

CITY OF OLNEY
CITY COUNCIL MEETING
JANUARY 27, 2020

AGENDA #1 “CALL TO ORDER” The January 27, 2020, 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: Greg Eyer, Morgan Fehrenbacher, Belinda Henton, John McLaughlin, and Mark Lambird. Also present were City Manager Allen Barker, City Clerk Kelsie Sterchi, City Treasurer Jane Guinn, City Attorney Bart Zuber, and City Engineer Mike Bridges

AGENDA #4 “PRESENTATION OF CONSENT AGENDA”

4-A “Approve Minutes of Council Meetings on January 13, 2020, & January 20, 2020”

4-B “Approve and Authorize Payment of Accounts Payable January 28, 2020” Pooled Cash \$99,946.70, Manual Pooled Cash \$134,023.70, Utility Refunds \$1,530.26, Fire Pension \$9,386.00, Police Pension \$13,149.00, Liability Insurance \$43,464.00, Unemployment \$1,324.09, Workers Compensation \$5,688.00, Tourism \$2,200.00

4-C “Appointments/Re-Appointments to City Boards and Commissions” Amanda Thomann to the Tree Board. Larry Knowlton, Terry Conour, and Julie Hearing to the Board of Fire & Police Commissioners.

4-D “Raffle License: Petroleum Club of Olney”

4-E “Raffle License: Olney Little League”

4-F “Raffle License: Olney Elks Lodge #926 (1)”

4-G “Raffle License: Olney Elks Lodge #926 (2)”

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

AGENDA #6 “CONSIDERATION OF CONSENT AGENDA” Councilwoman Fehrenbacher moved to approve the items on the consent agenda, seconded by Councilman McLaughlin. 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 “Discussion/Possible Action: Increase in Water/Sewer Service Deposit” The Council was provided with a spreadsheet that showed the number of bad debt letters that had been issued

so far in 2020, and for years 2019 and 2018. The spreadsheet also showed which landlords received a bad debt letter, the amount of bad debt, and the average bad debt amount per residence. Mrs. Guinn created the spreadsheet for the Council's information.

Mr. Williams approached the Council and distributed a letter he had received that was issued on January 23, 2020. The letter advised Mr. Williams that he had a tenant who had been disconnected due to non-payment. The letter also advised that if the bill owed by the tenant remained unpaid for 60 days after being rendered, a lien could be placed on the property if it was left unpaid. The letter also asked the landlord to please notify City Hall as soon as possible if the tenant was no longer at the property in order to avoid any further charges.

Mr. Williams believed that the amount of \$105.06 shown in the letter was the balance above and beyond the deposit. He also felt he had received no notification that there was a delinquency. He wished to alleviate landlords of any responsibility for tenant utility bills.

Councilwoman Henton pointed out that the letter received was a notice of delinquency. The tenant account was still active, but had just been disconnected for non-payment. The balance shown on the account was without the deposit being applied since the account was still active.

Councilman McLaughlin asked if the same letter was sent to the tenant. Councilwoman Henton replied the letter did not go to the tenant. The tenant instead receives an initial bill. If that goes unpaid, the tenant is then issued a termination notice. If that still goes unpaid, then the service is disconnected for non-payment. After that, landlords would be advised of the service termination.

From there, if a landlord told City Hall that the tenant was no longer at the property, the account would be finalized, and then the deposit would be applied. For this specific letter, the initial bill was due by January 5, 2020. Because it was unpaid, a termination notice was sent out on January 10, 2020, stating the past due amount needed to be paid by January 21, 2020, or else services would be disconnected on January 22, 2020. Because the tenant still did not pay the bill, the service was disconnected, and the landlord was sent a letter the next day advising that their tenant had been disconnected due to the unpaid amount.

Because there seemed to be some confusion, Mrs. Sterchi clarified the difference in the two types of landlord letters. She explained that the letter Mr. Williams had brought in this evening was a notice that his tenant had been disconnected for non-payment. These letters were always issued the day after disconnect. The letter that Mr. Williams referenced in the January 13, 2020, Council meeting was a bad debt letter. This letter advised the landlord that since their tenant's account had been finalized and the deposit applied, a balance remained. These bad debt letters were not sent out until the City had tried for three months to collect the unpaid balance from the tenant.

Councilman McLaughlin still did not believe that landlords should have any responsibility for their tenant's utility bills. Councilwoman Fehrenbacher did not disagree with the Councilman, but did still want to be notified if her tenant's water bill was disconnected for non-payment because that could be a sign of other problems she may experience as a landlord.

Councilwoman Henton asked Mr. Williams how many liens had been placed on any of his rental properties from unpaid tenant utilities. Mr. Williams did not believe that any had been placed because he always made payment upon receiving a bad debt letter.

Councilwoman Henton then asked Mr. Williams how many times he had to pay a bad debt. Mr. Williams guessed between 15 and 20 times.

Councilman McLaughlin could not understand how the City could force a landlord to pay a tenant's bill when the bill was not even in the landlord's name. Councilwoman Henton replied that was allowed because of State statute.

Mr. Williams then stated that he did not believe he was sent proper notice of delinquency. Councilwoman Henton disagreed.

Some other landlords were in the audience. Mayor Lambird asked them if they had any rentals that were on other water systems. A few indicated so. The Mayor then asked if those landlords had similar situations arise on those other water systems. The landlords replied they had not, so they could not speak to how bad debt was handled on those systems.

Again referencing the letter received, Mr. Williams said he felt unsure as to what types of fees were included in the delinquent balance.

From the audience, Earl Tannahill stated that he had rental property in Flora, Illinois. He indicated that Flora made the landlord pay before anyone else, and that they never held the tenant responsible for utility bills. He also added that Flora had a much higher utility deposit. Mr. Tannahill said he had paid several thousands of dollars over the years on different rental accounts. He also felt that the letters advising of unpaid balances and warnings about a lien being placed if balances remained unpaid were threatening.

Mr. Williams then detailed his belief that Olney was in a housing crisis. He told the Council that if they were under the impression that landlords would simply eat the additional charges, then they were incorrect. Instead, he felt the landlords would continue to raise their rental fees in order to offset any additional liability. He felt that Olney's landlords were assets and should not be seen as a problem.

From the audience, Mike Bauman told the Council that if he also received a termination notice at the same time as one of his tenants, he would see to it that the tenant paid the past due amount as soon as possible.

Councilwoman Henton explained that anywhere from 300 to 400 termination notices were already being mailed out each month. Most of the residents that received a termination notice as a reminder then paid promptly. About 30 of those past due balances would then go unpaid and onto disconnect.

Mrs. Sterchi explained that bills are due on the fifth of the month unless the fifth falls on a weekend or holiday, then they are due the next business day. If a bill is not paid by the due date, then a termination notice is issued five days later. The termination notice provides for the past due balance to be paid within the next 10 days. If it is not paid, then service is disconnected for the non-payment.

Mr. Williams then stated that he felt that the billing cycle was too long because new billing charges would start to accrue during the time that past due balances remained unpaid.

Mayor Lambird asked Mrs. Sterchi to detail what was on the sheet provided. Mrs. Sterchi stated that Mrs. Guinn had created the document, and it showed how many bad debt letters were sent out so far in 2020, and also in 2019 and 2018. The document also showed who the bad debt letters were sent to, and the amounts of the bad debt. Additionally, the amounts were broken down in an average per residence.

Mrs. Guinn added that the bad debt amounts were what was leftover after the deposit was applied.

Councilwoman Fehrenbacher noted that many landlords had received only one or two letters since 2018.

Looking at the document, Councilman McLaughlin noted that the most accrued was in 2018 with a bad debt total of \$2,260.21. He felt that the City should write off such amounts. He did not feel that the City spent much on providing water anyway.

From the audience, Mark Fessel told the Council that he did not believe a landlord should be liable for a deadbeat's debt. He also stated that landlords paid twice the property tax, as well. He did not want any other liabilities to be placed onto landlords.

Councilman McLaughlin felt that the City should turn bad debts from tenants over to collections and alleviate landlord responsibility.

Mrs. Guinn told the Council that she was continuing correspondence with the collection agency. The agency was in receipt of all documents they needed in order to determine whether they could assist with such collections.

Councilman Eyer asked if the Application for Service stated that unpaid balances would be the responsibility of the landlord. Mrs. Sterchi replied that was not stated. The Councilman

wondered, then, where such a rule was found. Mrs. Sterchi replied that the policy was put in place by ordinance and could be found in the City of Olney Municipal Code.

Councilman Eyer moved to take the necessary steps to eliminate landlord responsibility for unpaid tenant balances, and to have the City turn over such balances to a collection agency, seconded by Councilman McLaughlin.

Councilwoman Henton asked if the City should increase its deposit amount. Councilman Eyer felt that due to other utility deposit requirements, he did not wish to raise the City's deposit. He felt a raise could increase the financial burden of someone wishing to establish residency in Olney. Councilman McLaughlin added that if the responsibility was taken off of the landlord, the deposit amount would not matter.

Mayor Lambird wondered how easy it would be for the City to generate a separate billing list for termination notices that could be sent to landlords. Mrs. Guinn did not believe that the software program could do what the Mayor requested. Already, any landlord letter needed to be manually generated.

Referencing the document, Councilman Eyer noticed that 10 bad debt letters had already been issued in the month of January. Mrs. Sterchi pointed out that due to extenuating circumstances, disconnect could not take place in December, so that could have played a part in the current number.

From the audience, Caleb Piercefield asked the Council to take action on lessening landlord responsibility. He stated that the City made it difficult for him to do anything as a landlord. He felt the City had given him nothing but a hard time.

Councilwomen Fehrenbacher, Henton, Councilmen McLaughlin, Eyer, and Mayor Lambird voted yes. There were no opposing votes. The motion carried.

An ordinance amending the City Code to reflect the motion would be presented at the February 10, 2020, Council meeting.

8-B "Discussion/Possible Action: Boat Sticker Surcharge for Maintenance of Roads to and from East Fork and Borah Lakes in Preston Township" The Council was provided with a listing of current boat sticker prices.

Mayor Lambird told the Council that he had recently met with Preston Township Road Commissioner, Phil Kuenstler, and a few of the other Preston Township trustees regarding the condition of roads leading to and from East Fork and Borah Lakes.

Councilwoman Henton asked if the City's Street Department Supervisor had also been a part of the conversation. Mayor Lambird replied no, because the City could not do anything without Preston Township's blessing.

Mayor Lambird explained that he wanted to work out a working relationship that could help get the roads to and from the lakes in better shape since Preston Township was not providing sufficient maintenance. The Mayor suggested adding a \$5.00 surcharge to the boat sticker prices. Those proceeds could then be transferred to Preston Township for work on specific roads that serviced East Fork and Borah Lake boat launches.

Mayor Lambird felt that Preston Township was in favor of the proposal. If put into place, an intergovernmental agreement would be necessary that would include a map with roads to maintain with surcharge funds. The agreement should provide various details, along with a time frame for payment each year.

Councilman Eyer asked if Golf Lane would be the primary road to be maintained. Mayor Lambird replied that he suggested for Golf Lane, Anchor Lane, Veterans Road, Holly Road, and portions of N. Silver Street to be included. Councilwoman Henton felt that Branchwood Lane should also be included.

Councilman Eyer asked how the money would be monitored. In addition to some good faith, the Mayor felt that some sort of receipts should be submitted. Mayor Lambird felt that perhaps July 1 and December 31 payment dates would be appropriate. He noted that if proper maintenance did not happen, the agreement could terminate.

The Mayor continued that the City's Street Department Supervisor had also indicated willingness to assist in some of the maintenance with City equipment and manpower.

City Attorney Zuber advised that the Council provide very specific stipulations. From there, an intergovernmental agreement could be drafted.

Councilman McLaughlin recalled that in the past, the City had researched legal recourse, but found that there was nothing to make Preston Township maintain any road.

Councilwoman Henton wondered how much money could be generated from a \$5.00 surcharge. Mayor Lambird estimated about \$7,000.00 could be generated.

Councilwoman Henton wondered if the surcharge would apply to non-powered boats. Mayor Lambird was unsure. He also wondered about surcharges for daily tags.

Councilwoman Fehrenbacher requested a listing of how many boat stickers from each category were sold in the prior year. Mrs. Sterchi would research those numbers.

Overall, the Council was in agreement to continue discussions on possible boat sticker surcharges for maintenance of roads to and from East Fork and Borah Lakes in Preston Township.

8-C “Resolution: Amend the Water Distribution Department Budget for Fiscal Year 2019-2020 for a Water Leak Detector & Ditching Bucket” The Council was provided with a proposed resolution that would amend the Water Distribution Department budget for fiscal year 2019-2020 for the purchase of a water leak detector and a ditching bucket. The Council was also provided with an estimate from Edenbros, LLC., in the amount of \$2,413.75 for the water leak detector, and a quote from Erb Equipment in the amount of \$1,850.00 for the ditching bucket.

Mr. Barker told the Council that the GIS work to locate water mains throughout the City had been completed for this fiscal year and would not resume until the next budget year. As such, \$8,378.00 was leftover in the GIS line item in the Water Distribution budget. The supervisor wished to amend the budget in order to transfer \$2,500.00 from that line item to the purchase of a water leak detector, and \$2,000 to the purchase of a 4-foot ditching bucket. Doing so would prevent the items from being placed in next year’s budget.

Councilwoman Henton moved to approve 2020-R-04, seconded by Councilwoman Fehrenbacher. A majority affirmative voice vote was received.

8-D “Resolution: Amend the Sewer Department Budget for Fiscal Year 2019-2020 for Digester Repairs” The Council was provided with a proposed resolution that would amend the Sewer Department budget for fiscal year 2019-2020 for digester repairs. The Council was also provided with a statement from Charleston Engineering in the amount of \$8,950.00 for preliminary engineering work on Phase 1 of the primary digester repairs.

Mr. Barker explained that previously, \$89,500.00 had been approved for Phase 1 of the primary digester repairs project. An additional \$2,275.00 was needed in order to change some valves from cast iron to stainless steel, plus \$8,950.00 for engineering.

Mr. Barker recommended transferring the balance of \$13,844.00 from the Crane Truck line item to the Digester Repair line item for this purpose.

Councilwoman Fehrenbacher moved to approve 2020-R-05, seconded by Councilman Eyer. A majority affirmative voice vote was received.

8-E “Resolution: Amend the Fiscal Year 2019-2020 Budget for Professional Services Provided by Peckham Guyton Albers & Viets, Inc.” The Council was provided with a proposed resolution that would amend the fiscal year 2019-2020 budget for professional services provided by Peckham Guyton Albers & Viets, Inc. (PGAV). The Council was also provided with an invoice from PGAV. The invoice showed a contract amount of \$30,000.00, and currently billed \$4,000.00.

Mr. Barker reminded the Council that action had been taken to move forward with the creation of a new TIF district. A budget amendment of \$35,000.00 needed to be made to cover the professional fees to complete the project. The amendment would cover the PGAV estimate of \$30,000.00 plus an additional \$5,000.00 for legal fees. The adjustment would be taken from reserves.

Councilman McLaughlin moved to approve 2020-R-06, seconded by Councilman Eyer. A majority affirmative voice vote was received.

AGENDA #9 “REPORTS FROM ELECTED AND APPOINTED OFFICIALS”

9-A “Status Report-City Manager” Mr. Barker had a quote for repairs on the separating block on the Pacific Cycle building. The work was expected to cost less than \$9,000.00.

Councilman Eyer asked who would be repairing the building. Mr. Barker replied that the contractor was Blank Construction.

9-B “RCDC Report” Mr. Yockey told the Council that he was continuing his work with PGAV on the new TIF district.

9-C “Chamber of Commerce Report” Councilwoman Fehrenbacher encouraged everyone to purchase Chocolate Tour tickets. The Chocolate Tour would take place on February 7, 2020, and the last day to purchase tickets would be February 3, 2020. Tickets were available at the Chamber, local banks and City Hall.

Councilwoman Fehrenbacher then reported that planning was still taking place for the Chamber’s Ladies Night event on March 19, 2020. This year’s theme would be “Señoritas and Margaritas.”

9-D “Parks & Recreation Board Report” The Parks & Recreation Board had cancelled their January meeting, so there was no report.

9-E “Tourism Board Report” The Council was provided with an ILLINOISouth Digital Marketing Recap and the 2020 ILLINOISouth Visitors Guide.

Councilwoman Henton told the Council that she had attended the Tourism Board’s quarterly meeting during the week prior. The current audit was reviewed and received a clear report. Discussion also took place on the second half of the strategic plan they were working on creating, and economic impacts.

The Councilwoman continued that 30,000 copies of the 2020 Visitors Guide were included in the January shipment of St. Louis Magazine. This year’s guide had a different look and layout in order to help drive people to the website.

The ILLINOISouth Tourism Bureau was also in receipt of three new grants, and Mrs. Sterchi had recently met with ILLINOISouth representatives. The representatives indicated that

the tourism bureau would be gifting three billboards to help advertise the upcoming Walldogs event.

AGENDA #10 “PUBLIC COMMENTS/PRESENTATIONS” No one from the public wished to speak.

Mayor Lambird asked everyone to keep Lori Zimmerle and her family in their prayers as Mrs. Zimmerle’s mother had recently passed.

AGENDA #11 “CLOSED SESSION: SALE OR LEASE PRICE OF REAL PROPERTY; ACQUISITION OF REAL PROPERTY; APPOINTMENT, EMPLOYMENT, COMPENSATION, AND PERFORMANCE OF SPECIFIC EMPLOYEES” No closed session was needed.

AGENDA #12 “RECONVENE OPEN SESSION” Because there was no closed session, this item was removed.

AGENDA #13 “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 7:49 p.m.

Kelsie J. Sterchi
City Clerk