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**City of Mt. Vernon, Illinois
Regular City Council Meeting
Monday, December 17, 2012
MINUTES**

The Mt. Vernon City Council held a Regular City Council Meeting on Monday, December 17, 2012, at 7:00 p.m. at the Rolland W. Lewis Community Building, Veterans Park, 800 South 27th Street, Mt. Vernon, IL.

Mayor Mary Jane Chesley called the meeting to order.

The Invocation was given by a Rev. Kent Jackson of the Family Life Center and Jefferson County Ministerial Association.

The Pledge of Allegiance was recited.

ROLL CALL

Roll call showed present: Council Members Ron Lash, Dennis McEnaney, Todd Piper, David Wood and Mayor Mary Jane Chesley.

PRESENTATION OF JOURNALS

The Journal for the December 3, 2012 Regular City Council Meeting was presented to Council for any additions, deletions or corrections. **Council Member Lash made a motion to approve the Journal as presented. Seconded by Council Member McEnaney. Yeas: Lash, McEnaney, Piper, Wood and Chesley.**

APPROVAL OF CONSOLIDATED VOUCHERS FOR ACCOUNTS PAYABLE

Approval of Consolidated Vouchers for Accounts Payable were presented to Council for Approval. Council Member McEnaney asked for an update on Item #4 Baxmeyer Construction, Inc. - \$73,355.61 – South Davidson and Veterans West roadway extension. This represents a partial payment on project. The project is about 85% complete. Citizens are reminded that the project is not complete and should not be moving construction barricades in order to use the road. Item #9 FGM Architects - \$32,629.49 – Professional services for the Aquatic Facility. The main pool, splash pool, and lazy river are dug and concrete is being poured. Item #10 Gleeson Asphalt - \$11,333.32 – Casey Middle School/Cedarhurst shared use trail. This project is about 15% complete and finishing drainage issues. Item #11 Guinzy Construction - \$197,546.66 – Continental Tire Rail Spur. This project was 100% grant funded and is about 15% complete. Item #13 J K Trotter & Sons - \$13,836.00 – Veterans and Davidson Water Main.

This is a partial payment for hydrant adjustments. Item #17 Lipps Construction Company - \$17,445.00 – Paint exterior of Fire Station Four. The painting job is completed. Item #23 PGAV - \$11,660.35 — TIF consulting on Drury Inn Development. This included the fiscal analysis of the Agreement with Drury Inn and these costs will be reimbursed to the City. There were special checks written as follows: Acorn Development in the amount of \$75,000.00 to reimburse per the Downtown TIF Agreement. This represents the second and final payment to Acorn. One Stop Flooring in the amount of \$42,010.00 to reimburse per Downtown TIF agreement. This is the first of seven payments to One Stop Flooring. Steele Rentals in the amount of \$9,330.00 to reimburse per Downtown TIF agreement and Enterprise Fleet Management in the amount of \$8,209.37 to payoff 2008 Explorer in Police Department. Council Member Wood inquired about Item #6 Davis & Sons - \$15,616.74 — Diesel and gasoline purchases for City’s fuel tanks. The fuel tanks are located at the City’s maintenance facility at 1201 Casey Avenue. Mayor Chesley inquired about Item #33 White & Borgognoni - \$2,688.79 — Architecture engineering on 9th Street Streetscape project. This project is expected to go out for bid in January.

Council Member Wood made a motion to approve the Consolidated Vouchers for Accounts Payable in the amount of \$1,404,775.64. Seconded by Council Member Piper. Yeas: Lash, McEnaney, Piper, Wood and Chesley.

BIDS & QUOTES

There were no bids & quotes.

CITY MANAGER

City Manager Neibert presented no business to the Council.

CITY ATTORNEY

Tax Levy

City Attorney David Leggans presented for Council’s consideration the Second Reading on an Ordinance Authorizing Tax Levy. City Manager Neibert stated this is the annual levy ordinance. The total levy of \$2,421,368.30 represents a 4.99% increase over last year. This levy amount will not meet total obligations for the pensions of which makes up a majority of the City’s levy for police, fire, IMRF, Social Security and Medicare. To levy the full amount would necessitate over a 13% increase in the levy. The levy will be kept below the 5.5% truth in taxation threshold. The City will make up the shortfall in the levy amount to meet the obligations using home rule taxes. About \$134,000.00 will be taken from general corporate to cover the three main retirement funds – IMRF, Police Pension, and Fire Pension.

Council Member Wood referred to a worksheet prepared by City Manager Neibert showing that 4.99% represents about \$115,000.00. The actual total amount needed to fully fund is about \$312,000.00 in additional levy over last year. In the past it has been City policy to use real estate taxes to fund the liability for our firemen and policemen. The five state-funded pension plans only have about 39% on average of their total funding met and the City has met 66% in the Police Pension Fund and about 52% in the Fireman’s Pension Fund. The City is significantly better off than the State and yet the State hasn’t addressed this problem which is why they have a crisis. The City must address this issue in the next two or three years. It basically comes down to the age-old problem of where do we get the money? Does the City increase tax to cover this shortfall which the City chose not to do this year or does the City take the money from another fund? This year the money will be taken from the City’s operations of about \$200,000.00. It is not coming out of the City’s fund balance because in past years the City has built the

fund balance up to an appropriate level. The \$200,000.00 coming out of the operations fund is there because the budget has been tightened hard and significant savings have occurred this year. If not for this shortfall the City would have \$200,000.00 more to pay for the needs of the City whether it's additional firemen, policemen or other City services. The City is fortunate now, but next year the City may be faced with the dilemma of where to find the additional funds.

Council Member McEnaney inquired what would be the percentage increase in property taxes had the City not used the general corporate fund to make up the shortfall for pensions. City Manager Neibert stated 13%.

Council Member Wood expressed his concern that the State has left municipalities holding the bill for this pension shortfall. It will have an impact on the City's budget. He noted at the quarterly budget workshop today this topic was discussed at length. This summer the Council will come together with members of the community in order to hammer out a long-term solution. The money will come from either reduced expenses, funds already in place, or higher taxes.

Council Member Piper made a motion to adopt Ordinance No. 2012-43 Authorizing Tax Levy. Seconded by Council Member McEnaney. Yeas: Lash, McEnaney, Piper, Wood and Chesley.

Electric Aggregation

City Attorney Leggans presented for Council's consideration First Reading on Ordinance Authorizing the Submission of a Public Question to Adopt an "Opt-Out" Program for the Supply of Electricity to Residents and Small Commercial Retail Customers.

Jeff Haarmann, Managing Partner of Affordable Gas and Electric, provided a PowerPoint presentation to the Council regarding electrical aggregation. Also present were partner Gary Niebrugge of Effingham and Jordan Haarmann. AGE is a Licensed Broker/Consultant with the Illinois Commerce Commission. They acquired residential customer acquisitions in IL, NY, NJ, OH, GA, MI, TX, IN, PA as well as commercial and industrial accounts in Ameren IL, ComEd (Chicago), DPL (Dayton), PSEG (NJ), First Energy (Ohio).

In 2008 electricity was deregulated by the Illinois Legislature cited in Section 1-92 of the Illinois Power Agency Act ("IPA Act") (20 ILCS 3855) which states the following:

"The corporate authorities of a municipality or county board of a county may adopt an ordinance under which it may aggregate in accordance with this section (Section 1-92 (a)) all residential and small commercial retail electric loads located, respectively, within the municipality or the unincorporated areas of the county and, for that purpose, may solicit bids and enter into service agreements to facilitate for those loads the sale and purchase of electricity and related services and equipment."

The Opt-Out Aggregation Program requires that a referendum be passed by the voters. If it passes, residents and small businesses will automatically be included in the aggregation program, unless they choose not to participate, or "opt-out." Ameren's Utility customers who are located within the municipality's geographical boundaries and are either: Residential customers receiving electric service from Ameren Illinois on electricity service rate (DS)-1 and Small Commercial retail customers consuming 15,000 KWH or less annually on a calendar basis (such as home barbershop or small insurance office). Residents who get their electricity from Tri-County Electric are eligible to vote, but are not affected by the rates. Mr. Haarmann met with Marcia Scott of Tri-County Electric Cooperative in order to inform

her of AGE's plans within Jefferson County. Tri-County, along with other Electric Cooperatives, recently purchased a power plant so they own their own generation. Their philosophy is based on a long-term perspective.

If the referendum passes in the April 9, 2013 election, Affordable Gas & Electric will represent the City of Mt. Vernon and Jefferson County incorporated villages of Bluford, Waltonville and Belle Rive (Bonnie, Ina, Woodlawn, Dix pending approval) as well as the unincorporated areas of Jefferson County. Some examples of prior rates negotiated through the power of aggregation:

- Competitive rates if chosen individually (without aggregation) range from .0509 to .0549
- Aggregated rates in communities who have passed referendums range from .0408 to .04588.

Jordan Haarmann will meet with City officials in order to enter Ameren's portal with the profile of every eligible customer and create the load profile to be submitted to suppliers for bid. A load profile is the amount of electricity customers use over a period of time. Generation companies use this information to plan how much power they will need to generate at any given time.

AGE will work to educate consumers prior to the proposed Referendum as follows:

- Facebook – AGE's website
[http://www.facebook.com/pages/Vote-Yes-for-Lower-Electricity-Rates-in-Mt-Vernon-and-Jefferson-Co/425638217502978?fref=ts;](http://www.facebook.com/pages/Vote-Yes-for-Lower-Electricity-Rates-in-Mt-Vernon-and-Jefferson-Co/425638217502978?fref=ts)
[http://www.agellc.com/services/;](http://www.agellc.com/services/)
- Dedicated Aggregation Education Hotline Phone Number (618) 207-3450;
- Newspaper, radio interviews;
- Municipal newsletters, Public hearings;
- Community meetings, Chamber of Commerce, Local high school sporting events.

A brief video made by Ameren Illinois explaining Ameren's stance on aggregation can be seen on Youtube.com. In summary, the Legislature deregulated electricity in Illinois that law split electric delivery from electric supply to allow consumers to shop for electricity. Since then Ameren Illinois has been the City's electric delivery company and for most customers Ameren Illinois has been the default electric supplier. Ameren Illinois encourages customers to explore their options with other suppliers. Ameren will continue to be the electric delivery company no matter who supplies the electricity.

Customers need to be aware that only the electricity supply rate will be affected and not the distribution rate so only the supply rate of the customer's bill will be reduced by maybe 20%. Natural gas is not affected by aggregation, and is not a choice program in the State of Illinois at this time.

If the Council wants to place the referendum on the April 9, 2013 ballot then the Ordinance must be filed in the County Clerk's Office on or before January 22, 2013. Mr. Haarmann noted that the new electric rate cannot be announced before the April election because the City won't have authority to go out for bids until the referendum passes. He predicts it will take about 45-60 days after the April election for the rate change to go into effect.

The following question will be placed on the April 9, 2013 Ballot: *Shall the City of Mt. Vernon have the authority to arrange for the supply of electricity for its residential and small business customers who have not opted out of such a program?*

First Read only.

Rezoning

City Attorney Leggans presented for Council's consideration First Reading on Ordinance Rezoning Property Located at 17697 E. IL Hwy. 15 from the Zoning Classification AG to R-2. The Petitioning party is John Dalton and he appeared before the Council. Mr. Dalton has plans to build a duplex. There were no objections at the Zoning and Planning Commission Meeting, and it was unanimously approved by the Commission. **First Read only.**

Conditional Sign Permit

City Attorney Leggans presented for Council's consideration a Resolution Granting a Conditional Sign Permit for Property at 8 Doctors Park Road. The Petitioning Party is Crossroads Community Hospital. Todd Ham of T Ham Sign, Inc. appeared on behalf of the Hospital stating the sign is an "Emergency Entrance" sign. There were no objections at the Zoning and Planning Commission Meeting, and it was unanimously approved by the Commission.

Council Member Wood requested that City Manager Neibert reconvene the "Sign Committee" in order to complete a revised Sign Ordinance for the City. Wood acknowledged that the City has numerous projects underway that have prevented the City Manager from completing the Sign Ordinance. City Manager Neibert noted that he is waiting on a final recommendation on downtown wayfinding signage. He will be drafting the proposed ordinance in the near future.

Council Member Wood made a motion to adopt the Resolution Granting a Conditional Sign Permit for Property at 8 Doctors Park Road for Crossroads Community Hospital. Seconded by Council Member Piper. Yeas: Lash, McEnaney, Piper, Wood and Chesley.

US Sonet LLC Right of Way

City Attorney Leggans presented for Council's consideration a Resolution Approving Right of Way Agreement with US Sonet LLC Regarding Fiber Optics. In this agreement the City grants to Sonet a license to construct, install, maintain and use a network on the City's right of way for fiber optics for Crossroads Community Hospital. Directional boring will be utilized under 34th Street.

Council Member McEnaney made a motion to approve a Resolution Approving Right of Way Agreement with US Sonet LLC Regarding Fiber Optics for Crossroads Community Hospital. Seconded by Council Member Lash. Yeas: Lash, McEnaney, Piper, Wood and Chesley.

Supernova Partners, LLC — Affordable Gas & Electric Company, LLC Electric Aggregation

City Attorney Leggans presented for Council's consideration a Resolution Approving a Contract with Supernova Partners, LLC, Affordable Gas & Electric Company, LLC (AGE) as Consultant for Electric Aggregation Program. Jeff Haarmann appeared before Council. Under the contract, Supernova Partners, LLC, Affordable Gas & Electric Company, LLC will serve as the City's exclusive consultant for its electric aggregation program and for engagement of the lowest cost electric supplier.

Residents with questions about the electric aggregation are encouraged to call Affordable Gas & Electric Company, LLC at 618-207-3450.

Mr. Haarmann explained that AGE's fee will be built into the prices bid by electric suppliers resulting in no direct payments to AGE by the City. Council Member Wood noted that AGE will not be paid until the following a completed: a referendum is passed and AGE successfully bids for a rate to be approved by the City. If either of these situations don't occur then AGE will absorb the time they worked on the referendum, and the City will not be liable for any of that time.

Mr. Haarmann advised that citizens are protected if the rate negotiated by AGE falls below the tariff rates. Either the supplier has the ability to match the lower rate and keep all the customers they aggregated or customers can default back to Ameren to receive the lower rate.

If citizens have already entered into a contract for electric aggregation, they are obligated to fulfill their old contract.

Council Member Lash made a motion to approve the Resolution Approving a Contract with Supernova Partners, LLC, Affordable Gas & Electric Company, LLC as Consultant for Electric Aggregation. Seconded by Council Member McEnaney. Yeas: Lash, Piper, McEnaney, Wood and Chesley.

Jaycee Lake

City Attorney Leggans presented for the Council's consideration a Resolution Approving a Cooperative Fishery Management Agreement with the Illinois Department of Natural Resources Relating to Jaycee Lake. George Bryant, Director of Parks and Recreation, appeared and indicated that the City has a similar IDNR Agreement for the lake at Veterans Park. The IDNR will be responsible for establishing and enforcing rules and regulations pertaining to: special fish harvest regulations regarding size and/or creel limits; Illinois Boat Registration and Safety Act; permitting tagged and extended duration fishing tournaments; development of fishery management recommendations based upon bio-surveys; and helping provide fish stocks where needed to improve or maintain sport fishing. In addition, the Conservation Police Office (CPO) would be authorized to enforce City regulations on fishing that the Council may want to adopt in the future as well as enforce State regulations for boating and fishing.

Director Bryant stated that Jaycee Lake is a City-owned, public lake and boats must be licensed with the City. There are a number of private homes around the lake. The homeowners have leases with the City for use of the land. Bryant referred to Jaycee Lake as a "hidden gem". This Agreement with IDNR will take five to 10 years to fully develop the lake. He believes that Jaycee Lake could be an outstanding recreational resource for the community.

The Sportsman's Club has a lease for Miller Lake, and they have it restocked annually.

Council Member McEnaney made a motion to approve the Resolution Approving a Cooperative Fishery Management Agreement with the Illinois Department of Natural Resources Relating to Jaycee Lake. Seconded by Council Member Lash. Yeas: Lash, Piper, McEnaney, Wood and Chesley.

IDOT/Perkins Avenue

City Attorney Leggans presented for the Council's consideration a Resolution Approving a Letter of Understanding with Illinois Department of Transportation Regarding IL Rte. 37/Perkins Avenue including the improvement and realignment of Perkins Avenue to the north along the west side of Illinois Route 37 to align with Perkins Avenue on the east side of Illinois Route 37. The City will repave Perkins Avenue between 10th and 12th Streets. The Council confirmed with City Manager Neibert that all affected neighbors/citizens will be notified prior to the work commencing.

Council Member Piper made a motion to approve the Resolution Approving a Letter of Understanding with the Illinois Department of Transportation Regarding IL Rte. 37/Perkins Avenue. Seconded by Council Member Lash. Yeas: Lash, Piper, McEnaney, Wood and Chesley.

MAYOR

Mayor Chesley reminded citizens that leaf burning season ended on December 15.

Police Chief Mendenall stated that the Citizens Police Academy will be held again beginning on Tuesday, January 8 from 6:00 to 8:00 p.m. and running for seven weeks. He said each academy accepts up to 32 people and the classes will begin Tuesday, Jan. 8 and last through Feb. 5. They cover all aspects of the police department. There will be someone from different divisions to come teach the classes each week. Topics include: telecommunications, traffic safety, senior protective services, crime scene investigation, internal investigations, patrol services, bicycle patrol, school resource officer, chaplain division, narcotic investigation, criminal and juvenile investigations, K-9, D.A.R.E. and high risk team sessions. After the classes are complete, students receive a Citizens Police Academy jacket, a certificate of completion and they can schedule a ride along with an officer for a time and date which can be decided by those involved. There will be a light meal served during each session and there is no cost associated with taking the classes. For an application call 242-2131 or pick one up at the Mt. Vernon Police Department.

CITY COUNCIL

Council Member Lash commended Chief Mendenall for bringing the Citizens Police Academy to the public so they can see first-hand how the Police Department operates as well as the protocol to be followed to file a complaint with the Department.

Council Member Wood commended the Mayor for calling the quarterly finance workshop meeting held earlier today. Generally, Finance Director Merle Hollmann shared good news about the City's financial status. The City appears to be meeting the budget and maybe exceeding the budget by the end of the fiscal year. There has been a decline in the sales tax revenue so far this year believed to be due to the ongoing construction on Interstate 57. Even with that decline the City is in good financial shape. The working fund balances are in good position. The only problem is the unfunded pension liability, and the Council intends to work on finding some solutions to the problem in the next six months to a year. Hopefully the State will give municipalities some help by changing some of the rules as they pertain to the five state funded plans and the two that the City has the most trouble with – police and fire pensions.

Council Member Lash requested that the City Manager research alternative methods for leaf removal in the City. He noted that the burning of leaves is very detrimental to residents' health and safety. He also suggested that the City's landfill issue and a recycling program be examined.

Council Member Wood reminded the City Manager that a commitment was made about a year ago to study the landfill potential and related issues. He also urged a recycling program be established within the City.

VISITORS/CITIZENS REQUESTS/ADDRESSES FROM THE AUDIENCE

Barbara Green resides on 12th Street and requested that 12th street be placed on a list for improvements. She was informed that Public Works Director Matt Fauss has a prioritized list of city streets that are due for repair. Director Fauss will be asked to reexamine 12th Street. Mayor Chesley reminded Ms. Green that over the years the City streets have deteriorated, but this Council has made street repair a priority.

EXECUTIVE SESSION

Mayor Chesley requested that the Council go into Executive Session to discuss the price and terms of a lease of public property according to the Open Meetings Act, Section 2C, Item 6. **Council Member Wood made a motion for an Executive Session to discuss the price and terms of a lease of public property. Seconded by Council Member Lash. Yeas: Lash, McEnaney, Piper, Wood and Chesley.**

ADJOURNMENT

Council Member Wood made a motion to adjourn. Seconded by Council Member Piper. Yeas: Lash McEnaney, Piper, Wood and Chesley.

The meeting was adjourned at 8:35 p.m.

Respectfully submitted,

Jerilee Hopkins
City Clerk