

# OFFICIAL COUNCIL PROCEEDINGS

April 17, 2012  
7:00 p.m.

## ROLL CALL

**Present:** Council Members Louderman, Hark, Mayor Pro Tem Knickerbocker, Council Members Dobson, Barta and Mayor Hark - 6

**Absent:** Council Members Draper – 1

## CALL TO ORDER

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

## INVOCATION

Emergency Management Director John Hark gave the invocation.

## PLEDGE OF ALLEGIANCE

Council Member Louderman led the Pledge of Allegiance to the Flag. Motion was made by Council Member Dobson to excuse Council Member Draper. Motion was seconded by Council Member Hark.

Motion carried.

## APPROVAL OF MINUTES Regularly Scheduled Council Meeting – April 3, 2012

Motion was made by Council Member Louderman to approve the minutes of the regularly scheduled Council meeting that was held on April 3, 2012. Motion was seconded by Council Member Barta.

Motion carried.

**APPROVAL OF PAYROLL AND CLAIMS**  
**First Half – April, 2012**

Motion was made by Council Member Barta to approve the payroll and claims for the first half of April, 2012. Motion was seconded by Council Member Dobson.

Motion carried.

**DARRELL MCCOY – HANNIBAL JAYCEES**  
**Re: Request, Street Closures, Use of City Owned Property, Liquor Sales on City**  
**Property and Waiver of Permit and Picnic Fees**  
*National Tom Sawyer Days*  
*(July 3-8, 2012)*

Darrell McCoy came before Council, on behalf of the Hannibal Jaycees, with a request regarding the 57<sup>th</sup> Annual National Tom Sawyer Days Celebration. He explained that he had forwarded the packet to the City Clerk for review and added that he wished to make a couple quick clarifications. These were:

- Tanyard Gardens would remain at the same location as last year – the lot at the corner of Main and Bird Street.
- The Food Vendors would also remain at the same location as last year – the lot directly across from Old Planter's Restaurant.
- Change in location of the fireworks display from the Amphitheater property, owned by the City to the Lover's Leap Park. McCoy explained that, in speaking with the Parks & Recreation Director Andy Dorian, he was told that the larger firework displays could be shot from the Lover's Leap Park. The original request was approval to shoot the display from the Amphitheater Property that is owned by the City, since it was his understanding that the larger displays could not be shot from the Lover's Leap Park.
- Omission of request for use of alleyway between Bird and Hill Streets to allow alcohol between the Y-Men's Pavilion and Tanyard Gardens.

McCoy stated that this year's request was the same as the request presented last year. He assured Council the he was going to meet with Chief Davis the next day (April 18<sup>th</sup>). At that time they would schedule a date to meet with Davis, as well as the other City department heads to discuss all festival details. This meeting has been held consistently for the last few years to review procedures and make sure all are in agreement.

McCoy responded to a question that was posed, regarding whether or not he had spoken with business owners in the proposed areas. He said that he had not spoken to Mr. Ginsberg yet; however, he had spoken to everyone else in the two block area that would be immediately affected. He had not yet talked to anyone else farther down Main Street, either. He added that, of all the business owners, he had only received one negative comment; but everyone else was pretty excited about the Jaycees use of this property.

According to McCoy, the only major complaint was parking, which in his opinion is a valid concern. He assured Council that it was not the Jaycee's intention to make this their permanent home; however, with the current economy, money is tight. He added that the Jaycees had developed a five to ten year long range plan, which they had shared with some council members and the City Manager. The City is also considering a long range plan on South Main Street and the Jaycees would not be opposed to this, since they would like to have a permanent home. He believed that, at least for the current year, this is their most favorable option.

Mayor Hark asked whether McCoy was requesting the waiver of all permits and fees; and, McCoy confirmed this, adding that it was his understanding similar requests were approved in past years.

Council Member Barta inquired about a slight deviation from last year's request. According to the request submitted, a small block of Bird Street, from Main Street to the floodwall, and the adjoining alleyway would remain open this year. He asked if the sidewalk on the south side of Bird would remain open. McCoy responded that his request did include this change and assured Barta that the sidewalk would remain open. He added that this was the only change from last year's request.

Council Member Dobson requested that Mr. Michael Ginsberg be permitted to speak so that McCoy could address his concerns. Michael Ginsberg, who resides at 201 North Main Street and owns Lulabelle's at 111 Bird Street, came to the podium and spoke regarding the upcoming festival. He explained that he had an issue with this venue since the first year it was approved and had been adamant about it since last year. He added that he had more sales the previous evening (April 16<sup>th</sup>) than he had the Saturday before July 4<sup>th</sup> in 2011. Ginsberg believes that this venue is a detriment to his business and he is fearful that, in the block between Bird and Hill Street, the alleyway is going to be blocked, as well, which will deter customers from getting to his business at all. He added that the parking lot is blocked the week before the event for set-up, which restricts parking, not for a few days, but for ten days, making the lot inaccessible. He believes that parking spaces should be reserved for the few businesses that are in the area which are not tax-exempt and paying sales tax 365 days per year. This takes away a weekend that should be a good and profitable weekend.

Ginsberg admitted that he appreciated the volunteer efforts in this community, where everyone tries to do what they can; however, he believes this should be done without getting in the way of others.

He explained that he had just left a downtown merchant meeting (one hour earlier), in which 20 people were in attendance. One hundred percent in attendance proposed the use of an alternative plan - one alternative being Nipper Park. Ginsberg reminded Council that, in 2009 when he was a member of the BPW Board, the Jaycees came to the Board with a request for a favor. This was for the lot, across from the ballpark to be their permanent home. He assured Council that he did not want to see Tanyard Gardens discontinued. He added that, if weather was a factor, the Bird Street Lot should be utilized; however, since it appears that weather won't be a factor, having Tanyard Gardens in the requested location

would definitely impact his business in a negative way. He concluded by saying that he didn't want to get in the way of anything, but he did not want anything to get in the way of his attempt to make a living.

McCoy responded to some of Ginsberg's concerns:

- The alleyway between Center and the front of Ginsberg's business will remain open for City traffic, including parking spaces by the flood wall.
- During Twain on Main and the Historic Folklife Festival, the City lot is utilized for a beer garden or other event and that portion of Bird Street from Main to the flood wall is closed – usually from Friday until Sunday.
- Jaycees are requesting street closures to set-up for a total of five days, not ten days. Set-up will begin on Tuesday evening, prior to the 4<sup>th</sup> of July.
- Request for road closures have been cut back this year, to aid the downtown businesses, with the only requests due to safety during the tricycle races, etc.
- Parking is, understandably, a premium during these events, but McCoy also deals with this personally, since his family resides in the 300 block of Main Street. He believes that mud volleyball spectators & participants will most utilize parking in the areas of concern.
- In consideration of Nipper Park, McCoy believes it would be a poor use of funds to invest \$20,000-\$25,000 in advertising then, because of weather issues, have to move to another location at the final hour. He was also unaware of the utility supply in the Nipper Park location.
- In consideration of the Ball Park location, McCoy reminded Council of the problems that were faced when utilizing this area. The Jaycees original intention was to move to this area; however, because of the ownership and other legal issues that were faced, it was in their best interest to discontinue use of that area. McCoy added that the Jaycees, as well as the City, had to absorb the additional costs related.

Mayor Pro Tem Knickerbocker agreed and added that he was the Jaycee who made the initial request for use of the Ball Park area. He said that promises were made to develop that area; however, there was no development, as promised; and, this area turned in to a mud pit. It also proved to be too far away from the downtown area. The following year, Knickerbocker reminded Council, the Jaycees made an attempt to move to Nipper Park. Finding a solution for getting utilities in that area proved to be a very difficult and expensive venture; however, this area ultimately flooded and utilities that had been constructed were removed, according to Knickerbocker. He added that, historically, the Jaycees had been all over the downtown area, including the Old Planter's lot, Kiwanis Park, the lot where the Main Street Theater currently resides, as well as, the locations that have currently been considered. Every year there is always someone who doesn't like the location that is selected for the National Tom Sawyer's Day celebration. He added that this is an event that requires much hard work and does not result in a large amount of profit for the Jaycees. It is difficult when all cannot be pleased and some citizens are disappointed.

Mr. Ginsberg commented that he had expressed his opinion, throughout the year, regarding the location of the upcoming NTSD Celebration and had requested notification of this

particular meeting from Council Member Dobson, Mayor Hark and City Manager LaGarce. He believes that the lateness of the notification is deliberate. In response, Mayor Pro Tem Knickerbocker gave details of an email, sent on Thursday, April 5, 2012, to Mr. Ginsberg from City Manager LaGarce, informing him of the special event application submitted by the Jaycees for the NTSD celebration, and acknowledging Ginsberg of his commitment to keep him apprised of when such application was made. Mr. Ginsberg then apologized to Mr. LaGarce for this oversight.

Mayor Hark adamantly opposed the fact that this was being argued on Council floor, stating that Council meetings were not a public forum for this type of discussion, which should have been resolved six months ago. He asked whether there was a way the parties could meet and come to an agreement. McCoy expressed his desire to meet with the committee that Ginsberg mentioned, because, after speaking with downtown business owners, he asserted that he had only one negative comment.

After much discussion, Council Member Dobson asked McCoy if time would allow for Council to postpone this decision for two weeks and revisit the issue then, during the May 1<sup>st</sup> Council meeting. Mayor Hark agreed, stating that all options should be discussed and the Parks & Recreation Director, Andy Dorian, should be involved, as well. Motion was made by Council Member Dobson to table this item until the next regular Council Meeting. Motion was seconded by Council Member Hark. Mayor Pro Tem Knickerbocker commented that nothing could be accomplished by tabling this item for two weeks. He added that no one was present from Mr. Ginsberg's meeting; however, he indicated that he had 100% agreement. For that reason and the fact that he implied that he had received no notification when, in fact, he did; Knickerbocker was reluctant to give much credibility to Mr. Ginsberg's complaint.

### **Roll Call**

**Yes:** Council Member Hark, Dobson, and Mayor Hark – 3

**No:** Council Member Louderman, Mayor Pro Tem Knickerbocker, Council Member Barta - 3

**Absent:** Council Members Draper – 1

Motion failed. Mayor Pro Tem Knickerbocker made the motion to approve McCoy's request. Motion was seconded by Council Member Dobson.

### **Roll Call**

**Yes:** Council Member Louderman, Mayor Pro Tem Knickerbocker, Council Member Barta - 3

**No:** Council Member Hark, Dobson, and Mayor Hark – 3

**Absent:**

Council Members Draper – 1

Motion failed. City Attorney Lemon advised that, since this motion did not pass, the Jaycees' plan was not approved at this point. They have a right to return with the same plan on the next regular Council meeting. He suggested that both parties try to arrive at some type of agreement prior to that time.

McCoy responded that he wished to return in two weeks, since the festival was eleven weeks away and tourists could not make reservations or plan to come to an event that did not have a final scheduled date. He assured Council that he would have made his request earlier if he had been aware that there was a problem, but since this was the same request that was approved last year, he did not foresee one.

Mayor Hark commented that he was told last year that Mr. Ginsberg had no problems but made more money than in the past and his restaurant and hotel was both full. He alluded to the fact that his rooms were already to capacity this year. McCoy agreed.

Mr. Ginsberg stated that the clientele of Tanyard Gardens is not the same as those who go to Lulabelles. He reiterated that he did not want to cause a problem for the festivities; however, in his opinion, Tanyard Gardens could survive almost anywhere, but the requested location would discourage people from coming downtown.

Mayor Pro Tem Knickerbocker responded by saying that Mr. Ginsberg was incorrect in saying that Tanyard Gardens could survive anywhere, because they have gone through good years and bad years. He was involved when Tanyard Gardens was by the ball park and that was an extremely bad year. Having been in charge that year, Knickerbocker admitted that he felt bad because he put the club in an extremely difficult position of trying to survive at that location. Very few came there to the events. He believes that moving Tanyard Gardens away from the other events will discourage participants. This turmoil will ultimately result in the Jaycees inability to plan, organize and advertise. If this continues, it's possible there will no longer be a National Tom Sawyer Days celebration, only crafts in the park and mud volleyball. The Jaycees have been gypsies for years, working with whatever someone is allowing them to have. According to Knickerbocker, everyone else makes pretty good money from the NTSD event, based on the efforts of the Jaycees, but the Jaycees put in much effort, don't make much money and must accommodate everyone. At some point in time, the Jaycees will decide to get out of the NTSD business.

Mayor Hark said that he was 100% behind the Jaycees, and believed that the City must find a permanent place for the Jaycees to call home.

Council Member Hark commented that Hannibal is experiencing growing pains. The City does not currently have a fairground on which to hold these events. Mr. McCoy asked Council for direction, since he was unclear what was expected of him at this point, and he had assumed that this request would be approved, with no opposition. Mayor Hark asked Ginsberg his opinion regarding McCoy's request. He was adamant that it was not his desire to derail National Tom Sawyer Days and added that he had been in the downtown area since

1995. He made the point; however, that events, such as the Folklife Festival are over at 5:00 p.m., unlike Tanyard Gardens, a night event that draws people and is different than what downtown is all about. The parking lot needs to be utilized for shoppers and diners in downtown. After additional discussion on this matter, where Ginsberg commented that he had expected a meeting to be held, with regard to this issue, three months ago. He reluctantly agreed that, for this year, he would refrain from opposing McCoy's plan. Council Member Dobson made a motion to approve Darrell McCoy's request. Council Member Louderman seconded the motion.

Motion carried. City Manager LaGarce commented that Council Member Hark had a good point regarding the properties on South Main (the flood buyout properties). He had considered all the recreational challenges that would stem from putting something on these properties. LaGarce admitted that he had not considered National Tom Sawyer Days as an option. He added that, from working with this organization for the past five years, he understood that they wanted to keep their operation somewhat consolidated in location.

Mayor Hark promised to work very hard before next year's festival because the City wants to keep the Jaycees, Tanyard Gardens and fireworks.

Mayor Pro Tem Knickerbocker noted that, when he began chairing this event in the late 1990's he was told the same thing, "We need to find a permanent home for the Jaycees". Knickerbocker added that Council should do whatever needs to be done to make that a priority.

Council Member Hark has some concerns with putting things on the other side of the flood wall and railroad tracks from the emergency services and safety standpoint. Having family friendly events on the other side of the tracks and floodwall poses its own risk, not only with people crossing, but with the opportunity to get emergency service to someone in need.

### **CHRIS DRYDEN – POPS CLUB**

#### **Re: Request, Street Closure, Use of City Owned Property and Liquor Sales and Consumption**

*Kansas City Bar-B-Q – Muddy Waters Festival  
(June 1 & 2, 2012)*

Mr. Chris Dryden came before Council, on behalf of the POP's Club, to request Council approval to have the Kansas City Bar-B-Q and Muddy Waters Festival on June 1-2, 2012. The proposed location of this event, according to Dryden will be on Hill Street, east of Main to the river. He also asked for use of the City-owned portion of the parking lot directly north of Hill Street, between Main and the Y-Men's Pavilion, the alley east of Main Street from North to Bird Street and the parking lot behind the floodwall. He assured Council that there would be no permanent obstruction of alleyways. All requests are similar to the request made last year for this event. The event will conclude at 8:00 p.m. and the POP's Club will provide their own security.

Dryden also requested Council give the POP's Club permission to serve alcoholic beverages at this event. After some discussion, regarding the planning of events to be located outside the flood wall, motion was made by Council Member Louderman to approve Mr. Dryden's request on behalf of the POP's Club. Motion was seconded by Council Member Barta.

Motion carried.

**WARD "ANDY" SHIPLEY – QUARTERMASTER VFW POST #2446**  
**Re: Smoking Ban**

Mr. Andy Shipley, Quartermaster of VFW Post #2446, came before Council with a concern regarding the smoking ban. The VFW Post that Shipley represents is a private club, not open to the public, with the only public access by invitation from a member. The club membership totals 125, with 65 auxiliary members, and the majority smoke. He added that, of six employees, five also smoke. These individuals, according to Shipley, fought in foreign lands to preserve the rights and freedom of every individual to choose how he wants to live his life. He, and the people he is representing, believes that the smoking ban on their private post will be a travesty of justice to what they have fought and stood for over the years. He requested that Council reconsider a smoking ban on private clubs and declare them exempt from this ban.

Mayor Hark thanked Mr. Shipley for his comments and added that the votes would not be certified until May 1<sup>st</sup>. After that, the ordinance would be drafted. Hark said that Council understood his concerns and would take that into consideration. Mayor Pro Tem

Knickerbocker stated that when this proposal was submitted, Council understood that one of the discretionary things they would have to do would be to determine what is public and what is private; so those things would be addressed prior to approving and adopting an ordinance.

**TINA BARBEE – CITIZEN**  
**Re: Passing of Proposition 1**

Ms. Tina Barbee, a 12-year resident of Hannibal, came before Council because of her support for the recent passage of Proposition 1. She explained that she had grown up in a smoking environment, and as a result of the second-hand smoke, now has asthma. She has now made the choice to live in a smoke-free home. According to Ms. Barbee, an asthma attack is the worst thing, since the person who suffers from these attacks must gasp for air that they are not able to get and feels like they will not recover from it.

Previously, Barbee was a hairdresser; however, hair can also trigger an asthma attack so she had to make a choice in raising her family, to stay with a job that aggravates asthma or to give up her career. Two years ago she chose to discontinue hairdressing.

She explained that when she enters a public place, even those with a smoking/non-smoking section, she is still able to smell and taste the nicotine in the air. She reminded Council that on Tuesday, April 3<sup>rd</sup>, over 1,600 citizens said “Yes” to ban smoking in public places. There should be no unfair loopholes or special treatment, according to Barbee. She asked Council to do what was right and respect the will of the people when drafting the upcoming ordinance.

**KYLE MURPHY – YOUTH CITIZEN**

**Re: Approval of Proposition 1**

Kyle Murphy, a youth citizen, spoke with regard to the approval of Proposition 1, as well. Murphy expressed his desire that Hannibal go “smoke-free”. This option would help those with asthma or other lung issues. Murphy explained that even though it was not his choice, he had asthma, which he contributes to second-hand smoke. As a 10-year old kid, he has made the choice not to smoke because it’s gross, makes you smell and, most of all, it can kill you. He concluded by saying that it would be nice if all could enjoy a smoke-free community where breathing is much easier.

**ROY G. HARK – MAYOR**

**Re: Approval of Appointment**

Mayor Hark reminded Council of a candidate presented at the last meeting for the Hannibal Housing Authority Advisory Board. This was:

- HANNIBAL HOUSING AUTHORITY ADVISORY BOARD  
Ed Trotter – Re-appointment for a term to expire April, 2016

He asked Council for their approval of this nomination. Motion was made by Council Member Louderman to approve Ed Trotter to serve on the Hannibal Housing Authority Advisory Board for a term to expire in April of 2016. Motion was seconded by Council Member Hark.

Motion carried

**JOHN HARK – EMERGENCY MANAGEMENT DIRECTOR**

**Re: Recommendation, Bid Award – Emergency Alert Notification System**  
*Code Red*

Emergency Management Director, John Hark, presented the next item on the agenda, the recommendation of a bid award for an emergency alert notification system to Code Red. Hark explained that recently bids were requested for the City of Hannibal, City of Palmyra and Marion County emergency alert notification system. As a result, three bidders responded

and these bids were submitted to the committee for review. Hark explained that his recommendation was to award this bid to Code Red with a bid amount of \$21,945.00.

Hark noted that, although this company did not submit the lowest bid, the remaining two bidders failed to meet the necessary criteria that was set forth in the bid specifications. These specs were necessary in order that this system could work and work properly for these three government entities. Hannibal's share of the cost totaled \$13,386.00. He detailed some features of this product and asked for Council approval to award this bid to Code Red, pending approval by the City of Palmyra and Marion County. Motion was made by Mayor Hark to approve the Emergency Management Director's recommendation. Motion was seconded by Mayor Pro Tem Knickerbocker. Council Member Dobson commented that he had a chance to speak with representatives from Code Red at a SEMA conference. He stressed that this system is the best available. The only challenge, according to Dobson, is to encourage the public to participate in this program.

Motion carried.

**BILL MADORE – FIRE CHIEF**  
**Re: Approval, Bid Award – Level B Hazardous Materials Suits (14)**  
*TG Technical Services*

Fire Chief Bill Madore presented a request for approval of a bid award to TG Technical Services for fourteen Level B Hazardous Materials Suits. He explained that sealed bids were sought and a bid opening was conducted on March 30, 2012. Two bids were received. These were:

- TG Technical Services in the amount of \$629.00/each or \$8,806.00
- Fastenal in the amount of \$696.88/each or \$9,839.92

His recommendation is to accept the bid from TG Technical Service for a total amount of \$8,806.00. He added that all funding for this purchase comes from the Fire Department's 2009 Homeland Security Grant, through the office of Homeland Security. This grant is 100% funded and does not require a price match from the City of Hannibal. Motion was made by Council Member Dobson to approve Madore's request for bid approval. Motion was seconded by Council Member Hark.

Motion carried.

**ROBERT STEVENSON – BPW GENERAL MANAGER**  
**Re: 2012/13 Fiscal Year Budget Proposal**

BPW General Manager Robert Stevenson came before Council with the Board's 2012/13 Fiscal Year Budget proposal that he had been working on since February. He emphasized that the Board of Public Works considers it their responsibility to maintain and take care of City assets, which involve all utilities; and, to do that, is sometimes a struggle, while

balancing the costs of doing business, rates, long term liability and more environmental compliance.

The electric fund, their biggest fund, is currently in good shape and the Board has been able to increase cash reserves over the last couple of years. This year they will begin making mortgage payments for the Prairie State Power Plant and that obligation will be approximately \$8,000,000 per year for the next thirty years.

Mayor Hark inquired when the City would begin to see some return on our investments. Stevenson responded that this is currently a serious problem. Even though there is always some start-up problems, the problems that this plant is experiencing are above average, at this point. It was projected to begin delivering energy, commercially, around the end of December, 2011; however, it is now the end of April and no revenue has been generated. In the short term, the Board is in a serious hole, but, Stevenson expressed his confidence that the problems would be solved. He assured Council that the decisions that were made in 2007 were good ones. Currently, \$300,000 per month is being expended for payments with no revenue being realized. Beginning in August, 2012, the debt payment will double. The Board is hopeful, but they have no control over the outcome. Stevenson said the Board is expecting \$5,000,000 of revenue this year, assuming both units get online. Next year's net cost to the Board for ownership in Prairie State is \$3,000,000. He admitted that this number was very large, but added that as time passes and inflation happens, the price of energy will increase and the numbers will begin to look much better, because it is fixed for the next three years.

Stevenson recommended, and the Board is about to approve, a 3% hike in electric rates for residential customers only. He was questioned the reasoning behind a "residential only" rate hike. Stevenson's response was that a cost-of-service study was commissioned in 2008 by the Board. Results of this study proved that the Board's industrial customers were paying 13% more than their allocated costs; however, the residential customers were paying 13% less than their allocated costs. In 2010, rates were adjusted for residential customers by 5%, bringing that discrepancy down to 8%. This year's 3% rate hike would bring the discrepancy down to 5%. Stevenson said that the cost-of-service study would need to be reviewed next year, since it is his intention to keep energy costs fair and equitable in Hannibal.

Council Member Dobson stated that he has a client that operates a franchise in Hannibal and also in Troy, MO; both are approximately the same size. The energy cost in Hannibal is twice the cost energy for the franchise in Troy. Dobson added that, taking this into consideration, it doesn't seem cost effective for a business to locate in Hannibal. Stevenson responded that the Board of Public Works would not be able to cut rates in half at any time in the foreseeable future. He added that we must be very careful in comparing Hannibal's rates to those of another city because of differing factors; factors such as the costs of wholesale power, the condition of the system, the community's terrain or the density of their population all effect to the cost of power. Stevenson assured Council that the BPW was not wasting money because their costs "are what they are".

Mayor Hark questioned Stevenson regarding whether or not a decrease in rates was anticipated. Stevenson responded that he sees stability, since their electric system is very blessed, it is well built and modern and it is being maintained at a sustainable level. Cash is currently being generated for reserves. According to Stevenson, Prairie State will cover approximately 60% of the City's energy needs in the future; and, that price is locked-down and will not change at all. The remaining 40% of the City's need is under contract which is very attractive and the price actually decreased in January. The Board will actually be considering an extension of the power supply contract for two additional years at a slightly lower price, which represents about five years of very stable power supply prices. Stevenson added that he was encouraged by that and believes that the Board is now beyond the bad history of a few years ago. In response to a question posed, Stevenson noted that there was no increase in electric last year.

The Board's water fund is in tough shape, as are most other water funds in cities across the country for similar reasons. The environmental compliance issue is a main factor. Stevenson explained that by 2013, the water plant must be modified in order to remove disinfection by-products. Currently, the Board is in the engineering phase of the project. Costs of these modifications will total approximately \$1,000,000 and must be completed next year in order to comply. A projected 10% rate increase will raise approximately one-fourth of the funds needed for these changes, and the rest will be borrowed.

Stevenson noted that the Board was adverse to borrowing money since they currently have a lot of debt because rates were not increased in the past. His plan is to borrow \$700,000 from the electric fund which is legal, provided there is sufficient documentation and an amortization schedule for repayment. He added that an arrangement has been conceived whereas the electric fund can loan that money, making more interest than the bank offers on CD's; and, the water fund will be able to borrow these funds at approximately one-half of the current interest rate.

Stevenson reminded Council that they are still unable to replace water mains, a necessary process, as he had advised last year, since there are many miles of old corroded, galvanized steel mains that leak and cause huge losses in the water system. The downtown water main project has taken all available funding for the next two years; however, he projected that in the FY2012/14 budget this issue will be aggressively addressed.

Stevenson explained that, unfortunately, the sewer fund is not much better, although, with the proposed rate increase, this year's operating budget will be sufficient to build cash. The following year the sewer plant will begin experiencing compliance issues similar to what is being faced this year at the water plant. In 2013/14, compliance issues will involve disinfection and removal of disinfection products from the discharge and other modifications of the plant within the next 5-8 years, as required by DNR.

\$5,000,000 of remedial repairs are also necessary at the sewer plant that has nothing to do with compliance, but only to keep the plant operational for the next ten years, according to Stevenson, who added that equipment is in excess of thirty years old.

Stevenson said that no other options were available and he planned to be speaking with the Chamber of Commerce and various service organizations to educate the public and to explain these current issues.

Council Member Barta agreed. He explained that he had recently toured the plant, adding that some of this equipment was in excess of three decades old and had not stopped since it was put into operation.

One final item that Stevenson wished to include was that the EPA has strongly recommended that every citizen in the country should be paying 2% of medium household income for water service and another 2% for sewer service. Some cities around the country have rebelled against EPA's concept and refused to comply. They have been taken to federal court by the EPA, have lost and are now being punished with mandated capital projects that have forced their rates into the 2.5-3% range. Hannibal rates are currently at approximately 1.1% of medium household income. The biggest variable of this percentage is the household income amount. Hannibal is on the low end of this figure, with regard to other cities of comparable size. Projected increases, according to Stevenson, are 3% for residential electric, 10% for water - across the board and 8% for sewer - across the board. He concluded by saying that the only way to change the current trend is to vote in a different congress that can change the laws, since currently, the EPA is only doing what they are mandated to do. Regulation, according to Stevenson, is a hidden tax that has made the Board a tax collector. Ultimately, rates are raised, then consumption decreases.

**Re: 2015-16 Wholesale Power Supply – Electric Service Full Requirements Agreement**  
*Ameren Energy Marketing Company*

Stevenson presented his next item on the agenda, regarding approval of a contract with Ameren Energy Marketing Company for the 2015-16 wholesale power supply. He explained that the Hannibal BPW had decided to go back on the market, along with the partner cities, and attempt to secure a couple more years of contract. They sent out a RFP (Request for Proposals) for power supply bids. The bids were received and contract language was negotiated with the apparent low bidders. That being complete, Stevenson explained that they now have a contract identical to the current contract with the same company, Ameren Energy Marketing. The tabulation that Stevenson presented was representative of bids that were taken earlier in the day. These prices change daily, even for power purchased 4-5 years in the future.

Four bidders submitted bids, with the most favorable from Ameren at \$41.69 MWh, which compares to \$43.40 MWh, the current contracted amount. He noted that Constellation's bid was \$.03 cheaper; however, Hannibal is in partnership with three other cities.

The Ameren bid gave a constant price for all four cities. (All are paying the same amount.) The Constellation bid varied by city, with Hannibal's being the cheapest and the others were as much as \$1.00 higher because of their smaller size. Stevenson said that we were committed to the other cities, all for one and one for all, since all wanted a better price. He added that the Ameren price is actually the cheapest, approximately \$1.50 lower than current

prices. In 2015-16 if prices decrease another \$1.50, total savings will be approximately \$350,000 per year in wholesale power costs. He concluded by saying that this contract had not yet been approved by his board; however, he is on a strict timeline, since he needs signatures to Ameren by 9:00 p.m. on April 18<sup>th</sup> (tomorrow) and his board meets tomorrow.

**RESOLUTION NO. 1810-12**

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN ELECTRIC SERVICE FULL REQUIREMENTS AGREEMENT BETWEEN THE CITY OF HANNIBAL, BOARD OF PUBLIC WORKS AND AMEREN ENERGY MARKETING COMPANY FOR WHOLESALE POWER SUPPLY FOR THE 2015-2016 TIME PERIOD**

Motion was made by Mayor Pro Tem Knickerbocker to have the City Clerk read Resolution No. 1810-12, and call the roll for adoption. Motion was seconded by Council Member Louderman.

Motion carried.

**Roll Call**

**Yes:** Council Members Louderman, Hark, Mayor Pro Tem Knickerbocker, Council Members Dobson, Barta and Mayor Hark – 6

**No:** -0-

**Absent:** Council Members Draper – 1

Mayor Hark declared Resolution No. 1810-12, duly approved and adopted on this date.

**BILL NO. 12-013**

**AN ORDINANCE REZONING, AN 21.0 ACRES +/-, MORE OR LESS, TRACT OF LAND LYING IN THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 57 NORTH, RANGE 5 WEST, ALSO KNOWN AS 8701 COUNTY RD 418, IN THE CITY OF HANNIBAL, MISSOURI FROM F – INDUSTRIAL TO A – ONE AND TWO FAMILY ZONING DISTRICT AND AMENDING THE CITY’S ZONING MAP ACCORDINGLY**

**SECOND AND FINAL READING**

Motion was made by Mayor Pro Tem Knickerbocker to give Bill No. 12-013 a second and final reading and call the roll for adoption. Motion was seconded by Council Member Hark.

**Roll Call**

**Yes:** Council Members Louderman, Hark, Mayor Pro Tem  
Knickerbocker, Council Members Dobson, Barta and Mayor  
Hark – 6

**No:** -0-

**Absent:** Council Members Draper – 1

Mayor Hark declared Bill No. 12-013 duly approved and adopted on this date.

### **ADJOURNMENT**

Motion was made by Council Member Hark to adjourn. Motion was seconded by Council Member Louderman.

Motion carried.