

MINUTES OF A SPECIAL SESSION OF THE MARCELINE CITY COUNCIL
December 03, 2024

The Marceline City Council met in special session on December 03, 2024, at 6:00 p.m. in the Auditorium (Stage) of Marceline R-V High School, 314 E Santa Fe, Marceline, MO 64658, Mayor Sallie Buck presiding. Council members present were Brian Baker and Gary Carlson. Councilwoman Shelly Milford was absent. Staff attending: City Manager Jesse Wallis, City Clerk/Assistant City Manager Lindsay Krumpelman, Utility Billing Clerk/Executive Assistant Dana Hamilton, Water Superintendent Mikeal Thompson, Electric Superintendent Charlie Harrington, and Wastewater Superintendent Justin Griffin. Others present: Clarence Gibson, Lawanda Hull, Andrew Welsh, Gary Birdsong, Gayle Siecinski, John Siecinski, Jeff O'Dell, Doretta Harrison, Richard Switzer, Martin Herriman, Julie Marie Schmitt, Mary Ann Schmitt, Liz Cupp, Lori Lowe, Carol Klingsmith, Krista Lofstrom, Bill Lindbloom, Paul Stark, Travis Stufflebean, Jeff Henke, Stephanie Henke, Judy K. Black, Barb Meissen, Greg Meissen, Charity Banko, Nick Banko, Randy Day, Brittany Day, Shayna Williams, Maxine Smith, and Reporter Robin Fry.

Mayor Sallie Buck led the assembly in the Pledge of Allegiance and called the meeting to order at 6:00 pm.

Utility Rate Public Hearing: Mayor Buck opened the public hearing on the proposed utility rate increases. She stated the proposed increases are 5% for Water, 13% for Electric, and 5% for Wastewater. She stated notice of the public hearing was duly advertised in the Linn County Leader on November 1st, 15th and 29th, in addition to being posted on the City's website and front door of City Hall. City Manager Wallis stated the last rate increase in Water and Wastewater was in 2018. He stated the last increase in Electric was in 2009 with 5% decreases in residential and commercial rates in 2018. City Manager Wallis informed those present inflation has gone up by over 20% since 2018. City Manager Wallis stated the City initially wanted to do a utility rate study for the three (3) utilities, but during the budget process it was decided a rate increase was needed now to balance the budget. He reported a utility rate study will still be done to evaluate the rates, and unfortunately this may just be the beginning as he cannot change costs. Mayor Buck opened the floor for public comments.

Jeff Henke inquired if the City built a substation and powerline for the marijuana plant and are they getting charged an increase in their rates. City Clerk/ACM Lindsay Krumpelman responded the substation and powerline were built as part of an economic agreement when the marijuana plant came to the City, but it was going to need to be built for any business(es) going into the North Industrial Park. City Manager Wallis confirmed they would be affected by the increase as well.

Paul Stark inquired if anyone considered an increase in property taxes. City Clerk/ACM explained that the current General Fund tax rate is \$0.5100 and only brings in \$125,000.00 to \$135,000.00 and increasing it to the maximum rate would bring in close to the same. Councilman Carlson informed Paul Stark the property tax rate has been flat for the last 20 years.

Travis Stufflebean inquired if the rates would be voted on by the Community or the Council. Mayor Buck responded that the Council would be voting on the rate increases.

Maxine Smith inquired how much the City paid for the new powerline and substation and if the City was getting money back through the organization's rates. City Clerk/ACM Krumpelman responded the project was a \$1.8 million dollar project spread out over 15 years for annual payments of approximately \$175,000.00. Councilman Carlson responded that the City is recouping those costs through the rate.

Shayna Williams inquired if the increase in revenue was going towards the power grid. City Manager Wallis stated it will be used primarily towards operations, but some would go towards the power grid. He explained that the future utility rate study would take capital improvements. Jeff O'Dell asked when it is expected the

utility rate study to be completed that may lead to additional increases. City Manager Wallis responded he expects the utility rate study to be completed within the next year.

Mayor Buck stated the last electrical rate increase was in 2009 and it was 2018 for both water and wastewater. She stated it would have been better if the City had done little increases at a time, but this is a start to stay on top of it. Mayor Buck stated for her personally, her utility bill would be going up approximately \$18.00 per month with the proposed rate increases.

Carol Klingsmith inquired if the City considered annexation as an option. City Manager Wallis responded annexation should be voluntary from the individuals. Utility Billing Clerk/Executive Assistant Dana Hamilton stated that there are individuals who are on city utilities outside of city limits, with herself being an example as she is on city water and electric services while living outside city limits.

Julie Schmitt inquired about the rate structure and how much of the city's population is paying the rates. City Manager Wallis responded that the utility rate study will also look at the rate structure and take those things in consideration. Councilman Baker responded that a few customers in the housing authority have their electricity rates as part of their rent. He stated he supported the substation as the City needs additional redundancy to the grid and the only way to get that redundancy is to update the rates and there are few grants available for municipal electric systems. Councilman Baker explained the current wholesale contract ends in 2030 and the availability of capacity are factors that will affect the City in the future and hopefully any future rate increases will be at a more acceptable rate as utility rates are evaluated more often. He stated no one wants rate increases, but they are necessary.

Mary Ann Schmitt inquired about the water utility and if the water plant is going to need to be updated soon. City Manager Wallis responded the wastewater plant needs to be upgraded and any grants the City applies for will take the City's rates into account when evaluating applications.

Lori Lowe inquired if the City utilizes grants. City Clerk/ACM Krumpelman responded they do and described the grants utilized for the Lead Service Line Inventory project.

Travis Stufflebean inquired what electric rate the City pays per kWh. City Clerk/ACM Krumpelman asked him to contact her the following day for the information as she did not have the information at that time.

Jeff Henke asked if it was correct that the rate increase was not specifically for infrastructure, but to get the utilities into the black. City Manager Wallis responded that is correct. Members of the audience commented on the issue of squirrels getting into the power system.

Matt Gibson inquired if the rate for what the City sells water to the rural water district was being reviewed. City Manager Wallis stated he is looking at the contract and there is a formula to adjust the rate.

Liz Cupp commented on the City's finances stating the General Fund is in the negative. She stated that the City has traditionally transferred funds from the Electric Fund to the General fund, but that the Electric fund has not funded the whole city, which is what some believe. City Manager Wallis stated he noticed that when he interviewed and wants the City to move to PILOT payments as part of the utility rate study and explained how that works. Liz Cupp stated the City needs to look at their finances especially the General Fund. Liz Cupp and the Council discussed the City's current financial status, including the costs associated with General Fund.

Mayor Buck inquired if there were any further comments. With no further comments, Councilman Baker moved to close the public hearing. Councilman Carlson seconded the motion. The following roll call vote carried the motion at 6:44 pm: Councilman Baker – aye, Councilman Carlson – aye, and Mayor Buck – aye.

Water Rate Increase (5%) – Bill No. 24-12-010: Councilman Baker moved that Bill No. 24-12-010 to increase water rates by 5% by repealing Section 705.010 of Article I of Chapter 705 of the Municipal Code of the City of Marceline relating to water rates and adopting a new Section 705.010 in lieu thereof be read twice by title only. Councilman Carlson seconded the motion. The motion carried. City Clerk/ACM Krumpelman read Bill No. 24-12-010 twice by title only. Councilman Baker moved that Bill No. 24-12-010 be passed. Councilman Carlson seconded the motion. The following roll call vote carried the motion to pass Bill No. 24-12-010: Councilman Baker – aye, Councilman Carlson – aye, and Mayor Buck – aye. This Bill is assigned Ordinance Number 24-12.10.

Electric Rate Increase (13%) – Bill No. 24-12-011: Councilman Baker moved that Bill No. 24-12-011 to repeal and replace Appendix A to Title VII, Chapter 700, providing a 13% increase of the Electric Service Rates be read twice by title only. Councilman Carlson seconded the motion. The motion carried. City Clerk/ACM Krumpelman read Bill No. 24-12-011 twice by title only. Councilman Baker moved that Bill No. 24-12-011 be passed. Councilman Carlson seconded the motion. The following roll call vote carried the motion to pass Bill No. 24-12-011: Councilman Baker – aye, Councilman Carlson – aye, and Mayor Buck – aye. This Bill is assigned Ordinance Number 24-12.11.

Wastewater Rate Increase (5%) – Bill No. 24-12-012: Councilman Baker moved that Bill No. 24-12-012 to increase wastewater rates by 5% by repealing Section 715.040 of Article I of Chapter 715 of the Municipal Code of the City of Marceline relating to user charges for wastewater to the City’s treatment works and adopting a new Section 715.040 in lieu thereof be read twice by title only. Councilman Carlson seconded the motion. The motion carried. City Clerk/ACM Krumpelman read Bill No. 24-12-012 twice by title only. Councilman Baker moved that Bill No. 24-12-012 be passed. Councilman Carlson seconded the motion. The following roll call vote carried the motion to pass Bill No. 24-12-012: Councilman Baker – aye, Councilman Carlson – aye, and Mayor Buck – aye. This Bill is assigned Ordinance Number 24-12.12.

With no further business, Councilman Baker moved to adjourn the meeting. Councilman Carlson seconded the motion. The motion carried. The meeting adjourned at 6:53 pm.

Recorded by City Clerk Lindsay Krumpelman.
Approved by Marceline City Council on December 11, 2024