



SOLID WASTE AGENCY OF LAKE COUNTY, IL

MEMORANDUM

To: Michael Talbett, Chairman, Executive Committee
From: Walter S. Willis, Executive Director *WSW*
Subject: October 2020 Meeting Notice Information
Date: September 25, 2020

Attached you will find the agenda for our next meeting at 12 pm on October 1, 2020, the minutes from the July 16, 2020 meeting, and the referenced consent, action and items.

Please let Amy Bartemio know if you will be attending or not, this meeting will be held via Zoom again so please be sure to register for the meeting once you get the announcement.

SOLID WASTE AGENCY OF LAKE COUNTY, IL
EXECUTIVE COMMITTEE
Thursday, October 1, 2020 12:00 pm
VIA ZOOM Platform (COVID-19 Executive Order No. 2020-44)

1. CALL TO ORDER.....Chairman Talbett
2. ROLL CALLSecretary
3. APPROVAL OF MINUTES
July 16, 2020
4. NEW AGENDA ITEMS
5. PUBLIC COMMENT ON AGENDA ITEMS
6. EXECUTIVE COMMITTEE ITEMSChairman Talbett

Consent Item

1. Expenditure Report (July 2020)

Action Items

1. SWALCO Legal Counsel
2. Proposed 2021 FY Budget

Information Items

1. Project and Program Updates

7. EXECUTIVE SESSION – *None*
8. ADJOURNMENT

Start: 12:01 pm
Adjourn: 1:20 pm

VIA Zoom Platform

	A	B	C	D	E	F	G	H	I	J	K	L
1	SWALCO EXECUTIVE BOARD VOTING RECORD - July 16, 2020											
2	REPRESENTATIVE		5-14-20 meetings		April 2020 expenses (consent)		2020 D&O ins. renewal		Rheaply Contract/Agreement		Waltham's Salary increase 3%	
3	Attendance		A	N	A	N	A	N	A	N	A	N
4	MIKE ELLIS	✓	✓		✓		✓		✓		✓	
5	MIKE HEWITT	—										
6	PATRICK MUETZ	✓	✓		✓		✓		✓		✓	
7	JOHN NORRIS	✓	✓		✓		✓		✓		✓	
8	BUD ROTHING	—										
9	MICHAEL TALBETT	✓	✓		✓		✓		✓		✓	
10	JOHN WAGENER	✓	✓		✓		✓		✓		✓	
11	NIMROD WARDA	—										
12	JULIE SIMPSON	✓	✓		✓		✓		Present -NO VOTE		Present -NO VOTE	

(6)

(6)

(6)

(6)

(5)

Connectivity issues.

(5)

- Glenn Ryback in Attendance
- Marion Bell in Attendance
- Garr & Garry from Rheaply in attendance
- * Larry Clark NOT in attendance.

SWALCO Executive Committee Meeting
Attendance Sheet

For July 16, 2020

Meeting ID	Topic	Start Time	End Time
88650313337	SWALCO's Executive Committee Meeting, 7.16.2020	7/16/2020 11:50	7/16/2020 13:20
Name (Original Name)	User Email	Duration (Minutes)	
Amy Bartemio	abartemio@swalco.org	90	
Marlon Bell (public)	mdbell117@gmail.com	91	
John Norris	jnorris@villageofriverwoods.com	90	
Steve Nelson	snelson@swalco.org	90	
PETER ADRIAN	PADRIAN@SWALCO.ORG	90	
Mayor Glenn Ryback	gryback@villageofwadsworth.org	86	
Pat Muetz	patm@village.gurnee.il.us	85	
Walter Willis	wwillis@swalco.org	85	
Mike Ellis	mellis@villageofgrayslake.com	84	
Michael Talbett	mtalbett@villageofkildeer.com	84	
John Wagener	publicworks@comcast.net	84	
Steve Nelson (Phone)	18473092594	83	
Mike Ellis (Phone)	18472238515	83	
Julie Simpson	jsimpson@lakecountyil.gov	85	
Garr Punnett	garr.punnett@rheaply.com	54	
Nimrod Warda	nimwar@northchicago.org	1	
Ivy Klee	IKlee@swalco.org	81	
Larry Clark	Larrymclark55@gmail.com	80	
Garry Cooper	garry@rheaply.com	46	
Merlanne Rampale	rrampale@sbcglobal.net	74	

MINUTES

SOLID WASTE AGENCY OF LAKE COUNTY, IL
EXECUTIVE COMMITTEE
Thursday, July 16, 2020 12:00 pm
VIRTUAL – Per IL Executive Order re/COVID

CALL TO ORDER

Chairman Talbett called the meeting to order at 12:01 pm with 6 members in virtual attendance. Garr Parrett and Garry Cooper of Rheaply and Marlon Bell, a resident of Lake County was also in attendance.

APPROVAL OF MINUTES

Motion by *John Norris* seconded by *Pat Muetz* to approve the *Executive* meeting minutes of 05.14.20
Motion was approved on a roll call of 6 to 0.

NEW AGENDA ITEMS – None

PUBLIC COMMENT - None

EXECUTIVE COMMITTEE ITEMS – None

CONSENT ITEM

Expenditure Reports (April 2020).
Motion by *John Wagener* seconded by *John Norris*.
Motion was approved on a roll call of 6 to 0.

ACTION ITEMS

1. Public Officials Liability Insurance Renewal

Steve Nelson gave a brief update of the Public Officials Liability Insurance up for renewal. The current policy will expire July 24, 2020. Arthur Gallagher Risk Management Services, our insurance broker, solicited quotes for this policy. RSUI Indemnity Company (RSUI), our current carrier, was the low bid and most comprehensive. RSUI is an A+ XIV (superior) rated carrier. Their policy also includes a Public Officials Extension endorsement (a significant coverage enhancement) which covers third party entities such as volunteer groups (i.e. our CAC committee). The premium for this year's policy is \$8,460 (\$8,010 plus \$200 broker fee plus \$250 AJG service fee), this represents a \$1,010 increase from last year.

Motion by *John Norris*, seconded by *Pat Muetz* to secure the 2020 Public Officials Liability insurance policy renewal and to pay the invoices immediately upon receipt.
Motion was approved on a roll call vote of 6 to 0.

2. Proposed Agreement with Rheaply, Inc.

Walter presented and discussed the proposed MOU and agreements pending final review and approval of the Agency's attorney to the Executive Committee. This included a presentation from Rheaply representatives Garr Punnett and Garry Cooper. Rheaply is a Chicago based company that works primarily with schools and businesses to help them buy, sell or share existing assets both within an organization and externally. They have created an asset management tool call Asset Exchange Manager that enables them to create an online marketplace for reuse. With our interest in promoting reuse and their business model based on reuse it became apparent a strategic partnership may make sense.

Motion by *John Norris*, seconded by *Mike Ellis* to present the MOU, Sales Referral Agreement and Confidential Information Agreement with Rheaply, Inc. to the Board for the final approval.
Motion was approved on a roll call vote of 5 to 0. (Connectivity Issues w/J. Simpson)

INFORMATION ITEM

1. NOT ON ORIGINAL AGENDA:

IEPA Backing out of LF Surcharge Shortages

Walter Willis asked for direction regarding the recent discussion held with IEPA regarding their decision to not take any action against WMI for past revenue shortages.

NO ACTION TAKEN.

EXECUTIVE SESSION: Executive Director Annual Review

Motion by *John Norris* seconded by *Pat Muetz* to go into Executive Session citing 5 ILCS 120/2(c)(1) to discuss Employee Evaluation (1:00 pm).

Motion was approved on a roll call vote of 6 to 0.

(Members of the public and SWALCO staff were moved to virtual waiting room via ZOOM application during closed session.)

Motion by *John Norris*, seconded by *Julie Simpson* to return to open session (1:17 pm).

Motion was approved on a roll call vote of 6 to 0.

Motion by *John Wagener*, seconded by *John Norris* to approve an annual increase of 3% for 2020 beginning July 31st, 2020 per the current employee contract.

Motion was approved on a roll call vote of 5 to 0.

(Connectivity Issues w/J. Simpson)

NEXT EXECUTIVE COMMITTEE MEETING: Thursday, September 10, 2020 - 12:00 p.m.

NEXT BOARD MEETING: Thursday, August 27, 2020 - 6:00 p.m. Hainesville Village Hall, 100 N. Hainesville Road, Hainesville, IL 60030 (Dependent on revised executive order)

ADJOURNMENT (1:20 p.m.): Motion by *Mike Ellis* seconded by *John Norris* to adjourn.

Motion was approved.

Consent - 1. Expenditure Approval

ISSUE: Approve Expenditures

RECOMMENDATION: We recommend approval

TIMING: Routine

BACKGROUND: The Board of Directors authorized the Executive Director to pay expenditures under \$20,000. The Executive Director submits the monthly expenditures to the Board for approval.

The total for Administration \$52,687.86; Education \$ 0.00 Household Chemical Waste \$ 7,825.10; Recycling \$2,784.84 ***Total expenditures for July 2020 - \$63,297.80***

ENCLOSED DOCUMENTS: Account Analysis Reports

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

SWALCO - July 2020 EXPENDITURE REPORT

SWALCO \- Solid Waste Prog-SWALCO Administration-Regular Salaries And Wages----			
Budget Amount:	403,839.96	Funds Available:	141,735.68
		Beginning Balance for Period	231,185.47
		Total Expenditures	30,918.81
		Ending Balance for Period	262,104.28

SWALCO \- Solid Waste Prog-SWALCO Administration-Part Time Salaries And Wages----			
Budget Amount:	56,213.04	Funds Available:	12,970.33
		Beginning Balance for Period	37,418.04
		Total Expenditures	5,824.67
		Ending Balance for Period	43,242.71

SWALCO \- Solid Waste Prog-SWALCO Administration-Overtime Salaries And Wages----			
Budget Amount:	0.00	Funds Available:	-810.09
		Beginning Balance for Period	752.22
		Total Expenditures	57.87
		Ending Balance for Period	810.09

SWALCO \- Solid Waste Prog-SWALCO Administration-Special Pay----			
Budget Amount:	17,100.00	Funds Available:	6,468.54
		Beginning Balance for Period	9,380.70
		Total Expenditures	1,250.76
		Ending Balance for Period	10,631.46

SWALCO \- Solid Waste Prog-SWALCO Administration-Office Supplies----			
Budget Amount:	1,000.00	Funds Available:	302.20
		Beginning Balance for Period	697.76
		Total Expenditures	100.18
		Ending Balance for Period	797.94

SWALCO \- Solid Waste Prog-SWALCO Administration-Legal Services----			
Budget Amount:	7,000.00	Funds Available:	-517.54
		Beginning Balance for Period	6,510.00
		Total Expenditures	2,015.00
		Ending Balance for Period	8,525.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Trips and Training----			
Budget Amount:	8,475.00	Funds Available:	8,157.45
		Beginning Balance for Period	277.55
		Total Expenditures	40.00
		Ending Balance for Period	317.55

SWALCO \- Solid Waste Prog-SWALCO Administration-Dues and Subscriptions----			
Budget Amount:	9,900.00	Funds Available:	3,422.33
		Beginning Balance for Period	6,254.67
		Total Expenditures	223.00
		Ending Balance for Period	6,477.67

SWALCO \- Solid Waste Prog-SWALCO Administration-Gas for Heating----			
Budget Amount:	15,000.00	Funds Available:	5,957.02
		Beginning Balance for Period	8,892.42
		Total Expenditures	150.56
		Ending Balance for Period	9,042.98

SWALCO \- Solid Waste Prog-SWALCO Administration-Electricity----			
Budget Amount:	13,000.00	Funds Available:	5,976.32
		Beginning Balance for Period	6,235.18
		Total Expenditures	788.46
		Ending Balance for Period	7,023.64

SWALCO \- Solid Waste Prog-SWALCO Administration-Sewer and Water----			
Budget Amount:	350.00	Funds Available:	191.00
		Beginning Balance for Period	116.45
		Total Expenditures	42.59
		Ending Balance for Period	159.04

SWALCO \- Solid Waste Prog-SWALCO Administration-Telephone----			
Budget Amount:	5,750.04	Funds Available:	3,359.95
		Beginning Balance for Period	2,072.63
		Total Expenditures	317.46
		Ending Balance for Period	2,390.09

SWALCO \- Solid Waste Prog-SWALCO Administration-Cell Phone Allowance----			
Budget Amount:	660.00	Funds Available:	220.00
		Beginning Balance for Period	385.00
		Total Expenditures	55.00
		Ending Balance for Period	440.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Equipment Rental----			
Budget Amount:	1,750.00	Funds Available:	249.96
		Beginning Balance for Period	497.85
		Total Expenditures	81.10
		Ending Balance for Period	578.95

SWALCO \- Solid Waste Prog-SWALCO Administration-H/L/D Employee Benefits----			
Budget Amount:	83,372.04	Funds Available:	28,474.40
		Beginning Balance for Period	48,006.52
		Total Expenditures	6,891.12
		Ending Balance for Period	54,897.64

SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/FICA----			
Budget Amount:	35,193.99	Funds Available:	12,764.26
		Beginning Balance for Period	19,641.65
		Total Expenditures	2,788.08
		Ending Balance for Period	22,429.73

SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/IMRF----			
Budget Amount:	3,818.04	Funds Available:	1,366.33
		Beginning Balance for Period	2,157.75
		Total Expenditures	293.96
		Ending Balance for Period	2,451.71

SWALCO \- Solid Waste Prog-SWALCO Administration-Miscell Contractual Services----			
Budget Amount:	13,000.00	Funds Available:	1,701.48
		Beginning Balance for Period	5,399.24
		Total Expenditures	849.24
		Ending Balance for Period	6,248.48

SWALCO \- Solid Waste Prog-Household Hazard Waste-Operational Supplies----			
Budget Amount:	16,000.00	Funds Available:	7,526.19
		Beginning Balance for Period	3,522.75
		Total Expenditures	772.86
		Ending Balance for Period	4,295.61

SWALCO \- Solid Waste Prog-Household Hazard Waste-Consultants----			
Budget Amount:	149,900.00	Funds Available:	114,280.20
		Beginning Balance for Period	20,577.07
		Total Expenditures	4,982.77
		Ending Balance for Period	25,559.84

SWALCO \- Solid Waste Prog-Household Hazard Waste-Garbage Disposal----			
Budget Amount:	5,100.00	Funds Available:	3,515.50
		Beginning Balance for Period	1,758.40
		Total Expenditures	178.90
		Ending Balance for Period	1,937.30

SWALCO \- Solid Waste Prog-Household Hazard Waste-All Other Maintenance----			
Budget Amount:	28,000.00	Funds Available:	7,644.00
		Beginning Balance for Period	20,356.68
		Total Expenditures	1,890.57
		Ending Balance for Period	22,247.25

SWALCO \- Solid Waste Prog-Recycling-Misc. Commodities----			
Budget Amount:	8,000.00	Funds Available:	3,518.54
		Beginning Balance for Period	1,393.56
		Total Expenditures	109.84
		Ending Balance for Period	1,503.40

SWALCO \- Solid Waste Prog-Recycling-Misc. Contractual Services----			
Budget Amount:	5,000.00	Funds Available:	2,701.00
		Beginning Balance for Period	5,027.00
		Total Expenditures	2,675.00
		Ending Balance for Period	7,702.00

TOTAL EXPENDITURES \$ 63,297.80

A – 1. SWALCO Legal Counsel

ISSUE: Whether to engage Derke Price of Ancel, Glink, as SWALCO's legal counsel effective December 1, 2020.

RECOMMENDATION: SWALCO staff recommends that the Executive Committee recommend to the Board of Directors the hiring of Derke Price as SWALCO's legal counsel.

BACKGROUND: Larry Clark has announced his tenure as SWALCO's legal counsel will end November 30, 2020 as Larry moves on to retirement in North Carolina. Larry has been SWALCO's legal counsel since the forming of the agency and his knowledge and his counsel will be missed by the agency.

Walter Willis has known Derke Price since the early 2000's and has worked with him on several pollution control facility siting cases. Mr. Price has extensive experience in local siting and in the waste industry in general (see his attached engagement letter and qualifications information). He is currently SWANCC's legal counsel and has been for several years which has provided him experience in the types of legal matters solid waste agencies like ours have to manage.

ENCLOSED DOCUMENTS: Engagement letter from Derke Price and summary of qualifications

STAFF: Walter Willis, Executive Director



A Professional Corporation
140 South Dearborn Street, Suite 600
Chicago, IL 60603
www.ancelglink.com

Derke J. Price
dprice@ancelglink.com
(P) 312.782.7606 Ext. 4612
(F) 312.782.0943

September 2, 2020

Via email: wwillis@swalco.org

Mr. Walter Willis
Executive Director
Solid Waste Agency of Lake County
1311 N. Estes Street
Gurnee, IL 60031

Re: Engagement as Corporate Counsel

Dear Walter:

Ancel Glink is honored and delighted by your invitation to serve you and the Solid Waste Agency of Lake County as general corporate counsel. This letter will serve to memorialize the terms of our engagement so that we all have a clear understanding of our relationship:

Client; Scope of Representation. Our client in this matter will be the Solid Waste Agency of Lake County, the Board of Directors, and employees of the Agency in their official capacities. The scope of our engagement will be to represent you relative to general corporate matters, including contracts, procurement, regulatory matters, counseling and litigation. You may limit, eliminate or expand the scope of our representation provided that any substantial expansion must be first reviewed for conflicts and agreed to by us. We will only do work when directed to do so by the Board of Directors (either directly or through you). Our engagement is as general counsel.

Term of Engagement. Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional responsibility. Following such termination, any otherwise non-public information you have supplied to the firm which is retained by us will be kept confidential in accordance with applicable rules of professional responsibility. If, upon such termination, you wish to have any documents delivered to you, please advise us. Otherwise, all such documents will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents retained by us, absent contrary instructions from you.

Fees and Expenses. Our fees are based on time spent providing services to the client by our professional staff at each person's applicable hourly billing rate. Our schedule of hourly billing rates is based upon years of experience, specialization and training and practice, and level of professional attainment. Partners and senior level attorneys are billed at \$250.00 per hour. All other attorneys working on your matters will be billed at \$190.00 per hour. Paralegals, where used, are billed at \$100.00 per hour. Our hourly rates may be adjusted but only at the start of each calendar year, if at all. We also charge standard rates for copying, subscription database legal research, and messenger delivery. Any expenses, disbursements and other charges incurred on your behalf will be billed to you in addition to our charges for professional services and done so in accordance with our regularly established procedures. You will be responsible for the payment of all such costs incurred on your behalf (e.g., title company charges and fees, court costs, witness fees, court reporter fees, and the fees of any experts who may be hired to assist in this matter). We will, of course, consult with you regarding the hiring of any expert witnesses prior to doing so. We may ask you either to pay or reimburse certain vendors directly, or

ANCEL GLINK

September 2, 2020

Page 2

advance to us those sums prior to our expenditure. Our billing invoices are prepared monthly, and payment is due within 30 days of the date of statement.

In some cases, our law firm is asked to do contemporaneous work on an issue that is important to a number of clients, be it research, drafting or litigation. This work may involve the expenditure of time providing collective benefits. In those circumstances, the law firm will attempt to bill each individual client for a period of time substantially less than if the work were performed for that client alone. The bill may reflect time in excess of that which would result from an exact equal division among the clients, in part, because of the difficulty in retrieving all the time spent on the joint project. The great bulk of the time which we perform for our clients continues to be billed at a straight hourly basis. In all cases, the fees charged will be reasonable.

Further, where you desire to do so, we are willing to engage in project-specific arrangements in order to meet your goals and respect your budget constraints. For example, you may choose to undertake a special project on an hourly not-to-exceed basis so that you have greater assurances concerning your budget and still reap the benefits of efficient work by us. Please let us know and we will be happy to discuss such arrangements.

Again, we are so delighted to have this opportunity to be of service to you. If you are in agreement with the above, please sign a copy of this letter in the space provided below and return it to me. We look forward to getting started right away. You have my cell phone number and I encourage you to use it whenever you have a question or a concern.

If you have any questions about any of the terms set forth above, please do not hesitate to call me.

Sincerely,



Derke J. Price

AGREED FOR THE SOLID WASTE AGENCY OF LAKE COUNTY

Derke J. Price

Equity Partner



CHICAGO OFFICE & West Suburban Office

Direct Phone:
630.596.4612

Email:
dprice@ancelglink.com

Practice Areas

Local Government
Land Use
Litigation

Education

J.D., Harvard Law School
B.A., Wheaton College

Bar & Court Admissions

Illinois
Northern District of Illinois

Memberships

American Bar Association
(including the ABA Forum on the
Construction Industry--Owners'
division)
American Institute of Architects
Construction Specifications Institute
DuPage County Bar Association
Kane County Bar Association
ISBA Construction Law Section
Council

Derke works with and represents park districts, municipalities, school districts, townships, libraries, and special agencies. His practice includes appeals and trial work in both federal and state courts and concentrates in construction, land use and development, and environmental matters.

Derke's service to units of government is state-wide. He serves as corporate counsel for the City of Moline, the Village of South Elgin, and the City of Geneseo and special counsel for the City of Charleston. He is also corporate counsel to numerous Park Districts, Forest Preserves and SRAs across the State. He is also special counsel to the firm's numerous other park districts for their construction, procurement and land use matters. He is also corporate counsel for the Northwest Suburban Municipal Joint Action Water Agency. In his role as corporate counsel to the Naperville Park District, he guided the District through the State's Voluntary Site Remediation program for the remediation of their historic trap shooting facility.

His government work also includes service related to pollution control facilities (including landfills, transfer stations, and medical waste transfer stations). He is corporate counsel for the Solid Waste Agency of Northern Cook County. He has done specialty pollution control facility work (as counsel for interested parties, counsel to the siting authority, and as hearing officer) for SWANCC; Winnebago, Lee, and Grundy Counties; the Town of Cortland; the Villages of Davis Junction, Rockdale, Carol Stream, and South Elgin; and the Cities of Moline, West Chicago and Yorkville.

He is also counsel to select private entity clients including Vulcan Construction Materials, Kluber Engineering & Architecture, and Citgo Petroleum.

ANCEL GLINK, P.C.



Experience

- Created a public-private partnership to reclaim and plan uses of 100 year old quarry, including pioneering land-use regulations on reclamation, master plan for properties, and coordination of property transfers and use
- Successful application on behalf of private client for rezoning of 230 acres of property to an industrial use with 60 year land use plan
- Negotiate and draft energy savings contracts for multi-million dollar overhaul of park district facilities

Presentations

Derke frequently speaks at local government conferences on land use and construction law issues, including speaking each year at the Illinois Municipal League Conference and the Annual IAPD/IPRA Conference for Park Districts.

Publications

Derke has contributed materials to numerous publications for municipal officials, planning and zoning authorities, counties, park district officials, townships and school districts on land use and construction issues. He is an author for both the Municipal Law Treatise and the School Law Treatise published by the Illinois Institute of Continuing Legal Education. He is also an author for a number of Ancel Glink handbooks relating to municipal, park district, and township matters.

Honors & Awards

- Designated, by his peers, as a Leading Lawyer in the areas of Governmental, Municipal, Lobbying & Administrative Law, Land Use, Zoning & Condemnation Law.



ANCEL GLINK, P.C.

A – 2. Proposed FY 2021 SWALCO Budget

ISSUE: Whether to recommend the Board of Directors approve the proposed fiscal year 2021 SWALCO budget.

RECOMMENDATION: SWALCO staff recommend that the Executive Committee recommend approval of the 2021 SWALCO budget.

BACKGROUND: Attached to this memo is the proposed FY 2021 budget which includes a comparison to the FY 2020 budget. This item also provides an estimate of the depreciation and pension expenses, and updates on the Cash Balance Fund and the Capital Replacement Fund.

Proposed FY 2021 Budget

The highlights of the proposed budget are as follows:

1. Proposed expenditures for FY 2021 are \$1,160,124 compared to \$1,176,686 in FY 2020, a decrease \$15,562 or approximately 1.4%. Please note the following: 1) a 2% salary increase was assumed, 2) insurance costs are estimated to be approximately \$40,000 more than budgeted last year due to increases in commercial property insurance we experienced this year, 3) the indirect rate payment to the county has increased nearly \$8,000, 4) legal fees are estimated to increase due to hiring new legal counsel and the potential for legal work needed on the fee payment issue and the Zion LF host agreement negotiations and local siting process, 5) one-time costs of \$6,500 to seal the parking lot 5) significant cuts were made to consulting fees, trips and training, dues and subscriptions, operational supplies and commodities, and HCW one-day collection events (2 events vs. the typical 5 per year).
2. Total FY 2021 revenues are estimated at \$1,087,645 compared to \$1,155,064 in FY 2020, a decrease of \$67,419 or approximately 6%. Revenue from the landfill surcharge for FY 2021 is estimated at \$630,000 a decrease of \$50,000 from last year as the volume at the Zion LF is trending down this past year and at Countryside is staying about the same. The anticipated host fee from the Round Lake Park Transfer Station is \$72,850 per year, an increase from last year due to the host fee being increased by the CPI and increased waste volumes. Other significant decreases in revenues are the interest income (down nearly \$28,500 from last year's estimate) and clothing, textiles and shoes (down \$19,500 due to a decrease in the payment rate for clothing and textiles from 9 cents per pound to 3 cents per pound due to COVID disruptions to the textile reuse industry).
3. Expenditures are expected to exceed revenues by \$72,479 (\$1,160,124 – 1,087,645). Last year the Board approved a budget that had a deficit of \$21,622. The good news is we are on track to only spend about 85% of the approved budget for fiscal year 2020, which means we will have about \$150,000 that will roll over to our cash balance for next year. Staff recognizes that we can't continue to deficit spend, but this coming year is not the time to make significant cuts to the budget given that we do have options to pursue to lower our expenditures in the coming years. These include looking into other insurance

options, including the IL Counties Risk Management Trust (SWANCC uses this Trust and has insurance costs less than half of what we pay with this last increase), and exploring breaking away from the County in order to reduce the costs to administer the Agency vs. the current indirect cost paid to the County. In addition, we need to look at our lobbying costs and should we partner with others for this cost or go to bid, as senior staff starts to retire that should provide savings into the future, or should we no longer fund one-day mobile events and use the Gurnee facility only for HCW collection. These are all more significant changes that will take time to implement. The insurance research and moving away from the County for administrative support are at the top of the list to investigate in the coming months.

The following table shows the estimated revenues, from the six primary funding sources that support SWALCO's operations and expected expenditures for fiscal years 2021-2025. The table also shows the approximate cash fund balance moving forward.

SWALCO Revenue, Expenditure and Fund Balance Projections - Fiscal Years 2021 - 2025					
Revenues/Expenditures	2021	2022	2023	2024	2025
Operations & Maintenance Fee	\$287,275	\$287,275	\$287,275	\$287,275	\$287,275
Landfill surcharge, TS host fees,	\$702,850	\$751,300	\$751,300	\$751,300	\$751,300
Textile and Shoe Income	\$41,500	\$43,575	\$45,754	\$48,041	\$50,444
Interest Income	\$1,630	\$1,630	\$1,630	\$1,630	\$1,630
Rain barrel, composter income	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
Misc. Revenue (hauler licensing, WMRA per ton, surcharge payments, ePaint and eWorks revenue)	\$40,390	\$40,390	\$40,390	\$40,390	\$40,390
Estimated Revenue	\$1,087,645	\$1,124,170	\$1,126,349	\$1,128,636	\$1,131,039
Estimated Exp.	\$1,160,124	\$1,165,925	\$1,171,754	\$1,177,613	\$1,183,501
Surplus/Deficit	(\$72,479)	(\$41,755)	(\$45,405)	(\$48,977)	(\$52,462)
Estimated Cash Balance	\$1,957,113	\$1,915,358	\$1,869,953	\$1,820,976	\$1,768,514

Several assumptions were made in preparing the above table:

- The O&M fee will remain at \$1.25 per household per year, and all members pay their fee each year.
- Local landfill surcharge and transfer station host fee revenues will increase back to historical levels (\$751,300 in FY 2022 to 2025) as the economy recovers into next year. The Countryside Landfill indicated in its January 1, 2020 annual capacity report to IEPA that it will be out of capacity in 2026, and the Zion Landfill indicated it will run out of capacity in 2027 (this does not include the land they have purchased for an expansion but have yet to receive local siting approval).
- Textile and shoe income will increase 5% per year beginning in FY 2022.
- Interest paid on the surcharge balance will continue to be approximately \$1,630 per year.
- Rain barrel and composter sales income will remain stable through 2025.
- Miscellaneous revenue will stay steady.

- Expenditures will increase by 0.5% per year using \$1,160,124 as the base expenditure in FY 2021.
- The current cash balance is \$2,029,592 with \$1.6M being held in a CD and the rest being held in a lower interest generating account with the Lake County Treasurer.

FY 2019 Depreciation and Pension Expenses

To more completely budget for FY 2021 and to assist with the annual audit process, this year SWALCO's budget will include estimates for FY 2021 depreciation and pension (income) or expenses. These estimates are based on expenses incurred in FY 2019 per the financial audit approved by the Board in 2020.

Depreciation expenses are based on the Agency's capital assets which include land improvements, buildings, and office equipment and furniture. Annual depreciation expense in FY 2021 is estimated to be \$70,554.

Pension (income) expenses are based on the deferred outflows of resources and deferred inflows of resources and in FY 2019 SWALCO recognized a pension expense of \$23,449, this same amount will be assumed for FY 2021.

Cash Fund Balance

As of September 2020, \$398,592 is being held by the Lake County Treasurer and approximately \$1,631,000 is being held in CDs at a bank in Highland Park for a total Cash Fund Balance of \$2,029,592. At the June 25, 2015 Board of Directors meeting the Board established a Cash Balance Fund Policy and approved a minimum cash fund balance of \$1,200,000, that if met would trigger the re-formation of the Finance Committee to evaluate long term funding for the Agency. Based on the projected spending for the next 5 fiscal years the Agency will not come close to reaching the \$1.2 million threshold. There are many factors that may impact the Agency's revenues and expenditures over the next five years, and it will be up to the Executive Director, the Executive Committee and the Board of Directors to recommend and to take action at the appropriate time to ensure the long- term financial stability of the Agency.

When the CDs mature later this fall, the Agency will combine the funds into one CD and will re-invest at a much lower rate compared to last year.

Capital Replacement Fund

In FY 2021 there are no capital replacement projects contemplated. The current fund balance is \$254,602. No additional contributions to the Capital Replacement Fund have been budgeted for FY 2021

ENCLOSED DOCUMENTS: Proposed FY 2021 Budget with spreadsheet comparing FY 2020 vs. FY 2021 expenditures and revenues and spending on the 2020 budget through mid-September

STAFF: Walter Willis, Executive Director

Solid Waste Agency of Lake County
FY 2021 Budget v. 2020

	A	B	C	D	E	F	G	H
1	Fund:	Management Center	Account	DESCRIPTION	2020 APPROVED	2020 Expended YTD (%)	2021 REQUESTED	DETAIL
2	ADMINISTRATION 9200010							
3	930	51110	SW0	REGULAR SALARIES AND WAGES	\$ 403,840	77.0%	\$ 413,602	Assumes 2% increases, Exec. Director increase effective August 1, 2020 per employment contract at 3.5%
4	930	51120	SW0	PART TIME SALARIES AND WAGES	\$ 56,213	90.0%	\$ 57,337	Assumes 2% increase, maintaining 28 hours per week
5	930	51150	SW0	SICK PAY REIMBURSEMENT	\$ -		\$ -	Assumes no sick pay reimbursement
6	930	51180	SW0	SPECIAL PAY - AUTO ALLOWANCE	\$ 17,100	73.0%	\$ 17,100	3 FT (\$385/mo.) and 1 PT (\$270/mo.) Employee
7	50000 SERIES TOTAL (Administrative)				\$ 477,153	78.0%	\$ 488,039	
8	930	61010	SW0	OFFICE SUPPLIES	\$ 1,000	80.0%	\$ 1,000	Office supplies; petty cash; recycling specific supplies
9	930	61040	SW0	OPERATIONAL SUPPLIES	\$ 250	0.0%	\$ 250	Plaques and awards
10	930	61080	SW0	FOOD & PROVISIONS	\$ 1,500	41.0%	\$ 1,500	Executive Committee lunches, staff meeting lunches, and BOO meetings
11	930	65180	SW0	MISCELLANEOUS COMMODITIES	\$ 250	0.0%	\$ 250	Misc. purchases
12	60000 SERIES TOTAL (Administrative)				\$ 3,000	47.0%	\$ 3,000	
13	930	71110	SW0	AUDITING AND ACCOUNTING	\$ 10,400	100.0%	\$ 10,800	Fourth year of 5 year contract with RSM Derke Price, meetings plus anticipated hours for Zion LF siting review and landfill fee issue
14	930	71140	SW0	LEGAL SERVICES	\$ 7,000	125.0%	\$ 25,000	Mike Grady, Strategic Advocacy Group, year one of two year contract (\$34,000); \$15,000 for consultant (Zion LF host agreement, CE effort)
15	930	71150	SW0	CONSULTANT FEES	\$ 97,820	67.0%	\$ 49,000	Conference attendance in general (\$1,000); OSHA Training (3 people, \$475); IDOT Training (1 person, \$500)
16	930	71500	SW0	TRIPS AND TRAINING	\$ 8,475	3.0%	\$ 1,975	Official Board Meetings, Resource Recycling, BioCycle, Recycled Products Guide (\$1,200); Membership dues for IRA, SWANA, ILCSWMA, LCML, CHMM, NAHMA, PSI, IFSC and IEC (\$3,666)
17	930	71810	SW0	DUES AND SUBSCRIPTIONS	\$ 9,900	65.0%	\$ 4,866	Air make-up, hot water, furnace
18	930	71910	SW0	GAS FOR HEATING	\$ 15,000	61.0%	\$ 15,000	Parking lights, storage facility and office lights and baseboard heat
19	930	71920	SW0	ELECTRICITY	\$ 13,000	60.0%	\$ 13,000	Water and sewer services
20	930	71930	SW0	WATER AND SEWER CHARGES	\$ 350	45.0%	\$ 350	Line charges, local and AT&T; cell phones and Ipad
21	930	71940	SW0	TELEPHONE	\$ 5,750	50.0%	\$ 5,500	Reimburse Amy B. cell phone costs
22	930	71955	SW0	CELL PHONE ALLOWANCE	\$ 660	8.0%	\$ 660	Federal Express
23	930	71970	SW0	COURIER SERVICES	\$ 75	0.0%	\$ 75	Public Officials (\$8,460 last year); Building and property (\$37,399 last year); general/Pollution liability insurance/commercial auto (\$27,117 last year); Equipment policy (\$666 last year); broker fee (\$7,000); assumed 5% increase in premiums
24	930	72110	SW0	LIABILITY INSURANCE	\$ 45,788	157.0%	\$ 84,674	\$125 per employee (5)
25	930	72140	SW0	UNEMPLOYMENT COMPENSATION	\$ 625	100.0%	\$ 625	Fire alarm and burglar alarm
26	930	72260	SW0	OFFICE EQUIP MAINT AND REPAIRS	\$ 1,300	83.0%	\$ 1,300	
27	930	72410	SW0	ALL OTHER MAINT AND REPAIRS	\$ -		\$ -	
28	930	72530	SW0	EQUIPMENT RENTAL	\$ 1,750	42.0%	\$ 1,500	Copy machine lease fee and copy fee
29	930	72820	SW0	POSTAGE	\$ 25	93.0%	\$ 50	Postage for meter, supplies for meter
30	930	72830	SW0	PRINTING SERVICES	\$ -		\$ -	
31	930	73195	SW0	INDIRECT COST ALLOCATIONS	\$ 47,461	100.0%	\$ 55,654	Indirect rate as determined by Lake County Finance Department
32	930	74080	SW0	H/L/D EMPLOYEE BENEFITS	\$ 83,372	78.0%	\$ 87,648	Assumes 6% increase on current monthly costs of \$6,891
33	930	74100	SW0	RETIREMENT CONTRIBUTIONS FICA	\$ 35,194	75.0%	\$ 36,027	All employee salaries x 7.65%
34	930	74110	SW0	RETIREMENT CONTRIBUTIONS IMRF	\$ 3,818	75.0%	\$ 4,191	Employee Salaries x 0.83%, still low due to switch from County IMRF
35	930	79930	SW0	MISCELLANEOUS CONTINGENCY	\$ 2,000	0.0%	\$ 2,000	Contingency for unanticipated expenses

	A	B	C	D	E	F	G	H
1	Fund:	Management Center	Account	DESCRIPTION	2020 APPROVED	2020 Expended YTD (%)	2021 REQUESTED	DETAIL
36	930	79940	SW0	MISC CONTRACTUAL SERVICES	\$ 13,000	54.0%	\$ 13,000	Office Cleaning (\$2,500), special facility handyman (\$500); snow and lawn maint. (\$9,000); pest control (\$400); and window cleaning (\$450)
37	70000 SERIES TOTAL (Administrative)				\$ 402,763	85.0%	\$ 412,895	
38	930	82010	SW0	BUILDINGS AND STRUCTURES	\$ -		\$ -	Misc. Unknown capital expenses
39	930	84040	SW0	COMPUTER, WEB HOSTING	\$ 3,020	63.0%	\$ 16,640	Website hosting fee from CivicPlus (\$1,920); Adobe Creative Annual Subscription (\$1,100); Recycle by City (\$13,320) and widgets (\$300)
40	930	84060	SW0	FURNITURE AND OFFICE EQUIPMENT	\$ 500	19.0%	\$ 500	Misc. office furnishings; recycled art
41	80000 SERIES TOTAL (Administrative)				\$ 3,520	57.0%	\$ 17,140	
42	TOTAL 92000010 ADMINISTRATION				\$ 886,436	80.0%	\$ 921,074	

Solid Waste Agency of Lake County
FY 2021 Budget v. 2020

	A	B	C	D	E	F	G	H
1	Fund:	Management Center	Account	DESCRIPTION	2020 APPROVED	2020 Expended YTD (%)	2021 REQUESTED	DETAIL
43								
44	930	61040	SW2	OPERATIONAL SUPPLIES	\$ 3,000	0.0%	\$ 1,500	Public information/school education: plaques, flags, awards, promo items. Supplies for other events
45	930	65180	SW2	MISCELLANEOUS COMMODITIES	\$ 4,000	3.0%	\$ 1,500	Supplies, materials & other expenses for workshops, displays, open houses, programs, training, etc. Supplies for member events and to assist schools with events
46	930	65179	SW2	RAIN BARREL, COMPOST SUPPLIES	\$ 11,500	0.0%	\$ 11,500	Purchase of supplies for rain barrel (150 at \$50 per unit) and compost bin annual sale (100 at \$40 per unit)
47	60000 SERIES TOTAL (Education)				\$ 18,500	0.5%	\$ 14,500	
48	930	72830	SW2	PRINTING SERVICES	\$ -	0.0%	\$ -	Print work: guides, annual report, newsletters, brochures, flyers, workshop invites, media kits, and other needed public info materials
49	930	79940	SW2	MISC CONTRACTUAL SERVICES	\$ 3,000	0.0%	\$ 500	Funding for entertainers and speakers for schools; and for misc. publicity efforts
50	930	71635	SW2	TEXTILE AND SHOE PAYOUTS	\$ 11,000	133.0%	\$ 11,000	Payouts to textile and shoe collection partners based on last year's payout of \$7,700, assumes increase in collections and therefore payouts
51	930	71850	SW2	ADVERTISING	\$ 2,650	0.0%	\$ -	
52	70000 SERIES TOTAL (Education)				\$ 16,650	88.0%	\$ 11,500	
53	930	85070	SW2	ALL OTHER CAPITAL OUTLAY			\$ -	
54	80000 SERIES TOTAL (Education)							
55	TOTAL 9200020 EDUCATION				\$ 35,150	42.0%	\$ 26,000	

	A	B	C	D	E	F	G	H
1	Fund:	Management Center	Account	DESCRIPTION	2020 APPROVED	2020 Expended YTD (%)	2021 REQUESTED	DETAIL
56	HOUSEHOLD CHEMICAL WASTE (HCW) 9200030							
57	930	65020	SW2	LABORATORY SUPPLIES	\$ 100	0.0%	\$ 100	Supplies for Unknown Test Kit
58	930	61040	SW2	OPERATIONAL SUPPLIES	\$ 16,000	36.0%	\$ 13,000	Safety Gear, OilDry, Brooms, Tape, Visqueen, Spill Cleanup, FirstAid Kits, Respirator Cartridges, Pallets, Etc.
59	930	65180	SW2	MISCELLANEOUS COMMODITIES	\$ 500	35.0%	\$ 400	Grease for crusher, bottled water, etc.
60	60000 SERIES TOTAL (HCW)				\$ 16,600	36.0%	\$ 13,500	
61	930	71150	SW2	CONSULTANT FEES	\$ 149,900	23.0%	\$ 115,900	Mobile events \$29k (\$14k/event x 2 + 3%); Public Drop-offs \$2k (\$2.6k/event x 23 + 3%); Paint Bulking \$14.8k (\$1.2k/month x 12 + 3%); Suppl Labor \$1.9k (\$50/hx2x8hrsx2events); Food \$2.5k; PHARM Labor \$6k (\$900/event x 6+3%)
62	930	71630	SW2	GARBAGE DISPOSAL	\$ 5,100	45.0%	\$ 4,000	Mobile Events 1.1k(\$525 x 2 events +3%) + Office \$2.4k (\$190/month x 12 months +3%) + Xtra Service(\$500).
63	930	79940	SW2	MISC. CONTRACTUAL SERVICES	\$ 3,700	0.0%	\$ 2,200	Burris fork lift=\$1k (\$450/event x 2 events+3%) Tents=\$1k (\$1,000/event x 1 events); Porta John (\$200) (\$175 per event x 1 events + 3%)
64	930	72110	SW2	LIABILITY INSURANCE	\$ -		\$ -	Covered under Administrative 930-72110, Liability Insurance
65	930	72210	SW2	MOTOR VEHICLE MAINT & REPAIR	\$ 13,800	1.0%	\$ 8,800	Fuel (\$200); Truck safety inspections (\$100); Annual tune up/brakes (\$2.5k); Paint truck cab and decals (\$6k);
66	930	72410	SW2	ALL OTHER MAINT AND REPAIRS	\$ 28,000	80.0%	\$ 29,650	Dock Lock \$700, Plumbing \$3.5k, Fire sys PM \$5k, Warehouse Maint \$4k, Generator \$4k, HVAC \$5k, Elec Services \$3k, Fork lift \$2k, Can Crusher \$500, Alarm \$750, Overhead Doors \$600, Fire Exting \$600
67	70000 SERIES TOTAL (HCW)				\$ 200,500	30.0%	\$ 160,550	
68	930	82010	SW2	BUILDINGS AND STRUCTURES	\$ 15,000	0.0%	\$ 6,500	Seal parking lot and re-stripe
69	930	83010	SW2	MOTOR VEHICLES	\$ -		\$ -	
70	930	84060	SW2	FURNITURE AND OFFICE EQUIPMENT	\$ 10,000	94.0%	\$ -	
71	930	85070	SW2	ALL OTHER CAPITAL OUTLAY	\$ -		\$ -	
72	80000 SERIES TOTAL (HCW)				\$ 25,000		\$ 6,500	
73	TOTAL 9200030 HCW				\$ 242,100	38.0%	\$ 180,550	

Solid Waste Agency of Lake County
FY 2021 Budget v. 2020

	A	B	C	D	E	F	G	H
1	Fund:	Management Center	Account	DESCRIPTION	2020 APPROVED	2020 Expended YTD (%)	2021 REQUESTED	DETAIL
74								
75	930	65180	SW8	MISCELLANEOUS COMMODITIES	\$ 8,000	19.0%	\$ 2,500	Electronics Collections, supplies, signage and labels (\$1,000); Special Events/collection containers (\$500); Signage and labels (\$500); and food scrap collection bags (\$500)
76				60000 SERIES TOTAL (Recycling)	\$ 8,000	19.0%	\$ 2,500	
77	930	72830	SW8	PRINTING SERVICES	\$ -		\$ -	
78	930	79940	SW8	MISC. CONTRACTUAL SERVICES	\$ 5,000	242.0%	\$ 30,000	Electronics collection costs associated with drop off program (\$28K) potential underweight truck charges (\$2K)
79				70000 SERIES TOTAL (Recycling)	\$ 5,000	242%	\$ 30,000	
80				TOTAL 9200040 RECYCLING	\$ 13,000	105.0%	\$ 32,500	

	A	B	C	D	E	F	G	H
1	Fund:	Management Center	Account	DESCRIPTION	2020 APPROVED	2020 Expended YTD (%)	2021 REQUESTED	DETAIL
81								
82								
83								
84								
85	GRAND TOTAL (All Series)					\$ 1,176,686	69.0%	\$ 1,160,124

Solid Waste Agency of Lake County
FY 2021 Budget v. 2020

	A	B	C	D	E	F	G	H
1	Fund:	Management Center	Account	DESCRIPTION	2020 APPROVED	2020 Expended YTD (%)	2021 REQUESTED	DETAIL
86	REVENUES 40000							
87	930	47230	SW0	REVENUE FROM LANDFILL SURCHARGE & TS HOST FEE	\$ 751,300	55.0%	\$ 702,850	Countryside LF (\$210,000); Zion LF (\$420,000); Groot TS (\$72,850)
88	930	48010	SW0	INTEREST INCOME FROM SURCHARGE BALANCE	\$ 30,120	75.0%	\$ 1,630	Assumes we combine 1.2M and 400K CDs into one and include interest for a total of \$1.03M into a new 1 year CD at 0.1% rate (per Treasurer's office on current rate)
89	930	45380	SW0	REVENUE FROM MUNICIPALITIES	\$ 287,254	100.0%	\$ 287,275	O&M Fee at \$1.25 per hh per year
90	930		SW0	REVENUE FROM TEXTILES AND SHOES	\$ 60,000	80.0%	\$ 41,500	Shoes (50,000 lbs at \$.56/lb); Textiles/Bin Program (450,000 lb. at \$.03/lb)
91	930		SW0	REVENUE FROM RAIN BARRELS AND COMPOSTERS	\$ 14,000	0.0%	\$ 14,000	Based selling 150 rain barrels at \$60 per barrel and 100 composters at \$50 per composter
92	930	49910	SW0	MISCELLANEOUS REVENUES	\$ 12,390	85.0%	\$ 40,390	Hauler Licensing (\$1,500); WMRA bonus payment (\$0); eWorks business escrow program (\$2,000); and Surcharge reimbursement from WMI for Deerfield (\$6,350), Lincolnshire (\$2,540); and Grayslake payment for drop off (\$28k)
93	TOTAL REVENUES				\$ 1,155,064	70.0%	\$ 1,087,645	

I – 1. Project and Program Updates

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

1. Work continues on the USDA Grant, we are waiting for a call to be set up regarding the grant process and for final approval of the grant agreement. We scheduled a project team call to get organized as several parts of the project will start up this October.
2. On September 9, 2020, Larry Clark sent a document to the attorney for Advanced Disposal that included a summary of the host agreement negotiations for the Zion Landfill, proposed changes to several environmental safeguards being negotiated and a proposed odor management plan. We are waiting for ADS to respond and set up a date to continue the host agreement negotiations.
3. On September 21, 2020 Larry Clark mailed out letters to both landfills' legal counsel regarding the underpayment of local surcharge fees. Letters were also sent out by Grayslake and Winthrop Harbor regarding fee payments that are also in question. All the letters request meetings with the landfill owner to discuss the underpayment issue.
4. Pete and Walter sat in on the September 15th kick-off meeting for the U.S. Plastics Pact and learned more about our roles as "activators". We also had a call with the new Director of the Pact, Emily Tipaldo, to better introduce ourselves and learn more about how to get involved in the committees that will begin work on key aspects of the Pact's work plan.
5. Work continues on the State Materials Management Advisory Committee which has a mandate to develop a state plan by next July. There are 5 committees holding monthly meetings and as co-chair of the Advisory Committee I try to make as many as possible. The goal is to start writing text in the coming months and to begin the data collection needed to estimate waste generation and management in calendar year 2018.
6. All of our collection programs are operating fairly normal. We did decide not to hold any more mobile HCW collection events this year and instead have added days more events at our Gurnee facility. Merleanne continues to add new collection sites for clothing and shoes, and the electronics program remains fully operational.

ENCLOSED DOCUMENTS: None

STAFF: Walter Willis, Executive Director