MINUTES OF THE SPECIAL MEETING OF THE BOARD OF ALDERMEN
OF THE CITY OF OSAGE BEACH, MISSOURI

October 25, 2016

The Board of Aldermen of the City of Osage Beach, Missouri, met at 6:00 p.m. on Tuesday, October 25, 2016, at City Hall. The following were present: Mayor John Olivarri, Alderman Kevin Rucker, Alderman Ron Schmitt, Alderman Phyllis Marose, Alderman Lee Schuman, and Alderman Tom Walker. Absent: Alderman Jeff Bethurem. City Administrator Jeana Woods, City Attorney Ed Rucker, City Treasurer Karri Bell, Administrative Assistant Lisa Woodson, Public Works Director Nick Edelman, and City Clerk Cynthia Lambert were also present.

General Fund

City Administrator Jeana Woods gave a brief overview of the General Fund Balance noting the year-end projection was anticipated to be slightly higher than what had been budgeted for 2016. For the 2017 budget year, staff had conservatively projected approximately a 2% increase in the overall General Fund balance.

City Administrator Woods highlighted various carryovers in departments and noted that discussions were still underway to finalize an agreement for a School Resource Officer. In addition, City Administrator Woods commented that there would not be a transfer from CIT to Parks in the upcoming budget.

Alderman Schmitt noted that the fund summary listed expenditures of $30 million while revenues listed only $26 million which he felt was a disturbing trend. Mayor Olivarri commented that many of the expenses were encumbered expenses from the previous year or two. Alderman Rucker also expressed concern over the increased expenditure amount being higher than projected revenue. Alderman Rucker requested the City Administrator to consider posting the 2017 with the 2016 projects being rolled over. The City Administrator explained the Summary pages provide most of the requested information. Alderman Rucker also inquired about the FEMA/SEMA money. City Administrator Woods noted that the funds received this year were from the 2013 flood.

Capital Improvement Tax Fund (CIT)

City Administrator Woods reviewed the Capital Improvement Tax Fund noting that the ½ cent tax was split between the Water and Sewer for debt relief. Mayor Olivarri noted it was estimated to have more in 2017 than then current year.

Transportation.

Public Works Director Nick Edelman gave an overview of his department needs including current and upcoming projects. Public Works Director Edelman highlighted the two seasonal employees would be assigned to moving of the Parkway which is estimated to be done every other week depending on weather. Public Works Director Edelman also reviewed the various equipment that was requested along with their needs and uses. Alderman Marose agreed that mowing every other week should work well along the Parkway area noting that the new sidewalks would need to be watched and maintained as well.

Alderman Rucker inquired if Edelman had talked to the Road District for HH regarding mowing of steep inclines. Nick advised he had not at this time, but was using the expertise of his new foreman who had

worked for MoDOT when it came to issues with mowing the Parkway and the request for the compact tractor.

Alderman Schuman inquired if use of rock and chemical spraying was considered as an alternative to deal with some of the steep inclines that would need to be mowed. Public Works Director Edelman stated that he had not been looking at that option at this time; however, MoDOT was currently looking into chemical applications for an evasive weed. MoDOT may test the program in the Osage Beach area.

Alderman Schmitt inquired as to uses of the self-restricted funding and of the $2 million given by MoDOT for the city to take over the Parkway. Public Works Director Edelman highlighted that the city planned to sealcoat all of the Parkway along with some other streets. He further noted that the City does not control all of the Parkway and that he was working with several other entities to workout funding agreements in order to sealcoat the entire Parkway. City Administrator Woods highlighted that the $2 million from MoDOT for the Parkway was placed by the city in a self-restricted funding account which has experienced an increase.

Public Works Director Edelman further highlighted that the MACE Road Project is underway with the design portion not being done in-house. Alderman Rucker inquired as to the timetable for this project. Edelman stated he anticipated sending out the Request for Qualification before the end of the year and then submitting an agreement to the Board for approval in January Edelman highlighted that the Osage Beach Special Road District had contributed $250,000 to the MACE Road project as well as $250,000 for the Nichols Road Improvements project. Edelman further explained several of the other projects listed for 2017 included possible complications which may delay their completion.

Discussion followed regarding issues associated with the Nichols Road Project including water and sewer lines not being found in there anticipate location. Rucker inquired as to why the City didn't know where lines were located. Public Works Director Edelman stated that at the time the water and sewer lines were laid at Nichols Road the City did not have a construction inspector to ensure the code as being followed. Alderman Schuman concurred that in the 1980's the city did not have an inspector. Public Works Director Edelman commended his staff for doing an outstanding job in dealing with the issues with the Nichols Road project.

Alderman Marose inquired if it was realistic that the list of projects for 2017 could be completed. Public Works Director Edelman stated he believed it was doable, noting that with the progress in the Nichols Road Project he would be able to allocate staff to other projects.

Water and Sewer Fund.

Public Works Director Nick Edelman highlighted that one of the 2017 projects included cleaning of two towers (Columbia College & Passover). The Tower a Bluff Drive would be scheduled for cleaning in 2018. Public Works Director Edelman noted that the HDR Engineering had recently started work on the Water Master Plan, but there would be carryover of 2016 funds into 2017 to complete the study.

Alderman Rucker inquired as to the significant increase in Water Collection. City Administrator Woods stated that was due in part to an anticipated increase in usage. Additional discussion followed concerning capital purchases as well as the purchases that were being carried over from previous years.

Sewer.
Public Works Director Nick Edelman reviewed various points of the sewer budget noting the lift pumps were over 30 years old and would need to be address soon. Alderman Marose inquired about the cost for a vehicle. Public Works Director Edelman explained how the City would be able to purchase the vehicle off the state procurement plan. Public Works Director Edelman also explained various upcoming projects which may be addressed during the upcoming fiscal year.

Alderman Rucker inquired about the carryover funding and was advised that the carryover was mainly in conjunction with the lift station. Alderman Rucker inquired as to various aspects relative to salaries and benefits. City Administrator responded to the inquiries. Alderman Rucker also noted an increase in Professional Services. Public Works Director Edelman stated that such items as pipe tracking, generator maintenance, etc. were items included under that line item. General discussion followed regarding different line items.

City Attorney.
City Attorney Ed Rucker thanked the Board for an increase in Training & Conferences in his budget. City Attorney Rucker noted that instead of going to IMLA this year, he planned to attend the ABA Conference on Employment Law which would be helpful given the large amount of time he spends on employment issues.

City Treasurer.
City Treasurer Karri Bell gave an overview of her department including training for her employees. Treasurer Bell plans to go to GFOA training in Denver this year. She noted that she does not anticipate any changes in personnel in the upcoming fiscal year. Alderman Rucker inquired why the Health Insurance costs went down in her Department this year. Treasure Bell noted that was primarily due to employees being carried on the spouses plan.

Prewitt Point TIF
City Administrator Jeana Woods noted that this fund paid the Prewitt Point TIF Bonds, and that all monies were restricted until 2023.

Dierbergs TIF
City Administrator Jeana Woods stated that this particular TIF was a "pay as you go" plan; noting that only when funds come in are payments made to Dierbergs.

Treasurer Bell also noted that the property tax issue had been settled and the TIF should receive an addition $90,000 for 2015 and 2016.

There being no further business to come before the Board of Aldermen, the meeting adjourned at 7:50 p.m.

I, Cynthia Lambert, City Clerk, does hereby certify that the above foregoing is a true and complete journal of proceedings of the meeting of the Special Board of Aldermen meeting of the City of Osage Beach, Missouri, held on October 25, 2016.

Cynthia Lambert, City Clerk

John Olivarri, Mayor