

**CITY OF MT. VERNON, ILLINOIS
REGULAR CITY COUNCIL MEETING
Monday, November 2, 2015
7:00 P.M.**

MINUTES

The Mt. Vernon City Council held a Regular City Council Meeting on Monday, November 2, 2015 at 7:00 p.m. at the Rolland W. Lewis Community Building, Veterans Park, 800 South 27th Street, Mt. Vernon, IL.

The invocation was given by Jeff Haarmann.

The Pledge of Allegiance was recited.

ROLL CALL

Roll call showed present: Council Members Jeff May, Dennis McEnaney, Donte Moore, Todd Piper and Mayor Mary Jane Chesley.

PRESENTATION OF JOURNALS

The Journals for the October 15, 2015 Special City Council Meeting, October 19, 2015 Regular City Council Meeting and the October 26, 2015 City Council Workshop were presented to Council for their consideration. **Council Member Piper made a motion to approve the Journals as presented. Seconded by Council Member Moore. Yeas: May, McEnaney, Moore, Piper and Chesley.**

APPROVAL OF CONSOLIDATED VOUCHERS FOR ACCOUNTS PAYABLE

The Consolidated Vouchers for Accounts Payable were presented to Council for approval. Council Member May requested an explanation on the following items: #1 Barnard Farms, LLC - \$44,603.11 – principal and interest on Industrial Park land purchase and #3 BHM Farms, LLC - \$17,896.89 – principal and interest on Industrial park land purchase. Bechtel explained that one parcel of the Industrial park property was owned by Leon Barnard and the other parcel was owned by a partnership - Leon Barnard and a family member. She noted this is a direct debt to the Barnard's at five (5) percent interest. Council Member May again inquired about the large amount of overtime hours worked and specifically the Fire Department (No. 2050) in the amount of \$21,880.23. Council Member McEnaney inquired about the following items: #6 E T Simonds Construction Co. - \$160,914.60 – Ambassador Road construction. The total Ambassador Road project, including water, sewer and road reconstruction previously totaled \$1.6 million. Because the turn lanes were not constructed the total amount due was reduced by \$200,000.00 or has a total of \$1.4 million. #17 Republic Services - \$4,830.04 – dumpster fees for 816 S. 20th Street. The property was abandoned so the City cleaned-up the property. There is an \$11,000.00 lien against the owner for the costs of cleaning the property. #19 Varsity Striping - \$8,833.99 – Paint for pavement striping. Numerous streets were striped by City workers. A special check was written to Steven Beal for \$34,130.30 for Downtown TIF reimbursement. In 2014 Beal was granted TIF benefits of \$402,000.00 to be paid out over time. A special check was written to Triple L Holdings,

LLC (State Beauty Supply) for \$8,738.32 for Downtown TIF reimbursement. They were granted TIF benefits of \$93,000.00 to be paid out over time.

Council Member Moore made a motion to approve the Consolidated Vouchers for Accounts Payable in the amount of \$1,138,373.25. Seconded by Council Member May. Yeas: May, McEnaney, Moore, Piper and Chesley.

BIDS & QUOTES

Interim City Manager Mary Ellen Bechtel presented for Council's consideration Bid Results for financing a new Fire Pumper Truck. Finance Director Merle Hollmann appeared to answer questions about the bid results. Earlier this year the City applied and was approved for a revolving loan from the State Fire Marshall's Office. However, Bechtel and Hollmann recommended financing the entire purchase of \$608,000.00 with US Bancorp Government Leasing and Finance, Inc. at a rate of 1.77% for a five year period.

**CITY OF MT. VERNON, ILLINOIS
RESULTS OF REQUEST FOR QUOTES
FINANCING \$608,000 FIRE PUMPER TRUCK**

We requested quotes for financing a Ferrara Fire Apparatus Inc. Custom Pumper, mounted on a 2015 Ferrara "Igniter" chassis, extruded aluminum body, Hale QMax pump 2000 gpm. The cost of the truck is \$608,000.00 and will be purchased and paid for in November 2015. We have received an offer from the Office of the State Fire Marshall for a Revolving Loan to finance \$350,000 of the purchase price. We obtained quotes on financing both \$608,000 and \$258,000 for both five years and ten years.

RESULTS OF QUOTES FOR FINANCING THE ENTIRE \$608,000 PURCHASE PRICE OF THE FIRE PUMPER OVER 5 YEARS WITH A LOCAL BANK AND DECLINING THE STATE LOAN OFFER

Terms of Loan	Specifications	5 YEAR TERM				10 YEAR TERM	
		Peoples National Bank	US Bancorp Government Leasing and Finance, Inc	Woodforest National Bank	First Mid-Illinois Bank	US Bancorp Government Leasing and Finance, Inc	First Mid-Illinois Bank
Loan Amount:	\$608,000	ok	ok	ok	ok	ok	ok
Term of Loan:	5 or 10 Years	5 Year Term	5 Year Term	5 Year Term	5 Year Term	10 Year Term	10 Year Term
Repayment Terms:	Annual principal & interest payments	ok	ok	ok	ok	ok	ok
First Payment Due:	One year from loan date	ok	ok	ok	ok	ok	ok
Collateral:	First security interest on the truck:	ok	ok	ok	ok	ok	ok
Loan Fees	None	ok	ok	ok	ok	ok	ok
Prepayment Penalty:	None	ok	ok	ok	ok	ok	ok
Costs to be paid by City	None	ok	ok	ok	ok	ok	ok
Interest Rate:	Fixed for the term of the loan	2.83%	1.77%	6.25%	2.39%	2.51%	2.99%
			Finance Recommends acceptance of this quote				

RESULTS OF QUOTES FOR FINANCING \$258,000 OF THE PURCHASE PRICE OF THE FIRE PUMPER OVER 5 YEARS IN ADDITION TO UTILIZING THE REVOLVING LOAN FROM THE STATE

Terms of Loan	Specifications	5 YEAR TERM			
		Peoples National Bank	US Bancorp Government Leasing and Finance, Inc	Woodforest National Bank	First Mid-Illinois Bank
Loan Amount:	\$258,000	ok		ok	ok
Term of Loan:	5 Years	5 Year Term	NONE	5 Year Term	5 Year Term
Repayment Terms:	Annual principal & interest pmts	ok	QUOTED	ok	ok
First Payment Due:	One year from loan date	ok		ok	ok
Collateral:	Second security interest on the truck:	ok		ok	ok
Loan Fees	None	ok		ok	ok
Prepayment Penalty:	None	ok		ok	ok
Costs to be paid by City	None	ok		ok	ok
Interest Rate:	Fixed for the term of the loan	2.83%		6.25%	2.49%

REVOLVING LOAN FROM THE STATE FIRE MARSHALL'S OFFICE

Terms of Loan	Specifications	State Fire Marshall's Office
Loan Amount:	\$350,000	ok
Term of Loan:		5 or 10 Year Term
Repayment Terms:	Annual principal & interest pmts	ok
First Payment Due:	One year from loan date	ok
Collateral:	First security interest on the truck:	ok
Loan Fees		\$500
Prepayment Penalty:	None	ok
Interest Rate:	Fixed for the term of the loan	2.21%

COMPUTATION OF SAVINGS BY FINANCING \$608,000 FOR 5 YEARS WITH US BANCORP	
TOTAL INTEREST ON \$608,000 5 YEAR LOAN WITH US BANCORP (payments of \$128,125.01)	\$ 32,625.05
TOTAL INTEREST ON \$608,000 5 YEAR LOAN (\$350,000 WITH STATE LOAN AND \$258,000 WITH FIRST MID-IL BANK)	
\$350,000 5 YEAR LOAN WITH STATE FIRE MARSHALL'S OFFICE (payments of \$74,708.60)	\$ 23,543.00
\$258,000 5 YEAR LOAN WITH FIRST MID-ILLINOIS BANK (payments of \$55,517.69)	\$ 19,588.45
TOTAL INTEREST UNDER THIS OPTION	\$ 43,131.45
LOAN FEE WITH STATE FIRE MARSHALL'S OFFICE WHICH CANNOT BE REFUNDED	\$ 500.00
SAVINGS	\$ 10,006.40

Council Member May made a motion to accept the bid from US Bancorp Government Leasing and Finance, Inc. for the entire purchase price of \$608,000.00 for the new Fire Pumper Truck at a rate of 1.77% for a five year period. Seconded by Council Member McEnaney. Yeas: May, McEnaney, Moore, Piper and Chesley.

CITY MANAGER

City Engineer Brad Ruble presented the Capital Projects Report:

CAPITAL PROJECTS REPORT

GENERAL SUMMARY OF PROJECT STATUS – September 2015



TRANSPORTATION

Project	Cost	Work Phase	% Complete	Est. Compl. Date	Notes
42 nd St. Reconst. (Victoria to Richview)	4.0 M	Design(HMG) Const.(Baxmeyer)	100% 20%	Complete 2 nd Q 2016	90 of pavement is in place north of the RR tracks. Will finish that portion and move to south end.
South 27 th Street (Jamison to Veterans)	1.7 M	Design(Rhutasel) Construction	0% 0%	Pending Pending	Awaiting decisions to move forward with design.
N. 27 th / Old Union Rd. (Richview to Wilshire)	3.3 M	Design(HMG) Construction	95% 0%	3 rd Q 2015 4 th Q 2016	4 Easements have been obtained. More to acquire.
Perkins Avenue (10 th to 12 th)	0.75 M	Design(Horner/Shifrin) Construction(Baxmeyer)	100% 0%	Complete 1 st Q 2016	Baxmeyer was awarded the project. Still determining start date for project.
42 nd at Veterans Signals	900 K	Design(HMG) Construction	30% 0%	Pending Pending	Met with IDOT about options for project. Project is on hold.
Ambassador Roadway near new High School	1.25 M	Design(Rhutasel) Const. (ET Simonds)	100% 15%	2 nd Q 2015 4 th Q 2015	Pavement is beginning and will progress throughout the month.
Fairfield Road Resurfacing	1.0 M 80% IDOT	Design(Roundtable) Construction	75% 0%	2 nd Q 2016 4 th Q 2016	RoundTable design has been awarded design work and they are working. Plans nearly finished

SEWER

Project	Cost	Work Phase	% Complete	Est. Compl. Date	Notes
Lift Station 14 Force main Replacement	1.8 M	Design(HMG) Construction	100% 0%	As needed Unknown	Project on stand still waiting for monies to become available.
Ambassador Road near new High School	300 K	Design(HMG) Const(Trotter)	100% 95%	1 st Q 2015 4 th Q 2015	Pumps will be started soon. Electricians have been slow getting things together.
Lift Station 14 Station Replacement	2.0 M	Design(N/A) Construction	0% 0%	Pending	No progress

SIDEWALKS / TRAILS

Project	Cost	Work Phase	% Complete	Est. Compl. Date	Notes
Richview Wide Sidewalk (27 th to 24 th on South)	400 K	Design(Heneghan) Construction(Moniger)	100% 0%	Complete 2 nd Q 2016	Moniger Const. to start project in the spring.
Wilshire Sidewalk (Richview to Old Union)	190 K	Design(Rhutasel) Construction	90% 0%	4 th Q 2015 2 nd Q 2015	Easement acquisition has begun.
*.SRTS Airport Rd. and Marteeny	200 K 80% IDOT	Design(Not Selected) Const. (Not Selected)	0% 0%	Pending	Just received funding design firm not selected as of yet. Must move Airport Road Portion to different location due to ownership of road.

WATER

Project	Cost	Work Phase	% Complete	Est. Compl. Date	Notes
Broadway & Main Water Phase 1	1.85 M	Design(RoundTable) Construction	100% 0%	Complete 2 nd Q 2016	Spent the first week finding existing water lines on Main Street. Will begin layout of new main location and pavement sawing.
Broadway & Main Water Phase 2	1.0 M	Design(RoundTable) Construction	95% 0%	2 nd Q 2016 4 th Q 2016	Phase 2 will replace from 15 th to 6 th along Main Street

INDUSTRIAL PARK INFRASTRUCTURE

Project	Cost	Work Phase	% Complete	Est. Compl. Date	Notes
Roads	7.3 M all project	Design(HMG) Construction	50% 0%	2 nd Q 2016 4 th Q 2017	Detailed design work has begun. North Industrial Drive, South Industrial Drive, Shiloh Drive, and Sparrow Lane.
Water & Sewer	85K Tarp, 1.285M EDP, 3.25M EDA	Design(HMG) Construction	90% 0%	1 st Q 2016 4 th Q 2016	Gravity Sanitary Sewer, Force Main, Lift Station, Lift Station revision, and Water mains. Water and sewer plans are nearly complete

Nathan McKenna, Assistant to the City Manager, presented the programmatic report:

CITY PROGRAMMATIC REPORT

GENERAL SUMMARY OF PROJECT STATUS – November 2015



<i>Project</i>	<i>Work Phase</i>	<i>Act. / Est. Cost</i>	<i>% Complete</i>	<i>Est. Compl. Date</i>	<i>Notes</i>
Housing Program	Implementation		100% ongoing	Ongoing Ongoing	There will be an announcement coming from a construction company concerning new homes to be built. The average size of the home will be 1400 square feet with a price point of 175K. Announcement will be Nov. 9 th .
Armory / Market	Design Construction	N/A 2M	100% 0%	TBD	Project on hold pending review. Project funding from IDNR suspended until review by Gov. Office. (1.55 million) In the fifth month of State fiscal year without a budget.
Surplus Property	Review	N/A	N/A	Ongoing	Sale pending on two more properties. City still has 76 surplus properties available for sale. Have been receive calls of interest on the former Townhomes properties.
Housing Demolition	Demolition	72K		Complete Ongoing	Heck Excavating has finished the last round of demos. Preparing bid documents for the next round of demos. Council had previously gave permission to demolition 9 more structures.
City Hall Basement	Review	125 K		Complete	Estimates for Mold remediation, asbestos abatement and water drainage received.
City Hall Improvements	Review	N/A			Comprehensive report on city hall near completion. Waiting on estimates for roofing and windows. Will have findings to council shortly.
Lincoln Park Addition	Planning Construction	1.6M	100%	TBD	Project on hold pending review. Project funding from IDNR suspended until review by Gov. Office. (400 Thousand)

Rend Lake Conservancy District

Jim Rippy, the City of Mt. Vernon’s appointed representative on the Rend Lake Conservancy District, presented an update to the City Council and distributed a handout. He expressed a concern about the financial status of the District because of a recent vote taken to use water funds to collateralize recreation loans. The District Board also passed a resolution to eliminate the use of recreation and sewer funds to pay for administrative costs (central office salaries) and charge those costs to the water fund, further subsidizing golf once again with water revenues. Mr. Rippy categorized these actions as potential mismanagement by the District Board. He added that four Franklin County residents and three Jefferson County residents make up the District Board.

Jere Shaw also appeared to express his frustration with the direction the Rend Lake Conservancy Board is going with regard to raising water rates in order to subsidize recreation.

Bechtel presented for Council’s consideration a request for Permission to Negotiate with Rend Lake Conservancy District for the Installation of a Valve on the 12” Main serving Continental Tire and the 16” line serving the City of Mt. Vernon. Rend Lake Conservancy District will install a valve that will allow the City to safely replace the water meter for Continental Tire at their next shut down. The valve on the 16” line will allow the City to re-route the water in the event there is a breach of the line north of Woodland Drive with an estimated cost of up to \$25,000.00. It is crucial that this project be coordinated between the City and Continental Tire in order to complete the task with little disruption to operations at Continental. Greg Brown, of Continental Tire, was present to answer Council’s questions.

Council Member May made a motion to grant Permission to Bechtel to Negotiate with Rend Lake Conservancy District for the Installation of a Valve on the 12” Main serving Continental Tire and the 16” line serving the City of Mt. Vernon. Seconded by Council Member Moore. Yeas: May, McEnaney, Moore, Piper and Chesley.

CITY ATTORNEY

City Attorney David Leggans presented for Council’s consideration a Resolution Approving an Agreement to Extend the Electrical Aggregation Agreement with Constellation Energy Services, Inc. Jeff Haarmann, of Affordable Gas & Electric, was present to explain the benefit of extending the City’s current electric aggregation rate for another year in order to lock in the lower rate through December 31, 2017. There are 4,255 households currently enrolled with Constellation which is 90-92 percent of City households. Citizens with questions may contact Jordan Haarmann, Municipal Aggregation Coordinator, at 618-203-8328.



City of Mount Vernon - Aggregation Contract Renewal Notes for 11/2/2015

Midwest Market Trend - Indiana Hub



	2015					2016					2017																				
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Default Rate	5.966					6.768					Unknown					Unknown															
MuniAgg Rate						5.4										6.01															
% Discount	9.49%					20.21%																									

4,255 Households participating on program as of October 2015
 Current Discount to Utility Rate is ~20%
 Average Annual Usage/HH @ ~10,000 for 2014
 20% Discount Annually translates into ~\$140 savings per HH
 Roughly \$600,000 in annual savings @20% discount for entire City

Council Member Piper made a motion to adopt a Resolution Approving an Agreement to Extend the Electrical Aggregation Agreement with Constellation Energy Services, Inc. Seconded by Council Member McEnaney. Yeas: May, McEnaney, Moore, Piper and Chesley.

City Attorney Leggans presented for Council’s consideration a Resolution Approving an Agreement with Brennan Klein Field Foundation to Construct a Concession Stand at Lincoln Park. Bechtel advised that last July, Dr. Chris Klein appeared before the City Council and proposed the construction of a new building that would contain a concession stand, restrooms, storage facilities and dressing rooms. This agreement will give the Brennan Klein Field Foundation permission to start constructing the foundation for the concession stand and

begin fundraising for the construction costs of the rest of the building. In addition, the agreement clearly defines the obligations of each of the parties. Once the concession stand is completed, the Brennan Klein Field Foundation will donate the building to the City. The City will operate the facility and coordinate the use with the Mt. Vernon High School Baseball Booster club, by the Mt. Vernon High School Soccer Booster Club, and by other entities given permission by the City to use the facility.



Council Member McEnaney made a motion to adopt a Resolution Approving an Agreement with Brennan Klein Field Foundation to Construct a Concession Stand at Lincoln Park. Seconded by Council Member May. Yeas: May, McEnaney, Moore, Piper and Chesley.

MAYOR

Mayor Chesley reminded everyone the Senior Saints Dinner, sponsored by the Chamber of Commerce, will be held on Friday evening, November 6, 2015, at the Holiday Inn.

CITY COUNCIL

Council Member Donte Moore reminded residents that the 240th Marine Corps Ball will be celebrated locally at the Rend Lake Resort on Saturday, November 7. "Once A Marine, Always A Marine" is the theme, and the guest speaker is U.S. Rep. Mike Bost.

VISITORS/CITIZEN REQUESTS/ADDRESSES FROM THE AUDIENCE

Horton Petties inquired about the excess funds at the Rend Lake Conservancy District. He was directed to telephone the District at 618-439-4321.

EXECUTIVE SESSION

Bechtel requested an Executive Session in order to discuss litigation pursuant to the Open Meetings Act, Section 2(c)(11).

Council Member Piper made a motion to go into Executive Session pursuant to Section 2(c)(11) Litigation. Seconded by Council Member McEnaney. Yeas: May, McEnaney, Moore, Piper and Chesley.

ADJOURNMENT

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

The meeting was adjourned at 9:10 p.m.

Respectfully submitted,

Jerilee Hopkins
City Clerk