

# OFFICIAL COUNCIL PROCEEDINGS

March 16, 2010  
7:00 p.m.

## ROLL CALL

**Present:** Council Member Barta, Mayor Hark, Council Member Louderman, Mayor Pro Tem Behymer, Council Members Lyng, Knickerbocker and Janes – 7

**Absent:** -0-

## CALL TO ORDER

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

## INVOCATION

Council Member Janes gave the invocation.

## PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Lyng.

## APPROVAL OF MINUTES Regular Council Meeting – March 2, 2010

Before minutes were approved, Mayor Hark asked City Attorney Lemon to speak regarding the scheduled Special Call meeting of March 23, 2010. City Attorney Lemon explained that, following the last meeting, he had been contacted by Judge Cruse who, because he believes he has a conflict, has stated that he will be unable to serve in the capacity of advisor to Council. As a result, he has withdrawn and made a request to the Circuit Judge to appoint a replacement judge for this purpose. Judge Mobley has been appointed.

Lemon continued by saying that he had been in contact with Judge Mobley. Since he is an associate circuit judge, the special call meeting will have to be coordinated with his schedule. For this reason, the meeting that was scheduled for March 23, 2010 will be postponed until a later date.

Motion was made by Council Member Lyng to approve the minutes of the regular Council Meeting held on March 2, 2010. Motion was seconded by Council Member Knickerbocker.

Motion carried.

**APPROVAL OF PAYROLL AND CLAIMS**  
**First Half – March, 2010**

Motion was made by Mayor Pro Tem Behymer to approve the payroll and claims for the second half of February, 2010. Motion was seconded by Council Member Louderman.

Motion carried.

**LOIS DAMRON - AMERICAN HEART ASSOCIATION**  
**Re: Request, Street Closure**  
*(Mississippi River Run - September 25, 2010 - 7:00 a.m.-10:00 a.m.)*

Ms. Lois Damron came before Council, on behalf of the American Heart Association, to request the support of the City for the 5th Annual Mississippi River Run. Her specific request was the same as the request in previous years. Specifically, the access to one lane of roadway across Mark Twain Bridge, continuing on Palmyra Road to Riverview Park entrance and returning down Palmyra Road, Mark Twain Avenue, 3rd Street and North Street to the Y-Men's Pavilion. With Council permission, this event would be held from 7:00 a.m. until 10:00 a.m. on September 25, 2010.

Motion was made by Council Member Janes to approve Damron's request. Motion was seconded by Council Member Barta.

Motion carried.

**KRISTINE RUSSELL – HISTORIC HANNIBAL MARKETING COUNCIL**  
**Re: Approval, Street Closure & Alcohol Sales**  
*(Twain on Main Festival, May 29 – 30, 2010)*

Mr. Jack Moore, on behalf of Kristine Russell and the Historic Hannibal Marketing Council, came before Council at this time, seeking approval of street closure and the sale of alcohol during an event, the 2<sup>nd</sup> Annual Twain on Main Festival, to be held on May 29-30, 2010. He explained the details of this event, including the new events that would be offered this year. Requested areas to be closed are:

1. Main Street - from North Street to Broadway
2. Bird Street, Center Street and Hill Street - east of Main Street

Motion was made by Council Member Knickerbocker to approve Moore's request be approved, subject to submission of the appropriate license applications. Motion was seconded by Council Member Barta.

## **Roll Call**

**Yes:** Council Member Barta, Mayor Hark, Council Members Louderman, Lyng and Knickerbocker - 5

**No:** Mayor Pro Tem Behymer and Council Member Janes - 2

Motion carried.

### **O.C. LATTA - MARK TWAIN CORVETTE CLUB**

#### **Re: Approval, Street Closures**

*(Annual Corvette Show – August 7, 2010)*

Mr. O.C. Latta, representing the Mark Twain Corvette Club, came to Council with a request for Council permission of street closure during the annual Corvette Show to be held on August 7, 2010. His specific request was to have Council approval to close Main Street from Center to North Street, including the side streets to the alleyways.

Motion was made by Council Member Janes to approve Latta's request. Motion was seconded by Mayor Pro Tem Behymer.

Motion carried.

### **JEFF LAGARCE – CITY MANAGER**

#### **Re: Approval of Appointment**

City Manager Jeff LaGarce reminded Council of his recommendation, made at the previous Council Meeting, held on March 2, 2010. It was:

#### **HISTORIC DEVELOPMENT DISTRICT COMMISSION**

- Sarah North – Appointment of an unexpired term to expire, May, 2014

LaGarce sought Council approval of this recommendation. Motion was made by Mayor Pro Tem Behymer to approve LaGarce's recommendation. Motion was seconded by Council Member Louderman.

Motion carried.

#### **Re: Update on Street Bond Issue**

City Manager LaGarce's second item on the agenda regarded the street bond issue. He introduced Financial Advisor Joy Howard, who provided the update on specifics of the bond issue. Ms. Howard began by congratulating the City on its bond rating. She explained that, as the result of the recent assignment, the bond itself received an A-3 rating; however, Hannibal maintained its A-2 rating. Howard added that this is extremely good among Missouri cities.

She also explained that, since the completion of the last bond issue, certain new types of financing has become available as the result of the Stimulus Act. In particular, according to Howard, there is a type of bond created, called the 'Build America Bond'. Unlike the former bonds that were tax-exempt, these bonds are taxable and carry a higher interest rate; however, the federal government, as part of the "Stimulus Act, returns to the City a 35% subsidy, which means that 35% of the Hannibal's interest cost would be returned to the City by the federal government semi-annually, when the interest is due. She compared the tax-exempt bonds to the 'Build America Bonds' and the results were a little more than ½% interest cost savings. She said that this figure would constantly change with the changing markets. She concluded that Build America Bonds look like a very good alternative for the City of Hannibal; and, based upon her estimates could save the City as much as \$225,000.

According to Howard, apart from the fact that the bonds are taxable with federal government interest subsidy, the cost of issuance that can be paid from the proceeds are limited to 2% if the issue. With tax-exempt issues there is no limitation on the amount that can be paid from the issue. Any amount that exceeds this 2% must be taken from funds on hand. The total cost of issuance is unknown at this time and an amount will not be available until bids are let. In Howard's opinion, this excess amount could anything from nothing to \$53,000. Regardless of the option that is chosen, the cost of issuance will be about the same, the difference is in how they are paid for.

Ms. Howard explained that she had structured the issue to allow potential bidders to submit proposals on either basis or on both. Proposals will be received just prior to the first meeting in April. The first reading of the bond documents is scheduled for that meeting. As the proposals are received, the City Manager, the Finance Director and Howard must decide which method, taxable or tax-exempt, is best for the City. Bond documents will be written accordingly. Since the 'Build America Bonds' have not previously been discussed, Howard requested Council to give approval to use the 'Build America Bonds' in the event that they are determined to be the best option, based upon the proposals received. If this is accomplished, they can proceed with preparing the documents before the April 6<sup>th</sup> meeting.

Howard passed out information to Council, regarding the tax exempt and the taxable bonds for their consideration. Motion was made by Council Member Barta to approve Howard's request. Motion was seconded by Council Member Knickerbocker. Motion carried. Howard continued by saying that when she returns on April 6<sup>th</sup>, all will be readied to move forth with the transactions very rapidly. She asked Council if there were any questions that had been left unanswered, regarding financing. She noted that it was necessary to add one year to the maturity schedule because failure to do this would have resulted in a balloon payment which would have been paid primarily with the reserve fund. Howard said that she was very concerned with the rating analyst's reaction to that type of balloon because of the present economy. She assured Council that, even with the extra year, it would still be paid off by the reserve and be retired in the year of 2019.

Howard then detailed the final steps of this process.

- Since the Underwriter will not want to commit to interest rates without a contract in place so they can sell the securities, they will set the interest rates 1-2 days before Council's final approval at the April 20<sup>th</sup> meeting
- On April 6<sup>th</sup> the ordinance will contain a substantially final form with supporting documentation; however, the final interest rate will be blank

- During the April 6<sup>th</sup> meeting the proposals will be presented, including the interest rates that are included
- After that meeting and until the April 20<sup>th</sup> meeting, rates are subject to a slight change

Council Member Barta questioned the time frame for reimbursement of the 35% subsidy that the federal government was to pay. Howard explained that, the City would complete a one-page form prior to each interest payment date (semi-annually). In recent history, the federal government has paid everyone 45 days in advance, as long as forms are received on a timely basis; however, that is not expected to continue. Howard assumes that, when rates begin to rise, the reimbursement process will be tightened up.

Council Member Lyng questioned the possibility that the stimulus program would expire before the bond's completion date. Nothing in the stimulus act guarantees that the program will continue; however, it is no different than if an individual completes a tax return. (Tax refunds are also not guaranteed.) Howard assured Council that, in the event the federal government ceases to give the subsidy, the City could redeem the bonds and reissue them.

In answer to Council Member Lyng's question, Ms. Howard stated that her title is an 'independent financial advisor'. She strictly advises governments and is paid a flat fee for these services. She does not buy or sell securities; therefore, receives no personal benefits for her efforts, except the contracted amount.

### **Re: Approval, 2010 Bond Projects**

City Manager LaGarce presented the particulars of the 2010 bond projects and asked for Council approval of these projects. He made note of the *Miscellaneous Project* line, stating that this line exists to accommodate the interest rate unknowns within the \$575,000 parameter. If interest rates rise before issuance, this amount will be reduced or depleted; however, if rates should hold, the unused allocation could then be used to improve one more street.

The projects for which LaGarce was requesting Council approval included:

#### **2010 Bond Projects (New)**

- |   |            |
|---|------------|
| • Reconstruction of Paris Gravel Road       | \$ 750,000 |
| • Design of Stardust Drive Extension        | \$ 140,000 |
| • Milling & Overlay of Warren Barrett Drive | \$ 120,000 |
| • Milling & Overlay of Palmyra Road         | \$ 120,000 |

#### **2011 Bond Projects (New)**

- |   |             |
|---|-------------|
| • Construction of Stardust Drive Extension    | \$1,283,125 |
| • Reconstruction of Mark Twain School Streets | \$ 275,000  |
| • Miscellaneous                               | \$ 274,500  |

#### **2008 Bond Projects (Existing)**

- |  |           |
|--|-----------|
| • Parks Dept's Orchard Ave Facility improvements | \$ 20,000 |
|--|-----------|

LaGarce explained that, included in the 2008 bond issue was an allocation for improvements to the Parks Department's Orchard Avenue facility. \$15,000 of that amount has been utilized, according to Parks Director Chris Atkinson; therefore, an additional amount is being requested for the following purpose:

- Installation of entry gates and fencing for security \$ 10,800
- Installation of doors on the equipment storage shed \$ 12,100

Motion was made by Council Member Louderman to approve LaGarce's request for these bond projects. Motion was seconded by Council Member Janes.

Motion carried.

**Re: Amendment, State Block Grant Agreement – Terminal Building Project Time**  
*Missouri Department of Transportation*  
*(Bill No. 10-004, to follow)*

City Engineer Mark Rees asked for Council approval of a first reading for Bill No. 10-004, to follow. The approval of this bill would approve a contract amendment from the Missouri Highways and Transportation Commission, to extend the project time period for the Hannibal Municipal Airport Terminal Building. Rees noted that Bill No. 10-004 was only a housekeeping item and would not change any of the contract or project specifics.

**CHRIS ATKINSON – DIRECTOR, PARKS & RECREATION**  
**Re: Approval, Admiral Coontz Armory Door/Window Replacement Contract**  
*American Glass*  
*(Resolution No. 1632-10, to follow)*

Chris Atkinson, the Director of the Parks & Recreation Department, came before Council with one item, the request for approval of a contract with American Glass to replace the exterior windows and doors at the Admiral Coontz Armory. He explained that, in coordination with the roof replacement project and a few other issues, the Parks Department's intention is to make the building water-tight, with regard to rain.

According to Atkinson, bids were recently let, resulting in one bid being submitted by American Glass in the amount of \$26,626.76. The approval of Resolution No. 1632-10, to follow, would approve the contract with American Glass for the window and door replacement for the Armory.

**RESOLUTION NO. 1632-10**

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT AGREEMENT FOR THE REPLACEMENT OF THE DOORS AND WINDOWS AT THE ADMIRAL COONTZ ARMORY**

After a brief discussion, motion was made by Mayor Pro Tem Behymer to have the City Manager read Resolution No. 1632-10, and call the roll for adoption. Motion was seconded by Council Member Barta.

Motion carried.

**Roll Call**

**Yes:** Council Member Barta, Mayor Hark, Council Member Louderman, Mayor Pro Tem Behymer, Council Members Lyng, Knickerbocker and Janes – 7

**No:** -0-

**Absent:** -0-

Mayor Hark declared Resolution No. 1632-10, duly approved and adopted on this date.

**BILL NO. 10-004**

**AN ORDINANCE OF THE CITY OF HANNIBAL, MISSOURI, AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT AMENDMENT BETWEEN THE CITY OF HANNIBAL AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION FOR THE PURPOSE OF EXTENDING THE PROJECT TIME PERIOD FOR THE TERMINAL BUILDING FUNDED BY STATE AVIATION GRANT FUNDING**

**FIRST READING**

Motion was made by Mayor Pro Tem Behymer to give Bill No. 10-004 a first reading. Motion was seconded by Council Member Knickerbocker.

Motion carried.

**CLOSED SESSION**

**In Accordance with RSMo 610-021 (1)**

At this time, Mayor Hark entertained a motion to go into closed session in accordance with RSMo 610-021, sub-paragraph 1, admitting himself, rest of Council, City Manager Jeff LaGarce and City Attorney James Lemon. Motion was made by Council Member Knickerbocker to go into Closed Session, as directed by Mayor Hark. Motion was seconded by Council Member Louderman.

**Roll Call**

**Yes:** Council Member Barta, Mayor Hark, Council Member Louderman, Mayor Pro Tem Behymer, Council Members Lyng, Knickerbocker and Janes – 7

**No:** -0-

**Absent:** -0-

Motion carried.

### **OPEN SESSION**

Motion was made by Mayor Pro Tem Behymer to return to open session at this time. Motion was seconded by Council Member Knickerbocker.

Motion carried.

### **ADJOURNMENT**

Motion was made by Mayor Pro Tem Behymer to adjourn the meeting. Motion was seconded by Council Member Knickerbocker.

Motion carried.