

CITY OF MT. VERNON, ILLINOIS
SPECIAL CITY COUNCIL MEETING
Thursday, August 25, 2016
4:00 P.M.

MINUTES

The Mt. Vernon City Council held a Special City Council Meeting on Thursday, August 25, 2016 at 4:00 p.m. at the old Council Chambers, City Hall, 1100 Main Street, Mt. Vernon, IL.

Mayor Mary Jane Chesley called the meeting to order.

ROLL CALL

Roll call showed present: Council Members Jeff May, Dennis McEnaney, Donte Moore, Todd Piper and Mayor Mary Jane Chesley. Also in attendance were City Manager Mary Ellen Bechtel, Nathan McKenna and Jerilee Hopkins.

VISITOR/CITIZEN REQUESTS/ADDRESSES FROM THE AUDIENCE

Jim Rippy appeared to express his concerns about the City spending money on projects that benefit a few and not all residents.

Jere Shaw distributed a handout to the City Council containing dollar and percentage amounts for the proposed water and sewer rate increase and meter fee.

Ray Botch distributed a handout to the City Council containing his proposed ½% home rule sales tax.

SUBORDINATION AGREEMENT WITH WEEDY ACRES PROPERTIES, LLC

Bechtel presented for Council's consideration a Resolution Approving a Subordination Agreement with Weedy Acres Properties, LLC. The City is the holder of a mortgage made by Weedy Acres Properties, LLC to the City of Mt. Vernon to secure an indebtedness in the amount of \$125,000.00 with interest. The Community First Bank of the Heartland is the holder of a mortgage in the principal amount of \$1,212,636.00 made by Weedy Acres Properties, LLC. The City subordinates the interest of its mortgage and lien within the Community First mortgage and only as to the principle sum of \$1,212,636.00.

Council Member McEnaney made a motion to approve a Resolution Approving a Subordination Agreement with Weedy Acres Properties, LLC. Seconded by Council Member Moore. Yeas: May, McEnaney, Moore and Chesley. Abstain: Piper.

FUNDING OPTIONS FOR PUBLIC UTILITIES

Mary Ellen Bechtel, City Manager, presented worksheets based upon the meetings and feedback from the Council for financing public utilities improvements; 2% rate increase and \$15.00 per month meter charge (capital investment fee), as well as a differential between commercial and residential customers. Bechtel noted that the State has agreed to allow the City to use the Revolving Loan funds of \$1.3 million for infrastructure as long as it serves low to moderate income residents.

Council Member Moore urged the Council to consider balancing the repairs to the water system with sewer system repairs.

Funding sources to finance the repairs will come from the 2% rate increase and the monthly meter fee (\$4 million per year for 5 years) as well as a low interest loan (1.75%) from the Illinois Environmental Protection Agency (\$20 million).

Council Member May repeated that some of the cash flow to implement the improvements should be taken from the remaining 2012 bond revenue.

The following is a chart that illustrates the \$1.2 million annual revenue using the tiered rate meter fee by size:

METER FEE BY SIZE OF METER — TIERED RATE					
	Pipe	Meters	Monthly	Total Monthly Income	Total Annual Income
Residential	5/8"	5435	\$12.00	\$65,220.00	\$782,640.00
	3/4"	60	12.00	720.00	8,640.00
	1"	103	18.00	1,854.00	22,248.00
	2"	8	24.00	192.00	2,304.00
	6"	2	48.00	96.00	1,152.00
Commercial	5/8"	684	25.00	17,100.00	205,200.00
	3/4"	28	25.00	700.00	8,400.00
	1"	103	25.00	2,575.00	30,900.00
	1.5"	86	37.50	3,225.00	38,700.00
	2"	8	56.25	450.00	5,400.00
	3"	57	84.38	4,809.66	57,715.92
	4"	23	126.57	2,911.11	34,933.32
6'	1	190.47	190.47	2,285.64	
Government	5/8"	6	25.00	150.00	1,800.00
	3/4"	2	25.00	50.00	600.00
	1 1/2"	1	37.50	37.50	450.00
	2"	9	56.25	506.25	6,075.00
	3"	2	84.38	168.76	2,025.12
	4"	5	126.57	632.85	7,594.20
	6"	3	190.47	571.41	6,856.92
				\$102,160.01	\$1,225,920.12

Bechtel presented worksheets based upon the meetings and feedback from the Council for financing public utilities improvements: water infrastructure improvement, water tower improvements, water line replacements, water meter replacements and water line relining. The CDAP grant match of \$150,000 for every other year is included along with the IEPA loan with an interest rate is 1.75% for water and sewer projects.

2% and \$15.00/mo. meter charge	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Totals
EXPENSES -											
Water Modeling Study	10,000										
Equipment	160,000				50,000						
Telemetry	85,000				10,000						
CDAP Grant Match (\$600,000 project)		150,000		150,000		150,000				150,000	
Opdyke Tower Pt.	80,693										
Opdyke Tower Maintenance	600,000										
Eagle Court Tower Maintenance	500,000	500,000									
L & N Tower Maintenance	450,000		450,000								
Times Square Mail/Maintenance						50,000					
# 14 Lift Station REPLACE	2,000,000	2,000,000									
Force Mains # 14 REPLACE	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											
514,272 LF @ \$95. LF	48,855,840										
12th Street- Maple to Veterans	424,700										
Grand Alley - Newby to VMD	318,750										
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 Place- Rt. 37 - End	89,900										
Industrial Drive - Dogwood to White Oak	187,000										
Benton Rd. - Veterans to Woodland Dr.		386,250									
Central Ave - 34th to Spruce		67,500									
11th Street- Main to North		55,800									
Veterans Memorial - 10th - 12th		64,600									
22nd St. - Broadway to Jones		290,160									
20th Street- College to Forest		204,600									
Highland Drive - Warren to Highland View		224,400									
18th Street - Perkins to Broadway		83,080									
21st St. - Lamar to College		93,000									
Harrison St. - 12th to RR Tracks		198,400									
Opdyke - Casleton to Gee		10,000									
19th St. - Logan to College		63,240									
15th St. - Broadway to Logan		130,200									
17th Street - Conger to Perkins		28,520									
S. 7th Street - Main to End		21,000									
n. 7th Street - Main to End		257,500									
S. 9th St. - Conger to VMD		195,300									
N. 9th St. - Taylor to Casey		167,400									
Cherry - 12th - 24th St.		248,806									
24th St. - Westcott to Broadway			327,360								
13 Th - VMD to Westcott			50,840								
Warren Ave. - Toile Rd. - Salem Rd.			187,200								
Shawnee St. - Short to Vanex			204,600								
26th St. - Perkins to Conger			31,620								
10th St. - VMD to RR			381,600								
44th - Broadway to Winery			107,250								

4th St. - Harrison to Castleton						167,400							
5th St. - North to Casey						136,400							
6th St. - Casey to Barton						173,600							
Lamar Ave - 25th - 15th						217,000							
16th St. - Perkins to Forest				65,100									
Castleton Ave. - 4th - End				124,000									
Lime - Blackberry to Blueberry Hill				223,200									
8th St. - Harrison to Barton				89,900									
Harlan Rd. - Brownsville - Past Melton				168,950									
34th St. - Broadway to VMD				328,600									
College St. - S. 15th - 27th				279,000									
Logan St. - S. 15th - 27th				152,520									
Richview Rd. - 24th - RTE 37				198,400									
Bell St. - Watkins - 12th				204,600									
15th St. - Cherry to Lamar				50,000	30,000								
17th St. - Conger to Lamar													
S. 7th St. - Conger to Perkins				22,500									
S. 9th St. - Conger to VMD				192,000									
N. 7th St. - Main to End				252,000									
N. 9th St. - Taylor to Casey				162,000									
Cherry - 12th to 24th Street				246,000									
24th - Wescott to Broadway				318,000									
Harrison - 3rd to Waterworks Rd.				330,000									
20th St. - College to Forest				198,000									
4th Street - Harrison to Castleton				162,000									
5th St. - North to Casey				132,000									
6th St. - Casey to Barton				168,000									
Caseleton Ave. - 4th to End				120,000									
Lime - Ave - Blackberry to Blueberry Hill				216,000									
Waterworks - Appellate Court to Tower				230,000									
Johnson Alley - opdyke Tower to Broadway				230,000		230,000							
S. 34th St. - Lemon to Jamison				504,000		504,000							
Water lines to be identified				166,600		166,600							
				3,069,400		3,069,400		800,000		800,000			800,000
Water Meters replacement with RFI						2,500,000							
Sewer Mains													
24.82 miles REPLACEMENT													
Sewer line along Creek in Optimist Park		100,000											
Jones - 29th to Veterans Memorial ReRoute													
Olive to Lake/Pavey		89,375											
Columbia - Lake/Pavey			80,470										
Dawson Creek													
Behind old Good Samaritan Hospital						25,000							
25. S.W. Crescent to 1st Manhole on S.E. Crescent						43,680							
Isabella to Pace in Alley						57,915							
Racaway to Ward											27,625		
Sewer Lines to be Identified						250,000							
57.96 miles RELINING													300,000
List Station 14 to Brownsville Rd.													
linden in Woodglen Acres across I-57													
Pumphouse Sewer													450,000
1st Manole East of 1th back to Reservoir						72,000							

1013 Lakeshore Dr. - Jamison to Carry 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																								
5th St. - Herbert /Bell																											
Perkins - 10th to 11th																											
Magnolia to Lake																											
27th St. - Mannen to Cherry on Cherry Street																											
9th Street - Conger/Perkins																											
Mannen - Logan St to 27th St.																											
28th - Cherry to rear of Mannen																											
Jane St. - 34th to Cherry																											
Sewer :omes tp be identified			100,000																								
Manholes ***	5,000,000																										
Treatment Plant Maintenance	449,800																										
Fire Hydrants																											
Water Tower Inspection	14,000																										
Consolidation of facilities	400,000																										
Utility Trucks	60,000																										
Sewer System Assessment	1,967,328																										
TOTALS	96,321,461	6,652,023	5,402,056	5,113,345	5,009,860	4,835,430	812,005	1,286,800	1,007,325	1,200,000	1,340,000																
Revenue on \$15.00 Meter Fee		1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	1,222,740	12,227,400	
Revenue on 2% rate increase		119,975	242,350	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																									19,238,247
IEPA Loan (\$20 million total in loans)		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000		
IEPA Payment		-9,308	63,034	476,567	707,371	1,011,666	1,167,553	827,870	1,245,159	1,193,054	1,196,436																
Revenue/Loss		-9,308	-174,868	763	-6,335	60,058	-21,957	-361,640	55,649	3,544	6,926																
Monthly Rate Increase on MINIMUM Rate		37.72	38.17	38.63	39.11	39.59	40.08	40.58	41.09	41.61	42.15																
Annual Rate		452.64	458.04	463.56	469.32	475.08	480.96	486.96	493.08	499.32	505.80																
Does not include increase for operations or trash rates		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10																
Project funded with IEPA Loan																											

\$12.50 Meter Fee	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Totals
EXPENSES -											
Water Modeling Study	10,000										
Equipment	160,000				50,000						
Telemetry	85,000				10,000						
CDAP Grant Match (\$600,000 project)		150,000		150,000		150,000		150,000		150,000	
Opdyke Tower Pit	80,693										
Opdyke Tower Maintenance	600,000										
Eagle Court Tower Maintenance	500,000										
L & N Tower Maintenance	450,000		450,000								
Times Square Mall/Maintenance						50,000					
# 14 Lift Station REPLACE	2,000,000										
Force Mains # 14 REPLACE	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 50%											
514,272 LF @\$95. LF	48,855,840										
12th Street- Maple to Veterans		424,700									
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Short Street - Shawnee to Welkins			310,000								
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22nd St. - Broadway to Jones								204,600			
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S. 7th Street - Conger to Perkins										257,300	
n. 7th Street - Main to End											
Water Meters replacement with RFI			2,500,000								
Sewer Mains											
24.82 miles REPLACEMENT	19,017,504										
Sewer line along Creek in Optimist Park		100,000									

Council believes the tiered-rate meter fee is a good approach to raising revenue. May and Moore want some of the remaining 2012 bond money used for these improvements. The Mayor requested the revenue raised for these improvements be earmarked, by Ordinance, for the capital improvement fund for water and sewer improvements. Piper does not want to include 2012 bond money in this water and sewer improvement plan. An annual review, during budget time, of the revenue and improvements is recommended.

Moore will coordinate with Bechtel some dates for Town Hall meetings to discuss the rate increase and meter fee with the public.

ADJOURNMENT

Council Member Piper made a motion to adjourn the Special City Council Meeting. Seconded by Council Member Moore. Yeas: May, McEnaney, Moore, Piper and Chesley.

The meeting was adjourned at 5:00 p.m.

Respectfully submitted,

Jerilee Hopkins
City Clerk