

Village of Fox Lake
Finance Committee Meeting
April 8, 2008
6:00 p.m.

I. Call to Order

The Meeting was called to order at 6:00 p.m.

II. Roll Call

Present were Chairman Ulasz, Trustee Bender, Trustee Murrey, Trustee Kiesgen, Trustee Working and Trustee Koske. Also in attendance were Mayor Irwin and Treasurer Paul Christensen.

III. Approval of Prior Meeting Minutes

Chairman Ulasz asked if there were any questions or clarifications to the minutes of March 25, 2008. There were no additional comments, the minutes will stand as presented.

IV. Bills to be paid

Chairman Ulasz asked if there were any questions regarding the bills to be paid in the amount of \$238,471.43. Chairman Ulasz stated there were no questions or comments, the bill list will stand as presented.

V. Ratification of Manual Check List

Chairman Ulasz asked if there were any questions. There were no questions or comments, the manual checklist will stand as presented.

VI. Old Business

None

VII. New Business

Electricity Procurement for Local Water and Sewer and NWRWRF

Paul Christensen passed out some information packets to the Board of Trustees. He stated, as I am sure everyone remembers about 18 months ago ComEd deregulated power in the State of Illinois. At that time we had gone out for proposals for electricity. We had received favorable rates; it was a 3-4 % increase or 5.2 cents per kilowatt. Our 18 months are up as of May 1st, we have been working on this and we had hired a consultant to start looking at this on our behalf. The gray graph that I provided show the energy cost increasing, which we all know has seen a significant increase. We have gone out and gotten proposals; if we entered into a one year contract at this time, we would be looking at a 37% increase, remember when we are talking about the electricity we are talking about the Local Water and Sewer and Northwest Region Departments. The Consultant has stated we are seeing historically high prices for electricity and gas.

We have looked at a number of options; this is what we (myself, Trustee Murrey, Supervisor Vella and the Consultants.) are proposing not to lock in the high rate at this time. In some part it is a gamble or calculated risk; the general consensus of the consultants that they would advise not to lock into historical high rates. There is a chance in 6 months that we wish we had locked it in, but the general consensus is that the market will decrease. We are recommending at this time to go out for a 6-month window that will get us past the summer months. We will continue to look at this market; we do not have to wait out the 6 months before we lock in another rate. The plan would be to look at this in another 3 months.

Essentially if we go with the plan of 6 months, to be able to be in the same spot had we locked in the 24 months we would have to see a reduction of 6.4%. We would be looking at the cost of \$63.70 as a break-even point for the 24 months. Trustee Murrey stated the consensus is the 6 months and we will continue to review it; should we see a dramatic decrease in the cost we could call for a Special Board Meeting to pass this ordinance to get the lower prices. Trustee Murrey stated we should address this on a monthly basis, Paul stated every month or two he would provide the graph for your review.

VIII. Committee Comments

None

IX. Audience Comments

None

X. Adjournment

There being no other business to discuss the Committee Meeting was adjourned at 6:10 p.m.

Carol Ward
Deputy Clerk