

NOTES OF SPECIAL COUNCIL MEETING

July 31, 2018

(Subject to approval at the August 7, 2018 Council Meeting)

CALL TO ORDER

Attendance

Roll Call

Mayor Dennis Watz called the budget workshop meeting to order in the Conference Room at City Hall, 210 West Washington, Sullivan, Missouri at 6:05 p.m. Roll call was taken and attending the meeting were Alderman Ward Two T.J. Carey, Alderman Ward One Mark Dalton, Alderman Paul McCulloch, and Alderman Ward Three Bobby Maupin. Alderman Ward Two Jason Alexander was unable to attend. Alderman Ward One Tony Wessler arrived shortly after the meeting convened. Also attending was City Clerk Jan Koch, City Attorney Justin Head, and City Administrator J.T. Hardy.

Meeting Purpose

MEETING PURPOSE

The main purpose of the special meeting was a workshop for a review of the Fiscal Year 2018 budget and projections for the Fiscal Year 2019 budget.

FY 2018 Review

FISCAL YEAR BUDGET 2018

Revenue 2018

Sales tax rallied a bit and has increased so far this fiscal year. The General Fund is in the black with a balance of \$230,552.

Expenditures 2018

Discussion was held on the automatic meter readers purchased along with a strategy of possibly changing the billing cycle to be more current. However, this also affects payment due dates and penalties. The Board requested staff review and submit a recommendation. Administrator Hardy also noted that online payments for utility bills is nearing completion on the software end.

FY2018 Budget Adjustments

Budget Adjustments 2018

Budget adjustments for Fiscal Year 2018 were presented as follows:

<i>Account</i>	<i>Fund</i>	<i>Amount</i>	<i>Description</i>
001-700-399	General	\$18,000	K-9; \$13,000 dog (New Canine Unit & Training for Police)
420-959-235	Water	\$37,000	Taxes & Fees (Budget Update)
420-960-235	Sewer	\$ 4,000	Taxes & Fees (Budget Update)
420-381-000	W&S Revenue	\$40,000	John Deer Tractor Refunded (Invoice Address Correction)
420-959-459	Water	\$20,000	John Deere Tractor Reissued Check (½)
420-960-459	Sewer	\$20,000	John Deere Tractor Reissued Check (½)

Alderman Maupin made a motion to approve the budget adjustments as presented. Alderman McCulloch seconded the motion and it carried unanimously.

FY2018 Projects Review

Projects 2018

Completed projects for Fiscal Year 2018 were reviewed and the remaining projects were rolled over Fiscal Year 2019. Automatic meter readers have been installed but some intentional tampering and vandalism has occurred. Staff requested authorization to pursue recoupment of replacement costs. The Board stated no objections.

(Note: at 7:30 p.m. Alderman Wessler left the meeting due to prior commitments.)

FISCAL YEAR BUDGET 2019

FY2019
Projection

Capital Improvements

Proposed Police Department capital improvements were as follows:

Capital
Improvements

<u>Description</u>	<u>FY19 Budget</u>	<u>Notation</u>
(2) 2019 vehicles (truck & SUV)	\$ 87,000	No trade subtracted
Ceiling file & floor replaced	7,500	FY18 budget
Firearms range (berm & expanded)	10,000	FY18 budget
<u>Parking lot resurface/improvements</u>	<u>\$ 50,000</u>	<u>FY18 budget</u>
Total Police Department:	\$154,500	

Police
Street
Parks

Proposed Street Department capital improvements were as follows:

<u>Description</u>	<u>FY19 Budget</u>	<u>Notation</u>
Airport fuel card reader	\$16,000	Needed for support/service
Sappington Sidewalks & Drainage Study	\$50,000	
<u>Fisher Sidewalks Improvements</u>	<u>\$17,000</u>	FY20 \$380,000 (\$284,000 reimbursed)
Total Street Department:	\$83,000	

Proposed Parks Department capital improvements were as follows:

<u>Description</u>	<u>FY19 Budget</u>
J Bottomley Improvements	\$ 27,000
Campbell-Chapman Path Sealing	
Skate Rink Ext Painted	\$ 21,000
Vogelgesang Trail Head	\$ 60,000
North Side Trail (N or S Section)	\$150,000
<u>Splash Park Restroom</u>	<u>\$ 30,000</u>
Total Parks Department:	\$288,000

The total proposed capital improvements amounted to \$525,500. Revenue projections for the capital improvement fund was \$700,000.

(Note: at 8:10 p.m. Alderman Maupin left the meeting due to prior commitments.)

Fiscal Year 2019

FY2019
Overview

Overall revenue projections for FY2019 were estimated to be \$22,399,625 with expenditures at \$22,235,525. It was duly noted that no increases for electric, water, sewer, or solid waste have been budgeted. Administrator Hardy also discussed the Fiscal Year 2019 pay scale recommendations. During this discussion, Prop P salary increases for current law enforcement officers were presented to the Board based on Chief Counts' recommendation. Administrator Hardy recommended all other city employees receive a 3% step increase.

Electric Fund

Electric

The agreement with Sensus for advanced metering infrastructure (AMI) was budgeted at \$20,000 (Pursuant to Ord #3763 passed on June 6, 2017). Capital outlay for the Electric Fund included \$100,000 for AMI meters, \$48,000 for lighting, \$75,000 for a service truck, and \$45,000 to replace

3% Auto
Operations
Cost
Suspended

a mini-excavator (with trade-in.) City Administrator J.T. Hardy reported that the adopted budget for Fiscal Year 2019 included suspension of the 3% electric automatic operations cost adjustment. Administrator Hardy stated he felt the current electric rates along with the city's fiscal conservancy that there would be a sufficient amount to sustain the operation costs for Fiscal Year 2019 without the 3% automatic operations cost. Alderman McCulloch made a motion to suspend the 3% electric automatic operations cost as recommended. Alderman Dalton seconded the motion and it carried unanimously.

Water & Sewer Fund

Water &
Sewer
Projections
FY2019

On the revenue side \$340,000 from the MAMU Lease for well improvements was carried over from Fiscal Year 2018. On the expenditure side, contracted service with Sensus Analytics in the amount of \$10,000 was budgeted for water. There was also \$10,000 budgeted for dig-in street repairs. Capital outlay included \$92,000 for 1/3 vehicle/equipment/new building. The remaining 2/3 would come from sewer and the treatment plant budget. Emergency well pump replacement in the amount of \$25,000 was another capital outlay expense budgeted along with \$375,000 for MAMU lease well improvements. \$20,000 for 1/2 AMI meters in water & \$20,000 in sewer was budgeted. Well #6 panel rehab was budgeted at \$40,000 and Well #2 panel control was budgeted at \$20,000. A water expense for \$3,000 on 1/2 the cost of an equipment trailer was budgeted (the other 1/2 was from budgeted as a sewer expense). High flow valves for Glaser (Well #10) and the wastewater treatment plant was budgeted at \$100,000. \$50,000 was budgeted for 1/2 of a new dump truck in the water budget and the other 1/2 from sewer expenses. The SCADA system used for monitoring the lift stations was budgeted at \$23,000 and Sensus Analytics was budgeted for \$10,000. Insituform to line sewer pipe in order to help eliminate root infiltration and I&I (infiltration & inflow) was budgeted at \$200,000. A possible lift station replacement was budgeted at \$25,000. On the wastewater treatment plant budget, \$100,000 for sludge removal, \$20,000 for UV program, and \$7,000 for ecoli program was budgeted. Department supplies included \$8,000 for UV light replacement and normal supplies & chemicals. For capital outlay, \$13,000 for a 60" cut mower, \$20,000 for a diffuser cleaning system, and \$10,000 for actuators was budgeted. Administrator Hardy noted that the bonds for the 1999A Series (which was the Sullivan Heights area sewer) will be paid off in 2019 along with the 2011 Series (water well, tower & sewer).

Fund 700

Prop P Fund
Established

A new fund was established for Fiscal Year 2019 in order to account for revenues & expenditures voters approved pursuant to Prop P. This is a one half of one percent sales tax earmarked for county and municipal law enforcement needs. Projections for Sullivan have been estimated to be \$185,000 for Fiscal Year 2019. Taxes will be collected starting October 1st with revenues being received starting in January 2019. A shortfall of \$28,000 is expected initially but should catch up when sales tax comes in.

Fund 009

Federal
Grants

This fund accounts for use of Federal grants. The budget for Fiscal Year 2019 included \$150,000 (\$90,000 federal/\$60,000 local match) for the trail head for the North Side Trail (Vogelgesang Park). There was \$33,000 for design of new airport hangars.

Oak Grove & Exit 226
 Transportation Escrow

Oak Grove Village & Exit 226
 Fund 009 will also be utilized for the Exit 226 improvements project. City Attorney Justin Head reported that the Memorandum of Understanding has been sent to Oak Grove Village for review. Oak Grove Village has expressed a desire to use the Transportation Escrow funding to make improvements to Springfield Road (Old Route 66).

CLOSED SESSION

Closed Session

The time was approximately 9:40 p.m. and Alderman McCulloch made a motion to adjourn into closed session to discuss one matter concerning real estate. Alderman Carey seconded the motion and it carried with a roll call vote as follows: Alderman Bobby Maupin, (absent); Alderman Mark Dalton, aye; Alderman Jason Alexander, (absent); Alderman Tony Wessler, (absent); Alderman Paul McCulloch, aye; and Alderman T.J. Carey, aye.



CLOSED RESULTS

Closed Results

As a result of the special closed meeting held July 31, 2018 one matter concerning real estate was discussed with no final results to report at this time.

RETURN TO OPEN

Return to Open

The Board reconvened into open session at approximately 10:10 p.m.



ADJOURN

Adjourn

Being no further business at this time, Alderman McCulloch made a motion to adjourn. Alderman Dalton seconded the motion and it carried with a roll call vote as follows: Alderman Bobby Maupin, (absent); Alderman Mark Dalton, aye; Alderman Jason Alexander, (absent); Alderman Tony Wessler, (absent); Alderman Paul McCulloch, aye; and Alderman T.J. Carey, aye. The meeting adjourned at approximately 10:10 p.m.