

4/13/2021
VILLAGE OF DOWNERS GROVE
 Report for the Village

SUBJECT:	SUBMITTED BY:
FY20 Budget Amendment Ordinance	Judy Buttny Finance Director

SYNOPSIS

An ordinance has been prepared to amend the Village Budget for FY20.

STRATEGIC PLAN ALIGNMENT

The goals for 2019-2021 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

N/A

RECOMMENDATION

Approval on the April 20, 2021 active agenda.

BACKGROUND

The Village's FY20 Budget was authorized by ordinance in December 2019 and the Village's fiscal year began on January 1, 2020 and closed on December 31, 2020. The Village has nearly completed the financial closeout of the year and audit work will be conducted in the coming weeks.

Actual FY20 expenses ended the year below budgeted levels for most Village Funds including the General Fund. Three funds were over budget and will require budget amendments:

- Debt Service Capital Fund (\$15,610,000);
- Water Fund (\$1,330,000); and
- Police Pension Fund (\$100,000)

The Debt Service Fund and the Water Fund were over budget due to the refunding of 2012 bonds for Roads and Stormwater, which resulted in \$1.7 million of present value savings to the Village in debt service payments. This is due to the accounting entry required to show the proceeds from the new lower interest rate bond going into the fund (revenue entry) and paying off the old higher interest rate bond coming out of the fund (expense entry). The Police Pension Fund is over budget due to greater than expected retirements in the Police department.

In addition, an amendment of \$1,220,000 is requested for the General Fund. Revenues in the General Fund were \$1.3 million lower than budgeted. As a part of the COVID-19 Financial Response plan, expenses in the General Fund were reduced by \$2.0 million. In addition, the Village received \$2.5 million from the CARES Act. Staff is proposing a transfer of \$3.2 million to the Municipal Buildings Fund. The transfer will bring the actual 2020 expenses to \$50.86 million, which is \$1.22 million over budget. This will keep the General Fund fund balance within the range recommended by S&P (40.5%) and provide flexibility in the future to utilize these funds for new facilities.

The recommended budget amendment will increase the overall authorized expense level. The rationale for recommending this amendment is based on the following:

- State law dictates that municipalities cannot spend more than authorized unless a budget amendment is adopted, and;
- This action does not alter the approved spending levels for FY21.

The following table summarizes the budget amendments:

Fund	FY20 Adopted Budget	Amount of Budget Amendment	FY20 Budget, as Amended
General Fund	\$49,637,170	\$1,220,000	\$50,857,170
Debt Service Capital Fund	\$1,908,744	\$15,610,000	\$17,518,744
Water Fund	\$20,870,045	\$1,330,000	\$22,200,045
Police Pension Fund	\$5,702,698	\$100,000	\$5,802,698
Total Village & Library Budget	\$143,368,866	\$18,260,000	\$161,628,866

ATTACHMENTS

Ordinance

ORDINANCE NO. _____**AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #5831 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2020**

WHEREAS, on December 1, 2019, the Village Council of the Village of Downers Grove adopted Ordinance #5831 entitled "AN ORDINANCE ADOPTING THE FISCAL YEAR 2020 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE"; and

WHEREAS, proposed amendments to the fiscal year 2020 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 year 2020 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 #5831 entitled "AN ORDINANCE ADOPTING THE FISCAL YEAR 2020 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE", as amended, be and is hereby further amended as follows:

Expenses By Fund	FY 2020 Adopted Budget	FY 2020 Amendment	FY 2020 Amended Budget
General Fund	\$49,637,170.00	\$1,220,000.00	\$50,857,170.00
Debt Service Capital Fund	\$1,908,744.00	\$15,610,000.00	\$17,518,744.00
Water Fund	\$20,870,045.00	\$1,330,000.00	\$22,200,045.00
Police Pension Fund	\$5,702,698.00	\$100,000.00	\$5,802,698.00
Total Village & Library Budget	\$143,368,866.00	\$18,260,000.00	\$161,628,866.00

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