

CITY COUNCIL MEETING
Study Session
May 10, 2021

A Study session of the Warrensburg City Council was held on Monday, May 10, 2021, at 4:30 p.m., at 200 S. Holden and via Zoom with Chairman Pro Tem Scott Holmberg presiding. Roll was called as follows, Present were: Brooks, Holmberg, Lund, Kushner, Jacobs. Absent: none.

The adoption of the agenda was considered. Kushner moved to adopt the agenda. Yes: Brooks, Holmberg, Lund, Kushner, Jacobs. No: none.

Finance Director Marcella McCoy said she will be discussing revenues and expenditures this past fiscal year, and she will provide information concerning the budget for fiscal year 2021-2022. McCoy said the Strategic Planning meeting was held in March and it focused on the following areas: Investment in Infrastructure, Community Pride and Interaction, Growth and Development, Regional Draw, and Employee Morale and Retention. She said with the upcoming budget, the City will continue to focus on these important discussion areas: Storm Water Utility, completing the Storm Water Master Plan; the Creation of a Storm Water Utility and Consideration of Placing on the Ballot for Voter Approval; Continuation of ISO discussions, Updating Discussions of Wage and Benefits to Maintain a Competitive Market with Salaries and to Continue Employee Retention, Continuation of Community Marketing, Beginning the Maguire Street Phase I Project and Completion of Application for Grant Funding, Continuation of work on Bike and Walking Trails, Continuation of Tax Revenue Streams, and Continuation of Reducing the Neighborhood Improvement District Hawthorne Debt.

Revenues by Fund-Year to Date-Fiscal Year

McCoy said of the tax revenue streams, her figures include the revenues in 2021 and 2022 from the American Rescue Plan. She explained the City receives gasoline tax revenues from the State based on Warrensburg's total population not how much gasoline is sold. McCoy said the ½ cent sales tax is steady, and she said the trend has been a 2½ per cent average over the past five years.

McCoy said the General Obligation Bonds were issued in 2017 and are scheduled to be partially paid off in 2023 and in full by 2027. She said they are considered revenue neutral, even if property taxes are higher. McCoy said the levy will need to be rolled back. She said the Special Assessments such as on Russell Avenue, were paid off in 2021. McCoy said Tax Increment Financing Collections also remain neutral throughout the year and will continue until paid off.

McCoy said Water Pollution Control is based on sewer collections, and a rate study will be conducted next year to consider increases. She explained the winter water average has been adopted to use for sewer base rates. McCoy said there are going to be future improvement needs for the sewer treatment plants.

McCoy said the voters passed an increase in the City's lodging tax to 5 per cent. She said before the pandemic there was considerable growth in lodging tax receipts. McCoy said because of the pandemic many events were cancelled, and the money began to dwindle. She said the occupancy rates are beginning to increase again.

McCoy explained the Self-Insured Fund is the City's health insurance. She said eventually the

City would like to go to the fully self-insured process for City employees.

In the General Revenue Fund, McCoy said the property taxes for the most part have remained unchanged. She said these funds are based on the consumer price index, reported to the City by the state and county, and new construction.

McCoy said sales tax receipts are based on previous month's collection rates. She said franchise fees are less overall. She said use taxes have increased in recent months with more people shopping on-line. McCoy said the City will be monitoring the Wayfair Bill and other upcoming legislation. She said the money collected from the general fund is used to pay for operations.

Expenses

McCoy said expenses for the next fiscal year are about three per cent greater than the initial budget, but that is mainly because of the recently approved salary increases for City employees.

She said staff appreciates the approval of this increase. McCoy said the Fiscal Year 2022 operational expenses will be presented at the next budget retreat which will be on Monday, June 14, 2021.

Fund Balances

McCoy explained the fund balance is the difference between assets and liabilities. She said this is different from cash because it can include any receivables. McCoy said this can be money that has been earned but not actually collected.

Restricted Reserves

McCoy explained the restricted reserves and said money from the lot sale in Hawthorne was used for the Hawthorne Neighborhood Improvement District. She said the City is a little ahead of schedule.

General Fund Outlook and Cash

McCoy said the actual cash available is the actual cash in restricted revenue and part of that money has been designated for lighting at the new Marshall's Store. She said there is also money in cemetery donations, tuition assistance, and money used for storm emergencies.

One-Half Cent Capital Investment Outlook

McCoy said if the City maintains 50 percent of the expenditures, around \$988,000 is the recommended balance. She said it is not a requirement, just a recommendation.

McCoy said this debt will retire in 2025 with debt service payments scheduled to retire in 2029. She said this would allow this money to be spend for on-going expenses such as vehicle replacement, and other capital needs. McCoy said if it is on the ballot again, she would recommend it be placed on the April of 2022 ballot with no sunset.

Transportation Capital Investment Outlook

McCoy said this includes the gasoline tax, motor vehicle fees, and motor vehicle fees sales tax that is collected on vehicle sales. She said some money would be available in this fund if needed for road or other improvements.

Mayor Holmberg said it is good to have a healthy fund balance. He said anywhere debt can be relieved--he would love to hear suggestions from City staff. Council member Bentley asked

about the reserves and McCoy said thanks to City staff, the City is in a good position now. Council member Brooks asked about the Public Safety Tax that had been discussed in the past. Chairman Pro Tem Kushner said it was not approved by the legislators and McCoy said there were additions to the bill and others did not agree with the additions. She said there will be another pre-file bill the City can consider for filing in December.

American Rescue Plan Discussion

Interim City Manager Danielle Dulin said she wanted to update the Mayor and City Council on the American Rescue Plan. She said this plan is intended to stimulate the local economy. Dulin said this is the first time in history that money has been given to state, county, and local governments to stimulate the economy after the COVID 19 Pandemic.

Dulin said Warrensburg anticipates receiving funding by the end of June. She gave the breakdown by the type of funding in billions as follows:

Missouri	\$ 2.820
Missouri for capital projects	0.195
Counties	1.190
Cities	0.830
Other local jurisdictions	0.442
Total	\$ 5.480

Dulin said the community breakdown in millions is as follows:

Johnson County	\$10.480
Warrensburg	3.760

She said other communities in the area will also benefit substantially.

Dulin explained the funding objectives of the American Rescue Plan. She said they include supporting urgent COVID 19 response efforts to continue the decrease of the spread of the virus and to bring the pandemic under control; replacing lost revenue for eligible state, local, territorial and Tribal governments to strengthen support for vital public services and help retaining jobs; supporting immediate economic stabilization for households and businesses; and addressing systemic public health and economic challenges that have contributed to the unequal impact of the pandemic.

Dulin said for State and local Fiscal Recovery of Funds, there is support of public health expenditures, such as funding COVID 19 efforts and medical expenses, and care for public safety staff; addressing negative economic impacts caused by the public health emergency, including harm to workers and small impacted businesses; replacing lost public sector revenue, continuing to provide government services despite the pandemic; providing premium pay for essential workers; investing in water, sewer and broadband infrastructure and allowing access to clean drinking water or vital wastewater.

Dulin asked how the governing body would like these categories to be prioritized. She said she has formed a task force which has begun to look at community needs. Dulin said Warrensburg was fortunate because sales tax revenues remained steady during the pandemic. She said there were some decreases in other areas.

Council member Bentley asked about premium pay for essential workers. Dulin said there are broad possibilities of ways the money can be utilized. She said, for example, grants could be provided to restaurants and they could apply for reimbursement. Dulin said this would be helpful to essential workers. She said the City's essential workers could also be looked at for different ideas. Dulin said sign-on bonuses could also be reviewed.

There was discussion of possible assistance for stormwater and wastewater improvements and the amount allowed. Dulin said the City has applied for the Raise Grant which if awarded, would be helpful. She said tracking has begun for areas where there have been problems, and there is a need for stormwater or wastewater improvements.

When asked about prior discussion with City staff, Dulin said City staff mentioned improving the downtown area with a façade grant, public improvement grants for small businesses wishing to build, assisting with the cost of a sprinkler system, restaurants wishing to expand, premium pay and use in a fair and equitable way, immediate wastewater assistance, broadband infrastructure, and consideration of building a visitor's center.

Mayor Holmberg said he would like time to reflect on this information and talk with others. Dulin said there is time to decide how to use these funds. Dulin said she wants the use of these funds to be an important impact for the community now and in the future.

As there was no further business, the study session was adjourned.

Scott Holmberg, Mayor

Attest:

Cindy Gabel, City Clerk