

VILLAGE OF DOWNERS GROVE
Report for the Village
12/11/2018

SUBJECT:	SUBMITTED BY:
FY19 Budget Implementation Action	Judy Buttny Finance Director

SYNOPSIS

The following budget implementation action has been prepared:

- An ordinance to increase the stormwater utility rate from \$11.43 per ERU to \$12.40 per ERU. The increase is consistent with the FY19 Budget, approved November 20, 2018, pursuant to direction by the Village Council provided during Long Range Planning and the 2016 Stormwater Utility Report.
- This ordinance also establishes a water service installation bond in the amount \$1,000.

STRATEGIC PLAN ALIGNMENT

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

FISCAL IMPACT

The updated stormwater utility fee is expected to generate \$4.6 million of revenue in the Stormwater fund. This is consistent with the FY19 Budget approved on November 20, 2018.

RECOMMENDATION

Approval on the December 18, 2018 Active Agenda.

BACKGROUND

Per the approved FY19 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 8.5% per year, which would increase the annual revenue available for stormwater management fees from its current level of \$4.2 million in 2018 to about \$11.4 million in 2028. This fee is expected to produce \$4.6 million in revenues in 2019.

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 2019:

User Category	ERU	Current Annual Fee	Proposed Annual Fee
Single Family Residence (2,501-4000 s.f. of impervious area)	1	\$137.16	\$148.80
Typical Commercial User	20	\$2,743.20	\$2,976.00
Typical Industrial User	19	\$2,606.04	\$2,827.20

This ordinance also establishes a water service installation bond in the amount \$1,000 for water services that are outside of the Village limits, but are connecting to the Village's watermain. When water service installations occur within the Village limits, a right-of-way bond of \$200 is added to the permit if the Village's right-of-way is affected by the work. Since the Village does not have a right-of-way outside of the Village limits, the water service installation bond will be used in lieu of the right-of-way bond. The water service installation bond is refundable upon completion of the work.

ATTACHMENT

Stormwater Rate & Water Service Installation Bond Ordinance

ORDINANCE NO. _____

**AN ORDINANCE AMENDING THE STORMWATER UTILITY RATE
AND ESTABLISHING A WATER SERVICE INSTALLATION BOND**

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 25.15. is hereby amended to read as follows:

25.15. Application for water tap and meter permit.

The Village shall receive all applications for water tap and metering device permits and issue such permits upon approval of the water department and payment of appropriate fees and bonds as set forth in Administrative Regulation entitled "User-Fee, License and Fine Schedule. A record of all water applications shall be kept. (Ord. No. 2942, § 1.)

Section 2. 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, ~~2018~~2019 the stormwater utility fee rate per Equivalent Runoff Unit (ERU) per month shall be ~~\$11.43~~\$12.40.

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

Section 4. 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