

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**  
**12/13/2022**

|                                       |                                 |
|---------------------------------------|---------------------------------|
| <b>SUBJECT:</b>                       | <b>SUBMITTED BY:</b>            |
| FY 2023 Budget Implementation Actions | Robin Lahey<br>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

Staff recommends approval on the December 20, 2022 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.

| <b>Bi-Monthly Fixed Charge by Water Meter Size</b> | <b>2022</b> | <b>2023 Proposed</b> |
|--|-------------|----------------------|
| 5/8"   | \$14.95     | \$16.30              |
| 1"   | \$22.44     | \$24.46              |
| 1 ½"   | \$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           |
| <b>Bi-Monthly Unit Fee</b>                         | <b>2022</b> | <b>2023 Proposed</b> |
| 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:

| <b>User Category</b>     | <b>Typical Meter Size</b> | <b>Current Bi-Monthly Bill</b> | <b>Proposed 2023 Bi-monthly Bill</b> |
|--------------------------|---------------------------|--------------------------------|--------------------------------------|
| 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

## 2023-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 redline/underline; deletions by ~~strikeout~~):

**Section 1. That Section 25.29. is hereby amended to read as follows:****Sec 25.29 Rates And Charges For Metered Water**

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

- a. 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, ~~2022~~2023:
  2. Six dollars and ~~fifty-sevenc~~eighty-two cents (~~\$6.57~~\$6.82) for property within Village limits will be charged for the consumption of every one hundred (100) cubic feet.
  3. Outside Village Limits: For bills received after July 1, ~~2022~~2023:
    - a. Seven dollars and ~~fifty-three~~eighty-one cents (~~\$7.53~~\$7.81) 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"             | <del>\$14.95</del> <u>16.30</u>       |
| 1"               | <del>\$22.44</del> <u>24.46</u>       |
| 1 1/2"           | <del>\$74.82</del> <u>81.55</u>       |
| 2"               | <del>\$119.69</del> <u>130.46</u>     |
| 3"               | <del>\$224.44</del> <u>244.64</u>     |
| 4"               | <del>\$374.07</del> <u>407.74</u>     |
| 6"               | <del>\$748.10</del> <u>815.43</u>     |
| 10"              | <del>\$1,795.44</del> <u>1,957.03</u> |

## 2023-Water Rate

- 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 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.
- e. 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.
- f. 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) (Ord. 5785, Amended, 12/10/2019; Ord. 5763, Amended, 05/21/2019; Ord. 5698, Amended, 05/08/2018; Ord. 5619, Amended, 05/16/2017; Ord. 5423, Amended, 12/02/2014; Ord. 5348, Amended, 12/03/2013; Ord. 5290, Amended, 12/04/2012; Ord. 5235, Amended, 12/06/2011; Ord. 5167, Amended, 11/09/2010; Ord. 5133, Amended, 05/04/2010; Ord. 5004, Amended, 10/07/2008; Ord. 4685, Amended, 06/21/2005; Ord. 4684, Amended, 06/07/2005; Ord. 4500, Amended, 05/06/2003; 3976, Amended, 10/06/1997; 3538, Amended, 02/25/1993; 3437, Amended, 02/17/1992; 3424, Amended, 01/13/1992)

### HISTORY

*Amended by Ord. [5815](#) on 5/12/2020*

*Amended by Ord. [5856](#) Water Rates 2021 on 12/15/2020*

*Amended by Ord. [5909](#) Water Rates 2022 on 12/21/2021*

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

2023-Water Rate

**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.

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Mayor

Passed:

Published:

Attest: \_\_\_\_\_

Village Clerk

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