



- Estimated Levy Discussion Tuesday, Nov. 6
- Vote to Adopt Budget Tuesday, Nov. 13
- Adopt Estimated Tax Levy Tuesday, Nov. 13
- Tax Levy Public Hearing Tuesday, Dec. 4
- Adoption of Tax Levy Tuesday, Dec. 11

**ATTACHMENT**

Answers to Council Budget Questions

**PROCEDURES FOR PUBLIC HEARING  
2013 FY BUDGET**

**Mayor's Opening Statement:**

This public hearing will please come to order. This public hearing has been called by the Village Council to consider the proposed Village Budget.

Notice of this hearing was published in the Downers Grove Reporter and a certificate of publication is made a part of these proceedings.

I would like to summarize the procedures which we will follow for tonight's public hearing.

1. First, Dave Fieldman, Village Manager, will provide an overview of the proposed Budget.
2. Next, there will be an opportunity for members of the Village Council to ask questions or make comments.
3. Next, there will then be an opportunity for members of the public to make statements or comments, or to submit written statements or comments for the record.
4. I will again ask if any member of the Council wishes to make a statement or ask a question.
5. Thereafter, I will ask for a motion to adjourn.

At this hearing, witnesses will not be sworn and a verbatim written transcript of the statements or testimony given at the hearing will not be prepared. However, a recording of the procedures will be made on Village equipment and retained until minutes of the hearing have been prepared and approved by the Village Council.

- 1. Staff Presentation.**
- 2. Questions or comments from the Village Council.**
- 3. Comments or statements from the public.**
- 4. Final questions or comments from the Village Council.**
- 5. Adjournment.**

**Council Questions on FY13 Proposed Budget – 10/30/12**

**1. Is the Storm Water Cost Share program now to be funded from the SWU?**

Yes, all costs related to stormwater are in the newly created Stormwater Utility which is shown in the Budget as the Stormwater Fund. There is \$50,000 budgeted for the cost share program in the 2013 Proposed Budget (see page 4-21, line 20, Controlled Assets).

**2. Is our reserve fund balance policy still between 2 and 4 months operating in the General Fund?**

The Village has a General Fund cash balance policy. The projected year end cash balance should be at about 3 months of operating expenses. This projected balance is in compliance with the policy.

**3. Can you provide further details on the Non-Personnel expense decline (pg.8)? Also, can you provide a breakdown of personnel v. non-personnel reductions over the last four years (previously referred to as nearly \$5M)?**

The Non-Personnel expenses in the General Fund budget declined by \$700,000 due to \$400,000 for stormwater expenses transferred to the Stormwater Utility, \$200,000 reduction in the transfer to the Risk Fund (Risk Reduction Program), and \$100,000 for various cost reductions across numerous accounts.

The \$5.0 million reduction is comprised of the following:

<b>Action</b>	<b>Cost Savings</b>	<b>Personnel</b>	<b>Non-Personnel</b>
Staff Reductions	1,903,000	1,903,000	
Changes to Health Insurance Provider	1,300,000	1,300,000	
Elimination of Heritage Festival	494,000	126,000	368,000
Changes to Health Insurance Plan Design	450,000	450,000	
Improvements to Vehicle Fleet Management	400,000		400,000
Consolidated Dispatch with Westmont	225,000	169,000	56,000
Elimination of Community Grants Program	72,000		72,000
Modification of Taxi Subsidy Program	50,000		50,000
Elimination of DuPage Senior Citizen Grant	39,000		39,000
Elimination of Bike Race	37,000	11,000	26,000
Elimination of Ice Sculpture Festival	23,000	8,000	15,000
Modification of July 4th Parade	7,000		7,000
<b>Total</b>	<b>5,000,000</b>	<b>3,967,000</b>	<b>1,033,000</b>

**4. Could you provide an “all non-capital funds” \$\$/FTE rate for the last four years?**

FTE Analysis:

	2008	2009	2010	2011	2012	2013
Non-Capital FTE	335.48	327.23	301.08	291.85	292.35	289.45
Revenues	40,975,307	38,948,513	39,437,329	41,857,613	41,707,416	41,631,148
Revenue/FTE	122,139	119,025	130,986	143,422	142,663	143,828
Expenses	41,910,282	39,180,664	39,170,695	40,311,552	41,248,618	41,535,918
Expenses/ FTE	124,926	119,734	130,101	138,124	141,093	143,499

**5. Help me tie in the 3% fee increase as “pursuant to LRFP recommendations”**

The LRFP states that the Village should “adjust fees regularly” (see Page 3-4 of the LRFP, under General Fund strategies). This strategy was suggested to tie the General Fund fee increase to the increase in personnel costs, since the underlying services are provided by Village employees.

**6. Please provide the equivalent annual numbers for the last four years represented by the \$14.2M street investment recommended for 2013.**

The budgeted amounts for street maintenance and reconstruction for the past four years were as follows:

- 2009: \$6.0M
- 2010: \$4.9M
- 2011: \$4.2M
- 2012: \$14.2M

**7. LRFP – check the “tense” used (paragraph 2, 3-1, for example)**

The Long-Range Financial Plan included in section three was intended to be a historical document, which means that no changes were made from the original version that was posted to the Village website prior to the May 2012 LRFP meeting. Staff will look at making refinements to how this information is presented in the future to make it more timeless and eliminate any issues with improper tense.

**8. Please provide total EAV for the last four years**

Village of Downers Grove	
Year	EAV
2008	2,547,554,176
2009	2,549,832,438
2010	2,406,292,233

2011	2,269,604,274
------	---------------

**9. I'd like to get some additional "update/report/editorial" on the JDC and Vehicle Maintenance programs. How are we doing? What has gone as expected, what hasn't? etc.**  
**Joint Dispatch**

The joint dispatch center is performing as expected. It has reduced overhead and operational costs, while providing an enhanced service level through the addition of a fire desk, which is a mode of operation with on-duty telecommunicators trained to handle the intricacies of fire and emergency medical service (EMS) dispatching. The joint dispatch center reduced costs by approximately \$300,000 for the Village in 2011. The intergovernmental agreement approved by both agencies has been implemented and Westmont been invoiced monthly for the service. Operationally, the Villages are working more closely together to streamline procedures and understand each other's operations. This is both for the benefit of the dispatchers and the individual agencies, including both Villages' Public Works Departments, for whom the VOC dispatches after business hours.

The implementation of the JDC also resulted in an improvement to fire/EMS response times along the Village's eastern border (Westmont's western border). The Village dispatches the closest available unit to respond to calls regardless of the origin of the call (Downers Grove or Westmont). This has resulted in a reduction in response times.

**Vehicle Maintenance**

The vehicle maintenance agreements with SEASPAR and District 58 have gone very well. This year, staff has performed 59.55 hours of work for SEASPAR and 73.36 hours of work for District 58. This is consistent with staff's expectations for the first year of the agreements. This has saved SEASPAR and District 58 a total of about \$2,660 in expenses. The vehicles have been brought up to a higher level of performance and maintenance. Staff was able to perform this work efficiently with existing staffing levels and has spread the fixed costs of the fleet garage operations among the partnering agencies. Both agencies have been very pleased with both the work performed and the customer service. The following comments were received from District 58 staff:

Larry,

I would like to thank you and your department for the great service we have received on our vehicles from the very start of our agreement with the Village. You have made it easier to have the routine maintenance taken care of at the proper times, found additional needed repairs during visits, and made after hours emergency breakdowns an in and out immediate service. These issues along with the always helpful staff and getting us top dollar for our old worn out vehicles really make me wish we had done this many years ago. Thank you very much!

Ken Young  
 Maintenance Supervisor  
 Downers Grove School District 58

**10. Please explain how the “authority/chain of command” works with the PACE operated Grove Commuter Shuttle ... for example, earlier this summer we ran busses later than normal to accommodate a METRA issue ... are we liable for any of the added cost? Where does the final authority for such action lie? Another example would be when we pressed them into service (prior the PACE agreement) to help shuttle seniors during the extended power outages last year ...**

PACE reimburses the Village for actual operating costs and for additional hours related to the service, such as for train delays. The Village owns one of the buses and is able to use that bus in any manner it chooses. The use of the remaining, PACE owned, buses is strictly limited to commuter operations as they were purchased by PACE with Federal transportation funds.

Except for extraordinary circumstances approved by PACE, this bus is limited to commuter use only.

**11. Page 3-4 suggests a remaining “Annual Funding Gap” of \$1.2M. Please detail this gap further – is it “evenly” split within the (non SWU) categories listed?**

The annual funding gap identified in the Long-Range Financial Plan (LRFP) was identified in 2011 as staff quantified the total ongoing maintenance costs of the Village’s major infrastructure systems and then estimated the current resources being allocated to those project types. What was originally a \$2.9 million maintenance gap was reduced to \$1.2 million based on the three actions described on page 3-4. The remaining gap breaks down as follows:

Street maintenance	\$ 900,000
Streetlight maintenance	\$ 100,000
Facilities maintenance	<u>\$ 200,000</u>
Total	\$1,200,000

Staff plans to revisit the questions of how large is the funding gap and how to go about addressing the remaining funding gap for infrastructure maintenance with the Village Council during the LRFP process in 2013.

**12. In the 10-5-12 “Answers to Council Budget Questions”, there was some commentary regarding the Villages debt position. Can we get (from S&P, perhaps) some relative data concerning other Villages (Glen Ellyn, Lombard, Wheaton, Naperville, Elmhurst, Lisle, etc.)? Also, could we be provided with historical data (as far back as possible, certainly the last 10 years) regarding debt burden as a percentage of market value, per capita, and as a percent of total expenditures less capital outlays.**

Local Government Bond Ratings

<u>Name</u>	<u>Rating Agency</u>	<u>Rating</u>
Naperville	Moody’s	Aaa
Naperville	S&P	AAA
Glen Ellyn	Moody’s	Aa1
Woodridge	Moody’s	Aa1
Wheaton	Moody’s	Aaa
Lombard	S&P	BBB-
Elmhurst	S&P	AA+

Below is a table that compares bond ratings between S&P and Moody's.

<b>Moody's</b>	<b>S&amp;P</b>	<b>Quality</b>
Aaa	AAA	Prime
Aa1 Aa2 Aa3	AA+ AA AA-	High Grade
A1 A2 A3	A+ A A-	Upper Medium Grade
Baa1 Baa2 Baa3	BBB+ BBB BBB-	Lower Medium Grade
Ba1 Ba2 Ba3	BB+ BB BB-	Non-investment grade speculative
B1 B2 B3	B+ B B-	Highly Speculative
Caa1	CCC+	Substantial risks
Caa2	CCC	Extremely Speculative
Caa3	CCC-	Default Imminent with little prospect for recovery
Ca	CC	
C	D	In Default

Following are historical debt ratios for Downers Grove and other villages. The debt ratios are one component of the overall picture. Standard & Poor's Ratings Services rates local governments based on its qualitative and quantitative analysis of a range of financial, economic, and managerial factors. To determine ratings, S&P analyzes five general factors: institutional framework, local economy, government management, financial measures, and debt and contingent liabilities. The methodology examines three specific components of the financial measures factor: liquidity, budgetary performance and budgetary flexibility.

Scores for each factor range from 1 (strongest) to 5 (weakest). The factors are given the following emphases: 10% for institutional framework, 30% for economy, 20% for management, 30% for financial measures, and 10% for debt and contingent liabilities. Each of the components of the financial measures factors gets a 10% weight. All these scores are brought together to make an indicative rating from 1 to 5. Then certain positive or negative overriding factors are considered. Some of these may put a cap on the maximum possible rating. Others adjust ratings up or down a notch.



**Debt as a Percentage of Market Value**

	Downers Grove	Glen Ellyn	Lombard	Wheaton	Elmhurst	Lisle
2012	1.52	0.20	1.11	N/A	0.78	0.22
2011	0.88	0.20	1.30	0.81	0.79	0.24
2010	0.98	0.24	1.03	0.82	0.81	0.25
2009	0.99	0.28	1.08	0.76	0.80	0.25
2008	1.02	0.37	1.10	0.80	0.64	0.26
2007	0.75	0.47	1.28	0.78	0.72	0.29
2006	0.69	0.58	1.54	0.89	0.82	0.33
2005	0.82	0.72	2.06	0.86	0.86	0.37
2004	0.91	0.90	1.74	0.56	1.00	0.40
2003	0.94	0.91	1.89	0.52	1.18	0.19

**Total Debt Per Capita**

	Downers Grove	Glen Ellyn	Lombard	Wheaton	Elmhurst	Lisle
2012	2007.00	282.55	358.04	857.66	1,042.73	292.32
2011	1255.10	291.74	451.52	935.64	1,153.59	323.14
2010	1472.48	375.67	379.55	1,011.08	1,286.50	336.08
2009	1530.22	467.30	429.67	932.32	1,364.86	363.10
2008	1566.94	602.32	444.82	966.96	1,090.88	388.41
2007	1091.84	720.77	477.97	904.52	1,118.62	412.87
2006	937.14	808.31	539.14	946.57	1,170.40	436.06
2005	1029.17	923.65	689.00	838.21	1,107.31	502.55
2004	1047.20	1,051.87	549.83	505.81	1,191.97	520.49
2003	1000.73	974.60	548.89	435.98	1,269.88	234.87

**Total Debt as a Percentage of Total Expenditures Less Capital Outlays**

	Downers Grove	Glen Ellyn	Lombard	Wheaton	Elmhurst	Lisle
2012	NA	NA	NA	NA	12.99	6.68
2011	14.71	11.56	4.97	13.49	12.76	6.41
2010	15.15	14.21	7.01	12.58	10.76	6.34
2009	7.87	19.26	8.27	10.79	12.35	5.97
2008	6.54	19.00	9.75	10.41	12.75	6.03
2007	5.15	19.21	13.61	10.83	14.43	6.27
2006	13.91	20.37	14.3	10.62	14.30	5.53
2005	5.55	23.27	14.28	10.63	13.31	5.26
2004	13.78	24.71	13.87	9.74	14.76	4.06
2003	4.35	17.14	14.22	14.03	11.70	4.32

**13. General Fund, 4-3 ... can we change remove the Westmont JDC revenues from “Grants” and either put it in “Intergovernmental Revenues” or create its own category? I really don’t want to see this in with Grants.**

If directed by Council, staff can reclassify this revenue item to Intergovernmental Revenues. When staff reviewed this issue, the options for recording this revenue were “Grants” or “Intergovernmental Revenues”. All of the other Intergovernmental Revenues are State Shared Revenues, so the category Grants was chosen, since there is value in tracking state shared revenues as a category over time.

**14. Similarly to question 12 above, can we get the relative data about surrounding communities total sales tax rates, property tax rates and utility tax rates?**

**Home Rule and Non-Home Rule Local Sales Tax Rates (source Illinois Department of Revenue Tax Rate Finder)**

	Downers Grove	Glen Ellyn	Lombard *	Wheaton	Naperville	Elmhurst	Lisle
2012	1.00%	1.00%	1.00-2.00%	1.00%	0.00%	0.75%	0.00%
2011	1.00%	1.00%	1.00-2.00%	1.00%	0.00%	0.75%	0.00%
2010	0.75%	1.00%	1.00-2.00%	1.00%	0.00%	0.75%	0.00%
2009	0.75%	0.00%	1.00-2.00%	1.00%	0.00%	0.75%	0.00%
2008	0.75%	0.00%	1.00-2.00%	0.50%	0.00%	0.25%	0.00%

2007	0.50%	0.00%	1.00-2.00%	0.50%	0.00%	0.25%	0.00%
2006	0.50%	0.00%	0.00%	0.50%	0.00%	0.25%	0.00%
2005	0.50%	0.00%	0.00%	0.50%	0.00%	0.25%	0.00%
2004	0.50%	0.00%	0.00%	0.00%	0.00%	0.25%	0.00%
2003	0.50%	0.00%	0.00%	0.00%	0.00%	0.25%	0.00%

\*Lombard business district has extra 1%

**Property Tax Rates (source DuPage County Clerks Office)**

	Downers Grove	Glen Ellyn	Lombard	Wheaton	Naperville	Elmhurst	Lisle (1)
2012	0.5215 (est.)	N/A	N/A	N/A	N/A	N/A	N/A
2011	0.5787	0.4724	0.5595	0.9097	0.5439	0.5360	1.1476
2010	0.5625	0.4253	0.5053	0.8631	0.5518	0.4978	1.0679
2009	0.4952	0.3987	0.4657	0.8270	0.5338	0.4436	0.9754
2008	0.4423	0.3918	0.4560	0.7682	0.5178	0.2416	0.9535
2007	0.4630	0.4041	0.3576	0.7695	0.4935	0.2636	0.9579
2006	0.3799	0.4375	0.4789	0.8111	0.4664	0.2799	0.9832
2005	0.4137	0.4580	0.4987	0.8302	0.4721	0.2958	1.0175
2004	0.4393	0.5011	0.4983	0.7980	0.5036	0.3077	1.0354
2003	0.4367	0.5461	0.5200	0.7204	0.5476	0.3259	1.0601

1) Includes Lisle Woodridge fire protection district

**Telecommunications Tax (source DMMC Survey, self-reported by each agency)**

	Downers Grove	Glen Ellyn	Lombard	Wheaton	Naperville	Elmhurst	Lisle
2012	6.00%	6.00%	6.00%	6.00%	5.00%	6.00%	6.00%
2011	6.00%	6.00%	6.00%	6.00%	5.00%	6.00%	6.00%
2010	6.00%	6.00%	6.00%	6.00%	5.00%	6.00%	6.00%
2009	6.00%	6.00%	6.00%	6.00%	5.00%	6.00%	6.00%
2008	5.00%	6.00%	6.00%	6.00%	5.00%	6.00%	6.00%

2007	5.00%	6.00%	6.00%	6.00%	5.00%	6.00%	6.00%
2006	5.00%	6.00%	6.00%	6.00%	5.00%	6.00%	6.00%
2005	5.00%	6.00%	6.00%	6.00%	5.00%	6.00%	5.00%
2004	5.00%	6.00%	6.00%	6.00%	5.00%	6.00%	6.00%
2003	5.00%	6.00%	6.00%	6.00%	5.00%	6.00%	6.00%

**Electricity Tax Rates (source DMMC Survey, self-reported by each agency)**

	Downers Grove	Glen Ellyn	Lombard	Wheaton	Naperville	Elmhurst	Lisle
2012	3.50%	variable	variable	5.00%	variable	variable	5.00%
2011	3.50%	variable	variable	5.00%	variable	variable	5.00%
2010	3.50%	variable	variable	3.60%	variable	variable	5.00%
2009	3.50%	variable	variable	3.60%	variable	variable	5.00%
2008	3.50%	variable	variable	4.00%	N/A	variable	N/A
2007	3.50%	variable	variable	3.60%	N/A	variable	N/A
2006	3.50%	variable	variable	3.60%	variable	variable	N/A
2005	3.50%	5.00%	variable	3.60%	variable	variable	N/A
2004	3.50%	variable	variable	variable	5.00%	variable	N/A
2003	2.30%	variable	variable	variable	5.00%	variable	N/A

**Natural Gas Tax (Gas use tax per therm or % on gross receipt)  
(source DMMC Survey, self-reported by each agency)**

	Downers Grove	Glen Ellyn	Lombard	Wheaton	Naperville	Elmhurst	Lisle
2012	0.015	0.02	5.00%	0.03	5.00%	0.015	5.00%
2011	0.015	0.02	5.00%	0.03	5.00%	0.015	5.00%
2010	0.015	0.02	5.00%	0.02	5.00%	0.015	5.00%
2009	0.015	0.02	5.00%	0.02	5.00%	0.015	5.00%
2008	0.015	0.02	5.00%	0.02	N/A	0.015	N/A
2007	0.015	0.02	5.00%	N/A	N/A	0.015	N/A

2006	0.015	0.02	5.00%	N/A	5.00%	0.015	N/A
2005	0.015	0.02	5.00%	N/A	5.00%	0.015	N/A
2004	0.015	0.02	5.00%	0.02	5.00%	N/A	N/A
2003	0.015	5.00%	5.00%	0.02	5.00%	N/A	N/A

**15. How often are we (or, when are we next scheduled) shopping out health provider network?**

Based on direction from staff, the Village’s health consultant competitively bids the Village’s health plan on an annual basis.

**16. Fleet Services Fund, 4-10. What “Actions” are on the horizon for 2013?**

In 2013, staff will continue to be focused on “right-sizing” the fleet. Right-sizing refers to specifying new vehicles so that they are able to fill multiple purposes, leading to fleet reductions, and looking for opportunities to share vehicles and equipment among departments or jurisdictions. Further, staff reviews all planned purchases to verify the need for replacement.

**17. Equipment Replacement Fund, 4-14. Can we get the “Life” column data for the Technology and Other items?**

The following table shows the useful life of Technology and Other Equipment. The Adopted Budget document will be updated to include this information.

<b>COST CENTER</b>	<b>DESCRIPTION</b>	<b>LIFE</b>	<b>COST</b>
<b>Technology:</b>			
Various	Replacement Firewall	10	35,000
Various	Data Storage	5	7,500
Fire	Toughbooks	5	109,000
Fire	Laptops and Desktops	4	40,600
VH	Laptops & Desktops	4	83,800
Various	CAD 1	5	30,000
Various	CAD 2	5	30,000
<b>Other:</b>			
Fire	Power Cots	10	15,000
Fire	AED’s	7	54,000
Fire	Turnout Gear	5	31,800

**18. Stormwater Fund, 4-20. I think there is a typo in the description where we list the miles of storm water pipes ... supposed to be 130, not 30?**

It should be 130 miles of storm sewer pipes. The typo will be corrected in the Adopted Budget document.

**19. Downtown TIF Fund, 4-33. Can we change the 2013 Controlled Assets expenditure to \$80,000 from \$45,000 to provide for a second Common Trash Dumpster/Enclosure by the Library behind Andersons?**

Yes, however staff does not recommend increasing the FY13 Downtown TIF expense budget for a second dumpster enclosure. The proposed budget includes money for the costs of construction of one dumpster enclosure in the 2013 budget to be located adjacent to the Village's parking facility. Staff would like to continue working cooperatively with the Downtown Management Corporation to construct the first facility, determine its effectiveness, and then evaluate how to best proceed with other potential enclosures in the downtown. If the Village Council supports the construction of a second facility, staff can bring forward a budget amendment, if necessary, at the time that the construction contract is introduced for Council consideration.

**20. Real Estate Fund, 4-38. Is there any way to "bundle" with METRA regarding that North side shelter while we're doing the Station roof repairs? Maybe we offer to build it if they pay for it?**

Staff will contact Metra to see if this is possible.