



# VILLAGE OF GLEN ELLYN

## Financial Scorecard

April 2014

Prepared by

Village of Glen Ellyn

Finance Commission

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# I. Introduction, Executive Summary and Conclusions

# Introduction

- Information presented on demographics, taxes, financial results and financial position
- Framework for understanding Glen Ellyn's financial performance in the context of:
  - Glen Ellyn's historical results
  - Financial results for a group of peer communities
- Comparative analysis to data from Fiscal 2009
- Basis for establishing guideposts and goals for the future
- Tool for communication with residents

# Introduction

(continued)

- The financial information presented herein is from Fiscal 2013 (ended April 30, 2013), with comparisons to data from Fiscal 2009 (ended April 30, 2009)
- Most but not all peers have fiscal years ending on April 30. Comparisons between dissimilar fiscal years were completed as follows:
  - Fiscal years ended April 30, 2013 = “2013”
  - Fiscal years ended December 31, 2012 = “2013”

# Executive Summary

Ten Peers Chosen for Comparisons

## **DuPage County**

Clarendon Hills

Downers Grove

Elmhurst

Hinsdale

Naperville

Wheaton

## **Cook County**

Arlington Heights

LaGrange

Western Springs

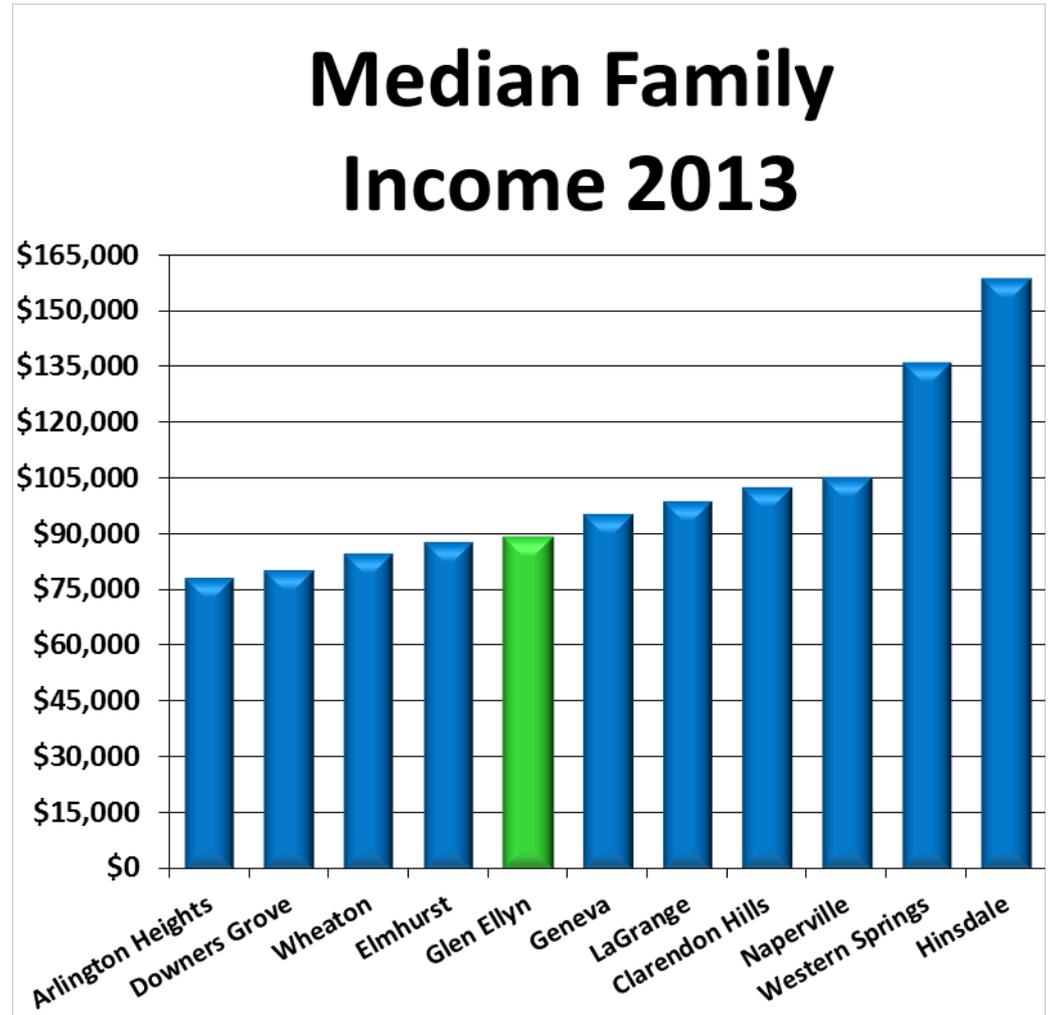
## **Kane County**

Geneva

# Executive Summary

## Demographics

- Glen Ellyn is in the middle of the peer group in terms of population and footprint (square miles).
- ***Glen Ellyn is also in the middle of the peer group in terms of median family income.***
- This is consistent with Fiscal 2009

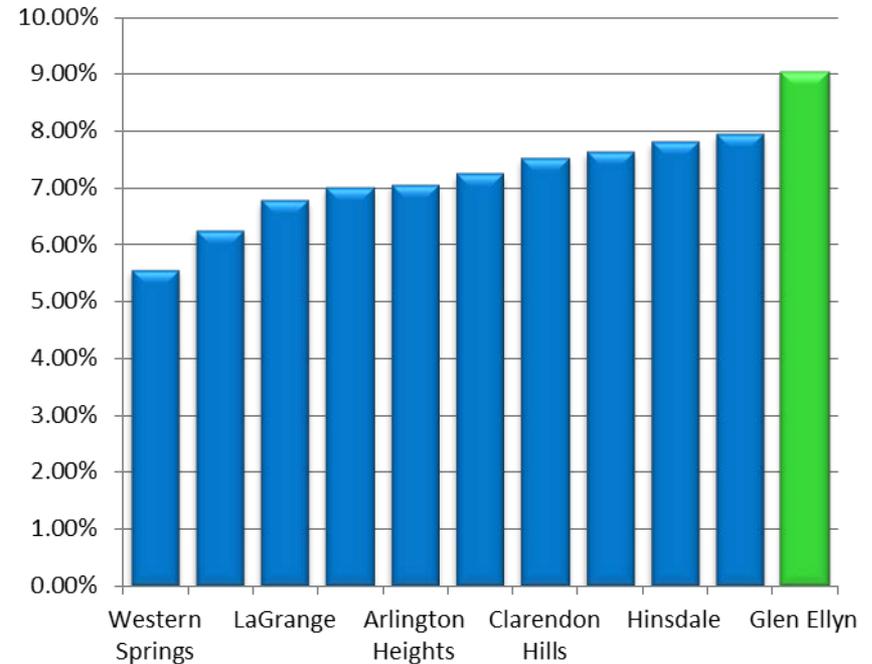


# Executive Summary

## Property Tax Analysis

- We chose to analyze median property values and property tax rates.
- Glen Ellyn is in middle of the peer group in terms of property values.
- ***Glen Ellyn is at high end of the peer group in terms of total property tax rate.***
- Property taxes for the median value property place Glen Ellyn in the top of the peer group.

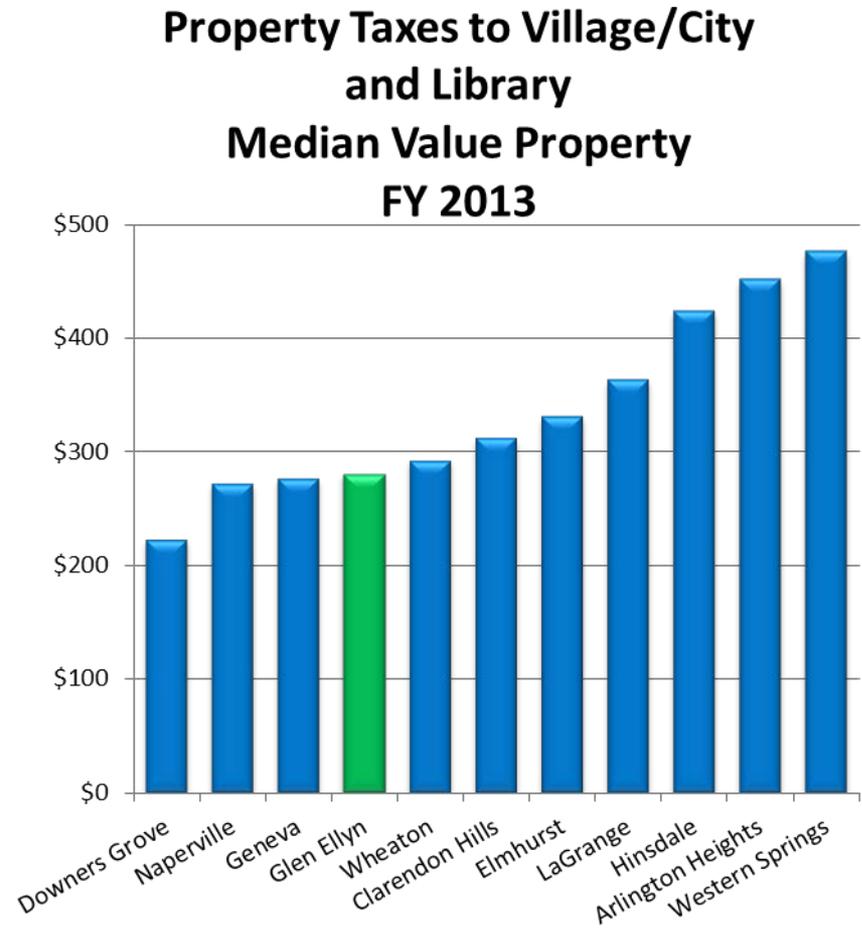
**Property Taxes as a % of Median Family Income  
2013**



# Executive Summary

## Property Tax Analysis

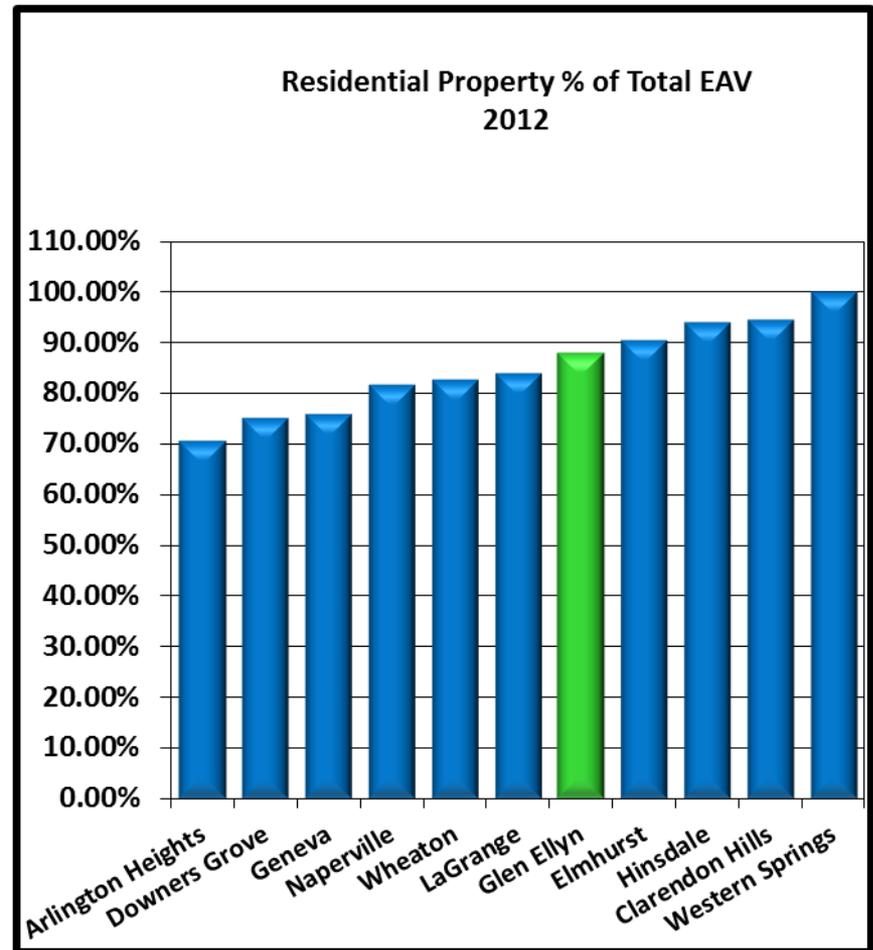
- Glen Ellyn is in the middle of the peer group in terms of property taxes going to schools.
- Glen Ellyn is also in the middle of the peer group in terms of property taxes going to park districts.
- ***Glen Ellyn is at the low end of the peer group in terms of property taxes going to the village/library.***



# Executive Summary

## Revenue Analysis

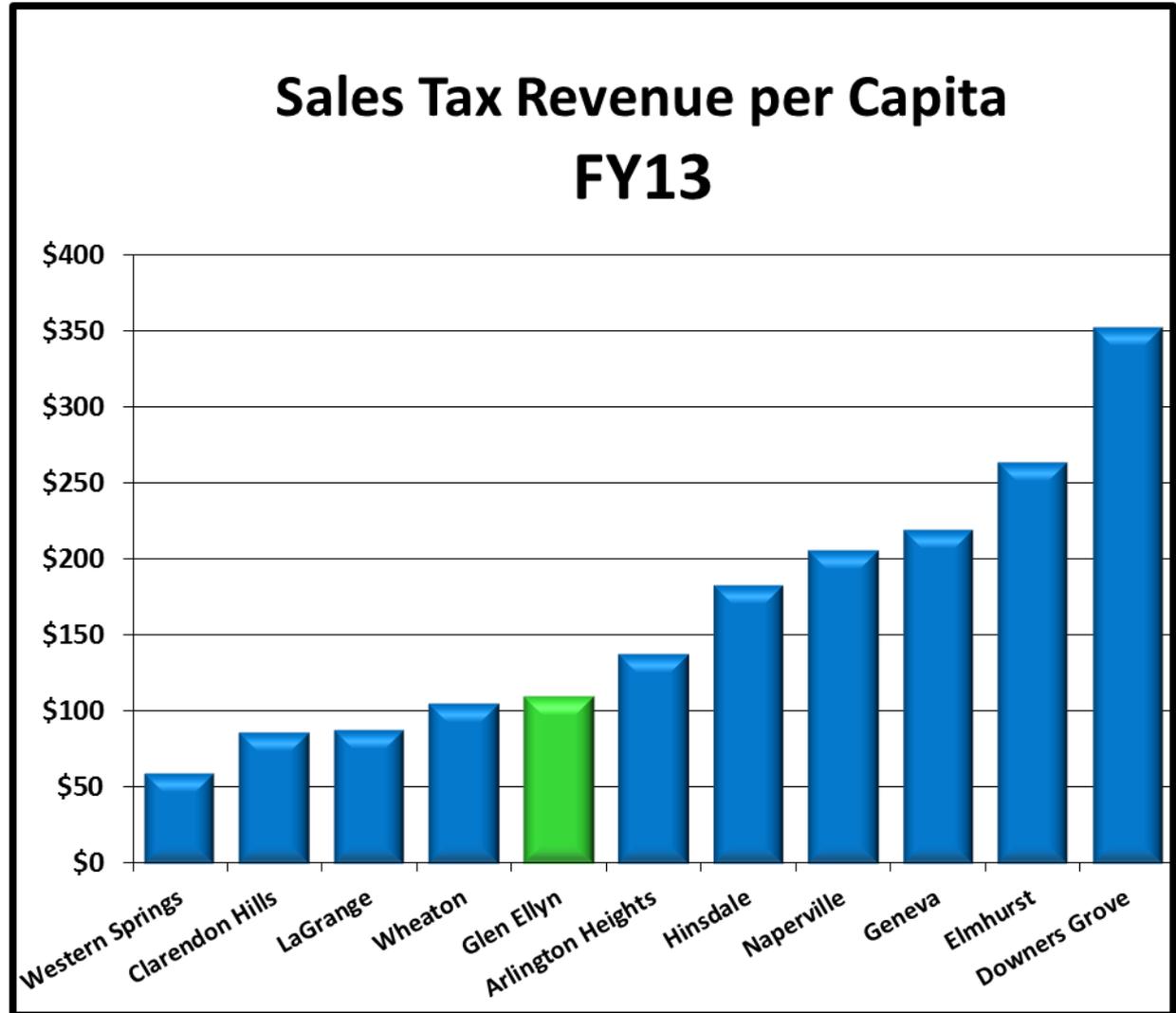
- Property taxes are generated from residential and non-residential (commercial, industrial) property.
- ***Glen Ellyn would benefit from economic revitalization and new development resulting in higher property tax revenues from non-residential sources.***



# Executive Summary

## Revenue Analysis

- Sales taxes are an important source of revenue – a significant portion of which can be derived from non-residents.
- ***Glen Ellyn has room to improve its sales tax performance on a per capita basis.***

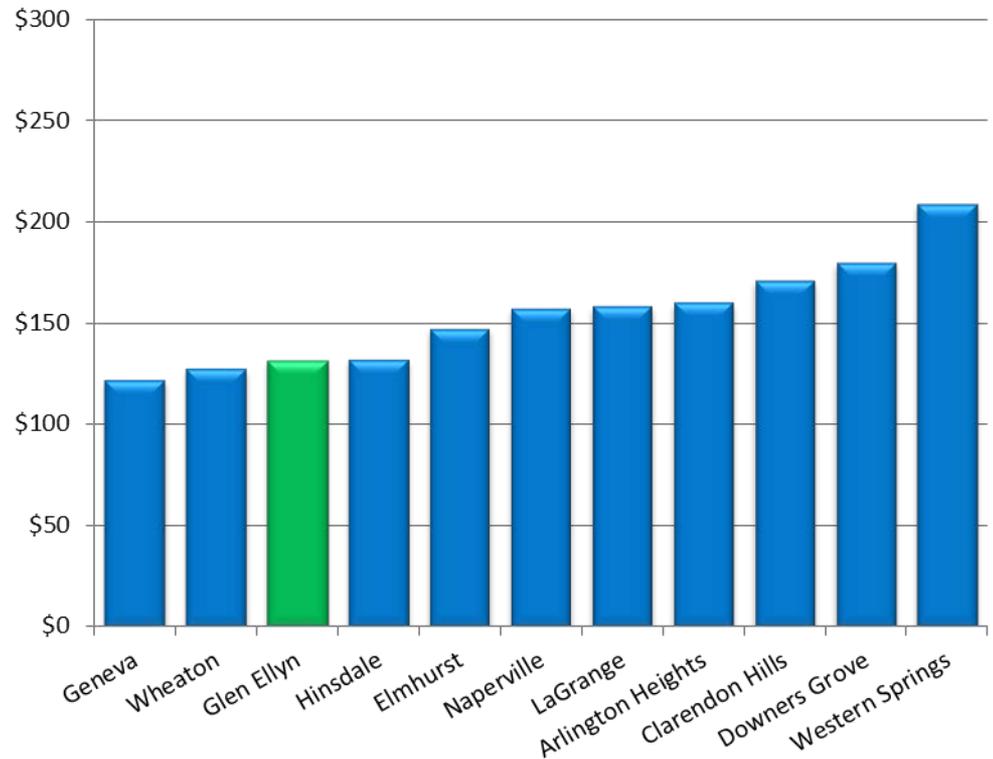


# Executive Summary

## Expense Management

- ***Glen Ellyn spends less per capita than most of the peer group for general administrative costs.***
- Glen Ellyn spends less per capita than most of the peer group for police protection.
- Glen Ellyn's volunteer fire department saves the Village over \$3 million per year compared to the peer group.

**General Government Expenditures  
per Capita  
FY 2013**

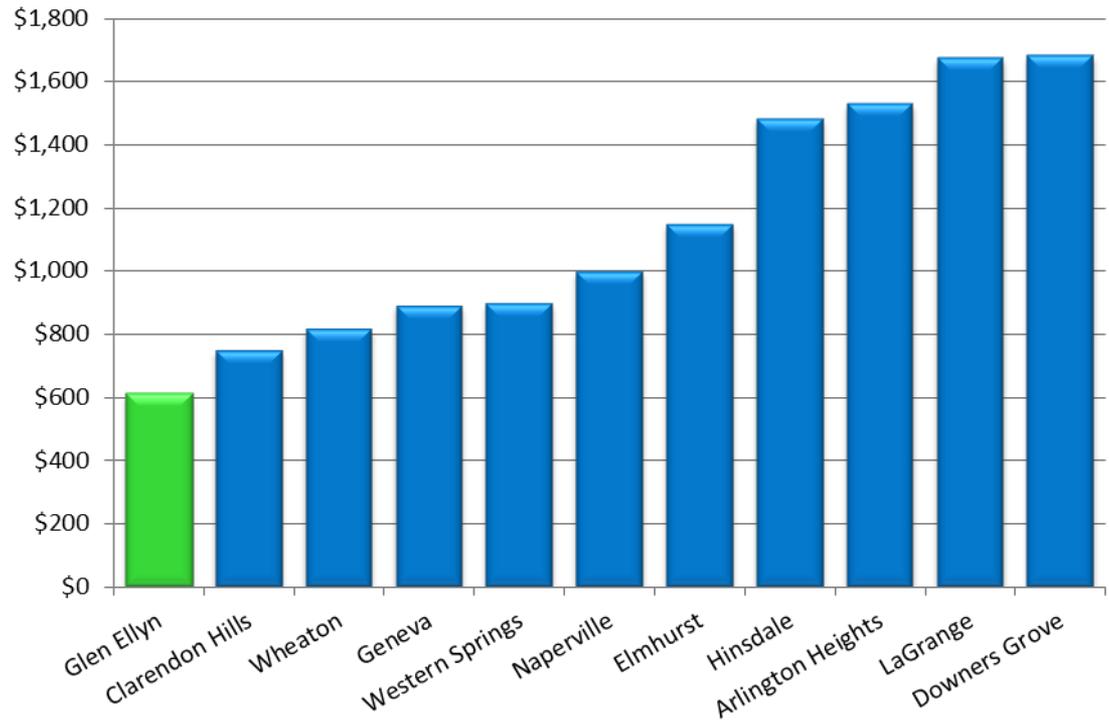


# Executive Summary

## Pension and OPEB Funding

- Pension and OPEB costs are one of the largest and fastest growing expense items for many municipalities.
- ***However, on a per capita basis, Glen Ellyn's unfunded pension and OPEB liability is at the low end of the peer group.***

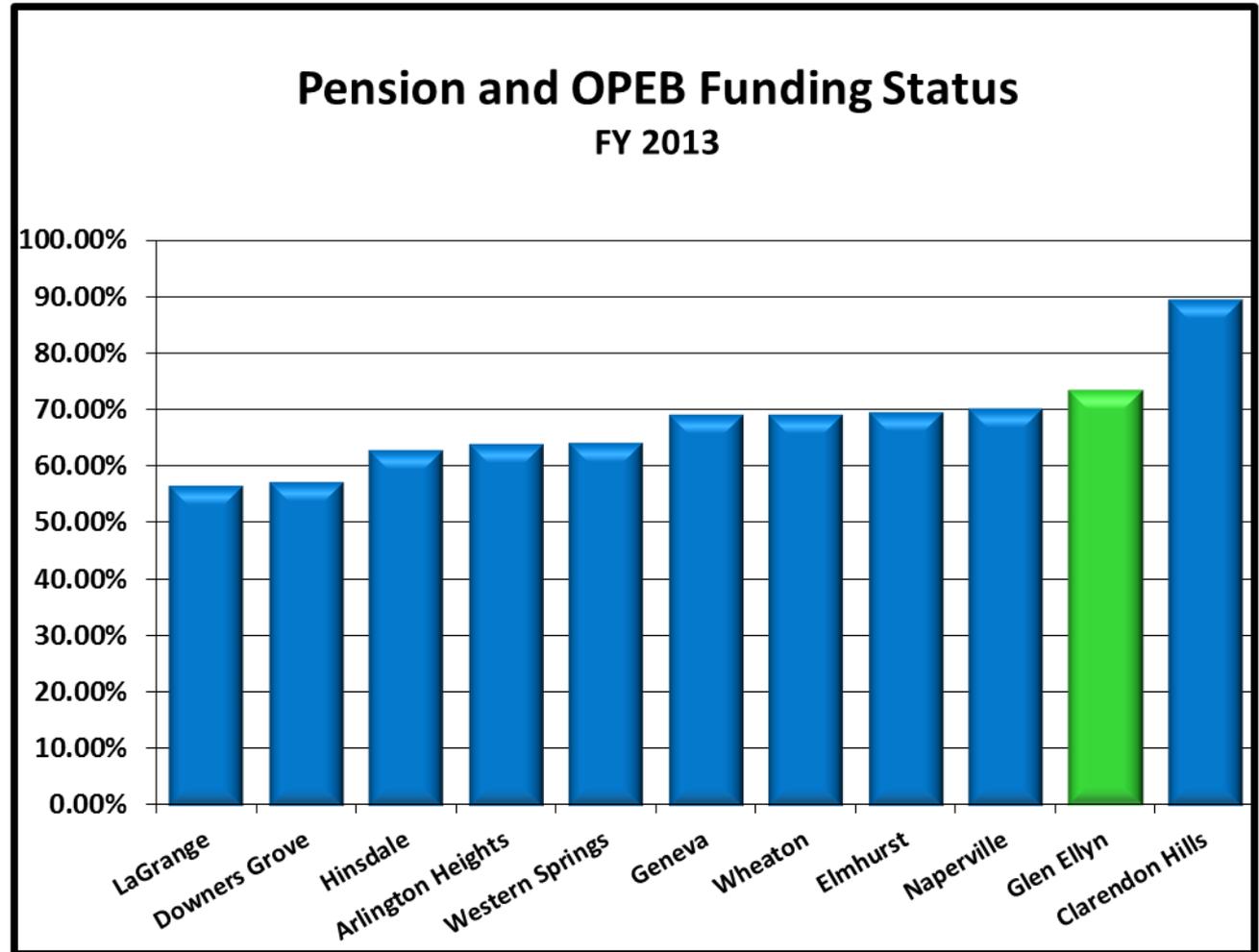
**Unfunded Pension Fund Liability (UAAL)\*  
per Capita  
FY 2013**



# Executive Summary

## Pension and OPEB Funding

- Glen Ellyn, like most of the peers, has funded approximately 70% of its total pension and OPEB obligation.*

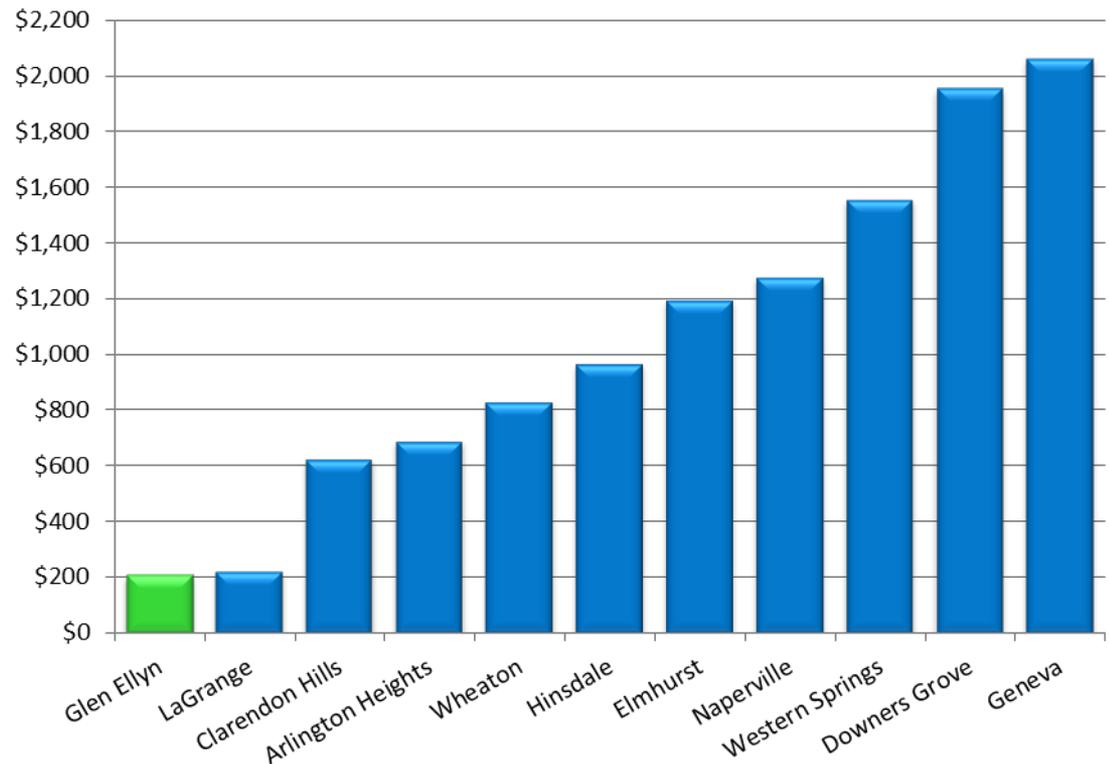


# Executive Summary

## Credit Strength

- Glen Ellyn maintains a healthy reserve balance in its General Fund.
- Glen Ellyn has one of the lowest ratios of debt to total property value among the peers.
- ***Glen Ellyn has one of the lowest levels of debt per capita among the peers.***

Debt per Capita  
FY 2013



# Conclusions

- Glen Ellyn is in a strong financial position with less debt and lower unfunded pension obligations than most of the peers.
- Glen Ellyn's spending per capita for fire protection is one of the lowest of the peer group.
- Annual spending per capita on police protection and general administrative expenses is also among the lowest of the peer group.
- While Glen Ellyn's sales tax revenues are more stable than the peers, economic revitalization and new development is desirable to generate more non-residential property taxes and more sales tax revenue.

# Conclusions

(continued)

- This study provides meaningful perspective on Glen Ellyn's performance relative to a group of peers. This information, in conjunction with the Five Year Financial Forecast, is critical for evaluating past performance and setting long term policy/goals.
- This study can be improved by continuing to analyze all revenue and expense categories over five or ten years. It may also be desirable to make modest refinements to the peer group over time.
- The effort required to produce this report is substantial but it is worth the investment. The Finance Commission recommends that this report be enhanced and updated on an annual basis with detailed review/analysis at the FC level and with a formal report of findings submitted to the Village Board.

## II. Peer Communities

# Peer Communities

- Selection criteria
  - Commuter train service
  - Downtown business district
  - Often considered along with Glen Ellyn by new home buyers
- Ten peers selected

## DuPage Co.

Clarendon Hills  
Downers Grove  
Elmhurst  
Hinsdale  
Naperville  
Wheaton

## Cook Co.

Arlington Heights  
LaGrange  
Western Springs

## Kane Co.

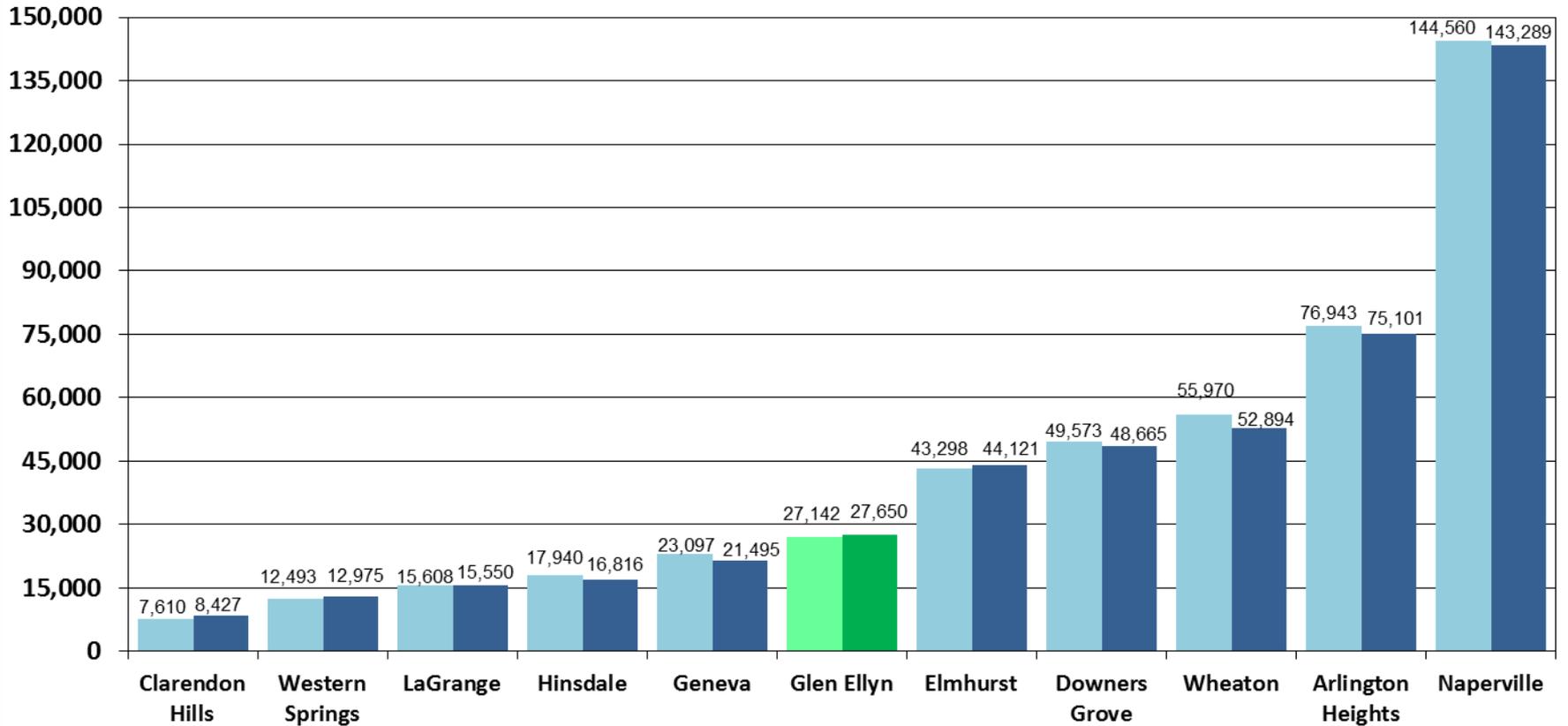
Geneva

# Peer Comparisons Can Be Tricky

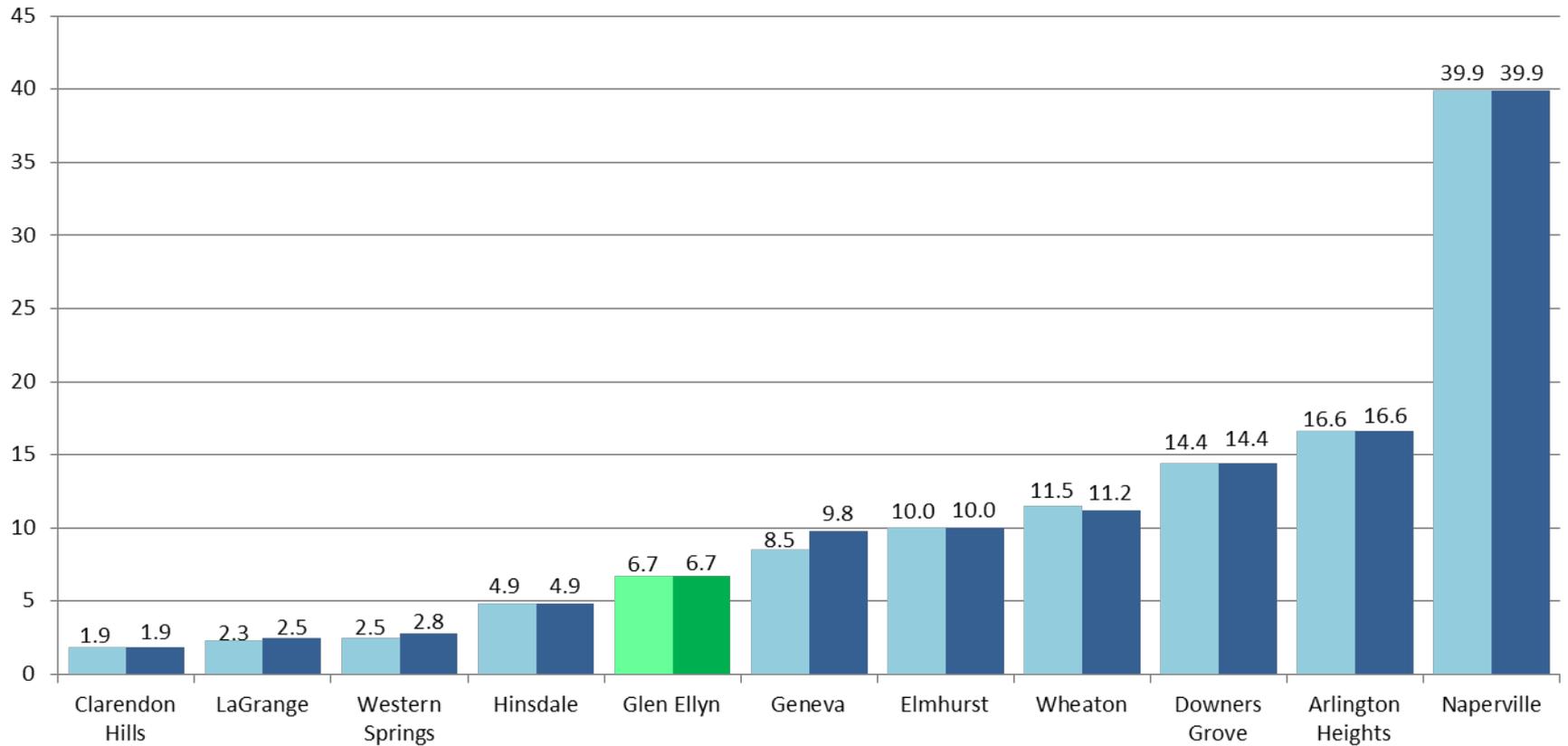
- Different sizes
- Different service offerings
  - Glen Ellyn has a volunteer fire department
  - Village Links included in Glen Ellyn village finances
  - Park fees included in Hinsdale village finances
  - Etc.
- Different mix of residential and commercial property
- Different methods for calculating property taxes
- Different real estate values

# Population

## FY 2009 and FY 2013



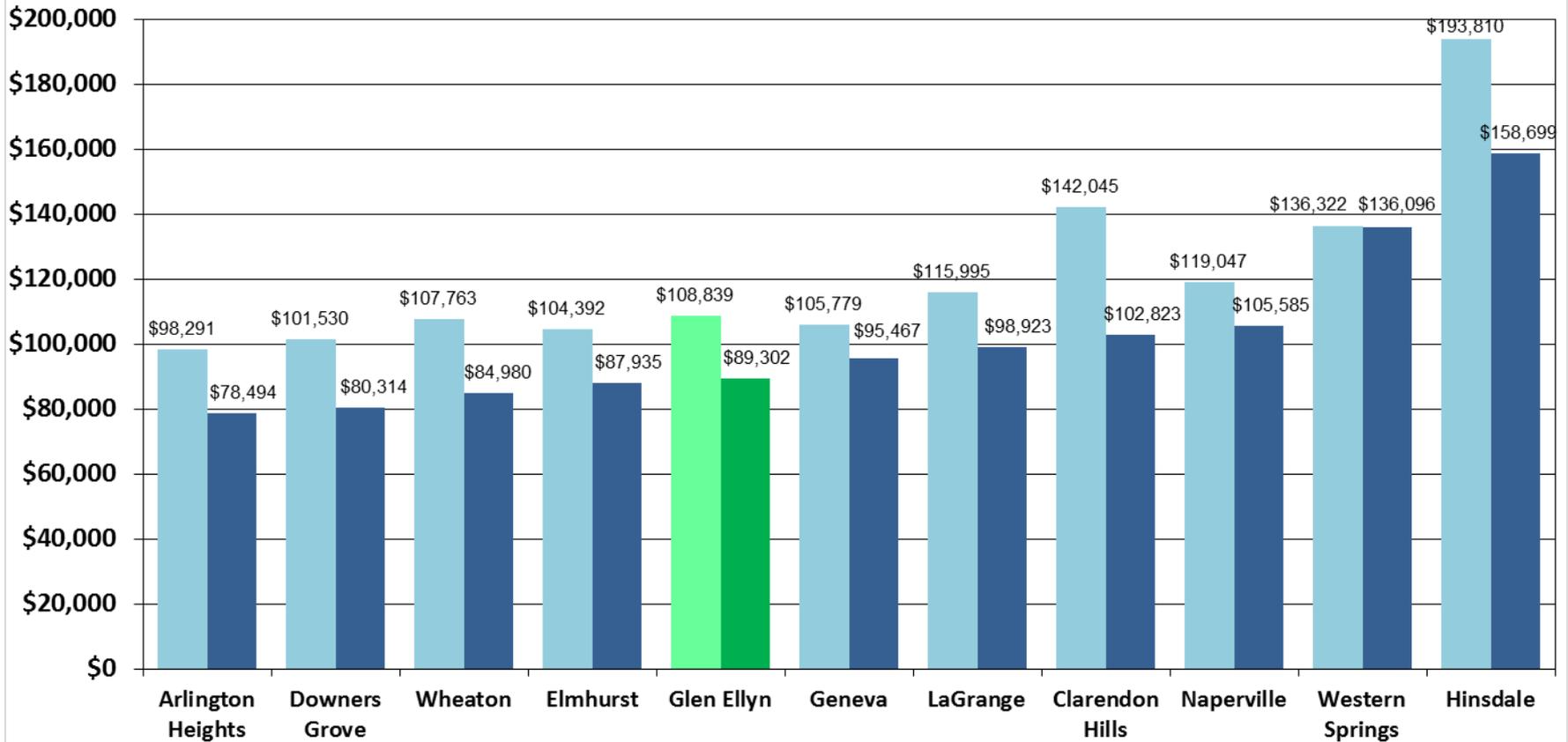
# Footprint Square Miles FY 2009 and FY 2013



Source: Comprehensive Annual Financial Reports

# Median Family Income

## FY 2009 and FY 2013



# III. Basic Property Tax Information for Glen Ellyn

# Sample 2013 Glen Ellyn Property Tax Bill

Tax Calculations Include Effect of Exemptions



## 2013 DU PAGE COUNTY (2012 Taxes) REAL ESTATE TAX BILL

2012 Rate*	District	Taxes	%
3.5720	Grade School District #41	4,423	45.3%
2.2868	High School District #87	2,832	29.0%
<b>0.5213</b>	<b>Village of Glen Ellyn</b>	<b>645</b>	<b>6.6%</b>
0.4114	Glen Ellyn Park District	509	5.2%
0.3276	Glen Ellyn Public Library	406	4.2%
0.2681	College of DuPage #502	332	3.4%
0.1929	DuPage County	239	2.4%
0.1542	DuPage Forest Preserve	191	2.0%
0.1159	Milton Township	144	1.5%
0.0168	DuPage Airport Authority	21	0.2%
<u>0.0103</u>	Glen Ellyn Mosquito District	13	0.1%
7.8773		<b>\$ 9,755</b>	100.0%

\* Per \$100 of assessed value.

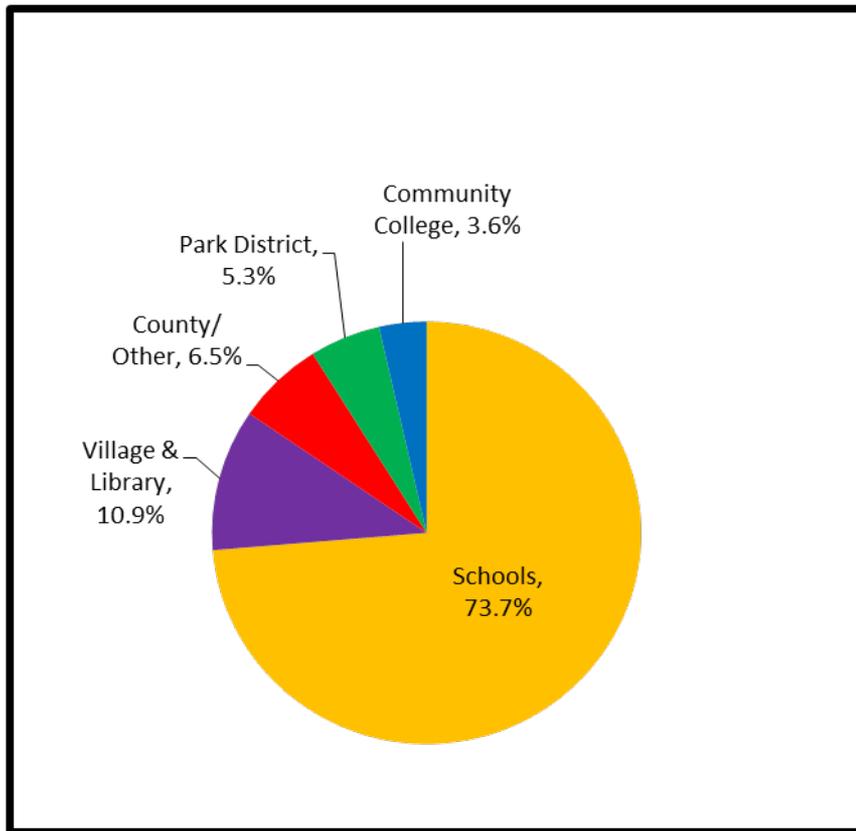
Equalized Assessed Value = \$129,820

Fair Cash Value - \$389,500

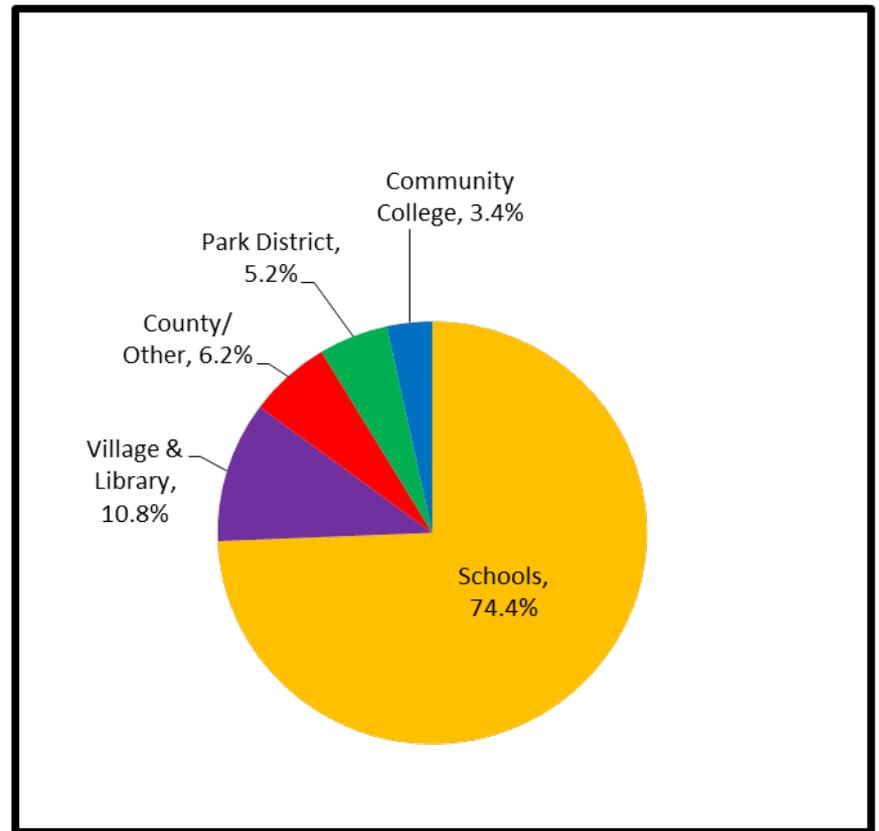
Glen Ellyn Median Value = \$373,600

# Glen Ellyn Property Tax Bill

**2009**

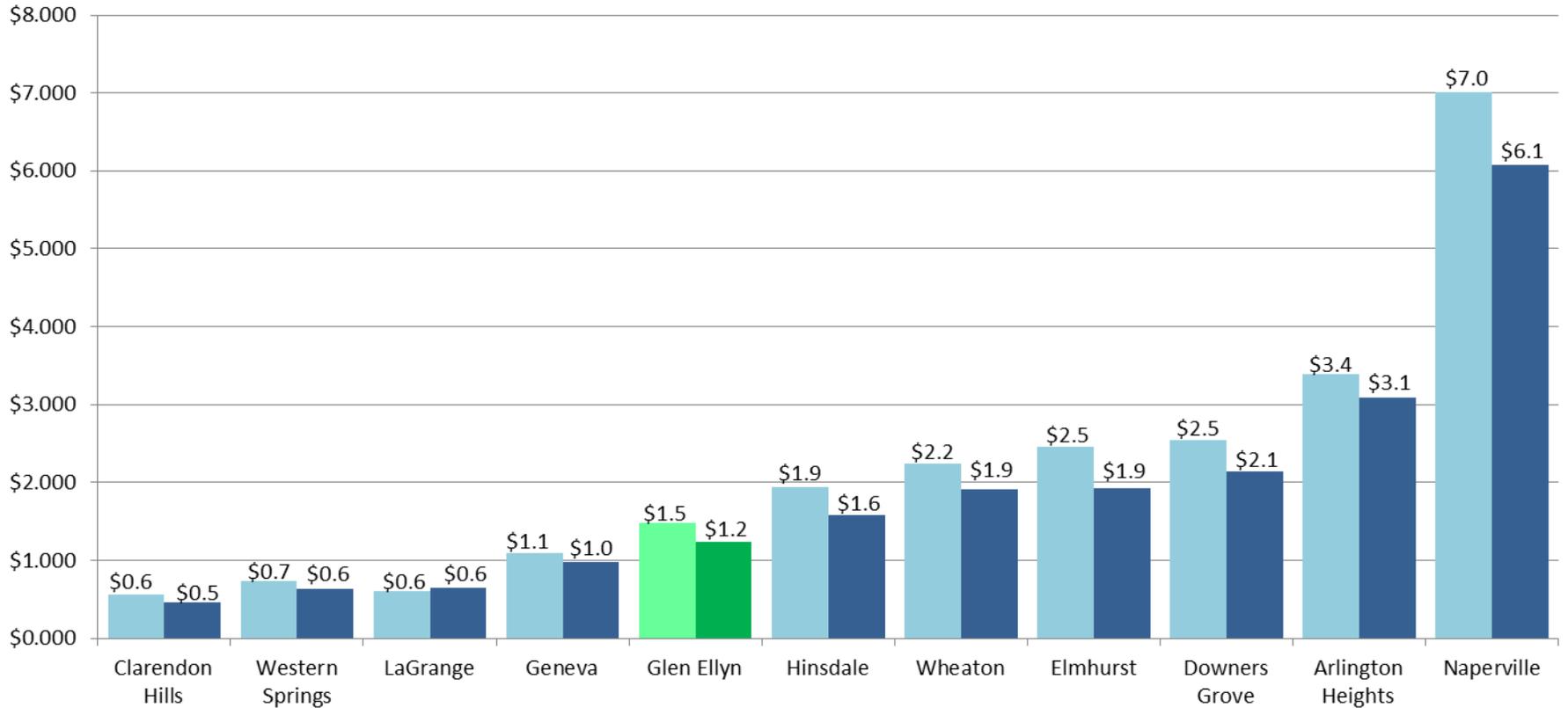


**2013**



# IV. Property Taxes

# Total Equalized Assessed Value (EAV) 2008 and 2012 (in Billions)

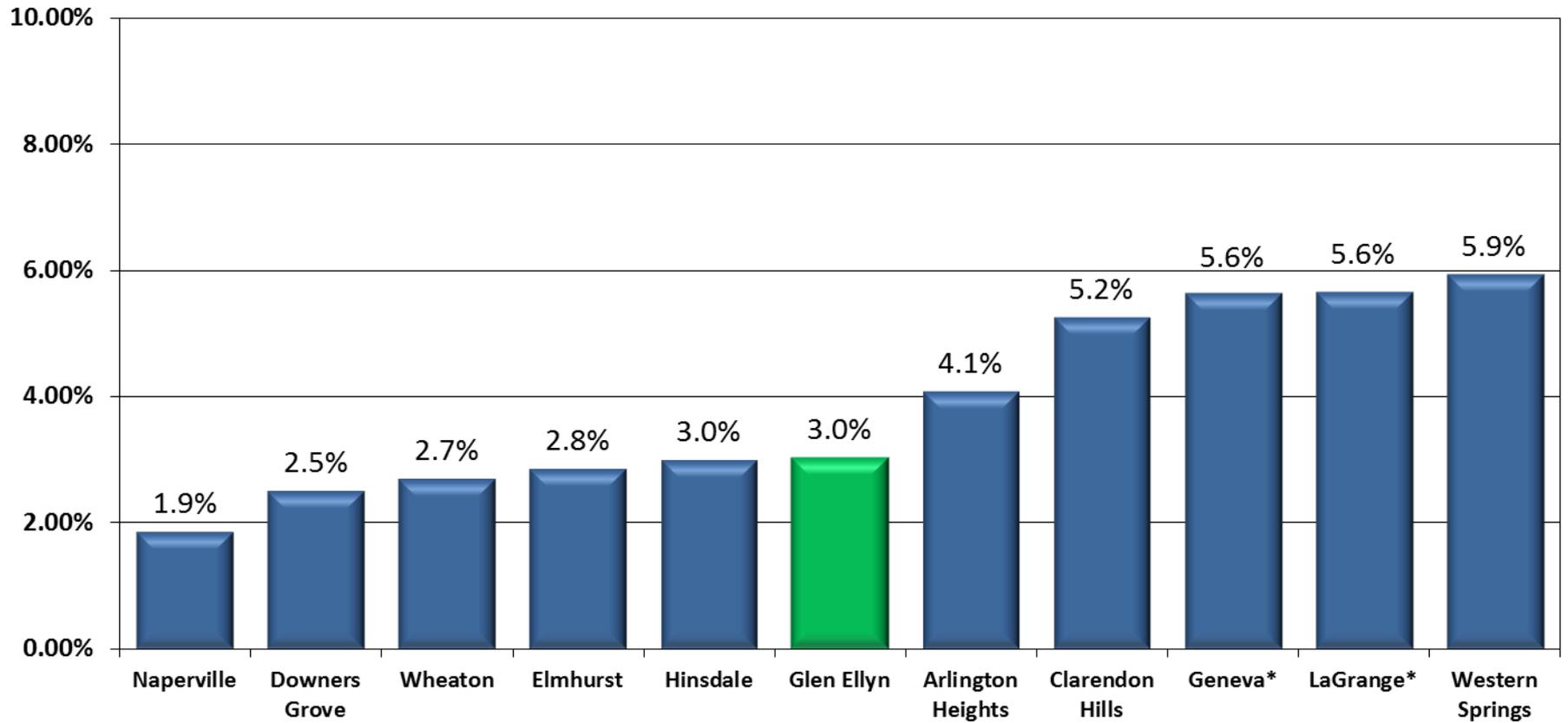


Source: Comprehensive Annual Financial Reports

2012 EAVs are reflected in property tax bills issued in 2013  
2008 EAVs are reflected in property tax bills issued in 2009

# Average Annual Growth in EAV

## 2003 - 2012

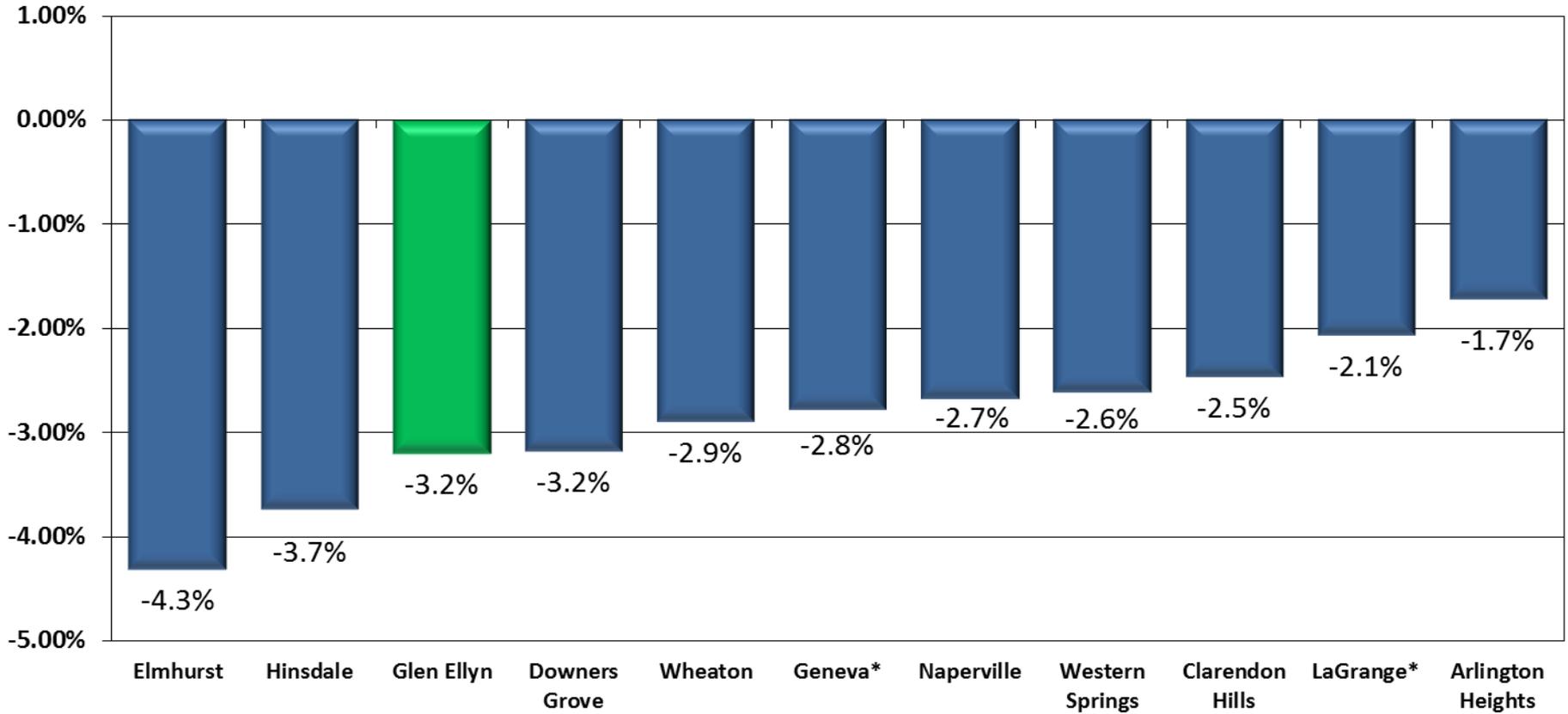


Source: Comprehensive Annual Financial Reports

\* 2002 – 2011 (most recent available)

# Average Annual Growth in EAV

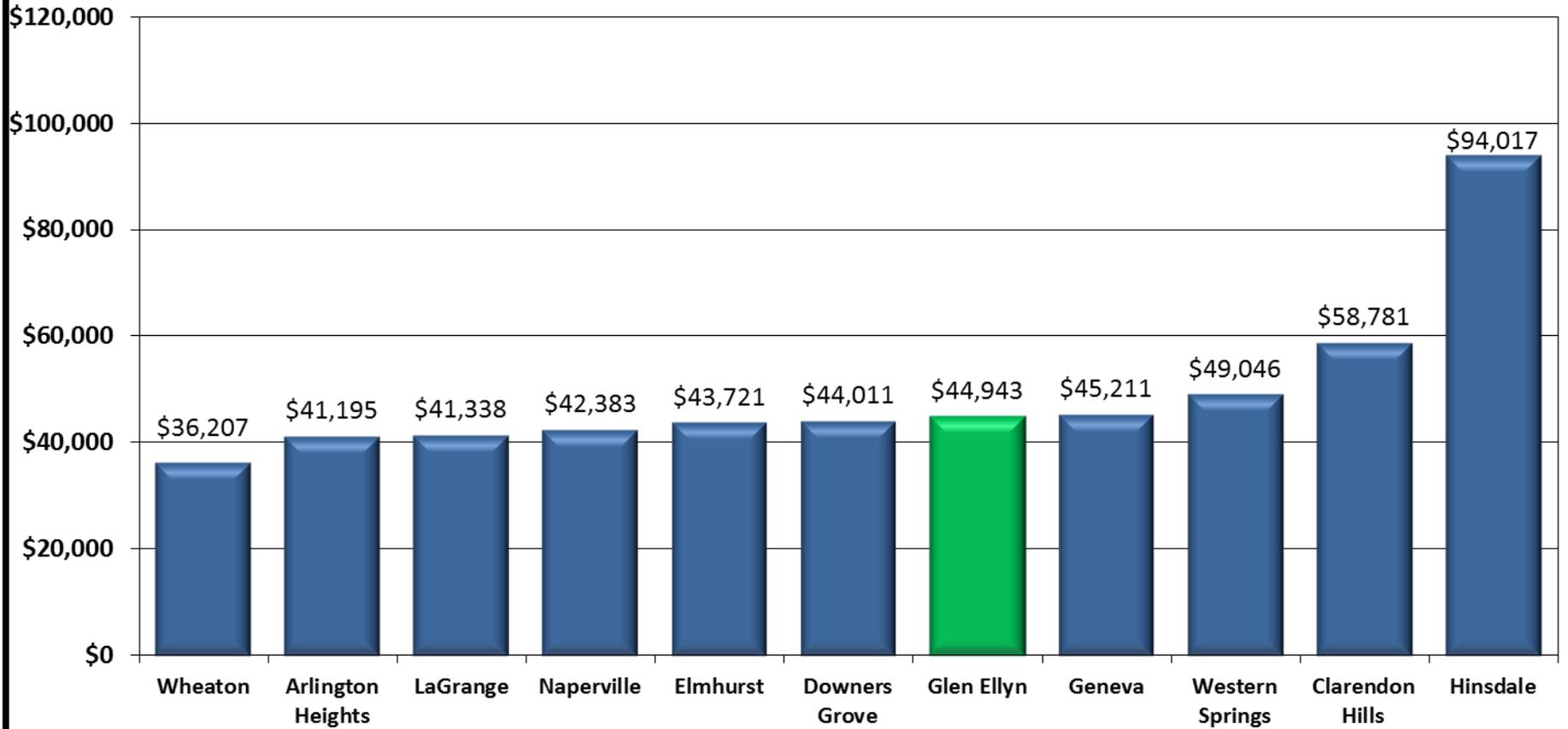
## 2008 - 2012



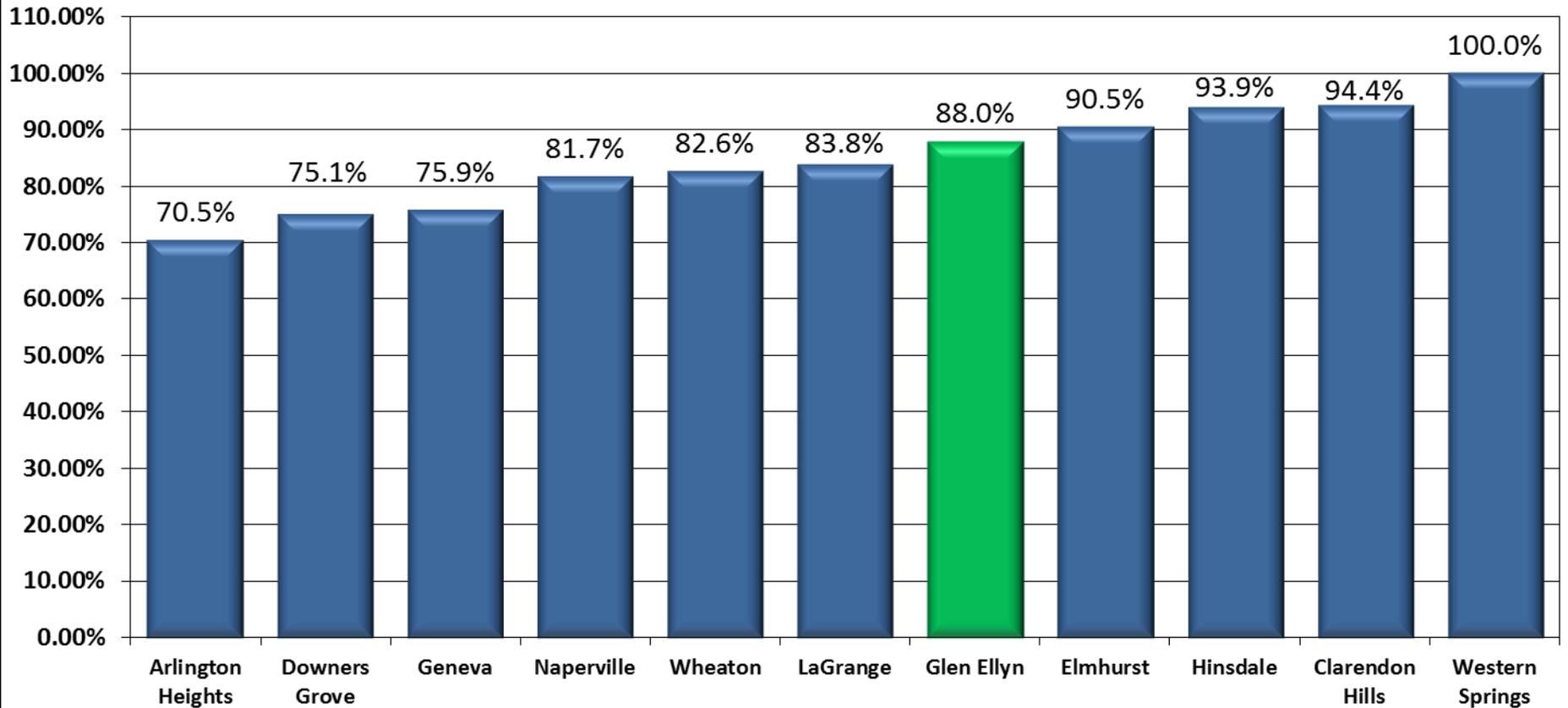
Source: Comprehensive Annual Financial Reports

\* 2008 – 2011 (most recent available)

# EAV per Capita 2012



# Residential Property % of Total EAV 2012



Source: Comprehensive Annual Financial Reports

Note: Western Springs does not present residential and non-residential in the Village's CAFR.

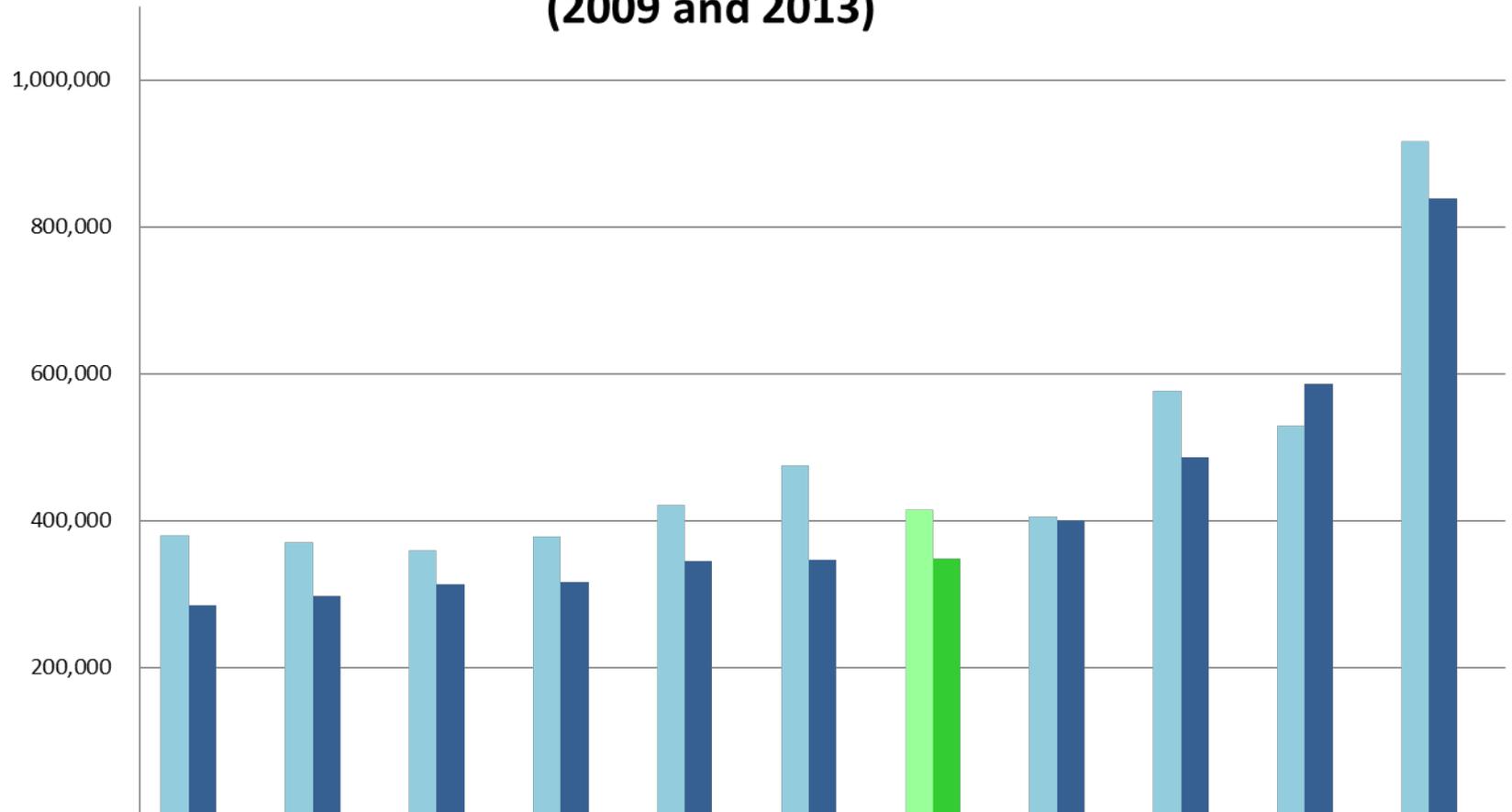
# Comparing Property Taxes

- Two methods for comparing property taxes
  - Constant value (e.g., \$400,000)
  - Median value for each community
- Constant value method highlights differences in tax rates only
- Median value method highlights differences in tax rates AND differences in property values
- Median value method produces more accurate picture of actual property tax bills in each community – and this is the method used herein

# Calculating Median Property Values

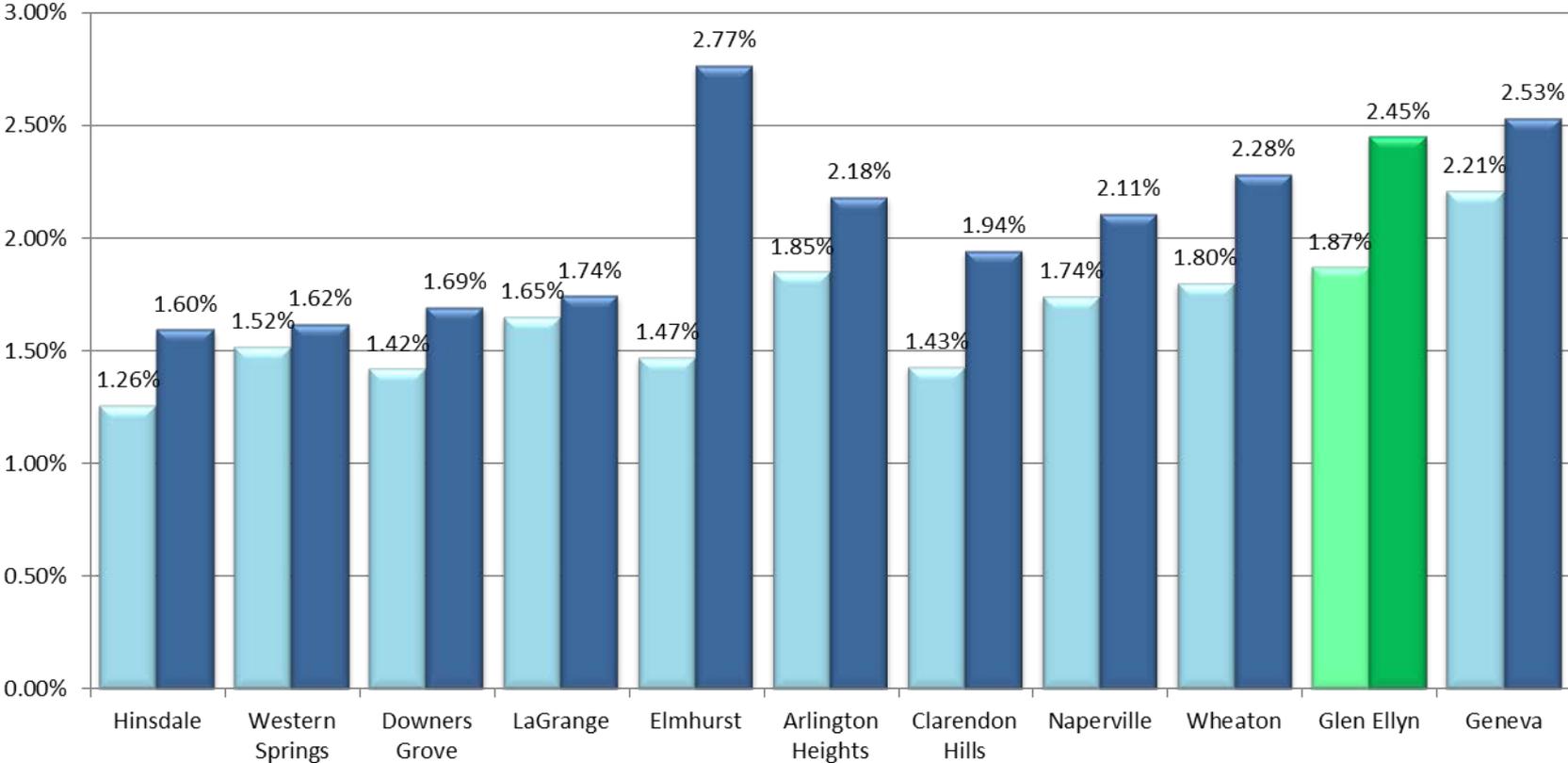
- Focus is on detached single family properties only (excludes townhomes/condos)
- Approximately 85% of residential property taxes are generated from single family detached properties in Glen Ellyn and the peer communities
- Information collected on all sales of single family detached properties in Glen Ellyn and peers for 2008 and 2013
- Median value calculated for each community for each year
- Property tax bills are based on three-year average of assessed value

# Median Property Values (2009 and 2013)

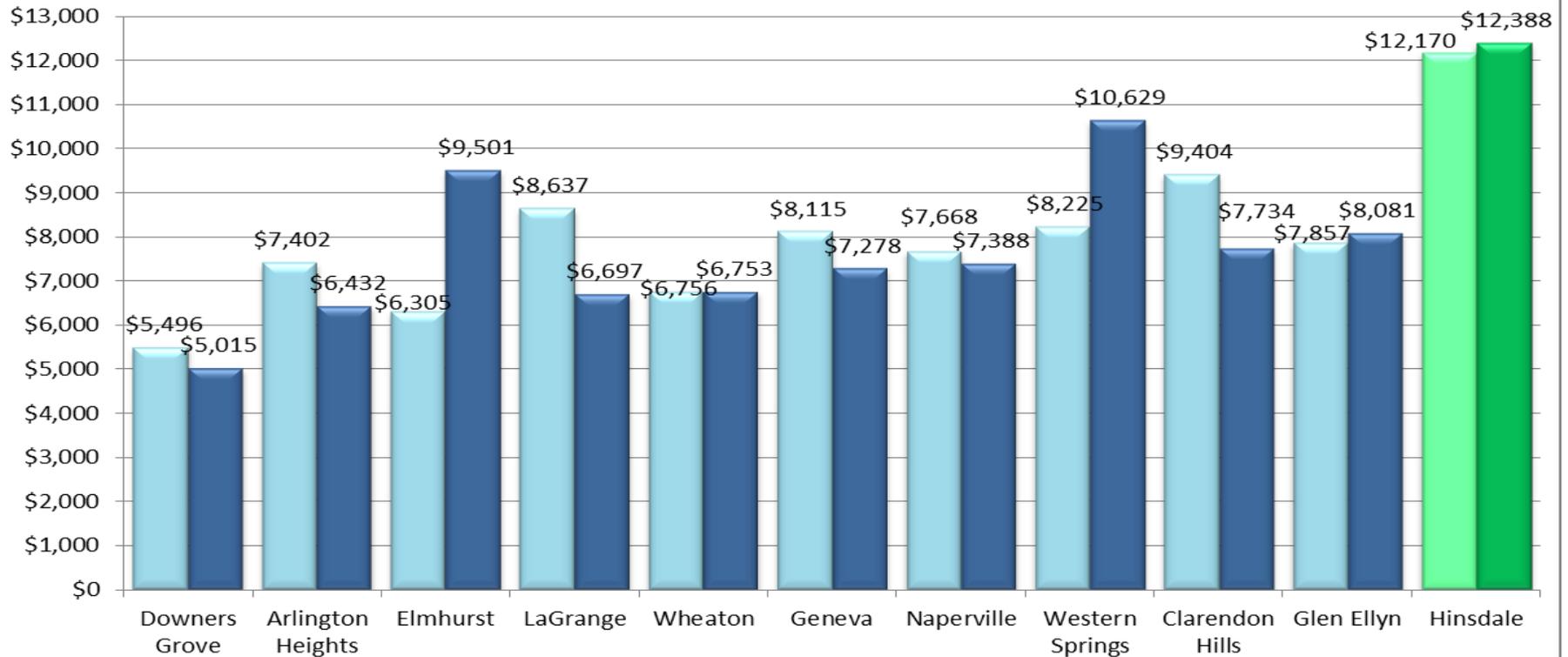


	Arlington Heights	Wheaton	Geneva	Downers Grove	Naperville	LaGrange	Glen Ellyn	Elmhurst	Clarendon Hills	Western Springs	Hinsdale
■ 2009	380,000	371,000	360,000	378,000	422,000	475,000	415,000	405,000	577,000	529,000	917,000
■ 2013	284,000	298,000	314,000	316,000	345,000	346,000	348,000	400,000	486,000	587,000	839,000
■ Percent Change	-25.3%	-19.7%	-12.8%	-16.4%	-18.2%	-27.2%	-16.1%	-1.2%	-15.8%	11.0%	-8.5%

# Total Property Tax Rate as a % of Property Value FY 2009 and 2013

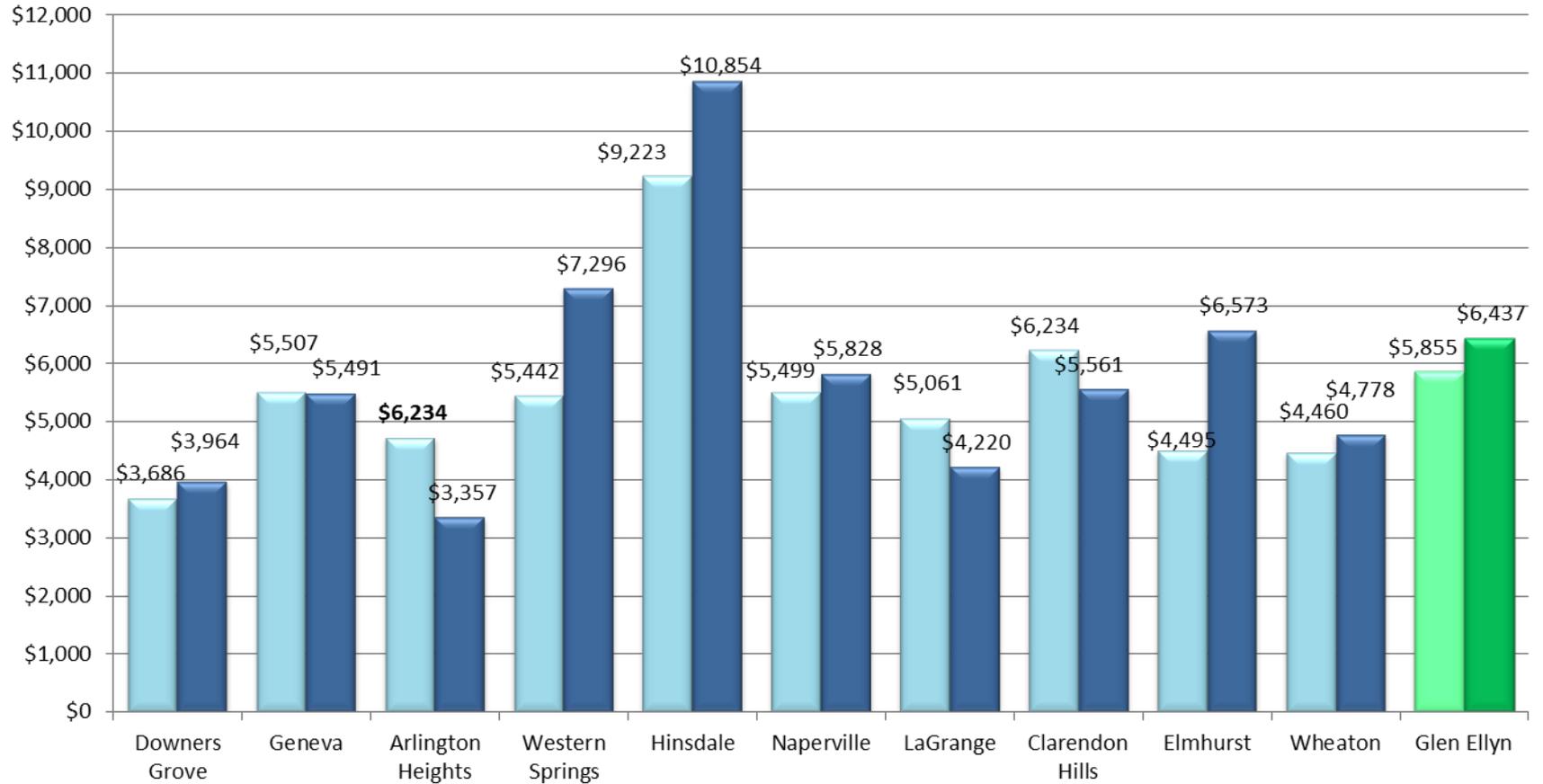


## Total Property Taxes FY 2009 and 2013

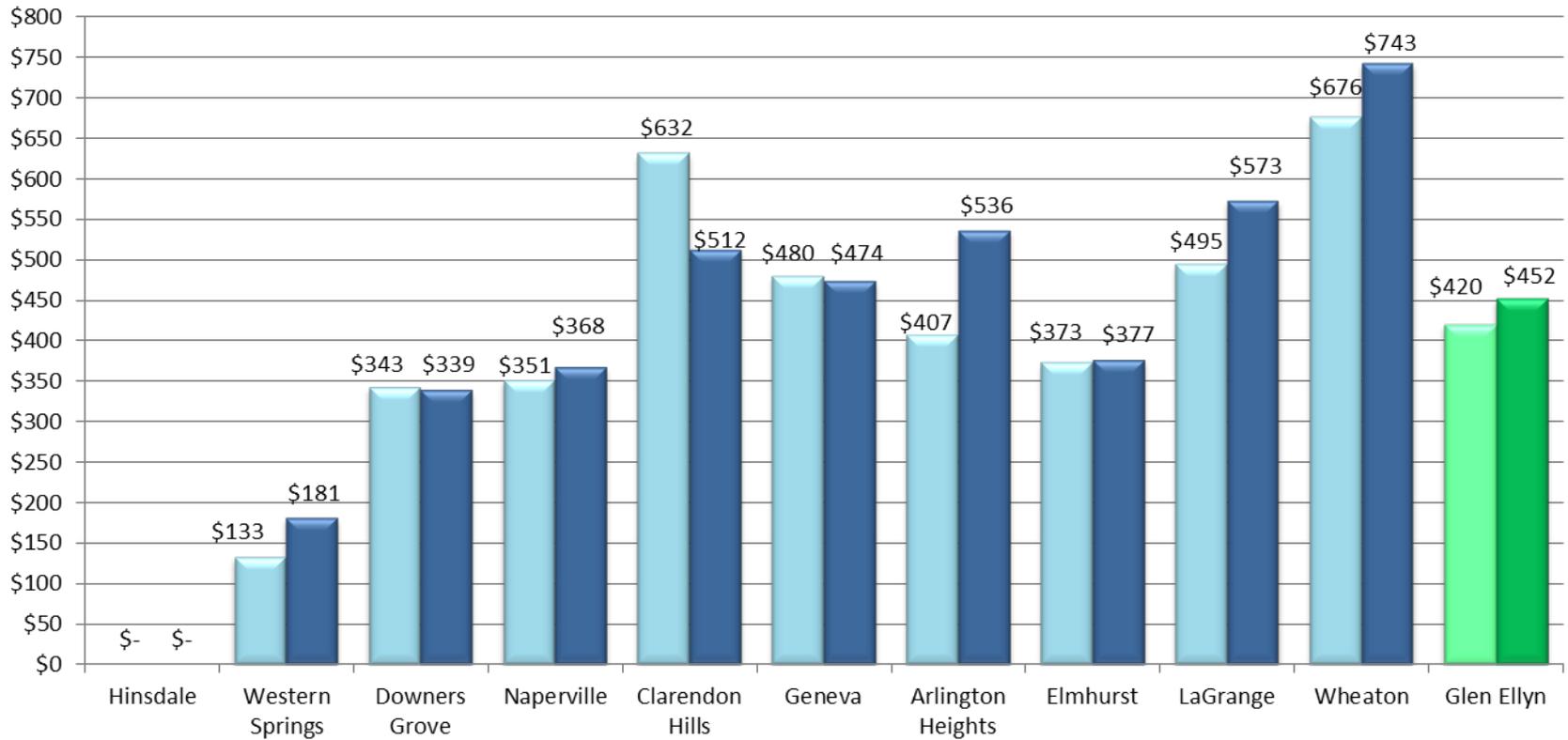


Note: 2013 data was obtained from Zillow. Discrepancies may arise as the amounts used show property taxes for a median property value home in the year presented – 2009 and 2013 data may not represent the same property.

## Property Taxes to Schools Median Value Property FY 2009 and FY 2013

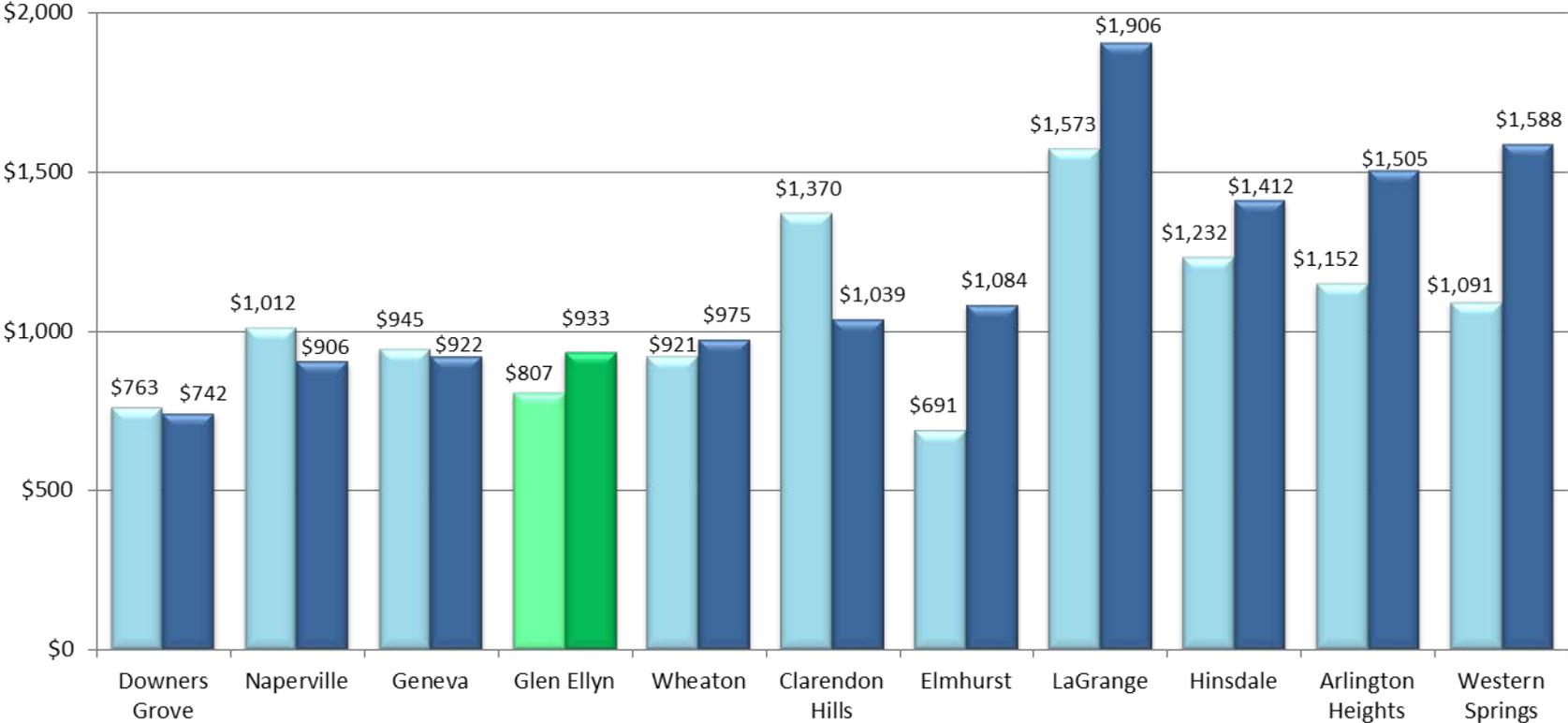


# Property Taxes to Park District Median Value Property FY 2009 and FY 2013



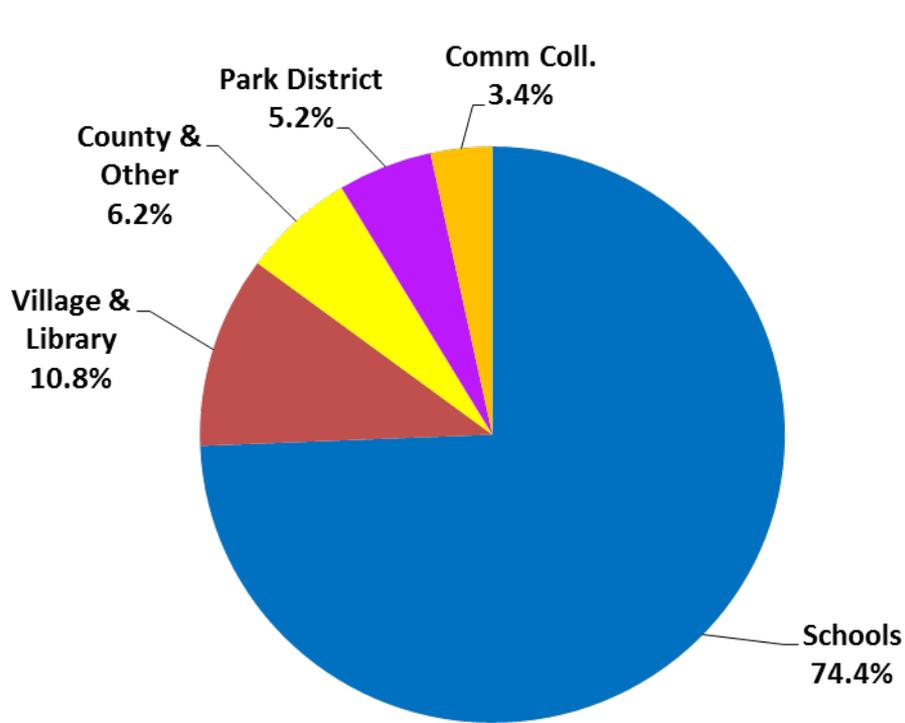
Note: Hinsdale park taxes are included in village taxes.

# Property Taxes to Village/City and Library Median Value Property FY 2009 and FY 2013

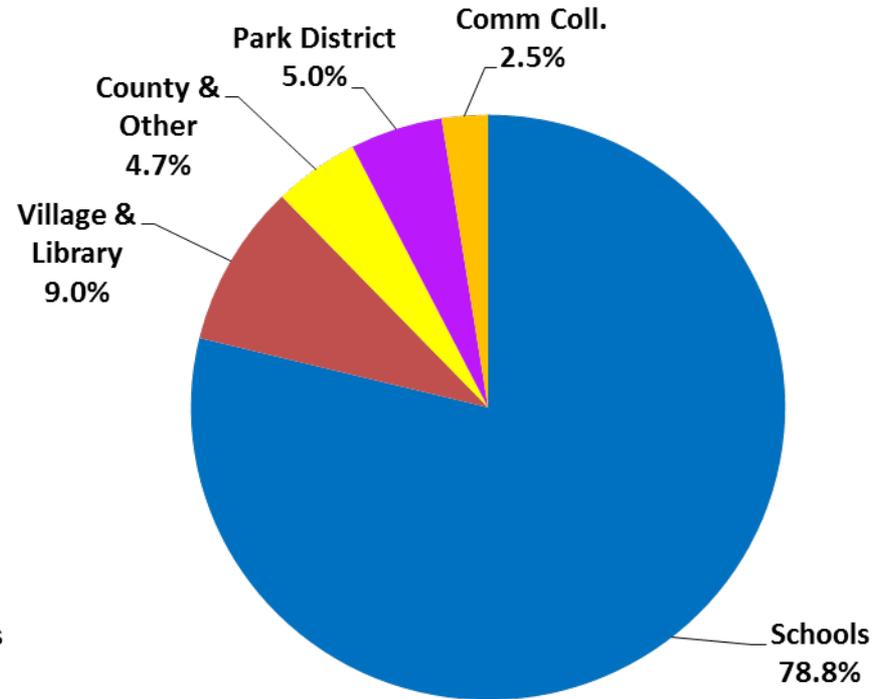


Note: Hinsdale park taxes are included in village taxes.

# Breakdown of 2013 Property Taxes

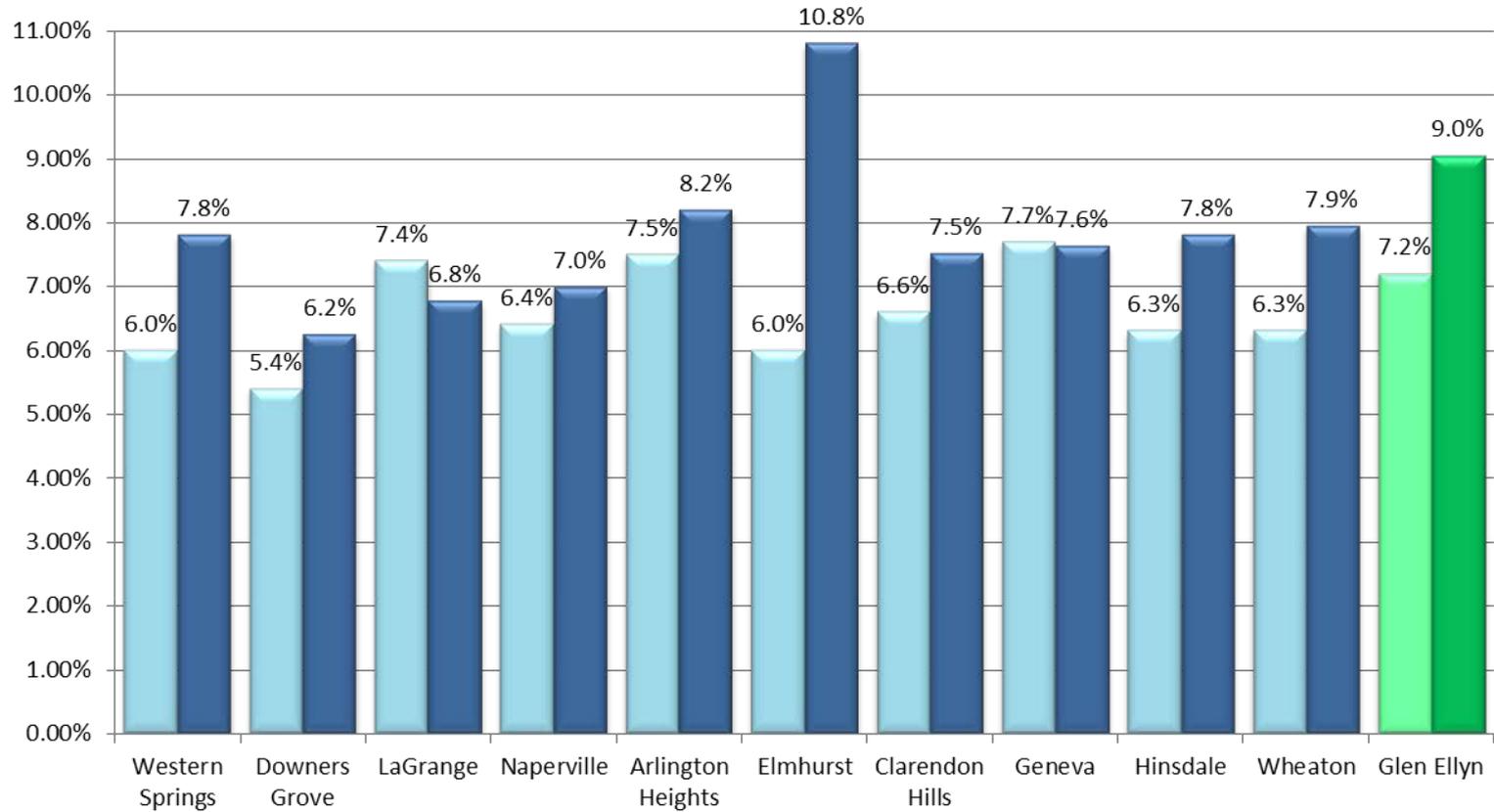


**Glen Ellyn**



**Average of 10 Peers**

## Property Taxes as a % of Median Family Income FY 2009 and 2013



# V. Revenue

# Revenue Sources

- **Property taxes** – the portion of each property tax bill that goes directly to the village.
  - **Sales taxes** – each village receives a standard portion of the state sales tax collected on transactions in their community plus the full amount of any special sales tax charged by that particular village.
  - **Utility taxes** – local taxes levied on telecommunications, electricity and natural gas.
  - **Income taxes** – each village receives a standard amount of the income taxes collected by the state of Illinois based on the number of residents in the village.
  - **Motor fuel taxes** – are received by all municipalities on a per capita basis from the state gasoline tax. An additional local tax can be added.
- These five sources make up approximately 75% of all governmental fund revenues for Glen Ellyn.
- **Other revenues** – Remaining 25% comes from charges for services, licenses & permits, fines, grants and interest income.

# Key Revenue Matrix

	Home Rule?	Special Sales Tax	Utility Tax - Telecom	Utility Tax - Electric <sup>1</sup>	Utility Tax - Gas	Motor Fuel Tax*	Local Motor Fuel Tax <sup>2</sup>	Food & Beverage Tax	Real Estate Transfer Tax <sup>3</sup>
<b>Arlington Heights</b>	Y	1.00%	6.0%	.377¢	2.4¢	X		1.25%	
<b>Clarendon Hills</b>	N		6.0%	.628¢	5.0%	X		1.00%	
<b>Downers Grove</b>	Y	1.00%	6.0%	.403¢	1.5¢	X	0.03		
<b>Elmhurst</b>	Y	0.75%	6.0%	.562¢	1.5¢	X		1.00%	\$ 1.50
<b>Geneva</b>	N	0.50%	6.0%		5.0%	X			
<b>Glen Ellyn</b>	Y	1.00%	6.0%	.569¢	2.0¢	X			\$ 3.00
<b>Hinsdale</b>	N	1.00%	6.0%	.628¢	5.0%	X		1.00%	
<b>LaGrange</b>	N	0.25%	4.0%	.353¢	3.0%	X			
<b>Naperville</b>	Y		5.0%	.538¢	4.0¢	X	0.02	1.00%	\$ 3.00
<b>Western Springs</b>	N		6.0%	.581¢	5.0%	X			
<b>Wheaton</b>	Y	1.00%	6.0%	.628¢	3.0¢	X			\$ 2.50

\* Per capita based State distribution.

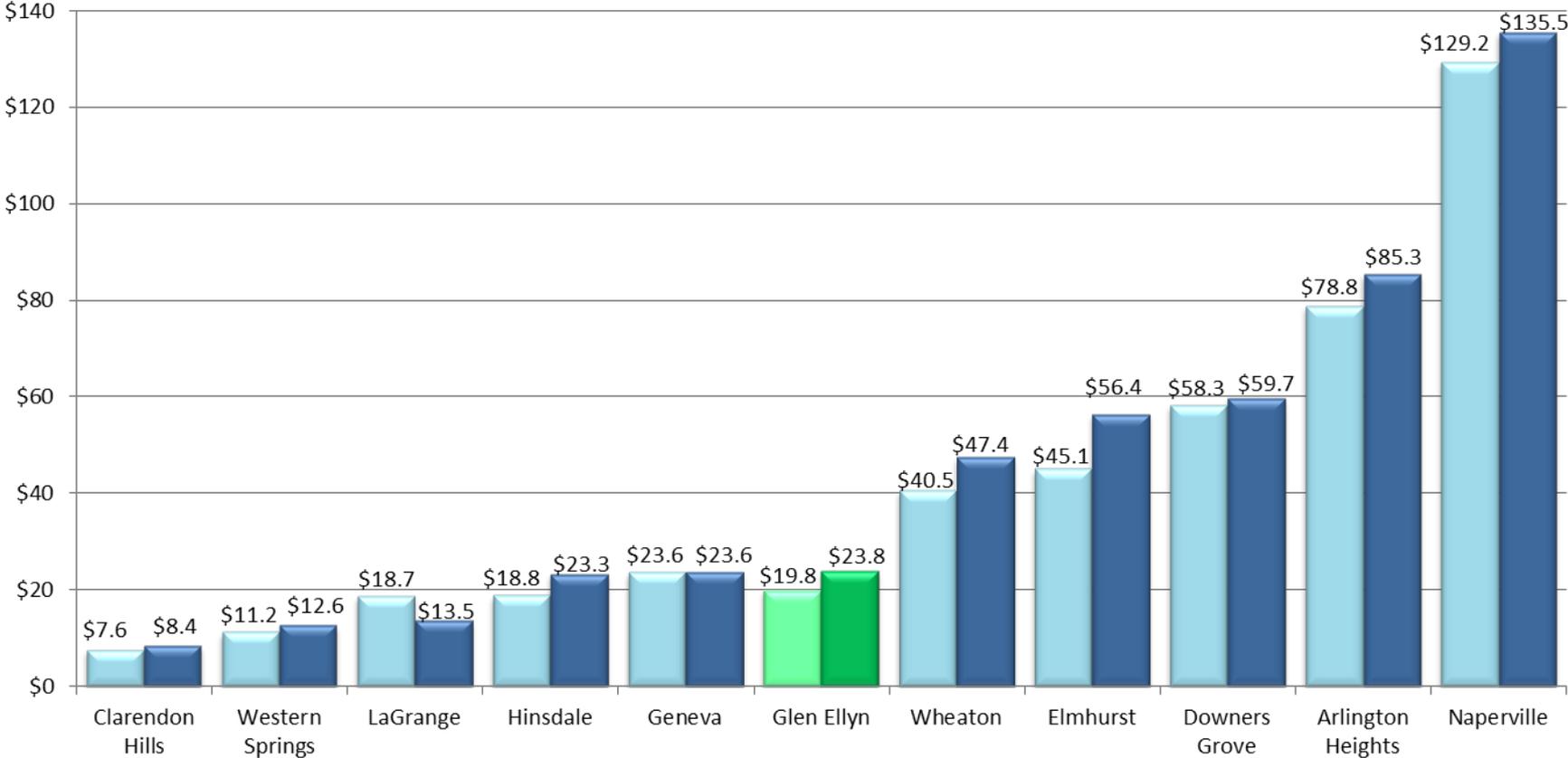
<sup>1</sup> Variable - Rate is for the first 2,000 kwh consumption.

<sup>2</sup> Per gallon.

<sup>3</sup> Per \$1,000 of contract sales price.

# Total Governmental Fund Revenues

## FY 2009 and 2013 (in millions)

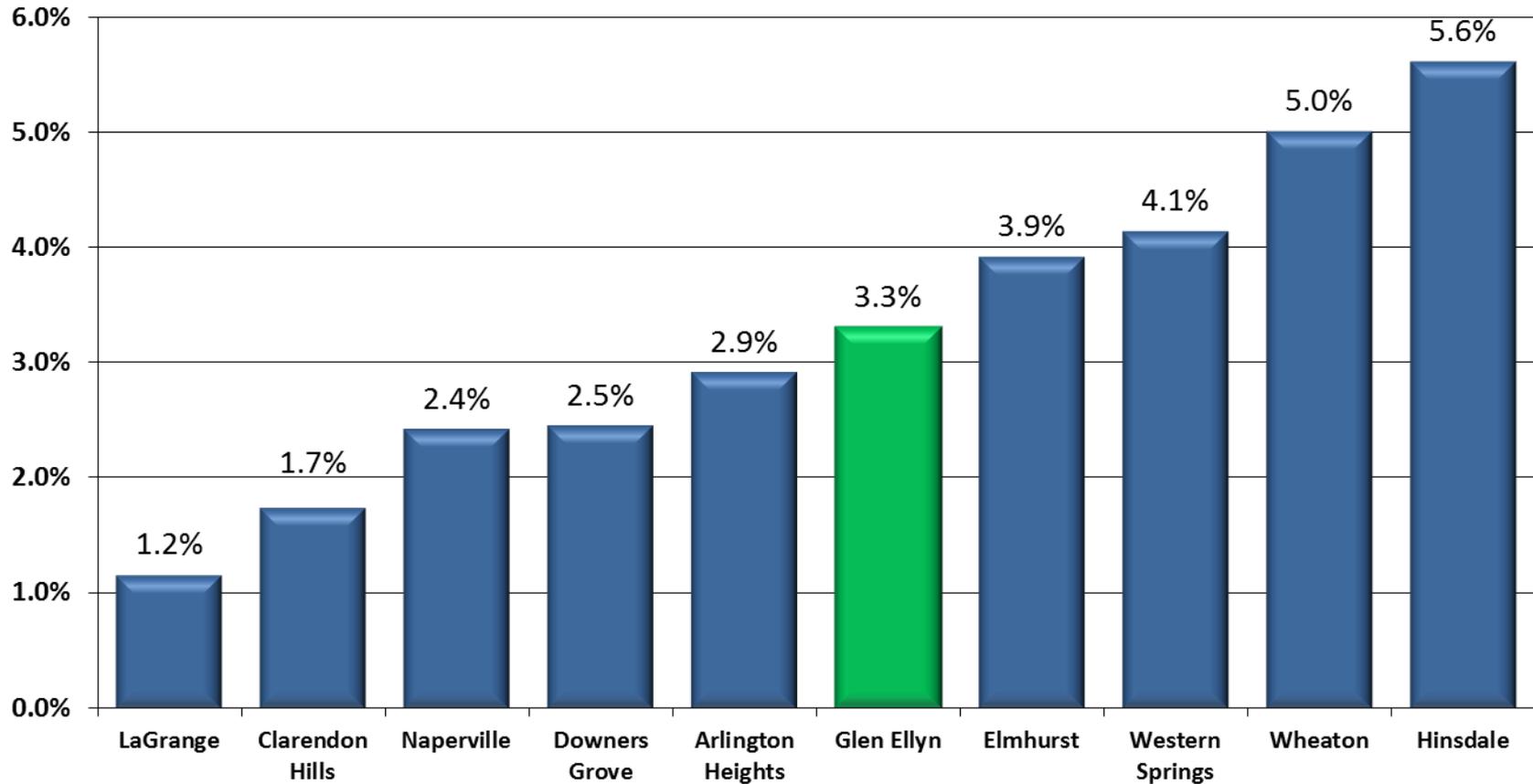


Source: Comprehensive Annual Financial Reports

Governmental Fund Revenues included most tax sources (including property taxes, income taxes, utility taxes, hotel taxes, real estate transfer taxes, motor fuel taxes, etc.) and other revenues such as fees, permits, charges for services, fines, licenses, grants and investment income.

# Total Governmental Fund Revenues

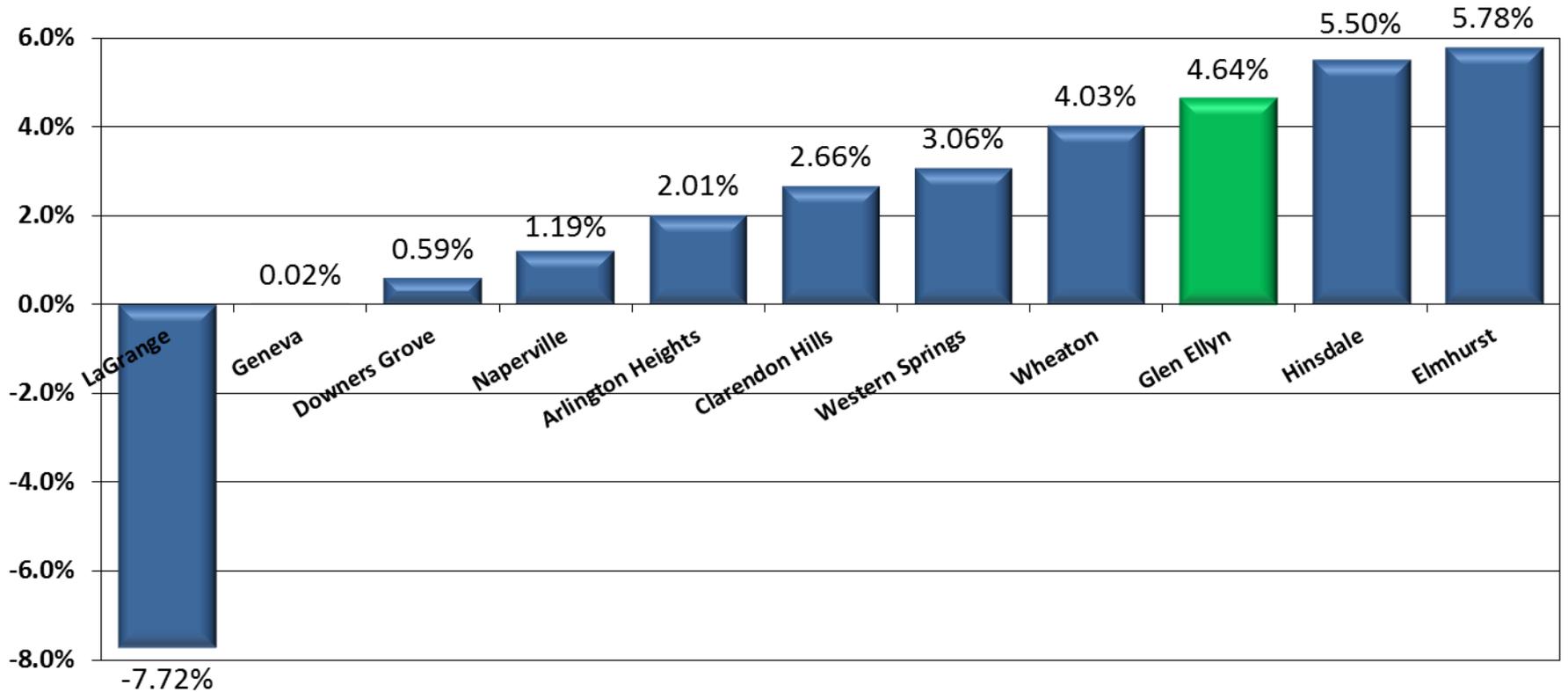
## 9 Year Average Annual Revenue Growth - FY04 to FY13



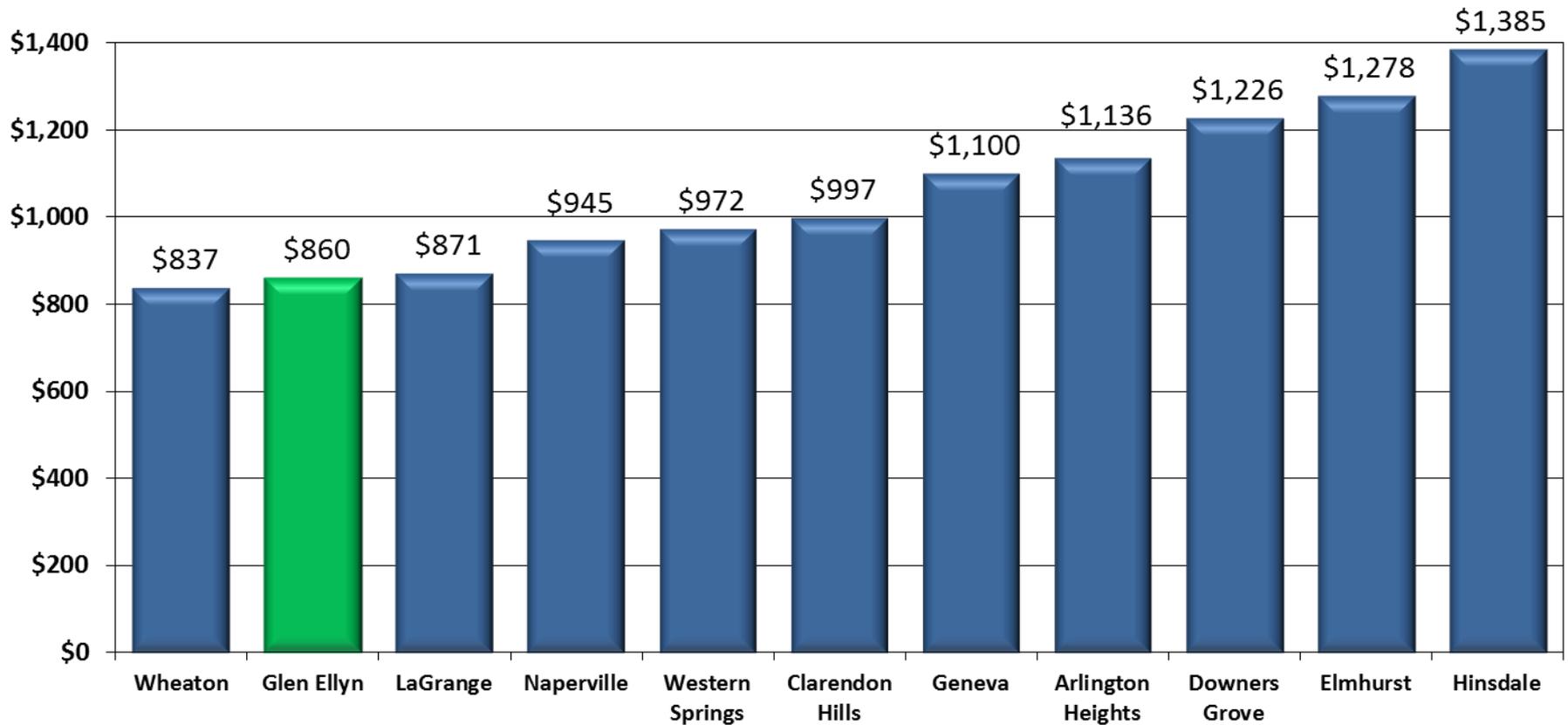
Source: Comprehensive Annual Financial Reports

# Total Governmental Fund Revenues

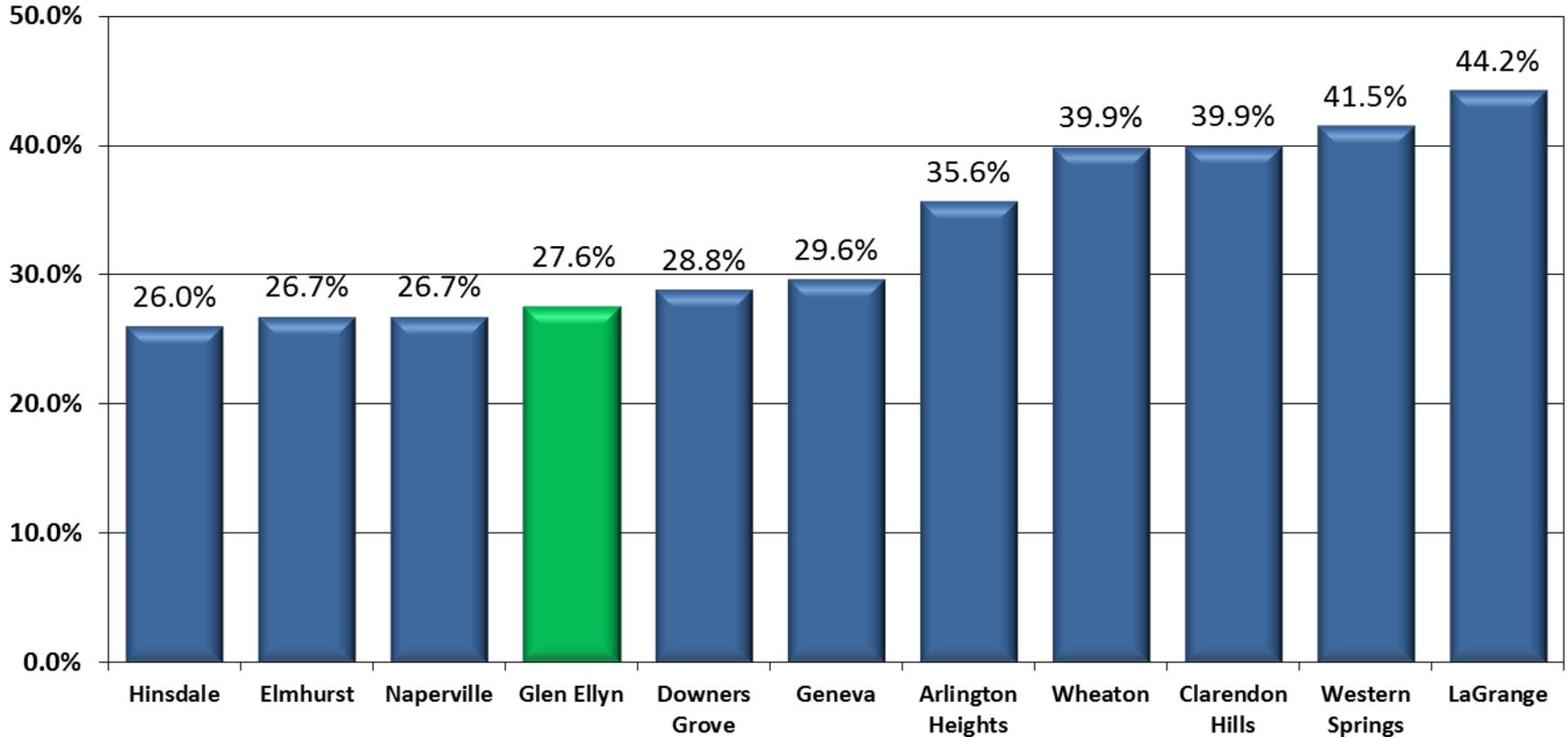
## Average Annual Revenue Change - 2009 to 2013



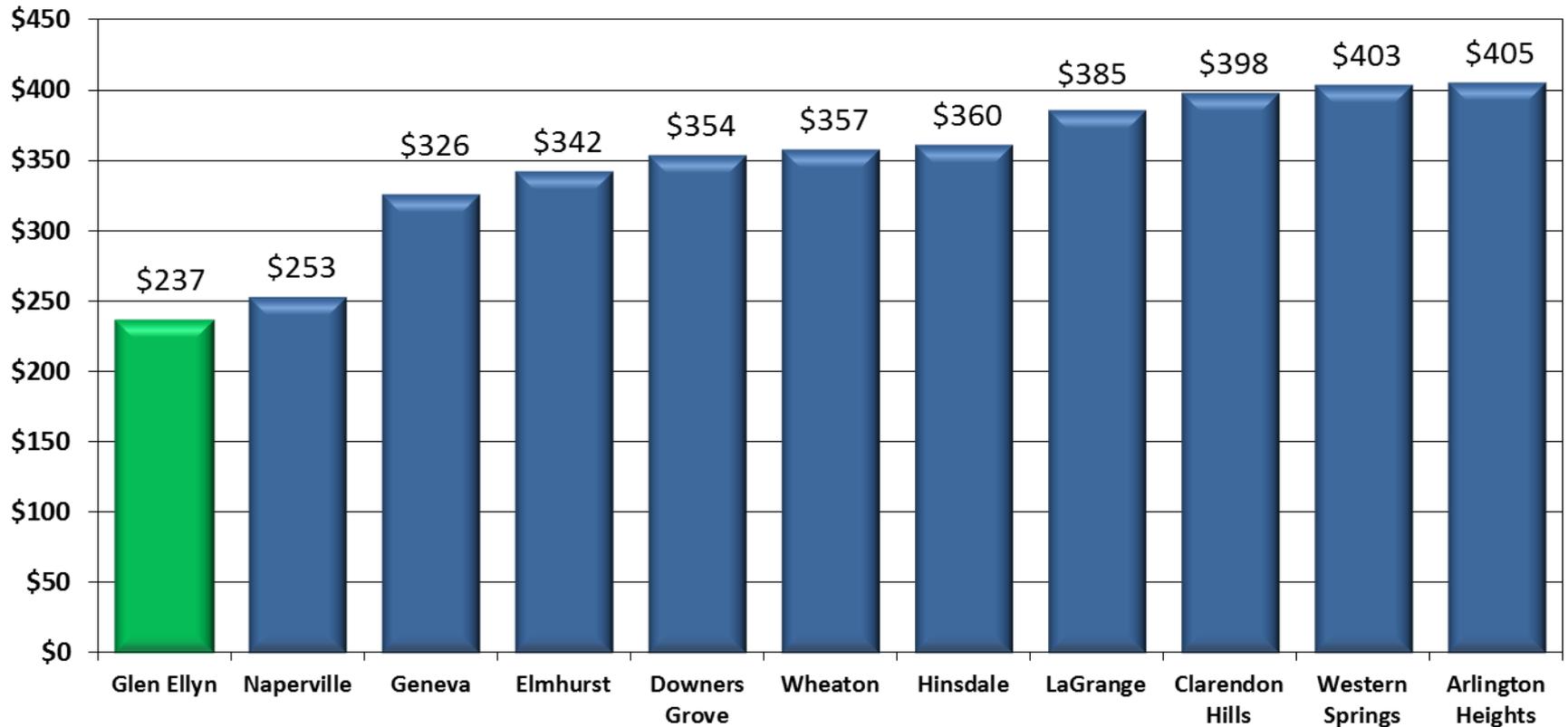
# Governmental Fund Revenues per Capita FY 2013



# Property Taxes as a % of Total Governmental Revenues FY 2013



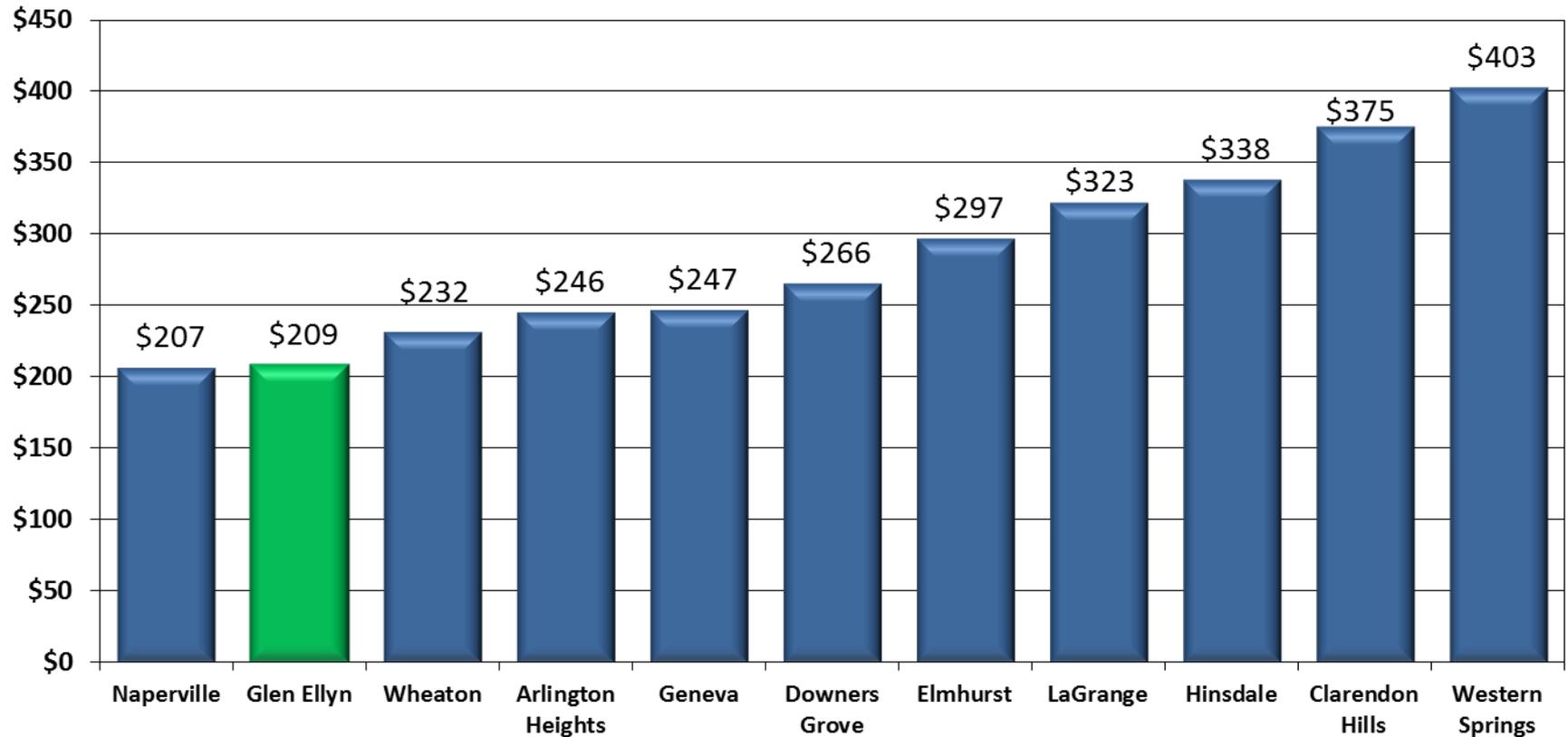
# Property Tax Revenue per Capita FY 2013



Source: Comprehensive Annual Financial Reports

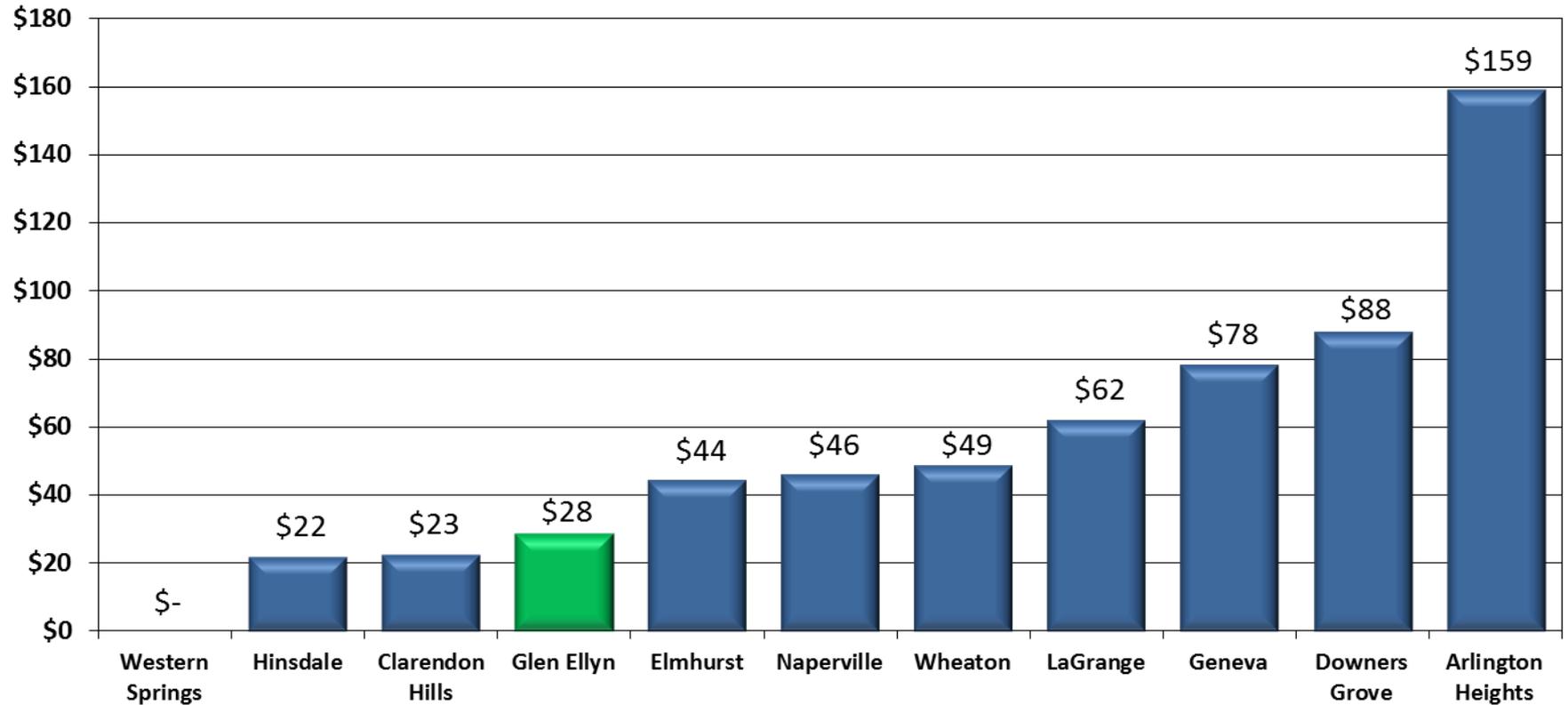
This represents property taxes collected by the municipality only.

# Residential Property Tax Revenue Per Capita FY 2013



Source: Comprehensive Annual Financial Reports  
This represents property taxes collected by the municipality only.

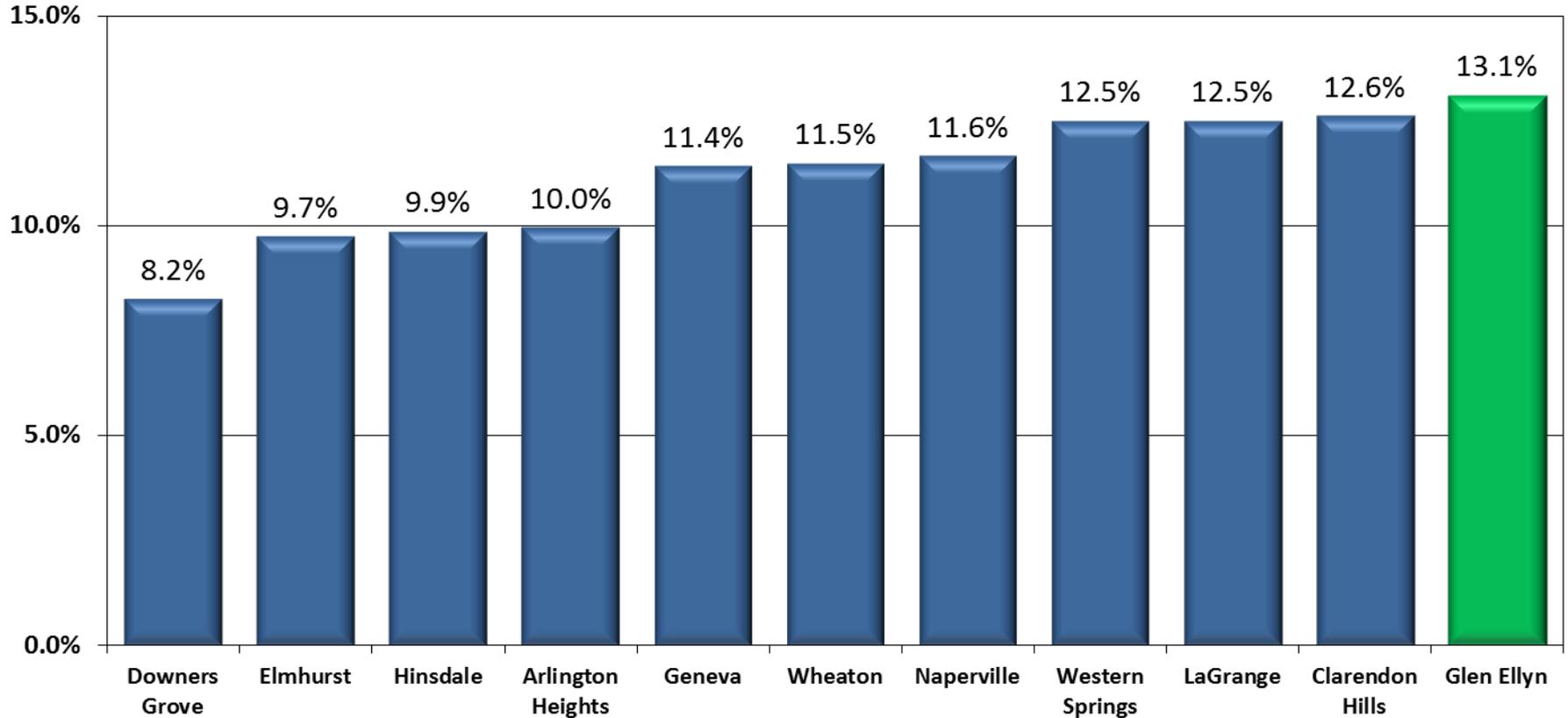
# Non-Residential Property Tax Revenue per Capita FY 2013



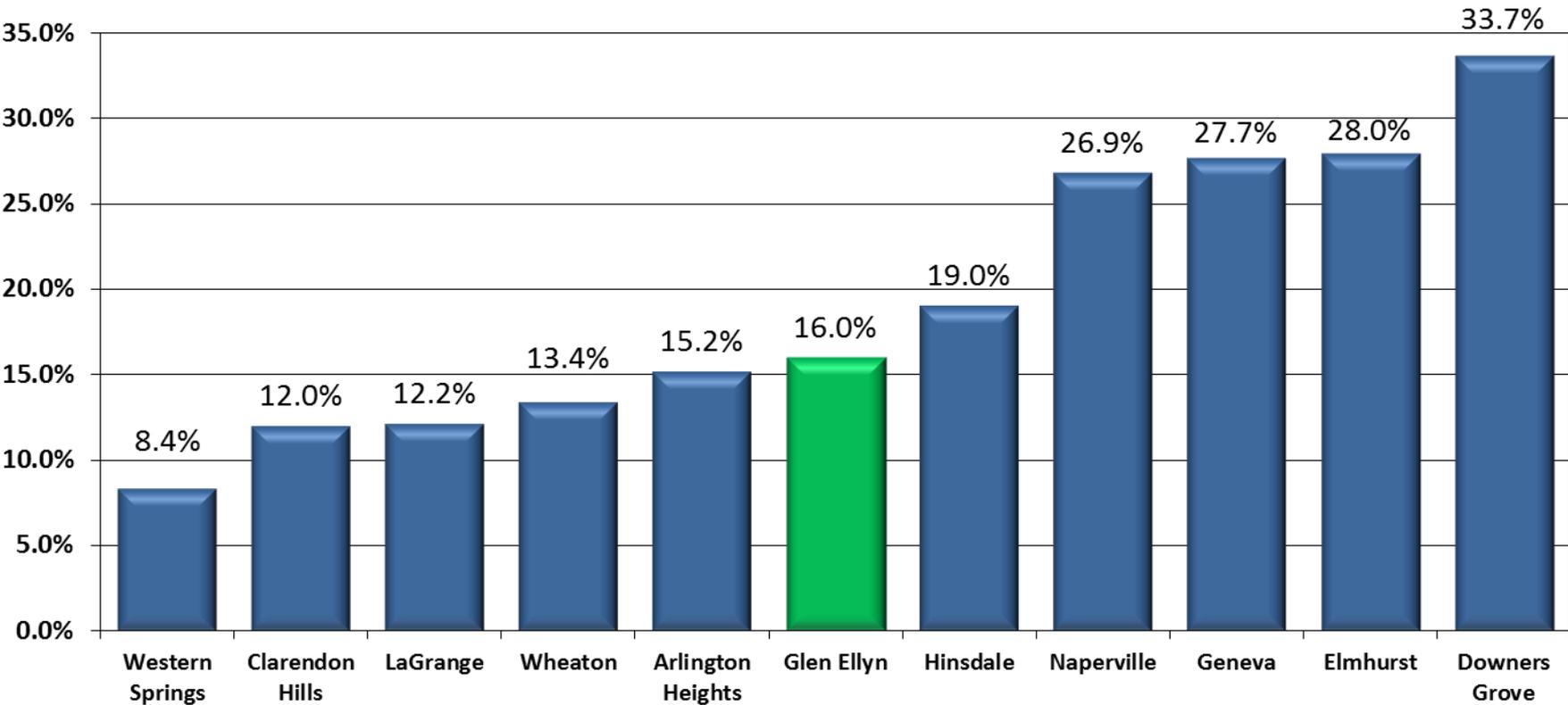
Source: Comprehensive Annual Financial Reports

This represents property taxes collected by the municipality only.

# Income Taxes as a % of Total Governmental Revenues FY 2013



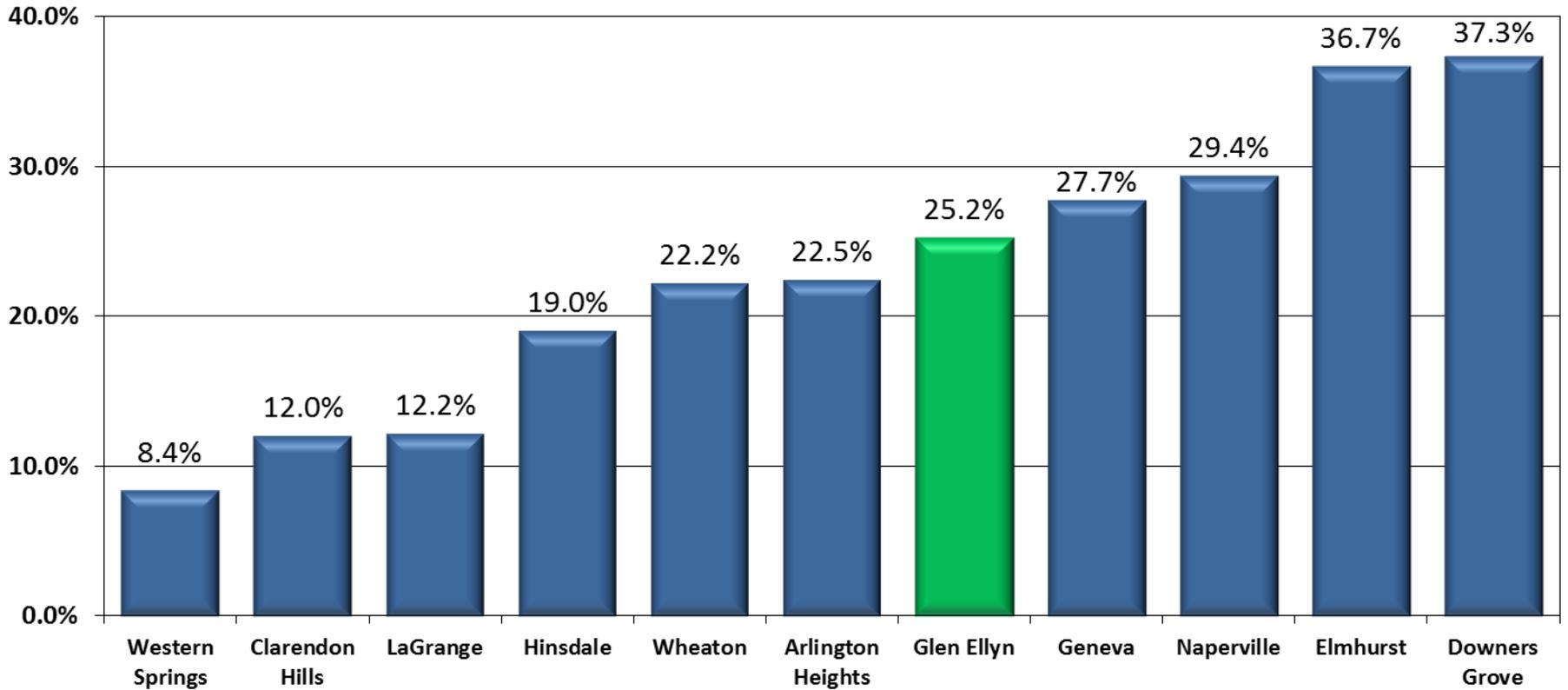
# Sales Taxes as a % of Total Governmental Revenues - FY13



Source: Comprehensive Annual Financial Reports

Does not include additional locally imposed home rule sales tax

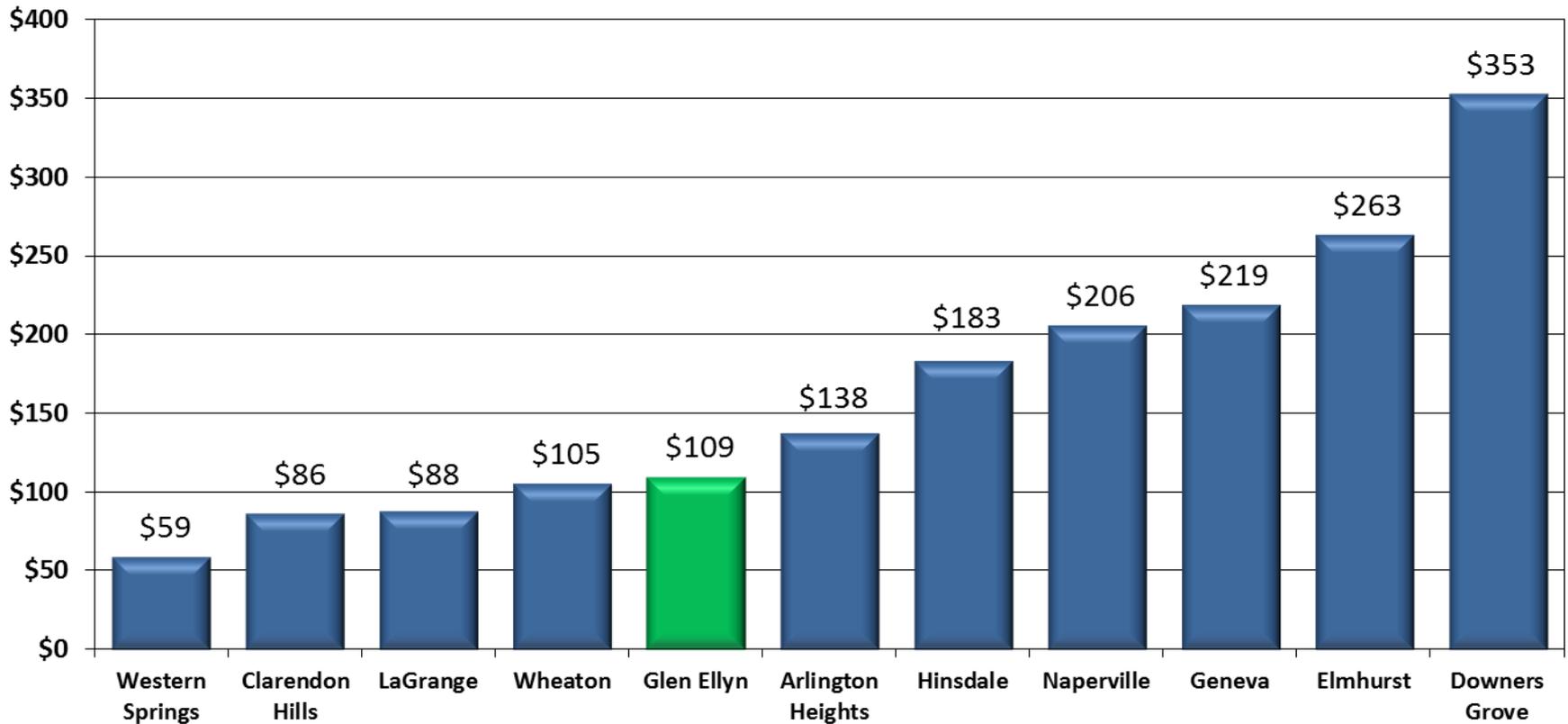
## Sales Taxes as a % of Total Governmental Revenues - FY13



Source: Comprehensive Annual Financial Reports

Note: Includes additional locally imposed home rule sales tax

# Sales Tax Revenue per Capita FY 2013

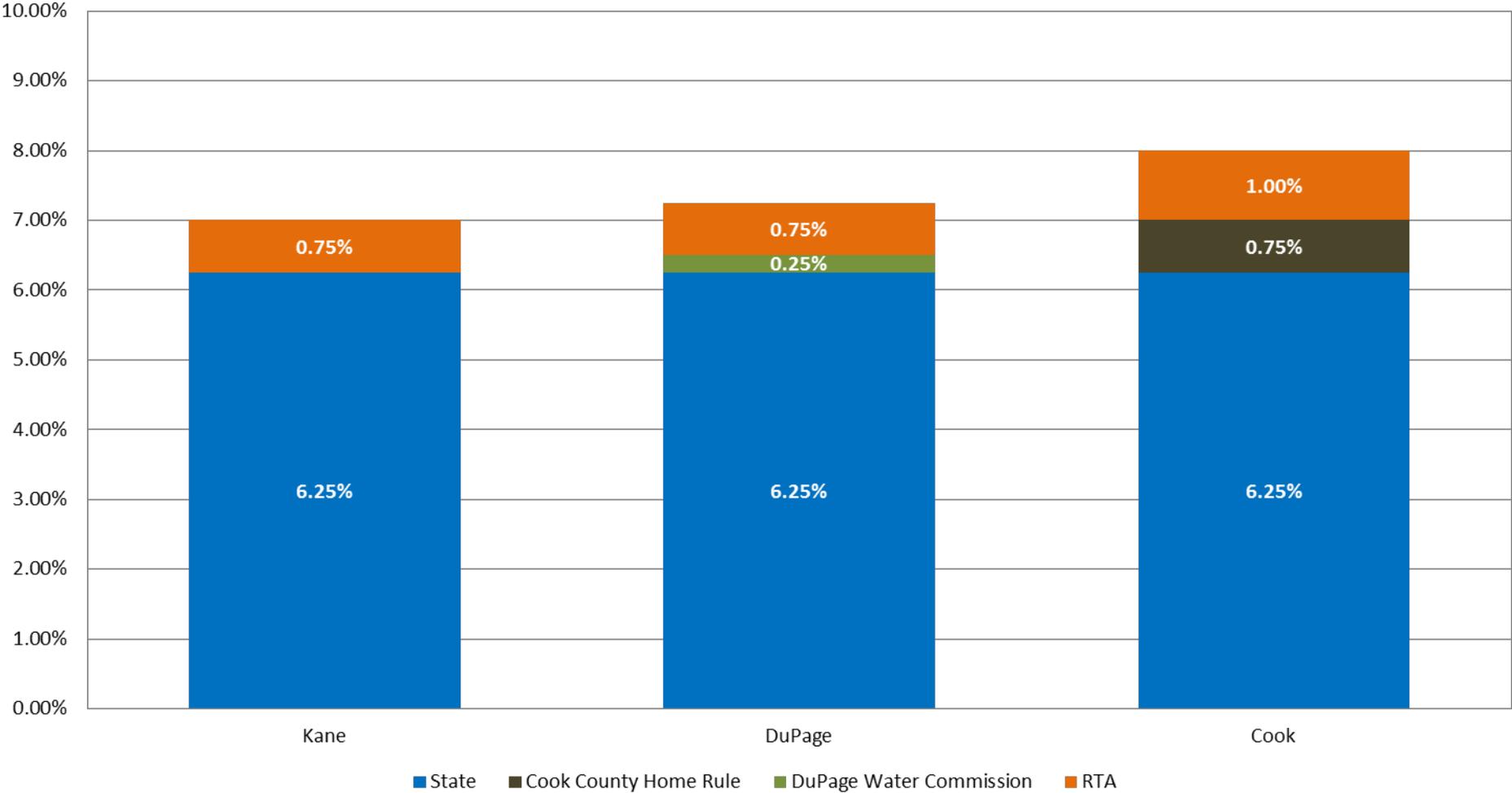


Source: Comprehensive Annual Financial Reports

Does not include additional locally imposed home rule sales tax

# Base Sales Tax Rates By County

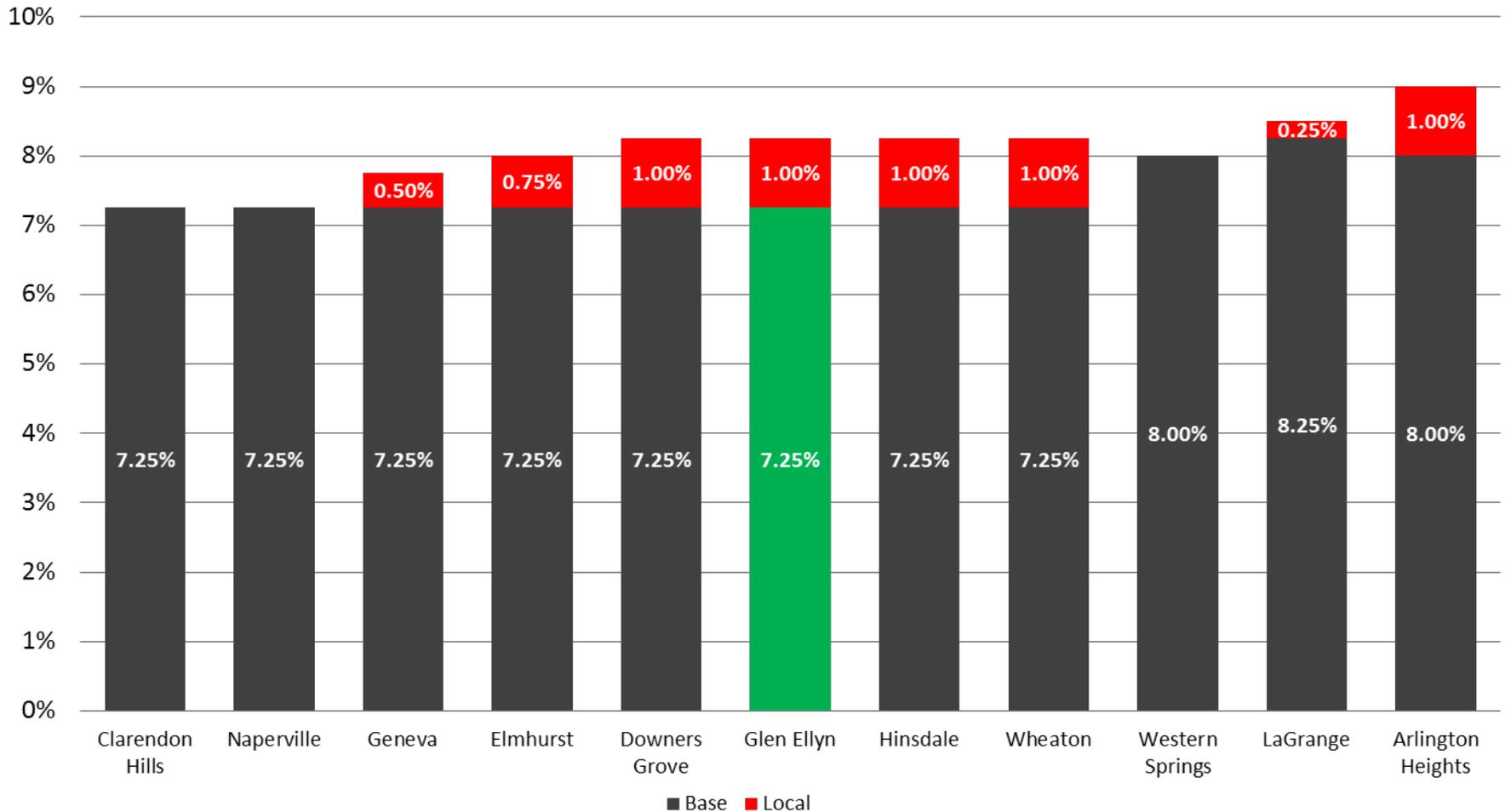
As of January 2014



Source: Illinois Department of Revenue website

# Current Sales Tax Rates

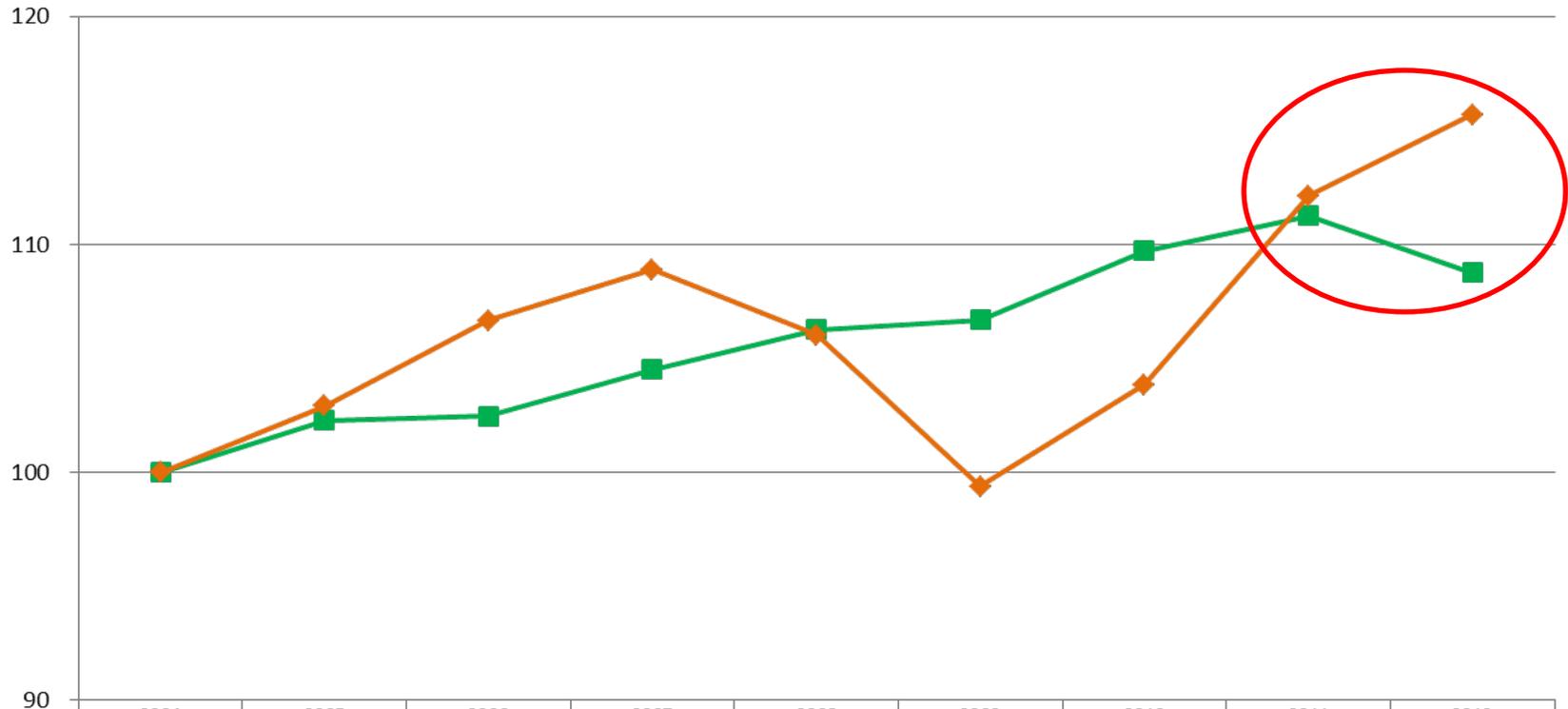
As of January 2014



# Sales Tax Performance

## Sales Taxes

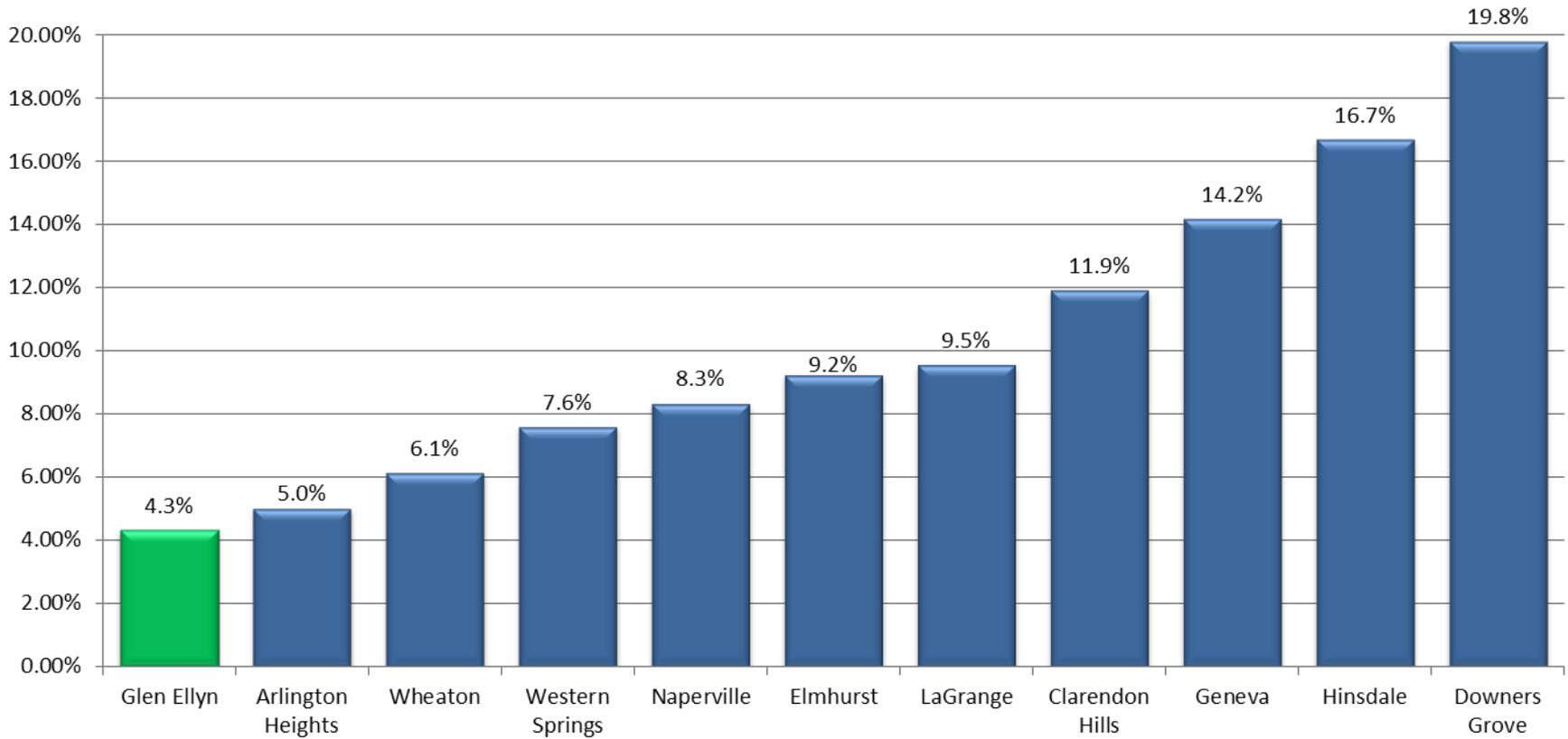
2004 Value = 100



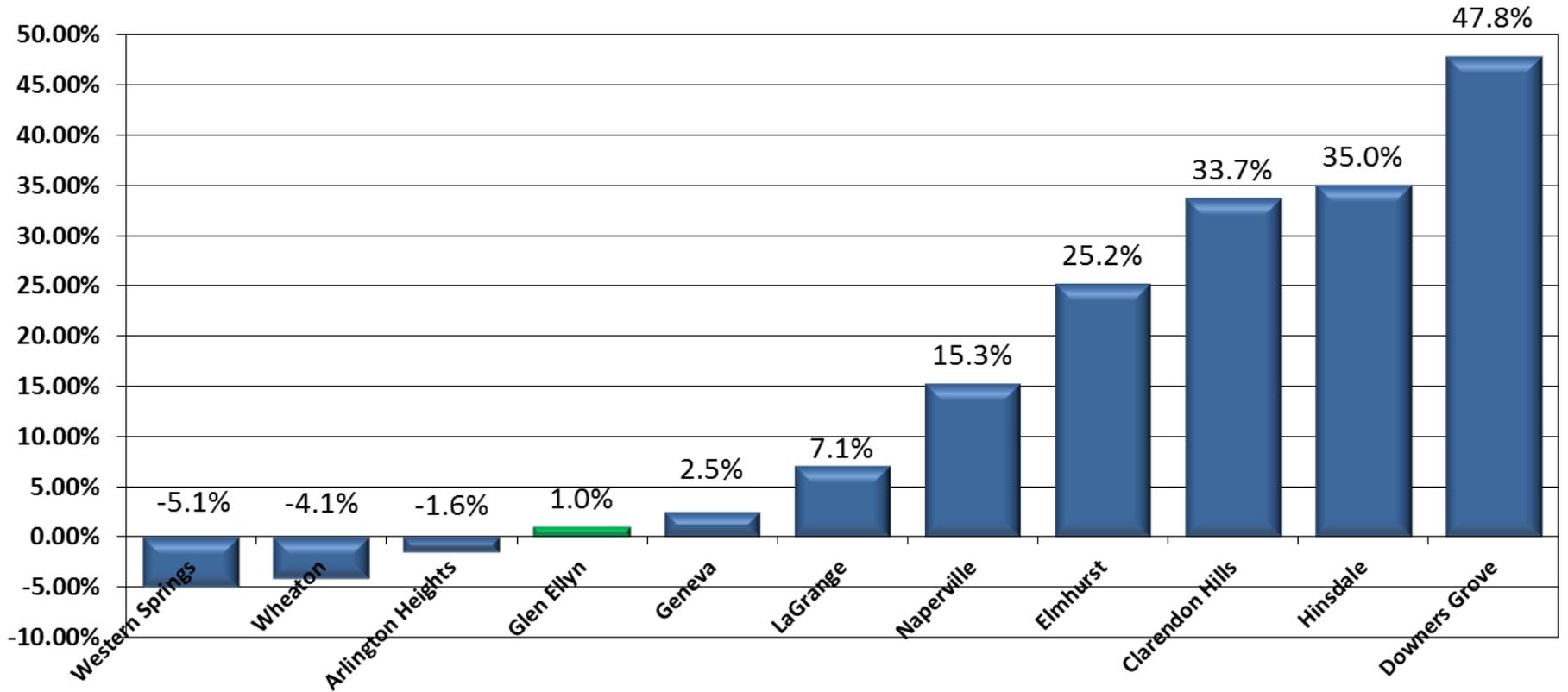
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Glen Ellyn	100	102	102	105	106	107	110	111	109
Peer Composite	100	103	107	109	106	99	104	112	116

# Sales Tax Coefficient of Variation

## FY 2003 - 2013

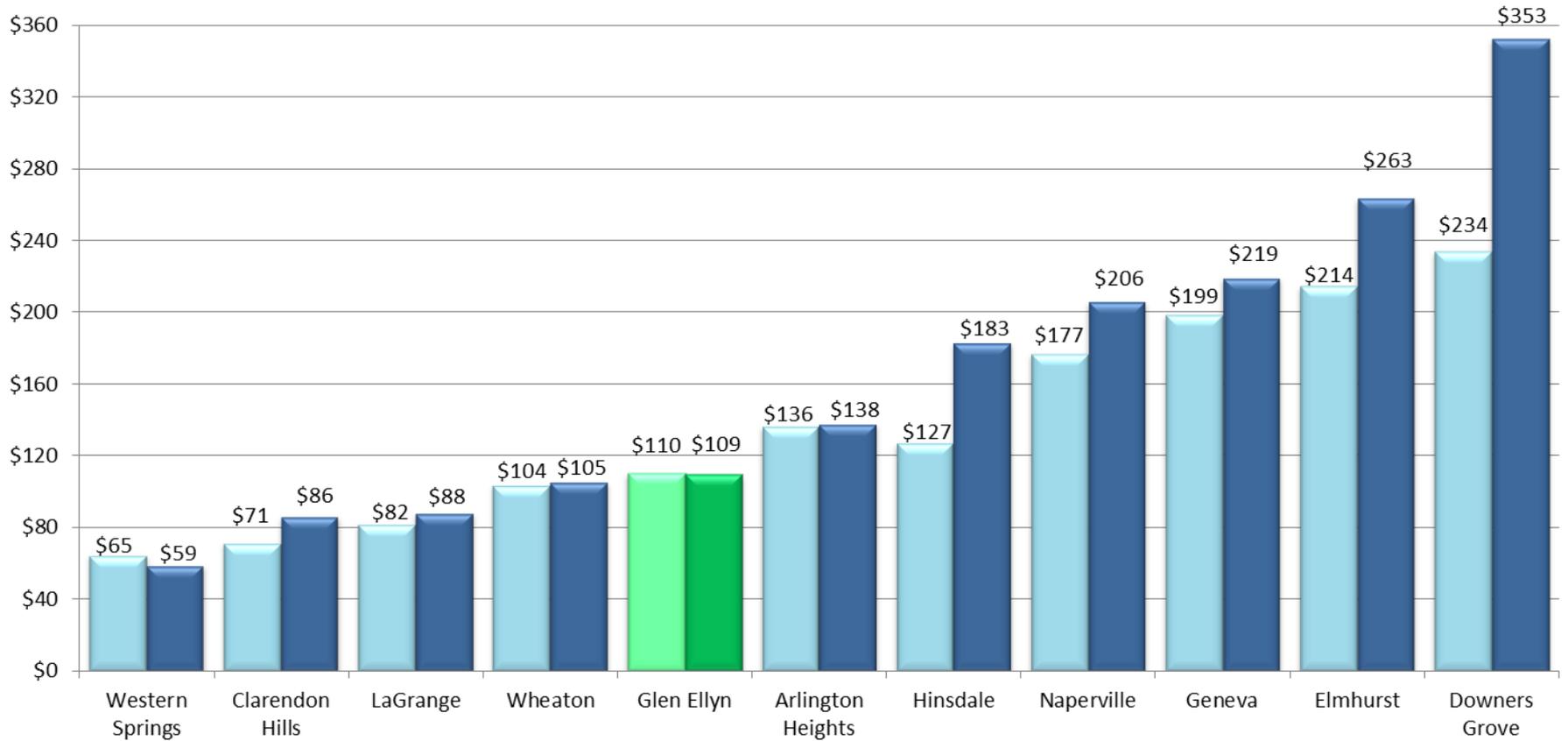


# Change in Sales Tax Revenues FY 2009 to 2013



# Sales Tax Revenue per Capita

## FY 2009 and 2013



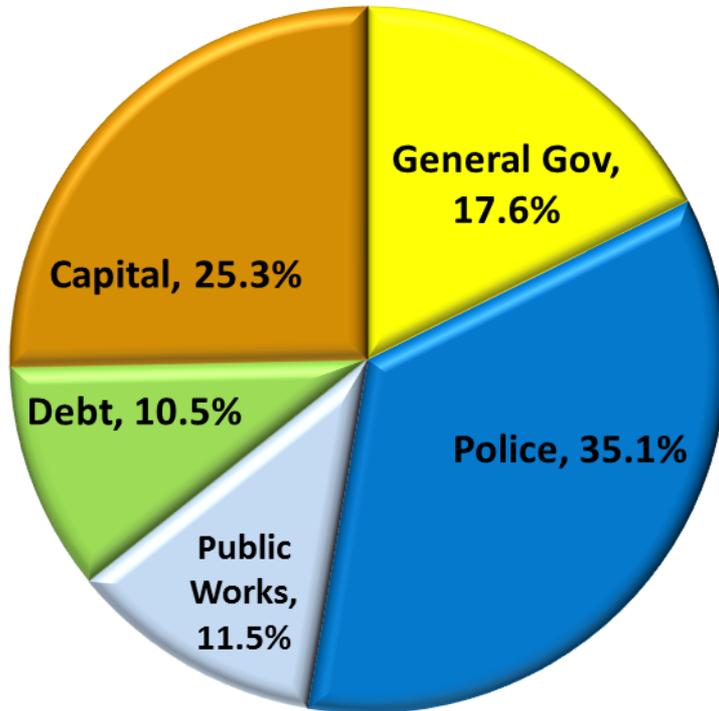
# VI. Expenses

# Expense Categories

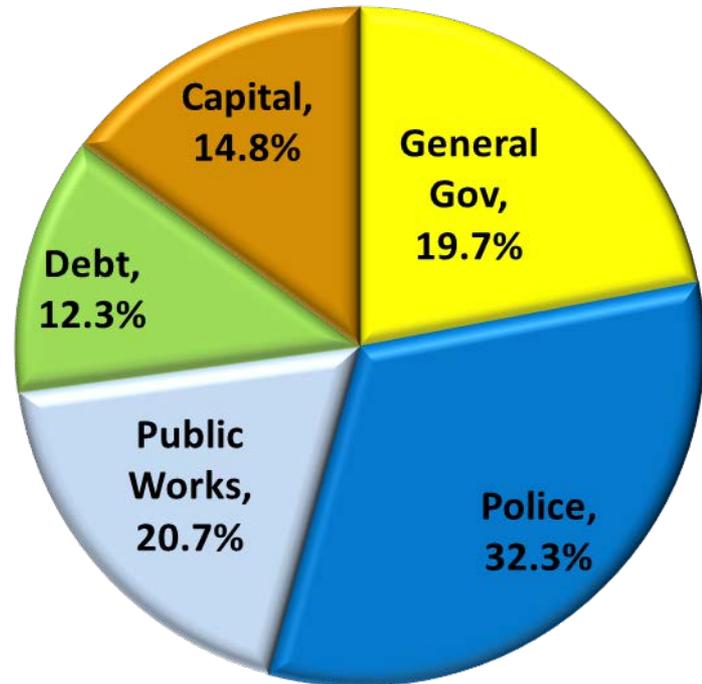
- General Government
  - Village Management, Finance, HR, IT, Legal, Planning & Development, Building Maint., and all others not included elsewhere.
- Police
- Fire
- Public Works (includes debt service and capital investment for public infrastructure)

# Governmental Expenditures by Type FY 2013 (excluding Fire Service)

Glen Ellyn

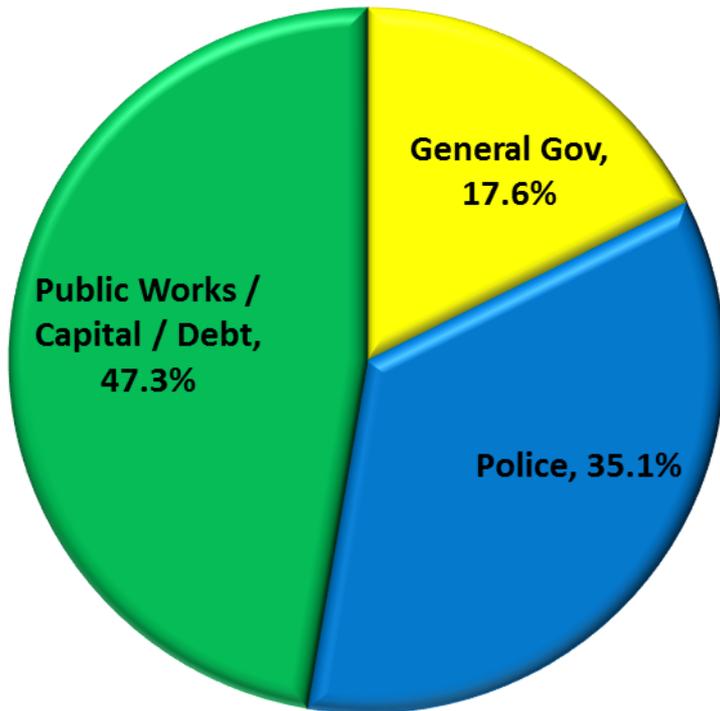


Peer Average

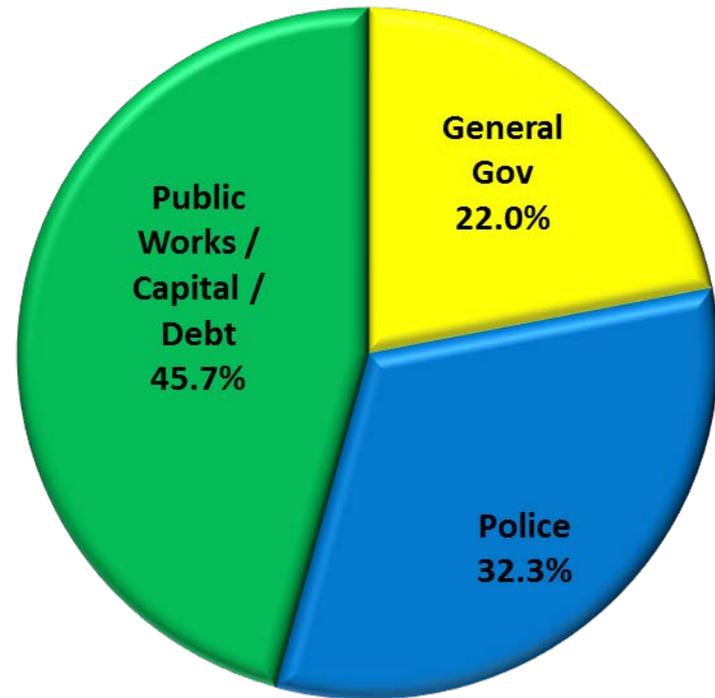


# Governmental Expenditures by Type FY 2013 (excluding Fire Service)

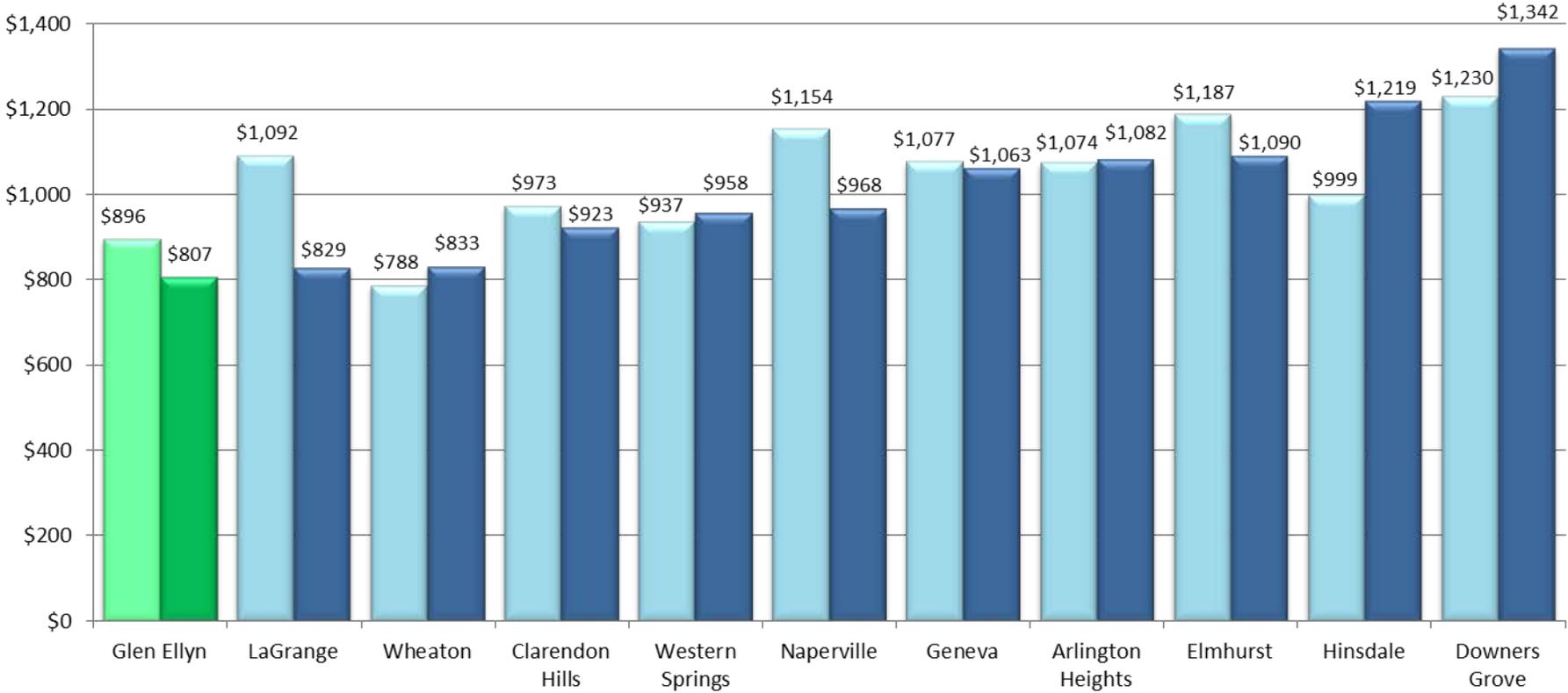
Glen Ellyn



Peer Average



# Total Governmental Expenditures per Capita FY 2009 and 2013

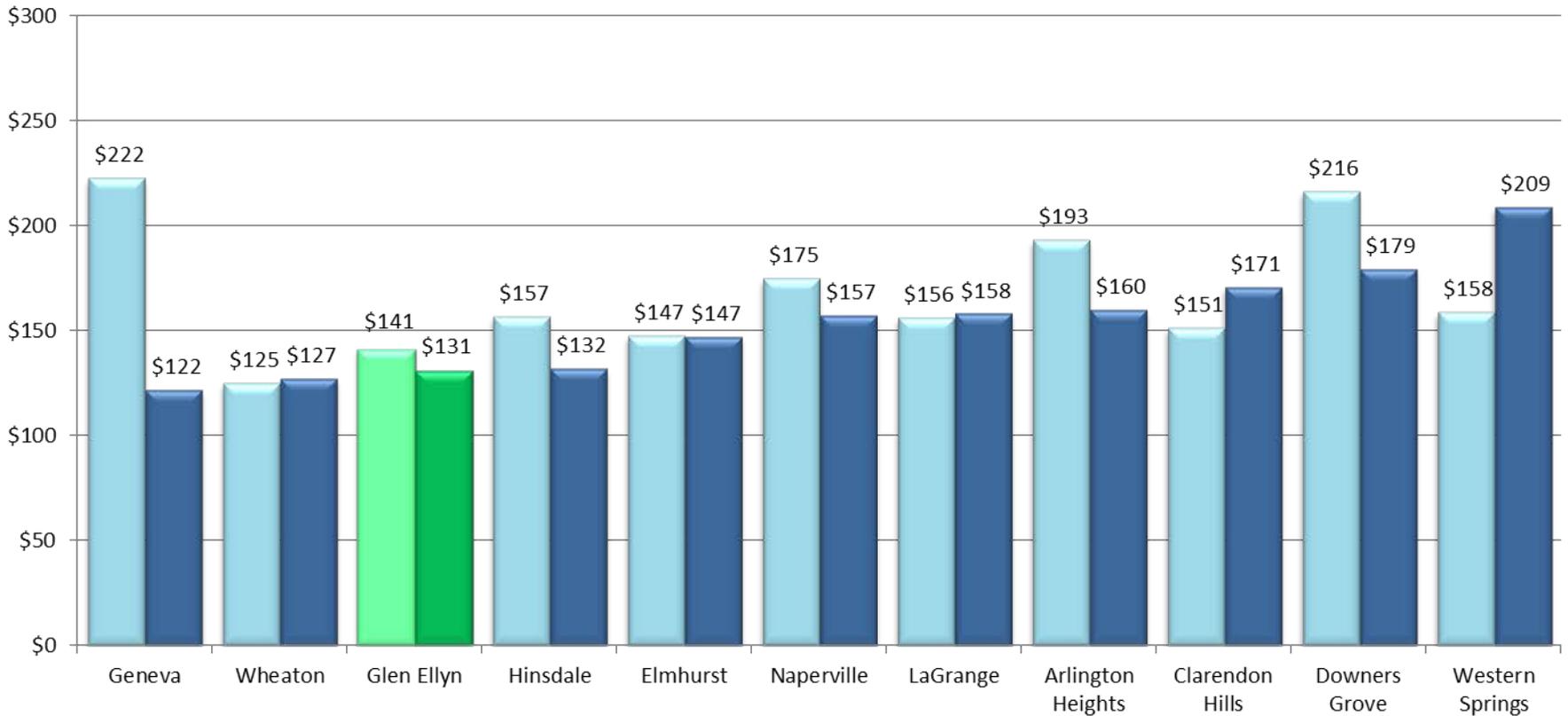


Source: Comprehensive Annual Financial Reports

Note: To support a more accurate comparison, parks and recreation expenditures were removed from data reported by Hinsdale and Western Springs, and refuse disposal costs were removed from data reported by Elmhurst.

# General Government Expenditures per Capita

## FY 2009 and 2013

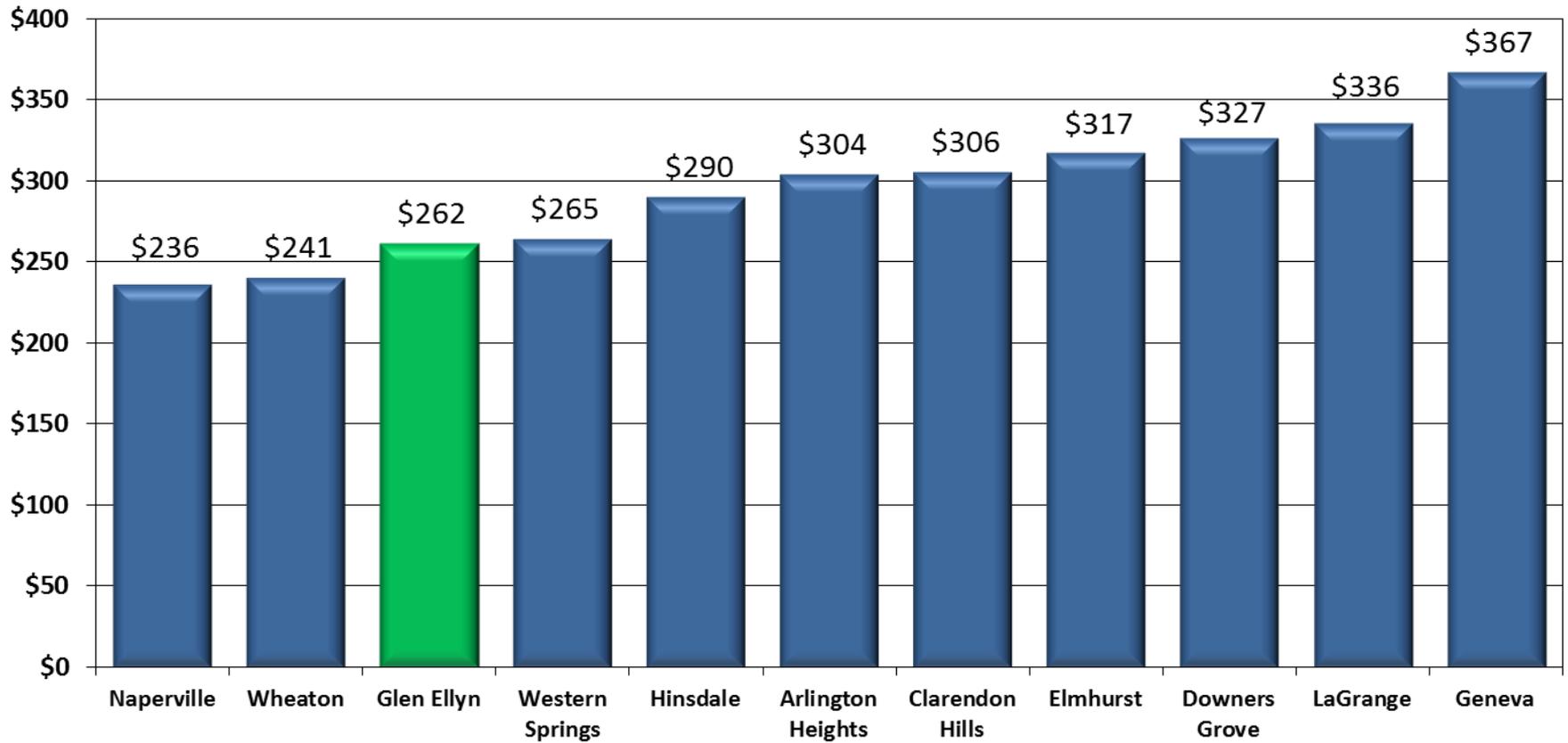


Source: Comprehensive Annual Financial Reports

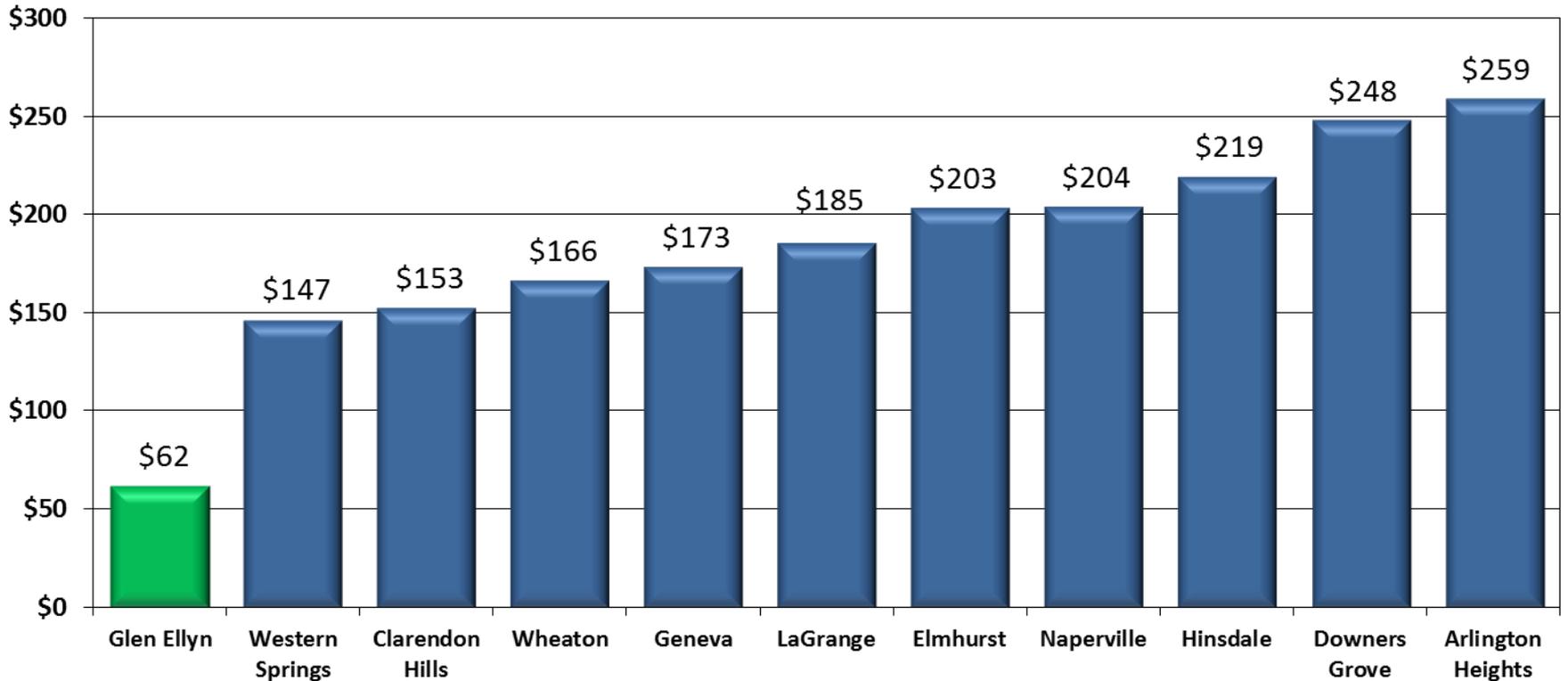
All governmental funds – general government expenditures typically include services which are more administrative in nature such as Board/Council, Manager’s Office, Finance, Planning & Development, Building, Legal, HR, IT, Public Information, Maintenance, etc.

Note: Geneva has changed the presentation of expenditures in its CAFR

# Public Safety Expenditures per Capita - Police FY 2013



## Public Safety Expenditures per Capita - Fire FY 2013



Source: Comprehensive Annual Financial Reports

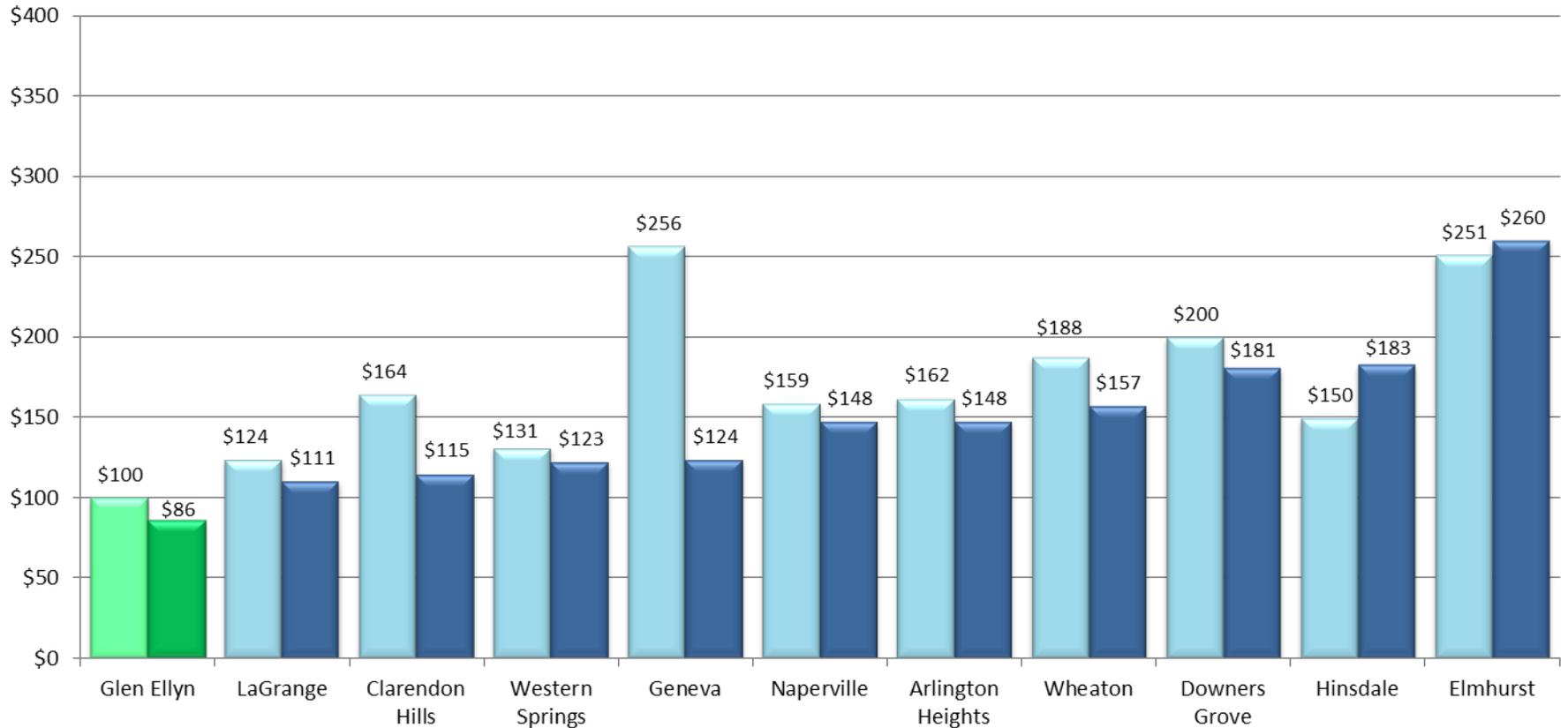
Glen Ellyn's fire department remains predominantly volunteer. Costs included for Glen Ellyn include both Village's annual support contributions and Fire Company's direct costs of operation and equipment replacement.

# Fire Department Ratings

(Insurance Services Office Ratings)

(HIGHEST)			
Rated 1	Rated 2	Rated 3	Rated 4
	Arlington Heights	Downers Grove	Clarendon Hills
	Elmhurst	Geneva	
	Naperville	Glen Ellyn	
		Hinsdale	
		LaGrange	
		Western Springs	
		Wheaton	

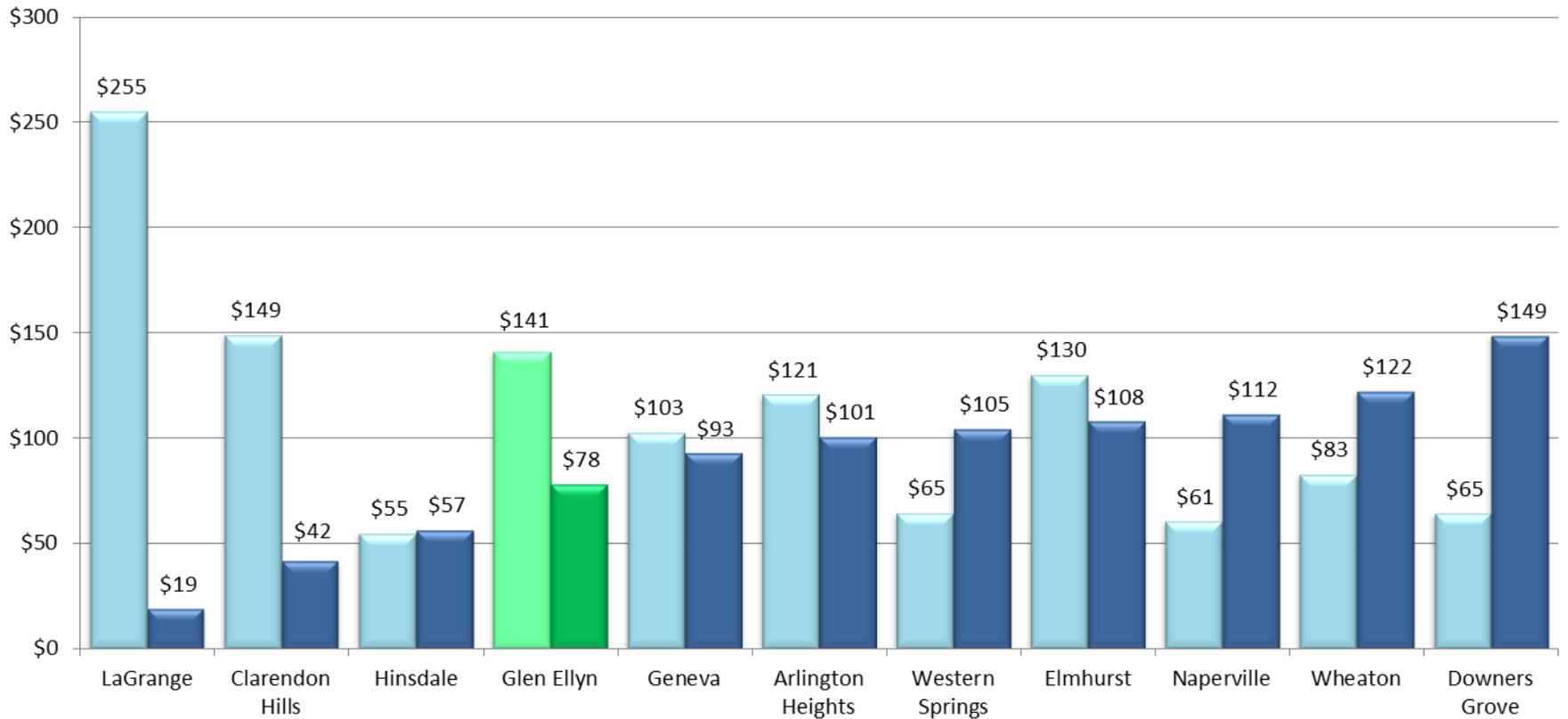
# Public Works Expenditures per Capita FY 2009 and 2013



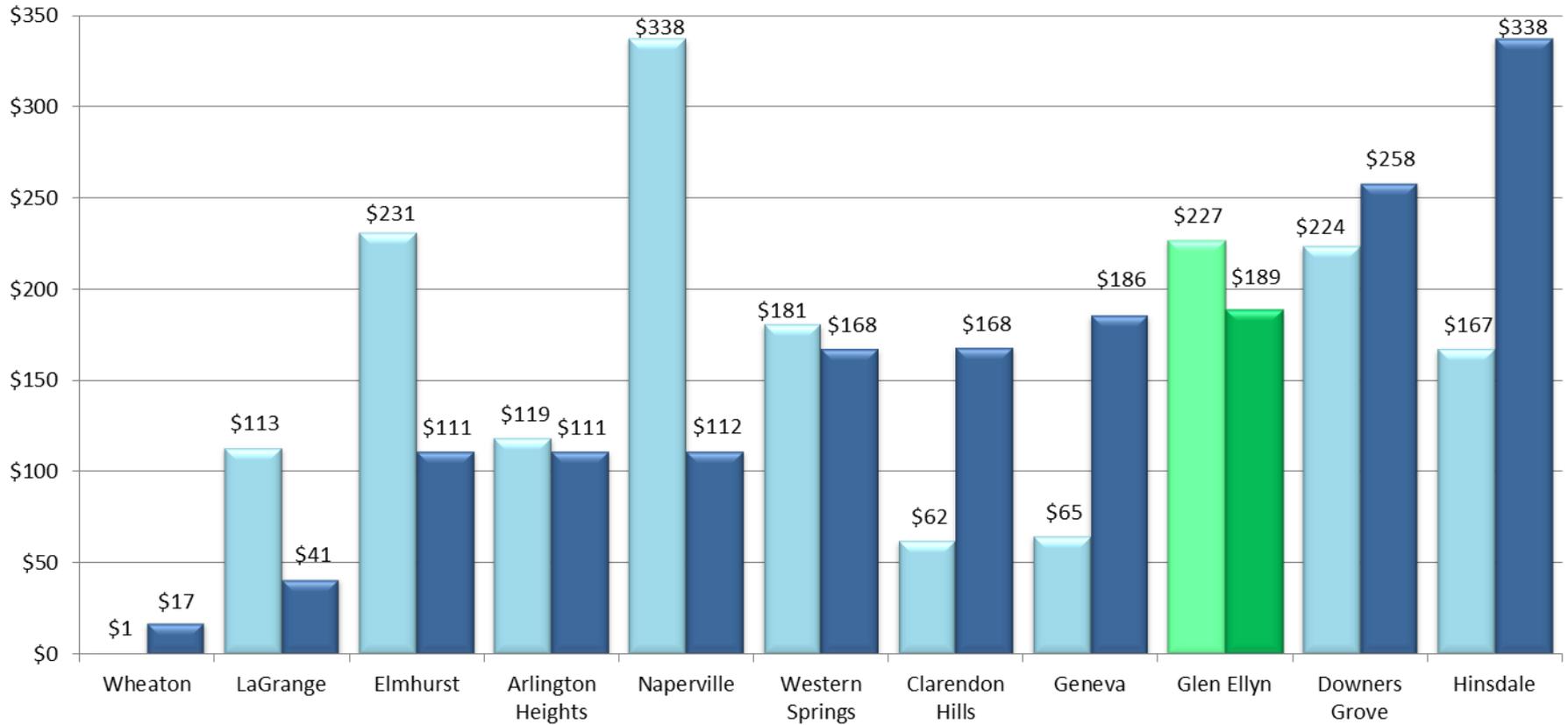
Source: Comprehensive Annual Financial Reports

Note: All governmental funds. Geneva has changed the presentation of expenditures in their CAFR, thus the significant change from 2009 above

## Debt Service Costs per Capita FY 2009 and 2013

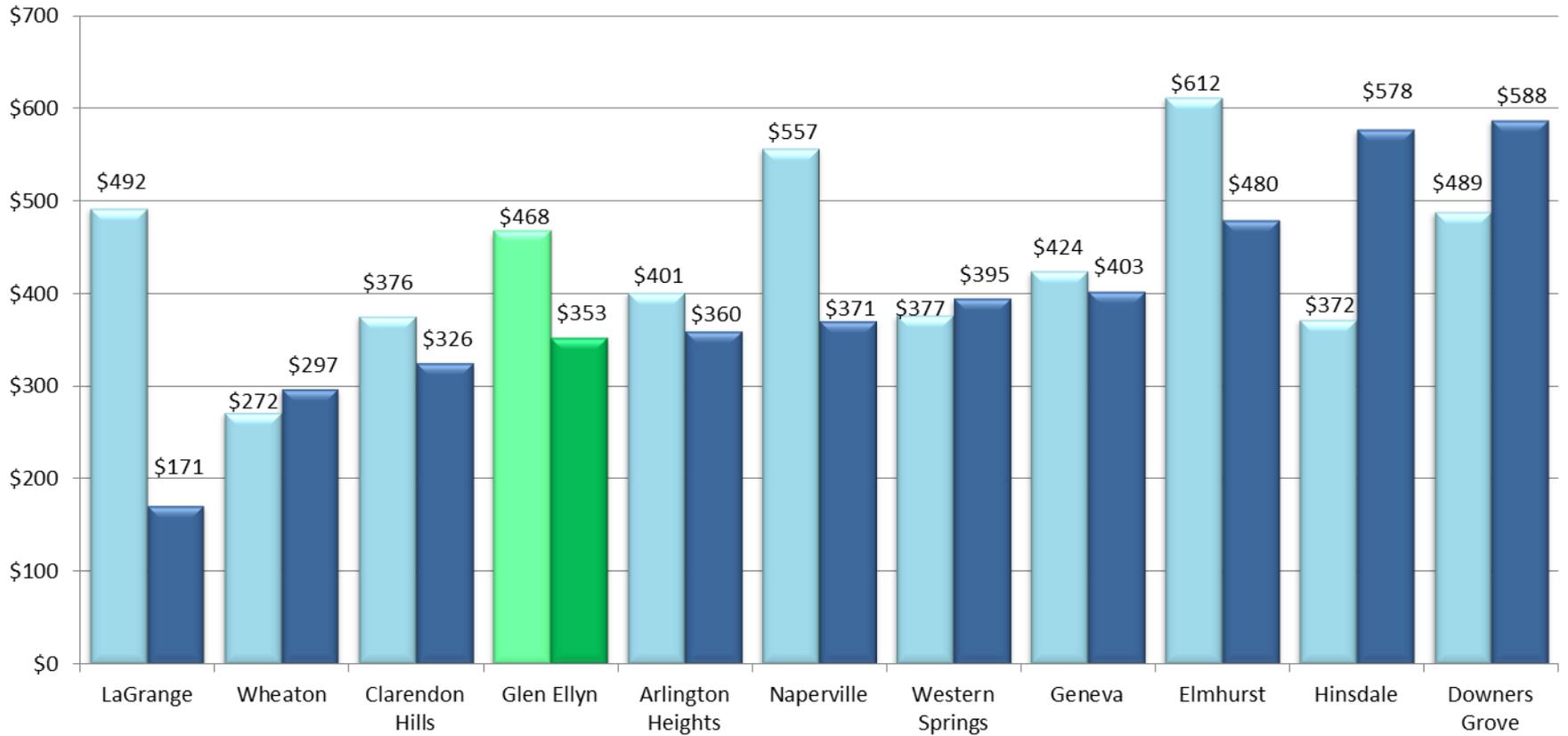


# Capital Investment per Capita FY 2009 and 2013

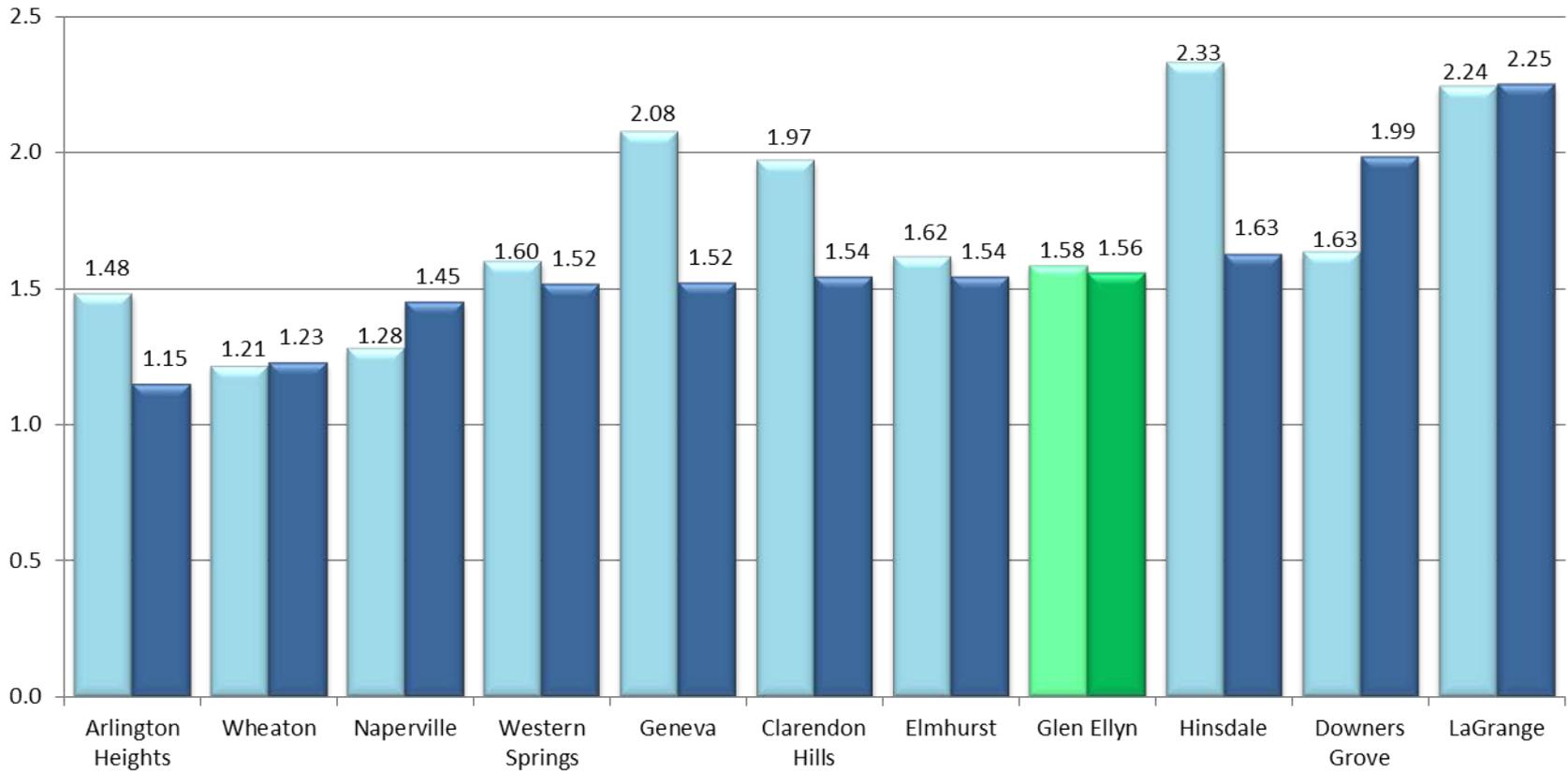


Source: Comprehensive Annual Financial Reports  
All governmental funds

## Combined Public Works + Debt Service + Capital Investment per Capita FY 2009 and 2013

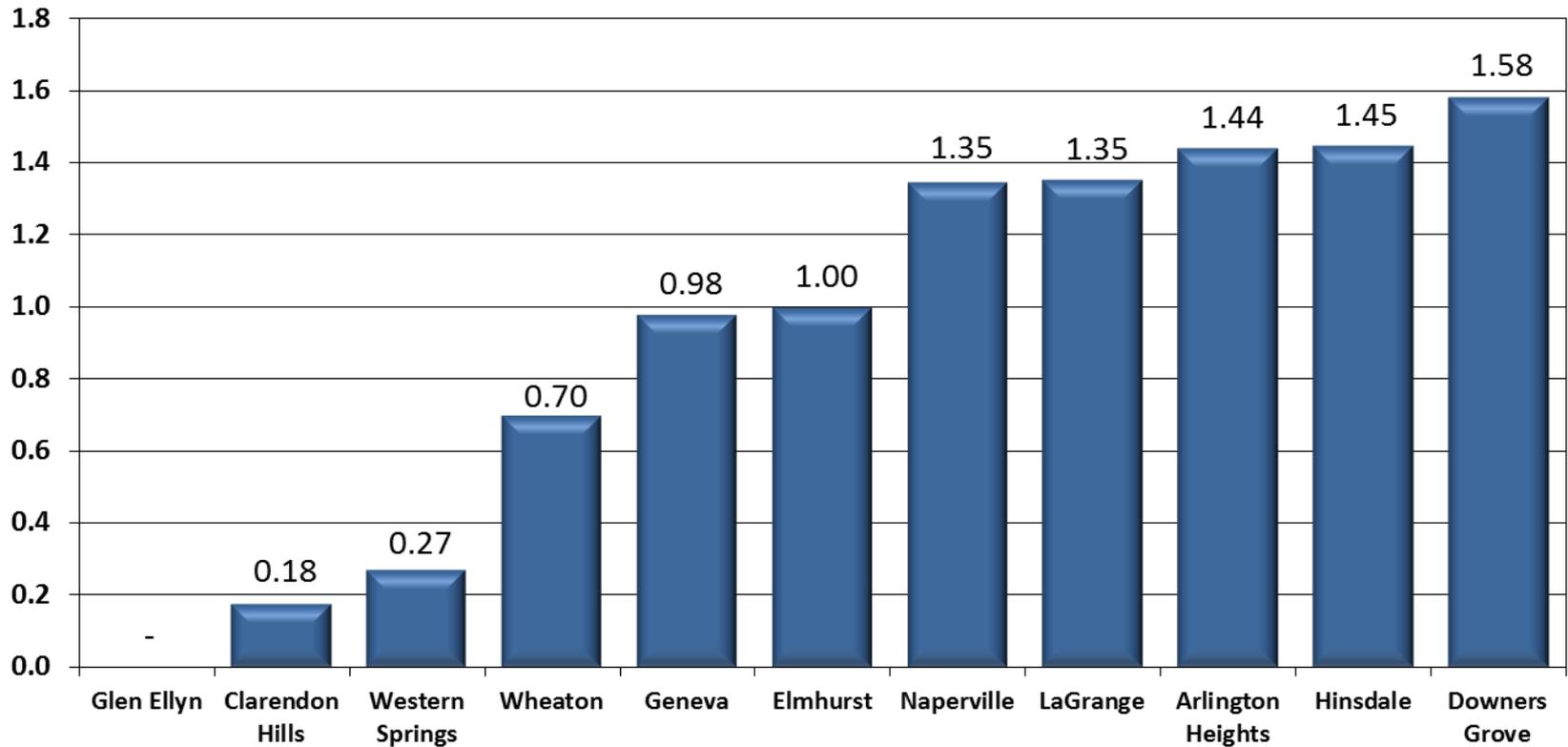


# Police Officers per 1,000 Residents FY 2013



Source: Comprehensive Annual Financial reports  
Note: Measured in full time equivalent employees.

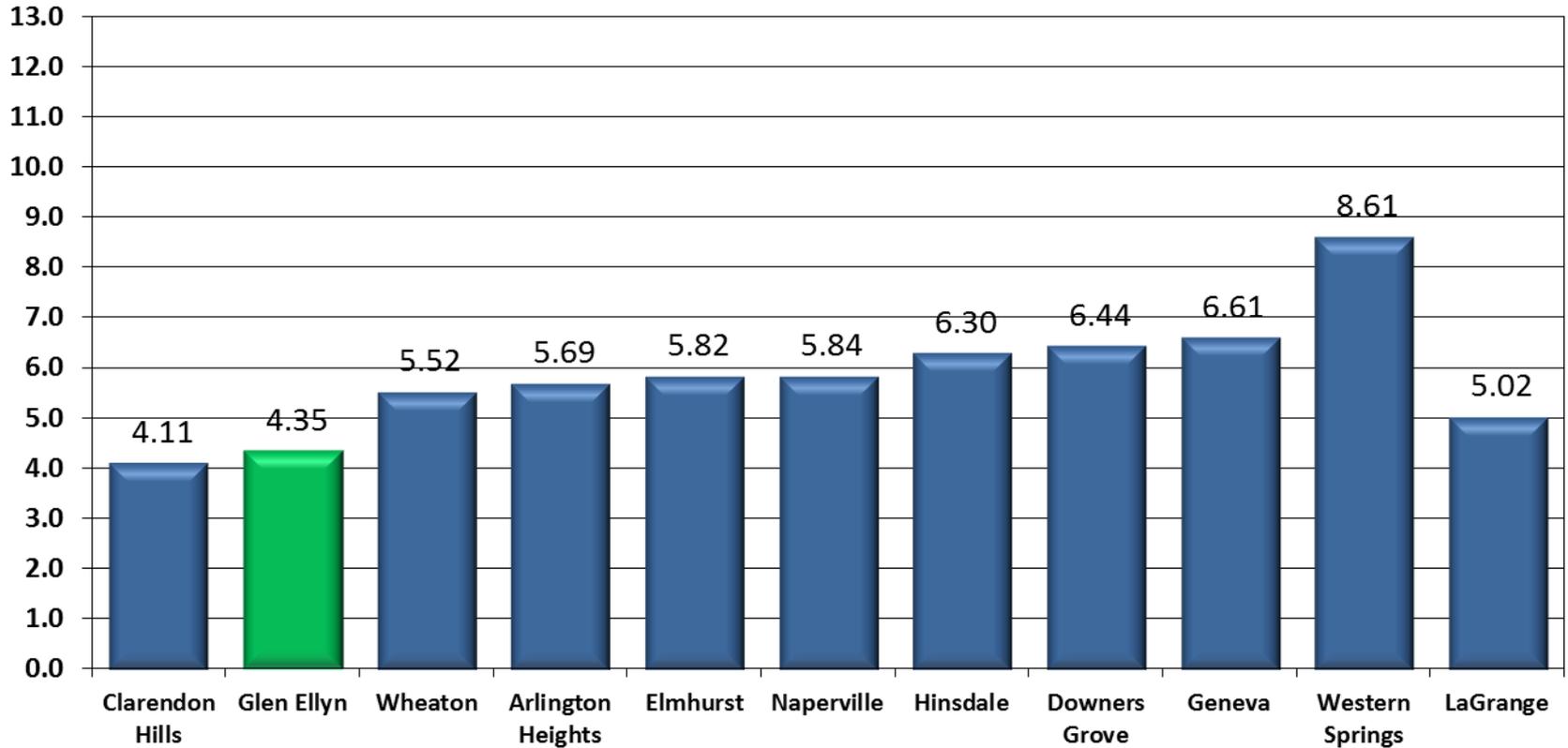
## Firefighters per 1,000 Residents FY 2013



Source: Comprehensive Annual Financial Reports

Note: Measured in full time equivalent employees. Glen Ellyn has a volunteer fire company - 60 firefighters and one chief. Clarendon Hills and Western Springs did not have on call firefighter information available.

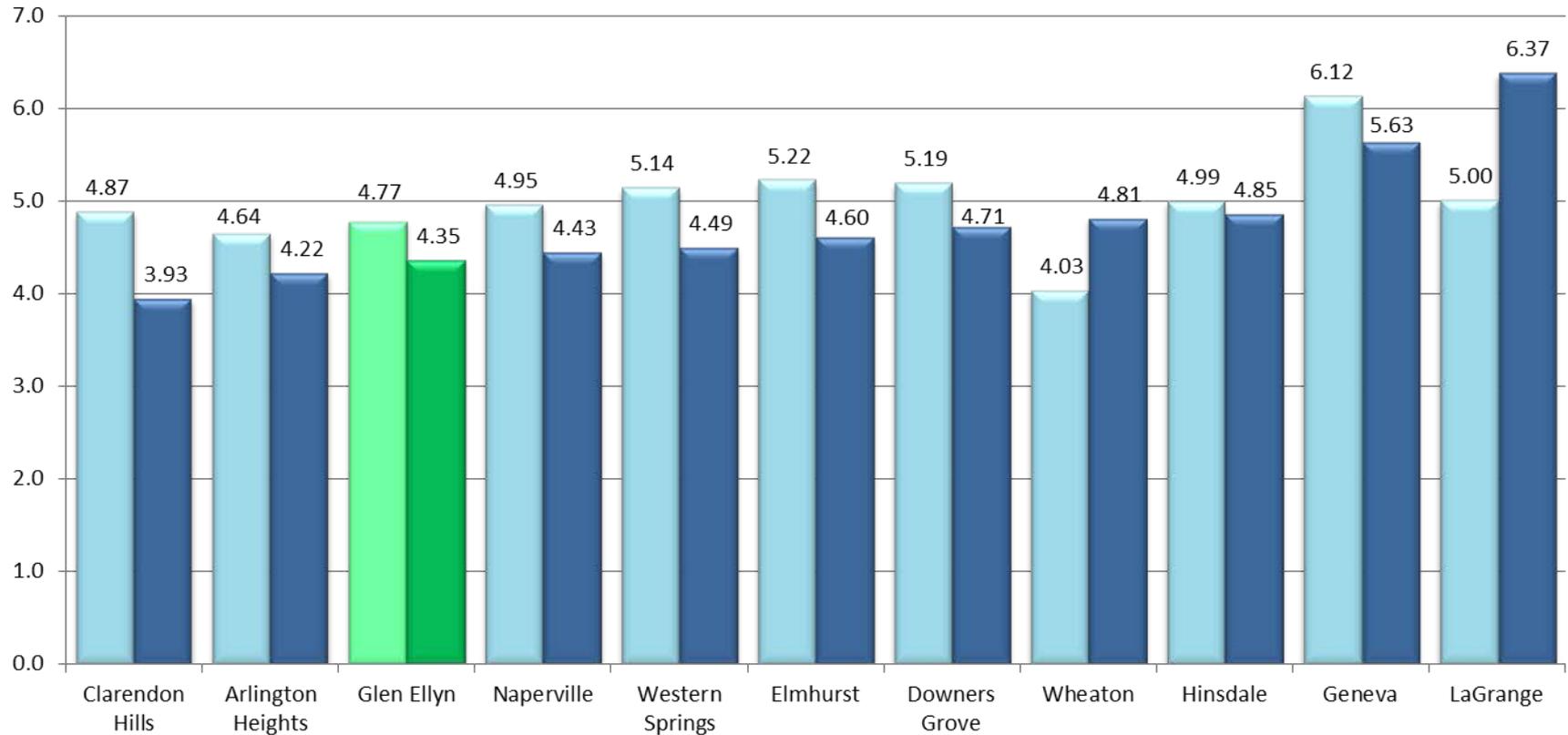
# Employees per 1,000 Residents FY 2013



Source: Comprehensive Annual Financial Reports

Note: To support a more accurate comparison, Recreation Department employees (Glen Ellyn, Hinsdale, Western Springs) and Electric Utility employees (Naperville) were deducted from this presentation as these services are provided by other government units or entities in the remainder of the peer group.

# Full Time Equivalent Employees per 1,000 Residents (excluding Fire) FY 2009 and 2013

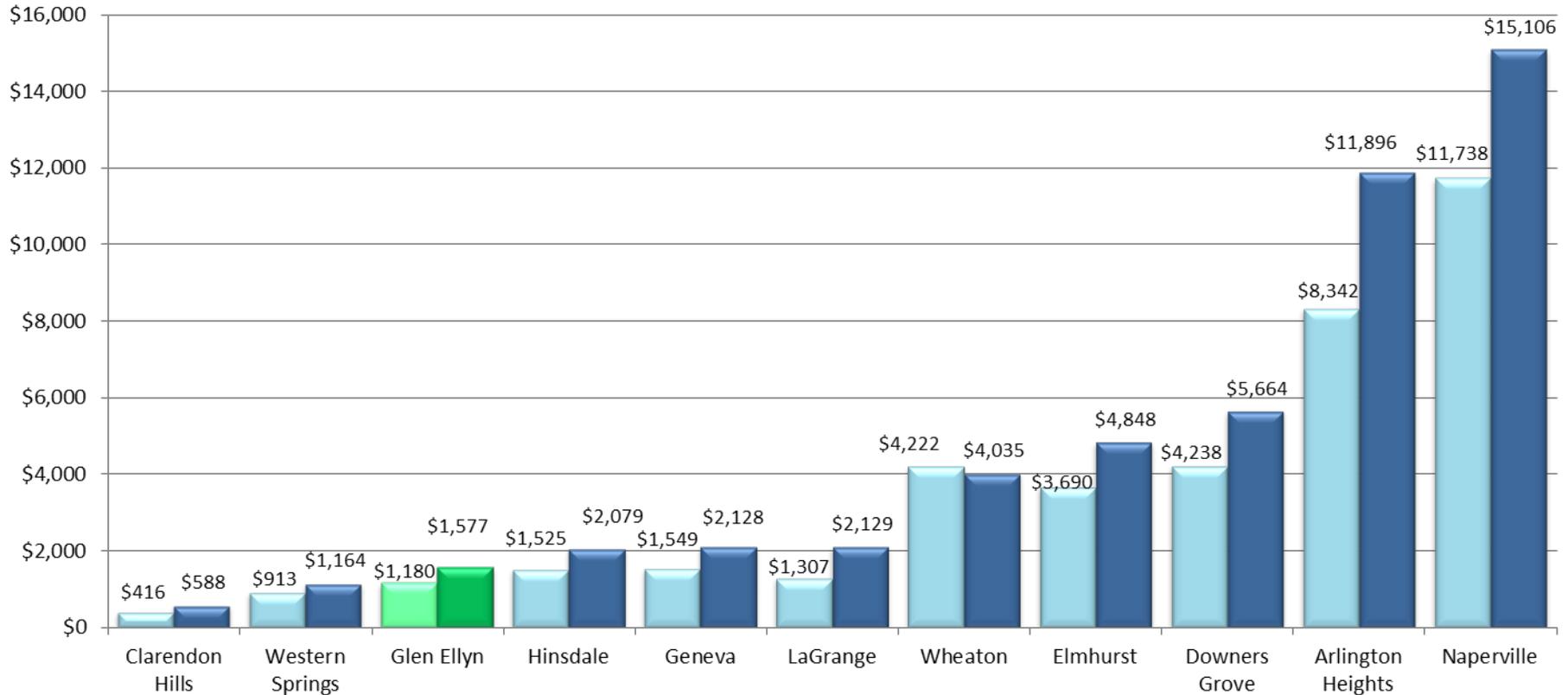


Source: Comprehensive Annual Financial Reports

Note: To support a more accurate comparison, Recreation Department employees (Glen Ellyn, Hinsdale, Western Springs) and Electric Utility employees (Naperville) were deducted from this presentation as these services are provided by other government units or entities in the remainder of the peer group. 2009 information for Geneva not available.

# Required Pension Contributions

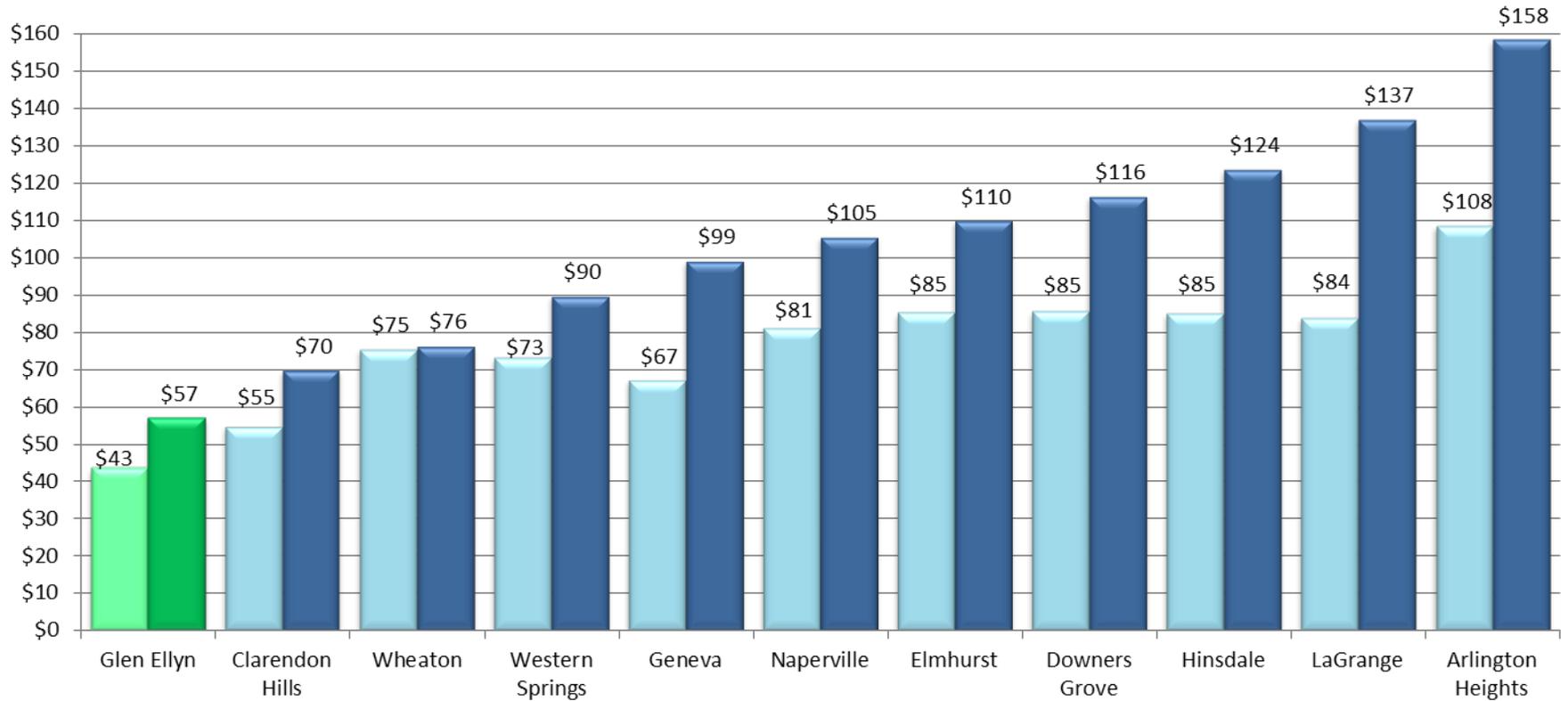
## FY 2009 and 2013 (in \$1,000s)



Source: Comprehensive Annual Financial Reports

Based on Annual Required Contribution (ARC) reported in the notes to the financial statements. Includes Police and Fire pensions and Illinois Municipal Retirement Fund (IMRF).

# Required Pension Contributions per Capita FY 2009 and 2013

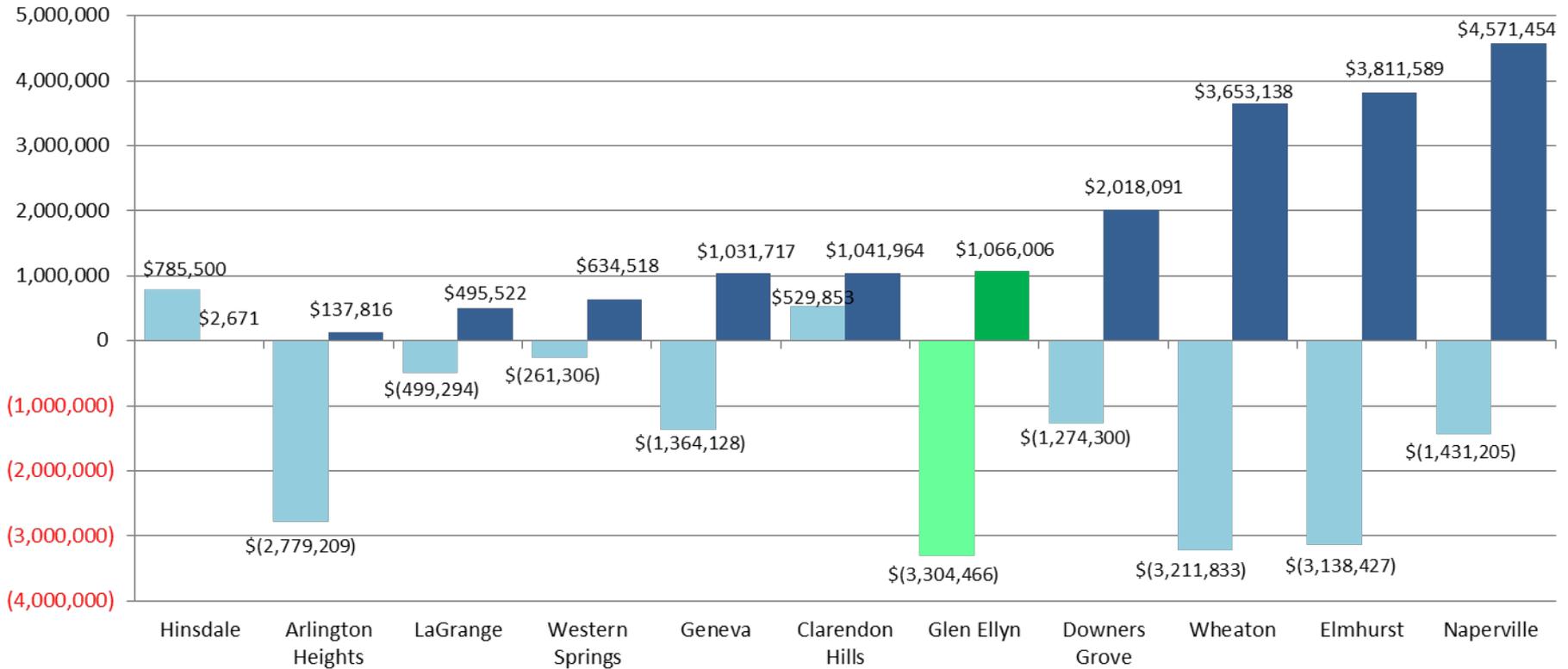


Source: Comprehensive Annual Financial Reports

Based on Annual Required Contribution (ARC) reported in the notes to the financial statements. Includes Police and Fire pensions and Illinois municipal Retirement Fund (IMRF).

# VII. Bottom Line

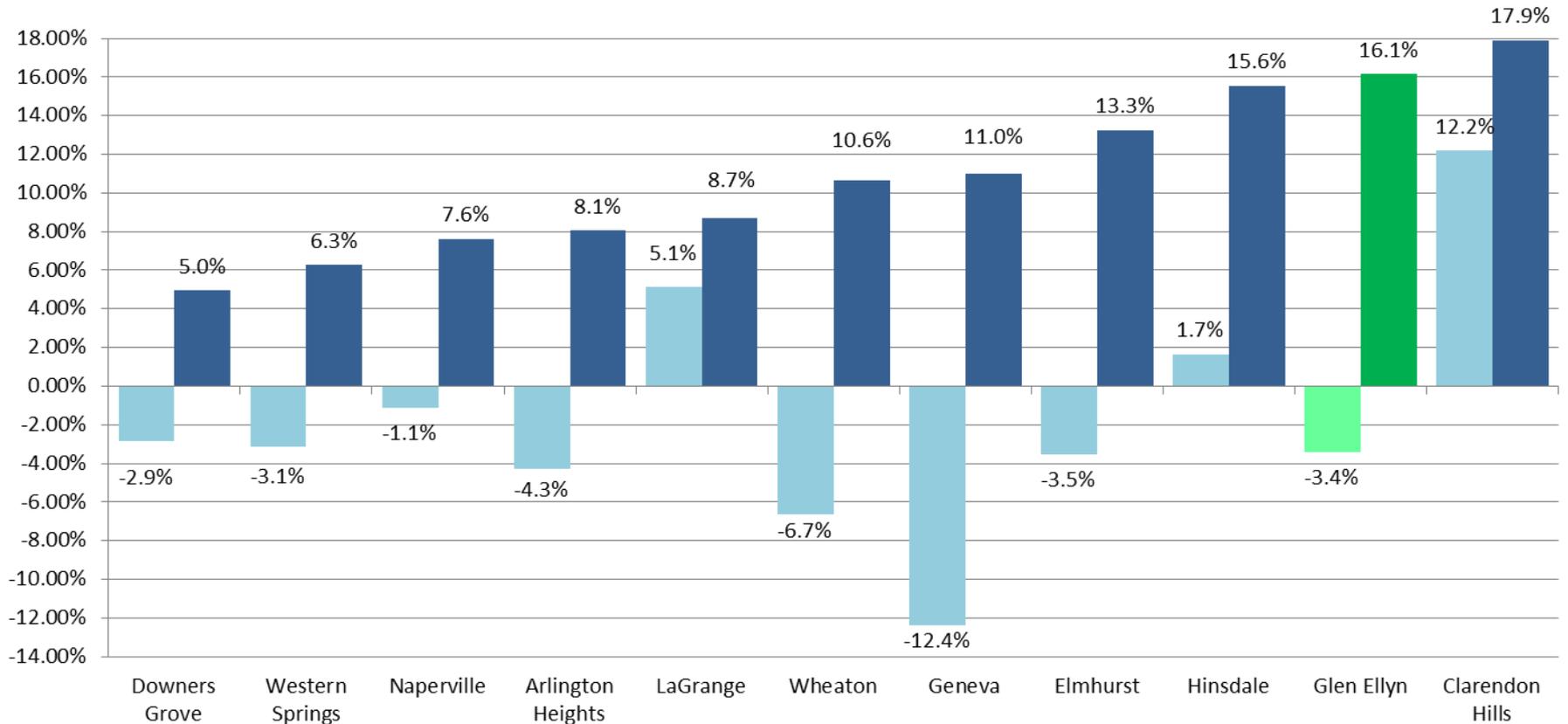
# General Fund Net Income (Loss) FY 2009 and 2013



The Village of Glen Ellyn's 2009 net loss includes a \$3 million capital transfer out to the Village's road program

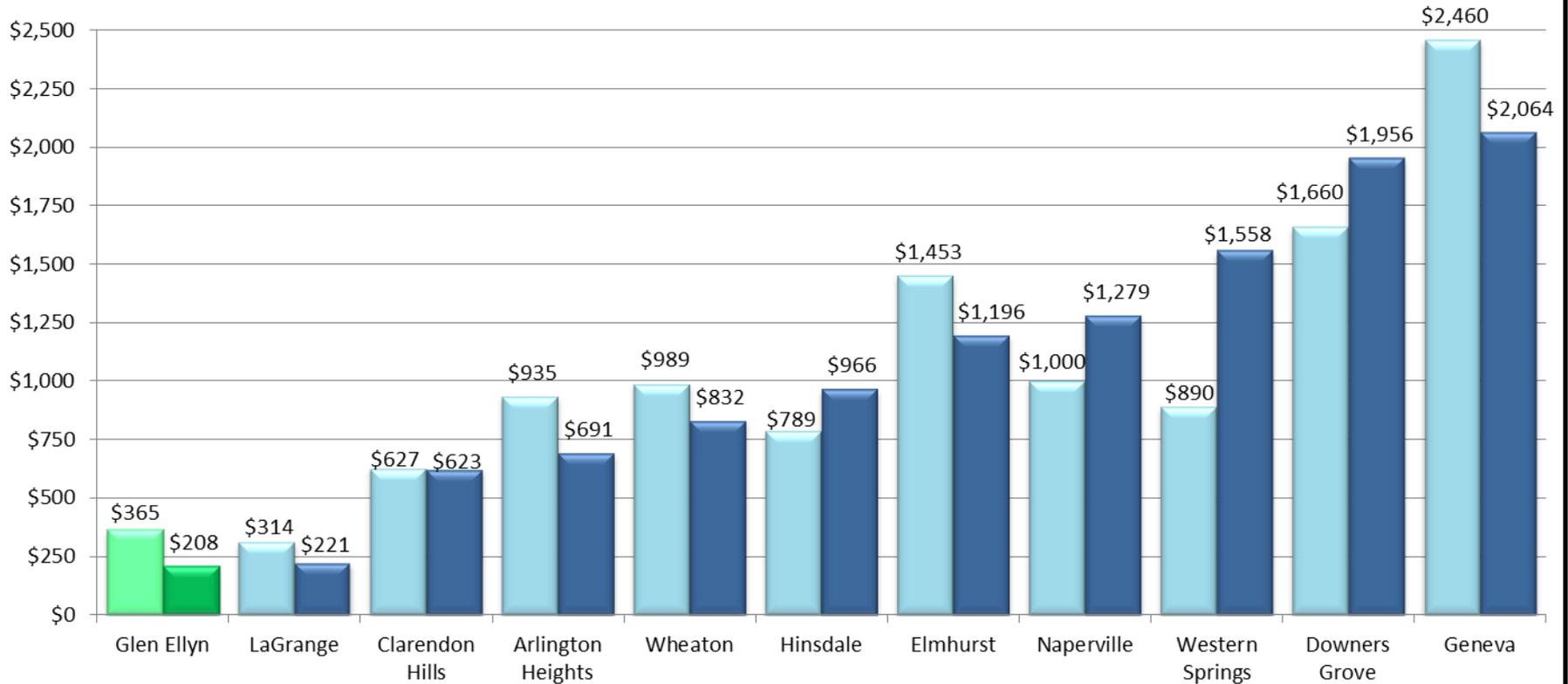
Source: Comprehensive Annual Financial Reports

## General Fund Surplus (Deficit) as a % of Revenues - FY 2009 and 2013



# VIII. Reserve and Credit Analysis

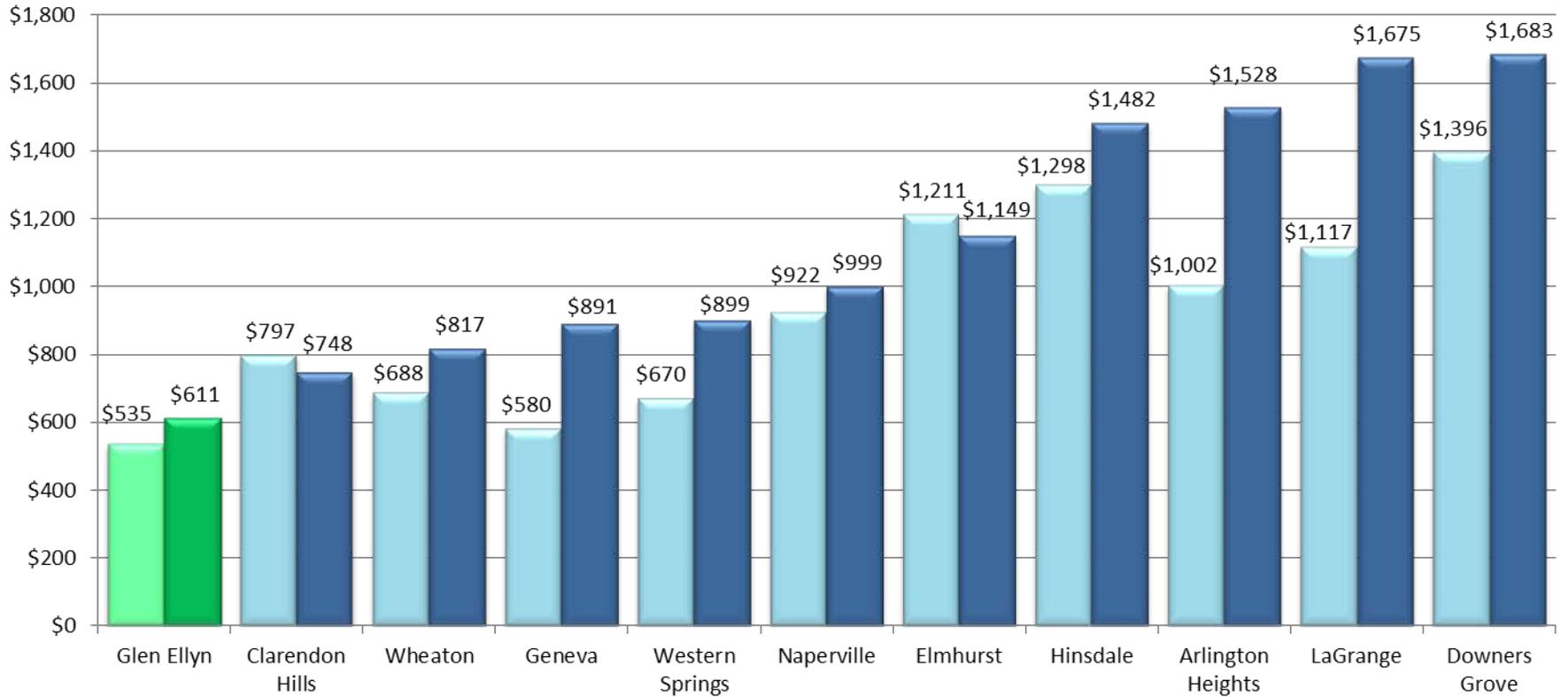
## Debt per Capita FY 2009 and 2013



Source: Comprehensive Annual Financial Reports

Debt includes outstanding general obligation bonds and notes, revenue bonds, loans and compensated absences payable for both governmental and business-type funds. Note: Debt related to electric utilities (Naperville and Geneva) and municipal golf courses (Glen Ellyn) was excluded from this presentation as these services are unique to these communities. Glen Ellyn's debt related to the Village Links is abated annually from golf course revenues and not reflected in property tax bills.

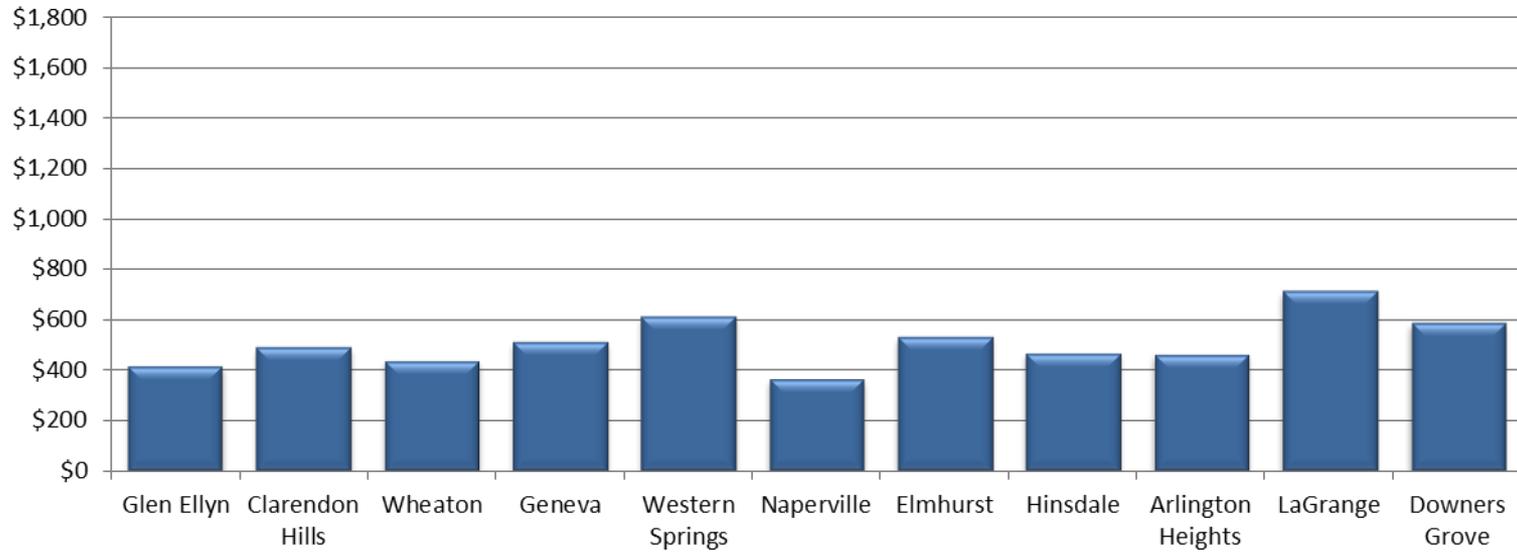
## Unfunded Pension Fund Liability (UAAL)\* per Capita FY 2009 and 2013



Source: Comprehensive Annual Financial Reports

Note: Data includes UAAL for IMRF, OPEB, Police and Fire Pension Plans. Glen Ellyn does not have a fire pension plan .

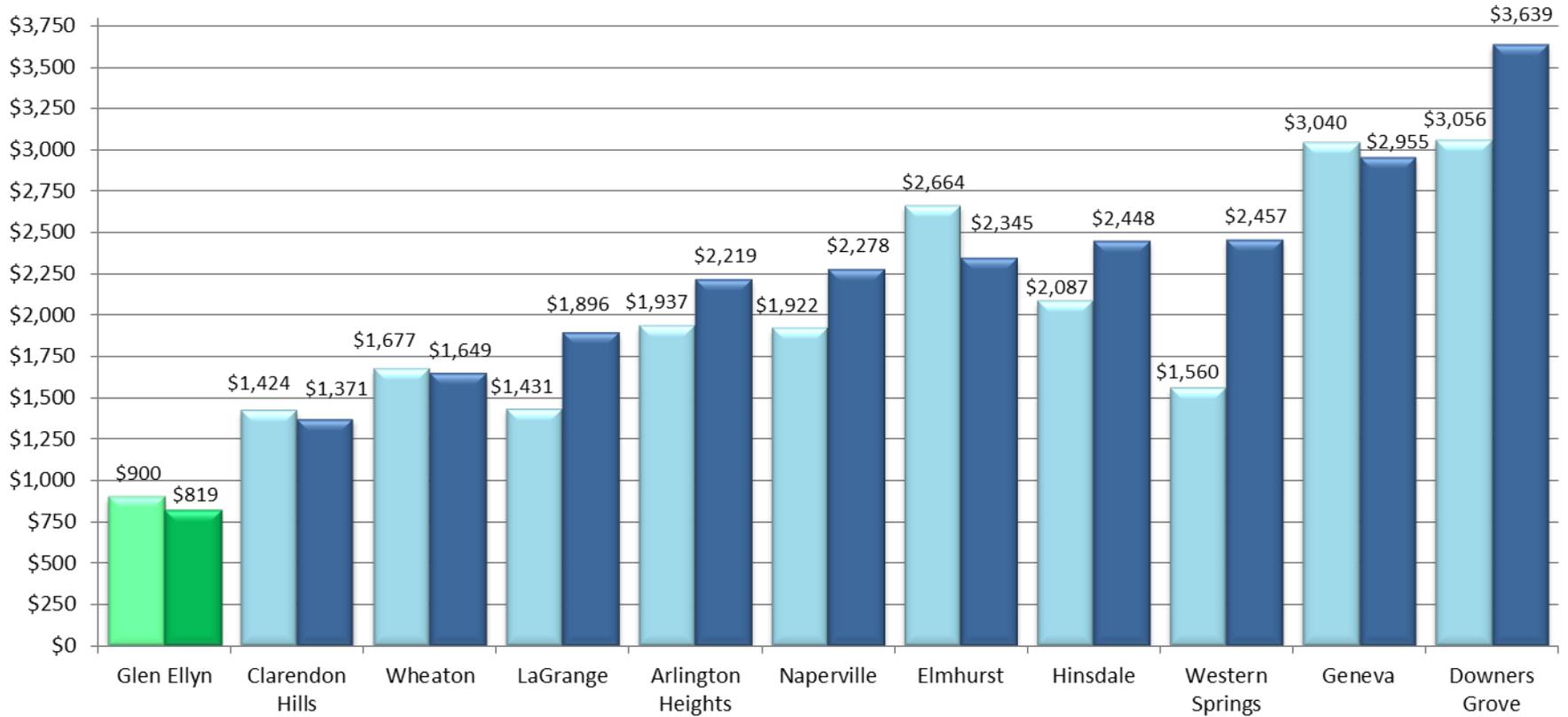
## Unfunded Police Pension Fund Liability (UAAL)\* per Capita FY 2013



Source: Comprehensive Annual Financial Reports

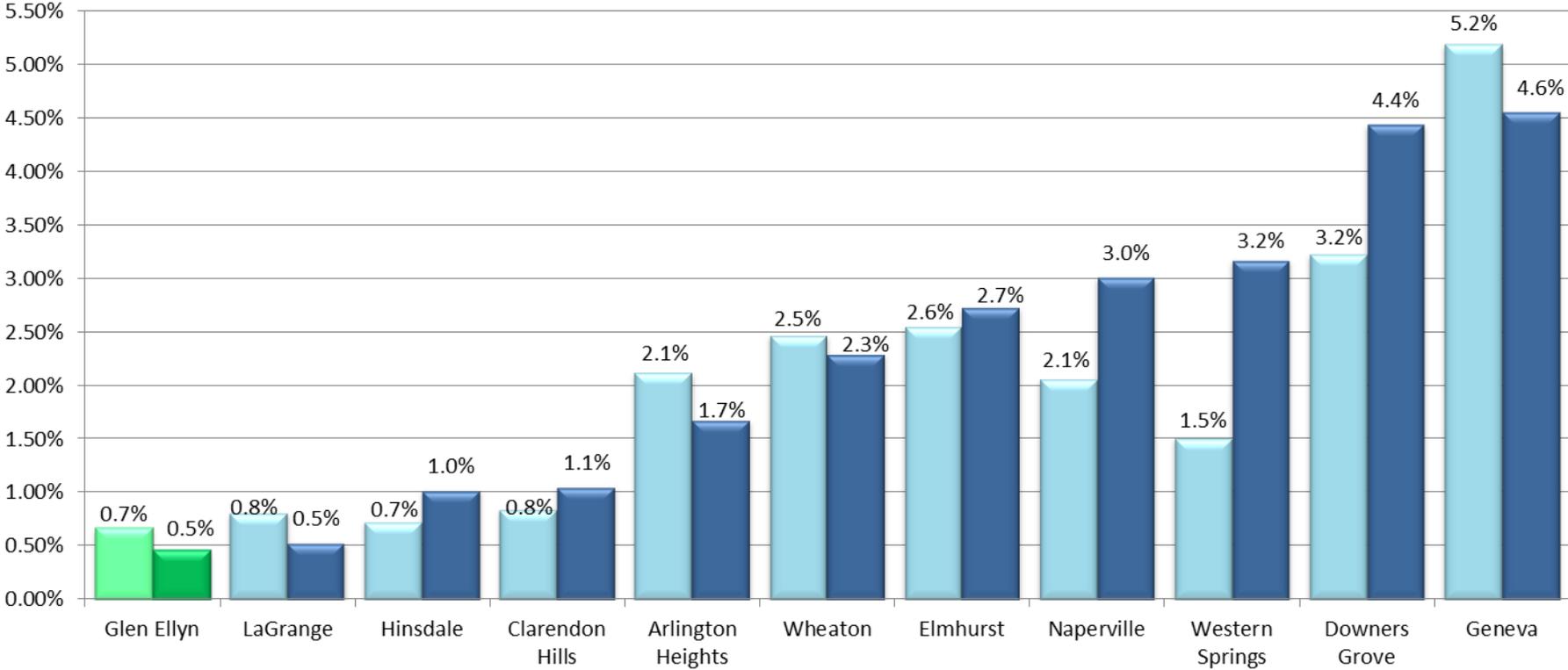
Note: Data includes UAAL for Police Pension Plans only.

# Debt plus UAAL per Capita FY 2009 and 2013



# Outstanding Debt as a % of EAV

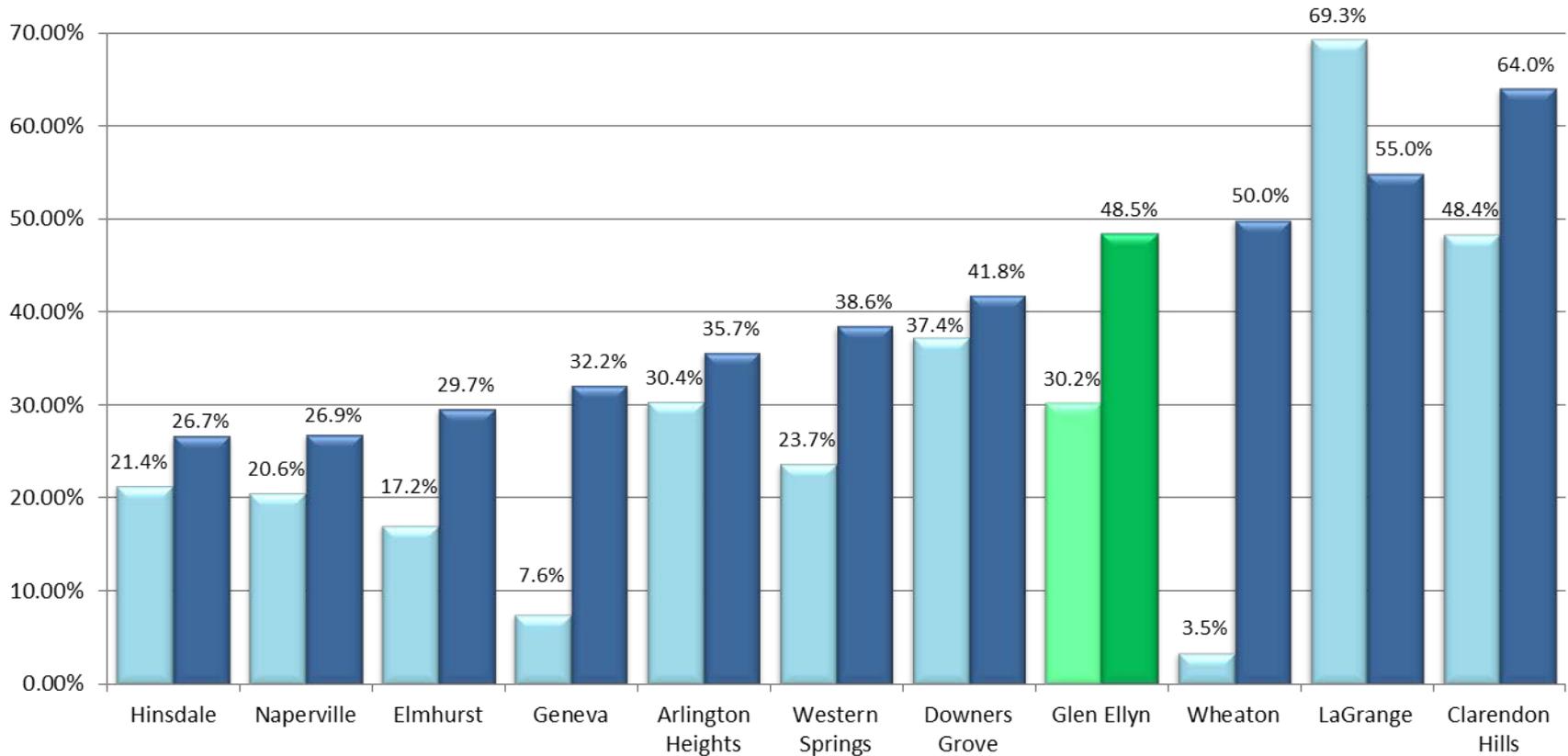
## FY 2009 and 2013



Source: Comprehensive Annual Financial Reports

Debt includes outstanding general obligation bonds and notes, revenue bonds, loans and compensated absences payable for both governmental and business-type funds. Note: Debt related to electric utilities (Naperville and Geneva) and municipal golf courses (Glen Ellyn) was excluded from this presentation as these services are unique to these communities. Glen Ellyn's debt related to the Village Links is abated annually from golf course revenues and not reflected in property tax bills.

## General Fund Unassigned Fund Balance as a % of Total Expenditures - FY 2009 and 2013



Source: Comprehensive Annual Financial Reports

# Credit Ratings

Aaa	Aa1	Aa2
Wheaton	Arlington Heights	Geneva
Naperville	Elmhurst	Western Springs
Hinsdale	Glen Ellyn	LaGrange
Clarendon Hills		
Downers Grove		

# Notes

- Property tax data was sourced from actual 2009/2013 property tax bills collected from property owners in each community. Hinsdale and Elmhurst tax bills were from properties located in DuPage County.
- Property value data was sourced from Zillow and closed sale transactions as reported by the Connect MLS/Midwest Real Estate Data.
- Demographic data was sourced from CAFRs and the US Census Bureau.
- Village/city financial data was sourced from Comprehensive Annual Financial Reports (CAFRs) from each community.
- Sales tax data was sourced from Illinois Department of Revenue.