

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
APRIL 14, 2009, 2009 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Unclaimed Funds	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

An ordinance has been prepared authorizing the transfer to the General Fund of funds held by the Village which have been unclaimed for a term of more than four years as of August 31, 2004.

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 will authorize the Village to transfer \$521,880 in unclaimed construction bond proceeds to the General Fund. The FY09 budget includes \$500,000 in revenue for this item

RECOMMENDATION

Approval on the April 21, 2009 active agenda.

BACKGROUND

To address concerns raised by the auditors and pursuant to the budget plan presented in December, staff is proposing the transfer of \$521,880 in unclaimed construction bond proceeds to the General Fund. This item was presented to the Village Council during the FY09 budget revision and approval process and was intended as a one-time strategic revenue enhancement to the General Fund.

According to the Municipal Code, within 180 days after the end of the fiscal year all funds presumed abandoned in that year and unclaimed after being noticed shall be transferred by ordinance to the General Fund. On December 17, 2008 staff noticed a listing of construction bonds in the Downers Grove Reporter and on the website with instructions that the owners need to present proof of claim to the Village within sixty days from the date of publication to claim funds. Some bondholders submitted proof, and their bond deposits were returned. The remainder of the bond deposits was unclaimed, and staff is seeking approval to transfer those dollars to the General Fund.

The Village requires construction permit holders to submit cash bonds to guarantee the completion of certain construction project components such as public improvements. Upon successful completion of the construction project, the bonds are to be returned to the permit holder. As of last year, the Village had approximately \$1.0 million of construction bonds that were no longer active. Over the past year, staff has been working to identify the owners of the construction bonds to return the bonds to them. Out of this total, staff was able to identify and return about one half of the inactive bonds. The remainder were noticed in the newspaper and on the internet.

The auditors have reported this issue to Council in their Management Letter in past years, noting that supporting documentation was lacking for older construction deposits held by the Village. Staff in the Finance department worked with the Community Development and Public Works departments to identify the inactive bonds.

ATTACHMENTS

Ordinance

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE TRANSFER OF FUNDS HELD BY THE VILLAGE AND UNCLAIMED FOR MORE THAN FOUR YEARS AS OF AUGUST 31, 2004

WHEREAS, Sections 2-39 through 2-41 of the Downers Grove Municipal Code establish procedures for the disposition of unclaimed funds; and

WHEREAS, it has been determined by the Council of the Village of Downers Grove, that it is in the best interest of the Village, its residents and taxpayers, to authorize the transfer of certain sums held by the Village and unclaimed for more than four years, after the last transaction related thereto as of August 31, 2004, from one fund to another fund of the Village; and

WHEREAS, the Village Treasurer has, pursuant to the aforesaid ordinance, caused the required notice regarding such funds to be published in the Suburban Life Publication on December 17, 2008; and

WHEREAS, opportunity has been give for persons entitled to claim such funds to present evidence of their claim thereto,

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

SECTION 1. That certain sums held by the Village of Downers Grove and unclaimed for more than four years after the last transaction related thereto as of August 31, 2004, in the amount of \$517,730.30, are hereby transferred to the corporate fund as indicated on said exhibit.

SECTION 2. That the funds transferred pursuant to Section 1 of this ordinance shall not be presumed to be abandoned property in accordance with the Uniform Disposition of Unclaimed Property Act 765 ILCS 765 1025/0.05, et seq.

SECTION 3. That all ordinances, 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 passage and publication in the manner provided by law.

Mayor

Passed:

Published:

Attest: _____

Village Clerk