

BUDGET WAYS & MEANS COMMITTEE
MONDAY, JULY 13, 2020 5:30 P.M.
CITY HALL COUNCIL CHAMBERS

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

OTHERS PRESENT: Mayor Dan Rife, City Administrator Tom Short, City Clerk Traci Cox, Police Chief Greg Dagnan, Captain Bill Hawkins, Fire Chief Roger Williams, Public Works Director Zeb Carney, Parks & Recreation Director Mark Peterson, City Attorney Nate Dally, Council Members Craig Diggs, and David Armstrong, Abi Almandinger, Carthage Water & Electric representatives Chuck Bryant, Kelli Nugent, and Neel Baucom, Heather Collier

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. West made a motion to approve the minutes of the June 8 Budget meeting.
Motion carried 3-0.

NEW BUSINESS

1. **Consider and discuss Council Bill approving the Annual Operating and Capital Budget for Carthage Water & Electric Plant for Fiscal Year 2020/21.**

"This is a part of the annual budget process which was deferred due to the passage of the Governor's Stay-at-Home Order, Resolution No. 1897 and the declaration of a state of emergency within the City of Carthage, calling for proactive measures to protect the public health, safety and welfare due to COVID-19. CW&EP will present their annual budget to the Committee for recommendation to the full City Council for adoption for fiscal year 20/21. The Council Bill (attached) will be on the July 14, 2020 Council meeting for first reading and Public Hearing. An electronic copy of their budget request is included as part of this packet. Hard copies (Binders) will also be delivered to the Committee at the meeting by CW&EP. A Reminder, the meeting will be an "in person" meeting in the Council Chambers at City Hall."

Chuck Bryant and Kelli Nugent presented the CWEP Budget by discussing future fiber optic deployment, the wastewater system, water distribution, and electric system. Economic Development funding was also discussed.

Heather Collier and Jeff Williams, Carthage Community Foundation, discussed a "Gro 3.0" Rapid Rural Transformation grant to be used to set an economic development plan going forward. A core group of leaders would be established to work together to develop a vision to help grow and attract businesses.

2. **Consider and discuss Council Bill approving the Annual Operating and Capital Budget for Carthage Library for Fiscal Year 2020/21.**

"The same basic situation involves the Library's budget as stated above. However, the Memorandum of Understanding by and between the Carthage Library Board and the City stipulate that the Library will provide to the City yearly, a copy of its Board approved annual operating budget, to be filed with the City Clerk. Receipts from the Parks/Storm water Sales Tax shall be allocated to the Board in the amount of forty percent (40%), and to the City in the amount of sixty percent (60%) of collections received from the Missouri Department of Revenue on a monthly basis. Therefore, the process of "adoption" is a little different than other budgets. The City adopts the Library's budget as submitted. A copy of the Library's adopted budget is included."

Mr. Short discussed the proposed Carthage Library Budget. Mr. Barlow moved to forward a Council Bill approving the CWEP budget and Carthage Library budget to council for approval. Motion carried.

3. **Consider and Discuss Revenue Estimates for Fiscal 2021 Budget.**

"We are asking to certify the revenue projection for fiscal 2021. Because of the COVID situation, we are presenting the information in a little different format and have several options to consider. We'll go over these at the meeting. A copy of the revenue projections are included in the packet. We would like a recommendation from the Committee to certify the finally approved estimates for fiscal 2021."

Mr. Short presented different scenarios for projecting revenues for 2021 FY due to the possible economic impact of the pandemic. Mr. West moved to reduce revenues by 15%. Motion carried 2-1 with Mr. Barlow casting the nay vote.

4. **Staff Reports.**

"Sales Tax Numbers: receipts for the General Fund Sales Tax (1%) for July showed an increase of 19.67% from the same month last Fiscal Year. This amounted to approximately \$40,919 more than the same month last year. This is the first month of the fiscal year and receipts are higher than last year's collections. We believe this is the still part of the COVID-19 spike we had been anticipating and first showed up in June's receipts. The Sales Tax report is included. **Revised Budget Hearings:** Included is the updated Budget (Schedule) Calendar. Hearings with Department heads will take place August 19, 2020. Also included is the **(Unaudited) June Summary Revenue & Expense Report**. I believe the Committee received the full report electronically from the City Clerk. **The June Pooled Investment Report is also included.** As can be seen from the report, interest earnings is substantially down from earlier this year and from previous years. **Agreements/Contracts with Agencies providing services to the City of Carthage.** We will also report on a workgroup for **Economic Development Services** meeting recommending Economic Development

activities take place via a Grant through the Carthage Community Foundation "Grow" grant and the City contract with the Chamber for Chamber Services at a declining rate, for Chamber type services. The City would be asked to contribute toward the grant for a three year time frame. Heather Collier will be at the meeting to give a short presentation about the grant and answer any questions. Staff is looking at updates to the **COVID 19 Leave Policy**. One thing that has necessitated this is the duration of the COVID- 19 situation. The policy did not fully anticipate it lasting this long. One item looked at is the "paid" administrative leave versus no pay or use of paid (accumulated) leave situation. Nate is reviewing the policy in connection with the federal legislation. The **Salary Study Committee** has been meeting and discussing the progress of the work and the report with the consultants and Department Heads. An update (briefing) will be provided at the meeting. **Budget Philosophy**; would like to visit about the budget philosophy for fiscal 21 in light of the COVID-19 impact, and potential impacts. These will probably be covered in the other budget discussion items but want to discuss the overall philosophy for next year (in light of COVID) and its change from the earlier approved budget policy pre-COVID.

Mr. Short reviewed sales tax revenues which have exceeded estimates. The financial reports were reviewed noting total revenues are above projections and total expenses are below projections. City Attorney Nate Dally is updating the COVID leave policy. Implementation costs for the salary study were discussed. Committee recommends a special council meeting with McGrath to review the full results of the salary study.

5. **Other Business.** None.

ADJOURNMENT: The meeting adjourned at 9:00 P.M. on motion by Mr. Barlow

Respectfully submitted,
Traci Cox