

FINANCE COMMITTEE

January 15, 2015

MEMBERS

Chairman Budd
Alderman Vota
Alderman Burtle
Alderman Jones
Mayor Brotherton

ALSO PRESENT

Treasurer Nation
Alderman Walters
Alderman Heberling
Alderman Koonce
Alderman Dorchinecz

Ted Bailey
Rocky Moore
Cindy Dey

Chairman Budd called the meeting to order at 7:47 P.M.

Upcoming Changes in Electric Rates

Mr. Ted Bailey informed the Committee that he is now an independent broker and has established Bailey Energy. He explained that the energy rates will be substantially higher due to acquisitions of power companies, EPA regulations, and coal plants closing are a few examples. The City's current contract with Direct Energy will expire November 2015. He also presented a Power Pricing Review Sheet showing current price rates at this time with five power companies. Direct Energy is offering the lowest price on all three terms offered. The rates quoted from Direct Energy as of January 15, 2015 are:

12 Months - \$0.05367
24 Months - \$0.05478
36 Months - \$0.05541

The Committee felt very comfortable retaining Mr. Bailey as the City's Energy Broker and will continue to comply with his recommendations pertaining to the electric power rates.

Motion by Alderman Jones and seconded by Alderman Vota to recommend to the City Council to retain Ted Bailey of Bailey Energy as the City's Energy Broker and to authorize him to monitor the electric rates and the time he deems appropriate to lock in the rate for a three year period and direct the Mayor to sign the associated contract. Motion carried 4-0.

American Tower Lease Agreement/Bishop Cove Area/Lake Taylorville

On November 20, 1972 the City of Taylorville entered into a Real Estate Lease Agreement with United Video, Inc. for renting 3.68 acres of land for a communication tower located in the Bishop Cove area at Lake Taylorville. On March 2, 2007 the Council approved a First Amendment to the Real Estate Lease dated in 1972 with the term of the lease being for a period of 120 months and Lessee shall have the option to renew for 3 successive additional periods of 60 months each which will extend this lease to 2032. For this lease the City received an initial fee of \$5,000.00 followed by annual rental payments of \$1,000.00 for years 1-5 of the lease and is currently receiving \$4,000.00 annually for years 6-10 of the 120 month Lease due to expire in 2017.

On October 06, 2014 American Tower Corporation requested to extend the lease agreement for the radio and communication tower located at the Lake for an additional 30 years with a \$15,000.00 up-front signing bonus and receive the same term escalations resulting in increased monthly rents.

American Tower Corporation presented a second proposal on January 12, 2015 requesting to extend the lease agreement for an additional 20 years with a \$20,000.00 up-front signing bonus, creating an escalator clause for 3% annually, and raise the rent to \$600.00 a month in 2017 or Fee simple for \$125,000.00.

Chairman Budd presented an escalator chart for 3% beginning 2017. The Committee discussed continuing leasing vs. selling the property. A Finance Committee Meeting will be scheduled prior to the City Council Meeting January 20, 2015 to continue discussions.

Ameren Transmission Lines

Mayor Brotherton advised the Committee that he had received a response from Ameren regarding the City's proposal for compensation and reimbursement for the easement Ameren is requesting for its Illinois Rivers Project. He advised that Ameren had increased its offer for the easement area to \$18,700.00. Alderman Vota asked if the entire amount received would be going into the Lake Restoration Fund. The Mayor stated that after discussing the matter with City Attorney he would recommend that \$15,000.00 of the amount received go into the Lake Restoration Fund and the remaining \$3,700.00 be deposited in the General Fund to offset the attorney fees that were originally paid out of that account.

Motion by Alderman Vota and seconded by Alderman Jones to recommend to the City Council to accept the offer of \$18,700.00 for a Transmission Easement agreement with Ameren Transmission Company of Illinois with \$15,000.00 to be deposited in the Lake Restoration Fund and \$3,700.00 to be deposited in the General Fund. Motion carried 4-0.

Mayor Brotherton also advised the Committee that Ameren would also be doing some maintenance work on the portion of the PANA N-TAYLORVILLE transmission line that crosses the City owned property at the lake. The Mayor stated that he spoke with one of Ameren's representatives and was advised that Ameren intends to replace all the current two pole structures that support those transmission lines currently located on City owned property within the existing easement. At a point along that transmission line identified as structure Number 112 they will replace the existing two pole structure with a three pole structure that will also have a total of 16 downguys and anchors to provide additional support. This new structure is the reason Ameren is requesting that the City sign a new easement agreement which will contain a description of the new three pole structure. A Committee Member asked if Ameren would reimburse the City for any Attorney's Fees expended by the City for his review of the easement agreement. The Mayor stated that he would make sure that Ameren agreed to that.

Payment Plan for Sewer Repairs

The City Council adopted Ordinance No. 3685 on September 15, 2014 regarding the liability of property owners for sewer repairs. A property owner on E. Park is requesting the City of Taylorville to consider formulating a payment schedule for the repayment of the sewer repairs (\$1,750.00).

The Mayor will speak with the individual that requested a payment plan regarding the bill.

Another property owner on E. Ash has taken it upon himself to send \$50.00 the first month and \$25.00 the next month to be applied to his sewer repair bill (\$1,750.00).

Motion by Alderman Jones and seconded by Alderman Vota to recommend to the City Council to send a bill and letter informing the property owner on E. Ash that they have 30 days to pay the bill in full for sewer repairs or be turned over to the Collection Agency. Motion carried 4-0.

4th Quarter of 2014 Water Loan Reimbursement

Motion by Alderman Vota and seconded by Alderman Burtle to recommend to the City Council to approve the transfer of \$50,000.00 from the General Fund to the Water Fund for the repayment of the Water Fund Loan. Motion carried 4-0. The balance remaining (after payment made) owed to the Water Fund is \$170,000.00.

Treasurer's Report

The September 2014 Sales Tax (received in December 2014) was \$213,804.14 compared to \$201,923.34 in September 2013 and year-to-date is \$105,982.95 more than September 2013.

The October 2014 Sales Tax (received in January 2015) was \$207,508.46 compared to \$199,729.77 in October 2013 and year-to-date is \$113,761.64 more than October 2013.

The September 2014 Non Home Rule Sales Tax (received in December 2014) was \$89,654.67 compared to \$83,461.88 in September 2013 and year-to-date is \$28,034.94 more than September 2013.

The October 2014 Non Home Rule Sales Tax (received in January 2015) was \$92,496.52 compared to \$86,471.12 in October 2013 and year-to-date is \$34,060.34 more than October 2013.

The interest earned on the Sewer Project Fund Account to date is \$188,773.05 and the current balance is \$274,622.50. The balance in the Non Home Rule Sales Tax Overage Account as of December 31, 2014 is \$306,833.49.

Motion by Alderman Jones and seconded by Alderman Vota to recommend to the City Council to accept the Treasurer's Report as presented. Motion carried 4-0.

Motion by Alderman Burtle and seconded by Alderman Jones to adjourn. Motion carried 4-0.

Meeting adjourned at 9:50 P.M.

Larry Budd, Chairman
Finance Committee