

4/9/2019
VILLAGE OF DOWNERS GROVE
 Report for the Village

SUBJECT:	SUBMITTED BY:
FY18 Budget Amendment Ordinance	Judy Buttny Finance Director

SYNOPSIS

An ordinance has been prepared to amend the Village Budget for FY2018.

STRATEGIC PLAN ALIGNMENT

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

FISCAL IMPACT

N/A

RECOMMENDATION

Approval on the April 16, 2019 Active Agenda.

BACKGROUND

The Village's FY2018 budget was adopted in November 2017 and the fiscal year occurred between January 1, 2018 and December 31, 2018. The Village has nearly completed the financial closeout of the year and audit work will be conducted in the coming weeks.

Actual FY18 expenses ended the year below budgeted levels for all Village Funds. In the General Fund, which consists of multiple revenue sources that can be unpredictable and fluctuate from year-to-year, the Village received approximately \$1.6 million more in total revenues than expected in FY18. The favorable variance was due primarily to additional revenues for permit and plan review fees, primarily large commercial permits (\$777,000); ambulance fees, for increased call volumes (\$327,000); and State Income Tax (\$280,000).

The recommended budget amendment will increase the overall authorized expense level in the General Fund by \$1.6 million to allow the Village to transfer the additional revenue to other funds where there is greater financial need than in the General Fund. The rationale for recommending this transfer is based on the following:

- State law dictates that municipalities cannot spend more than authorized unless a budget amendment is adopted.
- The accumulation of revenues that exceed expenses in the General Fund is not the most financially sound practice given that fund balance already exceeds the target establish by policy. If the Village were to spend down General Fund reserves in future years, this action can be viewed negatively by rating agencies, who will see the budget as unbalanced.
- The transfers will redirect the revenues to other Funds, specifically the Major Buildings Fund and the Health Fund, where identified needs exist.
- This action does not alter the approved spending levels for FY19 and the Council will have oversight in the expenditure of these funds as part of the FY20 budget process.

The following table summarizes the budget amendment:

Fund	FY18 Adopted Budget	Amount of Budget Amendment	FY18 Budget, as Amended
General Fund	\$47,375,625	\$1,600,000	\$48,975,625
Total Village & Library Budget	\$139,986,082	\$1,600,000	\$141,586,082

ATTACHMENTS

Ordinance

ORDINANCE NO. _____**AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #5720 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2018**

WHEREAS, on November 20, 2017, the Village Council of the Village of Downers Grove adopted Ordinance #5720 entitled "AN ORDINANCE ADOPTING THE FISCAL YEAR 2018 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE"; and

WHEREAS, proposed amendments to the fiscal year 2018 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 year 2018 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 #5720 entitled "AN ORDINANCE ADOPTING THE FISCAL YEAR 2018 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE", as amended, be and is hereby further amended as follows:

Expenses By Fund	FY 2018 Adopted Budget	FY 2018 Amendment	FY 2018 Amended Budget
General Fund	\$47,375,625	\$1,600,000	\$48,975,625
Total Village & Library Budget	\$139,986,082	\$1,600,000	\$141,586,082

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