

City of Hannibal

OFFICIAL COUNCIL PROCEEDINGS

**Tuesday December 7, 2021
Council Chambers
7:00 p.m.**

ROLL CALL

Present: Council Members Bowen, Welch, Veach, McCoy, Mayor Pro Tem Dobson,
Council Member Franke 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 Mayor Pro Tem Dobson.

PLEDGE OF ALLEGIANCE

Mayor Hark then requested Council Member Veach to lead the Pledge of Allegiance to the Flag.

APPROVAL OF AGENDA

A motion was made by Council Member McCoy to approve the agenda, as presented and posted.
The motion was seconded by Council Member Bowen.

Motion carried.

APPROVAL OF MINUTES

Regularly Scheduled Council Meeting – November 16, 2021

A motion was made by Mayor Pro Tem Dobson to approve the regularly scheduled Council meeting minutes held November 16, 2021. The motion was seconded by Council Member Franke.

Motion carried.

APPROVAL OF PAYROLL AND CLAIMS
Second Half – November 2021

A motion was made by Council Member Veach to approve the payroll and claims for the second half of November 2021. The motion was seconded by Council Member Bowen.

Motion carried.

JOHN TWITTY – PRESIDENT & CEO, MPUA
EWELL LAWSON – CHIEF OPERATING OFFICER - MAMU
Malon Public Service Award Presentation
Representative Louis Riggs

Ewell Lawson, Chief Operating Officer of the Missouri Association of Municipal Utilities (MAMU), approached Council informing them that John Twitty, President and CEO of Missouri Public Utility Alliance (MPUA), regretfully sends his regards for not attending tonight's meeting. Mr. Lawson is here to pass on his good wishes from more than 120 municipal utilities located from Missouri, Arkansas, Illinois, Mississippi, and Nebraska. Years ago, Hannibal leaders made some decisions that were in the long-term interest of the community by forming hometown utility to serve the community. Those benefits are easy to tell in just a few words.

Three of the biggest benefits are local control, affordable costs and reliability and this is why Hannibal has a hometown utility in Hannibal. We have formed a local Board that runs your utility company like a business, which is how you want it ran. This creates jobs and makes money that goes back to the community. This also creates affordable costs for the citizens and approved by Council and the Board of Directors. That is what hometown utilities are all about. It is also very important to have reliability which benefits economic development and health of the community. With all staffing being "local" this helps provide the most reliable, responsive services.

Mr. Lawson also stated that Hannibal Board of Public Works has again been named as a reliable public power provider, again a big economic development impact for the community. He feels the City should also be very proud of the employees as the MPUA is recognizing the HBPW for having a perfect safety record in 2020. This is very important to the community and to the health of the community.

Mr. Lawson stated he is here to recognize Representative Louis Riggs, who has played an important role locally, along with Jefferson City. Representative Riggs represents the fifth district, which includes the City of Hannibal, along with Marion, Shelby and Monroe Counties and has served in the House of Representatives since 2018. The first thing that Representative Riggs is being recognized is during the last legislative session in February, he was quick to act

on the impact of winter storm Uri as it affected local utility companies. He played a key legislative role in passing a budget measure that created a \$50 million dollar fund that utility companies could benefit from. He is recognized for his dedicated efforts to improve broadband development in the state of Missouri, another key benefit for communities. Representative Riggs is therefore presented with the Richard E. Malon Public Service Award on the behalf of MPUA.

Representative Riggs then thanked Mr. Lawson for the award and stated there are a lot of great things happening in Northeast Missouri. He thanked the utility companies for all of their hard work every day and during outages, also thanking all front-line workers for their efforts during times of need.

AMANDA SCHULTZ, CPA – WILLIAMS KEEPERS, LLC
Re: Fiscal Year 2020/2021 Audit Presentation

Amanda Schultz, audit partner with Williams Keeper, LLC, then addressed Council relating to the 2020/21 fiscal year auditing, reviewing the distributed the Summary Report, along with the annual financial report on the financial statements for the year ended June 30, 2021.

Williams Keepers have issued an “unmodified” or a “clean” opinion on the financial statements. In their opinion, the financial statements present fairly, in all material respects, the financial position of the activities and funds of the City as of June 30, 2021, and the respective changes in its financial position and cash flows for the year then ended in conformity with generally accepted accounting principles (GAAP). She advised City management is responsible for the preparation and fair presentation of the financial statements, including the design and implementation of internal control. Williams Keepers prepared the financial statements, which were reviewed and approved by management. The firm uses their judgment in determining how to audit the City, in which was based on their risk assessment performed on balances, transactions, processes, and controls. They focused their attention on areas where the financial statements could be misstated.

The financial statements included two different sets:

- Government-wide financial statements, which are full accrual and include all funds as well as capital assets and long-term debt and other liabilities, and
- Fund financial statements, which separate into governmental funds (revenue from taxes and other general sources and use modified accrual), proprietary funds (revenue from user charges and use full accrual), and fiduciary funds (revenue from contributions, fines and forfeitures, and taxes, and use full accrual).

The table provided, summarized the highlights from the government-wide financial statements as of and for the years ended June 30, 2021, and 2020. The Management’s Discussion and Analysis on pages 4 thru 12 of the audit discusses the changes in the various categories.

She advised that due to the City having expenditures of Federal awards over \$750,000, approximately \$1.2 million dollars, a single audit was required this year. Due to the single audit,

they issued two additional reports. The first being internal control and compliance, which also resulted in no material weaknesses found.

They also issued an Auditors' Communication Letter which consists of comments about the audit process and its results that required under their professional standards be communicated to an audit or similar committee of the governing board of an organization or entity. For the City, the City Council serves that role.

Highlights are as follows:

- No transactions noted that were considered both unusual and significant.
- GASB 84, *Fiduciary Activities*, implemented during fiscal year 2021.
- GASB 87, *Leases*, and GASB 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, will both have implemented during fiscal year 2022.
- Evaluation of estimates affecting the financial statements and found them reasonable in relation to the financial statements as a whole.
- The financial statement disclosures are neutral, consistent, and clear. All required disclosures included.

- Accounting records were found to be in good order, but propose several significant audit adjustments, as a result of procedures (primarily related to year-end accrual balances and GASB 34 activity and balances).

- No disagreements with management on accounting or auditing issues, and no difficulties in performing the audit, and received full cooperation from the City's staff.

They also issued a Management Letter which is used to communicate any findings they may have about the City's internal controls and certain other matters that are, in their opinion, significant enough to warrant attention.

Highlights are as follows:

- Although the scope of their engagement not directed towards an opinion on the adequacy of internal control, they considered internal control as a basis for designing our audit procedures.
- *A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. They did not identify any deficiencies in internal control that they consider to be material weaknesses.
- *A significant deficiency* 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 those charged with governance. They consider the following deficiency in the City's internal control to be a significant deficiency:

- Preparation of financial statements – they identified significant adjustments to the books and records used to prepare the financial statements (again, primarily related to year-end accrual balances and GASB 34 activity and balances); and they prepared the financial statements, including the note disclosures, so as to be complete and free of significant error under current accounting standards.
- In addition, they became aware of matters that are opportunities for strengthening internal control and operating efficiency but did not meet the definition of a significant deficiency or material weakness:
 - o Billing adjustments – they recommend the Hannibal Board of Public Works' (HBPW) billing adjustments reviewed and the review be documented.
 - o Federal expenditure tracking – they recommend the city ensure that all expenditures of federal awards tracked and documented throughout the fiscal year.
 - o Information technology – they recommend the HBPW develop and implement a formal password policy and communicate it to all employees.

They also perform an audit report for MIRMA. This document contains the City's schedule of payroll reportable to MIRMA for the year ended December 31, 2020, along with a report included on the schedule. They issued an "unmodified" or a "clean" opinion on the schedule.

Council Member Stephan Franke then questioned the portion mentioned on the significant adjustment of the City's books. He requested an explanation, in which Ms. Schultz advised that use all year-end accrual entries to establish, for the City side, accounts receivables, payables, fixed assets, etc. so that the report looks the way it does. He then advised that he has been on the Council for seven months and this is the first time he has seen financial statements. Ms. Schultz advised that the City is exploring cash and/or accrual requirements are in place, and management will advise if the method of accrual needs to continue. Council Member Franke would like to discuss significant adjustments into a different accounting method to see more financial statements.

Council Member Franke then questioned page seven of the actual audit, in which he advised he is unfamiliar with the groupings and questioned what the groupings were. Ms. Schultz advised that it was in the management's discussion and analysis, it being the summarization, all detail is contained in the audit, which is all the "functional expenses". Council Member Franke then requested a "cliff note" version of what falls under each. She referenced page 17, essentially the income statement for the City's governmental funds, the General Fund, and Parks Fund, then referred him to there being over \$1,000,000 in the General Fund for the development expenditures. Council Member Franke then asked community development expenditure breakdowns she referred him to page 70, Sales Tax Capital Improvement. City Manager Peck advised these would be street repairs and would find out all details and would get back to Council Member Franke. Ms. Schultz advised that the majority of these are reflected on page 71 in which is the Tourism Fund and there is a dedicated revenue source that funds those expenditures.

Council Member Franke then questioned cash reserves, in which she referred to page 13, which is the statement of net position or balance sheet on the government wide basis for all of the City's governmental activities. The General Fund, unassigned is about \$3.3 million.

He then pointed out that 45% of all the money that comes into the City goes directly back to Police and Fire Departments. He then questioned what percentage of the time they offer clean opinions with their existing clients, in which Ms. Schultz advised that the majority of their clients are issued clean opinions. They work very hard and closely with all their clients to assist in ensuring clean reports can be achieved.

Ms. Schultz then thanked the City and its personnel for their cooperation and assistance during the audit and advised she is looking forward to next year.

JAMES HARK - MAYOR
Re: Recommendation of Re-appointment

Mayor Hark then made the following recommendation of re-appointment to the Airport Commission Board.

AIRPORT COMMISSION

- **Michael Riesenbeck – reappointment for a term to expire September 2023**

He advised this nomination to be considered for approval at the next regular Council meeting, to be held December 21, 2021.

LISA PECK – CITY MANAGER
Re: Acquisition/Acceptance of Property – Portion of Shinn Lane – Assignment of Right of Way Transfer Agreement
Marion County Commissioners
(Resolution No. 2387-21)

Lisa Peck, City Manager, advised the County owns a small portion of Shinn Lane on the same stretch as the medical complex, while the City owns the remainder. For maintenance reasons, it would make sense for the City to own that portion also.

Peck stated Resolution No. 2387-21 is to follow, for approval, to transfer this to the City.

Re: Approval of Citizen Committee - Adjustment of Ward Boundaries

Peck's next item is the approval of a Citizen Committee for the adjustment of ward boundaries. She advised the 2020 census showed a declining population and the City is needing to look at the wards and boundaries. What Peck is requesting is a formation of a Citizen Committee which

would help to ensure that the wards stay consistent with the current one in effect, keeping with the following goals:

1. 1-person, 1-vote; no more than 10% variance between smallest and largest wards.
2. The *shape* of a Ward is largely irrelevant, equal population distribution is the goal.
3. Fully conscious of respecting residents' incumbent officials.
4. Try to maintain communities-of-interest in the ward. For instance, try to avoid stranding cul-de-sacs into a separate ward.
5. Try to take the simplest approach and preserve the current ward map as closely as possible.
6. Since all wards do not lie adjacent to one another, population adjustments between certain wards can be complex. For example, a ward over-populated by 300 people cannot necessarily shift territory to an under-populated ward if the two wards are not adjacent. Thus, the simpler the solution, the better.
7. Finally, MML literature cautions against diluting predominantly minority neighborhoods by unnecessarily splitting ward boundaries within them. This is particularly necessary to watch for should wholesale restricting occur.

Mayor Pro Tem Dobson questioned if the census affects all the wards, in which Peck advised she is unsure, she is waiting for "shape files" for the wards. She believes they all will have changed some but is unsure of how much. She advised in 2010 several boundaries were "re-drawn". There is a difference of 808 people between the 2010 and 2020 census.

Council Member Franke then questioned the process of selecting the wards, and if there is a formula. City Attorney Lemon advised there is no guideline in the Charter, which has been done different ways, however, he and Peck are discussing it. The big concern is to ensure they are complying with state and federal laws and making sure there is citizen input to make sure their voices are heard, if it would be like they were planning to change wards. Council Member Franke agrees and feels it is a great idea and then questioned if it would be like the Building Commission where they have public hearings. Peck advised that ultimately the Council would have to approve the ward maps, themselves. The last time the process was done, which was the year following the census, which took two years. Peck also feels it is important to obtain public input.

A motion was made by Mayor Pro Tem Dobson to approve City Manager Peck forming a Citizen Committee to adjust the ward boundaries. The motion was seconded by Council Member Veach.

Motion carried.

Re: Approval of Appointment

Peck then reminded Council of the candidate she presented for recommendation of appointment during the last Council meeting. She is recommending approval of John Hamilton appointed to the Board of Adjustment as an alternate, for a term to expire May 2026.

A motion was made by Mayor Pro Tem Dobson to approve the appointment of John Hamilton to the Board of Adjustment as an alternate, for a term to expire May 2026. The motion was seconded by Council Member McCoy.

Motion carried.

ANDY DORIAN – DIRECTOR, CENTRAL SERVICES

Re: Sale of City Owned Property, 1906 Irwin – Special Warranty Deed & Agreement for Transfer of Real Estate

*Shawn and Billie Frick - \$575
(Resolution No. 2388-21, to follow)*

Andy Dorian, Director of Central Services, then approached Council advising he received a request from Shawn and Billie Frick to purchase City owned property known as 1906 Irwin. If approved the sale price would be \$575, including closing costs (recording fees).

Dorian stated Resolution No. 2388-21 is to follow, for approval.

Council Member Franke questioned why the price was increased, in which Dorian advised it includes closing costs, and payment upfront versus trying to track the owner down to collect following the recording process.

PHYLLIS NELSON – CITY COLLECTOR

Re: Approval, Business Closures – Delinquent, Unlicensed Businesses & Contractors

Phyllis Nelson, City Collector, approached Council requesting approval to send “final” delinquent letters to businesses and contractors that still have not renewed their business license for the 2021/2022 fiscal year. She stated this is a process that is done annually, however, requires Council approval first, as this gives the entities 30 days to renew or close the business.

Council Member Bowen questioned if additional phone numbers and addresses to reach out to the business owners were on file, which City Clerk Zerbonia stated that Debbie White, ARP Office Manager, and Deputy Collector Pam Block, have called numerous times to try to contact these businesses, along with several delinquent notices mailed. All addresses and phone numbers have been updated, as received.

If approved, Nelson will send a letter giving the business/contractor 30 days to renew their license, if not renewed she will then contact the Hannibal Police Department to close the business.

A motion was made by Mayor Pro Tem Dobson to authorize City Collector Nelson to send “final” letters to the delinquent businesses/contractors that have not renewed their 2021/2022 business license. The motion was seconded by Council Member Bowen.

Motion carried.

RESOLUTION NO. 2387-21

A RESOLUTION OF THE CITY OF HANNIBAL AUTHORIZING THE MAYOR TO EXECUTE AN ASSIGNMENT OF RIGHT OF WAY TRANSFER AGREEMENT BETWEEN THE CITY AND THE MARION COUNTY COMMISSION REGARDING SHINN LANE, A ROADWAY LOCATED IN THE CITY OF HANNIBAL

A motion was made by Council Member Veach to have the City Clerk read Resolution No. 2387-21 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 Franke and Mayor Hark - 7

No: - 0 -

Absent: - 0 -

Motion carried.

Mayor Hark declared Resolution No. 2387-21 duly approved and adopted on this date.

RESOLUTION NO. 2388-21

A RESOLUTION OF THE CITY OF HANNIBAL AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR TRANSFER OF REAL ESTATE AND SPECIAL WARRANTY DEED BETWEEN THE CITY AND SHAWN FRICK AND BILLIE FRICK FOR THE SALE OF CITY OWNED PROPERTY LOCATED AT 1906 IRWIN IN THE AMOUNT OF \$575

A motion was made by Mayor Pro Tem Dobson to have the City Clerk read Resolution No. 2388-21 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 Franke and Mayor Hark - 7

No: - 0 -

Absent: - 0 -

Motion carried.

Mayor Hark declared Resolution No. 2388-21 duly approved and adopted on this date.

**BILL NO. 21-035
(as amended)**

AN ORDINANCE OF THE CITY OF HANNIBAL PROVIDING FOR SUBMISSION OF A PROPOSAL (*PROPOSITION ONE*) TO ALLOW THE CITY OF HANNIBAL TO IMPOSE AN ADDITIONAL, LIMITED CITY SALES TAX OF ONE HALF (1/2) PERCENT FOR THE SOLE PURPOSE OF FUNDING CITY-WIDE INFRASTRUCTURE AND REMEDIAL IMPROVEMENTS TO BE IN EFFECT FOR A PERIOD OF FIVE-YEARS, TO THE QUALIFIED VOTERS OF THE CITY FOR APPROVAL AT THE MUNICIPAL ELECTION TO BE HELD ON TUESDAY, APRIL 5, 2022

Second & Final Reading

A motion was made by Council Member Bowen to have the City Clerk read Bill No. 21-035 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 Franke and Mayor Hark - 7

No: - 0 -

Absent: - 0 -

Motion carried.

Mayor Hark declared Bill No. 21-035 duly approved and adopted on this date.

CLOSED SESSION
In Accordance with RSMo. 610.021 (3) (13)

Mayor Hark then entertained a motion to enter into closed session in accordance with RSMo. 610-021, sub-paragraphs (3) and (13). He is requesting to admit himself, City Council Members, City Attorney James Lemon, City Manager Lisa Peck, City Clerk Angel Zerbonia and ARP Office Manager Debbie White. A motion was made by Council Member Veach to enter into closed session. The motion was seconded by Council Member Welch.

ROLL CALL

Yes: Council Members Bowen, Welch, Veach, McCoy, Mayor Pro Tem Dobson, Council Member Franke 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 Franke.

Motion carried.

ADJOURNMENT

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

Motion carried.

James R. Hark, Mayor

Angelica N. Zerbonia, MRCC, CMO - City Clerk