

**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





5% rate/ \$30. 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	30,000										
Equipment	160,000				50,000						
Telemetry	85,000		85,000		10,000						
CDAP Grant Match. (\$600,000 project)		350,000		150,000		150,000				150,000	
Opdyke Tower Pit	80,693										
Opdyke Tower Maintenance	600,000										
Engle Court Tower Maintenance	500,000	500,000									
L & N Tower Maintenance	450,000		450,000								
Times Square Mail/Maintenance						50,000					
# 141st Station REPLACE	2,000,000		2,000,000								
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											
514, 272 LF @ \$95. LF	48,855,840										
12th Street- Maple to Veterans		424,000									
Grand Alley- Newby to WMD											
Short Street - Shawnee to Wellins			39,000								
Clay Ave - 12th to 14c			310,000								
Peckins Ave- Shawnee to 26th				483,600							
Filter Plant- pmt to Lak Street			150,000	386,250							
Fountain Place- Rt. 37 - End			89,900	67,500							
Industrial Drive - Dogwood to White Oak			187,000								
Benton Rd. - Veterans to Woodland Dr											
Central Ave- 34th to Spruce					55,800						
11th Street- Main to North					64,600						
Veterans Memorial - 10th - 12th					290,160						
22nd St. - Broadway to Jones				290,160							
30th Street- College to Forest					204,600						
Highland Drive - Warren to Highland View					83,080						
18th Street- Perkins to Broadway					224,400						
21st St. - Lamar to College					93,000						
Harrison St. - 12th to RR Tracks						188,400					
Opdyke - Casleton to Gee						10,000					
19th St- Logan to Orlite						63,240					
15th St. - Broadway to Logan						130,200					
17th Street - Conger to Lamar						28,520					
S. 7th Street - Conger to Perkins						21,000					
E. 7th Street - Main to End						257,300					
Replace 2" Water mains											
2400 LFA 21st, College to Logan					150,000						
9600 LFA 35TH Cherry to Lamar					150,000						
9200 LFA 18th St. Logan to Conger											
525 Racine way - Perkins to Lou											
Water Meters replacement with RFI			2,500,000								
Sewer Mains											
24.82 miles REPLACEMENT			19,017,504								



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Totals
\$2.50 Meter Fee											
EXPENSES-											
Water Modeling Study	30,000										
Equipment	160,000	160,000			90,000						
Telephone	85,000	85,000			30,000						
CDAP Grant Match (\$600,000 project)		350,000		130,000		350,000		130,000		350,000	
Opdyke Tower Rt											
Opdyke Tower Maintenance	80,693	80,693									
Eagle Court Tower Maintenance	600,000	600,000									
L & N Tower Maintenance	500,000	500,000	460,000								
Times Square Mall Maintenance	450,000					50,000					
# 34 Lift Station REPLACE	2,000,000	2,000,000									
Force Mains # 14 REPLACE	1,200,000	1,200,000									
Force main # 1 (Maple)	1,500,000	1,500,000			1,500,000						
Force main # 7 Wagner	200,000	200,000			200,000						
Cast Iron Water Main 50%											
534,272 LF @ \$95. LF	48,855,840										
12th Street- Maple to Veterans		434,700									
Grand Alley - Newby to VMAD		314,750									
Short Street - Shawnee to Walk Ins			310,000								
Casby Ave - 12th to 1st.			310,000	482,600							
Perkins Ave - Shawnee to 26th											
Filter Plant-plant to Lift Street					150,000						
Fourain Place - Rt. 37 - End					80,000						
Industrial Drive - Dogwood to White Oak					187,000						
Benton Rd. - Veterans to Woodland Dr.						384,250					
Central Ave - 34th to Spruce						67,500					
13th Street- Main to North							55,800				
Veterans Memorial - 30th - 12th							64,600				
22nd St. - Broadway to Jones							290,350				
10th Street- College to Forest								204,600			
Highland Drive - Warren to Highland View								80,000			
18th Street - Perkins to Broadway								234,400			
33rd St. - Lamar to College								93,000			
Harrison St - 22th to RR Tracks									198,400		
Opdyke - Canton to Gee									30,000		
18th St. - Logan to Olive									63,240		
15th St. - Broadway to Logan										310,300	
17th Street - Conger to Lamar										24,520	
5. 7th Street - Conger to Perkins										21,000	
n. 7th Street - Main to End										257,300	
Water Meters replacement with NPI			2,500,000								
Sewer Mains											
24.82 miles REPLACEMENT	39,037,504										
Sewer line along Creek in Opheim Park	100,000										
Jones - 29th to Veterans Memorial Parkway		110,830									

