

The Board of Aldermen met in regular session at 6:00 P.M.

Aldermen Present: Mark Greening, Roch Buckman, Tyler Wheeler, Michael Purol and Gary Thompson

Aldermen Absent: Greg Smith

Others Present: Kevin O’Bryan, Jackie Pangborn, Shirley Arch, Linda Greening, John Albright, Lori Watson, Neal Minor, Nathan Smith, Hazel Smith, and Jamie Allen

Mayor Minor called the meeting to order.

Mayor Minor asked everyone to stand and recite the Pledge of Allegiance.

There was a public hearing held on the 2016 tax rates. Mayor Minor stated that based on the current year budget, this is actually less property taxes than what we have budgeted. As there were no questions regarding the hearing, the hearing was closed.

The Board of Aldermen reviewed a proposed ordinance which would approve the tax rates as presented at the public hearing for the City of Monroe City effective October 1, 2016. The proposed ordinance was assigned bill # 5. The first reading of bill # 5 was read and approved on a motion by Alderman Wheeler, a second by Alderman Buckman with all in favor. The second reading of bill # 5 was read and approved on a motion by Alderman Greening, a second by Alderman Wheeler, with all in favor. Alderman Buckman motioned to approve the final passage of bill # 5; Alderman Thompson seconded it, with a vote as follows:

Greg Smith	Absent	Michael Purol	Yea
Mark Greening.....	Yea	Tyler Wheeler	Yea
Roch Buckman	Yea	Gary Thompson	Yea

Bill # 5 became ordinance # 5-2016.

The Board of Aldermen reviewed the consent agenda. Alderman Buckman asked if we were keeping a running total of the costs that have and will be incurred on the Water Plant project. Jackie Pangborn stated that she is keeping that information, but doesn’t have a total worked up at this point. Alderman Purol motioned to approve the consent agenda; Alderman Wheeler seconded it with all in favor.

Mayor Minor opened the floor for open forum.

Lori Watson approached the Board regarding the 5K walk that they have in conjunction with the Fall Festival. She presented the walking route to the Board. Chief Albright stated that he has approved this route as it is the same that they have used for several

years. Alderman Wheeler motioned to approve this route; Alderman Purol seconded it with all in favor.

Shirley Arch approached the Council. She stated that she was here as a citizen and not as a City employee. She stated that she had issues on July 7th when a storm took out the electric at her house on East Cleveland. She stated that she was out of electric for five (5) days which she felt was totally uncalled for. She immediately put up the weather head and she was told by the Electric Department that she would have to dig the hole for a new service pole to be installed. The Electric Department did provide her with a pole to install. She was supposed to have the air conditioning installed that Sunday, but since she had no electric she was not able to. She also stated that the Electric Department came through her ditch on her side yard and left ruts in the ditch. They did this in order to drive back to the neighbor's house located directly south of hers (frontage is on Park Street) and trim limbs out of Hays' line; then they threw the limbs on Shirley's side and then later threw them in Shirley's ditch. Shirley is curious as to why they went through her lot to get to the neighbors lot and why the ditch isn't fixed yet. She also stated that two years ago they damaged her easement and that hasn't been fixed either. She provided pictures of the ditch to the Board of Aldermen. Mayor Minor was unsure as to why they went through the ditch but they are to repair the ruts when they go through yards. Shirley stated that said everyone else's yards have been fixed and Mayor Minor stated that was not true; Shirley then stated that most of the others had been fixed. Shirley wants to know why the Electric Department didn't have them fixed two weeks ago. She didn't feel that she should have to complete a work order in order for the ruts to get fixed, but she did anyway. The ruts make it very difficult to mow. Public Works Director Kevin O'Bryan stated that it was his understanding that there was another tree that they had to cut and they were going to repair the ruts at the same time. Director O'Bryan will follow up with Kerry Lee to ensure that this gets done. Director O'Bryan stated that he was not sure why they went through her yard, we have an easement but it is not a graveled alley and it is probably only 12'-15' wide. Shirley stated that she checked on the widths of the easements and they vary between 12' to 20' wide. Director O'Bryan also stated that the "alley" is cluttered as well. Mayor Minor stated that this needs to be taken care of, Alderman Buckman agreed with Mayor Minor and Director O'Bryan stated that it will be.

Also, Shirley said that Tony Gordon would like to see something done with the ditch since there isn't much of a ditch there. She felt that the ditch could be cleaned out and possibly reworked to direct the water better. Director O'Bryan stated that this town is quite flat and there isn't much to work with.

Shirley also brought up that she felt that the paving crew should have "feathered" the asphalt into people's driveway better as there is a small drop off. Director O'Bryan stated that it would be too thin and it would break off and he stated that she could put cold patch in it. Shirley didn't want to do that as it would pop right back out. Attorney Wilcox stated that is the same outcome that feathering would have. Shirley then questioned who would be responsible if someone walking down the street fell and got hurt. Attorney Wilcox stated that it could be an issue, but if the City isn't negligent then

it isn't the City. For example, if the City digs a pit doesn't mark or barricade it and someone falls in it, then it would be the City's issue as they were negligent. Shirley asked because she was concerned and so were others in the neighborhood.

There was nothing to report for Planning and Zoning.

Alderman Greening gave the Public Works report. He stated that the Manager's reports are in the book, they have been pretty busy. Director O'Bryan stated that the street paving is complete for this year. Alderman Greening stated that he has heard several good comments regarding this. Paving exceeded the budget by 87 ton which is approximately \$6,000.00. Director O'Bryan was hoping to get the parking lot on East Summer Street paved but Bross was heading to Kansas City that night and ran out of time. He is hoping that they may be able to do it when they come back through this area. The risers for the manholes will be installed once they arrive. Director O'Bryan stated that new stop signs have been installed on Second Street and North Capelle which will make this intersection a 4-way stop. The signage for the one-way street at the new Holy Rosary School has also been installed. Alderman Greening stated that he referred JR Chisham to Attorney Wilcox if he wishes to file a complaint for obnoxious odors. It was mentioned that Ronnie Smith worked on welding a ball picker for the Mosswood Golf Course. They were also welding on a setter for a grain bin and dryer that are being installed on Highway 19 off of the City's feeder main.

Jamie Allen stated that the backhoe for the Gas, Water, and Sewer Department is having issues with the brake going on and off. They delivered it to Tri-State in Palmyra to be evaluated and possibly fixed. Tri-State tried to fix it the "cheap" way but that didn't work; it will take about \$5,000-\$6,000 to fix it. It is not safe to run the way it is and we would either like to trade or sell it and purchase a newer one. Jamie stated that we can get a newer one for around \$50,000. Attorney Wilcox stated that we will have to go out for bids for this but we need to make sure that our specifications are specific enough that we get similar proposals, but not so specific that we are tied into a particular model, brand, etc. Alderman Buckman stated that we will need to have some sort of an amount to put in the budget. We don't want to overstate it in the budget but we need to get as close as we can get. Alderman Greening questioned if we would be able to get by until we complete the budget process and Jamie stated that he felt we could. Alderman Purol stated that we still need to start the bidding process and develop bid specifications. Alderman Thompson stated that we do not want a machine with more than 4000 hours; therefore we will need to include a "window" for the hours. Jamie stated that he has a copy of another individual's bid specification for a piece of equipment and he can get these developed for the Council and different companies will be asked to provide proposals. Jamie questioned the Board if he can fix this backhoe or wait; there are currently 9000 hours on it and it is a 1992; Director O'Bryan's backhoe is a 2003 and has over 10,000 hours on it and it also has several issues that need to be addressed. Since we have two pieces of equipment that are having issues it might be a better thought to get bids on two used backhoes and to put a window in between 1,500 to 3,000 hours.

Alderman Greening stated that he, Mayor Minor, Alderman Purol and Director Pangborn had a meeting Tuesday to discuss the electric rates. Mayor Minor stated that our Electric Department is losing money and there hasn't been an increase since 2008. We made a choice to not increase rates at the same time Pace was closing and Internet was going bankrupt so we kept the electric rates the same. Currently, if we were to have a major wind/ice storm we would not have the money to make the repairs. During the meeting on Tuesday, Verbal Blakey of BHMG was on the phone and answered additional questions that the group had. Based on our discussions, the plan that we are recommending to the council is that residential rates will have a 4% increase and commercial rates will have a 3% increase for the next 3 years and meter fees will increase from \$7.50 to \$10.00 per meter per month. Currently the industries are heavily subsidizing residential and commercial customers and therefore they will not be receiving a rate increase. The Industrial customers have a very good load factor and are a major factor in keeping our electricity rates lower than they would be if they weren't here.

With this structure it is projected that we will have \$530,000 at the end of year one; at the end of year two the projection is \$655,500; at the end of year three the projection is \$879,200; and at the end of year four the projection is \$1,103,000. Our target is \$1,000,000 which is a bare minimum. Director Pangborn explained that we still have a debt service balance of \$340,377 which will come out of this and will leave us with about \$762,000 at the end of year four. This does not include any capital expenditures which include large projects to smaller items such as vehicles or equipment. BHMG is recommending that we have 50%-100% of our operating expenses in reserves which would mean we need to get built up to \$2.3 or \$4.6 million.

Mayor Minor further explained that we have base rates right now and it hasn't changed in about 10 years and this will take care of this. Once the rate increases go in place, we need to have an adjustable operating expense rate which will take effect in January of each year – after the completion of the audit. The increase or decrease will be reflected from the operating costs. Currently our electric cost changes monthly depending on what the City is billed. With the operating cost adjustments, the January adjustment could go up or go down based on our operating costs. All increases (other than the operating cost adjustment) would take affect October 1, 2016.

Hazel Smith asked who the City purchased their electricity from and Director Pangborn stated MEUC. She questioned that when a budget was put in place, wasn't the City required to have a certain amount in reserves? Hasn't this been looked at throughout the years? Mayor Minor stated that he wasn't sure if the City was required to maintain a certain level in their reserves or have their rates at certain level. Mayor Minor stated that we needed someone with expertise to audit our rates and it was their evaluation that stated we needed to increase the rates as we didn't have enough money in the reserves. Mrs. Smith questioned what made us decide to look into this and Mayor Minor stated that in reviewing the Electric Department and how much we were paying, we decided that we needed to further evaluate the situation.

Alderman Greening questioned if this was something that we would have to have in an ordinance. Director Pangborn stated that once we provide Mrs. Blakey the direction that we want to go with this, she will finalize everything and develop the ordinances that will be needed, including the operating expense adjustment. Alderman Wheeler expressed concern that this may not be enough. Alderman Buckman stated that it will not be enough to build up our reserves to the appropriate level, but he feels we need to go into it for a year and see where we are at; we can modify this if we need to and this is better than where we currently are. Alderman Buckman continued by stating that EPA has hurt us with additional regulations and unfunded mandates which can be devastating to small cities. It was stated that by implementing this, the average household will see around a \$3 increase per month on their electric bill. Alderman Wheeler motioned to adopt the proposed rate increase and allow BHMG to proceed with finalizing the documents and ordinances to put this in place; Alderman Purol seconded it with all in favor.

Alderman Wheeler stated that there was nothing to report for Public Safety.

Alderman Buckman presented the Administration report. He stated that the Tax Rate Ordinance had already been addressed. The next item was utility accounts that needed to be written off as uncollectible for accounting purposes only and referred to the City's Collection agency.

<u>Name</u>	<u>Address</u>	<u>Amount</u>
Michael Bihn	515 E. Dover	\$717.49
Tammy Lewis	730 Gypsy Row #43	\$34.74
Shelby Lain	727 Fortune #39	\$170.33
Justin Cody	1024 Park St. Apt. A	\$198.29
Clifford Charlton	422 First	\$616.82
David Scott	1 Sycamore Lane	\$350.05
Kaleb Minter	503 N. Chestnut	\$117.89

Alderman Buckman motioned to write off these account as uncollectible for accounting purposes only and to refer them to the City's Collection Agency; Alderman Purol seconded it, with all in favor.

Alderman Buckman then asked Director Pangborn to present the Director of Administration's report.

- The Manager's Meeting minutes were in the packet.

- There is a letter in the packet from Mark Bross addressing the situation with K & N at 301 S. Davis Street. K & N does not believe this is their issue, they weren't advised of the situation prior to being sent bills for reimbursement and they are not going to pay it. Alderman Thompson stated that Mr. Bross stated in the letter that these issues were handled unique to the specific situation. Alderman Thompson stated that this was a unique situation in that he (contractor on the job) was given the impression that the issue was next to the house and the reason that the problem started was that it wasn't hooked up. He stated that most of the expense that was involved was due to where they started and the length of time it took to finish the project. Had they had more information in the beginning it wouldn't have gone that way. He stated that the tap wasn't made and that started the problem and for K & N to wash their hands of the entire bill is not correct.

At this point, Attorney Wilcox stated that Alderman Thompson needed to abstain from discussion on this issue. He stated that whether the City reimburses or not, K & N can't be held responsible as they weren't presented with the problem prior to it being fixed. They should have been given the opportunity to fix it. Mayor Minor stated that there have been concerns about this in past where a citizen would call a plumber, it was determined that it was the City's issue and then the City was asked to reimburse for the bills even though the City wasn't contacted first. The City paid the one bill and then implemented the policy. Alderman Buckman stated that if he had a blocked sewer he would probably contact the plumber first. Attorney Wilcox stated that this is a bit different because we are in a project. Alderman Purol discussed the situation of vacant houses that aren't hooked up to the sewer in order to reduce inflow and infiltration. Hazel Smith questioned if a vacant house was purchased, would the City hook it up; it was stated that the City most likely would as long as we were contacted first. Director Pangborn will send the policy to the aldermen as it is written in the mass mailers that go to all citizens in April and October of each year. This will be tabled until the next meeting.

- Director Pangborn stated that she did receive a copy of the minutes from the Rural Fire Board stating that they included \$10,000 in their 2013 budget for storm sirens; however there was nothing included in the current budget. Alderman Wheeler motioned to pay Ralls County Electric Cooperative out of Rural Funds for the \$501.61 for the pole; Alderman Buckman seconded it with all in favor.
- Director Pangborn stated that the First Baptist Church is holding its annual fish fry on Sunday, September 11, 2016 from 2 p.m. to 7 p.m. They are requesting for Catherine Street to be closed from N. Vine to Main during that time frame. They would also like a couple of extra trash cans as well as 5-8 picnic tables. They will also be holding their annual Outreach in the Park for the community on September 18th and would like to make the same requests for that day as well. Alderman Buckman motioned to approve the request to close Catherine Street from 2 p.m. to 7 p.m. on Sunday, September 11, 2016 as well as on September 18, 2016 for the hours of their event; provide barricades, picnic tables and trash cans for both; Alderman Purol seconded it with all in favor.

Mayor Minor asked Director Pangborn to provide the Park Board Report. Director Pangborn stated that the Park Board met at 4:30 today and addressed several issues. They agreed to provide \$100 for door prizes for the End of Season Bash at the Swimming Pool which will be held on Sunday, September 4, 2016. They received a complaint regarding the South Lake Memorial Tree Project which they will address. Gary Yager and Steve Yates replaced the spindles in the gazebo and removed a tree. They will meet sometime in the next week or so to prune the trees in St. Jude's Park and at South Lake. They have received some complaints on the mowing at the Cemetery but did not feel that anything needed to be addressed at this point. Their next meeting is scheduled for September 20, 2016.

Alderman Minor stated that he would like to meet with the Park Board about the status of the Park Tax Fund. This would include the collections, the pool loan, and the money that would be available for the Parks Board to utilize on projects that are designated by the Park Board and then presented to the Council for approval. Director Pangborn will set the meeting up within the next two weeks on Tuesday, Wednesday or Thursday. Director Pangborn will also advise Gary Osbourne so that he can get the information together on the fund, including the current balance as well as the original proposal showing the estimated projections so that they can be compared with the actual balances.

Mayor Minor asked Alderman Thompson if he had anything for the Economic Development report. Alderman Thompson did not have anything to report. Mayor Minor and Alderman Thompson will meet on Tuesday, August 23, 2016 at 8 a.m. in the Mayor's office.

Mayor Minor stated that he had no report.

Alderman Wheeler motioned to adjourn the open session and go into executive session authorized by RSMO 610.021 (3) hiring, firing, disciplining or promoting of particular employees and by RSMO 610.021 (1) legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys; Alderman Purol seconded it, with the vote as follows:

Greg Smith	Absent	Michael Purol	Yea
Mark Greening	Yea	Tyler Wheeler	Yea
Roch Buckman	Yea	Gary Thompson	Yea

After the adjournment of the executive session, the open session was reconvened.

Alderman Wheeler motioned to ratify the decision made in executive session to reverse Officer Linda Greening's suspension without pay and to reimburse Officer Greening for the 2 weeks of vacation that she used while on suspension by applying the used time back to her vacation accrual; Alderman Thompson seconded it with all in favor.

August 18, 2016

There being no additional information to discuss, Alderman Thompson motioned to adjourn the meeting; Alderman Wheeler seconded it with all in favor.

Neal Minor, Mayor

Gary Osbourne, City Clerk