

**Staff Responses to Council Questions
May 8, 2012**

7. Active Agenda B. Resolution: Authorize a Sales Tax Rebate Agreement with the Lemon Tree, LLC

When the Village had a sales tax rebate agreement with Michaels, were packaged liquor sales included in the sales tax rebate calculation?

Yes, the sales tax rebate included alcohol sales from Michael's. The agreement did not differentiate between types of items.

Does the Village have sales tax agreements with any other grocery stores?

No, the Village does not have any other sales tax agreements with grocery stores.

When we had the agreement with Michael's and the Lemon Tree, how much did we rebate and to whom?

The Village paid Lemon Tree \$13,596 for the period September 1, 2010 through March 31, 2011 for sales made at Michael's Fresh Market. The chart below shows the sales tax generated by Michael's and the rebate to Lemon Tree.

	Sales Tax At Michael's	Rebate Paid to Lemon Tree
2010 4th Quarter	19,375.97	-
2011 1st Quarter	15,629.97	7,814.99
2011 2nd Quarter	9,807.92	4,306.26
2011 3rd Quarter	3,933.68	1,475.13
	48,747.54	13,596.38

How much do we anticipate rebating to Lemon Tree under the proposed agreement?

This agreement is anticipated to result in a rebate of \$14,000 to Lemon Tree annually.

8. First Reading C. Bid: Award \$453,620 to Swallow Construction, Inc., Downers Grove IL for Oakwood Ave Storm Sewer Replacement

Please provide additional details of the other municipalities' reviews and comments about Swallow's recent performance on construction projects. What type of projects were completed? Were they completed on time? Were they completed on budget? Was the contractor responsive to Village and resident requests?

The following detailed project information was obtained during reference checks for Swallow Construction. Staff asked every reference if there were any issues with completion and change orders. None of the references stated that Swallow was the cause of any issues with completion.

- City of Wooddale, \$1.1M road improvements, 2011: no issues, quality OK, would recommend
- Village of Mount Prospect, \$700k sewer improvements, 2011: no issues, did good work, would recommend, mentioned that specs need to tight because Swallow will look for loopholes
- City of Warrenville, \$3M road improvements, 2010: no issues, considered them a good contractor, would recommend

- City of Naperville, \$450k watermain improvements, 2012: no issues, would recommend
- DuPage County, \$2.2M watermain improvements, 2012: good contractor, but needed to remind them to clean site often, would recommend
- Village of Elk Grove, \$1M watermain improvements, 2011; no issues except for cleanliness, would recommend

Does the Village solicit input from residents upon the completion of projects? Do we send survey post cards?

Staff currently solicits input from residents through informal conversations with residents. This construction season, staff anticipates creating more formal systems to obtain resident input about the construction process and benefits of the projects. Staff has also used on-line surveys and focus groups to obtain feedback from residents.

Will residents be able to connect private drainage pipes and sump pump discharges to the new stormsewer? If so, who will be communicating this to the residents, staff or the contractor?

Residents will be able to tie in sump pumps and yard drains to the new system. Some will also qualify for the Cost-Share Program. This information was conveyed to residents at the neighborhood meeting and at a few subsequent meetings on site. Staff will also reiterate the message to residents while observing the project.

8. First Reading D. Ordinance: Authorize the Sale of Surplus Real Estate (5237 Benton Avenue)

What were the other bids?

The Village received two additional bids for \$151,000 and \$185,500.

LRFP-Related Questions

Annexed properties – Please remind me what and when we expect to see in terms of increased revenues after offsetting costs of services.

The Village annexed the areas known as the Northwest Area and South Area in the 2010 Annexation Report. The expected financial impacts of annexing these areas is summarized below (excerpts from the 2010 Annexation Report).

Northwest Area

(Between Ogden Avenue & BNSF tracks bounded by Walnut Avenue and Edward Street)

This area is characterized by single-family residences. It is surrounded by Belmont Prairie on the west and the Downers Grove Golf Course on the north. The EAV of this area is \$10,762,300. There are several individual properties that have already annexed to the Village through-out the area. As such, the Village already provides police and fire services in the neighborhood. The area is located within the Lisle-Woodridge Fire Protection District. Also, 86 of the 120 homes are already on Village water service. The area would require almost 2,500 feet of water main improvements to make Village water available to all property owners.

Size in Acres: 59

Number of Properties: 120

Estimated Annual Revenue: \$125,500

Estimated Annual Service Expenses: \$17,500

Annualized Infrastructure Costs (no watermains): \$38,500

Annualized Infrastructure Costs (with watermains): \$88,500

Total Payments to Fire District: \$194,000

Net Present Value of Annexation (no watermains): \$477,500

Net Present Value of Annexation (with watermains): \$145,000

South Area

(Between north of 75th Street between Main Street and Webster Street, Village Square Condominiums and 73rd Street east of Webster Street)

This area is made up of the Village Square Condominiums and two smaller pockets of single family homes. The areas are completely surrounded by the Village and Darien. The EAV is \$12,448,856. The street system in Village Square Condominiums is maintained by the private homeowners association. The Village is already providing fire and police services on the streets. The area is located in the Darien Woodridge Fire Protection District. All of the properties are on Village water except for the commercial property at the northeast corner of Main Street and 75th Street. No infrastructure improvements would be needed until the Village extends sidewalks down Webster Street south of 73rd Street. The major cost would be reimbursing the Darien-Woodridge Fire Protection District for the loss in revenue.

Size in Acres: 26

Number of Properties: 255

Estimated Annual Revenue: \$150,500

Estimated Annual Service Expenses: NA

Annualized Infrastructure Costs: \$1,500

Total Payments to Fire District: \$170,500

Net Present Value of Annexation: \$1,118,500

Vehicle maintenance agreement – It may still be too soon, but how has this been panning out so far, both financially and operationally? As expected?

The Village maintenance of the District 58 and SEASPAR vehicles is going as expected and per the agreements. The Village is performing maintenance services and charging the entities \$87 per hour. This fee covers all Village direct and indirect expenses and allows the Village to share fixed costs with these two entities.

Revenues – Please update as to 1Q receipts vs. 2012 budget (or other appropriate metric) of major revenue sources, especially sales, HRST, hotel/motel, telecommunication, gasoline, permits & fees, etc., and how they compare (trending) to same period over past 5 years, if not too much headache to compile for tonight. General Fund Expenses – Same as for revenues, vs. 2012 budget, and trending. In addition to operations (admin, police, fire, PW, etc.) please include risk management, health plan, etc.

Staff will provide a Q1 2012 report at tonight's Council meeting. Also, please see the attached financial report with information through March 30, 2012.

Reserves – Update on where reserves stand vs. recommended/target levels

The General Fund 2012 starting fund balance was \$17.18 million, which is 41.5% of the 2012 General Fund budgeted expenses. The target fund balance is 40% of annual expenses.

Non-Agenda Related

What is the spring schedule for street sweeping?

The Village performs six complete sweeping cycles from early April through September. Each sweeping cycle starts in the first week of each month depending on weather conditions. There are eight sweeping grids throughout the village on curbed streets and it generally takes two weeks to complete a sweeping cycle. The downtown business district is swept weekly for a period of 22 weeks generally starting in late April. Three additional sweeping cycles occur from mid October to early December due to the heavy volume of leaves. Attached is a map showing the Village's street sweeping grids. The table below shows when each grid is swept.

Grid	Schedule
1	2nd week of the month
2	2nd week of the month
3	2nd week of the month
4	2nd week of the month
5	1st week of the month
6	1st week of the month
7	1st week of the month
8	1st week of the month
Downtown Business District	Weekly on Friday
Parking Lots	3rd week of the month

ATTACHMENTS



















FY12 Financial Information (Through March 2012)

VILLAGE OF DOWNERS GROVE

MONTHLY FINANCIAL REPORT

March 2012





This report highlights certain unaudited revenues and expenditures of the Village for the past month and year-to-date, along with local economic indicators. Contact the Village Finance Department with any questions.

Overview	Current Month	Year to Date	Page
General Fund Revenues	 Positive	 Positive	2
General Fund Expenditures	 Neutral	 Neutral	3
Sales Tax	 Neutral	 Neutral	4
State Income Tax	 Neutral	 Neutral	5
Hotel Tax	 Positive	 Positive	5
Utility Tax	 Neutral	 Neutral	6
Building Fees	 Positive	 Positive	6
Interest Income	 Negative	 Negative	7
Treasurer's Report	 Neutral	 Neutral	8



Positive (Green):
Neutral (Yellow):
Negative (Red):

Revenues have exceeded expectations or expenditures are lower than anticipated.
Revenues and expenditures are within a reasonable range of predictions.
Revenues are less than forecasted or expenditures are higher than projected.

ECONOMIC INDICATORS:

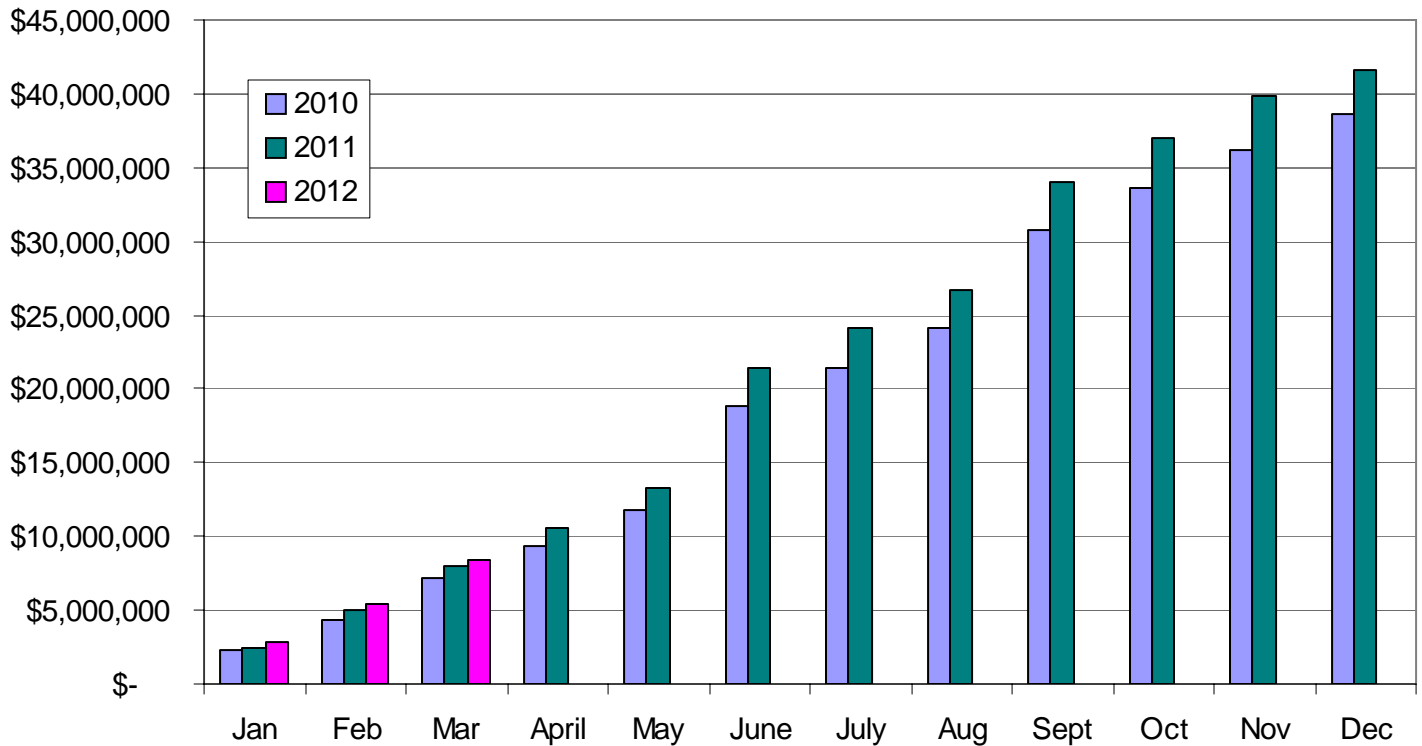
-  **CONSUMER CONFIDENCE** - Consumer confidence declined slightly in March prompted by consumers short-term outlook and cautious optimism.
-  **EMPLOYMENT** - The national unemployment rate for March 2012 remained virtually the same as last month at 8.2%. The March 2011 unemployment rate was 8.9%.
-  **HOUSING** - National housing starts decreased 5.8% from last month but are 10.3% above March 2011. Building permits issued nationally in March were 4.5% above February and 30% above March 2011.
-  **INTEREST RATES** - Interest rates remained fairly constant in March, at historically low rates. Interest rates for 12 month certificates of deposits were averaging .71%.

VILLAGE HIGHLIGHTS:

-  **RETAIL SALES** - The largest source of revenues for the Village are sales taxes. Retail sales increased .8% nationally in March from last month, and were 6.5% above March 2011. In the Village, sales taxes are 28.2% higher than February and .4% higher YTD compared to one year ago.
-  **EXPENSES** - Year to date, the Village's general fund expenditures are 1.3% above what was spent one year ago.

GENERAL FUND

CUMULATIVE REVENUES



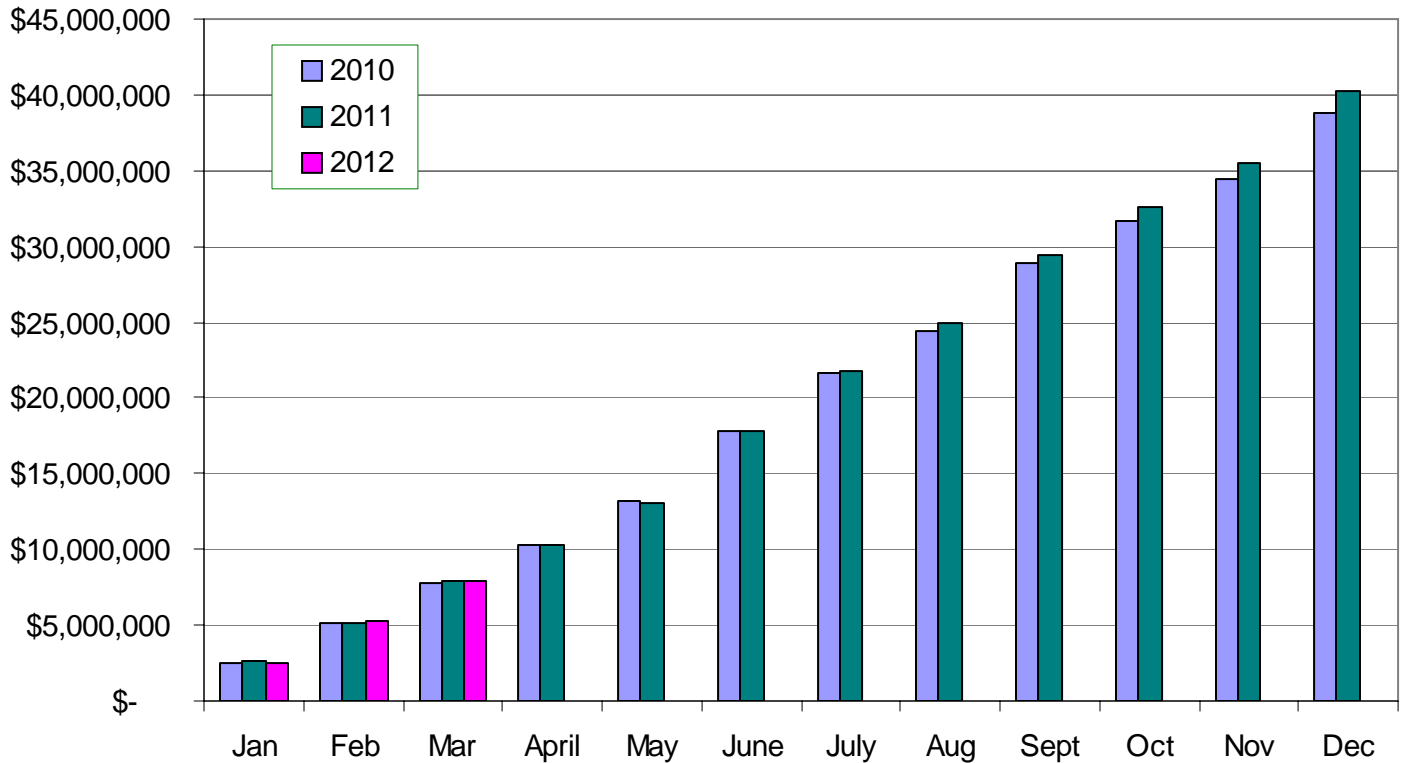
POSITIVE YTD March 2012 Revenues are 6.9% above YTD March 2011 primarily due to a \$165,000 increase in telecommunications tax, a large permit from Midwestern University for \$86,000 for a multi-specialty medical clinic and \$74,000 on the sale of vacated property.

VILLAGE OF DOWNERS GROVE GENERAL FUND REVENUES March 31, 2012

Description	2012 Budget	March 2012 YTD Actual	March 2011 YTD Actual	March 2010 YTD Actual	Change from 2011 to 2012	% Change from 2011	Change from 2010 to 2012	% Change from 2010
Property Taxes	\$ 10,949,540	\$ 134,803	\$ 105,626	\$ 106,980	\$ 29,177	27.6%	27,823	26.0%
Sales Tax	10,800,000	3,019,744	3,006,968	2,917,273	12,776	0.4%	102,471	3.5%
Home Rule Sales Tax	1,950,000	514,963	525,391	0	(10,428)	-2.0%	514,963	na
Hotel Use Tax	770,000	158,767	135,686	131,159	23,081	17.0%	27,608	21.0%
Natural Gas Use Tax	480,000	197,012	242,153	147,075	(45,141)	-18.6%	49,937	34.0%
Electricity Tax	1,925,000	488,207	513,603	496,073	(25,396)	-4.9%	(7,866)	-1.6%
Telecommunications Tax	3,025,000	849,619	684,936	762,063	164,683	24.0%	87,556	11.5%
Licenses and Permits	1,322,711	350,217	202,328	204,199	147,889	73.1%	146,018	71.5%
State Shared Revenue	4,723,000	1,299,280	1,247,655	1,209,629	51,625	4.1%	89,651	7.4%
Fees, Charges, & Fines	4,744,061	1,190,638	1,145,865	1,086,545	44,773	3.9%	104,093	9.6%
Interest Income	100,000	13,812	23,783	49,962	(9,971)	-41.9%	(36,150)	-72.4%
Other	560,000	226,338	61,268	7,417	165,070	269.4%	218,921	na
Total Revenues	\$ 41,349,312	\$ 8,443,400	\$ 7,895,262	\$ 7,118,375	\$548,138	6.9%	\$1,325,025	18.6%

GENERAL FUND

CUMULATIVE EXPENDITURES



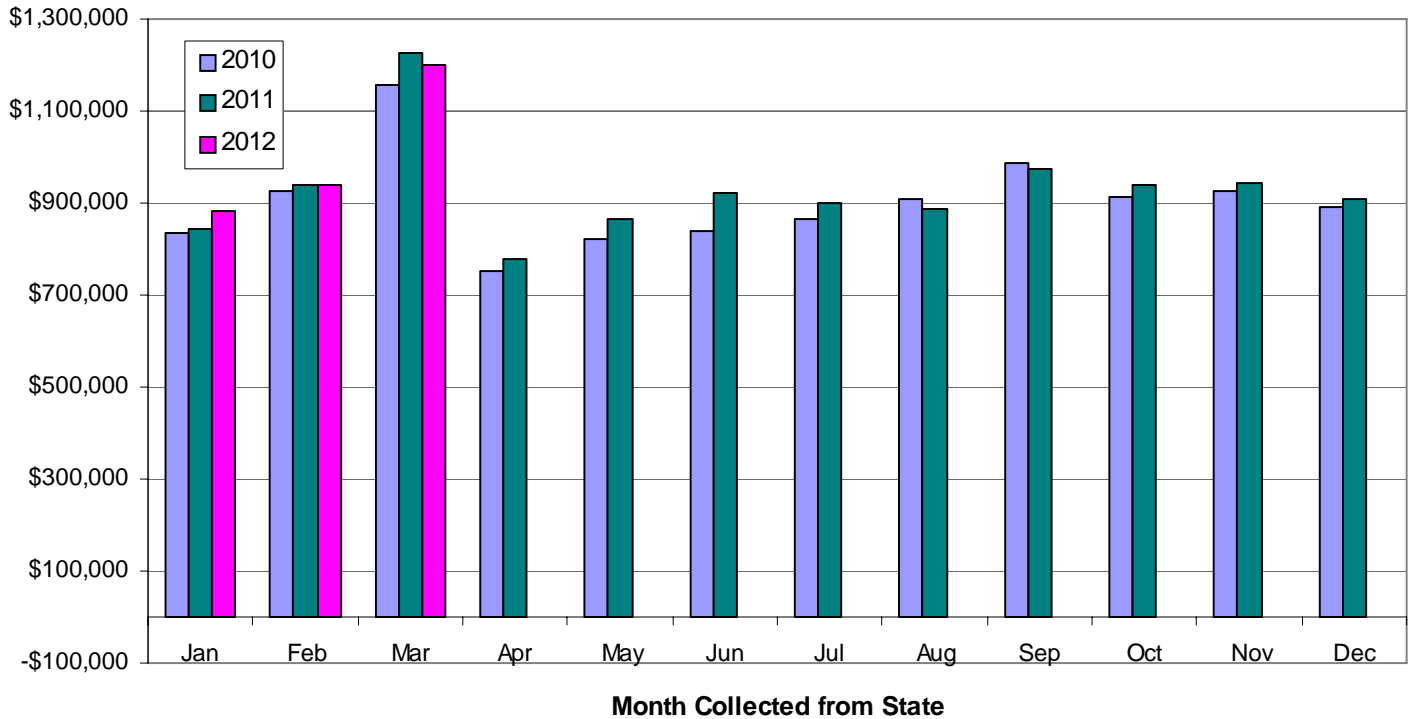
NEUTRAL Expenditures are 1.3% higher than the previous year .

Description	2012 Budget	March 2012 YTD Actual	March 2011 YTD Actual	March 2010 YTD Actual	Change From 2011 to 2012	% Change from 2011	Change From 2010 to 2012	% Change from 2010
Legislative Support	\$ 349,490	\$ 68,821	\$ 65,095	\$ 63,260	\$ 3,726	5.7%	5,561	8.8%
General Management	498,935	102,582	96,093	74,699	6,489	6.8%	27,883	37.3%
Legal	579,317	113,128	97,528	100,860	15,600	16.0%	12,268	12.2%
Building Services	737,986	145,100	138,171	130,332	6,929	5.0%	14,768	11.3%
Human Resources	227,595	43,470	24,343	21,320	19,127	78.6%	22,150	103.9%
Information Services	960,804	219,741	194,760	191,617	24,981	12.8%	28,124	14.7%
Productivity Investment Program	-	-	-	-	-	-	-	-
Subtotal General Government	3,354,127	692,842	615,990	582,088	76,852	12.5%	110,754	19.0%
Financial Services	1,584,125	282,266	273,280	275,476	8,986	3.3%	6,790	2.5%
Public Works	6,120,969	1,243,879	1,468,538	1,265,443	(224,659)	-15.3%	(21,564)	-1.7%
Community Development	2,132,889	334,828	341,828	358,403	(7,000)	-2.0%	(23,575)	-6.6%
Police	14,275,697	2,862,627	2,580,877	2,716,348	281,750	10.9%	146,279	5.4%
Fire	13,102,908	2,379,850	2,439,710	2,434,820	(59,860)	-2.5%	(54,970)	-2.3%
Subtotal Public Safety	27,378,605	5,242,477	5,020,587	5,151,168	221,890	4.4%	91,309	1.8%
Transportation Assistance *	123,433	17,819	29,967	44,595	(12,148)	-40.5%	(26,776)	-60.0%
Communications Office	602,873	163,225	121,060	146,592	42,165	34.8%	16,633	11.3%
Community Events	52,000	719	4,599	28,059	(3,880)	-84.4%	(27,340)	-97.4%
Subtotal Community Services	778,306	181,763	155,626	219,246	26,137	16.8%	(37,483)	-17.1%
Total Expenditures	\$ 41,349,021	\$ 7,978,055	\$ 7,875,849	\$ 7,851,824	\$ 102,206	1.3%	126,231	1.6%

* 2010 includes counseling and social services

GENERAL FUND

SALES TAXES

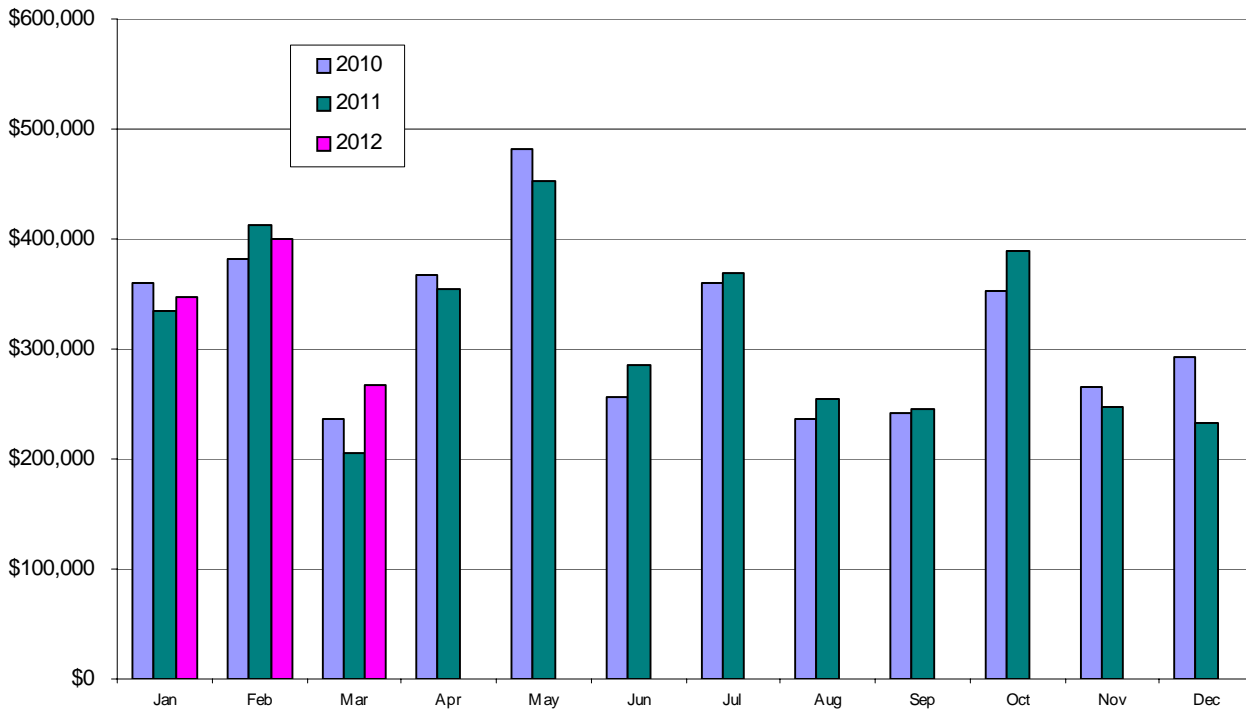


NEUTRAL March YTD sales tax is .4% greater than March 2011 YTD.

Sale Month	Collection Month	2010 Actual	2011 Actual	2012 Actual
OCT	JAN	\$ 833,572	\$ 843,419	\$ 881,314
NOV	FEB	926,742	938,935	937,149
DEC	MAR	1,156,959	1,224,614	1,201,281
JAN	APR	752,089	776,281	
FEB	MAY	819,650	864,564	
MAR	JUN	837,431	923,616	
APR	JUL	866,533	901,356	
MAY	AUG	909,975	888,019	
JUN	SEP	986,196	973,958	
JUL	OCT	914,802	938,100	
AUG	NOV	927,922	945,294	
SEP	DEC	892,245	909,687	
Subtotal		\$ 10,824,116	\$ 11,127,843	\$ 3,019,744
Rebates		(605,489)	(829,286)	-
Total		\$ 10,218,627	\$ 10,298,557	\$ 3,019,744

GENERAL FUND

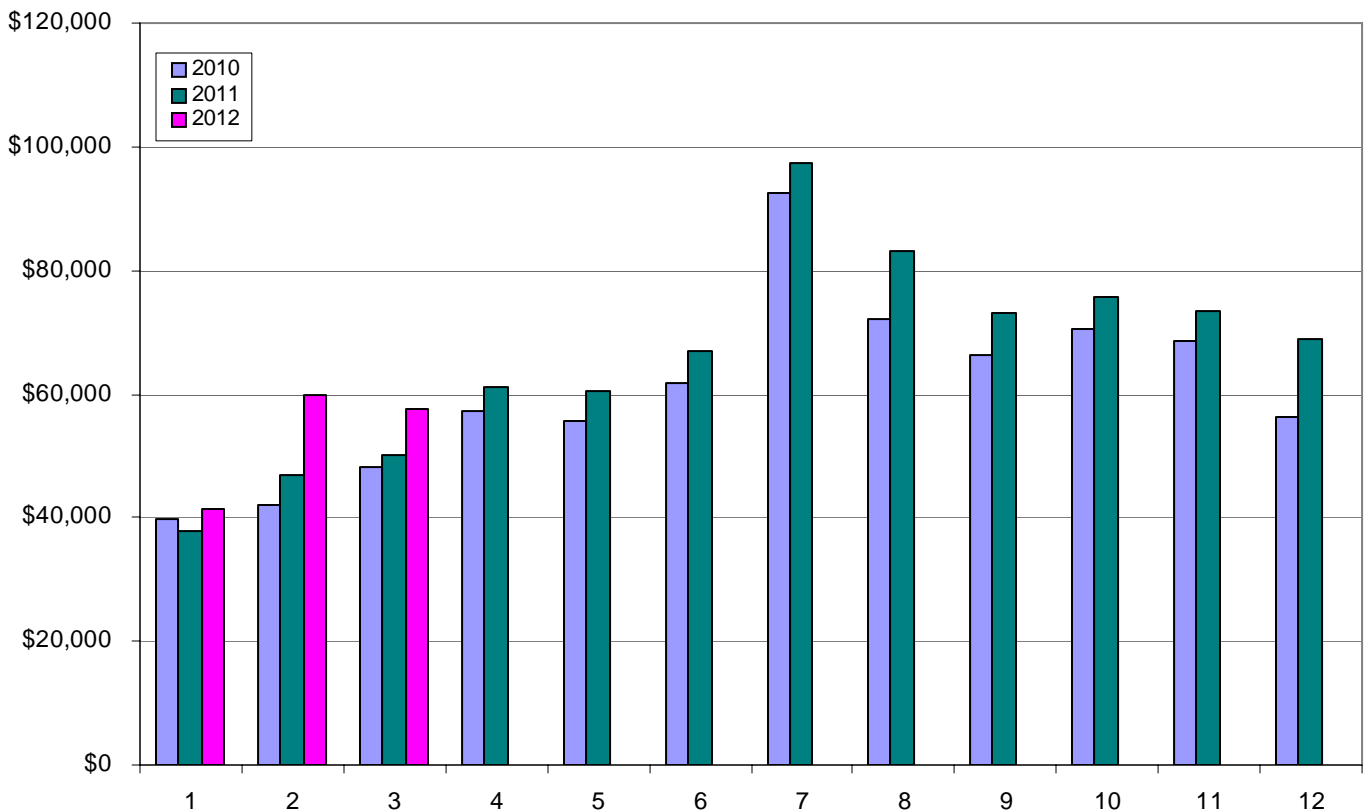
INCOME TAX



NEUTRAL March YTD income taxes are 6.1% higher than March YTD 2011.

GENERAL FUND

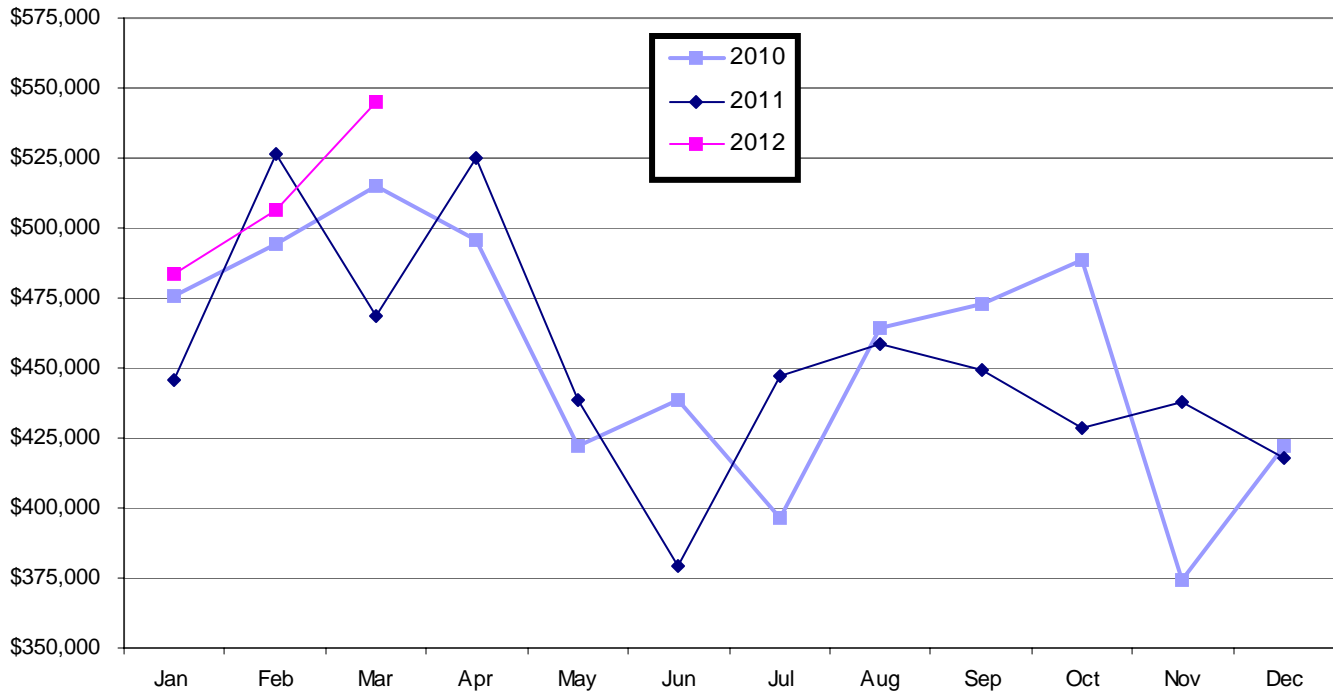
HOTEL TAX



POSITIVE March YTD hotel taxes are 17.0% above March YTD 2011.

GENERAL FUND

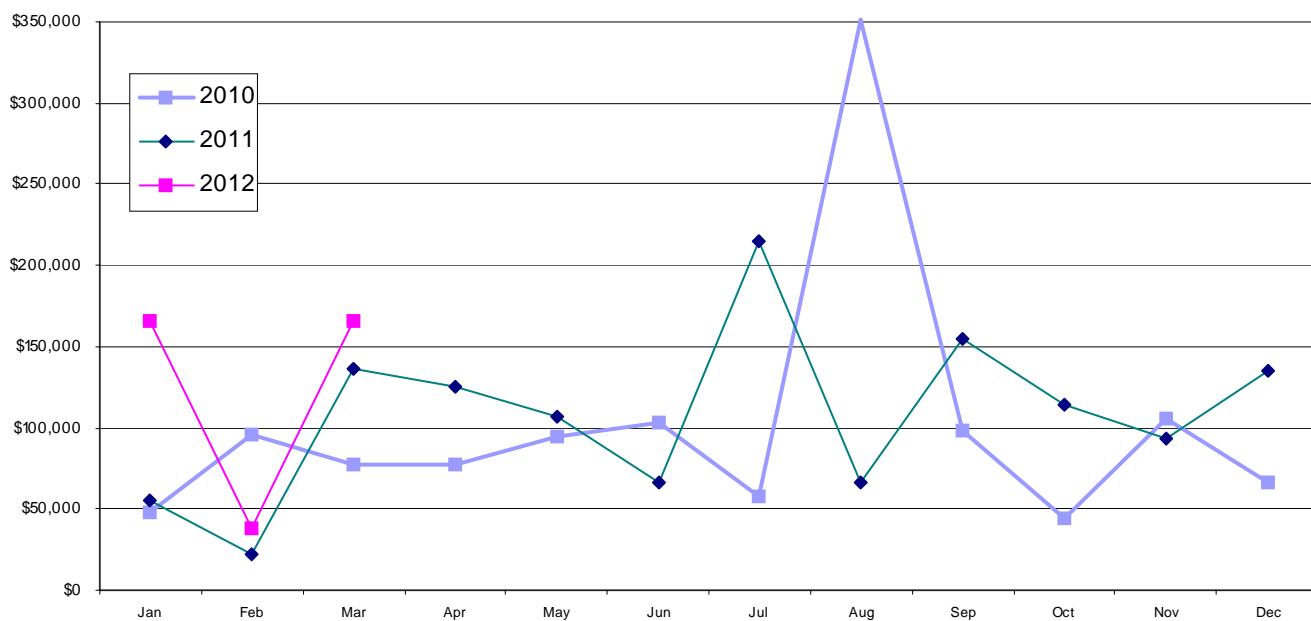
UTILITY TAX



POSITIVE YTD Utility taxes are 16.3% above March YTD 2011 due to a 24% increase in telecommunications tax in March.

GENERAL FUND

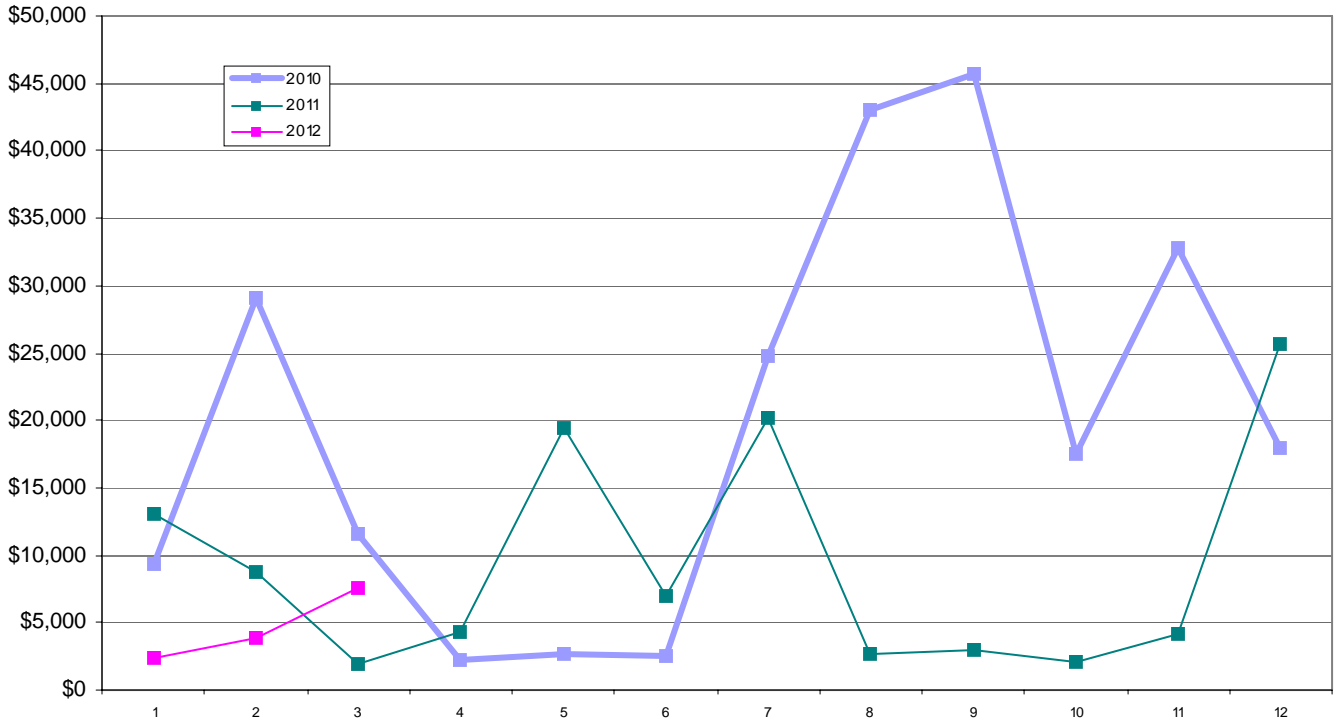
BUILDING FEES



POSITIVE YTD Building fees are above March 2011 YTD due to a large permit submitted in January 2012 for Mid-western University for a multi-specialty clinic for \$86,000.

GENERAL FUND

INTEREST INCOME



NEGATIVE 2012 YTD Interest is 41.9% lower than 2011 YTD due to higher yielding investments maturing and being reinvested at historically low rates.

Village of Downers Grove Treasurer's Report - Investment Report For Month Ending: March 31, 2012

Aged Investments	Investment \$	Investment %	Interest Rate %
Current (0 - 30 days)	31,588,490	75.96%	0.41%
1-3 mos	393,000	0.95%	0.50%
4-6 mos	203,236	0.49%	0.50%
7-9 mos	248,800	0.60%	0.46%
10-12 mos	4,325,700	10.40%	0.88%
1-2 years	3,324,387	7.99%	0.00%
2+ years	1,500,000	3.61%	1.27%
Totals	41,581,613	100.00%	0.55%

Investment Type	March 31 Balances \$	Investment %	Interest Rate %
CD's	10,038,070	24.14%	1.21%
Checking	3,867,100	8.82%	0.50%
MM Funds	26,318,120	63.29%	0.27%
Agency	1,560,323	3.75%	1.12%
CP	0	0.00%	0.00%
Totals	41,581,613	100.00%	0.55%

ALL FUNDS

TREASURER'S REPORT

	CASH & INVESTMENTS		Inc/	%	LAST YEAR	
	March 31, 2012	February 29, 2012	(Dec)		March 31, 2011	%
General Fund	\$ 9,958,599	\$ 9,897,772	60,827	1%	\$8,820,954	13%
Motor Fuel Tax	\$ 561,828	\$ 463,180	98,648	21%	591,495	-5%
Downtown Redev TIF	\$ (1,025,616)	\$ (1,025,490)	(126)	0%	(1,095,275)	6%
Foreign Fire Insurance	\$ 235,658	\$ 235,658	0	0%	228,453	3%
Ogden Corridor TIF	\$ 3,869,733	\$ 3,916,152	(46,419)	-1%	3,333,041	16%
Transportation	\$ (1,935,585)	\$ (1,935,825)	240	0%	(1,968,031)	2%
Asset Porteurure	\$ 37,500	\$ 37,500	0		0	
Subtotal Special Revenue Funds	\$ 1,743,518	\$ 1,691,175	52,343	3%	1,089,683	60%
Capital Projects	\$ 3,827,206	\$ 3,452,458	374,748	11%	3,539,234	8%
Municipal Buildings	\$ 168,033	\$ 168,033	0	0%	382,777	-56%
Real Estate	\$ 266,263	\$ 268,064	(1,801)	-1%	284,945	-7%
Stormwater Improvement Fund	\$ 12,620,901	\$ 12,479,540	141,361	1%	14,569,089	-13%
Subtotal Capital Project Funds	\$ 16,882,403	\$ 16,368,095	514,308	3%	18,776,045	-10%
Fairview Ave Debt Fund	\$ (166,492)	\$ (180,024)	13,532	-8%	(157,849)	-5%
CBD TIF Debt Service Fund	\$ 242,287	\$ 242,328	(41)	0%	242,189	0%
Stormwater/Facilities Debt Fund	\$ -	\$ -	0	n/a	0	n/a
Subtotal Debt Service Funds	\$ 75,795	\$ 62,304	13,491	22%	84,340	-10%
Parking Operations	\$ 1,309,302	\$ 1,278,950	30,352	2%	1,029,972	27%
Water	\$ 1,610,816	\$ 1,369,781	241,035	18%	1,106,720	46%
Subtotal Enterprise Funds	\$ 2,920,118	\$ 2,648,731	271,387	10%	2,136,692	37%
Equipment Replacement	\$ 1,512,527	\$ 1,404,288	108,239	8%	2,438,676	-38%
Fleet Services	\$ 73,172	\$ (132)	73,304	-55533%	268,867	-73%
Risk Management	\$ 941,414	\$ 948,795	(7,381)	-1%	766,281	23%
Health Insurance	\$ 1,246,557	\$ 1,135,389	111,168	10%	1,136,184	10%
Subtotal Internal Service Funds	\$ 3,773,670	\$ 3,488,340	285,330	8%	4,610,008	-18%
Village before trust & library	\$ 35,354,103	\$ 34,156,417	1,197,686	4%	35,517,722	0%
Construction Deposit	\$ 2,646,439	\$ 2,531,218	115,221	5%	1,673,387	58%
Police Pension	\$ 38,467,232	\$ 38,251,798	215,434	1%	38,330,918	0%
Fire Pension	\$ 34,786,546	\$ 33,905,513	881,033	3%	32,126,019	8%
Subtotal Pension/Trust Funds	\$ 75,900,217	\$ 74,688,529	1,211,688	2%	72,130,324	5%
Library	\$ 2,908,004	\$ 3,205,159	(297,155)	-9%	2,450,882	19%
Library Construction	\$ 243,566	\$ 243,566	0	0%	243,566	0%
GO Debt, Library	\$ 277,497	\$ 277,644	(147)	0%	283,912	-2%
Subtotal: Public Library	\$ 3,429,067	\$ 3,726,369	(297,302)	-8%	2,978,360	15%
GRAND TOTAL	\$ 114,683,387	\$ 112,571,315	2,112,072	1.9%	\$110,626,406	3.7%