

AGENDA
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
6:00 PM MARCH 4, 2019

- 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. City Council Minutes – 03/04/19
 - 2. First Reading of FY20 City of Salem Budget
 - 3. Approval of Bills Payable

- 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
REGULAR CITY COUNCIL MEETING
March 18, 2019

I. **CALL TO ORDER**

The regular March 18, 2019 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 Nicolas Farley
Councilman Craig Morton (*Arrived at 6:02 pm*)
Councilwoman Sue Morgan
Mayor Rex Barbee

Council member absent:

None

Others present:

City Manager Bill Gruen	City Clerk Bev Quinn
City Attorney Mike Jones	Chief of Police Sean Reynolds
Public Works Director John Pruden	Asst. Public Works Director Annette Brushwitz
Deputy Chief Susan Miller	Finance Director Keli Barrow
Members of the Media and Public	

II. **PRAYER AND PLEDGE OF ALLEGIANCE**

Opening prayer was offered by Councilwoman Morgan, followed by the Pledge of Allegiance.

III. **PRESENTATION OF PETITIONS/PUBLIC COMMENTS** – None.

IV. **MAYOR’S REPORT AND PRESENTATIONS**

Mayor Barbee indicated the Greater Salem Area Foundation and the Greater Salem Area Chamber of Commerce “Evening of Honors” is this Thursday evening, and Councilman Craig Morton is being honored as Businessman of the Year.

V. **CITY COUNCIL ACTION**

1. **Consent Agenda**

a. **Approval of Minutes – March 4, 2019**

Motion was made by Councilman Koehler and seconded by Councilman Farley to approve the City Council minutes of March 4, 2019, as presented. Roll call vote: AYES: Councilman Farley, Councilwoman Morgan, Councilman Koehler, Mayor Barbee. NAYS: None. Motion carried.

(Councilman Morton arrived at 6:02 pm.)

2. First Reading of FY20 City of Salem Budget

City Manager Gruen indicated he will be focusing on the General Fund portion of the budget during tonight’s meeting, other fund budgets on April 1st, and will hold a public hearing for the entire budget at 5:45 pm on April 15th. Gruen added that as the City of Salem has a budget officer, the budget must be adopted prior to May 1st. Other forms of government may adopt their budgets during the first quarter of the fiscal year. The full draft budget and analysis documents are available on the City website and a printed copy is available here at City Hall and at the Bryan Bennett Library.

City Manager Gruen went over the proposed General Fund budget and explained both increases and decreases, in some detail. **(Clerk’s Note: The following summary provides detail only when there was discussion.)** The total proposed General Fund budget is \$17,230,881, which is \$160,870 less than the FY19 budget, or a decrease of 0.92%. The proposed General Fund budget by department is shown below:

DRAFT

Department Budget Totals – Expenditures -- All Funds					Budget Totals -- All Funds	
Department Name		FY19 Budget		FY20 Budget	\$ Change	% Change
General Administration	\$	713,761	\$	727,590	\$ 13,829	1.94%
Police	\$	1,821,850	\$	2,023,865	\$ 202,015	11.09%
Public Works Administration	\$	116,729	\$	129,040	\$ 12,311	10.55%
City Hall	\$	57,500	\$	55,200	\$ (2,300)	-4.00%
Economic Development	\$	145,627	\$	102,750	\$ (42,877)	-29.44%
Streets	\$	313,549	\$	333,350	\$ 19,801	6.32%
Street Lighting	\$	165,000	\$	162,460	\$ (2,540)	-1.54%
Swimming Pool	\$	424,340	\$	420,295	\$ (4,045)	-0.95%
Bryan Museum	\$	11,470	\$	6,390	\$ (5,080)	-44.29%
Cemetery	\$	155,292	\$	163,315	\$ 8,023	5.17%
Animal Control	\$	101,690	\$	119,215	\$ 17,525	17.23%
General & Personnel Services	\$	1,298,735	\$	1,331,325	\$ 32,590	2.51%
Police Board	\$	7,915	\$	5,765	\$ (2,150)	-27.16%
Tourism Council	\$	76,300	\$	75,000	\$ (1,300)	-1.70%
Mechanical Services	\$	57,739	\$	62,050	\$ 4,311	7.47%
Dept of Emergency Management	\$	34,366	\$	35,875	\$ 1,509	4.39%
Garbage	\$	654,990	\$	683,515	\$ 28,525	4.36%
Parks	\$	184,494	\$	181,020	\$ (3,474)	-1.88%
Library	\$	197,937	\$	201,180	\$ 3,243	1.64%
Library IMRF	\$	16,272	\$	16,270	\$ (2)	-0.01%
Recreation	\$	107,344	\$	105,590	\$ (1,754)	-1.63%
Motor Fuel Tax	\$	173,500	\$	253,500	\$ 80,000	46.11%
Police Pension	\$	532,532	\$	548,468	\$ 15,936	2.99%
Downtown TIF	\$	251,240	\$	277,745	\$ 26,505	10.55%
Venterans' Fund	\$	900	\$	1,000	\$ 100	11.11%
Working Cash	\$	-	\$	-	\$ -	0.00%
Water & Sewer	\$	2,957,097	\$	3,086,618	\$ 129,521	4.38%
Natural Gas	\$	3,669,517	\$	3,760,520	\$ 91,003	2.48%
Fund 18 - 1/2 Cent Sales Tax	\$	1,576,060	\$	1,805,255	\$ 229,195	14.54%
Matching Grant Projects	\$	253,650	\$	160,000	\$ (93,650)	100.00%
TIF #2	\$	349,825	\$	366,715	\$ 16,890	4.83%
UDAG	\$	-	\$	15,000	\$ 15,000	100.00%
CDAP Revolving Loan Fund	\$	964,530	\$	-	\$ (964,530)	-100.00%
Business District	\$	-	\$	15,000	\$ 15,000	100.00%
GRAND TOTAL	\$	17,391,751	\$	17,230,881	\$ (160,870)	-0.92%
Police Pension Trans from Gen Fund	\$	242,087	\$	294,394		
Revised Total			\$	17,525,275		

Councilwoman Morgan asked if the only General Fund department receiving a decrease is Economic Development, and added that she feels it is the most important department in the budget. Morgan added that without economic growth, we don’t have anything. City Manager Gruen indicated that the decrease is due to removing the “once in a generation” expense of the Enterprise Zone application paid to PGAV and removing the clerical expense that was budgeted to the Economic Department, but which was in reality was being charged to General Admin all along. Councilman Farley asked how the Economic Development budget compares to prior years, excluding the expenses involving PGAV and the clerk. Gruen responded that there have not been any additional cuts, except in the cellular phone line. Councilman Farley indicated one of his concerns is that we don’t always give the Economic Development Director the tools she needs to succeed. Farley added that in the past, the City went to the Shopping Center Conferences in Las Vegas and gave her some room to further market Salem outside of our immediate area. Mayor Barbee indicated he concurred with Councilman Farley’s concern. Barbee added that just because we haven’t done this in recent years doesn’t mean we don’t need to budget for it now. Councilwoman Morgan asked if all of the Department Heads prepared their own budgets. City Manager Gruen indicated he did prepare some himself, including Animal Control and Economic Development. Councilman Farley asked if Department Heads had input into those budgets. Mr. Gruen responded that they had, and asked Dir. Gustafson if she had concerns about her budget. Director Gustafson responded that she would like to see some funding for the Las Vegas conference and additional office supplies for use in marketing.

Councilman Farley expressed some concern about not budgeting in Professional Services for PGAV to resubmit the Enterprise Zone application, if we are not successful the first round. City Manager Gruen indicated there is a little cushion in the budget and room for modification, and suggested council discuss this with him further prior to the next budget review.

Discussion ensued regarding Park expenses. City Manager Gruen indicated the Public Works department did a great job of installing rip-rap along the creek in the park north of the restrooms, and it would have cost a lot more if we had hired someone to do it. Mr. Pruden is requesting an additional \$5,000 to finish the project. Additionally, Mr. Pruden has an estimate for \$7,200 to paint both the inside and outside of the restrooms, which is not yet budgeted in the FY20 budget. Shelter \$5, the “Teepee”, is rotting away, and the Public Works Department would like to demolish it and put a shelter similar to some of the others purchased through Americana in its place. The proposed cost for this is \$15,400. Mayor Barbee indicated there had been discussion regarding upgrading the electricity around the band stage, and asked if that is something the Public Works employees can do. Public Works Director Pruden responded that that project would need to be done by an electrical contractor. City Manager Gruen indicated the FY19 budget appears to be ending in the black, and asked if City Council would be In favor of completing the following Parks projects in the FY19 budget:

Painting of Restrooms – Inside and Out	- \$ 7,100
Demolish and Replace Shelter #5	- \$15,400
Additional rip-rap along creek	- <u>\$ 5,000</u>
Total	- \$27,600

Mayor Barbee indicated he would be in favor of doing these projects with FY19 budget funds.

City Manager Gruen indicated Chief Reynolds had obtained a software proposal in the amount of \$42,500 for computer hardware and software replacement at the police department. Chief Reynolds added that the new software would insure against the department having a breach. Councilwoman Morgan asked when the upgrade will be necessary. Chief Reynolds responded that it needs to take place in the next year or so, in stages. Councilman Farley noted that it appears to be a complete overhaul of the computer system, and he would be interested in seeing a breakdown for software, hardware and labor. Councilwoman Morgan asked how this project would be funded. City Manager Gruen indicated this would be a generational expense, so it would need to come from reserves. Councilman Farley Indicated he would like to see a second quote. Chief Reynolds responded that this company is the one who has been working with the Marion County 911 system on their lightning strike damage and worked hand-in-hand with the previous vendor. Reynolds added that the person they are working with is very intelligent and well versed in the system, and he’s afraid that if we worked with someone else, we’d incur a lot of cost just to have them get to know the system and determine where to start.

City Manager Gruen indicated there has been some discussion regarding moving the downtown parking lot sidewalk projects into MFT, although Rhutasel & Associates has indicated it will slow the project down. Additionally, some vendors would no longer be eligible to bid, as they are not pre-approved by IDOT. Gruen indicated this move to MFT was suggested by Mr. Pruden, as an additional street project, possibly Boone St., could be added to the Streets budget. Public Works Director Pruden added that he was just looking for ways to stretch the budget, as he has some very viable street projects he would like to see done. Pruden added that it was a thought, and with the additional engineering required and the possible delays, it might not be the thing to do.

Discussion ensued regarding the FAU project on Whittaker Street. Dir. Pruden indicated he wants to install new water and sewer lines before the street and sidewalks are put in, so they there won’t be damage to the streets and sidewalks after installation.

City Manager Gruen indicated Phase II of the Town Creek Sewer replacement is budgeted at \$376,000. Councilman Morton asked if Phase II could be postponed. Dir. Pruden indicated that the lines in Phase II are the same vintage as the section already replaced, and it will be much more expensive to replace if it collapses.

Councilman Koehler indicated he would prefer the City do the street and sidewalk project without moving it to MFT and involving IDOT.

City Manager Gruen indicated the Health Insurance costs have been half of what was budgeted for FY19, so far, and we are 83% into the year. Gruen added that he feels the insurance costs will end solidly in the black.

Councilman Farley noted that the draft budget has \$17,500 budgeted for the Community Center Director, and asked if that amount is being decreased yearly, as originally discussed. City Manager Gruen responded that it is not, and invited Councilman Farley to discuss this with him further before the next meeting.

City Manager Gruen mentioned the City Hall exterior and lobby renovations, and indicated he may want to pay for this from FY19 funds, rather than finance it. The next phase will include HVAC and other work which will replace the boiler at City Hall.

Discussion ensued regarding additional expenses due to the City participating in the SRO program. Councilman Farley asked why overtime is being budgeted, as he was under the impression the officers' hours would be scheduled so as to avoid overtime. Chief Reynolds indicated the SRO officers will be paid for holidays, even if they are not working, and there will be overtime hours for evening events. City Manager Gruen added that the SROs may have the ability to adjust their hours to avoid some overtime, but this will be between the Chief and the officers, with input from the schools. Chief Reynolds added that the schools will largely dictate the officers' hours during the nine-month school year, but they will share in the overtime costs, so they will be cautious in scheduling overtime.

City Manager Gruen indicated he is budgeting for replacement of four squad cars, through lease, which will be paid off in year three. Chief Reynolds added that this will make two cars available for the SRO officers, possibly one for his use, which will allow the one he is currently using to be returned to the City Manager, and one for trade in. Reynolds added that the department maintains fuel and mileage logs daily, monthly and yearly. The two squad cars to be used by the SROs have 63,500 and 50,109 miles on them.

City Manager Gruen indicated he is proposing \$8,050 for building maintenance for retaining wall blocks and concrete for outdoor material storage for Streets at the maintenance building. Assistant Public Works Director Annette Brushwitz added that most of what they have requested is for materials, as Public Works has a talented group of employees who can do the labor.

City Manager Gruen indicated Tourism has some reserves that can potentially be spent. Councilman Farley asked about Tourism's budget reduction. City Manager Gruen indicated the projects they support are supposed to bring in overnight stays, and they have specific guidelines for use of hotel/motel funds.

3. Approval of Bills Payable

Mayor Barbee indicated Council has been presented with Bills Payable for 1/18/19 through 3/15/19. ***Motion was made by Councilwoman Morgan and seconded by Councilman Farley to approve the Bills Payable of 2/18/19 through 3/15/19 as presented. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Koehler, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.***

VI. CITY MANAGERS REPORT - No report.

VII. CITY ATTORNEY'S REPORT – No report.

VIII. FINANCE DIRECTOR'S REPORT – No report.

IX. CITY COUNCIL REPORT – No report.

X. 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 7:40 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: _____