



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

**September 9, 2019
7:00 p.m.**

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Minutes**
 - A. August 26, 2019 – Regular Session
- 4. Public Hearing**
 - A. 2019 – 2020 Operating and Capital Budget
- 5. Ordinance (Two Readings By Title Only and Passage)**
 - A. Bill No. 2019 – 65. An Ordinance Revising the Budget for the City of Mexico, Missouri, for the Fiscal Year October 1, 2018 to September 30, 2019, Inclusive, and Adopting the Budget for the Fiscal Year October 1, 2019 To September 30, 2020, 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. Other Business**
 - A. Claims
- 7. Comments**
 - A. Council
 - B. Public (*Please state name and address for the record and keep comments to a maximum of three minutes*).
- 8. Adjournment into Executive Session pursuant to the Revised Statutes of Missouri § 610.021 (1) litigation and (3) personnel matters**
- 9. Adjournment**

**CITY OF MEXICO, MISSOURI
CITY COUNCIL REGULAR MEETING MINUTES
AUGUST 26, 2019**

The Council of the City of Mexico, Missouri met in regular session on August 26, 2019 at 7:00 p.m. in the Council Chambers of City Hall, with the following members present: Mayor Dr. Ayanna Shivers; Chairman Pro Tem Chris Williams; Council Member Steve Nichols; Council Member Chris Miller; Council Member Vicki Briggs. Also present were Bruce Slagle, City Manager; Roger Haynes, Deputy City Manager; Russell Runge, Assistant City Manager/Economic Development; Kensey Russell, Public Works Director; Chad Shoemaker, Parks & Recreation Director; Rita Jackson, Community Development Director; Chief Susan Rockett, Public Safety Department; Patrick Shaw, IT Specialist; Drew Williford, City Engineer; Louis J. Leonatti, City Attorney; Marcy LeCount, City Clerk; as well as members of the media and interested citizens.

The Meeting was called to order with Mayor Shivers presiding.

APPROVAL OF MINUTES – AUGUST 12, 2019 – REGULAR SESSION MEETING

Chairman Pro Tem Williams moved for approval of the August 12, 2019 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, Miller, Williams, Shivers, Briggs. Nays, none. Abstain, Nichols. The Minutes were approved as presented.

PUBLIC HEARING

Establish the 2019 Property Tax Rates

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

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

As required by state law, City Council conducted a public hearing to establish the current year’s property tax rates for the 2019 Property Tax Levy. The State Auditor’s office calculates the allowable property tax rates based on keeping revenue neutral, exclusive of new construction. Based on the 2019 Assessed Value (\$158,466,188) and the State Auditor’s Office allowable tax rate calculations of .7272 per \$100 assessed valuation, revenues for the City of Mexico would be \$1,152,366. Based on the 2019 Assessed Value (\$158,466,188), revenues for the City of Mexico would be as follows for Budget Year 2019 – 2020.

<i>Proposed Revenue by Fund Using Current Rates</i>	<i>Proposed Revenue</i>	<i>Proposed Tax Rate</i>
General Fund	\$ 682,989	\$.4310
Parks & Recreation	156,406	.0987
Public Health	312,971	.1975
	<hr/> \$1,152,366	<hr/> \$.7272

Deputy City Manager Haynes recommended Council proceed with the advertised public hearing in order to establish the 2019 Property Tax Levy.

Public Comments

None

Council Member Miller moved to close the Public Hearing. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. The Public Hearing was closed.

NEW BUSINESS – RESOLUTIONS (READING BY TITLE ONLY AND PASSAGE)

Bill No. 2019 – 58. A Resolution Authorizing the City Manager to Sign Contract Documents with Spike Construction for the 2019 Industrial Rail Spur Maintenance Project.

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

The 2018 – 2019 Budget allows for \$20,000 for the 2019 Industrial Rail Spur Maintenance Project. Advertisements for bids were placed in the *Mexico Ledger* on August 1, 2019 and drawings, specifications and other related contract information were available at American Document Solutions or planroom.adsmo.net. Two bids were received and opened on August 20, 2019 with Spike Construction of Mexico, Missouri submitting the best bid.

<i>Contractor</i>	<i>Tie Replacement</i>	<i>Total Bid</i>
Spike Construction Mexico, Missouri	100	\$20,000.00
RailWorks Track Services Bridgeton, Missouri	60	\$19,995.00

Assistant City Manager Runge recommended Council proceed with reading and passage of Bill No. 2019 – 58.

Chairman Pro Tem Williams moved for reading by title only of Bill No. 2019 – 58. Council Member 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, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Bill No. 2019 – 58 was read by title only by Chairman Pro Tem Williams.

Chairman Pro Tem Williams moved for passage of Bill No. 2019 – 58. Mayor 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, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Bill No. 2019 – 58 was passed as Resolution No. 3948.

NEW BUSINESS – ORDINANCES (TWO READINGS BY TITLE ONLY AND PASSAGE)

Bill No. 2019 – 59. An Ordinance Levying Taxes on all Property for the Fiscal Year October 1, 2019 to September 30, 2020 for the City of Mexico, Missouri.

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

Bill No. 2019 – 59 establishes the property tax rates for the next fiscal year. State law requires that City Council conduct a public hearing for the 2019 Property Tax Levy earlier this evening. As discussed at the Public Hearing, the County Clerk had certified the City’s total assessed valuation for 2019 as \$158,466,188 which compared to the 2018 total of \$159,115,737. City Manager Slagle proposed that the property tax levies for the various funds be proportioned as follows:

	<u>2018</u>	<u>2019</u>
General Fund	.4261	.4310
Parks & Recreation Fund	.0976	.0987
Public Health Fund	<u>.1953</u>	<u>.1975</u>
Totals:	.7190	.7272

City Manager Slagle recommended Council proceed with two readings by title only and passage of Bill No. 2019 – 59, which had been posted the required length of time.

Chairman Pro Tem Williams moved for first reading by title only of Bill No. 2019 – 59. Council Member Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. First reading consideration was given to Bill No. 2019 – 59 by Chairman Pro Tem Williams.

Chairman Pro Tem Williams moved for second reading by title only of Bill No. 2019 – 59. Council Member Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Second reading consideration was given to Bill No. 2019 – 59 by Chairman Pro Tem Williams.

Chairman Pro Tem Williams moved for passage of Bill No. 2019 – 59. Council Member Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Bill No. 2019 – 59 was passed as Ordinance No. 4418.

Bill No. 2019 – 60. An Ordinance to Repeal and Replace Ordinance No. 4367 to Rezone Property Located North of Teal Lake Road between Fairground and South Clark and Amending the District Map Referred to in Section 42-205 of the City of Mexico, Missouri (Zoning) to R-2, Two Family Dwelling.

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

Ordinance No. 4367 was adopted by City Council on March 27, 2017. This was a request from Sydenstricker Properties, LLC to rezone property located north of Teal Lake Road between Fairground and South Clark from R-1, Single Family District to R-2, Two Family District. The rezoning allowed the development of Teal Lake Village Planned Unit Development (PUD). Bill No. 2019 – 60 corrects the legal description recently discovered by City Staff during the review process of Teal Lake Village Plat I. Also, the Section reference of the City of Mexico Code has changed due to the City's recent recodification of the Code. Director Jackson recommended Council proceed with two readings by title only and passage of Bill No. 2019 – 60, which had been posted the required length of time.

Council Member Miller moved for first reading by title only of Bill No. 2019 – 60. Council Member Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. First reading consideration was given to Bill No. 2019 – 60 by Council Member Miller.

Council Member Miller moved for second reading by title only of Bill No. 2019 – 60. Council Member Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Second reading consideration was given to Bill No. 2019 – 60 by Council Member Miller.

Council Member Miller moved for passage of Bill No. 2019 – 60. Council Member Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Bill No. 2019 – 60 was passed as Ordinance No. 4419.

Bill No. 2019 – 61. An Ordinance Amending Chapter 38, Article X, Schedule 3 of the Traffic and Vehicles Schedule of the Mexico City Code.

City Manager Slagle called upon Civil Engineer Williford to present the report.

Over the past several months, the Street Division has been working with the Engineering Division to catalog discrepancies in the City's Traffic Schedules. This effort includes instances where traffic signage

may be present in the field with no entry in the Traffic Schedules as well as instances where an entry in the Traffic Schedules may have no signage in the field. This report covers modifications to Traffic Schedules 3 (Stop Signs), 5 (Speed Limits), 13 (No Parking), and 18 (Gross Weight) which bring the Traffic Schedules and signage in sync at the locations specified in the Ordinance. Civil Engineer Williford recommended Council proceed with two readings by title only and passage of Bill No. 2019 – 61, which had been posted the required length of time.

Council Member Briggs moved for first reading by title only of Bill No. 2019 – 61. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. First reading consideration was given to Bill No. 2019 – 61 by Council Member Nichols.

Council Member Nichols moved for second reading by title only of Bill No. 2019 – 61. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Second reading consideration was given to Bill No. 2019 – 61 by Council Member Nichols.

Council Member Nichols moved for passage of Bill No. 2019 – 61. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Bill No. 2019 – 61 was passed as Ordinance No. 4420.

Bill No. 2019 – 62. An Ordinance Amending Chapter 38, Article X, Schedule 5 of the Traffic and Vehicles Schedule of the Mexico City Code.

Council Member Briggs moved for first reading by title only of Bill No. 2019 – 62. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. First reading consideration was given to Bill No. 2019 – 62 by Council Member Briggs.

Council Member Briggs moved for second reading by title only of Bill No. 2019 – 62. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Second reading consideration was given to Bill No. 2019 – 62 by Council Member Briggs.

Council Member Briggs moved for passage of Bill No. 2019 – 62. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Bill No. 2019 – 62 was passed as Ordinance No. 4421.

Bill No. 2019 – 63. An Ordinance Amending Chapter 38, Article X, Schedule 13 of the Traffic and Vehicles Schedule of the Mexico City Code.

Chairman Pro Tem Williams moved for first reading by title only of Bill No. 2019 – 63. 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, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. First reading consideration was given to Bill No. 2019 – 63 by Chairman Pro Tem Williams.

Chairman Pro Tem Williams moved for second reading by title only of Bill No. 2019 – 63. 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, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Second reading consideration was given to Bill No. 2019 – 63 by Chairman Pro Tem Williams.

Chairman Pro Tem Williams moved for passage of Bill No. 2019 – 63. 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, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Bill No. 2019 – 63 was passed as Ordinance No. 4422.

Bill No. 2019 – 64. An Ordinance Amending Chapter 38, Article X, Schedule 18 of the Traffic and Vehicles Schedule of the Mexico City Code.

Council Member Nichols moved for first reading by title only of Bill No. 2019 – 64. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. First reading consideration was given to Bill No. 2019 – 64 by Council Member Nichols.

Council Member Nichols moved for second reading by title only of Bill No. 2019 – 64. 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, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Second reading consideration was given to Bill No. 2019 – 64 by Council Member Nichols.

Council Member Nichols moved for passage of Bill No. 2019 – 64. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none. Bill No. 2019 – 64 was passed as Ordinance No. 4423.

OTHER BUSINESS

Staff Report – Task Order for Sidewalk Construction at 220 West Jackson Street
City Manager Slagle called upon Director Russell to present the report.

Robert and Helen Fenlon own the building located at 220 West Jackson Street (southwest corner of Jackson/Washington intersection). The building has a number of window wells and a coal chute extending into the adjacent sidewalk that have been covered with metal plates for a number of years. The plates have corroded and are becoming dangerous to the public. The Fenlons and City Staff have agreed to share the cost of replacing the entire non-ADA compliant sidewalk, including blocking up the windows and filling in the window wells. A replacement sidewalk to meet ADA standards has been designed by City Staff with the cost for the work solicited from the City's on-call contractor. The project cost is \$23,170 to be shared with the Fenlons paying \$9,394. This is a cost share project for the sidewalk work adjacent to the building with the Fenlons also paying for the work to block up and fill the window wells and the chute. The City's share totals \$13,776 and includes the handicap ramp at the Washington/Jackson Streets intersection, along with some curb and gutter work. The 2018 – 2019 annual budget allows for the improvements. Director Russell recommended Council approve by motion, the Task Order with Plan B Development for the sidewalk construction at 220 West Jackson Street.

Council Member Miller moved to approve the Task Order from Plan B Development in the amount of \$23,170 to be paid at a cost share for the sidewalk construction at 220 West Jackson Street. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Miller, Williams, Shivers, Nichols, Briggs. Nays, none.

Claims

The list of claims was presented for approval.

Chairman Pro Tem Williams moved for approval of the list of claims 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, Miller, Williams, Shivers, Nichols, Briggs. Nays, none.

The list of claims was approved.

COUNCIL COMMENTS

Council Member Briggs commented on recent activities held in Mexico.

Chairman Pro Tem Williams commented on the Soybean Festival and the Department of Public Safety's appearance at the festival. Chairman Pro Tem Williams commented on the Hwy 54 project and current tax rates compared to other communities.

Council Member Nichols commented on the Soybean Festival.

Council Member Miller commented on the football jamboree, the Soybean Festival and Car Cruise.

Mayor Shivers commented on the Soybean Festival and Car Cruise.

PUBLIC COMMENTS

Joshua Price, 116 Mary, commented on legal actions regarding the gas pipeline explosion on Hwy 15.

Dr. Kenneth Burle, 9998 Audrain Road 371, Assistant Swim Coach for the Marlins Swim Team, commented on the proposed swimming pool improvements and the need for a 50-meter pool.

Matthias McManus, 15470 Hwy JJ, Head Swim Coach for the Marlins Swim Team, commented on the need for a 50-meter pool.

Council Members held discussion with Burle and McManus regarding the progress of municipal pool design.

ADJOURNMENT

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

MAYOR

CITY CLERK

APPROVED BY COUNCIL SEPTEMBER 9, 2019

CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: September 9, 2019

Members of City Council
City of Mexico, Missouri

RE: Public Hearing – 2019 – 2020 Operating and Capital Budget

Dear Mayor and Members of City Council:

The City of Mexico, Missouri Budget for the fiscal year October 1, 2019 to September 30, 2020 is hereby submitted for your consideration in accordance with Missouri State Statute Section 67.010 and this budget is balanced.

Every effort has been made to implement the policy direction of the City Council, provide service priorities to the citizens and maintain the City's financial health. This Budget maintains the fund balance reserves as required by City Council Policy and utilizes surplus savings from prior years to help fund non-reoccurring one-time expenses and the purchase of capital assets.

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.

Financial planning is essential for sound fiscal management and stewardship of resources. At the forefront of any decision made is how to address the service needs of the citizens of Mexico in the most effective and efficient manner possible within the budget constraints imposed. This budget serves that purpose through formation of public policy, guide of operations, control of spending and as a written financial plan. It not only serves as a management planning tool, but provides a written plan of financial accountability to the citizens of Mexico, Missouri.

Core and essential city services always receive the highest priority in committing funds, yet all budget decisions are challenging due to the City's limited resources. Budget development is neither a quick nor an easy process and embodies hundreds of personnel hours, operating expenditures, capital replacement and infrastructure improvement decisions that are encompassed in the final document.

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 comprehensive team effort by every level of the municipal organization and it included citizen input. Unnecessary expenses have been removed, personnel costs have been controlled and program efficiencies have been implemented. The City is operating in a lean and condensed state.

TOTAL OPERATING BUDGET FISCAL YEAR 2020:

The total budgeted expenditures are estimated at \$19,063,533 with total revenues estimated to be \$17,202,850. The expenditures exceed revenues by \$1,860,683 and will be funded by project reserves, unreserved surpluses from prior years' budgets and municipal bonds. The additional expenditures are for interfund transfers, planned capital equipment purchases, planned capital improvement projects and carry-over improvement projects.

Budget Overview:

The City's total adjusted property valuation for this budget year decreased by .0041% over the prior year's valuation. This was due to a decrease in personal property values. Retail sales tax receipts are down compared to last year's collections, lodging tax receipts are stable and gross receipts tax income is down slightly 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 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 2023. The increase in the minimum wage coupled with our low local unemployment rate, that is continually below the state and federal rate, has increased the competition for part-time and seasonal workers. Therefore, the City increased our seasonal wage rate, which led to a pool admission rate increase to offset the additional cost for lifeguards.

On April 2, 2019 the citizens of Mexico approved a renewal of an existing sales tax for capital improvements. This sales tax is designated for use in the construction 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 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 decisions. Each of these trends have made it more challenging for local retail stores to survive and has contributed accordingly to the reduction in Mexico's retail sale tax collections. Last year the United States Supreme Court ruled to strike down the court's 1992 physical presence standard that exempted any out-of-state (internet and catalog) retailers from collecting state and local sales and use tax. The ruling opened the door for expanded collections of state and local use taxes. However, under current law, Missouri municipalities still need voter approval of a Use Tax to see any revenue from this decision.

Analysis from Internet Retailer, shows online retail sales in the U.S. exceeded \$517 billion in 2018, a 15.0% jump compared with 2017. This means that ecommerce now accounts for 14.3% of the total retail sales in the U.S. and growing. The State of Missouri has seen a 20% increase in online retail sales in the past two years according to the Missouri Department of Revenue report on gross sales subject to use tax. The most recent report from the Missouri Department of Revenue, Taxation Division, estimates that the City of Mexico could capture over \$152,000 annually in use taxes if approved.

A year after the trade war with China started, the dispute is still raging on and soybean prices have hit a 10-year-low. China targeted its first round of tariffs on producers in agricultural and manufacturing states like Missouri. Particularly hard hit were producers of soybeans, the country's largest farm export. U.S. net farm income, a commonly used measure of profits, has plunged 45 percent since a high of \$123.4 billion in 2013, according to the U.S. Department of Agriculture. Local Missouri farmers' struggle to return to the profitability seen earlier in the decade, all of which has had a negative impact on our local economy.

City Assessed Property Values:

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

This year's total property valuation is \$158,466,188 as compared to the previous year's total valuation of \$159,115,737, a net assessed value decrease of \$649,549. 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. The City's property tax rate will be \$0.7272 per \$100 of assessed valuation.

City Property Tax Revenues:

Fund	Tax Rate	Estimated
Per \$100	Revenue	
General	\$0.4310	\$711,483
Parks & Recreation	\$0.0987	\$163,259
Public Health	\$0.1975	\$326,673
Total	\$0.7272	\$1,201,415

City Sales Tax and Gross Receipts Tax:

The Sales Tax Revenue for the General Fund, Parks and Recreation Fund, and the Capital Improvements Sales Tax Fund are anticipated to be down as compared to last year's budget and trending downward when compared to the five year average. Gross Receipts Taxes for FY 2020 are expected to be down slightly, all related to a decrease in consumption and rates. Lodging Tax receipts are anticipated to be similar to last year's budget.

Insurance Rates:

Property and Liability Insurance renewal rates are estimated to increase by five percent (5%) over last year. Employee Health Insurance premiums are estimated to increase by ten percent (10%) effective January 1, 2020. 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. Dental Insurance premiums are estimated to increase by eight percent (8%) effective January 1, 2020.

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:

A new personnel classification and compensation plan was adopted by the City with new salary schedules that went into effect on October 1, 2018. The plan recommends that the pay ranges be reviewed on an annual basis and adjusted accordingly to ensure external competitiveness.

The law enforcement community throughout Missouri continues to be very dynamic, and the competition between agencies to recruit and retain public safety officers is intense. The Mexico Public Safety Department is no exception to this, and the turnover of officers this past year has created an increasing staffing problem.

This budget includes an adjustment in the salary schedules as follows:

Schedule A: General Hourly Employees

No step increase, but a 2% across the board schedule increase as a cost of living adjustment.

Schedule B: Public Safety Hourly Employees

Grade AA: PSO Officer, a 3% across the board schedule increase for market adjustment.

All other Grades: A 2% across the board schedule increase as a cost of living adjustment.

Schedule C: Exempt Employees

No scale adjustment, but a 2% increase in wages as a cost of living adjustment.

Full-time staff 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	\$19,000
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	\$85,900

External Revenue Sources for Capital Projects:

This budget year, the City is planning to undertake a major swimming pool facility renovation and improvement project, the construction of a dog park, the construction of an ADA approved playground, a sidewalk improvement project, and a runway displacement 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	\$107,235
DOT – Airport Layout Plan	\$11,700
DOT – Runway Displacement	\$135,000

The following donations are anticipated in support of this budget:

ACDD Board – ADA Playground at Plunkett	\$110,000
Private Donations – Dog Park	\$50,000

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

Bank Loan – Pool Renovation Project	\$2,400,000
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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.

General Fund budgeted revenue for Fiscal Year 2020 is estimated at \$5,633,250 and expenditures are estimated to be \$5,934,936 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 \$6,069,936. The estimated expenditures, qualifying capital expenditures, interfund transfers and project reserves are greater than revenues by \$436,686. The qualifying capital expenditures in the General Fund are listed below; therefore, 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 and the ending fund balance for 2020 is estimated to be at 63% which includes project reserves.

Significant capital projects and/or programs that are included in the 2020 General Fund Budget:

Public Safety:

Ballistic Vests	\$34,000
Patrol Vehicles	\$62,000

Administration:

Network Server	\$62,400
PC Station Replacements	\$11,777

Community Development:

Sidewalk Replacement Program	\$7,500
Mid-size Truck	\$24,000

Stormwater

Annual Improvements	\$10,000
Fairgrounds – Lakeview Pipe Replacement	\$55,000

Forestry-Brush Grinding

Concrete Pad Expansion	\$12,800
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Cemetery

Spreader/Sprayer Unit	\$9,000
Snow Blower Attachment	\$5,500

Streets & Maintenance:

Dump Truck	\$65,000
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Dump Truck Spreader	\$18,000
Brush Hog Mower	\$6,500
Open-front Shed	\$15,000

Building & Grounds

Maintenance Building – Replace Windows	\$4,000
Council Chambers – Presentation System	\$4,500

General Fund transfers to other Funds:

Airport Fund – Grant Match	\$35,000
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WASTEWATER OPERATION FUND:

Budgeted revenues for Fiscal Year 2020 are estimated to be \$3,266,821 and operating expenditures estimated at \$2,483,999 plus an inter-fund transfer of \$777,323 to the Wastewater Debt Service Fund and a project reserve of \$80,000 for total expenditures of \$3,341,322.

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

This budget includes \$796,000 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 2020 Wastewater Operating Fund Budget:

CCTV Push Camera	\$15,000
Safety Walkway Improvements	\$15,000
Collection System Improvements	\$75,000
Collection System – Slip Lining	\$300,000
Building Improvements	\$60,000
UV System Covers	\$16,000
Jet Truck Cleaning Equipment	\$25,000
Sewer Cleaning Easement Machine	\$45,000
WWTP Facility Plan Update	\$53,000
Engineering Design/Maps/Surveys/Hydraulic Model	\$17,000

Lift Station Improvements – Controls & Alarms	\$35,000
WWTP Drives and Alarms	\$50,000
Lift Station Pumps	\$90,000
Total	\$796,000

This budget reflects a 3% adjustment in wastewater rates for the average residential user effective with the October 2019 billing to meet operating expenses, capital improvements and debt service obligations.

All cities across America are working on reducing I&I (Inflow and Infiltration), as it has been mandated by federal authorities. The results across the Midwest show that typically 20 to 50 percent of the I&I can be removed with programs that have healthy budgets and long term plans. Beyond this amount of I&I removal, it is not always cost-effective to remove the I&I, but less costly to store it, carry it, or treat it. As technologies improve, the effectiveness of I&I removal will also improve. 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 and will continue.

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, drop-off recycling, and household hazardous waste disposal are paid out of this fund. The expenses for running the forestry and yard waste disposal operations are split between the General Fund and the Sanitation Fund.

Budgeted revenues for Fiscal Year 2020 are estimated at \$619,943 and expenditures for operations are estimated to be \$614,935 plus a project reserve for the equipment replacement in the amount of \$11,000 for total expenditures of \$625,935.

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 for 2020 is estimated at 46%.

This budget anticipates a 2.5% adjustment in sanitation rates effective with the April 2020 billing to meet the contractual operating expense increase for the residential refuse collection service contract.

ECONOMIC DEVELOPMENT FUND:

Budgeted revenues for Fiscal Year 2020 are estimated at \$214,350 and expenditures estimated to be \$119,810.

Lease revenue received from the two city-owned industrial speculative buildings are deposited in this fund. Building owner expenses related to the speculative buildings are paid out of this fund, which is estimated at \$25,000 during this budget year.

The expenses for job creation, retention, industry recruitment and economic development planning is paid from this fund. The City owns the railroad spur that serves the businesses located within the Industrial Park. The spur is in need of ongoing repairs and \$10,000 has been budgeted this fiscal year to make necessary repairs.

The ending fund balance for 2020 is estimated to exceed the fund balance policy minimum goal.

PARKS AND RECREATION FUND:

The Parks and Recreation Fund budgeted revenue for Fiscal Year 2020 is estimated to be \$4,730,394 and expenditures estimated at \$4,861,754. The Parks and Recreation budget reflects a reduction in the cash balance by \$131,360 due to current year carryover of capital projects, equipment purchases and planned capital projects.

Revenue from a dedicated park property tax in the amount of 9.87 cents (.0987) per one hundred 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 ending fund balance goal by policy for the Parks and Recreation Fund is 17% and the ending fund balance for 2020 is estimated to be at 17%.

The City swimming pool is over 30 years old and has reached the end of its intended life cycle. The swimming pool has required major mechanical and structural repairs in the last decade. Therefore, City Council and Staff have begun a planning process for the major renovation of the City's pool facility.

The total established budget for the Aquatic Facility Renovation Project is \$3,600,000. 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 will require the approval of a new funding source. The new funding source will be from a use tax on internet sales or a 10 cent increase in the dedicated park property tax. The use tax or the increase in the dedicated park property tax will require voter approval from the residents of Mexico.

Significant projects and/or programs that are included in the 2020 Parks and Recreation Fund Budget:

Parks Operations:	
16' Equipment Trailer	\$2,900
Wide Area Mower	\$54,000
Used Pickup Truck	\$7,500
Utility Body Replacement	\$8,500
Dog Park	\$50,000
Garfield Park – Street Entrance	\$25,000
Picnic Tables	\$9,500
Plunkett Park – ADA Playground	\$190,000
Pool Operations:	
Aquatic Facility – Design Build	\$3,525,000

The Dog Park Project is being supported 100% by private donations; the Plunkett Park ADA Playground is being supported by a grant from the Audrain County Developmental Disability Board in the amount of \$110,000; and the Aquatic Facility Project will require a \$2,400,000 bank loan.

PUBLIC HEALTH AND ANIMAL CONTROL FUND:

Public Health and Animal Control Fund budgeted revenue for Fiscal Year 2020 is estimated to be \$349,573 and expenditures are estimated at \$378,291. The expenditures exceed revenues by \$28,718 and will be funded by unreserved surpluses from prior budgets.

Revenue from a dedicated public health tax in the amount of 19.75 cents (.1975) per one hundred 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. 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.

The ending fund balance goal by policy for the Public Health Fund is 25%; however, the ending fund balance for 2020 is estimated to be at 74%.

AIRPORT FUND:

Budgeted revenues for Fiscal Year 2020 are estimated to be \$220,405 and expenditures estimated at \$233,026. A \$35,000 transfer from the General Fund and a \$10,000 transfer from the Capital Improvement Sales Tax Fund is being made to support operations and provide a grant match.

The capital expenditures for the runway displacement project and the layout plan are funded ninety percent (90%) by a DOT Grant. The total estimated grant income this budget year for these projects is \$146,700.

Revenue for this fund is reliant on inter-fund transfers from the General Fund and Capital Improvement Sales Tax Fund along with hangar rental and a percentage of fuel sales. Operating expense for the Fixed Based Operator's Management Contract and the day-to-day operation expenses are paid out of this fund.

The ending fund balance is projected to be at \$69,767; which is above the 17% minimum ending fund balance policy.

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

Revenue for this fund is from tax on retail sales set at the State Statute limit of one-half of one percent. On April 2, 2019 the citizens of Mexico approved the renewal of this existing sales tax for capital improvements.

This sales tax pays for the construction 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 \$824,035 in revenue. All expenditures from this fund are for capital outlay projects and transfers listed below.

The ending fund balance is projected to be at 11%, which is above the fund balance policy goal of 10%.

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

Asphalt Overlays	\$250,000
Sidewalk Improvements	\$50,000
Pavement and Curb Replacement	\$60,000
Smiley Lane Extension Design	\$10,000
Mars Street Extension Design	\$45,000
Project Reserves	\$20,000

Transfers to other Funds

General Fund (Street Maintenance & Stormwater Projects)	\$410,000
Airport Fund	\$10,000
MoDOT Grant Match (TEAP & TAP)	\$54,000

ACKNOWLEDGEMENTS:

The preparation of this budget document was a team effort, its timely preparation could not have been accomplished without the cooperation of the entire City Staff. The cooperative effort to balance this budget was done in such a way as to reflect the goals and objectives of the City Council and to maintain the services being provided to the citizens.

I would especially like to thank and acknowledge Roger Haynes, Vicki Duenke, and all Department Directors for their assistance and preparation of this budget. I sincerely hope this budget will be well received by the City Council and the Citizens of Mexico.

Respectfully submitted,

Bruce R. Slagle
City Manager

CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: September 9, 2019

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Approving the 2019 – 2020 Operating and
Capital Budget.

Dear City Council Members:

The Public Hearing was held earlier this evening for the 2019 – 2020 Operating and Capital Budget. Staff has submitted the 2019 – 2020 Operating and Capital Budget for Council approval.

Staff recommends that Council proceed with two readings by title only and passage approving the 2019 – 2020 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, 2018 TO SEPTEMBER 30, 2019, INCLUSIVE, AND ADOPTING THE BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2019 TO SEPTEMBER 30, 2020, 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, 2018 to September 30, 2019, 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, 2019 to September 30, 2020, 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, 2019, be and the same are hereby canceled on September 30, 2019, 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 9TH DAY OF SEPTEMBER 2019

MAYOR

ATTEST:

CITY CLERK