Jerilee Hopkins City Clerk



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# CITY OF MT. VERNON, ILLINOIS CITY COUNCIL WORKSHOP MEETING Thursday, August 11, 2016

The Mt. Vernon City Council met in a Workshop Meeting on Thursday, August 11, 2016 at 4:00 p.m. at City Hall, 1100 Main Street, Council Chamber Room, 2<sup>nd</sup> Floor, Mt. Vernon, IL.

#### **CALL TO ORDER**

Mayor Mary Jane Chesley called the meeting to order. Roll call showed present: Council Members Jeff May, Dennis McEnaney, Donte Moore, Todd Piper and Mayor Mary Jane Chesley. Also present were City Manager Mary Ellen Bechtel. Merle Hollmann and Nathan McKenna.

# VISITORS/CITIZEN REQUEST/ADDRESSES FROM THE AUDIENCE

Steven Casper questioned why the City doesn't re-direct funds from the recycling program and the landscape waste programs into the water repairs when the contract with Republic is up next year.

Dan Black suggested the \$6 million in 2012 bond money should be spent on infrastructure.

Jere Shaw asked if the City Council is considering selling the water system.

Ray Botch suggested that the City adopt a 1/2 percent sales tax using its home rule powers, claiming the tax would provide more than \$1.8 million a year for a total of \$36 million over 20 years.

# FINANCING OPTIONS FOR PUBLIC UTILITIES IMPROVEMENTS

(See attached Worksheets)

Mary Ellen Bechtel, City Manager, presented worksheets based upon the meetings and feedback from the Council for financing public utilities improvements. She emphasized that the figures on the worksheets are estimates for water infrastructure improvement, water tower improvements, water line replacements, and water line relining. She noted that the CDAP grant match of \$150,000 for every other year is included. Bechtel chose not to propose financing the improvements with general obligation bonds or revenue bonds because the IEPA interest rate is 1.75% for water and sewer projects and lower than bond rates.

The worksheets are heavily weighted with water line replacements because Council has made reducing water loss a priority.

Bechtel noted that the State has agreed to allow the City to use the Revolving Loan funds of \$1.3 for infrastructure. Two companies have been consulted about replacing water meters to reduce water loss. The meter charge represents a capital investment and is different from the usage fee.

At this time, the City's sales tax rate is 8.25%

It was suggested that commercial businesses should pay a \$20-meter fee (capital investment charge), \$12.50 for residents and a 2 percent increase for capital use only set for five years, but the increase would not take the place of or affect any annual rate increases to pay for water services.

Some of the cash flow to implement the improvements will need to be taken from the remaining 2012 bond revenue.

Council will conduct another workshop on Thursday, August 25, 2016, at 4:00 p.m. at City Hall and will schedule a town hall meeting to discuss the proposed fees with the public.

# **EXECUTIVE SESSION**

No Executive Session was held.

# **ADJOURNMENT**

Council Member May made a motion to adjourn. The motion was seconded by Council Member Piper. Yeas: May, McEnaney, Moore, Piper and Chesley.

The Workshop Meeting adjourned at 5:10 p.m.

Respectfully submitted,

Jerilee Hopkins City Clerk

2% and \$15,00/mo, mater charse		Year	Year 2	Year 3	Year4	YearS	Year 6	Year 7	Year	Year	Year 10	Totale
DRINGS -												
Water Modeling Study	10,000											
Equipment	160,000					20,000						
Telemetry	85,000	000'58				10,000						
CDAP Grant Match (\$600,000 project)			150,000		150,000		150,000		150,000		150,000	
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Force Mains #14 REPLACE	1,200,000	1,200,000										
Force main # 1 (Maple)	1,500,000		1,500,000									
Force main # 7 Wagner	200,000		200,000									
Cast Iron Water Main												
\$14,272 UF @\$95.UF	096'556'89											
Lith Street- Maple to Veterans		424,700										
Grand Alley - Newby to VMD			318,750									
Short Street - Shawnes to Welkins			39,000									
Casey Ase - 12th to let.				310,000								
Perkins Ave Shawnee to 20th				483,600								
Filter Plant-plant to Lak Street					150,000							
Fountain Place- Rt. 37 - End					006,900							
Industrial Drive - Dogwood to White Oak					187,000							
Benton Rd Veterant to Woodland Dr.					386,350							
Cantral Ave - 34th to Sprace					005.09							
Litth Street-Main to North					23,800							
Veterane Memorial - 10th - 13th						00000						
22nd St Broadwart to lones						280 180						
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Michigan Drive - Warner to Michigan Ulau						00000						
Little Street - Perting to Broadway						224.400						
21st St. Lamarto College						00000						
Harrison St - 12th to 88 Tracks						198,400						
Codyle - Casilton to Gee						10,000						
19th St. Legan to Cliete						63,340						
Lists St Broadway to Logan							130,300					
17th Street - Congerto Lanur							28,520					
5. 7th Street - Conger to Perkins							21,000					
n. 7th Street - Main to End							357,300					
Replace 2" Water mains							200,000					
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Blueberry Hill to 27th Street					00000							
Stawberry to 29th along creek					33,510							
9 Adams Ct. to Homertead Dr.					6,750	6,750						
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Magnolia to Lake							16,300					
27th St Mannen to Cherry on Cherry Street								34,500				
9th Street - Conger/Pertins								10,800				
Mannen - Logan St to 27th St.								30,690				
28th - Cherry to near of Mannen									000'6			
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Manholes ***	5,000,000				300,000	100,000	200,000	400,000				
Treatment Plant Maintenance	449,800											
Fire Hydrants							100,000	400,000				
Water Tower Inspection	14,000											
Consolidation of facilities	400,000											
Utility Tracks	000'00											
Sever Syttem Assessment	1,967,338											
TOTALS	96,321,463	060729075	2,981,130	3,922,075	1,313,540	1,466,910	1,549,025	1,386,800	207,325		120,000	
Revenue on \$15.00 Meter Fee		1,222,740	1,322,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,340	1,222,740	12,227,400
Severage on 2% rate increase		218,975	343,350	367,172	494,491	624,356	756,818	891,930	1,029,744	1,170,314	1,313,696	7,010,847
RLF FUNDS		1,300,000										19,238,347
IFPA Loan		2,500,000	1,750,000	2,500,000								
		79,822	233,960	167,837	403,091	380,186	430,533	727,870	2,045,159	2,393,054	2,386,436	
EPA Payment			148,089	177,025	400,004	400,246	400,346	990'009	400,246	400,346	400,246	
Revenue/Loss		228,87	142,271	466,934	2,837	-30,060	30,287	MCS/200	1,644,913	1,992,808	1,986,190	0
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Monthly Rate Increase on MINUMUM Rate		28.20		40.75	42.07	43.42	44.84	46.34	47.90	49.55	51.28	
Annual Rate		460.56	474,60	469,00	504.04	\$21.04	538.08	226.08	574.80	594.60	615.36	

5% rate/ \$30. Meter Fee		Year 1	Year 2	Year 3	Year 4	Year5	Year 6	Year 7	Year 8	Year 9	Year 10	Totals
EXPENSES -												
Water Modelling Study	30,000											
Equipment	160,000	160,000				20,000						
Telemetry	85,000			85,000		10,000						
CDAP Grant Match (\$600,000 project)			350,000		150,000		150,000		150,000		150,000	
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Force main #1 (Maple)	1,500,000		1,500,000									
Force main #7 Wagner	200,000		200,000									
Cast Iron Water Main												
514,2721F@\$95. UF	48,855,840											
12th Street- Maple to Veterans			424,000									
Grand Alley - Newby to VMD		318,730										
Short Street - Shawnee to Welkins				39,000		1					1	
Casey Ave - 12th to 1st.				310,000								
Perkins Ave Shawnee to 25th					483,600							
Filter Plant-plant to Lak Street				150000	386,250							
Fountain Place- Rt 37 - End				89,900	67,500							
Industrial Drive - Dogwood to White Oak				187,000		1					1	
Benton Rd Veterans to Woodland Dr.												
Central Ave - 34th to Spruce												
11th Street- Main to North						55,800						
Veterans Memorial - 10th - 12th						64,600					1	
22nd St Broad way to Jones					290,160	290,160					1	
20th Street- College to Forest						204,600					1	
Highland Drive - Warren to Highland View						83,080					1	
18th Street - Perkinsto Broadway						224,400						
21st of - Lament to College						33,000	400 400				1	
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15th St Broadway to Logan							130,200					
17th Street - Conger to Lamar							28,520					
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n. 7th Street - Main to End							257,300					
Replace 2" Water mains												
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Pumphouse Sewer							450,000					
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1013 Lakeshort DrJamison to Cerry Dr.				17,100								
Blueberry Hill to 27th Street					6,360							
Stawberry to 29th along creek					33,510							
9 Adams Ct to Homestead Dr.					6,750	6750						
5th St Heithert /Bell							22,890					
Perkins - 10th to 11th							15,000					
Magnolla to Lake							16,200					
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9th Street - Conger/Perkins							10,800					
Mannen - Logan St to 27th St.							30,690					
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EPA Payment			148,689	252,771	400,854	400,246	400,246	400,246	400,246	400,246	400,246	
		43,155	-16,036	18,569	2,477	21,192	772	2,857,013	3,129,056	3,722,201	4,037,504	0
Monthly Rate Increase on MINUMUM Rate		33.38	34.55	35.78	37.07	38.42	39.85	41.34	42.90	44.55	46.27	
Annual Rate		400.56	414.60	429.36	444.84	461.04	478.20	496.08	514.80	534.60	555.24	
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Cast Iron Water Main 50%												
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Short Street - Shawnee to Welkins				39,000								
Casey Ave - 12th to 1st.				310,000								
Perkins Ave Shawnee to 26th					483,600							
Filter Plant-plant to Lak Street						150,000						
Fountain Race-Rt. 37 - End						86,98						
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Isabella to Pace in Alley								60,810				
Receivery to Ward									27,625			
57.96 miles RELINING	13,771,296											•
List Station 1A to Brownsville Rd.		412,500										
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Pumphouse Sewer										450,000		
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Stawberry to 29th along creek					33,530							
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Treatment Plant Maintenance	449,800											
Fire Hydrants												
Water Tower Inspection	34,000											
Consolidation of facilities	400,000											
UdityTracks	000'09											
Sewer System Assessment	1,967,328											
TOTALS	96,321,461	5,062,893	2,942,130	3,477,475	360,690	662,330	889,735	647,360	912,405	821,640	687,020	
Revenue on \$12.50 M der Fee	\$12.50 Meter Fee	1,061,406	1,061,406	1,061,406	1,061,406	1,061,406	1,061,406	1,061,406	1,061,406	1,061,406	1,061,406	10,614,060
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IPA loan		2,500,000		2,500,000								
		-201,487		83,991	200,736	339,076	195,651	434,046	149,001	239,766	374,386	
IEPA Payment			348,689	252,771	400,854	400,246	400,246	400,246	400,246	400,246	400,246	
		-201,487	-279,413	- 368,840	-200,138	0.1,1-0	-204,595	13,800	-251,245	-360,430	-25,860	0
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Morthly Rate Increase on MINUMUM Rate		33.38			37.07	38.42	39.85	41.34	42.90		46.27	
Annual Rate		400.36	434.60	429.36	444.84	461.04	478.20	496.08	534.80	534.60	555.24	