

MINUTES

**CITY COUNCIL/ST JAMES MUNICIPAL UTILITIES
SPECIAL MEETING**

JANUARY 20, 2010 – 5:00 P.M.

Pursuant to public notices, City Council and Utility Board, posted 01-18-2010 a Special joint Council/ St. James Municipal Utilities Board meeting was held at 5:00 P.M. at the St. James City Hall Conference meeting room on Wednesday, January 20, 2010 at 5:00 P.M..

Mayor Dennis Wilson presided.

Councilmen David Watkins, Margaret Roberts, Danielle Verkamp, Rodney Edwards, Aaron Hunter and Richard Woolsey were present for the meeting.

Utility Board president Darel James with members Louis Gorman, Fred Goodwin and Utility Superintendent Mike Lickliger were present for the meeting,

City Clerk Marilyn Woolsey, Community Development Organizer Candace Connell, Joy and Nathan Howard with WM Financial Strategies, news media Kathleen Meyer and Chris Daniels were also present for the meeting.

ITEM # 2 – Mayor Wilson led in the Pledge of Allegiance.

ITEM # 3 – There was no Citizen input.

ITEM # 4 – Mayor Wilson explained when Rolla’s Municipal Utilities vacates the Phelps Substation, St. James Municipal Utilities will be sole owner and control its electrical grid from the Ameren 138Kv transmission lines near Highway V, through the new substation to 34.5Kv transmission lines connected to our community’s three substations. Coupling this initiative with the planned expansion of the “tie line” connecting the three substations, the infrastructure exists to deal with the future power needs of St. James.

Mike Lickliger explained the City of Rolla and City St. James are the only two cities using Phelps Substation now. Rolla is paying approximately 85% and St. James Utilities 15% in facility’s charges. Rolla will no longer have use for it which will leave the total cost to be paid by the St. James Municipal Utilities. He then shared the cost estimates for the electrical upgrades project totaling \$6,600,415.76. The substation purchase price is \$1,890,415.76. He stated St. James Utilities will be paying \$500,000.00 a year usage costs on the facility but would own the substation and upgrades in 20 years if purchased.

ITEM # 5 – Candace Connell introduced Joy and Nathan Howard with WM Financial Strategies, hired to assist the City in determining whether to seek voter approval of general obligation bonds or to issue lease obligations. Schedules as follows:

	GO Bonds	Lease Obligations	Lease Obligations
	<u>Maturing 2030</u>	<u>Maturing 2030</u>	<u>Maturing 2035</u>
Issue Size	\$ 8,045,000.00	\$ 8,825,000.00	\$ 8,755,000.00
Annual Debt Service	\$ 624,814.00	\$ 700,572.00	\$ 630,868.00
Total Debt Service	\$ 12,496,272.00	\$ 14,011,443.00	\$ 15,771,694.00

Based on the forgoing, WM Financial Strategies recommended proceeding with General Obligation Bonds, with the Lease Obligations option as a contingency if the General Obligation Bonds fail to gain voter approval.

If the General Obligation Bond election is successful, the General Obligation Bonds may be issued separately depending on when and if the City obtains the Transmission Line Project Grant.

	Substation	Transmission Line
Issue Size	\$ 6,700,000.00	\$ 1,375,000.00
Annual Debt Service	\$ 522,880.00	\$ 109,175.00
Total Debt Service	\$ 10,409,285.00	\$ 2,136,488.00

The Utility Board members were in agreement with and in favor of the City Council passing the Ordinance.

Item # 6 - Ordinance # 10-976 Calling a General Obligation Bond Election in the City of St. James, Missouri and authorizing certain actions in connection therewith was posted twenty four hours in advance, given to the council prior to the meeting and was read twice by title at the council meeting. On a motion by Rodney Edwards and a second by Margaret Roberts it passed. The vote is as follows: Don Moore-absent, Margaret Roberts-aye, David Watkins-aye, Jim White-absent, Richard Woolsey – aye, Rodney Edwards-aye, Aaron Hunter – aye, Danielle - Verkamp-aye.

ITEM # 7 – Mayor Wilson postponed the appointment of a G.O. Bond Public Relations Committee until the February 01, 2010 Council meeting.

ITEM # 8 – Mayor Wilson and Mayor Pro Tem Moore will both be out of town at the same time for a few days, therefore Mayor Wilson appointed Jim White as Interim Mayor Pro-Tem while they are gone.

ITEM # 9 - Mayor Wilson reported that approximately \$400,000.000, being held in escrow in Jefferson City, will be returned soon from Missouri Gas Pipe Line.

On a motion by Danielle Verkamp and a second by Margaret Roberts the meeting adjourned.

Mayor

Utility Board President

ATTEST:

City Clerk

cc: Mayor, Wilson, Watkins, White, Edwards, Roberts, Moore, Verkamp, Hunter, Woolsey
D. James, L. Gorman, F. Goodwin, Joe Alexander, Licklider, P.Craft, Connell