

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

October 13, 2011

The Board of Aldermen of the City of Osage Beach, Missouri, met for a special meeting on Thursday, October 13, 2011, at 6:30 p.m. at City Hall. The following were present: Mayor Penny Lyons, Alderman Lois Farmer, Alderman Steve Kahrs, Alderman John Olivarri, Alderman Kevin Rucker and Alderman Ron Schmitt. Alderman Fred Catcott was absent. City Clerk Diann Warner was present and performed the duties of the City Clerk's office.

Others present were as follows: City Administrator Nancy Viselli, Assistant City Administrator Jeana Albertson, IT Manager Jim Davis, Building Official Ron White, Airport Manager Budd Hyde, Police Chief Todd Davis, City Engineer Nick Edelman, Human Resources Specialist Cindy Leigh, City Treasurer Karri Bell, and City Attorney Ed Rucker, City Planner Cary Patterson, and Park Manager Brian Willey.

Third Quarter Budget Review.

Board members reviewed the third quarter budget reconciliation by fund as of September 30, 2011. Assistant City Administrator Albertson said the latest sales tax receipts are not included in the report that was sent to the Board a week ago.

According to the financial statements as of September 30, 2011, revenues are 82.3% and expenses are 74.7%.

Lump Sum Cost of Living Adjustment.

City Administrator Nancy Viselli provided information on the cost of various percentages for a one time lump sum cost of living adjustment for full time employees. Those employees who have review dates up to October 21st would be eligible for the adjustment on the next payroll and those with review dates after October 21st would be eligible for the adjustment on the payroll following their review date.

Alderman Rucker questioned the forfeiture account since he is familiar with 401 plans where the money would be returned to the general fund and not a fund that is used for employee related items. It was noted that the 401 plan documents do not allow forfeited funds to be returned to the general fund.

Alderman Kahrs spoke about the payroll tax reduction which is an additional 2% on employees' paychecks. Alderman Rucker questioned the reason a 3% lump sum cost of living adjustment is \$135,000, and last year when 3.4% increases were removed from the budget only saved \$107,000. Human Resources Specialist Cindy Leigh said last years' figure was an estimate from October to December, and vacancies may have affected the estimated savings. The cost for the one time lump sum is based on the current payroll and employees receiving the entire amount in 2011.

Discussion followed on reserves in each fund. City Administrator Nancy Viselli said there are 5 ½ months in reserves in the general fund. Alderman Olivarri said that salaries come from all funds; the City has an annual budget of \$9.7 million and removing capital and divide that number by 12 is \$812,000 per month or 7 ½ months in reserve. Assistant City Administrator Albertson said no restricted funds were included in the calculations.

Alderman Kahrs said that no one is more deserving than employees and the City may have reserves,

however he said the west side of the expressway will open and how businesses will be affected is unknown. He said there are many variables that the City may not be prepared for in 2012. Alderman Rucker said an increase should be given now or in January 2012 but the City may be in a better financial position in January.

Mayor Lyons said she spoke with business owners that serve the area and more than half of their employees got a cost of living increase, and one business gave both a raise and a COLA. Alderman Olivarri said the proposal is based on an increase for all employees and he asked about those employees who may be underperforming. City Administrator Nancy Viselli said that underperformers would receive a COLA but not a merit increase. She added that while performance issues are addressed immediately, no employees are currently on probation.

Alderman Farmer moved to approve a 3% one time lump sum cost of living adjustment for full time employees. Alderman Schmitt seconded the motion which was voted on and passed with Alderman Kahrs and Alderman Rucker expressing negative votes.

Alderman Rucker moved to direct staff to prepare an ordinance amending the 2011 budget for a 2% one time cost of living adjustment. There was no second to the motion.

Alderman Farmer moved to direct staff to prepare an ordinance amending the 2011 budget for a 3% one time cost of living adjustment for full time employees. Alderman Schmitt seconded the motion which was voted on and passed with Alderman Kahrs and Alderman Rucker expressing negative votes.

Discussion of Reserves by Department.

Alderman Schmitt questioned the reason the Capital Improvement sales tax and public safety are not included in the calculations. Assistant City Administrator Albertson responded that public safety is included in the general fund and CIT revenue cannot be used for Operation and Maintenance.

Alderman Kahrs said his understanding has always been that the amount in reserve should be enough to cover six months of operating expenses. Alderman Rucker said that as the City's responsibilities increase the Osage Beach Parkway should be taken into account. Assistant City Administrator Albertson said that she, Superintendent of Public Works Rick King and City Engineer Nick Edelman have developed a twenty year Transportation Plan. Mayor Lyons commented that before the City takes over maintenance of Osage Beach Parkway, the contract with MoDOT must be amended.

Alderman Rucker commented that until the numbers from the Transportation Plan are known, the target should be six months in reserve. Alderman Schmitt commented that he is comfortable with 7.5 months of operating expenses in reserve.

There being no further business to come before the Board of Aldermen, the special meeting adjourned at 7:25 p.m.


Diann Warner, City Clerk


Penny Lyons, Mayor