

CITY OF OLNEY  
CITY COUNCIL MEETING  
DECEMBER 11, 2017

AGENDA #1 “CALL TO ORDER” The December 11, 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 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. John Monroe 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 Clerk Kelsie Sterchi, City Treasurer Chuck Sanders, Assistant City Treasurer Jane Guinn, City Attorney Bart Zuber, and City Engineer Charleston.

AGENDA #4 “PRESENTATION OF CONSENT AGENDA”

4-A “Approve Minutes of Council Meeting on November 27, 2017”

4-B “Approve and Authorize Payment of Accounts Payable December 12, 2017”  
\$164,940.95, Manual Pooled Cash \$105,032.59, IMRF \$41,499.25, Levied Insurance \$64,022.00, MFT \$88,864.29, Tourism \$3,563.21, Christmas Light Display \$1,304.24, Fire Pension \$2,000.00, Police Pension \$2,000.00, Petty Cash \$28.14

4-C “Resolution: Cancel December 25, 2017, City Council Meeting” 2017-R-74

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 “Bid Opening: Sale of 1403 E. Elm Street” The City Clerk explained that the City had solicited sealed bids for the sale of 1403 E. Elm Street. One bid had been received. Mrs. Sterchi then opened the bid. Doll Real Estate Development Trust of Olney, Illinois, bid \$873.00 for the property. The minimum bid needed was \$504.00.

8-B “Ordinance: Authorize the Sale of 1403 E. Elm Street” Councilman McLaughlin moved to approve Ordinance 2017-58, seconded by Councilman Harrison. A majority affirmative voice vote was received. The ordinance would be created.

8-C “Resolution: Authorize Destruction of Closed Session Audio” The Council was provided with a proposed resolution to destroy closed session audio from March of 2016 through June of 2016.

Mrs. Sterchi told that municipalities must keep audio from closed session meetings for at least 18 months. After that time, the municipality may destroy the recordings from closed session, if authorized. Mrs. Sterchi asked for authorization to destroy the audio from the closed session dates listed above.

Councilwoman Henton moved to approve 2017-R-75, seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received.

8-D “Resolution: Release Closed Session Minutes” The Council was provided with a proposed resolution to release closed session minutes from May of 2015 through June of 2016.

Mrs. Sterchi indicated that semi-annually, minutes from closed session meetings are reviewed to determine if the need for confidentiality still existed as to all or part of those minutes. The second review of the closed session minutes had been completed for the year, and she was asking for authorization to release the minutes as listed above.

Councilwoman Henton moved to approve 2017-R-76, seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received.

8-E “Ordinance: Authorize the Execution of a Development Agreement Between the City of Olney and Aaron S. Wease & Julie M. Wease, and the Execution of a Warranty Deed” The Council was provided with a proposed ordinance that would authorize the execution of a Development Agreement between the City and Aaron and Julie Wease. The Council was also provided with a proposed Warranty Deed, Promissory Note, Development Agreement, and Mortgage.

Mr. Barker explained that the Warranty Deed would convey 3.15 acres of land located in the north extension of the City of Olney Route 130 Industrial Park to the Weases. The Development Agreement outlined the provisions for the construction and expansion for Wease Equipment, Inc. If all of the documents were approved by the Council, Mr. Barker would then make a presentation to the Weases for their approval.

Referencing the Promissory Note, Mayor Lambird thought that Wease Equipment would have twelve months instead of six months to complete construction due to their concerns with seasonal weather. The City Attorney indicated that he could change the paperwork, if necessary, but if changing the language to read a twelve month time frame, that would essentially give Wease Equipment twenty-four months. The agreement already allowed for twelve months from the date of construction completion to bring on twelve employees.

Overall, the Council felt it would be acceptable to change the completion time frame for construction from six months to twelve months.

Councilman McLaughlin moved to approve Ordinance 2017-59, with changing the construction time frame from six months to twelve months, seconded by Councilman Harrison. A majority affirmative voice vote was received. Mr. Zuber would update the paperwork.

8-F “Discussion/Resolution: Accept Quotes for Liability, Property, Workers Compensation, Auto, and Miscellaneous Insurance Coverages for 2018” The Council was provided with a proposed resolution to accept quotes for various insurance coverages for 2018, and a premium summary sheet.

Mr. Barker told the Council that quotes had been received from Arthur J. Gallagher & Co. for a variety of insurance coverages. Overall, the renewal premium would increase by 1% in 2018. Mr. Barker also pointed out that insured values, number of vehicles, and payroll had increased, as well.

Councilwoman Henton moved to approve 2017-R-77, seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received.

8-G “Presentation: Police Pension Required Reporting to Municipality” The Council was provided with a Required Reporting to the Municipality Report for the Police Pension as prepared by Art Tepfer, Actuary.

City Treasurer Sanders told the Council that the Required Reporting to Municipality was required by State statute in order to report certain statistics to the City Council. Mr. Sanders had presented the report to the Police Pension Board at their November 27, 2017, meeting where the Board reviewed and agreed to the numbers.

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

8-H “Presentation: Firefighters Pension Required Reporting to Municipality” The Council was provided with a Required Reporting to the Municipality Report for the Firefighters Pension as prepared by Art Tepfer, Actuary.

Mr. Sanders explained that the report was similar to that presented for the Police Pension. The Fire Pension Board also reviewed the report and agreed to the numbers at their November 28, 2017, meeting.

Councilman McLaughlin noticed that the assumed investment return was 6.5%, but the actual investment return was 2.2%. He wondered why. Mr. Sanders replied that it was difficult to get a substantial return with the limited fixed guaranteed return that the Fire Pension had. Because the Fire Pension only had \$2,200,000.00 in assets, the State capped equity investments at 10%. When the assets reach \$2,500,000.00, the equity investment cap would raise to 45%.

Additionally, the report has to look out over 27 years, so it would be possible that in the future, the returns could average higher than 2.2%.

Mayor Lambird asked how much the Police Pension had invested in equities. Because the Police Pension had over \$2,500,000.00, Mr. Sanders replied that their equity investment was at 45%.

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

8-I “Presentation: Police Pension Board Formal Request for Tax Levy” The Council was provided with a tax levy worksheet for the Police Pension.

Mr. Sanders explained that the worksheet compared last year’s tax levy for the Police Pension Fund and the recommended amount for 2017. The proposed tax levy was presented to the Police Pension Board, and they recommend a levy amount of \$660,390.00.

The Police Pension Board had followed Mr. Tepfer’s recommendations, and also included a levy for additional fees such as the annual report, audit fee, training fee, actuarial service fee, and fiduciary insurance. By approving the Formal Request for Tax Levy, the Council would simply be recognizing the recommendation.

Councilwoman Fehrenbacher moved to approve the Police Pension Board Formal Request for Tax Levy, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-J “Presentation: Firefighters Pension Board Formal Request for Tax Levy” The Council was provided with a tax levy worksheet for the Firefighters Pension.

Mr. Sanders told that the Fire Pension Board had recommended a tax levy amount of \$141,951.00. The Fire Pension Board had also followed Mr. Tepfer’s recommendations, and had also included a levy for the same additional fees.

Mr. Sanders then noted that Mr. Tepfer had recommended that the City consider additional cash infusions for both the Police and Firefighters Pension Funds because he felt that they were financially stressed. The pension funds were not running out of liquidity, but looking out over 27 years, would be only 49% funded.

Councilwoman Fehrenbacher moved to approve the Firefighters Pension Board Formal Request for Tax Levy, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-K “Ordinance: Tax Levy” The Council was provided with a proposed tax levy ordinance.

Assistant City Treasurer Guinn reported that the proposed tax levy would keep the tax rate the same, but the taxes would go up by \$94,968.09 because the EAV was expected to go up by 5%.

Earlier in the day, the Mayor had asked for another proposal. Mrs. Guinn distributed the second option to the Council. The alternate option would leave pension and labor-related levies the same as the first option, but would change other amounts in areas such as General Corporate, Playground & Recreation, etc. The proposal would take the same tax dollars as last year, but did not include the 5% EAV increase. By making those changes, the tax levy would only increase in dollars by \$58,841.14. The same sort of changes were proposed for the Library, decreasing the levy between the two options by \$9,109.49.

Councilman McLaughlin shared his frustration as a taxpayer with his tax bill going up, overall, 34% in the past eight years. The City's levy alone had increased by 40% in that time frame, and 65% for the pensions. If anything, he would want to see additional tax money going towards purposes such as infrastructure and parks. The Councilman wondered when the drastic increases would stop.

Mr. Sanders commented that in regards to pensions, about four years ago, the actuarial assumptions changed to show lower anticipated rates of return, increased life expectancy, etc. Such changes made a huge difference in the calculations. When that happened, the pension plans suddenly became actuarially greatly underfunded. If the City only followed the State's recommended amounts, pension levies could double in the next four years.

Mr. Sanders continued that the answer to Councilman McLaughlin's question was not easy, but was one that the City was trying to answer by hiring an outside actuary that could give realistic numbers. The objective was to change the rate of growth in the pension levies, and since hiring the outside actuary, the proposed Police Pension levy was looking to increase by a relatively small amount..

Other than raising taxes and putting money into pensions, Councilman McLaughlin wondered what other option the City had to help the issue. Mr. Sanders replied that police and fire employee contributions were mandated by the State, so the City could not change those. In the past, it had been discussed to reduce head count to control costs, but Mr. Sanders did not believe that would work because with fewer employees, fewer contributions would be made. The only way that Mr. Sanders knew to help was to try and stem the rate of increase.

Mayor Lambird noted that there had been several retirements out of the Fire and Police Departments over the past 10 years. There should not be any other retirements from those departments for quite some time. He wondered if a larger gap in retirements would allow the underfunding to decrease. Mr. Sanders believed that would help to stabilize the underfunding.

Councilman McLaughlin wanted clarification approving a tax rate versus dollar amounts. Mr. Sanders stated that if the Council went with the original tax levy proposal, they would be saying that the levy would not increase more than 4.99%, and the County Clerk would not let that percentage increase past that number. If the EAV actually came in lower than the

anticipated 5%, the levy would be lower than the amount listed on the worksheet. EAV increases had been overestimated in the past.

Mr. Sanders then pointed out that the City would be required to submit a formal tax levy no later than December 26, 2017.

Mayor Lambird clarified that while the pension funds were shown actuarially to be underfunded, the City had never not made the minimum contribution that was asked. The underfunding was made by the system and nothing that anyone at a Council table had done. He added that back in 2003, the pension funds were 80% funded.

Councilwoman Fehrenbacher asked for more clarification between the two options. Mr. Sanders indicated that the main difference was that the levied amounts for everything other than pension and labor-related amounts were the same as the prior year's extension. In both options, pension and labor-related levies were the same. The second option showed an approximate lesser levy amount of \$36,000.00.

Councilman McLaughlin then made it clear that he would not vote in favor for either option because he was tired of paying extra money for pension and labor-related costs.

Councilwoman Fehrenbacher asked what the answer would be in this situation. Councilman McLaughlin replied that the only real answer was to tell Representative Reis to let municipalities do what they can to not be forced to pay for pensions that "kill us." Councilman Harrison commented that voting on the tax levy was not his favorite thing to do, but was necessary.

Councilman Harrison moved to approve Ordinance 2017-68, as the first option presented, seconded by Councilwoman Fehrenbacher. Councilwomen Fehrenbacher, Henton, and Councilman Harrison voted yes. Councilman McLaughlin and Mayor Lambird voted no. The motion carried.

8-L "Ordinance: Residential Development Assistance Program" The Council was provided with a proposed ordinance that would establish a Residential Development Assistance Program.

Mr. Barker reminded the Council that at the last Council meeting, a proposal was presented for a Residential Development Assistance Program that would help developers and development in the City. The program would allow for an expansion of the tax base without annexations. The City Attorney had put the proposed program into ordinance form.

Councilman McLaughlin moved to approve Ordinance 2017-61, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-M "Ordinance: Authorize the Disposal of Items by Recycling of Personal Property Owned by the City of Olney from the City Clerk Department (Utility Billing Clerk Computer)" The Council was provided with a proposed ordinance that would authorize the recycling of a

desktop computer, used by the Utility Billing Clerk, with Abacus Computer Solutions of Olney, Illinois.

Mrs. Sterchi told the Council that since the Utility Billing Clerk had received her new computer earlier in the year, the old computer was ready for disposal. She recommended recycling the computer with Abacus Computer Solution, and would receive a certificate of hard drive disposal. She added that no other departments had expressed interest in taking the computer, and that the computer had not been functioning well for quite some time.

Councilwoman Henton moved to approve Ordinance 2017-62, seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received.

8-N “Resolution: Authorize Execution of a Memorandum of Understanding Between the City of Olney and the Walldogs for the Mad Dog 2020 Olney International Mural Event” Mrs. Sterchi told the Council that the City finally had the opportunity to book the Walldogs for an international mural event in 2020. She requested that the Council approve a resolution to execute a memorandum of understanding with the Walldogs in order to formally be put onto their schedule.

Mr. Zuber distributed a listing of understandings that he wished the Council to keep in mind. Mr. Zuber felt that the Walldogs event would be a unique opportunity for the City and would further the economic development of the City. Other events would take place during the time frame that the Walldogs would be in town, and passersby could watch the art being made. As this was an artistic event, Mr. Zuber did not believe that the project would be subject to Prevailing Wage. The Council agreed, and noted that should be in the resolution.

Councilwoman Henton wondered if financing should be discussed. Mrs. Sterchi agreed that financing would be a discussion in the future, but the goal for this evening’s meeting was to get the event on the Walldog’s schedule. She believed the project could be easily funded through Tourism and other donations. Mayor Lambird pointed out that by signing the memorandum of understanding, the Council was agreeing that the project would be financed one way or another.

Mr. Zuber then added that if no building owners were willing to participate, then no event would take place. Mrs. Sterchi believed that the goal would be 10 to 15 mural projects for the event.

Councilwoman Henton, also a member of the Tourism Board, told the Council that she had also spoken with some of the other communities that had Walldogs events. All were very pleased with the work, entertainment value, and overall final product. Many of these conversations were held with her ILLINOISouth Tourism Bureau contacts.

Councilman Harrison moved to approve the Walldogs Mad Dog 2020 Olney International Event as an appropriate use of public funds for the economic development of the City, even though the work would be done on private property. He also moved to recognize the event as a festival-like occasion with the art itself being murals, as opposed to industrial or

commercial painting, and therefore would not be subject to Prevailing Wage. Councilman McLaughlin seconded the motion. Councilmen McLaughlin, Harrison, and Councilwoman Henton voted yes. Mayor Lambird voted no. Councilwoman Fehrenbacher abstained. The motion carried. Resolution 2017-R-78 would be created.

8-O “Resolution: MFT Fund Account Transfers” The Council was provided with a proposed resolution to authorize MFT account transfers, and a MFT cash flow spreadsheet.

Mrs. Guinn explained that during budget talks last year on the Whittle Avenue project, it was noted that MFT money would run short this year before paying off the project. The point had been reached where the City would need to fund the MFT account before remaining bills could be paid. Extra funds could be taken from a bank account at First National Bank in the amount of \$92,000.00. The account was originally created for bond principal and interest, but was no longer needed. Mrs. Guinn also offered that the Council could authorize moving up to \$200,000.00 on an as-needed basis from the General Corporate operating account.

Councilman McLaughlin moved to approve 2017-R-79, seconded by Councilman Harrison. Mayor Lambird, Councilwomen Fehrenbacher, Henton, Councilmen Harrison, and McLaughlin voted yes. There were no opposing votes. The motion carried.

8-P “Discussion/Possible Action: Striping and Parking on N. East Street” The issue of striping and parking on N. East Street near Douglas Drive had been brought up during the prior two Council meetings with no resolution. Councilman McLaughlin felt that a true discussion should take place.

The Councilman asked City Engineer Charleston if N. East Street was designed to have parking on the west side from Hall Street to Main Street. Mr. Charleston assumed so, but noted that the street was created under a different State program. He recalled that the portion of N. East Street from Scott Street to Hall Street was done with STU funds.

If the street was designed with parking on the west side in mind, Councilwoman Henton wondered if there was a required time frame that the City had to keep parking on the west side. Mr. Charleston replied that there should not be, but that the parking regulations were passed by ordinance. The Councilwoman noted that ordinances could be changed at any time.

Councilwoman Fehrenbacher wondered if there were other streets similar in size to N. East Street that were not striped. Mr. Charleston replied that E. Butler Street from Lincoln to N. East Street was not striped. Councilman Harrison added that E. North Avenue from S. Whittle Avenue to S. East Street was also not striped with one side allowed for parking.

Councilman McLaughlin felt that N. East Street should be like the stretch of E. Lafayette Street that had offset striping. Mr. Barker offered that the Mr. Charleston could present a drawing of how the striping could be placed along N. East Street.

Councilman Harrison felt that it would also be wise to have other main thoroughfares inspected to be sure they were striped appropriately with correct signage.



Councilwoman Henton told the Council that N. East Street was unique in that it had rural mailboxes placed on the west side. If anything was to be changed, she felt that parking on the west side should not be allowed and was certain that the Post Office would agree.

Mr. Charleston would prepare striping drawings for East Street from E. North Avenue to E. Mack Avenue.

AGENDA #9 "REPORTS FROM ELECTED AND APPOINTED OFFICIALS"

9-A "Status Report-City Manager" Mr. Barker reported that parking stripes and parking stops had been placed along the newly renovated Ktichell Avenue. Additionally, the Community Development Block Grant was moving forward with potential homes being inspected. The Greater Wabash Regional Planning Commission felt that they would go out for bids on the projects in the Spring of 2018.

9-B "RCDC Report" RCDC Executive Director Courtney Yockey was not present, so there was no report.

9-C "Chamber of Commerce Report" Councilman McLaughlin had nothing to report.

9-D "Parks & Recreation Board Report" The Parks & Recreation Board not yet met for December, so there was nothing to report.

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

AGENDA #10 "PUBLIC COMMENTS/PRESENTATIONS"

10-A "Brian O'Neill" Mr. O'Neill was not present.

Mr. Sanders stated that since the tax levy had been passed, the Treasury Department's focus would now turn towards budget preparation. He then told that Telecommunications Tax was running behind, Income Tax was ahead of last year, Sales Tax was running behind, but Use Tax was ahead.

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 McLaughlin 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 Chuck Sanders, City Attorney Zuber, and City Clerk Sterchi left the Council Chambers at 7:59 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 Councilwoman Fehrenbacher. A majority affirmative voice vote was received. Open session resumed at 8:45 p.m.

AGENDA #13 “ADJOURN” With no further business to discuss, Councilwoman Henton moved to adjourn, seconded by Councilman Harrison. A majority affirmative voice vote was received.

The meeting adjourned at 8:46 p.m.

Kelsie J. Sterchi  
City Clerk

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