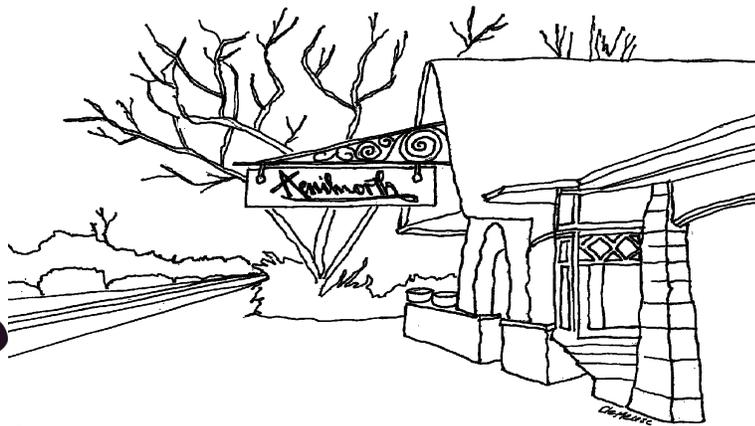


Village of

Kenilworth



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Village President
Fred G. Steingraber

Village President's Message—Vol. XIII

June 2012

Dear Fellow Residents,

Our summer is about to begin and a multitude of telltale signs confirm this, including the greening-up of our lawns, trees and parkways, the beautification seen in the color of our gardens and yes, the construction work underway on our streets, curbs, and sidewalks!

The changing of seasons is also a helpful reminder that it is time to bring you up-to-date on Village initiatives — our progress and plans ahead.

Financial Results

To begin with, I am pleased to report that on April 30, Village of Kenilworth completed the third fiscal year in a row of achieving a financial surplus in our General Operating Fund. Both our revenue and expense numbers were favorable to budget. We will have the audited numbers available in August, but were eager to share this news with you.

After extensive review the Board of Trustees has unanimously approved a change in our fiscal year (currently May 1 — April 30) to a calendar year (January 1 — December 31). We are doing this for several reasons:

- After the initial abbreviated fiscal year (May 1 — December 31, 2012) we will have a fiscal year fully aligned with the annual property tax revenue year. This will eliminate reconciling property tax receipts with Village expenses over two separate fiscal years.
- The Village Board will be able to review the tax levy and budget recommendations at the same time, providing a more holistic picture.
- The State of Illinois fiscal year runs from July 1 to June 30. Currently, if the State reduces shared revenue programs with the municipalities, we do not learn this until after our fiscal year budget is finalized. With a new fiscal year aligned with the calendar year, the Village will learn of any State funding changes at the same time the Village is beginning work on the next budget.



Fred G. Steingraber
Village President

- We will be in a position to budget for construction work in a more timely and effective manner. This will allow us to go out for bids in the winter instead of in the late spring or early summer so we can carry out the work in the summer in the same year for which we have a budget. This will also help to lower our construction costs.
- Since we will only have an 8-month fiscal year during the first year of this changeover (May 1 — December 31, 2012) we will only receive one-half of the property tax revenue in this shorter transition year (not two-thirds or 8-months of revenue). As a result we will run a deficit in this changeover partial year, but certainly expect to return to a balanced budget in the following full twelve-month year (January 1 — December 31, 2013).

Electricity Aggregation

During the March primary election, Kenilworth residents approved a referendum authorizing the Village to pursue an electricity aggregation program. The Village was highly supportive of this referendum, with over 80% of Kenilworth voters in favor of proceeding. This represents one of the largest margins of support among the more than 300 municipalities throughout Illinois that voted on electric aggregation referendums. In electrical aggregation, the Village bundles residential and small commercial electrical accounts and bids out the supply of electricity to an alternate retail electric supplier in hopes of obtaining lower electrical rates than currently available through ComEd. The objective of aggregation is to decrease your electricity bills.

Kenilworth Village staff has been engaged in extensive discussions with the Village of Wilmette to partner together on the aggregation program. Staff believes a partnership between the two Villages will enable even lower electrical rates than if either Village acted alone. Purchasing electricity together allows the lower unit costs associated with operating the aggregation program to be the same among the two communities and improves the ability for both Villages to contract for lower rates because of greater economies of scale.

Some residents have expressed an interest in the possibility of securing renewable energy as part of Kenilworth's aggregation effort. After speaking with municipalities that have already implemented electric aggregation programs, the Village staff has recommended that we provide an option to procure renewable energy in the bidding process. Thus, there will be four bidding options the Village Board will be considering:

- The best available price per kilowatt hour with the minimal renewable portfolio standards as set by the State (currently 7%).
- The available price for 100% renewable energy for all participants in the Kenilworth/Wilmette aggregation program.
- The price for 50% renewable energy for all participants in the Kenilworth/Wilmette aggregation program.
- The price for renewable energy credits that can be purchased by individual participants in the Kenilworth/Wilmette aggregation program at their discretion (thus enabling individual residents and businesses to choose renewable power at their option).

There will be no requirement for residents to participate in aggregation. Any resident may "opt out" of the program and choose to purchase electricity from any supplier. The Village will be providing all residents the opportunity to "opt out" after the bids are received and the electric rates and identity of the alternate supplier are made public. ComEd will also send letters to all customers confirming their enrollment in the aggregation program before the switch is made and explaining the necessary steps if residents wish to remain with ComEd.

A few other key points to remember:

- All customers will continue to receive one electric bill from ComEd. The bill format will also remain the same. Electric bills are composed of three sections: supply, transmission, and distribution. Aggregation will only effect the "Electricity Supply Charge" line of your ComEd bill. Even if a lower aggregated rate is purchased for *supply*, ComEd will remain your electricity *distributor*.
- Regardless of the electricity supplier, ComEd will remain the entity that handles all service related issues such as outage reporting, billing questions, and emergency repairs.
- If you have already signed up with an alternate retail electrical supplier on your own, you would not be switched over to the Village aggregation plan. Upon termination or expiration of your individual contract, you may then be eligible to switch over if you choose to do so.

Aggregation in other communities has been shown to reduce electricity costs as much as 20%-30% and this effort should be a rewarding endeavor for participating residents. The Village will be keeping all residents informed of this ongoing process.

Improvements to the Green Bay Road Corridor

As you know, earlier this year we announced the receipt of a RTA Planning Grant for improvements to the Green Bay Road commercial areas. I am pleased to report that Houseal Lavigne has been selected as the planning consultant to facilitate the Kenilworth Corridor Transportation and Streetscape Plan. Houseal Lavigne is the same consultant that helped to assemble the 2008 Village Comprehensive Plan, so they have a clear understanding of the values and character of Kenilworth. The result of this plan will provide a guide to the community for potential changes in existing land uses, infrastructure improvements and enhancements, including parking for the redevelopment of the Green Bay Road Corridor into a pedestrian-oriented area with commercial and mixed-use development. Work on this detailed streetscape and revitalization plan is expected to begin in July and will include interviews with various stakeholders.

Improvements Through Greater Intergovernmental Collaboration

The Village has worked diligently in the past three years to reduce costs while maintaining service quality and standards, through greater collaboration with other municipalities. This includes shared services, joint procurement and outsourcing. The services include street sweeping, tree removal, tree trimming, parkway tree replacement, park lawn mowing and maintenance, street rebuilding and resurfacing, curb and sidewalk repair and replacement, insurance costs and public safety task forces. In addition, we continue to outsource our fire and ambulance services, and exploring the potential for shared police dispatch services, and the possible outsourcing of our water production.

The collaboration on joint procurement has ranged from the Village working with one or two municipalities to an intergovernmental risk management pool consisting of 71 entities. Kenilworth Village staff are working with a core group of 20 plus communities to discuss joint initiatives.. For example, the current curb and sidewalk program includes five communities (Cary, Glencoe, Glenview, Grayslake and Kenilworth), and the current 2012 Pavement Improvement Program involves four communities (Glencoe, Glenview, Northbrook, and Kenilworth).

Longer Term Issues

As a result of the above mentioned initiatives, we estimate we are already saving about \$250,000 per year, equal to more than 10% of the Village General Fund Property Tax Levy. This doesn't include the savings on capital projects where we have the benefit of joint procurement contracting. In essence, "more saving, more doing". As a result of the above initiatives, we have pretty well "picked the low hanging fruit!" The real challenge going forward has to do with a very outdated Village infrastructure and very limited revenue sources.

As for the infrastructure issue, we have now completed a study with the engineering consultants Baxter and Woodman looking at our streets, sewers, fire hydrants, water mains, curbs, street lighting, etc. This has provided us with a more informed view of the risks, costs, priorities, and appropriate sequencing required when undertaking any such work. As for revenue sources to cover these and other matters, we are currently reviewing our options.

As a result, we have sent out a "save the date" notice inviting residents to a meeting on June 25 or June 28 to share with you the background on these challenges and some possible opportunities for addressing them. The meetings will be held at the Kenilworth Assembly Hall, starting at 7:00 p.m. Since seating is limited we kindly request your RSVP to the Village at 847-251-1666 or info@villageofkenilworth.org as soon as possible.

Village Manager Announcement

As you are aware, last week our Village Manager, Brad Burke, notified us of the new appointment he has accepted in Lincolnshire. This is a "bitter-sweet" event given the outstanding work he has done for the Village over the last six years. I am especially aware of how effectively he has worked in his role as Village Manager in Kenilworth and the energy with which he pursued many new initiatives, especially as it relates to the past three years when we worked together. This opportunity is indeed a deserving recognition for his accomplishments in Kenilworth and presents Brad with an exciting and larger challenge. Lincolnshire has a population three times the size of Kenilworth and a very significant business, commercial, and hotel community where he will have an opportunity to apply and test all of his skills and capacity. In addition, it is located in close proximity to his home and will give him greater opportunity to spend time with his family in the evenings.

Brad leaves behind a substantially improved Village operation and a good team that works well with our boards and commissions. Brad will continue in his role as Village Manager through August 10th. We will be having a farewell reception for Brad in early August at the Kenilworth Assembly Hall at 5:00 p.m. Additional information will be sent out later in the summer. Please try to make plans to attend and join us in thanking Brad for a job well done.

The Board of Trustees has already commenced a process for dealing with Village Manager Burke's succession, which includes:

- Forming a Search Committee of the Board of Trustees.
- Appointing Trustee Jim Hughes as Chairperson of the Search Committee.
- Meetings to identify a search consultant.
- Interviewing, checking references, and selecting a search consultant (Voorhees Associates) with significant experience, a wide network outreach, good understanding of our community and Village culture, appropriate guarantees, and significant work in public service, including the consultant having served as a Village Manager in Wilmette for 10 years.
- Putting together a list of key initiatives which are in process in the Village and which we should be targeting for completion before Village Manager Burke's departure, as well as identifying those longer term items which will require transfer of responsibility prior to Brad's departure.

Conclusion

As I hope you can tell from this newsletter, we continue to make progress on our key goals and projects while results continue to improve. At the same time, we continue to identify new challenges and needs. As a result, we have a lot of moving parts in this equation.

We believe we are at an inflection point where the Village needs to move beyond just reacting effectively and successfully to problems. We need to preempt and prevent problems. To do this properly will require greater understanding and longer term commitment. Most importantly, this means we need to attempt to bring residents up to the same level of knowledge we believe we have so you feel you can trust and rely on us to deal with these issues effectively and responsibly.

Ideally, we need more residents to volunteer from time to time to serve on one or the other of our Boards, Commissions, and/or ad hoc working groups. And, of course, we strongly encourage you to attend one of our upcoming public meetings on June 25th or 28th. We invite you to go onto our website, read our e-mail messages, and participate in Village survey's. This is all part of the structure necessary to keep the social fabric of the Village informed, engaged, and strong.

As always, I am most grateful for your interest and support as we strive to keep Kenilworth a vibrant, fiscally responsible and preferred community!

Sincerely yours,



Fred G. Steingraber
Village President
Village of Kenilworth



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**Village President' Message
Enclosed**

Upcoming Meetings

**For more information, see the Village's website,
www.villageofkenilworth.org**

- **Monday, July 9 - Zoning Board of Appeals - 7:30 p.m.**
- **Tuesday, July 10 - Finance Committee - 6:30 p.m.**
- **Wednesday, July 11 - Plan Commission - 7:30 p.m.**
- **Thursday, July 12 - Park Board - 5:00 p.m.**
- **Monday, July 16 - Village Board - 7:30 p.m.**
- **Wednesday, July 18 - Architectural Review Board - 7:30 p.m.**