

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
NOVEMBER 27, 2007 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Recommended FY08 Municipal Budget	✓ Resolution Ordinance Motion Discussion Only	Cara Pavlicek Village Manager

SYNOPSIS

A draft budget ordinance has been prepared to adopt the FY08 Municipal Budget. Staff will need direction on the following items at the November 27, 2007 Workshop in order to finalize the ordinance:

- The addition of \$35,000 in FY08 to provide the six week leaf collection program (free residential collection of bagged leaves from approximately mid October through the end of November) pursuant to the solid waste collection contract with ARC, as well as future year projections for this service at a rate of \$140,400 in FY09, and \$146,016 in FY10.
- Changes to the Stormwater Improvement Fund to provide for:
 - A FY08 bond issuance of \$24,679,000
 - A FY12 bond issuance of \$24,124,000
 - A FY15 bond issuance of \$23,464,000
 - A flat, 30 year debt service stream of \$4,000,000 to be funded by a ¼ home rule sales tax increase, a \$2,000,000 property tax levy increase (approximately \$0.09 rate). *There would be no water surcharge in this scenario.*

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals for 2006-2011 identified *Exceptional Municipal Organization* with an objective of *Top Quality Core Services Responsive to Current and Future Community and Citizen Needs*.

FISCAL IMPACT

The FY08 Municipal Budget will provide for all operational revenues and expenditures for the time period from January 1, 2008, through December 31, 2008.

RECOMMENDATION

Approval on the December 4, 2008 active agenda with the following modifications:

- The addition of \$35,000 in FY08 to provide the six week leaf collection program (free residential collection of bagged leaves from approximately mid October through the end of November) pursuant to the solid waste collection contract with ARC, as well as future year projections for this service at a rate of \$140,400 in FY09, and \$146,016 in FY10.
- Changes to the Stormwater Improvement Fund to provide for:
 - A FY08 bond issuance of \$24,679,000
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- A flat, 30 year debt service stream of \$4,000,000 to be funded by a ¼ home rule sales tax increase, a \$2,000,000 property tax levy increase (approximately \$0.09 rate). *There would be no water surcharge in this scenario.*

The proposed issuance of debt with a \$4 million debt service for stormwater would allow for the Village to add another high priority project in FY08, condense the multi-year construction schedule for five of the high priority projects to fewer years and allowing for completion of design work of all high priority projects by FY10.

BACKGROUND

On October 5, 2007, the recommended Municipal Budget was provided to the Village Council and a workshop meeting was held on October 20, 2007, and continued on October 23, 2007. In addition, the budget was reviewed in conjunction with the November 3, 2007, Coffee with the Council. A public hearing was held on November 6, 2007. On November 20, 2007, the Council also discussed financing alternatives for stormwater improvements.

Since the original presentation of the budget document, staff has updated year end estimates (which impact the FY07 budget and starting balances for FY08). It is also noteworthy that based upon the Council's discussions, the following changes have been incorporated into the document:

- General Fund expenditures have been increased for the following:
 - TCD3 \$32,500
 - Emerald Ash Borer \$250,000
 - Community Branding \$100,000
 - Heritage Festival \$50,000
 - Lyman Woods \$250,000
- Capital Fund expenditures have been increased for the following:
 - New sidewalk construction \$81,900 (*reflects addition of 5% escalator and developer contributions*)
 - Sidewalk repair and replacement \$25,000

Staff has additionally initiated the following changes to the document:

- General Fund
 - Reduction in the Fire Pension contribution (\$627,000)
 - Increase in matching funds for Fire turnout gear grants \$159,000
- Capital Fund
 - Reduced Telecommunications Tax revenue by (\$410,000) to reflect the start of collections in July 2008 (*based upon a December 2007 enactment of increase*)
 - Increased revenue for developers contributions by \$20,000

The following chart highlights the proposed changes from FY07 to FY08 for all property taxes levied to support the Village.

	2006 Extended Levy Received in FY07	2007 Recommended Levy to be Received in FY08	Comments
EQUALIZED ASSESSED VALUATION			
Village EAV	\$ 2,222,875,166	\$ 2,367,362,052	Projected 6.5% Increase

Fire Protection EAV	\$	2,208,760,258	\$	2,352,329,675	Projected 6.5% Increase
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TAX LEVY

Corporate/Police Levy	\$	2,569,644	\$	2,736,671	Maintain rate of \$0.1156 for 2007
Fire Protection Levy	\$	2,429,636	\$	2,746,563	Rate of \$0.1168 for 2007
Police Pension Levy	\$	1,090,889	\$	1,145,133	
Fire Pension Levy	\$	1,565,863	\$	1,017,249	
Debt Levy	\$	735,904	\$	877,857	
Stormwater Impr. Levy	\$	-	\$	2,604,098	See Stormwater Impr. Fund for details
Total Tax Levy	\$	8,391,935	\$	11,127,570	

PROPERTY TAX RATES	\$	0.3799	\$	0.4708
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A number of additional steps are required to be completed by the Village Council related to the implementation of the annual budget. While a number of these items were preliminarily identified as a part of the November 6, 2007 Budget Public Hearing, the following is an *updated and corrected* listing:

Item	Workshop Date	Public Hearing Date	Adoption Date
FY08 Municipal Budget	various	November 6, 2007	December 4, 2007
Wage and Classification Schedule for 2008	November 27, 2007	N/A	December 4, 2007
Community Investment Program for FY 2008- 2012	November 27, 2007	N/A	December 4, 2007
Property Tax Levy	various	December 4, 2007	December 18, 2007
¼ cent Home Rule Sales Tax Increase	November 27, 2007	December 4, 2007	December 18, 2007
1% Telecommunications Tax Increase	December 11, 2007	N/A ¹	December 18, 2007
FY07 Amended Budget	December 11, 2007	N/A	December 18, 2007
Water Bill Surcharge for Stormwater	December 11, 2007	TBA	TBA

ATTACHMENTS

Tax History
Draft Ordinance

¹ The enactment of the 1% increase in telecommunications tax does not require Home Rule authority and therefore, a public hearing is not required.



DOWNERS GROVE TAX RATE HISTORY

Comparison of Downers Grove Taxing Body Rates (1999-2006)

Taxing bodies are listed as they appear on individual tax bills

	2000 **	2001	2002	2003	2004	2005	2006	2006 % of Total
DuPage County	0.2536	0.2353	0.2154	0.1999	0.1850	0.1797	0.1713	3.7%
Forest Preserve	0.1742	0.1654	0.1534	0.1419	0.1358	0.1271	0.1303	2.8%
DuPage Water Commission	-	-	-	-	-	-	-	0.0%
DuPage Airport Authority	0.0291	0.0271	0.0248	0.0230	0.0213	0.0198	0.0183	0.4%
Downers Grove Township	0.0352	0.0340	0.0324	0.0306	0.0290	0.0278	0.0268	0.6%
Downers Grove Twp Road Dist.	0.0521	0.0510	0.0486	0.0459	0.0434	0.0416	0.0401	0.9%
Vil of Downers Grove-Ex Fire	0.1480	0.2037	0.2830	0.3093	0.3110	0.2962	0.2699	5.8%
Vil of Downers Grove-Fire	0.0548	0.0850	0.0845	0.1274	0.1283	0.1175	0.1100	2.4%
Village of Downers Grove Library	0.2338	0.2275	0.2179	0.2109	0.2033	0.1942	0.1870	4.0%
Downers Grove Park District	0.4400	0.4311	0.3828	0.3489	0.3322	0.3188	0.3062	6.6%
Downers Grove Sanitary District	0.0387	0.0383	0.0366	0.0355	0.0339	0.0326	0.0316	0.7%
Grade School District No. 58	2.1783	2.0881	1.9765	1.8523	1.7721	1.7049	1.6523	35.7%
High School District No. 99	1.8280	1.7972	1.7204	1.6696	1.5914	1.5365	1.4884	32.2%
Junior College No. 502 (COD)	0.1966	0.1930	0.2179	0.2097	0.1972	0.1874	0.1929	4.2%
	5.6624	5.5767	5.3942	5.2049	4.9839	4.7841	4.6251	100.0%

Village of Downers Grove 2003 Rate (Excluding Library)

	2000 **	2001	2002	2003	2004	2005	2006	% Change (1999-2006)
Village of Downers Grove-Ex Fire	0.1480	0.2037	0.2830	0.3093	0.3110	0.2962	0.2699	43.9%
Village of Downers Grove-Fire	0.0548	0.0850	0.0845	0.1274	0.1283	0.1175	0.1100	14.8%
Village of Downers Grove	0.2028	0.2887	0.3675	0.4367	0.4393	0.4137	0.3799	34.1%

Comparison of Downers Grove Tax Rate with Neighboring DuPage County Municipalities

	2000 **	2001	2002	2003	2004	2005	2006	% Change (1999-2006)
Oak Brook	-	-	-	-	-	-	-	0.0%
Elmhurst	0.3870	0.3727	0.3547	0.3259	0.3077	0.2958	0.2799	-32.0%
Hinsdale	0.4220	0.3866	0.3586	0.3338	0.3111	0.3066	0.2902	-38.2%
Downers Grove	0.2028	0.2887	0.3675	0.4367	0.4393	0.4137	0.3799	34.1%
Westmont	0.5189	0.5138	0.4913	0.4740	0.4546	0.4382	0.4224	-21.6%
Glen Ellyn	0.4696	0.4249	0.5329	0.5461	0.5011	0.4580	0.4375	7.7%
Naperville	0.6767	0.6796	0.6414	0.5476	0.5036	0.4721	0.4664	-32.2%
Lombard	0.5776	0.5670	0.5335	0.5200	0.4983	0.4947	0.4789	-17.5%
Willowbrook *	0.6374	0.6343	0.6035	0.5826	0.5524	0.5296	0.5227	-18.8%
Clarendon Hills	0.8358	0.7856	0.7518	0.6877	0.6480	0.5918	0.5679	-32.2%
Carol Stream *	0.6988	0.6879	0.6466	0.6336	0.6037	0.5923	0.5792	-17.6%
Darien *	0.8049	0.7943	0.7594	0.7597	0.7188	0.6720	0.6486	-20.1%
Oakbrook Terrace *	0.7633	0.7349	0.7055	0.7229	0.7372	0.7307	0.7531	12.8%
Bensenville	0.9183	0.8983	0.8704	0.8810	0.8469	0.7789	0.3575	-59.8%
Villa Park	1.0014	0.9688	0.8992	0.8891	0.8356	0.8010	0.7695	-22.0%
Wheaton	0.7262	0.7146	0.7289	0.7204	0.7980	0.8302	0.8111	9.3%
Woodridge *	0.9137	0.8602	0.9409	0.9241	0.9018	0.8875	0.8634	-10.7%
Lisle *	1.0334	0.9974	1.0764	1.0601	1.0354	1.0175	0.9832	-7.8%
Addison *	1.2278	1.2298	1.1510	1.1118	1.0748	1.0608	1.0389	-15.8%

* Municipalities served by a separate Fire Protection District

** Decrease in 2000 rate a result of Village Council's abatement of \$1 million in taxes

Source: DuPage County Clerk's Office Report: Tax Code Rates for Principal Cities and Villages

DRAFT

ORDINANCE NO. _____

**AN ORDINANCE ADOPTING THE FISCAL YEAR 2008
BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE**

WHEREAS, the Village Council of the Village of Downers Grove has provided for the preparation and adoption of an annual budget in lieu of passage of an appropriation ordinance for the fiscal year 2008; and

WHEREAS, a proposed annual budget has been prepared, published by the Village Council and made available for inspection for at least ten days, all as provided by law; and

WHEREAS, notice has been given and a public hearing held on November 6, 2007, as provided by law; and

WHEREAS, the Village Council of the Village of Downers Grove has examined said annual budget and has heard all persons appearing and desiring to be heard concerning said annual budget,

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

SECTION 1. That the tentative annual budget heretofore prepared by the Budget Officer and placed on file as required by the statutes of the State of Illinois is hereby adopted in lieu of the passage of an appropriation ordinance for the fiscal year 2008 with the following amendments:

FY 2008 BUDGET ORDINANCE

DRAFT 11/27/2007

Fiscal Year 2008

Recommended

Fund Description Budget

GENERAL FUND

GENERAL FUND **42,227,003**

SPECIAL REVENUE FUNDS

102 MOTOR FUEL TAX FUND 1,505,000

107 DOWNTOWN REDEVELOPMENT TIF FUND 2,214,736

109 2% FOREIGN FIRE INSURANCE FUND 81,100

110 OGDEN AVENUE TIF (Tax Increment Financing) FUND 1,592,850

111 SALES TAX REBATES FUND 750,000

112 TRANSPORTATION FUND 464,559

TOTAL SPECIAL REVENUE FUNDS 6,608,245

CAPITAL PROJECTS FUNDS

220 CAPITAL PROJECTS FUND 5,909,482

223 MAJOR BUILDINGS FUND 2,365,000

226 REAL ESTATE FUND 23,306

243 STORMWATER IMPROVEMENT FUND 6,986,106

TOTAL CAPITAL PROJECTS FUNDS 15,283,894

DEBT SERVICE FUNDS

337 1998 FAIRVIEW AVENUE DEBT SERVICE FUND 302,150

338 DRD-TIF DEBT SERVICE FUND 2,339,503

339 MUNICIPAL BUILDINGS DEBT SERVICE FUND 441,825

TOTAL DEBT SERVICE FUNDS 3,083,478

ENTERPRISE FUNDS

471 PARKING FUND 1,194,283

481 WATER FUND 11,677,395

TOTAL ENTERPRISE FUNDS 12,871,678

FY 2008 BUDGET ORDINANCE

Fiscal Year 2008
Recommended
Budget

Fund Description

INTERNAL SERVICE FUNDS

530 EQUIPMENT REPLACEMENT FUND	1,428,514
531 FLEET MAINTENANCE FUND	1,809,165
562 RISK MANAGEMENT FUND	1,880,950
563 HEALTH INSURANCE FUND	6,011,991
TOTAL INTERNAL SERVICE FUNDS	11,130,620

TRUST FUNDS

651 POLICE PENSION FUND	2,111,860
652 FIRE PENSION FUND	1,456,130
TOTAL TRUST FUNDS	3,567,990

PUBLIC LIBRARY FUNDS

LIBRARY OPERATIONS FUND	3,940,362
LIBRARY CONSTRUCTION FUND	70,000
LIBRARY DEBT FUND	648,084
TOTAL PUBLIC LIBRARY FUNDS	4,658,446

TOTAL VILLAGE AND LIBRARY BUDGETS	99,431,354
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SECTION 2. That the Budget Officer is hereby authorized and directed to cause to be prepared and published the Fiscal Year 2008 Annual Budget with the aforementioned amendments.

SECTION 3. That all ordinances or resolutions, or parts thereof, in conflict with the provisions of this Ordinance be and are hereby repealed.

SECTION 4. 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