

VILLAGE OF ORLAND PARK

*14700 Ravinia Avenue
Orland Park, IL 60462
www.orland-park.il.us*



Meeting Minutes

Monday, November 4, 2013

6:00 PM

Village Hall

Finance Committee

*Chairman (Vacant)
Trustees James V. Dodge and Patricia A. Gira
Village Clerk John C. Mehalek*

CALL TO ORDER/ROLL CALL

The Meeting was called to order at 6:16 PM. Trustee Daniel Calandriello was present.

Present: 2 - Trustee Dodge and Trustee Gira

APPOINT TEMPORARY CHAIRMAN

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

APPROVAL OF MINUTES**2013-0632 Approval of the October 7, 2013 Finance Committee Minutes**

I move to approve the Minutes of the Regular Meeting of the Finance Committee of October 7, 2013.

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

ITEMS FOR SEPARATE ACTION**2013-0627 Oak Lawn Water Supply Agreement**

Village Manager Paul Grimes reported that the current water supply agreement with Oak Lawn and the Village has expired, and our extension with Oak Lawn expires on Dec. 31, 2013. For the past 30 months, Oak Lawn and the Villages of Tinley Park, Orland Park, New Lenox, Mokena, and the City of Oak Forest have met to prepare and then negotiate multiple terms and conditions to identify enduring terms of water service to provide predictability and stability to water supply.

The Regional Water System deal terms between the Village of Oak Lawn, Illinois and the Customer Communities (Orland Park, Oak Forest, Tinley Park, Mokena, and New Lenox) represent a comprehensive restructuring of the business terms and conditions between Oak Lawn and its Municipal customers to provide for a significant upgrading of the Regional Water System. The proposed system is in accordance with the 2008 Oak Lawn Regional Water Plan, and will provide a

40-year service commitment by Oak Lawn to provide Lake Michigan water to its customers meeting best practices in public water utility operations and management.

The Village of Oak Lawn has represented that the final Agreement with the Southwest customers will be used as the template for future customer water Agreements with other existing customers, including Chicago Ridge, Palos Hills, and Palos Park; and in the future, the Villages of Matteson, Country Club Hills, and Olympia Fields.

A summary of the deal terms, as prepared by the consultant to the Customer Communities, is attached to the Committee Packet. A slide deck is attached to the Committee Packet that further summarizes the contemplated deal terms. In addition, a Frequently-asked Questions (FAQ) document is also attached to the Committee Packet.

The proposed timeline is for Customer Communities to adopt the proposed agreement in November 2013 so that preparation of bid packages for commencement of the system improvements can begin in January 2014. It should also be noted that a portion of the proposed 60-inch parallel water main will be sited through Forest Preserve District (FPDCC) right-of-way that is also licensed to ComEd for high-tension lines. Approval from Cook County will be required to locate the line below or immediately adjacent to the existing ComEd lines. Minimal impact is expected, and several discussions with Cook County Commissioners and FPDCC staff have already occurred.

As such, staff will bring the outlined deal terms to both sets of Committees, October 21st and November 4th, respectively. The final form of agreement will be advanced to the full Village Board for consideration at its November 18th meeting.

Trustee Dodge asked to explain why it is a loan and not a bond.

Village Manager Grimes responded that it is a loan from the federal government, which is provided for each state and then those states administer the loans through their respective agencies.

Trustee Dodge asked if it was a leveled term throughout the time.

Village Manager Grimes responded that it is a leveled term of 1.9% throughout the term.

Trustee Dodge asked if doing a loan was the best way to go about getting the money.

Director of Finance Annmarie Mampe responded that at this time it is the best way to proceed.

Village Manager Grimes added that the village will do as much as they can to maximize the IEPA loans. He noted that Oak Lawn has said that they are very confident that they can increase the IEPA source of money. He went on to say that this project is one of regional significance and will be very attractive for lenders. He added that there is very little disruption to forest preserve property in the plan which is usually a concern.

Temporary Chairman Gira asked if it would ever be possible for the Village of Orland Park to sell water to one of the village's neighboring towns.

Village Manager Grimes responded that under the terms of agreement, Orland Park would not be permitted to do so. He added that Oak Lawn will own and operated the water, but the retail system is the village's. The wholesale system itself is owned and operated by Oak Lawn.

Trustee Dodge said that \$5.00 a month per household in terms of usage makes perfect sense and that people will understand why the project needs to be done.

Village Manager Grimes stated that construction has already started. He added that the project would take place between 2014 - 2018. It would be a three or four year capitol project.

Trustee Dodge asked if the operating expenses were the only ones that were going to go up for the next 40 years and asked if it could be made very clear to residents so they understand why that is the case.

Temporary Chairman Gria noted that there will be two more years of increases coming from the city of Chicago as well.

Village Manager Grimes commented that the village has more control in the proposed agreement than they currently have. He added that there are a number of very strong provisions that provide oversight or approval.

Trustee Dodge asked what entity owes the public the report outs in regards to the balances and expenditures.

Village Manager Grimes replied that Oak Lawn would be responsible.

Trustee Dodge commented that it would be a good idea to have any audit reports posted on the Village of Orland Park's website.

Village Manager Grimes stated that the agreement will express the calls for the provisions of audit and reporting. It will have to be done by contract.

I move to recommend adoption of the proposed deal terms between Orland Park

and the five Customer Communities and the Village of Oak Lawn for a long-term water supply agreement, subject to incorporation of those deal terms in a final written agreement.

And

Further move to refer this matter to the Village Board for consideration and approval.

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

2013-0640 FY2014 Liability Insurance Brokerage Services

Director of Finance Annmarie Mampe reported that on October 2, 2013, the Village issued a Request for Proposals (RFP) for Insurance Brokerage Services for property/casualty coverage to begin January 1, 2014. The RFP was posted on the Village's website and the SouthtownStar, and staff directly notified five (5) insurance brokers. Proposals were due on October 18, 2013.

We received four (4) proposals from qualified firms, including The Horton Group, Arthur J. Gallagher & Co., Assurance Agency, Ltd. and Alliant Insurance Services, Inc. However, based on questions and comments received from potential additional proposers regarding risk management, staff has determined that more time is required to properly analyze not only the proposals received but also the requirements included in the RFP. Staff is requesting that we reject all proposals received and reissue an RFP during the second quarter 2014. Staff also recommends that we extend our contract with The Horton Group for one more year; approval of this contract extension will be brought to the Board for approval once our 2014 renewal premiums are finalized.

Temporary Chairman Gira asked how it compared to what the village currently has.

Director Mampe responded that it is the same.

Trustee Dodge questioned why other companies/firms were not considered.

Village Manager Grimes responded that Klien Thorpe & Jenkins was taking a look at the concerns staff had. He added that the RFP was issued late in the process and that staff needs to be a little more careful about the specifications and that any issues raised are addressed about the RFP. He noted that the next time the RFP goes out it will be earlier in the process to allow for more evaluation

time.

Trustee Dodge commented that he would need more clarification from Klein Thorpe & Jenkins and for them to explain why the other firms that submitted an RFP were not able to be considered.

I move to recommend to the Village Board to reject all Insurance Brokerage Service proposals received in response to the RFP issued by the Village.

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

2013-0650 Amendment to Ordinance Numbers 3967 and 4589 (Compensation of Certain Elected Officials) - Ordinance

Currently, the Mayor, Trustees and Clerk are paid on a monthly basis. In an effort to simplify the Village's payroll processing, staff requested that these positions begin being compensated on a bi-weekly basis instead. This requested change was communicated to the Mayor, Trustees and Clerk and there was no opposition. In order to make this change, the ordinance attached to the Committee Packet needs to be approved by the Board amending certain ordinances that were previously passed related to the compensation of certain elected officials. This change will take effect in December 2013.

I move to recommend the Village Board pass an Ordinance entitled: AN ORDINANCE AMENDING ORDINANCE NUMBERS. 3967 AND 4589 (COMPENSATION OF CERTAIN ELECTED OFFICIALS)

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

ADJOURNMENT: 6:42 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

/AJ

Approved: December 2, 2013*

*Committee's and Members were reassigned at the 12/2/13 Meeting.

Respectfully Submitted,

/s/ John C. Mehalek

John C. Mehalek, Village Clerk