



**City of Mt. Vernon, Illinois
Special City Council Meeting
Monday, April 23, 2012**

Amended Minutes

The Mt. Vernon City Council met for a Special City Council Meeting on Monday, April 23, 2012 at 3:00 p.m. in the Council Chambers at City Hall, 1100 Main Street, Mt. Vernon, Illinois.

Mayor Mary Jane Chesley called the meeting to order.

ROLL CALL

Roll Call showed present: Council Members Dennis McEnaney, Todd Piper, David Wood and Mayor Mary Jane Chesley. Council Member Ron Lash was absent. Also present were City Manager Ron Neibert and City Clerk Jerilee Hopkins.

JOURNAL

The Journals for the April 12, 2012 City Council Workshop Meeting and the April 16, 2012 Regular City Council Meeting were presented to Council for any additions, deletions or corrections. Motion by Council Member McEnaney to approve the Journals as submitted. Second by Council Member Piper. Yeas: McEnaney, Piper, Wood and Chesley. Council Member Lash was absent.

BIDS & QUOTES

According to City Manager Ron Neibert on April 17, 2012 bids were received and opened at 10:00 a.m. for the Davidson and Veteran's Roadway Extension Project. The following is a summary of the bids received:

Baxmeyer Construction Inc.	\$4,031,087.79
E.T. Simonds Construction Co.	4,222,145.69
Kieffer Brothers Construction Co. Inc.	4,490,300.00
Guinzy Construction In	4,497,770.00
Seirra Bravo Contractors Inc.	4,525,249.26
George Jones Excavating LLC	4,608,144.00
Halverson Construction Co Inc.	4,944,130.95

Round Table Design, Inc. (City's Engineer) estimate was for \$4,968,851.25. Therefore, it is their recommendation that this contract be awarded to Baxmeyer Construction Inc. in the amount of \$4,031,087.79. This bid is about \$900,000.00 less than the Engineer's estimate. City Manager Neibert

noted that the City is benefiting from a slow construction market. Council Member McEnaney asked if Baxmeyer has performed work for the City before. City Manager Neibert responded that they have not, but he worked with them previously and the Engineers speak very highly of them as does the City Manager.

Council Member Wood made a motion to Approve and Accept the low bid from Baxmeyer Construction Inc. from Waterloo, IL in the amount of \$4,031,087.79 for the Veteran's and Davidson Roadway Extension project. Council Member Wood amended his motion to make the approval conditional on the Illinois Department of Transportation approval of the bid. Second by Council Member Piper. Yeas: McEnaney, Piper, Wood and Chesley. Council Member Lash was absent. Mayor Chesley added that Tourism Director Bonnie Jerdon will design a sign to be placed at the Veteran's and Davidson Roadway project. Council Member McEnaney noted that Baxmeyer may offer the City assistance in the cost of that project sign.

CITY ATTORNEY

City Manager Ron Neibert filled in for the City Attorney at this meeting, and he presented for Council's consideration the First Reading on Ordinance Amending Section 8.2 regarding the Police Department. Chief Mendenhall advised there is a need for an additional corporal because the department is going from an eight hour shift to a 12 hour shift presenting a need for the additional position and to increase the number of corporals with the Mt. Vernon Police Department to provide supervisors for all shifts. No additional personnel will be hired. The City Manager requested that the Council suspend the rules and take action on the Ordinance at this meeting.

Council Member Wood made a motion to suspend the rules and take action on the recommendation of the Police Chief. Second by Council Member Piper. Yeas: McEnaney, Piper, Wood and Chesley. Council Member Lash was absent.

Council Member McEnaney made a motion to approve the Ordinance No. 2012-12 amending Section 8.2 regarding the Police Department as presented. Second by Council Member Piper. Yeas: McEnaney, Piper, Wood and Chesley. Council Member Lash was absent.

City Manager Neibert presented for Council's consideration a Resolution approving Design Engineering Agreement with Via Rail Logistics, LLC for the Continental Tire Rail Spur Project. This project is entirely funded by a grant through the rail freight program. The design work and construction supervision is not to exceed \$84,350.00. Council Member Piper asked if the construction supervision can be done using in-house engineers. City Manager Neibert responded no and that rail construction supervision is entirely specialized and our staff doesn't have the experience to do it.

Council Member Piper made a motion to approve a Resolution approving Design Engineering Agreement with Via Rail Logistics, LLC for the Continental Tire Rail Spur Project. Second by Council Member Wood. Yeas: McEnaney, Piper, Wood and Chesley. Council Member Lash was absent.

CITY MANAGER

City Manager Neibert presented for the Council's consideration a request for permission to close South 21st Street from Logan Street to Lamar Street on Wednesday, May 2, 2012 from 8 a.m. to 4 p.m. for the Second Judicial Circuit Family Violence Coordinating Council Trauma Informed Practices Training at Logan Street Baptist Church.

Council Member Wood made a motion to approve a request for permission to close South 21st Street from Logan Street to Lamar Street on Wednesday, May 2, 2012 from 8 a.m. to 4 p.m. for the Second Judicial Circuit Family Violence Coordinating Council Trauma Informed Practices Training at Logan Street Baptist Church. Second by Council Member McEnaney. Yeas: McEnaney, Piper, Wood and Chesley. Council Member Lash was absent.

MOTOR FUEL TAX
(Spreadsheets attached)

The motor fuel tax budget will have a working fund beginning balance of \$296,871 and an ending balance at the end of the next fiscal year at \$40,146. Proposed expenditures total \$695,892. However, City Manager Neibert said the lion's share of the budgeted amounts are for electricity for street lights. Those dollars will be examined in six months and a decision will be made at that time of whether to put part of the financial burden for the lights on the general corporate fund.

Public Works Director Matt Fauss submitted a list of proposed projects which is attached.

Council Member Wood inquired as to how the City received responsibility for Old Fairfield Road. About 11 years ago the City agreed to take over the maintenance jurisdiction of that road (approximately three miles.) In exchange, Illinois Department of Transportation gave the City \$1.2 million toward the lifetime maintenance of that road. In subsequent years Old Fairfield Road will be resurfaced. The cost of electricity for street lights is included in the Motor Fuel Tax fund.

SANITATION
(Spreadsheets attached)

The sanitation fund will have an ending working fund balance fiscal year of (\$9,509) and next fiscal year of \$13,628. Based on the present customer rates the Sanitation Fund has a zero in and zero out operating budget.

TOURISM
(Spreadsheets attached)

The tourism budget will have a beginning balance of \$396,096 with a proposed budget of \$638,882 which will leave a working fund balance of \$302,488. The branding project will cost \$45,000 out of this fiscal year's budget with Jefferson County Development Corporation reimbursing the City for \$17,000. The DDI consultants are in the City this week to kick off the branding portion on Thursday, April 26, 2012. Repairs and maintenance on the Municipal West building will total \$50,000. The inside of the building will be painted for the first time since it was built. Sidewalk will be constructed on the east side of Potomac Blvd. at the Holiday Inn for a cost of \$40,000.

C.D.AP. GRANT
(Spreadsheets attached)

The City is required to budget CDAP Housing Improvement grant funds in the amount of \$384,200 in and \$384,200 expended. The Crosswalk Agency handles the administration of that project.

REVOLVING LOAN FUND
(Spreadsheets attached)

The Revolving Loan Fund has an opening balance of \$922,452 with anticipated expenditures of \$23,252. The City is able to recapture part of the City Manager's, City Finance Director's and staff's time spent on this fund as administrative costs. The City did not budget for any loans because there are no pending applications. The fiscal year ending balance will be \$1.09 million. If any economic development projects with job creation the City can use a portion of these funds to match up to 50% of the cost based on the ratio of \$15,000 per job. This could be a fund to be used for economic development infrastructure or economic match incentive for infrastructure. Local or national companies benefiting from the loan have to create full time job equivalents. The City utilized \$500,000 of this fund for the Continental road project as a match for the \$500,000 grant. City Finance Director Hollmann advised that \$400,000 was loaned to Buffalo Wild Wings, \$300,000 to Pepsi and \$112,000 to Rendezvous Grill & Bar. The benefit is to have local funds to contribute to the CDAP program for example. If we expend all of these funds then we can apply to DCEO to recapture additional funds for this account. Council Member Wood asked that the minutes reflect the next time a Revolving Loan Fund application is received requiring amending the budget that the City Council be notified. He requested that the Revolving Loan Committee's policies for making loans from this fund be reviewed in an effort to do a better job of making and collecting the loans. According to City Manager Neibert, Council Member Wood wants the City to modify the recapture strategy to address the types of loans that are made. City Manager Neibert noted that one loan has been formally written off and one loan is a payment or two behind in repaying the loan.

City Finance Director Hollmann noted that the additional access road construction for Buffalo Wild Wings is not included in the budget, but will need to be taken from this fund.

Council Member Piper inquired if it is appropriate to suspend the Revolving Loan fund at this point until a review can be performed. City Manager Neibert agreed that a moratorium on any loans will be in place until the City reviews the recapture strategy.

HEALTH INSURANCE FUND
(Spreadsheets attached)

The health insurance fund will begin the fiscal year with \$604,083 and anticipate revenues of \$2.4 million that come from the different operating funds based on the prorata basis of the employees that participate in the insurance fund. Expenditures, paying claims and administrative fees will total \$2.5 million. The City has written down the amount of contribution this year based on actual costs and that's why there is a negative cash balance on the spreadsheet. The end of the year working fund balance is anticipated to be \$457,826. This fund will be reviewed mid-year. The City may transfer some of the electric street light cost from the MFT to the General Corporate Fund at mid-year. Council Member Piper asked if this strategy is recommended by HCH. City Manager Neibert stated 'no', these are his recommendations. Council Member Wood inquired if the City has a policy on the health insurance fund balance - no, according to the City Manager but because annual claims average about \$2.1, maybe the working fund balance should only be about \$200,000. In theory the fund balance could be zero. Traditionally, the City has enough money on hand in this fund to pay the annual premium in one payment and receive a discounted rate. City Manager Neibert stated that instead of depositing the contributions monthly perhaps we can advance May, June and July payments to the fund in May to pay the premium upfront and receive the discount.

SPECIAL SERVICE AREA 1 FUND
(Spreadsheets attached)

The Special Service Area 1 beginning fund balance for the new fiscal year is \$42,782. The Downtown Development Corporation requests a budget of \$114,409 which will leave a working fund balance of \$24,762. Director Cyndy Mitchell stated that more trees will be planted downtown in areas not served by the new Streetscape plan. Additional benches and trash receptacles will be purchased to supplement the Streetscape plan. Several downtown events are in the works. Downtown Development discussed using the vacant lot south of Subway as a farmer's market. Three public green spaces have been identified downtown. The lot south of Subway, Stewart Exhaust lot, and the lot next to 9th Street Grill. Because of limited resources, money for the green space development is not in the budget. She noted that the recent Tin Ceiling Tour was a great success and received a lot of positive feedback from the community about the activity in downtown Mt. Vernon.

Council Member Piper inquired when the ITEP grant (Streetscape) is due. City Manager Neibert added it is due for submission of Phase 3 on May 29, 2012. Phase 2 is under construction this year and will be done in time for the fall festival downtown. Ideally if the design work can be completed over winter then a similar ending date is anticipated for next year's fall festival. City Manager Neibert commented that planning sessions will be scheduled for this summer.

Council Member Wood expressed his concern about the cleanliness of downtown Mt. Vernon. Director Mitchell noted she has one person who is paid \$10,000 (1,000 hours per year) to mow, weed, clean up, repaint lids of trash receptacles, maintenance at the DMDC office, banner set-up, etc. Council Member Wood stated that 1,000 hours is not enough time to maintain everything needed and necessary in downtown. Frankly the parking lots are a mess with downed tree limbs, striping and crosswalks should be redone, and weeds should be removed. He wants to make this a priority. City Manager Neibert noted that some of these things should be addressed by the Public Works Department and DMDC and resources evaluated to make downtown and the rest of the City a priority, including City Hall. Maybe the City Inspectors should be writing up the City when we're not getting our job done. He added that as a Council they are not doing enough to improve the City's image.

Council Member McEnaney commented there has been lots of talk recently about improving our City's image and purchasing new signage, etc., but nothing has been done. Maybe it's time to create a committee and a plan to improve our image throughout the whole city. He added that he would like to have a workshop centered on City image. Perhaps the branding meeting on Thursday, April 26, 2012 will be the catalyst to begin this process. City Manager Neibert stated that the branding study will address signage throughout the City. He stated that he will meet with the appropriate departments, make a summary of the things that need to be addressed, inform everyone of what's going to be done and who's going to do it. Council Member Wood stated that he doesn't want to wait to address this issue at the May, June or July financial workshops. He wants to discuss this while laying out the budget. He asked that the City Manager include the three parks projects in the quality of life/economic development budget. Green spaces are in the master plan for downtown.

HOMESTEAD TIF
(Spreadsheets attached)

The Homestead Tax Increment Finance District hasn't done what it was intended to do five years ago when it was created. The formal agreement with the developer expires in August. We have an option to either dissolve the district or continue as we have done recently and market it to residential developers as a

potential site for a residential community. Council will address this issue later in the summer. There is a negative balance of \$1,175 in the Homestead TIF.

DOWNTOWN TIF
(Spreadsheets attached)

The Downtown TIF has \$96 left in the fund. We anticipate revenues of \$250,274 and expenditures of \$250,319 and that's because the statute mandates that the money be spent. City Manager Neibert estimates the commitments around \$150,000. He anticipates having around \$100,000 for a few projects. Council Member McEnaney noted that he attended the Tin Ceiling Tour and every building owner said they would not have been able to accomplish their renovation with the TIF incentive.

INDUSTRIAL PARK CONSERVATION TIF/WEST SIDE TIF
(Spreadsheets attached)

The West Side TIF has a negative balance of \$23,256. We should start seeing some significant development there and revenue and abilities to do some things.

ROUTE 15/I-57/EAS(Spreadsheets attached)
T SIDE TIF

The East Side TIF has a negative balance of \$34,367.

According to Neibert, the negative balances in the East and West TIF funds are the result of new TIFs which have already been charged a portion of the cost to implement the district — an expense allowed by the TIF Act. In the case of the Homestead TIF, the TIF has not been developed as promised and administrative costs have continued to be charged to the TIF pool at a rate faster than the TIF has collected tax monies.

NEW FIRE/LADDER TRUCK & JET TRUCK

The council decided to order a new ladder truck during the 2013-14 fiscal year at an estimated cost of \$650,000. Neibert said the city would then take delivery of the truck during the 2014-15 fiscal year, and the first payments for financing the truck would be in fiscal year 2015-16. That would put the department on a schedule to begin replacing trucks every five years. To keep the truck in operation through the next two years, \$15,000 has been budgeted in repairs and maintenance. The recommendation also included paying for a pumper truck currently in construction.

Neibert recommended the jet truck be financed for five years and the cost split between the capital budgets for general corporate and public utilities.

With the budget information almost complete, the council looked over the annual water and sewer increase, which will be set at about 2.3 percent. The percentage is based on the amount needed to be collected to ensure a \$400,000 fund balance at the end of the fiscal year in accordance with the financial policies of the city.

WATER/SEWER RATE INCREASE
(Spreadsheets attached)

According to Finance Director Merle Hollmann, this will be the final year for water/sewer rate increases coming twice a year. Five years ago, the council approved increases in May and November with increases of 3 percent in each November. The ordinance has a sunset after five years. Last year, residents had a 7.3 percent increase in May, followed by a 3 percent increase in November for a total increase of 10.3 percent. This year, the council is looking at a 2.3 percent increase in May, followed by a 3 percent increase in November for a total rate increase of 5.3 percent. Hollmann said it would take council action to implement November increases after this year.

Discussion was held regarding the cash balance in the public utilities fund. Three proposed increases were submitted to the Council – 1.75% increase; 2% increase; and 2.5% increase. Finance Director Hollmann noted that the amount of monthly receivables is \$348,000. The highest month's receivables would be less than \$400,000. Based on the information supplied to him by Finance Director Hollmann, City Manager Neibert recommended a 2% increase to allow for a \$381,985 fund balance.

The Council agreed to allow City Manager Neibert to determine the exact percentage of increase to allow a public utilities working fund balance equaling \$400,000.

MAYOR

On Thursday, April 26, 2012 from 8:30 a.m. to noon will be a Joint City Council Workshop Meeting & the Mt. Vernon Convention & Visitors Bureau Advisory Board Meeting at the Municipal West Building for the Branding Assessment results by Destination Development, Inc. (DDI).

On Monday, April 30, 2012 at 3:00 p.m. will be a City Council Special Meeting as well as a Public Budget Hearing at City Hall. Agenda items include: First Reading on Ordinance regarding water and sewer rates; First Reading on Ordinance authorizing the Ceding of Private Activity Bonding; First Reading on Ordinance Approving the 2012/2013 Budget; and First Reading on Ordinance Approving Right-of-Way License Agreement with Delta Communications, LLC.

CITY COUNCIL

Bonnie Jerdon & Mary Ellen Bechtel, JCDC, will appear at noon Rotary at the First United Methodist Church to discuss the branding study.

EXECUTIVE SESSION

There was no Executive Session.

ADJOURNMENT

At 4:35 p.m. a motion to adjourn was made by Council Member McEnaney. Second by Council Member Piper. Yeas: McEnaney, Piper, Wood and Chesley. Council Member Ron Lash was absent.

Respectfully submitted,

Jerilee Hopkins
City Clerk