

**CITY OF VIENNA
CITY COUNCIL MEETING
VIENNA CITY HALL**

September 6, 2017

6:30 P.M.

AGENDA

1. Mayor Calls Meeting to Order.

2. Roll Call:

Hill_____ Riddle_____ Myrick_____ Owen_____ Racey_____ Tuey_____

3. Omnibus Consent Agenda

- Approval of the August 16, 2017 City Council Meeting Minutes
- Approval of July's Treasurer's Report
- Approval of the Warrant

Motion_____ **Seconded**_____

Hill_____ Riddle_____ Myrick_____ Owen_____ Racey_____ Tuey_____

NEW BUSINESS

4. Modern Woodmen- Ashley Morris

5. Authorization and Approval of **Resolution 17-14**, A Resolution for a utility permit on Lift Station Project

Motion_____ **Seconded**_____

Hill_____ Riddle_____ Myrick_____ Owen_____ Racey_____ Tuey_____

6. Authorization and Approval of Commercial/Industrial Agreement For Electric Service (at Lift Station)

Motion_____ **Seconded**_____

Hill_____ Riddle_____ Myrick_____ Owen_____ Racey_____ Tuey_____

7. TIF Recommendation- C&K Equipment & Auto Sales

PUBLIC COMMENT/ADDITION TO THE AGENDA

8. **City Elected and Appointed Officials:**

- Jon Simmons, Mayor
- Aleatha Wright, City Clerk - General Insurance Renewal , 2017 FY Audit
- Josh Stratemeyer, City Attorney
- Shane Racey, City Superintendent
- Jim Miller, Chief of Police
- Brent Williams, Fire Chief
- City Council
- Phil Morris, Depot
- Margaret Mathis, City Librarian

9. **Executive Session:** Collective Bargaining Negotiations between the City of Vienna and Local Union 50 as per 5ILCS 120/02(c)(2). Employment- Discipline of a specific employee as per 5ILCS 120/02(c)(1)

10. **Adjournment:**

Motion_____ **Seconded**_____

Hill_____ Riddle_____ Myrick_____ Owen_____ Racey_____ Tuey_____

POSTED: 9-1-17

BY: 

17-14
RESOLUTION

WHEREAS, The Board of Commissioners of the City of Vienna, located in the County of Johnson, State of Illinois, wish to construct, occupy, and maintain a 6 inch Sanitary Sewer Force Main along IL 146 , which by law comes under the jurisdiction and control of the Department of Transportation of the State of Illinois; and

WHEREAS, A permit from said Department is required before said work can be legally undertaken by said City of Vienna; now

THEREFORE, Be it resolved by the Board of Commissioners of the City of Vienna, County of Johnson, and State of Illinois;

FIRST: That we do hereby request from the Department of Transportation, State of Illinois, a permit authorizing the City of Vienna to proceed with the work herein described.

SECOND: That we hereby pledge the good faith of the City of Vienna and guarantee that all work shall be performed in accordance with the conditions of the permit to be granted by the Department of Transportation of the State of Illinois and to hold the State of Illinois, Department of Transportation, harmless on account of any damages that may occur to persons or property during the prosecution of such work, and assume all liability for damages to persons or property, due to accidents or otherwise by reason of the work which is to be performed under the provisions of said permit.

THIRD: That we hereby state that the proposed work is not to be performed by the employees of the City of Vienna.

FOURTH: That the proper officers of the City of Vienna are hereby instructed and authorized to sign said permit in behalf of the City of Vienna.

I, _____, hereby certify the above to be a true copy of the resolution passed by the _____, County of _____, State of _____.

Dated this _____ day of _____, A.D. 20_____.

(CORPORATE SEAL)

Contract No: _____
Account No: 1077463
Location No: 1303030071
Date Connected: _____

**COMMERCIAL/INDUSTRIAL
AGREEMENT FOR ELECTRIC SERVICE**

THIS AGREEMENT, MADE THIS 15TH day of AUGUST, 2017 between
SOUTHEASTERN ILLINOIS ELECTRIC COOPERATIVE, INC., whose address is P.O. Box 1001,
Carrier Mills, Illinois 62917, (hereinafter called "**SELLER**" and
CITY OF VIENNA

(hereinafter called "**CONSUMER**"), a PARTNERSHIP (Corporation, Partnership, or Individual).

The **SELLER** agrees to sell and deliver to the **CONSUMER**, and **CONSUMER** agrees to purchase therefrom all electric power and energy which **CONSUMER** needs and uses in connection with the location described in Exhibit "A", attached hereto and made a part hereof, up to 30 kilowatts, upon the following terms and provisions:

1. **SERVICE CHARACTERISTICS.**

- A. Service hereunder shall be alternating current, 3 phase, 4 wire, sixty cycle, 120/240 nominal volts.
- B. The power furnished hereunder is solely for **CONSUMER'S** use at the location above mentioned and **CONSUMER** shall not use such electric power and energy as an auxiliary or supplement to any other present or future source of power and shall not sell or give electric power and energy purchased hereunder to another party.

2. **PAYMENT.**

- A. The **CONSUMER** shall pay the **SELLER** for service hereunder at the rates and upon the terms and conditions set forth in Schedule D-S attached and made a part hereof. However, **SELLER** reserves the right to adjust the rates and change the rate schedule for service charged the **CONSUMER** if and when it deems it necessary, appropriate or advisable. Notwithstanding any provision of said Schedule and irrespective of **CONSUMER'S** requirements for or use of electric power and energy, the MONTHLY MINIMUM VALUES for billing purposes for the duration of this Agreement or any extension thereof shall be as follows:

- (1) Schedule: D-S Customer Charge: \$ 41.20
- (2) Demand: >25 KW \$ 13.81
- (3) Excess Facility Investment Charge: \$ _____
- (4) Capacity Charge: \$ _____

In any event, the **CONSUMER** shall pay to the **SELLER** not less than \$ 41.20 per month, which is the composite dollar value of the above Items (1), (2), (3) and (4) for having service available hereunder during the term of such Agreement or any extension thereof. In addition, the **CONSUMER** shall pay the **SELLER** for any and all energy (kilowatt-hours) and power (KW demand) in excess of the minimums specified in the Schedule or this agreement. Upon the completion of the primary term of this Agreement as set forth in numerical Paragraph 7 hereof and should the **CONSUMER** continue to receive service at said location then **CONSUMER** shall pay the **SELLER** for service at the rates and upon the terms and conditions set forth in the **SELLER'S** then current applicable rate schedule.

- B. The initial billing period shall start when **CONSUMER** begins using electric power and energy or 10 days after the **SELLER** notifies the **CONSUMER** in writing that service is available under this Agreement, whichever shall first occur.
- C. Bills for service hereunder shall be paid at the office of the **SELLER** in Carrier Mills, Illinois. Such payment shall be due each month for service furnished during the proceeding monthly billing period.

If the **CONSUMER** shall fail to make any such payment when payment is due, the **SELLER** may discontinue service to the **CONSUMER** upon giving fifteen (15) days written notice to the **CONSUMER** of its intention to so do, it being expressly understood that such discontinuance of service shall not relieve the **CONSUMER** of any of its obligations under this Agreement.

- D. The **CONSUMER** agrees that if, at any time, the rates under which the **SELLER** purchases electric service at wholesale is modified, or if the **SELLER** revises its rate schedules (charges for electric service) then the **SELLER** may make a corresponding modification in the charge for service hereunder.
- E. The **SELLER** shall discount energy sales to the **CONSUMER** by N/A% (percent) where service is taken by the **CONSUMER** at primary voltage levels without additional investment required by the **SELLER**.

3. **MEMBERSHIP.**

Before first receiving service hereunder, the **CONSUMER** shall become a member of the **SELLER**, shall pay the membership fee and be bound by such rules, regulations and policies as may from time to time be adopted by the **SELLER**.

4. **CONTINUITY OF SERVICE.**

The **SELLER** shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through Act Of God, governmental authority, action of the elements, public enemy, accident, strike, labor trouble, required maintenance work, inability to secure right-of-way or any other cause beyond the reasonable control of **SELLER**, the **SELLER** shall not be liable therefor or for damages caused thereby.

5. **TAXES.**

In addition to the charges herein provided for, **CONSUMER** shall reimburse and pay to **SELLER** an amount equal to any Federal, State or local taxes assessed or charged for the sale or furnishing of electricity or electric service by **SELLER** to **CONSUMER**. Said amount shall be added to **CONSUMER'S** monthly bills.

6. **RIGHT OF ACCESS.**

Duly authorized representatives of the **SELLER** shall be permitted to enter the **CONSUMER'S** premises at all reasonable times in order to carry out the provisions of this Agreement.

7. **TERM.**

This Agreement shall become effective on the date first above written and shall remain in effect until 5 years following the start of the initial billing period and thereafter until terminated by either party giving to the other one month's notice in writing. Said notice may be served by personal delivery to the other party or by United States mail addressed to said party at the address above shown in an envelope with postage fully prepaid thereon.

8. **SUCCESSION AND APPROVAL.**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors, legal representatives and assigns.

9. **DEPOSIT.**

The **CONSUMER** shall deposit with the **SELLER** the sum of \$N/A on account of the cost of facilities required to make service available to the **CONSUMER** on or before commencement of construction of such facility. Such deposit shall be returnable to the **CONSUMER** in the form of a credit on each bill for service in the amount of N/A percent of the bill, which credits shall continue until they total the sum hereinabove stated. No refunds shall be made to the **CONSUMER** of any portion of a deposit remaining upon the termination of this Agreement.

10. **CONTRIBUTION.**

The **CONSUMER** shall pay to the **SELLER** the sum of \$ 6,008.44 as a Contribution In Aid of Construction on account of the cost of facilities required to make service available to the **CONSUMER** on or before commencement of construction of such facilities. No refund shall be made to the **CONSUMER** of any portion of the Contribution In Aid of Construction.

11. **TERMINATION.**

This Agreement may be terminated by the **CONSUMER** prior to the expiration of the initial five-year term upon the payment to the **SELLER** of liquidated damages consisting of N/A less N/A for each full month of service provided under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and date first above written and for the uses and purposes herein set forth.

SOUTHEASTERN ILLINOIS ELECTRIC COOPERATIVE, INC.
SELLER

By: _____
Board Chair

ATTEST:

Secretary

CONSUMER

(If Consumer is a Corporation)

(Name of Corporation)

By: _____
(Name of Officer)

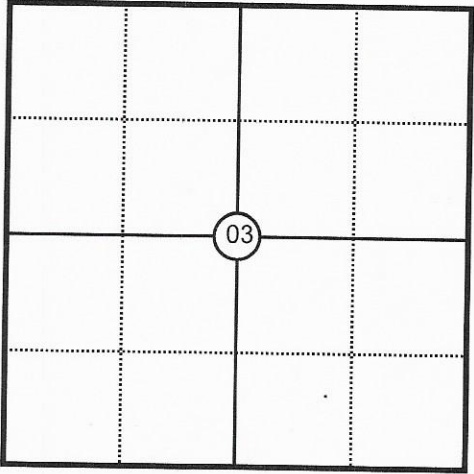
(Title of Officer)**

ATTEST:

Its Secretary

** If other than President, Vice President, Partner or Owner, a Power Of Attorney must accompany this Agreement.

EXHIBIT A

DESCRIPTION AND LOCATION OF SERVICE			
TYPE OF OPERATION MUNICIPAL PUMP		USE OF SERVICE RAW SEWAGE PUMP	
SERVICE WILL BE MADE AVAILABLE ON OR BEFORE (DATE)		SIZE OF LARGEST MOTOR OR LOAD 14HP	
FRACTIONAL SECTION SE	SECTION 03	TOWNSHIP 13	RANGE 03
MILES 1		DIRECTION EAST	FROM (TOWN OR LANDMARK) VIENNA
OWNER CITY OF VIENNA			
OWNER'S ADDRESS PO BOX 1442 VIENNA, IL 62995			
MAIL BILLS AND NOTICES TO PO BOX 1442 VIENNA, IL 62995			
<div style="display: flex; align-items: center; justify-content: center;"> <div style="text-align: right; margin-right: 10px;"> T 13 S </div> <div style="text-align: center;"> R 03 E  </div> <div style="text-align: left; margin-left: 10px;"> COUNTY JOHNSON </div> </div>			

Memo

To: City of Vienna
From: Moran Economic Development
CC:
Date: August 30, 2017
Re: TIF Application Review – C&K Equipment & Auto Sales

The following Project Proposal has been submitted to the City requesting TIF Funds. We have reviewed the application TIF assistance and offer the following overview of the project and its economic impact in regard to potential TIF funding:

Project: Existing building renovation and improvement for new commercial business.

Developer/Contact Person: C&K Equipment & Auto Sales, LLC – Chris Bent, LLC Manager

Approximate Project Address: 1001 W. Vine St., Vienna, IL

PIN(s): 08-05-424-002
08-05-424-003

Project Description: C&K will sell automobiles, equipment, trailers, as well as provide parts and service for related items. The project will include the purchase and renovation of an existing building located at 1001 W. Vine Street to utilize as the location for these sales and services to occur.

The existing building is 6,200 square feet in size, and will need complete remodeling of approximately 3,000 square feet, with repair and renovations made to the roof, structural components, and all exterior walls and façade which have deteriorated and been damaged by water in many instances. Key renovation items include:

- Completely gutting and remodeling a portion of the interior
- Roof removal and replacement
- General structural improvements/ repairs and new equipment installation
- Facade improvements including new windows, doors, masonry, new porch on the front of the building, as well as new metal over a majority of the exterior walls to prevent further water damage from occurring

MORAN

ECONOMIC DEVELOPMENT

It is the goal of the City of Vienna to encourage new development and support businesses that decide to locate within City limits. In fact, one of the main goals of the TIF Plan is to recruit and support commerce in the area so that the City can continue to prosper economically and grow tax revenues. The redevelopment of this commercial property is in line with these goals.

Employment

The Developer expects a minimum of 5 full-time and 3 part-time jobs to be needed to run the day to day operations of the business. Jobs would range from sales and service technicians to administrative and managerial roles.

Sales Tax

The Developer estimates to generate as much as \$1,000,000 in taxable sales annually. The City's share of taxable sales is 1%.

Estimated Project Costs

C&K Equipment & Auto Sales **CONSTRUCTION COST ESTIMATES**

Description	Estimated Cost
Property & Building Acquisition	\$90,000
Demolition	\$8,000
New Construction	\$18,000
Renovation of Existing Structure	\$75,000
Cost of Installation of Machinery & Equipment	\$70,000
Architectural & Engineering Fees	\$5,000
Contingency	\$15,000
Working Capital	\$30,000
Legal & Professional Fees	\$4,000
Inventory (vehicles, equipment, parts)	\$500,000
TOTAL Costs (excluding inventory)	\$307,000

Estimated TIF Eligible Costs

Of the above estimated costs, approximately \$182,000 of the anticipated costs to be incurred could qualify as TIF Eligible under the Illinois TIF Act. This does not represent the recommended funding to be provided; only the costs that may be legally eligible to be funded using TIF monies. Actual costs incurred would need to be reviewed for eligibility to verify and confirm conformance with the TIF Act.

Incremental Property Taxes

The properties and building to be renovated are currently vacant and deteriorating and generate just over \$4,000 in property tax revenue annually, less than \$150 of which go into the TIF Fund. Projections of the effect the project will have on property tax liability show that upon completion and assessment of the improvements, the properties could generate a combined **\$6,000** in TIF Revenue

MORAN

ECONOMIC DEVELOPMENT

annually. (Actual TIF Increment dependent upon value of improvements as determined by the County Assessor) See *Exhibit B-Projections*

Opinion on the Provision of TIF Assistance

Should the City wish to provide TIF funding to support this project, it recommended that it does so in one of the following forms:

Option 1: Provision of a small, one-time grant payment upon completion of the project for reimbursement of certain costs incurred by the Developer.

Option 2: Annual reimbursement of a certain percentage of the TIF Increment generated by the properties for a certain period of years.

Option 3: A combination of options 1 and 2.

Recommendation for consideration:

A one-time grant in the amount of \$5,000, payable upon completion of the project and being open for business, as well as an annual reimbursement of 75% of the TIF revenue generated by the property annually, for a period of 10 years, with a reimbursement limit of \$55,000 in total.

This recommendation is based on the renovation of existing buildings, creation of additional property tax and TIF revenue, creation of new employment opportunities, as well as assumed operation of a new commercial business within the TIF District, which serves to fill a need within the community. The Village's involvement in the improvements is also good public relations to investors within the community and perhaps this support will stimulate additional redevelopment in Vienna. Any actual payment is subject to terms of an executed Redevelopment Agreement between the Village and the Developer. Any reimbursement may not exceed the total Eligible Redevelopment Project costs verified to have been incurred in conjunction with the project.

If additional funding was desired, the City may want to also consider reimbursing the Developer a portion of the sales tax revenues they receive.

NOTE

The provision of TIF assistance is at the complete discretion of the Village, and this document is simply meant to serve as an overview of the project and evaluation of the application for assistance submitted by the Developer, as well as expression of our opinion, based on our professional experience, of an assistance strategy which the Village could consider utilizing in regard to TIF funds. Any actions taken should be in accordance with the desires of the Village, and in accordance with all provisions of the TIF Act.

Potential Tax Increment Financing Revenue
C&K Equipment & Auto Sales

Parcel Index No(s).	08-05-424-002
	08-05-424-003
Estimated Current EAV of Property	\$41,500
Estimated TIF Base	\$40,000
Investment in Property	\$300,000
Estimated Investment Attributable to Assessed Value	60%
Estimate Assessed Value*	\$180,000
EAV of Estimated Improvements	\$60,000
New EAV upon Improvements	\$101,500
Total Tax Rate	9.73630%
	Est. Current Tax Bill
	\$4,041
	Est. to TIF
	\$146
	Total Tax Bill
	\$9,882
	TIF Increment or Amount Available for Reimbursement
	\$5,988

Payment Year	Year	Current or Base EAV	EAV of Improvements	New EAV w/ Improvements	New EAV w/ Improvements Minus Base EAV	Estimated Full Tax Bill	Estimated TIF Increment (100%)	To Developer	%	To City	%
1	2018	\$41,500	\$0	\$101,500	\$0	\$ 9,882	\$0	\$0	0	\$0	0
2	2019	\$41,500	\$60,000	\$102,700	\$61,500	\$ 9,999	\$6,000	\$4,500	75%	\$1,500	25%
3	2020	\$41,500	\$61,200	\$103,924	\$62,700	\$ 9,999	\$6,100	\$4,575	75%	\$1,525	25%
4	2021	\$41,500	\$62,424	\$105,172	\$63,924	\$ 10,118	\$6,200	\$4,650	75%	\$1,550	25%
5	2022	\$41,500	\$63,672	\$106,446	\$65,172	\$ 10,240	\$6,300	\$4,725	75%	\$1,575	25%
6	2023	\$41,500	\$64,946	\$107,745	\$66,446	\$ 10,364	\$6,500	\$4,875	75%	\$1,625	25%
7	2024	\$41,500	\$66,245	\$109,070	\$67,745	\$ 10,490	\$6,600	\$4,950	75%	\$1,650	25%
8	2025	\$41,500	\$67,570	\$110,421	\$69,070	\$ 10,619	\$6,700	\$5,025	75%	\$1,675	25%
9	2026	\$41,500	\$68,921	\$111,800	\$70,421	\$ 10,751	\$6,900	\$5,175	75%	\$1,725	25%
10	2027	\$41,500	\$70,300	\$113,206	\$71,800	\$ 10,885	\$7,000	\$5,250	75%	\$1,750	25%
	2028	\$41,500	\$71,706	\$113,206	\$73,206	\$ 11,022	\$7,100	\$5,325	75%	\$1,775	25%
TOTAL 10 Years						\$138,287	\$65,400	\$49,050		\$16,350	

Assume 2% increase annually

Based on figures from Developer

*Not all costs attribute to real property value

TIF #1 Expires in 2031