

CITY OF OLNEY
CITY COUNCIL MEETING
NOVEMBER 12, 2013

AGENDA #1 “CALL TO ORDER” The November 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. Steve Wingert led the group in a prayer.

AGENDA #3 “ROLL CALL” The following Council members were present: Barb Thomas, John McLaughlin, Brad Brown, Bob Ferguson and Ray Vaughn. Also present were City Manager Larry Taylor, City Treasurer Chuck Sanders and City Clerk Belinda Henton. City Engineer Roger Charleston entered later in the meeting.

AGENDA #4 “PRESENTATION OF CONSENT AGENDA”

4-A Approve Minutes of Council Meeting on October 28, 2013

4-B Approve and Authorize Payment of Accounts Payable November 13, 2013-Pooled Cash \$138,559.83, Manual Pooled Cash \$107,247.15, MFT \$18,834.77 and Christmas Light Display \$3,039.44

4-C Raffle License-OCC Athletics

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 Brown moved to approve the items on the consent agenda, seconded by Councilman McLaughlin. 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 “Right to Bear Arms and Constitution” Brian O’Neill discussed the 2nd amendment which is the right to bear arms. According to Mr. O’Neill citizens do not have a right to bear arms, it is a privilege. He also discussed where firearms are allowed and the requirement of signs if firearms are prohibited along with other requirements.

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

9-A “Presentation: Sewer Department Projects and Needs” Tony Steber, Supervisor of the Sewer Department, was present to discuss future needs for his department. The Council was provided with a list of needs and estimated costs. Mr. Steber reviewed the list.

Mr. Charleston entered the meeting at 7:08 p.m.

Mr. Steber explained the solids from the sludge lagoon need to be cleaned out. It would be more efficient and quicker to contract this work. The estimated cost was \$20,000. The lagoon was built in 1985 and has never been cleaned out. The solids are building up in the lagoon and the Sewer Department is behind in sludge hauling because of the weather.

The 1985 Field Gymmy is used to distribute the sludge. This piece of equipment needs to be replaced. Mr. Steber has looked into a different type of sludge handling system which de-waters the sludge before it is distributed. Currently, after sludge is digested, it is transferred to the lagoon for storage. The Field Gymmy then injects the sludge into the soil. The new system de-waters the sludge and then it could be distributed by a dump truck and then disced or plowed into the soil. The new system would cost approximately \$260,000 for equipment and a shed. The purchase of a new Field Gymmy would cost approximately \$280,000. The sewer plant generates approximately 3,000,000 to 3,500,000 gallons of sludge each year.

Councilman Ferguson asked if there is any privatized use for this municipal waste. Mr. Steber indicated it was possible, but it would be hard. He suggested giving it away if someone would haul it. It would have to be documented with EPA where the sludge is being taken.

A new permit for the Sewer plant will be due in 2015. Mr. Steber expects that the federal EPA will require additional testing and the disinfection of effluent. Ultraviolet light will probably be the cheapest route to achieve the disinfection requirement.

Currently, samples are sent off for testing to Peoria. Because of the new testing requirements and the cost of shipping and testing, it would be more economical to have in-house testing equipment.

In the past there has been discussion about replacing the blowers at the sewer plant. Currently, there are five blowers, each run by a 100 horsepower motor. Consideration has been given to replacing the existing blowers with turbo blowers with variable frequency drives. New blowers will have better technology and be more energy efficient.

Screening is the first process at the sewer plant. Currently, they use a bar screen which manually rakes off foreign materials such as wood, plastic and rags materials. These materials are then sent through a grinder. A better grinder is needed. If these materials are not processed properly, it creates problems with the equipment in other parts of the plant.

At some time in the future, the 28-year-old grit machines and pumps need to be replaced. This process collects rocks and sand so it does not get into equipment and settle in the tanks.

Filter cells are the last stage of the sewer plant system. Currently, there are four filters which are self-contained cells made out of metal. Mr. Steber would like to upgrade to an under drain system.

Mr. Steber explained a storage building would be beneficial because there are currently 11 vehicles or pieces of equipment that are stored outside.

Mr. Steber summarized the sewer department has 21 lift stations, the oldest built in the 1960's; 42 pumps costing between \$1,800 to \$30,000 each; 42 check valves; 21 control panels; 300 to 400 manholes in the collection system and 60 miles of sewer mains.

Another problem the sewer department faces is water infiltration. This is caused by bad joints in the mains, sump pumps and down spouts incorrectly hooked up. Councilman Ferguson asked if any headway has been made on decreasing water infiltration. Mr. Steber indicated no, it is hard to find infiltration when it is happening because the pipes are full. The sewer plant smokes areas to help find locations of infiltration.

Mayor Vaughn asked Mr. Steber's first priority for improvements at the sewer plant. Mr. Steber indicated the sludge disposal system because the current system is very inefficient. He expects it will cost the City \$15,000 to dispose of the current sludge in the lagoon, but it would only cost \$20,000 to have it professionally emptied and cleaned.

Mayor Vaughn commented the turbo blowers were budgeted this year, but not purchased. Mr. Taylor indicated some of the money was used for blower line replacement. This project will be started soon.

Mayor Vaughn commented he saw nothing budgeted for the depreciation of equipment. Mr. Taylor commented a number of years ago money was set aside for equipment replacement, but this is not currently being done on a regular basis. The audit does reflect depreciation.

Mayor Vaughn pointed out most of the money for sewer comes from usage fees, but a major project usually requires a long term loan or grant. Mr. Taylor indicated there are reserves. These reserves occurred because of cash left over from the budget. The reserves are not specifically dedicated for replacement projects, but can be used for that purpose.

Councilman Ferguson commented rates would have to be increased to be able to set aside funds for equipment.

Councilman McLaughlin questioned the sewer reserves. Mr. Sanders indicated \$900,000 of which \$700,000 is unrestricted, \$160,000 is reserved for capital improvements, \$128,000 has been set aside to guarantee the principal and interest payments on a loan. Sewer reserves cannot be used for any thing else beside sewer expenses.

9-B "Resolution: Accept Quote for Blower Variable Frequency Drive" The Council was provided with a memo from Sewer Department Supervisor Tony Steber and a proposed

resolution accepting a quote for the purchase and installation of a variable speed drive for the blowers at the sewer plant. Two quotes were received. The lowest quote was from Olney Quality Electric, Inc. of Olney in the amount of \$19,500. The low bid was recommended along with waiving the formal bidding procedures. Currently, blowers are run wide open with no way to turn them down.

Councilman McLaughlin moved to approve Resolution 2003-R-58, seconded by Councilwoman Thomas.

Mayor Vaughn questioned if the turbo blowers were going to be purchased within the next couple of years, would a variable frequency drive be needed. Mr. Steber replied no, but the purchase of the turbo blowers could be put off until the frequency drive wears out. At that time, turbo blowers could be considered.

Councilwoman Thomas, Councilmen Brown, Ferguson, Mayor Vaughn and Councilman McLaughlin voted yes. There were no opposing votes. The motion carried.

9-C “Resolution: Tax Levy” Mr. Sanders distributed and explained a worksheet concerning the tax levy. The first column represented the 2012 tax levy collected in 2013. At the time the levy is prepared, the assessed valuation is not known so the staff does their best at guessing. Last year they guessed \$93,845,000, but when the EAV was set it was \$94,756,000. A dollar amount is actually levied, and last year’s amount was \$1,631,047. Because of the unknown EAV, the tax rates are not actually the same as anticipated. Rather than levying .25 for General Corporate they actually levied .2476.

The second column was the 2014 tax at the 2013 rate. Based on discussions with the Richland County Supervisor of Assessments, the EAV is estimated as \$99,706,162. This is a 5.224% increase over the prior year. This column illustrates the impact of a tax levy if the same rates are maintained. The higher EAV causes the levied dollar amount to increase.

The third column represents the staff’s best estimate of what could be needed for a tax levy. IMRF, Fire Pension, Police Pension and several other levied items show increased amounts.

The last column is an attempt to show the amounts levied for the various items with no more than a 4.99% increase. This scenario results in significant decreases compared to this year even though the tax levy is \$91,000 more.

Councilman McLaughlin pointed out approximately 55-60% of the tax levy goes to pensions.

Mayor Vaughn commented there is a \$70,000 increase in IMRF expense and \$30,000 in Police Pension expense for estimated requirements. If the pensions are not funded through the tax levy, General Corporate will have to supplement these accounts. If the under funding is not dealt with now, the pensions will continue to take larger and larger percentages of the revenues.

Mayor Vaughn questioned if any of the IMRF expense is being paid out of the sewer fund. Mr. Sanders answered no. Mayor Vaughn commented a portion of the IMRF expense could be paid out of the sewer fees instead of taxing homeowners through the tax levy.

Mayor Vaughn asked how much time the Council has to study this information before a decision has to be made. Mr. Taylor explained the Council has to approve a tax levy by December 16 so it can be filed by the fourth Tuesday in December. The state statute requires the Council to determine the estimated amount of the tax levy at least 20 days prior to the passage of the tax levy ordinance in order to know whether a truth in taxation hearing is required. A truth in taxation hearing would be required if the proposed tax levy exceeds the previous year's tax extensions by more than 5%. If a truth in taxation hearing is required, a notice must be published in the Olney Daily mail no more than 14 days nor less than 7 days prior to the hearing.

Mayor Vaughn commented just because the EAV has increased, the taxing bodies should not be entitled to an increase. The taxing bodies should be asking for more money only if there has been an increase in need. The City's need has increased dramatically for IMRF, Police and Fire Pensions and Workmen's Comp. insurance.

Even if the tax levy is kept flat, because of increased EAV, a truth in taxation would be required.

Councilman McLaughlin believed the Council needs to explain to the residents that tax increases are due to pensions and money going to fix streets is actually decreasing.

Mayor Vaughn believed the water and sewer funds need to fund their portion of the levy. Councilman Brown agreed. The Council needs to know how much water and sewer should be responsible for before a determination can be made on the levy. This information will be made available by the next meeting.

Chris Roberts commented on how reserves should be used.

9-D "Discussion: Fiduciary Insurance for Fire and Police Pension Boards" The Council was provided with a memo from Mr. Sanders concerning fiduciary insurance quotes the Fire and Police Pension Boards received.

The Fire and Police Pension Boards are responsible for overseeing, managing and investing funds for their respective boards. The City does not have liability insurance on the members of either of these boards. Mr. Taylor explained these boards are an arm of the City, but independent.

Mayor Vaughn questioned if the board members are indemnified for their lawful acts. Mr. Taylor answered no. Mayor Vaughn questioned if the City is obligated to indemnify them, and are they any different from other volunteers appointed to a City board. Mr. Taylor explained there is nothing in the statutes that require the City to indemnify the pension board members.

Mayor Vaughn questioned if one policy could be purchased for both boards. Mr. Taylor explained the disadvantage would be all board members would share in the liability limit.

Mayor Vaughn wanted to make sure board members were protected from law suits with no merit. Board members would not be covered from wrong doing such as embezzlement.

Mr. Sanders clarified one of the quotes received was for coverage for both boards under the same policy, but included an amendment that excluded claims relating to insufficient contributions. Only one insurer provided quotes for coverage as requested which was from the Federal Insurance Company, a Chubb company.

Councilman McLaughlin questioned who should pay for the premium for the insurance. Mr. Taylor indicated the City can reimburse the pension funds or the funds could pay the premiums and become more underfunded. The City ultimately pays for the under funding through a tax levy.

Councilman Brown advised that the request for fiduciary insurance is fair and reasonable, but moved to fund the insurance through the individual pension funds, seconded by Mayor Vaughn. A majority affirmative vote was received.

9-E “Discussion: Dirt at Musgrove Park” Mr. Taylor has researched several options to remove the excess dirt at Musgrove Park. It is estimated to cost \$25,000 to have the dirt hauled off. Another option is to use the dirt in Musgrove Park. It was estimated to cost \$9,000 to \$10,000 to remove top soil, spread the clay and then replace top soil.

Councilman McLaughlin handed out a diagram showing potential development of Musgrove Park based on his meeting with the sports groups.

Mr. Taylor also indicated the City could use the dirt to fill in the pond located north of Pacific Cycle, but the City does not have the equipment and manpower to haul the dirt quickly.

When the storm water detention basins were originally discussed, Councilman McLaughlin thought the Council was told the City would not have a problem hauling the dirt off. Mr. Taylor clarified the City has the ability to haul the dirt, but with all of the other projects, it cannot be disposed of quickly.

Councilman McLaughlin commented the dirt will most likely be used as a sledding hill during the first snow fall. He was concerned with liability.

Councilman Brown suggested using the dirt as needed, and hopefully by next summer it will be gone. Mr. Taylor indicated that was a possibility.

Mayor Vaughn did not believe the Council needed to decide where the dirt will be used, but allow the staff to make those decisions.

Mr. Taylor commented that there are individuals interested in purchasing small amounts of the dirt, but there is not much interest in selling it all because it is not top soil.

Councilman McLaughlin asked for this item to be on the agenda because the Council was told the City could move the dirt and it has been two to three months since the basins were dug and the dirt is still there. He did not care what is done with the dirt, but he did not want to see the dirt still there next summer.

9-F “Ordinance: Sale of 1968 Chevrolet Snorkel Fire Truck” Councilman Ferguson moved to pass Ordinance 2013-37, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

9-G “Resolution: Accept Quote for Lettering and Graphics for Snorkel Truck” Mayor Vaughn moved to approve Resolution 2013-R-59, seconded by Councilman Brown. A majority voice vote was received. Councilman McLaughlin voted no. The motion carried.

9-H “Resolution: Approve Affiliation Agreement with IECC Regarding the Use of Firing Range and Building for Concealed Carry Courses” This matter was tabled pending response from the IECC.

The Council recessed from 8:59 p.m. until 9:03 p.m.

AGENDA #10 “REPORTS FROM ELECTED AND APPOINTED OFFICIALS”

Danny Morgan, senior vice commander at the VFW, did not understand why a veteran’s organization should be required to have liability insurance for special events. The VFW’s insurance does not cover events off their premises, and they cannot afford to purchase additional insurance.

Mayor Vaughn explained the Council has been debating this issue for several months. He explained the reason for requiring this insurance, but explained a solution has not been decided.

Councilman Ferguson suggested the VFW request money from the Tourism fund to purchase liability insurance.

Chris Roberts then asked if the City was willing to supply insurance. It was explained the City does not sell insurance.

Councilman McLaughlin distributed and reviewed information to the Council concerning tort immunity.

Councilman McLaughlin questioned if event sponsors do not want to protect themselves, why should the City tell them they have to be protected. Mayor Vaughn explained if a horrific accident occurs, only the City will be standing there with insurance.

10-A “City Manager - Status Report” Mr. Taylor reported the deadline for entries for the Christmas parade is November 15.

The City has received the fully executed agreement between the Department of Commerce and Economic Opportunity and the City for the Main Street water line.

The annual leaf pickup program is proceeding.

10-B “City Manager - Removal of Swing Set” This matter has been discussed several different times. Recently, Park Department Supervisor Frank Bradley called the Council members to discuss the situation with the swing set. The swing set does not meet standards and it will interfere with the new playground equipment.

Mayor Vaughn moved to go with the recommendation that the old swing set be removed, seconded by Councilwoman Thomas. Mayor Vaughn, Councilman McLaughlin, Councilwoman Thomas and Councilman Ferguson voted yes. Councilman Brown voted no. The motion carried.

10-C “City Manager - Community Video Tour Agreement with CGI Communications” In the past the City has entered into an agreement with CGI Communications, which provided a link on the City’s website to a video about Olney. CGI solicits advertising which is displayed along with the video. The advertising funds the cost of producing the video. There is no cost to the City for the video.

The Council had no objections to entering into another contract with CGI Communications.

AGENDA #11 “CLOSED SESSION: SALE PRICE OF REAL PROPERTY AND APPOINTMENT OR EMPLOYMENT OF SPECIFIC EMPLOYEES” Councilman McLaughlin moved to adjourn to closed session to discuss the sale price of real property and appointment or employment of specific employees, 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 9:37 p.m.

AGENDA #12 “RECONVENE OPEN SESSION” Upon the return of those who were in closed session to the Council Chambers, Mayor Vaughn moved to enter back into open session, seconded by Councilman McLaughlin. A majority affirmative voice vote was received. Open session resumed at 10:26 p.m.

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

Councilman McLaughlin asked for an opinion about providing funding to the Chamber to help promote the new businesses in Olney during the Christmas season. For 11 weeks the Chamber will be running an advertisement in surrounding areas to promote shopping in Olney. He asked for this matter to be placed on the agenda for the next meeting.

Mrs. Henton reported that a television advertisement is being created through the Illinois South Tourism Bureau to highlight shopping in Olney, the Christmas parade and Christmas light display.

Councilman McLaughlin explained he voted no on the lettering of the snorkel truck because he believed the bid from Olney should have been approved instead of the low bid from out of town.

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

The meeting of the City Council adjourned at 10:30 p.m.

Belinda C. Henton
City Clerk