



**City of Mexico, Missouri
City Council Meeting Agenda
City Hall – 300 N. Coal Street
Mexico, Missouri 65265
September 28, 2015
7:00 p.m.**

1. Call to Order

2. Roll Call

3. Approval of Minutes

A. September 14, 2015 – Regular Session

4. Public Hearing

A. Public Hearing – To Consider a Change to Sanitary Sewer Use Charge Rates

5. Old Business – Ordinance (Second Reading By Title Only and Passage)

A. Bill No. 2015 – 50. An Ordinance Revising The Budget For The City Of Mexico, Missouri, For The Fiscal Year October 1, 2014 To September 30, 2015, Inclusive, And Adopting The Budget For The Fiscal Year October 1, 2015 To September 30, 2016, Inclusive, Appropriating The Funds As Allocated To Various Accounts And Authorizing The Expenditure Of Such Funds By The City Manager And Other Officials For The Purposes Indicated, As Amended. Second Reading By Title Only and Passage.

6. New Business – Ordinance (Two Readings By Title Only and Passage)

A. Bill No. 2015 – 51. An Ordinance Amending Chapter 14, Article III, Division 4, Section 14-123 of the Mexico City Code Relating to the Sanitary Sewer Use Charges. Two Readings By Title Only and Passage

7. New Business – Resolution (Reading and Passage)

A. Bill No. 2015 – 52. A Resolution Authorizing the City Manager to Sign a Storage Lease with Pete Renner. Reading and Passage.

B. Bill No. 2015 – 53. A Resolution Authorizing the City Manager to Execute Agreements with Various Organizations for Requested Funding from the Mexico Tourism Tax. Reading and Passage.

8. Other Business

A. Claims

9. Comments

A. Council

B. Public (*Please state name and address for the record and keep comments to a maximum of three minutes*).

10. Adjournment



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**CITY OF MEXICO, MISSOURI
CITY COUNCIL MEETING MINUTES
SEPTEMBER 14, 2015**

The Council of the City of Mexico, Missouri met in regular session on September 14, 2015 at 7:00 p.m. in the Council Chambers of City Hall, with the following members present: Mayor Greg Miller; Chairman Pro Tem Chris Williams; Councilman Ron Loesch; Councilman Chris Miller. Also present were Bruce R. Slagle, City Manager; Roger Haynes, Deputy City Manager; Russell Runge, Assistant City Manager/Economic Development; Rita Jackson, Community Development Director; Kensey Russell, City Engineer/Public Works Director; Chief Susan Rockett, Public Safety Department; and Chad Shoemaker, Parks & Recreation Director; Patrick Shaw, IT Specialist; Marcy LeCount, City Clerk; City Attorney Lou Leonatti, as well as members of the media and interested citizens. Absent, Councilman Steve Nichols.

The Meeting was called to order with Mayor Miller presiding.

APPROVAL OF MINUTES – AUGUST 24, 2015 – REGULAR SESSION

Mayor Miller moved for approval of the August 24, 2015 regular session minutes as presented. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Loesch, Williams, G. Miller, C. Miller. Nays, none. Absent, Nichols. The Minutes were approved as presented.

PUBLIC HEARING - 2015 – 2016 OPERATING AND CAPITAL BUDGET

Mayor Miller moved to open the Public Hearing. Councilman Miller seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Loesch, Williams, G. Miller, C. Miller. Nays, none. Absent, Nichols. The Public Hearing was opened.

Mayor Miller called upon City Manager Slagle to present the report.

City Manager Slagle stated that the Fiscal Year 2016 Budget is designed to maintain the safe community, build stronger neighborhoods and plan for the future. The budget endeavors to maintain existing levels of service and to program public funds in a focused and effective manner based upon desired outcomes identified by the Mayor, City Council and the community. The budget has been developed with the emphasis on retaining basic City services, funding critical department needs, improving operational effectiveness and efficiencies within departments, and initiating a long-term solution for fiscal sustainability. This budget meets the state statute of being balanced. City Manager Slagle stated that the budget also seeks that fine balance between the vast number of tasks to be accomplished and the limited amount of resources necessary to accomplish those tasks. It also reflects the preferences of the public on how to pay for public services, including the many types and forms of taxation and their support for public debt and fees to pay for those services. City Staff continues to pursue grants and other resources to supplement funding for operations. Governmental finance is based upon fund accounting and fund accounting is an accounting system emphasizing accountability rather than profitability. Government agencies have special requirements to show, in financial statements and reports, how money is spent, rather than how much profit was earned. Each Fund operates like a separate business within the greater organization, which means that all revenues and expenditures are classified and assigned to a particular fund for tracking. The segregation of

funds provides a level of accountability to ensure that public funds are expended in an appropriate manner. City Manager Slagle stated that at the budget work session, details were reviewed about specific funds, presented capital items for the upcoming and future years and reviewed the funding challenges in certain funds. The City remains extremely stable and fiscally sound. City Manager Slagle stated that the purpose of the Annual Operating Budget document is to present to the public a comprehensive picture of the City's operations for the budget year expressed in both verbal and statistical terms.

Total Operating Budget Fiscal Year 2016: the total budgeted expenditures equal \$14,629,443 with total revenues equal to \$13,579,055. The expenditures exceed revenues by \$1,050,388 and will be funded by project reserves and unreserved fund balances. The significant portion of the additional expenditures is for inter-fund transfers and for the purchase of an outdoor warning siren system, a track loader, generator to run the wastewater plant, capital improvement projects and carry-over improvement projects. Adequate reserve balances will exist in all operating funds to meet reserve requirements after making these planned expenditures and fund transfers.

Guiding Budget Issues for 2016: the City's total assessed property value for this budget year increased slightly due to an increase in residential real estate and personal property values. We continue to experience rate increases above the rate of inflation for utilities, property and liability insurance as well as health and dental insurances. Recurring expenditures and the cost to replace capital equipment continues to increase. Our local unemployment rate is continually below the state and federal rate. Sales Tax receipts are up as compared to last year's budget and up compared to the five year average. Lodging tax receipts are stable compared to last year. However; due to heavy spring rains and flooding, our local farmers were unable to plant some crops which points to a weaker agricultural economy in the upcoming year. Therefore; we have taken a very conservative approach to forecasting revenues. The budget is balanced, full-time staff positions have been increased by one and capital purchases are being kept to a minimum. Cash balances will be maintained in all operating funds in order to meet the reserve policy requirements.

City Assessed Property Values for 2016: the County assesses property at a percentage of Market Value; therefore, commercial property is assessed at 32% of market value, personal property at 33.3%, residential at 19%, and agricultural at 12% respectively. Tax rates are levied on per hundred dollars of the assessed property values. The City's total assessed property value for this budget year increased by \$1,563,182 from \$136,226,973 in 2014 to \$137,790,155 in 2015. City property tax rates will remain the same in Fiscal Year 2016 as they were in 2015 as a result of the state imposed revenue neutral formula.

City Property Tax Revenues for 2016:

Fund	Tax Rate	Estimated
Per \$100	Revenue	
General	\$0.4325	\$620,849
Parks & Recreation	\$0.1000	\$144,365
Public Health	\$0.2000	\$288,729

City Sales Tax and Gross Receipts Tax for 2016: The Sales Tax Revenue for the General Fund, Parks and Recreation Fund and the Capital Improvements Sales Tax Fund are anticipated to be similar to last year’s budget. Gross Receipts Taxes for FY 2016 are expected to be down and trending down slightly, all related to lower natural gas prices and a fewer number of residents having a home telephone line. Lodging Sales Tax receipts are anticipated to be similar to last year’s budget.

Insurance Rates for 2016: Property and Liability Insurance renewal rates are estimated to increase by seven percent (7%) over last year. Employee Health Insurance Rates are estimated to increase by fourteen percent (14%) effective January 1, 2016. The budget includes costs associated with continuing the High Deductible Health Plan coupled with the use of a Health Savings Account (HSA) and the increase will be split proportionately between employees and the City. Dental Insurance Rates are estimated to increase by eight percent (8%) effective January 1, 2016. All insurance rate increases have been estimated based on the industry averages; however, all policies will be bid to ensure the best possible rates.

Personnel Issues for 2016: There will be an increase of one full-time staff position due to the city taking over control of the yard waste disposal operations. This budget also includes a step increase for each employee on the wage schedule and it will be implemented in accordance with the employee personnel manual. All individual employee wage increases are contingent upon receiving a satisfactory or better rating on their annual evaluation.

Support for Outside Agencies in 2016:

Charitable Agencies	Request	Budgeted
Mexico Senior Center, Inc.	\$11,000	\$11,000
Audrain County Historical Society	\$7,000	\$4,900
Miss Missouri Scholarship Pageant	\$10,000	\$10,000
Help Center	\$10,000	\$10,000
Optimist Youth Sports	\$6,500	\$3,500
Contract Agencies	Request	Budgeted
Handi-Shop (Recycling Program)	\$18,000	\$18,000
Mexico Chamber of Commerce (Marketing)	\$13,000	\$13,000
Presser Hall (Community Theater)	\$10,000	\$10,000
Mexico Chamber of Commerce (ED Activities)	\$5,000	\$5,000
Totals	\$90,500	\$85,400

Grant Funding:

The following grant funds have been incorporated into the 2016 Fiscal Year Budget:

➤ MoDOT STP – Lakeview/Morris	\$85,600
➤ MoDOT – Pollock Bridge	\$64,000
➤ MoDOT – Morris Street Improvements	\$42,102
➤ DOT – Airport Layout Plan	\$84,750
➤ DOT – Runway/Apron Improvements	<u>\$540,000</u>
Total	\$816,452

General Fund: The General Fund is the chief operating fund of the City. This fund supports those operations most identified with the City, such as Public Safety, Administration, Finance, Community Development, Emergency Management, Engineering, Forestry, Cemetery, Community Maintenance and Streets. General Fund budgeted revenue for Fiscal Year 2016

equals \$5,528,245 and expenditures equal \$5,926,355. The estimated expenditures and inter-fund transfers are greater than revenues by \$398,110. This Budget transfers out of the General Fund \$100,000 to the Parks and Recreation Fund and \$34,000 to the Airport Fund. This budget sets aside \$100,000 in project reserves for the General Fund. Qualifying capital expenditures in the General Fund include: \$200,000 for an outdoor warning siren system, \$8,000 for a forestry dump trailer, \$60,000 for a track loader, \$10,000 for an engine scan unit and \$51,200 for building improvements; therefore, no cash balances are being expended for recurring expenditures. The ending fund balance goal by policy for the General Fund is 25%; however, the ending fund balance for 2016 is estimated to be 42%.

Significant projects and/or programs that are included in the 2016 General Fund Budget:

➤ Public Safety:	
○ Outdoor Warning Siren System	\$200,000
○ Patrol Vehicles	\$55,000
➤ Administration:	
○ Network Server – Storage Expansion	\$5,600
➤ Community Development:	
○ Sidewalk Replacement Program	\$7,500
➤ Forestry – Brush Grinding	
○ Dump Trailer	\$8,000
○ Skid Loader – Grapple Attachment	\$6,000
➤ Streets & Maintenance:	
○ Engine Scan Unit	\$10,000
○ Track Loader	\$60,000
○ Snow Plow & Spreader	\$16,000
○ Walk Behind Concrete Saw	\$16,000
➤ Building & Grounds:	
○ Maintenance Building – Overhead Doors	\$7,200
○ Maintenance Building – Radiant Heat	\$27,000
○ Maintenance Building – Security System	\$17,000

General Fund transfers to other Funds include:

➤ Parks & Recreation – Operations	\$100,000
➤ Airport	\$34,000

Wastewater Fund: The Wastewater Operations Fund for the current year is running right on track with expectations providing ninety (90) days of operating cash reserves, required reserves for facilities restoration and replacement, and funds necessary for debt service payments. Budgeted revenues for Fiscal Year 2016 equal \$2,947,770 and operating expenditures equal \$2,445,713 plus an inter-fund transfer of \$783,875 to the Wastewater Debt Service Fund for total expenditures of \$3,229,588. The ending fund balance goal by policy for the Wastewater Fund is recommended to be 25%; however, the ending fund balance for 2016 is estimated to be 84%, which includes designated funds for upcoming bond payments and future capital improvements. This budget includes \$709,500 in planned capital improvement projects for this fiscal year. The future wastewater capital improvement budget includes \$2,664,500 in planned capital projects over the next five years.

The budget reflects a 2% increase in wastewater rates effective with the October 2015 billing to meet operating expenses, capital improvements and debt service obligations. This budget also reflects an increase in non-city user’s wastewater rate from 125% to 150% of the city rate to be effective January 1, 2016. This year’s rate adjustment is 1% less than what was originally forecasted within the wastewater rate study performed in 2009. We were able to reduce the

projected increase due to implementing a pay as you go program for improvements versus borrowing money and paying interest. Significant projects and/or programs that are included in the 2016 Wastewater Operating Fund Budget:

➤ GIS Data Layer and Work Order System	\$6,500
➤ Generator – Plant Operation	\$408,000
➤ Collection System Improvements	\$40,000
➤ Collection System – Slip Lining	\$150,000
➤ Building Improvements – Doors	\$15,000
➤ Equipment Replacements – Lift Station(s)	\$25,000
➤ Lift Station Improvements – Drives & Alarms	\$35,000
➤ Engineering Design/Maps/Surveys	\$30,000

This Budget also includes \$50,000 for a Private Line Repair Program. Wastewater inflow and infiltration studies have shown large amounts of stormwater entering the wastewater collection system via private sewer line defects. The program is yet to be defined, but the concept is a program of detecting, notifying and monitoring of private sewer line repairs in an attempt to reduce the large volume of excess stormwater from entering the wastewater collection system.

Sanitation Fund: Revenues received for the sanitation/garbage utility are deposited into this fund. The expenses for the contracted residential refuse services, spring and fall clean ups, drop-off recycling, household hazardous waste disposal and brush grinding services are all paid out of this fund. Budgeted revenues for Fiscal Year 2016 equal \$580,978 and expenditures for operation equal \$573,501 plus a project reserve for the equipment replacement in the amount of \$7,500 for total expenditures of \$581,001. The ending fund balance goal by policy for the Sanitation Fund is recommended to be 25%; however, the ending fund balance for 2016 is estimated to be 31%. This budget anticipates a 2.43% increase in sanitation rates effective with the April 2016 billing to meet operating expenses and increases in the contract for residential refuse service. The City took over the direct control of the yard waste and brush grinding/chipping duties of the yard waste disposal operation during the Fiscal Year 2015. The City had a service contract for yard waste disposal with a private operator that was terminated due to poor performance. The City hired a full time brush yard operator/arborist to oversee the city’s tree population and the yard waste disposal operations. The expenses for running the forestry and yard waste operation is split between the General Fund and the Sanitation Fund.

Economic Development Fund: Lease revenue received from the City owned industrial speculative buildings is recorded in this fund. Building owner expenses related to the two city-owned speculative buildings and the annual debt payment on the Christopher Drive building is paid out of this fund. Budgeted revenues for Fiscal Year 2016 equal \$200,290 and expenditures equal \$209,535. The single largest expense for this fund is the debt payment for the city owned spec building on Christopher Drive, which is currently leased to Home Depot. The second largest expense is support for job creation, retention, industry recruitment and economic development planning. The City also owns the railroad spur that serves the businesses located within the Industrial Park. The spur is in need of ongoing repairs and \$25,000 has been budgeted to make the next phase of necessary repairs. The ending fund balance policy for the Economic Development Fund is recommended to be 50% of the annual debt service payment on the spec building. The ending fund balance for 2016 is estimated to be \$278,440, which would exceed the fund balance policy minimum goal.

Parks And Recreation Fund: Revenue from a dedicated park property tax in the amount of ten cents (.10) per one hundred dollars of assessed valuation, a dedicated parks sales tax and charges from user fees for parks, pool and recreation programs are recorded in this fund. Parks and Recreation Fund budgeted revenue for Fiscal Year 2016 equals \$1,101,040 and expenditures equal \$1,183,294. The Parks and Recreation budget reflects a reduction in the cash balance by \$82,254 due to current year carryover of capital projects, equipment purchases and planned capital projects. This fund is also supported by a \$100,000 transfer from the General Fund. The City Pool suffered a major mechanical failure late in the 2014 season and required major repairs before the pool could reopened in 2015. The pool is 30 years old and is reaching the end need of its intended life cycle. Therefore, City Council and Staff have begun a planning and cost research process for a major renovation or replacement of the City’s pool facility. The ending fund balance goal by policy for the Parks and Recreation Fund is recommended to be 25%; however, the ending fund balance for 2016 is estimated to be 33%. Significant projects and/or programs are included in the 2016 Parks and Recreation Fund Budget:

➤ Tennis Court Resurfacing	\$25,000
➤ Wide Area Mower	\$40,000
➤ Skate Park Equipment	\$16,000
➤ R.S. Green Park – Restroom	\$55,000
➤ Garfield Park – Back Stop & Fence	\$13,540
➤ Walk Behind Mini Skid Steer	\$27,400
➤ Picnic Tables	\$10,800
➤ Aluminum Bleachers	\$6,800
➤ AP Green Park Trail – Micro seal	\$18,000
➤ Playground Equipment	\$22,100

Public Health and Animal Control Fund: Revenue from a dedicated public health tax in the amount of twenty cents (.20) per one hundred dollars of assessed valuation, the Humane Society donations, animal licensing and charges for animal impoundments are deposited into this fund. The costs for running the animal shelter, nuisance abatements, dangerous building demolitions and pest control are paid out of this fund. Public Health and Animal Control Fund budgeted revenue for Fiscal Year 2016 equals \$331,729 and expenditures equal \$379,882. The reduction in cash balance is in support of increased funding for the demolition program and nuisance abatements, which we are currently experiencing an increase in requests to address these issues. The ending fund balance goal by policy for the Public Health Fund is 25%; however, the ending fund balance for 2016 is estimated to be at 47%.

Airport Fund: Revenue for this fund is reliant on inter-fund transfers from the General Fund and C.I.S.T. Fund along with hangar rental and a percentage of fuel sales. Operating expense for the Fixed Based Operator’s Management Contract and day-to-day operation expenses are paid out of this fund. Budgeted revenues for Fiscal Year 2016 equal \$708,550 and expenditures equal \$750,555. The increase in expenditures in this fund is due to the ongoing update of the Airport Layout Plan (estimated cost \$87,500), which is partially funded by a DOT Grant (estimated grant \$84,750) and a runway and apron paving project (estimated cost \$600,000), which is partially funded by a DOT Grant (estimated grant \$540,000). A \$34,000 transfer from the General Fund and a \$20,000 transfer from the C.I.S.T. Fund is being made to support operations and as a grant match. The ending fund balance is projected to be at \$48,216, which is above the 25% ending fund balance policy goal.

Capital Improvement Sales Tax (C.I.S.T.) Fund: Revenue is from tax on sales set at the State Statute limit of one-half of one percent and has a ten year sunset to expire June 30, 2020. The Fund pays for pavement and curb replacements, asphalt overlays, stormwater improvements, drainage projects, capital improvements and capital equipment. The dedicated Capital Improvement Sales Tax and investment income is estimated to bring in \$811,400 in revenue to support this Fund. All expenditures from this fund is for capital outlay projects and transfers listed below. The ending fund balance is projected to be at 24%, which is above the 10% ending fund balance policy goal. Projects and programs included in the Capital Improvement Sales Tax Fund:

➤ Downtown Street Lights	\$50,000
➤ Asphalt Overlays	\$278,000
➤ Public Parking Lots	\$15,000
➤ Stormwater Improvements	\$75,000
➤ Curb and Concrete Replacements	\$60,000
➤ Engineering Study – Master Street Plan	\$10,000
➤ Project Reserve	\$20,000
➤ Transfer to other Funds	
○ General Fund	\$340,000
○ Airport Fund	\$20,000
○ MoDOT Grant Match	\$10,000
○ MoDOT Bridge Project	\$16,000

City Manager Slagle stated that the preparation of the budget document was a team effort, and its timely preparation could not have been accomplished without the cooperation of the entire City Staff. The cooperative effort to balance this budget was done in such a way as to reflect the goals and objectives of the City Council and to maintain the services being provided to the citizens. I would especially like to thank and acknowledge Roger Haynes, Vicki Duenke, and all Department Directors for their assistance and preparation of this budget.

Discussion of the proposed budget was held by Council Members and City Staff. Councilman Williams inquired about the Mexico Optimist Club’s request for funding and the amount that was proposed. Councilman Williams asked to amend the budget to increase the Mexico Optimist Club’s funding to \$5,000. Councilman Williams and City Staff discussed the need for the purchase of pagers for the Department of Public Safety. Discussion was held regarding the purchase of body cameras for the Department of Public Safety Officers and the costs associated with maintaining the storage of data.

Thomas Fiedler, 1617 Meadowlane, commented on the 2015 – 2016 budget requests, sidewalk program and pool renovation/new construction.

Mayor Miller moved to close the Public Hearing. Councilman Miller seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Loesch, Williams, G. Miller, C. Miller. Nays, none. Absent, Nichols. The Public Hearing was closed.

RESOLUTION (READING AND PASSAGE)

Bill No. 2015 – 49. A Resolution Authorizing the City Manager to Enter Into A Contract with Insituform Technologies, LLC for the 2015 CIPP Project.

City Manager Slagle called upon Director Russell to provide the report.

Director Russell stated that the 2014 – 2015 budget allows \$150,000 for the 2015 CIPP (Cured In Place Pipe) Project. The project is designed to reduce the inflow and infiltration of stormwater and groundwater into the sanitary sewer system. The work of the project is generally described as follows: The cured in place lining of sanitary sewer pipe, and the lining and sealing of manholes, including the cleaning and inspection thereof, and the restoration of active service connections. Requests for bids were sent to 6 contractors and advertisements were placed in the *Mexico Ledger*. Staff received bids from 3 contractors with Insituform Technologies, LLC of Chesterfield, Missouri submitting the lowest bid. Bids received were: Insituform Technologies, LLC of Chesterfield, Missouri - \$137,240.40; SAK Construction, LLC of O’Fallon, Missouri - \$147,634.50; and Visu-Sewer of Missouri, LLCE of St. Louis, Illinois - \$142,158.95. Director Russell recommend Council proceed with reading & passage of Bill No. 2015 - 49.

Council Members held discussion with Staff Members regarding the bids received and awarding the bid to Isituform Technologies, LLC.

Councilman Loesch moved for reading of Bill No. 2015 – 49. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Loesch, Williams, G. Miller, C. Miller. Nays, none. Absent, Nichols. Bill No. 2015 – 49 was read in its entirety by Councilman Loesch.

Councilman Loesch moved for passage of Bill No. 2015 – 49. Councilman Miller seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Loesch, Williams, G. Miller, C. Miller, Nays, one. Absent, Nichols. Bill No. 2015 – 49 was passed as Resolution No. 3738.

ORDINANCE (FIRST READINGS BY TITLE ONLY)

Bill No. 2015 – 50. An Ordinance Revising The Budget For The City Of Mexico, Missouri, For The Fiscal Year October 1, 2014 To September 30, 2015, Inclusive, And Adopting The Budget For The Fiscal Year October 1, 2015 To September 30, 2016, Inclusive, Appropriating The Funds As Allocated To Various Accounts And Authorizing The Expenditure Of Such Funds By The City Manager And Other Officials For The Purposes Indicated.

Mayor Miller called upon City Manager Slagle to provide the report.

City Manager Slagle stated that the public hearing was held earlier in the evening and that Bill No. 2015 – 50 submits the Operating and Capital Budget for 2015 – 2016 for Council approval.

City Manager Slagle stated that unless Council Members had any additional questions, he recommended Council proceed with first reading by title only of Bill No. 2015 - 50.

Chairman Pro Tem Williams made a motion to amend Bill No. 2015 – 50 to increase funding to \$5,000 for the Mexico Optimist Club. Councilman Miller seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Loesch, Williams, G. Miller, C. Miller. Nays, none. Absent, Nichols.

Chairman Pro Tem Williams moved for first reading by title only of Bill No. 2015 – 50 as amended. Mayor Miller seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Loesch, Williams, G. Miller, C. Miller. Nays, none. Absent, Nichols. First reading by title only of Bill No. 2015 – 50 was read by Chairman Pro Tem Williams.

OTHER BUSINESS

Claims

The list of claims was presented for approval.

Councilman Miller moved for approval of the list of claims as presented. Councilman Loesch seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Loesch, Williams, G. Miller, C. Miller. Nays, none. Absent, Nichols.

The list of claims was approved.

COUNCIL COMMENTS

Councilman Loesch complimented City Staff on the 2015 – 2016 budget and the work that Staff put into presenting the budget to Council for approval. Councilman Loesch also made comments on the City not having any tax increases that some neighboring communities are experiencing.

Chairman Pro Tem also complimented City Staff on the 2015 – 2016 budget and also made comments on the city not having tax increases. Chairman Pro Tem Williams also expressed appreciation to Council Members for their support in increasing the funding to the Mexico Optimist Club.

Councilman Miller made positive comments on the preparation of the 2015 – 2016 budget and thanked Staff Members for their work on the budget.

City Manager Slagle announced that City Clerk Marcy LeCount has attained the certification of a Missouri Registered City Clerk (MRCC). Council Members congratulated City Clerk LeCount on her recent certification.

Mayor Miller made comments regarding the budget preparation and thanked City Staff for their work involved in the preparation.

PUBLIC COMMENTS

Thomas Fiedler, 1617 Meadowlane, commented on street repairs needed on South Western Street from Boulevard Street to Lakeview. Fiedler inquired into comments and responses from the City's social media outlets.

ADJOURNMENT INTO EXECUTIVE SESSION PURSUANT TO THE REVISED STATUTES OF MISSOURI § 610.021 (1) LITIGATION AND (3) PERSONNEL MATTERS.

Mayor Miller moved to close the open session. The motion was seconded by Chairman Pro Tem Williams. The Chair called for a vote and motion carried with the vote as follows: Loesch, Williams, G. Miller, C. Miller. Nays, none. Absent, Nichols.

ADJOURNMENT INTO REGULAR SESSION

No business was discussed.

ADJOURNMENT

Councilman Loesch moved to close the open session. The motion was seconded by Chairman Pro Tem Williams. The Chair called for a vote and motion carried with the vote as follows: Ayes, Nichols*, Loesch, C. Miller, Williams, G. Miller. Nays, none. The City Council Regular Session Meeting was adjourned.

MAYOR

CITY CLERK

APPROVED BY COUNCIL SEPTEMBER 28, 2015

**It is noted that Councilman Nichols joined the meeting in Executive Session by telephone.*

CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER/ADMINISTRATIVE SERVICES

Agenda: September 28, 2015

Members of City Council
City of Mexico, Missouri

RE: Public Hearing – To Consider a Change to Sanitary Sewer Use
Charge Rates

Dear City Council Members:

A Notice of Public Hearing was advertised in the *Mexico Ledger* August 19, 2015.

This hearing is for purposes of discussing a rate increase proposal as follows:

	<i>User Charge Portion</i>	<i>Capital Charge Portion</i>	<i>Base Rate/Month</i>
Current			
Per 1,000 gallons	\$ 1.13	\$ 4.73	\$ 8.40
Proposed:			
Per 1,000 gallons	\$ 1.15	\$ 4.82	\$ 8.57

Example monthly sewer fee based on usage of 5,000 gallons per month:

Current: \$37.70 Proposed: \$38.43

Background

In February of 2008, the City of Mexico retained the engineering services of Horner & Shifrin, Inc. of St. Louis, Missouri to complete a capital asset analysis and facility plan on the City's wastewater treatment operation.

On April 27, 2009, Horner & Shifrin Inc. made a presentation to Council on their findings and recommendations. The study clearly revealed that our aging infrastructure, industrial pretreatment program, and modifications to the regulatory requirements mandated by the Department of Natural Resources for effluent limitations created an immediate need for an upgrade of our existing wastewater facilities.

The facility plan outlined an estimated \$12,461,400 in capital improvements, with an initial Phase I estimated investment of \$5,733,400 with the remaining facility and infrastructure improvements being made through succeeding phases.

Following Horner & Shifrin, Inc.'s presentation, Municipal & Financial Services Group reviewed with Council a multi-year financial projection of wastewater rates required to cover costs associated with operations, maintenance, and upcoming capital projects of the wastewater treatment plant.

On August 4, 2009, voters approved through a bond election, sewerage system revenue bonds in the amount of sixteen million dollars (\$16,000,000) by a margin of 10 to 1.

On August 24, 2009, with applicable Public Hearings and voter approval for issuing revenue bonds, City Council approved by Ordinance an amendment to change sanitary sewer use charges allowing for the funding mechanism to get needed capital improvements underway.

With wastewater treatment facility and collection system improvement plan phases in and a 10-year financial projection of wastewater rates supporting costs associated with operations, maintenance, and capital projects, staff moved forward and secured bond financing in the amount of \$5,765,000 for Phase I and \$5,695,000 for Phase II.

In keeping with the 5-year financial projection being presented to Council and the public, a scheduled sewer rate adjustment is required to provide adequate financial resources for debt service and continued improvements to the wastewater treatment facility and collection system.

Staff recommends that Council proceed with the advertised public hearing.

Respectfully submitted,

Roger D. Haynes
Deputy City Manager

Reviewed by: Bruce R. Slagle, City Manager

City of Mexico
Notice of Public Hearing Regarding the
Proposed Wastewater Sewer User Rate Increase

On September 28, 2015, 7:00 p.m. at the regularly scheduled Council Meeting of the City of Mexico, the City Council will be holding a Public Hearing in the City Council Chambers located at 300 North Coal Street, Mexico, Missouri to discuss the proposed Wastewater Sewer Rate Increase. The purpose of the Public Hearing is to discuss the rate adjustment and to gather input regarding the Wastewater User Rate Ordinance from the tax payers.

The proposal would revise the City's wastewater rates to meet operational and capital requirements of the wastewater system. The basis on which the proposed wastewater rates have been calculated is available in a report filed with the City Clerk. The report includes a five-year financial report projection of wastewater rates and takes into consideration cost increases resulting from significant capital improvements to meet DNR and EPA treatment facility requirements, daily operating costs, equipment repair and replacement, and fund balance reserve requirements.

	<u>User Charge</u> <u>Portion</u>	<u>Capital Charge</u> <u>Portion</u>	<u>Base Rate /</u> <u>Month</u>
Current:			
Per 1,000 Gallons	\$1.13	\$4.73	\$8.40
Proposed:			
Per 1,000 Gallons	\$1.15	\$4.82	\$8.57

Example Monthly Sewer Fee Based on usage of 5,000 gallons per month:

Current: \$37.70

Proposed: \$38.43

Also, users of the utility collection system that are located and/or deliver sewer flow from outside the City's corporate limits shall be billed at a rate of one hundred fifty (150) percent of rates established for user types based on monthly metered water flow received from those flow contributors within the City's corporate limits.

Questions or comments may be directed to the Administrative Services Department, 2nd Floor, City Hall, 300 North Coal Street or by phone (573) 581-2100.

By Order of the Council
Marcy LeCount, City Clerk
Mexico, Missouri

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CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: September 28, 2015

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Approving the 2015 – 2016 Operating and
Capital Budget.

Dear City Council Members:

The Public Hearing regarding the attached Ordinance was held September 14, 2015. As Council is aware, Staff has submitted the Operating and Capital Budget for 2015 – 2016 for approval.

Prior to first reading consideration, Council voted to amend the proposed budget to increase the City's contribution to \$5,000 for the Mexico Optimist Youth Sports Program. Staff has made the adjustment to the 2016 fiscal year budget.

Staff recommends that Council proceed with second reading by title only and passage approving the 2015 – 2016 Operating and Capital Budget for the City of Mexico.

Respectfully submitted,

Bruce R. Slagle
City Manager

Attachment

AN ORDINANCE REVISING THE BUDGET FOR THE CITY OF MEXICO, MISSOURI, FOR THE FISCAL YEAR OCTOBER 1, 2014 TO SEPTEMBER 30, 2015, INCLUSIVE, AND ADOPTING THE BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2015 TO SEPTEMBER 30, 2016, INCLUSIVE, APPROPRIATING THE FUNDS AS ALLOCATED TO VARIOUS ACCOUNTS AND AUTHORIZING THE EXPENDITURE OF SUCH FUNDS BY THE CITY MANAGER AND OTHER OFFICIALS FOR THE PURPOSES INDICATED, AS AMENDED

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI AS FOLLOWS:

- Section 1. For the purpose of financing the conduct of affairs of the City of Mexico, Missouri during the fiscal year October 1, 2014 to September 30, 2015, inclusive, the revised budget of the City's revenues and expenses for such period prepared and presented to the Council by the City Manager, and attached hereto and made a part of this Ordinance as Appendix "A", is hereby approved and adopted as the official revised budget of the City of Mexico.

- Section 2. For the purpose of financing the conduct of affairs of the City of Mexico, Missouri during the fiscal year from October 1, 2015 to September 30, 2016, inclusive, the budget of the City's revenues and expenses for such period prepared and presented to the Council by the City Manager, and attached hereto and made a part of this Ordinance as Appendix "A", is hereby approved and adopted as the official budget of the City of Mexico.

- Section 3. The amounts set forth in the various funds under the classes of expenditures (for personnel, supplies, services, capital outlay, debt service, etc.) are hereby given to the City Manager and other officials of the City of Mexico to expend the amounts shown for the purposes indicated.

- Section 4. Appropriations within a department may be transferred by the City Manager for the purpose of equalization when necessary.

- Section 5. That all unexpended appropriations from all funds, and revenues collected in excess of anticipated revenues, except those appropriations for special projects or commitments which are incomplete on September 30, 2015, be and the same are hereby canceled on September 30, 2015, and the City Manager is directed to transfer all fund balances to the General Fund for the use of General Fund expenditures.

PASSED THIS 28TH DAY OF SEPTEMBER 2015

MAYOR

ATTEST:

CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER / ADMINISTRATIVE SERVICES

Agenda: September 28, 2015

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Amending Chapter 14, Article III, Division 4,
Section 14-123 of the Mexico City Code Relating to the Sanitary
Sewer Use Charges

Dear City Council Members:

A Public Hearing was held earlier this evening providing the Council both background and future planning information for necessary capital improvements to the wastewater treatment facility and collection system.

Staff has provided to Council and the public a 5-year financial projection of wastewater rates required to cover costs associated with operations, maintenance, and capital projects currently underway and forthcoming addressing both capacity and compliance in the City's wastewater treatment operation.

Based on the 5-year financial projection staff provides the following comparison between current rates and the proposed rates.

User Rate Comparison

Current Basic Sewage Charge

	<u>User Charge</u> <u>Portion</u>	<u>Capital Charge</u> <u>Portion</u>	<u>Total</u>
Administrative Charge – All Customers	--	--	\$ 8.40/month
Monthly Variable Portion	\$ 1.13	\$ 4.73	\$ 5.86 per 1,000 gallons

Updated Basic Sewage Charge:

Administrative Charge – All Customers	--	--	\$8.57/month
Monthly Variable Portion (per 1,000 gallons)	\$ 1.15	\$ 4.82	\$ 5.97 per 1,000 gallons

Also, users of the utility collection system that are located and/or deliver sewer flow from outside the City's corporate limits shall be billed at a rate of one hundred fifty (150) percent of rates established for user types based on monthly metered water flow received from those flow contributors within the City's corporate limits.

Staff recommends that Council proceed with two readings by title only and passage of the attached Ordinance. The Ordinance has been posted the required length of time.

Respectfully submitted,

Roger D. Haynes
Deputy City Manager

Reviewed by: Bruce R. Slagle
City Manager

**AN ORDINANCE AMENDING CHAPTER 14, ARTICLE III, DIVISION 4,
SECTION 14-123 OF THE MEXICO CITY CODE RELATING TO SANITARY
SEWER USE CHARGE**

WHEREAS, the City of Mexico, has caused a study to be made of its wastewater treatment facility and rates and charges; and

WHEREAS, the City of Mexico, in order to remain compliant with current and upcoming state and federal wastewater treatment regulation requirements, provide for best public health benefit, and plan for and accommodate growth, finds it necessary to make significant capital improvements to the Route J Treatment Facility and collection system; and

WHEREAS, the City of Mexico, as operator of the municipal wastewater utility finds it necessary to establish rates which will generate sufficient income for the full proper and prudent operation, management and maintenance of said utility, as well as the provision of continued quality wastewater utility service to its customers; and

WHEREAS, said requirements include the generation of cash operating expenses, payment of debt service, debt service reserves, compensation for depreciation, sufficient funds for extensions and replacements; and

WHEREAS, the City of Mexico believes that while revenues for said utility need to be increased, the most prudent ways to increase revenues to the required level would be through a gradual tier process, rather than at one time.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI AS FOLLOWS:

Section 1. Chapter 14, Article III, Division 4, Section 14-123, subsection (1), is hereby deleted and a new Section 14-123, subsection (1), is enacted to read as follows:

(1) *Basic sewage service charge.* Each user of the sewage system of the city shall pay for the use of such system monthly sewage service charges based on the following rates:

	<i>User Charger Portion</i>	<i>Capital Charge Portion</i>	<i>Total</i>
Administrative Charge – All Customers	--	--	\$8.57/month
Monthly Variable Portion (per 1,000 gallons)	\$ 1.15	\$ 4.82	\$ 5.97 per 1,000 gallons

a. The monthly charges for the residential classifications shall be based on the average monthly billing of water usage during the immediate preceding four-month period for the months of December to March.

- b. New residents or residences without a water meter history shall be billed based on 5,236 gallons (700 Ccf) until the four-month period is available for averaging.
- c. Commercial, public authority and industrial charges shall be based on one hundred (100) percent of the monthly metered water used, except as otherwise provided in Section 14-124.
- d. Users of the utility collection system that are located or deliver flow from outside the City's corporate limits shall be billed at a rate of one hundred fifty (150) percent of rates established for user types based on monthly metered water flow received from those flow contributors.

Section 2. This Ordinance shall be in full force and effect from and after the time of its passage.

PASSED THIS 28TH DAY OF SEPTEMBER 2015

MAYOR

ATTEST:

CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF ASSISTANT CITY MANAGER/ECONOMIC DEVELOPMENT

Agenda: September 28, 2015

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Sign a
Storage Lease with Pete Renner

Dear City Council Members:

The attached Resolution authorizes the City Manager to sign a Storage Lease with the Pete Renner.

Robert Witherell and Pete Renner previously had a lease to rent Storage Hangar 6 at the Mexico Memorial Airport. Mr. Witherell notified the City that he no longer has an interest in renting the storage hangar but Pete Renner would like to continue.

The Storage Lease with Renner will be for a term of one year which automatically renews at the end of the first year. The storage hangar rent will be \$40 per month.

Staff recommends that Council proceed with reading and passage of the attached Resolution authorizing the City Manager to sign a Storage Lease with Pete Renner.

Respectfully submitted,

Russell Runge
Assistant City Manager/Economic Development

Attachments

Reviewed by: Bruce R. Slagle, City Manager

BILL No. 2015– 52

RESOLUTION No. _____

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN
A STORAGE LEASE WITH PETE RENNER**

WHEREAS, the Mexico Memorial Airport currently rents a storage hangar to the Robert Witherell and Pete Renner; and

WHEREAS, due to Witherell moving and Pete Renner continuing to rent the hangar an updated Storage Lease is necessary to bring the city's records up to date.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI, AS FOLLOWS:

- Section 1. That the City Manager be authorized to enter into a Storage Lease on behalf of the City of Mexico with Pete Renner.
- Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 28TH DAY OF SEPTEMBER 2015

MAYOR

ATTEST:

CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER

Agenda: September 28, 2015

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Execute Agreements with Various Organizations for Requested Funding from the Mexico Tourism Tax

Dear City Council Members:

The City of Mexico currently has a tourism tax that is collected by the hotels/motels within the city limits. The attached Resolution authorizes the City Manager to execute agreements with various organizations to receive tourism funding for an advertising campaign.

The Mexico Tourism Commission has reviewed the application and recommends to the Mexico City Council the distribution of funds as follows:

<i>Organization</i>	<i>Festival</i>	<i>Purpose</i>	<i>Amount Requested</i>	<i>Amount Recommended</i>
Missouri Life	2015-2016 Advertising Campaign	Advertising	Various	\$11,000
Mexico Area Chamber of Commerce	2015 Holiday Express	Advertising	\$2,000	\$ 2,000
Presser Performing Arts Center	2015 Holiday Production	Advertising	\$4,200	\$3,000

Staff recommends that Council concur with the Mexico Tourism Commission's recommendation and proceed with reading and passage of the attached Resolution.

Respectfully submitted,

Roger Haynes
Deputy City Manager

RH
Attachments

Reviewed By: Bruce R. Slagle, City Manager

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE
AGREEMENTS WITH VARIOUS ORGANIZATIONS FOR REQUESTED FUNDING
FROM THE MEXICO TOURISM TAX**

WHEREAS, the Mexico Tourism Commission recommends to City Council that Missouri Life, Mexico Chamber of Commerce and Presser Performing Arts Center be allowed to receive tourism funding for their tourism advertising campaign.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI, AS FOLLOWS:

- Section 1. That the City Manager be authorized to enter into agreements on behalf of the City of Mexico with Missouri Life, Mexico Chamber of Commerce and Presser Performing Arts Center for tourism funding.
- Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS **28TH** DAY OF **SEPTEMBER 2015**

MAYOR

ATTEST:

CITY CLERK