

**AGENDA
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
NOVEMBER 19, 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. City Council Minutes - 11/05/18
 - 2. Approval of Appointment of Betty Purcell and Megan Holler to Historical Commission
 - 3. Approval of Renewal of City Risk Management Policy with ICRMT
 - 4. Discussion on Condition of Certain Sidewalks
 - 5. Discussion on Assignment of School Resource Officer at Salem Schools
 - 6. Presentation by Chief Reynolds of Gun-Mounted Cameras
 - 7. Approval of Participation in Natural Gas Discount Program & Approval of Extension of UGM Agreement
 - 8. First Reading of Enterprise Zone Documents
 - a. Intergovernmental Agreement with Marion County
 - b. Property Tax Abatement Resolution
 - 9. Approval of Resolution Officially Closing out Salem RLF
 - 10. Approval of Bills Payable
- VI. City Manager Report**
- VII. City Attorney Report**
- VIII. Finance Director Report**
- IX. City Council Report**
- X. Adjournment**

Bill Gruen
City Manager

**CITY OF SALEM - REGULAR CITY COUNCIL MEETING
NOVEMBER 19, 2018**

MANAGER'S COMMENTS

V. City Council Action

2. **Approval of Betty Purcell and Megan Holler to Historical Commission:** Mayor Barbee requests approval of the noted nominations.
3. **Approval of Renewal of City Risk Management Policy with ICRMT:** The City's policy with ICRMT renews in December, and we have renewal costs for the next year. Please note the tables below. We see some significant savings in our work comp premium, but our premium for property/liability increases 4.24%. Deductibles stay the same, but ICRMT has offered some increased coverages that Bob Kane of Kane Insurance will note Monday evening. Recommend approval.

ICRMT Coverage	2019	2018	2017	2016	2015
Property/Liability	\$ 228,306	\$ 219,022	\$ 187,792	\$ 206,754	\$ 196,478
Work Comp	\$ 206,476	\$ 240,139	\$ 338,966	\$ 328,068	\$ 267,729
TOTAL	\$ 434,782	\$ 459,161	\$ 526,758	\$ 534,822	\$ 464,207
Dept Budget	FY18 Budget	FY19 Budget	FY20 Estimate		
Gen Fund - 01	\$ 192,390	\$ 171,874	\$ 158,797		
DOEM - 02	\$ 3,585	\$ 3,203	\$ 2,959		
Garbage - 03	\$ 57,850	\$ 51,681	\$ 47,749	<i>Possible budget allocations for FY20 risk mgmt if we take 2019 expense plus 5%.</i>	
Parks - 04	\$ 16,235	\$ 14,504	\$ 13,400		
Recreation - 08	\$ 4,910	\$ 4,386	\$ 4,052		
Water - 16	\$ 152,295	\$ 136,055	\$ 125,703		
Gas - 17	\$ 125,830	\$ 112,412	\$ 103,859		
TOTAL	\$ 553,095	\$ 494,115	\$ 456,521		

4. **Discussion on Condition of Select Sidewalks:** Enclosed with your packet is a report from John Pruden on the state of repair of sidewalks for which we've received some requests for repair. I intend for there to be some discussion from the Council on the following:
 - ✓ Sidewalks conditions considered to be de minimis and when repairs rise to level of repair.
 - ✓ Removal of sidewalks could be an option in some cases.
 - ✓ I count ten sidewalk panels which John has indicated Public Works crews can repair at cost of about \$500 per panel (case/location dependent).
 - ✓ There are certain locations that would be large enough to turn over to a contractor, such as the following (numbers refer to John's September 28 report and pictures submitted by citizen):
 - Numbers 6, 7, and 8 on N Ohio – \$54,000 estimate
 - Numbers 10, 11 NE corner of Whittaker and Delmar – \$7,500 estimate
 - Numbers 18-23 Whittaker from Broadway to College – \$65,000 estimate

Pictures of select sidewalk locations can be found using the following link:

<https://photos.app.goo.gl/wZ74BMzEDh7CEo5V8>

5. Discussion on Assignment of School Resource Officer at Salem Schools: I anticipate Superintendents Brad Detering and Leslie Foppe Monday evening to begin discussion on matter of School Resource Officer. I've got a draft agreement the City Council could consider at a later date, but would like to give Foppe and Detering a chance to review before sharing it with the Council. I'd like to offer some opinions on the matter here:

- I would like to see the City work with the schools to maximize security and safety for students and staff. The Salem PD would serve extremely well in this capacity. Costs will always be a concern given tight budget environments. Costs may not allow the City to participate.
- School safety is extremely important, but its importance cannot overcome the inherent nature of public policing in its inability to be omnipresent or to serve as the public's security force.
- I've spoken with a handful of city manager colleagues, who each reported their communities have had an SRO in their schools for some time. That's a little amusing to me, as I've either grown up or had children in "small town" schools without SROs.

6. Approval of Participation in Natural Gas Discount Program & Approval of Extension of UGM Agreement:

Some updates from our last meeting:

- ✓ The City would pay \$0.16 cents per dekatherm in fees to UGM and PEFA for volume associated with the discount program. We pay UGM \$0.06 cents per dekatherm now. Using some averages on dekatherms acquired via NGPL, fees paid for natural gas acquisition might jump from \$23,000 to \$51,500 (\$28,500 more). For ALL GAS managed by UGM, that represents a 3% total cost against all natural gas, supply-related costs.
- ✓ Ron Ragan of UGM has provided a letter from Smithyman & Zakoura dated November 8 and addressed to Ragan himself. The letter generally restates what appear to be important provisions of the agreement and concludes with the statement "The Gas Supply Agreement includes terms and conditions that are generally typical in the natural gas industry."
- ✓ The main rub seems to be with a potentially long term commitment requiring the City to use UGM to purchase our market, natural gas. Prior to contracting with Ragan, the City was a partner with IPEA and purchased gas through its contracted marketer. Other organizations/firms exist which could assist Salem with its gas purchasing needs, including Interstate Municipal Gas Agency, and Affordable Gas & Electric.
- ✓ I asked Ron Ragan if the City would only ever receive our supply discounts via decreased gas costs or credits. His response was:

"It is possible that the annual discount credit could be large enough that it would require a check being cut to Salem if the refunding month was a summer month where injections were low and prices were low as well."

- ✓ I asked Ragan if he thought it was likely the program could run its full 30-year term. His response was:

"The program could easily go 30 years, but I would anticipate at least one period in that time might not meet the minimum discount requirement of \$.24/dth."

- ✓ Ragan has been periodically reporting his clients which are signing onto the discount program. There are a few who are not. Those communities include:

<u>Approved</u>	<u>Not Approved</u>
Cisne, IL	Flat Rock, IL
Crossville, IL	Clay City, IL
Rensselaer, IN	Aledo, IL
Montgomery City, MO	
Stanberry, MO	
Winchester, IL	
Pawnee, IL	
Huntingburg, IN	
Osgood, IN	
Benton, KY	
Municipal Gas Comm of East Central MO	
Grant City, MO	
Morton, IL	
Wayne City, IL	
Pittsboro, IN	
Norris City, IL	
Princeton, MO	
Albany, MO	
Jonesboro, IL	
Vienna, IL	
Milan, MO	
Unionville, MO	
Frohna, MO	
Grand Tower, IL	
Linton, IN	
Grayville, IL	
Findlay, IL	
Roachdale, IN	
Lineville, Iowa	
Geff, IL	
Jasonville, IN	
Liberal, MO	
McLeansboro, IL	

7. First Reading of Enterprise Zone Documents: Your packet includes two documents as follows:

- a. **Intergovernmental Agreement →** The agreement with Marion County would need to be adopted because the proposed zone would stretch past Salem’s corporate limits and take in areas such as at Union Pacific and up towards the “Tank Farm.”
- b. **Resolution Abating Taxes →** This resolution would be adopted by all taxing districts in order to allow for property tax abatements to be a feature of this enterprise zone. These resolutions don’t have to be adopted prior to submission of our application, although I would like for them to be included with our app. Some notes:

Sec 3 (d) → This \$5,000 threshold was set back in 1989 when the City’s Enterprise Zone was first created. Perhaps the level should be increased to account for inflation.

Sec 3 (f) → This would exempt “Tank Farm” projects from property tax abatements, which the County and Patoka taxing districts will want to exempt.

Sec 3 (g) and (h) → The abatement schedule would be 8 years abatement for commercial projects and 10 for industrial. The current zone provides for 8 and 12 and 3 for residential.

8. **Approval of Resolution Officially Closing Out Salem RLF:** There are some housekeeping actions the City must still complete in order to fully closeout our RLF. The only remaining matter which requires Council action is adoption of the resolution enclosed in your packet. A check to Illinois DCEO was delivered to Springfield last week. Request adoption.
9. **Approval of Bills Payable:** I request approval.