

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

October 14, 2010

The Board of Aldermen of the City of Osage Beach, Missouri, met for a special meeting on Thursday, October 14, 2010 at 6:00 p.m. at City Hall. The following were present: Mayor Penny Lyons, Alderman Lois Farmer, Alderman David Gasper, Alderman Steve Kahrs, Alderman John Olivarri, Alderman Ron Schmitt and Alderman Kevin Rucker. Others present were City Administrator Nancy Viselli, City Attorney Ed Rucker, City Engineer Nick Edelman, Assistant City Administrator Jeana Albertson, Police Chief Dave Severson, City Treasurer Karri Bell, City Planner Cary Patterson, Building Official Ron White, Airport Manager Budd Hyde, Human Resource Specialist Cindy Leigh, Park and Recreation Manager Brian Willey, IT Manager Jim Davis, Public Works Supervisor Rick King, and City Clerk Diann Warner.

**Bid Award.** Panels for Sewer Stations

One bid was received from Municipal Equipment in the amount of \$55,615.00. Budgeted amount is \$56,700.00 in line item 35 774255. Superintendent of Public Works Rick King recommended award to Municipal Equipment.

Alderman Olivarri moved to award the bid for panels to Municipal Equipment in the amount of \$55,615.00 as recommended. Alderman Rucker seconded the motion which was voted on and unanimously passed.

**Proposed Contract Modification.** Zebra Road and Stewart Drive, Phase 1

City Engineer Nick Edelman explained the two major reasons for this modification:

Water and Sewer adjustments are needed to complete the relocation of the water and sewer lines. There are a couple of properties that did not accept water. Since the water main is in the roadway, if they ever need to connect onto City water they would have to cut the roadway. To eliminate that need, we propose to extend a water line tap over to their property. When they come in for a permit they would pay the City back for this work by the water tap fee.

The second reason for this modification is a driveway. We need to move a drive on the gravel portion of Links Road.

Funding for this modification can come from 20-00-773206 Zebra Connector.

The Engineering Department recommends approval of this modification in the amount of \$12,880.03.

Alderman Kahrs asked if the City will slow down on phase 2 since there is a possibility of Dierbergs coming to the High Pointe site. City Engineer Edelman responded that the design for phase 2 has been put on hold.

Alderman Olivarri moved to approve Contract Modification #2 for the Zebra Road and Stewart Drive Phase 1 project as recommended in the amount of \$12,880.03. Alderman Gasper seconded the motion which was voted on and unanimously passed.

**2010 Third Quarter Budget Review.**

Assistant City Administrator Jeana Albertson explained the estimated expenditures through the end

of 2010. Alderman Kahrs asked for a breakdown of the amount saved. Ms. Albertson explained that not all the savings are capital projects but are permanent savings. She said the percentage is below the amount projected to be spent and staff has done an excellent job of watching spending. Mayor Lyons commented that \$12 million in building permits have been issued that were not anticipated.

Alderman Kahrs asked the amount the City needs for operating expenses for six months. The figures are not available however Ms. Albertson will provide the information. Alderman Rucker asked that in addition to the amount needed for operating expenses for six months, he would like to see a breakdown of payroll.

### **2011 Preliminary Budget Discussion.**

City Administrator Nancy Viselli explained that the City's consultant analyzes and compares 25% of the positions annually and this year, administrative positions were analyzed. The recommendation from the consultant is to upgrade the Park Manager and the Animal Control Officer positions. The consultant also recommend that the pay plan be adjusted 2.04% this year.

City Administrator Viselli explained that several people have retired or quit and the salary to replace them is less due to them being paid less than the employees who left. She compared the personnel services over the last several years.

2006 - \$5.8 million; 2007 - \$5.9 million an increase of 2.3%; 2007 to 2008 an increase of 6%. Personnel services increased \$26,000 from 2008 to 2009, an increase of .4% . From 2009 to 2010 there was an increase of \$152,000 or 2.5%. City Administrator Viselli explained some of the factors contributing to these changes.

City Administrator Viselli said that actuals will always be less than budget because not everyone gets the maximum pay increase. She recommended that the pay plan be increased 2.04% and the Animal Control Officer and the Park Manager positions be increased as recommended by the consultant.

Alderman Kahrs stated that the revenue did not come in as projected and the economy is still shaky. He added that the one way couple will affect the businesses and the expressway will affect the economic health of the City. Alderman Kahrs stated that he is concerned about hard costs and benefits for employees, and to proceed with a 2.4% increase is not realistic. City Administrator Viselli said that there would be some options for the Board to consider. She added that the education incentives were cut in half which was a savings and pager pay has been adjusted. She reminded the Board that in July she showed a total savings in the General Fund from budgeted amounts of almost \$75,000.

Alderman Kahrs voiced his concern about health insurance benefits and the amount employees contribute towards the premiums. He added that small departments cannot cut anymore and the largest departments are public works and the police department. He said that if revenues do not increase, there will have to be staff cuts. Alderman Kahrs said that he did not know of any business that offers the benefits that the City does.

Alderman Rucker applauded staff for keeping the budget in check but there is nothing else to cut. He expressed his concerns about salary increases. Alderman Olivarri said that the proposed 2.04% increase in the pay plan and upgrading two positions would not be that much money and adjusting the pay plan would not mean there would be pay increases. City Administrator Viselli said that

adjusting the pay plan would result in only a few positions being in different quartiles on the Matrix.

City Engineer Nick Edelman explained that in previous years, the co-ops have worked from May to December but due to some upcoming projects, he would like to hire them to work from January to August. He said there would be no increase for this change. There were no objections to the co-ops working from January to August.

Superintendent of Public Works Rick King explained that if MoDOT completes the expressway on the west side ahead of schedule, it may be necessary to amend the budget in 2011 for additional personnel and equipment. There were no objections to waiting until 2012 to budget for additional personnel and equipment.

Mr. King explained the idea of enhancing the leaf pickup to include private streets. He suggested that biodegradable bags be used for those who want to bag the leaves and they would be picked up by public works crews. He said that the leaf pick up would begin November 8 with one pass with the leaf vacuum, however, there would be more trips to pick up the bags or residents could drop off the bags at the public works facility. Mr. King said that plastic bags would not be picked up and only leaves are allowed in the biodegradable bags.

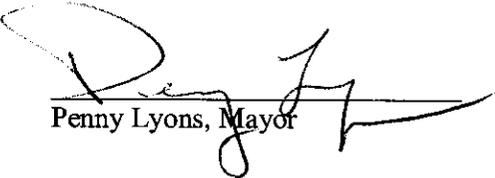
**Appointment to the TIF Commission.**

Mayor Lyons asked the Board to approve the appointment of Ron Rule to the TIF Commission to replace Gary Hamner who resigned due to health reasons. The term expires May 2012.

Alderman Kahrs moved to approve the appointment of Ron Rule to the TIF Commission to replace Gary Hamner whose term expires May 2012. Alderman Schmitt seconded the motion which was voted on and unanimously passed.

There being no further business to come before the Board of Aldermen, the meeting adjourned at 6:50 p.m.

  
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Diann Warner, City Clerk

  
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Penny Lyons, Mayor