



SOLID WASTE AGENCY OF LAKE COUNTY, IL

**MEMORANDUM**

To: Glenn Ryback, Chairman, Executive Committee  
From: Walter S. Willis, Executive Director *WSW*  
Subject: July 2015 Meeting Notice Information  
Date: July 10, 2015

Attached you will find the agenda for this month's meeting, the minutes from the June 2015 meeting, and the referenced consent, action and information items. The Executive Committee will also be conducting my annual review at this meeting.

Please let Amy Bartemio know if you will be attending and what your lunch order is.

**SOLID WASTE AGENCY OF LAKE COUNTY, IL**

**EXECUTIVE COMMITTEE**

**Thursday, July 16 2015 12:00 Noon**  
**1311 N. Estes Street Gurnee, IL 60031**

1. CALL TO ORDER..... Chairman Ryback
2. ROLL CALL ..... Secretary
3. APPROVAL OF MINUTES  
*June 4, 2014*
4. NEW AGENDA ITEMS
5. PUBLIC COMMENT ON AGENDA ITEMS
6. EXECUTIVE COMMITTEE ITEMS ..... Chairman Ryback

**Consent Item**

1. Expenditure Report (*June 2015*)

**Action Items**

1. Public Officials Liability Insurance Renewal
2. Policy for Accepting Pharmaceuticals from Non-SWALCO Members
3. Proposed Increase in SWALCO's Executive Director's Payment Authority

**Information Items**



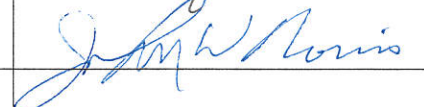

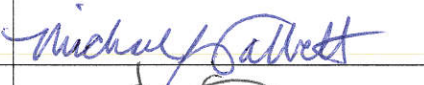


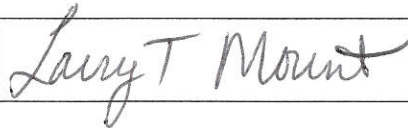
1. Project and Program Updates

7. EXECUTIVE SESSION – *Executive Director Annual Review*
8. ADJOURNMENT

**SOLID WASTE AGENCY OF LAKE COUNTY (SWALCO)  
EXECUTIVE COMMITTEE**

SIGN IN SHEET

June 4, 2015

COMMUNITY	REPRESENTATIVE	TITLE
ELLIS		VILLAGE MANAGER
MANDEL		LAKE COUNTY BOARD
MUETZ		VILLAGE ADMINISTRATOR
NORRIS		MAYOR
RYBACK		MAYOR
SOTO		MAYOR
TALBETT		VILLAGE ADMINISTRATOR
WAGENER		TRUSTEE
WARDA		SENIOR PLANNER
MOUNT		SWALCO BOD CHAIRMAN

		SWALCO EXECUTIVE BOARD VOTING RECORD/06.04.15							
REPRESENTATIVE		<i>Consent - April 2015 expenditures</i>		<i>Veolia Inv. - HCN mobile Event / VH</i>		<i>ECM Recomm. 130k for Elect. Recycling until 12/31/15 - Discontinue if NOT FUNDED</i>		<i>NO ACTION ITEM I-3</i>	
Attendance		A	N	A	N	A	N	A	N
MIKE ELLIS (20)	X								
STEVEN MANDEL	✓	✓		✓		✓			
PATRICK MUETZ	✓	✓		✓		✓			
JOHN NORRIS	✓	✓		✓		✓			
GLENN RYBACK (20)	X								
LINDA SOTO	✓	✓		✓		✓			
MICHAEL TALBETT	✓	✓		✓			✓		
JOHN WAGENER	✓	✓		✓		—			
NIMROD WARDA	✓	✓		✓		✓			

(7) *Quorum*    (7) *Consent*    (7) *Consent*    (5) *Consent*

J. Wagener left @ 1:37 / before informational item discussions were concluded.

# PUBLIC SIGN-IN SHEET

(Executive Committee Meeting)

Name

Address

Representing

	none	

Date: 06/04/15



SOLID WASTE AGENCY OF LAKE COUNTY, IL



## MINUTES

### SOLID WASTE AGENCY OF LAKE COUNTY, IL EXECUTIVE COMMITTEE

Thursday, June 4, 2015 12:00 NOON  
1311 N. ESTES STREET, GURNEE, IL 60031

#### CALL TO ORDER

Vice Chairman Talbett called the meeting to order at 12:03 pm with 7 members present.

#### APPROVAL OF MINUTES

Motion by *Pat Muetz* seconded by *Steven Mandel* to approve the Executive Meeting minutes of 04/16/2015.

#### NEW AGENDA ITEMS

#### PUBLIC COMMENT

*None*

#### EXECUTIVE COMMITTEE ITEMS

*None*

#### CONSENT ITEM

Expenditure Report (April 2015).

Motion by *Linda Soto*, seconded by *John Norris*.

*Motion was approved.*

#### ACTION ITEMS

##### 1. Fiscal Year 2014 Audit

Walter Willis gave a brief update of the FY 2014 Audit including requirements and suggestions provided by Baker Tilley Virchow Krause, LLP. The audit was found to be satisfactory and did not contain any material weaknesses in our financial reporting.

Motion by *Linda Soto*, seconded by *Steven Mandel* to accept SWALCO's 2014 Fiscal Year Audit which will be presented to full board in August for approval.

*Motion was unanimously approved.*

##### 2. IMRF, Change in Authorized Agent

Walter Willis gave a brief review and recommendation to change the Illinois Municipal Retirement Fund (IMRF) authorized agent from Larry Clark to Walter Willis. Larry Clark, SWALCO's legal counsel, is currently the authorized agent for SWALCO's IMRF account. As such, important communication from IMRF is sent to Mr. Clark, who then must send it on to SWALCO. In order to "remove the middle man" it makes more sense for a SWALCO employee to be the authorized agent with IMRF. It also makes sense that the authorized agent be SWALCO's Executive Director so that important information regarding our annual contribution rate and audit related information is sent to the person (i.e., the Executive Director) who is responsible for SWALCO's annual budget and its annual audit.

Motion by *John Norris*, seconded by *Nimrod Warda* recommends the approval to change the IMRF authorized agent.

*Motion was unanimously approved.*

**3. Revised Capital Replacement Policy & New Cash Balance Policy**

Walter Willis provided summaries and recommendations regarding the revised Capital Replacement Policy and new Cash Balance Policy.

The existing Capital Replacement Policy Our facility is now 13 years old and many of the costs shown in the table are now growing closer as the expected life expectancy of many key features of our facility are now met or soon will be. Maintenance of the facility is diligent and this will pay dividends as key items will likely be functional beyond their life expectancy, it is only a matter of time before substantial replacement costs incur. Given that the cash balance at the beginning of this fiscal year was approximately \$2.2 million, now is the appropriate time to recommend we transfer money from this account to the Capital Replacement Fund.

The Cash Balance Policy Over the past three years the SWALCO Board of Directors has approved the expenditure of \$80,000 for the RecycleFirstTrashLast education campaign and more recently the expenditure of \$200,000 to keep SWALCO's electronics recycling program operating into 2015. Such expenditures have created a need to have a formal policy regarding the appropriate cash balance that should be maintained by SWALCO for fiscal prudence, so that future expenses, either budgeted or unbudgeted, can be evaluated in relation to a cash balance policy, which we currently do not have. Approval to increase the balance of the Capital Replacement Fund to \$500,000 will help address concerns related to exposure to one-time outlays and the potential for other funds to drain the cash balance. By having such a reserve in the Capital Replacement Fund we minimize our exposure to one-time costs related to our facility by having the money allocated to pay for future replacement needs.

Motion by *Linda Soto*, seconded by *Patrick Muetz* to recommend approval of the increased set aside for the Capital Replacement Fund, and for the establishment of the recommended Cash Balance Policy which will be presented to full board in August for approval.

*Motion was unanimously approved.*

**4. Veolia HCW Invoice**

Steve Nelson presented Invoice No. 512819155 from Veolia Environmental Services. The invoice covered services provided at the Vernon Hills HCW Collection event held on May 16, 2015.

The invoice amount, totaling \$12,057.50, exceeds the payment authority of the Executive Director and was presented for payment approval

Motion by *Steven Mandel*, seconded by *Linda Soto* to recommend approval of invoice for payment.

*Motion was approved on a roll call vote of 7 to 0.*

**INFORMATION ITEMS**

**1. HCW Program Update**

Steve Nelson provided a summary of the HCW Program. To date, SWALCO has conducted 13 of the 30 Household Chemical Waste (HCW) collection events proposed for FY 2015. The Program continues to operate smoothly, participation rates remain solid and waste volumes have increased. The public drop-off events continue to take place year round while the mobile events started up in April and will conclude in November.

A new addition to the HCW Program is the Pharmaceutical Segregation program which started up in February. To date, we have conducted six Pharmaceutical Segregation "events" which occur monthly at our facility. The total pounds of pharmaceutical delivered exceeds 4200 lbs, the total volume of controlled collected is 29.70 lbs. with an estimated street value of nearly \$340k.



2. **1st Quarter 2015 Recycling and Per Ton Payment Report**

Pete Adrian gave a brief report of tabulations of curbside recyclable material tonnage and recycling, by member community for the first quarter of 2015. The first three months of 2015 illustrate that 12,904.15 tons of recyclables were collected from Lake County communities. Compared to previous year's first quarter totals, Lake County communities have experienced a 4.5% decrease in recycling volume as compared to the same period of 2014 (13,516.45 tons). Waste generation rates also declined during this same period, though slightly less (2.4%). Overall, the volume of both waste and recycling collected during this period has declined by nearly 3% from the same period of 2014.

Staff attributes the decline in both streams to extreme weather conditions in the first quarter of 2015. Market values, for all recyclable commodities are at 5 year record lows. This trend has unfortunately continued into the second quarter. Due to this weakening, Agency Member Per Ton Payments, declined to \$4.50 per ton for January and then dropped to zero for February and March. Staff does not expect a rebound in the market to occur in the second quarter.

With the index dropping below \$65 for February and March, the Agency will only receive the \$1 per ton education bonus from Waste Management Recycle America for the volume directed to them during the month January (\$3,520.52).

3. **1st Quarter 2015 Residential Electronics Collection Program Summary**

Pete Adrian gave a brief report of tabulations of residential electronics collections. In summary, staff has transitioned the program to split the six sites between our two vendors while also converting to a lower cost structure. The results of these transitions have lowered our average per pound cost from an average of \$0.12 per pound to \$0.11 per pound. At first look this does not seem to have made much impact, but considering the \$0.01 per pound reduction occurred while the OEM subsidy of \$0.04 per pound ended. The conversion to a lower cost structure has resulted to be an approximate 20% savings.

Utilizing current cost estimates, staff predicts that the remaining program budget balance will be exhausted by early August. Staff estimates that to maintain the current level of service through the end of the year, an additional \$130,000 would need to be allocated to support this program at current levels.

As of now, legislative relief is difficult to predict, however, staff continues to discuss the future of the program with our vendors while also exploring other options. Some options include; continued efforts to reduce cost with our current vendors, searching for new vendors that can support the program at lower cost and site closures.

*This information item expanded into an action item as the discussion progressed among attendees. A concession among members and SWALCO staff recommended the extension of the electronics collection program until December 31, 2015, if a viable contract is not in hand by the November Board of Directors meeting, the program will be cancelled. Funding will be provided from SWALCO's reserve fund, not to exceed \$130,000, unless other options become available.*

Motion by *Steve Mandel*, seconded by *John Norris* to approve and recommend to the Board of Directors that the Agency extend the electronics recycling program until 12/31/15 and not exceed \$130,000 in additional funding and to discontinue the program in 2016 if SWALCO cannot obtain a no-cost contract for electronics recycling services.

*Motion was approved on a roll call vote of 5 to 1*

4. **Recycle-O-Rama Event, June 2015**

Merleanne Rampale gave a brief summary of the upcoming event. On Saturday, June 20, 2015 SWALCO will sponsor a community recycling and shredding event at the Westfield Hawthorn Shopping Center in Vernon Hills, with Rep. Carol Sente and her staff, the Vernon Hills Park District, Village of Vernon Hills and Westfield Hawthorn. This is a residential event (no businesses). Confirmation with full list of items that will be collected that day, and details including time and other information will be announced soon. A flyer and info will be sent to all of our



Directors and member communities. Electronics will not be collected at this event. We plan to handout information to participants that come through on other recycling opportunities.

5. **Project and Program Updates** – *Brief Updates Given by Walter Willis*

Walter Willis provided summaries and updates regarding several projects and programs we are currently working on:

- Not including data from the May 28<sup>th</sup> pharmaceuticals collection we have processed 3,534 pounds of drugs from local law enforcement with nearly 27 pounds being controlled substances with an estimated street value of over \$285,000. We now have 24 local police departments in Lake County collecting pharmaceuticals. SWALCO was recently contacted by McHenry County about helping them dispose of drugs collected in that county. This issue of outside entities wanting to utilize our facility is a topic we plan to discuss in more detail with the Executive Committee on June 4<sup>th</sup>.
- Walter Willis attended the mandatory pre-bid meetings held by Highland Park and Highwood on their joint commercial franchise RFP and joint residential franchise RFP. Proposals are due on June 12 (residential) and June 26 (commercial). The commercial franchises have been implemented in Deerfield and Bannockburn (May 1) with very few complaints or issues and the final one is Gurnee beginning August 1. Walter is also providing assistance to Antioch and Vernon Hills on their residential contracts.
- To date 5 members have contacted Walter or expressed interest in passing the commercial franchise ordinance. Walter attended a meeting in Round Lake Beach on May 18<sup>th</sup> and the Finance Committee recommended placing the ordinance on its calendar for action at the June Village Board meeting with a favorable recommendation.
- SWALCO recently had an upgrade to its internet connection and now has much faster access to the internet. With this done, we will be transitioning to a new phone system as well with new phones that have already been purchased. We are still using the original phones we have had since opening this office. Amy Bartemio has been attending meetings Lake County has held to select a new website vendor. This will be a big change for all Lake County departments and for SWALCO as the County changes its software and support approach to website content management.
- The Lake County Board recently approved substantial revisions to the County's compensation and classification plan and policy. The intent is to provide a better method for employees to receive pay increases and job growth through recognition of exemplary performance. Walter attended a meeting with the HR department on May 20<sup>th</sup> to learn more about the program and its impact on SWALCO's employees. The new program will begin next year, this year's review process will continue as in the past. All employees will have new pay grade numbers and pay grade ranges, some of which will impact our budgeting for salaries in the coming years. Lake County HR will be scheduling a meeting to go over the new compensation and classification policy with SWALCO's employees in the near future.
- The electronics bill (HB 1455) passed both chambers with unanimous votes. We have asked that Speaker Madigan send the bill to the governor without waiting the 30 days allowed, to date the bill has not been sent yet. Pete Adrian has obtained a proposal from a new vendor that we intend to discuss with the EC in more detail on June 4<sup>th</sup>, at that time we will also update the EC on when we expect the \$200,000 in funding to expire and what steps to take if HB 1455 does not provide the expected relief. To assist with the long term legislative fix to the electronics law Walter Willis intends to provide funding of \$1,000 to the Product Stewardship Institute (along with other units of local government) to provide assistance this summer and fall during the process the IEPA will initiate to get feedback on the current law and to work towards a long term fix. This funding will be taken from the contingency line item in the 2015 budget.
- Walter is moderating a session on waste reduction at the College of Lake County's 5<sup>th</sup> Green Conference on May 27<sup>th</sup> and will giving a presentation on Lake County's food scrap composting efforts at the Midwest Compost School Conference in Lake Zurich during the evening of June 2<sup>nd</sup>.
- On April 27<sup>th</sup> Senator Bush convened a meeting on carpet recycling that was attended by over 25 people from the carpet industry, recyclers and local government (including Steve Mandel, John Norris and Linda Soto). This meeting will be followed up with another meeting on June 17<sup>th</sup> in Chicago where we hope to develop a more detailed plan for increasing carpet recycling in IL and nearby states. Senator Bush has been very helpful in this effort and has stated she will not pursue legislation as long as this voluntary effort produces meaningful results.

***NEXT EXECUTIVE COMMITTEE MEETING:*** Thursday, July 16, 2015 - 12:00 p.m.

***NEXT BOARD MEETING:*** Thursday, June 25, 2015 - 7:00 p.m. Hainesville Village Hall,  
100 N. Hainesville Road, Hainesville, IL 60030

***ADJOURNMENT (1:43 p.m.):*** Motion by *Nimrod Warda*, seconded by *Linda Soto* to adjourn.  
*Motion was approved.*

**Consent - 1. Expenditure Approval**

**ISSUE:** Approve Expenditures

**RECOMMENDATION:** I recommend approval

**TIMING:** Routine

**BACKGROUND:** The Board of Directors authorized the Executive Director to pay expenditures under \$10,000. The Executive Director submits the monthly expenditures to the Board for approval.

The total for Administration \$44,481.47; Education \$1,770.56 Household Chemical Waste \$24,668.74; Recycling \$8,904.61; ***Total expenditures for June 2015 - \$79,825.38***

**ENCLOSED DOCUMENTS:** BOSS Account Analysis Report

**STAFF:** Walter Willis, Executive Director  
Amy Bartemio, Executive Office Manager



## SWALCO - June 2015 EXPENDITURE BUDGET

SWALCO \- Solid Waste Prog-SWALCO Administration-Regular Salaries And Wages----			
Budget Amount:	351,087.960	Funds Available:	150,632.85
		Beginning Balance for Period	173,708.31
		<b>Total Expenditures</b>	<b>26,746.80</b>
		Ending Balance for Period	200,455.11

SWALCO \- Solid Waste Prog-SWALCO Administration-Part Time Salaries And Wages----			
Budget Amount:	42,417.96	Funds Available:	18,543.44
		Beginning Balance for Period	20,320.59
		<b>Total Expenditures</b>	<b>3,553.93</b>
		Ending Balance for Period	23,874.52

SWALCO \- Solid Waste Prog-SWALCO Administration-Overtime Salaries And Wages----			
Budget Amount:	0.00	Funds Available:	-461.75
		Beginning Balance for Period	419.77
		<b>Total Expenditures</b>	<b>41.98</b>
		Ending Balance for Period	461.75

SWALCO \- Solid Waste Prog-SWALCO Administration-Special Pay----			
Budget Amount:	17,100.00	Funds Available:	7,719.30
		Beginning Balance for Period	8,129.94
		<b>Total Expenditures</b>	<b>1,250.76</b>
		Ending Balance for Period	9,380.70

SWALCO \- Solid Waste Prog-SWALCO Administration-Gas For Heating----			
Budget Amount:	15,000.00	Funds Available:	9,792.27
		Beginning Balance for Period	4,278.85
		<b>Total Expenditures</b>	<b>928.88</b>
		Ending Balance for Period	5,207.73

SWALCO \- Solid Waste Prog-SWALCO Administration-Electricity----			
Budget Amount:	12,000.00	Funds Available:	4,932.54
		Beginning Balance for Period	6,157.24
		<b>Total Expenditures</b>	<b>910.22</b>
		Ending Balance for Period	7,067.46

SWALCO \- Solid Waste Prog-SWALCO Administration-Water & Sewer----			
Budget Amount:	500.00	Funds Available:	349.35
		Beginning Balance for Period	99.07
		<b>Total Expenditures</b>	<b>51.58</b>
		Ending Balance for Period	150.65

SWALCO \- Solid Waste Prog-SWALCO Administration-Telephone----			
Budget Amount:	7,000.00	Funds Available:	2,902.15
		Beginning Balance for Period	3,444.49
		<b>Total Expenditures</b>	<b>653.36</b>
		Ending Balance for Period	4,097.85

SWALCO \- Solid Waste Prog-SWALCO Administration-Office Equip Maint----			
Budget Amount:	1,200.00	Funds Available:	-562.97
		Beginning Balance for Period	1,156.22
		<b>Total Expenditures</b>	<b>606.75</b>
		Ending Balance for Period	1,762.97

SWALCO \- Solid Waste Prog-SWALCO Administration-Equip Rental----			
Budget Amount:	3,100.00	Funds Available:	899.56
		Beginning Balance for Period	1,166.22
		<b>Total Expenditures</b>	<b>172.37</b>
		Ending Balance for Period	1,338.59



SWALCO \- Solid Waste Prog-SWALCO Administration-H/L/D Employee Benefits----			
Budget Amount:	79,608.00	Funds Available:	34,045.59
		Beginning Balance for Period	39,004.81
		<b>Total Expenditures</b>	<b>6,557.60</b>
		Ending Balance for Period	45,562.41

SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/FICA----			
Budget Amount:	30,102.95	Funds Available:	13,471.05
		Beginning Balance for Period	14,319.38
		<b>Total Expenditures</b>	<b>2,312.52</b>
		Ending Balance for Period	16,631.90

SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/IMRF----			
Budget Amount:	34,707.05	Funds Available:	30,286.48
		Beginning Balance for Period	4,145.85
		<b>Total Expenditures</b>	<b>274.72</b>
		Ending Balance for Period	4,420.57

SWALCO \- Solid Waste Prog-SWALCO Administration-Miscell Contractual Servi----			
Budget Amount:	13,360.00	Funds Available:	6,884.00
		Beginning Balance for Period	5,230.00
		<b>Total Expenditures</b>	<b>420.00</b>
		Ending Balance for Period	5,650.00

SWALCO \- Solid Waste Prog-Education--Advertising----			
Budget Amount:	2,500.00	Funds Available:	589.21
		Beginning Balance for Period	590.23
		<b>Total Expenditures</b>	<b>1,320.56</b>
		Ending Balance for Period	1,910.79

SWALCO \- Solid Waste Prog-Education---Miscell Contractual Serv----			
Budget Amount:	4,000.00	Funds Available:	-1,850.00
		Beginning Balance for Period	5,400.00
		<b>Total Expenditures</b>	<b>450.00</b>
		Ending Balance for Period	5,850.00

SWALCO \- Solid Waste Prog-Household Hazard Waste---Operational Supplies----			
Budget Amount:	14,000.00	Funds Available:	5,808.59
		Beginning Balance for Period	6,023.47
		<b>Total Expenditures</b>	<b>1,685.20</b>
		Ending Balance for Period	7,708.67

SWALCO \- Solid Waste Prog-Household Hazard Waste---Consultants----			
Budget Amount:	157,900.00	Funds Available:	23,616.92
		Beginning Balance for Period	23,702.58
		<b>Total Expenditures</b>	<b>21,971.50</b>
		Ending Balance for Period	45,674.08

SWALCO \- Solid Waste Prog-Household Hazard Waste---Garbage Disposal----			
Budget Amount:	6,800.00	Funds Available:	1,146.84
		Beginning Balance for Period	1,682.24
		<b>Total Expenditures</b>	<b>672.04</b>
		Ending Balance for Period	2,354.28

SWALCO \- Solid Waste Prog-Household Hazard Waste---Miscell Contractual Servi-----			
Budget Amount:	5,100.00	Funds Available:	1,580.75
		Beginning Balance for Period	362.50
		<b>Total Expenditures</b>	<b>340.00</b>
		Ending Balance for Period	702.50

SWALCO \- Solid Waste Prog-Recycling---Miscell Contractual Servi---			
Budget	200,000.00	Funds	0.00
Amount:		Available:	
			Beginning Balance for Period
			101,826.38
			<b>Total Expenditures</b>
			<b>8,904.61</b>
			Ending Balance for Period
			110,730.99

**TOTAL EXPENDITURES \$ 79,825.38**



**A – 1. Public Officials Liability Insurance Renewal**

**ISSUE:** Secure Public Officials Liability Insurance

**RECOMMENDATION:** Recommend approval

**TIMING:** Important

**BACKGROUND:** Public Officials Liability coverage is secured to protect SWALCO, its directors and employees against any wrongful acts, errors or omissions. SWALCO has maintained this coverage since our inception. This policy is an annual policy with a coverage limit of \$1,000,000 and a \$10,000 deductible. The current policy is due to expire July 24, 2015.

Arthur Gallagher Risk Management Services, our insurance broker, solicited competitive quotes for this policy. RSUI, our current carrier, was the low bid and most comprehensive. The RSUI policy includes a Public Officials Extension endorsement (a significant coverage enhancement typically not provided) which covers third party entities such as volunteer groups (i.e. our CAC committee). The annual premium for this policy is \$6,270.

Based on AJ Gallagher's recommendation, and our review, we request your approval to secure RSUI as our Public Officials Liability insurance provider for 2015-2016.

**FISCAL IMPACT:** Administration 9200010 object code 72110 Liability Insurance  
\$6,270.00.

**ENCLOSED DOCUMENTS:** AJ Gallagher Compensation Disclosure Schedule and  
RSUI Directors & Officers Liability Policy Quote

**STAFF:** Steve Nelson, HCW Engineer  
Amy Bartemio, Executive Office Manager

# Compensation Disclosure Schedule

Client Name: Solid Waste Agency Of Lake County

Coverage(s)	Carrier Name(s)/A.M. Best Rating Admitted/Non-Admitted Status	Wholesaler, MGA, or Intermediary Name 1	Quotation Comments	Estimated Annual Premium 2	Comm % or Fee 3	Wholesaler, MGA or Intermediary % 4	AJG Owned? Yes or No
Public Officials Liability	RSUI Indemnity Company A+, XIII Admitted	Risk Placement Services	Recommended	\$6,070	13%	7%	Yes
Fee				\$200	0%	100%	

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. If you have any questions regarding the supplemental or contingent commissions that may be earned by Gallagher from the carrier(s) proposed above, contact your Gallagher representative for additional information.

If the above indicates coverage is placed with a Non-Admitted Carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

1. We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler. If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.
2. \* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.
3. The commission rate is a percentage of annual premium excluding taxes & fees.
4. \* Gallagher is receiving \_\_\_\_% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.
- \* The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.



RSUI Group, Inc.  
945 East Paces Ferry Road  
Suite 1800  
Atlanta, GA 30326-1160  
(404) 231-2366

May 28, 2015

Risk Placement Services  
Michael Kokonas  
550 W. Van Buren Street  
Suite 1200  
Chicago, IL 60607

**ATTENTION: TIM FOODY**

**RE: Directors and Officers Liability Indication**

**Submission Number:** 304729  
**Renewal of:** NHP658439  
**Company:** RSUI Indemnity Company - (Best rating: A+ XIII)  
**Insured:** Solid Waste Agency of Lake County, IL (SWALCO)  
Gurnee, IL

**Policy Dates:** July 24, 2015 - July 24, 2016

**Form:** RSG 211003 0609 Directors and Officers Liability Policy - Not For Profit Organization - 2009

**Limit:** \$1,000,000

**Retention (each loss):**

**Insuring Agreement A:** \$0  
**Insuring Agreement B:** \$10,000  
**Insuring Agreement C:** \$10,000  
**Employment Practices Claim:** \$10,000

**Policy Attachments**

- RSG 204081 0315 Cap on Losses From Certified Acts of Terrorism
- RSG 214038 0204 Coverage Extension - Public Officials
- RSG 204123 0315 Disclosure Pursuant to Terrorism Risk Insurance Act
- RSG 206071 0204 Exclusion - Prior and or Pending Litigation Backdated - P&P: 7/24/2007
- EXCLUSION-TELECOMMUNICATIONS CLAIMS
- RSG 202049 0609 Illinois Changes
- RSG 203012 0611 Illinois Changes - Cancellation and Nonrenewal
- RSG 212026 0606 Illinois Changes - Pollution Exclusion
- RSG 99043 0604 Illinois Important Information to Policyholders Right to File a Complaint
- RSG 204153 0609 Sublimit - Defense Expenses - Wage and Hour Claims - \$100K/\$10K SIR
- RSG 204113 0210 Sublimit - Defense of Non - Monetary Damages - \$25K/\$50K Agg, \$25K SIR
- RSG 204119 1011 Third Party Liability Coverage - \$25K SIR



**Additional Information Required**

**Premium Amount**

<b>Premium:</b>	<b>\$6,070.00</b>		
<b>Gross Premium:</b>	<b>\$6,070.00</b>		
<b>Commission:</b>	<b>\$1,214.00</b>	<b>Comm. %:</b>	<b>20.00</b>
<b>Net Due:</b>	<b>\$4,856.00</b>		

**Comments:**

This quotation for coverage is strictly conditioned upon no material change in the risk occurring between the date of this proposal and the inception date of the proposed policy. It is subject to modification or withdrawal by the Company if any new, corrected or updated information becomes known which relates to any proposed Insured's claims history or risk exposure or which could otherwise change the underwriting evaluation of any proposed Insured, and the Company, in its sole discretion, determines that the terms of this quotation are no longer appropriate.

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

This Indication is valid until 07/24/2015.

We greatly appreciate your business.

Brian Wortham

## **A-2 . Policy for Accepting Pharmaceuticals from Non-SWALCO Members**

**ISSUE:** Whether to establish a policy to accept and also charge non-SWALCO members for services associated with managing pharmaceuticals (both controlled and non-controlled), pending IEPA written approval to allow SWALCO to accept pharmaceuticals from other government entities.

**RECOMMENDATION:** SWALCO staff recommends a two tiered approach to accepting and charging non-SWALCO members: 1) any municipality that is wholly or partially located in Lake County (e.g., Buffalo Grove) may bring unsorted pharmaceuticals to SWALCO at a cost of a flat fee of \$50 plus \$1.50 per pound, with the first drop off being at no cost (due to fact we have already allowed Lakemoor one free collection event as a non-SWALCO member), and 2) any unit of local government that is not wholly or partially located in Lake County may only bring sorted, controlled substances to SWALCO for a fee of \$100 per every 5 pounds of controlled substances.

**BACKGROUND:** At the June 4, 2015 Executive Committee a discussion was held regarding requests the Agency had received from McHenry County and Buffalo Grove to accept pharmaceuticals being collected by local law enforcement. After the discussion it was recommended that staff develop an action item for the Executive Committee to consider recommending to the Board of Directors.

Staff has been in contact with both Buffalo Grove and McHenry County and let them know that SWALCO's Board will have to make a formal policy regarding whether we would accept pharmaceuticals from non-SWALCO entities, and if so at what cost. Buffalo Grove was informed it could consider becoming a SWALCO member but this is unlikely given it is already a member of SWANCC and the cost to join SWALCO just for this program is likely not feasible. Further, staff discovered that it had already accepted pharmaceuticals from Lakemoor, not a SWALCO member, which prompted staff to recommend that any municipality wholly or partially in Lake County would receive its first drop off at no cost. Any policy agreed to will have to be applied to Lakemoor moving forward.

Based on costs incurred to date in hiring technicians, along with Steve Nelson, to sort the pharmaceuticals, staff is recommending a flat fee of \$50 plus a fee of \$1.50 per pound to sort for municipalities wholly or partially located in Lake County. The per pound fee will cover the costs of the technicians, Steve's time, sharps disposal and overhead costs; the flat fee of \$50 is meant to cover Amy's time coordinating the program, and doing the invoicing. The policy for out of county entities recognizes that SWALCO does not want to accept non-sorted pharmaceuticals due to the time and effort necessary to schedule, coordinate and sort the drugs. If SWALCO sets the precedent of offering sorting services to out of county entities we may be overwhelmed by requests, which we will not be capable of managing without altering our entire HCW program.

Finally, SWALCO, in accordance with our Intergovernmental Agreement with the IEPA, must obtain written approval from the Director to utilize the Agency's contractor for HHW that is collected and delivered to us by other government operated or sponsored entities. If the Executive Committee and Board approve of this action item, staff will proceed to attempt to obtain written approval from the Director before implementing this new policy.

**ENCLOSED DOCUMENTS:** None

**STAFF:** Walter Willis, Executive Director



**A-3. Proposed Increase in SWALCO's Executive Director's Payment Authority**

**ISSUE:** Whether to increase the payment authority of the Executive Director for budgeted expenses from \$10,000 to \$20,000.

**RECOMMENDATION:** SWALCO staff recommends approval.

**BACKGROUND:** At both the June Executive Committee meeting and the Board of Directors meeting a discussion was held as to why each was voting on an action item regarding expenses for mobile collection events held in Vernon Hills and Wauconda. The discussion centered around whether the spending approval limit of \$10,000 for SWALCO's Executive Director should be increased, as long as the expense was included the approved budget. Based on this discussion and feedback, this action item is being presented to the Executive Committee and ultimately the Board of Directors for further action.

**ENCLOSED DOCUMENTS:** None

**STAFF:** Walter Willis, Executive Director

## **I – 1. Project and Program Updates**

**BACKGROUND:** The following are updates on several projects and programs we are currently working on:

1. Walter Willis attended the interviews held by Highland Park and Highwood for their joint residential hauling RFP. The deadline for the commercial proposals has been extended until July 16<sup>th</sup>. Prairieland Disposal, an independent hauler serving Lake and McHenry counties primarily, was awarded the hauling contracts in North Barrington, Tower Lakes and Port Barrington (its first three municipal franchise contracts in Lake County). All three contracts provide for households to commingle food scraps along with landscape waste effective September 1<sup>st</sup>. Deer Park already has this program as part of its recent contract extension with Groot. SWALCO will be working with Prairieland and other haulers and compost sites on an information flyer on this program to help residents understand how to participate in the program.
2. To date 11 members have contacted Walter or expressed interest in passing the commercial franchise ordinance. Kildeer passed its ordinance in June and will begin its data collection efforts in July; Round Lake Beach needed to amend its ordinance and will vote on the amended ordinance in July with an August effective date for data collection. Other presentations to members include Lake Bluff, Green Oaks, Third Lake, and Lindenhurst. Progress is being made on the webpage dedicated to this program, which SWALCO will maintain on behalf of its members.
3. Advanced Disposal has purchased land to the north of the Zion Landfill that it intends to use for a future expansion. The landfill currently has approximately 13 years of capacity and this new purchase will likely add over 10 years of additional capacity if sited by the City of Zion. It is expected that any siting approval request will be made several years from now.
4. SWALCO staff continues to have discussions with electronics recyclers regarding the impact of HB 1455 for the remainder of this year and into next. To date, the recyclers indicate they are having talks with some manufacturers, but most manufacturers are waiting for the Governor to take action before initiating discussions. This means we don't have any specific commitments yet for a no-cost program for the remainder of this year or next. Staff is also working with other stakeholders to prepare for the IEPA hearing on July 29<sup>th</sup> and is researching other state programs that are more successful and stable (Oregon, Washington and Vermont) to determine if elements of those programs can be incorporated into a long term legislative fix for IL.
5. On June 17<sup>th</sup> Senator Bush convened a second meeting on carpet recycling that was attended by over 25 people from the carpet industry, recyclers, C&D recyclers, local government (including John Norris) and carpet installers and retailers. The meeting resulted in several action items including: 1) CARE committing to having a baseline data report on carpet generation and management in IL by September 30<sup>th</sup>, 2) scheduling meetings with the State of IL's purchasing department (CMS) and Green Team to promote procurement of recycled content carpet and products made from recycled carpet, 3) reaching out to Fiberon, a company that produces plastic lumber that is looking to build a new plant to make lumber from PET carpet, to encourage the company to locate in IL, and 4) working on outreach and education for the Chicago area architecture and

design firms. The next meeting is scheduled for October 7<sup>th</sup> in Zion at CLEAR's carpet recycling facility.

**ENCLOSED DOCUMENTS:** None

**STAFF:** Walter Willis, Executive Director