

**MINUTES
CITY OF DARIEN
MUNICIPAL SERVICES COMMITTEE MEETING
October 25, 2010**

PRESENT: Alderman Joseph Marchese, Alderman John Galan, Alderman Ted Schauer, City Treasurer Michael Coren, Director Dan Gombac

ABSENT: None.

Chairperson Marchese called the Municipal Services Committee Meeting to order at 6:30 p.m. at City Hall – City Council Chambers, Darien, Illinois and declared a quorum present.

NEW BUSINESS:

A. Coach Light Program

Director Dan Gombac advised that he is seeking a motion for the approval of the 2010 City-Wide Coach Light Program for residents. Director Gombac reported that, to date, approximately one-hundred residents have expressed an interest in some facet of the program. Staff has sent out proposals to various vendors. Staff sought electricians who reside or whose businesses are located in the City of Darien. Out of the three Darien businesses solicited, All Electric Incorporated was the only respondent. Another company who has performed work for the city on a smaller scale, Rag's Electric Company, also expressed interest. A catalog outlining the program with the various rates has been compiled. Director Gombac explained that the electrician will visit the site, evaluate the situation, and provide the resident with a written quotation for repair, replacement, or installation of a new light. A pricing structure has been negotiated with Gaffney's PMI, the city's current street light contractor for underground boring. Therefore, if Rag's Electric is unable to perform boring services, Rag's Electric will contact Gaffney's PMI for boring. All Electric has the ability to perform boring. Director Gombac explained that there is a pricing structure in place for a menu of various applications in the catalog.

Director Gombac advised that, in regards to natural gas, of the three vendors solicited, Fireplace Patio, which is located on Route 83 north of 75th and south of Plainfield, was the only respondent. Fireplace Patio has been in business for a number of years, is well known and reputable. The natural gas program is structured in the same fashion as the electric.

Director Gombac advised that the price range of the coach lights is from \$35 to \$200. Home Depot, True Value, Advance Electric, and Fireplace Patio have committed to providing the fixtures to the city at no cost for illuminated display for the residents. Residents will be provided with a sheet to complete with the model number of the coach light desired. Residents will be able to choose various coach lights and poles separately. In addition, if desired GFCI outlets can be installed on the pole. In the case of natural gas, residents will be offered several options to choose from.

Director Gombac provided a recommendation to waive the inspection process for the program. Gombac informed the Committee that the electricians are required to be licensed, provide a

\$10,000 bond during the course of the project and provide a certificate of insurance. The installation and hookups involved of the fixtures is very basic. Since inspections are contracted out at a cost of \$35 to \$70 to the residents, it is recommended that random, surprise inspections be performed. Residents will be required to apply for a building permit for a new fixture installation and all the associated permit fees would be waived. Depending on the response, the city will perform random inspections for brand new units. The inspections will be coordinated with the city's electrician at the time the project is being completed. The natural gas coach lights will be inspected by a plumber.

Director Gombac requested a motion to accept the 2010 City-Wide Coach Light Program for residents, accepting the proposals from Home Depot, O'Hara True Value, Advance Electric Supply, Fireplace Patio, and from the installers, Rag's Electric, All Electric, Inc. and Fireplace Patio, waive all fees associated with the inspection process, and conduct random inspections at the city's discretion and expense.

Director Gombac thanked Ashley Prueter for her efforts in coordinating the catalog in his absence.

Alderman Galan praised Ashley on a nice job. Alderman Galan noticed that staff intends to advertise the Coach Light Program on cable, Direct Connect, The Neighbors Magazine, local newspaper and the city's website. Alderman Galan assumes the catalog or portions thereof will be scanned and placed on the website for the benefit of the residents.

Director Gombac confirmed this.

Alderman Galan spoke in favor of the random inspections. Alderman Galan recommended that a summary cover sheet explaining the program be added to the Coach Light Catalog.

Director Gombac agreed.

Chairperson Marchese recalled, from the last City Council Meeting, that the Mayor had concerns with the lack of inspections. Chairperson Marchese does not believe there will be an issue with the fee and inspection waiver, and is in favor of the random inspections for both the electric and gas coach light.

Alderman Galan noted that the random inspections apply to new installations. Alderman Galan feels this is a positive program which will benefit the community. Alderman Galan commended Director Gombac on crafting the program. The Committee concurred.

Alderman Schauer is in favor of the random inspections. Alderman Schauer would like to be assured that the pricing is set so that increases do not occur during the installation or repair.

Director Gombac advised that the prices, for fixtures and labor, have been established.

Alderman Galan requested that if the pricing does not include labor, this be clearly publicized.

Director Gombac agreed, and advised that residents will be fully aware of all charges prior to commencement of a job.

Alderman Schauer reiterated his concern.

Director Gombac agreed completely, and advised that only reputable vendors were solicited for the project.

Treasurer Coren inquired if the bond can be extended six months beyond the program in the event issues come up after the fact.

Director Gombac responded that a second year of the program is in the proposal. The contractor must warranty the coach light for a year, and this will be included in the bond language. Director Gombac will review this to make certain the safeguards are in place.

There was no one in the audience wishing to present public comment.

Alderman Galan made a motion and it was seconded by Alderman Schauer to accept the practice of the 2010 City-Wide Coach Light Program for residents including the proposals for fixture repair and installation, listing the fixtures and installers for both the natural gas and electric, and waiving all fees associated with the inspection process and conducting random inspections at the City's discretion and expense.

Upon voice vote, THE MOTION CARRIED unanimously 3-0.

Chairperson Marchese announced that this would be forwarded to the City Council and placed on the consent agenda.

B. Minutes

Alderman Schauer made a motion and it was seconded by Alderman Galan to approve the September 27, 2010 Municipal Services Committee Meeting Minutes.

Upon voice vote, THE MOTION CARRIED unanimously 3-0.

DIRECTOR'S REPORT

A. Project Cost Analysis

Chairperson Marchese advised that Project Cost Analysis is conducted to identify projects that were planned throughout the year depicting the projected, budgeted, and actual cost. The analysis also illustrates the percentage of cost differential, plus or minus, and the reasons for the difference.

Director Gombac advised that the report covers capital projects and major maintenance items. The report covers a snapshot of the department's larger dollar items budgeted. Director Gombac reviewed each column of the report which represents a total summary to date. Director Gombac

advised that of the \$3 million budget request, the City Council approved \$2.9 million. Actual expenditures were \$2.8 million. The difference between the amount budgeted and the actual expenditures was \$232,000. Director Gombac advised that Treasurer Coren was invited to this evening's meeting for his input.

In regards to the salt dome, Chairperson Marchese noted that the report shows a total project summary of \$232,666 and \$35,300 of contingency funds not expended.

In respect to the Salt Storage building Alderman Galan added that the additional \$55,000 to cover the overage for the Salt Storage Building is being accounted for in the report. Alderman Galan noted that financially, the city was in a position to move ahead with the salt dome as presented by Director Gombac and recommended by the Municipal Services Committee at the Committee's previous meetings.

Chairperson Marchese noted that at the time the Municipal Services Committee recommended the salt dome, Director Gombac thought the funds would be available and Administrator Vana disagreed. Due to this discrepancy, although the project went ahead, costs were cut. Chairperson Marchese expressed dismay.

Director Gombac advised that the financial projections were not certain at that time.

Chairperson Marchese noted that some of the biggest savings were due to competitive bid results.

The Committee inquired to costs for next year and Director Gombac informed the Committee that vendors from the major asphalt and concrete companies, and ditch representatives are currently being contacted to get a handle on next year's pricing. He also informed the Committee that the forecast suggests a flat line or a slight increase in materials and labor based on the City's recent quantities.

Alderman Galan noted that when the salt dome was first discussed, Director Gombac was confident that the funds would be available, and not more than one week later, Administrator Vana advised they would not. Alderman Galan asked what changed.

Director Gombac responded that since the last committee meeting, he was able to secure \$75,000 from DuPage County for the Walnut Drive project. This amount is \$13,000 more than was originally anticipated. Director Gombac was unable to speak to Administrator Vana's mindset.

Chairperson Marchese stated that the initial salt dome project was anticipated to come in at \$280,000 which included the landscaping and associated costs. Chairperson Marchese noted that even if the \$75,000 was not available, the additional funds needed to complete the project were. Chairperson Marchese agreed with Alderman Galan that Director Gombac is well aware of funds available and had a better handle on the financials. Chairperson Marchese added that the committee trusts Director Gombac, and decisions are formulated based on figures provided by him. Chairperson Marchese is bothered by what has occurred.

Alderman Schauer remarked that it appears that now the salt dome can be completed as originally recommended.

Alderman Galan agreed that it would have certainly been an easier argument. Alderman Galan stated that the point he and Chairperson Marchese are trying to make is that although they are very pleased that there is extra money in the fund, the salt dome argument was almost lost completely due to what was said by Administrator Vana. Had the City Council Members known that the funds would be available, they would not have been so nervous about the project. Although Alderman Galan considers the new salt dome an improvement and allows extra storage of salt, he is disappointed the City Council did not follow Director Gombac's judgment.

Chairperson Marchese added that none of the comments this evening are in regards to Director Gombac's management. If anything, it indicates that Director Gombac's project management and foresight in obtaining competitive bids has saved the city money. Chairperson Marchese expressed displeasure that the Municipal Services Committee had to go to the Administrative Finance Committee to defend the decision to move forward with the purchase of the salt dome.

Alderman Galan commented that in the private sector, budget meetings are conducted monthly, and understands it is difficult to make educated decisions when budgets are reviewed annually. Alderman Galan noted that every year, Director Gombac's fund projections are accurate.

Mr. Gombac noted, with all due respect, that at the time of the committee meeting, the city was in the process of an audit, and the final numbers were not available. The audit resulted in funds being moved from this year's budget into last year's. This was due to invoice and material receipt dates.

Treasurer Coren feels that Administrator Vana cannot be condemned nor praised. Director Gombac's projections were not comprehensive. The \$75,000 received from the county was not reflected in last month's receivables report.

Director Gombac advised that the \$75,000 payment was received last week. The county was initially billed for \$62,000 but was re-invoiced for an additional \$13,000 in project costs.

Treasurer Coren felt that Administrator Vana was looking at the total picture.

Chairperson Marchese stated that Administrator Vana mentioned that when this was discussed during a telephone conversation.

Treasurer Coren advised that when going through fund balances at the last City Council Meeting, the differences between our numbers and the audited numbers, there was roughly \$230,000 less in capital projects and more in the general fund. Much of the capital project work was completed before year end, but the invoices came in the beginning of May. These invoices were coded in the current fiscal year. However, since the work was actually performed in April, the funds should have been applied to last year's budget. That is why, in essence, last year's capital budget was over expended. Following this explanation at the last City Council Meeting, Alderman Poteraske said he would expect to have \$230,000 more in this year's cushion. Director Gombac

is dealing with actual expenditures on the Project Cost Analysis showing actual versus budget. However, auditors pushed \$200,000 back into last year's budget.

Alderman Galan appreciated Treasurer Coren's explanation, and advised that it certainly sheds light in looking at this from a global perspective. Alderman Galan suggested that projects continue to be reviewed to see if they are estimated properly.

Treasurer Coren advised that he is attempting to bridge the gap between what Director Gombac and Administrator Vana are saying. Although Treasurer Coren does not know what Administrator Vana was thinking, the \$75,000 payment could be the missing link.

Alderman Galan advised that the bottom line is that \$232,666 of "extra" money wasn't spent regardless of the fiscal year when the project was started. His concern is that the funds for the salt dome were available as projected.

Treasurer Coren responded that all the numbers were not available at that time.

Alderman Galan reiterated that if Director Gombac has a contract with a vendor, he knows what the bill is going to be whether the invoice is received now or in six months. Director Gombac noted that the ditch program came in \$60,000 under budget including the \$15,000 in contingencies. Director Gombac was able to save \$105,000 in the project total by finding alternate methods. Alderman Galan reiterated that the Municipal Services Committee put their trust in Director Gombac because he understands how to save money on a project.

Director Gombac agreed the he was able to save money by various means, but that information was not available at the time of the committee meeting.

Alderman Marchese advised that he and Alderman Galan have been on this committee for a number of years, and that Alderman Schauer is relatively new. However, when discussions were held three months ago in regard to the salt dome, Alderman Galan and he had some history in looking at reports from previous years. He and Alderman Galan were seeing, even in a bad economy, that the city was not spending \$200,000 to \$300,000 because competitive bids were coming in much lower than projected. Alderman Marchese added that Administrator Vana did mention the \$62,000 reimbursement for Walnut from the county. The salt dome was important to the Municipal Services Committee to the point where we went to another committee to argue for it.

Alderman Schauer advised that this was a situation where, although the committee knew the cost was coming in higher, it was felt to be the best thing to do. Alderman Schauer offered kudos to Director Gombac for coming in under budget the last two years.

Chairperson Marchese clarified that the committee is not criticizing Director Gombac. Chairperson Marchese will take pleasure in advising the City Council Members at next week's meeting that the process of examining budgeted and projected costs with actual costs, as was initiated three or four years ago, demonstrates how the unexpended funds the city has incurred is due to good management and planning. This information will make it easier to justify upcoming expenditures.

Alderman Galan feels that as the council moves forward, they can be confident that projected costs will most likely come in under budget due to efficient project management.

Alderman Schauer inquired if Director Gombac has any plans in regards to the upcoming, predicted wind storms.

Director Gombac advised that the storms are predicted to arrive tomorrow, and that staff is planning on utilizing snow plows to remove leaves from the inlets if the heavy rains materialize.

B. Project Survey Responses

Chairperson Marchese introduced the Project Survey Responses and advised that the majority of the responses were positive.

Alderman Galan commented that out of the 56 total surveys received only three were negative.

Director Gombac expressed disappointment with the low number of responses received. He noted that surveys are sent out on every project performed by the city. Director Gombac advised that the survey results will be included in the Administrator's Report.

Alderman Galan directed that numbers regarding response and satisfaction rate be included in the report.

Director Gombac informed the Committee that he will update the report to reflect percentages regarding the response rates.

Director Gombac briefly reviewed the tub grinder and wood chip analysis. Director Gombac recommended continuation of the program. Director Gombac advised that the city is trying to dispose of the left over chips at no cost to the city.

Treasurer Coren suggested that some chips be kept in reserve for residents in the spring.

Treasurer Coren credited Alderman Galan for this successful program.

Alderman Galan inquired if the city provides wood chips to the Park District.

Director Gombac confirmed that the Park District is able to pick up as many chips as needed at no cost.

Alderman Schauer inquired if the city provides chips to Cass Middle School for their playground.

Director Gombac responded that regular mulch cannot be used for playgrounds. Certified and/or rubber mulch must be used around playground equipment.

NEXT MEETING:

Chairperson Marchese announced that the next regularly scheduled meeting is scheduled for Monday, November 22, 2010 at 6:30 p.m.

ADJOURNMENT:

With no further business before the Committee, Alderman Galan made a motion and it was seconded by Alderman Schauer to adjourn. Upon voice vote, **THE MOTION CARRIED** unanimously and the meeting adjourned at 7:35 p.m.

RESPECTFULLY SUBMITTED:

APPROVED:

Joseph Marchese
Chairperson

John Galan
Alderman

Ted Schauer
Alderman

Minutes prepared by:
Lynn Dubman
