

**UNIVERSITY CITY COUNCIL  
STUDY SESSION MINUTES**

5th Floor of City Hall

6801 Delmar

April 19, 2017

5:30 p.m.

**1. MEETING CALLED TO ORDER**

The City Council Study Session was held in Council Chambers on the fifth floor of City Hall, on Wednesday, April 19, 2017. Mayor Welsch called the Study Session to order at 5:30 p.m. In addition, the following members of Council were present:

Councilmember Rod Jennings; (*Arrived at 5:45 p.m.*)  
Councilmember Paulette Carr  
Councilmember Steven McMahon  
Councilmember Terry Crow; (*Excused*)  
Councilmember Michael Glickert  
Councilmember Bwayne Smotherson

Also in attendance were Interim City Manager Charles Adams, Finance Director Tina Charumilind, Community Development Director Andrea Riganti, Police Chief Larry Hampton, Fire Chief Adam Long, Public Works and Parks Project Managers Errol Tate and Jenny Wendt.

**2. AGENDA**

- **FY18 Budget**  
*Requested by the Interim City Manager*

Mr. Adams presented the following information associated with the Draft Budget for FY18, commencing July 1, 2017, and ending June 30, 2018.

**Budget Influencers**

- \$200,000 decrease in gross receipt taxes resulting from the elimination of landlines
- Decrease in court revenue resulting from the restriction of fines mandated by Missouri Senate Bill 572
- \$100,000 decrease in sales tax review resulting from St. Louis County's redistribution of sales tax funds as mandated by Missouri Senate Bill 867
- \$12,500 Partnership with the School District and local businesses to continue community youth programs
- \$20,000 funding to U City in Bloom, Fair U City and the Arts & Letters Commission

**Budget Challenges**

- Declining population; 35,400 as opposed to 37,500, equates to an estimated \$200,000 reduction in revenue
- Aging infrastructure
- Renovation/construction of the Police Department

- Repairs needed for streets, sidewalks, and curbing
- Repairs needed for City Hall, Centennial Commons, and Heman Park Pool
- Police and Fire pension plans; currently funded at 79%; recommended for at least 80%

### **Revenue**

- 1% increase in the valuation of properties resulting from recent property tax assessments
- 1.8 million dollars derived from the new Public Safety Sales Tax once all taxes are accumulated. The Finance Director has estimated that the City will have received approximately \$800,000 from this tax by December.
- 3.7% for Municipal Court & Park
- 6.8% for Recreational fees
- 26.6% for Gross receipt taxes
- 28.1% for Sales taxes

### **General Revenue Fund**

- \$23, 958,500 represents the proposed budget for the general revenue fund
- Budgeted expenditures represent \$24,428,500, creating a deficit of \$470,000
- ❖ *Salaries for the Interim City Clerk, as well as replacement of the City Clerk, have been included in the budgeted expenditures.*
- ❖ *The General Administration Budget for the City Manager's office primarily consists of contractual services associated with legal services. As cases are resolved, this dollar amount has been projected to decrease by 18% in FY18.*
- ❖ *The transfer of pre-employment hiring expenditures from HR to the Police and Fire Departments has resulted in a 7.8% decrease in contractual services.*

### **Expenditures**

- Leasing of land and temporary police facility
- 2% Cost of living increase for employees
- 2% Increase in Medical Insurance
- 2% Increase in other employee benefits

### **Fund Reserve**

- \$8,500.00 represents the total reserve fund balance as of FY16
- An additional 7 million dollars has been earmarked for construction or renovation of the police facility

Mayor Welsch stated for some reason she thought that the Human Resources Director fell under the Department of Finance. Mr. Adams stated although the two departments work hand-in-hand with one another, HR basically falls under the umbrella of the City Manager's office.

### **Administrative Services**

Finance Director Tina Charumilind presented the following budget information for the Administrative Services Department, which consists of finance, information technology, and municipal courts.

- ❖ *Finance is responsible for ensuring that the City's financial affairs are in compliance with generally accepted accounting principles, as well as Federal, State and Municipals Codes.*
- Total budget 1.8 million dollars
- A 5% increase is projected for Personnel Services in FY18, to comply with recommendations made by an independent auditor to augment the segregation of duties within the department.
- The addition of an annual maintenance contract for the Kronos time and attendance software resulted in an increase in contractual services.
- Funds have been allocated under Commodities to replace the City's existing parking meters with pay stations similar to the model employed by the City of St. Louis for the purpose of creating a seamless interface.
- Funds have been allocated under Capital Outlay for the cost of purchasing the pay station located at the Tivoli parking lot and new computers. *(New computers are purchased every three years and older systems are assigned to employees who have a lower level of usage.)*
- Costs associated with the Municipal Court have remained at the same level year-after-year.
- The network upgrade for Information Technology will be completed by the end of FY17, resulting in a 54% decrease in commodities. (No new expenditures are planned for FY18.)

Mayor Welsch questioned whether the cost for all of the work performed at the Police Station could be found within the IT budget? Ms. Charumilind stated several months ago the budget was amended in the amount of \$400,000, to pay for some of those expenses which are separate and apart from the Information Technology expenditures.

### **Police Department**

Police Chief Larry Hampton presented the following budget information for the Police Department. In FY17 the budget was amended to include an allocation of \$1,832,200 to cover expenses associated with the temporary police facility. The FY18 budget projects that 80% of the department's funding will go to salaries and 20% will be used for commodities and contractual services.

- 2% Cost of living increase
  - 8% increase in contractual services due to modular rental expenses
  - 18% decrease in commodities
  - No funds have been allocated for capital improvements
- ❖ *A backup generator was purchased in 2017 to ensure that the temporary facility remains operational at all times.*

### **Fire Department**

Fire Chief Adam Long presented the following budget information for the Fire Department.

- 16% decrease in personnel services resulting from a reduction in force and overtime
- 1% increase in contractual services resulting from the lease/purchase agreement for a new fire truck
- 13% decrease in commodities as a result of outsourcing
- No funds have been allocated for capital improvements

Mayor Welsch asked Chief Long if he could provide Council with a percentage for the amount of overtime that has been reduced. Chief Long stated although he is not certain of the exact percentage, last year the Department spent approximately \$300,000 in overtime and since April of 2017 that amount has been reduced to approximately \$20,000.

Councilmember Carr asked Chief Long for an explanation of how overtime could be reduced if there had also been a reduction in force? Chief Long stated pursuant to the Collective Bargaining Agreement (CBA), the Department was required to have eleven firefighters on duty, per day. However, the Department's belief was that only eleven firefighters were needed per shift. The Local sued the City and the courts ruled in favor of the City. So today, instead of eleven firefighters on duty, per day, there is a minimum of seven firefighters on duty. Councilmember Carr questioned whether salaries for the positions that have been eliminated were still included in this year's budget? Chief Long stated two captain's positions and one firefighter position; a non-paramedic, who had been grandfathered in, should have been eliminated from the budget. The Department now consists of one Chief, one Assistant Chief, three Battalion Chiefs, six Captains, twenty-four firefighters, and an Executive Secretary. So the budget for FY18 should reflect thirty-six employees rather than forty-two. Councilmember Carr stated the budget appears to reflect eight Captains and twenty-seven firefighters. Chief Long acknowledged that those numbers were incorrect. Councilmember Carr questioned whether this year's budget should reflect a total reduction of five positions? Chief Long agreed that the budget should be amended to reflect the correct reduction in staff.

Mayor Welsch asked whether the Department still utilized four firefighters on each truck? Chief Long stated for years the City paid for eight Captains when only six were needed for three shifts. So, in spite of the fact that there has been a decrease in personnel the Department is not understaffed. The goal is to have nine people working per day, which includes four firefighters on each truck and a Battalion Chief.

Councilmember Carr questioned whether at least three of the five positions originally proposed in last year's budget are being eliminated in FY18? Chief Long stated that was correct.

Mayor Welsch questioned whether her understanding that in the past there had only been three firefighters per truck was correct? Chief Long stated that was correct. Mayor Welsch stated she had also been told that the City used to operate three firehouses and that some of this overstaffing was a remnant of that additional facility? Chief Long agreed and stated once the third firehouse was closed and the City only had two responding fire trucks, there was no longer a need for two additional Captains.

Councilmember Carr questioned whether the Department was also responsible for the operation of two ambulances during that period of time? Chief Long stated that it was, however, ambulances were staffed by paramedic firefighters and not captains.

Councilmember McMahon asked how often the Department was able to hit their goal of four firefighters on a truck? Chief Long stated the Department is able to achieve that goal more often than not. And some days there may even be five firefighters on a truck. Councilmember McMahon asked if "more often than not" equaled 51% of the time? Chief Long stated "more often than not" equaled more than 51% of the time.

### **Public Works and Parks**

Tina Charumilind presented the following budget information for the Public Works and Parks Director, who is out of town this week. She noted the presence of Project Managers Errol Tate and Jenny Wendt, who were available to answer any questions.

- ❖ *Public Works consists of six divisions, Administration, Engineering, Street Maintenance, Parks, Solid Waste, and Golf.*
- 2% Cost of living increase
- Increase in Professional services due to compliance with MS4; the Municipal Separate Storm Sewer System
- Decrease in commodities resulting from a surplus of salt and underutilization of fuel
- 25% of the personnel cost for Street Maintenance and Parks was transferred to the Capital Improvement Sales Tax and Park and Stormwater Sales Tax funds.
- ❖ *These two funds were removed from the Public Works budget in 2016 and placed into separate funds where their revenue and expenditures could be clearly delineated*

Councilmember Carr asked if the remaining 75% in the two funds could be used for capital improvements to parks and stormwater? Ms. Charumilind stated that a portion of that 75% would also be utilized to repay the 2012 Certificate of Participation (COP).

Mayor Welsch asked Ms. Charumilind if the 2012 COP was a result of refinancing the two earlier certificates? Ms. Charumilind stated that was correct. The 2003 and 2004 COP(s) had been refinanced and consolidated, resulting in the new 2012 certificate.

Councilmember Carr asked if it was anticipated that the 2012 COP would be paid off in 2020? Ms. Charumilind stated it was.

- ❖ *Solid Waste Management, also referred to as the Enterprise Fund, consists of three divisions.*
- ❖ *Cost allocations for personnel in Solid Waste Management are derived from several divisions within Public Works since their duties include customer service related activities that support Administration and Finance.*
- The total budget of 2.5 million dollars reflects a deficit of approximately \$300,000
- Personnel services for the Operations Division within Solid Waste is relatively high due to the retention of one staff position

- ❖ Staff believes they can reduce this shortfall by hiring some of their temporary workers as part-time employees and trimming down costs associated with the outsourcing of mulch to \$175,000.

Councilmember Carr asked whether the deficit was a result of the Department's use of temporary employees and the outsourcing of mulch? Ms. Charumilind stated the deficit is the result of various factors, but staff believes these are two areas where they can cut costs to reduce the deficit.

Councilmember Carr stated her understanding is that there was a \$300,000 deficit prior to the elimination of one employee and the 12% increase imposed on residents. So is it staff's belief that this deficit will remain in spite of these actions? Ms. Charumilind informed Councilmember Carr that Council did not approve the elimination of that particular position, so it has been included in this budget. Councilmember Carr asked if it was correct to assume that the funds had not been spent? Ms. Charumilind acknowledged that the funds had not been spent.

Councilmember Smotherson asked what type of progress was being made in the collection of delinquent accounts and whether this was contributing to this year's deficit. Ms. Charumilind stated even though the City does not collect %100 of the monies due from these bills according to accounting principles it is viewed as revenue because the monies were earned. So, it is not a contributing factor. Once the customer's bill reaches \$250.00 their service is discontinued, they are given a deadline in which to pay the remaining balance, and if there is no compliance a lien is placed on the property. Councilmember Smotherson asked if the City was still utilizing the services of a collection agency to assist them with these delinquent accounts? Ms. Charumilind stated accounts are sent to a collection agency after one year of non-compliance.

Mr. Adams stated the topic of Waste Management's delinquent accounts had been discussed earlier today and rather than guessing, he would like some additional time to conduct research and provide Council with the hard figures.

Mayor Welsch asked Ms. Charumilind if she was saying that according to accounting principles the budget will reflect that the City collected 5 million dollars since that was the amount billed for, even though the actual amount collected may be only 3 million dollars? Ms. Charumilind stated those funds are viewed as receivables, so it is perceived and accounted for as part of the City's revenue.

### **Community Development**

Community Development Director Andrea Riganti presented the following budget information for her department.

- Total budget 4.1 million dollars
- 45% allocated to community development activities; planning, zoning, economic development, building services, property maintenance and animal control
- 35% allocated to recreational activities; Centennial Commons, aquatics, and the community center

- 20% allocated for facilities and maintenance
  - No significant increases related to personnel
  - Reduction of part-time employees at Centennial Commons
  - Increase in contractual services as a result of the recently approved outsourcing of lifeguards
  - Modest increase in commodities as a result of the purchase of new exercise equipment for the City's recreational facilities
  - Capital outlay reflects an increase based on the City's needs associated with building maintenance
- ❖ *Staff is proposing the addition of one full-time employee to assist with maintenance of all City-owned facilities. Currently, the Department has only one employee assigned to handle all of the issues related to maintenance of these facilities.*

Ms. Riganti stated her Department is also responsible for overseeing the EDRST which will generate approximately \$665,000 for FY18. The specific projects were presented to Council in a Joint Study Session on March 27, 2017, and since that time there has been one change to the Board's recommendation. Create Space has withdrawn their request for funding in the amount of \$130,000.

Councilmember Carr questioned why monies for Arts & Letters, which she presumed was for Starlight Concerts, and Fair U City, were being charged against the City Manager's budget since they are clearly recreational? Mr. Adams informed Councilmember Carr that her presumption about Starlight Concerts was correct. Ms. Charumilind stated that staff would transfer the monies and budget them differently going forward. Councilmember Carr stated previously Council had not been apprised about funding for projects that fell under the \$25,000 non-disclosure stipulation and at some point in time she would like a member of staff to provide her with an explanation of the City Manager's discretionary fund.

Mayor Welsch asked Ms. Riganti whether an evaluation of all City-owned property had been performed to determine the extent of the maintenance needed for each building? Ms. Riganti stated that a report is referenced in the Capital Improvement Project section of the budget entitled "EMG," which is an overall evaluation of each facility. It contains both a long-term and short-term maintenance plan that dictates how projects are presented to City Council. Mayor Welsch asked if the report could be shared with City Council? Ms. Riganti stated currently, it is in a draft format, so she would have to discuss the release of this report with the Interim City Manager.

Councilmember Smotherson asked Ms. Riganti why her budget reflected an increase for contractual services; which she associated with the outsourcing of lifeguards when the general understanding had been that outsourcing would save the City money? Ms. Riganti stated Council did not allocate the additional \$55,000 necessary to cover extended pool hours in the FY17 budget. But once approval was granted for outsourcing the contractual amount, which comprises a total dollar figure similar to the request made in FY17, was added to the budget for FY18.

Councilmember Carr asked the Departments of Public Works and Community Development if they could provide Council with a list of all the professional services being utilized by each department so they could understand exactly what to anticipate.

She stated that in FY13 funds were allocated for the Senior Task Force's budget which went away at the end of FY13. This year they would like to explore the option of transportation for seniors, which both the present and past Chairs have discussed with the City Manager and Finance Director. Councilmember Carr stated as the liaison for this group she would like to request that their proposal be considered and that Council vote on whether or not to establish such a policy and how it would be effected. She stated at one point, her understanding is that funding was allocated under the City Manager's budget.

Councilmember Glickert asked staff if they could provide Council with the total amount of savings achieved by the outsourcing of lifeguards, specifically with respect to HR? Ms. Riganti stated she did not have the exact number tonight, but would make sure that it was provided to Council.

Councilmember Glickert asked Ms. Charumilind if she anticipated replacing all of the City's parking meters with pay stations? Ms. Charumilind stated the initial plan is to start in The Loop, see how it works, and if they enhance the City's revenue consideration will then be given to whether or not it is feasible to replace other meters. Councilmember Glickert asked what conclusion had staff reached with respect to the pay stations on the Tivoli parking lot? Ms. Charumilind stated the process had made it more convenient for the City to collect revenue from parking. Councilmember Glickert stated he has had numerous people talk to him about broken meters in The Loop, so he would welcome any new opportunities for the City to increase its collections. Ms. Charumilind informed Councilmember Glickert that because the Tivoli parking lot had been a pilot program the City had been able to purchase the pay stations for this location at a much lower rate.

Councilmember Glickert commended Ms. Charumilind for her excellent work on preparing the City's budget and noted the one thing that had not been discussed; which he believes coincides with the FY18 budget, is the Trolley's financial impact on the City. The fare boxes and kiosks seem to present more of a burden on the City, so is there any anticipation of the City's revenue being enhanced by this new venture? Ms. Charumilind informed Councilmember Glickert that she had not had any involvement in this project, but would be willing to make some inquiries to learn more about it. Councilmember Glickert asked if the City was slated to receive any compensation from the Trolley or if all monies went to the TDD? Ms. Charumilind stated that her belief is that the TDD; a private company with no relationship to the City, would retain the revenue associated with operating the Trolley.

For clarification, Mayor Welsch informed Council that all funds would go to the entity designated to operate and manage the system, which is the Loop Trolley Company. She stated she is aware of long lines and other problems associated with the Tivoli pay stations and was curious as to whether they were working better today than they had been in the past?

Ms. Charumilind stated every once in a while she had received a complaint, but the problems were always fixed immediately. So the fact that she is able to see a consistent stream of revenue leads her to believe that everything is working properly. Mayor Welsch stated she has experienced more problems with the meters utilized by



the City of St. Louis than she has in other cities, and wondered whether staff was looking at other options? Ms. Charumilind stated although her only experience has been with the company who supplied meters to the City of St. Louis, there will be a three month trial period prior to making a final decision.

Councilmember Carr asked if the pay stations would be connected to parking apps like Passport which make the payment process a lot easier? Ms. Charumilind stated the City is currently looking into apps, as well as other available options.

### **Capital Projects**

Ms. Charumilind directed Council's attention to the Department of Public Works and Parks' proposed projects for FY18.

- ❖ *Funding for these projects will come from the Capital Improvement Sales Tax, which generates approximately 2.4 million dollars per year; actual and anticipated Federal funding of approximately 1.6 million dollars, and the Parks and Stormwater Sales Tax, which generates approximately 1.3 to 1.4 million dollars per year.*
- ❖ *Upon completion of these projects, expenditures associated with personnel services and COP debt repayment, the remaining balance will be approximately \$200,000 for Capital Improvement Sales Tax and \$100,000 for Parks and Stormwater Sales Tax. (This surplus will be used to cover any unforeseen expenses associated with the proposed projects.)*

Mayor Welsch asked Ms. Charumilind if she would ask Sinan to advise Council whether the allocations for ADA improvements for all of the City's parks; \$175,000, and the Emerald Ash Borer challenge; \$100,000, are actually enough to complete these projects? Ms. Charumilind stated her belief is that Sinan is looking at utilizing \$700,000, over a five-year period, to complete these projects. So, based on the age of the trees, he believes it will take \$100,000 each year for the necessary treatment. Mayor Welsch stated her understanding is that while some of the trees would need treatment, there are hundreds of trees that have to be removed. So her question is whether Sinan would have the personnel needed to do that work, along with the regular maintenance needed on all of the City's trees?

Councilmember Carr asked staff if they could provide her with more details about the ADA transition? Project Manager Errol Tate stated the Federal Government has mandated that in order to continue receiving federal funds cities must have an updated ADA Transition Plan for businesses and right-of-ways, by the end of 2017. So the \$100,000 will be used to hire a consultant to assist staff with developing this plan. Councilmember Carr asked who would be funding the grant? Mr. Tate stated the grant, in the amount of \$175,000, is funded by the City BG/County. Councilmember Carr noted that she was very happy to see funding for street resurfacing, sidewalk and curb maintenance.

Councilmember Glickert asked Mr. Tate if he could provide Council with an idea of what some of the Forsyth improvements would entail? Mr. Tate stated they would include ADA upgrades and resurfacing, along with striping for pedestrians, from Big Bend to Forest Park Parkway.

Mayor Welsch asked whether upgrading of the City's parks to comply with ADA standards was included in the Transition Plan? Mr. Tate stated that it was.

Mr. Adams informed Council that staff had concluded their presentation. However, he did want to mention that the one thing Council will need to start thinking about is what they would like to see funds from the Public Safety Sales Tax used for. Staff has already been in contact with the City Attorney who will be providing Council with an opinion regarding any mandated uses associated with this new sales tax.

Mayor Welsch asked if the appropriate member of staff could provide Council with the recommended contribution for the Pension Fund, how much the City is actually contributing, and whether revenue from the Public Safety Sales Tax could be used to maintain the required contribution level? Mr. Adams stated while additional information will be provided by the City Attorney, the back of the introductory letter contained in Council's packet illustrates two scenarios for how this money could be utilized. Ms. Charumilind stated as of January 1, 2017, the actuary has recommended 1.3 million dollars as the City's contribution to the Police and Fire Pension Funds. The source of funding for these plans comes from property taxes, which at a maximum, totals \$900,000. Missouri requires that all pension plans be funded by at least 80%, and to date, the City's contributions have equaled 78 to 79%.

Councilmember Carr asked if there was any reason why the City has not increased taxes to cover the recommended amount? Ms. Charumilind stated that voter approval is required to achieve an increase in property taxes. Councilmember Carr questioned whether the City establishes a rate every year? Ms. Charumilind stated that even though a rate is set every year, according to the Hancock Amendment the City cannot increase its revenue without voter approval. The State of Missouri controls the City's calculations, so the rate has to be maintained at the same level as collected revenue. Currently, the City collects less than .18 cents. Councilmember Carr asked whether those restrictions meant that the City was always going to be in a position of having to fund these plans out of the general fund? Ms. Charumilind stated there had only been one year where Council approved that \$700,000 be taken from the general fund and added to the plans. So the strategy she has utilized to meet the actuary's recommendation is to take the \$900,000 collected from one year and \$400,000 collected from the second year and contribute them to the plan. Unfortunately, that means that during the second year the City will fall behind in making the required contribution. Councilmember Carr asked if it was correct to assume that the City has an obligation to meet the actuary's recommendation every year? Ms. Charumilind stated the City is responsible for the non-uniformed plan. However, the plan for Police and Fire only states that the plan shall be funded by property taxes.

Councilmember Carr asked whether Council would have the same opportunity as it has had in the past, which is to meet sometime in May and present any changes they would like to see made to the budget?

Mr. Adams stated staff is still working on the budget, so there may be another draft containing breakdowns for every line item presented prior to that time. But Irregardless of that, Council would be provided with an opportunity to present any amendments.

Mayor Welsch stated she has heard some talk about the Pension Board's desire to recommend going to the voters and requesting an increase in property taxes. So, as a

result, she would like to ask Mr. Adams if the Pension Board could make a presentation updating Council on the plans' status and any recommendations they might have.

Councilmember McMahon stated a short time ago when he was still a member of the Pension Board, discussions were held regarding the Board's responsibilities. A majority of the members believed it was not their job to recommend a tax increase since that decision fell under the purview of City Council, but simply to manage the funds and inform Council when there was a shortage. Therefore, upon receipt of the actuary's numbers they should look to Council and say this is the bill; how are you going to pay it? He acknowledged that the uniformed plan does state that the plan is to be funded by property taxes, as well as any increases in value that come into the fund, and any other source; which is why the City was able to make a one-time contribution from the general fund. So there is somewhat of a philosophical difference between members on the Pension Board as to whether it's their job to recommend tax increases or just provide Council with their position on the matter.

Mayor Welsch stated although she does understand the Board's concept regarding ultimate responsibility for the plan, she was simply interested in hearing their opinion on what the options might be and what they believe would be feasible for the City.

### **3. ADJOURNMENT**

Hearing no additional questions or comments, Mayor Welsch adjourned the Study Session at 6:40 p.m.

LaRette Reese  
Interim City Clerk

