

CITY OF OLNEY  
CITY COUNCIL MEETING  
MARCH 24, 2014

AGENDA #1 “CALL TO ORDER” The March 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. John Monroe 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 Kelsie Sterchi.

AGENDA #4 “PRESENTATION OF CONSENT AGENDA”

- 4-A Approve Minutes of Council Meeting from March 10, 2014
- 4-B Approve and Authorize Payment of Accounts Payable March 25, 2014-Pooled Cash \$71,477.66, Manual Pooled Cash \$5,103.76, Water Deposit Refunds \$1,021.78, Motor Fuel Tax \$4,874.33 and Tourism \$9,870.00
- 4-C Raffle License-Olney Lions Club
- 4-D Raffle License-Backyard Bloomers Garden Club
- 4-E Raffle License-MS Join the Movement

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 “Brian O’Neill” Brian O’Neill, 818 E. Main, began by reminding the Council that he would be an upcoming presidential candidate. Mr. O’Neill claimed that the attacks on 9/11 were due to officials in the United States government leaking too much private information. Mr. O’Neill explained that he was involved in an incident where justice on his part was not served.

After the incident, he went undercover, called the Defense Department in Washington, D.C. and received privileged information. The ease of access to such information concerned Mr. O'Neill, specifically with respect to the Armed Forces, for safety reasons. Mr. O'Neill then gave an example of how easy it would be for him to swallow a chip that held audio recordings of top secret information and then take that information to the Middle East to use against our country.

8-B "Request: Liquor License" Roxanna Behnke of the American Legion was present to answer any questions regarding the application to transfer their liquor license to a new location for the 2014-2015 year. The American Legion sold their prior building because it was too large and not easily handicap accessible. They were wanting to rent the location at 227 E. Main St. because it was ground level and was still in close proximity to their previous location. The intention would be that the new location would be permanent. The contract stated they would be locked in for at least five years. The Legion had plans to use the front of the property for dining and events such as Bingo. The back portion would be used for the bar and entrance to the bar area would be off of Market St., not Main Street. The exception to the rule would be if someone wanted to use the property for an event such as a wedding. In that circumstance, the partition would be opened to allow attendees through the dining and bar areas with ease.

Mayor Vaughn had received phone calls expressing concern on potential parking issues at the proposed location. Ms. Behnke explained that parking would be available behind the Olney Daily Mail, behind 227 E. Main St. and also at the municipal parking lot. A few of the elderly members may want to park on Main St. for ease of entry to the building.

City Manager Taylor advised the Council that even though the American Legion was still in possession of a liquor license, a request to transfer would still need to be approved by the Council. Without Council approval, the Legion would forfeit their licensure.

Mayor Vaughn asked the audience if anyone would like to speak for or against the application. Karen Bell, owner of Wildwoods Gallery & Framing, spoke against the application. Ms. Bell had concerns regarding parking during the daytime hours. She felt the City's two hour parking limit was difficult to enforce which could lead to parking issues for customers of businesses on Main Street. Secondly, Ms. Bell felt that the Legion's type of business may not best represent the other businesses on Main Street. In addition, many of the Main St. businesses brought children to the area. The difference in demographics may not be a good mix.

As clarification, Mayor Vaughn asked City Manager Taylor what the current smoking restrictions were. City Manager Taylor answered that smoking would need to be done outside and 15 feet away from the entrance. Ms. Behnke added that she did not expect many people stepping out on Main St. to smoke. Most of the members who would smoke would be at the bar portion of the Legion. Because of this, the easiest way out of the building to smoke would be through the bar entrance on the back side of the building.

Councilman McLaughlin moved to approve the liquor license transfer for the American Legion, seconded by Councilman Brown. Councilwoman Thomas, Councilmen Brown, Ferguson, McLaughlin and Mayor Vaughn voted yes. There were no opposing votes. The motion carried.

Before moving on to Agenda #9, George Hostettler wanted to address the Council regarding his concerns on the potential water and sewer rates. Mr. Hostettler wanted to know why commercial businesses could receive a break on their rates. His opinion was that general members of the public would have just as hard of a time adjusting their fixed budgets as a larger commercial user would. He felt that everyone was a member of the same community and should be held to the same obligations.

Mayor Vaughn attempted to explain where the differentiating factor was and explained that even more details would be given during topic 11B. The Mayor then invited Mr. Hostettler to stay and receive all of the information regarding the potential rate increases. Mr. Hostettler did leave before the discussion of topic 11B.

#### AGENDA #9 “PRESENTATION OF ORDINANCES, RESOLUTIONS, ETC.”

9-A “Resolution: Approve Bids for Crushed Stone, Sand and RipRap” The Council was provided with a proposed resolution to accept the only bid for crushed stone, sand and riprap. Charles Heurman Trucking was the sole bidder. City Manager Taylor recommended approval for the Option 2 period. Mayor Vaughn exited the meeting at 7:16 p.m. Councilman Ferguson acted as the Mayor pro tem.

Councilman Ferguson moved to approve Resolution 2014-R-11, seconded by Councilman McLaughlin. Councilmen Brown, Ferguson, McLaughlin and Councilwoman Thomas voted yes. Mayor Vaughn was absent. There were no opposing votes. The motion carried.

9-B “Resolution: Approve Bids for Concrete” The Council was provided with a resolution to accept the bid from Schrey Systems, Inc., Option 2, for seven different mixes of concrete. Doll’s, Inc. was an additional bidder. Schrey Systems, Inc. was lowest bidder for both options. City Manager Taylor recommended approval for Schrey Systems, Inc. for Option 2.

Mayor Vaughn re-entered the Council Chambers at 7:18 p.m.

Councilman Brown moved to approve Resolution 2014-R-12, seconded by Councilwoman Thomas. Councilmen Ferguson, McLaughlin, Brown, Councilwoman Thomas and Mayor Vaughn voted yes. There were no opposing votes. The motion carried.

9-C “Ordinance: Sale of Personal Property-Fire Department” The Council was provided with a proposed ordinance to sell property from the Fire Department along with a list of proposed items. Fire Chief Holmes was present to answer any questions.

Councilwoman Thomas moved to approve Ordinance 2014-06, seconded by Councilman Ferguson. A majority affirmative voice vote was received.

9-D “Discussion: Parking at Musgrove Park” City Manager Taylor wanted to discuss this topic as the warmer weather was arriving and ball season was quickly approaching. There have been issues with parking at the park near the swimming pool and at the driveway of the swimming pool. The curbs of the circle drive at the pool had been suggested to be painted in order to discourage parking at that location. Restricted parking on Florence Dr. near the west end of the swimming pool was also suggested.

Three members of the Council were under the impression that about six months ago the City had already decided to restrict parking at that site. City Manager Taylor would check further into that information.

The discussion was tabled until more information was gathered and presented at the next City Council meeting.

9-E “Discussion: Proposed Amendment to Liquor License Classification” The Council was provided with an updated copy of Section 5.12.060 of the Olney Municipal Code for the proposed changes to liquor license classifications. City Manager Taylor explained that the primary purpose for the changes was to clarify that restaurants and taverns would differ from video gaming establishments. There were no changes since the last meeting on the Class V license language. The City Manager did add language to the Class W. This change would allow for wine tasting events to be conducted by wine makers at their establishments. The previous language only permitted package sale. Any tastings would have needed to take place in a different establishment that held a license allowing for liquor consumption.

City Manager Taylor pointed out that what was not included were fees for the new Class V. There were also no changes on the number of licenses allowed for video gaming establishments. To date, video gaming establishments were classified as taverns (Class A) and had a \$1,700 per year fee.

Mayor Vaughn moved to approve the changes to create Ordinance 2014-07, but to give the Class V license a \$2,800 per year fee, seconded by Councilman McLaughlin. Councilwoman Thomas, Councilmen Ferguson, McLaughlin and Mayor Vaughn voted yes. Councilman Brown voted no. The motion carried.

9-F “Resolution: Approve a Project Site for Courthouse Improvements to Be Financed Under the Public Building Commission Act” The Council was provided with a proposed resolution to approve a project site for courthouse improvements financed under the Public Building Commission Act, along with a specific description of where the improvements would take place. The Council had no questions.

Councilman Ferguson moved to approve Resolution 2014-R-13, seconded by Mayor Vaughn. A majority affirmative voice vote was received.

9-G “Discussion: Proposed Sale of Personal Property-Fire Department” The Council was provided with a memo from Fire Chief Rusty Holmes requesting advice on the potential sale of the SCUBA truck and equipment. Chief Holmes explained that the City had not had a working dive team for the past 10 years, and no one was trained or able to perform an underwater rescue. Mayor Vaughn asked what the price would be to replace the equipment, if so needed in the future. Chief Holmes thought the price would be near \$50,000 as that was how much it cost to purchase the equipment. The nearest underwater rescue teams were based out of Clay County and Vincennes Township.

Mayor Vaughn suggested to store or use the truck as excess equipment. He felt if the equipment would be needed in the future, the price would be too great.

9-H “Resolution: Authorize Driveway and Storm Sewer Work at Musgrove Park & Waive Formal Bidding Procedures” City Manager Taylor indicated that there had been discussion on making a wider drive at Musgrove Park. The City would also need to reconstruct areas on the property to extend the storm sewer to the detention area.

City Engineer Charleston explained the need to widen the driveway of Musgrove Park was to create a two-way roadway. In doing so, a new culvert would be needed. Also at that time, the goal would be to be able to take storm water down a 21" pipe to the west detention cell. The storm sewer work would need to be done before the driveway, and he would like to have the projects completed before the ball season starts. Ball season was set to begin within three to four weeks. City Engineer Charleston felt that was enough time to complete the project.

Councilman McLaughlin again wondered if the topic had already been discussed and approved. City Manager Taylor replied that the work had been discussed but there had been no approval on the monies needed. The estimated cost for the storm sewer was \$15,000. The labor from Doll’s, Inc. to install the storm sewer would be \$7,000. The concrete work was estimated at \$4,800. None of the pricing included work to widen the driveway farther back. The total price for the project was estimated at \$26,800 about six months ago. The City would also need crushed stone at the end of the drive. The current estimate did not include that pricing. City

Engineer Charleston felt confident that the entire project could be completed with a maximum expenditure of \$30,000.

Councilman Brown moved to approve Resolution 2014-R-14, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

Mayor Vaughn adjourned the meeting at 7:50 p.m. for a short break. The meeting reconvened at 7:56 p.m.

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

10-A “City Manager - Status Report” The Council was provided with a Status Report from City Manager Taylor. Mayor Vaughn requested to move on to Agenda #11. Item 10-A was revisited for discussion at 9:10 p.m.

City Manager Taylor pointed out that the City’s leaf collection program was in process and the spring collection would be completed as of Friday, March 28.

Sales tax was at an all-time record high. This increase was largely due to the new store openings at the Richland County Mall earlier in the year.

#### AGENDA #11 “2014/2015 BUDGET DISCUSSIONS”

11-A “General Corporate” The Council had been provided with a hard copy and e-mail version prior to the meeting of the General Corp Proposed Budget 2014-2015 packet. The Summary Recap listing showed a negative \$515,000 exceeding revenue.

City Treasurer Sanders detailed upcoming projects that would largely contribute to the deficit. A few of these projects were the Pacific Cycle Roof Repair, Boone Street Grant/Disbursements and the Fire Department Engine Replacement Reserve. The reserve was not a true disbursement, but was really a transfer of funds from unrestricted into a designated account for capital purchases.

In the Board of Fire & Police Commissioners category, City Manager Taylor explained the increase of \$5,000 in the Professional Services line item was due to upcoming eligibility testing for the Police and Fire Departments. The last time that the Board had any expenditures was in the 2011-2012 fiscal year.

Mayor Vaughn asked if the Projected 2013-2014 items were based on budget estimates or actual dollar. City Treasurer Sanders replied that the Projected 2013-2014 items were based on actual dollar plus estimating the last few months of that fiscal year.

The Server line item in the Administrative category is for a new server that would be utilized for both City Hall and the Police Department. The current servers are in desperate need of replacement and instead of purchasing two, it would be easier and less expensive to install one server at the Police Department and run a line over to City Hall.

In the City Clerk category, the Banners line item should have actually read zero. The City was recently able to purchase two seasons worth of banners due to a sale.

In the City Treasurer category, City Treasurer Sanders explained that a single audit was anticipated due to over \$500,000 of grant income. A single audit would be more expensive.

Mayor Vaughn asked if the City was still part of a Fire Protection District. Chief Holmes confirmed. The Mayor was curious as to why the contribution from the Fire Protection District for the past three years had remained flat but the expenditures in the Fire Department continued to increase. The Mayor wondered if any additional monies from the district could be attained. Chief Holmes was unsure how to do so without raising any levies. He would investigate more, but felt that everything was being taxed at a maximum.

After touching on the Police Department Personnel Expenditures, Councilman Ferguson asked City Manager Taylor if he had yet heard any updates on health insurance changes. The City Manager explained that he had received rate changes and the rates had increased about 4%.

City Treasurer Sanders made some points in regard to the Parks & Cemeteries category. The Old Mausoleum Roof projected budget would not be \$10,000 as originally anticipated. According to the Park Department Working Foreman Jeremy Thomas, the roof may only need a few hundred dollars worth of repair.

Additionally, the \$38,640 in the Musgrove Park Detention line item for year 2013-2014 includes transporting of the dirt piles currently located at Musgrove Park. City Engineer Charleston suggested that the west pile could be used to develop the field on the west end. The east dirt pile could be transported to the firing range to help level out that area.

In the Street Department category, Councilman Brown wanted to know what kind and how many employees were figured into the Permanent Employees line item. City Treasurer Sanders replied that the total was calculated based on seven full-time employees plus the supervisor.

For the Donations (RCRC) line item in Sidewalks, Signs & Paint, City Treasurer Sanders explained that those funds were received through RCRC for the extension of the sidewalk to Miller's Grove. The Miller's Grove sidewalk work was not included in the Sidewalk Repair & Maintenance line item.

At the conclusion of the General Corp Proposed Budget 2014-2015 presentation, Councilman McLaughlin felt he would be in favor to cut out a few of the capital expenditures for one year and instead use those funds to improve City infrastructure. He felt the infrastructure was much more needed than, for example, a dump truck or fire equipment.

Mayor Vaughn added that he would like to see summaries of payroll broken down by department. In that breakdown, he would like to see sections for payroll, IMRF and health insurance history for the past three years. Once the Mayor could review those numbers, he would be better able to evaluate how pensions are being funded. According to his knowledge, 55% of property tax monies were being used to cover pension obligations. The Mayor would be interested in having the City show the taxpayers that any tax or rate increase would also improve City efficiency. Included in the payroll summaries, Councilman Ferguson requested to see the breakdown per department with the number of employees there are now versus several years ago. City Treasurer Sanders replied that he could create the breakdown that the Council was looking for.

Mayor Vaughn then asked the City Manager what his recommendation would be to reduce pension costs. City Manager Taylor thought that some savings could be found in suggested capital purchases that could be denied. Another option over the long term would be to reduce the personnel costs which would then reduce liability. The Council could also take money from reserves to help fund any under funding.

The Mayor was also interested in why Olney was paying in at such a high rate of 16.85% when the City was seemingly doing all of the right things. City Manager Taylor was also unsure. City Treasurer Sanders confirmed that the City was working off of the State's actuarial numbers. Investment returns from 2007-2008 did take quite a dip, but as of the current year, they had recovered. The City Treasurer offered that an outside actuary could be used to confirm or correct the State's calculations, but only for Fire Department and Police Department Pensions.

Motor Fuel Tax and other miscellaneous budgets will be presented at the April 14, 2014 Council meeting. The 2014-2015 fiscal year budget needs to be approved by the end of April.

11-B "Budget Discussions" The Council was provided with a Water/Sewer Rates Option 4 Description and charts showcasing a summary of Option 4, Olney Rates Year 4 vs. Other Communities, Option 4 6,000 Gallon Usage and Water Rates Only by Tiers.

The tier system ran in consumption categories of the first 2,000 gallons, the next 48,000 gallons, the next 50,000 gallons, the next 150,000 gallons and over 250,000 gallons. Commercial businesses or residential properties, each account would pay the same amount in

rates dependent upon their consumption. The more gallons used, the more of a rate discount there would be.

City Treasurer Sanders presented that in the new Option 4, year 1 would give an overall rate increase of 8.9%. Year 2 would have a 6.43% increase and year 3 a 6.25% increase. The sewer rate would be one rate regardless of volume used. Option 4 would provide the smoothest transition into the increases. The billing fee for water and sewer has also been adjusted. The City Treasurer could not see the logic in charging two different rates for the same amount of work therefore, the billing fee was leveled to \$1.06 per water unit and per sewer unit.

If water and sewer rates were left as is, the deficit to the City would be a negative \$80,000 in sewer and a negative \$470,000 in water. The water deficit would include the funds needed to complete the E. Main St. Watermain project.

The new debt service fee would be for capital projects such as replacement of watermains. The debt service fee would be placed in a separate account, and the accumulated funds would be designated for such projects. Councilman McLaughlin made the point that he would want to see capital projects completed instead of simply accumulating funds in a reserve.

City Treasurer Sanders gave the example of the painting of the water tower project. One hundred sixty thousand dollars was in a designated account for the project. The City Treasurer anticipated another \$100,000 being added to the account in April 2014. While the total of \$260,000 would not be enough to complete the project, steps were being taken to collect the funds that were needed. A similar system would be used for other capital projects courtesy of the debt service fee.

At the end of the third year in this option, the increase would be fully implemented. At that time, the rates could again be re-evaluated and perhaps in the fourth year, the rates could increase or even decrease.

Mayor Vaughn moved to approve water and sewer increases as presented in Option 4, seconded by Councilman McLaughlin. Councilmen McLaughlin, Ferguson, Councilwoman Thomas and Mayor Vaughn voted yes. Councilman Brown voted no. The motion carried.

AGENDA #11 "CLOSED SESSION: SALE PRICE OF REAL PROPERTY AND APPOINTMENT, EMPLOYMENT AND PERFORMANCE OF SPECIFIC EMPLOYEES AND COLLECTIVE NEGOTIATING MATTERS" Councilwoman Thomas moved to adjourn to closed session to discuss the sale price 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 Brown, Ferguson, McLaughlin, Councilwoman Thomas, Mayor Vaughn, City Manager Taylor, City Treasurer Sanders and City Clerk Sterchi left the Council Chambers at 9:12 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 Councilwoman Thomas. A majority affirmative voice vote was received. Open session resumed at 10:55 p.m.

AGENDA #13 “RECONVENE OPEN SESSION” No action was taken as a result of the closed session.

13-A “Resolution: Release Closed Session Minutes” The Council was provided with a proposed resolution to release sets of Closed Session minutes, full and partial, from 2012. Councilman McLaughlin moved to approve Resolution 2014-R-15, seconded by Councilman Brown. A majority affirmative voice vote was received.

13-B “Resolution: Authorize Destruction of Audio Recording of Closed Session Minutes” The Council was provided with a proposed resolution to release sets of Closed Session audio recordings from 2012. Councilman McLaughlin moved to approve Resolution 2014-R-16, seconded by Councilman Brown. A majority affirmative voice vote was received.

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

The meeting of the City Council adjourned at 10:56 p.m.

Kelsie J. Sterchi  
City Clerk