

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
NOVEMBER 25, 2008 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Revisions to the FY09 Recommended Budget	Resolution Ordinance Motion ✓ Discussion Only	David Fieldman Village Manager

SYNOPSIS

Revisions have been made to the FY09 Recommended Budget based on discussion at the November 11, 2008 budget workshop. The revisions include further reductions of \$124,550 in General Fund expenses and a reduction in the real estate tax levy.

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals for 2007-2012 identifies *Exceptional Municipal Organization*. A supporting objective of this goal is *Financially Sound and Sustainable Village Government*.

FISCAL IMPACT

N/A.

RECOMMENDATION

Discussion only. Discussion is recommended at the November 25, 2008 workshop to allow for budget adoption on December 2, 2008.

BACKGROUND

Several revisions have been made to the FY09 Recommended Budget based on the issues discussed by the Village Council at the November 11, 2008 budget workshop. These revisions generally include a variety of cost cutting measures and reductions in funding levels for certain programs in the FY09 Recommended Budget. These measures will reduce the Village's overall expenses and reduce the Village's total Real Estate Tax Levy to an amount less than the FY08 Levy.

General Fund

During the November 11, 2008 budget workshop, the Village Council requested reductions in General Fund expenses in an effort to reduce the proposed real estate tax levy to an amount equal to or less than the FY08 Levy. In response, staff proposes an additional \$124,550 in cost cutting measures. A comparison of the original FY09 Recommended Budget and the revised budgets as presented on 11/11/08 and 11/28/08 is illustrated in the table on the following page:

	FY09 Original	FY09 as Presented on 11/11/08	FY09 as Presented on 11/25/08	Change from FY09 Original to 11/25/08
Revenue	\$ 42,262,007	\$ 41,710,007	\$ 41,585,457	\$ (552,000)
Expenses	\$ 42,252,161	\$ 41,686,745	\$ 41,562,195	\$ (689,966)
Surplus/(Deficit)	\$ 9,846	\$ 23,262	\$ 23,262	

As mentioned above, the revised FY09 Recommended Budget includes an additional \$124,550 in cost cutting measures in an effort to avoid an increase in the real estate tax levy from FY08 to FY09. A summary of the revisions made to the FY09 Recommended Budget since the November 11, 2008 budget workshop is provided below:

- *Reduction in budget for tree pruning* (\$50,000) – The original FY09 Recommended Budget included \$162,000 in the General Fund for tree pruning services. Bids for the project were received by staff and were approximately \$50,000 below the budgeted amount. As a result of this unanticipated savings, \$50,000 of tree pruning expenses has been removed from the proposed General Fund budget.
- *Reduction in budget for Fuel* (\$40,000) – The year-end-estimate for fuel costs in FY08 is \$700,000. 2009 fuel costs were originally budgeted at \$750,000. Staff is proposing to reduce the FY09 budget by \$40,000, to \$710,000. Staff proposes this change due to the recent decrease in fuel prices, operational changes implemented by staff during 2008, and the purchase of more fuel efficient vehicles in 2008.
- *10% reduction in budget for Village-wide travel and training* (\$20,000) – \$255,177 was budgeted in FY08 for training for staff. In 2009, all out of state travel and training was reduced, and \$197,305 was proposed in the FY09 budget. Staff is proposing a further reduction of \$20,000 to \$177,305. Staff plans on bringing training in house, and working with other government agencies to satisfy training requirements while reducing costs.
- *In-house completion of the Historical Preservation component of the Comprehensive Plan* (\$5,000) – The Village contracted with Houseal Lavigne and Associates to facilitate TCD3 and update the 43 year old comprehensive plan. The comprehensive plan portion of the contract is estimate to cost nearly \$130,000. At the request of the Council, staff evaluated the scope and considered which items may be appropriately conducted in-house. The Historic Preservation elements would be removed from the contract for a savings of \$5,000 in the General Fund. Upon completion of the Historical Preservation elements of the Comprehensive Plan, staff will apply for Certified Local Government status with the Illinois Historical Preservation Agency.
- *Reduction in budget for Recruiting / Hiring Expenses* (\$4,550) – There is \$18,800 in the proposed FY09 Budget for recruiting/hiring expenses. These expenses include costs for placing ads as well as costs of physical exams and blood screening for new hires. Staff is proposing that this expense item be reduced by \$4,550 to \$14,250.
- *Reduction in Council Training and Travel* (\$5,000) – The FY08 Adopted Budget included \$11,000 for Village Council travel and training. To date, \$2,183 has been spent of the Council training and travel budget. As a result, the original FY09 Recommended Budget reduced the Council travel and training budget to \$5,000. The revised FY09 Recommended Budget reduces this budget to zero.

Real Estate Tax Levy

The Village's real estate levy is comprised of six components used to support specific services provided by the Village. Below is the current proposal for the real estate tax levy for FY09. Previous data is included from the original FY09 Recommended Budget (9/30/08 version) and the previous revision (11/11/08 version) for comparison. The overall levy has been reduced by a further \$124,550 compared to the last revision of the FY09 proposed budget as presented on November 11, 2008.

	FY08	FY09 Original	FY09 11/11/08 Version	FY09 11/25/08 Version	Change from FY08 to 11/25/08 Version
Corporate Levy	\$ 2,764,038	\$ 2,850,000	\$ 2,936,897	\$ 2,812,347	\$ 48,309
Fire Protection	\$ 2,774,029	\$ 2,850,000	\$ 2,850,000	\$ 2,850,000	\$ 75,971
Fire Pension	\$ 1,027,421	\$ 1,767,249	\$ 1,578,223	\$ 1,578,223	\$ 550,802
Police Pension	\$ 1,156,584	\$ 1,260,000	\$ 1,262,129	\$ 1,262,129	\$ 105,545
Stormwater	\$ 2,630,139	\$ 2,630,139	\$ 2,630,139	\$ 2,630,139	\$ -
Debt Service After Abatements	\$ 796,191	\$ -	\$ -	\$ -	\$ (796,191)
Total	\$ 11,148,402	\$ 11,357,388	\$ 11,257,388	\$ 11,132,838	\$ (15,564)

ATTACHMENTS

General Fund Revenue & Expense Adjustments

Other Fund Revenue & Expense Adjustments

Capital Projects Fund Project Revisions

Memo: In-house completion of the Historical Preservation component of the Comp Plan

Memorandum

To: David Fieldman, Village Manager

From: Tom Dabareiner, Community Development Director

Date: November 20, 2008

Re: Assessing the impacts of staff's role in conducting in whole or in part the comprehensive plan

The Village of Downers Grove contracted with Houseal Lavigne and Associates to facilitate TCD3 and update the 43 year old comprehensive plan. The comprehensive plan portion of the contract is estimate to cost nearly \$130,000. At the request of the Council, staff evaluated the scope and considered which items may be appropriately conducted in-house. The goal is to achieve a high quality, useful comprehensive plan at a significant cost savings to the Village.

Why a Comprehensive Plan Update?

The existing 43-year old comprehensive plan was prepared to help guide the physical layout of a community characterized as “growing rapidly,” with half its land mass listed as “vacant” and available for new development. The plan anticipated accommodating the needs of more than 68,000 future residents. The Village's current zoning and subdivision ordinances reflect generally the goals and objectives of this growth-oriented plan.

The original plan assembled a path to a desired future 20 years from its adoption. After a plan is approved, it requires recalibration each subsequent five to 10 years. When a plan has been left unattended for lengthy periods, more work is needed. This is the position Downers Grove finds itself in today.

An updated plan—oriented towards residential opportunity and stability, along with healthy businesses and sustainable redevelopment—should incorporate the latest thinking culled from tested successes in mature suburbs across the country. Some of these successes will better match the personality, opportunities and goals of our residents, business partners and institutions. Amended zoning and subdivision ordinances, along with new implementation tools will necessarily take the place of today's regulations.

Why municipal planners do not typically lead the effort?

To assure that the full range of various approaches and their impacts are adequately debated, a consultant is usually hired. Drawing on their knowledge and facilitation experience, the consultant's only interest is to identify the appropriate tools for the community which will assure a vital and sustainable future. Some suggestions will be deemed unworkable locally (albeit, highly successful approaches elsewhere) and some may challenge the core assumptions of the 1965 plan or community traditions. Staff may

be reluctant to raise these ideas. Also, ineffective but “safe” concepts may carry inordinate weight when forwarded by staff. Finally, staff may be tainted by advocating certain concepts which offend certain land interests or hamstrung by previous development-related recommendations. Day-to-day project reviews may be perceived as victims to staff’s long range planning whims.

Having staff complete the comprehensive plan works better in large cities with larger departments. Those communities often have planning staff dedicated to long range planning, distinct from current planning reviews. Without any direct or perceived potential for conflict, the two operations can function separately. Of course, unlike smaller communities, large cities tend to always have ongoing plan updates, and neighborhood and corridor plans underway. Having a separate division for long range planning makes sense for them, not Downers Grove.

Following a plan’s completion, the consultant goes home; the local staff implements. It is in the role as implementer that we can best serve the comprehensive planning process—considering and making sure the draft recommendations can be carried out consistently and equitably. While the CD Director is experienced and knowledgeable on comprehensive plans, and supervises a highly talented staff, our primary roles revolve around current planning and redevelopment reviews. This is not to say that the CD Director will not be challenging the consultant on many topics during the planning process to assure a strong, useful document is created.

Scope and costs for changing to a staff-led plan or, at least, one with a greater staff role.

Two scenarios were considered: (1) cancellation of the comprehensive plan contract and (2) Village planning staff assistance with research, analysis and printing costs. Both scenarios have costs, including \$10,000 has already spent by the consultant. Savings vary.

Scenario 1: All work done in-house

Tasks	Cost
Expenditures to date	\$10,000
Printing costs	\$10,000
Photoshop Software	\$4,000
Urban Modeling Software	\$5,400
Sketch Up Design Software	\$2,000
Data Purchases	\$1,500
Part-Time Intern	\$20,000
TOTAL	\$52,900.00

Under Scenario 1, a savings of about \$76,000 is realized over the life of the project. Due to other staff commitments, the timeframe for completion would require reevaluation with the likelihood that the plan would extend well into 2010. It also raises the need for some level of additional assistance, represented here as an intern with the training or

experience in using the new softwares, conducting basic research and analysis, and writing internal reports. Also, the development review concerns described above and associated with staff involvement remain. Finally, the software purchases are required only for the purposes of developing the plan, while Photoshop and Sketch Up may have general value beyond the Comprehensive Plan.

Scenario 2: Some work done in-house

Tasks	Savings
Historic Preservation Element	\$5,000
Scope Reduction (\$5,000-\$10,000) <ul style="list-style-type: none"> • Corridor Plans delayed • Historic Preservation Element • Staff progress summaries 	\$5,000
Printing costs	\$5,000
Data Purchases	\$1,500
Reports to Council	\$2,600
TOTAL	\$19,100.00

Under Scenario 2, little savings is realized—from \$5,000 to \$25,000. The Historic Preservation element is already removed from the plan for a savings of \$5,000—staff is proceeding with the survey and plan in-house due to urgency expressed by the Council and others. *About half of the savings in Scenario 2 comes in 2009.* Houseal Lavigne and Associates remains the facilitator throughout the process, which reduces staff’s exposure and limits any potential conflicts between the current planning and long range planning duties.

Summary

Significant cost savings are realized only if the entire comprehensive plan is done in-house. However, staff’s strong role in preparing a comprehensive plan is likely to hamper our current planning role. Alternatively, staff’s partial involvement generates only modest savings in 2009.

Staff’s recommendation is to continue to work on the Historic Preservation element in-house—work already underway—at a savings of \$5,000.00. Other possible savings have less impact on the budget and raise other potential concerns.

General Fund (001) Revenue & Expense Adjustments

REVENUES		EXPENSES		SURPLUS/ (DEFICIT)
Recommended Budget (9/30)	42,262,007	Recommended Budget (9/30)	42,252,161	9,846
Reduction in Hotel Revenue Projection	(50,000)	Defer Hiring of Vacant Staff Attorney	(20,000)	
Reduction in Sales Tax Revenue Projection	(150,000)	Eliminate Contractual Inspection Services	(15,000)	
Reduction in Permit Revenue	(347,000)	Eliminate Funding for Branding	(100,000)	
Reduction in Pension Levies (per Actuary)	(186,897)	Reduction in Pension Levies (per actuary)	(186,897)	
Reduction in Plan Review & Inspection Fees	(5,000)	Defer Funding for Leaf Collection to 2010	(140,000)	
Reallocate Fines (Court Supervision)	40,000	Reduction in Community Grants (per formula)	(3,519)	
Reduction in Corporate Levy	(37,653) *	Eliminate One Squad Car Replacement	(30,000)	
Increase in Telecommunications Tax Revenue	60,000	Eliminate Strategic Plan Consultant	(30,000)	
		Reduction to Supplies Accounts	(20,000)	
		Eliminate Two Newsletters	(12,500)	
		Eliminate Heritage Festival Fireworks	(7,500)	
		Reduce Budget for Tree Pruning	(50,000) *	
		10% Reduction in Village-wide Travel/Training	(20,000) *	
		In-house Completion of Components of Comp Plan	(5,000) *	
		Reduction in Budget for Recruiting/Hiring	(4,550) *	
		Reduction in Council Training/Travel	(5,000) *	
		Reduction in Budget for Fuel	(40,000) *	
Adj. Recommended Budget (11/25/08)	41,585,457	Adj. Recommended Budget (11/25/08)	41,562,195	23,262

*Denotes additional revenue/expense reduction measures since the 11/11/08 budget workshop

Other Fund Revenue & Expense Adjustments

REVENUES		EXPENSES		SURPLUS/ (DEFICIT)
Motor Fuel Tax Fund (102)				
Recommended Budget (9/30)	1,490,000	Recommended Budget (9/30)	1,490,000	-
Reduce Motor Fuel Tax Revenue Projection	(255,000)	Increase Road Maintenance Expenses	700,000	
Reduce Interest Revenue Projection	(10,000)			
Adj. Recommended Budget (10/28)	1,225,000	Adj. Recommended Budget (10/28)	2,190,000	(965,000)
Downtown TIF Fund (107)				
<i>No Change</i>	2,426,000	Recommended Budget (9/30)	2,526,831	(100,831)
		Rebudget traffic light shroud project	80,000	
Recommended Budget	2,426,000	Adj. Recommended Budget (10/28)	2,606,831	(180,831)
Capital Projects Fund (220)				
Recommended Budget (9/30)	5,621,471	Recommended Budget (9/30)	6,626,991	(1,005,520)
Reduction in HR Sales Tax Revenue Projection	(400,000)	Reallocate Roadway Maint. Exp. to MFT Fund	(700,000)	
		Defer Ogden Avenue Sidewalks	(306,000)	
		Defer/Reduce Lower Priority CIP Projects*	(255,000)	
Adj. Recommended Budget (10/28)	5,221,471	Adj. Recommended Budget (10/28)	5,365,991	(144,520)
Stormwater Fund (243)				
Recommended Budget (9/30)	5,430,139	<i>No Change</i>	14,681,505	(9,251,366)
Reduction in HR Sales Tax Revenue Projection	(200,000)			
Adj. Recommended Budget (10/28)	5,230,139	Recommended Budget	14,681,505	(9,451,366)
Parking Fund (471)				
<i>No Change</i>	1,084,000	Recommended Budget (9/30)	1,345,759	(261,759)
		Include Security System Maintenance Agreement	16,000	
Adj. Recommended Budget (10/28)	1,084,000	Adj. Recommended Budget (10/28)	1,361,759	(277,759)

*See Capital Projects Fund (220) Project Revisions for detailed breakdown

Other Fund Revenue & Expense Adjustments

REVENUES		EXPENSES		SURPLUS/ (DEFICIT)
Equipment Replacement Fund (530)				
Recommended Budget (9/30)	1,198,439	<i>No Change</i>	1,022,250	176,189
Reallocate Fines (Ct. Supervision) to Gen. Fund	(40,000)			
Adj. Recommended Budget (10/28)	1,158,439	Recommended Budget	1,022,250	136,189
Police Pension Fund (651)				
Recommended Budget (9/30)	2,957,000	<i>No Change</i>	2,162,958	794,042
Increase in Levy Requested by Pension Board	2,129			
Adj. Recommended Budget (10/28)	2,959,129	Recommended Budget	2,162,958	796,171
Fire Pension Fund (652)				
Recommended Budget (9/30)	3,417,249	<i>No Change</i>	1,583,378	1,833,871
Reduction in Levy Based on Actuarial Study	(189,026)			
Adj. Recommended Budget (10/28)	3,228,223	Recommended Budget	1,583,378	1,644,845

Capital Projects Fund (220) Project Revisions

Project Number	Project	Amount Reduced from Capital Projects Fund
ST-016	Roadway Improvements, Middaugh Ave, Grant to Herrick MS	\$ (50,000)
ST-017	Corridor Enhancements, Ogden Avenue	\$ (50,000)
ST-007	Roadway Reconstruction, Woodward Avenue	\$ (90,000)
ST-008	Roadway Reconstruction, Valley View Estates	\$ (55,000)
TR-014	Safe Routes to School	\$ (15,000)
BW-003	Bikeway Connections	\$ 5,000
Total		\$ (255,000)