

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

November 10, 2010

The Board of Aldermen of the City of Osage Beach, Missouri, met for a special meeting on Wednesday, November 10, 2010 at 6:30 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, Assistant City Administrator Jeana Albertson, City Treasurer Karri Bell, City Planner Cary Patterson, Human Resource Specialist Cindy Leigh, and City Clerk Diann Warner.

2011 Budget Discussion.

Planning Department.

Upon a question from Alderman Rucker about Tiger files, City Planner Cary Patterson explained that the City has updates through the USGS and the City has a GIS system and maintains it. He said he has never received a request for Tiger file updates. Mr. Patterson explained that there is an increase in Animal Control because there is an increase in the number of animals taken to the shelter. A hand held launcher is being requested because there is a problem with dogs running into traffic when the officer is trying to contain them.

Revenues.

Consensus was that there should be an amount in reserves for six months operating expenses. Mayor Lyons explained that a great deal of money was spent on the construction of City Hall and the Park. She said that the City made a commitment to fund the Park and the amount in reserves has decreased because of it. Assistant City Administrator Jeana Albertson had figures going back to the year 2000, and there will be 5.3 months of operating expenses in the general fund at the end of 2011.

Discussion followed on the revenues and the amount needed. Assistant City Administrator Jeana Albertson said that the projections are based on historical data and there will be additional revenues when the General Obligation Bonds are paid off.

Alderman Rucker moved to project the revenues for 2011 at \$4.1 million. Alderman Kahrs seconded the motion.

City Administrator Nancy Viselli said that the general fund would have a balanced budget if we did not have to subsidize the ambulance fund. She added that both the Grand Glaize Airport and Lee C. Fine Airport would be self supporting in 2011. City Administrator Viselli said that without a tax, she did not know how general fund could continue to support the ambulance service. She said general fund subsidizes the two airports and the ambulance service at a cost of over \$730,000.

The motion to project the 2011 revenues at \$4.1 million was voted on and passed with Alderman Farmer and Alderman Olivarri expressing negative votes.

Revenues in different departments were reviewed.

Human Resources.

Human Resources Specialist Cindy Leigh introduced a new health care plan for the Board to consider that will cut costs in 2011 by \$40,029 and by \$80,057 for future years. The health insurance recommendation would create significant cost savings to the City, have a low monetary impact to employees, increase health care consumerism and the City would remain competitive as an employer.

The recommendation is to change the health insurance base from Plan A to a High Deductible Health Plan (HDHP) with a Health Savings Account with an option for employees to buy up to Plan A or Plan B. The change would be effective July 1, 2011. The recommendation also includes a change to appointees' health insurance to be the same as employees which would be a savings of \$18,260 for six months and changing to an HDHP would add an additional \$2,722 to the 2011 budget for appointees only. Future budgets would reflect a savings of \$41,964 for appointees.

Mrs. Leigh said that changing to the HDHP and changing appointees would reflect an annual savings of \$122,021 for 12 months or \$61,011 for 2011. She said that the City would contribute \$1,200 to a health savings account and the employee is allowed to contribute up to \$6,050 per year in the HSA. MPR will come in the spring to meet with employees to explain the program.

Alderman Rucker moved to approve the High Deductible Health plan effective July 1, 2011. Alderman Olivarri seconded the motion which was voted on and passed.

Discussion followed on employee compensation and benefits. The 2011 budget includes merit increases based on the current pay plan. The increase is 2.42% over 2010 actuals which \$107,357 City wide (\$74,436 from the general fund). The average merit increase projected in 2011 is \$1,354 compared to \$1,455 in 2010.

Alderman Kahrs moved to freeze salaries at the 2010 level. Alderman Schmitt seconded the motion. Alderman Schmitt said that the military and Social Security has not had a raise in two years and City employees are the best paid in the area. Alderman Rucker said that there is a downward trend and maintaining salaries the same as in 2010 is justified. Alderman Gasper disagreed and stated that the increase to general fund would only be \$74,000 and if the transfer problem was solved the Board would not be having this type of discussion.

The motion to freeze salaries at the 2010 level was voted on and passed with Alderman Farmer, Alderman Gasper and Alderman Olivarri expressing negative votes. The vote resulted in a tie, therefore, Mayor Lyons voted in the affirmative to break the tie.

Mayor Lyons announced that she can see both sides; however she will readdress and reconsider the issue in 3 to 6 months if revenues come in as expected.

Alderman Rucker asked Human Resources Specialist Cindy Leigh to look into self insurance for short term disability. He also questioned whether employees would still be able to opt out of the health insurance plan when the new plan becomes effective. City Administrator Viselli responded in the affirmative and stated that employees may opt out if they show proof of other insurance.

In response to a question by Alderman Olivarri, Cindy Leigh said the line item for the Employee Appreciation Dinner was deleted from the 2011 budget which accounted for the decrease in the employee program line item.

City Administrator.

A question arose about the vehicle allowance for the City Administrator and whether she received the IRS rate per mile. City Administrator Nancy Viselli responded in the negative but stated that employees who travel get the IRS rate.

Economic Development.

The line item for holiday display is to put up and take down the snow flakes and replace them with the welcome banners. The newsletter is produced quarterly however Assistant City Administrator Albertson said that with the new website, mailing the newsletter may eventually be discontinued and it would be emailed to citizens and others requesting it.

Mayor and Board.

It was noted that the MML Conference will be held in Kansas City next fall so no funds were budgeted to attend. The appreciation dinner for volunteers is included in the public relations line item. Alderman Rucker moved to reduce the public relations line item to \$7,000. Alderman Kahrs seconded the motion which was voted on and unanimously passed.

City Clerk.

The line item for codification includes maintenance of the Code of Ordinances on the City's website.

Municipal Court.

There were no comments on this budget.

Overhead.

City Administrator Viselli said that no money is spent from the contingency line item without Board approval. Mayor Lyons said she may be requesting funds from the contingency line item if LOCLG asks for an increase in membership dues based upon population.

Assistant City Administrator Jeana Albertson said that the insurance budget was underbudgeted partly due to the Osage Beach City Park. City Treasurer Karri Bell explained that she had proposed \$8,000 in the budget for a consultant to bid out the City's insurance, however, forms are being completed and Naught-Naught will send them out for quotes from different companies. The City is self insured for unemployment compensation and the amount depends on the number of employees who leave employment with the City.

Collector.

There were no comments concerning this budget.

Finance.

There were no comments concerning this budget.

CIT.

These funds are restricted along with accumulated interest and are deposited in the combined water and sewer fund. Assistant City Administrator Albertson said these numbers would also decrease based on the earlier vote to reduce revenues.

TIF.

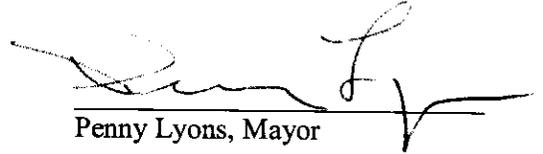
It was noted that the expenses are higher than the revenues. City Treasurer Karri Bell said there is less fluctuation in the TIF area than Citywide. She added that the starting balance may be more in the UMB account, however the semi-annual report shows more than these numbers. City Treasurer Bell said it would help if the developer would release the property taxes.

Discussion followed on the roads in the Transportation Development District. City Administrator Viselli contacted the attorney to let him know the roads in the TDD are in terrible condition. Mayor Lyons said there is very little oversight in a TDD. It was noted that Lowes is in the TIF but not in the TDD.

There being no further business to come before the Board of Aldermen, the meeting adjourned at 8:30 p.m.



Diann Warner, City Clerk



Penny Lyons, Mayor