

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/20/2022

SUBJECT:	SUBMITTED BY:
FY 2023 Budget Implementation Actions	Robin Lahey Finance Director

SYNOPSIS

Consistent with the FY23 budget, the following budget implementation actions have been prepared:

- An ordinance to increase the Water Rates per the Water Rate Study.
- An ordinance to increase the Stormwater Utility Rates per the Stormwater Plan.
- Motion to fund the Economic Development Corporation (EDC).
- Motion to fund the Downtown Management Corporation.

In addition, at year end staff reviews policies and proposes changes when necessary. This year changes that are being proposed include:

- Resolution amending the Employee Administrative Rules (Personnel Manual).
- Resolution amending the Purchasing Policy and Ordinance amending purchasing procedures.
- Resolution amending the Village's Non-Union Classification and Compensation Plan.

STRATEGIC PLAN ALIGNMENT

The goals for 2021-2023 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

The water rates are proposed to increase revenues by 4.6% and are expected to generate \$16.9 million of revenue in the Water fund. The stormwater utility fee is proposed to increase from \$14.65 to \$15.93 per ERU and is expected to generate \$6.2 million of revenue in the Stormwater fund. There is no fiscal impact for the proposed policy changes.

RECOMMENDATION

UPDATE & RECOMMENDATION

This item was discussed at the December 13, 2022 Village Council meeting. Staff recommends approval on the December 20, 2022 Active Agenda.

BACKGROUND

Water Rates

Per the approved FY23 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, 2023. 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	2022	2023 Proposed
5/8"	\$14.95	\$16.30
1"	\$22.44	\$24.46
1 1/2"	\$74.82	\$81.55
2"	\$119.69	\$130.46
3"	\$224.44	\$244.64
4"	\$374.07	\$407.74
6"	\$748.10	\$815.43
10"	\$1,795.44	\$1,957.03
Bi-Monthly Unit Fee	2022	2023 Proposed
Inside Village	\$6.57	\$6.82
Outside Village	\$7.53	\$7.81

The following table shows how the new water rates will impact typical users in 2023:

User Category	Typical Meter Size	Current Bi-Monthly Bill	Proposed 2023 Bi-monthly Bill
Typical Residential User	5/8"	\$113.50	\$118.60
Typical Commercial User	1.5"	\$731.82	\$763.55
Typical Industrial User	2"	\$1,433.69	\$1,494.46

Stormwater Rates

Per the approved FY23 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 \$5.2 million in 2021 to about \$10 million in 2029. This fee is expected to produce \$6.2 million in revenues in 2023.

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 2023:

User Category	ERU	Current Bi-Monthly Bill	Proposed 2023 Bi-Monthly Bill
Single Family Residence (2,501-4000 s.f. of impervious area)	1	\$29.30	\$31.86
Typical Commercial User	20	\$586.00	\$637.20

Motion to Fund EDC

The adopted budget includes \$540,000 in funding for the Downers Grove Economic Development Corporation. This amount is consistent with the budget that was prepared by the EDC. Annually, this partner organization will be requesting funding from the Village to support their operations.

Motion to Fund Downtown Management

The proposed budget includes \$400,000 in funding for the Downtown Management Corporation. This amount is consistent with the budget that was prepared by Downtown Management. Annually, this partner organization will be requesting funding from the Village to support their operations.

Employee Administrative Rules (Personnel Manual)

From time to time, revisions to the Village's Personnel Manual are necessary in order to, among other things, respond to changes in State and federal laws and to mirror current personnel practices within the Village. The proposed revisions being presented for consideration include the following:

- New Section 1.1.5 Home Rule Authority - added home rule authority language to confirm that provisions in the Personnel Manual supersede State statutes if there is no preemption language in the statute.
- Section 2 General Provisions - added protected class of "work authorization status" to be compliant with State law.
- Section 2.9.2 Qualification Period - Promotional and Transfer - deleted prohibition on receiving credit for prior years of service if retired and hired in a new position.
- Section 5.4 Victims' Economic Security and Safety Act of 2003 (VESSA) - added category of "or any other crime of violence" to be compliant with State law.
- Other minor miscellaneous changes.

Purchasing Policy

Staff is proposing a change to the Village's Purchasing Policy and corresponding ordinance that reflect current practices and economic conditions. The original purchasing policy was adopted in 1993, and but for a few minor amendments, it has not been updated since that time. The proposed changes include:

- Increasing dollar limits for each level of approval as follows: Director up to \$7,000; Finance Director up to \$15,000; Village Manager up to \$50,000; and Village Council for purchases in excess of \$50,000.
- Formal competitive bidding will be required for purchases in excess of \$25,000; otherwise, verbal or written quotes will be required depending on the dollar amount.

- Additional changes reflect the change in the Village's decentralized purchasing procedures and updates to the current procedures being used, as well as the deletion of repetitive provisions from the policy.

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 3.0% 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 on the first full pay period of May. 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

Water Rate Ordinance
Stormwater Rate Ordinance
Motion to Fund EDC
Motion to Fund Downtown Management
Employee Administrative Rules (Personnel Manual)
Purchasing Policy
Compensation Plan

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Village Attorney DATE: December 20, 2022
(Name)

RECOMMENDATION FROM: _____ FILE REF: _____
(Board or Department)

NATURE OF ACTION:

- Ordinance
- Resolution
- Motion
- Other

STEPS NEEDED TO IMPLEMENT ACTION:

Motion to adopt "AN ORDINANCE AMENDING CERTAIN PURCHASING POLICIES", as presented.



SUMMARY OF ITEM:

Adoption of this ordinance shall amend certain provisions of the Village's purchasing policy.

RECORD OF ACTION TAKEN:

ORDINANCE NO. _____

AN ORDINANCE AMENDING CERTAIN PURCHASING POLICIES

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

Section 1. That Section 2.47.1 is hereby amended to read as follows:**Sec 2.47.1 Scope; General Provisions**

- (a) Scope. The provisions of this Division shall apply to purchases of, or contracts for, any materials, professional services, contractual services and public works by persons other than Village employees. This Division shall not apply to any work or materials provided by Village employees, included in any intergovernmental agreement, as otherwise provided for in this Code, or as otherwise directed by the Council. The provisions of this Division may be altered or waived by the Village at any time and shall in no way create or expand any rights in any supplier, bidder, contractor or other person nor shall failure to comply or adhere to these provisions create any liability on the part of the Village, its officers or employees. All actions of the Village Council shall be construed to be enacted or done pursuant to the Village's home rule authority granted by Article VI of the Illinois Constitution of 1971.
- (b) The Manager may establish reasonable rules and regulations not inconsistent with the provisions of this Division governing the purchasing and contracting practices of the Village. These rules may include procedures for soliciting, processing, awarding and rejecting bids, proposals and quotations as well as change order procedures.
- (c) Separate purchases or contracts shall not be entered into for the purpose of avoiding any cost limits set forth herein.
- (d) The Manager, for purchases and contracts up to fifty thousand dollars ~~fifteen thousand dollars~~ (\$~~50,000~~), and the Council, for purchases and contracts in excess an amount of fifty thousand dollars (\$50,000) or more, ~~excess of fifteen thousand dollars~~, shall have the authority to reject parts of bids, or all bids for any one or more materials or services included in a proposed contract, or to waive any technical defect in any bid, when the public interest will be served thereby.
- (e) The purchase of gasoline products shall not be subject to the requirements of this Division, but may be purchased as needed by the Manager based upon the most favorable market price and availability from suppliers.
- (f) No purchase or contract for materials, services, or public works shall be made in violation of the state statutes governing pecuniary interest in public contracts nor in violation of any provisions of the Illinois Criminal Code.
- (g) No person shall expend money on behalf of or in any way pledge the credit, or obligate, the Village contrary to the provisions of this Division.
- (h) Nothing herein shall abrogate the emergency powers of the Village Manager.

(Ord. No. 3408, § 2. Ord. No. 4331, 11/6/01)

Section 2. That Section 2.47.2 is hereby amended to read as follows:**Sec 2.47.2 Definitions**

Bid. A written offer from a vendor, contractor or supplier of professional or contractual services, to provide materials, services or work at a set price in response to, and under terms as designated in, detailed specifications prepared by or on behalf of the Village as part of an open, competitive process.

Change order. A change in a contract term other than as specifically provided for in the contract which authorizes or necessitates any increase in the cost of a contract or the time of completion and which was not reasonably foreseeable at the time the contract was entered into, was not within the contemplation of the original contract or is in the best interests of the Village.

Contractual Services. All telephone, gas, water, electric and other utility services; cleaning and maintenance services; insurance; leases of real estate; rental, or repair of equipment, machinery and other Village-owned personal property. This term shall not include professional and other contractual services which are in their nature unique and not subject to competition.

Cost. The total amount of money to be expended or committed to purchase any item or items or for any particular service or public work contract in any given fiscal year.

Manager. The Village Manager or the Village Manager's designee.

Material. All supplies, goods, material and equipment except such items as are incidental to any professional service, contractual service or public work.

Ongoing contractual relationship. An ongoing association between the Village and an approved supplier of certain contractual or professional services provided on a repeated but regular basis for which the Council has determined that formal bids, requests for proposals or quotations for each item of work would not be in the best interest of the Village. ~~of Downers Grove.~~

Professional service. Any personal service which requires as a condition precedent to the rendering thereof the obtaining of a license from a state agency or from the United States Patent Office or the Internal Revenue Service of the United States Treasury and/or which, in the opinion of the Village Manager, requires a high degree of skill or expertise which are in their nature unique and not subject to competition.

Proposal. A written offer from a vendor, contractor or supplier of professional or contractual services, to provide materials, services or work at a set price or prices in response to a request for proposals by or on behalf of the Village. Proposals shall not be considered part of the competitive bidding process but rather shall be considered offers to contract and may, in the discretion of the Village, be subject to further negotiations, modifications, and rejections until the proposal has been accepted by the Village.

Public work. Any construction project including, but not necessarily limited to, the construction, erection or installation of buildings, streets, sewers and water mains as well as major maintenance, renovation, addition or repair thereto.

Quotation. A verbal or written offer from a vendor, contractor or other supplier of professional or contractual services, to provide materials or services at a set price under terms as designated in the offer.

Service contracts. Jointly, contractual service and professional service contracts.

Sole source contract. A contract for supplies, materials, service or work which, due to the nature or limited availability of the item or products involved, does not lend itself to competitive bidding or a request for proposal.

(Ord. No. 3408, § 2.)

Section 3. That Section 2.47.3 is hereby amended to read as follows:

Sec 2.47.3 Purchase, Service And Public Works Contracts Under ~~Fifteen Fifty~~ Thousand Dollars (\$150,000)

The Manager shall have the authority, up to ~~fifteen fifty~~ thousand dollars (\$150,000), and within the limits of the approved budget, to purchase materials and enter into service and public works contracts on behalf of the Village, as set forth herein. Such purchases and contracts shall be based upon the lowest responsible bid or quotation in the manner designated by the Manager taking into consideration such factors as may be relevant, which may include, but is not necessarily limited to, the needs of the Village, past performance by the vendor, the quality of the product involved and the time constraints of the Village.

(Ord. No. 3408, § 2; Ord. No. 4331, 11/6/01)

Section 4. That Section 2.47.4 is hereby amended to read as follows:

Sec 2.47.4 Purchase, Service And Public Works Contracts Of ~~Fifteen Fifty~~ Thousand Dollars (\$150,000) Or More

Except as otherwise provided herein, the Council shall approve all purchases, public works and service contracts with a cost estimated to be in excess of ~~fifteen fifty~~ thousand dollars (\$150,000); either following competitive bidding with the contract being awarded to the lowest responsible bidder; or acceptance of proposals either as originally submitted or as negotiated, following a request for proposals issued by the Village. Where a public works project is anticipated to exceed ~~ten fifty~~ thousand dollars (~~\$50,000~~), contracts therefor shall be let to the lowest responsible bidder except as otherwise authorized by a two-thirds (2/3) vote of all the Council members then holding office.

(Ord. No. 3408 § 2, Ord. No. 4331, 11/6/01)

Section 5. That Section 2.47.5 is hereby amended to read as follows:

Sec 2.47.5 Change Orders

Except as otherwise set forth in any particular contract the following provisions shall govern change orders. ~~The Manager may approve change orders up to fifty thousand dollars (\$50,000), even if the original contract was approved by the Council. Any change order in excess of fifty thousand dollars (\$50,000) shall be submitted to the Council for approval. The Manager is authorized to execute change orders above fifty thousand dollars (\$50,000) in instances where the change order falls within a contract contingency authorized by the Council.~~

~~The Manager may approve change orders which, when added to the original cost and any previous change orders, do not cause the total cost of a purchase, service or public work contract to exceed one hundred five percent (105%) of the original contract or fifteen thousand dollars (\$15,000), whichever is greater. The Council shall approve all change orders which would cause the total cost of a purchase, service or public works contract to exceed one hundred five percent (105%) of the original contract or fifteen thousand dollars (\$15,000), whichever is greater.~~

(Ord. No. 3408, § 2, Ord. No. 4331, 11/6/01)

Section 6. That Section 2.47.6 is hereby amended to read as follows:

Sec 2.47.6 (Reserved)

Section 7. That Section 2.47.7 is hereby amended to read as follows:

Sec 2.47.7 Sole Source Contracts

Notwithstanding any other provision in this Division 4, when it is determined that a particular product, service or work is not subject to competitive bidding due to limitations arising out of the nature of the product, service or work or its availability, the Village may negotiate and enter into contracts for materials, services or public works with a sole source supplier on such terms as the Council may approve.

(Ord. No. 3408, § 2.)

Section 8. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 9. 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