CITY OF JOPLIN MISSOURI

Office of the City Manager
602 S. Main Street
Joplin, Missouri 64801
(417) 624-0820 Ext.200
(417) 625-4707 (Fax)

MEMORANDUM

TO: **Mayor Gary Shaw and City Councilors**

FROM: **Sam Anselm, City Manager**

DATE: **September 6, 2018**

RE: **Proposed FY 2019 Budget Issues & Options**

Attached are ISSUES & OPTIONS WORKSHEETS for the budget work sessions beginning Monday evening, September 10th. Discussion using these worksheets should assist you in moving efficiently through the issues in which staff needs guidance.

Issue #1 – Museum Request
Issue #2 – Chamber of Commerce Request
Issue #3 – Joplin Workshops Request
Issue #4 – General Employee Association Request
Issue #5 – Financial Sustainability Report Update

If you have any questions, please call me.

FY 2019 PROPOSED BUDGET
ISSUES & OPTIONS
September 10-12, 2018

ISSUE #1 – MUSEUM REQUEST

A. Consider the request to continue funding the Joplin Museum Complex at a cost of $190,131 (no change).
B. See attachments from the City Manager and from the Joplin Museum Complex.

OPTIONS

1. Accept City Manager recommended funding at a cost of $150,000.
2. Accept Joplin Museum Complex funding request at a cost of $190,131.
2. Other options as developed by City Council.

COUNCIL DIRECTION

Notes:

CITY OF JOPLIN MISSOURI

Office of the City Manager
602 S. Main Street
Joplin, Missouri 64801
(417) 624-0820 Ext.200
(417) 625-4707 (Fax)

MEMORANDUM

TO: Mayor Gary Shaw and City Councilors

FROM: Sam Anselm, City Manager

DATE: September 6, 2018

RE: Museum Request

The City currently subsidizes the Joplin Historical & Mineral Museum in the amount of $190,131.00. Please find enclosed a request for the same funding from Executive Director, Christopher Wiseman. If you will recall this item was included in the Financial Sustainability Report. The item was discussed and tabled for further discussion during Budget Issues & Options.

Here is the information from the Sustainability Report:

OPTION #22: REDUCE MUSEUM SUBSIDY

Explanation: The City provides a subsidy to the museum for their operations, as well as provides the facility and maintenance of the facility. Additionally, the City pays the utilities for the museum.

The museum has received increases in the annual subsidy from the City over the last several years.

FISCAL YEAR	CITY SUBSIDY	OTHER CITY MUSEUM COSTS	TOTAL MUSEUM COSTS	% CHANGE
2008	$148,732	$31,068	$179,800	
2009	$153,193	$50,245	$203,438	13.1%
2010	$178,193	$31,900	$210,093	3.3%
2011	$178,193	$56,631	$234,824	11.8%
2012	$178,193	$32,047	$210,240	-10.5%
2013	$196,012	$34,611	$230,623	9.7%
2014	$196,012	$32,030	$228,042	-1.1%
2015	$196,012	$51,245	$247,257	8.4%
2016	$196,012	$32,150	$228,162	-7.7%
2017	$190,131	$40,244	$230,375	1%

The subsidy has increased from 2008 to 2017 by over $41,000 and the total cost has increased 28.1% over the ten-year period. This does not account for the labor provided by the city for the maintenance of the facility. The cost of utilities and maintenance will increase over time with rate and cost increases.

Proposal: On November 1, the City should cap the subsidy at a flat rate of $150,000 and any increases in museum operations should be covered by the museum.

Explanation of Projected Cost Savings:
This represents immediate savings at the point in time the subsidy is decreased and capped.

OPTION #22 ESTIMATED ANNUAL SAVINGS **$40,000**
This represents the annual savings. The estimated savings will be similar each following year.

Estimated Timeline and Next Steps:

- Implement reduction with adoption of fiscal year 2019 budget

Background

At a work session on January 24, 2011, Council voted to cease granting financial support to non-profit entities in the future. Council also voted to reduce the funding for the Audubon and Downtown Joplin by 20% per year until the financial support for those non-profit entities by the City ended. Furthermore under the Library Lease, the library subsidy from the general fund will decrease proportionately over 10 years until the subsidy ends.

Recommendation

The Joplin Historical & Mineral Museum is an important part of our community providing a valuable service to visitors, as well as to our citizens. However, the general fund of the City continues to face serious financial constraints as expenditures outpace revenues. The City has continued to take various measures in order to balance the budget and move towards long-term financial sustainability. As a result, I recommend the City continue to assist the Museum in the form of labor from our parks department, provide the facility and maintenance of the facility, as well as pay the utilities. I further recommend reducing the subsidy to $150,000.00 annually effective with the 2019 budget and capping the future financial support at this level.

JOPLIN
History
&
Mineral
MUSEUM

August 9, 2018

Council Members;

I, Christopher Wiseman, as Executive Director, in association with the Governing Board of the Joplin Historical & Mineral Museums Inc. respectfully request **$190,131.00** for the FY 2019.

This amount is the same as has been requested for the past two years.

Respectfully,

Christopher Wiseman, Executive Director

Joplin Historical & Mineral Museums Inc.

ISSUE #2 – CHAMBER OF COMMERCE REQUEST

A. Consider the Chamber request to continue funding Economic Development Services at a cost of $200,000 (no change).
B. Consider the Chamber request to continue funding the Joplin Regional Partnership at a cost of $50,000 (no change).
C. See attachments from the City Manager and from the Chamber of Commerce.

OPTIONS

1. Approve City Manager recommended funding at a cost of $200,000.
2. Approve the Joplin Area Chamber of Commerce funding request at a cost of $250,000.
3. Other options as developed by City Council.

COUNCIL DIRECTION

Notes:

CITY OF JOPLIN MISSOURI

Office of the City Manager
602 S. Main Street
Joplin, Missouri 64801
(417) 624-0820 Ext.200
(417) 625-4707 (Fax)

MEMORANDUM

TO: Mayor Gary Shaw and City Councilors

FROM: Sam Anselm, City Manager

DATE: September 6, 2018

RE: Chamber of Commerce Request

The City has a contract with the Joplin Area Chamber of Commerce to provide Economic Development services at an annual cost of $200,000. The City also participates in the Chamber regional effort currently known as the Joplin Regional Partnership at an annual cost of $50,000. Please find enclosed a request for the same funding from Chamber Board Chairman, Brandon Davis and Regional Partnership Board Chairman, Brent Baker. If you will recall this item was included in the Financial Sustainability Report. The item was discussed and tabled for further discussion during Budget Issues & Options.

Here is the information from the Sustainability Report:

OPTION #13: REDUCE ANNUAL SUPPORT TO CHAMBER OF COMMERCE

Explanation: The City contracts with the Joplin Chamber of Commerce to provide economic development services. For many years, the City paid $200,000 to the Chamber for this service. In 2010, the Chamber presented a request to fund the newly developed Regional Prosperity Initiative in the amount of an additional $100,000 annually. The City contributed this extra amount for the Prosperity Initiative to the Chamber through fiscal year 2015. In fiscal year 2016, the financial support by the City for this Initiative began to decrease. The approved support for the Initiative and the Chamber for fiscal year 2018 is $250,000.

Proposal: Reduce the annual support to the Chamber for economic development services to $200,000 beginning with the 2019 fiscal year. Explore any caps on future increases to the annual support.

Explanation of Projected Cost Savings:
This represents immediate savings at the point in time the support is decreased.

OPTION #13 ESTIMATED ANNUAL SAVINGS-YEAR ONE **$50,000**

After year one, estimated annual savings would be similar to year one savings.

Estimated Timeline and Next Steps:

- Implement reduction with adoption of fiscal year 2019 budget

Recommendation

The relationship between the City and the Chamber is a good approach to achieve economic development for the community, as evidenced by the attraction of new businesses to our community as well as the retention and expansion of existing businesses. With that said, the general fund of the City continues to face serious financial constraints as expenditures outpace revenues. The City has continued to take various measures in order to balance the budget and move towards long-term financial sustainability. In order to continue to work towards long-term financial stability, I recommend reducing the overall funding to the Chamber and Regional Partnership to $200,000 annually effective with the 2019 budget.

CITY OF JOPLIN
Chamber of Commerce Economic Funding Budget
FY 2018 Contract Breakdown

		CHAMBER OPERATING EXPENSES										REGIONAL PARTNERSHIP EXPENSES				
Month	Payment Date	Salaries	Market & Adver	Prof Dues & Develop	Prospect Consult Host & Travel	Business Retent & Exp	Talent Recruit & Develop	Comm Mobile & Internet	Office Supplies Pub & Mail	Data Systems & Equip Support	Total Chamber Operating Expenses	Trade Shows	E-Market	Work Ready Talent Initiatives	Total Regional Expenses	Grand Total Amt Paid
	Original Budget	99,000	20,000	14,000	15,000	4,000	13,000	12,000	3,000	20,000	200,000	25,000	15,000	10,000	50,000	250,000
Nov 2017	12/22/2017	(8,250)	-	-	(519)	-	-	(906)	(33)	(1,319)	(11,027)	(705)	-	-	(705)	(11,732)
Dec 2017	03/09/2018	(8,250)	(540)	-	(280)	-	-	(925)	(33)	(1,444)	(11,473)	(937)	-	-	(937)	(12,409)
Jan 2018	03/16/2018	(8,250)	(270)	(1,000)	(642)	-	-	(1,086)	(65)	(1,382)	(12,695)	-	-	-	-	(12,695)
Feb 2018	04/20/2018	(8,250)	(5,500)	-	(330)	-	-	(1,371)	(183)	(1,343)	(16,977)	-	-	-	-	(16,977)
Mar 2018	05/18/2018	(8,250)	-	-	(503)	-	-	(601)	(33)	(1,475)	(10,862)	-	-	-	-	(10,862)
Apr 2018	06/01/2018	(8,250)	(851)	-	(157)	-	-	(496)	(33)	(1,294)	(11,081)	(3,738)	-	-	(3,738)	(14,818)
May 2018	07/13/2018	(8,250)	-	(10,000)	(148)	-	-	(519)	(187)	(1,522)	(20,626)	-	-	-	-	(20,626)
June 2018	07/27/2018	(8,250)	-	-	(60)	-	-	(474)	-	(1,502)	(10,286)	-	-	-	-	(10,286)
July 2018	08/31/2018	(8,250)	(2,750)	-	(60)	-	-	(475)	-	(1,325)	(12,861)	-	-	-	-	(12,861)
Aug 2018		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sept 2018		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct 2018		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Amt Remaining		24,750	10,089	3,000	12,301	4,000	13,000	5,147	2,433	7,393	82,113	19,621	15,000	10,000	44,621	126,733
																126,733

Prepared by: Sherri McCulloch
09/05/2018

Chamber of Commerce Economic Funding Budget

FY 2018 Corrected Breakdown

Month	Payment Date	Salaries	Market & Advertising	Prof. Dues & Develop	Prospect Consult. Host & Travel	Business Retent. & Develop	Telec. Resource & Maint.	Comm. Mobile & Internet	Office Supplies Pub & Main	Data Systems & Equip Support	Total Chamber Operating Expenses	Trade Shows	E-Marketing	Work Study Trainee Initiatives	Total Regional Expenses	Grand Total Cost Paid
Original Budget		79,000	20,000	10,000	16,000	6,000	12,000	12,000	5,000	20,000	270,000	25,000	15,000	10,000	50,000	250,000
Nov 2017	11/22/2017	(8,250)	-	-	(250)	-	-	(950)	(50)	(1,119)	(11,027)	(700)	-	-	(700)	(11,727)
Dec 2017	12/07/2017	(8,250)	(560)	-	(280)	-	-	(927)	(50)	(1,446)	(11,470)	(554)	-	-	(554)	(12,024)
Jan 2018	01/16/2018	(8,250)	(270)	(1,000)	(142)	-	-	(2,086)	(50)	(1,089)	(12,995)	-	-	-	-	(12,995)
Feb 2018	04/20/2018	(8,250)	(1,360)	-	(340)	-	-	(2,377)	(50)	(1,439)	(13,817)	-	-	-	-	(13,817)
Mar 2018	05/18/2018	(8,250)	-	-	(502)	-	-	(2,500)	(50)	(1,475)	(13,904)	-	-	-	-	(13,904)
Apr 2018	06/01/2018	(8,250)	(857)	-	(350)	-	-	(1,500)	(50)	(1,494)	(13,901)	(1,250)	-	-	(1,250)	(15,151)
May 2018	07/13/2018	(8,250)	-	(10,000)	(340)	-	-	(510)	(50)	(1,507)	(20,656)	-	-	-	-	(20,656)
June 2018	07/27/2018	(8,250)	-	-	(50)	-	-	(450)	-	(1,501)	(10,250)	-	-	-	-	(10,250)
July 2018	08/10/2018	(8,250)	(2,500)	-	(50)	-	-	(450)		(1,500)	(12,750)	-	-	-	-	(12,750)
Aug 2018		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sept 2018		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct 2018		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Amt Remaining		24,750	10,000	0	12,500	6,000	12,000	5,147	2,433	7,354	80,239	23,750	15,000	10,000	48,750	128,989
																128,989

JOPLIN
AREA CHAMBER OF COMMERCE

August 10, 2018

Mayor Gary Shaw
City Council Members
City Manager Sam Anselm

On behalf of the Board of the Joplin Area Chamber of Commerce, I write to respectfully request funding for economic development activities for the 2018-19 fiscal year.

Please recall that two years ago at this time, we requested a base Chamber Economic Development budget of $200,000 plus regional support of $70,000 for a total of $270,000. Given the City's financial concerns at that time, we voluntarily reduced that by a total of $20,000 for a final approved total request of $250,000.

For the 2018-2019 fiscal year, we recognize the continued fiscal restraints, as we did in this current year, and are again requesting $250,000. This reflects the core Chamber economic development budget of $200,000 and $50,000 for the Joplin Business and Industrial Development Corporation , which is the underlying fiscal and governance entity for the regional effort that is the Joplin Regional Partnership. The corresponding letter from JRP Chairman Brent Baker outlines that request.

Every site consultant with whom we have talked and every company with which we have visited has indicated to us that they do not look at a single city. They recognize that workforce, transportation systems, and training opportunities are regionally based and that is the direction they seek. Consequently, the marketing and the workforce development is a regional effort with local impact.

Our Chamber base budget reflects funding for talent attraction and development reflecting the need to attract talent to our community to support growing companies. Part of that is "Welcome Home to Joplin," our effort to attract veterans to the community.

As always, the City's base support for the Chamber goes to having staff focused on Joplin, working on local workforce development, providing support to existing firms and managing proposals and on-going negotiations with firms that identify Joplin as a potential location. In this current fiscal year we have seen great success with the opening of Ajinomoto-Foods North America (opened at 140 jobs), Heartland's expansion (now 60 jobs), ZAF Energy Systems (up to 100 new jobs), expansion of EaglePicher (50 new jobs), and Schaeffler Group USA, which added 30 new jobs in this fiscal year. In addition, we have two new tenants in the private spec building at Crossroads, adding nearly 30 new jobs between them.

As always, the support of economic development by the City is greatly appreciated.

Sincerely,

Brandon Davis
Board Chairman,
Joplin Area Chamber of Commerce

Chamber

Salaries	$ 99,000.00
Marketing, Advertising	$ 20,000.00
Professional Dues & Development	$ 14,000.00
Prospect/Consultant Hosting & Travel	$ 15,000.00
Business Retention & Expansion	$ 4,000.00
Talent Recruitment & Development	$ 13,000.00
Communications/Mobile/Internet	$ 12,000.00
Office Supplies/Publications/Mail	$ 3,000.00
Data Systems & Equipment Support	$ 20,000.00
TOTAL INVESTMENT	$200,000.00

Regional

Trade Shows/Marketing events	$ 25,000.00
E-marketing	$ 15,000.00
Work Ready Talent Initiatives	$ 10,000.00
TOTAL INVESTMENT	$ 50,000.00

JOPLIN REGIONAL PARTNERSHIP

August 10, 2018

Mayor Gary Shaw
City Council Members
City Manager Sam Anselm

On behalf of the Joplin Regional Partnership Board of Directors (JRP), I write to respectfully request funding for Economic Development activities for the 2018-19 fiscal year.

As you know, the Joplin Area Chamber of Commerce (JACC), JRP, Newman Innovation Center and the Southwest Missouri Development Alliance put their collective Economic Development efforts into a single umbrella initiative beginning in 2009. At that time, the Council was requested to continue the Economic Development efforts in Joplin as well as support the overall regional program, which adds jobs to the surrounding region. As you are well aware, when the surrounding region is stronger, Joplin also benefits with its portion of overall sales taxes and a stronger workforce that helps local employers.

As an expansion of that, we are turning our attention to enhancing the links between what employers want and what the education/training system provides. The initial part of the effort will be one-on-one calls on leading area firms to better define the aptitudes and skills needed for key jobs and help develop more defined career pathways training to meet those needs. We are glad to have support from the EDA to expand our existing business efforts on this front. Our budget request reflects a realignment of funding to help support that.

As we have noted before, there is a full-time staff member marketing the region and administrative support on the workforce development effort that is underway. The City benefits from this regional marketing, but no City funds are applied to these related salaries. The funding provided goes directly to regional marketing and workforce development efforts.

We appreciate the support of the City. We also recognize the current fiscal situation in which the City operates. Consequently, we respectfully request the City continue to be a regional partnership leader with a commitment of $50,000. We have this included with the Chamber's request, in order to continue the seamless billing system already in place. In total, the Chamber and JRP request is $250,000, the same amount provided in the current fiscal year.

As always, the support of economic development by the City is greatly appreciated.

Sincerely,

Brent Baker
Board Chairman
Joplin Regional Partnership

ISSUE #3 – JOPLIN WORKSHOPS REQUEST

A. Consider the Joplin Workshops request for financial assistance to purchase 2 Ford Transit Vans at a cost of $70,000.
B. Consider the Joplin Workshops request for financial assistance to acquire an existing screen printing business at a cost of $40,000.
C. Consider the Joplin Workshops request for financial assistance to fund a marketing program at a cost of $30,000.
C. See attachments from the City Manager and from the Joplin Workshops.

OPTIONS

1. Approve City Manager recommendation.
2. Approve the Joplin Workshops funding request at a cost of $140,000 and determine the funding source.
3. Other options as developed by City Council.

COUNCIL DIRECTION

Notes:

CITY OF JOPLIN MISSOURI

Office of the City Manager
602 S. Main Street
Joplin, Missouri 64801
(417) 624-0820 Ext.200
(417) 625-4707 (Fax)

MEMORANDUM

TO: Mayor Gary Shaw and City Councilors

FROM: Sam Anselm, City Manager

DATE: September 6, 2018

RE: Joplin Workshops Request

Joplin Workshops gave a presentation at a recent council meeting requesting financial assistance for the following items:

- Purchase of 2 Ford Transit XL vans to transport workers to onsite work projects throughout the community $70,000
- Acquire established apparel screen print & embroidery business $40,000
- Fund Marketing Program to re-brand and re-educate community of labor opportunities $30,000

Total Request $140,000

Background

At a work session on January 24, 2011, Council voted to cease granting financial support to non-profit entities in the future. Council also voted to reduce the funding for Audubon and Downtown Joplin by 20% per year until the financial support for those non-profit entities by the City ended. Furthermore under the Library Lease, the library subsidy from the general fund will decrease proportionately over 10 years until the subsidy ends.

The Economic Development Fund is a revolving fund in which low-interest loans are granted for economic development purposes. It is set up as a revolving fund, so the City will continue to have the ability to grant low-interest loans in the future for economic development. In order to qualify for a low interest loan, there are established general guidelines for these funds. Job creation at a set wage, typically at least the county average wage, make up the foundation of the general guidelines.

Joplin Workshops receives funding from SB40, the Jasper County Sheltered Facilities Board, which is funded by a property tax assessed in Jasper County. Additionally, they receive funding from DESE. Please find financials for the Workshops attached.

Options

Given the financial constraints the City is facing, staff has been working on several options to assist Joplin Workshops as follows:

1. **Transfer one or two MAPS vans:**
   During the next fiscal year, the City will have various MAPS vans to surplus. If the CVB minivan replacement is approved, which will be transferred to the parks department, then a MAPS van will be available on November 1st. It has already been transferred from MAPS to parks in the current fiscal year. This means there is more flexibility with transferring this van given that the salvage value has already been paid to the grant as set forth in the grant stipulations.

   Additionally, there are two MAPS vans that will be replaced in early spring when the new vehicles arrive. One is in better shape than the other. Due to grant restrictions, the City must receive the fair value of these vans, which has been ranging between $3,000 and $5,000.

2. **Assist Workshops with MoDot FTA Section 5310 Grant Application:**
   MoDot, through FTA Section 5310, offers a grant to private non-profit organizations to purchase vehicles/buses to help individuals with disabilities to improve their transportation options. It is a competitive grant. The City, through the MPO, can assist Joplin Workshops with the grant application submission. According to MoDot, the deadline for the next grant cycle will most likely be May of 2019.

3. **Review Eligibility and Availability for Economic Development low-interest loan:**
   Provide information to the Chamber of Commerce and the City Director of Planning and Development to review eligibility and availability of this request for an economic development low-interest loan.

Recommendation

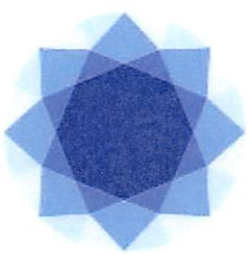
Given the limited resources of the Economic Development Fund and the City's policy from 2011 concerning financial assistance to non-profit entities, it is my recommendation the City work with Joplin Workshops to transfer one or two MAPS vans as outlined above. I further recommend the City assist the Workshops in applying for the FTA Section 5310 Grant application.

Opportunities

- Create jobs with **2 Ford Transit XL vans** to take advantage of transporting employees to on-site work projects in the community ($70,000)
- Create jobs in **Partnership with Joplin's ProPrint** (Curt Medlin), to acquire the established apparel screen print and embroidery business ($40,000)
- Create jobs with a **Marketing Program** to re-brand JWI and re-educate the community about the value added services and available labor we can provide in support of the area's businesses ($30,000)

Joplin Workshops, Inc.

Auditor's Report and Financial Statements
For the years ended
March 31, 2018 and 2017



W. BENMILLER, CPA LLC

Joplin Workshops, Inc.

For the Years Ended March 31, 2018 and 2017

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W. BENMILLER, CPA LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Joplin Workshops, Inc.

We have audited the accompanying financial statements of Joplin Workshops, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Joplin Workshops, Inc. as of March 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

W. Ben Miller, CPA LLC
Webb City, Missouri
July 23, 2018

1 South Main Street, Suite 101
Webb City, MO 64870

Phone: 417.674.1213
www.cpabenmiller.com

Joplin Workshops, Inc.
Statements of Financial Position
March 31, 2018 and 2017

	2018	2017
Current Assets		
Cash and cash equivalents	$ 729,375	$ 1,248
Accounts receivable	57,039	137,527
Insurance proceeds receivable	-	19,764
Inventory	10,842	13,337
Prepaid expenses	3,395	2,008
Total current assets	800,651	173,884
Property and Equipment		
Land and land improvements	29,206	73,719
Buildings	891,947	1,645,742
Equipment and furnishings	559,457	1,715,363
Vehicles	401,946	402,405
Rental goods	-	21,500
	1,882,556	3,858,729
Accumulated depreciation	(1,719,385)	(3,332,000)
Total property and equipment	163,171	526,729
Other Assets		
Investments	10,007	-
Total other assets	10,007	-
Total Assets	$ 973,829	$ 700,613
Current Liabilities		
Accounts payable	$ 9,242	$ 164,527
Current portion of notes payable	-	38,170
Current portion of capital lease obligations	4,939	4,443
Accrued expenses	23,787	65,286
Total current liabilities	37,968	272,426
Long-term Liabilities		
Notes payable	-	233,429
Capital lease obligations	19,117	20,607
Less current portion of notes payable	-	(38,170)
Less current portion of capital lease obligations	(4,939)	(4,443)
Total long-term liabilities	14,178	211,423
Net Assets		
Unrestricted net assets	921,683	216,764
Total net assets	921,683	216,764
Total Liabilities and Net Assets	$ 973,829	$ 700,613

See independent auditor's report and notes to the financial statements

Joplin Workshops, Inc.
Statements of Activities
For the Years Ended March 31, 2018 and 2017

	2018	2017
Unrestricted Net Assets		
Revenues and gains		
Contract income	$ 429,918	$ 1,393,836
Missouri Department of Elementary and Secondary Education - State Aid	195,195	312,548
Jasper County Sheltered Facilities Board (SB-40)		
Employee Transportation Grant	17,054	27,273
Other grants	91,795	142,722
Insurance proceeds revenue	884,212	19,764
Contributions	18,238	29,505
Gain on disposal of assets	93,004	10,550
Other	21,662	13,060
Total unrestricted revenues and gains	1,751,078	1,949,258
Expenses		
Program services		
Subcontracts	311,490	371,929
Laundry	346,941	1,287,160
Employee Development Center	149,858	160,832
Recycling	72,458	-
Supporting services		
Management and general	165,412	231,464
Total expenses	1,046,159	2,051,385
Increase (decrease) in unrestricted net assets	704,919	(102,127)
Change in Net Assets	704,919	(102,127)
Net Assets, Beginning of Year	216,764	318,891
Net Assets, End of Year	$ 921,683	$ 216,764

See independent auditor's report and notes to the financial statements

Joplin Workshops, Inc.
Statement of Functional Expenses
For the Year Ended March 31, 2018

	Employment Program Services					Supporting Services	
	MAS Subcontracts	HLS Laundry	Employee Development Center	Recycling	Total Program Expenses	General and Administrative	Grand Total
Cost of sales	$ 11,627	$ 144,027	$ -	$ -	$ 155,654	$ -	$ 155,654
Employee wages	108,216	10,531	71,303	24,929	214,979	-	214,979
Staff wages	83,317	54,469	45,201	25,574	208,561	74,764	283,325
Payroll taxes	14,801	6,724	8,605	3,568	33,698	6,053	39,751
Workers compensation	5,627	3,170	3,237	429	12,463	(1,680)	10,783
Employee benefits	2,820	144	1,170	10,997	15,131	-	15,131
Staff benefits	12,988	19,454	11,801		44,243	(1,826)	42,417
Subcontract labor	-	-	-		-	-	-
Utilities	30,841	17,116	6,526	402	54,885	5,171	60,056
Repairs and maintenance	8,379	54,628	-	2,876	65,883	8,785	74,668
Supplies	3,415	482	-	1,137	5,034	958	5,992
Small equipment	430	-	-		430	-	430
Vehicle expense	3,166	9,862	-	268	13,296	-	13,296
Freight and postage	728	1,725	-		2,453	400	2,853
Interest	-	3,162	-		3,162	2,341	5,503
Insurance	7,457	8,536	1,517		17,510	5,638	23,148
Sales/use tax	-	-	-		-	-	-
Telephone	998	1,808	484	645	3,935	1,951	5,886
Professional fees	-	-	-		-	16,399	16,399
Travel	156	51	-	300	507	1,353	1,860
Marketing	108	153	-		261	373	634
Employee transportation	-	-	-		-	17,467	17,467
Depreciation	14,370	4,836	-	323	19,529	22,832	42,361
Events and awards	12	5,928	-		5,940	145	6,085
Health and safety	1,205	135	14	708	2,062	785	2,847
Dues and subscriptions	40	-	-		40	2,123	2,163
Staff training	225	-	-	302	527	905	1,432
Discounts given	564	-	-		564	-	564
Legal expense	-	-	-		-	475	475
	$ 311,490	$ 346,941	$ 149,858	$ 72,458	$ 880,747	$ 165,412	$ 1,046,159

See independent auditor's report and notes to the financial statements

Joplin Workshops, Inc.
Statement of Functional Expenses
For the Year Ended March 31, 2017

	Employment Program Services				Supporting Services	
	MAS Subcontracts	HLS Laundry	Employee Development Center	Total Program Expenses	General and Administrative	Grand Total
Cost of sales	$ 32,927	$ 124,384	$ -	$ 157,311	$ -	$ 157,311
Employee wages	137,903	297,460	73,633	508,996	-	508,996
Staff wages	89,743	393,613	51,002	534,358	104,565	638,923
Payroll taxes	23,990	71,094	12,775	107,859	11,770	119,629
Workers compensation rebate	-	-	-	-	(6,110)	(6,110)
Employee benefits	6,977	2,301	1,634	10,912	-	10,912
Staff benefits	15,119	69,840	12,931	97,890	4,356	102,246
Subcontract labor	62	8,802	-	8,864	-	8,864
Utilities	27,451	174,246	6,292	207,989	5,706	213,695
Repairs and maintenance	6,068	53,151	180	59,399	12,128	71,527
Supplies	2,638	3,875	47	6,560	641	7,201
Recycling expense	352	-	-	352	-	352
Vehicle expense	1,491	30,949	-	32,440	-	32,440
Freight and postage	2,401	943	-	3,344	721	4,065
Interest	-	3,884	-	3,884	10,437	14,321
Insurance	4,652	11,440	1,875	17,967	6,033	24,000
Sales/use tax	-	199	-	199	-	199
Telephone	1,395	3,545	168	5,108	2,382	7,490
Professional fees	-	-	-	-	25,668	25,668
Travel	88	310	-	398	1,886	2,284
Marketing	25	463	-	488	999	1,487
Employee transportation	-	-	-	-	26,215	26,215
Depreciation	15,047	30,646	-	45,693	22,762	68,455
Events and awards	320	560	260	1,140	193	1,333
Health and safety	506	4,385	35	4,926	47	4,973
Dues and subscriptions	60	20	-	80	1,805	1,885
Staff training	549	965	-	1,514	1,744	3,258
Workers medical	-	85	-	85	-	85
Discounts given	2,165	-	-	2,165	(2,554)	(389)
Legal expense	-	-	-	-	70	70
	$ 371,929	$ 1,287,160	$ 160,832	$ 1,819,921	$ 231,464	$ 2,051,385

See independent auditor's report and notes to the financial statements

Joplin Workshops, Inc.
Statements of Cash Flows
For the Years Ended March 31, 2018 and 2017

	2018	2017
Cash Flows From Operating Activities		
Change in net assets	$ 704,919	$ (102,127)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	42,361	68,455
Unrealized gain on investments	(2,007)	-
(Gain) loss on sale of assets	(93,004)	(10,550)
Changes in operating assets and liabilities		
Decrease (increase) in account receivable	100,252	(8,480)
Decrease (increase) in prepaid expenses	(1,387)	1,322
Decrease (increase) in inventory	2,495	7,492
Increase (decrease) in accounts payable	(155,285)	45,235
Increase (decrease) in accrued expenses	(41,499)	(35,975)
Net cash flows from operating activities	556,845	(34,628)
Cash Flows From Investing Activities		
Purchase of property and equipment	(10,450)	(23,727)
Purchase of investments	(8,000)	-
Proceeds from sale of property and equipment	424,651	10,550
Net cash flows from investing activities	406,201	(13,177)
Cash Flows From Financing Activities		
Principle payments on notes payable	(233,429)	(50,287)
Principle payments on capital leases	(5,490)	(3,777)
Borrowings on capital leases	4,000	21,952
Net cash flows from financing activities	(234,919)	(32,112)
Net Increase (Decrease) in Cash and Cash Equivalents	728,127	(79,917)
Cash and Cash Equivalents - Beginning of Year	1,248	81,165
Cash and Cash Equivalents - End of Year	$ 729,375	$ 1,248
Interest Paid	$ 5,503	$ 14,321

See independent auditor's report and notes to the financial statements

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities – Joplin Workshops, Inc. is a non-profit organization which operates for the benefit of the developmentally disabled individuals of the Joplin, Missouri area, providing employment through contracts with various industries in Joplin and the surrounding area. The primary source of revenue is contract income from laundry service for the area hospitals. Other sources of revenue include contracts for product assembly. The Workshop extends unsecured credit to its customers.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and cash equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Net Asset Presentation - The financial statements report amounts separately by class of net assets. Unrestricted net assets are those currently available at the discretion of the board to use in the organization's operations and those resources invested in equipment. Temporarily restricted net assets are those that have been stipulated by donors for specific operating purposes or for the acquisition of equipment.

Property and equipment – The Organization capitalizes property and equipment over $1,000. Property and equipment acquired by purchase are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on their estimated useful lives, ranging from 3 to 40 years. Depreciation was $42,361 and $68,455 for the years ended March 31, 2018 and 2017, respectively. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Contributed Services - No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. During the years ended March 31, 2018 and 2017, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Note 1 – Nature of Activities and Significant Accounting Policies (continued)

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Accounts Receivable - Accounts receivable are stated at the amount billed to customers. The Workshop evaluates the need for an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable accounts that are past due more than 60 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer and consequently there is not an allowance for doubtful accounts. The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence. The allowance for uncollectible accounts receivable was $0 at both March 31, 2018 and 2017.

Inventory Pricing - Inventory is stated at the lower of cost or market and consists mainly of raw materials, chemicals and packaging. Costs are determined using the first-in, first-out (FIFO) method.

Workers Compensation Insurance - The Workshop is a member of Sheltered Workshop Insurance of Missouri ("SWIM"), a workers compensation risk pool for tax-exempt sheltered workshops and vocational rehabilitation organizations. As a member of this risk pool, the Workshop pays assessments that are approved by SWIM' s governing body.

Income Tax Status - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses - The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program and management and general categories.

Reclassifications - Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation. These reclassifications had no effect on net assets or changes in net assets.

Note 2 – Significant Concentrations of Credit Risk

Concentration of Credit Risk - The Organization maintains its cash balances at financial institutions located in Southwest Missouri. Accounts held by the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Organization had $480,403 and $0 over the insured level at March 31, 2018 and 2017, respectively.

Revenues from Major Products or Services - Approximately 11% and 16% of the Workshop's revenues were from the Missouri Department of Elementary and Secondary Education in fiscal years 2018 and 2017, respectively. The amount received is based on the number of developmentally disabled individuals employed per day. The total amount of state aid revenue for 2018 and 2017 was $195,195 and $312,548, respectively.

Note 3 – Long-term Debt

Long-term debt consisted of the following at March 31, 2018 and 2017:

	2018	2017
Note payable to UMB Bank for the repayment of line of credit and accounts payable in the amount of $175,000. The note requires a monthly payment of $1,905.93 including variable interest at 5.5%, adjusted annually. The note matures on February 1, 2021 and is secured by real estate.	$ -	$ 160,200
Note payable to Jasper County Sheltered Facilities Board for the amount of $110,000 with zero interest. The note requires a one time payment of $15,000 with monthly payments of $1,979.17. The note matures April 14, 2020 and is secured by real estate.	-	73,229
	-	233,429
Less current maturities of long-term debt	-	(38,170)
	$ -	$ 195,259

Both notes above were paid in full during the year ended March 31, 2018.

Note 4 – Line of Credit

Beginning in January 2017, the Organization has an open $20,000 line of credit with the Jasper County Sheltered Facilities Board that bears interest at 0%. The total credit line requires that draws be repaid within 30 days of the advance. The agreement is cancellable by either party with 120 days written notice, and is secured by real estate. At March 31, 2018 and 2017 the Organization had $0 borrowed against the line of credit.

Note 5 – Capital Leases

The Organization's capital leases consist of the following at March 31, 2018 and 2017:

	2018	2017
Lease obligation for $4,000 with Canon for purchase of a copier due in equal monthly payments of $84.04 through December 2018, including interest at 9.50%	$ -	$ 1,620
Lease obligation for $4,000 with Canon for purchase of a copier due in equal monthly payments of $84.04 through September 2023, including interest at 9.50%	3,680	-
Lease obligation for Leaf equipment; due in monthly payments of $559.33 through March 2021, with interest at 18.159%; with interest due if paid off early.	15,437	18,987
	19,117	20,607
Less current maturities	(4,939)	(4,443)
	$ 14,178	$ 16,164

Annual maturities of capital lease obligations at March 31, 2018 are:

2019	$ 4,939
2020	5,848
2021	6,927
2022	914
2023	489
	$ 19,117

Note 6: Litigation

Joplin Workshops, Inc. was involved in litigation with the Jasper County Sheltered Facilities Board. In August of 2005, Joplin Workshops, Inc. filed a declaratory judgment action against the Jasper County Sheltered Facilities Board regarding their alleged allocation of tax funds that was not in accordance with the ballot measure authorizing the tax levy approved by Jasper County voters. The litigation generally seeks injunction relief and a declaratory judgment as to exactly how the funds should be spent. In April of 2010, the appellate court remanded the case back to the circuit court with instruction. On October 26, 2015, the case was closed with neither party being ordered to pay any money to the other. Joplin Workshops, Inc. owed litigation fees in the amount of $0 and $27,311 on March 31, 2018 and 2017, respectively.

Note 7 – Related Party Transactions

During the years ended March 31, 2018 and 2017, the Organization contracted for services with individuals or businesses with a relationship to the organization as follows:

Aaron Smith, former member of the Board of Directors, was an employee of United Missouri Bank (UMB), where the Association has cash balances totaling $729,025 and $898 at March 31, 2018 and 2017, respectively. In addition, the Organization had loan balances with UMB of $0 and $160,200 at March 31, 2018 and 2017, respectively.

Note 8 – Investments

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments carried at fair value. Investment return is reflected in the statement of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions. Investments at March 31, 2018 consisted primarily of mutual funds and common stock.

Realized and unrealized gains and losses included in change in net assets for 2018 are included in total investment return. Total investment return as reported in the statement of activities (included in contributions as the majority was a matching contribution by Community Foundation of the Ozarks) totaled $2,007, with $2,000 from matching contributions by CFO, and $7 in unrealized gain.

Note 9 - Disclosures About Fair Value of Assets and Liabilities

FASB Accounting Standards Codification (ASC) Topic 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Observable inputs other than Level 1 inputs, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Note 9 - Disclosures About Fair Value of Assets and Liabilities (continued)

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. The Organization invests in stocks and mutual funds. Investments held by the organization are classified as Level 1 securities, with a fair market value at March 31, 2018 and 2017 of $10,007 and $0, respectively.

Note 10 – March 2017 Facility Fire

On March 24, 2017, a fire occurred in the Organization's facilities, mainly impacting the laundry service operations. The fire caused damage to the building and equipment, as well as creating the need to outsource laundry operations due to the fire. A receivable is included in the March 31, 2017 statement of position for $19,764 related to the outsourcing costs associated with continuation of services to the Organization's laundry service clients. In the fiscal year beginning April 1, 2017, additional insurance activity occurred related to additional loss of income due to outsourcing, as well as insurance proceeds related to damaged equipment and building structures. During the year ended March 31, 2018, laundry operations ceased, and gain on disposal of equipment and building assets was $93,004.

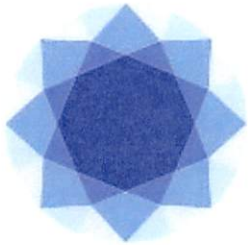
Note 11 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through July 23, 2018, the date which the financial statements were available to be issued.

Subsequent to March 31, 2018, the Organization entered into an agreement to use insurance proceeds to repair and add on to the building formerly used for laundry operations for future use as warehousing, with construction beginning during July 2018, with costs expected to approximate $600,000.

Joplin Workshops, Inc.

Auditor's Report and Financial Statements
For the years ended
March 31, 2017 and 2016



W. BENMILLER, CPA LLC

Joplin Workshops, Inc.

For the Years Ended March 31, 2017 and 2016

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W. BENMILLER, CPA LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Joplin Workshops, Inc.

We have audited the accompanying financial statements of Joplin Workshops, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Joplin Workshops, Inc. as of March 31, 2017, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Joplin Workshops, Inc. as of March 31, 2016, and for the year then ended were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated July 18, 2016.

W. Ben Miller, CPA LLC
Webb City, Missouri
July 26, 2017

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Joplin Workshops, Inc.
Statements of Financial Position
March 31, 2017 and 2016

	2017	2016
Current Assets		
Cash and cash equivalents	$ 1,248	$ 81,165
Accounts receivable	137,527	148,811
Insurance proceeds receivable	19,764	-
Inventory	13,337	20,829
Prepaid expenses	2,008	3,330
Total current assets	173,884	254,135
Property and Equipment		
Land and land improvements	73,719	73,719
Buildings	1,645,742	1,645,742
Equipment and furnishings	1,715,363	1,692,389
Vehicles	402,405	420,791
Rental goods	21,500	21,500
	3,858,729	3,854,141
Accumulated depreciation	(3,332,000)	(3,282,684)
Total property and equipment	526,729	571,457
Total Assets	$ 700,613	$ 825,592
Current Liabilities		
Accounts payable	$ 164,527	$ 119,292
Current portion of notes payable	38,170	50,429
Current portion of capital lease obligations	4,443	812
Accrued expenses	65,286	101,261
Total current liabilities	272,426	271,794
Long-term Liabilities		
Notes payable	233,429	283,716
Capital lease obligations	20,607	2,432
Less current portion of notes payable	(38,170)	(50,429)
Less current portion of capital lease obligations	(4,443)	(812)
	211,423	234,907
Net Assets		
Unrestricted net assets	216,764	318,891
Total net assets	216,764	318,891
Total Liabilities and Net Assets	$ 700,613	$ 825,592

See independent auditor's report and notes to the financial statements

Joplin Workshops, Inc.
Statements of Activities
For the Years Ended March 31, 2017 and 2016

	2017	2016
Unrestricted Net Assets		
Revenues and gains		
Contract income	$ 1,393,836	$ 1,394,270
Missouri Department of Elementary and Secondary Education - State Aid	312,548	360,869
Jasper County Sheltered Facilities Board (SB-40)		
Employee Transportation Grant	27,273	31,452
Other grants	142,722	183,783
Contributions	29,505	40,730
Gain (loss) on disposal of assets	10,550	4,200
Other	32,824	34,556
Total unrestricted revenues and gains	1,949,258	2,049,860
Expenses		
Program services		
Subcontracts	371,929	421,559
Laundry	1,287,160	1,326,406
Employee Development Center	160,832	178,250
Supporting services		
Management and general	231,464	311,946
Total expenses	2,051,385	2,238,161
Decrease in unrestricted net assets	(102,127)	(188,301)
Change in Net Assets	(102,127)	(188,301)
Net Assets, Beginning of Year	318,891	507,192
Net Assets, End of Year	$ 216,764	$ 318,891

See independent auditor's report and notes to the financial statements

Joplin Workshops, Inc.
Statement of Functional Expenses
For the Year Ended March 31, 2017

	Employment Program Services				Supporting Services	
	MAS Subcontracts	HLS Laundry	Employee Development Center	Total Program Expenses	General and Administrative	Grand Total
Cost of sales	$ 32,927	$ 124,384	$ -	$ 157,311	$ -	$ 157,311
Employee wages	137,903	297,460	73,633	508,996	-	508,996
Staff wages	89,743	393,613	51,002	534,358	104,565	638,923
Payroll taxes	23,990	71,094	12,775	107,859	11,770	119,629
Workers compensation rebate	-	-	-	-	(6,110)	(6,110)
Employee benefits	6,977	2,301	1,634	10,912	-	10,912
Staff benefits	15,119	69,840	12,931	97,890	4,356	102,246
Subcontract labor	62	8,802	-	8,864	-	8,864
Utilities	27,451	174,246	6,292	207,989	5,706	213,695
Repairs and maintenance	6,068	53,151	180	59,399	12,128	71,527
Supplies	2,638	3,875	47	6,560	641	7,201
Recycling expense	352	-	-	352	-	352
Vehicle expense	1,491	30,949	-	32,440	-	32,440
Freight and postage	2,401	943	-	3,344	721	4,065
Interest	-	3,884	-	3,884	10,437	14,321
Insurance	4,652	11,440	1,875	17,967	6,033	24,000
Sales/use tax	-	199	-	199	-	199
Telephone	1,395	3,545	168	5,108	2,382	7,490
Professional fees	-	-	-	-	25,668	25,668
Travel	88	310	-	398	1,886	2,284
Marketing	25	463	-	488	999	1,487
Employee transportation	-	-	-	-	26,215	26,215
Depreciation	15,047	30,646	-	45,693	22,762	68,455
Events and awards	320	560	260	1,140	193	1,333
Health and safety	506	4,385	35	4,926	47	4,973
Dues and subscriptions	60	20	-	80	1,805	1,885
Staff training	549	965	-	1,514	1,744	3,258
Workers medical	-	85	-	85	-	85
Discounts given	2,165	-	-	2,165	(2,554)	(389)
Legal expense	-	-	-	-	70	70
	$ 371,929	$ 1,287,160	$ 160,832	$ 1,819,921	$ 231,464	$ 2,051,385

See independent auditor's report and notes to the financial statements

Joplin Workshops, Inc.
Statement of Functional Expenses
For the Year Ended March 31, 2016

	Employment Program Services				Supporting Services	
	MAS Subcontracts	HLS Laundry	Employee Development Center	Total Program Expenses	General and Administrative	Grand Total
Cost of sales	$ 51,682	$ 87,800	$ -	$ 139,482	$ -	$ 139,482
Employee wages	133,041	301,106	77,195	511,342	-	511,342
Staff wages	91,733	366,329	48,910	506,972	166,095	673,067
Employee back wages	4,127	16,800	5,107	26,034	-	26,034
Payroll taxes	17,125	51,099	9,766	77,990	12,365	90,355
Employee benefits	14,333	31,398	8,287	54,018	-	54,018
Staff benefits	24,106	79,997	13,681	117,784	20,604	138,388
Subcontract labor	-	46,061	-	46,061	590	46,651
Utilities	23,279	159,970	9,091	192,340	5,774	198,114
Repairs and maintenance	7,755	62,115	1,323	71,193	12,656	83,849
Supplies	3,427	6,264	494	10,185	2,164	12,349
Vehicle expense	1,369	26,179	-	27,548	-	27,548
Freight and postage	1,451	466	-	1,917	728	2,645
Interest	-	-	-	-	11,256	11,256
Insurance	5,382	10,726	1,918	18,026	7,478	25,504
Telephone	838	3,393	723	4,954	1,892	6,846
Professional fees	-	-	-	-	13,607	13,607
Travel	-	2,407	-	2,407	1,775	4,182
Marketing	-	-	-	-	2,511	2,511
Employee transportation	-	-	-	-	26,449	26,449
Depreciation	36,006	65,991	-	101,997	10,286	112,283
Events and awards	114	601	82	797	555	1,352
Health and safety	798	2,505	125	3,428	190	3,618
Dues and subscriptions	40	220	-	260	1,612	1,872
Rent	-	-	-	-	324	324
Small equipment	311	306	-	617	-	617
Staff training	-	1,010	-	1,010	246	1,256
Workers medical	85	566	-	651	200	851
Discounts given	1,460	-	-	1,460	-	1,460
Bad debt expense	3,097	3,097	1,548	7,742	1,548	9,290
Legal expense	-	-	-	-	11,041	11,041
	$ 421,559	$ 1,326,406	$ 178,250	$ 1,926,215	$ 311,946	$ 2,238,161

See independent auditor's report and notes to the financial statements

Joplin Workshops, Inc.
Statements of Cash Flows
For the Years Ended March 31, 2017 and 2016

	2017	2016
Cash Flows From Operating Activities		
Change in net assets	$ (102,127)	$ (188,301)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	68,455	61,570
(Gain) loss on sale of assets	(10,550)	(4,200)
Changes in operating assets and liabilities		
Decrease (increase) in account receivable	(8,480)	23,713
Decrease (increase) in prepaid expenses	1,322	4,738
Decrease (increase) in inventory	7,492	3,417
Increase (decrease) in accounts payable	45,235	(921)
Increase (decrease) in accrued expenses	(35,975)	(16,316)
Net cash flows from operating activities	(34,628)	(116,300)
Cash Flows From Investing Activities		
Purchase of property and equipment	(23,727)	(11,054)
Proceeds from sale of property and equipment	10,550	34,782
Proceeds from sale of investments	-	97
Net cash flows from investing activities	(13,177)	23,825
Cash Flows From Financing Activities		
Principle payments on notes payable	(50,287)	(127,284)
Borrowings on notes payable	-	285,000
Principle payments on capital leases	(3,777)	(738)
Borrowings on capital leases	21,952	-
Net cash flows from financing activities	(32,112)	156,978
Net Increase (Decrease) in Cash and Cash Equivalents	(79,917)	64,503
Cash and Cash Equivalents - Beginning of Year	81,165	16,662
Cash and Cash Equivalents - End of Year	$ 1,248	$ 81,165
Interest Paid	$ 14,321	$ 11,256

See independent auditor's report and notes to the financial statements

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities – Joplin Workshops, Inc. is a non-profit organization which operates for the benefit of the developmentally disabled individuals of the Joplin, Missouri area, providing employment through contracts with various industries in Joplin and the surrounding area. The primary source of revenue is contract income from laundry service for the area hospitals. Other sources of revenue include contracts for product assembly. The Workshop extends unsecured credit to its customers.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and cash equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Net Asset Presentation - The financial statements report amounts separately by class of net assets. Unrestricted net assets are those currently available at the discretion of the board to use in the organization's operations and those resources invested in equipment. Temporarily restricted net assets are those that have been stipulated by donors for specific operating purposes or for the acquisition of equipment.

Property and equipment – The Organization capitalizes property and equipment over $1,000. Property and equipment acquired by purchase are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on their estimated useful lives, ranging from 3 to 40 years. Depreciation was $68,455 and $112,283 for the years ended March 31, 2017 and 2016, respectively. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Contributed Services - No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. During the years ended March 31, 2017 and 2016, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Note 1 – Nature of Activities and Significant Accounting Policies (continued)

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Accounts Receivable - Accounts receivable are stated at the amount billed to customers. The Workshop evaluates the need for an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable accounts that are past due more than 60 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer and consequently there is not an allowance for doubtful accounts. The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence. The allowance for uncollectible accounts receivable was $0 at both March 31, 2017 and 2016.

Inventory Pricing - Inventory is stated at the lower of cost or market and consists mainly of raw materials, chemicals and packaging. Costs are determined using the first-in, first-out (FIFO) method.

Workers Compensation Insurance - The Workshop is a member of Sheltered Workshop Insurance of Missouri ("SWIM"), a workers compensation risk pool for tax-exempt sheltered workshops and vocational rehabilitation organizations. As a member of this risk pool, the Workshop pays assessments that are approved by SWIM' s governing body.

Income Tax Status - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses - The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program and management and general categories.

Note 2 – Significant Concentrations of Credit Risk

Concentration of Credit Risk - The Organization maintains its cash balances at financial institutions located in Southwest Missouri. Accounts held by the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Organization had no balances over the insured level at March 31, 2017 and 2016.

Revenues from Major Products or Services - Approximately 16% and 18% of the Workshop's revenues were from the Missouri Department of Elementary and Secondary Education in fiscal years 2017 and 2016, respectively. The amount received is based on the number of developmentally disabled individuals employed per day. The total amount of state aid revenue for 2017 and 2016 was $312,548 and $360,869, respectively.

Note 3 – Long-term Debt

Long-term debt consisted of the following at March 31, 2017 and 2016:

	2017	2016
Note payable to UMB Bank for the repayment of line of credit and accounts payable in the amount of $175,000. The note requires a monthly payment of $1,905.93 including variable interest at 5.5%, adjusted annually. The note matures on February 1, 2021 and is secured by real estate.	$ 160,200	$ 173,716
Note payable to Jasper County Sheltered Facilities Board for the amount of $110,000 with zero interest. The note requires a one time payment of $15,000 with monthly payments of $1,979.17. The note matures April 14, 2020 and is secured by real estate.	73,229	110,000
	233,429	283,716
Less current maturities of long-term debt	(38,170)	(50,429)
	$ 195,259	$ 233,287

Annual maturities of long-term debt at March 31, 2017 are:

2018	$ 38,170
2019	38,983
2020	39,843
2021	116,433
	$ 233,429

Note 4 – Line of Credit

Beginning in January 2017, the Organization has an open $20,000 line of credit with the Jasper County Sheltered Facilities Board that bears interest at 0%. The total credit line requires that draws be repaid within 30 days of the advance. The agreement is cancellable by either party with 120 days written notice, and is secured by real estate. At March 31, 2017 the Organization had $0 borrowed against the line of credit.

Note 5 – Capital Leases

The Organization's capital leases consist of the following at March 31, 2017 and 2016:

	2017	2016
Lease obligation for $4,000 with Canon for purchase of a copier due in equal monthly payments of $84.04 through December 2018, including interest at 9.50%	$ 1,620	$ 2,432
Lease obligation for Leaf equipment; due in monthly payments of $559.33 through March 2021, with interest at 18.159%; with interest due if paid off early.	18,987	-
	20,607	2,432
Less current maturities	(4,443)	(812)
	$ 16,164	$ 1,620

Annual maturities of capital lease obligations at March 31, 2017 are:

2018	$ 4,443
2019	4,977
2020	5,091
2021	6,096
	$ 20,607

Note 6: Litigation

Joplin Workshops, Inc. was involved in litigation with the Jasper County Sheltered Facilities Board. In August of 2005, Joplin Workshops, Inc. filed a declaratory judgment action against the Jasper County Sheltered Facilities Board regarding their alleged allocation of tax funds that was not in accordance with the ballot measure authorizing the tax levy approved by Jasper County voters. The litigation generally seeks injunction relief and a declaratory judgment as to exactly how the funds should be spent. In April of 2010, the appellate court remanded the case back to the circuit court with instruction. On October 26, 2015, the case was closed with neither party being ordered to pay any money to the other. Joplin Workshops, Inc. owed litigation fees in the amount of $27,311 and $28,114 on March 31, 2017 and 2016, respectively.

Note 7 – Related Party Transactions

During the years ended March 31, 2017 and 2016, the Organization contracted for services with individuals or businesses with a relationship to the organization as follows:

Aaron Smith, member of the Board of Directors, is an employee of United Missouri Bank (UMB), where the Association has cash balances totaling $898 and $36,918 at March 31, 2017 and 2016, respectively. In addition, the Organization had loan balances with UMB of $160,200 and $173,716 at March 31, 2017 and 2016, respectively.

Note 8 – March 2017 Facility Fire

On March 24, 2017, a fire occurred in the Organization's facilities, mainly impacting the laundry service operations. The fire caused damage to the building and equipment, as well as creating the need to outsource laundry operations due to the fire. A receivable is included in the March 31, 2017 statement of position for $19,764 related to the outsourcing costs associated with continuation of services to the Organization's laundry service clients. In the fiscal year beginning April 1, 2017, additional insurance activity occurred related to additional loss of income due to outsourcing, as well as insurance proceeds related to damaged equipment and building structures.

Note 9 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through July 26, 2017, the date which the financial statements were available to be issued.

Subsequent to March 31, 2017, all notes payable owed by the Organization were paid in full to the respective lenders.

ISSUE #4 – GENERAL EMPLOYEE ASSOCIATION

A. Consider the request to include the General Employees in any future wage and benefit changes, the same as Police and Fire.
B. Consider the request to add Martin Luther King Jr. Day as a City observed holiday.
C. See attachments from the City Manager and the General Employee Association.

OPTIONS

1. Accept or deny the request to include General Employees in any future wage and benefit changes, the same as Police and Fire.
2. Accept or deny the request to add Martin Luther King Jr. Day as a City observed holiday.
3. Other options as developed by City Council.

COUNCIL DIRECTION

Notes:

CITY OF JOPLIN MISSOURI

Office of the City Manager
602 S. Main Street
Joplin, Missouri 64801
(417) 624-0820 Ext.200
(417) 625-4707 (Fax)

MEMORANDUM

To: Mayor Gary Shaw and
Members of the City Council

From: Sam Anselm, City Manager

Date: September 6, 2018

Subject: General Employees Association Request

The General Employee Association has submitted the following for your consideration in FY 2018-2019. This memorandum contains the request submitted by the Association, followed by my comments and recommendation. This year, the General Employee Benefit Association requests two items.

ITEM #1 WAGES & BENEFITS

Association Request

First of all, thank you for giving the General Employees the opportunity to submit a request each year during the budget process. Following is the General Employee requests for FY 2018-2019.

Wages & Benefits
The General Employees would like to thank you for implementing a new step plan for all employees. We really appreciate this wage increase. There has been a lot of discussion surrounding police and fire wages. The General Employee group respectfully requests they be included in any future wage and benefit changes, the same as Police and Fire.

Current Policy/Practice

A new step pay plan was presented by the City Manager and approved by the City Council, which went into effect on August 4, 2018. The beginning wage of each grade remained the same as the previous pay plan. While there is 2% between steps, each employee was placed in the pay plan at the step that corresponded

to their years of service in their current position, at a minimum. On average, the implementation and placement within this pay plan resulted in an average increase of 3.4% in addition to the 2% across-the-board raise granted in November of 2017, the beginning of the current fiscal year. City employees also received a 3% across-the-board raise on their anniversary date during the 2017 fiscal year.

City Manager's Comments and Discussion

Over the last twenty years, the City has approved two different pay plans that were based on full-blown "market type" studies of like positions from comparable cities. One study was completed in 2000, resulting in a new pay plan adoption on November 1, 2000. The second study was completed in early 2011, resulting in a new pay plan adoption in May of 2013. When pay plans are being adjusted by inflation adjustments and during those times when resources are available, it is common place and a good practice to undertake some type of "market" study every 8-10 years on average to ensure positions are remaining competitive.

Recommendation

The City's general fund has faced severe financial constraints for the last several years. Over this time period, the City has undertaken various measures to cut expenditures in an effort to become as efficient and effective as possible and balance the budget. However, as evidenced by the fiscal year 2019 proposed budget document, the financial constraints in the general fund remain much the same. As a result, I believe the City should continue to work towards becoming more financially sustainable in the future through additional revenue source(s) and further expenditure reductions, while continuing to provide quality services to the citizens of this community. It takes an entire organization of all city employees to provide quality services to residents and visitors. As such, all employees are equally valuable to this organization.

ITEM #2 **ADDITIONAL PAID HOLIDAY**

Association Request

Additional Paid Holiday
The General Employees would like to receive Martin Luther King, Jr. Day as an additional paid holiday. As you are aware, the City Council does not hold council meetings if the meeting falls on

Martin Luther King, Jr. Day. Also, other cities our size, such as Cape Girardeau, St. Joseph, Independence, and Jefferson City, observe this holiday. Additionally, the counties, state and federal government also recognize this holiday.

The General Employee Benefit Association did a holiday comparison of 52 Missouri cities/government entities. Of these, 49 observed Martin Luther King, Jr. Day (94%).

If the Council approves an additional paid holiday for the General Employees, the Council would also be granting an equivalent amount to the Police & Fire Employees. The additional holiday would cost approximately $62,000 to grant to all employees, to cover the seven day per week, 24-hour per day services.

Current Policy/Practice

The City currently grants 8 holidays and 2 floating holidays to general employees. The last holiday requested by the general employee association was President's Day, but the recommendation from Human Resources was Martin Luther King Jr.'s Day. President's Day was granted as an additional holiday, rather than Martin Luther King Jr.'s Day.

City Manager's Comments and Discussion

Please find attached a holiday schedule comparison to other cities across Missouri completed several years ago by the General Employee Benefit Association. The City does not observe several common national holidays, including Martin Luther King Jr.'s Day and Veteran's Day. At the request of the Association, President's Day was granted previously due to the time span between New Year's Day and Memorial Day.

Historically, when the City granted an additional holiday to the general employees, the City also granted an equivalent amount of floating holidays to the fire employees. The Fire Department receives floating holidays rather than regularly scheduled holidays. As a part of the financial sustainability report, other employees working schedules other than five 8-hour days will also be moved to floating holidays. An additional holiday would impact this floating holiday change for those employees working other schedules. At current pay levels, the additional cost of the holiday for general employees is approximately $10,000 to cover the seven day per week, 24-hour per day services provided by the City. The holiday would cost an additional estimated $50,000 for the police and fire departments.

Recommendation

According to the comparison completed by the City several years ago, Joplin is on the lower end of the total number of holidays awarded by local, county, state, and federal governments. Given this data, perhaps consideration of granting an additional holiday is warranted when resources are available. Currently, this request is only being made by the general employees. The cost of the additional holiday for general employees only doesn't impact the general fund. However, if public safety employees are also granted the additional holiday, the impact to the general fund based on current pay levels is an estimated $50,000. As wage increases are granted, the estimated cost of the additional holiday will increase.

GENERAL EMPLOYEE BENEFIT ASSOCIATION
CITY OF JOPLIN

DATE: August 10, 2018
TO: City Manager and City Council
FROM: General Employee Benefit Association
RE: FY 2018-2019 Budget Request

First of all, thank you for giving the General Employees the opportunity to submit a request each year during the budget process. Following is the General Employee requests for FY 2018-2019.

Wages & Benefits

The General Employees would like to thank you for implementing a new step plan for all employees. We really appreciate this wage increase. There has been a lot of discussion surrounding police and fire wages. The General Employee group respectfully requests they be included in any future wage and benefit changes, the same as Police and Fire.

Additional Paid Holiday

The General Employees would like to receive Martin Luther King, Jr. Day, as an additional paid holiday. As you are aware, the City Council does not hold council meetings if the meeting falls on Martin Luther King, Jr. day. Also, other cities our size, such as Cape Girardeau, St. Joseph, Independence, and Jefferson City, observe this holiday. Additionally, the counties, state and federal government also recognize this holiday.

The General Employee Benefit Association did a holiday comparison of 52 Missouri cities/government entities. Of these, 49 observed Martin Luther King, Jr. day (94%).

If the Council approves an additional paid holiday for the General Employees, the Council would also be granting an equivalent amount to the Police & Fire Employees. The additional holiday would cost approximately $62,000 to grant to all employees, to cover the seven day per week, 24-hour per day services.

Thank you for considering our requests.

VARIOUS CITY AND GOVERNMENT ENTITY COMPARISON
MARTIN LUTHER KING JR. DAY and VETERAN'S DAY HOLIDAY
As of August 10, 2016

City/Government Entity	Martin Luther King Jr. Day Observed	Veteran's Day Observed	City/Government Entity	Martin Luther King Jr. Day Observed	Veteran's Day Observed
Blue Springs	Y	Y	North Kansas City	Y	N
Bolivar	Y	Y	Oak Grove	Y	Y
Boonville	Y	N	O'Fallon	Y	Y
Buffalo	N	Y	Olivette	Y	Y
Camdenton	Y	Y	Osage Beach	Y	Y
Cape Girardeau	Y	Y	Palmyra	Y	Y
Cameron	Y	Y	Pevely	Y	Y
Columbia	Y	N	Pleasant Valley	Y	N
Eureka	Y	Y	Reeds Spring	N	Y
Independence	Y	Y	Republic	Y	Y
Jasper County	Y	Y	Richmond	Y	Y
Jefferson City	Y	Y	Richmond Heights	Y	N
Kansas City	Y	Y	Rock Hill	Y	Y
Kirkwood	Y	N	Sedalia	Y	Y
Knob Noster	Y	Y	Springfield	Y	Y
Lebanon	Y	Y	St. Charles	Y	Y
Lee's Summit	Y	N	St. John	Y	Y
Licking	Y	Y	St. Joseph	Y	Y
Maplewood	Y	N	St. Louis City	Y	Y
Mexico	Y	Y	St. Louis County	Y	Y
Moscow Mills	Y	Y	State of Missouri	Y	Y
Mt. Vernon	Y	Y	Sullivan	Y	N
Neosho	Y	Y	Sunset Hills	Y	N
Nevada	N	Y	Tarkio	Y	Y
Newton County	Y	Y	Warrensburg	Y	Y
Normandy	Y	Y	Washington	Y	Y

****

Total City and Government Entities Observing Martin Luther King Jr. Day is 49 out of 52, which is 94%
Total City and Government Entities Observing Veteran's Day is 42 out of 52, which is 81%

ISSUE #5 – FINANCIAL SUSTAINABILITY REPORT UPDATE

A. Review the status and next steps of the options from the Financial Sustainability Report based on Council direction.
B. See attached information from City staff.

OPTIONS

1. Discuss the status and next steps of the various options.

COUNCIL DIRECTION

Notes:

CITY OF JOPLIN MISSOURI

Office of the City Manager
602 S. Main Street
Joplin, Missouri 64801
(417) 624-0820 Ext.200
(417) 625-4707 (Fax)

MEMORANDUM

TO: Mayor Gary Shaw and City Councilors

FROM: Sam Anselm, City Manager

DATE: September 6, 2018

RE: Financial Sustainability Report Update

Beginning with the 2015 fiscal year, the general fund began to face tighter financial constraints than other funds. As a result, the City took various steps each year in order to balance the general fund budget. Here are some steps taken by fiscal year:

- FY 2015 – froze wages
- FY 2016 – froze wages and froze all capital replacement in the general fund
- FY 2017 – eliminated fifteen non-public safety positions, made various other budget cuts, granted 3% across-the-board raise
- FY 2018 – reduced expenditures by paying off city hall, installed turf at Joe Becker Stadium and Wendell Redden to reduce maintenance costs, decreased transfer to emergency communications, decreased liability insurance transfer, granted 2% across-the-board raise effective at the beginning of the fiscal year, implemented a step pay plan resulting in an average raise of 3.4% in August

As shown in the proposed fiscal year 2019 budget, the general fund is still facing the same financial constraints as in recent past years. Some of the measures taken were temporary expenditure reductions. In order to try to address the long-term financial sustainability of the general fund, staff presented a Financial Sustainability report with various revenue and expenditure reduction options in June. Council then held a work session to discuss the options and made decisions about each option. Based on the direction received from Council, many items have been included in the proposed budget. Please find attached a summary of each option that includes a status update, next steps, budget impact and an estimated timeline for discussion. As the options presented progress, along with the Finance Committee's revenue project, the City can begin to work towards a more sustainable general fund while continuing to provide outstanding services to the citizens and visitors of our community.

CITY OF JOPLIN

FINANCIAL SUSTAINABILITY UPDATE

AS OF SEPTEMBER 6, 2018

OPTION NUMBER	OPTION DESCRIPTION	PRIOR COUNCIL ACTION	STATUS UPDATE	NEXT STEPS	FY 19 PROPOSED BUDGET IMPACT	ESTIMATED TIMELINE
Revenues:						
Item #1	Use Tax	Placed on August Ballot	Voters defeated by 54.6%	Review by Finance Committee	Not included	Oct-18
Item #2	Sales Tax	N/A	N/A	Review by Finance Committee	Not included	Oct-18
Item #3	Property Tax	N/A	N/A	Review by Finance Committee	Not included	Oct-18
Item #4	Completion of TIF's	N/A	N/A	N/A	Not included	Five to Six Years
Item #5	Telephone Franchise Taxes	N/A	Continue Legal Process	N/A	Not included	Unknown
Item #6	Review Pool Admission Fees	Develop Ordinance for 2019 swim season	Staff working on ordinance	Bring Ordinance to Agenda	Included	No later than December 2018
Expenditures:						
Option #1	Close P&F Pension Plan to New Members	Evaluate & Research Option	Staff to begin research	Hire Actuary, Contact LAGERS, Research Funding Sources	Not included	Unknown
Option #2	Reduce Minimum Staffing at Certain Fire Stations	Research minimum staffing impact and information from other cities	Staff to begin research	Gather Additional Information from other cities	Not included	No later than December 2018
Option #3	Justify Overtime	Approve implementation of policy	Staff develop Overtime Justification Policy & Procedures	Write Policy for Personnel Board Action; Council Action	Included	No later than December 2018

OPTION NUMBER	OPTION DESCRIPTION	PRIOR COUNCIL ACTION	STATUS UPDATE	NEXT STEPS	FY 19 PROPOSED BUDGET IMPACT	ESTIMATED TIMELINE
Option #4	Adopt Take Home Vehicle Policy	Approve implementation of policy	Staff develop Take Home Car Policy and Fleet Reduction	Write Policy for Council Review and City Manager Approval; Build Parking Lot	Included	No later than December 2018
Option #5	Require Fire Department to follow Call Back Policy	Implement on November 1, 2018	N/A	Follow Up with Fire Department	Included	1-Nov-18
Option #6	Explore Work Period Ordinance for Public Safety	Research work period impact	Staff to begin research	Assemble information and make recommendation	Not included	No later than December 2018
Option #7	Close Police South Station	Approve closing South Station	Staff has identified Leased Property with Newton County Sheriff	Evaluate Lease Option; Close South Station	Included	No later than December 2018
Option #8	Reduce Police Captains from 4 to 3	Council rejected this option	None	None	None	None
Option #9	Review Usage of Sworn Police vs. Civilians in Certain Positions	Further evaluate for implementation	Staff to begin research	Assemble additional information	Not included	No later than December 2018
Option #10	Phase Out Paying Extra Shifts for Exempt Fire & Police	Implement on November 1, 2018	N/A	Follow Up with Police and Fire Departments	Included	1-Nov-18
Option #11	Cease CALEA Certification not Practices	Council rejected this option	Staff would like the opportunity to discuss this option further	TBD	Not included	TBD
Option #12	Reduction in Court Staff	Approve option	None	Follow Up with Human Resources and Municipal Court	Partially Included	Upon opening in position
Option #13	Reduce Annual Support to Chamber	Tabled for discussion during Budget Work Sessions	Issues & Options Item	Awaiting Further Direction	Not included	TBD

OPTION NUMBER	OPTION DESCRIPTION	PRIOR COUNCIL ACTION	STATUS UPDATE	NEXT STEPS	FY 19 PROPOSED BUDGET IMPACT	ESTIMATED TIMELINE
Option #14	Eliminate Clothing Allowance Stipend	Implement on November 1, 2018	N/A	Follow Up with Human Resources and Police Department	Included	1-Nov-18
Option #15	Review Travel, Publications, Memberships & Uniform Practices	Approve implementation of policies	Staff to begin research	Assemble information and make recommendation	Included	No later than December 2018
Option #16	Include Athletic Complex Operations in Parks/Stormwater Sales Tax Renewal	Approve option	N/A	Include in Tax Renewal Process	Not included	Tax sunsets on March 31, 2022
Option #17	Pay Off Joe Becker Stadium Debt	Approve option	Waiting for first callable option	Evaluate Payoff ability	Not included	Oct-19
Option #18	Research Fire Department Equipment	Approved this option to include with independent review of Fire Department	Waiting for FY 2019 proposed budget review	Staff develop RFP for Fire Department review	Not included	During FY 2019
Option #19	Reduce the Number of K-9's	Tabled until time for K-9 replacement	N/A	N/A	Not included	Unknown
Option #20	Reduce the Number of Motorcycles	Approve reduction of motorcycles from 4 to 2	Motorcycle leased terminated	None	Included	Complete
Option #21	Reduce Telephone Costs	Approve option	Waiting for FY 2019 proposed budget review	Acquire equipment and continue implementation by staff	Partially included	During FY 2019
Option #22	Reduce Museum Subsidy	Tabled for discussion during Budget Work Sessions	Issues & Options Item	Awaiting Further Direction	Not included	TBD
Option #23	Eliminate Holiday Pay/Accruals for Seasonals	Approve option	Staff revise Personnel Rules & Regulations	Present revised Rules & Regulations to Personnel Board; City Council	Included	No later than December 2018

OPTION NUMBER	OPTION DESCRIPTION	PRIOR COUNCIL ACTION	STATUS UPDATE	NEXT STEPS	FY 19 PROPOSED BUDGET IMPACT	ESTIMATED TIMELINE
Option #24	Eliminate Steps for Seasonals	Approve option	Staff revise Salary Administration Plan for Seasonals	Present revised Plan to City Council	Included	No later than December 2018
Option #25	Explore Options for old Iron Gates City Hall	Approve exploring options for this facility	Legal working on title	Staff explore options for facility-no deed restrictions found	Not included	During FY 2019
Option #26	Explore Elimination or Reduction of Lobbyist Services	Council rejected this option	None	None	None	None
Option #27	Establish Pool Vehicle Policy	Approve option	Staff develop Pool Vehicle Policy	Write Policy for Council Review and City Manager Approval	Included	No later than December 2018
Improve Operations, Policies and Employee Matters:						
Option #1	Perform Outside Independent Review of Department Operations	Approve option with Fire Department review during FY 2019	Waiting for FY 2019 proposed budget review	Staff develop RFP for Fire Department review	Included	During FY 2019
Option #2	Combine Full-Time Clerk and Senior Clerk Titles	Approve option	Staff revise Salary Administration Plan	Present revised Plan to City Council	Included	1-Nov-18
Option #3	Correct Promotional Pay	Approve option	Staff revise Personnel Rules & Regulations	Present revised Rules & Regulations to Personnel Board; City Council	Included	No later than December 2018
Option #4	Change Policy to Correct Timing of Raises, Longevity and other Pay Items	Approve option	Staff revise Personnel Rules & Regulations	Present revised Rules & Regulations to Personnel Board; City Council	Included	1-Nov-18

OPTION NUMBER	OPTION DESCRIPTION	PRIOR COUNCIL ACTION	STATUS UPDATE	NEXT STEPS	FY 19 PROPOSED BUDGET IMPACT	ESTIMATED TIMELINE
Option #5	Review Health Insurance Contribution Cost Share Ratio	Approve option	Staff develop Health Insurance Fund Reserve Policy; Expand Wellness Initiative	Write Policy for Council Review and City Manager Approval	Not Included	No later than December 2018
Option #6	Revise Holidays/Floating for Certain Positions	Approve option	Staff revise Personnel Rules & Regulations	Present revised Rules & Regulations to Personnel Board; City Council	Included	No later than December 2018

Included in FY 2019 Proposed Budget

Partially Included in FY 2019 Proposed Budget