

**ROLLA CITY COUNCIL  
BUDGET WORKSHOP MINUTES  
MONDAY, AUGUST 29, 2022; 5:30 P.M.  
ROLLA CITY HALL COUNCIL CHAMBERS  
901 NORTH ELM STREET**

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

**Council Members in Attendance:** Moriah Renaud, Terry Higgins, Megan Johnson, Nathan Chirban, Matthew Fridley, Lister Florence, Jaired Hall, Robert Kessinger, Stanley Mayberry, Victoria Steen, and Tina Balch.

**Council Members Absent:** Carolyn Bolin

**Department Directors and other City Officials in Attendance:** Finance Director Steffanie Rogers, Fire Chief Ron Smith, Police Chief Sean Fagan, Public Works Director Steve Hargis, Environmental Services Director Brady Wilson, Centre Recreation Director Marci Fairbanks, City Engineer Darin Pryor and Community Development Director Steve Flowers

Mayor Louis J. Magdits, IV called the workshop to order at approximately 5:30 p.m.

**FY 2022-2023 Budget:** Mayor Magdits turned the floor over to City Administrator John Butz. He explained the total proposed budget for all nine funds (General Fund, Sewer Fund, Environmental Services Fund, Park Fund, Park Land Reserve Fund, Airport Fund, Cemetery Fund, Street Fund, and Recreation Fund) has revenues estimated at \$34,357,170 and expenses at \$35,476,749. It was noted that this includes Sewer Bond completion, MRTDD final close-out, and financing for a new Fire Truck (\$895,000). Without the major capital projects, the City's budget is approximately \$32,000,000.

Total Personnel-related costs (all funds) equals approximately 66% of the operating budget at \$16.3 M. \$10.4 M of which is for 179 full-time employees, \$.86 M for approximately 50 part-time employees, \$3.1 M for Health Insurance, \$1.5 M for LAGERS retirement, and \$.81 M for FICA.

General Employees are budgeted to receive a COLA increase of 3% with a 1.5% ave merit consideration.

Public Safety is budgeted to receive a COLA increase of 3% plus 5% (8% total) with a 1.5% merit consideration.

New positions are proposed for Deputy Court Clerk; RPD Records Clerk; Account Clerk; Custodian; and Eng ROW Mgr. There is very little succession planning in the budget other than Muni Court/Public Works.

Council may consider the possibility of an additional merit increase. The current pay scale consists of multiple grades at 1.5% steps for a total of 20 steps. It is proposed that the scale be altered to 3% steps with a total of 12 steps. Employees that top out of the scale will continue to receive future COLA increases by a one-time payment. Council expressed interest in an altered scale but suggested

a special meeting may be needed to fully understand. The projected cost for an additional 1.5% merit is approximately \$180,000.

In regards to the General Reserve Fund: The Operating Reserve Goal has been \$3.25 M. There is estimated to be an unrestricted reserve of \$3.6 M by the end of FY 22-23.

The following critical funded requests include: New Fire Pumper to replace an older '98 model at \$895,000; Public Safety Compensation \$720,000; RFD Station renovation at \$25,000; Fire Minimum Staffing (6 to 7) at \$25,000; Animal Shelter Building Ph II at \$100,000; and Police Body Cameras (annual) \$25,000 - \$35,000.

The following critical unfunded requests include: Phase 2 Animal Control shelter expansion \$300,000; succession planning for Administration and Environmental Services at \$175,000.

In regards to the Sewer Fund: \$65 K in FY 2023 is budgeted for the completion of \$25 M Treatment Plant Upgrades. There is a solid reserve balance of \$3.37 M which is accumulated to make additional debt service payments thru 2027. The budget includes a 10% increase in user rate (total \$6.25/1000 gal)

In regards to the Environmental Services Fund: There is a good reserve balance of \$1.5 M. Thanks to a combination of high quality recycling material and the rebounding of the recycling market, Brokers are again able to negotiate a decent revenue. (\$400,000 projected revenue). The last of the 3 proposed automated trash trucks (\$395,000) will be ordered this year. At twice the price of a regular trash truck, it completely changes how the fleet is operated and more efficiently utilizes the labor force. Truck #2 was ordered but no word on date of delivery. Internal Financing of Vehicle Maintenance Facility 10 out of 18 years has been paid with a balance of \$435K. The budget includes a \$.50 month increase in residential rates and 5% increase in other services.

In regards to the Airport Fund: In 2020 the Airport moved to the Street Capital Improvement Fund; saving \$150,000-\$200,000 a year in the General Fund but at the expense of street capital improvements. This fund has minimal reserves projected at \$13,634. Fuel Sales have rebounded (\$480K) and AG Lease/Ground Leases are updated. A 10% increase was implemented for hangar rentals. The users of the airport cover most of the operating expenses.

In regards to the Cemetery Fund: The City acts as "trustee" of the perpetual care of the Cemetery through the selling of plots. A portion of plot sales goes into the Cemetery Reserve Fund, which currently has a balance of \$405,000. Because funds were not set aside from the beginning, services for eternal care are severely underfunded, so the City Parks Department has maintenance responsibilities. An increase in burial service fees was budgeted in 2022 for the labor associated with burials. FY 2023 projects include old tombstone repair and potter's field monuments.

In regards to the Street Fund: Currently has a solid unrestricted reserve projected of \$1.38 M. Completed construction of Street Shop FY 2022 (\$3.6 M) and last MRTDD project of \$1.5 M for Pine Street received. Primary City Projects will include sidewalks in the areas of Elm St; 7<sup>th</sup> St; 18<sup>th</sup> St; and Hwy E as well as 8 miles of overlays/micropaving.

In regards to the Recreation Centre: In November of 2020, all Centre employees transferred to Power Wellness, the contracted management/operations company for the Centre. ARPA loss revenue reimbursement of \$450,000 for 2023 is anticipated to achieve sustainability by 2024. The Centre has depleted its reserve fund.

In regards to the Park Fund: Has a reasonable Reserve Fund balance of \$408,645. Primary revenues include property tax and the ¼ cent sales tax. Prop P was vital to the Park system. It provides \$1,495,000 in dedicated park funding (25% expires in 4/23 unless re-authorized). The Parks Fund shows capital expenses in excess of \$274,400 (Barnitz playground, mower, UTV, trucks, BJ ped bridges) The City may be asking the voters for Prop P reauthorization (1/16<sup>th</sup> sales tax sunset). Options are being considered to replace ballfield lights on Morgan field after a 2<sup>nd</sup> light pole busted during a recent storm. Insurance will cover 30-50K on the pole damage. It would take \$280-\$350K to replace all the lights on one field.

In regards to the Park Land Reserve Fund: Requires 2/3 Council Vote to authorize the spending of same. There is currently a balance in Escrow of \$35,000. These funds are from land sales and residential subdivision development loss of green space. Council will consider allowing \$25,000 to go towards the Barnitz Park playground.

In regard to ARPA funds: While budgeted City Council will need to grant specific authority to transfer/spend ARPA funds (received in 2022). Staff anticipates a Council Workshop in October/November to authorize same.

City will receive approximately \$4,142,000 in ARPA funds. First deposit of \$2,061,340 was received in August 2021; 2<sup>nd</sup> distribution by 9/2022.

**Council authorized Round 1 funding 1/18/2022:**

1) Finance/Admin tracking - (\$10,000 for 4 yrs)	\$40,000
2) Municipal Court Impact -	\$100,000
3) Franchise Fees -	\$180,000
4) Animal Control Impact -	\$10,000
5) Community Development Impact -	\$35,000
6) Rec Center Impact – (2020 - 2022)	\$850,000
7) Park Impact - (Splashzone 2020/21 Seasons)	\$45,000
8) Citizen Communications - Website/Codification	\$25,000
9) Telecommunication Upgrade	
10) Internet/Broadband Upgrades	
11) Public Safety Communication (MOSWIN)	\$1,050,000

Round 1 Estimate: \$2,335,000

**Round 2 proposal (subject to Council discussion/workshop):**

1) New roof for City Hall	\$150,000
2) Update City Comprehensive Plan	\$150,000
3) Cyber Security/IT Services/Web	\$175,000
4) Animal Shelter Ph 2	\$100,000
5) Parade Safety barriers	\$50,000
6) Police building façade renovation	\$45,000
7) Fire Station 1 bay doors	\$40,000
8) Rec Centre operations	\$450,000
9) Sewer improvements (Hy Point/slip-lining match)	\$475,000

Round 2 Estimate: \$1,635,000

2024 Remaining Balance: \$175,000

**ADJOURNMENT**

Having no further business, the workshop adjourned at approximately 7:47 p.m.

Minutes respectfully submitted by City Clerk Lorri Thurman.

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CITY CLERK

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MAYOR