

**AGENDA
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
March 19, 2018
6:00 pm**

- 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 – 03/05/18
 - b. Approval of American Legion 5K on April 21
 - 2. Approval of City Council Appointment – Swearing In
 - 3. Discussion on Inclusive Playground
 - 4. Approval of Request from Theatre Board to Accept Bank Mortgage on Theatre Building
 - 5. Approval of Bid for Construction of Salem Welcome Sign
 - 6. Approval of Contract Extension with Citation for Wholesale Natural Gas
 - 7. Approval of TIF Project Requests
 - 8. Approval of Bills Payable
 - 9. First Reading of FY19 City of Salem Budget – Focus on General Fund Budget
 - 10. Approval of Amendment to Sec 3-32 (9) – Decreasing Number of Class G Liquor Licenses

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

- X. Adjournment**

Bill Gruen
City Manager

**MINUTES
CITY OF SALEM
CITY COUNCIL MEETING
March 19, 2018 – 6:00 pm**

- I. CALL TO ORDER**

The regular March 19, 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 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	Members of the Media and Public
DOEM Director Terry Mulvany	

- 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**

Mayor Barbee congratulated the SCHS drama team on their spring musical, “Little Shop of Horrors”, which is being performed at the Salem Theater, and encouraged those who haven’t seen it yet to see it next weekend.

The Greater Salem Area Foundation and the Chamber of Commerce Evening of Honors will be held on Thursday, March 22nd, and many deserving recipients will be honored.

The Salem Community Activities Center held a successful fundraiser over the weekend with their Craft Beer and Wine Tasting event.

- V. CITY COUNCIL ACTION**

1. Consent Agenda

a. Approval of Minutes – March 5, 2018

Minutes of the March 5, 2018 City Council meeting were presented for action. ***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve the minutes as presented. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

b. Approval of American Legion 5K on April 21

Motion was made by Councilwoman Morgan and seconded by Councilman Farley to approve the American Legion's request to hold a 5K on April 21st. Roll call vote: AYES: Councilwoman Morgan, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.

2. Approval of City Council Appointment – Swearing In

Mayor Barbee indicated he had requested letters of interest from citizens interested in accepting an appointment to City Council to fill the unexpired term of Tim Hudspeth, who resigned due to moving outside the City limits. Mayor Barbee indicated he had received letters from four citizens, one of whom has since withdrawn. Mayor Barbee indicated that he would like to appoint Jim Koehler to fill the open seat and complete Mr. Hudspeth's term ending April 30, 2021. ***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve the Mayor's appointment of Jim Koehler to fill the unexpired City Council position, term ending April 30, 2021. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.*** Following action, Mayor Barbee swore Mr. Koehler in to serve as a City Councilman.

3. Discussion on Inclusive Playground

City Manager Gruen thanked Shelli McIntosh, Jeannell Charman, John Pruden and Annette Brushwitz for their work on the inclusive playground, and indicated the contract no longer has the City's name on it. Ms. Charman indicated the committee will be hosting an April 15th launch at the Salem Theater.

4. Approval of Request from Theatre Board to Accept Bank Mortgage on Theatre Building

City Manager Gruen indicated the Theatre Board has been working with MCSB on a loan for funds involved in the rear expansion of the building in the amount of \$60,000. MCSB brought to his attention that as the owners of the building, the City would have to sign off on the mortgage.

Terry Krutsinger, Vice Chairman of the Theatre Board, indicated the Board has enough programs and activities booked at the theatre to cover the \$1,000/month payment. Krutsinger added that the Board actually needs \$40,000 to complete the project, but they are borrowing \$60,000 to cover incidentals. The loan is for seven years at a 4.75% fixed rate. Councilman Farley added that the Theatre Board has the majority of the capital needed to complete the project, but they don't want to completely deplete their available funds. ***Motion was made by Councilwoman Morgan and seconded by Councilman Koehler to approve the mortgage on the theater building, and to authorize the Mayor or City Manager to execute the document. Roll call vote: AYES: Councilman Koehler, Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.***

5. Approval of Bid for Construction of Salem Welcome Sign

City Manager Gruen indicated he had received two proposals by the deadline of March 16th at 10:00 am. A bid sheet was provided showing bids from Boulder Design and Coffey & Smith, as follows:

March 19, 2018
Welcome Sign Bid Tab

Item	Boulder Designs	Coffey & Smith
Total Cost	\$24,657	\$22,680
	** + \$1,230 over 10 yrs for warranty	**Power to be provided by the City
Overall Size of Sign	12' W x 6' H	13'5" W x ~ 10' H **Approximate height
Landscaping	Commercial grade weed barrier, brick border, black mulch. To also include boxwoods, roses, and pampas grasses	5oz garden weed barrier with cedar mulch
Base	Concrete base 14' W x 3.3' H x 16" D, 4" lime stone cap and brick verneer, with rebar reinforcement	Concrete base 13.5" W x 2ft H x 24"D with ½ inch rebar
Lighting	3 commercial grade lighting fixtures, LED 300 lumens	2 LED spot lights, 1,045 lumens
Warranty	10 year warrant with payment noted above, will include resealing and paint monitoring	1 year warranty on all materials
Alternative	None provided (none required)	\$13,460 optional addition for LED display for sign messaging

City Manager Gruen displayed pictures of the proposed signs and indicated both were under budget. Mayor Barbee asked what the life expectancy of the “City of Salem” section of the Coffey & Smith sign is. Councilman Farley questioned what that section of the sign is made from. City Manager Gruen indicated Mr. Coffey was invited to attend the meeting, but had a conflict, so he’s not sure of the life expectancy of the sign. In answer to Councilman Farley’s question, the center of the sign is aluminum with a vinyl cover. Councilman Farley indicated he loves solar energy, but definitely feels the City will need electricity to the site. Councilman Koehler added that he would not recommend using solar light. Koehler also added that he would recommend using rock, rather than mulch in the landscaping, as mulch has to be replaced every year. City Manager Gruen indicated there is electricity available 30-40 ft. from the proposed site, which is the northwest corner of the right-of-way adjacent to Pizza Hut. Mayor Barbee added that both signs will have good visibility from the highway. Councilman Farley indicated he prefers the Coffee & Smith sign. Mayor Barbee and Councilwoman Morgan concurred. Councilwoman Morgan indicated the Coffee & Smith sign is elegant, and would be an asset to the City of Salem. ***Motion was made by Councilwoman Morgan and seconded by Councilman Farley to award the bid to Coffee & Smith for their original design, without the LED display in the amount of \$22,680.00. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Councilman Koehler, Mayor Barbee. NAYS: None. Motion carried.***

6. Approval of Contract Extension with Citation for Wholesale Natural Gas

City Manager Gruen indicated the City has an opportunity to extend its purchase agreement with Citation for the purchase of their locally-generated natural gas for sale by the City to its natural gas customers. The agreement would be extended to May 31, 2028, and a new, lower price collar would be created. Mr. Gruen added that Public Works Director John Pruden worked very hard on negotiating this, with support from the City’s gas advisors from UGM and USDI, and thanked him for his work.

Public Works Director Pruden indicated the only things that changed were that the City inserted some quality requirements, there is no longer a floor on pricing, the City will pay 95% of the Weighted Average Commodity Price, and the ceiling price has been raised to \$8.00 per MMBTU. Pruden noted that the Citation contact he negotiated this contract with is the same person he negotiated the first contract with. Mr. Pruden recommended approval. ***Motion was made by Councilman Koehler and seconded by Councilman Farley to approve a 10 year contract with Citation Oil, as presented. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Koehler, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

7. Approval of TIF Project Requests

Dickneite: City Manager Gruen indicated three possible TIF projects were presented at the last meeting, from Brad Dickneite, Salem BPO Elks, and Jeannell Charman. Councilman Farley indicated he would like Council to table action on the bicycle shop (*Brad Dickneite*) as the applicant is not ready to move forward. Economic Development Director Jeanne Gustafson indicated this could be a very short-term delay, as Mr. Dickneite expects to be ready to finalize some details prior to the next Council meeting.

Salem Elks: Councilman Farley indicated he would like to see the City assist the Elks with their project, as the Elks does a lot to give back to the community and they have a legitimate need for assistance. ***Motion was made by Councilman Farley and seconded by Councilwoman Morgan to approve the Salem BPOE Elks Lodge #1678's request for TIF funds in the amount of \$15,000 to assist with reroofing their building at 315 N. Broadway. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Koehler, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

Jeannell Charman: Councilman Farley indicated he has some reservations on providing TIF funds to finish the windows on Ms. Charman's building, as follow:

- 1) Ms. Charman is trying to sell the building.

Ms. Charman responded that she would like to sell the building at some point, but she has been in it for 25 year. Councilman Farley stated he does not want to see the City use money to get buildings ready for sale.

- 2) Ms. Charman's 2015 project at 215 E. Main is not completely paid off yet. Councilman Farley indicated he prefers not to two projects with the same owner open at one time.

Ms. Charman responded that she is looking at investing another \$9,000 - \$10,500 in the building for heating and cooling in the doctor's office, and will not be able to complete the windows without the City's help. Ms. Charman added that she does have a buyer interested in buying the building at 215 E. Main, so that project will be done. Ms. Charman added that she paid the tuck-pointing project off early.

Mayor Barbee stated that he does not believe Council is prepared to act on Ms. Charman's request tonight, and we will continue working towards a solution. Ms. Charman thanked the Council for their consideration.

8. Approval of Bills Payable

Following discussion, ***motion was made by Councilman Farley and seconded by Councilman Koehler to approve the bills payable dated 2/19/2018 – 3/16/2018 as presented. Roll call vote: AYES: Councilwoman Morgan, Councilman Koehler, Councilman Farley, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.***

City Manager Gruen suggested proceeding with Item 10 before going over the General Fund Budget.

10. Approval of Amendment to Sec. 3-32(9) – Decreasing Number of Class G Liquor Licenses

City Manager Gruen indicated the Salem Theatre relinquished its Class G liquor license, based on costs at the State level. Mr. Gruen indicated he is proposing an ordinance that would automatically reduce the number of licenses as they are relinquished. Councilman Farley indicated the Theatre may want to reapply next year. Mayor Barbee indicated he likes the control acting on individual requests provides. Councilwoman Morgan added that she does not like "automatic" things, and she feels liquor licenses should be considered individually. Mr. Gruen indicated that the action would be approving an ordinance reducing the number of Class G licenses from six to five. City Attorney Mike Jones indicated he would prepare the ordinance. ***Motion was made by Councilwoman Morgan and seconded by Councilman Farley to reduce the number of Class G Liquor Licenses permitted at one time from six to five. Roll call vote: AYES: Councilman Koehler, Councilman Farley, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.***

9. First Reading of FY19 City of Salem Budget – Focus on General Fund Budget

City Manager Bill Gruen led the City Council through a slide presentation of his notes and analysis of the proposed general fund budget. In summary, revenues are going down, property taxes are flat, and there is a wash of revenue increases and decreases. The overall projected budget is \$17.4-million dollars, down \$175,459 from the current year. The General Fund budget is down \$400,711 to just under \$6-million dollars.

Mayor Barbee thanked City Manager Gruen, Finance Director Barrow and the Department Heads for their work on the budget.

VI. CITY MANAGER REPORT

- **Elks Grants – Accessible Swing and Rec Panels:** City Manager Gruen indicated the Elks wants to work with the City on purchasing some equipment, primarily an accessible swing, with a grant of \$2,000, and is asking that the City help with the additional costs. A second Grant project will be the installation of recreation panels along the sidewalk leading from Shelter #7. Assistant Public Works Director Annette Brushwitz, who has been working on this project with the Elks, indicated the first project is available immediately, and the remaining cost for the swing would be \$746.00, plus the cost of concrete. The second project will be awarded in July. Mayor Barbee indicated he commends the Elks for their assistance.
- **Frisbee Golf:** City Manager Gruen advised Council that Jed Casburn has been contacted by a group who want to find donated materials to put together a Frisbee Golf Course in Bryan Park. They will bring a proposed layout to City Council for approval.
- **Denny's:** Work will begin on construction of the new Denny's Restaurant next week.
- **Warning Sirens:** City Manager Gruen invited DOEM Director Terry Mulvany to give a report regarding the warning sirens. Mr. Mulvany indicated none of Salem's sirens actually activated during the test. Site inspections are being scheduled to determine what is wrong. Mr. Mulvany added that Salem did maintenance on its sirens less than two years ago. Mr. Mulvany indicated the sirens are 20 years old this year, and parts on one of the sirens are 30 years old. Mr. Gruen noted that Mr. Mulvany does a really good job of promoting other ways to be notified. Mr. Mulvany responded that the sirens are only supposed to warn people who are outside. Other methods of receiving notification are the NOA weather system, Nixle (SMS), local media, and Facebook. Mulvany added that the Nixle system sends out texts and emails, and can also advise people of road closures, lost people, etc. Terry Mulvany and Deputy Chief Susan Miller are the administrators of the system. Mr. Gruen noted that there has been some concern expressed regarding the leaning siren pole behind Taco Bell. Mr. Mulvany responded that Henkles & McCoy inspected the pole, and it has sufficient strength to hold the siren, but it is warping. It will cost \$8,800.00 to replace the pole. Councilwoman Morgan asked how a person can sign up for Nixle. Mr. Mulvany indicated you should text your zip code to 888777, or go online and sign up at www.nixle.com.

VII. CITY ATTORNEY REPORT – No report.

VIII. FINANCE DIRECTOR REPORT – No report.

IX. CITY COUNCIL REPORT

Mayor Barbee thanked Councilman Koehler for being willing to serve.

Councilman Morton indicated the five-mile bike trail is now rideable. It will be marked soon. Mayor Barbee asked if there will be a list of rules posted. Councilman Morton responded that he does not feel that is necessary. Councilman Koehler indicated he would like to see the miles marked on the trail.

Councilman Koehler: Noted that today is William Jennings Bryan's birthday.

X. ADJOURNMENT

As there was no further business to discuss, ***motion was made by Councilman Farley and seconded by Councilwoman Morgan that the meeting be adjourned at 7:37 pm. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilwoman Morgan, Councilman Koehler, Mayor Barbee. NAYS: None. Motion carried.***