

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
DECEMBER 16, 2008 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Budget Amendment for Fiscal Year 2008	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

An ordinance has been prepared to amend the adopted budget for the current fiscal year for activities that generated additional revenues and/or expenses not considered at the time the original budget ordinance was adopted.

STRATEGIC PLAN ALIGNMENT

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

FISCAL IMPACT

The ordinance amendment will increase FY08 budget authorization in all funds in FY08 by \$6,434,000, largely resulting from specific accounting requirements. The explanation for the increases within each fund appears below. It is important to note that nearly \$5.8 million dollars of this amount is accounted for by the 1) refunding of TIF debt service (item 3), which resulted in \$127,605 of present value savings to the Village, but necessitated an increase in revenues and expenses, and 2) the timing of payments for Fire Station #2 construction (item 2), a multi-year project which was completed on-time and under budget.

RECOMMENDATION & UPDATE

This item was discussed at the December 9 workshop. Staff recommends approval on the December 16 active agenda.

BACKGROUND

Near the end of each fiscal year, which ends of December 31, Village staff reviews year-to-date expenses and determines if any of the funds are expected to exceed the amount authorized by Council in the budget ordinance adopted prior to the commencement of the fiscal year. For FY08, a budget amendment is being proposed for the following funds. It is important to note that the General Fund, the primary operating fund of the Village, requires no amendment, due primarily to the operational cost-cutting measures implemented during the middle of the fiscal year.

- Transportation Fund: Increase expenses by \$20,000 due to increased labor costs. Staff experienced difficulty in hiring and retaining bus drivers in recent months, requiring other Public Works Department staff to temporarily fill bus driver vacancies at a higher rate of pay.
- Municipal Buildings Fund: Increase expenses by \$1,720,000. From FY06 to FY08, this fund accounted for Fire Station #2 design and construction expenses. This amendment is the result of a timing issue. The amount spent in FY07 was lower than anticipated; thereby increasing expenses for FY08 beyond the amount budgeted for FY08. The total Fire Station #2 project came in under budget.
- CBD TIF Debt Service Fund: Increase expenses and revenues by \$4,039,000 for the 2008 debt refunding, which resulted in \$127,605 of present value savings to the Village in debt service payments.

- Equipment Replacement Fund: Increase expenses by \$150,000. This amendment is the result of a timing issue. The Pierce Impel Pumper fire truck budgeted in FY07 was not delivered until 2008, requiring a payment from the FY08 budget.
- Risk Management Fund: Increase expenses by \$375,000 based on 1) actual claims experience exceeding budget by \$325,000, and 2) an increase in the year-end reserve of \$50,000, resulting primarily from anticipated worker's compensation claims.
- Health Fund: Increase expenses by \$30,000, due to claims experience slightly exceeding budget.
- Police Pension Fund: Increase expenses by \$100,000 due to the transfer of pension funds by plan participants to other plans.

ATTACHMENTS

Ordinance

ORDINANCE NO. _____

**AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #4929 AND
THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2008**

WHEREAS, on December 4, 2007, the Village Council of the Village of Downers Grove adopted Ordinance #4929 entitled “AN ORDINANCE ADOPTING THE FISCAL YEAR 2008 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE”; and

WHEREAS, a proposed amendment to the fiscal 2008 budget has been prepared; and

WHEREAS, the Village Council of the Village of Downers Grove has examined said amendment and has determined that it is necessary, desirable and in the public interest to further amend the fiscal 2008 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 #4929 entitled “AN ORDINANCE ADOPTING THE FISCAL YEAR 2008 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE”, as amended, be and is hereby further amended as follows:

Expenses By Fund	FY 2008 Adopted Budget	FY 2008 Amendment	FY 2008 Amended Budget
112 Transportation Fund	\$464,559	\$20,000	\$484,559
223 Major Buildings Fund	\$2,365,000	\$1,720,000	\$4,085,000
338 CBD TIF Debt Service Fund	\$2,339,503	\$4,039,000	\$6,378,503
530 Equipment Replacement Fund	\$1,428,514	\$150,000	\$1,578,514
562 Risk Management Fund	\$1,880,950	\$375,000	\$2,255,950
563 Health Fund	\$6,011,991	\$30,000	\$6,041,991
651 Police Pension Fund	\$2,111,860	\$100,000	\$2,211,860
Total Village & Library Budget	\$99,987,354	\$6,434,000	\$106,421,354

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