

CITY OF OLNEY
CITY COUNCIL MEETING
DECEMBER 9, 2013

AGENDA #1 “CALL TO ORDER” The December 9, 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 November 14, 2013

4-B Approve and Authorize Payment of Accounts Payable December 10, 2013-Pooled Cash \$90,554.17, Manual Pooled Cash \$121,331.51 and Christmas Light Display \$1,935.81

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 since no items were removed from the consent agenda.

AGENDA #8 “PUBLIC COMMENTS/PRESENTATIONS”

8-A “OPD Law Enforcement and Quick Fix to Reduce Crime” Once again Brian O’Neill accused local law enforcement and the states attorney of participating in “illawful” criminal and civil acts and not enforcing the law. He commented that if he becomes Sheriff there will be several handcuffs and chains in every vehicle so people can be chained and taken to jail. As usual Mr. O’Neill was video recording himself with his phone speaking to the Council. He informed the Council that next month there will be something a lot bigger. He intends to record anyone not doing their jobs and put it online. He warned “yous better watch out.”

Once Mr. O'Neill finished with his comments, Mayor Vaughn told Mr. O'Neill that he had told him before, in order to conduct these meetings in this closed room, he must bathe before he comes to the meetings. Mr. O'Neill replied he had. Mayor Vaughn told him it did not work. Mr. O'Neill raised his voice and explained it was because of his disability he had to take medicine that makes him smell. Mayor Vaughn commented he could bathe and put on clean clothes. Mr. O'Neill said he did before he came to the meeting. (Mr. O'Neill's clothes were visibly soiled.)

Mayor Vaughn told Mr. O'Neill since he had completed his comments, he wanted him out of the Council Chambers. Mr. O'Neill, once again in a raised and agitated voice, said he did not have to leave. Mayor Vaughn explained Mr. O'Neill was being disruptive to the meeting. Mr. O'Neill replied, "No I am not." Once again Mayor Vaughn told him he was being disruptive. Mr. O'Neill said disruptive was not a crime. Mayor Vaughn tried to ask Mr. Taylor a question, but was not able to complete his question because Mr. O'Neill was talking so loud. Mr. O'Neill quoted some lawsuit which he would use to sue Mayor Vaughn.

Mayor Vaughn again tried to speak, but was interrupted by Mr. O'Neill saying he could not be removed because he had the right to assemble. Mayor Vaughn explained he had an obligation to comply with the rules and he was being disruptive to the meeting. The volume of Mr. O'Neill's comments continued to escalate.

Mayor Vaughn told Mr. O'Neill his odor was disruptive. Mr. O'Neill returned his comment by saying Mayor Vaughn smelled and that was not a crime. He went on to say he was being discriminated against. He screamed he was not leaving and they could not make him move.

Police Chief Paddock and Officer Matt Clark approached Mr. O'Neill and asked him to gather his things and step out. Mr. O'Neill started screaming he was filing a law suit. When Mr. O'Neill made no attempt to gather his belongings, Chief Paddock started to pick up his tripod and Mr. O'Neill told him to get his hands off of his stuff. Chief Paddock said, "then pick it up and let's go." Mr. O'Neill stated the Police Chief was violating his rights. He than starting screaming "don't touch my property, get your hands off of my stuff. You don't have a search warrant." Chief Paddock told him he did not need a search warrant. Mr. O'Neill continued to scream he was going to file a lawsuit. Chief Paddock placed his hand on Mr. O'Neill's shoulder to escort him out of the room, Mr. O'Neill repeatedly screamed, "he hit me, you get your hands off of me, I will file a lawsuit against you officer." Mr. O'Neill was escorted out of the Council Chambers at approximately 7:07 p.m. As he left the Council Chambers, he began screaming obscenities at the Chief and officer. His voice was still heard for several more minutes screaming obscenities outside City Hall.

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

9-A "Ordinance: Special Use Permit for a Cellular Tower on Wheels at 1500 E. Main"
CellularOne submitted a petition for a Special Use Permit for the placement of a temporary tower on wheels at 1500 E. Main. The purpose of the tower is to provide more capacity and

coverage for their customers until a permanent tower is built. Four written objections were received from neighbors. After hearing the request and considering the facts, the Plan Commission voted 5-1 to recommend approval for the placement of a cellular tower on wheels at 1500 E. Main for a period of six months with an option to apply for an additional six-month extension. The Council was provided with the minutes from the Plan Commission and a proposed ordinance granting the requested Special Use a Permit.

Mayor Vaughn asked for a summary of the objections. Mrs. Henton explained three of the letters were not very descriptive, but the other letter was concerned the tower would decrease their property value.

Councilman McLaughlin asked about the plan for a permanent tower. Abby Kuhlig, CellularOne Store Coordinator, explained right now they plan to erect a temporary tower at this location to see how it impacts their service. They will then determine where a permanent tower can be located.

Councilman Ferguson asked how much area is needed for a permanent tower. Mrs. Kuhlig did not know.

Mayor Vaughn moved to pass Ordinance 2013-41, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

9-B “Resolution: MFT 2nd Revised Municipal Estimate of Maintenance Cost” The Council was provided with a proposed MFT resolution approving the 2nd Revised MFT municipal estimate of maintenance cost for the period from January 1, 2013 to December 31, 2013 totaling \$166,265.38. This updates the previous estimate to include actual costs for oil and chip, labor and equipment, and materials for the Eastgate storm sewer. This amended amount is actually less than what was budgeted. Once this resolution is approved by the Council, it will be submitted IDOT for approval. After IDOT has approved the resolution, the City will be able to be reimbursed for labor and equipment.

Councilman Ferguson moved to approve the MFT resolution, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

9-C “Resolution: Insurance Renewal with Arthur J. Gallagher & Co.” Arthur J. Gallagher & Co. (AJG) is the City’s broker for its property, portable equipment, auto, liability, crime, worker’s compensation insurance and earthquake policies. The City is in receipt of the renewal premiums for the various insurances the City has through Argonaut (Trident), IPRF, Endurance American and Hanover for the policy period of December 31, 2013 through December 31, 2014. The total premium increased from \$166,824 to \$200,457.

One of the main reasons for the increase is the addition of an earthquake policy. In the current policy, earthquake coverage is included. However, since Olney is relatively close to the Wabash and New Madrid fault lines, Trident is not including earthquake coverage, but proposed providing \$1,000,000 in earthquake coverage for an additional \$11,037. AJG solicited bids from

several different markets to provide \$5,000,000 in earthquake coverage which is the amount in the current policy. Endurance American submitted the low bid of \$17,619.

The City's worker's compensation insurance increased from \$92,417 to \$104,549 not only due to an increase in the rates, but because of an increase in the estimated payroll for 2014.

AJG has solicited bids for the City's insurance through various markets. The next comparable quote was from Brit/IPRF/Hanover, however, it was \$3,433 more than the premiums with the existing companies plus the \$5,000,000 earthquake coverage from Endurance American.

The Council was provided with a summary of the renewal premiums and a history of the premiums the City has paid since fiscal year 1999/2000. It was Mr. Taylor's recommendation that the City accept the quotes from Argonaut/Endurance American/IPRF/Hanover in the amount of \$200,457 which includes the \$5,000,000 earthquake coverage. The City Council will need to pass a resolution to bind the coverages as recommended.

Councilman McLaughlin moved to approve Resolution 2013-R-61, seconded by Mayor Vaughn. Councilman Ferguson, Mayor Vaughn, Councilman McLaughlin, Councilwoman Thomas and Councilman Brown voted yes. There were no opposing votes. The motion carried.

In order to control the commission fees generated by these premiums, Mr. Taylor suggested entering into multi-year contract with the broker. This way the commission would be set at a flat rate. The Council was willing to allow the staff to negotiate the commission with the broker. The Council will be advised of the negotiated rate before a contract is finalized.

9-D "Resolution: Notice of Intent to Award Bid for North Street Sanitary Pump Station Replacement Project" Three bids were opened on December 3 for the North Street Sanitary Pump Station Replacement project. These bids were detailed on the bid tabulation provided to the Council. Bids have been reviewed by staff and Charleston Engineering. Paul Muhs from Charleston Engineering submitted a letter of recommendation to award the bid to Haier Plumbing in the amount of \$511,997.61. Since this project is being financed through a low interest loan from IEPA, before a formal award can be made, the IEPA will need to concur with the Notice of Intent to Award. The Council was asked to approve a Resolution of Notice of Intent to Award which was included in their packet.

Councilman Ferguson moved to approved Resolution 2013-R-62, seconded by Councilwoman Thomas. Mayor Vaughn, Councilman McLaughlin, Councilwoman Thomas, Councilmen Brown and Ferguson voted yes. There were no opposing votes. The motion carried.

9-E "Discussion: Tax Levy" The Council was provided with a 2013/2014 tax levy extension worksheet. A portion of the worksheet contained the proposed tax levy for 2013/2014 totaling \$1,916,609 or 4.99% increase over the 2012/2013 extensions as discussed during the last City Council meeting. Mr. Taylor commented that approval of the tax levy was not being

requested at this time, but staff would like to get a sense of what the Council wants to do so the tax levy ordinance can be prepared for final approval at the special meeting on December 16.

The proposed tax levy included the amounts staff believed are necessary for the various individual levies plus additional funds to supplement IMRF, Police Pension and Fire Pension to the extent possible. The additional funding for the pension levies was distributed on a pro-rata basis based on the amount of under funding for each fund.

Because of past discussions of the Council, Mr. Sanders explained the proposed levy for Fire Pension is \$32,716 greater than what the actuarial report suggested. He proposed allocating a part of that amount to the cost of the fiduciary liability insurance premium and the cost of hiring a third party actuary. The Police Pension was \$98,317 greater than the actuarial report and once again a portion of that will be allocated to the cost of the fiduciary liability insurance premium and the cost of hiring a third party actuary. IMRF was \$45,458 greater than the suggested actuarial contribution.

The Council discussed the state actuarial reports and the possibility of hiring a third party actuary.

Mayor Vaughn asked the amount of under funding for all three funds. Mr. Sanders replied the total under funding for all three funds is approximately \$10,000,000.

Councilman Brown asked once the tax levy is approved, can the Council put less into the pension funds. Mr. Taylor answered no. What is levied has to go into those funds, but the levy for IMRF could be decreased in subsequent years if there is enough in that fund.

Councilman Ferguson questioned how much IMRF will be funded by the water and sewer funds. Mr. Sanders clarified water and sewer funds will finance their portion of IMRF, FICA, Workmen Comp., unemployment and liability insurance. Water's portion of IMRF is \$90,430 and sewer's is \$46,952.

Councilman McLaughlin believed it was time to do something about the pension under funding. Councilwoman Thomas agreed something needed to be done. Mr. Taylor did not believe the state pension fix would have any affect on the City's pension funds.

Councilman Brown believed the state actuarial report should be used until a third party actuary can be hired. He did not believe the state is providing good numbers. Mr. Sanders commented the City has followed the state recommendation for years, but the pension funds are substantially under funded.

Mr. Sanders pointed out if the EAV goes up 5.224% and the City increases the tax levy by 4.99%, the actual overall tax rate will decrease.

Instead of throwing more money at the pension funds, Mayor Vaughn believed the Council needs to discuss the overhead costs for the pension funds to be able to solve the under funding problems.

Mayor Vaughn noted last year the City paid 16.25% for the required IMRF contribution. Most other entities are paying between 12% and 14%. The City is among the highest rates in Illinois. The Council questioned why the City pays such a high rate.

Mayor Vaughn gave the staff the go ahead to prepare a proposed tax levy which would include the hiring of an actuary for the Fire and Police Pension funds and allot additional funds to the pension funds for under funding. After next week's meeting, the Council needs to have a discussion about how to slow down pension costs.

A special meeting will be held on December 16 at 7:00 p.m. to approve the tax levy.

AGENDA #10 "REPORTS FROM ELECTED AND APPOINTED OFFICIALS"

10-A "City Manager - Status Report" Mr. Taylor reported plans are being made to go out for bid for the Main Street Waterline Replacement project on February 5, 2014.

Mr. Taylor received word that the City can proceed with the Safe Routes to School grant project. The bid letting is on the state's schedule for April 25, 2014. This project will include the construction of a sidewalk from the high school, east on Laurel to Jackson, Jackson to Scott, Scott to Van, Van to Hall, Hall to Holly and Holly to the elementary school. Councilman Ferguson requested a map of the proposed sidewalk project.

A letter was received from the Illinois Environmental Protection Agency concerning an inspection of the wastewater treatment plant made in June 2013. The wastewater treatment plant was in substantial compliance with the terms and conditions of the National Pollutant Discharge Elimination System permit. Mr. Taylor congratulated Supervisor Tony Steber and his employees for the work they do at the plant.

Mr. Taylor reported a lot of salt and sand have been used on the streets since the snow and ice was received last week. Crews continue to work on the streets.

Mayor Vaughn thanked the Carrie Winter's Trust for the grant they awarded to the City again this year for the summer recreation program.

Mayor Vaughn commented because of the recent snow and ice, the roads need a lot of work, but City crews are doing the best they can under the circumstances.

AGENDA #11 "ADJOURN" Councilwoman Thomas moved to adjourn, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

The meeting of the City Council adjourned at 8:06 p.m.

Belinda C. Henton
City Clerk