

**ROLLA CITY COUNCIL MEETING MINUTES
MONDAY, JUNE 2, 2008
ROLLA CITY HALL COUNCIL CHAMBERS
901 NORTH ELM STREET
6:30 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, Don Morris, Lou Magdits, Jim Williams, Rick Morris, Donna Hawley, and Mark Walburg

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

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

Mayor Jenks called the meeting to order at approximately 6:30 p.m. and asked Associate Pastor Steve Betts, of the Fort Wyman Baptist Church to give the invocation.

Following the invocation, Councilman Mark Walburg led in the Pledge of Allegiance.

I. CONSENT AGENDA

(A) Consider Approval of the City Council Minutes: A motion was made by Barklage and seconded by Hicks to approve the consent agenda, as submitted. A voice vote on the motion showed twelve (12) ayes, zero (0) nays, and zero (0) absent. Motion carried.

The consent agenda consisted of the following:

The minutes of the May 5, 2008, and May 19, 2008, regular City Council meetings.

II. PUBLIC HEARINGS

None.

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III. CITIZEN COMMUNICATIONS

Mayor Jenks opened the floor to anyone wishing to address the City Council. No one present responded.

IV. ACKNOWLEDGMENTS and SPECIAL PRESENTATIONS

(A) State Auditor's Office: Petition Audit – Ms. Toni Crabtree: Ms. Toni Crabtree, Audit Manager with the State Auditor's Office, said she is present to apprise the Council about the State audit process. She introduced Ms. Terri Erwin, Senior Auditor with the State Auditor's Office who will be on site doing the daily work along with other staff members. Ms. Crabtree explained that the State Auditor's Office was petitioned to do an audit of the City of Rolla pursuant to RSMo. 29.230. She explained the petition to conduct the audit required 750 valid signatures and the Phelps County Clerk certified 752 valid signatures. Ms. Crabtree advised the Council that the audit is estimated to cost the City between \$16,000 - \$24,000. She said the State Auditor's Office will attempt to stay within that estimate and the City will be responsible for time and expense costs.

Ms. Crabtree outlined the sequence of events that will occur during the audit. She explained that in addition to addressing the City Council, the auditors would meet with the petitioners to listen to their concerns. Ms. Crabtree said the next process is fieldwork with the auditors on site. She told the Council that based on the estimated cost and the number of audit hours, the fieldwork should be completed by the end of August. Ms. Crabtree advised that the meeting with the petitioners is confidential as well as any information obtained through the audit. The only information that will be released is through the audit report. Ms. Crabtree told the Council that once the fieldwork is complete, an audit report is drafted. Recommendations are made for areas the auditors consider weaknesses or where improvements may be needed. Ms. Crabtree emphasized that the Auditor's Office only makes recommendations and has no enforcement power. She said it is up to the Council as to whether the recommendations are imposed. Once the audit report has been drafted, the State Auditor's staff will meet with the City Council and the Mayor and go through every point in the report. This meeting will be closed to the public. The purpose of the draft report is to make sure the auditor's information is accurate. Following the meeting, the City will be asked to provide a written response to the audit recommendations. Ms. Crabtree noted that these responses would be included in the audit report and then provided to the State Auditor. Once the State Auditor signs

IV. ACKNOWLEDGMENTS and SPECIAL PRESENTATIONS (continued)

(A) State Auditor's Office: Petition Audit – Ms. Toni Crabtree (continued): the report, it becomes a public document. Although the fieldwork of the audit should be completed by the end of August, the review process and draft of the report could take another three months.

Ms. Crabtree explained the audit would concentrate on the City's last fiscal year, which ended September 30, 2007, to present. However, if there are issues of concern, the auditors may address issues in previous years. Typically, the auditors do not go back five, ten or fifteen years, because it is believed not to be cost effective or the efficient use of audit time. Ms. Crabtree stated that a financial audit is not done by the State Auditor's Office, since that has already been done. She said the three objectives of the State Auditor's audit is to evaluate petitioners' concerns and decide what to do or not to do about those concerns, review certain compliance areas such as the budget law and Sunshine Law, and review internal and management controls to determine if there should be an improvement. Since the State Auditor's Office has the responsibility to audit municipal courts, Ms. Crabtree said the Rolla Municipal Court would be audited in conjunction with the City audit. However, the State Auditor's Office will pay for this audit and issue a separate report. Ms. Crabtree encouraged the Council to contact her or Ms. Terri Erwin with any questions. She also noted there is information on the State Auditor's Website pertaining to petition audits.

(B) Update on the Enhanced Enterprise Zone Program: Ms. Elizabeth Bax, Executive Director of the Rolla Regional Economic Commission, said she is present to ask the Council's consideration of a joint application with the City of St. James and Phelps County for an enhanced enterprise zone. A public meeting will be conducted on July 9 to gauge public opinion of the joint application. Ms. Bax explained that she will be working with the County to determine whether it is best to do a joint application or separate applications for St. James and Rolla. She noted that an Enhanced Enterprise Zone is defined as an area in which special incentives are offered to businesses locating in that area. Ms. Bax told the Council there is currently an Enterprise Zone in Rolla, which is set to expire in a few years, and is primarily located in the HyPoint area. The tax credits offered by the Missouri Department of Economic Development (DED) are substantial and would involve a percentage of payroll and of new investment. Ms. Bax explained the difference between these tax credits, as opposed to the old Enterprise Zone, is that they are discretionary. The Missouri DED can decide which types of businesses or to which projects they will offer these incentives. Ms. Bax said an Enhanced

IV. ACKNOWLEDGMENTS and SPECIAL PRESENTATIONS (continued)

(B) Update on the Enhanced Enterprise Zone Program (continued): Enterprise Zone is good for new job creation. She pointed out that it is simply selecting a geographic area, defined by Statute, in which these incentives would be offered. There is no loss of existing revenue to schools or any taxing entity. Ms. Bax stated that the incentives are only available to the kind of businesses that we as a county will define. Using visual aids, Ms. Bax outlined the proposed Enhanced Enterprise Zone area. She noted there are a number of people who have concerns and complaints about their property being in the Enterprise Zone. She indicated that she is working hard to try to quell those people's concerns.

V. REPORT OF MAYOR AND COUNCIL/REPORTS OF BOARDS AND COMMISSION/CITY DEPARTMENTS

Mayor Jenks referred the Council to **(A)** the April 2008 Rolla Municipal Utilities Monthly Report; **(B)** the April 2008 City's Cash Position and Expenditures Report; **(C)** the April 2008 Rolla Municipal Court Report; **(D)** the April 16, 2008 Rolla Health & Recreation Center Advisory Committee Meeting Minutes; **(E)** The Centre FY 2008 Financial Analysis; **(F)** the January 29, 2008, February 13, 2008, March 5, 2008, March 19, 2008, April 2, 2008, and April 16, 2008, Rolla 2020 Fiscal Advisory Committee Notes, and; **(G)** the May 13, 2008, Airport Advisory Committee Notes.

Councilman Barklage asked Recreation Center Director Scott Caron if he would explain why 80% of the administration portion of The CENTRE budget has been expended after only about 60% of the year.

Mr. Caron explained that two annual bond payments are paid from this budget. The first bond payment of \$1.1 million is made in February or March and the second is made in September.

VI. OLD BUSINESS

None.

VII. NEW BUSINESS

(A) Motion to Approve the Resolution Executing City Counselor Service Contract:

City Administrator John Butz informed the Council that the City's professional services contract with Beger and Bushie expires on July 1, 2008. He noted that this was a two-year agreement that was executed four years ago. The contract specified two, one-year options to extend the contract, which the Council approved. In anticipation of the renewal, Mr. Butz told the Council that staff conducted another solicitation for Request for Proposals. The only proposal received was from Beger & Bushie, LLC. Mr. Butz stated the proposed contract is for a two-year contract with two one-year extensions. Beger & Bushie, LLC, have increased their monthly retainer from \$2,000/month to \$2,500/month. Mr. Butz noted that this is the first increase in the eleven years he has been with the City.

City Counselor John Beger read the following proposed resolution for one reading, by title. RESOLUTION NO. 1664: A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF ROLLA, MISSOURI TO EXECUTE ON BEHALF OF THE CITY OF ROLLA, MISSOURI, THE CITY COUNSELOR PERSONAL SERVICES CONTRACT BETWEEN BEGER & BUSHIE, LLC AND THE CITY OF ROLLA. A motion was made by Hicks and seconded by Barklage to approve the proposed resolution. A voice vote on the motion showed twelve (12) ayes, zero (0) nays, and zero (0) absent. Motion carried. The resolution passed.

(B) Motion to Authorize an Agreement with Tour of Missouri, Inc.: Recreation Center Director Scott Caron referred the Council to the 2008 Tour of Missouri Host City Agreement. He recalled that in November or December 2007, the City was made aware of an opportunity to be a host city for the Tour of Missouri. In January 2008, the City was notified that it would be a "finish" city for the Tour of Missouri. Since that time, a local organizing committee (LOC) has working to meet all the requirements of a host city. Mr. Caron pointed out that the agreement states that the City or its LOC will provide auxiliary spaces (meeting rooms), parking lots, police services, public works, permits, waste management, volunteers, additional insurance, etc. He commented that this event would generate recognition for Rolla as well as a tremendous amount of exposure and visitors to the Rolla area.

After some discussion, City Counselor John Beger read the following proposed resolution for one reading, by title. RESOLUTION NO. 1665: A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF ROLLA, MISSOURI TO EXECUTE ON BEHALF

VII. NEW BUSINESS (continued)

(B) Motion to Authorize an Agreement with Tour of Missouri, Inc. (continued): OF THE CITY OF ROLLA, MISSOURI A CERTAIN AGREEMENT BETWEEN THE CITY OF ROLLA, MISSOURI AND TOUR OF MISSOURI, INC., PERTAINING TO THE HOSTING OF THE STAGE FINISH ON SEPTEMBER 11, 2008. A motion was made by Williams and seconded by Spadoni to approve the proposed resolution. A voice vote on the motion showed twelve (12) ayes, zero (0) nays, and zero (0) absent. Motion carried. The resolution passed.

(C) Status of Ozark Memorial Gardens Cemetery: City Administrator John Butz stated that since many questions surfaced around the Memorial Day holiday regarding the Ozark Memorial Gardens Cemetery, he thought he would address the City's relationship and responsibility of the cemetery. Mr. Butz told the Council that in February 2007, the City agreed to have Parks and Recreation Director Ken Kwantes serve as the temporary custodian of records. As of January 2008, the City had incurred about \$20,000 of staff time, equipment, and rock for the gravel roads, etc. Mr. Butz said he and Mr. Kwantes stay in regular contact with an attorney in the Attorney General's Office regarding the status of the sale of the cemetery. Because of the City's budget situation and because there is no guarantee of reimbursement, the City has been scaling back on the maintenance at the cemetery. Mr. Butz said the City's goal is to cut the grass about every two weeks. From discussions with the Attorney General's Office, the easy answer to this situation is for the City to assume ownership of the cemetery. Mr. Butz indicated to the Attorney General's Office that this was not the direction of the City Council in 2007. Some of the discussion, which followed, concerned possibly using individuals who have been sentenced to community service to assist with the mowing of the cemetery.

(D) Request for Ordinance to Consider Lease/Purchase Proposal for Electric Power Supply (Substation) Not to Exceed \$18 Million Through MAMU: Mr. Dan Watkins, General Manager of Rolla Municipal Utilities (RMU), said he would like to provide some background information on RMU's request and to clarify, for the public's benefit, some of the misinformation that is circulating. He said that since the past few meetings, he has received calls from RMU customers who are concerned and had some very legitimate questions. Using a schematic drawing, Mr. Watkins showed the Council how electrical power is delivered to Rolla. Additionally, he showed the Council a picture of the facility located at the Phelps substation.

VII. NEW BUSINESS (continued)

(D) Request for Ordinance to Consider Lease/Purchase Proposal for Electric Power Supply (Substation) Not to Exceed \$18 Million Through MAMU (continued):

Regarding lease/purchases, Mr. Watkins explained the City has used lease/purchases on a number of occasions. He pointed out the City's recent audit shows over \$1.9 million in lease/purchase arrangements.

Mr. Watkins explained that the generators on RMU's system have created their own revenue stream. Essentially, this has self-funded the payment for the lease/purchase. As the generators are paid, the revenue stream will be used to make the payments on the new facility. RMU currently owes \$2.2 million on the generators, and they will be paid off in 2010. Mr. Watkins said RMU anticipates a three-year period for the construction of the new bulk station and new lines. The payment period will begin after the generators have been paid.

Mr. Watkins said the subject lease/purchase works like the others. RMU leases its assets to a sponsor and in turn, they lease them back to RMU. The sponsor obtains the financing to facilitate the project.

Mr. Watkins told the Council the reason the lease/purchase document was not included in the last agenda was that it was not received by RMU until late last week. Upon receipt of the document, Mr. Watkins said he asked City Counselor John Beger to review the document. RMU will address Mr. Beger's concerns with Gilmore & Bell, P.C. and will provide the Council with an amended document. Mr. Watkins then read the attached document from Gilmore & Bell, PC, regarding the Missouri Association of Municipal Utilities (MAMU) transaction with a Missouri Municipality where real estate is involved.

After much dialogue among the Council and Mr. Watkins, a motion was made by Hawley and seconded by Eudaly to continue this discussion in a workshop session in order to address more questions and to obtain additional financial information. A hand count on the motion showed five (5) ayes and seven (7) nays. Motion failed.

Following further dialogue, City Counselor John Beger read from his letter (attached) to Mr. Watkins regarding his review of the subject lease/purchase agreement.

Mayor Jenks suggested the Council direct further questions or concerns regarding this issue to RMU before the Council's next meeting.

VII. NEW BUSINESS (continued)

(D) Request for Ordinance to Consider Lease/Purchase Proposal for Electric Power Supply (Substation) Not to Exceed \$18 Million Through MAMU (continued): After additional discussion, City Counselor Beger read the following proposed ordinance for its first reading, by title. **ORDINANCE:** AN ORDINANCE AUTHORIZING THE CITY OF ROLLA, MISSOURI, D.B.A. ROLLA MUNICIPAL UTILITIES, TO ENTER INTO ONE OR MORE LEASE-PURCHASE TRANSACTIONS WITH THE MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES FOR CERTAIN PUBLIC IMPROVEMENTS FOR THE CITY OF ROLLA, MISSOURI, D.B.A. ROLLA MUNICIPAL UTILITIES; AND AUTHORIZING AND APPROVING CERTAIN ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF SAID LEASE-PURCHASE TRANSACTIONS.

VIII. CLAIMS AND/OR FISCAL TRANSACTIONS

None.

IX. MAYOR/CITY COUNCIL COMMENTS

(A) Board Appointments – Rolla Channel 6 Advisory Committee: Mayor Jenks indicated that he has not received a response from the potential appointment to the Channel 6 Advisory Committee. He stated that he would have an appointment for Council consideration by the next meeting.

(B) Mayor’s Task Force on Crime and Drugs: Mayor Jenks stressed that Rolla has a very serious problem with crime and drugs. At this moment, illegal drugs are being sold in over 100 homes/buildings. Mayor Jenks emphasized that this terrible vermin is in our community and something needs to be done about it. He indicated that he plans to appoint a task force involving law enforcement, the prosecutor’s office, and the public schools, to try to determine what can be done and how it can be eradicated from Rolla.

In addition to the drug situation, Mayor Jenks stated there is a complete disrespect for law enforcement officers in the community. Mayor Jenks asked Rolla citizens to express their appreciation to the law enforcement officers by speaking to them and waving when

IX. MAYOR/CITY COUNCIL COMMENTS (continued)

(B) Mayor's Task Force on Crime and Drugs (continued): they see them. He emphasized that they are here to protect and defend us, and they are the line of defense we have against these people. Our law enforcement officers have a very difficult and dangerous job.

(C) Army Community Covenant: Councilman Rick Morris announced that on August 15, the Secretary of the Army and other politicians will be at Fort Leonard Wood to sign an Army Community Covenant and officials from the surrounding communities will be invited to attend. In the days preceding this event, the Fort Leonard Wood officials will be in cities throughout the state asking the communities to sign an Army Community Covenant. Councilman Morris said the covenant is between the community and the Army saying we support soldiers and their families and we are a community that cares about soldiers and the future defense of our nation. In conjunction with Summerfest and the Association of the United States Army (AUSA) barbeque, Major General Bill McCoy and the leadership of Fort Leonard Wood will attend. Councilman Morris said this would be a great opportunity for the community leadership to sign the covenant. A motion was made by R. Morris and seconded by Williams to support the Army Community Covenant. A voice vote on the motion showed eleven (11) ayes, and one (1) nay. Motion carried.

X. COMMENTS FOR THE GOOD OF THE ORDER

(A) City's Check Register: Councilman Spadoni commented that the Finance Department and Administration do a great job on the fiscal position of the City. He said the information, which is provided to the Council, is ample. Councilman Spadoni stated that he received a copy of a City check register with what he considered unnecessary data. He indicated he felt this is unnecessary paperwork and extra work for the Finance Department. He personally does not want to receive further copies.

Several of the Councilmembers echoed Councilman Spadoni's comments.

Councilwoman Hawley stated the reason the Council received the document is because she requested it. She indicated that part of the Council's duties is to review expenditures.

Council discussion followed.

X. COMMENTS FOR THE GOOD OF THE ORDER (continued)

(B) Status of Meeting with Floyd Huffman: Councilman Williams asked Councilman Hicks if he would update the Council on his meeting with Mr. Huffman pertaining to the rezoning of Mr. Huffman's property.

Councilman Hicks advised that he is working on a plan that he hopes to present to Mr. Huffman in early July.

Some discussion followed.

(C) House at 16th and Pine Streets: Councilman Williams asked City Administrator John Butz if he would update the Council on the status of the house located at 16th and Pine Streets.

City Administrator John Butz said the court date on this issue is scheduled around June 15. However, if the house is not painted by that date, the property owner will be held in contempt of court.

(D) Schuman Park Restrooms: Councilman Williams asked Parks and Recreation Director Ken Kwantes why the restrooms at Schuman Park have been locked.

Parks and Recreation Director Ken Kwantes said in excess of about 20 keys have been provided to volunteers and staff to open and close the restrooms. He told Councilman Williams that sometimes the restrooms are locked when they should be opened and opened when they should be locked. Mr. Kwantes said staff is doing the best it can and he cannot control what everyone does with those keys. He explained that the restrooms have been vandalized in addition to homeless people staying in them.

Councilman Williams suggested opening and closing the restrooms at specific times during the day. He stated the citizens are paying for use of the parks and the restrooms. Councilman Williams also suggested asking police officers to periodically check the restrooms to see if there are vagrants staying in them.

(E) High Grass Along Kingshighway: Councilman Williams noted that some of the businesses, located along Kingshighway, have not been cutting the grass in front of their respective businesses.

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X. COMMENTS FOR THE GOOD OF THE ORDER (continued)

(E) High Grass Along Kingshighway (continued): City Administrator John Butz said it is the responsibility of the property owners to cut the grass in the right-of-way. He said staff needs to do a better job of keeping the pressure on the property owners. City Administrator Butz suggested sending a letter to the property owners to remind them to cut the grass along the State right-of-way.

XI. EXECUTIVE SESSION

A motion was made by Eudaly and seconded by Hicks to adjourn into Executive Session pursuant to RSMo. 610.021 to discuss real estate. A roll call vote on the motion showed the following: Ayes; Jordan, Williams, Hawley, Ruck, R. Morris, Spadoni, Walburg, Barklage, Magdits, Eudaly, D. Morris, and Hicks. Nays; None. Absent; None. Motion carried.

XII. EXECUTIVE SESSION ACTION

City Counselor John Beger reported that during Executive Session the City Council considered a request to the City to grant a 50-foot easement to access a landlocked piece of property that lies contiguous to the Rolla city limits. By a vote of ten to one, the Council voted to grant a 30-foot easement contingent upon the requesting party petitioning to annex his property into the city.

City Counselor Beger also reported the Council considered a request to purchase land adjacent to Ridgeview Road in furtherance of that improvement project. By a vote of ten to one, the Council voted to purchase the property at a cost of \$19,600.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at approximately 9:14 p.m.

Minutes respectfully submitted by City Clerk Carol Daniels.

CITY CLERK

MAYOR

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