Village of Downers Grove

Report for the Village Council Meeting

Table 1 - Council Agenda item.

Subject	2027 Budget Implementation Actions
Submitted By	Robin Lahey, Finance Director

Synopsis

Consistent with the Fiscal Year 2027 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 Downers Grove Management Corporation.
- An Ordinance Amending Provisions Concerning the Disposition of Surplus Property and Unclaimed Funds.

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 6% and are expected to generate $21.6 million of revenue in the Water fund. The stormwater utility fee is

proposed to increase from $20.46 to $22.24 per ERU and is expected to generate $8.6 million of revenue in the Stormwater fund. The 2027 funding for the Economic Development Corporation is $760,000 and the 2027 funding for the Downtown Management Corporation is $523,000. There is no fiscal impact for the proposed policy changes.

Recommendation

Approval on the December 8, 2026 Active Agenda.

Background

Water Rates

Per the approved Fiscal Year 2027 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 Fiscal Year 2025 (effective July 1, 2025)
- 9% in Fiscal Year 2026 (effective July 1, 2026)
- 6% in Fiscal Year 2027 (effective July 1, 2027)

The following table shows the proposed water rates that will go into effect for bills received after July 1, 2027**.** The bi-monthly fixed charges by water meter size are consistent with the proposed rates contained in the Water Rate Study.

Table 2. The 2027 proposed bi-monthly water rates.

Bi-Monthly Unit	2026 Current	2027 Proposed
Inside the Village	$8.41	$8.91
Outside the Village	$9.62	$10.20

Table 3. The 2027 proposed bi-monthly charges based on water meter size.

Water Meter Size	2026 Current	2027 Proposed
5/8 inch	$21.11	$22.38
1 inch	$31.68	$33.58
1.5 inch	$105.61	$111.95
2 inches	$168.95	$179.09
3 inches	$316.82	$335.83
4 inches	$528.04	$559.72
6 inches	$1,056.00	$1,119.36
10 inches	$2,534.40	$2,686.46

The following table shows how the new water rates will impact typical users in 2027:

Table 4. Example data based on typical usage categories and proposed bi-monthly charges.

User Category	Water Meter Size	2026 Current Bi-Monthly	2027 Proposed Bi-Monthly
Residential	5/8 inch	$122.03	$129.30
Commercial (100 units)	1.5 inch	$946.61	$1,002.95
Industrial	2 inches	$1,850.95	$1,961.09

Stormwater Rates

Per the approved Fiscal Year 2027 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 $8.6 million in revenues in 2027.

The following table shows how the new stormwater rates will impact a single family resident (2,501 – 4,000 square foot of impervious area) and a typical commercial user in 2027:

Table 5. The 2027 proposed bi-monthly stormwater rates.

User Category	ERU	2026 Current Bi-Monthly	2027 Proposed Bi-Monthly
Single Family	1	$40.92	$44.48
Commercial	20	$818.40	$889.60

Motion to Fund the Downers Grove Economic Development Corporation

The adopted budget includes $760,000 in funding for the Downers Grove Economic Development Corporation (EDC). 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 the Downtown Downers Grove Management Corporation

The proposed budget includes $523,000 in funding for the Downers Grove Downtown Management Corporation. This amount is consistent with the budget that was prepared by the Downtown Downers Grove Management Corporation. Annually, this partner organization will be requesting funding from the Village to support their operations.

Disposition of Surplus Property and Unclaimed Funds

The Village Council Policy regarding the purchasing procedures of the Village of Downers Grove provides the Village Manager with purchasing authority not to exceed $50,000 without the need for prior approval of the Village Council; however, the Village Manager's authority to dispose of surplus property without prior authorization of the Village Council is currently capped at $5,000 pursuant to the Downers Grove Municipal Code (DGMC). Moreover, the current provisions of the Village Code impose certain requirements that impede the efficient disposal of surplus property. The proposed amendments to various provisions of Chapter 2 of the DGMC increase the maximum value of surplus property that may be disposed of by the Village Manager without prior Village Council approval up to $25,000 and streamline the process for such disposal by removing antiquated disposition processes.

Further, additional amendments to Chapter 2 of the DGMC have also been proposed to ensure that the Code is commensurate with the relevant provisions of the Illinois Revised Uniform Unclaimed Property Act (765 ILCS 1026/15-101, *et seq*.) and current Village practice for reporting and transferring unclaimed property to the Office of the Illinois Treasurer under said Act.

Attachments

Ordinance

Ordinance

An Ordinance Amending the 2027 Water Rate

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

SECTION 1. That Section 25.29 of the Municipal Code is hereby amended to read as follows:

Sec 25.29 Rates And Charges For Metered Water

Water will be furnished to customers 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, ~~2026~~2027:

(2) ~~Eight dollars and forty-one cents ($8.41)~~ Eight dollars and ninety-one cents ($8.91) 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, ~~2026~~2027:

a. ~~Nine dollars and sixty-two cents ($9.62)~~ ten dollars and twenty cents ($10.20) 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″	$~~21.11~~22.38
1″	$~~31.68~~33.58
1 12″	$~~105.61~~111.95
2″	$~~168.95~~179.09
3″	$~~316.82~~335.83
4″	$~~528.04~~559.72
5″	$~~1,056.00~~1,119.36
6″	$~~2,534.40~~2,686.46

(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.

* * *

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.

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By: Mayor

Passed:

Published:

Attest:

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By: Village Clerk