

SPECIAL TAYLORVILLE CITY COUNCIL MEETING  
Monday, November 7, 2016

At the Special Council Meeting held in the Council Chambers by the City Council, November 7, 2016 the following proceedings were held and entered in this record in the following words and figures to wit:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

The Mayor called the meeting to order at 6:00 P.M.

Roll Call - Aldermen Budd, Burtle, Dorchinecz, Heberling, Jones, Moore, Vota, and Walters were present.

Also present were Mayor Brotherton, City Clerk Pam Peabody, City Treasurer Jacque Nation, City Attorney Rocci Romano, City Engineer Joe Greene, Stan Bersin, David Speagle, and Mark Durham.

NORTHEASTERN 30" SANITARY SEWER - PHASE 1 PROJECT AND WARD II - CITY PARK ADDITION PHASE 5 STORM SEWER PROJECT

Mayor Brotherton stated the purpose of the Special Council Meeting was to discuss the funding alternatives for the Northeastern 30" Sanitary Sewer - Phase 1 Project and the Loan Agreement with IEPA and to discuss the funding alternatives for the Ward II - City Park Addition Phase 5 Storm Sewer Project and the Loan Agreement with IEPA. The City was notified on November 3<sup>rd</sup> that the applications for these two projects and been approved in the amount of \$2,860,474.68 at a 1.75 percent simple annual interest rate and \$1,017,000.00 at a 1.75 percent simple annual interest rate respectively. There is also a possibility of a 15% principal forgiveness (approx. \$580,000.00) as the City meets all of the criteria. This has not been guaranteed at this time.

The concern is does the City have enough money to do these projects.

The Mayor presented the following information to those in attendance to explain possible funding.

Non-Home Rule Sales Tax - Average \$ 1,040,904.18 per year

2013	\$ 1,038,940.44	Avg.	\$ 86,578.37 per month
2014	\$ 1,079,813.83	Avg.	\$ 89,984.49 per month
2015	\$ 1,031,841.53	Avg.	\$ 85,986.79 per month
2016		(7 months)	\$ 82,758.69 per month

Non-Home Rule Sales Tax Projects completed (\$10,000,000 in bonds)  
\$67,200.00 per month

Cost of IEPA Loan Phase 5: \$1,017,000 = \$60,486.68 per year (20 yrs.)  
\$5,040.56 per month

Cost of IEPA Loan 30": \$2,860,474.68 = \$170,128.46 per year (20 yrs.)  
\$14,177.37 per month

\$562,660.21 currently in Excess Non-Home Rule Sales Tax  
(\$148,198.00 used for Little John Digester purchase 07/20/16) It is estimated that there will be \$650,000.00 - \$700,000.00 in the "Excess Non-Home Rule Sales Tax Fund" when the first payment is due on the two projects in August 2017.

\$552,000.00 (Avg. Month \$46,000.00) in sewer fees collected last year. These funds are deposited in General Fund.

\$3,500.00 a month of sewer fees are already earmarked for IEPA Loan repayment for the lift stations.

\$1,040,904.18	Avg. Non-Home Rule Sales Tax Received (\$86,742.02)
- 806,400.00	Current loan payments (\$67,200 per month)
<u>234,504.18</u>	Estimated amount of excess Non-Home Rule Sales Tax yearly
- 230,615.14	Projected annual loan payments for 30" & Phase 5 projects.
<u>3,889.04</u>	
960,000.00	Avg. Non-Home Rule Sales Tax Received (if Sales Tax dropped to \$80,000.00 a month)
- 806,400.00	Current loan payments (\$67,200 per month)
<u>153,600.00</u>	Estimated amount of excess Non-Home Rule Sales Tax yearly
- 230,615.14	Projected annual loan payments for 30" & Phase 5 projects.
<u>(77,015.14)</u>	

Cushion available:       \$562,660.21 in Excess Non-Home Rule Sales Tax  
                          \$107,000.00 remaining unused funds from recent Sewer  
  Projects (\$10,000,000.00)  
                          \$ 42,500.00 per month in sewer fees (current expenditures  
would be displaced and need to be funded from  
  another revenue source)  
                          \$ 90,000.00 Additional Excess Non-Home Rule Sales Tax  
  accrued before first payment due.  
                          \$580,000.00 Possible 15% principle forgiveness

City Engineer Joe Greene advised that the contractor for the projects has agreed to reduce his bid by \$72,992.00 for fill sand that he can get from a local company.

Alderman Burtle stated if the sales tax drops off, he does not think the City has the money to do the Phase 5 Project; he is not comfortable taking on this project. He reminded the Council that the City ended last year in the red. If the City wants any chance for growth, the 30" Sewer Project is by far the most important project.

Alderman Heberling stated that the 30" Sewer Project was originally planned for a specific problem - relieve the odor in the Northeast side of town. That problem has since been taken care of with the Little John Digesters that were installed. The City needs to spend money on the West side and the East. Phase 5 needs to be done as it finishes the \$10,000,000 project. In a few years the lift station payment drops off which will free up money for the 30" Sewer Project.

Alderman Vota feels that the City needs to help the Taylorville Development Association (TDA) with the infrastructure in the Industrial Park before we commit to anything that isn't really needed. He stated that the Phase 5 Project is needed as it is a completion of a project; the 30" project comes after.

Alderman Burtle stated that the City's priorities have to change; if we turn TDA down it will be one of the biggest mistakes the Council could make.

Mayor Brotherton stated that prior Councils didn't do sewer projects; this Council needs to.

Alderman Walters feels that the City needs to complete the Phase 5 Project and also needs to do the 30" Project. The City has put a lot of money in attorney and engineering fees.

Alderman Budd stated that the infrastructure in town is very old; we have had three sewer collapses in the last 5-6 weeks. He supports the Phase 5 Project and the 30" Project as it will provide for future development. The vactor payment will be paid off in 2020 at which time that payment of \$47,000 can be applied to the payments for these two projects.

Alderman Dorchinecz feels the debate shouldn't be which project to do but where is the money going to come from. The Sewer Fund should be a stand-alone Fund but now is the worse time to raise sewer rates. He does not feel comfortable with the financing.

Mayor Brotherton informed the Council that the audit analysis will be available at the Finance Committee Meeting on November 16<sup>th</sup>.

Alderman Jones stated that the City has already put lots of money into these projects. December 15<sup>th</sup> and 23<sup>rd</sup> are the start dates for construction. If we turn down these loans from EPA, chances are we won't get again. We can do this; part of the money can come from the sewer fees. We need to go ahead and do this, we should not turn them down.

Alderman Dorchinecz stated "he wants a warm fuzzy feeling that the City can afford this" and asked Finance Committee Chairman Budd if the City has the money. Alderman Budd responded "I am confident the money is there".

Motion by Alderman Walters and seconded by Alderman Budd to direct Bond Counsel to prepare the Bond Ordinance using the Non-Home Rule Sales Tax monies and move forward with the Northeastern 30" Sanitary Sewer - Phase 1 Project. Roll Call - Aldermen Budd, Burtle, Dorchinecz, Heberling, Jones, Olive, Vota, and Walters voted YEA. The Mayor announced the motion carried.

Motion by Alderman Walters and seconded by Alderman Heberling to direct Bond Counsel to prepare the Bond Ordinance using the Non-Home Rule Sales Tax monies and move forward with the Ward II - City Park Addition Phase 5 Storm Sewer Project. Roll Call - Aldermen Budd, Dorchinecz, Heberling, Jones, Olive, Vota, and Walters voted YEA. Alderman Burtle voted NAY. The Mayor announced the motion carried.

Motion by Alderman Jones and seconded by Alderman Vota to adjourn. Motion carried (8-0).

The meeting adjourned at 6:51 P.M.