

**SAVANNAH CITY COUNCIL
PROCEEDINGS
REGULAR SESSION
MONDAY JULY 30, 2012
CLASBEY CENTER
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, City Attorney Ron Holliday, Chief of Police David Vincent and City Clerk Beth Kar were also present. The meeting notice was posted at City Hall July 23, 2012. The meeting was audio recorded.

Approval of Agenda

Vernon Townsend motioned to approve the agenda as posted. Don Dillman seconded. John Parker asked to add Executive Session to the agenda for possible litigation. Mayor Dave Ingersoll responded the Executive Session was already listed on all agendas so Parker just had to ask to go into closed session when the meeting reached that point in the agenda. Motion to approve the agenda carried on 4 yes votes.

Minutes – July 9, 2012

Joy Thompson motioned to approve the minutes of July 9, 2012 as submitted. Vernon Townsend seconded. Motion carried on 4 yes votes.

Public Testimony

Lynn Grabill would like to change the City's sewer billing policy. Currently the sewer charge is based on the number of gallons of water used each month. Grabill described how he first went to Council in 2004 requesting the change in sewer billing. At that time the City did a study using his recommendation to base sewer rates on the colder months. The study showed that he would pay more in the summer if the City changed to his billing method. The City did not change its billing policy. Now he is asking Council again to change sewer billing. With the drought this summer, he is watering more to keep his trees alive. Recently he used 11,000 gallons of water for a month but normally uses 3,000 gallons. He felt he should not have to pay sewer expenses for the extra 8,000 gallons because he was watering outside and the water did not go down the sewer. Grabill wants the City to use the average monthly gallons for the 2 coldest months of the year; residents would pay that rate each month throughout the year including the summer for sewer costs. This would accomplish a few things: make him happy, it is more fair, and it would help the City budgeting. He has talked to Don Dillman and asked if he was still willing to champion his cause. Jill Cornett responded that this subject came up on the City Administrators email group. She collected the responses. Most of the cities responded that they did not do winter averaging. Most suggested that people who did a lot of outside watering such as for gardening allow residents to install a separate water meter for watering/irrigation and that meter would not have a sewer charge attached to it. The City of Savannah allows this. Cornett explained that the City based last year's sewer rate increase on facts gathered by looking at

revenues and expenditures. If the City did as suggested, it could lose revenue from summer months by using winter averages. Grabill thought the City would not lose that revenue because it evens out the City's rate flow. Mayor Dave Ingersoll reflected the change could raise the bill for some. If the sewer revenue decreased the City would need to raise the base sewer charge. The new billing might make Grabill happy but would make someone else mad. Dillman suggested that the new Public Utility Advisory Board look at the topic. Members of the Public Utility Advisory Board were present at the Council meeting. Joy Thompson loved the new billing suggestion because she uses 37,000 gallons at her shop and none of it goes down the sewer. Grabill commented that he was not hurting for income but felt for others on limited incomes. The averaged billing would help them with budgeting without shocks. Grabill thought it would be much fairer to the customers. John Parker agreed the Public Utility Advisory Board should review the topic.

Mayor's report

Mayor Dave Ingersoll has watched City Hall as far as water shut off day. He keeps expecting an event. This time there were 27 meters shut off for lack of payment. Once a meter is shut off, City Hall monitors the meter to make sure the meter is not turned back on. This time there were 2 meters that were turned back on before the bills were paid. The City padlocked one. The other one could not be padlocked because of the design so the meter had to be pulled. The person paid the next day. Ingersoll asked City Attorney Ron Holliday if someone turns water back on without paying, is that not stealing. Ron Holliday answered that there was a statute called stealing from a public utility. Mayor Ingersoll was troubled that one of the shut offs was a renter that moved away and left a bill for \$246 and only had a \$75 utility deposit. John Parker would like the Public Utility Advisory Board to address the deposit issue. Joy Thompson asked if the City could fine the person who turned back on water without paying. Holliday answered that the police can handle it. John Parker has heard about residents who were called by City Hall about water leaks. He wanted to know how that process works. City Administrator Jill Cornett explained that with the meters system the City has the ability to check hourly usage on a meter. The City does not have the manpower to check all the time. When staff calculates the bills, they look through for anything that looks like a possible leak. If the City had additional software capabilities, alarms could set up and customers look up their usage online but it a very expensive process. Vernon Townsend asked how much it would cost to go to that point. Cornett described that this came up for automated metering for Independence and the cost was about \$500,000. John Parker reported that the person who called him was elderly and did not use computers. The person was thankful the City told him about the leak.

Resignation: Tim George, Water Plant Operator & Doug Reavis, Golf Committee

Vernon Townsend motioned to approve the resignations of Tim George and Doug Reavis. Don Dillman seconded. Motion carried on 4 yes votes. Ingersoll commented that Mike Glidewell is interested in the Golf Committee but he had not had a chance to talk to the Golf Committee and see if anyone else is interested in serving. He will bring appointments to the next Council meeting.

Police Chief's Report

Chief David Vincent reported the police officer statistics. Joy Thompson asked if the numbers were about average or higher. The figures are a little higher than last year. The City purchased and picked up the recently approved Chevy Impala and Officer Williams is driving it. John

Parker motioned to approve the Police Chief's report. Vernon Townsend seconded. Motion carried on 4 yes votes.

City Administrator's Report

City Administrator Jill Cornett presented her report:

INDEPENDENT AUDIT BIDS -- Bids were opened July 11. The bid tab was included in Council packets. Two lowest bidders had either none or only one Missouri municipality listed under experience/references. Others had significant experience with Missouri cities. Cost and proximity may be deciding factors. Staff recommends Cochran Head Vick of St. Joseph. Contract price ranges \$11,000 - \$17,000. Cornett's telephone conversation with David Cochran indicated anticipated final cost at approximately \$13,000. The other two bidders had very little experience with municipalities. Don Dillman motioned to approve the bid from Cochran Head Vick for auditing services. Vernon Townsend seconded. Motion carried on 4 yes votes. The next meeting will have an ordinance authorizing a contract with Cochran Head Vick.

OLD WATER PLANT EXCAVATION BIDS -- Bids were opened July 11. The lowest bid of \$3,400 was from Hanna Construction. Staff recommended approving the bid from Hanna Construction. Don Dillman motioned to approve the excavation bid from Hanna Construction. Joy Thompson seconded. Motion carried on 4 yes votes.

REPLACE SUBMERSIBLE MOTIVE PUMP -- Bids were opened July 18. One bid, Enviro-Line, of Osawatomie, Kansas was received on time in the amount of \$8,711, not including freight (estimated at \$400). Wastewater Superintendent Jason Long has spoken to Enviro-Line several times and a company representative has come to the Wastewater Plant. The City has purchased other items from them in the past with no problems. There will be warranties on the pump. A local worker will help them install it. Vernon Townsend asked how much time will be involved. It would be 6 to 8 weeks for delivery. Vernon Townsend motioned to approve the Wastewater Plant motive pump bid from Enviro-Line. Joy Thompson seconded. Motion carried on 4 yes votes.

PURCHASE NEW SOFT START FOR OXIDATION DITCH BLOWERS -- The Wastewater Plant needs to purchase a new unit at \$3,900. Currently the plant has one new starter in place and one old one in place, with no backup. If either soft starter goes out, the blowers cannot run and sewage treatment comes to a halt. Jason Long would like to replace the old one with a new unit, and place the old one in inventory as an emergency back-up. Cost would be \$3,900 from the Wastewater Fund. Eaton Corporation manufactures soft starters to match the other new one in place. RS Electric would be the vendor. Vernon Townsend motioned to approve purchase of the soft start for the Wastewater Plant. Don Dillman seconded. Delivery time is about 2 weeks. After the new unit arrives, the Wastewater Plant will use the old one as a backup.

GOLF COURSE IRRIGATION PUMPS -- The Golf Course is suffering from lack of precipitation and may have to buy water from the City. Golf Course General Manager Mark Christopher is concerned that a few of the pumps have been in service a long time; if the pumps go out then the staff could not water the greens and the tees on the course. Christopher explained that the pumps are so old, no replacement parts are available. The price of two pumps would be \$6,311.80. The course has saved money by not having to mow as much as normal due to the dry conditions. Vernon Townsend stated he had read they had only a month's worth of water left in

the pond that pumped water to the golf course and he thought it did not make sense to get urgent about repairs. Mayor Dave Ingersoll described the way it is built, the water runs into the pond and that is what is used to water the course. The pumps will be used regardless. Water Superintendent Dale Watson added that the water pressure was not high enough to run the sprinklers directly. Christopher confirmed the pond is what they used to water the course. A month was an estimate on how much water is left without rain before the course would have to buy water. Don Dillman motioned to approve the purchase of irrigation pumps. Vernon Townsend seconded. Motion carried on 4 yes votes.

HEALTH INSURANCE BIDS --- Bids are due August 1.

UPDATE ON WATER WELL PUMP REPLACEMENT – The old pump has been pulled. It is 2 to 3 weeks delivery on new unit/parts.

UPDATE ON E. MAIN -- TREKK Engineering plans to have a complete set of specifications ready for bid by August 2. The bid notice will be placed in three consecutive issues of The Savannah Reporter beginning with the coming issue. The bid opening is scheduled for August 22. Don Dillman asked if construction companies had to buy the plans again. Yes, the plans are new. Vernon Townsend asked if the City had looked into a lien to recover the cost of the property. City Administrator Jill Cornett explained that there was no formal signed contract before this document to obligate the developer, EBR, to pay for the road extension. Vernon Townsend felt the City is footing the bill to pay for a property for someone else. Former Mayor Bob Wilson asked to address the Council. Mayor Ingersoll approved if he spoke succinctly. Wilson provided the history that everything originally was that EBR would pay for the entire street and it should be in the minutes. Mayor Ingersoll responded that was in the minutes but nothing was signed. City Attorney Ron Holliday reminded everyone that Alderman John Parker had asked to go into Closed Session to discuss this issue and he thought it would be better addressed at that time.

PEOPLESERVICE PRESENTATION -- PeopleService is a third-party contractor that operates and maintains water and wastewater plants throughout the Midwest. Current contracts include Maryville, Missouri, and Clarinda, Iowa. The company also will contract with the Village of Country Club to operate and maintain the new wastewater plant. The recent staff resignation and possible upcoming operator retirements in Savannah require Council to consider a succession plan for their water plant. PeopleService will present the opportunity for the City to turn over water and wastewater operations, while the City maintains ownership and continues providing billings/revenues/customer service. This would include an opportunity for all existing personnel to join the PeopleService team.

Steve Guthrie, PeopleService, described its services. Tonight they are asking for consideration and a tour of the City's plant facilities. They want to be able to put together comparison figures. Joy Thompson asked about current staff. PeopleService would look at hiring current staff. They provide health insurance and 401K retirement. Thompson asked about pay rates. The company pays comparable. The City's staff also takes care of tasks beyond the plant such as maintaining water towers and fixing leaks. PeopleService responded that would be handled the same way as the City currently does and would be part of the package; they can expand the scope of services. Wastewater Plant Supervisor Jason Long asked about land application. They subcontract that out. Vernon Townsend asked if there was any way to get away from having a lime treatment facility. Water Plant Superintendent Dale Watson responded that he does not, unless they go to hard water. Jill Cornett asked the company to explain the cost efficiencies beyond personnel.

PeopleService has corporate sponsorship with a 10% discount at USA Blue Book, and they cross train where all employees are expected to know water and wastewater. Joy Thompson commented two things that bothered her: 1) she wanted city employees taken care of and 2) if we bring someone from another area; it is taking away a potential job from the community. PeopleService explained that if someone was taken from another site it would be temporary. For regular positions, they hire somebody local. All operators have to live within 30 minutes of the facility. Lynn Grabill asked if anyone had contacted other customers like Maryville and how did they like their services. Cornett spoke with Maryville and Clarinda. Maryville like them and all but one of the original staff members from the City prior to hiring PeopleService are still with them. Clarinda, Iowa felt PeopleService dealt well with some of the conflicts they had had. Vernon Townsend asked if the City hired them who they would report to. The staff would report to the City Administrator. Lynn Grabill thought the Public Utility Advisory Board should review PeopleService. Cornett explained that is why the members were at this Council meeting. She commented that Jason Long knows the Wastewater Plant intimately and she doesn't want to lose that. She asked if any of the Public Utility Board had any questions. Mayor Ingersoll mentioned that first the company needs to look at the facilities. John Parker asked who PeopleService's competitor was. Alliance is their main competition. Lynn Grabill asked if Parker thought the City should be bid it out. Parker believed the City should always bid out when possible. He is concerned about the existing employees and if the City changes to outside source for staffing he was concerned that would raise the cost to customers. PeopleService has to make a profit. Mayor Ingersoll invited them to inspect our facilities and provide a bid. Staff discussed schedules. PeopleService will tour the Water plant on Wednesday at 1 and Wastewater on Thursday at 1. John Parker would like to see the City contact as many places as possible to inspect and provide a bid and involve the Public Utility Advisory Board in the process. Mayor Ingersoll asked for a motion. Vernon Townsend motioned and Don Dillman seconded for them to inspect the plants and come back with a cost. Motion carried on 4 yes votes.

BUDGET DISCUSSION

1) Capital Expenditures for 2012 -2013 – All department heads came to City Hall and made a list of needs and wants. In some cases the list was a carryover from the previous year. Don Dillman asked if all of these would be a capitalized item. The City does not capitalize. Dillman asked if the ArcView program was the same system as the County uses. It is the same system. The current computer is old and slow. Vernon Townsend asked about replacing the utility computer and getting the cost of an upgrade so it can look at the leaks. The utility computer has already been replaced. Mayor Dave Ingersoll asked verification that there would not be any expenses for golf beyond this. Joy Thompson questioned if the Clasbey Center had any expenditure requests. The Clasbey needs replacement tables and chairs but otherwise is low maintenance. Thompson did not see any capital requests for the Parks. Parks did not anticipate purchasing anything large like playground items or mowers. Vernon Townsend asked about mowers. He commented the expense that jumped out to him was painting the water tower for \$120,000. Water Plant Superintendent Dale Watson explained it was on the Department of Natural Resource's list; they want to see that the City is making progress on it. Jill Cornett responded that was the whole point of raising water rates. The City had held off on things that needed done like the tower. John Parker asked about the fire extinguisher training system. Fire Chief Tommy George described how the department received calls for training at La Verna, Shady Lawn, schools and other organizations. The department would be applying for a grant to help pay for the system. Currently for fire extinguisher training they use a pan of diesel. The system would be used for training throughout the community. The system is expensive but this is the cheap version and there is no danger to it. Parker commented that it would be able to improve the

City's services. Vernon Townsend asked about the question mark next to the fire truck purchase. The truck is a conversation item. One of the City's fire trucks is getting old and needs to be replaced. George did not put down a price because truck costs vary so much. The last truck was purchased with the fire department's sales tax money. Right now they are not using the sales tax money and haven't been using it last 2 years. Townsend asked for an estimate. George reported a used truck would be about \$250,000 to \$300,000. The City's newest fire truck is 11 years old.

2) Street Program --- Director of Public Works Kenny Lance provided a priority list on streets. Lance thought that Catalpa Street could be done for \$150,000. Cornett's only concerns are that in November the City has to make a bond payments and at the current time the reserves in the water fund are not enough to make the payments. After the audit is done, Jack Dillingham wants to refinance the big water debt and he suggested for the City to be conservative about spending from the General Fund. Mayor Ingersoll asked all of Council to look at Catalpa Street. It is in bad shape. Lance added that there is no curb from Price to Benton and then on the other side there are 2 blocks without curb. Vernon Townsend asked if it would be better to pursue items 3, 4, and 5 and save the largest until we are better off in the fall. Lance reported they had been patching and probably have put \$3,000 into Catalpa for materials. He described the slurry seal; it's a sealant to save for 2 to 3 years. Mayor Ingersoll requested that Council look at the streets on the list. Jill Cornett asked Council next Monday to consider a motion to do slurry seal on items 3, 4, and 5. She provided as examples of streets with slurry seal: Sylvania and Angelique to 10th street downtown St. Joe. Mayor Ingersoll suggested specifications with the same viscosity as the City of St. Joe. News Press reporter, Marshall White, reminded all that those streets are underlaid with brick, not sand.

3) Salary Increases for 2012 -2013 (details of 4% increase in Council packets)

- Health Insurance costs unknown until bids are opened
- Staffing levels uncertain at this time.
- Recommend 4% increase for 2012 -2013
- Review impact at year-end. Allows for possible increases in 2013-2014

Staff has not had pay increases in almost 3 years. City Administrator Jill Cornett presented a proposal of a 4% increase. Vernon Townsend asked if this topic was something that could be discussed at a separate session. Council will be having a separate work session on the budget. Cornett put together this spreadsheet for Council to have an overall picture. Don Dillman would like to look at a 5% increase. Mayor commented Cornett can run this spreadsheet at 5% but it does not mean much until the revenues are matched up to it. Ingersoll would like at the Council's meeting next Monday to plan for two budget meetings and have everyone to come prepared with their schedules.

Don Dillman motioned and John Parker seconded to approve the City Administrator's report. Motion carried on 4 yes votes.

Second Public Testimony

Ralph Stanton left Council a preliminary and a final plat of the race track area for the Closed Session. He asked for the City to save the plans and return to him later.

Chief of Police Dave Vincent asked that when Council looks at Catalpa Street that they consider making the street No Parking on the east side. The East Side residents have extra parking on the sides of their houses while west side does not.

COUNCIL DISCUSSION:

Don Dillman talked to Lynn Grabill and thought Grabill had a good idea on billing especially if the City stops allowing people to use wells for watering.

Vernon Townsend reported that it was brought to his attention the old lighthouse property on Highway 71 is loaded up with equipment. He thought the nuisance process had been started on the property in the past. There are boats and lots of vehicles.

John Parker reported that an elderly person in town was very appreciative that the City contacted her about a leak. He thanked the City employees who handled that situation. He attended the Park Board meeting and filled in for Joy Thompson who was unable to attend. There was discussion at the Park meeting about the pool. The Board is looking to resolve some of the maintenance problems. They will probably be providing a report soon.

John Parker motioned to go into Executive Session for litigation 610.021(1). Joy Thompson seconded. Vote: Dillman: aye; Townsend: aye; Parker: aye; Thompson: aye. Motion carried. Marshall White, St. Joseph News Press reporter, for the record objected.

EXECUTIVE SESSION 610.021 RSMo (1) LITIGATION

During Closed Session, John Parker motioned to turn the East Main Street issue over to the City Attorney Ron Holliday for further research. Joy Thompson seconded. Vote: Dillman: aye; Townsend: aye; Parker: aye; Thompson: aye. Motion carried.

Vernon Townsend motioned to go back into Open Session. John Parker seconded. Motion carried on 4 ayes.

John Parker asked about filling in the retention pool at the fire station on Highway 71 next to O'Reilly's. City Administrator Jill Cornett reported Fire Chief Tommy George explained the issue to her earlier. She described the water flow. East Main has drop inlets and the retention pond is no longer needed. Tommy George added that the pond was done away with and that there has not been any water in the retention pond since he has been there. Joy Thompson asked if it might even slow down the water. George thought it would not make a difference; the flow would not be any faster. John Parker commented that George had made an improvement with no cost to the City. The area's appearance will be better and it would not fill up with trash.

Adjournment

No further business to discuss. Meeting adjourned at 9:06 p.m. on a motion by Vernon Townsend and seconded by Joy Thompson. Motion carried on 4 yes votes.

Dave Ingersoll, Mayor

ATTEST: _____
Beth Kar, City Clerk