

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: Jackie Pangborn, Nathan Smith, Rich Enochs, Chris Perkins and Michael Williams

Mayor Minor called the meeting to order.

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

The Board of Aldermen reviewed the consent agenda. Alderman Wheeler motioned to approve the consent agenda; Alderman Greening seconded it, with all in favor.

Mayor Minor opened the floor for open forum.

Nathan Smith asked that the City use the street sweeper to clean up debris from Broughton's building in the 100 Block of North Main Street that resulted from the strong winds earlier in the day. Kevin O'Bryan said that this matter will be addressed.

Alderman Buckman said that he has been receiving complaints about the discolored City drinking water. Jackie Pangborn said that the water is safe to drink, but will have an effect on white clothes. She and Jon Rogers are trying to come up with something that that can be used on white clothes. Jackie Pangborn said that it is due to manganese in the lake which occurs a few time a year. The water plant personnel are addressing the situation but have experienced problems with pumps not working satisfactorily. There are several maintenance issues at the water plant that were put off and now it is catching up with the City. Jon Rogers is working on addressing the maintenance issues and manganese problem and will keep us updated.

The Board of Aldermen reviewed the report from Kevin O'Bryan, Director of Public Works. The Public Works Departments have been busy dealing with power outages and downed trees caused by the wind storm earlier in the day.

Alderman Greening asked Kevin O'Bryan about using the new loader and if he is planning to seek bids to sell the old loader. Kevin O'Bryan said that the new loader has 58 hours on it and has a three year warranty. They have been using the old loader to discard concrete and debris from the Sewer Rehabilitation Project. This activity has damaged the old loader. He did not want use the new loader on this

project because of the potential damage to it that would incur. The Board said that they will consider seeking bids for the old loader or keeping it at a later meeting.

Kevin O'Bryan said that Trey Gander has satisfactorily completed his six months' probation period effective June 28, 2016. Terron Ritter has satisfactorily completed his six months' probation period effective July 4, 2016. Kevin O'Bryan requested that both Trey Gander and Terron Ritter be granted full time status and given a \$.30 per hour raise retroactive to the date that they completed their probation period. After discussion, Alderman Purol motioned to grant this request; Alderman Purol seconded it, with all in favor.

The Board of Aldermen thanked the Fire Department for doing a good job on the 4<sup>th</sup> of July fireworks display.

Gary Osbourne said that Section 802 – Rate Covenant- ordinance # 4-2014, which authorizes the \$4,322,000 Sewerage System Revenue Bond, states that the City will maintain such rates and charges for the use and service furnished by or through the sewer system that will produce revenues sufficient to pay

- The expenses of the system
- The principal and interest on the bond
- Provide a reasonable and adequate reserve

USDA wants a typical budget for the Sewer Department that shows that the revenues are sufficient enough to pay the expenses plus the debt service. Capital improvements are not included in the expenses. The total costs and reserves that need to be generated are:

Expenses	\$324,822.00
Principal & Interest	\$193,885.00
Debt Service Reserve	\$ 19,392.00
Replacement & Extension	<u>\$ 19,392.00</u>
Total	\$557,491.00

Over the past 12 months, the current sewer rates generated \$494,830.70 which is \$62,660.30 less than the total required. USDA will not allow the City to use our reserves to postpone a rate increase. The City's sewer rates are \$8.14 per 1,000 gallons for the first 5,000 gallons. All water used in excess of 5,000 gallons is \$6.74 per 1,000 gallons. The City can make up this deficit in one of two ways. We can establish an added charge of \$5.00 per meter per month. This would generate approximately \$62,766.00. The second way is to increase the sewer rates. If the rates were increased to \$9.00 per 1,000 gallons for the first 5,000 gallons and \$7.85 per 1,000 gallons for all water used over 5,000 gallons, we would generate approximately \$62,792.00. Mayor Minor said that it would be more equitable to increase the sewer rates and not impose an additional charge of \$5.00 per meter per month. After further discussion, Alderman Buckman motioned to raise the sewer rates to \$9.00 per 1,000 gallons for the first 5,000 gallons and \$7.85 per 1,000 gallons for all over 5,000 gallons to comply with the City's rate covenant as stated in ordinance 2-2014 effective October 1, 2016; Alderman Purol seconded it, with all in favor. The Board agreed that they were going to have to raise the water rates to

cover additional costs to maintain the water system. After discussion, Alderman Buckman motioned to increase the water rates to \$9.00 per 1,000 gallons for the first 5,000 gallons and \$7.85 per 1,000 gallons for all water used over 5,000 gallons, effective October 1, 2016; Alderman Purol seconded it, with all in favor.

Jackie Pangborn presented the Director of Administration’s report to the Board of Aldermen:

- The HVAC building evaluation for the City Hall/Library Complex is underway.
- The repairs to the HVAC system are nearly complete.
- The City’s cell phone service has been changed from US Cellular to Chariton Valley.
- An evaluation of the forest at Route J Park has been completed. This evaluation and recommendations will be discussed at the July 21, 2016 meeting.

Attorney Williams said that the Pfaff easements should be completed by the July 21, 2016 meeting.

Mayor Minor said that BHMG Engineers will be coming to another Board of Aldermen meeting to re-present the information on the electric rates and demand charges. Gary Osbourne said that they are schedule for the August 4, 2016 meeting.

Alderman Thompson 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 Buckman 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.

No decisions were made in executive session.

Alderman Greening motioned to adjourn the meeting; Alderman Wheeler seconded it, with all in favor.

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Neal Minor, Mayor

July 7, 2016

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Gary Osbourne, City Clerk