

**AGENDA
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
JUNE 6, 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**

- V. City Council Action**
 - 1. Consent Agenda
 - a. Approval of Minutes – May 16, 2016
 - b. Evergreen Christian Church – Use of Park for 5K – September 10, 2016
 - 2. Approval of Disbursement to Daffy Dill Club
 - 3. Flag Day Event – June 14, 2016
 - 4. Second Reading – Loan Request Made by American Legion
 - 5. Approval of Engineer for FY17 Resurfacing and Sidewalk Projects
 - 6. Approval of Extension of SBIC Note and Refinancing
 - 7. Discussion – Liquor License Fee Structure

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

Note: Agenda was amended in Council Action to include Item 8. Purchase Approval - Water Plant Valve Replacement.

- XII. Adjournment**

Bill Gruen
City Manager

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

I. CALL TO ORDER

The regular June 6, 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
Councilman Tim Hudspeth
Mayor Rex Barbee

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

John Raymer, Holiday Inn Express & Suites, Salem announced the new Holiday Inn Express is opening for business on June 16, 2016. Owner Mike Holtz asked him to express MPH's appreciation for all the City of Salem has done to make this possible, especially Bill Gruen, Jeanne Gustafson and John Pruden. The hotel has 83 rooms, an indoor pool, breakfast area, workout area and a laundry area, and is a very nice front door to our City. Holiday Inn Express is offering a breakfast tour to any group that is interested in the hotel. Those who would like to make arrangements should contact John Raymer or Hotel Manager Joyce Black.

IV. MAYOR'S REPORT AND PRESENTATIONS

Family Day in the Park – Family Day in the Park will be held this Saturday, June 11th.

Shrine Circus – will be held on June 9th and 10th. Mayor Barbee indicated the Shriners' organization does phenomenal things to help children who might not receive treatment otherwise, and he urged the community to support the organization.

Demolitions – Mayor Barbee indicated there are several demolitions going on, including the Broadway Christian Church and the former Kentucky Fried Chicken building.

V. CITY COUNCIL ACTION

City Manager Gruen indicated Public Works Director John Pruden received a quote today on the replacement of a Water Plant Valve and he is requesting that the agenda be amended to include action on this item. ***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to amend the June 6, 2016 agenda to include Item 8. Purchase Approval - Water Plant Valve Replacement under City Council Action. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

1. Consent Agenda

a. Approval of Minutes –May 16, 2016

b. Evergreen Christian Church – Use of Park for 5K – September 10, 2016

Motion was made by Councilwoman Morgan and seconded by Councilman Hudspeth to approve the Consent Agenda as presented.

2. Approval of Disbursement to Daffy-Dill Garden Club

City Manager Gruen indicated that for several years, the City has budgeted \$14,500 for the Daffy-Dill Garden Club in the Community Appearance line item. The Daffy-Dill Club submits a budget for City Council approval prior to disbursement of funds. ***Motion was made by Councilman Hudspeth and seconded by Councilman Farley to approve the disbursement of \$14,500 to the Daffy Dill Garden Club, as requested. Roll call vote: AYES: Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.***

3. Flag Day Event – June 14, 2016

Bob Lafenhagen of Salem Elks Lodge #1678 announced that the Salem Elks has once again been named an All American Club. Mr. Lafenhagen added that the Boy Scouts will be conducting a flag retirement at the Elks on June 14th at 7:00 p.m., and members of the Elks would like to hand out flag flyers, with Elks contact information on them, between 11:00 am and 1:00 pm on June 14th at the intersection of Boone St. and N. Broadway. Chief Reynolds indicated he would have no objections if the Public Works Department could put the traffic signal on flashing red and erect the portable stop signs. Mr. Pruden indicated they could. ***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve the Elks giving out flag flyers between 11:00 am and 1:00 pm at the intersection of Boone and Broadway on June 14, 2016. Roll call vote: AYES: Councilman Hudspeth, Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.***

4. Second Reading – Loan Request Made by American Legion

City Manager Gruen indicated Ms. Gustafson has been working with the applicants on getting answers for questions the loan review committee raised, and on tightening the revenue and expenditure expectations. Ms. Gustafson concurred and added that Mr. and Mrs. Owens have been doing a great job. Ms. Gustafson indicated the American Legion has decided to be open to the public. Their research has indicated they will bring in more than expected on the breakfasts, and their utility costs have been adjusted down. The legion currently has an open contract with a gaming company, and will apply for a liquor license and gaming in the near future.

Ms. Gustafson explained that the RLF funds actually come from CDAP funds that were loaned to the City years ago, and were recaptured. The proposed project fits the “but-for” requirement, in that the project will not happen “but-for” receiving the RLF loan. Marion County Savings Bank has indicated they will fund the project if the City partners in a 20 year loan of \$45,000. Additionally, the bank will charge interest only for the first three months.

Councilman Farley asked if an appraisal of the building has been done. Ms. Gustafson indicated that the appraisal will be a required by MCSB. Councilman Hudspeth asked if the Council will be in a catch-22 situation if the appraisal does not come in as expected, and they have already approved the loan. City Manager Gruen indicated if that happens, he will bring this back to Council. Mr. Hudspeth asked Finance Director Ben Stratemeyer if he feels the numbers will work. Mr. Stratemeyer responded he feels they will work as presented.

City Manager Gruen asked Mr. and Mrs. Owens where they have currently been conducting their fundraisers. Mr. Owens responded the breakfasts have been held at the Marion County Fair Building and the BBQ sales have been at Edward Jones.

Mr. Owens stated that there are no problems with the plumbing, electricity, freezers or refrigerators. The only item they are unsure about is the stove, but it will be checked out before they close on the loan.

Councilman Hudspeth asked if the American Legion has contingency funds if some of the equipment doesn't work as expected, or if those funds are earmarked for Legion Baseball or other commitments. Mr. Owens indicated the American Legion Baseball is currently being sponsored by the Elks. The American Legion also offers annual scholarships to graduating seniors, but they do have contingency funds. Mayor Barbee asked if, based on income projections, the Legion will be able to continue awarding the scholarships and handle the building debt. Mr. Owens indicated they would.

Councilman Farley suggested that any motion made be contingent upon the building being appraised at a minimum of \$150,000. Mr. Farley added that he is proud of the American Legion and is happy to see the Legion using the former depot. Mrs. Owens indicated within two years of Mr. Owens taking over the leadership of the Legion they paid off \$30,000 in debt and increased their membership, and she is confident they can make the project work. Mayor Barbee suggested the Legion develop a succession plan so the organization doesn't run into problems in the future. Mr. Owens indicated his Vice-President and Second Vice-President are ready to take over, and they are building on the younger members. Councilman Hudspeth indicated he echoes what Councilman Farley suggested, and that any loan approval be contingent upon the building appraising for at least \$150,000. ***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve a loan to the American Legion in the amount of \$45,000 for a 20-year term at 3% interest, interest only for the first 90 days, contingent upon the property being appraised at \$150,000 or more. Roll call vote: AYES: Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.***

5. Approval of Engineer for FY17 Resurfacing and Sidewalk Projects

City Manager Gruen indicated proposals for providing the engineering on the FY17 Resurfacing and Sidewalk Projects were received from the following firms:

**Marvin R. Jenkins and Associates
Hennegan and Associates, PC
Rhutasel and Associates, Inc.
Kaskaskia Engineering Group, LLC
Round Table Design
HMG Engineers, Inc.**

Mayor Barbee indicated Council wanted to see what firms and services were available, and invited those present to address Council. Brief presentations were heard from:

**Kevin Phillips, Round Table Design
Scott Rakers, HMG Engineers, Inc.
Gary Hahn, Rhutasel and Associates**

Public Works Director Pruden indicated he has reviewed the submittals, and recommends we continue to use the local engineer. Councilman Farley indicated he didn't see anything that disqualified any of the firms, and they were all good submittals, but he feels Council does need to do its due diligence. ***Motion was made by Councilman Farley and seconded by Councilman Hudspeth to select Rhutasel and Associates, Inc. to provide the engineering for the FY17 sidewalk and resurfacing projects. Roll call vote: AYES: Councilman Hudspeth, Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.***

6. Approval of Extension of SBIC Note and Refinancing

City Manager Gruen indicated SBIC has requested that the interest rate on their note with the city for #7 Carpenter Drive be reduced from 4% to 2%. City Attorney Mike Jones indicated he put a 36 month term on the note, so that Council can review this again at that time. Mr. Gruen indicated Americana Building Products has been leasing part of the building for some time, and they may be in it for a while, but once it is vacated it will once again become a spec building. The building was purchased by SBIC to be used as a startup building for businesses. **Motion was made by Councilwoman Morgan and seconded by Councilman Morton to approve the amended Promissory Note with SBIC at 2% interest on the balance of \$455,000 for 36 months. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Mayor Barbee. NAYS: None. Councilman Farley abstained.**

7. Discussion – Liquor License Fee Structure

City Manager Gruen indicated City Clerk Bev Quinn works closely with the Mayor on issuing liquor licensing, and he had asked her to prepare her recommendations for fee revisions.

Ms. Quinn indicated when surveying other communities for their liquor license fees, the classifications with the most hours and types of service had the highest fees with the lowest fees being for those with limited hours and types of alcohol. Below is the recommendation provided by Ms. Quinn:

Class	Current Fee	Proposed Fee
A	\$1,100.00	\$1,100.00
B	\$400.00	\$600.00
C	\$600.00	\$600.00
D	\$1,500.00	\$1,100.00
E	Based on membership	Same (Based on membership)
G	\$600.00	\$1,100.00

Councilwoman Morgan suggested the rates remain as they currently are. Councilman Morton asked if a fee survey had been done. Mayor Barbee directed Ms. Quinn to do a survey of surrounding communities and bring it back to Council for further discussion.

8. Purchase Approval – Water Plant Valve Replacement

Public Works Director Pruden indicated there is an 8” valve 18’ deep in the ground that needs to be replaced at the Water Plant. Mr. Pruden spoke with two contractors who were reluctant to take on the project and one which did submit a proposal. Currently, this section has to be pumped out manually and the valve may be original to the Water Plant. The proposal received is from Haier Plumbing with a cost range of \$16,000 - \$24,000, due to the difficulty of the replacement. Mr. Pruden added that he will do everything possible to minimize the cost. **Motion was made by Councilman Hudspeth and seconded by Councilwoman Morgan to approve the proposal from Haier Plumbing to replace the valve at the Water Plant for between \$16,000 and \$24,000. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.**

VI. CITY MANAGER REPORT

City Manager Gruen indicated Pizza Hut has relinquished its license, and there is a Class B license available for the Holiday Inn Express, should they apply.

VII. CITY ATTORNEY REPORT – None.

VIII. FINANCE DIRECTOR REPORT – None.

IX. CITY COUNCIL REPORT

Councilman Farley

- **Knox Boxes** – Councilman Farley asked about the Knox boxes, and if they have been installed. Ms. Gustafson indicated she has prepared a list of all the property owners for the Fire Department, and she will follow up.
- **Boat Dock** – Councilman Farley asked what the status of the boat dock at the Salem Reservoir is. City Manager Gruen indicated he needs to write up a RFP for the new dock. Gruen added he would like to have a wooden dock anchored to the ground, with an “L” shape, so people could fish off of the dock. Councilman Farley noted that the defective dock has been removed.

- **Status of Patrolman Hire** – Councilman Farley asked where the hiring of a new patrolman is. Chief Reynolds indicated the applicants are tested and ranked according to their scores. The Eligibility Roster is posted at City Hall and the Police Department. Chief Reynolds indicated once the Board of Police Commissioners are notified that the position has been budgeted by the City Manager, they authorize the Chief to start with the #1 ranked applicant and have the applicant go through psychological testing, a polygraph test and a physical exam. If the candidate makes it through those tests, he/she will begin academy training on July 10th and graduate in September. City Manager Gruen indicated he wanted to take the opportunity to compliment the Board of Police Commissioners, as the four hires made during his time with the City have worked out great. Councilman Farley asked who the top candidate is. Chief Reynolds indicated the candidates name is Brandon Kreke, and he graduated from SCHS in 2010 and SIU-C in 2014.

Councilwoman Morgan

- **TIF Project Building Inspections** – Councilwoman Morgan indicated that when approving the Downtown TIF projects, it was specified that the buildings be inspected by an engineer prior to disbursement of funds, and asked if reports have been received. Economic Development Director Gustafson indicated the ABC and Encore Resale have both been inspected, and the engineers have more inspections scheduled.
- **Bryan Park Trees** – Councilwoman Morgan indicated there are several dead trees in Bryan Park and asked what their status is. Public Works Director Pruden indicated there are approximately 10 dead trees are scheduled to be taken down. The City has a certified arborist on staff, and the only trees they will use a tree service for are the trees that the City’s bucket truck will not reach or are located next to something expensive.

Mayor Barbee

- **Salem Lion’s Club – Donation of Trees to Dog Park**
Mayor Barbee indicated the Salem Lion’s club would like to have a photo opportunity showing them donating two trees to the Dog Park. This has been scheduled for Wednesday evening.

Councilman Morton

- **Baldrige Lane Extension** – Councilman Morton asked for a status update on the Baldrige Lane extension. Public Works Director Pruden indicated the extension is looking good and may be open next week.

X. ADJOURNMENT

As there was no further business to discuss, ***motion was made by Councilman Hudspeth and seconded by Councilwoman Morgan 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: _____