

**ROLLA CITY COUNCIL  
BUDGET MEETING MINUTES  
TUESDAY, AUGUST 28, 2007  
ROLLA CITY HALL COUNCIL CHAMBERS  
901 NORTH ELM STREET  
6:05 P.M.**

**Presiding:** Mayor William S. Jenks, III

**Council Members in Attendance:** Terry Ruck, Monty Jordan, Donald Barklage, Stan Spadoni, Susan Eudaly, Gary W. Hicks, Judy Jepsen, Lou Magdits, Jim Williams, Richard Morris, Richard Sibley and Mark Walburg

**Department Directors in Attendance:** Solid Waste Manager Brady Wilson, Recreation Center Director Scott Caron, Community Development Director John Petersen, Public Works Director Steve Hargis, Fire Chief Bob Williams, Finance Director Steffanie Rogers, Parks and Recreation Director Ken Kwantes, and Police Chief Mark Kearse

**Other City Officials in Attendance:** City Administrator John Butz, Communications Coordinator Scott Grahl, and City Clerk Carol Daniels

Mayor William S. Jenks, III, called the meeting to order at approximately 6:05 p.m. He then turned the floor over to City Administrator John Butz.

Mr. Butz welcomed the Council to the second night of the budget review process. He began by addressing some of the questions that were asked during last night's meeting regarding the Eugene E. Northern Community Hall. He noted that Fire Chief Robert Williams has prepared a packet of information, including the twelve-month schedule of the Community Hall. Mr. Butz said the City is averaging about \$3500 - \$4000 in Community Hall revenues and it costs the City an average of about \$9,000 for utilities and cleaning. Most of the cleaning and set up is done by the Fire Department and those costs are not factored into the \$9,000. Mr. Butz noted the Community Hall is fairly well used by many different groups. Some of the demand from the Community Hall could be handled at The CENTRE for a fee. However, it could not satisfy the needs of some of the groups who use the Community Hall. Mr. Butz emphasized the proposed budget eliminates the Community Hall subsidy by closing Community Hall for public rental and using it for storage for the Fire Department. Alternatively, more savings could be realized if the Municipal Court moves to the Community Hall and rent is no longer paid at the Old Courthouse.

**AUGUST 28, 2007**

**ROLLA CITY COUNCIL  
BUDGET MEETING MINUTES  
TUESDAY, AUGUST 28, 2007  
PAGE 2**

Mr. Butz reminded the Council that the list of "Critical Unfunded Items" have been removed from the proposed budget. If the Council wishes to have any of these items re-funded, a motion or some indication would need to be made.

Mr. Butz emphasized that the proposed budget does not contain any funding for the televising of Council meetings. In the past, there was no subsidy because of the City's contract with Channel 16. The City currently does not have an active contract with Channel 16 and no rent is being paid on the space. He said he does not think this is a good long-term arrangement for televising Council meetings. Mr. Butz said the City will either need to pay Fidelity to televise the meetings and air them on Channel 6, look at partnering with another group, or fund a public, educational, and governmental (PEG) channel that the City could mutually do with the University and school system. Mr. Butz said he considers these two items to be the most critical items, which are not very expensive.

Regarding the discussion during last night's meeting pertaining to moving the Municipal Court from the Old Courthouse, due to ADA accessibility reasons, Mr. Butz said the best option would be to move it into the new courthouse. The City has verified there are courtrooms available for municipal court, which is presently conducted three Tuesday evenings and all day the first Friday of the month. Mr. Butz told the Council the Phelps County Court administration does not believe there is sufficient office space available. He said it might be possible for the City to operate court in the new courthouse, store the records in the old courthouse or in City Hall, and relocate the office staff to the Eugene E. Northern Community Hall. He said it would be ideal if the City could have court in the new courthouse where there are legitimate courtroom trappings. The next best option would be to move it to Eugene E. Northern Community Hall. Mr. Butz explained that this would be a permanent move. Some discussion followed about possibly using the space currently occupied by Channel 16 on Pine Street. Mr. Butz said this space is a possibility, but it would be difficult to fit it in the space currently occupied by Channel 16. It was suggested that discussions with the County resume regarding use of the new courthouse for municipal court.

Mr. Butz then proceeded with a review of the Sewer Fund. He pointed out the Sewer Fund is the first of the City's two enterprise funds. Mr. Butz explained the City's goal was to maintain a fund balance of about \$1 million, because the City was in the process of doing the Martin Springs Drive wastewater plant renovations. Because the fund balance has since decreased to \$412,544, staff is proposing a sewer fee increase for

**AUGUST 28, 2007**

**ROLLA CITY COUNCIL  
BUDGET MEETING MINUTES  
TUESDAY, AUGUST 28, 2007  
PAGE 3**

the next three years. A portion of the fee increase will be used to increase the reserves because the City is paying for a portion of the treatment plant expansion through the bonds.

Mr. Butz reported the Solid Waste Fund continues to do very well and the City has been able to increase the Solid Waste Fund reserve fund balance. The goal for the Reserve Fund balance is about \$1 million. Revenues are projected at about \$2.7 million for the Solid Waste Fund, which covers the Recycling, Solid Waste, and Vehicle Maintenance divisions. The Recycling Division expenditures are estimated at \$384,470.

Mr. Butz asked Solid Waste Director Brady Wilson to comment on the ten-yard packer truck. Mr. Wilson explained the ten-yard truck would replace two older trucks that are used for curbside recycling. These trucks are past their ten-year replacement schedule and are beginning to require many repairs. Mr. Wilson said the new truck would be used for commercial paper collection, curbside recycling, and other areas.

Regarding rollout containers, Mr. Wilson informed the Council that the Ameri-Carts the City has used since it began providing carts have recently been discontinued. Staff has been demoing some new carts to determine durability, compatibility with the tippers on the trucks, and aesthetically pleasing. The discussion that followed pertained to possibly providing smaller trash carts in order to encourage recycling or implementing a “pay by throw” sanitation service.

Mr. Butz noted the third division of the Solid Waste Fund is Vehicle Maintenance. He told the Council the department tried managing for a couple of years with one full-time employee. However, the department did not have the coverage or expertise it needed to service the City’s equipment. This past year, a second employee was added and the City departments are feeling better about the services they are receiving.

Following discussion of the Solid Waste Fund, Mr. Butz provided a summary of the Cemetery budgets. Due to the opening of a new area in the cemetery during the past couple of years, roadway access to this area needs to be improved. Mr. Butz noted the ordinance pertaining to the Cemetery Trust Fund stipulates the money in this fund cannot be spent without Council approval. In response to a question about the status of the Ozark Memorial Gardens Cemetery, Mr. Butz said that he has not heard anything new for the past 60 days. The accumulated expenses to date on the maintenance of that cemetery are estimated at \$15,000.

**AUGUST 28, 2007**

**ROLLA CITY COUNCIL  
BUDGET MEETING MINUTES  
TUESDAY, AUGUST 28, 2007  
PAGE 4**

Mr. Butz explained that up until about seven years ago, the Street Fund was part of the General Fund. He told the Council the two primary revenue sources for the Street Fund are the one-half cent capital improvement tax and the one-half cent transportation sales tax. Had it not been for the 30% increase in construction costs, Mr. Butz said the streets in the south side area might have been rebuilt sooner. Public Works Director Steve Hargis estimated that it would take four to five years to rebuild the streets in the south side area. Discussion followed.

Mr. Butz then began an overview of the Recreation Center Fund. He noted that this is the first year where a member fee increase has not been proposed. Recreation Center Director Scott Caron said if The CENTRE's membership total could be increased to what it was a year ago, this would more than offset what would be received in an increase. The CENTRE's memberships are down about 150 memberships from a year and one-half ago. This is primarily attributed to the closing of Briggs and Stratton, which consisted of about 110 memberships. Mr. Caron said he believes most of the memberships can be gained through doing a better job of promotion. Tracking of membership renewals was discussed.

In the buildings and ground section of the Recreation Center expenditures, Mr. Butz pointed out that \$50,000 has been budgeted for a sign to be located on Tenth Street. The sign would be similar to the ones used by the University and Central Federal Savings and Loan. In addition, \$14,000 has been included in the budget for a fountain to aerate the Ber Juan pond. Mr. Butz explained the sign would be used as a public relations tool for both the city and community. Some discussion followed.

After a review of the Recreation Center Fund, Mr. Butz provided an overview of the Parks Fund. He noted the primary revenue source for the Park Fund is the property tax of about \$204,000.

Some discussion followed concerning the Buehler Park restrooms.

Following Council's approval of the Optasite Lease, Mr. Butz informed the Council that Optasite's attorney wanted to make some changes. Therefore, the \$96,000 has not been placed into the Park Land Reserve Fund banking account, but is included in the budget. Unless there are substantive changes, approval of the amended lease with Optasite will not be brought to the Council again for approval. Until the \$96,000 has been received, the Council would be authorized to expend a portion of the Parkland Reserve Fund balance.

**AUGUST 28, 2007**

**ROLLA CITY COUNCIL  
BUDGET MEETING MINUTES  
TUESDAY, AUGUST 28, 2007  
PAGE 5**

He pointed out it would require a two-thirds majority vote of the entire Council to expend these funds.

Mr. Butz reviewed the personnel and compensation portion of the proposed budget. He noted the budget shows 197 full-time employees. He pointed out that the last column on the page, which lists the City positions, contains a new column titled "Risk Category." He explained the City plans to scale back its loss control incentive program. Employees have been receiving \$50 if they have not had an avoidable worker's compensation loss within a six-month period (up to \$100/year). Mr. Butz said staff is proposing to keep the incentive program at \$100 for the City's high-risk positions and reducing it for the low-risk positions (office personnel and management). This change will save the City about \$4,000. However, the savings will not be realized until the following year, because the payment made in November will be for the last loss-control year.

As mentioned during last night's meeting, Mr. Butz explained the City has always done a merit increase. Currently, employees receive either no increase or a 3% increase based on their evaluation score. One of the cuts made to the budget, which would save about \$40,000, is reducing the merit increases. Employees receiving an average to good performance on their annual evaluation would receive a 1.5% merit increase and a 3% increase would be given to employees receiving a higher evaluation score. Mr. Butz added that about 10% of the City's employees do not receive a merit increase and the majority of those employees are being terminated or go into the pipeline of being terminated. He pointed out this is a very different scale than what the City has used for the past six years. The proposed scale has been doubled and reduced, by as much as 50%. Mr. Butz told the Council the budget also includes a 1% cost-of-living adjustment.

Mr. Butz said the departments' mission statements and organizational charts would be included in the final budget document.

Mr. Butz briefly reviewed a listing of the City's current lease/purchases and debt and addressed questions from the Council.

Mr. Butz said if there is any direction the Council would like to give staff on the budget, a motion at this meeting could make those changes. He added the Council has the ability to modify the budget by September 17.

**AUGUST 28, 2007**

**ROLLA CITY COUNCIL  
BUDGET MEETING MINUTES  
TUESDAY, AUGUST 28, 2007**

**PAGE 6**

Councilmember Hicks said he would like to see the interdiction officers and the VIP's program included in the budget. However, he said he does not know how the City would fund these programs.

Because it is a priority unfunded item from staff's perspective, Mr. Butz said it would be one of the first items advanced at the mid-year review if the sales tax does better than projected or money is saved from somewhere else in the budget. Following much discussion, Mayor Jenks suggested waiting to see if the drug interdiction money comes through and consider budgeting these programs at that point.

City Administrator John Butz announced that a review of the proposed budget would continue tomorrow at 6 p.m.

The meeting adjourned at approximately 8:54 p.m.

Minutes respectfully submitted by City Clerk Carol Daniels.

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CITY CLERK

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MAYOR

**AUGUST 28, 2007**