

SMITHVILLE BOARD OF ALDERMAN

WORK SESSION

December 1, 2020 6:30 p.m.
City Hall Council Chambers

Due to the COVID-19 pandemic this meeting was held via teleconference.

The meeting was streamed live on the city's FaceBook page.

1. Call to Order

Mayor Boley, present at City Hall, called the meeting to order at 6:30 p.m.
A quorum of the Board was present via Zoom meeting: Steve Sarver, Marv Atkins, John Chevalier, Dan Ulledahl, Melissa Wilson and Jeff Bloemker.

Staff present at City Hall: Stephen Larson and Jack Hendrix.

Staff present via Zoom: Cynthia Wagner, Nickie Lee, Chuck Soules, Captain Tony Roetman, Matt Denton and Linda Drummond.

2. Discussion of Water and Sewer Rate Increase

Stephen Larson, Finance Director gave a brief background. In November 2018, Raftelis Financial Consultants, LLC presented a utility rate study, which included a five-year plan for recommended water and sewer structure changes and rate increases. The change in structure and first increase were approved by the Board on March 3, 2019 and were effective with the June 2019 utility bills (which were mailed in early July 2019).

Going forward the Board has asserted that it would like to move forward with implementing the third increase of the rate study. That would be effective March 21 and those utility bills would be in the mail in early April 2021. Stephen indicated that tonight staff is looking for direction from the Board to continue with the recommended rates from the rate study presented by Raftelis.

Stephen explained that the proposed calendar for this implementation process follows the Missouri Statute which requires a Public Hearing prior to increasing sewer rates. It also requires that we have a notification of the Public Hearing to be published in a newspaper at least 30 days prior to that Public Hearing.

The Proposed Calendar

Date	Action
December 1, 2020	Board of Aldermen Work Session discussing rates proposal
December 11, 2020	Deadline to send Notice of Public Hearing to Courier-Tribune

December 17, 2021	Notice of Public Hearing published in Courier-Tribune
January 3, 2021	Proposed rate information provided in newsletter with December utility bills
January 7-17, 2021	Proposed rate information provided via social media
January 19, 2021	Public Hearing at Board of Aldermen Meeting
February 2, 2021	Resolution to Amend the Schedule of Fees at Board of Aldermen Meeting
March 1, 2021	Implementation of new rates
April 3, 2021	First utility bill produced under new rate structure

If the Board wishes to continue to pursue this, we would have the notice of Public Hearing published in the newspaper December 17 and then early in January 2021 staff would provide the new proposed rate information in newsletters mailed in utility bills the first of January. Staff will also provide the information on social media. Residents would be able to comment regarding increases at the January 19 Public Hearing. In February, staff will bring forward a Resolution to amend the Schedule of Fees to reflect the new rates. If the Board approves the Resolution and directs staff to move forward March 1 those rates would be implemented and April will be the first utility bill with the new rate structure on it.

Stephen explained that also in the packet are the utility rate histories and what the new rates would be for various service charges and water usage rates as well as the effects on the residential utility bills and some of the large commercial customers.

Alderwoman Wilson stated that she thinks we need to move forward with this due to the needs and repairs that will occur over the next several years.

Alderman Chevalier stated that he agreed we need to keep moving forward. He asked for discussion on sewer chargers for new residents moving into a home that do not have the history needed for winter averaging. He explained that he has had residents contact him with concerns on it and would like to see if there would be a better system for it.

Cynthia indicated that staff has had several requests and concerns expressed by citizens on that subject. She and Stephen have had conversations about it and anticipate bringing it to a Work Session after the first of the year for discussion with the Board. Staff is looking into best practices and what other communities are doing.

Cynthia thanked Stephen for his presentation she noted that this was new to him and praised him for presenting the study that is mid-study and mid-implementation. Cynthia noted that throughout the budget process the Utility Fund will be one to take a lot of scrutiny and review over the coming months to make sure that we've got the funds available to do the projects that we have outlined.

Staff has had several conversations with Piper Jaffray, financial advisors, with regard to financial planning and would anticipate as we move into expenditures and FY21 that we will be looking at refinancing or issuing a new COP later this spring to help with cash flow. Cynthia indicated that she would bring additional information forward to the Board possibly in the January-February time frame as well.

Mayor Boley stated that Smithville is not the only community with this winter average issue for new homeowners and it does merit discussing.

Mayor Boley asked the Board if they agreed to move forward with the process for the increase of the water and sewer rates?

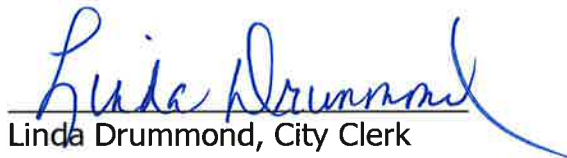
The Board was all in agreement.

Stephen stated he would get the public hearing noticed posted in the newspaper.

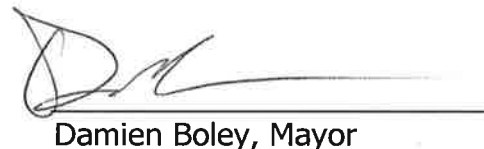
3. Adjourn

Alderwoman Wilson moved to adjourn. Alderman Ulledahl seconded the motion.

Ayes – 6, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 6:37 p.m.



Linda Drummond, City Clerk



Damien Boley, Mayor