

CITY OF SALEM IL
REGULAR CITY COUNCIL MEETING
March 21, 2022 – 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 – March 7, 2022
 - 2. Review and approval of Planning Commission recommendation for a Special Use Permit - Home Occupation.**
 - 3. Review and approval of City of Salem Health Care Plan renewal from Mutual Medical.**
 - 4. Review and approval of renewal agreement for YMCA services.**
 - 5. Approval of updated zoning map for City of Salem to cover three properties.**
 - 6. Discussion on Fireworks Display pricing for July 4th, 2022 from J& M Fireworks Inc.**
 - 7. Discussion of designating City's Industrial Park ground as suitable for craft cannabis grower applications.**
 - 8. FIRST READING – 2022/2023 General Fund portion of budget.**
 - 9. Review of Accounts Payable from February 19 to March 18, 2022.**
- VI. City Manager and Dept Head reports**
- VII. City Attorney Report**
- VIII. City Council member reports**
- IX. Executive Session –**
 - a. 5 ILCS 120/2 (c) (2) – Personnel**
 - b. 5 ILCS 120/2 (c)(21) – Review of Executive Session Minutes from 02/07/22**
- X. Action resulting from Executive Session**
 - a. Personnel – Approval of Salary Schedule**
 - b. Approval of Executive Session Minutes of 02/07/22.**
- XI. Motion to Adjourn**

Rex A. Barbee
City Manager

RAB

Quote of the Day –

Be more concerned with your character than your reputation. Your character is what you really are while your reputation is merely what others think you are.

John Wooden

CITY OF SALEM
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March 21, 2022 – 6:00 pm

- I. CALL TO ORDER**

The regular March 21, 2022 meeting of the Salem City Council was convened in the Council Chambers of Salem City Hall. The meeting was called to order by Mayor Farley at 6:00 pm.

Council members present:

Mayor Nicolas Farley
Councilman Jim Koehler
Councilman Royce Bringwald
Councilman Craig Morton

Council member absent: Councilwoman Amy Troutt

Others Present:

City Manager Rex Barbee	Public Works Director Annette Brushwitz
City Attorney Mike Jones	City Clerk Bev Quinn
Finance Director Keli Barrow	Chief of Police Sean Reynolds
Code Enforcement Officer Dave Lusch	Jed Casburn, YMCA and City Recreation Director
Economic Development Dir. Tabitha Meador	Members of the Media and Public

II. PRAYER AND PLEDGE OF ALLEGIANCE

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

III. PRESENTATION OF PETITIONS/PUBLIC COMMENTS

DeWayne Collier, 703 Ohio St., Salem, IL, thanked Bruce Kropp of WJBD Radio for bringing the Cannabis Craft Issue to the public's attention. Mr. Collier added that when the public hearing was held in 2020, the room was full of people against bringing marijuana to Salem. Mr. Collier indicated that if the City Council would send this back to the Planning Commission, they will "fill the room again".

Brock Waggoner indicated Marijuana is a gateway drug. Waggoner added that he can see why the Industrial Park would be the place to have a craft grow facility, but Salem has already said "no". Waggoner added that if this is permitted, the City will see more crime, and he doesn't want to see it in Salem.

IV. MAYOR'S REPORT AND PRESENTATION

Mayor Farley offered "shout outs" to the Salem Community Activities Center for their Beer and Wine Tasting Event and to the Salem Historical Commission for their events celebrating William Jennings Bryan's birthday.

V. CITY COUNCIL ACTION

1. Consent Agenda

(a) Approval of Minutes – March 7, 2022

Motion was made by Councilman Bringwald and seconded by Councilman Koehler to approve the minutes of March 7, 2022, as presented. Roll call vote: AYES: Councilman Bringwald, Councilman Morton, Councilman Koehler, Mayor Farley. NAYS: None. Motion carried.

2. Review and Approval of Planning Commission Recommendation for Special Use Permit – Home Occupation

City Manager Barbee indicated Theresa Russell of 17 Monroe Ave., Salem has petitioned for a Special Use Permit to allow her to operate a Home to Market business that produces baked goods in a home kitchen as a cottage food operation. Restrictions for the Home Occupations permit include limitations of the number of business-related visits to the home per day, no hours of operation prior to 6:00 am or after 6:00 pm or at all on Sundays and no use of accessory structures. The Planning Commission held a public hearing and recommend approval of the Home Occupation special use permit. ***Motion was made by Councilman Koehler and seconded by Councilman Bringwald to approve the Special Use – Home Occupation for Theresa Russell at 17 Monroe, as requested. Roll call vote: AYES: Councilman Morton, Councilman Koehler, Councilman Bringwald, Mayor Farley. NAYS: None. Motion carried.***

3. Review and Approval of City of Salem Health Care Plan Renewal from Mutual Medical

City Manager Barbee indicated Mutual Medical has been the City's third-party administrator for our partially self-funded insurance program since 2010. Mutual Medical Insurance has provided a proposal for renewal of the City's Health Care Plan. Their proposal assumes continuation of benefit plans in the current plan and provides two options to handle the rising cost of coverage. Option A for 2022 includes an increase in the estimated annual premium in the amount of \$11,109 for total estimated cost of \$1,090,236.00. Plan B would raise the individual stop loss from \$50,000 to \$55,000 and not have any increase in the City's premium. David Andreas provided the proposal to key City Staff and Councilman Morton and is available by phone if Council has any questions.

Councilman Morton added that he sat in on the Mutual Medical presentation, and added that Mutual Medical does an excellent job. Morton added that either Plan A or Plan B would be acceptable. Finance Director Barrow added that both plans will have similar outcomes, and either plan would be acceptable to her, as well. ***Motion was made by Councilman Morton and seconded by Councilman Koehler to approve Mutual Medical's Plan Renewal Plan B, increasing the individual stop loss to \$55,000 and keeping the premiums the same. Roll call vote: AYES: Councilman Morton, Councilman Koehler, Councilman Bringwald and Mayor Farley. NAYS: None. Motion carried.***

4. Review and Approval of Renewal Agreement for YMCA Purposes

City Manager Barbee presented a proposal for contract renewal with YMCA. Barbee added that they have cleaned up some of the language from the prior agreement to clarify that the YMCA will not be involved in the management of the Aquatics Center, and identified some programming specific to both the city and the

YMCA separately, but both being supervised by Jed. Adjustments in the cost to the City for the agreement amounts to an increase of \$567.25 per quarter or \$2,269.00 in the contract year 2022, covering salary and program costs. Recommending approval of the service agreement for a period of 2 years effective May 1, 2022. Barbee added that we are fortunate to partner with the “Y”, as having the YMCA involved adds good will to our programs, and Jed does a great job. Councilman Koehler added that this is the best money the City can spend. ***Motion was made by Councilman Koehler and seconded by Councilman Bringwald to approve entering into a two-year agreement with the YMCA, as presented. Roll call vote: AYES: Councilman Koehler, Councilman Bringwald, Councilman Morton, Mayor Farley. NAYS: None. Motion carried.***

5. Approval of Updated Zoning Map for City of Salem

City Manager Barbee indicated the zoning has changed on three properties, and we have updated the map to reflect those changes. They are: 515 E. McMackin from RS-2 Single Family Residential to RM-2 Multi-Family Residential; 420 S. Walnut from RS-2 Single-Family Residential to B-5 Central Intermediate Business; and 622 N. Marion from RS-2 Single Family Residential to RM-2 Multi-Family Residential. Barbee requested approval of the updated map. ***Motion was made by Councilman Bringwald and seconded by Councilman Koehler to approve the updated zoning map, as described. Roll call vote: AYES: Councilman Bringwald, Councilman Morton, Councilman Koehler, Mayor Farley. NAYS: None. Motion carried.***

6. Discussion of Fireworks Display Pricing for July 4 2022 from J & M Fireworks, Inc.

City Manager Barbee indicated that J & M Fireworks has indicated that the cost of pyrotechnics has increased about 35% over last year. A few years ago, we increased the budget figure from \$10K to \$15K. Our choices at this point are to cut some of the fireworks, including doing away with the American Flag display on the point north of the Men’s softball field, and reducing the size of a few larger mortars to medium sized mortars or to increase the amount that we are willing to spend to maintain a show similar to what we have had in the last year.

Councilman Bringwald indicated fireworks are a luxury item, and he thinks we can make due with the amount City Council approved. Councilman Koehler added that you can hardly see the flag from most of the viewing locations. Mayor Farley indicated he thinks we should stay with the amount approved. ***Motion was made by Councilman Koehler and seconded by Councilman Bringwald to keep the cost of fireworks to \$15,000, and to authorize the City Manager to make selections for the show. Roll call vote: AYES: Councilman Morton, Councilman Koe4hler, Councilman Bringwald, Mayor Farley. NAYS: None. Motion carried.***

7. Discussion of Designating City’s Industrial Park Ground as Suitable for Craft Cannabis Grower Applications

Matt Lowery, Hometown Heros Consulting Firm, addressed Council and read the following letter:

Hello, My name is Matthew Lowery, Founder and CEO of Hometown Heroes Consulting Firm. Thank you for your time today. I want to start by sharing with you one of the things that I am most proud of when I tell people that I am a Veteran from Salem, Illinois.

I am proud that Salem is home of the G.I Bill of Rights. You see, in 1944 it was still known as the Servicemen’s Readjustment’s Act and it was a congressional act to provide service members with training, school, and benefits after the war. It was forged and crafted here in our hometown, just down the street here at American Legion Post 128 over on East Main Street.

Here in Salem we have a history of being pioneers. We have a history of recognizing those that have stood at the ready and have defended this country’s honor.

I founded my company here in Salem because I believe in our community and that we need to stop losing jobs and money to other states.

The Department of Revenue projected \$57 million for 2020 in recreational cannabis tax revenue and actually claimed \$205.4 million. Also projected \$140.5 million for 2021 in recreational cannabis tax revenue and actually claimed \$387 million. To say it's a booming industry is an understatement.

(cont.)

Big businesses and corporations make up nearly all the entities generating this revenue in this Illinois “gold rush.” My goal is not only to help veterans but to grow this community and keep jobs in Illinois instead of losing them to Colorado and California. The Covid-19 Pandemic ravaged the small business industry, there is no doubt about that, and that is exactly the reason I started this Consulting Company. I’m tired of seeing the top 1% of the country make billions, and on the other hand watch my community struggle while other opportunistic cities thrive.

My proposal to the city is to change the zoning for the Parcel Number -1116200042, which is a property south of Jarco Inc. that is adjacent to Carpenter Drive to allow for the cannabis industry to employ local veterans and local businesses in our community. Let us use what Big Business lacks, which is, heart and dedication to our communities. They won’t slow down in the race to take this market. If we wait too much longer, we will lose out on our one opportunity to get our piece of the pie.

This is no easy feat to achieve, but I believe with our team we’ve already acquired and the connections I’ve been afforded during my time serving our country, we can make it happen. Help us to help the community grow and evolve with the world around us and continue to be a place we are proud to call home.

You have been provided with the Illinois law on craft grow cannabis licensing, 410 ILCS 705 30-30. If you review subsections “B” through “E” you’ll find that the state places a large scale of emphasis on security measures and community safety standards. This limits the sale only to the state awarded cannabis licensed entity. Said facilities must be environmentally safe. The only location requirements provided by the state is that a craft grow facility must not be located in a residentially zoned property (30-30(e)) and not be located within 1500 ft of a cultivation center (30-30(o)). While the stigma surrounding cannabis comes with its preconceived notions, please understand that the State of Illinois has taken every measure to ensure that all its communities are safe. We at Hometown Heroes Consulting Firm will ensure that these standards are upheld and that this community thrives and remains a community that values growth and equity.

Mr. Lowery added that they are looking at a \$10 million investment, with a 15,000 sf grow area under roof. The firm’s goal is to get as many permits as possible, as there are only 50 licenses remaining available. They are currently waiting on resolution of a lawsuit, which should end on May 1st, with the number of licenses permitted being capped at 150.

Mayor Farley asked how many employees they will have. Mr. Lowery responded between 30 and 50, and they will be trying to hire as many local veterans as possible. Lowery added that the facility will have an extensive security system with very good surveillance. Due to the size of Marion County, they will have to use a separate Transporter, because in counties of our size, the craft growers can only transport to sites within 15 miles. Mr. Lowery added that they are intending to make this a premier facility.

Mayor Farley indicated there is a cultivation site in Albion, and the community really appreciates the impact it has had on the community and they have not experienced an increase in crime. The facility is a business that grows cannabis, but it is not a point of sale.

Mr. Lowery indicated all applications have to be site specific, and there is a \$5,000 non-refundable fee to apply and then a \$40,000 fee each year.

Mayor Farley indicated it is his recommendation that craft growers only be allowed in the Industrial Park. Councilman Bringwald indicated he has been getting a lot of constituent concerns about this.

Steven Tate, Hometown Heros Consulting Firm, indicated Salem has to be progressive and can’t be left behind. These facilities are a business opportunity and offer a positive change for public health.

Councilman Koehler added that a grow facility is a business, and it would look like any other business.

Bryan Waggoner indicated he knows a lot about the pot industry due to his work with agriculture, and he does not feel it is a sustainable business. Additionally, the areas that have grow facilities are not what Salem wants to be. Waggoner added that he wants

Salem to be the place he wants to raise his children. Wagoner indicated he feels it would be appropriate to hold another public hearing.

Dustin Collier, 5124 Church Rd., Salem, IL, indicated he is an electrician, and has worked in a grow facility in Anna. The facility was a large pole barn surrounded by a fence topped with barbed-wire. Even the cargo access area is hidden, due to the stigma attached to cannabis. Collier added that he knows Matt (Lowery) and he's seen him on Vicodin and on pot, and he is way better on pot. Collier indicated it has been proven that cannabis helps people who suffer from anxiety and depression. Mr. Collier added a lot of people are bothered by the smell of marijuana being smoked, but there are many other ways to get the benefits without the nuisance of smoke or odor. Collier added that the grow facilities are just pole buildings – just industry – and the industry is regulated by the Illinois Department of Agriculture.

DeWayne Collier responded, "The citizens don't want this. If you hold a Public Hearing and only notify the people within 250 ft., we'll still be there."

City Clerk Bev Quinn identified herself as the zoning administrator, and asked City Attorney Mike Jones if the public hearing on cannabis uses held by the Planning Commission in 2020 suffices. The Planning Commission did hold the hearing, made a recommendation that the zoning code not be revised to allow cannabis businesses, and City Council has not yet acted on it. City Attorney Jones responded that it does suffice, but there should be a site specific public hearing, to owners of property within 250 ft. of the site. Quinn responded that that is always done when there is a special use request. Quinn also asked if it would be necessary to create a new zoning district, rather than limiting the grow facilities to the Industrial Park. City Attorney Jones responded that there is not a lot of Industrial zoning, other than the Industrial Park. Mayor Farley suggested allowing Cannabis grow facilities as a Special Use in the Industrial Zoning District.

Planning Commission Chairman Rick McCullum indicated the Planning Commission did hold a Public Hearing, and the response was overwhelmingly against allowing cannabis businesses in Salem. McCullum added that a recommendation was sent to the City Council on behalf of the Planning Commission that the zoning code not be changed to permit these uses.

Councilman Morton indicated he made the recommended motion. City Clerk Quinn asked him if the motion being made was ***"to amend the zoning code to make cannabis grow facilities a Special Use in the Industrial zoning district."*** ***Councilman Morton said it was. The motion was seconded by Councilman Koehler. Roll call vote: AYES: Councilman Koehler, Councilman Morton, Mayor Farley. NAYS: Councilman Bringwald. Motion carried.***

8. FIRST READING – 2022/2023 General Fund Portion of Budget

City Manager Barbee outlined a summary of the General Fund budget, as outlined below:

FY '23 General Fund Budget Summary

Revenues:

Personal Property Replacement Tax increased about \$70,000. We have seen this income rising for past year. State Use Tax has been decreased in the budget. Income tax has been rising the past several years, so we increased the budgeted revenue by \$174,000. We decreased the interest income. In past years when the market was up so was our interest income. Currently we are not receiving nearly the same percentage in interest as we were in the past, but we are still getting more than most other municipalities I have spoken with. All in all, we currently are bringing in \$119,000 more than we are expending from the General Fund.

(cont.)

Expenses:

All payroll expenses were increased 2.75% per the union contracts. This is our third year going into this 3-year contract and we will have union negotiations again in FY '23.

Animal Control- Increased T/N/R program expenses. Animal Control donations have been up the last two years to cover the cost of the program. Also, increased professional services for vet bills for animals from the shelter.

General and Personnel Services- Increased the transfer from the General Fund to the Park by \$50,000.

Police Board- Expense estimates based on testing 4 candidates to fill 2 positions.

Mechanical Services- Includes replacing a diesel generator that is rusted and leaks fuel from 1988.

Police Pension Transfer- The transfer from the General Fund this year is \$413,414. In total the statutory minimum contribution from our actuaries is \$687,955.

The general fund is balanced if we do not look at the police pension transfer. Every year we pay the police pension transfer out of reserves in the general fund. We will finish the year with a reserve balance in the general fund of about \$2.8 M. It is \$119,696 under budget.

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Councilman Morton asked about the columbarium. Public Works Director Brushwitz indicated additional sections can be added to the columbarium they have budgeted.

Mayor Farley asked if heaters for the park restrooms are included. City Manager Barbee added that adding them would be a positive move, as the park restrooms could be used year-round. Mayor Farley added that it would be prudent to add cameras to that area. Dir. Brushwitz responded that if the restrooms are heated and available year round, she

would like to add electric door locks, so that the restrooms could be locked overnight.
Finance Director Barrow indicated she would add these items to the budget.