

**City of Mexico, Missouri
City Council Meeting Agenda
City Hall
300 N. Coal Street
Mexico, Missouri 65265**



**September 12, 2016
7:00 p.m.**

1. Call to Order

2. Roll Call

3. Approval of Minutes

- A. August 22, 2016 – Work Session
- B. August 22, 2016 – Regular Session

4. Public Hearing

- A. 2016 – 2017 Operating and Capital Budget

5. New Business – Resolutions (Reading and Passage)

- A. Bill No. 2016 – 57. A Resolution Authorizing the City Manager to Sign a Task Order with Bartlett & West, Inc. for the Purpose of Evaluating Sewer Concerns. Reading and Passage.
- B. Bill No. 2016 – 58. A Resolution Authorizing the City Manager to Sign a Hangar Lease with David Taylor. Reading and Passage.
- C. Bill No. 2016 – 59. A Resolution Authorizing the City Manager to Sign a Hangar Lease with Holly Licata. Reading and Passage.

6. New Business – Ordinances (First Reading By Title Only/Two Readings By Title Only and Passage)

- A. Bill No. 2016 – 60. An Ordinance Revising The Budget For The City Of Mexico, Missouri, For The Fiscal Year October 1, 2015 To September 30, 2016, Inclusive, And Adopting The Budget For The Fiscal Year October 1, 2016 To September 30, 2017, 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. First Reading By Title Only.
- B. Bill No. 2016 – 61. An Ordinance Authorizing The City Of Mexico, Missouri To Issue Its Taxable Industrial Revenue Bonds (Soft Surroundings Project), Series 2016, In A Principal Amount Not To Exceed \$12,500,000 For The Purpose Of Providing Funds To Pay The Costs Of Acquiring And Constructing A Facility For An Industrial Development Project In The City; Approving A Plan For The Project; And Authorizing The City To Enter Into Certain Agreements And Take Certain Other Actions In Connection With The Issuance Of The Bonds. Two Readings By Title Only and Passage.
- C. Bill No. 2016 – 62. An Ordinance Approving the Final Plat of Brian Welch Subdivision to the City of Mexico, Missouri. Two Readings By Title Only and Passage.

7. Other Business

A. Claims

8. Comments

A. Council

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

9. Adjournment into Executive Session pursuant to the Revised Statutes of Missouri § 610.021 (3) personnel matters

10. Adjournment



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**CITY OF MEXICO, MISSOURI
CITY COUNCIL MEETING MINUTES
AUGUST 22, 2016**

The Council of the City of Mexico, Missouri met in work session on August 22, 2016 at 6:00 p.m. in the Council Chambers of City Hall, with the following members present: Mayor Greg Miller; 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; Chad Shoemaker, Community Development Director; Kensey Russell, City Engineer/Public Works Director; Chief Susan Rockett, Public Safety Department; Drew Williford, Civil Engineer, Patrick Shaw, IT Specialist; Louis Leonatti, City Attorney; Marcy LeCount, City Clerk; as well as members of the media and interested citizens. Absent, Council Steve Nichols, Chairman Pro Tem Chris Williams.

The Meeting was called to order with Mayor Miller presiding.

COUNCIL DISCUSSION – DEER CREEK DEVELOPMENT – DONNA LILLEY, PRINCIPAL, HART DEVELOPMENT GROUP
City Manager Slagle provided a brief introduction of the Deer Creek Development and called upon Donna Lilley, Principal with Hart Development Group to present.

Lilly stated that the Missouri Housing Development Commission identified workforce housing as a funding priority for the 2017 Low Income Housing Tax Credit application round. The workforce housing designation mainly entails a set aside of at least 20% of the units in a development for resident households with incomes at 60% to 80% of the area median income. Lilley stated that the development team of Hart Development Group, LLC and Gardner Capital Development, Inc. sees Mexico, Missouri as an excellent community for the construction of workforce housing with new jobs from the expanded Soft Surroundings distribution center, the increased employment at Spartan Light Metal Products and the existing employment bases with Dawn Foods and True Manufacturing. Lilley stated that the development is proposing the construction of Deer Creek Estates on approximately 7 acres of vacant land near the intersection of Teal Lake Road and east of Fairgrounds. The 60% area median income threshold for a family of 4 is \$33,000 per year and the 80% threshold is \$44,000. The project would also include a community building which would include space for the onsite maintenance and office staff and a large green space for sports and playground. The site is close to various shopping opportunities including an Aldi grocery store, entertainment such as the Mexico Cinema III and recreational opportunities including Lakeview Park, Teal Lake and Lowe Conservation Area. This would be a joint venture between the Hart Development Group and Gardner Capital.

PUBLIC COMMENTS

None.

OTHER BUSINESS – CONSIDERATION OF FUTURE DISCUSSION ITEMS

City Manager Slagle stated that the Smoke Free Ordinance discussion will be scheduled for Work Session at the October 24, 2016 meeting.

PROJECT UPDATES

None

ADJOURNMENT

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

The City Council Work Session Meeting was adjourned.

Mayor

City Clerk

APPROVED BY COUNCIL SEPTEMBER 12, 2016

**CITY OF MEXICO, MISSOURI
CITY COUNCIL MEETING MINUTES
AUGUST 22, 2016**

The Council of the City of Mexico, Missouri met in regular session on August 22, 2016 at 7:00 p.m. in the Council Chambers of City Hall, with the following members present: Mayor Greg Miller; 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; Chad Shoemaker, Parks & Recreation Director; Rita Jackson, Community Development Director; Kensey Russell, Public Works Director/City Engineer, Chief Susan Rockett, Public Safety Department; Drew Williford, City Civil Engineer; Patrick Shaw, IT Specialist; City Attorney Lou Leonatti; Marcy LeCount, City Clerk; as well as members of the media and interested citizens. Absent, Councilman Steve Nichols, Chairman Pro Tem Williams.

The Meeting was called to order with Mayor Miller presiding.

APPROVAL OF MINUTES – AUGUST 8, 2016 – WORK SESSION

Councilman Loesch moved for approval of the August 8, 2016 work session minutes as presented. 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, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. The Minutes were approved as presented.

APPROVAL OF MINUTES – AUGUST 8, 2016 – REGULAR SESSION

Councilman Loesch moved for approval of the August 8, 2016 regular session minutes as presented. 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, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. The Minutes were approved as presented.

PUBLIC HEARING - TO ESTABLISH THE 2016 PROPERTY TAX RATES

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, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. The Public Hearing was opened.

City Manager Slagle called upon Deputy City Manager Haynes to present the report.

Deputy City Manager Haynes stated that as required by state law, the City Council will conduct a public hearing to establish the current year’s property tax rates for the 2016 Property Tax Levy. The State Auditor’s office calculates the allowable property tax rates based on keeping revenue neutral, exclusive of new construction.

Based on the 2016 Assessed Value (\$139,791,152) and the State Auditor’s Office allowable tax rate calculations of .7364, revenues for the City of Mexico would be \$1,029,422. Based on the 2016 Assessed Value (\$139,791,152), revenues for the City of Mexico would be as follows for Budget Year 2016 – 2017.

<i>Proposed Revenue by Fund Using Current Rates</i>	<i>Proposed Revenue</i>	<i>Proposed Tax Rate</i>
General Fund	\$ 610,049	\$.4364
Parks & Recreation	139,791	.1000
Public Health	279,582	.2000
	\$1,029,422	\$.7364

Deputy City Manager Haynes recommended Council proceed with the advertised public hearing in order to establish the 2016 Property Tax Levy.

Discussion was held by Council Members regarding setting the tax rate. City Staff provided additional information to the Council Members regarding the proposed rate.

Mayor Miller stated that public comments were being accepted.

Public Comments Received:

Thomas Fiedler, 1617 Meadow Lane, spoke in opposition regarding the proposed 2016 Property Tax Levy.

Deputy City Manager Haynes provided additional information to Thomas Fiedler.

Rebecca Fiedler, 1617 Meadow Lane, spoke in opposition regarding the proposed 2016 Property Tax Levy.

Mayor Miller moved to close the Public Hearing. 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: Ayes, Loesch, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. The Public Hearing was closed.

RESOLUTIONS (READING AND PASSAGE)

Bill No. 2016 – 53. A Resolution Accepting an Access and Pole Easement from Scott and Dawn Manns.

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

Director Russell stated that the 2015-2016 Budget allows for the replacement and upgrade of an outdoor siren warning system. The new system includes an additional siren to cover the south end of town and for which a location was needed. Scott and Dawn Manns have provided the City with an Access and Pole Easement behind Manns Chiropractic on South Clark. This Easement allows the City to maintain, operate, alter, repair and remove a pole mounted warning siren and necessary accessories. Director Russell recommended Council proceed with reading and passage of Bill No. 2016 – 53.

Councilman Miller moved for reading of Bill No. 2016 – 53. 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: Ayes, Loesch, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. Bill No. 2016 – 53 was read in its entirety by Councilman Loesch.

Councilman Loesch moved for passage of Bill No. 2016 – 53. 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, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. Bill No. 2016 – 53 was passed as Resolution 3786.

Bill No. 2016 – 54. A Resolution of the City of Mexico In Support of a Proposed Housing Development by Hart Development Group.

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

City Manager Slagle stated that Bill No. 2016 – 54 is being presented for Council’s consideration concerning the development of family workforce housing. City Manager Slagle stated that Donna Lilley, Principal of the Hart Development Group, presented at the Work Session held earlier this evening a proposed development plan for a family workforce housing. Ms. Lilley asked for Council’s support for the development of 22 duplex buildings, 44 units, with mixed 2-3 bedrooms, a community building and office area. The development would be located off of Teal Lake Road and east of Fairgrounds Road (Deer Creek Estates). Ms. Lilley stated that an option has been placed on the property for development, pending Council’s support and receiving tax credits. City Manager Slagle recommended Council proceed with reading and passage of Bill No. 2016 – 54.

Councilman Loesch moved for reading of Bill No. 2016 – 54. 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, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. Bill No. 2016 – 54 was read in its entirety by Councilman Miller.

Councilman Miller moved for passage of Bill No. 2016 – 51. 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: Ayes, Loesch, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. Bill No. 2016 – 54 was passed as Resolution 3787.

ORDINANCE (TWO READINGS BY TITLE ONLY AND PASSAGE)

Bill No. 2016 – 55. An Ordinance Levying Taxes on All Property for the Fiscal Year October 1, 2016 to September 30, 2017 for the City of Mexico, Missouri.

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. 2016 – 55 establishes the property tax rates for the next fiscal year. City Manager Slagle stated that discussion was held earlier at the Public Hearing, the County Clerk has certified the City’s total assessed valuation for 2015 as \$137,790,155 which compared to the 2014 total of \$136,226,973. Staff is proposing that the property tax levies for the various funds be proportioned as follows:

	<u>2014</u>	<u>2015</u>
General Fund	.4325	.4325
Parks & Recreation Fund	.1000	.1000
Public Health Fund	<u>.2000</u>	<u>.2000</u>
Totals:	.7325	.7325

City Manager Slagle recommended Council proceed with two readings by title only and passage of Bill No. 2016 – 55, which had been posted the required length of time.

Councilman Miller moved for first reading by title only of Bill No. 2016 – 55. 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: Ayes, Loesch, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. First reading by title only was given to Bill No. 2016 – 55 by Councilman Loesch.

Councilman Loesch moved for second reading by title only of Bill No. 2016 – 55. 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, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. Second reading by title only was given to Bill No. 2016 – 55 by Councilman Loesch.

Councilman Loesch moved for passage of Bill No. 2016 – 55. 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, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. Bill No. 2016 – 55 was passed as Ordinance No. 4354.

Bill No. 2016 – 56. An Ordinance Authorizing the City Manager to Enter into a Contract with Flowmaster Construction, LLC for the STP-4400 (308) Lakeview/Morris Street Curb & Gutter. City Manager Slagle called upon Director Russell to provide the report.

Director Russell stated that advertisements for bids were placed in the *Mexico Ledger* on July 28, 2016 for the STP-4400 (308) Lakeview/Morris Street Curb & Gutter. Drawings, specifications and other related contract information were also available at American Document Solutions and planroom.adsmo.net. Four (4) bids were received with Flowmaster Construction, LLC submitting the low bid. The Engineers Estimate for the STP-4400 (308) Lakeview/Morris Street Curb & Gutter was a Base Bid of \$121,418.00; Add Alternate of \$76,384.00 with the Total Bid equaling \$197,802.

Contractor	Base Bid	Add Alternate Bid	Total Bid
B&P Patterson LLC of Linn, Missouri	\$167,250.00	\$103,434.00	\$270,684.00
GBH Builders of Jefferson City, Missouri	\$218,263.35	\$109,530.40	\$327,793.75
Flowmaster Construction, LLC of Mexico, Missouri	\$155,110.00	\$72,024.00	\$227,134.00
L.Keeley Construction, LLC of St. Louis, Missouri	\$766,700.00	\$94,030.00	\$260,730.00

Director Russell recommended award of the base bid only contingent upon concurrence of the award by MODOT and that Council proceed with two readings by title only and passage of Bill No. 2016 – 56, which had been posted the required length of time.

Councilman Loesch moved for first reading by title only of Bill No. 2016 – 56. 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, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. First reading by title only was given to Bill No. 2016 – 56 by Councilman Miller.

Councilman Miller moved for second reading by title only of Bill No. 2016 – 56. 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: Ayes, Loesch, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. Second reading by title only was given to Bill No. 2016 – 56 by Councilman Miller.

Councilman Miller moved for passage of Bill No. 2016 – 56. 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: Ayes, Loesch, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams. Bill No. 2016 – 56 was passed as Ordinance No. 4355.

OTHER BUSINESS

Staff Report – Request Permission to Sell Surplus Property belonging to the City of Mexico and Unclaimed and Abandoned Property

City Manager Slagle called upon Deputy City Manager Haynes to provide the report.

Deputy City Manager Haynes stated that the City of Mexico owns property, which is no longer needed or used and is described on the surplus property list. The Public Safety Department also has property which has been turned in to them and is considered abandoned or unclaimed and said property is also described on the list. Deputy City Manager Haynes requested authorization to dispose by auction, bid, open market sale, recycling or like services the list of items that are

considered either surplus, unclaimed, or abandoned property. Sale of the abandoned and unclaimed property is in accordance with Section 10-42 of the Mexico City Code and sale of surplus property is in accordance with Section X: Disposal of Surplus Goods within the City of Mexico Purchasing Policy (Ordinance No. 3357).

Councilman Loesch moved to approve the sale of surplus property belonging to the City of Mexico and unclaimed and abandoned property per the list as presented. 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, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams.

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: Ayes, Loesch, G. Miller, C. Miller. Nays, none. Absent, Nichols, Williams.

The list of claims was approved.

COUNCIL COMMENTS

Councilman Loesch made comments regarding the large projects that are happening in Mexico, Presser Performing Arts Center and Soft Surroundings. Councilman Loesch stated that he is very happy to see the projects in town.

Councilman Miller stated that he is living the dream here in Mexico, Missouri.

City Manager Bruce Slagle stated that Staff will be brush grinding this week as a result of the storms.

Mayor Miller stated that the flashing lights near Eugene Field Elementary School is not working and directed the questions to Chief Susan Rockett. Mayor Miller read the correspondence received from the GFOA regarding excellence in accounting and congratulated Deputy City Manager Roger Haynes and all City Staff members for their work and receiving the award for excellence in accounting.

PUBLIC COMMENTS

Rebecca Fiedler, 1617 Meadow Lane, commented on the Smoking Ban issue and is in opposition of the ban.

Mayor Miller stated that the City Council will take up the smoking ban issue again on October 24th.

Thomas Fiedler, 1617 Meadow Lane, commented on the property tax increase and stated that 40% of the Council was not in attendance for the approval. Fiedler also commented on Council attendance at meetings.

Councilman Loesch commented on the proposed larger projects for the City. Councilman Loesch spoke on the redesign of the municipal swimming pool, current costs to operate the pool and the costs of repairs. Councilman Loesch provided information regarding the redesign of the municipal pool and the costs associated with that type of project and future planning for reserves.

Charles Fry, 310 Vine, representing the Audrain County Emergency Management Agency stated that September 10th, 11:00 a.m., has been set for the annual Patriot's Day. Fry asked for City Council's support for the event. Fry provided information on the event of Christmas in September.

Ayana Shivers, 1426 Arcadia Street, spoke on the City's proposed discussion on the Smoking Ban and the municipal swimming pool improvements and her support.

Council Members held discussion regarding the improvements to the municipal swimming pool.

ADJOURNMENT INTO EXECUTIVE SESSION PURSUANT TO THE REVISED STATUTES OF MISSOURI § 610.021 (1) LITIGATION

Mayor Miller moved to adjourn into executive session pursuant to the Revised Statutes of Missouri §610.021 (1) Litigation. The motion was seconded by Councilman Miller. The Chair called for a vote and motion carried with the vote as follows: Ayes, Loesch, G. Miller, C. Miller. Nays, None. Absent, Nichols, Williams.

ADJOURNMENT INTO REGULAR SESSION

No Business Discussed

ADJOURNMENT

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

MAYOR

CITY CLERK

APPROVED BY COUNCIL SEPTEMBER 12, 2016

CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: September 12, 2016

Members of City Council
City of Mexico, Missouri

RE: Public Hearing – 2016 – 2017 Operating and Capital Budget

Dear Mayor and Members of City Council:

I am pleased to present for your consideration the City of Mexico, Missouri 2017 Fiscal Year Budget which begins October 1, 2016. This budget meets the state statute of being balanced.

The annual fiscal year budget is an essential element of the financial planning, control and evaluation process of the City. The annual operating budget identifies and determines the sources of revenues for the city, establishes spending limits and provides authorization for spending activities during the fiscal year. The annual budget establishes a baseline for monitoring and controlling spending and serves as a guide for City Staff as they carry out initiatives set forth by the City Council.

Each department of the City is challenged each year to operate as efficiently and effectively as possible in delivering their services. All department directors are involved in preparation of this budget, they continually review process and procedures in their departments and understand the fiscal constraints of the City. City Staff also continues to pursue partnerships, grants and other resources to supplement funding for operations.

The City's financial condition is showing signs of improvement following the most recent recession. Typically, local governments lag behind the private business community in terms of recovery and we are now starting to see positive improvements in our finances. The strength of our organization is that we have a trusted group of department directors and staff who seek to maximize the resources given to us by the taxpayer and limit unnecessary expenses.

Expenditures have been forecasted based on previous fiscal years. However, every departmental operating budget was combed through for savings. Unnecessary expenses have been removed, personnel costs have been controlled and program efficiencies have been implemented. The city is operating in a lean and condensed state.

Governmental finance is based upon fund accounting. 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. This means that all revenues and expenditures are classified and assigned to a particular fund for tracking. This segregation of funds provides a level of accountability to ensure that public funds are expended in an appropriate manner.

City Staff reviews current financial conditions on an ongoing basis and anticipates how projected revenues and expenditures in the budget will affect the City's overall financial position. City Administration will be vigilant during the course of this fiscal year to maximize our revenues and ensure funds are spent in the most efficient way possible.

TOTAL OPERATING BUDGET FISCAL YEAR 2017:

The total budgeted expenditures equal \$16,472,883 with total revenues equal to \$14,385,257. The expenditures exceed revenues by \$2,087,626 and will be funded by project reserves and unreserved fund balances. The significant portion of the additional expenditures are for interfund transfers and for the purchase of an excavator, a dump truck, roof replacement on the city maintenance building, aeration blowers for the wastewater plant, park improvements, 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 2017:

The City's total assessed property value for this budget year increased slightly due to an increase in personal property values.

Our local unemployment rate is continually below the state and federal rate. Sales Tax receipts are similar 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 lower natural gas prices, fewer residents with telephone land lines and a decrease in water consumption, gross receipts tax income is down. Therefore; we have taken a conservative approach to forecasting revenues.

We continue to experience rate increases above the rate of inflation for property and liability insurance as well as health and dental insurances. Recurring expenditures and the cost to replace capital equipment continues to increase. Therefore; no new full-time

staff positions have been added and only essential capital purchases are being considered this budget year.

The budget is balanced and cash balances will be maintained in all operating funds in order to meet the reserve policy requirements.

City Assessed Property Values for 2017:

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 \$2,000,997 from \$137,790,155 in 2015 to \$139,791,152 in 2016. City property tax rates will remain the same for the Parks & Recreation Fund and the Public Health Fund as they were in last year's budget. The General Fund tax rate will be adjusted in compliance with the Missouri State Auditor's Office Pro Forma Calculation accepting the state-imposed revenue neutral formula.

City Property Tax Revenues for 2017:

Fund	Tax Rate Per \$100	Estimated Revenue
General	\$0.4364	\$634,400
Parks & Recreation	\$0.1000	\$146,337
Public Health	\$0.2000	\$292,674

City Sales Tax and Gross Receipts Tax for 2017:

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 2017 are expected to be down and trending down slightly, all related to lower natural gas prices and a fewer number of residents having a telephone land line. Lodging Sales Tax receipts are anticipated to be similar to last year's budget.

Insurance Rates for 2017:

Property and Liability Insurance renewal rates are estimated to increase by five percent (5%) over last year. Employee Health Insurance Rates are estimated to increase by twelve percent (12%) effective January 1, 2017. 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, 2017.

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 2017:

Staff levels will remain the same as the current budget year and no new full-time staff positions are being added. This budget 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 2017:

Charitable Agencies	Request	Budgeted
Mexico Senior Center, Inc.	\$17,000	\$14,000
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	\$5,000	\$5,000

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	\$95,000	\$89,900

Grant Funding:

The following grant funds have been incorporated into the 2017 Fiscal Year Budget:

➤ MoDOT STP – Lakeview/Morris	\$153,935
➤ MoDOT TAP – Sidewalk Accessibility	\$40,800
➤ MoDOT STP – Liberty Street	\$32,000
➤ MoDOT Bridge – Pollock Road	\$120,000

➤ DOT – Holt Street	\$480,000
➤ DOT – Airport Layout Plan	\$29,410
➤ DOT – Runway/Apron Improvements	<u>\$494,100</u>
Total	\$1,350,245

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 2017 equals \$5,441,944 and expenditures equal \$5,953,237. The estimated expenditures and interfund transfers are greater than revenues by \$511,293. This Budget transfers out of the General Fund \$39,000 to the Airport Fund and sets aside \$100,000 in project reserves for the General Fund. Qualifying capital expenditures in the General Fund include: \$200,000 for a roof replacement on the maintenance building, \$10,000 for a radar trailer, \$25,500 SCBA frames, \$9,000 for a cemetery block survey, \$7,000 cemetery fence, \$90,000 for an excavator, and \$50,000 for a dump truck; 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 2017 is estimated to be 44%.

Significant projects and/or programs that are included in the 2017 General Fund Budget:

➤ Public Safety:	
○ Radar Trailer	\$10,000
○ SCBA Frames	\$25,500
○ Officer Duty Belts	\$22,000
○ Fire Hose Testing Equipment	\$7,000
○ Patrol Vehicles	\$55,000
○ Rifle Firearm Upgrade	\$2,000
➤ Administration:	
○ PC Station Replacements	\$12,800

- Community Development:
 - Sidewalk Replacement Program \$7,500
 - Copy-Scan Equipment \$11,500

- Cemetery
 - Survey Ditch & Block Points \$9,000
 - Rear Discharge Mower \$9,000
 - Fence – South Property Line \$7,000
 - Asphalt Sealing Cemetery Roads \$10,400

- Streets & Maintenance:
 - Sweeper for Skid Loader \$5,000
 - Excavator \$90,000
 - Dump Truck (500 Series) \$50,000

- Building & Grounds:
 - City Hall – PSD Lobby Painting \$4,000
 - City Hall – Network Wiring \$10,000
 - City Hall – Video Security \$7,500
 - Maintenance Building – Roof \$200,000

General Fund transfers to other Funds include:

- Airport \$39,000

WASTEWATER FUND:

Budgeted revenues for Fiscal Year 2017 equal \$2,957,094 and operating expenditures equal \$2,680,011 plus an inter-fund transfer of \$775,678 to the Wastewater Debt Service Fund and a Project Reserve of \$80,000 for total expenditures of \$3,535,689.

Significant projects and/or programs that are included in the 2017 Wastewater Operating Fund Budget:

- Pickup Truck \$28,000
- Collection System Improvements \$40,000
- Collection System – Slip Lining \$200,000
- Building Improvements – Design Phase \$45,000
- Building Improvements – UV Covers \$15,000
- Equipment Replacements – Lift Station(s) \$25,000
- Lift Station Improvements – Drives & Alarms \$35,000
- Sludge Truck Repair \$20,000

➤ Plant Driveway Overlay	\$13,500
➤ Engineering Design/Maps/Surveys	\$30,000
➤ Aeration System Blowers	\$500,000
➤ N. Clark Lift Station – Replacement	\$70,000

The ending fund balance goal by policy for the Wastewater Fund is 25%; however, the ending fund balance for 2017 is estimated to be 84%. The ending balance provides for ninety (90) days of operating cash reserves, required reserves for facilities restoration and replacement, funds for upcoming bond payments and future capital improvements. This budget includes \$1,021,500 in planned capital improvement projects for this fiscal year.

This budget reflects a 3% adjustment in wastewater rates effective with the October 2016 billing to meet operating expenses, capital improvements and debt service obligations. The revenues received from the charges for wastewater are below projections because overall water consumption by the community is down. The rate adjustment for this year is what was originally forecasted within the wastewater rate study performed in 2009. However, the overall wastewater rate is still lower than what was projected in the 2009 study because prior years rate increase were less than projected and due to implementing a pay-as-you-go program for improvements versus borrowing money and paying interest.

Wastewater inflow and infiltration studies have shown large amounts of stormwater entering the wastewater collection system via private sewer line defects. Therefore, \$50,000 has been transferred to the Wastewater Private Line Repair Program Fund to assist home owners with line repairs.

SANITATION FUND:

Revenues received for the sanitation/garbage utility bills are deposited into this fund. The expenses for the contracted residential refuse collection services, spring and fall clean ups, drop-off recycling, and household hazardous waste disposal are paid out of this fund. The expenses for running the forestry and yard waste disposal operations are split between the General Fund and the Sanitation Fund.

Budgeted revenues for Fiscal Year 2017 equal \$582,560 and expenditures for operation equal \$575,989 plus a project reserve for the equipment replacement in the amount of \$14,000 for total expenditures of \$589,989. The ending fund balance goal by policy for the Sanitation Fund is 25%; however, the ending fund balance for 2017 is estimated to be 33%.

This budget anticipates a 1.5% adjustment in sanitation rates effective with the April 2017 billing to meet operating expenses and increases in the contract for residential refuse collection service.

ECONOMIC DEVELOPMENT FUND:

Lease revenue received from the City owned industrial speculative buildings are deposited 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 2017 equal \$201,230 and expenditures equal \$264,535. The single largest expense from this fund is the debt payment for the city owned spec building on Christopher Drive, which is currently leased to Home Depot. The expenses for job creation, retention, industry recruitment and economic development planning is paid from this fund. 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 \$75,000 has been budgeted this fiscal year 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 2017 is estimated to be \$314,246, which does exceed the fund balance policy minimum goal. The remaining principal balance owed on the Christopher Drive building at the beginning of this fiscal year is approximately \$523,753.

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 2017 equals \$1,142,212 and expenditures equal \$1,537,573. The Parks and Recreation budget reflects a reduction in the cash balance by \$395,361 due to current year carryover of capital projects, equipment purchases and planned capital projects.

The City Pool is over 30 years old and is reaching the end need of its intended life cycle. The pool required major mechanical repairs in 2014 before it could be reopened for the 2015 season. Therefore, City Council and Staff have begun a planning process

for a major renovation or replacement of the City's pool facility. This budget allocates \$35,000 for Phase I of the pool planning process to include design consultant selection, concept design, cost estimates and a public input process.

This Budget also includes a Parks Trail Master Plan, a City Tree Inventory and a Pickle Ball Court; all of which will be funded by grants or donations.

The ending fund balance goal by policy for the Parks and Recreation Fund is to be 25% and the ending fund balance for 2017 is estimated to be at 24%.

Significant projects and/or programs are included in the 2017 Parks and Recreation Fund Budget:

➤ Stump Grinder for Skid Steer	\$5,500
➤ Pickle Ball Courts	\$45,000
➤ 1-ton Pickup Truck	\$34,500
➤ Skate Park Equipment	\$52,000
➤ R.S. Green Park – Restroom	\$55,000
➤ Garfield Park – Basketball Court Surface	\$17,000
➤ Fairgrounds Park – Shelter	\$107,000
➤ Fairgrounds Park – Basketball Court Surface	\$12,000
➤ Picnic Tables	\$9,500
➤ AP Green Park – Culverts Phase 2	\$30,000
➤ Restroom – Tanks & Pumps	\$7,200
➤ Playground Equipment - Lakeview	\$80,000
➤ Playground Equipment – NE Park	\$12,000
➤ Swimming Facility – Design Plan	\$35,000

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 2017 equals \$324,674 and expenditures equal \$402,292. 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 2017 is estimated to be at 35%.

AIRPORT FUND:

Revenue for this fund is reliant on interfund transfers from the General Fund and Capital Improvement Sales Tax 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 2017 equal \$618,810 and expenditures equal \$601,612. The capital expenditures in this fund are the ongoing update of the Airport Layout Plan and a runway/apron paving project, both of which are funded ninety percent (90%) funded by a DOT Grant. The total estimated grant income this budget year for these two projects is estimated at \$523,510.

A \$39,000 transfer from the General Fund and a \$30,000 transfer from the Capital Improvement Sales Tax Fund is being made to support operations and as a grant match.

The ending fund balance is projected to be at \$97,322; which is above the 17% minimum ending fund balance policy.

CAPITAL IMPROVEMENT SALES TAX (C.I.S.T.) FUND:

Revenue for this fund 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 \$832,600 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 10%, which is at the 10% ending fund balance policy goal.

Projects and programs included in the Capital Improvement Sales Tax Fund:

- | | |
|---------------------------------------|-----------|
| ➤ Downtown Street Lights | \$100,000 |
| ➤ Asphalt Overlays | \$300,000 |
| ➤ Drainage Improvement – S. Jefferson | \$50,000 |

➤ Stormwater Improvements	\$20,000
➤ Curb and Concrete Replacements	\$60,000
➤ Engineering Study – Master Street Plan	\$6,000
➤ Project Reserve	\$20,000
➤ Transfers to other Funds	
○ General Fund	\$350,400
○ Capital Project Fund	\$120,000
○ Airport Fund	\$30,000
○ MoDOT Grant Match	\$75,000
○ MoDOT Bridge Project	\$120,000

ACKNOWLEDGEMENTS:

The preparation of this 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. I sincerely hope this budget will be well received by the City Council and the Citizens of Mexico.

Respectfully Submitted,

Bruce R. Slagle
City Manager

CITY OF MEXICO, MISSOURI
OFFICE OF PUBLIC WORKS DIRECTOR/CITY ENGINEER

Agenda: September 12, 2016

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Sign a Task Order with Bartlett & West, Inc. for the Purpose of Evaluating Sewer Concerns

Dear City Council Members:

Task Order No. 4 was negotiated under the on-call engineering contract with Bartlett & West, Inc. dated January 26, 2016. Task Order No. 4 is issued for the purpose of evaluating sewer concerns in the Providence Street area depicted in Exhibit A. The services contained in this Task Order shall be performed at an hourly rate not to exceed the fee of \$77,612 and shall be completed by December 23, 2016.

Staff recommends Council proceed with reading and passage of the attached Resolution authorizing the City Manager to sign a Task Order with Bartlett & West, Inc. for the purpose of evaluating sewer concerns.

Respectfully submitted,

J. Kensey Russell, PE. LS.
Public Works Director/City Engineer

JKR/JDP
Attachments

Reviewed By: Bruce R. Slagle, City Manager

BILL NO. 2016 – 57

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A TASK ORDER WITH BARTLETT & WEST, INC. FOR THE PURPOSE OF EVALUATING SEWER CONCERNS.

WHEREAS, the City Council recognizes the need to evaluate the sewer concerns in the Providence Street area depicted in Exhibit A to the task order; and

WHEREAS, it was determined that the Task Order from Bartlett & West, Inc. in the amount of \$77,612 to prepare the plans was an acceptable amount.

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

- Section 1. The City Manager is hereby authorized to execute, on behalf of the City of Mexico, a Task Order with Bartlett & West, Inc. for the purpose of investigating and evaluating sewer concerns,
- Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 12TH DAY OF SEPTEMBER 2016

MAYOR

ATTEST:

CITY CLERK

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

Agenda: September 12, 2016

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Sign a
Hangar Lease with David Taylor

Dear City Council Members:

The attached Resolution would authorize the City Manager to sign a Hangar Lease between the City of Mexico and David Taylor.

A list of persons interested in renting airport hangars at the Mexico Memorial Airport is maintained in the City Manager's Office and is posted at the Mexico Memorial Airport. Hangar seven (7) has been vacated and the placement on the hangar list allows David Taylor the opportunity to accept a hangar. The Lease will be for a term of one year automatically renewable at the end of the first year with the hangar rent being \$90 per month.

The Mexico Airport Advisory Board met on April 4, 2011 and recommended that Council authorize the City Manager to sign a Hangar Lease with potential renters as the hangars become available to those expressing an interest per the posted hangar list.

Staff recommends that Council proceed with reading and passage of the attached Resolution authorizing the City Manager to sign a Hangar Lease with David Taylor.

Respectfully submitted,

Russell Runge
Assistant City Manager/Economic Development

Attachments

Reviewed by: Bruce R. Slagle, City Manager

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A
HANGAR LEASE WITH DAVID TAYLOR**

WHEREAS, the Mexico Memorial Airport currently has one hangar available for rent;
and

WHEREAS, a list of persons interested in renting airport hangars is maintained in the
City Manager’s Office and the placement on the hangar list allows David Taylor the opportunity
to accept a hangar.

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 Hangar Lease
on behalf of the City of Mexico with David Taylor.

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

PASSED THIS 12TH DAY OF SEPTEMBER 2016

MAYOR

ATTEST:

CITY CLERK

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

Agenda: September 12, 2016

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Sign a
Hangar Lease with Holly Licata

Dear City Council Members:

The attached Resolution would authorize the City Manager to sign a Hangar Lease between the City of Mexico and Holly Licata.

A list of persons interested in renting airport hangars at the Mexico Memorial Airport is maintained in the City Manager's Office and is posted at the Mexico Memorial Airport. Hangar ten (10) has been vacated and the placement on the hangar list allows Holly Licata the opportunity to accept a hangar. The Lease will be for a term of one year automatically renewable at the end of the first year with the hangar rent being \$90 per month.

The Mexico Airport Advisory Board met on April 4, 2011 and recommended that Council authorize the City Manager to sign a Hangar Lease with potential renters as the hangars become available to those expressing an interest per the posted hangar list.

Staff recommends that Council proceed with reading and passage of the attached Resolution authorizing the City Manager to sign a Hangar Lease with Holly Licata.

Respectfully submitted,

Russell Runge
Assistant City Manager/Economic Development

Attachments

Reviewed by: Bruce R. Slagle, City Manager

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A
HANGAR LEASE WITH HOLLY LICATA**

WHEREAS, the Mexico Memorial Airport currently has one hangar available for rent;
and

WHEREAS, a list of persons interested in renting airport hangars is maintained in the City Manager’s Office and the placement on the hangar list allows Holly Licata the opportunity to accept a hangar.

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 Hangar Lease on behalf of the City of Mexico with Holly Licata.
- Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 12TH DAY OF SEPTEMBER 2016

MAYOR

ATTEST:

CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: September 12, 2016

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Approving the 2016 – 2017 Operating and
Capital Budget.

Dear City Council Members:

The Public Hearing regarding the attached Ordinance was held earlier this evening. As Council is aware, Staff has submitted the Operating and Capital Budget for 2016 – 2017 for approval.

Staff recommends that Council proceed with first reading by title only approving the 2016 – 2017 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, 2015 TO SEPTEMBER 30, 2016, INCLUSIVE, AND ADOPTING THE BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2016 TO SEPTEMBER 30, 2017, 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

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, 2015 to September 30, 2016, 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, 2016 to September 30, 2017, 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. Approve the City Manager's recommended revisions to the Uniform and Equitable Pay Plan associated with the City's exempt and non-exempt employment positions and the pay range classification system.
- Section 6. 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, 2016, be and the same are hereby canceled on September 30, 2016, and the City Manager is directed to transfer all fund balances to the General Fund for the use of General Fund expenditures.
- Section 7. This Ordinance shall be in full force and effect from the time of its passage.

PASSED THIS _____ DAY OF SEPTEMBER 2016

MAYOR

ATTEST:

CITY CLERK

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

Agenda: September 12, 2016

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Authorizing The City Of Mexico, Missouri To Issue Its Taxable Industrial Revenue Bonds (Soft Surroundings Project), Series 2016, In A Principal Amount Not To Exceed \$12,500,000 For The Purpose Of Providing Funds To Pay The Costs Of Acquiring And Constructing A Facility For An Industrial Development Project In The City; Approving A Plan For The Project; And Authorizing The City To Enter Into Certain Agreements And Take Certain Other Actions In Connection With The Issuance Of The Bonds

Dear City Council Members:

Council approved the issuance of taxable industrial development revenue bonds to finance a project for Triad Catalog Co., LLC D/B/A Soft surroundings at the July 25, 2016 council meeting.

Triad Catalog Co., LLC d/b/a Soft Surroundings requested that the City issue its industrial development revenue bonds. The Bonds would be for a principal amount of approximately \$12,500,000 to provide funds to pay the costs of constructing an approximately 300,000 square-foot distribution center in the City.

The Bonds will be limited obligations payable solely out of payments, revenues and receipts derived from the lease of the Project by the City to Metromex, LLC, which will sublease the building to Soft Surroundings. The City will finance the costs of the project from the proceeds of the Bonds.

Staff has determined that it is necessary and desirable that the City enter into certain documents and that Council take certain other actions and approve the execution of certain other documents as provided. As required by State law, all taxing jurisdictions have been notified of the proposed project.

Staff recommends that Council proceed with two readings by title only and passage of the attached Ordinance authorizing the issuance of the Industrial Development Revenue Bonds, Series 2016, Metromex, LLC (Soft Surroundings Project). The Ordinance has been posted the required length of time.

Respectfully submitted,

Russell Runge
Assistant City Manager/Economic Development

Attachments

Reviewed by: Bruce R. Slagle, City Manager

AN ORDINANCE AUTHORIZING THE CITY OF MEXICO, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS (SOFT SURROUNDINGS PROJECT), SERIES 2016, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$12,500,000 FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF ACQUIRING AND CONSTRUCTING A FACILITY FOR AN INDUSTRIAL DEVELOPMENT PROJECT IN THE CITY; APPROVING A PLAN FOR THE PROJECT; AND AUTHORIZING THE CITY TO ENTER INTO CERTAIN AGREEMENTS AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the City of Mexico, Missouri, a third-class city and political subdivision of the State of Missouri (the “City”), is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “Act”), to purchase, construct, improve and equip certain projects (as defined in the Act), to issue industrial revenue bonds for the purpose of providing funds to pay the costs of such projects, and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, office industry, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable; and

WHEREAS, Triad Catalog Co., LLC d/b/a Soft Surroundings, a Missouri limited liability company (“Soft Surroundings”), and Metromex, L.L.C., a Missouri limited liability company (“Metromex” and, together with Soft Surroundings, the “Companies”) have requested that the City issue its Taxable Industrial Revenue Bonds (Soft Surroundings Project), Series 2016, in the maximum principal amount of \$12,500,000 (the “Bonds”), for the purpose of constructing an approximately 300,000 square foot facility (the “Project Improvements”) on certain real property owned by Metromex located at 5701 E. Liberty Street in the City (the “Project Site”); and

WHEREAS, the Act requires the City to prepare a plan in connection with any industrial development project undertaken pursuant to the Act; and

WHEREAS, a Plan for an Industrial Development Project and Cost/Benefit Analysis (the “Plan”) has been prepared in the form of **Exhibit A** attached hereto; and

WHEREAS, notice of the City’s consideration of the Plan has been given in the manner required by the Act, and the City Council has fairly and duly considered all comments submitted to the City Council regarding the proposed Plan; and

WHEREAS, the City Council hereby finds and determines that it is desirable for the improvement of the economic welfare and development of the City and within the public purposes of the Act that the City: (1) approve the Plan pursuant to the Act; (2) acquire a leasehold interest in the Project Site, as further described in the Ground Lease (defined herein); (3) issue the Bonds to finance the costs of constructing the Project Improvements from the proceeds of the Bonds, subject to certain terms and condition set forth in this Ordinance; (4) lease the Project Site and the Project Improvements (collectively, the “Project”) to Metromex, which will sublease the Project to Soft Surroundings; and (5) enter into a Performance Agreement with the Companies, under which the Companies will make certain payments to the City in consideration of the City issuing the Bonds; and

WHEREAS, the City Council further finds and determines that it is necessary and desirable in connection with the issuance of the Bonds that the City enter into certain documents, and that the City take certain other actions and approve the execution of certain other documents as herein provided;

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

Section 1. Approval of the Plan. The City Council hereby approves the Plan attached as **Exhibit A** hereto.

Section 2. Authorization for the Project. The City is hereby authorized to provide for the purchase, construction, improvement and installation of the Project Improvements, in the manner and as more particularly described in the Indenture and the Lease Agreement hereinafter authorized.

Section 3. Authorization of the Bonds. The City is hereby authorized to issue and sell the Bonds as described in the recitals hereto for the purpose of providing funds to pay the costs of the Project. The Bonds shall be issued and secured pursuant to the Indenture described below and shall have such terms, provisions, covenants and agreements as are set forth in the Indenture.

Section 4. Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the City, payable solely out of certain payments, revenues and receipts derived by the City from the Lease Agreement described below. Such payments, revenues and receipts shall be pledged and assigned to the bond trustee named therein (the "Trustee") as security for the payment of the Bonds as provided in the Indenture. The Bonds and the interest thereon shall not constitute general obligations of the City, the State of Missouri (the "State") or any political subdivision thereof, and neither the City nor the State shall be liable thereon. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and are not payable in any manner by taxation.

Section 5. Authorization of Documents. The City is hereby authorized to enter into the following documents (the "City Documents"), in substantially the forms presented to and approved by the City Council and attached to this Ordinance, with such changes therein as shall be approved by the officials of the City executing the documents, such officials' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture (the "Indenture") between the City and the Trustee, in substantially the form attached hereto as **Exhibit B**, pursuant to which the Bonds will be issued and the City will pledge the Project and assign certain of the payments, revenues and receipts received pursuant to the Lease Agreement to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Indenture.

(b) Ground Lease (the "Ground Lease") between the City and Metromex, in substantially the form attached hereto as **Exhibit C**, under which the City will acquire a leasehold interest in the Project Site, in consideration of the City's agreement to issue the Bonds.

(c) Lease Agreement (the "Lease Agreement") between the City and Metromex, in substantially the form attached hereto as **Exhibit D**, under which the City will lease the Project to Metromex pursuant to the terms and conditions in the Lease Agreement, in consideration of rental payments by Metromex that will be sufficient to pay the principal of and interest on the Bonds.

(d) Bond Purchase Agreement between the City and Metromex, in substantially the form attached hereto as **Exhibit E**.

(e) Performance Agreement among the City and the Companies, in substantially the form attached hereto as **Exhibit F**.

(f) Special Warranty Deed from the City to Metro Soft, L.L.C., in substantially the form attached hereto as **Exhibit G**.

Section 6. Execution of Documents. The Mayor is hereby authorized to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor is hereby authorized to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk is hereby authorized to attest to and affix the seal of the City to the Bonds and the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 7. Further Authority. The City shall, and the officials, agents and employees of the City are hereby authorized to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents. The Mayor is hereby authorized, through the term of the Lease Agreement, to execute all documents on behalf of the City (including documents pertaining to the transfer of property or the financing of the Project by the Companies or the pledge of the Companies' interests in the Bonds and the City Documents) as may be required to carry out and comply with the intent of this Ordinance, the Indenture and the Lease Agreement. The Mayor is also authorized, unless otherwise expressly provided herein to the contrary, to grant on behalf of the City such consents, estoppels and waivers relating to the Bonds, the Indenture, the Ground Lease, the Lease Agreement or the Performance Agreement, including extensions of the Completion Date, as may be requested during the term thereof; provided, such consents, estoppels and/or waivers shall not increase the principal amount of the Bonds, increase the term of the Lease Agreement or adversely affect the tax exemption as provided for therein, waive an Event of Default, or materially change the nature of the transaction unless approved by an ordinance of the City Council.

Section 8. Savings. Except as expressly set forth herein, nothing contained in this Ordinance shall in any manner be deemed or construed to alter, modify, supersede, supplant or otherwise nullify any other Ordinance of the City or the requirements thereof whether or not relating to or in manner connected with the subject matter hereof.

Section 9. Severability. If any term, condition, or provision of this Ordinance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective and each and every remaining provision hereof shall be valid and shall be enforced to the fullest extent permitted by law, it being the intent of the City Council that it would have enacted this Ordinance without the invalid or unenforceable provisions. In the event of a subsequent change in applicable law so that the provision which had been held invalid is no longer valid, said provision shall thereupon return to full force and effect without further action by the City and shall thereafter be binding.

Section 10. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the City Council and approval by the Mayor.

PASSED by the City Council of Mexico, Missouri, and **APPROVED** by the Mayor, this 12th day of September, 2016.

(SEAL)

Greg Miller, Mayor

Attest: _____
Marcy LeCount, City Clerk

CITY OF MEXICO, MISSOURI
DEPARTMENT OF COMMUNITY DEVELOPMENT

Agenda: September 12, 2016

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Approving the Final Plat of
Brian Welch Subdivision to the City of Mexico,
Missouri

Dear City Council Members:

This agenda item concerns a request for Final Approval of Brian Welch Subdivision submitted by Sandra Kaye Totten. Brian Welch Subdivision divides one (1) existing lot on Onie Street into two (2) lots. This tract of land is located in Rivers Addition which is bounded by Highway 54 East to the North, Rivers Drive to the South, Sannebeck Drive to the West and Christopher Road to the East. An administrative plat is attached.

Per the Mexico City Code Sec. 11-50(b) Tracts of less than one (1) acre., "If the owner of a parcel of land containing less than one (1) acre desires to subdivide it, and if all lots of such parcel would then abut and face on an established and approved street or streets for which no dedication of right-of-way is necessary to make such street conform to the major street plan of the city, the owner may subdivide such parcel".

The plat qualifies under the provision cited as an administrative plat that goes directly to the City Council. Staff has reviewed the proposed plat for City compliance and it meets all requirements as to sizes and arrangements of lots.

Mr. Welch has plans to construct two (2) new single family dwellings on the lots.

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

Respectfully submitted,

Rita Jackson
Community Development Director

RJ
Attachments

Reviewed by: Bruce R. Slagle, City Manager

**AN ORDINANCE APPROVING THE FINAL PLAT OF BRIAN WELCH
SUBDIVISION TO THE CITY OF MEXICO, MISSOURI**

WHEREAS Sandra Kaye Totten proposes to subdivide certain land in the City of Mexico, Missouri and has submitted to the City Manager a plat of the proposed subdivision. The name of the subdivision will be “Brian Welch Subdivision; and

WHEREAS, the owners, by the plat and their dedication deed endorsed thereon, proposes to offer to the City perpetual easements in the land, as shown on the plat, for the construction and maintenance of utilities by the City and appropriate utility companies; and

WHEREAS, City Council has examined the plat and accepts the recommendation of the City Staff concerning the plat.

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

Section 1. The plat of the proposed Brian Welch Subdivision is hereby approved. The land dedicated by the owner to use as perpetual easements is hereby accepted by the City, and the City Clerk is directed to endorse on said plat the officer’s proper certification of this approval.

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

PASSED THIS 12TH DAY OF SEPTEMBER 2016

MAYOR

ATTEST:

CITY CLERK

AUGUST 11, 2016

ADMINISTRATIVE REPLAT

BRIAN WELCH SUBDIVISION

A RE-PLAT OF PART OF SURVEY #3024 AND THE NORTH 12' OF LOT 14, RIVERS SUBDIVISION NORTHWEST 1/4 SECTION 32-51-8

LEGEND

- DRILL HOLE IN CONCRETE
- EXISTING IRON BAR
- IRON PIPE SET THIS PLAT UNLESS DENOTED AS EXISTING (E)
- FENCE LINE
- ⊥ UTILITY POLE

SURVEYOR'S NOTES:

THE SUBJECT TRACT HAS BEEN DESCRIBED AS SHOWN BY THE DEED RECORDED AT 2010 DR 000515 TOGETHER WITH AN ADJOINING SURVEY AND A DEED DEDICATION FOR ONIE STREET.

ONIE STREET HAS UNDERGONE IMPROVEMENTS WITH CURB AND GUTTER AS DEPICTED. THE EXTENSION OF ONIE THROUGH RIVERS SUBDIVISION APPEARS TO CONTAIN ONLY PRIVATE IMPROVEMENTS AND WAS REPORTEDLY VACATED AT SOME TIME IN THE PAST, BUT NO DOCUMENTATION OR DEED REFERENCE WAS FOUND TO SUPPORT THAT CLAIM.

A VARIANCE HAS BEEN GRANTED FOR DIMINISHED BACK YARD SETBACK DISTANCE FOR THIS PROPERTY.

LOT 2 AS CREATED HEREON INCLUDES THE NORTH 12' OF LOT 14, RIVERS SUBDIVISION TO MEET MINIMUM SQUARE FOOTAGE REQUIRED FOR A RESIDENTIAL LOT, WHILE LEAVING SUFFICIENT AREA WITH LOT 14 AS WELL.

A PORTABLE STORAGE SHED, NOT SHOWN HEREON, CURRENTLY STRADDLES THE SOUTH LINE OF LOT 2 AS CREATED, BUT BOTH SIDES OF THIS NEWLY CREATED LOT LINE ARE UNDER THE SAME OWNERSHIP AND ARE INTENDED TO REMAIN SO AFTER THIS PLAT.

SURVEYOR'S CERTIFICATE

THE RESULTS OF THE SURVEY OF THIS URBAN PROPERTY, MADE AT THE REQUEST OF BRIAN WELCH, AND EXECUTED IN ACCORDANCE WITH THE CURRENT MISSOURI MINIMUM STANDARDS FOR PROPERTY BOUNDARY SURVEYS, ARE SHOWN ON THIS PLAT.

I COMPLETED THE SURVEY THE LAND THAT CONSTITUTES BRIAN WELCH SUBDIVISION ON THE 1ST DAY OF SEPTEMBER, 2016; AND TO THE BEST OF MY KNOWLEDGE SAID SURVEY WAS ACCURATELY MADE AND IS CORRECTLY REPRESENTED BY THIS PLAT; THE LOCATIONS OF ALL MONUMENTS SHOWN ON THIS PLAT ARE CORRECTLY SHOWN; AND A TRUE DESCRIPTION OF THE BOUNDARIES OF THIS SUBDIVISION ARE GIVEN HEREON.

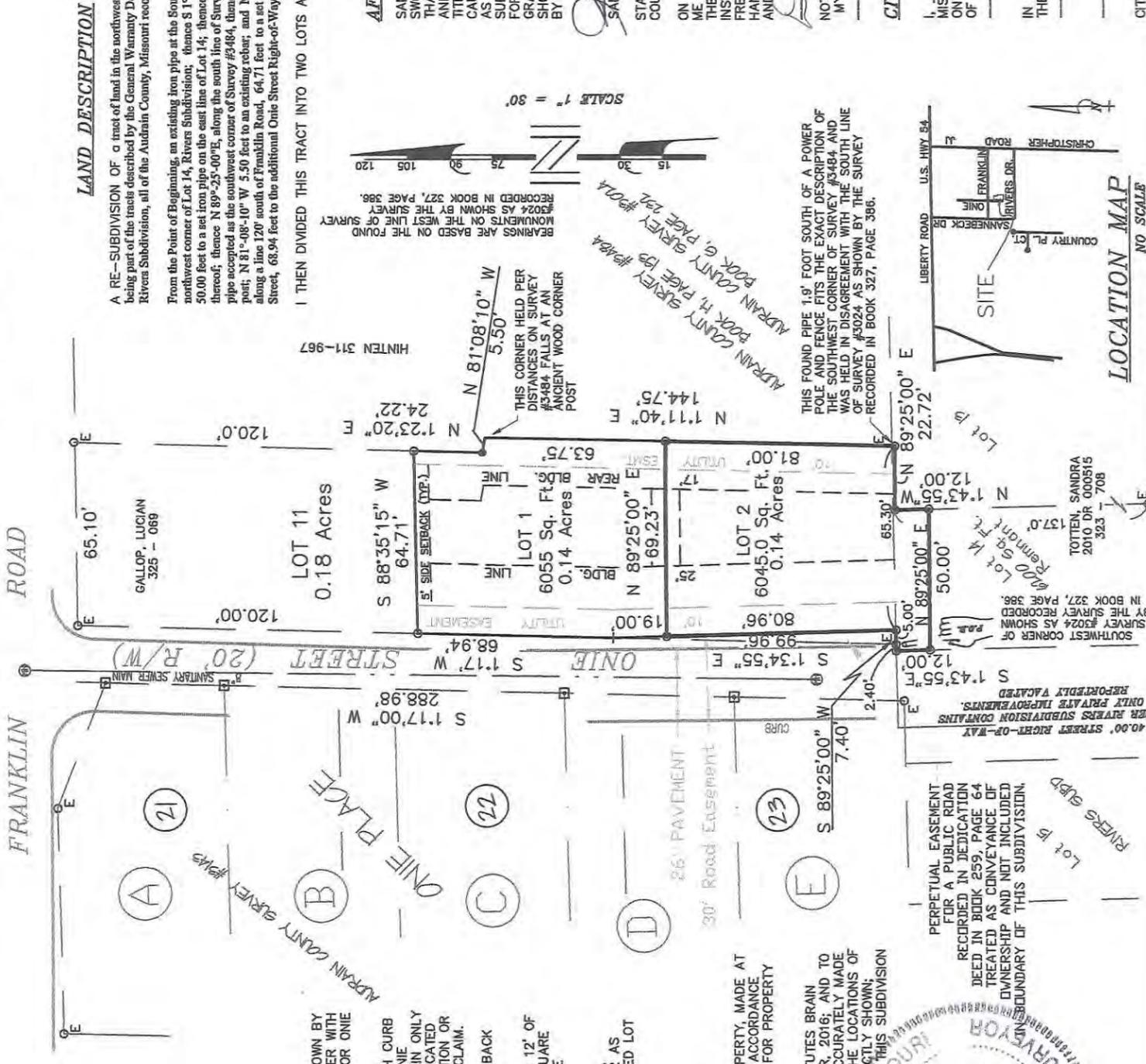
NATHANAEEL
SURVEYS & DESIGNS

NATHANAEEL E. KOHL
LAND SURVEYOR

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160604

Scale 1"=30'



LAND DESCRIPTION

A RE-SUBDIVISION OF a tract of land in the northwest 1/4 of Section 32, Township 51 North, Range 8 West, Mexico, Audrain County, Missouri, being part of the tracts described by the General Warranty Deed recorded in 2010DR000515; also being part of Survey #3024 and the north 12 feet of Lot 14, Rivers Subdivision, all of the Audrain County, Missouri records, and being more particularly described as follows:

From the Point of Beginning, an existing iron pipe at the Southwest Corner of Survey #3024, thence S 89°-25'-00" W, 2.40 feet to a set iron pipe at the northwest corner of Lot 14, Rivers Subdivision; thence S 1°-43'-55" E, along the west line of Lot 14, 12.00 feet to a set iron pipe; thence N 89°-25'-00" E, 50.00 feet to a set iron pipe on the east line of Lot 14, 12.00 feet to a set iron pipe at the northeast corner thereof; thence N 89°-25'-00" E, along the south line of Survey #3024, also being the north line of Lot 13, Rivers Subdivision, 22.72 feet to an existing iron pipe accepted as the southwest corner of Survey #3484; thence following the lines of Survey #3484: N 1°-11'-40" E, 144.75 feet to an existing fence corner point; N 81°-08'-10" W, 5.50 feet to an existing rebar; and N 1°-23'-20" E, 24.22 feet to a set iron pipe 120' south of Franklin Road; thence S 88°-35'-15" W, along a line 120' south of Franklin Road, 64.71 feet to a set iron pipe on the east Right-of-Way line of Onie Street; thence S 1°-17'-00" W, along Onie Street, 68.94 feet to the additional Onie Street Right-of-Way; thence S 1°-34'-55" E, 99.96 feet to the Point of Beginning and containing 0.28 acres.

I THEN DIVIDED THIS TRACT INTO TWO LOTS AS SHOWN HEREON.

AFFIDAVIT OF OWNERSHIP & DEDICATION DEED

SANDRA KAYE TOTTEN, OF LAWFUL AGE AND FIRST HAVING BEEN DULY SWORN, STATE THAT SHE IS THE OWNER OF THE ABOVE DESCRIBED TRACT; THAT TO THE AFFIANT'S BEST KNOWLEDGE AND BELIEF, NO OTHER PERSON AND NO CORPORATE BODY OR PUBLIC AGENCY HAS ANY RIGHT, OR ANY TITLE IF MORTGAGE INTEREST, IN SAID LAND; AND THAT OWNER HAS CAUSED SAID TRACT OF LAND TO BE SURVEYED AND DIVIDED INTO LOTS AS SHOWN ON THIS PLAT, THE NAME OF SAID TRACT TO BE BRIAN WELCH SUBDIVISION AND SAID OWNER HEREBY DEDICATES TO PUBLIC USE FOREVER, AS STREETS, THE AREA SHOWN AS SUCH ON SAID PLAT AND GRANTS THE CITY OF MEXICO PERPETUAL EASEMENTS IN SAID LAND, AS SHOWN ON SAID PLAT FOR CONSTRUCTION AND MAINTENANCE OF UTILITIES BY SAID CITY AND APPROPRIATE UTILITY COMPANIES.

Sandra Kaye Totten
SANDRA KAYE TOTTEN
STATE OF Missouri
COUNTY OF Audrain

ON THIS 8th DAY OF Sept. 2016, BEFORE ME, APPEARED SANDRA KAYE TOTTEN, TO ME PERSONALLY KNOWN TO BE THE PERSON DESCRIBED HEREIN AND WHO EXECUTED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED THAT SHE EXECUTED THE SAME AS HER FREE ACT AND DEED. IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED MY OFFICIAL SEAL AT MY OFFICE IN SAID COUNTY AND STATE, THE DAY AND YEAR FIRST ABOVE WRITTEN.

DOLORES M. JESSE
Notary Public - Notary Seal
STATE OF MISSOURI
Audrain County
My Commission Expires 8/13/2017
My Commission #13552089

CITY CLERK'S CERTIFICATE

CITY CLERK OF THE CITY OF MEXICO,
MISSOURI, CERTIFY THAT BRIAN WELCH SUBDIVISION PLAT ON THE PAPER ON WHICH THIS CERTIFICATE IS INSCRIBED WAS EXAMINED BY THE COUNCIL OF SAID CITY AND THEREAFTER WAS APPROVED BY ORDINANCE NO. _____ ON THE _____ DAY OF _____, 2016.

IN WITNESS WHEREOF, I SUBSCRIBE THIS CERTIFICATE AND AFFIX THERETO THE OFFICIAL SEAL OF THE CITY ON THE _____ DAY OF _____, 2016.

CITY CLERK

160612

LOCATION MAP

NO SCALE

