

**ROLLA CITY COUNCIL RETREAT MINUTES
THURSDAY, NOVEMBER 13, 2008
ROLLA CITY HALL COUNCIL CHAMBERS
901 NORTH ELM STREET
12:15 P.M.**

Presiding: Mayor William S. Jenks, III

Council Members in Attendance: Monty Jordan, Donald Barklage, Stan Spadoni, Gary W. Hicks, Don Morris, Lou Magdits (arrived at 12:38 p.m.), Jim Williams (left at 5:58 p.m.), Rick Morris, and Donna Hawley (arrived at 1:28 p.m.)

Council Members Absent: Terry Ruck, Susan Eudaly, and Mark Walburg

Department Directors in Attendance: Finance Director Steffanie Rogers, Public Works Director Steve Hargis, Police Chief Mark Kearse (arrived at 2:10 p.m.), Fire Chief Robert Williams, Recreation Center Director Scott Caron, and Community Development Director John Petersen

Other City Officials in Attendance: City Administrator John Butz, Communications Coordinator Scott Grahl, and City Clerk Carol Daniels

Others in Attendance: Rolla Regional Economic Commission Executive Director Elizabeth Bax

Following a light lunch, Mayor Jenks called the retreat to order at approximately 12:15 p.m.

Mayor Jenks began the retreat by welcoming everyone and thanking them for taking time from their busy schedules to attend the retreat. He emphasized that he wants the Council to take ownership of the City's budget. He pointed out that in the past, the Council has reviewed the budget on a semi-annual basis. Based on the current economy, Mayor Jenks indicated the Council would probably need to at least review the budget on a quarterly basis. Mayor Jenks then turned the floor over to City Administrator John Butz.

Mr. Butz explained to the Council that the first part of the retreat would be spent reviewing the City's finances. The second half of the retreat would focus on capital improvements.

Mr. Butz recognized and thanked the Ad Hoc Council Retreat Planning Committee, consisting of Councilmen Magdits, Jordan, and Barklage, for their time and effort on the retreat agenda.

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Overall City Finances/Financial Condition

City Administrator John Butz provided an overview of the City's budgeting process. Following his presentation, he asked the Council to express their views on the budgeting process.

Councilman Magdits entered the retreat at approximately 12:38 p.m.

The consensus of the Council regarding the budgeting process included the following:

- (a) Increase involvement of department directors during the initial budget presentation;
- (b) Add a third year of budget forecasting;
- (c) Determine if the department mission statements, which are included in the budget document, are valid in relationship to the budget. Mission statements should be broad with more specific goals and objectives, and;
- (d) Employee names should be eliminated from the organizational charts provided in the budget document.

Mr. Butz then commented on the 1992, 1997, 2002, and 2007 Revenue and Expenditure Reports. Since the General Fund is the most susceptible to sales tax fluctuations, Mr. Butz provided an in-depth review of the General Fund budget. Some of the discussion that followed pertained to clarifying intra-fund transfers.

The Council also discussed implementing a policy statement on deficit spending that, for example, would say the City would not deficit spend (maintain a balanced budget) during the next three years in addition to maintaining a 25% reserve. Such a policy would help to avoid discussions throughout the year on unbudgeted spending.

Mr. Butz suggested that an ordinance be drafted that would outline the City's fiscal policies.

The Council recommended that projects, primarily funded through grants, be listed separately indicating the amount of the grant and the City's match.

Councilwoman Donna Hawley entered the retreat at approximately 1:28 p.m.

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Regarding the Park Sales tax, Mr. Butz asked the Council when they would feel comfortable approaching the voters for tax increase. Rather than asking the voters to approve a general tax increase, it was suggested placing a sunset on the tax and outlining what the City would provide with the proceeds from the tax.

Mr. Butz touched on the City's real estate property taxes. He noted that property assessments have drastically increased. The Council asked Mr. Butz to provide some information as to how Rolla's real estate property tax rates compare to other comparable Missouri cities.

Mr. Butz provided an overview of the City's Position Analysis, which depicts a comparison of City staff in 1992 and 2007. He told the Council that two-thirds of the City's personnel costs are charged to the General Fund. Mr. Butz commented the City has not hired as many employees in relation to how the organization has grown.

Mr. Butz then addressed questions and comments from the Council regarding the City's fiscal situation. The Council agreed the City is operated efficiently and the department directors should be commended. The Council added that Rolla is fortunate to be in better financial condition than most cities.

Discussion ensued regarding a project-based accounting system that would track the costs of a City project as it proceeds.

Public Works Director Steve Hargis indicated the City is able to track project costs through InCode. Mr. Butz added that staff is working on how to make it into more useful information. He noted that the costs of a project can be determined, but staff is still working on making the program more user friendly and applicable.

Police Chief Mark Kearsse entered the retreat at approximately 2:10 p.m.

Mr. Butz then summarized the Fiscal Advisory Committee's adopted policy statement. The Council expressed their agreement with the Committee's policy statement. It was suggested, however, that the phrase in Policy No. 1, "Sustain existing City services" be defined in more detail.

Regarding the restructuring of the park sales tax, the Council determined it would probably be better to separate the senior services/center issue from the park sales tax. It was recommended that a focus group for a senior services/center be established, as was done with the Recreation Center. The Council concluded that there is a need for senior

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services/center, but it would be better addressed as a separate issue with the senior citizens determining their wants/needs, i.e., transportation, meals, entertainment, etc. The Council also discussed making this a countywide issue. The Council agreed there is not enough time to compile the information needed for a senior citizens' project before the April 2009 election.

Mr. Butz expounded on the "Sales Tax Projections of the Recreation Center Fund Balance through Sunset" chart with the one-half cent sales tax. He told the Council that the Fiscal Advisory Committee's recommendation is to "approach the voters in 2009 to replace the one-half cent park sales tax (dedicated to The Centre) that would otherwise expire in December 2013. The Committee's recommendation is to also replace the sales tax with a permanent 3/8 cent park sales tax (1/4 cent for The Centre and Park system and 1/8 cent for senior leisure services) and a five-year sunsetted 1/8 cent sales tax for The Centre and Park capital improvements." Mr. Butz continued by reviewing the sales tax chart with the Fiscal Advisory Committee's recommendation. He said the Committee's recommendation would work, but it would be very conservative. A lengthy Council discussion followed.

Mr. Butz was asked to develop a time line for the campaign process of the ballot question before Council consideration of the actual ballot language.

Rolla Regional Economic Commission Executive Director Elizabeth Bax entered the retreat at approximately 3:43 p.m.

The Council recommended that a joint committee be formed with Phelps County officials to discuss a sales tax for senior services/center.

The Council recessed at approximately 3:45 p.m. for dinner and reconvened at approximately 4:30 p.m.

Rolla West Project

Mr. Butz told the Council that five key City projects have been identified and the Council needs to determine which of the five could be funded.

Public Works Director Steve Hargis updated the Council on the proposed Rolla West project. He stated that as the economy grows, there would be more ways to fund projects. The entire Rolla West project is estimated to cost \$60 million.

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Rolla West Project (continued)

The Council then discussed the expectations of the Rolla West project. It was agreed that Rolla should be the hub of choice for South Central Missouri and that the City needs to be investing in it. Additionally, it was agreed that the retention and expansion of major employers is necessary. The Council said that a plan and timeline for the Rolla West project is needed.

It was the Council's consensus that the entrance to the Missouri S & T Tech Park and the Ridgeview Road extension need to be completed regardless of the Rolla West project. Mr. Butz added that within the next few weeks the Council would be asked to endorse the HNTB Master Plan and that staff believes the Ridgeview Road extension is more important than the proposed fifth interchange.

Councilman Jim Williams left the retreat at approximately 5:58 p.m.

Public Works Yard

Public Works Director Steve Hargis showed the Council photos and described the buildings and properties that currently house the Street/Traffic Department, Sanitation Department, Recycling Center, Animal Control, and Vehicle Maintenance. He explained that the Sharp Road property contains 8.5 acres and currently houses the Street Department, Sanitation Department, Traffic Shop and Animal Control. Mr. Hargis recalled that the Meade property was purchased by the City for the public services yard. The City acquired the 100-acre Meade tract for \$600,000 or \$6,000 an acre. Although only 40 acres was needed for the public services yard, the City was able to purchase 100 acres for the 40-acre price.

Mr. Hargis continued by outlining the elements of the proposed public services yard. The engineering firm of Bucher, Willis & Ratliff Corporation (BWR) was hired to conduct a study of the area for potential sites. The crux of the study was programming of space for vehicle maintenance, equipment storage for all functions, salt storage, fuel site, and animal control. BWR indicated the City would need 70,000-square-feet of space to place these activities under roof. Mr. Hargis then described the proposed public services yard structure and told the Council that the estimated cost for the project is \$4,310,940.

Some of the Council discussion that followed pertained to whether it is more cost effective for the City to use the private sector or continue using the City's vehicle

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Public Works Yard (continued)

maintenance staff. Mr. Butz explained that most of the limitations in the Vehicle Maintenance Department are not the qualifications of the staff, rather the size of the current facility. He added that using Vehicle Maintenance is more efficient for the City.

Regarding the proposed public services yard, Mr. Butz told the Council that staff currently does not have a recommendation or a plan for Council consideration. He stressed that better working conditions for the employees are needed. He noted that staff would submit a detailed proposal to the Council for Phase I, which would include Vehicle Maintenance and Solid Waste.

Industrial Park Improvements

Public Works Director Steve Hargis described the proposed Industrial Park Phase II project (Rolla Industrial Park West Subdivision), which entails approximately 84 acres of the portion of the Meade property not being used by the City for the public services yard. The total turnkey project cost is estimated at \$2.8 million. Mr. Hargis stated that staff plans to bring the platting of this property to the Council within the next few weeks.

HyPoint Industrial Park

Public Works Director Steve Hargis reported that daily there is a steady stream of trucks going in and out of Love's Truck stop, located off Highway V. Due to the traffic congestion, Mr. Hargis said the City has been considering the placement of a round-a-bout at this location and the Missouri Department of Transportation (MoDOT) is agreeable to this solution. The round-a-bout would slow the speed of trucks and improve the flow of traffic in this area. He stated that the cost of the round-a-bout has not yet been determined. Once the round-a-bout has been constructed, MoDOT would be responsible for its maintenance. The Council then discussed possible funding mechanisms for the construction of the round-a-bout.

Veterans Memorial Park

City Administrator John Butz informed the Council that they would be asked to discuss the issue of the flagpole for the Veterans Memorial Park at a future Council meeting. He also told the Council that the Veterans Park Committee has agreed to allow Mr. Frank Bridges to begin a fundraising campaign for the Veterans Memorial Park.

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Due to time constraints, Mr. Butz suggested postponing discussion of the remainder of the items.

XIII. ADJOURNMENT

The retreat adjourned at approximately 7:35 p.m.

Minutes respectfully submitted by City Clerk Carol Daniels.

CITY CLERK

MAYOR

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