

CITY OF OLNEY
CITY COUNCIL MEETING
DECEMBER 12, 2016

AGENDA #1 “CALL TO ORDER” The December 12, 2016, 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. Tim Loomis led the group in prayer.

AGENDA #3 “ROLL CALL” The following Council members were present: Les Harrison, Belinda Henton, John McLaughlin, and Ray Vaughn. Bob Ferguson 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 “PRESENTATION OF CONSENT AGENDA”

4-A “Approve Minutes of Council Meeting on November 28, 2016”

4-B “Approve and Authorize Payment of Accounts Payable December 13, 2016” Pooled Cash \$109,003.63, Manual Pooled Cash 113,988.24, IMRF \$81,191.35, MFT \$342.72, Tourism \$1,750.00, 175th Anniversary \$27.73, Christmas Light Display 1,515.37, Petty Cash \$81.40

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 Henton. 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 “Presentation: Food Serving Establishment Inspections” For years, the City has been interested in inspections for food establishments, but the logistics of getting inspections orchestrated was very difficult. Since that time, the City Manager had been approached by the Wabash County Health Department with interest in conducting such inspections in Olney. The inspections would cost nothing to the City, and would instead be charged to the various food establishments that are inspected. Cindy Poland and Marina Sample from the Wabash County Health Department were present to speak on the topic.

Mr. Barker told the Council that if there was desire in moving forward with the program, public hearings would need to be scheduled, and an ordinance adopted.

Ms. Poland informed the Council that Richland County was one of only two counties in Illinois that did not have a health department. Ms. Poland's goal was to reduce the public's risk of food borne illnesses.

Ms. Poland suggested that the food service establishments pay an annual inspection fee. Each establishment would be ranked as a Category 1, 2, or 3, depending on different factors. The category designation would determine the frequency needed for inspections. Establishments with the highest risk are typically charged \$300.00 per year, establishments with the next highest risk are typically charged \$200.00 per year, and the lowest risk establishments are typically charged \$150.00 per year. If the Department needed to make subsequent visits for re-inspections after violations, the establishments would typically pay a \$30.00 per hour fee for the additional service.

Ms. Poland clarified that the Department's inspections are not for the purpose of putting anyone out of business, but instead to protect the public from food borne illnesses. She noted that only the City would be able to shut down establishments, and that would be per City ordinance guidelines.

Ms. Sample commented that there would be a learning curve at first for these establishments, but would become simpler as time goes on.

Councilman McLaughlin wondered if inspections would be required for chowder events, fairs, and the Fall Festival. Ms. Poland replied that events lasting less than two days are not typically inspected.

The Councilman then wondered if food trucks would also be inspected. Ms. Sample did recommend that food trucks also be inspected.

Ms. Sample told the Council that there is a State code for food sanitation that runs off of a 45 point inspection list.

Mayor Vaughn asked what the time frame would be on implementation of such a program. Ms. Poland replied the Wabash County Health Department would want a memorandum of understanding that the City would like to move forward. From that point, the City would conduct its own public hearings and establish an ordinance. Once everything was in place, Ms. Sample indicated that the Department could begin working within a few days.

Councilwoman Henton asked if the Wabash County Health Department would also be in charge of billing. Ms. Poland replied that the Department would handle the billing, but if they had a problem with collecting, they may contact the City for assistance.

From the audience, and representing the Richland County Fair Board, Bill Clow asked if events such as fairs would be inspected. Ms. Poland replied that fairs are typically inspected because they last longer than two days. In this case, they typically charge a \$25.00 inspection fee.

Mr. Clow then asked if a food trailer had been inspected during the same year in another county if they would also need to be inspected in Olney. Ms. Sample indicated that the booths and trailers should be inspected in each county.

From the audience, Brian O'Neill wished to speak. Mr. O'Neill felt that all food service employees should be required to take certification courses and become licensed in different areas. He

was curious as to what education would be provided to Olney's food establishments. Ms. Poland replied that all workers should take online training within 30 days of their hiring.

RCDC Director Courtney Yockey wondered if businesses whose income did not mostly come from food sales would also be inspected. Ms. Sample stated that any business handling food should be inspected. If food sales were not a focus of the establishment, they would most likely fall into a lower risk category. Ms. Poland also indicated that the inspections would be for those with retail based food sales.

As a whole, the Council expressed great interest in implementing such an inspection program.

Mayor Vaughn asked the City Attorney if the City could enforce violations. Mr. Zuber replied that enforcement could be handled similar to any other violation of an ordinance. In case of a severe violation, an injunction could be made through the Circuit Court.

Mr. Barker felt that a draft ordinance could be prepared in January. Notices and public hearings could also be established at that time.

8-B "Resolution: Accept Bid for Whittle Avenue 10" Waterline Relocation Project and Authorize Execution of a Notice of Award to Kieffer Brothers Construction Co., Inc., and Amend the 2016-2017 Budget" The Council was provided with a proposed resolution to accept a bid for the Whittle Avenue waterline relocation project and amend the 2016-2017 budget, a detail of the waterline relocation costs, and a proposed Notice of Award.

Two bids were received for the Whittle Avenue 10-inch waterline relocation project. It was recommended that the Council accept the low bid from Kieffer Brothers Construction Company of Mt. Carmel, Illinois, in the amount of \$69,519.00. The only other bid received was from Wayne Lapington Excavating of Louisville, Illinois, in the amount of \$82,302.00.

This project was not included in the 2016-2017 budget. It was estimated that \$80,000.00 would cover the relocation of the waterline, clearing of trees and brush in the area, and engineering fees.

Councilman McLaughlin wondered when work could begin on the waterline project. Mr. Barker hoped that work could begin in March of 2017.

Councilwoman Henton moved to approve 2016-R-76, seconded by Mayor Vaughn. Councilwoman Henton, Councilmen McLaughlin, Harrison, and Mayor Vaughn voted yes. There were no opposing votes. The motion carried.

8-C "Ordinance: Authorize Sale of Personal Property from Park Department on GovDeals.com (88 Halogen 300 Watt Spotlights)" The Council was provided with a proposed ordinance to authorize the sale of 88 halogen 300 watt spotlights by auction on GovDeals.com.

Park Department Supervisor Frank Bradley had indicated to Mr. Barker that the spotlights are of no use to the Department and are obsolete. Bulbs are included with the spotlights, but Mr. Bradley was unsure if all of the 88 lights were in working condition.

Councilman McLaughlin moved to approve Ordinance 2016-37, seconded by Councilman Harrison. A majority affirmative voice vote was received.

8-D “Resolution: Cancel the December 26, 2016, City Council Meeting” The Council was provided with a proposed resolution to cancel the December 26, 2016, Council meeting. It has been practice in the past to cancel the second meeting in December due to the holidays.

Mayor Vaughn moved to approve 2016-R-77, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-E “Ordinance: Amend Chapter 12.08 (Street Trees) of the City of Olney Municipal Code” The Council was provided with a memo from City Clerk Sterchi, and a proposed ordinance that would amend Chapter 12.08 (Street Trees) of the Code.

Mrs. Sterchi explained that the City’s Tree Board had been working for a very long time on its application for designation as a Tree City U.S.A. The application had been submitted in September, and Mrs. Sterchi had since been contacted by the Illinois Department of Natural Resources’ (IDNR) Urban Forestry Department requesting more documentation. The additional documentation has since been submitted, but the State was now requesting an update to Chapter 12.08.

The updates to the ordinance would include more detail on the Tree Board’s purpose, the need for specific arboricultural standards for Olney, additional trees that are designated as approved street trees, a change in the section regarding tree topping, and updated insurance requirements for arborists.

The Tree Board has until December 31, 2016, to make the necessary changes in order to re-submit the application for this round.

Councilwoman Henton moved to approve Ordinance 2016-38, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

8-F “Resolution: Authorize the Execution of an Agreement for Consulting Services Related to TIF Matters Between the City of Olney and Peckham Guyton Albers & Viets, Inc.” The Council was provided with a proposed resolution that would authorize the execution of a consulting services agreement with Peckham Guyton Albers & Viets, Inc. (PGAV), on Tax Increment Financing (TIF) matters, and a copy of the proposed agreement.

Mr. Barker explained that PGAV was the company that originally drafted the TIF plan that the City is currently working under. In order to move forward with some projects, the City would need a consultant.

Mayor Vaughn noted that legal counsel was not listed under Section III that showed project staff. Mr. Zuber replied that it was unnecessary to list, however, he felt that having legal counsel review certain documents could help protect the City.

Since PGAV was also working with RCDC, Mayor Vaughn wanted to be sure that the City would not be double billed. Mr. Yockey did not feel that billing would be a problem.

Councilwoman Henton wondered why the City needed such consultants for TIF matters. The City already works with RCDC on TIF related projects. Mayor Vaughn felt that the City needed such expertise, and did not think it was necessary to go through RCDC as a third party each time. Additionally, PGAV would create inducement resolutions and actual TIF agreements where the City is a party to the documents, not RCDC. Mr. Yockey added that professional services related to TIF projects would be reimbursable through the TIF, so expenses incurred through PGAV could be reimbursed.

Under Section II, Mr. Barker recommended that the City should only authorize work to be initiated through writing, not verbal. Mr. Barker also recommended a 12 month agreement instead of a 36 month agreement.

Mr. Zuber agreed that work should only be authorized through writing, but that a 36 month agreement would be beneficial. The agreement would lock the rates for 36 months, and the City would only utilize PGAV on an as-needed basis. Should the City no longer want to use PGAV, they would simply not contact them for any reason.

Councilman McLaughlin moved to approve 2016-R-78, to enter into a 36 month agreement with PGAV, and to amend the agreement under Section II to read that work shall only be authorized by writing from the City of Olney, seconded by Councilman Harrison. A majority affirmative voice vote was received.

8-G “Discussion/Resolution: Accept Quotes for Liability, Property, Workers Compensation, Auto, and Miscellaneous Insurance Coverages for 2017” The Council was provided with a proposed resolution to accept quotes for various insurance coverages for 2017, and a copy of an e-mail from Jessica Govic of Arthur J. Gallagher & Co., summarizing the quotes, and a premium summary.

Mr. Barker told the Council that overall, the renewal premium increased a little more than 2%. The City’s premium for 2017 was quoted at \$204,585.00. Some reasons for the increase include an increase in payroll and equipment inventory. Additionally, storage tank coverage is renewed every other year. The City did not have to pay a premium for storage tanks in 2016.

Mayor Vaughn explained that Arthur J. Gallagher & Co., was the City’s broker for the purpose of negotiating with various insurance companies in order to get the best possible rates for the coverages sought.

Mr. Barker added that the Illinois Public Risk Fund would be granting the city a \$8,164.00 grant to be used towards eligible safety related expenses.

Mayor Vaughn moved to approve 2016-R-79, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-H “Presentation: Police Pension Required Reporting to Municipality” The Council was provided with a Required Reporting to Municipality from the Police Pension Board as prepared by Art Tepfer.

Mr. Sanders told the Council that the report was required by State statute to showcase the financials of pension plans. The numbers shown in the report were based on the statutory minimum contribution. Asset values were at \$4,400,596.00 as of April 30, 2016. Additional detail was provided for estimated receipts during the next fiscal year, estimated amount required during the next fiscal year, total net income received from investment of net assets, total number of active employees contributing to the fund, disbursements, funded ratio, and unfunded ratio.

The report had been discussed at the most recent Police Pension Board meeting where it was approved unanimously by the Board.

Mayor Vaughn noted that the assumed investment return rate was at 6.5%. The prior year's rate was 5.45%. The unfunded liability continued to increase, and was now at \$6,201,861.00.

Mr. Sanders told the Mayor that at the last Police Pension Board meeting, Edward Jones reported that the year-to-date return on the investments they handle was over 6%. According to Mr. Sanders, that number was an improvement. The Police Pension Board has now invested about 43% in equities compared to their maximum allowed of 45%. Additionally, Mr. Sanders pointed out that underfunding reversed slightly for all three pension funds.

Mayor Vaughn moved to approve the Police Pension Required Reporting to Municipality, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-I "Presentation: Firefighters Pension Required Reporting to Municipality" The Council was provided with Required Reporting to Municipality from the Firefighters Pension Board as prepared by Art Tepfer.

Just like the Police Pension's report, the Firefighters Pension Required Reporting to Municipality was required by State statute. Asset values were at \$2,283,171.00 as of April 30, 2016.

Mr. Sanders noted that the Illinois Department of Insurance (IDOI) had yet to release their actuarial report.

The Fire Pension Board currently has a 10% cap on equity investments until the fund reaches \$2,500,000.00. After that time, they can invest 45% into equities.

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

8-J "Presentation: Police Pension Board Formal Request for Tax Levy" The Council was provided with a comparison sheet that also listed options for the tax levy and tax levy ranges for the Police Pension.

Mr. Sanders told the Council that the Police Pension Board was requesting \$633,800.00 as the tax levy for the 2017 contribution to the Police Pension plan. The levy amount was based on the

recommended minimum contribution as provided by Art Tepfer and fees related to the annual report, fiduciary insurance, and actuarial services. The prior year's levy was in the amount of \$570,246.00.

Councilman McLaughlin was concerned with proposed \$63,554.00 increase.

Mayor Vaughn felt that part of the problem was that the rate of return is often lower than what is stated. He went on to clarify that the pensions are fine and safe.

8-K "Presentation: Firefighters Pension Board Formal Request for Tax Levy" The Council was provided with a comparison sheet that also listed options for the tax levy and tax levy ranges for the Fire Pension.

Mr. Sanders stated that the Fire Pension Board was requesting \$133,519.00 as the tax levy for the 2017 contribution to the Fire Pension plan. The levy amount was based on the recommended minimum contribution as provided by Art Tepfer, fees related to the annual report, fiduciary insurance, and actuarial services, and an additional contribution of \$14,860.00. The proposed levy amount was very close to the prior year's levy of \$133,966.00.

Noting that the Fire Pension and IMRF levies are fairly flat, Councilman McLaughlin wondered what the City could do to keep the Police Pension levy from continuously rising. Mr. Sanders replied that one way to keep the Police Pension levy from increasing would be to reduce head count. The City could not reduce the pension amount. The only other way to curb levy increases would be for the City to make additional contributions.

8-L "Ordinance: Tax Levy" The Council was provided with a proposed tax levy ordinance, and tax levy worksheets for the City, Library, Shared Road and Bridge, and the Route 130 TIF.

On the tax levy worksheets, Mr. Sanders explained that the highlighted column was the recommendation for the levy. The recommendation was for the City to keep the tax rate the same as last year, which would be 1.76838 per \$100.00 of the estimated EAV. Based on the assumption that the EAV will increase by 4%, the City would levy \$1,908,272.00, and the Library would levy \$214,030.00 for a total of \$2,122,302.00.

Councilman McLaughlin pointed out that of the entire tax levy, pensions make up almost 50% of the entire levy. Levied amounts for pensions did not include IMRF for water and sewer employees. Those contributions are made from the water and sewer funds.

Mr. Sanders added that the City levies dollars and not rates.

Mayor Vaughn commented that the City was meeting its obligations, increasing funding levels beyond what was simply convenient, and was still able to operate the City efficiently.

Mayor Vaughn moved to approve Ordinance 2016-39 which would levy Option 1 (\$2,122,302.00), seconded by Councilwoman Henton. A majority affirmative voice vote was received with Councilman McLaughlin voting no.

AGENDA #9 “REPORTS FROM ELECTED AND APPOINTED OFFICIALS”

9-A “Status Report-City Manager” Mr. Barker told the Council that bid packets for the Whittle Avenue and Kitchell Avenue projects were being put together. He felt that 2016 had brought many accomplishments and improvements throughout the City, and he felt that 2017 would not have as many smaller projects, but would have more large-scale projects.

Looking over a recent financial report, Mayor Vaughn had noted an approximate \$328,000.00 expense in the Administrative department. Assistant City Treasurer Guinn told the Mayor that the expense was in relation to the Pacific Cycle roof project.

Mayor Vaughn wondered if the remaining proposed capital expenditures for the fiscal year were possible. Mr. Sanders believed so.

City Attorney Zuber mentioned that he was continuing to work on the waterfowl and travel reimbursement ordinances. He was also keeping busy with code enforcement issues.

AGENDA #10 “PUBLIC COMMENTS/PRESENTATIONS”

10-A “Brian O’Neill” Brian O’Neill told the Council that they could skip his presentation for the evening.

AGENDA #11 “CLOSED SESSION: SALE 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 price of real property; acquisition of real property; and appointment, employment, compensation, and performance of specific employees, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

Councilmen Harrison, McLaughlin, Councilwoman Henton, Mayor Vaughn, City Treasurer Chuck Sanders, City Attorney Zuber, and City Clerk Sterchi left the Council Chambers at 8:17 p.m.

AGENDA #12 “RECONVENE OPEN SESSION” Upon return of those who were in closed session to the Council Chambers, Mayor Vaughn moved to enter back into open session, seconded by Councilwoman Henton. A majority affirmative voice vote was received. Open session resumed at 9:04 p.m.

12-A “Resolution: Authorize Release of Closed Session Minutes” The Council was provided with a proposed resolution to release a listing of full and partial minutes from closed session meetings aged at least 18 months.

Councilwoman Henton moved to approve 2016-R-80, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

Thinking ahead to the 2017-2018 budget, Mayor Vaughn recommended continuing to set aside funds for future repair needed on the Pacific Cycle roof. He commented that future councils would have the obligation to make such repairs in the future.

At the November 28, 2016, City Council meeting, the Council authorized the sale of dry blocks from the Park Department on GovDeals.com. At that time, Mr. Barker suggested a minimum bid of \$1,000.00. The auction closed with no bids. Since that time, Mr. Bradley had spoken with an individual who was interested in the blocks, but offered to pay no more than \$1.00 per block. Mr. Barker asked the Council if they would mind to re-list the dry blocks on GovDeals.com with a lower minimum bid amount. The Council was fine with lowering the minimum bid amount.

Councilwoman Henton had been approached by the Lawrence Correctional Center to see if they would be allowed to use the City's gun range for training. Mayor Vaughn pointed out that there were already scheduling conflicts between various organizations on use of the range. He had been receiving complaints from nearby residents on the increase of gun shots in the area. The Councilwoman did not find that to be an issue because residents were aware of the gun range when they purchased their properties.

Additionally, Councilwoman Henton noted that other law enforcement groups were allowed to use the range. She wondered if the Council had any interest at all in speaking with the Correctional Center. Mayor Vaughn pointed out that the gun range was originally intended for the local police and that it was now turning into a recreational facility. The Mayor said that if it were up to him, the range would be shut down completely to eliminate any and all liability.

AGENDA #13 "ADJOURN" Councilman McLaughlin moved to adjourn, seconded by Councilman Harrison. A majority affirmative voice vote was received.

The meeting adjourned at 9:14 p.m.

Kelsie J. Sterchi
City Clerk