

OFFICIAL COUNCIL PROCEEDINGS

**December 18, 2012
7:00 p.m.**

ROLL CALL

Present: Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, Council Members Louderman, Hark and Locke - 7

Absent: -0-

CALL TO ORDER

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

INVOCATION

Mayor Pro Tem Knickerbocker gave the invocation.

PLEDGE OF ALLEGIANCE

Council Member Hark led the Pledge of Allegiance to the Flag.

APPROVAL OF MINUTES

Regularly Scheduled Council Meeting – December 4, 2012

Motion was made by Council Member Louderman to approve the minutes of the regularly scheduled Council meeting that was held on December 4, 2012. Motion was seconded by Council Member Dobson.

Motion carried.

APPROVAL OF PAYROLL AND CLAIMS

First Half – December, 2012

Motion was made by Mayor Pro Tem Knickerbocker to approve the payroll and claims for the first half of December, 2012. Motion was seconded by Council Member Hark.

Motion carried.

ANITA FAILOR – WADE STABLES

Re: Audit Presentation

Mr. Steve Boggiano, of Wade Stables made the audit presentation on behalf of Anita Failor, who was unable to attend. Boggiano briefly discussed the report; then opened the floor for discussion. Various points that were discussed were:

- **Page No. 1** – Wade Stables opinion of the City’s financial statements. He explained that there was a small change from the prior year, a correction due to the GASB45 requirements with regard to post employment self-insurance benefits. The error was corrected in this year.
- **Page No. 13** – The Government-Wide Statement of Net Assets, on a full accrual basis, lists all assets and liabilities, including long-term debt. Total assets of the City of Hannibal, as of 06/30/2012, were slightly less than \$52Million, with total liabilities approximately \$10Million.
- **Page No. 14** – The Statement of Activities, also on a full accrual basis, contains a column entitled Governmental Activities. The “Change in Net Assets” of this column totals slightly higher than \$3Million for the year.
- **Page No. 15** – The Balance Sheet of Government Funds is slightly different, since it is on a modified accrual basis of accounting (using current financial resources as the method of focus). Total assets on this aspect of accounting are approximately \$10,000,000, with total liabilities at approximately \$3,500,000.
- **Page No. 17** – The Statement of Revenue, Expenditures and Changes in Fund Balances is also focusing on a current financial resource method. In utilizing this method, the total expenditures is in excess of revenues by approximately \$1.2Million, mostly contributed to additional capital outlay that was totally expensed in one year, as opposed to depreciating it over its useful life.
- **Page No. 48-49** – The General Fund Budget & Actual is probably the most important portion of the audit, according to Boggiano. He explained that the City prepares the budget on a cash basis, with revenues being received and expenses paid out in the same year. No expenses or revenues are accrued in this type of accounting. Actual revenues on a cash basis, according to this portion are approximately \$10.4Million, or approximately \$268,000 short of the projected (budgeted) revenues. Even though the City was short of the budgeted revenue, Page No. 49 reflects the total expenditures as slightly over \$10Million, compared to *budgeted* expenditures of \$10.4Million. Since actual expenditures totaled much less than budgeted expenditures, the *actual* revenues over expenditures totaled \$438,000 in the general fund, instead of budgeted total of the shortfall of \$268,000.
- **Page No. 66** – The Schedule of Expenditures of Federal Assistance reflects more than \$500,000 in federal rewards. For that reason, this was a single audit.
- **Page No. 68** – Schedule of Findings and Questions Costs details material weaknesses and significant deficiencies. A large portion of these deficiencies were BPW related, according to Boggiano, who added that the Board has made significant changes since the end of the fiscal year correcting most of these issues. It was noted, however, that the Board of Public Works had experienced some problems with retaining a finance director, having two during the course of the year. Boggiano added that the current finance officer was not hired until after the close of the fiscal year. One deficiency was City-related, regarding non-compliance. He explained that an amount in excess of available appropriations was budgeted for capital projects. This was primarily due

to a timing issue. The due date of the bonds will change when they are redone, preventing a reoccurrence of this issue in the future.

When questioned by Council Member Dobson, Boggiano assured Council that, in Wade Stables opinion, the general health of the City is fine and is improving over time.

ROY G. HARK – MAYOR
Re: Approval of Appointments

Mayor Hark reminded Council of candidates presented at the last regular Council meeting for the Historic Development District Commission and the Hannibal Industrial Development Authority. These were:

HISTORIC DEVELOPMENT DISTRICT COMMISSION

- Doug Warren – appointment for a term to expire May, 2017

HANNIBAL INDUSTRIAL DEVELOPMENT AUTHORITY

- Hal Benedict – reappointment for a term to expire January, 2018

He asked Council for their approval of these nominations. Motion was made by Council Member Louderman to approve the Mayor's nominations. Motion was seconded Council Member Hark.

Motion carried.

Re: Recommendation of Appointment

Mayor Hark made the following recommendation:

POLICEMEN & FIREMEN RETIREMENT BOARD

- Pat Benson – reappointment for a term to expire December, 2015

He added that this nomination will be considered for approval at the next regular Council meeting.

JAMES LEMON – CITY ATTORNEY
Re: Special Judge, Establishing Rate of Pay
(Bill No. 12-038, to follow)

City Attorney Lemon explained that the City Charter requires that the City pay temporary City judges on a *per appearance* basis, with Council setting the amount of payment by ordinance. After doing research, Lemon could find nowhere that this had been done in a very long time. A bill was drafted by Mr. Lemon, who misrecalled the original dollar amount given to him by the Palmyra City Judge. This judge fills in for the City of Hannibal, occasionally. As a result, Lemon submitted a proposed amendment to the ordinance previously distributed; changing the total to the amount the Palmyra Judge is willing to accept. He asked Council consideration in giving Bill 12-038, to follow, a first reading later during the meeting.

JEFF LAGARCE – CITY MANAGER

Re: Recommendation, Demolition of the Old Sewer Treatment Plant

City Manager LaGarce presented the next item on the agenda, a recommendation for the demolition of the old sewer treatment plant. He explained that this was the series of buildings located near the former Bubba's Restaurant on the south side of Bear Creek. LaGarce added that the structures are constantly being boarded-up because of vandals, who get into the buildings and create ongoing safety hazards. He requested Council approval to demolish these buildings and eliminate this hazard.

LaGarce suggested that the new Street Department track hoe should be sufficient to raze these structures and landfill the material on-site; however, he requested permission to postpone the demolition for a week allowing for the possibility of a private entity to offer their services at no cost in return for the salvage value. For this reason, he asked that the means to take it down be left to the City staff; and offered to spread the word through the media. LaGarce advised that the City Building Inspector had the building asbestos-tested, but results had not been received, yet. Motion was made by Council Member Louderman to approve the City Manager's request. Motion was seconded by Council Member Lionberger.

Motion carried.

Re: Request, Pre-Approval of Final Payment to Roberts Demolition and Roll-Off - Residential Flood Buyout Program

City Manager LaGarce commented that the next item was merely a timing issue, since the original deadline for the Residential Flood Buyout Program was September, 2012. This did not happen because of the red tape that is inherent to the program. Earlier the contractor, Roberts Demolition and Roll-Off requested that the deadline be extended to December 31, 2012. Only three (3) structures remain to be demolished at this time. LaGarce made a request for the pre-approval of a final payment to Roberts Demolition and Roll-Off in the amount of \$55,450 for the demolition of these three remaining structures, since this the last Council meeting before the end of the calendar year and SEMA requires that the residential flood buyout project be completed by December 31, 2012.

The amount is entirely grant-funded; therefore, the City does not want to risk not receiving reimbursement from SEMA. If approved by Council this check will be issued, but not distributed until after Roberts is finished the project. LaGarce added that there is still a 25% CDBG reimbursement and a payment to Mark Twain Council of Governments to be made in January, 2013; however, these do not have a deadline. Motion was made by Council Member Louderman to approve the City Manager's request. Motion was seconded by Council Member Hark.

Motion carried.

Re: Main Street Sidewalk Program – Engineering Supplement Agreement No. 3
Architecnics
(Resolution No. 1873-12, to follow)

LaGarce's final item on the agenda was a request for approval of Resolution No. 1873-12, to follow. This approval would authorize the Mayor to execute Engineering Supplement Agreement No. 3 of the Main Street Sidewalk Program with Architecnics.

Mr. LaGarce explained that since the December 3rd merchants meeting, city officials had explored methods for extending the sidewalk on the west side of Main Street to 10 feet, without stairs, steps or railings. In doing so, a better model was discovered, a way to extend sidewalks the full 12 feet, without steps, ramps, railings or loss of sidewalk frontage. The proposed supplemental agreement would employ Architecnics to redesign portions of the project to accomplish this. He added that the key lies in changing the horizontal street alignment, which will pose additional construction costs to the city, but should minimally impact property owners. LaGarce gave the details of these modifications and stated that Architecnics' estimated time frame to complete the redesign phase is ninety (90) days. Upon completion, a meeting will be scheduled with the Main Street merchants to review the revised plan with them. Plans will then be forwarded to MoDOT for final approval, then work will continue.

LaGarce assured Council that the delays would be minimal, since construction activity was not anticipated during the holiday season anyway. Should Council approve Resolution No. 1873-12 and the related Supplement Agreement No. 3, a letter would be hand-delivered to the Main Street merchants the next day, or December 19th. LaGarce and staff recommended approval of the resolution and related supplemental agreement with an amount, not to exceed \$35,131.26.

Council Member Louderman questioned the amount of construction costs; however, the amount was not yet determined. According to the City Manager, the estimated amount was approximately \$250,000.00; but the cost may be less. Included in the initial plans was mill and overlay for the downtown area; however, it is currently unknown whether the milling will be needed in the revised plans. He added that the stormwater portion was estimated at approximately \$31,000.

After a brief discussion, Council Member Dobson commented that, in speaking with the majority of merchants, they all seem to be in favor of the new design. Council Member Lionberger wanted to insure that all the merchants are included and suggested that DPW staff members take the plans to them directly so no one would be upset; however, the City Manager stated that all would be covered in the meeting, since staff was taking additional steps to accommodate everyone. Council Member Dobson added that he had spent a couple of Saturdays downtown speaking with merchants about this issue.

LaGarce asked for Council consideration of Resolution No. 1873-12, to follow.

MARK REES – CITY ENGINEER
Re: MS4 Permit Renewal – Engineering Short Form of Agreement
Poepping, Stone, Bach & Associates
(Resolution No. 1872-12, to follow)

City Engineer Mark Rees explained that the City of Hannibal is obligated to maintain a permit to discharge its storm water. He added that the City is at the end of the 5-year permit and the next permit application is due in May, 2013. Rees stated that he had recently contacted Poepping, Stone, Bach & Associates to obtain a scope of work and fee proposal for the completion of this MS4 application and development of a new storm water management plan. PSBA has also provided an anticipated course of action to pursue over the next 5 years so that the City can remain in compliance with its MS4 obligations. The proposed fee for these services is \$10,000.00.

Rees advised that, unfortunately, there is currently no dedicated line-item in the budget for this expense and assured Council that he would propose funding for this obligation in future budgets. He recommended Council approval of Resolution No. 1872-12, to follow, that would accept the proposal from PSBA and authorize the Mayor to execute the related contract.

When questioned about where the funds would be taken to pay for this project, Rees responded that the cost would be partially taken from *Professional Services* line item; however, since there were not sufficient funds to cover the entire cost, a portion would probably be taken from *Contingency*, as well. During a brief discussion, with regard to funding for the project, the City Manager noted that the City had realized a fuel savings in all departments for the past six months that could aid in funding.

Re: Paris Gravel Road – Change Order No. 5
Chester Bross Construction
(Resolution No. 1874-12, to follow)

Rees' last item was the request for approval of Resolution No. 1874-12, to follow, regarding Change Order No. 5 of the Paris Gravel Road contract with Chester Bross Construction. He explained that this change order was necessary because of last-minute changes, causing costs for this project to increase by \$10,965.93. One reason for the increased cost was the re-location of a high-pressure gas main that was obstructing the storm sewer. There were also additional costs associated with Veterans Road milling.

This change order, according to Rees, brings a successful project to its end. He stated that the DPW recommended acceptance of Change Order No. 5 in the amount of \$10,965.93 with the approval of Resolution No. 1874-12, to follow.

DOUG WARREN – FINANCE DIRECTOR
Re: Approval, Bond Interest Payments - Due January 1, 2013

Finance Director Doug Warren presented the next item on the agenda, the approval of the 2008 Series A and 2010 Build America Bond interest payments. Warren explained that his was merely a simple housekeeping request, since these payments are due on January 1, 2013.

Typically, Council approves all monies prior to distribution, however, these payments, done by wire transfers, will need a voice vote since they will need to be completed prior to January 1, in order to be paid in a timely fashion. Total amount of the payments are \$123,080, which includes a portion from the Build America Bonds that will be reimbursed by the Federal Government sometime in January, 2013. This is a yearly request, according to Warren. Motion was made by Council Member Hark to approve Warren's request. Motion was seconded by Council Member Dobson.

Motion carried.

LEON WALLACE – STREET SUPERINTENDENT
Re: Bid Award Approval, Sale of Surplus Property – 1990 Dodge Pickup
Chuck Anderson

Street Superintendent, Leon Wallace, presented the final item on the agenda, a bid award approval for the sale of surplus property, specifically a 1990 Dodge Pickup that is no longer in use by the Street Department. Wallace explained that five sealed bids were received as a result of the bidding process; and, on December 13, 2012 these were opened. He recommended the acceptance of the highest bid of \$877.82 for this vehicle from Chuck Anderson. Motion was made by Council Member Louderman to approve Wallace's request. Motion was seconded by Council Member Hark.

Motion carried.

RESOLUTION NO. 1872-12

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT BETWEEN THE CITY OF HANNIBAL AND POEPPING, STONE, BACH AND ASSOCIATES, INC IN THE AMOUNT OF \$10,000.00 FOR THE PREPARATION OF THE 2013 MS4 APPLICATION AND TO DEVELOP A NEW STORM WATER MANAGEMENT PLAN

Motion was made by Council Member Louderman to have the City Clerk read Resolution No. 1872-12, and call the roll for adoption. Motion was seconded by Mayor Pro Tem Knickerbocker.

Motion carried.

Roll Call

Yes: Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, Council Members Louderman, Hark and Locke - 7

No: -0-

Absent: -0-

Mayor Hark declared Resolution No. 1872-12, duly approved and adopted on this date.

RESOLUTION NO. 1873-12

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE SUPPLEMENTAL AGREEMENT NUMBER 3 WITH ARCHITECNICS, INC. IN AN AMOUNT NOT-TO-EXCEED \$35,131.26 FOR DESIGN MODIFICATIONS TO THE MAIN STREET SIDEWALK AND STREET PROJECT

Motion was made by Council Member Dobson to have the City Clerk read Resolution No. 1873-12, and call the roll for adoption. Motion was seconded by Mayor Pro Tem Knickerbocker.

Motion carried.

Roll Call

Yes: Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, Council Members Louderman, Hark and Locke - 7

No: -0-

Absent: -0-

Mayor Hark declared Resolution No. 1873-12, duly approved and adopted on this date.

RESOLUTION NO. 1874-12

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE CHANGE ORDER 5 BETWEEN THE CITY OF HANNIBAL AND CHESTER BROSS CONSTRUCTION IN THE AMOUNT OF A \$10,965.93 FOR THE PARIS GRAVEL ROAD IMPROVEMENT PROJECT

Motion was made by Mayor Pro Tem Knickerbocker to have the City Clerk read Resolution No. 1874-12, and call the roll for adoption. Motion was seconded by Council Member Hark.

Motion carried.

Roll Call

Yes: Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, Council Members Louderman, Hark and Locke - 7

No: -0-

Absent: -0-

Mayor Hark declared Resolution No. 1874-12, duly approved and adopted on this date.

BILL NO. 12-036

AN ORDINANCE OF THE CITY OF HANNIBAL PROVIDING FOR A MUNICIPAL ELECTION TO BE HELD, TUESDAY, APRIL 2, 2013 FOR THE PURPOSE OF ELECTING A MAYOR AND COUNCIL MEMBERS OF THE SECOND, FOURTH AND SIXTH WARDS

SECOND AND FINAL READING

Motion was made by Council Member Hark to give Bill No. 12-036 a second and final reading and call the roll for adoption. Motion was seconded by Council Member Louderman.

Motion carried.

Roll Call

Yes: Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, Council Members Louderman, Hark and Locke - 7

No: -0-

Absent: -0-

Mayor Hark declared Bill No. 12-036 duly approved and adopted on this date.

BILL NO. 12-037

AN ORDINANCE OF THE CITY OF HANNIBAL, MISSOURI POLICEMEN AND FIREMEN FUND ADOPTING REQUIREMENTS AND AMENDMENTS UNDER THE CITY'S VOLUNTARY COMPLIANCE RESOLUTION PROGRAM OF THE INTERNAL REVENUE SERVICE

SECOND AND FINAL READING

Motion was made by Council Member Dobson to give Bill No. 12-037 a second and final reading and call the roll for adoption. Motion was seconded by Council Member Louderman.

Motion carried.

Roll Call

Yes: Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, Council Members Louderman, Hark and Locke - 7

No: -0-

Absent: -0-

Mayor Hark declared Bill No. 12-037 duly approved and adopted on this date.

BILL NO. 12-038
(As Amended)

**AN ORDINANCE OF THE CITY OF HANNIBAL SETTING THE AMOUNT OF
PAY FOR SPECIAL JUDGE IN THE MUNICIPAL COURT OF HANNIBAL
MISSOURI**

FIRST READING

Motion was made by Mayor Pro Tem Knickerbocker to give Bill No. 12-038, as amended, a first reading. Motion was seconded by Council Member Louderman.

Motion carried.

CLOSED SESSION
In Accordance with RSMo. 610-021 (12)

At this time, Mayor Hark entertained a motion to go into closed session in accordance with RSMo 610-021, sub-paragraph twelve (12), admitting himself, rest of Council, City Manager LaGarce, City Attorney James Lemon, City Clerk Angelica Vance, Parks & Recreation Director Andrew Dorian and HCVB Director Gail Bryant. Motion was made by Council Member Louderman to go into Closed Session, as directed by Mayor Hark. Motion was seconded by Council Member Hark.

Roll Call

Yes: Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, Council Members Louderman, Hark and Locke - 7

No: -0-

Absent: -0-

Motion carried.

OPEN SESSION

Motion was made by Council Member Dobson to return to open session at this time. Motion was seconded by Mayor Hark.

Motion carried.

ADJOURNMENT

Motion was made by Mayor Hark to adjourn the meeting. Motion was seconded by Council Member Dobson.

Motion carried.