2016 Economic Development Issue

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• PACE Programs
• City Fiscal Conditions
• MML Legislative Conference
The Missouri Securities Investment Program ("MOSIP") is a comprehensive cash management program for school districts, counties, municipalities, and other political subdivisions. MOSIP was created in 1991 by the Missouri School Boards Association.

MOSIP offers its investors a professionally managed portfolio with competitive money market rates. MOSIP stresses maintaining safety, liquidity and yield as the primary investment objectives.

Missouri Securities Investment Program
A Cash Management Program for School Districts, Counties, Municipalities and Other Political Subdivisions

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What will be your focus in the New Year? For Missouri cities, the beginning of 2016 is a good time to refocus efforts to bring even greater success to our communities.

This January issue of the MML Review is the annual economic development issue, and you will find many tips for strengthening development in your city, such as new funding sources or partnerships. You’ll also find a City Fiscal Conditions report from the National League of Cities.

This New Year promises many of the same challenges cities have faced the last several years. To maintain the services you provide for your citizens, it is imperative that local leaders work to preserve the local decision-making ability in our communities.

As you plan the goals for your city, don’t forget the valuable services the League offers to assist you. The first statewide event coming up is the 2016 MML Legislative Conference, held in Jefferson City Feb. 9-10. It’s an ideal time to get the latest news on the legislative topics that most directly affect your municipality and the citizens you serve. In addition, meet with peers and discuss strategies to keep your community strong, then visit with your local legislator and share the needs of your community.

Watch for the Legislative Bulletins and Alerts from MML that begin this month and continue through the Missouri legislative session. Your voice makes a strong impact with your local state legislator, and your citizens will benefit from your efforts. If you are not receiving the weekly bulletins, be sure to contact MML at info@mocities.com.

With cities working together, I have no doubt this year will bring success in the development, preservation and enjoyment of our local communities. I wish you all the best in 2016 and look forward to seeing you at the Legislative Conference in February!
family-owned life insurance companies. This knowledge and expertise is why the League chose to partner with American Fidelity as our Section 125 Administrative Services and voluntary benefits solutions provider for members like you.

With health care reform changing the way employers handle their benefit program, American Fidelity is positioned well to help you make the right cost-effective decisions for you and your employees. The cornerstone of any benefits program is a Section 125 Plan that helps you and your employees maximize tax-saving opportunities. American Fidelity can be there to help you set up or maintain your existing Section 125 Plan. Whether you want a premium only Section 125 Plan, a Section 125 Plan coupled with a Flexible Spending Account, or a Health Savings Account, they will be there step-by-step to help ensure your Section 125 Plan runs smoothly throughout the plan year.

The Missouri Securities Investment Program offers municipal investors a professionally managed portfolio with competitive money market rates. MOSIP stresses safety, liquidity and yield as the primary investment objectives and has more than 20 years experience providing Missouri political subdivision investors with customized analysis of cash management and investment recommendations. MOSIP offers investors a pool of permitted investments for political subdivisions which provides safety and security through diversification. The pool is administered by PFM Asset Management LLC with offices in St. Louis.

MOSIP is a comprehensive cash management program that has grown over the years to include school districts, counties, municipalities and other political subdivisions. Other sponsors are the Missouri Association of School Business Officials, Missouri Association of School Administrators and Missouri Association of Counties. With MML sponsorship, I now sit on the Board of Directors for the MOSIP Program.

BuyBoard is an online purchasing cooperative designed to streamline the purchasing process and help its members make confident buying decisions. BuyBoard leverages the aggregate purchasing power of municipalities in several states to get you pricing that is unavailable on an individual basis. In addition, members save by reducing administrative and resource time.

All BuyBoard contracts have already been through a competitive procurement process, saving you the time and cost of bid preparation. This permits you to make your purchase immediately without waiting. Alternatively, cities may utilize the online RFQ (request for quote) function. This electronic request permits members to select numerous vendors when submitting requests. The RFQ can be finalized in as little as three to five days, rather than weeks, for a typical formal bid. Members can place orders on the secure website, email or fax purchase orders for same-day processing. Searches by vendor or product type are simple and quick on www.buyboard.com.

You will recognize many well-known brand names on BuyBoard's product list. A wide range of items are available for your purchase. Items you may purchase monthly are available, as are items you may purchase only once a year or less.

Have you had the opportunity to work with one of these partners? We welcome your feedback on any of these services and how they have affected your municipality. The League continues to seek the best ways to benefit members and we thank you for your support.

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MISSOURI PACE PROGRAMS: BUILDING CLEANER COMMUNITIES

By Juliet Mee

Clean energy was positioned firmly on the front page of every newspaper during the December 2015 Climate Summit in Paris. Communities throughout Missouri have been actively working to put measures in place that reduce energy costs while also reducing greenhouse gasses.

Replacing old, inefficient heating, cooling, and water systems with new high-efficiency units makes common sense. Improving efficiency through retrofits, new construction, and property redevelopment creates jobs. These concepts are the low-hanging fruit of the clean energy discussion; easy to talk about, sweet to eat. However, for Missouri’s municipal leaders charged with creating clean energy outcomes and driving the local economies, the missing essential component has been the lack of financing options.

Property owners and developers often postpone or piecemeal renovations and new construction due to financial obstacles such as: lack of capital for upfront engineering costs, requirements for personal guarantees, or lack of longer-term financing options.

Property Assessed Clean Energy (PACE) financing changes all of that. Municipal finance administrators and economic development professionals in Missouri use this innovative tool to encourage local commercial property owners to invest in their properties that include switching to clean energy, reducing greenhouse gasses or simply replacing outdated systems. PACE programs have emerged as one of the most important innovative solutions for municipalities to help the commercial sector fund the switch to clean energy solutions. In fact, PACE was named one of the top “world changing ideas” by Scientific American magazine.

This article will focus on commercial applications of PACE financing. It addresses the key concepts of PACE financing, identifies first steps for municipalities to become eligible to bring this type of funding into their community, and provides resources for further investigation.

WHAT IS PACE AND WHY SHOULD WE CONSIDER USING IT IN OUR COMMUNITY?

PACE financing is a program available to commercial property owners in Missouri, as well as 30 other states. The program provides financing for all upfront costs of energy efficient (EE) upgrades, renewable energy (RE) upgrades, and energy audits for businesses. The financing comes through private funds and is repaid through annual property assessments. Property owners can finance 100 percent of a project up front and then repay their financing through annual property assessments; this makes both retrofits and new construction of energy-efficient measures affordable. By eliminating the obstacles to reasonable financing, PACE also provides the funding necessary to stimulate local job growth. These jobs further promote the clean energy movement within Missouri. Property owners across the nation are using PACE because it saves them money and makes their buildings more valuable. PACE financing stays with the building upon sale and is easy to share with tenants. State and local governments sponsor PACE financing to create jobs, promote economic development and protect the environment.

WHAT CAN PACE PAY FOR?

PACE can pay for any item that improves the energy-efficiency of a building above and beyond what is required by code. This includes, but is not limited to: new heating and cooling systems, lighting improvements, solar panels, water pumps, insulation, and almost any improvement affixed to a commercial property – large and small commercial, industrial, non-profit, and agricultural.

DO YOU HAVE TO BE WORKING TOWARD LEED CERTIFICATION FOR YOUR BUILDING TO USE PACE FINANCING?

No. Leadership in Energy and Environmental Design (LEED) certification does not impact the financing. The key requirement is that the improvement provides energy and maintenance savings above and beyond what is required by local code.

IS PACE AVAILABLE FOR RESIDENTIAL USE IN MISSOURI?

Although the issue continues to be discussed, PACE financing is not available at this time for the residential sector. Residential PACE programs across the nation have been suspended or not moving forward until further clarification is received from the Federal Housing Financing Agency.

HOW DOES PACE WORK?

Municipalities and counties join PACE districts to collectively and efficiently administer a PACE program. The district insures that the project is compliant with state laws. The district is responsible for handling day-to-day PACE financing application reviews and approvals, as well as payment and collections on behalf of the PACE Commission.

There are currently three districts in the state of Missouri: Show Me PACE, Missouri Clean Energy District, and Set the PACE St. Louis. This establishes an open market PACE program where communities can join any district they choose. Communities may join a single district or multiple districts.
In the middle of 2015, Cambridge Engineering approached Libbey Malberg-Tucker, Community Services and Economic Development Director for the city of Chesterfield, Missouri, to investigate using PACE financing for an upgrade to the building that they leased within Chesterfield’s city limits. They wanted to replace all their building lighting systems, as well as perform a complete HVAC systems retrofit to switch to more energy-efficient measures. The city of Chesterfield was already a member of the statewide Missouri Clean Energy District, and Cambridge was requesting that they join another district also, Show Me PACE. Ultimately, the city of Chesterfield became a member of both communities and the program was successfully funded using Show Me PACE.

“I would like to pass on the information I found to other people involved in community economic development,” said Malberg-Tucker about her experience with PACE financing. “In our experience, there is no cost, liability, or exposure to Chesterfield or any other community by having PACE available. In addition, all the work to complete the financing of the project is done by the financing districts and PACE finance providers. There was no burden on our staff, and throughout the process, we couldn’t come up with any reason to not do this. Initially we were only a member of the Missouri Clean Energy District and we found them to be better in dealing with larger projects. Since this was a smaller project, we felt that Show Me PACE was a better fit as they could complete the funding for a project this size in a more streamlined, cost-effective manner. We are glad to have PACE in our community and to be a member of both districts.”
pays the municipality the annual assessment that is a line item on their annual property tax bill. The municipality then remits the payment to the finance provider.

**Where Is PACE Available In Missouri?**

The Missouri General Assembly enacted legislation allowing local government entities to raise money through the issuance of bonds or other sources of capital to fund energy efficiency and renewable energy projects to eligible property owners in 2011. Since then, 49 municipalities and counties have participated in PACE.

**What Is The First Step To Become Eligible To Offer PACE?**

The community should have the city administrator or head of economic development contact the Show Me PACE Clean Energy District (www.showmepace.org) and the Missouri Clean Energy District (www.mced.mo.gov). The Clean Energy District has draft ordinances for cities, towns, and counties to use in authorizing district memberships. The draft ordinance is available at no cost to municipalities who wish to join as a member of a district.

Juliet Mee is a market associate for PACE Equity. PACE Equity provides turnkey project development, financing, and energy engineering nationwide.

**Additional Information About PACE Financing**

**PACE Nation**
www.pacenation.us

**United States Office of Energy Efficiency and Renewable Energy**
http://energy.gov/eere/sls/property-assessed-clean-energy-programs

**Missouri Department of Economic Development**
https://energy.mo.gov/energy/communities/assistance-programs/property-assessed-clean-energy-(pace)

**National Association for PACE Providers**
www.pacenation.us

**Show Me PACE**
www.showmepace.org

**Missouri Clean Energy District**
www.mced.mo.gov

**St. Louis PACE**
www.setthepacestlouis.com

**Participating PACE Communities:**

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Kirksville  
Lamar  
Maryland Heights  
Mercer County  
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Early in 2015, commercial broker/developer Mike VanBuskirk placed a call to Mark Dunning, director of Lee’s Summit’s newly launched Development Center. VanBuskirk was working on the potential sale of a historic building located in downtown Lee’s Summit and wanted to attract a neighborhood bar and restaurant chain out of St. Louis that typically locates within historic buildings.

“I made one call, and had an ‘all hands’ meeting set up with City staff within a week. We had the prospect and everyone else around the table in a very positive and welcoming environment. A single point of contact was designated from the Development Center to lead them through the process. The mayor even came in and said, ‘We’d love to welcome you to Lee’s Summit.’ I can tell you that just doesn’t typically happen,” said VanBuskirk, senior vice president and principal of Newmark Grubb Zimmer.

Earlier this year, the franchisee for Llewelyn’s Pub purchased the historic Hartley building, received approval for their redevelopment plans, and the new restaurant is currently under construction for an opening in early 2016. The Development Center and the designated project manager continue to work with them until they receive their final certificate of occupancy and open for business.

“VanBuskirk is one of dozens of Kansas City area commercial real estate brokers and developers who are praising the city of Lee’s Summit for overhauling and streamlining its development process through the January 2014 launch of the Lee’s Summit Development Center.

“Many municipalities will say, ‘No, you can’t do this. No, you can’t do that.’ But in Lee’s Summit, they say, ‘No you can’t do that, but you could do this.’ That makes all the difference for a project.”

The idea of a streamlined, efficient, one-of-a-kind development portal emerged in 2013 after the City sought business and community input to inform a massive rebranding effort and learned from the development community that unnecessary red tape and redundancy in the approval process were holding up and even killing some projects.

“With a strong desire to boost investment and spur job creation in Lee’s Summit, City Hall got busy drafting plans to overhaul and streamline our development process, and that’s how the Development Center

Lee’s Summit Development Center
By the Numbers 2014-2015

Total projects/proposals: 235
Completed projects: 38
Projects currently under construction: 34
was born,” said Steve Arbo, Lee’s Summit city manager.

In late 2015, the city of Lee’s Summit and the Lee’s Summit Economic Development Council hosted a broker outreach meeting to educate the commercial real estate community about the Development Center.

“Many municipalities will say, ‘No, you can’t do this. No, you can’t do that.’ But in Lee’s Summit, they say, ‘No you can’t do that, but you could do this.’ That makes all the difference for a project.”

~Michael VanBuskirk, Newmark Grubb Zimmer senior vice president and principal

“Staff is trained to help and assist with whatever business or development needs may arise. They are the ‘go to’ people who coach and guide applicants, developers, and their teams through the regulatory process so they understand what is needed, why it is needed, and anticipate future needs from these customers,” said Mark Dunning, former Development Center director and now Lee’s Summit assistant city manager.

The goal is to create an environment of success for all involved while adhering to city standards and processes; at the same time eliminating what is known as ‘transactional friction’ that can leave the City and the developer frustrated and ready to walk away from the table.

“At the end of the day, we want everyone who has experienced the business or development process, or had interaction with the City to have a positive experience and be an ambassador for the City.”

The Lee’s Summit Development Center is a one-of-a-kind public/private partnership between the City and the investor-supported Economic Development Council. Since early 2014, the two entities have worked to successfully “tag-team business and development projects,” with the EDC. They identify and assist with expansion opportunities, including incentives and site selection, while the City focuses on providing a highly efficient business and development portal aimed at reducing red tape involved in the application processes and speeding up incentive and zoning approvals, infrastructure improvements and other issues related to site delivery.

Krista Klaus serves as a communications consultant for the Lee’s Summit Economic Development Council. Follow Krista on Twitter @kristakcbiz.

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“FarMOlogy” is what you get when you combine Missouri’s rich agriculture with its innovative technologies. Farmers throughout the state are growing and raising the food that feeds the world. With many of the latest technologies to enhance this industry developed right here in Missouri, the Show-Me State is ripe for expansion in both rural and metro areas.

To foster this high-potential AgTech industry, Missouri has strategically aligned its resources to create tools for entrepreneurs.

It’s working: Missouri was recently named No. 1 in new business creation by the U.S. Census Bureau and enjoyed an impressive 16 percent increase from the previous year. The state’s entrepreneurial successes and big-name corporate expansions of companies such as Monsanto, Boehringer Ingelheim Vetmedica, Cerner and World Wide Technologies are catapulting the state’s reputation as a tech and bioscience leader. Missouri is also attracting investments from afar. Just this year, Missouri Department of Economic Development has helped bioscience companies such as Lacgene, Eurofins Panlabs, Evogene and Forrest Innovations, and animal health companies such as Ceva and Jurox expand operations and U.S. headquarters to the state.

To add to this momentum, for the first time ever, Missouri is a Top 10 state for startup funding (Forbes). This is great news for entrepreneurs. In fact, three of the top four venture capital investors in the Midwest call Missouri home (PitchBook). The top venture capital group in the Midwest, in terms of number of investments, is Missouri Technology Corporation, a part of the Missouri Department of Economic Development.

Agriculture, technology and access to funding converge in a great way in Missouri. Several key state economic tools exist for tech startups. Municipalities should be aware of.

The following four programs are available to assist municipalities:

**MISSOURI WORKS PROGRAM**

In 2013, Missouri created this incentive tool, which is today receiving top marks from the Pew Charitable Trusts. The Missouri Works tax incentive program is responsive to important, high-growth industries such as technology, and opens the door for smaller businesses to access needed capital when creating as few as two new jobs. The program allotted $116 million for FY2016. Smaller companies and startups such as Forrest Innovations, Kaiima Bio-Agritech and Evogene, all in the AgTech sphere, are using the program to leverage assets to hire key personnel or purchase new equipment.

Missouri Works takes into account the overall size and growth potential of a company, average annual wages of new jobs and the level of economic distress of the project area among other factors in helping encourage investment and job creation. More at https://www.ded.mo.gov/moworks.

**MISSOURI TECHNOLOGY CORPORATION**

The Missouri Technology Corporation (MTC) invests in Missouri’s companies of tomorrow and focuses on 21st-century technology and bioscience industries that build on Missouri’s rich history in agriculture, especially animal health and plant science. MTC also invests in early stage companies in the applied engineering, biomedical science, and defense and homeland security industries. This unique public-private partnership is leveraging a budget of $18 million in FY2016 to support emerging, high-tech companies. MTC was recently ranked the top venture capital group in the Midwest by PitchBook based on the number of investments from 2010 to 2014.

Specific MTC programs supporting tech startups include the Missouri Building Entrepreneurial Capacity Program (MOBEC) and the Missouri Innovation, Development and Entrepreneurship Advancement (IDEA) Fund. Through MOBEC, MTC makes strategic investments in nonprofits that expand and enrich the ecosystem of support for entrepreneurs who are commercializing new technologies or that enhance the capacity of Missouri to grow its innovation economy. MTC uses the MOBEC program to catalyze and support local and regional initiatives that assist high-tech entrepreneurs.
MOBEC grant funds should be matched by other non-state funding sources. Since 2011, MTC has awarded more than $6 million through the MOBEC program to communities across the state to help them build their capacity to support Missouri entrepreneurs.

The IDEA Funds promote the formation and growth of businesses that engage in the transfer of science and technology into job creation by co-investing directly into a firm. This early stage capital helps young companies at a crucial time by helping them leverage additional private investments. Through the IDEA Funds, MTC has invested more than $26 million in 76 Missouri startups. Those companies have leveraged MTC’s investment to raise more than $250 million in additional capital to help grow businesses and create jobs.

InnovaPrep in Drexel, Missouri, is just one example of a rural bioscience startup aided by MTC during its formative years. The company develops food, drug and water safety diagnostics, medical and veterinary diagnostic research and industrial and environmental monitoring. More at http://www.missouritechnology.com.

**Missouri Agribusiness Revolving Loan Fund**

The Missouri Agricultural and Small Business Development Authority’s (MASBDA) Missouri Agribusiness Revolving Loan Fund offers financing to qualifying agribusinesses, including those with emerging agricultural technology. Funds may be used for startup costs and working capital, purchase of machinery or supplies, business construction and more. More at http://agriculture.mo.gov/abd/financial/revolvingloan.psp.

**New Generation Cooperative Incentive Tax Credit Program**

Startups in value-added agriculture can use the New Generation Cooperative Incentive Tax Credits by MASBA to encourage producer-member investment in state-of-the-art processing entities. These processors turn Missouri agricultural commodities and products into value-added goods and provide substantial benefits to Missouri’s agricultural producers and create jobs for Missourians. More at http://agriculture.mo.gov/abd/financial/taxcredits.php.

As a leader in agriculture, Missouri’s cattle, soybeans and cotton production is among the Top 10 nationally. Worldwide, Missouri also has the highest concentration of plant scientists per capita and the second most farms nationally. The state is home to the KC Animal Health Corridor, the largest concentration of industry assets in the world. The nation’s first AgTech accelerator, The Yield Lab, was formed in Missouri. This ultimately means rural communities are very much in the startup game as the state’s AgTech industry gains traction.

To learn more, including how to access these programs, visit www.ded.mo.gov or contact the Missouri Department of Economic Development at 573-751-4962.
TUESDAY, FEBRUARY 9, 2016

12:00 noon Registration
1:30 p.m. Welcome and Opening Remarks
1:45 p.m. Overview of the 2016 Session: Missouri Senate
           The Honorable Ron Richard, President Pro-Tem, Missouri Senate (Invited)
2:15 p.m. Overview of the 2016 Session: Missouri House of Representatives
           The Honorable Todd Richardson, Speaker of Missouri House Representatives (Invited)
2:45 p.m. MML Legislative Briefing
3:15 p.m. Break
3:30 p.m. Funding Missouri’s Transportation System
           Patrick McKenna, Director. Missouri Department of Transportation
4:45 p.m. Adjourn
5:30 p.m. Reception
6:30 p.m. Dinner On Your Own With Legislators

WEDNESDAY, FEBRUARY 10, 2016

7:30 a.m. Breakfast - Capitol Plaza Hotel
8:00 a.m. Congressional Issues
           Carolyn Coleman, Federal Advocacy Director, National League of Cities

Join fellow local leaders from across the state at the MML Legislative Conference to share information, learn about legislative issues, and visit with state legislators. The Conference will provide you with a unique opportunity to:

♦ Learn more about the issues pending in the Legislature;
♦ Participate in discussions with legislators and peers on a wide range of municipal issues;
♦ Visit informally with Senators and Representatives during the legislative reception;
♦ Hear firsthand from invited state officials and learn more about their programs and how they will affect your city.
REGISTRATION: $130 per person; includes reception and breakfast.

- All registrations to be made online, regardless of payment option.
- For those who need to pay by check, please select the “Bill Me” option for your payment method. When you have completed the registration process, you may print off an invoice to submit with your payment and confirmation for your registration.

Online Registration Link, or visit MML Conferences at www.mocities.com.

HOTEL RESERVATIONS: The conference room block is currently open and will close on January 9, 2016. Please make room reservations directly with the Capitol Plaza by calling 1-800-338-8088. Reservations can also be made online by visiting their website and using the group access code. Their website can be found at www.capitolplazajeffersoncity.com and the group access code is 160208MIS. (Additional rooms have been reserved at the Baymont Inn & Suites, across the street from the Capitol Plaza Hotel, call 573-636-5231 for reservations.)

CANCELLATIONS: Received by February 3, 2016, will receive a full refund. No refunds can be made after that date.

If you have any questions please call the League’s office at 573-635-9134.

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Places to Dine in Jefferson City (Please call for reservations for your delegation.)

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<tr>
<th>Place</th>
<th>Address</th>
<th>Phone</th>
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<tbody>
<tr>
<td>Alexandro’s</td>
<td>2125 Missouri Blvd.</td>
<td>634-7740</td>
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<tr>
<td>Applebee’s</td>
<td>2319 Missouri Blvd.</td>
<td>636-6368</td>
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<td>Arris’ Bistro</td>
<td>409 W. Miller St.</td>
<td>634-8400</td>
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<td>Bingham’s-Truman Hotel</td>
<td>1510 Jefferson</td>
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<td>Bones</td>
<td>210 Commercial St.</td>
<td>636-8955</td>
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<td>Chili’s</td>
<td>3515 Missouri Blvd.</td>
<td>761-4765</td>
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<td>Colton’s Steak House and Grill</td>
<td>2415 Missouri Blvd.</td>
<td>635-5336</td>
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<td>Das Stein Haus</td>
<td>1436 Southridge</td>
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<td>Domenico’s Italian Restaurant</td>
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<td>893-5454</td>
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<td>Hunan’s</td>
<td>1416 Missouri Blvd.</td>
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<td>Longhorn Steakhouse</td>
<td>3545 Missouri Blvd.</td>
<td>636-9100</td>
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<td>Madison’s Café</td>
<td>216 Madison</td>
<td>634-2988</td>
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<tr>
<td>O’ Donoghue’s Steak &amp; Seafood</td>
<td>900 East High St.</td>
<td>635-1332</td>
</tr>
<tr>
<td>Prison Brews</td>
<td>305 Ash Street</td>
<td>635-0678</td>
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<tr>
<td>Red Lobster</td>
<td>3519 Country Club Drive</td>
<td>635-6737</td>
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<tr>
<td>Ria’s</td>
<td>3550 W. Edgewood Dr.</td>
<td>636-5221</td>
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<tr>
<td>Sapphire’s - Doubletree Hotel</td>
<td>422 Monroe St.</td>
<td>636-5101</td>
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TAKING PART IN THE LEAGUE’S LOBBYING EFFORT

12 Golden Rules For Grass Roots Involvement

by League Staff

Whenever the Missouri Legislature is in session, the Missouri Municipal League staff must: (1) advocate the cities’ interests directly with senators, representatives and other state officials; and (2) keep municipal officials informed of and involved in city-related developments at the Capitol.

Naturally, the League staff cannot carry out all legislative activities alone, as personal and continuous contact with 197 senators and representatives is a practical impossibility. More importantly, legislators are most interested in the opinions of their constituents back home. Therefore, the most effective legislative communications come from the mayors, councilmembers and other city officials to whom the legislator is locally accountable.

Teamwork, with emphasis on grassroots lobbying by municipal officials, will once again produce a successful session for Missouri cities. The following suggestions can be useful in assuring that your city’s views are heard – and listened to – in the months ahead.

1. Stay Informed

   The League’s Legislative Reports and Alerts are the primary means through which the League communicates legislative information to its member cities. The Legislative Report highlights important, city-related bills as they move through the legislative process. It also serves as a vehicle for requesting action from your city, such as occasional requests for comments regarding a particular bill’s impact on your city; or requests for letters or phone calls of support or opposition.

2. Put Someone In Charge

   Make sure one staff person is responsible for immediate review of the Legislative Report and any Legislative Alerts, and for initiating a timely response by your city.

   This person may be the mayor, the city administrator, an assistant city administrator, an assistant to the city administrator or someone else. During the busiest periods of the legislative session, a response from your city may be needed very quickly, so it is important that someone have the responsibility for coordinating your city’s response.

3. Get Personally Acquainted

   Make it your business to become personally acquainted with your senator and representative. Take an interest in them and get to know their political philosophy.

   If you contact your legislators only when you want their support on a legislative matter, it might be too late. It’s better to be in touch with them throughout their terms of office.

4. Know Your Legislator’s Staff

   It’s also helpful to get to know your legislator’s staff. Frequently, you may need to call the legislator to impress upon him or her your city’s concerns. If you cannot talk directly to your legislator, a call to the Capitol office staffer, whom you know and who knows you, is the next best thing.

5. Respond To The League’s Requests For Assistance

   The Legislative Report or a Legislative Alert will frequently ask for your assistance in analyzing the effects of a bill or in communicating with legislators. Please respond in a timely manner to League requests for bill reviews and letters, phone calls or emails in support or opposition. Keep track of your positions and responses. Make sure that MML receives a copy of any letter or email that you write in response to a League request.

   Remember that the League’s position on a specific piece of legislation may change as the bill is amended. Consequently, it is vital that you continue to respond immediately to requests for letters and emails, even though you may have already communicated at an earlier point in the process.

6. Be Able To Act Quickly

   Establish a procedure for urgent (one-day) action on bills.

   Occasionally, an important amendment is proposed that requires immediate response by cities. The League will request that you take immediate action, or the League staff may call city officials in cities in key legislative districts and ask them to call their legislators right away. You’ll need a quick and simple method to get that call made.

7. Express Yourself

   Surprisingly few people ever contact their legislators. This reluctance usually results from the belief that legislators have no time or inclination to answer their phones or read their mail, and that one single contact won’t make a difference.

   In most cases, these views are mistaken. Thoughtful, factually persuasive contacts can change legislator’s minds and cause them to review their judgments.

   Although a telephone call, email or a letter can be very effective, personal face-to-face contact is the most effective approach.

   Try to talk to your legislators when they are back home in the districts; they are more likely to listen and respond positively in a local environment. Also, when you are in Jefferson City, take the opportunity to drop by and talk to your senator and representative. While members of
the legislature are extremely busy, it should not be assumed they would not have time to see you. After all, they are there to represent your interests and views. Your senator and representative need to be directly exposed to people they represent – including you. They need to know what you think about the issues facing your city and how legislation in Jefferson City will affect you.

Be sure to have accurate facts and good arguments about issues you discuss with legislators and understand the particular bill in question.

**COMMUNICATE CAREFULLY AND THOUGHTFULLY**

Each letter or email you write should address only one bill and should reference the bill number on a separate line at the top of the page. Otherwise, your information may get lost in the system.

Legislators are often caught in a crossfire between conflicting interests and opinions, and their votes may be contrary to your opinion as a municipal official. Present your position logically and base it on facts. Emotional appeals do not influence a vote.

Don’t send just a council resolution. You may want to refer in your letter or email to a resolution, but do not just send the resolution itself.

Identify the bill you are writing about. Give the number of the bill and a brief description of its subject matter. Hundreds of bills are introduced during a regular session, and legislators cannot be expected to immediately recall every one of them merely by a number or a vague description.

Be brief, specific, and to the point. Many issues are complex, but your opinions and arguments have a better chance of being read if they are stated concisely. Remember that your letter will be competing for time and attention with countless others. Most viewpoints can be amply set forth in a carefully written, one-page letter.

Use background material provided by MML as a basis for your own communication, but do not simply copy the language. Give facts and opinions concerning the effects of a particular measure on your own city.

The importance of contacting a legislator on time cannot be overemphasized. A letter does no good if it arrives after a vote.

**KEEP THE LEAGUE STAFF INFORMED**

Always send copies of your letters or emails to the League. The staff needs to know to whom you write, when you write and what you say. If you receive a response from a legislator, let us know about that as well. The League’s legislative staff reads your letters and incorporates your arguments and local circumstances into League testimony. The staff members also cite your letters when they talk with your legislators.

**RECOGNIZE THEIR PROBLEMS**

Your legislators represent all the constituents in your area – liberal and conservative, business and labor. Their duty is to represent all the people to the best of their ability.

There may be times when you think your legislators are on the wrong track, but they may have facts that are not available to you. Try to understand their problems, outlook and objectives.

Never threaten political or other consequences if the senator or representative refuses to see an issue your way. Few respond positively to blatant power plays.

Most controversial legislation is the result of compromise – that’s the way the system operates. There will be times when legislation does not go your way, so don’t be too critical when it happens. You can disagree without being disagreeable. Be very wary of public criticism of your legislator’s actions. Some legislators rarely vote with cities, then come through on crucial votes. Taking them to task in the public forum for a series of votes on relatively unimportant issues can lose their votes permanently on much more vital issues. It’s much more effective to sit down with a legislator in private to discuss areas of disagreement.

**SAY THANKS**

Remember to thank legislators regularly and publicly for their work, support and votes. Never discount the importance of a thank you; it really can make a difference.

This is one of the most important things you can do, because so few people remember to thank their legislators – and legislators clearly remember those who do. Recognition dinners and letters to the editor praising the responsiveness of legislators to local needs can be effective public ways of thanking your legislator.

If you believe your legislators deserve reelection, don’t hesitate to get involved when they are campaigning for another term. That’s the time they need your help most of all.

**DO UNTO OTHERS …**

Approach legislators the way you, as a city official, want to be approached by your constituents – with courtesy and respect.
CITY FISCAL CONDITIONS 2015
by National League of Cities

This year marks the 30th edition of the City Fiscal Conditions survey of city finance officers. Based on the rich historical data accumulated over three business cycles, this year’s report provides an important retrospective and comparative analysis of fiscal impacts resulting from the 1990, 2001 and 2007 recessions, in addition to our annual analysis of current fiscal conditions. In 2015, the fiscal condition of U.S. cities continues to show modest improvement. City finance officers are more optimistic than ever, driven largely by an expansion of General Fund revenues. These recent gains, however, have not been substantial enough to restore the revenue declines of the six years prior. When compared to the 1990 and 2001 recessions, it is clear that the fiscal impacts of the 2007 recession are much more substantial, both in terms of depth and duration.

Key findings from National League of Cities’ annual survey of city finance officers include:

• General Fund revenues registered their first post-recession gains in 2013, with consecutive but slower growth since. Revenues increased 1.3 percent in 2014 and are anticipated to grow .31 percent in 2015. Expenditures increased 1.5 percent in 2014, with continued growth anticipated into 2015.
• Property tax revenues increased a sizable 2.4 percent in 2014, with growth of 1.2 percent expected in 2015.
• Growth in sales tax revenues reached a post-recession high of 6.2 percent in 2012, registered 5.9 percent growth in 2013, 3.1 percent in 2014, and is expected to grow 2.3 percent in 2015.
• Income tax revenues have been the most volatile tax source during the recovery period. Growth reached a post-recession high in 2012, with a 4.4 percent increase over 2011. Cities experienced 3.6 percent year-over-year growth of income taxes in 2013, followed by a dip of -1.7 percent in 2014, and an anticipated return to growth in 2015 with 3.6 percent gains.
• Ending balances are anticipated to reach a 30-year high in 2015, budgeted at 25.2 percent of General Fund expenditures. Ending balances reached a post-recession low in 2010 at 16.5 percent of expenditures, but have grown consistently, standing at 22.8 percent in 2014.
• Infrastructure needs (48 percent), pensions (38 percent) and health care benefits (36 percent) are factors that are most constraining city budgets in 2015. Those having the most positive influences are the value of the city tax base (70 percent), health of the local economy (63 percent) and gas and oil prices (24 percent).

The capacity of city budgets remains weakened coming out of the Great Recession. As a result, evidence suggests that cities are more fiscally conservative than in recent years and are cautiously preparing for the next economic downturn. City fiscal conditions have proven remarkably resilient over the past three decades, but longer-term fiscal sustainability will depend not only on cities’ ability to balance their budgets annually, but also to manage infrastructure and employee-related costs and volatilities such as gas and oil prices, inflation and state aid.
MEETING FISCAL NEEDS

City finance officers are confident that cities are in a better fiscal position this year than last. Eighty-two percent of city finance officers report that their cities are better able to meet the financial needs of their communities in 2015 than in 2014. This level of optimism amongst finance officers is the highest since the inception of the survey and reflective of widespread, incremental improvements amidst an on-going slow and long recovery.

A number of factors combine to impact the ability of cities to meet their fiscal needs. Each year, the survey presents city finance directors with a list of factors that determine revenue performance, spending levels and overall fiscal condition of cities. Respondents are asked whether each of these factors increased or decreased from the previous year and which factors had the most positive and negative influence on the city’s overall fiscal picture.

Gas and oil prices (62 percent), federal aid (38 percent) and state aid (32 percent) are the most widely reported budgetary factors that have declined over the past year. Employee wages and salaries (92 percent), infrastructure needs (87 percent) and prices, or costs of services (82 percent) are factors that have increased in the greatest number of cities.

When asked about the most impactful factors on their budgets, the value of the local tax base (70 percent), health of the local economy (63 percent) and gas and oil prices (24 percent) have the greatest positive influences. The decreased cost to fuel fleets, among other energy-related expenses, is having significant positive impacts on many local budgets. For cities with energy-based economies, however, the prospect may not be as optimistic. In some cities, the energy boom has led to substantial wear and tear on infrastructure and service demands that are outpacing revenues.

Infrastructure needs (48 percent), pension costs (38 percent) and health benefit costs (36 percent) are weighing most negatively on city budgets. Unfortunately, these are also factors that are likely to persist and worsen absent heavy investment.

REVENUE AND SPENDING TRENDS

Each year we ask city finance officers to provide information about the portion of their city’s budget referred to as the General Fund. General Fund revenues are derived from property and other taxes, user fees and shared revenues. Given these sources, trends in General Fund revenues tend to reflect the changing economic and fiscal environment within which cities operate. Additionally, the General Fund provides funding to cities’ general operations and constitutes more than 55 percent of total city spending. General Fund expenditures are mostly discretionary and can be allocated to services as city leaders see fit, such as police, fire, trash pick-up and economic development.

In constant dollars (adjusted to account for inflationary factors in the state-local sector), revenues grew 1.3 percent in 2014 over 2013. Revenues are expected to continue to grow, but slow to a pace of .31 percent in 2015. This will be the third year of consecutive revenue growth. Expenditures experienced growth in 2014 as well, increasing 1.5 percent over 2013. Looking to close 2015, city spending levels are projected to grow by 2.2 percent.

Taking a closer look at revenue behavior during the current business cycle, city budgets have registered positive revenue growth since 2013. Despite this recent growth, revenues have not yet reached pre-recession levels. After the start of the recession in 2007, cities faced six consecutive years of revenue decline. Recent growth has not restored these substantial losses. As of 2015, almost eight years after the start of the recession, cities are operating at only 91.6 percent of 2006 revenues. If growth continues at its current pace, revenues will not reach pre-recession levels for several years.

When compared to the 1990 and 2001 recessions, it becomes clear that the fiscal impacts from the most recent recession are much more substantial, both in terms of depth
During the 1990 recession, cities experienced three years of decline, restoring to pre-recession revenue levels in less than two years. During the 2001 recession, cities experienced revenue decline and volatility for four years, but fully recovered in two.

**TAX REVENUES**

Understanding the performance of key tax sources and their connections to broader economic conditions helps explain the forces behind city revenue behavior during the business cycles discussed previously. The fiscal condition of individual cities varies depending on local tax structure and revenue reliance.

- **Property Taxes.** Local property tax revenues are driven by the value of residential and commercial property, with property tax bills determined by local governments' assessment of the value of property. Property tax revenues are considered more inelastic or less responsive to economic changes since it typically takes deeper, longer-term economic shifts to impact housing values.

- Property tax revenues registered their first, albeit modest, gains in 2013. In 2014 property tax receipts increased 2.4 percent, the largest post-recession year-over-year growth. Growth is anticipated to continue in 2015 for the third consecutive year, but slow to 1.2 percent.

- **Sales Taxes.** Sales taxes are considered more elastic than property taxes because consumer sales are generally quicker to respond to economic shifts. When consumer confidence is high, people spend more on taxable goods and services, and city governments with sales-tax authority reap the benefits through increases in sales tax collections.

  Growth in sales tax revenues reached a post-recession high of 6.2 percent in 2012. Sales taxes have registered positive gains every year since, but the pace of growth has steadily slowed. Sales tax receipts registered 5.9 percent growth in 2013, 3.1 percent in 2014, and are anticipated to grow by 2.3 percent in 2015.

- **Income Taxes.** Local income tax revenues are driven primarily by income and wages (not by capital gains). Like sales taxes, income taxes are a more elastic source of revenue because personal incomes respond more quickly to local economic circumstances.

  The current recovery period has been marked by slow employment and wage growth, widening income inequality, and expansion of low-wage, part-time work and some high-wage jobs with a notable lack of growth in middle income employment. These troubling trends have direct impacts not only on workers, but on city tax rolls, which have registered volatile income tax receipts in recent years.

  After strong growth in 2012 and 2013, income tax receipts registered a decline in 2014 of -1.7 percent. For 2015, income tax revenues are projected to rebound and grow by 3.6 percent.

**ENDING BALANCES**

One way that cities prepare for economic downturns is to maintain adequate levels of General Fund ending balances. Ending balances are similar to reserves, or what might be thought of as cities’ equivalents to “rainy day funds,” in that they provide a financial cushion for cities in the event of a fiscal downturn or the need for an unforeseen outlay. However, unlike states’ reserves or “rainy day funds,” there is no trigger mechanism – such as an increase in unemployment – to force release of the funds; instead, reserves are available for spending at any time or for saving for a specific purpose.

"The solid growth of ending balances signals cities' desire to be more prepared for future fiscal downturns..."

City ending balances, which are transferred forward to the next fiscal year in most cases, are maintained for many reasons. For example, cities build up healthy balances in anticipation of unpredictable events such as natural disasters and economic downturns. But ending balances are also built up deliberately, much like a personal savings account, to set aside funds for planned events such as construction of capital projects.

Bond underwriters also look at reserves as an indicator of fiscal responsibility, which can increase credit ratings and decrease the costs of city debt, thereby saving the city money in annual debt service costs. Finally, as federal and
state aid to cities has become a smaller proportion of city revenues over time, cities have become more self-reliant and are much more likely to set aside funds for emergencies or other purposes.

Ending balances reached a post-recession low in 2010 at 16.5 percent of General Fund expenditures. Since that time, ending balances have grown steadily. In 2014, ending balances were 22.8 percent of expenditures and budgeted at 25.2 percent for 2015. Importantly, actual ending balances often register at higher levels than projected ending balances so we anticipate even stronger growth this year, making 2015 a banner year for ending balances. The solid growth of ending balances signals cities’ desire to be more prepared for future fiscal downturns and recognition that key tax revenues, along with state and federal aid, have become less reliable.

Fiscal Policy Actions

Most cities are required to balance their budgets on an annual basis. This means that they are actively adjusting revenues and expenditures throughout the year. To better understand these fiscal policy responses, we asked city finance officers about specific revenue and spending actions taken in 2015.

As has been the case for much of the past two decades, regardless of the state of national, regional or local economies, the most common action taken to boost city revenues has been to increase fees charged for services. Two in five (42 percent) city finance officers report that their city has raised fee levels. Approximately one in five cities increased the number of fees that are applied to city services (22 percent).

Twenty-one percent of cities increased the local property tax in 2015. Since the mid-1990’s, irrespective of economic conditions, the percentage of city finance officers reporting increases in property taxes in any given year has been reported at about this same level, reflecting state- and voter-imposed restrictions on local property tax authority as well as the political challenges of raising property tax rates. Increases in sales, income or other taxes are even less common, as continued to be the case in 2015.

When asked about expenditure actions taken in 2015, most cities increased employee wages (83 percent), public safety expenditures (80 percent) and infrastructure spending (71 percent). During the recession, spending on employee wages, both wage levels and total municipal employment, declined sharply. Given the role of city staff in service provision, notably public safety, reinvestments in these critical areas are an important sign of service restoration.

The strong majority of cities also report increased spending on infrastructure. Spending levels, however, have not returned to pre-recession levels and are likely insufficient to resolve the back log of infrastructure needs.12

Conclusion

City fiscal conditions continue to improve, but remain weakened nearly eight years after the start of the Great Recession. As fiscal year 2015 draws to a close, revenues have experienced three consecutive years of growth. This is an indication that city budgets are stabilizing, however revenue bases are still below pre-recession levels. Growth is slow and fiscal challenges are likely to continue due to rising spending demands.

Will recovery of General Fund revenues come too late?

Based on the recent pace of growth, it is quite possible that revenues will not fully recover before the next recession hits. Economists predict that the U.S. will see the next downturn somewhere around 2018.13 Based on conservative estimates of one percent revenue growth, and holding all other conditions constant, revenues would not return to pre-recession levels until 2024. Using more generous estimates of two percent growth (General Fund revenues have rarely grown larger than two percent in recent history), revenues would hit prerecession levels in 2020. In either scenario, it is probable that city revenues will not return to their previous levels before the next recession. Cities are aware of their precarious revenue situation, evidenced by their growing ending balances.

What is the fiscal condition of states, and its impact on cities?

The fiscal outlook for states varies widely, but most states are experiencing slow growth in revenues, coupled with new and expanding expenditures, including Medicaid. As a result, many states have reported budget shortfalls for the upcoming fiscal year.14 This has been, and will continue to be, a challenge for cities because often the decisions that states make to balance budgets exacerbate negative fiscal and economic conditions in cities. Specific state actions that directly impact the fiscal stability of cities include cuts in general aid, cuts in state-shared and/or state collected
revenues, revocation or reduction of reimbursement programs or other transfers, cuts in funding for services that cities and other local governments deliver on behalf of state governments, transfer of state program responsibility, and reductions or limits to local taxing authority.

What is the longer-term impact of the drop in gas and oil prices on city budgets?

As large consumers of energy, the recent decline in gas and oil prices has meant positive budgetary impacts for many U.S. cities. However, it is likely that these prices are volatile and will fluctuate in the coming months. Based on this volatility, longer-term fiscal impacts will be decided by whether cities budget future energy expenditures based on current low prices and whether they allocate short-term savings to pay for long-term fixed costs (i.e., personnel). Oil is also a key ingredient in materials used to repair roads, having the residual benefit of making infrastructure improvements less costly. This, combined with low interest rates, suggests an ideal environment for cities to take on new debt to tackle extensive infrastructure repair and replacement backlog.

What is the outlook for infrastructure financing?

That the nation faces a massive infrastructure deficit is no longer news. Research clearly demonstrates that underfunding maintenance has reached critical proportions, and estimates of the backlog in infrastructure investment tops $3 trillion. Half of America’s cities identified ‘infrastructure’ as one of the three most challenging issues confronting municipalities today, and that figure has been high for over 20 years. Although borrowing costs are quite low for most municipalities, the repayment schedule often means that debt repayment competes with basic operating needs of a city. The long-term economic and community growth potentials of cities could be compromised should cities, and other partners, not address the infrastructure crisis soon.

How big is the pension crisis, sector wide?

Public pension funding ratios registered their first post-recession improvements in 2014, and the outlook for the next several years suggests steady improvement unless plans experience lower than assumed asset returns. Many cities have already made adjustments to their investment-return assumptions since the recession, which bodes well for future sustainability. Beyond this, the pension challenges for cities are multifaceted and unique based on their underlying economy, tax capacity, state fiscal health and availability of policy choices. For example, Chicago has a very diverse and robust underlying economy and the tax capacity to address some issues. The major problem for Chicago is that the state of Illinois is cash-strapped, so any resource transfer from the state is unlikely. The Court also has forced the state and the city to address its financial problems but not to solve them on the backs of pensioners. As a result, the City of Chicago is exploring a property tax increase to help meet pension obligations.

These factors, along with another downturn likely within the next few years, portend more challenging times ahead for city budgets. Budgeting in this environment has been, and will continue to be, an ongoing process of revenue and expenditure choices that affect services, public employee welfare, and conditions for future economic growth. Although uncertainty marks the fiscal landscape, city leaders have learned how to cope with limited fiscal tools and revenue capacity and may be even more prepared for the next downturn given the build-up of ending balances. However, simply because they are able to manage under difficult circumstances does not mean that it will be easy, or without consequence. The choices cities are making involve tradeoffs, and it has become evident that investments critical to our nation’s prosperity are at stake. In the years ahead, as cities continue to navigate their roles as fiscal stewards, stronger state and Federal partnerships will be critical to enabling the fiscal choices that will allow cities to grow, innovate, and propel our economy forward.

View the complete report and all footnotes at: http://www.nlc.org/Documents/Find%20City%20Solutions/Research%20Innovation/Finance/CSAR%20City%20Fiscal%20Conditions%202015%20FINAL.pdf.
Is your community prepared for the spring tornado season or other outdoor emergencies?

If not, contact Outdoor Warning Consulting!

Have You Seen the Recent Updates to MML's Financing Capital Improvements Technical Bulletin?

This 53-page bulletin provides an overview of the requirements and regulations involved in issuing municipal bonds and reviews the many economic development programs available to Missouri municipalities.

Download today from the League website at www.mocities.com.

Many thanks to Gilmore & Bell, P. C., for revising and updating this document for Missouri municipalities!
GET TO KNOW YOUR MML BOARD OF DIRECTORS:

**Mayor Kathy Rose, City of Riverside**

Kathy Rose  
Mayor, City of Riverside  
MML Vice President

What Sparked Your Interest In Local Government?

My career as a court administrator allowed me to learn and know the business in running local government. I had always been active in community events and served on the City park board. My mother had been the mayor for 16 years and due to a health issue was not able to continue. The City was experiencing a lot of activity and positive change; I was invested as a 25-year employee and a lifelong resident, and decided to throw my hat in the ring.

What Has Been The Toughest Lesson You Have Learned During Your Career In Local Government?

Patience. Individuals make choices/decisions that generally have narrow impacts. As an elected official, a number of factors impact that choice/decision. It takes time to understand the issues, processes and possible outcomes.

In Your Opinion, What Is The Most Important Issue Facing Local Government In Missouri?

Local decision-making ability is by far the biggest challenge for Missouri municipalities. We have seen time and time again where legislators enact legislation to address, fix, or mandate issues/concerns of a few that create hardships for everyone.

What Goals Do You Have This Year As You Serve As MML’s Vice President?

As vice-president of MML my goal is to in rease membership so that all communities are aware of the valuable resources MML provides. I would also like to create a common voice or message to maintain our statewide transportation system.

What Advice Would You Give To Someone New To Local Government?

Know the issues, know your constituents, know the culture and values of the community, know that your personal life will be sacrificed for others and have lots of passion and energy.

How Would You Describe Your City To Someone Who Had Never Visited?

A small town that focuses on delivering quality services and providing a wonderful quality of life.

Riverside has 3,000 people and encompasses six square miles. Our workforce population rises to 15,000. We have a rich history and wonderful amenities and our location is considered the 15-minute-from-anywhere location in the Kansas City region.

What Are Your Interests Outside Of Local Government?

I love spending time with my family and friends, exercising, reading and watching sporting events... Royals Rule!

Where Would You Like To Travel And Why?

I have been blessed to have a lot of opportunities to travel. My husband and I especially enjoy beach destinations. My “bucket list” trip would be to New Zealand and Australia. Why? Because you never know when they need another Zena Warrior Princess!

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3 STEPS CITIES CAN TAKE TO ANCHOR ECONOMIC PARTNERSHIPS

by Neil Kleiman

With a new approach, anchor institutions have the ability to accelerate economic development priorities and reshape their hometowns for the better.

Anchor institutions — colleges, universities and hospitals — are predominant local economic actors, often the largest employers within a city. These institutions provide a knowledge foundation for their home cities while also being drivers of local development. Medical centers and research universities foster an entrepreneurial climate that attracts young professionals and leads to spin-off companies in the growing tech economy. In virtually every city in the United States, there is recognition of this mutual interdependence, but rarely does that awareness extend to a consistent working relationship. The full potential of these partnerships has not been realized because of mistrust, half-starts and half-realized results.

While partnerships — the best of which rely on the combined efforts of the philanthropic, anchor and public sectors — have been lacking, they are getting stronger. Smaller cities, to their credit, tend to have a greater connection to their anchor leadership. Cities such as Wilkes-Barre, Pennsylvania, Waco, Texas, and Kansas City, Kansas, are great examples of turnaround strategies jointly planned by anchor institution and local leadership. However, partnerships between anchors and cities often go awry. A university or hospital may work with local government on one specific project or community service program, but on others relationships can be marked by tense negotiations around real estate expansion, arguments over tax-exempt status and miscommunications stemming from a lack of understanding about how to engage productively with one another.

In our recently released report, Striking a (Local) Grand Bargain, the National Resource Network, NYU Wagner and the Urban Institute provide the following steps to establishing a productive and far-reaching connection between anchor institutions and cities that will lead to structured, systematic partnerships in pursuit of mutual self-interest and large-scale improvements.

STEP ONE: ESTABLISHING THE BARGAIN

Building a grand bargain may sound intuitive, but it means local leaders must take the initiative with the following actions:

1. Identify clear community priorities appropriate for anchor institution partnership.
2. Identify the best external partners from the philanthropic sector, business community or the federal government to advance local effort.
3. Build on what you have. Many local communities felt that they don’t know where to begin, but invariably there is already some collaborative activity — even if at a small scale — that can be built on.
4. Engage senior level leadership at local institutions to craft shared goals and strategies together.

STEP TWO: LEVERAGING SUPPORTIVE MECHANISMS

There are a number of mechanisms that can greatly advance any local compact. The federal government, as in years past, has developed tools and programs that can support partnership efforts, but it’s incumbent on local leaders to put them to good use. Tactics for leveraging supportive mechanisms include:

1. Build a platform to increase community engagement in the community health needs assessment process (part of the new Affordable Care Act) so that hospitals and community groups can drive investment tailored to specific community needs.
2. Use the tax code to encourage hospital community and economic development activity.

STEP THREE: MAINTAINING AN ECOSYSTEM FOR COLLABORATION

Without strong, consistent and regenerative leadership, compacts and partnerships will not withstand the test of time. An infrastructure of education and support must be put in place to keep the local ecosystem healthy. Even those anchor institutions that engage in major outreach efforts find that the focus and cultural change needed within their institutions is significant. The following are tactics for maintaining an ecosystem for collaboration:

1. Rally all stakeholders around a laser focus on local and regional workforce needs. Colleges should use data and engage local firms to build curricular-based pathways around the exact skills and credentials employers need.
2. Implement leadership trainings for institutions, public officials and community leaders. Regionally based trainings can clarify roles and interests and establish clear lines of communication.

Anchor institutions, despite their namesake, are not holding cities back. With a new approach, a Grand Bargain based on shared interests, anchor institutions have the ability to accelerate economic development priorities and reshape their hometowns for the better.

Neil Kleiman is the Director of NYU’s Wagner Innovation Labs, and serves as the National Resource Network’s Deputy Executive Director for Policy and Research. This article reprinted with permission from the author and appears on the National League of Cities “Cities Speak” blog.
Since 1983, the State and Local Legal Center (SLLC) has filed amicus curiae briefs to the United States Supreme Court on behalf of the “Big Seven” national organizations representing the interests of state and local government. The Big Seven groups include: the National Governors Association, the National Conference of State Legislatures, the National League of Cities, the National Conference of Mayors, the National Association of Counties, and the International City/County Management Association. The International Municipal Lawyers Association and the Government Finance Officers Association also belong to the SLLC.

State leagues participate in the SLLC through the National League of Cities.

The SLLC files an amicus brief in a Supreme Court case where three of the seven members of the SLLC want a brief written and two organizations do not veto participation. Each SLLC member decides whether to sign onto an SLLC brief after reviewing its contents.

To date, the SLLC has filed more than 300 Supreme Court briefs. The SLLC generally files briefs in cases involving federalism and preemption, and other cases where the interests of state and local government are at stake.

It is not unusual for the Court to cite or quote an SLLC brief in an opinion or discuss an SLLC brief at oral argument.

Lisa Soronen is the Executive Director of the SLLC. She is a resource to the Big Seven on the Supreme Court. The SLLC also offers moot courts to attorneys arguing state and local government cases before the Supreme Court. Each year, the SLLC offers Supreme Court review, preview, and mid-term webinars and articles focusing on cases from the term affecting state and local government.

Lisa also writes about Supreme Court cases affecting cities on the NLC blog, the “Weekly,” and the “Federal Advocacy Update.”

To learn more about the SLLC and to read the briefs the SLLC has recently filed, visit the SLLC’s website at http://www.statelocallc.org/. Follow the SLLC on Twitter for up-to-date information on Supreme Court grants and decisions affecting state government: www.twitter.com/sllcscotus.
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The Missouri Municipal League elected two new members to the MML Board of Directors at the MML Board of Directors meeting Nov. 18 in Columbia, Missouri.

The new members are St. Charles Mayor Sally Faith and Harrisonville Finance Director Marcella McCoy. Mayor Faith has served with St. Charles since 2011. She previously represented St. Charles County (District 15) in the Missouri House of Representatives. Mayor Faith served as Chair and Vice-Chair of the St. Charles County Council District 5, and served on the first Board of Trustees for St. Charles Community College. Previously, Mayor Faith worked as Director of Development for the St. Charles Community College Foundation, and Director of Marketing for Whitmoor Country Club. In addition to her duties in St. Charles, Mayor Faith is a member of the St. Charles Transit Authority, Athena Leadership Foundation, the Rotary Club of St. Charles, and the Greater St. Charles County Chamber of Commerce. She also served on the Board of Directors of Bridgeway, Focus St. Louis, Connections to Success, New Frontier Bank, Habitat for Humanity, and the Foundry Art Centre.

McCoy brings 25 years of municipal government finance experience the Board. She worked in the private sector for several years before serving as finance technician for the city of Blue Springs, Missouri. She received her accounting degree from William Jewell College during the ten years working for Blue Springs. McCoy also served as finance manager for the city of Liberty and as the city clerk/finance officer for the city of Odessa.

Municipalities must vote on a vehicle sales tax by November 2016. Questions? We can help! Contact MML at info@mocities.com or (573) 635-9134.
The Court of Appeals for the Eastern District of Missouri recently addressed an issue involving redevelopment in the city of Clayton. In the case of Phillips v. City of Clayton, the Court held that the ordinances approving a redevelopment project for a $72,000,000 residential apartment tower in downtown Clayton were not subject to referendum by the voters. In that case, the city of Clayton had approved a development agreement with a developer that provided for a 50 percent abatement of taxes for 10 years and 50 percent for the following 10 years based on fair market value. The City had a Charter provision that provided that ordinances passed on the day of their introduction or ordinances levying taxes, were not subject to referendum. The trial court held in favor of the city of Clayton in rejecting the referendum petition. The Court of Appeals affirmed the finding that the Charter provision applied since the bill was voted on the day of introduction. The Court of Appeals also determined that the abatement ordinance also constituted a levy of the tax, and therefore was not subject to referendum under the City’s Charter. The Court also rejected the petitioner’s argument that the ordinances were legislative as opposed to administrative in nature under Missouri law.

A second recent ruling came from the Circuit Court of Boone County. In that case the Boone County counselor had filed suit against the city of Columbia seeking relief for the City’s failure to comply with the reporting requirements regarding tax increment financing (TIF) projects. The TIF statutes in Chapter 99 RSMo have three separate reporting requirements for municipalities engaged in TIF projects. In 2009, the Missouri General Assembly passed a law, which states that any municipality that fails to comply with any of the reporting requirements shall be prohibited from implementing any new TIF projects for no less than five years. The Court found that the City had violated the reporting requirements approximately 25 times. The Circuit Court held that the city of Columbia was prohibited from implementing any new TIF project for no less than five years. This decision is subject to rehearing or appeal but it does point out a very significant matter of law. The reporting requirements of Chapter 99 should be strictly followed. Otherwise, a municipality could be at risk for losing the ability to redevelop and better one’s community for a period of no less than five years. This would be a very significant blow to municipalities who engage in TIF projects without following the reporting requirements.

Kenneth J. Heinz is a Principal with Curtis, Heinz, Garrett & O’Keefe, P.C. He serves as general counsel for several communities. Heinz has been active as special counsel to many municipalities in Missouri and Illinois on municipal issues. He has delivered seminars to many public and private groups at the local and state level on municipal issues, such as municipal contracts, zoning and sunshine law. Contact the firm at 314-725-8788 or www.chgolaw.com.

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MML Calendar of Events

2016

February
9-10  MML Legislative Conference, Jefferson City, Missouri
14-20 Safe Schools and Communities Week

March
5-9  National League of Cities Congressional City Conference, Washington, D.C.

May
1-7  Missouri Local Government Week
4-6  2016 MCMA Annual Spring Conference, Lake Ozark, Missouri

June
9-10  Elected Officials Training Conference, Columbia, Missouri
23  MML Policy Committee Meeting

July
28  MML Resolutions Committee Meeting

September
11-14  82nd MML Annual Conference, St. Louis, Missouri

For more events, visit the events calendar at www.mocities.com.

Registration is open for The Congressional City Conference

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