

OFFICIAL COUNCIL PROCEEDINGS

January 20, 2009
7:00 p.m.

ROLL CALL

Present: Council Members Knickerbocker, Janes, Mayor Hark, Council Members Louderman and Lyng - 5

Absent: Mayor Pro Tem Wilson and Council Member Behymer - 2

CALL TO ORDER

There being a quorum present, Mayor Hark called the meeting to order.

INVOCATION

At this time, Council Member Janes gave the invocation.

PLEDGE OF ALLEGIANCE

Council Member Knickerbocker led the Pledge of Allegiance to the Flag. Motion was made by Council Member Janes to excuse Mayor Pro Tem Wilson and Council Member Behymer. Motion was seconded by Council Member Louderman.

Motion carried

APPROVAL OF MINUTES Regular Council Meeting – January 6, 2009

Motion was made by Council Member Janes to approve the minutes of the Regular Council Meeting that was held on January 6, 2009. Motion was seconded by Council Member Knickerbocker.

Motion carried.

APPROVAL OF PAYROLL AND CLAIMS First Half – January, 2009

Motion was made by Council Member Louderman to approve the payroll and claims for the first half of January, 2009. Motion was seconded by Council Member Knickerbocker.

Motion carried.

PAUL RICHARDS – WADE STABLES P.C.
Re: Audit Report – Fiscal Year End June 30, 2008

Anita Failor, Audit Manager of Wade Stables P.C. presented the June 30, 2008, fiscal year end audit report instead of Paul Richards, who was scheduled to appear. Ms. Failor began by introducing herself and giving a brief overview of the audit.

She pointed out that the city's *Total Assets*, as seen on page 14 of the audit were \$106,000,000, which includes the Board of Public Works. *Total Liabilities* are \$24,613,321, leaving a total of \$81,907,641 for *Net Assets*. Moving to the Income Statement, Failor explained that *Total Net Income*, excluding Library, was \$6,440,000, broken down \$3,381,232 was from the City and \$3,058,920 was the Board of Public Works' portion. She continued explaining various elements of the audit and fielding questions presented by the Council.

One area that Ms. Failor expanded on was the actual revenues and expenditures during the past fiscal year in relation to the budgeted revenues and expenditures. She explained that *Budgeted Revenues* totaled \$8,131,215, while *Actual Revenues* were \$8,837,494 (over-budget \$706,000). A question arose regarding the term "over-budget", and Failor explained that being over-budget on revenues was a good thing. Expenditures were under-budgeted, which is also good, with *Actual Expenditures* totaling \$8,478,652 and *Budgeted Expenditures* of \$8,803,251 (under-budget \$324,599). She summarized that the city had \$297,084 excess revenues over expenditures at the end of FY08.

Motion was made by Council Member Knickerbocker to approve the FY08 Audit. Motion was seconded by Council Member Louderman.

Motion carried.

JEFF LAGARCE – CITY MANAGER
Re: Approval of Appointment

City Manager Jeff LaGarce reminded Council of a candidate presented at the last regular Council meeting for the Hannibal Library Board. This was:

HANNIBAL LIBRARY BOARD

- Mike Scholes – Appointment for an unexpired term to expire June, 2010

He asked Council for their approval of this nomination. Motion was made by Council Member Janes to approve the nomination of Mike Scholes for an appointment to the Hannibal Library Board. Motion was seconded by Mayor Hark.

Motion carried

Re: Recommendation of Appointment

City Manager LaGarce made the following recommendation:

HANNIBAL CONVENTION AND VISITORS BOARD

- Linda Coleberd – Appointment for an unexpired term to expire September, 2012

This nomination will be considered for approval at the next Council meeting, to be held on February 3, 2009.

**Re: Northeast Missouri Sheltered Workshop, Amended Service Agreement
Community Wide Recycling**
(Resolution No. 1529-09, to follow)

City Manager LaGarce explained that last November John Yancy, on behalf of the Northeast Missouri Sheltered Workshop, had attended a Council Meeting expressing his concerns for the future of the city's recycling program because of the decrease in value of recyclable materials. (Currently, the Sheltered Workshop is operating the recycling program below its break-even point. If this continues, a projection that industry contacts suggest will continue for several months, the Workshop will be forced to discontinue the program.)

As a result of that November Council Meeting, according to LaGarce, a committee of 6-8 individuals was established to explore options and return with recommendations regarding the recycling 'depression'. A recommendation of this committee was to raise the fee of the current contract, then ask voters if they would be willing to pay for recycling services. LaGarce explained that the City's current monthly payment to the Sheltered Workshop for recycling services is \$550, which the committee recommended raising to \$3,550 per month.

Because of the late date for placing this issue on the April election and the City's cost to hold a special election in June would be around \$11,000, it was LaGarce and the committee's proposal to place the recycling issue on the August ballot. Council Member Janes questioned whether or not there was a plan to provide the extra \$21,000 needed to fund this program until August. City Manager LaGarce responded that he did not have a plan in place at this time, but possibly fuel and/or salary savings could be used to incur the extra costs related to the \$3,000 monthly increase.

Janes asked about bid limits and if it was possible to award someone a contract for \$3,550 per month without going through the bidding process. City Manager LaGarce responded that this amount would actually exceed the bid limit; therefore, with Council approval, staff would prepare bid specs and obtain formal bids. Those figures would be used to determine an appropriate monthly fee to include in the legislation or ballot issue. LaGarce added that we did currently have a service contract with Nutrition Center in the amount of \$18,000, over bid limits, for which bids were not let.

Council Member Lyng questioned that since Quincy Recycling or Allied Waste quotes were less expensive; why not contract with one of them for the recycling program. LaGarce explained that he had no answer except to keep going on a status quo basis until a decision is made whether to continue providing the service or not.

Mayor Hark stated that, while he agreed that this was a good program, he was not in favor of exceeding the bid limits. Council Member Louderman suggested the possibility of negotiating the costs.

John Yancey was recognized and came forward to speak on behalf of the Northeast Missouri Sheltered Workshop. He explained that when the City ran the recycling program, two dumpsters were open at the site from 7:00 a.m. until 3:00 p.m. Over 1,000,000 pounds of recyclables were processed last year; more than Quincy Recycling thought was possible. In his opinion, there will not be as much participation, providing 2-4 dumpsters from 7 am – 3 pm as you would get with the Sheltered Workshop who remains open 24/7.

Yancey admitted that this is an expensive proposition, with the way the market has gone (Currently recouping \$10/ton of corrugated cardboard vs. \$80/ton six months ago). He added that there are some items for which the Sheltered Workshop is charged, if they are placed on the truck and sent in. According to Yancey, the recycling business is somewhat complex, for instance, cardboard that has originated in China (poor quality) or too many soda cartons will result in a mark against the recycler. In order to get the most for their money, a recycler must ship it directly to the factory; however, the problem is that if it is not acceptable when it gets there, it will then be returned at the recycler's expense.

Mr. Yancey explained that the Workshop has 40+ handicapped people who do a good job but it is a complex problem and not a money-making project. He added that, in the State of Missouri, every Sheltered Workshop that is involved in recycling is in deep financial trouble. He then opened the floor for additional questions.

Council Member Louderman expressed a desire to negotiate for less money. Yancey indicated that he would not have brought this issue before Council if it could have been done any other way. It is mandatory to have this amount in order to operate.

Council Member Lyng posed a question regarding the percentage of processed material that is deemed recyclable. Mr. Yancey stated that 90-95% of processed material is recyclable; however, some things such as Styrofoam, glass and plastic grocery bags are not. The public has been made aware of these restrictions but those things are still occasionally included in drop-off. He added that over \$8,000 was spent the previous year on landfill fees. The problem is not that workers are not separating the materials, but that some items must go to the landfill because they are not recyclable. Lyng observed that trash fees should decrease when a citizen is recycling 95% of their waste; this is not happening. Yancey said that only Council could examine that option.

Mayor Hark questioned the future of the program in the event that this issue does not pass. Yancey responded that he is unsure what will happen to the program, ultimately it is up to the people, whether or not they wish to continue recycling. He also said that it should be determined how much life is left in the landfill and check on landfill fees throughout the Country vs. what the fees are locally to get an idea of what the future holds were landfill fees are concerned.

Council Member Knickerbocker suggested that possibly the recycling program should be stopped, since it is no longer profitable at this time. Mr. Yancey responded that it is up to the citizens and City Council whether or not to continue the program; but, it is the RIGHT thing to do, not because it would be profitable. He continued that in his opinion the City shouldn't say they want to get OUT of the recycling business, but that they need to change their modus operandi.

He continued by saying that he believed the Workshop could take the money discussed and get the program where it needs to go so the community can quit burying things in the ground that are never going to go away.

Council Member Knickerbocker believes that the service should be bid out. Mr. Yancy said that he understood and agreed, adding that the Sheltered Workshop has approximately \$100,000 worth of equipment on site that is used for the purpose of recycling. If the service is awarded to someone else, they would have to make the same commitment. According to Yancy, money has been borrowed, earned, and spent by the Workshop in the past years to provide this service. They are experienced in doing this type of work, but they are prepared to compete for the opportunity to provide this service, whatever needs to be done.

Council Member Knickerbocker asked how many people does this program impact? In other words, how many jobs does this program provide to the handicapped? He stated that this was information that Council needed to know because this was a group of people who might have difficulty finding other work; therefore, the program was an added benefit to the community as it is now. The Sheltered Workshop program was put into being in 1965 under Senate Bill 52 was set up in order to allow the handicapped the opportunity to earn a wage. Yancy explained that most are wards of the State who do not have to work but who want to work and are paid commensurate with their abilities. Currently the workshop employs forty individuals who do not qualify to work in a competitive industry. There are also supervisors who will be affected. At this time, Mr. Yancey introduced Jerry Rice, President of the Sheltered Workshop Board, Randy Bossell and Kevin Wells, supervisors and Alicia Shuck the director.

Yancy concluded by saying that they were not asking for a 'hand-out'; they were only asking for a 'hand-up'.

Council Member Knickerbocker stated that he would like to see the City support the Sheltered Workshop, if recycling is to continue, because of their service to the community providing opportunities for the handicapped. In his opinion, this gives them a sense of worth that they may otherwise not realize. Council Member Lyng indicated that Council needed to do what was necessary to keep this program going, then Council Member Knickerbocker suggested drafting a bill that would support the recycling program of the Sheltered Workshop, not only because it is a recycling program but also because it supports a need in the community.

Jerry Rice, President of the Sheltered Workshop Board, explained that they have 3-4 months of operating the recycling program then, if money is not received, the program will need to be suspended. He projected that, with current conditions and staffing, \$1.00 per household would be sufficient to allow them to continue.

Council Member Janes took the opportunity to thank the Sheltered Workshop for the important service that they provide, not only recycling but the jobs they make available for the handicapped individuals in the community. He stated that, he agreed with Council Member Lyng, who said Council needed to do what it takes to keep the program in operation.

Mayor Hark stated that he would set a Special Call Council Meeting on Monday, January 26, 2009 at 6:00 p.m. for the purpose of approving an ordinance that would put the recycling issue on the April ballot.

Council Member Janes stated the need to decide on funding the recycling program until April was still not approved. Rice stated that he thought the Workshop would have enough income to operate for two months, past that was unknown. The City already has \$6,600 (\$550/month) in budget for the recycling service contract, \$4,632 is the bid limit for service contracts and this amount could be added to keep the program going until the April election.

Motion was made by Council Member Knickerbocker to have a bill drafted that would allow a fee of \$1.00 charged on residential utility bill for the communitywide recycling program, for a 3-year term, to be provided by Northeast Missouri Sheltered Workshop placed on the April 7, 2009 election. Motion was seconded by Council Member Louderman.

Motion carried.

ANGELICA N. ZERBONIA – CITY CLERK

Re: Show Me Green Sales Tax Holiday

(Bill No. 09-001, to follow)

City Clerk Angelica Zerbonia presented the next item, Bill No. 09-001, regarding the Show Me Green Sales tax holiday, which was discussed at the last Council meeting, held on January 6, 2009. As previously reported, the Missouri General Assembly enacted Senate Bill 1181 that established this tax holiday which exempts the sale of certain energy star appliances from state tax up to \$1,500 per appliance. Zerbonia added that the legislation additionally provides for the participation of political subdivisions which will exempt the consumer of local sales tax, as well. This bill, if approved for a first reading later in the meeting, would authorize the City's participation in 2009 and all subsequent Show Me Green sales tax holidays to occur April 19- April 25.

TIM CARTER – CHIEF, HANNIBAL FIRE DEPARTMENT

**Re: Capital Improvement Financing – Acceptance of Proposal Lease/Purchase Agreement
Commerce Bank, NA**

(Resolution No. 1528-09, to follow)

Fire Chief Tim Carter was recognized and reminded Council that last August they had approved a reimbursement resolution for a capital improvement project at the Fire Department. This project consisted of \$990,063 and regarded the renovation at Stations 1 and 3 and also renovations at the new administration building. Also with this amount, a new fire pumper will be purchased and the remaining balance of Ladder Truck 1 will be refinanced. Bids were let and received from five vendors, Commerce Bank was the low bidder at an interest rate of 3.348% and an annual payment consisting of \$182,000 over a six-year period. Carter recommended accepting the low bid of Commerce Bank and requested Council approval to award this bid.

Re: Missouri State Bid Purchase Approval, 2009 Ford F-250

Joe Machens Ford

(Homeland Security Regional Response Team Grant Purchase for City of Kirksville)

Chief Carter requested that this item, Missouri state bid purchase approval for a 2009 Ford F-250 from Joe Machens Ford, be tabled until the next Council meeting.

Motion was made by Mayor Hark to table this agenda item, at the request of Chief Carter. Motion was seconded by Council Member Knickerbocker.

Motion carried.

RESOLUTION NO. 1528-09

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN ACCEPTANCE OF PROPOSAL FOR THE FIRE DEPARTMENT CAPITAL IMPROVEMENT FINANCING PROJECT, BETWEEN THE CITY OF HANNIBAL AND COMMERCE BANK, NA, AND FURTHER AUTHORIZING THE EXECUTION OF ALL SUBSEQUENT DOCUMENTS ASSOICATED WITH THE STATE AND MUNICIPAL LEASE/PURCHASE AGREEMENT

Motion was made by Council Member Janes to have the City Clerk read Resolution No.1528-09 and call the roll for adoption. Motion was seconded by Council Member Knickerbocker.

Roll Call

Yes: Council Members Knickerbocker, Janes, Mayor Hark, Council Members Louderman and Lyng - 5

No: -0-

Absent: Mayor Pro Tem Wilson and Council Member Behymer - 2

Mayor Hark declared Resolution No. 1528-09 duly approved and adopted on this date.

RESOLUTION NO. 1529-09

(As amended)

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AMENDED SERVICE AGREEMENT WITH THE NORTHEAST MISSOURI SHELTERED WORKSHOP IN THE AMOUNT OF \$1,208 PER MONTH FOR THE PROVISION OF COMMUNITYWIDE RECYCLING SERVICES

Motion was made by Council Member Janes to have the City Clerk read Resolution No.1529-09, as amended, and call the roll for adoption. Motion was seconded by Mayor Hark.

Roll Call

Yes: Council Members Knickerbocker, Janes, Mayor Hark, Council Members Louderman and Lyng - 5

No: -0-

Absent: Mayor Pro Tem Wilson and Council Member Behymer - 2

Mayor Hark declared Resolution No. 1529-09, as amended, duly approved and adopted on this date.

BILL NO. 09-001

AN ORDINANCE OF THE CITY OF HANNIBAL, MISSOURI AUTHORIZING THE PARTICIPATION IN THE 2009, AND ALL SUBSEQUENT, SHOW ME GREEN

**SALES TAX HOLIDAYS WHICH ALLOW FOR THE EXEMPTION OF LOCAL
SALES TAX ON PURCHASES OF CERTAIN ENERGY STAR APPLIANCES**

FIRST READING

Motion was made by Council Member Louderman to give Bill No. 09-001 a first reading.
Motion was seconded by Council Member Janes.

Motion carried.

ADJOURNMENT

Motion was made by Council Member Janes to adjourn. Motion was seconded by Council
Member Knickerbocker.

Motion carried.