City Manager's Report No. 2

TO: Mayor and Council

FROM: David Watson, City Manager

DATE: July 29, 2010

RE: Agenda Item for August 2, 2010 with Major Programs

On Monday's agenda are two Bills that start a commitment to place before the voters a ½% sales tax. The sales tax is estimated to generate $625,000 annually and is to be split evenly between storm water and parks. The State of Missouri statues allow local governments to add up to an additional ½% sales tax for storm water and parks. This would put the total local sales tax at 2.0% and leaves the city an additional ½ %, as the maximum allowed is 2.5%. The proposed division of the tax is ¼% storm water with ¼% parks. The new tax is proposed to have a 30 year sunset to cover a 30 year note with the United States Department of Agriculture – Rural Development (USDA). The tax is proposed to be used as follows:

Storm water:

At this point, staff has identified over 25 projects or areas of storm water concern. Currently, we have resolved four of the projects and we have estimated the remaining may cost as much as $10,000,000. Because we do not fully know the scope of the projects, these estimates could be high or low. Staff proposes to use the first six months of ¼% of new revenue for small projects that may include streetscape projects and engage an engineer to plan/design and prepare bid documents for the larger projects. We would then approach USDA for a low interest loan and or pursue any available grants. We are currently working on defining our water sheds as a first step and will use that data to scope our larger projects.

Parks:

The proposed ¼% for parks would be used to pay the debt service on a proposed community center. A community group has been working to create an approximately 30,000 to 40,000 square foot community center. The center may include a gym, elevated walking track, weight training and aquatic area. The size and uses of the building have not been determined, but the amount of funds available for debt service is defined. The facility would be owned by a nonprofit corporation which you are being asked to support the creation on Monday. The City would enter into a lease and use the sales tax to pay the debt.

The non-profit corporation is further described in that cover memo in this week's packet.

In summary, Council is being asked to support the creation of a nonprofit corporation and approve a ballot issue for November 2, 2010 to add ½% sales tax for storm water and parks.

Major Programs

Roads:

The Street Committee reviewed the Road Maintenance and Improvement Plan on Monday, July 26th. The committee reviewed current information and data on Cameron roads. In summary, the City has limited traffic count data. The State is planning to resurface Walnut Street in 2013 and the plan is not prioritized. The Road plan is being reworked to divide into multiple years so that annual appropriations could be used to do smaller projects. The Road plan will also show what can be undertaken by a one-time bond or refinancing of existing debt to create up to $1,000,000 in improvements. The amount of work contemplated in the Road plan can be enhanced if the new sales tax for storm water is approved.

Staff is currently reworking the plan to include the following data: traffic counts, condition of road and road use (does it support access to school or hospitals). Once the data is acquired and input, the Street committee will prioritize the plan and forward to Council for adoption. Staff had expected to have the plan ready for Council on the August 16th meeting. However, in order to meet that timeline the Street Committee would need to meet prior. We do not have a date yet and may have some difficulty getting everyone there.

Inflow and Infiltration:

Staff continues to work on the required study and plan needed by DNR. We are working to identify an independent engineer to help us evaluate the direction and focus needed to resolve our I & I concerns.