

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
MAY 6, 2014 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
General Fund Final Report and Budget Amendment Ordinance	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

Staff is providing a final report for the FY13 General Fund. An ordinance has been prepared to amend the Village Budget for FY13 to reflect expenses that were not foreseen at the time the budget was adopted. This amendment will formally bring the total budgeted expenses in certain funds in line with actual expenses. Unforeseen circumstances that occurred following budget adoption and during the course of the 2013 fiscal year resulted in these adjustments, and each is described in detail below.

STRATEGIC PLAN ALIGNMENT

The goals for 2011-2018 identified *Steward of Financial and Environmental Sustainability*.

FISCAL IMPACT

Approval of this ordinance carries with it no actual fiscal impact. The ordinance is required to bring the budgeted amounts in line with actual expenses.

UPDATE & RECOMMENDATION

This item was discussed at the April 15, 2014 Village Council meeting. Staff recommends approval on the May 6, 2014 Active Agenda.

BACKGROUND

The Village’s FY13 Budget was authorized by ordinance in November 2012 and the Village’s fiscal year began on January 1, 2013 and closed on December 31, 2013.

General Fund Final Report

The FY13 budget was balanced with revenues and expenses at \$41.63 million. Actual expenses were at budgeted levels. Revenues were greater than the budget by \$1.93 million.

The following table shows the budgeted vs. actual revenues and expense for the General Fund.

FY 13 General Fund	Budget (in millions)	Actual (in millions)	Difference (in millions)
Revenues	\$41.63	\$43.56	\$1.93
Expenses	\$41.63	\$41.63	--
Net Income	-	\$1.93	\$1.93

The higher-than-anticipated revenues were driven by the following:

- Sales Tax: \$495,000 higher
- State Income Tax: \$567,000 higher

- Licenses/Building Permits/Plan Reviews: \$494,000 higher primarily due to strong activity in commercial permits
- Grants: \$222,000 higher primarily due to FEMA grant for April flooding and monies received by the Police Department for overtime for drug enforcement

When, as a result of unforeseen circumstances, expenses in any of the Village's funds exceed the amount authorized in the budget ordinance, the Village is required by law to pass an amendment to the budget ordinance to adjust the budget for the expenses. No amendments are required for revenues.

The explanation for the amendments required in each fund is provided below, followed by a summary table for all of the funds.

TIF Debt Service Fund: Increase expenses and revenues by \$8,750,000 for the refunding of the 2005 bonds which resulted in \$478,000 of present value savings to the Village in debt service payments.

Library Debt Service Fund: Increase expenses and revenues by \$2,400,000 for the refunding of the Library bonds which resulted in \$132,000 of present value savings to the Library in debt service payments.

Stormwater Fund: Increase expenses by \$1,350,000 for the purchase of properties on Lee, Sterling, and Grand that experienced recurring flooding. It was more cost effective to purchase the properties and demolish the structures than to construct additional flood prevention measures to protect the properties. The opportunity to purchase these properties came mid-year and was unbudgeted, but sufficient fund balance was available for the demolition and lot restoration of the flood affected properties. Proceeds from the 2008 bond issuance were used for the purchases.

Transportation Fund: Increase expenses and revenues by \$12,000 for the operation of the Grove Shuttle. Expenses increased due to driver turnover and the need to use overtime by staff. These expenses were offset by an increased contribution from Pace. The increase in expenses did not impact the Village.

Risk Fund: Increase expenses by \$800,000. The Risk Fund accounts for financial activity related to the Village's workers' compensation and liability insurance program. The Village self-insures for a substantial amount of workers' compensation (worker injuries) and property risks (e.g. vehicles). 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. Claims experience for FY13 has been higher than anticipated. As a result, a budget amendment is required.

The following table summarizes the budget amendments by fund.

Fund	FY13 Adopted Budget	Amt of Budget Amendment	FY13 Budget, as Amended
Transportation Fund	\$282,139	\$12,000	\$294,139
TIF Debt Service Fund	2,814,126	8,750,000	11,564,126
Stormwater Fund	5,957,097	1,350,000	7,307,097
Risk Fund	1,485,717	800,000	2,285,717
Library Debt Service Fund	649,340	2,400,000	3,049,340
Total Village & Library Budget	\$124,555,364	\$13,312,000	\$137,867,364

ATTACHMENTS
Ordinance

ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #5286 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2013

WHEREAS, on November 13, 2012, the Village Council of the Village of Downers Grove adopted Ordinance #5286 entitled “AN ORDINANCE ADOPTING THE FISCAL YEAR 2013 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE”; and

WHEREAS, proposed amendments to the fiscal 2013 budget have been prepared; and

WHEREAS, the Village Council of the Village of Downers Grove has examined said amendments and have determined that it is necessary, desirable and in the public interest to further amend the fiscal 2013 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 #5286 entitled “AN ORDINANCE ADOPTING THE FISCAL YEAR 2013 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE”, as amended, be and is hereby further amended as follows:

Expenses By Fund	FY 2013 Adopted Budget	FY 2013 Amendment	FY 2013 Amended Budget
112 Transportation Fund	\$282,139	\$12,000	\$294,139
338 CBD Debt Service Fund	\$2,814,126	\$8,750,000	\$11,564,126
443 Stormwater Utility Fund	\$5,957,097	\$1,350,000	\$7,307,097
562 Risk Management Fund	\$1,485,717	\$800,000	\$2,285,717
836 Library Debt Service Fund	\$649,340	\$2,400,000	\$3,049,340
Total Village & Library Budget	\$124,555,364	\$13,312,000	\$137,867,364

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

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