

**GENEVA COMMITTEE OF THE WHOLE MEETING MINUTES**

**Monday, July 3, 2023**

City Hall Council Chambers  
109 James St., Geneva, IL 60134

Elected Officials Present: Mayor Burns, Ald. Bowring, Ald. Bruno, Ald. Hruby, Ald. Kilburg, Ald. Kosirog, Ald. Maladra, Ald. Marks, Ald. Mayer, Ald. Swanson, Clerk Kellick.

Elected Officials Attending by Teleconference: None.

Elected Officials Absent: Ald. Paschke.

Others Present: City Admin. Dawkins, Asst. City Admin. Ben McCready, City Attny. Sandack, Supt. Holton, Dir. Babica, Dir. Kruse.

Others attending by video or teleconference: None.

**Call to Order**

Council member Becky Hruby, serving as chair, called the meeting to order at 7:30 PM noting all council members were present except for Ald. Paschke.

**Recommend Suspending the Rules to Permit Alderperson Hruby to Chair this Meeting and to Vote on All Action Items on this Agenda.**

Moved by Ald. Swanson, seconded by Ald. Kosirog.

MOTION CARRIED unanimously by voice vote of those present 9-0.

**Approve Committee of the Whole Minutes from June 19, 2023.**

Moved by Ald. Bruno, seconded by Ald. Marks.

MOTION CARRIED unanimously by voice vote of those present 9-0.

**Items of Business**

**Consider Resolution Authorizing City Administrator to Purchase a Bobcat Skid Steer Loader in an amount not to exceed \$70,013.00.**

Moved by Ald. Kilburg, seconded by Ald. Mayer.

MOTION CARRIED unanimously by voice vote of those present 9-0.

Consider Resolution Awarding Bid to Schweitzer Engineering Laboratories Engineering Services, Inc. for Replacement Generator and Line Protection Relays and Engineering Support in the amount of \$176,034.00.

Moved by Ald. Mayer, seconded by Ald. Marks.

MOTION CARRIED unanimously by voice vote of those present 9-0.

Consider Ordinance Restating Title 9 (Municipal Utilities), Chapter 2 (Municipal Electrical Service) Article B (Service, Rates and Charges), Section 5 (Table of Electric Rates) and Section 13 (Net Metering Policy) of the Geneva City Code.

This being a discussion only, no motion was made and no vote was taken.

Supt. Holton gave an update on Geneva electric rates. He noted that rates have been stable with the last increase occurring in 2012. While the average Illinois rate to residential consumers is \$0.1725/kWh, the average residential rate for Geneva consumers is \$0.1083/kWh, largely due to the City's long-term, stable power contracts. He emphasized that the proposed rate increase has nothing to do with the energy contracts but is strictly for the needed infrastructure upgrades to SEMP infrastructure and the Geneva Business Park III Substation. One change since his last presentation in January has been the addition of the Bullock Campus which necessitates the addition of another substation. He also noted the passage of the bond resolution by the City Council in September of 2022.

Supt. Holton then introduced Eric Kamm of Stanley Consultants. Mr. Kamm has been working with the City on a rate study and is now ready to recommend rate increases. He first explained the types of utility costs and noted that the Geneva Generating Facility has helped the City maintain a low energy cost compared to neighboring areas.

The rate structure is comprised of the customer charge, energy charge, and demand charge. He explained energy rates which are comprised of a residential rate and general service which has a demand of less than 25kW. The customer charge covers a portion of fixed costs. The current residential rate customer charge is \$6.75. The current general service customer charge is \$14.00. The energy charge must cover the remaining fixed and distribution demand costs after the customer charge and covers all purchased power energy and demand costs.

Mr. Kamm then explained that the City has a balanced rate class system comprised of a large industrial rate class, a large general service rate class, a medium service rate class, a general service rate class, and a residential rate class. This means that

one rate class doesn't subsidize another, and a change in one rate class won't hurt another rate class.

Mr. Kamm noted that when he met with the City Council in January, it was decided that there would be a 10-12% increase in the revenue requirement. The recommendation from the Council was to spread the increase out over time, resulting in a proposed 3.5% increase every 2 years. Moving forward after a rate increase in 2024, if large industrial growth is then seen, a rate increase can be delayed or the rate study itself can then be reevaluated to account for additional kilowatt hours and demand growth.

Per the rate study, there is an anticipated overall revenue increase requirement of 11.45% until 2028 with a stepped rate increase recommendation in 2024, 2026, and 2028. There is a need to increase the overall revenue by \$4,000,000.

He noted that there are 8,597 residential rate accounts. The true customer charge for each is \$27.24. The current customer charge is \$6.75 with a proposed charge of \$8.00. The energy charge for the first 500 kWh is currently \$0.11239 and is proposed to be \$0.13060 in 2018. The energy charge for over 500 kWh is currently \$0.10055 and is proposed to be \$0.10260 in 2018.

On a question from Ald. Marks, Mr. Kamm explained that the average residential usage is 751 kWh. He noted that the reason for a blocked rate charge is to recover additional fixed costs.

On a question from Ald. Mayer, Mr. Kamm explained that the reason for the higher rate increase for those using less than 500 kWh involves that portion of customers not using enough energy to contribute to fixed costs. Ald. Mayer noted that it doesn't seem like a good practice to charge more to those using less power, which was echoed by other alderpersons. Discussion took place around ways in which those customers using less power could pay less. Ald. Swanson requested an updated spreadsheet with adjusted numbers which Mr. Kamm agreed to provide.

Resident Mark Shumo spoke after the discussion and stated that the numbers would be hurting those using lower amounts of kWh. He noted that he understood having to pay for infrastructure but was concerned about energy grids being overused and not meeting demands. He wondered if there were opportunities to mitigate such impacts by reminding users to use less energy during peak hours.

Discussion continued among the alderpersons regarding the rate increases and how they would affect users, with requests made to Mr. Kamm for adjusted numbers so that different energy rates could be explored. A request was also made to Supt. Holton to provide information on existing rates as well as proposed rates.

Supt. Holton noted that the most important item to focus on is getting the new rates in place. The projected implementation date for the new rates is November. Admin. Dawkins noted that she will send out various dates to the City Council for a future Special Committee of the Whole Meeting to discuss these rates.

### **Public Comment / New Business**

Mayor Burns recommended that, because of the late hour, the Special Committee of the Whole meeting scheduled for July 3 be postponed until Monday, July 10. After discussion, the City Council agreed upon this postponement.

### **Adjournment**

On a motion by Ald. Swanson, the meeting was adjourned by unanimous voice vote at 9:22 PM.

*- Submitted by Clerk Kellick*