

City of Hannibal

OFFICIAL COUNCIL AGENDA

Tuesday, December 15, 2020

Council Chambers

7:00 p.m.

ROLL CALL

Present: Council Members Bowen, Welch, Veach, McCoy, Mayor Pro Tem Dobson, Council Member Cogdal and Mayor Hark - 7

Absent: - 0 -

CALL TO ORDER

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

INVOCATION

The invocation was then given by Council Member Cogdal.

PLEDGE OF ALLEGIANCE

Mayor Hark then requested Hannibal Police Officer Frieling to lead the Pledge of Allegiance to the Flag.

APPROVAL OF AGENDA

A motion was then made by Mayor Pro Tem Dobson to approve the agenda, as presented and posted. The motion was seconded by Council Member McCoy.

Motion carried.

APPROVAL OF MINUTES

Closed Session Minutes – September 1, 2020

Closed Session Minutes – September 15, 2020

Closed Session Minutes – October 6, 2020

Closed Session Minutes – October 20, 2020

Regularly Scheduled Council Meeting – December 1, 2020

A motion was made by Council Member Veach to approve the minutes from the closed session meetings held September 1 and 15, 2020, October 6 and 20, 2020 along with the regularly scheduled Council meeting held December 1, 2020. The motion was seconded by Council Member Bowen.

Motion carried.

**APPROVAL OF PAYROLL AND CLAIMS
First Half – December 2020**

A motion was made by Council Member McCoy to approve the payroll and claims for the first half of December, 2020. The motion was seconded by Mayor Pro Tem Dobson.

Motion carried.

**AMANDA SCHULTZ, CPA – WILLIAMS KEEPERS, LLC
Re: Fiscal Year 2019/2020 Audit Presentation**

Amanda Shultz, audit partner with Williams Keepers, LLC, approached Council advising she is in attendance to present the audit summary for the year end June 30, 2020.

The first item she reviewed was the annual financial report, also referred to as the audited financial statements, as follows:

- An “unmodified” or a “clean” opinion of the City’s financial statements was issued. In their opinion the statements are presented fairly, in all material respects, which ended in conformity with generally accepted accounting principles (GAAP). This is the best opinion that a company can receive. This means the users of the City’s financial statements can rely on them.
- She explained that City management is responsible for the preparation of the financial statements, although Williams Keepers prepared them, it is a common practice for the City to approve them. City Management did review and approve the statements before they were issued.
- A risk assessment was performed by reviewing balances, transactions and processes. Attention was focused on areas where the financial statements might potentially be misstated, which means they did not audit every balance and every transaction, however, they audited enough to give the “unmodified” opinion.
- The financial statements include two different sets:
 - The Government-wide financial statements, which are full accrual and include all of the funds as well as capital assets and long-term debt and other liabilities, and
 - Fund financial statements, which are separated into governmental funds are on page 15-18, proprietary funds are on pages 19-21 and fiduciary funds which are

on pages 22-23, which are related to the pension trust funds for the Police & Fire Retirement Fund.

She then highlighted page two which summarized the government-wide financial statement for the year ends of June 30, 2020 and 2019. The financial statements are not comparative but the management discussion and analysis on pages 3-12 of the audited financial statements discusses the changes in the various categories.

The auditors' communication letter is another piece that is issued as a result of the audit. The letter includes comments about the audit process that is required by financial standards to communicate to the governing body of an auditee, which is the Council, for the City. No transactions were noted that were significant and unusual during the audit. There were no changes in accounting policies during this year, however, there will be a few changes during the next few years which are summarized in the report. One of which is the GASB 84, which deals with fiduciary activities that will be effective next year and GASB 87 regarding leases and GASB 89 regarding accounting for interest costs during a construction period, which will be effective in fiscal year 2022.

As part of the audit, the estimates affecting the financial statements were also evaluated and found reasonable in relation to the statements as a whole. The most sensitive estimates affecting the financial statements were the allowance for uncollectible, receivable balances, the fair value of investments, the net pension liability, the other post-employment benefit (OPEB) liability and related deferred outflows and inflows of resources. All which have existed in the City for years and with no new investments added.

The financial statement disclosures are neutral, consistent and clear. All of the disclosures required to support the financial statements are included in the auditor's report. The most sensitive disclosures affecting the statements were capital assets, long-term debt and commitments and contingencies.

The accounting records were found to be in good order, however they did propose a significant audit adjustments as a result of their procedures, which is common for a first year audit.

There were no disagreements with management on accounting or auditing issues and no difficulty in performing the audit and the auditing staff received full cooperation from City staff and are very appreciative of the cooperation.

She then reviewed the management letter which is used to communicate any findings on the City's internal controls and any other matters that would warrant the Council's attention. Although the scope of engagement was not directed towards an opinion of the adequacy of the City's internal controls, the purpose of a financial statement audit is to give an opinion on the statements and not give an opinion on internal controls. However, they do consider internal control a basis for designing audit procedures.

The management letter states that based on the limited procedures performed on internal control, no deficiencies were identified that were they considered to be material weaknesses. However, they did identify a significant deficiency, which is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by Council. It was related to the preparation of the City's financial statements. Again, as common for the first year audit performed by a successor auditor, significant adjustments

were identified to the books and records to prepare the financial statements. Those were primarily related to year end accrual balances and GASB 34 activity and balances. To clarify, they are required to report as a significant deficiency when they both propose significant adjustments to the financial statements and Williams Keepers prepare them, because they are ultimately giving an opinion on them. They have discussed this with management, specifically Karen Burditt and Lisa Peck, who are both in agreement with maintaining the City's books on the cash basis of accounting throughout the year and then converting o an accrual basis at year end in order to eliminate the need for them to propose significant adjustments to the financial statements going forward. This is very common for a first year audit performed by a successor auditor firm and should be resolved and removed from the management letter next year.

In addition the management letter includes opportunities for strengthening internal controls and operating efficiency but are not considered a significant deficiency or material weakness. One is accounting adjustments, in which they recommend all accounting adjustments be reviewed and the review be documented. Another being federal expenditure tracking, which they recommend the City ensure all expenditures of federal awards are tracked and documented throughout the year. Information technology, they are recommending the City develop and implement a formal password policy and communicating to all employees. With the last recommendation being employees' signature being on timesheets.

In conjunction with the financial statement audit, a MIRMA payroll audit was performed, which is based off of calendar year and they issued an "unmodified" or "clean" opinion on the schedule.

Mayor Pro Tem Dobson then questioned the main problem from the audit being relating to depreciation of assets, in which Ms. Schultz advised depreciation is part of it. However, all of the year end accruals and entries that are required by GASB, need to be recorded on the City's "books" as part of the audit process. They are recommending the City make those adjustments annually in preparation for the audit.

LISA PECK – CITY MANAGER

Re: Northeast Missouri Economic Development Council – Economic Development Services Agreement

(Resolution No. 2308-20, to follow)

Lisa Peck, City Manager, advised it is time for the renewal of the Northeast Missouri Economic Development Council's Agreement at the new rate. Peck advised Council has reviewed the new agreement and feels it's in the best interest of the citizens. The new agreement increases City funding to the Northeast Missouri Economic Development Council from \$100,000 to \$107,000. This will provide a comprehensive economic development approach by continuing to build the regional partnerships and larger organizational services necessary for a fully-comprehensive economic development approach, greater economic development resources are required.

Mayor Hark stated Resolution No. 2308-20 is to follow, for approval.

ANDY DORIAN – DIRECTOR, CENTRAL SERVICES

Re: Payroll Amendment No. 1 – Full-Time Street Maintenance Worker I

(Bill No. 20-033, to follow)

Andy Dorian, Director of Central Services, approached Council with two items. The first being the Street Department eliminating three current, part-time maintenance positions, and create one new, full time maintenance position. This position would be a Grade 6 Step 1, with a salary of \$28,569, if approved. Currently, the department has two openings for part-time positions, due to promotions within. They would like to promote the one remaining part-time employee to the new full-time position. The cost of eliminating the three part-time positions and creating a new full-time position is neutral. However, they still have “room” in the budget to hire a seasonal maintenance worker, this winter.

Mayor Hark stated Bill No. 20-033 is to follow, for a first reading.

Re: Airport Office Space – District Office Lease Amendment

Congressman Sam Graves - \$150/month

(Resolution No. 2309-20, to follow)

On Dorian’s last item of business, he advised that Bryan Nichols, the Communication Director for Congressman Sam Graves, would like to extend the office lease, an additional two years, for the office space they lease at the Hannibal Regional Airport for \$150 per month. If approved, this will extend the term until January 2, 2023. There are no other changes in the lease, compared to the existing.

Dorian stated Resolution No. 2309-20 is to follow, for approval.

GAIL BRYANT – DIRECTOR, HCVB

Re: Promote Missouri Fund, Marketing Match Grant – Application Authorization

Missouri Division of Tourism - \$20,625

(Resolution No. 2310-20, to follow)

Gail Bryant, Director of HCVB, approached Council requesting authorization to submit a grant application to the Missouri Division of Tourism and if awarded, allow the Mayor to sign all necessary acceptance documents. The grant amount is up to \$20,625, which allows them to increase additional awareness to the spring campaign, promoting Hannibal as a safe travel destination.

Mayor Pro Tem Dobson questioned Bryant, not in regards to her request tonight, but traveling to multiple locations and agencies for shows to promote Hannibal, and how COVID-19 has affected them. Bryant explained they are not attending any travel shows this year, however, they do have one scheduled in St. Charles that has not been canceled as of now.

**COREY MEHAFFY – EXECUTIVE DIRECTOR, HANNIBAL REGIONAL
ECONOMIC DEVELOPMENT COUNCIL**

Re: City Owned Property, West Side Industrial Park – Quit Claim Deed

ZHONGDING Sealing Parts (USA), Inc.

(Resolution No. 2311-20, to follow)

Corey Mehaffy, Executive Director for Hannibal Regional Economic Development Council, approached Council requesting Council approval for a quit claim deed. Being more of a house

keeping measure, and previously the City of Hannibal conveyed .7 of an acre tract of land to Zhongding Sealing Parts (USA) Inc, (formally known as Buckhorn Rubber Company). However, when Zhongding acquired the property, the tract of land in question was omitted in the legal description on the deed, showing the City of Hannibal is still vested. Obviously, the City is not interested in the property, therefore this would convey the property to Zhongding Sealing Parts (USA) Inc., as originally intended.

Mayor Hark stated Resolution No. 2311-20 to follow, for approval.

RESOLUTION NO. 2308-20

A RESOLUTION OF THE CITY OF HANNIBAL AUTHORIZING THE MAYOR TO EXECUTE AN ECONOMIC DEVELOPMENT SERVICES AGREEMENT, IN THE AMOUNT OF 107,000 BETWEEN THE CITY AND NORTHEAST MISSOURI ECONOMIC DEVELOPMENT COUNCIL FOR ECONOMIC DEVELOPMENT AND RELATED BUSINESS SERVICES

A motion was made by Council Member Bowen to have the City Clerk read Resolution No. 2308-20 and call the roll for adoption. The motion was seconded by Council Member Veach.

ROLL CALL

Yes: Council Members Bowen, Welch, Veach, McCoy, Mayor Pro Tem Dobson, Council Member Cogdal and Mayor Hark - 7

No: - 0 -

Absent: - 0 -

Motion carried.

Mayor Hark declared Resolution No. 2308-20 duly approved and adopted on this date.

RESOLUTION NO. 2309-20

A RESOLUTION OF THE CITY OF HANNIBAL AUTHORIZING THE MAYOR TO EXECUTE A DISTRICT HOUSE LEASE BETWEEN CONGRESSMAN SAM GRAVES AND THE CITY FOR OFFICE SPACE LEASED AT THE HANNIBAL REGIONAL AIRPORT, IN THE AMOUNT OF \$150 PER MONTH

A motion was made by Council Member Bowen to have the City Clerk read Resolution No. 2309-20 and call the roll for adoption. The motion was seconded by Mayor Pro Tem Dobson.

ROLL CALL

Yes: Council Members Bowen, Welch, Veach, McCoy, Mayor Pro Tem Dobson, Council Member Cogdal and Mayor Hark - 7

No: - 0 -

Absent: - 0 -

Motion carried.

Mayor Hark declared Resolution No. 2309-20 duly approved and adopted on this date.

RESOLUTION NO. 2310-20

A RESOLUTION OF THE CITY OF HANNIBAL AUTHORIZING THE APPLICATION PROCESS AND THE MAYOR'S EXECUTION OF THE ACCEPTANCE AND ANY SUBSEQUENT DOCUMENTS, RELATING TO MISSOURI DIVISION OF TOURISM, PROMOTE MISSOURI FUND PROGRAM GRANT IN THE AMOUNT OF \$20,625

A motion was made by Council Member McCoy to have the City Clerk read Resolution No. 2310-20 and call the roll for adoption. The motion was seconded by Council Member Veach.

ROLL CALL

Yes: Council Members Bowen, Welch, Veach, McCoy, Mayor Pro Tem Dobson, Council Member Cogdal and Mayor Hark - 7

No: - 0 -

Absent: - 0 -

Motion carried.

Mayor Hark declared Resolution No. 2310-20 duly approved and adopted on this date.

RESOLUTION NO. 2311-20

**A RESOLUTION OF THE CITY OF HANNIBAL AUTHORIZING
THE MAYOR TO EXECUTE A QUIT CLAIM DEED TO
ZHONGDING SEALING PARTS (USA), INC. AS TO CERTAIN
REAL PROPERTY IN RALLS COUNTY, MISSOURI**

A motion was made by Council Member Veach to have the City Clerk read Resolution No. 2311-20 and call the roll for adoption. The motion was seconded by Council Member Bowen.

ROLL CALL

Yes: Council Members Bowen, Welch, Veach, McCoy, Mayor Pro Tem Dobson, Council Member Cogdal and Mayor Hark - 7

No: - 0 -

Absent: - 0 -

Motion carried.

Mayor Hark declared Resolution No. 2311-20 duly approved and adopted on this date.

BILL NO. 20-031

**AN ORDINANCE AMENDING CHAPTER 32, ARTICLE I, OF THE
ORDINANCES OF THE CITY OF HANNIBAL BY ADDING
SECTION 32-35 *NON-CONFORMING USES* REGARDING
CONTINUATION OF NON-CONFORMING USES**

Second and Final Reading

A motion was made by Council Member Bowen to have the City Clerk read Bill No. 20-031 and call the roll for adoption. The motion was seconded by Council Member Veach.

ROLL CALL

Yes: Council Members Bowen, Welch, Veach, McCoy, Mayor Pro Tem Dobson, Council Member Cogdal and Mayor Hark - 7

No: - 0 -

Absent: - 0 -

Motion carried.

Mayor Hark declared Bill No. 20-031 duly approved and adopted on this date.

BILL NO. 20-032
(as amended)

AN ORDINANCE REZONING A TRACT OF LAND LYING IN THE WEST HALF OF THE WEST HALF OF SECTION 24, TOWNSHIP 57 NORTH, RANGE 5 WEST, MARION COUNTY, MISSOURI FROM A-ONE AND TWO FAMILY TO PDR-PLANNED DENSITY RESIDENTIAL ZONING DISTRICT CONTINGENT UPON A PRELIMINARY PLAT SHOWING SIDEWALKS IN THE REQUIRED LOCATIONS AND AMENDING THE CITY'S ZONING MAP ACCORDING

Second and Final Reading

A motion was made by Mayor Pro Tem Dobson to have the City Clerk read Bill No. 20-032, as amended, and call the roll for adoption. The motion was seconded by Council Member Veach.

ROLL CALL

Yes: Council Members Bowen, Welch, Veach, McCoy, Mayor Pro Tem Dobson, Council Member Cogdal and Mayor Hark - 7

No: - 0 -

Absent: - 0 -

Motion carried.

Mayor Hark declared Bill No. 20-032, as amended, duly approved and adopted on this date.

BILL NO. 20-033

AN ORDINANCE OF THE CITY OF HANNIBAL AMENDING THE FISCAL YEAR 2020/2021 PAYROLL ORDINANCE NO. 1 RELATIVE TO THE ELIMINATION OF THREE (3) PART-TIME STREET MAINTENANCE WORKER II POSITIONS AND CREATING ONE FULL-TIME STREET MAINTENANCE WORKER I POSITION

First Reading

A motion was made by Council Member McCoy to give Bill No. 20-033 a first reading. The motion was seconded by Council Member Veach.

Motion carried.

CLOSED SESSION ***In Accordance with RSMo. 610.021 (2)***

Mayor Hark then entertained a motion to enter closed session in accordance with RSMo. 610-021, sub-paragraph (2), admitting himself, City Council Members, City Attorney Ethan Matchett, City Manager Lisa Peck, City Clerk Angel Zerbonia and Police Chief Lyndell Davis. A motion was made by Council Member Veach to enter closed session. The motion was seconded by Council Member Bowen.

ROLL CALL

Yes: Council Members Bowen, Welch, Veach, McCoy, Mayor Pro Tem Dobson, Council Member Cogdal and Mayor Hark - 7

No: - 0 -

Absent: - 0 -

Motion carried.

OPEN SESSION

A motion was made by Mayor Pro Tem Dobson to return to open session. The motion was seconded by Council Member Welch.

Motion carried.

ADJOURNMENT

A motion was then made by Mayor Pro Tem Dobson to adjourn the meeting. The motion was seconded by Council Member Welch.

Motion carried.

James R. Hark, Mayor

Angelica N. Zerbonia, MRCC, CMO - City Clerk