



**Stormwater Utility Meetings
January 23-25, 2012
Summary of Meetings**

During the last two weeks of January, the Village hosted a series of stakeholder and public meetings to explain the proposed stormwater utility and to collect feedback on the potential implementation of a stormwater utility. The feedback from community members and organizations can be combined into two major categories:

- Concerns and comments about the impact of the fee
- Questions and comments about the administration of the stormwater fee.

Meeting Attendance

The Village held three stakeholder meetings for specific organizations in the community. The Village also hosted three public meetings with a total attendance of approximately 110.

- 67 at resident meeting
- 10 at business meeting
- 30 at NFP/Churches meeting

The following specific groups were represented, either in stakeholder meetings or public meetings:

Stakeholder Meetings

Sanitary District staff
Park District staff
Library staff
District 58 staff
District 99 staff
Downtown Management staff and board members
Economic Development Corporation staff and board members
Chamber of Commerce staff and members

Public Meetings

Downtown Management
Chamber of Commerce
Arrow Gear
Cameo
Pugi Volkswagen, Hyundai and Mazda
Every Day's a Sundae
Community Bank of Downers Grove
Downtown Property Owners
Condo Associations
Park District Board members

Summary of Feedback

Concerns and Comments Regarding the Impact of the Fee

1. **Negative Impact on Other Government Agencies** – Staff heard concerns from multiple stakeholder groups that the implementation of a stormwater fee would have a negative impact on entities such as the Park District and School Districts 58 and 99, which are subject to the property tax extension limitation (PTELL, or tax caps). The primary revenue source for these entities is property taxes. Both school districts indicated that they levy the maximum amount allowed under PTELL, meaning that the fee would be offset by reductions in other services or the fee would likely be passed on to residents via a fee increase, if possible.
2. **Administration of a utility is burdensome and not the most efficient way to generate revenue** – One concern expressed by residents was that the administrative burden of a stormwater utility is greater than that of the current property tax based system. Some residents stated that they prefer the system with the lower administrative cost. Many attendees acknowledged the inequity in the burden of the stormwater levy in the property tax, but expressed opinions that the correction of the inequity was not sufficiently important to add the administrative burden of the stormwater fee.
3. **Fee circumvents PTELL** – At the meeting with residents, staff was asked whether the stormwater utility would allow the Village to avoid property tax caps. Staff clarified that the Village is not subject to property tax caps.
4. **Current system is more transparent and subject to political pressure** – Some meeting attendees indicated concern that the fee structure would allow the Village to increase fees with less accountability to the community. They indicated that they think increases in the tax levy would be more transparent to voters.
5. **Opens the door to the next utility** – At the public meeting for churches and tax-exempt property owners, one attendee expressed concern that other Village services would be converted to utilities, thereby affecting non-profit organizations more significantly in the future.
6. **Negative impact on property tax deductions/senior tax exemptions** – Residents expressed concerns that property taxes were preferable to fees because property taxes are deductible on federal and state income taxes. Others stated that the fee would affect seniors who take advantage of the Senior Homestead Exemption and the Senior Equalized Assessed Valuation freeze.

7. **Downers Grove Park District Board Comments** – The Park District’s elected board was represented by board members at all three of the meetings. In summary, the board members expressed that the Park District opposed the stormwater fee estimated for the district because the district has partnered with the Village to provide stormwater detention in recent years, that the Park District has completed several streambank stabilization projects and that the District currently maintains many stormwater detention facilities. They also expressed opposition to the calculation using impervious area, given that the Park District provides more than 600 acres of green space.
8. **Actual economic impact** – Several attendees at public meetings expressed concern that the actual economic impact to businesses was not measured. They were concerned about the impact of the stormwater fees on the competitiveness of Downers Grove businesses.
9. **Residents will still pay whether stormwater is financed by taxes or fees** - There is a concern that residents will continue to bear the burden of maintaining the stormwater system whether through fees or taxes. The concern centers on the concept that both taxing districts and businesses will ultimately pass fee increases onto residents in the form of higher taxes or fees (taxing districts) or higher prices (businesses). Some attendees suggested that the Village consider exempting existing properties or the existing properties of local government entities.
10. **Other stormwater impact reduction techniques** – Staff explained that one goal of the stormwater utility is to encourage behaviors that lead to a reduction in stormwater runoff by incentivizing property improvements. Attendees asked if there were other techniques to encourage these property improvements that do not include introducing a stormwater fee.
11. **Ability to rescind fee** – Attendees asked whether the Village would rescind the fee in the future.

Questions and Comments Regarding the Administration of the Fee

1. **Perception is that this is a new government entity** – The title of stormwater utility prompted some to think that the Village was creating a new entity, similar to the Economic Development Corporation. Staff explained that the term utility, in this case, refers to the concept that fees are charged for a service provided. The Village is not proposing the creation of a new entity.
2. **Impervious area is not an accurate measure of stormwater impact** – Attendees at both the stakeholder and public meetings questioned whether impervious area was the right measure of impact. The most frequently suggested alternative was a fee based on the actual amount of stormwater runoff generated by each property considering the combination of impervious and pervious property. One argument regarding the combination fee centered on the idea that residents with similarly sized houses on different pieces of property would pay the same amount regardless of the size of each owner’s property. Additionally, some attendees commented that the Park District likely had a higher proportion of green space than impervious area, which reduced the impact.

3. **More resident credits desired** – Staff discussed a preliminary proposal for a credit system that limited commercial credits to 50% and provided a one-time incentive for residents for installation of improvements such as rain barrels, rain garden or permeable pavers. Meeting attendees indicated a preference for a more robust credit system for residents that included on-going credits.
4. **Credit amounts not tied to cost of stormwater management improvements** – Representatives from business organizations and non-profit organizations stated concerns that the proposed credits are not related to the cost of the stormwater improvements they were required to install during the development of their properties.
5. **ROWs are exempted** – There were multiple questions regarding why the proposed fees would not apply to rights of way including public streets and the railroad right of way. Staff clarified that the current proposal includes only properties that have parcel numbers (PINs). Railroad rights-of-way do not have parcel numbers. Additionally, streets are part of the Village's stormwater conveyance system.
6. **Sustainability of Tax Reduction** – During the public meetings, attendees asked in the Village's property tax levy would continue to decrease each year. Staff explained that the net impact of stormwater fee included the proposed \$1.3 million reduction in the property tax levy for stormwater in 2013. Staff explained that the reduction would be a one-time reduction and that the \$1.3 million would be removed from the levy in 2013. Future property tax levies would not include money for future stormwater system operation, maintenance and capital expenses. Therefore the property tax reduction would be sustained over time.
7. **Other jurisdictions should pay** – Organizations with property along the Village boundaries discussed the impact of stormwater runoff from properties in neighboring communities. They suggested that the Village seek contributions from neighboring jurisdictions whose properties impact properties within the Village.
8. **Remedy for non-payment** – Attendees asked whether there would be a way to discourage non-payment of the fee. Staff stated that the specific process was not defined, but there are several ways of seeking payment such as shutting off the water or placing a lien on the property.
9. **More tiers** – Some attendees suggested that the Village incorporate more tiers into the residential billing system.
10. **Fixed or increasing fee** – Attendees asked whether the stormwater fee would be subject to increases. Staff indicated that, under the current model, the fee would increase annually by 15 to 17% for 10 years to meet the recommended service level.
11. **What is the need for the money** – Some attendees were concerned that the need for the fee was not justified. Staff explained that the Village's stormwater management needs

were outlined in the Stormwater Master Plan, the Watershed Infrastructure Improvement Plan and confirmed by MFSG review of the stormwater system in 2011.

12. **Will the Village use bonds to finance improvements** – Attendees at the public meetings asked whether the Village would pay for improvements on a pay-as-you-go basis or if the Village would issue bonds. Staff explained that the Village would most likely issue bonds to fund the construction of stormwater capital projects and the stormwater utility revenues would be used to pay off the bonds.