

BOARD OF PUBLIC WORKS

Special Meeting

Thursday, November 4, 2021
3:30 P.M.

Present:

William Fisher
John Ortwerth
Bill Dees
Melissa Cogdal

President
Vice President
Secretary
Board Member

Darrin Gordon
Mathew Munzlinger
Courtney Harris
Paul Trenhaile
Matthew Jones
Makayla Robbins

General Manager
Director of Operations
Administrative Support Specialist
Finance Director
IT Specialist
Public Relations Coordinator

Lisa Peck
Stephan Franke
Corey Mehaffey
James Lemon

City Manager
City Councilman
Northeast Economic Development
City Attorney

CALL TO ORDER

The meeting was called to order at 3:35p.m. by William Fisher.

Industrial Park Road Construction

Darrin Gordon reported when he became employed at the HBPW, City Manager Lisa Peck informed Mr. Gordon there were verbal obligations made by his predecessor. One of those obligations included the HBPW covering the cost of the estimate from Klingner & Associates as presented. The design cost included \$20, 779.20 and the project management cost included \$34, 230.00. Mr. Gordon concluded due to this being presented to him as a verbal obligation, he would need approval from the Board to proceed. Mr. Gordon reported previously the Board approved to match the Governor's cost share for 20% regarding the road construction project. The HBPW budgeted \$200,000.00 for the governors cost share match but the approval did not include the engineering estimate presented from Klingner & Associates.

Corey Mehaffey reported in 2019 Jared Stewart & Matt Munzlinger reached out due to easements needed on the Bross property and voiced that access to the substation was not exactly permanent. Mr. Mehaffey and staff came across the opportunity of the governors cost share grant and approached the Board for approval. Mr. Mehaffey voiced the cost share grant allowed the opportunity for an 80% discount of the project, and the City/HBPW Board decided to pursue the cost share grant at that time. After discussion, Mr. Mehaffey did not recall if the engineering estimate was included nor did William Fisher who on the Board during the discussion.

Lisa Peck reported she wrote the grant and voiced the engineering, and the construction management piece are part of the project just like the land acquisition is part of the project, but they are not covered by the grant. Mr. Ortwerth asked, "So the project management would not be covered by the grant?" Lisa Peck replied, "I don't believe the project management is covered by the grant." Mr. Dees asked, "Who does the design?" Lisa Peck replied, "Klinger & Associates is in charge of the project, and I believe the standard of the road would be provided from the city." Corey Mehaffey reported MoDot was involved as well due to the Governor's cost share program. Mr. Dees asked, "So we have to meet MoDot standards?" Lisa Peck replied, "At the time when Corey brought the grant forward, the HBPW Board had plans before them for an \$800,000.00 grant to construct a road at the Business Park." Further discussion was held and it was determined that MoDot would most likely be the one to set the standards for the road.

James Lemon voiced he was present at the time of the initial conversation and his recollection was the Board needed access to the substation and because the Business Park was the Board of Public Works project it was necessary to get something done. Due to the lack of a road, Mr. Lemon reported the intention was to build a city street for people to purchase lots for growth of the Business Park. Bill Dees asked, "When the Business Park was purchased where did those funds come from?" James Lemon replied, "The Board of Public Works. The property is vested by the City, but the funds came from the HBPW." Bill Dees asked, "Legally the sale or ownership of parcels, specifically the revenue from those parcels, would go to where?" James Lemon voiced, "The intention was for the Board to recoup the funds that were expended to purchase the ground originally. The deeds would have to be signed by the City, but the concept was that the Board was entitled to those funds sometime prior to 2003." Darrin Gordon asked, "Lisa do you agree to that?" Lisa Peck voiced, "Yes, but I was unaware of how to answer that question prior to this conversation." Melissa Cogdal asked, "Doesn't the city have 10% ownership?" James Lemon replied, "The city owns the track of ground, but the money came primarily from the HBPW. Bob Stevenson was the one that proposed the project."

Darrin Gordon presented a document from Kimberly Hansen, Finance Director from 2011 and reported the Board paid \$1.2 million and received a check for \$550,000.00 from the Missouri Department of Transportation for the fill. Darrin Gordon also presented a memo from Bob Stevenson, General Manager from 2014 stating the HBPW owns 85% & the city owns 15% of the Business Park. The original purchase grant was from 1996 noted by James Lemon. Darrin Gordon voiced, "Moving forward if there is a sale of the property that 85/15 split would be the intention of the profits and he would like that in writing."

Matt Munzlinger reported his understanding is the construction of the road would be the same plan for concrete they used in front of the Sleep Inn including a sidewalk. Matt Munzlinger voiced, "The Board approved to purchase property from Bross as well. It was approved and the HBPW is waiting on title work and the closing date to be set." Mr. Munzlinger stated his recollection was the engineering was included in the grant, but he was unable to find any documentation stating that. Mr. Munzlinger voiced with the engineering and the property purchase it will be a \$1.2 million dollar project with the grant being a little over \$800,000 with \$150,000 budgeted each year for the project after it was approved. Mr. Munzlinger presented a drawing of the Business Park plan and pointed out where the road would be located.

John Orwerth asked, "What fund should the engineering and construction oversight come from and are we bumping up against the Hancock amendment?" James Lemon voiced he thought it should come from the Electric fund and in no circumstance would it be a Hancock violation.

Matt Munzlinger asked Lisa Peck, "Is the Council going to sign the contract with Klingner or the HBPW?" Lisa Peck answered, "That was my question to Darrin Gordon." Stephan Franke voiced, "I recall Council had intended to sign it." Matt Munzlinger voiced, "What you are approving is being reimbursed for the engineering cost." Bill Dees asked, "Will the city be maintaining the street after completion?" James Lemon voiced, "Legally it would be platted as a city street and an extension of lakeside drive. The concept was that it was an excellent opportunity for a partnership between the city and the HBPW." After much discussion it was determined the city would be maintaining the road long term.

On motion of Melissa Cogdal, seconded by Bill Dees the Board voted unanimously to cover the engineering cost as presented associated with the Business Park Road from Klingner & Associates with the funds allocated from the Electric Fund.

Stormwater Funding

Darrin Gordon reported the HBPW Stormwater Executive team met on November 1st regarding Stormwater funding since the joint meeting that was held with the city. Mr. Gordon noted the goal is to plan for the November 2022 election as directed. The best funding mechanism was discussed by the Executive Team, and it was determined due to the ease and cost of implementation the use of the counties acreage information and contracting with the county to annually collect the assessed tax or fee may be the best option. Discussion was held regarding tax exempt entities, larger properties legally owned by the city, and not-for-profit entities. Mr. Gordon voiced, "We have to ensure it can be fairly implemented."

Mr. Gordon reported there is a need to cover three distinct costs including the existing loan from the Electric fund to the Stormwater fund, the State and Federal requirements for MS4 regulations, and the existing Stormwater utility operations maintenance and capital improvement needs. The previous estimates from Black & Veatch included \$1.7 million one-time costs for the loan, \$140,000 annual cost for the MS4 maintenance, and \$2.8 million annual costs for capital improvements. Mr. Gordon noted at this time, this will still be an estimate until we have an accurate third-party study completed. The study will not realistically be able to be completed until a funding source is assessed and passed.

Mr. Gordon reported the city has instructed the HBPW to be prepared for the November 2022 election since the city is going for a tax increase at the April 2022 election. Mr. Gordon noted due to timing and consideration, it was discussed it may be better to be on the April 2023 ballot. Mr. Munzlinger noted whether the HBPW is approved in the November or April of the following year, the HBPW would not see any revenue until January of 2024 due to timing of the proposed property tax bills.

Mr. Gordon discussed actions including an RFP study, and a comprehensive Stormwater assessment. Mr. Gordon voiced he is confident in the internal PR staff to share the facts to the community legally, and the mapping will need to be completely updated on the existing Stormwater system. Mr. Gordon voiced it is also very important to have a solid and firmly set policy with the City agreeing on the plan moving forward.

Bill Fisher voiced, "I tend to agree with the April timeline as well for the election. I've never been a huge fan of sunsets, but I don't see the logic behind it. I would like to see it longer than five years." Melissa Cogdal voiced, "We would be setting ourselves up for failure to sunset Stormwater funding." Bill Dees voiced, "I think we can deliberate a little bit more at the next board meeting, but I concur with Melissa. It's been 50 years of deferred maintenance and the problem cannot be solved in 5 years." John Ortwerth voiced, "I don't know if any voters made a decision based on whether anything was or was not sunset."

After much discussion, no further comments were made. Mr. Gordon voiced this topic will be brought up again at the next Board meeting.

ADJOURNMENT

Bill Dees made a motion to adjourn. Motion seconded by John Ortwerth and carried unanimously. The meeting was adjourned at 4:30p.m.



Darrin Gordon
General Manager



Bill Dees
Secretary