

VILLAGE OF ALGONQUIN
COMMITTEE OF THE WHOLE
Meeting Minutes
Algonquin Village Hall Board Room
November 12, 2013

AGENDA ITEM 1: Roll Call to Establish a Quorum

Present: Chairperson Debby Sosine, Trustees Jerry Glogowski, Jim Steigert, Bob Smith, John Spella, and Brian Dianis. Absent: President John Schmitt

Staff Members Present: Tim Schloneger, Village Manager; Russ Farnum, Community Development Director; Ben Mason, Senior Planner; Todd Walker, Human Resources Director. Kelly Cahill, Village Attorney, and Jerry Kautz, Village Clerk, were also in attendance.

Chairperson Sosine called the meeting to order at 7:30 p.m. and announced those in attendance.

AGENDA ITEM 2 Community Development

A. Special Use for Residential (2013/15), Nikolay Vesselinov, 202 North Main Street

Mr. Mason reported a petition was submitted for a Special Use Permit for residential dwelling units at 202 North Main Street which is located in the village's Old Town District north of the intersection with Front Street. The subject property is zoned B-1 Business, Limited Retail, and, per village code, residential dwelling units in B-1 and B-2 districts require a Special Use Permit. The current owner purchased the property in 2006 and opened an office for their roofing company on the first floor, at which time any prior nonconforming use as residential became discontinued and subject to the underlying B-1 commercial zoning regulations. On October 14, 2013, the Planning and Zoning Commission considered the petition and voted 6-0 to recommend approval of a special use permit for both floors (3 units) and adopted an amended Finding of Fact to include a factor of the poor economy affecting the recommendation. In contrast to the Planning and Zoning Commission recommendation, staff recommends approval of a Special Use Permit for a residential dwelling unit for the second floor only at 202 North Main Street. Co-Owner Mr. Robert Pogorzelski was present to answer any questions. He stated his roofing business had to be disbanded due to the poor economy and that is why he is asking for a special use. The building has two residential apartments on the first floor and a third dwelling unit on the second floor. According to the owner, the first floor was divided into two separate spaces prior to their acquiring the property, and their roofing office was set up in a room adjacent to an existing first floor residential tenant. Mr. Pogorzelski said he has two very good tenants who wish to remain in Algonquin. During discussion it was suggested that, in light of the poor economy and the possibility of having a vacant building due to nonconformance, it would be better to issue the special use with a two-year time limit and address the situation at that time. Trustees Smith and Steigert agreed with no items to discuss.

AGENDA ITEM 3: General Administration

A. Consider Intergovernmental Agreement with the Algonquin-Lake in the Hills Fire Protection District for Fire Alarm Monitoring

The village currently has an intergovernmental agreement with the Algonquin-Lake in the Hills Fire Protection District regarding the mandatory installation of wireless fire alarm systems with a direct connection to the district for commercial properties located within the village. The village, under home rule, passed an ordinance requiring all commercial properties to make that direct connection to the district which entailed installing specific equipment which the district owns and leases to the users. The district did this by entering into monitoring agreements with all wireless alarm subscribers, and the district assessed an annual alarm monitoring fee and an annual registration fee. This past summer, our federal appellate court held that such arrangements are invalid in *ADT Security Systems, Inc. et al. v. Lisle-Woodridge Fire Protection District, et al.* (“Lisle”). The court in Lisle held that a fire protection district does not have the statutory authority to own the signaling equipment or to assess fees to maintain the system. The Lisle decision also stated that the signaling setup did not comport with the national requirements and that the system was less efficient than one that could be implemented in the open market. Thus, the district has no choice legally but to terminate its IGA with the village based on the Lisle decision and to divest itself of the signaling equipment that it presently owns.

Fire Chief Patrick Mullen was present to answer questions. The time limit for the fire department to divest itself must be no later the mid to late January 2014. Currently, the alarm signals from businesses go to equipment in Fire Station #1 but could go to any location of the village’s choice. The chief stated that the local businesses own the alarm equipment, the fire department just owns the transmitters. When the village takes over, the revenue stream from the business owners should not change significantly.

Following discussion, it was the consensus of the Committee of the Whole to approve the agreement and negotiate with a monitoring vendor. Please note that Trustee Steigert was the only “no” consensus vote.

B. Discuss Ordinance Authorizing Referendum for Municipal Electric Aggregation

Mr. Schloneger reported since August 2009, over 600 communities in Illinois have passed municipal aggregation. Of those, over 300 are in the ComEd service area with Algonquin. The following provides a brief overview of the trends in municipal aggregation, as well as an update to the costs and benefits of implementing such a program. Since municipal aggregation has passed, no noticeable trends have emerged. First, electrical prices have decreased both for ComEd and Alternate Retail Electric Suppliers (ARES). In June 2011, the price for ComEd was 7.921 cents per kWh; currently it is 5.544 cents per kWh. Second, more residents have switched to being provided by an ARES. In September 2012, 1.3 million customers were served by ARES; in September 2013 it had more than doubled to 2.9 million, or 67.8% of the total customers in the ComEd service area. Please note that some local municipalities, similar to Algonquin, have not implemented a municipal aggregation program, including Barrington Hills, Bartlett, Johnsburg and Lake in the Hills. Benefits and Risks: The primary benefit to the village for this program is to achieve lower electricity supply rates for residential and small business customers in Algonquin. With the greater bargaining power of having over 8,000 customers, electrical suppliers generally provide a better rate than to an individual account. This is because their cost for acquisition for customers is much lower through aggregation. The overall effect since 2012 is that electrical supply prices have decreased. However, there are still savings to be gained. To quantify “potential” savings, the current ComEd default rate is \$0.05544. Savings and current energy supply rates are dynamic and vary daily. Opt-out programs that have presently been implemented have shown savings in excess of 24% on electric supply. During discussion it was noted that the vote count in the past was very close and residents may have a better idea presently after seeing other communities’ electric bills reduced because of aggregation. Attorney Cahill will research what information the village can supply legally.

It was the consensus of the Committee of the Whole to have the village manager and attorney prepare the documents to have the referendum question placed on the March 2014 election ballot.

C. Consider Agreement (presentation by Gallagher Benefit Services, Inc.) with the Intergovernmental Personnel Benefit Cooperative (IPBC)

Mr. Walker, human resource director, reported previously that the village has purchased health insurance on the open market through a broker but directly from the insurance carriers. It served us well in years past but times have changed. Because the village is considered a small group (less than 150 employees), we are typically at the whim of the large insurance companies. Every year we have had to anticipate increases with little to no control over the outcome. Mr. Walker believes we can change this. It is his recommendation that we leave our standard renewal process and join a large municipal consortium to combine our purchasing power and reduce expenses associated with being such a small group.

The Intergovernmental Personnel Benefit Cooperative (IPBC) is a municipal consortium with 75 communities combining their needs, interests, and buying power (11,000 employees) to purchase and manage their insurance needs. The cooperative not only allows us the benefit of purchasing plans and coverages at a combined rate, but it provides a funding mechanism that will benefit us for years to come.

After extensive research and plan design, we are recommending the following changes to our current practice:

1. Pass two village resolutions allowing us to enter as a member of the group:
 - a. Join the IPBC effective January 1, 2014 for a six-month period;
 - b. Renew July 1, 2014 for the required three-year membership;
2. Health: We will continue to offer our employees the same coverage that they currently have with Blue Cross (no changes to our current health HMO and PPO plans).
 - a. This year's health insurance renewal increases will be approximately 7 percent. (Please note that we will see our actual increases or savings at year end when our loss history is finished.);
3. HRA: We will continue to offer and manage the Health Reimbursement Account for our employees, but we will be switching vendors from Allied Benefit Systems to Employee Benefit Corporation (EBC) who currently manages our Flexible Spending Account. The decision to move to EBC for the HRA was made to combine the administrative processes for both the HRA and FSA at a reduced rate to the village and offer better customer service to our employees. (EBC is not a part of the Cooperative, but still provides us the best outcome.);
4. Dental: We will be switching vendors from our current Delta Dental to the Cooperative's MetLife option. This decision will provide the village and our employees premium savings and some additional benefits from our current policy.
 - a. This year's dental insurance renewal will provide us with a 10 percent plus decrease in premiums;
5. Employee Assistance Program: We will be switching from our current EAP provider and will begin to migrate over the cooperative's EAP that is provided to its members at no charge;
6. Prescriptions: We will utilize the cooperative's prescription program that offers similar coverages and premiums with the increased ability to manage our future costs.
7. Life Insurance: We will be switching from our current vendor (Principal) to the cooperative's provider (Reliance Standard). This conversion will provide the village and our employees

significant advantages from our current program. This change will allow us to offer our employees and their families great protection and increased death benefits at a very similar rate. We currently provide our employees with a \$25,000 life insurance policy. This new program will allow us to instead provide a \$50,000 plan plus an additional AD&D coverage for about the same premium.

8. Wellness Program: The cooperative offers an employee wellness component that the village will begin to utilize.

Mr. Greg Aleman from IPBC was in attendance should any questions be asked.

The consensus of the Committee of the Whole was to move this item to the Board for approval next week.

AGENDA ITEM 4: Public Works & Safety

No items to discuss.

AGENDA ITEM 5: Executive Session

No items to discuss.

AGENDA ITEM 6: Other Business

1. Mr. Schloneger reported there will be a housekeeping measure on the next Village Board agenda regarding wordage in an intergovernmental agreement amendment with the Illinois Office of Comptroller for debt recovery. Consensus of the Committee of the Whole was to move this item to the Board for approval next week.
2. There will be some meeting date changes in December and January due to holiday schedule.
3. A motion will be required at next week's Board meeting to appoint a president pro tem in light of President Schmitt's absence.

AGENDA ITEM 7: Adjournment

There being no further business, Chairperson Sosine adjourned the meeting of the Committee of the Whole at 8:50 p.m.

Submitted: Jerry Kautz, Village Clerk