

CITY OF OLNEY  
CITY COUNCIL MEETING  
MARCH 13, 2017

AGENDA #1 “CALL TO ORDER” The March 13, 2017, meeting of the Olney City Council was called to order at 7:00 p.m. in the Council Chambers of the Olney City Hall located at 300 S. Whittle Avenue, Olney, Illinois, with Mayor Ray Vaughn presiding.

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

AGENDA #3 “ROLL CALL” The following Council members were present: Les Harrison, Belinda Henton, John McLaughlin, Bob Ferguson, and Ray Vaughn. Also present were City Attorney Bart Zuber, City Clerk Kelsie Sterchi, City Treasurer Chuck Sanders, Assistant City Treasurer Jane Guinn, and City Engineer Charleston.

AGENDA #4 “PRESENTATION OF CONSENT AGENDA”

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

4-B “Approve and Authorize Payment of Accounts Payable March 14, 2017” Pooled Cash \$100,219.49, Manual Pooled Cash \$98,806.19, Tourism \$1,750.00, IMRF \$26,404.59, Petty Cash \$182.42

4-C “Raffle License: Olney Firefighters Association”

4-D “Raffle License: VFW/Womens’ Auxiliary”

4-E “Raffle License Petroleum Club (1)”

4-F “Raffle License Petroleum Club (2)”

4-G “Raffle License: Petroleum Club (3)”

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.

Mayor Vaughn commented that he received word that agenda items 8-H and 8-I had been requested for removal of consideration.

AGENDA #8 “PRESENTATION OF ORDINANCES, RESOLUTIONS, ETC.”

8-A “Tourism Grant Application: White Squirrel Cruisers Car Club 30<sup>th</sup> Annual Car Show” The Council was provided with a Tourism Grant Application from the White Squirrel Cruisers Car

Club. Robin Haerr was present to answer any questions. The White Squirrel Cruisers Car Club was asking for a \$2,000.00 Tourism Grant for their 30<sup>th</sup> Annual Car Show.

Mayor Vaughn asked Mr. Haerr to explain the request. Mr. Haerr showed the Council the dash plaques and t-shirts that were distributed to participants at the prior year's car show. Mr. Haerr also reminded the Council that Tourism Grant funds had been awarded in the past for the event. The money received goes towards advertisements.

Councilman Ferguson moved to approve the \$2,000.00 Tourism Grant request for the White Squirrel Cruisers Car Club 30<sup>th</sup> Annual Car Show, seconded by Mayor Vaughn. A majority affirmative voice vote was received.

8-B "Request/Possible Resolution: Amend the 2016/2017 Budget for the Purchase of Banners" The Council was provided with a memo from City Clerk Sterchi and a proposed resolution to amend the 2016/2017 budget for the purchase of banners.

Mrs. Sterchi reminded the Council that at the Special Meeting held on January 30, 2017, she had explained proposing a budget in 2017/2018 for the purchase of new banners and brackets. The purchase of new banners had also been detailed in the five year capital plan for the past five years.

Mrs. Sterchi went on to explain that an opportunity had come up to where the banners could be purchased in the current fiscal year at a discounted rate from Northern Lights Display. Quotes had also been received from two other companies.

Banners with two ink colors would total \$2,200.00 and banners with three ink colors would total \$2,500.00. Mrs. Sterchi estimated that shipping costs would be around \$70.00. If the Council authorized the purchase of banners this fiscal year, Mrs. Sterchi indicated that she would still budget for 2017/2018 the purchase of banner brackets.

In speaking with the City Treasurer, plenty of funds still remained in the Contingencies line item to cover the purchase of either two or three ink banners.

Councilman McLaughlin moved to approve 2017-R-11 which would authorize the budget amendment to allow for the purchase of three ink banners, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-C "Discussion/Possible Action: Summer Recreation Fees" The Council was provided with a copy of the current fees structures for the swimming pool and summer recreation. At the February 13, 2017, meeting, the Council voted to keep the pool rates the same for the 2017 year and not to offer discounted rates. Mr. Barker commented that the Council discusses each year whether or not to keep the summer recreation rates the same.

Councilman McLaughlin felt that perhaps in 2018 the Council should review pool rental fees for private parties. He felt that the charge could be lowered, allowing for the pool to be rented more often. Councilman Ferguson thought that the pool typically booked all available dates for private parties. Mrs. Sterchi confirmed.

Mayor Vaughn moved to keep the summer recreation fees the same for 2017, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

8-D “Discussion/Possible Action: Free Swim Days at Musgrove Aquatic Center” Mr. Barker told the Council that pursuant to an agreement with the Carrie Winter Trust, the Council must provide two free swim days each year at the Musgrove Aquatic Center. Most years, the dates of the ERFAE Duck Race and Independence Day are designated as the free swim days. It was Mr. Barker’s recommendation to approve those dates.

Councilman McLaughlin moved to approve free swim days on the dates of the ERFAE Duck Race and Independence Day for 2017, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-E “Resolution: Authorize Agreement with Bruckert, Gruenke & Long, P.C. for Legal Services” The Council was provided with a proposed resolution that would allow an agreement to be made with Bruckert, Gruenke & Long, P.C., and a copy of the proposed agreement.

Mr. Barker told the Council that the agreement would provide for legal services in relation to Tax Increment Financing (TIF) issues. The attorney fees could be paid from the TIF. RCDC Director Courtney Yockey added that the City would only pay the fees if the attorney’s services were utilized.

Mayor Vaughn moved to approve 2017-R-12, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-F “Resolution: Concur with the Illinois Department of Transportation’s Award of Bid for the Whittle Avenue Project” The Council was provided with a proposed resolution that would concur with the Illinois Department of Transportation’s (IDOT) award of bid for the Whittle Avenue project, and a copy of the bids that had been received.

Mr. Barker explained that bids were opened for the Whittle Avenue project on March 3, 2017, in Springfield, Illinois. The low bid was in the amount of \$1,790,624.84 from A.J. Walker Construction Company of Mattoon, Illinois. Other bids received were \$1,845,000.00 from Kieffer Brothers Construction Company of Mt. Carmel, Illinois, \$2,096,989.85 from Sierra Bravo Contractors of Sesser, Illinois, and \$2,326,645.45 from Haier Plumbing and Heating of Okawville, Illinois.

Councilman McLaughlin asked when the widening project would start. City Engineer Charleston estimated that the best case scenario would allow work to begin in six to eight weeks. The entire project would be managed by IDOT.

Councilman Harrison asked if the City had ever done business with A.J. Walker Construction Company. Mr. Charleston replied that A.J. Walker Construction Company had been used before, and he was very satisfied with their performance.

Councilman Harrison moved to approve 2017-R-13, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

8-G “Resolution: Authorize Lease Between the City of Olney and Olney Little League on Use of Concession Stand at the Ball Diamond Complex at Musgrove Park” The Council was provided with

a proposed resolution that would execute a lease with the Olney Little League on use of the concession stand at the ball diamond complex at Musgrove Park, and a copy of the proposed lease.

Mr. Barker told the Council that the most current lease with the Olney Little League had been revised by the City Attorney to allow a two year lease with an option to renew for additional two year terms, not to exceed a total of 20 years. The City would be paid \$300.00 per month for the months of May, June and July.

Mr. Barker reminded the Council that it had been requested that he and the City Treasurer review the rental amount to see if the amount charged was still satisfactory. Mr. Barker and Mr. Sanders concluded that the \$300.00 charge per month was fair.

Councilman McLaughlin asked if the \$300.00 per month was enough to cover the City's expenses. Mr. Sanders replied that the amount would cover the electricity use, and that was the only bill paid by the City.

Councilman McLaughlin moved to approve 2017-R-14, seconded by Mayor Vaughn. A majority affirmative voice vote was received.

8-H "Special Event Request: Sabrina Scholarship Concert on April 8, 2017" This item was removed from the agenda.

8-I "Request: Class S Liquor License for Sabrina Scholarship Concert as Applied for by The Fireside" This item was removed from the agenda.

#### 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. Mr. Barker told the Council that the Kitchell Avenue resurfacing project had gone out for bids. Bids would be opened on March 27, 2017, at 11:00 a.m.

In regard to the CDBG housing grant, five applicants had been interviewed and had submitted paperwork. Two more individuals would be coming in to have their interview and paperwork completed. Mr. Barker anticipated that nine homes would be selected for use of the grant funds.

The Wabash County Health Department had notified Mr. Barker that they anticipated to schedule training for operators of food establishments towards the end of March or early April.

Mr. Sanders reported that Sales Tax revenue was approximately \$2,000.00 favorable to this time last year.

9-B "Arbor Day Event Scheduled-City Clerk" Mrs. Sterchi informed the Council that an Arbor Day event had been scheduled by the Tree Board. On Arbor Day, April 28, 2017, a total of 300 trees would be given away to the public. The event would be taking place in the Community Building at the Olney City Park from 4:00 p.m. until 6:00 p.m. that evening. Any trees leftover past that time would be available at the same location from 9:00 a.m. until 10:00 a.m. the following morning.

Those interested in reserving one or more trees could call the City Clerk to be placed on the reservation list. Mrs. Sterchi would also be scheduling a proclamation signing with Mayor Vaughn for Arbor Day and the Mayor's Monarch Pledge.

**AGENDA #10 "PUBLIC COMMENTS/PRESENTATIONS"**

10-A "Brian O'Neill" Brian O'Neill told the Council about how he felt that the disabled were continuously being discriminated against by the government. He felt the issues should be fixed, but felt that Republicans would not help in any way.

**AGENDA #11 "2017/2018 BUDGET DISCUSSIONS"**

11-A "Water Fund" The Council had been provided earlier in the week with a preliminary budget sheet for the Water Department as prepared by City Treasurer Sanders and Assistant City Treasurer Jane Guinn. Mrs. Guinn also had a Powerpoint presentation prepared. Water Distribution Department Foreman Brandon Williams was present to help answer any questions.

Mrs. Guinn told the Council that an amount of \$1,786,600.00 had been budgeted in the department for income. The projected income for 2016/2017 was listed at \$2,339,839.00. The biggest difference between the 2016/2017 and 2017/2018 budgets for income were due to the loan for the W. Main water main project that was received in 2016/2017.

Personnel expenses for the Water Plant would remain fairly flat because an employee had retired that was replaced with a new hire at a lower pay rate. Consideration had also been given to anticipate pay increases for employees passing certification courses. Capital Outlay for the Water Plant budgeted \$8,900.00 for a mower and \$6,000.00 to oil and chip the driveway. Total expenditures for 2017/2018 were projected to be \$848,511.00.

Mrs. Guinn noted that in Water Distribution, the Personnel Services increase was partially due to pay increases. Contractual Services was budgeted to come in at \$82,000.00, and Supplies budgeted to come in at \$68,500.00, both higher than the prior year.

Capital Outlay in Water Distribution budgeted \$150,000.00 for water main replacements, \$2,500.00 for a trash pump, and \$9,000.00 for hand-held meter reader replacements. Debt Service was anticipated at \$42,174.00. Total expenditures in this department were expected to be \$688,274.00.

To recap the Water Fund, Mrs. Guinn showed that total revenue in the Water Fund for 2017/2018 was expected to be \$1,786,600.00. Expenses would total \$1,536,785.00. For the 2017/2018 year, the fund should have a \$249,815.00 surplus. Mrs. Guinn would recommend setting aside any surplus funds for future capital expenses.

Councilman McLaughlin asked how much of unrestricted funds were in the Water Fund. Mr. Sanders replied that about \$1,400,000.00 remained in unrestricted funds.

Mrs. Guinn moved on to Agenda Item 11-C "Tourism Fund."

11-B "Sewer Fund" The Council had been provided earlier in the week with a preliminary budget sheet for the Sewer Department as prepared by City Treasurer Sanders and Assistant City

Treasurer Jane Guinn. Mrs. Guinn also had a Powerpoint presentation prepared. Sewer Department Supervisor Jeff Lathrop was present to help answer any questions.

Mrs. Guinn told the Council that an amount of \$1,067,225.00 had been budgeted in the department for income. The projected income for 2016/2017 was listed at \$1,063,569.00.

Personnel services was budgeted for an increase in 2017/2018, including pay increases. Contractual Services would remain flat, and Supplies were budget to be about \$65,000.00 higher than the prior year due to new chemical regulations. Capital Outlay was budgeted to be about \$25,000.00 less than the prior year. Debt Service was anticipated to remain flat.

For Capital Outlay, \$60,000.00 had been budgeted to rebuild a tank spur drive, and \$75,000.00 had been budgeted for a garage extension. An amount of \$25,000.00 had also been budgeted for sewer line replacement, \$60,000.00 for rehab to a digester, \$60,000.00 to rehab the filter building wet well, \$18,000.00 for rehab to the Taylor Drive lift station, and \$9,000.00 for zinc and phosphorus.

To recap the Sewer Fund, Mrs. Guinn showed a total revenue for the upcoming fiscal year to be \$1,067,225.00 with expenditures at \$1,116,337.00. The difference would leave a (\$49,112) deficit in the Department. Mrs. Guinn anticipated being able to pay for some of the capital expenditures by using designated funds.

Councilman McLaughlin asked how much the Sewer Fund had on reserve. Mr. Sanders indicated that \$240,000.00 had been set aside within the fund for capital spending. Unrestricted cash in the fund came to \$1,500,000.00.

Mayor Vaughn recalled Illinois Environmental Protection Agency (EPA) suggestions for a new ultraviolet process to be added at the Sewer Plant. He pointed out that no money had been budgeted for the ultraviolet process in the 2017/2018 fiscal year, but felt that should be considered for the future.

Mayor Vaughn then asked for the age of the Sewer Plant. Mr. Lathrop was unsure, but knew that one of the tanks alone was over 50 years old. Mayor Vaughn felt that the Water Plant was even older than the Sewer Plant. He noted that the City was slowly building up reserves for upcoming major replacement projects. This would help not to put such a burden on the taxpayers when those times come.

Councilman Ferguson added that the 2016/2017 fiscal year was the last year of the recent three year rate increases. Mayor Vaughn indicated that over the past three years, water and sewer rates had increased five percent each year. A large portion of the increases went towards offsetting pension requirements in the Water and Sewer Departments. The departments should sustain themselves, and the increases helped to eliminate the need to fund those pensions out of the General Fund and, subsequently, property tax.

Mayor Vaughn continued that before the rate increases were set, the Council had done a survey of surrounding communities' water and sewer rates. What they found that was even in calculating the proposed increases, Olney's water and sewer rates were some of the lowest around.

Without planning wisely, he felt that the City could expend several million dollars into the departments, resulting in huge increases to future taxpayers and increased City debt.

Water Plant Supervisor Frank Bradley entered the meeting at 7:37 p.m. Mayor Vaughn asked if Mr. Bradley wished to make any comments regarding the Water Fund. Mr. Bradley felt that much of the Water Plant's budget was similar to the prior year's, except for a couple of the capital needs.

Councilman Ferguson asked if Mr. Bradley saw any new EPA regulations that may be on the horizon. Mr. Bradley stated that lead was currently a big topic within the EPA. In the near future, the EPA may increase the sampling frequencies by a large number.

At the March 27, 2017, City Council meeting, proposed budgets for General Corporate and other funds would be discussed. Mr. Sanders added that a public hearing on the proposed 2017/2018 budget would be held during the April 10, 2017, meeting. The budget for 2017/2018 would need to be formally passed by the Council by April 30, 2017.

11-C "Tourism Fund" The Council had been provided earlier in the week with a preliminary budget sheet for Tourism as prepared by City Treasurer Sanders and Assistant City Treasurer Jane Guinn. Mrs. Guinn also had a Powerpoint presentation prepared. City Clerk Sterchi was present to help answer any questions.

Mrs. Guinn anticipated to receive \$48,000.00 worth of income from Hotel/Motel Tax in 2017/2018, and \$650.00 in Interest. Total income for the upcoming fiscal year was projected to be \$48,650.00. The prior year's income showed \$82,680.00. The reason for the prior year's high amount was due to the 175<sup>th</sup> Anniversary.

In Expenditures, a new line item for Community Events was added in the amount of \$10,000.00. The City Manager had a few events that he would like to try in the coming year. A new line item for a mural was also added in the amount of \$10,000.00. The mural was proposed to be painted on the south exterior wall of City Hall.

To recap, Mrs. Guinn showed the projected income of \$48,650.00, and the projected expenditures of \$79,285.00. The difference between the two was (\$30,635.00). With this in mind, Mrs. Guinn pointed out that approximately \$83,900.00 was currently in the Tourism Fund with \$7,166.00 remaining in the 175<sup>th</sup> Anniversary account.

Councilman McLaughlin asked if the 175<sup>th</sup> Anniversary money could be spent. Mrs. Sterchi replied that the remaining funds were being used as seed money for the 200<sup>th</sup> Anniversary, and some funds would be donated towards a new future Welcome to Olney sign. The Dodransbicentennial Commission was allowed to flow funds in and out of the City accounting system for simplicity, but were really separate funds.

Councilwoman Henton wished to reimburse the General Fund with some Tourism Funds due to the amount of time Mrs. Sterchi spent on tourism-related projects. Such a process was currently taking place for when a Street Department employee needed to assist in Water Distribution. The funds are

transferred to the appropriate department. Councilwoman Henton had asked Mrs. Sterchi to create an itemized list of tourism-related work that she does to have for the March 27, 2017, meeting.

Mrs. Guinn then went on to Agenda Item 11-B "Sewer Fund."

AGENDA #11 "CLOSED SESSION: SALE OR LEASE PRICE OF REAL PROPERTY; ACQUISITION OF REAL PROPERTY; COLLECTIVE NEGOTIATING MATTERS; AND APPOINTMENT, EMPLOYMENT, COMPENSATION, AND PERFORMANCE OF SPECIFIC EMPLOYEES" Councilman Harrison moved to adjourn to closed session to discuss sale or lease price of real property; acquisition of real property; collective negotiating matters, and appointment, employment, compensation, and performance of specific employees, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

Councilmen Harrison, McLaughlin, Ferguson, Councilwoman Henton, Mayor Vaughn, City Treasurer Chuck Sanders, City Attorney Zuber, and City Clerk Sterchi left the Council Chambers at 7:41 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 8:14 p.m.

Mr. Barker told the Council that the mechanism that sets off the tornado sirens would no longer accommodate new parts. The County Board had been receptive in helping pay 50% of the cost for new sirens. Five sirens were inside of City limits with none being functional outside of City limits. Mayor Vaughn felt that was an excellent use of Public Safety Tax money.

Mr. Barker then informed the Council that the same water district that he had purchased the most recent pickup trucks from would soon have more trucks available. He asked if the Council would be in favor of him exploring the option of purchasing a couple more trucks. The Council was in agreeance that Mr. Barker could research such a purchase.

Councilman McLaughlin noted that he would be absent during the April 10, 2017, meeting.

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

The meeting adjourned at 8:18 p.m.

Kelsie J. Sterchi  
City Clerk