

City Council Study Session



Dear Citizen:

Welcome to our City Council Study Session. As the name implies, City Council Study Sessions are an opportunity for the City Council to study issues facing the City. It is a time for the City Council to receive information from those invited to present. Study Sessions are intended to provide information to the City Council on current City matters, education on new ideas, or regulatory impacts. From time to time, Study Sessions will include discussions of mutual interest with a City partner.

It is in these meetings that the City Council listens, learns, asks questions, and formulates City policy and direction on how the City should proceed. Citizens are welcome to attend these Sessions to learn alongside the City Council. If you have questions or would like to provide feedback on any Study Session topic, the City Council is available after the meeting or can be reached via email at kvccouncil@kirksvillecity.com. The City Council also welcomes visitors to its regular meetings, held on the first and third Mondays of each month at 6:00 pm, except for the Study Sessions held in September and November, which begin at 4:00 pm.

The City Council thanks you for your attendance and invites all citizens to listen and learn with them.

Online Viewing: <https://www.youtube.com/user/KirksvilleCity>

SESSION DATE: October 13, 2025

TIME: 6:00 pm

PLACE: Council Chambers

Tentative Agenda:

- Park Plan Presentations – North Park and Rock Lack Conservation Area
- Health Insurance Report
- Child Care Report
- EAS Update
- Stormwater Management Report
- Utility Rate Discussions
- City Building Plan Report
- Newsletter Review

PARK PLAN PRESENTATION

In February 2025, the City issued a request for qualifications for planning services related to site plan development for both Rock Lake Conservation Area and North Park Soccer Complex. SWT Design was selected to lead the project and the work was expected to be completed before the end of the calendar year.

The site plan development process was developed with input from City staff, Lakes, Parks, and Recreation Commission members, City Council, key stakeholders, and citizens. These plans are intended to guide the development of these park to meet community needs.

On Monday evening, SWT Design representatives will be in attendance to review the process and plans with the City Council. Once this process is complete, the plans will be brought back to the City Council for adoption and then incorporated into the Parks and Recreation Master Plan.

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

DATE: October 13, 2025

SUBJECT: Rock Lake Conservation Area and North Park Site Plans Draft Presentation

CITY DEPARTMENT: Parks and Recreation

PREPARED BY: Robin Harden, Parks and Recreation Director

The development of the Rock Lake Conservation Area and North Park site plans is nearing completion. Included with this report is a presentation of the draft site plans, which will continue to be refined into their final versions following City Council feedback. These materials were also presented to the Lakes, Parks and Recreation Commission during their October meeting.

The draft site plans were developed based on feedback from project stakeholders, site assessments, and public input. Drawing from the ideas and data collected through these efforts, SWT has prepared phased implementation guides and preliminary construction cost estimates for each park.

The final submittal package will include detailed site plans with renderings, key findings, integration with other City planning documents, and an overall opinion of probable construction cost. The final deliverables will also identify priorities, timelines, and phase budgets to support future funding opportunities.

Once finalized, the plans will be incorporated into the Parks and Recreation Master Plan to guide future park development, budgeting, and project implementation. This integration will ensure that community priorities and available resources are aligned as improvements are planned and completed.

[Rock Lake Conservation Area and North Park Site Plans](#)

HEALTH INSURANCE REPORT

Each year, in preparation for the upcoming City budget, the City Council is provided an update and proposal on the City's health benefit plan for the upcoming fiscal year. On Monday evening, Joe Holdenried, Benefits Consultant with Bukaty Companies, will join the meeting via Zoom to discuss the overall health insurance plan proposal.

As a reminder, Bukaty Companies is the City's insurance broker. It is their responsibility to review our plan, understand what is driving our plan utilization and costs, identify trends and changes in health care service delivery, shop the market, and find the best coverage to meet the needs of our employees through a plan that is also affordable.

The City Council has already taken action on one of the proposed changes recommended for our Plan by approving an agreement with the Samaritan Fund. As a reminder, the Samaritan Fund Program is a nationally recognized initiative that provides financial relief and peace of mind to individuals and families facing serious medical diagnoses. The program collaborates with employers to reduce overall healthcare plan costs while providing eligible employees with vital financial assistance for medical expenses.

In addition to Mr. Holdenried, Krystle Daniels, Human Resources Director will also be in attendance to present and provide answers to any questions the City Council may have.

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

DATE: October 13, 2025

SUBJECT: 2026 Healthcare Rates

CITY DEPARTMENT: Human Resources

PREPARED BY: Krystle Daniels, Human Resources Director

Looking ahead to the 2026 benefits year, here is a brief overview of expected changes to our insurance-related costs. Overall, the City's benefits package remains stable, with modest adjustments in a few areas, with minimal shifts in coverage.

Medical Insurance:

As mentioned previously, if the City stays with its current carrier of Roundstone, it would likely see a significant cost increase for 2026 due to the number of individual high medical expense claims. Shifting carriers from Roundstone to Gerber Life, the City would be better positioned to manage rising costs and keep increases minimal. While final renewal rates are still being confirmed, we anticipate a 2% to 5% increase over current costs. This estimated range allows for budgeting flexibility as claims data continues to be reviewed. Employee coverage levels will remain consistent with the current plan, inclusive of deductibles and out-of-pocket maximums. The Gerber Life plan structure would also

allow the City to continue to work directly with the current insurance administrator, Insurance Administrator of America (IAA), to provide Cigna Healthcare Network coverage for employees.

Dental Insurance:

The City's employee dental plan remains self-funded. The administrative fee per employee per month will increase from \$7.10 to \$8.17, reflecting standard market adjustments.

Vision Insurance

The City's vision plan will see a 5% increase, bringing the annual total to \$16,347.84. No changes are expected to coverage.

Life & Disability Insurance (Mutual of Omaha):

There will be no changes to rates or coverage for life insurance and disability plans for the upcoming year.

Additionally, the City will be moving forward with the Samaritans Fund Program, as approved by the City Council at the October 6, 2025, City Council meeting. Participation in this program will help ease the financial burden on employees or qualified family members facing serious medical conditions. This new offering reflects our ongoing commitment to employee well-being while maintaining a competitive, cost-effective benefits program.

Joe Holdenried, the City's benefit consultant with Bukaty Companies, will be present at the study session to provide a more detailed insight into these updates and the renewal process.

CHILD CARE REPORT

During the Covid-19 pandemic, the "stay-at-home" orders impacted the supply of child care providers, as a number of these providers closed their businesses. Since this time, many communities have begun to find limited day care options. The State of Missouri and the Kirksville community were not immune to this.

The lack of day care services has impacted some parents and their ability to work outside the home. K-REDI began its efforts to understand the day care industry in more detail and support those seeking day care services by providing a comprehensive list of providers on their website and collaborating with them.

Following is a report from Anastasia Tiedemann, Executive Director of K-REDI. She will provide an update to the City Council on the current child care services.

Also included is the link for a landscape report from Childcare Aware of Missouri, completed at the beginning of this calendar year.

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

DATE: October 13, 2025

SUBJECT: Child Care update

CITY DEPARTMENT: MREIC

PREPARED BY: Anastasia Tiedemann, Executive Director

History:

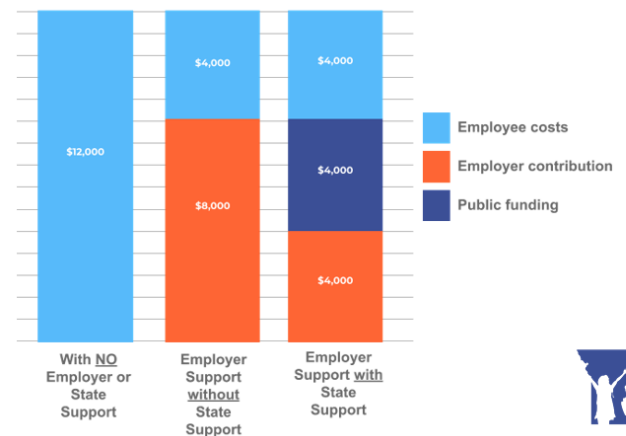
For the past two years, K-REDI has been working with Kids Win Missouri to assess Adair County's Child Care gaps and opportunities. In 2023, a survey was issued to employers, providers, and parents, and the results were released in 2024. Not surprisingly, although Adair County was not a child care desert, we are an infant and toddler childcare desert. Participants also voiced opinions on the cost and quality of area childcare.

Other findings from the survey were:

- Parents:
 - Often perceive available care as either unaffordable or low quality.
 - Are uncomfortable and dissatisfied with years-long waitlists and/or care providers.
 - Even when parents find care providers they are satisfied with, they often make major changes to their work and home lives to enroll.
- Providers:
 - Struggle to hire and retain staff without the ability to offer more competitive pay.
 - Tuition is not high enough to resolve the staffing challenges.
- Employers:
 - See increased requests for time off or even workers leaving their jobs entirely.
 - Do not offer child care benefits to their employees, and they don't anticipate that situation changing.

In 2024, Missouri legislators did not pass a proposed Childcare Tax Credit bill, which would offer tax credits to providers and businesses.

Also in 2024, Kids Win Missouri suggested a solution called the “Childcare Exchange”, now called Child Care Works. This would address the cost of child care, but *not* increase the immediate capacity. Child Care Works was modeled after similar programs in Michigan and Kentucky, where funds would come from the state and the employer, to an intermediary, then be directed to a provider to assist in paying for an employee’s child care.



K-REDI, in collaboration with CAPNEMO and local partners, was tasked with exploring whether our community would be receptive to this model and, if so, how some of the details could unfold.

In 2025, Kids Win Missouri secured funding to pilot the program.

K-REDI, CAPNEMO, and the Chamber of Commerce organized a meeting with local employers to discuss this model and how it might work in Kirksville. After much discussion, the unanimous response was that K-REDI should concentrate its efforts on increasing capacity.

Recently, the Missouri Department of Elementary & Secondary Education has posted grants to start up and expand child care.

- CAPNEMO owns a former child-care building on Locust Street that could be renovated to an all-infant/toddler child care center. It would take over \$300,000 to do so. CAPNEMO will be applying for funds to renovate the building. Once up and running, this will add 32 infant/toddler spots.
- Bright Beginnings, another local child care center located on Osteopathy Street, has considered expansion, but may not need to do so if CAPNEMO expands. We have directed their director to the Grants offered by DESE.
- K-REDI has also been in contact with a child care provider in Macon County who is in need of incentives to retain employees. This Grant could also help with that.

In September of 2025, Governor Kehoe and the Department of Elementary and Secondary Education (DESE) released a Child Care Licensing Rule Review Implementation Report. This report identifies outdated, duplicative, or burdensome rules and aims to reduce the regulatory burdens on child care providers and consolidate the rules into a single, unified book that clearly outlines general requirements for all providers and distinguishes those specific to each type of facility. By doing this, the state hopes to encourage the opening/expansion of child care in Missouri.

There have been three new Child Care facilities (that K-REDI knows of) that have opened in the past year:

- Fun Factory – License-exempt facility associated with Life Church. Capacity is 26: 8 infants, 8 toddlers, 10 preschool spots.
- These are the Days – licensed in-home facility with 10 spots

- Little Lights Preschool & Daycare – operating as religious exempt, currently unlicensed. Four children are enrolled, and they are accepting enrollments for ages 3-5 only. Unsure of exactly what the capacity is, and they don't receive a subsidy.

In conclusion, although there have been some positive outcomes, there is still work to be done. K-REDI will continue to work with state and community partners to address the issue.

[The Child Care Landscape in Missouri Report was completed in January 2025.](#)

EAS UPDATE

The City Council has been receiving quarterly updates on our Essential Air Service (EAS). However, in recent months, Contour Airlines has had some issues that have caused concern. One specific concern is the additional stop some passengers have experienced with Contour at Burlington, Iowa.

This, along with delays and canceled flights, has caused some concern. Airport Director Jeff Lafountain will be attending the City Council meeting to share more information with Councilmembers.

Please note that both he and his supervisor, Deputy City Manager Rodney Sadler, will meet with Contour officials to ensure the City and Contour are aligned on service delivery and expectations.

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

DATE: October 13, 2025

SUBJECT: Quarterly EAS update

CITY DEPARTMENT: Airport

PREPARED BY: Jeffery Lafountain, Airport Director

Quarterly Flight Statistics:

July Contour Flight Numbers

Total Flights	107
On time	53 (50%)
Delayed	52 (48%)
Canceled	2 (2%) Both due to weather

Passengers	1,058
Enplanements	534
Delays in Kirksville	22
Delays in Chicago	30
Total Delays	52

For the 52 delays, 48 were caused/originated in Chicago

August Contour Flight Numbers

Total Flights	104
On time	65 (63%)
Delayed	39 (37%)
Canceled	0 (0%)
Passengers	946
Enplanements	409
Delays in Kirksville	15
Delays in Chicago	24
Total Delays	39

For the 39 delays, 37 were caused/originated in Chicago

September Contour Flight Numbers

Total Flights	104
On time	65 (63%)
Delayed	39 (37%)
Canceled	0 (0%)
Passengers	923
Enplanements	470
Delays in Kirksville	2
Delays in Chicago	37
Total Delays	39

For the 39 delays, 37 were caused/originated in Chicago

Published FAA Yearly Enplanements

Cape Air

2022 Enplanements - 4,667

Contour / Cape Air

2023 Enplanements - 4,281 (drop due to Cape Air performance and the start of Contour's EAS contract)

Contour

2024 Enplanements - 5,611 (944 enplanement increase vs Cape Air's final full year of service)

Contour

2025 Enplanements Year to Date - 3,833

Contour Airlines Service Expansion and Operational Coordination

As of July 1, 2025, Contour Airlines began service to Burlington, Iowa, and will expand further with new service to Quincy, Illinois, beginning November 1, 2025. This expansion brings additional aircraft to our region, significantly improving operational flexibility and helping to reduce cancellations due to aircraft downtime.

When disruptions occur, aircraft from any of the three locations—Kirksville, Burlington, or Quincy—can be utilized to support one another's routes. This coordination helps keep passengers moving toward their final destinations with minimal delay. Flights between these airports take approximately 15 minutes, with another 20 minutes for turnaround before continuing to final destinations. Although flights are scheduled for about 90 minutes, most are completed within 45 to 55 minutes, allowing room for minor route adjustments when needed.

Since Burlington service began, Kirksville has provided support six times, with only one delay caused by an unforeseen mechanical issue. Burlington, in turn, has supported Kirksville eight times. When these operational adjustments occur, Contour proactively notifies passengers of their options and assists with reimbursement in accordance with their company policies.

Kirksville's Contour team continues to handle these rare situations efficiently and with professionalism. However, personnel at Burlington and Quincy are still becoming familiar with proper procedures to ensure passengers receive consistent, high-quality service during any disruptions. While these situations are infrequent—occurring only six times since July 1—they are a regular part of regional operations. The alternative would be longer delays and stranded passengers until a replacement aircraft and crew become available.

STORMWATER MANAGEMENT REPORT

The City Council is aware of the impacts of stormwater on our community. Witnessing the impacts of stormwater on areas of the community, especially during those rain events that produce significant amounts of water within short periods of time.

The City's approach to stormwater management employs a comprehensive approach that includes a Watershed Management Commission, a federally regulated permit for our

Municipal Separate Storm Sewer System (MS4), infrastructure improvements, funding assistance, legislation, testing, and education.

Deputy Public Works Director Rich Morrow will provide an overview and update to the City Council on our stormwater management program.

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

DATE: October 13, 2025

SUBJECT: Stormwater Management

CITY DEPARTMENT: Public Works

PREPARED BY: Rich Marrow, Deputy Public Works Director

Stormwater Management is a multifaceted aspect of the City's operations that impacts multiple divisions of Public Works.

MS4

The City is recognized by the state as having a Municipal Separate Storm Sewer System (MS4). As such, we are subject to the requirements of a Comprehensive General Permit for MS4 communities with a population between 10,000 and 40,000. This permit regulates discharges to the City's storm water system, requiring us to sample water leaving the city limits at 8 locations every month to test for possible pollutants. These sites are also inspected during dry weather to see if any illicit discharges are occurring. City Staff also investigate and test when there is a suspected illicit discharge.

Examples of Authorized discharges include:

- Water line flushing.
- Landscape irrigation and lawn watering.
- Uncontaminated groundwater infiltration.
- Discharges from potable water sources.
- Foundation and footing drains.
- Water from crawl space pumps.
- Individual residential car washing.
- Flows from riparian habitats and wetlands.
- Dechlorinated and uncontaminated residential swimming pool discharges.
- Discharges or flows from emergency firefighting activities. Fire-fighting activities do not include washing of trucks, runoff water from training activities, or anything similar.

Examples of Illicit Discharges include:

- Grass clippings & leaf litter.

- Fertilizer & pesticides.
- Litter, trash containment, balloon releases.
- Dumping of solid waste.
- Illegal disposal of household hazardous waste.
- Pet Waste
- Failing Septic tanks.
- Swimming pool discharge, including salt water pools.
- De-icing/rock salt usage/storage.
- Oil, grease, and fluids from vehicles.
- Sediment runoff from construction/land disturbance.
- Unauthorized discharge of restaurant or industrial waste.
- Vehicle washing and wash water/grey water.

This year, all regular testing has not indicated any pollutant. Staff have responded to 8 reports of possible illicit discharge. Testing was conducted on one discharge, revealing 0.06 mg/L of chlorine. Most discharges never made it to the stormwater.

Our MS4 permit also contains language requiring the City to participate in 6 Minimum Control Measures. They are:

- Measure 1 Public Education & Outreach.
- Measure 2 Public Involvement/ Participation.
- Measure 3 Illicit Discharge Detection and Elimination.
- Measure 4 Construction Site Stormwater Runoff Control.
- Measure 5 Post-Construction Stormwater Management.
- Measure 6 Pollution Prevention/Housekeeping for Municipal Operations.

At the end of the year, this data is compiled into a stormwater report for compliance and sent to the Missouri Department of Natural Resources.

Northeast Lift Station/Sewer System Study

Based on preliminary data provided by Benton & Associates, Inc., as part of the ongoing Sewer System Study, it is becoming evident that we have a significant Inflow and Infiltration issue with our Northeast Lift Station Sewer Shed. Inflow occurs when surface water directly enters our sewer collection system, unlike infiltration, which happens when groundwater or saturated soil causes water to enter the system.

Because of the relatively quick increase in flows during a rain event, it appears that ours is more of an inflow problem. Flow monitoring has been conducted, and smoke testing and camera investigations have been done on the northern portion of town. We have since started smoke testing and camera investigations of the areas where most of the water seems to be coming from on the south side of town. This will hopefully lead to a clearer picture of our issues and potential solutions. The study is scheduled to be completed by the end of 2025.

The results of this report will be used to plan improvements to our storm and sanitary collection systems and the Northeast Lift Station. The temporary transfer pumps installed

earlier this year will need to be replaced with a permanent solution, and the quantity of I&I reaching that station will have a dramatic effect on the project's cost. Benton & Associates, Inc. is to provide recommendations after the study is finalized.

Watershed Commission

The Watershed Commission welcomes our newest member, Dr. Stephen Hudman, Interim Dean of the School of Science and Mathematics at Truman State University.

The Watershed Commission is continuing its work in spreading awareness of our two drinking water source watersheds. With the change to our Mission Statement, we intend to include all areas of the watersheds and will work to incorporate this into our future efforts.

The Commission is updating our Source Water Protection Plan for Hazel Creek and Forest Lake Reservoirs.

In addition, the Commission has been working on developing some new outreach channels to our community. Historically, we have set up booths at the NEMO Fair, the Livestock Symposium, and the NEMO Ag show. This was good for reaching farmers and livestock producers to present information on better practices to protect our drinking water. With our expanded mission, we are brainstorming new ideas, such as social media, school presentations, and other events involving booths and handouts.

UTILITY RATE DISCUSSIONS

Each year, the City takes time to review the rates charged for all its utilities: water, sewer, and stormwater. Over the years, assistance in determining rates has been given by consulting engineers, like HDR, who worked with the City on necessary wastewater plant improvements to comply with state and federal permits, and Bartlett & West who developed a comprehensive plan to allow the City to begin addressing stormwater issues; to consultants, whose sole purpose is to review rates and establish a rate structure that makes sense for the community, like Carol Brown and Associates, who evaluated our rates presenting the rate structure used today with the service availability fee and consumption rates or volume rates.

Lacy King, Finance Director, assumed responsibility for reviewing, evaluating, and calculating rates proposed to meet the operational and capital needs for each of these infrastructure systems. The needs of the system are determined based on upcoming permit requirements, future capital needs identified by the department, and operational costs. All this information, along with the number of users, the volume of use, water loss rates, and other relevant factors, is evaluated and factored into the proposed rates. The rates are then reviewed and discussed with the City Manager, and a final proposed rate is presented to the City Council.

The City works hard to minimize increases in utility rates. No rate increase was proposed for 2024. For 2025, the City Council approved a 5% increase in the water service

availability fee and a 5% increase in volume charges for water and sewer, which are necessary to meet requirements and remain in compliance with State regulations.

As a reminder, the State of Missouri, for our participation in the State Revolving Loan Fund program, requires the City to adjust rates accordingly to ensure that the system is sufficiently managed. In addition, Section 40-187 of the City's Code of Ordinances requires an annual review of these rates.

Before finalizing the rate changes needed to meet the City's operational needs, direction from the City Council is needed.

The following is a report from Finance Director Lacy King. Please review her report, paying special attention to the areas she has outlined for possible change.

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

DATE: October 13, 2025

SUBJECT: Utility Rate Review

CITY DEPARTMENT: Finance Department

PREPARED BY: Lacy A. King, Finance Director

In 2007, the City Council determined the need to evaluate utility rates on an annual basis because the City had previously practiced not increasing rates to cover costs and instead using other funds to subsidize the utility fund. As an enterprise fund, the City's utility service is supported by fees charged to external users of the system, which are sufficient to cover the cost of operations and infrastructure. As a required annual process, the City Council reviews the user charge system for utilities (Sec. 40-187 of the Municipal Code).

The City currently uses a prediction model based on comprehensive utility analysis, national trends, and system usage to determine a satisfactory rate structure. This approach helps comply with SRF requirements and provides sufficient reserves for both current and future capital infrastructure. The rates charged for water, sewer, and stormwater are designed to maximize the operations and infrastructure of our system. They meet compliance requirements for Federal and State mandates, including recent changes in industry standards, while minimizing rate increases to users.

To participate in the State Revolving Loan Fund (SRF) the user charges must be set at a level which will: pay the costs of the operation and maintenance of the systems; pay the principal and interest on the SRF bonds as they become due; ensure that net operating revenues are equal to or greater than 110% of the annual debt service; and provide

sufficient reserves to pay debt service and to ensure protection and integrity of the system.

The current rates charged by the City for utility services within the city limits are as follows:

Water:

Service Availability Fee:	\$11.26-\$262.52 monthly based on meter size
Tier 1 Volume fee:	\$4.07/hundred cubic feet (ccf)
Tier 2	\$3.57/ccf
Tier 3	\$3.30/ccf
Special Industrial	\$0.941/ccf

Wastewater:

Service Availability Fee:	\$14.50/month
Volume fee	\$5.83/ccf

Stormwater:

Service Utility Fee:	\$3.20/month
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Capital infrastructure implementation continues to be both a necessity and priority for 2026, with the completion of two multi-million-dollar projects: the state-mandated disinfection process at the wastewater treatment plant; the secondary clarifier at the water treatment plant to increase the City's production of potable water. The City must also begin the meter replacement project, as our current meters are nearing the end of their battery life expectancy, which will be another multi-million-dollar infrastructure project.

Before a rate structure can be determined for 2026, other costs and potential cost-saving impacts on the utility system must be addressed alongside the rates. The first item is the impact on the system from turning services on and off multiple times between tenants. Each service location has a stop box between the City's water supply and the customer's service line. There are multiple stop boxes due for replacement due to overuse. There are multiple rental units in the City, which require service locations to be turned on and off several times during tenant transitions. Not only does this put additional stress and wear on the infrastructure, but it is also a manual process involving City staff and equipment. Requiring utility service to remain on and transfer from tenant to tenant or owner to owner will reduce wear on the system, equipment, and will eliminate the need for City staff to coordinate appointments with customers to turn on water services. In instances of nonpayment, leaks, repairs, or major events, service can be temporarily disconnected.

Another item impacting utility operations is the allowance for leak adjustments per Section 40-157 of the municipal code of the City of Kirksville. This ordinance was amended in 2020 with the intent to assist customers who maintain their current water systems and repair leaks promptly. Since 2023, the City has granted \$39,400 in leak adjustments to ninety-four customers. Owner-occupied adjustments comprised 38% of the total, while the remaining 62% were given to property managers, businesses, and contractors. City

staff have been diligent in notifying customers of possible leak adjustments, and only twenty-five customers have been denied adjustments over the same time period, mostly because the leak did not meet the required minimum or waiting period.

When discussing costs to the utility system, administrative costs must also be considered. As more and more customers utilize online and in-person credit or debit cards for payment, those processing fees continue to rise. Since 2023, credit card expenses have increased 65%, from \$91,000 to the anticipated \$150,000 annually by 2025. Currently, the City absorbs this cost for its customers. As the use of reward cards, paid third-party billing entities, and discount purchase cards continues to increase, City staff could consider implementing a convenience fee method of payment with its current processor, passing the cost of paying by credit or debit card on to the customer. The City accepts payment by check, e-check, and cash as alternative payment methods.

In addition to rate increases, changes to the system that reduce expenses significantly impact system operations. With the Council's direction, any changes discussed above for 2026 will be factored into the City's prediction model in calculating rates for 2026. The City Council will be hosting a public hearing on the proposed rates for the utility operations on October 20, 2025.

CITY BUILDING PLAN REPORT

The time for the City Council to decide whether to proceed with a sales tax measure this coming April, to fund the construction of City buildings, is fast approaching.

Decisions need to be made regarding the Police Station, City Hall, and Fire Stations.

The other projects that were part of the original ballot measure are either moving forward or have been eliminated. The Community Center project has been eliminated, meaning the funds identified for both the building and the infrastructure have been cut. The storage building is moving forward, utilizing the original \$600,000 allocated for this building, as well as part of the previous ballot measure. The final project is the training site. The infrastructure costs for this were tied to the Community Center and are no longer needed, as this project has been moved back to the original training site on W. Burton St. Funding for this project is coming from Kirk's Capital due to the sale of the Armory building to a private individual. The training site was the next project on the list, determined by the number of votes received from the participants.

This leaves the Police Station, City Hall, and Fire Station.

A few questions were asked, and the answers are provided to allow for the City Council to proceed with the discussions.

The first question concerned the available funds. As noted in the previous paragraph, the storage building funds were part of the previous proposal, but have been removed to allow for the construction of this building. This will reduce some of the costs needed for

the north fire station. The other funds were for infrastructure needs tied to the community center and training site (roadway, water, sewer, stormwater). The Marijuana Sales Tax was included in the original proposal to help support the required payments. Currently, the Marijuana Sales Tax for this calendar year has generated \$227,385.29; half of this could be used to support the Police Station, and the other half is allocated for community development, which could be considered to provide some funding for the ADA accessible costs to City Hall. Based on the collections to date, annualized, this would give approximately \$170,538.75 a year for each.

Can the City sell the buildings once they are vacant? The answer is yes, there are no statutory provisions that prohibit the City from selling city-owned real estate. There are, however, certain restrictions on some of our lands that are not related to this project due to the funding sources. For example, land at the Airport cannot be sold. Council should also be aware that you have a policy that outlines how you will dispose of City real property. And in the case of the existing Police and Fire Stations, there are no prohibitions.

The market values determined for these buildings were \$380,000 for the Police Station and \$510,000 for the Fire Station.

The original plan was for the sales tax to be in place for 20 years. City staff cannot provide anything else at this time until we know the direction of the City Council. There has been no definitive response as to a plan forward.

The last question was about priority. Technically, City Hall does not meet federal law accessibility standards. So, at a minimum, evaluating and figuring out how to make this building available to all is the top priority.

The next priority is the Police Station. The facility is inadequate for many reasons that have already been laid out. Estimated cost \$9.5 million.

The next priority would be planning for the future with a north and south fire station. This project would require acquiring land, which is currently unknown, along with constructing two stations. Estimates for these two facilities need to be provided, but would be expected to be at least \$5 million.

The City Council needs to discuss how you wish to proceed.

Council should be aware that the City Manager contacted Archimages to request work to review the US Bank and the Equity Bank lots. After multiple follow-ups with the principal of the firm, a proposal for this work has still not been received. However, the US Bank property is under contract. The follow-up with Equity Bank is ongoing, with the hope that a meeting will be conducted next week.

NEWSLETTER REVIEW