

**VILLAGE OF DOWNERS GROVE  
REPORT FOR THE VILLAGE COUNCIL MEETING  
OCTOBER 7, 2014 AGENDA**

<b>SUBJECT:</b>	<b>TYPE:</b>	<b>SUBMITTED BY:</b>
Research and Development Team Proposal	Resolution Ordinance Motion ✓ Discussion Only	Dave Fieldman Village Manager

**SYNOPSIS**

At the September 9, 2014 meeting, under New Business, Commissioner Barnett requested that the Village consider creating a Research & Development Team.

**STRATEGIC PLAN ALIGNMENT**

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

**FISCAL IMPACT**

If the above concept were included in the FY15 Budget, General Fund expenses would increase by \$200,000 and revenues would increase by \$180,000. The proposed property tax levy would also increase by \$180,000.

**RECOMMENDATION**

Action at the discretion of the Village Council.

**BACKGROUND**

Commissioner Barnett prepared the following summary of the proposal.

*What I am seeking to do, is have a personnel structure which adds capacity to our ability to work on ideas that come up. Innovation incubation, if you will.*

*We have done a solid job of embracing LEAN and while there always remain opportunities to improve, I would like to have additional manpower flexibility to investigate ideas or concepts that come up without necessarily diminishing our resources in other, existing, areas of effort. To be sure, such flexibility in and of itself will continue to be limited but in my mind now, we're talking about an upper level management person with the authority and resources to supervise 1-2 intern~esque folks.*

*I would expect annual costs in \$150k - \$250k kind of neighborhood. Specifically for FY2015, I'd like to budget \$200k recognizing that such a program won't start on January 1st and thus actual expenditures may be lower. In order to avoid raising our levy, I'd like to test the idea by using the projected reduction in pension contribution requirements. Actual savings or, improved service levels seem likely - and while savings at levels to fund the program may well be the result that is not the sole factor in deciding whether to engage this initiative.*

If the above concept were included in the FY15 Budget, General Fund expenses would increase by \$200,000 and revenues would increase by \$180,000. The proposed property tax levy would also increase by \$180,000 (see tables 1 and 2 below).

*Table 1  
Impact on Proposed FY15 General Fund Budget*

	<b>Proposed FY15 GF Budget</b>	<b>FY15 GF Budget Research &amp; Development Team</b>
<b>Revenues</b>	<b>44,824,624</b>	<b>45,004,624</b>
<b>Expenses</b>	<b>44,822,262</b>	<b>45,022,262</b>
<b>Change in Fund Balance</b>	<b>2,362</b>	<b>(17,638)</b>

*Table 2  
Impact on the Proposed FY15 Property Tax Levy*

<b>Tax Levy Component</b>	<b>FY14</b>	<b>Proposed FY15</b>	<b>FY15 With Funding for R&amp;D</b>
Corporate Levy	\$2,997,145	\$2,997,145	\$3,177,145
Fire Protection	\$2,850,000	\$2,850,000	\$2,850,000
Fire Pension	\$2,467,520	\$2,330,108	\$2,330,108
Police Pension	\$2,303,858	\$2,261,516	\$2,261,516
Capital	\$971,524	\$971,524	\$971,524
<b>Total</b>	<b>\$11,590,047</b>	<b>\$11,410,293</b>	<b>\$11,590,293</b>