



Administration Department

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**Finance & Administration Committee
Regular Meeting
Monday, July 1, 2013
Village Hall, Executive Session Conference Room**

Call to Order at 6:02pm - Sue Senicka

Roll Call - Ron Gunter, Ron Searl, Spencer Parker, Bob Scott, Glen Liljeberg, Steve May, Sue Senicka, Cathy Casey, Jinny Szymiski, Tom Mulhearn, Steve Nero

Pledge of Allegiance

Reports

- Finance - Spencer said in general things are looking good.
 - Bonds - the next step, paying off the debt, is on the agenda for this evening. After this is approved, the bank will be notified and we will have 45 days. We have a meeting scheduled with Tom Chapman tomorrow to go over the next steps in preparation for the bonds. We will need to do a feasibility study & we have talked with an accounting firm that believes they can do that for us for around \$2500.00. It is an unbudgeted expense, but we need a 3rd party opinion.
 - Currently the audit is in process, the comprehensive annual financial report. Last year's was delayed due to the amount of time it took actuary report due to the OPEB (other post employment benefits) liability report. The 2012 audit will be presented at the next meeting and the next audit begins there after. At least we did not overlap a year.
 - Steve May had a question regarding the bonds timeline. Should the motor fuel tax be used to resurface Grant & Adams or do we wait next spring? Spencer asks that he wait until we see what the meeting tomorrow lays out for the bonds. To see what the revenue we need for the bond issue.
 - Ron Searl asked for an update on sales tax and cash reserves. Spencer said that the sales tax was up, the spreadsheet went out in the Friday Report. The cash reserve is up, we had quite a lot of projects postponed last year to save funds so we might need to transfer to reserves.

- Administration
 - Medical Benefit Program Application - A change in policy has come up as we worked on the applications. Usually this is worked on by our pool, however this year each municipality worked on the applications. Our plan document review questions were more detailed this year. One of the questions had to do with health insurance payments/coverage in layoff, disability, or leave of absence situations. Our policy had language that gave the Village Manager the right to extend this indefinitely. BCBS had a issue with the open endedness of the Village Manager's discretion, they wanted it updated to show an end time.
 - Cathy reviewed the history of how of often we have had the situation arise. The longest was 44 months and the shortest was 22 months. Ron and Cathy have indicated to BCBS that we would change our policy to reflect "Village Managers discretion up to 24 months" to have our renewals go through for July 1st. The vague, open ended language is not acceptable to insurance companies, so it will be changed; this is not an unusual or unreasonable request.

UNFINISHED BUSINESS

- None

NEW BUSINESS

- Waste Management Contract Extension Proposal - Ron Searl passed out a proposal received from Mike Brink. The Village program will expire in April of 2014, we have an option to extend it. One of the things discussed is the idea that we could have Waste Management take over the brush pick up proposal to see if it would be a cost savings. The proposal asks for a 5 year extension to recapture that cost and it would be an every week pick up; the guidelines would be similar to what our guidelines are. The only difference is that WM would like the brush bundled; they will pick up unlimited bundles but do not want just piles.
 - This would outsource the brush program completely. This is a negotiation factor with WM, it has nothing to do with home rule.
 - Idea to freeze commercial rates. The commercial rates offset the residential rates, helping to keep that cost lower. To be able to adjust the commercial rates we could gradually raise the residential rates over time. This might encourage more recycling.
- The purpose to bring it up tonight is to see if the board has an interest in our renegotiating the contract with WM and would you like us to bring up some of these elements? Or should we go out to bid? If we go out to bid, because we have a grandfathered in exclusive contract we can not go back to the same contract with WM. However, some communities only have the exclusivity on the residential side and then license two or three haulers for commercial; some have two or three residential haulers that can quote pricing to residents. The problem with this is that they will only bid competitively if they have enough business in the area to have trucks come pick up. We have the benefit having one hauler to reduce the cost to the resident and limit the

trucks on the street. The garbage trucks are the heaviest thing on our residential streets. Not just the weight of the truck but all the braking. It would be wear and tear on the alleys with multiple trucks on the same days. The county survey is passed out, and the county said that the municipalities that went out to bid have had some good prices come back. However, WM has serviced us during storms without charge and that is not spelled out in the franchise agreement.

- If you look over the survey you will see our rates are cheaper than a lot of other communities. Trustee Scott asked about Downers Grove. Ron Searl said that DG was not a part of the survey, and he was not sure who they currently used. At one time they had a pay as you go program, not sure if they still do. Trustee Scott asked if WM wanted an increase and we want to stay at the current rate? Ron Searl said that there were several options to be explored. PW Manager May said that they were looking for 3%. Mayor Gunter said that you could cap it the first year and then limit the increase to 3% the next year and put it on the commercial instead of residential - giving them a break. Mayor Gunter said that what WM gives everyone: the library, park district, village is much better than other municipalities/parks that he has spoken to regarding the additions of port-a-potties, dumpsters, and such. Trustee Senicka asked if the senior discount would remain? As they provide that, the village does not subsidize that. Manager Searl said that these are the things that could be negotiated. We could set up a sub-committee for this? Trustee Senicka said that the Mayor & Manager could handle this. Trustee Scott said that the business could use a break right now. Mayor Gunter asked Manager Searl if we are 20% commercial or 1/3 commercial? Manager Searl said that was not information that we had, as we do not pay the commercial. Mayor Gunter asked what 3% on the residential would mean and the effect for the commercial? Manager Searl states we pay about \$800,000.00 but the commercial rates are so variable as to the size of containers and pick ups that it is hard to calculate a set cost estimate. Might be time to help out the commercial and make sure that the businesses know what is happening. We have a very good relationship with WM and they take on a lot of projects at no cost that are not a part of our agreement.
- Mayor Gunter said that he is in favor of negotiating with Waste Management as we have a great relationship with them. The brush pick up might or might not be beneficial when you have to make the bundles are so small. Trustee Senicka asked about an amnesty day. Manager Searl said that when municipalities do that they are usually paying for it. Negotiations are always possible with contracts. Anyone else have any ideas for this contract? The ancillary services have any interest for anyone? Household services, sharps service, any others? No ala carte these would be village wide commitments.

ADJOURN at 6:35pm motion by Clerk Szyski and seconded by Trustee Scott.