

MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF RICHMOND, MISSOURI, JUNE 23, 2015

PRAYER:

PLEDGE OF ALLEGIANCE: Led

Mayor Wright called to order the regular meeting of the City Council of the City of Richmond, Missouri on June 23, 2015 at 06:30 p.m.

ROLL CALL - COUNCIL PRESENT: Mayor Mike Wright, Dave Powell, Deanna Guy, Sam Coleman and Rob Kinnard Mike Persell, Jim Dunwoodie and Tom Williams.

COUNCIL ABSENT: Ron Peterson, excused

ROLL CALL – STAFF PRESENT: City Administrator-Ron Brohammer, City Clerk-Tonya Willim, Police Chief-Chad Burnine, Wastewater Superintendent-Dale Shipp, Streets Superintendent-Joe Jackson, Community Development Director-Lisa Hastings, City Collector-Marilyn O’Dell, Recreation Director-Haley Williams, HR Director-Sandra Williams and City Attorney-Chris Williams.

STAFF ABSENT: Fire Chief-Lonnie Quick and Finance Director-Rebecca Hoeflicker, excused.

WELCOMING REMARKS – Mayor Wright welcomed everyone to the meeting.

PUBLIC HEARING - Mayor opened the public hearing regarding sewer rates at 06:32 p.m.; Ron will give the presentation and after that will be time for comments.

Ron Brohammer – Good evening, this public hearing is for the purpose of considering an adjustment to the base sewer rate for the City of Richmond. In 2009 the City of Richmond was faced with a critical issue. It operated two wastewater treatment plants one at the north end of the city and one at the south end. MDNR was dictating effluent discharged from the North Plant would have to be disinfected or have disinfection treatment or the plant would not be allowed to continue operation after 2011. Additionally, the south plant has a seriously damaged oxidation ditch and was very near failure and beyond repair. Compounding these two issues and MDNR directive that no additional services would be allowed at the south plant as it was operating near its design capacity. Clearly as these three issues came together, major steps were required. It was determined with the bond issue of \$5.1M and grants of \$4.7m that disinfection at the north plant and an extension at the south plant. In 2010, the voters approved a \$5.1M bond issue but the anticipated grants of \$4.7m did not materialize. Subsequently in April 2011, voters were asked for an additional \$4.1M in bonding authority which they approved by a significant margin. The new plan for closing the north plant entirely and completing a new plant south and a pump station at the north plant and that would pump everything from the north side of town to the south plant. Richmond citizens were told that based on the number of connections, sewer base rates would be \$20.09 for connection. We also hoped at that time usage fees could be cut by approximately .50 cent for 1000 gallons per usage. That however is not going to happen. Five years has passed since that projection. Electricity, equipment, salaries have all increased since that assessment. We cannot lower the usage rates but, we can lower the base rate. One might think of the base rate, just like a mortgage. Our bonds for the new plant cost are approximately \$600,000 a year. The base rate was established to meet the requirements with a number of connections and current billing structure requires \$20.09 per connection. As we looked at the current system of calculating the base charges two things became apparent. One, we have several multiple family living units that have one and only service connection and they are paying on one base charge. We have complexes with 2, 4, 8 or more families but only paying one base charge to the city. These seem unfair to call the single family units that are also only paying one base charge. The second thing we noticed was commercial activities were only paying only one base charge, yet, they used

many more times the plant treatment capacity than residential users. In fact, the largest users in Richmond are in the south part of the city service by the south plant. Shirkey Nursing and Care Facility our largest user, Walmart, 3 car washes, the hospital and dialysis center all these are significant contributors to the south plant in reaching its capacity. If we had not built the new plant, several new businesses would have not been able to locate in the south area. Including, the new Swafford Ford location, relocation of C&C Drug, the dialysis center and ultimately whoever develops on the property just north of McDonalds. The fact of the matter is commercial activity was a direct contributor to requirement to build a new plant. In addressing these two concerns, staff has proposed to the City Council that all multi-family residents be assessed a base charge for each occupied living unit; if the units are not served by an individual water meter. Commercial units would be assessed a base charge base on each 15,000 gallons used or partial amount of 15,000. These will be referred to as BEUs or Base Equivalent Units. We determined this number based on usage of some of our largest residential users even though the average residential user is about 5,000 gallons per month. Using this method, the base charge will be reduced for all from \$20.09 to \$15.25. We believe this is both reasonable and equitable for all users. Now just to be clear, there is nothing magic here, we are simply adjusting our billing or proposing to adjust our billing, so that as many as possible are equitably sharing in the cost plant construction. Specifically, we not have 2175 single residential users, when we pick up the additional users that are the additional mulit family users not paying a base charge we add 435 users. So there are 435 individual family units that are not paying the base charge. This brings the total single residential user up to 4610. As for commercial users we presently have 201 single base rate charges. But when we calculate their base charge using the BEU of 15,000 gallons we add 110. Bring that equivalent base charge to 311 users. By using these counts we have a total of 545 equivalent users which allows us to bring the base charge down for everyone to \$15.25 versus \$20.09. Mr. Mayor.

Mayor Wright stated if anyone would like to comment, please come forward and state your name and address.

Individuals that addressed the council:

1. Rob Brash, 406 Krause Street
2. Justin Persell 489 Trailridge
3. Jim Rippy 202 E. South Street
4. Mike Hooks 611 Benton
5. David Francis
6. John Letzig

Mayor closed the Public Hearing at 07:19 p.m.

ACCEPTANCE OF MINUTES: June 9, 2015 minutes of the regular meeting approved as printed.

COMMENTS FROM AUDIENCE: Kim Milly w/KMZU wanted to make announcement on Saturdays will feature segment of individuals in the community that deserve recognition asked for nominations.

ADOPTION OF AGENDA: A motion to adopt the agenda by Councilor Williams, second by Councilor Coleman. AYES: Persell, Guy, Williams, Kinnard, Powell, Dunwoodie and Powell. NAYS: None. Motion approved 7-0.

REPORT OF STANDING COMMITTEES:

FINANCE COMMITTEE: Rob Kinnard - committee has not met since the last council meeting and therefore has nothing to report. July 7 at 5:00 will be a Finance Committee Meeting to discussed project FY16 revenues.

ORDINANCE COMMITTEE: Deanna Guy – committee has not met since the last council meeting and therefore has nothing to report. Will set meeting on July 7, at 4:00 p.m.

PUBLIC WORKS: Ron Peterson (Absent) – Dave Powell committee has not met since the last council meeting and therefore has nothing to report.

PUBLIC SAFETY: Dave Powell – committee has not met since the last council meeting and therefore has nothing to report.

MAYOR’S REPORT – Mike Wright; attended Public Works meeting and was down at the water plant and watch some the pigging. I signed a Proclamation regarding the National Diaper Week.

CITY ADMINISTRATOR – Ron Brohammer – report included in the packet. Discussed resolution and support letters for the Harvest Hills Villas, Senator Pearce and Representative McGaugh to support. Discussed pigging lines and showed video of pigging.

UNFINISHED BUSINESS:

- A. **Bill No.: 15-15** Ordinance Amending Section 700.100 of the Municipal Code of the City of Richmond, Missouri regarding Sewer Rates. Discussion by Council regarding meters, connections and cost.

Motion made by Councilor Kinnard, (no second) motion died for the first and second reading by title only of **Bill 15-15**.

After further lengthy discussion by Council it was decided to bring back Bill 15-15 postpone the vote and pull back ordinance and bring at a later date.

Motion to postpone Bill 15-15 for 30 days by Dunwoodie, second Powell. AYES: Powell, Coleman, Persell, Williams, Dunwoodie and Guy. NAYS: Kinnard. Approved 6-1.

NEW BUSINESS

- A. **Bill No.: 15-16** Ordinance Changing Zoning from B-1 to B-2 on 201 E. Lexington. Motion by Powell, second Guy, for the first and second reading by title only of **Bill 15-16**. AYES: Williams, Powell, Kinnard, Guy, Persell, Dunwoodie and Coleman. NAYS: None. Motion carried 7-0. City Clerk, Tonya Willim proceeded with the first and second reading by title only of **Bill 15-16**. Motion to adopt by Powell, second Guy to approve **Bill 15-16** as ordinance. Discussion: being none roll called. AYES: Powell, Coleman, Kinnard, Persell, Williams, Dunwoodie and Guy. NAYS: None. **Bill 15-16** Approved 7-0.

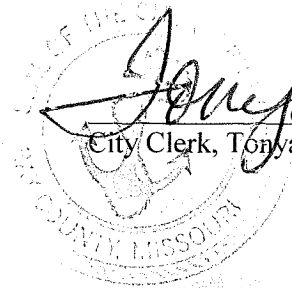
- B. Selection of Bidder for Washing of Exterior Tower and Standpipe and repainting the letters- Motion to approve National Wash Authority, LLC by Guy, second Williams. AYES: Powell, Coleman, Kinnard, Persell, Williams, Dunwoodie and Guy. NAYS: None. Approved 7-0.

- C. **Resolution No.: 426**-For support of an Application to Missouri Housing for Proposed Development of Harvest Hills Villas, Senior Housing. Motion to approve Resolution 426 by Persell, second Guy. AYES: Powell, Coleman, Kinnard, Persell, Williams, Dunwoodie and Guy. NAYS: None. Approved 7-0.

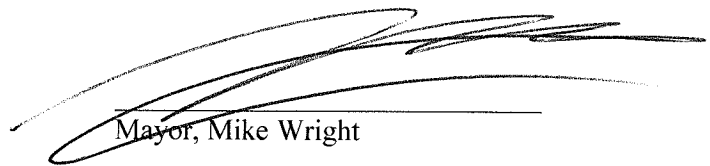
ADJOURN OPEN/ENTER CLOSED SESSION: Motion to adjourn open/enter closed pursuant to 610.021 (1) Legal, (2) Real Estate and (12) Contract at 8:05 p.m. by Guy, second by Powell. AYES: Powell, Coleman, Guy, Persell, Dunwoodie, Kinnard and Williams. NAYS: None. Motion carried 7-0.

ADJOURN CLOSE SESSION/ENTER OPEN SESSION: Motion to adjourn close/enter open at 9:15 p.m. by Guy, second by Dunwoodie. AYES: Powell, Coleman, Dunwoodie, Kinnard, Peterson, Guy, Persell and Williams. NAYS: None. Motion carried 8-0.

ADJOURN: Motion to adjourn at 915 p.m. by Dunwoodie, second by Powell. AYES: Powell, Coleman, Kinnard, Dunwoodie, Guy, Persell and Williams. NAYS: None. Motion carried 7-0.



Tonya A. Willim
City Clerk, Tonya A. Willim



Mayor, Mike Wright