

**CITY OF SALEM
6:00 PM REGULAR CITY COUNCIL MEETING
AUGUST 17, 2020**

- I. Call to Order**
- II. Prayer and Pledge of Allegiance**
- III. Presentation of Petitions/Public Comments**
- IV. Mayor's Report and Presentations**
 - 1. Swearing in of new Police Patrolman Grant Green and newly appointed Detective Dan Bosomworth.
- V. City Council Action**
 - 1. Consent Agenda
 - a. City Council Minutes – request approval for 08-03-2020 minutes
 - 2. Request for Special Use Permit for 700 W. Main St., Salem, IL
 - 3. Request approval to surplus bicycles accumulated by the Salem Police Department
 - 4. Request authorization to enter into license agreement with Utility Safety and Design, Inc. for a 192 GIS License for 2 years to track installations of gas, water and sewer installations.
 - 5. Request to purchase 240 gas meters in bulk from Koons Gas Measurement Company
 - 6. Request authorization to pay final contract portion to J.K. Trotter for work completed on Whittaker Street and Town Creek/Illinois Street project along with change orders necessary to complete the project repairs.
 - 7. Request for professional services agreement with Gonzalez Companies, LLC for curb and gutter replacement work in various locations in Salem.
 - 8. Audit review presentation by Fick, Eggemeyer & Williamson on the 2020 financial statements.
 - 9. Review of Accounts Payable for the period of July 20-August 14, 2020
- VI. City Manager Report**
- VII. City Attorney Report**
- VIII. City Council Members Report**
- IX. Request for Executive Session**
 - 1. 5 ILCS 120/2©(2) – Personnel
- X. Return from Executive Session and any action taken by Council**
- XI. Motion to Adjourn**

Rex A. Barbee
City Manager
RAB

Quote of the day –

Do not let what you cannot do interfere with what you can do. – John Wooden

**MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, August 17, 2020**

I. CALL TO ORDER

The regular August 17, 2020 meeting of the City Council was convened at 6:00 pm in the Council Chambers of Salem City Hall, and called to order by Mayor Sue Morgan.

Council members present:

Councilman Jim Koehler
Councilman Nic Farley
Councilman Craig Morton
Councilman Jacob Hockett
Mayor Sue Morgan

Council members absent: None.

Others present:

City Manager Rex Barbee
Public Works Director John Pruden
Economic Dev. Director Tabitha Meador
City Attorney Mike Jones
Asst. Public Works Director Annette Brushwitz
Deputy Chief of Police Susan Miller

City Clerk Bev Quinn
Chief of Police Sean Reynolds
Finance Director Keli Barrow
Public Works Director John Pruden
Code Enforcement Officer Dave Lusch
Members of the Media and Public

II. PRAYER AND PLEDGE OF ALLEGIANCE

Opening prayer was offered by Councilman Koehler, followed by the Pledge of Allegiance.

III. PRESENTATION OF PETITIONS/PUBLIC COMMENTS - None.

IV. MAYOR'S REPORT AND PRESENTATIONS

Mayor Morgan thanked everyone for the prayers and good wishes offered during her family's recent health issues.

1. Swearing in of new Police Patrolman Grant Green and newly appointed Detective Dan Bosomworth

V. COUNCIL ACTION

1. **Consent Agenda**

- a. City Council Minutes – request approval of 08-03-2020 minutes

2. **Request for Special Use Permit for 700 W. Main St., Salem, IL**

Following a public hearing for Paul Garrison to have a food truck at 700 W. Main, Planning Commission unanimously recommended that City Council approve the request. ***Motion was made by Councilman Farley, Seconded by Councilman Hockett and approved by unanimous voice vote to issue a Special Use – Temporary Use Permit to Paul Garrison for operation of a food truck at 700 W. Main. Roll call vote: AYES: Councilman Morton, Councilman Hockett, Councilman Koehler, Councilman Farley. NAYS: None. Mayor Morgan abstained. Motion carried.***

3. **Request approval to surplus bicycles accumulated by the Salem Police Department**

City Manager Barbee indicated the Police Department has approximately 40 bicycles that have not been claimed that they would like to have declared surplus, so they can clear up some of their storage area. Barbee added that the department intends to give the bicycles away for donations, with the proceeds to benefit the Shop With A Cop or other community outreach programs. ***Motion was made by Councilman Koehler and seconded by Councilman Farley to approve Ordinance 2020-08 declaring approximately 40 bicycles as surplus. Roll call vote: AYES: Councilman Hockett, Councilman Koehler, Councilman Farley, Councilman Morton, Mayor Morgan. NAYS: None. Motion carried.***

4. **Request authorization to enter into license agreement with Utility Safety and Design, Inc. for a 192 GIS License for 2 years to track installations of gas, water and sewer installations.**

City Manager Barbee indicated the Public Works Department is desiring to enter into a license agreement with Utility Safety and Design, Inc. for compliance with certain aspects of 49 CFR Part 192. The license will allow the gas, water and sewer departments to use GPS locations to map infrastructure improvements and repairs in the GIS system. This is a budgeted item with the expense being split between the gas, water and sewer departments. Public Works Director Pruden added that this in part to appease the ICC. ***Motion was made by Councilman Farley and seconded by Councilman Koehler to approve entering into a 192 GIS Licensing agreement with USDI. Roll call vote: AYES: Councilman Koehler, Councilman Farley, Councilman Morton Hockett, Mayor Morgan. NAYS: None. Motion carried.***

5. **Request to purchase 240 gas meters in bulk from Koons Gas Measurement Company**

City Manager Barbee indicated the City has purchased gas meters in smaller quantities and received timely delivery. Current conditions after the COVID pandemic have produced some longer lead times. The Public Works Department is looking to increase the number of units being purchased to offset lead times of up to 3 months on new order. ***Motion was made by Councilman Farley and seconded by Councilman Koehler to approve the purchase of 240 gas meters from Koons Gas Measurement Company. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilman Hockett, Councilman Koehler, Mayor Morgan. NAYS: None. Motion carried.***

6. **Request authorization to pay final contract portion to J.K. Trotter for work completed on Whittaker Street and Town Creek/Illinois Street project along with change orders necessary to complete the project repairs.**

City Manager Barbee indicated the two pay out requests from JK Trotter and Sons. One is for the final amount due on West Whittaker St., including some change orders, totaling \$10,669.02. The second is final payment on the Illinois Street sewer replacement project, along with change orders as a result of the sewer line collapse on Illinois St. and changes to the Town Creek portion of the project in the amount of \$90,104.20. Of the \$90,104.20, \$54,214.33 was for sewer line collapses on Illinois St. Barbee requested that the payouts be approved in separate motions.

Motion was made by Councilman Hockett and seconded by Councilman Koehler to approve payment of Payout #3-Final to JK Trotter and Sons for the Whittaker St. project in the amount of \$10,669.02. Roll call vote: AYES: Councilman Hockett, Councilman Koehler, Councilman Farley, Councilman Morton, Mayor Morgan. NAYS: None. Motion carried.

Motion was made by Councilman Koehler and seconded by Councilman Farley to approve payment of Pay Out #5 – Final in the amount of \$90,104.60 for the Illinois St. sewer replacement project,

including 54,214.33 for repairs. Roll call vote: AYES: Councilman Koehler, Councilman Farley, Councilman Morton, Councilman Hockett, Mayor Morgan. NAYS: None. Motion carried.

7. Request for professional services agreement with Gonzalez Companies, LLC for curb and gutter replacement work in various locations in Salem.

City Manager Barbee indicated the City has utilized Rhutasel and Associates in the past for most of the engineering on our street projects. Most of their key personnel have gone to Gonzales Companies, LLC. In view of this, City personnel contacted Brent Taylor of Gonzalez Companies, LLC to provide cost estimates for a curb and gutter replacement project that was part of this year's budget. Gonzalez has provided cost estimates on replacement of the curb, gutter and sidewalk replacement for various locations. Public Works Director Pruden added that he would prefer to work with the engineers who have been providing these services previously. **Motion was made by Councilman Farley and seconded by Councilman Morton to approve entering into an engineering agreement with Gonzales Companies, LLC for the engineering on curb, gutter and sidewalk replacement for various locations. Roll call vote: AYES: Councilman Koehler, Councilman Farley, Councilman Morton, Councilman Hockett, Councilman Morgan. NAYS: None. Motion carried.**

8. Audit review presentation by Fick, Eggemeyer & Williamson on the 2020 financial statements.

Shawn Williamson of Fick, Eggemeyer & Williamson was present to provide an overview of the 2019 audit, and provided specifics on increases and reductions on specific items. The Independent Auditors' Report indicated the following:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Salem, Illinois, as of April 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America."

Following review and discussion, motion was made by Councilman Farley and seconded by Councilman Koehler to approve the Annual Financial Report and financial review provided by Fick, Eggemeyer & Williamson CPA. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilman Hockett, Councilman Koehler, Mayor Morgan. NAYS: None. Motion carried.

Mr. Williamson added that in connection with review of the City's financial records, the auditors also provide a review of internal controls, and cover their findings in a separate Management Letter. A control deficiency is a smaller weakness that does not rise to the level of being reported as a finding in the City's audited financial statements. The auditors noted the following current year control deficiencies:

Control Deficiency #1

The library bank accounts are reconciled each month by the assistant director and reviewed by the library board. However, the bank reconciliations and the bank statements are not initialed to show evidence of review and approval.

Recommendation

We recommend that the library treasurer or the library director initial the bank statements and bank reconciliations each month to show evidence of approval.

Control Deficiency #2

The library has an employee expense reimbursement form that employees can use to request reimbursement for out-of-pocket expenses such as mileage. Also, the board reviews the monthly credit card statement, after the assistant director has gathered all of the supporting receipts. The employee expense reimbursement forms and the monthly credit card statements do not get signed by management to show evidence of review and approval.

Recommendation

We recommend that the employee reimbursement requests and the monthly credit card statements be reviewed and initialed by the treasurer or another member of the library board to show evidence of approval.

The auditors also followed up on management comments that they issued in the prior year, and found the following results:

Prior Control Deficiency #2

During 2018, the City granted \$15,000 to an individual related to the purchase of the Selmaville School property. While most individuals and businesses received the correct Form 1099s from the City for 1028, this individual did not receive a 1099 for his grant income.

Resolution

The City has implemented a policy to collect W-9's for all 1099 payees before their checks are issued. During 2019, the same individual received a payment of \$150,000 related to the Selmaville School and did receive a 1099-MISC for the grant income.

Prior Control Deficiency #2

The City has a policy to require invoices to be presented to the City before disbursement checks are issued to potential payees. During the course of reviewing a sample of 40 disbursements during FY19, we noted three invoices missing.

Resolution

For FY20, we reviewed a sample of 45 disbursements. Only one was missing a supporting invoice, and it was a library expenditure.

Prior Control Deficiency #3

In accordance with Illinois state statute, Public Funds Investment Act (30ILCS 235/2), all uninsured deposits must be secured with acceptable collateral. Currently, the City has an account with Xpress Bill Pay for the purpose of collecting utility payments from customers. Through April 2019, Xpress Bill Pay did not provide insured funds in the name of the City, and as of April 30, 2019, Xpress Bill Pay was holding \$296,814 in escrow. During FY20, Xpress Bill Pay added the City to their commercial liability insurance policy, which does not cover amounts held in escrow against potential fraud by XBP or against the risk of bankruptcy.

Recommendation

We recommend that the City set a low limit for the amount that can be held in escrow by Xpress Bill Pay at any one time – perhaps \$50,000.

Councilman Farley commented that this is the best Management Letter he's see while serving on Council. Mr. Williamson concurred, and noted that there are far fewer concerns now than when they began auditing the City three years ago. Mr. Williamson added that Finance Director Keli Barrow does a great job.

Motion was made by Councilman Koehler and seconded by Councilman Farley to approve payment of the invoice for the FY20 Audit from Fick, Eggemeyer & Williamson, CPAs in the amount of \$27,000. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilman Hockett, Councilman Koehler, Mayor Morgan. NAYS: None. Motion carried.

9. Review of Accounts Payable for the period of July 20-August 14, 2020

Following review, ***motion was made by Councilman Farley and seconded by Councilman Hockett to approve the accounts payable of 7/20/20 through 8/14/20 as presented. Roll call vote: AYES: Councilman Morton, Councilman Hockett, Councilman Koehler, Councilman Farley, Mayor Morgan. NAYS: None. Motion carried.***

VI. CITY MANAGER REPORT

City Manager Barbee and Department Heads provided the following updates:

Asst. Public Works Director Brushwitz offered a "hats off" to her pool staff for this year, and added that it has been the best group of pool employees she's had for several years. Despite schedule changes and special requirements due to COVID-19, they did a great job. Brushwitz added that they will continue the Early Morning Swim until August 31st, and reminded everyone about the Animal Control Fundraiser at the pool on August 22nd.

Mayor Morgan expressed appreciation to Ms. Brushwitz on all the work done at the pool this year, and how well managed it was. Brushwitz responded that they still have some work to do in replacing some of the rope with panels, but they wanted to wait until there were no swimmers. All party sessions were reserved this year, and offering the two sessions worked well. The security cameras that were installed have helped a lot and are well worth the expense. Although they offered a smaller selection of concession items, they sold well. Councilman Morgan indicated the pool has been great this year.

Public Works Director Pruden indicated he has oil and chip scheduled for August 31st and September 1st.

City Manager Barbee offered "kudos" to everyone in the Public Works Department who helped with the gas call outs over the weekend. Barbee also noted that the City will be making some adjustments to the entry level at the Aquatic Center before the next season.

VII. CITY ATTORNEY REPORT – No report.

IX. CITY COUNCIL REPORT

Councilman Koehler noted that the graphics on the SCHS School Resource Officer's vehicle look terrific. **Mayor Morgan** asked if a design has been approved for the painting of the water towers. City Manager Barbee responded that no decision has been made yet. Councilman Koehler indicated he would still like

to see them with the Wildcat and Bobcat logos, and suggested Mr. Barbee look at the City of Nashville’s water towers.

X. EXECUTIVE SESSION

- 1. 5 ILCS 120/2(c)(2) – Personnel
Motion was made by Councilman Farley and seconded by Councilman Koehler at 7:02 to enter into Executive Session for the purpose of discussing non-union personnel compensation. Roll call vote: Councilman Morton, Councilman Hockett, Councilman Koehler, Councilman Farley, Mayor Morgan. NAYS: None. Motion carried. Mayor Morgan indicated there would be a five-minute break.

Return to open session at 7:28 pm

XI. COUNCIL ACTION AFTER EXECUTIVE SESSION

- Motion was made by Councilman Farley and seconded by Councilman Morton to approve a 2.75% increase across the board, along with some minor merit increases, as proposed by City Manager Barbee. Roll call vote: AYES: Councilman Koehler, Councilman Farley, Councilman Morton, Councilman Hockett, Mayor Morgan. NAYS: None. Motion carried.*

XII. ADJOURNMENT

- As there was no further business to discuss, *motion was made by Councilman Farley and seconded by Councilman Koehler to adjourn the meeting at 7:30 pm. Roll call vote: AYES: Councilman Farley, Councilman Morton, Councilman Hockett, Councilman Koehler, Mayor Morgan. NAYS: None. Motion carried.*

Bev Quinn, CMC
City Clerk

Approved: _____