

**ROLLA CITY COUNCIL MEETING MINUTES
MONDAY, SEPTEMBER 15, 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, and Donna Hawley

Council Members Absent: Rick Morris and Mark Walburg

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

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

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

Following the invocation, Mayor Jenks asked Councilman Gary Hicks to lead in the Pledge of Allegiance.

I. CITIZEN COMMUNICATION

(A) Open Citizen Communication: Mayor Jenks opened the floor to anyone wishing to address the Council. No one present responded.

II. OLD BUSINESS

(A) Ordinance to Approve the 2008/2009 Fiscal Budget: City Administrator John Butz stated that the proposed balanced budget consists of \$23.5 million in total expenses and \$23.8 million in gross revenues. He pointed out that it includes a balanced budget for

SEPTEMBER 15, 2008

**CITY COUNCIL MEETING MINUTES
SEPTEMBER 15, 2008
PAGE 2**

II. OLD BUSINESS (continued)

(A) Ordinance to Approve the 2008/2009 Fiscal Budget (continued): the General Fund in achieving the 25% reserve goal that was established by the Council. With the exception of the modifications that were authorized during the last Council meeting, Mr. Butz said the budget is virtually the same.

Regarding the additional compensation recommendation for FY 2008/2009 of \$750 to all full-time employees, Mr. Butz explained that this payment is being done as part of the budgeting process and as part of the compensation for FY 2008/2009.

Councilwoman Hawley suggested making the \$750 part of the employees' wages rather than trying to manipulate the verbiage so that it is not a bonus.

Mr. Butz stated this could be done. However, the problem with doing it this way is if the cost of living adjustment (COLA) is increased and the base pay is increased, the \$750 will need to be included with any increases in next year's budget. Therefore, it becomes a compounding cost to the City and the budget is so tight there is no guarantee that it can be done next year.

City Counselor John Beger then read the following proposed ordinance for its final reading, by title. ORDINANCE NO. 3879: AN ORDINANCE ADOPTING AN ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2008, AND APPROPRIATING FUNDS PURSUANT THERETO. A motion was made by Williams and seconded by Spadoni to approve the proposed ordinance. A roll call vote on the motion showed the following: Ayes; Eudaly, Barklage, Spadoni, Hicks, Ruck, Jordan, D. Morris, Williams, and Magdits. Nays; Hawley. Absent; R. Morris and Walburg. Motion carried. The ordinance passed.

III. NEW BUSINESS

(A) Request for Ordinance to Vacate an Easement in Heritage Heights Subdivision (Gingerbread House): Community Development Director John Petersen told the Council that there are no utilities located within the subject easement. He explained that the Gingerbread House recently purchased a lot in the Heritage Heights Subdivision for future development and they would like to have the easement vacated in order to facilitate future development. Mr. Petersen reported that the Planning and Zoning Commission unanimously recommend approval of the easement vacation.

SEPTEMBER 15, 2008

III. NEW BUSINESS (continued)

(A) Request for Ordinance to Vacate an Easement in Heritage Heights Subdivision (Gingerbread House) (continued): City Counselor John Beger read the following proposed ordinance for its first reading, by title. ORDINANCE: AN ORDINANCE VACATING A 15 FOOT WIDE UTILITY EASEMENT LOCATED ON TRACT 3, IN HERITAGE HEIGHTS SUBDIVISION (GINGERBREAD HOUSE, INC.).

(B) Motion to Approve Street Closing for Arts and Crafts Festival: Public Works Director Steve Hargis stated that the Rolla Downtown Business Association has requested that certain streets and parking lots be closed for the October 18, 2008, Arts and Crafts Festival. He noted that staff recommends approval of this request. A motion was made by Williams and seconded by Jordan to authorize the closing of the requested streets for the October 18, 2008, Arts and Crafts Festival. A voice vote on the motion showed ten ayes, zero nays, and two absent. Motion carried.

IV. CLAIMS and/or FISCAL TRANSACTIONS

(A) Motion to Award Health Insurance Excess Coverage: Finance Director Steffanie Rogers told the Council that on behalf of the City, consultant/broker Welsch, Flatness & Lutz obtained six quotes for the City's health insurance excess coverage. The current deductible is \$75,000.00 and the lowest bidder was from Majestic Life Investors for \$243,092.16, which is a 9.6% increase over the 2007 bid. In addition to the bids received for the \$75,000.00 deductible, Ms. Rogers indicated that quotes were received for a \$100,000.00 deductible. However, with the City's current claim status, as well as the City's liabilities, Welsch, Flatness & Lutz determined the \$75,000.00 deductible would be best for the City. Ms. Rogers stated that it is the recommendation of Welsch, Flatness & Lutz and staff to award the health insurance excess coverage to Majestic Life Investors and to remain at the current deductible of \$75,000.00.

Councilman Ruck suggested the Council discuss health insurance issues in more detail during its next retreat.

A motion was made by Williams and seconded by Spadoni to to award the bid for the health insurance excess coverage to Majestic Life Investors for \$243,092.16, and remain at the current deductible of \$75,000.00. A voice vote on the motion showed ten ayes, zero nays, and two absent. Motion carried.

IV. CLAIMS and/or FISCAL TRANSACTIONS (continued)

(B) Motion to Authorize the Transfer of Funds for The CENTRE Operating Deficit:

Finance Director Steffanie Rogers asked the Council to consider transferring \$450,000 from the Recreation Center Sales Tax account to the Recreation Center Operating account to offset the projected operating deficit. She noted that \$103,000 of this amount would cover the interfund transfer to the General Fund for support services provided from City staff to the Recreation Center Fund. Additionally, \$100,000 is for projected operating revenues for fiscal year 2007 and the remaining \$247,000 is to offset the projected recapture rate of 84%.

After some discussion, a motion was made by Williams and seconded by Eudaly to approve the operating transfer of \$450,000 from the Recreation Center Sales Tax account to the Recreation Center Operating account to clear the estimated operating deficit for fiscal year 2007/2008. A voice vote on the motion showed ten ayes, zero nays, and two absent. Motion carried.

(C) Motion to Authorize the Transfer of Funds to the Depreciation/Reserve

Account: Finance Director Steffanie Rogers explained to the Council that each year funds are moved from the sales tax account to the depreciation/reserve account to help build the reserve. After considering the operating deficit transfer, previously discussed, and projecting the bond payment that will be due in February 2009, staff recommends transferring \$150,000 to the depreciation account.

Following discussion, a motion was made by Eudaly and seconded by Spadoni to authorize the transfer of \$150,000 from the Recreation Center sales tax account to the Recreation Center depreciation/reserve account. A voice vote on the motion showed ten ayes, zero nays, and two absent. Motion carried.

V. MAYOR/CITY COUNCIL COMMENTS

(A) Reappointment of Robert Anderson to the Planning and Zoning Commission

(October 2008 – October 2012): Mayor Jenks requested the reappointment of Mr. Robert Anderson to the Planning and Zoning Commission. A motion was made by Jordan and seconded by Eudaly to reappoint Mr. Robert Anderson to the Planning and Zoning Commission. A voice vote on the motion showed ten ayes, zero nays, and two absent. Motion carried.

**CITY COUNCIL MEETING MINUTES
SEPTEMBER 15, 2008**

PAGE 5

V. MAYOR/CITY COUNCIL COMMENTS (continued)

(B) Rolla 2020 Fiscal Advisory Committee Report: Councilman Lou Magdits, Chairman of the Rolla 2020 Fiscal Advisory Committee, explained that the original financing mechanism, selected for the Recreation Center, was to provide the citizens with a sunset provision. He said it relied on users to pay all or most of the operating costs and routine maintenance for the facility and it had a built in mechanism to achieve a very large reserve. At that time, Councilman Magdits said the reserve was forecast to be as much as \$7 million.

Councilman Magdits said the City's current dilemma is how to continue to fund parks that will need some capital for upkeep and modest development, i.e. soccer fields, playground equipment, and how to fund park expansion or major development, i.e. Veterans Park. He stated there are clearly not enough General Fund monies to do these projects in addition to funding the Police and Fire Departments. Councilman Magdits continued by providing an overview of the Original Sales Tax Projections and the Committee Recommendation charts, included in the agenda materials. He reported the Committee's recommendation is to keep the Recreation Center and SplashZone on good financial funding, but somehow reconfigure the tax to address the park needs and some of the General Fund needs, such as police and fire. Councilman Magdits noted that the Committee tried to incorporate both a sunset and a non-sunset revision, as depicted in the second chart. Under this recommendation, the City would approach the voters in 2009 to replace the one-half cent park sales tax, dedicated to the Centre, which would otherwise expire in December 2013. Additionally, the Committee recommends replacing the sales tax with a permanent three-eighths cent park sales tax of which one-fourth cent would be used for The Centre and park system and one-eighth cent would be used for senior leisure services, and a five-year sunsetted one-eighth cent sales tax for the Centre and Park capital improvements.

Councilman Magdits said the Committee's recommendation is more than a concept, but it is not a detailed plan. He indicated that this and future Councils have some real tough decisions to make in a few areas. He asked if a mechanism, such as the extension of a sales tax, would limit what the citizens are willing to pay for other things.

A brief discussion followed with no action taken.

V. MAYOR/CITY COUNCIL COMMENTS (continued)

SEPTEMBER 15, 2008

**CITY COUNCIL MEETING MINUTES
SEPTEMBER 15, 2008
PAGE 6**

(B) Rolla 2020 Fiscal Advisory Committee Report (continued): Mayor Jenks expressed his appreciation to the following members of the 2020 Fiscal Advisory Committee: Councilman Lou Magdits (Chairman), Ms. Emma Lou Brent (Co-Chair), Councilman Don Barklage, Mr. Wayne Perry (U.S. Bank), Mr. Terry Harris, (investments), Mr. Jess Cortese (Brewer Science), Mr. Doug Cresswell (retail), Mr. Rodney Creech (retail), Mr. David McKee (Phelps County Bank), Mr. Bob McKune, Ms. Kate Howell (real estate), and ex-officio members City Finance Director Steffanie Rogers, City Administrator John Butz, and Mayor Jenks.

(C) Appointment of Employer Representative for Upcoming LAGERS Conference: Mayor Jenks indicated that he would appreciate a volunteer from the City Council to serve as the City's employer representative during the next Local Government Employees Retirement System (LAGERS) annual conference that will be held October 23 and 24 in Springfield, Missouri. Councilwoman Hawley indicated that she would be interested in attending the meeting. A motion was made by Hicks and seconded by Jordan to appoint Councilwoman Donna Hawley as the employer representative for the upcoming LAGERS Conference. A voice vote on the motion showed ten ayes, zero nays, and two absent. Motion carried.

VI. COMMENTS FOR THE GOOD OF THE ORDER

(A) Tour of Missouri: Mayor Jenks asked Recreation Center Director Scott Caron to comment on the recent Tour of Missouri that was held in Rolla on Thursday, September 11.

Mr. Caron reported that the event was very well received by most of the spectators, the Tour of Missouri teams and the organizers of the Tour of Missouri. He indicated that they were all very impressed with the display the City exhibited. Mr. Caron stated the City received a lot of cooperation among the businesses, the Chamber of Commerce, school district, and university. He noted that the City looks forward to submitting a bid sometime in November to be a host city again next year.

Mayor Jenks and the Council thanked Recreation Center Scott Caron for doing an outstanding job for the Tour of Missouri event. They also thanked everyone who helped make it a successful event.

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

SEPTEMBER 15, 2008

CITY COUNCIL MEETING MINUTES

SEPTEMBER 15, 2008

PAGE 7

(B) 8 Summit Drive: Councilman Magdits asked City Administrator John Butz if any progress had been made on the trees, weeds, and grass nuisance at 8 Summit Drive.

Mr. Butz said the City had to reissue the notice to abate the nuisance at 8 Summit. He noted the property owner cuts the grass, but does not do a very good job of it. Mr. Butz said much of the growth is around the house and there is a fine line of what is considered as landscaping, screening or overgrowth. He agreed the dead trees are certainly a problem. Mr. Butz stated that he would provide the Council with more information.

(C) House on Orchard Drive: Councilman Jim Williams asked about the status of the demolition of the house located on Orchard Drive. He said it was his understanding that the house was to have been demolished by the end of July. Councilman Williams said the house is only partially demolished and the residents in the area are upset.

City Administrator John Butz indicated that he would look into the matter and provide an update to the Council.

(D) Highway 72 and Olive: Councilman Don Morris asked Community Development Director John Petersen to provide an update on the area at Highway 72 and Olive Street, across from the Green Acres ball field.

Mr. Petersen indicated the area is currently being filled and will be leveled.

City Administrator John Butz said this is not an easy abatement, because there is not a clear violation for a fill site and the leveling of it. He said staff has been working with the property owner and, as the City places pressure on him, he levels the property.

(E) Channel 16: City Administrator John Butz pointed out that Channel 16 has been broadcasting the Council meetings live for the past five or six years. Beginning with the October 6 Council meeting, he noted that Rolla Channel 6 would begin broadcasting them. Mr. Butz stated that Mr. Steve Leonard and his staff at Channel 16 have provided a great service in broadcasting the Council meetings. He thanked them for their time and effort over the years.

VII. EXECUTIVE SESSION

SEPTEMBER 15, 2008

CITY COUNCIL MEETING MINUTES
SEPTEMBER 15, 2008
PAGE 8

A motion was made by Williams and seconded by Eudaly 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, Spadoni, Barklage, Magdits, Eudaly, D. Morris, and Hicks. Nays; None. Absent; R. Morris and Walburg. Motion carried.

The Council adjourned into Executive Session at approximately 7:27 p.m., following a brief recess.

VIII. EXECUTIVE SESSION ACTION

The Council reconvened into open session at approximately 7:29 p.m.

City Counselor John Beger reported that during Executive Session the Council voted ten to nothing or unanimously to accept a proposed settlement agreement of a potential matter of litigation concerning the dedication of the right-of-way for Lions Club Drive. Details will be made public upon completion of the document.

IX. ADJOURNMENT

Having no further business, the meeting adjourned at approximately 7:30 p.m.

Minutes respectfully submitted by City Clerk Carol Daniels.

CITY CLERK

MAYOR

SEPTEMBER 15, 2008