



Meeting Date: February 11, 2020

To: Village Board of Trustees

From: [Michael Braiman, Assistant Village Manager](#)

Subject: Additional Agenda Material #2 - MSC DRAFT Minutes 1-28-20

Attached please find the draft minutes of the January 28, 2020 Municipal Services Committee meeting.



1200 Wilmette Avenue
 WILMETTE, ILLINOIS 60091-0040

MEETING MINUTES

MUNICIPAL SERVICES COMMITTEE OF THE VILLAGE BOARD

TUESDAY, JANUARY 28, 2020

6:30 P.M.

SECOND FLOOR TRAINING ROOM

WILMETTE VILLAGE HALL

1200 WILMETTE AVENUE, WILMETTE, IL

Members Present: Trustee Daniel Sullivan, Chair
 Trustee Gina Kennedy
 Trustee Joel Kurzman

Staff Present: Michael Braiman, Assistant Village Manager
 Jeff Stein, Assistant Village Manager/Corporation Council
 Erik Hallgren, Assistant Village Manager
 Alex Arteaga, Management Analyst
 Melinda Molloy, Director of Finance
 Brigitte Berger-Raish, P.E., Director of Engineering and Public Works
 Dan Manis, P.E., Village Engineer
 Danielle Horn, P.E., Project Manager
 Georgia Mihalopoulos, P.E., Engineering Technician

I. CALL TO ORDER.

Trustee Daniel Sullivan, Chair, called the meeting to order at 6:34 P.M. Committee members Trustees Gina Kennedy and Joel Kurzman were present.

II. APPROVAL OF MINUTES; MUNICIPAL SERVICES COMMITTEE MEETING OF DECEMBER 10, 2019.

Trustee Sullivan directed the Committee's attention to the draft minutes of the Municipal Services Committee meeting of December 10, 2019.

Trustee Kennedy moved that the Committee approve the minutes. The motion was seconded by Trustee Kurzman. No further discussion occurred on the motion. **The motion carried by a unanimous voice vote.**

III. DISCUSSION AND RECOMMENDATION TO THE VILLAGE BOARD REGARDING STORMWATER UTILITY FEE CREDITS & INCENTIVES

Michael Braiman, Assistant Village Manager, referenced the agenda materials, which included a supplemental memo with updated information on credits for Metropolitan Water Reclamation District (MWRD) compliant detention facilities. He then walked through a PowerPoint presentation outlining three credit options: educational credits for private schools, institutional use and 501(c)3 property credits, and detention credits.

Mr. Braiman continued to explain in further detail the educational credit option. Educational credits were built on the concept that credits could be provided to educational institutions that provided a stormwater best management practice (BMP) curriculum, or to institutions that hosted educational events. The financial analysis included a credit value of \$10 per enrolled student. Village staff does not recommend this option as it is an administrative burden for the schools and Village to manage, and there was no evidence supporting that such a program would have a positive impact on stormwater management.

Brigitte Berger-Raish, P.E., Director of Engineering and Public Works, summarized the revised detention credit Option #2. This option would apply to all properties that have previously installed MWRD compliant detention and would also apply to future detention projects. The purpose of this credit is to provide a credit value that is commensurate with the reduction in impact to the Village's stormwater system.

Ms. Berger-Raish presented three proposed categories, which correspond to the MWRD's detention requirements: meets pre-2014 ordinance, meets 2014 ordinance, and meets 2020 ordinance. The corresponding credit percentages are 35%, 45%, and 50%, respectively.

Mr. Braiman advised that this option, Option #2, is based upon sound engineering principles and reflects the impact these projects have on the system.

Ms. Berger-Raish added that a maximum of 50% credit corresponds to Winnetka's proposal. Furthermore, Downers Grove & Highland Park have similar credit options in line with the proposed credit amounts.

Trustee Sullivan asked if these neighboring communities have stormwater problems.

Ms. Berger-Raish confirmed that they do.

Mr. Braiman explained that institutional uses when owned by a 501(c)3 organization provide valuable services to the community and may not be able to pass along the costs to customers in the same way other uses are able to. He described the financial analysis of the various credit options, which range from 5-50%.

Mr. Braiman addressed the financial implications of potential credits and explained that staff will reevaluate the projected stormwater utility fee fees in 2021 with the Finance Committee. He added that the Village needs a full year to collect revenues and reassess the loss in collection factor.

Mr. Braiman added the Village's final reserve amount would continue to be updated as we complete building out the stormwater billing database over the next year. If the reserves continue to be projected over the required amount, the Village would not raise stormwater utility fees as originally planned.

Trustee Sullivan asked what is the typical recommended reserve amount.

Mr. Braiman explained that the sewer fund policy allows for a 20% reserve of revenue. As the Village begins to collect stormwater utility fees, the projected fees can be further reduced and the 8% estimated loss in collection factor would be adjusted accordingly.

Melinda Molloy, Director of Finance, added that staff is continuing to clean our data. The first billing cycle was completed and there are still at least 300 accounts that need to be analyzed for future billing cycles. The reserve number is decreasing and the 8% loss in collection was a way to provide the Village a cushion as staff obtains better data.

Mr. Braiman explained that the Village understands there will be a percent loss in collection and that we will not increase rates until the data is refined.

Ms. Molloy described the Village staff's recent effort of cleaning over 8,000 single-family home accounts, with 800 more accounts remaining.

Mr. Braiman stated that the Village Board will have to approve the fees in 2021 and this approach is different from the past. For example, the Village increased the fee for the West Park project for two years at once.

Trustee Kurzman asked for staff to explain the spreadsheet in Attachment #2.

Mr. Braiman explained the table shows various credit options for the institutional and the detention credits. Also included in the spreadsheet is a comparison on what each entity would pay if the fees were based on the sewer rate, not a stormwater utility fee. He noted that the value of the detention credit is only applied to the portion of the property impacted by the provided detention.

Trustee Sullivan asked who would determine which part of the property is affected by the detention.

Ms. Berger-Raish explained that the entity would need a copy of the MWRD permit and which ordinance that permit is abiding by, as well as a certification from an engineer that the improvements were installed and working as designed.

Mr. Braiman stated that the permit would identify which portion of the property is

benefiting from the detention.

Ms. Berger-Raish added that even though this discussion has focused on non-single family properties, there is a single-family development, Wilmette Circle, which was designed to MWRD standards. These properties can also apply for the detention credit.

Trustee Sullivan opened the floor to public comment on this topic.

Lali Watt, 811 Chilton, asked for clarification on why the Village would consider providing credits to entities without those entities mitigating any stormwater runoff. She added that if some entities could apply for this credit, then all voters should also be allowed to apply for this credit.

Elizabeth Seager expressed concerns regarding not providing the Village residents enough time to understand all of the proposed credit options. She is opposed to granting credits where there is no corresponding stormwater benefit unless all residents are allowed to apply for the same credit due to hardship.

Chris Miehle, with Terra Engineering, represented Loyola Academy as Civil Engineer asked what the process would be to obtain approval for a detention credit.

Ms. Berger-Raish replied that larger properties would be divided into areas that have MWRD compliant detention. A formula for the entire parcel would determine the overall credit based on the amount of the parcel that is served by compliant detention.

Kate Gjaja, 325 Central, stated she is in favor of credits for entities controlling their stormwater runoff and that all properties should pay their appropriate fees.

Trustee Sullivan initiated a discussion on educational credits.

Mr. Braiman added that the educational credit is not recommended by staff since the impact is minimal and a burden for the entities and the Village to administer.

Trustee Kennedy said the educational credit is well-intended yet not effective since children don't make purchasing decisions on how to deal with stormwater on the properties on behalf of their family.

Trustee Kurzman supports staff recommendation not to move forward with implementing an educational credit.

Trustee Sullivan added that there is a consensus for the Committee not to recommend the education credit to the Village Board.

Trustee Sullivan initiated a discussion on MWRD compliance.

Mr. Braiman recommended to move forward with the most updated analysis.

Option #2 is based upon sound engineering principles and reflects more closely the benefit these properties have on the system.

Ms. Berger-Raish stated that Option #2 is more realistic.

Trustee Kurzman added that he is not in complete support of giving a credit for following the law, but he's willing to bring the matter to the Village Board to discuss further.

Trustee Kennedy said she would like to look at the numbers more closely and agrees that the detention credit makes sense since these types of improvements do significantly benefit the stormwater system.

Trustee Sullivan asked if the Village Board should be presented with both Option #1 and Option #2.

Mr. Braiman replied that Option #1 is not realistic since it requires entities to double the MWRD amounts. The Village Board should be presented with the latest update – Option #2.

Trustee Kurzman agrees with presenting Option #2 to the Village Board for discussion.

Trustee Sullivan agrees that Option #2 is directionally more accurate.

Trustee Sullivan began discussion of the institutional credits. He explained that our website advertises the wonderful community we have for residents, business, and organizations like private schools and religious organizations. Not all the institutions are in a position to make changes to the management of their stormwater. He is in support of an institutional credit because residents want these types of institutions to continue to exist in our Village.

Trustee Kennedy asked if the credit options are cumulative where, for example, an entity can benefit from a 45% detention credit and a 50% institutional credit.

Trustee Sullivan said he would support a maximum credit up to 50%.

Trustee Kennedy stated that she understands that the institutional entities are not bearing the predominant burden of the Village's fees and that homeowners are bearing 70% of the total expense. She asked what the percentage is for commercial entities.

Ms. Molloy responded that there is roughly a 75-25% distribution for single-family uses vs. non-single family. The Village does not yet have the information to distinguish the percentage for commercial and institutional uses.

Trustee Sullivan said he is concerned about commercial passing on the expense to tenants, which may result in an increase in vacancies.

Trustee Kennedy agreed that is it difficult to justify making an exception for financial hardship for one group and not some kind of hardship for everybody.

Trustee Sullivan said that this is a fluid situation over the next couple of years and that we should get consensus among all members of the Village Board.

Trustee Kurzman added that this discussion warrants involving the Village Board. Hardship in certain neighborhoods exists and that we should evaluate the possibility of considering financial hardship for others.

Mr. Braiman summarized the recommendations of the MSC:

The MSC did not recommend the Village implement an education credit as the credit creates an additional curriculum mandate upon schools, is an administrative burden for the Village to manage, and there was no evidence presented to demonstrate that such a program would have a positive impact on stormwater management.

The MSC recommended the Village implement an MWRD detention credit; there was some concern expressed that properties would be receiving a financial benefit for simply meeting legal requirements, but a general consensus that building detention is beneficial to the public system. The updated credit percentages (35%, 45% and 50%), depending on the MWRD ordinance used for the permit, would be utilized.

The MSC did not make a recommendation for or against the Institutional/501(c)3 credit. Additional discussion regarding the appropriateness and value of such a credit will be advanced to the full Village Board for consideration.

Trustee Kennedy asked to confirm that there would be a 50% cap since certain entities may be eligible for multiple credit types.

Trustee Sullivan asked why we need to bill the institutions this year rather than delaying these bills.

Mr. Braiman replied that we are sending bills now to pay for a debt service due at the end of this year.

Ms. Molloy explained that we need to explain to the market how we are collecting these funds.

There were no further comments on this topic.

IV. NEW BUSINESS

There was no new business.

V. PUBLIC COMMENT

There was no additional public comment.

VI. ADJOURNMENT

Trustee Sullivan asked for a motion to adjourn. Trustee Kurzman moved to adjourn the meeting. The motion was seconded by Trustee Kennedy. No further discussion occurred on the motion. **The motion carried by a unanimous voice vote.**

The meeting was thereafter adjourned.

Minutes respectfully prepared by Georgia Mihalopoulos, P.E.