

DATE: July 3, 2017

**ROAD AND BRIDGE, BUILDING AND GROUNDS
DECEMBER, 2016 THRU NOVEMBER, 2017
FIRST AND THIRD MONDAYS OF THE MONTH
COUNTY BOARD ROOM AT THE CAMPBELL BLDG. 4:30 P.M.**

COMMITTEEMAN:

- Danny Melvin - Chair
- David Rea - Building & Grounds
- Steve Leek
- Robert Pierce
- Neil Hargis
- Tom Vaughn
- Alan Price
- Jack Warren
- Randall Crocker - County Board Chair

MINUTES: The meeting was called to order at 4:34 p.m. by acting chair, David Rea in the absence of Danny Melvin. Not present were Tom Vaughn and Danny Melvin, in attendance were, Franklin County Sheriff, Don Jones, Franklin County Clerk, Greg Woolard, Franklin County Circuit Clerk, Jim Muir, Franklin County Treasurer, Keith Jones, Franklin County Engineer, Mike Rolla, Franklin County Supervisor of Assessments, Cindy Humm, Franklin County Board Administrative Assistant, Gayla Sink, Franklin County Recycling Coordinator, Keith Ward and other interested parties.

David Rea submitted the highway department claims, which were approved and signed by all members present.

Franklin County Engineer, Mike Rolla reported the sale of a used truck from his department would take place in August. Mr Rolla reported meeting with a State engineer concerning the North Thompsonville bridge erosion and concluded the approximate cost would be \$30,000.00 and he would continue monitoring situation. Mr Rolla reported all State road projects had been halted and the Motor Fuel Tax may be held, discussion followed. Mr Rolla stated he had met with the director of Franklin County 911 concerning the problem of multiple road names and how to correct problem, discussion followed.

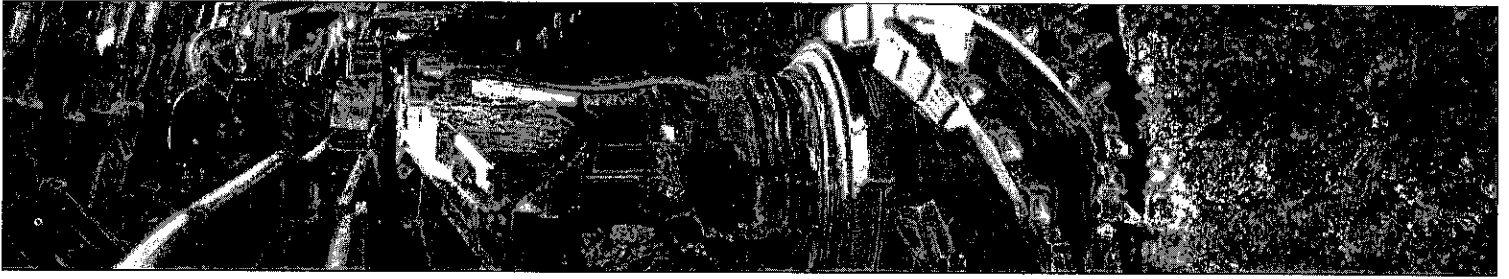
David Rea reported a problem with the north door at the Courthouse had been corrected, utilities at the Annex building were now off and the Campbell building roof leaks were now repaired.

Georgia Del Agresia of Community Futures Initiative submitted a fact sheet concerning a coal severance tax in Franklin County and explained same, a copy of said sheet is hereby attached as a part of these minutes.

The meeting adjourned at 5:00 p.m.

Minutes submitted 7/5/17

David Rea
Acting Chair, Road and Bridge Committee



CAPTURING RESOURCE WEALTH IN FRANKLIN COUNTY (continued)



In 2014 "We produced about the same amount of coal as we did in 1990, with about half the people."

Phil Gonet, President, Illinois Coal Association
St. Louis Dispatch. January 9, 2017.

Will An Excise Fee on Coal Hurt Production and Jobs?

Economic studies and the experience of 21 other states show that an excise fee on coal does not affect production or jobs. Wages, transportation, and markets have a far greater impact on production.

Today, the industry is highly mechanized, requiring far fewer miners. In 1990, the industry employed about 10,000 people, compared to 3,728 in 2015.

In 2016, weak power demand, an oversupplied coal market, low natural gas prices, and the permanent closing of Murray Energy Corporation's New Era Mine resulted in 1,247 layoffs at mines in a five-county area of central Illinois, reducing Illinois coal jobs to 2,481.

Revenues from a coal excise fee used to diversify the County's economy could help mitigate the loss of coal jobs and create a more balanced employment base for the future.

Will An Excise Fee Hurt Consumers?

Illinois exports nearly 80% of the coal mined to 20 other states and overseas markets. It is expected that an excise fee would either be absorbed by mining corporations in the state, or passed along to out-of-state consumers.

What Are the Projections for Coal Mining in Illinois?

Coal will remain an important part of our nation's energy mix for the foreseeable future. As long as coal is mined, Illinois will be a strong producer due to its high energy value, low cost, and access to markets.

It's Time That Coal Producing Communities Look to the Future

With the help of Franklin County, Illinois can follow the lead of other major coal-producing states and adopt a 5% excise fee this year that brings annual revenues back to communities in coal producing areas.

Visit reinvestIL.org for a sample resolution that shows county support, and for details on the campaign as they unfold.

Community Futures Initiative ...
Making a Difference, Community by Community!

Reinvest in Illinois' Heartland with a modest fee on coal that would reinvigorate coal mining communities through:

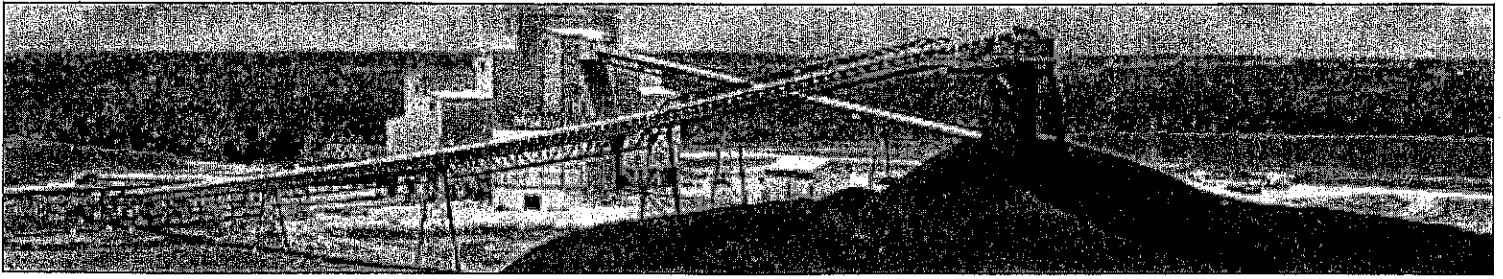
- Infrastructure repair and expansion
- Economic diversification
- Renewable energy / energy efficiency
- Workforce training
- Environmental cleanup

Sources

- Downstream Strategies and Center for Tax and Budget Accountability. Capturing Resource Wealth to Invest in the Future. October 23, 2015. http://www.downstreamstrategies.com/documents/reports_publication/illinois-coal-severance-tax.pdf.
- Energy Information Administration. Historic Coal Production 2010-2015. Detailed Data from the EIA-7A and U.S. Mine Safety and Health Administration. <http://www.eia.gov/coal/data.php>.
- Energy Information Administration. U.S. Coal Prices by Region 2010-2016. <https://www.quandl.com/data/EIA/COAL-US-Coal-Prices-by-Region>.
- Weekly U.S. Coal Production Overview by State (52-weeks ending 12/24/16). https://www.eia.gov/coal/production/weekly/tables/weekly_production.php.

Community Futures Initiative
ReinvestIL.org
June 4, 2017





CAPTURING RESOURCE WEALTH IN FRANKLIN COUNTY

Top Ten Coal Producers

Year ending 12/31/16

1. Wyoming	302,213,000 tons
2. West Virginia	82,067,000 tons
3. Illinois	45,641,000 tons
4. Pennsylvania	45,610,000 tons
5. Kentucky	44,320,000 tons
6. Texas	42,224,000 tons
7. Montana	32,266,000 tons
8. Indiana	29,658,000 tons
9. North Dakota	29,636,000 tons
10. New Mexico	14,930,000 tons

Source: U.S. Energy Information Administration, Weekly U.S. Coal Production. Release date: January 5, 2017.

Illinois - A Leading Coal Producer

At the end of 2016, Illinois ranked third among all 25 coal-producing states in the country. Illinois' 24 active coal mines produced about 6% of U.S. coal in 2016.

Franklin County Coal Production

Despite a slump in production due to weaker demand, lower natural gas prices and an oversupplied market, Franklin County produced 10,587,790 short tons of coal in 2015. This represented nearly 20% of total Illinois coal production, or about 1% of the U.S. total.

Wealth from Illinois Coal is Leaving Franklin County

Because of its high sulphur content, most Illinois coal is not burned in the state. Nearly 80% of all coal mined in Illinois is exported to 20 other states and overseas markets.

Corporations profit from the extraction of coal, but communities do not. While the state provides tax incentives and subsidies to the coal industry, miners in southern Illinois help create wealth for others at the expense of their own health and safety.

Potential Revenues from Coal Mining

Illinois is one of 4 major coal-producing states that does not levy a fee on coal mined. The other three are Pennsylvania, Texas, and Utah.

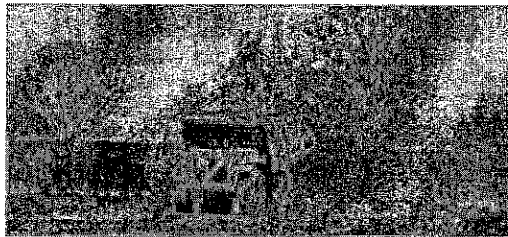
A 5% excise fee (similar to that adopted by Kentucky and West Virginia) on the gross value of coal mined in Illinois could have yielded revenues in excess of \$100 million in 2012 and nearly \$90 million in 2015.

A 5% excise fee on the gross value of coal mined in Franklin County alone would have yielded nearly \$17 million. If Illinois had a coal severance fee in 2010, Illinois revenues produced from coal extraction in Franklin County from 2010 through 2015 would have totaled nearly \$67 million.

The Community Futures Initiative is proposing a 5% excise fee. As planned, funds would be distributed as follows:

- 1/3 to the state, for projects that benefit coal-producing communities.
- 1/3 to local governments in coal-producing areas.
- 1/3 to a permanent trust fund, where interest accrued could be distributed to local governments in coal-producing communities in perpetuity.

Following this model, in 2015, \$5.6 million would have been allocated to Franklin County for incentives to attract new businesses; infrastructure repair, or expansion; workforce development; or environmental cleanup.



Potential Revenues from 5% Excise Fee on Coal Mined in Franklin Co.

Year	Franklin Co. Production	5% of Avg. Spot Price	Revenues
2010	324,493	\$2.33	\$ 756,069
2011	892,612	\$2.63	\$ 2,347,570
2012	4,690,260	\$2.39	\$ 11,209,721
2013	6,493,536	\$2.30	\$ 14,935,133
2014	9,097,628	\$2.25	\$ 20,469,663
2015	10,587,790	\$1.60	\$ 16,940,464
Total	32,086,319		\$ 66,658,619
1/3 to Local Governments (per proposal)			\$ 22,219,540

Community Futures Initiative
ReinvestIL.org

June 4, 2017



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MINUTES: The meeting was called to order at 4:35 p.m. by chair, Danny Melvin. Not present was Robert Pierce, in attendance were, Franklin County States Attorney, Evan Owens, Franklin County Sheriff, Don Jones, Franklin County Clerk, Greg Woolard, Franklin County Treasurer, Keith Jones, Franklin County Circuit Clerk, Jim Muir, Franklin County Coroner, Marty Leffler, Regional Superintendent of Schools, Laura Le Quatte, Franklin County Engineer, Mike Rolla, Franklin County Supervisor of Assessments, Cindy Humm, Franklin County Board Administrative Assistant, Gayla Sink, Franklin County Recycling Coordinator, Keith Ward and other interested parties.

Danny Melvin submitted the highway department claims, which were approved and signed by all members present.

Franklin County Engineer, Mike Rolla stated he is waiting on approval by the state in order to continue on Crocker Road, Horrel and St Louis streets in West Frankfort. Mr Rolla reported Oil and Chip was 50% complete in county, a tractor with 120 hours caught fire and he is seeking a new replacement at no cost. Mr Rolla gave a progress report on a 5 year old lawsuit against the county.

David Rea reported the air conditioning at the emergency management building had broken down but was now in working order. Mr Rea stated the drains at the Campbell building needed to be changed and the Annex building still had the utilities on.

Discussion was held concerning the USDA grant to demolish the Annex building.

Randall Crocker suggested a new locking system for the Courthouse and formed a committee to investigate and report back to the board.

The meeting adjourned at 5:06
Minutes submitted 7/20/17

Danny Melvin
Chair, Road and Bridge Committee