

**VILLAGE OF DOWNERS GROVE**  
Report for the Village  
4/9/2022

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
FY21 Budget Amendment Ordinance	Robin Lahey Finance Director

**SYNOPSIS**

An ordinance has been prepared to amend the Village Budget for FY21.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2021-2023 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

**FISCAL IMPACT**

N/A

**RECOMMENDATION**

Approval on the April 12, 2022 Active Agenda

**BACKGROUND**

The Village's FY21 Budget was authorized by ordinance in December 2020 and the Village's fiscal year began on January 1, 2021 and closed on December 31, 2021. The Village has nearly completed the financial closeout of the year and audit work will be conducted in the coming weeks.

Actual FY21 expenses ended the year below budgeted levels for most Village Funds. Four funds were over budget and will require budget amendments:

- General Fund (\$7,020,000)
- Sales Tax Rebate Fund (\$300,000)
- Real Estate Fund (\$10,000)
- Foreign Fire Insurance Fund (\$15,000)

The General Fund expenses exceeded the budget due to a planned discontinuance of temporary expense reduction efforts early in the year and the transfer of funds to the Major Buildings Fund, Equipment Replacement Fund and Fleet Services Fund. These transfers were prompted by exceptional revenue performance in the General Fund.

The Sales Tax Rebate Fund is over budget due to a greater than expected amount of rebate payments. Sales tax revenue generated by businesses subject to rebate agreements was very

strong and exceeded expectations. Therefore, the amount the Village rebated to the businesses exceeded the budgeted figure.

The Real Estate Fund was over budget due to the planned elimination of this fund. As part of the elimination of this fund, the balance was transferred to the Major Building Fund. This transfer is classified as an expense. This fund was not included in the FY22 Budget.

The Foreign Fire Insurance Fund, which accounts for funds provided by the State of Illinois and under the autonomous control of an elected board composed of Fire Department staff members, was over budget due to the purchase of turnout gear dryers which were not budgeted.

The following table summarizes the budget amendments:

<b>Fund</b>	<b>FY21 Adopted Budget</b>	<b>Amount of Budget Amendment</b>	<b>FY21 Budget, as Amended</b>
General Fund	\$49,165,730	\$7,020,000	\$56,185,730
Sales Tax Rebate Fund	\$1,055,000	\$300,000	\$1,355,000
Real Estate Fund	\$30,000	\$10,000	\$40,000
Foreign Fire Insurance Fund	\$100,000	\$15,000	\$115,000
<b>Total Village &amp; Library Budget</b>	<b>\$144,942,795</b>	<b>\$7,345,000</b>	<b>\$152,287,795</b>

## **ATTACHMENTS**

Ordinance  
Presentation

**ORDINANCE NO. \_\_\_\_\_****AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE #5831 AND THE VILLAGE OF DOWNERS GROVE BUDGET FOR FISCAL YEAR 2021**

WHEREAS, on December 1, 2020, the Village Council of the Village of Downers Grove adopted Ordinance #5831 entitled "AN ORDINANCE ADOPTING THE FISCAL YEAR 2021 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE"; and

WHEREAS, proposed amendments to the fiscal year 2021 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 2021 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 #5831 entitled "AN ORDINANCE ADOPTING THE FISCAL YEAR 2021 BUDGET IN LIEU OF PASSAGE OF AN APPROPRIATION ORDINANCE", as amended, be and is hereby further amended as follows:

<b>Expenses By Fund</b>	<b>FY 2021 Adopted Budget</b>	<b>FY 2021 Amendment</b>	<b>FY 2021 Amended Budget</b>
General Fund	\$49,165,730.00	\$7,020,000.00	\$56,185,730.00
Sales Tax Rebate Fund	\$1,055,000.00	\$300,000.00	\$1,355,000.00
Real Estate Fund	\$30,000.00	\$10,000.00	\$40,000.00
Foreign Fire Insurance Fund	\$100,000.00	\$15,000.00	\$115,000.00
<b>Total Village &amp; Library Budget</b>	<b>\$144,942,795.00</b>	<b>\$7,345,000.00</b>	<b>\$152,287,795.00</b>

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

# FY 21 Budget Update

April 5, 2022  
Village Council Meeting

# FY21 Budget - General Fund

- Background
- Revenue Estimates
- Expense Estimates
- Budget Close-out Actions

# FY21 Budget - General Fund Background

Economic uncertainty resulted in reduced ability to accurately forecast 2021 revenues

- The FY21 Budget assumed revenues would perform in the manner of FY20 Q3 revenues
- Actual revenues may vary significantly from budget
- Active monitoring of the FY21 Budget, with a mid-year Amendment if Revenues exceed Budget

# FY21 Budget - General Fund Background

- Addressed a Projected \$4.8 million Budget Gap through:
  - Expense Reductions - \$2.3M
  - Revenue Enhancements - \$1.0M
  - Use of Cash in the Major Buildings Fund - \$1.5M
- Reduced Staffing by 1 FTE
- Delayed Filling Vacancies
- Use of Asset Forfeiture Fund for Cost of 2 Police Officers
- Reduce Transfer to Fleet Services Fund
- Reduce Travel & Training
- Reduce Community Development Contractual Services

## FY21 Current Revenue Estimate (\$ in millions)

	<b>FY21 Bud.</b>	<b>FY21 Est.</b>	<b>Diff.</b>
Revenues	\$47.67	\$57.13	\$9.46
Transfer from Major Buildings Fund	\$1.50	--	(\$1.50)
<b>Total General Fund Revenue</b>	<b>\$49.17</b>	<b>\$57.13</b>	<b>\$7.96</b>



# FY21 Budget - Current Revenue Estimate (\$ in millions)

## Revenue Performance Key Drivers

	<b>Budget</b>	<b>Estimate</b>	<b>Difference</b>
<b>Sales Tax</b>	\$10.50	\$13.69	\$3.19
<b>HRST</b>	\$1.50	\$2.19	\$.69
<b>Use Tax</b>	\$1.20	\$1.89	\$.69
<b>Income Tax</b>	\$4.30	\$6.47	\$2.17
<b>Food &amp; Beverage</b>	\$2.26	\$3.03	\$.77

## FY21 Budget Current Estimates (\$ in millions)

	<b>FY21 Bud</b>	<b>FY21 Est</b>	<b>Diff.</b>
<b>Total General Fund Revenue</b>	<b>\$49.17</b>	<b>\$57.13</b>	<b>\$7.96</b>
<b>Expenses</b>	<b>\$49.17</b>	<b>\$50.58</b>	<b>\$1.41</b>

## FY21 Budget Current Estimates (\$ in millions)

	<b>FY21 Bud</b>	<b>FY21 Est</b>	<b>Diff.</b>
<b>Total General Fund Revenue</b>	<b>\$49.17</b>	<b>\$57.13</b>	<b>\$7.96</b>
<b>Expenses</b>	<b>\$49.17</b>	<b>\$50.58</b>	<b>\$1.41</b>
<b>Difference</b>	<b>—</b>	<b>\$6.55</b>	

# FY 21 Budget Actions

- Transfer \$5.43 M to Major Buildings Fund for FRSP
- Transfer \$172,000 to Fleet and Equipment Replacement Funds
- Increase General Fund Balance by \$950,000
- Amend the General Fund Budget

# FY21 Amended Budget

	<b>FY21 Bud.</b>	<b>FY21 Est.</b>
<b>Revenue</b>	\$49.17	\$57.13
<b>Expenses</b>	\$49.17	\$56.18
<b>Change in Fund Balance</b>	—	\$0.95
<b>Ending Fund Balance</b>	\$20.60 41.9%	\$21.55 38.4%

# FY 21 Budget Update

April 5, 2022  
Village Council Meeting