**Minutes**
**Village of Glen Ellyn Board of Trustees**
**Workshop Meeting**
**February 17, 2014**

**Call to Order**

President Demos called the meeting to order at 7:02 p.m.

**Roll Call**

Upon Roll Call by Clerk Galvin, Trustees Burket, Clark, Ladesic, McGinley and O'Shea answered "Present".

Staff present: Village Manager Franz, Assistant Village Manager Stonistsch, Police Chief Norton, Finance Director Wachtel, Public Works Director Hansen, Assistant Finance Director Coyle, Professional Engineer Minix and Fire Chief Bodony.

**Agenda Item 4 - Discussion**

**Agenda Item 4A: Professional Engineer Bob Minix and Project Consultant Matt Papirnik of Burns & McDonnell provided an update on the reconstruction of Crescent Boulevard between Park and Lake.**

Crescent Boulevard between Park and Lake will be reconstructed to achieve increased safety and improved pedestrian, bicycle and vehicle accommodation near Glenbard West High School. On November 18, 2013 a presentation was made to the Village Board by Project Manager Matt Papirnik of Burns & McDonnell Engineers that explained alternatives and recommendations for various project elements, with the ensuing discussion revealing some questions and concerns. Since that workshop, the Village team has met with representatives from District 87 and the engineer has continued to study and refine project components. We would like to update the Board on these activities and attempt to reach a consensus sufficient to complete the Phase I project development report (PDR). To achieve project construction in the summer of 2015, the PDR must be completed within the next 40 days.

On January 31, 2014 the Village and District 87 / Glenbard West teams met at the D87 Administration offices. In attendance were Dr. Dave Larson, Superintendent (part-time); Chris McClain, Assistant Superintendent for Business Services; Bob Verisario, Director of Facilities and Transportation Services; Pete Monaghan, Principal; Linda Oberg, Assistant Principal of Operations; Village Manager Mark Franz; Project Manager Matt Papirnik; and Professional Engineer Bob Minix.

The following items were discussed:

A. Oberg and Monaghan discussed current "unofficial" school efforts to restrict left turns onto northbound Ellyn at arrival and dismissal times and felt that this procedure was working well. They would like to see a time of day restriction to make Ellyn one-way southbound between 7:00 - 8:00 AM and 2:00 - 3:00 PM.
B. Walls in front of the school should be compatible with the aesthetic of the building.
C. The pros and cons of a 6 ft. vs. 9 ft. median width were discussed. A fence 24" tall in the median was not viewed as a sufficient deterrent to jay-walkers by the school team. The effective control of students crossing Crescent remains a primary focus and goal of the school team.
D. The configuration of cross-walks at Ellyn and Crescent were discussed with a need expressed to accommodate movements between the gym and Memorial Field.

E. Parking at the Conference Center and on the east end of Crescent for staff and parking was an express concern. The angle parking option along Park Row was discussed.§ Snow removal issues were discussed along the corridor.
F. Monaghan expressed considerable favor for the compact urban roundabout and this appeared to be the consensus of the school team.

Matt Papirnik presented an overview of the recent project developments and to answer questions. It is anticipated that the three main discussion points will be the median in front on the high school, compact urban roundabout, and the configuration of the roadway between Park and Ellyn. It is desired that consensus be reached on the basic parameters associated with these items so that the consultant can finalize Phase I work.

Trustee McGinley asked where the school stands on the wider median. Mr. Papirnik responded the school is adamant about wanting the wider median. Manager Franz responded the school wants the students crossing at the cross walks.

Trustee Burket asked if the plantings would be seasonal or perennials. Engineer Minix responded they are leaning towards perennials.

Mr. Papirnik stated they received funding to raise the crosswalk. Engineer Minix commented that this is a high priority for District 87; directing where the students will cross. President Demos asked if the Board can consider entering into an agreement with District 87 to maintain the planters.

Trustee Burket asked if they considered changing the student drop-off to the back of the building.

Trustee O'Shea expressed concern with the planters and the lack of visibility. Mr. Papirnik responded the school's desired concept is planters with a median.

Trustee Clark asked about the width and the ability of fire trucks to pass.

The Board reached consensus for the following:

- A crosswalk at the west leg of Crescent and Ellyn with changes presented. District 87 would like this as well.
- Purchasing the right of way from District 87 at the Administrative Building.
- The roundabout. This is an important and necessary part of the project.

Engineer Minix commented that District 87 is highly in favor of the roundabout.

**Agenda Item 4B: Finance Commission Chairman Tat Skirvin reviewed the 2013 Comprehensive Annual Financial Report.**

For several years, Mr. Tat Skirvin (Chair of the Finance Commission) has assembled a detailed analysis of the Village's financial activity as reported in each year's Comprehensive Annual Financial Report. This report and the five year forecast help to lay the foundation for budget discussions that will continue over the next few months.

Mr. Skirvin introduced members of the Finance Committee, Erik Ford, incoming Chairman and Yadav Nathwani.

Mr. Skirvin has prepared this analysis using information from the financial report for the year ended April 30, 2013, the most recent audit report available. This report covers historical information from 2006 through 2013 and examines revenues/expenses Village wide, Government funds, General Fund, some specific key funds, and pay/compensation cost issues, among others.

Good Year for Village financially:

- General Fund generated a $1m surplus
- Increased IL income taxes ($241k)
- Reduced legal expenses ($232k)
- Reduced pension and medical expenses primarily due to changes in methodology and assumptions ($208k)
- Continued Pay Down of Debt (excl. Village Links)
- Pension funding position improved thanks to positive market returns
- Net unfunded pension and debt of $17m still remains

Overall a good year for Village:

- Things to Watch
- Medical Costs
- Pension Liability
- Compensation inflation
- Capital Projects
- Village Links

Trustee O'Shea asked about any impact from the temporary income tax increase. Mr. Skirvin responded that the revenue was earmarked for education and there will be no impact on the Village.

Finance Director Wachtel pointed out that until 2005 IMRF was 100% funded.

Mr. Skirvin stated that the Debt Services Fund excludes the Library and the Village Links but the Finance Committee is watching the two.

President Demos asked about having a pension liability fund as a reserve fund. Mr. Ford responded that they might as well just use the Pension Fund. With an increase in funding, it can be worked down to a manageable number in 5-10 years.

**Agenda Item 4C: Assistant Finance Director Christina Coyle presented the Village's Third Quarter Budget Report for FY13/14.**

This is a budget report (unaudited) for the third quarter of FY13/14. The report provide year to date budget information for revenues and expenditures/expenses compared to the budget and compared to last fiscal year. The report is provided primarily on a cash basis, and reflects activity from May 1, 2013 through January 31, 2014.

Overall, the Village saw a positive change in net position for its governmental activities of 2.1 million. This is due to positive operating results as well as the timing of payments for street and other capital projects. The General Fund, the main operating fund of the Village, finished the third quarter with a positive change in fund balance of $960 thousand. This is the third highest third quarter in 5 years. The General Fund is projected to end the fiscal year with a positive change in fund balance of $580 thousand.

This year, the Capital Projects Fund budgeted a planned use cash reserve of $803,000 as part of the long-term capital plan. Currently, the Capital Fund has a positive change in net position of $1.1 million as payments lag behind the actual construction work. This fund is projected to end the year with a positive change in fund balance of $451 thousand.

Enterprise activities saw a decrease in the net position for the third quarter of FY 2014 of approximately $2.4 million. If the Village Links renovation project was excluded from the results, the enterprise activities yielded approximately a $1.0 million positive change in net position as compared to $1.6 million in the prior year.

*A short break was taken from 8:12 p.m. to 8:16 p.m.*

**Agenda Item 4D: Finance Director Kevin Wachtel presented the 5-year forecast of General Fund activity.**

Finance Director Kevin Wachtel presented the 5-year forecast of General Fund activity. The Village prepares a five year forecast to help set the stage for budget discussions. This forecast is based on FY13/14 budgeted numbers, and focuses on the General Fund as our main operating fund. Additional information on our capital plan, debt and pensions is also included in the report. This report remains in draft form. The five year forecast will be reviewed and discussed at the Friday, February 14, 2014, Finance Commission meeting, where we will seek additional input and feedback from Finance Commission members. Staff has already received helpful feedback at the January Finance Commission meeting, and more thorough discussions with Chair Tat Skirvin and Commissioner Ted Moody.

**Key goals of our long term forecast**

- Understand long term trends in revenue sources
- Understand long term trends in expenditures
- Identify future imbalances in revenues and expenditures (deficits)
- Develop and implement programs now to avoid future deficits
- Use tables and graphs to summarize and highlight info and trends

**Other notes**

- Forecast is a model to project future activity and identify issues and trends, not a prediction
- Each year’s experience will vary
- The goal is that annual budgets will be balanced
- Each year’s results will vary depending on revenue performance and other events

**Agenda Item 4E: Assistant Village Manager Al Stonitsch led a discussion on the results of the Ambulance/Paramedic Services Request for Proposal.**

At the October 21, 2013 Board Workshop, staff provided an overview to the Village Board on the Village's ambulance/paramedic services contract. At that meeting, staff informed the Village Board that the current (five-year) contract would be expiring on June 15, 2014, and that the Village desired to issue a Request for Proposal in order to test market pricing as well as to evaluate alternative service models. Following that meeting, the Village developed an RFP review committee consisting of Village President Demos, Trustee McGinley, Village Manager Franz, Fire Chief Bodony and Assistant Village Manager Stonitsch. The Committee met several times to review and refine the final RFP contract document, and Village Attorney Mathews also conducted a comprehensive review of the RFP prior to issuance.

As part of the RFP, prospective vendors were asked to submit proposals on the following service models:

1. Base Proposal (Turn-key): Vendor provides firefighter/paramedic staffing, ambulance billing services, and ownership/maintenance of all three ambulances. Also, vendor collects and keeps all ambulance fee revenue.

2. Alt. #1: Includes Base Proposal scope, with the exception that the Village continues to own and maintain the ambulance fleet. Vendors were asked to provide the overall cost deduct to their base proposal pricing.

3. Alt. #2: Same scope of services as Base Proposal, except the vendor remits all ambulance fee revenues back to the Village. Upon finalizing the RFP document, the Village formally advertised the RFP on November 14, 2014, which included posting a Legal Notice in the Daily Herald. Following the official advertisement, the Village conducted a mandatory pre-submission meeting on November 21, 2013 in order to afford vendors an opportunity to seek any clarifications on the RFP document.

On December 13, 2013, the Village received four (4) timely proposals from prospective ambulance/paramedic service contract vendors, all of whom are known service providers in the metropolitan area. The vendors that submitted proposals were:

- Kurtz (New Lenox, IL)
- Metro/Superior (Elmhurst, IL)
- PSI (Schiller Park, IL)
- PSSI (Rosemont, IL)

**Alt. #1 Proposals**

The purpose of Alt. #1 was to allow the Committee the opportunity to evaluate the cost/benefit of the Village continuing to own and maintain the ambulance fleet. Just like in the Base Proposal analysis, Alt. #1 also included the cost reimbursement variable. As highlighted in Table B, Kurtz again submitted the lowest, most responsive proposal at $1,340,923.02, which was approximately $636,676 less (over five years) than the next lowest proposal submitted by PSI. The cost difference was largely attributable to the significant contract cost deduct Kurtz offered due to the Village assuming ownership and maintenance of the ambulance fleet. Attachment 2 provides a very detailed analysis and breakdown that the Committee reviewed for Alt. #1.

**Alt. #2 Proposals**

Under Alt. #2 in the RFP, the Village was seeking proposals on a completely turn-key contract; however, unlike the Base and Alt. #1 proposals, the Committee wanted to be able to weigh the pros/cons of continuing to retain all ambulance fee revenues collected by the vendor. Attachment 3 details the Committee's analysis of the estimated five year contract costs under Alt. #2. In summary, the Committee is not recommending proceeding with Alt. #2, because the risk of any future revenue volatility would be assumed by the Village under this scenario. That is, in the event the Affordable Care Act has a greater negative effect on ambulance fee revenues than anticipated, the Village's maximum exposure under such a "worst case scenario" would be capped at the contract costs with either the Base or Alt. #1 proposals. From the Committee's perspective, protection against any future revenue volatility, coupled with the upside of the cost reimbursement models found in the other contract models, makes Alt. #2 a less attractive option.

Ownership of Ambulances: In-House /vs/ Outsourcing

Based upon the Committee's assessment that Kurtz submitted the lowest, most responsive proposal, the Committee decided that one of the primary policy discussions for the Village Board would be to evaluate the merits of either outsourcing the ownership and maintenance of the ambulance fleet to the contractor, or continuing to perform those services in house. Based upon Kurtz's pricing for both options as highlighted in Table C, the analysis suggests that the Village would save approximately $153,509.20/year if it continued to own and maintain the ambulances under Alt. #1. These direct savings would have to be weighed against the additional liability exposure that Village bears with owning/maintaining the ambulances, not to mention the opportunity costs associated with the in-house mechanic staff hours dedicated to ambulance fleet maintenance.

President Demos stated he is a proponent of owning the ambulances since they typically last more than 5 years and additional savings may be into years 6 and 7. Chief Bodony responded that without a doubt, Village owned ambulances are preferred. The Village provides excellent fleet service. The current ambulances are at the end of their service.

President Demos asked about Alternate 1 and the retention of current Firefighter/Paramedics. Chief Bodony responded that it would be ideal to have 5-6 retentions. The credentials were stipulated in the RFP. Chief Bodony also stated that all towns in DuPage County own their own ambulances with the exception of Elmhurst.

Trustee Ladesic stated that he is not in favor of owning the ambulances. Trustee Burket inquired about insurance, liability and deductibles.

The Board was polled on owning the ambulances. President Demos and Trustees Burket, Clark, McGinley support owning the ambulances. Trustees Ladesic and O'Shea are not.

The Board was polled about accepting Kurtz's proposal. President Demos and Trustees Burket, Clark, McGinley, Ladesic and O'Shea are comfortable with the Kurtz proposal.

Trustee Ladesic is opposed to the Village owning the ambulances. Trustee Ladesic also stated that many municipalities are using smaller, less expensive ambulances and asked why the Village is not doing this. Chief Bodony responded that Cicero, for example just purchased one. The smaller ambulances are great for quick transport to the hospital. Glen Ellyn however, has Firefighter/Paramedics and they need to carry their turn out gear and air packs on the ambulances. Furthermore, the tight space makes it difficult to work on a patient.

Trustee O'Shea expressed concerns that the Kurtz bid was too low and perhaps something substantial was overlooked. Trustee McGinley asked Trustee O'Shea if he could see himself supporting Alternate 1. Trustee O'Shea responded that he could see himself voting either way.

Mr. Bob Morton, 420 Anthony Street, Glen Ellyn approached the Board to express his opposition to Kurtz being awarded the bid. Mr. Kurtz is a 45 year member of the Glen Ellyn Volunteer Fire Company. Mr. Kurtz thinks they have the right contractor now; he has concerns over variances with the bid and stated that Kurtz is already calling the paramedics and identifying themselves as the low bidder. President Demos responded that the RFP and the bids submitted are public knowledge. Mr. Morton expressed concern that this is a 5 year contract and with the Affordable Care Act we do not know yet all that it entails. There is also a loyalty factor as the paramedics wear a Glen Ellyn identified uniform. Mr. Morton commented that there is a lot of turmoil at the firehouse right now.

**Contract Timeline/Next Steps:**

Following the Board's direction at the workshop, the next step is to enter into contract negotiations with the most responsive vendor as determined by the Village Board, with the goal of seeking Village Board approval of a contract at the February 24, 2014 meeting.

**Adjournment**

At 10:55 p.m. Trustee Clark moved and Trustee O'Shea seconded the motion to adjourn. Motion carried.

Respectfully submitted,

Catherine Galvin,
Village Clerk