



CITY OF SEDALIA, MISSOURI
CITY COUNCIL MEETING
FEBRUARY 22, 2022

"In light of the current COVID-19 Pandemic and the concern among the public about attending public functions, the City has an on-line broadcast of Council Meetings available both live and recorded by going to https://global.gotomeeting.com/join/578973061"

The Council of the City of Sedalia, Missouri duly met on Tuesday, February 22, 2022 at 6:30 p.m. at the Municipal Building in the Council Chambers with Mayor John Kehde presiding. Mayor Kehde called the meeting to order and asked for a moment of prayer led by Chaplain Byron Matson followed by the Pledge of Allegiance.

ROLL CALL:

Table with 4 columns: Name, Status, Name, Status. Rows include Jeff Leeman, Thomas Oldham, Andrew Dawson, Tina Boggess, Lucas Richardson, Bob Cross, Rhiannon Foster, Steve Bloess.

SERVICE/RETIREMENT AWARDS: None

SPECIAL AWARDS:

Sedalia Fire Department - Badge Pinnings

Fire Chief Matt Irwin stated Firefighter Nathaniel Nevels previously worked for the Sedalia Fire Department 10 years ago and returned after working as a Firefighter for the City of Springfield and as an Air Force Firefighter. Firefighter Cameron Smith gained experience working on the East Coast and for the Warrensburg Fire Department.

MINUTES: The Council Meeting minutes of February 7, 2022 were approved on motion by Oldham, seconded by Bloess. All in favor.

REPORTS OF SPECIAL BOARDS, COMMISSIONS & COMMITTEES: The Citizens Traffic Advisory Commission minutes dated January 12, 2022 were accepted on motion by Leeman, seconded by Oldham. All in favor.

ROLL CALL OF STANDING COMMITTEES:

FINANCE & ADMINISTRATION - Steve Bloess, Chairman; Rhiannon Foster, Vice Chairwoman

Presentation: Calendar Year 2021 & FY 2023 Budget Review

City Administrator Kelvin Shaw presented the Calendar Year 2021 Operational Overview and Fiscal Year 2023 Budget Preview. The City is financially stable with a Credit Rating of AA-. The City is looking to attract growth, keep up with infrastructure needs, increase quality housing and continue with the branding initiative.

Guiding Principles:

- Mission Statement - States the City's commitment to serving the citizens and community.

- Service stands for: Strong Budget, Economic Growth, Residential Neighborhoods, Vibrant Downtown, Innovative Ideas for the Future, Citizen Health and Safety, Employee Excellence.

Developments: VA Clinic, Child Safe, Deer Brook Villas, Starline Warehouse, Apex Mechanical, Burger King Remodel, Arby's Remodel, Stackhouse Realty, Preuitt Insurance, Liberty Park Train House, Early Childhood Center, The Residences, Hometown Dental, Columbia Dentistry for Children, Trust Building Remodel, Katy trail Health Expansion, Downtown Pavilion, Liberty Lot Stage, Planet Fitness, SFCC Work Force Innovation Center, Stone Creek Apartments, Ditzfeld Addition.

Infrastructure Updates: Water Line Mains (\$12 Million, 3 year project), Sewer Lift Stations & Mains, Sewer Central Plant Upgrade.

Neighborhood Revitalization: Demolitions In-House, Clean Up Efforts Continued & Refined, Redevelopment Concepts Including USDA, Sedalia Urban Redevelopment Corporation formed, Formalized Urban Redevelopment Process, Design of Block Rehabilitation & Infill In Process.

Heckart Community Center: Pledge from Sue Heckart, Record 80% Voter Approval for 1/8 Cent Park Sales Tax Increase and CIP Sales Tax Sunset removed, Partnership with School District.

Completions: Rail Spur (\$10.1 Million Grant), Katy Trail Connection, Full Service Airport Hangar, Olin Howard Tech Center, Loftus Childhood Development, Water & Sewer Master Plans & Upgrades, Streetscape Ohio & Pacific, Urban Redevelopment Plan, Comprehensive Plan, Branding Initiatives.

Branding/Messaging Initiatives: Megan Hartman and Ivy Reynolds, with Callis, stated that over the past year, Callis has launched the branding initiative of selling the City's story at various community events such as the Missouri State Fair, July 4th Parade, homecoming events, etc. They have started developing a new website due to launch mid-2022. Callis will be present for the opening of the Heckart Community Center and will capture video that will be utilized throughout the year and drone footage from other events that will be put together for social media.

Budget Options for Branding:

\$150,000.00 Budget: Community Events - \$4,000; Video Production - \$45,000; Strategy & Planning - \$15,000; YouTube Advertising - \$12,000; Streaming Advertising - \$18,000; Facebook/Instagram - \$8,000; Public Relations - \$18,000; Social Media Management - \$30,000.

\$75,000.00 Budget: Video Production - \$10,000; Strategy & Planning - \$15,000; YouTube Advertising - \$12,000; Facebook/Instagram - \$8,000; Social Media Management - \$30,000.

Issues of Awareness and Direction FY 2023: Dealing with the Labor Market; Impact of National, State and local economic indicators on the City budget; Continue examination of sales and use tax watching for trends; Monitor Capital Improvement Fund sales tax revenue and related debt service; Core services of public safety and maintaining infrastructure to remain priorities; Continue to address Police & Fire Department pension unfunded liabilities; Address market concerns of Police recruitment; Continue Economic Development Push on industrial and retail; Awareness of water & wastewater needs; Housing needs to catch up with economic development job creations; Continue efforts on "Clean-up Sedalia" & find new methods; Expand Neighborhood Revitalization; Citizen engagement; Branding and Comprehensive Plan initiatives.

City Administrator Shaw stated it is important to create a "balanced budget". Reserves were intentionally spent down on infrastructure from Fiscal Year 2012 through 2016, and the addition of use taxes allowed continued higher infrastructure spending. In Fiscal Year 2014, the City adopted a fund balance policy for the General Fund that required the balance to be between 25% and 50% and the current policy states that the balance should be between 35% and 75%.

Sales Tax/Use Tax Review:

48% of the City's revenue sources come from Local Taxes with the largest portion being Sales & Use Taxes (34%). Service charges (i.e. water, sanitary sewer, solid waste, parks and recreation, etc., user fees) 31%.

Between Fiscal Year 2009 and Fiscal Year 2020, there was an average growth rate of 1.47%. In Fiscal Year 2021, a 1/8 cent tax was added for the Heckart Community Center and as of February 2022, Sales Tax is trending 15.1% higher than Fiscal Year 2021. Use Tax is up 15.5% over Fiscal Year 2021.

National retail indicators project expansion in the economy to level off with strong growth and inflation to slow some but continue. The State of Missouri is projecting sales tax revenue to increase in the range of 7% through June then slow to 2.1%. Local unemployment rates remain strong. Wayfair Tax Legislation that was signed in June 2021 takes effect January 2023 and will make online retailers selling more than \$100,000.00 into the state to start collecting Use Taxes (including local) for where the sale occurred. For Fiscal Year 2023, the City is projecting a 2% - 4% growth and the proposed change indicates a budget increase of \$2,061,179.00.

Personnel Costs:

Considerations for FY 2023 Budget: \$546,000.00 for frozen Police Retirement Fund including \$290,000.00 to amortize \$6 Million unfunded liability managed by Lagers; \$250,000.00 estimated amortization of \$4.6 Million unfunded liability in Firefighter Retirement Fund to facilitate "Freezing" and move to Lagers; Police recruitment \$30,000.00; Operational increases Finance Add Back Utility Billing (\$44,500.00), Safety Officer (\$60,000.00) and City Health Department (\$90,000.00); Fire added overtime for training & automatic fire call \$30,500.00; Wellness screenings & incentives \$15,950.00; and continuance of current City contribution rate to HSA's.

Wage Options:

1. Continue past practices (normal Step Increase for All Employees)
 - Normal Step Increase \$289,835.00 (General Fund \$185,653.00)
2. COLA (Cost of Living Adjustment)
 - 5.7% COLA \$843,662.00 (General Fund \$520,493.00)
 - Police Scale (General Fund \$194,293.00) Fire Scale (General Fund \$144,345.00)
3. Total Set Aside \$1,133,497.00 (General Fund \$706,146.00)
 - Police Scale (General Fund \$258,458.00) Fire Scale (General Fund \$201,453.00)

Fund 15: Supported by two ¼ cent sales taxes or a total of ½ cent. Revenues are \$3,999,231.00 and debt service obligations are \$1,308,317.00 for a total of \$2,690,914.00 net available funding.

Enterprise Funds: The Sanitation Enterprise Fund has made progress, however, landfill costs continue to increase and recycling revenue has become non-existent. Staff recommends a \$1.50

rate increase per month and to increase the senior discount by \$1.00 for Fiscal Year 2023. Current operating loss \$324,160.00.

Initial Draft of the FY 2023 Budget:

Fund	Beginning Fund Balance 4/1/21	Projected Fund Balance 3/31/22	Anticipated Revenues/Sources	Anticipated Expenditures	Anticipated Change	Anticipated Fund Balance 3/31/23
General Fund	\$9,031,330	\$9,740,555	\$14,977,223	\$15,439,275	(\$462,052)	\$9,278,503
Capital Imp.	\$16,030,772	\$4,194,564	\$9,863,696	\$12,886,255	(\$3,022,559)	\$1,172,005
Transportation	\$2,762,918	\$1,649,062	\$4,430,944	\$4,668,334	(237,390)	\$1,411,672
Library	\$1,161,427	\$1,223,053	\$770,343	\$770,343	-	\$1,223,053
Park	\$3,661,132	\$2,699,570	\$4,747,582	\$4,961,565	(213,983)	\$2,485,587
Central Business & Cultural	\$101,530	\$138,108	\$42,638	\$126,100	(83,462)	\$54,646
Fire Academy	\$6,831	\$11,793	\$22,538	\$22,074	\$464	\$12,257
Midtown Special Allocation	\$510,852	\$67,031	(23,806)	\$2,607	(26,413)	\$40,618
WPC	\$2,963,515	\$3,214,090	\$6,734,681	\$6,837,675	(102,994)	\$3,111,096
Water Dept.	\$2,734,176	\$4,101,198	\$5,229,566	\$3,909,534	\$1,320,032	\$5,421,230
Sanitation	(1,461,394)	(1,504,026)	\$2,039,914	\$1,755,386	\$284,528	(1,219,498)
Fire Pension	\$8,487,580	\$9,771,134	\$1,932,950	\$899,886	\$1,033,064	\$10,804,198
Police Pension	\$437,650	-	-	-	-	-
Totals	\$46,428,319	\$35,306,132	\$50,768,269	\$52,279,034	(\$1,510,765)	\$33,795,367

- General Fund – Fund Balance Policy: Min 35% - \$5,242,028; Max 75% - \$11,232,917
- WPC – Capital & Debt Principal: Projected Fund Balance - \$22,570,771; Anticipated Revenues/Sources - \$3,540,954; Anticipated Expenditures - \$3,395,596; Anticipated Fund Balance - \$22,425,413.
- Water Department – Capital & Debt Principal: Projected Fund Balance - \$20,552,663; Anticipated Expenditures - \$3,235,811; Anticipated Fund Balance - \$23,788,474
- Sanitation – Capital Expenditures: Projected Fund Balance - \$1,130,248 (Loan from General Fund); Anticipated Expenditures - \$293,270; Anticipated Fund Balance - \$1,423,518

Next Steps: Budget Work Session – February 28, 2022 at 6:30 p.m.; Other Work Sessions, if needed; Public Hearing – March 21, 2022; Council to consider adoption of FY 2023 budget – March 21, 2022 (can be delayed up to March 31, 2022 if more time is needed by Council).

Financial Update - Finance Director Dawn Jennings stated Sales Tax is up 37.5% for the month and 15.1% year-to-date, Use Tax is up 36.8% for the month and 15.5% year-to-date, Franchise and Cigarette Tax is down 0.6% for the month and 3% year-to-date, Transportation Tax is up 11.1% for the month and 11.6% year-to-date and Property Taxes are up 11.6% for the month and 5.1% year-to-date. Overall, current month totals are up 19.2% and Fiscal Year—to-Date totals are up 11.2%.

- Microsoft Exchange 2010 is no longer supported by Microsoft and security patches are no longer available which increases cyber risks. Cyber insurance carriers require multi-factor authentication which is not available with the current version. Staff recommends purchasing Microsoft Exchange 2019 from Shi International Corporation at a cost of \$16,180.98.

BILL NO. 2022-23, ORDINANCE NO. 11517 – AN ORDINANCE ACCEPTING A QUOTE FOR THE PURCHASE OF MICROSOFT EXCHANGE 2019 EMAIL SOFTWARE was read once by title.

2nd Reading – Motion by Oldham, 2nd by Leeman. All in favor.

Final Passage – Motion by Oldham, 2nd by Bloess. All in favor.

Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross, Foster and Bloess. No one voted “No”.

- The City’s anti-virus software is due for renewal and the current vendor for Sophos software is Blue Tree Technology. Staff recommends approval of the sole source purchase at a cost of \$7,275.45.

BILL NO. 2022-24, ORDINANCE NO. 11518 – AN ORDINANCE ACCEPTING A QUOTE FOR A ONE-YEAR CONTRACT RENEWAL OF DESKTOP AND SERVER ANTI-VIRUS SOFTWARE was read once by title.

2nd Reading – Motion by Oldham, 2nd by Bloess. All in favor.

Final Passage – Motion by Oldham, 2nd by Foster. All in favor.

Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross, Foster and Bloess. No one voted “No”.

- Added language is recommended regarding clarification between budget adjustments and budget amendments. City Administrator Kelvin Shaw stated that Council adopts by Ordinance a budget that appropriates funds and when appropriations are changed it requires an amendment. A budget adjustment doesn’t require an Ordinance. Councilman Dawson asked if there was a way to keep Council aware of adjusted funds and City Administrator Shaw stated a line item detail report can be provided. City Attorney Joe Lauber added that in other cities this type of detail is not handled by the full Council at the highest level, but by a finance committee. Council should be more about the big picture and not the day to day operations.

BILL NO. 2022-25, ORDINANCE NO. 11519 – AN ORDINANCE ADOPTING REVISED FINANCIAL MANAGEMENT POLICIES AND REPEALING ORDINANCE NUMBER 11341 was read once by title.

2nd Reading – Motion by Leeman, 2nd by Bloess. All in favor.

Final Passage – Motion by Leeman, 2nd by Bloess. All in favor.

Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross and Bloess. Foster voted “No”.

- An amendment to extend the contract with Tipton Correctional Facility was approved during the January 18, 2022 Council Meeting. The Department of Corrections requested a wording change in the Ordinance to clarify the agreement is to provide “up to 15 worker offenders per day” that was inadvertently left out of the previous ordinance.

BILL NO. 2022-26, ORDINANCE NO. 11520 – AN ORDINANCE AMENDING ORDINANCE NUMBER 11500 TO AMEND WORDING REGARDING THE NUMBER OF WORKER OFFENDERS TO STATE “UP TO 15 WORKER OFFENDERS PER DAY” PROVIDED BY TIPTON CORRECTIONAL CENTER was read once by title.

2nd Reading – Motion by Leeman, 2nd by Bloess. All in favor.

Final Passage – Motion by Oldham, 2nd by Foster. All in favor.

Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross, Foster and Bloess. No one voted “No”.

PUBLIC SAFETY – Tina Boggess, Chairwoman; Bob Cross, Vice Chairman

- Code Enforcement and Animal Control are requesting to add electronic ticketing which automates the citation issuing process and eliminates manual entry. Software and hardware will be purchased from Tyler Technologies with a 1-time expenditure of \$19,249.00 and ongoing annual fees of \$2,578.00.

BILL NO. 2022-27, ORDINANCE NO. 11521 – AN ORDINANCE AUTHORIZING AN AGREEMENT FOR THE IMPLEMENTATION OF BRAZOS SOLUTION E-TICKETING SOFTWARE AND ASSOCIATED HARDWARE FOR CODE ENFORCEMENT AND ANIMAL SERVICES was read once by title.

2nd Reading – Motion by Oldham, 2nd by Richardson. All in favor.

Final Passage – Motion by Oldham, 2nd by Richardson. All in favor.

Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross, Foster and Bloess. No one voted “No”.

- The agreement with the Boone County Sheriff’s Office is to provide training for new Police K-9 Rocky and handler Officer John Hammond. Training will be spread over an 8-week period at a total cost of \$3,600.00.

BILL NO. 2022-28, ORDINANCE NO. 11522 – AN ORDINANCE AUTHORIZING A COOPERATIVE AGREEMENT FOR K-9 BASIC TRAINING SERVICES BETWEEN THE CITY OF SEDALIA, MISSOURI, SEDALIA POLICE DEPARTMENT AND THE BOONE COUNTY SHERIFF’S OFFICE was read once by title.

2nd Reading – Motion by Cross, 2nd by Oldham. All in favor.

Final Passage – Motion by Oldham, 2nd by Foster. All in favor.

Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross, Foster and Bloess. No one voted “No”.

PUBLIC WORKS – Thomas Oldham, Chairman; Lucas Richardson, Vice Chairman

- The budget amendment is for increasing expenditures for vehicle maintenance/equipment and landfill charges for the Sanitation Department. Total \$56,406.40.

RESOLUTION NO. 1954 – A RESOLUTION AUTHORIZING AN INCREASE IN BUDGETED EXPENDITURES FOR THE FISCAL YEAR 2021-2022 RELATING TO THE VEHICLE AND EQUIPMENT REPAIR AND PARTS AND LANDFILL EXPENSES FOR THE SANITATION DEPARTMENT was read once by title and approved on motion by Oldham, seconded by Leeman. All in favor.

BILL NO. 2022-29, ORDINANCE NO. 11523 – AN ORDINANCE AMENDING THE BUDGET FOR THE FISCAL YEAR 2021-2022 REGARDING THE VEHICLE AND EQUIPMENT REPAIR AND PARTS EXPENSES AND THE LANDFILL CHARGES OF THE SANITATION DEPARTMENT was read once by title.

2nd Reading – Motion by Oldham, 2nd by Leeman. All in favor.

Final Passage – Motion by Oldham, 2nd by Bloess. All in favor.

Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross, Foster and Bloess. No one voted “No”.

- As part of the permitting process for sewer systems, evaluation reports were submitted to the Department of Natural Resources. To ensure compliance with permits, the City must establish limits on industrial contributors to share in established local discharge limitations. DNR has completed their review and Staff recommends codification of updated limitations.

BILL NO. 2022-30, ORDINANCE NO. 11524 – AN ORDINANCE AMENDING SECTIONS 60-95 THROUGH 60-108, 60-123 THROUGH 60-136, 60-160 THROUGH 60-163 AND 60-195 THROUGH 60-199 OF THE CODE OF ORDINANCES OF THE CITY OF SEDALIA, MISSOURI RELATED TO SEWERS AND LOCAL LIMITS was read once by title.

2nd Reading – Motion by Leeman, 2nd by Oldham. All in favor.

Final Passage – Motion by Leeman, 2nd by Oldham. All in favor.

Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross, Foster and Bloess. No one voted “No”.

- The agreement is for a 1-year contract with Alliance Water Resources in the amount of \$218,376.00 for oversight and management of the sewer system.

BILL NO. 2022-31, ORDINANCE NO. 11525 – AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SEDALIA, MISSOURI AND ALLIANCE WATER RESOURCES, INC. FOR OPERATIONAL OVERSIGHT, MAINTENANCE AND MANAGEMENT OF WASTEWATER FACILITIES AND COLLECTION SYSTEM was read once by title.

2nd Reading – Motion by Oldham, 2nd by Leeman. All in favor.

Final Passage – Motion by Oldham, 2nd by Foster. All in favor.

Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross, Foster and Bloess. No one voted “No”.

- With the extension of 10th Street beyond the intersection with Mitchell Road, a stop sign is needed at the intersection.

BILL NO. 2022-32, ORDINANCE NO. 11526 – AN ORDINANCE ESTABLISHING A STOP SIGN ON MITCHELL ROAD AT THE INTERSECTION OF WEST 10TH STREET was read once by title.

2nd Reading – Motion by Oldham, 2nd by Leeman. All in favor.

Final Passage – Motion by Oldham, 2nd by Bloess. All in favor.

Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross, Foster and Bloess. No one voted “No”.

COMMUNITY DEVELOPMENT – Andrew Dawson, Chairman; Jeff Leeman, Vice Chairman

- The grant is for \$5,000.00 with matching funds by the City of \$5,000.00 and would be used to create a mural in the alleyway between 209 South Ohio and 211 South Ohio.

RESOLUTION NO. 1955 – A RESOLUTION SUPPORTING THE SUBMISSION OF A MARKETING HERITAGE AND CULTURAL TOURISM IN RURAL MISSOURI GRANT APPLICATION FOR DOWNTOWN ALLEYWAY REVITALIZATION was read once by title and approved on motion by Oldham, seconded by Leeman. All in favor.

Mercy Rest Stop - Councilwoman Boggess stated that alternate locations are being looked at for the Mercy Rest Stop and the locations will be brought back to Council at a future meeting.

APPOINTMENTS: None

BIDS:

- Wastewater Facilities & Collection System Operational Oversight, Maintenance & Management – August 11, 2021

LIQUOR LICENSES:

The following new/renewal Liquor Licenses were read and approved on motion by Leeman, seconded by Bloess. All in favor.

New (Picnic License – Annual Fund Drive Trivia Night – February 26, 2022):

*Liz Van Leer dba Sacred Heart Foundation, 416 W 3rd

Renewals:

*Scott Hewett dba Colton’s Steakhouse & Grill, 4101 W Broadway, Liquor by The Drink/Sunday Sales

*Christopher Robinson dba Osage Gun & Pawn, 116 W Main, Packaged Liquor

MISCELLANEOUS ITEMS FROM MAYOR/COUNCIL/ADMINISTRATOR: None

GOOD & WELFARE: None

The meeting adjourned at 8:40 p.m. on motion by Oldham, seconded by Leeman to a closed-door meeting in the upstairs conference room pursuant to subsections 1 (Legal Advice) and 2 (Real Estate) 610.021 RSMo. Roll Call Vote: Voting “Yes” were Leeman, Oldham, Dawson, Boggess, Richardson, Cross, Foster and Bloess. No one voted “No”.

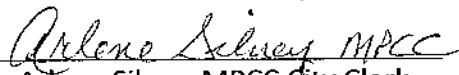
The regular meeting reopened at 9:23 p.m. on motion by Oldham, seconded by Leeman. Leeman-yea, Oldham-yea, Dawson-yea, Boggess-yea, Richardson-yea, Cross-yea, Foster-yea and Bloess-yea. No one voted “No.”

The regular meeting adjourned at 9:25 p.m. on motion by Oldham, seconded by Leeman. All in favor.

THE CITY OF SEDALIA, MISSOURI



John Kerde, Mayor



Arlene Silvey, MPCC City Clerk