SPECIAL CITY COUNCIL STUDY SESSION

TO: Mayor and City Council
FROM: Mari E. Macomber, City Manager

SESSION DATE: January 15, 2009
TIME: 12:00 p.m.
PLACE: Second Floor Conference Room

AGENDA:

- **Discuss Fire Union Contract**

DISCUSS FIRE UNION CONTRACT

The City has two labor unions, the International Association of Fire Fighters (IAFF) representing fire fighters and fire captains, and the Public Service Employees, representing a majority of the public works employees with the exception of the office and supervisory staff.

The current agreement with the IAFF was for a two year period, October 2006 through October 2008. The City and union began negotiating to renew this contract in August 2008.

The union's biggest issue was a wage increase for the employees with a proposed 15% over the course of three years or 10% if a two year agreement. The City's issues centered on two themes, 1) insuring compliance with state and federal laws without exceeding the requirements in the case of sick leave benefits and the calculation of hours work for the purpose of paying overtime pay. In both of these instances, the City's policies exceed those mandated by the state and federal government, and 2) moving the fire personnel out of the pay plan to try and improve their wages within the parameters established for their total compensation.

Though we were able to agree on a number of minor issues, neither side was able to obtain closure on the most significant items.

We had six negotiation meetings prior to Thanksgiving. In December, City management met with Mark Woolbright, Vice President IAFF Second District. Our meeting focused on the relationship between the Fire Department management and employees. Mr. Woolbright also asked what the City was doing to improve the wage scale paid to the fire personnel, presenting a wage survey the IAFF had conducted, which showed our personnel were paid on average $13,000 less than other firefighters in communities similar in size and tax base to Kirksville.

UNION REQUEST

Mr. Woolbright was invited to meet with members of the City Council in a Study Session, but was unable to do so, and requested a meeting last Friday. Mayor Rowe was in attendance at the meeting. The IAFF representatives outlined ways the City

could generate the funds needed to improve the wages. Each of the ideas he presented would require a sales tax increase.

According to Mr. Woolbright, the State of Missouri provides an opportunity for cities to establish a tax for fire protection. This is a sales tax that could be established for up to ¼ cent and would generate around $600,000. Other options Mr. Woolbright mentioned included increasing the City's capital improvement sales tax from ¼ cent to possibly a 3/8 cent, which would generate around $900,000. A copy of this statute is included in your Study Session packet. In fact the IAFF representatives suggested the City pursue two sales tax increases to cover the costs to fund the needs of the City.

The IAFF is interested in the City pursuing a sales tax that could be used to help support the fire fighters. It was explained very clearly to the IAFF that the City would not provide a way to fund an increase that would exclusively benefit fire personnel. The City Council was given information from a recent salary survey conducted by the City of Warrensburg. With just a few exceptions, this survey showed that Kirksville wages were consistently lower than the average of all other cities surveyed. That information is also included.

In our meeting, we discussed both the need and the concerns for trying to pursue a new sales tax.

Other Issues

The City has been discussing ways to improve the funding position of the E911 Center to insure funds are available to meet both the operational needs and capital needs once equipment requires replacement. The City pays 52% of the cost of the E911 operations.

We were fortunate to have the voters reapprove the capital improvements sales tax. The rate of renewal was ¼ cent with funds distributed to a number of city needs – fire truck, general fund capital, building maintenance, airport, parks, housing rehab and demolition. There are more needs the funds available, but we do have a system in place that determines how the money will be allocated each year.

Council is constantly being asked to provide additional services, most recently the biking group with their hopes of expanding our bike routes and trails.

Are there other local organizations considering tax increases? Two recent examples include the E911 Board considering a sales tax that would establish an E911 organization separate from the current governmental jurisdictions currently responsible for its operation. Another example is the County Commission stating they may pursue a sales tax for county roads. Keep in mind citizens of Kirksville pay the road and bridge property tax and only if they travel on a county road do they reap the benefits of this tax.

Local Economy

The City sales tax is 7.85% and includes special sales tax for capital improvements (1/4), Ambulance District (3/8), transportation sales tax (1/2), economic development

sales tax for Highway 63 (1/2), and law enforcement tax for Adair County (1/2). The balance of the sales tax is for state funded efforts at 4.225%, county tax at ½ cent and city general tax at 1 cent. We just received the January sales tax numbers which show an increase of 15% from the collections for the same period one year ago. However, we ended the 2008 year $111,000 lower than what was collected in 2007. One of the reasons for the variances is a result of the reporting times of the various sales tax generators. The slowdown in the economy means that sales tax collections will be down, which is a major reason for caution toward pursuing any economic changes.

Other sales tax rates of other communities are - Moberly 8.225%, Hannibal 8.6%, Mexico 7.6%, Warrensburg 7.6%, Warrenton 7.975%, O'Fallon 7.9%, and Cape Girardeau – 7.975%.

We have experienced difficult financial times in the past and have been fairly conservative in our use of public monies. We have also limited the amount of increases given to City employees. Personnel costs make up about 30% of the City's total budget.

It is obvious that we have more needs than the resources we have available. Efforts are constantly being made to try and figure out how we meet the growing needs and expectations of the citizens, comply with state and federal mandates, provide the same level of services expected with limited resources.

Timeline

Should the Council wish to pursue this matter further, it would require the Council approving an Ordinance at its next City Council meeting. The deadline for ballot issues is Tuesday, January 27. This is to meet the deadline for our established municipal election. This is the election for our City Council members. We have one vacancy and will be contributing to the cost of the election, anyway. There are three other public election dates to be held in 2009, June 2, August 4 or November 3.

Recommended Action

The Mayor was asked to bring this to the rest of the City Council for discussion. As Council members you need to discuss the overall impact. Are there other sales tax efforts that are going to be sought that the City should consider, should the city take the unrestricted funds and increase wages, or should the City evaluate the impact of the national economy on our local revenues and expenditures midway through the year before a decision is made.

Attachments

- Fire Sales Tax – pgs 4 - 5
- January Sales Tax Report – pg 6
- Pay Increases for City Employees – pg 6
- Warrensburg Salary Survey – pg 7 – 8

Missouri Revised Statutes

Chapter 321
Fire Protection Districts
Section *321.242*

August 28, 2008

Additional sales tax, certain cities--ballot, form--fire protection sales tax trust fund, deposit of funds--abolition of tax, procedure--dissolution of district, effect.

321.242. 1. The governing body of any fire protection district which operates within and has boundaries identical to a city with a population of at least thirty thousand but not more than thirty-five thousand inhabitants which is located in a county of the first classification, excluding a county of the first classification having a population in excess of nine hundred thousand, or the governing body of any municipality having a municipal fire department may impose a sales tax in an amount of up to one-fourth of one percent on all retail sales made in such fire protection district or municipality which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no sales tax imposed pursuant to the provisions of this section shall be effective unless the governing body of the fire protection district or municipality submits to the voters of such fire protection district or municipality, at a county or state general, primary or special election, a proposal to authorize the governing body of the fire protection district or municipality to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall ..... (insert name of district or municipality) impose a sales tax of ..... (insert rate of tax) for the purpose of providing revenues for the operation of the ..... (insert fire protection district or municipal fire department)? â ã Yes â ã No

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the sales tax authorized in this section shall be in effect. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the fire protection district or municipality shall not impose the sales tax authorized in this section unless and until the governing body of such fire protection district or municipality resubmits a proposal to authorize the governing body of the fire protection district or municipality to impose the sales tax authorized by this section and such proposal is approved by a majority of the qualified voters voting thereon.

3. All revenue received by a fire protection district or municipality from the tax authorized pursuant to the provisions of this section shall be deposited in a special trust fund and shall be used solely for the operation of the fire protection district or the municipal fire department.

4. All sales taxes collected by the director of revenue pursuant to this section on behalf of any fire protection district or municipality, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087, RSMo, shall be deposited in a special trust fund, which is hereby created, to be known as the "Fire Protection Sales Tax Trust Fund". Any moneys in the fire protection district sales tax trust fund created

prior to August 28, 1999, shall be transferred to the fire protection sales tax trust fund. The moneys in the fire protection sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust fund and of the amounts which were collected in each fire protection district or municipality imposing a sales tax pursuant to this section, and the records shall be open to the inspection of officers of the fire protection district or municipality and the public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the fire protection district or municipality which levied the tax. Such funds shall be deposited with the treasurer of each such fire protection district or municipality, and all expenditures of funds arising from the fire protection sales tax trust fund shall be for the operation of the fire protection district or the municipal fire department and for no other purpose.

5. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any fire protection district or municipality for erroneous payments and overpayments made and may redeem dishonored checks and drafts deposited to the credit of such fire protection districts or municipalities. If any fire protection district or municipality abolishes the tax, the fire protection district or municipality shall notify the director of revenue of the action at least ninety days prior to the effective date of the repeal and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such fire protection district or municipality, the director of revenue shall remit the balance in the account to the fire protection district or municipality and close the account of that fire protection district or municipality. The director of revenue shall notify each fire protection district or municipality of each instance of any amount refunded or any check redeemed from receipts due the fire protection district or municipality. In the event a tax within a fire protection district is approved pursuant to this section, and such fire protection district is dissolved, if the boundaries of the fire protection district are identical to that of the city, the tax shall continue and proceeds shall be distributed to the governing body of the city formerly containing the fire protection district and the proceeds of the tax shall be used for fire protection services within such city.

6. Except as modified in this section, all provisions of sections 32.085 and 32.087, RSMo, shall apply to the tax imposed pursuant to this section.

(L. 1995 H.B. 452, et al. § 1, A.L. 1999 S.B. 436)

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Missouri General Assembly

SALES TAX COLLECTIONS BY YEAR
One-Cent General Sales Tax

	2005	2006	2007	2008	2009	2009 YTD Growth/-Loss Comparison to			
						2008	2007	2006	2005
January	179,410.83	185,123.44	201,467.60	180,902.81	209,464.69	15.79%	3.97%	13.15%	16.75%
February	67,108.84	96,634.04	181,920.03	204,890.74					
March	306,530.87	322,180.50	261,636.75	241,502.73					
April	195,655.59	214,395.10	208,545.59	219,903.17					
May	59,159.40	42,975.59	78,334.89	132,002.16					
June	308,001.22	332,297.08	325,352.21	253,028.44					
July	190,611.14	219,132.32	284,843.75	220,972.61					
August	66,012.88	84,424.76	90,815.59	148,541.83					
September	311,884.76	313,225.26	339,353.59	279,431.55					
October	219,075.90	212,575.62	198,332.97	222,179.31					
November	129,776.12	71,710.31	104,648.03	140,078.56					
December	253,015.27	309,706.14	315,420.19	235,788.79					
TOTAL	$2,286,242.82	$2,404,380.16	$2,590,671.19	$2,479,222.70	$209,464.69	15.79%	3.97%	13.15%	16.75%

Wages Provided to City Employees in the last 10 years compared to COLA

Month/Year	Amount Given	COLA (as provided for SSI)
April 1998	3%	1.3%
April 1999	2% hourly 3.5% salary	2.5%
April 2000	4.5% hourly 3.5% salary	3.5%
April 2001	2%	2.6%
April 2002	2%	1.4%
April 2003	0	2.1%
May 2004	3%	2.7%
April 2005	0	4.1%
Jan. 2006	2.5%	3.3%
Dec 2006	$250 bonus*	
Jan 2007	$350 bonus*	2.3%
Dec 2007	3%	
Dec 2008	$1,500 bonus*	5.8%
Total COLA %	22%*	31.6%

* One time bonuses were not factored in.

2009 Salary Survey Comparisons

Higbee Associates			Kirksville			
Position	Minimum	Maximum	Our Position Title	Minimum	Maximum	
Assistant City Manager	$ 61,100	$ 87,100				
Assistant Community Dev Director	$ 41,200	$ 61,000	Assistant to the City Manager	$ 43,160	$ 48,670	$ 12,330
Assistant Court Clerk	$ 24,300	$ 34,700	Deputy Court Clerk	$ 21,769	$ 24,549	$ 10,151
Assistant Fire Chief	$ 45,000	$ 63,200	Assistant Fire Chief	$ 43,160	$ 48,670	$ 14,530
Assistant Public Works Director	$ 48,600	$ 55,500	Deputy Public Works Director	$ 43,160	$ 48,670	$ 6,830
Builidng Inspector	$ 31,700	$ 46,100	Inspector II	$ 28,536	$ 32,178	$ 13,922
Building Official	$ 44,700	$ 56,600	Senior Inspector	$ 35,669	$ 40,223	$ 16,377
City Clerk	$ 36,900	$ 53,600	City Clerk	$ 26,669	$ 30,073	$ 33,527
City Planner	$ 40,700	$ 54,200	Codes/Planning Director	$ 47,477	$ 53,537	$ 663
Code Enforcement Inspector	$ 32,300	$ 46,900	Inspector I	$ 26,669	$ 30,073	$ 16,827
Custodian	$ 22,100	$ 29,500	Custodian	$ 20,345	$ 22,943	$ 6,557
Director of Public Works	$ 48,600	$ 65,400	Public Works Director/City Engineer	$ -	$ 73,130	$ -
Executive Assistant A	$ 24,500	$ 39,800	Administrative Assistant II	$ 24,924	$ 28,106	$ 11,694
Executive Assistant B	$ 30,100	$ 45,900	Administrative Assistant I	$ 23,293	$ 26,267	$ 19,633
Executive Assistant C	$ 26,100	$ 37,200		$ -	$ -	$ -
Finance Assistant A	$ 22,600	$ 32,300	Accounting Clerk	$ 21,769	$ 24,549	$ 7,751
Finance Assistant B	$ 26,200	$ 38,000	Accounting Clerk II	$ 23,293	$ 26,267	$ 11,733
Battalion Chief	$ 45,000	$ 68,700	Battalion Chief	$ 39,237	$ 44,245	$ 24,455
Fire Captain	$ 37,700	$ 54,400	Fire Captain	$ 28,536	$ 32,178	$ 22,222
Fire Chief	$ 54,400	$ 82,700	Fire Chief	$ -	$ 57,176	$ 25,524
Firefighter/EMT	$ 28,500	$ 40,000	Firefighter II/EMT	$ 28,179	$ 31,776	$ 8,224
Senior Firefighter	$ 33,400	$ 47,600		$ -	$ -	$ -
Laboratory Technician	$ 28,100	$ 40,200	Utility Operator	$ 26,669	$ 30,073	$ 10,127
Maintenance Foreman	$ 31,400	$ 43,900	Maintenance Foreman	$ 28,536	$ 32,178	$

									11,722
Municipal Court Clerk	$	24,900	$	34,700	Municipal Court Clerk	$	28,536	$	32,178	$ 2,522
Office Manager - Parks	$	30,600	$	43,200	Administrative Assistant I	$	23,293	$	26,267	$ 16,933
Parks & Recreation Director	$	43,300	$	64,500	Community Services Director	$	47,477	$	53,537	$ 10,963
Permit Clerk	$	23,500	$	35,000	Administrative Assistant I	$	23,293	$	26,267	$ 8,733
Police Animal Control Officer	$	25,600	$	37,600	Animal Control Officer	$	21,769	$	24,549	$ 13,051
Police Chief	$	53,100	$	76,500	Police Chief	$	-	$	58,871	$ 17,629
Police Corporal - Patrol	$	29,900	$	45,800	Police Corporal	$	28,536	$	32,178	$ 13,622
Police Corporal-School Resource	$	31,000	$	43,100	School Resource Officer	$	26,669	$	30,073	$ 13,027
Police Corporal-Detective	$	30,400	$	42,700	Police Detective	$	28,536	$	32,178	$ 10,522
Police Lieutenant (admn)	$	39,800	$	54,900	Administrative Sergeant	$	39,237	$	44,245	$ 10,655
Police Lieutenant (patrol)	$	46,300	$	64,600	Police Sergeant (patrol)	$	39,237	$	44,245	$ 20,355
Police Sergeant (days)	$	36,900	$	55,100		$	-	$	-	
Police Major - Assistant Chief	$	44,000	$	58,100	Deputy Police Chief	$	43,160	$	48,670	$ 9,430
Police Officer	$	28,900	$	43,400	Police Officer	$	26,669	$	30,073	$ 13,327
Records Clerk	$	23,200	$	30,500	Records and Evidence Custodian	$	23,293	$	26,267	$ 4,233
Recreation Supervisor-Aquatics	$	29,800	$	41,200	Recreation Specialist	$	28,536	$	32,178	$ 9,022
Sign Technician	$	27,600	$	32,900	Traffic Control Technician	$	26,669	$	30,073	$ 2,827
Street Maintenance Worker I	$	23,200	$	32,400	Maintenance Worker	$	21,769	$	24,549	$ 7,851
Street Maintenance Worker II	$	27,200	$	38,300	Equipment Operaor I	$	23,293	$	26,267	$ 12,033
Street Maintenance Worker III	$	26,900	$	38,300	Equipment Operator II	$	24,924	$	28,106	$ 10,194
Equipment Technician	$	25,300	$	36,600		$	-	$	-	
WPC Operator I	$	26,100	$	39,300	Utility Operator I	$	26,100	$	39,300	$ 9,227
WPC Operator II	$	27,600	$	35,200		$	-	$	-	$ 5,127
WPC Operator III	$	28,400	$	38,300	Utility Operator II	$	28,536	$	32,178	$ 6,122

Comparisons are not exact and were based on titles only - descriptions were not provided in the results from Higbee and Associates.