

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/19/2023

SUBJECT:	SUBMITTED BY:
2024 Budget Implementation Actions	Robin Lahey Finance Director

SYNOPSIS

Consistent with the FY24 budget, the following budget implementation actions have been prepared:

- An ordinance to increase the Water Rates per the Water Rate Study and amend certain fee provisions.
- 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 ordinances and proposes changes when necessary. This year changes that are being proposed include:

- Ordinance amending the Employee Administrative Rules (Personnel Manual).
- Ordinance amending Chapter 1 and Chapter 2 of the Municipal Code.

STRATEGIC PLAN ALIGNMENT

The goals for 2023-2025 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 \$17.7 million of revenue in the Water fund. The stormwater utility fee is proposed to increase from \$15.93 to \$17.31 per ERU and is expected to generate \$6.7 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 12, 2023 Council meeting. Staff recommends approval on the December 19, 2023 Consent Agenda

BACKGROUND

Water Rates

Per the approved FY24 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, 2024. 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	2023	2024 Proposed
5/8"	\$16.30	\$17.77
1"	\$24.46	\$26.66
1 1/2"	\$81.55	\$88.89
2"	\$130.46	\$142.20
3"	\$244.64	\$266.66
4"	\$407.74	\$444.44
6"	\$815.43	\$888.82
10"	\$1,957.03	\$2,133.16
Bi-Monthly Unit Fee	2023	2024 Proposed
Inside Village	\$6.82	\$7.08
Outside Village	\$7.81	\$8.10

The following table shows how the new water rates will impact typical users in 2024:

User Category	Typical Meter Size	Current Bi-Monthly Bill	Proposed 2024 Bi-monthly Bill
Typical Residential User	5/8"	\$118.60	\$123.97
Typical Commercial User (100 units)	1.5"	\$763.55	\$796.89
Typical Industrial User	2"	\$1,494.46	\$1,558.20

Various amendments to Chapter 25 of the Village Code, Utilities, have been proposed in an effort to ensure the provisions of the Village Code are commensurate with current Village procedure, better define the timeline in which utility payments must be received by the Village and the consequences for failing to timely remit payment to the Village.

Stormwater Rates

Per the approved FY24 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 \$5.6 million in 2022 to about \$10 million in 2029. This fee is expected to produce \$6.7 million in revenues in 2024.

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 2024:

User Category	ERU	Current Bi-Monthly Bill	Proposed 2024 Bi-Monthly Bill
Single Family Residence (2,501-4000 s.f. of impervious area)	1	\$31.86	\$34.62
Typical Commercial User	20	\$637.20	\$692.40

Motion to Fund EDC

The adopted budget includes \$595,000 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 \$416,005 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:

- Revised the time off provisions to comply with the Paid Leave for All Workers Act, P.A. 102-1143, which becomes effective January 1, 2024.
- Revised verbiage throughout the personnel manual to clear up potential ambiguities.

Chapter 1 and 2 of the Municipal Code

It is necessary to periodically revise select provisions of the Village Code to ensure that all provisions of the Code are in compliance with new State and Federal laws that may be passed. Moreover, revisions are often necessary to ensure that the Code is commensurate with current policies or procedures of the Village. The proposed revisions being presented for consideration include the following:

- Add a new Section, Section 1.61 entitled "Home Rule Authority", which explicitly states that all actions undertaken by the Village Council are presumed to be undertaken as an exercise of the Village's Home Rule Authority
- Amend Rule 2 of Section 2.5 to comply with an amendment to the Illinois Open Meetings Act which provides a new reason for which Village Council members may attend meetings remotely
- Amend Rule 32 of Section 2.5 to remove a mention of "motion" from the types of Council actions that require four (4) or more affirmative votes

- Amend Rule 36 of Section 2.5 to allow a member of the Council to address the Council with regard to certain events not sponsored by the Village or other local civic organizations
- Delete the provisions of Section 2.5.1, Standing Council Committees, and reserve the same as such standing committees are not actually formed

ATTACHMENTS

Water Rate Ordinance

Stormwater Rate Ordinance

Motion to Fund EDC

Motion to Fund Downtown Management

Employee Administrative Rules (Personnel Manual) Ordinance

Chapter 1 & 2 Ordinance Amendment

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Village Manager DATE: December 19, 2023
(Name)

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

NATURE OF ACTION:

STEPS NEEDED TO IMPLEMENT ACTION:

- Ordinance
- Resolution
- Motion
- Other

Motion to authorize annual 2024 funding to the Downtown Management Organization in the amount of \$416,005.00.



SUMMARY OF ITEM:

Adoption of this motion shall authorize annual 2024 funding to the Downtown Management Organization in the amount of \$416,005.00.

RECORD OF ACTION TAKEN:
