

**SPECIAL CALL JOINT CITY COUNCIL AND BOARD OF PUBLIC WORKS
MEETING**

*Tuesday, October 12, 2021
5:00 p.m.
City Hall, Council Chambers*

ROLL CALL

Present: Council Members Veach, McCoy, Mayor Pro Tem Dobson, Council Member Franke,
Mayor Hark and Council Member Bowen – 6

Absent: Council Members Welch - 1

CALL TO ORDER

There being a quorum present, Mayor Hark called the meeting to order.

JAMES HARK - MAYOR

Re: Infrastructure Planning, Development & Funding

Mayor Hark called the meeting to order advising the purpose of the special called Council meeting is to discuss infrastructure planning, development, and funding options. He then opened the floor to City Attorney, James Lemon. Lemon advised the joint meeting was set by the Council so they and the Hannibal Board of Public Works Board (HBPW) could come together to discuss and determine ways to fund necessarily capital infrastructure improvements. There had been some discussion of a possible stormwater utility fee, which had previously been created with a proposition to fund, submitted to the voters, however the measure failed. This meeting is to discuss if Council and the HBPW Board wish to take this issue back to the voters a third time in another measure as a sales tax proposition was also presented to the voters, which also failed. The Council and HBPW can discuss if they want to “take back” the concept of a stormwater utility fee or if there is another funding method that hasn’t been thought of, to present to the voters.

Mayor Pro Tem Dobson advised that he had sent out an email, which was originated by Director of Central Services Andy Dorian that proposed the idea of a half cent infrastructure sales tax. This tax proposal was for seven (7) years and would bring \$1.6 million per year or \$11.2 million over the seven years. He advised if Council isn’t aware the electric fund is owed about \$1.6 million dollars from stormwater projects that have already been completed. Breaking that down

over the next seven years, is approximately \$230,000 per year. Part of Dorian's idea, which he thinks is a good idea, would be for the Council and the HBPW Board to compile a list of the ten largest stormwater projects that need to be completed. He would like this to be led by Dorian and Matt Munzlinger, from the HBPW, with oversight from the City Manager and General Manager of the HBPW. He feels an engineering firm should be selected to complete an assessment and estimate of the projects and rank them in order of severity. The City Council and City Manager would have the final say on the projects that are chosen, planning one project per year, costing approximately \$1 million dollars. The Director of Central Services would be the project manager, with assistance from the Director of Operations of the HBPW. The concept has been used previously on other projects such as Humpty Dumpty Bridge, Head Lane culvert and the Union Street stormwater repair. This option would allow the City and HBPW to complete seven large projects during that timeframe, leaving approximately \$370,000 a year to complete other City infrastructure projects, which are needed desperately. Currently, there are a lot of structures on the demolition list, which those funds could help shorten that list. Other projects could be alley paving, sidewalk/curb replacements, minor stormwater repairs, culvert replacements, replacement of the heating, ventilation, and air conditioning system at City Hall, along with other necessary projects. The City Council and Manager would provide guidance and input on the projects that would be funded, along with input from the City's department heads. A project list could be completed each year and approved by the Council during the budget workshop. Mayor Pro Tem Dobson feels this is a very good starting point to a solution. He has now forwarded Dorian's email to Council, and the HBPW General Manager to forward to the HBPW Board.

HBPW Board Member Bill Fisher then approached Council, advising that they at the Board support stormwater, and are interested in Council's ideas. He does have some ideas and a few concerns about trying to "slam" it onto the April ballot. However, if they can be assured "it's covered" with the proper planning and publicity and feels it will work, it's the Council's "ballgame". Mayor Pro Tem Dobson advised that the issue has come so close to passing the past two times, the flood wall initiative took three times to pass. He feels with a little effort from everyone in the room, just by talking to a couple neighbors, knocking on a couple of doors, answering a couple of questions, it could be successful in passing.

Council Member Franke advised that he and Mayor Pro Tem Dobson spoke about this, informally, and they disagree on many of the major points, however, the votes were close in the last two elections. He commends Dorian and Mayor Pro Tem Dobson for trying to take this on, because frankly it's a "hot potato". He feels the sales tax idea is a short-term fix and is not specifically dedicated to stormwater. This would give voters a choice of a short-term fix (sales tax) or a long-term solution (stormwater utility fee), which was proposed in 2019. He feels if you give voters a choice, the long-term fix will be the chosen one. The HBPW invested \$225,000 on an engineering study by Black & Veach to build out a stormwater utility, and he believes it was right then and it right now.

HBPW Board Member John Ortwerth then asked for clarification if Council Member Franke was speaking about an impervious fee, in which he concurred. HBPW Board Member Ortwerth was under the impression that Council has stated the impervious fee would "not fly" no matter what way it's presented to the voters. Council Member Franke then advised, based off guidance from

the Missouri Public Utility Association, impervious area utility “will fly”, if it’s approved by the voters and collected on property tax bills instead of being collected through a fee on the utility bill, and it can be dedicated funding. City Attorney Lemon then advised that there is a Missouri Supreme Court case in which the St. Louis Sewer District attempted to use an impervious fee, based upon a promulgated rate, and then started charging people. They were eventually sued, in which the case made it to the Supreme Court. The way the fee was created was a violation of the Hancock Amendment because they felt there wasn’t a good way to use impervious service to measure exactly how much water comes off any one person’s particular property. Lemon advised it’s not an absolute “ban” to the concept of using impervious fees. He stated the biggest problem is the Supreme Court felt it was a Hancock type fee, not necessarily a tax. To have a Hancock type fee, it must be taken to the vote of the people. Lemon believes the version Council Member Franke articulated is the most conservative measure that he would be most confident would not suffer a challenge. Lemon doesn’t believe it needs to be called a tax and if it is voted on by the people it can be called a fee, a Hancock fee not a standard fee. Council Member Franke advised his “infatuation” with this is that it can be dedicated to stormwater and would be a long-term fix, instead of short term, with a sales tax.

HBPW Board Member Ortwerth then questioned if it comes down to who would be more eager to pay. There will be several property owners who have a house, driveway and the rest is being dirt/yard and that ratio makes sense if all properties were similar. However, then you have the industries, corporations, and churches where most of their property is building and pavement, this would then be put onto those entities. Mayor Pro Tem Dobson advised he believes that churches are exempt from taxes, in which Ortwerth questioned Lemon if that indeed would be the case. Lemon advised that if it is a fee, churches would not be exempt. Lemon feels the real distinction of the two primary options is a sales tax, which is supported by visitors who are here and will pay sales tax. He feels the biggest objection to a sales tax is it bares more inversely on people who are less able to pay it. Whereas, the impervious surfaces, except for churches, there would be a bigger argument that it will be a burden on those who are better able to pay it. However, what you don’t want to do is run the industries off, it’s a balancing act. He feels a lot of the Council feel it is more likely the voters would get behind a sales tax and their belief is it won’t have to be used just for stormwater and could be used for other capital infrastructure improvements, as deemed appropriate by the Council. There is no good option on what the people are most likely to pay, most would prefer to pay nothing. However, if it is something that must be done, he believes Council feels if it’s a tax to fund capital improvement, and if it’s within the control of the people who also vote Council Members into office, it’s more likely to pass. Lemon stated this is not to say there is not merit to what Council Member Franke is proposing.

Council Member Franke advised that he is “scrambling for his life” and he feels very strongly about something City Attorney Lemon left out and that is the sales tax cannot be dedicated for stormwater specifically and that is why he is pushing more for the impervious fee route, which can be dedicated. As far as running off industry he doesn’t “buy” that due to stormwater funding solutions are “coming down the pipe” across the country in the next ten years, if they aren’t dealing with the issue already.

Mayor Pro Tem Dobson advised that placing a seven-year sunset on a sales tax, would make it more appealing to the voters, knowing there is an end to it. Then six years “down the road” with progress shown, the City could then go back to the voters and ask for an extension. In that scenario it makes the Council more accountable for those funds and gives the voters an option to not approve the increase in seven years if the City doesn’t follow through and they can vote against it. Council Member Franke then advised in the next seven years it is highly likely most of the current Council Members won’t still be around, at least in the current positions, in which Council Member Veach indicated he planned on being in his seat. The impervious structure vote lost by 12 votes two and half years ago. Since then, the City has had multiple stormwater structure failures. In January 2019 the educational level about stormwater was nearly zero and in three months’ time, Matt Munzlinger and Health Hall, HBPW employees, did a “herculean” job of educating the public. Andrea Campbell had been out educating the public, along with going to service clubs and schools. He firmly believes presenting a standing, dedicated impervious fee back to the voters would pass this time.

HBPW Board Member Melissa Cogdal advised that she has a few issues, one being Martin Street, which had a major failure, causing the road to be closed, which is a major fairway to the residents of that neighborhood. It was 18 plus months before it was repaired, and when it was the street was paved, however no curbs nor sidewalks and the street is already washing away in several areas. Her issue is if not all entities within the City are involved in repairing and putting the road back to the way it was before and in a state that is suitable to the residents. She is frustrated in the process and has seen it time and time again on multiple projects. She is “dying” to see what North Street will look like when that stormwater repair is complete, she is sure it will be a lot nicer than Martin Street. If North Street can be done put back together that well, why can’t all streets be done that way. She feels the only way she can make sure for the voters of the community that the projects are done from start to finish is to have all entities involved. She does not have mistrust of the Council to not make repairs to the stormwater, due to being a former Council Member and she personally knows how concerned they are. She also doesn’t have the mistrust of Council to not use \$1.6 million for stormwater repairs and is also aware of the other infrastructure needs of the community. There has not been a property tax increase since in 1973, which means in over a decade there has been no sales tax increase. The City has operated in this manner for so many years and this is the reason the City looks the way it does, having the issues it does presently. She trusts the HBPW to make the repairs and she trusts the City to make the repairs. She doesn’t feel that the sales tax increase option, funds would not be used appropriately. She is aware of the issues with infrastructure, there are alleyways that can’t be driven through that haven’t been touched in 30 plus years and sidewalks that need repairs. There is a hospital building and other structures that at some point will come back to the taxpayers to be demolished. Many of the buildings, schools and churches were “dumped” on the City, which she feels the prior owners should be held accountable. She knows that there are other issues beyond stormwater. If a sales tax is the answer, it’s the answer. She then questioned the numbers on the fees collected on the impervious structure. Council Member Franke advised that he believes the Black and Veach study called for \$3.5 million needed in annual funding, with half being operations and management, and half of which was below ground infrastructure. He believes that a residential customer would see a \$7-10 per month fee, thus \$120 per year increase on each bill. He feels this is equitable and fair and the larger the surface the more one would pay. He then addressed one of HBPW Board Member Cogdal’s

biggest concerns being an impervious area fee, or any other dedicated fee would only cover what the City Charter prescribes to the HBPW, which is below ground stormwater. This still leaves above ground stormwater, which is inlets, outlets, culverts, ditches, and storm drains. Her point is well taken; however, he disagrees with it. Mayor Pro Tem Dobson advised that Council Member Franke just helped to “sell the sales tax” by referencing all the areas that he just mentioned needing funded. HBPW Board Member Cogdal advised that all the repairs would be done underground, which a citizen will never see that \$1.6 million dollars was to repair underground issues. What residents will notice is if the streets and sidewalks are fixed and put back, therefore if there is no type of funding for this, what kind of disservice would be done for the citizens. Mayor Pro Tem Dobson then questioned if Martin Street had curbing and sidewalks before it was repaired, in which HBPW Board Member Cogdal advised that the road went to the edge where it met driveways. Mayor Pro Tem Dobson advised you can’t compare Martin Street to North Street because North Street has curbs and sidewalks, therefore they will put back/repair what was there beforehand. Council Member Bowen advised that the issue with Martin Street is that the street is already washing away in areas, which was not repaired correctly, and it wasn’t paved by the Street Department and the street will need to be repaired again in the spring. Council Member Franke advised Mayor Pro Tem Dobson and HBPW Board Member Cogdal’s ideas are well received. However, on the flip side, there is a huge, massive liability that no one sees, the sidewalks and drains are also huge liabilities, however, are a “drop in the bucket” compared to the below ground stormwater issues. Council Member Franke feels these are life changing for the City. In his opinion there are other revenue sources the City can pursue to tackle above ground stormwater issues.

HBPW Board Member Ortwerth then questioned the future, in which he would like someone to address. The impervious area fee versus a sales tax increase, 10 years from now is the City/HBPW going to be limited by land mass and not be able to grow the fund, compared to increased revenue which will increase the sales tax fund? If impervious fees are used, is the City limits going to grow, in turn growing the impervious area? He is asking long term, what would be best for the future of the City? Mark Bross, engineer, then spoke, stating if you are going with a utility, in which you have around 8,000 utility customers, are you going to see the number of customers increase or are you going to see the areas of impervious areas increase? It’s unpredictable if a resident or business owner is going to add a driveway or parking lot. Bross believes the number of HBPW customers hasn’t substantially changed over the years. HBPW Board Member Ortwerth advised that Bross is assuming that all ground will be covered by this fee. Bross advised that you cannot predict if impervious areas might increase. He did want to point out, the math doesn’t add up. If a bill increases \$7-10 per month for this utility and there are 7,800-8,000 customers, that doesn’t add up to \$3.5 million dollars, the fee will have to be \$30-40 per month. Council Member Franke advised those fees were for residential customers, not factoring commercial customers. Bross advised the number of customers hasn’t changed much and that is how they would have to have increases and the customer base hasn’t grown. HBPW Board Member Ortwerth then questioned if City permitting to build a driveway or garage would be tied into the system that calculates the impervious area for customers. Ortwerth advised the HBPW billing system would be the ones in charge of implementing the fee, however their system is separate from the City’s. How would the HBPW know when a property increases their impervious area unless the Building Inspector informed them or had access to the HBPW system? City Manager Peck then advised that portion of the Code would fall under MS4 and

would need to be updated. Council Member Bowen advised that it require the Building Inspector to go out and re-evaluate the area and then report back to the HBPW.

HBPW Board Member Ortwerth questioned if he had two acres and added a parking lot, would he need to have a permit? Bross advised for commercial yes, residential no. In that situation, although it's rare, as impervious areas get added, although not required to be permitted, it's not tracked. Bross advised that basically the City would be in the tax assessment business and would have to reassess properties. Council Member Franke advised the reassessment was factored into the study that was done by Black and Veach.

Mayor Hark advised that taking some points from HBPW Board Member Cogdal and Council Member Franke; the sales tax idea it is an addition in revenue to the City from those that visit the City or live just outside the City, whose stormwater runoff has greatly affected the load capacity of the City. It's not a surprise that development west of Hannibal, and the lack of stormwater retention plans has created a more influx of stormwater into the City. The addition of impervious areas outside the City has caused issues inside the City. This is one reason he thought the sales tax was a good idea as it is spread amongst everyone in the region. Hannibal being in a valley and a low spot causes water to run towards from every direction. To HBPW Board Member Cogdal's point, stormwater projects underground; citing Martin Street, if the stormwater system below collapsed and created damage to streets and sidewalk and they had to tear out to repair, he feels it would be one project and they would fix the streets and sidewalks that the failure of the stormwater caused. Director of Central Services, Andy Dorian, advised that is correct and how it is to be, unless perhaps it is in a grant. Typically, the Street Department does the saw cuts for the HBPW. When a water main breaks, the HBPW fixes the water main break, and the Street Department then fixes the road. However, the HBPW water fund then pays for the asphalt, so it's considered really one project.

Mayor Pro Tem Dobson then questioned if the impervious surface fee would only pay for underwater, if Martin Street had a problem underground that tore up the sidewalks and curbs, if it would put back the underwater conveyance, but not be able to pay for the street, gutters, or sidewalks? Council Member Franke advised that the maintenance of underground utility is specified in the Charter as being part of the HBPW, whereas the aboveground is not. Lemon advised the Charter specifically puts underground stormwater on the HBPW, however, it does not provide a funding source and does not explain how that is going to happen. The Charter says there are infrastructures the HBPW must take care of and states any other improvements the City builds or has completed, the HBPW also must take care of, which arguably includes above ground. There is an argument that inlets are part of the underground collection system, due to actual language in the Charter, and Lemon believes that's possible. To further complicate, if you had another utility, for instance the gas company, come in and they had to make repairs to the gas line, the general rule in Missouri is they must put the street back to the condition it was. Therefore, is it fair to tell the HBPW do the same, what a court would find, he is unsure. However, other utilities are required to fix sidewalks and streets when making repairs to utilities. Dorian advised the majority of stormwater calls that he and Matt Munzlinger receive are for above ground issues. The public doesn't see the issues underground that are causing problems above ground.

The Mayor advised it's all a perception to the public, it's all about what they can see. Council Member Franke advised the Mayor is hitting on a good point about perception, however, we are ignoring the things that can't be seen, the underground stormwater. HBPW Board Member Cogdal recommending looking at the two options, looking at how each one looks financially and comparing to the other. What does that look like as far as stretching the funds as far as they can be? What does that look like for the HBPW, if today they decide to go with a sales tax increase? HBPW General Manager Gordon advised that with a sales tax of \$1.6 million per year, with the fee amount being what was mentioned before. He does know he has a job to take care of things underground but doesn't have the money to do it. When it comes to rates, it is best for everyone to have individual rates, however, there is a science to it, and that science is simply what is going to pass. Whether it's a rate, fee, or tax, it must be taken to the people and it must pass. Whatever it takes to get it to pass, even if they must place a sunset statute. We, meaning City Manager Peck and he, will have to earn the trust of the people to use the funding in the manner it is intended to.

Dorian advised that the City and the HBPW needs guidance and a plan. As for the Union Street stormwater collapse, it is over \$700,000 to fix, therefore only one big project could be completed per year. HBPW Board Member Cogdal advised that it would be the same no matter which avenue is taken, with the HBPW already paying almost \$400,000 for a study, which is hard for her as a taxpayer, to swallow. What her question is what will give more "bang for our buck", because that is what's needed, especially if only one big project per year is going to be able to be done. Lemon advised that the concern is going to be is whether sanitary and stormwater are separate issues. The City is not governed by the Public Service Commission (PSC) as a public entity is that owns the utility company. HBPW can go out and have public meetings and promulgate rates etc. If a rate is promulgated, but not appropriated to include stormwater, then you run the chance of the whole thing getting set aside and possibly penalized. That's why in the past the HBPW has been hesitant to say sanitary and stormsewer are the same. Council Member Veach advised that based upon the Charter, it is the same thing. Lemon advised, the problem is back when the Charter was wrote, they were dumping stormwater into sanitary, which is most of why the HBPW has had so many issues. Something is going to have to change because without proper funding, you can't "live up to" the mandates by the Federal and State Governments.

Council Member Franke then advised that he wanted to jump in and "continue his private conversation with Melissa", the \$3.5 million dollars needed from the Black and Veach study which was half operation and maintenance, and half capital, is not part of the ballot language, it was just a suggestion on how to build a utility. He wishes Matt Munzlinger was here, in person to talk more about it and the reason the O&M is so high. Relatively, that is the part that prevents future problems such as catastrophic level problems.

Paul Trenhaile, Finance Director with the HBPW, then spoke going back to the question about getting the most "bang for the buck". The HBPW reached out to some other communities and by no means is there a "one size fits all" solutions. They did see there are other communities that have a dedicated funding source, one option you could go out and do a \$40 million bond and stretch it out over a 15-20-year timeframe and if you had those dollars coming in, you have that to ensure you can make the bond payment. He feels they need to get a better assessment and see what projects are a priority. If the sales tax route is taken and had \$1.6 million per year, first

paying back the electric fund, which is the number one priority, as they are going out for a bond and this will be a significant hit to their rating, then add in MS4 compliance, adding in \$80-90,000 per year, that doesn't leave much money to do many projects per year. The impervious fee would allow you to go out for a long-term bond where a sales tax with a sunset would not allow for this. HBPW Board Member Ortwerth then questioned if there were no sunset would there be a way to "float a bond" on something that does not have a guarantee? Peck advised that she is unsure you can say bonding is the biggest "bang for the buck", as its very expensive and determining how many projects could realistically be done in one year. Trenhaile advised he was referencing specifically underground. HBPW Board Member Cogdal advised she could be sold on the idea of bonds, if it included all the aspects of the stormwater issues they are having.

Dorian advised it is basically a Council decision, on what route they prefer to take to do? Do they want the funds dedicated to stormwater; do they think that both could be done? He is not sure and feels everyone would love to have both. Council Member Veach advised he feels funding needs to get passed now, whether it's a permanent or short-term solution. Once it's passed, the work on the projects could start.

Mayor Pro Tem Dobson then questioned Economic Development Director Corey Mehaffy, how detrimental an impervious fee would have on bringing new businesses and jobs to Hannibal? Council Member Veach advised that if you look at the Black and Veach, \$3.5 million dollar amount, \$1 million is residential, which would leave \$2.5 million for commercial. Mehaffy indicated what is seen in other communities, is how it's structured. He has seen tiered rates, where larger companies can be protected. This would be competitive from community to community when businesses look at coming to the area. Tiered rates are being looked at now but will need discussed. Council Member Franke advised that with some of the larger corporate clients there are also stormwater retention and distribution solutions that they could invest in which would considerably reduce their responsibility to the fee and this would also be a way to alleviate strains on the stormwater systems themselves. Engineer Mark Bross advised that currently stormwater retention distribution is required, and what it comes down to is the structure and then where does that revenue come from.

HBPW Board Member Bill Dees then advised that being a little new to the community and not having all the history he feels basically we are "dancing around" a taxing problem. The perception is, he thinks, is the community would not support it. With 1973 being the last property tax increase, he feels "that is insane", to believe any company could operate in that manner and kudos to the City staff for doing so. This community has twice passed school improvements, which he was quite shocked they passed. He does not have the details from Dorian's proposal; however, it seems to him this is the minimum that could be done with getting something passed by the voters and getting it passed seems to be the issue. He does have some concerns on the impervious fee structure, due to the administration of it, which is a "nightmare". It will take a full-time position to try to figure and negotiate with the business community, which takes you back to a tax, whether you call it a tax or a fee. Getting the issue on the ballot, and selling it to the taxpayers appropriately, with a list of projects, maybe four to five shown, would be helpful. What it comes down to is how do you come together to sell the proposal to the community to increase their own fees or taxes, whichever route is taken. A property tax could be a solution, because then, as Trenhaile said, you could "bond" it. Some clarity of the proposal

needs to get to the public, both options getting to the voters so it's clear which one the Council should place on the ballot. He feels that November is even too early, there are too many issues to be worked out as it really is selling or convincing the public that the City/HBPW has the public's best interest in mind. He hates to do minimums especially with building construction and infrastructure, as it will just increase long term maintenance and feels it should be done right the first time, for 50 years. Typically, with a grant you get 80/20 splits and all you have to come up with is 20% of the funds. The "well is running dry" on the Federal and State levels all the way down to the counties. No one wants to pay taxes, but everyone wants to "flush the toilet". He feels that long term Dorian has a proposal that would accomplish the minimum. Dorian advised this proposal has been something that has been discussed for many years, having had it at department head levels, he just decided to add the stormwater portion to it.

Mayor Hark advised that what he is hearing is this idea is only important to people if it has a "personal touch" to it. Dorian doesn't think you can have a wrong answer, it's just the prerogative on what Council wants to do. Council Member McCoy feels that if you can get the voters to agree on a fee, that would be great, however what happens in two years when the funds are needed for other infrastructure. In which HBPW Board Member Fisher advised then the customers would look to the HBPW, wondering what the utility fee is being used to repair. HBPW Board Member Dees feels adding \$20-30 per month to a bill; people won't like it, but they will pay it but expect to "see" the changes/improvements. You can't go out and cut a ribbon on a storm sewer, it gets down to someone must pay the bill and if you live in the community, you must pay the bill.

Bross, then advised that everyone must get on the same page as that is how the school referendums were successful in getting passed. He has been involved in 16 bond issues in over 20 communities, it starts with the Boards and Groups being on the same page. Council Member McCoy reminded everyone that the sales tax initiative failed by only 25 votes, a few months ago. HBPW Board Member Dees advised that it is also marketing the proposals through City Hall and the HBPW will make a difference and can be done once a final decision has been made. He wants to see something in writing, a plan in place, with the first thing being first. Council Member Franke advised he does not feel a decision needs to be made at tonight's meeting.

HBPW Board Member Ortwerth then questioned if there was a preconceived notion that one entity is on one side and one on the other? Mayor Hark advised that we are all one entity, we are just required to meet separately, and this meeting allows both the Council and HBPW Board to meet. He never looks at it as "them guys and us guys", we are all one entity.

HBPW Board Member Fisher indicated the only time constraint, legally, is the MS4 permit and that will have to be funded by the HBPW until the funding source is passed and begins coming in. Dorian advised that the problem with MS4, is that is the City's MS4 that was given to the HBPW to manage. Lemon then advised that ultimately ownership goes back to the City and it's the HBPW Board's duty to manage the utility effectively.

Council Member Bowen then indicated he is unsure where the sunset idea came up and doesn't feel it should be seven years. There are many problems, from a taxpayer perspective he understands, however, from a Council Member's perspective, he is unsure why. If property

taxes were to be increased, it would be a lump sum payment at the end of the year. The proposed increase of \$10 per month on property taxes, which equals an increase of 15%, he believes the voters won't pass. The reason the property tax hasn't been increased is due to the new subdivisions being constructed and he feels those would cease. The City wants them to build, if they come here to build, this includes purchasing other supplies locally, such as lumber. The sales tax of a half percent is the minimum, which would be \$1.6 million, if you go much higher that takes you over the 9% and his opinion that would be too high and would not pass. If it was raised 1%, he believes that would be close to the cap that Missouri allows. If HBPW's initiative was lost by 12 votes after only three months of meetings, he feels that 30 people in the room can pass an April ballot issue. If the City waits until November, we are then into the summer of 2023, we cannot wait two more years. He feels that if both entities can come up with a sales tax idea, and place on the ballot in April it would pass.

Mayor Hark advised that perhaps the sunset clause is his fault, he mentioned it in a taxpayer "sale ability". Council Member Bowen feels that with it, the Council will be sitting in the same position again after that period. Council Member McCoy feels seven years in a sales tax is more palatable to getting it passed and there is some merit to it, and he feels that we must be careful what is put on the ballot. HBPW Board Member Cogdal advised that as a Council she feels all they must do is decide on which direction they want to take and if it can go on the April ballot. It can be worked out and sold to the public in the matter of time available.

Council Member Franke advised he is getting intellectually exhausted and feels that the meeting should be wrapped up as they all have a lot to think about. Council Member McCoy advised that he'd like to see the Black and Veach study and also would challenge the other Council Members to go back out to the public and get some feedback. He suggests going to the Y'Men's meetings, Council Member Veach to go to the Jaycee's and see how they feel about it, as well as other organizations. HBPW Board Member Fisher advised they have a Board meeting next Monday and would discuss the issue further. HBPW Board Member Ortwerth advised that he has learned a lot this evening, the Black and Veach study, the small, narrow margin of the issue not being passed by the voters, and he would really like to get back together and maybe come to a consensus. Council Member Franke feels it could be processed for a week and be discussed next week in which Mayor Hark advised there is a regular Council meeting on the 19th. Council Member Bowen doesn't feel this should be held during the same night of the regular meeting, the issue warrants a special meeting. Mayor Hark suggested meeting on October 26, 2021, perhaps at 5:00 p.m., giving everyone ample time to absorb and research. Mayor Pro Tem Dobson questioned HBPW General Manager if the Black and Veach study was available electronically, in which he advised it was and he would send to City Clerk Zerbonia and forward to Council.

ADJOURNMENT

A motion was then made by Council Member Franke to adjourn the meeting. The motion was seconded by Council Member Bowen.

Motion carried.

James R. Hark, Mayor

Angelica N. Zerbonia, MRCC, CMO - City Clerk