



**City of Mexico, Missouri
City Council Meeting Agenda
City Hall • 3rd Floor Council Chambers**

**300 N. Coal Street
Mexico, Missouri 65265**

**September 13, 2021
6:00 p.m.**

REGULAR SESSION

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Minutes**
 - A. August 23, 2021 – Regular Session
- 4. Public Hearing**
 - A. 2021 – 2022 Operating and Capital Budget
- 5. Ordinance (Two Readings By Title Only and Passage)**
 - A. Bill No. 2021 – 57. An Ordinance Revising the Budget for the City of Mexico, Missouri, for the Fiscal Year October 1, 2020 to September 30, 2021, Inclusive, and Adopting the Budget for the Fiscal Year October 1, 2021 to September 30, 2022, 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. Resolutions (Reading By Title Only and Passage)**
 - A. Bill No. 2021 – 58. A Resolution Authorizing the City Manager to Enter into an Agreement with SMICO Contracting Group, LLC for Aeration Diffuser Replacement Work at the Wastewater Treatment Facility. Reading By Title Only and Passage.
 - B. Bill No. 2021 – 59. A Resolution Authorizing the City Manager to Sign a Modernization Proposal with Kone, Inc. for the City Hall Elevator. Reading By Title Only and Passage.
- 7. Other Business**
 - A. Staff Report – Purchase of Replacement Parts for Wastewater Pumps
 - 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 23, 2021**

The Council of the City of Mexico, Missouri met in regular session on August 23, 2021 at 6:00 p.m., in the Council Chambers of City Hall, with the following members present: Mayor Chris Miller; Chairman Pro Tem Vicki Briggs; Council Member Chris Williams; Council Member Dr. Ayanna Shivers; Council Member Steve Haag. Also present were Bruce Slagle, City Manager; Roger Haynes, Deputy City Manager; Russell Runge, Assistant City Manager/Economic Development; Rita Jackson, Community Development Director; Kensey Russell, Public Works Director; Chief Susan Rockett, Department of Public Safety; Chad Shoemaker, Parks & Recreation Director; Drew Williford, City Engineer; Louis J. Leonatti, City Attorney; Patrick Shaw, IT Specialist; Marcy LeCount, City Clerk; as well members of the media and interested citizens.

The Council Meeting was also live streamed on the City’s Facebook account, City of Mexico – City Hall.

APPROVAL OF MINUTES – AUGUST 9, 2021 –REGULAR SESSION MEETING

Council Member Williams moved for approval of the August 9, 2021 Regular Session minutes as presented. Council Member Shivers seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Shivers, Williams, Miller, Haag, Briggs. Nays, none. The Minutes were approved as presented.

PUBLIC HEARING

To Establish the 2021 Property Tax Rates

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, Shivers, Williams, Haag, Miller, Briggs. Nays, none.

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

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 2021 Property Tax Levy. As Council is aware, the State Auditor’s office calculates the allowable property tax rates based on keeping revenue neutral, exclusive of new construction and permitted reassessment growth. Based on the 2021 Assessed Value (\$158,749,469) and the State Auditor’s Office allowable tax rate calculations of .7392 per \$100 assessed valuation, revenues for the City of Mexico will be \$1,173,476. Based on the 2021 Assessed Value (\$158,749,469), revenues for the City of Mexico will be allocated as follows for Budget Year 2021 – 2022.

Proposed Revenue by Fund Using Current Rates	Proposed Revenue	Proposed Tax Rate
General Fund	\$ 699,133	\$.4404
Parks & Recreation Fund	158,114	.0996
Public Health Fund	316,229	.1992
Totals:	\$1,173,476	\$.7392

Proposed Tax Rate Per \$100 assessed value

Deputy City Manager Haynes recommended Council proceed with the advertised public hearing in order to establish the 2021 Property Tax Levy.

Public Comment

Jason Leverett, 11840 Audrain Road 933, Mexico, Missouri made comment regarding allowing golf carts and ATV/UTV on roadways.

Mayor Miller asked Leverett to make his comments on the golf carts and ATV/UTV for public comments. Comments are being received only to establish the 2021 Property Tax Rates. Leverett stated he would make comments in the Public Comments.

No other comments were received.

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, Shivers, Williams, Haag, Miller, Briggs. Nays, none.

NEW BUSINESS – ORDINANCE

Bill No. 2021 – 56. An Ordinance Levying Taxes on All Property for the Fiscal Year October 1, 2021 to September 30, 2022 for the City of Mexico, Missouri.

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

Bill No. 2021 – 56 establishes the property tax rates for the next fiscal year. As required by State law, the City Council conducted a public hearing for the 2021 Property Tax Levy earlier this evening. As discussed at the Public Hearing, the County Clerk has certified the City’s total assessed valuation for 2021 as \$158,749,469 which compared to the 2020 as \$155,037,677. Staff is proposing that the property tax levies for the various funds be proportioned as follows:

	<u>2020</u>	<u>2021</u>
General Fund	\$.4422	\$.4404
Parks & Recreation Fund	.1000	.0996
Public Health Fund	.2000	.1992
Totals:	<u>\$.7422</u>	<u>\$.7392</u>

Proposed Tax Rate Per \$100 assessed value

City Manager Slagle recommended Council proceed with two readings by title only and passage of Bill No. 2021 – 56, which had been posted the required length of time.

Council Member Haag moved for first reading by title only of Bill No. 2021 – 56. 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, Shivers, Williams, Miller, Haag, Briggs. Nays, none. First Reading By Title Only was given to Bill No. 2021 – 56 by Council Member Haag.

Council Member Haag moved for second reading by title only of Bill No. 2021 – 56. 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, Shivers, Williams, Miller, Haag, Briggs. Nays, none. Second Reading By Title Only was given to Bill No. 2021 – 56 by Council Member Haag.

Council Member Haag moved for passage of Bill No. 2021 – 56. Chairman Pro Tem Briggs seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Shivers, Williams, Miller, Haag, Briggs. Nays, none. Bill No. 2021 – 56 was passed as Ordinance No. 4483.

OTHER BUSINESS

Claims

The list of claims was presented for approval.

Council Member Williams moved for approval of the list of claims as presented. Council Member Shivers seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Shivers, Williams, Miller, Haag, Briggs. Nays, none.

The list of claims was approved.

COUNCIL COMMENTS

Council Member Haag made comments school starting on Wednesday and be careful for school bus and students walking to school. Council Member Haag also made comments regarding current COVID – 19 conditions and social distancing to keep the numbers down.

Council Member Williams commented on school starting and school buses. Council Member Williams also commented on COVID – 19 and take precautions of staying safe.

Chairman Pro Tem Briggs extended condolences to City Manager Slagle on the recent death of his step-mother.

Council Member Shivers commented on COVID-19 numbers in the state and asked everyone to be safe. Council Member Shivers commented on the upcoming Mexico Jaycee’s Soybean Festival.

City Manager Slagle called upon Director Russell to report on awards received by two employees. Director Russell reported that David Thoenen, 20 year employee and Supervisor at the Wastewater Department received the Missouri Water and Environment Association Operator of the Year for Small Systems. This is a state-wide award that recognizes excellent operations and maintenance work. Director Russell also reported that next week at the National APWA Association of Public Works and at the national meeting, Drew Williford will be graduating from the Emerging Leaders Academy. This is a nationwide class and has 16 members.

Mayor Miller commented on school starting and an opportunity to speak with the 24 new teachers with the district.

PUBLIC COMMENTS

Jason Leverett, 11840 Audrain Road 933, Mexico, Missouri, commented on an opportunity for Council to discuss allowing golf carts, ATV/UTVs on the streets. Leverett commented on Council’s past discussion on the topic and if there would be a possibility to revisit the topic. Mayor Miller stated that Council could revisit but was concerned regarding Leverett residing outside the city limits. Mayor Miller stated that Council could discuss the topic at a later time.

ADJOURNMENT

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

MAYOR

CITY CLERK

APPROVED BY COUNCIL SEPTEMBER 13, 2021

CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: September 13, 2021

Members of City Council
City of Mexico, Missouri

RE: Public Hearing – 2021 – 2022 Operating and Capital Budget

Dear Mayor and Members of City Council:

In accordance with Missouri State Statute Section 67.010, I am pleased to present the City of Mexico, Missouri's Operating Budget for the fiscal year October 1, 2021 to September 30, 2022.

As I reflect over the past year and the variety of adversity and challenges that came along with it, the work of the City is a true testament to our team's ability to remain nimble and think strategically when faced with navigating unknown and unexpected challenges. This budget is based on City Council direction and the use of long-range financial planning, which uses a conservative financial balancing approach assuming an extended recovery from the current pandemic.

The question now becomes, to what extent will COVID-19 impact this budget? At this time, vaccines for the virus are being distributed throughout the country. While there is hope associated with the dispensing of the vaccine, there remains uncertainty as to whom will agree to be vaccinated and how long it will take to eradicate this pandemic. This budget begins the next phase of a conversation on how best to deliver city services and ensure the priorities of our community are maintained through the allocation of constrained resources. At the forefront of any decision made, is how best to fund the core and essential city service needs of citizens in the most effective and efficient manner possible.

The City of Mexico adheres to the 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.

The City is well aware of the current financial and emotional well-being of our citizens; therefore, we have worked diligently to mitigate increases in our utility fees as well as

the property tax burden on our residents. 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 2022:

The total budgeted expenditures are estimated at \$19,405,701 with total revenues estimated to reach \$16,546,406. The expenditures exceed revenues by \$2,859,295 and will be funded by project reserves, unreserved surpluses from prior years' budgets and American Rescue Plan Funds. The additional expenditures are for interfund transfers, planned equipment purchases, planned capital improvement projects, project reserves and carry-over improvement projects.

Budget Overview:

The City's total adjusted property valuation for this budget year has increased over the prior year's valuation. Retail sales tax receipts have increased, lodging tax receipts are up slightly, but gross receipts tax income is down compared to last year's budget.

In June 2020, the citizens of Mexico approved the collection of a local use tax. 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. 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.

Retailers began collecting the use tax in October of 2020 and receipts from the use tax have exceeded expectations. The revenue from the use tax has been committed to support community and capital improvements, with current revenue paying in part for the recent construction of the Fairgrounds Aquatic Center.

The American Rescue Plan Act was signed by President Biden on March 11, 2021. Cities across America, including Mexico, will receive federal funds to meet the COVID pandemic response needs and rebuild a stronger and more equitable economy. The

City of Mexico is expected to receive \$2,323,964. The Rescue Act contains several provisions and restrictions on the types of projects these funds may be spent on.

Governor Parson signed SB 262 into law on July 13, 2021, which is intended to increase transportation funding for critical state and local infrastructure projects across the state of Missouri. Revenues for the State Road Fund will increase by 2.5 cents per gallon of fuel purchased annually for five years, starting in 2021. The State 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 will also increase.

Recurring operational expenditures and the cost of replacing capital equipment continues to increase on a regular basis. The availability of capital equipment and the lead time required to manufacture equipment has created equipment replacement difficulties.

Missouri voters turned to the polls in 2018 to pass Proposition B, a Minimum Wage Initiative. The new law went into effect January 1, 2019 and it will raise the minimum wage \$0.85 each year until the wage rate reaches \$12 in the year 2023. This has required the City to increase our wage rates in order to attract and retain employees.

The nation-wide labor shortage, that is currently hitting many employment sectors, has also affected the City. The rate at which people are participating in the workforce has plateaued since the summer of 2020 and has made it very difficult to attract and retain employees, as well as, keep pace with rising wage pressure. Workers are not coming back to work which has become an issue for the City and our business community.

Growth in housing inventory has slowed over the past decade in the aftermath of the 2008 housing crisis, creating an "underbuilding gap". Far fewer homes have been built compared to the number of people who want them; therefore, housing and rent prices are rising, respectively. This housing shortage has fueled a demand for incentives by cities to help meet the housing infrastructure needs of the community.

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 \$158,749,469 as compared to the previous year's total valuation of \$155,037,677, a net assessed value increase of \$3,711,792. 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 \$0.7392 per 100 dollars of assessed valuation.

City Property Tax Revenues:

Fund	Tax Rate Per \$100	Estimated Revenue
General	\$0.4404	\$736,257
Parks & Recreation	\$0.0996	\$166,511
Public Health	\$0.1992	\$333,001
Total	\$0.7392	\$1,235,769

City Sales Tax and Gross Receipts Tax:

Sales Tax Revenue for all funds is anticipated to increase compared to last year’s budget and is also expected to trend above the five year average. Gross Receipts Taxes for 2022 are expected to be down due to a decrease in usage and rates. Lodging Tax receipts are anticipated to be up compared to last year. Use Tax Revenue is higher than expected and trending above State Department of Revenue projections.

Insurance Rates:

Property and Liability Insurance renewal rates are estimated to increase by ten percent (10%) over last year, mostly due to police liability and cyber security coverage. Dental Insurance premiums are estimated to increase by eight percent (8%) effective January 1, 2022. Employee Health Insurance premiums are estimated to increase by ten percent (10%) effective January 1, 2022. The budget includes costs associated with continuing the High Deductible Health Plan coupled with the use of a Health Savings Account (HSA) with dependent premium increases being split proportionately between the employee and the City.

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

Staffing Needs:

Public and private employers throughout Missouri continue to seek quality employees; competition between agencies to recruit and retain good employees is intense and our City is no exception. Staffing problems continue to exist due to increasing wage pressure, a lack of available workers and a high employee turnover rate.

This budget includes a 1% COLA as well as a wage step increase for full-time employees on the wage schedule. Part-time hourly rates, volunteer fire personnel call-out pay and hourly employee on-call pay will all be increased. All wage adjustments will be implemented in accordance with the City’s compensation plan and the employee personnel manual.

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

Support for Outside Agencies:

<u>Charitable Agencies</u>	<u>Request</u>	<u>Budgeted</u>
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
<u>Contract Agencies</u>	<u>Request</u>	<u>Budgeted</u>
Handi-Shop (Recycling Program)	\$12,000	\$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	\$84,500	\$78,900

External Revenue Sources for Capital Projects:

In this budget, the City will continue with the park signage and airport improvement projects. The City will also receive federal rescue funds for a new fire truck and other capital projects yet to be determined.

The following grants are anticipated in support of this budget:

➤ MoDOT – TEAP – Liberty/Clark Street Study	\$8,000
➤ DOT – Airport Runway Displacement	\$180,000
➤ DOT – Airport AWOS Access Road	\$135,000
➤ DOT – Airport Pavement Replacement	\$135,000
➤ Federal CARES – Airport	\$10,000
➤ American Rescue Plan Grant	\$1,050,000

The following donations are anticipated in support of this budget:

➤ Park Foundation – Park Signage Project	\$12,500
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GENERAL FUND:

The General Fund is the City's chief operating fund. This fund supports those operations most closely identified with the City, such as Public Safety, Administration, Legal, Finance, Emergency Management, Engineering, Stormwater, Forestry, Cemetery, Community Development and Street Maintenance operations.

The General Fund budgeted revenue for Fiscal Year 2022 is estimated at \$6,979,808 and expenditures are estimated to reach \$7,923,808, plus a transfer out of \$30,000 to the Airport Fund and a set-aside of \$100,000 in project reserves for total expenditures of \$8,053,808. The estimated expenditures, qualifying capital expenditures, interfund transfers and project reserves are greater than revenues by \$1,074,000.

The non-recurring capital expenditures in the General Fund total \$2,190,225; they are listed below. The expenditure of \$1,200,000 for a new aerial fire truck will be funded with American Rescue Plan Grant funding. Therefore, considering the qualifying capital expenditures and the set aside for project reserves, no cash balances are being expended for recurring operating 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 54%, including project reserves.

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

- Public Safety:
 - Aerial Fire Truck \$1,200,000
 - Thermal Imaging Camera \$13,300
 - Mobile Data Terminals \$40,000
 - Training Room Lockers \$5,500
 - Patrol Vehicles \$69,000

- Community Development:
 - Copy-Scan-Photo Equipment \$11,000
 - Mid-size Truck – Code Enforcement \$25,000
 - Sidewalk Replacement Program \$7,500

- Engineering:
 - Pub Works GIS Software \$8,575

○ Plotter/Scanner – Large Format	\$9,500
➤ Stormwater	
○ Lakeview Lake Dam Improvements	\$90,000
○ Annual Stormwater Improvements	\$10,000
○ Pipe Replacement – Fairgrounds/Lakeview	\$10,000
○ Culvert Replacement – Pollock Road	\$35,000
○ Stormwater Reconstruction – Abat & Love	\$15,000
➤ Forestry-Brush Grinding:	
○ 65ft Tracked Lift	\$95,000
➤ Cemetery:	
○ Mini-Skid Steer Attachments	\$14,400
○ Storage Building Replacement	\$85,000
➤ Streets & Maintenance:	
○ Flat Bed Trailer – Replacement	\$33,000
○ Equipment Trailer	\$5,000
○ Excavator – Large	\$59,950
○ Pickup – ¾ ton	\$34,000
○ Dump Truck	\$135,000
○ Snow Plow	\$8,700
➤ Building & Grounds:	
○ City Hall – Painting & Repairs	\$15,000
○ City Hall – Elevator Rebuild	\$155,800

General Fund transfers to other Funds:

➤ Airport Fund – Operations	\$30,000
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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 in the near future, such as repairs to the Teal Lake Dam, Town Branch Improvements and City Hall replacement that will require consideration.

WASTEWATER OPERATION FUND:

Budgeted revenues for Fiscal Year 2022 are estimated at \$3,238,840. Operating expenditures are estimated at \$2,576,373, an inter-fund transfer of \$745,150 to the

Wastewater Debt Service Fund and a project reserve of \$80,000 with total expenditures equaling \$3,401,523.

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 \$777,000 in planned capital improvement projects for this fiscal year and additional high cost improvements planned for upcoming fiscal years.

Significant projects and/or programs that are included in the 2022 Wastewater Operating Fund Budget:

➤ Pickup – Extd Cab 4x4	\$43,500
➤ Collection System Improvements	\$75,000
➤ Collection System – Slip Lining	\$300,000
➤ Collection System – I&I Sonar	\$30,000
➤ Building Improvements – HVAC	\$93,500
➤ Lift Station Pumps	\$25,000
➤ Jet Truck Cleaning Equipment	\$10,000
➤ WWTP Aeration Basin Diffusers	\$160,000
➤ Lift Station Improvements	\$20,000
➤ WWTP Drives and Alarms	\$20,000
Total	\$777,000

This budget reflects a 3% adjustment in wastewater rates for the upcoming fiscal year.

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 perform system improvements that reduce I&I into the collection system. This has been an ongoing effort for several years, that 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 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 2022 are estimated at \$678,562 and expenditures for operations are estimated at \$668,516, plus a project reserve for equipment replacement in the amount of \$11,000 for total expenditures of \$679,516.

The ending fund minimum balance by policy for the Sanitation Fund is 25% of operational expenses less grants and non-reoccurring capital. The ending fund balance is estimated to be 54%.

The City has a ten-year residential refuse collection contract with Dayne's Waste Disposal that runs through March of 2024. The contract includes an annual pricing adjustment for the collection of residential refuse, but does not include a price increase related to landfill fees. Dayne's experienced a substantial increase in landfill fees one year ago and requested the City consider an amendment to their contract. The City Council authorized a three year rate adjustment for the increase in landfill fees; this budget includes the second increase for Dayne's effective April of 2022.

This budget anticipates a 5% adjustment in the base sanitation rate for the upcoming year effective in April 2022. This rate adjustment will cover the increase in landfill fees and the annual rate increase for residential refuse collection.

ECONOMIC DEVELOPMENT FUND:

The Budgeted revenues for Fiscal Year 2022 are estimated at \$304,886; expenditures are estimated to be \$233,550, plus an interfund transfer of \$123,169, with total expenditures amounting to \$356,719.

Lease revenue received from the city-owned industrial speculative building is deposited into this fund. Building owner expense related to the speculative building and the expenses for job creation, retention, industry recruitment and economic development planning are all paid from this fund. The City owns the railroad spur that serves the businesses located within the Business Park. The spur needs ongoing repairs and \$20,000 has been budgeted this fiscal year to make these repairs.

The City now owns the AP Green/MAB Property and lease revenue received from its tenants is deposited in this fund. An interfund transfer out of the fund is for purposes of

making the MAB NID Bond Payment. As current owners of the AP Green/MAB Property, the City is also responsible for repairing a sewer line for one of the tenants at a cost of \$48,500 and continuing some demolition activities at an estimated cost of \$24,500.

The ending fund balance for 2022 is estimated to exceed the fund balance policy goal.

PARKS AND RECREATION FUND:

Revenue from a dedicated park property tax in the amount of 9.96 cents (.0996) 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 into this fund.

The Parks and Recreation Fund budgeted revenue for Fiscal Year 2022 is estimated to reach \$1,325,693 with total expenditures estimated at \$1,527,862. The Parks and Recreation budget reflects a reduction in the cash balance by \$202,169, due to the 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 at 20%.

The City swimming pool was over 30 years old and had reached the end of its intended life cycle. Therefore, the City completed a major renovation project on the City's pool and rededicated it as the Fairgrounds Aquatic Center in May of 2021. Money from the Parks and Recreation Fund and the Use Tax are making the principal and interest payment on a 10-year bank loan used to help finance the aquatic center renovation.

Significant projects and/or programs that are included in the 2022 Parks and Recreation Fund Budget:

Parks Operations:

➤ Welding Tools	\$8,450
➤ Cargo Trailer	\$10,500
➤ Wide Area Mower	\$62,000
➤ Vehicle Replacement – Recreation Dept	\$28,000
➤ Lift Gate Replacement for Truck	\$16,300
➤ Parks Map Signage Project	\$12,500
➤ Picnic Tables	\$9,500
➤ Building Improvements – Vehicle Lean-to	\$24,500

Pool Operations:

➤ Pool Fixtures, Furniture & Equipment	\$7,500
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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 19.92 cents (.1992) 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 2022 is estimated to be \$354,886 and expenditures are estimated at \$433,936. The expenditures exceed revenues and will be funded by unreserved surpluses from prior budgets.

The reduction in cash balance is intended to support continued funding for the dangerous building demolition program and nuisance abatements, which the City is currently experiencing an influx in requests to address. In this budget, the City will also fund 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 reach 85%.

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 2022 is estimated to be \$518,180 with expenditures estimated at \$582,072. A \$30,000 transfer from the General Fund is being made to support base operations. The ending fund balance is projected at \$60,328, which is above the 17% minimum ending fund balance policy.

The capital expenditure for a new approach to the main runway in the amount of \$200,000, an AWOS Access Road in the amount of \$150,000 and a pavement replacement project in the amount \$150,000 are all funded ninety percent (90%) by a DOT Grant. The City also expects to receive a CARES Grant in the amount of \$10,000 to support maintenance projects at the Airport.

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 \$897,626 in revenue. All expenditures from this fund are for the capital outlay projects listed below and a transfer of \$470,000 to the General Fund for street maintenance and stormwater projects.

The ending fund balance is projected to be at 29%, which meets the fund balance policy goal of 10%.

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

➤ Asphalt Overlays	\$280,000
➤ Sidewalk Improvements	\$65,000
➤ Pavement and Curb Replacement	\$60,000
➤ Smiley Lane Extension	\$216,300
➤ Mars Street Extension Planning	\$10,000
➤ Project Reserves	\$20,000

CAPITAL PROJECT RESERVE FUND:

This fund was originally established to transfer unreserved surplus funds from the City's General Fund to be held in reserve for future capital projects. As a part of the City's Debt Management Plan, the City plans ahead, saves money and uses a pay-as-we-go approach for most capital project purchases.

This approach conserves credit and primarily only using debt as a tool to finance large capital investments and facilities. Planning ahead, saving and using the pay-as-we-go approach may increase cash reserves at times; however, it avoids the added cost of processing fees and interest payments associated with borrowing. By using this approach, the City was able to save and contribute \$1,259,671 in cash towards the new Fairgrounds Aquatic Center.

In June of 2020, the citizens of Mexico approved the collection of a local use tax. The revenue from said use tax was committed to support community and capital improvement projects. The dedicated receipts from the Use Tax Collections are now being deposited into this fund.

The estimated revenue for 2022 into this fund is \$233,485 with expenditures estimated at \$135,465. The only expenditure in this fund is for an interfund transfer to the Parks and Recreation Fund to support a portion of the principal and interest payment on a bank loan for Fairgrounds Aquatic Center.

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 13, 2021

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Revising The Budget For The City Of Mexico, Missouri, For The Fiscal Year October 1, 2020 To September 30, 2021, Inclusive, And Adopting The Budget For The Fiscal Year October 1, 2021 To September 30, 2022, 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

Dear City Council Members:

The Public Hearing was held earlier this evening for the 2021 – 2022 Operating and Capital Budget. Staff has submitted the 2021 – 2022 Operating and Capital Budget for Council approval.

Staff recommends that Council proceed with two readings by title only and passage approving the 2021 – 2022 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, 2020 TO SEPTEMBER 30, 2021, INCLUSIVE, AND ADOPTING THE BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2021 TO SEPTEMBER 30, 2022, 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, 2020 to September 30, 2021, 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, 2021 to September 30, 2022, 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, 2021, be and the same are hereby canceled on September 30, 2021, 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 13TH DAY OF SEPTEMBER 2021

MAYOR

ATTEST:

CITY CLERK

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

Agenda: September 13, 2021

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Enter into an Agreement with SMICO Contracting Group, LLC for Aeration Diffuser Replacement Work at the Wastewater Treatment Facility

Dear City Council Members:

Advertisement for bids were placed in the *Mexico Ledger* and also placed on the Quest CDN Electronic Plan Room and on the City's website for aeration diffuser replacement work at the wastewater treatment facility. Five bids were received and were opened on August 3, 2021 with SMICO Contracting Group, LLC of Odessa, Missouri submitting the best bid.

This project will replace the diffuser membranes in the aeration basins and remove the grit and snails from these basins. The work includes lawful disposal of the biosolids in accordance with EPA CFR 503 and state requirements WQ423, WQ424, and WQ426.

The 2020 – 2021 annual budget allows \$120,000 for the diffuser replacement project. Additional funding has also been included in the 2021 – 2022 annual budget (\$160,000).

<i>Contractor</i>	<i>Location</i>	<i>Price</i>
Clean Infusion	Columbia, Missouri	\$279,645.00
Heggeman, Inc.	Warrenton, Missouri	\$257,357.00
Irvinbilt Constructors, Inc.	Chillicothe, Missouri	\$302,700.00
Martin General Contractors	Eolia, Missouri	\$234,500.00
SMICO Contracting Group, LLC	Odessa, Missouri	\$244,113.00

Staff recommends Council proceed with reading by title only and passage of the attached Resolution authorizing the City Manager to enter into an agreement with SMICO Contracting Group, LLC.

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 ENTER INTO AN AGREEMENT WITH SMICO CONTRACTING GROUP, LLC FOR AERATION DIFFUSER REPLACEMENT WORK AT THE WASTEWATER TREATMENT FACILITY

WHEREAS, there is a need to replace the diffuser membranes in the aeration basins and to remove the grit and snails from these basins at the wastewater treatment facility; and

WHEREAS, the replacement work includes lawful disposal of the biosolids in accordance with EPA CFR 503 and state requirements WQ423, WQ424, and WQ426; and

WHEREAS, bids were submitted for the project and SMICO Contracting Group, LLC, of Odessa, Missouri was the best bid.

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

Section 1. The City Manager is authorized to enter into an agreement with SMICO Contracting Group, LLC. for aeration diffuser replacement work at the Wastewater Treatment Facility.

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

PASSED THIS 13TH DAY OF SEPTEMBER 2021

MAYOR

ATTEST:

CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF COMMUNITY DEVELOPMENT DIRECTOR

Agenda: September 13, 2021

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Sign
a Modernization Proposal with Kone, Inc. for the
City Hall Elevator

Dear City Council Members:

A scheduled equipment inspection for the city hall elevator was completed on April 19, 2021 by ATIS Elevator Inspections. The inspection determined that the elevator no longer met safety codes and Americans with Disability Act requirements.

A proposal was solicited for upgrades from Kone, Inc., sole source provider for the elevator model. The proposal was based on a 2022 installation to modernize the current elevator. Kone, Inc.'s proposal was \$155,789 and includes a new control system; a new door operator; and a new pushbutton panel in the halls and in the elevator car. Funding for this project is included in the 2021 – 2022 annual budget in the amount of \$155,800.

Approving the proposal would allow Kone, Inc. to order parts, which has a 14-week lead time. Approval will also allow the upgrades to be scheduled for a January 2022 completion date.

Staff recommends Council proceed with reading by title only and passage authorizing the City Manager to sign a modernization proposal submitted by Kone, Inc. for the city hall elevator.

Respectfully submitted,

Rita Jackson
Community Development Director

Reviewed by: Bruce Slagle, City Manager

BILL NO. 2021 – 59

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A
MODERNIZATION PROPOSAL WITH KONE, INC. FOR THE CITY HALL ELEVATOR**

WHEREAS, a scheduled equipment inspection for the city hall elevator was completed on April 19, 2021 by ATIS Elevator Inspections; and

WHEREAS, the inspection determined that the elevator no longer met safety codes and Americans with Disability Act requirements; and

WHEREAS, a proposal was solicited for upgrades from Kone, Inc., sole source provider for the elevator model. Kone, Inc.'s proposal was \$155,789 and includes a new control system; a new door operator; and a new pushbutton panel in the halls and in the elevator car; and

WHEREAS, the proposal submitted for the project from Kone, Inc. was sole source provider for the elevator model.

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

- Section 1. The City Manager is hereby authorized to sign a modernization proposal submitted by Kone, Inc. for the city hall elevator for the amount of \$155,789.
- Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 13TH DAY OF SEPTEMBER 2021

MAYOR

ATTEST:

CITY CLERK

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

Agenda: September 13, 2021

Members of City Council
City of Mexico, Missouri

RE: Staff Report – Purchase of Replacement Parts for
Wastewater Pumps

Dear City Council Members:

The City's wastewater treatment facility has four influent pumps that pump wastewater into the treatment plant for processing. These pumps were installed approximately 10 years ago and wear and tear occur on the impellers and sleeves, due primarily to grit in the influent. The recent maintenance inspection performed by Vandevanter Company, under contract with the City, showed two of the pumps have significant wear.

A price quote for the necessary replacement parts has been obtained from Vandevanter Engineering Company of Fenton, Missouri. The pumps and parts are sold through a sole source distributor for the manufacturer. Purchasing these parts now will allow them to be installed at the next inspection, saving a service call and mobilization costs.

The 2020 – 2021 annual budget allows \$25,000 for equipment replacement for lift station pumps.

Vendor	Bid Price
Vandevanter Engineering Co., Fenton, Missouri	\$18,706.00

Staff recommends Council accept the bid in the amount of \$18,607.00 from Vandevanter Engineering Co. for the necessary replacement parts for the lift station pumps.

Respectfully submitted,

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

JKR:lo
Attachments

Reviewed by: Bruce Slagle, City Manager