

# VILLAGE OF ORLAND PARK

14700 Ravinia Avenue  
Orland Park, IL 60462  
[www.orland-park.il.us](http://www.orland-park.il.us)



## Meeting Minutes

Monday, December 5, 2011

6:00 PM

Village Hall

## Finance Committee

*Chairman Brad S. O'Halloran  
Trustees James V. Dodge and Patricia A. Gira  
Village Clerk David P. Maher*

**CALL TO ORDER/ROLL CALL**

In the absence of Village Clerk David P. Maher, Deputy Clerk Joseph S. La Margo was present.

The meeting was called to order at 6:30 PM.

**Present:** 2 - Trustee Dodge and Trustee Gira

**Absent:** 1 - Chairman O'Halloran

**APPOINT TEMPORARY CHAIRMAN**

In the absence of Trustee O'Halloran, I move to approve appointing Trustee Gira as Temporary Chairman for this meeting.

**A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be APPROVED. The motion carried by the following vote:**

**Aye:** 2 - Trustee Dodge and Trustee Gira

**Nay:** 0

**Absent:** 1 - Chairman O'Halloran

**APPROVAL OF MINUTES****2011-0732 Approval of the November 7, 2011 Finance Committee Minutes**

I move to approve the Minutes of the Regular Meeting of the Finance Committee of November 7, 2011.

**A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be APPROVED. The motion carried by the following vote:**

**Aye:** 2 - Trustee Dodge and Trustee Gira

**Nay:** 0

**Absent:** 1 - Chairman O'Halloran

**ITEMS FOR SEPARATE ACTION****2011-0735 Electrical Aggregation Program - Recommended Ordinance**

Village Manager Grimes reported that on November 21, 2011, this item was reviewed and approved by the Public Works and Engineering Committee and referred to the Finance Committee for further review. This item will go before the full Board on December 19, 2011.

Village Manager Grimes stated that a municipal electrical aggregation program seeks to aggregate, or bundle, the retail electric loads of eligible residential and small commercial retail electricity customers located within a community in order

to negotiate the best rates for the generation of electric power. The program has the potential to combine residential accounts and small commercial retail accounts into a buying group that will be attractive to an alternate retail electric supplier.

On December 16, 1997, the State of Illinois implemented a plan to deregulate Commonwealth Edison ("ComEd"). Under this plan, ComEd no longer generates electricity for its customers but continues to provide power through its distribution system. Power may be purchased through any of the twenty-three (23) Illinois Commerce Commission-approved alternative retail electric suppliers.

Illinois Public Act 096-0176, Section 1-92, titled "Aggregation of electrical load by municipalities and counties," amends the original Illinois electric deregulation legislation. This new law, effective January 1, 2010, allows municipalities to aggregate and transfer their residents' and small commercial retail customers' electric accounts to alternative electric suppliers. Under this scenario, while electrical power is produced by a company other than ComEd, ComEd will continue to electricity to residents over ComEd's electricity grid. In addition, ComEd customers whose accounts have been aggregated will continue to be billed by ComEd, and customers will continue to contact ComEd for service disruptions.

Municipalities who have successfully implemented aggregation programs have done so in order to secure a lower electric rate for their residents and small commercial retail customers who are part of the aggregation program.

Listed below are actions that will be required by the Village, should the Village Board wish to move forward with an aggregation program.

1. Adopt resolution to conduct a referendum.
2. Referendum question placed on ballot to establish an "opt-out" aggregation program (see description below). The Village would need to place the referendum question on both the Will and Cook County ballots.
3. Request electrical load data from ComEd. This is not required as part of the legislation, but necessary for conducting a bid process.
4. Adopt ordinance authorizing an electricity aggregation program.
5. First public hearing regarding the Village's Plan of Governance (rules governing the bid process).
6. Second public hearing regarding the Village's Plan of Governance (rules governing the bid process).
7. Approval of Plan of Operations and Governance.
8. Approval of resolution authorizing the Village Manager to sign supplier agreement and adopt an intergovernmental agreement (if partnering with other communities).
9. Bid process and bid acceptance
10. Report to Village Board on outcome

11. Residents provided time to opt-out
12. New supplier cut-over
13. First electrical bills issues from new supplier

Per state statute, the referendum question shall be as follows: "Shall the Village of Orland Park have the authority to arrange for the supply of electricity for its residential and small commercial retail customers who have not opted out of such program."

There are two ways for local governments to aggregate their communities for the purchase of energy - "opt-in" and "opt-out" programs. Opt-in aggregation requires electricity customers to proactively enroll in the program before being included in the aggregation pool of customers. Opt-out aggregation automatically includes each household in the aggregated pool unless the individual affirmatively "opts-out" by notifying the Village that it will not participate in the aggregation program.

#### Review of Communities Already Aggregating:

During April 2011, twenty-four (24) communities served by ComEd placed referendums on their respective ballots for consideration by their residents. Of the twenty-four (24) communities, twenty-one (21) approved the referendum. Area communities that have already adopted referendum include New Lenox, Oak Brook, Oak Park, Glenwood, and Lincolnwood. The communities that successfully implemented an aggregation program will see annual savings for their residents of approximately 15% to 20% (\$175-\$200 per year per household) on the average ComEd bill. During discussions with those communities that have successfully implemented an aggregation program, active citizen communication has proven to be a key component. Examples of active citizen communication include, but are not limited to public hearings (two are required by state statute), open houses, newsletters, email blasts, media releases, and website information.

#### Aggregation Options:

Should the Village Board determine that it wishes to move forward with an aggregation program, there are several options for consideration:

- 1 - Stand Alone - Under this option, the Village would service a third party bid for electrical supply on our own or with the assistance of a consultant.
- 2 - Join with Surrounding Communities - Under this option, the Village would attempt to partner with surrounding communities who are considering aggregation and collectively those communities would service a third party bid for electricity.
- 3 - Joint Council of Government - Both the South Suburban Mayors and Managers (SSMMA) and the Will County Governmental League have held workshops on aggregation and are finalizing some aggregation options for their members to consider.

4 -The Village may determine not to enter into a power supply agreement with any supplier and in such event eligible customers shall continue to purchase electric power through ComEd

I move to recommend passing an Ordinance entitled: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE ELECTORS OF THE VILLAGE OF ORLAND PARK, COOK AND WILL COUNTIES, THE QUESTION OF WHETHER THE VILLAGE SHOULD HAVE THE AUTHORITY UNDER PUBLIC ACT 096-0176 TO ARRANGE FOR THE SUPPLY OF ELECTRICITY FOR ITS RESIDENTIAL AND SMALL COMMERCIAL RETAIL CUSTOMERS WHO HAVE NOT OPTED OUT OF SUCH PROGRAM

**A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be RECOMMENDED FOR PASSAGE to the Board of Trustees. The motion carried by the following vote:**

**Aye:** 2 - Trustee Dodge and Trustee Gira

**Nay:** 0

**Absent:** 1 - Chairman O'Halloran

#### **2011-0775 Village Code Amendment Short-Term Disability Benefits for Full-Time Employees - Recommended Ordinance**

Before the Committee members are recommendations to modify Ordinance 1189 regarding Short-Term Disability Benefits for full-time employees, which originated in 1982. Recommended modifications include:

1. Increasing the number of days an employee must work for the village from 30 to 180 consecutive days to be eligible for benefits.
2. Adding the following "the Employer reserves the right to contract with any insurance carrier to provide part or all of the short-term disability benefits describe herein."
3. Added the underlined language "An employee is considered disabled if medical documentation supports that determination and said employee is unable to perform the duties of any position which might reasonably be assigned by the department director of the employee or by the Village Manager."
4. Changed the language regarding Comptroller of the Village to the Human Resources Office and or Short-term disability administrator.
5. Reduced the number of weeks of disability payment from 52 to 26.
6. Included language demonstrating that an employee can also use other accrued paid time at 100% in lieu of disability payments of 75%.
8. Updated the statute reference of Illinois Revised Statues, 1979, Chapter 70, Paragraph 91 to Public Employee disability Act, Chapter 5, Act 345, Section 0.01 et seq.
7. Deleted the language about the Short-Term Disability Fund as this program a payments have been made from general funds of the Village.

The recommended changes have been proposed during collective bargaining as each collective bargaining agreement includes either the ordinance or a separate section regarding short-term disability. Both IUOE and IBEW have accepted the terms referenced above and a reduction in benefit payments of 52 weeks per disability to 26 weeks per disability.

I move to recommend passing an Ordinance entitled: AN ORDINANCE AMENDING ORDINANCE NUMBER 1189 (SHORT TERM DISABILITY)

**A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion carried by the following vote:**

**Aye:** 2 - Trustee Dodge and Trustee Gira

**Nay:** 0

**Absent:** 1 - Chairman O'Halloran

#### **2011-0771 Extension of Banking Services - Approval**

Fifth Third Bank has been providing treasury management and merchant services to the Village since November 2006. The Village maintains twelve (12) operating accounts at the bank; each of these accounts is set up on an earnings credit basis, meaning that interest earnings are credited against banking service fees and the net amount is charged or credited to the Village's accounts. The Village maintains balances within these accounts that provides an earnings credit rate that is higher than the interest rate on an interest bearing checking account, thereby reducing the overall banking service fees paid by the Village. The Village currently utilizes many of the technologies provided by the bank, including Fifth Third Direct, electronic check deposit, ACH and wire transfers, payroll and accounts payable direct deposit, and ACH and check positive pay. The Village also utilizes Fifth Third's retail and wholesale lock box services, merchant processing services and participates in the bank's purchasing card program. In addition, Fifth Third reviews and recommends approval or denial of loans made by the Village thru any of its economic development incentive programs. Fifth Third's Institutional Services acts as a third party trustee for the Village, maintaining custody of all investments made and managed thru the Village's external investment managers, PMA Financial Network, Inc. and Hammond Investments, LLC.

The Board recently approved entering into a Line of Credit/Term Loan Agreement with Fifth Third Bank in order to provide financing for the Ninety 7 Fifty on the Park project. One of the terms of this Line of Credit/Term Loan Agreement is that the Village continues to utilize the non-credit banking services provided by Fifth Third for a period of at least three (3) years (the term of the Line of Credit). Staff recommends approval of the three year extension given that Fifth Third provides satisfactory services with industry standard pricing. During this three-year term,

banking service fees will increase 3% in year one, with no additional increases in years two or three. Fifth Third will also increase our earnings credit rate from .25% to .50%. This rate will stay in effect through the duration of three year extension unless the Federal Funds rate increases. If this occurs, the Village will have the ability to negotiate a higher earnings credit rate. In addition, if the Village requests Fifth Third to provide a new service, the Village will not be charged fees related to this service for a period of 90 days from the date the service is put in place. Fifth Third must also continue to enhance the services and technologies it provides in order to keep with industry standards; if this does not occur, the Village has the right to terminate our contract with Fifth Third. A draft of the treasury management and commercial card extension agreements are attached to this agenda item. The agreements will be finalized within the next two weeks and executed upon formal Board approval of the extension.

I move to recommend to the Board to approve an extension of the Fifth Third Bank Banking Services Agreement for a period not to exceed three (3) years and to authorize appropriate Village staff to execute the extension documents.

**A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion carried by the following vote:**

**Aye:** 2 - Trustee Dodge and Trustee Gira

**Nay:** 0

**Absent:** 1 - Chairman O'Halloran

#### **2011-0766 Coffee and Snack Vending Service 2011 - Recommended Approval**

Finance Director Annmarie Mampe reported that In September 2011, the Village of Orland Park sent Requests for Proposal (RFP) to numerous vendors for coffee and snack machine vending service for Village facilities. A legal notice was also placed in the local paper advertising the RFP, and the RFP was listed on the Village's website. The Village received two responses; one from Antique Coffee & Vending Services, Inc., and one from Fox Vending. The Village's current vendor, Commercial Coffee, notified the Village that it would not be submitting a proposal.

After review of the proposals submitted by Antique Coffee and Fox Vending, references were contacted. Based upon the proposal review and the results of the reference checks, staff recommends that the Village award the contract to Antique Coffee & Vending Services, Inc. Antique Coffee & Vending Services, Inc. offered the lowest overall prices for the various coffee and snack products customarily ordered by the Village when factoring in the delivery charge and will stock the snack vending machines with a minimum of 25% healthy snacks such as granola bars, baked chips, non-salted cashew/peanuts, and a variety of other items.

I move to recommend to the Village Board to approve Antique Coffee & Vending

Services, Inc. as the Village of Orland Park's coffee and snack machine provider for a one-year term with automatic renewal on its annual anniversary date for each of three (3) successive years unless the Village notifies the Vendor in writing thirty (30) days prior to said anniversary date that it does not wish to renew the contract.

And

Recommend to authorize the Village Manager to execute the agreement.

**A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion carried by the following vote:**

**Aye:** 2 - Trustee Dodge and Trustee Gira

**Nay:** 0

**Absent:** 1 - Chairman O'Halloran

#### **ADJOURNMENT - 6:40 PM**

**A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be ADJOURNED. The motion carried by the following vote:**

**Aye:** 2 - Trustee Dodge and Trustee Gira

**Nay:** 0

**Absent:** 1 - Chairman O'Halloran

/nm

APPROVED:

Respectfully Submitted,

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**David P. Maher, Village Clerk**

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**Joseph S. La Margo, Deputy Clerk**