

**AGENDA
CITY OF SALEM
MAIN/I-57 BUSINESS DISTRICT PUBLIC HEARING &
REGULAR CITY COUNCIL MEETING
NOVEMBER 3, 2014
6:00 PM**

MAIN / I-57 BUSINESS DISTRICT PUBLIC HEARING

- I. Call to Order
- II. Public Hearing on Creation of Main / I-57 Business District – Presentation by Mike Weber of PGAV
- III. Close Public Hearing

REGULAR CITY COUNCIL MEETING – UPON CLOSURE OF PUBLIC HEARING

- 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 20, 2014
 2. Request from Moose Lodge for Downtown TIF Assistance
 3. First Reading – Creation of Main / I-57 Business District
 4. Property Tax Levy for Calendar Year 2015 Collections
 5. Approval of Resolution Levying .02% Library Building Tax
 6. Action on Natural Gas Rates and Customer Credits
 7. Discussion on Placement of Pedestrian Safety Traffic Signs at Broughton Road and Hospital Helicopter Pad
 8. Planning Commission Action – Recommend Rezoning 1313 East Main to RS-5
 9. Bid Approval for Curb Work
 10. Police Department Radio System Replacement
 11. FY2014 Budget Amendment

- VI. **City Manager Report**
- VII. **City Attorney Report**
- VIII. **Finance Director Report**
- IX. **City Council Report**
- X. **Executive Session**
 1. 5 ILCS 120/2 (c)(1) Personnel
 2. 5 ILCS 120/2 (c)(2) Contract
 3. 5 ILCS 120/2 (c)(5) Purchase of Real Estate

- XI. **Adjournment**

Bill Gruen
City Manager

**MINUTES
CITY OF SALEM
MAIN/I-57 BUSINESS DISTRICT PUBLIC HEARING
AND REGULAR CITY COUNCIL MEETING
NOVEMBER 3, 2014**

MAIN / I-57 BUSINESS DISTRICT PUBLIC HEARING

I. Call to Order

The Public Hearing for the Main/I-57 Business District was called to order by Mayor Raymer.

Council members present:

Councilman Jim Baity
Councilman David Black
Councilman Royce Bringwald
Councilwoman Sue Morgan
Mayor John Raymer

Others present:

City Manager Bill Gruen	Finance Director Ben Stratemeyer
City Clerk Bev Quinn	Economic Development Director Jeanne Gustafson
Interim Chief of Police Susan Miller	Animal Control Officer Paul Wimberly
Public Works Director John Pruden	Code Enforcement Officer Brian Hunt
Library Director Kim Keller	Recreation Director Sherry Daniels
City Attorney Mike Jones	PGAV Representative Mike Weber

Members of the media and public.

II. Public Hearing on Creation of Main / I-57 Business District – Presentation by Mike Weber of PGAV

Mike Weber of Peckham, Guyton, Albers and Viets indicated the public hearing is being held pursuant to statutory requirements of the Illinois Business District Development and Redevelopment Law. It is for the purpose of public comment on the proposed Main/I-57 Business District Plan, dated October 2, 2014. The City Council set the date for this public hearing at its regular meeting of October 20th. Notices of this public hearing were published in the newspaper on October 24th and October 31st.

The proposed Business District Plan was presented by Mr. Weber, as follows:

A. Business District Development Plan

1. The Boundaries are shown on the map marked as Exhibit A. The District contains approximately 8.3 acres.
2. The name of the proposed Business District is the Main/I-57 Business District.
3. Projects anticipated to occur within the District include:
 - a) Construction of a new Holiday Inn Express & Suites Hotel
 - b) Retail
 - c) Restaurants

Oriented to Interstate traffic.

The developer of the hotel project is known as MPH Hotels, Inc. Other developers may come on line later to develop the balance of the Business District.

4. The total estimated Business District project costs are about \$3.2 million.
5. The anticipated source of funds to pay these project costs will include:
 - Private capital
 - Retailers' occupation sales tax at a rate of 1% of taxable sales;
 - Service occupation sales tax at a rate of 1% of taxable sales; and
 - Hotel operators' occupation tax at a rate of 1% of gross room rental receipts.
6. The Business District shall expire upon payment of project costs, but in no event exist longer than 23 years.

Mayor Raymer asked if there were any public comments. (*None from the Public.*)

Councilman Black asked if there were going to be three 1% tax increases. Mr. Weber indicated there would be a 1% increase, but businesses would pay one of the three types, depending on its type of business.

City Manager Gruen indicated the City's current sales tax is 7.5%, and retail businesses will pay 8.5%. The hotel/motel tax is may be 4% or 5%, and MPH will pay 1% more. Mayor Raymer asked if this could be extended to the other hotels. Mr. Weber responded that to extend the district outside the current boundaries, or to create another business district, the City would need to go through this process again. Mr. Gruen indicated that once the district is created, properties *can* be removed from it. It will be the City Council's decision, upon receiving a request to be removed.

Councilman Black asked for confirmation that properties have to be "blighted" to be in a business district. Mr. Weber responded that they do, and the City is using the lack of streets within its 8-acre parcel as the "blight". Mayor Raymer indicated a new fund will be created and the money collected will go into it, and the only expenditures will have to be for developments within the new district.

III. Close of Public Hearing

As there were no further comments, the Public Hearing was closed at 6:12 p.m.

REGULAR CITY COUNCIL MEETING – UPON CLOSURE OF PUBLIC HEARING

I. Call to Order

A regular meeting of the Salem City Council was held on Monday, November 3, 2014 at 6:13 p.m., immediately after the Public Hearing regarding the creation of the Main/I-57 Business District. The meeting was called to order by Mayor John Raymer.

Council members present:

Councilman Jim Baity
Councilman David Black
Councilman Royce Bringwald
Councilwoman Sue Morgan
Mayor John Raymer

Others present:

City Manager Bill Gruen
City Clerk Bev Quinn
Interim Chief of Police Susan Miller
Public Works Director John Pruden
Library Director Kim Keller
City Attorney Mike Jones

Finance Director Ben Stratemeyer
Economic Development Director Jeanne Gustafson
Animal Control Officer Paul Wimberly
Code Enforcement Officer Brian Hunt
Recreation Director Sherry Daniels

Members of the media and public.

II. Prayer and Pledge of Allegiance

Opening prayer was led by Councilman David Black, followed by the Pledge of Allegiance to the Flag.

III. Presentation of Petitions/Public Comments – None.

IV. Mayor's Report and Presentations

Mayor Raymer reminded everyone to vote on Tuesday, November 4th, and that the polls would be open from 6 a.m. to 7 p.m.

Mayor Raymer thanked all who helped make Halloween Trick-or-Treat save for the children of the community, including: Evergreen Christian Church, First Baptist Church, SCHS, Kim Keller and the Bryan Bennett Library, Sherry Daniels, Rotary Club – Zombie Walk, Salem Elks, and the downtown businesses. It was a very successful evening.

V. City Council Action

1. Consent Agenda:

a. Approval of Minutes – October 20, 2014

Motion was made by Councilman Black and seconded by Councilman Bringwald to approve the Consent Agenda as presented. Roll call vote: AYES: Councilman Black, Councilman Bringwald, Councilwoman Morgan, Councilman Baity, Mayor Raymer. NAYS: None. Motion carried.

2. Request from Moose Lodge for Downtown TIF Assistance

City Manager Gruen indicated the Salem Moose is requesting a \$10,000 forgivable loan from the Downtown TIF to match another \$10,000 the Salem lodge is receiving from its national organization to be used for building renovations.

Moose Administrator Leonard Pennypacker indicated the funds will be used for roofing, tuck-pointing, brickwork, and foyer improvements. Contractor Chris Gibson indicated the front of the building is very heavy, and there is a chance of it falling. The front will be tuck-pointed, painted brown, and a new awning installed. Mr. Gibson indicated there is not too much tuck-pointing needed on the sides and rear of the building, but it will be done wherever necessary. Mr. Gibson indicated he is providing these services as a deep discount, as he is a Moose member, and he has ordered supplies.

Economic Development Director Jeanne Gustafson said they had had an independent engineer look at the building at he was very concerned. Ms. Gustafson indicated she recommends taking advantage of the discount being provided by the contractor, and granting a \$10,000 forgivable loan to be used with the \$10,000 match from Moose International. ***Motion was made by Councilman Black and seconded by Councilman Bringwald to grant a \$10,000 forgivable loan to the Moose. Roll call vote: Councilman Bringwald, Councilwoman Morgan, Councilman Baity, Councilman Black, Mayor Raymer. NAYS: None. Motion carried.***

3 First Reading – Creation of Main/I-57 Business District

City Manager Gruen indicated this is a first reading for two ordinances that would:

- a) Establish boundaries of the district;
- b) Establish taxes for the district

Mr. Gruen indicated these will be brought back for a second reading on November 17th.

4. Property Tax Levy for Calendar Year 2015 Collections

City Manager Gruen indicated Finance Director Ben Stratemeyer had received a preliminary EAV this morning, and some line items have been modified, but the total levy will remain the same, 4.99% over last year's. This will be brought back for a final reading on November 17th.

Mayor Raymer indicated some of the members of the Southern Illinois Mayor's Association have been dedicating a percentage of the video gaming proceeds to the Police Pension Fund. Mayor Raymer indicated he did not have a proposal for Council tonight, but will be bringing something back. Councilman Black indicated this would not be bad, unless the State mandates otherwise.

5. Approval of Resolution Levying .02% Library Building Tax

City Manager Gruen indicated the amount to be levied has been changed to \$15,710, instead of \$16,129, based on what we can actually collect. **Motion was made by Councilman Black and seconded by Councilwoman Morgan to approve Resolution 2014-08 approving levying a .02% Library Building tax. Roll call vote: AYES: Councilwoman Morgan, Councilman Baity, Councilman Black, Councilman Bringwald, Mayor Raymer. NAYS: None. Motion carried.**

6. Action on Natural Gas Rates and Customer Credits

City Manager Gruen distributed a proposal for Natural Gas Distribution & Meter Charges to become effective in January, as well as a proposal for customer credits. Mr. Gruen indicated he has been working with two representatives from SBIC on this, and the proposal below is what they have come up with:

Proposed Rate Effective January Billing 2015

Rate Class	Breaks	Meter	Distribution
RC1	-	\$5.000	\$0.3808
RC2	3,000	\$28.000	\$0.1000
RC3	40,000	\$178,000	\$0.0900
RC4	1,000,000	\$503.000	\$0.0690

Mr. Gruen indicated these rates are for distribution and meters only, and do not include the cost of natural gas, which is passed on at the price it is purchased at. Mr. Gruen indicated the proposal makes the City's rates more competitive with other providers, such as Ameren.

Additionally, the City sold 15-16% more gas this last year than the year before, and feels good about offering a credit to customers. Mr. Gruen proposed the following credit options:

Options

1. Credit all customers a set amount, such as \$100 per meter. May be able to implement this more quickly than option No. 2.

- a) Credit all customers \$100 – cost between 313,000 and \$340,000
- b) Credit all customers as follows – cost between \$351,200 and \$376,500

RC1 - \$ 100
RC2 - \$ 500
RC3 & 4 - \$1,000

2. Don't bill for natural gas for a month. This could be done as early as December usage billed in January 2015. Council may consider customers increasing their gas usage during this period, even inadvertently during a period of time when they will be billed for gas due in February.

January 2014 - \$739,150
January 2013 - \$499,706
January 2012 - \$595,067

Councilman Black indicated he would like to see the customer credits increased as follows: RC1 - \$150.00; RC2 – \$750.00, and RC3 & RC4 - \$1,500.00. Mr. Gruen indicated the gas fund can handle these credits, and we may be able to do it again next year. Councilwoman Morgan indicated this is a great rate structure, and Council needs to go with it. Councilwoman Morgan commended Mr. Gruen, the City Council, and SBIC for their efforts.

Mayor Raymer asked Bryan Hood, SBIC member, how he felt about the new rates. Mr. Hood indicated he was pleased to be part of the SBIC subcommittee that worked with Mr. Gruen on this, and he appreciates the hard work staff and council have put into this. Mr. Hood added that he is happy with the rates proposed.

Motion was made by Councilman Black and seconded by Councilman Baity to approve the proposed rate structure, and issue one-time credits as follows: RC1 - \$150; RC2 - \$750.00; RC3 & RC4 - \$1,500.00. Roll call votes: AYES: Councilman Baity, Councilman Black, Councilman Bringwald, Councilwoman Morgan, Mayor Raymer. NAYS: None. Motion carried.

Geff Purcell of Americana expressed Americana's appreciation.

7. Discussion on Placement of Pedestrian Safety Traffic Signs at Broughton Road and Hospital Helicopter Pad

City Manager Gruen provided a photograph of the type of sign he is proposing, which depicts a three part sign – a yellow diamond shaped sign at the top showing a pedestrian walking, square yellow sign with an arrow pointing at the crosswalk, and a third sign showing a red stop sign, the word “when”, and a picture of a pedestrian walking. The sign clearly depicts that when a pedestrian is waiting at the crosswalk, drivers must stop. Mayor Raymer asked about the possibility of their being two signs at staggered stops. Interim Chief of Police Susan Miller indicated two signs would defeat the purpose and cause confusion. Councilman Black mentioned that the sign at Altamont Rd. flashes all around the sign (solar lights) which calls attention to the sign, and questioned if the proposed sign is too small. Councilwoman Morgan said she always notices the sign when she is in Carlyle. Councilman Black asked if the sign at the bottom, with the stop sign and the pedestrian, could be made larger. Public Works Director John Pruden indicated it could be made larger. The proposed sign is based on State Statutes and no action by Council is required prior to installation.

8. Planning Commission Action – Recommend Rezoning 1313 East Main to RS-5

City Manager Gruen indicated the building inspection requested by City Council has not been completed yet, so this item will be postponed until next meeting. **Motion was made by Councilman Black and seconded by Councilman Baity to table this item until the inspection is complete. Roll call vote: AYES: Councilman Black, Councilman Bringwald, Councilwoman Morgan, Councilman Baity, Mayor Raymer.**

9. Bid Approval for Curb Work

City Manager Gruen indicated the budget includes funds for reconstruction of sections of curb/gutter in areas of Salem noted below:

120 Hawthorn Est Drive -21 lf
408 Sherwood Lane – 21 lf
318 Country Club Est Drive – 29 lf
149 Wham – 31 lf
743 Reel St. – 32 lf
506 Schroeder – 50 lf

Mr. Gruen indicated the low bid received was from Shore’s Builders totaling \$15,906.00. **Motion was made by Councilman Black and seconded by Councilwoman Morgan to approve award of the bid to Shore’s Builders in the amount of \$15,906.00. Roll call vote: AYES: Councilman Bringwald, Councilwoman Morgan, Councilman Baity, Councilman Black, Mayor Raymer. NAYS: None. Motion carried.**

10. Police Department Radio System Replacement

City Manager Gruen indicated the proposed work is a necessary revision to the radio system that will improve radio communication for both the Police Department and Public Works. Mr. Gruen indicated Interim Chief Miller feels this can be done within the current budget, as they are willing to postpone purchase of a new detective’s car. The proposed work will provide coverage in areas that are currently unserved, and are a safety hazard. **Motion was made by Councilman Black and seconded by Councilwoman Morgan to approve the revisions to the radio system proposed from GTSI in the amount of \$28,783.12. Roll call vote: AYES: Councilman Baity, Councilman Black, Councilman Bringwald, Councilwoman Morgan, Mayor Raymer. NAYS: None. Motion carried.**

11. FY2014 Budget Amendment

Finance Director Ben Stratemeyer provided the following:

As outlined by Glass and Shuffett during the October 20th meeting, the City went over budget in Fund 04 Parks, Fund 17 Gas, and Fund 18 Infrastructure. Finance Director Ben Stratemeyer has provided the following amendments to the FY2014 budget:

04 Parks

- 1) Receipt of unbudgeted Tree Grant that was appropriately spent - \$15,000
- 2) Advanced payment of Tennis Courts final debt payment made early to reduce interest charges - \$6,000

17 Gas

- 1) Gas Department – reflects higher quantities of gas purchased and sold than projected

18 Infrastructure

- 1) Receipt of \$250,000 water line and highway grants on planned work that was originally budgeted for the water department. Payment was able to be paid out of infrastructure fund instead of water fund.

Motion was made by Councilman Black and seconded by Councilman Bringwald to approve Ordinance 2014-15 amending the FY2014 Budget. Roll call vote: AYES: Councilman Black, Councilman Bringwald, Councilwoman Morgan, Councilman Baity, Councilman Baity. NAYS: None. Motion carried.

VI. City Manager Report

- City Manager Gruen eight of John Pruden's Public Works employees had been working on the new parking lot at Main and Jefferson, and it is looking good. Thanked Mr. Pruden for their efforts. The next step will be installing some concrete parking markers, so people will know where to park.
- Mr. Gruen indicated he brought his boys up for the Downtown Trick-or-Treat, and they had a blast. Mr. Gruen thanked Bev Quinn for giving out candy in front of City Hall.

VII. City Attorney Report – None.

VIII. Finance Director Report – None.

IX. City Council Report

- Councilman Black commended Mr. Pruden for the work done on the parking lot, and added that it is looking great.
- Councilman Bringwald concurred with Mr. Black on the new parking lot.
- Councilwoman Morgan indicated this is the 4th year she has given out candy in front of Tavi Tots, and she was impressed with how polite the children were. Councilwoman Morgan commended the parents, as all were encouraging their children to say "thank you".

X. Executive Session

At 7:05 p.m., motion was made by Councilman Black and seconded by Councilman Bringwald to enter into executive session for the purpose of discussing the following items:

- 1. 5 ILCS 120/2 (c)(1) Personnel***
- 2. 5 ILCS 120/2(c)(2) Contract***
- 3. 5 ILCS 120/2(c)(5) Purchase of Real Estate***

Roll call vote: AYES: Councilman Black, Councilman Bringwald, Councilwoman Morgan, Councilman Baity, Mayor Raymer. NAYS: None. Motion carried.

(10 minute break)

Return to Open Session at 8:15 p.m.

XI. Adjournment

As there was no further business to discuss, upon Motion by Councilwoman Morgan and second by Councilman Baity, the meeting was adjourned at 8:15 p.m.

Bev Quinn, CMC
City Clerk