

**AGENDA  
CITY OF SALEM  
REGULAR CITY COUNCIL MEETING  
MAY 16, 2016  
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**
  - 1. Recognition of Jim Baity for Service to City of Salem
  
- V. City Council Action**
  - 1. Consent Agenda
    - a. Approval of Minutes – May 2, 2016
  - 2. Swear In Tim Hudspeth to City Council
  - 3. Approval of Mayoral Appointment to Tourism Board
  - 4. Approval of Bills Payable
  - 5. First Reading – Loan Request Made by American Legion
  - 6. Approval of Next Round of Street & Sidewalk Projects
  - 7. Authorization to Seek Engineering Proposals for Street & Sidewalk Projects
  - 8. Approval of Request for Liquor License from MPH Hotels for Holiday Inn Express
  - 9. Approval of Request from SBIC to Reduce Interest Rate on City Loan for #7 Carpenter Drive
  - 10. Approval of Contract Extension for City Manager
  
- VI. City Manager Report**
  - 1. Update on Bryan Park Trail Grant Project
  - 2. Discussion on Liquor License Fees
  
- 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  
MAY 16, 2016  
6:00 PM**

**MANAGER'S COMMENTS**

**V. City Council Action**

5. **First Reading – Loan Request Made by American Legion:** The local American Legion has submitted a revolving loan request that would allow for the purchase of real estate for the re-establishment of a location for the Legion. They seek to purchase 1001 East Main Street, which is the former Depot restaurant. The Legion is seeking \$45,000 from the City, which would be matched by \$75,000 from Marion County Savings Bank and \$30,000 from cash currently held by the local American Legion. This is a first reading only. Some notes:
- i. The City can lend \$15,000 for each job created in this project. They project 4-6 jobs, which State regulations allow can be created within 24 months of loan disbursement from the City.
  - ii. The loan has been reviewed by Steve Stine of Leymone & Hardcastle, Rick McCollum, and Finance Director Ben Stratemeyer. This is an effort to seek persons with real world experience in reviewing business plans and loan applications, and to seek out assistance for loan review outside of the City. The City Manager is extremely grateful to Steve and Rick for their assistance.

There are multiple reasons for doing two readings for loan applications. In this case, there are some outstanding questions that still need to be answered before I feel the City Council can fully consider the loan. Thus far, the review process has been positive.

6. **Approval of Next Round of Street & Sidewalk Projects:** Please see John Pruden's memo dated February 10, 2016. The memo includes a listing of street and sidewalk projects that he has identified as reaching a level of importance for consideration by the City Council. His recommendations are in bold. The total cost for projects recommended by John are included in the FY17 budget the Council approved in April.

Additionally, please see the listing "FY17 Possible Projects Purchases." This listing includes projects identified by John Pruden as being operationally important, but it also includes certain projects that have been requested by the general public for consideration. This list is used more by the City Manager to ensure that all requests for projects get recorded somewhere.

The City Council may wish to take some time to review both lists for action at a later date. If not, subject to action on Item #7 below, the Council could take action if you'd like.

7. **Authorization to Seek Engineering Proposals for Street & Sidewalk Projects:** The Council has expressed interest in seeking bids and proposals for City contracts whenever possible. I support that position. Aside from the Bryan Park Trail project, the City hasn't sought proposals for its sidewalk and street projects for some time, so it may be time to seek them again. For the Trail project, Heneghan & Associates, HMG, Marvin Jenkins, and Rhutasel

submitted proposals. Marvin Jenkins was selected. If the City Council authorizes, I will write an RFP up so that proposals may be received prior to our next Council meeting.

8. **Approval of Request for Liquor License from MPH Hotels for Holiday Inn Express:** City staff has been told that the Holiday Inn Express will request a liquor license for beer and wine sales. I have requested a written request from MPH which hasn't yet been received, but may be received prior to Monday evening. Based upon the nature of the applicant, the license that fits the hotel may be a Class B. We are at our limit of five licenses. At a minimum, the Council would need to approve an increase in the number of licenses to six. Additionally, the description of hotels may too heavily indicate a need to have a significant portion of the business plan be the sale of food at the hotel. The description of licenses holders may need to be rewritten to say "hotels and places primarily engaged in serving food."
9. **Approval of Request from SBIC to Reduce Interest Rate on City Loan for #7 Carpenter Drive:** SBIC has requested that the interest on the City loan for the purchase of #7 Carpenter Drive be reduced from 4% to 2%. "City Manager math" (which needs to be confirmed by the Finance Director) indicates a savings to SBIC totaling about \$9,000 annually. The City budgeted \$18,500 to be received from SBIC in line 01-4313-01.

SBIC holds #7 Carpenter Drive for economic development purposes, namely for special and/or immediate needs for warehousing and production space. Reducing the interest charged to SBIC will allow it to make monthly lease packages more attractive for business projects in the Industrial Park. I understand in 2008 the City Council approved 4% interest as an amount that would compete favorably with other debt instruments held by the City. Today, 2% is on the high side of the interest the City typically receives on its General Fund dollars. City Manager recommends reducing interest down to 2%.

10. **Approval of Contract Extension for City Manager:** The City Manager's contract currently runs through April 30, 2017. Talks have taken place regarding extension of that contract without making any other change.

## VI. City Manager Report

1. **Update on Bryan Park Trail Grant Project:** John Pruden, Annette Brushwitz, and I met with Jarrod Heltsley of Shores Construction to discuss the trail project. Shores remains available to do this project. On the high side, the City should plan for an additional \$7,500 in cost for project due to delay. If the grant were reinstated, construction would not begin until perhaps August. At our last meeting, I failed to say that our trail grant comes from federal dollars. I've tried to contact DNR staff to gauge their opinion on likelihood the grant money is reinstated after a budget is approved, but haven't been able to reach our grant person.
2. **Liquor License Fees:** As a result of rearranging liquor license holders into different classes, the fee paid by some license holders changed. Additionally, a license holder recently inquired about jumping into another class in order to take advantage of a lower fee. Please review the enclosed listing of liquor licenses and associated fees.

***Liquor License Fees***

<u>Class</u>	<u>Fee</u>	<u>Summary</u>
A	\$1,100	Taverns
B	\$400	Beer & wine, restaurants and hotels
C	\$600	Package sales
D	\$1,500	All alcohol sales, restaurants and hotels
E	\$200 - \$800	Such as American Legion
F	\$50	Temporary license
G	\$600	Gaming and amusement establishments
H	\$250	Community Center