

**COMMITTEE OF THE WHOLE**

**August 22, 2005**

**7:00 p.m.**

Present: Mayor Burns, Ald. Barclay, DesCoteaux, Flanagan, Hill,  
Maladra, Pawlak, Radecki, Singer, Vogelsberg  
Absent: Ald. Brown  
Also Present: Admin. Page, Asst. Admin. McKittrick, Acting PW Dir. Dinges,  
Dir. Weis, Dir. Aiston, Supt. Buffington, Mgr. Wright, TSS Smith,  
Treasurer McQueeney

The meeting was called to order by Mayor Burns at 7:01p.m.

**3. Items of Business**

- a. Consider Agreement with Baxter and Woodman for Design and Construction Engineering for the Finished Water and Sanitary Sewer Component of the Drinking Water Facility Project in an Amount Not to Exceed \$219,906.00.

**Moved by Ald. Flanagan, seconded by Ald. Barclay to approve.  
Voice vote: 8-1 (Ald. DesCoteaux opposed).**

- b. Consider Recommendation for Contract with RJN Group for Electric Distribution System GIS Conversion in the Amount of \$85,779.00.

**Moved by Ald. Hill, seconded by Ald. Singer to approve.**

Ald. DesCoteaux asked if staff could do this and Acting PW Dir. Dinges responded this would take 100% focus and then other things would have to be dropped. He continued that this is a full conversion and the consultant would work until the end of the year. Ald. DesCoteaux stated then this would be maintenance (yes). Ald. Flanagan asked if this is redundant and Acting PW Dir. Dinges stated that this is GIS software and they would not have to worry about micro stations. Ald. Pawlak asked about the budget authority and Acting PW Dir. Dinges response \$86,000 and further stated that electric is more complex and this firm did the sanitary and storm sewers. **Voice vote: 9-0**

- c. Consider Engineering Agreement with R. H. Anderson and Associates for Design Work on Installation of Countdown Pedestrian Signals at Route 31/Route 38 and Route 38/Third Street in the amount of \$6,418.00

**Moved by Ald. Singer, seconded by Ald. Vogelsberg to approve.**

Ald. DesCoteaux asked since these are State highways shouldn't they contribute and Mr. Smith stated the State does not participate in updating signals as it is

against their policy. Ald. DesCoteaux then inquired about the countdown and how does anyone know how long it takes to cross. Mr. Smith informed everyone that this is a complicated calculation and the safe time is 28 or 29 seconds or 3.5 ft. per second. He further stated that after seven or eight seconds the sign will begin blinking but the pedestrian still has the full 28 seconds to cross. **Voice vote: 9-0**

- d. Consider Acceptance of Financial Statements and Utility Sales Reports for First Quarter Period Ended July 31, 2005.

**Moved by Ald. Barclay, seconded by Ald. Maladra to approve.**

Dir. Weis stated that the City Administrator had asked that graphs be included in the reports and they are in the present reports. **Voice vote: 9-0**

- e. Review Update of Sales Tax/State Income Tax Budget Performance thru August 2005.

No action needed – Review only.

- f. Present June and July Financial Performance Reports for the Electric Generation Facility.

No action needed – Review only.

Supt. Buffington provided a power point presentation covering revenues, expenses, variable expenses and fixed expenses. Statistical data was also included along with the natural gas report and a detailed PJM monthly summary. He stated there were a net income of \$7,144 in June, and a net loss of \$6,877 in July with revenues of about \$566,000 for two months. The 29-megawatt plant is operating at capacity and selling the power it generates on the open market.

Revenue – an offer is made the day before how much we are willing to generate per hour and at what price, the biggest money item is the gas and gas is based on the market price daily. The efficiency of the units and add a start up cost of \$600-\$800 to get the engines on line and up to full load and then mark it up by 10%. The two markets are the day ahead market makes an offer and by 3:30 p.m. they respond if they will take the offer and when we are generating; the other market is the real time market and they have to give what we offer and if the real time market is higher than our offer then we get the real time market expenses. When we generate the expenses are kWh gas and oil and the transportation for gas and the other basis is the hour, whether we generate with one engine or five engines we have an hourly employee there. Maintenance on the offer is based on 30,000 hours which is approximately \$2.03 and that includes any overhauls of the heads. Fixed expenses, which maintain the plant in readiness, are labor, labor for cleaning, and insurance \$54,000 due to the PJM contract it will be increased by

another \$38,000. An additional \$10,000,000 of umbrella insurance also due to the PJM contract and the fixed transportation expenses for storage of inventory and the monthly charge on the gas transportation, the July billing increased by \$51,641 we have a contract with NICOR which is for \$221,000 a year. If we do not use \$221,000 in expenses we have to true up that contract at the end of the year and we only generated April, May, June and July and we true up the contract for \$51,000.

Ald. Pawlak asked what this meant and Supt. Buffington explained this is what they want for the expense of putting the line in. Ald. Pawlak asked about the additional insurance and Supt. Buffington stated that we would have to an additional \$38,000 for additional ten million dollars for umbrella insurance, one time over twelve months.

Supt. Buffington continued stating that the engines have to 130-150 degrees Fahrenheit and electric is used to do that and the heating gas is not in the gas you see it is in the fixed expenses. Scheduled hours 89 in June and unscheduled hours 70 hours what happened that month we were testing and working the bugs out so you will see extra hours there. We are selling the power on the market when we are testing and doing maintenance to get a return but not what we want. Total hours for June 159 hours and availability we have scheduled 89 hours to operate at 29 megawatts in the month of June we only met our schedule 94% of the time and in July that went up.

Ald. Pawlak asked how the transportation costs are calculated and Supt. Buffington stated the Illinois Commerce Commission sets it every year NICOR has to submit a report to set that. The report shows what we purchased, what is available to use after we purchase, beginning inventory from last month and what is available. The final report is the PJM monthly summary, which is a strange report, that comes of the PJM.com web site you can look at the report by day, by hour, price and what we actually did. Ald. Pawlak stated that when it is all said and done we are making money and Supt. Buffington responded in two months we made about \$1,000.

Supt. Buffington asked the Council what they would like to see in future reports. Mayor Burns stated a better question would be what does the citizens of Geneva that paid for this want out of this report. He continued has the generating facility produced as expected (yes), are we actually burning money in our investment (yes), not as much as we would like. Mayor Burns then asked who make the final bid at 9:30 a.m. and Supt. Buffington stated it is on automatic by watching the prices and he has complete override authority. Ald. Pawlak asked what are critical months to make money and Supt. Buffington responded June, July and August. Ald. Pawlak then asked we are going to have to figure what is this going to cost to operate in the winter months, fixed costs, variable costs and what we have to generate in June, July and August to determine if this is feasible and Supt. Buffington stated give it one year (yes). Mayor Burns inquired about the \$800 it

takes to warm the engines, is that for the whole unit or per engine and Supt. Buffington responded that is for the whole plant. He continued it takes 9 min. for each engine to pick up a load so we are up and running from 15-20 minutes, on off hours the plant is turned on at the Public Works building and then the lead man on call sits with the plant and does the inspections. Supt. Buffington stated the linemen have been trained to do this and Hal, Jennifer or myself are called when the plant is dispatched so we are aware of that and we are aware when it is shut down the person on call does that. Ald. Pawlak asked about projections on the oil market and Supt. Buffington stated when the energy market is moving up and it all moves up together and trend will continue upward. We plan on bumping the price up 5% and see what that does. Ald. DesCoteaux asked if this is too much of a burden and Supt. Buffington that the secretarial staff needs to be increased by one part-time position and that is where the pressure is.

Admin. Page stated that this report is more detailed because it is the first one and others will provide summaries. Ald. Vogelsberg stated that the power point was perfect for the summary. Dir. Weis stated the City does not have all the cash in from its electric sales as it lags and more profit will show in the future months as payments for power sold come in.

h. Accept Electric Outage Reports for First Quarter Ended July 31, 2005.

This item was removed from the Consent Agenda by Ald. DesCoteaux. Ald. DesCoteaux asked Supt. Buffington how accurate an article that appeared in a newspaper was on power outages and asked what positive steps are being taken to remedy this problem. Supt. Buffington responded that this year the system has been stressed and his department would be adjusting profits to address substations. He continued that some of the outages were Com Eds, but the staff is working to make a change so that the power comes back on quicker and he will coordinate to see that less people are affected. Each time the power goes out 5,000 to 6,000 customers per substation are affected. Some of the things to remember is that it takes travel time for someone to reach the substation and to evaluate the problem and then correct the trouble. He further stated that eight engineers have worked on the stations, which give eight logics, and he is trying to build for the next thirty years.

Mayor Burns stated that major industrial users could sign up for an Internet link to find out the location of the failure and the estimated time to bring the power back up. He concluded by stating it is a good system.

**Moved by Ald. Barclay, seconded by Ald. Hill to recommend approval.  
Voice vote: 9-0**

i. Accept Cash Investment Report for Period Ended July 31, 2005

**Approved by Consent Agenda.**

**4. New Business**

Asst. Admin. McKittrick reminded the Committee that there would be a Home Rule meeting at 7 p.m. on Monday, August 29, 2005.

Mayor Burns gave kudos to the Geneva History Center Fund Raiser Committee, which raised \$25,000 from the event.

**Moved by Ald. DesCoteaux, seconded by Ald. Hill to adjourn to Closed Session at 8:11 p.m.**

g. Closed Session on Property Acquisition.

**Moved by Ald. DesCoteaux, seconded by Ald. Flanagan to return to Open Session at 8:55 p.m.**

There being no further business to come before the Committee, moved by Ald. DesCoteaux, seconded by Ald. Hill to adjourn. The meeting adjourned at 8:56 p.m.

**5. Upcoming Meetings**

Geneva Business Committee on August 16<sup>th</sup> at 5:30 p.m.

Strategic Plan Advisory Committee (SPAC) on August 17<sup>th</sup> at 7:00 p.m.

Committee of the Whole on September 12<sup>th</sup> at 7:00 p.m.