



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

**September 14, 2020
6:00 p.m.**

NOTICE

Due to COVID – 19, the City of Mexico has limited seating for the public during this meeting.

The City of Mexico invites you to attend virtually by viewing the meeting live on Facebook Live (City of Mexico – City Hall). The meeting can also be viewed by tape delay on the City's website at www.mexicomissouri.org, the day following the meeting.

The City apologizes for any inconvenience the meeting format change may pose to individuals but it is extremely important that extra measures be taken to protect residents, employees, and elected officials during these challenging times.

REGULAR SESSION

1. Call to Order

2. Roll Call

3. Approval of Minutes

A. August 24, 2020 – Regular Session

4. Public Hearing

A. 2020 – 2021 Operating and Capital Budget

5. Ordinance (Two Readings By Title Only and Passage)

A. Bill No. 2020 – 50. An Ordinance Revising the Budget for the City of Mexico, Missouri, for the Fiscal Year October 1, 2019 to September 30, 2020, Inclusive, and Adopting the Budget for the Fiscal Year October 1, 2020 to September 30, 2021, 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. Two Readings By Title Only and Passage.

6. Resolution (Reading By Title Only and Passage)

A. Bill No. 2020 – 51. A Resolution Authorizing the City Manager to Sign Contract Documents with Kim Hoskins Environmental Consulting, LLC, d/b/a KimHEC for Pretreatment Program Assistance. Reading By Title Only and Passage.

7. Other Business

A. Staff Report – Property and General Liability Insurance

B. 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 (1) litigation and (3) personnel matters

10. Adjournment

**CITY OF MEXICO, MISSOURI
CITY COUNCIL REGULAR MEETINGS MINUTES
AUGUST 24, 2020**

The Council of the City of Mexico, Missouri met in regular session on August 24, 2020 at 6:00 p.m., in the Council Chambers of City Hall, with the following members present: Mayor Dr. Ayanna Shivers; Chairman Pro Tem Vicki Briggs; Council Member Chris Williams; Council Member Chris Miller; Council Member Steve Haag. Also present were Bruce Slagle, City Manager; Roger Haynes, Deputy City Manager; Russell Runge, Assistant City Manager/Economic Development; Chief Susan Rockett, Department of Public Safety; Rita Jackson, Community Development Director; Louis J. Leonatti, City Attorney; Marcy LeCount, City Clerk; as well as a member of the media and interested citizens.

Due to COVID – 19 Pandemic, the Council Meeting was also live streamed on the City’s Facebook account, City of Mexico – City Hall. There was limited public attendance.

The Regular Session Meeting was called to order with Mayor Shivers presiding.

APPROVAL OF MINUTES – AUGUST 10, 2020 – REGULAR SESSION MEETING

Chairman Pro Tem Briggs moved for approval of the August 10, 2020 Regular Session minutes as presented. Council Member 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, Haag, Williams, Miller, Briggs, Shivers. Nays, none. The Minutes were approved as presented.

PUBLIC HEARING

Rezone a Portion of a Tract of Land Lying in the Northwest Quarter of Section 36, Township 51 North, Range 9 West in the City of Mexico, County of Audrain and State of Missouri and Amending the District Map Referred to in Section 42-205 of the Code of the City of Mexico, Missouri (Zoning) from I-2, Heavy Industrial District to I-1, Light Industrial District

Council Member Miller moved to open the public hearing. Council Member 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, Williams, Haag, Miller, Briggs, Shivers. Nays, none.

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

The Public Hearing concerned a request received from Adair W. Hathaway on behalf of Geeding Properties LLC & NGBS LLC to rezone a portion of their property located at 1882 Huntingfield Drive/Lowe Road from I-2, Heavy Industrial District to I-1, Light Industrial District. Adair Hathaway had entered into a contract with Geeding Properties LLC & NGBS LLC to purchase a portion of this property. Adair Hathaway has now stepped back from the original plans and Nathan Geeding of Sikeston, Missouri was interested in continuing with the rezoning of the property to be used for single family dwellings in 10 acre tracts.

The City’s Zoning Ordinances limit development in I-2, Heavy Industrial District to only a predefined list of potential uses. This aspect is unique among the City’s district regulations, preventing development of any other types or uses, including other commercial or residential uses. Rezoning to an I-1, Light Industrial District will not only allow potential uses as listed, but uses from more restricted commercial zoning districts as well.

The City’s Comprehensive Plan shows the proposed rezoning area as a Business Campus; a flexible zone to promote business retention, expansion and recruitment to attract new jobs in multiple sectors, including Light Industrial and Commercial.

Notices were sent to six (6) surrounding property owners within 300’ of the requested rezoning. City Staff received one telephone communication regarding the rezoning request. The property owner was requesting additional information regarding the dimensions of the distillery which was in the original plans for Hathaway.

At the August 4, 2020 Planning and Zoning meeting, the Commission made a motion recommending that the City Council grant approval of the requested rezoning. Director Jackson recommended Council proceed with the advertised Public Hearing.

Public Comment

Nathan Geeding of Sikeston, Missouri commented on the update of the project.

Chairman Pro Tem Briggs moved to close the public hearing. Council Member 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, Williams, Haag, Miller, Briggs, Shivers. Nays, none.

To Establish the 2020 Property Tax Rates

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

Council Member Miller moved to open the public hearing. Council Member Haag seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Williams, Haag, Miller, Briggs, Shivers. Nays, none.

As required by state law, City Council will conduct a public hearing, at this council meeting, to establish the current year's property tax rates for the 2020 Property Tax Levy. Council is aware, the State Auditor's office calculates the allowable property tax rates based on keeping revenue neutral, exclusive of new construction. Based on the 2020 Assessed Value (\$155,037,677) and the State Auditor's Office allowable tax rate calculations of .7422 per \$100 assessed valuation, revenues for the City of Mexico would be \$1,150,689. Based on the 2020 Assessed Value (\$155,037,677), revenues for the City of Mexico would be as follows for Budget Year 2020 – 2021.

Proposed Revenue by Fund Using Current Rates	Proposed Revenue	Proposed Tax Rate
General Fund	\$ 685,576	\$.4422
Parks & Recreation	155,038	.1000
Public Health	310,075	.2000
	<hr/>	<hr/>
	\$1,150,689	\$.7422

City Manager Slagle recommended Council proceed with the advertised public hearing to establish the 2020 Property Tax Levy.

Public Comment

None

Council Member Miller moved to close the public hearing. Council Member 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, Williams, Haag, Miller, Briggs, Shivers. Nays, none.

NEW BUSINESS – ORDINANCES

Bill No. 2020 – 46. An Ordinance Rezoning a Portion of a Tract of Land Lying in the Northwest Quarter of Section 36, Township 51 North, Range 9 West in the City of Mexico, County of Audrain and State of Missouri and Amending the District Map Referred to in Section 42-205 of the Code of the City of Mexico, Missouri (Zoning) to I-1, Light Industrial District.

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

Bill No. 2020 – 46 was a request from Adair W. Hathaway on Behalf of Geeding Properties LLC & NGBS LLC to rezone a portion of their property lying in the Northwest Quarter of Section 36, Township 51 North, Range 9 West in the City of Mexico, County of Audrain and State of Missouri from I-2, Heavy Industrial District to I-1, Light Industrial District. Rezoning of this property was discussed in the previously held Public Hearing.

Nathan Geeding, property owner, indicated that Hathaway has stepped back from the project and that Geeding is interested in dividing the property into 10 acre tracts for residential dwellings. City Manager Slagle recommended Council proceed with the two readings by title only and passage of Bill No. 2020 – 46, which had been posted the required length of time.

Chairman Pro Tem Briggs moved for first reading by title only of Bill No. 2020 – 46. Council Member 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, Williams, Haag, Miller, Briggs, Shivers. Nays, none. First Reading By Title Only was given to Bill No. 2020 – 46 by Chairman Pro Tem Briggs.

Chairman Pro Tem Briggs moved for second reading by title only of Bill No. 2020 – 46. Council Member Haag seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Williams, Haag, Miller, Briggs, Shivers. Nays, none. Second Reading By Title Only was given to Bill No. 2020 – 46 by Chairman Pro Tem Briggs.

Chairman Pro Tem Briggs moved for passage of Bill No. 2020 – 46. Council Member Haag seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Williams, Haag, Miller, Briggs, Shivers. Nays, none. Bill No. 2020 – 46 was passed as Ordinance No. 4445.

Bill No. 2020 – 47. An Ordinance Levying Taxes on All Property for the Fiscal Year October 1, 2020 to September 30, 2021 for the City of Mexico, Missouri.

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

Bill No. 2020 – 47 establishes the property tax rates for the next fiscal year. As required by State law, the City Council conducted a public hearing for the 2020 Property Tax Levy earlier this evening. As discussed at the Public Hearing, the County Clerk has certified the City’s total assessed valuation for 2020 as \$155,037,677 which compared to the 2019 as \$158,466,188. Staff is proposing that the property tax levies for the various funds be proportioned as follows:

	<u>2019</u>	<u>2020</u>
General Fund	.4310	.4422
Parks & Recreation Fund	.0987	.1000
Public Health Fund	<u>.1975</u>	<u>.2000</u>
Totals:	.7272	.7422

City Manager Slagle recommended Council proceed with two readings by title only and passage of Bill No. 2020 – 47, which had been posted the required length of time.

Council Member Haag moved for first reading by title only of Bill No. 2020 – 47. Council Member 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, Williams, Haag, Miller, Briggs, Shivers. Nays, none. First Reading By Title Only was given to Bill No. 2020 – 47 by Council Member Haag.

Council Member Haag moved for second reading by title only of Bill No. 2020 – 47. Council Member 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, Williams, Haag, Miller, Briggs, Shivers. Nays, none. Second Reading By Title Only was given to Bill No. 2020 – 47 by Council Member Haag.

Council Member Haag moved for passage of Bill No. 2020 – 47. Council Member 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, Williams, Haag, Miller, Briggs, Shivers,. Nays, none. Bill No. 2020 – 47 was passed as Ordinance No. 4446.

Bill No. 2020 – 48. An Ordinance Authorizing the City Manager to Execute a Missouri Highways and Transportation Commission Coronavirus Aid, Relief, and Economic Security Act Agreement for Use at the Mexico Memorial Airport.

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

Bill No. 2020 – 48 authorizes the City Manager to execute a CARES Act sub grant with the Missouri Highways and Transportation Commissions (MoDOT) to be used for the Mexico Memorial Airport operational and maintenance expenses. The Agreement provides CARES Act financial assistance to the City of Mexico to maintain safe and efficient airport operations. The funds must be used only for purposes directly related to the airport and may include reimbursement of the airport's operational and maintenance expense or debt service payments. Expenses incurred after January 20, 2020 are eligible for reimbursement and MoDOT has allocated \$30,000 to the City of Mexico. This grant does not require local matching funds and Staff plans to use the assistance towards the replacement of runway edge lighting and the runway displacement projects. Assistant City Manager Runge recommended Council proceed with two readings by title only and passage of Bill No. 2020 - 48, which had been posted the required length of time.

Council Member Miller moved for first reading by title only of Bill No. 2020 – 48. Council Member 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, Williams, Haag, Miller, Briggs, Shivers. Nays, none. First Reading By Title Only was given to Bill No. 2020 – 48 by Council Member Miller.

Council Member Miller moved for second reading by title only of Bill No. 2020 – 48. Council Member Haag seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Williams, Haag, Miller, Briggs, Shivers. Nays, none. Second Reading By Title Only was given to Bill No. 2020 – 48 by Council Member Miller.

Council Member Miller moved for passage of Bill No. 2020 – 48. Council Member 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, Williams, Haag, Miller, Briggs, Shivers. Nays, none. Bill No. 2020 – 48 was passed as Ordinance No. 4447.

NEW BUSINESS – RESOLUTION

Bill No. 2020 – 49. A Resolution Authorizing the City Manager to Execute an Amendment IV Renewal Sublease of Business Property with Home Depot U.S.A. Inc.

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

Home Depot U.S.A., Inc currently subleases business property from the City located at 2501 Christopher Drive. The current sublease expires September 30, 2020. Staff has been contacted by Home Depot U.S.A., to extend the current sublease for 7 years. The proposed extension will include a monthly rental fee of \$13,260 until October 1, 2022 and increase to \$14,000 per month for the remainder of the lease. The building will continue to be used to operate as part of Home Depot's distribution facilities in Mexico, Missouri. Assistant City Manager Runge recommended Council proceed with reading by title only and passage of Bill No. 2020 – 49.

Council Member Williams moved for reading by title only of Bill No. 2020 – 49. Council Member Haag seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Briggs, Shivers, Williams, Haag, Miller. Nays, none. Reading consideration by title only was given to Bill No. 2020 – 49 by Council Member Williams.

Council Member Williams moved for passage of Bill No. 2020 – 49. Council Member 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, Williams, Haag, Miller, Briggs, Shivers. Nays, none. Bill No. 2020 – 49 was passed as Resolution No. 3987.

OTHER BUSINESS

Golf Carts on Public Streets – Discussion Follow-up

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

Council Member Miller excused himself from the discussion on golf cars on public streets.

Council Members held discussion regarding allowing Golf Cart traffic on roadways. Comments were made regarding enforcement of laws, drivers and requirements, safety for golf carts and other vehicles on the roadways. Discussion was held regarding safety features required on golf carts and other types of UTV/ATV vehicles that may or may not be included for on road usage and regulations for the use on roadways. Council Members commented on personal experiences with golf cart accidents/incidents that they have experienced or seen regarding driving and safety.

It was the consensus of the Council Members to not proceed with permitting golf carts on the City's roadways unless additional interest is expressed by community members.

Claims

The list of claims was presented for approval.

Council Member Haag moved for approval of the list of claims as presented. Council Member 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, Williams, Haag, Briggs, Shivers. Nays, none. Absent, Miller.

The list of claims was approved.

Council Member Miller returned to the meeting.

COUNCIL COMMENTS

Council Member Haag commented on COVID – 19 and school openings approaching.

Council Member Williams agreed with Council Member Haag's remarks on COVID – 19 and school openings. Council Member Williams inquired about the Brookstone Building tax abatement and the TEVA property. City Manager Slagle and Assistant City Manager Runge provided information on the properties.

Chairman Pro Tem Briggs commented on COVID – 19 numbers increasing in the County and ongoing concerns for the virus' impact.

Council Member Miller spoke on COVID – 19 locally and COVID requirements during his recent travel.

Mayor Shivers commented on COVID – 19 numbers, community numbers, support and moving forward.

PUBLIC COMMENTS

None

**ADJOURNMENT INTO EXECUTIVE SESSION PURSUANT TO THE REVISED STATUTES OF MISSOURI §610.021
(2) REAL ESTATE MATTERS**

Council Member Miller moved to adjourn the meeting into executive session pursuant to the Revised Statutes of Missouri §610.021 (2) Real Estate Matters. The motion was seconded by Council Member Williams. The Chair called for a vote and motion carried with the vote as follows: Ayes, Williams, Haag, Miller, Briggs, Shivers. Nays, none.

RETURN TO OPEN SESSION

No Discussion

ADJOURNMENT

Council Member Miller moved to adjourn the meeting. The motion was seconded by Council Member Williams. The Chair called for a vote and motion carried with the vote as follows: Ayes, Williams, Haag, Miller, Briggs, Shivers. Nays, none. The City Council Regular Session Meeting was adjourned.

CITY CLERK

MAYOR

APPROVED BY COUNCIL SEPTEMBER 14, 2020

CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: September 14, 2020

Members of City Council
City of Mexico, Missouri

RE: Public Hearing – 2020 – 2021 Operating and Capital Budget

Dear Mayor and Members of City Council:

The City of Mexico, Missouri Budget for the fiscal year October 1, 2020 to September 30, 2021 is hereby submitted for your consideration in accordance with Missouri State Statute Section 67.010.

The Coronavirus Pandemic has rocked many people and their cities to their core. Our residents, our businesses and our City have all been negatively impacted by this worldwide crisis. As we begin to navigate our way into whatever the new normal might be, we should consider this as a unique opportunity for Mexico once again to show our strength and perseverance through times of crisis. Therefore, every effort has been made to implement the policy direction of the City Council, provide services to the citizens and maintain the City's financial health.

The City of Mexico adheres to Generally Accepted Accounting Principles (GAAP) applicable to governments. 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. Each fund accounts for different services and activities.

Budget development is neither a quick nor an easy process and embodies hundreds of personnel hours, operating expenditures, capital asset purchases and infrastructure improvement decisions that are all encompassed in the final document. Our focus in this budget is to acknowledge the urgency of the financial impact of the Coronavirus, while not overreacting with drastic service level reductions. Because this crisis came upon us suddenly, it will take several more months to truly understand the level of impact it will have on our financial well-being.

Financial planning is essential for sound fiscal management and the stewardship of resources. At the forefront of any decision made, is how to fund the core and essential city service needs of the citizens in the most effective and efficient manner possible. This Budget maintains the fund balance reserves as required by City Council Policy and utilizes surplus savings from prior years to help fund non-recurring expenses and the purchase of capital assets. City Staff continues to pursue partnerships, grants, donations and other resources to supplement funding for operations and capital projects.

The preparation of this budget was a team effort by every level of the municipal organization and included citizen input. Unnecessary expenses have been removed, personnel costs have been controlled and program efficiencies have been implemented.

This budget is balanced and the City is operating in a lean and condensed state.

TOTAL OPERATING BUDGET FISCAL YEAR 2021:

The total budgeted expenditures are estimated at \$18,079,113 with total revenues estimated to be \$16,468,649. The expenditures exceed revenues by \$1,610,464 and will be funded by project reserves, unreserved surpluses from prior years' budgets and a bank loan. The additional expenditures are for interfund transfers, planned equipment purchases, planned capital improvement projects and carry-over improvement projects.

Budget Overview:

The City's total adjusted property valuation for this budget year has decreased over the prior year's valuation due to a decrease in commercial real estate values.

Retail sales tax receipts have increased slightly, lodging tax receipts are down and gross receipts tax income is down compared to last year's budget. Recurring operational expenditures and the cost to replace capital equipment continues to increase on a regular basis.

Missouri voters turned to the polls November 6, 2018 to pass Proposition B, a Minimum Wage Initiative. The new law went into effect January 1, 2019 and it raised the minimum wage from \$7.85 to \$8.60, and will increase the minimum wage \$0.85 each year until the wage rate reaches \$12 in the year 2023. The increase in the minimum wage has caused the City to increase our seasonal wage rates each year in order to attract and maintain seasonal employees.

The City of Mexico's unemployment rate was at record lows and consistently at or below the state and federal rates before the COVID-19 spike began in March 2020. However, our unemployment rate is currently more than three times higher because of job losses and reduced plant production due to COVID-19.

The Missouri Department of Transportation (MoDOT) gets most of its funding from the state's 17-cent-per-gallon gas tax and a portion of the state car sales tax. MoDOT has reported that they are experiencing a decline in revenue due to a decrease in traffic volumes because of COVID-19. MoDOT distributes a portion of those funds to cities and counties for the maintenance and repairs of local streets and roads; therefore, the City's portion of these targeted revenues are also down.

The internet has dramatically changed the face of retail sales, empowering consumers with vast amounts of information to make buying decisions. Consumers can bypass local brick-and-mortar retail stores completely by comparing prices and reading other users' reviews online before making a purchase. Consumers are also using mobile devices and social networking sites to help influence their purchasing decisions.

The stay-at-home orders and the social distancing recommendations due to the Coronavirus Pandemic have also added to the increase of consumer purchasing of goods from online and direct marketing vendors. All of these trends have made it more challenging for local retail stores to survive and the need for local communities to implement a use tax to maintain local revenues to support city services.

A use tax allows for the local sales tax rate to be applied to purchases of goods by residents and businesses from out-of-state vendors. This typically includes online purchases, catalog, and direct market sales from out-of-state vendors. The use tax applies to purchases where no sales tax is currently being charged and does not apply to a purchase that is already subject to the local sales tax.

On June 2, 2020, the citizens of Mexico approved the collection of a local use tax. The most recent report from the Missouri Department of Revenue, Taxation Division, estimates that the City of Mexico should capture approximately \$152,000 annually in use taxes. The revenue from the use tax has been committed to support community and capital improvements, with the first project being renovations to the City's swimming pool. Retailers will begin collecting the use tax in October 2020 and the first remittance to the City will be in December 2020.

City Assessed Property Values:

The County assesses property at a percentage of Market Value; therefore, commercial property is assessed at 32%, personal property at 33.3%, residential at 19%, and agricultural at 12% respectively. Tax rates are levied per 100 dollars of the assessed property value.

This year's total property valuation is \$155,037,677 as compared to the previous year's total valuation of \$158,466,188, a net assessed value decrease of \$3,428,511. This decrease in valuation was a result of the State Tax Commission lowering Ameren Missouri's Gas Distribution Facilities assessed values. City property tax rates will be adjusted in compliance with the Missouri State Auditor's Office Pro Forma Calculation accepting the state-imposed revenue neutral formula. Therefore, the City's property tax rate will be \$0.7422 per 100 dollars of assessed valuation.

City Property Tax Revenues:

Fund	Tax Rate Per \$100	Estimated Revenue
General	\$0.4422	\$717,974
Parks & Recreation	\$0.1000	\$162,406
<u>Public Health</u>	<u>\$0.2000</u>	<u>\$324,809</u>
Total	\$0.7422	\$1,205,189

City Sales Tax and Gross Receipts Tax:

The Sales Tax Revenue for all funds are anticipated to be up compared to last year's budget and trending level when compared to the five year average. Gross Receipts Taxes for 2021 are expected to be down, due to a decrease in consumption and rates. Lodging Tax receipts are anticipated to be down compared to last year because of lower occupancy rates due to COVID-19.

Insurance Rates:

Property and Liability Insurance renewal rates are estimated to increase by fifteen percent (15%) over last year. Dental Insurance premiums are estimated to increase by ten percent (10%) effective January 1, 2021. Employee Health Insurance premiums are estimated to increase by fifteen percent (15%) effective January 1, 2021. The budget includes costs associated with continuing the High Deductible Health Plan coupled with the use of a Health Savings Account (HSA) and any increase will be split proportionately between employees and the City.

All insurance rate increases have been estimated based on the industry averages; however, all policies will be bid to ensure the best possible rates.

Staffing Needs:

Public and private employers throughout Missouri continue to seek quality employees, and the competition between agencies to recruit and retain good employees is intense. The City is no exception to this, staffing problems continue to exist due to increasing wage pressure and turnover of employees. However, due to declining revenues and lack of available funding only a 1% COLA has been applied to employee salary schedules and no wage step increases have been included in this budget.

Full-time staffing levels will remain the same as compared to the current budget year.

Support for Outside Agencies:

Charitable Agencies	Request	Budgeted
Mexico Senior Center, Inc.	\$14,000	\$14,000
Audrain County Historical Society	\$5,500	\$4,900
Miss Missouri Scholarship Pageant	\$10,000	\$10,000
Help Center	\$10,000	\$5,000
Optimist Youth Sports	\$5,000	\$5,000
Contract Agencies	Request	Budgeted
Handi-Shop (Recycling Program)	\$19,000	\$12,000
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
Total Support to Outside Agencies	\$91,500	\$78,900

External Revenue Sources for Capital Projects:

In this budget, the City is continuing with the swimming pool facility renovation and improvement project, the Muldrow Street sidewalk project, the reconstruction of a youth basketball court, park trail project, and an airport runway approach project. These projects in whole or in part are being funded by grants, donations or bank financing.

The following grants are anticipated in support of this budget:

- MoDOT – TEAP – One-way Street Study \$8,000
- MoDOT – TAP – Muldrow Street Sidewalk \$76,903

➤ DOT – Runway Displacement	\$180,000
➤ Federal CARES – Airport	\$10,000
➤ RTP – Trail Construction	\$200,000
➤ NRPA – Basketball Court	\$65,000

The following donations are anticipated in support of this budget:

➤ Park Foundation – Park Signage Project	\$12,500
➤ Private Donations – Trail Grant Match	\$50,000

The following bank financing is anticipated in support of this budget:

➤ Bank Loan – Pool Renovation Project	\$2,506,667
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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, Legal, Finance, Emergency Management, Engineering, Stormwater, Forestry, Cemetery, Community Development and Street Maintenance.

The General Fund budgeted revenue for Fiscal Year 2021 is estimated at \$5,619,796 and expenditures are estimated to be \$6,016,344 plus a transfer out of \$35,000 to the Airport Fund and a set-aside of \$100,000 in project reserves for total expenditures of \$6,151,344. The estimated expenditures, qualifying capital expenditures, interfund transfers and project reserves are greater than revenues by \$490,690.

The qualifying capital expenditures in the General Fund total \$446,500 and are listed below. Therefore, considering the qualifying capital expenditures and the set-a-side for project reserves, no cash balances are being expended for recurring expenditures.

The ending fund balance goal by policy for the General Fund is 25% of expenditures less grants and non-recurring capital expenditures. The ending fund balance is estimated to be at 60% including project reserves.

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

➤ Public Safety:	
○ Patrol Vehicles	\$69,000
○ Pagers/Radios	\$25,000

- Administration:
 - Network Server - Storage \$27,000

- Community Development:
 - Sidewalk Replacement Program \$7,500

- Engineering:
 - Survey Equipment – GNSS Receiver \$10,000

- Stormwater
 - Annual Improvements \$10,000
 - Lakeview Lake Dam Improvements \$90,000
 - Pipe Replacement – Fairgrounds/Lakeview \$55,000

- Forestry-Brush Grinding:
 - Mini-Skid Steer Attachment \$9,000

- Cemetery:
 - Rear Discharge Mower \$12,000

- Streets & Maintenance:
 - Dump Truck \$105,000
 - Dump Truck Spreader \$18,500
 - Roller Screed Replacement \$3,500

- Building & Grounds:
 - City Hall – Stairwell Painting \$5,000

General Fund transfers to other Funds:

- Airport Fund – Operations \$35,000

Unnecessary expenses have been removed, personnel costs have been controlled and program efficiencies have been implemented. Every departmental budget was combed through for savings and many departmental needs were not funded. There are some large ticket items that could not be funded and will need consideration in the future such as a new Aerial Fire Truck estimated to cost \$1,200,000 and repairs to the Teal Lake Dam estimated at \$564,000.

WASTEWATER OPERATION FUND:

Budgeted revenues for Fiscal Year 2021 are estimated to be \$3,177,876. Operating expenditures are estimated at \$2,420,716, an inter-fund transfer of \$747,725 to the Wastewater Debt Service Fund, an interfund transfer of \$30,000 Wastewater Private Line Repair Fund and a project reserve of \$60,000 for total expenditures of \$3,258,441.

The minimum ending fund balance by policy for the Wastewater Fund is 25% of operational expenses less grants and non-recurring capital expenditures. The ending fund 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. The ending fund balance by policy has been met.

This budget includes \$722,000 in planned capital improvement projects for this fiscal year and additional high cost improvements are planned in upcoming fiscal years.

Significant projects and/or programs that are included in the 2021 Wastewater Operating Fund Budget:

➤ Collection System Improvements	\$75,000
➤ Collection System – Slip Lining	\$300,000
➤ Collection System – I&I Sonar	\$10,000
➤ Building Improvements – Catwalk	\$27,000
➤ Lift Station Pumps	\$25,000
➤ Jet Truck Cleaning Equipment	\$10,000
➤ Sewer Cleaning Easement Machine	\$75,000
➤ WWTP Facility – Aeration Basin Diffusers	\$150,000
➤ WWTP Drives and Alarms	\$50,000
Total	\$722,000

The community as a whole has been financially affected by the Coronavirus Pandemic and, therefore; this budget reflects a 0% adjustment in wastewater rates for the upcoming fiscal year.

In August of 2020, the City refinanced the outstanding Wastewater Bond 2010B Series and 2011 Series in order to take advantage of a decline in interest rates from the time when the original debt was issued. As a result of refinancing, the annual debt payments will be less, the bond reserve requirements were eliminated and the final maturity date was reduced. The net savings to the Wastewater Fund will be significant over the life of the new bonds because of a much lower interest rate.

All cities across America are working on reducing Inflow and Infiltration (I&I) into their wastewater collection systems. The standard reduction capabilities are normally achieved by lining sewer mains and laterals, point repairs, pipe replacements and rehabilitating manholes. The City of Mexico has a program and plan in place to continue system improvements that reduce I&I into the collection system. This has been an ongoing effort for several years, which also includes a private sewer line repair assistance program.

SANITATION OPERATION 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, 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 2021 are estimated at \$646,764 and expenditures for operations are estimated to be \$629,998 plus a project reserve for the equipment replacement in the amount of \$11,000 for total expenditures of \$640,998.

The ending fund minimum balance by policy for the Sanitation Fund is 25% of operational expenses less grants and non-reoccurring capital and the ending fund balance is estimated to be 53%.

The City has a ten-year residential refuse collection contract with Dayne's Waste Disposal through March of 2024. The contract includes an annual pricing adjustment for the collection of residential refuse, but doesn't include a price increase related to landfill fees. Dayne's experienced a substantial increase in landfill fees this year and requested that the City consider an amendment to their current contract. In this budget the City has authorized a partial increase in landfill fees for Dayne's to be effective in April 2021.

The Handi-Shop Inc., Board of Directors and management announced in July 2020 that the Handi-Shop was reducing their recycling program and no longer accepting plastic, paper, and metals. They reported that the recycling markets have declined drastically in the past decade and hit an all-time low in 2019. The City contracts with the Handi-Shop to operate a drop-off recycling program for City residents. Because of this reduction in recycling services the City has also reduced the annual contract payment accordingly.

This budget anticipates a 2.81% adjustment in the base sanitation rate for the upcoming year to be effective in April 2021.

ECONOMIC DEVELOPMENT FUND:

The Budgeted revenues for Fiscal Year 2021 are estimated at \$231,650 and expenditures estimated to be \$136,110 plus an interfund transfer of \$154,741 for total expenditures of \$290,851.

Lease revenue received from the two city-owned industrial speculative buildings are deposited in this fund and building owner expenses related to the buildings are paid out of this fund. The city-owned speculative building at 2201 Lakeview has been listed for sale with a commercial realtor.

The expenses for job creation, retention, industry recruitment and economic development planning are paid from this fund. The City owns the railroad spur that serves the businesses located within the Industrial Park. The spur needs ongoing repairs and \$20,000 has been budgeted this fiscal year to make those repairs. The City has experienced a nonpayment of the MAB NID Assessment by Abacus Industrial Holdings, the current owners of the former Mid-America Brick property. The City has begun legal action against Abacus Industrial Holdings to collect the entire outstanding assessment and/or regain control of the property.

Consequently, the City is still responsible for satisfying the outstanding general obligation bonds owed on the Mid-America Brick property if Abacus fails to pay their annual assessment. Therefore, in this budget the City has planned for an interfund transfer of \$154,741 out of this fund to the MAB NID Fund to make the fiscal year payment, if necessary.

The ending fund balance for 2021 is estimated to exceed the fund balance policy goal.

PARKS AND RECREATION FUND:

Revenue from a dedicated park property tax in the amount of 10 cents (.1000) per 100 dollars of assessed valuation, a one-half of one percent dedicated parks sales tax, and charges from user fees for parks, pool and recreation programs are deposited in this fund.

The Parks and Recreation Fund budgeted revenue for Fiscal Year 2021 is estimated to be \$4,107,909 and total expenditures estimated at \$4,745,767. The Parks and Recreation budget reflects a reduction in the cash balance by \$637,858 due to current

year carryover of capital projects, equipment purchases and planned capital projects. The ending fund balance minimum by policy for the Parks and Recreation Fund is 8% and the ending fund balance is estimated to be at 16%.

The City swimming pool is over 30 years old and had reached the end of its intended life cycle. The swimming pool had required major mechanical and structural repairs in the last decade. Therefore, the City began a major renovation project on the City's pool in July of 2020 and some of the project expenses are in the 2020 fiscal year budget and some are in this 2021 budget year.

The total established budget for the Pool Renovation Project is \$3,760,000. The planned funding for this project is 1/3 in cash from the Capital Project Reserve Fund; 1/3 from the Parks and Recreation Fund via dedicated park funding, grants, donations and operational savings; and the remaining 1/3 from the passage of the local use tax. The money from the Parks and Recreation Fund and the use tax will be collected over time; therefore, the City intends to borrow \$2,506,667 for this project. A principal and interest payment have been built into this budget to make the anticipated annual debt service payment.

Significant projects and/or programs that are included in the 2021 Parks and Recreation Fund Budget:

Parks Operations:

➤ Mini Skid Steer	\$24,500
➤ Garfield Park – Youth Basketball Court	\$65,000
➤ Lakeview & Dorcas Park – Trail Project	\$250,000
➤ Parks Signage Project	\$12,500

Pool Operations:

➤ Pool Renovation Project	\$2,987,500
➤ Pool Fixtures, Furniture & Equipment	\$148,000
➤ Pool Robot for cleaning	\$6,000

The Youth Basketball Court at Garfield Park is being supported 100% by a National Recreation and Parks Association (NRPA) Grant; the Trail Project would be supported by a grant from the Recreational Trail Program (RTP) and private donations; and the Parks Signage Project is being funded by a donation from the Mexico Parks Foundation.

PUBLIC HEALTH AND ANIMAL CONTROL FUND:

Revenue from a dedicated public health tax in the amount of 20 cents (.2000) per 100 dollars of assessed valuation, 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 2021 is estimated to be \$347,709 and expenditures are estimated at \$408,467. The expenditures exceed revenues and will be funded by unreserved surpluses from prior budgets.

The reduction in cash balance is in support of continued funding for the dangerous building demolition program and nuisance abatements, which we are currently experiencing an increase in requests to address. In this budget, the City will also be funding a new floor surface in the animal holding areas of the animal shelter building.

The ending fund balance goal by policy for the Public Health Fund is 25%; however, the ending fund balance is estimated to be at 70%.

AIRPORT FUND:

Revenue for this fund is reliant on an interfund transfer from the General Fund along with hangar rental and a percentage of fuel sales. Operating expense for the Fixed Based Operator's Management Contract and the day-to-day airport operational expenses are paid out of this fund.

Budgeted revenue for Fiscal Year 2021 is estimated to be \$253,705 and expenditures estimated at \$267,943. A \$35,000 transfer from the General Fund is being made to support base operations. The ending fund balance is projected to be at \$98,282; which is above the 17% minimum ending fund balance policy.

The capital expenditure for a new approach to the main runway is funded ninety percent (90%) by a DOT Grant in the amount of \$180,000 and we also plan to receive a CARES Grant in the amount of \$10,000 to support maintenance and improvements.

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

Revenue for this fund is from tax on retail sales set at the State Statute limit of one-half of one percent. This sales tax pays for the construction, maintenance and repair of streets, curbs and gutters, stormwater piping, bridges, drainage ditches and culverts, as

well as any other capital improvements that may be needed for the growth and development of the City of Mexico.

The dedicated Capital Improvement Sales Tax and investment income is estimated to bring in \$857,363 in revenue. All expenditures from this fund are for capital outlay projects listed below and a transfer of \$420,000 to the General Fund for street maintenance and stormwater projects.

The ending fund balance is projected to be at 14%, which meets the fund balance policy goal of 10%.

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

➤ Asphalt Overlays	\$250,000
➤ Sidewalk Improvements	\$40,000
➤ Pavement and Curb Replacement	\$60,000
➤ Smiley Lane Extension	\$216,300
➤ Project Reserves	\$20,000

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 City Council and to maintain services being provided to 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 City Council and the Citizens of Mexico.

Respectfully Submitted,

Bruce R. Slagle
City Manager

CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: September 14, 2020

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Approving the 2020 – 2021 Operating and
Capital Budget.

Dear City Council Members:

The Public Hearing was held earlier this evening for the 2020 – 2021 Operating and Capital Budget. Staff has submitted the 2020 – 2021 Operating and Capital Budget for Council approval.

Staff recommends that Council proceed with two readings by title only and passage approving the 2020 – 2021 Operating and Capital Budget for the City of Mexico. The Ordinance has been posted the required length of time.

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, 2019 TO SEPTEMBER 30, 2020, INCLUSIVE, AND ADOPTING THE BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2020 TO SEPTEMBER 30, 2021, 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, 2019 to September 30, 2020, 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, 2020 to September 30, 2021, 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, 2020, be and the same are hereby canceled on September 30, 2020, 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 14TH DAY OF SEPTEMBER 2020

MAYOR

ATTEST:

CITY CLERK

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

Agenda: September 14, 2020

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Sign Contract Documents with Kim Hoskins Environmental Consulting, LLC, d/b/a KimHEC for Pretreatment Program Assistance

Dear City Council Members:

The City's pretreatment coordinator is a member of the Army Reserve and has orders that will keep him on active duty for 12 months. In his absence, and to supplement wastewater personnel, this contract provides for assistance in administering the pretreatment program.

KimHEC has worked with the City's pretreatment program for several years on a temporary basis and is familiar with the City's industries and permits. The contract includes reviewing and updating the City's pretreatment ordinance to comply with updated regulations. The contract will be for 12 months, effective October 1, 2020 and services are not to exceed \$21,600.

The 2020 – 2021 annual budget allows \$72,500 in the Wastewater Professional Services line item and will be offset by personnel cost savings during the military leave time period.

Staff recommends Council proceed with reading by title only and passage of the attached Resolution authorizing the City Manager to sign a contract with Kim Hoskins Environmental Consulting, LLC, d/b/a KimHEC for pretreatment program assistance.

Respectfully submitted,

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

JKR
Attachments

Reviewed by: Bruce R. Slagle, City Manager

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN CONTRACT DOCUMENTS WITH KIM HOSKINS ENVIRONMENTAL CONSULTING, LLC, D/B/A KIMHEC FOR PRETREATMENT PROGRAM ASSISTANCE

WHEREAS, the City’s pretreatment coordinator is a member of the Army Reserve and has orders that will keep him on active duty for 12 months; and

WHEREAS, the City has a need for interim pretreatment program assistance at the wastewater treatment facility during the coordinator’s active duty; and

WHEREAS, Kim Hoskins Environmental Consulting, LLC d/b/a KimHEC of St. Louis, Missouri, will provide necessary assistance to effectively implement the City’s existing pretreatment program.

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

- Section 1. The City Manager is authorized to sign a contract with Kim Hoskins Environmental Consulting, LLC, d/b/a KimHEC for Pretreatment Program Assistance.
- Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 14TH DAY OF SEPTEMBER 2020

MAYOR

ATTEST:

CITY CLERK

**CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER**

Agenda: September 14, 2020

Members of City Council
City of Mexico, Missouri

RE: Staff Report – Property and General Liability Insurance

Dear City Council Members:

Staff has placed an estimate of \$228,801 in the 2020 – 2021 Annual Budget for various property and liability insurance policies necessary to cover the broad range of City operations.

Advertisements were placed in the *Mexico Ledger* for requests for proposals regarding property and liability insurance coverage for the City of Mexico. In addition, the RFP request was sent to area agencies that had indicated an interest in bidding.

Property and Liability insurance coverage for municipalities require numerous policies specific to a wide spectrum of activities; from Public Safety services to Wastewater operations, from Street, Parks and Animal Shelter operations to Financial/Business activities, just to name a few.

When selecting a Property and Liability package, many factors are considered such as coverages offered, insurer's financial strength, pricing and servicing of insurance lines offered.

Three Agencies provided responses to our proposal and their bid package pricing is as follows:

The Daniel and Henry Company St. Louis, Missouri	\$217,781
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Winter – Dent Jefferson City, Missouri	\$216,410 (<i>dams specifically excluded</i>)
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First State Insurance Agency Mexico, Missouri	\$208,869
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Based on coverage, pricing, references, and ratings of the proposed insurers, Staff recommends that Daniel and Henry Company be awarded the agency bid and agency of record for providing the best overall P&L insurance package. The insurance package provided through the Daniel and Henry Company will be effective October 13, 2020 for a one-year term with the option to renew annually for three additional one-year terms based on insurance renewal pricing, maintenance of acceptable coverage, A.M. Best ratings and quality of service.

Respectfully submitted,

Roger D. Haynes
Deputy City Manager

Reviewed by: Bruce Slagle, City Manager