

## COUNCIL WORK SESSION MINUTES

**May 16, 2022 – 4:00 p.m.  
Council Chamber – City Hall**

A Council work session was held to discuss the City Manager's Proposed Fiscal Year 2022-2023 budget.

Attending: Mayor John Josendale and Councilmembers Taylor Crouse, Madison Davis, Michael Grimm, Marty Novak, Kenton Randolph, Jeff Schomburg and Randy Schultz.

Bryan Carter, City Manager; Laurie Tietjen, Finance Director; Kenny Cordonnier, Fire Chief; Lisa Robertson, City Attorney; Chris Connally, Police Chief; Debra Bradley, Health Director; Jamey McVicker, Asst. Fire Chief; Abe Forney, Interim Public Works & Transportation Director; Brady McKinley, Asst. Public Works & Transportation Director; Eddie Leaverton, Superintendent of Water Protection; Keven Schneider, Superintendent of Streets/Sewer Division; Jake Fisher, Interim City Engineer; Chance Gallagher, Transportation Planner Manager; Jackson Jones, Asst. Superintendent of Streets/Sewer Division; Rob McQuerrey, Superintendent of Solid Waste/Recycling; Michelle Schultz, General Manager First Transit; Mary Robertson, Asst. to City Manager/Communications & Public Relations Manager; Rich Karleskint, Budget & Financial Analyst; Kitty Karr and Cindy McDermott, Accountants; Ed Schilling, Multimedia Planner; and Paula Heyde, City Clerk.

Mayor John Josendale called the meeting to order.

Bryan Carter, City Manager, gave a power point presentation on "FY 2023 Budget Proposal-Work Session #3" (copy attached) which included a review of a handout entitled "FY23 Changes Initiated Following Transmittal."

During the review of the Public Works & Transportation Department programs, division managers introduced themselves and spoke about the current staffing and some projects they are working on.

Litter from trash trucks along the roads to the Landfill was discussed.

The meeting adjourned at 4:53 p.m.



Minutes transcribed by Paula Heyde, CMC, City Clerk.

B. Carter  
5/16/22 - 4pm

FY23 Changes Initiated Following Transmittal			
Program Desc	Object Desc	Change	Reason
Streets Maint Personnel	Out of Title	7,000.00	Expenditure inadvertently left out of budget; now increased to match FY22 Adopted
Traffic	Traffic & Lighting Supplies	(18,000.00)	Expenditure inadvertently placed in the budget twice with different explanations; now reduced to intended expenditure.
Traffic Personnel	Overtime	5,200.00	Expenditure inadvertently reduced; now increased to match FY22 Adopted
Traffic Personnel	Out of Title	15,800.00	Expenditure inadvertently excluded; now increased to match FY21 Actual
St Maint Admin	Overtime	1,000.00	Expenditure inadvertently reduced; now increased to match approximte FY22 Adopted
PW Communications	Overtime	9,700.00	Expenditure inadvertently reduced; now increased to match FY22 Adopted
Equipment Support	Overtime	9,600.00	Expenditure inadvertently reduced; now increased to match FY22 Adopted
Equipment Support	Out of Title	11,600.00	Expenditure inadvertently reduced; now increased to match FY21 Actual
Equipment Support	MR Machinery Equipment	(19,000.00)	Expenditure inadvertently included twice; now reduced to intended expenditure
Snow/Ice Removal	Professional Services	(11,000.00)	Expenditure inadvertently included twice; now reduced to intended expenditure
Sewer Maintenance	Motor Fuel & Lubricants	11,800.00	Increase of 10% from Adopted FY22
Public Parking	Motor Fuel & Lubricants	3,000.00	Increase of 10% from Adopted FY22
Fire Maintenance	Motor Fuel & Lubricants	53,500.00	The requested increase of \$20,000 was entered instead of the total increase of \$73,500
Public Parking	MR Building & Facilities	118,100.00	Additional Mosaic garage maintenance for FY22 deferred
Public Parking	MR Building & Facilities	9,200.00	Additional Mosaic garage maintenance for FY23
Streets Maint	Vehicle & Equipment Rental	7,000.00	Paint striper surcharge
Capital Projects Program	Machinery & Equipment	(1,400,000.00)	Ladder Truck (#319315) proposed to be moved from FY23 to FY22 to prevent 7%-21% price increase.

# FY 2023 Budget Proposal

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Work Session #3

May 16, 2022

# Work Session #2 Follow-Up

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## ■ 8<sup>th</sup> and Felix Parking Garage

- Ground is leased to Ascend Development, LLC for 25 years from completion of the structure.
  - Thereafter, property rights revert to the City, but Ascend maintains right to use the garage as long as they pay 50% of operations and maintenance.
- City contributed \$3,500,000 in public money
  - City to pay cost of constructing drainage facilities to mitigate presence in floodway and receive credit against contribution.
  - Ascend paid no tipping fees for demolition materials and City received credit against contribution.
  - After credits, City owed \$2,545,560
- City pays balance of contribution over a 10 year period beginning August 1, 2017 (with 4% per annum interest)
- Maintenance and Operation: Additional costs not yet included in the budget; pending item.
- **Update: One-time increase in FY23 Maintenance and operation allocation by \$227,300 (\$118,100 for FY22 expenses; \$9,200 for anticipated additional maintenance and operation expenses)**

## ■ Other Amendments to Budget Transmittal

# Gaming Initiatives Fund

Pages 11-18, 11-23, 10-6 – 10-7, 11-23

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- St. Jo Frontier Casino
  - Entry fees.
  - Gaming-generated revenue.
- Uses:
  - Community contract services.
  - Community partnership initiatives.
  - Enterprise fund stabilization.
  - Discretionary expenditures.
- History:
  - Closure-related reductions in FY20 (flooding in 2019; COVID-closure in 2020) and FY21 (COVID-closure in 2020).
  - Significant cuts during the reduction years.

# Gaming Initiatives Fund

Pages 11-18, 11-23, 10-6 – 10-7, 11-23

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- Long-Term Objective: Sustain 4-6 month casino closure.
  - \$300,000-\$450,000 fund balance.
- Proposed FY23 budget:
  - Revenue: \$904,000
  - Expenditure: \$897,000
  - Surplus: \$7,000
  - Year-end fund balance: \$294,000
    - Balance has grown through unspent appropriations

# Contract Services

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- General Fund/Health Programs:
  - Social Welfare Board Services: \$550,538
    - Medical services: \$499,538
    - Mental health services: \$50,000.00
    - Administrative services: \$1,000.00
    - *Additional CDBG-funded dental program: \$83,000*
- Gaming Initiatives:
  - Economic Development contract: \$200,000
  - Workforce Development contract: \$10,000

# Community Support Funding

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- Agency-Supported Efforts:
  - Allied Arts Council: \$30,000 (+\$2,500 for Sculpture Walk)
  - Community Alliance: \$20,000
  - Innovation Stockyard: \$20,000
  - Mo-Kan Regional Council: \$25,000
  - MWSU Center for Service: \$40,000
  - Festivals: \$20,050
  
- Stabilization Efforts:
  - Neighborhood Association Grants: \$20,000
  - Property Maintenance Abatement: \$90,000
  - Save Our Heritage Grants: \$85,000



# Other Expenditures

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- Program and Fund Support:
  - Remington Nature Center: \$40,000
  - Airport Operations: \$70,000
  - Parking Operations: \$6,500
  - Outside Legal Services: \$150,000
  - Advertising and Public Outreach: \$33,000
  - Fireworks Display: \$15,000
  
- Full list of expenditures: Page 1-18

# Departmental Discussion: Public Works and Transportation

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## ■ Largest Department

### ■ Staffing (Page 2-4):

■ Public Works Administration/MPO:	5
■ Engineering:	10
■ Street and Sewer Support Services:	16
■ Street Maintenance:	54
■ Aviation:	6
■ Landfill/Recycling:	23
■ Water Protection/Sewer Maintenance:	86
■ Parking Operations:	3

### ■ Operating Budget (Page 2-7): \$43,236,000 (39.6% of City's Operating Budget)

- Total budgeted resources (Page 9-1): \$108,535,025.
  - \$35,014,642 from enterprise or restricted funds.

### ■ Departmental Summary: Page 9-3

# Preliminary Note: Cost Variations

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- Inflation

- Historically, the budget has accounted for cost volatility.
- FY23: Departmental projections.
- Budgetary amendments.
- Particularly challenging for Public Works and Transportation due to materials and supply expenses and construction costs.

# Departmental Discussion: Public Works and Transportation

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- *Public Works Update Sheet*
- Public Works Administration (Page 9-5)
- Metropolitan Planning Organization (Page 9-7)
  - Increased professional services (\$110,979) funded by federal grant.
- Street Enhancement Use Tax (Page 9-9)
  - Stable at \$3.6 million; FY22 currently projected at \$3.9 million.
- Engineering (Page 9-10)
- Street and Sewer Maintenance Administration (Page 9-13)
  - Provides administrative staff and expenses, but not project costs and materials.
- Public Works Communications (Page 9-15)

# Departmental Discussion: Public Works and Transportation

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- Equipment Support (Page 9-16)
  - Increased fuel budget by 10% (\$26,250).
- Street Maintenance (Page 9-18)
  - Renew Bobcat skid steer program participation: \$30,000 (similar to leasing program)
  - Restore 7 positions that were effectively defunded at mid-year FY22.
- Traffic (Page 9-20)
  - Increased Temporary Labor by \$25,000 to enable painting of crosswalks 2 times per year.
  - Correcting \$11,000 increase in weather forecasting.
- Sewer Maintenance (Page 9-23)
- Aviation (Page 9-25)
  - \$28,500,000 runway improvement project; includes \$1,500,000 match from CIP; currently working on timing concerns.
  - Requires approximately \$205,000 in General Fund support.

# Departmental Discussion: Public Works and Transportation

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- Parking Operations (Page 9-29)
  - Substantially stable; requires approximately \$106,500 in General Fund support (including Mosaic Garage Maintenance).
- Water Protection (Page 9-33)
  - Increase \$14,500 for testing required by NPDES permit.
  - Added \$15,000 due to increasing chemical prices.
  - Reduced outside services by \$25,000 based on recent experience.
  - Temporarily reduced fees payable to MDNR by \$55,000.
  - Increased utility cost by \$20,000 for increased water service cost.
  - Energy Project Phases 1 and 2 will begin at a cost of approximately \$13.3 million.
  - Ammonia analyzer purchase: \$30,000
  - Forklift purchase: \$18,000
  - Conversion of sewer billing to cloud-based system: \$41,604
  - Fuel cost increase: \$11,800
  - *Effort to reduce expenditure to pay for new needs; enabled avoidance of a rate increase. Rate increase is likely to be recommended in FY24.*

# Departmental Discussion: Public Works and Transportation

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- Mass Transit (Page 9-40)
  - Increase \$82,305 for diesel fuel cost (previously \$657,000).
  - Increase \$11,000 for management contract.
  - Add \$25,000 in advertising to introduce on new expanded service and rebranding.
  - Add \$10,000 in printing for new rider guides and informational brochures.
  - Administrative Building Improvements:
    - Floors: \$25,000
    - Landscaping improvements: \$8,000
    - Counters: \$10,000
    - LED replacements: \$20,000
  - \$9,372 management service contract cost increase.
  - \$90,000 health insurance cost increase.
  - \$123,344 wage increases.
  - East Hills Transfer Facility: \$2,500,000
  - Van replacement: \$26,000

# Departmental Discussion: Public Works and Transportation

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- Landfill and Recycling (Page 9-45)
  - Cell construction: \$75,000 increase (total: \$725,000).
  - CAT Excavator purchase: \$395,000
  - D8 Bulldozer replacement: \$1,098,000
  - Permitting expense: \$250,000
  - Mobile rock crusher purchase: \$340,000



# Additional Information?

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# Work Session #4

Thursday, May 19, 2022

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- Revised schedule
  - Riverfront Development Hotel-Motel Tax discussion moved to May 31.
- Finalize Departmental Discussions
  - Health Department
  - Police Department
  - Fire Department
  - Parks Recreation & Civic Facilities Department