

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF
ALDERMEN OF THE CITY OF OSAGE BEACH, MISSOURI
January 18, 2024**

The Board of Aldermen of the City of Osage Beach, Missouri, conducted a Regular Meeting on Thursday, January 18, 2024, at 5:30 PM. The following were present in person: Mayor Michael Harmison, Alderman Phyllis Marose, Alderman Justin Hoffman, Alderman Richard Ross, Alderman Kevin Rucker, Alderman Kellie Schuman, and Alderman Bob O'Steen. City Clerk Tara Berreth was present and performed the duties for the City Clerk's office.

Appointed and Management staff present City Administrator Jeana Woods, Assistant City Administrator Mike Welty, Police Chief Todd Davis, Building Official Ron White, Airport Manager Ty Dinsdale, City Treasurer Karri Bell, and City Planner Cary Patterson. Human Resources Generalist Michael Raye, Cochran Engineering Eric Howell.

CITIZEN'S COMMUNICATIONS

Corey Booth – Citizen Advisory Committee unanimously agreed that Bill 23-77 should read that any food truck vendor be 200 ft from any business property line unless waived by business owner and there should be a tiered billing based on the center of their location to their commissary.

APPROVAL OF CONSENT AGENDA

Alderman Rucker made a motion to approve the Consent Agenda. This motion was seconded by Alderman Marose. Motion passes with voice vote.

UNFINISHED BUSINESS

None

NEW BUSINESS

Bill 24-02 - An ordinance of the City of Osage Beach, Missouri, amending Chapter 135 Finance and Purchasing; Section 135.040 Purchasing and Procurement-Competitive Bidding, Section 135.050 Purchasing and Competitive Proposals, 135.070 Purchasing and Competitive Purchasing/Sole Source Procurement/Emergency Purchases. *First Reading*

Alderman Ross made a motion to approve the first reading of Bill 24-02 with the amended changes, with the staff to bring back additional verbiage to Section 135.040 Purchasing and Procurement -Competitive Bidding. This motion was seconded by Aldermen O'Steen. Motion passes with voice vote.

Bill 24-03 - An ordinance of the City of Osage Beach, Missouri, imposing a use tax for the purpose of funding City infrastructure and capital improvements, including the operation and maintenance of City infrastructure and capital improvements, including, but not limited to, the construction, maintenance, repair of, and improvements to the City's Parks and Recreation System, and with any additional funds being applied to other General Fund needs of the City, at the rate equal to the total local sales taxes in defect for the privilege of storing, using, or consuming within the City any article of tangible personal property pursuant to the authority granted by and subject to the provisions of Sections 144.600 through 144.761 RSMo; proving for the use tax to be repealed, reduced, or raised in the same amount as any city sales tax is repealed, reduced, or raised; and providing for submission of the proposal to the qualified voters of the City for their approval at the General Municipal Election called and to be held in the City on April 2, 2024. *First and Second Reading*

Alderman Ross made a motion Bill 24-03 as amended to An ordinance of the City of Osage Beach, Missouri, imposing a use tax for the purpose of the construction, maintenance, repair of, and improvements to the City's Parks and Recreation System, and with any additional funds being applied to other General Fund needs of the City, at the rate equal to the total local sales taxes in defect for the privilege of storing, using, or consuming within the City any article of tangible personal property pursuant to the authority granted by and subject to the provisions of Sections 144.600 through 144.761 RSMo; proving for the use tax to be repealed, reduced, or raised in the same amount as any city sales tax is repealed, reduced, or

raised; and providing for submission of the proposal to the qualified voters of the City for their approval at the General Municipal Election called and to be held in the City on April 2, 2024. This motion was seconded by Alderman Schuman. Motion passes with voice vote.

Alderman Rucker made a motion to approve the second reading as amended to Bill 24-03. This motion was seconded by Alderman Marose. A roll call was taken to approve the second and final reading of Bill 24-03 and to pass same into ordinance: “Ayes”, Alderman Marose, Alderman Hoffman, Alderman Ross, Alderman O’Steen, Alderman Rucker, and Alderman Schuman. Bill 24-03 was passed and approved as Ordinance 24-03.

Bill 24-04 - An ordinance of the City of Osage Beach, Missouri, providing for the holding of an election within and for the City of Osage Beach, Missouri, on the question of the appointment of a Collector and setting the time at which said ordinance shall become effective. *First and Second Reading*

Alderman Ross made a motion to approve the first reading of Bill 24-04. This motion was seconded by Alderman Rucker. Motion passes with voice vote.

Alderman Rucker made a motion to approve the second reading of Bill 24-04. This motion was seconded by Alderman Marose. A roll call was taken to approve the second and final reading of Bill 24-04 and to pass same into ordinance: “Ayes”, Alderman Marose, Alderman Hoffman, Alderman Ross, Alderman O’Steen, Alderman Rucker and Alderman Schuman. Bill 24-04 was passed and approved as Ordinance 24-04.

Motion to approve the purchase and installation of a new City of Osage Beach Welcome Sign from Springfield Signs for an amount not to exceed \$57,775.50.

Alderman Ross made a motion to approve the purchase and installation of a new City of Osage Beach Welcome Sign from Springfield Signs for an amount not to exceed \$57,775.50. This motion was seconded by Alderman O’Steen. Motion passes unanimously with a voice vote.

Motion to approve the purchase of Sewer Inventory (Electrical/Mechanical/Pumps) from Municipal Equipment for an amount not to exceed \$465,369.55 plus shipping.

Alderman Hoffman made a motion to approve the purchase of Sewer Inventory (Electrical/Mechanical/Pumps) from Municipal Equipment for an amount not to exceed \$465,369.55 plus shipping. This motion was seconded by Alderman Rucker. Motion passes unanimously with a voice vote.

Discussion - Waterworks Chapter 705, Rates and Charges and Sewers and Sewerage System Chapter 710, User Charges System

The previous rate increases were effective May 2023, based on financial and forecast data leading up to mid-late- 2022. The financial activity that has been realized since mid-2022 has proved to outpace historical expenditure trends, affected the data used for forecasting the previous rate research, and the use of reserves and other unrestricted monies were needed to fill financial gaps. For both water and sewer, rates increases are required to replenish reserves and to continue a more aggressive approach to system repairs and improvements to accommodate increased usage of current customers and our aging system. Economic factors, such as inflation, supply-chain issues, etc., as well as unexpected system breakages/failures have contributed to the unprecedented increase in expenditure trends since mid- late- 2022 and throughout 2023.

Status quo indicates (based on FY2023 and FY2024 expenditures and new forecasting models), Water and Sewer combined subsidies from CIT (Capital Improvement Tax) could be as much as \$2 million annually (averaged) over the next 4 - 5 years. The rate increases proposed in my enclosures will bring reserves back to previous levels needed, accommodate an increase in funds for appropriate system improvements and updates, and will eliminate/ dramatically decrease any CIT subsidy over any debt service requirements. Water bonded

debt will be matured and paid off in 2026; sewer in 2025.

Since the inception of the CIT (Capital Improvement Tax), water and sewer operations have been subsidized by said tax, above debt service obligations (within defined uses per ordinance). If there is a desire of the Mayor and Board of Aldermen to discontinue subsidies, or to phase out subsidies of said tax, above debt obligations, as has occurred in the past, the rates outlined in my enclosure will be affected (more subsidy - potential decrease in rates). Since 2013, CIT subsidy to combined Water and Sewer Funds has averaged \$1.9 million (data calculated since 2013 per audit); this includes both debt coverage and operation expenditure coverage but varied each year.

The rates as outlined, with the assumption of an effective date mid-year 2024, are estimated to increase FY2024 budget collection budget estimates by 15% +/- Water and 41% +/- Sewer. Actual collections are based on actual water use and user counts.

STAFF COMMUNICATIONS

City Administrator Jeana Woods – will be putting together a FAQ sheet for use tax question and collector question.
Assistant City Administrator Mike Welty – will be bringing back streetlights and sidewalks at a February meeting.
City Clerk Tara Berreth- met with Department Managers they are working on Code Codification Questions.
City Attorney Cole Bradbury – Court has been moved to the 2nd and 4th Monday's.
City Treasurer Karri Bell – W-2's went out in the Mail on Wednesday.
City Police Chief Todd Davis. Hired a new dispatcher, 2 new police officers in the academy.
Building Official Ron White – Already at \$34million in projects this year.
Human Resources Generalist Michael Raye – Lager's report in the process of getting the report together.
Cochran Eric Howell – Sands Lift Station starts on February 5th, City Park Irrigation Pump start shortly, and Bluff Drive shoulder repair project will start in March.

Department Update List - January 18, 2024

- Camden County Road Property Tax Questions (*City Treasurer, K Bell/City Attorney, Cole Bradbury*)
 - Pending county audit report update.
- Capital Replacement Plan – LO/OB Joint Sewer Plant (*City Administrator, J Woods*)
 - Pending inventory reconciliation; in process, draft to the LO/OB Joint Sewer Plant Board expected in March/April.
- Guideline Evaluation
- Design Guideline Revisions - Street Lights (*Asst. City Administrator, M Welty*)
 - Mayor/Board discussion/draft review December.
- Incentive Guideline Revisions (*City Administrator, J Woods*)
 - Draft completion estimated December/January.
- Personnel (*HR Generalist, M Raye*)
- Employee Survey Results
 - Estimated completion November.
- Employee 360 Feedback Process
 - To be included in the Employee Eval process 1st Quarter annually.
- Project Updates / Related Budgeted Items Update o Park Master Plan (*Parks & Recreation Mgr, E Gregory*)
- Sidewalk Master Plan (*Asst. City Administrator, M Welty*)
 - Updated plan for Mayor/Board discussion December.
- Swiss Village Treatment Plan (*Public Works Department*)
 - Evaluation study to be completed soon, update on conclusions in December.

- Tan Tar A Master Plan re: Infrastructure (*Asst. City Administrator, M Welty*)
 - FY2024 Budget partial inclusion as required by other factors; Project list to be discussed during budget workshops in October/pending contract details reconciliation.
- Tan Tar A Estates Utilities Current Contract Explanation / Rate / Funding Review (*City Attorney, C Bradbury / City Administrator, J Woods*)
 - Remains in process/reconciling contract details; completion TBD.

City Staff contact noted in parenthesis.

MAYOR AND MEMBERS OF THE BOARD OF ALDERMEN COMMUNICATIONS

Alderman Rucker – Camden County Commissioner allowed senior citizens to freeze their real estate property taxes. Go online to register.

Alderman O'Steen – Question about late water bill cut off in inclement weather? Staff will investigate.

EXECUTIVE SESSION

Notice is given that the agenda includes a roll call vote to close the meeting as allowed by RSMo. Section 610.021 (3) Hiring, Firing, Disciplining, or Promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded.

Alderman Marose moved to open the Executive Session. Alderman Rucker seconded the motion. The following roll call vote was taken to open the meeting: "Ayes": Alderman Ross, Alderman Marose, Alderman Hoffman, Alderman Schuman, Alderman O'Steen, and Alderman Rucker. The meeting was therefore open.

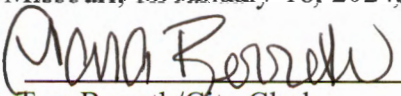
No announcements were made following the closed session.

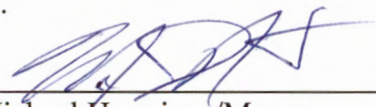
Alderman Ross moved to close the meeting. Alderman Marose seconded the motion. The following roll call vote was taken to close the meeting: "Ayes": Alderman Ross, Alderman Marose, Alderman Hoffman, Alderman Schuman, Alderman O'Steen, and Alderman Rucker. The meeting was therefore closed.

Alderman Hoffman made a motion to adjourn at 7:45pm. This motion was seconded by Alderman O'Steen. Motion passes unanimously with a voice vote.

ADJOURN

There being no further business to come before the Board, the meeting was adjourned at 7:45pm. I, Tara Berreth, City Clerk of the City of Osage Beach, Missouri, do hereby certify that the above foregoing is a true and complete journal of proceedings of the regular meeting of the Board of Aldermen of the City of Osage Beach, Missouri, on January 18, 2024, and approved February 1, 2024.


Tara Berreth/City Clerk


Michael Harmison/Mayor