

Agenda
City of Salem
Regular City Council Meeting
November 7, 2016
6:00 PM Regular Session

- I. Call to Order & Roll Call**
 - 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 – October 17, 2016
 - 2. Presentation by Members of Historical Commission Regarding the Eagles atop the Armory
 - 3. Approval of Application for Taxi Permit
 - 4. Presentation of FY16 Audit by Glass & Shuffett
 - 5. Approval of Release of Sidewalk Easement
 - 6. Approval of Demolition of Structures at 220 W. Olive, 507 S. Rotan, and 310 S. Marion
 - 7. Approval to Surplus Property Held by the Police Department
 - 8. Second Reading for Property Tax Levy for 2017 Collections
 - 9. Discussion on Retention of Bond Advisor for Upcoming Bond Refi
 - VI. City Manager Report**
 - VII. City Attorney Report**
 - VIII. Finance Director Report**
 - IX. City Council Report**
 - X. Adjournment**
- Bill Gruen
City Manager

MINUTES
REGULAR CITY COUNCIL MEETING
NOVEMBER 7, 2016 – 6:00 PM

I. CALL TO ORDER

The regular November 7, 2016 meeting of the City Council was convened at 6:00 p.m. and called to order by Mayor Rex Barbee.

Council members present:

Tim Hudspeth
Councilman Nic Farley
Councilman Craig Morton
Councilwoman Sue Morgan
Mayor Rex Barbee

Council members absent:

None

Others Present:

City Manager Bill Gruen	City Clerk Bev Quinn
Finance Director Ben Stratemeyer	Chief of Police Sean Reynolds
Public Works Director John Pruden	Code Enforcement Officer Brian Hunt
Deputy Chief Susan Miller	Animal Control Officer Paul Wimberly
Asst. Public Works Dir. Annette Brushwitz	Library Director Kim Keller
City Attorney Mike Jones	Economic Development Director Jeanne Gustafson
Members of the Media and Public	

II. PRAYER AND PLEDGE OF ALLEGIANCE

Opening prayer was given by Councilwoman Sue Morgan, followed by the Pledge of Allegiance to the Flag.

III. PRESENTATION OF PETITIONS/PUBLIC COMMENTS – None.

IV. MAYOR'S REPORT AND PRESENTATIONS

PKC – Mayor Barbee thanked Cindy Eller, the Tourism Board, and all involved in the recent PKC events for the nice job they did.

V. CITY COUNCIL ACTION

1. Consent Agenda

a. Approval of Minutes – October 17, 2016

Councilman Farley indicated that the minutes should reflect that he abstained from voting in Section V, Item 3.

Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve the Consent Agenda as presented, with the amendment to the minutes. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Mayor Barbee. NAYS: None. Motion carried.

2. Presentation by the Historical Commission regarding the Eagles on the Armory

Historical Commission Chairman Jerry Nix addressed Council, and requested the City intervene on their behalf and request that at least one of the eagles on the National Guard Armory that is being demolished remain in Salem. Mr. Nix indicated many veterans have served out of the Salem National Guard facility. City Manager Gruen asked if the Historical Commission had a site in mind to erect the eagle, should the City be able to retain one. Mr. Nix indicated possibly Bryan Park or the American Legion. Mr. Nix added that he had a discussion with Representative Cavaletto, and he is more than willing to work with the City on this. Mayor Barbee responded that Mr. Gruen has contacted the Department of Military Affairs, and they indicated they are moving one eagle to Springfield and one to the Armory at Mt. Vernon. Mr. Gruen added that he will contact them and ask to retain one, but he does not want to ask without being prepared to cover the costs involved. Councilwoman Morgan asked when demolition will begin. Mr. Gruen responded that demolition started today. Councilman Morton asked if the City even has a way to lift one of the concrete eagles. Public Works Director Pruden indicated he's not sure exactly how large the eagles are, but he'll find a way. City Manager Gruen added that there would probably need to be some restoration of the eagle, as well. Mayor Barbee indicated he would like to see the City retain one of the eagles. Council discussed placement in Bryan Park and expressed hesitation regarding possible vandalism. Councilman Farley suggested placing the eagle in the section of the park where the statue of William Jennings Bryan is erected.

3. Approval of Application for Taxi Permit

City Manager Gruen indicated an application for a taxicab permit has been submitted by Lucky2Go Transportation. The application has been reviewed by Chief Reynolds, a background check done on the owner/driver, and Mr. Hunt has inspected the two vehicles involved. Chief Reynolds indicated there are a couple of mechanical items that are too difficult for the Police Department to check, but the cars appear to be okay. Chief Reynolds indicated he confirmed with the applicant's insurance company that he is covered as a taxi service. The applicant does have both infant car seats and booster seats. ***Motion was made by Councilman Farley and seconded by Councilman Morton to approve the application submitted by Lucky2Go Transportation to operate a taxi service in Salem. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

4. Presentation of FY16 Audit by Glass and Shuffett

Fred Becker and Beau Thomas of Glass and Shuffett distributed the audits. Mr. Becker indicated this year the City was required to implement some GASBE accounting rules, which affected the Statement of Net Position. All government entities that have IMRF or any pension plan were required to implement these rules this year. Mr. Becker added that the Funds Statements were not affected, only the net position and the liability numbers.

Mr. Becker indicated the General Fund improved by \$395,000, Special Revenue Funds by \$95,000, and Capital Projects by \$75,000. Overall, the City did better this year than the previous year. Mr. Gruen indicated the employee insurance program came in less than budgeted, but it only takes one year to hit the max. Mr. Becker indicated there is a large decrease in the amount of debt, primarily because the City borrowed from the Gas Fund to pay down Water and Sewer debt in the amount of \$4 million, which will also save interest.

Mr. Thomas indicated GASB sets requirements for the City's audit, and GASB 68 pertains directly to pension plans. As people are living longer and investments are not earning what they did 20 years ago, the pension plan becomes a larger liability. Councilman Hudspeth indicated that the largest

pension liability is the Police Pension, as the City levys for this and makes a contribution from the General Fund, but we are under tax caps. Mr. Becker concurred, and added that IMRF mandates what the City pays in for IMRF retirements, so there is less liability. Mr. Gruen added that he hired Lauterbach and Amen to do the City's calculation this year. Mr. Gruen added that this number has always been out there, it just wasn't being looked at. Gruen added that these numbers are dependent upon mortality, investments, and are sensitive to factors beyond the City's control. Councilman Farley asked if there are penalties for not maintaining a certain funding level. Mr. Becker indicated "no", and added that everyone is in the same situation.

Finance Director Stratemeyer indicated there are certain actions that the City can take that can reduce this liability by millions, many of which are formalities. These steps will be addressed.

5. Approval of Release of Sidewalk Easement

City Manager Gruen indicated the City has an easement that it received from a private property owner, Patricia Hustedde that allowed for a sidewalk to curve around a previously standing tree on North College St. If the tree were ever removed, the sidewalk was to be straightened out and the easement released. As the tree has been removed, Mr. Gruen is recommending that this easement be vacated. ***Motion was made by Councilman Hudspeth and seconded by Councilman Farley that Ordinance 2016-16 vacating an easement granted by Patricia Hustedde be approved. Roll call vote: AYES: Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.***

6. Approval of Demolition of Structures at 220 W. Olive, 507 S. Rotan and 310 S. Marion

City Manager Gruen indicated Code Enforcement is working on demolition of three residential structures at 220 W. Olive, 507 S. Rotan and 310 S. Marion. The buildings on Rotan and Marion are still pending court approval, which is expected to be granted. The building on Olive has received approval. Mr. Gruen indicated he is requesting Council approval for demolition of these homes, prior to going out for bid on the demolition projects. Mr. Gruen indicated there is \$20,000 budgeted in the General Fund for demolitions, and there are additional UDAG funds available for demolitions on the south side of town. The S. Rotan and S. Marion Street demolitions are UDAG eligible. Discussion ensued regarding whether or not the City obtains ownership of the properties. Mr. Gruen indicated the City generally does not foreclose on the liens unless it has a plan for the land. City Attorney Jones added that in addition to the lien amounts, there are often unpaid taxes on the properties. Once the properties are sold at a Tax Sale, the liens the City has placed on the properties become void. Councilman Farley indicated he would like the former Liquor Barrel property added to the list to be considered for demolition. ***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve the demolition of 220 W. Olive, 507 S. Rotan, and 310 S. Marion. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, and Mayor Barbee. NAYS: None. Motion carried.***

7. Approval to Surplus Property Held by the Police Department

City Manager Gruen indicated the Police Department has accumulated a large list of items that should be disposed of via auction, or in some other way. Deputy Chief Miller added that many of the electronic items will be recycled and disposed of. ***Motion was made by Councilwoman Morgan and seconded by Councilman Hudspeth to approve Ordinance 2016-17 Authorizing the Sale of Personal Property Owned by the City of Salem. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Mayor Barbee. NAYS: None. Motion carried.***

8. Second Reading for Property Tax Levy for 2017 Collections

City Manager Gruen indicated there has been no change in the levy amount presented at the last meeting, but that the partial value of the Holiday Inn Express will be included in Salem's EAV for the purposes of determining this year's levy. That partial equalized value totals \$699,560. The levy will be adjusted to account for this new value. This will increase the levy without asking for any new tax dollars from other tax payers.

9. Discussion on Retention of Bond Advisor for Upcoming Bond Refinance

City Manager Gruen indicated that the City's 2009 bond, which has allowed the City to finance the Aquatic Center, is callable in the spring of 2017. Mr. Gruen indicated he would like to discuss retaining a bond advisor to assist the City on the refinance from beginning to end. Mr. Gruen indicated he has provided excerpts from proposals provided Piper Jaffray & Co., Speer Financial, and

Hilltop Securities, excluding their fees. Mr. Gruen estimates the cost to be less than 1% of the bond amount. Mayor Barbee noted that 1% is still a large amount of money. Councilman Farley indicated the last Council had a struggle trying to decide what underwriter to go with, since it was not comparing apples to apples. Councilwoman Morgan added that the review was very stressful and she feels that money spent on a financial advisor would be money well spent. Councilman Farley concurred, and indicated it could be beneficial to the Council. City Manager Gruen indicated an unbiased third-party opinion could help the Council make that decision. Mr. Gruen added that he withheld the fees in the materials sent out with the agenda in case the Council wants him to go out for bids. Councilman Hudspeth indicated he feels it would be reasonable to select an advisor from the three firms Mr. Gruen has solicited proposals from. Consensus was to invite these three financial advisors to present to Council. Councilman Farley indicated he would like an informal recommendation from the City Manager as to which of the three he would prefer to work with.

- VI. **CITY MANAGER REPORT** – No report.
- VII. **CITY ATTORNEY REPORT** – No report.
- VIII. **FINANCE DIRECTOR REPORT** – No report.

IX. **CITY COUNCIL REPORT**

Councilman Farley offered kudos to the Public Works Department leaf collection crew, as they are doing a great job. Councilman Farley added that he is happy to see that the shelter has been erected at the dog park. Councilman Farley added his appreciation to Jeanne Gustafson for hosting the Plant Managers’ meetings.

Councilman Morton indicated he is happy to see demolition begin on the Armory.

X. **ADJOURNMENT**

As there was no further business to discuss, upon **motion by Councilman Hudspeth and second by Councilwoman Morgan, the meeting was adjourned at 7:02 pm. Roll call vote: AYES: Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.**

Bev Quinn, CMC
City Clerk

Minutes approved: _____