Minutes
Special Workshop Meeting
Glen Ellyn Village Board of Trustees
Monday, June 22, 2015

Call to Order

Village President Demos called the meeting to order at 5:39 p.m.

Roll Call

Upon roll call by Village Clerk Galvin, Village President Demos and Trustees Clark, Elliott, Kenwood, Ladesic and O'Shea answered "Present". Trustee Senak arrived at 6:45 p.m.

In Attendance: Village Clerk Galvin, Village Manager Franz, Assistant Village Manager Stonitsch, Village Attorney Mathews, Finance Director Coyle, Public Works Director Hansen, Police Chief Norton and Deputy Police Chiefs Acton and Holmer.

Pledge of Allegiance

President Demos asked Chief Norton to lead the Pledge of Allegiance.

Agenda Item E. - Police Facility Update:

Chief Norton led the discussion regarding a Request for Qualifications released on May 27, 2015, which seeks to identify a qualified Design-Build Team with interest in constructing the new police facility.

On May 27, 2015 the Village released a Request for Qualifications (RFQ), the first step in seeking qualified design-build teams to construct the new police facility. The RFQ was made available to all interested construction management teams, and was further advertised via legal notice in the Daily Herald and on the Village website. Potential respondents have until June 10 to make inquiries regarding the RFQ. All responses are due on June 17 at the close of business. An update will be provided at the Workshop meeting scheduled for June 22.

The RFQ follows a format common to the construction management industry. It includes eight sections, each designed to introduce interested firms to the Village expectations from scope of services to design-build team qualifications. Further, the RFQ provides a format for evaluating RFQ responses, a process which leads to development of a short list of firms to interview. The process moves on to interviews and further evaluations, and the subsequent selection of a top firm. Lastly, the Village enters into contract negotiations for professional services with the top-rated firm. The entire progression will culminate with a selection committee recommendation to the Village Board for consideration of a contract award to the most qualified design-build firm.

Members of the above mentioned committee include Trustee Clark, Trustee O'Shea, Village Manager Franz, Assistant Village Manager Stonitsch, Village Attorney Mathews, Police Chief Norton and Deputy Police Chief Acton. Beginning in fall 2013, members of this committee, including Trustee O'Shea and Trustee Clark, have met on several occasions, guiding this project to the present. Meetings also included a tour of a new police facility and consultation with professional services representatives. Committee efforts led to Village Board recommendations for the project site, preliminary site preparations, the determination of delivery method (design-build), and selections process timeline.

The selection committee will evaluate responses to the RFQ. Criteria identified in the RFQ will be the foundation for the evaluation process, which will take place June 18-26. A short list of two to three design-build teams will be identified and the committee will arrange for team interviews and potential tours of the similar buildings previously completed by the short-listed design-build firms. The interviews and tours will occur in mid-July. The committee will conduct interviews with members of the design-build teams, and identify the firm best suited to deliver a new police facility. Negotiations with this firm will take place the final week of July 2015. If the Village and the toprated firm are unable to come to mutually acceptable contract terms, negotiations will begin with the second highest-rated firm. The overall project schedule has time allotted for this contingency.

It should be clearly understood by all that no concrete facility planning or design decisions have been made. Once a contract with the design-build team is finalized, the design process will then officially begin (early-September 2015). The design-build team will, first, complete a thorough reexamination of the scope of services against the backdrop of the allocated funding. Challenges will be identified, given the presumption that significant cost escalations have occurred since original estimates were proffered to the Board in January 2014. Any price escalation factors that may adversely affect the Village's ability to capture the essential facility elements listed in the project description (RFQ, p 6) will be identified.

Trustee Elliott asked if a shooting range was still in the plans. Chief Norton responded that it is. Trustee Elliott remarked that he will strongly oppose a shooting range since the Homeland Security Center at the College of DuPage currently houses a shooting range. Chief Norton responded that the College of DuPage is charging $20,000 per year to use the range and there are several federal, state and local agencies in line to use the range.

Trustee O'Shea asked about the initial response to the RFQ. Chief Norton replied they just started to review.

Agenda Item F. - Bond Financing Update:

Finance Director Christina Coyle presented information regarding the proposed Bond Parameters Ordinance.

At the February 16, 2015, Village Board Workshop, the Village Board provided direction to begin the process to issue a $13.5 million bond for the police station project and for certain stormwater improvements.

Subsequent to that direction, the Village became aware of potential reductions in our state-shared income tax which may be imposed by the State of Illinois. Thus, the Village slowed the bonding timeline to gauge what impact such a reduction may have on the Village's operations and capital outlook. As of today, the governor has been unable to gain legislative support for the reduction in municipal income taxes. While some reduction in the state-shared income taxes is always possible, it is unlikely that the full 50% cut originally proposed by the governor will come to fruition. Income taxes are also not a revenue stream that funds the Village's capital projects. Due to these factors, staff believes that it is reasonable to continue with the issuance of bonds.

Staff also considered adding to the bond issuance $4.5 million in additional bonds for the parking structure associated with the OPUS development on Main Street. However, after consultation with both our financial advisor and bond counsel, staff is not recommending including these additional bonds in the scope of the issuance. The timing of the OPUS development is still uncertain, which makes it difficult to include in the bond issuance at this time. There may also be benefits in waiting to issue bonds for the parking structure until 2016, when the Village can issue bank qualified bonds for the project. The interest cost is typically lower on a bank qualified bond issuance. Bank qualified bond issuances must be less than $10 million in a single year, and thus the police station bond issuance does not qualify. By waiting until 2016 to issue any bonds for the parking structure, the Village will again be able to issue bank qualified bonds.

The issuance amount for the Draft Bond Parameters Ordinance is listed at $14.065 million. This amount provides for the par value of the bonds ($13.5 million) as well as to cover any bond issuance discount and the issuance costs associated with the bond issuance. This number has been determined by our financial advisor and is intended to be conservative to ensure the Village can meet the costs of issuance. As an example, the bond parameters ordinance for the Village Links 2012 issuance used $5.2 million in the ordinance and the amount issued was $5.005 million.

The parameters ordinance is passed by the Village Board to permit execution of the sale. However, the final sale must be signed off by the Village President and one of the following: Village Clerk, Village Manager, or Finance Director. The Board had indicated if the parking structure was included, that the full Board would sign off on the actual sale. However, since that project is no longer included in the scope, the parameters ordinance lists the President and one other permitted individual must sign off on the actual sale. Staff anticipates bringing this ordinance to the Village Board for consideration at the next Village Board meeting (July 13).

Trustee O'Shea inquired about the timing, especially since the Draft Bond Parameters Ordinance could be ready for Board consideration as early as July 13, 2015. Director Coyle responded that 85% of the funds need to be spent in 3 years; 5% within 6 months. Manager Franz responded that the Village will be closing on the Sinopoli property on July 31 and this expenditure can be included in the 5%.

Finance Committee Chairman Erik Ford stated the Village will be switching from Moody to SMP, this may provide for a better rating.

President Demos commented that he is committed to this project but only with efficiencies. He is comfortable moving forward as early as mid-July. The Board reached a consensus to move forward with this project.

Agenda Item G. - NIMEC Electrical Aggregation: (Assistant Village Manager Stonitsch)

Assistant Village Manager Al Stonitsch led the Board review of the Village's Electric Aggregation Program.

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. This rate included 100% "green energy" (i.e. REC'sRenewal 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 7.25¢/kWh over the last ten (10) months resulting in the average residential customer paying approximately $2.30/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 communities over the last 10 months have chosen 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.

Given the slight downward trend in market pricing, staff is seeking Board direction on how it wishes to proceed.

Mr. David Hoover suggested another possibility; re-negotiating with First Energy to match the Com Ed rate at 7.13. This rate is for 100% renewable energy. Mr. Hoover added if this option is used only one letter is sent to the residents. If a new plan is chosen, two letters are sent to the residents.

Trustee O'Shea commented that Dynergy is offering a 2 year deal. Trustee Ladesic responded that this deal is not 100% green. Trustee Elliott remarked that originally the plans had wide disparities, the plans have narrowed in price quite a bit and this may not be worth the disruption to the residents and suggested the Board approve the renegotiated price with First Energy. With this plan, the plan would remain 100% green. Trustee O'Shea asked what percentage of Com Ed is green energy. Mr. Hoover responded 9%.

The Board reached a consensus to continue with First Energy, with a re-negotiated rate.

Adjournment:

At 6:52 p.m. a motion was made by Trustee Elliott and seconded by Trustee Kenwood to adjourn. Motion carried.

Respectfully submitted,

Catherine Galvin,
Village Clerk