VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/9/2025

SUBJECT:	SUBMITTED BY:
2026 Budget Implementation Actions	Robin Lahey Finance Director

SYNOPSIS

Consistent with the FY26 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.
- An ordinance amending the Employee Administrative Rules and Regulations

STRATEGIC PLAN ALIGNMENT

The goals for 2025-2027 include *Steward of Financial, Environmental and Neighborhood Sustainability.*

FISCAL IMPACT

The water rates are proposed to increase revenues by 9% and are expected to generate $20.2 million of revenue in the Water fund. The stormwater utility fee is proposed to increase from $18.82 to $20.46 per ERU and is expected to generate $7.9 million of revenue in the Stormwater fund. There is no fiscal impact for the proposed policy changes.

UPDATE & RECOMMENDATION

This item was discussed at the December 2, 2025 Village Council meeting. Staff recommends approval on the December 9, 2025 Active Agenda.

BACKGROUND

Water Rates
Per the approved FY26 budget, the water rates will be increased to align with the recommendations of the 2024 Water Rate Study. The 2024 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 as follows:

- 9% in FY25 (effective July 1, 2025)
- 9% in FY26 (effective July 1, 2026)
- 6% in FY27 (effective July 1, 2027)

The following table shows the proposed water rates that will go into effect for bills received after July 1, 2026. 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	**2025**	**2026 Proposed**
5/8”	$19.37	$21.11
1”	$29.06	$31.68
1 ½”	$96.89	$105.61
2”	$155.00	$168.95
3”	$290.66	$316.82
4”	$484.44	$528.04
6”	$968.81	$1,056.00
10”	$2,325.146	$2,534.40
Bi-Monthly Unit Fee	**2025**	**2026 Proposed**
Inside Village	$7.72	$8.41
Outside Village	$8.83	$9.62

The following table shows how the new water rates will impact typical users in 2026:

User Category	**Typical Meter Size**	**Current 2025 Bi-Monthly Bill**	**Proposed 2026 Bi-monthly Bill**
Typical Residential User	5/8”	$112.01	$122.03
Typical Commercial User (100 units)	1.5”	$868.89	$946.61
Typical Industrial User	2”	$1,699.00	$1,850.95

Stormwater Rates

Per the approved FY26 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 $6.2 million in 2023 to about $10 million in 2029. This fee is expected to produce $7.9 million in revenues in 2026.

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 2026:

User Category	ERU	Current 2025 Bi-Monthly Bill	Proposed 2026 Bi-Monthly Bill
Single Family Residence (2,501-4000 s.f. of impervious area)	1	$37.64	$40.92
Typical Commercial User	20	$752.80	$818.40

Motion to Fund EDC
The adopted budget includes $714,064 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 $510,000 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. Only one revision is proposed this year to provide leave commensurate with the Illinois Victims' Economic Security and Safety Act (VESSA).

Pursuant to VESSA, the Village must provide up two weeks (ten working days) worth of leave to employees to attend the funeral or other similar service, make arrangements for funeral or other similar service and/or grieve the loss of a family or household member who is killed in a crime of violence. This leave runs concurrently with any funeral or bereavement leave offered by the Village.

ATTACHMENTS

Water Rate Ordinance
Stormwater Rate Ordinance
Motion to Fund EDC
Motion to Fund Downtown Management
Ordinance Amending Employee Rules & Regulations

VILLAGE OF DOWNERS GROVE

COUNCIL ACTION SUMMARY

INITIATED: Village Manager (Name) **DATE:** December 9, 2025

RECOMMENDATIONFROM: _____ (Board or Department) **FILE REF:** _____

NATURE OF ACTION:

__X__ Ordinance

___ Resolution

___ Motion

____ Other

STEPS NEEDED TO IMPLEMENT ACTION:

Motion to Adopt "AN ORDINANCE AMENDING THE 2026 STORMWATER UTILITY RATE", as presented.

SUMMARY OF ITEM:

Adopton of the attached ordinance shall amend the Municipal Code regarding stormwater utility fees effective January 1, 2026.

RECORD OF ACTION TAKEN:

_____

_____

_____

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ORDINANCE NO. _____

AN ORDINANCE AMENDING THE 2026 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 redline/underline; deletions by ~~strikeout~~):

Section 1. That Section 25.66. is hereby amended to read as follows:

Sec 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, ~~2025~~2026 the stormwater utility fee rate per Equivalent Runoff Unit (ERU) per month shall be ~~eighteen dollars and eighty-two cents ($18.82)~~twenty dollars and forty-six cents ($20.46).

(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.

(Ord. 5784, Amended, 12/10/2019; Ord. 5748, Amended, 12/18/2018; Ord. 5677, Amended, 12/19/2017; Ord. 5598, Amended, 12/20/2016; Ord. 5424, Amended, 12/02/2014; Ord. 5414, Amended, 11/11/2014, Effective 1-1-15; Ord. 5347, Amended, 12/03/2013; Ord. 5274, Add, 08/21/2012)

HISTORY
Amended by Ord. 5910 SUW Rate 2022 on 12/21/2021
Amended by Ord. 5973 SWU Rate 2023 on 12/20/2022
Amended by Ord. 6027 Stormwater Rate 2024 on 12/19/2023
Amended by Ord. 6091 Stormwater Rate 2025 on 12/17/2024

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

1\mw\Ord.25\SWU-26