



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

**September 23, 2019
7:00 p.m.**

1. Call to Order

2. Roll Call

3. Approval of Minutes

A. September 9, 2019 – Regular Session

4. Public Hearing

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

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

A. Bill No. 2019 – 66. An Ordinance Amending Chapter 40, Article III, Division 4, Section 40 – 160(a) of the Mexico City Code Relating to Sanitary Sewer Use Charge. Two Readings By Title Only and Passage.

6. Resolution (Reading By Title Only and Passage)

A. Bill No. 2019 – 67. A Resolution Authorizing the City Manager to Execute Agreements with Various Organizations for Requested Funding from the Mexico Tourism Tax. Reading By Title Only and Passage.

7. Other Business

A. Appointments to Various Boards and Commissions

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

**CITY OF MEXICO, MISSOURI
CITY COUNCIL REGULAR MEETING MINUTES
SEPTEMBER 9, 2019**

The Council of the City of Mexico, Missouri met in regular session on September 9, 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 26, 2019 – REGULAR SESSION MEETING

Chairman Pro Tem Williams moved for approval of the August 26, 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, Nichols, Briggs. Nays, none. The Minutes were approved as presented.

PUBLIC HEARING

2019 – 2020 Operating and Capital Budget

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

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

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

Cemetery

Spreader/Sprayer Unit \$9,000

Snow Blower Attachment \$5,500

Streets & Maintenance:

Dump Truck \$65,000

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

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

City Manager reported that the preparation of the budget document was a team effort and its timely preparation could not have been accomplished without the cooperation of the entire City Staff.

Public Comments

None

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

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

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.

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

The Public Hearing was held earlier for the 2019 – 2020 Operating and Capital Budget. Staff has submitted the 2019 – 2020 Operating and Capital Budget for Council approval. City Manager Slagle recommended Council proceed with two readings by title only and passage approving the 2019 – 2020 Operating and Capital Budget for the City of Mexico, which had been posted the required length of time.

Council Member Miller moved for first reading by title only of Bill No. 2019 – 65. 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 – 65 by Council Member Miller.

Council Member Miller moved for second reading by title only of Bill No. 2019 – 65. 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 – 65 by Council Member Miller.

Council Member Miller moved for passage of Bill No. 2019 – 65. 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 – 65 was passed as Ordinance No. 4424.

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 the Presser Arts Center’s production of Dancing with Crows.

Chairman Pro Tem Williams expressed his appreciation to the Mexico Department of Public Safety for their participation in the recent Disaster Preparedness event.

Council Member Nichols expressed appreciation for a prepared and well written budget.

Council Member Miller expressed appreciation to City Staff on the budget preparation.

Mayor Shivers commented on the Presser Arts Center production of Dancing with Crows, Staff’s work on the budget, the upcoming Relay for Life event and “Munch with the Mayor” scheduled for September 21st.

PUBLIC COMMENTS

Joshua Price, 116 Mary, made comments regarding the condition of Northeast Park and the recent Frisbee Tournament. Price presented Director Shoemaker with an honorary tournament disc in appreciation of the Staff’s work in the park.

REVISED STATUTES OF MISSOURI § 610.021 (1) LITIGATION AND (3) PERSONNEL MATTERS

Chairman Pro Tem Williams moved to adjourn into executive session pursuant to the Revised Statutes of Missouri §610.021 (1) litigation and (3) personnel matters. 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.

ADJOURNMENT INTO OPEN SESSION FROM EXECUTIVE SESSION

No Discussion/Comments

ADJOURNMENT

Council Member Miller moved to adjourn the meeting. The motion was seconded by Chairman Pro Tem Williams. 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 23, 2019

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

Agenda: September 23, 2019

Members of City Council
City of Mexico, Missouri

RE: Public Hearing – To Consider a Change to Sanitary Sewer Use
Charge Rates

Dear City Council Members:

A Notice of Public Hearing was advertised in the *Mexico Ledger* on August 14, 2019. This hearing is for purposes of discussing a rate increase proposal of approximately three (3) percent as follows:

	<u>User Charge Portion</u>	<u>Capital Charge Portion</u>	<u>Base Rate/Month</u>
Current Per 1,000 Gallons	\$ 1.26	\$ 5.32	\$ 9.09
Proposed Per 1,000 Gallons	\$ 1.30	\$ 5.53	\$ 9.09

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

Current: \$41.99

Proposed: \$43.24

Background

In 2008, the City of Mexico retained the engineering services of Horner & Shifrin, Inc. of St. Louis, Missouri to complete a capital asset analysis and facility plan on the City's wastewater treatment operation.

On April 27, 2009, Horner & Shifrin Inc. made a presentation to Council on their findings and recommendations. The study clearly revealed that our aging infrastructure, industrial pretreatment program, and modifications to the regulatory requirements mandated by the Department of Natural Resources for effluent limitations created an immediate need for an upgrade of our existing wastewater facilities.

The facility plan outlined an estimated \$12,461,400 in capital improvements, with an initial Phase I estimated investment of \$5,733,400 with the remaining facility and infrastructure improvements being made through succeeding phases.

Following Horner & Shifrin, Inc.'s presentation, Municipal & Financial Services Group reviewed with Council a multi-year financial projection of wastewater rates required to cover costs associated with operations, maintenance, and upcoming capital projects of the wastewater treatment plant.

On August 4, 2009, voters approved through a bond election, sewerage system revenue bonds in the amount of sixteen million dollars (\$16,000,000) by a margin of 10 to 1.

On August 24, 2009 City Council approved by Ordinance an amendment to update sanitary sewer use rates allowing for the funding mechanism to get needed capital improvements underway.

With wastewater treatment facility and collection system improvement plan phases in and a 10-year financial projection of wastewater rates supporting costs associated with operations, maintenance, and capital projects, staff moved forward and secured bond financing in the amount of \$5,765,000 for Phase I and \$5,695,000 for Phase II.

In keeping with updated financial projections presented to Council and the public, a scheduled sewer rate adjustment is required to provide adequate financial resources for debt service and continued improvements to the wastewater treatment facility and collection system.

Staff recommends Council proceed with the advertised public hearing.

Respectfully submitted,

Roger D. Haynes
Deputy City Manager

RDH

Reviewed by: Bruce R. Slagle, City Manager

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

On September 23, 2019, 7:00 p.m. at the regularly scheduled Council Meeting of the City of Mexico, the City Council will be holding a Public Hearing in the City Council Chambers located at 300 North Coal Street, Mexico, Missouri to discuss the proposed Wastewater Sewer Rate Increase. The purpose of the Public Hearing is to discuss the rate adjustment and to gather input regarding the Wastewater User Rate Ordinance from the tax payers.

The proposal would revise the City's wastewater rates to meet operational and capital requirements of the wastewater system. The basis on which the proposed wastewater rates have been calculated is available in a report filed with the City Clerk. The report includes a five-year financial report projection of wastewater rates and takes into consideration cost increases resulting from significant capital improvements to meet DNR and EPA treatment facility requirements, daily operating costs, equipment repair and replacement, and fund balance reserve requirements.

	<u>User Charge</u> <u>Portion</u>	<u>Capital Charge</u> <u>Portion</u>	<u>Base Rate /</u> <u>Month</u>
Current:			
Per 1,000 Gallons	\$1.26	\$5.32	\$9.09
Proposed:			
Per 1,000 Gallons	\$1.30	\$5.53	\$9.09

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

Current: \$41.99

Proposed: \$43.24

Also, users of the utility collection system that are located and/or deliver sewer flow from outside the City's corporate limits shall be billed at a rate of one hundred fifty (150) percent of rates established for user types based on monthly metered water flow received from those flow contributors within the City's corporate limits.

Questions or comments may be directed to the Administrative Services Department, 2nd Floor, City Hall, 300 North Coal Street or by phone (573) 581-2100.

By Order of the Council
Marcy LeCount, City Clerk
Mexico, Missouri

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

Agenda: September 23, 2019

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Amending Chapter 40, Article III, Division 4,
Section 40-160(a) of the Mexico City Code Relating to the
Sanitary Sewer Use Charges

Dear City Council Members:

A Public Hearing was held earlier this evening providing the Council both background and future planning information for necessary capital improvements to the wastewater treatment facility and collection system.

Staff has provided to Council and the public a 5-year financial projection of wastewater rates required to cover costs associated with operations, maintenance, and capital projects currently underway and forthcoming addressing both capacity and compliance in the City's wastewater treatment operation.

Based on the 5-year financial projection staff provides the following comparison between current rates and the proposed rates.

User Rate Comparison

Current Basic Sewage Charge

	<u>User Charge</u> <u>Portion</u>	<u>Capital Charge</u> <u>Portion</u>	<u>Total</u>
Administrative Charge – All Customers	--	--	\$ 9.09/month
Monthly Variable Portion	\$ 1.26	\$ 5.32	\$ 6.58 per 1,000 gallons

Updated Basic Sewage Charge:

Administrative Charge – All Customers	--	--	\$9.09/month
Monthly Variable Portion (per 1,000 gallons)	\$ 1.30	\$ 5.53	\$ 6.83 per 1,000 gallons

Also, users of the utility collection system that are located and/or deliver sewer flow from outside the City's corporate limits shall be billed at a rate of one hundred fifty (150) percent of rates established for user types based on monthly metered water flow received from those flow contributors within the City's corporate limits.

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

Respectfully submitted,

Roger D. Haynes
Deputy City Manager

Reviewed by: Bruce R. Slagle, City Manager

AN ORDINANCE AMENDING CHAPTER 40, ARTICLE III, DIVISION 4, SECTION 40 – 160(A) OF THE MEXICO CITY CODE RELATING TO SANITARY SEWER USE CHARGE

WHEREAS, the City of Mexico, has caused a study to be made of its wastewater treatment facility and rates and charges; and

WHEREAS, the City of Mexico, in order to remain compliant with current and upcoming state and federal wastewater treatment regulation requirements, provide for best public health benefit, and plan for and accommodate growth, finds it necessary to make significant capital improvements to the Route J Treatment Facility and collection system; and

WHEREAS, the City of Mexico, as operator of the municipal wastewater utility finds it necessary to establish rates which will generate sufficient income for the full proper and prudent operation, management and maintenance of said utility, as well as the provision of continued quality wastewater utility service to its customers; and

WHEREAS, said requirements include the generation of cash operating expenses, payment of debt service, debt service reserves, compensation for depreciation, sufficient funds for extensions and replacements; and

WHEREAS, the City of Mexico believes that while revenues for said utility need to be increased, the most prudent ways to increase revenues to the required level would be through a gradual tier process, rather than at one time.

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

Section 1. Chapter 40, Article III, Division 4, Section 40-160, subsection (a), is hereby deleted and a new Section 40-160, subsection (a), is enacted to read as follows:

(a) *Basic sewage service charge.* Each user of the sewage system of the city shall pay for the use of such system monthly sewage service charges based on the following rates:

	<i>User Charge Portion</i>	<i>Capital Charge Portion</i>	<i>Total</i>
Administrative Charge – All Customers	--	--	\$9.09/month
Monthly Variable Portion (per 1,000 gallons)	\$ 1.30	\$ 5.53	\$ 6.83 per 1,000 gallons

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

PASSED THIS 23RD DAY OF SEPTEMBER 2019

MAYOR

ATTEST:

CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER

Agenda: September 23, 2019

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Execute Agreements with Various Organizations for Requested Funding from the Mexico Tourism Tax

Dear City Council Members:

The City of Mexico currently has a tourism tax that is collected by the hotels/motels within the city limits. The attached Resolution authorizes the City Manager to execute agreements with various organizations to receive tourism funding for its advertising campaign.

The Mexico Tourism Commission reviewed applications for tourism funding and recommends to City Council the distribution of funds as follows:

<i>Organization</i>	<i>Festival</i>	<i>Purpose</i>	<i>Amount Requested</i>	<i>Amount Recommended</i>
Mexico Chamber of Commerce	Lite Boards – Mexico Memorial Airport	Advertising	\$575	\$575
Presser Arts Center	2019 Fall Programming	Advertising	\$4,700	\$4,000
Missouri Life	2019 – 2020 Publications	Advertising	\$12,968	\$12,968

Staff recommends that Council concur with the Mexico Tourism Commission's recommendation and proceed with reading by title only and passage of the attached Resolution.

Respectfully submitted,

Roger Haynes
Deputy City Manager

RH
Attachments

Reviewed By: Bruce R. Slagle, City Manager

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE
AGREEMENTS WITH VARIOUS ORGANIZATIONS FOR REQUESTED FUNDING
FROM THE MEXICO TOURISM TAX**

WHEREAS, the Mexico Tourism Commission recommends to City Council that various organizations be allowed to receive tourism funding for its tourism advertising campaign.

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

Section 1. That the City Manager be authorized to enter into agreements on behalf of the City of Mexico with the Mexico Chamber of Commerce, Presser Arts Center and Missouri Life to receive tourism funding for its tourism advertising campaign.

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

PASSED THIS 23RD DAY OF SEPTEMBER 2019

MAYOR

ATTEST:

CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: September 23, 2019

Members of City Council
City of Mexico, Missouri

RE: Appointments to Various Boards and Commissions

Dear City Council Members:

This agenda item concerns openings on the Mexico – Audrain Library Board, Mexico Airport Advisory Board, Planning & Zoning Commission, Zoning Board of Adjustment and Mexico Park Board which needs to be appointed by the City Manager.

Mexico – Audrain Library Board Karen Mossman and Steve Sims terms expired July 2019. Ms. Mossman and Mr. Sims have each expressed an interest in reappointment. Staff has not received any other applications expressing an interest in serving on this board. *(2 positions)*

Mexico Airport Advisory Board There is currently a resident position vacant on this board which expires October 2021. Jim Curtis has contacted Staff expressing an interest in serving on this board. *(1 position)*

Planning & Zoning Commission Helen Fenlon and Bryan Gruber's terms expired July 2019. Mrs. Fenlon and Mr. Gruber have each expressed an interest in reappointment. Staff has not received any other applications expressing an interest in serving on this board. *(2 positions)*

Zoning Board of Adjustment Bruce Oliver's term expired June 2019 and Mr. Oliver has expressed an interest in reappointment. Staff has not received any other applications expressing an interest in serving on this board. *(1 position)*

Mexico Park Board Kathy Hopkins, Terry Henage and Jim Kropf's terms expired June 2019 and Adam Henderson just recently resigned. Ms. Hopkins and Mr. Henage have each expressed an interest in reappointment. Staff has received applications from Mike Pfeifer, Lindsay Isgrig and Ashley Kreyling expressing an interest in serving on this board. *(2 positions)*

Staff recommends Council make necessary appointments to the Mexico – Audrain Library Board, Mexico Airport Advisory Board, Planning & Zoning Commission and Zoning Board of Adjustment and concur with the City Manager's recommendation for appointments to the Mexico Park Board.

Respectfully submitted,

Bruce R. Slagle
City Manager