

CITY OF OLNEY
CITY COUNCIL MEETING
DECEMBER 10, 2018

AGENDA #1 “CALL TO ORDER” The December 10, 2018, 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 Mark Lambird presiding.

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

AGENDA #3 “ROLL CALL” The following Council members were present: Morgan Fehrenbacher, Les Harrison, Belinda Henton, John McLaughlin, and Mark Lambird. Also present were City Manager Allen Barker, City Treasurer Jane Guinn, City Clerk Kelsie Sterchi, and City Attorney Bart Zuber.

AGENDA #4 “PRESENTATION OF CONSENT AGENDA”

4-A “Approve Minutes of Council Meeting on November 26, 2018”

4-B “Approve and Authorize Payment of Accounts Payable December 11, 2018” Pooled Cash \$77,468.70, Manual Pooled Cash \$98,817.20, Petty Cash \$23.20, Fire Pension \$3,800.00, Police Pension \$3,800.00, MFT \$23,595.00, IMRF \$46,690.61, Tourism \$785.00, Christmas Light Display \$2,650.95, Route 130 TIF \$340.00

4-C “Resolution: Cancel December 24, 2018, City Council Meeting” **2018-R-77**

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

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

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 “Ordinance of Approval or Resolution of Denial: Special Use Permit for 906 W. Mack Avenue & Vacant Land with Tax ID 06-28-450-022 as Applied for by Nexamp, Mack Avenue Solar, LLC.” The Council was provided with a copy of the minutes from the Plan Commission meeting on December 3, 2018, copies of letters of opposition, a copy of a petition of objection, and a letter of support from Plan Commission member Greg Eyer. Also available for further inspection were the schematics, renderings, application, etc., as submitted by Nexamp.

On December 3, 2018, the Plan Commission heard an amended Special Use Permit request from Nexamp, Mack Avenue Solar, LLC. The Special Use Permit request would be for a Community Renewable Generation Project (small-scale solar) at 906 W. Mack Avenue and the land behind it with Tax ID 06-28-450-022.

The Plan Commission heard the original Special Use Permit request on August 6, 2018, and recommended denial. Nexamp made a few changes, and wished to be heard again. Several members of the public were present in opposition at the Plan Commission meeting, and several letters of objection were received. The Plan Commission came to a tie vote on whether or not to recommend approval of the request.

Representing Nexamp, Barton Pitts was present to speak to the Council. Mr. Pitts gave a brief overview of Nexamp, and the Future Energy Jobs Act. The State would be offering about 75 incentives for developers to bring solar to Illinois. Approximately 500 developers would be submitting proposed projects to the State. The lottery would take place in 2019.

If approved, the project at this site would provide for temporary jobs for contractors and operators. The site would also generate about \$8,000.00 in projected tax revenue.

Once placed, 200 residences would be able to subscribe in order to receive a 15% discount on their electric bill.

Mr. Pitts felt that having such a project in Olney would send a message of forward-thinking. He felt that approval would send a good signal to the business community about Olney.

Mr. Pitts was aware that nearby residents were worried about property values. Nexamp employed the services of CohnReznick to provide a study on how property values were affected on properties that adjoined solar farms. Because solar was not yet prevalent in Illinois, only one location in Illinois was included in the study. Other locations included were from Indiana. The study concluded that no negative impact on property values was received on properties adjoining solar farms.

Another issue brought to Mr. Pitts' attention was that of appearance. The panels would be encased by fencing, but Nexamp was willing to provide additional screening around the fencing by planting Arbor Vitae trees. At first, Nexamp thought \$10,000.00 could be provided to the City to facilitate the planting, but he now felt that a better number would be \$20,000.00 to screen around all of the fencing.

Councilman McLaughlin recalled that a Special Use Permit for such a project was granted to Nexamp for another site. He wondered if a denial of the site(s) in question would affect plans at the approved site. Mr. Pitts indicated it would not.

Again, several Mack Avenue residents were present at this evening's meeting to oppose the request. Councilman McLaughlin asked what the residents' main objection was. One gentleman was concerned with property values because he had plans to put his home up for sale

in the near future. Basil Coffman indicated that he wanted the area to keep its same residential and agricultural appearance. He already did not like the fact that he could hear the trucks running from the WalMart Supercenter.

Don Blank clarified that he and the other residents had no issue with solar, in general. Mr. Blank did not trust the CohnReznick study because he did not feel the information was relevant. He was also concerned with property devaluation, and did not want approval of the Special Use Permit for this area to act as an invitation for other non-residential development. Mr. Blank also thought the whole process since August seemed to be overkill. He requested that the Special Use Permit be denied.

Councilwoman Henton moved to approve 2018-R-78 which would deny the Special Use Permit request for 906 W. Mack Avenue and vacant land with Tax ID 06-28-450-022, as applied for by Nexamp, Mack Avenue Solar, LLC., seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received with Councilman Harrison voting no.

From the audience, several Mack Avenue residents expressed their gratitude.

8-B “Discussion/Resolution: Accept Quotes for Liability, Property, Workers Compensation, Auto, and Miscellaneous Insurance Coverages for 2019” The Council was provided with a proposed resolution to accept quotes for liability, property, workers compensation, auto, and miscellaneous insurance coverages for 2019. The Council was also provided with a premium summary as submitted by Arthur J. Gallagher Risk Management Services, Inc. Overall, the renewal premium would be increasing by three percent.

Councilman McLaughlin wondered if Arthur J. Gallagher provided a listing of all quotes received so that the City could see how the low premium quote compared to others. Mr. Barker replied that no such listing was received, but noted that a 2.5% increase was industry standard. Information was also provided that the 3% increase was due to the severity of claims in the industry overall, such as police shootings in the country, sexual harassment, wrongful terminations, and discrimination.

Mr. Barker also pointed out that the City was eligible for a \$7,695.00 grant from the Illinois Public Risk Fund which could be used for eligible safety related expenses. If and when granted, those funds would be refunded back through workers compensation.

Councilman McLaughlin moved to approve 2018-R-79, seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received.

8-C “Presentation: Police Pension Required Reporting to Municipality” The Council was provided with a copy of the Police Pension Required Reporting to Municipality Report. The report is required by State statute, and was prepared by Art Tepfer, Actuary.

Mrs. Guinn reported that the actuarial value of assets in the Police Pension Fund totaled \$4,940,238.00. The Fund was funded at 43.13%, with \$6,513,577.00 being underfunded. Composite rate of return since 2012 was at 4.62%. In 2018, a 12.47% return was needed to

cover all expenses. Mr. Tepfer indicated that the trustees should be advised this is a dangerous situation regarding the Fund.

Councilman McLaughlin noted that the actual investment return was at 7.95% and recalled that being the highest rate of return for quite some time. Mrs. Guinn confirmed. Because the Fund had crossed over the \$2,500,000.00 threshold, more was allowed to be invested into equities.

Councilman McLaughlin moved to accept the Police Pension Required Reporting to Municipality, seconded by Councilman Harrison. A majority affirmative voice vote was received.

8-D “Presentation: Firefighters Pension Required Reporting to Municipality” The Council was provided with a copy of the Firefighters Pension Required Reporting to Municipality Report. The report is required by State statute, and was prepared by Art Tepfer, Actuary.

Mrs. Guinn stated that the actuarial value of assets in the Firefighters Pension Fund totaled \$2,364,582.00. The Fund was funded at 64.55% with \$1,298,412.00 being underfunded. Composite rate of return since 2015 was 1.9%. In 2018, a 10.9% return was needed to cover all expenses. Mr. Tepfer indicated that the trustees should be advised this is a potentially dangerous situation regarding the Fund.

Councilwoman Fehrenbacher moved to accept the Firefighters Pension Required Reporting to Municipality, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-E “Presentation: Police Pension Board Formal Request for Tax Levy” The Council was provided with a sheet listing comparisons and possible tax levy ranges.

Mrs. Guinn told the Council that the Police Pension Board had met on December 3, 2018, and unanimously approved requesting to the City Council a levy amount for the 2018/2019 Police Pension Tax Levy. The Board was requesting \$693,644.00 for the levy.

8-F “Presentation: Firefighters Pension Board Formal Request for Tax Levy” The Council was provided with a sheet listing comparisons and possible tax levy ranges.

Mrs. Guinn continued that the Firefighters Pension Board had met on December 4, 2018, and unanimously approved requesting to the City Council a levy amount for the 2018/2019 Firefighters Pension Tax Levy. The Board was requesting \$259,888.00 for the levy. Part of that recommended levy amount was an additional \$88,705.00 in order to not deplete the Fund for 2018/2019.

8-G “Ordinance: Tax Levy” The Council was provided with a proposed tax levy ordinance and a summary sheet detailing levied amounts.

Mrs. Guinn stated that after reviewing the various options the City had with respect to the tax levy, it was recommended that the City levy \$2,089,189.00 and that the Library levy \$233,565.00 for a total of \$2,322,754.00. This would be an increase in the tax rate of 4.99% which included an estimated 1% increase in the EAV. This increase included removing the additional \$50,000.00 IMRF payment done in recent years and adding \$88,000.00 additional to the Firefighters Pension levy.

The Library had about an additional \$10,000.00 in their IMRF Fund. If approved, the Library would recommend an additional \$10,000.00 payment to IMRF.

Councilman McLaughlin stated that his opinion had not changed since the last Council meeting, and that he would not vote for the 4.99% increase. He estimated that the levy was about 40% higher than it was just a few years ago.

Councilwoman Fehrenbacher asked the Councilman what his alternate suggestions were to fund the pensions. Councilman McLaughlin admitted that he did not have an alternate solution. He offered that the State Representative should push for reform.

Councilman Harrison agreed with Councilman McLaughlin. He also did not have a better solution, but thought the City should tighten its belt over the next year in order to get by.

Councilman McLaughlin had noticed that tax receipts were increasing. While true, Councilwoman Fehrenbacher pointed out that expenses were also increasing.

Answering a joke from the audience, Councilman McLaughlin pointed out that when a pensioner passed away, if he or she had a spouse, the spouse then received the pension.

Mayor Lambird stated that the City had been making good on their current pension obligations, and felt that it was unacceptable to have a year where more expenses were being taken out of a pension fund than what was being put into the fund. Mayor Lambird had not voted for tax increases in the past, but felt that the City needed to be fiscally responsible.

Mrs. Guinn detailed that if the Firefighters Pension Fund was not levied as the recommended amount, \$171,183.00 would be put into the Fund with \$265,303.00 coming out of the Fund in expenses.

From the audience, Dr. David Eckiss asked how the City fared with taxes compared to surrounding municipalities. Mayor Lambird replied that Olney was about in the middle of surrounding tax ranges. Councilman McLaughlin had read that 80% of Alton's property taxes were going to pensions. He felt that there could be a disaster state-wide in the future if the problem was not fixed.

Councilwoman Fehrenbacher understood the concerns, but pointed out that simply not contributing to the needed amounts was not helping the problem, and only making it worse.

Councilman McLaughlin, as a homeowner, wanted a one year break with taxes. He noted that IECC was increasing their levy by 7%.

Councilwoman Henton suggested to simply cut even on the Firefighters Pension and only levy enough income to match the outgoing expenses.

Police Chief Paddock asked what would happen if the pensions were not funded appropriately. Mayor Lambird replied that the pension funds would run out of money. In that case, the Chief pointed out the State would then take over and fund the pensions. He recalled that in Charleston, they had listened to the State recommended levy amounts and got into trouble. He felt that the City should not listen to State recommendations.

Councilman McLaughlin asked how much more the Firefighters Pension Fund needed to hit the \$2,500,000.00 mark in order to be able to invest more into equities. Mrs. Guinn replied that about \$292,614.00 would be needed.

Councilman McLaughlin then asked how much money was being held in reserves. Mrs. Guinn was not for certain, but believed it could be between \$3,500,000.00 and \$4,000,000.00. Councilman McLaughlin recommended to take out of reserves what was being recommended as the levy increase.

From the audience, Bryce Fehrenbacher asked if there was any way to even partially buy out a pensioner. Councilwoman Henton replied that State statute prevented such. Councilman McLaughlin felt that the only way that pension costs could be controlled was to control the number of employees. Mayor Lambird understood, but noted that would be a double edged sword. With less employees, fewer people would be paying into the funds, as well.

Councilman McLaughlin then asked how favorable or unfavorable the prior year's budget had turned out. Mrs. Guinn replied that \$100,000.00 was taken from the General Fund and put into the Firefighters Pension. Because of that transfer, the budget was about \$33,000.00 favorable.

Councilman McLaughlin recommended keeping the tax rate the same and taking \$88,000.00 out of the General Fund to place into the Firefighters Pension in order to let the taxpayers have no increase for one year.

Councilwoman Fehrenbacher pointed out that the extra levied funding helped to make progress on the underfunded obligations. Mrs. Guinn confirmed, but also pointed out that a few other people had retired within the past few years and were now drawing pensions.

Mr. Fehrenbacher expected a recession within the next few years. He cautioned the Council that not putting in extra funds now could be even more dangerous with that in mind.

Councilwoman Fehrenbacher moved to approve the tax levy ordinance as presented, seconded by Mayor Lambird. Councilwoman Fehrenbacher and Mayor Lambird voted yes. Councilmen Harrison, McLaughlin, and Councilwoman Henton voted no. The motion died.

Councilman McLaughlin moved to replace the proposed levy of \$88,000.00 to the Firefighters Pension Fund with \$88,000.00 from reserves in the General Corporate Fund, seconded by Councilman Harrison. Councilmen Harrison and McLaughlin voted yes. Councilwomen Henton, Fehrenbacher, and Mayor Lambird voted no. The motion died.

Councilwoman Henton moved to remove the \$23,207.00 from the Firefighters Pension Tax Levy and leave the rest of the levy figures as presented. The motion died due to lack of a second.

Dr. Eckiss asked why there was so much money in reserves. Councilman McLaughlin replied that some of the funds were earmarked for future projects. Councilwoman Henton added that reserves were also needed to act as a sort of emergency fund.

The Council then discussed the overall finances of the City and pointed out that the City was financially sound, but did need to address the future of underfunded pensions.

Councilman McLaughlin moved to approve Ordinance 2018-50 which would only levy an additional \$44,000.00 to the Firefighters pension and infuse that Fund the remaining \$44,000.00 out of the General Fund, setting a tax levy increase of 2.78% instead of 4.99%, seconded by Councilman Harrison. Councilmen McLaughlin, Harrison, Mayor Lambird, and Councilwomen Fehrenbacher and Henton voted yes. There were no opposing votes. The motion carried.

An updated ordinance would be created.

8-H "Resolution: Approve Reimbursement to Parkside Inn, LLC., for a 3-Inch Water Meter from the Route 130 TIF Fund" Mrs. Guinn told the Council that a three inch water meter was purchased for the Parkside Inn property by the Water Department. An invoice was sent to the hotel for \$1,700.00 plus tax. Eric Seals had asked for this amount to be reimbursed from the TIF Fund as part of the water and sewer line installation.

Councilwoman Fehrenbacher asked for clarification as to whether the requested funds for the meter was in addition to the water and sewer line reimbursements already detailed in an agreement. Mrs. Guinn confirmed.

Mayor Lambird commented that he was not opposed to the request. He also felt that if any business in the TIF District needed a new water meter, that the TIF should reimburse them for that cost, as well. Other members of the Council did not agree, and felt that reimbursements should only come as a result of a TIF agreement.

Councilman McLaughlin moved to deny reimbursement to Parkside Inn, LLC., for a three inch water meter from the Route 130 TIF Fund, seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received.

8-I "Discussion: Bids for Industrial Park Tank Repainting" Mr. Barker told the Council that on December 4, 2018, bids were opened for the repainting of the Industrial Park water

tower. There were five bids received, ranging from \$310,400.00 to \$519,945.00. Currently, Charleston Engineering was reviewing the bids and checking qualifications on the low bidder. A recommendation would be ready for the first Council meeting in January.

Councilwoman Henton asked how much had been budgeted for the project. Mr. Barker replied that \$350,000.00 had been budgeted.

8-J “Discussion: Suspension of Curbside Recycling Program” Mr. Barker reported that Kenny Wilson, of Wilson Metals, had met with him and the Mayor to inform them that he would no longer be providing curb side pick up of recycling materials effective the week ending December 21, 2018. Other options for recycling were being explored.

Councilman McLaughlin asked when charges would be removed from bills. Mrs. Sterchi replied that bills due in January would be for some November and December dates. Bills starting in February should have any recycling charges removed.

Councilman McLaughlin commented that he recycled quite a bit of waste and was concerned that all trash would not fit into his one trash tote. The Council informed him that all residents could request up to two totes for trash.

Councilman McLaughlin knew that Robinson offered curbside recycling. He wondered who provided that service. Mr. Barker replied that Republic Services was the contractor for Robinson’s recycling program. Councilwoman Henton recalled that in the past, Republic Services would require all utility customers to pay for recycling, whether or not they used it.

Mr. Barker knew of another neighboring city that offered curbside service, but that was being performed by a not-for-profit organization.

Councilwoman Fehrenbacher recommended that a notice go out as soon as possible about the suspension of the service.

The Council suggested that Wilson Metals should remove the recycling totes after picking up the recycling during that last week of service to avoid any confusion.

AGENDA #9 “REPORTS FROM ELECTED AND APPOINTED OFFICIALS”

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

9-B “RCDC Report” RCDC Executive Director Courtney Yockey told the Council he was working on hosting an industrial luncheon in January, and would have additional information at a later date.

Councilwoman Henton asked how progress on the hotel site was coming along. Mr. Yockey replied that progress was going fairly smooth, and the hotel was expected to be finished by March of 2019.

9-C “Chamber of Commerce Report” Councilman McLaughlin had nothing to report.
9-D “Parks & Recreation Board Report” The Board had not yet met for December, so there was no report.

9-E “Tourism Board Report” Councilwoman Henton had nothing to report.

AGENDA #10 “PUBLIC COMMENTS/PRESENTATIONS”

10-A “Sarah Rich” Sarah Rich was no present.

City Engineer Roger Charleston would be retiring at the end of the month after 45 years of service. Mayor Lambird encouraged everyone to wish Mr. Charleston well in his retirement.

Councilman Harrison reported on the JEDS budget. He stated that in 2018, \$596,246.40 had been budgeted, and only \$584,697.51 had been spent.

AGENDA #11 “CLOSED SESSION: SALE OR LEASE PRICE OF REAL PROPERTY; ACQUISITION OF REAL PROPERTY; 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; and appointment, employment, compensation, and performance of specific employees, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

Councilmen Harrison, McLaughlin, Councilwomen Fehrenbacher, Henton, Mayor Lambird, City Treasurer Guinn, City Attorney Zuber, and City Clerk Sterchi left the Council Chambers at 8:23 p.m.

AGENDA #12 “RECONVENE OPEN SESSION” Upon return of those who were in closed session to the Council Chambers, Councilwoman Henton moved to enter back into open session, seconded by Councilman McLaughlin. A majority affirmative voice vote was received. Open session resumed at 8:41 p.m.

12-A “Resolution: Authorize Destruction of Closed Session Audio” The Council was provided with a proposed resolution to authorize the destruction of closed session audio.

Councilwoman Henton moved to approve 2018-R-80, seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received.

12-B “Resolution: Authorize Release of Closed Session Minutes” The Council was provided with a proposed resolution to authorize the release of closed session minutes.

Councilwoman Henton moved to approve 2018-R-81, seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received.

AGENDA #12 “ADJOURN” With no further business to discuss, Councilman McLaughlin moved to adjourn, seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received.

The meeting adjourned at 8:42 p.m.

Kelsie J. Sterchi
City Clerk

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