

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
NOVEMBER 8, 2011 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Stormwater Utility Study Motion to Continue Exploring the Creation of a Utility	Resolution Ordinance ✓ Motion Discussion Only	David Fieldman Village Manager

SYNOPSIS

A motion has been prepared directing staff to continue exploring the creation of a stormwater utility by hosting a series of information and feedback meetings with the public and key stakeholders (December through February) and preparing a report with final recommendations for Village Council consideration in late February or early March 2012.

STRATEGIC PLAN ALIGNMENT

The goals for 2011 to 2018 identified *Exceptional Municipal Services* and *Top Quality Infrastructure*. The Stormwater Utility Study and Recommendation is a 2011 high priority action item.

FISCAL IMPACT

N/A

RECOMMENDATION

Staff recommends approval of the motion on the November 15, 2011 active agenda.

BACKGROUND

The Village has investigated the formation of a stormwater utility since 2003, when an exploratory committee was formed. The Village recently hired Municipal and Financial Services Group (MFSG), a firm with expertise in the financial needs of municipalities, to complete a stormwater utility study. The study reviewed all aspects of a stormwater utility and included specific recommendations for the Village to consider. Staff now requests a motion from the Village Council to direct staff to continue exploration of the stormwater utility.

The proposed motion would direct staff to:

- Hold a series of public meetings to educate the public about the stormwater utility being considered, and receive and respond to questions, comments and concerns. During the period from December 2011 to February 2012 staff will meet with the following stakeholder groups:
 - Residential property owners
 - Business owners and operators
 - Not for profit organizations
 - Other governments (school districts, park district, sanitary district, townships, etc.)
 - The 10 to 15 property owners that would pay the largest stormwater fees
 - Downers Grove Area Chamber of Commerce & Industry
 - Downers Grove Economic Development Corporation
 - Downtown Management Corporation

- Prepare a report with final recommendations for implementation of a stormwater utility, a summary of public comments, questions and concerns and responses to Village Council questions. The report will be presented to the Village Council in late February or early March 2012.

As with water and sewer systems, the stormwater system consists of a significant amount of infrastructure. Stormwater run-off can be managed as a utility and users of the system billed a fee. All revenues collected from a stormwater fee are used solely for stormwater management expenses, including system maintenance and improvements. The fees supporting the stormwater utility are assessed to property owners based on their contribution to the system. Several communities in Illinois have implemented a stormwater utility including Aurora, Highland Park, and Rolling Meadows, with additional municipalities currently considering the model. There are a number of benefits to a stormwater utility and fee:

- Provides a dependable revenue stream that allows for proactive management of the system.
- Provides improved equity among residents and businesses as the fee is based on stormwater contribution, rather than property value.
- Provides for fiscal accountability with fees driven by needs of the system.

MFSG made four presentations to the Village Council (August 2, 2011, September 13, 2011, October 4, 2011 and October 18, 2011). These presentations are available for viewing on the Village website by clicking here: <http://www.downers.us/top-stories/2011/08/26/village-considers-stormwater-utility>

On October 18, 2011, MFSG and staff recommended the following:

- The Village should implement a stormwater utility
- The Village should implement a stormwater fee using impervious area of properties to determine the amount of the fee.
- The Village should assess the stormwater fee on all properties.
- The Village should reduce the fees for properties that have certain qualifying on-site stormwater management improvements.
- The Village should fund the current level of service beginning in 2013 using the following funding approach:

	Current Revenues	Proposed Revenues
General Fund	\$815,202	---
Developer Contributions	\$50,000	\$50,000
Property Tax Levy for the Repayment of the 2008 Stormwater Bonds	\$1,147,050	\$1,147,050
Property Tax Levy for Stormwater Maintenance	\$511,565	---
Stormwater Fee	---	\$2,361,651
Total	\$2,523,817	\$3,558,701

This funding approach would reduce the annual Village property tax levy by \$1.33 million