

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

June 27, 2013

The Board of Aldermen of the City of Osage Beach, Missouri, held a special meeting on Thursday, June 27, 2013 at 6:30 p.m. at City Hall. The following were present: Mayor Penny Lyons, Alderman Fred Catcott, Alderman John Olivarri, Alderman Kevin Rucker, and Alderman Ron Schmitt. Alderman Lois Farmer and Alderman Steve Kahrs were absent. Others present were City Administrator Nancy Viselli, Assistant City Administrator Jeana Woods, City Treasurer Karri Bell, City Engineer Nick Edelman and City Clerk Diann Warner.

Discussion of Extending Osage Beach Parkway.

City Engineer Nick Edelman presented two options for financing the extension:

- Pay for the entire project without borrowing
- Obtain a loan from the Missouri Transportation Finance Corporation at 2.78% for a period of ten years depending on the City's bond rating.

The sewer extension could be budgeted in 2014, however; the water flow needed for fire suppression cannot be met without a water tower or some type of pumping system. Another issue is that the water would become stagnant without a high consumption rate. Mr. Edelman said the extension of water to the area was not included in the report.

Mr. Edelman contacted property owners and there are two who are not interested in donating the property at all and some were interested but wanted additional information. The highway crash manual states that an outer road reduces accidents by 40%. Mr. Edelman said one property owner who owns property inside and beyond the extension is interested.

Alderman Rucker asked how additional projects could be funded. Mr. Edelman said that by borrowing the money, there would be funds for constructing other projects. Alderman Rucker commented that he thought borrowing money required voter approval. City Attorney Ed Rucker said he had not researched the issue but he said a state program is available. City Attorney Rucker will research the issue to determine if voter approval is required to borrow money.

Alderman Schmitt voiced his concern regarding the amount of interest on \$1.17 million. He added that the repayment would be over \$133,000 per year or over \$11,000 per month. Alderman Schmitt commented that the Transportation Fund follows the same trend as the General Fund and revenues are \$80,000 below projections so far this year. He added that if sales tax receipts do not improve, there may be a problem.

Alderman Schmitt also stated that he did not favor the Osage Beach Parkway extension when it would delay other projects and in his opinion, it is a project that would not produce in 30 to 40 years. He added that he did not think this is the right time to build the road and he is concerned about the project when we have property in the City limits that needs attention now.

Alderman Olivarri voiced his concern that he is not certain if this is a project the community wants. He said that people he spoke to from all three wards did not view the project favorably. He agreed that the extension would improve safety and it would provide a two way outlet towards Camdenton but he was concerned whether this is the right time. Alderman Olivarri said that he was not sure that putting \$1.3 million towards the project is in the best interest of the City. He applauded staff for

providing different options for funding but if the City borrows money it will increase the cost.

Alderman Olivarri said that one project that has been delayed is the second phase of Zebra Road and he would like to see that project completed. He said that growth will be to the west but he did not think it would necessarily be commercial development. He did not agree that the project is not viable for forty years but he stated that the project is not viable right now. Alderman Olivarri also said that he is concerned that property owners and businesses that were contacted were not interested. He asked whether additional right of way would be needed for utilities. City Engineer Edelman said that additional right of way would not be needed for sewer; however more could be needed if water is added in the future. Alderman Olivarri stated that there were some negative and some positive comments but if the project is not favored by the property owners and by constituents, he did not see a reason to do it.

Alderman Catcott asked the number of people that Alderman Olivarri spoke to. Alderman Olivarri responded that he spoke to more than ten and some expressed interest that the west bound would be opened up but they did not feel that the project was worth the cost.

Alderman Catcott said there is a safety issue at the Executive Park and he questioned if it would be possible to construct a portion of the road to address the safety issues. He added that if the project cannot be completed at this time, possibly it could be done in phases.

Alderman Rucker thanked staff for the report the Board has asked for. He voiced his concern for the lack of enthusiasm from the property owners and the idea that they do not see the increase in value of their property the road and sewer would provide. He is also concerned whether MoDOT would make a commitment to fund the project if it is completed in phases. City Engineer Edelman said MoDOT has indicated they are concerned they might not be able to come up with matching dollars to get future allocations from the federal government.

City Engineer Edelman reviewed the report regarding the amount of property needed from each property owner. He said that more right of way is needed from two property owners than the others.

Mayor Lyons commented that there is no access to the Y Road interchange and the extension would provide the seventh interchange for Osage Beach and the electric sign could be placed there. The road would provide a lot of access on the two lane road and it would address the safety issues. She added that people are still trying to go west from Key Largo. Mayor Lyons said that this is an opportunity for the City to grow and the line of sight would be good. She added that the City has limited opportunities to expand. Mayor Lyons said the projects we have could be done by borrowing money and she has not had any negative or positive comments from the community. She added that the City conducted a public forum and only one couple attended.

Kim Loehr said the people were concerned about opening up the dead end and the extension would accomplish that. She said the slip ramp would also help. Ms. Loehr said the biggest issue is getting a west bound movement and the Osage Beach Parkway extension is the only to get it. She said that she does not oppose the outer road but terminating Key Largo was not in the best interest of the City, however most of those concerns have been addressed.

Discussion followed on the deadline for making a decision. Alderman Olivarri agreed that the project could not be delayed indefinitely. He said that if half of the property owners donated property it would cut out \$200,000 and the City's portion would still be over \$1 million. Alderman Schmitt said that installing utilities would be half again as much as land acquisition. He added that he is not opposed to the project but he is concerned with the timing. Alderman Schmitt said it would

be better if it can be done in phases, but Alderman Olivarri said the costs would increase by delaying the project.

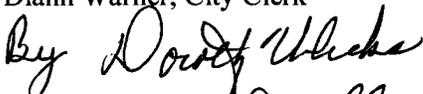
Alderman Rucker moved to direct staff to research whether voter approval is required to borrow money, to provide additional information to property owners and to ask MoDOT whether funding would be available if the project is completed in phases, further that a decision be made at or by the July 25 Board of Aldermen meeting. Alderman Catcott seconded the motion which was voted on and passed.

Mayor Lyons stated that some of the construction would not happen until 2015 and we need to know when we have to come up with the City's portion of the funding. She added there are funds still remaining from the \$2 million the City received from MoDOT for the Parkway. Alderman Olivarri said those funds will be needed for maintaining the Parkway. Alderman Rucker voiced his concern about taking funds from the \$2 million.

The meeting concluded at 7:35 p.m.



Diann Warner, City Clerk

By 
Deputy City Clerk



Penny Lyons, Mayor