MINUTES
NEOSHO CITY COUNCIL
August 1, 2023 - 6:00 PM
Neosho Council Chambers
203 E. Main St., Neosho, MO

CALL TO ORDER

Mayor Davidson called the financial work session to order at 6 p.m.

ROLL CALL

<u>COUNCIL PRESENT:</u>
Richard Davidson, Carl Cobb, Angela Thomas, Julie Humphrey, Ashton Robinson, Tom Workman
Charles Collinsworth came into the meeting at 6:07 p.m.

<u>COUNCIL ABSENT:</u>
None were absent.

<u>CITY OFFICERS PRESENT:</u>
David Kennedy, City Manager; Jordan Paul, City Attorney; and Cheyenne Wright, City Clerk, minutes taken by clerk.

APPROVAL OF AGENDA

Councilman Workman made a motion to approve the agenda; Councilman Cobb seconded.

Roll call vote:
Yes: Carl Cobb, Angela Thomas, Julie Humphrey, Richard Davidson, Ashton Robinson, Tom Workman
No: None
Abstain: None
Passed.

NEW BUSINESS

FY24 Budget Discussion

Finance Director Forest updated the Council on city financials.

Golf Course Manager Ferris updated the council on the pump house agenda item that was seeking a budget amount of $80,000.00 but we now have a better quote for $34,395.00. When the water gets low, we have issues getting rocks and sediment into the pipes. This causes issues with overflow and flooding of the green.

City Manager Kennedy addressed the council going through the following:

Capital Improvement / Purchases - Streets Department
1 Ton Truck $80,000.00
Mini Excavator $100,000.00

Salt Bed Stands $16,000.00
Parking Lot Spring and Lafayette $150,000.00
Roundabout Overrun Cost $150,000.00
Tablets with Docking Stations (3) $16,000.00

Water Dist. Capital Purchases
Water Fill Point Kiosk $40,000.00
Tilt Trailer $12,000.00
ICS Saw $6,000.00
20" Valve Replacement $16,000.0
Hydrant Buddy $6,000.00
Locator $8,000
New Fire Hydrants $18,000.00
Remove Tower at Dewey & Finney $60,000.00
Tablets (3) $15,000.00

Meter Program Capital Equipment
Tablets (3) $15,000.00

Filtration Capital - Other
Streaming Current Monitor $50,000.00
Replace/Repair Filter Valves $40,000.00
Filter Turbidimeter Upgrade/Replace $12,000.00
Plant Air Compressor $10,000.00
Filter Console Keypad Replacements $25,000.00
C12 Emergency Shut-Off Actuator Rebuild $10,000.00
Raw Water Pump Rebuild $30,000.00
60" Zero-Turn Mower $15,500.00

Waste Water Vehicle
1 Ton WW Service Truck $65,000.00

Waste Water Capital Improvement
Influent Pump Replace/Rebuild $70,000.00
72" Zero-Turn Mower $19,000.00
Collection System Trailer Mounted Inspection Camera $150,000.00
Influent Pump VFD Replacement (Computer) $28,000.00
Clarifier Skirting $50,000.00
Shoal Creek WWTP Clarifier Wire Replacement $40,000.00
Rotor Rebuild Shoal Creek $60,000.00

Waste Water Line Capital Improvement
Buffalo Creek Lift Station $81,000.00 (ARPA Funds will be used for Buffalo Creek Lift Station $370,000)
Buffalo Creek Lift Station Engineering & Construction $976,600.00
Malcom Mosby Lift Station $18,000.00

City Manager Kennedy then spoke on the changes he has made in the budget to the Drainage Sales Tax. This tax does not bring in a large amount of money. However, I want to start utilizing these funds for the drainage issues around town. I removed one of the full-time employees from the drainage tax to the Streets Department. This is to prepare for fixing the drainage issues around town, such as the upper and lower high school branch.

ADJOURN

There being no further business to come before the city council, Mayor Davidson asked for a motion to adjourn.

Councilman Cobb made a motion to Adjourn; Councilwoman Robinson Robinson seconded.

Roll call vote:
Yes: Carl Cobb, Angela Thomas, Charles Collinsworth, Julie Humphrey, Richard Davidson, Ashton Robinson, Tom Workman
No: None
Abstain: None
Passed.

Mayor Davidson adjourned the August 1, 2023 Financial Work Session at 6:44 p.m.

APPROVED

NEOSHO CITY COUNCIL

Mayor

ATTEST

Cheyenne Wright

City Clerk

City of Neosho
FY2023-FY2024
Fund Balance Summary

Beginning Balance = Actual
Ending Balance =Estimated

	Account	2022-2023 Budget	Estimated 2022-2023 Actual	Proposed 2023-2024 Budget
General	General Admin Beginning Fund Balance"October 1"	$ 6,957,425.00	$ 6,957,425.00	$ 6,100,793.90
	General Admin Ending Fund Balance"September 30"	$ 3,456,006.12	$ 5,506,082.90	$ 4,993,787.96
	Public Safety Fund- Restricted	296,164.25	154,307.25	192,036.36
	Unrestricted Funds	3,159,841.87	5,946,486.65	4,801,751.60
Police Grant	Police Grant Beginning Fund Balance"October 1"	10,338.07	10,338.07	10,338.07
	Police Grant Beginning Fund Balance"September 30"	10,338.07	10,337.07	10,338.01
Police Donation SWAH	Police Donation Beginning Fund Balance"October 1"	1,463.62	1,462.63	3,851.84
	Police Donation Beginning Fund Balance"September 30"	1,473.62	3,851.84	3,861.84
Fire	Fire Department Beginning Fund Balance"October 1"	641,074.19	641,074.19	642,075.52
	Fire Department Beginning Fund Balance"September 30"	329,290.44	642,075.52	331,386.04
Drainage	Drainage Department Beginning Fund Balance"October 1"	1,162,812.94	1,162,812.94	1,645,903.51
	Drainage Department Beginning Fund Balance"September 30"	693,807.94	1,645,903.51	1,257,733.52
Senior Center	Senior Center Beginning Fund Balance"October 1"	267,483.61	267,483.61	218,684.23
	Senior Center Beginning Fund Balance"September 30"	164,908.97	218,684.23	221,920.23
	Assigned Fund Balance - HVAC	40,000.00	33,330.00	-
	Total Unassigned Fund Balance	124,908.97	185,354.23	221,920.23
Parks & Recreation	Parks Department Beginning Fund Balance"October 1"	386,356.30	386,356.30	357,138.93
	Parks Department Beginning Fund Balance"September 30"	408,987.82	357,138.93	189,783.73
Auditorium/Lampo	Auditorium Beginning Fund Balance"October 1"	894,617.22	894,617.22	881,977.96
	Auditorium Beginning Fund Balance"September 30"	695,155.22	881,977.96	851,493.50

City of Neosho
FY2023-FY2024
Fund Balance Summary

Beginning Balance = Actual
Ending Balance =Estimated

	Account	2022-2023 Budget	Estimated 2022-2023 Actual	Proposed 2023-2024 Budget
Capital	Capital Improvement Beginning Fund Balance"October 1"	482,736.51	482,736.51	650,233.32
	Capital Improvement Beginning Fund Balance"September 30"	558,398.51	650,233.32	735,687.68
Hotel Motel	Hotel/Motel Beginning Fund Balance"October 1"	308,242.07	308,242.07	321,128.19
	Hotel/Motel Beginning Fund Balance"September 30"	263,186.07	321,128.19	324,782.19
Golf Course	Golf Course Beginning Fund Balance"October 1"	458,155.11	458,155.11	536,719.05
	Golf Course Beginning Fund Balance"September 30"	346,096.10	536,719.05	164,218.05
Street	Street Department Beginning Fund Balance"October 1"	2,259,580.15	2,259,580.15	1,831,259.66
	Street Department Beginning Fund Balance"September 30"	1,481,136.84	1,831,259.66	1,124,193.56
Street Bridge				
	Street Bridge Beginning Fund Balance"October 1"	769,716.81	769,716.81	937,799.92
	Street Bridge Beginning Fund Balance"September 30"	866,227.81	937,799.92	1,043,398.92
ISF-Employee Health Insurance				
	Health Insurance Fund Beginning Fund Balance"October 1"	33,351.98	33,351.98	33,351.98
	Health Insurance Fund Beginning Fund Balance"September 30"	33,452.98	33,351.98	16,834.98
Abbott Bros	Abbott Brothers Beginning Fund Balance"October 1"	68,800.50	68,800.50	74,202.82
	Abbott Brothers Beginning Fund Balance"September 30"	73,900.50	74,202.82	76,619.82
	Unrestricted Fund Balance			49,919.59
	Restricted Fund Balance			
	Trust Principal			26,700.23
Morse Park	Morse Park Trust Beginning Fund Balance"October 1"	3,640.48	3,640.48	3,653.33
	Morse Park Trust Beginning Fund Balance"September 30"	3,653.48	3,653.33	3,666.33
	Unrestricted Fund Balance			1,166.13
	Restricted Fund Balance			
	Trust Principal			2,500.00

City of Neosho
FY2023-FY2024
Capital Expenditures

Capital Improvement/Purchases-General Admin	12,000.00	HVAC $12,000
Capital Improvement/Purchases-City Clerk	50,000.00	Council chamber upgrades
Capital Improvement/Purchases-Recycle Center	68,000.00	Forklift $50,000 Paper Shredder $18,000
Capital Improvement/Purchases-Police Department	151,000.00	Patrol Cars 3 Dodge Charger $126,000 Finger Print Machine $25,000
Capital Improvement/Purchases-Airport	139,000.00	Taxiway construction, T-Hanger - $100,000 T Hanger Construction $20,000 taxiway repair $10,000 Fuel Tank overflow prevention $7,000 fire suppression trailer $2,000
Capital Improvement/Purchases-Fire Department	471,900.00	Metal South Building Station 2 $10,000 MDC Grant with match estimate $9,000 resuce truck $350,000
Capital Improvement/Purchases-Drainage	9,285,114.00	Stratford & Freeman Street (DED project) $2,652,000 DNR ARPA Cost Share $6,329,113.94 Pallet pressure washer $4,000 Land purchase retention $300,000
Capital Improvement/Purchases-Senior Center	43,000.00	replace carpeting $13,000 automatic faucets and urinals $30,000
Capital Improvement/Purchases-Parks & Recreation	393,565.00	Cab Tractor with Batwing, $75,913 Bicycle Trails $152,652 Cityshare $60,000 Restroom E Spring bridge Hickory Creek $50,000 Remodel Parks Storage building $55,000 Morse Park Ball Field Lighting $30,000 Mower replacement $20,000 Christmas Lights McCord $10,000
Capital Improvement/Purchases-Auditorium	150,000.00	Water damage repairs Auditorium $100,000 tables and chairs $50,000
Capital Improvement/Purchases-IOOF Cemetery	50,000.00	Cemetery Roads
Capital Improvement/Purchases-Golf Course	275,367.00	Mower Lease $18,807 55HP Tractor Loader $40,000 Pro Shop Kitchen/Restrooms Updates $20,000 Pump House ~~$80,000~~ $34,395.00 Overseed Fairways $20,000 Gator $16,000 Circuits to join pond pumps $80,000
Capital Improvement/Purchases-Streets Department	512,000.00	1 Ton Truck $80,000 Mini Excavator $100,000 Salt bed stands $16,000 Parking Lot Spring and Lafeyette $150,000 Roundabout overun cost 150,000 Tablets with docking station (3) $16,000
Water Dist Capital Purchases	181,000.00	Water fill point kiosk $40,000 Tilt trailer $12,000 ICS saw $6,000 20" valve replacement $16,000 Hydrant Buddy $6,000 Locator $8,000 New fire hydrants $18,000 remove tower at Dewey & Finey $60,000 Tablets (3) $15,000
Meter Program Capital Equip	15,000.00	Tablets (3) $15,000
Filtration Capital- Other	202,500.00	Streaming current monitor $50,000 Replace/Repair filter valves $40,000 Filter turbidimeter upgrade/replace $12,000 Plant air compressor $10,000 Filter console keypad replacements $25,000 Cl2 emergency shut-off actuator rebuild $10,000 Raw water pump rebuild $30,000 60" zero-turn mower $15,500
WW Vehicle	65,000.00	1 ton WW service Truck
WW Capital Equipment	437,000.00	Influent pump replace/rebuild $70,000 72" zero-turn mower-WW $19,000 Collection system trailer mounted inspection camera $150,000 Influent pump VFD replacement (computer) $28,000 Clarifier skirting $50,000 Shoal Creek WWTP clarifier wier replacement $40,000 Rotor rebuild Shoal Creek $60,000
WW Line Capital Improvemt	1,093,600.00	Bufflao Creek Lift Station $81,000 engineering, Buffalo Creek Lift Station construction $976,600 Malcom Mosby lift station $18,000

Governmental	11,600,946.00
Water/ WasteWater	1,994,100.00

City of Neosho
FY2023-FY2024
Fund Balance Summary

Account	2022-2023 Budget	Estimated 2022-2023 Actual
Water Admin, D&M, Meter, Filtration, Wastewater		
Water Admin Beginning Fund Balance"October 1"	6,735,139.00	6,735,139.00
Water Admin Ending Fund Balance"September 30"	2,695,919.34	5,777,903.56
Water Replacement Reserve City Code Section 710.180	406,094.33	1,205,572.27
WW Replacement Reserve Ordinance No. 383-2009	326,300.25	728,264.28
WW Reserve - Slip Line	42,000.00	10,924.75
Meter Replacement Reserve	600,034.96	419,208.28
Main Replacement Reserve	456,986.00	749,992.00
2009B Restricted Funds Ordinance No. 421-2009	321,860.00	321,860.00
2011 Restricted Funds Ordinance No. 489-2011	525,800.00	525,800.00
Total Restricted Funds	2,679,075.54	3,961,621.58
Unrestricted Funds	16,843.80	1,816,281.98

Water Admin

Account	Account Name	FY2022 Actual	FY2023 Budget	As of 7/11/2023 Actual	Estimated FY2023 Actual	Proposed FY2024 Budget	FY25
Water Admin Revenues							
500-510-3510-510	Penalties/Utility Bills	105,699.57	107,000.00	78,923.94	105,231.92	107,000.00	107,000.00
500-510-3530-510	Residential Trash Billing	578,945.86	545,280.00	458,282.25	611,043.00	574,560.00	574,560.00
500-510-3540-510	Service Application Fee	7,890.00	8,300.00	5,950.00	7,933.33	8,300.00	8,300.00
500-510-3560-510	Lease Pmt. Tower Space	46,066.88	50,780.00	48,746.92	50,780.00	50,780.00	50,780.00
500-510-3580-510	Trash Tag Sales	(37.08)	-	-	-	-	-
500-510-3600-510	Billing Customers-Water	2,285,316.77	2,200,000.00	1,713,147.16	2,284,196.21	3,469,830.23	4,337,287.79
500-510-4201-510	CARES Act	669,346.94	-	-	-	-	-
500-510-4700-510	Interest Earned-Water/WW	35,684.47	15,000.00	13,460.50	17,947.33	15,000.00	15,000.00
500-510-4792-510	Online Surcharge Fees	4,999.69	11,000.00	4,460.60	11,000.00	11,000.00	11,000.00
500-510-4800-510	Water Admin Miscellaneous	1,450.95	-	1,061.32	1,415.09	-	-
Total Water Admin Revenues		**$ 3,735,364.05**	**$ 2,937,360.00**	**$ 2,324,032.69**	**$ 3,089,546.89**	**$ 4,236,470.23**	**$ 5,103,927.79**
Water Admin Expenditures							
500-510-5010-510	Water Admin Salaries	260,413.99	297,377.00	224,981.23	299,974.97	315,399.00	315,397.97
500-510-5020-510	Water Admin Overtime	3,923.21	3,000.00	2,668.64	3,558.19	3,000.00	2,998.97
500-510-5170-510	Water Admin Social Security	19,232.33	22,979.00	16,585.61	22,114.15	24,129.00	24,127.97
500-510-5180-510	Water Admin Retirement	9,652.69	15,620.00	11,846.09	15,794.79	15,770.00	15,768.97
500-510-5190-510	Water Admin Health Insuranc	41,896.54	49,093.00	35,957.16	47,942.88	49,093.00	49,091.97
500-510-5210-510	Water Admin Workers Comp.	12,957.72	13,157.00	-	-	13,815.00	13,813.97
500-510-5260-510	Water Admin Prof. Services	72,061.25	96,447.00	68,265.93	91,021.24	97,407.00	102,277.35
500-510-5270-510	Water Admin Credit Card Fee	40,280.72	38,000.00	41,995.12	55,993.49	41,000.00	43,050.00
500-510-5273-510	Collection Agency Charges	1,630.08	3,000.00	522.86	697.15	2,000.00	2,100.00
500-510-5300-510	Water Admin Insurance & Bo	200.00	600.00	-	-	600.00	630.00
500-510-5330-510	Water Admin Equipment Mai	415.93	1,000.00	477.98	637.31	1,000.00	1,050.00
500-510-5360-510	Water Admin Member/Train/	3,541.50	7,084.00	3,615.05	4,820.07	8,284.00	8,698.20
500-510-5590-510	Water Admin General Supplie	41,118.32	55,840.00	31,764.02	42,352.03	58,140.00	61,047.00
500-510-5700-510	Water Admin Comp., Softwar	294.36	2,916.00	282.95	377.27	2,916.00	3,061.80
500-510-6260-510	Trash Service Paid	542,391.02	518,016.00	430,338.75	580,490.85	545,832.00	573,123.60
500-510-6350-510	Water Admin Phones	4,800.00	4,800.00	3,600.00	4,800.00	5,040.00	5,292.00
500-510-5790-510	Water Admin Capital Purchas	9,146.80	-	-	-	5,000.00	5,250.00
Total Water Admin Expenditures		**$ 1,063,956.46**	**$ 1,128,929.00**	**$ 872,901.39**	**$ 1,170,574.37**	**$ 1,188,425.00**	**$ 1,226,778.74**
Water Admin Other Sources							
0	0					-	
Total Water Admin Other Sources		**$ -**	**$ -**	**$ -**	**-**	**$ -**	
Water Admin Other Uses							
0	0					-	
Total Water Admin Other Uses		**$ -**	**$ -**	**$ -**	**-**	**$ -**	
Change in Fund Balance		1,934,714.51	(3,207,975.03)	504,098.54	(131,094.55)	619,488.75	2,555,716.48
Water Admin Beginning Fund Balance"October 1"		**$ 6,443,973.00**	**$ 6,735,139.00**	**$ 6,735,139.00**	**$ 6,735,139.00**	**$ 5,777,903.56**	**$ 5,611,092.31**
Total Water Admin Funding Sources		**$ 13,682,480.41**	**$ 14,306,658.75**	**$ 12,383,993.72**	**$ 14,328,177.78**	**$ 16,824,381.63**	**$ 18,316,555.68**
Total Water Admin Funding Uses		**$ 6,947,341.41**	**$ 11,610,739.41**	**$ 5,785,084.75**	**$ 8,550,274.21**	**$ 11,213,289.32**	**$ 11,077,972.99**
Water Admin Beginning Fund Balance"September 30"		**$ 6,735,139.00**	**$ 2,695,919.34**	**$ 6,598,908.97**	**$ 5,777,903.56**	**$ 5,611,092.31**	**$ 7,238,582.68**
Water Replacement Reserve City Code Section 710.180		1,243,402.83	406,094.33	1,171,774.27	1,205,572.27	2,263,823.08	3,498,193.18
WW Replacement Reserve Ordinance No. 383-2009		725,352.74	326,300.25	713,094.28	728,264.28	382,935.53	585,868.62
WW Reserve - Slip Line		250,000.00	42,000.00	(14,075.25)	10,924.75	160,924.75	310,924.75
Meter Replacement Reserve		397,448.50	600,034.96	399,208.28	419,208.28	479,208.28	516,458.28
Main Replacement Reserve		499,996.00	456,986.00	708,326.00	749,992.00	889,992.00	1,024,492.00
2009B Restricted Funds Ordinance No. 421-2009		292,600.00	321,860.00	321,860.00	321,860.00	328,130.00	341,223.56
2011 Restricted Funds Ordinance No. 489-2011		478,000.00	525,800.00	525,800.00	525,800.00	536,800.00	587,002.45
Total Restricted Funds		3,886,800.07	2,679,075.54	3,825,987.58	3,961,621.58	5,041,813.64	6,864,162.84
Unrestricted Funds		**2,848,338.93**	**16,843.80**	**2,772,921.39**	**1,816,281.98**	**569,278.67**	**374,419.84**

60-Day Reserve

60-Day Reserve	$ 1,218,088.96	$ 1,153,078.32
	28.041	19.483
shortage		$ 778,658.48

assumes 25% increase water & sewer rates
adds shortage to reserves

Operating only 60 day	$ 514,838.96	$ 1,037,475.58
	66.344	21.654

City of Neosho
Estimated Ending Fund Balances By Department

Fund	Department	FY2022 Audited Fund Balance	FY2023 Estimated	FY2024 Estimated Ending Fund Balance
General Fund	110-Admin	$ 6,288,620.34	$ 5,946,486.65	$ 4,744,801.93
	111-Clerk			
	113-Events			
	114-Lampo			
	115-Development			
	118-Recycle Center			
	120-Police			
	125-Municipal Court			
	141-IT			
	143-Fleet Mtce			
	144-Emergency Mgmt			
	145-HR			
	160-Airport			
	199-Public Safety	668,804.66	154,307.25	$ 181,216.36
	204-Cemetery			
Fire Department	130- Fire	$ 641,074.19	$ 642,075.52	334,053.98
Drainage Sales Tax	170-Drainage	$ 1,162,812.94	$ 1,645,903.51	$ 1,257,733.52
Senior Center	175 Senior Center	$ 227,487.61	$ 185,354.23	$ 221,310.23
Parks and Recreation	180-Parks & Recreation	$ 386,356.30	$ 357,138.93	$ 182,012.73
Auditorium/Lampo	195-Auditorium	$ 894,617.22	$ 881,977.96	$ 850,593.50
Capital Improvement	300-Capital Improvement	$ 482,736.51	$ 650,233.32	$ 735,687.68
Hotel/Motel	310-Hotel/Motel	$ 308,242.07	$ 321,128.19	$ 324,782.19
TIF	360-TIF	$ -	$ 3.00	$ 0.03
Golf Course	450- Golf Course	$ 458,155.11	$ 536,719.05	$ 164,218.05
Abbott Brothers Trust	700-Abbott Brothers Trust	$ 68,800.50	$ 74,202.82	$ 76,619.82
Morse Park Trust	710- Morse Park Trust	$ 3,640.48	$ 3,653.33	$ 3,666.33
Street Sales Tax	800-Street Department	$ 2,259,580.15	$ 1,831,259.66	$ 1,124,204.56
Street /Bridge	900-Street Bridge	$ 769,716.81	$ 937,799.92	$ 1,043,398.92
Police Grants	120- Police Grants	$ 10,338.07	$ 10,338.07	$ 10,338.01
Police Donations	124-Police Donation	$ 1,463.62	$ 3,851.84	$ 3,861.84
D.A.R.E Program	126-D.A.R.E.	$ (0.00)	$ (0.00)	$ (0.00)
Series 2012	212-2012 Series	$ 39,748.58	$ 39,748.58	$ 39,748.58
Series 2013	213-2013 Series	$ 309,757.18	$ 309,798.05	$ -
Series 2014	214-2014 Series	$ 331,063.73	$ 331,063.73	$ -
Series 2016	216-2016 Series	$ 303,573.55	$ 303,573.55	$ 303,573.55
Series 2021	221-2021 Series	$ (175.08)	$ (175.08)	$ 625.92
Employee Health Insurance	290-Employee Health Insurar	$ 33,351.98	$ 33,351.98	$ 16,834.98
Water/Wastewater	500-Water Wastewater	$ 6,735,139.00	$ 5,777,903.56	$ 6,397,392.31
				$ -
Totals		$ 22,384,905.52	$ 20,977,697.62	$ 18,016,675.03