

CITY OF OLNEY
CITY COUNCIL MEETING
APRIL 10, 2017

AGENDA #1 “CALL TO ORDER” The April 10, 2017, 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 Attorney Bart Zuber, City Clerk Kelsie Sterchi, City Treasurer Chuck Sanders, and Assistant City Treasurer Jane Guinn.

AGENDA #4 “PUBLIC HEARING: 2017/2018 FISCAL BUDGET” The Illinois State Statute requires the Council to hold a public hearing for the tentative fiscal year 2017/2018 budget. Notice was given to the media that the tentative budget was available for viewing at City Hall. The purpose of the hearing would be to allow the public to express their opinions and to ask questions regarding the tentative budget. Mayor Vaughn then addressed the audience by asking if anyone had comments concerning the proposed budget. No one from the public wished to speak. The public hearing was closed.

AGENDA #5 “PRESENTATION OF CONSENT AGENDA”

5-A “Approve Minutes of Council Meeting on March 27, 2017”

5-B “Approve and Authorize Payment of Accounts Payable April 11, 2017” Pooled Cash \$146,927.67, Manual Pooled Cash \$94,687.16, IMRF \$26,840.08, Christmas Light Display \$396.00, Tree Project \$412.50, Petty Cash \$245.54

5-C “Raffle License: First National Bank – Relay for Life Team”

5-D “Raffle License: Richland County A.B.A.T.E. for Bikers with a Heart”

5-E “Raffle License: Veterans of Foreign Wars”

AGENDA #6 “REMOVAL OF ITEMS FROM CONSENT AGENDA” No items were requested for removal from the consent agenda.

AGENDA #7 “CONSIDERATION OF CONSENT AGENDA” Councilman Harrison moved to approve the items on the consent agenda, seconded by Councilwoman Henton. A majority affirmative voice vote was received to approve the consent agenda.

AGENDA #8 “CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA” No consideration was necessary since no items were removed from the consent agenda.

AGENDA #9 “PRESENTATION OF ORDINANCES, RESOLUTIONS, ETC.”

9-A “Resolution: Designating a Developer for Redevelopment of Certain Property Being Considered for a Tax Increment Redevelopment Project and Declaring an Intent to Reimburse Certain Redevelopment Project Costs” The Council was provided with a proposed resolution that would designate a developer of certain property being considered for a tax increment redevelopment project, and would declare an intent to reimburse certain redevelopment project costs.

Developer Eric Seals was present to address the Council. Mr. Seals explained that he was working to develop 367 N. West Street, and wished to formally request an inducement resolution in order to make his project TIF eligible.

City Attorney Zuber noted that the purpose of an inducement resolution was to show the City’s intent to support the project as eligible for TIF benefits. The resolution would in no way be binding the City to any obligations.

Mr. Seals then thanked the City Council and RCDC for their assistance thus far. He had been working closely with both entities, and was planning on two phases of development. The first phase would be a parking lot centrally located on the property, along with construction of a midscale hotel. The second phase would include additional food, drink, entertainment, and retail space. Mr. Seals would also be partnering with Mike Baker.

The proposed hotel would be a Best Western Plus. Mr. Seals had been impressed with that particular chain, and a third party feasibility study had been conducted that confirmed the hotel would be very appropriate for the area.

Best Western representative Mitch Matthews was also present to speak. Mr. Matthews explained that the hotel design would be relevant to this particular market with plenty of new architectural features.

RCDC Director Courtney Yockey then explained that past the inducement resolution, the next step would be continued negotiations and planning. The inducement resolution would allow the project to move forward and allow for some of the TIF eligible expenses to be recaptured. Then, a redevelopment agreement would be made.

Councilman Ferguson asked when Mr. Seals anticipated to begin construction. Mr. Seals hoped to begin this Summer with a tentative opening set for March of 2018.

Mr. Seals added that he planned to use local resources such as contractors and vendors. With that being said, he had made the decision to utilize TrustBank to assist with the financial aspects of the project.

TrustBank President Dan Eichelberger indicated his excitement in assisting with the project. The site acquisition and feasibility study were strong indicators of future success. He then noted that the new hotel would not be competing for current Olney business, but would be recapturing leakage from people who are choosing to not stay the night in Olney. Mr. Eichelberger explained that a fair amount of client base was being lost to other towns, even as far away as Effingham. Additional people staying in Olney would also benefit other local businesses.

Mayor Vaughn then asked if the Council had any other questions. The Council had nothing further.

Councilman Ferguson moved to approve 2017-R-20, seconded by Mayor Vaughn. A majority affirmative voice vote was received.

9-B “Special Event Request: Olney & Greater Richland County Chamber of Commerce 2017 Bicycle Classic” The Council was provided with a letter of request from Chamber of Commerce Executive Director Amy Bissey-Murphy, a Special Event Application for the Bicycle Classic, and a map of the proposed location change.

Mrs. Bissey-Murphy was unable to attend this evening’s meeting, so the City Clerk explained the request. Mrs. Sterchi told the Council that the Chamber of Commerce wished to move their annual Bicycle Classic location from the City Park to the downtown area, where it had been held in the past. Because the new location would require closing a portion of Main Street and Whittle Avenue, it was Mr. Barker’s preference that the Council hear the request.

Mayor Vaughn asked what hours the streets would be closed. Mrs. Sterchi replied that the Chamber of Commerce would like to close the portions of those streets from 6:30 a.m. until 2:00 p.m.

Mayor Vaughn moved to approve the Special Event Request for the Olney & Greater Richland County Chamber of Commerce for the 2017 Bicycle Classic, seconded by Councilman Harrison. A majority affirmative voice vote was received.

9-C “Request/Ordinance: Vacate a Portion of the East/West Unimproved Railroad Street Between the CSX Railroad and E. South Avenue, and S. East and S. Mill Streets” The Council was provided with a letter of request from Oscar and Rebecca Eck, and a copy of GIS mapping of the unimproved Railroad Street.

Mr. Eck was present to speak on the request. He explained that he would like to vacate and purchase the south 25 feet of the 50 foot portion of the unimproved Railroad Street that was directly north of his property at 604 S. Mill Street.

Mayor Vaughn asked if any utility easements needed to be reserved. Mrs. Sterchi had contacted the utilities, and there were none in or on that portion of Railroad Street. Mayor Vaughn then asked if CSX had any restrictions as to how far away from their property buildings or structures could be placed. Mr. Eck was unsure, but indicated that Code Enforcement Officer Mike Mitchell was familiar with his plans to construct a pole building and had not indicated such restrictions.

Mrs. Sterchi had also sent a letter to CSX making them aware of the closure request, and advised that they should contact her if they would be interested in purchasing their portion of Railroad Street. No correspondence had been received from CSX.

Mayor Vaughn asked what the rate of sale was per square foot on such vacations. Referencing Mr. Barker’s memo, it could be \$0.15 per square foot since no easements needed to be reserved. Councilwoman Henton felt that the rate had increased to a higher amount. Mrs. Sterchi would research the cost per square foot, and told Mr. Eck he would also be responsible for the \$65.00 cost of recording. Mr. Eck understood.

Councilwoman Henton moved to approve Ordinance 2017-21, seconded by Councilman Harrison. Councilmen Ferguson, Harrison, Mayor Vaughn, and Councilwoman Henton voted yes. There were no opposing votes. The motion carried. The ordinance will be created.

9-D “Ordinance: Approve Rezoning of 914 W. Catherine Street from R-5 (Trailer or Mobilehome District) to C-2 (Commercial District)” The Council was provided with a copy of the draft minutes from the Plan Commission meeting on April 3, 2017, and a proposed ordinance that would rezone 914 W. Catherine Street from R-5 (Trailer or Mobilehome District) to C-2 (Commercial District), as applied for by David Read.

Mr. Barker told the Council that the Plan Commission had unanimously recommended to approve the rezoning of 914 W. Catherine Street to C-2 (Commercial District).

Councilwoman Henton, also a member of the Plan Commission, reported that there were no issues or objections to the proposed rezoning or Special Use Permit requested by Mr. Read.

Councilwoman Henton moved to approve Ordinance 2017-22, seconded by Councilman Harrison. A majority affirmative voice vote was received.

9-E “Ordinance: Approve Granting of a Special use Permit for a Mobilehome Over 10 Years of Age at 916 W. Catherine Street” The Council was provided with a copy of the draft minutes from the Plan Commission meeting on April 3, 2017, and a proposed ordinance that would grant a Special Use Permit for placement of a mobilehome over 10 years of age at 916 W. Catherine Street, as applied for by David Read.

Mr. Barker told the Council that the Plan Commission had a majority vote to recommend the proposed Special Use Permit.

Councilman Ferguson asked for clarification on where the mobilehome over 10 years of age would be coming from. Representing Mr. Read at this evening’s meeting was Nikki Strohl. Mrs. Strohl indicated that the 1995 mobilehome was being purchased and relocated to 916 W. Catherine Street.

While Mrs. Henton did not vote in favor of the Special Use Permit at the Plan Commission meeting, she did indicate that the Reads had done an excellent job of improving the neighborhood. She noted that she had not voted in favor of the request because the mobilehome was 23 years old.

Mayor Vaughn moved to approve Ordinance 2017-23, seconded by Councilman Ferguson. A majority affirmative voice vote was received.

9-F “Resolution: Accept Plan Commission Recommendation for Denial of Special Use Permit for Placement of a Mobile Home More Than 10 Years of Age at 602 S. Shields Street” The Council was provided with a copy of the draft minutes from the Plan Commission meeting on April 3, 2017, and a proposed resolution that would concur with the Plan Commission’s recommendation to deny the

proposed Special Use Permit for placement of a mobilehome more than 10 years old at 602 S. Shields Street.

Councilwoman Henton pointed out that the Plan Commission recommended denial of the Special Use Permit request because the mobilehome was 39 years old, and four objections had been received.

Mayor Vaughn commented that he had driven by the proposed location, and it was clear that Code Enforcement had been working on violations in the area. He agreed with the Plan Commission's recommendation.

Mayor Vaughn moved to approve 2017-R-21, seconded by Councilman Harrison. A majority affirmative voice vote was received.

9-G "Resolution: Accept Package Quote Received for Water Plant Chemicals and Waive Formal Bidding Procedures" The Council was provided with a proposed resolution to accept a package quote for Water Plant chemicals and waive formal bidding procedures, and a copy of quotes received from Brenntag Mid-South, Inc., Hawkins, Inc., and Univar USA, Inc.

Mr. Barker told the Council that Water Plant Supervisor Frank Bradley had received quotes on various Water Plant chemicals from Brenntag Mid-South, Inc., Hawkins, Inc., and Univar USA, Inc. Mr. Bradley recommended accepting the package quote from Hawkins, Inc., of Centralia, Illinois. Hawkins, Inc., has provided chemicals for the Water Plant since 2013, and Mr. Bradley has been pleased with the quality of the chemicals and the service.

Councilwoman Henton had noticed that the City had not gone out for bid on the Water Plant or pool chemicals in a few years. She wondered why. Mr. Bradley replied that the number of chemical suppliers had decreased; all currently available were the three suppliers from which he had received the quotes.

Mayor Vaughn asked how much was spent per year on Water Plant chemicals. Mr. Bradley estimated about \$145,000.00.

Mayor Vaughn moved to approve 2017-R-22, seconded by Councilman Harrison. A majority affirmative voice vote was received.

9-H "Resolution: Accept Quotes for Swimming Pool Chemicals and Waive Formal Bidding Procedures" The Council was provided with a proposed resolution to accept quotes for swimming pool chemicals and waive formal bidding procedures, and a listing of quotes received from Brenntag, Mid-South, Inc., Hawkins, Inc., and Airgas, USA, LLC.

Mr. Bradley was also the supervisor of the Parks Department. Mr. Bradley recommended accepting the low quote from Airgas, USA, LLC., for carbon dioxide in the amount of \$33.00 per cylinder with a \$0.43 rental fee per cylinder, per day, and a \$20.00 delivery fee. Mr. Bradley also

recommended accepting the low quote from Hawkins, Inc., for sodium hypochlorite in the amount of \$1.60 per gallon.

Mayor Vaughn moved to approve 2017-R-23, seconded by Councilman Harrison. A majority affirmative voice vote was received.

9-I “Ordinance: Regulate Travel, Meal, and Lodging Expenses in Accordance with the Local Government Travel Expense Control Act” The Council was provided with an ordinance to regulate travel, meal, and lodging expenses in accordance with the Local Government Travel Expense Act, and a copy of an expense reimbursement request form.

Mr. Barker explained that pursuant to Public Act 99-0604, the City was required to establish regulations with respect to allowable travel, meal, and lodging expenses. Any expenses that should exceed the amounts set forth in the ordinance must be approved by the Council. As customary, all expenses related to travel must be approved by the appropriate department supervisor and/or the City Manager.

Mr. Barker noted that the amounts listed in the ordinance were fairly high, but that was intentional in effort to lessen the burden on the traveler and the Treasury Department.

Mayor Vaughn asked how the new ordinance would affect reimbursements such as a vehicle allowance. Mr. Barker replied that such allowances were covered within a different policy.

Councilwoman Henton moved to approve 2017-24, seconded by Mayor Vaughn. A majority affirmative voice vote was received.

9-J “Resolution: Accept Bid for Haven Hill Cemetery Road Construction Project and Authorize Execution of Notice of Award” The Council was provided with a proposed resolution to accept the bid for the Haven Hill Cemetery Road Construction Project and authorize the execution of a Notice of Award.

Mr. Barker told the Council that bids were solicited for the project with a bid opening of April 7, 2017. One bid was received from Doll’s, Inc., in the amount of \$33,603.00. Since the bid opening, Mr. Barker felt that the cost of the project could be reduced by \$800.00 if the City performed the culvert work. Mr. Barker also felt that funds could be transferred from the Perpetual Care Fund to help finance the project. With this in mind, the Council would need to approve the current resolution, and amend the budget at the next Council meeting. A change order will be completed to reduce the cost of the project by \$800.00.

Mayor Vaughn asked for detail on the road construction. Mr. Bradley told that Hutchinson Street would be extended to Ludlow Street, and the North/South road in Memorial Gardens would be extended to Hutchinson Street.

Councilwoman Henton moved to approve 2017-R-24, seconded by Councilman Ferguson. A majority affirmative voice vote was received.

9-K “Resolution: Accept State Bid for a Cab Tractor and Boom Mower for the Street Department, Waive Formal Bidding Procedures, and Authorize the Expenditure in 2017/2018” The Council was provided with a proposed resolution to accept a State bid for a cab tractor and boom mower for the Street Department, waive formal bidding procedures, and authorize the expenditure for the equipment in 2017/2018. The Council was also provided with a copy of the State bid for the equipment.

Mr. Barker explained that the proposed 2017/2018 budget held \$125,000.00 for a side/ditch mower and tractor for the Street Department. The State bid for a John Deere 6110M cab tractor was \$74,133.00. The State bid for a 2017 Tiger Bengal BB-22 boom mower was \$48,524.32. The bids came out of Alliance Tractor, LLC., of Newton, Illinois.

Mr. Barker continued that the current tractor was on its last legs, and that the Street Department was hoping to make it through the current mowing season. If approved this evening, the new equipment would be custom built and delivered around August of 2017.

Councilman Ferguson moved to approve 2017-R-25, seconded by Councilman Harrison. Councilwoman Henton, Councilmen Ferguson, Harrison, and Mayor Vaughn voted yes. There were no opposing votes. The motion carried.

9-L “Resolution: Amend the 2016/2017 Budget for the Kitchell Avenue Paving Project” The Council was provided with a proposed resolution to amend the 2016/2017 budget for the Kitchell Avenue Paving Project.

Mr. Barker told the Council that 50% of the concrete portion of the paving project would be completed and paid for in April of 2017, plus \$13,039.00 of the engineer cost. The remaining portion of the project would be completed in the 2017/2018 fiscal year, as included in the proposed 2017/2018 budget. The only phase of the asphalt and curb project that had been completed so far was the curb and gutter construction in the amount of \$16,518.00. The asphalt portion of this project would be completed in the 2017/2018 fiscal year.

Mayor Vaughn moved to approve 2017-R-26, seconded by Councilwoman Henton. Councilmen Ferguson, Harrison, Mayor Vaughn, and Councilwoman Henton voted yes. There were no opposing votes. The motion carried.

9-M “Resolution: Change the Scope of Work for the Kitchell Avenue Paving Project” The Council was provided with a proposed resolution to change the scope of work on the Kitchell Avenue Paving Project.

Mr. Barker explained that the original plan for the project was to improve the area from Main Street to Market Street with concrete pavement, curb and gutter, and sidewalks from Main Street to Chestnut Street. While the contractor is in town, Mr. Barker asked him what the cost would be to concrete an additional area on Kitchell from Market Street to Chestnut Street. The contractor indicated that the extra work would be \$21,000.00. Mr. Barker added that City Engineer Charleston highly

recommended that the City move forward with the additional concrete work. Funds would be available in the 2017/2018 budget for the change to the scope of work.

Mayor Vaughn moved to approve 2017-R-27, seconded by Councilwoman Henton. Councilmen Ferguson, Harrison, Mayor Vaughn, and Councilwoman Henton voted yes. There were no opposing votes. The motion carried.

AGENDA #10 “REPORTS FROM ELECTED AND APPOINTED OFFICIALS”

10-A “Status Report-City Manager” The Council was provided with a status report from the City Manager. Mr. Barker reported that work on Whittle Avenue had just begun. He also told that Hovey’s Diner had recently fulfilled their obligation on their EDA revolving loan.

Mayor Vaughn pointed out that Councilwoman-elect Morgan Fehrenbacher and Mayor-elect Mark Lambird were in the audience. He congratulated them on their upcoming journey.

AGENDA #11 “PUBLIC COMMENTS/PRESENTATIONS”

11-A “Brian O’Neill” Brian O’Neill told the Council he had power over them in not being able to keep his name off of the Council agendas. He added that because he was so educated and talented, he received information that could go to court because he felt that prayer and the Pledge of Allegiance at City Council meetings were a violation of the Fourth Amendment.

From the audience, Mr. Yockey told the Council that RCDC and the U of I Extension Office would be holding their second small business workshop on April 18, 2017. Marketing would be discussed at the workshop.

AGENDA #12 “CLOSED SESSION: SALE OR LEASE PRICE OF REAL PROPERTY; ACQUISITION OF REAL PROPERTY; COLLECTIVE NEGOTIATING MATTERS; AND APPOINTMENT, EMPLOYMENT, COMPENSATION, AND PERFORMANCE OF SPECIFIC EMPLOYEES” Councilman Harrison moved to adjourn to closed session to discuss sale or lease price of real property; acquisition of real property; collective negotiating matters, and appointment, employment, compensation, and performance of specific employees, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

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

AGENDA #13 “RECONVENE OPEN SESSION” Upon return of those who were in closed session to the Council Chambers, Councilman Harrison moved to enter back into open session, seconded by Councilwoman Henton. A majority affirmative voice vote was received. Open session resumed at 8:44 p.m.

AGENDA #14 “DISCUSSION/ACTION ON AMENDMENTS TO PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2017/2018” Earlier in the week, Mr. Sanders had provided updated budget worksheets in each of the Council mailboxes. Mr. Sanders explained that some of the items previously removed were added back into the budget. While the recap sheet showed deficits, Mr. Sanders noted

that large expenses such as Kitchell Avenue construction, cab tractor, and boom mower were all approved earlier in the evening.

Mr. Sanders told that some of the previously removed items that had since been added again were due to the department heads having good reasoning for the requests.

The initial preliminary budget showed a deficit of (\$174,013.00). The updated proposed budget showed a deficit of (\$362,613.00). Mr. Sanders added that it had also been previously discussed by the Council to take \$300,000.00 from the General Fund to support the MFT Fund.

The Water Department made no additional changes, and expected to be about \$250,000.00 over expenditures. The Sewer Department had gone from a (\$49,112.00) deficit to a (\$64,112.00) deficit. Mr. Sanders explained that the change was due to the need to replace the septic system at SKS, U.S.A. Mayor Vaughn added that the septic system agreement was due to SKS's annexation agreement.

The General Corporate Budget had also since made changes that would go from a (\$374,716.00) deficit to a (\$548,316.00) deficit. Prior to the last Council meeting, a few line items had been lowered or removed from various departments when the preliminary budget was presented at the March 23, 2017, meeting. Since then, those line items were restored.

Councilman Ferguson asked for detail on the line item listed as Remodeling in the City Hall Maintenance Budget. Mr. Barker told that there were a few security features that would be added, and a roof leak that would need to be repaired.

Councilwoman Henton expressed her opposition in budgeting money for repairs to the Musgrove House. Only one organization seems to express interest in utilizing the house, and she did not feel it was fair to continuously spend money for that one organization. Councilman Ferguson felt that the Musgrove House should either be demolished or leased to a business that would renovate the house and rent it out for overnight stays.

Mayor Vaughn was also unsure that the money would be worth spending on the Musgrove House. Councilwoman Henton pointed out that utilities alone in the winter months were approximately \$300.00 per month. Mr. Barker estimated that, at minimum, \$100,000.00 would be needed to renovate the Musgrove House appropriately.

At the March 23, 2017, City Council meeting, Councilwoman Henton had stated that she felt some Tourism money could be used to reimburse the General Fund to help compensate some of the City Clerk's salary for tourism-related duties performed. Since that time, the Councilwoman had received a listing of tourism-related duties from Mrs. Sterchi that she felt could easily justify the reimbursement. Because the Chamber of Commerce was given money from the Tourism Fund for the same purpose, she felt that \$10,000.00 should also be given to the General Fund.

Going back to the topic of the Musgrove House, Councilman Harrison was hesitant to remove the budgeted amount for the Musgrove House in case either renovations or demolition took place in the 2017/2018 fiscal year. Councilwoman Henton added that the Girl Scouts had expressed interest in

doing something to help with the Musgrove House, but nothing had come of it. Councilman Ferguson wondered if they would run a campaign to save the house.

Mayor Vaughn moved to leave the \$15,000.00 in the Musgrove House Repairs line item, add \$10,000.00 from the Tourism Fund to the General Fund to reimburse a portion of the City Clerk's salary, and keep the proposed changes made by Mr. Sanders and Mr. Barker since the last City Council meeting, seconded by Councilman Ferguson. Councilmen Ferguson, Harrison, Mayor Vaughn, and Councilwoman Henton voted yes. There were no opposing votes. The motion carried.

Mr. Barker then informed the Council that A.J. Walker Construction Company, who was the contractor for the Kitchell Avenue Paving Project, had taken a look at a portion of S. Camp Avenue to provide a recommendation. The contractor indicated that for \$178,000.00, the concrete paving project could be extended to the portion of S. Camp Avenue. A majority of the Council was in consensus for the City Manager to continue to receive more information on the project extension.

Councilman Ferguson asked for an update on the request for rezoning that Prairie Farms had submitted a few months back. Mr. Barker replied that Prairie Farms had put the proposed project and proposed rezoning on hold for the time being.

AGENDA #15 "ADJOURN" Mayor Vaughn moved to adjourn, seconded by Councilman Ferguson. A majority affirmative voice vote was received.

The meeting adjourned at 9:08 p.m.

Kelsie J. Sterchi
City Clerk