BUDGET WAYS & MEANS COMMITTEE
MONDAY, AUGUST 9, 2021 5:30 P.M.
CITY HALL COUNCIL CHAMBERS

MEMBERS PRESENT: Alan Snow, Juan Topete, Ed Barlow and Ray West.

OTHERS PRESENT: City Administrator Tom Short, Assistant City Administrator Greg Dagnan, City Clerk Traci Cox, Fire Chief Roger Williams, Council Members Craig Diggs, Seth Thompson and Ceri Otero and Abi Almandinger.

Mr. Snow called the meeting to order at 5:30 P.M.

OLD BUSINESS:

1. **Approval of minutes from previous meeting:** Mr. Barlow made a motion to approve the minutes for the July 12 Budget Meeting. Motion carried 4-0.

NEW BUSINESS:

1. **Presentation: Convention and Visitor's Bureau: Boots Motel purchase funding request.** "*The Budget Committee Chairman has met with representatives of the Convention and Visitor's Bureau (CVB) regarding the City's participation in the purchase of the Boots Motel from its current owner. The Mayor and I had met with representatives of GRO a couple of months ago and were told the purchase would not involve the City. As of this writing, staff does not have any information regarding the specifics of the request. We are waiting upon additional information from the CVB with the detail and specifics of the request. A request/presentation was made to the Jasper County Commission last week. I've included the information that was presented to them for background for the Committee. Additionally, another issue effecting this item might cause this item to not be presented. At this time, I cannot go into detail, but it involves an exploration of concerns involving actions of the Director's position, including its impact on the Communications Contract the City has with CVB, as well as other items. The situation is still evolving.*"

   This item will be presented at a future meeting.

2. **Consider and discuss a Resolution Amending the 2021 - 2022 Annual Operating and Capital Budget for the City of Carthage.** "*Staff is recommending the attached Resolution amending the budget for primarily carry-over projects in the Parks/Stormwater Sales Tax Fund which were not completed last Fiscal year and a project, in conjunction with CW&EP, regarding the development of a Strategic Plan for Economic Development to be funded by General Fund Reserves, which was discussed with the Economic Development Committee. There are an additional two adjustments needed to last year's budget due to closing entries regarding the way lease purchases have to be accounted for, in the Parks/Stormwater Fund and the Fire Sales Tax Fund, which are primarily housekeeping type items.*"

Mr. Short discussed the need for the budget adjustment. Mr. Barlow made a motion to approve and forward to Council. Motion carried.

3. **<u>Consider and discuss an Ordinance levying general taxes upon real property located within the City of Carthage, Jasper County, Missouri for the Year 2021, for general revenue purposes and other purposes, and fixing the rates thereof.</u>** "*By State Law, no later than September 1 of each year, the City Council has to set the property tax rate for the City and file the tax rate with Jasper County. These include the rates for the General Fund, Library, Parks & Recreation and Public Health. Tax rates are set annually by the City Council with assessment, billing, and collection administered by Jasper County. The State Auditor's Office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file final proposed tax rates and data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties submit the supporting data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law. Rate ceilings set the limit for the amount of taxes that can be levied. Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision. The tax rate ceilings are determined based on the requirements of Section 137.073, RSMo, and the Missouri Constitution, Article X, Section 22, commonly referred to as the Hancock Amendment, which limits taxation by the state and local governments. The levy amounts are the same as the current rates. Due to the timeliness of this item, it will be on the Council's agenda as a Public Hearing item and a Council Bill (firstreading) for the August 10, 2021 meeting, with final (second) reading August 24, 2021. Included are the Ordinance and information for the hearing, which include the new rates. The rates, cumulatively are about 5.5% less than last year. We'll go into this more at the meeting.*"

   Mr. Short explained property values for real estate had increased 12%; therefore creating a reduction on the property tax rates. Mr. West made a motion to approve and forward to Council. Motion carried.

4. **<u>Staff Reports.</u>** First of all, congratulations on the passage of the **<u>Use Tax</u>** issue (50.56% FOR versus 49.44% AGAINST). It is anticipated that the City will start receiving checks from the State beginning in December 2021 for the Use Tax. We anticipate presenting a future budget adjustment as the December date gets closer. Currently, it is anticipated that the adjustment will be for somewhat less than half of the estimated amount of the $740,000 that was discussed with the Ad-hoc Committee. This time frame should give us a little more time to determine a more accurate adjustment of what the City should be receiving from the Tax, and setting up the fund for the revenues and expenditures as recommended by the Committee for accountability purposes. **<u>Sales Tax Report</u>**, the August 2020 Sales Tax Report, as of this writing, *has not yet been received. We should have*

it before the meeting. When it is received we will bring it to the meeting for discussion. The same goes with the ***Unaudited July Budget*** **Reports (All Funds Revenue & Expense Report)** and the **Investment Report.** They have yet to be received. Once they are, they will be forwarded to the Committee. **ARPA (SLFRF):** The State has started their process for requesting funds from Treasury. Included is a report from the U.S. Treasury "Coronavirus State and Local Fiscal Recovery Funds Guidance on Recipient Compliance and Reporting Responsibilities". Reviewing this document with others we have received, makes staff believe that one of the items the City should do with the ARPA funds is hire a consultant. We have talked about this before, but with this additional information, it looks like the City should be well served with by hiring a consultant. As of this writing the City has not received any of the ARPA funds. However, the State is in the process of acquiring its information for its request, which includes NEUs like Carthage. Again, the City, as a recipient of an SLFRF (ARPA) award, may use SLFRF funds to cover eligible costs that are incurred during the period that begins on March 3, 2021 and ends on December 31, 2024, as long as the award funds for the obligations incurred by December 31, 2024 are expended by December 31, 2026. Traci has received the letter from the state regarding the process. **Strategic Plan:** at our last Staff meeting Departments discussed the need for a Strategic Plan for the City. The Council has been contacted about availability for a 'retreat'. A strategic plan could tie in with this and other discussions concerning for example, the Comprehensive Plan. We follow up more on this at the meeting.

Mr. Short reviewed sales tax revenues, discussed ARPA funding, and the possibility of a Strategic Plan that could tie in with discussions at a "work retreat". Mr. Dagnan reported on a letter drafted by Mayor Rife to the CVB regarding funding of the communications contract. The contract will be placed on hold pending an investigation and can be reinstated if there are no findings from the investigation. Mr. Short discussed the Governor's cost share agreement for the Hazel Street project which has been rescored and awaiting a determination from the state since the bids came in higher than the project estimate. A fund will be set up for proceeds from Use Tax revenues for accountability of expenditures.

5. **Other Business.** Mr. Barlow discussed the need to determine a vision and decide where the ARPA funds will be best used before spending them.

ADJOURNMENT: The meeting adjourned at 5:58 PM on motion by Mr. Barlow.

Respectfully submitted,
Traci Cox