

City of Darien

Minutes of the Administrative Finance Committee

March 3, 2014

The Meeting was called to order by Alderman Ted Schauer at 6:00 pm. Committee members Alderman Joe Kenny and Alderman Tina Beilke were present. Staff members present included City Administrator Bryon Vana and Assistant City Administrator Scott Coren. Treasurer Coren was also present. Liz Anderson with General Communications was also present.

Consideration of a resolution to continue the electric aggregation program for the City of Darien and engage NIMEC to act as energy consultant, solicit bids, and provide customer service.

Assistant Administrator Coren said In 2012 Darien residents approved a referendum authorizing the City to operate an opt-out aggregation program to reduce electric pricing for residential customers. The City of Darien acted quickly and secured an exceptional two year rate through NIMEC with Direct Energy, saving residents \$2,300,000 over the first 14 months of the program. This was done by achieving a lower rate than is provided through ComEd's required rate system.

The two year rate will expire in June 2014. Energy prices have gone up since the original aggregation, and it is possible the ComEd rate may be lower than upcoming bids. The City of Darien could formulate a bid that secures a rate, but allows the City to revert to ComEd rates at any time, eliminating risk of higher payments.

NIMEC served as a consultant for us in our previous bid. It is helpful for staff to have a consultant who is familiar with energy prices and market trends, as well as the ability to combine multiple communities to keep the bid at the optimal size. Some communities enter into large partnerships, which may not be beneficial if some suppliers cannot meet large demand at certain times. This knowledge helps both in timing and strategy for the bids. They are compensated through the bidders under bid document terms, who pay them \$0.0003/kWh used.

This resolution anticipates giving the City Administrator authority to accept a bid when the timing is recommended. Energy contracts are only good for one day, which makes it difficult to time the market properly and bid. During the last bid, the City secured a bid date the same day as the City Council meeting and accepted that night. This worked well last time, but could result in losing advantageous pricing if rates go up. An alternative to the resolution as presented is to again schedule a bid the same day as the City Council meeting.

Alderman Kenny made a motion to approve, Alderman Beilke seconded the motion, and it passed 3-0.

Consideration of a resolution to enter into an agreement with Clarke Mosquito for an additional three years

Clarke Mosquito has been the contractor to control mosquito populations for the City of Darien for many years. The program includes treatment of catchbasins with Abate pellets, helicopter treatments of large standing water areas, treatment of standing water areas with mosquitofish, and backpack treatment of standing waters areas that can be reached by foot. Over the duration of the last agreement, Clarke has been extremely responsive.

Clarke was the only company to provide these services in the Chicagoland area for many years, until another company came and won a bid with a Northwest suburban community. When the City of Darien went to bid, the other company came in significantly higher, and the Clarke bid came in higher than their initial renewal offer due to time spent on the bid process. The City of Darien negotiated down to the lower initial offer in exchange for a three year agreement. Since this time, the market for mosquito control services has not changed.

The City of Darien has not used an adult mosquito treatment in many years due to ineffectiveness and questions on possible health side effects, but there is an option in the contract to spray for mosquitoes for \$7,500 per treatment. The City Council would need to authorize this treatment at a later time.

Clarke has offered to the City of Darien three year pricing of \$40,887 annually for a three year deal, or \$40,887 and \$42,110 for a two year agreement.

Assistant Administrator Coren said there were often positive West Nile Virus samples in the DuPage County Forest Preserve property behind Chestnut Court. Alderman Kenny recommended contacting Linda Painter with the Forest Preserve to encourage their participation in mosquito control.

Alderman Beilke made a motion to approve, Alderman Kenny seconded the motion, and it passed 3-0.

A resolution authorizing the City Administrator to execute the First Amendment to Structure Lease Agreement with General Communications dated May 16, 2013, to allow General Communications to locate a wireless dish project on the Darien Water Tank located at 1220 Plainfield Road

The City of Darien entered into an agreement with General Communications on May 16, 2013 to locate a total of three microwave dishes, consisting of two “projects” on the original communications tower located at 1041 S. Frontage Road. The agreement called for a \$50,000 initial capital payment and a \$8,000 monthly rental. During the due diligence and development phase with another company constructing another project, it was determined the tower could not structurally accommodate this project. General

Communications investigated options to reinforce the tower to make it stronger, but in the meantime identified a way to make one of the projects work without this location. They also found additional reinforcement to the tower would be cost prohibitive. In discussions, staff asked General Communications to investigate the feasibility of moving the remaining project to Plant Two, located at 1220 Plainfield Road, so as not to lose all potential revenue associated with this project. After several months of testing and design, this location did meet the requirements of General Communications.

General Communications, paid the \$50,000 capital contribution fee and \$32,000 in rent as they moved forward with the original project in good faith. If the revised project is not accepted, the City of Darien will owe the \$82,000 back to General Communications. With this new offer, General Communications pays a capital contribution and the remainder of the money is used to abate rent to the City of Darien beginning November 2013.

Alderman Kenny made a motion to approve, Alderman Beilke seconded the motion, and it passed 3-0.

FYE 15 Budget Review

The Committee discussed financing options for the capital projects fund with the construction of the town center development. This would be discussed at upcoming Administrative/Finance Committee of the Whole meetings on the budget.

Minutes

Alderman Kenny made a motion to approve the minutes as amended, Alderman Beilke seconded the motion, and it passed 3-0.

Adjournment

There being no further business Alderman Kenny made a motion to adjourn, with a second by Alderman Schauer. The motion carried 3-0 at 6:57 pm.

Approved:

Ted Schauer, Chairman _____

Joseph Kenny, Member _____

Tina Beilke, Member _____