Agenda
Village of Glen Ellyn
Regular Workshop Meeting
Monday, March 16, 2015
7:00 PM
Glen Ellyn Civic Center, Room 301

Village Board Workshop Procedures Statement

Visitors are most welcome to attend all meetings of the Village Board and can find copies of the Agenda on their chairs or online at www.glenellyn.org prior to the meeting. Any individual with a disability requiring a reasonable accommodation in order to participate in a meeting should contact Harold Kolze, Village of Glen Ellyn ADA Coordinator, 630-469-5000, at least five (5) business days in advance of the next scheduled meeting. All matters on the Agenda may be discussed, amended, and acted upon.

A. Call to Order

B. Roll Call

C. Pledge of Allegiance

D. Audience Participation

1. Open:

Members of the public are welcome to speak to any item *not* specifically listed on tonight's agenda for up to three minutes. For those items which are on tonight's agenda, the public will have the opportunity to comment at the time the item is discussed. In either case, please complete the Audience Participation form and turn it in to the Village Clerk. It is requested that, if possible, one spokesman for a group be appointed to present the views of the entire group. Speakers who are recognized are requested to step to a microphone and state their name, address and the group they are representing prior to addressing the Village Board.

E. Proposed Flood Assessment Plan Discussion: (Planning and Development Director Hulseberg)

1. Stormwater Engineer Ray Ulreich will present information regarding the FEMA Community Rating System (CRS) and the proposed Flood Assessment Plan.

F. Electric Aggregation Program Update: (Assistant Village Manager Stonitsch)

1. Assistant Village Manager Al Stonitsch will lead the discussion on the Village's Electric Aggregation Program.

G. Other Items

H. Adjournment

Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 03/16/15 07:00 PM
Department: Planning & Development
Department Head: Staci Hulseberg
Category: Report
Prepared By: Raymond Ulreich

SCHEDULED

AGENDA ITEM (ID # 1671) DOC ID: 1671

Stormwater Engineer Ray Ulreich will present information regarding the FEMA Community Rating System (CRS) and the proposed Flood Assessment Plan.

Background

Every five years the Village is re-evaluated to confirm that the community is still complying with the program requirements of the FEMA Community Rating System (CRS). Participating in this rating system allows Village residents who purchase Flood Insurance to receive a discount. The amount of the discount is based on the number of points received during the rating process. Currently the Village has a rating of 8 which provides that a 10% reduction be provided for insurance purchasers. The Village's renewal will occur sometime later this year. This evaluation includes a review of all of the original tasks and information submitted with the initial application. The renewal is further complicated this time since the program requirements have changed considerably since our original application and the associated point system for obtaining CRS credit has also been totally revamped.

Issues

I have been reviewing our CRS submittal to determine what changes or improvements could be made to maintain or improve our rating. One component of the rating system is the public outreach program. This program was previously satisfied by the placement of various articles in the Village's newsletter. Although we can continue to receive points for these publications, the amount of points given for this effort has been reduced considerably. Research has shown that awareness of a flood hazard is not enough to motivate people to action to protect themselves and their property. The public outreach component of the CRS was changed based on these research findings. One component of the public outreach strategy is to perform a Flood Assessment Plan to allow for the determination of a more targeted outreach program to make the public outreach more effective.

Action Requested

I have prepared the attached Flood Assessment Plan. To allow for qualification for CRS credit, this program needs to be presented to the Village Board. No action actually needs to be taken by the Board other than them acknowledging they received the plan, however more credit is available if the recommendations of the plan are implemented.

ATTACHMENTS:

- Flood Assessment plan (PDF)
- FIS hazard (PDF)
- Flood Assessment participation form (PDF)
- FIS content (PDF)

Collection of Flood Insurance Information:

Based on the repetitive loss property procedures a disk containing all properties in the Village which have purchased flood insurance is provided by FEMA through the ISO/CRS specialist to the Village. This data was then modified to add the PIN to each parcel. The resultant spreadsheet was then linked via the PIN to the "Parcels in Flood Plain" GIS map and the different flood categories were color coded to clearly display those parcels within the various flood zones.

Because of the relatively small amount of floodplain properties in the Village the flood insurance information was not aggregated and property specific data was used.

The Village flood plain areas are divided into 9 different areas as follows:

- Pan Fish Park
- The Links Golf Course
- Lambert Lake
- Manor Park Area
- Lakeview Terrace Area
- Hill & Lorraine Area
- East Branch of the DuPage River, North of Lake Ellyn Section
- East Branch of the DuPage River, South Lake Ellyn Section
- Lake Ellyn/Perry's Preserve & East Branch

Based on the current flood insurance maps with an effective date of December 16, 2004, the following is a summary of the different areas:

Area	Parcels in Flood Plain	Buildings in Flood Plain	Parcels with Flood Insurance	Percent Insured Parcels	Percent Insured Buildings
Pan Fish Park	21	5	4	19.05%	80.00%
Links	50	16	9	18.00%	56.25%
Lambert Lakes	1	0	0	0.00%	0.00%
Manor Park Area	23	3	1	4.35%	33.33%
Lakeview Terrace	14	3	1	7.14%	33.33%
EB North	7	0	0	0.00%	0.00%
EB South	46	13	8	17.39%	61.54%
Hill & Lorraine	30	9	2	6.67%	22.22%
Lake Ellyn -Perry's Pond-East Branch	48	7	7	14.58%	100.00%
Totals	240	56	32	13.33%	57.14%

Parcels which were on public lands, forest preserves, permanent open space, cemeteries and golf courses are not included in the above tabulation.

Although 240 individual parcels were identified as containing floodplain, because of the terrain most of these parcels only contained floodplain on the back portion of the property and the actual buildings are not located in the floodplain. Only 56 or less than 25% of the properties identified as being in the floodplain have buildings which are also in the floodplain.

Level of Flood Insurance Coverage

Although only a small percentage of parcels which are in the floodplain (13.3%) carry flood insurance, a much larger percentage (57.1%) of the structures which are in the floodplain do have flood insurance.

Based on the insurance information provided by FEMA, the average value of flood insurance for properties within the floodplain was $208,773 for structures and $10,642 for contents.

Flood insurance can also be purchased for parcels which are not located in the floodplain. The insurance rate for these parcels is significantly less than those located in the floodplain. Based on the insurance information provided by FEMA, there were 51 properties which carried flood insurance with an average coverage of $167,057 for structures and $65,698 for contents*.

*One multifamily property was not included in this count so that the data was not distorted.

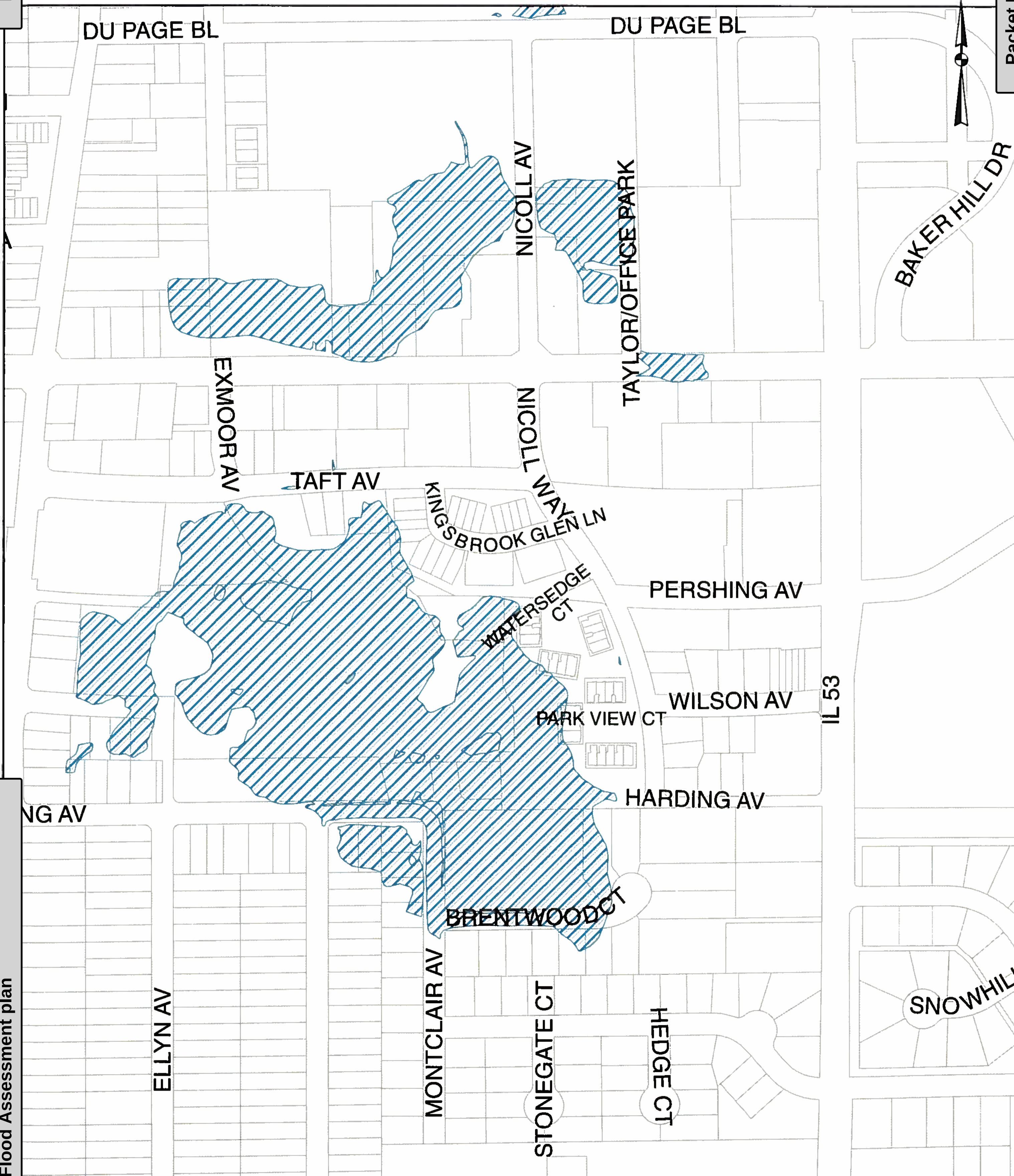
Summary of Insurance Coverage and Recommendations for Public Outreach

Because of the small number of buildings located in the floodplain which do not carry flood insurance (24), it is recommended that the annual public outreach be targeted at these properties to encourage them to obtain flood insurance coverage (see attached letter).

Based on the average content coverage of parcels not within a floodplain versus those within the floodplain ($10,642 versus $65,698) the parcels within the floodplain appear to be under insured for content coverage. A public outreach targeted to these properties should include information regarding the value of content coverage (see attached letter).

There are more flood insurance policies written for properties which are located outside of the 100 year floodplain then those within (51 versus 32). A public outreach program could be targeted to these properties to request feedback to determine if the policies were purchased for psychological reasons or actual experience of flooding on or in vicinity of the property. The type of public outreach either by letter, through a newsletter article, via e-news, facebook, or other means has not been determined yet.

Flood Plain Areas

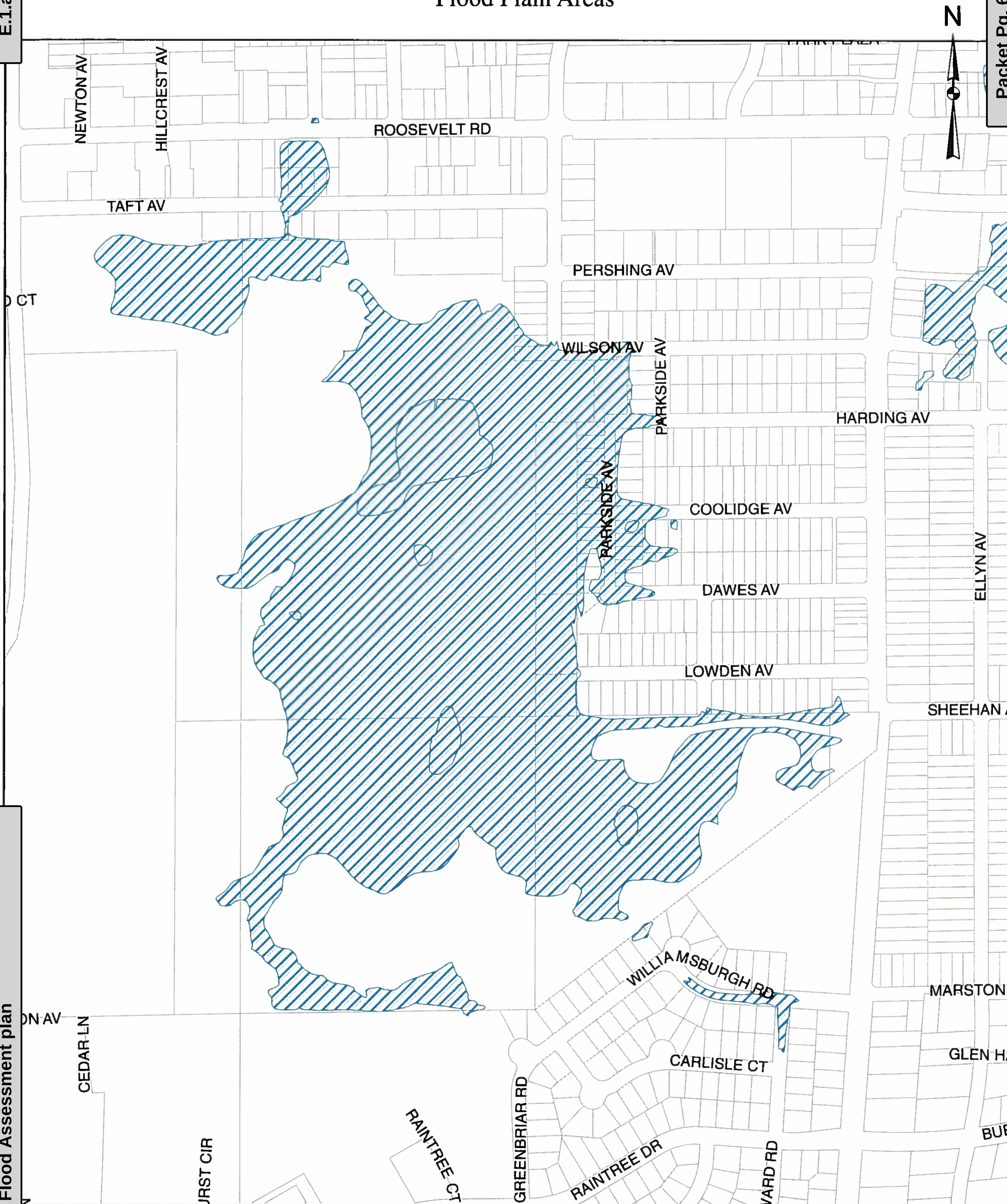


Pan Fish Park Area

Legend

RFM_fz100_poly

Flood Plain Areas

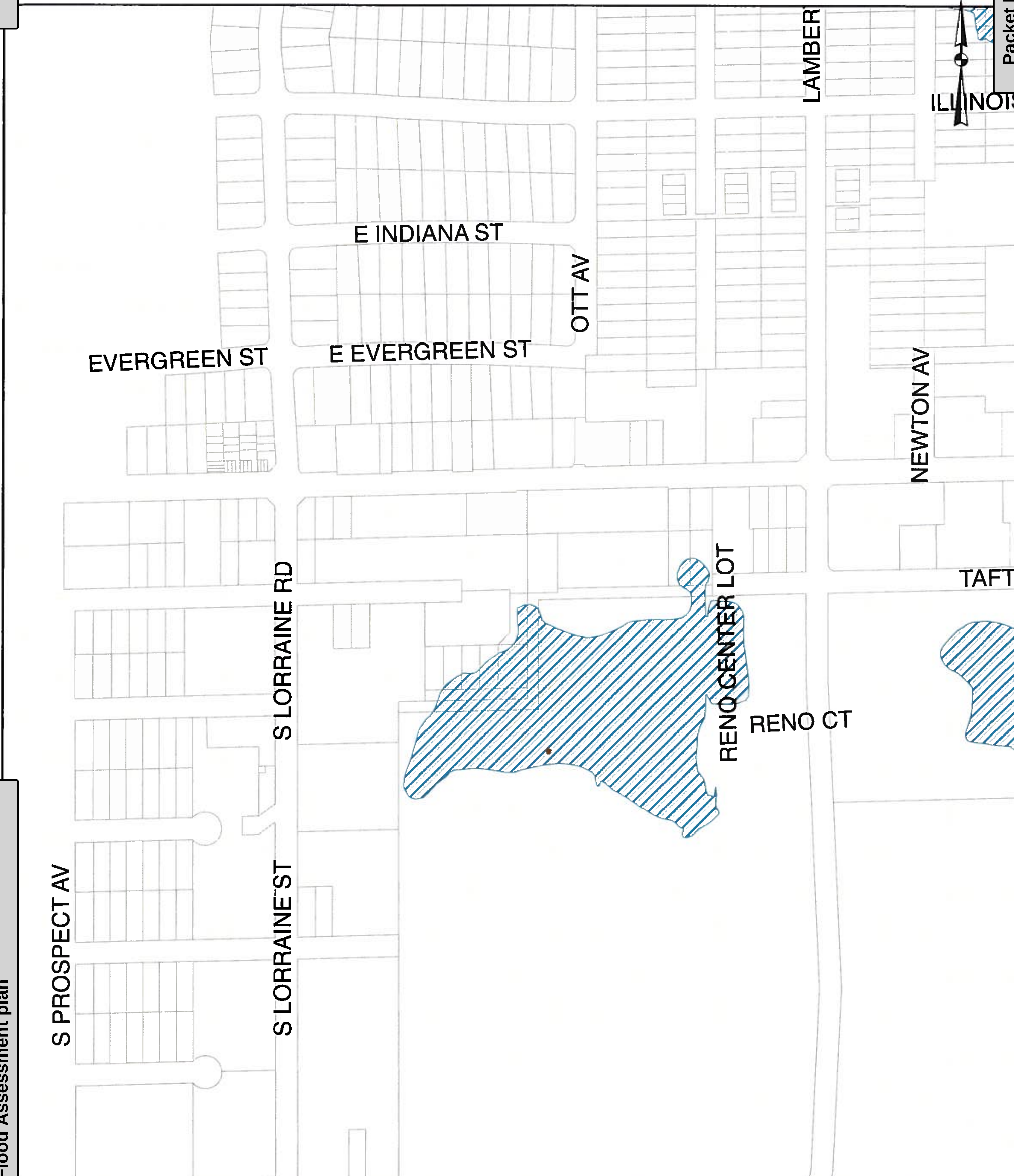


The Links Area

Legend

RFM_fz100_poly

Flood Plain Areas

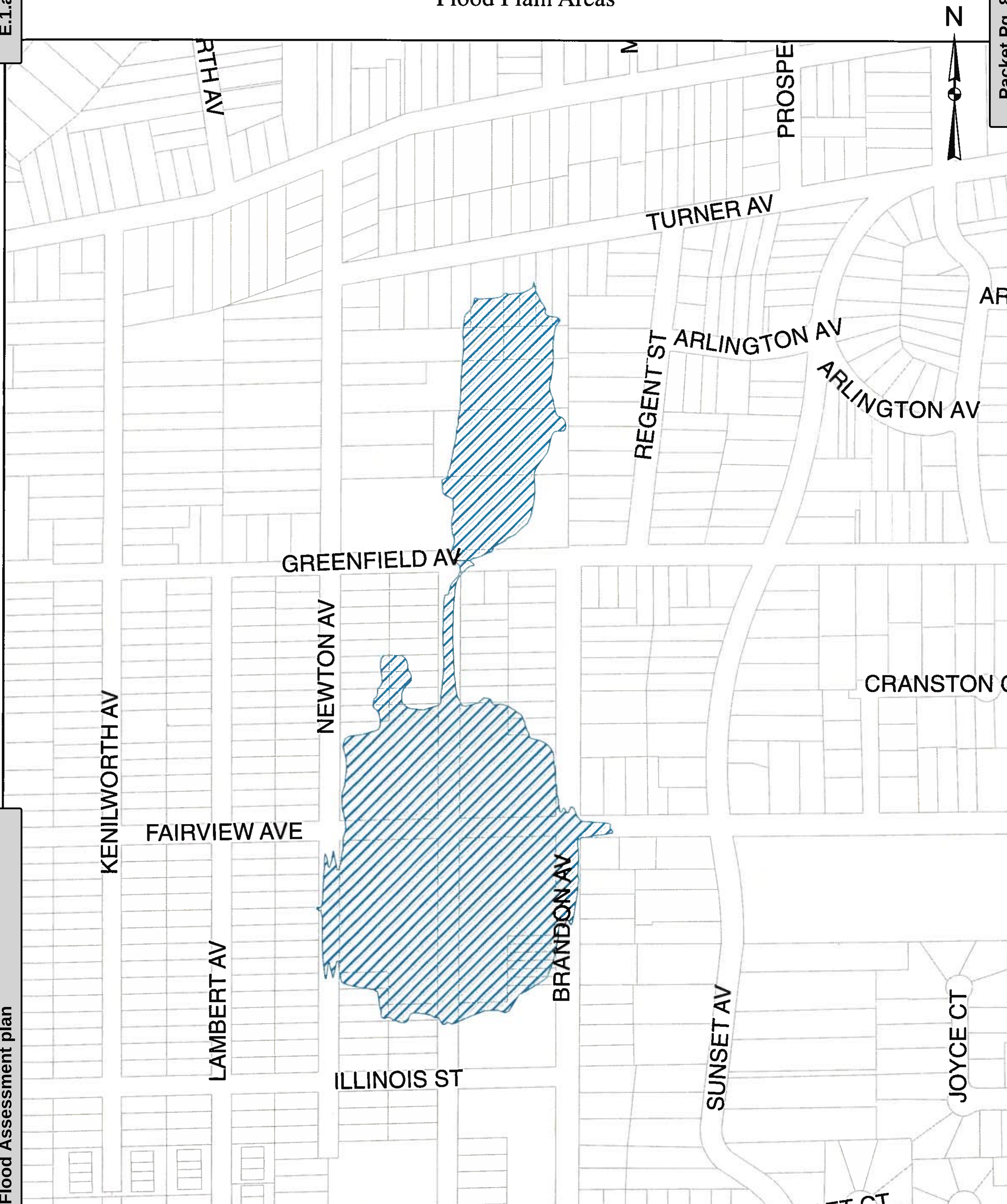


Lambert Lake Area

Legend

RFM_fz100_poly

Flood Plain Areas

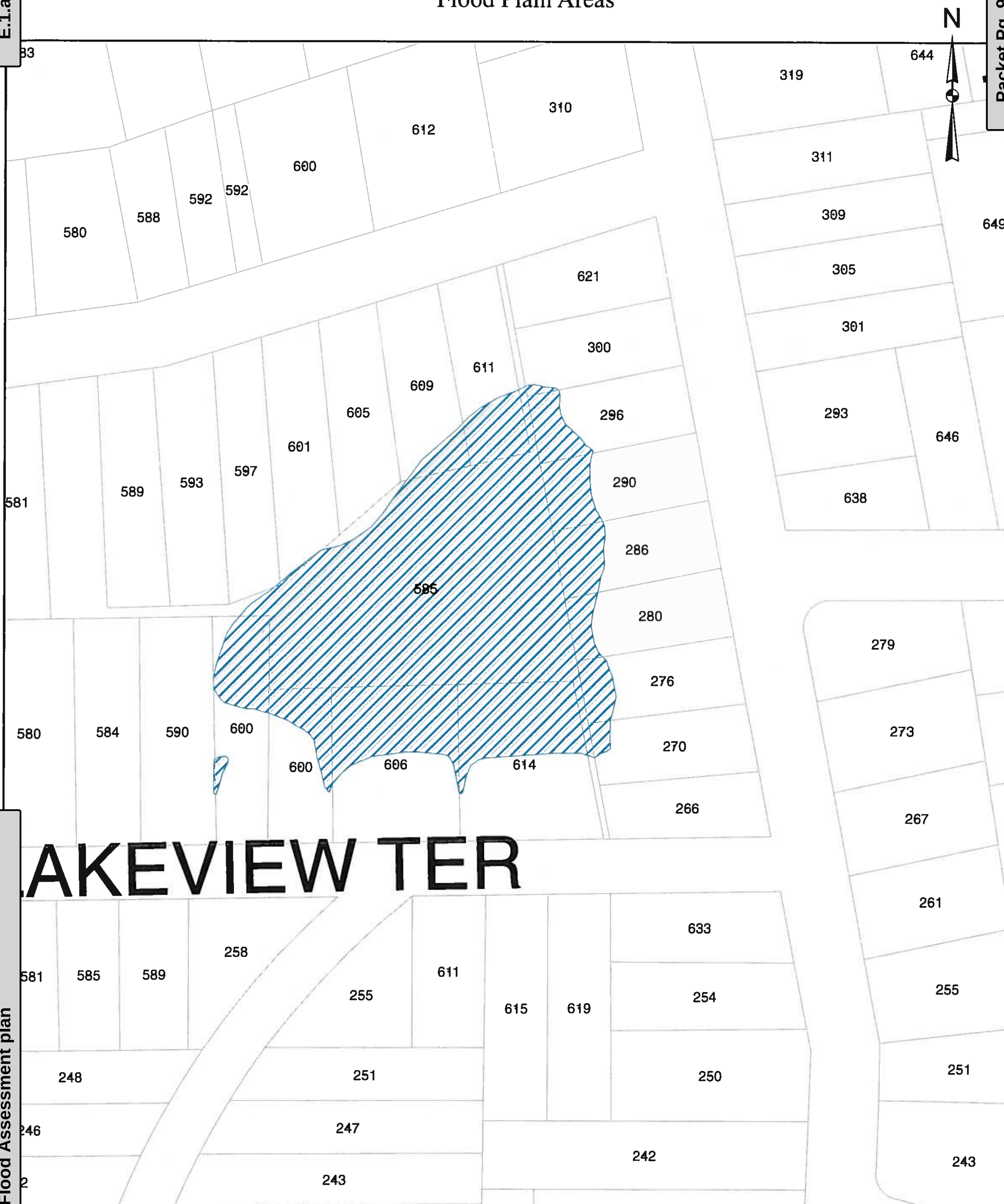


Manor Park Area

Legend

RFM_fz100_poly

Flood Plain Areas

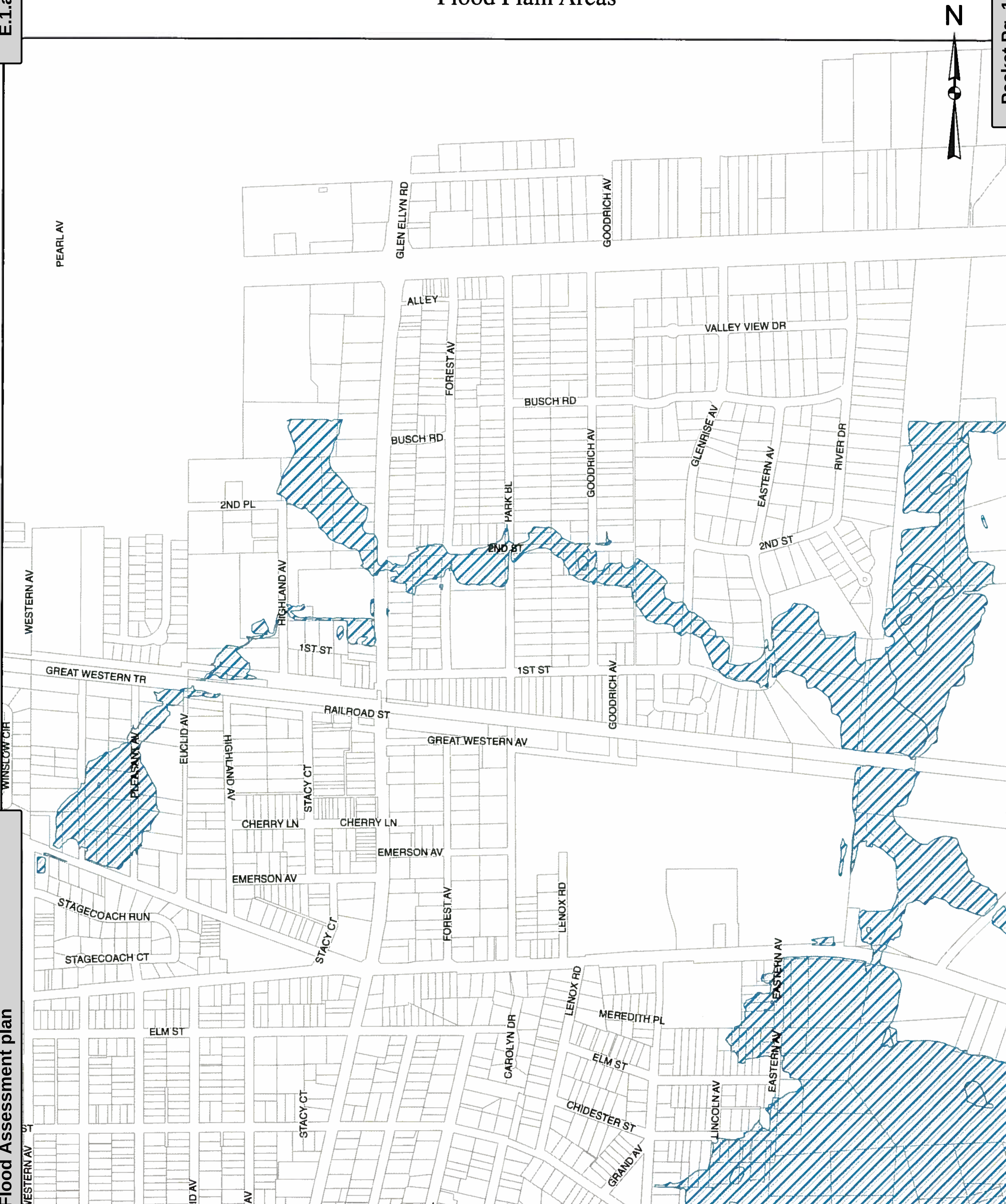


Lakeview Terrace Area

Legend

RFM_fz100_poly

Flood Plain Areas

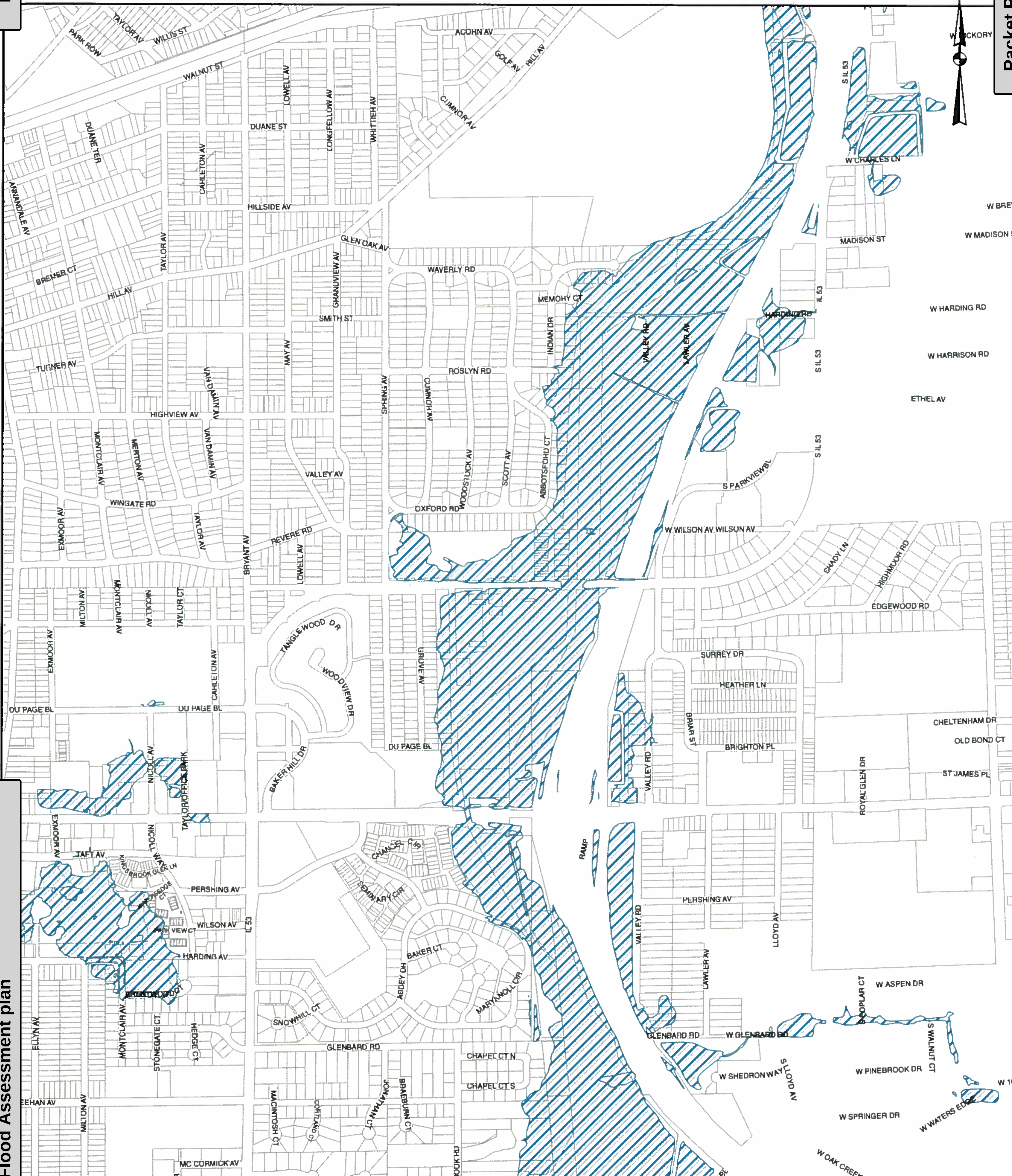


East Branch - North Area

Legend

RFM_fz100_poly

Flood Plain Areas

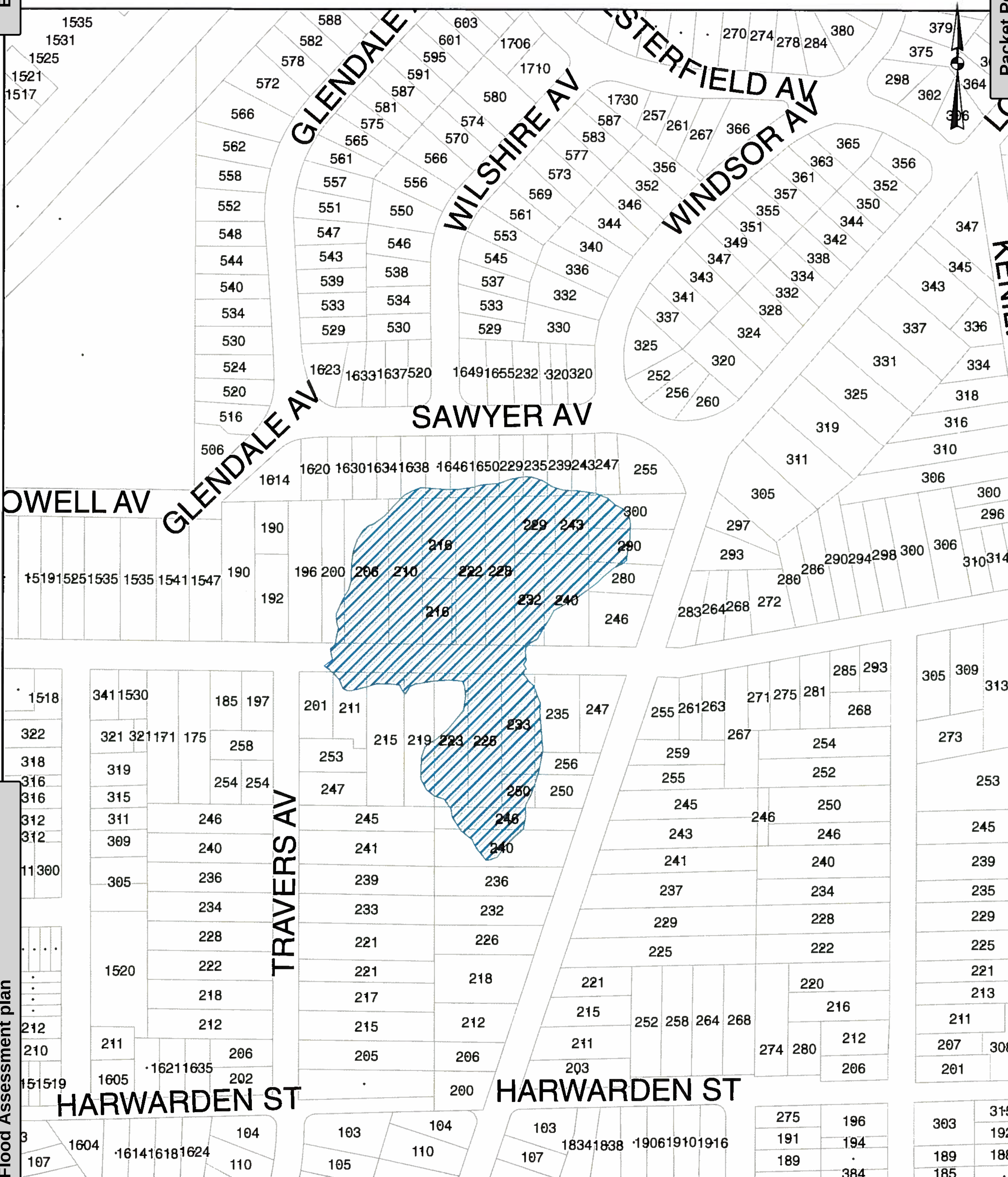


East Branch - South Area

Legend

RFM_fz100_poly

Flood Plain Areas



Hill & Lorraine Area

Legend

RFM_fz100_poly

Flood Plain Areas

Legend

RFM_fz100_poly

Lake Ellyn/Perry's Pond/East Branch Area

Sample

Civic Center
535 Duane Street
Glen Ellyn, IL 60137

Administration
630-469-5000
Fax 630-469-8849

Finance
630-547-5235
Fax 630-469-1757

Planning and Development
630-547-5250
Fax 630-547-5370

Police
630-469-1187
Fax 630-469-1861

Public Works
30 South Lambert Road
Glen Ellyn, IL 60137
630-469-6756
Fax 630-469-3128

The Village Links and Recreation
485 Winchell Way
Glen Ellyn, IL 60137
630-469-8180
Fax 630-469-8580

www.glenellyn.org
www.villagelinksgolf.com

February , 2015

Resident
Address
Glen Ellyn, IL 60137

Subject: Floodplain Hazard

Dear Resident,

We are sending you this letter because your house is located in or near a designated 100 year flood plain. We want you to be aware of this hazard and the steps you can take to reduce your hazard and your financial risk.

Reducing Flood Risk

Extensive studies have been undertaken in DuPage County to help identify the flood plain elevation to help homeowners to determine what protection elevation is necessary to keep their home from being impacted by the 100 year flood event.

Protecting your home from flooding can be as simple as raising the level of a window well, or as complicated as jacking the house up out of the ground. Knowing the elevation around the house along with the flood plain elevation provides the information you need to evaluate the various flood protection measures which could be undertaken.

To assist homeowners in determining the elevation around their homes in relation to the flood plain elevation the Village is initiating a Flood Elevation Protection Assessment Program through which the elevations around the perimeter of your home, the top of foundation and the lowest openings will be obtained for your home. If you are interested in participating in the Flood Elevation Protection Assessment please complete and return the attached document.

Reducing Financial Risk

Purchasing flood insurance can reduce your financial risk. Most homeowners' policies do not cover flood losses. Since Glen Ellyn participates in the National Flood Insurance Program (NFIP), you can protect your home and contents by purchasing a flood insurance policy. You can obtain coverage for both the structure and contents. Content coverage is recommended since there can be more damage to the contents than the structure. Renters can also buy contents coverage even if the owner does not insure the structure.

An important element in rating the cost of the flood insurance policy is in knowing the elevation of the flood plain versus the elevation of and around the home so participating in the Flood Elevation Protection Assessment is highly beneficial if you decide to purchase flood insurance.

To find out more about flood insurance, contact any licensed insurance agent or broker - the same person who sells your home and auto policies. All agencies charge the same premiums. You may be denied federal assistance after a disaster if you don't have flood insurance.

Again, if you are interested in participating in the Flood Elevation Protection Assessment please complete and return the attached document.

If you have any questions, feel free to contact me

Sincerely,

Raymond G. Ulreich, P.E., P.L.S.
Stormwater Engineer

— A sample handout about the mandatory purchase of flood insurance —

About the Mandatory Purchase of Flood Insurance

The NFIP: The National Flood Insurance Program (NFIP) is a federal program enabling property owners in participating communities to purchase flood insurance on eligible buildings and contents, whether they are in or out of a floodplain. This community participates in the NFIP, making federally backed flood insurance available to its property owners.

The NFIP insures most walled and roofed buildings that are principally above ground on a permanent foundation, including mobile homes, and buildings in the course of construction. Property owners can purchase building and contents coverage from any local property and casualty insurance agent. To find a local insurance agent that writes flood insurance in your area visit www.floodsmart.gov.

Mandatory Purchase Requirement: Pursuant to the Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994, the purchase of flood insurance is mandatory for all federal or federally related financial assistance for the acquisition and/or construction of buildings in Special Flood Hazard Areas (SFHAs). An SFHA is defined as any A or V flood zone on a Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM).

The mandatory purchase requirement also applies to secured loans from such financial institutions as commercial lenders, savings and loan associations, savings banks, and credit unions that are regulated, supervised, or insured by federal agencies, such as the Federal Reserve, the Federal Deposit Insurance Corporation, the Comptroller of Currency, the Farm Credit Administration, the Office of Thrift Supervision, and the National Credit Union Administration. It further applies to all loans purchased by Fannie Mae or Freddie Mac in the secondary mortgage market.

Federal financial assistance programs affected by the laws include loans and grants from agencies such as the Department of Veterans Affairs, Farmers Home Administration, Federal Housing Administration, Small Business Administration, and FEMA disaster assistance.

How it Works: When making, increasing, renewing, or extending any type of federally backed loan, lenders are required to conduct a flood zone determination using the most current FEMA FIRM to determine if any part of the building is located in an SFHA. If the building is in an SFHA, the federal agency or lender is required by law to provide written notification to the borrower that flood insurance is mandatory as a condition of the loan. Even though a portion of real property on which a building is located may lie within an SFHA, the purchase and notification requirements do not apply unless the building itself, or some part of the building, is in the SFHA. However, lenders, on their own initiative, may require the purchase of flood insurance even if a building is located outside an SFHA. Up to 25% of all NFIP flood losses arise from outside SFHAs (B, C, and X Zones).

Under federal regulations, the required coverage must equal the amount of the loan (excluding appraised value of the land) or the maximum amount of insurance available from the NFIP, whichever is less. The maximum amount of coverage available for a single-family residence is $250,000 and for non-residential (commercial) buildings is $500,000. Federal agencies and regulators, including government-sponsored enterprises, such as Freddie Mac and Fannie Mae, may have stricter requirements.

Civic Center
535 Duane Street
Glen Ellyn, IL 60137

Administration
630-469-5000
Fax 630-469-8849

Finance
630-547-5235
Fax 630-469-1757

Planning and Development
630-547-5250
Fax 630-547-5370

Police
630-469-1187
Fax 630-469-1861

Public Works
30 South Lambert Road
Glen Ellyn, IL 60137
630-469-6756
Fax 630-469-3128

The Village Links and Recreation
485 Winchell Way
Glen Ellyn, IL 60137
630-469-8180
Fax 630-469-8580

www.glenellyn.org
www.villagelinksgolf.com

Flood Elevation Protection Assessment

What the program includes:

- A field survey will be performed to obtain ground elevations around your home and elevations of your foundation, window wells and lowest openings.

- An individual flood assessment meeting with the Village's Stormwater Engineer to discuss the survey results and possible flood protection measures.

- An Elevation Certificate will be provided. This certificate can be use to rate your insurance coverage costs, to determine if you qualify for reduced insurance rates or can remove your building from the flood plain.

The cost to participate in the program is $(to be determined) ***estimated $300 - $500.***

The field work shall be completed by the first week of June, 2015.

Elevation certificates will be provided within 3 weeks of the completion of the field work and will be mailed to your home.

Upon receipt of the elevation certificate you can **call the building department** to set up the flood assessment meeting with the Stormwater Engineer. Meetings will be most effective if they take place at your home and can be anytime between the hours of 8:30AM and 4:00PM. Meetings typically last between 15 to 30 minutes.

If you want to participate in this program please complete the attached form.

Questions should be directed to the Planning and Development Department at 630-547-5240

Or email rulreich@glenellyn.org.

Flood Elevation Protection Assessment Participation Form

Yes I would like to participate in the program

Building Owners Name: ____

Address: ____

Please circle one: Basement Crawl Space Slab on grade

If you have a basement or crawl space please provide the height from the floor elevation to the ceiling. Height = ____________________

This assessment will be performed by either a Licensed Land Surveyor or a Professional Engineer. There will be no need to enter into your home but they will need to have access around your house.

Your Contact Information:

Phone number: ____

Email: ____

Please return this form with a check payable to the Village of Glen Ellyn in the amount of $250.00.

Village of Glen Ellyn
Planning and Development Dept
535 Duane Street
Glen Ellyn, IL 60137

Civic Center
535 Duane Street
Glen Ellyn, IL 60137

Administration
630-469-5000
Fax 630-469-8849

Finance
630-547-5235
Fax 630-469-1757

Planning and Development
630-547-5250
Fax 630-547-5370

Police
630-469-1187
Fax 630-469-1861

Public Works
30 South Lambert Road
Glen Ellyn, IL 60137
630-469-6756
Fax 630-469-3128

The Village Links and Recreation
485 Winchell Way
Glen Ellyn, IL 60137
630-469-8180
Fax 630-469-8580

www.glenellyn.org
www.villagelinksgolf.com

VILLAGE OF GLEN ELLYN
1834

Civic Center
535 Duane Street
Glen Ellyn, IL 60137

Administration
630-469-5000
Fax 630-469-8849

Finance
630-547-5235
Fax 630-469-1757

Planning and Development
630-547-5250
Fax 630-547-5370

Police
630-469-1187
Fax 630-469-1861

Public Works
30 South Lambert Road
Glen Ellyn, IL 60137
630-469-6756
Fax 630-469-3128

The Village Links and Recreation
485 Winchell Way
Glen Ellyn, IL 60137
630-469-8180
Fax 630-469-8580

www.glenellyn.org
www.villagelinksgolf.com

February , 2015

Resident
Address

Sample

Glen Ellyn, IL 60137

Subject: Floodplain Content Insurance

Dear Resident,

We are sending you this letter because your house is located in or near a designated 100 year flood plain and you have a flood insurance policy.

The Village has performed a flood insurance assessment and has identified that the average value for flood insurance for properties in a floodplain is $208,773 for structures and $10,642 for contents. This compares to the average value for flood insurance for properties not located in a floodplain at $167,057 for structures and $65,698 for contents. Based on this analysis it appears that many homes in the floodplain may not be carrying enough insurance to cover content losses.

In summary there are two types of coverage that can be purchased separately:

- **Structural** coverage covers everything that stays with a house when it is sold, including the furnace, cabinets, built-in appliances, and wall-to-wall carpeting.
- **Contents** coverage covers furniture and other personal possessions except for money, valuable papers, and the like.

Some people have purchased flood insurance because the bank required it when they got a mortgage or home improvement loan. Usually these policies just cover the building's structure and not the contents. During the kind of flooding that happens in your area, there is usually more damage to the furniture and contents than there is to the structure.

If you want to pursue the purchase of content coverage or make any changes to your flood insurance coverage please contact your insurance agent.

Sincerely,

Raymond G. Ulreich
Stormwater Engineer

Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 03/16/15 07:00 PM
Department: Administration
Department Head: Al Stonitsch
Category: Discussion Item
Prepared By: Al Stonitsch

SCHEDULED

AGENDA ITEM (ID # 1674) DOC ID: 1674

Assistant Village Manager Al Stonitsch will lead the discussion on the Village's Electric Aggregation Program.

Background:

Back in June 2014, the Village Board voted to continue participation in the Village's electric aggregation program by authorizing a 36 month contract with First Energy to supply power to residential and small business customers. The low bid price for this contract was a fixed rate of 7.5¢/kwh, and took effect in August 2014. As the Board will recall, this rate included 100% "green energy" (i.e. REC's-Renewal Energy Credits) in the contract, which carried a slight premium (i.e. .03¢/kwh).

At the time of the contract award last June, pricing forecasts suggested that that new FirstEnergy rate would still be slightly lower, on average, than ComEd's projected rate of $7.93¢/kwh. The ComEd rate, unlike the Village's fixed aggregation rate, includes both a fixed rate **and a monthly variable rate** component called the PEA (Purchased Electricity Adjustment) charge. Prior to August 2014, the 36 mo. average PEA charge was 0.33¢/kwh. Unfortunately, beginning in September 2014, the PEA variable rate actually started to trend downward, well below historical averages. This resulted in ComEd's combined total rate being slightly lower than the Village's FirstEnergy aggregation rate. In fact, ComEd's rate has averaged 7.052¢/kWh over the last seven months resulting in the average residential customer paying approximately $3.50/mo. more under the aggregation program.

Given the small difference between ComEd pricing and the aggregation pricing, on top of the variability of the PEA charge, some of our neighboring communities chose to exit the aggregation program entirely, and moved all accounts back to ComEd. These communities included: Lombard, Downers Grove, Glendale Heights, Carol Stream, Villa Park, Addison, and La Grange Park.

Issues:

Up until recently, staff was growing somewhat concerned about the overall merits of continuing to participate in the municipal aggregation program given the competitiveness of ComEd's rates over the last several months. An unanticipated decline in natural gas and crude oil pricing, however, has changed that perspective slightly. In fact, falling natural gas prices has effectuated a corresponding decrease in electricity prices. This fortuitous change in the marketplace provides an opportunity for the Village to examine the cost/benefit of re-bidding its aggregation contract in order to secure lower pricing for its residents.

As part of the Village's assessment, staff consulted with its aggregation consultant/supply broker, David Hoover, of NIMEC, to assist with soliciting informal quotations from prospective energy suppliers. Last month, NIMEC received the following indicative pricing quotation for a hypothetical April 2015 start date:

Additional Renewable	16 Months 04/2015-08/2016	28 Months Rate 1 04/2015-08/2016 Rate 2 08/2016-08/2017	40 Months Rate 1 04/2015-08/2016 Rate 2 08/2016-08/2018
0%	$0.06648/kWh	Rate 1 $0.06648/kWh Rate 2 $0.06469/kWh	Rate 1 $0.06648/kWh Rate 2 $0.06907/kWh
25%	$0.06675/kWh	Rate 1 $0.06675/kWh Rate 2 $0.06444/kWh	Rate 1 $0.06675/kWh Rate 2 $0.06801/kWh
50%	$0.06737/kWh	Rate 1 $0.06737/kWh Rate 2 $0.06516/kWh	Rate 1 $0.06737/kWh Rate 2 $0.06877/kWh
100%	$0.06860/kWh	Rate 1 $0.06860/kWh Rate 2 $0.06660/kWh	Rate 1 $0.06860/kWh Rate 2 $0.07028/kWh

The pricing quote suggests that the Village could obtain a fixed fee of 6.860¢/kWh *(i.e. with 100% green energy)* for a 16 mo. contract, which is lower than the Village's current FirstEnergy rate of 7.5¢/kWh, and lower than ComEd's average monthly rate of 7.072¢/kWh. This indicative market pricing suggests that the Village may want to solicit bids again in order to identify any potential to obtain lower pricing.

According to NIMEC, the estimated new rate for ComEd is *projected* to be around 7.4¢/kWh, which would inclusive of the projected PEA charge. Assuming the Village secured the lower market rate of 6.860¢/kWh, the estimated savings to the **average residential customer would be approximate $92.00 dollars over a hypothetical 16 mo. contract term.**

No More Opt-Out Clause

One unfortunate new development in this process, however, is that based upon NIMEC's discussions with prospective suppliers, the Village has learned that it is **highly unlikely** that any supplier will include in their bid a program-wide "Opt Out" clause like the Village currently enjoys. Recall that the existing opt-out language allows the Village to terminate its contract with First Energy if ComEd's rate ever dips below the aggregation rate. Any future aggregation contract, however, **would still provide residents/small businesses the ability to opt-out of the program on an individual basis at any time**.

Renegotiations with FirstEnergy

If the Board wished to re-bid the contract, one option staff explored with NIMEC is simply entering into renegotiations with FirstEnergy to determine if they would be willing to offer a lower rate in lieu of losing the Village's aggregation contract. Per NIMEC, FirstEnergy has not expressed any interest in renegotiations; thus, this option appears unlikely. Parenthetically, *Crain's Chicago Business* reported in August 2014 that FirstEnergy was officially pulling out of the Illinois market, and choosing not to bid on any new contracts or re-new expiring contracts (<http://www.chicagobusiness.com/article/20140812/NEWS11/140819977/big-power-supplier-to-suburbs-cuts-cord-in-illinois>).

Transition Lead Time

If Village elected to switch suppliers for a lower rate, there's a 90-day lead time to transition customers to the new supplier, which includes a three week notification period for residents/small businesses to opt-out of the aggregation program entirely.

Board Policy Question:

ComEd releases its new annual rate in mid/late May '15. Options for the Board to consider:

1. **Status Quo: Remain with FirstEnergy under the existing contract terms**

PRO	CON
✓ "Hassle free"; less confusion for residents/businesses ✓ Village still has the ability to "opt out" of the program at a later date if market pricing drops even further than expected ✓ Still peserves individual "opt out" for customers	✓ Passes up an opportunity to obtain a lower rate; Village could receive some criticism from residents and small businesses ✓ ComEd rate may continue to be lower than FirstEnergy rate, which may also draw some public criticism

2. **Wait for ComEd's New Pricing in late May '15 and Re-Evaluate Market Pricing with the Board in early June**

PRO	CON
✓ Will provide Board with a better opportunity to truly compare bid prices to ComEd's rate	✓ Pricing, in theory, could rise slightly as a result of waiting an additional month or two--- versus going out to market now (i.e. for a May 1 start date) ✓ If the Village ends up switching suppliers due to favorable bid prices in June, the resulting change in suppliers may cause some confusion among residents.

3. **Terminate the Aggregation Program and move back to ComEd**

PRO	CON
✓ Village gets out of the electricity procurement role; residents and small businesses still have freedom to "shop" their supply to ComEd or any other eligible supplier	✓ Village may leave potential savings on the table; if so, may receive some public criticism

ATTACHMENTS:

- June 9, 2014 Board Report re Electric Aggregation/New FirstEnergy Contract (PDF)
- 6/9/14 Village Board Minutes re: Electric Aggregation/FirstEnergy Contract Approval (PDF)
- YTD Aggregation Program Rates /vs/ ComEd (as of March 2015) (PDF)

Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

SCHEDULED

Meeting: 06/09/14 07:00 PM
Department: Administration
Department Head: Al Stonitsch
Category: Agreement
Prepared By: Kristen Schrader

AGENDA ITEM (ID # 1174) DOC ID: 1174 D

Motion to approve award of a contract to ________ for the joint purchase of electricity for the Village of Glen Ellyn Electricity Aggregation Program for a term of _______ month(s).

UPDATE FROM THE MAY 27 VILLAGE BOARD MEETING

At the May 27 Village Board Meeting, bids were received from five vendors interested in providing alternative electricity supply for the Village's residential and small business customers. The Board reviewed these rates and rejected all of the bids based upon the overall kw/hr prices. New and final bids will be received on June 9. A final decision must be made on June 9 if the Village is to transition to a different electricity supplier as the transition process requires approximately two months lead time, and the Village's current program ends on August 1, 2014. The June 9 bids will be provided to the Village Board after they are received on the afternoon of June 9. If the Board decides not to select an alternative electricity supplier, all residents and small businesses within Glen Ellyn will be transitioned back to ComEd at the end of the current contract with Verde - and the transition to ComEd will remain in place for a year, prior to the Village having another opportunity to seek out alternative suppliers if interested.

UPDATE FROM THE MAY 12 VILLAGE BOARD MEETING

At the May 12 Village Board Meeting, bids were received from five vendors interested in providing alternative electricity supply for the Village's residential and small business customers. The Board reviewed these rates and rejected all of the bids based upon the increased per kw/hr prices. At this meeting, NIMEC consultant Dave Hoover indicated that the Board would have two additional opportunities to receive bids for electricity supply before a final decision would need to be made about the state of the Village's aggregation program: May 27 and June 9. A decision must be made by June 9 if the Village is to transition to a different electricity supplier as the transition process requires approximately two months lead time, and the Village's current program ends on August 1, 2014. The May 27 bids will be provided to the Village Board after they are received on the afternoon of May 27.

UPDATE FROM APRIL 28 VILLAGE BOARD MEETING

Background

At the April 14 and 28 Village Board Meetings, bid results for the Village's Aggregation Program were received and reviewed by the Village Board. The Village Board determined at these meetings to reject all bids received and to go back out to bid on May 12, with bids to be reviewed at the Board Meeting that evening. The decision to wait until May 12 was based on the fact that ComEd's new rates would be published and would serve as an important comparison point to the alternative supplier bid rates.

Issues

Based on feedback from the Village Board on April 14 and 28, the Village's consultant, Dave Hoover with NIMEC, will be requesting bids for May 12 only from electricity supply vendors that can provide the guarantee to the Village that should ComEd's rate fall below the alternative suppliers rate, that the Village can opt out the entire Glen Ellyn residential/small business group from the alternative suppliers contract. We anticipate that there will be approximately two vendors providing bids, based on this requirement.

Once the bids are reviewed at the May 12 Board Meeting, the Village Board will have two options related to the bid process:

1. Accept one of the bids presented
2. Reject all bids and go with ComEd rates for at least a year

ComEd's New Rates

ComEd released their new rates for the upcoming months on May 6. The rates are as follows:

Summer	Non-Summer	Annualized
7.60¢	7.42¢	7.48¢

The rates above are set for the 4 summer months (June, July, August and September), and the 8 non-summer months. From this, the weighted average annualized rate was calculated. ComEd will have the right to readjust the non-summer rates later this year depending on whether a large number of municipalities bring their electricity supply back to ComEd from aggregation programs. If they do, the rate could go up or down, but is unknown at this point. With this ability to readjust their rate, it continues to emphasize the importance of the opt-out guarantee that the Village Board is seeking from vendors.

An important note on these rates is that they do not include the Purchased Electricity Adjustment, which has averaged close to an additional 0.5¢ over the last few years. Therefore, the ComEd price to compare against the alternative electricity supplier bid rates will actually be closer to 8.10¢ for summer, 7.92¢ for non-summer.

Recommendation and Action Requested at May 12 Village Board Meeting

Village staff recommends consideration of the bids to be presented at the May 12 meeting.

INFORMATION PRESENTED FOR APRIL 14 BOARD MEETING

Background

The Village's 18-month municipal electric aggregation contract with Verde Energy expires in August of 2014. The current contract has provided an excellent rate of $0.4981/kwh with 100% green energy (Renewable energy credits) since February 2013 for all residential and small businesses in Glen Ellyn, saving the average consumer over $140 over the last year from the ComEd rate. Unfortunately, the contract is coming to an end on August 1 and the Village must go out for bids again if it wishes to continue considering electricity supply from alternative electricity suppliers such as Verde. The Village's consultant, NIMEC, has indicated the need to go out for bid in April due to the lead time needed in order to transition to a new contract.

Issues

NIMEC will be present at the April 14, Village Board Meeting to present to the Village Board the bid results for board consideration. As the energy market fluctuates at a very rapid rate, the board will be asked to review the provided bids that evening, and make a determination if it would like to contract with an alternative electricity supplier. This process is similar to the last bid process that occurred in November 2012. The Board will also have the option to reject all bids and return all residential and small business accounts in Glen Ellyn back to ComEd on August 1 should the board not find the bids favorable. With regards to the bid results, NIMEC has provided the Village with three key pieces of information:

1. NIMEC has indicated that pricing this time around will not be as favorable as the previous bid process, with prices anticipated to be in the high $0.6's. This should compare to ComEd's prices, which are anticipated to be in the low $0.7's beginning in June. This will certainly downgrade the percentage savings residents can expect to receive, however, savings may still be present.

2. NIMEC has indicated there will be an adjustment in the way the "escape clause" portion of the contract is handled. The Village's current contract has an escape clause that states that should ComEd's prices ever fall below Verde's, that Verde is either required to match ComEd's rate, or return all program participants back to ComEd to enjoy the lower rate. NIMEC has indicted that this type of escape clause will be harder to come by in the upcoming bid process, and may lead to higher rates from those suppliers willing to provide it. Other suppliers that are unwilling to provide this clause may provide an individual escape clause that allows individual residents to opt out of the program should ComEd's rates fall lower than the alternative suppliers, but that the municipality cannot escape from the contract the entire program participant group. At this point, we are not sure what types of bids we will receive, but are still hopeful that they will be more advantageous that the anticipated ComEd rate.

3. Finally, NIMEC has indicated that the bids will be presented as rates for 12, 24 and 36-month contracts. NIMEC states that long-term power rates are normally higher than short-term rates. However, that currently is not the case. Regulated transmission charges will increase for the next two years, but drop in the third year. As such, NIMEC is seeing rates for 36 months lower than 12- and 24-month terms. Additionally, the recent cold snap has also put upward pressure on short term rates.

At the meeting, if the Board wishes to continue with an alternative electricity supply program, the Board will have the option to choose which vendor, length of contract and escape clause preference.

Recommendation and Action Requested

Village staff recommends consideration of the bids to be presented at the April 14 meeting.

HISTORY:

04/14/14	**Glen Ellyn Village Board**
04/28/14	**Glen Ellyn Village Board**
05/12/14	**Glen Ellyn Village Board**
05/27/14	**Glen Ellyn Village Board**

Minutes
Regular Board Meeting
Glen Ellyn Village Board of Trustees
Monday, June 9, 2014

Call to Order

Village President Demos called the meeting to order at 7:00 p.m.

Roll Call

Upon roll call by Village Clerk Galvin, Village President Demos and Trustees Burket, Clark, Elliott, Ladesic, McGinley and O'Shea answered "Present".

Pledge of Allegiance

President Demos asked Sergeant Norm Webber to lead the Pledge of Allegiance.

Village Recognition:

1. A long-time resident called to compliment Public Works employees Rick Mascarella and Matt Marston on the professionalism they exhibited while pot hole patching in front of his driveway.

2. Glenbard West High School sent a letter to Chief Phil Norton thanking him for the generous donation of the Police Department gift basket to the Post-Prom Safe Celebration.

3. The Western Illinois University's School of Law Enforcement and Justice Administration sent a letter to Sergeant Norm Webber thanking him for his invaluable participation in their internship program, which helps to further the education of their students and enhances their potential for success.

4. Sergeant Norm Webber received a thank you letter from Police Intern Colleen Burke in appreciation for the rewarding internship opportunity which has solidified her decision to begin a career in law enforcement.

5. Detective James Monson and Sergeant Stephen Smith received letters of appreciation from the Milton Township S.A.L.T. Council for attending the First Presbyterian Senior's luncheon and presenting well-received information regarding scams and fraud targeted at seniors.

6. A resident sent a note of thanks to Officer Stephen Miko for driving home a delighted young boy from Arbor View Elementary School, giving him a day to remember.

7. Chief Phil Norton received a thank you note from a grateful resident for his kind patience and assistance during a personal time of need.

Agenda Item - E. Audience Participation:

1. Police Chief Norton introduced the newest member of the Glen Ellyn Police Department: Officer Michael Joseph Jagodzinski and his family. Village Clerk Galvin administered the Oath of Office to Officer Jagodzinski.

2. Historic Preservation Commission Chairman Lee Marks presented the 2014 Historic Preservation Awards.

Chairman Marks presented the following awards:

Restoration of the Year:
Kevin & Kate Worden, 255 N. Main Street:

Streetscape Compatibility of the Year:
Robert and Ellen Piper, 503 Ridgewood;

Details Awards:
Mr. and Mrs. Vince Griffin, 602 Prairie,
Monique Cavalcante, 455 Hill and
Thomas Paleka and David Thomson, 574 N. Main Street

Mr. Marks also presented a plaque to Mr. Ron Helideck and Ms. Laurie Schulte designating their home at 725 Highland landmark status.

3. Fourth of July Committee Representative Chief Norton presented information on exciting events planned in Glen Ellyn to celebrate Independence Day this year and asked for volunteers for the Picnic in the Park and the Fourth of July Parade. Chief Norton promised a bigger and even more impressive fireworks display than in years past. President Demos presented the Fourth of July Committee a check for $5,000 from the Village.

4. Mosquito Abatement District Presentation. by District Chairman Jim Ryan, Attorney Tom Eckhardt, and Clarke Consultant Jack Thennisch. A history of the Mosquito Abatement District, its boundaries and history were presented to the Board.

Trustee Elliott asked if the District needs to be a separate unit of government. Chairman Ryan responded that this was the voter's choice when the District was formed. Trustee Elliott asked if Clarke was a single source supplier for the District. Clarke is a single source supplier for the District. Trustee Elliott expressed concerns over transparency issues with the District. These issues include determining when and where meetings are held; accessibility of meeting minutes and a lack of a website presence. Trustee Elliott expressed additional concerns that the District was unable to provide what he viewed to be significant gaps in information he requested in response to his FOI request. The gaps in information requested include notice of upcoming meetings, agendas, minutes of meetings held and payments made by the District.

Agenda Item F - Consent Agenda:

The following items are considered routine business by the Village Board and will be approved in a single vote in the form listed below:

1. May 12, 2014 Regular Meeting Minutes.

2. May 19, 2014 Special Meeting Minutes.

3. May 27, 2014 Special Meeting Minutes.

4. Total Expenditures (Payroll and Vouchers) - $2,063,700.37.

The vouchers have been reviewed by Trustee McGinley and Manager Franz prior to this meeting, and are consistent with the Village's purchasing policy.

5. Ordinance No. 6238, An Ordinance Designating the Property at 725 Highland Avenue, Glen Ellyn, IL as a Glen Ellyn Local Landmark.

6. Retroactively approve the Haggerty Chevrolet special event that took place from Friday, May 23, 2014 to Sunday, May 25, 2014.

7. Waive section 10-4-14(B)17 (promotional activities) of the Village Code and approve the 2014 Union Pacific Mini Train special event scheduled to occur on Saturday, June 21, 2014 from 10 a.m. to 2 p.m. at the Glen Ellyn Historical Society.

8. Ordinance No. 6239-VC, An Ordinance of the Village of Glen Ellyn to Amend Section 2-16-3 of the Village Code.

9. Resolution No. 14-08, A Resolution Designating an Authorized Agent to the Illinois Municipal Retirement Fund.

10. Approve SY14 Professional Services Agreement with the Alliance of Downtown Glen Ellyn.

11. Approve a Facade Improvement Award request in the amount of $5,000 to TMC Squared, to be located at 450 Duane Street.

12. Ordinance No. 6240, An Ordinance Granting Exterior Appearance Approval for TMC Squared to be located at 450 Duane Street.

13. Ordinance No. 6241, An Ordinance Approving Variations from the Side Yard Setback and Rear Yard Setback Requirements of the Zoning Code to allow a two-story addition for Property at 100 N. Park Boulevard

14. Ordinance No. 6242, An Ordinance Granting Approval of Sign Variations for the Glen Ellyn Evangelical Covenant Church Located at 277 Hawthorne Boulevard.

15. Approve the Police Department’s annual contribution to the Glen Ellyn Youth and Family Counseling Service (GEYFCS) in the amount of $20,000 to be expensed to the General Fund - Police.

16. Approve the Police Department’s annual "fair share” contribution to the DuPage Metropolitan Enforcement Group (DuMeg) in the amount of $20,280 to be expensed to the General Fund - Police. (Chief Norton)

17. Approve a contract with Golfmak, Inc., of Bradenton, Florida, for temporary general management services for the Village Links Golf Course and Reserve 22 restaurant and banquet facility in the not-to-exceed amount of $64,000.00, to be expensed to the Recreation Fund. (Assistant Village Manager Stonitsch)

18. Waive competitive bidding, which is an authorized exception in the purchasing policy, to award a contract to Superior Road Striping, in the not-to-exceed amount of $75,000, through the Suburban Purchasing Cooperative, for the contemplated pavement marking work for SY14, Parking Lot Maintenance/Street Painting, to be expensed to the General Fund - Public Works and Parking Fund. (Public Works Director Hansen)

Regarding Item 10, the agreement with the Alliance of Downtown Glen Ellyn, Trustee McGinley commented that the Alliance Directors salary should not be more than the salary of the Village's Economic Development Coordinator.

A motion was made by Trustee McGinley and seconded by Trustee Burket to approve the following items including Payroll and Vouchers totaling $2,063,700.37.

Upon roll call, Trustees Burket, Clark, Elliott, Ladesic, McGinley and O'Shea voted "Aye." Motion carried.

Agenda Item G. - 2014 Municipal Electric Aggregation Agreement:

The Village's 18-month municipal electric aggregation contract with Verde Energy expires in August of 2014. The current contract has provided an excellent rate of $0.4981/kwh with 100% green energy (Renewable energy credits) since February 2013 for all residential and small businesses in Glen Ellyn, saving the average consumer over $140 over the last year from the ComEd rate. Unfortunately, the contract is coming to an end on August 1 and the Village must go out for bids again if it wishes to continue considering electricity supply from alternative electricity suppliers such as Verde.

Manager Franz presented the latest bid information and reminded the Board that they can always revert back to Com Ed but would have to stay with Com Ed for a year. Manager Franz also suggested that the Board consider a vendor with an opt out clause.

Trustee O'Shea remarked that this would narrow down the choice to First Energy at 7.5 for three years with a 100% green alternative. Mr. David Hoover, Executive Director, NIMEC stated that First Energy rates are guaranteed to never be above those of Com Ed.

Trustee McGinley asked if they went to Com Ed and later went back to aggregation if there would be another referendum. Mr. Hoover responded no, it was a perpetual referendum.

Trustee Elliott commented that he was skeptical of going 100% green and whether paying a premium to purchase renewable energy credits would actually protect the environment. Therefore, Trustee Elliott stated his preference for a non-green rate of 7.47. Trustees Clark and Ladesic agreed with Trustee Elliott. President Demos stated his preference for the 7.5.rate and 100% green. Trustee O'Shea agreed with President Demos.

Mr. Hoover mentioned an alternative was to give residents the option by sending a letter offering the 7.5/100% green rate or the 7.47 rate without a green option. Trustee O'Shea stated he could go either way but thought the 100% green option was good. Trustee McGinley preferred the 100% green option since she thought the residents would not opt into it on their own.

Ms. Cam Page, 206 Hill Avenue, approached the Board to state her support for the 100% green option. Ms. Page stated they recycle at home to do their part and the Village should do theirs. Furthermore, the difference between the 2 options amounts to $3.00 annually, and that this is the least of our worries.

A motion to approve award of a contract to First Energy for the joint purchase of electricity for the Village of Glen Ellyn Electricity Aggregation Program for a term of 36 month(s) was made by Trustee McGinley and seconded by Trustee O'Shea.

Upon roll call Trustees Burket, McGinley and O'Shea voted "Aye".

Trustees Clark, Elliott and Ladesic voted "Nay".
President Demos voted "Aye". Motion carried.

Agenda Item H. – Reminders:

1. A Village Board Workshop is scheduled for Monday, June 16, 2014 at 7:00PM in Room 301 of the Glen Ellyn Civic Center.
2. Village Board Meeting is scheduled for Monday, June 23, 2014 at 7:00PM in the Galligan Board Room of the Glen Ellyn Civic Center.

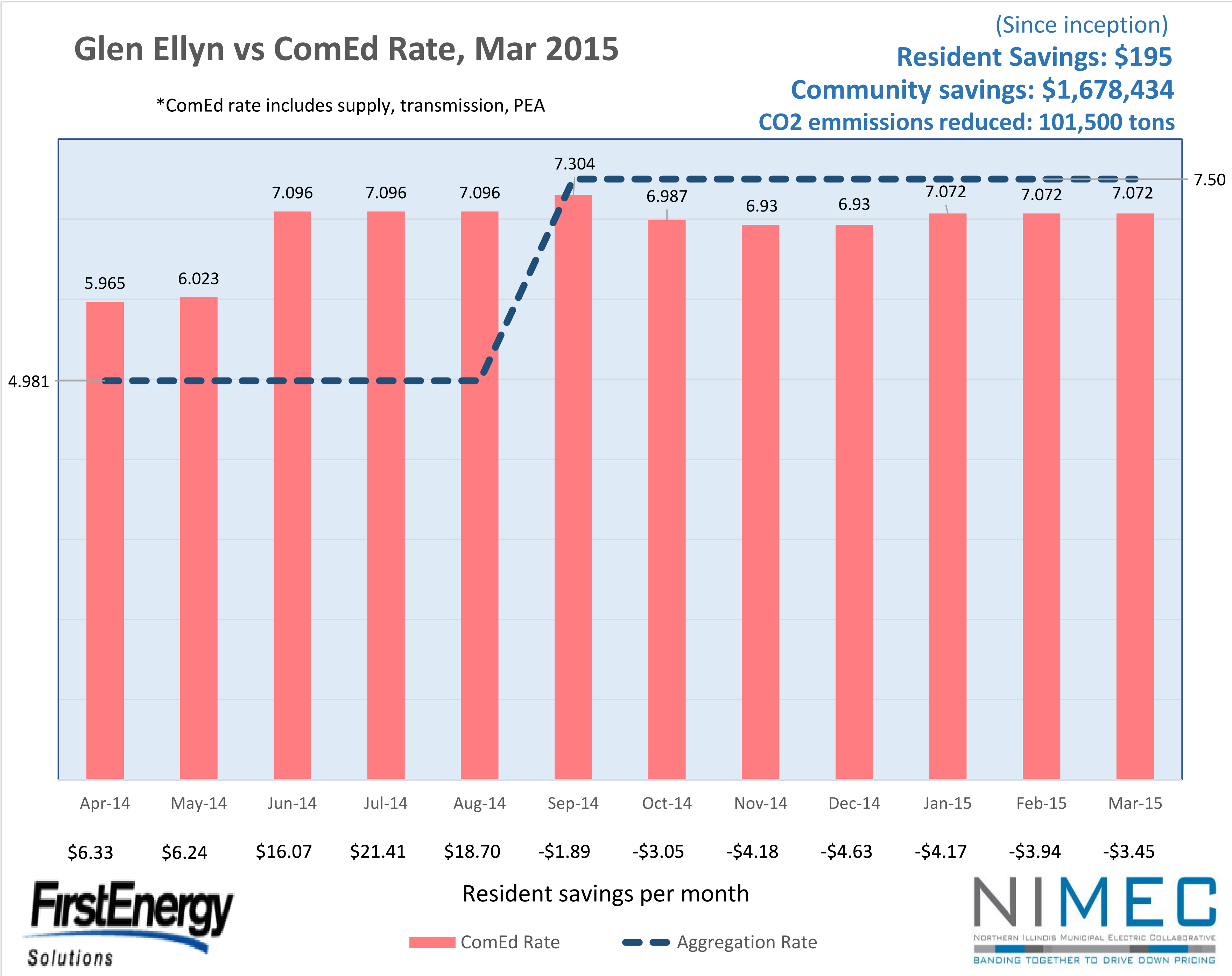
Adjournment

At 8:57 p.m. a motion was made by Trustee O'Shea and seconded by Trustee Burket to adjourn to Executive Session for the purpose of discussing pending or threatened litigation without returning to open session thereafter.

Upon roll call, Trustees Burket, Clark, Elliott, Ladesic, McGinley and O'Shea voted "Aye." Motion carried.

Respectfully submitted,

Catherine Galvin,
Village Clerk


Glen Ellyn vs ComEd Rate, Mar 2015
*ComEd rate includes supply, transmission, PEA
(Since inception)
Resident Savings: $195
Community savings: $1,678,434
CO2 emmissions reduced: 101,500 tons
5.965
6.023
7.096
7.096
7.096
7.304
6.987
6.93
6.93
7.072
7.072
7.072
4.981
7.50
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
$6.33
$6.24
$16.07
$21.41
$18.70
-$1.89
-$3.05
-$4.18
-$4.63
-$4.17
-$3.94
-$3.45
Resident savings per month
ComEd Rate
Aggregation Rate
FirstEnergy Solutions
NIMEC
Northern Illinois Municipal Electric Collaborative
BANDING TOGETHER TO DRIVE DOWN PRICING