Mayor Louis J. Magdits, IV called the workshop to order at approximately 6:05 p.m. He explained the purpose of the meeting was to present Council with a ten year economic model to show probable outcomes based on reasonable assumptions and to discuss potential solutions to identified problems.

City Administrator John Butz started by explaining the breakdown of the 7.6% sales tax and how only 2.25% is allotted to the City of Rolla. Over 54% of the General Fund is from sales tax revenue; ($6 million) whereas the Use Tax is projected to generate just over $1 million. General sales tax revenue may stagnate or decline over time as sales continue to increase.

Other current sources of revenue consist of Municipal Court fees, 3% Motel Tax, Business License/Liquor License fees, and other fees and charges from building permit fees/zoning fees, animal control fees, and parking fees. Utility Gross Receipts Taxes and the Cigarette Tax continue to be declining sources of revenue. General Fund Revenues project a 2% annual growth, but may not keep up with general fund expenditures projected at 2-5%.

The goal for the unrestricted reserve balance of the General Fund is 25% of operating expenditures. The account is currently at 23% with a slow decline projected through 2028. By 2029, the account is projected to fall to 16% and be fully exhausted by 2032. A more sustainable funding source or cuts in General Fund services will be needed over the next 5-10 years.
Employee compensation costs are 70-75% of the general fund and Public Safety makes up for 77% of Total General Fund expenditures. Options to increase revenue were discussed, including reinstating personal property tax (rolled back in 1995 for capital improvement sales tax), restructuring existing taxes, and/or present to the citizens a tax on recreational marijuana. The Chamber of Commerce has requested that Council also consider asking voters to increase the Hotel & Motel Tax from 3% to 5% for tourism efforts.

Conflicting concerns were shared regarding both tax initiatives at the same time. Council discussed the pros and cons of each initiative.

A motion was made by Fridley and seconded by Greven for both issues separately (Marijuana Tax and Hotel/Motel Tax) be presented in draft form for 1st reading at the January 2nd City Council Meeting. A roll call vote showed the following: Ayes: Vroman, Johnson, Lister, Fridley, Hall, Kessinger, Greven, Steen, and Balch. Nays: none. Absent: Higgins, Chirban and Mayberry.

At 8:00 pm, with nothing further to discuss the meeting was adjourned.

Minutes respectfully submitted by City Clerk, Lorri Powell

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Mayor, Louis J. Magdits IV

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City Clerk, Lorri Powell