

ROLLA CITY COUNCIL
WORKSHOP MINUTES
WEDNESDAY, DECEMBER 20, 2023 6:00 P.M.
ROLLA CITY HALL
901 N ELM STREET
ROLLA, MO 65401

Presiding: Mayor Louis J. Magdits, IV

Council Members in Attendance: Josh Vroman, Megan Johnson, Matthew Fridley, Lister Florence, Jaired Hall, Robert Kessinger, Kevin Greven, Victoria Steen and Tina Balch.

Council Members Absent: Terry Higgins, Stanley Mayberry and Nathan Chirban

Department Directors and other City Officials in Attendance: Finance Director Steffanie Rogers, Police Chief Sean Fagan, Fire Chief Jeff Breen, PW Director Darin Pryor, Centre Recreation Director Marci Fairbanks and Parks Director Floyd Jernigan

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 seperately (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

Mayor, Louis J. Magdits IV

City Clerk, Lorri Powell