

**AGENDA
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
JUNE 4, 2018
6:00 PM**

- I. Call to Order**
- II. Prayer and Pledge of Allegiance**
- III. Presentation of Petitions/Public Comments**
- IV. Mayor's Report and Presentations**

- V. City Council Action**
 - 1. Consent Agenda
 - a. Approval of Minutes – 05/21/18
 - 2. Approval of Resolution Supporting Action on Four-Lane Rt 50
 - 3. Approval of Bids for City Hall Lobby Security Renovations
 - 4. Approval of Proposals for Architectural Services for City Hall HVAC and Façade Replacement
 - 5. Approval of Proposals for Bank Financing City Hall Lobby Renovations
 - 6. Approval of Proposals for Bank Financing for Purchase of Track Hoe
 - 7. Approval of Bid for Purchase of new Squad Car
 - 8. Approval of Bids for Street Resurfacing – Indiana Street and Walton Drive
 - 9. Approval of Bid to Complete "Split System HVAC" Project at Electrical Buildings at Wastewater Treatment Plant
 - 10. Approval of Purchase of Water Plant Priming System Parts for Replacement
 - 11. Approval of Resolution Supporting Parochial Schools

- VI. City Manager Report**
- VII. City Attorney Report**
- VIII. Finance Director Report**
- IX. City Council Report**

- X. Adjournment**

Bill Gruen
City Manager

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MANAGER'S COMMENTS

V. City Council Action

2. **Approval of Resolution...Four-Lane Rt 50:** Rep Cavaletto's office very recently asked to present a four-lane Rt 50 resolution for consideration by the City Council. As soon as the resolution is provided, it will be shared with the City Council.
3. **Approval of Bids for City Hall Lobby Security Renovations:** Bids for lobby security work were due Thursday, May 31 at 2 pm, and the bid tab is enclosed with your packet. The bid request for the project is also enclosed with your packet. All bids were over estimate, with the low bid (with a deduct/substitution) totaling \$82,867 from R&W Builders of O'Fallon. I'd like to discuss action items 3, 4, and 5 all together and then circle back to consider approval.
4. **Approval of Proposals for Architectural Services...:** Architect Ben Poirier has offered two proposals to design and bid out for HVAC/boiler replacement and façade replacement projects. The proposal for the HVAC project totals \$11,200, and the proposal for façade replacement totals \$2,200. Please see notes for action item No 5 below for more information on how these projects relate.
5. **Approval of Proposals for Bank Financing for City Hall Renovations:** The FY19 budget includes two projects for which we proposed obtaining financing to complete, including (A) City Hall renovations, and (B) purchase of a track hoe from the Garbage Fund. The RFP for financing, and notes on each both of these projects are enclosed with your packet. Deadline for proposes is 10:00 am on Monday, June 4 so we won't have bids when the packet is delivered.

As it relates to the City Hall project, the RFP asks for interest rates and total amounts we'd be able to finance with the \$25,000 we budgeted in FY19 for debt service, assuming that \$25,000 is a figure that could used going forward to retire debt.

Mike Jones advises the City will need to structure these loans in a manner so that the note on each project is renewed for each fiscal year. So, given the plan finance City Hall renovation of seven years, the City would renew the note for the loan seven times, unless retired early. We are required to structure these loans in such a manner because the City is not allowed to enter into simple loans for any longer than one year. There's a few important rhetorical questions:

- ✓ Does the City **have to** finance these projects? In my opinion the answer is "no," because we could simply cover costs for each project out of cash reserves the City holds in our various funds which could be used to pay for both. However, I think the City should try to maintain its fund balances at levels which are close to flat as possible. The financing for each project is budgeted within the balanced budget concept that I presented back in April. So, financing is better financially for the City because it helps keep our fund balances flat.
- ✓ Are we boxing in future City officials with these loans? In my opinion, the answer is "no," as well. I foresee the City will have available cash on hand to retire either one or both of these projects early (ie, not renew the note) if they find a need to do so.
- ✓ Are these projects important enough to implement? In my opinion, the answer is "yes." The context of past events and the appearance of the City Hall façade may likely make need for renovation evident. As for the track hoe, its age and state of repair make it expensive to

operate due to multiple repairs we make to it each year. If we didn't use it as much, we wouldn't necessarily realize it needed repairs.

6. **Approval of Proposals for Bank Financing for Purchase of Track Hoe:** Please see notes for No 5 above. Additionally, the FY19 budget assumes the track hoe we'd want to purchase would total somewhere within a range \$100,000 to \$120,000, and we'd budget \$33,333 annually for debt service, meaning we'd want to finance a track hoe over 3-4 years.
7. **Approval of Bid for Purchase of new Squad Car:** The FY19 budget includes \$30,000 for purchase of a new squad car for the Police Department. Low bid for the car came from Max Dye with equipment from Strong Safety Solutions and decals from Birch Graphics totaling \$27,471. Request approval.
8. **Approval of Bids for Street Resurfacing – Indiana and Walton:** The FY19 budget includes \$198,600 for resurfacing of Indiana and Walton. Bids were opened yesterday, and the low bid came in at about \$238,058 – about \$40,000 over budget. Rhutasel's recommendation is to accept the low bid of the two received, which comes from Howell Paving. The City can work with Rhutasel and Howell to reduce the scope of the project in order to get closer to our budget mark. If the City Council is inclined to approve, Howell has asked that approval be granted Monday night due to scheduling other projects. I do not expect to have any estimate for the project with a reduced scope by Monday.
9. **Approval of Bid to Complete "Split System HVAC" at WWTP:** The FY19 budget includes \$24,000 to reconfigure the HVAC setup for three electrical buildings at the Wastewater Treatment Plant. These buildings contain several banks of electrical components that help run the entire Plant and generate a fair bit of heat within the buildings. The new HVAC setup will more effectively cool these buildings. Bids were sought locally, and only one was received from Booher for the amount of \$23,250, which is under budget. Request approval.
10. **Water Plant Priming System:** The FY19 budget includes \$27,000 for replacement of the pump priming system in the Water Plant. The purchase request for this project would purchase parts from Municipal Equipment Co, for a total of \$27,033. Request approval.
11. **Approval of Resolution Supporting Parochial Schools:** I've recently received a request to add an action item pertaining to a resolution supporting parochial schools. Resolution will be available Monday at our meeting.