

VILLAGE OF LOMBARD  
REQUEST FOR BOARD OF TRUSTEES ACTION  
For Inclusion on Board Agenda

  X   Resolution or Ordinance (Blue)        *Waiver of First Requested*  
       Recommendations of Boards, Commissions & Committees (Green)  
       Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott Niehaus, Village Manager

DATE: June 10, 2015 (COW)(B of T) June 18, 2015

TITLE: A RESOLUTION AUTHORIZING THE NORTHERN ILLINOIS  
MUNICIPAL ELECTRIC COOPERATIVE (NIMEC) TO SERVE AS THE  
BROKER FOR THE VILLAGE IN REGARD TO OBTAINING BIDS  
FROM ELECTRICITY PROVIDERS AND AUTHORIZING THE  
VILLAGE MANAGER OR DIRECTOR OF FINANCE TO APPROVE A  
CONTRACT WITH THE LOWEST COST ELECTRICITY PROVIDER

SUBMITTED BY: Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

A staff report on this matter is attached.

Staff is recommending that the Village Board approve NIMEC as the Village's broker to seek electricity bids for street lighting and authorization to allow the Village Manager or Director of Finance to execute a contract with the successful energy supplier upon receipt of the bids by NIMEC. Such contracts would be brought to the Village Board at the next available meeting for ratification.

Review (as necessary):

Village Attorney X \_\_\_\_\_ Date \_\_\_\_\_  
Finance Director X \_\_\_\_\_ Date \_\_\_\_\_  
Village Manager X \_\_\_\_\_ Date \_\_\_\_\_

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



To: Scott Niehaus  
Village Manager

From: Timothy Sexton  
Director of Finance

Date: June 10, 2015

Subject: Resolution Regarding Village Participation in Northern Illinois Municipal Electric Cooperative (NIMEC) for the Supply of Electricity for the Medium Sized Street Lighting Accounts

As a result of the deregulation that took place in Illinois on January 2, 2007 for electricity, electricity is now purchased based on market price and Exelon, the parent company of ComEd, no longer is the sole supplier of electricity in Northern Illinois. This has resulted in new electricity suppliers being able to compete against Exelon and as a result, competitive forces now dictate the price of electricity. ComEd had prices fixed for the nine years prior to the end deregulation on January 2, 2007 by the Illinois Commerce Commission (ICC).

Lombard has worked with the Northern Illinois Municipal Electric Cooperative (NIMEC) since 2007 to purchase power for water pumping operations and street lighting. We have had a favorable relationship with NIMEC, as we have enjoyed substantial savings by purchasing power through NIMEC.

NIMEC previously bid out the Village's medium street lighting accounts for the period of July 2012 through July 2015. This current bid is for after 2015. The Village has the option of selecting a 1-year, 2-year or a 3-year contract for electricity. It is anticipated that there will be a slight decrease in costs in this next bid. If that is the case, the current expectation is that we would lock in the longer 3-year term.

Therefore, staff is recommending that the Village Board approve NIMEC as the Village's broker to seek electricity bids for street lighting for up to a three year period. Because of the way the bidding process works, the Village Manager or Director of Finance will need to have the authority to sign a contract with the lowest cost electricity provider within hours of the bids being received by NIMEC. The resolution attached for Village Board consideration directs the Village Manager to engage the services of NIMEC and provides Village Board authorization to allow the Village Manager or Director of Finance to execute a contract with the successful energy supplier upon receipt of the bids by NIMEC. Such contracts would be brought to the Village Board at the next available meeting for ratification.

**A RESOLUTION AUTHORIZING THE  
NORTHERN ILLINOIS MUNICIPAL ELECTRIC COOPERATIVE (NIMEC)  
TO SERVE AS THE BROKER FOR THE VILLAGE IN REGARD TO  
OBTAINING BIDS FROM ELECTRICITY PROVIDERS AND AUTHORIZING  
THE VILLAGE MANAGER OR DIRECTOR OF FINANCE TO APPROVE  
A CONTRACT WITH THE LOWEST COST ELECTRICITY PROVIDER**

**WHEREAS**, the President and Board of Trustees find as follows:

A. On January 2, 2007, the State of Illinois implemented a plan to deregulate Commonwealth Edison;

B. Under the aforementioned deregulation plan, Commonwealth Edison no longer generates electricity for its customers, but continues to provide electric power through its distribution system;

C. As a result of this deregulation, electricity is purchased based on market price and Exelon, the parent company of Commonwealth Edison, no longer is the sole supplier of electricity in Northern Illinois, resulting in new electricity suppliers competing against Exelon, and competitive market forces dictating the price of electricity;

D. During fiscal year 2014, the Village spent just under \$460,000 on electricity, with just under 44% of the total being in regard to street lighting;

E. Since Commonwealth Edison had prices fixed for the nine (9) years prior to the end of deregulation on January 2, 2007 by the Illinois Commerce Commission (ICC), the cost of electricity rose approximately 25% in 2007, according to information received from Commonwealth Edison;

F. Municipalities across the State looked at ways to enter the market to purchase electric power in order to mitigate some of the economic impact of these rising rates, which, on a practical basis, can only be done using a third party who will serve as a broker for the municipalities and has the knowledge and experience to seek bids from the various electricity providers;

G. In September 2006, Village Staff conducted broker interviews and, based on said interviews, Village Staff recommended, and the Village Board approved, that the Northern Illinois Municipal Electric Cooperative (NIMEC) serve as the Village's broker relative to the acquisition of electrical energy for the period of January 2007 through May 2008, due to NIMEC's more reasonable pricing structure, municipal experience, and the fact that NIMEC is a municipal cooperative which will be pooling the energy needs of members of the cooperative in order to secure more competitive pricing based

on higher volumes than can be provided individually to a single municipality; NIMEC also served as the Village's broker since that time;

H. That the cost to join NIMEC was a one time fee of \$100, with the amount of compensation that NIMEC receives, if the Village chooses the NIMEC electricity supplier, being built into the prices bid by the electricity supplier, so there will be no direct payments made to NIMEC by the Village other than the one time fee that was previously paid;

I. That because of the way the bidding process works, the Village Manager or Director of Finance will need to have the authority to sign a contract with the lowest cost electricity provider within hours of the bids being received by NIMEC; and

**WHEREAS**, it is in the best interest of the Village to use NIMEC as its electricity supply broker;

**NOW, THEREFORE, BE IT RESOLVED**, by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, that the Northern Illinois Municipal Electric Cooperative (NIMEC) is hereby appointed as the Village's broker for purposes of obtaining a supply of electricity for the Village's municipal needs for street lighting, and Village Staff is hereby directed to take all actions necessary to establish said broker relationship.

**BE IT FURTHER RESOLVED** that, in light of the time constraints applicable to the acceptance of a competitive bid for a supply of electricity, once the bids are received by NIMEC, the Village Manager or Director of Finance is hereby authorized to sign the contract with the lowest bidder, with Village Staff being hereby directed to place said contract on the first available Village Board meeting following the execution thereof by the Village Manager or Director of Finance, for ratification by the President and Board of Trustees.

**ADOPTED** this 18th day of June, 2015, pursuant to a roll call vote as follows:

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

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

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

**APPROVED** by me this \_\_\_\_\_ day of June, 2015.

\_\_\_\_\_  
Keith T. Giagnorio, Village President

ATTEST:

\_\_\_\_\_  
Sharon Kuderna, Village Clerk

92750000

LOMBARD TIF DISTRICT #1

Township: YORK

2014 Current Valuation: 26,438,161  
 Initial Valuation: 8,410,400  
 Revised Frozen Valuation: 7,705,405  
 Difference: 18,732,756

Residential: 2,515,285  
 Farm: -  
 Commercial: 5,190,120  
 Industrial: -  
 Total Real Estate: 7,705,405  
 Railroad: -

Total: 7,705,405

TIF CODE VALUE	DISTRICT	RATE EXTENDED	TAXES EXTENDED	CODE	VALUE	RATE
	DU PAGE COUNTY	.2057	38,533.28	6191	18,732,756	9.2531
	FOREST PRESERVE	.1691	31,677.09			
	DU PAGE WATER COMMISSION	-	-			
	DUPAGE AIRPORT AUTHORITY	.0196	3,671.62			
	YORK TOWNSHIP	.0531	9,947.09			
	YORK TOWNSHIP ROAD	.0518	9,703.57			
	VILLAGE OF LOMBARD	.6917	129,574.47			
	LOMBARD PARK	.4664	87,369.57			
	HELEN PLUM LIBRARY	.2832	53,051.16			
	GRADE SCHOOL DIST #44	4.4326	830,348.15			
	HIGH SCHOOL DIST #87	2.5824	483,754.70			
	JUNIOR COLLEGE #502	.2975	55,729.95			
	TOTAL		1,733,360.65			