

**AGENDA
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
NOVEMBER 2, 2015
6:00 PM**

Regular City Council Meeting – 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 – October 19, 2015
 - 2. Presentation of FY15 Audit by Glass & Shuffett
 - 3. First Reading – Renewal of Risk Mgmt Coverage with ICRMT
 - 4. Second Reading – Property Tax Levy for Real Estate Taxes Collected in 2016, Approval of Library Building Tax Levy
 - 5. Second Reading – Approval of Ordinance on Animal Waste
 - 6. Approval of Street Projects and Signage at Walmart
 - 7. Second Reading – Extension of Residential Garbage Contract with DBS
 - 8. Approval of Gas Fund Repayment Plan (Inter-fund Loan for Fund 18 Bond)
 - 9. 2016 MFT Approvals – Estimate of Costs, Resolution, Engineering Agreement

- VI. City Manager Report**
 - 1. FY16 Budget Contingency Update

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

- X. Executive Session**
 - 1. 5 ILCS 120/2 (c)(21) – Review of Executive Session Minutes

- XI. City Council Action**
 - 10. Approval of Executive Session Minutes from July 6, and September 21, 2015

- XII. Adjournment**

Bill Gruen
City Manager

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MANAGER’S COMMENTS

V. City Council Action

2. **Presentation of FY15 Audit:** Glass & Shuffett performs audit services for the City. Fred Becker of Glass & Shuffett will be on hand Monday night to present the audit and field questions from the Council. The audit covers all City finances and funds and is done on an accrual (not cash) basis. Finance Director Ben Stratemeyer has reviewed a draft of the audit and sees that it is ready to be presented to the Council. Traditionally, if satisfied the City Council has “accepted” the audit as presented as opposed to offering any formal approval.

3. **First Reading – Renewal of Risk Mgmt with ICRMT:** Bob Kane of Kane Insurance will be on hand to present the renewal of the City’s risk management coverage (property and workers’ comp) from ICRMT (Illinois Counties Risk Management Trust, see link below). ICRMT is administered by IPMG. Bob will be able to field questions that relate to coverage types and limits, for example. The quote for the next year’s risk management policy will arrive on Friday, October 30 for consideration at City Council on Monday. Please see last year’s quote:

<u>ICRMT Coverage</u>	<u>2016 Budget</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Property/Liability			\$196,478	\$211,689
Work Comp	\$510,630**	TBD	<u>\$267,729</u>	<u>\$260,348</u>
TOTAL			\$464,207	\$472,037

***We typically increase the risk management budget by ten percent from year to year. There is extra cushion here because the last installment payment is made in the subsequent fiscal year.*

Historically, the City hasn’t bid out coverage on an annual basis, although we did last year for the coverage year that is ending. It is administratively pretty difficult to pull together the information needed to get quotes for a risk like the City’s. Also, not there are many agencies that won’t cover the City’s risk associated with the natural gas system. Please see notes below on **last year’s** bid results.

<u>Provider</u>	<u>Property/Liability</u>	<u>Work Comp</u>
ICRMT	\$196,478	\$267,729
Travelers	No Bid	No Bid
One Beacon	\$208,408	No Bid
IL Public Risk Fund	NA	\$380,791

- Illinois Municipal League offers risk management coverage for municipalities and is a popular among many. IML, however, doesn’t provide coverage for the City’s natural gas system. Furthermore, Kane reports that their coverage limits

are not as good as those provided by ICRMT. IML was not approached for a bid.

- Kane reports that Travelers appeared to work pretty hard on generating a quote for Salem. However late in the game, they offered no official bid for any coverage. The unofficial cost given to Kane for property/liability was higher than ICRMT. They did not bid work comp at all.
- Illinois Public Risk Fund only covers work comp.

Link to ICRMT:

<http://www.ipmg.com/overview-of-services/illinois-counties-risk-management-trust.aspx>

4. **Second Reading – Property Tax Levy for Real Estate Taxes Collected in 2016, Approval of Library Building Tax Levy:** I recommend the Council do a second reading for the entire property tax levy, but to formally adopt the enclosed resolution which would approve only the \$15,999 levy for the Library Building. We adopt the Library Building levy now so as to meet back door referendum requirements. A summary of the full levy is below, including that which would be adopted at our second meeting in November.

Fund Name	Δ	<i>collected in 2016</i>		<i>collected in 2015</i>	
		Levy (2015 taxes)	Extension (2014 taxes)		
General	4.99%	\$ 338,528	\$ 322,439		
IMRF	4.99%	\$ 182,816	\$ 174,127		
Police Pension	4.99%	\$ 127,744	\$ 121,672		
Library	4.99%	\$ 126,110	\$ 120,116		
Garbage	4.99%	\$ 51,485	\$ 49,038		
Audit	24.41%	\$ 30,518	\$ 24,531		
Liability	4.99%	\$ 92,486	\$ 88,091		
Park	4.99%	\$ 48,396	\$ 46,096		
Recreation	4.99%	\$ 61,895	\$ 58,953		
Social Security	4.99%	\$ 103,550	\$ 98,628		
Unemployment Ins	-100.00%	\$ -	\$ 4,537		
Library Building	4.99%	\$ 15,999	\$ 15,238		
Library Social Security	4.99%	\$ 8,228	\$ 7,837		
TOTAL	4.99%	\$ 1,187,755	\$ 1,131,302		

****The levy does not include the levies for the bonds for Wastewater Treatment Plant and the Pool, but these are abated.**

5. **Second Reading – Approval of Ordinance on Animal Waste:** Please see the attached ordinance regarding animal waste cleanup. Two changes were made relative to when we talked about it at our last meeting. First, reference to horse bags is removed. And, we clarify that leaving waste on private property belonging to another is a violation. The ordinance is ready for adoption if/when the Council is ready.

6. **Approval of Street Projects and Signage at Walmart:** There are three projects/actions regarding street layout and signage at Walmart that I recommend are now timely for some action from the City. Recommendations include:
- a. Connect Baldrige to Mills Cart Road at an estimated cost at \$50,000 or less. If the Council approves, I would enter into an engineering agreement with Rhutasel which I expect would be under \$10,000. Construction could be budgeted in the FY17 budget or could start earlier than that if dollars and conditions allow. This would also likely entail a weight limit being placed on Mills Cart.
 - b. Move the stop stripe at Walton Drive closer to Main Street as and how recommended by Mark Rujawitz of Rhutasel & Associates. There could be future consideration of other work at this intersection, but I recommend that be held off to another time. Moving the stop stripe will be a minimal cost, under \$2,000, an expense the City Manager can approve.
 - c. Prohibit trucks from using Walton Drive. Although we haven't had any actual experience with trucks blocking the view and contributing to accidents, it won't hurt to prohibit truck access here. Also, Walmart personnel unofficially like this. This would involve installation of signage, a minimal cost, some of which would be on within the US Hwy 50 right of way. As of now, we would simply apprise IDOT of our intention to place signs in the ROW.
7. **Second Reading – Extension of Residential Garbage Contract with DBS:** I recommend approval of the contract extension with DBS, which would amount to a \$0.20 cent increase per customer, per month. The annual cost of this increase is only about \$7,000. This can be absorbed within the Fund 03 Garbage budget. **No fee increase for customers is needed to cover this cost increase.**
8. **Approval of Gas Fund Repayment Plan:** The recent Wastewater Treatment Plant (WWTP) bond refinancing entailed an interfund loan from the Gas Fund to Fund 18 (1/2-cent sales tax). This is not intended to be a grant from the Gas Fund, but should be repaid. Staff has intended for the general term for that loan to be repaid over 15 years at 2%, but this would be subject to City Council approval. Finance Director Ben Stratemeyer will discuss some options we have for this portion of the WWTP refinancing. The Council can choose to approve a repayment plan at this or a subsequent meeting.
9. **2016 MFT Approvals:** Enclosed are three documents that need approval for 2016 MFT: (1) Municipal Estimate of Maintenance Costs, which will be the next year's MFT budget totaling about \$140,500; (2) resolution to IDOT indicating the amount to be budgeted; (3) Engineering Agreement for the same. IDOT now wants this to be approved by December of the year prior to expenditures. Recommend approval.
10. **Approval of Executive Session Minutes:** The Council will review minutes in executive session and then decide whether they are approved and whether they shall remain closed or be opened.

FY16 Budget Contingency Update: When the FY16 City budget was presented and approved, there was no way that I thought we'd be without a State budget in November 2015. There's even talk that there's no way there's a State budget before January 2016. We care about the State budget for multiple reasons, the most of which involves knowing what to expect out of our State income tax disbursements from LGDF.

I plan to begin releasing most of the contingency spending that was made part of the City FY16 budget plan, except the Police Chief Vehicle, One Ton Cemetery Truck, and Used Dump Truck for Streets. I think there's a good chance that the City's income tax dollars from the State will go largely uncut by the State. Under this assumption and all things being equal between now and the end of the fiscal year, I plan to purchase these vehicles so that they are paid for in about April 2016. This still puts the City in a position to wait and see whether income tax for municipalities gets cut by the State.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Avg</u>
January	\$ 62,233	\$ 83,663	\$ 47,858	\$ 64,585
February	\$ 47,024		\$ 35,987	\$ 41,505
March	\$ 38,807	\$ 68,771	\$ 60,973	\$ 56,184
April	\$ 131,165	\$ 72,983	\$ 90,972	\$ 98,374
			TOTAL	\$ 260,647
			at 50% cut	\$ 130,323
			at 25% cut	\$ 65,162
			at 10% cut	\$ 26,065
			at 5% cut	\$ 13,032
			Police Chief Vehicle	\$ 18,200
			Dump Truck for Cemetery	\$ 28,000
			Truck Plow for Streets	\$ 75,000
			TOTAL	\$ 121,200