

CITY OF OLNEY  
CITY COUNCIL MEETING  
NOVEMBER 24, 2014

AGENDA #1 “CALL TO ORDER” The November 24, 2014 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. David McNabb led the group in a prayer.

AGENDA #3 “ROLL CALL” The following Council members were present: John McLaughlin, Barb Thomas, Brad Brown, Bob Ferguson and Ray Vaughn. Also present were City Manager/City Attorney Larry Taylor, City Treasurer Chuck Sanders, City Engineer Roger Charleston and City Clerk Kelsie Sterchi.

AGENDA #4 “PRESENTATION OF CONSENT AGENDA”

- 4-A Approve Minutes of Council Meeting from November 10, 2014
- 4-B Approve and Authorize Payment of Accounts Payable November 24, 2014:  
Pooled Cash \$134, 815.04, Manual Pooled Cash \$4,991.24, Utility Refunds \$2,346.90, W. North Lift Station \$7,280.00, MFT \$3,066.36, Tourism \$18.00, Christmas Light Display \$965.58
- 4-C Raffle License-First United Methodist Church
- 4-D Raffle License-Olney Little League
- 4-E Raffle License-Benefit for London Fryman
- 4-F Raffle License-Brookstone Estates

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 Thomas. A majority affirmative voice vote was received to approve the consent agenda. Mayor Vaughn asked if any other Raffle Licenses were submitted for the evening. City Clerk Sterchi commented that a Raffle License application was submitted that day on Monday, November 24, 2014. The request was not placed on the evening’s agenda because due to Open Meetings Act requirements, the City Council’s agenda needs to be finalized and to the media 48 hours before the meeting in order for any action to be taken. The submitted Raffle License application would be heard at the next City Council meeting on December 8, 2014.

AGENDA #7 “CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT

AGENDA” No consideration was necessary since no items were removed from the consent agenda.

Mayor Vaughn chose to move Agenda #10 Public Comments/Presentations to follow the Consent Agenda. The Mayor noticed that Shawn Tate was in the audience in hopes to speak before the Council. Mayor Vaughn advised Mr. Tate that he could go ahead and speak.

Mr. Tate is an amputee who uses a power chair to get around town as he is unable to walk long distances with his prosthesis. On Friday, November 21, 2014, near the Salvation Army, Mr. Tate turned his power chair, hit the curb and fell. He sprained his back and was left with some bruising. Mr. Tate then went to Richland Memorial Hospital to be looked over. Mr. Tate claimed that the accident happened because there was no wheelchair access at the intersection. Mr. Tate also commented that areas that did have wheelchair accessibility required those in a wheelchair to go out into the street before being able to get up onto the sidewalk.

Mr. Tate went on to indicate that a City employee told him that because of sidewalk damage on S. Whittle Avenue, that he should ride his chair on the shoulder of the road. The suggestion, to him, seemed like an accident waiting to happen. He was also concerned about the safety of others.

Mayor Vaughn requested that a report could be given at the next meeting from the Street Department regarding the issue. The Mayor also requested that Mr. Tate provide any additional information to City Manager Taylor to help remedy the problem.

Mayor Vaughn then told Brian O’Neill that he could speak next on his topic listed under 10-A. Following Mr. O’Neill’s presentation, Mayor Vaughn indicated that he would be asking Mr. O’Neill to leave the meeting. Mr. O’Neill became upset and stated that Mayor Vaughn could not make him leave the meeting because no ordinance had been violated. Mr. O’Neill continued to insult the Mayor and his wife. At that time, Mayor Vaughn called Mr. O’Neill out of order. Police Chief Paddock and Officer Hamilton approached Mr. O’Neill and at that time, Mr. O’Neill yelled an obscenity at the Police Chief and mentioned that he would sue everyone. As an end result, Mr. O’Neill was escorted out of the meeting.

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

8-A “Bid Opening: Sale of 310 E. Main Street” City Clerk Sterchi had received two envelopes containing bids for the sale of 310 E. Main Street (Senior Citizens Park). Mrs. Sterchi opened the first envelope to reveal a bid from Tommie Fehrenbacher in the amount of \$10,250.00. The next envelope was opened to reveal a bid from Gerald K. Jones in the amount of \$10,000.00. The bids were then passed to City Manager Taylor for review.

8-B “Discussion/Ordinance: Authorizing Sale of Municipally Owned Property (310 E. Main Street)” City Manager Taylor asked the Council’s opinion concerning the bids. The award of a bid did not need to be given to the highest bidder. Councilwoman Thomas moved to discuss the sale in the evening’s closed session and revisit the topic after closed session, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

8-C “Resolution: Accept Bid from Wilson Farms Excavating for Demolition of 1039 W. St. John Street” The Council was provided with a proposed resolution to award the bid of \$3,120.00 from Wilson Farms Excavating of Dundas, Illinois for the demolition of 1039 W. St. John Street. Two bids had been received during the opening that took place on November 17, 2014. Doll’s, Inc. was the second bidder at a bid of \$3,850.00.

Mayor Vaughn moved to approve 2014-R-55, seconded by Councilman Brown. A majority affirmative voice vote was received with Councilman McLaughlin voting no.

8-D “Discussion: City Maintenance Request Near the 426 S. Whittle Ave./110 E. Cherry St. Apartment Building & 331 S. Camp Property from Joseph & Diane Greifzu” The Council was provided with a letter from Joseph and Diane Greifzu requesting City maintenance at properties near the 426 S. Whittle Avenue and 110 E. Cherry Street apartment building, and also at 331 S. Camp Street. Photos were also included. Mr. Greifzu was present to answer any questions.

The issue had not been first directed to the City Manager. Mr. Greifzu had brought his concern to a Council member, and was told to bring the letter and photos to City Hall to be placed on the agenda.

City Manager Taylor had a chance to look over the request and photos prior to the meeting. There were places where sidewalk is missing or in a state of disrepair. Potholes were present in the alley, which could easily be remedied with cold patch. Near the S. Camp Street address in particular, a piece of sidewalk was standing up that indicated more of a hazard than simply a broken sidewalk.

Councilman Brown asked whose department was in charge of such issues. The City Manager replied that the curbs would be under Street Supervisor Tom Umfleet, and the sidewalks would be under Sewer Department Supervisor Tony Steber.

Councilman McLaughlin asked how the City was made aware of areas that needed repair. He was unsure if the City sought out problems, or if the City waited for people to bring up the issues. The Councilman suggested there to be a master list of all roads in City limits with notes of the last maintenance type and date. The list of streets could also be ranked by condition.

City Manager Taylor commented that public commentary was a primary way that the City became aware of areas that needed attention. Councilman McLaughlin came back by saying that it should be someone's job to go around and notice what the conditions were of City streets and sidewalks. If the City did not have someone doing that, the Councilman felt that was a shame.

City Manager Taylor added that the previous Street Supervisor created a list as an effort to prioritize various streets. With sidewalks, Tony Steber was in possession of a list that he maintained and attempted to prioritize those needing repair. Mr. Taylor went on to state that the City had not been able to address any sidewalks in the current fiscal year primarily because of some changes in the Sewer Department resulting in new hires and the need for training.

Councilman McLaughlin also mentioned that S. Morgan Street, between Glenwood Avenue and Monroe Street needed maintenance.

Dr. Eckiss asked from the audience if the City was understaffed. Mayor Vaughn replied that based on all that was requested from the departments, the City was absolutely understaffed.

Looking at the agenda, Mayor Vaughn wondered if items 8-E, 8-F and 8-G could be approved in one motion. Mr. Taylor confirmed.

Councilman McLaughlin moved to approve Ordinances 2014-44 (Christmas lights), 2014-45 (uninterrupted power supply and multiple bicycles) and 2014-46 (Toro push mower), seconded by Councilman Ferguson. A majority affirmative voice vote was received.

8-E "Ordinance: Authorizing the Sale of Items of Personal Property - Incandescent Christmas Lights - Park Department" The Council was provided with a proposed ordinance to sell incandescent Christmas lights from the Park Department on GovDeals.com.

8-F "Ordinance: Authorizing the Sale of Items of Personal Property - Uninterrupted Power Supply & Multiple Bicycles - Police Department" The Council was provided with a proposed ordinance to sell an uninterrupted power supply and multiple bicycles to Scrap Daddy, Inc.

8-G "Ordinance: Authorizing the Sale of Items of Personal Property on GovDeals.com - LV19KA Toro Push Mower - Police Department" The Council was provided with a proposed ordinance to sell a LV19KA Toro Push Mower on GovDeals.com.

8-H "Presentation: Report from Police Pension Board and Formal Request for Tax Levy" The Council was provided with an electronic copy of Actuarial Variation Reports for both the Fire and Police Pension Boards from the Illinois Department of Insurance and an Actuarial

Valuation Report from Art Tepfer. In hard copy form, City Treasurer Sanders handed out a Required Reporting to Municipality by Pension Board Report as prepared by Richard Runyon, President of the Olney Police Pension Board.

The Police Pension Board approved requesting \$450,764.00 as the preferred tax levy amount. This amount was based on the minimum recommendation received from Art Tepfer. The Board also approved a Police Tax Levy requested range at a minimum amount of \$438,000.00 to a maximum amount of \$460,000.00.

Mayor Vaughn noticed that the prior year's contribution was roughly \$435,800.00, and that extra contributions were made in order to end at that amount. City Treasurer Sanders confirmed that an estimated \$40,000.00 was contributed. Also contributed were the funds collected from IMRF. Due to the continuous increase in contribution, Councilman McLaughlin wondered what the numbers would look like five years down the road. Because of many differing factors, Mr. Sanders was not sure how much the numbers would increase each year. Mr. Sanders did note that the \$450,764.00 reflected a change in method to help with stability.

City Manager Taylor told the Council that at this evening's meeting, the Council would need to establish the maximum amount for the levy. Further discussion could be had at the December 8, 2014 meeting. Final determinations would take place at a Special City Council meeting on December 15, 2014.

Mayor Vaughn felt that the City was still faced with an impending crisis in pensions. The statute limits the amount that can be invested in equities that could have a 1% - 2% rate of return. Therefore, the tax needed to be increased to make up for the short fall. The rate of return plus tax levy equals the net amount needed to go into the funds.

City Treasurer Sanders wanted to schedule a phone conference with Art Tepfer. Members of the Council were welcome to participate in the phone conference, along with the Police Pension Board.

8-I "Discussion/Authorization: Contribution of Additional \$50,000 Toward City's IMRF Funding Obligation" City Treasurer Sanders reminded the Council that for the IMRF tax levy last year, the City increased the estimated levy by approximately \$45,000.00. Mr. Sanders had the anticipation of making an additional contribution to the IMRF fund in December of 2014.

Looking at the IMRF cash balance, the City Treasurer recommended that the Council approve a \$50,000.00 additional contribution to the IMRF fund. December would be the best month to make the contribution as funds would be invested in January. If the contribution were made in any other month, the funds would sit idly.

The unfunded benefit obligation, as calculated, is \$2.8 million. This amount is a \$190,000.00 improvement compared to a year ago. The fund remains 58.48% funded.

City Manager Taylor added that another advantage to an additional contribution would be that it would decrease unfunded liability. There is a 7% interest rate charge on any unfunded liabilities.

The additional \$50,000.00 in funds would come from last year's increased levy for IMRF. Additional contributions were all that the monies could be used for. The City would be saving a 7% charge. In the IMRF ledger, the contribution would show up as an expense, but the tax levy would show up as a receipt of funds.

Councilwoman Thomas moved to make an additional \$50,000.00 contribution to the IMRF funding obligation in December of 2014, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

8-J "Discussion/Resolution: Estimate of Amount for 2014 Tax Levy" The Council was provided with a proposed resolution to have a 4.99% increase over the extensions for the 2013 levy for the City of Olney and a 4.66% increase over the extensions for the 2013 levy for the Olney Public Library, three options for the 2014 tax levy payable in 2015, and a sheet dictating pension funds for Fire and Police.

City Treasurer Sanders explained that the first five columns on the three option sheets were all the same to establish a base for comparison. The items with an asterisk were set at a maximum amount. The EAV was estimated at a 4.5% increase.

The Municipal Band fund was at a suggested increased of about \$8,000.00. The additional monies could be spent for new siding on the band shelter and potentially some repair work to the cement.

The second option was similar to the first option except that there were reductions in certain line items. It was suggested to eliminate those reductions. The option resulted in a \$70,992.00 total increase to the City of Olney and for the Olney Public Library, a 3.72% increase over this year's extensions.

Option three was also very similar to option one except that the liberty was taken to increase the Fire Pension extension with thought that a dollar amount could be found with a 4.99% increase for the City and a 2.72% increase in the Library. It was the City Treasurer's understanding that the City and Library are measured separately for the 4.99% rule.

Mayor Vaughn wondered if for the time being the Council could take option three, if they could come back at the next meeting and choose a different option at that time. City Treasurer Sanders confirmed.

City Manager Taylor told the Council that the proposed resolution used the dollars on option three for the City's portion of the taxes, excluding the Library. With the Library, option two was listed, which was the highest of the three.

It was Mayor Vaughn's preference to go with option two as a final number. If the levy was kept the same, he felt it would only cushion the impact if, for example, Workers Compensation jumped 15% in the next year.

Councilman McLaughlin wanted to make a specific note that by doing the math in option one, if adding IMRF, Fire/Police Pension, Social Security & Medicare, the numbers would make up 54% of the levy. When Unemployment Insurance and Workers Compensation Insurance were added, that would make up 62% of the levy. The levy would not be going towards any equipment or road improvements. The Councilman also added that he would be in favor of using Park and Cemeteries monies to fix up the Band Shell area instead of raising the property tax levy to \$8,000.00.

Councilman Brown asked, in option one, why \$8,400.00 less would be collected for Social Security & Medicare. City Treasurer Sanders answered that would be because the levy from last year was based on estimated payrolls for the upcoming year. So, actual payrolls are less because head counts are less. City Manager Taylor added that current fund balances and anticipated costs were also looked into. If the City ended up levying more in the previous year than needed, that would affect what would be needed in the future.

Councilman Ferguson moved to approve 2014-R-56 as presented, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

8-K "Discussion/Resolution: Accept Proposal from Kemper CPA Group for Audit Services for Three Years" The Council was provided with a proposed resolution to accept a proposal for audit and professional services from Kemper CPA group for three years and waiving formal bidding procedures, and a copy of Kemper CPA's proposal.

City Treasurer Sanders explained that the quote reflected a \$19,975.00 amount for each year of audit service for the next three years. If a single audit was required, an additional \$3,500.00 per year was quoted. City Manager Taylor and City Treasurer Sanders recommended acceptance of the proposal.

Mayor Vaughn moved to approve 2014-R-57, seconded by Councilman Brown. A majority affirmative voice vote was received.

8-L “Discussion/Resolution: Accept quotes for Liability, Property, Workers Compensation, and Miscellaneous Insurance Coverages for 2015” The Council was provided with a proposed resolution to accept quotes for liability, property, workers compensation and miscellaneous insurance coverages for 2015 from Arthur J. Gallagher & Co., and a premiums and fees comparison sheet.

The primary difference would be changing Argonaut and Endurance to Brit. Brit would include earthquake coverage. It was the City Manager and City Treasurer’s recommendation to go with the lower quote of \$187,081.00.

Cyber Liability was also proposed that would include data recovery, protection, etc. in case of a security breach. The coverage would also protect Police Department files. Also proposed was Storage Tank Pollution Liability. The storage tank coverage would protect five locations.

City Manager Taylor also informed that through the Illinois Public Risk Fund, the City was eligible for an \$8,398.00 grant. The City would automatically receive the grant, but the funds would only be eligible for certain types of equipment. The City could also be eligible for an additional \$5,000.00 if certain equipment was purchased from certain vendors.

Councilman McLaughlin moved to approve 2014-R-58, seconded by Councilwoman Thomas. A majority affirmative voice vote was received.

8-M “Discussion: Contract for Electrical Services for City Accounts After January 2015” About three years ago, the Council had approved electric services for City facilities through Homefield Energy. The agreement is set to expire in January of 2015. Homefield Energy could be negotiated with again, or an alternate supplier. The City could also use a third party consultant for rate negotiation, although the City Manager was not sure it would be worthwhile. The current rate is 4.507 cents per kilowatt-hour. The recently approved electric aggregation rate is 4.58 cents per kilowatt-hour. If the City took no action, they would be subject to Ameren’s rate which would be unknown.

Mayor Vaughn thought a similar deal should be investigated, and that Homefield Energy should be the starting point. The topic would be revisited at a later Council meeting.

8-N “Discussion/Approval: SOS Bucks for City Employees for Christmas” Councilman McLaughlin moved to approve SOS Bucks for City employees for Christmas, seconded by

Councilman Brown. A majority affirmative voice vote was received.

8-O "Discussion: East Fork Lake Shoreline Protection Project and EPA Grant" Following up from the Council meeting on November 10, 2014, City Manager Taylor had City Engineer Charleston determine if using remaining funds from the grant should be used to place some one inch stone and CA-6 over the new rip rap along the shoreline at East Fork Lake. City Engineer Charleston felt that having crews apply the stone properly would take too much man power, and the application would more than likely ruin what was just seeded and shaped. Mr. Charleston felt that nothing would be improved by adding the stone. Councilman McLaughlin wondered if not using all of the grant funds would make the City look bad in future grant requests. City Engineer Charleston did not believe so. The City would relinquish the remaining funds back to the EPA.

8-P "Proclamation: National Drunk and Drugged Driving (3D) Prevention Month 2014" The Council was provided with a proposed proclamation and news release to declare December National Drunk and Drugged Driving (3D) Prevention Month as provided from the Illinois Department of Transportation. Mayor Vaughn asked for the Council's approval for him to make the proclamation.

Councilman Ferguson moved to approve the proclamation and news release, seconded by Councilman Brown. A majority affirmative voice vote was received. Mayor Vaughn signed the proclamation.

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 Taylor. Mr. Taylor reported that one of the leaf vacuum machines was repaired and back on the streets. There was no lift of the burning ban.

Work was still taking place on the E. Main Street water main project. All service lines had been connected. Some sidewalk work, shaping and seeding needed to take place.

Mayor Vaughn noted that sales tax continued to be at an all-time high. The Mayor encouraged everyone to continue to shop in Olney. Councilman McLaughlin mentioned that the unemployment rate for September was the lowest it had been in four years.

Several dozen citizens had signed up for the ACH program as payment for their utility bills.

The Christmas Parade was set for November 29, 2014. Councilman McLaughlin mentioned that to date, 61 entries had been received. The Councilman also clarified that his no

vote on 2014-R-54 was due to the fact that he felt the bid should have been awarded to the company inside of City limits since the bids were so close in dollar amount.

AGENDA #10 “PUBLIC COMMENTS/PRESENTATIONS”

10-A”The White Squirrel Alone Can’t Save No Community-That’s Why Sometimes People That Degrade Others Need to Be Degraded to Know How It Feels” This topic was removed from the agenda as Mr. O’Neill was escorted out of the meeting during Agenda #7.

Shawn Tate also gave a public comment that was recorded during Agenda #7.

AGENDA #11 “CLOSED SESSION: SALE PRICE OF REAL PROPERTY; APPOINTMENT, EMPLOYMENT AND PERFORMANCE OF SPECIFIC EMPLOYEES AND REVIEW OF CLOSED SESSION MINUTES” Councilman Brown moved to adjourn to closed session to discuss the sale price of real property, and appointment, employment and compensation of specific employees and review of closed session minutes, seconded by Mayor Vaughn. A majority affirmative voice vote was received.

Councilmen Brown, Ferguson, McLaughlin, Councilwoman Thomas, Mayor Vaughn, City Manager Taylor, City Treasurer Sanders and City Clerk Sterchi left the Council Chambers at 8:27 p.m.

AGENDA #12 “RECONVENE OPEN SESSION” Upon the return of those who were in closed session to the Council Chambers, Councilman McLaughlin moved to enter back into open session, seconded by Councilwoman Thomas. A majority affirmative voice vote was received. Open session resumed at 10:49 p.m.

12-A “Resolution: Release Closed Session Minutes” The Council was provided with a proposed resolution to release closed session minutes. Mayor Vaughn moved to approve 2014-R-59, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

12-B “Resolution: Authorize Destruction of Audio Recording of Closed Session Minutes” The Council was provided with a proposed resolution to destroy audio recordings of closed session minutes. Mayor Vaughn moved to approve 2014-R-60, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

Mayor Vaughn revisited item 8-B “Discussion/Ordinance: Authorizing Sale of Municipally Owned Property (310 E. Main Street).” Mayor Vaughn moved to approve the sale of the property to the high bidder, Tommie Fehrenbacher in the amount of \$10,250.00. There was no second. The motion died due to no second.

Councilman McLaughlin moved to reject both bids, seconded by Councilman Brown. A majority affirmative voice vote was received with Councilwoman Thomas voting no, and Councilman Ferguson abstaining. The motion carried.

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

The meeting adjourned at 10:51 p.m.

Kelsie J. Sterchi  
City Clerk