

## OFFICIAL COUNCIL PROCEEDINGS

Tuesday, December 16, 2014

7:00 P.M.

### ROLL CALL

**Present:** Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, Council Members Hark and Locke - 6

**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.

### ANITA FAILOR – FISCAL YEAR 2013/14 AUDIT PRESENTATION

In the absence of Ms. Failor, Finance Director Doug Warren presented the FY 2013/14 Audit, conducted by Wade Stables. He began by stating that Failor had assured him she would attend a meeting in January to answer any questions that Council may have.

Next, Warren read the statement at the bottom of the first page, entitled OPINIONS, that read, “In our opinion, the financial statements, referred to above, present fairly and in all material respects, the respective financial position, government activities, business-type activities, aggregate discretely presented component units, each major fund...”, explaining that, according to these words, this is a clean audit, or in Warren’s words, a clean bill of health. He added that the City, itself, had no audit findings, which is good. The Board of Public Works had one finding, the result of a new computer system and the loss of three directors of finance in the course of a couple of years, causing the consistency to waiver a bit.

Looking at the bigger, overall picture, Warren commented that in looking at the inflows of money from taxes, grants, etc. and combined with the Board of Public Works, the total amounted to \$61, 800,000.00 in the fiscal year, ending June 30, 2014. The outflows of

money were \$60,500,000.00. According to Warren, these figures indicate that extra money is not being put away but is being spent as it is brought in fairly quickly, “in the City-for the City” which cranks the economy. Total assets of the City are \$51,000,000.00 and total assets of the BPW are \$73,000,000.00, with a grand total \$124,000,000.00. These totals are taking into consideration the full depreciation of the assets. This means, after assets have reached their sustainable, normal life, such as a truck at five years, they are valued at \$0.00, even if it is still being utilized. This gives an accurate picture of the value of the City and the equipment within.

Next, Warren referenced the summary page of the audit and the bullet points that include total assets and liabilities of the City, as well as net change, totaling a net increase of \$1.7 Million, including the BPW portion (City’s portion being \$453,000). He recommended that Council approve this audit in order that it can be submitted to the State and Federal Government. In response to a question posed by Mayor Hark, Warren assured Council that he was comfortable with the audit. Motion was made by Council Member Dobson to approve the audit. Motion was seconded by Mayor Pro Tem Knickerbocker.

Motion carried.

#### **FOURTH WARD COUNCIL MEMBER CANDIDATE INTERVIEW & SELECTION PROCESS**

❖ *Michelle Beck*

Michelle Beck was the first candidate to be interviewed. In response to a question posed by Mayor Hark, Ms. Beck said that she was interested in the Fourth Ward Council seat because she had heard that no one had stepped forward to fill the seat and she believed the Fourth Ward needed someone to represent them on Council. She stated that she would be willing to learn the ways of Council and added that she knew nothing could be accomplished by herself, but that objectives would be accomplished by working together. Anything that would enhance the Fourth Ward would also enhance the City of Hannibal as a whole, according to Beck. She commented that a City is either growing or deteriorating, since there is no such thing as stagnant in this business. There must be a plan for improvement because no one wants to see their City deteriorate.

Ms. Beck is employed at Klingner and Associates. In her capacity there, she works with budgets; and, occasionally, she is required to develop a budget for smaller projects in Klingner’s scope of work. She added that she also works with engineers and must be cognizant of their budgets, as well. On a personal level, she admitted that she is very frugal and is completely debt-free at the current time.

In the area of economic development, Beck admitted that this area is probably one of her weaknesses. She has given this much thought, but said that she was not a good promoter. She said that she is a joiner, however, and liked to get involved. This would be a definite learning curve. In conclusion, she stated that there are a lot of good plans in the works for the Fourth Ward. She was excited to see the parks being developed in the flood plain and hoped to be a part of these improvements and areas of growth.

❖ *Joshua Foust*

Since Mr. Foust failed to attend, Council interviewed the next candidate.

❖ *Jerry Irick*

Mr. Jerry Irick was the next candidate to be interviewed for the position. Mayor Hark explained the process, then asked the first question, why he was interested in becoming the Fourth Ward Council Member. Mr. Irick explained that he believed he was qualified, since he was on the board of directors for the Marion County Ambulance District and was currently serving on the City's Board of Adjustments, and on the Affirmative Action Committee, as well. He had lived in Hannibal most of his life. If elected, his goals and objectives for the Fourth Ward included preventing the area from trending back to the old days when it was South Hannibal. He added that something is needed, not necessarily a convenience store, to make things more convenient for the South Side residents, especially those who are unable to travel to Wal-Mart.

When asked what experience he had with budgets, Mr. Irick stated that, any individual who maintained a household had budget experience; and, in dealing with larger budgets, he had that experience in serving on the Marion County Ambulance Board, since they were involved in all aspects of the budget and its details. With regard to the economic development of the Fourth Ward and the City, as a whole, Irick advised that he would call on fellow Council Members to insure that he would not cross the line.

In response to a question posed by Council Member Dobson, Irick assured the Members of Council that if he were chosen, he was willing to resign his seat on the Ambulance Board, since that would be a requirement of the position on Council. Irick is also a member of the Jaycees and of the honor flight, adding that he had only missed three of those events in three years. He concluded by saying that he had grown up on the South Side and the majority of his life he had been a resident of the Fourth Ward and he believed that he could relate to the residents there.

❖ *Jim Van Hoose*

Mr. Jim Van Hoose was the final candidate to be interviewed for the Fourth Ward Council Position. Mayor Hark explained the process, than began the interview. Mr. Van Hoose explained that he was interested in the Council seat position because he was saddened by the apathy and lack of interest in filling this position. He added that he had not been involved in City politics in the past because time devoted to raising a family and children's activities limited his availability, but now that his children are grown he believed he had sufficient time to devote to this venture.

To improve the City, as a whole, Mr. Van Hoose stated that he would like to see more, better-paying jobs available in Hannibal, since that is what makes a town thrive.

He believed he had ample experience with budgets and budget processing since he was the quality manager at Buckhorn. He advised that the Management Team there was expected to participate in developing the budget. They met in October, each year, to develop the budget and then monthly they met to review it. So he was actively involved in the budget of a company who had approximately \$35 Million in sales.

When asked about his plans to promote economic development, Mr. Van Hoose stated that he would encourage existing plants to expand, either by taking advantage of grants or by offering them tax breaks and by encouraging new businesses to locate here.

In conclusion, Van Hoose stated that he was born and raised in Hannibal and had lived in the City for more than 50 years. He had lived in the Fourth Ward for 36 years. Mr. Van Hoose stated that he is a quick learner. During his career, he began as a production operator; and, since he was always willing to learn new things and go the extra mile, his employer awarded these assets and moved him from his initial position to production supervisor. Later he moved to the positions of Quality Supervisor, then Quality Engineer, and finally Quality Manager. He believed that the experience gained from the position of Quality Manager should be useful in the various duties required of the Council position, since it is necessary for him to work along-side the different departments to accomplish their goals and objectives, as well as satisfying the needs of customers. Van Hoose, if appointed, would be working with department heads and Council, as well as considering the needs of citizens.

Mr. Van Hoose served in the US Army for four years, also working with the fire department at Fort Campbell, KY. Later he served 2 ½ years in Fort Wainwright, AK working as a firefighter.

After Van Hoose left Council Chambers, there was a brief discussion, regarding ground rules. Mayor Pro Tem Knickerbocker made a motion to vote on all candidates and whoever received the most votes would be elected. Motion was seconded by Council Member Locke.

Motion carried.

Candidate #1 – Michelle Beck

### **Roll Call**

**Yes:** Council Member Locke – 1

**No:** Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark and Council Member Hark – 5

Candidate #2 – Jerry Irick

### **Roll Call**

**Yes:** Mayor Pro Tem Knickerbocker and Council Member Lionberger – 2

**No:** Council Member Dobson, Mayor Hark, Council Members Hark and Locke – 5

Candidate #3 – Jim Van Hoose

**Roll Call**

**Yes:** Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, and Council Member Hark - 5

**No:** Council Member Locke – 1

Mayor Hark declared Jim Van Hoose the Fourth Ward Council Member.

**ROY G. HARK – MAYOR  
Re: Oath of Office – Fourth Ward Council Member**

At this time, Mayor Hark administered the Oath of Office to elected Fourth Ward Council Member Jim Van Hoose, and then he took his seat at the Dias.

**APPROVAL OF MINUTES  
Regular Council Meeting of December 2, 2014**

Motion was made by Council Member Dobson to approve the minutes of the last regular Council meeting that was held on December 2, 2014. Motion was seconded by Council Member Locke.

Motion carried.

**APPROVAL OF PAYROLL AND CLAIMS  
First Half – December, 2014**

Motion was made by Council Member Hark to approve the payroll and claims for the first half of December 2014. Motion was seconded by Mayor Pro Tem Knickerbocker.

Motion carried.

**BOLAND, POAGE & WALDEN  
Re: Request, Local Use Tax Ballot Issue  
*April Municipal Election***

City Manager LaGarce presented this item since the parties who made the request were not in attendance. He read their letter of request, and then explained the issue in detail. A 2012 Supreme Court decision created a significant tax incentive for Missourians to purchase out-of-state, rather than in Missouri. In the aftermath of that decision, City Officials worked with local car dealers to consider a Use Tax that would close this loophole. These efforts ceased when Missouri Legislature installed a fix; however, that fix is temporary-only good until 2016. After that time, these out-of-state purchases will again be free of local taxes. This hurts local dealers considerably, and is appropriate to close this loophole by public

referendum before the 2016 deadline occurs. Otherwise, the opportunity to fix this inequity ceases forever. What is being sought is a permanent level playing field for Missouri businesses, relative to those in other states.

Two ballot issues are needed to close this loophole once and for all:

1. **Proposed Ballot Issue #1** – Senate Bill 23 - Eliminating unfair business advantages enjoyed by other states, specifically the sale of cars, boats, trailers, campers, RV's and other titled items.
2. **Proposed Ballot Issue #2** – Imposition of a Use Tax to permanently close that loophole for everything else, and protect the car, boat and RV issue against future legal appeals in Missouri.

The Use Tax is bulletproof against court appeals of this matter, according to LaGarce who added that there have already been court appeals. Therefore, the process of running both measures concurrently is recommended by the Missouri Municipal League. If it weren't for the ever-changing laws on this issue, beginning in 2012, the Use Tax alone would have been sufficient. Approval of both measures would close the current tax loophole and serve as permanent protection for Hannibal businesses against the Supreme Court, Courts of Appeals, future appellants and the governor and legislature. All cities without Use Tax have been given this advice. The City has been advised that if the problem is fixed in April 2015, only for cars, boats, trailers, campers, RV's and other titled items, further court appeals may render the City's public vote moot, and then there would still be a need for a Use Tax anyway.

If this is not corrected statewide, the State of Missouri stands to lose thousands of Missouri businesses and tens-of-thousands of Missouri jobs. It has been decided that the best option for long-term prosperity of our local businesses is to run a Proposition 1 and a Proposition 2, concurrently. Together, voter approval of these measures should permanently close any and all loopholes, today and in the future.

In response to a question, LaGarce advised that ballot language for both propositions is currently being developed. He noted that, regarding the proposed Use Tax, Hannibal and New London are two of very few local entities that do not currently have a Use Tax, since Marion County, Ralls County, Monroe County, Palmyra, Kirksville, Moberly, Bowling Green and Monroe City already have this tax in place.

Motion was made by Council Member Dobson to place Proposition 1 and Proposition 2 on the April 2015 ballot. Motion was seconded by Mayor Pro Tem Knickerbocker.

Motion carried.

**ROY G. HARK – MAYOR**  
**Re: Recommendation of Appointment**

Mayor Hark made the following recommendation:

BUILDING COMMISSION

➤ Doug Warren – Finance Director

This recommendation would be considered for Council approval at the next regular Council meeting to be held on January 6, 2015.

**JEFF LAGARCE – CITY MANAGER**

**Re: Public Set Public Hearing – Community Improvement District**

*SZC Development, LLC*

*Tuesday, January 20, 2015 – 6:30 p.m.*

Mr. LaGarce explained that a group of developers, SZC Development, LLC, who are building the new Sleep Inn Hotel on the Highway 36 Outer Road, have presented a petition, requesting formation of a Community Improvement District at that site. LaGarce requested Council approval to begin this process by setting a public hearing on Tuesday, January 20, 2015 at 6:30 p.m. He added that this hearing must occur 15-45 days after receipt of the petition. If this hearing date is approved, the City Clerk would distribute appropriate public notices and publication process as required by law.

Motion was made by Council Member Locke to set the public hearing as requested by City Manager LaGarce. Motion was seconded by Council Member Hark.

Motion carried.

**Re: Lakeside Drive, Public Road Acceptance & Dedication**

*SZC Development, LLC*

*(Resolution No. 1978-14, to follow)*

Next, City Manager LaGarce explained that SZC Development has now completed the construction of Lakeside Drive which will serve the Sleep Inn Hotel and will also serve as a primary point of egress into the proposed Hannibal Lakeside Technology Park. The developers are now requesting Council approval to dedicate this roadway to the City prior to December 23, 2014. Resolution No. 1978-14, to follow, would allow this to happen. LaGarce made a recommendation for approval of this Resolution authorizing the Mayor to execute all acceptance/conveyance documents relative to receipt of the road.

**Re: Lakeside Drive & Technology Park – Development Agreement**

*SZC Development, LLC*

*(Resolution No. 1979-14, to follow)*

City Manager LaGarce reminded Council of the meeting between the City and SZC Development, LLC (Gary Zimmer, Melanie Campbell and Butch Smith) that occurred last August. During this meeting, they spoke of two things:

1. A development agreement that would reimburse SZC Development for the costs associated with constructing the roadway as follows: 1.5% of its 2.25% sales tax generated from that property, up to fifteen (15) years or the lesser of (i) the road construction cost, or (ii) a \$351,000 maximum – whichever comes first. LaGarce noted that \$351,000 was the engineers' estimate for the road project.

2. A community improvement district that will be heard, publically on January 20, 2015.

SZC Developers are now requesting that the City begin the rebate process. LaGarce advised that the only change between the August 5<sup>th</sup> discussion and the current agreement is the term. Instead of the original fifteen (15) year maximum term, this agreement is written for a maximum term of eighteen (18) years. He assured Council that, since the underlying model and dollar amounts remain unchanged, City Staff had no objection to this change. LaGarce did point out one area that would be changed in the final document, regarding payment, *plus interest*, of the costs. He assured Council that interest was never discussed; therefore, the language, *plus interest*, would be removed prior to approval. He recommended approval of this Resolution, authorizing the Mayor to execute a Development Agreement with SZC Development, LLC for the construction and dedication of the new Lakeside Drive and partial sales tax reimbursement for same.

**BRIAN CHAPLIN – DPW SUPERINTENDENT**  
**Re: Bid Award Approval, D’Ville Stormwater Materials**  
*Hannibal Concrete Products*

DPW Superintendent Brian Chaplin came before Council seeking their approval to award a bid for D’Ville stormwater materials to Hannibal Concrete Products. As a result of the recent bidding process, a single bid was submitted by Hannibal Concrete Products for the following materials:

- RCP Pipe - \$61,062.00
- Junction Box and Manholes - \$21,015.00
- Total Bid - \$82,077

Staff recommended acceptance of this bid, the only one submitted, and its award to Hannibal Concrete Products. Chaplin noted that \$105,000 had been budgeted for this project, less \$10,000 for design work. The remaining \$12,923 will be used for curb repair, road, rock and the remaining costs associated with this project. Motion was made by Council Member Locke to approve Chaplin’s bid recommendation. Motion was seconded by Council Member Hark.

Motion carried.

**ANDY DORIAN – DIRECTOR, PARKS & RECREATION**  
**Re: Clemens Field Grandstand Roof Replacement – Engineering Authorization Agreement**  
*MECO Engineering Company*  
*(Resolution No. 1980-14, to follow)*

Parks & Recreation Director Andy Dorian presented the final item on the evening’s agenda, the approval of Resolution No. 1980-14, to follow, regarding the approval of an engineering authorization agreement with MECO Engineering Company for the Clemens Field grandstand roof replacement.

Dorian reminded Council that after inspection on March 10, 2014, MIRMA, the City's insurance company, had informed him that the "roof and fascia board are in need of repair". He agreed, adding that the grandstand roof is in very poor condition with several areas of rotten wood, missing shingles and visible holes. Since the grandstand, as well as all the structures at Clemens Field, are owned and insured by the City, it is the City's responsibility to maintain the structure.

With Council approval of Resolution No. 1980-14, the Parks Department can begin the first phase of the grandstand renovations, the replacement of the grandstand roof. MECO Engineering has submitted an engineering agreement for a lump sum, not to exceed, amount of \$19,000. For this amount, MECO will provide the design and preparation of plans and bid specs for the roof replacement, as well as the standard engineering services, including preparation of contract documents, bid coordination, construction observation, pay application reviews and coordination with contractor. Other phases of this project may be necessary, following the completion of the structural analysis by MECO later this winter.

Dorian advised that the Parks Department budgeted \$175,000 in the FY 2014/15 budget for this project. He recommended Council authorization of Resolution No. 1980-14, to follow, that would authorize Mayor Hark to sign an engineering agreement with MECO Engineering Company for the lump sum, not to exceed, amount of \$19,000.

## **BILL NO. 14-026**

### **AN ORDINANCE OF THE CITY OF HANNIBAL, PROVIDING FOR A MUNICIPAL ELECTION TO BE HELD, TUESDAY, APRIL 7, 2015 FOR THE PURPOSE OF ELECTING MUNICIPAL JUDGE AND COUNCIL MEMBERS OF THE FIRST, THIRD AND FOURTH WARDS**

#### **SECOND AND FINAL READING**

Motion was made by Council Member Dobson to have the City Clerk give Bill No. 14-026 a second and final reading 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 Van Hoose, Hark and Locke – 7

**No:** -0-

**Absent:** -0-

Mayor Hark declared Bill No. 14-026 duly approved and adopted on this date.

## **RESOLUTION NO. 1978-14**

### **A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL ACCEPTANCE DOCUMENTS FOR THE PUBLIC DEDICATION OF LAKESIDE DRIVE**

Motion was made by Mayor Pro Tem Knickerbocker to have the City Clerk read Resolution No. 1978-14 and call the roll for adoption. Motion was seconded by Council Member Lionberger.

Motion carried.

#### **Roll Call**

**Yes:** Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, Council Members Van Hoose, Hark and Locke – 7

**No:** -0-

**Absent:** -0-

Mayor Hark declared Resolution No. 1978-14 duly approved and adopted on this date.

## **RESOLUTION NO. 1979-14**

### **A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT WITH SZC DEVELOPMENT, LLC, FOR THE CONSTRUCTION OF LAKESIDE DRIVE TO THE HANNIBAL LAKESIDE TECHNOLOGY PARK IN EXCHANGE FOR A PARTIAL SALES TAX REIMBURSEMENT GENERATED FROM 105 LAKESIDE DRIVE CURRENTLY UNDER CONSTRUCTION**

Motion was made by Mayor Pro Tem Knickerbocker to have a special voice vote in order to amend the development agreement, removing the language, *plus interest*, from Section Five of the agreement. Motion was seconded by Council Member Hark.

Motion carried. Motion was made by Mayor Pro Tem Knickerbocker to have the City Clerk read Resolution No. 1979-14 and call the roll for adoption. Motion was seconded by Council Member Lionberger.

Motion carried.

**Roll Call**

**Yes:** Mayor Pro Tem Knickerbocker, Council Members Dobson, Lionberger, Mayor Hark, Council Members Van Hoose, Hark and Locke – 7

**No:** -0-

**Absent:** -0-

Mayor Hark declared Resolution No. 1979-14 duly approved and adopted on this date.

**RESOLUTION NO. 1980-14**

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN ENGINEERING/ARCHITECTURAL SERVICE AGREEMENT BETWEEN THE CITY OF HANNIBAL AND MECO ENGINEERING COMPANY, INC IN AN AMOUNT NOT TO EXCEED \$19,000 FOR THE RENOVATIONS OF THE CLEMENS FIELD GRANDSTAND ROOF**

Motion was made by Council Member Dobson to have the City Clerk read Resolution No. 1980-14 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 Van Hoose, Hark and Locke – 7

**No:** -0-

**Absent:** -0-

Mayor Hark declared Resolution No. 1980-14 duly approved and adopted on this date.

**ADJOURNMENT**

Motion was made by Council Member Hark to adjourn. Motion was seconded by Mayor Pro Tem Knickerbocker.

Motion carried.

