

VILLAGE OF DOWNERS GROVE
Report for the Village
4/17/2018

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|---------------------------------|---------------------------------|
| SUBJECT: | SUBMITTED BY: |
| FY17 Budget Amendment Ordinance | Judy Buttny Finance Director |

SYNOPSIS

An ordinance has been prepared to amend the Village Budget for FY17 to reflect expenses that were not foreseen at the time the budget was adopted. This amendment is needed because the Village refunded stormwater bonds in FY17 to capture savings resulting from favorable interest rates. This refunding is recorded both as an expense and a revenue. In addition, the Library has closed their debt service fund as the debt was paid off in 2017.

STRATEGIC PLAN ALIGNMENT

The goals for 2017-2019 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

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

RECOMMENDATION

Approval on the May 1, 2018 active agenda.

BACKGROUND

The Village's FY17 Budget was authorized by ordinance in November 2016 and the Village's fiscal year began on January 1, 2017 and closed on December 31, 2017.

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 is provided below:

TIF Debt Service Fund: Increase expenses and revenues by \$2,300,000 for the refunding of TIF bonds which resulted in \$123,000 of present value savings to the Village in debt service payments. This is due to the accounting entry required to show the proceeds from the new lower interest rate bond going into the fund (revenue entry) and paying off the old higher interest rate bond coming out of the fund (expense entry).

Library Debt Service Fund: Increase expenses in the amount of \$1,760 for a transfer to the Library Fund. The Library Board voted to close this fund and move the balance to the Library's General Fund since the Library's debt service was paid off in 2017.

The following table summarizes the budget amendments:

| Fund | FY17 Adopted Budget | Amount of Budget Amendment | FY17 Budget, as Amended |
|---|------------------------------------|---|------------------------------------|
| TIF Debt Service Fund | \$3,939,101 | \$2,300,000 | \$6,239,101 |
| Library Debt Service Fund | \$617,829 | \$1,760 | \$619,589 |
| Total Village & Library Budget | \$131,013,272 | \$2,301,760 | \$133,315,032 |

ATTACHMENTS

Ordinance

ORDINANCE NO. _____**AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #5572 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2017**

WHEREAS, on November 22, 2016, the Village Council of the Village of Downers Grove adopted Ordinance #5572 entitled "AN ORDINANCE ADOPTING THE FISCAL YEAR 2017 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE"; and

WHEREAS, proposed amendments to the fiscal year 2017 budget have been prepared; and

WHEREAS, the Village Council of the Village of Downers Grove has examined said amendments and has determined that it is necessary, desirable and in the public interest to further amend the fiscal year 2017 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 #5572 entitled "AN ORDINANCE ADOPTING THE FISCAL YEAR 2017 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE", as amended, be and is hereby further amended as follows:

| Expenses By Fund | FY 2017 Adopted Budget | FY 2017 Amendment | FY 2017 Amended Budget |
|---|-------------------------------|--------------------------|-------------------------------|
| 338 CBD-TIF Debt Service Fund | \$3,939,101.00 | \$2,300,000.00 | \$6,239,101.00 |
| Library Debt Fund | \$617,829.00 | \$1,760.00 | \$619,589.00 |
| Total Village & Library Budget | \$131,013,272.00 | \$2,301,760.00 | \$133,315,032.00 |

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