

COMMITTEE OF THE WHOLE COUNCIL MEETING

**City of Calumet City
Cook County, Illinois**

FEBRUARY 10, 2015

CALL TO ORDER

The City Council of the City of Calumet City met in the City Council Chambers at City Hall in Committee of the Whole Meeting on Tuesday, February 10, 2015 at 6:11 p.m. with Mayor Michelle Markiewicz Qualkinbush, present and presiding.

The Mayor thereupon called the meeting to order and directed the City Clerk to call the roll of Aldermen present.

ROLL CALL

PRESENT: 6

ALDERMEN: Schneider, Wosczynski, Williams, Munda,
Manousopoulos, Collins

ABSENT: 1

ALDERMAN: Jones

Also present were City Clerk Figgs, City Treasurer Tarka, City Attorney Odelson, Finance Director Kasperek and City Engineer Russ Prewkas.

There being a quorum, the meeting was called to order.

Accept call of meeting

Alderman Wosczynski moved, seconded by Alderman Manousopoulos, to accept the call of the meeting.

MOTION CARRIED

Ordinance providing
issuance of \$10,000,000
General Obligation Bonds,
Series 2015

Ordinance providing for the issuance of not to exceed \$10,000,000 General Obligation Bonds Series 2015 for the City of Calumet City, Cook County, Illinois, Series 2015 of the City of Calumet City, Cook County, Illinois, and the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

Finance Director Kasperek

At this time in the meeting, Finance Director Kasperek addressed the City Council regarding Ordinance providing for the issuance of not to exceed \$10,000,000 General Obligation Bonds Series 2015 for the City of Calumet City, Cook County, Illinois, Series, 2015.

Finance Director Kasperek stated the refunding portion of the Bond ordinance has a call date of March 15, 2015. It is recommended to settle the bonds by the end of the month and a call date. If the schedule is not followed to pass the bonds this week Thursday then the city will have to delay the call date.

Finance Director Kasperek reported on the issuance of new money. The reason for issuing of new money is the city will be running into some various infrastructure projects.

Finance Director Kasperek stated Fire Chief Galgan was discussing all the remodeling due to the water damage in Fire Station I. The cost estimate to be about \$280,000.00

Finance Director Kasperek reported that the city will be purchasing insurance and the bonds will insured and the city has a standard low bond A rating which makes the city investment great.

Finance Director Kasperek reported there hasn't been specifically projects earmarked so the bond ordinances is going to use more generic language such as infrastructure improvements for water, sewer, streets, curbs, gutters, sidewalks or lights. Also capital purchases and acquisitions that fall in compliance with issuing the bonds

The money can't be used to pay payroll or salaries of that nature. The money is restricted to go into a separate account.

There will also a resolution on the next city council meeting agenda establishing procedures for the use of the monies allocated for the project account Series 2015 General Obligation Bonds. No money can be spent until the city council approves it and be in a majority of agreement to proceed with projects to spend the money.

City Attorney Odelson stated that there will be no increase in the levy. He stated it is very seldom do you get the opportunity to get new money at no increase. The interest rates are so low and the city's older bonds are primed to refinance.

City Attorney Odelson stated on page 2 of the bond ordinance, it clearly states in broad terms that the new money be used for capital projects, payroll or early retirement.

There was a lengthy discussion regarding the Ordinance for the issuance of the \$10,000,000 General Obligation Bonds, Series 2015.

Place bond ordinance
next council agenda

Alderman Manousopoulos moved, seconded by Alderman Wosczyński, to recommend approving the Ordinance Providing for the issuance of the \$10,000,000 General Obligation Bonds Series 2015 on the next city council agenda.

MOTION CARRIED

Discussion request
for proposals collection
disposal solid waste/recycling

There was discussion regarding request for proposals for collection and disposal of solid waste (garbage) including recycling.

Finance Director Kasperek advised that the contract with Waste Management ends January, 2016. The contract is over 2 million dollars.

Based on the council's recommendation Finance Director Kasperek, Purchasing Director and Public Works Commissioner will be preparing Request for Proposals upon review by City Attorney for collection and disposal of solid waste, including recycling.

Alderman Manousopoulos requested that roll offs are included the upcoming contract for disposal of waste.

Mayor Michelle Markiewicz Qualkinbush requested that recycling be placed in the request for proposals. She recommended city council give their input to Finance Director Kasperek for the preparing of the proposals.

Prepare RFP's collection
& disposal solid waste

Alderman Collins moved, seconded by Alderman Manousopoulos, to direct the Purchasing Director City Treasurer Tarka and Public Works Commissioner (City Attorney to review upon complete) to prepare a request for proposal for collection and disposal of solid waste (garbage); RFP to include recycling; further direct the City Clerk to advertise same; current contracts expires January, 2016.

MOTION CARRIED

Discussion installation
new water meters city wide

There was discussion regarding installation of new water meters city wide.

Finance Director Kasperek reported that the city's water meter were installed in the early mid 1990's in which the city issued a bond to re-do all of the city's meters. The typical life expectancy for a water meter is between 20-25 years.

With the technology being advanced 20 years later the city can purchase software that could be set up thru water billing department relative to input of meter readings.

Finance Director Kasperek recommended upgrade of software along with the installation of new meters which there would be a lot of cost savings of not having as serviceman read the meters and would create an efficient operation of the city to get a more accurate of a reading.

The estimated cost of this project is between 4 to 4.5 million dollars that includes the acquisition of the meters, installation of the meters to have the electronic read and software.

Finance Director Kasperek reported that there is loans available thru IEPA which are not included the General Obligation Bonds, due to the fact these loans are for advantageous to have less costs associated with the issuance.

They are longer term loans and lower interest rates loans and spread the cost out to a much longer period of time. The bonds can be paid thru the water revenue.

City Engineer Prekwas

At this time in the meeting, City Engineer Prekwas addressed the city council relative to the installation of new water meters city wide.

City Engineer Prekwas reported that the project would be funded by the IEPA Public Water Supply Loan Program.

Robinson Engineering assisted client communities with more than 20 IEPA low interest loans exceeding a total of \$40 million dollars.

City Engineer Prekwas stated that Robinson Engineering will guide the City of Calumet City through the IEPA low interest loan process.

Robinson Engineering will prepare a pre-application for the water meter replacement project. Once submitted the IEPA will be made aware of the city's intent to pursue Public Water Supply Loan Program Assistance.

Next, Robinson Engineering will prepare a project plan for the water meter replacement project.. The plan presents the following information:

- Project location
- City population and demographics
- Current and future water service areas
- Estimates of current and future water usages
- Description of existing water facilities
- Need for water system improvements
- Description of existing and potential water violations
- Detailed discussion of proposed improvements
- Detailed project cost estimates
- Project schedule

Robinson Plan (cont'd)

- Assertion of regulatory compliance
- Assessment of environmental impacts
- Financial analysis demonstrating the ability for loan repayment

The Project Plan is an integral component of the loan application process.

Robinson Engineering will prepare a loan application package consisting of the the following:

- Loan program certifications and resolutions
- Inventory of environmental impacts
- Financial information
- Project completion schedule
- Executed engineering agreements
- Plans, specifications, contract documents and bid results for selected projects.

Upon authorization by Calumet City, Robinson Engineering will proceed to prepare final contract documents in accordance with the IEPA -approved Project Plan for the water replacement project.

Robinson Engineering is well-versed in the IEPA's unique requirements during the construction phase of the project.

Robinson Engineering estimates the following time line for the City's Water Replacement Project.

- Submit pre-application - February, 2015
- Submit Project Plan - April, 2015
- Receive IEPA Project
- Submit loan application package - November, 2015
- Bid project - December, 2015
- Notice to proceed - February, 2016
- Construction completion - June, 2016

Discussion - installation
new water meters city wide

There was discussion regarding installation of new water meters city wide.

Direct City Engineer prepare
bid spec's installation new

Alderman Wosczyński moved, seconded by Alderman Manousopoulos, to direct the City Engineer prepare bid specifications including a plan for the installation of new water meters city wide, including software and other related costs for automated bill reading; to be reviewed by the City Attorney, Public Works Commissioner and Finance Director and recommend Vince Cainkar in conjunction with Robinson Engineering prepare an IEPA loan application. (To be placed on the next city council meeting agenda)

MOTION CARRIED

Water billing update

At this time in the meeting Finance Director Kasperek gave a water billing update to the City Council.

Finance Director Kasperek reported when the February, 2015 bills goes out due in March, 2015 that will reflect the rate increase. It will reflect the new water rates of \$6.60.

Finance Director Kasperek reported that the City of Hammond raised their water rates and was placed on the agenda couple months back.

February 15, 2015, the rates went up from \$2.20 to \$3.41. That is another \$1.20 increase that is an increase in the cost of water to the City of Calumet City in an excess of almost 60 percent.

The city will be spreading well over 5.7 million dollars to pay the water. The ordinance in place specifically states that when the City of Hammond raises their water rates then the City is automatically is going to increase its rate equal to the actual dollar increase from the City of Hammond.

There will be no vote necessary on this. That is how the city passed it and the Finance Director will compute the rate increase and will work with the billing department.

For the month of March will be \$6.60 per thousand gallons and the month of April will be \$7.81 per thousand gallons.

Finance Director Kasperek advised that the water contract with Hammond can only be raised once every two years. Also it can only be 88 percent of the City of Chicago.

The City of Chicago put forth and got approved by it's council a very aggressive Capitalization Program which was typically raising water rates anywhere from 15 to 25 percent per year.

The increases that the City of Chicago will be placing on in the future will be more closely tied into the CPI.

The city will not be seeing these large increases from the City of Hammond due to the fact that the City of Chicago is know longer passing on large increases to its users.

City of Hammond can only raise their rates if the City of Chicago raises. They can only do it once every two years.

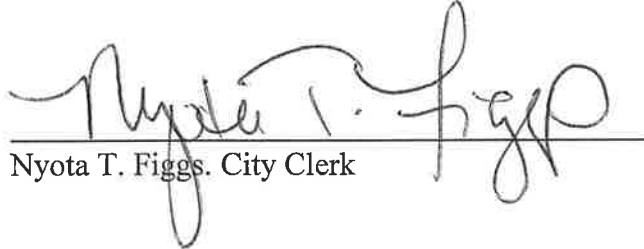
Water billing update

There was discussion relative the water billing update.

ADJOURNMENT

Adjournment was at 7:21 p.m. on a motion made by Alderman Manousopoulos and seconded by Alderman Woscyznski.

MOTION CARRIED



Nyota T. Figgs. City Clerk

/rb