



Committee of the Whole Meeting – Nov. 1, 2021 Staff Responses to Council Questions

Before each Committee of the Whole or City Council meeting, questions that have been posed by the City Council relating to [the agenda](#) for that evening will be posted to the City's website. Below are the responses to this week's questions.

3. Items of Business

e. Consider Draft Resolution Authorizing Execution of a Contract with Newcastle Electric, Inc. for Installation of Variable Frequency Drives at the Water Treatment Plant at a Cost Not-to-Exceed \$31,350.

Q: Did we know in June 2021 that the two new VFD's costing \$70,788 would require \$31,350 of electrical conduit and wiring? Was the size of new VFDs not known?

A: Yes, the process for replacing these VFDs is similar to when the first two VFDs were replaced in Fiscal Year 2020, which had failed to take that portion of the Water Treatment Plant offline. The first two VFDs were approved for purchase on July 15, 2019 for \$65,496 with the installation cost being approved on March 2, 2020 in a not-to exceed amount of \$31,570. The VFDs being replaced are of a different size than the original installation as that particular VFD is no longer supported. This requires modifications to both the facility as well as modifying the location of the various associated power and control conduits/wiring.

f. Consider Draft Resolution Authorizing Execution of a Contract with Municipal Well & Pump for the 2021 Well No. 13 Rehabilitation Project at a Cost Not-to-Exceed \$258,815.

Q: What is the useful life of this item?

A: It is possible to get 100 or more years out of a well. However due to continued growth in the northern Illinois area, the deep aquifer continues to drop. With the Joliet area going to Lake Michigan water, the aquifer should rebound, similar to what happened when DuPage County went to Lake Michigan water. In reference to the pump and motor, Well No. 13 is not our primary deep well so it does not get run as often as Well No. 6, which was last serviced in 2015 and is tentatively scheduled for its next service in Fiscal Year 2023. Since Well No. 13 does not run as much, we can extend the typical service interval. Rehabilitation usually refers to repairing or replacing the pump depending on its condition, including maintenance of (or the replacement of) the motor, inspecting or replacing the electric cable, any identified column pipe, and bailing out the bottom of the well due to sand filling the bottom of the well.

Q: Is the sand in the filters a normal, expected, phenomenon?

A: The water-bearing formations are sandstone, so pulling sand is not unusual.

g. Consider Draft Resolution Declaring Cultural Arts Commission Supplies and Equipment as Surplus Property

Q: Is there a reason there is a request for a resolution to authorize the disposal of this list? Is there a dollar materiality floor that we could use going forward?

A: As there were numerous small items to be disposed of, it is considered best practice to have the governing body authorize disposal. Ordinarily, the disposal of smaller individual items would not require a resolution.

g. Consider Draft Resolution Authorizing a Development Economic Incentive Agreement By and Between the City of Geneva and Castle Investment Properties at 101-105 W. State St.

Q: Page 61, Why is paragraph C worded "up to \$2 million"? Up to makes no sense as the parenthetical comment states "(or more than such amount)".

A: Both statements have the same meaning. The existing wording is used to indicate that more could be spent without impacting the public share.

Q: Page 61, Why is the term 24 months? Do we believe the time to perform this work is two years?

A: The term is defined as time is needed to finalize plans and complete construction of challenging public and private improvements and to avoid the need to extend the agreement. The boarding of the building occurred in December 2020, not quite a year ago.

Q: Page 61, Paragraph D, Should the \$51,767 of electric upgrades be clawed back from the owner in the event that paragraph D is invoked?

A: The electric upgrade is a regional voltage upgrade designed to serve multiple properties. A claw back from this owner for a regional improvement is not equitable and is not recommended.

Q: Where in the agreement is the detail surrounding the \$51,767 described?

A: The details are not included in the agreement. The amount is an estimate prepared by the Electric Division for regional electric upgrades.

Q: Page 62, Paragraph C What does the sentence, "the CITY will reimburse the CITY for Reimbursed Costs" mean?

A: It means that the City will complete an interfund transfer.

Q: Page 62, Paragraph C Why is the sales tax rebate transferable to another entity, and why are we so concerned with \$10,000? Why not terminate the sales tax rebate if they cease operations?

A: The rebate is a reimbursement to the owner for investment into the structure. It is transferable to another entity if such an entity is a sales tax generator. There are many reasons why an owner may need to pivot to another business model or tenant. This is a good faith clause that will provide the owner with the freedom to pursue the highest and best use while maintaining confidence that the investment is secure. The \$10,000 is a cap to the amount of deferred fees. The owner requested a higher amount. This cap was negotiated.

Q: Page 65, Paragraph C, Why are we allowing this? Is there a reason to believe the owner will be transferring the agreement to another developer?

A: This is standard language in our agreements. Transferences happen frequently in real estate, and this language allows the owner's investment to be secured. This is a good faith clause. We have no information on the intent of a transfer.

Q: The protections seem unlikely to be helpful. Paragraph C (i) would assume that local developers have credit ratings, and C (ii) is pretty gray as to what the letter from a financial institution would be attesting to.

A: This protection is required by state statute.

Q: It seems like we are creating a complex legal agreement for a princely sum of \$104,000. Why not keep it simple?

A: The City is not a home rule community, and the property is not in a special district (Tax Increment Financing District/Business District); therefore, the City has to ensure the agreement follows state statute. This requirement does not lend itself to less "complex legal agreements."