

**ROLLA CITY COUNCIL WORKSHOP MINUTES  
MONDAY, AUGUST 28, 2017; 5:30 P.M.  
ROLLA CITY HALL COUNCIL CHAMBERS  
901 NORTH ELM STREET**

**Presiding:** Mayor Louis J. Magdits, IV

**Council Members in Attendance:** Jonathan Hines, Matthew Crowell, Matthew Miller, David Schott, Don Morris, John Meusch, Jim Williams, Steven Jung, and Walt Bowe

**Council Members Absent:** Monty Jordan, Kelly Long, and Brian Woolley

**Department Directors in Attendance:** Fire Chief Ron Smith, Environmental Services Director Brady Wilson, Parks and Recreation Director Floyd Jernigan, Police Chief Sean Fagan, Public Works Director Steve Hargis, Interim Community Development Director Steve Flowers, and Finance Director Steffanie Rogers

**Other City Officials in Attendance:** City Administrator John Butz, Assistant Fire Chief Jeff Breen, and City Clerk Carol Daniels

Mayor Magdits called the Fiscal Year 2018 budget workshop to order at approximately 5:43 p.m. and then turned the floor over to City Administrator John Butz.

**(A) Complete Review of the Proposed FY 2017/2018 Budget:** Mr. Butz began by stating the Council would be asked to conduct a public hearing regarding the proposed budget during its September 5, 2017, meeting as well as consider the first reading of the ordinance approving it. The final reading of the ordinance would be considered during the September 18, 2017, meeting.

Mr. Butz noted the proposed fiscal year 2017/2018 budget, which begins October 1, 2017, represents a total yearly program of \$27.1 million in anticipated revenues offset by \$27.7 million in expenses. He told the Council this year's budget is again very tight.

Mr. Butz then expanded on the "Fiscal Year 2018 Overview", document (attached) which outlines the key issues about the budget. He said challenges remain in this new economy of doing more with less. Mr. Butz said staff would recommend a targeted workshop to consider the issue of the Local Use Tax on out of state and online purchases.

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**(A) Complete Review of the Proposed FY 2017/2018 Budget (continued):**

Regarding the Economic Development Expenditures, Mr. Butz indicated a three-year commitment of \$15,000 has been requested from all the cities and counties of the four-county area around Ft. Leonard Wood. He said staff would bring this back to the Council later and discuss in detail.

Mr. Butz stated the Airport Fund is the one fund that just does not have the capacity of generating enough revenue to cover its operating costs. The General Fund subsidizes the Airport Fund by about \$180,000 with \$55,000 of that amount for the water tower, which will be off within the next eight to nine years. Much discussion followed about the cost of operating the airport.

Mr. Butz provided an overview of the Recreation Centre Fund and indicated the Recreation Center Advisory Board would be given an opportunity to review and Council would be apprised of any amendments.

Regarding the Parks Fund, Mr. Butz said there is a much better story because of Proposition P. Revenues are closer to \$1.5 million.

Mr. Butz referred the Council to the City's organizational chart and the Employee Turnover Analysis. He also provided an overview of the City's compensation system.

Mr. Butz commented on the City's outstanding debt chart. He noted City staff has been meeting with Siemens pertaining to the City's energy efficiency project. Mr. Butz said a presentation should be made to the Council within the next few weeks.

Mayor Magdits indicated he is aware the issue of a use tax was discussed during the recent Finance/Audit Committee Meeting. He said he would prefer the Council not begin with the use tax. Mayor Magdits pointed out the City went to the voters with a park tax and that will need to be reauthorized in a few years. In addition, the City has a CID (Community Improvement District) tax and a TDD (Transportation Development District) tax. He said he does not think the City should be carrying the banner about the use tax, but rather the business community. If the merchants feel they are the ones being jeopardized with online sales, they need to step forward and run the campaign. If the City runs the campaign, it could either backfire on us or poison the well. Mayor Magdits reminded the Council that in a few years the City would need to again approach the taxpayers about extending Proposition P, for the improvement of the

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**(A) Complete Review of the Proposed FY 2017/2018 Budget (continued):** recreation center. He emphasized this is important to the City. Mayor Magdits stated he is proposing, as the first step, the formation of a committee similar to the former Rolla 2020 Fiscal Advisory Committee. He reiterated he would hate to see the City carry the banner and say we need a new sales tax.

Mr. Butz reiterated the Council would hold a public hearing regarding the proposed budget on September 5, 2017, and consider the first reading of the budget ordinance. The final reading of the subject ordinance would be considered during the Council's September 18, 2017, meeting, with the budget taking effect October 1, 2017.

**(B) Adjournment:** Having no further business, the workshop adjourned at 8:13 p.m.

Minutes respectfully submitted by City Clerk Carol Daniels.

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CITY CLERK

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MAYOR

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