

**AGENDA  
CITY OF SALEM  
REGULAR CITY COUNCIL MEETING  
MAY 16, 2016  
6:00 P.M.**

- 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. Swearing 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
  - 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**
- XII. Adjournment**

Bill Gruen  
City Manager

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**MINUTES  
REGULAR CITY COUNCIL MEETING  
May 16, 2016 – 6:00 pm**

- I. CALL TO ORDER**

The regular May 16, 2016 meeting of the City Council was convened at 6:00 p.m. and called to order by Mayor Rex Barbee.

**Council members present:**  
Councilman Nic Farley  
Councilman Craig Morton  
Councilwoman Sue Morgan  
Mayor Rex Barbee

*(After being sworn in, Councilman Tim Hudspeth joined Council.)*

**Council members absent:**  
None.

**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. Recognition of Jim Baity for Service to City of Salem  
Mayor Barbee indicated that the City had intended to recognize Jim Baity for his service to the City tonight, but due to health issues, he was unable to attend. Recognition will be postponed to a future meeting.

Mayor Barbee thanked the Public Works Department for assisting with limb removal after the recent storm.

Mayor Barbee indicated the first Honorary Veteran's Blvd. sign was unveiled just prior to the City Council meeting, and thanked the Veteran's for their participation and service.

Mayor Barbee indicated he just signed a Poppy Day Proclamation, and indicated members will be collecting funds for veteran's affairs.

V. **CITY COUNCIL ACTION**

City Manager Gruen indicated approval of MFT purchases was accidentally left off of the agenda, and distributed an amended agenda. City Council expressed consensus that the addition be discussed as Agenda item 11.

**1. Consent Agenda**

*a.* Approval of Minutes –May 2, 2016

***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve the Minutes of May 2, 2016 as presented. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Farley, Mayor Barbee. Nays: None. Motion carried.***

**2. Swear in Tim Hudspeth to City Council**

Mayor Barbee swore in Tim Hudspeth to the position of City Councilman. Councilman Hudspeth introduced his wife Jessica and daughter Arabella, and then took his seat at the Council table.

**3. Approval of Mayoral Appointment to Tourism Board**

Mayor Barbee indicated Sherry Morton had expressed a willingness to serve on the Tourism Board in Councilman Hudspeth's place. Mayor Barbee requested approval, and indicated there will now be an additional position open on the Zoning Board of Appeals, as Ms. Morton will be required to resign from that Board. ***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve the appointment of Sherry Morton to fill the unexpired term of Tim Hudspeth on the Tourism Board. Roll call vote: AYES: Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Mayor Barbee. NAYS: None. Councilman Morton abstained. Motion carried.***

**4. Approval of Bills Payable**

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

**5. First Reading – Loan Request Made by American Legion**

City Manager Gruen indicated the local American Legion has submitted a revolving loan request that would allow for the purchase of real estate for the reestablishment of a location for the Legion. They seek to purchase 1001 E. 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 MCSB and \$30,000 from cash currently held by the local American Legion.

Mr. Gruen indicated it has been Council practice to consider loans and grants in two readings. The City can lend \$15,000 for each job created. The Legion has projected creating 4-6 jobs, which State regulations allow to be created within 24 months of loan disbursement from the City. The loan has been reviewed by Steve Stine of Leymone Hardcastle, Rick McCollum, and Finance Director Ben Stratemeyer. The Loan Committee came up with some good questions, which the Legion is working on answering at this time.

Mayor Barbee indicated he is excited for the Legion, and happy that they are taking an existing building and making it useful again. Mayor Barbee added that the building is still in good shape. Mr. Steve Owen indicated they feel they will be able to afford the facility, as they have ongoing fundraisers, have increased membership from 110 to 154, will rent out rooms for meetings and events, host weekly breakfasts on Saturday mornings, and will have gaming revenues. The Legion bar will be open to members and their invited guests only, but will be open to the public for

special events and fundraisers. Mr. Owens indicated the closing on the building has been extended from May 22, 2016 to June 30, 2016.

Councilwoman Morgan indicated that she feels it is great that the building will be used for such a good purpose. Councilman Hudspeth asked if the building has been appraised. Mr. Owens indicated it has not yet been appraised, but it will be.

Diane Owen indicated the projected figures were based on what the bank came up with – old receipts, averages, gaming in Salem. Mayor Barbee indicated the organization's purchase and operation of the building should be viable, and Council will be leaning on the Loan Committee's findings for that. Councilman Farley asked if the club will be open seven days per week. Mr. Owen indicated he's not sure, as this will require the approval of the members, but it will be open at least six days per week. Mayor Barbee added that this is a first reading.

#### **6. Approval of Next Round of Street & Sidewalk Projects**

City Manager Gruen drew Council's attention to John Pruden's memo of February 10, 2016, which includes a list of street and sidewalk projects that Mr. Pruden has identified as reaching a level of importance for consideration by the City Council. Mr. Pruden's recommendations are in bold, but other projects that have been requested by Council or citizens are also listed. The total cost for projects recommended by Mr. Pruden are included in the FY17 budget.

Following discussion, ***motion was made by Councilwoman Morgan and seconded by Councilman Farley to approve Mr. Pruden's recommendations, as follow:***

##### **Streets: Bituminous Overlay**

N. Illinois – Boone to Hawthorn School – 450 AADT  
920 lf x 20.3'w – rotomill + overlay - \$47,080

N. Indiana – Main to Boone – 2750 lf  
3" bitum overlay – AADT – 450-250 - \$144,143

E. Lake – S. Broadway to S. Marion – 27.5'w x 1430 lf –  
3" bitum overlay – 650/550 AADT - \$84,410

**Total proposed bituminous street overlays - \$275,600.**

##### **Sidewalk**

N. Rotan – Boone to Seneff – 470 lf x 5'w, drives & handicap ramps - \$50,237  
950 AADT - \$65,600

**Total proposed sidewalk improvements - \$50,237**

**Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Mayor Barbee. NAYS: None. Motion carried.**

#### **7. Authorization to Seek Engineering Proposals for Street & Sidewalk Projects**

City Manager Gruen indicated the Council has expressed interest in seeking bids and proposals for City contracts, whenever possible, and he supports that position. Mr. Gruen indicated if Council wants him to solicit RFPs for engineering for street and sidewalk projects, he can set up his RFP so he will have proposals before the next meeting. ***Motion was made by Councilman Farley and seconded by Councilman Hudspeth to seek proposals for engineering for street and sidewalk projects. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

#### **8. Approval of Request for Liquor License from MPH Hotels for Holiday Inn Express**

City Manager Gruen indicated staff has been told that Holiday Inn Express will be requesting a liquor license for beer and wine sales. Based upon the nature of the applicant, the license that best fits the hotel may be a Class B. Mr. Gruen indicated the City is at its limit for Class B licenses, which is five. Mr. Gruen indicated he has been told that Pizza Hut will not be renewing its liquor license after the current year, which expires June 30<sup>th</sup>, but there may be a couple of weeks where Holiday Inn Express needs a license and Pizza Hut is still using theirs. Mayor Barbee indicated his

position is that he would prefer not to have six licenses, if we really need five, but it is important to have a license for Holiday Inn. City Attorney Mike Jones indicated the cleanest thing to do would be to change the ordinance to allow six Class B licenses instead of five, and then change it back. Councilman Farley asked if they have applied for a license. Mr. Gruen responded that they have not. City Clerk Quinn suggested contacting Pizza Hut to see when it is relinquishing its license, and see if the timing would work for issuing a license to MPH. Mayor Barbee directed her to do so.

**9. Approval of Request from SBIC to Reduce Interest Rate on City Loan for #7 Carpenter Drive**

City Manager Gruen indicated SBIC has requested that the interest on the City loan for the purchase of #7 Carpenter Drive be reduced from 4% to 2%. This would be a savings to SBIC of approximately \$9,000, and a reduction in the revenue budgeted FY17. Mr. Gruen indicated SBIC holds #7 Carpenter Drive for economic development purposes, namely for special and/or immediate needs and/or warehousing. City Manager Gruen indicated he recommends reducing the interest rate

Discussion ensued regarding the existing agreement, and possible terms for the reduced interest rate. City Manager Gruen indicated he would do some investigating on whether the agreement had been extended. City Attorney Jones indicated he would prepare a draft agreement that would establish a period of time for the reduced interest, with an opportunity to reevaluate at the end of the term for consideration at the next meeting.

**10. Approval of Contract Extension for City Manager**

Mayor Barbee indicated City Manager Bill Gruen's contract currently runs to April 30, 2017. Mr. Gruen has received high marks on Council evaluations, and Mayor Barbee indicated he would like to see the Council extend his contract for three additional years, through April 30, 2020. **Motion was made by Councilman Farley and seconded by Councilwoman Morgan to extend City Manager Bill Gruen's contract to April 30, 2020. Roll call vote: AYES: Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.**

**11. Approval of MFT Purchases**

City Manager Gruen indicated low bids were received from Marathon Petroleum Company for seal coat in the amount of \$349.28/ton and from Brink Brothers Grain and Trucking for seal coat aggregate (CA16 crushed stone) in the amount of \$14.25/ton. Public Works Director John Pruden is recommending approval. **Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve the award for MFT purchases to Marathon Petroleum Company for seal coat in the amount of \$349.28/ton and Brink Brothers Grain and Trucking for seal coat aggregate (CA16 crushed stone) in the amount of \$14.25/ton. Roll call vote: AYES: Councilman Hudspeth, Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.**

**VI. CITY MANAGER REPORT**

**Update of Bryan Park Trail Grant Project:** City Manager Gruen indicated he, John Pruden and Annette Brushwitz met with Jarrod Heltsley of Shores construction to discuss the trail project. Shores remains available to do the project. The City should plan for an additional \$7,500 in costs for the project due to delay. If the grant were reinstated, construction would not begin until perhaps August. Mr. Gruen indicated he has tried to contact DNR staff to gauge their opinion on the likelihood other grant money will be reinstated after a budget is approved, but hasn't been able to reach our grant person.

**Liquor License Fees:** City Manager Gruen indicated that as a result of rearranging liquor license holders into different classes, the fees paid by some license holders changed. Additionally, a license holder recently inquired about changing into another class in order to take advantage of the lower fee. City Manager Gruen asked City Council to review the attached list of licenses and associated fees for discussion at another meeting.

**VII. CITY ATTORNEY REPORT – None.**

**VIII. FINANCE DIRECTOR REPORT – None.**

**IX. CITY COUNCIL REPORT**

**Councilman Farley** expressed concern that the online utility payment page does not automatically default to https.

**X. ADJOURNMENT**

As there was no further business to discuss, ***motion was made by Councilman Hudspeth and seconded by Councilman Farley to adjourn the meeting at 7:15 pm. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

Bev Quinn, CMC  
City Clerk

Minutes approved: \_\_\_\_\_