

Staff Responses to Budget Questions

Questions from 10/8/16 Budget Meeting

Water Fund

Please provide information about water loss and the effectiveness of the leak detection program.

Each year the Village contracts for a leak survey of its approximately 1.2 million feet of water mains, in addition to fire hydrants, valves and select water services. The annual cost of this service under the current contract is \$37,280. This amount does not include the Village's labor and material costs to repair these leaks.

In 2015 the survey found 11 water main breaks, 3 water service leaks, 3 valve leaks and 10 hydrant leaks, which had a total estimated the water loss of 341,280 gallons per day. Using the Dupage Water Commission rate that we pay, \$4.19/thousand gallons, this calculates to a savings of \$1,429.96/day or \$521,936.57/year.

Capital Fund

How many signalized intersections are located within Village limits?

There are a total of 69 traffic signals located within the Village's limits, 19 which are maintained by the Village. The remaining 50 traffic signals are maintained by either DuPage County or the Illinois Department of Transportation.

Will the private development activity on Maple affect the schedule for the Maple Ave resurfacing project?

Construction of the mixed use building at the northeast corner of Main and Maple is expected to begin in the next few weeks and continue for approximately 16 months. Currently, the Village plans to resurface Maple from Dunham to Fairview in 2017. The Village received a federal grant of over \$500,000 for this project. Staff is currently reviewing the mixed use building construction schedule and the terms of the grant agreement to determine if the project should proceed under the current schedule or if modifications to the schedule should be made to reduce the risk of construction conflicts or damage to the resurfaced pavement.

Equipment Replacement Fund

Please double check the ending Fund Balance in 2015

The ending fund balance in 2015 is shown correctly in the budget book. Government Funds are accounted for using the modified accrual basis of accounting, and fund balance is the appropriate indicator of resources available to be spent in the upcoming budget year. The Equipment Replacement Fund (and the Enterprise Funds and all of the other Internal Service funds) use the accrual basis of accounting. For those funds, cash is the appropriate indicator of resources available to be spent in the upcoming budget year. The 2015 column in the budget for the

Equipment Replacement Fund ties out to the Village's audited Comprehensive Annual Financial Report (CAFR) ending cash balance. The 2015 cash balance will not roll forward as presented due to depreciation expense and any accruals.

Library Fund

Please provide the Library Fund budget approved by the Library Board

See attached.

All Funds

Please provide information about staffing turnover rates

Since October 11, 2015, 27 full-time employees (8.5%) have separated from the Village of Downers Grove. Ten of these employees (3.2%) retired from active service with the Village and 17 (5.4%) resigned their position. During this period of time, the Village had 315 total full-time employees.

Attachments

Library Fund budget

LIBRARY

Fund Type: Component Unit
Fund Number 805

*To account for the financial activity of
the Downers Grove Public Library*

Description: This fund accounts for all of the revenue and expenditures related to the operation of the Downers Grove Public Library. The fund is approved by the Library Board and incorporated into the overall Village Budget, even though the Village Board has no statutory authority to direct the use of the resources of this fund.

Recent History and Trends: Downers Grove continues to be one of the busiest public libraries in the Chicago area, with a 7.5% increase in items checked out and 8% in visits year over year. Reliant on property taxes for over 90% of its operating revenue, the Library Board is challenged with meeting demand for service with a primary revenue source that is not tied to use.

The completion of a major building renovation project in 2014 and minor projects in 2015 and 2016 were achieved without borrowing money. While the operating tax levy was flat from 2015 to 2016, the tax rate decreased 7.85% due to a combination of growth in assessed valuation and decreased bond fund levy. The Library Board is committed to financial sustainability by continuing to provide for capital replacement needs without borrowing money.

Long Range Plans: In 2017, the Library will initiate a public planning process to create and update its long range plans, including Strategic, Facilities Sustainability and Long Range Financial components. It will employ a community-focused process intended to align the Library's strategies with major local needs. Education, access to information technology, and the needs of local businesses, not-for-profit organizations, and governmental bodies will be particular areas of interest.

LIBRARY

Fund Type: Component Unit
Fund Number 805

1		FY2015 Actual	FY2016 Budget	FY2016 Estimate	2017 Adopted	FY2018 Projection	FY2019 Projection
2	Beginning Fund Balance	1,926,966	2,105,536	2,105,536	2,076,021	677,401	688,514
3	Revenue						
4	Local Taxes	4,708,186	4,826,100	4,826,100	5,043,615	5,194,920	5,350,765
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	59,714	50,000	55,000	55,000	56,100	57,222
7	Sales	9,719	6,000	8,000	8,000	8,160	8,323
8	Fees, Charges & Fines	189,803	154,000	165,500	165,000	168,300	171,666
9	Grants	61,516	60,000	37,936	36,910	37,648	38,401
10	Interest & Claims	1,486	2,100	2,000	2,000	2,040	2,081
11	Contributions	66,040	10,000	8,000	5,000	7,500	10,000
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	5,096,464	5,108,200	5,102,536	5,315,525	5,474,668	5,638,458
14	Expenses						
15	Personnel	3,405,805	3,618,413	3,571,951	3,691,920	3,765,758	3,841,074
16	Supplies	129,603	138,920	139,800	143,400	144,834	146,282
17	Professional Services	229,297	243,200	247,300	262,625	265,251	267,904
18	Other Contractual Services	261,933	304,000	275,500	306,500	309,565	312,660
19	Claims, Grants, & Debt	7,897	37,600	22,500	20,000	20,200	20,402
20	Controlled Assets	62,217	46,000	46,000	63,500	64,135	64,777
21	Capital Assets	821,142	827,500	829,000	826,200	768,812	776,500
22	Other Financial Uses	-	-	-	1,400,000	125,000	175,000
23	Total Expenses	4,917,894	5,215,633	5,132,051	6,714,145	5,463,555	5,604,599
24	Net Change	178,570	(107,433)	(29,515)	(1,398,620)	11,113	33,859
25	Ending Fund Balance	2,105,536	1,998,103	2,076,021	677,401	688,514	722,373

Noteworthy Changes:

Transfer of \$1,400,000 from the Library Fund will re-establish a capital projects fund for Library purposes.

LIBRARY BUILDING & EQUIPMENT REPLACEMENT FUND

Fund Type: Component Unit
Fund Number 821

*To account for the financial activity of
the Library's Capital Projects*

Description: This fund is established under 75 ILCS 5/5-8 for the purpose of setting apart and providing monies for a library's capital needs or emergency expenditures. It is funded by transfers from the Library Fund. Under this statute, the Library Board of Trustees must adopt a spending plan within two years of the adoption of a resolution establishing a special reserve fund.

Recent History and Trends: Open to the public 7 days a week, 355 days per year, the Library building is heavily used. The Library Board of Trustees has a precedent of long range planning for capital needs without incurring debt, as demonstrated by the 2014 interior renovation project and 2016 lighting and acoustical panel project. These projects did not address any building system needs, such as roof and rooftop HVAC units. Many of these systems are past or approaching their expected useful life, with increasing maintenance costs. As the library building ages, the Library Board will continue its cycle of saving and reinvesting in its facility to meet long term capital needs.

Long Range Plans: In 2017, the Library will initiate a public planning process to create and update its long range plans, including Strategic, Facilities Sustainability and Long Range Financial components. The Facilities Sustainability Plan is intended to function as the spending plan for this fund.

1		FY2015 Actual	FY2016 Budget	FY2016 Estimate	2017 Adopted	FY2018 Projection	FY2019 Projection
2	Beginning Fund Balance	-	-	-	-	800,000	925,000
3	Revenue						
4	Local Taxes	-	-	-	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	-	-	-	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	1,400,000	125,000	175,000
13	Total Revenue	-	-	-	1,400,000	125,000	175,000
14	Expenses						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	-	-	-	-	-	-
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	600,000	-	60,000
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	-	-	-	600,000	-	60,000
24	Net Change	-	-	-	800,000	125,000	115,000
25	Ending Fund Balance	-	-	-	800,000	925,000	1,040,000

Noteworthy Changes:

This fund will be established in 2017 for the accumulation of funds to maintain the building and its systems and provide for replacement of equipment, furnishings, and fixtures. A spending plan for the fund must be adopted within two years of establishing the fund.

LIBRARY DEBT SERVICE FUND

Fund Type: Component Unit
Fund Number 836

To account for the financial activity of
the Library's Debt Service

1		FY2015 Actual	FY2016 Budget	FY2016 Estimate	2017 Adopted	FY2018 Projection	FY2019 Projection
2	Beginning Fund Balance	912,678	913,005	913,005	618,101	272	272
3	<u>Revenue</u>						
4	Local Taxes	614,076	328,583	328,583	-	-	-
5	License & Permit Revenues	-	-	-	-	-	-
6	Intergovernmental Revenues	-	-	-	-	-	-
7	Sales	-	-	-	-	-	-
8	Fees, Charges & Fines	-	-	-	-	-	-
9	Grants	-	-	-	-	-	-
10	Interest & Claims	326	-	-	-	-	-
11	Contributions	-	-	-	-	-	-
12	Other Financial Resources	-	-	-	-	-	-
13	Total Revenue	614,402	328,583	328,583	-	-	-
14	<u>Expenses</u>						
15	Personnel	-	-	-	-	-	-
16	Supplies	-	-	-	-	-	-
17	Professional Services	-	-	-	-	-	-
18	Other Contractual Services	-	-	-	-	-	-
19	Claims, Grants, & Debt	614,075	623,487	623,487	617,829	-	-
20	Controlled Assets	-	-	-	-	-	-
21	Capital Assets	-	-	-	-	-	-
22	Other Financial Uses	-	-	-	-	-	-
23	Total Expenses	614,075	623,487	623,487	617,829	-	-
24	Net Change	327	(294,904)	(294,904)	(617,829)	-	-
25	Ending Fund Balance	913,005	618,101	618,101	272	272	272

Noteworthy Changes:

The Library Debt Service will be paid off in 2017