

**MINUTES  
CITY COUNCIL MEETING – COLUMBIA, MISSOURI  
NOVEMBER 15, 2010**

**INTRODUCTORY**

The City Council of the City of Columbia, Missouri met for a regular meeting at 7:00 p.m. on Monday, November 15, 2010, in the Council Chamber of the City of Columbia, Missouri. The roll was taken with the following results: Council Members STURTZ, KESPOHL, DUDLEY, NAUSER, HOPPE and MCDAVID were present. Council Member THORNHILL was absent. The City Manager, City Counselor, City Clerk and various Department Heads were also present.

**APPROVAL OF THE MINUTES**

The minutes of the regular meeting of November 1, 2010 were approved unanimously by voice vote on a motion by Mr. Dudley and a second by Ms. Hoppe.

**APPROVAL AND ADJUSTMENT OF AGENDA INCLUDING CONSENT AGENDA**

The agenda was approved unanimously by voice vote on a motion by Ms. Nauser and a second by Mr. Dudley.

**SPECIAL ITEMS**

**Presentation of the Economic Impact Study - RBBQ.**

Dae-Young Kim stated he was an Assistant Professor of the Hotel and Restaurant Management Department at the University of Missouri and presented a summary of the Economic Impact and Visitor Profiling Study he conducted for the 2010 Roots N Blues N BBQ Festival. He explained the data collection process and listed the results of the study. The estimated economic impact of the festival was roughly \$4.5 million.

Mr. Sturtz asked for clarification regarding the methodology used to determine the number of attendees, which was stated to be 65,000. Betsy Farris of Thumper Entertainment replied the ticket sales, which were just under 25,000, along with the volunteers, sponsors and festival workers, was estimated at 30,000, and 35,000 attendees were estimated for the free area based on one person per five square feet of the free area for a total of 65,000 attendees.

Mr. Sturtz understood about 10,000 people purchased tickets in 2009 and asked if the number of people who purchased tickets was 2.5 times more this year. Ms. Farris replied she thought the number of people that had purchased tickets was roughly 12,000 and those that purchased weekend passes were counted twice since the attendees participated both days. Mr. Sturtz understood a person that purchased a weekend pass was counted as two people. Ms. Farris stated that was correct and explained it was because they came to the event twice.

Mr. Sturtz understood 40 percent of the total attendees, estimated at 65,000, were considered to be out of the market and assumed to have stayed 2.93 days and spent \$736. Mr. Kim clarified that each three person party had spent an estimated \$736. Mr. Sturtz understood visitors that attended both days were counted as two separate individuals. Mr.

Kim explained they had checked to be sure the same person was not contacted twice in terms of the survey. Mr. Sturtz noted Ms. Farris had explained the weekend passes had been counted twice. As a result, he was not sure how the economic impact could be accurately depicted since some people were counted twice causing the number of days an individual stayed in town to be skewed. Ms. Farris explained no one had been interviewed twice in the study conducted by Mr. Kim. Mr. Kim stated that was correct. He explained the estimated 65,000 attendees had been calculated by Ms. Farris and the economic impact was calculated from that number based on the survey responses. Mr. Sturtz understood the number of attendees was not synonymous with number of individuals. Ms. Farris stated that was correct.

## **APPOINTMENTS TO BOARDS AND COMMISSIONS**

Upon receiving the majority vote of the Council, the following individuals were appointed to the following Boards and Commissions.

### **BOARD OF ELECTRICAL EXAMINERS**

Antel Jr., Jerome, 105 Pepper Grass Drive, Ward 2, Term to expire August 1, 2013.

### **BUILDING CONSTRUCTION CODES COMMISSION**

Jackson, Rob, 3854 East Franklin Road, County, Term to expire August 1, 2013.

### **COMMUNITY DEVELOPMENT COMMISSION**

Harris, Trevor, 1201-B Sunset Lane, Ward 4, Term to expire November 1, 2013.

### **COLUMBIA VISION COMMISSION**

Fei, Rachel, 2012 Swindon Avenue, Ward 4, Term to expire December 15, 2013.

Henson, Lee, 3104 Greenbriar Drive, Ward 5, Term to expire December 15, 2013.

### **INTERNET CITIZENS ADVISORY GROUP**

Hill, Michael, 2419 Thornberry Drive, Ward 3, Term to expire October 15, 2013.

### **LIBRARY BOARD**

Harrison, Philip, 210 Westwood Avenue, Ward 4, Term to expire June 30, 2012.

### **MAYOR'S COMMITTEE ON PHYSICAL FITNESS**

Blevins, Marin, 508 Smoky Mountain Court, Ward 4, Term to expire November 30, 2012.

Connell, Angela, 3904 Chambray Court, Ward 5, Term to expire November 30, 2012.

Wilson, Jon, 2301 Primrose Drive, Apt. 4A, Ward 2, Term to expire November 30, 2011.

### **SOURCE WATER PROTECTION PLAN TASK FORCE**

Ross, Benjamin, 205 Paw Paw Way, Ward 2.

## **SCHEDULED PUBLIC COMMENT**

**Karl Skala – Smart Growth Purpose & Principles as it relates to Comprehensive Planning.**

Karl Skala, 5201 Gasconade Drive, provided a handout and explained the reason for smart growth, the mission and goal of the Boone County Smart Growth Coalition, and the ten principles of smart growth. He provided the websites for the local and national smart growth organizations, which were [www.smartgrowth.missouri.org](http://www.smartgrowth.missouri.org) and [www.smartgrowth.org](http://www.smartgrowth.org).

## **PUBLIC HEARINGS**

### **R238-10 Certifying local organizations as community housing development organizations; amending the FY 2010 HOME Action Plan.**

The resolution was read by the Clerk.

Mr. Watkins and Mr. Teddy provided a staff report.

Mayor McDavid opened the public hearing.

There being no comment, Mayor McDavid closed the public hearing.

The vote on R238-10 was recorded as follows: VOTING YES: STURTZ, KESPOHL, DUDLEY, NAUSER, HOPPE, MCDAVID. VOTING NO: NO ONE. ABSENT: THORNHILL. Resolution declared adopted, reading as follows:

## **OLD BUSINESS**

### **B273-10 Rezoning property located at the northwest corner of El Cortez Drive and Providence Outer Road (219 El Cortez Drive) from R-1 to R-2.**

The bill was given second reading by the Clerk.

Mr. Watkins and Mr. Teddy provided a staff report. Mr. Watkins noted the applicant had requested this issue be tabled to the next meeting as he was unable to attend this meeting.

Mayor McDavid made a motion to table B273-10 to the December 6, 2010 Council Meeting. The motion was seconded by Mr. Kesphl and approved unanimously by voice vote.

### **B274-10 Amending Chapter 14 of the City Code to change the speed limit on Richland Road.**

The bill was given second reading by the Clerk.

Mr. Watkins and Mr. Glascock provided a staff report.

B274-10 was given third reading with the vote recorded as follows: VOTING YES: STURTZ, KESPOHL, DUDLEY, NAUSER, HOPPE, MCDAVID. VOTING NO: NO ONE. ABSENT: THORNHILL. Bill declared enacted, reading as follows:

### **B276-10 Authorizing an agreement with the Columbia School District for a playground improvement project at Ulysses S. Grant Elementary School.**

The bill was given second reading by the Clerk.

Mr. Watkins and Mr. Hood provided a staff report.

Ms. Hoppe understood these partnerships had involved a 50/50 match in the past. Mr. Hood stated the City actually provided a specific dollar amount, but the school built the project, and in the past PTA's and other organizations had contributed additional funding toward the project. When this program first began, the City contributed \$15,000, but that had increased to \$25,000 over the years. Ms. Hoppe understood a match was not required. Mr.

Hood stated that was correct. He explained the school provided the labor and the City provided the money. If the school chose to expand the project, the school would cover the difference in funding. In exchange for City funding, the playground was open to the public during non-school hours.

B276-10 was given third reading with the vote recorded as follows: VOTING YES: STURTZ, KESPOHL, DUDLEY, NAUSER, HOPPE, MCDAVID. VOTING NO: NO ONE. ABSENT: THORNHILL. Bill declared enacted, reading as follows:

**B277-10 Establishing new group insurance premiums for employee and retiree/COBRA health and dental care plans; providing for payroll withholdings.**

The bill was given second reading by the Clerk.

Mr. Watkins and Ms. Buckler provided a staff report. Ms. Buckler noted the Medicare retiree rates were lower than expected, and that this was the only change from what was provided as part of the budget discussions.

B277-10 was given third reading with the vote recorded as follows: VOTING YES: STURTZ, KESPOHL, DUDLEY, NAUSER, HOPPE, MCDAVID. VOTING NO: NO ONE. ABSENT: THORNHILL. Bill declared enacted, reading as follows:

**B278-10 Appropriating funds to be received from the Missouri Department of Natural Resources – Energize Missouri Homes for the neighborhood challenge program.**

The bill was given second reading by the Clerk.

Mr. Watkins and Mr. Johnsen provided a staff report. Mr. Watkins explained staff was requesting this item be tabled to allow time to work out all of the contract provisions.

Mr. Kespohl made a motion to table B278-10 to the December 6, 2010 Council Meeting. The motion was seconded by Ms. Hoppe and approved unanimously by voice vote.

**CONSENT AGENDA**

Upon his request, Ms. Nauser made a motion that Mr. Sturtz be allowed to abstain from voting on R233-10 due to a conflict of interest. Mr. Sturtz noted on the Disclosure of Interest form that he was employed as a consultant for Ragtag Programming for Film and Media Art, which was one of the organizations that would receive funding. The motion was seconded by Ms. Hoppe and approved by voice vote.

The following bills were given second reading and the resolutions were read by the Clerk.

**B275-10 Accepting conveyances for utility purposes.**

**R229-10 Setting a public hearing: construction of a third baseball field at the Thomas E. ‘Country’ Atkins Jr. Memorial Park Baseball Complex.**

**R230-10 Authorizing a Minnesota Multi-State Contracting Alliance for Pharmacy (MMCAP) Facility Membership Agreement with the State of Minnesota for the purchase of vaccine and pharmaceuticals at a reduced cost.**

**R231-10 Accepting a Bulletproof Vest Partnership Grant from the U.S. Bureau of Justice Assistance.**

- R232-10 Authorizing a sub-recipient monitoring agreement with the County of Boone relating to acceptance of the U.S. Department of Justice 2010 Edward Byrne Memorial Justice Assistance Grant to purchase equipment for the Police Department.
- R233-10 Authorizing agreements for FY 2011 Signature Series Funding under the Tourism Development Program.
- R234-10 Accepting an alternative bid from Emery Sapp and Sons, Inc. for construction of a 12-inch water main along Old Mill Creek Road.
- R235-10 Accepting a grant from the Missouri Historical Records Grant Program for a preservation assessment and planning project.
- R236-10 Appointing a director and alternate director to the Missouri Joint Municipal Electric Utility Commission.

The bills were given third reading and the resolutions were read with the vote recorded as follows: VOTING YES: STURTZ (except for R233-10 on which he abstained), KESPOHL, DUDLEY, NAUSER, HOPPE, MCDAVID. VOTING NO: NO ONE. ABSENT: THORNHILL. Bills declared enacted and resolutions declared adopted, reading as follows:

**NEW BUSINESS**

- R237-10 Authorizing an agreement with Affion Public for consulting services to conduct the city manager search process.

The resolution was read by the Clerk.

Mr. Watkins provided a staff report and pointed out the cost of this consultant would come from the City Manager’s budget.

Mr. Sturtz understood there had been some skepticism for the need of an outside consultant in order to find a new city manager, and noted he had been extremely impressed with Affion Public and was convinced they would help cast a wider net across the country to get the best person for the job.

Mayor McDavid agreed and stated he learned a lot in terms of the way they thought and the number of candidates they were capable of providing.

Mr. Kespohl also agreed and noted Affion was the best of the three firms interviewed.

Ms. Hoppe stated she was confident Affion was experienced and would be worth the money.

The vote on R237-10 was recorded as follows: VOTING YES: STURTZ, KESPOHL, DUDLEY, NAUSER, HOPPE, MCDAVID. VOTING NO: NO ONE. ABSENT: THORNHILL. Resolution declared adopted, reading as follows:

**INTRODUCTION AND FIRST READING**

The following bills were introduced by the Mayor unless otherwise indicated, and all were given first reading.

- B279-10 Appropriating funds for construction of the Stadium Boulevard right-in/right-out driveway project.

- B280-10 Accepting conveyances for sewer, access to storm water facilities, temporary construction, underground utility, utility and sidewalk purposes.
- B281-10 Accepting Stormwater Management/BMP Facilities Covenants.
- B282-10 Amending Chapter 27 of the City Code as it relates to electric industrial service rates.
- B283-10 Amending Chapter 27 of the City Code as it relates to the Solar One utility program.
- B284-10 Accepting conveyances for utility purposes.
- B285-10 Appropriating funds for the replacement of the upstairs flooring at The ARC.
- B286-10 Authorizing construction of a third baseball field at the Thomas E. 'Country' Atkins Jr. Memorial Park Baseball Complex; calling for bids through the Purchasing Division; authorizing a Land and Water Conservation Fund project agreement with the Missouri Department of Natural Resources; appropriating funds.
- B287-10 Amending Chapter 14 of the City Code to prohibit parking within ten feet of any mailbox.
- B288-10 Authorizing an agreement with Boone County for Joint Communications clerical services.
- B289-10 Authorizing an agreement with the Missouri Department of Health and Senior Services for the HIV Prevention Project; appropriating funds.
- B290-10 Authorizing a preliminary funding agreement with Broadway Lodging, LLC relating to tax increment financing of the Regency Hotel building redevelopment project; appropriating funds.
- B291-10 Appropriating grant funds from the Missouri Historical Records Grant Program for a preservation assessment and planning project.

## REPORTS AND PETITIONS

### REP119-10 Intra-Departmental Transfer of Funds Requests.

Mr. Watkins noted this report was provided for informational purposes.

Ms. Hoppe asked if the \$130,000 from the FY11 Streets CIP for the I-70 interchange study was unused funds. Mr. Watkins replied an account within the capital improvement fund existed for unspecified joint state/city projects. This would help fund the environmental assessment required for the Scott Boulevard interchange project, which was a project in the CIP. Ms. Hoppe understood they were not taking funding away from any project. Mr. Watkins stated that was correct.

### REP120-10 2009 Cottage Housing.

Mr. Watkins provided a staff report.

Mr. Sturtz noted this report had been compiled in February 2009 and had come from an earlier report created by the Affordable Housing Policy Committee to determine ways to encourage residential infill. He believed the report provided some good recommendations and suggested they move forward.

Mr. Sturtz made a motion directing staff to draft an ordinance enabling cottage housing as a right in R-2 and R-3 districts. The motion was seconded by Ms. Hoppe.

Ms. Nauser understood there was a recommendation for interested parties to discuss the regulatory barriers that inhibited this type of development and asked if staff should initiate a meeting for their ideas. Mr. Sturtz stated he would be supportive of that if it could be done in a short time frame. He did not want to delay this for another year.

Mr. Watkins noted the Council could direct staff to include this in the overhaul of the zoning ordinance, direct staff to draft a specific cottage development ordinance or direct the Planning and Zoning Commission to provide a recommended draft ordinance. Mayor McDavid asked if the second option would involve the creation of its own zoning category. Mr. Watkins replied it could.

Mr. Kespohl asked if consideration had been given to partnering with Habitat for Humanity or Job Point to determine if cottage housing could be built. Ms. Hoppe noted it was a bigger issue than whether it could be built. Mr. Kespohl stated he understood the problem with the previous project was that it was not profitable. He wondered if they could make it profitable. Ms. Nauser understood developments similar to this had been done outside of the City limits and believed developers would be willing to build these types of developments if there were less barriers.

The motion made by Mr. Sturtz and seconded by Ms. Hoppe directing staff to draft an ordinance enabling cottage housing as a right in R-2 and R-3 districts was approved unanimously by voice vote.

**REP121-10 SWAT Policy.**

Mr. Watkins provided a staff report.

Mayor McDavid commented that the Council had demonstrated a profound interest in the SWAT policy and asked if it was understood any change in policy would be communicated. He thought there was an expectation, even if it was not mandated by ordinance. Mr. Watkins replied he agreed that was the expectation and believed it was shared by Chief Burton as well.

Mr. Sturtz asked for the reason why the Citizens Police Review Board recommended against the ordinance. Mr. Boeckmann replied he believed the Board felt it was unnecessary and felt it would single out the SWAT policy in terms of reporting to the Council. In addition, Chief Burton had attended the meeting and had expressed he would not make any significant changes to the policy without notifying the City Manager or Council.

Ms. Hoppe understood Chief Burton had proposed the Council pass an ordinance requiring the reporting of changes. Mr. Watkins thought they might want to put the Police Policy Manual on the web with a few exceptions of sensitive information. This would allow everyone to see the policies all of the time. He stated he would discuss this with Chief Burton and would let the Council know if there were problems.

**REP122-10 Residential Rate Structure.**

Mr. Watkins and Mr. Johnsen provided a staff report.

Ms. Hoppe asked when the last cost of service study was done and how long of a period it covered. Mr. Johnsen replied he thought the last study was done about four years ago and it provided a five year outlook. A new study would be conducted this winter. Ms. Hoppe asked how this study would differ from the previous one. She wondered why it was needed so soon. Mr. Johnsen replied he believed it was a prudent practice to conduct cost of service studies on a regular basis due to the changing costs involved with power. Ms. Hoppe asked if the study would look at rates to encourage conservation as well. Mr. Johnsen replied yes. He explained they would look at the time of use and the unbundling of costs in the rate structures, so he expected to see that type of detail in this cost of service study.

**REP123-10 Columbia Public Schools (CPS) Parking Lot Construction NE Corner of Hickman Avenue and Sixth Street.**

Mr. Watkins provided a staff report.

Ms. Hoppe noted she had received information from Pat Fowler that differed from this report, specifically in terms of the meeting held on August 30, 2010 and the information provided at that meeting.

Pat Fowler provided a handout with suggested changes to the report to reflect and complete the record. She explained the engineers had brought a packet of information to the August 30, 2010 meeting, but that information had not been distributed during the meeting. She received a copy after the meeting, and upon reading it, she learned a variance had been granted. If it had been provided, the attendees would have had a chance to ask the engineers about the variance as it was point of controversy. She explained that for the September 21, 2010 meeting, she was met by three engineers who asked if they could record the conversation with an implication the conversation would not go forward without the consent of it being recorded. In addition, when Mr. Sturtz arrived by her invitation, staff initially refused to speak to them. She asked the Council to amend the record by appending her handout to the report and to move on to the issue of a functioning sanitary and stormwater sewer system for the neighborhood.

Mayor McDavid made a motion to amend the report by attaching the handout provided by Ms. Fowler to it. The motion was seconded by Ms. Nauser and approved unanimously by voice vote.

**REP 124-10 Snow Operations.**

Mr. Watkins provided a staff report.

Ms. Hoppe asked what would be on the website in terms of snow priorities and the use of cinders. Mr. Glascock explained the snow policy with the priority routes was on the web. Per Council request, they were not going to use cinders unless there was an ice event since it would require traction and salt did not always work. Ms. Hoppe noted criteria existed for priority snow removal and understood the priority areas would be listed on the web site. Mr. Glascock stated that was correct.

**REP 125-10 Traffic Calming Report – Bourn Avenue.**

Mr. Watkins provided a staff report.

Mayor McDavid asked what the speed limit was on Bourn in the area discussed in the report. Mr. Glascock replied 25 miles per hour. Mayor McDavid understood the cars had been averaging 40 miles per hour. Mr. Glascock stated that was correct and noted he would discuss the issue with Chief Burton.

Mr. Kespohl asked if there was an estimate on the cost of the speed calming devices. Mr. Glascock replied the cost was about \$12,000 to \$13,000. Mr. Sturtz understood there was a commitment from the developer of the property at the corner of Broadway and Bourn to contribute \$10,000 toward traffic calming measures.

Mr. Dudley stated he had already been in contact with some of the neighbors and was working on determining a date for an interested parties meeting, which would include the developer, neighbors, and City staff.

Mr. Sturtz noted the last page of the report included a list of all traffic calming requests and asked if the City had a strategy for integrating some of the traffic calming into the CIP or for providing another funding method. Mr. Glascock replied they normally did not include traffic calming in the CIP, but could if directed. Mr. Watkins commented that his suggestion was for these traffic calming projects to be funded by the street operating budget after receiving Council approval to move forward with the project. This would allow a couple projects per year. If they planned to fund more projects per year, funds would need to be set aside for these types of projects.

Mr. Sturtz stated he was supportive of traffic calming on Bourn, but noted many streets in his neighborhood needed traffic calming as well. He felt they needed a funding mechanism to correct speeding problems on neighborhood streets. Mr. Glascock pointed out he had assigned an engineer to concentrate on these types of issues, so they could be moved forward. Mr. Sturtz suggested this issue be discussed at a future work session.

#### **REP126-10 Heibel-March Building – Preliminary Proposal.**

Mr. Watkins and Mr. Hood provided a staff report. Mr. Hood commented that if the Council decided the interest Legacy had in the building should potentially be pursued, the City boards and commissions that were involved with the building and the North Central Columbia Neighborhood Association should have the opportunity to provide input. In addition, HUD needed to be consulted to determine if this would be an allowable use for the building.

Mr. Sturtz asked if the City could subdivide the property. Mr. Hood replied he believed that would need to be researched. Mr. Boeckmann noted they needed clarification regarding the restrictions attached to the CDBG money that had been used to purchase the property.

Mayor McDavid suggested they allow the neighborhood to comment on the proposal. He was interested in knowing whether the Neighborhood Association would prefer a park without the building.

Mr. Sturtz asked how long it might take to determine the federal requirements since CDBG money was used to purchase the property. Mr. Hood replied he thought they could at least obtain a preliminary response in a few weeks.

Mr. Sturtz asked how he felt about allowing a brief RFP period that would not have any public use requirements. Mr. Hood suggested they obtain a ruling from HUD if that was

something they wanted to consider as there was no reason to do that if HUD would not allow it.

Ms. Hoppe noted the benefit of the Legacy proposal was that they had the means to rehabilitate the building if historic preservation was a goal.

Ms. Hoppe made a motion directing staff to refer this issue to the North Central Columbia Neighborhood Association, the Historic Preservation Commission and the Parks and Recreation Commission for review and comment.

Ms. Nauser commented that if it was determined the scope could change to allow a commercial uses, she believed it would be appropriate to ask others if they were interested in developing the property as well. Mayor McDavid felt that was consistent with the motion. Ms. Hoppe thought it could be done simultaneously.

Mr. Sturtz understood there was a sense in the neighborhood the time had passed for requiring a public use, and the higher priority was preserving the building and stabilizing that part of the neighborhood.

The motion made by Ms. Hoppe directing staff to refer this issue to the North Central Columbia Neighborhood Association, the Historic Preservation Commission and the Parks and Recreation Commission for review and comment was seconded by Mr. Sturtz and was approved unanimously by voice vote.

#### **REP127-10 Parking Meter Revenue.**

Mr. Watkins provided a staff report.

Mr. Kespohl provided a handout he received from the Finance Department regarding the parking facility bonds and stated he was concerned with regard to the amortization of the bonds. He noted the repayment of the principal of the bond did not start until 2017 and asked if delaying the principal payment was a common practice. Mr. Watkins replied it was common practice and explained they tried to equalize principal and interest payments on an annual basis. Ms. Fleming noted they also considered the environment in terms of the long-term interest rate curve and the future plans. If long-term interest rates were perceived to be at an all-time low and the City would be in the market again quickly with the anticipation rates would rise, the principal repayments would be structured to take advantage of a unique bond market curve. They looked at the overall debt schedule.

Mr. Kespohl commented that he felt the City had committed itself for a long time with big payments to repay the bonds. Ms. Fleming explained the City's general rule for issuing debt was that the life of the debt should not be longer than the life of the structure, so it was typical for bond payments to be 20-25 years out for public improvements with long life-spans. Mr. Kespohl understood and explained his concern was the backloading of principal payments to the later years of the bond. Mr. Watkins stated it was similar to a home mortgage in the sense that during the first year few years a lot of interest was paid, but more and more principal was paid in each future year. He felt this was a good practice if the goal was to even out total debt payments annually. Mr. Kespohl felt more interest was being paid since principal payments were not being made for seven years. Mr. Watkins commented that if more principal were paid up front, there would be a higher payment in the first few years during the project start up period. Mr. Kespohl asked if that was a problem. Mr.

Watkins replied he thought it might be. He explained they did not anticipate filing the parking garage the first year and did not want to front load the debt.

Mr. Kespohl stated he would be interested in seeing what the interest would have been if there had been consistent payments over the life of the bond. Ms. Fleming stated she could provide that analysis. Mr. Kespohl asked for the same type of calculation for the other bonds as well. His concern was that this might not be a good use of public money if they were paying more interest. Mr. Watkins noted rates would need to be raised higher up front and then lowered in order to pay the higher debt for the first few years.

Ms. Hoppe asked if this practice was typical in city governments. Ms. Fleming replied it depended on the unique situation of the utility. Columbia treated this as a system and looked at the entire debt for the entire system. If there was no other debt, principal payments would be paid as soon as the asset was generating enough revenue to make the payments. With a series of capital improvement projects over the years, the goal was to stabilize rates and that was a common industry practice.

Mayor McDavid asked if these were Build America bonds. Ms. Fleming replied the 2009 bonds were Build America bonds. Mayor McDavid understood the City paid 4.3 percent and the federal government subsidized the other 1.9 percent. Ms. Fleming explained the government provided a subsidy and each year's maturity had a different interest rate. The low was 4.3 percent and the high was 6.2 percent. The City received a percentage subsidy, which was about one-third, to take it down to what would have been a tax-exempt rate.

Mayor McDavid understood City policy was that revenues stayed within the parking utility and that parking meter revenue needed to remain in the utility due to the cost of the bonds because the parking garage would lose money for a while and would require a subsidy. He also understood this was not a permanent policy and could be changed in the future. He thought they needed to be careful in system analyses as he believed a net present value and return on investment calculation was needed on everything they did. He understood 700 parking garage spaces were being added to the system, and due to this change, future capacity and utilization was unknown. He thought they might need to change City policy in terms of charging more for certain parking garages, offering parking opportunities to University students, charging for use of parking garages during special events, and charging for all night parking via automated payment systems.

Mr. Kespohl understood the City's bonding limit was \$320 million. Ms. Fleming replied \$320 million was the legal limit per state statute for general obligation debt and explained the City had no general obligation debt at this time.

## **COMMENTS BY PUBLIC, COUNCIL AND STAFF**

John Clark, 403 N. Ninth Street, stated he was the President of North Central Columbia Neighborhood Association and thanked Mr. Sturtz for notifying the Association of several of the reports discussed tonight. With regard to the Heibel-March Building, he did not believe federal regulations would allow the selling of the building and the lease of the lot that had been purchased for a park. He suggested a written response be requested from all interested parties. In addition, he thought the neighborhood might want more park space if the building could not be used for a public purpose. He asked that the Neighborhood

Association be notified of the formal written response from HUD as they needed to know the potential restrictions to have a meaningful discussion.

Mr. Sturtz asked staff to notify Council as soon as a response was received from HUD. Mr. Watkins replied he would.

The meeting adjourned at 8:47 p.m.

Respectfully submitted,

Sheela Amin  
City Clerk