

CITY OF OLNEY  
CITY COUNCIL MEETING  
AUGUST 24, 2015

AGENDA #1 “CALL TO ORDER” The August 24, 2015, 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. John Monroe 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 Manager Allen Barker, City Attorney Bart Zuber, City Treasurer Chuck Sanders, City Clerk Kelsie Sterchi, and City Engineer Roger Charleston.

AGENDA #4 “PRESENTATION OF CONSENT AGENDA”

4-A Approve Minutes of Council Meeting on August 10, 2015

4-B Approve and Authorize Payment of Account Payable August 25, 2015: Pooled Cash \$83,734.42, Manual Pooled Cash \$28,637.50, Utility Refunds \$2,174.45, IMRF \$45,891.60, 175<sup>th</sup> Anniversary \$100.00

4-C Raffle License-Olney Elks #926

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 Councilman Harrison. 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 “Discussion: Presentation and Acceptance of Fiscal Year 2014/2015 Audit” The Council was provided with a copy of the Kemper CPA Group Audit Report for the 2014/2015 fiscal year. Ryan Hawkins, Kemper CPA Group, LLP., was present to report the audit findings.

Mr. Hawkins explained that the Independent Auditor’s Report described management’s responsibility and the auditor’s responsibility in respect to the audit as a whole. The City’s basis

for accounting is modified cash basis. In the auditors' opinion, statements were materially correct and matched that basis of accounting.

The Mayor asked for the overall purpose of the audit. Mr. Hawkins replied that the audit was a statutory requirement because the City operated its own water and sewer utilities. As an additional benefit, the audit would provide an inner scope for the Council on how internal management handles finances.

Mr. Hawkins began to report on the Net Position Statement. Essentially, this statement was a snapshot of finances for the City of Olney. As of April 30, 2015, the governmental activities held \$5,939,245.00, and business-type activities held \$3,259,649.00.

The Net Position Statement also listed any liabilities. The revolving loan funds and fire truck loan made up this category in the amount of \$316,075.00 for the governmental activities. Business-type activities' liabilities were at \$1,181,736.00.

The Statement of Activities showcased the cost of City government before any taxes were collected. "General Revenues" listed at the bottom right of the page were tax revenues. The ending net positions for governmental activities were at \$14,824,153.00, business-type activities were at \$12,788,674.00, and the Library at \$846,894.00.

Mr. Hawkins went on to report that as of April 30, 2015, the General fund had \$4,007,114.00 on hand.

After the last Audit Report presentation, Mr. Hawkins was requested to provide comparative data in the next year's Audit Report. Pages 55 through 57 listed five year comparisons for informational purposes.

Water Distribution cash-on-hand held \$2,021,984.00 as of April 30, 2015. Waste Water Treatment held \$1,344,292.00. Operating expenses for Water Distribution were at \$96,908.00 and Waste Water Treatment were at \$28,413.00. Mr. Hawkins told the Council that both funds were in positive cash flow status.

Fire and Police Pension Funds (fiduciary funds) held \$6,298,484.00 in total assets.

Mayor Vaughn wondered if the City was at any risk by having more on deposit than FDIC limits. Mr. Hawkins responded that local governments have a slight benefit in that there was actually a combined total of \$500,000.00 of coverage. Having more on deposit than FDIC limits was a typical practice. Should a bank fail, they would hold investments in their portfolio that would be utilized to make money and bridge the gap between what interest they were paying

and what interest they were earning. The bank also pledges those investment so that in event of a failure, anything in excess of the FDIC insurance would be sold, and the City would recover investments pledged upon liquidation. City Treasurer Sanders added that if a bank wanted to decrease or liquidate any pledges, it would require his signature.

Mayor Vaughn asked Mr. Hawkins if he had any additional input on the municipal retirement numbers that the audit had revealed. Mr. Hawkins replied that the audit conducted does not provide an opinion of retirement statement, only notes where the funds are from. Additionally, there is a lag time between where the statement falls and where contributions occur.

Police Pension funding dipped about four percent. Total revenues for the year ending April 30, 2015, for the Police Pension were up \$98,744.00 compared to the year prior. Expenses from 2006 to 2015 had grown by \$420,103.00, mainly due to benefits paid.

Alternatively, Fire Pension revenues had increased \$153,151.00 since 2006. More equity investments were found in the Fire Pension Fund, which allows the fund to perform better than Police Pension.

The Mayor asked for Kemper's overall opinion of the audit. Mr. Hawkins humorously replied that he gave the City "two thumbs up."

Mayor Vaughn moved to accept the Fiscal Year 2014/2015 Audit Report, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-B "Re-appointment of Dave Lobacz to the Fire Pension Board" The Council was provided with a listing of re-appointments to the Fire and Police Pension Boards.

Mayor Vaughn began by expressing his appreciation of the many volunteers that participate in service to City boards and commissions.

Councilwoman Henton moved to re-appoint Dave Lobacz to the Police Pension Board, seconded by Councilman Harrison. A majority affirmative voice vote was received.

8-C "Re-appointment of Richard Runyon to the Police Pension Board"The Council was provided with a listing of re-appointments to the Fire and Police Pension Boards.

Councilman Ferguson moved to re-appoint Richard Runyon to the Police Pension Board, seconded by Councilwoman Henton. A majority affirmative voice vote was received.

8-D “Resolution: Authorize the Purchase of Ballistic Vests for the Police Department and Waive Formal Bidding Procedures” The Council was provided with a quote from Ray O’Herron Co., Inc., of Danville, Illinois, for ballistic vests, and a proposed resolution to authorize the purchase of the vests that would waive formal bidding procedures.

City Manager Barker explained that the current ballistic vests at the Police Department would soon be outdated. Replacements had been budgeted for, and the City was in receipt of about \$8,400.00 in grant funds from the Illinois Public Risk Fund. Police Chief Paddock had received a quote of \$10,075.00 from Ray O’Herron Co, Inc., of Danville, Illinois, for the replacement vests. There would be additional freight costs.

Councilman Ferguson wondered why bids were not solicited. Chief Paddock replied that most of the expense was being paid through the grant. Additionally, the prior ballistic vests had been purchased through the same provider at the State rate. Not soliciting bids would not put the grant in jeopardy.

Mayor Vaughn moved to approve 2015-R-49, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

#### AGENDA #9 “REPORTS FROM ELECTED AND APPOINTED OFFICIALS”

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

Mr. Barker reported that worker’s compensation claims were listed at four incidents for the year. The Board of Fire and Police Commissioners were also moving forward with finding a new officer for the Police Department. Options were still being looked into for a Sewer Plant Supervisor.

Councilman McLaughlin asked for an update on the sidewalk extension to Millers Grove. Mr. Barker had been in contact with a representative of RCRC. The estimate for contracting the project had now far exceeded the original estimates. Some funds were available to use, but Mr. Barker needed more information from RCRC before making presentation to the Council.

The work was originally set to be completed by the City’s Sewer Department. The Sewer Department was in charge of sidewalk placement and repair. Since the project had been presented, the Sewer Department had become understaffed, including missing a supervisor.

The Mayor then asked for an update on the oil and chip program. City Engineer Charleston replied that oil and chip work had been completed with success.

The Mayor then asked how the City determined which streets were in need of oil and chip and how many streets would be addressed per year. Mr. Charleston replied that streets were evaluated over the year based on condition and traffic load. Additionally, streets were documented to keep track of which street had been updated recently. Also, MFT funds are used for the oil and chip program, but the funds have certain requirements on what and where they can be used.

The Safe Routes to School sidewalk project had been completed, and Mr. Charleston told the council that IDOT would be visiting to make sure it met their approval. If anything needed corrected, he would call back the contractor.

The Mayor asked if the City would have plenty of salt for the coming winter. Mr. Barker confirmed.

AGENDA #10 “PUBLIC COMMENTS/PRESENTATIONS”

10-A “Brian O’Neill” Brian O’Neill, 818 E. Main Street, told the Council that in order to become president, an individual needed to be a natural-born citizen, a registered voter, and at least 35 years of age. Given these requirements, Mr. O’Neill felt he was qualified for presidency.

Mr. O’Neill also commented that he did not need large amounts of money for his campaign. He could save money by walking, biking, taking public transportation, and sleeping in the library. He could also carry any essentials in a backpack.

Lastly, Mr. O’Neill stated that Mayor Vaughn would be happy to know that he would soon be on the government agendas in New York. He was out to fix the country because he felt Mayor Vaughn could not.

Before going into closed session, it was noted that Mr. Charleston was continuing to work on the Whittle Avenue Industrial Park layout and other details. The process was moving along.

AGENDA #11 “CLOSED SESSION: SALE PRICE OF REAL PROPERTY; ACQUISITION OF REAL PROPERTY, APPOINTMENT, EMPLOYMENT AND PERFORMANCE OF SPECIFIC EMPLOYEES; AND COLLECTIVE NEGOTIATING MATTERS”

Councilman Harrison moved to adjourn to closed session to discuss sale price of real property, acquisition of real property, appointment, employment and performance of specific employees, and collective negotiating matters, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

Councilmen Harrison, McLaughlin, Ferguson, Councilwoman Henton, Mayor Vaughn, City Manager Barker, City Attorney Zuber, City Treasurer Sanders and City Clerk Sterchi left the Council Chambers at 7:33 p.m.

AGENDA #12 “RECONVENE OPEN SESSION” Upon the return of those who were in closed session to the Council Chambers, Councilwoman Henton moved to enter back into open session, seconded by Mayor Vaughn. A majority affirmative voice vote was received. Open session resumed at 8:33 p.m.

City Manager Barker told the Council that Keith Moran had notified him that the Enterprise Zone application was not approved during the first round of selections. Mr. Moran had proposed a joint application for the next round. A joint application should cost about \$7,000.00. From the audience, Courtney Yockey clarified that the denial was due to applying with an existing Enterprise Zone that would not terminate within two years.

The Council had no objection with a joint application. Mayor Vaughn asked their opinions on asking the Richland County Board for monetary assistance with the application. The Council had no concerns.

The topic of the sidewalk extension to Millers Grove was again discussed. City Engineer Charleston had told Mr. Barker that the project estimate to contract the project would be about \$45,150.00. Additionally, there were some drainage issues in the area that would need to be repaired before constructing the sidewalk.

Councilman McLaughlin asked why the City did not have the manpower to complete the project. He recalled the original amount of the project was around \$12,000.00 if the City crews provided the labor. The project was already two years past the time it should have been completed. He felt the situation made the City look poorly. He wondered if part-time employees could be hired to work on sidewalks. Related to the Councilman’s thought, Mayor Vaughn asked if a contractor could be hired as a supervisor with City employees providing manpower. Councilwoman Henton added that prevailing wage would not be necessary in that case. Mr. Barker would research the ideas further.

At any rate, if it was necessary to contract the sidewalk project, Mr. Barker indicated that funds were available in the budget to cover the costs.

Councilwoman Henton then asked for an update on the Council’s thoughts regarding weeds on large acreages inside City limits. The Mayor was still in favor of developing a sort of special use permit for such cases. If that was the route to be taken, the Councilwoman requested

neighbor input and to publicize the request. Mayor Vaughn thought the process should not be made too complicated.

Councilwoman Henton requested Council approval to again use some City-farmed corn for the squirrel corn giveaway program for 2015. The Council had no concerns.

AGENDA #13 “ADJOURN” Councilwoman Henton moved to adjourn, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

The meeting adjourned at 8:57 p.m.

Kelsie J. Sterchi  
City Clerk