BUDGET WAYS & MEANS COMMITTEE
MONDAY, NOVEMBER 9, 2020 5:30 P.M.
CITY HALL COUNCIL CHAMBERS

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

OTHERS PRESENT: City Administrator Tom Short, City Clerk Traci Cox, Council Member Ceri Otero, Fire Chief Roger Williams, and Abi Almandinger.

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

***NOTE:** All areas *"italic"* below were submitted to the Committee in a pre-meeting memo by Mr. Short.

OLD BUSINESS:

1. **Consideration and approval of minutes from previous meeting.**

   Mr. Topete made a motion to approve the minutes of the October 12 Budget meeting. Motion carried 4-0.

2. **Consider and discuss the imposition of a use tax for general revenue purposes by the qualified voters of the City for their approval at a future election to be determined.** *"This item was requested to be considered again at this month's meeting. The Chairman and Committee requested discussion of this item at the last Committee (Sept. 14, 2020) meeting. The City has been discussing a Use Tax, in earnest, since 2012 when the "Street Decision" by the Missouri Supreme court created a loophole in the Missouri Sales Tax laws allowing vehicles purchased out of state or from an individual to be exempted from the local Sales Tax. For a short period, Missouri cities that did not have a local Use Tax in place, lost the tax revenues they once had from vehicle sales. In 2013 the City attempted to pass an issue involving the vehicle titling portion and the retail portion of this issue. It was defeated by a 13.8% or 33 vote margin. In August 2017, the City placed on the ballot just the titling (portion) of motor vehicles, trailers, boats and outboard motors that were purchased from a source other than a licensed Missouri dealer of this tax. Voters passed this tax by a margin of 69% for and 31% against. This progression was also roughly experienced by the Cities of Joplin, Carl Junction, Airport Drive and Alba. As Carthage's percentage of General Fund's Sales Tax is about 27% of revenues, and as sales from e- commerce continue to grow (especially with the COVID Pandemic), there is a concern of being able to maintain operational service levels in the General Fund, as well as leveling the playing field for brick and mortar businesses. The Budget Committee had previously discussed the possibility of calling for an August 07, 2018 election considering, among other things, what the City of Joplin would be doing. Included are a couple of Joplin Globe articles from back then regarding Joplin's discussions and the Committee's support for an August election, which ultimately was defeated. Since then, Joplin changed their*

position and have put a ½ percent General Sales Tax issue for vote on the November 2019 election. The tax would be dedicated to resolving the issues Joplin has been having with its Police & Firemen's Pension Fund and change out to a LAGERS system for new employees. This issue did pass. Additionally, the City of Carl Junction has attempted three times, and failed, to get this item (Use Tax) passed. They too are now looking at a November 2020 issue of a Public Safety tax of ½%. Included is information regarding Use Taxes for background that was included in previous packets plus additional information."

Mr. Snow reviewed the election calendar. To allow the newly elected council in April to approve the Council Bill that will move forward with the election, August 3 was the date selected to put the use tax on the ballot. The Committee reviewed the list of ideas for promotional topics and removed the following items from the list:

- Future Vision for Parks
- Route 66 Focus/100 year anniversary 2026
- Tourism
- Marketing of Carthage
- Civil War Tourism
- Expanded Trails
- Nature Center at Kellogg Lake
- Connect Trails to Bike Route
- Performing Arts Center
- Water Park/Aquatic Center
- Master Plan
- Carthage Militia
- Acquisition of Kendrick Home
- More Roundy Rounds
- Dome Over Square
- Public Shooting Range
- Business Incubator

Ideas on how to promote the need for the tax and where to allocate the funds were discussed, but no action was taken.

NEW BUSINESS

1. **Consider and discuss an Ordinance Amending the 2020 – 2021 Annual Operating and Capital Budget for the City of Carthage.** *"Last Fiscal year the Fire Department received a donation from the Fire District in the amount of*

$26,000 to be applied to the acquisition of equipment or supplies solely for the Fire Department. Funds were accepted and deposited in the public Safety Grant Fund for future use last year. The Chief is asking to allocate those funds for the acquisition of equipment or supplies solely for the Fire Department so those items may now be purchased. Additionally, at the last Budget Committee meeting, a Resolution and forwarded to the Council and approved, where the Parks & Rec. Department had been approved for a 100% grant from the Department of Natural Resources in late August 2020. Due to timing, it did not make its way into the fiscal 21 budget. Additionally, in applying for the non-matching grant, DNR did not disclose the specifics on how the grant would work. Therefore, the requested adjustment for the grant was made via Resolution until future budget adjustment (Ordinance) amending Budget could be made. This was a 100% reimbursable grant for $24,000 from the Waste Management Program through the DNR for picnic tables and items all made of recyclable tires. The City has to purchase the products up front, and they (MDNR) confirm and reimburse the city. The grant budget and project period is from 09/20 through 12/2. Staff's intent is to purchase applicable items a.s.a.p. The resolution will set the account up to spend the money upfront and then be reimbursed for it by the DNR. Both of these are basically pass-through funds."

Mr. Short explained the need for the amendment to allocate funds for the Public Safety Grant Fund due to a donation and the Parks & Recreation due to a grant received. Mr. Barlow moved to forward the Council Bill to Council for approval. Motion carried.

2. **Staff Reports.**

   a. ***Sales Tax Report****; included is the Sales Tax Report for November 2020. The report indicates that the positive trend we had seen over the past few month continued at least through November's receipts. November's receipts for the 1% General Fund was up 14.62% from last year, or approximately $26,800.*
   b. *Attached is October's* ***Summary Unaudited Revenue & Expenditure Report.*** *There are no red flags as of this date. Taking into account property Taxes, revenues for the funds are generally at or above the 33% level for revenues or below the 33% level for expenditures.*
   c. *October* ***Investment Report****. This report is also included in the packet. As mentioned at the beginning of the fiscal year. Interest rates are down and therefore interest earnings.*

Mr. Short reviewed sales tax revenues which continue to show an increase despite Covid concerns. Financials were reviewed. Revenues are above budget; however, revenue projections were decreased for the current fiscal year. The Salary Study Committee is currently working on a proposed Council Bill for an adjustment to the vacation policy.

3. **Other Business.** None.

ADJOURNMENT: The meeting adjourned at 6:26 P.M. on motion by Mr. West.

Respectfully submitted,
Traci Cox