

**SPECIAL COMMITTEE OF THE WHOLE MINUTES (POLICY DISCUSSION)
FEBRUARY 18, 2014**

PRESENT: Mayor Burns, Ald. Brown, Bruno, Cummings, Flanagan, Kilburg, Maladra, Marks, Simonian, Singer

ABSENT: None

Also Present: Radovich, McKittrick, Dawkins, Dinges, Untch, Divita, Buffington

Call to Order

Mayor Burns called the meeting to order at 7:42 pm.

Moved by Ald. Singer, seconded by Ald. Singer to waive the rules. Carried unanimously by voice vote.

Items of Business

a. Policy Discussion on Future Electric Infrastructure Improvements (Overhead to Underground and Southeast Planning Area)

Dinges sought input on converting overhead electric lines to underground and making capital improvements to the Southeast Planning area in order to encourage development. McKittrick added that input was needed in order to implement the five-year plan and develop a five-year capital improvement program.

Dinges delineated which in-city areas might be candidates for upgrading overhead lines to underground installations. While mentioning the benefits of having underground lines, he said overhead replacement runs about \$20/ft., where conversion to underground costs about \$600/ft.

Burns wondered if any prospective developer objected to overhead lines at a Geneva industrial site. Divita answered that, usually, concerns regard reliability and more than one incoming power line. Singer asked about cost sharing among other service providers (Comcast, etc.) when the City installs underground lines. Dinges said the City works with all providers and expects them to pay for their share. He said comparative costs could be provided for conversion from overhead to underground if Council members were interested in a particular area. Several Council members felt that cost analysis should be done per project. Dinges said that project costs would be incorporated into the capital program, which contains a capital amount budgeted for electric upgrades, adding that rates would not be affected unless that capital amount was increased.

McKittrick said ideally Staff would bring a list of projects to the Council and the Council would determine whether aboveground or underground cable installation was desired, which could then be reflected in the electric budget.

Dinges now turned to the Southeast Planning Area, saying that the area will need a substation to serve future development. He said the lead time needed to receive two transformers is one year, plus additional time to plan the substation and make it operable. In order to be ready to prepare for development, he asked the Council to consider budgeting next year for a ComEd design in the amount of \$60,000, but noted a risk that design needs may change if development does not take place for some time. He also proffered the idea of putting down a 20 percent deposit (approx. \$250,000) for two transformers. He said that the transformers can be stored until needed, either for the Southeast Area substation or an existing substation. Dinges estimated that budgeting \$400,000 would cover expenses related to substation purchase and design elements. Some questions and discussion followed concerning future industrial development in the existing eastside industrial park and status of sewer and water lines for the Southeast Area.

b. Funding Options for Electric Capital Investment

Divita felt that the most viable and easiest to control financing method would be a TIF District, adding that Geneva has had success with TIF Districts. She reviewed past TIF District experience and application in Geneva. She was optimistic that the Southeast Area would qualify as a TIF District. Radovich felt that City infrastructure investment could best be recaptured through annexation agreements. He also mentioned connection fees for water and sewer as funding sources, but noted that electrical recapture is not addressed in the Illinois Municipal Code. Other funding options mentioned by Radovich included TIF development and developer bonds as well as Special Service Areas.

McKittrick sought and received a consensus to include two new transformers, substation design and ComEd design in the capital budget.

7. Adjournment

On a motion by Ald. Marks, second by Ald. Singer, the meeting was adjourned at 9:09 pm.