

**SAVANNAH CITY COUNCIL  
PROCEEDINGS  
REGULAR SESSION  
MONDAY, AUGUST 6, 2012  
CLASBEY CENTER – COUNCIL CHAMBERS  
7:00 P.M.**

Mayor Dave Ingersoll presiding.

Pledge of Allegiance was recited.

Council Members present: Don Dillman, Vernon Townsend, Joy Thompson and John Parker. Mayor Dave Ingersoll, City Administrator Jill Cornett, Sgt Josh Smith, City Attorney Ron Holliday and City Clerk Beth Kar were also present. The meeting notice was posted at City Hall on August 3, 2012. The meeting was audio recorded.

**Approval of Agenda**

Vernon Townsend motioned to approve the agenda as published. Joy Thompson seconded. Motion carried on 4 yes votes.

**Minutes – July 30, 2012**

Don Dillman motioned to approve the minutes of July 30, 2012 as submitted. Vernon Townsend seconded. Motion carried on 4 yes votes.

**Public Testimony:**

No public testimony.

**Mayor's report**

Mayor Ingersoll reminded everyone to make sure to vote tomorrow.

**City Administrator's Report**

City Administrator Jill Cornett presented her report:

**INDEPENDENT AUDIT CONTRACT** – The Ordinance to approve the audit engagement with Cochran Head Vick and Company is included in Council packets.

**HEALTH INSURANCE BIDS** – The health insurance bids were opened at City Hall on August 1. Bid tabs are enclosed. There will be a special meeting to review the bids on August 20<sup>th</sup> at 8 a.m. All of the employees are invited to join and participate in the meeting.

**UPDATE ON EAST MAIN** – The final bid notice is scheduled to appear in Savannah Reporter Thursday of this week. The bid opening is scheduled for August 22. Two contractors Mid America and Auxier Construction have picked up bid specifications to date.

**SLURRY SEAL CATALPA STREET** - Director of Public Works Kenny Lance visited with a Kansas City contractor, Vance Brothers, who provided a rough estimate of the cost to slurry seal

Catalpa. The contractor suggested the lifetime of a slurry seal was 4-5 years, after which time the City should consider milling the entire street down to grade and resurfacing. Cornett recommended putting out bids to slurry seal Catalpa Street. The estimated cost to slurry seal is \$15,000. Joy Thompson had read two articles complaining about slurry sealing in St. Joe but that was another company. Mayor Ingersoll thought it was a good idea to seal and preserve the street. If it works well, the City can slurry seal Price Street. Vance is bidding for a couple of Mo-Dot jobs. If they get those they will be in the area and cost will be cheaper for Savannah. Vernon Townsend motioned to put slurry sealing Catalpa out for bid and Don Dillman seconded. Motion carried on 4 yes votes.

**MOTION TO TRANSFER \$25,846 FROM GENERAL FUND TO WATER FUND –** Cornett reported that according to the City’s 2011 audit report from Arthur White and Associates, “The City transferred \$94,815 from the combined water and wastewater fund to the general fund during the year which ended September 30, 2010. The Auditors recommended “the City return the money to the combined water and wastewater fund from the general fund.” This topic was discussed at the July 9 Council meeting, but no action was taken. This year the water meters were purchased from the General Fund, which made up for a portion of the \$94,815. The balance still due to the Water Fund is \$25,846. Cornett recommended a motion to transfer the \$25,846 from General Fund to Water Fund to resolve this issue from 2010. Vernon Townsend motioned to approve the transfer of \$25,846 from the General Fund to the Water Fund. Don Dillman seconded. Motion carried on 4 yes votes.

**PEOPLESERVICE --** PeopleService toured the Water and Wastewater plants last week. Cornett expects a contract cost estimate later this week. She has emailed a few of their competitors asking if anyone else is interested.

**TRIM GRANT --** The City received unofficial notice that Savannah will be the recipient of the requested monies from the TRIM Grant through the Missouri Department of Conservation. A more formal letter of notification should arrive in the next couple of weeks.

**BUDGET DISCUSSION –** Council will hold a 2013 Budget Work Session on August 22 at 9 a.m., City Hall. The budget must be passed by Council no later than Sept. 30, 2012. The City will target the passage of the budget at the first Council meeting in September.

**MML ANNUAL CONFERENCE --** September 16-19 City Clerk Beth Kar and Cornett will be attending the conference. The City should pass the new budget prior to the conference, or be prepared to pass it at the second Council meeting in September.

**NEW PROCUREMENT POLICY –** The City Code’s Chapter 25 is City of Savannah Purchasing Policy. It has not been updated since 2008, when a local purchasing preference section was added. The limits to purchasing authority need to be raised to reflect price increases for typical purchases such as vehicle tires, oil/fluids and repairs, rock/chat, small chemical and equipment purchases. Also it allows for replenishment of concession items at the Golf Course, as well as, small retail items such as golf balls, tees, etc. A draft of the new purchasing policy is included in Council packets. The major changes include:

- Department Heads authorize purchases up to \$500.
- City Administrator authorizes purchases up to \$5,000.
- Council must approve purchases in excess of \$5,000.
- The City may compile a list of “pre-approved” architects engineers and surveyors. State law provides that municipalities may select the above

professional services without bidding. The selection is based on qualifications including expertise, scope of work to be performed and firms proximity to project.

There are cooperative purchasing agreements and Cornett would like the City to take advantage of them to get the best pricing. Council discussed where the Conflict of Interest section should be in the City Code. Cornett checked with Sullivan Publications and generally the Conflict of Interest is in this section. John Parker thought it was a good idea to update the City's policy but motioned to postpone any updates until after the budget is done. Joy Thompson seconded. Vote: 2 yes (Thompson, Parker); 2 no (Townsend, Dillman). Mayor Ingersoll broke the tie by voting yes. Motion carried.

**SETTING PROPERTY TAX RATE** -- Chapter 137.073 of the Missouri Revised Statutes outlines how property taxes are to be calculated for cities and counties in the State. Tax rates must be set and certified to the County Clerk by September 1. They are based on the revenues that had been permitted for the prior year, with an allowance for growth based on the rate of inflation. The revenues for the year are divided by their assessed valuation for the current year, with values from new construction and improvements, and any increments in personal property valuation, held aside. The resulting tax rate becomes the permitted rate for the year if it falls within the ceiling permitted for that local government. In some cases, further adjustments are made, such as reductions to the account for part of the sales tax moneys received. The resulting rate is applied to the full-assessed valuation, including new construction and improvements, and the increments in personal valuation.

**Following is a simplified version of the tax rate-setting process.**

Revenues Authorized Previous Year	\$500,000
2% Cost of Living Allowance + Current Year Revenues Authorized	\$510,000
Total Current Valuation	\$25,000,000
Less New Construction	\$800,000
Valuation Used For Tax Rate Calculation	\$24,200,000
Current Revenues Authorized	\$510,000
Divided by Adjusted Valuation	\$24,200,000
Tax Rate Allowed (per \$100 valuation)	\$2.11
Times Full Valuation	\$25,000,000
Total Revenues Current Year	\$527,500

A copy of RSMO 137.073 is in your Council packet. The City worked with the County Clerk, County Assessor, and County Collector over the increase in this year's real estate taxes and change in a line item for personal property taxes which the City does not collect. In 1994 the City asked the voters to rescind the personal property tax and replace it with a sales tax; however, the personal property remained a line item on the City's assessments. The higher the valuation, the lower the rate goes. The less you have, the higher the rate. The City does not collect the 9 million personal property so the tax rate should not include that amount. County Collector Phil Rogers will be at the next meeting to explain further and to answer questions. The Public Hearing to set the tax rate will be held at the August 20 Council meeting. Cornett recommended the Council vote twice on August 20 to pass the ordinance accepting the new property tax rates.

**WATER REVENUES AND CAPITAL RESERVES** -- With the new water rate in place, the Water fund should be out of the "hole" in about two more months. At that time, Cornett recommend the City begin setting aside another "reserve" account line for Capital Improvements

to the distribution infrastructure. Public Works Department: Kenny Lance, Tim Spoonemore, Mike Clark and Water Superintendent Dale Watson have been busy this summer (May – Present) repairing water leaks, including:

6<sup>th</sup> & Duncan  
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2nd St. between Price & Benton  
2nd St. between Price & Benton  
9<sup>th</sup> & Pearl  
3<sup>rd</sup> & Pearl  
W. Nelson between 12<sup>th</sup> Terrace & 11<sup>th</sup> St.  
1<sup>st</sup> & Chestnut  
Messick Park (close to ballfield)

Director of Public Works Kenny Lance attributes the leaks to two major factors: 1) Water pressure is being exerted into old lines, creating pinholes in the old lines, 2) the very hot and dry conditions of this summer are causing some earth-shifting, stressing the lines and causing them to crack or break at the seams. Either way, there are long stretches of line that should be replaced for the purpose of pre-empting major repairs, or increasing the flow with larger pipes. If the City begins setting aside capital reserves, the City will eventually have adequate funds to replace these pipes, using money from the Water Fund. John Parker asked if the City added a line item, wouldn't that take away from setting aside money in the reserves and debt in restricted funds. Cornett explained that the City would create another line item that is called Capital Reserves. The City has lots of obligations and needs to maintain the water system so setting up capital reserves would fall under that area. She thought there was enough money to meet the reserve obligations and set aside capital reserves. Council discussed capital reserves but did not make any decision.

Vernon Townsend motioned to approve the City Administrator's report. John Parker seconded. Motion carried on 4 yes votes.

**PAYMENT OF BILLS** – Council reviewed July's bills. Bills were ordered paid on a motioned by Don Dillman and seconded by Vernon Townsend to pay the bills. Motion carried on 4 yes votes.

### **INFORMATION ITEMS:**

Special Council Meeting Dates:

August 20: 8 a.m., Health Insurance Bid Review, Clasbey Center

August 22: 9 a.m., 2013 Budget Work Session, City Hall

Other Meetings – The Public Utility Advisory Board (PUAB) meets Wednesday at 4, City Hall. Mayor Ingersoll recommended everyone not to show up for the PUAB and Park meeting; otherwise it becomes a Council meeting. Joy Thompson asked if the Mayor would be appointing someone to PUAB. Mayor Ingersoll thought it beneficial to let the board do their thing and not appoint any Council liaison yet. Mayor reminded everyone that bid opening is also August 22 for East Main, 10 a.m.

### **BILLS FOR CONSIDERATION:**

**Bill 2012—Authorizing Audit Engagement with Cochran Head Vick** was read for the first reading.

**Second Public Testimony:**

No public testimony.

**COUNCIL DISCUSSION:**

Joy Thompson asked if Council would return back to some of the items that had been postponed. For example, the Clasbey contract with Mary Ingersoll's Dance Studio. City Administrator Jill Cornett described she had listened to the minutes of the meeting and Council had approved the contract by ordinance. Council could bring up the topic of whether or not to bid out the space when it is time to negotiate the contract. It is not in the contract to bid it out. Cornett recommended Council review the contract in May, 60 days prior to the contract. Thompson also asked when Council would set up a meeting with Jerry Baker, Andrew County Extension Council. Baker had suggested an August date but August is getting pretty full. Cornett suggested October after the budget is passed. Baker was present and said that would be fine.

John Parker announced that the Knights of Columbus was getting ready to have its soccer challenge. There is also poker run (motorcycle) in town starting Saturday.

Vernon Townsend reported that he attended the Planning & Zoning meeting. Zoning approved a lot split and turned down a conditional use and discussed the issue of buildings with 10% on property. He has a Region D meeting on Thursday. He drove over Catalpa and thought it was better than it had been. He would like to see it sealed so it does not deteriorate more. He drove down Park Street and one side is good while the other is in bad shape.

Don Dillman had nothing to report.

John Parker followed up on Police Chief Dave Vincent's request that Council consider no parking on the east side. He thought there needed to be a public hearing for the residents it would affect. Vernon Townsend asked what was required to declare a street No Parking. Jill Cornett suggested a public hearing since it would affect many people. Vernon recommended they post a notice for a meeting. Director of Public Works Kenny Lance asked everyone to look at Barkley. It is not a candidate for slurry seal but needs work too.

**Adjournment**

No further business to discuss. Meeting adjourned at 8 p.m. on a motion by Vernon Townsend and seconded by Joy Thompson. Motion carried on 4 yes votes.

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Dave Ingersoll, Mayor

ATTEST: \_\_\_\_\_  
Beth Kar, City Clerk