

CITY OF OLNEY
CITY COUNCIL MEETING
NOVEMBER 25, 2013

AGENDA #1 “CALL TO ORDER” The November 25, 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. Beau Brown led the group in a prayer.

AGENDA #3 “ROLL CALL” The following Council members were present: John McLaughlin, Brad Brown, Bob Ferguson and Ray Vaughn. Barb Thomas was absent. 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 12, 2013

4-B Approve and Authorize Payment of Accounts Payable November 26, 2013-Pool Cash \$63,614.52, Manual Pool Cash \$106,612.98, Water Deposit Refunds \$1,667.02, Boone Street Grant \$103,539.15 and Christmas Light Display \$513.02

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 Councilman Brown. 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 “Litigation, Liability and Government” Brian O’Neill talked about filming various actions of public officials.

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

9-A “Presentation: Water Treatment Plant and Water Distribution Projects and Needs” Frank Bradley discussed various projects and needs of the water treatment plant. He gave a summary of the water treatment plant. The pump house at East Fork Lake was built in the

1970's after the lake was built. Located at the pump house is an aeration system that was installed in November 2009 and two raw water vertical turbine pumps with variable frequency drives, one which was installed in 2010 and the other in 2013. There are also two chemical pumps. The building has three levels.

The water plant was built in 1948. The water plant has two clarifiers which each hold approximately 175,000 gallons of water. They were built in the 1970's. This is the first stage of the water treatment process. The water plant also has four concrete filters. There are under drains in these filters which were installed in 2001. On top of the under drains is one foot of sand and then two feet of granular activated carbon. Each filter holds approximately 9,000 gallons of water. Underneath the basement is the clear well. This is where the finished water is stored. The clear well holds approximately 80,000 gallons of water. The clear well is original with the building. There are two back wash pumps to clean the filters. The water plant also has two finish water pumps equipped with variable frequency drives which were installed in 2010. There are five chemical pumps and a 40' x 50' storage building built in 2008. The water treatment plant is run by five operators and one supervisor. The primary expenses for the water treatment plant are personnel, chemicals and electricity.

Mr. Bradley would like to see an air stripper tower budgeted during the 2014/2015 fiscal year. The estimated cost is \$200,000. This will be a way to more efficiently remove compounds from the water and reduce the amount of chemicals used. Mayor Vaughn questioned maintenance for this equipment. Mr. Bradley indicated it would require very little maintenance.

During the 2015/2016 fiscal year, Mr. Bradley suggested the addition of a 1,000,000 gallon above ground clear well. There is redundancy throughout the water plant in case of mechanical failure, but there is only one clear well. The IEPA recommends the construction of this clear well. The estimated cost is \$2,000,000.

Mayor Vaughn questioned if a water tower could be eliminated if a 1,000,000 gallon clear well is constructed. Mr. Charleston commented that idea deserves consideration, but indicated the demand for water and storage capacity has to be balanced. Too much water capacity creates stale water. Currently, daily usage is approximately 4,500,000 gallons and there is approximately 2,880,000 gallons of storage capacity.

Mr. Bradley questioned how much money should be spent on the plant at its current location since it was built in 1948. Councilman Ferguson questioned the ideal location of a new plant. Mr. Bradley suggested near East Fork Lake. The buildings are in good shape, but not at an ideal location. Approximately 10 acres would be needed for a new water plant. Money could be saved by not pumping water from the lake to the plant. The cost of a new facility was unknown.

Mr. Bradley also indicated the granular activated carbon needs to be replaced during the 2016/2017 fiscal year at the cost of \$70,000. The carbon needs to be replaced every five years.

Mr. Bradley suggested that the #1 raw water pump and motor be replaced during the 2017/2018 fiscal year. This pump and motor have been in service since the 1970's and has become less efficient over time.

During the 2018/2019 fiscal year, Mr. Bradley suggested painting the clarifier cones and troughs for the estimated cost of \$7,000. This work could be completed by City crews. It was last done in 2010.

Water Distribution Supervisor Tom Umfleet discussed his department's needs. During the 2014/2015 fiscal year he would like to purchase a new backhoe. His current backhoe is a 1994 with more than 8,600 hours of use. The estimated cost is \$40,000.

The Washington Street water tower needs to be painted inside and out. At the end of this fiscal year, \$260,000 will have been set aside for this project. The total estimated cost is \$450,000. The last time this tower was painted was in 1985.

Also projected for the 2014/2015 fiscal year was the installation of a 12" water main on Main Street from Elliott Street to Ohio Street. This 12" main will replace existing 4", 6" and 8" aging mains. The total estimated cost is \$630,000 of which \$300,000 will be received from a grant.

Future equipment needs for his department are a dump truck for \$80,000 and two service trucks for \$40,000. Also proposed was the replacement of 4" water mains on Main Street from Walnut Street to Route 130 with 12" water mains for an estimated cost of \$500,000. This project would have to be contracted.

Another proposed water main replacement project was on Elm Street from Route 130 to Washington Street. This project would replace 4", 6" and 8" mains with a new 8" main. The estimated cost is \$800,000.

Also proposed was the replacement of an existing 4" main under the Route 130 overpass with a 12" main and connect it to the existing 12" main north and south of the railroad.

Mayor Vaughn questioned the #1 maintenance issue for Water Distribution. Mr. Umfleet indicated water main breakage. These issues are caused by aging mains. Many old cast iron mains have reached their life expectancy.

The Council discussed the potential of grant money being available for some of these water line replacement projects. It was believed the Elm Street waterline replacement project would be more attractive for a grant because it serves more residential properties.

Mr. Umfleet estimated there to be 150 miles of water mains.

Councilman McLaughlin inquired about reserves in the water and sewer funds. Mr. Sanders will provide this information to the Council.

9-B “Discussion: Donation to Chamber for Advertising” It was suggested by Councilman McLaughlin at the last meeting to consider a donation to the Chamber for advertising in the surrounding counties during the holiday season. Advertising would focus on attracting shoppers to the renovated Richland County Mall and the new stores in town. Mr. Taylor advised there is tourism money or the public relations line item in General Corporate which is used for situations like this.

Mayor Vaughn questioned if this has been done in the past. Mr. Taylor indicated the City provides funds to the Chamber, but not specially for advertising. The primary purpose for tourism money is to attract individuals for conventions and overnight stays.

Councilman Ferguson asked the Chamber’s need. Councilman McLaughlin did not answer that question, but indicated he was on the Chamber board representing the City and suggested a one time donation of \$750 for the purpose of promoting the new stores in town because the City does a lot to attract new stores. He was hopeful the donation would be returned through increased sales tax.

Councilman Ferguson asked if most of the new stores at the mall are Chamber members. Councilman McLaughlin indicated all are members except Hibbett Sports.

Councilman McLaughlin moved to donate \$750 out of the public relations line item as a one time donation to the Chamber specifically for advertising for shopping in Olney, seconded by Councilman Ferguson. A majority affirmative voice vote was received.

9-C “Resolution: Estimated Tax Levy Determination” The Council was provided with information prepared by Mr. Sanders along with a proposed resolution concerning the tax levy.

Mr. Sanders informed the Council he just received the Illinois Department of Insurance’s actuarial reports for the Fire and Police Pension funds. Originally, \$401,000 was estimated for the Police Pension, but the actuarial report indicated \$337,000. The suggested levy is less than last year even though the fund is under funded. The Fire Pension was originally estimated at \$121,000, but the actuarial report indicated \$109,009.

Mr. Sanders was told by IDOI that their actuaries are required to follow state mandated actuarial calculations which will give lower numbers today and high numbers in the future. Mr. Sanders was told by IDOI that many municipalities are hiring third party actuaries to perform their own actuarial calculations. Municipalities are not mandated to follow the state’s method of calculating the actuarial numbers.

Mayor Vaughn summarized the original tax levy proposal resulted in a 12% increase if all line items were kept the same and Fire, Police and IMRF were levied at the necessary levels to keep them funded. Mr. Sanders’ new proposal moves some of the obligation to the sewer and water funds which lessens the tax levy increase to approximately 5%. If the Council decides to use this proposal, water and sewer rates would have to be reviewed.

Staff understood there is going to be a 5% increase to all assessed valuations throughout the county.

Mr. Taylor informed the Council the determination of the tax levy needs to be made 20 days prior to the approval of the tax levy. He suggested a special meeting for December 16 for the approval of the tax levy.

Mayor Vaughn moved to approve an extension of \$1,916,609 which would be a 4.99% increase, seconded by Councilman McLaughlin. Councilman Ferguson, Mayor Vaughn, Councilmen McLaughlin and Brown voted yes. There were no opposing votes. The motion carried. Resolution 2013-R-60 will be prepared.

9-D “Discussion: Approval to Give SOS Bucks to Employees as Christmas Bonus” It has been customary for the City Council to authorize SOS Bucks for full-time employees and paid-on-call firefighters as a Christmas bonus. Most recently full-time employees have been given \$50 in SOS Bucks and paid-on-call firefighters have been given \$30. The estimated cost of the SOS Bucks is \$3,660.

Councilman Ferguson moved to approve the customary giving of SOS Bucks to employees, seconded by Councilman McLaughlin. A majority affirmative voice vote was received.

9-E “Ordinance: Sale of Personal Property” The Council was provided with a proposed ordinance authorizing the sale or disposal of 26 tires of various sizes; the sale of 11 Motorola CP200 radios to Global Technical Systems, Inc. for \$440 and the sale of a 1998 Ford Crown Victoria, 2 tailgate spreaders, 60 hp boat motor, 8-foot snow plow and 11 Motorola radios through GovDeals.com.

Councilman McLaughlin moved to pass Ordinance 2013-38, seconded by Mayor Vaughn. A majority affirmative voice vote was received.

9-F “Ordinance: Sale of Personal Property-Dirt at Musgrove Park” At past meetings the Council has expressed their desire to have the excess dirt at Musgrove Park removed. Mr. Taylor explained if any of the dirt is removed and used for anything other than City purposes, the Council needs to authorize the sale or disposal of the dirt. The Council was provided with a proposed ordinance that authorizes the City Manager to sell or otherwise dispose of the dirt in any manner deemed necessary.

Councilman McLaughlin moved to pass Ordinance 2013-39, seconded by Councilman Ferguson. A majority affirmative voice vote was received.

9-G “Ordinance: Adoption of an Ordinance Authorizing and Providing for the City of Olney, Illinois to Execute, Enter Into and Perform a Loan Agreement with the Illinois Environmental Protection Agency for the Purpose of Paying a Part of the Cost of Constructing, Improving and Extending the City’s Sewer Facilities, and Making Certain Covenants in

Providing for the Operation of the City's Separate Sewerage System and the Pledge, Dedication, Collection, Segregation and Distribution of the Revenues to Be Derived From the Operation Thereof" The Council was provided with a proposed ordinance concerning the North Street pumping station project. This ordinance is necessary to proceed with the financing of the project. It authorizes the execution of a loan agreement with the IEPA. The amount of the loan will not exceed \$650,000. The actual amount of the loan will depend on the actual cost of the project. Mr. Taylor did not expect a change in the debt service charge on the sewer bills as a result of the loan obligation. The interest rate is slightly less than 2% for 20 years and will be paid by sewer revenues.

Councilman McLaughlin moved to pass Ordinance 2013-40, seconded by Councilman Brown. Councilman Ferguson, Mayor Vaughn, Councilmen McLaughlin and Brown voted yes. There were no opposing votes. The motion carried.

AGENDA #10 "REPORTS FROM ELECTED AND APPOINTED OFFICIALS"

10-A "City Manager - Status Report" Mr. Taylor had nothing to report concerning the status report.

10-B "City Manager - Abandoned Residential Property Municipality Relief Program Grant Application" Mr. Taylor advised the Council that he plans to submit a grant application through the Abandoned Residential Property Municipality Relief Program. The grant application deadline is December 6, 2013. The maximum amount of the grant is \$75,000. Grant funds can be used for demolitions and the cutting of weeds on abandoned residential properties.

Mayor Vaughn asked if there are any pending demolition projects. Mr. Taylor commented there are no immediately pending demolitions, but Mr. Mitchell is working on some. Mayor Vaughn questioned if the City's outside counsel could help with these demolitions. Mr. Taylor explained the expedited procedure does not require legal action in court.

Mayor Vaughn asked about the progress being made on the Boone Street project. Mr. Charleston reported that all of the piping on the west side of Fair has been completed and backfilled. A temporary walk has been constructed for Richland County Housing from their parking lot to the office. This area will be seeded with oats to prevent erosion. The project will then be halted for the season so weather does not create a problem.

Mayor Vaughn questioned the status of the Musgrove Park detention basins. Mr. Charleston is currently looking into options for draining water into the detention basin on the Silver Street side. The plan for future development of the park will affect how the drainage is planned.

Councilman McLaughlin reported there is a group that is starting to raise funds to make the Musgrove Park playground handicap accessible by removing the mulch and replacing it with rubber matting. This project will be run through the Richland County Recreation Council since

it is a nonprofit organization. Once enough pledges are obtained, the plan will be brought to the Council for approval or direction.

Mayor Vaughn asked for an update on the Christmas parade. Mrs. Henton reported plans are coming along nicely and so far there are 54 entries. The Council was invited to help with the parade on Saturday.

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, Mayor Vaughn, City Manager Taylor, City Treasurer Sanders and City Clerk Henton left the Council Chambers at 8:21 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 Ferguson. A majority affirmative voice vote was received. Open session resumed at 9:13 p.m.

Mayor Vaughn pointed out in 1999 approximately 30% of the City’s tax levy was for pensions. In 2003 approximately 33% went to pensions.

Mr. Sanders commented in 2003 the three pension funds were approximately \$1,500,000 under funded or 86.4% funded. Today pensions are approximately 54% funded. Mayor Vaughn commented the funding gap is expanding dramatically. A larger and larger share of the tax levy is being taken by the pensions. Pension board members have told him the recommended amount has been levied for the pensions, and the amount taken in exceeds expenditures. He believed ways needed to be found to limit expenses.

Councilman Brown agreed and believed there were ways to limit expenses, but he believed the numbers are arbitrary. Councilman Ferguson pointed out the actuarial numbers are assuming if no more money is brought in, the fund could pay out current employees.

Mayor Vaughn explained the actuaries consider life expectancy, rate of increase during tenure and rate of return. Mayor Vaughn suggested contracting an actuary. Mr. Sanders estimated it would cost between \$1,500 to \$2,500 per plan.

Mayor Vaughn would like to compare Olney to other communities concerning pensions. He believed the Council needs to spend more time talking about the under funding of pensions.

AGENDA #13 “ADJOURN” Councilman Ferguson moved to adjourn, seconded by Councilman Brown. A majority affirmative voice vote was received.

The meeting of the City Council adjourned at 9:31 p.m.

Belinda C. Henton
City Clerk