

2025-2027

Long Range Plan

October 14, 2025

Table of Contents

<u>Introduction and Overview</u>	3
<u>Strategic Goals</u>	4
<u>Summary of Long Range Plan Key Recommendations</u>	8
<u>General Fund Sustainability</u>	9
<u>Health Fund Sustainability</u>	14
<u>Property Tax Levy & Public Safety Pensions</u>	16
<u>Capital Fund Sustainability</u>	22
<u>Water Fund Sustainability</u>	24
<u>Facilities Maintenance Plan</u>	25
<u>Guiding DG Plan Implementation</u>	26
<u>Fairview Focus Area Implementation</u>	27
<u>Priority Action Items</u>	29

Introduction and Overview

The Long Range Plan identifies and addresses issues affecting the long-term future of the Village. The Plan establishes the Village's goals and priority actions that guide annual budgets, daily operations, and delivery of services. The long range planning process is one of many strong management practices that led S&P to grant the Village its highest bond rating of AAA. The Long Range Plan consists of:

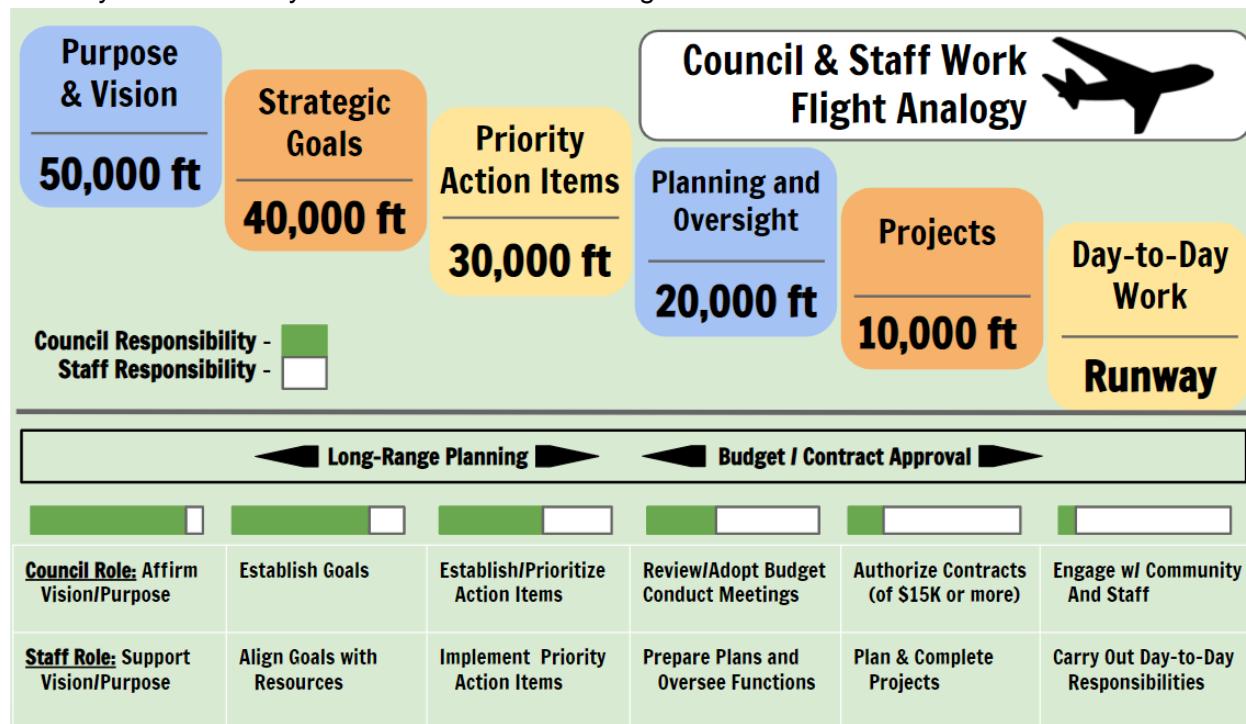
- Strategic Goals for 2025 to 2027 and beyond
- Key trends and issues affecting the Village's long-term future
- Strategies and solutions to address key trends and issues
- Priority Action Items to be completed by April 2027

To prepare the Long Range Plan, the Village Council met multiple times in a workshop format from June through October. The meetings provided an opportunity for dialogue and collaboration among the Village Council, community members, and staff.

Date	Topics
June 10	<ul style="list-style-type: none">• Introduction and Overview• Strategic Goals• Summary of Key Recommendations• Key Trends & Issues
June 17	<ul style="list-style-type: none">• Key Trends & Issues
July 1	<ul style="list-style-type: none">• Key Trends & Issues
August 5	<ul style="list-style-type: none">• Key Trends and Issues
September 2	<ul style="list-style-type: none">• Priority Action Items
September 16	<ul style="list-style-type: none">• Priority Action Items
October 14	<ul style="list-style-type: none">• Review and Accept the 2025-2027 Long Range Plan

Flight Analogy

The graphic below compares the roles of the Village Council and staff with an airline flight. The Long- Range Planning process takes place at the 30,000--40,000 foot level. The Council and community also have opportunities for input at the lower levels throughout the rest of the year, such as during regular Council Meetings, as part of the budget process, and in communicating formally and informally with members of the Village Council and staff.



Strategic Goals

The Village Council developed the following strategic goals:

- Steward of Financial, Environmental, and Neighborhood Sustainability
- Exceptional Municipal Services
- Top Quality Infrastructure
- Strong, Diverse Local Economy
- A Safe and Welcoming Community
- A Beautiful Community
- Continual Innovation

Achievements and Results

In the past several years, the Village has completed many key accomplishments and achieved significant measurable results to further the Strategic Goals. Prior year [Annual Reports](#) summarize these accomplishments and results.

Vision, Goals, and Objectives

The Strategic Goals are supported by and applied in conjunction with the Village's Vision, Goals, and Objectives. The [Draft Comprehensive Plan](#) articulates the vision for the desired characteristics of the Village for the next 20 years. The plan is the basis for the Goals and Objectives that will lead the Village through the implementation of the LRP. The Village's LRP Goals encapsulate the goals stated through the Village's recently completed Guiding DG initiatives, including the Comprehensive Plan, the Environmental Sustainability Plan, the Active Transportation Plan, and the Streetscapes Plan.

Steward of Financial, Environmental, and Neighborhood Sustainability

The Village should act as a steward of public resources to achieve financial, environmental, and neighborhood sustainability. Financial sustainability can be achieved by aligning expenses with revenues on a long-term basis. The Village should control increases in expenses and implement revenue sources that withstand short-term uncertainty and provide long-term stability.

Neighborhood sustainability refers to the Village's role in crafting and applying policies and codes that help maintain or achieve the desired character of existing neighborhoods.

Environmental sustainability refers to the Village's goal to become a model sustainable suburban community. The Village will accomplish this through a collective effort with other governmental partners and the community to find innovative ways to reduce its impact on the environment and promote equitable benefits through effective communication and collaboration, thoughtful planning and investment, and shared values for the natural world. It is the Village's responsibility to engage in a continuous and conscious effort to deliver services strategically and conduct strategic policymaking to preserve resources and enhance the environment for future generations.

Exceptional Municipal Services

The services provided by the Village to residents, businesses, visitors, and all other stakeholders should be of the highest quality and exceed expectations. Village services should be delivered at a value to the community and should reflect the needs and desires of the community as a whole. This is achieved through maximizing the value of public dollars by partnering with overlapping and adjacent government entities. The value of the Village's services should be regularly communicated to the public. The Village should be transparent and accessible, and residents should be engaged and able to interact with their local government. The Village achieves this by producing timely communications in multiple media formats, publishing financial information in a way that is clear and understandable, and seeking and implementing new ways to gather input from residents and other stakeholders.

Top Quality Infrastructure

The Village owns and operates several infrastructure systems including streets, sidewalks, bike lanes, bike paths, pedestrian infrastructure, a stormwater management system, and a water supply and distribution system. The Village will partner with other governmental entities to work towards a seamless and efficient transportation system that offers good connectivity, improves safety and mobility for all modes of transportation, and enhances the character of the community. The Village has identified specific performance and maintenance measures for each infrastructure system. The Village should continue to invest in critical infrastructure systems so that they meet or exceed performance and maintenance standards and continue to ensure a resilient, sustainable, and high-quality of life for the whole community.

Strong, Diverse Local Economy

The Village should continue to strengthen and diversify the local economy by working with the Downers Grove Economic Development Corporation (DGEDC) and implementing the recommendations of the Comprehensive Plan. The DGEDC, a private not-for-profit agency, is committed to strengthening and diversifying the local economy by retaining existing businesses and attracting new businesses. They strive to strengthen the commercial and industrial property tax base and the sales tax base, increase hotel tax revenue and grow local employment.

The Comprehensive Plan, adopted in 2011 and updated in 2017 and 2025, serves as a tool for improving the community in many areas, including economic development. The Village continues to work with the DGEDC to implement the recommendations of their Strategic Plan.

A Safe and Welcoming Community

The Village should strive to provide and maintain a safe and welcoming community where people feel a sense of belonging. Safety should be a priority when providing services and constructing infrastructure. The services and infrastructure systems provided by the Village should work together to further this goal. All community members should be safe while participating in daily activities such as spending time in their house and neighborhood, driving a vehicle, riding a bike, and going for a walk. The Village should encourage and facilitate high-quality housing and neighborhoods for a diversity of residents to expand the reputation of Downers Grove as an attractive place to live. The Village should enjoy a low crime rate along with a low occurrence of fires and injuries. Buildings, both private and public, should be constructed in a manner that provides a safe environment for all occupants. All stakeholders, longtime residents, newcomers, and visitors should feel a sense of belonging in the community.

A Beautiful Community

The Village should strive to enhance the appearance of the community. The built environment should be visually pleasing, of an enduring design, and instill a sense of pride among residents, visitors, and stakeholders. Public spaces should be inviting and engaging while providing a comfortable and welcoming place for people. Any project or improvement constructed or installed by the Village, large or small, should consist of a high-quality design aesthetic.

Continual Innovation

Innovation refers to the discovery, development, and implementation of leading ideas and practices. Continual innovation leads to increased value of each dollar of investment in Village operations. It is achieved by emphasizing a leadership philosophy that is issue-focused and builds on the skills and talents of all employees within the organization. Village staff carefully considers the benefits of innovative practices to ensure success and value to the organization.

Summary of Long Range Plan Key Recommendations

The Long Range Plan includes two interrelated key recommendations designed to address multiple trends and issues, including:

- A. General Fund Sustainability
- B. Capital Fund Sustainability
- C. Funding for Guiding DG Recommended Capital Projects
- D. Implementation of the Fairview Focus Area Plan
- E. Funding for Village Facility Maintenance

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%
 - Competitive Overall Rate - Six DuPage municipalities have a 1.5% HRST rate or higher
 - Rate was previously 8.25% (.25% DuPage Water Commission sales tax was eliminated in 2016)
- \$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

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

Results

- General Fund Sustainability - \$1.1 M/year for operating expenses and public safety pension contributions
- Capital Fund Sustainability & Funding for Guiding DG Recommended Capital Projects - \$2.6 M /year for these uses
- Funding for Implementation of the Fairview Focus Area Plan
- Funding for Village Facility Maintenance - \$700,000/year for maintenance projects

General Fund Sustainability

Trends & Issues	<p>In 2025:</p> <ul style="list-style-type: none">• Revenues are projected to be at \$63 million, and expenses are projected to be \$63 million or less. <p>In 2026 and 2027:</p> <ul style="list-style-type: none">• Projecting revenue in the current economic environment is challenging due to a high degree of uncertainty. Staff is conservatively projecting revenue to remain flat.• Expenses are projected to increase at an annual rate of about 4% <p>If these projections hold true, adjustments to expenses or revenues or both will be required in 2026 and/or 2027 to maintain a balanced budget and sustainable General Fund</p> <p>Required contributions to the public safety pension funds are projected to increase from \$10.7 million to approximately \$20.4 million by 2040.</p>
Background & Key Facts	<ul style="list-style-type: none">• About 50% of revenue comes from sources affected by economic conditions• In February 2025, the Village adopted a local 1% sales tax on grocery items to avoid a \$1.3 million decline in annual sales tax revenue. <p>From 2020 to 2024:</p> <ul style="list-style-type: none">• Revenues exceeded expenses, allowing money to be transferred from the General Fund to other funds to address other financial and strategic needs, including the Civic Center Project (\$9.4M) Equipment Replacement Fund (\$4.0M), Risk Fund (\$3.9M), Capital & Facility Maintenance Expenses (\$3.9M) & Health Fund Expenses (\$2.5M)• Revenue increased from \$50.9 to \$63.0 million (24%)• Expenses, prior to the transfers noted above, increased from \$47.7 to \$58.5 million (23%), driven primarily by personnel expenses, public safety pension contributions, and inflation <p>In 2024:</p> <ul style="list-style-type: none">• Revenue exceeded expenses (REV=\$63.0M, EXP=\$62.9)• Revenue declined by 1.5% compared to FY23, driven by declines in Sales Tax, Home Rule Sales Tax, and Ambulance Fees• \$4.4M was transferred to the Capital, Major Buildings, and Health Funds
Strategies & Solutions	<ul style="list-style-type: none">• Continue to monitor economic conditions and revenue & expense performance• Enhance revenue by up to \$1.3M in FY26<ul style="list-style-type: none">◦ Increase the Home Rule Sales Tax rate from 1.0% to 1.5%, effective 1/1/26◦ Consider increasing the Hotel Tax rate from 4.5% to 5.5%• Consider further revenue enhancements for FY27<ul style="list-style-type: none">◦ Consider increasing the Electricity Tax or Natural Gas Tax

- Consider increasing the Food & Beverage Tax rate from 1.5% to 1.75%
- If revenue falls short of expenses, consider the following short-term actions:
 - Increase Village administered revenues (Hotel, Electricity, Natural Gas and Food & Beverage taxes) mid-year
 - Reduce expenses by filling essential vacancies only, making essential purchases only and reducing travel and training expenses.
 - Use up to \$500,000 of fund balance
- If revenue exceeds expenses, funds could be transferred to the Capital Fund and used to construct capital projects, including Guiding DG projects
- 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
- Consider additional revenue enhancements during the LRP update meetings in summer 2026 for FY27

Table 1 - General Fund Revenues, 2020 to 2025

Revenue Source	2020	2021	2022	2023	2024	2025 Est	2026-2027 Outlook
Retail Related Sales Tax	14.9	17.8	18.4	19.1	18.5	18.5	Flat
Property Tax (OPS)	6.0	6.0	6.0	6.4*	6.0	6.0	Discretion of Village Council
Income Tax	5.3	6.5	8.2	8.0	8.5	8.5	Flat
Utility Taxes	3.9	3.6	3.6	3.4	3.3	3.3	Gas & Electric Flat; Telecom Declining
Building Permits	1.2	1.1	1.9	1.2	1.3	1.5	Cyclical
Food & Beverage	1.6	3.0	3.6	3.7	3.7	3.7	Flat
Ambulance Fees	1.5	3.7	3.8	3.7	3.3	3.3	Flat
Cellular Equip Rental	1.2	1.2	1.0	1.0	0.9	0.9	Flat
Hotel Tax	0.4	0.6	0.8	0.8	0.9	0.9	Flat
Interest	0.3	0.3	0.6	0.9	0.9	0.8	Decline expected due to lower interest rates & cash balances

*NOTE: The increase in Property Tax (OPS) from 2022 to 2023 was due to the Council's direction to implement a flat levy approach to smooth the impact of expected increases in the FY24 pension levy.

Ambulance Revenue

In 2024, ambulance revenue dropped 12% (\$440,000) from 2023 and fell short of the FY24 budget amount by nearly \$1 million. This is the first significant decrease since 2021, which is when the Village began participation in the Ground Emergency Medical Transport (GEMT) program. This Federal program provides supplemental funding to Illinois fire agencies that perform medical transports for Medicaid patients. This decrease in ambulance fee revenue is due primarily to a reduction in GEMT revenue driven by lower enrollment in Medicaid (fewer ambulance transports subject to the GEMT funding). Staff estimates the ambulance revenue will remain at this level for the next few years.

Sales Tax and Local Use Tax Revenue

Due to a recent change in state law regarding the collection of sales tax and local use tax, the Village projects that, beginning in 2025, sales tax and home rule sales tax revenue will increase and local use tax will decrease, based on the same retail sales activity. Because the new law will not result in a dollar-for-dollar shift, the net impact of the change is expected to result in a slight increase in the revenue generated by retail activity taking place in the Village. The projected impact is reflected in Table 1.

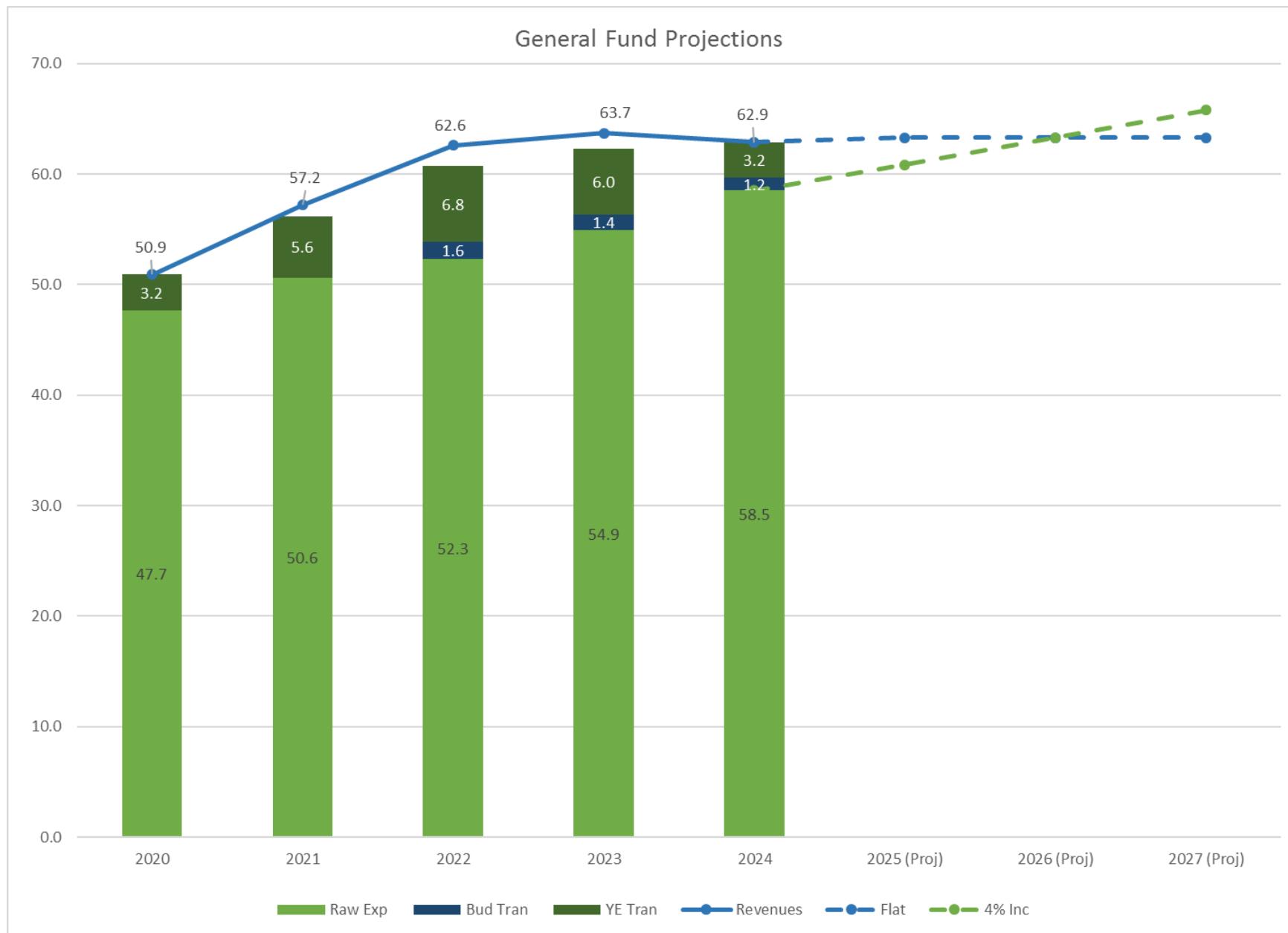


Table 2: Municipal Home/Non-Home Rule Sales Tax Rate Comparison

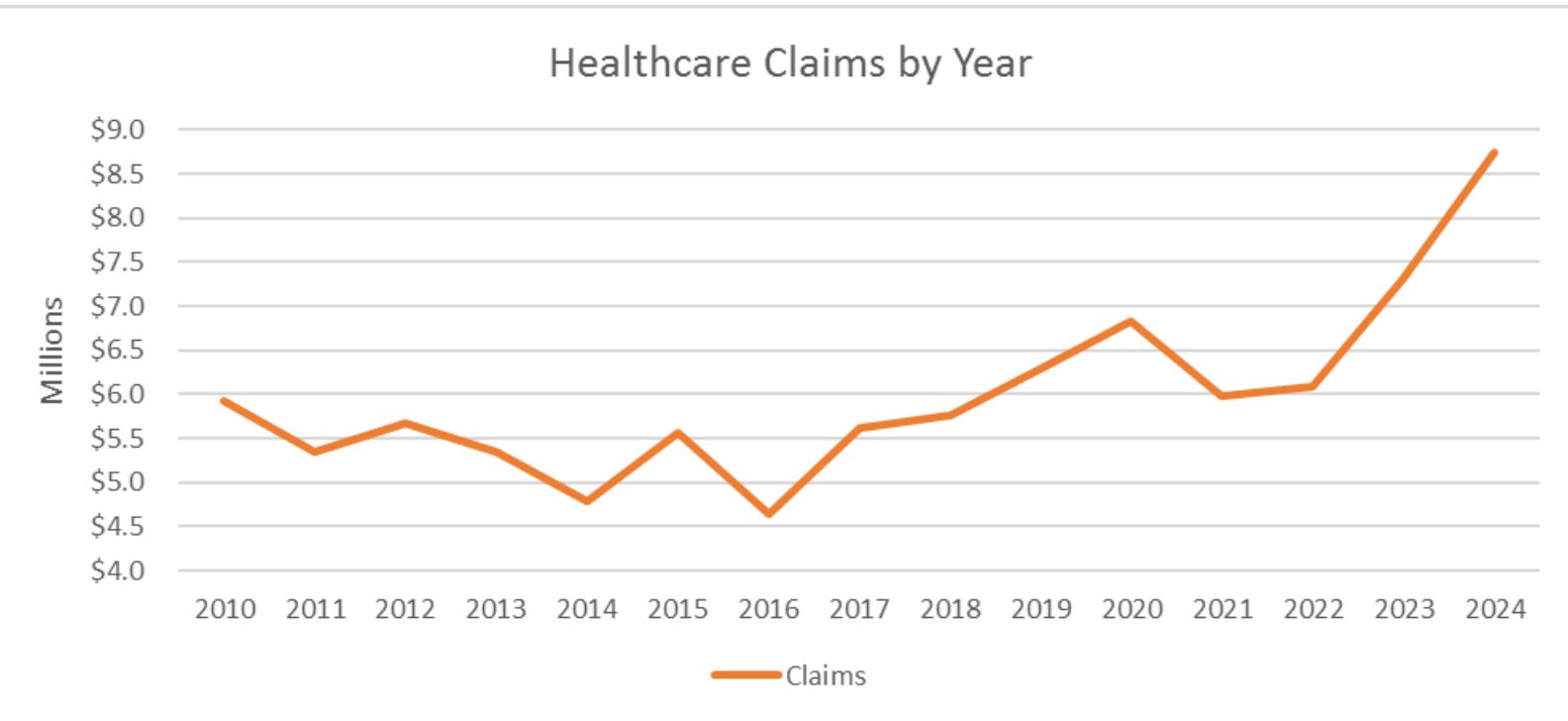
Municipality	Sales Tax Rate
Addison Bartlett	1.75%
Bolingbrook Elmhurst Roselle West Chicago	1.50%
Glen Ellyn Glendale Heights Warrenville Woodridge	1.25%
Bensenville* Carol Stream Darien Downers Grove Hinsdale* Lombard* [^] Oak Brook Terrace Westmont* Wheaton Willowbrook Wood Dale* Villa Park*	1.00%
Naperville Winfield*	0.75%
Bloomingdale Itasca* Oak Brook*	0.50%
Clarendon Hills* Lisle*	--

*Non-home rule communities are capped at 1.00% for their sales tax rate

[^]Some communities may have additional sales taxes for special business districts

Health Fund Sustainability

Trends & Issues	<ul style="list-style-type: none">Industry-wide health care costs are increasing due to inflation, health system consolidation, and utilization of high-cost pharmaceuticals.In 2024, the total medical claims paid by the Village were the highest amount in the last 15 years, increasing by approximately 47.6% since 2010.Medical Claimants between \$10,000 and \$75,000 increased 2024 expenses by \$1 million.
Background & Key Facts	<ul style="list-style-type: none">In 2023 and 2024, the General Fund transferred a total of \$2.5M into the Health Fund in anticipation of higher claimsThe 2024 ending cash balance in the Health Fund was \$3.7MThe Health Fund accounts for financial activity related to the Village's self-insured medical, dental, vision, and life insurance plans.Claims and program administration are managed through a combination of internal staff and contractual support.Health insurance costs represent a significant personnel expense which, if not effectively managed, will continue to grow at the industry trend of 8% per year.The Village continues to initiate and maintain an interdepartmental and inter-agency focus on improving employee well-being to drive down costs related to health insurance expenses.
Strategies & Solutions	<ul style="list-style-type: none">Partner with the Village's health insurance consultants and vendors to monitor and comply with changing healthcare industry trends.Control costs by continuing to educate employees on healthcare consumerism and utilization, such as advocating for early cancer screenings and pharmaceutical alternatives for expensive and specialty drugs.Consider incorporating plan design changes and technological advancements to assist with decreasing health plan costs.Strategically draw down fund balance as necessary to fund the increase in claims.



Property Tax Levy & Public Safety Pensions

Trends & Issues	<ul style="list-style-type: none">The Village's required contributions to the public safety pension funds have increased from \$6.53 million in 2018 to \$10.65 million in 2025, an increase of \$4.12 million (63%).The required contributions are projected to increase from \$10.7 million in 2025 to \$20.4 million in 2040.In 2026, the required public safety pension contribution is projected to increase by \$791,155, an 8.9% increase for the Fire Pension and a 6.0% increase for the Police Pension. These increases were driven by an update of actuarial assumptions used to calculate the required contributions.
Background & Key Facts	<ul style="list-style-type: none">The Village makes the required contribution to the public safety pension funds each year.There are two public safety pension funds: the Firefighters Pension Fund and the Police Officers Pension Fund.In 2023, the Village smoothed the total property levy by levying more than the required public safety pension contribution (which unexpectedly decreased in 2023) and using it for 2024 and future pension contributions.In 2023, the Village created a Public Safety Pension Assignment within the General Fund to account for the smoothed contributions approach.As expected, the required public safety pension contributions increased in 2024 and 2025. Therefore, the Public Safety Pension Assignment was used to make the required contributions to the public safety pension funds: \$192,760 in 2024 and \$150,000 in 2025.The Assignment currently has a balance of \$622,346. At the end of FY25, the balance is planned to be \$472,346.Use of the funds in the assignment both smooths the annual impact on property taxpayers and lessens the amount paid.
Strategies & Solutions	<ul style="list-style-type: none">Continue to make the required contributions to the Public Safety Pension FundsMake 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<ul style="list-style-type: none">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 contributionContinue to use this practice each year through 2040

FAQ on Public Safety Pensions

What Does "Public Safety Pension" Mean?

Police officers and firefighters are eligible for pension benefits upon retirement if they meet certain eligibility criteria which are set by State of Illinois law. Each municipality that employs police officers and firefighters must maintain a fund to pay the pensions. The pension funds are invested using parameters established by the State of Illinois to increase the value of the fund over time. The level of pension benefits is determined by State law.

Who Pays for Public Safety Pensions?

Both the employer and the employee are responsible for funding the public safety (police and fire) pension funds. Police officers contribute 9.91% and firefighters contribute 9.455% of their salary toward their pensions. This percentage is governed by State statute. The Village makes an annual contribution to each pension fund. The amount is based on an actuarial calculation that is determined by figuring the potential cost of the system based on statistical analysis which considers investment returns, employee contributions, and pension benefit payout costs

Does the Village Fund the Pensions at the Required Amount?

Yes, each year the Village makes the required annual contribution to both the Police and Fire Pension Funds.

Public Safety Pension Stabilization Assignment

In 2023, the Village assigned funds specifically for future pension contributions. This pension stabilization assignment is part of the General Fund fund balance. In 2024 and 2025, the Village used the stabilization assignment to lessen the total levy and to smooth the impact of annual increases. The stabilization assignment maintains a balance of \$472,346 for use in 2026 and future years.

The Village took advantage of two favorable conditions in 2023 and 2024 - an unanticipated decrease in the 2023 required pension contribution and exceptional revenue performance in both years - to assign over \$815,000 in the General Fund to be used to lessen future property tax levies and to smooth the anticipated increases.

Plan for the Use of the Assignment

The Village may continue using the stabilization assignment to smooth the impact on the property tax levy for public safety pensions and lessen the amount of the total property tax levy in future years. From 2025 through 2029, the required pension contributions should be made using a combination of a portion of the stabilization assignment balance and the property tax levy for public safety pensions. The balance in the assignment of \$472,346 should be used over the next five years as shown in the plan above. The plan is intended to result in the lessening of the total property tax levy in each of the years 2026 through 2029 and smoothed annual increases in the total tax levy of about 4.2%. It should be noted that, as part of the smoothing efforts, the increase in the total tax levy will be greater than the increase in the required contribution in 2025, 2027, 2028, and 2029. The opposite will hold true in 2026.

Table 3 - 5-Year Plan for the Use of the Public Safety Pension Stabilization Assignment

Year	Required Contrib	Pension Levy	Other Components of the Levy^	Total Property Tax Levy	Use of the Assign (Update)	% Incr (Update)
2023	\$9.48 m	\$9.48 m	\$7.4 m	\$16.89 m		
2024	\$10.09 m	\$9.89 m	\$7.0 m	\$16.89 m		
2025	\$10.65 m	\$10.50 m	\$7.0 m	\$17.50 m	\$150,000	3.59%
2026	\$11.44 m	\$11.24 m	\$7.0 m	\$18.23 m	\$201,000	4.23%
2027	\$12.16 m*	\$12.01 m	\$7.0 m	\$19.00 m	\$153,000	4.23%
2028	\$12.91 m*	\$12.81 m	\$7.0 m	\$19.81 m	\$95,000	4.23%
2029	\$13.67 m*	\$13.65 m	\$7.0 m	\$20.64 m	\$23,346	4.20%

***NOTE:** These annual contributions are shown in the projection model. Actual annual contributions will vary from these figures.

^ NOTE: This plan assumes that there will be no other changes to the other levy components. These components of the levy may be changed as part of annual budget preparations.

Results of the Public Safety Pension Stabilization Assignment

Based on the above multi-year plan, the use of the assignment will result in:

- 2 years with unchanged (“flat”) total levies (2023 and 2024)
- 5 years of smoothed total levies (2025-2029)
- 6 years in which the total levy is lessened by the contributions for the assignment (2024-2029)

During the 2024 LRP process, a five-year plan for drawing down the Public Safety Pension Assignment (PSPA) was presented. The plan was based on a set of assumptions with the goal of minimizing and smoothing annual increases to the Village’s total property tax levy. These assumptions included:

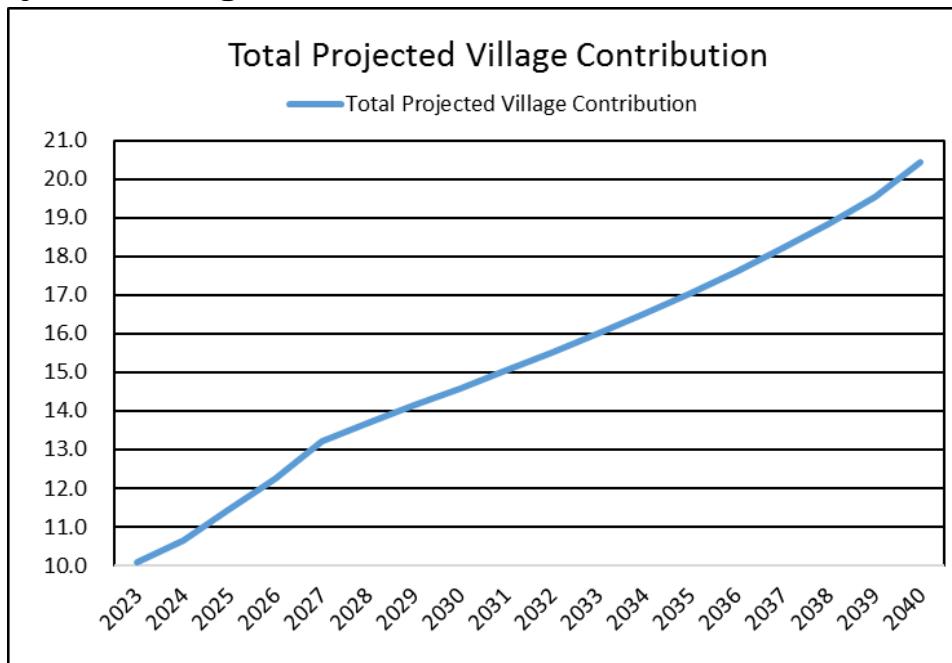
- Projections for annual required contributions based on actuarial assumptions
- Corporate and capital property tax levies remaining flat over a five-year period
- No additional transfers to the PSPA

As part of the management of the Village’s public safety pension funds, every 3-5 years, the Village’s actuary reviews the actuarial assumptions used to determine annual required contributions. In 2025, based on the review and implementation of these updates, the required contribution for FY26 will increase by \$279,995 (2.5% increase) more than originally expected. If the Village were to maintain the previous five-year plan, it would result in a 5.09% increase to the total property tax levy.

The PSPA is flexible, and the Village is able to modify the use of the assignment based on changing circumstances. Due to the change in actuarial assumptions and increase in the FY26 required contribution, the five-year plan for PSPA was reevaluated to determine if modifications would be necessary to meet the objectives of smoothing increases to the Village's total property tax levy. Since the changes to the actuarial assumptions are associated with longer-term trends and not because of a single year change, the projected required contributions were increased by 2.5% in future years.

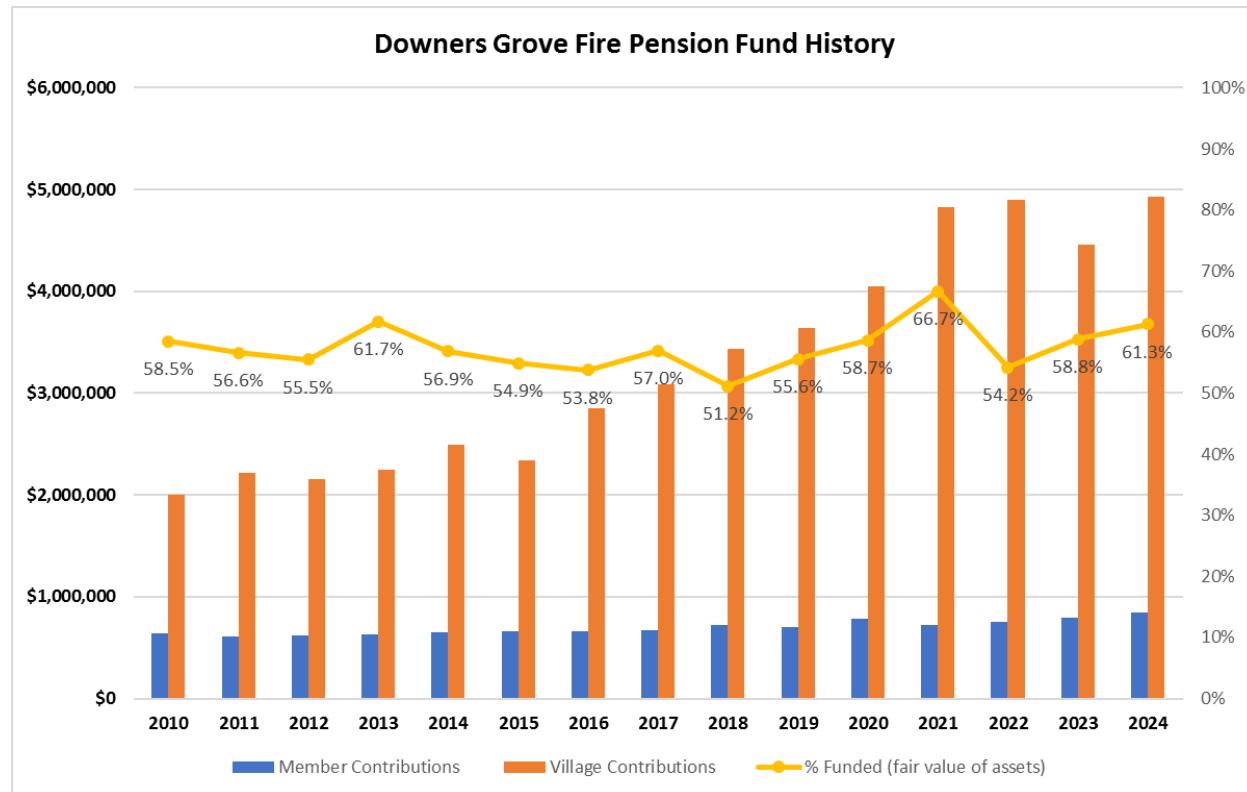
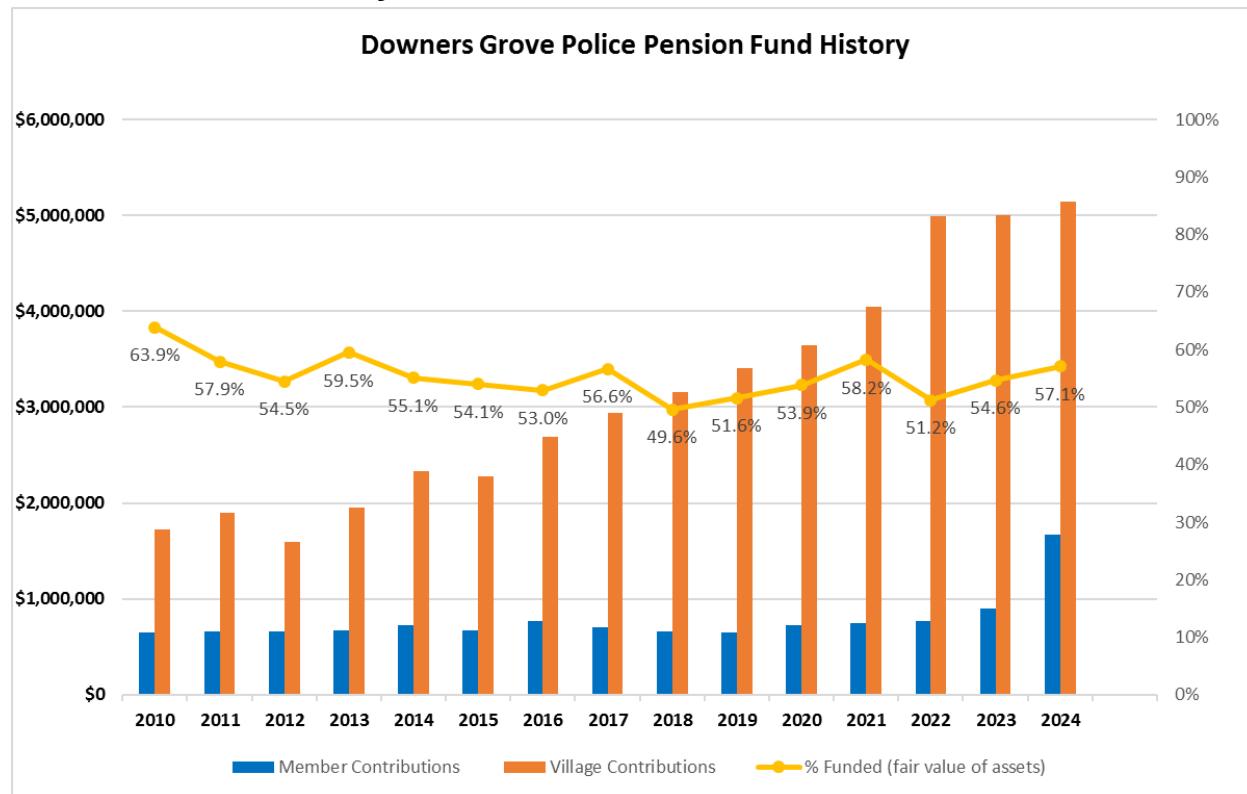
To meet the original objectives of the five-year plan, modification to the anticipated use of PSPA is recommended. A new five-year plan would result in a higher use of PSPA in FY26 and FY27, less use of PSPA in FY28 and FY29, and annual increases to the total levy between 4.20% and 4.23%.

Total Projected Village Contribution



The chart above shows the projected annual required contributions to the public safety pension funds from 2023 through 2040. This projection was initially prepared by an actuary, but the contributions have been updated based on updated actuarial assumptions. Required contributions are projected to increase from \$10.7 million in 2025 to just over \$20 million in 2040. The actual annual required contributions are calculated each year and will vary from the projections in the chart. However, the projections serve as an effective guide and planning tool.

Pension Fund History



Projected Funding of Pensions

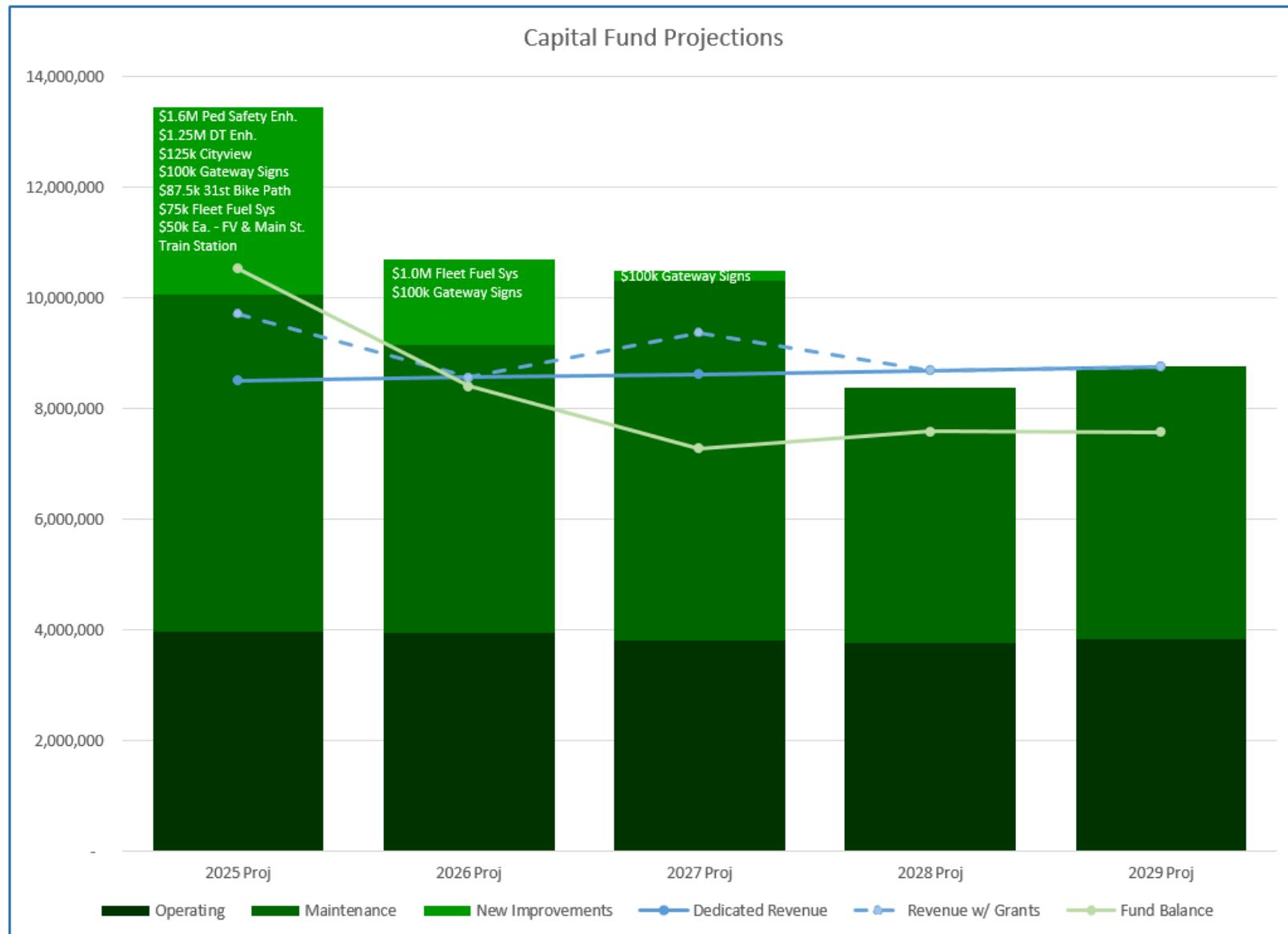
Both the police and the fire pension funds are on track to be fully funded by 2040.



It should be noted that for every dollar shortfall of the assumed investment return, the recommended pension contributions would increase by approximately 1.7 cents on the dollar. This is because the recommended pension contribution is calculated by smoothing the asset value over 5 years and targets 100% funding over the next 16 years.

Capital Fund Sustainability

Trends & Issues	<ul style="list-style-type: none">Annual revenues of approximately \$8.5 million are projected to be sufficient to fund operating and maintenance expenses through 2029Projected revenues are not sufficient to fund the construction of “new” infrastructure projects (projects that result in an expansion of infrastructure systems) beyond 2027.In 2023 and 2024, revenues exceeded expenses in the General Fund, which allowed it to transfer \$4.2M to the Capital Fund to pay for accelerated maintenance and additional new projects beyond the planned maintenance of the existing infrastructure systemsTransfers from the General Fund will not likely be available in 2025 and beyondOn April 8, 2025, the Village Council approved three Guiding DG plans that include many recommended capital improvement projects
Background & Key Facts	<ul style="list-style-type: none">The Capital Fund accounts for major infrastructure work, including but not limited to roads, sidewalks, traffic signals, and crosswalks.Revenue sources for the Capital Fund are Home Rule Sales Tax, Property Tax, and Telecom TaxMajor 2025 projects include pedestrian safety enhancements and downtown business district enhancementsCosts for maintenance, operations, and new infrastructure projects continue to increase
Strategies & Solutions	<ul style="list-style-type: none">Continue to maintain infrastructure systems at the recommended standardsUse 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 projectsEnhance 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<ul style="list-style-type: none">Determine the amount to be spent in each of the three categories as part of the annual budgeting processTargeted amounts for FY26 are as follows:<ul style="list-style-type: none">\$2.6M for Guiding DG and “new” capital projects\$700,000 for facilities maintenance



Water Fund Sustainability

Trends & Issues	<ul style="list-style-type: none">• The Village completed a Water Rate Study in 2024 to project revenue needs for the Water Fund based on a ten-year CIP that included:<ul style="list-style-type: none">◦ Backup Well Rehabilitation/Reconstruction (3x)◦ Lead Service Line Replacement beginning in 2027◦ Water storage tank rehabilitation (3x)◦ Replacement of 1% of watermain annually• The Water Rate Study recommended:<ul style="list-style-type: none">◦ Water rate increases of 9% in 2025-2026 and 6% in 2027◦ A debt schedule that includes \$13.7 million bond issuance in 2025 and \$22.9 million in 2028• In August 2024, the Village unexpectedly received a \$4.0 million low-interest loan from the IEPA to fund the replacement of one backup well and a portion of watermain replacement in 2025<ul style="list-style-type: none">◦ Bids for IEPA-funded projects came in \$1.1 million higher than the award, primarily driven by the wellhouse reconstruction and well rehabilitation◦ The Village requested additional IEPA funding for the cost increases and was awarded an additional \$1.3M loan (Total IEPA loan will be \$5.3M, which includes contingency)• Watermain replacement bids are coming in 20% higher than historical averages• Cost increases in 2025 are anticipated to persist due to increasing material and labor costs, impacting the recommendations of the 2024 Water Rate Study
Background	<ul style="list-style-type: none">• The Village is a member of the DuPage Water Commission (DWC), which purchases and distributes treated water from the City of Chicago.<ul style="list-style-type: none">◦ Three groundwater wells used prior to joining DWC have been maintained as an emergency backup and are in need of rehabilitation or replacement• The Village has completed a Lead Service Line Inventory and Replacement Plan in compliance with both the State of Illinois and U.S. Environmental Protection Agency (USEPA) requirements<ul style="list-style-type: none">◦ Preliminary cost estimates from the LSLR Plan were used in the 2024 Water Rate Study◦ Full implementation of Lead Service Line Replacements (LSLR) is anticipated to begin in 2027
Strategies & Solutions	<ul style="list-style-type: none">• Implement the 9% increase in water rates in 2025• Execute the IEPA loan agreement for \$5.3 million• In the second half of 2025, verify that the debt issuance recommended in the 2024 Water Rate Study is sufficient for anticipated cost increases in CIP and supported with the rate increase recommendations• In 2027, conduct an updated Water Rate Study based on the finalized LSLR Plan• Continue to pursue state and federal grants and loans for water projects

Facilities Maintenance Plan

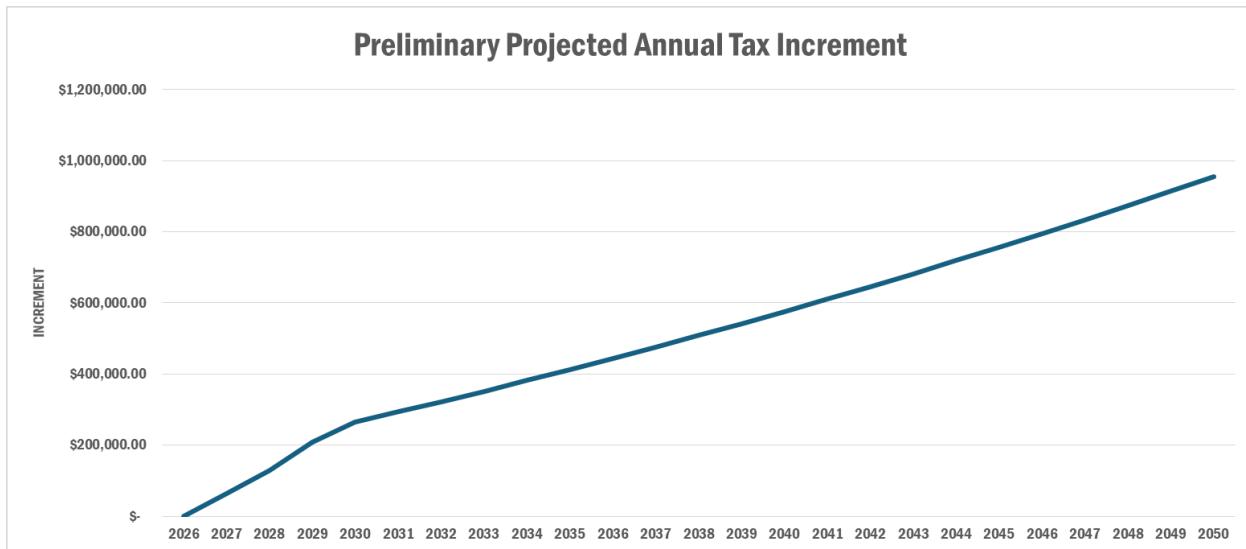
Trends & Issues	<ul style="list-style-type: none">• The Village is responsible for the maintenance and operation of seven major facilities (Civic Center, fleet garage, public works building, and four fire stations) as well as two train stations (Main Street and Fairview). It is estimated that the replacement value of these facilities is in excess of \$100 million.• The Village strives to maintain facilities:<ul style="list-style-type: none">◦ In an effective and financially sustainable manner;◦ In a manner that provides a safe, professional, and comfortable working environment and reduces the lifetime cost of ownership;◦ To a pre-determined high level of service and quality that employees and the public feel comfortable in and take pride in; and◦ In a manner that reflects and achieves the Village's environmental sustainability goals and objectives.• The FY25 Major Buildings Fund budgeted ending fund balance of \$1.4 million will be available to support facility maintenance requirements in the next one to two years.• There is currently no annual funding source in place to support the long-term maintenance of Village-owned facilities.
Background & Key Facts	<ul style="list-style-type: none">• Construction of the 80,000 square foot Civic Center was substantially completed in 2024.• The remaining major buildings that support Village operations were constructed between 1971 and 2008.• The Main Street Train Station was constructed in 1911, and the Fairview Avenue Train Station was constructed in 1916. Both buildings have been designated as historic landmarks.• On April 8, 2025, the Village Council approved the Environmental Sustainability Plan, which includes goals, objectives and actions that will improve the sustainable operation of Village-owned facilities.• The Village is in the process of preparing a facility condition assessment and maintenance plan that will determine funding requirements and priorities necessary for effective operating and capital maintenance of Village facilities, including the implementation of the Environmental Sustainability Plan.
Strategies & Solutions	<ul style="list-style-type: none">• 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.

Guiding DG Plan Implementation

Trends & Issues	<ul style="list-style-type: none">• The Comprehensive Plan, Active Transportation Plan, Environmental Sustainability Plan, and Streetscapes Plan provide the Vision, Goals, and Objectives to direct Village policy and action items over the next 20 years.• Many of the recommendations in the Guiding DG plans are capital improvement projects. Preliminary cost estimates indicate that the costs of all recommended projects could be measured in tens of millions of dollars.• While a small portion of the recommended capital improvement projects will be included in maintenance activities using existing revenue sources, the existing revenues are not sufficient to pay for most of the recommended projects.
Background & Key Facts	<ul style="list-style-type: none">• The Active Transportation Plan recommends over 400 capital project elements.• The Streetscapes Plan recommends a total of 66 capital project elements.• The Environmental Sustainability Plan includes 26 objectives that would be supported through a range of ongoing capital projects. The two-year action plan includes a facilities assessment that will provide recommendations for retrofits and emission reduction projects
Strategies & Solutions	<ul style="list-style-type: none">• 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 Implementation

Trends & Issues	<ul style="list-style-type: none">• The Village is taking steps to enhance the Fairview Focus Area, following recommendations outlined in the 2017 Comprehensive Plan.• In 2025, the Fairview Focus Area was rezoned, creating three new zoning districts• The Guiding DG Streetscapes and ATP recommend several capital projects for the Fairview Focus Area and connection to the downtown area. Based on preliminary cost estimates, construction costs could exceed \$10 million.• 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:<ul style="list-style-type: none">◦ 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.
Background & Key Facts	<ul style="list-style-type: none">• In the 2017 Comprehensive Plan, the area surrounding the Fairview Train Station was identified as a focus area for redevelopment and revitalization• The Village developed a Fairview Focus Area Action Plan to move forward the recommendations of the 2017 Comprehensive Plan• The Action Plan will likely take multiple years to implement, similar to the downtown revitalization efforts
Strategies & Solutions	<ul style="list-style-type: none">• Beginning in 2025, simultaneously undertake all outstanding actions in the Fairview Focus Area Action Plan• In 2026, create a Tax Increment Financing District<ul style="list-style-type: none">◦ 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



Priority Action Items

A key component of the Long Range Plan are the Priority Action Items. These items reflect Council priorities and serve as the Village's work plan from September 2025 through May 2027. The work plan should consist of action items that can be completed by May 2027.

Criteria for Priority Action Items

Priority Action Items reflect Council priorities for new policies or revisions to existing programs and policies. The criteria for a Council Priority Action Item include:

- **Support of Strategic Plan Goals and Key Issues** - the action should achieve a measurable result that supports one or more of the Strategic Plan Goals and/or Key Issues addressed during Long-Range Planning.
- **Village Council Policy Direction Required** - the action requires the Village Council to provide policy level direction to be completed.
- **Six Months or More to Complete** - the action requires significant staff and/or Village Council time; six months or more from the time staff begins work on the action to the time the action is completed.
- **Multi-Departmental Effort** - the action requires effort from more than one Village department.

Priority Action Items are established by the Village Council prior to the preparation of the annual municipal budget. This schedule allows the budget to include the resources required to complete the Action Items. As an example, the 2023-25 Priority Action Items included the preparation of an updated Comprehensive Plan, Environmental Sustainability Plan, Active Transportation Plan and Streetscapes Plan. The FY24 and FY25 budgets included approximately \$900,000 to pay for consultants for these projects. Further, the FY24 budget included the then new staff position Environmental Sustainability Manager.

In 2023-25, the Village undertook and completed an unprecedented amount of Priority Action Items in terms of overall workload. However, three Priority Action Items included in the work plan were not started.

For the 2025-27 Priority Action Items, the list of projects will likely result in a workload that is less than that in the 2023-25 work plan while continuing to undertake an aggressive schedule. Once work commences, staff plans on presenting monthly status reports to the Village Council. This will allow the Council to make any desired adjustments to the work plan on a regular basis. Further, the Priority Action Items will be reviewed and discussed more formally as part of the 2025-27 Long Range Plan Update that will take place in summer 2026.

Table 4
2025-27 Priority Action Items

Action Item	Notes/Status	Duration	Effort	Depts.
<p>Update the Zoning Ordinance</p> <p>This project consists of amending the Zoning Ordinance and potentially the Zoning Map to implement the recommendations of the 2025 Comprehensive Plan, including:</p> <p>Consider allowing ADUs in single-family detached districts as context-sensitive infill.</p> <p>Consider diversifying housing options by incrementally introducing duplexes, small-scale multi-family to existing single family districts.</p> <p>Consider offering density bonuses for attainable-housing projects.</p> <p>Consider offering grants or density bonuses that encourage restoration and adaptive reuse of heritage structures.</p> <p>Update ordinances to encourage a mix of retail, service, office, and multi-family uses in neighborhood commercial areas.</p> <p>Ensure shops, restaurants, entertainment, and high-density housing are allowed in mixed-use projects.</p> <p>Ensure Zoning Ordinance prioritizes mixed-use development in Downtown, Fairview, 75th Street, Belmont Train Station, West Ogden Avenue and, where appropriate, the Esplanade and the Butterfield Road Corridor</p> <p>Consider amending the outdoor-lighting code to a dark-sky outdoor lighting code.</p> <p>Consider updating ordinance to encourage the use of bird-friendly glass in multi-family buildings</p> <p>Examine sustainability infrastructure requirements (e.g. EV charging, native plantings)</p> <p>Re-examine shared parking agreement regulations.</p> <p>Examine parking requirements to encourage outlot redevelopment and green space</p> <p>Evaluate Village policies to potential updates that would promote biodiversity on private property (ESP)</p> <p>Evaluate Village policies and permitting to promote renewable energy development (ESP)</p>	<p>Allows multiple Comp Plan recommendations to be considered in one project.</p> <p>Allows multiple ESP recommendations to be considered</p> <p>Undertaking the Zoning Ord. update is an efficient means of furthering the Comp Plan recommendations</p>	12+ Mos	High	CD, LEG, VMO

Update the Subdivision Code This project consists of amending the Subdivision Code to implement the recommendations of the 2025 Comprehensive Plan.	Should be completed once the Zoning Ordinance is updated	3 Mos	Med	CD, PW, VMO, LEG
Develop a Public Art Program This project consists of creating a public art program to address program management and governance, funding, project selection, community engagement, and program evaluation.	Spaces for art in the downtown will be constructed in 2026	6 Mos	High	CD, LEG, PW, VMO
Conduct an Attainable Housing Study This project consists of analyzing the Downers Grove housing market to better understand housing costs, cost burden and housing availability.	The Comprehensive Plan and Existing Conditions Memo contain significant information and analysis as well as recommendations that would be the basis for this study. The Metropolitan Mayors Caucus could be engaged to complete this study as part of their <u>Homes for a Changing Region program</u>	6 Mos	Med	CD, VMO, LEG
Consider a Private Tree Protection Ordinance This project consists of adopting an Ordinance with regulations intended to reduce or minimize the number of privately owned trees removed in conjunction with construction and development activities. The regulations would focus on creating awareness of the existing privately owned trees that may be affected by the proposed construction and development activities. The Ordinance may be similar to the voluntary historic preservation ordinance. The Ordinance may require a mandatory submittal and review process while implementation of the regulations may not be mandatory.		12-15 Mos	High	CD, PW, VMO, LEG
Establish Micromobility Device Regulations This project consists of developing rules and regulations for the operation of bikes, e-bikes, e-scooters and other mobility devices.	In Progress	6 Mos	High	PD, LEG, VMO, PW, CD
Create a TIF District for the Fairview Focus Area and Connection Area This project consists of creating a Tax Increment Financing District which would generate revenue to be used to make public improvements and facilitate	In Progress A consultant has completed some of	9 to 12 Mos	High	CD, PW, LEG, VMO, FIN

redevelopment projects.	the analysis required to create the District, under contract with the DGEDC			
Facilitate the Redevelopment of Parking Lot I This project consists of redeveloping the Village-owned parking lot that serves the Fairview Train Station with a residential or mixed use development as directed by the Council. Some commuter parking would be required to be provided, as approved by Metra.	Metra will have to participate in this project	12-15 Mos	Med	CD, LEG, VMO, FIN
Design and Construct the 5 Flexible Amenity Areas This project consists of designing and constructing five flexible amenity areas as recommended in the Streetscapes Plan and directed by the Village Council.	In Progress Construction is planned for Spring 2026	6 to 12 Mos	Low	PW, CD, LEG, VMO
Design and Construct the Kunze Plaza Improvements This project consists of the design and construction of the Linda Kunze Plaza in the Downtown as identified in the Guiding DG Streetscapes Plan.	In Progress A consultant is preparing the plans	Design in 2025 Construct in one season	Low	PW, CD, LEG, VMO
Design and Construct the Northside Main Street Train Station Plaza This project consists of the design and construction of the plaza on the north side of the Main Street train station in the Downtown as identified in the Guiding DG Streetscapes Plan.	In Progress A consultant is preparing the plans	Design in 2025 Construct in one season	Low	PW, CD, LEG, VMO
Facilities Condition Assessment (Phases 1 & 2) This project consists of the preparation of a comprehensive facility condition assessment and maintenance plan (FCA). The FCA will determine funding requirements and priorities necessary for effective operating and capital maintenance of Village facilities, including the implementation of the related Environmental Sustainability Plan actions.	In Progress A consultant is preparing the assessment	6-12 Mos	Med	VMO, PW, FIN
Solid Waste Contract This project consists of selecting a vendor to provide solid waste collection and disposal services including refuse, recycling and yard waste for single family houses and qualify single family attached houses.	In Progress Contract Expires in 3/31/26	12 Mos	High	VMO, LEG, FIN
Lead Service Line Replacement Plan The Lead Service Replacement and Notification Act, effective January 1, 2022, requires the Village to:	In Progress Required	4 Years	Med	PW, VMO, FIN, COM

<ul style="list-style-type: none"> Develop and maintain a complete inventory of lead service lines by April 2024 Implement a plan to replace all lead service lines from 2027 to 2044 Use good faith efforts to contract with vendors owned by minority persons, women and persons with a disability to complete lead service line replacements 				
Close the Ogden TIF District This project consists of investing the remaining funds in the Ogden TIF District (approximately \$2 million) in redevelopment projects that generate sales tax and food & beverage tax revenue and then retiring the District.	In Progress	12 to 24 Mos	Low	VMO, CD, LEG, FIN
Amend the Sign Ordinance to Allow Digital Signs for Selected Areas or Uses This project would consist of amending portions of the sign ordinance to allow for digital signs in selected areas or for selected land uses.	To be Completed as Part of the Zoning Ordinance Update	12 Mos	High	CD, LEG, VMO
Enhance the Engagement of Boards and Commissions This project consists of increasing the use of Boards and Commissions, strengthening the relationship between the VC and B&C's, formalizing B&C participation in the Long Range Plan, referring additional items to B&C's, and expanding recruitment efforts. Additional objectives may be identified if this project is undertaken.		9 to 12 Mos	High	All Departments
Implement the Comprehensive Plan Focus Area Recommendations for 75th Street and Lemont Road This project consists of facilitating the redevelopment of the shopping center located at the northwest corner of 75th Street and Lemont Road according to the recommendations in the Focus Area Plan in the Comprehensive Plan.		12+ Mos	High	CD, LEG, VMO
Other Required Large Projects				
Negotiate Fire Department CBA	Required	6-12 Mos	Med	LEG, VMO, FIN
Negotiate Police Patrol CBA	Required	6-12 Mos	Med	LEG, VMO, FIN

Priority Action Items Target Schedule

	2025	2026				2027	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Solid Waste Contract	█	█	█				
Facilities Conditions Assessment	█	█	█				
Micromobility Device Regs	█						
Lead Service Line Replacement Plan	█	█	█	█	█	█	█
Design & Construct							
Flexible Amenity Areas	█	█	█				
Linda Kunze Plaza	█	█	█	█	█		
North Train Station Plaza	█	█	█		█	█	█
Update Zoning Ordinance		█	█	█	█		
Amend Sign Ord (Digital Only)			█	█	█		
Update Subdivision Code				█	█	█	█
Public Art Program	█	█	█				
Private Tree Regulations			█	█	█		
Fairview & Connection TIF District	█	█	█	█	█		

Redevelop Parking Lot I								
Enhance Engagement of B/C's								
Implement 75th Street Focus Area Plan								
Close Ogden TIF								
Attainable Housing Study								