

CITY COUNCIL STUDY SESSION

TO: Mayor and City Council
FROM: Mari E. Macomber, City Manager
SESSION DATE: March 17, 2014
TIME: 4:30 pm
PLACE: Second Floor Conference Room

AGENDA:

- REVIEW OF FINANCIAL POLICIES
- REVIEW OF PARKS AND RECREATION FEES
- ANNEXATION DISCUSSION AND POLICY
- REVIEW CITY COUNCIL AGENDA
- REVIEW CITY COUNCIL NEWSLETTER – March 14, 2014

REVIEW OF FINANCIAL POLICIES

We would like to visit with the City Council to discuss several financial policies. The first is debt policy, which refers to the debt the city incurs. At present our policy does not allow us to consider or take advantage of market improvements or special offers from local financial institutions. We would like to expand the language to allow, so long as the fees charged for early termination of an existing lease when considered, will still be advantageous to the City.

A second policy area for Council consideration concerns the debt owed to the City. At present there is no city wide policy. Policies exist on how we collect utility bills and business license fees, and a few other miscellaneous items but there is not a comprehensive policy. The business license policy requires that all debt with the City must be paid before a license can be obtained. We would like to add similar language to all other applicable areas and at a minimum utility billing. Another possible area would be building permits. Following is language that is found within the business license section of the city code.

City obligations. No license, initial or renewal, required under the provisions of this article shall be issued to any person until all personal property taxes, real property taxes, merchants' or manufacturers' ad valorem taxes, license or permit fees, due and unpaid, are paid in full, including all penalties thereon. Likewise, any other financial obligation due and owing from the person to the city shall be paid in full prior to the issuance of any license required hereunder.

Obligations to city. Not be in default under the provisions of this article or indebted or obligated in any manner to the city, except for current taxes.

The next policy area concerns the local preference policy. The policy was established to take into account the value of local business while still insuring a commitment to the tax payers that the funds spent by the City are done taking in to account what is in the best interest of the community.

We would like the Council to discuss:

Should the City seek competitive bids outside the City when there is only one local vendor, or how far away should they look to find a competitive bidder? Should it all be based on price?

When we bid items that are based upon an estimate of what is needed and includes multiple products should we break these bids down and award to the lowed bidder for each item to allow local competition or consider the bid in its totality knowing that the bid was an estimate and not a guarantee? (See grease and oil bid sheet on page 14).

Should local preference be modified to when there are local bidders but not all of these bidders have a business inside the city limits that would pay property tax and/or collect city sales tax?

Included with this Study Session Packet are several staff reports from Finance Director Lise Fuller explaining more on each of these issues.

REVIEW OF PARKS AND RECREATION FEES

At the request of the City Council staff has evaluated several fees for service charged through the Parks and Recreation Division of the City. The first evaluation was completed by Angie Whisnant, who made several recommendations to the Lakes, Parks and Recreation Commission (LPRC). The focus of that discussion was more on the shelter fee charged than the Aquatic Center fees. The Commission approved the recommended rate proposed by staff but discussed other aspects of the shelters and their use. The Commission was also agreeable with the fee structure and changes in hours of operation at the Aquatic Center.

The remaining Parks and Recreation staff, after this discussion was completed and Angie departed from the City, were concerned that may be more attention needed to be given to all of the aquatic services and not just the indoor/outdoor pool.

Ultimately, the Assistant City Manager has spent time discussing the operations and fees with staff and collectively they are proposing a few additional considerations for the Council.

In evaluating the shelter fees, the LPRC focused quite a bit on the trash removal and cleaning of the shelter. The fee charged by the City is a reservation fee and not a rental fee. If you pay this fee you get to have the shelter if you don't pay the fee you have no exclusive right to the shelter and it becomes a first come first serve situation.

To make this point even further our city website has the following information:

To **reserve a park shelter**, please call the Parks and Recreation Department at: 660-627-1485, or stop by the Aquatic Center located at 801 E. Mill St., Kirksville, MO 63501. **Reservations** may be made starting January of that calendar year. Each **shelter can be reserved** for a \$10 fee. View a list, description and operating hours of the City Parks.

Along with the reservation fee, the City could consider requiring the users of the shelter to clean it up after their use. This is a practice used elsewhere in other park systems.

In addition to the evaluation of fees for the Aquatic Center, staff has also considered the wading pools in the mix and is making a few operational changes to provide more consistent service across the City.

Included is a staff report from Assistant City Manager Ashley Young, which outlines all of the changes that will be incorporated.

ANNEXATION DISCUSSION AND POLICY

In 2009, the City Council established an Annexation Policy. The intent was to have a policy in place that would give guidance to the Council when considering whether or not to annex properties into the city.

City code simply states that the City should always seek voluntary annexation. This language is found in the section of the code that deals with water service. The wording in this section of the code should be considered possibly to say “will obtain voluntary annexation”

Finally, the City’s comprehensive plan specifically references the desire of the City to annex areas to the west of the City to begin the process of protecting the City’s water sources due minimal regulations within the County that impacts our water source.

Previous Councils have also discussed a desire to annex lands to the south to the airport. More recently, the current Council mentioned an interest in discussing annexation of land south of the Missouri Conservation office along Highway 63. This was discussed in part because of the airport, but also because of the possible future need of constructing an additional water source, placing it on the south end of the community.

Council should be aware that there are a couple of areas that would benefit from annexation from the City and the property owners will need to consider their options, as well as the City considering its. The areas are included in the maps shown on page 24 of this Study Session packet.

Both areas are in need of improved sewer systems due to Department of Natural Resources. The first area is located along Highway 63 on the way to the airport. The second area is on Potter Avenue and is within the Forest Lake Watershed. In reviewing correspondence from the previous Public Works Director there had been an indication

that the City had to construct sewer improvements for the water treatment plant and that the property owner could consider adding on to the City's line. What is not clear is if there was ever any discussion with this property owner that voluntary annexation would need to be considered by both the City Council and this property owner. A meeting with the property owner is scheduled for this coming week to have that discussion.

Area 1 – is a small subdivision off of Highway 11 west and consists of about ten homes. A meeting was held with the property owners with the City Attorney and City Manager to explain annexation (voluntary and involuntary). Due to their location, sewer service could be extended at a cost of about \$250,000 - \$300,000. Each property owner at this point will have to construct individual septic systems and before they have to spend on average \$10,000 per household they wanted to know if the City would be interested in working with them to extend the sewer and annex their properties into the city.

Area 2 – is a trailer park on Potter Avenue. In addition, MoDOT may also be in a similar situation and need to resolve sewer issues at their operation on Potter.

The City Council will be asked to discuss annexation in general and how we assure that valuable city services are only extended outside of the city limits if the City Council decides that annexation is not in the best interest of the City. The City Council is also being asked to consider whether or not you are interested in exploring the annexation of these additional areas. If you are additional evaluation would need to be done and more work completed on the actual cost to extend the sewer services.

REVIEW COUNCIL AGENDA

REVIEW COUNCIL NEWSLETTER – March 14, 2014

Attachments

- Lease Financing Staff Report
- Debt Policy
- Collections/Bad Debt Staff Report
- Purchasing/Local Preference Staff Report
- Local Preference Policy
- Grease and Oil Bid Tab
- Program Fees Staff Report
- Aquatic Center Fee Policy
- Comprehensive Plan Annexation Language
- Annexation Policy
- Extraterritorial Code
- Potential Annexation Areas

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: Lease Financing

STUDY SESSION MEETING DATE: March 17, 2014

CITY DEPARTMENT: Finance

PREPARED BY: Lise Fuller

The City has the ability to use lease financing to fund the purchase or construction of major capital items. Lease financing is done through the competitive bid process. Based on current policy, we have no flexibility to take advantage of cost savings thru refinancing opportunities.

We would like to discuss adding language to the current policy to allow for this, should a financing source present an arrangement with better rates. The term length would remain the same as initially approved. Analysis of the cost savings would be presented to Council for approval. The suggested language is reflected on the attached debt policy copy

DEBT MANAGEMENT

It is the policy of the City of Kirksville to abide by established debt control policies in order to provide assurance of the City's commitment to sound financial management and controlled borrowing practices and set parameters for issuing debt and managing the debt portfolio.

I. CAPITAL PLANNING

Capital improvement plans are prepared on a multi-year basis. These plans go through an annual review by the City Council in conjunction with the budget process. Financing needs are determined well in advance in order to identify all alternative sources of funding and locate the most cost-effective financing option for the City.

II. RESPONSIBILITY

It is the responsibility of the Finance Department to acquire the proper debt instrument and ensure the most cost-effective method of financing for the project. The City Council and City Manager will give the final approval on the acceptability of a financing arrangement.

The City will make all debt service payments when due on a timely basis, including all principal and interest payments, sinking fund payments, debt service reserve fund payments and payments for all other debt-related obligations.

III. NON-APPROPRIATION

All debt payments are subject to appropriation on an annual basis and must be approved in the budget process. All financing contracts contain a non-appropriation clause to recognize that the City cannot be obligated in subsequent years.

IV. PAY-AS-YOU-GO FINANCING

The City will pay for all equipment and infrastructure projects in cash if the applicable fund has an adequate cash flow and fund balance, project phasing is feasible and funding will not curtail operating or maintenance expenditures.

V. NON-DEBT CAPITAL FUNDING SOURCES

The City will normally rely on existing funds and project revenues to finance capital projects such as major maintenance, equipment acquisition and small development projects. The City will strive to locate grants, matching fund programs or low-interest loan programs to assist with the cost of capital projects.

VI. CAPITAL FINANCING

The City will utilize debt financing for one-time capital improvement projects when the project's useful life will exceed the term of financing and when project or specific revenues will be sufficient to service the long-term debt.

Bonds will be amortized within a period not to exceed the expected useful life of the asset being financed.

The City will confine long-term borrowing to capital improvements or infrastructure projects that cannot be financed from current revenues. Long-term debt will not be used for any recurring purpose such as current operating and maintenance expenditures or revenue shortfalls.

Capital improvements will be financed primarily through user fees, service charges, assessments or special taxes attributable to that specific project.

Generally, the City will make a down payment to any project with an expected useful life of less than 10 years, rather than relying on 100% debt financing.

Debt issued by the City should be structured to provide for either level principal or level debt service. Deferring the payment of principal should be avoided except in cases where it will take a period of time before project revenues are sufficient to pay debt service. Ascending debt service should generally be avoided.

Interfund borrowing will be considered to finance high priority needs on a case-by-case basis and only when planned expenditures in the fund making the loan would not be compromised. Interfund borrowing may be used when it would reduce costs of interest, debt issuance and/or administration.

The City will generally conduct financings on a competitive basis, unless the nature of the project favors a negotiated financing. Should better rates become available on an existing conventional loan/lease, the City shall have the flexibility to refinance, if analysis proves a cost savings without extending the length of the arrangement.

VII. DEBT STRUCTURE

The City is eligible to issue short-term debt which may include, but not be limited to: tax, revenue, grant or bond anticipation notes; tax-exempt commercial paper; or variable rate notes when such instruments allow the City to accomplish capital acquisitions or projects.

The City may issue long-term debt which may include, but not be limited to: general obligation bonds, certificates of participation, revenue bonds, tax increment bonds or variable rate notes. The City may also enter into long-term leases for public facilities, property and equipment.

The type of debt to be issued will be determined in accordance with the following factors:

- A. Direct and indirect beneficiaries of the project; a majority of the citizens should benefit from a project financed by general obligation bonds;
- B. Time pattern of the stream of benefits generated by the project;
- C. Alternative types of existing or potential user charges and the ability to generate revenue by controlling rates;
- D. Effect of the proposed bond issue on the City's ability to finance future projects of equal or higher priority;
- E. The interest costs and costs of issuance of each alternative type of issuance; and,
- F. Impact of the issue on the City's financial position and credit rating.

VIII. RESTRICTIONS

General obligation bonds can only be issued after approval by the taxpayers through a public referendum. The City will try to keep the average maturity of general obligation bonds at or below 20 years. Current or advance refundings (replacement of outstanding debt with new debt issued at a lower interest rate) will be utilized when advantageous, legally permissible, and prudent and when a 5% net debt service savings is realized over the term of the debt.

General obligation debt per capita will not exceed \$300.

The City will use special assessments, revenue bonds and/or other available self-liquidating debt measures instead of general obligation bonds where and when possible and applicable.

Revenue bonds will be issued for revenue-producing facilities only. Rates charged for such operations shall be sufficient to generate a net income equivalent to 120% of the annual debt service obligation. The maximum permissible term for revenue bonds shall be twenty years.

Debt reserves equal to the next principal and interest payment shall be maintained (except for assessment debt).

Short-term debt instruments, i.e., tax and revenue anticipation notes, commercial paper and variable rate demand bonds will be used in limited circumstances and only as interim financing sources.

Debt will be structured for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users.

IX. OVERLAPPING DEBT

Overlapping governments are other taxing jurisdictions that overlap the City's boundaries, thus exposing the City's taxpayers to taxation by other governmental entities. The City will strive to minimize the use of debt; it is recognized that the individual taxpayer must bear the burden of all overlapping jurisdictions, both for operating and capital purposes.

X. LEGAL DEBT MARGIN

Per State Statutes, general obligation bonds are subject to a legal debt limit of 20% of the City's portion of assessed valuation of taxable property. This is outlined in Council Policy #3.

XI. RATING

The City of Kirksville seeks to maintain the highest possible credit rating for all categories of short and long-term general obligation debt that can be achieved without compromising delivery of basic City services and achievement of adopted City policy objectives.

The City will not consider long-term debt that, through its issuance, would cause the City's bond rating to be lowered.

The City will maintain good communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.

XII. LEASE FINANCING

The City will utilize capital leasing arrangements to fund the purchase or construction of major capital items when necessary. Lease payments will be paid from the applicable operating revenues. Should better rates become available on an existing lease, the City shall have the flexibility to refinance, if analysis proves a cost savings without extending the length of the agreement.

XIII. BOND COUNSEL

The City will retain external bond counsel for all debt issuances to ensure compliance with applicable federal and state tax and other laws and regulations pertaining to public financing. No debt will be issued by the City without a written opinion by bond counsel.

XIV. FINANCIAL ADVISOR

The City will retain an external financial advisor, selected through a competitive process, to be utilized in selected debt issuances.

XV. ARBITRAGE

The City will follow a policy of full compliance with all arbitrage rebate requirements of the federal tax code and Internal Revenue Service regulations and will perform, as necessary, arbitrage rebate calculations for each issue subject to rebate on an annual basis. All necessary rebates will be filed and paid when due.

XVI. FINANCIAL DISCLOSURES

The City shall include the appropriate debt disclosures as required in the Official Statements, the Comprehensive Annual Financial Report (CAFR) and the annual budget.

XVII. RATE INCREASES

For any enterprise fund that is supporting debt, an annual rate study will be performed to ensure that the fees or rates are sufficient to meet the debt service requirements.

XVIII. LETTER OF CREDIT

Occasionally, a letter of credit is required from the City's depository bank to establish availability of funds and a limit of funds dedicated to the specific project. The Finance Director will be responsible for acquiring the letter of credit and negotiating the terms.

XIX. CONDUIT FINANCING

The City may sponsor conduit financings for those activities, i.e., economic development, housing, etc., that have a general public purpose and are consistent with the City's overall service and policy objectives. All conduit financings must be structured to protect the City completely from any credit risk or exposure and must be approved by the City Manager before being submitted to the City Council for authorization and implementation.

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: Uncollected Accounts/Bad Debt Policy

STUDY SESSION MEETING DATE: March 17, 2014

CITY DEPARTMENT: Finance

PREPARED BY: Lise Fuller

Currently, we do not have an official policy regarding uncollected accounts.

The collection company we currently use is Accounts Management Services, located in Columbia, MO. They have been providing service to the City for at least 20 years. An additional company, PAS, was used until the late 1990's, when they went out of business.

Finance has reviewed all literature received from other collection agencies, over the years, but have found that they will not take small account balances for collection. The last one that Jeanie spoke with would not accept balances under \$500.

We routinely submit accounts with balances under \$100, and AMS has had some success in collection. Because of the ever changing student population, it is difficult to find and collect in most cases. AMS averages a 10% - 12% success rate.

We submit uncollected utility accounts, damage to city property by citizens; P&Z notice advertising, and any other amounts due to the City. As long as we can prove the debt, they will work the account. AMS charges a fee of 30% of the amount collected. We add that 30% on top of the amount due the City, so that we recoup their fee, and clear the balance due the City.

We have consulted Howard to see if language can be added to the ordinance stating that all obligations to the City must be paid prior to utility service being activated, and allowing us to add unpaid obligations, of any sort, to an existing utility account.

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: Purchasing Policy – Local preference

STUDY SESSION MEETING DATE: March 17, 2014

CITY DEPARTMENT: Finance

PREPARED BY: Lise Fuller

We would like to discuss our current local preference policy and if the % should be higher for local preference to be given. We recently had a bid for motor oil, hydraulic oil, grease, and antifreeze that a Clinton, MO vendor was awarded over our local MFA Company. The bid tab is included for reference. Should bid documents be worded to allow the City to choose the lowest pricing per item, rather than by total for all products listed? We are asking for Council guidance for future purchases.

There is also a revision to the language under Section 2.3 Preferred Vendors. The language is marked in the included word document.

Attachment

- Local Preference Policy
- Oil and Grease Bid Tab

Section 2.2 Local Buying

It is the desire of the City to purchase from local vendors whenever possible. This can be accomplished by ensuring that local vendors are included in the competitive shopping process. The City has a responsibility to its residents however, to ensure that the maximum value is obtained for each public dollar spent. It is assumed that local vendors who wish to do business with the City will offer the lowest possible quote for the item being purchased. The following shall be considered when placing bids and making a final determination on the best bid price.

- A. For the purposes of this section, a local business means: a sole proprietorship, partnership, or corporate which has a legitimate business presence in Adair County. Evidence of legitimate business presence in Adair County shall include:
 1. Having a current City of Kirksville license; and
 2. Having either of the following types of offices operating legally within Adair County.
 - a. Principal business officer; or
 - b. Regional, branch or satellite office with at least one full-time employee; and
 3. Does not have any outstanding liens, fines or violations with the City.

- B. If there is a savings greater than five percent (5%) or more on purchases of \$25,000 or less, a savings greater than two and one-half percent (2 ½%) or more on purchases from \$25,001 to \$100,000 or a savings of one and one-half percent (1 ½%) or more on purchases over \$100,000, then the purchase should be made without regard for local preference. No local preference shall be given on purchases covered by state or federal regulations.

- C. If local vendors cannot meet product specifications, then the purchases should be made without regard for local preference. The City Council/Manager shall maintain the authority to waive the local preference in extremely rare instances where the exercise of local preference may not be in the best interest of the City, and to grant local preference when it is in the best interest of the City, even when a local vendor may not have presented the lowest bid, or the lowest bid when adjusted for local preference as provided herein. The City Council/Manager would make judgment concerning the best interest of the City.

- D. In order to ensure fairness and value, the departments are expected to widely seek bids on items to be purchased. The special procurement procedures in Article 4 cover the local preference. Departments shall use due diligence in identifying local vendors who offer the particular goods or services being sought, and those local vendors shall be placed on the vendor list maintained by the department. Bids shall be sought from all local vendors who have been so identified.

- E. The Finance Director shall maintain a tracking report showing those services and purchases obtained using this local preference policy. The report should include the total local preference given to the local vendor.

**City of Kirksville
OIL & GREASE BID TAB**

Item	Qty	Unit	MFA	Champion
Universal Extended-Life Antifreeze	110	gallon	<u>\$687.50</u>	<u>\$938.30</u>
5W20 Oil	55	gallon	<u>\$478.50</u>	<u>\$480.70</u>
5W30 Oil	110	gallon	<u>\$957.00</u>	<u>\$749.10</u>
10W30 Oil	55	gallon	<u>\$440.00</u>	<u>\$404.80</u>
15W40 Oil	385	gallon	<u>\$3368.75</u>	<u>\$2683.45</u>
85W140 Oil	55	gallon	<u>\$621.50</u>	<u>\$361.35</u>
GP Hydraulic Fluid	55	gallon	<u>\$456.50</u>	<u>\$305.80</u>
ISO 32 Hydraulic Oil	55	gallon	<u>\$360.25</u>	<u>\$279.95</u>
ISO 68 Hydraulic Oil	110	gallon	<u>\$720.50</u>	<u>\$612.70</u>
Multi-Purpose Grease	150	16-oz Tube	<u>\$322.50</u>	<u>\$267.00</u>
 Oil Samples	 20		 <u>No Charge</u>	 <u>\$280.00</u>
 Total Bid PRICE:			 <u>\$ 8413.00</u>	 <u>\$ 7363.15</u>

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: Program Fees

STUDY SESSION MEETING DATE: March 17, 2014

CITY DEPARTMENT: Parks and Recreation

PREPARED BY: Ashley Young

At the February 18th, 2014 meeting of the Lakes Parks and Recreation Commission (LPRC) the Commission recommended (on the advice of then Assistant City Manager Angie Whisnant) the following:

- Park shelter fees increase from \$10 per rental to \$35 per day with the understanding that Parks Maintenance staff will service the shelters on Sat. and Sun.
- Aquatic Center hours change from 1 PM to 7 PM on Sat. to 1 PM to 5 PM on Sat.
- Aquatic Center outdoor morning lap swim be eliminated.
- Aquatic Center indoor pool to be closed Mon. – Fri. from 3 PM to 5 PM each summer.
- Aquatic Center Child / Senior admission fees increase from \$3 to \$4 and Adult admission fees increase from \$3.50 to \$4.50.
- Aquatic Center Pool Pass prices be increased:
 - 3 Month Individual increase from \$75 to \$97
 - 3 Month Family increase from \$150 to \$194
 - 1 Year Individual increase from \$175 to \$226
 - 1 Year Family increase from \$300 to \$387
 - Eliminate the 10 Punch Pass entirely.

After reviewing the LPRC's recommendation with Parks and Recreation Department staff, as well as the City Manager, we suggest the following changes:

- Park shelter fees will increase from \$10 per rental to \$35 per rental.
- Aquatic Center hours remain the same.
- Aquatic Center outdoor morning lap swim be eliminated.
- Brashear Park Wading Pool hours be reduced to three days a week.
- Aquatic Center Child / Senior admission fees increase from \$3 to \$4 and Adult admission fees increase from \$3.50 to \$4.50, or the admission fee be changed to a flat fee of either \$4 or \$4.50.
- Aquatic Center Group Rate admission fee increase from \$2.50 to \$3.50 per person for groups larger than twenty-five (25) persons.
- Aquatic Center Pool Pass prices be increased:
 - 3 Month Individual increase from \$75 to \$100
 - 3 Month Family increase from \$150 to \$250
 - 1 Year Individual increase from \$175 to \$225
 - 1 Year Family increase from \$300 to \$400
 - 10 Punch Pass from \$25 to \$35

In addition, the Adair County Family YMCA holds an annual summer day camp, and as part of this summer day camp the YMCA brings their campers to the Aquatic Center. In 2013, the YMCA brought fifty (50) campers a day for ten (10) weeks for a flat fee of \$5,000. They utilized the Aquatic Center from 1 PM to 3 PM. When calculated at an estimate of 2,050 total visits, this is equivalent to a rate of \$2.44 per visit, or \$0.06 less per visit than the existing group rate of \$2.50.

For 2014, the YMCA has proposed that they once again bring campers from their summer day camp to the Aquatic Center. They have proposed bringing fifty (50) campers a day for ten (10) weeks for a flat fee of \$4,800, or \$200 less than the flat fee paid for 2013. When calculated at a projected estimate of 2,050 total visits at the new group rate of \$3.50, the total would be \$7,175. This total is \$2,375 more than the YMCA's offer for 2014. The question arises, "Does the Adair County Family YMCA deserve special consideration over other groups of twenty-five (25) persons or more utilizing the Kirksville Aquatic Center?"

In the interest of maintaining the community partnership between the Adair County Family YMCA and the City of Kirksville, we will be charging them a flat fee of \$6,150, which is calculated at a discounted group rate of \$3 per person, which is \$0.50 less per person, and \$1,025 less overall.

Further, we request that the "Kirksville Aquatic Center Admission Fees" policy be amended to become the "Kirksville Parks and Recreation Fees" policy, enabling the Assistant City Manager to set and subsequently review and amend Park and Recreation Department fees based on operational cost, market demands, patron volume, program participation, and special event requests.

CITY COUNCIL POLICY #24

DATE: March 18, 2002

AMENDED: December 18, 2007; November 4, 2013

KIRKSVILLE AQUATIC CENTER ADMISSION FEES

The City of Kirksville Family Aquatic Center was constructed by funds from a one-half cent sales tax that was passed by voters in April, 1998. City Council set fees by Council Policy March 18, 2002. In order to provide the flexibility to react to program development requests and market demands, this Council Policy was amended in 2007 to grant authority of the Assistant City Manager to amend fees, operations and procedures as needed.

I. FEES

All fees for Aquatic Center admission and programs will be set and subsequently reviewed and amended by the Assistant City Manager based on operational cost, market demands, patron volume, program participation and special event requests.

Fees will be determined for daily admissions and multiple day admissions, special events and specific requests for service from local organizations.

CITY'S COMPREHENSIVE PLAN

Annexation

Annexation of lands into the City in the last 30 years has been primarily voluntary. In 2001, however, an involuntary annexation referendum was successful in the northeast and eastern areas, just outside of the City limits. This annexation, which increased the size of the City by about 40%, was meant to achieve several goals, including: enhance quality of life, improve public health issues, and regulate development around the proposed Highway 63 alternate route. The 2001 Annexation was a significant and active step towards avoiding future problems and the City's plan to provide city services to these areas was completed and all services were provided to existing residences and businesses. Future development of land along the new highway location has not yet started. Accessibility to the sewer system and access to some locations will be issues that the City will need to contend with and plan for in the future.

Any new annexation in the future will need to look at these issues closely. That is why, in 2009, City Council adopted an Annexation Policy for the City of Kirksville, with the express intent of incorporating the Annexation Plan into the Comprehensive Plan for the City. The Annexation Policy as of August 3, 2009 follows: Any changes to the Annexation Policy adopted by city council after the above date is automatically incorporated into the Comprehensive Plan of the City of Kirksville.

Annexations in the future are sure to come. Residential developments west of the City along Tamarack Trail, White Oak Trail, Orrick Trail, and other trail named roads in this area should eventually be annexed into the city. An assessment of street and sewer requirements would be required to see exactly what the city's costs would be to provide all services to this area. The connection of streets to eliminate dead ends and the looping of water lines to provide a better water supply would be best for any proposed annexation. This area has gently rolling hills, good hardwood trees, and is a very desirable residential area. It is important because all of these houses are in the watershed of Forest Lake, the city's main water supply. Lagoons, over-the-hill, and septic tank/leach field systems are being used in these areas. Annexation of these areas and the hook up of city sewer to these areas would also assist in keeping the water supply clean for years to come. The same is true of the houses out on Michigan Trail. Currently, all of these locations have city water supplied because the rural water district lines did not extend to these areas. To extend these areas, we would need to annex any area between the current city limits and these areas, so "leapfrogging" would not take place. Any new city land should be in one block and any expansion to take place should extend the borders, not make new stand-alone subdivisions.

The current City Council Policy says the city does not have a plan for annexing the areas mentioned above. This probably should be reconsidered. Having a tentative plan and process for a proposed annexation would help all concerned parties to be better prepared and be ready to provide additional services when the time comes.

ANNEXATION POLICY

I. Purpose

An annexation policy sets forth a framework for phasing the growth of the City of Kirksville. The purpose of this policy is to ensure efficient delivery of adequate public services to new development as it occurs in a manner that is most beneficial to the citizens of the community. This will be accomplished by adherence to the Kirksville Comprehensive Plan and adopted master plans for City services, including master sewer and water plans.

II. Focus of Annexation

The City will focus on the following areas when considering a proposed annexation.

- A. The City shall pursue an annexation program that adds to the economic stability of the city, protects and enhances its quality of life, and protects its environmental resources.
- B. The City shall use annexation as a tool for the protection of valuable natural resources such as the Hazel Creek and Forest Lake Watersheds.
- C. The City shall use annexation as a tool to establish environmental practices that will eliminate over-the-hill sewage systems, establish storm water management; and ensure that the groundwater of Kirksville is protected and preserved.
- D. The City shall use annexation as a way to control the type, quality, and location of development in areas currently outside the city limits guiding the growth in the extra-territorial jurisdiction by focusing infrastructure spending in less environmentally sensitive areas and into preferred growth corridors.

III. General Policies

The City shall develop an Annexation Plan to include preferred growth corridors with input from the City's Planning and Zoning Commission, Lakes, Parks and Recreation Commission, Airport and Transportation Commission, Watershed Management Commission, and outside organizations such as the Adair County Rural Water District, Adair County Commission, Missouri Department of Transportation, Kirksville Regional Economic Development, Inc. the Chamber of Commerce Tourism Advisory Board, and Northeast Regional Planning Commission.

The City's Annexation Plan should be reviewed and updated no less than every five years in conjunction with the review, revision and update of the City's Comprehensive Plan.

The City will pursue annexation of contiguous properties outlined in the Annexation Plan identified as preferred growth corridors for desired development using appropriate methods allowed under state law.

Inform the public of all annexation proceedings, in full accordance with state law.

Consider the impact of annexation on all citizens during the annexation process.

The City shall perform a preliminary fiscal impact analysis and provide an initial service plan for all areas proposed for annexation.

Timing of annexation proposals will be determined based on what is most beneficial to the citizens of the community.

IV. Municipal Boundaries

To maintain efficient city service provision, Kirksville will discourage annexations that would result in irregular city boundaries.

Annexations will include the largest practicable area contiguous to the city limits that still results in logical city boundaries.

Proposed boundaries should include the annexation of existing public roadways that provide access to the desired annexed property.

V. Comprehensive Planning and Zoning

The Comprehensive Plan for the City of Kirksville shall incorporate the Annexation Plan.

Amendments to the Comprehensive Plan must follow required processes.

VI. Extension of Services

Kirksville will continue to support the existing extensions of public water and sewer services within the extra-territorial areas that includes the Orrick Mine and Michigan Trail area without any commitment or plan of annexation.

Owners of unincorporated properties must annex to receive City water or sewer service if the properties are contiguous to city limits and are configured in a manner that conforms to annexation policies.

Kirksville will consider the existing boundaries of special purpose districts when reviewing annexation proposals. Affected districts will be notified and provided the opportunity to comment on annexation proposals.

VII. Unplanned Annexations/Voluntary Annexation

From time to time, it may become necessary for the City of Kirksville to consider the annexation of property that is not part of the established Annexation Plan. In addition, a property owner may voluntarily decide that it is in their best interest to seek annexation with the City of Kirksville.

This policy will not prohibit either to be considered. However, all requests for annexation must comply with all applicable state laws. In addition, requirements and expectations of this policy-will apply to these unplanned annexations.

VIII. Cost/Benefit Analysis

The Kirksville City Council may request the completion of a cost/benefit analysis on any annexation proposal. Such cost/benefit analysis should be primarily for the purpose of evaluating the annexation's impact on the City resources and in turn the economic impact on its addition to the municipal boundary. The cost per resident shall not exceed a rate of return greater than 20 years.

IX. Public Information

The City of Kirksville will make available to any interested person annexation information sheets that explain the process and benefits of annexing into Kirksville. All annexation proceedings will be conducted in full accordance with state law, including at least one public hearing.

Sec. 25-38. Extraterritorial connections to city water mains.

(a) The basic premises regarding growth outside the city limits as it relates to water service are identified below:

- (1) There should be no subsidy by the city for rural developments.
- (2) The city should encourage development to occur inside the city limits.
- (3) Rural developments should bear one hundred (100) percent of their actual costs.
- (4) The capacity of the water system and water supply is not limitless.
- (5) The appearance of development outside the city does reflect on the city. Uncontrolled development nearby the city is not always to the city's benefit.
- (6) The city should always seek voluntary annexation before considering connection to the water system.
- (7) Water and sewer rates within the city should not be increased to handle a rural development project.

(b) As of the effective date of this article, the provisions of this section shall apply in the following instances:

- (1) When any person or developer seeks to connect a customer service pipe to an existing city water main located outside the city limits.
- (2) When any person or developer seeks to connect a customer service pipe which extends outside the city limits to a main located within the city limits.
- (3) The plumbing for any building or tract located outside the city limits shall not be connected to a private water supply system where such private water supply system is a customer of the city's public water supply system. However, those connections shall be permitted in the case of existing private water supply systems which are a customer of the city's public water supply system as of the effective date of this article, and, if the private water supply system's customer service pipe is metered at the point of delivery from the city's public water supply system and only one (1) bill is rendered in connection therewith and is payable by the owner of the private water supply system.

(c) The following procedures shall be followed prior to the issuance of a permit to make the proposed connection:

- (1) Applicant shall submit a written report on the use and occupancy of land within the proposed development.
- (2) Applicant shall submit building plans for the proposed development which shall show compliance with the city plumbing and plumbing-related codes, ordinances and regulations which would apply in the event the development was within the city limits. The applicant shall also demonstrate written compliance with federal and state laws or regulations that affect the proposed development.
- (3) Applicant shall submit a site plan which shall include, but not be limited to, the following information:

- a. Types of land uses for adjacent properties within five hundred (500) feet of applicant's property lines, including building locations and pertinent development data.
 - b. Owner's name and address.
 - c. Legal description of property.
 - d. Costs of construction for development.
 - e. Location of proposed connection to city water main.
 - f. Proposed water meter location(s).
- (4) The applicant shall have a water flow network analysis performed by an engineering firm that verifies the proposed connection will not negatively impact the existing water system and its customers. The final determination will be made by the city engineer of the applicant's impact on the water system.
- (5) The applicant shall prepare the necessary deeds of dedication to the city for any rights-of-way, easements or water system components as determined by the city engineer.
- (d) The applicant shall pay the required initial service connection which shall be three hundred and fifty dollars (\$350.00) in addition to an amount equivalent to fifty (50) percent of the established building permit fee of the city and shall be paid by the applicant prior to making any service connections. Proper inspections must be made by the code administrator prior to making any service connections.
- (e) Failure of an applicant for an extraterritorial connection to the water system to comply with the requirements above shall be grounds for the city to terminate the applicant's water service.
- (f) As of the effective date of this article, no customer of the city shall allow another person or developer to connect to their customer service pipe or internal plumbing to avoid the requirements of this section. Any customer which allows the illegal connection to occur shall have their water service disconnected until such time as all above-described requirements have been complied with. The customer shall also pay any reconnection charges or expenses incurred by the city to disconnect service.
- (g) No person or developer shall be allowed to extend a city main outside the city limits.

(Ord. No. 10911, § 2, 4-2-90)

AREA 1



AREA 2

