

**MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL
CITY OF WASHINGTON, FRANKLIN COUNTY, MISSOURI
MONDAY, AUGUST 30, 2021**

INTRODUCTORY ITEMS:

The Special Meeting of the City of Washington, Missouri, City Council was held on Monday, August 30, 2021, at 7:00 p.m. in the Council Chamber. Mayor Sandy Lucy opened the meeting with roll call and Pledge of Allegiance.

| | | |
|--------------------------------|------------------|---------------------|
| Mayor: | Sandy Lucy | Present |
| Council Members: Ward I | Steve Sullentrup | Absent |
| | Duane Reed | Present |
| Ward II | Mark Wessels | Present |
| | Mark Hidritch | Present (7:03 p.m.) |
| Ward III | Jeff Patke | Absent |
| | Greg Skornia | Present |
| Ward IV | Gretchen Pettet | Present |
| | Joe Holtmeier | Present |

| | | |
|----------------------|-------------------------------|-----------------|
| Also Present: | City Administrator | Darren Lamb |
| | City Clerk | Sherri Klekamp |
| | Finance Director | Mary Sprung |
| | Emergency Management Director | Mark Skornia |
| | Public Works Director | John Nilges |
| | Parks Director | Wayne Dunker |
| | Police Chief | Ed Menefee |
| | Fire Chief | Tim Frankenberg |

Originals and/or copies of agenda items of the meeting, including recorded votes are available on record in the office of the City Clerk. Each ordinance is read a minimum of twice by title, unless otherwise noted.

Approval and Adjustment of Agenda:

A motion to accept and approve the made by Councilmember Holtmeier, seconded by Councilmember Pettet, passed without dissent.

PRIORITY ITEMS:

* Budget Workshop

City Administrator Darren Lamb discussed the highlights and goals for the 2021/2022 budget year. Topics of discussion were the General Fund and Prop P Funding for the Police Department, Local Use Tax Fund, Water Fund, Wastewater Fund, Capital Improvement Sales Tax Fund and Transportation Sales Tax Fund. Discussion ensued on the Wayfair Tax and the ARPA (American Rescue Plant Act) Funds and restrictions. Budget Hearing

scheduled for Monday, September 20 with an ordinance to follow to adopt the 2021/2022 budget.

PUBLIC HEARINGS

* City of Washington Tax Levy

A public hearing will be held on August 30, 2021, at 7:00 P.M., or as soon thereafter as the public may be heard, in the Council Chambers of City Hall of said City to set the proposed property tax rates for the City of Washington and the City of Washington Library District. Citizens may be heard on the following proposed property tax rates:

| <i>ASSESSED VALUATION</i> | <u>CITY OF WASHINGTON</u> | |
|---------------------------|---------------------------|-----------------------|
| | <i>PROPOSED TAX YEAR</i> | <i>PRIOR TAX YEAR</i> |
| <i>Real Estate</i> | \$321,320,320 | \$290,936,505 |
| <i>Personal Property</i> | <u>70,221,712</u> | <u>65,002,630</u> |
| <i>TOTAL</i> | \$391,542,032 | \$355,939,135 |

Based on Missouri State statutes, the permitted 2021 tax levy for the general operating levy of the City of Washington is \$0.5641 per \$100 of assessed valuation.

| <i>FUND</i> | <i>TAX REVENUE FOR 2021-2022</i> | <i>PROPOSED TAX RATE</i> | <i>PRIOR YEAR TAX REVENUE</i> | <i>INCREASE (DECREASE)</i> |
|---------------------|----------------------------------|--------------------------|-------------------------------|----------------------------|
| <i>General Fund</i> | \$2,208,690 | \$0.5641/\$100 | \$2,133,500 | \$75,190 |

| <i>ASSESSED VALUATION</i> | <u>CITY OF WASHINGTON - LIBRARY DISTRICT</u> | |
|---------------------------|--|-----------------------|
| | <i>PROPOSED TAX YEAR</i> | <i>PRIOR TAX YEAR</i> |
| <i>Real Estate</i> | \$128,039,906 | \$118,103,916 |
| <i>Personal Property</i> | <u>27,263,967</u> | <u>25,660,011</u> |
| <i>TOTAL</i> | \$155,303,873 | \$143,763,927 |

Based on Missouri State statutes, the permitted 2021 tax levy for the general operating levy of the City of Washington – Library District is \$0.1909 per \$100 of assessed valuation.

| <i>FUND</i> | <i>TAX REVENUE FOR 2021-2022</i> | <i>PROPOSED TAX RATE</i> | <i>PRIOR YEAR TAX REVENUE</i> | <i>INCREASE (DECREASE)</i> |
|---------------------|----------------------------------|--------------------------|-------------------------------|----------------------------|
| <i>Library Fund</i> | \$297,240 | \$0.1909/\$100 | \$290,215 | \$7,025 |

MAXIMUM ALLOWED, BY MO STATE STATUTES:

TOTAL OF BOTH TAX LEVIES: \$0.7550/\$100

RATES ARE CONTINGENT ON FINAL ASSESSED VALUATIONS AND COMPLIANCE WITH STATE LAWS.

CITY OF WASHINGTON, MISSOURI

Publish in The Missourian in the Weekend edition August 21-22, 2021 and the August 25, 2021 edition.

Lamb: You have within; Mary's going to come up to the podium. You have an ordinance within your packet to go ahead and do the levy for both the City General Municipal purposes and for the Public Library.

Sprung: This is the hearing for setting of the tax levy for the City of Washington and the Washington Public Library. Included in your packet, you have the assessed valuations that are provided by Franklin County for 2021. For the City for the real estate and personal property, that grand total is \$391,542,032, which is up approximately 35,000,000 million over prior year. Based on Missouri's State Statue, the permitted 20/21 tax levy is .5641 per \$100 of assessed valuation that we would be allowed. That's going to result in approximately \$2,208,690 of tax revenue for fiscal year 21/22. That's an increase of approximately \$75,000 of revenue over prior year.

The same information for the Library District. The 2021 assessed valuation, combined real estate and personal property grand total is \$155,303,873, which is approximately 12,000,000 over the prior year. The permitted 2021 tax levy for the Library District would then be .1909 per \$100 of assessed valuation. This will result in tax revenue for fiscal year 2021/2022 fiscal year of \$297,240, which is approximately \$7,000 over the prior year.

With both of those rates, the combined tax levy for the City would be .7550 per \$100 of assessed valuation. Included in your packet you have an ordinance that would set the maximum for the City at that .7550.

Wessels: And what was this past year's Mary? Just the rate...

Sprung: Last year was .7952.

Wessels: And their formula is what brings that down then?

Sprung: Correct. Every odd year is a reassessment year, so 2021 was a reassessment year. If the assessment goes up then the rate can go down that's why it drives the rate, so they have an inverse relationship.

Wessels: It just seems for that high of a jump, an assessed valuation and to come out much smaller percentage in terms of what you're actually...

Mayor: Okay, any questions of Mary? This is a Public Hearing, is there anyone who would like to address the Council on this item? Okay, so we'll accept this discussion into the minutes. Did you have a question? Okay, come on up.

Kari Klenke: This may, I'm Kari Klenke, I think you all know who I am at this point. This may be my ignorance and I come to these meetings so that I can understand what happens in our City government and how the decisions are being made.

What I'm hearing is that there is a tax being levied without a vote, again. If I'm incorrect I would like the information. It also appears like Mr. Wessels said, that because our tax assessments were raised so much, that we're playing with numbers to make it look like it's not as big of a tax on the people. So, we're playing with numbers and statistics because you can make

statistics say anything you want them to say and look any way you want them to look. Am I missing something, am I understanding correctly?

Lamb: It's not a tax increase due to the fact of the Hancock Amendment, which is the one that comes in as part of...*inaudible*

Kari Klenke: *Inaudible*

Lamb: Yeah, and so that is basically the maximum that the City can go without going to the voters...*inaudible*

Kari Klenke: So, you're coming right underneath that line so that you stay cool with the law?

Mayor: I think, doesn't the County set our tax rate?

Sprung: Right, yeah the...

Mayor: The State and the County set our tax rate?

Sprung: Yes, the State does this formula.

Mayor: Does the formula.

Sprung: And the County sends us...*inaudible*

Mayor: *Inaudible*

Sprung: And so this is what they're saying we're allowed to do up to this maximum.

Kari Klenke: Okay so, just because something is permissible doesn't necessarily that it's the best for the citizens. That's a...

Lamb: That's why you have a Public Hearing and that's why you have a vote.

Kari Klenke: Okay.

Lamb: By the Council. It is part of our budget, this is the real estate portion obviously sales tax is the biggest revenue source the City has. This does augment with regards to our real estate, it helps us go ahead provide services that we do for the community.

Wessels: Kari, I agree with what you're saying. The way I look at it is, when the assessed valuation, what we have in our community goes up 10%, I'm convinced that our services are going to go up to take care of that increased values and so forth, be it Fire, be it Police, be it whatever. I think all of our services kind of go up with that. That's where I go, okay, and I know there's a, like Darren said the Hancock thing is going to cap it. It comes down to, it doesn't matter a whole lot of difference when the State gives you that. I don't blame us for trying to because what you saw we were actually have a lower tax rate then what we had last year. It was \$0.79...

Hidritch: 79.

Wessels: Last year...

Mayor: 79 last year.

Wessels: .79, now its .75 so it's actually gone down.

Mayor: As our evaluation goes up, our tax rate goes down.

Kari Klenke: Again, I need to do some more research...

Mayor: Right.

Kari Klenke: I need to learn because I am; I don't have a lot of knowledge on this but that still feels to me a lot like it is playing with the numbers to make it look like it's a lower tax.

Mayor: Well, the Hancock allows us only to, correct if I'm wrong, only to collect x a number of dollars. We can't exceed what the Hancock Amendment says, so when our assessed valuation goes up, you would think well it's last year's rate of .79 our tax revenue would go up. Oh wow,

our assessed valuation went up by 12,000,000 or whatever and our tax would go up. We cannot collect more money. So that State looks at all that, our assessed valuation and all that and says okay this year, instead of having .79 as your tax rate, it's going to be .75 so basically we are collecting about the same amount of money as we collected last year.

Lamb: You have an increase of \$75,000 extra to the General Fund.

Sprung: And the only way that revenue base can grow is based on new construction and or for example, annexation. Obviously if the City annexed more property into the City...

Kari Klenke: Okay.

Sprung: Then your base is going to grow. That's the only two ways that your revenue base can increase, is based on new construction and based on annexation coming into the City. Otherwise, if nothing else changed your revenue would always be the same. That rate goes up and down because your assessed valuation drives it, but your revenue amount would always stay the same because Hancock's says it has to stay amount. The only reason it increases is because of new construction and that goes into this formula...

Kari Klenke: Okay.

Sprung: And our new construction last year was 1.9 million, approximately. Like I said, if we annex anything into the City and that grows our City, then of course our whole formula is going to change and that would increase. That's the only two ways that it can increase.

Skornia: In Meadowlake *inaudible* came in didn't they?

Mayor: Right, but that was...*inaudible*

Sprung: *Inaudible*

Mayor: January 1, they came in April.

Lamb: They came in April.

Mayor: April so they will not be on our tax rolls until next year.

Sprung: Until next year, okay.

Kari Klenke: Okay, thank you.

Mayor: Does that make some sense?

Kari Klenke: I'll be learning.

Mayor: Okay, very good.

Kari Klenke: Thank you.

Mayor: Anyone else? Okay.

With no further discussion, the ordinance was read.

Bill No. 21-12435, Ordinance No. 21-13387, an ordinance levying and imposing for the calendar year 2021 a tax upon all real estate and taxable tangible property in the City of Washington, Missouri for General Municipal Purposes and for a Free Public Library.

The ordinance was introduced by Councilmember Holtmeier.

With no further discussion, the ordinance was read a second time and approved on the following vote; Reed-aye, Skornia-aye, Holtmeier-aye, Wessels-aye, Hidritch-aye, Pettet-aye, Sullentrup-absent, Patke-absent.

CITY ATTORNEY’S REPORT

Public vote on whether or not to hold a closed meeting to discuss personnel, legal and real estate matters pursuant to Section 610.021 RSMo (2000) passed at 7:39 p.m. on the following roll call vote; Reed-aye, Skornia-aye, Holtmeier-aye, Wessels-aye, Hidritch-aye, Pettet-aye, Sullentrup-absent, Patke-absent.

The regular session reconvened at 8:04 p.m.

ADJOURNMENT

With no further business to discuss, a motion to adjourn made at 8:04 p.m. by Councilmember Hidritch, seconded by Councilmember Reed passed without dissent.

Adopted: _____

Attest: _____
City Clerk

President of City Council

Passed: _____

Attest: _____
City Clerk

Mayor of Washington, Missouri