

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



**September 26, 2016
7:00 p.m.**

1. Call to Order

2. Roll Call

3. Approval of Minutes

A. September 12, 2016 – Regular Session

4. Public Hearing

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

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

6. New Business – Resolution (Reading and Passage)

A. Bill No. 2016 – 63. A Resolution Authorizing the City Manager to Execute Agreements with Various Organizations for Requested Funding from the Mexico Tourism Tax. Reading and Passage.

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

A. Bill No. 2016 – 64. 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.

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 12, 2016**

The Council of the City of Mexico, Missouri met in regular session on September 12, 2016 at 7:00 p.m. in the Council Chambers of City Hall, with the following members present: Mayor Greg Miller; Chairman Pro Tem Williams; Councilman Ron Loesch; Councilman Steve Nichols; 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.

The Meeting was called to order with Mayor Miller presiding.

APPROVAL OF MINUTES – AUGUST 22, 2016 – WORK SESSION

Councilman Loesch moved for approval of the August 22, 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, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. The Minutes were approved as presented.

APPROVAL OF MINUTES – AUGUST 22, 2016 – REGULAR SESSION

Councilman Loesch moved for approval of the August 22, 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, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. The Minutes were approved as presented.

PUBLIC HEARING – 2016 – 2017 OPERATING AND CAPITAL BUDGET

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

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

City Manager Slagle stated that 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. City Manager Slagle stated that 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 and 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 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.

The City’s 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. 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. The City continues 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:

<u>Charitable Agencies</u>	<u>Budgeted</u>
Mexico Senior Center, Inc.	\$14,000
Audrain County Historical Society	\$4,900
Miss Missouri Scholarship Pageant	\$10,000
Help Center	\$10,000
Optimist Youth Sports	\$5,000
<u>Contract Agencies</u>	<u>Budgeted</u>
Handi-Shop (Recycling Program)	\$18,000
Mexico Chamber of Commerce (Marketing)	\$13,000
Presser Hall (Community Theater)	\$10,000
Mexico Chamber of Commerce (ED Activities)	\$5,000
Totals	\$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%. City Manager Slagle provided information to Council Members on significant projects and/or programs in the 2017 General Fund Budget.

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. City Manager Slagle provided information to Council Members on significant projects and/or programs in the Wastewater Operating Fund Budget. 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%. City Manager Slagle provided information to Council Members on significant projects and/or programs in the Parks and Recreation Fund Budget.

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. City Manager Slagle provided information to Council Members on significant projects and/or programs in the Capital Improvement Sales Tax Fund.

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. City Manager Slagle gave special thanks and acknowledged 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.

Public Comments

None

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

RESOLUTIONS (READING AND PASSAGE)

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.

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

Director Russell stated that Task Order No. 4 was negotiated under the on-call engineering contract with Bartlett & West, Inc. Task Order No. 4 is issued for the purpose of evaluating sewer concerns in the Providence Street area. Director Russell provided a map of the area to City Council. 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. Director Russell recommended Council proceed with reading and passage of Bill No. 2016 – 57.

Chairman Pro Tem Williams commented on Task Order No. 4 and other sewer/wastewater concerns in the community. Director Russell provided information regarding Task Order No. 4 and other sewer concerns in the community.

Councilman Loesch moved for reading of Bill No. 2016 – 57. 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, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. Bill No. 2016 – 57 was read in its entirety by Councilman Loesch.

Councilman Loesch moved for passage of Bill No. 2016 – 57. 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, G. Miller, Nichols, C. Miller, Loesch. Nays, Williams. Bill No. 2016 – 57 was passed as Resolution 3788.

Bill No. 2016 – 58. A Resolution Authorizing the City Manager to Sign a Hangar Lease with David Taylor.

City Manager Slagle stated that this was the first of two Resolutions addressing a Hangar Lease and called upon Assistant City Manager Runge to provide the report.

Assistant City Manager Runge stated that there are two hangars available for rental at the airport and that Bill No. 2016 – 58 and Bill No. 2016 – 59 authorizes the City Manager to sign a Hangar Lease between the City of Mexico and David Taylor 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 seven (7) had been vacated and the placement on the hangar list

allows David Taylor the opportunity to accept a hangar. Hangar ten (10) had been vacated and the placement on the hangar list allows Holly Licata the opportunity to accept a hangar. Each 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. Assistant City Manager recommended Council proceed with reading and passage of Bill No. 2016 – 58 and Bill No. 2016 – 59.

Chairman Pro Tem Williams moved for reading of Bill No. 2016 – 58. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. Bill No. 2016 – 58 was read in its entirety by Chairman Pro Tem Williams.

Chairman Pro Tem Williams moved for passage of Bill No. 2016 – 58. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. Bill No. 2016 – 58 was passed as Resolution 3789.

Bill No. 2016 – 59. A Resolution Authorizing the City Manager to Sign a Hangar Lease with Holly Licata.

Councilman Nichols moved for reading of Bill No. 2016 – 59. 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, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. Bill No. 2016 – 59 was read in its entirety by Councilman Nichols.

Chairman Nichols moved for passage of Bill No. 2016 – 59. 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, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. Bill No. 2016 – 59 was passed as Resolution 3790.

ORDINANCE (FIRST READING BY TITLE ONLY)

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.

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

City Manager Slagle stated that the Public Hearing was held earlier this evening regarding Bill No. 2016 - 60. Staff submitted to the Operating and Capital Budget for 2016 – 2017 to City Council for approval. City Manager Slagle recommended Council proceed with first reading by title only of Bill No. 2016 - 60.

Councilman Miller moved for first reading by title only of Bill No. 2016 – 60. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. First reading by title only was given to Bill No. 2016 – 60 by Councilman Miller.

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.

City Manager Slagle called upon Assistant City Manager Runge to provide the report.

Assistant City Manager Runge stated that 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. Assistant City Manager Runge recommended Council proceed with two readings by title only and passage of Bill No. 2016 – 61, which had been posted the required length of time.

Councilman Loesch moved for first reading by title only of Bill No. 2016 – 61. 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: Ayes, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. First reading by title only was given to Bill No. 2016 – 61 by Councilman Loesch.

Councilman Loesch moved for second reading by title only of Bill No. 2016 – 61. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. Second reading by title only was given to Bill No. 2016 – 61 by Councilman Loesch.

Councilman Loesch moved for passage of Bill No. 2016 – 61. 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: Ayes, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. Bill No. 2016 – 61 was passed as Ordinance No. 4357.

Bill No. 2016 – 62. An Ordinance Approving the Final Plat of Brian Welch Subdivision to the City of Mexico, Missouri.

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

Director Jackson stated that a request for final approval of the Brian Welch Subdivision was submitted by Sandra Kaye Totten. Brian Welch Subdivision divides 1 existing lot on Onie Street into 2 lots which 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. Director Jackson stated that the Mexico City Code Sec. 11-50(b) indicates that 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”. Director Jackson stated that 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 2 new single family dwellings on the lots. Director Jackson recommended Council proceed with two readings by title only and passage of Bill No. 2016 – 62, which had been posted the required time.

Chairman Pro Tem Williams moved for first reading by title only of Bill No. 2016 – 62. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. First reading by title only was given to Bill No. 2016 – 62 by Chairman Pro Tem Williams.

Chairman Pro Tem Williams moved for second reading by title only of Bill No. 2016 – 62. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. Second reading by title only was given to Bill No. 2016 – 62 by Chairman Pro Tem Williams.

Chairman Pro Tem Williams moved for passage of Bill No. 2016 – 62. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. Bill No. 2016 – 62 was passed as Ordinance No. 4358.

OTHER BUSINESS

Claims

The list of claims was presented for approval.

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

The list of claims was approved.

COUNCIL COMMENTS

Councilman Loesch expressed appreciation to City Manager Slagle and City Staff for the preparation of the city's proposed budget. Councilman Loesch inquired about the Morris Street project. Director Russell provided information on the Morris Street project and the completion of the project.

Chairman Pro Tem Williams stated that he too supported Councilman Loesch's comment regarding the budget preparation.

Councilman Nichols also stated appreciation for the work on the budget. Councilman Nichols made positive comments regarding the recent Patriots Day celebration organized by Charles Fry.

Councilman Miller inquired as to the Morris Street project on the use of products in the projects. Director Russell answered Councilman Miller's inquiry. Councilman Miller also supported council's comments regarding the preparation of the budget.

Mayor Miller made positive comments and expressed appreciation to City Staff for their hard work in preparing the budget. Mayor Miller commented on the recent announcement of County Market closing and its impact in the community. Mayor Miller made positive comments on the Morris Street project. Mayor Miller reported to Director Shoemaker regarding a tree limb on the park street that needs to be removed. Mayor Miller also inquired on water drainage at Elmwood Cemetery in Section Q. Director Shoemaker provided information on the improvements recently made to this section.

PUBLIC COMMENTS

None

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

Mayor Miller moved to adjourn into executive session pursuant to the Revised Statutes of Missouri §610.021 (3) Personnel Matters. The motion was seconded by Councilman Loesch. The Chair called for a vote and motion carried with the vote as follows: Ayes, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none.

ADJOURNMENT INTO REGULAR SESSION

No Business Discussed

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, G. Miller, Nichols, C. Miller, Loesch, Williams. Nays, none. The City Council Regular Session Meeting was adjourned.

MAYOR

CITY CLERK

APPROVED BY COUNCIL SEPTEMBER 26, 2016

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

Agenda: September 26, 2016

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 this Public Hearing was advertised in the Mexico Ledger August 10, 2016. This hearing is for purposes of discussing a rate increase proposal of three (3) percent as follows:

	<u>User Charge Portion</u>	<u>Capital Charge Portion</u>	<u>Base Rate/Month</u>
Current Per 1,000 Gallons	\$ 1.15	\$ 4.82	\$ 8.57
Proposed Per 1,000 Gallons	\$ 1.19	\$ 4.96	\$ 8.83

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

Current: \$38.43

Proposed: \$39.58

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 updated financial projections 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

RDH

Reviewed by: Bruce R. Slagle, City Manager

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

On September 26, 2016, 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	\$1.15	\$4.82	\$8.57
Proposed:			
Per 1,000 Gallons	\$1.19	\$4.96	\$8.83

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

Current: \$38.43

Proposed: \$39.58

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

CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: September 26, 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 Operating and Capital Budget for 2016 – 2017 was presented to Council for approval. Council held a Public Hearing and gave first reading consideration to the attached Ordinance on September 12, 2016.

Staff recommends that Council proceed with second reading by title only and passage 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 26TH DAY OF SEPTEMBER 2016

MAYOR

ATTEST:

CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER

Agenda: September 26, 2016

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	2016-2017 Advertising Campaign	Advertising	Various	\$11,500
Presser Performing Arts Center	2016 Holiday Production	Advertising	\$3,000	\$ 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 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 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 **26TH** DAY OF **SEPTEMBER 2016**

MAYOR

ATTEST:

CITY CLERK

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

Agenda: September 26, 2016

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	--	--	\$ 8.57/month
Monthly Variable Portion	\$ 1.15	\$ 4.82	\$ 5.97 per 1,000 gallons

Updated Basic Sewage Charge:

Administrative Charge – All Customers	--	--	\$8.83/month
Monthly Variable Portion (per 1,000 gallons)	\$ 1.19	\$ 4.96	\$ 6.15 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	--	--	\$8.83/month
Monthly Variable Portion (per 1,000 gallons)	\$ 1.19	\$ 4.96	\$ 6.15 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 26TH DAY OF SEPTEMBER 2016

MAYOR

ATTEST:

CITY CLERK