

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
MARCH 24, 2009 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 FY08 for activities that generated additional expenses not considered at the time the original budget ordinance was adopted.

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals for 2008-2013 identified *Exceptional Municipal Organization*. A supporting objective of this goal is *Financially Sound and Sustainable Village Government*.

FISCAL IMPACT

The proposed ordinance amendment would increase FY08 budget authorization in the Health Insurance Fund in FY08 by \$100,000. The proposed increase is the result of greater than anticipated health insurance claims expenditures.

RECOMMENDATION

Approval on the April 7, 2009 active agenda.

BACKGROUND

The Health Insurance Fund is the Village's self-insured medical, dental, vision and life insurance fund. Claims administration is accomplished by a combination of internal staff and contractual support. Additionally, the Village provides coverage for the Library, Park District, the Economic Development Corporation and retirees, with these participants paying 100 percent of their premium costs. The Village self-insures for the first \$125,000 of claims for each plan participant and purchases re-insurance for catastrophic exposure above this amount.

Claims experience for FY08 has been higher than anticipated to date, and FY08 claims are still being processed. Expenses are currently running over the adjusted budget by \$45,000, and staff has not yet received 2008 claims processed in March. Based on historical data the remaining claims are projected at \$55,000, creating a total of \$100,000.

In self-insured plans, claims are projected based on historical trends. Due to the unpredictable nature of claims, there is a margin of uncertainty in any given year. For example, in FY07 medical claims were \$300,000 under budget.

This is the second budget amendment requested for the Health Insurance Fund. The Council approved an amendment in the amount of \$30,000 at the December 16, 2009 Council Meeting. This second amendment of \$100,000 will bring the total amendment to the FY08 budget to \$130,000 or 2% of the original budget of \$6,011,991.

ATTACHMENTS

Ordinance

ORDINANCE NO. _____

**AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #5020 AND
THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2008**

WHEREAS, on December 16, 2008, the Village Council of the Village of Downers Grove adopted Ordinance #5020 entitled “AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #4929 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2008”; 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 #5020 entitled “AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #4929 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2008”, as amended, be and is hereby further amended as follows:

Expenses By Fund	FY 2008 Amended Budget	FY 2008 Amendment	FY 2008 Amended Budget
563 Health Fund	\$6,041,991	\$100,000	\$6,141,991
Total Village & Library Budget	\$106,421,354	\$100,000	\$106,521,354

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