

OPEN MEETING

Roll Call taken by Mayor Thomas Voorhis

Kelly Petty PRESENT, Mark Stewart PRESENT, Sherry Veach ABSENT, Ben Lord PRESENT, Dennis Roe PRESENT, Richard Icenhower PRESENT

Call to order at: 6:31 p.m.

Approve Agenda. Motion by Roe to approve agenda. Seconded by Petty
Petty AYE, Stewart AYE, Lord AYE, Roe AYE, Icenhower AYE

New Business

BILL NO. 24-11 AN ORDINANCE GRANTING THE EMPIRE DISTRICT ELECTRIC COMPANY, A CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE RIGHT TO USE THE STREETS, ALLEYS AND PUBLIC GROUNDS FOR THE PURPOSE OF ERECTING AND MAINTAINING AN ELECTRIC DISTRIBUTION SYSTEM, WITH THE NECESSARY POLES, WIRES AND OTHER APPARATUS, EQUIPMENT AND APPLIANCES THEREFOR, AND TO STRING WIRES ABOVE GROUND OR CARRY SAME THEREUNDER; AN THE RIGHT TO DO ALL THINGS NECESSARY AND PROPER FOR THE PURPOSE OF GENERATING OR OTHERWISE PROCURING ELECTRIC ENERGY, OR ANY PART THEREOF, AND DISTRIBUTING THE SAME THROUGHOUT THE CITY OF FAIR GROVE, MISSOURI, AND OF SUPPLYING AND SELLING ELECTRIC ENERGY FOR LIGHT, POWER, HEAT AND ANY OTHER PURPOSE TO THE SAID CITY AND THE INHABITANTS THEREOF, AND FIXING THE TERMS AND CONDITIONS UPON WHICH SUCH RIGHTS MAY BE GRANTED AND EXERCISED. Posted 10-16-2024

Motion by Roe to have the first reading of Bill No. 24-11 by title only. Seconded by Stewart.
Petty AYE, Stewart AYE, Lord AYE, Roe AYE, Icenhower AYE

MAYOR READ BILL NO. 24-11 BY TITLE ONLY.

Motion by Stewart to approve the first reading and have the second reading of Bill No. 24-11 by title only. Seconded by Roe
Petty AYE, Stewart AYE, Lord AYE, Roe AYE, Icenhower AYE

MAYOR READ BILL NO. 24-11 BY TITLE ONLY.

Motion by Petty to approve the second reading of Bill No. 24-11 by title only and assign it Ordinance No. 267. Seconded by Roe
Petty AYE, Stewart AYE, Lord AYE, Roe AYE, Icenhower AYE

BILL NO. 24-12 AN ORDINANCE AUTHORIZING AND PROVIDING A CONTRACT BETWEEN THE CITY OF FAIR GROVE, MISSOURI (HEREINAFTER SOMETIMES CALLED THE CITY) AND THE EMPIRE DISTRICT ELECTRIC COMPANY

(HEREINAFTER SOMETIMES CALLED THE COMPANY), ITS SUCCESSORS OR ASSIGNS, FOR ELECTRIC SERVICE AND EQUIPMENT TO LIGHT THE CITY'S STREETS, ALLEYS, AND PUBLIC WAYS, ELECTRIC SERVICE FOR LIGHT AND POWER FOR THE CITY'S PARKS, OTHER PROPERTIES AND PUBLIC PLACES, FOR A TERM OF 2 YEARS, AND SPECIFYING THE PRICES TO BE PAID FOR SUCH LIGHTING AND POWER SERVICE, AND THE TERMS AND CONDITIONS OF SUCH CONTRACT; AND IN CONSIDERATION OF COMPANY'S COVENANTS AND OBLIGATIONS CONTAINED HEREIN AND COMPANY'S ACCEPTANCE OF THE TERMS AND CONDITIONS CONTAINED HEREIN FOR THE ESTABLISHMENT, OPERATION AND MAINTENANCE OF THE COMPANY'S FACILITIES WITHIN THE CITY; EXCEPT PROVIDING FURTHER THAT NOTHING HEREIN SHALL PROHIBIT THE CITY FROM LAWFULLY COLLECTING AN OCCUPATION TAX, LICENSE TAX, MOTOR VEHICLE LICENSE FEES AND ANY AD VALOREM TAX ON THE COMPANY'S REAL ESTATE AND PERSONAL PROPERTY. Posted 10-16-2024

Motion by Roe to have the first reading of Bill No. 24-12 by title only. Seconded by Petty
Petty AYE, Stewart AYE, Lord AYE, Roe AYE, Icenhower AYE

MAYOR READ BILL NO. 24-12 BY TITLE ONLY.

Motion by Stewart to approve the first reading and have the second reading of Bill No. 24-12 by title only. Seconded by Roe
Petty AYE, Stewart AYE, Lord AYE, Roe AYE, Icenhower AYE

MAYOR READ BILL NO. 24-12 BY TITLE ONLY.

Motion by Roe to approve the second reading of Bill No. 24-12 and assign it Ordinance No. 268.
Seconded by Petty.
Petty AYE, Stewart AYE, Lord AYE, Roe AYE, Icenhower AYE

DISCUSS AND REVIEW SEWER RATE INCREASE PROPOSAL

Petty - At our last meeting we talked about moving forward with the sewer rate proposal that we had presented. We wanted to meet with Larry Brown our treasurer. Basically just to look at it and give us his thoughts. After talking with him, we made some changes. So annually we collect around \$290,000 in sewer fees. Based off of our budget and our expenses and knowing the maintenance and operation improvements that we have to make to the sewer, knowing that we have a lot to do to catch up. His recommended operating budget for the sewer based off of the current price of equipment as well as knowing pieces of equipment we need to replace or maintain, his recommendation was \$400,000 for annual operating budget for our sewer. Based off of our annual collections, we are at \$290,000 today. His recommendation was to increase the usage rate, not the base rate, but to increase the usage rate to \$7.10 per 1000 gallons. We also found that originally we were under the perception that the base rate included the first one thousand gallons, but after getting more information from Heidi and Larry and doing some research, it's not the first 1000 gallons. So that would ultimately, if we did move forward with

what it was originally proposed as, we would miss out on that revenue. His recommendation was to recalculate based off of the base rate, not including the first 1,000 gallons and to come to an annual operating budget of \$400,000 to operate and maintain our sewer facilities. We then are proposing a 5% increase to both the base rate and the usage rate for the 3 years following the initial increase.

Roe - What changed from the last time we talked was the \$7.10.

Icenhower - The only thing that changed was the water usage.

Roe - The usage rate per 1,000 gallons. Larry proposed taking that up to \$7.10, what we had proposed at the last meeting was \$5.80 so it's a \$1.30 increase. That's the only thing that changed from what was proposed at the last meeting. Because of Larry's recommendation, were bringing this back to the board because we need board approve to go forward with the public hearing on this. It's always good to have another set of eyes look at it. Larry Brown had told me in the past that he's helped cities review their sewer rates. So I mentioned that to Kelly and she reached out and set up a meeting. This is a result of that meeting.

Icenhower - In reality we are running around \$110,000 in the red. We've collected around \$290,000 and we're needing \$400,000. Haven't had a sewer increase for almost 5 years.

Roe - This coming February will be 5 years.

Icenhower - This is what I have advocated all along, this is going to be a pretty good jump. If you do a little every year, people don't get near as upset. As you see, we've got a 3 year plan here and this would be good for 3 years. Like I said, it's been 5 years since we've had an increase. On the water side we do an increase every year.

Petty - Which our ordinance does say that we review this annually, to make sure that we have sufficient funds to operate. We've been lucky enough the past couple of years to have the ARPA funds.

Roe - Greene County ARPA funds.

Petty - To help supplement that deficit. Which has come in handy for several of the emergency

Roe - And I'll be honest, being Chairman of the sewer committee, I was more focused on getting our hands on some of the free money, not necessarily realizing that we need to be looking at sewer rates annually and it just slipped my mind.

Icenhower - This will put us, I think, if I remember right, with other cities, I think this puts us 5th.

Stewart - Yes, 4th now.

Petty - He did caution against comparing to surrounding cities.

Icenhower - It's going to be a pretty good increase. I mean they're going to go from \$38.12 to \$52.94. It's going to be a pretty good hit in the arm. The water is going up too. So people are going to....

Roe - Everybody has an opinion on that and I'll share mine. For 28 years, I lived in the county in Illinois with water and a septic system. I said when I retire, I'm moving to town where I've got city water and city sewer and I'll just leave it at that.

Icenhower - I don't know whether any of you have been reading the paper or hearing it on the news, but everybody around us, Willard is having to play catch up and looking at a big increase. The same thing in Springfield. I saw on the news the other night where Springfield water and sewer was going to take a big hit. I've heard that Strafford is taking a big hit. It's the situation being that inflation the way it is everything the way it is as you all know, every time you turn around, it costs more money. We right now down there, we are in fairly decent shape, but you never know. Kenny was telling me today, that we got our one pump back. But we've still got one out on CC and those pumps last so long and we've got a project coming up, I think it's around \$90,000 doing that one deal down there, but we had that in our budget. Still have the other ones we have to do some time down the road.

Voorhis - On the bottom of this, you guys have it for 3 years going up 5%. Is this enough I guess? Are we going to find ourselves in a year and a half from now going back and saying we're going to bump this up this much more, after we approve this for three years, this increase by 5%?

Petty - So I think we will have to review it annually still, that doesn't mean we have to take action on it. But we should review it to see if it's enough/appropriate for the expenses that we need to cover

Voorhis - So looking at this next year, with all the stuff we've went through and replacing the stuff to handle this increase and not be operating, as Richard mentioned, in the red per say. Grant money, because if we don't get it....

Roe - I feel comfortable.

Icenhower - None of us have ESP, you don't know. You can't predict the future, but hopefully, like Kelly said, it needs to be reviewed every year and we haven't been doing it. It needs to be reviewed every year. I feel comfortable with this.

Voorhis - On this commercial rate for the last one, do you want to stick being the same as residential.

Icenhower - Ours and residential. The only difference there is January, February, March average. Commercial is on actual usage year around.

Petty - The difference on the billing is just that the base rate is \$2.00 higher than residential, usage rate is the same.

Icenhower - So if everybody in January, February and March doesn't use much water, they have a smaller sewer bill. In reality, that's what it boils down to. Like I say on commercial they pay on sewer rate, actual water usage every month. Like Kelly said, I think they ought to charge \$2.00/\$3.00 more on base rate?

Petty - Today is \$1.80.

Stewart - When would we have the public hearing?

Roe - It's got to be posted in the paper 30 days in advance of the meeting, so it will not happen in December, it would be January.

Stewart - It would be January?

Icenhower - As long as we get this to Heidi before the end of March. She can have the computer company plug this into the computer and the bills will come out in February.

Petty - If we can get it to her before the February billing cycle, then the February bill will include the increase for the January usage.

Icenhower - So they'll have one month at the old rate, two months on the new rate on their average.

Jeffery Danderson - Why are you jumping it up from March to April? Why didn't you just raise it when you recalculate all of their rates and do it on your April bill?

Roe: We could.

Petty: We were originally were trying to line it up with the water increase, which we thought was in January, but it's actually in December. With the dates that the meetings fell, we ended up not being able to get it out on the same day or on the same time frame because of the 30 days for the public hearing, that's why it moved it back a month. There's no real, other than our calendar year.

Danderson: Historically they've always, what little rate we've done is when the April bill comes out, everyone knows that they are recalculated anyway. Everybody knows that. So if it's a big hit and it happens in April there's going to be a lot less headache for you guys, than if you do it in February, because that's just going to draw more questions. Most people don't even notice much of a rate. They're going to notice this one. They are going to expect one in April.

Roe: Because of the recalculations.

Danderson: Even if the sewer rate stays the same, you recalculate every year, January, February, March. You guys do what you want, this just seems easier. I was just asking.

Roe - Jeff, the last sewer rate increase, was February of 2020 so that would have tied in with probably, we should have one more month, March or April billing. We probably delay it until April. I think that's a good recommendation. Especially when they are going to be hit with an increase in December on water.

Petty - We already know that they are probably going to get Heidi as well as Sara and Chan are going to get phone calls for the water and then the following month, you get it for the sewer and 2 months later, you'll get it again for the recalculation. So we could minimize that.

Roe - That's a good reminder Jeff. I apologize, it's been almost 4 years since we did this.

Icenhower - If you put it effect on the first of April, they will be paying the last year's rate.

Danderson - You recalculate January, February, March on your April bill, that's when you pay your different rate. That's when you change the calculation.

Icenhower - You change the calculation the first of April. That goes back and still catches March. You're paying one month behind. If you don't do it until April, the problem is going to be...

Danderson - You're averaging January, February, March and that's what you're using for your payment.

Icenhower - But what I'm saying is, if you don't do it until the first of April, the problem is going to be that your average is still going to be on the old rate.

Danderson - On your April 1st bill, that's when you want your change to occur. So that would be your February reading.

Icenhower - No that will be your March reading.

Danderson - Or your March reading.

Icenhower - You'll have one month on the old, I mean one month on the new and two on the old. If you put it in effect the first of April, your water usage in March is what you get billed for in April. So put it in effect the first of April, it's going to go back to catch March. January and February is going to remain the old rate.

Stewart - It's calculated on how much you pay on your bill? Or how many gallons of water you use?

Icenhower – How many gallons of water you use.

Stewart – So January and February, it doesn't matter what you're paying on your bill. Still when they go to calculate in April, it's still going to be a thousand gallons or whatever.

Petty - I think maybe we could just ask Heidi which bill exactly the rate or usage rate is going to update for the new average and then whenever we schedule our public hearing, we can call out that this is the date that or however it needs to be worded. That it will be effective on the same date that our averages will be recalculated.

Roe – Just tie it to the same date that the...

Icenhower: If you set it the first of April, she can go back. Say you use 5,000, 4,000, 4,000, that would be 13,000 gallons of water and the average on that divided by 3 would be 4,000 and something. So you would be paying whatever it is here on the average of 4,000 gallons.

Stewart: That's how I'm picturing it too. I think that's the way to do it.

Icenhower: So if you set the rates to go into effect the 1st of April, when she plugs in January, February, March, you're average is going to hit you with the new rate.

Danderson -Yes exactly

Roe - That's what Jeff's been saying.

Stewart - It sounds wise from somebody that's done it way more than I have. Thank you guys for that.

Voorhis - So what do you guys need, to move forward for this public hearing?

Roe - I think last time, we just got a consensus and were in agreement, because the final decision, the motion will be made after the public hearing. So if you guys are ok

Stewart - Do we have the Public hearing in January or do we move it closer to the April?

Danderson - Do it as fast as you could. Get your public hearing out of the way.

Icenhower - Public hearing in January, we don't have to act on it until February.

Lord - Feels like we're having a public hearing right now.

Danderson – I'll leave if you want me to.

Lord - Sounds good to me.

Stewart – I want you to stay right there, Jeff.

DISCUSS AND REVIEW CHAPTER 700, ARTICLE III OF CITY ORDINANCES

Petty: So looking at this stuff, Larry recommended, for Section 700.560 about the accounting system for sewer funds D. It calls out that a minimum of \$7,950 per year, from the revenue collected shall be cumulated to the Sewer system replacement account. Appendix E indicates that method of determining the sewer system replacement fund amount. We no longer put \$7,950, we do put some in there every year, but not that amount. His recommendation is to scratch the last two lines, “a minimum of \$7,950. That just calls out the specific amount. He also recommends appendix E, which is method of determining the sewer system replacement fund amount. This was originally put together when the sewer system was put in and it has 1991 replacement costs on here, which are probably no longer accurate. He also had trouble understanding it’s purpose for today’s replacement fund amount, method of determining the sewer system replacement fund amount. So his recommendation was to get rid of appendix E. It’s called out in the last sentence of part D of Section 700.560. So that’s the first recommendation. And then section 700.570 review of rate schedule, part D appendix F is the method to be used in calculating the rates for operation maintenance. Appendix F. He had the same recommendation. He did not find it useful today in calculating rates for operation maintenance.

Roe - I’ll just point out, Appendix E and F, the last update was 5/15/2001, so we’re talking 23 years ago. He just felt the info was no longer useful. If we wanted to clean up the ordinance, his recommendation was that we we could remove Appendix E and Appendix F. If we want to leave them there, they’ll stay there forever and never be looked at.

Petty - But we definitely want to either remove or reword how much money we are putting in the sewer system replacement account, because we do not put in \$7,950.

Icenhower - I think we’re required to have so much money in there and the money is already there. We have the money, so we haven’t had to put more money in.

Petty – So we need a consensus and then we can rewrite these and then bring them forward

Voorhis - I believe we need a motion to remove or change. It’s an ordinance that’s already on the books, so if we’re going to do that I would come up with a recommendation for the change and bring it to the counsel first. You guys are the sewer committee we don’t need, if you would have brought that here tonight and made a motion to accept this and replacement of this, then I think that would be appropriate.

Petty - This is just to get your guys feedback.

Voorhis - I’m good with updating the Ordinances.

Stewart - These are all old, they need to be updated.

Roe - It will require a public hearing of course.

Stewart - Could it be combined with the other public hearing or do you have to have them separate?

Roe - It could. I don't see any urgency.

Stewart – last time we had a public hearing, we sat here for 30 minutes to let the time pass. Nobody had anything to say.

Icenhower: In reality, we are almost completely doing away with both of them. There's no reason to have it. Or the way I understand it. Is that right?

Roe - Yes that's correct

Stewart - Sounds good

Roe - We'll move forward with those changes for the public hearing.

DISCUSS AND/OR APPROVE THE SPREAD OF LIME

Icenhower - Years ago they starting and done it back with DNR and all, we're spreading the sludge, at that time it was Petey Bass. Petey died. There was a contract and we can't find it, but its attached to the DNR report. We have to put the sludge on there and you have to put lime on it every so often, to neutralize the PH. Well it's time to do it. I don't understand how there can be a figure. Tell Ben Bass to get the lime put on it, 2 tons or 3 tons per acres. Whatever his PH comes up to. My suggestion would be to have Ben do it, get it spread and bring us a bill.

Roe: That's what's been done in the past.

Icenhower - That's what's been done in the past. We've got to stand up to our. The beauty part of this is that there's a gate right there by the sewer plant, they just load the truck and go right through the gate and go out and spread it. They don't have to go up and down a highway or nothing. It's adjoining property. My suggestion is to tell Ben to get it done and bring us the bill. Otherwise, if we get in the middle of it we're going to have to get bids and everything else.

Roe – What I was hoping to do was to get a maximum price from Ben, to prove it could be depending on how much they have to spread per acre.

Icenhower - Yea, I don't know if it's 200 pounds per acre, 300 pounds per acre. I'm not for sure Ben even knows yet, to be honest about it. He has to have a soil sample taken and then PH comes back and that tells him how many pounds he needs per acre.

Stewart - Do we have any type of contract that says we'll pay X amount

Icenhower - We cannot find that contract, but it is attached to the DNR permit. For us to be able to do that, we have to comply with DNR.

Petty - Do we know how much we spent in the past or how much we've had to reimburse in the past?

Icenhower - I have no idea and the cost of everything has went up so much too.

Stewart - Not that I'm worried about it with Ben, because it's not a problem, but you could run into a problem. They can charge you whatever they want to, if you're giving them a blank check.

Icenhower - He'll have to give us an itemized statement. There will be so much for lime. I'm sure he'll have the lime hauled out there by semis. They will load the lime truck there. They can't afford to run a lime truck back and forth to the quarry. So they'll have the lime hauled out there and there will be so much for trucking and so much for lime and so much for spreading. I think they're getting \$7.00 an acre for spreading. So it's all pretty well set, in other words.

Stewart - I think we're good to go especially with Ben Bass doing it. In the future whenever for whatever reason, he can't do it we might run into issues

Icenhower - It's his property so no one else will be doing it. It's his property, if we spread it onto someone else's property, we'll have to do the same thing. I don't see that happening.

Roe - Until the second oxidation ditch was put in, according to Jeff, it was spread on the sewer property there. Because we had enough pasture land there. Kenny, I was given a number of approximately \$6,000, I think we're looking at something in that ballpark range, correct me if I'm wrong. It's not tens of thousands of dollars. There are enough unknowns, we are just making the board aware that we are going to be doing this to meet the DNR permit requirements.

Icenhower - We don't need a motion on this or anything like that.

Voorhis - Yes, we got to keep up with the DNR.

Icenhower - As long as everybody doesn't get surprised when the bill comes in from Ben Bass for lime. It's just more or less to let everybody know what's going on.

Roe - What I did learn, Jeff, I'll share this. Limed application sites within a 20 mile radius of the waste water treatment facility are authorized under this permit. So we can go up to 20 miles away from waste water plant. So it doesn't have to be Ben Bass' property.

Icenhower: - There is quite a formality to go through to get that.

Roe - To go beyond that.

Icenhower – No, even to go within the 20 miles. They have to have soil sample and all this stuff. It's quite a procedure to go through to get it off of there. Isn't that right Kenny? They have to have your soil sample. They have to have soil samples

Kenny - Plotted land, they all have to be numbered where you're at.

Icenhower – You don't just go out here and start dumping it on Jones' property.

Stewart - Sounds like a done deal then.

Voorhis – We'll go ahead and move on to the last item.

RESOLUTION 24-03 A RESOLUTION OF THE CITY OF FAIR GROVE, MISSOURI DECLARING THAT THE ANNUAL CHRISTMAS PARADE WILL BE HELD ON DECEMBER 7, 2024, AND THAT SOUTH MAIN STREET FROM EAST WALNUT STREET TO NORTH ORCHARD BOULEVARD SHALL BE CLOSED FOR SAID PARADE.

Voorhis: I talked with the Heritage Society as they are going to be the ones leading the Christmas parade this year. They told me it would last an hour if not less, they said it normally lasts about 30 minutes. They asked for the street to be shut down about 5:00 pm to 6:00 pm for the parade. It's happened, without this, I talked with Mr. Dennis and were under the false pretense that it was something that was being taken care or some way it was taken care of, and it wasn't. With it moving from the fire department that was doing it and the Heritage Society taking over the insurance stuff and so on and so forth and asked for us to do that. The resolution that we need to have completed to approve the shutting down of the roads on March 7, 2024 from 5:00 pm to 6:00 pm from east Walnut or south Main street from east Walnut street to north Orchard Blvd.

Stewart – Do we need a motion to accept this?

Motion made by Icenhower to approve resolution 24-03. Seconded by Stewart.

Petty AYE, Stewart AYE, Lord AYE, Roe AYE, Icenhower AYE

Adjournment

Motion by Stewart to Adjourn at 7:17 p.m. Seconded by Roe.

Icenhower - I want to throw something out that's not on the agenda. It's not a big deal, well it is a big deal. Dennis, I and Kelly, well Dennis and I first and then Kelly joined the other day. You've heard Larry speak about our sewer rate, I mean our tax levy. We have dealt with, we kind of have things in motion to look at possibly looking at a no tax increase bond. It's all in the beginning stage. It's going to take time, but we've got several projects, especially culverts and

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bridges in the city that we need to fix up and that's what most of this money would be going to. That bond we got, pays off in 3 years, remember Larry talking about pre-paying and pre-paying and pre-paying and what it would be is whatever amount it ends up coming to. This bond we are paying off is \$300,000. What the next one is going to be, I don't know. It would be a no tax increase bond for projects like that. It's going to be a while before we do anything, because it's all in the beginning stages right now. We've been dealing with Piper Benson.

Voorhis: I don't mean to interject, but if we are going to talk about that, we'll....

Roe: It's not on the agenda. We can put this on the December agenda.

Voorhis – We'll get that put on the agenda, Richard. We did have a motion by Stewart to adjourn at 7:17 pm. Second by Mr. Roe.

Petty AYE, Stewart AYE, Lord AYE, Roe AYE, Icenhower AYE

Adjourned at 7:17 pm


Chandra Scott, Assistant City Clerk