

**CITY OF SALEM IL
REGULAR CITY COUNCIL MEETING
APRIL 4, 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 21, 2022
 - 2. Review and approval of bid on bituminous patch mix for street resurfacing
 - 3. First Reading – Request to change the ordinance pertaining to the fees charged for installing gas tap services to residential locations
 - 4. Review and approval of proposed SRO agreement with SCHS and Salem Elementary 111
 - 5. Proposed sale of tract in the Salem Industrial Park
 - 6. FIRST READING – 2022/2023 Non-General Fund portion of budget
- 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)(6) Sale of Real Estate
- X. Return from executive Session – Action on Possible Sale of Real Estate**

Rex A. Barbee
City Manager

RAB

Quote of the Day –

The energy, the faith, the devotion which we bring to this endeavor will light our country and all who serve it, and the glow from that fire can truly light the world.

John F. Kennedy

**CITY OF SALEM
REGULAR CITY COUNCIL MEETING
April 4, 2022 – 6:00 pm**

- I. CALL TO ORDER**

The regular April 4, 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
Councilwoman Amy Troutt (*via phone*)

Council members absent: None

Others present:

City Manager Rex Barbee	Public Works Director Annette Brushwitz
City Attorney Mike Jones	City Clerk Bev Quinn

Finance Director Keli Barrow
Deputy Chief of Police Susan Miller
Library Director Kim Keller

Chief of Police Sean Reynolds
Economic Development Director 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 first thanked Mr. Lowery for his service to our country, and added that it is the service of the military that allows others the right to come and speak at meetings like this.

Mr. Collier then addressed City Council, and indicated they will be making a decision on an offer for 14 acres of land for the purpose of developing a Cannabis craft grow facility, but it is not too late to stop the project. Mr. Collier indicated he is a “God-fearing Christian conservative”, and read from the Bible, 1 Corinthians Chapter 6, verses 19-20, as follows: *“Do you not know that your bodies are temples of the Holy Spirit, who is in you, whom you have received from God? You are not your own; ²⁰you were bought at a price. Therefore, honor God with your bodies.”* Collier added that substance abuse is not honoring your body, and Marijuana is a “gateway drug”. Collier added that there is big difference between medicinal Marijuana and craft grow. Collier indicated it seems like the City is rushing into this, and if it was such an economic boon, why isn’t the Economic Development Director pushing development.

John Erickson indicated he is troubled that it seems like every time the City Council looks for a way to generate revenue, it’s through escapism with liquor, video gaming, and now Cannabis. Erickson added that he will be very disappointed if the City Council votes for this, as Salem doesn’t need any more escapism.

David Belfiore indicated he has stepped in to help Mr. Lowery in this endeavor, and will be acting as the COO for the project. Belfiore indicated he was adopted at 13, his father is a pharmacist, and he joined the military to get away from this small town, but it draws him back. Belfiore added that he has been working as the finance manager for an auto group in St. Louis. Mr. Belfiore indicated this project is personal to him, and his passion is veterans. Belfiore indicated people may object due to religious or personal feelings, but he’s a numbers guy. Belfiore indicated Cannabis has allowed him to be a high-functioning person in a high-level position. The median income in Salem is \$20,000. The median income for a lead grower is \$57,000. Craft grow takes talent and focus to develop high-value product. Belfiore ended by saying Salem is not a retirement community, that this project is a start, and Salem has to start thinking outside of the box.

Mayor Farley thanked everyone for their comments and the respectful way they were presented.

IV. MAYOR’S REPORT AND PRESENTATIONS

Mayor Farley indicated he recently attended a SWIMA meeting, as a guest, which includes mayors from Vandalia to the metro-east, and it was a very good meeting.

Mayor Farley indicated this is National Library Week, and Bryan-Bennett Library will be hosting the following events:

- April 5, 2022 – 5:00 – 7:00 pm – Reception
- April 5, 2022 – all week – Golden Ticket Search (*adults who check out a book with a golden ticket in it will be given a small prize*)
- April 7, 2022 – 5:30 – 6:00 pm – Evening Story Time (*books in the reading basket are “Stretchy and Beanie” and “Feathers for Lunch”*)
- April 8, 2022 – 10:00 am Regular Story Time

V. CITY COUNCIL ACTION

1. Consent Agenda

(a) Approval of Minutes – March 21, 2022

Motion was made by Councilman Koehler and seconded by Councilman Bringwald to approve the minutes of March 21, 2022, as written. Roll call vote: AYES: Councilman Bringwald, Councilman Morton, Councilman Koehler, Mayor Farley. NAYS: None. Councilwoman Troutt abstained. Motion carried.

2. Review and approval of bid on bituminous patch mix for street resurfacing

City Manager Barbee indicated RFPs were sent out to six vendors and bids were received from two. General Contractors bid \$83.00/ton plus handling, bringing their bid to \$97.00/ton for a total of \$38,800. Jax Asphalt bid \$91.00/ton plus handling, bringing their bid to \$115.00/ton for a total of \$46,000. City Manager Barbee indicated both bids met specs, prices are good through 12/31/2022, and he is recommending award to General Contractors.

Councilman Koehler asked if the City will be hit with increases due to gas prices. Public Works Director Brushwitz indicated expected gas prices have been factored into these submittals, and the prices are locked in. ***Motion was made by Councilman Bringwald and seconded by Councilman Koehler to award the bid for bituminous patch mix to General Contractors in the amount of \$38,800. Roll call vote: AYES: Councilwoman Troutt, Councilman Morton, Councilman Koehler, Councilman Bringwald, Mayor Farley. NAYS: None. Motion carried.***

3. First Reading – Request to change the ordinance pertaining to the fees charged for installing gas tap services to residential locations.

City Manager Barbee provided the following:

Request for changes to Section 20-43 of the ordinance regarding the fees for providing gas tap services to residential customers. Currently the fee is a flat charge of \$900.00. With some newer homes having multiple furnaces and requesting multiple meters in addition to some longer runs for gas lines we have expended more on some installs than the \$900.00 covers. The proposed fee structure would be based on the length of the service line, the size of the meter requirement, the BTU's needed to adequately service the residential property's needs, and the installation method (boring or trenching). The Gas Department shall inspect the property and plans prior to installation to determine the cost of providing the service based on the following information; The fee for each gas tap will be determined under the following basis:

- (1) Length of service line
- (2) Meter size needed
- (3) Amount of BTU's needed
- (4) Installation type (trenching or boring)

The minimum charge for any gas tap service will be \$900.00. The fee for a larger size tap or running greater distance than fifty (50) feet, or both, shall be based upon the actual labor and materials expended in the making of such tap. The city will maintain the responsibility of running the line from the main to the meter. These changes should prevent us from incurring more expenses on the installation than we are receiving tap fees.

Upon application the gas superintendent will inspect the project and the tap size will be determined.

When gas is removed by the city at the request of the property owner, the removal shall be \$450.00 or time and material; whichever is cheaper. After one year of removal a full tap fee will be charged.

City Manager Barbee indicated this change will only impact those residential projects that are of a larger scale or set back further from the road. Some of the taps that the Gas Dept. have installed for \$900.00 have actually cost up to \$3,000.00. Councilman Koehler

responded that this proposal is a good idea, as the tap fee should cover the cost of installing the tap. City Manager Barbee indicated this would be presented for a second reading at the next meeting.

4. Review and approval of proposed SRO agreement with SCHS and Salem Elementary 111

City Manager Barbee indicated the proposed agreement has not yet been presented to the school boards, although Dr. Detering and Dr. Foppe have indicated they are in favor of the agreement. The proposed agreement is the same as the previous one, except that the schools will be covering a greater percentage of the cost. Barbee indicated approval should be made subject to approval by both school districts.

Councilman Koehler indicated he thinks this cooperative agreement has been a very good thing. Mayor Farley indicated his agreement, and added that he has heard nothing but positive comments from the community. Farley added that having trained officers in our schools is very important in this day and age, and he is very proud of the Salem Police Department's SRO program. ***Motion was made by Councilwoman Troutt and seconded by Councilman Koehler to approve the SRO agreement as presented, subject to approval by both school boards. Roll call vote: AYES: Councilman Morton, Councilman Koehler, Councilman Bringwald, Councilwoman Troutt, Mayor Farley. NAYS: None. Motion carried.***

5. Proposed sale of tract in the Salem Industrial Park

A sealed offer for purchase of real estate was received and opened by City Manager Barbee. The offer is from Landing Zone Realty, LLC in conjunction with hometownheros.com for 39.59 +/- acres, subject to survey, for \$149,000. The offer is based on the purchaser acquiring financing within seven days of acceptance, with a 30-day commitment subject to licensure, including City Council approval, State of Illinois Approval, and receipt of a Special Use Permit. The offer is represented by Jeff Dunahee Realty. City Manager Barbee indicated City Council has the opportunity to discuss this further in closed session. Mike Hammond of Dunahee Realty indicated the offer will be excluding the roads and detention pond. City Manager Barbee indicated there will be a survey prior to closing.

6. First Reading – 2022/2023 Non-General Fund Portion of Budget

City Manager Barbee provided the following summary of the non-General Fund budgets:

ESDA: No change in revenues or expenditures. *(Balanced)*

Garbage: Revenues comparable to the previous year. Purchasing 10' pull behind brush hog for \$9,000. Also, final payment has being made in FY '22 for track hoe. *(Under budget by \$25,000)*

Parks: We will get the final payment for the OSLAD Grant sometime in FY '23 when we are closing out the grant. The remaining amount IDNR owes is \$125,700. Parks are also receiving \$50,000 more in the transfer from the General Fund. We are hoping to hire an additional parks employee in FY '23. We are also hoping to make improvements to the dog park fence and build a walking bridge from the walking trail to the t-pee shelter. *(Under budget by \$49,000)*

Historical Commission: Revenues and expenses comparable to previous year. *(Balanced)*

Library: In FY '23 we are combining fund 06 and 07. The only things that went into fund 07 was Property Taxes for IMRF and Social Security for library employees. The revenues in the library fund are comparable to previous years. Building maintenance has increased due to the need for a new roof at the library building along with HVAC updates. This should cost the library about \$189,700. The library has reserve funds to cover the cost of both updates. *(Over budget \$181,000 but using reserves)*

Recreation: Revenues are comparable to previous years. We also budgeted \$100,000 for soccer complex improvements. The recreation fund has reserves to cover the improvements. *(Over budget \$130,000 but using reserves)*

Motor Fuel Tax: We should receive our final payment for Rebuild Illinois IDOT funds in FY '23. These funds are being used to overlay N. College and N. Jefferson. In total we will have received \$493,291. These funds are required to be used on a road project. Our engineering expense has increased due to the Engineering for Whittaker Street. The city is required to pay for the engineering of the project and 20% of construction for Whittaker Street. *(Over budget \$470,000 due to expending reserves from Rebuild IL and Whitaker FAU project)*

Police Pension: The minimum contribution increased to \$423,414. The transfer from Fund 20 will increase about \$10,000 due to an increase in video gaming revenue. We are required to at least contribute the minimum per our actuaries and the Department of Insurance. If we do not contribute the minimum the State can stop giving the City, their taxes to direct the monies to the pension fund. *(Under budget)*

Downtown TIF: Revenues and expenses have remained the same. *(Over budget \$1,050 but using reserves)*

Tourism: Revenues and expenses have remained comparable to previous year. *(Balanced)*

Veteran's Fund: Revenues and expenses comparable to previous year. *(Under budget but using reserves)*

Water and Sewer: Water and sewer revenues should increase about 25% from previous years, depending on usage. Chemical expenses at the water treatment plant have increased about \$100,000 from the previous year. Water maintenance is needing to purchase a truck. The wastewater treatment plant is needing a new roof and a new hanging heater bar for the screen room. We are also needing to recoat the sludge storage tank.

In previous fiscal years we used reserves out of the water fund to make up for the shortfall of revenue. Now that we have increased our rate, we do not have a shortfall in the water fund and will not need to use water fund reserves. *(Under Budget by \$19,816)*

Gas: Revenues are comparable to last fiscal year. We are expecting to spend more on wholesale product as the market has been higher lately for gas. The gas department needs a new truck and the truck they currently have will go to the Street Department. Our system improvements for \$295,000 will be for Circle Drive. We also are converting the gas plant building and generator from 440 volts to 220. Ameren is supplying labor at no charge. *(Over budget \$197,748 but using reserves to cover)*

Capital Project (1/2 cent sales tax): Revenues are estimated to increase about \$146,000 from the previous year. Both of our sales taxes have been increasing for the past 24 months. We are hoping to complete street surfacing on Whitaker from Westgate to Delmar as well as West Boone from Broadway to College. We will also complete the Kell Street Waterline as well as the engineering for the South Broadway waterline. The construction of this project will be paid mostly from ARPA funds received from the State. We have received ½ of the estimated \$948,646 and the other half should be sent out around August 2022. *(Over budget \$33,043 but using reserves to cover)*

Matching Grant Projects: We have seen an increase in video gaming revenue this past year. I did not increase the revenues as significantly, because I cannot imagine they will stay where they are currently. We have \$21,000 available for grant match projects. *(Balanced)*

TIF #2: Revenues and expenses are comparable to previous years. *(Over budget \$765 but using reserves)*

Grants: We have \$140,000 remaining to be spent out of the housing grant. Little Egypt Lane will be under construction also in FY '23. IDOT is paying for ½ of Little Egypt Lane up to \$520,000. The other half is coming from local funds (Little Egypt Golf Cars). *(Under budget \$714,798)*

Business District: Business district tax revenue has increased. 80% of the revenue brought in by Denny's is being given back to them through an agreement. The other 20% can be used on the business district only. *(Under budget \$2,200)*

The total of all revenues in all funds including the General Fund is \$19,047,696 with expenses being \$19,089,625.

Finance Director Barrow added that the expected revenues are \$42,000 less than expected expenditures, but the City has reserves to cover these overages. City Manager Barbee indicated there will be a Public Hearing at the next meeting on the FY23 budget, with action during the meeting.

VI. CITY MANAGER AND DEPARTMENT HEAD REPORTS

City Manager Barbee reported –

- the Daffy-Dill Garden Club Dig-Up Day will be held on Saturday, April 9th from 10:00 am – 2:00 pm at the Bryan Statue area. The club will be giving away plants free, and will be on hand to provide direction. Those wanting plants must bring their own digging tools;
- City Hall will be closed on Good Friday, April 15th;
- leaf vac service is being extended one more week;
- cemetery clean-up took place today;
- reminded those present of National Library Week.

Public Works Director Brushwitz reported –

- cemetery clean-up is finished, and flowers can be placed back on graves;
- residents may notice their tap water has a different odor, as the Water Plant has changed chemicals;
- hydrant flushing will begin on 4/15.

Finance Director Barrow reported –

- revenue reports will be sent out tomorrow. City Manager Barbee thanked her for all of her work on the budget.

City Clerk Quinn –

- indicated the Planning Commission hearing for the Special Use Permit for the Cannabis Craft Grow project will be held on Tuesday, April 12, 2022 at 6:00 pm at the Salem Community Activities Center *(cafeteria)*.

VII. CITY ATTORNEY REPORT – No report.

VIII. CITY COUNCIL MEMBER REPORTS

Councilman Koehler reported –

- Chuck's Place is making a name for itself in the Southern Illinois Tourism Burger Bracket for Best Burger in Southern Illinois, and encouraged everyone to vote;
- indicated there has been a \$100 reward offered to help in identifying those who vandalized the park restrooms. City Manager Barbee added that PW Dir. Brushwitz has built some additional security items into her budget for the park, including automatic locks for the restrooms;
- this weekend is the All Class Reunion. City Manager Barbee mentioned there will be a Hall of Fame Ceremony, with 14 graduates being inducted for business success outside of SCHS.

Councilman Bringwald reported –

- that he visited the Historical Museum this week, and they are constantly rotating displays and putting new items out – very nice;
- in PTO news, there will be a meeting at Hawthorn School on 4/6 at 5:30 pm to discuss fundraising events.

IX. EXECUTIVE SESSION

a. 5 ILCS 120/2(c)(6) – Sale of Real Estate

Motion was made at 6:51 pm by Councilman Koehler and seconded by Councilman Bringwald to enter into executive session for the purpose of discussing sale of land after a 5-minute break.

Roll call vote: AYES: Councilman Morton, Councilman Koehler, Councilman Bringwald, Councilwoman Troutt, Mayor Farley. NAYS: None. Motion carried.

Return to open session at 7:28 pm.

X. COUNCIL ACTION (cont.)

a. Sale of Real Estate

Motion was made by Councilman Koehler and seconded by Councilwoman Troutt to accept an offer of \$5,800 per acre (exact acreage to be determined by survey) with the buyer putting down \$500.00 in earnest money, paying for the survey, paying all closing costs (buyer's and seller's) and closing within 18 months, contingent upon the permitting conditions outlined in the offer. Roll call vote: AYES: Councilman Koehler, Councilman Bringwald, Councilwoman Troutt, Councilman Morton, Mayor Farley. NAYS: None. Motion carried.

XI. MOTION TO ADJOURN

Motion was made by Councilwoman Troutt and seconded by Councilman Morton to adjourn the meeting at 7:32 pm. Roll call vote: AYES: Councilman Bringwald, Councilman Troutt, Councilman Morton, Councilman Koehler, Mayor Farley. NAYS: None. Motion carried.

Bev Quinn, CMC

Minutes approved: _____