

CITY OF OLNEY
CITY COUNCIL MEETING
JULY 13, 2015

AGENDA #1 “CALL TO ORDER” The July 13, 2015, meeting of the Olney City Council was called to order at 7:00 p.m. in the Council Chambers of the Olney City Hall located at 300 S. Whittle Avenue, Olney, Illinois, with Mayor Ray Vaughn presiding.

AGENDA #2 “PLEDGE OF ALLEGIANCE TO THE FLAG-PRAYER” Council members and visitors joined in the pledge of allegiance to the flag.

AGENDA #3 “ROLL CALL” The following Council members were present: Les Harrison, Belinda Henton, Bob Ferguson, and Ray Vaughn. John McLaughlin was absent. Also present were City Managers Larry Taylor and Allen Barker, City Attorney Bart Zuber, City Treasurer Chuck Sanders, City Clerk Kelsie Sterchi, and City Engineer Charleston.

AGENDA #4 “PRESENTATION OF CONSENT AGENDA”

4-A Approve Minutes of Council Meeting on June 22, 2015

4-B Approve and Authorize Payment of Account Payable July 14, 2015: Petty Cash \$322.28, Pooled Cash \$133,553.59, Manual Pooled Cash \$101,013.79, Utility Refunds \$2,078.91, IMRF \$29,075.39, Liability Insurance \$734.47, Unemployment \$1,889.03, Tourism \$4,000

AGENDA #5 “REMOVAL OF ITEMS FROM CONSENT AGENDA” No items were requested for removal from the consent agenda.

AGENDA #6 “CONSIDERATION OF CONSENT AGENDA” Councilwoman Henton moved to approve the items on the consent agenda, seconded by Councilman Ferguson. A majority affirmative voice vote was received to approve the consent agenda.

AGENDA #7 “CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA” No consideration was necessary since no items were removed from the consent agenda.

AGENDA #8 “PRESENTATION OF ORDINANCES, RESOLUTIONS, ETC.”

8-A “Request: Class S Liquor License” The Council was provided a Special Event Application from the White Squirrel Saddle Club, and a Class S Liquor License Application from the VFW. City Manager Taylor explained that a Class S Liquor License would allow a current liquor license holder to obtain a liquor license to sell and serve alcohol off of their premises. The Class S license holds a fee of \$100.00.

Other events have been held in the past that required a Class S license, such as Whittle Rock and Blues Fest. Jim Fehrenbacher (VFW) and Al Zellmer (White Squirrel Saddle Club) were present to answer questions.

Mr. Fehrenbacher told the Council that the proposed Country Fest event would be held at the East Fork Arena to help fund raise for the Saddle Club's Gaitway to Motion program. The event would be held from 4:00 p.m. until 12:00 a.m.

Mayor Vaughn asked what the parking plan was for the event. Mr. Zellmer answered that cars would be directed to park in the area surrounding the arena. There would be no parking on the roadway around the East Fork Dam. Should more attendees arrive than expected, additional parking could be available where the new entrance had been cut for the East Fork Trails. Alcohol would be available only inside the arena to those of age. No one under the age of 21 would be allowed inside the arena.

Councilwoman Henton wondered if the City should be issuing any liquor license for an event that is held outside of City limits. Mr. Taylor responded that East Fork Arena is City property so the area would need a Class S issued by the City.

Councilman Ferguson moved to approve a Class S liquor license issued to the VFW for the Country Fest to be held at the East Fork Arena on August 15, 2015, with no parking on Silver Road, seconded by Councilman Harrison. A majority affirmative voice vote was received.

The Class S liquor license will not be issued until proper certificates of insurance are supplied.

8-B "Request: Pickleball Group of Olney Raised Funds to be Collected and Disbursed Through the City Per the Group's Instructions" The Council was provided with an e-mail from Jim Pottorff, Local Ambassador for the USAPA Pickleball Association, that was sent to City Clerk Sterchi. The e-mail stated that the Pickleball Group had received \$3,500.00 in donations. The Pickleball Group was requesting the City to place the donations into an account and disburse per the Pickleball Group's instructions.

Mayor Vaughn asked City Treasurer Sanders if he saw any issues with Mr. Pottorff's request. Mr. Sanders replied that if the Council approved the request, he believed a separate bank account would need to be opened and designated authorized signers would need to be determined. If accepting funds on the Pickleball Group's behalf, the donors would need to be tracked. Additionally, if the Council gave the Pickleball Group the authority to disburse funds without Council approval, Mr. Sanders would require an invoice to disburse signed by a

designated signee authorizing the disbursement. While Mr. Pottorff's request was feasible, it would create additional accounting and reconciliation as it would be treated as City money.

Mayor Vaughn asked if there was an easier way to handle the Pickleball funds. Mr. Sanders replied that to his understanding, RCRC was a qualified organization that had handled monies for other similar situations.

Councilwoman Henton thought that the General Corporate account could be used without creating a separate bank account. Mr. Sanders stated that could be done with the Council's approval, however a separate general ledger would still be required. He felt that not setting up a separate bank account would allow for some loss of control.

The Mayor understood the request, but did recognize that due to City requirements and audit rules, disbursements would be more complicated than simply handing out money at a request. He did not wish to make a habit of such requests that would create more work for the Treasurer's Department. Therefore, the Mayor suggested putting a limit of 90 days on the request. After the time limit, the separate general ledger will be closed, and any leftover money would be returned to the Pickleball Group. He also requested that the City Manager and City Treasurer sign off on disbursements. Reports of activity should be given to the Council.

Councilwoman Henton moved to approve accepting the Pickleball Group's donations into the General Corporate account, having a separate general ledger set up for the purpose for 90 days, and to require the City Manager and City Treasurer to sign off on disbursements, seconded by Mayor Vaughn. A majority affirmative voice vote was received.

8-C "Presentation: Watergate Water Purchase Agreement and Method of Calculating Water Bill" The Council was provided with an e-mail from Walter Buss sent to Mayor Vaughn, and a copy of the Watergate Subdivision's Agreement for Sale of Water.

Mr. Buss came before the Council on behalf of the Watergate Subdivision Trustees. He handed the Council a memo, a copy of a Consumer Confidence Report Certification Form from the IEPA, a copy of a letter sent to Watergate Subdivision from the IEPA, an invoice copy from Sanders Environmental Water Service, Inc., a copy of a 2012 water bill, and a copy of water rates for other municipalities and Watergate with a billing breakdown from Utility Billing Clerk Lori Zimmerle, and the subdivision's water charges due July 6, 2015.

Mr. Buss detailed the water rates compared to other municipalities, specifically noting that Watergate's rates are higher than other municipalities until the fifth tier (over 250,000 gallons) when Watergate's rate becomes \$0.284 instead of \$0.316 for other municipalities. Mr.

Buss told the Council how that lower rate was insignificant, as the subdivision would never use that much water.

Mr. Buss felt that the mathematics used to calculate Watergate's bill were unique, peculiar and arbitrary. He told the Council that the subdivision pays about \$636.80 for the first 80,000 whether they use that amount of water or not, mainly because of the \$13.11 minimum charge included for the first 2,000 gallons. Watergate also pays the \$1.75 debt service fee and the \$1.06 billing fee. Other municipalities pay the same debt service and billing fees, but are not charged a 2,000 gallon minimum.

Mr. Buss stated that their current discounted rates of water do not work for the subdivision, and felt it unfair to be charged more than other municipalities. He and the trustees requested that the Council take action to cause Watergate's rates and calculations be identical to the other municipalities, and that action be retroactive to May of 2015.

Mayor Vaughn guessed that Watergate consisted of about 40 homes. Mr. Buss replied that the subdivision was billed for 40 authorized taps although 39 homes were being serviced. The Mayor then calculated that based on the due amount of \$821.62 divided by 40, that the average would come to \$20.54 per home. As a City resident, the Mayor noted that his water fees have been higher than that amount. Mr. Buss argued that when a City resident pays their bill, funds go towards items such as employees, regulation, compliance and billing.

Mayor Vaughn appreciated Mr. Buss' presentation, but wished to explain a few points. A contract was created in 1987 between the City and Watergate Subdivision that provided that the subdivision's rate be 150% of whatever rate the City was charging to City residents. About three months ago, after extensive discussion, the Council decided to lower Watergate's rate to 125% of City resident rates. This change was made in an attempt to be fair to Watergate as a long term customer, and in effort to consider potential future attempts to sell water to other residents outside of City limits. He stated that comparing Watergate to Noble or Parkersburg was an inaccurate analogy because those areas are municipal. Mr. Buss retorted that Watergate was still subject to the same rules and mandates as Noble or Parkersburg.

Mayor Vaughn concluded that the Council would consider Mr. Buss' presentation as they continue to discuss the potential of selling water to others outside of City limits. The Mayor then reminded Mr. Buss that the Watergate subdivision rate was not comparable to Noble or Parkersburg as they are a separate system and separate rate structure pursuant to the 1987 agreement. He cautioned that if Mr. Buss' request was approved, unintended consequences to others could follow. He wanted to be sure that whatever decisions the Council made would work well for the future.

Mr. Buss wondered how the Council would feel if, due to City's failure, Watergate would transfer to a competing supplier. He was curious if the transfer would reflect on the Council's reasonableness. Mayor Vaughn replied that one of the reasons for lowering rates outside of the City limits was to be competitive.

Councilman Ferguson asked what the current bill total would have been if it were calculated to that of the other municipalities. While unclear on whether or not there would be a charge for the 2,000 gallon minimum, it was believed that their 124,000 gallon consumption would be \$394.65. Mr. Buss was unsure what Watergate's current bill would have been without the lower rate implemented a few months prior.

Councilman Ferguson asked if the City had any other customers that were billed similar to Watergate. Mr. Taylor replied that apartment buildings and trailer courts are billed as a whole, and not multiples. Past that, Kincaid Acres was charged a rate 150% higher than the City rates. There would be one billing fee, but the debt service fee would be per unit. Mr. Buss added that trailer courts do not have the expense of maintenance and operators.

Mayor Vaughn requested that Mr. Buss allow the Council to consider his presentation for 60 days. After that time had passed, he asked Mr. Buss to call City Hall to have the item placed back onto the agenda.

8-D "Ordinance: Authorize Disposal of Personal Property (Service Revolver to Sergeant Dana Berry)" The Council was provided with a copy of a proposed ordinance that would give Sergeant Dana Berry his service weapon upon retirement. Mr. Taylor explained that in years past, the Council had authorized the disposal of service weapons to the police officer upon his or her retirement.

Councilwoman Henton mentioned that she was bothered by the terminology in the ordinance that stated the service weapon was "no longer necessary or useful to" the City. The weapon, upon being gifted, would still need to be replaced. Mr. Taylor replied that the ordinance language was simply standard language, but that the wording could be changed to say that it would be "in the best interest."

Councilwoman Henton then asked if Sergeant Berry would be receiving any other retirement gifts from the City. Police Chief Paddock was unsure at the time. The Councilwoman stated that she wished for all City employees to receive comparable benefits. The Councilwoman also wished to state that Sergeant Berry had been a great officer and would be missed.

Councilman Ferguson moved to approve Ordinance 2015-32, with the proposed language change, seconded by Mayor Vaughn. A majority affirmative voice vote was received.

8-E “Resolution: Authorize the Abatement of the City of Olney’s Real Estate Taxes on Property Owned by William F. Barber and Anna Mae Barber” The Council was provided with a proposed resolution to authorize property tax abatement on property owned by William and Anna Mae Barber. Mr. Taylor reminded the Council that at the meeting on June 22, 2015, the Council had authorized an amendment to the annexation agreement on property located at the intersection of Highway 50 and Holly Road. The proposed resolution would extend the tax abatement for an additional 10 years unless terminated as a result of a building on the property being connected to either the water distribution system or the sanitary sewer collection system.

Mayor Vaughn moved to approve 2015-R-40, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-F “Resolution: Accept MFT Bids” The Council was provided with a bid tabulation from the Illinois Department of Transportation for the MFT program. Two bids were received. One bid for the bituminous materials and seal coat was received from Mt. Carmel Stabilization Group in the amount of \$110,853.20, and one bid for concrete from Doll’s, Inc., in the amount of \$15,300.00. All payments would be made from the MFT fund.

Councilwoman Henton moved to approve the MFT resolution, seconded by Councilman Ferguson. A majority affirmative voice vote was received.

8-G “Resolution: Authorize Engineering Agreement for W. Elm Street Watermain Replacement Project” The Council was provided with a proposed resolution and engineering agreement for the W. Elm Street Watermain Replacement Project. The agreement is required by the Illinois Department of Commerce and Economic Opportunity for the CDAP grant application being submitted for the W. Elm Street Watermain Replacement Project.

Mayor Vaughn moved to approve 2015-R-41, seconded by Councilman Harrison. A majority affirmative voice vote was received.

AGENDA #9 “REPORTS FROM ELECTED AND APPOINTED OFFICIALS”

9-A “City Manager - Status Report” The Council was provided with a status report from City Manager Taylor.

Mayor Vaughn introduced Allen Barker. Mr. Barker would be replacing Mr. Taylor as the City Manager upon Mr. Taylor’s retirement at the end of July.

Mr. Taylor reported that since the last meeting, he, the Mayor, and Fire Chief Holmes met with a representative from the Township Fire Protection District regarding their contract and

contribution. The District was scheduled to have an upcoming meeting, but Mr. Taylor had yet to hear any word on the results of that meeting.

Mayor Vaughn then asked for an update on code enforcement on demolitions. Mr. Taylor replied that one demolition case was currently in progress. City Attorney Zuber also had a few others that may result in resolutions coming before the Council for consideration. Another property had a demolition permit obtained by the property owner. That demolition had taken place, and most of the foundation already removed. Notices had also been sent to two other properties who had yet to respond.

The Mayor was curious if the City pursued enforcement of demolition liens. Mr. Taylor indicated that liens could be foreclosed, and the City could receive funds that way.

Mayor Vaughn requested an update on the Safe Routes to School project. City Engineer Charleston replied that the prior week's rain had slowed down the project slightly, although the contractor was still ahead of schedule.

City Treasurer Sanders wanted to update the Council on some happenings with CDAP funds. The City is required to report semi-annually on the use of CDAP funds. The City has been submitting the reports, however at the end of 2012/2013, the reporting forms were changed. Since then, the City had spent much time trying to comply with the new requirements. Mr. Sanders had received notification that funding could be at jeopardy for the City if all deficiencies were not corrected. With assistance from a director at a recent CDAP workshop, the issues would be resolved in the coming week.

AGENDA #10 "PUBLIC COMMENTS/PRESENTATIONS"

10-A "Brian O'Neill" Brian O'Neill, 818 E. Main Street, told the Council how he had predicted that Illinois would be shut down due to budget problems. Mr. O'Neill then handed the Council print off from www.ronpaulmessage.com. He felt the issues were brought on because of foolish voting. Mr. O'Neill felt he could fix the problem, and wants to see others be able to live like he does.

AGENDA #11 "CLOSED SESSION: SALE PRICE OF REAL PROPERTY; ACQUISITION OF REAL PROPERTY, APPOINTMENT, EMPLOYMENT AND PERFORMANCE OF SPECIFIC EMPLOYEES; AND COLLECTIVE NEGOTIATING MATTERS" Councilwoman Henton moved to adjourn to closed session to discuss sale price of real property, acquisition of real property, appointment, employment and performance of specific employees, and collective negotiating matters, seconded by Councilman Harrison. A majority affirmative voice vote was received.

Councilmen Harrison, Ferguson, Councilwoman Henton, Mayor Vaughn, City Managers Taylor and Barker, City Attorney Zuber, City Treasurer Sanders and City Clerk Sterchi left the Council Chambers at 7:49 p.m.

AGENDA #12 “RECONVENE OPEN SESSION” Upon the return of those who were in closed session to the Council Chambers, Councilwoman Henton moved to enter back into open session, seconded by Mayor Councilman Harrison. A majority affirmative voice vote was received. Open session resumed at 10:10 p.m.

AGENDA #13 “ADJOURN” Councilman Ferguson moved to adjourn, seconded by Mayor Vaughn. A majority affirmative voice vote was received.

The meeting adjourned at 10:11 p.m.

Kelsie J. Sterchi
City Clerk