

**UNIVERSITY CITY COUNCIL
STUDY SESSION**

5th Floor of City Hall
6801 Delmar
June 19, 2017
4:00 p.m.

MEETING CALLED TO ORDER

The City Council Study Session was held in Council Chambers on the fifth floor of City Hall, on Monday, June 26, 2017. Mayor Welsch called the Study Session to order at 4:04 p.m. In addition, the following members of Council were present:

Councilmember Rod Jennings
Councilmember Paulette Carr
Councilmember Steven McMahon
Councilmember Terry Crow
Councilmember Michael Glickert
Councilmember Bwayne Smotherson

Also in attendance were Interim City Manager Charles Adams, City Attorney John F. Mulligan, Finance Director Tina Charumilind, Director of Community Development Andrea Riganti, Director of Public Works and Parks Sinan Alpaslan, and Fire Chief Adam Long.

Hearing no requests to amend the Agenda, Mayor Welsch proceeded as follows:

AGENDA

(Requested by Interim City Manager, Charles Adams)

Discussion of University City's Draft FY18 budget

Mr. Adams distributed handouts to Council and asked Ms. Riganti if she would provide an explanation of the contents contained therein.

Andrea Riganti, Director of Community Development, stated at the last meeting Councilmember Crow requested that The Chamber of Commerce; herein referred to as "*The Chamber*," along with any other entity previously in receipt of EDRST funds, and seeking funding for FY18, submit a Profit and Loss Statement for Council's review. She stated that the goal was to have each organization submit this information by Friday of last week, to provide her with an opportunity to create a summary of all the information prior to the June 26th meeting. However, since this Study Session was added preemptively, Council has received a handout containing all of the individual statements as submitted to staff, rather than one condensed document. So if any clarifications are needed, Council can let Mr. Adams know and she will contact the individual agency for more details.

Mr. Adams stated that a breakdown of the expenditures and adjustments on the handout would be explained by Ms. Charumilind.

Tina Charumilind, Director of Finance, stated the expenditures and adjustments found in this handout represent changes made at the June 12th Study Session which reduced the deficit to \$425,000 and requests made prior to tonight's session, which increases the deficit to \$489,500. The handout also includes the financial information requested from various organizations who receive support from the City. Once Council makes a final determination the budget will be adjusted accordingly and presented at the June 26th Regular Session.

Councilmember Glickert asked Ms. Charumilind if there was a deadline for when Council should submit their final determination? Ms. Charumilind stated Council has from now until June the 25th.

Councilmember Carr asked Ms. Charumilind if she could provide her with additional information on the item listed as *"Implementation of Board Management Service,"* found under the General Fund? Ms. Charumilind stated while she has not had an opportunity to talk to the company, the service they provide is called Board Docs, which is one of the recommendations made by a member of Council. The implementation of this software application will help Council with the management of documents through the creation of a paperless system that allows for instant access. Councilmember Carr stated a lesson she has learned and relearned is not to vote on anything that she has not been provided sufficient details about.

Councilmember Carr asked where the adjustment for City-Wide Marketing had originated from? Mr. Adams stated several of these adjustments represent suggestions made by members of Council. So his preference would be for the respective member to explain what they are and why they were being suggested.

Councilmember Jennings stated he had suggested the use of Board Management Service based on his experience as a member of the School Board. Therefore, he thought it might be beneficial for Council to explore Board Docs, which can be used to conduct live public meetings, reduce the amount of paperwork, increase efficiency with the management of documents, and also includes a stopwatch that can be used during citizen's comments. Councilmember Jennings stated that Board Docs has an excellent team of sales representatives who can provide staff and members of Council with a tutorial CD and a full package of information.

Councilmember Carr restated her position with respect to no documentation; no decision; no vote.

Mayor Welsch stated Ms. Diekemper informed her that the Senior Board had voted unanimously to request \$7,500 in funding to provide ITN scholarships for senior residents based on their income. She noted that Council had also received a letter from Ms. Mary Hart today in reference to this request. ITN is a national non-profit that has been active in St. Charles for a number of years and is anxious to initiate a pilot in St. Louis County. They offer a 24/7 service for seniors with door-to-door escorts, and although there is a fee, it is cheaper than a taxi or Uber. Mayor Welsch stated seniors represent more than 30% of the City's population and transportation consistently comes up as the greatest need among seniors in U City and St. Louis County. Therefore, she strongly believes this is something worth investing in to see how it would work for this City's senior population.

ITN has also been conducting their own fund-raising activities, which could mean that U City might be eligible for free scholarships in the future.

Mayor Welsch stated everyone is already fully aware of her thoughts on why she believes the City should continue to support Fair U City.

Over the years, the City has provided funds to The Loop Special Business District; (LSBD), to assist them with marketing expenses associated with the Convention and Visitor's Bureau who distributes ads and brochures to numerous hotels throughout the region. So this year what she has suggested is that the LSBD and The Chamber collaborate to develop a marketing plan that enhances these previous efforts and ensures that all 800 of the City's businesses receive the same level of exposure. Mayor Welsch stated in spite of her belief that Ms. Mermelstein's salary is insufficient; she has been doing an excellent job as the Senior Services Coordinator. So in her opinion, it would be shortsighted to eliminate this position prior to discussing it with Ms. Riganti, and gaining a full understanding of what programs are in the pipeline and the impact this decision could have on the services currently being provided.

Mayor Welsch stated although she had questioned how much the City was paying U City in Bloom for their services, she had not requested the \$8,000 adjustment listed in the handout.

Councilmember Carr stated she would like to know what project was being eliminated by the \$8,000 adjustment.

With respect to marketing, Councilmember Carr stated unlike The Chamber; which is a not-for-profit, the LSBD is an independent subdivision that elected to raise their own taxes in order to conduct marketing activities. So the brochure referenced by Mayor Welsch comes out of their budget, and not the City's.

Mayor Welsch stated her belief is that the City has been paying for the production of 12,000 brochures since 2007.

Councilmember Carr stated while the Mayor's comment is fundamentally correct since taxes generated by the LSBD are paid directly to the City, technically it is their money being disbursed back to them to produce those brochures. Mayor Welsch informed Councilmember Carr that the LSBD also receives EDRST funds for marketing. Councilmember Carr noted that marketing funds for the LSBD had not been listed under EDRST funding.

Mayor Welsch asked staff whether EDRST funds were used to pay for any portion of the ads placed with the Convention and Visitor's Bureau? Ms. Riganti stated based on her understanding the marketing funds being referenced are connected to the \$50,000 recommendation made by the EDRST for The Chamber to provide City-Wide Marketing.

Councilmember Carr stated she has been talking about U City's ESM marketing budget of \$25,000.

Mayor Welsch asked Ms. Riganti if she could refresh her memory as to what, if any, EDRST funds the City pays to the LSBD for marketing? Ms. Riganti stated previous requests made by the LSBD and grant amounts have been the same; \$14,000 for brochures and \$12,500 for the CVB Guide.

Councilmember Carr stated the point she was making is that LSBDB brings in revenue to the City through the generation of sales taxes, and The Chamber does not. Ms. Riganti stated although that is correct, several years ago the EDRST Board made a decision to include non-income generating entities such as U City in Bloom, The Chamber, and the Midwest Farmers Market Association, in their funding process. Councilmember Carr stated while she understands that that may be the Board's policy, what she is saying, is that the LSBDB and the Chamber are as different as night and day. So lumping them together simply because they both represent retail businesses is in her opinion, fallacious.

Councilmember Carr stated that the funds provided to U City in Bloom are used to produce a product that everyone can see. The volunteers who plant and nurture these gardens are neighbors. And if their funding is reduced the City would either have to hire additional staff or settle for some pretty unsightly areas throughout the community. So this adjustment is simple; you either like their results and want them continued, or you don't.

Mayor Welsch stated her suggestion to combine the efforts of the LSBDB and The Chamber was based on what she believes is a need to provide marketing for the entire City, and not simply because they both represent businesses. She stated that she loves the products produced by U City in Bloom. And while she is not suggesting that their \$140,000 budget be reduced, she also believes it is important for the City to promote the numerous businesses throughout the community that are generating tax revenue.

Councilmember Crow thanked Mr. Adams for scheduling this meeting and for providing plenty of opportunities for Council, as well as citizens, to have robust discussions about the budget. He informed Tina that even though there may be more changes between now and next Monday, the information provided has definitely assisted Council with getting and staying on the right track. Councilmember Crow stated the centerpiece for his recommendations have been based on the core functions and municipal responsibilities of the City; public safety, roads and street improvements. So anytime money has been added for a new project, funds have been reduced or eliminated in other areas to offset the cost of that project. Therefore, he would encourage his colleagues to not only give considerable thought to the prioritizing the items listed on page 1 of the handout but that they also exhibit the same fiscal responsibility with respect to how they intend to offset the budget.

Councilmember Crow stated while he applauds any efforts that support this City's senior population, he would like to point out that for the first time since he's been a member of Council, \$104,000 in Block Grants was allocated to address senior housing needs.

Councilmember Crow questioned whether the recommendation to reduce the budget for U City in Bloom had been made by a member of Council? Ms. Charumilind stated that while reviewing the Profit and Loss Statement provided by U City in Bloom, staff noticed an \$8,000 item for conferences and in an attempt to reduce the deficit made the decision to present this recommendation for Council's consideration. Councilmember Crow asked whether any member of staff had talked to the members of U City in Bloom about the impact this recommendation might have on their ability to provide services? Ms. Charumilind stated that they had not.

Councilmember Crow stated he has always been amenable to providing seed money for Fair U City and the Chamber but believes it is time for both organizations to stand on their own. So he would applaud their efforts and unless they can somehow be viewed as a priority, he does not see a need for the City to continue funding them.

Councilmember McMahon thanked staff for all of their hard work and stated that if money wasn't an issue all of these decisions would be easy to make. But unfortunately, that is not the case and Council is forced to make some difficult decisions.

Councilmember McMahon stated to avoid the same scenario that appears to have been created with Fair U City and The Chamber he wants to make sure that he knows exactly what Council is being asked to do with respect to the ITN Gateway scholarships. This request has been described as start-up money, but is it a one-time request for start-up funds or will it be a yearly request?

Councilmember McMahon questioned whether the City actually contracts with The Chamber and the LSBD, or if EDRST funds are simply distributed to assist these entities with accomplishing a plan they've come up with? Because he would like to see a description of their deliverables, their success and exactly what is being funded. To date, he has not been able to find a \$50,000 City-Wide Marketing Plan, and that concerns him. Especially since it has now been suggested that the two entities work together when neither one of them have put together a plan for Council to examine and vote on. So, if he could get some input on what this process is, it would help him gain a better understanding of what he is being asked to vote on.

Mayor Welsch stated her understanding is that both organizations are talking about producing a specific product, rather than a plan.

With respect to ITN, Mayor Welsch stated that Ms. Diekemper had informed her that the \$7,500 would be used for scholarships and a designated dollar amount assessed to all of the cities involved in this venture to assist ITN with establishing an office in St. Louis County. So although her understanding is that this is a one-time request, she cannot say for certain that the Senior Commission will not come back sometime in the future and ask for more.

Ms. Riganti stated in terms of the process, once staff receives applications from the various stakeholders for the use of EDRST funds they are reviewed to determine whether they meet the criteria established for the use of these funds, which is premised on the State Statute and City Ordinances. All relevant applications are then submitted to the EDRST Board, who meets with the applicants and apprises staff of their recommendations. Staff reviews these recommendations based on the best possible neutral criteria, such as conformance with the Comprehensive Plan; the agency's ability to match the funding request, and the proposal's tangible/intangible economic development benefits to the City. Qualifying applications are ranked in their order of priority and resubmitted to the EDRST Board for consideration and development of a draft budget, which is then presented to Council for consideration. Ms. Riganti stated that all of these details are available online under the EDRST Board and Commission link.

Ms. Riganti stated although the City does not contract with an individual entity, the designated activity they wish to perform must be consistent with the criteria for issuing EDRST funds. She stated that The Chamber's original request was for \$69,000. However, staff's recommendation to the EDRST Board was that several programs either be combined or eliminated and that the amount of funding be decreased to \$50,000. So there is no physical document from The Chamber requesting \$50,000. The tangible product would be an ad and marketing campaign outlining the deliverables mentioned by Councilmember McMahon, and the plan is to develop a quarterly brochure to be distributed within (X), (Y), and (Z) markets.

Councilmember McMahon stated he had looked at the study materials and all he could discern was that The Chamber submitted to separate plans; one for marketing and the other for regional tourism, totaling approximately \$72,000; that the Board took a vote on some of the applications during their March 16th and 23rd meetings, but no mention was ever made about the two previously submitted plans or the \$50,000 Marketing Plan.

Ms. Riganti informed Councilmember McMahon that staff made the recommendation to combine the two plans into one funding pot and asked The Chamber to develop a plan based on that recommendation. So there is no physical application for the \$50,000 Marketing Plan since that amount was derived from discussions related to the budget.

Councilmember McMahon stated if this information is contained within the study materials, he had been unable to find it. Ms. Riganti stated that she would provide Council with a written explanation of the events and attach the pertinent documents.

Mayor Welsch asked Ms. Riganti if the written explanation could also include specific instructions related to where to find this information on the City's website? Ms. Riganti agreed to do so.

Councilmember Glickert requested that Ms. Riganti also provide Council with information related to The Chamber's funding request and tangible/intangible deliverables for FY17? Ms. Riganti agreed to do so.

Councilmember Jennings stated since it appears as though any additions to the budget should be accompanied by a proposed reduction, it is important to point out that these reductions not give the appearance of being punitive in nature, and that there should be room for negotiations. He stated that going forward it might be prudent to start informing those entities the City has supported in the past of Council's stance with respect to sustained funding.

Councilmember Jennings stated although it is correct that FY18 Block Grant funds were provided for seniors, many of them already own homes. But he does think the City should continue to fund the Senior Services Coordinator because he has witnessed her provide invaluable resources to seniors who have found themselves in life-altering situations. As far as ITN goes, his understanding is that this is a one-time request that will be used for scholarships and U City's contribution to the start-up fee. And what he likes about ITN is that it is a door-to-door service which could benefit many seniors who are either homebound or afraid to venture out on their own. Councilmember Jennings stated these seniors have paid their dues to U City and believes that whatever support the City can provide sends a positive message for the loyalty they've shown over the years.

Councilmember Jennings stated although he understands Council's philosophy with respect to seed money, he thinks The Chamber needs more time before they are financially stable enough to go from crawling to walking on their own. He thinks they have done a good job bringing in new businesses, and as the City delves deeper into its redevelopment plans, the marketing and support they provide to new businesses will play a vital role in the success of these ventures. Councilmember Jennings stated his belief is that if Council continues to fund this organization for a little bit longer, they will be able to realize a return on their investment.

Mayor Welsch stated she wanted to clarify that the money being requested by The Chamber is for specific marketing projects to promote and support the City's business community; not for operating expenses. She stated that The Chamber has been able to establish other sources of revenue to pay for salaries and their day-to-day obligations.

Councilmember Smotherson questioned whether the City was partnering with the County through their Block Grant Program, and if so, how much was actually being contributed? Ms. Riganti stated that to date, there has only been a public hearing to discuss the application of the Community Development Block Grant Funds, so no set amount of funding has been approved at this time. She stated that the County is a pass-through agency with respect to the Home Improvement Program. And as with any Block Grant funds, there are certain HUD policies and procedures that the County has already adopted. So in order to establish a partnership, U City provides additional funds to the program, which are then used to administer Home Improvement loans to its residents. The proposed allocation for FY18 is \$80,000, and currently, there are 70 people on the waiting list. Ms. Riganti stated that U City is proposing to develop its own emergency program by setting aside \$20,300 that can be used for emergency home repairs. But here again, it will require the City to establish a procurement process that meets HUD's guidelines for the distribution of Community Development Block Grant Funds.

Ms. Riganti stated that since the position of Senior Services Coordinator was established her Department has been able to effectively augment their coordination of services for seniors; for example, working with property maintenance staff to identify senior housing needs; share resources, and then working with these residents to help them address those needs. The necessity for this type of assistance has been fully documented in the Comprehensive Plan and other resources, but unfortunately, until the creation of the Senior Services Coordinator, her Department has been unable to fill this void. Ms. Riganti stated the City has eleven Boards and Commissions and if this position is eliminated she simply will not have the manpower to staff the Senior Service Commission.

In terms of the role and relationship between these Boards and Commissions, staff should be viewed much like a planner who is there to provide technical support and assistance with upcoming activities. Specifically, with respect to the Senior Service Commission, Ms. Mermelstein updates and maintains a resource booklet; has expanded the Home Improvement Program, which is run by volunteers, from yearly to quarterly; provided countless resources, support and assistance, and once the CDBG funds are approved, she will play a vital role in the administration of this program; a burden that will shift to either herself or Tina, if this position is eliminated. Ms. Riganti stated she believes the Senior Service Commission plays an important part in helping staff understand and stay abreast of the needs and gaps in services for its aging population, and in the future, hopes to utilize their expertise to assist in the expansion of new senior citizen communities.

Councilmember Carr stated although she might be wrong, her recollection is that these CDBG funds were recommended under the City Manager's Report, and approved by Council. Ms. Charumilind stated that a public hearing had been held to determine how the funds should be applied. Once that it decided an application for the funds is submitted to St. Louis County for review and approval. She stated that all approved funding is paid directly to the contractor by St. Louis County.

Councilmember Carr stated her review of U City in Bloom's Profit and Loss Statement revealed \$5,000 in conference-related expenses.

In her opinion, these statements merely establish how an organization spends the funds they receive from the City. And although it does not paint a clear picture of whether or not U City in Bloom is fiscally sound, it does indicate that a substantial amount of their revenue is derived from donations. So she thinks the question that needs to be asked, is what gardens will not be cared for or what services will be lost by this proposed reduction in funding? Ms. Charumilind stated she had reviewed the organization's February statement and made this recommendation in an attempt to reduce the budget deficit.

Councilmember Carr stated while she certainly understands the intent, she thinks Council must look at the services it is going to receive as a result of these allocations of funds? In the case of U City in Bloom, what gardens will or will not be cared for? And in the case of The Chamber, what degree of marketing expertise are they able to provide? She then asked Ms. Riganti whether The Chamber would have to contract with a marketing firm to develop the brochures? Ms. Riganti stated one aspect of The Chamber's mission is to promote and market U City as a great place to do business. And while the current Executive Director has extensive experience in marketing, she does not have graphic or printing capabilities. So those elements of the brochure's design will have to be contracted out. The Chamber has also established relationships with other partners that the Director works with on a regular basis in developing the overall City Marketing Plan. Councilmember Carr expressed her desire to have The Chamber develop a marketing plan exclusively for businesses, and not the City. Ms. Riganti apologized for the confusion and explained that the Marketing Plan she was referring to was for the City's businesses, which is done in collaboration with the LSBD's administrator.

Councilmember Carr asked if the City was paying roughly \$100,000 to ESM for marketing? Ms. Charumilind stated \$100,000 is the actual amount being paid.

Mayor Welsch questioned whether the \$100,000 included printing and mailing? Mr. Adams stated it included the printing and mailing of ROARS.

Councilmember Crow stated his hope is that none of the changes made to line items will be viewed as punitive, but rather, as a means of prioritizing the budget to meet the goals of the City. He stated he clearly believes that any member of Council that wants to add money back into a deficit budget has an obligation to find where that money is going to come from; especially when that request represents an ancillary versus a core function of the City's municipal responsibilities. So prior to next Monday's meeting, he would ask his colleagues to sit down with the City Manager in an attempt to prioritize their requests so that with some minor adjustments, Council can move forward with conversations that parallel the line items contained on page 2 of tonight's handout.

Mayor Welsch informed Councilmember Crow that she would send Council a copy of any adjustments she makes prior to Monday's meeting.

Councilmember Crow stated that with respect to the Chamber, all he had agreed to do was to help get them started. So he is not looking for a return on the City's investment, he simply believes it is time for them to move forward on their own. And if there is a contract between the City and The Chamber, he would love to see it.

Councilmember Crow stated one of the dominant factors impacting the budget is the amount of money that has been set aside for legal fees, which he believes is a prudent measure for the City to take.

He stated he is in full agreement with Ms. Riganti's assessment of her staff's liaison responsibilities associated with the existing Boards and Commissions. And at some point, Council may need to take a look at these entities and determine whether their charge is still necessary for a City of this size; especially when Council is being faced with the difficult task of trying to maintain a balanced budget.

Councilmember Jennings stated the elimination of Boards and Commissions is a change in government he would not be willing to support because he believes they are essential to the City's ability to garner valuable citizen input essential to its successful operation.

He stated although he obviously understands the concept of not robbing Peter to pay Paul, he does believe that in the case of the Senior Services Coordinator's position Council needs to bite the bullet and continue to fund this employee who plays a major role in the City's ability to address the urgent needs of its seniors.

Councilmember Crow stated the only point he is trying to make is that simply adding money to an already deficit budget makes no sense.

Mayor Welsch stated she was not aware that the Senior Commission's recommendation for \$7,500 had not made it to Mr. Adams in time to be included in the budget. So her assumption was that she was asking for funds that had already been allocated. She stated that she also wanted to stress the point that the funds requested by The Chamber were not for operating expenses. And her hope is that Council will fund this project and assist the Board with carrying-out their objective to initiate a process that organizes and supports other commercial corridors within the City.

ADJOURNMENT

Hearing no additional questions or comments, Mayor Welsch adjourned the Study Session at 5:04 p.m.

Larette Reese
Interim City Clerk

