

**STUDY SESSION
OF THE UNIVERSITY CITY COUNCIL**

5th Floor of City Hall

6801 Delmar

March 25, 2019

AGENDA

Requested by the City Manager

1. MEETING CALLED TO ORDER

The City Council Study Session was held in Council Chambers on the fifth floor of City Hall, on Monday, March 25, 2019. Mayor Pro Tem Paulette Carr called the Study Session to order at 5:30 p.m.

In addition to the Mayor Pro Tem, the following members of Council were present:

Councilmember Steven McMahon
Councilmember Paulette Carr
Councilmember Jeffrey Hales; (*Excused*)
Councilmember Tim Cusick
Councilmember Stacy Clay
Councilmember Bwayne Smotherson

Also in attendance was City Manager, Gregory Rose; City Attorney, John F. Mulligan Jr., and Dr. Terry Jones, Professor Emeritus of Political Science & Public Policy and administration, UMSL

2. CHANGES TO REGULAR COUNCIL AGENDA

Mr. Rose requested that the Parking Study; Item J-3 be removed from the Consent Agenda and placed under the City's Manager's Report as K-2.

3. Better Together Presentation

Mr. Rose stated before Council tonight is a presentation on the Better Together Plan by Dr. Terry Jones, a Professor at UMSL and Co-Director of the Best Leadership St. Louis Class in 2000.

Dr. Jones noted that Councilmember Clay and the former Mayor, Joe Adams were both graduates of the Leadership Program. And he has been a citizen of U City for thirty-two years, which he is proud of because he thinks it is the best city within the Metropolitan area.

Dr. Jones stated when you tinker with or dramatically change the governmental structure in a metropolitan area you need to address an emerging reality and embedded value. The emerging reality is that we have become a metropolitan nation. A century ago about 70 percent of Americans lived on farms or in small towns; we were an agrarian nation. In what for human beings is a relatively short period of time, by the mid to late 20th Century, 80 percent of us were living in metropolitan and urbanized areas; and St. Louis was a part of that change. That meant we ended up being in a healthy, tense competition to have a high-quality of life as we compete with other metropolitan areas. So we need to be thinking about that competition as we make public policies within the St. Louis Metropolitan area.

The embedded value is localism; the fact that in the U.S. we are primarily, Jeffersonian Democrats. We believe in local governments that are close to the people, and that are accessible and responsive. So this debate should not be about regionalism versus localism, it should be about the appropriate balance between regionalism and localism. Now if you apply that to the St. Louis Metropolitan area and you look at us in comparison to other metropolitan areas in the U.S., it's no surprise that we think of ourselves as a shining example of localism; the ability to provide citizens with a wide variety of types of local governments in which they would like to live. What's not so well recognized is that we also have a reputation for being a very regional metropolitan area. The reason we often don't think of ourselves that way, and sometimes are not labeled that way, is because we have not done regionalism through large scale governmental consolidation. That's only one way to do regionalism. Regionalism is really a dimension going all the way from having one government for the entire area, to doing some things on a regional basis and building an institution to do that and continue to do things at the local level for other services. That's what we've done. We, along with Pittsburgh and Denver are a model in the U.S. focusing on one regional problem at a time. That started with the Metropolitan Sewer District in 1954, the Zoo/Museum District, the Regional Arts Commission, the Convention and Visitor's Bureau, Great Rivers Greenway, and a list of others that would be about forty items long. Putting it another way, about every year or two in St. Louis since the mid-1950s we have been doing one more thing in a more regional way than we had been doing it. And many would argue; and certainly, he would, that that's the sensible way to go about it. You're not trying to bite off more than you can digest. You're not taking risks by going from one style of government and then going to another that is totally different.

The Better Together Plan received a great deal of applause when it was rolled out in late January, but a lot of people said then; and appropriately, let's look at those details because as the cliché goes, the devil is in the details. Dr. Jones stated he has three areas of concern about the Better Together Plan but does want to make it clear that he is not arguing for the status quo as we see it now versus the Better Together Plan. What he is arguing for is that there is a need to do something regionally, so let's look at that particular issue and see what we can do. That's the way we have been doing it, and we've been very good at it. For example:

- The combination of our public health departments
- An overarching regional economic development agency
- A single airport authority

Democratic Norms

The first issue, and the one that has not necessarily received as much attention as the second issue; the state-wide vote for what is essentially a local issue, is the way in which the plan goes about ruining, or even ending, Charter Governments.

The citizens of U City, approximately twenty other cities in St. Louis County, citizens under the County government and the City of St. Louis, all have Charters. They are all home-rule entities. That means they have a Constitution. And how was that Constitution developed? In every case, it was citizen-driven and citizen approved. The citizens considered whether or not they wanted to have a Charter, they elected citizens to draft a plan, they decided whether they liked the plan, and if they did, they voted the plan in. That's how we changed our State Constitution in the 1940s, and if we were to do it again, we would have a state-wide vote to consider doing it.

We would elect delegates to a Constitutional Convention, we would give them time to come up with that Constitution, it would then go back on the ballot and we would vote to either approve or disapprove the change.

The new Metropolitan City will have a Charter, but who would draft that Charter? First of all, many of the things you would find in a Charter, like where the executive authority is going to lie; how many members of the legislature there would be; what their terms would be; when elections would be held, all of those things are in the amendment. But for a lot of the other matters; various kinds of authority and the separation or range of that authority, the amendment designates that as of January 1, 2021, it shall be written by two people, the County Executive and the Mayor of the City of St. Louis, as opposed to a citizen's commission. Who is going to approve or disapprove that Charter? Well, the new Legislature. The Metropolitan Council which shall be elected in November of 2022 has that power, and unless two-thirds of them object, whatever is written by these two people, shall become the Charter. It never goes to a vote of the people.

Well, what if the people want to change it? Well, if what we are seeking to change is a part of the Charter contained in the Constitutional Amendment, we will need another state-wide Constitutional Amendment to change it because it has already become a part of the State Constitution. If it's a part of the Charter that the County Executive and the Mayor drafted, it would require a Charter Amendment. But a two-thirds vote is required to approve a Charter Amendment. Dr. Jones stated the point he wants to emphasize is being locked in. If it turns out that Better Together's plan is a mistake, undoing that mistake is going to take a considerable amount of time and it is going to require supermajorities at the State level, the City and the County, in order to do that.

The state-wide vote is yet another example of how undemocratic this plan is in terms of the State as a whole saying what's going to happen in the County and the City. The possibility of a situation where the state-wide vote is positive, and the vote by citizens of St. Louis County and the City of St. Louis being negative, is fairly high. Should that happen, we are going to find ourselves in a chaotic period in the first part of the next decade trying to figure out what this all means; this government that somebody else has voted that we should have. Eliminating municipal governments? That's a part of American democracy; the ability to form your own government. The power of the citizens to incorporate within the larger now St. Louis City and County vanishes. Indianapolis did not do that. Louisville did not do that. Nashville did not do that, and it has not been done in the other major mergers that have occurred in recent times.

Then there's the matter of what happens to our cities. Yes, the names will hang around and in order to fool the people they will still have a Mayor and City Council, but they won't have much authority. But the City of St. Louis won't vote for anybody. It will become a St. Louis Municipal Corporation with a five-person Board of Directors appointed by the Metro Mayor. That's not Democratic, that's autocratic. Dr. Jones stated he previously talked about the difficulty to undo this, and some might say well, there is a part of the Constitution right now; the Board of Freeholders' Provision, Article 6, Section 30, that would allow us to form another Board of Freeholders after this passes to undo it. No. If you look at the amendment it eliminates that provision so that a path for the citizens of the future to change their government will not be available.

Financial Viability

Dr. Jones stated he and two of his colleagues, Jim Brasfield from Webster University, and Mark Trammell from UMSL, with the advice and input from a variety of governmental experts at the practitioner level, are working on an analysis of the finances that will be available within the next week, but he would like to point out a couple of things that are already pretty obviously deficit.

First, the plan claims it could accumulate up to \$5 billion dollars worth of savings. Well, how did they come up with that \$5 billion dollars? They cut government by a considerable margin; a 3 percent cut each year from 2023 to 2032; almost one-third over that period. And they claim there will be enough cost-savings to ensure that they will not have to cut services.

Dr. Jones stated he doesn't need to tell a city council or a state legislature that that does not and cannot happen. And if you ask what has happened in terms of cost-savings with previous mergers in other parts of the country; Louisville, the savings after a few years was 1 percent, and then that went away. The same story happened in Indianapolis and Nashville. There has never been a consolidation that has achieved major cost-savings. But the fact that they are relying on those cost-savings to not have any reductions in services before they see whether or not that assumption is valid, they reduce taxes by \$250 million dollars a year. The earnings tax, which is approximately \$200 million dollars, will be completely cut-out by 2032, and they've reduced the County's property tax for County purposes, by 50 percent in 2023. And that tax in the City and the County yields approximately \$50 million dollars a year. To cut taxes before you know whether those cost-savings are going to be large enough to continue to support your services is not solid financial planning. For government, as well as the private business sector, it's a mistake to rely too much on any one revenue source or stream because you always run a risk when all of your eggs are in that one basket. This plan makes sales tax a significant item of reliance. According to the plan's financial projections and pro forma budget, about 53 percent of the Metro City budget would be supported by sales tax.

The Process

You weren't at the table. He wasn't at the table. And as one of the twenty national specialists in this field, his feelings were not hurt because the other nineteen specialists were not at that table either. They didn't want specialists. Municipalities offered to be at the table; scholars said we could be at the table if you'd like us to be. But their attitude was, no thanks, we don't need you. There were no public meetings. And at the meetings they did have, nobody said, *"What do you think about this way of doing the Charter? What do you think about eliminating the earnings tax?"* Those issues were never raised. The only question was, *"Are you in favor of more regionalism?"* *"Yeah, that sounds like a good idea."* Well, then that's what we'll do. After that, the plan was rolled out by late morning, and the Petition was filed with the Secretary of State by 3:30 that afternoon.

In February they said we're going to make some changes, and they did. They drove down to Jefferson City, filed the changes late Friday afternoon, and by Monday morning it was set. And you've all probably read in the paper this morning that they are going to make additional changes, which they filed with the Secretary of State about two hours ago. Without ever asking any of us, or saying, well, we are going to make this change, what about some others? Democratic deliberations about how we should govern ourselves should be done by the people, not by an unelected organization that is not responsible to the people.

And when you hear the Town Hall meetings, participate in the discussions and you ask who is representing Better Together, it's four members of their staff. You never see the people who wrote this; unless it was those four members. The five-member Task Force has not appeared in any public forum and they are not defending it. So to have a plan put forward by a group that is unwilling to come to public sessions, talk to the public, defend their plan or even change it, is very, very disappointing.

You might say that this has not been a neutral analysis, and it isn't. But this is the depth of the violation of Democratic norms that are occurring through this process. And what's even sadder, is the fact that this is not going to do what it is intended to do, which is to make a more human, equitable, and competitive metropolitan area.

Mayor Pro Tem Carr asked Dr. Jones for his thoughts on a couple of her observations. While it appears as though the Task Force members have disappeared, she has seen two attorneys that have represented the changes, Dave Leipholtz and Chris Peper. So the impression she got was that perhaps, their staff was responsible for the writing. It also seems as though they are intransigent about answering questions; specifically with regards to the Police Study that they've used. They acknowledge that the data was taken in 2014 and that things have changed significantly, yet, they are still not open to discussing those changes and how that might affect the development of their plan.

Dr. Jones stated he knows Dave Leipholtz who he met him through this process. And with the exception of Chris Peper, he knows all of their staff members. They work for this organization and he has no problem with that, but everybody is speculating about who is behind the curtain. But whoever it is, does not come outside of that curtain, so, it's very frustrating. The bottom line is that the plan is issued under the emblem of Better Together and therefore, that is the organization responsible for it.

Councilmember Clay thanked Dr. Jones for his presentation. He stated he is aware there have been some conversations about inviting representatives of Better Together to participate in a discussion like this and wondered if Mr. Rose had any updates on the status of those discussions? Mr. Rose stated based on the amount of time allocated for these sessions it did not seem appropriate to invite Dr. Jones and Better Together at the same time. But if they make a request to participate or if Council desires to reach out to them again, he is certainly willing to do that. Councilmember Clay stated while Council can talk more in-depth later, he would like to invite Better Together to U City because he thinks it is important to hear from them directly and have the opportunity to ask them questions.

He stated Council passed a Resolution that took issue with the process that Better Together is undertaking. But personally, he supports the idea of regionalism and thinks there are some macro-level issues, i.e., the need for two public health departments, and some micro quality of life issues as well, that could potentially be addressed through a more regional approach. For example, the policing in some of the City's neighboring communities particularly to the north. So he thinks there is a regional solution and the approach that Dr. Jones articulated; kind of taking it one problem at a time might be a great start. And there might be even more connective consolidation that takes place as well.

Mayor Pro Tem Carr stated in the February amendment Better Together made two changes.

And even though they said it was just technicalities, the first was to nail down the position for the County Executive because it had been left as only sickness, death, and retirement. The second was where they actually went after the sales taxes, saying the sales taxes that were operative before the election would remain so. But her thoughts were what if the people decided they no longer wanted a sales tax and they could vote to say they didn't want them anymore? And now it seems like they have nailed that down too, as if to say you can't take that step back.

Dr. Jones stated in his opinion, there are all sorts of issues that need to be, or will almost automatically be litigated if this passes. For example, his reading of the document would say if you had a dedicated tax for one of the services that you are allowed to provide; and parks and recreation is one of those services, you could keep that dedicated sales tax. But he would also agree that you could read that differently because, from his interpretation of the statute, it is not an open and shut case. His interpretation on sales taxes for other things say economic development is that unless they are pledged as part of a sum debt payment or another liability, they will go to Metro City.

Dr. Jones stated the reality of the proposal is that Metro City is going to be a very powerful entity if this passes and the Metro Mayor of Metro City will be one of the most powerful local executives in the United States; in terms of their formal powers.

Councilmember Cusick questioned whether citizens would lose their constitutional right to vote on the Charter if the proposal goes through and it is written by the Mayor of St. Louis and the County Executive, regardless of whether it is approved by a two-thirds majority of the new governing board? Dr. Jones stated citizens will lose that right as a passage of the amendment in November of 2020.

Councilmember Cusick asked Dr. Jones if he would discuss his thoughts about the petitions going around to form a Board of Freeholders.

Dr. Jones stated a Board of Freeholders; which is now more appropriately called a Board of Electors, would give St. Louis City and County residents, through a transparent process that is open to the public and by means of the people that are selected by the public as their representatives, an opportunity to debate whether or not they want to make some changes in their governmental structure. So if enough signatures are collected for the initiative; 15,000 in the County, and 5,000 in the City, upon approval by a majority of the County Council, the County Executive will appoint nine people to the Board of Freeholders, the Mayor will implement the same process, and then the Governor appoints the nineteenth member. That Board will have up to one year to produce a plan. So we can have a nice healthy debate about whether public health should be combined; whether we should have minimum standards for municipalities, and whether or not we want a city reentry into St. Louis County. That would be a wonderful forum in which to do all or some of those things.

4. Adjournment

Mayor Pro Tem Carr adjourned the Study Session at 6:03 p.m.

LaRette Reese
City Clerk