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 Disposition of Surplus Property

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 2.35 of the Municipal Code is hereby amended to read as follows:

Sec 2.35 Disposition Of Surplus Personal Property Owned By Village

(a) When the Village Manager determines that the Village owns surplus personal property, which is no longer necessary or useful to, or for the best interests of the Village, he/she is, subject to the limitations hereinafter set forth, authorized and directed to proceed without further authorization by the Village Council to dispose of such surplus property by sale, trade-in or any other manner he/she considers most advantageous to the Village.

(b) The authority granted to the Village Manager in paragraph (a) of this Section shall be limited to the disposition of any single item or any group of items designated by the Village Manager to be disposed of as a unit with a value estimated by the Village Manager to be not in excess of twenty-five thousand dollars ($25,000.00)~~twenty-five hundred dollars ($2,500.00)~~.

(c) In the event the surplus personal property has a value estimated by the Village Manager to be more than twenty-five thousand dollars ($25,000.00), ~~twenty-five hundred dollars ($2,500.00), but less than five thousand dollars ($5,000.00), the Village Manager shall establish a minimum bid to be accepted for each item. After causing the surplus property to be advertised as provided in paragraph (e) hereof, the Village Manager shall dispose of the~~

~~surplus property to the highest bidder and report the disposition to the Village Council.~~

~~(d) In the event the surplus personal property to be disposed of has a value estimated by the Village Manager to be equal to or in excess of five thousand dollars ($5,000.00), the Village Manager may proceed to dispose of the same only after establishing a minimum bid to be accepted for each item and advertising for bids as provided in paragraph (e) hereof. T~~the Village Manager shall dispose of the surplus property by obtaining the prior approval of the Village Council. Unless otherwise directed by the Village Council, the Village Manager may dispose of such surplus property by sale, trade-in or any other manner he/she considers most advantageous to the Village. ~~for the disposition of surplus personal property in the following manner. The Village Manager shall submit to the Village Council a request for authorization to dispose of such surplusage by submitting a schedule of the property and a resolution of authorization, the Village Council may then direct the Village Manager to commence disposal of such surplusage.~~

~~(e) When the Village Manager is obligated, pursuant to paragraphs (c) and (d) hereof, to advertise items of surplus personal property for disposition to the highest bidder, the following procedure shall be employed:~~

~~(1) Public notice of the disposition, including the time, place, terms of disposition and the schedule of disposition, shall be posted in a public place in Village Hall and on the Village website. Such notice of intended sale of surplus property shall constitute notice to the general public and anyone who may have interest in purchasing the items of surplus property. When the Village Manager determines that it is not practicable to so advertise the disposition, he/she may dispose of the surplus personal property in whatever manner he/she considers most advantageous to the Village.~~

~~(2) No sale of surplus property shall be effected by the Village until the public notice required under this Section shall have been posted for seven (7) days, and thereafter, the Village Manager is authorized to proceed to deliver a bill of sale for any or all of such items.~~

~~(f)~~(d) If the Village is unable to sell its surplus property ~~after solicitation to the public as referred to herein~~, the Village may donate the surplus property to any not-for-profit corporation, organization or entity, as determined by Section 501(c)(3) of the Internal Revenue Code, or any unit of government. Preference shall be given to those not-for-profit corporations, organizations, entities or units of government having ~~its~~their principal place of business or doing a substantial amount of business in the Village ~~at no charge to the recipient~~.

~~(g)~~(e) If an item or group of items of surplus personal property has a value which has been estimated in good faith, and disposition of the surplus property is made in accordance with the procedure applicable to surplus property of the estimated value, the disposition by the Village Manager, in all events, shall be deemed to be lawful and binding regardless of the amount of proceeds received from the disposition.

~~(h)~~(f) No sale of surplus personal property shall be made to a person who is at the date of such sale an officer, agent or employee of the Village or an immediate family member of the officer, agent or employee. Immediate family members shall include spouses and ~~dependent minor~~ children ~~living with~~of the officer, agent or employee.

(Ord. No. 1794, § 6; Ord. No. 2261, § 16; Ord. No. 2599, § 1; Ord. No. 3030, § 2; Ord. No. 3266, § 26; Ord. No. 3918, 2/10/97; Ord. 4825, 12/5/06)

SECTION 2. That Section 2.35.1 of the Municipal Code is hereby reserved and deleted in its entirety:

~~Sec 2.35.1 Internet Auctions; GenerallyReserved.~~

~~(a) There is hereby established an Internet auction account on the Internet auction website (i.e. www.ebay.com) which is open to and advertised to the public for the purpose of selling surplus personal property as may be declared surplus by the Village Council from time to time. A minimum buyer deposit of two hundred dollars ($200.00) shall be required for all surplus vehicle purchases.~~

~~(b) The Village Manager is hereby authorized and may direct the Internet auction service to facilitate an agreement for the sale of surplus personal property owned by the Village to the highest bidder on said declared surplus property as provided in DGMC Section 2.35. It is understood that the Internet auction site will charge an administrative fee, which fee will be paid from the proceeds from the sale of declared surplus vehicles and equipment.~~

~~(c) Upon payment of the full auction price, the Village Manager is authorized and directed to convey and transfer title to the aforesaid surplus personal property to the successful highest bidder. Thereafter, the Village Manager shall report the disposition of the property to the Village Council by written communication in a timely manner. The communication need not be read at a public meeting, but shall be available for public inspection upon release to the Village Clerk, who shall keep report of such disposition.~~

(Ord. 4825, 12/5/06)

SECTION 3. That Section 2.39 of the Municipal Code is hereby amended to read as follows:

Sec 2.39 Disposition Of Unclaimed Funds; Presumption Of Abandonment

All funds held by the Village that have remained unclaimed by the owner for a period of more than ~~four (4)~~three (3) years after the last transaction related thereto, are presumed abandoned.

(Ord. No. 2424, § 1; Ord. No. 3266, § 39; Ord. No. 3546, 3/15/93)

SECTION 4. That Section 2.40 of the Municipal Code is hereby amended to read as follows:

Sec 2.40 Notice To Apparent Owners

~~Within ninety (90) days after the end of each fiscal year of the Village, t~~The Village Treasurer shall cause ~~a~~ notice to be sent to the apparent owner of property presumed to be abandoned in accordance with applicable law, including, but not limited to, the Revised Uniform Unclaimed Property Act. ~~published once in a newspaper of general circulation in the Village. Such notice shall contain the following information:~~

~~(a) The names, in alphabetical order, and the last known address, if any, of each person appearing from Village records to be the owner of any funds presumed to be abandoned pursuant to DGMC Section 2.39.~~

~~(b) A statement that information may be obtained concerning the amount and nature of such funds by the owners thereof upon inquiry to the Village.~~

~~(c) A statement that the owner may recover such funds upon presentation to the Village of proof of claim thereto within sixty (60) days from the date of publication of such notice.~~

(Ord. No. 2424, § 1; Ord. No. 3266, § 32.)

SECTION 5. That Section 2.41 of the Municipal Code is hereby amended to read as follows:

Sec 2.41 Report and Transfer To State of Illinois~~Corporate Fund~~

~~Within one hundred eighty (180) days after the end of the fiscal~~ By November 1st of each year, all funds presumed abandoned in that year pursuant to DGMC Section 2.39 shall be reported to and transferred to the Illinois State Treasurer. All

funds presumed may be delivered to the Illinois State Treasurer in accordance with Illinois law. ~~and unclaimed after notice and opportunity to make claim has been given as provided in DGMC Section 2.40 shall be transferred by ordinance to the corporate fund of the Village, except for abandoned water deposits which shall be transferred by ordinance to the water fund.~~

(Ord. No. 2424, § 1; Ord. No. 3266, § 32; Ord. No. 3346, § 1.)

SECTION 6. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 7. 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