

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

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

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ORDINANCE NO. _____**AN ORDINANCE AMENDING THE 2020 STORMWATER UTILITY RATE**

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 25.66. is hereby amended to read as follows:**25.66. Stormwater Utility Fee Rates.**

(a) Authority of Village to set rates.

The Village Council shall retain at all times the power and authority to set stormwater utility fee rates. The Village shall review the adequacy of the stormwater utility fee rate annually in conjunction with the budget process. The rate shall be revised periodically to reflect any change in local capital costs, operation, or maintenance, plus replacement costs.

(b) Rates.

(1) Effective January 1, ~~2019~~2020 the stormwater utility fee rate per Equivalent Runoff Unit (ERU) per month shall be ~~\$12.40~~\$13.48.

(2) Single Family Residential. Each parcel within the single family residential classification shall be assessed the following stormwater utility fee based on a four tier structure which is tied to the amount of impervious area located on each parcel.

	Parcel Description	Number of ERUs per parcel
Tier 1	parcels with 1 to 2,500 square feet of impervious area	0.75 ERU
Tier 2	parcels with 2,501 to 4,000 square feet of impervious area	1.0 ERU
Tier 3	parcels with 4,001 to 7,000 square feet of impervious area	1.5 ERUs
Tier 4	parcels with more than 7,000 square feet of impervious area	The actual number of ERUs rounded to the next whole ERU multiplied by the rate per ERU as set forth in Section b(1) above.

(3) Non-Single Family Residential. All non-single family residential parcels in the Village shall be assessed a stormwater utility fee based on the measured number of ERUs on the parcel multiplied by the rate per ERU as set forth in Section b(1) above. All fractional ERUs will be rounded up to the next whole ERU.

(4) Vacant Parcels. The Village shall assess vacant parcels a stormwater utility fee that is equivalent to 0.3 ERU.

(5) Exemptions. The following property shall be exempt from paying the stormwater utility fee:

(a) Parcels that have been granted a property tax exemption in accordance with the provisions of Article 15 of the Illinois Property Tax Code (35ILCS 200/15 et seq.).

(b) Public rights-of-way.

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

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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