

# CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

## FINANCE COMMITTEE

**TUESDAY, MAY 7, 2019<sup>1</sup>**  
**6:00 P.M. – COMMITTEE ROOM A**

### AGENDA

1. Call to Order, Roll Call, and Establishment of a Quorum
2. Approval of Minutes
  - A. Finance Committee Meeting of March 14, 2019
3. Public Participation / Presentations
4. Selection of Committee Vice-Chairman
5. Items for Consent
  - A. Ordinance No. 19-O-0019 – Second Quarter Budget Amendment
  - B. Ordinance No. 19-O-0018 – Water and Sewer Rates
6. Items for Discussion
  - A. Residential Hauling Contract (staff presentation)
7. Unfinished Business
8. New Business
9. Reports from Staff
10. Executive Session (if needed)
11. Adjournment

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<sup>1</sup> Rescheduled from May 23, 2019

## **MINUTES**

### **FINANCE COMMITTEE March 14, 2019**

#### **1. Call to Order, Roll Call, and Establishment of a Quorum**

The meeting was called to order at 6:00 P.M. Roll call found Aldermen Chassee, Dimas, Ferguson, Sheahan, Stout and Swiatek present. Alderman Ligino-Kubinski was absent.

Staff in attendance: City Administrator Michael Guttman, Administrative Services Director Linda Martin, Public Works Director Rob Flatter, and Assistant Administrative Services Director Nikki Giles.

#### **2. Approval of Minutes**

##### **A. Finance Committee Meeting of December 13, 2018.**

Alderman Swiatek moved and Alderman Stout seconded a motion to approve. The minutes were approved as presented by voice vote.

#### **3. Public Participation / Presentations - None**

#### **4. Selection of Vice Chairman**

Alderman Stout nominated Alderman Chassee for Vice Chairman of the Finance Committee and Alderman Swiatek seconded the motion to approve. The nomination was approved by a voice vote.

#### **5. Items for Consent**

- A. Ordinance No. 19-O-0009 – Project Carryover Budget Amendment
- B. Resolution No. 19-R-0014 – Cable Franchise Agreement with Comcast of Illinois/Ohio/Oregon, LLC
- C. Resolution No. 19-R-0016 – Host Community Benefit Agreement with Lakeshore Recycling Systems
- D. Direction to Staff – Pursue a Line of Credit with MB Financial Bank

Alderman Stout moved and Vice Chairman Chassee seconded a motion to approve Consent Items A – D. The motion was approved as presented by a roll call vote.

#### **6. Items for Discussion**

##### **A. Water and Sewer Rates**

City Administrator Guttman opened the discussion with the fact that water and sewer rates have not been increased in 12 years for water and 10 years for sewer. Mr. Guttman recommends that both water and sewer be raised 25%. After looking at other municipalities in the area, the increase would put the city on the low end for water rates and the higher end for sewer rates.

City Administrator Guttman is looking to the aldermen for guidance with regard to an increase of water and sewer rates.

Vice Chairman Chassee said that she will not support raising it 25% all at once, but is not opposed to the rates being raised incrementally, such as spreading the increase out over three years. Alderman Swiatek asked if the 25% is the final number that we need to get to and by when. He asked if 25% is enough in 3 years or will the city need to do this again. City Administrator Guttman was not able to say that he won't have to come back again to ask for more of an increase. He would like to start the increase July 1 of 2019. City Administrator Guttman suggested that the city come up with a plan that is revisited each year to review the terms and circumstances. Alderman Ferguson understands the need for the increase and he would like to see it done incrementally for 2 to 3 years. He wants to make sure that we are fiscally responsible and understand that there are residents on a fixed income. Alderman Swiatek recommended raising the rates 10% the first year, 10% the third year and maybe an odd percentage the fifth year giving the residents the opportunity to adjust to the new rates on the off years. City Administrator Guttman would like to consider 15% now and 10% next year. Vice Chairman Chassee states there would need to be a significant education piece with a breakdown of what 15% would cost the average resident. Chairman Dimas said that a letter should go out with the reason for the increase as well as the comparison to other cities in the area. Mr. Guttman said that we would use social media and the website to announce and educate. He will have the scenario worked out over the next two years to present at the next Finance Committee Meeting with a July 1, 2019 start. Alderman Stout would like to see what the impact would be.

**7. Unfinished Business - None**

**8. New Business - None**

**9. Reports from Staff – None**

**10. Executive Session (if needed) – None**

**11. Adjournment**

Vice Chairman Chassee moved and Alderman Stout seconded a motion to adjourn. The motion was approved by voice vote and the meeting adjourned at 6:19 P.M.

Respectfully submitted,  
*Jacki Stern*

## CITY OF WEST CHICAGO

### FINANCE COMMITTEE AGENDA ITEM SUMMARY

**ITEM TITLE:**

Ordinance No. 19-O-0019 – Second Quarter Budget  
Amendment

AGENDA ITEM NUMBER: 5.A.

FILE NUMBER: \_\_\_\_\_

COMMITTEE AGENDA DATE: 5/7/19

COUNCIL AGENDA DATE: 5/20/19

**STAFF REVIEW:**

SIGNATURE \_\_\_\_\_

**APPROVED BY CITY ADMINISTRATOR:**

SIGNATURE \_\_\_\_\_

**ITEM SUMMARY:**

The attached Budget Amendment accounts for West Chicago's contributions for the opening balances in the operating and capital accounts for the West Chicago/Winfield Wastewater Authority.

**ACTIONS PROPOSED:**

Staff recommends adoption of Ordinance No. 19-O-0019.

**COMMITTEE RECOMMENDATION:**



**ORDINANCE NO. 19-O-0019**

**AN ORDINANCE AMENDING THE ANNUAL BUDGET FOR  
THE CITY OF WEST CHICAGO, DUPAGE COUNTY, ILLINOIS  
FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2019  
AND ENDING DECEMBER 31, 2019 PASSED AND  
ADOPTED BY ORDINANCE NO. 18-O-0062**

WHEREAS, the City of West Chicago has heretofore adopted the annual budget procedure providing for in 65 ILCS 5/8-2-9.1 through 5/8-2-9.10; and,

WHEREAS, the City of West Chicago has passed Ordinance No. 18-O-0062 passing and adopting the “2019 Proposed Budget” (ANNUAL BUDGET); and,

WHEREAS, said Ordinance No. 18-O-0062 was filed with the County Clerk of DuPage County as required by law; and,

WHEREAS, the City of West Chicago amended the ANNUAL BUDGET on or about March 18, 2019 to account for projects that the City Council approved but were not completed during the 2018 fiscal year; and,

WHEREAS, the City of West Chicago desires to revise the ANNUAL BUDGET a second time to account for the opening operating and capital balances of the West Chicago/Winfield Wastewater Authority; and,

WHEREAS, 65 ILCS 5/8-2-9.6 provides in part that by a vote of two-thirds of the corporate authorities then holding office, the annual budget of a municipality may be revised by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves, provided no revision increasing the budget shall be made in the event funds are not available to effectuate the purpose of the revision.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of West Chicago, DuPage County, Illinois, in regular session assembled as follows:

SECTION 1. That the ANNUAL BUDGET of the City of West Chicago is hereby amended as detailed in “Exhibit A” and as summarized below:

<u>Fund</u>	<u>Original Amount</u>	<u>Amended Amount</u>
Sewer Fund (05)		
Expenditures	\$9,663,300	\$12,384,100

SECTION 2. That the City Clerk is authorized and directed to file a certified copy of this Ordinance with the County Clerk of DuPage County.

SECTION 3. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, expressly repealed.

SECTION 4. That this Ordinance shall be in full force and effect from and after its passage by two-thirds of the corporate authorities and approval and publication in pamphlet form as provided by law.

PASSED this 20<sup>th</sup> day of May 2019.

Alderman J. Beifuss \_\_\_\_\_  
Alderman J. Sheahan \_\_\_\_\_  
Alderman A. Hallett \_\_\_\_\_  
Alderman M. Birch-Ferguson \_\_\_\_\_  
Alderman C. Swiatek \_\_\_\_\_  
Alderman R. Stout \_\_\_\_\_  
Alderman N. Ligino-Kubinski \_\_\_\_\_

Alderman L. Chassee \_\_\_\_\_  
Alderman H. Brown \_\_\_\_\_  
Alderman M. Ferguson \_\_\_\_\_  
Alderman S. Dimas \_\_\_\_\_  
Alderman M. Garling \_\_\_\_\_  
Alderman J. Short \_\_\_\_\_  
Alderman B. Gagliardi \_\_\_\_\_

APPROVED as to form: \_\_\_\_\_  
City Attorney

APPROVED this 20<sup>th</sup> day of May 2019.

\_\_\_\_\_  
Mayor Ruben Pineda

ATTEST:

\_\_\_\_\_  
City Clerk Nancy M. Smith

PUBLISHED: \_\_\_\_\_

**Ordinance No. 19-O-0019**  
**Second Quarter Budget Amendment**  
**Exhibit A**

		<u>original</u>	<u>amended</u>
Opening Balances for the West Chicago/Winfield Wastewater Authority			
05-34-43-4235	2,720,800	2,647,900	5,368,700
<u>Expenditures</u>			
General Fund		20,669,700	20,669,700
Capital Equipment Replacement Fund		1,671,300	1,671,300
Sewer Fund	2,720,800	9,663,300	12,384,100
Water Fund		7,555,000	7,555,000
Capital Projects Fund		8,743,700	8,743,700
Downtown TIF Fund		1,087,200	1,087,200
Public Benefit Fund		-	-
Oliver Square TIF Fund		-	-
Roosevelt/Fabyan TIF Fund		-	-
Commuter Parking Fund		194,700	194,700
	<u>2,720,800</u>	<u>49,584,900</u>	<u>52,305,700</u>

## CITY OF WEST CHICAGO

### FINANCE COMMITTEE AGENDA ITEM SUMMARY

**ITEM TITLE:**

Ordinance No. 19-O-0018 – Water and Sewer Rates

AGENDA ITEM NUMBER: 5.B.

FILE NUMBER: \_\_\_\_\_

COMMITTEE AGENDA DATE: 5/7/19

COUNCIL AGENDA DATE: 5/20/19

**STAFF REVIEW:**

SIGNATURE \_\_\_\_\_

**APPROVED BY CITY ADMINISTRATOR:**

SIGNATURE \_\_\_\_\_

**ITEM SUMMARY:**

Please see the attached memorandum.

**ACTIONS PROPOSED:**

Staff recommends adoption of Ordinance No. 19-O-0018.

**COMMITTEE RECOMMENDATION:**



**CITY OF WEST CHICAGO  
CITY COUNCIL MEMORANDUM**

**TO:** Honorable Mayor and Members of Council

**FROM:** Michael Guttman, City Administrator

**SUBJ:** Water and Sewer Rates

**DATE:** May 3, 2019

At its March meeting, the Finance Committee reviewed the attached worksheet, which shows how West Chicago's water and sewer rates compare to other municipalities. Prior to the economic downturn, the City used to increase its water and sewer rates annually by approximately the cost of living. However, West Chicago's water usage rates have not increased since 2006 and its sewer rates have not increased since 2008, both as a result of the deliberate recommendations of the Finance Committee and ultimate approvals by the City Council, to help alleviate the financial burden on our customers during this difficult economic time.

While rates have not increased over these periods, the cost of goods and services (as reflected in the various economic indices for the Chicagoland region) has increased between 18% and 20%. Furthermore, the cost of the City's labor and benefit costs have increased approximately 27% since 2007. These facts, coupled with the improved economic times, lead staff to recommend that rates increase at this time: the water rate to \$5.00 per 1,000 gallons and the sewer rate to \$7.00 per 1,000 gallons, both below the average and median rates of West Chicago's municipal competition.<sup>1</sup> The combined rate, after the increases, still positions West Chicago below the average and median rates of other municipalities, landing six of twenty.

At the March meeting, in response to a question, staff indicated that, ideally, the rate increase is needed immediately and should occur at once. After a comprehensive discussion, the Finance Committee directed staff to phase in the rate increase over two years. There are also several other components of customers' utility bills, including the minimum usage charge, nonresidential sewer charge and a billing charge. For small households and seniors who historically use an amount of water that is less than the amount used to establish the minimum usage charge (2,491 gallons bi-monthly), their bi-monthly bills would increase from \$23.00 to \$29.00 (and then to \$34.00 in August 2020).

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<sup>1</sup> The rates of the other municipalities are as of March 2019. A majority of those municipalities have May 1 Fiscal Years, so any proposed/approved rate increases in those municipalities as part of their budget processes have not been incorporated into this analysis.

Minimum Usage Charge			
Meter Size (inches)	Current	8/1/2019	8/1/2020
¾ or less	\$20.00	\$25.00	\$30.00
1	\$30.00	\$35.00	\$40.00
1½	\$40.00	\$45.00	\$50.00
2	\$100.00	\$150.00	\$150.00
3	\$250.00	\$300.00	\$300.00
4	\$475.00	\$525.00	\$525.00
6	\$1,325.00	\$1,500.00	\$1,500.00
8	\$2,750.00	\$3,000.00	\$3,000.00
10	\$5,075.00	\$5,300.00	\$5,300.00
Water	\$3.88	\$4.50	\$5.00
Sewer	\$5.61	\$6.45	\$7.00
Pretreatment	\$0.21	\$0.26	\$0.30
Billing Charge	\$3.00	\$4.00	\$4.00

The nonresidential sewer charge (pretreatment) has not changed in over 20 years; the billing rate has not changed since 2008. The minimum usage charges were increased in 2012 anywhere between \$1.00 (nearly all residential customers – ¾” or 1” meters) to \$24.00 (customers with a 4” meter), with the remainder adjusted only to round up to an increment of \$5.00 or \$10.00.

Finally, any rate increase would only apply for bills issued after August 1, 2019. So, customers who are still in the process of getting caught up will not see the impact of any increase until they are caught up. Customers who are now being billed for current usage will realize the impact later this year.

Please let me know if you have any questions.

March 2019 Water Rates (per 1,000 gallons)

Warrenville	\$ 1.54
St. Charles	\$ 3.60
<b>West Chicago</b>	\$ <b>3.88</b>
Batavia	\$ 4.72
Wheaton	\$ 6.31
Geneva	\$ 7.10
Glendale Heights	\$ 7.63
Carol Stream	\$ 7.75
Roselle	\$ 7.80
Downers Grove	\$ 8.04
Woodridge	\$ 8.18
Lombard	\$ 8.26
Addison	\$ 8.88
Villa Park	\$ 9.01
Hanover Park	\$ 9.35
Bartlett	\$ 9.70
Glen Ellyn	\$ 9.85
Bensenville	\$ 10.00
Elmhurst	\$ 10.58
Winfield	\$ 12.25
Average	\$ 7.72
Median	\$ 8.11
Proposed	\$ 5.00

March 2019 Sewer Rates (per 1,000 gallons)

Bartlett	\$ 3.03
Warrenville	\$ 3.12
Villa Park	\$ 3.57
Geneva	\$ 3.89
Carol Stream	\$ 4.22
Glendale Heights	\$ 4.75
Woodridge	\$ 5.46
Hanover Park	\$ 5.57
<b>West Chicago</b>	\$ <b>5.61</b>
Batavia	\$ 5.68
Roselle	\$ 5.85
St. Charles	\$ 5.85
Wheaton	\$ 5.90
Downers Grove	\$ 6.29
Lombard	\$ 6.34
Addison	\$ 6.49
Elmhurst	\$ 6.96
Glen Ellyn	\$ 7.18
Winfield	\$ 8.33
Bensenville	\$ 8.49
Average	\$ 5.63
Median	\$ 5.77
Proposed	\$ 7.00

March 2019 Combined Rate (per 1,000 gallons)

Warrenville	\$ 4.66
St. Charles	\$ 9.45
<b>West Chicago</b>	\$ <b>9.49</b>
Batavia	\$ 10.40
Geneva	\$ 10.99
Carol Stream	\$ 11.97
Wheaton	\$ 12.21
Glendale Heights	\$ 12.38
Villa Park	\$ 12.58
Bartlett	\$ 12.73
Woodridge	\$ 13.64
Roselle	\$ 13.65
Downers Grove	\$ 14.33
Lombard	\$ 14.60
Hanover Park	\$ 14.92
Addison	\$ 15.37
Glen Ellyn	\$ 17.03
Elmhurst	\$ 17.54
Bensenville	\$ 18.49
Winfield	\$ 20.58
Average	\$ 13.35
Median	\$ 13.19
Proposed	\$ 12.00



**ORDINANCE NO. 19-O-0018**

**AN ORDINANCE AMENDING CHAPTER 18 OF THE CODE OF ORDINANCES  
OF THE CITY OF WEST CHICAGO –WATER AND SEWER SERVICES**

BE IT ORDAINED by the City Council of the City of West Chicago, Illinois, in regular session assembled as follows:

Section 1. That Chapter 18, Sections 18-37(a)(1) and (a)(2) of the Code of Ordinances of the City of West Chicago is hereby deleted in its entirety and the following language shall be substituted:

“(a) The waterworks usage rates for water furnished to the customers of the city shall be as follows:

- (1) The minimum charge for each bill, including the first three hundred thirty-three (333) cubic feet or the first two thousand four hundred ninety one (2,491) gallons of water used is based on meter size, as follows:

Minimum Usage Charge		
Meter Size (inches)	8/1/2019	8/1/2020
3/4or less	\$25.00	\$30.00
1	\$35.00	\$40.00
1.5	\$45.00	\$50.00
2	\$150.00	\$150.00
3	\$300.00	\$300.00
4	\$525.00	\$525.00
6	\$1,500.00	\$1,500.00
8	\$3,000.00	\$3,000.00
10	\$5,300.00	\$5,300.00

- (2) a. Additional water usage in excess of thirty-three (333) cubic feet shall be billed at three dollars and thirty-seven cents (\$3.37) per one hundred (100) cubic feet effective August 1, 2019 and three dollars and seventy-four cents (\$3.74) per one hundred (100) cubic feet effective August 1, 2020.

b. Additional water usage in excess of two thousand four hundred ninety-one (2,491) gallons shall be billed at four dollars and fifty cents (\$4.50) per one thousand (1,000) gallons effective August 1, 2019 and five dollars and no cents (\$5.00) per one thousand (1,000) gallons effective August 1, 2020.”



Section 2. That Section 18-68.2 of the Code of Ordinances of the City of West Chicago is hereby deleted in its entirety and the following language shall be substituted:

**“Sec. 18-68.2. Billing charge.**

A billing charge of four dollars (\$4.00) shall be applied to all users served.”

Section 3. That Section 18-68.3 of the Code of Ordinances of the City of West Chicago is hereby deleted in its entirety and the following language shall be substituted:

**“Sec. 18-68.3. Basic sewer charge.**

A basic sewer charge shall be applied based upon metered consumption of water in the amount of four dollars and eighty-two cents (\$4.82) per one hundred (100) cubic feet or six dollars and forty-five cents (\$6.45) per one thousand (1,000) gallons effective August 1, 2019. These amounts will increase to five dollars and twenty-four cents (\$5.24) per one hundred (100) cubic feet or seven dollars and no cents (\$7.00) per one thousand (1,000) gallons effective August 1, 2020.”

Section 4. That Section 18-68.5 of the Code of Ordinances of the City of West Chicago is hereby deleted in its entirety and the following language shall be substituted:

**“Sec. 18-68.5. Pretreatment Charge.**

The pretreatment charge to all nonresidential users of wastewater services based upon metered consumption of water shall be nineteen cents (\$0.19) per one hundred (100) cubic feet or twenty-six cents (\$0.26) per one thousand (1,000) gallons of flow billed effective August 1, 2019. These amounts will increase to twenty-two cents (\$0.22) per hundred (100) cubic feet or thirty cents (\$0.30) per one thousand (1,000) gallons effective August 1, 2020.”

Section 5. All ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 6. That this Ordinance shall be in full force and effect ten (10) days from and after its passage, approval, and publication in pamphlet form as provided by law.

PASSED this 20<sup>th</sup> day of May 2019.

Alderman J. Beifuss \_\_\_\_\_

Alderman L. Chassee \_\_\_\_\_

Alderman J. Sheahan \_\_\_\_\_

Alderman H. Brown \_\_\_\_\_

Alderman A. Hallett \_\_\_\_\_

Alderman Ferguson \_\_\_\_\_

Alderman Birch Ferguson \_\_\_\_\_

Alderman S. Dimas \_\_\_\_\_

Alderman C. Swiatek \_\_\_\_\_

Alderman M. Garling \_\_\_\_\_

Alderman R. Stout \_\_\_\_\_

Alderman J. Short \_\_\_\_\_

Alderman N. Ligino-Kubinski \_\_\_\_\_

Alderman B. Gagliardi \_\_\_\_\_

APPROVED as to form: \_\_\_\_\_  
City Attorney

APPROVED this 20<sup>th</sup> day of May 2019.

\_\_\_\_\_  
Mayor Ruben Pineda

ATTEST:

\_\_\_\_\_  
City Clerk, Nancy M. Smith

PUBLISHED: \_\_\_\_\_