

CITY OF OLNEY  
CITY COUNCIL MEETING  
AUGUST 12, 2013

AGENDA #1 “CALL TO ORDER” The August 12, 2013 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. Gary Wachtel 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 Larry Taylor, City Treasurer Chuck Sanders, City Engineer Roger Charleston and City Clerk Belinda Henton.

AGENDA #4 “PRESENTATION OF CONSENT AGENDA”

4-A Approve Minutes of Council Meeting on July 22, 2013

4-B Approve and Authorize Payment of Accounts Payable August 13, 2013-Pooled Cash \$173,047.21, Manual Pooled Cash \$179,366.07, Water Deposit Refunds \$1,353.43, MFT \$1,806.04 and Tourism \$1,864.00

4-C Application to Sell in City Park-East Orchard Christian Academy

4-D Raffle License-Richland County Homemakers Education Association

4-E Raffle License-American Legion Post #30

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.

AGENDA #7 “CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT AGENDA” No consideration was necessary for items removed from the consent agenda.

AGENDA #8 “PUBLIC COMMENTS/PRESENTATIONS”

8-A “Doll Street Repairs” Lee Laughlin addressed the Council and submitted a letter and petition concerning the road conditions of Doll Street and Eastgate Addition. Mr. Taylor explained that Street Department Supervisor Marty Nuss has been discussing the Eastgate area with City Engineer Charleston. There is hope that the storm sewer will be extended another two blocks on Eastgate, some curb replaced, zipper used to reshape the street and then oiled and chipped in September.

Mayor Vaughn questioned if the annual oil and chip program is going ahead of schedule. Mr. Taylor commented the program is not ahead of schedule, but on schedule. A number of streets were completed on August 5 and Monroe and Locust Streets will be oiled and chipped on August 21.

Lee Laughlin clarified they were on the schedule to get work done in September. Mr. Taylor clarified the work planned for Eastgate Street is to improve the flow of water. The entire subdivision cannot be done at one time. It is believed that working on the storm sewer on Eastgate will help take the water away from Doll, Shipley and Watson. Work can be done later on the curbs and street surfaces.

Mrs. Laughlin was hoping to get work done on the streets. She has seen some of the work the zipper has done and she believed it was doing a really good job.

Mayor Vaughn suggested that Mrs. Laughlin contact the City again if she has not seen work in the Eastgate Subdivision by mid to late September.

8-B "Storm Water from 800 Block of E. Main to Sunshine Village" Brian O'Neill complained about storm sewer work the City recently did. He commented that he taught the workers how to properly dig a hole.

He also commented on various properties that flooded during the last storm and blamed the flooding on the Sunshine Village because they altered a water way.

Councilman McLaughlin believes the City really needs to address street repairs. He recommended in the near future coming up with some type of long term plan on how to address street improvements. The plan should include time frame, financing and surface type.

Yvette Paddock, 506 N. Boone, requested that another Children Playing sign be placed in the 500 block of Boone. This matter was referred to Mr. Taylor.

#### AGENDA #9 "PRESENTATION OF ORDINANCES. RESOLUTIONS. ETC."

9-A "Presentation: 2012/2013 Audit" Ryan Hawkins, representing Kemper CPA Group, addressed the Council concerning the 2012/2013 audit. Prior to the meeting the Council was provided with a copy of 2012/2013 financial statements and letter prepared by Kemper. The letter has been discussed with Mr. Taylor, Mr. Sanders and Mrs. Eimer.

Mr. Hawkins explained there are new clarifying standards that have significantly changed the audit report. Mr. Hawkins reviewed the report.

Mayor Vaughn questioned the accounting of a loan for a future Sewer fund. Mr. Hawkins explained both the revenue from the loan and the expenses of the project would be indicated along with loan payments which would show a minimal change in cash flow depending on the debt retirement.

Mayor Vaughn's point was better cash flow would allow the City to fund more and bigger projects. Currently, only projects are being funded that can be afforded based on the current cash flow.

Mayor Vaughn discussed the unfunded pension plans. Mr. Hawkins explained when trying to set a levy, the City is working with information one year behind. The under funding percentage has increased from last year because new assumptions were made such as rate of return on investments and life expectancy has been extended. Mr. Hawkins reviewed various aspects of the pensions. Actuarial studies are working toward a 90% funding rate within 28 years.

Councilman Ferguson asked what can be done with the resources available to meet pension goals. Mr. Taylor commented there is always the possibility of levying additional funds or the Council can use other revenue sources such as reserves or sales tax to supplement the pension funds.

Councilman Ferguson questioned if costs can be passed on to the employees. Mr. Taylor explained the state statutes dictate the employee's contribution.

Mayor Vaughn noted that the City is spending 55% of all property tax revenue to fund pensions at the current level which is not keeping up. Councilman Ferguson commented to catch up quicker the City will have to find another source of revenue or increase the tax levy. If other sources are used, there may be other things that do not get done.

Mayor Vaughn commented that in the Notes to Financial Statements, there was a note that indicated the City was unable to prepare the financial statement footnotes. Mr. Hawkins explained this is a GASB requirement and considered an auditing risk, but this is noted in approximately 99% of the municipalities that they audit.

The Council requested additional time to review the audit before it is accepted.

9-B "Ordinance: Rezone 310 W. Butler from R-3 (Two-Family Residence District) to C-1 (Neighborhood Shopping District)" The Plan Commission recently met to consider the rezoning of 310 W. Butler from R-3 to C-1. The Council was provided with the minutes from the meeting and a proposed ordinance. Mr. Taylor explained Brad Cooley requested this change to allow him to continue to use this property as a hair salon. The Plan Commission recommended to allow this zoning change on a five to one vote.

Mayor Vaughn questioned if the alley behind Mr. Cooley's property is city-owned. Mr. Taylor explained the alley is city-owned, but has not been maintained.

Mayor Vaughn questioned if this rezoning request is approved, would the City incur any additional expense or responsibility for the alley. Mr. Taylor commented initially no, but if Mr.

Cooley makes improvements to alley, it may be necessary for the City to grade or add rock in the future.

Mayor Vaughn commented that the alley does not look like it is being used. Mr. Taylor commented that the City's maintenance obligation begins when the alley becomes a matter of safety or danger.

Mayor Vaughn questioned what is behind Mr. Cooley's building. Mr. Cooley answered nothing, but he has placed a barricade to keep vehicles in the alley and out of private property.

Mayor Vaughn questioned if the intent for using the alley is to allow Mr. Cooley's employees a place to park behind his building. Mr. Cooley confirmed that parking behind the building would be for his employees which would allow the customers to park on the street.

Mayor Vaughn noticed that there is over growth on both sides of the alley. He asked who is responsible for trimming this vegetation. Mr. Taylor indicated the City has the right to trim the vegetation if it extends into the alley or right of way.

Mayor Vaughn questioned if the alley goes all the way through. He was told it did.

Councilman McLaughlin moved to pass Ordinance 2012-26, seconded by Councilman Brown. Councilwoman Thomas, Councilman Brown, Mayor Vaughn and Councilman McLaughlin voted yes. Councilman Ferguson abstained. There were no opposing votes. The motion carried.

9-C "Request: Class S Liquor License - Knights of Columbus - September 14, 2013"  
The Council was provided with a Class S liquor license application for the Knights of Columbus for September 14, 2013 from 3:00 p.m. until 10:30 p.m. for the Blues Festival. The Richland County Recreation Council will be providing the crowd control. Mr. Taylor also noted that the 500 block of S. Whittle from Cherry Street to North Avenue will be blocked off during the event.

Hank Ginder explained this same event has taken place for the last three years.

Councilman McLaughlin moved to approve the Class S liquor license for the Knights of Columbus, seconded by Councilwoman Thomas. A majority voice vote was received.

9-D "Discussion: Musgrove Park Storm Water Detention" Mr. Charleston prepared two preliminary plans for the construction of storm water detention at Musgrove Park. The detention area is planned for the area between the sidewalk and the south property line. Each plan includes the construction of two basins, one will detain storm water toward the East Street side and the other on the Silver Street side. Each basin will be constructed as deep as possible to hold as much volume as possible. The 15-foot area between the detention basins and the property line can be used to plant the donated trees. There is also a piece of land between the basins which

will allow access on the south side of the basins for maintenance. The berms of the basins would be a 4:1 slope which will be easy to maintain.

The difference between the two plans is the slope of the bottom of the detention basins. One plan had a 1:1 slope and the other had a 1.5:1. The 1.5:1 would move water away more quickly and it would be more mowable, but has less volume. Mr. Charleston preferred the 1.5:1 because the bottom would be drier and easier to maintain.

Mayor Vaughn questioned the depth at full capacity. Mr. Charleston indicated the middle would be about 4.5 feet and at the deep end near Silver Street would be approximately 6 feet.

Mayor Vaughn asked how long will it take to drain if the basins are full. Mr. Charleston indicated within 24 hours. The size of the drain on the Silver Street side needs to be determined, but the maximum size on the East Street side will be 15".

Mayor Vaughn questioned what would happen during a major storm. Mr. Charleston explained an emergency overflow would direct the water to the north.

The preliminary estimate for this project is \$50,000.

Mayor Vaughn moved to approve the 1.5:1 water detention plan for Musgrove Park, seconded by Councilman McLaughlin. A majority voice vote was received.

Concerning funding for this project, Mr. Taylor commented that one possibility would be to amend the budget by using the \$50,000 that was budgeted for the VanSandt water retention project.

Mr. Charleston pointed out there will be excess dirt as a result of this project, but the City should keep this dirt for future projects. Money could be saved by having City vehicles haul the dirt off and stockpiled.

9-E "Resolution: Authorizing Execution of Service Agreement for Supply of Electricity for Residential and Small Commercial Retail Customers" Mr. Sanders and Mr. Taylor recently attended a meeting concerning electric aggregation. The City's current electric aggregation contract ends June 2014. Good Energy is considering bidding electricity as early as September to lock in lower rates on behalf of more than 100 communities comprising more than 400,000 customers. Current electric rates are low and expected to begin to rise. The bids would be for electric rates for the period beginning July 2014 after the current electric supply contract expires. If the City wants to be included in this bidding, a resolution authorizing someone to sign the new electric supply contract on the bid date needs to be approved. The bids are good only for that day. The Council was provided with the proposed resolution. If the bids are higher than the default rate, a contract will not be signed. If the default rate goes below the contract price, the contract is voided and the default rate is used.

Mayor Vaughn commented that the City's administrative fee can be determined at a later date. Mr. Taylor commented that during the first round of electric aggregation, the City did not require any renewable energy. The option of renewable energy also increases the cost of the electricity.

Councilman McLaughlin moved to approve Resolution 2013-R-45, seconded by Mayor Vaughn. A majority voice vote was received.

Mayor Vaughn questioned the criteria for a small retail customer. Mr. Taylor believed the criterion was 15,000 kWh or less of electrical use per year. Mr. Taylor believed Good Energy is willing to work with groups to get rates lower for businesses.

9-F "Discussion: Raffles/Progressive Jackpot" Mr. Taylor provided the Council with some information regarding the progressive jackpot raffle requested by the Eagles. Even though this raffle is not like most raffles, it appears that it has been viewed as a raffle by an administrative law judge with the Department of Revenue and perhaps the Department of Revenue itself. Based on the information Mr. Taylor found, it appears to be within the discretion of the City Council as to whether they want to approve the requested raffle.

Mayor Vaughn questioned the length of time for a raffle license. Mr. Taylor answered the City ordinance allows raffles for 90 days, but state statutes allow raffles to extend as long as one year.

Mayor Vaughn questioned if there is a problem if the jackpot has not been given away at the end of 90 days. Mr. Taylor did not have a problem with allowing a progressive jackpot more than 90 days if the Council is in agreement with issuing a new license after 90 days.

Mayor Vaughn did not have a problem with letting a jackpot roll over as long as the license is renewed every 90 days. Councilman Brown suggested in the future considering a longer term for raffle licenses.

Mayor Vaughn moved to approve the Eagles' progressive jackpot raffle license, seconded by Councilman Brown. A majority voice vote was received.

9-G "Ordinance: Adoption of an Ordinance Authorizing the Issuance of Up to \$650,000 Sewerage Revenue Bonds of the City of Olney, Richland County, Illinois, for the Purpose of Defraying the Cost of Acquiring, Constructing and Installing Improvements to its Sewerage Facilities" The Council was provided with a proposed ordinance that will begin the process of authorizing the issuance of up to \$650,000 of sewer revenue bonds in the form of an IEPA loan. Also included in the packet is a copy of a notice that will have to be published in the Olney Daily Mail in addition to the ordinance and a copy of a petition form which must be made available to individuals who might want to object to the borrowing of the funds and/or want the issue to be placed on a referendum at the next election. In order to require a referendum, the petitions must be filed within a 30-day period with signatures of 10% of the registered voters in Olney.

According to the County Clerk, the number of registered voters in Olney is 11,657. There must be at least 1,166 registered voters that sign the petition in order to force the referendum.

Mayor Vaughn asked what collateral EPA will require for the loan. Mr. Taylor explained sewer revenue will be pledged as collateral for the loan.

This loan will be for the replacement of the North Street pumping station and will eliminate the W. Elm pumping station.

Councilman Ferguson moved to pass Ordinance 2013-27, seconded by Councilman McLaughlin. Councilwoman Thomas, Councilmen Brown, Ferguson, Mayor Vaughn and Councilman McLaughlin voted yes. There were no opposing votes. The motion carried.

9-H “Ordinance: Amending Part-Time Wages” The Council was provided with a proposed ordinance changing the part-time wages in order to provide some additional compensation to those part-time employees that have CDL licenses and are actually used as operators on CDL vehicles. The current salaries for first and second year part-time employees is \$8.25 whether they have a CDL license or not. The third year salary is \$8.40 without a CDL license and \$8.75 with a CDL license. The proposal is to increase the non-CDL license salary for a second year part-time employee from \$8.25 to \$8.30 and increase the CDL license salary for a first year part-time employee from \$8.25 to \$8.50 and second year part-time employees from \$8.25 to \$8.65. This will encourage the use of part-time employees in those areas where a CDL license is required.

Councilman Ferguson asked if the City is having trouble getting qualified CDL employees. Mr. Taylor commented not many applicants have a CDL license.

Mayor Vaughn moved to pass Ordinance 2013-28, seconded by Councilman Brown. Councilmen Brown, Ferguson, Mayor Vaughn, Councilman McLaughlin and Councilwoman Thomas voted yes. There were no opposing votes. The motion carried.

9-I “Discussion: JEDS Board Budget” Councilman McLaughlin provided the Council with a copy of the proposed 2014 JEDS Board budget. The Council does not have to approve this budget, but Councilman McLaughlin wanted the Council to review the budget before he votes on this matter.

Councilman McLaughlin commented the City’s monthly cost for joint dispatch is a little more than \$17,000 per month. Mayor Vaughn questioned if there is savings for the City with joint dispatch. Mr. Taylor indicated there was a slight savings with payroll, but additional costs have been incurred because of new equipment.

9-J “Ordinance: Sale of Personal Property” The Council was provided with a proposed ordinance authorizing the sale and recycling of items currently owned by the City.

Mayor Vaughn moved to pass Ordinance 2013-29, seconded by Councilwoman Thomas. A majority voice vote was received.

9-K “Appointment: Airport Authority - Gary Houchin” Mayor Vaughn recommended the reappointment of Gary Houchin to the Airport Authority. Mr. Houchin’s term will be effective from 2013 through 2018.

Councilman Brown moved to reappoint Gary Houchin to the Airport Authority, seconded by Councilwoman Thomas. A majority voice vote was received.

Mayor Vaughn announced that Councilman McLaughlin is willing to represent the City of Olney on the Chamber of Commerce Board.

Mayor Vaughn moved to appoint Councilman McLaughlin to the Chamber of Commerce Board, seconded by Councilman Brown. A majority voice vote was received.

#### AGENDA #10 “REPORTS FROM ELECTED AND APPOINTED OFFICIALS”

10-A “City Manager - Status Report” Mr. Taylor and Mayor Vaughn recently attended a conference on fracking. If fracking proceeds in this area, it will bring several challenges that will need to be addressed.

Mr. Taylor reported that the oil and chip program is proceeding. Boone Street, Baird Street, York Street and Kitchell Avenue were prepared and oiled and chipped on August 5. Currently, they are working on Monroe Street and Locust Street which will be oiled and chipped on August 21.

The City has received the \$40,000 shoreline protection grant and addendum from EPA. Mr. Taylor will review these documents before they are returned to EPA. The basic agreement was presented to the Council a couple of meetings ago. Once the documents are returned, bids will be solicited.

Councilman McLaughlin questioned if Morgan Street will be oiled and chipped when the water line is completed. Mr. Taylor believed the plan is to tear up and reshape the surface.

Councilman McLaughlin expressed his desire that the old swing set at the City Park not be removed. Mr. Taylor has looked at the swing set and will do more investigation whether it has to be removed. The City received information from Illinois Risk Management that had guidelines for playground equipment. One guideline that this swing set does not satisfy is the height of the swing set cannot be any taller than 8 feet. Mr. Taylor will investigate this matter further.

Mr. Taylor reported the new playground equipment has been ordered. The equipment ordered last year is in and waiting to be installed.

AGENDA #11 “CLOSED SESSION: SALE PRICE OF REAL PROPERTY” Councilman McLaughlin moved to adjourn to closed session to discuss the sale price of real property, seconded by Councilman Brown. A majority affirmative voice vote was received.

Councilmen McLaughlin, Brown, Ferguson, Councilwoman Thomas, Mayor Vaughn, City Manager Taylor, City Treasurer Sanders and City Clerk Henton left the Council Chambers at 8:40 p.m.

AGENDA #12 “RECONVENE OPEN SESSION” Upon the return of those who were in closed session to the Council Chambers, Councilman Brown moved to enter back into open session, seconded by Councilman McLaughlin. A majority affirmative voice vote was received. Open session resumed at 9:42 p.m.

AGENDA #13 “ACTION ON CLOSED SESSION” No action was taken as a result of the closed session.

AGENDA #14 “ADJOURN” Councilman Ferguson moved to adjourn, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

The meeting of the City Council adjourned at 9:42 p.m.

Belinda C. Henton  
City Clerk