



**COMMITTEE OF THE WHOLE MEETING
AND SPECIAL CITY COUNCIL MEETING**

**TO BE HELD AT
204 SOUTH BLOOMINGTON STREET
STREATOR, ILLINOIS 61364**

**TUESDAY, JANUARY 8, 2019
1:30 P.M.**

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

DISCUSSION ITEMS

- 1. Municipal Aggregation vs. Municipal Utilities.**
- 2. Proposed Rental Inspection Ordinance & Program.**
- 3. Update Fire Department's Five-Year Plan.**

SPECIAL CITY COUNCIL MEETING

- 4. ORDINANCE 2019-01. Authorizing a Public Referendum.**
- 5. RESOLUTION 2019-01. Approving an Intergovernmental Agreement on Use of East Route 18 TIF District Proceeds.**

ADJOURNMENT

NOTE: Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk's office at (815) 672-2517, 24 hours prior to the meeting. Staff will be pleased to make the necessary arrangements.

January 4, 2019

TO: Mayor & City Council

FROM: Scot Wrighton, City Manager 

RE: January 8, 2019 Council Study Session (COW)

Municipal Electric Aggregation & Municipal Utility Discussion

At its last study session the City Council discussed different ways of serving as a local broker of electricity between local residents and businesses, on the one hand, and the increasing number of alternative energy production facilities in the Streator area, on the other hand. Presently, the city can only execute power purchase agreements (PPAs) to acquire wholesale power for its own use. It cannot use PPAs to acquire power for resale to others. However, there are ways the city can enter the business of selling power—and some of these require referendum approval from voters. The city should only enter into this venture if it can provide electric power to residential, commercial and industrial consumers at a lower cost, and realize additional revenue at the same time to be used to reduce the city's reliance on property taxes, and thereby continue its five-year practice of no property tax increases. Moving forward, the city can choose to:

1. Not enter the electric service arena and leave it entirely to the private sector
2. Engage in municipal aggregation of power
3. Create a municipal utility
4. Establish the city as one of several types of electric agents/brokers, the most common being an "alternative retail electric supplier" (ARES)

To provide additional legal and background analysis for these options, the city attorney connected city staff with expert counsel; their memo is attached. I also brought the city's alternative energy advisor (Wolcott Energy Group) into the process. Their comments are also attached. The broadest authority, and the greatest future flexibility, is acquired by establishing a municipal utility (and municipal utilities are not subject to ICC regulation, which reduces overhead costs). The city can become a municipal utility without acquiring new or existing electric infrastructure. The biggest risk the city must evaluate is whether it can collateralize multi-year PPAs. This and other issues raised in the attached documents will be discussed in greater detail at the Tuesday study session.

If the City Council wishes to place a referendum question on the April 2019 Municipal Election ballot it must act before the next regular City Council meeting. Therefore, the study session agenda has been amended to include a "special" section for acting on an ordinance to authorize a referendum. The next referendum opportunity will be the Illinois Primary Election on March 17, 2020.

Proposed Rental Inspection & Landlord Registration Program

The city conducted two meetings with landlords—one in November and one in December. The first was a general meeting for all landlords; the second was an *ad hoc* committee of landlords who signed-up to give additional input about revisions to the proposed ordinance and checklist. The city has benefited from the extensive input and suggestions provided by landlords through these meetings, and the majority of their suggestions have been incorporated into the attached documents.

The rental inspection program enacting legislation (ordinance) is ***not yet*** ready for final adoption by the City Council, but it is ***getting*** close. The iterative and transparent process used in developing the program has reached the point where the City Council should now determine just how aggressive and invasive some of the program's more detailed features should be. Throughout the development of this program, staff has emphasized that the City Council's primary goal is to—reduce the number of rental housing units that are extremely sub-standard, and in some cases not fit for human habitation; conduct the program fairly and even-handedly; and construct the program in ways that reward landlords who are good stewards of their rental units while moving most of the cost of the program to those landlords who are the poorest stewards of their rental units. In this way the council hopes to improve the local housing stock

While it is not perfect, I believe the proposed rental inspection program meets this policy objective. The better the condition of a rental unit, the longer the time it will go before the next inspection (and the next fee). Extra costs for inspecting units that fail initial inspections will be assessed to the owners of troubled units—not to all landlords. Several features of the proposed program will reduce its perceived invasiveness: no surprise inspections; inspectors will only use the attached 2-page checklist (rather than every provision of Streator's building codes), etc.

It is recommended that the council review the attached documents so they can give staff input on how to proceed towards final adoption, and specifically give direction on the issues raised in Jeremy Palm's transmittal memo (also attached).

Fire Department Multi-Year Plans

Every year the City Council updates its long-range capital plans. One of these is the Fire Department 5-Year Plan. Chief Bird's proposed revisions to the plan are attached, along with the department's service outcomes that are tied to the plan, and a companion Emergency Management Strategic Plan. Council should feel free to raise questions about any element in these documents, and use the study session forum to suggest revisions they consider appropriate.