

COUNCIL OF THE CITY OF DIXON, ILLINOIS
SPECIAL COUNCIL MEETING
COUNCIL CHAMBERS – CITY HALL
MONDAY – MARCH 14, 2016
5:30 P.M.

A G E N D A

1. Call to Order
2. Roll Call
3. Public Comment
4. Boat Dock Presentation
5. Work Session – Utility Rate Review
6. Ord. – Amending Code Title V, Chapter 5, Section 5-5-4(B) (increase to tobacco license fees)
7. Ord. – Amending Code Title V, Chapter 13, Section 5-13-7 (increase to alcoholic liquor license fees)
8. Discussion and possible action with respect to waiver of all fees and permit costs associated with tearing down and replacing the existing structure located on 318 W. 3rd Street as requested by Kreider Services
9. Adjournment

The City of Dixon, in compliance with the Americans With Disabilities Act, requests that persons with disabilities who require certain accommodations to allow them to observe and/or participate in this meeting or have questions about the accessibility of this meeting or facilities, contact the ADA Coordinator at 288-1485 to allow the City of Dixon to make reasonable accommodations for those persons.

The background is a light blue gradient with several realistic water droplets of various sizes scattered across the surface. The droplets have highlights and shadows, giving them a three-dimensional appearance.

DIXON UTILITY RATES

FEBRUARY 2016

LOCAL UTILITY RATES

(BASED ON 6,000 GALLONS)

Municipality	Cost
Morrison	116.85
Rock Falls	101.87
Polo	97.16
Sterling	76.45
Rochelle	70.52
Dixon	62.60
Oregon	57.60
Byron	35.86
Average	79.47

AVERAGE DIXON UTILITY BILL

Monthly

- \$37
- 1% increase=\$.37

Annual

- \$440
- 1% increase=\$4.40

Average bill is based on 52 units/year. Each unit = 100cf

LOCAL UTILITY MINIMUM RATES

Municipality	Minimum Charge
Rock Falls	58.12
Polo	39.05
Oregon	33.73
Morrison	29.85
Dixon	28.75
Byron	25.22
Sterling	24.85
Rochelle	14.30

DIXON UTILITY INFRASTRUCTURE

Water

- 7 Wells
- 5 Water Towers
- 5 Water Treatment Plants
- 100 Miles of Water Main

Sewer

- 80 Miles of Wastewater Main
- 7 Lift Stations
- 1 Wastewater Treatment Plant

INFRASTRUCTURE CONCERNS

Underground Infrastructure

- 10% installed prior to 1930
- 70% installed prior to 1960
- 85 main breaks in past 24 months
- 166 excavations in past 24 months
- Cathodic pipe degradation

EPA Compliance

- Radium medium replacement
- Phosphorous output
- Required sewer maintenance plan

DIXON UTILITY FINANCIAL PROJECTION ASSUMPTIONS

Annual Infrastructure Expense	\$1,000,000
Annual Wage Increases	1.5%
Annual Inflation	1.5%
Annual Medical Inflation	7.0%

DIXON UTILITY FINANCIAL PROJECTION

RATE INCREASE: FY17-22 =5% FY23 +=3%



DIXON UTILITY FINANCIAL PROJECTION

RATE INCREASE: FY17-21 = 6% FY22+ = 3%



DIXON UTILITY FINANCIAL PROJECTION

RATE INCREASE: FY17-20 =7% FY21+ =3%



EFFECT ON AVERAGE BILL

5% Annual	6% Annual	7% Annual
Monthly \$1.85 Annual \$22.20	Monthly \$2.22 Annual \$26.64	Monthly \$2.59 Annual \$31.08
	Average bill based on 52 units. Units = 100cf	

Dixon Utility Projections	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected
Beginning Cash	3,538,094	3,785,878	2,576,065	2,209,613	2,047,220	2,100,118	2,380,094
Usage Fees	5,157,498	5,394,815	5,643,998	5,905,640	6,180,365	6,468,826	6,771,709
O&M Expenses	(2,680,634)	(2,866,548)	(2,922,370)	(2,979,953)	(3,039,386)	(3,100,768)	(3,164,201)
	2,476,863	2,528,267	2,721,628	2,925,688	3,140,979	3,368,058	3,607,508
Home Rule Sales Tax	674,000	-	-	-	-	-	-
EPA Debt Repayment	(2,088,079)	(2,088,080)	(2,088,080)	(2,088,081)	(2,088,081)	(2,088,081)	(2,088,081)
Capital Expenses	(815,000)	(1,650,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net Income	247,784	(1,209,813)	(366,452)	(162,393)	52,898	279,977	519,427
Ending Cash Balance	3,785,878	2,576,065	2,209,613	2,047,220	2,100,118	2,380,094	2,899,522

ASSUMPTIONS

Water Infrastructure Sales Tax		\$0	\$0	\$0	\$0	\$0	\$0
Sewer Infrastructure Sales Tax		\$0	\$0	\$0	\$0	\$0	\$0
Salary Change	3.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Medical Ins Change		7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
CPI Change		1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Sewer personnel addition							
Water personnel change							
Water Debt	893,527	893,527	893,527	893,527	893,527	893,527	893,527
Sewer Debt	1,194,552	1,194,553	1,194,553	1,194,554	1,194,554	1,194,554	1,194,554
Useage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Water Capital:</u>							
Palmyra Ave (with Grant)		90,000					
Meter Replacement		250,000					
Paint water towers 6 & 8	365,000	360,000					
System Exptension		150,000					
GIS		125,000					
CIP	100,000		500,000	500,000	500,000	500,000	500,000
Total Water Capital	465,000	975,000	500,000	500,000	500,000	500,000	500,000
<u>Sewer Capital:</u>							
CIP	350,000	-	500,000	500,000	500,000	500,000	500,000
televise system		100,000					
system extension		200,000					
meter replacement		250,000					
GIS		125,000		-	-	-	-
Total Sewer Capital	350,000	675,000	500,000	500,000	500,000	500,000	500,000
Water Rate Change	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Sewer Rate Change	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Dixon Utility Projections	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected
Beginning Cash	3,538,094	3,785,878	2,623,529	2,357,225	2,353,317	2,629,154	3,203,138
Usage Fees	5,157,498	5,442,278	5,744,146	6,064,126	6,403,304	6,762,833	6,953,384
O&M Expenses	(2,680,634)	(2,866,548)	(2,922,370)	(2,979,953)	(3,039,386)	(3,100,768)	(3,164,201)
	2,476,863	2,575,730	2,821,776	3,084,173	3,363,918	3,662,065	3,789,183
Home Rule Sales Tax	674,000	-	-	-	-	-	-
EPA Debt Repayment	(2,088,079)	(2,088,080)	(2,088,080)	(2,088,081)	(2,088,081)	(2,088,081)	(2,088,081)
Capital Expenses	(815,000)	(1,650,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net Income	247,784	(1,162,350)	(266,304)	(3,908)	275,837	573,984	701,102
Ending Cash Balance	3,785,878	2,623,529	2,357,225	2,353,317	2,629,154	3,203,138	3,904,240

ASSUMPTIONS

Water Infrastructure Sales Tax		\$0	\$0	\$0	\$0	\$0	\$0
Sewer Infrastructure Sales Tax		\$0	\$0	\$0	\$0	\$0	\$0
Salary Change	3.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Medical Ins Change		7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
CPI Change		1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Sewer personnel addition							
Water personnel change							
Water Debt	893,527	893,527	893,527	893,527	893,527	893,527	893,527
Sewer Debt	1,194,552	1,194,553	1,194,553	1,194,554	1,194,554	1,194,554	1,194,554
Useage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Water Capital:</u>							
Palmyra Ave (with Grant)		90,000					
Meter Replacement		250,000					
Paint water towers 6 & 8	365,000	360,000					
System Exptension		150,000					
GIS		125,000					
CIP	100,000		500,000	500,000	500,000	500,000	500,000
Total Water Capital	465,000	975,000	500,000	500,000	500,000	500,000	500,000
<u>Sewer Capital:</u>							
CIP	350,000	-	500,000	500,000	500,000	500,000	500,000
televise system		100,000					
system extension		200,000					
meter replacement		250,000					
GIS		125,000		-	-	-	-
Total Sewer Capital	350,000	675,000	500,000	500,000	500,000	500,000	500,000
Water Rate Change	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%	3.0%
Sewer Rate Change	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%	3.0%

Dixon Utility Projections	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected
Beginning Cash	3,538,094	3,785,878	2,670,992	2,505,785	2,663,381	3,168,557	3,798,996
Usage Fees	5,157,498	5,489,742	5,845,243	6,225,630	6,632,643	6,819,288	7,011,532
O&M Expenses	(2,680,634)	(2,866,548)	(2,922,370)	(2,979,953)	(3,039,386)	(3,100,768)	(3,164,201)
	2,476,863	2,623,194	2,922,873	3,245,677	3,593,257	3,718,520	3,847,331
Home Rule Sales Tax	674,000	-	-	-	-	-	-
EPA Debt Repayment	(2,088,079)	(2,088,080)	(2,088,080)	(2,088,081)	(2,088,081)	(2,088,081)	(2,088,081)
Capital Expenses	(815,000)	(1,650,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net Income	247,784	(1,114,886)	(165,207)	157,596	505,176	630,439	759,250
Ending Cash Balance	3,785,878	2,670,992	2,505,785	2,663,381	3,168,557	3,798,996	4,558,246

ASSUMPTIONS

Water Infrastructure Sales Tax		\$0	\$0	\$0	\$0	\$0	\$0
Sewer Infrastructure Sales Tax		\$0	\$0	\$0	\$0	\$0	\$0
Salary Change	3.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Medical Ins Change		7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
CPI Change		1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Sewer personnel addition							
Water personnel change							
Water Debt	893,527	893,527	893,527	893,527	893,527	893,527	893,527
Sewer Debt	1,194,552	1,194,553	1,194,553	1,194,554	1,194,554	1,194,554	1,194,554
Useage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Water Capital:</u>							
Palmyra Ave (with Grant)		90,000					
Meter Replacement		250,000					
Paint water towers 6 & 8	365,000	360,000					
System Exptension		150,000					
GIS		125,000					
CIP	100,000		500,000	500,000	500,000	500,000	500,000
Total Water Capital	465,000	975,000	500,000	500,000	500,000	500,000	500,000
<u>Sewer Capital:</u>							
CIP	350,000	-	500,000	500,000	500,000	500,000	500,000
televise system		100,000					
system extension		200,000					
meter replacement		250,000					
GIS		125,000		-	-	-	-
Total Sewer Capital	350,000	675,000	500,000	500,000	500,000	500,000	500,000
Water Rate Change	0.0%	7.0%	7.0%	7.0%	7.0%	3.0%	3.0%
Sewer Rate Change	0.0%	7.0%	7.0%	7.0%	7.0%	3.0%	3.0%



COUNCIL ACTION FORM

Date: 3-14-16

Presented By: O'Donnell

Subject: Tobacco License Fees Agenda Item: 5

Description:

The fee to sell Tobacco within the City of Dixon will increase from \$25 to \$100. Sterling and Rockfalls charge \$250 and \$100 respectively.

FINANCIAL

Is this a budgeted item? YES ☐ NO ☐

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES ☐ NO ☐ CIP Project Number: _____

COUNCIL ACTION FORM

Any previous Council actions:

Action

Date

Recommendation:

Administration recommends that the Council approve the tobacco fee increase as presented in the attached ordinance.

Required Action

ORDINANCE ☒

RESOLUTION ☐

NO ACTION REQUIRED ☐

Additional Comments:

MOTION BY: _____ SECONDED BY: _____

TO adopt an ORDINANCE AMENDING THE DIXON CITY CODE TITLE V, CHAPTER 5,
SECTION 5-5-4 (B) (TOBACCO- APPLICATION FOR LICENSE; FEE)

CITY COUNCIL VOTES

VOTES	Mayor Arellano	Councilman Bishop	Councilman Marx	Councilman Tucker	Councilman Venier
YES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ABSENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ABSTAIN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CITY OF DIXON

ORDINANCE NO. _____

**ORDINANCE AMENDING THE DIXON CITY CODE
TITLE V, CHAPTER 5, SECTION 5-5-4 (B)
(TOBACCO- APPLICATION FOR LICENSE; FEE)**

ADOPTED BY THE

COUNCIL

OF THE

CITY OF DIXON

THIS 14th DAY OF March, 2016

Published in pamphlet form by authority of the Council of the City of Dixon, this 14th day of March, 2016.

ORDINANCE NO. _____

**ORDINANCE AMENDING THE DIXON CITY CODE
TITLE V, CHAPTER 5, SECTION 5-5-4 (B)
(TOBACCO- APPLICATION FOR LICENSE; FEE)**

BE IT ORDAINED by the Council of the City of Dixon, Illinois:

SECTION 1: That Title V, Chapter 5, Section 5-5-4 of the Dixon City Code, 1963, as amended, is hereby further amended by amending Section 5-5-4 (B) to read as follows:

“(B) The annual license fee for a tobacco dealer's license shall be one hundred dollars (\$100.00).”

SECTION 2: That in all other respects Title V, Chapter 5, Section 5-5-4 shall remain in full force and effect.

SECTION 3: The provisions and sections of this Ordinance shall be deemed to be separable, and the invalidity of any portion of this Ordinance shall not affect the validity of the remainder.

SECTION 4: All ordinances and parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

SECTION 5: The City Clerk is hereby directed to publish this Ordinance in pamphlet form.

SECTION 6: This Ordinance shall be in full force and effect from and after its passage and approval, and publication as required by law.

Passed by the Mayor and the City Council of the City of Dixon on the 14th day of March, 2016.

Mayor

ATTEST:

City Clerk



COUNCIL ACTION FORM

Date: 3/14/16

Presented By: O'Donnell

Subject: Liquor License Fees Agenda Item: 6

Description:

The individual fees to sell liquor with the City of Dixon will increase by 10 to 15%. These fees reimburse the City for the administrative cost of regulating liquor sales. The proposed increases keep Dixon's fee structure in line with Sterling and Rock Falls.

FINANCIAL

Is this a budgeted item? YES ☐ NO ☐

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES ☐ NO ☐ CIP Project Number: _____

COUNCIL ACTION FORM

Any previous Council actions:

Action

Date

Recommendation:

Administration recommends that the City Council approve the liquor license fee increases as presented.

Required Action

ORDINANCE☒

RESOLUTION☐

NO ACTION REQUIRED☐

Additional Comments:

The last adjustment to license fees is over 25 years ago.

MOTION BY: _____ SECONDED BY: _____

TO adopt an ORDINANCE AMENDING THE DIXON CITY CODE TITLE V,
CHAPTER 13, SECTION 5-13-7 (ALCOHOLIC LIQUORS- FEES)

CITY COUNCIL VOTES

VOTES	Mayor Arellano	Councilman Bishop	Councilman Marx	Councilman Tucker	Councilman Venier
YES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ABSENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ABSTAIN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CITY OF DIXON

ORDINANCE NO. _____

**ORDINANCE AMENDING THE DIXON CITY CODE
TITLE V, CHAPTER 13, SECTION 5-13-7
(ALCOHOLIC LIQUORS- FEES)**

ADOPTED BY THE

COUNCIL

OF THE

CITY OF DIXON

THIS 14th DAY OF March, 2016

Published in pamphlet form by authority of the Council of the City of Dixon, this 14th day of March, 2016.

ORDINANCE NO. _____

**ORDINANCE AMENDING THE DIXON CITY CODE
TITLE V, CHAPTER 13, SECTION 5-13-7
(ALCOHOLIC LIQUORS- FEES)**

BE IT ORDAINED by the Council of the City of Dixon, Illinois:

SECTION 1: That Title V, Chapter 13 of the Dixon City Code, 1963, as amended, is hereby further amended by amending Section 5-13-7 to read as follows:

“5-13-7: FEES: The annual fees for licenses according to class as defined in this chapter shall be as follows:

	<u>Annual Fee</u>
Class A	1,265 .00
Class A-1	1,430 .00
Class B	315 .00
Class B-1	485 .00
Class C	485 .00
Class C-1	550 .00
Class D	1,265 .00
Class D-1	1,430 .00
Class E	1,150 .00
Class E-1	1,210 .00
Class F	1,150 .00
Class F-1	1,210 .00
Class G-1	1,100 .00
Class I	305 .00
Class I-1	485 .00
Class N	30.00

License fees may be paid in two (2) installments. Each installment shall be paid in advance, semiannually.”

SECTION 2: That in all other respects Title V, Chapter 13 shall remain in full force and effect.

SECTION 3: The provisions and sections of this Ordinance shall be deemed to be separable, and the invalidity of any portion of this Ordinance shall not affect the validity of the remainder.

SECTION 4: All ordinances and parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

SECTION 5: The City Clerk is hereby directed to publish this Ordinance in pamphlet form.

SECTION 6: This Ordinance shall be in full force and effect from and after its passage and approval, and publication as required by law.

Passed by the Mayor and the City Council of the City of Dixon on the 14th day of March, 2016.

Mayor

ATTEST:

City Clerk