

**STUDY SESSION**  
**FY23 Annual Operating Budget and CIP**  
CITY HALL, Fifth Floor  
6801 Delmar Blvd.  
University City, Missouri 63130  
**Monday, June 20, 2022**  
**5:30 p.m.**

**AGENDA**

**1. MEETING CALLED TO ORDER**

At the Study Session of the City Council of University City held on Monday, June 20, 2022, Mayor Terry Crow called the meeting to order at 5:30 p.m.

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

Councilmember Stacy Clay; (*excused*)  
Councilmember Aleta Klein  
Councilmember Steven McMahan  
Councilmember Jeffrey Hales  
Councilmember Tim Cusick  
Councilmember Bwayne Smotherson

Also in attendance were City Manager, Gregory Rose; Attorney, John F. Mulligan, Jr.; Director of Finance, Keith Cole, Deputy City Manager, Brooke Smith; Assistant City Manager, Dawn Beasley; Human Resources Director Amy Williams; Parks, Recreation and Forestry Director, and Acting Public Works Director, Darren Dunkle; Police Chief, Larry Hampton; Captain Fredrick Lemons, and Fire Chief Bill Hinson

**2. CHANGES TO THE REGULAR AGENDA**

No changes were requested.

**3. FY23 ANNUAL OPERATING BUDGET AND CIP**

Mr. Rose stated University City is a 34-million-dollar organization and is perhaps, different from most municipal organizations people experience. It has a diverse revenue stream that provides a group of services, ranging from police, fire, EMS, trash collection, and street repairs performed by approximately 300 Union and non-Union employees.

Tonight, the intent is to present highlights of the Proposed Annual Operating Budget for FY23 and the Proposed Capital Improvement Program for FY2023 through 2027. The Work-Plan for FY22/23 has been provided to Council and should be used as a reference to gain a better understanding of the projects included within the Annual Operating Budget.

**Priorities**

- Economic Development
- Public Safety
- Encourage High-Quality Growth
- Prudent Fiscal Management
- Improved Infrastructure
- Community Quality of Life Amenities
- Employees

Brooke Smith

Deputy City Manager

**Responsibilities:** Oversight of Economic Development and Project development

Dawn Beasley

Assistant City Manager

**Responsibilities:** Oversight of Communications, Information Technology, Print Center, Facilities, and Loop Safety Project with apartment owners/managers

## Resident Property Tax Bill Where does it all go?

Description	Rate/\$100	% of Tax Bill
State of Missouri	0.0300	0.4%
St. Louis County	0.4180	5.6%
Community College	0.2787	3.7%
Special School District	1.0158	13.6%
Metro Zoo Museum District	0.2455	3.3%
University City School District	4.3049	57.6%
<b>City of University City</b>	<b>0.5840</b>	<b>7.8%</b>
University City Library	0.3500	4.7%
Miscellaneous	0.2441	3.3%
Total	<u>\$ 7.4710</u>	<u>100.0%</u>

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## Resident Property Tax Bill

Example: House Market Value - \$200,000

Assessed Value \$38,000 (19% of Market Value)

Tax Bill = 38,000 x 7.4710 / 100 = \$2,839

Description	Amount	% of Tax Bill
State of Missouri	\$ 11	0.4%
St. Louis County	159	5.6%
Community College	105	3.7%
Special School District	386	13.6%
Metro Zoo Museum District	94	3.3%
University City School District	1,635	57.6%
<b>City of University City</b>	<b>221</b>	<b>7.8%</b>
University City Library	133	4.7%
Miscellaneous	94	3.3%
Total	<u>\$ 2,839</u>	<u>100.0%</u>

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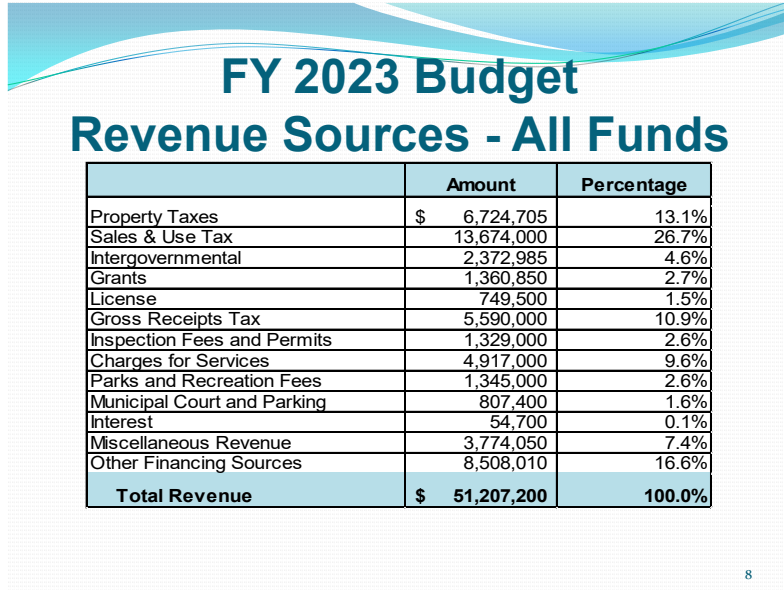
### Major Highlights FY2023

- Assumes the Same Property Tax Rate as FY22
- Provides a 2% COLA increase
- Creates a Debt Service Fund; utilized to cover the costs associated with renovations of Annex and Trinity Building
- Increases Street Maintenance Spending
- Strengthens Code Enforcement Operations
- Strengthens the Focus on Economic Development
- Maintains a General Fund, Fund Balance Higher than Mandatory Minimums
- Strengthens Communications

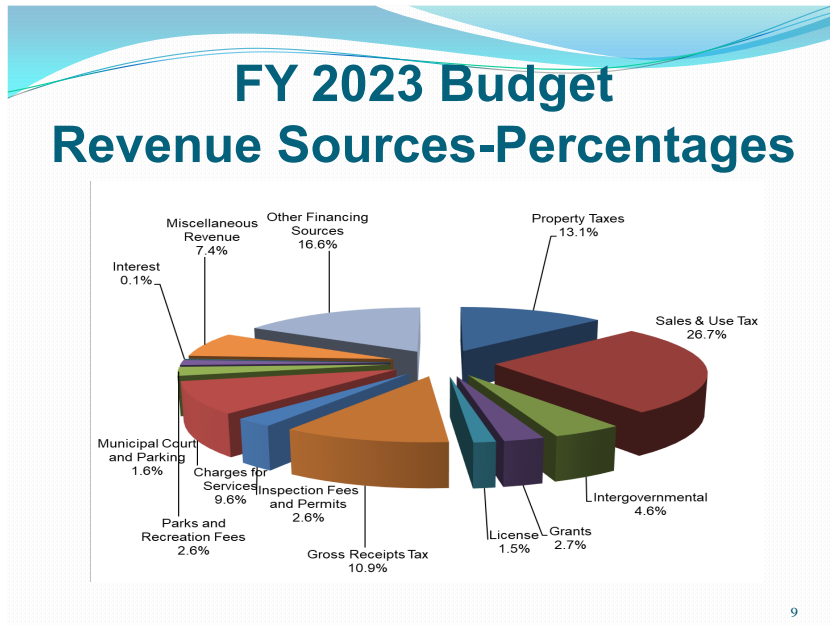
**All Funds Summary (Government Funds)**

Total Revenues: \$38,128,470  
 Total Expenditures: \$39,352,790  
**Ending Fund Balance: \$16,607,766**

✚ This balance will continue to fluctuate based on capital projects, and as the City's revenues and expenditures change.



- Miscellaneous Revenue: Detailed list of revenue; (primarily transfers), included in the spreadsheet provided to Council
- Other Funding Sources: Transfers into the General Fund detailed in the spreadsheet

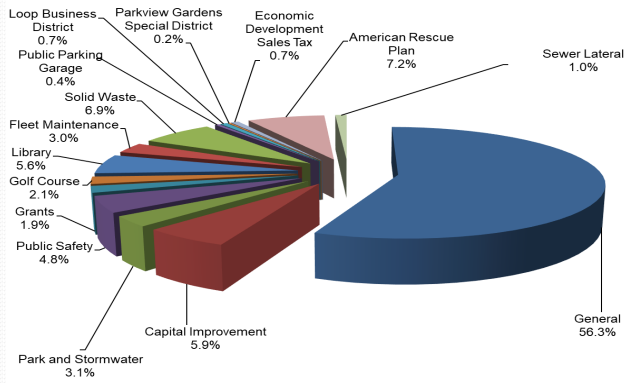


# FY 2023 Budget Expenditures - All Funds

	Amount	Percentage
General	\$ 29,689,750	56.3%
Capital Improvement	3,115,010	5.9%
Park and Stormwater	1,624,200	3.1%
Public Safety	2,510,730	4.8%
Grants	1,024,000	1.9%
Golf Course	1,130,850	2.1%
Library	2,950,840	5.6%
Fleet Maintenance	1,591,070	3.0%
Solid Waste	3,650,925	6.9%
Public Parking Garage	227,395	0.4%
Loop Business District	349,850	0.7%
Parkview Gardens Special District	92,800	0.2%
Economic Development Sales Tax	394,760	0.7%
American Rescue Plan	3,800,000	7.2%
Sewer Lateral	551,690	1.0%
<b>Total Expenditures</b>	<b>\$ 52,703,870</b>	<b>100.0%</b>

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# FY 2023 Budget Expenditures-Percentages



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## FY2023 General Fund Highlights

- Adds 1 Code Compliance Officer Position
  - Reduces the patrol areas now being covered by the two officers focused on code and environmental violations
- Adds 1 Communications Manager
  - Enhances the City's goal of keeping residents informed through various activities and developing a stronger working relationship with its private subdivisions
- Adds 1 Police IT Employee
  - Dedicated to the management of sensitive data and assisting with various projects
- Establishes Separate Dispatch for Fire
  - Reduces the burden on current dispatchers and increases accuracy
- Allocate \$200,000 towards Debt Service for Renovation Projects; the Annex and Trinity Building.
  - A total of \$900,000 is being proposed; \$200,000 from the General Fund, \$300,000 from the Capital Fund, and \$400,000 from the Public Safety Fund

- Reinstates H.R. Generalist Position
- Funds Federal Government Affairs Contract
  - Assists the City with its federal lobbying efforts; specifically, stormwater projects that reduce flooding
  - Additional discussions will be needed in the future on stormwater management
- Establishes 38 Percent Reserve Fund Balance

Comparisons to the Proposed 38% Reserve Fund Balance:

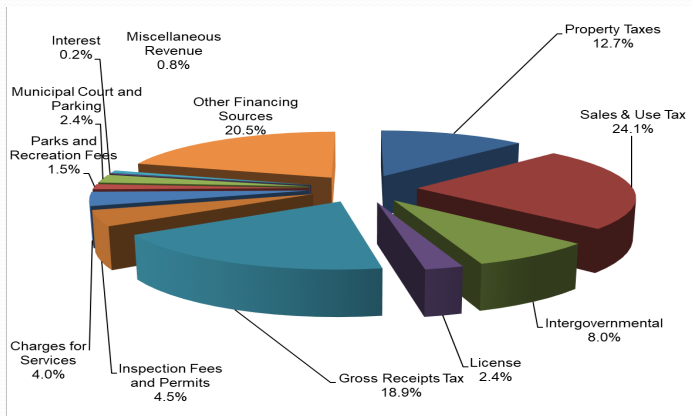
2019	34%	2020	37%
2021	22%	2022	36%

✚ *Even without the additional cash influxes created by the ARPA and CARES Funds, U City will remain in a position to supplement its revenue until the economy has fully recovered.*

## FY 2023 General Fund Revenue Sources

	Amount	Percentage
Property Taxes	\$ 3,748,350	12.7%
Sales & Use Tax	7,102,000	24.1%
Intergovernmental	2,350,000	8.0%
License	719,500	2.4%
Gross Receipts Tax	5,590,000	18.9%
Inspection Fees and Permits	1,329,000	4.5%
Charges for Services	1,186,000	4.0%
Parks and Recreation Fees	445,000	1.5%
Municipal Court and Parking	700,400	2.4%
Interest	50,000	0.2%
Miscellaneous Revenue	238,000	0.8%
Other Financing Sources	6,047,670	20.5%
<b>Total Revenue</b>	<b>\$ 29,505,920</b>	<b>100.0%</b>

## FY 2023 General Fund Revenue Sources-Percentages



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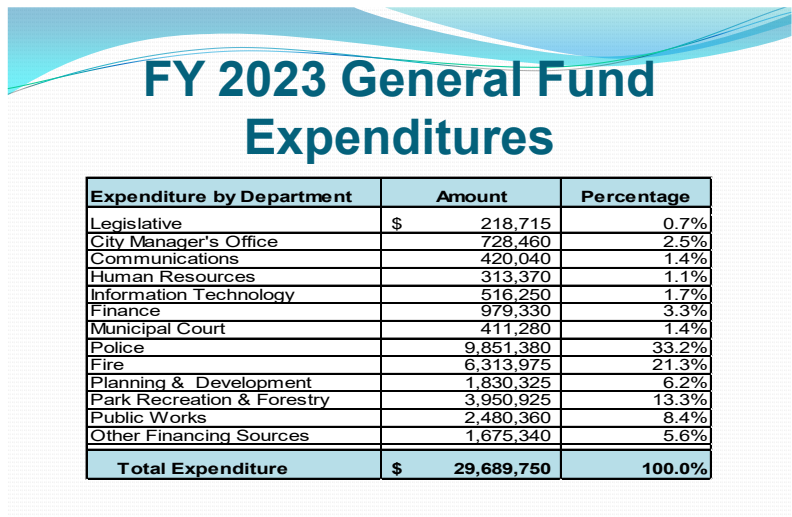
**FY2023 General Fund (Transfers In)**

Public Safety Fund	\$1,125,300
Parks & Stormwater	\$353,280
Golf Course	\$73,220
Parking Garage	\$128,220
Sewer Lateral	\$57,220
Capital Fund	\$624,000
American Rescue Plan	\$3,500,000
Solid Waste	\$106,430
Economic Dev Retail Sales Tax	\$40,000
<b>Total Transfers-In</b>	<b>\$6,007,670</b>

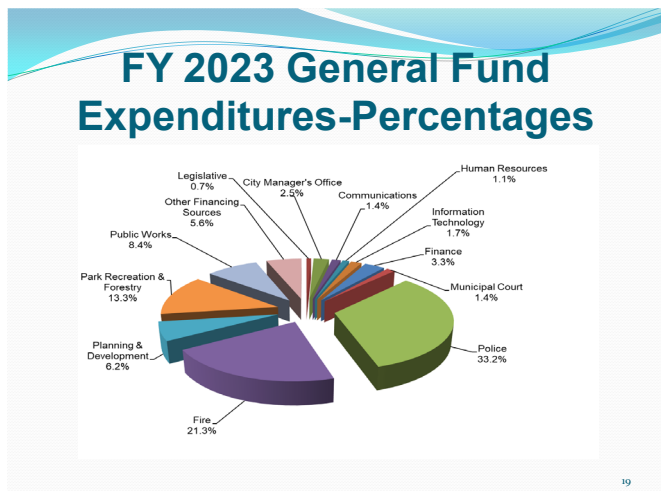
The City received less than 10 million dollars from the American Rescue Plan, which means that for reporting purposes, the only requirements are acknowledging receipt of the funds and a general explanation of what the funds will be used for. The bulk of these funds will be used for revenue recovery and to pay competitive wages and benefits to employees.

**FY2023 General Fund (Transfers Out)**

Debt Service Fund	\$200,000
Fleet Internal Service Fund	<u>\$1,475,340</u>
<b>Total Transfers-Out</b>	<b>\$1,675,340</b>



The bulk of services provided to residents are funded out of the General Fund.



## **General Fund Summary**

Total Revenues:	\$29,505,920
Total Expenditures:	\$29,689,750
<b>Ending Fund Balance:</b>	<b>\$11,305,170</b>

## **Department Highlights**

### **City Manager's Office**

- Establishes Communications Manager Position
- Funds ROARS and City Calendar

### **Finance Department**

- Provides Funding for Budget/Financial Analyst Position
  - Funded in the FY2022 budget
- Provides Funding for Annual Audit

### **Municipal Court**

- Maintains Current Service Levels

### **Police Department**

- Adds IT Employee
- Funds Gun Shot Detection, Surveillance Equipment, and Cameras
- Funds Vehicle Equipment Replacement Parts

### **Fire Department**

- Maintains Current Staffing Levels
- Establish a Separate Dispatch

### **Public Works**

- Funds Renovation of Annex & Trinity Buildings
- Funds 1 million Street Maintenance Program
- Funds \$500,000 for Curb and Sidewalk Maintenance Program
  - A portion of the funds for the Street Maintenance and Curb/Sidewalk Programs will come from the ARPA and Capital Improvements Funds
- Absorbs Recycling Costs
- Proposes Funding for a Street Sweeper Replacement
- Allocates Funding for new Bridge Maintenance as recommended by the Stormwater Commission

Additional discussions will be needed to address the status of the City's Solid Waste Collection and a potential rate increase. Mr. Rose stated his recommendation will be to update the Solid Waste Study performed several years ago because newer equipment is needed, and the City has absorbed much of those expenses.

### **Planning & Development**

- Adds 1 Compliance Officer
- Proposes Funding for Demolition Program

### **Parks, Recreation & Forestry**

- Eliminates 1 Park Crew Leader Position
  - For the past two years, the City has been unable to find someone with the skill level needed to fill this position. The funds from this position will be transferred to maintenance and some of the responsibilities under this position will be contracted out.
- Proposes Funding for Refuse Truck Replacement; used to collect park refuse
  - Funding is also being proposed to replace a truck
- Proposes Funding for Tree Pruning

- Proposes Funding for Heman Park Ball field Lighting
- Proposes Funding for Tree Replacement
- Proposes Funding for Hazardous Tree Removal
- Summer Camp Partnership with U City School District (UCSD)

Mr. Rose stated upon his arrival he conducted several discussions with staff to determine what was being achieved by the Summer Camp Program. He determined that while it undercut the price of private-sector daycare facilities, that's really all it was; a daycare. And even though it did not have to be licensed by the state, it simply was not adding a lot of value to the children who participated. This program was discontinued as a result of COVID, and no funds were allocated for its operation in the FY22 or FY23 budgets. The City also does not have the staffing needed to operate this program.

Mr. Rose stated after taking a look at what the School District was doing in their Summer Camp Program; which focuses on tutoring, he will be recommending that the City look at partnering with the District to create a program that enhances what the District is doing through the use of the City's recreational facilities.

**Summary of Other Funds**

**Public Safety Sales Tax Fund**

Total Revenues:	\$2,001,000
Total Expenditures:	\$2,510,730
<b>Ending Fund Balance:</b>	<b>\$ 652,270</b>

**Capital Improvement Fund**

Total Revenues:	\$2,501,200
Total Expenditures:	\$3,115,010
<b>Ending Fund Balance:</b>	<b>\$ 649,802</b>

**Park & Stormwater Fund**

Total Revenues:	\$1,321,000
Total Expenditures:	\$1,624,200
<b>Ending Fund Balance:</b>	<b>\$1,260,453</b>

As the River Des Peres Project advances the City will need to come up with its share of the funding for this project. Therefore, he is proposing that the City either allow the Park & Stormwater Fund balance to continue its growth or establish a debt service to cover the City's share.

**Economic Development Retail Sales Tax Fund (EDRST)**

Total Revenues:	\$ 752,700
Total Expenditures:	\$ 394,760
<b>Ending Fund Balance:</b>	<b>\$2,270,332</b>

✚ *EDRST Funds are being used to cover the relocation costs for commercial property owners who would like to remain in U City.*

**Olive I-170 TIF RPA 2 Fund**

Total Revenues:	\$ 0
Total Expenditures:	\$ 0
<b>Ending Fund Balance:</b>	<b>\$2,988,000</b>

✚ *RPA 2 Funds are being used to cover the relocation costs for residential property owners.*

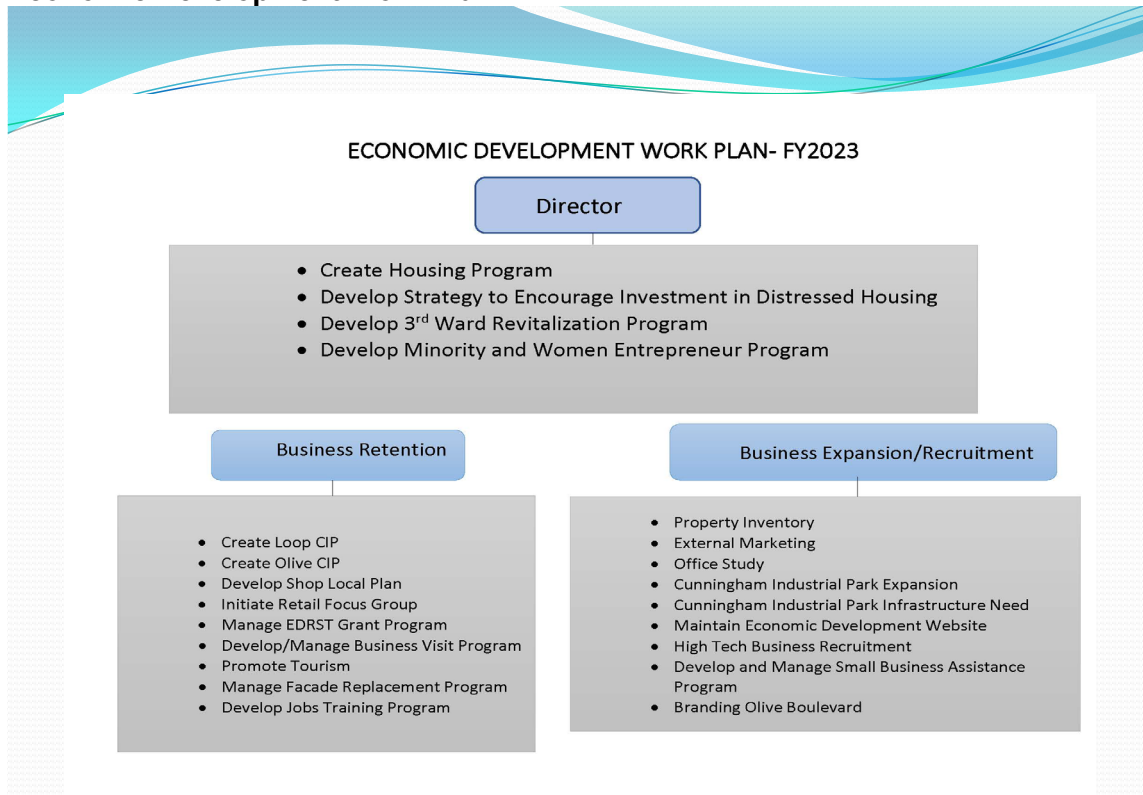
**American Rescue Plan Fund**

Total Revenues:	\$ 3,400,000
Total Expenditures:	\$ 3,800,000
<b>Ending Fund Balance:</b>	<b>\$ 350,000</b>



- ✚ A portion of this balance will be held in the Reserve Fund to help cover the costs of repairs needed to the elevator at City Hall.

## Economic Development Work-Plan



Last year Council adopted the Economic Development Strategy. And in order to advance this strategy, a human infrastructure; as suggested in the Economic Development Work-Plan, must be established.

- Brooke Smith is being proposed as the Director of this program with the responsibilities of economic development, the creation of a City-Wide Housing Program, the 3rd Ward Revitalization Program, and the development of a Minority and Women's Entrepreneur Program.
- The Work-Plan also proposes the creation of two additional positions which will be tied into this economic development strategy, Business Retention, and Business Expansion/Recruitment.

### Budget Amendments

- Propose Adding 2 Economic Development Analysts
- Propose Eliminating 1 Park Crew Leader Position and Transferring Salary to Park Maint. Contracts
- Propose Adding 0.5 Part-Time Position for Olive St. Trash Pickup and necessary equipment

### On The Horizon

- Summer Camp Program
- Pandemic Not Over/Inflation 8.6%
  - There is a need to make sure the City is in a financial position to weather this storm as it executes its 2% COLA and 5% merit increases.
- Funding Construction/Renovation of Annex and Trinity Building; estimated to start in October
- Solid Waste Rate Increase
- Storm Water Management

Mr. Rose stated he would like to address some of the questions he received from Council:

**Q. Why is there a projected decrease in revenue for Centennial Commons?**

A. *Staff was overly optimistic about when this facility's pre-COVID activities would resume. So, the revenue was decreased to reflect what is now believed to be a more realistic number of active memberships and participants for this fiscal year.*

**Q. Why are two assistants needed in the City Manager's office?**

A. *A detailed explanation of the roles and responsibilities of these positions has been outlined in the Organizational Structure*

**Q. Could you provide more information about the part-time position being proposed for Olive Boulevard?**

A. *The proposal for this position, the two economic specialist positions, the costs associated with these two positions, and the Economic Development Work-Plan, were all submitted to the EDRST Board for review. No costs were provided for the part-time position or the equipment necessary to perform this work. The Board recommended approval of the proposals, with the understanding that staff would be required to present this request for funding to the Board every year.*

Mr. Rose stated there were several questions about the organizational structure that he would like to discuss with the Mayor independently. However, he would ask Council to keep in mind that the City is not operating with an ideal structure. As the Mayor pointed out, there are roughly eleven people who now report to him, when ideally there should only be about five, with assistants that provide oversight to a department.

Mayor Crow stated in the event there is not enough time to answer everyone's questions, he would be happy to provide some additional time during the Regular Session when the Resolution is brought forward.

Councilmember Hales posed the following questions:

**Q. With so many different moving parts this fiscal year, did you take a conservative approach to establish the baseline revenue projection?**

A. *(Mr. Rose): The worst thing you can do is overestimate your revenues. Staff was uncertain of when Costco and some of the other stores would be coming online so they took a very conservative approach. The expectation is that the City will exceed the sales tax revenues budgeted, but in any event, the belief is that they are solid numbers based on the economy as it exists today.*

**Q. In theory, what will the separate dispatch for Fire look like?**

A. *(Chief Hinson): The City's 800-megahertz system is antiquated and upgrading it to meet the national standards would cost as much or more than outsourcing. Central Dispatch is the statewide Command Center specifically trained for fire and EMS, which also has an immediate Mutual Aid response. Their completely automated system tells them which Mutual Aid trucks are available and they are dispatched simultaneously with U City. The big difference is that when his dispatchers take a call they have to manually ask who is available; which can be an extended process. So, a lot of times the department is unable to meet its ISO requirement to have people on the scene by a specific time.*

Councilmember Cusick posed the following questions to Chief Hinson:

**Q. Will this new system require additional equipment?**

A. *Central Dispatch will install all new fiber optics and display panels with mapping in every truck, phone, computer, and engine house. Calls will be displayed on the board and employees will be able to read the information as it is being dispatched. Command officers will be able to see every truck that is coming to the scene and give them their assignments before they arrive.*

**Q. But will the City be responsible for covering the cost of this new equipment?**

A. *No. The cost is included in the contract.*

**Q. Where will this dispatch center be located?**

A. It's the County's Central Dispatch Agency, a separate agency that handles dispatching for all of its fire and EMS departments.

**Q. So, will the City be outsourcing its dispatching to this agency?**

A. Yes. The goal is to increase response times, stay within the ISO ratings, and decrease the backlog for police officers.

**Q. How will the Police Department be notified?**

A. The dispatchers at Central are monitoring the calls and can notify the police. Two dispatchers take each call and as one is talking, the other is listening and putting out the call for service.

Mayor Crow posed the following questions to Chief Hinson:

**Q. Where is this new equipment coming from?**

A. From the County Central Dispatch Agency.

**Q. What is the cost of this contract vs. what the City is currently paying for this service?**

A. St. Louis County has allocated money out of their ARPA funds to install new equipment in every engine house, but no funding was provided for dispatch centers. So, it would cost roughly \$86,000 to put in the 800-megahertz system, \$500,000 for the software program, \$140,000 a year for the renewal fee, and \$65,000 a year for storage. By their estimates, the cost of upgrading would be almost the same as outsourcing to the Dispatch Center.

Mayor Crow stated if this is something staff believes would be revenue-neutral while continuing to keep its residents safe, that's good. But at some point in time, Council should be provided with the exact numbers so that they can make an educated decision.

Chief Hinson informed Mayor Crow that he would provide all of the numbers to Council.

Councilmember Cusick posed the following questions to Mr. Rose:

**Q. Page 10 of the handout states that the Golf Course's expenditures are approximately 1.1 million dollars. So, can you explain the transfer-in of \$73,000 to the Golf Course listed on page 16?**

A. The Golf Course has two payments it makes to the General Fund; one for a loan from the General Fund, and the other for its overhead costs, like recruitment, legal issues, etc. All of those costs are reimbursed to the General Fund. The other expenditures are related to its employees and day-to-day operations.

**Q. So, is the Golf Course operating in the black?**

A. Yeah, it actually has a healthy balance. Although sales taxes still subsidize this operation, its ability to operate in the black is because of Park and Stormwater Funds.

**Q. Do you know how much it would be in the red without those subsidies?**

A. We would have to run the numbers and provide that information to you later.

**Q. Are there any foreseeable plans that would enable the Golf Course to operate in the black on its own?**

A. Historically, municipal golf courses are a money pit. And one of the challenges is the market's competition, even with the recent increase in fees. So perhaps, we can continue to look at the fee structure and get it close to not having to use Park and Stormwater funds to offset the costs. But I'm not sure you will ever get it to the point of being fully in the black on its own.

**Q. When you talk about the 1 million dollars for the street maintenance program on page 27 of your handout is that in addition to the funds that have already been set aside?**

A. That's what the capital budget will be for street maintenance and improvements; like overlays, curbs, gutters, pothole repairs, etc.

**4. ADJOURNMENT**

Mayor Crow thanked Mr. Rose for his presentation and adjourned the Study Session at 6:30 p.m.

LaRette Reese,  
City Clerk, MRCC

