

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
JANUARY 12, 2010 AGENDA**

| SUBJECT: | TYPE: | SUBMITTED BY: |
|---------------------------------------|--|---------------------------------|
| Budget Amendment for Fiscal Year 2009 | ✓ Resolution Ordinance Motion Discussion Only | Judy Buttny Finance Director |

SYNOPSIS

An ordinance has been prepared to amend the adopted budget for fiscal year 2009 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 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 increase the FY09 budget authorization in all funds in FY09 by \$10,063,000, largely resulting from specific accounting requirements. The explanation for the increases within each fund appears below. It is important to note that nearly \$9.1 million dollars of this amount is accounted for by the refunding of Fairview Avenue and TIF debt service (items 1 and 2), which resulted in \$411,000 of present value savings to the Village, but necessitated an increase in revenues and expenses. Also, the \$350,000 budget amendment requested for the Water Fund is due to a timing issue as funds for budgeted capital projects that were expected to be paid in 2008 were actually disbursed in 2009.

BACKGROUND

Every fiscal year, which ends of December 31, Village staff reviews expenses and determines if any of the funds are expected to exceed the amount authorized by Council in the budget ordinance. For FY09, 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 to the operational cost-cutting measures implemented during the fiscal year.

- Fairview Avenue Debt Service Fund: Increase expenses and revenues by \$1,100,000 for the 2009 debt refunding, which when combined with the refunding of CBD TIF Debt, resulted in \$411,000 of present value savings to the Village in debt service payments.
- CBD TIF Debt Service Fund: Increase expenses and revenues by \$8,000,000 for the 2008 debt refunding, which when combined with the refunding of Fairview Avenue Debt, resulted in \$411,000 of present value savings to the Village in debt service payments.
- Water Fund: Increase expenses by \$350,000 due to the timing of payments for budgeted capital projects in the Water Fund. Payments for capital projects were budgeted in 2008 but paid against the 2009 budget. The payments did not exceed the total projects' budgets, it is just a timing issue.
- Risk Management Fund: Increase expenses by \$500,000 based on 1) actual claims experience exceeding budget by \$150,000, and 2) an increase in the year-end reserve of \$350,000. Worker's compensation claims have been higher than anticipated and the Village also had four claims under the 2007 Firefighter Heart & Lung Act (effective 2008) which totaled \$183,000. Prior to this act, those expenses would have been covered under the Health Insurance Fund.
- Fire Pension Fund: Increase expenses by \$113,000 due to pension payments to three firefighters that retired due to the Voluntary Separation Program.

ATTACHMENTS
Ordinance

ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #5017 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2009

WHEREAS, on December 2, 2008, the Village Council of the Village of Downers Grove adopted Ordinance #5017 entitled “AN ORDINANCE ADOPTING THE FISCAL YEAR 2009 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE”; and

WHEREAS, a proposed amendment to the fiscal 2009 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 2009 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 #5017 entitled “AN ORDINANCE ADOPTING THE FISCAL YEAR 2009 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE”, as amended, be and is hereby further amended as follows:

| Expenses By Fund | FY 2009 Adopted Budget | FY 2009 Amendment | FY 2009 Amended Budget |
|--|-------------------------------|--------------------------|-------------------------------|
| 337 1998 Fairview Avenue Debt Service Fund | \$268,968 | \$1,100,000 | \$1,368,968 |
| 338 CBD TIF Debt Service Fund | \$2,487,521 | \$8,000,000 | \$10,487,521 |
| 481 Water Fund | \$11,181,661 | \$350,000 | \$11,531,661 |
| 562 Risk Management Fund | \$1,996,582 | \$500,000 | \$2,496,582 |
| 652 Fire Pension Fund | \$1,583,378 | \$113,000 | \$1,696,378 |
| Total Village & Library Budget | \$108,207,457 | \$10,063,000 | \$118,270,457 |

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