation with the Downers Grove Township Assessor, the Equalized Assessed Value is expected to increase by 4.8%. The Village’s proposed levy reflects an increase of 4.3%. Therefore, aggregate property values are expected to increase more than the Village’s levy, resulting in a reduction of the Village tax rate.

General Fund

General Fund: Capital Assets, Line 21, Why is there a difference from \$85,000 in FY17 Budget to \$10,000 in the FY18 Proposed Budget.

Capital Assets in the General Fund can be “lumpy” depending on capital needs from year to year. The FY18 proposed budget includes \$10,400 for replacement of one of the Village’s seven Outdoor Warning Sirens. The 2017 budget included amounts for Hexagon Licensing for County-wide CAD RMS project (\$54,803) One-Time equipment Costs for DuComm (\$20,000) and A Replacement Tornado Siren (\$10,400).

Claims, Grants & Debts, Line 19, Why is there a difference from \$5.83 million in FY17 Budget to \$5.79 million in FY18 Proposed Budget?

Claims, Grants & Debts	2017 Budget	2018 Budget
Internal Service Fund Transfers:		
<ul style="list-style-type: none"> ● Equipment Replacement ● Fleet Maintenance ● Risk 	\$1,160,391 1,222,891 2,282,922	\$1,172,654 1,292,025 2,191,581
Recoverables (billable):		
<ul style="list-style-type: none"> ● Engineering Services (CD) ● Elevator Inspections ● Wireless Alarm Maintenance ● Fire Miscellaneous 	85,000 85,000 64,000 520	85,000 85,000 80,000 520
Downtown Management (SSA #2)	247,000	247,000
Economic Development Corporation (50% of hotel tax)	500,000	475,000
District 58 Ogden TIF Payment	119,000	125,000
DuPage Senior Citizen Council contribution	30,000	30,000
Property Tax-Annexations (2017 is final year payments are due):		
<ul style="list-style-type: none"> ● Lisle Woodridge ● Darien Woodridge 	15,333 11,952	- -
Unemployment Compensation	10,000	10,000
Total	\$5,834,015	\$5,793,780

In Table 2 the Sales Tax estimate is higher than the 2017 estimate by rounding. Why round up, a conservative estimate would round down? Data to support this? Plan if it comes in short? (Reflected in the Home Rule Sales Tax?)

The FY18 proposed budget for sales tax was based on performance over the past twelve months. During the first 10 months, sales tax revenues were lower than the previous year. During the past two months, sales tax revenue has been increasing. Staff estimates that sales tax revenue for 2017 will be \$11.36 million and budgeted \$11.40 million for 2018 (an increase of 0.35%).

What are assumptions on Building Fees to decrease only \$50k. What is coming online? What is % of large projects vs. smaller permits?

Building Fees were budgeted consistent with 2016 actuals and 2017 estimates, assuming permit activity will remain strong. Potential projects include:

- Rexnord new office building
- 2200 Warrenville - new office building
- Belmont & Ogden - convenience store and smaller drive-through restaurant
- Lacey & Finley - three industrial/office buildings
- Oak Trace new construction- 2nd phase

The table below summarizes the percentage of building permits for large projects.

Year	Permits with Fees Greater than \$12,000	Permits with Fees Less than \$12,000
2017 YTD	36%	64%
2016	26%	74%
2015	32%	68%

How do our Reserves compare to the current Library Reserves under discussion? Is the Library going to use or build their reserves?

Reserves in the 2016 audited financial statements show the Library reserves in their General Fund at 45% of annual expenses at 12/31/2016. The FY18 Proposed Budget shows reserves at 39.27% of annual expenses.

Who's leaving in communications?

A Communications Specialist retired in May, 2017. The position has been vacant since the retirement.

Village Manager: Explain "Noteworthy Changes" and budget impact.

The Performance Manager was eliminated in 2016. The Management Fellow added a .50 FTE to the Village Manager's Office budget.

Generally speaking, what are Claims, Grants, and Debt – especially pertain to Manager's Office and Building Services.

For the Manager's Office, Claims, Grants and Debt reflect costs paid to the Internal Service Service Funds for IT (desktops, laptops) and Risk Management. The Risk Management Fund has reserves for some General Liability claims that are charged to the Manager's Office.

For the Building Services Department, Claims, Grants and debt reflect costs paid to the Internal Service Funds for Vehicle Replacement, Fleet Maintenance, IT and Risk Management. Risk Management claims in this department are for a Worker’s Compensation claim paid in 2016 (there is a lag in allocating actual claims paid to a department.)

What is the revenue for Transportation Assistance. This will be needed for HSC.

Year	Coupons Purchased	Revenue	Coupons Redeemed	Cost
2017 (thru 9/30/17)	47,280	23,639	37,260	13,621
2017 (projected)	90,000	45,000	90,000	45,000
2016	74,310	37,155	72,532	35,377
2015	80,380	40,192	76,066	35,874
2014	86,660	43,330	83,026	39,696
2013	91,820	45,910	83,730	37,820

Facilities (Major Buildings & Asset Forfeiture Funds)

Based on previous facilities discussions, there is going to be a property tax increase of some kind to fund facilities since the options required to some extent. Why not discuss an increase now, to be determined by discussion, to lessen the later pain? Next steps?

Staff encourages the discussion of this issue during the budget review and approval process.

Police Pension and Fire Pension Funds

Line 12. Clarification on this line item.

Line 12 represents the realized and unrealized (or mark to market) gains and losses on pension fund investments.

Provide the state parameters for investment for pension funds.

Fixed Income investments must be 35% of the portfolio or higher, and up to 65% of the portfolio can be invested in equities.

Equipment Replacement Fund

What is the usefulness of CNG vehicles?

The Village uses Compressed Natural Gas (CNG) for vehicles that provide for this option because it offers the following advantages over conventional petroleum products.

- CNG represents almost a 50% savings over petroleum products such as gasoline and diesel fuel.
- CNG produces 20-30% fewer greenhouse gas emissions and 95% fewer tailpipe emissions than petroleum products.
- CNG does not contain lead, so spark plug life is extended because there is no fouling.

- CNG does not dilute or contaminate crankcase oil, so intervals between oil changes and tune-ups are extended.
- CNG fuel storage tanks are stronger and safer than gasoline or diesel tanks reducing the likelihood of accidental release. If released, CNG disperses quickly into the air instead of on the ground, reducing the risk of fire and ground contamination.

General Questions

What are the other communities that have a AAA bond rating in the Chicago area?

There are 22 other communities with a AAA rating in Illinois. The list is attached.

Concerns me that we are discussing only on Tuesdays except for one CWTC. Should/Could we arrange some other day/time for Budget input?

Additional public meetings can be scheduled as directed by the Village Council.

Attachments

List of 22 AAA rated communities in Illinois