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CITY MANAGER'S BUDGET MESSAGE

August 9, 2021

Mayor and City Council,

It is an honor to submit to you the fiscal year 2022 budget message. As the city transitions to a new fiscal year, it is easy to see many challenges ahead for our community. Conversely, it is easy to see the potential for many opportunities that can bring about improvements. It is important to take inventory of both our challenges and successes that exist in the past, present, and future. This is critical as it helps inform where resources should be allocated through the budget process. A successful organization will proactively address the challenges it faces while also building on success. This is the practice that leads to improvement. The resources allocated in this budget will lead to improvement. I am confident saying this because despite the inventory of challenges from the last year, our community and organization has improved. This was made possible through your leadership and the dedication and resolve of city employees, business partners, stakeholders, and citizens.

1. Budget Request

The City has approximately 26 funds, each categorized by purpose. We are proposing a comprehensive expenditure of over \$140.4 million. This includes all proposed funding for daily operations, capital improvements, internal service and enterprise operations.

FY 2022 OVERALL BUDGET SUMMARY					
Fund Type	FY 2022 Total Revenue	FY 2022 Operational Expenditures	FY 2022 Capital Expenditures	FY 2022 Transfers Out	FY 2022 Total Expenditures
General Fund	\$ 30,332,229	\$ 24,469,390	\$ 654,775	\$ 5,588,626	\$ 30,712,791
Special Revenue Funds	\$ 57,110,157	\$ 31,651,686	\$ 37,818,096	\$ 5,307,079	\$ 74,776,861
Capital Project Funds	\$ 4,573,000	\$ 3,112,500	\$ 1,545,000	\$ -	\$ 4,657,500
Enterprise Funds	\$ 22,525,310	\$ 15,790,348	\$ -	\$ 1,671,194	\$ 17,461,542
Internal Service Funds	\$ 12,525,205	\$ 12,669,742	\$ -	\$ 133,313	\$ 12,803,055
Total Funds	\$ 127,065,901	\$ 87,693,666	\$ 40,017,871	\$ 12,700,212	\$ 140,411,749

General Fund: This fund includes budgets for 15 departments that provide mission critical services to our residents.

Special Revenue Funds: These funds are used to account for the proceeds of specific, and earmarked, revenue sources requiring separate accounting because of legal or regulatory provisions or administrative actions.

Capital Project Funds: The City utilizes these funds to record the receipt and disbursement of monies used to fund infrastructure projects.

Enterprise Funds: The City's enterprise funds hold the budgets for departments that operate in business type activities. These funds rely on revenue generated from sales of materials or services and for the most part, do not require funding from locally approved taxes.

Internal Service Funds: The City uses internal service funds, or proprietary funds, to account for operations and services where costs are allocated for the reimbursement of services to other departments.

2. Vision and Goals

On November 30, 2020, the Mayor and Council held a visioning and goal setting workshop to set direction for the organization. At this workshop, the Council established an aspirational vision for our community. The vision is....

Joplin, built on generations of people with grit and determination, is a regional hub at the crossroads of America. Our diverse people and employers thrive because of our healthy lifestyles, exceptional neighborhoods, lifelong learning opportunities and cultural and recreational amenities. Ad Omnia Parata – Together we are ready for anything!

Without this vision, it would be easy for the organization to aimlessly wander through decisions with the hope of eventually finding success, but the vision makes a direct and clear statement that defines the expectations for the future of our community. The allocation of resources through the budget process should be subjected and measured by whether the expenditure enables the vision or detracts from the vision. Over a sustained period of time, with this habit, this vision will be met and it will be time for a newer and more aspirational vision than before. This is how transformation will occur.

Along with the vision, the Mayor and Council set goals for the organization to pursue with the purpose of reaching the vision. These goals define areas for desired improvements aimed at resolving the longstanding issues keeping the community from reaching the vision.

The goals were identified by listening to citizen concerns provided through the listening tour. The goals are:

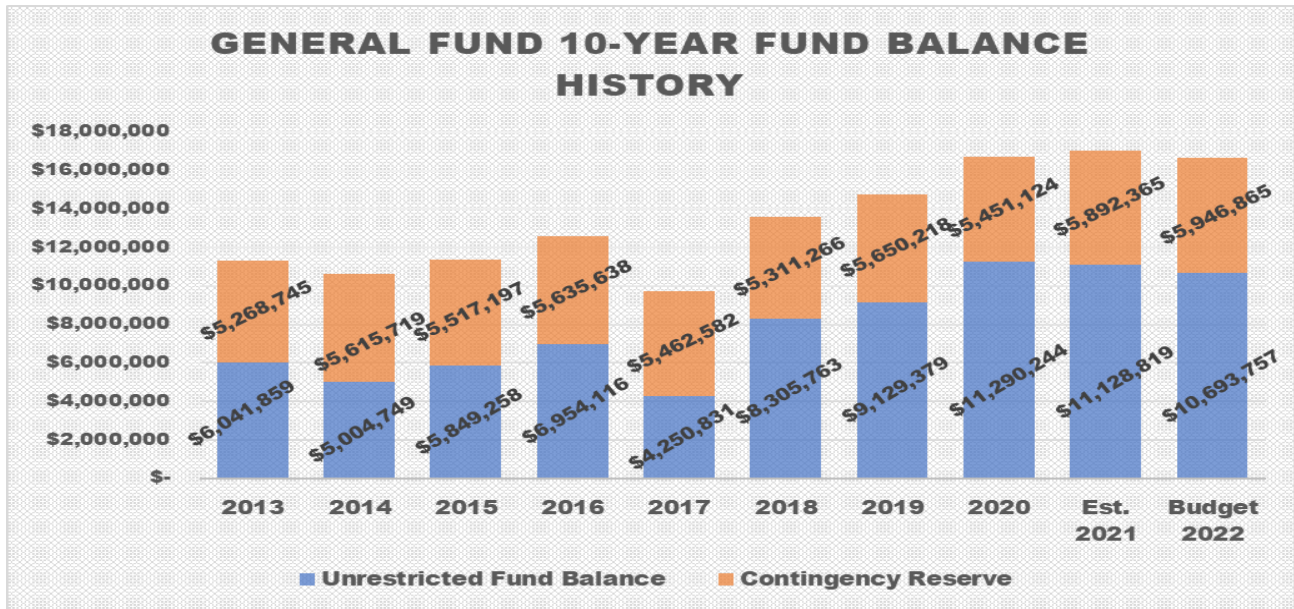


3. Review of Financial Condition – Operating Funds

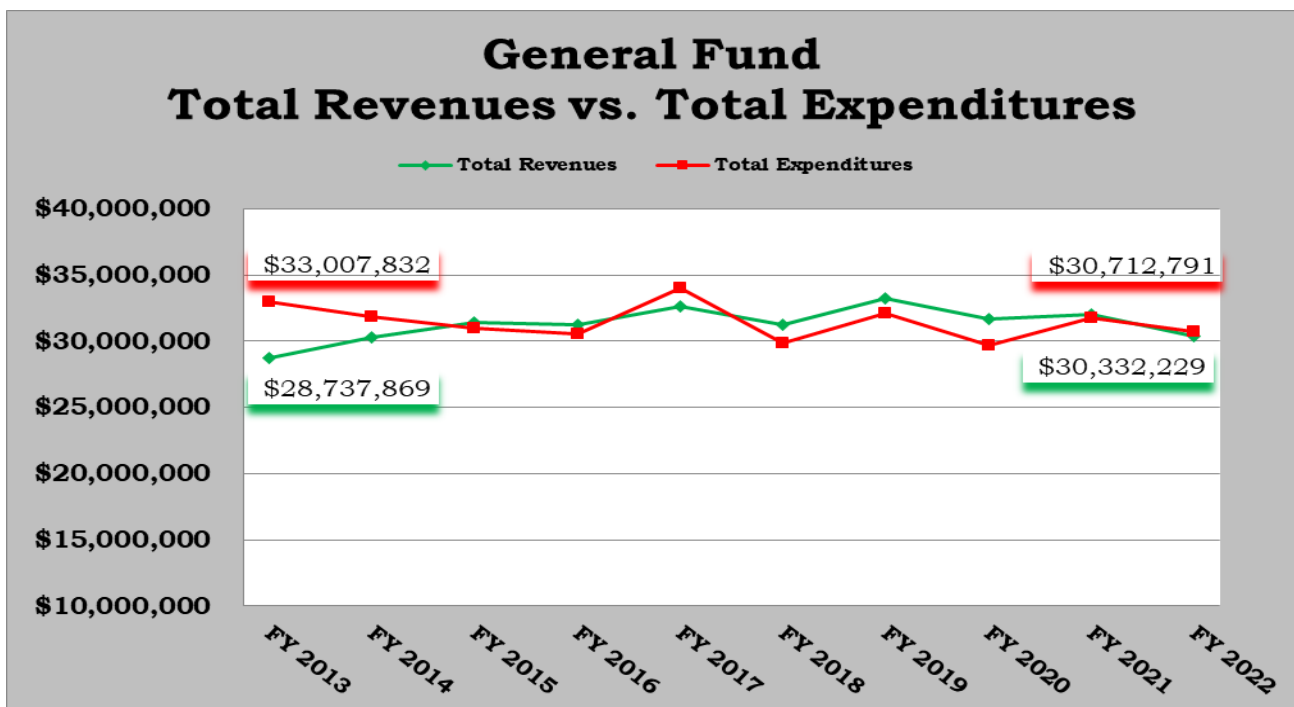
The City of Joplin has been entrusted with financial resources from taxpayers to provide municipal services within the community. These resources are scarce and must be protected through prudent decision making, so that the City can continue to provide reliable services to the community. The City cannot stop providing essential services, such as public safety services and infrastructure maintenance. The City must also seek to be a community of choice by providing desired amenities and attracting investment that further enhances the quality of life. Without resources to fund activities in these areas, the City will begin to decline, which will threaten the community’s viability and health.

The clearest indicators of a city’s financial condition are the strength of the revenue stream, reserve balance, and the commitment of expenditures for service. In terms of the City’s revenue stream, the national economy is showing signs of a “k” shaped recovery as the country continues its response to the pandemic. Data suggests that through inflation and the incredible amount of federal assistance, revenue for the City of Joplin should increase. However, overall revenue is budgeted to decrease 3.9% from the 2021 fiscal year budget mainly due to the scheduled expiration of the parks and stormwater sales tax. While fiscal year 2022 sales tax is anticipated to increase 1.5% over the 2021 budget, without a use tax, further erosion of existing sales tax can be expected.

The City of Joplin has strong reserve balances in part as the result of the unanticipated increase in sales tax and other revenue. The general fund has experienced a surplus each year for the last three years and grew by over \$3.1 million. The City will need to retain a portion of the surplus to allow for increased costs of future capital equipment replacement purchases. A portion of the reserve balance can be used for one-time costs that can help advance efforts towards the Council’s goals. Of the City’s 26 funds, the weakest fund balance can be found in the Golf Course fund. As an enterprise fund, the revenue received is insufficient to fund obligations and may require assistance from the general fund for capital, which erodes the resources available for all other City services.



The City has been fortunate to have strong leadership that is able to control expenditures and the commitments of resources into the future. A best practice for any organization is to not increase expenditures without first identifying how to “pay” for those expenditures. There is no better example of this principle than the effort to close the police and fire pension plan through a voter-approved dedicated sales tax along with migrating public safety employees to the LAGERS retirement system. This was a great achievement to protect our public safety retirees and Tier 1 employees’ retirement benefits, while transitioning Tier II employees to a good retirement system. This effort was one step in improving public safety recruitment and retention over time while helping achieve long-term financial sustainability in the general fund.



The quote from last year’s budget message remains true, “*While the City is in a position of strength with a positive reserve balance and controlled expenditures, the city is threatened by a lack of revenue. The City’s revenue stream has not been able to keep pace with the community’s growth and costs for service delivery and maintenance. Over time this has led to an erosion of capacity and ability to effectively deliver service and leaves no ability to address future needs.*” City operations have been lean and efficient for many years with limited new resources, or new dollars, being directed to public safety efforts which still remain underfunded. Other general fund supported departments continue to be asked to provide additional services to the community without new resources.

GENERAL FUND FIVE-YEAR MODEL					
DESCRIPTION	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
	ACTUAL	ESTIMATED	BUDGET	ESTIMATED	ESTIMATED
Total Revenue	\$ 31,653,595	\$ 32,057,244	\$ 30,332,229	\$ 30,938,874	\$ 31,557,651
Total Operating Expenses	\$ 22,577,149	\$ 24,224,026	\$ 24,469,390	\$ 24,714,084	\$ 25,208,366
Total Capital Expenses	\$ 1,545,368	\$ 1,942,276	\$ 654,775	\$ 700,000	\$ 800,000
Total Transfers Out	\$ 5,569,300	\$ 5,611,126	\$ 5,588,626	\$ 5,500,000	\$ 5,500,000
Net Change in Fund Balance	\$ 1,961,778	\$ 279,816	\$ (380,562)	\$ 24,790	\$ 49,285

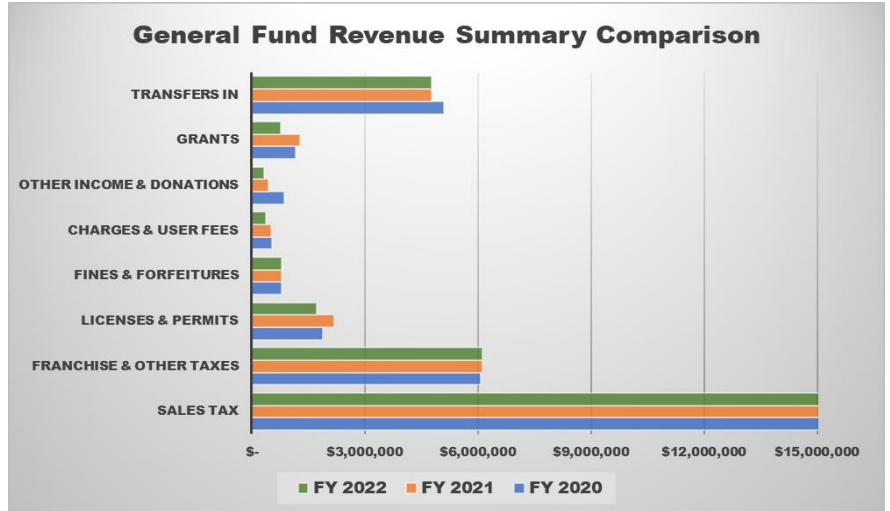
4. General Fund Overview

The City’s General Fund accounts for a bulk of the city’s operating revenue and expense. It is within this fund where you can see most of the daily operating costs for the city. As such, it is important to understand the forecasts and estimates for revenue and expenditures.

General Fund Revenue:

Sales Tax: Sales tax is the primary source of funds for all city services, capital projects, and capital equipment. Monthly sales tax collections in the current fiscal year (FY21) were inconsistently positive compared to previous years. Over the last 5 years, year-to-year growth in sales tax averaged 2.3%. In comparison, the expected increase in sales tax from FY20 to FY21 is anticipated to be 4.6%. We believe the increase can mainly be attributed to inflation and federal assistance to recover from the COVID-19 pandemic. As such, forecasting sales tax revenue has an added degree of difficulty compared to past fiscal years. For FY22, the budgeted amount for general fund sales tax is \$15,428,000, which amounts to an 1.5% increase over the FY20 actual amount. Despite positive growth in sales tax, erosion will continue without a use tax that would capture lost sale tax from online purchases. The lack of the use tax is the greatest threat that hampers the City’s ability to provide services.

Franchise Tax: Franchise tax is the second largest source of funds for general city services and is levied as a percentage of gross receipts on utility bills. The city has five different kinds of franchise taxes with those being assessed on electric, telephone, water, natural gas, and cable utilities. Franchise tax is also difficult to budget for several reasons. As a tax on utilities, these collections are extremely dependent upon weather. Telephone and cable franchise taxes



have been severely impacted over the last several years as cell phone plans have changed drastically and as internet-based television options are impacting the demand for traditional cable television. Over the last ten years, there has been an average annual decrease of .8%, with the decrease over the most recent years coming in higher than the ten-year average. A new issue emerged in FY21 following the approval of state legislation that will incrementally decrease cable franchise taxes from a rate of 5% to 2.5% by 2027. This could result in a decrease of \$110,000 in annual revenue by the time the new maximum rate is in effect. This obviously exacerbates the issues surrounding a weak revenue stream. As a result, the FY22 budget reflects essentially no change in overall franchise tax revenue compared to the actual collections in FY20.

Licenses & Permits: License and permit fees reimburse the costs associated with regulating, on behalf of citizens, the businesses and construction activity occurring within the city. Other than overhead transfers in, licenses and permits represent the next highest revenue source in the general fund. Building permit revenue can fluctuate from year-to-year driven by large building projects. As such, the proposed budget reflects an anticipated decrease of over 8.5% from the actual collections in fiscal year 2020.

Also, in general fund charges and user fees revenues, the City has been collecting a rights-of-way fee. Similar to the reduction of cable franchise fees, the state legislature enacted legislation to eliminate the City’s ability to charge for accessing the City’s rights-of-way fees using the linear foot calculations. This is expected to result in an annual decreased revenue amount of \$115,000.

General Fund Expenditures:

Personnel Services: The overall general fund budget will increase over \$1 million from 2020 actual expenditures, but decrease over \$1 million from the estimated 2021 actuals. Personnel services represents the largest percentage of the overall budget at 60.8% with transfers or 74.3% without transfers. Personnel services is increasing about 1.4% over FY21 estimated actuals. The budget includes the step increase under the current pay plan, varying from 2% to 2.5% on an employee’s anniversary date for those eligible employees.

Operational Supplies, Other Purchases/Services: A key element of the FY22 budget is the increase in operational supplies expenditures. The organization is reorienting its focus and effort towards achieving goals set by the Council. Following the development of action plans, certain service areas need a comprehensive assessment of service levels, practices, and policies to identify new standards and practices needed to accomplish the goals set by Council. The FY22 budget includes funding for a review of development services, a space needs assessment for public safety, and an operational analysis of public communications capacity. Overall budgeted supplies are increasing by nearly 6% or just over \$253,000, while other purchases are decreasing by nearly the same amount or just over \$271,000. Capital expenditures are decreasing by nearly \$1.3 million and transfers out are remaining nearly unchanged, decreasing by \$22,500.

GENERAL FUND EXPENDITURES BY CATEGORY					
CATEGORY	FY 2020	FY 2021	FY 2022	PROPOSED CHANGE	
	ACTUAL	ESTIMATED	BUDGET	AMOUNT	%
Personnel Services	\$ 17,179,848	\$ 18,410,005	\$ 18,673,157	\$ 263,152	1.4%
Operational Supplies	\$ 4,078,802	\$ 4,285,351	\$ 4,538,596	\$ 253,245	5.9%
Other Purchases/Services	\$ 1,318,499	\$ 1,528,670	\$ 1,257,637	\$ (271,033)	-17.7%
Capital Outlay	\$ 1,545,368	\$ 1,942,276	\$ 654,775	\$ (1,287,501)	-66.3%
Transfers Out	\$ 5,569,300	\$ 5,611,126	\$ 5,588,626	\$ (22,500)	-0.4%
Total GF Expenditures	\$ 29,691,817	\$ 31,777,428	\$ 30,712,791	\$ (1,064,637)	-3.4%

5. Key Initiatives

The budget is a policy document, financial plan, operations guide, and communication device all in one. For the budget to be an operations guide and communication device, in a transparent fashion, the budget should describe the organization’s priorities and key work efforts for the upcoming year, so that the public will have an awareness of how funding will be utilized.

Following the leadership and direction set by the Mayor and Council through the goal setting process, as part of the FY22 budget, resources have been allocated towards accomplishing the following initiatives:

Address Declining Neighborhoods:

- Review of current property maintenance code
- Focus on Vacant/Dilapidated Structures

Improve Community Appearance:

- Continuation of the sale of surplus property
- Continuation of Parks Beautification and Enhance Program
- Continuation of Volunteer Recruitment Efforts for Adopt-A-Park Program
- Review Current Sign Code and Implement Updated Zoning Code

Increase Economic Opportunities for All:

- Finish migration to online building permit and business license options
- Execute an initial broadband project based on findings from the current internet gap analysis and recommendations from the Smarter Joplin Steering Committee and Working Group, based on the goals set forth in the Smarter Joplin Plan adopted by City Council

Address Homelessness:

- Improve maintenance of city-owned property

Reduce Crime and Increase Safety:

- Develop & implement community engagement & policing plan

Create and Grow Resilient Revenue:

- November 2021 and April 2022 election initiatives

Key Accomplishments from FY21

- Development and adoption of City Council vision and goals
- Development of action plans to achieve City Council goals
- Continued improvement of compensation for City employees
- Completion of Memorial Hall Study, Ewert Pool Study, Parks Master Plan and Stormwater Master Plan
- Election for Renewal of ¼-cent Parks/Stormwater Sales Tax and preparation for Use Tax Initiative
- Development of Management Team values, goals, and key action plan
- Continued COVID-19 response through vaccinations, contact tracing, and testing
- Transition to required State Court software system
- Began migration to voice over internet phones
- Completed transit master plan, fiber and connectivity gap analysis, ADA transition plan, and housing study
- Began Police and Fire resource allocation studies
- Supported 10th year remembrance of the 2011 EF-5 tornado

6. Capital Improvement Projects and Capital Equipment

The annual budget also includes funds for capital projects that were previously approved by voters and/or the Mayor and Council. Funding for these projects has been “earmarked” or dedicated solely for each project. A few significant projects are highlighted below:

CAPITAL PROJECTS OVER \$100,000		
Category	Project Name	Cost
Public Safety Sales Tax	Construcion of Fire Station #7	\$ 2,700,000
Parks & Stormw ater Sales Tax	Stormw ater Minor System Improvements	300,000
Parks & Stormw ater Sales Tax	Culvert Improvements, Lone Elm & Murphy	465,000
Parks & Stormw ater Sales Tax	Ditch & Culvert, Connecticut b/t 32nd & 35th	656,000
Parks & Stormw ater Sales Tax	Ditch & Culvert, Connecticut b/t 35th & 37th	518,000
Parks & Stormw ater Sales Tax	Channel Improvement, Canterbury Ditch 3rd to 7th	850,000
Parks & Stormw ater Sales Tax	Ditch, 2nd & Oliver/McCoy	130,000
Parks & Stormw ater Sales Tax	McClelland to Tow n Green via Tin Cup Trail	275,000
Parks & Stormw ater Sales Tax	Low Water Bridge to Grand Falls Trail	1,210,000
Transportation Sales Tax	Street Maintenance	150,000
Transportation Sales Tax	Neighborhood Improvement	500,000
Transportation Sales Tax	Street Projects	1,000,000
Capital Improvement	Neighborhood Transportation-Sidew alks	150,000
Capital Improvement	32nd Street-Schifferdecker to Country Club	5,250,000
Capital Improvement	32nd Street-Country Club to Central City	5,250,000
Capital Improvement	Street Surface Repair	500,000
Capital Improvement	Connecticut-32nd to 44th	3,100,000
Capital Improvement	Zora-Rangeline to MO 249	6,100,000
Capital Improvement	6th Street & Virginia Parking Garage	2,287,000
Capital Improvement	Traffic Signal Upgrades	500,000
Infrastructure Improvements	15th Street Extension	1,500,000
Airport	ARFF & Snow Removal Equipment Bldg	260,000
Sanitary Sew er	Turkey Creek Equipment Bldg	700,000
Sanitary Sew er	East Baker's Branch Sew er Extension	1,735,000
Sanitary Sew er	I-44 North Exit 4 Sew er Extension	230,000
Sanitary Sew er	I & I Rehabilitation	1,500,000
Sanitary Sew er	60" Trunk Line Rehabilitation	1,500,000
Sanitary Sew er	East Tow n Sew er Improvements	350,000

Equipment and technology are important assets for a service organization. These tools allow our dedicated workforce to be more efficient and productive in their work which creates a multiplier effect. Similar to funding for maintenance, it is important for the organization to plan for the replacement of equipment at the end of its useful life. Without planning, the City is vulnerable by not having the necessary funding to replace the needed equipment. Additionally, delayed replacement can create additional maintenance needs and consume capacity within the organization. The fiscal year 2022 budget includes funding for the following capital equipment purchases. However, not all equipment requests can be funded at this time without using monies from the reserve balance. Using reserve monies is a risk that could threaten the City's finances and operations during emergencies. Additional resources are necessary to fully equip City employees for service delivery.

CAPITAL EQUIPMENT PURCHASES OVER \$10,000		
Department	Capital Asset	Cost
General Fund		
City Clerk - Administration	Replacement Roof - Records Storage Facility	\$ 25,000
Comm. Planning - Building Regulations	Replacement 1/2-Ton Regular Cab 4x4 Truck	26,000
Public Works - City Facility Maintenance	Replacement Carpet - Small Offices	15,000
Public Works - City Facility Maintenance	Fire Bay Sprinkler System	75,000
Public Works - City Hall Maintenance	Replacement ADA Ramp - West Entrance	55,000
Public Works - City Hall Maintenance	Replacement Carpet - 1st Floor - Phase 2 of 4	15,000
Public Works - Engineering	Replacement 1/2-Ton Regular Cab 4x4 Truck	26,000
Public Works - Engineering	Replacement Plotter	15,000
Police - Uniform Services	Replacement UTV Vehicle (Drug Forfeiture Funds)	28,000
Police - Uniform Services	Replacement K9 (2)	40,000
Police - Uniform Services	Crash Data Equipment Update	20,000
Police - Uniform Services	Body Camera & Accessories (7)	16,100
Police - Jail Services	Live Scan Digital Fingerprint Machine	21,000
Police - Federal Grants	Replacement DWI Vehicle	40,000
Police - Federal Grants	Cyber Crime Equipment	10,000
Fire - Operations	Replacement EKG Monitor (8) - Installment 5 of 5	48,000
Fire - Operations	Replacement Truck Emergency Operating Equipment	38,700
Parks & Recreation - Cemeteries	Replace Utility Truck with 3/4-Ton Crew Cab Flatbed Truck	32,600
Parks & Recreation - Cemeteries	Replacement Zero-Turn Mower	18,000
Public Safety Sales Tax Fund		
Police	Replacement Squad Vehicle with Squad SUV (13)	\$ 509,405
Police	Replacement Squad SUV Equipment (13)	100,100
Police	Replacement In-Car Video System (13)	81,900
Police	Replacement Radar Unit (8)	12,000
Police	Replacement Covert Pole Camera (2)	24,900
Police	Body Camera & Accessories (6)	13,800
Police	Conversion of Police CAD & RMS Data to New Software System	305,250
Fire	Fire Engine #7 & Equipment	875,000
Fire	Fire Brush Truck #7	50,000
Fire	Replacement Sedan with 3/4-Ton Crew Cab 4x4 Truck	36,200
Fire	Replacement Fire Station Alerting System	342,000
Fire	Fire RMS System	30,150
CVB Fund		
Special Projects	Resurface Wayfinding Signs	\$ 40,000
Special Projects	Grand Falls Wayfinding	12,000
Health & Welfare Fund		
Administration	Replacement Minivan	\$ 27,000
Animal Control	Replacement 3/4-Ton Cab & Chassis	27,800
Federal Grants	Electronic Medical Records System	22,000
Parks & Recreation Fund		
Pools	Replacement Diving Board (2) Schifferdecker	\$ 12,500
Pools	Replacement Sail Canopy (2) Schifferdecker	11,500
Museum Operations	Replacement Roof - Phase 2 of 3	46,000
Athletic Complex	Replacement 1/2-Ton Crew Cab 4x4 Truck	32,000
Parks & Public Grounds	Replacement 1/2-Ton Regular Cab 4x4 Truck	26,000
Parks & Public Grounds	Replacement Zero-Turn Mower (2)	36,000
Parks & Public Grounds	Replacement Loader (Transfer from Streets)	19,000

CAPITAL EQUIPMENT PURCHASES OVER \$10,000		
Department	Capital Asset	Cost
Transportation Sales Tax Fund		
Street Maintenance	Replacement Equipment Barn Garage Door (12)	\$ 20,040
Street Maintenance	Replacement Front-End Loader	203,000
Street Maintenance	Replacement Front-End Loader with Quick Connect	209,000
Traffic Control	Replacement 1-Ton Regular Cab Utility Bed Truck with Arrow Boards	60,000
Traffic Control	Replacement Striper	310,000
Traffic Signal Maintenance	Replacement Traffic Signal Controller (10)	34,000
Traffic Signal Maintenance	Replacement Traffic Signal Control Box (3)	24,000
Paratransit System	Replacement 22' MAPS Vehicle (2)	156,000
Paratransit System	Replacement Trolley Vehicle	85,000
Regional Airport Fund		
Airport	HVAC Expansion (Delta Control)	\$ 30,000
Airport	Carpet Replacement - Terminal Building - Phase 2 of 3	38,000
Airport	Insulate & Heating System - Deicer & Paint Locker	25,000
Airport	ADA Ramp - General Aviation Terminal	50,000
Airport	LED Light Conversion - Commercial Terminal High Bay	10,000
Airport	Replacement Loader (Transfer from Streets)	52,000
Golf Course Fund		
Administration	Replacement Soffits & Guttering - Clubhouse	\$ 11,000
Administration	Replacement Golf Cart (30)	69,000
Grounds Maintenance	Replacement Zero-Turn Mower	18,000
Grounds Maintenance	Replacement Fairway Mower	71,000
Grounds Maintenance	Fairway Grass Change	25,000
Sanitary Sewer Fund		
Sewer Treatment	Replacement Sludge Pump - Turkey Creek (2) & Shoal Creek	\$ 105,000
Sewer Treatment	Replacement Exhaust System - Filter Press Building - Turkey Creek	75,000
Sewer Treatment	Rehabilitate Screw Pump (2) Turkey Creek	1,000,000
Sewer Treatment	Centrifuge for Dewatering of Biosolids - Shoal Creek	1,250,000
Sewer Treatment	Replacement Front-End Loader	70,000
Sewer Treatment	10' Loader Bucket	10,000
Sewer Treatment	Replacement Boiler - Shoal Creek	120,000
Sewer Treatment	Replacement Refrigerated Sampler (2) - Turkey Creek & Shoal Creek	15,000
Sewer Treatment	Flexible Screw Conveyor - Filter Press Building - Turkey Creek	50,000
Sewer Treatment	Replacement Disc Rotor - Turkey Creek	210,000
Sewer Maintenance	Replacement Rodder Truck	185,000
Sewer Maintenance	Replacement Push Camera	10,000
Emergency Communications Fund		
Dispatch Services	Replacement Dispatch Console (2)	\$ 30,700
Radio Services	Replace Portable XTS5000 Radio with APX6000 (Police Radios) (39)	176,280
Radio Services	Replace Mobile XTL5000 Radio with APX6500 (Police Radios) (34)	154,700
Radio Services	Replace Mobile XTL2500 Radio with APX6500 (Fire Radios) (10)	45,500

7. Workforce

Workforce, or employee counts, is described as a ratio of full-time equivalents (FTE) where one full-time employee is estimated to work 2,080 hours annually or 2,912 hours for certain fire department personnel. In the FY22 budget, funding is allocated for a total of 584.7 FTE.

FY 2022 POSITIONS BY FUND SUMMARY

FUND TYPE	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 PROPOSED	PROPOSED CHANGE
General Fund	258.95	258.95	259.90	0.95
Special Revenue Funds	220.30	221.75	221.75	-
Enterprise Funds	76.25	76.25	76.25	-
Internal Service Funds	27.60	27.60	26.80	(0.80)
Total Positions by Fund	583.10	584.55	584.70	0.15

FTE Proposed Changes:

General Fund: Add Intern .15 FTE and Human Resources Funding Change .80FTE

Internal Service Funds: .80 Reduction due to Human Resources Funding Change

Improving compensation for City employees remains one of the most significant challenges facing the organization. A storm of issues both locally and nationally, such as “boomers” leaving the workforce, reduced interest in public service careers, smaller applicant pools, inflation, and higher starting wages has made improving compensation a critical priority. Every year, the City will need to make wage improvements if it is to remain competitive and allow for adequate staffing. Funding for a step increase has been included in the FY22 budget which is anticipated to add approximately \$273,300 in new expense to this budget and future budgets. Additionally, to adequately maintain the city’s pay structure, funding has been included to conduct an internal equity study that will ensure the proper placement of positions within the pay plan, based on the compensable factors in the job descriptions while also factoring the market comparisons. The study will also analyze starting pay rates to determine if improvements can be made fairly without causing compression, but also keeping pace with the growing minimum wage established by the State of Missouri, federal government, and regional trends. It is anticipated that this study will be complete by spring at which point it will be presented to the Mayor and Council for a discussion about possible additional wage improvements.

For a service organization like the City of Joplin, the organization’s workforce fulfills the duties and responsibilities committed by the City for the benefit of the community. When there is a need for more or improved services, in most cases, increasing the organization’s capacity or workforce is necessary to achieve the desired goal. Without additional resources, it is difficult for the City to increase the workforce to necessary levels. In FY21, the City funded two staffing and resource studies to analyze the needs for the Police and Fire Department. Those studies are expected to be complete by fall, close to the adoption of the FY22 budget. It is anticipated that the studies will show a need to increase staffing for the Police and Fire Departments. Without a new source of funds, the City will be unable to increase staffing levels in any areas across the City to provide additional services to achieve the City Council goals and action plans. For this reason, voters will be asked to approve a use tax on November 2, 2021. If approved, the new

funds created by the use tax will be used to address the action plans to meet the goals to help transform our community into what is desired by citizens.

Finally, funding has been included in the FY22 budget to establish benchmarks and define service levels for the organization. Using data this analysis should provide a comprehensive “measuring stick” that can be used to identify efficiencies and opportunities for improved performance and service. As outlined throughout this message, more and more is being asked of city employees, therefore it is important to identify all the services provided by the city, establish expectations for those services by defining levels of service, and optimize existing staffing levels to meet community priorities. This information can then be used as the basis to determine if a further staffing analysis is necessary to enhance service.

8. Summary

In looking to the future, the inventory of challenges would seem overwhelming in the absence of plans to meet those challenges head on. In the last year, as an organization, we have developed meaningful goals and action plans to respond to our challenges. We can be confident in these plans because we have leadership and direction from our Mayor and Council, the dedication of City employees, and the grit and determination of our community. The path forward will be difficult, especially during the second year of a pandemic, but the reward will come because it’s been done here before.

Please take a minute to imagine how great the future of Joplin can be if we continue on this path, unite as a community, and take advantage of the opportunities ahead of us. I am thankful to serve the citizens of Joplin, our Mayor and Council, and dedicated employees.

Respectfully,

A handwritten signature in black ink, appearing to read "Nicholas Edwards". The signature is stylized and cursive, with a long horizontal stroke at the end.

Nicholas Edwards
City Manager | City of Joplin