2025-27 Long Range Plan Key Trends & Issues

August 5, 2025

Village of DOWNERS GROVE FOUNDED IN 1832

Long Range Plan

Strategic Plan → **Financial Plan**

Long Range Plan

- Strategic Goals
- Key Trends & Issues
- Strategies & Solutions
- Priority Action Items

Long Range Plan

Strategic Plan → **Long Range Plan**

Financial Plan → **Long Range Plan**

Governance

Long Range Plan

- Strategic Goals
- Key Trends & Issues
- Strategies & Solutions
- Priority Action Items

2025-27 LRP Schedule

Jun 10	Intro, Strategic Goals, Key Trends & Issues
Jun 17	Key Trends & Issues and Strategies & Solutions
Jul 1	Key Trends & Issues and Strategies & Solutions
Jul 15	Governance
Aug 5	Key Trends & Issues and Strategies & Solutions
Aug 12	Governance
Sep 2	Priority Action Items
Sep 9	Review and Accept LRP

Council & Staff Work Flight Analogy

Long-Range Planning

Purpose & Vision	Strategic Goals	Priority Action Items	Planning and Oversight	Projects	Day-to-Day Work
50,000 ft	40,000 ft	30,000 ft	20,000 ft	10,000 ft	Runway

Council Responsibility -

Staff Responsibility -

Long-Range Planning | Budget / Contract Approval

Council Role: Affirm Vision/Purpose	Establish Goals	Establish/Prioritize Action Items	Review/Adopt Budget Conduct Meetings	Authorize Contracts (of $15K or more)	Engage w/ Community And Staff
Staff Role: Support Vision/Purpose	Align Goals with Resources	Implement Priority Action Items	Prepare Plans and Oversee Functions	Plan & Complete Projects	Carry Out Day-to-Day Responsibilities

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Key Trends & Issues
Strategies & Solutions

- General Fund Sustainability
- Property Tax Levy & Public Safety Pensions
- Capital Fund Sustainability
- Facilities Maintenance Plan
- Guiding DG Implementation
- Fairview Focus Area Implementation

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Summary

- Updated Strategies & Solutions Based on VC Input
- Addresses the 5 Key Trends & Issues
- Generates up to $4.6 Million in Enhanced REV
- Allows for Additional REV Generation
- Flexibility - Annual Budgeting Decisions
- Key Components
    - Increase HRST from 1.0% to 1.5% ($4.4 Million)
    - Consider Increasing Hotel Tax from 4.5% to 5.5% ($0.2 Million)
    - Consider Adjustments to Food & Beverage, Electricity, or Natural Gas Tax in the future
- Uses of REV
    - General Fund operating expenses ($600,000/year)
    - Required contributions for Public Safety Pensions ($500,000/year)
    - Guiding DG projects and other capital projects ($2.6 M/year)
    - Facilities maintenance projects ($700,000/year)

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Key Trends & Issues

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Summary

Recommendation 1: Increase Home Rule Sales Tax by 0.50% from 1.0% to 1.50%

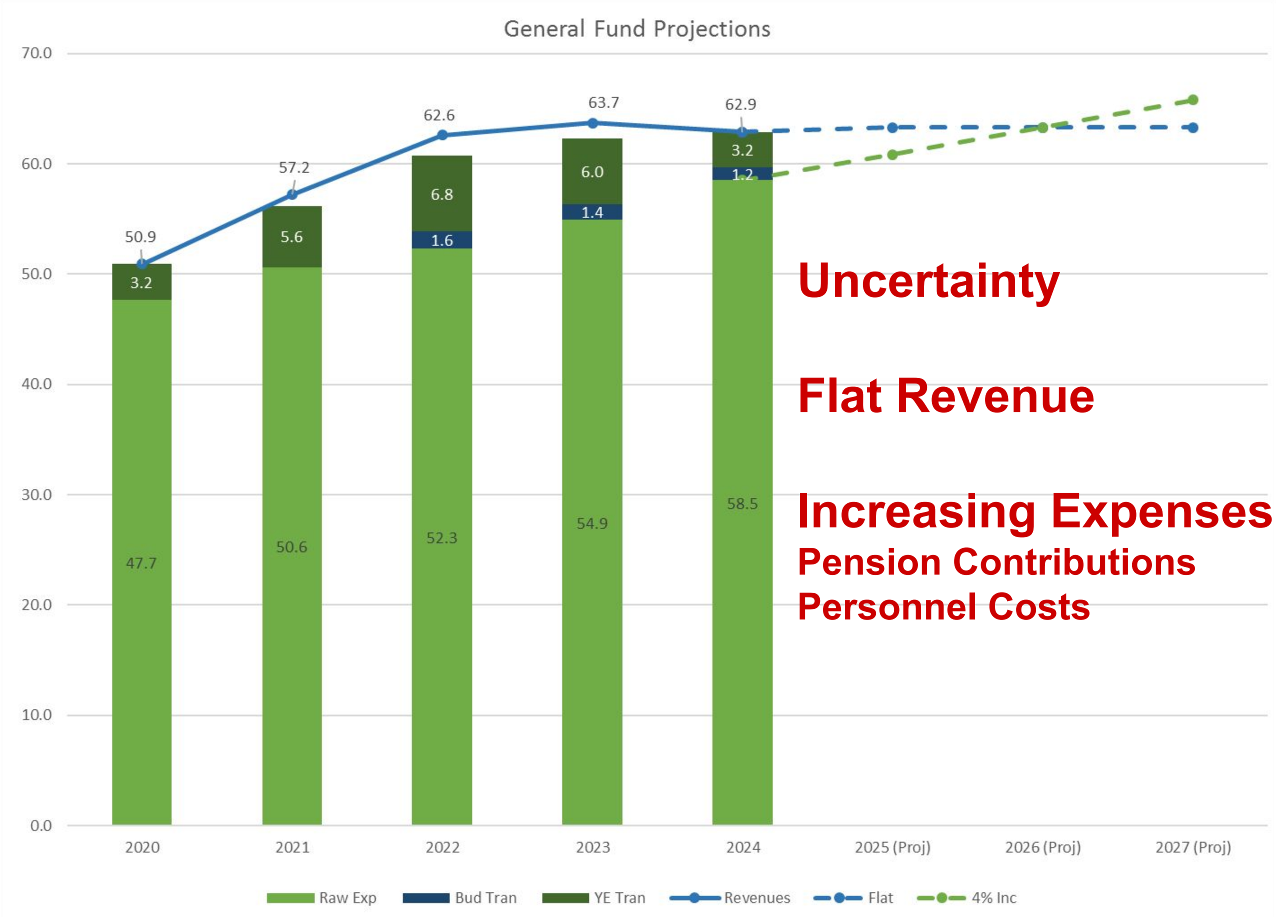
- HRST revenues are directed 25% to the General Fund and 75% to the Capital Fund
- Results in total Sales Tax Rate for Purchases in VoDG of 8.50%
- $4.4M/year projected revenue increase
  - $1.1 M/yr General Fund Revenue Increase
  - $3.3 M/yr Capital Fund Revenue Increase
- Use the revenue increase for:
  - General Fund operating expenses ($600,000/year)
  - Required contributions for Public Safety Pensions ($500,000/year)
  - Guiding DG projects and other capital projects ($2.6 M/year)
  - Facilities maintenance projects ($700,000/year)
  - The allocation of the enhanced revenue is for planning purposes. The actual amounts will be determined annually as part of the budgeting process
- Consider additional revenue enhancements

Summary

Recommendation 2: Create a TIF District for the Fairview Focus and Connection Areas

- Create the District in conjunction with the start of the first redevelopment project - maximize increment revenue.
- Maximize Revenue from Development Projects - The primary objective of the TIF is to generate revenue for the public (streetscape) improvements.
- Preliminary increment revenue projections show $65,000 in 2027 and $1 M in 2050

General Fund Sustainability



Uncertainty

Flat Revenue

Increasing Expenses

Pension Contributions

Personnel Costs

General Fund Sustainability

- Monitor REV & EXP Performance
- Enhance REV by up to $1.3M in FY26
  - Increase the HRST from 1.0% to 1.5%,
  - Consider Increasing the Hotel Tax rate from 4.5% to 5.5%
- Consider REV Enhancements for FY27
  - Electricity Tax or Natural Gas Tax
  - Food & Beverage Tax rate from 1.5% to 1.75%
- If REV < EXP, Consider Short-term Actions
- If REV > EXP, Consider Transfers and/or Increasing Fund Balance
- Use Property Tax & Other REV for Public Safety Pensions, ‘26-’40
  - Determine Amounts Annually
  - $500,000 of General REV Targeted for FY26 Contribution
- Consider Additional REV Enhancements during the LRP Update for FY27

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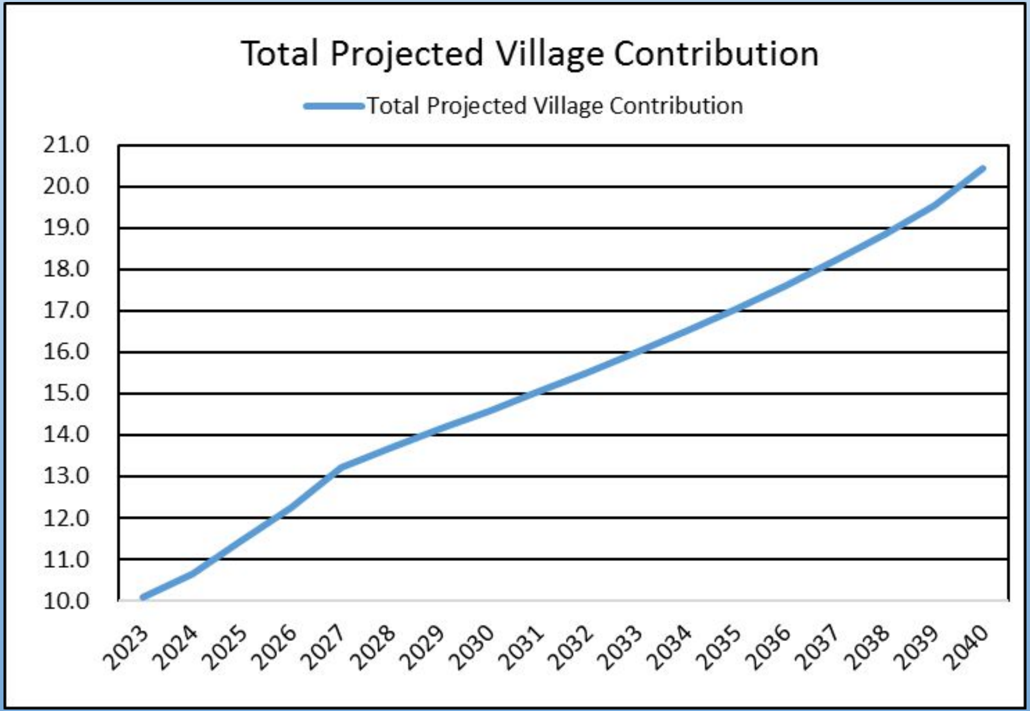
Property Tax Levy & Public Safety Pensions



Increasing Required Contributions

$791,155 Increase in FY26

Property Tax Levy & Public Safety Pensions

- Continue to make the required contributions to the Public Safety Pension Funds
- Make the required contributions to the Public Safety Pension funds using a combination of property tax levy and other revenue sources, including the pension stabilization assignment
  - Determine the mix of property tax levy, general revenues and assignment annually as part of the budgeting process
  - $500,000 of general revenues targeted for the FY26 contribution
  - Continue to use this practice each year through 2040

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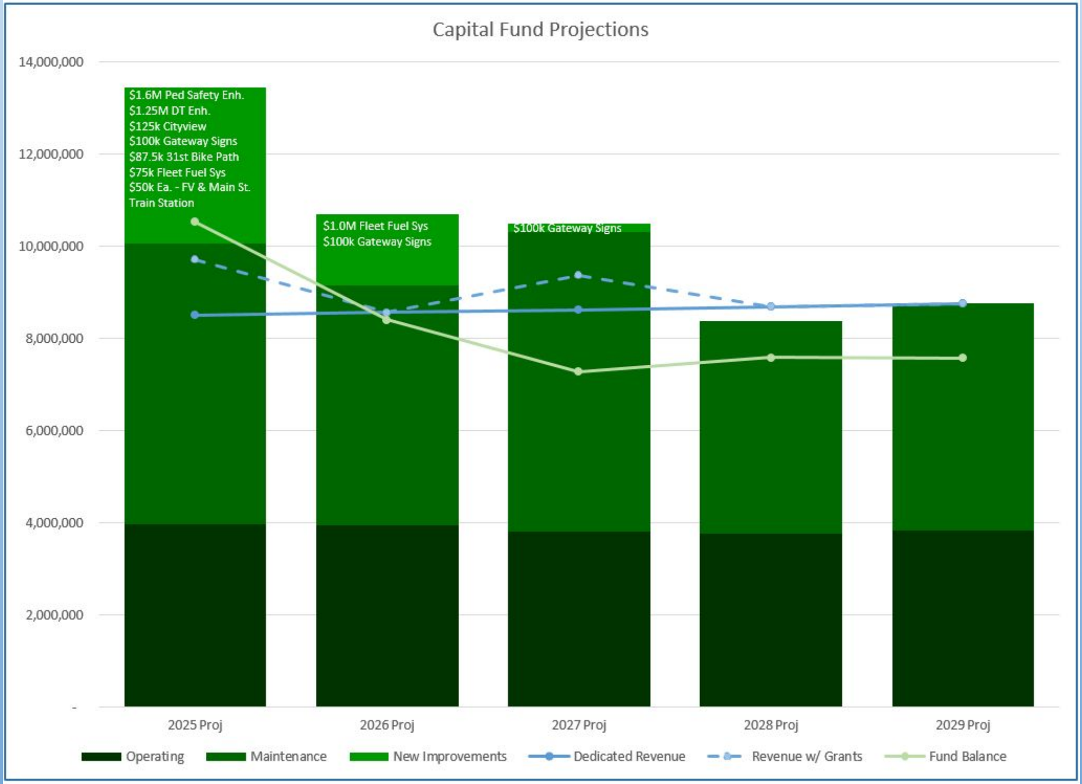
Property Tax Levy & Public Safety Pensions

Year	Total Levy	Fair Market Value of Home	Village Portion of Property Tax Bill
2025	$17,493,509	$446,967	$778.47
2026	$17,784,509	$469,315	$791.42

Capital Fund Sustainability



Existing REV and Balance Will Cover Maintenance of Existing Infrastructure

REV Will Not Cover "New" Infrastructure

No Funding for Guiding DG Projects

Capital Fund Sustainability

- Continue to maintain infrastructure systems at the recommended standards
- Use a portion of the existing fund balance to fund planned new infrastructure projects through 2027 (Budgeted 2025 ending fund balance is $10.5M).
- Maintain a fund balance sufficient to make annual debt service payments of $2.7M.
- Continue to seek grant funding for all types of projects
- Enhance revenue by up to $3.3M in FY26 (home rule sales tax)
- Use the enhanced revenue for the construction of Guiding DG capital projects, “new” capital projects and/or facilities maintenance
  - Determine the amount to be spent in each of the three categories as part of the annual budgeting process
  - Targeted amounts for FY26 are as follows:
    - $2.6M for Guiding DG and “new” capital projects
    - $700,000 for facilities maintenance

Facilities Maintenance

VoDG Owns 9 Major Facilities

No Current Funding Source for Maintenance

Facilities Maintenance

- Complete the Facility Condition Assessment and Maintenance Plan in a manner that incorporates relevant goals, objectives, and actions from the Environmental Sustainability Plan.
- Use the existing balance in the Major Buildings Fund Balance to fund projects required in the short term.
- Pursue grant and rebate opportunities available to support environmentally sustainable improvements to Village facilities.
- Transfer up to $700,000 from the Capital Fund in FY26 to be used for facilities maintenance.

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Guiding DG Implementation

- **Four Guiding DG Plans Have Many Recommended Projects, Programs and Improvements**
- **Existing REV are not Sufficient to Pay for Most Recommendations**

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Guiding DG Implementation

- Use the implementation sections of the Guiding DG plans to direct the construction of recommended projects
- Include smaller, low-cost recommended capital projects in ongoing maintenance activities funded with existing revenues. Examples include constructing street bump-outs and medians with street resurfacing activities.
- Identify and construct some improvements as stand alone projects
- Identify and construct some improvements opportunistically in conjunction with other planned work, and as grant funding becomes available
- Use available funds in the Capital Fund to pay for capital improvements located outside of the Fairview Focus Area on a cash-funded basis
- Construct recommended capital improvement projects located within the Fairview Focus Area as part of the Fairview Focus Area Strategy

Fairview Focus Area

- The Village currently lacks a dedicated revenue source to fund the streetscape improvements in the Fairview Focus Area.
- The Village has not yet started the remaining actions in the implementation plan including:
  - Establish policies that dedicate funds to pay for public improvements.
  - Facilitate the redevelopment of privately owned properties.
  - Redevelop parking lots owned by the Village.
  - Work with the Downers Grove Economic Development Corporation (EDC) to attract new business and retain existing occupants.

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Fairview Focus Area

- Undertake all outstanding actions in the Fairview Focus Area Action Plan
- In 2026, create a Tax Increment Financing District
  - The District should include the Fairview Focus and Connection Areas
  - The District should be created quickly to capture tax increment from development projects that are planned to begin construction in 2025
- Maximize revenue from redevelopment projects and minimize TIF funds invested into redevelopment projects
- Use the TIF increment to complete a portion of the recommended streetscape and ATP improvements on a pay-as-you-go basis
- In the first few years of the District, when increment revenue is low, use funds from the Capital Fund to make TIF-eligible improvements. In the later years of the District, consider using the TIF Fund to reimburse the Capital Fund for these TIF eligible expenses
- Beginning in 2026, work with Metra to facilitate the redevelopment of the Fairview Station parking lot with a development scope determined by the Village Council

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