

OFFICIAL COUNCIL PROCEEDINGS

**Tuesday, December 3, 2013
Council Chambers
7:00 p.m.**

ROLL CALL

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

Absent: -0-

CALL TO ORDER

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

INVOCATION

Council Member Lionberger gave the invocation.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF MINUTES

Regularly Scheduled Council Meeting – November 19, 2013

Motion was made by Council Member Dobson to approve the minutes of the regularly scheduled Council meeting that was held on November 19, 2013. Motion was seconded by Council Member Locke.

Motion carried.

APPROVAL OF PAYROLL AND CLAIMS

Second Half – November, 2013

Motion was made by Council Member Louderman to approve the payroll and claims for the second half of November, 2013. Motion was seconded by Council Member Dobson.

Council Member Lionberger questioned whether there were sufficient funds in the General Fund to cover the payroll and claims. General Fund balance, according to City Manager LaGarce was sufficient until payroll was posted earlier in the day; however, he advised that he had just received notification from SEMA that \$120,000 was en route and the City's first property taxes should be received by December 13th. He added that last year's December payment totaled \$249,000.

LaGarce noted that money had been borrowed to cover payroll, the first time the General Fund has had to borrow since July or August. Lionberger questioned the "*net cash balance*", adding, that is "what I'm concerned about..." and "...when it's red and says \$294,536, is that a negative?" Even though last month's sales tax was very good and the upcoming may be good, as well, his concern was the amount of money that the General Fund had borrowed from other departments in order to meet payroll and pay bills.

A main concern for Council Member Lionberger was the amount of money that had been borrowed from the Parks and Recreation Department. He pointed out that \$300,000 had been borrowed by General Fund, from Parks and Recreation Department with only \$50,000 repaid on October 23, 2013. He added that the upcoming receipt of property taxes will cover the shortfall, but his concern was with finances during April, May and June of next year

City Manager LaGarce spoke, regarding the City's sales tax, advising that four out of five months this current fiscal year have been more than the corresponding months of last year. He noted that a spending freeze had been in place since the first week in August.

Lionberger commented that he wanted to insure the Park and Recreation Department was repaid and that the \$294,536 is still covered. In response to his question, regarding the number of staff positions that had been eliminated. It was reported that the Police Department is short three employees, the Fire Department is short two employees, the Street Department is short two employees, DPW is short one employee and Building Inspector's Office is short one employee.

LaGarce admitted that the current situation is tough; however, as well as the cut in workforce and spending freeze, capital spending had been discontinued thirteen months ago to help alleviate the shortage. He stated that the City will receive approximately \$1.9 Million in real estate tax revenue, beginning in December, 2013 which will give needed relief and he sought direction from Council with regard to the shortfall.

LaGarce advised that he had distributed a lengthy plan last September which included a timeline for repayment of borrowed amounts, then added that the City must not size departments to the point that they can no longer functionally operate and be effective for the public.

Council Member Lionberger stated that it was his understanding the Parks fund must be repaid by yearend because of its "special" funding status and Finance Director Warren assured him that this would be done. The City Manager stated that repayment would be done by January 13-14, 2014, at the latest.

Mayor Pro Tem Knickerbocker reminded Council that the largest portion of revenue is received at the half-year point which causes deficits in the first part of the fiscal year and the

need to transfer funds from one department/line item to another to cover these deficits. He added that this year's budget is very lean; therefore, transfers must be made to avoid shutting down essential city functions or laying off police officers, firefighters, street maintenance workers or other General Fund personnel. He assured Lionberger that the City is not broke, but is not in a great financial position like it was 5-6 years ago. Staff members, in his opinion, were doing a pretty good job of being conservative with spending while trying to get through these tough economic times and fund transfers are one option for doing that.

Lionberger countered that continuing to borrow will be very detrimental at the end of the fiscal year, in June, since there are no longer reserves, as in years past.

Knickerbocker admitted that, in the past, reserves were very high but had continued to decrease with the tough economy. The City did a significant amount of capital spending, as well; but as time progressed the budget became tighter and tighter. The City continues to scrimp, just as individuals in the community are doing. Fund transfers are currently a necessity in order to continue to operate

Mayor Hark said that he believed the City Manager had a plan in place to repay the monies that were owed, as he had advised earlier; and, public safety cannot be slashed without jeopardizing people within the City. Then Council Member Dobson added that the severe storm which occurred on May 20, 2013 was the one incident that caused much of this cash flow problem and there is no plan in place to offset occurrences such as this.

City Manager LaGarce advised that on the seventh month of the fiscal year (January) the City will receive twelve months of real estate tax revenue. The intention is to repay the four months of loans from the various funds. With three additional months, the City should be in good shape, especially in light of the under-spending that had occurred with the spending freeze. He hopes for a reserve balance to manifest by June 30, 2014 that would carry the City into the next fiscal year, preventing similar problems from reoccurring. LaGarce gave a brief history of sales tax receipts in relation to budget increases for the past several years, adding that recovering from this deficit is something that will take some time.

Knickerbocker commented that each year the City has been successful in staying within the budget obligations by the end of the fiscal year when it is reconciled with the proposed amounts. All has to be taken into consideration in relation to the "Big Picture" and not just daily, weekly or even monthly.

LaGarce stated that during the last fiscal year, the General Fund Budget was under-spent by \$584,000, a quarter of the reserve. The prior year the General Fund Budget was under-spent by \$610,000. He expects that to happen again this year. The reason this did not help in the past years was because revenues plummeted by the same extent. This year the revenues are not plummeting. All systems are a go after five months and it is LaGarce's belief that the City will be much better this year, again under-spending the budget by maybe \$580,000 - \$610,000. Mayor Hark stated that if there was no further discussion, he would call the question.

Motion carried.

BRAD PETERS – PROPERTY OWNER
Re: Request, Private Road Development

Mr. Brad Peters came before Council to make a request, regarding development of a private road since his desire is to buy and develop additional real estate. Peters explained that there are actually two parcels of land that he is considering for development; however, he would not consider this option if the City will not allow development of private roads.

He reminded Council of the incident that occurred during a previous building venture. He recalled that the Planning and Zoning Commission approved his request to develop private streets within the subdivision; but, when he proceeded with this development, the City Engineer had prohibited him from continuing without reapproval from Council. Since Council previously gave the final approval, Peters came before Council in order to get that approval before continuing.

When asked by Mayor Hark, City Manager LaGarce shared his findings by stating that he assumed private streets are permissible since the Code is silent in this regard. He cited several illustrations, i.e., apartment complexes, commercial cross-accesses (the one that connects the City's two big shopping centers), road accesses within shopping centers or industrial complexes.

He explained that this subdivision of the City Code is currently being updated, adding that the current issue is not the private streets, the issue is building to City Code. According to the City Code, ALL streets must be built to City Code, whether public or private. Peters agreed and stated that the only difference between a public and private street would be that the private street could be gated, whereas, the public street could not be gated.

LaGarce explained that another difference is, when they are dedicated, they become the City's permanent responsibility for maintenance, whereas, when they are private, they remain the responsibility of the private individual. Peters responded that he plows the snow on his developments and there are road associations, designed for upkeep, on all of his subdivisions.

Mayor Hark questioned Mr. Peters with regard to the type of roads that he wished to build. Peters responded that he planned to place concrete roadways. Then, in response to a question posed by Council Member Dobson, regarding the reason Peter's streets failed to meet City code, Peters explained that the City requires 32' wide streets; he is constructing 26' wide roadways without curb and gutter. He added that the cul-de-sacs and other roadways are approved by the Fire Department. Peters also explained that the Code specifies that the stormwater is designed for 100-year rains; however, the roadways he is developing are not since these specifications cause expenses to be too costly, it simply is not feasible.

He asked Council approval to develop private roadways that would not meet Code requirements because of the width, curb/guttering and stormwater issues previously discussed. After additional discussion regarding the stormwater issue, motion was made by Council Member Dobson to waive the curb and gutter requirement for Mr. Peters two parcels of land. Motion was seconded by Council Member Hark.

Motion carried.

ANGELICA N. VANCE - CITY CLERK
Re: Wireless Services & Equipment – Service Agreement
US Cellular
(Resolution No. 1937-13, to follow)

City Clerk Vance presented the next item on the agenda, the approval of Resolution No. 1937-13, to follow, which was merely a continuation of a current service agreement with US Cellular for wireless services and equipment. In approving this agreement, the City will actually see a \$30-\$50/month decrease in fees because the new plan encompasses a variety of features, such as data packages, texting, picture mail, etc. With the current agreement, the same features were included; however, all were for an additional cost. With the updated agreement, a shared pool for data will be provided for all smart phones at a discounted amount of \$180, thus the savings. The new plan will also allow Belief Points to be used to purchase devices and equipment at no cost. It is the staff recommendation to proceed with the implementation of the proposed agreement. With Council approval, Mayor Hark would be authorized to execute the necessary agreements throughout this two-year period.

CHUCK ANDERSON – ASSISTANT BUILDING INSPECTOR
Re: Sale of City Owned Property – Highway 79
John Kenison
(Resolution No. 1936-13, to follow)

In Chuck Anderson's absence, City Manager LaGarce presented this agenda item, a request for approval of the sale of a 3.3 acre tract of land located on Highway 79, south of and adjoining the Sawyer's Creek property. He explained that Mr. John Kenison, owner of Sawyer's Creek, recently expressed an interest in the purchase of this property. In polling department heads and the BPW, LaGarce commented that no one had any objections to this sale. This property is located in the regulatory flood plain.

Since Mr. Kenison is hoping to expand his business, he had the property appraised and the appraised value is \$10,000, which he has agreed to pay. This property, according to Kenison, is to be used for future parking and possibly sand volleyball courts.

The City Manager noted that a portion of this property is not located within the City limits; and, asked for Mr. Kenison's commitment to annex the property for the unincorporated portion. Since Kenison is not yet ready to begin development, the City will annex prior to the purchase transaction. Then he recommended that Resolution No. 1936-13, to follow, be approved by Council.

RESOLUTION NO. 1936-13

**A RESOLUTION AUTHORIZING THE MAYOR TO SELL CITY OWNED
VACANT LAND LOCATED ON HWY 79 TO JOHN KENISON FOR THE AMOUNT
OF \$10,000.00**

Motion was made by Council Member Louderman to have the City Clerk read Resolution No. 1936-13 and call the roll for adoption. Motion was seconded by Mayor Pro Tem Knickerbocker.

Motion carried.

Roll Call

Yes: Council Member Lionberger, Mayor Hark, Council Members Louderman, Hark, Locke, Mayor Pro Tem Knickerbocker and Council Member Dobson – 6

No: -0-

Absent: -0-

Mayor Hark declared Resolution No. 1936-13 duly approved and adopted on this date.

RESOLUTION NO. 1937-13

A RESOLUTION AUTHORIZING THE TWO (2) YEAR CONTINUATION OF SERVICE AGREEMENTS BETWEEN THE CITY OF HANNIBAL AND US CELLULAR FOR WIRELESS PLANS AND ENHANCED EQUIPMENT OPTIONS FOR DESIGNATED CITY DEPARTMENTS AND OFFICIALS

Motion was made by Council Member Locke to have the City Clerk read Resolution No. 1937-13 and call the roll for adoption. Motion was seconded by Council Member Hark.

Motion carried.

Roll Call

Yes: Council Member Lionberger, Mayor Hark, Council Members Louderman, Hark, Locke, Mayor Pro Tem Knickerbocker and Council Member Dobson – 6

No: -0-

Absent: -0-

Mayor Hark declared Resolution No. 1937-13 duly approved and adopted on this date.

BILL NO. 13-029

AN ORDINANCE OF THE CITY OF HANNIBAL PROVIDING FOR A MUNICIPAL ELECTION TO BE HELD, TUESDAY, APRIL 8, 2014 FOR THE PURPOSE OF ELECTING COUNCIL MEMBERS OF THE FIFTH AND SIXTH WARDS

SECOND AND FINAL READING

Motion was made by Council Member Lionberger to give Bill No. 13-029 a second and final reading and call the roll for adoption. Motion was seconded by Council Member Louderman.

Motion carried.

Roll Call

Yes: Council Member Lionberger, Mayor Hark, Council Members Louderman, Hark, Locke, Mayor Pro Tem Knickerbocker and Council Member Dobson – 6

No: -0-

Absent: -0-

Mayor Hark declared Bill No. 13-029 duly approved and adopted on this date.

ADJOURNMENT

Motion was made by Council Member Louderman to adjourn the meeting. Motion was seconded by Council Locke.

Motion carried.