

**AGENDA  
CITY OF SALEM  
BUDGET PUBLIC HEARING  
REGULAR CITY COUNCIL MEETING  
APRIL 18, 2016  
6:00 P.M.**

**BUDGET PUBLIC HEARING – 6:00 PM**

- I. Call to Order – 6:00 pm
- II. Public Hearing for FY17 City of Salem Budget – Question & Answer for Public
- 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**
  1. A.B.A.T.E. Proclamation
  2. Announcement of City Council Vacancy
- V. **City Council Action**
  1. Consent Agenda
    - a. Approval of Minutes – April 4, 2016 Regular Meeting
  2. Approval of Bills Payable
  3. Approval of Mayoral Appointments
  4. Approval of Planning Commission Rezoning Recommendation for 900 S. College
  5. Discussion – Payment of Commission to Real Estate Professional for Approved Sale of City Property at Kinney Boulevard
  6. Approval of Bid for Construction of Baldrige Lane/Mills Cart Connection
  7. Approval of Ordinance Authorizing Transfer of Working Cash Funds
  8. Approval of FY16 Budget Amendment
  9. Second Reading – Approval of FY17 Budget
- VI. **City Manager Report**
  1. Review of Annual Renewal of Mutual Medical Health Insurance Plan, Discussion on Seeking Proposals from Other Firms for FY2017
  2. Update on Preparations for Salem Trip to RECON Convention in Las Vegas
- Vii. **City Attorney Report**
- VIII. **Finance Director Report**
- IX. **City Council Report**
- X. **Adjournment**

Bill Gruen  
City Manager

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**MINUTES  
SALEM CITY COUNCIL  
BUDGET PUBLIC HEARING  
APRIL 18, 2016  
6:00 PM**

- I. **Call to Order – 6:00 pm**

The Budget Public Hearing for the FY17 Budget was convened at 6:00 pm and called to order by Mayor Rex Barbee.

**Council Members Present:**

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

**Others Present:**

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

- II. **Public Hearing for FY17 City of Salem Budget – Question & Answer for Public**

No questions or comments from the public.

- III. **Close Public Hearing**

***Motion was made by Councilwoman Morgan and seconded by Councilman Farley to close the Budget Public Hearing at 6:02 pm. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

**MINUTES**  
**REGULAR CITY COUNCIL MEETING**  
**April 18, 2016 - 6:02 PM**

I. **CALL TO ORDER**

The regular April 18, 2016 meeting of the City Council was convened at 6:02 p.m. at the conclusion of the FY17 Budget Public Hearing, and called to order by Mayor Rex Barbee.

**Council members present:**

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

**Council members absent:**

None.

*(One vacancy on Council due to resignation.)*

**Others present:**

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

II. **PRAYER AND PLEDGE OF ALLEGIANCE**

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

III. **PRESENTATION OF PETITIONS/PUBLIC COMMENTS** – None.

IV. **MAYOR'S REPORT AND PRESENTATIONS**

1. **ABATE Proclamation** - Mayor Barbee presented a Proclamation declaring May as "Motorcycle Awareness Month", and presented the document to ABATE representative Rose Vensel.
2. **Announcement of City Council Vacancy** – Mayor Barbee indicated he has received a letter of resignation from Councilman Jim Baity, indicating he is unable to continue as a member of Council due to health issues. Mr. Baity's resignation was accepted with regret. Mayor Barbee added that Mr. Baity has served the City as Councilman, Policeman, Code Enforcement Officer, Little League Coach, and in any number of ways.

Mayor Barbee indicated it is the responsibility of the Mayor, with the consensus of the Council, to appoint a replacement to fill Mr. Baity's unexpired term. This must be done within 60 days. To qualify to serve as an interim City Council member, you must have lived within the city limits for at least the past year and be 18 years of age or older. Mayor Barbee indicated he will be accepting letters of interest until Monday, April 25<sup>th</sup> at 5:00 pm. Letters should include your past experience, what influence you feel you have had in the community, and why you feel you should be selected to serve.

V. **CITY COUNCIL ACTION**

1. **Consent Agenda**

- a. Approval of Minutes – April 4, 2016

***Motion was made by Councilman Farley and seconded by Councilman Morton to approve the Minutes of April 4, 2016, as presented. Roll call vote: Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.***

2. **Approval of Bills Payable**

Following discussion of bills, ***motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve the Bills Payable as presented. Roll call vote: AYES: Councilwoman Morgan, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.***

3. **Approval of Mayoral Appointments**

Mayor Barbee indicated several Board and Commission members' terms are scheduled to expire on April 30, 2016, and he has asked them to serve again. Those members who have agreed are being presented for Council concurrence, as follows:

	<u>Original Appointment</u>	<u>Re-Appointment Term Ending</u>
<b><u>LIBRARY BOARD – 3-Year Term</u></b>		
Joyce Hahn	2005	04/30/2019
Tom Champion	2015	04/30/2019
Ann Wilzbach	2015	04/30/2019
<b><u>PLANNING COMMISSION – 7 Members – 5 Year Term</u></b>		
Open Position (unexpired position)		04/30/2018
<b><u>BOARD OF POLICE COMMISSIONERS – 3 Members – 3 Year Term</u></b>		
William “Randy” Vogt	1981	04/30/2019
<b><u>POLICE PENSION BOARD – 2-Year Term</u></b>		
James “Jim” Wheeler	2005	04/30/2018
<b><u>ZONING BOARD OF APPEALS – 5-Year Term</u></b>		
Open Position (unexpired term)		04/30/2020
<b><u>SALEM HISTORICAL COMMISSION – 3-Year Term</u></b>		
Jeannine Richards	1982	04/30/2019
Donald R. Mills	2001	04/30/2019
Diane Eller	2010	04/30/2019
<b><u>TOURISM BOARD – 4-Year Term</u></b>		
Rick Russ	2005	04/30/2020
Leon Chapman	2006	04/30/2020

***Motion to approve the Mayoral appointments as presented was made by Councilman Farley and seconded by Councilwoman Morgan. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.***

**4. Approval of Planning Commission Recommendation Rezoning Recommendation for 900 S. College**

City Manager Gruen indicated the Planning Commission is recommending the rezoning of 900 S. College St. from RS-3 Single Family Residential to I Industrial, at the request of Bob Grzgorek of Bob’s Auto and Truck Repair, LLC (*owner*). Mr. Grzgorek intends to demolish the residential building on the site and convert the two lots to a parking lot with an access to his business from College St. Zoning Administrator Bev Quinn indicated letters of support were submitted by Mike Squibb of Squibb Tank (*adjacent property owner*) and two residential property owners. ***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve Ordinance 2016-03 amending the zoning of 900 S. College (Lots 73 and 74, Block 17, Sanger, Camp and Company’s Addition to the City of Salem) from RS-3 Single-Family Residential to I Industrial. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

**5. Discussion - Payment of Commission to Real Estate Professional for Approved Sale of City Property at Kinney Blvd.**

City Manager Gruen indicated that City Council has requested that terms be presented for consideration which would allow for a commission to be paid to a real estate professional (*eligible by law/licensure*) who brings the City a commercial project it approves for Kinney Boulevard. Ms. Gustafson is working on a list of terms. Ms. Gustafson added that some of the items to be listed on the term sheet will be: sale or lease, property description, price per acre, deed restrictions, language to prohibit relocation of existing business, co-broker terms, and incentives.

**6. Approval of Bid for Construction of Baldrige Lane/Mills Cart Connection**

City Manager Gruen indicated that Rhutasel and Associates has reviewed bids for construction of the connection of Mills Cart and Baldrige. The low bid totaling \$51,004 was submitted by Johannes Construction which Rhutasel confirms is in order. Construction schedule will be determined after bid award. ***Motion was made by Councilwoman Morgan and seconded by Councilman Farley that Baldrige Lane/Mills Cart Road connection project be awarded to Johannes Construction in the amount of \$51,004. Roll call vote: AYES: Councilwoman Morgan, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.***

**7. Approval of Ordinance Authorizing Transfer of Working Cash Funds**

City Manager Gruen indicated this is an annual transfer between the General Fund and the Working Cash Fund. This transfer relates to a loan the City made to SBIC in 2008 for acquisition of #7 Carpenter Drive. If this property sells, this money will be permanently transferred back into Working Cash. **Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve Ordinance #2016-04 authorizing the transfer of \$400,000 from Working Cash to the General Fund. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.**

**8. Approval of FY16 Budget Amendment**

City Manager Gruen recommended the following amendments to the FY16 budget:

- Garbage Fund 03 (\$27,000) – Consulting firm Weaver Boos billed the City for services in FY16 that were completed before FY16, revealed upon an audit conducted by the firm; and surprise leaf-vac truck transmission rebuilds.
- Police Pension Fund 10 (\$57,500) – Dept. of Insurance Adjustment and unbudgeted legal fees related to a pension claimant.
- Gas Fund (\$3 Million) – related to the interfund loan from Gas Fund 17 to ½ cent Sales Tax Fund 18 regarding Wastewater Treatment Plant Bond refinance.

**Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve Ordinance #2016-05 Approving an Amendment to Ordinance 2015-05 “FY16 Budget”. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.**

**9. Second Reading – Approval of FY17 Budget**

City Manager Gruen indicated he has implemented the changes suggested by Council, and has input \$3,500 into the General Budget for architectural services for City Hall and \$3,500 for Police Department defibrillators. These changes were made by shaving small amounts off of several budget items. The total FY17 Budget is \$18,771,831, which is an \$80,628 decrease from last year’s budget. Council has been provided with the pages that have changed, but will not receive a totally new budget until all of the FY16 expenditures are in, which may be 4-6 weeks.

**Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve Ordinance 2015-06, FY2017 Budget. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.** Councilman Farley thanked the City Manager, Finance Director and Department Heads for putting together a good budget.

**VI. City Manager Report**

**1. Review of Annual Renewal of Mutual Medical Insurance:** The City’s health insurance plan year, which is administered by Mutual Medical, runs May 1 through April 30 (deductibles for participants still run calendar year). Mutual Medical has presented a few renewal options, the net effect of which has the impact of **reducing** the annual, maximum plan cost between \$49,000 and \$59,000 from FY16 to FY17. Please note: (A) the annual, maximum cost will likely be different from the actual cost of claims that the City incurs; (B) the difference in renewal options A and B totals about \$10,400; (C) it’s not necessary to amend the budget to accommodate a reduction in the maximum – we’ll just have a little bit of cushion in Funds 01, 04, 16, and 17.

**2. Update on RECON Preparations:** Economic Development Director Jeanne Gustafson provided an update on RECON preparations, and the following PowerPoint presentation:



