



City of Carthage, Missouri

BUDGET WAYS & MEANS COMMITTEE

September 6, 2023 - 5:30 PM
CITY HALL COUNCIL CHAMBERS

MINUTES

1. Call to Order

MEMBERS PRESENT: Alan Snow, Mark Elliff, David Armstrong, Ed Hardesty

OTHER COUNCIL MEMBERS: Terri Heckmaster

STAFF PRESENT: Assistant City Administrator Traci Cox, and Administrative Assistant Dorothy Weber

Chairman Snow called the meeting to order at 05:30 PM.

2. Old Business

1. Approval of 8-16-23 Minutes

ACTION: Motion to accept/approve minutes from 8-16-2023 item 2.1.
by Mark Elliff
Motion passed with a 4:0

AYES: David Armstrong, Mark Elliff, Alan Snow, Ed Hardesty

NOES: None

ABSTAIN: None

3. Citizens Participation

(Citizens wishing to speak should notify Department Head or Committee Chair in advance)

1. Economic Development Presentation by Jeff Meredith

Mr. Meredith gave a presentation to the committee about economic development incentives that are available to Carthage.

4. New Business

1. Consider and Discuss Budget Adjustment

ACTION: Motion to forward to Council by Mr. Hardesty
Motion with a 4:0

AYES: Alan Snow, Mark Elliff, Ed Hardesty, David Armstrong

NOES: 0

ABSTAIN: None

Traci Cox stated that the auditor wanted some funds transferred from the Park Master Plan fund to the General fund.

2. Consider and Discuss Agreement with Total Electronics Contracting

ACTION: Motion to forward to Council by Mr. Elliff

Motion with a 4:0

AYES: Alan Snow, Mark Elliff, Ed Hardesty, David Armstrong

NOES: 0

ABSTAIN: None

Traci Cox went over the details of the contract and the annual and upfront cost.

3. Consider and Discuss MoDot Taxi Grant Agreement

ACTION: Motion to forward to Council by Mr. Hardesty

Motion with a 4:0

AYES: Alan Snow, Mark Elliff, Ed Hardesty, David Armstrong

NOES: 0

ABSTAIN: None

Dorothy Weber discussed the amount of the grant and explained that it's just a renewal of an already existing grant.

4. Staff Reports

Traci Cox updated the committee on the sales and use tax revenue for the 2023/2024 fiscal year. Ms. Cox stated that the use tax revenue is up and the sales tax revenue is down. Mr. Snow stated that the owners of the Boots Court Motel had reached out to ask about the McCune Brooks Trust to possibly fund their green space at the new visitors center. . Mr. Armstrong spoke about the CEDC presentation that Jeff Meredith presented. Mr. Elliff asked about revenue at the golf course.

5. Adjournment

ACTION: Motion to adjourn at 6:16 pm by Ed Hardesty

Motion passed with a 4:0

AYES: David Armstrong, Mark Elliff, Alan Snow, Ed Hardesty

NOES: None

ABSTAIN: None

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (this “MOU”) is entered into this ____ day of _____, 2023 by and between the **City of Carthage, Missouri**, a municipal corporation (the “City”) and the **Carthage Economic Development Corporation (CEDC)**.

RECITALS

WHEREAS, the City, CEDC and the Carthage Water & Electric Plant (“CWEP”) previously entered into a Memorandum of Understanding dated February 16, 2023, for the purpose of City and CWEP providing funding to CEDC for economic development services and partnership.

WHEREAS, this MOU shall be separate and distinct from the February 16, 2023, Memorandum of Understanding.

WHEREAS, the City, through the CEDC, applied for an Industrial Site Development Grant through the Missouri Department of Economic Development – ARPA Initiatives Program on February 21, 2023 for the proposed development of the Carthage Economic Development Park.

WHEREAS, the goal of the Carthage Economic Development Park is to give the City of Carthage and surrounding area a dedicated area to locate commercial, industrial and manufacturing users that will promote economic and business development and expansion in the Carthage area.

WHEREAS, the application was successful and the City and CEDC was awarded a \$1,500,000.00 grant from the Missouri Department of Economic Development – ARPA Initiatives Program.

WHEREAS, a project site was selected and put under an option contract by the parties and it consists of 248 acres of real estate owned by Butcher Family Properties, Inc., hereinafter referred to as the “Industrial Park Site” or “Site”, as legally described on Exhibit A.

WHEREAS, the funding for the purchase of the Industrial Park Site comes from the following sources: Missouri Department of Economic Development – ARPA Initiatives Program Grant - \$1,500,000.00, City of Carthage - \$1,000,000.00, Carthage Water & Electric Plant \$1,500,000.00 and the K.D. & M.L. Steadley Trust - \$1,000,000.00.

WHEREAS, the City will be the fee simple owner of the Industrial Park Site.

WHEREAS, the CEDC has committed to marketing the Site and selling parcels within the Site for sale.

WHEREAS, City and CEDC recognize that there may be the need for additional capital contributions needed for the future development of the Site and that proceeds from land sales should be used for those purposes, as well as, in the long-term, the acquisition of additional real estate at or near the Site for future industrial site expansion.

WHEREAS, City and CEDC recognize that the common goal of this venture and the contributions from all of the above-recognized parties and grant is to develop this industrial park and future industrial park areas and related promotion of economic development.

WHEREAS, the City and CEDC recognize the need for this MOU to be in place to set forth the process to approve and consummate the sale of parcels with the Industrial Park Site and for the use of the proceeds from future land sales to further the common goals of the parties as outlined in this MOU.

WHEREAS, the City and CEDC desire to approve this MOU in order to assist in closing and acquisition of the Industrial Park Site and for the future development and sale of parcels in the Industrial Park Site.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and CEDC hereby agree as follows:

1. The parties agree that the contributions/funding (the “Contributions”) for the purchase of the Industrial Park Site come from the following sources: Missouri Department of Economic Development – ARPA Initiatives Program Grant - \$1,500,000.00, City of Carthage - \$1,000,000.00, Carthage Water & Electric Plant \$1,500,000.00 and the K.D. & M.L. Steadley Trust - \$1,000,000.00.

2. The parties submitted a comprehensive Industrial Site Development Grant Application to the Missouri Department of Economic Development. In the application, the City committed to be responsible for the installation of roadway infrastructure in the Industrial Park Site. Further, the CWEP committed to be responsible for infrastructure installation and service related to electricity, water, wastewater and telecommunications services. Further, the CEDC committed to being the primary marketing agency for the Industrial Park Site.

3. The common goal of this venture for all of the contributing parties is to build out, develop and promote the Industrial Park Site, and this includes the installation of infrastructure, including but not limited to: construction of roads, stormwater detention facilities and the extension and installation of electric, water, wastewater, gas, telecommunications utilities to serve the Site area. Additionally, a common goal is to market and sell this Site land to industrial development prospects.

4. Further, a common goal is to further expand this initial Industrial Park Site area in the future once the original Industrial Park site is substantially developed with industrial users.

5. In furtherance of these goals, the parties agree that the Contributions shall be used solely to assist in the construction and installation of infrastructure, the promotion and marketing of the Industrial Park Site and the acquisition of additional land adjacent to or near the existing Site area, or other areas that the parties agree would benefit further industrial park growth or economic development in the Carthage regional area. The parties agree that it is not a goal of this

venture for either party to profit from the future sale of Site parcels. Rather, the proceeds from future land sales shall be used in furtherance of the goals as set forth above.

6. The CEDC agrees to use its best efforts to take actions necessary to provide for the sale or conveyance of Industrial Park Site land to industries and businesses in order to create jobs and economic development in and around the Site. It is the intent of the City and CEDC for the CEDC to be the City's sole and exclusive representative to market and position the sale of all real estate covered under this MOU.

7. The parties shall confer and agree upon a reasonable market value for the Industrial Park Site land. For future accounting purposes, the City shall enter in its financial accounting and keep any balances from the sale of Industrial Park Site land in a separate account to be used solely in furtherance of the goals of this MOU.

8. An Economic Development Team shall be established for the sole purpose of carrying out the goals and objectives of this MOU. The Team shall consist of: the Chief Executive Officer of the CEDC, the Mayor of the City Council and the General Manager of the Carthage Water & Electric Plant, or each entity's designated representative. The Team shall endeavor to meet quarterly to receive updates from the CEDC related to the Industrial Park Site. The Team shall evaluate prospective offers for the purchase/sale of Site land and make a written recommendation in favor of any sale.

9. The City and CEDC will confer with regard to development of the Industrial Park Site land and any future industrial site land. CEDC shall use its best judgment, based upon its market experience, to determine the size of the parcels of Site land, the resale price of those parcels, the uses of the parcels, and the types of industries to which such parcels shall be resold. The City Council shall approve real estate contracts for the sale of Industrial Park Site land upon receipt of a CEDC Board Resolution approving the proposed sale and a written recommendation from the Economic Development Team approving the proposed sale. The Mayor of the City shall have the authority to execute deeds and other related documents on behalf of the City to facilitate the transfer of parcels associated with the sale of said parcels once approved by the City Council.

10. The parties agree to execute such other and further documents, including encumbrances or other notices to be placed of record upon the realty as may be required to effectuate the purposes and intents of this interest.

11. This Agreement shall be effective upon the approval of the City Council and the Board of Directors of CEDC. It may be amended at any time by written agreement executed pursuant to authority granted by the City Council and the Board of Directors of CEDC.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

CITY OF CARTHAGE, MISSOURI

By: _____
Dan Rife, Mayor

ATTEST:

By: _____
City Clerk

THE CARTHAGE ECONOMIC DEVELOPMENT CORPORATION

By: _____

Name: Jeff Williams

Title: President

ATTEST:

By: _____

Exhibit A

Legal Description of the Land

All of the South One-half (S1/2) of Section 21, Township 28, Range 31, Jasper County, Missouri, Except the North One-half of the Northeast Quarter of the Southeast Quarter of Said Section 21, and Except All of the Southwest Quarter (SW ¼) of the Southeast Quarter (SE ¼) of Section 21, Township 28, Range 31, and Except any part taken or deeded for road or highway.

COUNCIL BILL NO. 23-71

ORDINANCE NO. _____

An Ordinance to enter into a Memorandum of Understanding Agreement with the Carthage Economic Development Corporation (CEDC), for the purchase and development of an industrial park, in the City of Carthage, Missouri.

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE,
JASPER COUNTY, MISSOURI** as follows:

SECTION I: The Mayor of the City of Carthage is hereby authorized to enter into a Memorandum of Understanding with the CEDC, to assist in closing and acquisition of the Industrial Park Site and for the future development and sale of parcels in the Industrial Park Site, a copy of which is attached hereto and incorporated herein as if set out in full.

SECTION II: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

Dan Rife, Mayor

ATTEST:

Miranda Deal, City Clerk

Sponsored by:

SALES TAX REPORT (UNAUDITED)

For the Month of:

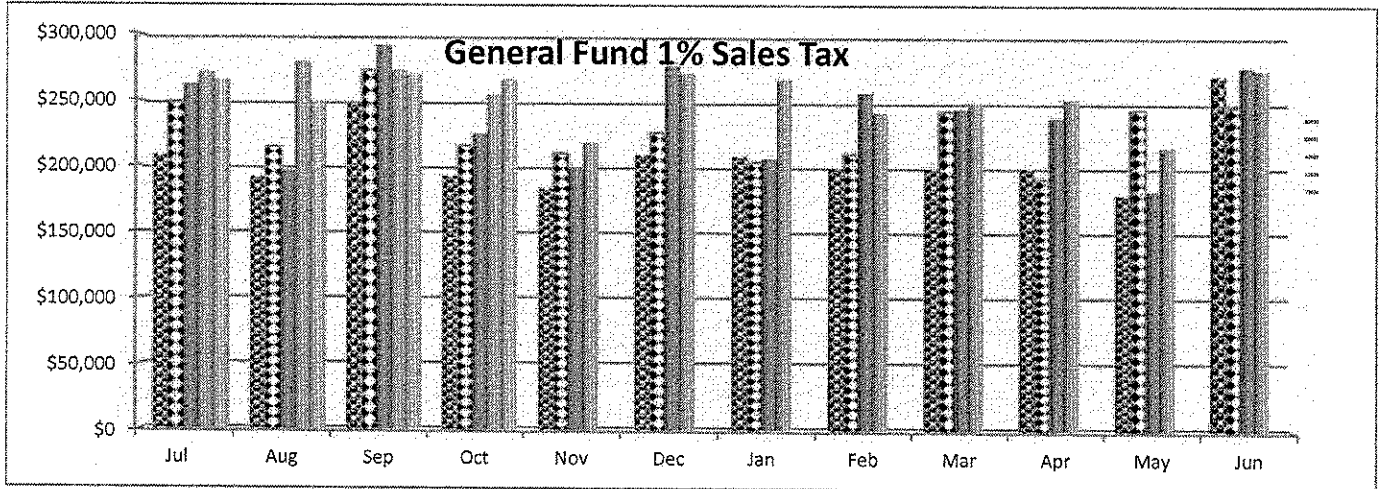
October

FY 2023-24

City's 1% General Fund Sales Tax

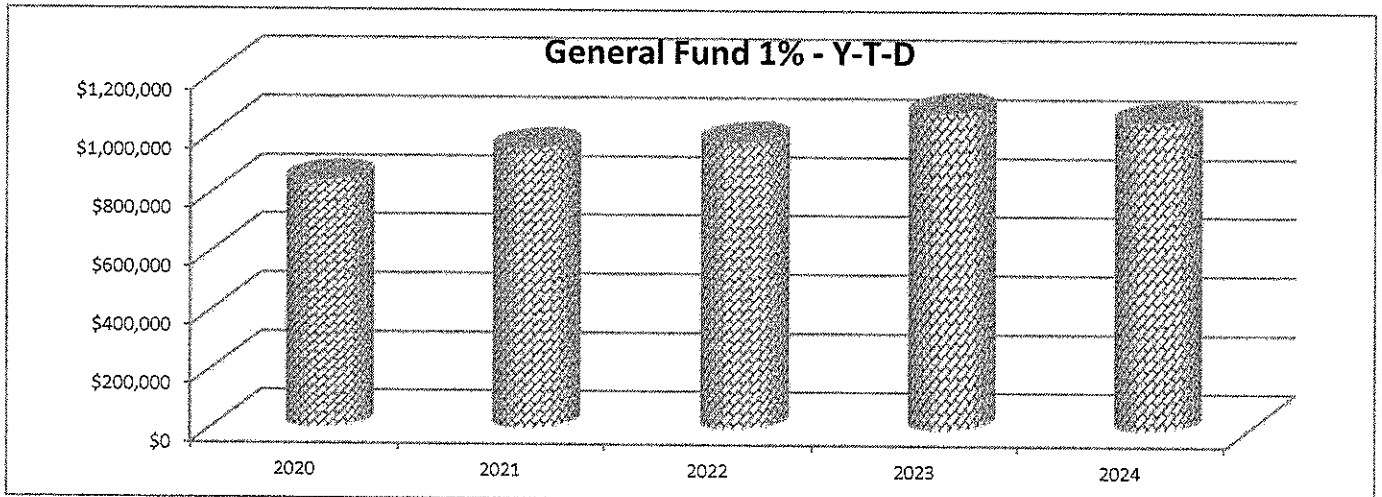
Current Month:	\$ 266,065.10	Anticipated:	\$ 257,447.38	% Difference	3.35%
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	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Current Month	\$ 192,737.14	\$ 216,012.04	\$ 225,517.65	\$ 254,917.87	\$ 266,065.10
% Change		12.08%	4.40%	13.04%	4.37%
\$Change		\$ 23,274.90	\$ 9,505.61	\$ 29,400.22	\$ 11,147.23



Year-To-Date:	\$ 1,049,997.52	Budgeted:	\$ 3,096,746.00	% Difference	66.09%
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	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Y-T-D	\$ 840,447.68	\$ 952,701.39	\$ 976,020.02	\$ 1,078,376.60	\$ 1,049,997.52
% Change		13.36%	2.45%	10.49%	-2.63%
\$Change		\$ 112,253.71	\$ 23,318.63	\$ 102,356.58	-\$ 28,379.08



Comments:

Currently, City Sales Taxes total 2.750%. This includes 1% General, .5% Transportation, .5% Capital Improvements, .5% Parks/Stormwater, and .25% Fire. Numbers are shown as received by the City. Receipts lag collections by approximately 2 months.

USE TAX REPORT (UNAUDITED)

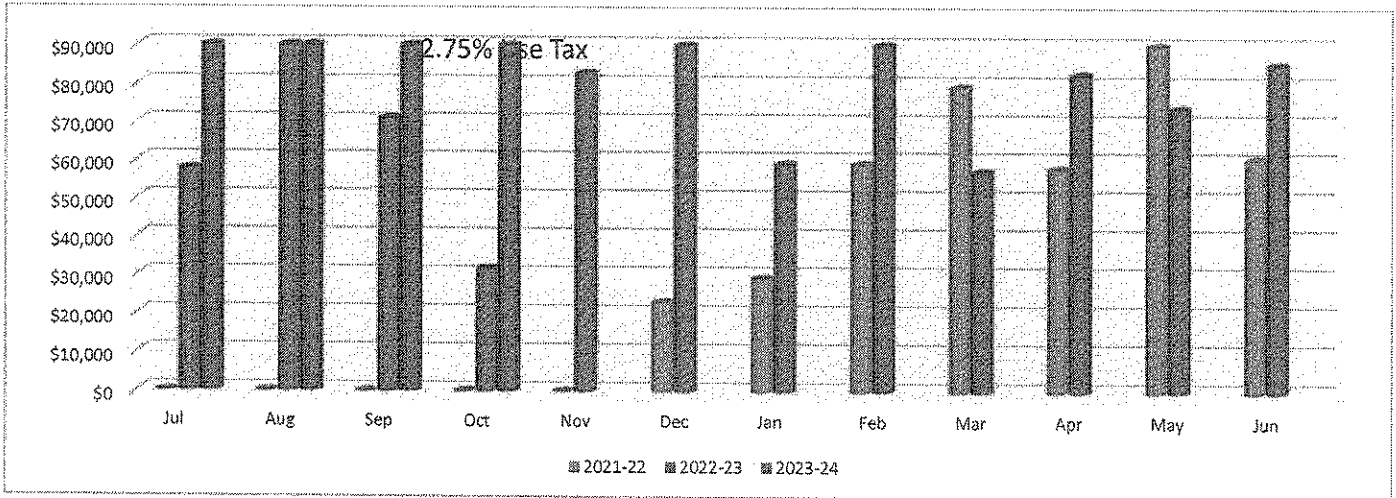
For the Month of: **OCTOBER** FY 2023-24

2.75% Use Tax

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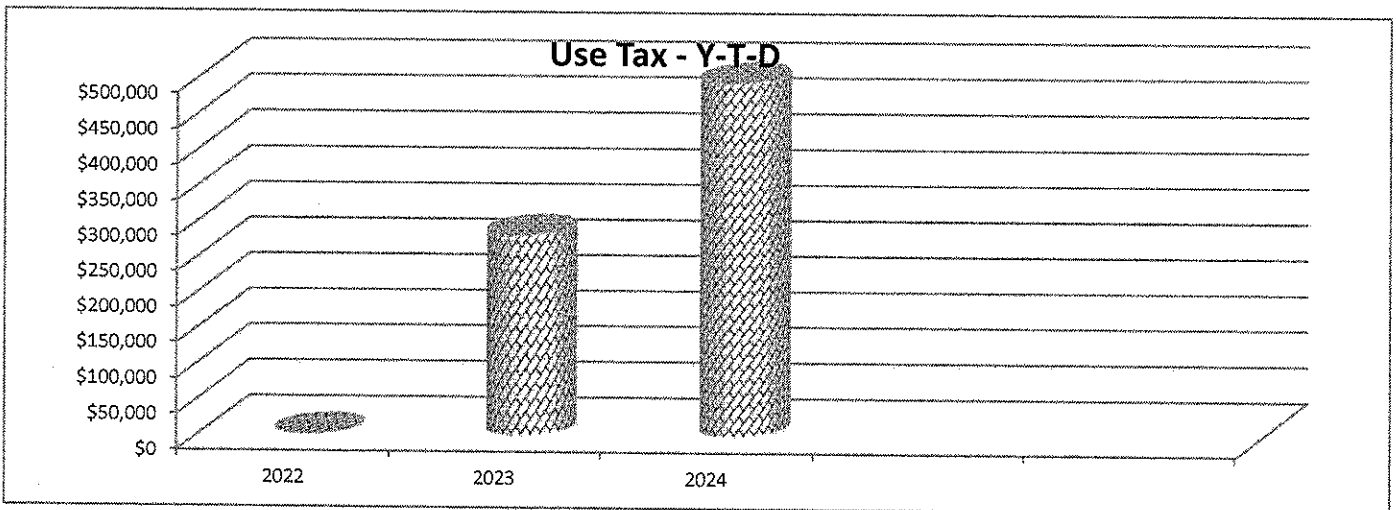
Current Month:	\$ 99,788.18	Anticipated:	\$ 66,915.84	% Difference	49.12%
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	FY 2022	FY 2023	FY 2024
Current Month	\$ 0.00	\$ 31,742.36	\$ 99,788.18
% Change			214.37%
\$Change		\$ 31,742.36	\$ 68,045.82



Year-To-Date:	\$ 494,987.58	Budgeted:	\$ 953,975.00	% Difference	48.11%
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	FY 2022	FY 2023	FY 2024
Y-T-D	\$ 0.00	\$ 280,862.99	\$ 494,987.58
% Change			76.24%
\$Change		\$ 280,862.99	\$ 214,124.59



Comments:

The Department of Revenue received notification by the City-as required by Section 144.757- RSMo, that it had imposed a 2.75% City local option Use Tax at the same rate as the local sales tax rate. The tax became effective October 1, 2021 with no expiration date. The City had indicated that it would distribute the funds as follows: 30% Public Safety; 30% Roads & Bridges and 40% Parks & Recreation for the first 3 years of collections. City receipts lag collections by approximately 2 months. Monthly use tax distributions are distributed by means of electronic fund transfers from the State to the City.