

**REGULAR MEETING OF THE LEXINGTON CITY COUNCIL**  
March 9, 2015

The regular meeting of the Lexington City Council was called to order at 7:30 p.m. by Mayor John Mohr in the City Council Chambers at Lexington City Hall.

Mayor led the council in the pledge of allegiance.

Roll call was taken to find the following physically present: Mayor Mohr, Alderman Cole, Alderman Miller, Alderman Johansen, Alderman Revelle, and Alderman Fosen. Alderman Phelps and City Clerk, Melanie Kunkel were absent. Members of the staff and public in attendance included: Mike Beard and Police Chief David Belvery.

It was moved by Alderman Revelle and seconded by Alderman Miller to approve the minutes from the February 23, 2015 meeting. Motion carried unanimously.

It was moved by Alderman Fosen and seconded by Alderman Revelle to approve the treasurer's report and pay bills in the amount of \$25,179.54. Motion carries unanimously.

**Public Input:** None

**Old Business:**

**Water Treatment Plant Project Discussion:** The Mayor reviewed a proposed ordinance that would authorize the financing, design and construction of a new water treatment plant. Much of the discussion centered on the ability to pay for the project. The Mayor identified 4 cash flow streams that when combined could pay for a project with a total cost of approximately \$4,100,000. The four revenue streams are: the annual surplus in the Water Fund of approximately \$50,000 per year, annual TIF revenue of approximately \$88,000, cash on hand of \$900,000 and new user fees estimated at \$8.00 per user per month. It was noted that City water rates had not been changed since 2010. Alderman Fosen asked whether the user fees could be phased in over a three year time period. For example, an increase of the water rate by \$3.00 per month in 2015, \$3.00 per month in 2016 and \$2.00 per month in 2017. The Mayor answered that it would be possible since engineers are still working to identify areas of cost reductions and competitive bidding in late 2015 would reveal the true project cost. The Mayor also indicated that the first IEPA loan payment would not be due until the project is completed in 2017. The additional time would allow the user rates to be fine-tuned to meet the loan payment requirements as well as operation and maintenance costs. The Council's discussion indicated a preference for phasing in the user rate increase over 3 years. The Council also discussed elements of the design that could be isolated for alternate bids including: the new well and the on-ground water storage. The alternate bid strategy may allow for a more flexible construction plan deferring non-essential elements into the future and reducing the project cost. Alderman Revelle suggested that the Council consider the ordinance as proposed so as to not waste any more time discussing a project that is inevitable. The draft ordinance was given the number 2015-1. It was moved by Alderman Johansen to approve Ordinance 2015-1, Providing for the Authorization of the Financing, Design and Construction of a New Water Treatment Plant and Necessary Pipelines, without the water rate changes. The motion was seconded by Alderman Cole. The motion carried by unanimous vote.

**New Business:** None

**Committee Reports:**

**Mayor:** The Mayor reported that he had discussions with Jon Kemp about expanding the outside seating area for the new restaurant by about 12 feet. The expansion allows for about 3 more tables and raises the outdoor seating capacity from 21 to 34 people and will be more efficient for his staff. The plan was reviewed with Bill Chaney, the developer of the proposed townhouse complex on the adjacent lots. Both projects have been accommodated. The Mayor also reported that approximately \$190,000 had been raised by the “Count Me In” fund raising campaign to benefit the school district. He further explained that more pledges are being fulfilled in this calendar year and more fund raising activities are being planned.

**Police:** Chief Belvery indicated that he was ready to swear in 1 part-time officer and 1 full-time officer. He indicated that they will not be immediately available for scheduling due to training requirements.

**Building/Insurance:** Alderman Miller described the status of the City’s lease of the old Wooden Hare building to Ryan Field Service. Fewer foreclosures have resulted in less work for the Ryan’s business. Alderman Miller recommends that we begin to look at terminating the lease.

**Finance/TIF:** None

**Water:** None

**Sanitation:** None

**Streets/Alleys:** None

It was the consensus of the Council to reschedule the March 23, 2015 meeting to March 30, 2015 to avoid conflicts with the school’s spring break.

There being no further business, it was moved by Alderman Miller and seconded by Alderman Johansen to adjourn at 9:00 p.m. Motion carried by unanimous voice vote.

Respectfully submitted,

John Mohr, Mayor