

AGENDA
CITY OF SALEM
REGULAR CITY COUNCIL MEETING APRIL 16, 2018 - 6:00 PM

BUDGET PUBLIC HEARING – 5:45 PM

- I. Call to Order
- II. Public Hearing for FY18 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. Motorcycle Awareness Month
- V. **City Council Action**
 - 1. Consent Agenda
 - a. Approval of Minutes – 04/02/18
 - 2. **FY18 Budget Amendment - Added**
 - 3. Approval of FY19 City Budget
 - 4. Approval of FY19 Funding Request from Daffy Dill Garden Club
 - 5. Approval of Disc Golf Course Layout Concept
 - 6. Approval of Alteration of South Property Line for Salem Community Theatre
 - 7. Approval of TIF Request for Bike Shop at 100 N Washington
 - 8. Discussion on Enterprise Zone Application – Review of PGAV Survey
 - 9. Approval of New Class G and Class A Liquor Licenses
 - 10. Approval of Purchase to Upgrade Civic
 - 11. Approval of Purchase for Rock, Sand, and Chemicals
 - 12. Approval of Change Order for Sanitary Sewer Project
 - 13. Approval of Bills Payable
- 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)(5) Purchase of Real Estate
- XI. **City Council Action**
 - 14. Approval of Projects for RLF Spend-down
- XII. **Adjournment**

Bill Gruen City
Manager

MINUTES
CITY OF SALEM
BUDGET PUBLIC HEARING
April 16, 2018 - 5:45 PM

- I. **CALL TO ORDER**

Mayor Barbee called the Budget Hearing for the FY19 City of Salem Budget to order at 5:45 pm.
- II. **PUBLIC HEARING FOR FY18 CITY OF SALEM BUDGET – QUESTION & ANSWER FOR PUBLIC**

City Manager Gruen indicated the budget has been presented during the past two Council meetings, with the total budget proposed totaling \$17,645,737 for General and Other Funds. Since the original presentations, the City Manager is proposing the following changes:

Changes in General Fund

Revenues		Original Budget	Change	New Budget
01-4323-02	DRUG ENFORCEMENT RECEIPTS	\$ 1,000.00	\$ (500.00)	\$ 500.00
01-4338-00	POLICE DEPARTMENT - DUI REV	\$ 1,500.00	\$ 1,000.00	\$ 2,500.00
01-4342-00	POLICE VEHICLE FUND	\$ 1,000.00	\$ 500.00	\$ 1,500.00
General Fund Revenues		\$ 3,500.00	\$ 1,000.00	\$ 4,500.00

Expenditures

01-5102-101-06	POLICE TRAINING OVERTIME	\$ 68,000.00	\$ (5,000.00)	\$ 63,000.00
01-5102-401-00	TRAVEL	\$ 10,000.00	\$ (1,000.00)	\$ 9,000.00
01-5102-402-00	TRAINING	\$ 12,000.00	\$ (1,000.00)	\$ 11,000.00
01-5102-515-01	DRUG FORFEITURE FUND PURC	\$ 5,000.00	\$ (500.00)	\$ 4,500.00

01-5109-204-00	BUILDING MAINTENANCE	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00
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01-5112-105-01	HEALTH INSURANCE REIMBURS	\$ (159,938.00)	\$ 600.00	\$ (159,338.00)
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01-5107-202-00	ELECTRICITY	\$ 149,000.00	\$ 16,000.00	\$ 165,000.00
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01-5112-104-00	RETIREMENT/IMRF	\$ 199,950.00	\$ (14,949.00)	\$ 185,001.00
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01-5112-104-01	RETIREMENT-SLEP	\$ 4,000.00	\$ (1,852.00)	\$ 2,148.00
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General Fund Expenditures	\$ 293,012.00	\$ (2,701.00)	\$ 290,311.00
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Total Amount in Changes to Improve General Fun	\$ 3,701.00
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Changes in Parks, Water and Gas**Park Expenditures**

04-5101-104-00	RETIREMENT	\$ 9,329.00	\$ (682.00)	\$ 8,647.00
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Water Expenditures

16-5112-104-00	RETIREMENT	\$ 124,561.00	\$ (9,105.00)	\$ 115,456.00
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16-5122-402-00	TRAINING	\$ 500.00	\$ 700.00	\$ 1,200.00
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Gas Expenditures

17-5101-104-00	RETIREMENT	\$ 47,425.00	\$ (3,467.00)	\$ 43,958.00
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	<u>First Draft</u>	<u>New Draft</u>	<u>Difference</u>
General Fund Expenditures	\$ 5,470,198.00	\$ 5,467,497.00	\$ (2,701.00)
General Fund Expenditures w/ Pension	\$ 5,708,939.00	\$ 5,706,238.00	\$ (2,701.00)
Total Fund Expenditures	\$ 17,645,747.00	\$ 17,629,992.00	\$ (15,755.00)

City Manager Gruen indicated the proposed revisions result in a reduction in the total budget from \$17,645,747 to \$17,629,992. Mr. Gruen indicated this is a balance budget with the exception that he would like to "roll over" a \$15,000 UP grant to the Historical Commission that is earmarked to be used for development of a museum and \$5000 that has been budgeted for repairs to the Bryan Home that have not yet been made. In addition to those two figures, there is a "once in a generation cost" of \$35,000 for PGAV's services for their assistance with the Enterprise Zone application.

Mayor Barbee asked if there were any questions from the public. There were none.

III. CLOSE PUBLIC HEARING

Mayor Barbee declared the Public Hearing for the FY19 Budget closed at 5:58 pm.

Bev Quinn, CMC
City Clerk

**MINUTES
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
April 16, 2018 – 6:00 pm**

I. CALL TO ORDER

The regular April 16 2018 meeting of the City Council was convened at 6:00 p.m. and called to order by Mayor Rex Barbee.

Council members present:

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

Council member absent: None.

Others present:

City Manager Bill Gruen	City Attorney Mike Jones
City Clerk Bev Quinn	Chief of Police Sean Reynolds
Finance Director Keli Barrow	Economic Development Dir. Jeanne Gustafson
Deputy Chief of Police Susan Miller	Public Works Director John Pruden
Asst. Public Works Director Annette Brushwitz	Library Director Kim Keller
Adam Stroud, PGAV	Brandon Shelton, Disc Golf Program
Troy Finley, Disc Golf Program	Sharon Blair, Daffy Dill Garden Club
Members of the Media and Public	

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. Motorcycle Awareness Month

Mayor Barbee presented a proclamation declaring May as “Motorcycle Awareness Month” on behalf of the A.B.A.T.E. organization.

Mayor Barbee acknowledged correspondence from Kaskaskia College announcing that the City of Salem has been selected to receive the “2018 Kaskaskia College Educational Partnership Award” , and that the award would be presented on May 3rd at the Lifelong Learning Building at 5:30 pm.

V. CITY COUNCIL ACTION

Motion was made by Councilman Farley and seconded by Councilwoman Morgan to amend the Agenda to include FY18 Budget Amendment (item #2 on amended agenda). Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Councilman Koehler, Mayor Barbee. NAYS: None. Motion carried.

1. Consent Agenda

a. Approval of Minutes – April 2, 2018

The minutes of the April 2, 2018 City Council meeting were presented for action. ***Motion was made by Councilman Koehler and seconded by Councilman Farley to approve the minutes as presented. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Koehler, Councilman Farley. NAYS: None. Mayor Barbee abstained as he was not at the April 2nd meeting. Motion carried.***

2. FY18 Budget Amendment

Finance Director Barrow outlined the proposed amendments to the FY18 Budget as follows:

SCHEDULE A

ATTACHMENT TO ORDINANCE NO 2018-06 AN ORDINANCE AMENDING ORDINANCE 2017-03 .
ENTITLED "AN ORDINANCE ADOPTING THE ANNUAL MUNICIPAL BUDGET FYE 2017 (May 1, 2017 thru
APRIL 30, 2018) FOR THE CITY OF SALEM, ILLINOIS.

FY 2017 BUDGET AMENDMENT

Fund	Budget Increase	
01: General Fund	\$247,400	
03: Garbage	\$90,960	
10: Police Pension	\$120,000	
15: Working Cash	\$62,390	
17: Gas	\$260,000	
18: Capital Improvements	\$402,300	
<u>01: General Fund</u>		
1. General and Personnel – Police Pension Transfer	\$221,400	
2. Animal Control – Personnel	\$26,000	\$247,400
<u>03: Garbage</u>		
1. Departmental Equipment	\$47,300	
2. Depreciation	\$43,660	\$90,960
<u>10: Police Pension</u>		
1. Pension Payments	\$108,000	
2. Miscellaneous (Attorney, etc.)	\$12,000	\$120,000
<u>15: Working Cash – Miscellaneous</u>	\$62,390	\$62,390
<u>17: Gas Fund</u> - System Improvements	\$260,000	\$260,000
<u>18: Capital Improvements</u> – Sewer Project	\$402,300	\$402,300

Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve Ordinance 2018-06 amending the FY18 Budget. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Koehler, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried. City Manager Gruen commended Finance Director Barrow for her work on the Budget Amendment. Mayor Barbee added his thanks.

3. Approval of FY19 Budget

City Manager Gruen indicated this budget is a little tighter than past budgets, due to some reductions in revenues, but the Department Heads did a good job of putting their budgets together and are very reasonable in their requests. Gruen added his appreciation to City Council, as well. ***Motion was made by Councilman Farley and seconded by Councilman Koehler to approve the FY19 Budget as presented. Roll call vote: AYES: Councilwoman Morgan, Councilman Koehler, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.***

4. Approval of FY19 Funding Request from Daffy Dill Garden Club

City Manager Gruen indicated the FY19 budget includes \$14,500 to be used by the Daffy Dill Garden Club. Ms. Sharon Blair of the Daffy-Dill Garden Club indicated the City’s assistance enables them to continue to take care of the Downtown and William Jennings Bryan statue area. Ms. Blair added that the members have some concern about the sidewalk on the east side of the statue, as it is starting to fail and they do not want it to become a liability issue. Ms. Blair added that they are requesting that consideration be given to replacing the sidewalk, and they would like any funds that they were appropriated for FY18 that are unexpended be dedicated to this use. Additionally, the Club is requesting that \$2,500 of the FY19 allocation be set aside for sidewalk repair. Ms. Blair added that there is a new planter box at the pergola that will be planted this year with plants that will not take a lot of maintenance. Councilman Farley asked Ms. Blair if the club has any funds left from the FY18 budget. Ms. Blair responded that they still have expenses coming in, so she is unsure. Ms. Blair added that the current membership is trying to put more self-sustaining plants in, as they are getting older, but they hope more new retirees will continue to join them. ***Motion was made by Councilman Koehler and seconded by Councilman Farley to approve the Daffy Dill Garden Club’s funding request for FY19 in the amount of \$14,500. Roll call vote: AYES: Councilman Koehler, Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.*** Mayor Barbee and

Council members all thanked Ms. Blair and the Daffy Dill Garden Club for all that they do for the community.

5. Approval of Disc Golf Course Layout Concept

Brandon Shelton and Troy Finley were present to address Council, and the proposed layout was displayed on the projector. Mr. Shelton indicated they had tried to stay away from the shelters and playground equipment. Councilwoman Morgan asked who would receive the registration fees when competitions are held in the park. Mr. Finley responded that generally a club is formed and the proceeds go to the Club. The club then uses the funds to make improvements to the course and set up additional competitions. Mr. Finley indicated this has worked very well in Centralia. Mr. Shelton added that the situation is a little different in Centralia, as the park is owned by a foundation, rather than the community. Shelton added that a certain percentage could be determined to be used for discs and park improvements. Councilwoman Morgan asked where the starter packs of discs would be sold. Mr. Shelton indicated starter packs can be purchased online, but he feels they could put together packs that would cost less than those sold online. Mr. Finley added that if the layout is approved, he or Mr. Shelton could keep some inventory on hand. Mayor Barbee asked what course development costs would be. Mr. Shelton responded that materials and processing are being donated by Kerry Smith of ESI, Rural King and Squibb Tank, which brings the costs down to about \$2,000.00. Mr. Shelton added that he is in favor of offering hole sponsorships to local businesses to raise the remaining \$2,000.00. Mayor Barbee indicated he doesn't see an issue with that. ***Motion was made by Councilman Morton and seconded by Councilwoman Morgan to approve the layout design presented. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Councilman Koehler, Mayor Barbee. NAYS: None. Motion carried.***

6. Approval of Alteration of South Property Line for Salem Community Theatre

City Manager Gruen indicated he had not discussed this agenda item with the City Attorney prior to the meeting, but has since been advised that there is no action to be taken. The issue is that a survey shows that the theater building is currently 2.5 ft. over the south side property line, and is fairly close to a natural gas line. Mr. Gruen added that between Drew Johnson, John Pruden and himself, they will work out the details.

7. Approval of TIF Request for Bike Shop at 100 N. Washington

Brad Dickneite of BNC Bicycle and Fitness indicated his project has a 30-60-90 day timeline format. Within 30 days he would like to have the Salem shop open. Within 60 days, he would like to have two employees hired. Within 90 days, he would like to be shop sharing with his store in Mt. Vernon to increase inventory. Mr. Dickneite added that within a year, he would like to start a spin studio and he has talked to YMCA/Recreation Director Jed Casburn about having a "bike demo day" at Family Day. A "bike demo day" is where he brings in approximately 20 bikes, and people are able to ride them in the park and try them out. Mr. Dickneite added that he wants to offer kids programs and help with community events and fundraising.

Councilman Koehler asked what a "spin studio" is. Mr. Dickneite indicated that spin bikes are a more realistic version of a stationary bike that are utilized primarily in the spring, fall and winter as part of a fitness program. Dickneite indicated he envisions three to six classes per day, from beginner level to expert level.

City Manager Gruen asked if the lease for 100 N. Washington is ready to go. Mr. Dickneite indicated they are very close. Mr. Gruen asked what the \$15,000 requested will be used for. Mr. Dickneite responded that it will be used for inventory and other expenses in setting up a new shop. City Manager Gruen asked Mr. Dickneite if he envisions purchasing the building at 100 N. Washington in the near future. Mr. Dickneite responded that there may be an opportunity for him to consolidate both of the shops to property adjacent to the interstate currently owned by Neal Smith in the future. City Manager Gruen added that there will be a three-year term requirement with the TIF Agreement that will require Mr. Dickneite to pay the funds back, if he discontinues operations within that time. Mr. Dickneite indicated his agreement. City Manager Gruen added that the TIF agreement will require that the funds be used for TIF-approved expenses, and will not be executed until the lease is in place. ***Motion was made by Councilman***

Farley and seconded by Councilman Koehler that the TIF project for BNC Bicycle and Fitness be approved in the amount of \$15,000, contingent upon the building lease being executed. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Koehler, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.

8. Discussion on Enterprise Zone Application – Review of PGAV Survey

Adam Stroud of PGAV Planners gave a power point presentation regarding the differences between Comprehensive Plans and Strategic Plans and outlined items the City Council needs to consider when setting up their Enterprise Zone.

Mr. Stroud indicated he is soliciting input from the Council as to what their priorities are for the City's future, so these things can be worked into the Enterprise Zone boundary. Mr. Stroud added that Dir. Gustafson has already been working on a zip code survey and obtaining letters of support. Director Gustafson indicated the current zone is approximately 2.53 square miles and can be as large as 12 square miles. SBIC has received the Input Survey and the Chamber Members will be receiving it tomorrow morning.

Mr. Stroud asked the Mayor and City Council to provide their top three answers for the survey questions, as follow:

1. What are the three most important City assets/strengths for Salem?

Councilman Koehler: Religious Institutions, Schools, Parks and Recreation

Councilman Farley: Local Industries, Highway Access, Parks and Recreation

Mayor Barbee: Highway Access, Local industries, Historic Downtown

Councilman Morton: Location, Schools, Local Industries

Councilwoman Morgan: Local industries, Schools, Location

2. What do you see as the top issue facing Salem in the next 10 to 20 years?

Councilman Farley: Restaurants, Skilled workforce, Population Decline.

Councilman Koehler: Downtown Revitalization and Housing – does not feel there is sufficient housing for young couples or families. Councilwoman Morgan concurred, and added that there is subsidized housing, and more expensive homes, but not a lot of choices for young professionals. Councilman Farley added that there is housing available at both ends of the spectrum, but not much in the middle. Councilman Morton added that when he moved back to Salem seven years ago, he was afraid he would not find the housing he wanted.

Mayor Barbee: Populations Decline, Retaining Businesses and Young Professionals, and providing Affordable Housing.

Councilwoman Morgan: Downtown Revitalization, as it is becoming more a location for professional offices rather than brick and mortar retail sales. Morgan added that she would love to see more businesses downtown.

Councilman Morton: Retaining Local Industries, Shopping and Dining.

3. What additional retail or commercial operations would you like to see in Salem?

Councilman Koehler: Full Service Restaurants; Coffee Shop with afternoon and evening hours, Locally Owned Retail.

Councilman Farley: Full Service Restaurants and Better Grocery Selections. Farley added that until we grow the population, we will not have the larger grocery selections.

Mayor Barbee: Locally Owned Retail, Coffee Shop, Additional Entertainment Options.

Councilman Morton: Full Service Restaurants as a reason to bring people to the area to support the hotels.

Councilwoman Morgan: Entertainment options for adults and kids, including a movie theater, and development of a truck stop. Councilman Farley agreed.

4. What development patterns should the Enterprise Zone Program encourage in Salem?

Councilman Koehler: Downtown Redevelopment, Industrial Parks, Improve existing residences. **Councilwoman Morgan** concurred, and indicated that most of the new home developments have been built outside the city limits, due to lack of space inside the city limits.

Councilman Farley added that both the former Armory and Brown Shoe sites could be developed as residential. Mr. Stroud asked if the Council is interested in providing property tax abatements on residential property or sales tax abatement on new construction, or both. Councilman Koehler indicated he does not want to see us offer residential property tax abatement, as it is unfair to residents who must pay property taxes. Councilman Farley added that sales tax abatement would be better than property tax relief.

Mr. Stroud indicated he feels that he has gotten what he needs to move forward. Councilman Morton asked what the next step will be. Mr. Stroud indicated he will be utilizing the information from the zip code survey to see where employees are coming from and use the input received tonight from the Council to put together zone boundaries in draft form. Once that is put together, he will work with Council to determine what benefits to include. Mr. Stroud thanked Council for their input and indicated he would continue working on the application.

9. Approval of New Class G and Class A Liquor Licenses

Mayor Barbee indicated he recently met with Steve Kerber of Duffy and Associates regarding Discount Tobacco. Discount Tobacco is currently located in the former Austin's Restaurant building, and the landlords, Marion County Savings Bank, have indicated Discount Tobacco will need to find a new site, as MCSB wants to use the building for office space. Mayor Barbee added that Duffy and Associates has purchased the former RA Computers site on Westgate Avenue, and they will either remodel the building or build on the site. Mr. Kerner was present, and indicated Duffy and Associates currently has 22 discount tobacco stores. If they are able to increase their draw to the public, they will either build or do a larger expansion. If not, they will simply remodel the existing building. Mayor Barbee indicated he feels issuing a Class G license to Duffy and Associates is a good move, as it will allow them to expand what they have to offer to the public. Additionally, the photos provided indicated the building will be a nice addition to Salem.

Mr. Kerber, who is the Chief Financial Officer for Duffy and Associates, indicated that last year Discount Tobacco brought in more than \$1 million in sales taxes, and they are interested in investing in Salem. Kerber added that tobacco is getting to be a tough business, and they are looking at ways to expand what they offer. The only way to offer video gaming is to have a liquor license. Duffy and Associates currently has three facilities with liquor licenses and gaming. Mayor Barbee added that Duffy and Associates is also looking at over-building, so they can rent some space to another tenant. Councilman Farley asked if they will be serving or selling any types of food. Mr. Kerber responded that they will not. At this point, they provide pizza and complimentary snacks to their customers. Discount Tobacco currently has three employees and the expansion will increase employees from three to five or six.

Motion was made by Councilman Koehler and seconded by Councilwoman Morgan to increase the number of Class G liquor licenses to six, with the new license being issued to Duffy and Associates dba Discount Tobacco. Roll call vote: AYES: Councilman Koehler, Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried. Councilman Farley added that RA Computers is still open, but they have relocated to the Irwin Building.

Mayor Barbee added that the Class A application that he was expecting has not been submitted, so no action is needed on the Class A license at this time.

10. Approval of Purchase to Upgrade Civic

City Manager Gruen indicated is asking Council to approve a software update with Civic Systems to "Connect". The initial investment is \$23,700, but that will include all future updates with this software,

and the cost can be split over two years. Gruen added that this upgrade will allow us to enter into an agreement with Xpress Bill Pay (*replacing Elavon*) which will allow our customers to view their bills online from home, receive bills via email, and pay online. Finance Director Keli Barrow added that customers will also be able to see past bills. Councilman Farley likes going paperless, and indicated he applauds Mr. Gruen's and Ms. Barrow's efforts. Director Barrow added that the software update will also allow easier access to what is going on with revenues and expenditures. Mr. Gruen indicated the software is the first step with Xpress Bill Pay being the second. Councilman Farley asked what the timeline will be. Dir. Barrow responded 90-120 days. Gruen added that there will be an annual support increase for the new modules of \$6,260.00. ***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve entering into an agreement with Civic Systems to upgrade to "Connect" software at a cost of \$23,700 to be split over two years. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Koehler, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

11. Approval of Purchase for Rock, Sand and Chemicals

Public Works Director Pruden indicated this purchase is for the annual purchase of rock, sand and chemicals for the Water Plant. The low bids were received as follows:

CA-6 Rock – Brink Bros. Grain & Trucking, Sandoval, IL - \$11.25/ton
FA-1 Sand – Beelman Logistics, LLC, East St. Louis, IL - \$11.39/ton
Alum Sulfate Liquid – Hawkins, Inc. - \$395.00/ton
Soda Ash (grade 100) – Hawkins, Inc. - \$13.50/50# bag
Chlorine – Brentag Mid-South, Inc. - \$482.00/ton

Director Pruden indicated he recommends approval. ***Motion was made by Councilman Farley and seconded by Councilman Koehler to approve the rock, sand and chemical purchases from the low bidders, as presented. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Koehler, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

12. Approval of Change Order for Sanitary Sewer Project

Director Pruden indicated he is recommending approval of Change Order #1 and payment of pay request #4 in the amount of \$46,817.00 and pay request #5 in the amount of \$13,291.00 from Korte and Luitjohan Contractors. The project is the Town Creek East Sanitary Sewer Interceptor Replacement. Director Pruden indicated he feels the change order is extremely fair, as it is only 4% over the initial contract amount. The two pay requests are not on the Bills Payable list, which is why Dir. Pruden is requesting their approval at this time. ***Motion was made by Councilman Koehler and seconded by Councilman Farley to approve Change Order #1 and Pay Requests #4 and #5 for Korte and Luitjohan Contractors, Inc. on the Town Creek East Sanitary Sewer Interceptor Replacement Project, as outlined. Roll call vote: AYES: Councilwoman Morgan, Councilman Koehler, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.***

13. Approval of Bills Payable

Bills payable for the period of 3/19/18 through 4/13/18 were presented for approval. Following discussion, ***motion was made by Councilwoman Morgan and seconded by Councilman Koehler that the bills payable be approved, as presented. Roll call vote: AYES: Councilman Koehler, Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.***

(Upon consensus of Council, Agenda Item #14 was moved ahead of the Reports.)

14. Approval of Projects for RLF Spend-Down

City Manager Gruen indicated Economic Development Director Jeanne Gustafson received a call from the State on Thursday, asking that we select projects to obligate our RLF funds by this Wednesday. The City will be ineligible for another grant we have applied for as long as we have RLF funds that are unobligated.

Mr. Gruen indicated he and Dir. Gustafson have identified five projects that they feel the City Council may be interested in. They are listed below:

- 1) NAL Electric Upgrades
- 2) Mills Cart/Beer Can Alley Improvements
- 3) Community Center Improvements
- 4) Selmaville School Remediation
- 5) Street Construction in support of Potential Development
- 6) Future Public Works Projects

City Manager Gruen indicated the RLF balance is \$919,000, but if we want to purchase our loan portfolio which totals \$335,000, we would have a total of \$1,254,000 to obligate for projects. Gruen added that the State does not care how they are paid back or how we spend it down. If those loans are paid in full, they will give the funds back to us for projects. The four outstanding loans in our loan portfolio are:

- 1) American Legion
- 2) The Cottages at Salem Woods
- 3) Reaching for the Stars
- 4) The Hair Business

Mayor Barbee indicated that when this started, we were told we could only utilize the funds for two projects, and asked if that is still the case. City Manager Gruen responded that it is.

NAL Electric Upgrades: City Manager Gruen indicated the first project on the list, NAL Electric Upgrades, would pay for electrical power for new assembly lines in the Salem plant for anti-haze paint and molding presses, and would create approximately 96 jobs. Gruen added that the NAL plants have to compete with each other to see who gets a project. Electrical costs for the Salem Plant are higher than the other plants, as they are on Tri-County rather than Ameren.

Mills Cart/Beer Can Alley Improvements: City Manager Gruen indicated the second project on the list, Mills Cart/Beer Can Alley Improvements, would total \$504,000 for street construction to improve (resurface/widen) streets to support future development projects.

Community Center Improvements: City Manager Gruen indicated could utilize \$169,000 for code improvement projects for their building in support of their projects. Mr. Gruen added that he does not feel Council would want to purchase the City's loan portfolio for this project.

Selmaville School Remediation: City Manager Gruen indicated the expense of \$169,000 would be to remediate the school, and wouldn't necessarily involve a secondary use. Gruen added that the theater prospect is still interested, but not a definite.

Street Construction in support of Potential Development: City Manager Gruen indicated the expense of \$504,000 would be for development of roads that would become public streets to support potential development in the Walmart and Beer Can Alley area.

Public Works Projects: City Manager Gruen indicated Public Works Director John Pruden had provided Council with a list of public works projects planned for the next five years. Gruen added that if the City Council chooses this project, he would recommend purchasing the loan portfolio.

City Manager Gruen indicated he would like City Council to select some projects *(with contingency projects if their first selections are not received favorably)* for the meeting with State officials on Wednesday. Gruen added that the NAL project is serious enough that NAL provided figures tied to job creation to support it. The Flora and Paris NAL facilities have made some improvements that have helped them be more competitive when trying to get projects. Councilwoman Morgan asked if we assist NAL in the amount of \$750,000, are they guaranteed to receive the project. City Manager Gruen responded that NAL is pretty confident that they are. Councilman Farley indicated the NAL project is a priority, as we need the jobs. Mayor Barbee indicated the top three projects listed are his priorities. Councilwoman Morgan added that she feels the Selmaville School project is a must. Councilman Koehler agreed with Councilwoman Morgan, and added that it is an ideal site for future development. Councilman Morton asked if the Selmaville School project could be done with funds separate from the RLF draw down. City Manager Gruen indicated it is possible that the project could be done with TIF funds.

Councilwoman Morgan added that she does not want to see Beer Can Alley widened, because she doesn't want to see the City lose the trees. Councilman Koehler agreed. Public Works Director Pruden indicated widening Beer Can Alley would be a better project than improving Mills Cart Road. Councilman Farley indicated we must plan for the future, and he feels the City would be making a grave mistake if it doesn't take this opportunity to improve Mills Cart Road and Beer Can Alley for future development. Councilwoman Morgan indicated she would like to be assured that the Selmaville School project will be done with TIF money if it doesn't make it into the top two projects to present to the State. Mayor Barbee indicated he cannot make that promise on behalf of the Council, but he would support the use of TIF funds for the Selmaville Road project. Economic Development Director Gustafson indicated she would try to get Selmaville School on the next agenda as a TIF project. At the end of discussion, consensus of the City Council was to present the following projects to the State:

- 1) NAL Electric Upgrade
- 2) Mills Cart/Beer Can Alley
- 3) Selmaville School Remediation (*contingency project*)

Councilwoman Morgan asked if the City will be purchasing the loan portfolio. City Manager Gruen responded it would be purchased using Fund 18 funds.

VI. CITY MANAGER REPORT

City Manager Gruen indicated he had sent pictures of two concepts for the lobby renovation to Council members, and asked that they let him know their preferences, so an architect can get started on the actual plans.

VII. CITY ATTORNEY REPORT – No report.

VIII. FINANCE DIRECTOR REPORT – No report.

IX. CITY COUNCIL REPORT

Councilman Farley expressed his appreciation to John Pruden for getting the gas line behind the theater building moved. Councilman Farley also expressed appreciation to KC Interim President George Evans for serving as a speaker at the recent TIF conference, and announced that Kaskaskia College will be holding an open house at the Salem Campus on Wednesday, 4/18 from 3:30 pm to 5:30 pm and again at the Main Campus on 4/30 from 3:00 pm to 6:00 pm. Councilman Farley added that he would like to see the City present a resolution declaring April as Community College Month.

Councilman Koehler noted that the south side of Salem does not have any parks or playgrounds, and suggested the former Brown Shoe site might be a good location for a park.

Mayor Barbee indicated the Inclusive Playground Committee will be holding fundraisers and soliciting funds to make this project a reality. Barbee added that this is a good project to funnel your charity funds into. City Manager Gruen added that the Elks is working with the City to put some inclusive items along the sidewalk from Shelter 7, although the location for the Inclusive Playground has been shifted to be near Shelter #4.

X. Executive Session

1. 5 ILCS 120/2©(5) Purchase of Real Estate
No executive session held.

XI. Adjournment

As there was no further business to discuss, ***motion was made by Councilwoman Morgan and seconded by Councilman Farley to adjourn the meeting at 8:35 pm. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Koehler, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

Bev Quinn, CMC
City Clerk

Minutes approved: May 7, 2018