

VILLAGE OF DOWNERS GROVE
Report for the Village
12/3/2019

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|------------------------------------|---------------------------------|
| SUBJECT: | SUBMITTED BY: |
| FY20 Budget Implementation Actions | Judy Buttny Finance Director |

SYNOPSIS

Consistent with the FY20 Budget, the following budget implementation actions have been prepared:

- An ordinance to increase in Stormwater Utility Rates per the Stormwater Study
- An ordinance to increase the Water Rates per the Water Rate Study
- Resolution amending the Village’s Non-Union Classification & Compensation Plan

STRATEGIC PLAN ALIGNMENT

The goals for 2017-2019 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

The stormwater utility fee is proposed to increase from \$12.40 to \$13.48 per ERU and is expected to generate \$5.0 million of revenue in the Stormwater fund. The water rates are proposed to increase by 4.6% and are expected to generate \$15.5 million of revenue in the Water fund. Funding for the positions in the compensation plan are included in the FY20 Budget.

RECOMMENDATION

Approval on the December 10, 2019 active agenda.

BACKGROUND

Stormwater Rates

Per the FY20 Budget, the stormwater rate will be increased to align with the recommendations of the 2012 Stormwater Study, and the 2016 Stormwater Utility Report. The plan called for a stormwater fee that would cover the cost of future capital projects, debt service related to those projects, as well as operational and maintenance costs. The utility model represents an equitable method to collect revenue from those properties that place a demand on the system. Revenue is generated by charging all property owners a monthly stormwater fee, based on the property’s impact on the stormwater system. At that time, the Village created a plan for establishing stormwater fees that would increase revenues over a 15-year period, allowing the Village to move from the current level of service to the recommended level within that time frame. The plan calls for annual increases in the stormwater utility fee of approximately 8.7% per year, which would increase the annual revenue available for stormwater management fees from its current level of \$4.6 million in 2019 to about \$11.4 million in 2028. This fee is expected to produce \$5.0 million in revenues in 2020.

The following table shows how the new stormwater rates will impact a single family resident, a typical commercial user, and a typical industrial user in 2020:

| User Category | ERU | Current Annual Fee | Proposed Annual Fee |
|--|-----|--------------------|---------------------|
| Single Family Residence (2,501-4000 s.f. of impervious area) | 1 | \$148.80 | \$161.76 |
| Typical Commercial User | 20 | \$2,976.00 | \$3,235.20 |
| Typical Industrial User | 19 | \$2,827.20 | \$3,073.44 |

Water Rates

Per the FY20 Budget the water rates will be increased to align with the recommendations of the 2019 Water Rate Study. The 2019 Water Rate Study included a model projecting the total cost of owning, operating and maintaining the Village water system. The study recommends that water revenues should be increased in FY20 (effective July 1, 2020) and subsequent years by 4.6% per year.

The following table shows the proposed water rates that will go into effect for bills received after July 1, 2019. The bi-monthly fixed charges by water meter size are consistent with the proposed rates contained in the Water Rate Study.

| Bi-Monthly Fixed Charge by Water Meter Size | 2019 | 2020 Proposed |
|--|------------|---------------|
| 5/8" | \$12.59 | \$13.72 |
| 1" | \$18.89 | \$20.59 |
| 1 1/2" | \$62.97 | \$68.64 |
| 2" | \$100.74 | \$109.81 |
| 3" | \$188.91 | \$205.91 |
| 4" | \$314.84 | \$343.18 |
| 6" | \$629.66 | \$686.33 |
| 10" | \$1,511.18 | \$1,647.19 |
| Bi-Monthly Unit Fee | 2019 | 2020 Proposed |
| Inside Village | \$6.10 | \$6.33 |
| Outside Village | \$7.00 | \$7.26 |

The following table shows how the new water rates will impact typical users in 2020.

| User Category | Typical Meter Size | Current Bi-Monthly Bill | Proposed 2020 Bi-monthly Bill |
|--------------------------|--------------------|-------------------------|-------------------------------|
| Typical Residential User | 5/8" | \$104.09 | \$108.67 |
| Typical Commercial User | 1.5" | \$672.97 | \$701.64 |
| Typical Industrial User | 2" | \$1,320.74 | \$1,375.81 |

Compensation Plan

The Village maintains a Classification and Compensation Plan for its employees that are not otherwise represented by a collective bargaining unit. The wage and salary ranges that make up this plan have been

adjusted annually in recent years. The amendment would increase all ranges by 2.5% and will address external and internal comparability. This increase to the salary ranges, which has been reflected in the attached Compensation Plan, will take effect January 1, 2020. This action will not increase actual salaries for any employee, but provides the ability for employees to receive performance-based increases to base pay. Adjustments may be made by the Village Manager at any time during the year.

ATTACHMENTS

Stormwater Rate Ordinance
Water Rate Ordinance
Resolution
Compensation Plan

2020-Water Rate

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE RATES CHARGED FOR WATER

BE IT ORDAINED by the Village Council of the Village of Downers Grove in DuPage County, Illinois, as follows: (Additions are indicated by shading/underline; deletions by ~~strikeout~~):

Section 1. That Section 25.29. is hereby amended to read as follows:**25.29. Rates and charges for metered water.**

Water will be furnished to consumers only at rates and charges determined as follows:

(a) Except as provided in Section 25-30, the charge for water furnished to consumers located within the Village limits shall be calculated on a flat rate basis as set forth in the following schedule:

(1) Within Village Limits:

For bills received after ~~July 1, 2019~~ July 1, 2020:

(i) Six dollars and ~~ten~~ thirty-three cents (~~\$6.10~~ \$6.33) for property within Village limits will be charged for the consumption of every one hundred (100) cubic feet.

(2) Outside Village Limits:

For bills received after ~~July 1, 2019~~ July 1, 2020:

(i) Seven dollars ~~and twenty~~ and twenty-six cents (~~\$7.00~~ \$7.26) for property outside the Village limits will be charged for the consumption of every one hundred (100) cubic feet.

(b) In addition to the fees listed above, a bi-monthly maintenance fee shall be assessed as follows:

| Water Meter Size | Bi-Monthly Fee |
|------------------|---|
| 5/8" | \$12.59 <u>\$13.72</u> |
| 1" | \$18.89 <u>\$20.59</u> |
| 1 1/2" | \$62.97 <u>\$68.64</u> |
| 2" | \$100.74 <u>\$109.81</u> |
| 3" | \$188.91 <u>\$205.91</u> |
| 4" | \$314.84 <u>\$343.18</u> |
| 6" | \$629.66 <u>\$686.33</u> |
| 10" | \$1,511.18 <u>\$1,647.19</u> |

(c) The charges for water furnished to any building or portion thereof used for multiple-family residence purposes or mixed business and residential uses (except buildings having separate meters for each dwelling unit or use therein) shall be the aggregate of the applicable charges for each dwelling unit or use in such building or portion thereof served through a single meter, computed as though each such dwelling unit or use:

(1) Was a separate building connected to a separate water meter; and

(2) Consumed during such two-month billing period a quantity of water determined by dividing the total water consumption of such multiple-family or mixed use building by the number of dwelling units or uses contained in such building or portion thereof.

(d) During the month of January in each year, any purchaser of water from the Village for resale, in whole or in part, to consumers located outside the Village limits shall file with the Village Treasurer a sworn written statement setting forth the number of separate dwelling units served by such purchaser as of the date of such statement, including all separate single-family buildings and all separate dwelling units contained within buildings used for multiple-family residence purposes. The charges for water furnished

2020-Water Rate

to any such purchaser shall be two times the aggregate of the applicable charges for each such dwelling unit, computed as though each such dwelling unit:

- (1) Was a separate single-family building connected to a separate water meter; and
 - (2) Consumed during such two-month billing period a quantity of water determined by dividing the total water consumption of such purchaser by the number of dwelling units set forth in the latest sworn statement on file with the Village treasurer with respect to such purchaser.
- (d) The charges for water furnished to contractors acquiring water from the hydrant connection at the Public Works Facility, 5101 Walnut, Downers Grove, shall be two hundred percent (200%) of the rate listed in subsection (a)(1)(i), above.
- (e) The charges for water furnished to contractors taking water from public hydrants other than at the Public Works yard shall be two hundred percent (200%) of the rate listed in subsection (a)(1)(i), above. (Ord. No. 2942, § 1; Ord. No. 3209, § 1; Ord. No. 3326, § 5; Ord. No. 3424, § 2; Ord. No. 3437, § 2)

Section 2. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 3. That this ordinance shall be in full force and effect from and after its passage and publication in the manner provided by law.

Mayor

Passed:

Published:

Attest: _____
 Village Clerk