

Resolution 2019 - 3

A RESOLUTION OF THE COUNCIL OF THE CITY OF UNIVERSITY CITY, MISSOURI, URGING THE ST. LOUIS COUNTY COUNCIL AND ST. LOUIS CITY BOARD OF ALDERMEN TO OPPOSE ANY AND ALL LEGISLATION AUTHORIZING A STATEWIDE VOTE REGARDING OR MANDATING A CHANGE IN THE GOVERNMENT STRUCTURE OF ST. LOUIS CITY AND ST. LOUIS COUNTY AND THE MUNICIPALITIES THEREIN.

WHEREAS, certain legislators and other individuals seek to impose significant and potentially damaging changes to the governmental structure of St. Louis City and St. Louis County, including the municipalities in the County; and

WHEREAS, such persons may seek a statewide vote on a constitutional amendment, or some form of legislative mandate, to accomplish their mandate and dilute the votes of or totally bypass the voters of the City and County; and

WHEREAS, the Missouri Constitution outlines a process for the residents of the City and County to vote on their governmental structure through the establishment of a Board of Freeholders by petition or appointment by the County Executive, Mayor of St. Louis and Governor of Missouri, and

WHEREAS, the officials of the member municipalities of the Municipal League of Metro St. Louis believe that all discussions and votes on any plans to change their local government structure should be held only by residents of the City and County; and

WHEREAS, the St. Louis County Council, which governs the largest County in the state of Missouri with nearly one million residents and the Board of Aldermen of the City of St. Louis should have a major voice in all discussions of regional governance; and

WHEREAS, the governing bodies of all municipalities in St. Louis County should also have significant involvement in any such discussions to advance the best interests of their residents;

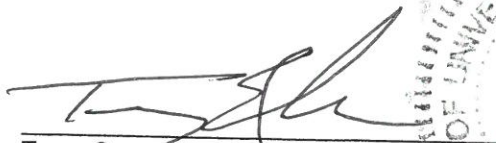
NOW, THEREFORE, BE IT RESOLVED that the Council of the City of University City, Missouri hereby opposes any statewide vote or legislative mandate on governmental reorganization regarding the City of St. Louis County and the municipalities there; and

BE IT FURTHER RESOLVED that the Council of the City of University City, Missouri urges the St. Louis County Council, and the St. Louis Board of Aldermen, on behalf of their respective residents, to pass a similar resolution opposing a statewide vote or legislative mandate; and

BE IT FURTHER RESOLVED that the Council of the City of University City, Missouri recommends local discussions and local votes on any reorganization or consolidation plan that may be developed through such discussions.

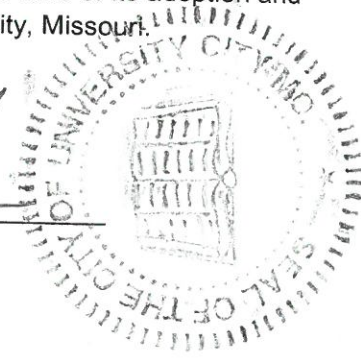
SECTION 1. This Resolution shall be in full force and effect from and after the date of its adoption and approval and shall remain in effect until amended or repealed by the City of University City, Missouri.

ADOPTED THIS 25TH day of February, 2019.


Terry Crow, Mayor

Attest:


LaRette Reese, City Clerk





City of University City

6801 Delmar Boulevard, University City, Missouri 63130, Phone: (314) 505-8544, Fax: (314) 863-0921

February 8, 2019

Honorable Nicole Galloway
State Auditor
State Capital Building
Jefferson City, Missouri 65101

RE: Fiscal Note Regarding Constitutional Amendment to Article VI (2020-039)
City of University City, Missouri

Dear Ms. Galloway:

It's my understanding; the State Auditor's Office is required to submit a Fiscal note and Fiscal Note Summary under Section 116.332, RSMO on all initiative petitions. Please accept the following suggestions for inclusion in the fiscal note as to how this proposal will impact local government in the St. Louis Region. The below example is for the City of University City.

Summary

The proposal as presented strips all municipalities in St. Louis County of sales tax revenues, and any revenues associated with courts, police, business licensing and regulations, and roads. While the proposal also removes from "Municipal Districts" responsibility and costs for courts, police, business regulations including zoning and permits, the end result will be a substantial deficit for the remaining municipal district that will require either dissolution or substantial increases in real estate or utility taxes.

In the case of University City, the net result of changes proposed in the Constitutional Amendment is a deficit for the surviving University City Municipal District of nearly \$4.8 million per year. The University City Municipal District would have no funds for capital improvements, such as maintaining our City Hall, Community Center, and capital equipment or projects. University City also operates a Municipal Fire Department, and there would be no funds available for replacing our fire trucks and other costly fire department equipment.

While some reduction in service levels and expense would likely be appropriate, the end result would be requirement to substantially increase local taxes on the property owners in the surviving University City Municipal District. There are three options: (1) increase the real estate and property tax; (2) increase the gross receipts tax on utilities, which are passed thru to the underlying customers; or (3) an increase in fees charged by the City for trash services, parks and recreation fees, and fire inspections.

Adjusted 2019 University City Budget showing the impact of the Better Together proposal:

	General Fund	Capital Improvement	Park & Stormwater	Public Safety	Sewer Lateral	Economic Development Sales tax	Loop Business District
2019 Budget							
Revenues	22,802,800	2,402,000	1,301,000	1,700,000	576,000	703,400	75,000
Expenses	(23,744,300)	(3,197,800)	(1,413,400)	(1,799,300)	(576,000)	(494,400)	(142,300)
Transfers In(Out)	1,058,000	(400,000)	-	(300,000)	-	(133,000)	75,000
Surplus (Deficit)	116,500	(1,195,800)	(112,400)	(399,300)	-	76,000	7,700
Post Better Together							
Revenues	11,753,300	2,000	1,000	-	500	1,000	75,000
Expenses	(10,773,600)	(1,549,800)	(1,413,400)	(1,666,300)	-	(494,400)	(142,300)
Transfers In(Out)	225,000	-	-	-	-	-	75,000
Surplus (Deficit)	1,204,700	(1,547,800)	(1,412,400)	(1,666,300)	500	(493,400)	7,700

	Parkview Garden Special District	Grant	Internal Service Fund	Solid Waste	Public Parking Garage	Golf Course
2019 Budget						
Revenues	95,300	1,077,700	1,559,900	3,122,500	161,200	725,000
Expenses	(94,800)	(1,077,700)	(1,534,000)	(3,263,600)	(158,500)	(715,800)
Transfers In(Out)	-	-	-	(75,000)	-	(150,000)
Surplus (Deficit)	500	-	25,900	(216,100)	2,700	(140,800)
Post Better Together						
Revenues	95,300	-	1,557,900	3,122,500	161,200	725,000
Expenses	(94,800)	(525,000)	(1,534,000)	(3,263,600)	(158,500)	(715,800)
Transfers In(Out)	-	-	-	(75,000)	-	(150,000)
Surplus (Deficit)	500	(525,000)	23,900	(216,100)	2,700	(140,800)

Footnotes:

1. The "General Fund" comprises the bulk of University City's operations, traditionally including police, fire, planning and development, public works, parks and recreation, facilities maintenance, municipal court, and administration services.
2. The above chart is an assumption restatement of what the University City 2019 Annual Budget would look like assuming the Better Together proposal was in effect on July 1, 2019.
3. The only revenue in the Capital Improvement, Park & Stormwater, and Economic Development Sales Tax Fund would be interest income on the current balance of that fund. The Better Together proposal would require deficit spending in the Capital Improvement Fund, Park & Stormwater Fund, and Economic Development Fund until their fund balance is exhausted, thereby eliminating any interest income and effectively terminating the fund.

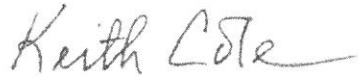
The University City Municipal District could help offset the operational deficit created by the Better Together petition IF the City were to take all of its authorized taxes for real estate, personal property and gross receipts to their statutory maximums:

Revenue Source Available	Statutory Maximum	Added Revenue Potential
Real Estate Tax	\$ 1.00	1,431,954
Personal Property Tax	\$ 1.00	137,440
Gross Receipts Tax on Utilities	10.00%	718,811

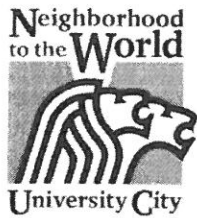
Major assumptions used in this analysis were used from the City's 2019 budget as a baseline.

If you have further questions, please feel free to contact me at 314-505-8542 or by email at kcole@ucitymo.org.

Sincerely,



Keith Cole
Acting Director of Finance
City of University City, Missouri



Council Agenda Item Cover

MEETING DATE: February 25, 2019

AGENDA ITEM TITLE: A Resolution opposing any and all legislation authorizing a statewide vote regarding or mandating a change in the government structure of St. Louis city and St. Louis County and the municipalities

AGENDA SECTION: New Business

CAN THIS ITEM BE RESCHEDULED? Yes

BACKGROUND REVIEW:

This resolution is presented to the Mayor and Council in response to the Better Together initiative. The process being used by Better Together is in conflict with your 2018 State Legislative Platform; as it uses a statewide vote to change local government structures. The 2018 State Legislative Platform opposes legislation that reduces City's local authority.

RECOMMENDATION: The City Manager recommends approval.

ATTACHMENT:

1. Resolution
2. Fiscal Note Regarding Constitutional Amendment to Article VI (2020-039) City of University City, Missouri