

# Village of Lombard

Village Hall  
255 East Wilson Ave.  
Lombard, IL 60148  
villageoflombard.org



## Meeting Minutes

Monday, April 22, 2019

6:00 PM

### Joint Finance & Administration and Public Works & Environmental Concerns

*Trustee Reid Foltyniewicz, Chairperson;  
Mary Cation, Jim Hogan, David Cain, Jr.,  
Dan Hartweg, Jay Tavian, Ambareen Ahmed,  
Randy King and Michael Himmes  
Trustee Bill Ware, Chairperson;  
Art Kuehl, John Kaforski, Mark Dvorak,  
Mike Kuderna, David Arnold, Joe Glazier, Jr.,  
Robert Bachner and Allen Hennig*

## 1.0 Call to Order and Pledge of Allegiance

The Joint Finance & Administration (F&A) and Public Works & Environmental Concerns Committee meeting of April 22, 2019 was called to order at 6:00 P.M. by Trustee Ware.

The Pledge of Allegiance was led by Trustee Ware.

## 2.0 Roll Call - Finance & Administration Committee

Present: Chairperson Trustee Ware and Trustee Reid Foltyniewicz, Mary Cation, Jim Hogan, David Cain, Dan Hartweg, Jay Tovian, Ambareen Ahmed, Randy King, Michael Himmes, Art Kuehl, John Kaforski, Mark Dvorak, Mike Kuderna, David Arnold, Joe Glazier, Robert Bachner, Allen Hennig

## 2.0 Roll Call - Public Works & Environmental Concerns Committee

Present: Chairperson Trustee Ware and Trustee Reid Foltyniewicz, Mary Cation, Jim Hogan, David Cain, Dan Hartweg, Jay Tovian, Ambareen Ahmed, Randy King, Michael Himmes, Art Kuehl, John Kaforski, Mark Dvorak, Mike Kuderna, David Arnold, Joe Glazier, Robert Bachner, Allen Hennig

Staff Present:, Scott Niehaus, Carl Goldsmith, Tim Sexton, Jamie Cunningham, Scott Gargano

Others Present: Eric Callocchia (MFSG)

## 3.0 Public Participation

None

## 4.0 Approval of Minutes

A motion was made by Michael Himmes, seconded by Mary Cation, that the minutes of June 12, 2018 be approved. The motion carried by the following vote:

**Aye:** 16 - Mary Cation;James W. Hogan;Jay Tovian;David Cain, Jr.;Dan Hartweg;Randy King;Ambareen Ahmed;Michael Himmes;Arthur Kuehl;John Kaforski;Mark Dvorak;Mike Kuderna;David Arnold;Robert Bachner;Joe Glazier, Jr. and Allen Hennig

## 5.0 New Business

[190172](#)

### Water and Sewer Rate Structure Discussion

Eric Callocchia from Municipal & Financial Services Group (MFSG)

reviewed the presentation that was provided in the agenda packet. Below is a summary of the study results.

The results of the study showed that current water and sewer revenues collected are 96% variable (rate x water usage per 1000 gallons) and 4% fixed (bi-monthly service charge and cross connection fee). The study also showed the Village's current expenses are 74% fixed (operations and maintenance, debt, capital) and 26% variable (purchased water and sewer treatment per 1000 gallons).

The current rate structure is highly dependent on customer usage which is steadily decreasing due to water conservation measures and high efficiency appliances. The fixed expenses continue to rise due to inflation and state mandates.

Based on research, MFSG found that best practice is to have at least 15% of the rate fixed. Both decided a 15% fixed fee at this time would be difficult for consumers.

The study evaluated the Non-Home Rule Sales Tax subsidy of the Water and Sewer Fund and the proposed rate structure provides for a draw-down of the subsidy to \$1.7M by FY 2026 just for stormwater costs. Any reduction in the subsidy will result in additional funding available for construction projects.

Eric also provided handouts with three different rate structure scenarios showing the bill impacts based on both Committees feedback at Joint Meeting on June 12, 2018. Trustee Ware stated that a consensus is needed on which rate structure scenario the Village Board should approve.

Eric from MFSG mentioned that the two-tiered structure shown in scenario 3 shifts the balance to larger customers. Trustee Foltyniewicz asked what other fees charged by the Village are higher for commercial. Carl Goldsmith that the Waste Management fees are higher for commercial to subsidize residential.

The Committees discussed at length potential customer concerns and business friendly practices regarding each of the three rate structures presented. Following the discussion, each Committee member was asked to provide which scenario they recommend for approval. Each Committee member chose Scenario 2 as their recommended rate structure to bring the water and sewer revenues to 8% fixed and 92% variable.

The Committees also reviewed the pros and cons of bi-monthly vs. monthly billing and how the proposed rate structures could show on the water billing statement (simple vs. detailed). The members agreed that a

detailed bill would be difficult for both the customer and staff.

Tim Sexton discussed submitting a five-year rate ordinance to the Village Board for approval to lock in rates to make it easier for the customers to budget. Rates would continue to be evaluated annually or as necessary and adjusted as needed.

**It was moved by Cation, seconded by Cain, to recommend to the Village Board scenario two that includes a \$.40 increase per 1,000 gallons of water used and \$5 fixed capital fee per bill effective January 1, 2020, a transition from bi-monthly (every other month) to monthly billing, and a redesigned simple water bill. The motion carried by the following voice vote:**

**Aye:** Mary Cation, Jim Hogan, David Cain, Dan Hartweg, Jay Tovian, Ambareen Ahmed, Randy King, Michael Himmes, Art Kuehl, John Kaforski, Mark Dvorak, Mike Kuderna, David Arnold, Joe Glazier, Robert Bachner, Allen Hennig

## **6.0 Adjournment - Finance & Administration Committee**

**It was moved by Kaforski, seconded by Glazier, to adjourn the meeting at 6:57 p.m. The motion carried unanimously by the following voice vote:**

**Aye:** 16 - Mary Cation; James W. Hogan; Jay Tovian; David Cain, Jr.; Dan Hartweg; Randy King; Ambareen Ahmed; Michael Himmes; Arthur Kuehl; John Kaforski; Mark Dvorak; Mike Kuderna; David Arnold; Robert Bachner; Joe Glazier, Jr. and Allen Hennig

## **6.0 Adjournment - Public Works & Environmental Concerns Committee**

**It was moved by Cation, seconded by Cain, to adjourn the meeting at 6:57 p.m. The motion carried unanimously by the following voice vote:**

**Aye:** 16 - Mary Cation; James W. Hogan; Jay Tovian; David Cain, Jr.; Dan Hartweg; Randy King; Ambareen Ahmed; Michael Himmes; Arthur Kuehl; John Kaforski; Mark Dvorak; Mike Kuderna; David Arnold; Robert Bachner; Joe Glazier, Jr. and Allen Hennig