

**Administrative-Finance Committee**  
**April 6, 2015**  
**6:00 p.m. – City Hall Conference Room**

- 1. Call to Order**
- 2. Public Comment**
- 3. New Business**
  - a) A resolution authorizing the City to continue the electric aggregation program for the City of Darien and engage NIMEC to act as energy consultant, and approve electric bids.**
  - b) An ordinance authorizing and directing early redemption of a certain bond issue (\$2,600,000 G.O. bonds, series 2007 b)**
  - c) Minutes – February 2, 2015**
- 4. Other Business**
- 5. Next Meeting – Monday, May 4, 2015**
- 6. Adjournment**

AGENDA MEMO  
Administrative/Finance Committee  
Meeting Date: April 6, 2015

**ISSUE STATEMENT**

Consideration of a resolution authorizing the City to continue the electric aggregation program for the City of Darien and engage NIMEC to act as energy consultant, and approve electric bids.

**BACKGROUND/HISTORY**

In 2012 Darien residents approved a referendum authorizing the City to operate an opt-out aggregation program to reduce electric pricing for residential customers. Our current agreement with Verde Energy (7.753¢) expires this July. The City needs to determine which of the options to pursue:

- 1) Approve bid for 15 month and 27 month pricing.
- 2) Return all residents to ComEd.

As a third option, staff requested a quote for a 3 months extension with our current supplier. However, we eliminated that option due to the price quote Verde offered. With the ComEd rate being released at the end of May, the 3 month extension would have allowed the City to entertain 1 and 2 year bids once the new ComEd rate has been released. The 15 and 27 month terms better position future renewals to be considered shortly after the annual ComEd rate is released.

As additional background:

- The residential ComEd rate currently is 7.6¢.
- ComEd assesses a Purchased Electricity Adjustment (PEA) that can fluctuate monthly. The PEA has been a credit of 0.5¢ for the last year, bringing the ComEd rate to 7.1¢. Most recently, however, the PEA was a 0.5¢ charge, bringing the April ComEd rate to 8.1¢.
- ComEd resets its rate annually, in late May. NIMEC estimates that the new ComEd rate will be 7.25¢ to 7.4¢. At that time, the PEA resets, meaning that there is an equal chance it can be a credit or a debit.
- The attached graph shows the monthly comparison of the ComEd and Verde rates.

NIMEC is conducting a bid on April 6 and will bring the results to the City that evening. Electric pricing is a commodity, so pricing is only good for 24 hours. NIMEC will provide pricing that evening for 15 months and 27 months. Renewals take 90 days to implement, once a bid process determines a new supplier.

NIMEC has served as our consultant for our previous bids and it is helpful for staff to have a consultant who is familiar with energy prices and markets 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. NIMEC compensated through the bidders under bid document terms, who pay them \$0.0003/kWh used.

A representative of NIMEC will be in attendance at the Administrative/Finance Committee meeting and City Council meeting on April 6.

**STAFF/COMMITTEE RECOMMENDATION**

To be determined based on bid results

**ALTERNATE CONSIDERATION**

As directed.

**DECISION MODE**

This item is scheduled for consideration at the April 6, 2015, City Council meeting.

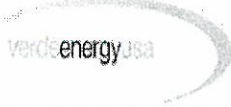
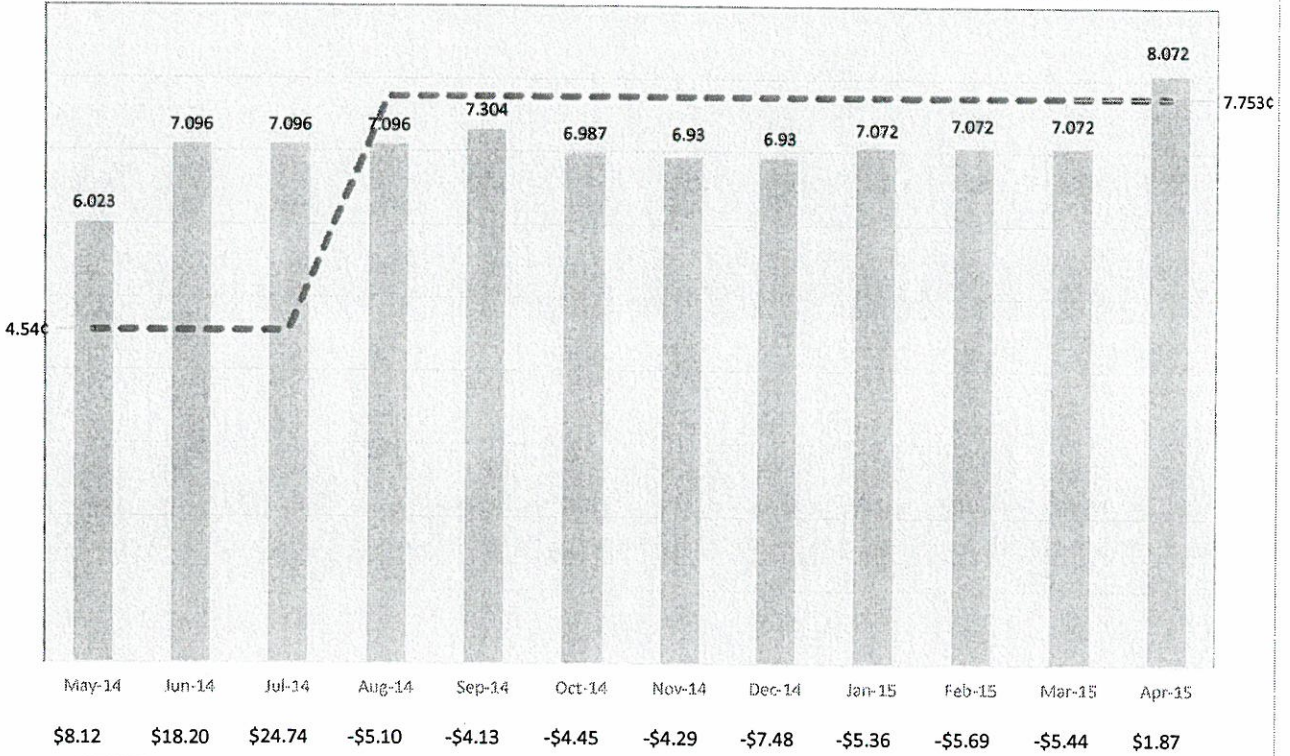
# Darien vs ComEd Rate, Apr 2015

(Since inception)

Resident Savings: \$416

Community savings: \$2,932,929

\*ComEd rate includes supply, transmission, PEA



Resident savings per month  
 ComEd Rate      Aggregation Rate



**A RESOLUTION CONTINUING THE ELECTRIC AGGREGATION PROGRAM IN THE CITY OF DARIEN AND CONTINUING TO ENGAGE NIMEC TO ACT AS ENERGY CONSULTANT, SOLICIT BIDS, AND PROVIDE CUSTOMER SERVICE**

WHEREAS, Under Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-1, et seq., (the “Act”) a municipality may operate an electric aggregation program as an opt-out program for residential and small commercial retail customers, if a referendum is passed by a majority vote of the residents pursuant to the requirements under the Act; and

WHEREAS, the City of Darien, Illinois (“City”) submitted the question to referendum in the March 20, 2012 election and a majority of the electors voting on the question voted in the affirmative; and

WHEREAS, the City subsequently implemented its opt-out aggregation program in 2014 with the term of the supplier agreement to end based on scheduled final meter read dates in July 2015; and

WHEREAS over 7,200 residences and small businesses were originally enrolled in the program, and the aggregate savings for the first 26 months of the program have totaled \$416/household and \$2,932,000 throughout the entire community; and

WHEREAS, the Corporate Authorities hereby find that it is in the best interest of the City to continue to operate the aggregation program under the Act as an opt-out program and to enter into an additional contract with a supplier pursuant to the terms of the Act. However, the final decision will be based upon market pricing and the City retains the option of suspending the program and returning all participants back to Commonwealth Edison.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Darien, DuPage County, Illinois, As Follows:

SECTION 1: That the Preamble of this Ordinance is declared to be true and correct and is incorporated by reference herein.

SECTION 2:

- A. Pursuant to Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-1, et seq., (the “Act”) the Corporate Authorities of the City are hereby authorized to aggregate, in accordance with the terms of the Act, residential and small commercial retail electrical loads located within the corporate limits of the City, and for that purpose may solicit bids and enter into service agreements to facilitate for those loads the sale and purchase of electricity and related services and equipment.

- B. The Aggregation Program for the City shall continue to operate as an opt-out program for residential and small commercial retail customers.
- C. As an opt-out program, the Corporate Authorities of the City shall fully inform residential and small commercial retail customers in advance that they have the right to opt-out of the Aggregation Program before the resident or commercial account is renewed. The disclosure and information provided to the customers shall comply with the requirements of the Act.
- D. The Corporate Authorities hereby grant the City Administrator, or his designee the specific authority to execute a contract without further action by the Corporate Authorities and with the authority to bind the City.
- E. The City will again engage NIMEC, who managed the initial aggregation. NIMEC will solicit bids from multiple suppliers and consult with the City in our decision to select the supplier that best meets our needs. NIMEC will also assist with the conversion process, and provide assistance to residents with questions.

SECTION 3: This Resolution shall be in full force and effect after its passage, approval and publication as provided by law.

PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_

City Clerk

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

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Mayor

ATTEST:

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City Clerk

AGENDA MEMO  
Administrative/Finance Committee  
Meeting Date: April 6, 2015

**ISSUE STATEMENT**

**AN ORDINANCE AUTHORIZING AND DIRECTING EARLY REDEMPTION OF A CERTAIN BOND ISSUE (\$2,600,000 G.O. BONDS, SERIES 2007 B)**

**BACKGROUND/HISTORY**

As discussed in the FYE 16 budget meetings, the G.O.2007B is recommended to be advanced refunded with cash on hand. The cash will come from a General Fund transfer of approximately \$899,000. Once the bond is paid off the annual tax levy will be reduced by the bond principal and interest payments. The money will be repaid by increasing the General Fund tax levy over a 2 year period resulting in no **total** tax levy increase for the payback.

This will save approximately \$82,500 in interest payments.

**STAFF/COMMITTEE RECOMMENDATION**

This was recommended for approval during the FYE 16 budget meetings.

**ALTERNATE CONSIDERATION**

As directed

**DECISION MODE**

This will be on the April 6, 2015, City Council agenda for formal approval.



**CITY OF DARIEN  
DU PAGE COUNTY, ILLINOIS**

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**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING AND DIRECTING EARLY REDEMPTION OF A  
CERTAIN BOND ISSUE (\$2,600,000 G.O. BONDS, SERIES 2007 B)**

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**ADOPTED BY THE  
MAYOR AND CITY COUNCIL  
OF THE  
CITY OF DARIEN**

**THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2015**

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**Published in pamphlet form by authority  
of the Mayor and City Council of the City of  
Darien, DuPage County, Illinois, this \_\_\_\_  
day of \_\_\_\_\_, 2015.**

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING AND DIRECTING EARLY REDEMPTION OF A CERTAIN BOND ISSUE (\$2,600,000 G.O. BONDS, SERIES 2007 B)**

WHEREAS, heretofore by Ordinance No. \_\_\_\_\_, the City of Darien authorized the issuance of TWO MILLION SIX HUNDRED THOUSAND (\$2,600,000.00) DOLLARS in General Obligation Bonds, Series 2007 B (“the Bond Ordinance”); and

WHEREAS, the Bond Ordinance provided the City with an early redemption option for said bonds; and

WHEREAS, the Mayor and City Council have determined that by exercising the early redemption option, the City will save approximately \$ \_\_\_\_\_;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, IN THE EXERCISE OF ITS HOME RULE POWERS, as follows:**

**SECTION 1: Exercise of Early Redemption Option.** The City hereby exercises the early redemption option provided for in the Bond Ordinance to redeem the entire balance still payable under the Bond Ordinance.

**SECTION 2: Direction.** ~~The City Administrator and City Treasurer are hereby~~ authorized and directed to take all actions necessary to implement the redemption.

**SECTION 3: Home Rule Authority.** This ordinance and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such ordinance should (a) contain terms contrary to the provisions of current or subsequent non-preemptive state

ORDINANCE NO. \_\_\_\_\_

law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the corporate authorities of the City of Darien that to the extent that the terms of this ordinance should be inconsistent with any non-preemptive state law, that this ordinance shall supersede state law in that regard within its jurisdiction.

**SECTION 4: Effective Date.** This Ordinance shall be in full force and effect from and after its passage and approval, and shall subsequently be published in pamphlet form as provided by law.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this \_\_\_\_ day of \_\_\_\_\_, 2015.**

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this \_\_\_\_ day of \_\_\_\_\_, 2015.**

\_\_\_\_\_  
KATHLEEN MOESLE WEAVER, MAYOR

ATTEST:

\_\_\_\_\_  
JOANNE E. RAGONA, CITY CLERK

APPROVED AS TO FORM:

ORDINANCE NO. \_\_\_\_\_

\_\_\_\_\_  
CITY ATTORNEY



# CITY OF DARIEN

In the County of DuPage and the State of Illinois  
Incorporated 1969

March 20, 2015

Gulnaar Murthy  
Client Service Manager  
BNY Mellon Corporate Trust, N.A.  
2001 Bryan Street, 11th Floor  
Dallas, TX 75201

Ms. Murthy:

Please be advised that the City of Darien will pay off \$1,375,000 the outstanding bonds as shown in the following chart:

ISSUE NAME	CUSIP	AUTHORIZED	OUTSTANDING
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ISSUER: DARIEN CITY OF, G.O. BDS SER 07B (DARIEN07B)			
DARIEN CITY OF, G.O. BDS SER 4% 12/15/15	237220CZ9	440,000	440,000
DARIEN CITY OF, G.O. BDS SER 4% 12/15/16	237220DA3	460,000	460,000
DARIEN CITY OF, G.O. BDS SER 4% 12/15/17	237220DB1	475,000	475,000
			=====
			1,375,000.00

The redemption date will be April 23, 2015. If you have any questions please feel free to contact me at 630-985-0974.

Sincerely,


Michael J. Coren  
Treasurer-City of Darien IL

**INCUMBENCY CERTIFICATE/ AUTHORIZED CALLBACKS**

The undersigned, Bryon D. Vana being the City Administrator  
(name of person) (title)


of City of Darien (the "Company")

does hereby certify that (1) the individuals listed below are qualified and acting officers of the Company, (2) the signature appearing opposite the name of each such officer is a true specimen of the genuine signature of such officer, and (3) such individuals have the authority to provide written direction/ confirmation and receive callbacks at the phone number(s) noted below and execute documents to be delivered [to, or upon the request of The Bank of New York Mellon and/or The Bank of New York Mellon Trust Company, N.A. (collectively, "BNY Mellon")]. BNY Mellon may rely conclusively upon the certification of authority of the officers named in this Certificate in connection with all corporate trust transactions to which the Company is a party with BNY Mellon until such time as the Company (i) expressly revokes this Certificate in writing or (ii) provides a revised Certificate, in order to be effective, either must be delivered to BNY Mellon at the addresses provided in the related governing documents."

<u>Name</u>	<u>Title</u>	<u>Signature</u>	<u>Phone Number for Callback</u>
<u>Michael J. Coren</u>	<u>City Treasurer</u>		<u>630-985-0974</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this certificate

as of 3-20-15

 City Administrator

(name of person/title - Note that this may not be one of the officers listed above)

BRYON VANA

This authorization shall remain in full force and effect until canceled, revoked or amended by written notice received by the Trust Company; and replaces and supersedes any previous authorization from Customer to the Trust Company relating to the giving of instructions by facsimile, e-mail or other similar Electronic Methods (but excluding On-Line Communications Systems) and is in addition to all other authorizations. Notwithstanding any revocation, cancellation or amendment of this authorization, any action taken by the Trust Company pursuant to this authorization prior to the Trust Company's actual receipt and acknowledgement of a notice of revocation, cancellation or amendment shall not be affected by such notice.

Customer agrees, to the extent permitted by applicable law, to indemnify and hold harmless the Trust Company and The Bank of New York against any and all claims, losses, damages liabilities, judgments, costs and expenses (including reasonable attorneys' fees) (collectively, "Losses") incurred or sustained by the Trust Company and/or The Bank of New York as a result of or in connection with the Trust Company's and/or The Bank of New York 's reliance upon and compliance with instructions or directions given by Electronic Methods, provided, however, that such Losses have not arisen from the negligence or willful misconduct of the Trust Company and/or The Bank of New York, it being understood that the failure of the Trust Company and/or The Bank of New York to verify or confirm that the person giving the instructions or directions, is, in fact, an authorized person does not constitute negligence or willful misconduct.

This document shall be governed by, and shall be construed in accordance with, the substantive laws (and not the choice of law rules) of the jurisdiction governing the Agreement.

Customer hereby represents and warrants to the Trust Company that this authorization is properly given and has been duly approved by a resolution of its Board of Directors.

Nothing contained herein shall, or be deemed to, alter or modify the rights and remedies of the Trust Company as set forth in the Agreement.

The execution of this document by Customer constitutes acceptance of the foregoing.

Yours faithfully,

THE BANK OF NEW YORK TRUST COMPANY, N.A.

By: \_\_\_\_\_  
Name:  
Title:

Customer hereby accepts and agrees to  
the terms and conditions set forth herein.

\_\_\_\_\_  
City of Darien, Illinois

By: Michael J. Coren  
Name: Michael J. Coren  
Title: City Treasurer

**City of Darien**  
**Minutes of the Administrative/Finance Committee**  
**February 2, 2015**

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The Meeting was called to order by Chairman/Alderman Ted Schauer at 6:00 pm. Committee members Aldermen Joe Kenny and Tina Beilke were present. Treasurer Mike Coren and staff members present included City Administrator Bryon Vana, and Assistant City Administrator Paul Nosek.

**Resolution approving a proposal from Speer Financial dated January 12, 2015, to provide financial advisory services for the advance refunding of the G.O. Bond, Series 2007B and G.O. Bond, Series 2008.**

Staff advised SPEER FINANCIAL, INC has previously provided financial related professional services for the City and Darien Park District. SPEER assisted the City with the issuance of the G.O. Bond, Series 2007B and G.O. Bond, Series 2008. The City has received an unsolicited proposal from BERNARDI SECURITIES for the advance refunding of these bonds. Based on the Administrative/Finance Committee review of this the recommendation is to advance refund only the 2008 with BERNARDI SECURITIES. The 2007B is recommended to be advanced refunded with cash on hand. The refunding of the 2007B will be discussed during the budget meetings. Expected savings, net of all costs of issuance including legal, rating service, and financial consultant, which are paid by the bond issue, is likely to be in the \$60,000 range. Savings is dependent upon interest rate movement. The professional advisory fee to SPEER would total approximately of \$5,300 and be payable only if the bond closes. The Committee approved 3-0 a recommendation to approve a proposal from Speer Financial, dated January 12, 2015, to provide financial advisory services for the advance refunding of the G.O. Bond, Series 2008.

**A motion approving the acceptance of a proposal for auditing services from Sikich.**

Staff advised that each year the City has a financial statement audit done by independent auditors to give the users of the financial statements additional assurance that the City is following generally accepted accounting practices as well as following state laws for reporting. The City has been using Sikich as its auditing firm for the last eight years and has been satisfied with their services. During that time period, we have worked with two different partners and different staff, and we have sought proposals from other firms in 2011. It has been the City's practice to seek requests for proposals from other auditors after each agreed upon contract which was completed with the April 30, 2014 audit. The City has requested proposals for four-year contracts from seven (7) different firms in the area. The City Treasurer has reviewed all of the proposals along with staff and—based on pricing, experience and reputation—has recommended staying with Sikich. The Committee unanimously approved a motion accepting a proposal for auditing services from Sikich.



**Minutes – November 3, 2014**

The minutes of the November 3, 2014, minutes were approved 3-0.

**Adjournment** - The meeting adjourned at 6:43

Approved:

Ted Schauer, Chairman

\_\_\_\_\_

Joseph Kenny, Member

\_\_\_\_\_

Tina Beilke, Member

\_\_\_\_\_