

CITY OF OLNEY
CITY COUNCIL MEETING
MARCH 11, 2013

AGENDA #1 “CALL TO ORDER” The March 11, 2013 meeting of the Olney City Council was called to order at 7:30 p.m. in the Council Chambers of the Olney City Hall located at 300 S. Whittle Avenue, Olney, Illinois, with Mayor Mark Lambird presiding.

AGENDA #2 “PLEDGE OF ALLEGIANCE TO THE FLAG-PRAYER” Council members and visitors joined in the pledge of allegiance to the flag. Jeff Bent led the group in a prayer.

AGENDA #3 “ROLL CALL” The following Council members were present: Barb Thomas, Gary Foster, Brad Brown, Bob Ferguson and Mark Lambird. 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 February 25, 2013
- 4-B Approve and Authorize Payment of Accounts Payable March 11, 2013-Pooled Cash \$149,078.76, Manual Pooled Cash \$130,623.15, Water Deposit Refunds \$923.96, Levied Insurance \$789.47 and Christmas Light Display \$215.80
- 4-C Raffle License-Olney Lions Club Foundation, Inc.
- 4-D Raffle License-Eagles 2549 (Tuesdays)
- 4-E Raffle License-Eagles 2549 (Thursdays)

AGENDA #5 “REMOVAL OF ITEMS FROM CONSENT AGENDA” No items were requested for removal.

AGENDA #6 “CONSIDERATION OF CONSENT AGENDA” Councilman Brown moved to approve the consent agenda, seconded by Councilman Ferguson. A majority affirmative voice vote was received to approve the consent agenda.

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

AGENDA #8 “PUBLIC COMMENTS/PRESENTATIONS”

8-A “Dispute of Natural Flow of Water” Brad Cooley, 205 E. Florence, explained his backyard floods because the neighbors at 1306 N. Fair have a berm in their backyard that obstructs the natural flow of water. In the past Mr. Cooley has talked to the City Manager, Mike Mitchell and Street Department Supervisor Jay Scott concerning this problem. He questioned who built the berm. There used to be a ditch behind the houses, but it is no longer there. He has

hauled in 27 tons of dirt to build up his yard, but it has not completely corrected the problem. He would like to have the problem rectified.

Mr. Taylor was not sure who built the berm, but the City may have been involved. Mr. Charleston has looked at the situation, but elevations need to be taken.

Mr. Taylor commented that in 1990 the City obtained an easement for a sewer line in this area. A 7 ½ foot easement was received from homeowners on both sides of the sewer line. There may have been something that should have been done to address the storm water. Mr. Taylor was not sure what transpired since that time.

Councilman Foster suggested Mr. Charleston look at the situation and make a recommendation.

8-B "City of Olney Government, Ch 65 ILCS/City Codes" Brian O'Neill distributed copies of the City Code Chapter 15.36 and discussed properties of Tom Fehrenbacher that he thought were not in compliance.

Mr. O'Neill once again told the Council the City is violating the law by not having no smoking signs at Musgrove Park.

Mr. O'Neill stated if he were Mayor, he would make sure everyone is doing their job.

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

9-A "Ordinance: Authorize Sale of Personal Property" The Council was provided with a proposed ordinance outlining items to be sold. Some of the items are being proposed for sale through GovDeals.com online auction service, the stop signs will be sold for scrap and the fire hose will be sold or disposed of as deemed appropriate by the City Manager.

Councilman Foster thought there would be construction people that might be interested in obtaining some fire hose or people to use it on boat docks. He believed it should be offered for sale on GovDeals.com.

Councilman Ferguson moved to pass ordinance 2013-10, seconded by Councilwoman Thomas. A majority affirmative voice vote was received.

9-B "Request: Class S Liquor Licenses" Bart Zuber made application for a special use liquor license for the Gypsy for June 15, 2013 which will be their annual concert. The request for a special use permit for June 8, 2013 for the Farm Bureau has been withdrawn.

Mr. Zuber requested that the 200 block of S. Whittle Avenue be closed from 1:00 p.m. until 1:00 a.m. The concert will conclude at midnight, but he wanted to allow time for clean up. Ophelia's has been consulted about the street closing. They have requested that the street not be closed until 1:00 p.m. Mr. Zuber proposed the same crowd control that has been used in the

past. Fencing will be put up on the north and south ends of the 200 block. Extra employees will be provided for security and identification will be checked at the gate.

Councilman Foster commented he would vote to approve this event, but asked that Mr. Zuber discuss this event with Police Chief Paddock first.

Police Chief Paddock and Mr. Zuber stepped out of the Council Chambers to discuss the event.

9-C “Discussion: Installation and Maintenance of Sewer Lines” The Council was provided with information from various city codes concerning the installation and maintenance of sanitary sewer service lines serving private properties. The general consensus of the various codes was the cost of the installation of sanitary sewer laterals is the responsibility of the homeowner. Mr. Taylor commented only a couple of municipalities assume any responsibility for the maintenance of any part of the sanitary sewer laterals. Mr. Taylor explained ultimately it is the Council’s decision to determine who maintains sewer laterals. Currently, the code does not impose any maintenance of sewer laterals on the City.

Councilman Brown asked if Mr. Taylor was concerned with the cost of the City maintaining service laterals or the location of lines. Mr. Taylor explained there are better records for the location of water service line because of meters. A lot of times the City does not know the location of sewer laterals. He was also concerned with the cost and the manpower required to assume this responsibility.

The Council asked Sewer Department Supervisor Tony Steber’s opinion. Mr. Steber explained it was not feasible to take on this responsibility because of manpower and equipment.

Councilman Foster agreed with Mr. Taylor and Mr. Steber. The Council has put additional work on the Sewer Department with the sign and sidewalk work. The idea of assisting homeowners with installing and maintaining sewer laterals sounded good, but the City cannot do everything for everybody even though they would like to. Also, the City would be taking on extra cost when less and less funding is available.

Councilwoman Thomas questioned the procedure when an individual makes a sewer repair in the street. Mr. Taylor explained a deposit is made to ensure the street is repaired. When the street is repaired, the homeowner receives all of the deposit except the inspection fee.

Councilman Foster questioned the requirements for blacktop street cuts. Mr. Taylor explained the repair would be made by the homeowner and then the City would finish with asphalt.

Mr. Zuber and Chief Paddock returned to the Council Chambers. Chief Paddock indicated he had no problems with Mr. Zuber’s proposal for the June 15 event.

Councilman Foster moved to approve the Class S Special Use liquor license for June 15, 2013, seconded by Councilwoman Thomas. Councilmen Brown, Ferguson, Mayor Lambird, Councilwoman Thomas and Councilman Foster voted yes. There were no opposing votes. The motion carried.

9-D “Resolution: Support of Illinois Oil and Gas Industry” The City was asked to support the use of fracking in the oil and gas industry in Illinois. The Council was provided with a proposed resolution of support.

Councilman Foster understood the state is working with EPA and other oil business people who are trying to come up with legislation in regards to water contamination. If they are able to come to an agreement to satisfy all the entities, he would not have a problem supporting this resolution.

Councilwoman Thomas moved to approve Resolution 2013-R-09, seconded by Councilman Foster. Councilman Ferguson, Mayor Lambird, Councilwoman Thomas, Councilmen Foster and Brown voted yes. There were no opposing votes. The motion carried.

9-E “Resolution: Kemper Letter of Engagement” Kemper CPA Group has submitted a proposal for the 2012/2013 fiscal year audit. The proposal of not to exceed \$18,915 is comparable to previous years that did not require a single audit for federal grants. A resolution authorizing the execution of the letter of engagement was provided to the Council.

Mr. Sanders reported that last year the annual reports for the Fire and Police Pension Funds were brought back in-house which saved approximately \$1,000. This year the 1099R’s were brought back in-house which should save another couple hundred dollars.

Councilman Foster asked if Kemper will have a different auditing team complete the audit. Mr. Sanders anticipated the same team. Kemper is required to rotate the audit team, but not every year.

Councilman Foster asked if Kemper will provide actuarial information to determine if funding is adequate for the pension funds. Mr. Sanders explained the actuarial information is provided by the Illinois Department of Insurance.

Councilman Foster moved to approve Resolution 2013-R-10, seconded by Councilman Brown. A majority affirmative voice vote was received.

9-F “Ordinance: Establishing Salary for Police Chief” An ordinance setting the salary of the new Police Chief has not been passed even though his salary was agreed upon at hiring. The salary was effective as of January 7, 2013.

Councilwoman Thomas moved to pass Ordinance 2013-11, seconded by Councilman Ferguson. Councilwoman Thomas, Councilmen Foster, Brown, Ferguson and Mayor Lambird voted yes. There were no opposing votes. The motion carried.

9-G “Resolution: Utility Easement Agreement-DG Partners LLC” The City received a proposed Utility Easement Agreement with DG Partners LLC which will grant the City an easement primarily for the water and sewer mains which will service the new Dollar General store on E. Main. The developer will be constructing the water and sewer mains. The easement runs from Van Street east along the south side of the Dollar General property.

Councilman Foster moved to approve Resolution 2013-R-11, seconded by Councilman Brown. A majority affirmative voice vote was received.

9-H “Discussion: Recycling Fees” City Treasurer Sanders prepared some information regarding the recycling program and a proposal to change the monthly charge. Mr. Sanders proposed cutting the monthly charge from \$3.50 to \$1.75 based on the current number of participants. It was also proposed to reduce the monthly charge to \$1.65 if the number of participants increases to 1,420. The reduction in price is an enticement for increased participation. It was proposed the Council could adopt an ordinance that would automatically implement the reduced rate of \$1.65 if the trigger number is met without having to bring this issues back to the Council. The pricing can always be reconsidered during the preparation of subsequent budgets.

Councilman Foster was in favor of getting more people involved.

Councilman Brown asked if weekly pick up was considered and keep the rate the same. Mr. Sanders said that was considered. Currently, the program is breaking even picking up every other week, but it would not break even with every week pick up.

Councilman Brown asked what cost savings can bring the fee down to \$1.75. Mr. Sanders proposed exchanging the 3/4 ton for a smaller truck and a smaller trailer. There is a need for the 3/4 ton truck in another department and another department has a need for a larger trailer. The remaining balance of the loan can be offset by these changes.

Councilwoman Thomas questioned if the downsized equipment can handle increased participation. Mr. Sander explained increased participation will only require more trips to Secure Processors to unload.

Councilman Brown inquired when will the loan will be repaid if the rate remains the same. Mr. Sanders said the loan will be paid in full next year at this time. The other internal adjustment factor in lowing the rate to \$1.75 is doing away with the \$5,400 administrative fee. Mr. Sanders suggested eliminating this charge.

Councilman Brown wanted to hear more about the use of the truck and trailer in the other departments before a decision is made to lower the recycling rate.

Councilman Ferguson questioned if lowing the recycling fee would entice people to participate.

AGENDA #10 “REPORTS FROM ELECTED AND APPOINTED OFFICIALS”

10-A “City Manager - Status Report” Mr. Taylor reported he will be attending a meeting hosted by Good Energy on March 13 in Charleston. The meeting will update communities about electric aggregation and residential natural gas bulk purchasing.

Mayor Lambird noted this week is MS Awareness week.

Councilman Foster questioned the capital outlay report concerning recycling bins. Mr. Sanders will look into this matter.

AGENDA #11 “2013/2014 BUDGET DISCUSSIONS”

11-A “Water Fund” Mr. Sanders reviewed the proposed Water Operations and Maintenance budget. The Water Fund utility income for next year has been lowered compared to the current year’s income. Due to last year’s drought, income was more than anticipated.

Included in the proposed revenues was \$157,500 from reserves for the painting of the Washington Street water tower, an air scour system, radios for the water towers and repairs to the East Fork Lake dam.

Health insurance and Workman’s Comp. was budgeted with a 10% increase. IMRF was also budgeted to increase next year. These proposed increases will affect all departments with personnel services.

Councilman Foster questioned the total number of employees at the Water Plant. Including Water Plant Supervisor Frank Bradley there are six.

Proposed capital outlay included \$15,000 for East Fork Lake dam repairs, \$17,500 for radios for the water towers, \$17,000 for a ½ ton pickup truck and \$25,000 for an air scour system.

The Water Distribution Department is budgeting for an additional employee for a total six employees. Mr. Taylor explained an employee will be retiring early in 2015 leaving the department with very few employees with much experience. Mr. Umfleet would like to hire someone before the next employee retires so they can be trained. Keeping the staffing level at six would be helpful for construction work and water line breaks. Currently, the Water Distribution Department has to use employees from other departments to accomplish some of the work. This can be a hardship on the other departments.

Councilman Ferguson questioned the anticipated health insurance increase. Mr. Taylor explained the proposed budget includes 10%, but staff recently learned the actual increase will be between 7% and 8%.

The proposed budget includes \$20,000 for the replacement of meters.

Councilman Foster asked if the staff has heard anything from the Energy Systems Group about the replacement of meters. Mr. Taylor has had two meetings with representatives from ESG. They were supposed to provide additional information. Part of the information has been provided, but additional information is still needed.

Proposed capital outlay included \$100,000 put into reserves for the painting of the Washington Street water tower, \$100,000 for water main replacement, \$5,000 for a 3" trash pump and \$40,000 put into reserves for a backhoe. The backhoe will not be purchased until 2014/2015.

Councilman Ferguson questioned the size of the Washington Street water tower. Mr. Charleston indicated it was 500,000 gallons. The projected cost to paint the tower is \$400,000. Councilman Ferguson questioned the cost of a new water tower. Mr. Charleston did not know the exact cost. Councilman Ferguson questioned if it would be better to build a new tower than to paint the old tower. Mr. Charleston will check into this possibility.

The proposed surplus for the Water Fund is \$477.

11-B "Sewer Fund" Councilman Foster questioned the industrial waste charges. Mr. Steber explained the charges are for excess waste being disposed of in the sewer by Prairie Farms, Richland Memorial Hospital and National Vinegar.

Councilman Foster questioned the total number of employees at the Sewer Plant. Including Sewer Plant Supervisor Tony Steber there are six.

Mr. Sanders explained the operating transfer in represents funds received from the levy for labor related expenses. The inter-department reimbursement is basically for labor of Sewer Plant employees working for the Sidewalks, Signs & Painting Department. Also included in the proposed income is \$33,000 from reserves.

Proposed capital outlay included \$10,000 for meters. This expense is shared with Water Distribution. Mr. Sanders suggested moving this expense from capital outlay to supplies or contractual services. Other proposed capital outlay expenses were \$30,000 for sewer line replacement, \$8,500 for a filter building water well pump, \$25,000 for a 3/4 ton pickup truck, \$185,000 for turbo blowers and \$10,000 to rewire the secondary digester.

The Council questioned the need for the 3/4 ton truck. Mr. Steber explained it is needed to pull the skid steer around.

Councilman Foster requested a spreadsheet detailing information about all of the trucks.

Councilman Foster asked about the turbo blowers. Mr. Steber explained the turbo blowers would replace the existing blowers that supply air to the activated sludge. There would be 5, 100 hp blowers. The new blowers have variable frequency drives which will be more efficient and they would eliminate existing leaks.

Mr. Sanders explained one loan will be paid off in June 2013 in the amount \$42,000, but \$71,186 was budgeted in anticipation of a new loan for the North Avenue lift station project. A pre-loan application had been submitted for the lift station project.

Councilman Ferguson questioned the status of the inventory. Mr. Sanders reported all of the information has been put together. Reports need to be generated and distributed. Councilman Ferguson would like to see the inventory information for each department as the budget process is started.

Councilman Ferguson would like for Mr. Umfleet to submit a memo to the Council on the benefits and effectiveness of an additional employee.

The proposed surplus for the Sewer Fund is \$455.

11-C "Tourism Fund" Mr. Sanders explained the hotel/motel tax is budgeted slightly lower for next year because of a downward trend. The lower tax income does not mean lower occupancy, but the motels are having more long term occupants.

Councilman Brown questioned the Tourism reserves. Mr. Sanders believed reserves were approximately \$40,000.

Councilman Brown question if there are any plans for the Tourism reserves. He was not afraid to use the reserves for a worthwhile project or promotion. City Clerk Henton discussed the development of a grant application for the Tourism fund.

Councilman Brown than asked about General Corporate reserves. Mr. Sanders stated lately there has been some interest in cash reserves. General Corporate has a cash balance of \$4,100,000 which includes money for the Pacific Cycle roof repair.

Councilman Brown questioned how that compares to past years. Mr. Sanders reported four years ago the balance was \$600,000 higher of which \$400,000 was Pacific Cycle roof reserve balance.

Councilman Brown requested Mr. Sanders to prepare a historical detailing of reserves.

AGENDA #12 "COLLECTIVE NEGOTIATING MATTERS AND APPOINTMENT OR EMPLOYMENT OF SPECIFIC EMPLOYEES" Councilman Foster moved to adjourn to closed session to discuss collective negotiating matters and appointment or employment of specific employees, seconded by Councilwoman Thomas. A majority affirmative voice vote was received.

Councilmen Foster, Brown, Ferguson, Councilwoman Thomas, Mayor Lambird, City Manager Taylor, City Treasurer Sanders and City Clerk Henton left the Council Chambers at 9:16 p.m.

AGENDA #13 “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 10:19 p.m.

AGENDA #14 “ACTION ON CLOSED SESSION” No action was taken as a result of the closed session.

Mayor Lambird reported there is a healthy sweet gum tree located in the right of way on the north side of 403 S. Richland. Robert Hubble is complaining that the roots of this tree have infiltrated his sewer lateral and caused a backup resulting in the damage of his furnace and causing damage to his foundation. He would like to have the City cut down the tree. Mr. Hubble is willing to take care of the wood if the City will cut down the tree and haul off the limbs.

Mayor Lambird noted that the Street Department is getting ready to cut down a large number of trees that are damaged or dead. Mayor Lambird believed the Street Department should take down the tree if they could.

Mr. Taylor commented ordinarily the City does not cut down live trees. Councilman Brown did not see any reason not to take down the tree especially if it is causing damage to the sidewalk. Councilman Foster believed the City needs a tree planting program.

Mr. Taylor explained this tree was inspected by the Street Department Supervisor and Mr. Mitchell also took pictures of the tree. Mr. Taylor will also look at the tree.

AGENDA #15 “ADJOURN” Councilman Foster moved to adjourn, seconded by Councilman Brown. A majority affirmative voice vote was received.

The meeting of the City Council adjourned at 10:27 p.m.

Belinda C. Henton
City Clerk